

RESOURCE BANK

Directors

Richard F. Knight, Chairman *G. Chris Keller, Jr., Vice Chairman*
David A. Briggs, Jr. *Michael B. Burris*
Dennis E. Crowe *Katherine M. Gibert*
Chandler Craig, Jr. *David D. Lindsey*
Maura W. Donahue *James E. Walther, III, Emeritus*

Executive Officers

G. Chris Keller, Jr., Chief Executive Officer
Chandler Craig, Jr., President
David D. Lindsey, Executive Vice President, Chief Financial Officer
Pat Campbell, Executive Vice President, Chief Lending Officer
Doug M. Ferrer, Executive Vice President, Chief Credit Officer
Curt W. Keay, Executive Vice President, Chief Administrative Officer

Proudly located in St. Tammany & Washington Parishes

Bogalusa Office: 402 Avenue B
Covington Offices: 70533 Highway 21
 5100 Village Walk, Ste. 102
Franklinton Office: 950 10th Avenue
Mandeville Offices: 2190 N. Causeway Blvd., Ste. 100
 68177 Hwy. 59
 1695 W. Causeway Appr.
Slidell Office: 2283 Gause Blvd. East



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2010 Financial Report

4th Quarter



5100 Village Walk, Ste 102
Covington, LA 70433



December 31, 2010

Dear Shareholder:

We are pleased to report that your Bank continues to perform in a very positive manner. At year end deposits were \$322,049,942, an increase of 13.28% over last year. Loans at year end were \$319,634,872, up 4.6%. Total assets were \$379,680,603, up 3.50%. Bankshares' earnings were our best ever, at \$3,649,555, an increase of 30.76% over 2009, resulting in an increase of \$2.52 per share, fully diluted, in the book value of your stock. Total bank only capital is now \$38,688,527, or 10.19%, well above the average of institutions in our market.

As the New Year begins, we see significant opportunity for your Company. Competitive conditions continue to change and the economy in our market now appears to be improving. We are ready for the challenge and will make the most of it for you, our shareholders. We are working closely with existing customers and reaching out at every opportunity to gain new customers and market share. The time is right and your team is prepared to make the most of it.

While we use carefully prepared market studies and published data in our planning, the best sources for new growth are our present customers and you, our shareholders. As you see or hear of opportunities for us to be of service to potential new customers, please let us know. We will respond promptly and let you know the results. Together, we make an unbeatable team.

Thank you, and a Happy and Prosperous New Year!

Richard F. Knight
Chairman of the Board

G. Chris Keller
CEO

P.S. We continue to receive the Bauer Financial rating of "Five Star" for Superior Performance and Strength

RESOURCE BANKSHARES, INC.

STATEMENT OF FINANCIAL CONDITION (in thousands)

ASSETS

Cash & due from banks	\$3,979	\$7,157
Interest bearing deposits in other banks	94	86
Fed Funds Sold	7,830	8,223
Investment & Equity in Resource Trust I & II	217	217
Investment securities available-for-sale	31,345	26,621
Other stocks, at cost	2,028	3,091
Loans, less allowances for loan losses (2010 Allowance for loan losses \$ 2,517,141) (2009 Allowance for loan losses \$ 2,412,492)	319,635	305,577
Bank premises & equipment, net of accumulated depreciation	8,828	9,200
Deferred Tax receivable	24	-
Accrued interest receivable	1,272	1,223
Other Assets	1,362	2,053
Other real estate owned	3,067	2,324

TOTAL ASSETS

LIABILITIES

Deposits

Demand deposit accounts	\$50,900	\$48,558
NOW accounts	111,897	87,788
Money market accounts	55,616	46,753
Saving accounts	9,495	9,036
Certificates of Deposits \$100,000 & over	56,712	55,667
Other Certificates of Deposit	37,430	36,502

Total Deposits

Accrued expenses and other liabilities	807	747
Deferred Tax Payable	-	53
Accrued Interest Payable	291	333
Fed funds purchased	-	-
Interest Payable on Debentures	25	25
Trust Preferred Securities Payable I	3,093	3,093
Trust Preferred Securities Payable II	4,124	4,124
Other borrowed funds	17,000	44,000

Total Liabilities

STOCKHOLDERS' EQUITY

Common Stock; \$ 1.00 par value; 2,000,000 shares authorized; 1,276,942 and 1,261,621 shares issued and outstanding at December 31, 2010 and 2009, respectively As of December 31, 2010, 1,282,144 issued; however with 5,202 shares are held in Treasury Stock.	1,282	1,267
Preferred Stock; \$ 1.00 par value; 100,000 shares authorized; no shares issued or outstanding	-	-
Less: Notes Receivable for purchase of common stock	(528)	-
Capital surplus	15,246	15,074
Treasury Stock	(182)	(182)
Retained Earnings	12,784	9,993
Earnings year to date (* Bank Only \$3,798,726 year to date)	3,650	2,791
Net unrealized holding gains (Losses) on securities	39	150

Total Equity Capital

TOTAL LIABILITIES AND STOCKHOLDERS EQUITY

Stockholder's Equity (Book value per share-undiluted)

Stockholder's Equity (Book value per share diluted)

Quarterly Return on Average Assets (ROA) (*Bank Only as of 12/31/10)	0.96%	1.01%
Quarterly Efficiency Ratio (*Bank Only as of 12/31/10)	67.05%	65.96%
End of Year Return on Average Assets (ROA) (Bank Only as of 12/31/10)	1.00%	0.80%
End of Year Efficiency Ratio (Bank Only as of 12/31/10)	67.57%	68.42%

	Holding Company Consolidated 12/31/2010 (unaudited)	Holding Company Consolidated 12/31/2009 (unaudited)
TOTAL ASSETS	\$379,681	365,772
LIABILITIES		
Deposits		
Total Deposits	322,050	284,304
Total Liabilities	347,390	336,679
STOCKHOLDERS' EQUITY		
Total Equity Capital	32,291	29,093
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$379,681	\$365,772
Stockholder's Equity (Book value per share-undiluted)	25.70	23.06
Stockholder's Equity (Book value per share diluted)	25.25	22.73
Quarterly Return on Average Assets (ROA) (*Bank Only as of 12/31/10)	0.96%	1.01%
Quarterly Efficiency Ratio (*Bank Only as of 12/31/10)	67.05%	65.96%
End of Year Return on Average Assets (ROA) (Bank Only as of 12/31/10)	1.00%	0.80%
End of Year Efficiency Ratio (Bank Only as of 12/31/10)	67.57%	68.42%