



December 31, 2013

Dear Shareholder:

During the celebration of our Company's fifteenth anniversary, we surpassed our projected performance levels closing out 2013 with new all-time highs in Total Assets of \$509,298,000 (up 7.44%), Deposits (up 7.47%), Loans (up 6.04%), Capital (up 10.55%) and Earnings (up 15.59%). As a result, we achieved year-end earnings of \$5,190,000, after taxes and Trust Preferred debt service, and a Book Value per share, fully diluted of \$33.79 (up 9.12%). Considering all of the above, your Board of Directors is pleased to announce the declaration of a dividend of twenty five cents per share, payable on March 31, 2014, to Shareholders of record as of February 28, 2014.

Resource Bank strives to offer customers the latest in bank technology, such as remote deposit capability, online banking, cell phone deposits and personal financial management. In addition, we prioritize delivering the highest level of service to our valued customers which has resulted in increased transactional activity throughout our company. To support this growth, we are now in the process of building our new Operations Center on Ochsner Blvd. in Covington and we look forward to moving into our new facility toward the end of the third quarter of 2014.

We continue to identify new products and new opportunities for expansion in our present market areas and to identify possible new areas that would support a true community bank and, as always, we welcome your thoughts and suggestions. Be assured that your Resource Bank Team is committed to the ongoing pursuit of creating value for our shareholders.

Yours truly,

Richard F. Knight
Chairman of the Board

G. Chris Keller
CEO

RESOURCE BANKSHARES, INC.

STATEMENT OF FINANCIAL CONDITION (in thousands)

	Holding Company Consolidated 12/31/2013 (unaudited)	Holding Company Consolidated 12/31/2012 (unaudited)
ASSETS		
Cash & due from banks	\$15,846	15,846
Interest bearing deposits in other banks	108	108
Fed Funds Sold	32,819	28,786
Investment & Equity in Resource Trust I & II	217	217
Investment securities: Available-for-sale, at fair value	49,800	40,681
Other stocks, at cost	1,505	1,445
Loans, less allowance for loan losses (2013 allowance for loan losses \$3,036,525) (2012 allowance for loan losses \$2,909,437)	394,560	372,088
Bank premises & equipment, net of accumulated depreciation	11,530	10,360
Deferred Tax receivable	267	85
Accrued interest receivable	(1,411)	1,406
Prepaid Interest	-	-
Other Assets	418	384
Other real estate owned	1,092	2,641
TOTAL ASSETS	\$509,298	\$474,047
CURRENT LIABILITIES		
Deposits		
Demand deposit accounts	\$90,195	\$75,121
NOW accounts	171,311	178,855
Money market accounts	92,510	69,217
Saving accounts	16,643	13,208
Certificates of Deposit \$100,000 & over	42,769	40,530
Other certificates of deposit	27,478	33,326
Total Deposits	\$440,906	\$410,257
Accrued expenses and other liabilities	840	1,628
Deferred Tax Payable	-	-
Accrued Interest Payable	112	130
Interest Payable on Debentures	24	24
Trust Preferred Securities Payable I	3,093	3,093
Trust Preferred Securities Payable II	4,124	4,124
Other borrowed funds	14,000	13,000
Total Liabilities	\$463,099	\$432,256
STOCKHOLDERS' EQUITY		
Common Stock; \$ 1.00 par value; 2,000,000 shares authorized; 1,343,126 and 1,331,688 shares issued and outstanding at December 31, 2013 and December 31, 2012, respectively. As of December 31, 2013, 1,347,023 issued; however 3,897 shares are in Treasury Stock	1,347	1,337
Preferred Stock; \$ 1.00 par value; 100,000 shares authorized; no shares issued or outstanding	(826)	(826)
Less: Stock Subscription Receivable	(826)	(826)
Capital surplus	16,186	15,966
Treasury Stock	(136)	(182)
Retained Earnings	24,458	20,402
Earning year to date (*Bank Only \$ 5,233,471 year to date)	5,190	4,490
Net unrealized holding gains (losses) on securities	(20)	504
Total Equity Capital	46,199	41,791
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$509,298	\$474,047
Stockholder's Equity (Book value per share-undiluted)	\$34.40	\$31.38
Stockholder's Equity (Book value per share diluted)	\$33.79	\$30.97
Quarterly Return on Average Assets (ROA) (Bank Only as of 12/31/13)	0.94%	1.03%
Quarterly Efficiency Ratio (Bank Only as of 12/31/13)	63.40%	62.93%
End of year Return on Average Assets (ROA) (*Bank Only as of 12/31/13)	1.07%	1.02%
End of year Efficiency Ratio (*Bank Only as of 12/31/13)	63.40%	65.24%