

Directors

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

RESOURCE BANK

Executive Officers

G. Chris Keller, Jr., Chief Executive Officer Chandler Craig, Jr., President

Pat Campbell, Executive Vice President, Chief Lending Officer
Doug M. Ferrer, Executive Vice President, Chief Credit Officer
Julie C. Cervantes, CPA, Executive Vice President, Chief Financial Officer
Lynn Kennedy, Executive Vice President, Chief Operations Officer

Branch Locations

Bogalusa Office:

402 Avenue B

CBD Office:

412 Magazine Street

Covington Offices:

70533 Highway 21

0 00

5100 Village Walk, Suite 102

Franklinton Office:

950 10th Avenue

Metairie Office:

321 Veterans Memorial Blvd., Suite 101

Mandeville Offices:

68177 Highway 59

1695 W. Causeway Approach

Slidell Office:

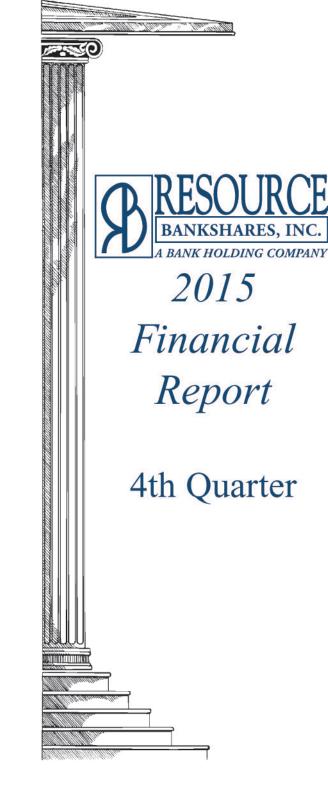
2283 Gause Blvd. East



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RETURN SERVICE REQUESTED







December 31, 2015

Dear Shareholder:

We are pleased to share with you that we closed out 2015 with our highest monthly Return on Assets for December of 1.31% resulting in a year to date ROA ratio of 1.13% and a remarkable Efficiency Ratio of 62.74%. During the year we paid off the remainder of our Trust Preferred Debt in the amount of \$4,124,000 and also paid down \$14,000,000 of our FHLB Advances on our line of credit.

As of December 31, 2015, our Total Loans were up 4.6% to \$473,709,000, which consisted of only 0.15% classified as Non-Performing, and Past Due Loans averaged only 0.30% for the year. The effect of paying off the Trust Preferred Debt and paying down our line of credit was lesser growth in Total Assets and Total Deposits, which increased 0.89% and 1.55%, respectively. However, the annual After Tax Earnings were \$6,370,000, resulting in a 29.41% increase in Stockholders' Equity. Your Book Value per share, fully diluted, increased 12.68% to \$42.16.

In our quest to expand into new markets, we have signed an agreement to purchase a lot in Baton Rouge. Additionally, we are diligently searching for the right location for our next branch on the South shore. We welcome your input regarding preferable locations for future expansion.

Thank you for your support in 2015. We are looking forward to new growth and further opportunities to come in 2016.

Thank you,

Richard F. Knight Chairman of the Board G. Chris Keller CEO

RESOURCE BANKSHARES, INC. Holding Holding
Company Consolidated Company Consolidated
12/31/2015 Holding
Tompany Consolidated
12/31/2014 STATEMENT OF FINANCIAL CONDITION (in thousands) ASSETS (unaudited) (unaudited) Cash & due from banks \$7.358 \$6,176 Interest bearing deposits in other banks 175 Fed funds sold 23,763 29,549 Investment & equity in Resource Trust I & II 124 Investment securities: Available-for-sale, at fair value 35,699 46,820 Other stocks, at cost 2,381 2,319 Loans, less allowance for loan losses 473,709 452,870 (12/31/15 Allowance for loan losses \$ 3,427,044) (12/31/14 Allowance for loan losses \$ 3,324,101) Bank premises & equipment, net of accumulated depreciation 16,234 16.537 Deferred tax receivable Accrued interest receivable 1.478 1,470 Other assets 751 464 1,449 Other real estate owned 1,296 TOTAL ASSETS \$562,844 \$557,896 LIABILITIES Deposits Demand deposit accounts \$112,634 \$107,184 193,960 208.867 NOW accounts Money market accounts 78,515 76,147 18.275 Saving accounts 19,646 Certificates of deposits \$100,000 & over 35,125 41,515 Other certificates of deposit 24,709 24,293 474,046 466,824 **Total Deposits** Accrued expenses and other liabilities 825 560 Deferred tax payable 390 132 Accrued interest payable 93 102 Interest payable on debentures Trust preferred securities payable I Trust preferred securities payable II 4,124 Other borrowed funds 20,000 34,000 **Total Liabilities** 495,354 505,745 STOCKHOLDERS' EOUITY Common stock; \$1.00 par value; 2,000,000 shares authorized; 1,564,380 and 1,364,892 shares issued 1,564 1,365 and outstanding at December 31, 2015 and December 31, 2014, respectively. As of December 31, 2015, 1,564,380 issued; with 0 shares held in Treasury stock Preferred stock; \$0.00 par value; 100,000 shares authorized; no shares issued or outstanding Stock subscription receivable (807)(826)Capital surplus 26,189 16,669 Treasury stock Retained earnings 33,903 28,975 Earnings year to date (*Bank only \$6,486,665 year to date) 6,370 5,660 Net unrealized gains (losses) on securities held 271 308 52,151 **Total Stockholders' Equity** 67,490 \$562,844 \$557,896 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY Book Value per Share-Undiluted \$43.14 \$38.21 Book Value per Share-Diluted \$42.16 \$37.41 0.97% Quarterly Return on Average Assets (ROA) (*Bank only as December 31) 1.18% Quarterly Efficiency Ratio (*Bank Only as of December 31) 60.17% 64.56% End of Year Return on Average Assets (ROA)(*Bank only as December 31) 1.13% 1.03% End of Year Efficiency Ratio (*Bank only as December 31) 64.78% 62.74% Required notes, statement of cash flows and statement of changes in retained earnings are not included.