

## RESOURCE BANK

### Directors

*Richard F. Knight, Chairman*      *G. Chris Keller, Jr., Vice Chairman*  
*David A. Briggs, Jr.*                      *Michael B. Burris*  
*Dennis E. Crowe*                      *Katherine McCloskey*  
*Chandler Craig, Jr.*                      *David D. Lindsey*  
*Maura W. Donahue*                      *Leeke L. Magee, Emeritus*  
*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. Kony, Executive Vice President, Chief Administrative Officer*

**Proudly located in St. Tammany & Washington Parishes**

**Bogalusa Office:**                      402 Avenue B

**Covington Offices:**                      70533 Highway 21  
*(Main Office & Private Banking)*  
  
5100 Village Walk, Ste. 102  
*(Branch & Operations Center)*

**Franklinton Office:**                      950 10th Avenue

**Mandeville Offices:**                      2190 N. Causeway Blvd., Ste. 100  
*(Express Bank)*  
  
68177 Hwy. 59  
*(Express Bank)*  
  
1695 W. Causeway Appr.  
*(Branch & Commercial Lending)*

**Slidell Office:**                      2283 Gause Blvd. East

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MANDEVILLE, LA



A BANK HOLDING COMPANY  
5100 Village Walk, Ste 102  
Covington, LA 70433



# 2009 Financial Report

## 4th Quarter



Dear Shareholder:

Albert Einstein tells us that "in the middle of difficulty, lies opportunity". That is how your Resource Team has responded to the myriad of challenges created by the economy. By understanding our customers' businesses, working closely with them and carefully managing our own operating costs, we have ended the year with far better than average earnings and a strong balance sheet. This was recently recognized by Bauer Financial, a national bank rating group, when it awarded Resource Bank a Five Star Rating; the only Northshore based bank to receive this, their top rating.

Total Assets of your Company at year end were \$365,772,363 an increase of 4.04% over the same period last year. Total loans were \$305,576,970 up 2.08%. As you can see, our rates of growth have been moderated somewhat by current economic conditions. Fortunately, with the current trend toward increased liquidity and savings by the public, our deposits ended the year at \$284,304,330 an increase of 5.12%. Earnings, after taxes and Trust Preferred debt service were \$2,790,998 an increase of 20.76% over 2008. As a result, our capital grew to \$29,093,400, an increase of 11.35%, which translates into an increase of \$2.02 per share in book value.

We continue to maintain our strong market share on the Northshore. As the economy improves, our goal is to further increase that share. You can help by referring your friends, relatives and business associates to bank with "Your Bank for Our Community".

Contrary to what you read and hear in the national media about the banking industry, we are actively seeking new business on both the loan and deposit sides of the Bank. When we can be of service, please let us hear from you.

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 12/31/2009 (unaudited)	Holding Company Consolidated 12/31/2008 (unaudited)
<b>ASSETS</b>		
Cash & due from banks	\$7,157	\$7,803
Interest bearing deposits in other banks	86	83
Fed Funds Sold	8,223	329
Investment & Equity in Resource Trust I & II	217	217
Investment securities available-for-sale	26,621	27,952
Other stocks, at cost	3,091	2,785
Loans, less allowances for loan losses (2009 Allowance for loan losses \$ 2,412,492) (2008 Allowance for loan losses \$ 2,264,790)	305,577	299,340
Bank premises & equipment, net of accumulated depreciation	9,200	9,706
Deferred Tax Asset	-	-
Accrued interest receivable	1,223	1,268
Other Assets	2,053	240
Other real estate owned	2,324	1,852
<b>TOTAL ASSETS</b>	<b>\$365,772</b>	<b>\$351,575</b>
<b>LIABILITIES</b>		
<b>Deposits</b>		
Demand deposit accounts	\$48,558	\$43,983
NOW accounts	87,788	66,970
Money market accounts	46,753	51,077
Saving accounts	9,036	8,686
Time Deposits \$100,000 & over	55,667	63,730
Other Time Deposits	36,502	36,017
<b>Total Deposits</b>	<b>284,304</b>	<b>270,463</b>
Accrued expenses and other liabilities	747	1,516
Deferred Tax Payable	53	12
Accrued Interest Payable	333	519
Fed funds purchased	-	-
Interest Payable on Debentures	25	45
Trust Preferred Securities Payable I	3,093	3,093
Trust Preferred Securities Payable II	4,124	4,124
Other borrowed funds	44,000	45,675
<b>Total Liabilities</b>	<b>336,679</b>	<b>325,447</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common Stock; \$ 1.00 par value; 2,000,000 shares authorized; 1,261,621 and 1,240,471 shares issued and outstanding at December 31, 2009 and 2008, respectively	1,267	1,241
Preferred Stock; \$ 1.00 par value; 100,000 shares authorized; no shares issued or outstanding	-	-
Capital surplus	15,074	14,825
Treasury Stock	(182)	-
Retained Earnings	9,993	7,682
Earnings year to date (* Bank Only \$2,958,399 year to date)	2,791	2,311
Net unrealized holding gains on securities	150	69
<b>Total Equity Capital</b>	<b>29,093</b>	<b>26,128</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS EQUITY</b>	<b>\$365,772</b>	<b>\$351,575</b>
<b>Stockholder's Equity (Book value per share-undiluted)</b>	<b>23.06</b>	<b>21.06</b>
<b>Stockholder's Equity (Book value per share diluted)</b>	<b>22.73</b>	<b>20.71</b>
Quarterly Return on Average Assets (ROA) (*Bank Only as of 12/31/09)	1.01%	0.84%
Quarterly Efficiency Ratio (*Bank Only as of 12/31/09)	65.96%	68.33%