

RESOURCE BANKSHARES INC.

Directors

G. Chris Keller, Jr., *Chairman* **Chandler Craig, Jr.,** *Vice Chairman*
Michael B. Burris, *Lead Director* **Maura W. Donahue**
J. Storey Charbonnet **Katherine M. Gibert**
Dennis E. Crowe **David D. Lindsey**
 Trula H. Remson

James E. Walther, III, *Emeritus*

RESOURCE BANK

Executives

G. Chris Keller, Jr., *Chief Executive Officer*
Chandler Craig, Jr., *President*
Pat Campbell, *Executive Vice President, Chief Lending Officer*
Douglas M. Ferrer, *Executive Vice President, Chief Credit Officer*
Lynn Kennedy, *Executive Vice President, Chief Operations Officer*
Jamie R. Gabourel, *Executive Vice President, Chief Administrative Officer*
Clair Leger, CPA, *Executive Vice President, Chief Financial Officer*

BRANCH LOCATIONS

BATON ROUGE: 9513 Jefferson Hwy.
BOGALUSA: 402 Avenue B
COVINGTON: 70533 Highway 21
5100 Village Walk, Suite 102
ATM at 1598 Ochsner Blvd.
FRANKLINTON: 988 Washington St.
MANDEVILLE: 68177 Highway 59
1695 W. Causeway Approach
ATM at Trailhead on Lafitte St.
METAIRIE: 321 Veterans Blvd., Suite 101
NEW ORLEANS: 412 Magazine St.
SLIDELL: 2283 Gause Blvd. East



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RESOURCE
BANKSHARES, INC.
A BANK HOLDING COMPANY

70533 Highway 21
Covington, LA 70433



2022 FINANCIAL REPORT
1ST QUARTER



April 15, 2022

Dear Shareholder:

Resource Bank's deposits have grown tremendously over the past two years, partly due to government assistance and PPP loans during the pandemic. Due to the deposit growth, Resource Bank has been flush with liquidity. Management has worked hard to ensure this influx of liquidity was deployed in the safest, highest-yielding assets. Our loan growth utilized some of the liquidity; however, the majority of the remaining liquidity was used to purchase Investment Securities.

Since March 2020, Resource Bank's Investment Securities grew from \$46 million to \$235 million, an increase of \$189 million or 511%. Over the past two years, the average yield Resource earned on Investment Securities was 1.26% vs. 0.12% which would have been earned if the liquidity was invested in Federal Funds. As rates began to rise, so have the unrealized losses on our Investment Securities, which must be reported in our financials. The weighted average life of our Investment Securities is three years, and we do not plan to sell our investments before they mature. Therefore, we strongly believe we will never realize these losses. Regulatory Tier 1 Capital removes the unrealized gains and losses on banks' Investment Securities. As of March 31, 2022, our Tier 1 Capital Stockholders' Equity is \$100,549,000. Our Tier 1 Capital book value per share-undiluted is \$63.98, and diluted is \$63.71.

We knew that if rates rose, our Investment Securities would have unrealized losses; however, we believe that our opportunity costs to earn higher yields far outweigh the unrealized losses we never expect to realize. Our focus remains to deliver profitability and growth so that the value of your investment in us increases. We seek opportunities to expand our loan portfolio and deepen relationships in all of our assessment areas. We ask for your continued loyalty and referrals as we strive to exceed expectations.

Yours truly,

G. Chris Keller, Jr.
CEO & Chairman of the Board

Chandler Craig, Jr.
President & Vice Chairman of the Board

RESOURCE BANKSHARES INC.

STATEMENT OF FINANCIAL CONDITION (IN THOUSANDS)

	Holding Company Consolidated 3/31/2022	Holding Company Consolidated 3/31/2021
	(in thousands) (unaudited)	(in thousands) (unaudited)
ASSETS		
Cash & due from banks	\$16,203	\$14,772
Interest bearing deposits in other banks	60	88
Fed funds sold	47,737	172,464
Investment securities: Available-for-sale, at fair value	229,922	81,082
Held-to-maturity	4,828	4,809
Other stocks, at cost	2,138	2,128
Loans, less allowance for loan losses	642,053	630,926
(03/31/2022 Allowance for loan losses \$4,332,037)		
(03/31/2021 Allowance for loan losses \$4,060,668)		
Bank premises & equipment, net of accumulated depreciation	23,751	23,870
Deferred Tax Receivable	2,143	0
Accrued interest receivable	1,985	1,739
Other real estate owned	1,035	1,186
Other assets	1,102	1,053
	\$972,957	\$934,117
LIABILITIES		
Deposits		
Demand Deposit Accounts	\$243,505	\$231,720
NOW Accounts	392,998	332,562
Money Market Accounts	112,946	109,191
Savings Accounts	38,923	31,875
Certificates of Deposits \$100,000 & over	48,505	82,110
Other Certificates of Deposit	21,156	22,312
Total Deposits	858,033	809,770
Accrued expenses and other liabilities	2,142	2,160
Deferred Tax Payable	215	496
Accrued Interest Payable	81	160
Other Borrowed Funds	20,000	20,000
Total Liabilities	880,471	832,586
STOCKHOLDERS' EQUITY		
Common stock: \$1.00 par value; 2,000,000 shares authorized; 1,579,127 and 1,632,284 shares issued and outstanding at 03/31/2022 & 03/31/2021, respectively.	1,579	1,632
Stock Subscription Receivable	(1,359)	(1,236)
Capital Surplus	20,345	26,500
Retained Earnings	77,405	71,342
Earnings year to date (* Bank only \$2,587,037, year to date)	2,579	2,480
Net unrealized gains (losses) on securities held	(8,063)	813
Total Stockholder's Equity	92,486	101,531
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$972,957	\$934,117
Book Value per Share-Undiluted	\$58.85	\$62.24
Book Value per Share-Diluted	\$59.25	\$61.62
Quarterly Return on Average Assets (ROA) (*Bank only as of March 31)	1.05%	1.09%
Quarterly Efficiency Ratio (*Bank only as of March 31)	65.34%	67.48%
YTD Return on Average Assets (ROA) (*Bank Only as of March 31)	1.05%	1.09%
YTD Efficiency Ratio (*Bank only as of March 31)	65.34%	67.48%
Tier 1 Capital Total Stockholders' Equity	\$100,549	\$100,718
Tier 1 Capital Book value per share-undiluted	\$63.98	\$61.75
Tier 1 Capital Book value per share-diluted	\$63.71	\$61.18

Management has elected to omit substantially all of the disclosures and the related statements of income, cash flow and changes in equity required by the generally accepted accounting principles as issued by the U. S. Financial Accounting Standards Board. If the omitted disclosures and the statements of cash flows and changes in equity were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.