

SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549



03036281

(Mark One)

FORM 11-K



ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2002**

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from ..... to.....

Commission file number: **000-24561**

A. Full title of the plan and the address of the plan, if different from that of the issuer named below: **RESOURCE BANK STOCK AND 401(k) SAVINGS PLAN (the "Plan")**.

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office: **Resource Bankshares Corporation. – 3720 Virginia Beach Boulevard, Virginia Beach, Virginia 23452**

**PROCESSED**

**NOV 05 2003**

**THOMSON  
FINANCIAL**

## **Required Information**

The following financial statements and schedules included with this Form 11-K have been prepared in accordance with the financial reporting requirements of ERISA:

1. Statements of Net Assets Available For Benefits as of December 31, 2002 and 2001.
2. Statements of Changes in Net Assets Available For Benefits for the years ended December 31, 2002 and 2001.
3. Notes to Financial Statements.
4. Supplemental Schedules.

SIGNATURES

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Resource Bank Stock and 401(k) Savings Plan  
(Name of Plan)

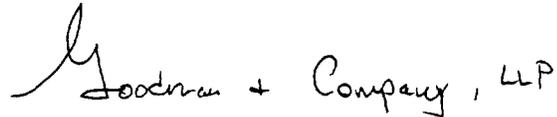
Date November 3, 2003

  
\_\_\_\_\_  
(Signature) Lawrence N. Smith  
(Plan Trustee)

CONSENT OF INDEPENDENT ACCOUNTANTS

The Board of Directors  
Resource Bankshares Corporation

We hereby consent to the incorporation by reference in this Registration Statement on Form 11-K of Resource Bankshares Corporation of our report dated August 19, 2003, except for note 10 as to which the date is September 22, 2003, relating to the statements of net assets available for benefits of Resource Bank Stock and 401(k) Savings Plan as of December 31, 2002 and 2001, and the related statement of changes in net assets available for benefits and supplemental schedule for the year ended December 31, 2002.

Handwritten signature of Goodman + Company, LLP

Norfolk, Virginia  
November 3, 2003

***FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULES  
December 31, 2002 and 2001***

***RESOURCE BANK STOCK  
AND 401(k) SAVINGS PLAN***

*Goodman & Company*

*CPAs • Specialized Services • Financial Planning*

**RESOURCE BANK STOCK AND 401(k)  
SAVINGS PLAN**

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**REPORT OF INDEPENDENT AUDITORS**

Plan Administrator  
**Resource Bank Stock and 401(k)  
Savings Plan**

We were engaged to audit the financial statements and supplemental schedules of **Resource Bank Stock and 401(k) Savings Plan** as of December 31, 2002 and 2001, and for the year ended December 31, 2002, as listed in the accompanying index. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Security Trust Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of December 31, 2002 and 2001 and for the year ended December 31, 2002, that the information provided to the plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Goodman & Company, L.L.P.*

Norfolk, Virginia  
August 19, 2003  
Except for Note 10 as to which the date is  
September 22, 2003

**RESOURCE BANK STOCK AND 401(k) SAVINGS PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

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<b>December 31,</b>	<b>2002</b>	<b>2001</b>
<b>Investments</b>	<b>\$ 6,056,918</b>	<b>\$ 4,661,930</b>
<b>Receivables</b>		
Participant contributions	26,120	21,850
Employer contribution	43,939	8,804
Accrued interest	152	5,585
<b>Total receivables</b>	<b>70,211</b>	<b>36,239</b>
<b>Net assets available for benefits</b>	<b>\$ 6,127,129</b>	<b>\$ 4,698,169</b>

*The accompanying notes are an integral part of these financial statements.*

**RESOURCE BANK STOCK AND 401(k) SAVINGS PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

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**Year Ended December 31, 2002**

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**Additions to net assets attributed to**

**Investment income (loss)**

Net depreciation in fair value of investments	\$ (26,103)
Interest and dividends	122,826
	<u>96,723</u>

**Contributions**

Participant	1,145,300
Employer	458,680
Rollovers	91,213
	<u>1,695,193</u>

**Total additions**

1,791,916

**Deductions from net assets attributed to**

Benefits paid to participants	310,265
Administrative expenses	52,691
<b>Total deductions</b>	<u>362,956</u>

**Net change**

1,428,960

**Net assets available for benefits**

Beginning of year	<u>4,698,169</u>
End of year	<u>\$ 6,127,129</u>

*The accompanying notes are an integral part of these financial statements.*

**RESOURCE BANK STOCK AND 401(k) SAVINGS PLAN**

**NOTES TO FINANCIAL STATEMENTS**

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**December 31, 2002 and 2001**

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**1. Description of Plan**

The following description of the *Resource Bank Stock and 401(k) Savings Plan* (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**General**

The Plan is a defined contribution plan covering substantially all employees of Resource Bank (Company). It is subject to the provisions of the Employee Retirement Income Security Act (ERISA).

**Contributions**

Each year, participants may contribute up to 15 percent of pre-tax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Company contributes 50 percent of the first 6 percent of compensation that a participant contributes to the Plan. Additional Company contributions may be made at the option of the Company's board of directors. Company contributions are invested in Company stock. Contributions are subject to certain limitations.

**Participants Accounts**

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) plan earnings, and charged with an allocation of administrative expenses, if applicable. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Vesting**

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant is 100 percent vested after two years of credited service.

**Participant Loans**

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates that range from 8.25 percent to 9.5 percent which are commensurate with local prevailing rates as determined by the plan administrator. Principal and interest are paid ratably through payroll deductions.

### ***Forfeited Accounts***

At December 31, 2002 forfeited nonvested accounts totaled \$81,052. These accounts will be allocated to participants based on compensation. Participants must be employed on the last day of the plan year to share in the allocation of forfeited accounts.

### ***Payment of Benefits***

On termination of service due to death, disability, or retirement, a participant may elect to receive a lump sum amount equal to the value of the participant's vested interest in his or her account, or annual installment payments. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump sum distribution.

## **2. Summary of Significant Accounting Policies**

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

### ***Investment Valuation and Income Recognition***

The Plan's investments are stated at fair value except participant loans. Quoted market prices are used to value investments. Participant loans are stated at cost which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

### ***Payment of Benefits***

Benefits are recorded when paid.

## **3. Information Certified by Custodian**

The plan administrator has elected the alternative method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the ERISA. Accordingly, as permitted under such election, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by Security Trust Company, the custodian of the Plan, as complete and accurate, except for comparing such information certified by the custodian to information included in the Plan's financial statements and supplemental schedules. The Plan's financial information, which was certified by Security Trust Company includes plan investments as of December 31, 2002 and 2001 of \$6,056,918 and \$4,584,491 (total investments of \$4,661,930 less investments held by other custodian of \$77,439), respectively, and investment income for the year ended December 31, 2002 of \$96,723.

#### 4. Investments

The following presents investments that represent 5 percent or more of the Plan's net assets.

	<u>December 31,</u>	
	<u>2002</u>	<u>2001</u>
Scudder Kemper Blue Chip - A, 31,211 and 21,337 shares, respectively	\$ 392,005	\$ 346,514
Scudder Kemper Aggressive Growth - A, 24,086 and 19,941 shares, respectively	232,433	282,570
Janus Advisor Capital Appreciation, 21,619 and 18,457 shares, respectively	387,405	393,321
Resource Bank common stock, 192,942 and 154,624 shares, respectively	3,966,888	2,812,404

During 2002, the Plan's investments (including gains and losses in investments bought and sold, as well as held during the year) depreciated in value by \$26,103 as follows:

Mutual funds	\$ (432,224)
Common stock	<u>406,121</u>
	<u>\$ (26,103)</u>

#### 5. Nonparticipant-Directed Investments

Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investments as of December 31, 2002 and 2001 and for the year ended December 31, 2002 is as follows:

	<u>2002</u>	<u>2001</u>
Net assets		
Resource Bank common stock	\$ 1,038,196	\$ 551,471
Employer contribution receivable	<u>43,939</u>	<u>8,804</u>
	<u>\$ 1,082,135</u>	<u>\$ 560,275</u>
Change in net assets		
Contributions	\$ 458,680	
Benefits paid to participants	(32,152)	
Dividends	13,751	
Appreciation in value	<u>81,581</u>	
	<u>\$ 521,860</u>	

#### 6. Related Party Transactions

Certain plan investments are shares of stock in Resource Bank, the plan sponsor and, therefore, these transactions qualify as party-in-interest transactions. Fair market value of the Plan's assets are based on quotes from an active market.

**7. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants would become 100 percent vested in their employer contributions.

**8. Tax Status**

The Internal Revenue Service has determined and informed the Company by a letter dated July 25, 2002, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

**9. Risk and Uncertainties**

The Plan's assets are invested in various financial instruments, including mutual funds investing in stocks, bonds and fixed income securities. Investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in risk in the near term could materially affect participants' account balances and amounts reported in the financial statements.

**10. Subsequent Event**

In August 2003, Fulton Financial Corporation agreed to acquire Resource Bank. The effect this acquisition will have on the Plan has not been determined.

\* \* \* \* \*

SUPPLEMENTAL SCHEDULE I

*RESOURCE BANK STOCK AND 401(k) SAVINGS PLAN*

*SCHEDULE OF ASSETS (HELD AT END OF YEAR)*

*SCHEDULE H, LINE 4i*

*EIN 54-1414459 PLAN 001*

**December 31, 2002**

<u>Identity of issue, borrower, lessor or similar party</u>	<u>Description of investment including maturity date, rate of interest, collateral, par or maturity value</u>	<u>Cost</u>	<u>Current value</u>
Scudder Kemper	84,821 shares of Cash Reserves - A	\$ **	\$ 84,821
Scudder Kemper	27,884 shares U.S. Government - A	**	245,938
Scudder Kemper	24,052 shares of Total Return - A	**	180,394
Scudder Kemper	43,344 shares of S&P 500 Stock - A	**	238,394
Scudder Kemper	31,211 shares of Blue Chip - A	**	392,005
Scudder Kemper	24,086 shares of Aggressive Growth - A	**	232,433
Scudder Kemper	15,309 shares Technology - A	**	114,509
Security Trust Company	37,868 shares of Cash	**	37,868
American Funds	6,514 shares of Income Fund - A	**	93,483
Dreyfus	1,639 shares of Premium Core Bond - A	**	23,617
Lord Abbett	4,979 shares of Affiliated - A	**	52,424
Janus	21,619 shares Janus Advisor Capital Appreciation	**	387,405
* Resource Bank	192,942 shares of common stock	3,220,626	3,966,888
* Participant loans	Maturing through September 2005, interest rates ranging from 8.25% to 9.5%, collateralized by participant accounts.	**	6,739
		<u>\$ 3,220,626</u>	<u>\$ 6,056,918</u>

\* - Identified as party-in-interest

\*\* - Cost omitted for participant directed investments

*See report of independent auditors.*

SUPPLEMENTAL SCHEDULE II

*RESOURCE BANK STOCK AND 401(k) SAVINGS PLAN*

*SCHEDULE OF REPORTABLE TRANSACTIONS*

*SCHEDULE H, LINE 4j*

*EIN 54-1414459 PLAN 001*

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**Year Ended December 31, 2002**

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<u>Identity of party involved</u>	<u>Description of asset</u>	<u>Purchase price</u>	<u>Selling price</u>	<u>Cost of assets</u>	<u>Net gain or (loss)</u>
Resource Bank	Common stock	\$ 437,296	\$ -	\$ 437,296	\$ -
Resource Bank	Common stock	-	32,152	26,100	6,052
		<u>\$ 437,296</u>	<u>\$ 32,152</u>	<u>\$ 463,396</u>	<u>\$ 6,052</u>

This schedule presents transactions in any security for which the aggregate of such transactions in the security exceed five percent of plan assets at January 1, 2002.

*See report of independent auditors.*