

**FEDERAL DEPOSIT INSURANCE CORPORATION**

**Washington, D.C. 20429**

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): February 3, 2012

**FIRST BANK OF DELAWARE**

(Exact name of registrant as specified in its charter)

<u>Delaware</u> (State or other jurisdiction of incorporation)	<u>0-19517</u> (FDIC Certificate No.)	<u>51-0389698</u> (I.R.S. Employer Identification No.)
--	--	--

Brandywine Commons, 1000 Rocky Run Parkway, Wilmington, DE 19803  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (302) 529-5984

N/A  
Former name, former address, and former fiscal year, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition.**

On February 3, 2012, First Bank of Delaware issued a press release announcing its results of operations and financial condition at and for the quarter ended December 31, 2011. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this report, including the exhibit attached hereto, is furnished solely pursuant to Item 2.02 of this Form 8-K. Consequently, it is not deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Exchange Act or Securities Act of 1933 if such subsequent filing specifically references this Form 8-K.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

99.1 Press Release issued on February 3, 2012 regarding financial results for the quarter ended December 31, 2011.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**FIRST BANK OF DELAWARE**

Date: February 3, 2012

By: \_\_\_\_\_

  
Name: Joseph J. Manion, Jr.

Title: Acting President and  
Chief Executive Officer

## EXHIBIT INDEX

<b>Exhibit No.</b>	<b>Description</b>
--------------------	--------------------

99.1	Press Release issued on February 3, 2012 regarding financial results for the quarter ended December 31, 2011.
------	---

**NEWS RELEASE  
FOR RELEASE IMMEDIATELY  
Contact: Joseph J. Manion, Jr., Acting  
President & CEO  
(215) 640-6645**

**FIRST BANK OF DELAWARE  
REPORTS FOURTH QUARTER AND YEAR TO DATE EARNINGS**

Wilmington, DE, February 3, 2012 – First Bank of Delaware (the "Bank") (OTCBB:FBOD), today announced its financial results for the fourth quarter and twelve months ended December 31, 2011. During the quarter the Bank recorded a loss of \$1.9 million or \$0.16 per share, compared to earnings of \$1.6 million or \$0.14 per share for the fourth quarter 2010, a decline of \$3.7 million. The loss is primarily due to costs incurred as the Bank exited its E-Payment programs. Earnings for the year ended December 31, 2011 were \$1.6 million or \$0.14 per share compared to earnings of \$3.4 million or \$0.30 per share for the comparable prior year period, a decrease of \$1.7 million. The decrease in year over year earnings is attributable to the Bank's exit from its Short-term Consumer Loan program in December 2010 in addition to the aforementioned costs to exit E-Payment programs in 2011.

Significant items include:

Net Interest Income for the fourth quarter of 2011 was \$1.6 million, a decrease of \$3.6 million or 69% from \$5.2 million for the fourth quarter of 2010. Net Interest Income for the year ended December 31, 2011 was \$9.0 million, a decrease of \$7.4 million or 45% from \$16.4 million for the comparable prior year period. The decrease in Net Interest Income was due primarily to our exit from the Short-term Consumer Loan program on December 31, 2010. The Short-term Consumer Loan program contributed \$3.7 million of interest income in the fourth quarter of 2010 compared to no interest income contribution for the fourth quarter of 2011, and \$2.3 million for the twelve months ended December 31, 2011 compared to \$11.2 million for 2010.

Excluding the impact of the Short-term Consumer Loan program, Net Interest Margin for the fourth quarter of 2011 was 2.74%, a decline of 28 basis points from 3.02% for the fourth quarter of 2010, and Net Interest Margin for the year ended December 31, 2011 was 3.11% compared to 3.02% for the comparable prior year period, an increase of 9 basis points.

Revenue from E-Payment programs, which includes Remote Check Deposits, ACH Services and Merchant Transaction processing, was \$151,000 for the fourth quarter of 2011, a decrease of \$1.3 million from the fourth quarter of 2010. The decline in revenue was primarily the result of our exiting these programs in the fourth quarter of 2011. Revenue from E-Payment Programs was \$3.2 million for the years ended December 31, 2011 and 2010. Consistent with the terms of the December 29, 2011 Consent Order issued by the FDIC, the Bank exited all E-Payment programs as of December 31, 2011.

Total Shareholder's Equity at December 31, 2010 was \$46.0 million. The Bank's Tier 1 Leverage Capital Ratio was 17.90% and the Total Risk Based Capital Ratio was 36.38%.

Total assets at December 31, 2011 were \$256.0 million, representing an increase of \$36.9 million or 16.8% over December 31, 2010. The increase was primarily the result of increases in Overnight Fed Funds Sold of \$42.4 funded by Federal Home Loan Bank borrowings to enhance liquidity during the exit of certain programs. Total Deposits at December 31, 2011 were \$168.3 million, a decrease of \$1.7 million from \$170.0 million at December 31, 2010.

Total Loans at December 31, 2011 were \$122.2 million, an increase of \$1.5 million from \$120.5 million at December 31, 2010.

Total deposits decreased \$1.7 million to \$168.3 million at December 31, 2011 from \$170.0 million at December 31, 2010. Demand deposits were essentially unchanged at approximately \$67.0 million at December 31, 2011 and 2010. A decrease of \$29.1 million in money market deposits between the periods was offset by an increase in time deposits of \$28.6 million. The Bank's cost of funds declined of 25 basis points from 0.92% for the year ended 2010 to 0.67% for 2011. The Bank's cost of funds may increase going forward as program related demand and money market deposits run off and are replaced by higher costing time deposits. The Bank borrowed \$40.0 million in term funds from the Federal Home Bank of Pittsburgh in November 2011. The borrowing has a 2 year term and bears interest at 0.74%. This borrowing enhanced our liquidity levels and offset the expected impact of deposit losses related to businesses discontinued by the Bank.

At December 31, 2011, our non-performing assets were \$0, a \$1.5 million decrease from \$1.5 million at December 31, 2010. Non-performing assets represented 0.0% of total assets at December 31, 2011 versus 0.67% at December 31, 2010.

As noted in prior releases, the Bank ceased offering its internet based installment product as of December 31, 2010. These consumer loans were offered nationally via the Internet and telephone. The decision to cease offering these loans had a materially adverse effect on earnings. Revenues from the internet installment product included Interest Income of \$11.2 million and Fee Income of \$3.7 million for the year ended December 31, 2010, or \$14.9 million of the Bank's Total Revenues of \$26.1 million for 2010. The Provision for Loan Losses for the internet product was \$4.6 million in 2010. No additional Provisions for Loan Losses for this product were taken in 2011. The Bank continues to earn interest and fee income for this product until the loans are sold or repaid. The loans were sold in March 2011. The Bank earned interest and fee income of \$5.9 million on the discontinued installment loan product in 2011, and does not expect any material revenues from the product in 2012. The Bank ceased offering its E-Payments Programs and credit cards in 2011. These products contributed \$4.5 million to 2011 revenues. The Bank has begun to reduce certain expenses to reflect the loss of these products.

SELECTED BALANCE SHEET DATA

(Unaudited, in thousands)	December 31, 2011	December 31, 2010
Fed funds sold and interest bearing cash	\$ 108,887	\$ 64,615
Investment securities available for sale	4,218	5,160
Loans receivable	122,180	120,549
Total assets	256,038	219,153
Deposits	168,325	169,986
Shareholders' equity	46,014	44,418

SELECTED INCOME STATEMENT DATA  
(Unaudited, in thousands except per share data)

	Quarter ended December 31,		Year to Date December 31,	
	2011	2010	2011	2010
Net interest income(excluding S/T loans)	\$ 1,622	\$ 1,467	\$ 7,611	\$ 5,134
Short term loans	-	3,742	2,293	11,219
Provision for loan losses	-	1,500	670	5,500
Non-interest income	552	3,036	8,996	8,474
Other expenses	4,974	4,286	14,928	14,086
Provision for income taxes	(949)	843	828	1,798
Net income	(1,851)	1,616	1,574	3,443
Earnings per share:				
Basic	\$ (0.16)	\$ 0.14	\$ 0.14	\$ 0.30
Diluted	\$ (0.16)	\$ 0.14	\$ 0.14	\$ 0.30
Capital Ratios:				
Leverage Capital	17.90%	20.44%		
Total risk based capital	36.38%	34.13%		

First Bank of Delaware is a full-service, state-chartered commercial bank, whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC).

The Bank provides diversified financial products through two locations in New Castle County.

As previously reported on a Form 8-K, dated December 30, 2011, the Bank agreed to the issuance of a Consent Order by the FDIC, which became effective on December 29, 2011 (the "Consent Order"). Under the terms of the Consent Order, the Bank may either take a series of specified actions regarding its future operating plans and policies or submit a strategic plan to the FDIC by March 28, 2012 to wind down the operations of the Bank by December 31, 2012. The Bank is currently addressing the requirements of and considering the alternatives included in the Consent Order. A copy of the Consent Order is included as an exhibit to the Bank's Form 8-K, dated December 30, 2012, which is available under the "Investor Relations" section of the Bank's website at [www.fbdcl.com](http://www.fbdcl.com).

The Bank may from time to time make written or oral "forward-looking statements", including statements contained in this release and in the Bank 's filings with the FDIC. These forward-looking statements include statements with respect to the Bank 's beliefs, plans, objectives, goals, expectations, anticipations, estimates, and intentions that are subject to significant risks and uncertainties and are subject to change based on various factors, including without limitation the Bank's ability to address the matters included in the Consent Order, many of which are beyond the Bank 's control. The words "may", "could", "should", "would", "believe", "anticipate", "estimate", "expect", "intend", "plan", and similar expressions are intended to identify forward-looking statements. All such statements are made in good faith by the Bank pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The Bank does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Bank .

###