

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): August 3, 2011

FIRST BANK OF DELAWARE

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

0-19517
(FDIC Certificate No.)

51-0389698
(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 August 3, 2011, First Bank of Delaware issued a press release announcing its results of operations and financial condition at and for the second quarter and year to date ended June 30, 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 August 3, 2011 regarding financial results for the quarter and year to date ended June 30, 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: August 3, 2011

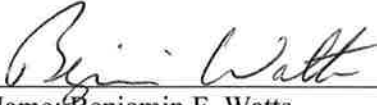
By: 
Name: Benjamin F. Watts
Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
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99.1	Press Release issued on August 3, 2011 regarding financial results for the quarter and year to date ended June 30, 2011.
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First Bank of Delaware Reports Second Quarter and Year to Date Earnings

WILMINGTON, Del., Aug. 3, 2011 /PRNewswire/ – First Bank of Delaware ("the Company") (OTCBB: FBOD), today reported second quarter 2011 earnings of \$1.0 million or \$0.09 per diluted share, compared to \$459,000 or \$0.04 per diluted share for the comparable prior year period. The increase in earnings reflected the growth of our commercial loan portfolio and increases in non-interest income. Earnings for the six month period ended June 30, 2011 were \$3.1 million or \$0.27 per diluted share based on average shares outstanding of 11,533,852, compared to \$798,000 or \$0.07 per diluted share for the comparable prior year period based on average shares outstanding of 11,447,937. The increased earnings of \$2.3 million are primarily the result of increases in non interest income. At June 30, 2011, total shareholders' equity was \$47.5 million and our leverage ratio was 20.68%. The total risk-based capital ratio was 35.96%, and our book value per share was \$4.16 at June 30, 2011.

Second quarter 2011 earnings of \$1.0 million are an improvement of \$552,000 or 120.3% from earnings of \$459,000 reported for the second quarter of 2010. This increase is primarily due to a reduction in the provision for loan losses of \$1.0 million, due primarily to the sale of the short term consumer loan portfolio in the first quarter of 2011, and an increase in non-interest income of \$1.6 million. The increase in non-interest income was primarily due to fees from our merchant acquiring program and short term consumer loan portfolio. These increases were offset by a decrease of \$1.7 million in net interest income primarily due to \$2.1 million reduced interest earned from the short-term consumer loan product which was discontinued on December 31, 2010. This decrease was partially offset by an increase of \$417,000 in interest earned from growth in loan receivables.

Earnings for the six months ended June 30, 2011 are \$3.1 million, an increase of \$2.3 million from \$798,000 for the six months ended June 30, 2010. This increase is primarily due to a reduction in the provision for loan losses of \$1.3 million, due primarily to the sale of the short term consumer loan portfolio in the first quarter of 2011, and an increase in non-interest income of \$4.3 million. The increase in non-interest income was primarily due to fees from our merchant acquiring program and short term consumer loan portfolio. These increases were offset by a decrease of \$1.0 million in net interest income primarily due to reduced interest earned of \$2.0 million from the short-term consumer loan product which was discontinued on December 31, 2010. This decrease was partially offset by an increase of \$1.0 million in interest earned from growth in loan receivables.

Net interest margin for the second quarter of 2011 was 3.29% a decrease of 5.00% from 8.29% for the second quarter of 2010. The margin decrease was mainly the result of discontinuing the short-term consumer loan program. In addition, average interest bearing deposits increased \$17.5 million to \$106.7 million, or 19.6% from the second quarter of 2010. Net interest margin excluding short-term loans, which the Company discontinued offering on December 31, 2010, was 3.12% for the second quarter of 2010. The improvement was due primarily to a decrease in the rates paid on interest-bearing deposits.

Net interest margin for the six months ended June 30, 2011 was 5.31% a decrease of 3.37% from 8.68% for the six months ended June 30, 2010. The margin decrease was mainly the result of discontinuing the short-term consumer loan program. In addition, average interest bearing deposits increased \$27.9 million to \$110.9 million, or 33.6% from the average for the six months ended June 30, 2010. Net interest margin excluding short-term loans, which the Company discontinued offering on December 31, 2010, was 3.14% and 3.06% for the six months ended June 30, 2011 and 2010, respectively. The improvement was due primarily to a decrease in the rates paid on interest-bearing deposits.

Total assets at June 30, 2011 were \$212.2 million, representing a decrease of \$6.9 million or 3.2% from December 31, 2010. The decrease was primarily the result of a decrease of \$12.6 million in cash and cash equivalents and loans held for sale which decreased \$5.5 million as these loans were sold on March 1, 2011. In addition, cash and due from banks decreased \$6.3 million, investments securities available for sale decreased \$600,000 and other assets decreased \$1.0 million. These decreases were partially offset by an increase of \$6.1 million of interest bearing deposits with banks and an increase in loans receivable of \$13.1 million.

Loans receivable at June 30, 2011 were \$133.6 million, an increase of \$13.1 million or 10.8% from December 31, 2010. The increase resulted from several new commercial lending relationships that were added in the first six months of 2011. The increase in commercial loans was spread among various types of relationships including commercial and industrial, construction and commercial real estate. We look to continue growth in our commercial loan production over the next few quarters.

Total deposits decreased \$9.7 million or 5.7% to \$160.2 million at June 30, 2011 from \$170.0 million at December 31, 2010. The decrease was primarily due to money market accounts which decreased \$14.2 million to \$61.9 million and certificates of deposits which decreased \$3.0 million to \$11.6 million. These decreases were partially offset by an increase in non-interest bearing demand accounts which increased \$7.2 million to \$75.1 million.

At June 30, 2011, our non-performing assets were \$127,000, a \$488K decrease from \$615,000 at December 31, 2010. The decrease was due to sales of other real estate owned during the period. Non-performing assets represented 0.06% of total assets at June 30, 2011. Non-performing assets as of June 30, 2011 consist of two OREO properties totaling \$127,000.

The decision to cease offering short term consumer loans at December 31, 2010 continues to affect earnings. The Company sold these loans at a gain of \$610,000 during the first quarter of 2011. Revenues from this product for the six months ended June 30, 2011 included interest income of \$2.3 million and fee income of \$3.1 million. Revenues for the three month period ended June 30, 2011 included only fee income of \$1.4 million. The decrease in revenues was partially offset by a reduction of the provision for loan losses and an improvement in expense associated with personnel required for this program. The Company will continue to earn fee income for this product until the loans are repaid, which is anticipated to be September 2011.

The Company discontinued the remotely created check processing program in May 2011. Fees from this program for the six months ended June 30, 2011 totaled \$328,000 and no revenue from this product was earned for the second quarter of 2011. The decrease in revenues was partially offset by a reduction of the expense associated with personnel required for this program.

SELECTED BALANCE SHEET DATA

(Unaudited, in thousands)	June 30,	December 31,
	<u>2011</u>	<u>2010</u>
Fed funds sold and interest bearing cash	\$ 58,247	\$ 64,615
Investment securities	5,014	5,614
Loans receivable	133,603	120,549
Loans held for sale	-	5,488
Total assets	212,210	219,153
Deposits	160,248	169,986
Shareholders' equity	47,507	44,418

SELECTED INCOME STATEMENT DATA

(Unaudited, in thousands except per share data)	Quarter ended	Quarter ended	YTD	YTD
	June 30,	June 30,	June 30,	June 30,
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Net interest income	\$ 1,707	\$ 3,403	\$ 5,589	\$ 6,604
Provision for loan losses	60	1,100	670	1,925
Non-interest income	3,121	1,571	7,231	2,929
Other expenses	3,231	3,177	7,492	6,391
Provision for income taxes	526	238	1,592	419
Net income	1,011	459	3,066	798
Earnings per share:				
Basic	\$ 0.09	\$ 0.04	\$ 0.27	\$ 0.07
Diluted	\$ 0.09	\$ 0.04	\$ 0.27	\$ 0.07

Capital Ratios:

Leverage Capital	20.68%	23.66%
Total risk based capital	35.96%	35.69%

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

The Company provides diversified financial products through two locations in New Castle County, Delaware.

The Company may from time to time make written or oral "forward-looking statements", including statements contained in this release and in the Company's filings with the FDIC. These forward-looking statements include statements with respect to the Company'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, many of which are beyond the Company'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 Company pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The Company 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 Company.

First Bank of Delaware

June 30, 2011

First Bank of Delaware

Condensed Income Statement

(Dollar amounts in thousands

except per share data)

(unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Net Interest Income	\$ 1,707	\$ 3,403	\$ 5,589	\$ 6,604

Provision for Loan Losses	60	1,100	670	1,925
Non-interest Income	3,121	1,571	7,231	2,929
Non-interest Expenses	3,231	3,177	7,492	6,391
Provision for income taxes	\$ 526	\$ 238	\$ 1,592	\$ 419
Net Income	\$ 1,011	\$ 459	\$ 3,066	\$ 798
Diluted EPS	\$ 0.09	\$ 0.04	\$ 0.27	\$ 0.07

First Bank of Delaware
Condensed Balance Sheet
(Dollar amounts in thousands)
(unaudited)

Assets	June 30, 2011	December 31, 2010	June 30, 2010
Federal Funds Sold and Other Interest Bearing Cash	\$ 58,247	\$ 64,615	\$ 42,006
Investment Securities	5,014	5,614	10,584
Commercial and Other Loans	133,603	120,549	112,275
Loans Held for Sale	-	5,488	-
Allowance for Loan Losses	(2,280)	(2,295)	(4,033)
Other Assets	17,626	25,182	16,608
Total Assets	\$ 212,210	\$ 219,153	\$ 177,440
Liabilities and Shareholders' Equity:			
Transaction Accounts	\$ 139,109	\$ 145,845	\$ 103,393
Time Deposit Accounts	21,139	24,141	28,154
Other Borrowings	-	-	-
Other Liabilities	4,455	4,749	3,553
Shareholders' Equity	47,507	44,418	42,340
Total Liabilities and Shareholders' Equity	\$ 212,210	\$ 219,153	\$ 177,440

First Bank of Delaware
June 30, 2011
(Dollars in thousands)
(unaudited)

Financial Data:	At or For the Three Months Ended		At or For the Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Return on average assets	1.77 %	1.03 %	2.65 %	0.97 %
Return on average equity	8.62 %	4.38 %	13.35 %	3.84 %
Share information:				
Book value per share	\$4.16	\$3.71	\$4.16	\$3.71
Actual shares outstanding at period end	11,424,401	11,418,901	11,424,401	11,418,901

Average diluted shares outstanding 11,618,000 11,465,000 11,534,000 11,447,000

First Bank of Delaware

June 30, 2011

(Dollars in thousands)

(unaudited)

Credit Quality Ratios:

	June 30, 2011	December 31, 2010	June 30, 2010
Loans accruing, but past due 90 days or more	\$ -	\$ -	\$ -
Non-accrual loans	\$ -	198	\$ 2,158
Restructured loans	-	-	-
Total non-performing loans	-	198	2,158
Other real estate owned	127	417	1,024
Total non-performing assets	<u>\$ 127</u>	<u>\$ 615</u>	<u>\$ 3,182</u>
Allowance for loan losses	<u>\$ 2,280</u>	<u>\$ 2,295</u>	<u>\$ 4,033</u>
Non-performing loans as a percentage of total loans	0.00%	0.16%	1.92%
Nonperforming assets as a percentage of total assets	0.06%	0.28%	1.79%
Allowance for loan losses to total loans	1.71%	1.82%	3.59%
Allowance for loan losses to total non-performing loans	0.00%	1159.09%	186.89%

First Bank of Delaware

June 30, 2011

(Dollars in thousands)

(unaudited)

Quarter-to-Date
Average Balance Sheet

	Three months ended June 30, 2011			Three months ended June 30, 2010		
	Average Balance	Interest	Average Yield/ Cost	Average Balance	Interest	Average Yield/ Cost
Interest-Earning Assets:						
Commercial and other loans	\$ 130,199	\$ 1,906	5.87 %	\$ 106,601	\$ 3,595	13.53 %

Investment securities	4,338	63	5.84	10,059	113	4.50
Federal funds sold	<u>73,791</u>	<u>49</u>	<u>0.26</u>	<u>48,015</u>	<u>38</u>	<u>0.32</u>
Total interest-earning assets	208,328	2,018	3.88	164,675	3,746	9.12
Other assets	<u>20,396</u>			<u>13,266</u>		
Total assets	<u>\$ 228,724</u>	<u>\$ 2,018</u>		<u>\$ 177,941</u>	<u>\$ 3,746</u>	
Interest-bearing liabilities:						
Interest-bearing deposits	\$ 106,728	\$ 311	1.17 %	\$ 89,244	\$ 343	1.54 %
Borrowed funds	<u>-</u>	<u>0</u>	<u>-</u>	<u>-</u>	<u>0</u>	<u>-</u>
Total interest-bearing liabilities	<u>106,728</u>	<u>311</u>	<u>1.17</u>	<u>89,244</u>	<u>343</u>	<u>1.54</u>
Non-interest and interest-bearing funding	177,342	311	0.70	132,704	343	1.04
Other liabilities:	<u>4,342</u>			<u>3,166</u>		
Total liabilities	<u>181,684</u>			<u>135,870</u>		
Shareholders' equity	<u>47,040</u>			<u>42,071</u>		
Total liabilities & shareholders' equity	<u>\$ 228,724</u>			<u>\$ 177,941</u>		
Net interest income		<u>\$ 1,707</u>			<u>\$ 3,403</u>	
Net interest margin			<u>3.29 %</u>			<u>8.29 %</u>

First Bank of Delaware
June 30, 2011
(Dollars in thousands)
(unaudited)

Year-to-Date
Average Balance Sheet

	Six months ended June 30, 2011			Six months ended June 30, 2010		
	Average Balance	Interest	Average Yield/ Cost	Average Balance	Interest	Average Yield/ Cost
Interest-Earning Assets:						
Commercial and other loans	\$ 129,872	\$ 6,018	9.34 %	\$ 98,612	\$ 6,935	14.18 %

Investment securities	4,496	130	5.80	10,175	248	4.87
Federal funds sold	<u>77,681</u>	<u>98</u>	<u>0.25</u>	<u>44,591</u>	<u>60</u>	<u>0.27</u>
Total interest-earning assets	212,049	6,246	5.94	153,378	7,243	9.51
Other assets	<u>21,604</u>			<u>13,306</u>		
Total assets	<u>\$ 233,653</u>	<u>\$ 6,246</u>		<u>\$ 166,684</u>	<u>\$ 7,243</u>	
Interest-bearing liabilities:						
Interest-bearing deposits	\$ 110,862	\$ 657	1.19 %	\$ 82,979	\$ 639	1.55 %
Borrowed funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total interest-bearing liabilities	<u>110,862</u>	<u>657</u>	<u>1.19</u>	<u>82,979</u>	<u>639</u>	<u>1.55</u>
Non-interest and interest-bearing funding	182,511	657	0.73	121,315	639	1.06
Other liabilities:	<u>4,818</u>			<u>3,499</u>		
Total liabilities	<u>187,329</u>			<u>124,814</u>		
Shareholders' equity	<u>46,324</u>			<u>41,870</u>		
Total liabilities & shareholders' equity	<u>\$ 233,653</u>			<u>\$ 166,684</u>		
Net interest income		<u>\$ 5,589</u>			<u>\$ 6,604</u>	
Net interest margin			<u>5.31</u> %			<u>8.67</u> %

CONTACT: Benjamin Watts, First Bank of Delaware, +1-215-640-6649