

**NEWS RELEASE  
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**FIRST BANK OF DELAWARE  
REPORTS THIRD QUARTER AND YEAR TO DATE EARNINGS**

Wilmington, DE, November 1, 2011 – First Bank of Delaware (“the Company”) (OTCBB:FBOD), today reported third quarter 2011 earnings of \$358,000 or \$0.03 per diluted share, compared to \$1.0 million or \$0.09 per diluted share for the comparable prior year period. The decrease in earnings reflected the decision to cease offering short-term consumer loans effective December 31, 2010 from which the Bank earned interest income and fees. Earnings for the nine month period ended September 30, 2011 were \$3.4 million or \$0.30 per diluted share compared to \$1.8 million or \$0.16 per diluted share for the comparable prior year period. The increased earnings of \$1.6 million are primarily the result of increases in non interest income. At September 30, 2011, total shareholders' equity was \$47.8 million and the leverage ratio was 21.01%. The total risk-based capital ratio was 36.95%, and the book value per share was \$4.19 at September 30, 2011.

Earnings for the third quarter 2011 as compared to the third quarter of 2010 decreased \$672,000 or \$0.06 per diluted share. This decrease was due primarily to reduced interest earned of \$3.2 million and fees earned of \$641,000 from the short-term consumer loan product. Non-interest income decreased by \$745,000 primarily as a result of the Bank's decision to exit e-payment products. These decreases were partially offset by a reduction in the provision for loan losses of \$2.1 million, due primarily to the sale of the short term consumer loan portfolio in the first quarter of 2011, and a \$338,000 increase in interest income from growth in our commercial loan portfolio. Fees from the merchant acquiring program increased \$109,000, fees from the money service business increased \$74,000 and the interest paid on deposits decreased \$91,000. In addition, operating expenses decreased \$946,000 primarily due to reduced salary expense and income taxes decreased \$350,000.

Earnings for the nine months ended September 30, 2011 are \$3.4 million, an increase of \$1.6 million from \$1.8 million for the nine months ended September 30, 2010. This increase is primarily due to an increase in non interest income of \$3.0 million. Specifically, fees from the short term consumer loan program increased \$972,000, fees from the merchant acquiring program increased \$1.9 million, fees from the money service business increased \$398,000 and fees from deposit accounts increased \$61,000. In addition, the Company sold the short term consumer loan portfolio at a gain of \$610,000 in the first quarter of 2011. Partially offsetting these increases was a \$629,000 decrease in non-interest income related to the Bank's decision to exit e-payment products.

Net interest income for the nine months ended September 30, 2011 was \$7.4 million, a decrease of \$3.8 million from \$11.1 million for the nine months ended September 30, 2010. This decrease was due primarily to a decrease of \$5.2 million in interest income from the short term consumer loan portfolio from \$7.5 million for 2010 to \$2.3 million for 2011. This decrease was partially offset by an increase of \$1.3 million in interest earned from growth in the commercial loan portfolio. Interest paid on deposits decreased \$73,000. The decrease in net interest income was partially offset by a decrease of \$3.3 million in the provision for loan losses due primarily to the discontinued short term consumer loan program. Operating

expenses increased \$28,000 due to an increase of \$1.3 million in other expenses, primarily increased merchant acquiring expense of \$754,000, and increased legal expense of \$228,000. These increases were partially offset by decreased salary expense of \$1.2 million. Tax expense increased \$949,000.

Net interest margin for the third quarter of 2011 was 3.47% a decrease of 6.75% from 10.22% for the third quarter of 2010. The margin decrease was mainly the result of discontinuing the short-term consumer loan program. Net interest margin excluding short-term loans, which the Company discontinued offering on December 31, 2010, was 3.03% for the third quarter of 2010. The improvement was due primarily to a decrease of 23 basis points in rates paid on interest-bearing deposits from 1.43% to 1.20%.

Net interest margin for the nine months ended September 30, 2011 was 4.71% a decrease of 4.54% from 9.25% for the nine months ended September 30, 2010. The margin decrease was mainly the result of discontinuing the short-term consumer loan program. Net interest margin excluding short-term loans, which the Company discontinued offering on December 31, 2010, was 3.05% for the nine months ended September 30, 2010. The improvement was due primarily to a decrease of 32 basis points in rates paid on interest-bearing deposits from 1.51% to 1.19%.

Total assets at September 30, 2011 were \$232.9 million, representing an increase of \$13.8 million or 6.3% from December 31, 2010. The increase was primarily the result of an increase of \$16.1 million in interest bearing deposits with banks and an increase in loans receivable of \$8.7 million. Partially offsetting these increases were a reduction of \$3.5 million in cash and cash equivalents, a decrease of \$886,000 in investments, a decrease of \$5.4 million in loans held for sale and a decrease of \$1.2 million in other assets.

Total deposits increased \$12.6 million to \$182.6 million at September 30, 2011 from \$170.0 million at December 31, 2010. The increase was primarily due to a \$25.3 million increase in non-interest bearing demand accounts and a \$19.0 million increase in certificates of deposit. These increases were partially offset by a \$31.4 million decrease in money market deposit accounts. The Bank anticipates continued deposit reductions as we wind down e-payment product operations.

At September 30, 2011, our non-performing assets were \$127,000, a \$488,000 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 0.05% of total assets at September 30, 2011. Non-performing assets as of September 30, 2011 consist of two OREO properties totaling \$127,000. A property was sold in October for \$127,000. The remaining property is carried at zero value.

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 nine months ended September 30, 2011 included interest income of \$2.3 million and fee income of \$3.5 million. Revenues for the three month period ended September 30, 2011 included only fee income of \$371,000. 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 December 2011.

### SELECTED BALANCE SHEET DATA

(Unaudited, in thousands)

	September 30, <u>2011</u>	December 31, <u>2010</u>
Fed funds sold and interest bearing cash	\$ 80,729	\$ 64,615
Investment securities	4,728	5,614
Loans receivable	129,237	120,549
Loans held for sale	-	5,488
Total assets	232,910	219,153
Deposits	182,583	169,986
Shareholders' equity	47,839	44,418

### SELECTED INCOME STATEMENT DATA

(Unaudited, in thousands except per share data)

	Quarter ended September 30, <u>2011</u>	Quarter ended September 30, <u>2010</u>	YTD September 30, <u>2011</u>	YTD September 30, <u>2010</u>
Net interest income	\$ 1,793	\$ 4,540	\$ 7,382	\$11,144
Provision for loan losses	0	2,075	670	4,000
Non-interest income	1,212	2,509	8,444	5,438
Other expenses	2,461	3,408	9,954	9,799
Provision for income taxes	186	536	1,778	955
Net income	358	1,030	3,424	1,828
Earnings per share:				
Basic	\$ 0.03	\$ 0.09	\$ 0.30	\$ 0.16
Diluted	\$ 0.03	\$ 0.09	\$ 0.30	\$ 0.16
Capital Ratios:				
Leverage Capital	21.01%	22.42%		
Total risk based capital	36.95%	35.52%		

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.

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First Bank of Delaware  
September 30, 2011

**First Bank of Delaware**  
**Condensed Income Statement (unaudited)**  
(Dollar amounts in thousands  
except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net Interest Income	\$ 1,793	\$ 4,540	\$ 7,382	\$ 11,144
Provision for Loan Losses	-	2,075	670	4,000
Other Income	1,212	2,509	8,444	5,438
Other Expenses	2,461	3,408	9,954	9,799
Income Taxes	\$ 186	\$ 536	\$ 1,778	\$ 955
Net Income	<u>\$ 358</u>	<u>\$ 1,030</u>	<u>\$ 3,424</u>	<u>\$ 1,828</u>
Diluted EPS	<u>\$ 0.03</u>	<u>\$ 0.09</u>	<u>\$ 0.30</u>	<u>\$ 0.16</u>

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

Assets	September 30,	December 31,	September 30,
	2011	2010	2010
Federal Funds Sold and Other Interest Bearing Cash	\$ 80,729	\$ 64,615	\$ 67,960
Investment Securities	4,728	5,614	5,746
Commercial and Other Loans	129,237	126,037	116,767
Allowance for Loan Losses	(2,280)	(2,295)	(5,011)
Other Assets	20,496	25,182	19,866
Total Assets	<u>\$ 232,910</u>	<u>\$ 219,153</u>	<u>\$ 205,328</u>
Liabilities and Shareholders' Equity:			
Transaction Accounts	\$ 139,489	\$ 145,845	\$ 132,462
Time Deposit Accounts	43,094	24,141	25,834
Other Liabilities	2,488	4,749	3,707
Shareholders' Equity	47,839	44,418	43,325
Total Liabilities and Shareholders' Equity	<u>\$ 232,910</u>	<u>\$ 219,153</u>	<u>\$ 205,328</u>

Attachment #2

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

Financial Data:	At or For the Three Months Ended		At or For the Nine Months Ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Return on average assets	0.63 %	2.12 %	1.98 %	1.39 %
Return on average equity	2.98 %	9.56 %	9.79 %	5.79 %
Share information:				
Book value per share	\$4.19	\$3.79	\$4.19	\$3.79
Shares o/s at period end, net of treasury stock	11,424,401	11,418,900	11,424,401	11,418,900
Average diluted shares o/s	11,425,000	11,418,900	11,425,000	11,415,000

## Attachment #3

First Bank of Delaware  
September 30, 2011

(Dollars in thousands)  
(unaudited)

Credit Quality Ratios:

	September 30, 2011	At December 31, 2010	September 30, 2010
Non-accrual and loans accruing, but past due 90 days or more	\$ -	\$ -	\$ 279
Non-accrual loans	\$ -	\$ 198	\$ 1,719
Restructured loans	<u>-</u>	<u>-</u>	<u>-</u>
Total non-performing loans	-	198	1,998
OREO	<u>127</u>	<u>417</u>	<u>835</u>
Total non-performing assets	<u>\$ 127</u>	<u>\$ 615</u>	<u>\$ 2,833</u>
Allowance for loan losses	<u>\$ 2,280</u>	<u>\$ 2,295</u>	<u>\$ 5,011</u>
Non-performing loans as a percentage of total loans	0.00%	0.16%	1.71%
Nonperforming assets as a percentage of total assets	0.05%	0.28%	1.38%
Allowance for loan losses to total loans	1.76%	1.82%	4.29%
Allowance for loan losses to total non-performing loans	0.00%	1159.09%	250.80%

## Attachment #4

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

Quarter-to-Date  
Average Balance Sheet

	Three months ended September 30, 2011			Three months ended September 30, 2010		
	Average Balance	Interest	Average Yield/ Cost	Average Balance	Interest	Average Yield/ Cost
<b>Interest-Earning Assets:</b>						
Commercial and other loans	\$ 132,245	\$ 1,933	5.80 %	\$ 115,331	\$ 4,759	16.37 %
Investment securities	4,051	58	5.68	5,959	76	5.06
Federal funds sold	68,760	41	0.24	55,019	35	0.25
Total interest-earning assets	205,056	2,032	3.93	176,309	4,870	10.96
Other assets	21,713			16,098		
Total assets	<u>\$ 226,769</u>	\$ 2,032		<u>\$ 192,407</u>	\$ 4,870	
<b>Interest-bearing liabilities:</b>						
Interest-bearing deposits	\$ 79,139	\$ 238	1.20 %	\$ 91,242	\$ 330	1.43 %
Borrowed funds	-	-	-	-	-	-
Total interest-bearing liabilities	79,139	238	1.20	91,242	330	1.43
Non-interest and interest-bearing funding	175,795	238	0.54	146,298	330	0.89
Other liabilities:	3,256			3,342		
Total liabilities	179,051			149,640		
Shareholders' equity	47,718			42,767		
Total liabilities & shareholders' equity	<u>\$ 226,769</u>			<u>\$ 192,407</u>		
Net interest income		<u>\$ 1,794</u>			<u>\$ 4,540</u>	
Net interest margin			<u>3.47 %</u>			<u>10.22 %</u>

## Attachment #5

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

Year-to-Date  
Average Balance Sheet

	Nine months ended September 30, 2011			Nine months ended September 30, 2010		
	Average Balance	Interest	Average Yield/ Cost	Average Balance	Interest	Average Yield/ Cost
<b>Interest-Earning Assets:</b>						
Commercial and other loans	\$ 130,617	\$ 7,951	8.14 %	\$ 104,131	\$ 11,694	15.01 %
Investment securities	4,346	188	5.77	8,754	323	4.92
Federal funds sold	74,587	138	0.25	48,105	95	0.26
Total interest-earning assets	209,550	8,277	5.28	160,990	12,112	10.06
Other assets	21,783			14,362		
Total assets	<u>\$ 231,333</u>	\$ 8,277		<u>\$ 175,352</u>	\$ 12,112	
<b>Interest-bearing liabilities:</b>						
Interest-bearing deposits	\$ 100,172	\$ 895	1.19 %	\$ 85,763	\$ 968	1.51 %
Borrowed funds	-	-	-	-	-	-
Total interest-bearing liabilities	100,172	895	1.19	85,763	968	1.51
Non-interest and interest-bearing funding	180,248	895	0.66	129,734	968	1.00
Other liabilities:	4,322			3,436		
Total liabilities	184,570			133,170		
Shareholders' equity	46,763			42,182		
Total liabilities & shareholders' equity	<u>\$ 231,333</u>			<u>\$ 175,352</u>		
Net interest income		<u>\$ 7,382</u>			<u>\$ 11,144</u>	
Net interest margin			<u>4.71 %</u>			<u>9.25 %</u>