

First Bank of Delaware
June 30, 2008

**First Bank of Delaware
Condensed Income Statement**

(Dollar amounts in thousands
except per share data)
(unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|----------------------------|--------------------------------|-----------------|------------------------------|-----------------|
| | 2008 | 2007 | 2008 | 2007 |
| Net Interest Income | \$ 2,610 | \$ 1,778 | \$ 5,340 | \$ 3,523 |
| Provision for Loan Losses | 1,250 | 18 | 2,050 | 152 |
| Non-interest Income | 5,046 | 4,255 | 10,211 | 7,239 |
| Non-interest Expenses | 4,270 | 3,170 | 7,829 | 5,982 |
| Provision for income taxes | \$ 772 | \$ 991 | \$ 2,034 | \$ 1,598 |
| Net Income | <u>\$ 1,364</u> | <u>\$ 1,854</u> | <u>\$ 3,638</u> | <u>\$ 3,030</u> |
| Diluted EPS | <u>\$ 0.12</u> | <u>\$ 0.16</u> | <u>\$ 0.32</u> | <u>\$ 0.26</u> |

**First Bank of Delaware
Condensed Balance Sheet**

(Dollar amounts in thousands)
(unaudited)

| Assets | June 30, | December 31, | June 30, |
|--|-------------------|-------------------|-------------------|
| | 2008 | 2007 | 2007 |
| Federal Funds Sold and Other Interest Bearing Cash | \$ 32,878 | \$ 14,277 | \$ 43,044 |
| Investment Securities | 8,350 | 17,319 | 9,722 |
| Commercial and Other Loans | 74,679 | 79,485 | 75,876 |
| Allowance for Loan Losses | (3,164) | (2,581) | (2,013) |
| Other Assets | <u>11,660</u> | <u>10,861</u> | <u>12,427</u> |
| Total Assets | <u>\$ 124,403</u> | <u>\$ 119,361</u> | <u>\$ 139,056</u> |
| Liabilities and Shareholders' Equity: | | | |
| Transaction Accounts | \$ 70,097 | \$ 61,484 | \$ 64,806 |
| Time Deposit Accounts | 11,354 | 19,319 | 39,042 |
| Other Borrowings | - | - | 1,259 |
| Other Liabilities | 5,128 | 4,398 | 5,131 |
| Shareholders' Equity | <u>37,824</u> | <u>34,160</u> | <u>28,818</u> |
| Total Liabilities and Shareholders' Equity | <u>\$ 124,403</u> | <u>\$ 119,361</u> | <u>\$ 139,056</u> |

First Bank of Delaware
June 30, 2008
(Dollars in thousands)
(unaudited)

| Financial Data: | At or For the Three Months Ended | | At or For the Six Months Ended | |
|---|-------------------------------------|------------------|-----------------------------------|------------------|
| | June 30, 2008 | June 30, 2007 | June 30, 2008 | June 30, 2007 |
| Return on average assets | 4.55 % | 5.18 % | 6.01 % | 4.33 % |
| Return on average equity | 14.60 % | 26.37 % | 20.19 % | 22.27 % |
| Share information: | | | | |
| Book value per share | \$3.32 | \$2.53 | \$3.32 | \$2.53 |
| Actual shares outstanding at period end | 11,385,360 | 11,375,530 | 11,385,360 | 11,375,530 |
| Average diluted shares outstanding | 11,413,872 | 11,541,325 | 11,419,184 | 11,600,045 |

First Bank of Delaware
 June 30, 2008
 (Dollars in thousands)
 (unaudited)
 Credit Quality Ratios:

| | <u>June 30, 2008</u> | <u>December 31, 2007</u> | <u>June 30, 2007</u> |
|---|--------------------------|------------------------------|--------------------------|
| Non-accrual and loans accruing, but past due 90 days or more | \$ 902 | \$ 970 | \$ 433 |
| Restructured loans | <u>-</u> | <u>-</u> | <u>-</u> |
| Total non-performing loans | 902 | 970 | 433 |
| Other real estate owned | <u>293</u> | <u>18</u> | <u>18</u> |
| Total non-performing assets | <u>\$ 1,195</u> | <u>\$ 988</u> | <u>\$ 451</u> |
| Non-performing loans as a percentage of total loans | 1.21% | 1.22% | 0.57% |
| Nonperforming assets as a percentage of total assets | 0.96% | 0.83% | 0.32% |
| Allowance for loan losses to total loans | 4.24% | 3.25% | 2.65% |
| Allowance for loan losses to total non-performing loans | 350.78% | 266.08% | 464.90% |

First Bank of Delaware
June 30, 2008
(Dollars in thousands)
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Quarter-to-Date
Average Balance Sheet

| | Three months ended June 30, 2008 | | | Three months ended June 30, 2007 | | |
|---|-------------------------------------|-----------------|---------------------------|-------------------------------------|-----------------|---------------------------|
| | Average Balance | Interest | Average Yield/ Cost | Average Balance | Interest | Average Yield/ Cost |
| Interest-Earning Assets: | | | | | | |
| Commercial and other loans | \$ 79,606 | \$ 2,618 | 13.19 % | \$ 75,374 | \$ 1,962 | 10.44 % |
| Investment securities | 15,054 | 197 | 5.22 | 9,920 | 148 | 5.97 |
| Federal funds sold | <u>15,850</u> | <u>83</u> | <u>2.11</u> | <u>45,172</u> | <u>598</u> | <u>5.31</u> |
| Total interest-earning assets | 110,510 | 2,898 | 10.52 | 130,466 | 2,708 | 8.33 |
| Other assets | <u>9,655</u> | | | <u>12,984</u> | | |
| Total assets | <u>\$ 120,165</u> | \$ 2,898 | | <u>\$ 143,450</u> | \$ 2,708 | |
| Interest-bearing liabilities: | | | | | | |
| Interest-bearing deposits | \$ 39,900 | \$ 288 | 2.90 % | \$ 72,860 | \$ 923 | 5.08 % |
| Borrowed funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>337</u> | <u>7</u> | <u>8.33</u> |
| Total interest-bearing liabilities | <u>39,900</u> | <u>288</u> | <u>2.90</u> | <u>73,197</u> | <u>930</u> | <u>5.10</u> |
| Non-interest and interest-bearing funding | 77,681 | 288 | 1.49 | 108,211 | 930 | 3.45 |
| Other liabilities: | <u>5,005</u> | | | <u>7,041</u> | | |
| Total liabilities | <u>82,686</u> | | | <u>115,252</u> | | |
| Shareholders' equity | <u>37,479</u> | | | <u>28,198</u> | | |
| Total liabilities & shareholders' equity | <u>\$ 120,165</u> | | | <u>\$ 143,450</u> | | |
| Net interest income | | <u>\$ 2,610</u> | | | <u>\$ 1,778</u> | |
| Net interest margin | | | <u>9.47 %</u> | | | <u>5.47 %</u> |

First Bank of Delaware
June 30, 2008
(Dollars in thousands)
(unaudited)

Year-to-Date
Average Balance Sheet

| | Six months ended June 30, 2008 | | | Six months ended June 30, 2007 | | |
|---|-----------------------------------|-----------------|---------------------------|-----------------------------------|-----------------|---------------------------|
| | Average Balance | Interest | Average Yield/ Cost | Average Balance | Interest | Average Yield/ Cost |
| Interest-Earning Assets: | | | | | | |
| Commercial and other loans | \$ 79,086 | \$ 5,430 | 13.85 % | \$ 73,562 | \$ 3,842 | 10.53 % |
| Investment securities | 16,078 | 419 | 5.21 | 9,962 | 298 | 5.97 |
| Federal funds sold | <u>16,242</u> | <u>217</u> | <u>2.69</u> | <u>46,010</u> | <u>1,202</u> | <u>5.27</u> |
| Total interest-earning assets | 111,406 | 6,066 | 10.98 | 129,534 | 5,342 | 8.32 |
| Other assets | <u>10,291</u> | | | <u>11,613</u> | | |
| Total assets | <u>\$ 121,697</u> | \$ 6,066 | | <u>\$ 141,147</u> | \$ 5,342 | |
| Interest-bearing liabilities: | | | | | | |
| Interest-bearing deposits | \$ 43,445 | \$ 725 | 3.37 % | \$ 72,139 | \$ 1,812 | 5.07 % |
| Borrowed funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>169</u> | <u>7</u> | <u>8.35</u> |
| Total interest-bearing liabilities | <u>43,445</u> | <u>725</u> | <u>3.37</u> | <u>72,308</u> | <u>1,819</u> | <u>5.07</u> |
| Non-interest and interest-bearing funding | 80,309 | 725 | 1.82 | 106,988 | 1,819 | 3.43 |
| Other liabilities: | <u>5,144</u> | | | <u>6,722</u> | | |
| Total liabilities | <u>85,453</u> | | | <u>113,710</u> | | |
| Shareholders' equity | <u>36,244</u> | | | <u>27,437</u> | | |
| Total liabilities & shareholders' equity | <u>\$ 121,697</u> | | | <u>\$ 141,147</u> | | |
| Net interest income | | <u>\$ 5,341</u> | | | <u>\$ 3,523</u> | |
| Net interest margin | | | <u>9.67 %</u> | | | <u>5.48 %</u> |