



March 31, 2009

Dear Shareholder:

You are cordially invited to attend the 2009 Annual Meeting of Shareholders of First Bank of Delaware to be held on Tuesday, April 28, 2009, at 4:00 p.m., Eastern Standard Time, at 5301 Limestone Road, Suite 106, Wilmington, DE 19808.

It is very important that you be represented at the annual meeting regardless of the number of shares you own or whether you are able to attend the meeting in person. We urge you to mark, sign and date your proxy card today and return it in the envelope provided, even if you plan to attend the annual meeting. This will not prevent you from voting in person, but will ensure that your vote is counted if you are unable to attend.

Enclosed with your proxy materials is a copy of our 2008 Annual Report to shareholders and Form 10-K.

We look forward to seeing you at the meeting.

Sincerely,

A handwritten signature in black ink that reads 'Harry D. Madonna'. The signature is written in a cursive style with a large, looped 'H' and 'M'.

Harry D. Madonna  
Chairman of the Board of Directors



**FIRST BANK OF DELAWARE**

**Brandywine Commons II, 1000 Rocky Run Parkway**

**Wilmington, Delaware 19803**

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON APRIL 28, 2009**

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TO OUR SHAREHOLDERS:

NOTICE IS HEREBY GIVEN THAT the 2009 Annual Meeting of Shareholders (the "Annual Meeting") of First Bank of Delaware (the "Bank") will be held on Tuesday, April 28, 2009, at 4:00 p.m., Eastern Standard Time, at 5301 Limestone Road, Suite 106, Wilmington, DE 19808 to consider and act upon:

1. The election of two (2) Class II Directors of the Bank, each to serve until the 2012 Annual Meeting of Shareholders and until his successor is elected and qualifies; and
2. Such other business as may properly come before the Annual Meeting.

Shareholders of record of the Bank at the close of business on March 18, 2009, are entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof.

All shareholders are cordially invited to attend the Annual Meeting. Whether or not you plan to attend the Annual Meeting, please complete and sign the enclosed proxy card and return it promptly to the Bank in the enclosed envelope, which requires no postage if mailed in the United States.

March 31, 2009

Sincerely,



Margaret McCool  
Corporate Secretary

IT IS IMPORTANT THAT YOU RETURN YOUR SIGNED PROXY CARD PROMPTLY, REGARDLESS OF THE NUMBER OF SHARES YOU OWN. PLEASE COMPLETE, SIGN AND MAIL THE ENCLOSED PROXY CARD IN THE ACCOMPANYING ENVELOPE PROMPTLY, WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING.

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**FIRST BANK OF DELAWARE**

**Brandywine Commons II, 1000 Rocky Run Parkway**

**Wilmington, Delaware 19803**

**ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held on Tuesday, April 28, 2009**

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**PROXY STATEMENT**

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**General Information**

This Proxy Statement has been prepared and is being distributed in connection with the solicitation by the Board of Directors of First Bank of Delaware (the “Bank”) of proxies in the enclosed form for use at the 2009 Annual Meeting of Shareholders of the Bank to be held on Tuesday, April 28, 2009, at 4:00 p.m., at 5301 Limestone Road, Suite 106, Wilmington, DE 19808 (such meeting and any adjournment(s) or postponement(s) thereof are herein referred to as the “Annual Meeting”). This Proxy Statement is first being given or sent to shareholders of the Bank on or about March 31, 2009.

The agenda for the Annual Meeting includes the election of two (2) Class II Directors of the Bank, to serve until the 2012 Annual Meeting of Shareholders and until their successors are elected and qualify, such other business as may properly come before the Annual Meeting, and a presentation by management of the Bank.

**Solicitation of Proxies**

Your proxy is being solicited by the Board of Directors of the Bank (the “Board”) for use in connection with the Annual Meeting. The cost of such solicitation will be borne by the Bank. Proxies may be solicited in person or by mail, telephone, telegram, mailgram or other means by Directors, officers, and employees of the Bank. Such persons will not receive any fees for such solicitation. Banks, brokers, nominees, fiduciaries and other custodians have been requested to forward such soliciting material to the beneficial owners of shares held of record by them, and such banks, brokers, nominees, fiduciaries and other custodians may be reimbursed for their expenses.

**Voting Securities, Quorum and Required Vote**

The record date for voting at the Annual Meeting was the close of business on March 18, 2009 (the “Record Date”). As of the Record Date there were 11,401,301 outstanding shares of common stock, par value \$0.05 per share, of the Bank. Holders of the Bank’s common stock are entitled to one vote per share in the election of the Class II

Directors and on any other matters to be voted upon at the Annual Meeting. As of the date hereof, there are no other classes of the Bank's capital stock issued or outstanding.

The presence in person or by proxy of a majority of the shares of common stock outstanding on the Record Date will constitute a quorum for the purpose of conducting business at the Annual Meeting.

Abstentions and broker non-votes (shares held by brokers on behalf of their customers which may not be voted on certain matters because the brokers have not received specific voting instructions from their customers with respect to such matters) will be counted solely for the purpose of determining whether a quorum is present.

Directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy in the Annual Meeting and entitled to vote on the election of Directors. Any other matters that may properly come before the Annual Meeting will be approved if a majority of the votes cast are voted in favor of the action, unless the question is one upon which a larger or different vote is required by express provision of law or by the Bank's Articles of Association or By-laws.

### **Voting and Revocability of Proxies**

Unless contrary instructions are indicated, all shares represented by valid proxies received pursuant to this solicitation (and not revoked before they are voted) will be voted FOR the election of the nominees for Director named herein. As of the date of this Proxy Statement, the Board knows of no business that will be presented for consideration at the Annual Meeting other than the election of the Class II Directors. If any other business properly comes before the Annual Meeting, the persons designated in the enclosed proxy will vote on such business in accordance with their best judgment.

Any shareholder who executes and returns a proxy card may revoke it at any time before it is voted by delivering to Margaret McCool, Corporate Secretary of the Bank, at the principal executive offices of the Bank at Brandywine Commons II, 1000 Rocky Run Parkway, Wilmington, Delaware 19803, a later-dated proxy or written notice of revocation, or by attending the Annual Meeting and voting in person.

### **Shares Held Through Banks, Brokerage Firms or Other Nominees**

If shares are held through a bank, brokerage firm or other nominee, shares should be voted in accordance with the instructions provided by the bank, brokerage firm or other nominee. In order to vote shares which are held through a bank, brokerage firm or other nominee in person at the Annual Meeting, the bank, brokerage firm or other nominee must provide you with a legal proxy authorizing the holder to vote the shares at the Annual Meeting.

### **Shareholder Communications with Directors**

Any shareholder may communicate with the Board, or any individual member or members of the Board, by directing his, her or its communication to First Bank of Delaware,

Brandywine Commons II, 1000 Rocky Run Parkway, Wilmington, Delaware 19803, Attention: Corporate Secretary, together with a request to forward the communication to the intended recipient or recipients. In general, all shareholder communications delivered to the Corporate Secretary for forwarding to the Board or specified Board members will be forwarded in accordance with the shareholder's instructions. The Corporate Secretary, however, may not forward any abusive, threatening or otherwise inappropriate materials.

## **Proposal 1**

### **Election of Directors**

The Bank's Articles of Association provide that the Board may consist of not less than five Directors and not more than twenty five Directors, classified into three classes as nearly equal in number as possible; however, the number of Directors in each class may differ. The members of one class of directors are elected at each annual meeting and each class of directors serves for approximately three years. The classes of Directors have been designated as "Class I," "Class II" and "Class III."

The Board has fixed the number of Directors at five. The Class I Director is Harry D. Madonna; the Class II Directors are William W. Batoff and Alonzo J. Primus; and the Class III Directors are Lyle W. Hall, Jr. and Harris Wildstein, Esq. The incumbent Class I Director will continue in office until the Bank's 2011 Annual Meeting of Shareholders and thereafter until his successor is elected and qualifies. Incumbent Class III Directors will hold office until the Bank's 2010 Annual Meeting of Shareholders. Each Director will hold office until the Annual Meeting of Shareholders at which his term expires and until the election and qualification of his successor.

Upon the recommendation of the Nominating Committee, the Board has nominated William W. Batoff and Alonzo J. Primus for reelection at the Annual Meeting as the Class II Directors, to serve until the Bank's 2012 Annual Meeting of Shareholders and thereafter until their successors are elected and qualify. Mr. Batoff and Mr. Primus have agreed to stand for election. In the event, however, that either Mr. Batoff or Mr. Primus, for any reason, becomes unavailable for election or service as a Director, the Board may designate a substitute nominee to replace him and the persons designated in the enclosed proxy will vote for the election of such other person or persons as the Board may recommend.

Because the Bank's common stock is not listed on a national securities exchange or in an inter-dealer quotation system, the Bank is not considered a listed issuer and certain listing standards regarding independence of directors do not apply to the Bank. We have, however, determined the independence of the members of our Board and committees by reference to the listing standards of the Nasdaq Stock Market. The Board determined that under Nasdaq independence standards Messrs. Batoff, Hall and Wildstein, constituting a majority of the members of the Board of Directors, are independent, and that all of the members of the Audit, Nominating and Compensation Committees are independent. The Directors who were determined to be not independent were Messrs. Madonna and Primus.

## **Director Nominees**

The following individuals have been nominated for re-election to the Board as Class II Directors, to serve until the 2012 Annual Meeting of Shareholders and until their successors are elected and qualify.

*William W. Batoff*, age 74, has been a Director of the Bank since 1999. Since 1988, he has also been a Director of Republic First Bancorp, Inc. (“Republic First”) and its wholly owned subsidiary Republic First Bank (“Republic First Bank”). Since 1996, Mr. Batoff has been the managing director of William W. Batoff Associates, a government relations consulting firm. Prior to that, Mr. Batoff was a senior consultant of Cassidy & Associates, a government relations consulting firm, since 1992, and has been a Presidential Appointee to the Advisory Board of the Pension Benefit Guarantee Corporation (PBGC) a United States Government Agency.

*Alonzo J. Primus*, age 37, is the President and Chief Executive Officer of the Bank. He has been the Chief Executive Officer since July 2008 and has been the President since December 2006. From December 2006 until July 2008, Mr. Primus also served as the Chief Operating Officer of the Bank. He was the Bank’s Executive Vice President of National Consumer Lending from April 2004 through December 2006. Mr. Primus served as Senior Vice President and Chief Accounting Officer of Republic First from 2000 until April 2004. From 1998 until 2000, Mr. Primus served as Assistant Vice President of Financial Reporting of Summit Bank in Princeton, New Jersey. Mr. Primus has been a Director of the Bank since February 2006.

## **Continuing Directors**

Each of the following individuals is an incumbent Director who will continue to serve as Director of the Bank until the end of his respective term or until his successor is elected and qualifies.

### Class I Director

*Harry D. Madonna*, age 66, has been the Chairman of the Board of the Bank (“Chairman”) since 1999 and was the Bank’s Chief Executive Officer from January 2002 until July 2008. He has been Chairman of the Board of Republic First and Republic First Bank, since 1988 and Chief Executive Officer of Republic First and Republic First Bank since January 2002. Mr. Madonna was of counsel to Spector Gadon & Rosen, P.C., a general practice law firm located in Philadelphia, Pennsylvania, from January 2002 until June 2005 and, prior to that, was a partner of Blank Rome Comisky & McCauley LLP, a general practice law firm located in Philadelphia, Pennsylvania, since 1980.

### Class III Directors

*Lyle W. Hall, Jr.*, age 64, has been a Director of the Bank since 2007 and a Director of Republic First and Republic First Bank since 2004. Mr. Hall has been the President of Deilwydd Partners, a real estate and financial consulting company, since 1987. Prior to that, Mr. Hall was the Executive Vice President and Director of Butcher & Company, a New York Stock Exchange Investment Banking Company. Mr. Hall is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants.

*Harris Wildstein, Esq.*, age 63, has been a Director of the Bank since 1999 and a Director of Republic First and Republic First Bank since 1988. Since September 2004, Mr. Wildstein has been an owner and officer of Lifeline Funding, LLC. He has been the vice president of R&S Imports, Ltd., an automobile dealership, since 1977, and president of HVW, Inc., an automobile dealership, since 1982.

As noted above, Messrs. Madonna, Batoff, Hall and Wildstein are members of Republic First's and Republic First Bank's Board of Directors. Republic First's class of common stock is registered with the Securities and Exchange Commission, or "SEC," pursuant to section 12 of the Securities Exchange Act of 1934, as amended.

### **Committees of the Board of Directors**

The Bank's Board of Directors conducts much of its business through Board committees, including a standing Audit Committee, Nominating Committee and Compensation Committee.

*Audit Committee.* Messrs. Hall (chair), Batoff and Wildstein serve as members of the Audit Committee. All members of the Audit Committee have been determined by the Board to be independent under Nasdaq listing standards, including the independence criteria applicable to audit committee members. The Board has determined that Mr. Hall is an "audit committee financial expert" as that term is defined in Item 407(d) of Regulation S-K adopted by the SEC. The Audit Committee held four meetings during 2008 and it operates under a written charter approved by the Board. A copy of the Audit Committee charter is available on the Bank's website at [www.fbdel.com](http://www.fbdel.com). The purposes of the Audit Committee are to:

- assist the Board in its oversight of the integrity of the Bank's financial statements, the Bank's compliance with legal and regulatory requirements, the independent auditors' qualifications and independence, the performance of the Bank's internal audit function and independent auditors, and the Bank's management of market, credit, liquidity and other financial and operational risks;
- decide whether to appoint, retain or terminate the Bank's independent auditors and to pre-approve all audit, audit-related and other services, if any, to be provided by the independent auditors; and
- prepare the report required to be prepared by the Audit Committee pursuant to the rules of the SEC and the Federal Deposit Insurance Corporation, or "FDIC," for inclusion in the Bank's annual proxy statement.

*Compensation Committee.* Messrs. Batoff (chair), Hall and Wildstein serve as members of the Compensation Committee. All members of the Compensation Committee have been determined by the Board to be independent under Nasdaq listing standards, “non-employee directors,” as defined in SEC Rule 16b-3, and “outside directors,” as defined for purposes of Internal Revenue Code Section 162(m). The Compensation Committee held three meetings in 2008. The Compensation Committee operates under a written charter approved by the Board. A copy of the Compensation Committee’s charter is available on the Bank’s website at [www.fbdel.com](http://www.fbdel.com). The Compensation Committee’s responsibilities include the following.

- Review and approve on an annual basis the corporate goals and objectives with respect to compensation for the Chief Executive Officer and Chairman.
- Evaluate at least annually the Chief Executive Officer’s and Chairman’s performance in light of established goals and objectives and, based on such evaluation, have sole authority to determine the Chief Executive Officer’s and Chairman’s annual compensation.
- Review and make recommendations to the Board of Directors with respect to compensation for other executive officers, incentive-compensation plans and equity-based compensation plans.
- Review and make recommendations to the Board of Directors with respect to the compensation of directors.
- Administer, interpret and determine awards pursuant to the Company’s stock-based incentive compensation plans.
- Have the sole authority, in its discretion, to retain and terminate any consulting firm to assist in the evaluation of director, Chief Executive Officer or senior executive compensation, including sole authority to approve the firm’s fees and other retention terms.

The Compensation Committee meets at such times as it determines to be necessary or appropriate, but not less than once a year, primarily for the purpose of determining the amount and form of compensation of the Chief Executive Officer and the Chairman of the Bank. The Compensation Committee has the sole authority to establish the compensation of the Chief Executive Officer and the Chairman and may not delegate such authority, except to a subcommittee. The Chief Executive Officer has the primary responsibility for determining the amount and form of compensation of the other executive officers of the Bank and consults with the Compensation Committee on such matters. The Compensation Committee is empowered to engage independent compensation consultants, but did not do so during 2008. In 2006, however, the Compensation Committee did engage Strategic Compensation Planning, Inc., of Malvern, Pennsylvania, to assist the Compensation Committee in structuring the employment agreements for the President and Chief Executive Officer and for the Chairman. See “Executive Compensation” on page 9 for more information regarding these employment agreements.

The Compensation Committee is also responsible for periodically reviewing the amount and form of director compensation paid to non-employee directors. The Compensation Committee recommends proposed changes in director compensation to the Board as appropriate, from time to time, and any changes in director compensation are approved by the Board.

*Nominating Committee.* Messrs. Hall (chair), Batoff and Wildstein serve as members of the Nominating Committee. All members of the Nominating Committee have been determined by the Board to be independent under Nasdaq listing standards. The Nominating Committee held one meeting in 2008. The Nominating Committee operates under a written charter approved by the Board. A copy of the Nominating Committee's charter is available on the Bank's website at [www.fbdel.com](http://www.fbdel.com). The Nominating Committee oversees the composition and operation of the Board, including identifying candidates for nomination to the Board. The Nominating Committee evaluates candidates it has identified or who have been recommended to it based on the selection criteria provided in the Nominating Committee Charter and other criteria deemed relevant by the Nominating Committee. The Nominating Committee will consider Director candidates recommended by shareholders and evaluate those candidates in the same manner that it evaluates other Director candidates. The procedures for shareholders to recommend Director candidates are described under the heading "Shareholder Proposals and Nominations for the 2010 Annual Meeting" on page 19.

### **Meetings of the Board and Attendance**

The Board held six Board meetings in 2008. All of the Directors attended at least 75% of all of the meetings of the Board and the meetings of all committees of the Board on which such Director served.

The Bank encourages all incumbent Directors and nominees for election as Directors to attend the Annual Meeting. All then-serving Directors attended the Bank's 2008 Annual Meeting of Shareholders.

### **Executive Officers**

The following sets forth certain information regarding the executive officers of the Bank. Information pertaining to Harry D. Madonna, a Director of the Bank, may be found in the section entitled "Continuing Directors" on page 4, and information pertaining to Alonzo J. Primus, who is both a Director and the President and Chief Executive Officer of the Bank, may be found in the section entitled "Director Nominees" on page 4.

*Paul Frenkiel*, age 56, has been the Chief Financial Officer of the Bank since November 2000, and was a Director of the Bank from January 2002 until April 2004. Mr. Frenkiel was the Chief Financial Officer of Republic First and Republic First Bank from April 2000 until November 2008. Prior to that, Mr. Frenkiel served as the Chief Financial Officer of Jeff Banks Inc., a bank holding company, from 1987 until April 2000.

*Lisa Vandercook*, age 53, has been the Chief Risk Management Officer of the Bank since March 2006 and was also the Chief Risk Management Officer for Republic First Bank from March 2006 until September 2008. Prior to joining First Bank of Delaware, Ms. Vandercook served in various regulatory, audit, compliance and risk management positions, most recently at JPMorgan Chase.

*Daniel Mignogna*, age 58, was named Executive Vice President, Chief Operations Officer of the Bank in January 2009. From April 2006 until January 2009, he managed day to day operations for First Bank of Delaware's National Consumer Lending division as Senior Vice President. Prior to joining First Bank of Delaware, Mr. Mignogna worked at Bank of America, Fleet Boston Financial and National Westminster Bank in consumer credit, vendor management, strategic operations and residential lending. He has also held positions in retail bank management and corporate training at other banks in the New York City area.

### **Recommendation of the Board of Directors**

THE BOARD OF DIRECTORS OF THE BANK UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ELECTION OF ITS DIRECTOR NOMINEES.

## Executive Compensation

The following table shows the annual compensation of the Bank's Chairman, the Bank's Chief Executive Officer and the most highly compensated executive officers of the Bank other than the Chief Executive Officer. Collectively, these officers are referred to as the "named executive officers."

### 2008 SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$ (1))	All Other Compensation (\$)	Total (\$)
Harry D. Madonna Chairman of the Board of Directors	(2) 2008	371,000	400,000	5,875	215,574	992,449
	2007	350,000	350,000	7,563	174,290	881,853
Alonzo J. Primus President/Chief Executive Officer	(3) 2008	279,000	300,000	5,875	148,899	733,774
	2007	225,000	225,000	7,563	122,978	580,541
Daniel J. Mignogna Executive Vice President	(4) 2008	170,000	50,000	2,350	40,246	262,596
	2007	150,000	50,000	-	36,220	236,220
Lisa Vandercook Chief Risk Management Officer	(5) 2008	129,648	30,000	-	31,114	190,762
	2007	121,500	26,300	1,512	29,160	178,472

(1) The amount shown is the dollar amount recognized for financial statement reporting purposes with respect to the referenced fiscal year in accordance with FAS 123R. Assumptions made in the valuation of option awards for financial statement reporting purposes are discussed in Notes 2 and 14 in the Notes to Consolidated Financial Statements, included in the Annual Report and Form 10-K accompanying this proxy statement.

(2) In 2008 and 2007, respectively, other compensation for Harry D. Madonna includes \$25,990 and \$12,192 of automobile and transportation allowance, \$4,061 and \$12,380 of business development expense including a club membership which is sometimes used for personal purposes, \$3,736 and \$3,736 for life and supplemental long-term disability insurance, \$4,600 and \$3,732 matching contributions made by the Bank to the Bank's 401(k) plan, and \$177,187 and \$142,250 of contributions by the Bank to the Bank's Deferred Compensation Plan all of which were vested in 2008. Mr. Madonna served as Chief Executive Officer through July 22, 2008.

(3) In 2008 and 2007, respectively, other compensation for Alonzo J. Primus includes \$24,449 and \$25,084 of automobile and transportation allowance, \$11,996 and \$18,894 of business development expense including a club membership which is sometimes used for personal purposes, \$1,004 and \$0 for life insurance, \$9,200 and \$9,000 for matching contributions made by the Bank to the Bank's 401(k) plan, and \$102,250 and \$70,000 of contributions by the Bank to the deferred compensation plan all of which were vested in 2008.

(4) In 2008 and 2007, respectively, other compensation for Daniel J. Mignogna includes \$6,246 and \$6,220 for matching contributions by the Bank to the Bank's 401(k) plan, and \$34,000 and \$30,000 of contributions by the Bank to the deferred compensation plan which vest over three-year periods.

(5) In 2008 and 2007, respectively, other compensation for Lisa Vandercook includes \$5,185 and \$4,860 for matching contributions by the Bank to the Bank's 401(k) plan, and \$25,929 and \$24,300 of contributions by the Bank to the deferred compensation plan which vest over three-year periods.

Our named executive officers receive a combination of base salary, health and welfare benefits, bonus compensation, long-term incentive compensation in the form of stock option awards, qualified and nonqualified deferred compensation and perquisites. Bonus compensation is paid at the discretion of the Compensation Committee after consideration of numerous factors, which may include net income, core deposits, loan growth, income from loan programs and other factors set by the Compensation Committee.

Effective January 1, 2007, the Bank entered into employment agreements with each of Messrs. Madonna and Primus. The compensation paid to Messrs. Madonna and Primus is determined, in large part, by the terms of these employment agreements, which are described below.

*Harry D. Madonna.* Mr. Madonna currently serves as Chairman of the Bank under the terms of an agreement with an initial term of three years beginning January 1, 2007 at an annual base salary of \$350,000. Mr. Madonna's annual base salary automatically increased to \$385,000 for 2008. On July 22, 2008, Mr. Madonna's salary was reduced to \$350,000 as a result of the transfer of Chief Executive Officer duties to Mr. Primus. That salary amount (\$350,000) increased by an additional 10% for the third year of the agreement. Accordingly, effective January 1, 2009, Mr. Madonna's salary was \$385,000. The Bank may terminate Mr. Madonna's agreement after three years with six months prior notice or any time for cause. Mr. Madonna may terminate the agreement upon six months notice to the Bank. Mr. Madonna is also eligible to receive an annual bonus in an amount set by the sole discretion and determination of the Compensation Committee upon achieving mutually agreed upon budget criteria. He will also receive 25% of base salary and most recent bonus as deferred compensation, which will vest over three years, pursuant to the Bank's Deferred Compensation Plan. Annually, for each of the three years of the agreement, Mr. Madonna will receive 25,000 stock options at an exercise price equal to the stock's market price on the date of grant, which will vest three years after the date of the grant. Mr. Madonna will be provided an automobile and will be reimbursed for its operation, maintenance and insurance expenses. Additionally, he will receive health and disability insurance available to all employees, term life insurance for three times his salary, business related travel and entertainment expenses and club dues and expenses. The agreement with Mr. Madonna provides for severance and change in control payments, which are discussed below under the heading, "Severance and Change in Control Benefits" on page 12. It also provides for the non-disclosure by Mr. Madonna of confidential information acquired by him in the context of his employment with the Bank.

*Alonzo J. Primus.* Mr. Primus currently serves as President and Chief Executive Officer of the Bank under the terms of an agreement with a term of three years beginning January 1, 2007, at a salary of \$225,000. Mr. Primus's annual base salary automatically increased to \$247,500 for 2008. On July 22, 2008, Mr. Primus's salary was increased to \$325,000 as a result of the transfer of Chief Executive Officer duties to Mr. Primus. That salary amount (\$325,000) increased by an additional 10% for the third year of agreement. Accordingly, effective January 1, 2009, Mr. Primus's salary is \$357,500. The Bank may terminate the agreement after three years with six months prior notice or any time for cause. Mr. Primus may terminate the agreement upon six months notice to the Bank. Mr. Primus is also eligible to receive an annual bonus in an amount set by the sole discretion and

determination of the Compensation Committee upon achieving mutually agreed upon budget criteria. Mr. Primus will also receive 20% of base salary and most recent bonus as deferred compensation, which will vest over three years, pursuant to the Bank's Deferred Compensation Plan. Annually, for each of the three years of the agreement, Mr. Primus will receive 25,000 stock options at an exercise price equal to the stock's market price on the date of grant, which will vest three years after the date of the grant. Mr. Primus will receive a monthly automobile allowance of \$1,250. Additionally, Mr. Primus will receive health and disability insurance available to all employees, term life insurance for three times his salary, business related travel and entertainment expenses and club dues and expenses. The agreement with Mr. Primus provides for severance and change in control payments, which are discussed below under the heading, "Severance and Change in Control Benefits" on page 12. It also provides for the non-disclosure by Mr. Primus of confidential information acquired by him in the context of his employment with the Bank and post-employment non-compete agreements, which apply for one year after employment.

The Bank has caused a deferred compensation plan to be maintained for the benefit of its officers and directors. The plan permits participants to make contributions up to the amount of his or her salary subject to applicable limitations under the Internal Revenue Code. In addition, the Bank may make discretionary contributions to the plan, typically a percentage of the participant's base salary or annual cash compensation. The Bank's contributions to the plan for the benefit of Messrs. Madonna and Primus are limited by the amounts specified in their respective employment agreements. The value and any earnings on participant accounts are determined by the changes in value of the Bank's common stock. The plan provides for distributions upon retirement and, subject to applicable limitations under the Internal Revenue Code, limited hardship withdrawals.

## OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2008

	Option Awards			
	Exercisable (1)	Unexercisable (2)	Exercise Price	Expiration Date
Harry D. Madonna Chairman		25,000	2.76	January 23, 2018
		25,000	3.10	January 2, 2017
	100,000		2.70	April 19, 2015
	42,800		2.45	April 19, 2015
	18,700		2.67	January 1, 2014
	8,004		2.45	January 1, 2014
Alonzo J. Primus Chief Executive Officer / President		100,000	1.65	October 23, 2018
		25,000	2.76	January 23, 2018
		25,000	3.10	January 2, 2017
	5,300		2.70	April 19, 2015
	2,268		2.45	April 19, 2015
	16,500		2.79	April 14, 2014
	7,062		2.45	April 14, 2014
	7,700		2.67	January 1, 2014
	3,296		2.45	January 1, 2014
	2,200		1.63	March 31, 2013
	942		2.45	March 31, 2013
	3,300		1.20	February 19, 2012
	1,412		2.45	February 19, 2012
Daniel J. Mignogna Executive Vice President		10,000	3.10	January 2, 2017
Lisa Vandercook Chief Risk Management Officer		5,000	3.10	January 2, 2017

(1) All exercisable options are fully vested.

(2) All unexercisable options are subject to vesting and will vest four years after the date of grant, or on January 2, 2011, for options which expire on January 2, 2017. Options which expire on January 23, 2018 will vest on January 23, 2012.

### ***Severance and Change in Control Benefits***

Messrs. Madonna and Primus are parties to employment contracts with the Bank that provide for certain severance and change in control benefits. Upon the occurrence of a change in control (as defined in the agreements), or termination for any reason other than death, resignation by the executive without cause (as defined in the agreements) and termination by the Bank with good reason (as defined in the agreements), Mr. Madonna or Mr. Primus, as applicable, would receive a severance payment equal to three times his annual base salary plus three times his average bonus over the prior three years. Also he would receive three years of health and life insurance or cash in an amount equal to the cost of such insurance. Mr. Madonna would receive an automobile. Mr. Madonna or Mr. Primus, as

applicable, would also receive a “gross-up” payment as reimbursement for any additional excise taxes if triggered under section 4999 of the Internal Revenue Code. Had Mr. Madonna been terminated as of December 31, 2008 without cause or in connection with a change in control, he would have received cash severance, life and health insurance benefits, automobile allowances and tax gross ups aggregating approximately \$2.8 million. Had Mr. Primus been terminated as of December 31, 2008 without cause or in connection with a change in control, he would have received cash severance, life and health insurance benefits and tax gross-ups aggregating approximately \$2.3 million.

The Bank has adopted a change in control policy for certain senior officers, including Mr. Mignogna. The policy is not applicable to Messrs. Madonna and Primus. The policy provides that upon the occurrence of a change in control or similar transaction that does not receive the approval of the Board required by the policy, particularly a hostile takeover, which is followed by a termination of employment, any officer eligible to receive benefits under the policy would receive a payment equal to two times his or her annual base salary. Had Mr. Mignogna terminated his employment on December 31, 2008, following a covered change in control, he would have received change in control benefits under the policy equal to approximately \$340,000.

## Compensation of Directors

### 2008 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$) (1)	Total (\$)
William W. Batoff	70,725	940	71,665
Lyle W. Hall, Jr.	64,500	940	65,440
Harris Wildstein Esq.	73,350	940	74,290

(1) The amount shown is the dollar amount recognized for financial statement reporting purposes with respect to the referenced fiscal year in accordance with FAS 123R. Assumptions made in the valuation of option awards for financial statement reporting purposes are discussed in Notes 2 and 14 in the Notes to Consolidated Financial Statements, included in the Annual Report and Form 10-K accompanying this proxy statement. As of December 31, 2008, the following directors had the following outstanding options: Mr. Batoff: 148,800 options; Mr. Hall: 3,000 options; and Mr. Wildstein: 180,216 options. Of those options, all are vested except 3,000 for Mssrs. Batoff and Wildstein which vest on January 2, 2010 and 3,000 for each of the above directors which vest January 23, 2011, which is three years after the date of grant.

Employee Directors receive no additional compensation for their service on the Board. During 2008, non-employee Directors received a \$6,000 quarterly retainer. The Audit Committee Chair received \$1,500 for each Audit Committee meeting attended and each other member of the Audit Committee received \$1,000 for each Audit Committee meeting attended. The Chair of all other Board committees received \$750 for each committee meeting attended and each other member of those committees received \$500 for each committee meeting attended. Non-employee Directors also receive an additional retainer of \$2,300 per month for business development expenses. In 2008, each non-employee Director also earned \$10,000 for extra time and effort expended on regulatory issues.

Non-employee Directors are eligible to receive grants of stock options under the Bank's Stock Option Plan and Restricted Stock Plan and to participate in the Bank's Deferred Compensation Plan.

### Equity Compensation Plan Information

The following table sets forth information as of December 31, 2008, with respect to the shares of common stock that may be issued under the Bank's existing equity compensation plans.

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance (excluding securities reflected in column (a))
Equity compensation plans approved by security holders: Stock Option Plan and Restricted Stock Plan	905,251	\$2.54	141,839
Equity compensation plans not approved by security holders	--	--	--
Total	905,251	\$2.54	141,839

### Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires the Bank's officers and Directors and persons who own more than 10% of a registered class of the Bank's equity securities (collectively, the "Reporting Persons") to file reports of ownership and changes in ownership with the FDIC and to furnish the Bank with copies of these reports. Based on the Bank's review of the copies of the reports filed by such persons and written representations, the Bank believes that all filings required to be made by Reporting Persons for the period from January 1, 2008 through December 31, 2008 were made on a timely basis. Forms to report 2008 option grants to all directors of the Bank were not filed timely. Also, Mr. Wildstein had untimely filings for three purchases of shares, and Mr. Hall had an untimely filing for one purchase of shares.

### Audit Committee Report To Shareholders

The Audit Committee is responsible for providing independent, objective oversight of the Bank's accounting functions and internal controls. Management is responsible for the Bank's internal controls and financial reporting process. The independent auditors are responsible for performing an independent audit of the Bank's consolidated financial statements in accordance with generally accepted auditing standards and to issue a report thereon. The Audit Committee's responsibility is to monitor and oversee these processes.

In connection with these responsibilities, the Audit Committee has reviewed and discussed the audited financial statements with management. The Audit Committee has discussed with the independent auditors the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (Codification of Statements on Auditing Standards AU § 380). The Audit Committee has received the written disclosures and the letter from the independent accountants required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and has discussed with the independent accountant the independent accountant's independence.

Based upon the Audit Committee's review and discussions with management and the independent accountants referred to above, the Audit Committee recommended to the Board of Directors that the Bank's audited consolidated financial statements be included in the Bank's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, for filing with the FDIC.

Respectfully submitted,

Lyle W. Hall, Jr., Chair  
William W. Batoff  
Harris Wildstein

## Security Ownership Of Certain Beneficial Owners And Management

The following table sets forth, as of March 3, 2009, information with respect to the holdings of Bank securities of all persons which the Bank, pursuant to filings with the FDIC and the Bank's stock transfer records, has reason to believe may be beneficial owners of more than five percent of the Bank's outstanding common stock, each Director and Director nominee, each named executive officer, and by the Bank's executive officers and Directors as a group.

<u>Name and Address of Beneficial Owner (1)</u>	<u>Amount and Nature of Beneficial Ownership (2)</u>	<u>Percentage of Class (2)</u>
Harry D. Madonna	1,879,926 <sup>(3)</sup>	16.3%
William W. Batoff	272,204 <sup>(4)</sup>	2.4%
Lyle W. Hall, Jr.	143,790 <sup>(5)</sup>	1.3%
Harris Wildstein, Esq.	1,250,311 <sup>(6)</sup>	10.8%
Alonzo J. Primus	83,198 <sup>(7)</sup>	*
Dan Mignogna	-	*
Lisa Vandercook	-	*
All Directors and executive officers as a group (8 persons)	3,738,720	31.3%

\* Represents less than 1% of the issued and outstanding shares.

- (1) Unless otherwise indicated, the address of each beneficial owner is c/o First Bank of Delaware, Brandywine Commons II, 1000 Rocky Run Parkway, Wilmington, Delaware 19803. The group of Directors and executive officers was determined as of March 3, 2009 and does not reflect any changes in management since that date.
- (2) The securities "beneficially owned" by an individual are determined in accordance with the definition of "beneficial ownership" set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended. Any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: voting power, which includes the power to vote, or to direct the voting of, the Bank's common stock; and/or, investment power, which includes the power to dispose, or to direct the disposition of, the Bank's common stock, is determined to be a beneficial owner of the Bank's common stock. All shares are subject to the named person's sole voting and investment power unless otherwise indicated. Shares beneficially owned include options to purchase shares which are currently exercisable or which will be exercisable within 60 days of March 3, 2009. Percentage calculations presume that the identified individual or group exercises all of his, her or their respective options and that no other holders of options exercise their options. As of March 3, 2009 there were 11,401,301 shares of the Bank's common stock outstanding.
- (3) Includes 169,504 shares of common stock subject to options which are currently exercisable and 708,076 shares of common stock held in a trust for Mr. Madonna's children.
- (4) Includes 142,800 shares of common stock subject to options which are currently exercisable.
- (5) Includes no shares of common stock subject to options.
- (6) Includes 174,216 shares of common stock subject to options which are currently exercisable. Also includes 31,596 shares held as custodian for his daughter, 13,913 shares with power of attorney for his mother and 39,590 owned by his son.
- (7) Includes 49,980 shares of common stock subject to options which are currently exercisable.

## **Certain Relationships and Related Transactions**

Prior to January 31, 2005, the Bank was a wholly owned subsidiary of Republic First. Four of the Bank's Directors, all but Mr. Primus, also serve as Directors of Republic First and Republic First Bank. Mr. Madonna serves as Chairman, Chief Executive Officer and President of Republic First and Republic First Bank.

At the time the Bank was spun off from Republic First, Republic First and BSC Services Corporation, a wholly-owned subsidiary of the Bank, entered into a number of agreements pursuant to which BSC Services Corporation provided services to Republic First Bank, including a financial accounting and reporting service agreement, compliance services agreement, operation and data processing services agreement; and human resources and payroll services agreement. These agreements provided for shared data processing, accounting, employee leasing, human resources, credit and compliance services.

During 2008, the Bank and Republic First Bank began to transition away from this relationship. In July 2008, the Bank and Republic First Bank entered into a number of agreements, similar to those between BSC Services Corporation and Republic First Bank, but pursuant to which Republic First Bank would provide services to the Bank. These agreements include a financial accounting and reporting service agreement, compliance and audit services agreement, operations, data processing and administrative services agreement, human resources and payroll services agreement, and credit and loan administration services agreement. In August 2008, all employees of BSC Services Corporation were transferred to the direct employ of either the Bank or Republic First Bank. As of December 31, 2008, the financial accounting and reporting, compliance, audit and human resources and payroll services agreement had ended.

Republic First Bank paid BSC Services Corporation \$8.2 million in 2008 for services provided. For services provided in 2008, after changes in the relationship between the Bank and Republic First Bank, the Bank paid Republic First Bank \$215,000.

The Bank has several extensions of credit to Harris Wildstein, a Director of the Bank, or to companies in which Mr. Wildstein has an interest. One of these extensions of credit is a loan participation acquired from Republic First Bank in prior years amounting to \$2.0 million, the full balance of which was outstanding at December 31, 2008. That loan, with a rate at prime, was paid off on March 6, 2009. During 2008, total interest payments for this loan amounted to \$113,930, while total principal payments amounted to \$0. Mr. Wildstein's interest in the company benefiting from this loan is 100%. Mr. Wildstein's related companies were also beneficiaries of a \$660,000 6.50% loan made on December 19, 2007. The balance outstanding at December 31, 2008 and January 20, 2009 was \$650,176. Total 2008 principal and interest payments on that loan were respectively, \$9,824 and \$41,014. On January 14, 2008 an additional \$1 million line of credit with a rate at prime was originated with the Bank. This line was fully repaid and terminated on August 6, 2008. Total 2008 principal and interest payments on that line were respectively, \$650,000 (the maximum amount drawn on the line) and \$9,784. In 2008, the highest amount of all extensions of credit to Mr. Wildstein was \$3.7 million, which amounted to 9.3% of shareholders' equity as of December 31, 2008.

All transactions with related persons are approved by the Board of Directors of the Bank. The Bank has written policies which require such Board approval, and which require that the terms of such extensions of credit be on the same terms as transactions with non-related persons.

### **Independent Public Accountants**

The following table presents fees for the annual audit of the Bank's financial statements and other professional services by Beard Miller Company LLP ("BMC"), the Bank's independent auditor for the years ended December 31, 2008 and 2007.

	<u>2008</u>	<u>2007</u>
Audit Fees:	\$96,750	\$76,000
Audit-Related Fees:		--
Tax Fees:	\$10,000	9,000
All Other Fees:	\$17,500	9,000
Total Fees	<u>\$124,250</u>	<u>\$94,000</u>

Audit Fees consist of fees billed for professional services rendered for the audit of the Bank's consolidated financial statements and review of the interim consolidated financial statements included in quarterly reports and services that are normally provided by the above firms in connection with statutory and regulatory filings or engagements.

Audit-Related Fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Bank's consolidated financial statements and are not reported under "Audit Fees."

Tax Fees consist of fees billed for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal and state tax compliance, tax audit defense, customs and duties, and mergers and acquisitions.

All Other Fees consist of fees billed for products and services provided by the principal accountant, other than those services described above.

Representatives of BMC are expected to be present at the Annual Meeting, and they will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions. As of the date of this proxy statement, the Audit Committee has not yet met to select the Bank's auditors for 2009.

## **Audit Committee Pre-Approval Procedures**

The Audit Committee meets with the Bank's independent auditors to pre-approve the annual scope of accounting services to be performed and the related fee estimates. The Audit Committee also meets with the Bank's independent auditors on a quarterly basis, following completion of its quarterly reviews and annual audit and prior to the Bank's earnings announcements, to review the results of the auditors' work. During the course of the year, any authorized member of the Audit Committee may pre-approve requests for services that were not approved in the annual pre-approval process. Any interim pre-approvals would be reported at the following quarterly meeting of the Audit Committee. During fiscal 2008, all audit and non-audit services performed by BMC for the Bank were pre-approved by the Audit Committee in accordance with the foregoing procedures and the Audit Committee Charter. The percentage of services that were approved by the audit committee for Audit-Related Fees, Tax Fees, and All Other Fees was 100%.

## **Code of Ethics**

The Bank has adopted a code of ethics that applies to the Bank's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The text of the Bank's code of ethics is available on the Bank's website at [www.fbdel.com](http://www.fbdel.com).

## **Shareholder Proposals and Nominations for the 2010 Annual Meeting**

Any shareholder who intends to present a proposal for consideration at the Bank's 2010 Annual Meeting of Shareholders must submit her or his proposal to the Bank no later than November 11, 2009 in order to have the Bank consider the inclusion of such proposal in the Bank's 2010 proxy and proxy statement relating to the 2010 Annual Meeting of Shareholders. Reference is made to SEC Rule 14a-8 for information concerning the content and form of such proposal and the manner in which such proposal must be made.

Any shareholder who intends to present a proposal for consideration at the Bank's 2010 Annual Meeting of Shareholders outside of the process of SEC Rule 14a-8 must deliver written notice of any proposed director nomination or other proposal for consideration at the Bank's 2010 Annual Meeting of Stockholders to the Bank's Corporate Secretary no later than November 11, 2009, pursuant to the Bank's advance notice by-law. This requirement is separate from and in addition to the SEC requirements that a shareholder must meet in order to have a shareholder proposal included in the Bank's proxy statement.

Nominations for election to the Board of Directors at the 2010 Annual Meeting may be made only in writing by a shareholder entitled to vote at the 2010 Annual Meeting of Shareholders. Such nominations must be addressed as follows: Margaret McCool, Corporate Secretary, First Bank of Delaware, Brandywine Commons II, 1000 Rocky Run Parkway, Wilmington, Delaware 19803. Nominations for the 2010 Annual Meeting must be received by the Corporate Secretary no later than January 25, 2010 and must be accompanied by the following information: (i) the name and address of the shareholder who intends to make the nomination; (ii) a representation that the shareholder is a holder of record of stock entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to nominate

the person or persons specified in the notice; (iii) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (iv) such other information regarding each nominee proposed by such shareholder as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the SEC and FDIC, had each nominee been nominated or intended to be nominated by the Board; and (v) the consent of each nominee to serve as a Director of the Bank if so elected. The chairman of any meeting of shareholders held to elect Directors may refuse to recognize the nomination of any person not made in compliance with such provisions. In February 2008, the Board amended the Bank's By-laws so that the advance notice required for the submission of any proposals outside the process of SEC Rule 14a-8 would conform to the advance notice required under SEC Rule 14a-8. There have been no other changes in these procedures since the date of the proxy statement for the 2007 Annual Meeting of Shareholders.

### **Security Holders Sharing an Address**

Only one copy of this proxy statement and the accompanying Annual Report and Form 10-K are being delivered to multiple shareholders sharing an address unless the Bank has previously received contrary instructions from one or more of such shareholders. On written or oral request to Margaret McCool, Corporate Secretary, First Bank of Delaware, Brandywine Commons II, 1000 Rocky Run Parkway, Wilmington, Delaware 19803, (302) 529-5984, the Bank will deliver promptly a separate copy of this proxy statement and the accompanying Annual Report and Form 10-K to a shareholder at a shared address to which a single copy of the documents was delivered. Shareholders sharing an address who wish, in the future, to receive separate copies or a single copy of our proxy statements and annual reports should provide written or oral notice to the Corporate Secretary at the address and telephone number set forth above.

### **Annual Report and Form 10-K**

A copy of the Bank's Annual Report and Form 10-K accompanies this proxy statement. The Bank's Annual Report and Form 10-K serve as an "annual disclosure statement" required under Part 350 of the FDIC Rules (12 CFR 350). **On written request, we will provide, without charge, a copy of our Annual Report on Form 10-K for the year ended December 31, 2008, as filed with the FDIC (including a list briefly describing the exhibits thereto), to any record holder or beneficial owner of common stock on March 18, 2009, the record date for the Annual Meeting, or to any person who subsequently becomes such a record holder or beneficial owner.** Requests should be directed to Margaret McCool, Corporate Secretary, First Bank of Delaware, Brandywine Commons II, 1000 Rocky Run Parkway, Wilmington, Delaware 19803, (302) 529-5984.

### **Internet Availability of Proxy Materials**

This proxy statement and the Bank's Annual Report and Form 10-K are available on the Bank's website at [www.fbdel.com](http://www.fbdel.com).

IT IS IMPORTANT THAT YOU RETURN YOUR SIGNED PROXY CARD PROMPTLY, REGARDLESS OF THE NUMBER OF SHARES YOU OWN. PLEASE COMPLETE, SIGN AND MAIL THE ENCLOSED PROXY CARD IN THE ACCOMPANYING ENVELOPE PROMPTLY, WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING.

By Order of the Board of Directors,

A handwritten signature in cursive script that reads "Margaret McCool".

Margaret McCool,  
Corporate Secretary

March 31, 2009

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