

PARKE BANCORP, INC.
Form 10-Q
May 16, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: March 31, 2011.

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 000-51338

PARKE BANCORP, INC.
(Exact name of registrant as specified in its charter)

New Jersey
(State or other jurisdiction of incorporation or organization)

65-1241959
(IRS Employer Identification No.)

601 Delsea Drive, Washington Township,
New Jersey
(Address of principal executive offices)

08080
(Zip Code)

856-256-2500
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting
company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of May 16, 2011, there were issued and outstanding 4,422,333 shares of the registrant's common stock.

PARKE BANCORP, INC.

FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2011

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Parke Bancorp Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(unaudited)

	March 31, 2011	December 31, 2010
	(in thousands except share data)	
ASSETS		
Cash and due from financial institutions	\$38,646	\$57,628
Investment securities available for sale, at fair value	26,184	27,730
Investment securities held to maturity (fair value of \$1,928 at March 31, 2011 and \$2,048 at December 31, 2010)	2,007	1,999
Total investment securities	28,191	29,729
Loans held for sale	3,306	11,454
Loans, net of unearned income	622,724	626,739
Less: Allowance for loan losses	14,794	14,789
Net loans and leases	607,930	611,950
Accrued interest receivable	3,330	3,273
Premises and equipment, net	4,204	4,279
Other real estate owned (OREO)	15,982	16,701
Restricted stock, at cost	3,038	3,040
Bank owned life insurance (BOLI)	5,406	5,362
Other assets	15,401	13,437
Total Assets	\$725,434	\$756,853
LIABILITIES AND EQUITY		
Liabilities		
Deposits		
Noninterest-bearing deposits	\$21,800	\$23,168
Interest-bearing deposits	562,668	581,554
Total deposits	584,468	604,722
FHLB borrowings	40,722	40,759
Other borrowed funds	10,000	21,454
Subordinated debentures	13,403	13,403
Accrued interest payable	674	828
Other liabilities	3,463	4,955
Total liabilities	652,730	686,121
Equity		
Preferred stock, \$1,000 liquidation value; authorized 1,000,000 shares; Issued: 16,288 shares at March 31, 2011 and December 31, 2010	15,728	15,683
Common stock, \$.10 par value; authorized 10,000,000 shares; Issued: 5,118,446 shares at March 31, 2011 and December 31, 2010	465	465
Additional paid-in capital	41,931	41,931
Retained earnings	17,537	15,494
Accumulated other comprehensive loss	(737)	(693)

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Treasury stock, 210,900 shares at March 31, 2011 and December 31, 2010, at cost	(2,180)	(2,180)
Total shareholders' equity	72,744		70,700	
Noncontrolling (minority) interest in consolidated subsidiaries	(40)	32	
Total equity	72,704		70,732	
Total liabilities and equity	\$725,434		\$756,853	

See accompanying notes to consolidated financial statements

Parke Bancorp Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	For the three months ended March 31,	
	2011	2010
	(in thousands except share data)	
Interest income:		
Interest and fees on loans	\$9,816	\$9,650
Interest and dividends on investments	374	427
Total interest income	10,190	10,077
Interest expense:		
Interest on deposits	2,056	2,504
Interest on borrowings	351	450
Total interest expense	2,407	2,954
Net interest income	7,783	7,123
Provision for loan losses	2,400	2,101
Net interest income after provision for loan losses	5,383	5,022
Noninterest income (loss)		
Loan fees	64	49
Net income from BOLI	44	44
Service fees on deposit accounts	55	62
Gain on sale of SBA loans	2,244	—
Other than temporary impairment losses	(47) (44
Portion of loss recognized in other comprehensive income (OCI) (before taxes)	27	26
Net impairment losses recognized in earnings	(20) (18
Other	126	23
Total noninterest income	2,513	160
Noninterest expense		
Compensation and benefits	1,414	1,193
Professional services	255	260
Occupancy and equipment	260	212
Data processing	110	72
FDIC Insurance	342	225
Other operating expense	816	340
Total noninterest expense	3,197	2,302
Income before income tax expense	4,699	2,880
Income tax expense	1,880	1,152
Net income attributable to Company and noncontrolling (minority) interests	2,819	1,728
Net (income) loss attributable to noncontrolling (minority) interests	(527) 64
Net income attributable to Company	2,292	1,792
Preferred stock dividend and discount accretion	249	246
Net income available to common shareholders	\$2,043	\$1,546
Earnings per common share		
Basic	\$0.42	\$0.32
Diluted	\$0.41	\$0.32

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Weighted average shares outstanding

Basic

4,886,456

4,841,207

Diluted

5,002,678

4,889,807

See accompanying notes to consolidated financial statements

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Parke Bancorp, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGE IN TOTAL EQUITY
(unaudited)

	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Shareholders' Equity	Non- Controlling (Minority) Interest	Total Equity
(in thousands)									
Balance, December 31, 2009	\$ 15,508	\$ 421	\$ 37,020	\$ 14,071	\$ (2,867)	\$ (2,180)	\$ 61,973	\$ —	\$ 61,973
Stock options exercised			8				8		8
Capital contribution by noncontrolling (minority) interest								260	260
10% common stock dividend		44	4,884	(4,928)			—		—
Comprehensive income (loss):									
Net income				1,728			1,728	(64)	1,792
Non-credit unrealized losses on debt securities with OTTI, net of taxes					(16)		(16)		(16)
Net unrealized gains on available for sale securities without OTTI, net of taxes					1,800		1,800		1,800
Pension liability adjustments, net of tax					11		11		11
Total comprehensive income							3,523	(64)	3,587
Dividend on preferred stock (5% annually)				(204)			(204)		(204)
Accretion of discount on preferred stock	43			(43)			—		—
Balance, March 31, 2010	\$ 15,551	\$ 465	\$ 41,912	\$ 10,688	\$ (1,072)	\$ (2,180)			