

PARKE BANCORP, INC.
Form 10-Q
May 14, 2009
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, 2009.

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)

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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

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 12, 2009, there were issued and outstanding 4,033,138 shares of the registrant's common stock.

PARKE BANCORP, INC.

FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2009

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PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****Parke Bancorp, Inc. and Subsidiaries****Consolidated Balance Sheets****(Unaudited)**

	March 31, 2009	December 31, 2008
	(Amounts in thousands, except share data)	
Assets		
Cash and due from banks	\$ 11,552	\$ 6,700
Federal funds sold and cash equivalents	33	570
Total cash and cash equivalents	11,585	7,270
Investment securities available for sale, at fair value	31,020	31,930
Investment securities held to maturity, at amortized cost (fair value 2009 - \$2,359; 2008 - \$2,324)	2,489	2,482
Total investment securities	33,509	34,412
Restricted stock, at cost	2,357	2,583
Loans	581,151	547,660
Less: allowance for loan losses	(8,543)	(7,777)
Total net loans	572,608	539,883
Bank owned life insurance	5,048	5,004
Bank premises and equipment, net	2,968	3,014
Accrued interest receivable	3,050	2,976
Other assets	6,504	6,810
Total assets	\$ 637,629	\$ 601,952

See Notes to Consolidated Financial Statements.

(Continued)

Parke Bancorp, Inc. and Subsidiaries

Consolidated Balance Sheets

(Unaudited)

	March 31, 2009	December 31, 2008
(Amounts in thousands, except share data)		
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Noninterest-bearing demand	\$ 19,507	\$ 22,261
Interest-bearing	498,835	473,066
Total deposits	518,342	495,327
Federal Home Loan Bank borrowings	33,506	38,540
Other borrowed funds	10,000	10,000
Subordinated debentures	13,403	13,403
Accrued interest payable	1,458	1,563
Other accrued liabilities	2,781	2,818
Total liabilities	579,490	561,651
Commitments and Contingencies (Note 1)		
Shareholders' Equity		
Preferred stock,		
\$1,000 liquidation value, 1,000,000 shares authorized: Issued: 16,288 at March 31, 2009	15,385	—
Common stock,		
\$.10 par value, 10,000,000 shares authorized; 4,224,867 and 4,140,231 shares issued at March 31, 2009 and December 31, 2008, respectively	421	414
Additional paid-in capital	37,008	35,656
Retained earnings	10,233	8,870
Accumulated other comprehensive loss	(2,728)	(2,791)
Treasury stock (191,729 shares at March 31, 2009 and 130,270 shares at December 31, 2008), at cost	(2,180)	(1,848)
Total shareholders' equity	58,139	40,301
Total liabilities and shareholders' equity	\$ 637,629	\$ 601,952

See Notes to Consolidated Financial Statements.

Parke Bancorp, Inc. and Subsidiaries

Consolidated Statements of Income

(Unaudited)

For the three months ended March 31,
2009 2008
(Amounts in thousands, except share data)

Interest and Dividend Income			
Interest and fees on loans	\$	9,254	\$ 8,224
Interest and dividends on securities	519		556
Interest on federal funds sold and cash equivalents	—		108
Total interest and dividend income		9,773	8,888
 Interest Expense			
Interest on deposits	4,019		4,422
Interest on borrowings	580		535
Total interest expense		4,599	4,957
 Net interest income		5,174	3,931
 Provision for Loan Losses		770	360
Net interest income after provision for loan losses		4,404	3,571
 Noninterest Income			
Loan fees	84		171
Gain on sale of other real estate owned	—		—
Bank owned life insurance income	44		47
Service charges on deposit accounts	46		54
Loss on sale of real estate	(159))	—
Other miscellaneous fee income	156		12
Total noninterest income		171	284
 Noninterest Expense			
Compensation and benefits	1,010		872
Professional services	243		172
Occupancy and equipment	248		172
Directors fees	78		80
Data processing	82		81
Marketing and business development	34		56
FDIC insurance	71		54
Loss on write down of foreclosed asset	35		75
Other operating expenses	251		162
Total noninterest expense		2,052	1,724
 Income Before Income Tax Expense		2,523	2,131

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Income Tax Expense	994	832
Net Income	\$ 1,529	\$ 1,299
Preferred stock dividends and discount accretion	\$ 166	\$ —
Net Income Available to Common Shareholders	\$ 1,363	\$ 1,299
Earnings Per Common Share:		
Basic	\$ 0.34	\$ 0.35
Diluted	\$ 0.34	\$ 0.31
Weighted Average Shares Outstanding:		
Basic	4,025,906	3,699,969
Diluted	4,035,754	4,134,750

See Notes to Consolidated Financial Statements.

Parke Bancorp, Inc. and Subsidiaries

Consolidated Statements of Shareholders' Equity

For the Nine Months Ended March 31, 2009 and 2008

(Unaudited)

	Accumulated						Total Shareholders' Equity
	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Other Comprehensive Income (Loss)	Treasury Stock	
(Amounts in thousands)							
Balance, December 31, 2007	\$ —	-\$331	\$26,798	\$11,897	\$(790)	\$(1,819)	\$36,417
Stock options and warrants exercised	—	4	203	—	—	—	207
Stock compensation	—	—	8	—	—	—	8
15% common stock dividend	—	48	7,223	(7,271)	—	—	—
Comprehensive income (loss)							
Net income	—	—	—	1,299	—	—	1,299
Change in net unrealized loss on securities available for sale, net of tax	—	—	—	—	(703)	—	(703)
Pension liability adjustments, net of tax	—	—	—	—	8	—	8
Total comprehensive income							604
Balance, March 31, 2008	—	\$383	\$34,232	\$5,925	\$(1,485)	\$(1,819)	\$37,236
Balance, December 31, 2008	\$—	\$414	\$35,656	\$8,870	\$(2,791)	\$(1,848)	\$40,301
Stock options and warrants exercised	—	7	415	—	—	(332)	90
Stock compensation	—	—	7	—	—	—	7
Treasury stock purchased (42,035 shares)	—	—	—	—	—	—	—
Comprehensive income (loss)							
Net income	—	—	—	1,529	—	—	1,529
Net unrealized gain on securities available for sale, net of taxes	—	—	—	—	90	—	90
Pension liability adjustments, net of taxes	—	—	—	—	(27)	—	(27)
Total comprehensive income							1,592
Preferred stock issued	15,358	—	930	—	—	—	16,288
Dividend on preferred stock (5% annually)	—	—	—	(139)	—	—	(139)
Accretion of discount on preferred stock	27	—	—	(27)	—	—	—
Balance, March 31, 2009	\$15,385	\$421	\$37,008	\$10,233	\$(2,728)	\$(2,180)	\$58,139

Parke Bancorp, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(Unaudited)

	For the three months ended March 31,	
	2009	2008
	(Amounts in thousands)	
Cash Flows from Operating Activities		
Net income	\$ 1,529	\$ 1,299
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	77	75
Provision for loan losses	770	360
Stock compensation	7	8
Bank owned life insurance	(44)	(47)
Supplemental executive retirement plan	62	82
Loss on sale of other real estate owned	159	—
Loss on write down of foreclosed asset	35	75
Net accretion of purchase premiums and discounts on securities	(31)	(30)
Changes in operating assets and liabilities:		
(Increase) decrease in accrued interest receivable and other assets	(588)	177
Decrease in accrued interest payable and other accrued liabilities	(429)	(371)
Net cash provided by operating activities	1,547	1,628
Cash Flows from Investing Activities		
Purchases of investment securities available for sale	—	(9,689)
Redemptions (purchases) of restricted stock	227	(224)
Proceeds from maturities of investment securities available for sale	—	1,500
Principal payments on mortgage-backed securities	1,084	691
Proceeds from sale of other real estate owned	700	—
Net increase in loans	(33,571)	(25,724)
Purchases of bank premises and equipment	(31)	(35)
Net cash used in investing activities	(31,591)	(33,481)
Cash Flows from Financing Activities		
Proceeds from issuance of preferred stock	16,288	—
Proceeds from exercise of stock options and warrants	422	207
Purchase of treasury stock	(332)	—
Net decrease in Federal Home Loan Bank short term borrowings	(5,000)	—
Proceeds from Federal Home Loan Bank advances	—	5,000
Payments of Federal Home Loan Bank advances	(34)	(32)
Net increase in noninterest-bearing deposits	25,769	1,414
Net (decrease) increase in interest-bearing deposits	(2,754)	42,243
Net cash provided by financing activities	34,359	48,832
Increase in cash and cash equivalents	4,315	16,979

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Cash and Cash Equivalents, January 1,	7,270	9,178
Cash and Cash Equivalents, March 31,	\$ 11,585	\$ 26,157
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for:		
Interest on deposits and borrowed funds	\$ 4,704	\$ 4,902
Income taxes	\$ 1,351	\$ 852
Supplemental Schedule of Noncash Activities		
Real estate acquired in settlement of loans	\$ 75	\$ —

See Notes to Consolidated Financial Statements.

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NOTE 1. GENERAL

Business

Parke Bancorp, Inc. ("Parke Bancorp" or the "Company") is a bank holding company incorporated under the laws of the State of New Jersey in January 2005 for the sole purpose of becoming the holding company of Parke Bank (the "Bank").

The Bank is a commercial bank which commenced operations on January 28, 1999. The Bank is chartered by the New Jersey Department of Banking and insured by the Federal Deposit Insurance Corporation ("FDIC"). Parke Bancorp and the Bank maintain their principal offices at 601 Delsea Drive, Washington Township, New Jersey. The Bank also conducts business through branches in Northfield and Washington Township, New Jersey and Philadelphia, Pennsylvania and has a loan production office in Havertown, Pennsylvania.

Financial Statements

The accompanying financial statements as of March 31, 2009 and for the three month period ended March, 2009 included herein have not been audited. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted; therefore, these financial statements should be read in conjunction with the Company's audited financial statements and the notes thereto included in the Company's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2008, as filed with the SEC. The accompanying financial statements reflect all adjustments, which are, in the opinion of management, necessary to present a fair statement of the results for the interim periods presented. Such adjustments are of a normal recurring nature. The results for the three months ended March 31, 2009 are not necessarily indicative of the results that may be expected for the year ending December 31, 2009 or any other periods.

Basis of Financial Statement Presentation

The financial statements include the accounts of Parke Bancorp, Inc. and its wholly owned subsidiaries, Parke Bank, Parke Capital Markets, Farm Folly LLC and Taylors Glen LLC. Parke Capital Trust I, Parke Capital Trust II and Parke Capital Trust III are wholly-owned subsidiaries but are not consolidated because they do not meet the consolidation requirements. All significant inter-company balances and transactions have been eliminated. Such statements have been prepared in accordance with GAAP and general practice within the banking industry.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates.

Investments

The Company has identified investment securities that will be held for indefinite periods of time, including securities that will be used as a part of the Bank's asset/liability management strategy and may be sold in response to changes in interest rates, prepayments and similar factors. These securities are classified as "available-for-sale" and are carried at fair value, with temporary unrealized gains or losses reported as a separate component of accumulated other comprehensive income (losses), net of the related income tax effect. Declines in the fair value of the individual available-for-sale securities below their cost that are other than temporary have resulted in write downs of the individual securities to their fair value and are included in non-interest income in the consolidated statements of income. Factors affecting the determination of whether an other-than-temporary impairment has occurred include a downgrading of the security by a rating agency, a significant deterioration in the financial condition of the issuer, or that the Company would not have the intent and ability to hold a security for a period of time sufficient to allow for any anticipated recovery in fair value.

Commitments

In the general course of business, there are various outstanding commitments to extend credit, such as letters of credit and un-advanced loan commitments, which are not reflected in the accompanying financial statements. Management does not anticipate any material losses as a result of these commitments.

Contingencies

The Company is from time to time a party to routine litigation in the normal course of its business. Management does not believe that the resolution of this litigation will have a material adverse effect on the financial condition or results of operations of the Company. However, the ultimate outcome of any such litigation, as with litigation generally, is inherently uncertain and it is possible that some litigation matters may be resolved adversely to the Company.

NOTE 2. EARNINGS PER SHARE

Basic earnings per share is computed by dividing income available to holders of common stock (the numerator) by the weighted average number of common shares outstanding (the denominator) during the period. Shares issued during the period are weighted for the portion of the period that they were outstanding. The weighted average number of common shares outstanding for the three months ended March 31, 2009 and 2008 was 4,023,820 and 3,699,969 respectively.

Diluted earnings per share are similar to the computation of basic earnings per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the dilutive effect of options and warrants outstanding had been exercised. The assumed conversion of dilutive options and warrants resulted in 9,847 and 434,781 additional shares for the three months ended March 31, 2009 and 2008.

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Income is reduced by the dividends on the cumulative perpetual preferred stock issued to the U.S. Treasury and the accretion of the discount on the preferred stock. The amounts reported have been adjusted for the impact of dividends declared on common stock.

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NOTE 3. LOANS

The portfolio of the loans outstanding consists of:

	March 31, 2009			December 31, 2008		
	Amount	Percentage of		Amount	Percentage of	
		Gross Loans			Gross Loans	
	(Amounts in thousands)					
Commercial	\$ 20,877	3.6	%	\$ 19,935	3.6	%
Real estate construction						
Residential	93,755	16.1		87,327	15.9	
Commercial	36,639	6.3		31,582	5.8	
Real estate mortgage						
Residential	101,898	17.5		90,226	16.5	
Commercial	317,509	54.6		308,457	56.3	
Consumer	10,473	1.8		10,133	1.9	
Total Loans	\$ 581,151	100.0	%	\$ 547,660	100.0	%

At March 31, 2009 the Company had loans with balances totaling \$12.2 million on non-accrual. At December 31, 2008 loan balances on non-accrual were \$8.2 million. Loans with interest past due 90 days or more and still accruing totaled \$563,000 at March 31, 2009. There were none at December 31, 2008. The Company has created interest reserves for the purpose of making periodic and timely interest payments for borrowers that qualify. Total loans with interest reserves were \$130.1 million and \$120.8 million at March 31, 2009 and December 31, 2008 respectively. On a monthly basis management reviews loans with interest reserves to assess current and projected performance.

NOTE 4. REGULATORY RESTRICTIONS

The Company and the Bank are subject to various regulatory capital requirements of federal and state banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The Company and the Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Prompt corrective action provisions are not applicable to bank holding companies.

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Quantitative measures established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios (set forth in the following table) of total and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I capital (as defined) to average assets (as defined).

Parke Bancorp, Inc.	Regulatory Guidelines						
	Actual	Ratio	Minimum Capital		To Be Well-Capitalized		
Amount	Amount		Ratio	Amount	Ratio	Amount	Ratio
As of March 31, 2009							
<small>(Amounts in thousands)</small>							
Total Risk Based Capital (to Risk Weighted Assets)	\$ 81,702	13.8	% \$ 47,471	8	%	N/A	N/A
Tier I Capital (to Risk Weighted Assets)	\$ 74,270	12.5	% \$ 23,735	4	%	N/A	N/A
Tier I Capital (to Average Assets)	\$ 74,270	11.5	% \$ 25,734	4	%	N/A	N/A

Parke Bancorp, Inc.	Regulatory Guidelines						
	Actual	Ratio	Minimum Capital		To Be Well-Capitalized		
Amount	Amount		Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2008							
<small>(Amounts in thousands)</small>							
Total Risk Based Capital (to Risk Weighted Assets)	\$ 63,609	11.2	% \$ 45,474	8	%	N/A	N/A
Tier I Capital (to Risk Weighted Assets)	\$ 56,495	9.9	% \$ 22,737	4	%	N/A	N/A
Tier I Capital (to Average Assets)	\$ 56,495	9.5	% \$ 23,761	4	%	N/A	N/A

Parke Bank	Regulatory Guidelines						
	Actual	Ratio	Minimum Capital		To Be Well-Capitalized		
Amount	Amount		Ratio	Amount	Ratio	Amount	Ratio
As of March 31, 2009							
<small>(Amounts in thousands)</small>							
Total Risk Based Capital (to Risk Weighted Assets)	\$ 80,977	13.6	% \$ 47,471	8	%	\$ 59,338	10

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Tier I Capital (to Risk Weighted Assets)	\$ 73,546	12.4	% \$ 23,735	4	% \$ 35,603	6	%
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Tier I Capital (to Average Assets)	\$ 73,546	11.4	% \$ 25,734	4	% \$ 32,167	5	%
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Parke Bank	Regulatory Guidelines					
	Actual Amount	Ratio	Minimum Capital Amount	Ratio	To Be Well-Capitalized Amount	Ratio
As of December 31, 2008 (Amounts in thousands)						
Total Risk Based Capital (to Risk Weighted Assets)	\$ 63,325	11.1	% \$ 45,474	8	% \$ 56,843	10 %
Tier I Capital (to Risk Weighted Assets)	\$ 56,211	9.9	% \$ 22,737	4	% \$ 34,106	6 %
Tier I Capital (to Average Assets)	\$ 56,211	9.5	% \$ 23,761	4	% \$ 29,701	5 %

Management believes, as of March 31, 2009 and December 31, 2008, that the Company and the Bank met all capital adequacy requirements to which they are subject.

NOTE 5. CAPITAL

On October 3, 2008 Congress passed the Emergency Economic Stabilization Act of 2008 (EESA), which provides the U.S. Secretary of the Treasury with broad authority to implement certain actions to help restore stability and liquidity to the U.S. markets. One of the provisions resulting from the Act is the Treasury Capital Purchase Program (CPP) which provides the direct equity investment of perpetual preferred stock by the U.S. Treasury in qualified financial institutions. This program is voluntary and requires an institution to comply with several restrictions and provisions, including limits on executive compensation, stock redemptions, and declaration of dividends. The CPP provides for a minimum investment of 1% of Risk-Weighted-Assets, with a maximum investment of the lesser of 3% of Risk-Weighted Assets or \$25 billion. The perpetual preferred stock has a dividend rate of 5% per year until the fifth anniversary of the Treasury investment and a dividend of 9%, thereafter. The CPP also requires the Treasury to receive warrants for common stock equal to 15% of the capital invested by the U.S. Treasury. The Company received an investment in perpetual preferred stock of \$16,288,000 on January 30, 2009. These proceeds were allocated between the preferred stock and warrants based on relative fair value in accordance with APB Opinion No. 14, Accounting for Convertible Debt and Debt Issued with Stock Purchase Warrants. The allocation of proceeds resulted in a discount on the preferred stock that will be accreted over five years. The Company issued 299,779 common stock warrants to the U.S. Treasury and \$930,000 of the proceeds were allocated to the warrants. . The warrants are accounted for as equity securities. The warrants have a contractual life of 10 years and an exercise price of \$8.15 per share of common stock.

The Company accounts for its stock options under the provisions of Statement of Financial Accounting Standards No. 123R, Share Based Payments. There were no awards during 2009 or 2008. Compensation expense recognized during the first quarters of 2009 and 2008 amounted to \$7,000 and \$8,000 respectively. As of March 31, 2009, unrecognized compensation expense of \$11,500 in connection with non-vested options is expected to be recognized within the next year.

NOTE 6. COMPREHENSIVE INCOME

The Company's comprehensive income is presented in the following table.

	For the three months ended March 31,	
	2009	2008
	(Amounts in thousands)	
Net income	\$ 1,529	\$ 1,299
Unrealized gains (losses) on securities (net of tax of \$60 and \$468)	90	(703)
Minimum pension liability (net of tax of \$18 and \$5)	(27)	8
	\$ 1,592	\$ 604

NOTE 7. FAIR VALUE OF FINANCIAL INSTRUMENTS

Effective January 1, 2008 the Company adopted SFAS No. 157, Fair Value Measurements, which provides a framework for measuring fair value under generally accepted accounting principles. SFAS 157 applies to all financial instruments that are being measured and reported on a fair value basis. Nonfinancial assets and nonfinancial liabilities that are recognized and disclosed at fair value on a nonrecurring basis under SFAS 157 were delayed under FASB Staff Position (FSP) No. 157-2 Effective date of FASB Statement No. 157 to fiscal years beginning after November 15, 2008. Accordingly, effective January 1, 2009, the Company began disclosing the fair value of Other Real Estate Owned (OREO) previously deferred under the provisions of this FSP.

SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for such asset or liability in an orderly transaction between market participants on the measurement date. In determining fair value, the Company uses various methods including market, income and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs applied in the valuation technique. These inputs can be classified as readily observable, market corroborated, or generally unobservable. The Company utilizes techniques that maximize the use of observable inputs whenever available and minimize the use of unobservable inputs. The Company is required to provide the following information according to the fair value hierarchy based upon observable inputs used in valuation techniques. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets carried at fair value will be classified and disclosed as follows:

Level 1 Inputs:

- 1) Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- 2) Generally, this includes debt and equity securities and derivative contracts that are traded in an active exchange market (i.e. New York Stock Exchange), as well as certain U.S. Treasury and U.S. Government and agency mortgage-backed securities that are highly liquid and are actively traded in over-the-counter markets.

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Level 2 Inputs:

- 1) Quoted prices for similar assets or liabilities in active markets.
- 2) Quoted prices for identical or similar assets or liabilities in markets that are not active.
- 3) Inputs other than quoted prices that are observable, either directly or indirectly, for the term of the asset or liability (e.g., interest rates, yield curves, credit risks, prepayment speeds or volatilities) or “market corroborated inputs.”
- 4) Generally, this includes U.S. Government and agency mortgage-backed securities and preferred stocks, corporate debt securities, derivative contracts and loans held for sale.

Level 3 Inputs:

- 1) Prices or valuation techniques that require inputs that are both unobservable (i.e. supported by little or no market activity) and that are significant to the fair value of the assets or liabilities.
- 2) These assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.
- 3) Generally, this includes trust preferred securities.

The following is a description of the valuation methodologies used for instruments measured at fair value:

Securities Portfolio

The fair value of securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers (Level 1). When listed prices or quotes are not available, fair value is based upon quoted market prices for similar or identical assets or other observable inputs (Level 2) or significant management judgment or estimation based upon unobservable inputs due to limited or no market activity of the instrument (Level 3).

Fair Value on a Recurring Basis

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis.

Financial Assets	Level 1	Level 2	Level 3	Total
-------------------------	----------------	----------------	----------------	--------------

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(Amounts in thousands)

Securities available for sale

As of March 31, 2009	\$ —	\$ 27,281	\$ 3,739	\$ 31,020
As of December 31, 2008	—	30,225	1,705	31,930

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The changes in Level 3 assets measured at fair value on a recurring basis are summarized as follows:

	Securities Available for Sale	
	<small>(Amounts in thousands)</small>	
	2009	2008
Beginning balance at January 1,	\$ 1,705	\$ 5,735
Total net gains (losses) included in:		
Net income	—	—
Other comprehensive income (loss)	441	(1,140)
Purchases, sales, issuances and settlements, net	—	—
Net transfers in to or (out) of Level 3	1,593	—
Ending balance March 31,	\$ 3,739	\$ 4,595

Fair Value on a Non-recurring Basis

Certain assets and liabilities are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment).

Financial Assets	Level 1	Level 2	Level 3	Total
	<small>(Amounts in thousands)</small>			
As of March 31, 2009				
Impaired Loans	\$ —	\$ —	\$ 13,320	\$ 13,320
Repossessed Assets	—	—	78	78
Other Real Estate Owned	—	—	75	75
As of December 31, 2008				
Impaired Loans	\$ —	\$ —	\$ 9,978	\$ 9,978
Repossessed Assets	—	—	113	113

Impaired loans, which are measured for impairment using the fair value of the collateral for collateral-dependent loans had a carrying amount of \$13,599,000 and \$10,200,000 at March 31, 2009 and December 31, 2008 respectively, with a valuation allowance of \$279,000 and \$222,000 at March 31, 2009 and December 31, 2008 respectively, resulting in no additional provisions for the periods.

Repossessed assets, consisting of stock in an unrelated bank and a mobile home, were recorded based upon Management's best estimate of fair value. Considering the financial condition, the stock was written down to \$15,000 (lower of cost or market) as of March 31, 2009 resulting in a valuation allowance of \$485,000 and a charge to current period earnings of \$35,000. At December 31, 2008 repossessed assets totaled \$113,000.

Other real estate owned (OREO) consists of one property which is recorded at fair value based upon current appraised value less estimated disposition costs.

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Recently Issued Accounting Pronouncements

On April 9, 2009 the Financial Accounting Standards Board (FASB) issued three amendments to the fair value measurement, disclosure and other-than-temporary impairment standards that will become effective for Parke Bancorp, Inc. in the quarter ending June 30, 2009. These amendments are described below. Management is assessing the impact of the adoption of the FSPs on the Company's financial condition, statement of operations and statement of cash flows.

FASB Staff Position (FSP) No. FAS 157-4, Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly

FSP FAS 157-4 provides a list of factors that a reporting entity should evaluate to determine whether there has been a significant decrease in the volume and level of activity for the asset or liability in relation to normal market activity for the asset or liability. When the reporting entity concludes there has been a significant decrease in the volume and level of activity for the asset or liability, further analysis of the information from that market is needed and significant adjustments to the related prices may be necessary to estimate fair value in accordance with SFAS No. 157.

This FSP clarifies that when there has been a significant decrease in the volume and level of activity for the asset or liability, some transactions may not be orderly. In those situations, the entity must evaluate the weight of the evidence to determine whether the transaction is orderly. The FSP provides a list of circumstances that may indicate that a transaction is not orderly. A transaction price that is not associated with an orderly transaction is given little, if any, weight when estimating fair value.

FSP No. FAS 115-2 and FAS 124-2, Recognition and Presentation of Other-Than-Temporary Impairments (OTTI)

FSP FAS 115-2 and FAS 124-2 clarify the interaction of the factors that should be considered when determining whether a debt security is other-than-temporarily impaired. For debt securities, management must assess whether (a) it has the intent to sell the security and (b) it is more likely than not that it will be required to sell the security prior to its anticipated recovery. These steps are done before assessing whether the entity will recover the cost basis of the investment. Previously, this assessment required management to assert it had both the intent and the ability to hold a security for a period of time sufficient to allow for an anticipated recovery in fair value to avoid recognizing an other-than-temporary impairment. This change does not affect the need to forecast recovery of the value of the security through either cash flows or market price.

In instances when a determination is made that an other-than-temporary impairment exists but the investor does not intend to sell the debt security or it is not more likely than not that it will not be required to sell the debt security prior to its anticipated recovery, FSP FAS 115-2 and FAS 124-2 changes the presentation and amount of the other-than-temporary impairment recognized in the income statement. The other-than-temporary impairment is separated into (a) the amount of the total other-than-temporary impairment related to a decrease in cash flows expected to be collected from the debt security (the credit loss) and (b) the amount of the total other-than-temporary impairment related to all other factors. The amount of the total other-than-temporary impairment related to the credit loss is recognized in earnings. The amount of the total other-than-temporary impairment related to all other factors is recognized in other comprehensive income.

FSP No. FAS 107-1 and APB 28-1, Interim Fair Value Disclosures

FSP FAS 107-1 and APB 28-1 amends FASB Statement No. 107, Disclosures about Fair Value of Financial Instruments, to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. This FSP also amends APB Opinion No. 28, Interim Financial Reporting, to require those disclosures in summarized financial information at interim reporting periods.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

The Company may from time to time make written or oral "forward-looking statements" including statements contained in this Report and in other communications by the Company which are made in good faith pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, such as statements of the Company's plans, objectives, expectations, estimates and intentions, involve risks and uncertainties and are subject to change based on various important factors (some of which are beyond the Company's control). The following factors, among others, could cause the Company's financial performance to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements: the strength of the United States economy in general and the strength of the local economies in which the Company conducts operations; the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System, inflation, interest rate, market and monetary fluctuations; the timely development of and acceptance of new products and services of the Company and the perceived overall value of these products and services by users, including the features, pricing and quality compared to competitors' products and services; the impact of changes in financial services laws and regulations (including laws concerning taxes, banking, securities and insurance); technological changes; acquisitions; changes in consumer spending and saving habits; and the success of the Company at managing the risks involved in the foregoing.

The Company cautions that the foregoing list of important factors is not exclusive. The Company also cautions readers not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date on which they are given. The Company is not obligated to publicly revise or update these forward-looking statements to reflect events or circumstances that arise after any such date. Readers should carefully review the risk factors described in other documents the Company files from time to time with the SEC, including quarterly reports on Form 10-Q, Annual Reports on Form 10-K and any current reports on Form 8-K.

General

The Company's results of operations are dependent primarily on net interest income, which is the difference between the interest income earned on its interest-earning assets, such as loans and securities, and the interest expense paid on its interest-bearing liabilities, such as deposits and borrowings. The Company also generates non-interest income such as service charges, earnings from bank owned life insurance (BOLI), loan exit fees and other fees. The Company's non-interest expenses primarily consist of employee compensation and benefits, occupancy expenses, marketing expenses, data processing costs and other operating expenses. The Company is also subject to losses in its loan portfolio if borrowers fail to meet their obligations. The Company's results of operations are also significantly affected by general economic and competitive conditions, particularly changes in market interest rates, government policies and actions of regulatory agencies.

Three Months Ended March 31, 2009 Compared to Three Months Ended March 31, 2008

(unaudited)

The following discussion compares the results of operations for the three month period ended March 31, 2009 to the results of operations for the three month period ended March 31, 2008. This discussion should be read in conjunction with the accompanying financial statements and related notes as well as the financial information included in the 2008 Annual Report on Form 10-K/A.

Results of Operations

Net Income. For the quarter ended March 31, 2009, net income totaled \$1.5 million, compared to \$1.3 million for the quarter ended March 31, 2008. Net income available to common shareholders, which includes the impact of dividends and accretion of discount on preferred stock, was \$1.4 million for the three months ended March 31, 2009. Earnings per share presented are calculated on net income available to common shareholders. Diluted earnings per share for the three months ended March 31, 2009 totaled \$0.34, compared to \$0.31 per share for the same period of 2008. Prior period earnings per share information has been adjusted for the 15% stock dividend paid in the second quarter of 2008.

Net Interest Income. Our primary source of earnings is net interest income, which is the difference between income earned on interest-earning assets, such as loans and investment securities, and interest expense incurred on interest-bearing sources of funds, such as deposits and borrowings. The level of net interest income is determined primarily by the average balances (“volume”) and the rate spreads between the interest-earning assets and our funding sources.

Net interest income for the three months ended March 31, 2009 totaled \$5.2 million, an increase of 31.6% over \$3.9 million for the three months ended March 31, 2008. Interest income of \$9.8 million increased \$885,000, or 10.0%, from the comparable quarter of 2008 due to an increase in average interest-earning assets of \$121.7 million, or 25.6%, that was partially offset by a decline in the yield on average interest-earning assets. The average yield on earning assets fell 88 basis points to 6.64% for the first quarter of 2009 from 7.52% for the first quarter of 2008. The Federal Reserve’s targeted fed funds rate of 0 to 0.25% was at historic lows in the first quarter of 2009. That range compares to the average fed funds rate of 3.18% in the first quarter of 2008. The Company’s practice of setting floors on commercial and real estate loans has protected the net interest margin from decline.

For the quarter ended March 31, 2009, interest expense of \$4.6 million decreased by \$358,000, or 7.2%, from \$5.0 million for the quarter ended March 31, 2008. In order to fund the Company’s asset growth, Management successfully implemented deposit account promotions and reduced its reliance on debt. Average interest-bearing liabilities grew \$136.7 million, or 31.9%, in the first quarter of 2009 to \$564.6 million from \$427.9 million for the comparable 2008 period. The average rate paid on interest-bearing liabilities dropped 136 basis points to 3.30% for the three months ended March 31, 2009 from 4.66% for the same period of 2008.

The net interest margin of 3.52% for the first quarter of 2009 increased from 3.33% for the quarter ended March 31, 2008. The increase is due to the cost of funds declining more than the yield on loans.

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Provision for Loan Losses. The provision for loan losses amounted to \$770,000 for the first quarter of 2009 as compared to \$360,000 for the same quarter in 2008. The increase in the provision for the 2009 period was driven by the credit quality and growth of the loan portfolio.

Non-interest Income. Non-interest income for the quarter ended March 31, 2009 was \$171,000 compared to \$284,000 in income from the comparable quarter of 2008. The \$113,000 decrease was attributable to a \$159,000 loss on the sale of one of the OREO properties, which was partially offset by an increase of \$144,000 in other miscellaneous income, the majority of which was the reimbursement of prior period legal fees.

Non-interest Expense. Noninterest expense of \$2.1 million for the current quarter increased by \$328 thousand or 19.0%, above the prior years' comparable quarter of \$1.7 million. The change was associated with increased staffing costs related to annual merit raises and higher cost fringe benefits of \$138,000, increased legal expense of \$68,000 resulting in part from SEC and U.S. Treasury Department filings related to the EESA capital program and an increase in shares tax in the State of Pennsylvania of \$71,000.

Income Taxes. The Company recorded income tax expense of \$994,000, on income before taxes of \$2.5 million for the three months ended March 31, 2009, resulting in an effective tax rate of 39.4%, compared to income tax expense of \$832,000 on income before taxes of \$2.1 million for the same period of 2007, resulting in an effective tax rate of 39.0%.

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Interest Yield Table

For the three months ended

March 31, 2009

March 31, 2008

	March 31, 2009			March 31, 2008		
	Average	Yield/		Average	Yield/	
	Balance	Interest	Cost	Balance	Interest	Cost

(Amounts in thousands, except percentages)

Assets						
Loans ¹	560,812	9,254	6.69	424,098	8,224	7.80
Investment securities	35,628	518	5.90	37,169	556	6.02
Federal funds sold and money markets	552	1	0.92	13,998	108	3.10
Total interest-earning assets	596,992	\$9,773	6.64	475,265	\$8,888	7.52
Allowance for loan loss	(7,960)			(5,870)		
Other assets	50,884			19,002		
Total assets	\$639,916			\$488,397		
Liabilities and Shareholders' Equity						
NOWs	\$10,326	\$44	1.72 %	\$13,481	\$94	2.80 %
Money markets	56,886	260	1.85	32,183	298	3.72
Savings	74,662	524	2.85	31,996	286	3.60
Time deposits	186,808	1,397	3.03	166,887	2,021	4.87
Brokered certificates of deposit	175,114	1,795	4.16	139,969	1,723	4.95
Total interest-bearing deposits	503,796	4,019	3.24	384,516	4,422	4.63
Borrowings	60,821	580	3.87	43,417	535	4.96
Total interest-bearing liabilities	564,617	\$4,599	3.30	427,933	\$4,957	4.66
Non-interest bearing demand deposits	19,267			19,040		
Other liabilities	4,012			3,867		
Shareholder's equity	52,020			37,557		
Total liabilities and shareholders' equity	\$639,916			\$488,397		
Net interest income		\$5,174			\$3,931	
Interest rate spread ²			3.34 %			2.86 %
Net interest margin ³			3.52 %			3.33 %

¹ Non-accrual loans are included in the average balance. Income includes SFAS No. 91 loan fees.

² Interest rate spread is the difference between the average yield on interest-earning assets and the average cost on interest-bearing liabilities

³ Net interest margin is the ratio of net interest income to average total interest-earning assets

Financial Condition

At March 31, 2009 and December 31, 2008

(unaudited)

The following discussion compares the financial condition at March 31, 2009 to the financial condition at December 31, 2008. This discussion should be read in conjunction with the accompanying financial statements and related notes as well as statistical information included in the 2008 Annual Report on Form 10-K.

Total assets at March 31, 2009 amounted to \$637.6 million, compared to \$602.0 million at December 31, 2008, resulting in an increase of \$35.7 million, or 5.9%. This increase was driven primarily by planned loan growth as the Company continued to expand its loan portfolio through development of new and existing business relationships.

Investment securities amounted to \$33.5 million at March 31, 2009 versus \$34.4 million at December 31, 2008. The net unrealized loss that existed as of March 31, 2009 in the available-for-sale investment portfolio is largely the result of market changes in interest rates and economic conditions since the securities were purchased. This factor, coupled with the fact the Company has both the intent and ability to hold securities for a period of time sufficient to allow for any anticipated recovery in fair value or maturity, substantiates the Company's belief that the unrealized losses in the available-for-sale portfolio are temporary. The Company continuously monitors the investment portfolio to determine the impact of changing economic conditions. Management utilizes third party sources to value securities to determine whether other-than-temporary impairment exists. To the extent that adverse changes in interest rates, credit movements and other factors occur, the Company may be required to record other-than-temporary impairment charges in the future.

Total loans at March 31, 2009 were \$581.2 million, which represented an increase of \$33.5 million, or 6.1% above the level of \$547.7 million at December 31, 2008. Growth was concentrated in the commercial real estate loan portfolio.

The allowance for loan losses amounted to \$8.5 million at March 31, 2009 compared to \$7.8 million at December 31, 2008. The ratio of the allowance for loan losses to total loans increased from 1.42% at December 31, 2008 to 1.47% at March 31, 2009. The Company's management has taken non-performing loans and other loans of concern into consideration in establishing the allowance for loan losses. The Company continues to monitor its allowance for loan losses and will make future additions or reductions in light of the level and performance of loans in its portfolio and as economic conditions dictate. The current level of the allowance for loan losses is a result of the Company's management's assessment of the risks within the portfolio based upon the information revealed in credit management, monitoring and reporting processes. The Company utilizes a risk-rating system on all commercial, business, agricultural, construction, multi-family, residential and commercial real estate loans, including purchased loans. This risk assessment takes into account the composition of the loan portfolio and historical loss experience for each major loan category. In addition qualitative adjustments are made for levels and trends in delinquencies, non-accruals and impaired loans; trends in volume; effects, if any, for changes in the Company's credit policy; experience and depth of the lending staff; any national and local economic trends and conditions impacting the portfolio; and concentrations of credit within the total portfolio.

The following table sets forth the allocation of the Bank's allowance for loan losses by loan category at the dates indicated. The portion of the loan loss allowance allocated to each loan category is not indicative of totals available solely to cover losses inherent in the loan category. Rather, the total loan loss allowance is a valuation reserve applicable to the entire loan portfolio.

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	March 31, 2009			December 31, 2008		
	Amount	Percentage of		Amount	Percentage of	
	(Amounts in thousands, except percentages)					
Commercial	\$ 307	3.6	%	\$ 283	3.6	%
Real estate construction						
Residential	1,378	16.1		1,240	15.9	
Commercial	539	6.3		448	5.8	
Real estate mortgage						
Residential	1,498	17.5		1,281	16.5	
Commercial	4,667	54.6		4,381	56.3	
Consumer	154	1.8		144	1.9	
Total Loans	\$ 8,543	100.0	%	\$ 7,777	100.0	%

Although the Company's management believes that it uses the best information available to determine the allowance for loan losses, unforeseen market conditions could result in adjustments to the allowance, which could significantly impact the Company's financial results, if circumstances differ substantially from the assumptions used in making the final determinations. Future additions to the Company's allowances may result from periodic loan, property and collateral reviews coupled with negative trends in the factors noted above and therefore cannot always be accurately predicted in advance.

Non-performing loans, expressed as a percentage of total loans, amounted to 2.1% at March 31, 2009 versus 1.5% at December 31, 2008. At March 31, 2009, the Company had \$12.2 million in non-accruing loans, which increased from \$8.2 million at December 31, 2008.

Total deposits amounted to \$518.3 million at March 31, 2009 and increased by \$23.0 million, or 4.6%, from \$495.3 million at December 31, 2008. Interest-bearing deposits increased by 5.4% and noninterest-bearing decreased by 12.4%.

Borrowings, which included Federal Home Loan Bank (FHLB) advances, repurchase agreements and subordinated debentures amounted to \$56.9 million at March 31, 2009, a decrease of \$5.0 million from \$61.9 million at December 31, 2008.

Shareholders' equity was \$58.1 million at March 31, 2009 and \$40.3 million at December 31, 2008. In addition to net income of \$1.5 million, perpetual preferred stock issued under the Treasury Capital Purchase Program (CPP) totaled \$16.3 million.

Critical Accounting Policy

The Company's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The financial information contained within these statements is, to a significant extent, financial information that is used on approximate measures of the financial effects of transactions and events that have already occurred. Based on its consideration of accounting policies that involve the most complex and subjective decisions and assessments, management has identified its most critical accounting policy to be related

to the allowance for loan losses. The Company's allowance for loan loss methodology incorporates a variety of risk considerations, both quantitative and qualitative in establishing an allowance for loan loss that management believes is

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appropriate at each reporting date. Quantitative factors include the Company's historical loss experience, delinquency and charge-off trends, collateral values, changes in nonperforming loans, and other factors. Quantitative factors also incorporate known information about individual loans, including borrowers' sensitivity to increased rate movements. Qualitative factors include the general economic environment in the Company's market area. Size and complexity of individual credits in relation to loan structure, existing loan policies and pace of portfolio growth are other qualitative factors that are considered in the methodology. Management may report a materially different amount for the provision for loan losses in the statement of operations to change the allowance for loan losses if its assessment of the above factors were different. This discussion and analysis should be read in conjunction with the Company's financial statements and the accompanying notes presented elsewhere herein, as well as the portion of this Management's Discussion and Analysis, which discusses the allowance for loan losses in this section, entitled "Financial Condition". Although management believes the level of this allowance as of March 31, 2009 was adequate to absorb losses inherent in the loan portfolio, a decline in local economic conditions, or other factors, could result in increasing losses that can not be reasonably predicated at this time.

Valuation of Investments

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near term prospects of the issues and (3) the intent and the ability of the Company to retain its investment in the issues for a period of time sufficient to allow for any anticipated recovery in fair value. In addition, Management utilizes third party sources to value securities to determine whether other-than-temporary impairment exists.

Management does not believe any individual unrealized loss as of March 31, 2009 represents an other-than-temporary impairment. The Company believes it will collect all amounts contractually due on these securities as it has the ability to hold these securities until the fair value is at least equal to the carrying value. Should the impairment become other-than-temporary, the carrying value of the investment will be reduced and the unrealized loss will be recorded in the statement of income.

Liquidity and Capital Resources

Liquidity describes our ability to meet the financial obligations that arise out of the ordinary course of business. Liquidity addresses the Company's ability to meet deposit withdrawals on demand or at contractual maturity, to repay borrowings as they mature, and to fund current and planned expenditures. Liquidity is derived from increased repayment and income from interest-earning assets. The loan to deposit ratio was 112.1% and 110.6% at March 31, 2009 and December 31, 2008, respectively. Funds received from new and existing depositors provided a large source of liquidity for the three month period ended March 31, 2009. The Company seeks to rely primarily on core deposits from customers to provide stable and cost-effective sources of funding to support local growth. The Company also seeks to augment such deposits with longer term and higher yielding certificates of deposit. To the extent that retail deposits are not adequate to fund customer loan demand, liquidity needs can be met in the short-term funds market. As of March 31, 2009, the Company had short term lines of credit with PNC Bank for \$13.0 million and Atlantic Central Bankers Bank for \$3.0 million. There were no outstanding borrowings on these lines at March 31, 2009. Longer term funding can be obtained through the issuance of trust preferred securities and advances from the FHLB. As of March 31, 2009, the Company maintained lines of credit with the FHLB of \$83.7 million, of which \$33.5 million was outstanding at March 31, 2009.

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As of March 31, 2009, the Company's investment securities portfolio included \$20.7 million of mortgage-backed securities that provide significant cash flow each month. The majority of the investment portfolio is classified as available for sale, is marketable, and is available to meet liquidity needs. The Company's residential real estate portfolio includes loans, which are underwritten to secondary market criteria, and accordingly could be sold in the secondary mortgage market if needed as an additional source of liquidity. The Company's management is not aware of any known trends, demands, commitments or uncertainties that are reasonably likely to result in material changes in liquidity.

Capital

A strong capital position is fundamental to support the continued growth of the Company. The Company and the Bank are subject to various regulatory capital requirements. Regulatory capital is defined in terms of Tier I capital (shareholders' equity as adjusted for unrealized gains or losses on available-for-sale securities), Tier II capital (which includes a portion of the allowance for loan losses) and total capital (Tier I plus Tier II). Risk-based capital ratios are expressed as a percentage of risk-weighted assets. Risk-weighted assets are determined by assigning various weights to all assets and off-balance sheet associated risk in accordance with regulatory criteria. Regulators have also adopted minimum Tier I leverage ratio standards, which measure the ratio of Tier I capital to total assets.

At March 31, 2009, the Company's management believes that the Company and the Bank are "well-capitalized" and in compliance with all applicable regulatory requirements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable as the Company is a smaller reporting company.

ITEM 4T. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Evaluation of disclosure controls and procedures. Based on their evaluation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, (the "Exchange Act")), the Company's principal executive officer and principal financial officer have concluded that as of the end of the period covered by this Quarterly Report on Form 10-Q, such disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the required time periods specified in the SEC's rules and forms.

Internal Controls

Changes in internal control over financial reporting. During the last quarter, there was no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

The Company was not a party to any material legal proceedings.

ITEM 1A. RISK FACTORS

Not applicable as the Company is a smaller reporting company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the Annual Meeting of Parke Bancorp, Inc., which was held on April 28, 2009, the shareholders of Parke Bancorp, Inc. elected all four directors who were nominated by the Company, as follows:

For Term Expiring 2012	Votes For Number of Votes	Percentage of Votes Cast	Votes Withheld Number of Votes	Percentage of Votes Cast
Daniel J. Dalton	3,346,194	96.5%	120,579	3.5%
Arret F. Dobson	3,390,744	97.8%	76,029	2.2%
Anthony J. Jannetti	3,455,145	99.7%	11,628	0.3%
Vito S. Pantilione	3,390,744	97.8%	76,029	2.2%

The shareholders adopted the resolution for the appointment of McGladrey & Pullen, LLP as the Company's independent auditor for the fiscal year ending December 31, 2009. Of shareholders that voted (86.0%), 3,219,366 (92.9%) approved the ratification, while 244,896 (7.0%) voted against the proposal and 2,511 (0.1%) abstained.

Also approved was the (non-binding) proposal regarding executive compensation. Of shareholders that voted (86.0%), 3,139,023 (90.5%) approved the ratification, while 120,144 (3.5%) voted against the proposal and 207,606 (6.0%) abstained.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

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 thereunto duly authorized.

PARKE BANCORP, INC.

Date May 13, 2009

/s/ Vito S. Pantilione
Vito S. Pantilione
President and Chief Executive Officer
(Principal Executive Officer)

Date May 13, 2009

/s/ F. Steven Meddick
F. Steven Meddick
Executive Vice President and
Chief Financial Officer
(Principal Accounting Officer)