

PARKE BANCORP, INC.
Form 10-Q
August 15, 2016

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: June 30, 2016.

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 65-1241959
(State or other jurisdiction of incorporation or organization) (IRS Employer Identification No.)

601 Delsea Drive, Washington Township, New Jersey 08080
(Address of principal executive offices) (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 August 15, 2016, there were issued and outstanding 6,843,059 shares of the registrant's common stock.

PARKE BANCORP, INC.

FORM 10-Q

FOR THE QUARTER ENDED June 30, 2016

INDEX

| | Page |
|---|------|
| Part I FINANCIAL INFORMATION | |
| Item 1. Financial Statements | 1 |
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations | 29 |
| Item 3. Quantitative and Qualitative Disclosures About Market Risk | 36 |
| Item 4. Controls and Procedures | 36 |
| Part II OTHER INFORMATION | |
| Item 1. Legal Proceedings | 36 |
| Item 1A. Risk Factors | 36 |
| Item 2. Unregistered Sales of Equity Securities and Use of Proceeds | 37 |
| Item 3. Defaults Upon Senior Securities | 37 |
| Item 4. Mine Safety Disclosures | 37 |
| Item 5. Other Information | 37 |
| Item 6. Exhibits | 37 |

SIGNATURES

EXHIBITS and CERTIFICATIONS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Parke Bancorp, Inc. and Subsidiaries

Consolidated Balance Sheets

(unaudited)

(in thousands except share and per share data)

| | June 30, 2016 | December 31, 2015 |
|---|------------------|----------------------|
| Assets | | |
| Cash and due from financial institutions | \$3,648 | \$ 3,131 |
| Federal funds sold and cash equivalents | 48,985 | 24,298 |
| Total cash and cash equivalents | 52,633 | 27,429 |
| Investment securities available for sale, at fair value | 40,140 | 42,567 |
| Investment securities held to maturity (fair value of \$2,535 at June 30, 2016 and \$2,471 at December 31, 2015) | 2,202 | 2,181 |
| Total investment securities | 42,342 | 44,748 |
| Loans held for sale | — | 2,640 |
| Loans, net of unearned income | 783,388 | 758,501 |
| Less: Allowance for loan losses | (14,165) | (16,136) |
| Net loans | 769,223 | 742,365 |
| Accrued interest receivable | 2,877 | 3,012 |
| Premises and equipment, net | 4,829 | 4,591 |
| Other real estate owned (OREO) | 12,815 | 16,629 |
| Restricted stock, at cost | 4,208 | 4,789 |
| Bank owned life insurance (BOLI) | 24,180 | 23,822 |
| Deferred tax asset | 10,593 | 10,928 |
| Other assets | 790 | 4,171 |
| Total Assets | \$924,490 | \$ 885,124 |
| Liabilities and Equity | | |
| Liabilities | | |
| Deposits | | |
| Noninterest-bearing deposits | \$47,301 | \$ 52,773 |
| Interest-bearing deposits | 665,494 | 612,437 |
| Total deposits | 712,795 | 665,210 |
| FHLB NY borrowings | 69,650 | 84,650 |
| Subordinated debentures | 13,403 | 13,403 |
| Accrued interest payable | 597 | 494 |
| Other liabilities | 5,876 | 9,160 |
| Total liabilities | 802,321 | 772,917 |
| Equity | | |
| Preferred stock, 1,000,000 shares authorized, \$1,000 liquidation value Series B - non-cumulative convertible; Issued: 20,000 shares at June 30, 2016 and December 31, 2015 | 20,000 | 20,000 |
| Common stock, \$.10 par value; authorized 15,000,000 shares; Issued: 7,127,581 shares at June 30, 2016 and 6,501,610 at December 31, 2015 | 713 | 650 |
| Additional paid-in capital | 62,076 | 53,984 |
| Retained earnings | 42,063 | 40,582 |
| Accumulated other comprehensive income (loss) | 337 | (165) |

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| | | |
|---|-----------|------------|
| Treasury stock, 284,522 shares at June 30, 2016 and 280,354 shares at December 31, 2015, at cost | (3,015) | (3,011) |
| Total shareholders' equity | 122,174 | 112,040 |
| Noncontrolling interest in consolidated subsidiaries | (5) | 167 |
| Total equity | 122,169 | 112,207 |
| Total liabilities and equity | \$924,490 | \$ 885,124 |
| See accompanying notes to consolidated financial statements | | |

1

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

| | For the three months ended June 30, 2016 | | For the six months ended June 30, 2015 | |
|---|---|---------|---|----------|
| | (in thousands except share data) | | (in thousands except share data) | |
| Interest income: | | | | |
| Interest and fees on loans | \$10,100 | \$9,567 | \$20,062 | \$18,705 |
| Interest and dividends on investments | 316 | 339 | 672 | 585 |
| Interest on federal funds sold and cash equivalents | 55 | 27 | 78 | 42 |
| Total interest income | 10,471 | 9,933 | 20,812 | 19,332 |
| Interest expense: | | | | |
| Interest on deposits | 1,375 | 1,198 | 2,630 | 2,329 |
| Interest on borrowings | 339 | 276 | 673 | 489 |
| Total interest expense | 1,714 | 1,474 | 3,303 | 2,818 |
| Net interest income | 8,757 | 8,459 | 17,509 | 16,514 |
| Provision for loan losses | (638 |) 750 | 62 | 1,590 |
| Net interest income after provision for loan losses | 9,395 | 7,709 | 17,447 | 14,924 |
| Noninterest income: | | | | |
| Gain on sale of SBA loans | 372 | 1,200 | 1 | |