PARKE BANCORP, INC.
Form 10-Q
May 15, 2007

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

FORM 10-Q

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

For the quarterly period ended: March 31, 2007

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 [X] No [ ]

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

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [X]

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

Yes [ ] No [X]

APPLICABLE ONLY TO CORPORATE ISSUERS

As of May 14, 2007, there were issued and outstanding 3,168,618 shares of the registrant's common stock.

PARKE BANCORP, INC.

FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2007

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PARKE BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(unaudited)

	March 31, 2007	December 31, 2006
Assets		
Cash and cash due from banks	$ 5,246,697	$ 6,183,916
Federal funds sold and other cash equivalents	12,557,889	5,076,895

Cash and cash equivalents	17,804,586	11,260,811
Investment securities available for sale, at market value	26,238,342	24,530,067
Investment securities held to maturity, at amortized cost (market value $2,423,025 at March 31, 2007 and $2,425,629 at December 31, 2006)	2,436,987	2,430,958
Total investment securities	28,675,329	26,961,025
Restricted stock, at cost	1,378,300	1,492,800
Loans	357,066,870	310,555,306
Less: allowance for loan losses	(5,011,500)	(4,511,004)
Total net loans	352,055,370	306,044,302
Bank premises and equipment, net	3,361,293	3,431,794
Accrued interest receivable and other assets	11,258,092	10,806,039
Total assets	$ 414,532,970	$ 359,996,771

See Notes to Consolidated Financial Statements 1

PARKE BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(unaudited)

	March 31, 2007	December 2006
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Noninterest-bearing demand	$ 27,591,033	$ 18,287
Interest-bearing	317,945,178	271,641
Total deposits	345,536,211	289,928
Borrowed funds	-	100
Federal Home Loan Bank advances	22,012,303	24,441
Subordinated debentures	10,310,000	10,310
Accrued interest payable and other liabilities	4,201,051	4,507
Total liabilities	382,059,565	329,287

Commitments and Contingencies (Note 1)

Shareholders' Equity		
Common stock, $0.10 par value, 10,000,000 shares authorized; 3,230,460 shares issued at March 31, 2007 and 2,884,937 shares issued at December 31, 2006	323,046	288
Preferred stock, 1,000,000 shares authorized; no shares issued and outstanding	-	
Additional paid-in capital	21,538,837	21,153
Retained earnings	12,124,993	10,847
Accumulated other comprehensive (loss)	(353,404)	(420
Treasury stock, at cost (61,842 shares at March 31, 2007 and at December 31, 2006)	(1,160,067)	(1,160
Total shareholders' equity	32,473,405	30,709
Total liabilities and shareholders' equity	$ 414,532,970	$ 359,996

See Notes to Consolidated Financial Statements

PARKE BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	March 31, 2007	December 31, 2006
Interest and Dividend Income		
Loans, including fees	$6,941,600	$5,249,988
Investment securities	386,217	302,452
Federal funds sold and other cash equivalents	91,182	17,057
Total interest and dividend income	7,418,999	5,569,497
Interest Expense		
Deposits	3,358,209	2,023,658
Borrowings	521,337	390,330
Total interest expense	3,879,546	2,413,988
Net interest income	3,539,453	3,155,509
Provision for Loan Losses	500,496	235,000
Net interest income after provision for loan losses	3,038,957	2,920,509
Noninterest Income		
Service charges on deposit accounts	36,016	36,132
Other fee income	490,595	219,718
Total noninterest income	526,611	255,850
Noninterest Expenses		
Compensation and benefits	785,835	676,497
Occupancy, equipment and data processing	267,235	212,711
Marketing and business development	67,483	53,428
Professional services	114,171	149,029

Other operating expenses	244,516	265,011
Total noninterest expenses	1,479,240	1,376,676
Income Before Income Tax Expense	2,086,328	1,799,683
Income Tax Expense	809,098	724,220
Net Income	$1,277,230	$1,075,463
Net Income Per Common Share:		
Basic	$ 0.41	$ 0.35
Diluted	$ 0.36	$ 0.30
Weighted Average Shares Outstanding:		
Basic	3,138,993	3,065,325
Diluted	3,583,979	3,612,035

See Notes to Consolidated Financial Statements 3

PARKE BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2007 AND 2006
(unaudited)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Trea Sto
Balance, December 31, 2005	$231,736	$20,511,410	$ 6,787,118	$(286,296)	$ (50
Stock options and warrants exercised	3,805	284,606	-	-	
Treasury stock purchased	-	-	-	-	(7
20% stock dividend	46,970	(46,970)	-	-	
Comprehensive income:					
Net income for the period	-	-	1,075,463	-	
Change in net unrealized gain on securities available for sale, net of reclassification adjustment and tax effects, if any	-	-	-	(64,424)	
Total comprehensive income					
Balance, March 31, 2006	$282,511	$20,749,046	$ 7,862,581	$(350,720)	$ (58
Balance, December 31, 2006	$288,494	$21,153,220	$10,847,763	$(420,250)	$(1,160

Stock options and warrants exercised	5,184	406,722	-	-	
Stock compensation	-	8,263	-	-	
10% stock dividend	29,368	(29,368)			
Comprehensive income:					
Net income for the period	-	-	1,277,230	-	
Change in net unrealized gain on securities available for sale, net of reclassification adjustment and tax effects, if any	-	-	-	61,884	
Adjustment to minimum pension liability	-	-	-	4,962	
Total comprehensive income					
Balance, March 31, 2007	$323,046	$21,538,837	$12,124,993	$(353,404)	$(1,160

See Notes to Consolidated Financial Statements 4

PARKE BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	For the Three Months End	
	2007	
Operating Activities		
Net income	$ 1,277,230	$ 1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	78,862	
Provision for loan losses	500,496	
Stock compensation	8,263	
Net accretion of investment securities premiums/discounts	(10,751)	
Changes in operating assets and liabilities:		
(Increase) Decrease in accrued interest receivable and other assets	(470,712)	
(Decrease) Increase in accrued interest payable and other liabilities	(323,964)	
Net cash provided by operating activities	1,059,424	2
Investing Activities		
Purchases of investment securities available for sale	(3,480,994)	
Proceeds from redeemed restricted stock	114,500	
Proceeds from maturities of investment securities available for sale	1,550,000	
Principal payments on mortgage-backed securities	330,580	
Net increase in loans	(46,511,564)	(12
Purchase of bank premises and equipment	(8,361)	
Net cash used in investing activities	(48,005,839)	(12
Financing Activities		
Proceeds from exercise of stock options and warrants	411,906	
Purchase of treasury stock	-	

Proceeds from borrowings	27,375,000	1
Repayment of borrowings	(29,904,067)	(7
Net increase in interest-bearing deposits	46,303,895	13
Net increase in noninterest-bearing deposits	9,303,456	3
Net cash provided by financing activities	53,490,190	10
Increase in cash and cash equivalents	6,543,775	
Cash and Cash Equivalents, January 1,	11,260,811	4
Cash and Cash Equivalents, March 31,	$ 17,804,586	$ 4
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for:		
Interest on deposits and borrowings	$ 3,641,723	$ 2
Income taxes	$ 810,821	$

See Notes to Consolidated Financial Statements

PARKE BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

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 offices in Northfield and Washington Township, New Jersey and Philadelphia, Pennsylvania and has a loan production office in Millville, New Jersey.

FINANCIAL STATEMENTS

The financial statements as of March 31, 2007 and for the three month periods ended March 31, 2007 and 2006 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 for the years ended December 31, 2006 included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, 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, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007 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 and Farm Folly, LLC. Parke Capital Trust I and Parke Capital Trust II are wholly-owned subsidiaries but are not consolidated because they do not meet the 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 noninterest income in the consolidated statements of operations. 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. The unrealized losses that existed as of March 31, 2007 are the result of market changes in interest rates 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, substantiates that the unrealized losses in the available-for-sale portfolio are temporary.

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.

INCOME TAXES

When corporate income tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that ultimately would be sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more-likely-than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. The evaluation of a tax position taken is considered by itself and not offset or aggregated with other positions. Tax positions that meet the more-likely-than not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest and penalties associated with unrecognized tax benefits are recognized in income tax expense on the statement of operations.

RECENT ACCOUNTING PRONOUNCEMENTS

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements ("SFAS No. 157"). This statement defines fair value, established a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 does not require any new fair value measurements, but provides enhanced guidance to other pronouncements that require or permit assets or liabilities to be measured at fair value. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those years. The Company is currently evaluating the impact of SFAS No. 157 on its financial statements.

In February 2007, the FASB issued SFAS No. 159, Fair Value Option for Financial Assets and Financial Liabilities ("SFAS No. 159"). This statement permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007, with early adoption permitted provided the entity also elects to apply the provisions of SFAS No. 157. The Bank is currently evaluating the impact, if any, of SFAS No. 159 on its financial position and results of operation.

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, 2007 and 2006 was 3,138,993 and 3,065,325, 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 options and warrants outstanding had been exercised. The assumed conversion of dilutive options and warrants resulted in 444,986 and 546,710 additional shares for the three months period ended March 31, 2007 and 2006, respectively.

Both basic and diluted earnings per share calculations give retroactive effect to stock dividends declared, including the most recently completed 10% stock dividend that was effective April 23, 2007.

NOTE 3. STOCK COMPENSATION

Effective January 1, 2006, the Company adopted Financial Accounting Standards Board ("FASB") Statement No. 123 Share-Based Payment (Revised 2004) ("SFAS 123R") utilizing the modified prospective approach. Under the modified prospective transition method, the Company is required to recognize compensation cost for 1) all share-based payments granted prior to, but not vested as of, January 1, 2006 based on the grant date fair value estimated in accordance with the original provisions of SFAS 123; and 2) for all share-based payments granted on or after January 1, 2006 based on the grant date fair value estimated in accordance with SFAS 123R. In accordance with the modified prospective method, the Company has not restated prior period results.

Prior to January 1, 2006, the Company accounted for share-based payments under the recognition and measurement provisions of APB Opinion No. 25, Accounting for Stock Issued to Employees, and related Interpretations, as permitted by FASB Statement No. 123, Accounting for Stock-Based Compensation.

All outstanding stock options as of January 1, 2006 were fully vested (in prior years, all options vested upon issuance), thus no compensation expense was recognized during the three months ended March 31, 2006 or 2007 for such options. The Company used the Black-Scholes option pricing model to estimate the fair value of stock-based awards in 2006 and thereafter.

As of March 31, 2007, there were 14,000 unvested options, which was no change from December 31, 2006. Compensation cost related to share-based payments amounted to $8,263 during the first quarter of 2007, which related to options issued in 2006. The Company utilizes the Black-Scholes option pricing model to estimate the fair value of any stock-based awards.

NOTE 4. REGULATORY RESTRICTIONS

The Bank is 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

Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, 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 Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require 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).

	Actual		For Capital Adequacy Purpose	
	Amount	Ratio	Amount	Ratio
As of March 31, 2007:				
(amounts in thousands)				
Total Risk Based Capital (to Risk Weighted Assets)	$ 46,842	13.0%	$ 28,740	8%
Tier 1 Capital (to Risk Weighted Assets)	$ 42,345	11.8%	$ 14,370	4%
Tier 1 Capital (to Average Assets)	$ 42,345	11.1%	$ 15,214	4%

	Actual		For Capital Adequacy Purpose	
	Amount	Ratio	Amount	Ratio
As of December 31, 2006:				
(amounts in thousands)				
Total Risk Based Capital (to Risk Weighted Assets)	$44,405	14.5%	$24,499	8
Tier 1 Capital (to Risk Weighted Assets)	$40,569	13.3%	$12,249	4
Tier 1 Capital (to Average Assets)	$40,569	11.6%	$14,054	4

Management believes, as of March 31, 2007 and December 31, 2006, that the Bank met all capital adequacy requirements to which either of them was subject.

NOTE 5. SUBORDINATED DEBENTURES

On August 23, 2005, Parke Capital Trust I, a Delaware statutory business trust and a wholly-owned subsidiary of the Company, issued $5 million of variable rate capital trust pass-through

PARKE BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

securities to investors. The variable interest rate re-prices quarterly at the three-month LIBOR plus 1.66% and was 7.02% at March 31, 2007. Parke Capital Trust I purchased $5.2 million of variable rate junior subordinated deferrable interest debentures from the Company. The debentures are the sole asset of the Trust. The terms of the junior subordinated debentures are the same as the terms of the capital securities. The Company has also fully and unconditionally guaranteed the obligations of the Trust under the capital securities. The capital securities are redeemable by the Company on or after November 23, 2010, at par or earlier if the deduction of related interest for federal income taxes is prohibited, classification as Tier 1 Capital is no longer allowed, or certain other contingencies arise. The capital securities must be redeemed upon final maturity of the subordinated debentures on November 23, 2035. Proceeds of approximately $4.2 million were contributed to paid-in capital at the Bank. The remaining $800,000 was retained at the Company for future use.

On August 23, 2005, Parke Capital Trust II, a Delaware statutory business trust and a wholly-owned subsidiary of the Company, issued $5 million of fixed/variable rate capital trust pass-through securities to investors. Currently, the interest rate is fixed at 6.25%. The fixed/variable interest rate re-prices quarterly at the three-month LIBOR plus 1.66% beginning November 23, 2010. Parke Capital Trust II purchased $5.2 million of variable rate junior subordinated deferrable interest debentures from the Company. The debentures are the sole asset of the Trust. The terms of the junior subordinated debentures are the same as the terms of the capital securities. The Company has also fully and unconditionally guaranteed the obligations of the Trust under the capital securities. The capital securities are redeemable by the Company on or after November 23, 2010, at par or earlier if the deduction of related interest for federal income taxes is prohibited, classification as Tier 1 Capital is no longer allowed, or certain other contingencies arise. The capital securities must be redeemed upon final maturity of the subordinated debentures on November 23, 2035. Proceeds of approximately $4.2 million were contributed to paid-in capital at the Bank. The remaining $800,000 was retained at the Company for future use.

NOTE 6. INCOME TAXES

The Company adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, ("FIN 48"), on January 1, 2007. The Company files United States (US) federal income tax returns and state tax returns in New Jersey. Based upon the statute of limitations, the Company is no longer subject to US federal and state examinations by tax authorities for years before 2003. Based on the review of the tax returns filed for the years 2003 through 2005 and the deferred tax benefits accrued in the 2006 annual financial statements, management determined that all tax positions taken had a probability of greater than 50 percent of being sustained and that 100 percent of the benefits accrued were expected to be realized. Management has a high confidence level in the technical merits of the positions. It believes that the deductions taken and benefits accrued are based on widely understood administrative practices and procedures and are based on clear and unambiguous tax law. As a result of this evaluation, management did not see a need to record a liability for unrecognized tax benefits.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

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 noninterest income such as service charges, earnings from bank owned life insurance (BOLI), loan exit fees and other fees. The Company's noninterest 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.

RESULTS OF OPERATIONS
THREE MONTHS ENDED MARCH 31, 2007 COMPARED TO THREE MONTHS ENDED MARCH 31, 2006
(UNAUDITED)

The following discussion compares the results of operations for the three month period ended March 31, 2007 to the results of operations for the three month period ended March 31, 2006. This discussion should be read in conjunction with the accompanying financial statements and related notes as well as the financial information included in the 2006 Annual Report on Form 10-K.

Net Income. For the three months ended March 31, 2007, net income totaled $1.3 million, and increased by 18.8% above the $1.1 million for the three months ended March 31, 2006. Diluted earnings per share for the three months ended March 31, 2007 totaled $0.36, compared to $0.30 per share for the same period of 2006, representing an increase of 20% year over year. Increased net income for the three months ended March 31, 2007 was attributable primarily to an increase in net interest income of $384,000 and noninterest income of $271,000, partially offset by increases in the provision for loan losses of $265,000, noninterest expense of $103,000 and income tax expense of $85,000.

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 the 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 quarter ended March 31, 2007, totaled $3.5 million, which amounted to an increase of $384,000, or 12.2%, compared to $3.2 million for the quarter ended March 31, 2006. The increase was primarily attributable to the growth in loan balances. The net interest margin for the quarter ended March 31, 2007 was 3.9%, compared to 4.3% for the comparable period of 2006.

Interest income of $7.4 million for the quarter ended March 31, 2007, increased primarily as a result of an increase of $75.5 million in average interest-earning assets. Average loans outstanding increased by $67.0 million and average investment securities and federal funds sold increased by $8.5 million. In addition, yields on earning assets for the three months ended March 31, 2007 increased to 8.1% from 7.6% for the comparable period of 2006 due to an increase in the level of market interest rates during 2006. Interest expense increased by $1.5 million, which was primarily attributable to average interest-bearing liabilities increasing by $70.5 million coupled with higher interest rates for both deposits and borrowed funds. Average interest-bearing deposits increased by $64.1 million and average borrowings increased by $6.4 million. The average rate paid on interest-bearing liabilities increased to 4.8% for the three months ended March 31, 2007 from 3.8% for the comparable period of 2006.

Provision for Loan Losses. The provision for loan losses amounted to $500,000 for the three months ended March 31, 2007, compared to $235,000 for the same period in 2006. The year over year increase reflected the significant loan growth during the first quarter of 2007. At March 31, 2007, the allowance for loan losses amounted to 1.40% of total gross loans as compared to 1.45% of total gross loans at December 31, 2006.

Noninterest Income. Noninterest income of $527,000 for the quarter ended March 31, 2007 increased from $256,000 for the comparable quarter of 2006. This increase was attributed to insurance reimbursements totaling $377,000 for legal and other expenses incurred during the past few years related to recently settled lawsuits and costs associated with repossessed assets, respectively, that were partially covered by the Company's insurance. Excluding these insurance reimbursements, noninterest income for the current quarter amounted to $150,000, which represented a decline of $106,000 from the comparable quarter of 2006 mainly due to a lower level of exit fees for the Company in the current quarter.

Noninterest Expenses. For the three months ended March 31, 2007, noninterest expense increased by $103,000, or 7.5%, to $1.5 million compared to $1.4 million for the same period of 2006. The higher expense level was due primarily to additional staffing costs and related expenses in 2007 for the new retail branch in Philadelphia and the new loan production office in Millville, New Jersey, which were opened in 2006. Partially offsetting this increase was a decline in professional fees of $35,000 which was due to a lower level of legal expenses during the first quarter of 2007.

Income Taxes. The Company recorded income tax expense of $809,098 on income before taxes of $2.1 million for the three months ended March 31, 2007, resulting in an effective tax rate of 38.8%, compared to income tax expense of $724,220 on income before taxes of $1.8 million for the same period of 2006, resulting in an effective tax rate of 40.3%.

Financial Condition
At March 31, 2007 and December 31, 2006
(unaudited)

The following discussion compares the financial condition at March 31, 2007 to the financial condition at December 31, 2006. This discussion should be read in conjunction with the accompanying financial statements and related notes as well as statistical information included in the 2006 Annual Report on Form 10-K.

Total assets at March 31, 2007 amounted to $414.5 million, compared to $360.0 million at December 31, 2006, resulting in an increase of $54.5 million, or 15.1%. This increase was driven primarily by loan growth as the Company continued to expand its loan portfolio through development of new and existing business relationships.

Total loans at March 31, 2007 were $357.1 million, which represented an increase of $46.5 million, or 15.0% above the level of $310.6 million at December 31, 2006. Growth occurred in all loan categories with commercial loan growth of $43.9 million, or 15.6%, representing the majority of the loan growth for 2007. Investment securities amounted to $28.7 million at March 31, 2007 versus $26.5 million at December 31, 2006.

The allowance for loan losses amounted to $5.0 million at December 31, 2006 compared to $4.5 million at December 31, 2006. The ratio of the allowance for loan losses to total loans decreased from 1.45% at December 31, 2006 to 1.40% at March 31, 2007. The Company's management has taken nonperforming 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 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 assessment of the risks within the portfolio based upon the information revealed in credit reporting processes. The Company utilizes a risk-rating system on all commercial, business, agricultural, construction, consumer, 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; and concentrations of credit within the total portfolio.

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 0.2% at March 31, 2007 versus 0.3% at December 31, 2006. At March 31, 2007, the Company had $668,000 in non-accruing loans, which declined from $788,000 at December 31, 2006.

Borrowings, which included Federal Home Loan Bank advances, repurchase agreements and subordinated debentures amounted to $32.3 million at March 31, 2007 and declined slightly from $34.9 million at December 31, 2006.

Shareholders' equity was $32.5 million at March 31, 2007 and $30.7 million at December 31, 2006. Net income of $1.3 million, the exercise of warrants and stock options and a reduction in unrealized investment portfolio losses included in other comprehensive income accounted for the 5.7% increase.

Comparative Average Balances, Interest and Yields

The following table provides information regarding the average balances and yield/rates on interest-earning assets and interest-bearing liabilities during the periods indicated:

	Three Months Ended			
	March 31, 2007			
	Average Balance	Interest Income/ Expense	Annual Yield	Average Balance
Assets				
Loans	$ 331,391,970	$ 6,941,600	8.4%	$ 264,439
Investment securities	28,574,797	386,217	5.4	25,473
Federal funds sold and other cash equivalents	6,990,581	91,182	5.2	1,573
Total interest-earning assets	366,957,348	$ 7,418,999	8.1	291,486
Allowance for loan losses	(4,591,903)			(3,642
Other assets	18,532,153			15,950
Total assets	$ 380,897,598			$ 303,794
Liabilities and Shareholders' Equity				
Regular savings deposits	$ 26,304,518	$ 239,892	3.6%	$ 34,264

NOW & money market	30,410,244	248,862	3.3	22,755
Time deposits	231,133,782	2,869,455	5.0	166,697
Total interest-bearing deposits	287,848,544	3,358,209		223,717
Borrowings	38,506,192	521,337	5.4	32,090
Total interest-bearing liabilities	326,304,736	$ 3,879,546	4.8	255,807
Non interest-bearing demand deposits	18,797,848			17,416
Other liabilities	3,891,777			2,602
Shareholders' equity	31,853,207			27,967
Total liabilities and shareholders' equity	$ 380,897,598			$ 303,794
Net interest income (interest income less interest expense)		$ 3,539,453		
Interest rate spread (average yield less average rate)			3.3%	
Net interest margin (net interest income/average interest-earning assets)			3.9%	

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 based 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 appropriate at each reporting date. Quantitative factors include the Company's historical loss experience, delinquency and charge-offs trends, collateral values, changes in nonperforming loans, and other factors. Quantitative factors also incorporate known information about individual loans, including borrowers' sensitivity to increase 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 Managements Discussion and Analysis, which discusses the allowance for loan losses in this section, entitled "Financial Condition" at March 31, 2007 and December 31, 2006. Although management believes the level of this allowance as of March 31, 2007 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.

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 103.3% and 107.1% at March 31, 2007 and December 31, 2006, respectively. Funds received from new and existing depositors provided a large source of liquidity for the three-month period ended March 31, 2007. 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. Longer term funding can be obtained through the issuance of trust preferred securities and advances from the FHLB. As of March 31, 2007, the Company maintained lines of credit with the FHLB of $34.3 million, of which $22.0 million was outstanding at March 31, 2007.

As of March 31, 2007, the Company's investment securities portfolio included $13.1 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 readily 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 is 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, 2007, the Company's management believes that the Bank and the Company are "well-capitalized" and in compliance with all applicable regulatory requirements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes from the information regarding market risk disclosed under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Interest Rate Sensitivity and Liquidity -- Rate Sensitivity Analysis" in the Company's Annual Report for the fiscal year ended December 31, 2006.

ITEM 4. 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.

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

On December 27, 2004, Republic First Bank filed an action captioned Republic First Bank v. Parke Bank and Vito S. Pantilione in the Superior Court of New Jersey Law Division, Gloucester County. The Bank believes that the action is without merit and intends to vigorously defend against it. The suit alleges, among other things, fraud, negligent misrepresentation, breach of fiduciary duty and breach of contract in connection with certain loans to two Parke Bank customers in which Republic First Bank became a participant. Republic First Bank is seeking unspecified damages and requesting that a receivership be appointed for certain collateral. The complaint in the action was served on us in January 2005. The Bank filed an answer to the complaint, and the case is currently in the discovery phase.

On June 1, 2005, Atlantic Central Bankers Bank and New Century Bank filed an action captioned Atlantic Central Bankers Bank and New Century Bank v. Parke Bank and Parke Capital Markets in the Superior Court of New Jersey Chancery Division, Cape May County. The Bank believes that the action is without merit and intends to vigorously defend against it. The suit alleges breach of participation agreements and fraudulent misrepresentation in connection with the plaintiffs' participations in loans to the same Parke Bank customers as the Republic First Bank matter discussed above. In August 2005, the plaintiffs' motion for a preliminary injunction was denied, and they were ordered to pay the Bank's expenses. This case has been consolidated with the Republic First Bank case.

In December, 2006, the Bank reached a preliminary agreement with both Atlantic Central Bankers Bank and New Century Bank. Upon further negotiations with both banks in 2007, a final agreement between the Bank and Atlantic Central Bankers Bank and New Century Bank was signed and subsequently approved by the court and the action was dismissed in February, 2007. As a result of the settlement there are no longer any outstanding legal issues or potential liability by the Bank relating to either party. Payments were recently made in the amounts of $150,000 and $ 60,000, respectively to Atlantic Central Bankers Bank and New Century Bank as a result of the settlements. There has been no subsequent change in the Republic First Bank action.

On November 4, 2004, Stephen P. Magenta and other parties filed an action captioned Stephen P. Magenta, et. al. v. General Insulation Services, Inc., et. al. in the Superior Court of New Jersey Law Division, Gloucester County, related to the alleged embezzlement of over $1 million by an employee of one of our customers of funds maintained in accounts at the Bank. All but one of the claims against the Bank have been dismissed. The Bank believes that the action is without merit and intends to vigorously defend against it. In addition, the Bank believes that this action is covered by its insurance.

Other than the foregoing, at March 31, 2007, the Company was not a party to any material legal proceedings.

ITEM 1A. RISK FACTORS

There have been no material changes from the Risk Factors disclosed in Company's Annual Report for the fiscal year ended December 31, 2006.

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 24, 2007, the shareholders of Parke Bancorp, Inc. elected all ten directors who were nominated by the Company, as follows:

	VOTES FOR		VOTES WITHHELD	
	Number of Votes	Percentage Of Votes Cast	Number of Votes	Percentage of Votes Cast
For Term Expiring 2008				
Thomas Hedenberg	2,406,923	97.2%	69,123	2.8%
Richard Phalines	2,412,150	97.4%	63,896	2.6%
Ray H. Tresch	2,412,150	97.4%	63,896	2.6%
For Term Expiring 2009				
Vito S. Pantilione	2,412,344	97.4%	63,702	2.6%
Arret F. Dobson	2,412,150	97.4%	63,896	2.6%

Anthony J. Jannetti	2,469,000	97.4%	7,046	0.3%
For Term Expiring 2010				
Fred C. Choate	2,412,150	97.4%	63,896	2.6%
Jeffrey H. Kripitz	2,411,870	97.4%	64,176	2.6%
Jack C. Sheppard, Jr.	2,412,150	97.4%	63,896	2.6%
Edward Infantolino	2,412,150	97.4%	63,896	2.6%

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The shareholders also adopted the resolution for the appointment of McGladrey & Pullen, LLP as the Company's independent auditor for the fiscal year ending December 31, 2007. Of shareholders that voted (86.2%), 2,207,227 (89.3%) approved the ratification, while 264,531 (10.7%) voted against the proposal and 4,288 (0%) abstained.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

31 Certifications required by Rule 13a-14(a).
32 Certification required by 18 U.S.C. ss.1350.

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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 15, 2007

/s/Vito S. Pantilione

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

Date: May 15, 2007

/s/Robert A. Kuehl

Robert A. Kuehl
Senior Vice President and
Chief Financial Officer

(Principal Accounting Officer)