PARK NATIONAL CORP /OH/ Form 10-Q August 15, 2011

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 June 30, 2011

OR

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

For the transition period from

to

Commission File Number 1-13006

Park National Corporation (Exact name of registrant as specified in its charter)

Ohio

31-1179518

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

50 North Third Street, Newark, Ohio 43055 (Address of principal executive offices) (Zip Code)

(740) 349-8451

(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 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 x 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.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

(Do not check if 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 x

15,398,909 Common shares, no par value per share, outstanding at August 12, 2011.

PARK NATIONAL CORPORATION

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PARK NATIONAL CORPORATION

Consolidated Condensed Balance Sheets (Unaudited) (in thousands, except share and per share data)

Assets: S131,604 \$ 109,058 Money market instruments 85,512 24,722 Cash and cash equivalents 217,116 133,780 Investment securities 3217,116 133,780 Securities available-for-sale, at fair value (amortized cost of \$1,107,211 and \$1,274,258 1,117,397 1,297,522 Securities held-to-maturity, at amortized cost (fair value of \$786,222 and \$686,114 775,311 673,570 Securities held-to-maturity, at amortized cost (fair value of \$786,222 and \$686,114 4 1,000,000 775,311 673,570 Other investment securities 68,158 68,699 68,699 Total investment securities 1,960,866 2,039,791 Loans 4,710,513 4,732,685 Allowance for loan losses (110,1187) (121,397) Net loans 4,600,326 4,611,288 Bank owned life insurance 151,930 146,450 Goodwill and other intangible assets 77,039 78,377 Bank premises and equipment, net 69,830 69,567 Other real estate owned 47,997 44,325 Accrued interest recei		June 30, 2011	December 31, 2010
Money market instruments 85,512 24,722 Cash and cash equivalents 217,116 133,780 Investment securities Securities available-for-sale, at fair value (amortized cost of \$1,107,211 and \$1,274,258 1,117,397 1,297,522 Securities held-to-maturity, at amortized cost (fair value of \$786,222 and \$686,114 775,311 673,570 Other investment securities 68,158 68,699 Total investment securities 1,960,866 2,039,791 Loans 4,710,513 4,732,685 Allowance for loan losses (110,187) (121,397) Net loans 4,600,326 4,611,288 Bank owned life insurance 151,930 146,450 Goodwill and other intangible assets 77,039 78,377 Bank premises and equipment, net 69,830 69,567 Other real estate owned 47,997 44,325 Accrued interest receivable 22,624 24,137 Mortgage loan servicing rights 10,259 10,488 Other 170,699 140,174 Total assets \$7,328,686			
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Investment securities Securities available-for-sale, at fair value (amortized cost of \$1,107,211 and \$1,274,258 at June 30, 2011 and December 31, 2010)	Money market instruments	85,512	24,722
Securities available-for-sale, at fair value (amortized cost of \$1,107,211 and \$1,274,258 at June 30, 2011 and December 31, 2010) 1,117,397 1,297,522 Securities held-to-maturity, at amortized cost (fair value of \$786,222 and \$686,114 at June 30, 2011 and December 31, 2010) 775,311 673,570 Other investment securities 68,158 68,699 Total investment securities 1,960,866 2,039,791 Loans 4,710,513 4,732,685 Allowance for loan losses (110,187) (121,397)) Net loans 4,600,326 4,611,288 Bank owned life insurance 151,930 146,450 Goodwill and other intangible assets 77,039 78,377 Bank premises and equipment, net 69,830 69,567 Other real estate owned 47,997 44,325 Accrued interest receivable 22,624 24,137 Mortgage loan servicing rights 10,259 10,488 Other 170,699 140,174 Total assets \$7,328,686 \$7,298,377 Liabilities and Stockholders' Equity: 50,257,517 5,095,420 Short-term borrowings 234,112	Cash and cash equivalents	217,116	133,780
(amortized cost of \$1,107,211 and \$1,274,258 at June 30, 2011 and December 31, 2010) 1,117,397 1,297,522 Securities held-to-maturity, at amortized cost (fair value of \$786,222 and \$686,114 775,311 673,570 Other investment securities 68,158 68,699 Total investment securities 1,960,866 2,039,791 Loans 4,710,513 4,732,685 Allowance for loan losses (110,187) (121,397) Net loans 4,600,326 4,611,288 Bank owned life insurance 151,930 146,450 Goodwill and other intangible assets 77,039 78,377 Bank premises and equipment, net 69,830 69,567 Other real estate owned 47,997 44,325 Accrued interest receivable 22,624 24,137 Mortgage loan servicing rights 10,259 10,488 Other 170,669 140,174 Total assets \$7,328,686 \$7,298,377 Liabilities and Stockholders' Equity: 5 Deposits: 5 Noninterest bearing \$984,160 \$937,719 Interest bearing \$9,27,711 5,095,420 <td></td> <td></td> <td></td>			
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Other investment securities 68,158 68,699 Total investment securities 1,960,866 2,039,791 Loans 4,710,513 4,732,685 Allowance for loan losses (110,187) (121,397) Net loans 4,600,326 4,611,288 Bank owned life insurance 151,930 146,450 Goodwill and other intangible assets 77,039 78,377 Bank premises and equipment, net 69,830 69,567 Other real estate owned 47,997 44,325 Accrued interest receivable 22,624 24,137 Mortgage loan servicing rights 10,259 10,488 Other 170,699 140,174 Total assets \$7,328,686 \$7,298,377 Liabilities and Stockholders' Equity: 200,000 \$937,719 Interest bearing 4,273,357 4,157,701 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669			
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Allowance for loan losses (110,187) (121,397) Net loans 4,600,326 4,611,288 Bank owned life insurance 151,930 146,450 Goodwill and other intangible assets 77,039 78,377 Bank premises and equipment, net 69,830 69,567 Other real estate owned 47,997 44,325 Accrued interest receivable 22,624 24,137 Mortgage loan servicing rights 10,259 10,488 Other 170,699 140,174 Total assets \$7,328,686 \$7,298,377 Liabilities and Stockholders' Equity: 50,257,517 Deposits: 8984,160 \$937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669	Total investment securities	1,960,866	2,039,791
Allowance for loan losses (110,187) (121,397) Net loans 4,600,326 4,611,288 Bank owned life insurance 151,930 146,450 Goodwill and other intangible assets 77,039 78,377 Bank premises and equipment, net 69,830 69,567 Other real estate owned 47,997 44,325 Accrued interest receivable 22,624 24,137 Mortgage loan servicing rights 10,259 10,488 Other 170,699 140,174 Total assets \$7,328,686 \$7,298,377 Liabilities and Stockholders' Equity: 50,257,517 Deposits: 8984,160 \$937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669			
Net loans 4,600,326 4,611,288 Bank owned life insurance 151,930 146,450 Goodwill and other intangible assets 77,039 78,377 Bank premises and equipment, net 69,830 69,567 Other real estate owned 47,997 44,325 Accrued interest receivable 22,624 24,137 Mortgage loan servicing rights 10,259 10,488 Other 170,699 140,174 Total assets \$7,328,686 \$7,298,377 Liabilities and Stockholders' Equity: 2 Deposits: Noninterest bearing \$984,160 \$937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669			
Bank owned life insurance 151,930 146,450 Goodwill and other intangible assets 77,039 78,377 Bank premises and equipment, net 69,830 69,567 Other real estate owned 47,997 44,325 Accrued interest receivable 22,624 24,137 Mortgage loan servicing rights 10,259 10,488 Other 170,699 140,174 Total assets \$7,328,686 \$7,298,377 Liabilities and Stockholders' Equity: Deposits: Noninterest bearing \$984,160 \$937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669			
Goodwill and other intangible assets 77,039 78,377 Bank premises and equipment, net 69,830 69,567 Other real estate owned 47,997 44,325 Accrued interest receivable 22,624 24,137 Mortgage loan servicing rights 10,259 10,488 Other 170,699 140,174 Total assets \$7,328,686 \$7,298,377 Liabilities and Stockholders' Equity: 2 Deposits: \$984,160 \$937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669	Net loans	4,600,326	4,611,288
Bank premises and equipment, net 69,830 69,567 Other real estate owned 47,997 44,325 Accrued interest receivable 22,624 24,137 Mortgage loan servicing rights 10,259 10,488 Other 170,699 140,174 Total assets \$7,328,686 \$7,298,377 Liabilities and Stockholders' Equity: Special Stockholders' Equity: \$937,719 Interest bearing \$984,160 \$937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669			146,450
Other real estate owned 47,997 44,325 Accrued interest receivable 22,624 24,137 Mortgage loan servicing rights 10,259 10,488 Other 170,699 140,174 Total assets \$7,328,686 \$7,298,377 Liabilities and Stockholders' Equity: Deposits: Noninterest bearing \$984,160 \$937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669	Goodwill and other intangible assets		78,377
Accrued interest receivable 22,624 24,137 Mortgage loan servicing rights 10,259 10,488 Other 170,699 140,174 Total assets \$7,328,686 \$7,298,377 Liabilities and Stockholders' Equity: Deposits: Noninterest bearing \$984,160 \$937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669	Bank premises and equipment, net	69,830	69,567
Mortgage loan servicing rights 10,259 10,488 Other 170,699 140,174 Total assets \$7,328,686 \$7,298,377 Liabilities and Stockholders' Equity: Deposits: Noninterest bearing \$984,160 \$937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669			44,325
Other 170,699 140,174 Total assets \$7,328,686 \$7,298,377 Liabilities and Stockholders' Equity: Deposits: Noninterest bearing \$984,160 \$937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669	Accrued interest receivable	22,624	24,137
Total assets \$7,328,686 \$7,298,377 Liabilities and Stockholders' Equity: Deposits: Noninterest bearing \$984,160 \$937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669	Mortgage loan servicing rights	10,259	10,488
Liabilities and Stockholders' Equity: Deposits: Noninterest bearing \$984,160 \$ 937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669	Other	170,699	140,174
Liabilities and Stockholders' Equity: Deposits: Noninterest bearing \$984,160 \$ 937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669			
Deposits: \$984,160 \$ 937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669	Total assets	\$7,328,686	\$ 7,298,377
Deposits: \$984,160 \$ 937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669			
Noninterest bearing \$984,160 \$ 937,719 Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669	• •		
Interest bearing 4,273,357 4,157,701 Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669			
Total deposits 5,257,517 5,095,420 Short-term borrowings 234,112 663,669			
Short-term borrowings 234,112 663,669	· · · · · · · · · · · · · · · · · · ·		
	Total deposits	5,257,517	5,095,420
7 11.	Short-term borrowings	234,112	663,669
	Long-term debt	821,202	636,733
Subordinated debentures and notes 75,250 75,250		75,250	75,250
Accrued interest payable 5,732 6,123	Accrued interest payable	5,732	
Other 187,113 75,358	Other	187,113	75,358
Total liabilities 6,580,926 6,552,553	Total liabilities	6,580,926	6,552,553
COMMITMENTS AND CONTINGENCIES	COMMUTATIVE AND CONTINUENCIES		

Stockholders' equity:				
Preferred stock (200,000 shares authorized; 100,000 shares				
issued with \$1,000 per share liquidation preference)	97,718		97,290	
Common stock (No par value; 20,000,000 shares				
authorized; 16,151,042 shares issued at June 30, 2011 and				
16,151,062 shares issued at December 31, 2010)	301,203		301,204	
Common stock warrants	4,406		4,473	
Retained earnings	432,341		422,458	
Treasury stock (752,129 shares at June 30, 2011				
and 752,128 shares at December 31, 2010)	(77,733)	(77,733)
Accumulated other comprehensive (loss), net of taxes	(10,175)		