

PARK NATIONAL CORP /OH/
Form 10-Q
October 27, 2015

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 September 30, 2015

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 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.

Large accelerated filer Accelerated filer

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Non-accelerated filer Smaller reporting company
(Do not check if a 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

15,350,817 Common shares, no par value per share, outstanding at October 26, 2015.

PARK NATIONAL CORPORATION

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PARK NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Condensed Balance Sheets (Unaudited)

(in thousands, except share and per share data)

	September 30, 2015	December 31, 2014
Assets:		
Cash and due from banks	\$102,928	\$133,511
Money market instruments	279,327	104,188
Cash and cash equivalents	382,255	237,699
Investment securities:		
Securities available-for-sale, at fair value (amortized cost of \$1,282,022 and \$1,299,980 at September 30, 2015 and December 31, 2014, respectively)	1,293,464	1,301,915
Securities held-to-maturity, at amortized cost (fair value of \$119,585 and \$143,490 at September 30, 2015 and December 31, 2014, respectively)	117,509	140,562
Other investment securities	58,311	58,311
Total investment securities	1,469,284	1,500,788
Loans		
Loans	4,999,912	4,829,682
Allowance for loan losses	(58,483) (54,352
Net loans	4,941,429	4,775,330
Bank owned life insurance	180,739	171,928
Prepaid assets	82,949	75,190
Goodwill	72,334	72,334
Premises and equipment, net	59,581	55,479
Affordable housing tax credit investments	52,731	48,911
Other real estate owned	20,136	22,605
Accrued interest receivable	18,976	17,677
Mortgage loan servicing rights	8,812	8,613
Other	11,114	14,645
Total assets	\$7,300,340	\$7,001,199
Liabilities and Shareholders' Equity:		
Deposits:		
Noninterest bearing	\$1,288,750	\$1,269,296
Interest bearing	4,166,232	3,858,704
Total deposits	5,454,982	5,128,000
Short-term borrowings	278,324	276,980
Long-term debt	736,580	786,602
Subordinated notes	45,000	45,000
Unfunded commitments in affordable housing tax credit investments	21,339	16,629
Accrued interest payable	2,470	2,551
Other	45,842	48,896
Total liabilities	\$6,584,537	\$6,304,658
Shareholders' equity:		
Preferred shares (200,000 shares authorized; 0 shares issued)	\$—	\$—
Common shares (No par value; 20,000,000 shares authorized; 16,150,859 shares issued at September 30, 2015 and 16,150,888 shares issued at December 31, 2014)	303,805	303,104

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Retained earnings	501,145	484,484
Treasury shares (810,189 shares at September 30, 2015 and 758,489 at December 31, 2014)	(81,718) (77,439)
Accumulated other comprehensive loss, net of taxes	(7,429) (13,608)
Total shareholders' equity	715,803	696,541
Total liabilities and shareholders' equity	\$7,300,340	\$7,001,199

SEE ACCOMPANYING NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

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PARK NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Condensed Statements of Income (Unaudited)

(in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Interest and dividend income:				
Interest and fees on loans	\$57,680	\$57,492	\$169,555	\$169,249
Interest and dividends on:				
Obligations of U.S. Government, its agencies and other securities	9,175	9,011	27,677	27,758
Other interest income	232	119		