

PARK NATIONAL CORP /OH/
Form 8-K
November 30, 2012
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) November 30, 2012

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

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| Ohio (State or other jurisdiction of incorporation) | 1-13006 (Commission File Number) | 31-1179518 (IRS Employer Identification No.) |
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| 50 North Third Street, P.O. Box 3500, Newark, Ohio (Address of principal executive offices) | 43058-3500 (Zip Code) |
|--|--------------------------|

(740) 349-8451
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 - Other Events

On November 30, 2012, The Park National Bank (“PNB”), a wholly-owned subsidiary of Park National Corporation (“Park”), completed its restructuring of \$300 million under fixed rate repurchase agreements, which had been entered into in 2006 and 2007 with a third-party (the “borrowings”), which were included in long-term debt in Park's Consolidated Balance Sheets incorporated by reference into “Item 8-Financial Statements and Supplementary Data” of Part II of Park's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 from Park's 2011 Annual Report. The borrowings carried a weighted-average fixed rate of interest of 4.04% and had a weighted-average remaining life of 4.35 years as of November 29, 2012. New borrowings obtained by PNB from the same third-party for \$300 million, in connection with the repayment of the original borrowings as a result of the restructuring will carry a fixed rate of interest of 1.75% and mature on November 30, 2017. PNB will pay a prepayment penalty of \$25 million as part of the restructuring, which will be amortized as an adjustment to interest expense over the five-year term of the new borrowings. The new borrowings will have an effective interest rate of approximately 3.40%.

Management expects that the restructuring will reduce annual interest expense by approximately \$2 million annually. The original repurchase agreements and the new repurchase agreements include representations, warranties and covenants customary for these types of transactions by financial institutions.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Park cautions that any forward-looking statements contained in this Current Report on Form 8-K or made by management of Park are provided to assist in the understanding of anticipated future financial performance. Forward-looking statements provide current expectations or forecasts of future events and are not guarantees of future performance. The forward-looking statements are based on management's expectations and are subject to a number of risks and uncertainties. Although management believes that the expectations reflected in such forward-looking statements are reasonable, actual results may differ materially from those expressed or implied in such statements. Risks and uncertainties that could cause actual results to differ materially include, without limitation: deterioration in the asset value of Park's loan portfolio may be worse than expected due to a number of factors, such as adverse changes in economic conditions that impair the ability of borrowers to repay their loans, the underlying value of the collateral could prove less valuable than assumed and cash flows may be worse than expected; Park's ability to sell OREO properties at prices as favorable as anticipated; Park's ability to execute its business plan successfully and within the expected timeframe; general economic and financial market conditions, including the impending U.S. “fiscal cliff” if Congress fails to take action to avoid the cliff, and weakening in the economy, specifically the real estate market and the credit market, either nationally or in the states in which Park and its subsidiaries do business, may be worse than expected which could decrease the demand for loan, deposit and other financial services and increase loan delinquencies and defaults; changes in interest rates and prices may adversely impact the value of securities, loans, deposits and other financial instruments and the interest rate sensitivity of our consolidated balance sheet; changes in consumer spending, borrowing and saving habits; changes in unemployment; asset/liability repricing risks and liquidity risks; our liquidity requirements could be adversely affected by changes in our assets and liabilities; competitive factors among financial services organizations increase significantly, including product and pricing pressures and our ability to attract, develop and retain qualified bank professionals; the nature, timing and effect of changes in banking regulations or other regulatory or legislative requirements affecting the respective businesses of Park and its subsidiaries, including changes in laws and regulations concerning taxes, accounting, banking, securities and other aspects of the financial services industry, specifically the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”), as well as future regulations which will be adopted by the relevant regulatory agencies, including the Consumer Financial Protection Bureau, the SEC and NYSE MKT LLC, to implement the Dodd-Frank Act's provisions; the effect of changes in accounting policies and practices, as may be adopted by the Financial Accounting Standards Board, the SEC, the Public Company Accounting Oversight Board and other regulatory agencies, and the accuracy of our assumptions and estimates used to prepare our financial statements; the effect of fiscal and governmental policies of the United States federal government; adequacy of our risk management program; a failure in or breach of our operational or security systems or infrastructure, or those of

our third-party vendors and other service providers, including as a result of cyber attacks; demand for loans in the respective market areas served by Park and

its subsidiaries; and other risk factors relating to the banking industry as detailed from time to time in Park's reports filed with the Securities and Exchange Commission including those described in "Item 1A. Risk Factors" of Part I of Park's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and in "Item 1A. Risk Factors" of Part II of Park's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012. Undue reliance should not be placed on the forward-looking statements, which speak only as of the date hereof. Park does not undertake, and specifically disclaims any obligation, to publicly release the result of any revisions that may be made to update any forward-looking statement to reflect the events or circumstances after the date on which the forward-looking statement is made, or reflect the occurrence of unanticipated events, except to the extent required by law.

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signature on following page.]

SIGNATURE

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 hereunto duly authorized.

PARK NATIONAL CORPORATION

Dated: November 30, 2012

By: /s/ John W. Kozak
John W. Kozak
Chief Financial Officer