PARK NATIONAL CORP /OH/
Form 10-Q
August 03, 2010

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, 2010

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 | x | Accelerated filer | ¨ |
| Non-accelerated filer<br>(Do not check if smaller reporting company) | ¨ | 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

15,274,250 Common shares, no par value per share, outstanding at July 30, 2010.

PARK NATIONAL CORPORATION

CONTENTS

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

| | June 30, 2010 | December 31, 2009 |
|---|---|---|
| Assets: | | |
| Cash and due from banks | $ 126,222 | $ 116,802 |
| Money market instruments | 75,323 | 42,289 |
| Cash and cash equivalents | 201,545 | 159,091 |
| Investment securities | | |
| Securities available-for-sale, at fair value (amortized cost of $1,262,929 and $1,241,381 at June 30, 2010 and December 31, 2009) | 1,309,935 | 1,287,727 |
| Securities held-to-maturity, at amortized cost (fair value of $490,702 and $523,450 at June 30, 2010 and December 31, 2009) | 466,740 | 506,914 |
| Other investment securities | 68,919 | 68,919 |
| Total investment securities | 1,845,594 | 1,863,560 |
| | | |
| Loans | 4,655,997 | 4,640,432 |
| Allowance for loan losses | (120,676) | (116,717) |
| Net loans | 4,535,321 | 4,523,715 |
| | | |
| Bank owned life insurance | 143,941 | 137,133 |
| Goodwill and other intangible assets | 80,021 | 81,799 |
| Bank premises and equipment, net | 68,929 | 69,091 |
| Other real estate owned | 46,456 | 41,240 |
| Accrued interest receivable | 26,723 | 24,354 |
| Mortgage loan servicing rights | 10,922 | 10,780 |
| Other | 133,646 | 129,566 |
| | | |
| Total assets | $ 7,093,098 | $ 7,040,329 |
| | | |
| Liabilities and Stockholders' Equity: | | |
| Deposits: | | |
| Noninterest bearing | $ 884,912 | $ 897,243 |
| Interest bearing | 4,283,902 | 4,290,809 |
| Total deposits | 5,168,814 | 5,188,052 |
| | | |
| Short-term borrowings | 280,757 | 324,219 |
| Long-term debt | 652,741 | 654,381 |
| Subordinated debentures and notes | 75,250 | 75,250 |
| Accrued interest payable | 7,557 | 9,330 |
| Other | 158,040 | 71,833 |
| Total liabilities | 6,343,159 | 6,323,065 |
| | | |
| COMMITMENTS AND CONTINGENCIES | | |

| | | |
|---|---|---|
| Stockholders' equity: | | |
| Preferred stock (200,000 shares authorized; 100,000 shares issued with $1,000 per share liquidation preference) | 96,886 | 96,483 |
| Common stock (No par value; 20,000,000 shares authorized; 16,151,086 shares issued at June 30, 2010 and 16,151,112 shares issued at December 31, 2009) | 301,206 | 301,208 |
| Common stock warrants | 4,761 | 5,361 |
| Retained earnings | 427,236 | 423,872 |
| Treasury stock (944,232 shares at June 30, 2010 and 1,268,332 shares at December 31, 2009) | (96,029) | (125,321) |
| Accumulated other comprehensive income, net of taxes | 15,879 | 15,661 |
| Total stockholders' equity | 749,939 | 717,264 |
| Total liabilities and stockholders' equity | $ 7,093,098 | $ 7,040,329 |

SEE ACCOMPANYING NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

PARK NATIONAL CORPORATION
Consolidated Condensed Statements of Income (Unaudited)
(in thousands, except share and per share data)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 |
| Interest and dividend income: | | | | |
| Interest and fees on loans | $ 66,723 | $ 68,496 | $ 133,164 | $ 137,584 |
| Interest and dividends on: | | | | |
| Obligations of U.S. Government, its agencies and other securities | 20,263 | 23,201 | 40,738 | 47,029 |
| Obligations of states and political subdivisions | 204 | 393 | 421 | 815 |
| Other interest income | 52 | 2 | 121 | 29 |
| Total interest and dividend income | 87,242 | 92,092 | 174,444 | 185,457 |
| Interest expense: | | | | |
| Interest on deposits: | | | | |
| Demand and savings deposits | 1,582 | 2,809 | 3,357 | 5,714 |
| Time deposits | 9,518 | 13,800 | 20,168 | 28,174 |
| Interest on borrowings: | | | | |
| Short-term borrowings | 302 | 811 | 646 | 1,997 |
| Long-term debt | 7,119 | 6,678 | 14,172 | 13,345 |
| Total interest expense | 18,521 | 24,098 | 38,343 | 49,230 |
| Net interest income | 68,721 | 67,994 | 136,101 | 136,227 |
| Provision for loan losses | 13,250 | 15,856 | 29,800 | 28,143 |
| Net interest income after provision for loan losses | 55,471 | 52,138 | 106,301 | 108,084 |
| Other income: | | | | |
| Income from fiduciary activities | 3,528 | 3,140 | 6,950 | 6,000 |
| Service charges on deposit accounts | 5,092 | 5,432 | 9,838 | 10,593 |
| Non-yield loan fee income | 3,476 | 5,738 | 6,458 | 11,284 |
| Checkcard fee income | 2,765 | 2,381 | 5,209 | 4,509 |
| Bank owned life insurance income | 1,254 | 1,235 | 2,470 | 2,424 |
| Other | 532 | 1,831 | 2,432 | 4,157 |
| Total other income | 16,647 | 19,757 | 33,357 | 38,967 |

| | | | | |
|---|---|---|---|---|
| Gain on sale of securities | 3,515 | 7,340 | 11,819 | 7,340 |

Continued

PARK NATIONAL CORPORATION
Consolidated Condensed Statements of Income (Unaudited)
(Continued)
(in thousands, except share and per share data)

| | Three Months Ended June 30, 2010 | Three Months Ended June 30, 2009 | Six Months Ended June 30, 2010 | Six Months Ended June 30, 2009 |
|---|---|---|---|---|
| Other expense: | | | | |
| Salaries and employee benefits | $ 24,013 | $ 25,334 | $ 49,184 | $ 50,821 |
| Occupancy expense | 2,793 | 2,882 | 5,910 | 6,040 |
| Furniture and equipment expense | 2,564 | 2,498 | 5,196 | 4,876 |
| Data processing fees | 1,394 | 1,459 | 2,987 | 2,806 |
| Professional fees and services | 5,299 | 3,605 | 10,155 | 6,826 |
| Amortization of intangibles | 842 | 937 | 1,778 | 1,873 |
| Marketing | 946 | 939 | 1,848 | 1,850 |
| Insurance | 2,333 | 5,840 | 4,531 | 7,443 |
| Communication | 1,647 | 1,619 | 3,416 | 3,531 |
| State taxes | 838 | 949 | 1,683 | 1,890 |
| Other expense | 4,332 | 4,089 | 8,203 | 8,057 |
| Total other expense | 47,001 | 50,151 | 94,891 | 96,013 |
| Income before income taxes | 28,632 | 29,084 | 56,586 | 58,378 |
| Income taxes | 7,466 | 7,777 | 14,641 | 15,681 |
| Net income | $ 21,166 | $ 21,307 | $ 41,945 | $ 42,697 |
| Preferred stock dividends and accretion | 1,451 | 1,441 | 2,903 | 2,881 |
| Net income available to common shareholders | $ 19,715 | $ 19,866 | $ 39,042 | $ 39,816 |
| Per Common Share: | | | | |
| Net income available to common shareholders | | | | |
| Basic | $ 1.30 | $ 1.42 | $ 2.60 | $ 2.85 |
| Diluted | $ 1.30 | $ 1.42 | $ 2.60 | $ 2.85 |
| Weighted average common shares outstanding | | | | |
| Basic | 15,114,846 | 14,001,608 | 14,998,810 | 13,986,664 |
| Diluted | 15,114,846 | 14,001,608 | 14,998,810 | 13,986,664 |
| Cash dividends declared | $ 0.94 | $ 0.94 | $ 1.88 | $ 1.88 |

SEE ACCOMPANYING NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

PARK NATIONAL CORPORATION
Consolidated Condensed Statements of Changes in Stockholders' Equity (Unaudited)
(in thousands, except per share data)

| Six Months ended June 30, 2010 and 2009 | Preferred Stock | Common Stock | Retained Earnings | Treasury Stock at Cost | Accumulated Other Comprehensive Income | Comprehensive Income |
|---|---|---|---|---|---|---|
| Balance at December 31, 2008 | $ 95,721 | $ 305,507 | $ 438,504 | $ (207,665) | $ 10,596 | |
| Net Income | | | 42,697 | | | $ 42,697 |
| Other comprehensive income (loss), net of tax: | | | | | | |
| Unrealized net holding gain on cash flow hedge, net of income taxes of $180 | | | | | 336 | 336 |
| Unrealized net holding (loss) on securities available-for-sale, net of income taxes of ($1,247) | | | | | (2,320) | (2,320) |
| Total comprehensive income | | | | | | $ 40,713 |
| Cash dividends on common stock at $1.88 per share | | | (26,267) | | | |
| Cash payment for fractional shares in dividend reinvestment plan | | (1) | | | | |
| Reissuance of common stock from treasury shares held | | | (6,025) | 16,558 | | |
| Accretion of discount on preferred stock | 381 | | (381) | | | |
| Preferred stock dividends | | | (2,500) | | | |
| Balance at June 30, 2009 | $ 96,102 | $ 305,506 | $ 446,028 | $ (191,107) | $ 8,612 | |
| | | | | | | |
| Balance at December 31, 2009 | $ 96,483 | $ 306,569 | $ 423,872 | $ (125,321) | $ 15,661 | |
| Net Income | | | 41,945 | | | $ 41,945 |
| Other comprehensive income (loss), net of tax: | | | | | | |
| Unrealized net holding (loss) on cash flow hedge, net of income taxes of $(113) | | | | | (211) | (211) |
| Unrealized net holding gain on securities available-for-sale, net of income taxes of $231 | | | | | 429 | 429 |
| Total comprehensive income | | | | | | $ 42,163 |
| Cash dividends on common stock at $1.88 per share | | | (28,285) | | | |
| Cash payment for fractional shares in dividend reinvestment plan | | (2) | | | | |
| Reissuance of common stock from treasury shares held for warrants issued | | (600) | (7,393) | 29,292 | | |
| Accretion of discount on preferred stock | 403 | | (403) | | | |
| Preferred stock dividends | | | (2,500) | | | |
| Balance at June 30, 2010 | $ 96,886 | $ 305,967 | $ 427,236 | $ (96,029) | $ 15,879 | |

SEE ACCOMPANYING NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

PARK NATIONAL CORPORATION
Consolidated Condensed Statements of Cash Flows (Unaudited)
(in thousands)

| | Six Months Ended June 30, 2010 | Six Months Ended June 30, 2009 |
|---|---|---|
| Operating activities: | | |
| Net income | $ 41,945 | $ 42,697 |
| | | |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation, accretion and amortization | 2,022 | 941 |
| Provision for loan losses | 29,800 | 28,143 |
| Other-than-temporary impairment on investment securities | - | 613 |
| Amortization of core deposit intangibles | 1,778 | 1,873 |
| Realized net investment security gains | (11,819) | (7,340) |
| | | |
| Changes in assets and liabilities: | | |
| (Increase) decrease in other assets | (12,983) | 1,640 |
| (Decrease) in other liabilities | (1,757) | (3,387) |
| | | |
| Net cash provided by operating activities | $ 48,986 | $ 65,180 |
| | | |
| Investing activities: | | |
| | | |
| Proceeds from sales of available-for-sale securities | $ 344,325 | $ 204,304 |
| Proceeds from maturity of: | | |
| Available-for-sale securities | 817,993 | 269,366 |
| Held-to-maturity securities | 42,379 | 13,721 |
| Purchases of: | | |
| Available-for-sale securities | (1,086,068) | (299,895) |
| Held-to-maturity securities | (2,205) | (37,394) |
| Net (increase) in other investments | - | (114) |
| Net (increase) in loans | (41,273) | (150,673) |
| Purchases of bank owned life insurance, net | (4,562) | - |
| Purchases of premises and equipment, net | (3,294) | (2,483) |
| | | |
| Net cash provided by (used in) investing activities | $ 67,295 | $ (3,168) |

Continued

PARK NATIONAL CORPORATION
Consolidated Condensed Statements of Cash Flows (Unaudited)
(Continued)
(in thousands)

| | Six Months Ended June 30, 2010 | Six Months Ended June 30, 2009 |
|---|---|---|
| Financing activities: | | |
| Net (decrease) increase in deposits | $ (19,238) | $ 291,674 |
| Net (decrease) in short-term borrowings | (43,462) | (200,667) |
| Proceeds from issuance of long-term debt | - | 30,100 |
| Repayment of long-term debt | (1,640) | (203,499) |
| Cash payment for fractional shares in dividend reinvestment plan | (2) | (1) |
| Proceeds from reissuance of common stock from treasury shares held | 21,299 | 8,371 |
| Cash dividends paid on common and preferred stock | (30,784) | (28,239) |
| Net cash (used in) financing activities | $ (73,827) | $ (102,261) |
| Increase (decrease) in cash and cash equivalents | 42,454 | (40,249) |
| Cash and cash equivalents at beginning of year | 159,091 | 171,261 |
| Cash and cash equivalents at end of period | $ 201,545 | $ 131,012 |
| Supplemental disclosures of cash flow information: | | |
| Cash paid for: | | |
| Interest | $ 40,116 | $ 49,818 |
| Income taxes | $ 12,000 | $ 10,200 |
| Non cash activities: | | |
| Securities acquired through payable | $ 85,980 | $ - |

SEE ACCOMPANYING NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

- 8 -

PARK NATIONAL CORPORATION
NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Note 1 – Basis of Presentation

The accompanying unaudited consolidated condensed financial statements included in this report have been prepared for Park National Corporation (the “Registrant”, “Corporation”, “Company”, or “Park”) and its subsidiaries. In the opinion of management, all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of results of operations for the interim periods included herein have been made. The results of operations for the three and six month periods ended June 30, 2010 are not necessarily indicative of the operating results to be anticipated for the fiscal year ending December 31, 2010.

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with the instructions for Form 10-Q and, therefore, do not include all information and footnotes necessary for a fair presentation of the condensed balance sheets, condensed statements of income, condensed statements of changes in stockholders’ equity and condensed statements of cash flows in conformity with U.S. generally accepted accounting principles (“GAAP”). These financial statements should be read in conjunction with the consolidated financial statements incorporated by reference in the Annual Report on Form 10-K of Park for the fiscal year ended December 31, 2009 from Park’s 2009 Annual Report to Shareholders (“2009 Annual Report”).

Park’s significant accounting policies are described in Note 1 of the Notes to Consolidated Financial Statements included in Park’s 2009 Annual Report. For interim reporting purposes, Park follows the same basic accounting policies, as updated by the information contained in this report, and considers each interim period an integral part of an annual period.  Management has evaluated events occurring subsequent to the balance sheet date, determining no events require additional disclosure in these consolidated condensed financial statements, with the exception of those subsequent events discussed in Note 18 - Subsequent Events.

Note 2 – Recent Accounting Pronouncements

Adoption of New Accounting Pronouncements:

Accounting for Transfers of Financial Assets: In June 2009, FASB issued SFAS No. 166, “Accounting for Transfers of Financial Assets—an amendment of FASB Statement No. 140.” This removes the concept of a qualifying special-purpose entity from existing GAAP and removes the exception from applying FASB ASC 810-10, Consolidation (FASB Interpretation No. 46 (revised December 2003) Consolidation of Variable Interest Entities) to qualifying special purpose entities. The objective of this new guidance is to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets (which includes loan participations); the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor’s continuing involvement in transferred financial assets. The Company’s adoption of this new guidance on January 1, 2010, did not have a material impact on Park’s consolidated financial statements.

Amendments to FASB Interpretation No. 46(R): In June 2009, FASB issued SFAS No. 167, “Amendments to FASB Interpretation No. 46(R)” (ASC 810). The objective of this new guidance is to amend certain requirements of FASB Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities, to improve financial reporting by enterprises involved with variable interest entities and to provide more relevant and reliable information to users of financial statements. The Company’s adoption of this new guidance on January 1, 2010 had no impact on Park’s consolidated financial statements.

Improving Disclosures About Fair Value Measurements: In January 2010, the FASB issued an amendment to Fair Value Measurements and Disclosures, Topic 820, Improving Disclosures About Fair Value Measurements. This amendment requires new disclosures regarding significant transfers in and out of Level 1 and 2 fair value measurements and the reasons for the transfers. This amendment also requires that a reporting entity present separately information about purchases, sales, issuances and settlements, on a gross basis rather than a net basis for activity in Level 3 fair value measurements using significant unobservable inputs. This amendment also clarifies existing disclosures on the level of disaggregation, in that the reporting entity needs to use judgment in determining the appropriate classes of assets and liabilities, and that a reporting entity should provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements for Level 2 and 3. The new disclosures and clarifications of existing disclosures for ASC 820 are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of ASC 820 did not have a material effect on the Company's consolidated financial statements.

Note 3 – Goodwill and Intangible Assets

The following table shows the activity in goodwill and core deposit intangibles for the first six months of 2010.

| (in thousands) | Goodwill | Core Deposit Intangibles | Total |
|---|---|---|---|
| December 31, 2009 | $ 72,334 | $ 9,465 | $ 81,799 |
| Amortization | - | 1,778 | 1,778 |
| June 30, 2010 | $ 72,334 | $ 7,687 | $ 80,021 |

The core deposit intangibles are being amortized to expense principally on the straight-line method, over periods ranging from six to ten years. Management expects that the core deposit intangibles amortization expense will be approximately $822,000 per quarter for the third and fourth quarters of 2010.

Core deposit intangibles amortization expense is projected to be as follows for each of the following years:

| (in thousands) | Annual Amortization |
|---|---|
| Remainder of 2010 | $ 1,644 |
| 2011 | 2,677 |
| 2012 | 2,677 |
| 2013 | 689 |
| 2014 | - |
| Total | $ 7,687 |

Note 4 – Loans and Allowance for Loan Losses

The composition of the loan portfolio was as follows at the dates shown:

| (in thousands) | June 30, 2010 | December 31, 2009 |
|---|---|---|
| Commercial, financial and agricultural | $ 769,538 | $ 751,277 |
| Real estate: | | |

| | | |
|---|---|---|
| Construction | 459,615 | 495,518 |
| Residential | 1,551,652 | 1,555,390 |
| Commercial | 1,186,810 | 1,130,672 |
| Consumer | 685,763 | 704,430 |
| Leases | 2,619 | 3,145 |
| Total loans | $ 4,655,997 | $ 4,640,432 |

Nonperforming loans are summarized as follows:

| (in thousands) | | June 30, 2010 | | December 31, 2009 |
|---|---|---|---|---|
| Impaired commercial loans | | | | |
| Nonaccrual | $ | 203,574 | $ | 201,001 |
| Restructured | | 214 | | 142 |
| Total impaired commercial loans | $ | 203,788 | $ | 201,143 |
| Consumer nonaccrual loans | | 34,066 | | 32,543 |
| Total nonaccrual and restructured loans | $ | 237,854 | $ | 233,686 |
| | | | | |
| Loans past due 90 days or more and accruing | | 17,283 | | 14,773 |
| Total nonperforming loans | $ | 255,137 | $ | 248,459 |

Management's general practice is to proactively charge down impaired loans to the fair value of the underlying collateral or the present value of future cash flows. The allowance for loan losses specifically related to impaired loans at June 30, 2010 and December 31, 2009, was $38.8 million and $36.7 million, respectively.  GAAP requires management to specifically reserve for any shortfall between a loan's book value and the net realizable value of collateral or the present value of expected future cash flows at the balance sheet date.

Loans past due 90 days or more and still accruing interest increased to $17.3 million at June 30, 2010. Included within this $17.3 million is one loan in the amount of $14.5 million (Vision Bank holds $9.0 million and PNB holds a $5.5 million participation interest) that was in the process of renewal at June 30, 2010. Subsequent to the end of the second quarter, this renewal was completed.

The allowance for loan losses is that amount management believes is adequate to absorb probable incurred credit losses in the loan portfolio based on management's evaluation of various factors including overall growth in the loan portfolio, an analysis of individual loans, prior and current loss experience, and current economic conditions. A provision for loan losses is charged to operations based on management's periodic evaluation of these and other pertinent factors as discussed within the "Critical Accounting Policies" discussion beginning on page 32 in Park's 2009 Annual Report and page 30 in this Form 10-Q.

The following table shows the activity in the allowance for loan losses for the three and six months ended June 30, 2010 and 2009.

| (in thousands) | Three Months Ended June 30, 2010 | Three Months Ended June 30, 2009 | Six Months Ended June 30, 2010 | Six Months Ended June 30, 2009 |
|---|---|---|---|---|
| Average loans | $ 4,604,481 | $ 4,585,406 | $ 4,610,944 | $ 4,567,459 |
| | | | | |
| Allowance for loan losses: | | | | |
| Beginning balance | $ 119,674 | $ 101,279 | $ 116,717 | $ 100,088 |
| | | | | |
| Charge-offs: | | | | |
| Commercial, financial and agricultural | 2,415 | 3,705 | 4,631 | 5,091 |
| Real estate – construction | 4,772 | 2,448 | 9,477 | 8,936 |
| Real estate – residential | 2,533 | 3,440 | 8,302 | 5,203 |
| Real estate – commercial | 1,624 | 1,046 | 2,175 | 1,467 |
| Consumer | 1,929 | 2,824 | 4,266 | 5,994 |
| Lease financing | - | 9 | - | 9 |
| Total charge-offs | 13,273 | 13,472 | 28,851 | 26,700 |
| | | | | |
| Recoveries: | | | | |
| Commercial, financial and agricultural | 167 | 159 | 567 | 560 |
| Real estate – construction | 59 | 16 | 316 | 522 |
| Real estate – residential | 355 | 212 | 738 | 715 |
| Real estate – commercial | (7) | 42 | 254 | 292 |
| Consumer | 451 | 711 | 1,135 | 1,182 |
| Lease financing | - | 1 | - | 2 |
| Total recoveries | 1,025 | 1,141 | 3,010 | 3,273 |
| | | | | |
| Net charge-offs | 12,248 | 12,331 | 25,841 | 23,427 |
| | | | | |
| Provision for loan losses | 13,250 | 15,856 | 29,800 | 28,143 |
| Ending balance | $ 120,676 | $ 104,804 | $ 120,676 | $ 104,804 |
| | | | | |
| Annualized ratio of net charge-offs to average loans | 1.07% | 1.08% | 1.13% | 1.03% |
| Ratio of allowance for loan losses to end of period loans | 2.59% | 2.27% | 2.59% | 2.27% |

Note 5 – Earnings Per Common Share

The following table sets forth the computation of basic and diluted earnings per common share for the three and six months ended June 30, 2010 and 2009.

| (in thousands, except share and per share data) | Three months ended June 30, 2010 | Three months ended June 30, 2009 | Six months ended June 30, 2010 | Six months ended June 30, 2009 |
|---|---|---|---|---|
| Numerator: | | | | |
| Income available to common shareholders | $ 19,715 | $ 19,866 | $ 39,042 | $ 39,816 |
| Denominator: | | | | |
| Denominator for basic earnings per share (weighted average common shares outstanding) | 15,114,846 | 14,001,608 | 14,998,810 | 13,986,664 |
| Effect of dilutive options and warrants | - | - | - | - |
| Denominator for diluted earnings per share (weighted average common shares outstanding adjusted for the effect of dilutive options and warrants) | 15,114,846 | 14,001,608 | 14,998,810 | 13,986,664 |
| Earnings per common share: | | | | |
| Basic earnings per common share | $ 1.30 | $ 1.42 | $ 2.60 | $ 2.85 |
| Diluted earnings per common share | $ 1.30 | $ 1.42 | $ 2.60 | $ 2.85 |

For the three and six month periods ended June 30, 2010, options to purchase a weighted average of 223,445 and 238,961 common shares, respectively, were outstanding under Park's stock option plans. A warrant to purchase 227,376 common shares was outstanding at both June 30, 2010 and 2009 as a result of Park's participation in the U.S. Treasury Capital Purchase Program ("CPP"). In addition, warrants to purchase 175,900 common shares which expire on October 30, 2010 were outstanding at June 30, 2010 as a result of the issuance of common shares and common share warrants in a registered direct public offering which closed on October 30, 2009. The common shares represented by the options and the warrants for the three and six month periods ended June 30, 2010, totaling a weighted average of 718,482 and 849,526, respectively, and the common shares represented by the options and warrants for the three and six month periods ended June 30, 2009, totaling a weighted average of 542,602 and 605,024, respectively, were not included in the computation of diluted earnings per common share because the respective exercise prices exceeded the market value of the underlying common shares such that their inclusion would have had an anti-dilutive effect.

Note 6 – Segment Information

The Corporation is a multi-bank holding company headquartered in Newark, Ohio. The operating segments for the Corporation are its two chartered bank subsidiaries, The Park National Bank (headquartered in Newark, Ohio) ("PNB") and Vision Bank (headquartered in Panama City, Florida) ("VB"). Management is required to disclose information about the different types of business activities in which a company engages and also information on the different economic environments in which a company operates, so that the users of the financial statements can better understand a company's performance, better understand the potential for future cash flows, and make more informed judgments about the company as a whole. Park has two operating segments, as: (i) there are two separate and distinct geographic markets in which Park operates, (ii) discrete financial information is available for each operating segment and (iii) the segments are aligned with internal reporting to Park's Chief Executive Officer, who is the chief operating decision maker.

Operating Results for the three months ended June 30, 2010

| (in thousands) | PNB | VB | All Other | Total |
|---|---|---|---|---|
| Net interest income | $ 59,612 | $ 6,914 | $ 2,195 | $ 68,721 |
| Provision for loan losses | 3,800 | 8,900 | 550 | 13,250 |
| Other income (loss) and security gains | 20,840 | (756) | 78 | 20,162 |
| Other expense | 35,752 | 8,237 | 3,012 | 47,001 |
| Net income (loss) | 27,850 | (6,756) | 72 | 21,166 |
| | | | | |
| Balance at June 30, 2010 | | | | |
| Assets | $ 6,215,606 | $ 863,315 | $ 14,177 | $ 7,093,098 |

Operating Results for the three months ended June 30, 2009

| (in thousands) | PNB | VB | All Other | Total |
|---|---|---|---|---|
| Net interest income | $ 59,113 | $ 5,975 | $ 2,906 | $ 67,994 |
| Provision for loan losses | 5,428 | 9,900 | 528 | 15,856 |
| Other income and security gains | 26,289 | 728 | 80 | 27,097 |
| Other expense | 39,460 | 7,554 | 3,137 | 50,151 |
| Net income (loss) | 27,635 | (6,606) | 278 | 21,307 |
| | | | | |
| Balance at June 30, 2009 | | | | |
| Assets | $ 6,109,671 | $ 878,482 | $ 19,457 | $ 7,007,610 |

Operating Results for the six months ended June 30, 2010

| (in thousands) | PNB | VB | All Other | Total |
|---|---|---|---|---|
| Net interest income | $ 118,011 | $ 13,805 | $ 4,285 | $ 136,101 |
| Provision for loan losses | 8,550 | 20,200 | 1,050 | 29,800 |
| Other income (loss) and security gains | 45,618 | (605) | 163 | 45,176 |
| Other expense | 72,554 | 16,091 | 6,246 | 94,891 |
| Net income (loss) | 56,185 | (14,212) | (28) | 41,945 |

Operating Results for the six months ended June 30, 2009

| (in thousands) | PNB | VB | All Other | Total |
|---|---|---|---|---|
| Net interest income | $ 117,172 | $ 13,290 | $ 5,765 | $ 136,227 |
| Provision for loan losses | 8,680 | 18,400 | 1,063 | 28,143 |
| Other income and security gains | 44,342 | 1,797 | 168 | 46,307 |
| Other expense | 75,591 | 13,912 | 6,510 | 96,013 |
| Net income (loss) | 52,388 | (10,575) | 884 | 42,697 |

The operating results of the Parent Company and Guardian Financial Services Company (GFC) in the “All Other” column are used to reconcile the segment totals to the consolidated condensed statements of income for the three and six month periods ended June 30, 2010 and 2009. The reconciling amounts for consolidated total assets for both the three and six month periods ended June 30, 2010 and 2009, consist of the elimination of intersegment borrowings and the assets of the Parent Company and GFC which are not eliminated.

- 14 -

Note 7 – Stock Option Plan

Park did not grant any stock options during the six month periods ended June 30, 2010 and 2009. Additionally, no stock options vested during the first six months of 2010 or 2009.

The following table summarizes stock option activity during the first six months of 2010.

| | Stock Options | Weighted Average Exercise Price Per Share |
|---|---|---|
| Outstanding at December 31, 2009 | 254,892 | $ 97.78 |
| Granted | - | - |
| Exercised | - | - |
| Forfeited/Expired | 172,192 | 108.44 |
| Outstanding at June 30, 2010 | 82,700 | $ 75.88 |

All of the stock options outstanding at June 30, 2010 were exercisable. The aggregate intrinsic value of the outstanding stock options at June 30, 2010 was $0. No stock options were exercised during the first six months of 2010 or 2009. The weighted average contractual remaining term was 2.38 years for the stock options outstanding at June 30, 2010.

All of the common shares delivered upon exercise of incentive stock options granted under the Park National Corporation 2005 Incentive Stock Option Plan (the “2005 Plan”) are to be treasury shares. At June 30, 2010, incentive stock options granted under the 2005 Plan covering 82,700 common shares were outstanding. At June 30, 2010, Park held 540,956 treasury shares that are available for the 2005 Plan.

Note 8 – Mortgage Loans Held For Sale

Mortgage loans held for sale are carried at their fair value. At June 30, 2010, Park had approximately $9.8 million in mortgage loans held for sale, compared to $9.6 million at December 31, 2009. These amounts are included in loans on the consolidated condensed balance sheets.

Note 9 – Investment Securities

The amortized cost and fair values of investment securities are shown in the following table. Management performs a quarterly evaluation of investment securities for any other-than-temporary impairment. For the three and six months ended June 30, 2010, there were no investment securities deemed to be other-than-temporarily impaired. For the three and six month periods ended June 30, 2009, Park recognized other-than-temporary impairment charges of $375,000 and $613,000, respectively, related to equity investments in several financial institutions. These impairment charges represented the difference between each investment’s cost and fair value.

Investment securities at June 30, 2010, were as follows:

(in thousands)

| June 30, 2010<br>Securities Available-for-Sale | Amortized Cost | Gross Unrealized Holding Gains | Gross Unrealized Holding Losses | Estimated Fair Value |
|---|---|---|---|---|
| Obligations of U.S. Treasury and other U.S. Government agencies | $ 749,080 | $ 6,630 | $ - | $ 755,710 |
| Obligations of states and political subdivisions | 13,016 | 411 | 19 | 13,408 |
| U.S. Government agencies' asset-backed securities | 499,872 | 39,301 | - | 539,173 |
| Other equity securities | 961 | 719 | 36 | 1,644 |
| Total | $ 1,262,929 | $ 47,061 | $ 55 | $ 1,309,935 |

| June 30, 2010<br>Securities Held-to-Maturity | Amortized Cost | Gross Unrecognized Holding Gains | Gross Unrecognized Holding Losses | Estimated Fair Value |
|---|---|---|---|---|
| Obligations of states and political subdivisions | $ 4,203 | $ 22 | $ - | $ 4,225 |
| U.S. Government agencies' asset-backed securities | 462,537 | 23,940 | - | 486,477 |
| Total | $ 466,740 | $ 23,962 | $ - | $ 490,702 |

Management does not believe any of the unrealized losses at June 30, 2010 or December 31, 2009, represents an other-than-temporary impairment. Should the impairment of any of these securities become other-than-temporary, the cost basis of the investment will be reduced and the resulting loss recognized within net income in the period the other-than-temporary impairment is identified.

Securities with unrealized losses at June 30, 2010, were as follows:

| (in thousands) | Less than 12 months | | 12 months or longer | | Total | |
|---|---|---|---|---|---|---|
| June 30, 2010<br>Securities Available-for-Sale | Fair value | Unrealized losses | Fair value | Unrealized losses | Fair value | Unrealized losses |
| Obligations of states and political subdivisions | $ 791 | $ 19 | $ - | $ - | $ 791 | $ 19 |
| Other equity securities | - | - | 222 | 36 | 222 | 36 |
| Total | $ 791 | $ 19 | $ 222 | $ 36 | $ 1,013 | $ 55 |

Investment securities at December 31, 2009, were as follows:

(in thousands)

| December 31, 2009 Securities Available-for-Sale | Amortized cost | Gross unrealized holding gains | Gross unrealized holding losses | Estimated fair value |
|---|---|---|---|---|
| Obligations of U.S. Treasury and other U.S. Government agencies | $ 349,899 | $ 389 | $ 2,693 | $ 347,595 |
| Obligations of states and political subdivisions | 15,189 | 493 | 15 | 15,667 |
| U.S. Government agencies' asset-backed securities | 875,331 | 47,572 | - | 922,903 |
| Other equity securities | 962 | 656 | 56 | 1,562 |
| Total | $ 1,241,381 | $ 49,110 | $ 2,764 | $ 1,287,727 |

| December 31, 2009 Securities Held-to-Maturity | Amortized cost | Gross unrealized holding gains | Gross unrealized holding losses | Estimated fair value |
|---|---|---|---|---|
| Obligations of states and political subdivisions | $ 4,456 | $ 25 | $ - | $ 4,481 |
| U.S. Government agencies' asset-backed securities | 502,458 | 16,512 | 1 | 518,969 |
| Total | $ 506,914 | $ 16,537 | $ 1 | $ 523,450 |

Securities with unrealized losses at December 31, 2009, were as follows:

| (in thousands) | Less than 12 months | | 12 months or longer | | Total | |
|---|---|---|---|---|---|---|
| December 31, 2009 Securities Available-for-Sale | Fair value | Unrealized losses | Fair value | Unrealized losses | Fair value | Unrealized losses |
| Obligations of states and political subdivisions | $ 257,206 | $ 2,693 | $ - | $ - | $ 257,206 | $ 2,693 |
| U.S. Government agencies' asset-backed securities | 295 | 15 | - | - | 295 | 15 |
| Other equity securities | - | - | 202 | 56 | 202 | 56 |
| Total | $ 257,501 | $ 2,708 | $ 202 | $ 56 | $ 257,703 | $ 2,764 |
| December 31, 2009 Securities Held-to-Maturity | | | | | | |
| U.S. Government agencies' asset-backed securities | $ 50 | $ 1 | $ - | $ - | $ 50 | $ 1 |

Park's U.S. Government agencies' asset-backed securities consist of 15-year residential mortgage-backed securities and collateralized mortgage obligations.

The amortized cost and estimated fair value of investments in debt securities at June 30, 2010, are shown in the following table by contractual maturity or the expected call date, except for asset-backed securities, which are shown as a single total, due to the unpredictability of the timing in principal repayments.

| (in thousands) | Amortized cost | Fair value |
|---|---|---|
| Securities Available-for-Sale | | |
| U.S. Treasury and agencies' notes: | | |
| Due within one year | $ 674,080 | $ 677,943 |
| Due five through ten years* | 75,000 | 77,767 |
| Total | $ 749,080 | $ 755,710 |
| | | |
| Obligations of states and political subdivisions: | | |
| Due within one year | $ 10,340 | $ 10,625 |
| Due one through five years | 2,366 | 2,483 |
| Due over ten years | 310 | 300 |
| Total | $ 13,016 | $ 13,408 |
| | | |
| U.S. Government agencies' asset-backed securities: | | |
| Total | $ 499,872 | $ 539,173 |

| (in thousands) | Amortized cost | Fair value |
|---|---|---|
| Securities Held-to-Maturity | | |
| Obligations of state and political subdivisions: | | |
| Due within one year | $ 4,203 | $ 4,225 |
| | | |
| U.S. Government agencies' asset-backed securities: | | |
| Total | $ 462,537 | $ 486,477 |

* Includes callable notes with call dates in 18 months. Management's current expectation is that these securities could extend to the maturity date, although this expectation could change depending on future changes in the interest rate environment.

All of Park's U.S. Treasury and agencies' notes, with the exception of $50 million of short term FHLB discount notes, are callable. Management estimates the average remaining life of Park's investment portfolio to be 1.7 years at June 30, 2010. If interest rates were to rise by 100 basis points, management expects that the average remaining life would extend to approximately 5.3 years.

Note 10 – Other Investment Securities

Other investment securities consist of stock investments in the Federal Home Loan Bank and the Federal Reserve Bank. These restricted stock investments are carried at their redemption value.

| (in thousands) | June 30, 2010 | December 31, 2009 |
|---|---|---|
| Federal Home Loan Bank stock | $ 62,044 | $ 62,044 |
| Federal Reserve Bank stock | 6,875 | 6,875 |
| Total | $ 68,919 | $ 68,919 |

Note 11 – Pension Plan

Park has a noncontributory defined benefit pension plan covering substantially all of its employees. The plan provides benefits based on an employee's years of service and compensation.

Park's funding policy is to contribute annually an amount that can be deducted for federal income tax purposes using a different actuarial cost method and different assumptions from those used for financial reporting purposes. Pension plan contributions were zero and $20.0 million for the six month periods ended June 30, 2010 and 2009, respectively.

The following table shows the components of net periodic benefit expense:

| (in thousands) | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 |
| Service cost | $ 918 | $ 953 | $ 1,836 | $ 1,906 |
| Interest cost | 896 | 858 | 1,792 | 1,716 |
| Expected return on plan assets | (1,457) | (1,089) | (2,914) | (2,179) |
| Amortization of prior service cost | 5 | 8 | 10 | 17 |
| Recognized net actuarial loss | 270 | 511 | 540 | 1,021 |
| Benefit expense | $ 632 | $ 1,241 | $ 1,264 | $ 2,481 |

Note 12 – Derivative Instruments

FASB ASC 815, Derivatives and Hedging, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. As required by GAAP, the Company records all derivatives on the consolidated condensed balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative and the resulting designation. Derivatives used to hedge the exposure to changes in the fair value of an asset, liability or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives used to hedge the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges.

For derivatives designated as cash flow hedges, the effective portion of changes in the fair value of the derivative is initially reported in other comprehensive income (outside of earnings) and subsequently reclassified into earnings when the hedged transaction affects earnings, with any ineffective portion of changes in the fair value of the derivative recognized directly in earnings. The Company assesses the effectiveness of each hedging relationship by comparing the changes in cash flows of the derivative hedging instrument with the changes in cash flows of the designated hedged item or transaction.

During the first quarter of 2008, the Company executed an interest rate swap to hedge a $25 million floating-rate subordinated note that was entered into by Park during the fourth quarter of 2007. The Company's objective in using this derivative is to add stability to interest expense and to manage its exposure to interest rate risk. Our interest rate swap involves the receipt of variable-rate amounts in exchange for fixed-rate payments over the life of the agreement without exchange of the underlying principal amount, and has been designated as a cash flow hedge.

At June 30, 2010, the interest rate swap's fair value of $(1.8) million was included in other liabilities. No hedge ineffectiveness on the cash flow hedge was recognized during the quarter or six months ended June 30, 2010. At June 30, 2010, the variable rate on the $25 million subordinated note was 2.53% (3-month LIBOR plus 200 basis points) and Park was paying 6.01% (4.01% fixed rate on the interest rate swap plus 200 basis points).

For the six months ended June 30, 2010, the change in the fair value of the interest rate swap reported in other comprehensive income was a loss of $211,000 (net of taxes of $113,000). Amounts reported in accumulated other comprehensive income related to the interest rate swap will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt.

As of June 30, 2010, no derivatives were designated as fair value hedges or hedges of net investments in foreign operations. Additionally, the Company does not use derivatives for trading or speculative purposes.

As of June 30, 2010, Park had mortgage loan interest rate lock commitments outstanding of approximately $23.7 million. Park has specific forward contracts to sell each of these loans to a third party investor. These loan commitments represent derivative instruments, which are required to be carried at fair value. The derivative instruments used are not designated as hedges under GAAP. At June 30, 2010, the fair value of the derivative instruments was approximately $343,000. The fair value of the derivative instruments is included within loans held for sale and the corresponding income is included within non-yield loan fee income. Gains and losses resulting from expected sales of mortgage loans are recognized when the respective loan contract is entered into between the borrower, Park, and the third party investor. The fair value of Park's mortgage interest rate lock commitments (IRLCs) is based on current secondary market pricing.

In connection with the sale of Park's Class B Visa shares during the 2009 year, Park entered into a swap agreement with the purchaser of the shares. The swap agreement adjusts for dilution in the conversion ratio of Class B Visa shares resulting from certain Visa litigation. At June 30, 2010, the fair value of the swap liability of $340,000 is an estimate of the exposure based upon probability-weighted potential Visa litigation losses.

Note 13 – Loan Servicing

Park serviced sold mortgage loans of $1.53 billion at June 30, 2010, compared to $1.46 billion at June 30, 2009. At June 30, 2010, $48.3 million of the sold mortgage loans were sold with recourse compared to $58.5 million at June 30, 2009. Management closely monitors the delinquency rates on the mortgage loans sold with recourse. At June 30, 2010, management determined that no liability was deemed necessary for these loans.

When Park sells mortgage loans with servicing rights retained, servicing rights are initially recorded at fair value. Park selected the "amortization method" as permissible within GAAP, whereby the servicing rights capitalized are amortized in proportion to and over the period of estimated future servicing income of the underlying loan. At the end of each reporting period, the carrying value of mortgage servicing rights ("MSRs") is assessed for impairment with a comparison to fair value. MSRs are carried at the lower of their amortized cost or fair value.

Activity for MSRs and the related valuation allowance follows:

| (in thousands) | Three months ended June 30, 2010 | Six months ended June 30, 2010 |
|---|---|---|
| Mortgage servicing rights: | | |
| Carrying amount, net, beginning of period | $ 10,859 | $ 10,780 |
| Additions | 545 | 1,120 |
| Amortization | (482) | (978) |
| Changes in valuation inputs & assumptions | - | - |
| Carrying amount, net, end of period | $ 10,922 | $ 10,922 |
| Valuation allowance: | | |
| Beginning of period | $ 574 | $ 574 |
| Changes due to fair value adjustments | - | - |
| End of period | $ 574 | $ 574 |

Servicing fees included in non-yield loan fee income were $1.4 million and $2.7 million for the three and six months ended June 30, 2010, respectively.  For the three and six months ended June 30, 2009, servicing fees included in non-yield loan fee income were $1.5 million and $2.8 million, respectively.

Note 14 – Fair Value

The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that Park uses to measure fair value are as follows:

§ Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that Park has the ability to access as of the measurement date.
§ Level 2: Level 1 inputs for assets or liabilities that are not actively traded. Also consists of an observable market price for a similar asset or liability. This includes the use of "matrix pricing" to value debt securities absent the exclusive use of quoted prices.
§ Level 3: Consists of unobservable inputs that are used to measure fair value when observable market inputs are not available. This could include the use of internally developed models, financial forecasting and similar nputs.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants at the balance sheet date. When possible, the Company looks to active and observable markets to price identical assets or liabilities. When identical assets and liabilities are not traded in active markets, the Company looks to observable market data for similar assets and liabilities. However, certain assets and liabilities are not traded in observable markets and Park must use other valuation methods to develop a fair value. The fair value of impaired loans is based on the fair value of the underlying collateral, which is estimated through third party appraisals or internal estimates of collateral values.

Assets and Liabilities Measured on a Recurring Basis:

The following table presents financial assets and liabilities measured on a recurring basis:

Fair Value Measurements at June 30, 2010 using:

| (in thousands) | Level 1 | Level 2 | Level 3 | Balance at June 30, 2010 |
|---|---|---|---|---|
| Assets | | | | |
| Investment securities | | | | |
| Obligations of U.S. Treasury and other U.S. Government agencies | $ - | $ 755,710 | $ - | $ 755,710 |
| Obligations of states and political subdivisions | - | 10,652 | 2,756 | 13,408 |
| U.S. Government agencies' asset-backed securities | - | 539,173 | - | 539,173 |
| Equity securities | 1,644 | - | - | 1,644 |
| Mortgage loans held for sale | - | 9,836 | - | 9,836 |
| Mortgage IRLCs | - | 343 | - | 343 |
| | | | | |
| Liabilities | | | | |
| Interest rate swap | $ - | $ (1,809) | $ - | $ (1,809) |
| Fair value swap | - | - | (340) | (340) |

Fair Value Measurements at December 31, 2009 using:

| (in thousands) | Level 1 | Level 2 | Level 3 | Balance at December 31, 2009 |
|---|---|---|---|---|
| Assets | | | | |
| Investment securities | | | | |
| Obligations of U.S. Treasury and other U.S. Government agencies | $ - | $ 347,595 | $ - | $ 347,595 |
| Obligations of states and political subdivisions | - | 12,916 | 2,751 | 15,667 |
| U.S. Government agencies' asset-backed securities | - | 922,903 | - | 922,903 |
| Equity securities | 1,562 | - | - | 1,562 |
| Mortgage loans held for sale | | | | |