PARK NATIONAL CORPORATION

# Keefe, Bruyette & Woods

## Winter Financial Services Symposium

February 7-9, 2018

# Safe Harbor Statement

Park cautions that any forward-looking statements contained in this presentation 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: Park's ability to execute our business plan successfully and within the expected timeframe; general economic and financial market conditions, specifically in the real estate markets and the credit markets, either nationally or in the states in which Park and our subsidiaries do business, may experience a slowing or reversal of the recent economic expansion in addition to continuing residual effects of recessionary conditions and an uneven spread of positive impacts of recovery on the economy and our counterparties, resulting in adverse impacts on the demand for loan, deposit and other financial services, delinquencies, defaults and counterparties' ability to meet credit and other obligations; 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 as well as reduce interest margins and impact loan demand; changes in consumer spending, borrowing and saving habits, whether due to the newly enacted tax legislation, changing business and economic conditions, legislative and regulatory initiatives, or other factors; changes in unemployment; changes in customers', suppliers', and other counterparties' performance and creditworthiness; asset/liability repricing risks and liquidity risks; our liquidity requirements could be adversely affected by changes to regulations governing bank and bank holding company capital and liquidity standards as well as by changes in our assets and liabilities; competitive factors among financial services organizations could increase significantly, including product and pricing pressures, changes to third-party relationships and our ability to attract, develop and retain qualified bank professionals; clients could pursue alternatives to bank deposits, causing us to lose a relatively inexpensive source of funding; uncertainty regarding the nature, timing and effect of changes in banking regulations or other regulatory or legislative requirements affecting the respective businesses of Park and our subsidiaries, including major reform of the regulatory oversight structure of the financial services industry, such as the easing of restrictions on participants in the financial services industry, and changes in laws and regulations concerning taxes, pensions, bankruptcy, consumer protection, accounting, bank products and services, bank capital and liquidity standards, fiduciary standards, securities and other aspects of the financial services industry, specifically the reforms provided for in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") and the Basel III regulatory capital reforms, as well as regulations already adopted and which may be adopted in the future by the relevant regulatory agencies, including the Consumer Financial Protection Bureau, the OCC, the FDIC, and the Federal Reserve Board, to implement the Dodd-Frank Act's provisions, and the Basel III regulatory capital reforms; 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; changes in law and policy accompanying the new presidential administration, including the recently enacted Tax Cuts and Jobs Act, and uncertainty or speculation pending the enactment of such changes; uncertainties in Park's preliminary review of, and additional analysis of, the Tax Cuts and Jobs Act; the effect of healthcare laws in the United States and potential changes for such laws which may increase our healthcare and other costs and negatively impact our operations and financial results; significant changes in the tax laws, which may adversely affect the fair values of net deferred tax assets and obligations of state and political subdivisions held in Park's investment securities portfolio; the effect of trade, monetary, fiscal and other governmental policies of the U.S. federal government, including money supply and interest rate policies of the Federal Reserve Board; disruption in the liquidity and other functioning of U.S. financial markets; the impact on financial markets and the economy of any changes in the credit ratings of the U.S. Treasury obligations and other U.S. government-backed debt, as well as issues surrounding the levels of U.S., European and Asian government debt and concerns regarding the creditworthiness of certain sovereign governments, supranationals and financial institutions in Europe and Asia; the uncertainty surrounding the actions to be taken to implement the referendum by United Kingdom voters to exit the European Union; our litigation and regulatory compliance costs and exposure, including any adverse developments in legal proceedings or other claims and unfavorable resolution of regulatory and other governmental examinations or other inquiries; the adequacy of our risk management program; the impact of our ability to anticipate and respond to technological changes on our ability to respond to customer needs and meet competitive demands; the ability to secure confidential information and deliver products and services through the use of computer systems and telecommunications networks; 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; fraud, scams and schemes of third parties; the impact of widespread natural and other disasters, pandemics, dislocations, civil unrest, terrorist activities or international hostilities on the economy and financial markets generally or on us or our counterparties specifically; demand for loans in the respective market areas served by Park and our subsidiaries; and other risk factors relating to Park, our subsidiaries and/or the banking industry as detailed from time to time in Park's reports filed with the SEC 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, 2016. Park does not undertake, and specifically disclaims any obligation, to publicly release the results 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 was made, or reflect the occurrence of unanticipated events, except to the extent required by law.

# Safe Harbor Statement (cont.)

These forward-looking statements include, but are not limited to, statements relating to the expected timing and benefits of the proposed merger (the "Merger") between Park National Corporation ("Park"), The Park National Bank and NewDominion Bank ("NewDominion"), including future financial and operating results, cost savings, enhanced revenues, and accretion/dilution to reported earnings that may be realized from the Merger, as well as other statements of expectations regarding the Merger, and other statements of Park's goals, intentions and expectations; statements regarding the Park's business plan and growth strategies; statements regarding the asset quality of Park's loan and investment portfolios; and estimates of Park's risks and future costs and benefits, whether with respect to the Merger or otherwise. These forward-looking statements are subject to significant risks, assumptions and uncertainties that may cause results to differ materially from those set forth in forward-looking statements, including, among other things: the risk that the businesses of Park and NewDominion will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; expected revenue synergies and cost savings from the Merger may not be fully realized or realized within the expected time frame; revenues following the Merger may be lower than expected; customer and employee relationships and business operations may be disrupted by the Merger; the ability to obtain required governmental and shareholder approvals, and the ability to complete the Merger on the expected timeframe; possible changes in economic and business conditions; the existence or exacerbation of general geopolitical instability and uncertainty; the ability of Park to integrate recent acquisitions and attract new customers; possible changes in monetary and fiscal policies, and laws and regulations; the effects of easing restrictions on participants in the financial services industry; the cost and other effects of legal and administrative cases; possible changes in the credit worthiness of customers and the possible impairment of collectability of loans; fluctuations in market rates of interest; competitive factors in the banking industry; changes in the banking legislation or regulatory requirements of federal and state agencies applicable to bank holding companies and banks like Park's affiliate bank; continued availability of earnings and excess capital sufficient for the lawful and prudent declaration of dividends; and changes in market, economic, operational, liquidity, credit and interest rate risks associated with the Park's business.

All forward-looking statements included in this communication are made as of the date hereof and are based on information available as of the date hereof. Except as required by law, none of Park, Park National Bank or NewDominion assumes any obligation to update any forward-looking statement.

In connection with the proposed merger, Park will file with the SEC a Registration Statement on Form S-4 that will include a Proxy Statement of NewDominion and a Prospectus of Park, as well as other relevant documents concerning the proposed transaction. SHAREHOLDERS OF NEWDOMINION ARE URGED TO READ THE REGISTRATION STATEMENT AND THE PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT PARK, PARK NATIONAL BANK, NEWDOMINION AND THE PROPOSED TRANSACTION.

A free copy of the Proxy Statement/Prospectus, as well as other filings containing information about Park and NewDominion, may be obtained at the SEC's website (http://www.sec.gov). You will also be able to obtain these documents, free of charge, from Park at the "Investor Information" section of Park's website at www.parknationalcorp.com or from NewDominion at the "Investor Relations" section of NewDominion's website at www.newdominionbank.com. Copies of the Proxy Statement/Prospectus can also be obtained, free of charge, by directing a request to Park National Corporation, 50 North Third Street, P.O. Box 3500, Newark, OH 43058-3500, Attention: Investor Relations, Telephone: (740) 322-6844 or to NewDominion Bank, PO Box 37389, Charlotte, NC 28237, Attention: Investor Relations, Telephone: (704) 943-5725.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy securities nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. This communication is also not a solicitation of any vote in any jurisdiction pursuant to the proposed transactions or otherwise. No offer of securities or solicitation will be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended. The communication is not a substitute for the Registration Statement that will be filed with the SEC or the Proxy Statement/Prospectus that will be sent to NewDominion shareholders.


- Century National Bank
- Fairfield National Bank
- Farmers Bank
- First-Knox National Bank
- (G) Guardian Finance Company
- Park National Bank
- Park National Bank Southwest Ohio & Northern Kentucky
- Richland Bank
- (S) Scope Aircraft Finance
- Second National Bank
- Security National Bank
- United Bank
- Unity National Bank

## Park National Corporation (PRK) Profile

(as of December 31, 2017)

- **11 Community Bank Divisions**
- **2 Specialty Finance Companies**
- **One non-bank workout subsidiary**
- **29 Ohio counties**
- **108 bank branches**
- **6 specialty finance offices**
- **1,746 FTEs**

# Leadership Team
# Park Senior Management

- **David L. Trautman – President and CEO – Age: 56**
  President , CEO and Board Member of The Park National Bank and Park National Corporation (Park) headquartered in Newark, Ohio. He served as President of First-Knox National Bank, a division of The Park National Bank, from May 1997 through January 2002, and as its Chairman from 2001 to 2006. In addition, he served on the Board of the United Bank of Bucyrus, a division of The Park National Bank, from 2000 to 2006.

  Mr. Trautman received his B.A. from Duke University and joined Park immediately following graduation. He holds an MBA, with honors, from The Ohio State University. He is a graduate of The Stonier Graduate School of Banking at The University of Delaware and the Ohio Bankers Association Leadership Institute.

  Mr. Trautman is past Chairman of the Ohio Bankers League, a member of the Newark Rotary Club, past campaign chair for United Way of Licking County, and serves as a Trustee of Dawes Arboretum.

- **C. Daniel DeLawder – Chairman – Age: 68**
  Chairman of the Board and Board Member of The Park National Bank and Park headquartered in Newark, Ohio. He served previously as CEO of The Park National Bank and Park for 15 years. He served as President of the Fairfield National Bank, a division of The Park National Bank, from 1985 through 1991. He also currently serves on the Boards of Medical Benefits Mutual Life Insurance Company, Truck One, Inc. and Fleet Service, Inc.

  Mr. DeLawder received his B.S.Ed., cum laude from Ohio University in Athens and joined Park immediately following graduation. He is a graduate of numerous bank industry educational programs.

  Mr. DeLawder is a past member of the Board of Directors of the Federal Reserve Bank of Cleveland. He is the past chairman of the Board of Trustees of Ohio University. He served as a member of the American Bankers Association (ABA) BankPac Committee as well as a member of the Government Relations Council of the ABA. He is past Chairman of the Ohio Bankers Association and a past Director-at-Large of the Community Bankers Association of Ohio.

# Park Senior Management (continued)

- **Matthew R. Miller – Executive Vice President – Age: 39**

  Executive Vice President of Park since April 2017. Formerly served as the Chief Accounting Officer of Park from December 2012 to April 2017, and as an Accounting Vice President from April 2009 to December 2012.

  Prior to joining Park, Mr. Miller worked eight years at Deloitte & Touche, where his experience was primarily focused on financial service industry clients.

  Mr. Miller holds a bachelor's degree in accounting, graduating summa cum laude from the University of Akron. He currently is chairman of the Next Generation Advisory Board of the Ohio Bankers League, is board president of the Licking County Family YMCA, served as the 2015-16 campaign chair for the United Way of Licking County, is chair of the Development Council Annual Fund Committee at The Works, serves on the Development Council for Licking Memorial Health Systems, is a board member of the Licking County Chamber of Commerce, is a board member of the advisory board at The Ohio State University – Newark Campus, and is a member of the Newark Rotary Club.

- **Brady T. Burt – Chief Financial Officer – Age: 45**

  Chief Financial Officer of Park since 2012. Formerly served as the Chief Accounting Officer of Park from April 2007 to December 2012.

  Prior to joining Park, Mr. Burt served Vail Banks, Inc. in various capacities from April 2002 to November 2006, including EVP-Chief Financial Officer. Mr. Burt was also employed by PricewaterhouseCoopers from September 1994 to August 2001, working in various accounting roles, both in Ohio and London, England.

  Mr. Burt received his B.S. Degree in Accounting from Miami University in 1994. He is a board member and serves on both the Audit and Risk Committees of the Federal Home Loan Bank of Cincinnati. In addition, he currently is a board member and serves on the Finance Committee of the Licking County United Way, is a board member and board secretary of Habitat MidOhio, is a member of the Granville Rotary Club, and is an Audit Committee member of the Licking County Foundation.

# Experienced Leadership Team

- Senior leadership consists of executives with proven local market experience
- Leadership team averages 27 years of banking experience
- Average management tenure with Park National is approximately 22 years

| Name | Position | Age | Years with PRK | Years In Industry |
|---|---|---|---|---|
| David L. Trautman | President & CEO | 56 | 34 | 34 |
| C. Daniel DeLawder | Chairman | 68 | 46 | 46 |
| Matthew R. Miller | Executive Vice President | 39 | 8 | 14 |
| Brady T. Burt | Chief Financial Officer | 45 | 10 | 16 |

# Leadership Team – continued

| Name | Position | Age | Years with PRK | Years In Industry |
|---|---|---|---|---|
| Lindsay M. Alton | AVP – Interim Chief Risk Officer | 35 | 14 | 14 |
| Adrienne M. Brokaw | SVP – Director of Internal Audit | 50 | 4 | 18 |
| Thomas J. Button | SVP – Chief Credit Officer | 57 | 21 | 32 |
| Thomas M. Cummiskey | SVP – Trust | 48 | 18 | 20 |
| Kelly A. Edds | VP – Chief Accounting Officer | 35 | 7 | 12 |
| Robert N. Kent, Jr. | President – Scope Aircraft Finance | 60 | 14 | 34 |
| Timothy J. Lehman | SVP and Chief Operating Officer | 53 | 23 | 23 |
| Laura B. Lewis | SVP – Human Resources & Marketing | 58 | 33 | 33 |
| Greg M. Rhoads | VP – Chief Information Officer | 40 | 15 | 15 |
| Cheryl L. Snyder | SVP – Chief Retail Officer | 61 | 38 | 40 |
| Paul E. Turner | SVP - Treasury | 50 | 27 | 27 |
| Jeffrey A. Wilson | SVP – Chief Administrative Officer | 51 | 13 | 21 |

# Affiliate Leadership

| Name | Position | Age | Years with PRK/Affiliate | Years In Industry |
|---|---|---|---|---|
| Brett A. Baumeister | President – Unity National Bank | 51 | 13 | 27 |
| John A. Brown | President – Security National Bank | 48 | 26 | 26 |
| David J. Gooch | President – Park National Bank of Southwest Ohio & Northern Kentucky | 48 | 20 | 26 |
| Chris R. Hiner | President – Richland Bank | 34 | 12 | 12 |
| Brian R. Hinkle | President – Farmers & Savings Bank | 41 | 12 | 16 |
| Matthew R. Marsh | President – Guardian Finance Company | 52 | 18 | 29 |
| Patrick L. Nash | President – Century National Bank | 53 | 30 | 30 |
| Vickie A. Sant | President – First-Knox National Bank | 62 | 42 | 42 |
| Donald R. Stone | President – United Bank | 60 | 22 | 34 |
| John E. Swallow | President – Second National Bank | 61 | 32 | 42 |
| Stephen G. Wells | President – Fairfield National Bank | 57 | 34 | 34 |

# Highlights of 2017

- Loan growth of $104.4 million in 2017 (1.99%) at Park National Corporation's (PRK) national bank subsidiary, The Park National Bank (PNB).

- Credit quality remains strong: PRK and PNB experienced net charge-offs of 17 basis points (bps) and 21 bps in 2017, respectively. Delinquencies (30 days or more past due and accruing) remain low at 49 bps and 42 bps for PRK and PNB, respectively.

- Nonperforming assets were reduced by $9.0 million (7.39%) and $7.2 million (7.19%) during 2017 at PRK and PNB, respectively.

- Deposit growth of $266.5 million (4.7%) from 12/31/16 to 12/31/17 at PNB. Growth consisted of $185.2 million of interest bearing deposits (4.6%) and $81.3 million of noninterest bearing deposits (5.0%).

# ROA and ROE History

## PRK and PRK, excluding Vision & Southeast Property Holdings, LLC (SEPH)

| | Park ROAA | Park ROAA, excluding VB & SEPH | Peer median ROAA | Park ROAE [1] | Park ROAE, excluding VB & SEPH [2] | Peer median ROAE |
|---|---|---|---|---|---|---|
| 2017 | 1.09% | 1.10% | 1.05%[4] | 11.15% | 11.59% | 9.51%[4] |
| 2016 | 1.16% | 1.08% | 1.01% | 11.68% | 11.03% | 9.16% |
| 2015 | 1.11% | 1.12% | 0.97% | 11.40% | 11.69% | 8.68% |
| 2014 | 1.22% | 1.16% | 0.95% | 12.34% | 11.81% | 8.34% |
| 2013 | 1.15% | 1.16% | 1.04% | 11.94% | 12.11% | 8.89% |
| 2012 | 1.11% | 1.33% | 0.98% | 11.41% | 13.94% | 8.56% |
| 2011 | 1.06% | 1.59% | 0.80% | 11.81% | 19.46% | 7.27% |
| 2010 | 0.74% | 1.58% | 0.25% | 8.05% | 18.27% | 0.88% |
| 2009 | 0.97% | 1.61% | (0.16)% | 11.81% | 20.80% | (2.22)% |
| 2008 | 1.02% [3] | 1.63% | (0.06)% | 12.12% [3] | 21.57% | (2.01)% |
| 2007 | 1.24% [3] | 1.52% | 0.87% | 12.40% [3] | 17.88% | 9.45% |
| Average 2007 – 2016 | 1.08% | 1.38% | 0.67% | 11.50% | 15.86% | 5.70% |

[1] Calculated using average common equity for Park National Corporation.
[2] Calculated using average common equity for Park National Corporation, excluding Vision Bank and SE Property Holdings, LLC.
[3] Adjusted for goodwill impairment charges of $55 million in 2008 and $54 million in 2007. Including the goodwill impairment charges, Park's ROAA for 2008 and 2007 was 0.20% and 0.37%, respectively, and Park's ROAE for 2008 and 2007 was 2.40% and 3.67% respectively.
[4] Due to unavailability of Q4 2017 YTD peer median financial metrics, data utilized herein reflects 3Q 2017 YTD peer results.

Source: BHC Performance Report and Company Filings
Peers include all bank holding companies nationwide with total assets between $3.0 and $10.0 billion

# The Park National Bank – The bank of choice

## Headquarter Counties – Deposits (in thousands)

| Bank Division | Year Joined Park | Hdqtr. Co. Deposits | Total County Deposits | % of 2017 Market Share | % of 2016 Market Share | 2017 Headquarter County Market Share Rank | 2016 Headquarter County Market Share Rank |
|---|---|---|---|---|---|---|---|
| Park National | 1908 | $1,613,780 | $2,611,419 | 61.80% | 62.04% | 1 | 1 |
| Fairfield National | 1985 | 374,477 | 2,096,636 | 17.86% | 18.68% | 1 | 1 |
| Richland Bank | 1987 | 567,846 | 1,840,054 | 30.86% | 29.17% | 1 | 1 |
| Century National | 1990 | 471,279 | 1,409,758 | 33.43% | 33.92% | 1 | 1 |
| First-Knox National | 1997 | 543,554 | 876,117 | 62.04% | 61.62% | 1 | 1 |
| Second National | 2000 | 285,655 | 1,168,809 | 24.44% | 24.73% | 2 | 2 |
| Security National | 2001 | 492,712 | 1,529,161 | 32.22% | 32.39% | 1 | 1 |
| Seven largest OH divisions | | $4,349,303 | $11,531,954 | 37.72% | 37.74% | | |
| Other OH divisions – headquarter counties | | 626,405 | 5,387,683 | 11.63% | 11.48% | | |
| Total OH divisions – headquarter counties | | $4,975,708 | $16,919,637 | 29.41% | 29.39% | | |
| Remaining Ohio bank deposits | | $1,061,440 | | | | | |
| Total Ohio bank deposits | | $6,037,148 | | | | | |

Source: SNL, June 30, 2017

# Park National Corporation

## Consolidated Statements of Income

| (in thousands) | Dec. 31, 2017 | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|---|
| Net interest income | $ 243,759 | $ 238,086 | $ 227,632 |
| Provision for (recovery of) loan losses | 8,557 | (5,101) | 4,990 |
| Net interest income after provision for (recovery of) loan losses | $ 235,202 | $ 243,187 | $ 222,642 |
| Other income | 80,635 | 78,731 | 77,551 |
| Other expense | 197,368 | 199,023 | 186,614 |
| Income before income taxes | $ 118,469 | $ 122,895 | $ 113,579 |
| Income taxes | 34,227 | 36,760 | 32,567 |
| Net income | $ 84,242 | $ 86,135 | $ 81,012 |

Source: Company Filings

# Park National Corporation

## Consolidated Balance Sheets

| (in millions) | Dec. 31, 2017 | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|---|
| Cash & cash equivalents | $ 169 | $ 146 | $ 149 |
| Investment securities | 1,513 | 1,580 | 1,644 |
| Loans | 5,372 | 5,272 | 5,068 |
| Allowance for loan losses | (50) | (51) | (56) |
| Other assets | 534 | 521 | 506 |
| Total assets | **$ 7,538** | **$ 7,468** | **$ 7,311** |
| Noninterest bearing deposits | 1,634 | 1,523 | 1,404 |
| Interest bearing deposits | 4,183 | 3,999 | 3,944 |
| Total deposits | 5,817 | 5,522 | 5,348 |
| Total borrowings | 906 | 1,134 | 1,177 |
| Other liabilities | 59 | 70 | 73 |
| Total shareholders’ equity | 756 | 742 | 713 |
| Total liabilities & shareholders’ equity | **$ 7,538** | **$ 7,468** | **$ 7,311** |

Source: Company Filings

# Quarterly Net Income (Loss)by Operating Segment

| *(In thousands)* | Q4 2017 | Q3 2017 | Q2 2017 | Q1 2017 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|
| **PNB** | $24,369 | $21,297 | $20,163 | $21,486 | $87,315 | $84,451 | $84,345 |
| **GFSC** | (208) | 84 | 186 | 198 | 260 | (307) | 1,423 |
| **Park Parent Company** [1] | (417) | 105 | (919) | (1,226) | (2,457) | (4,557) | (4,549) |
| **Ongoing operations** | $23,744 | $21,486 | $19,430 | $20,458 | $85,118 | $79,587 | $81,219 |
| **SEPH** | (913) | 626 | (398) | (191) | (876) | 6,548 | (207) |
| **Total Park** | $22,831 | $22,112 | $19,032 | $20,267 | $84,242 | $86,135 | $81,012 |

[1] The "Park Parent Company" above excludes the results for SEPH, an entity which is winding down commensurate with the disposition of its problem assets. Management considers the "Ongoing operations" results to be reflective of the business of Park and its subsidiaries on a going forward basis.

Source: Company Filings

# The Park National Bank

## Consolidated Statements of Income

| (in thousands) | Dec. 31, 2017 | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|---|
| Net interest income | $ 235,243 | $ 227,576 | $ 220,879 |
| Provision for loan losses | 9,898 | 2,611 | 7,665 |
| Net interest income after provision for loan losses | $ 225,345 | $ 224,965 | $ 213,214 |
| Other income | 77,126 | 74,803 | 75,188 |
| Other expense | 180,275 | 177,562 | 167,476 |
| Income before income taxes | $ 122,196 | $ 122,206 | $ 120,926 |
| Income taxes | 34,881 | 37,755 | 36,581 |
| Net income | $ 87,315 | $ 84,451 | $ 84,345 |

Source: Company Filings

# Park National Bank
# Balance Sheet Highlights

| *(In thousands)* | December 31, 2017 | December 31, 2016 | % change from 12/31/16 |
|---|---|---|---|
| **Loans** | $ 5,339,255 | $ 5,234,828 | 1.99% |
| **Allowance for loan losses** | 47,607 | 48,782 | (2.41)% |
| **Net loans** | 5,291,648 | 5,186,046 | 2.04% |
| **Investment securities** | 1,507,926 | 1,573,320 | (4.16)% |
| **Total assets** | 7,467,851 | 7,389,538 | 1.06% |
| **Total deposits** | 5,896,676 | 5,630,199 | 4.73% |
| **Average assets** (1) | 7,664,725 | 7,337,438 | 4.46% |
| **Return on average assets** | 1.14% | 1.15% | (0.87)% |

(1) Average assets for the fiscal years ended December 31, 2017 and 2016.

Source: Company Filings

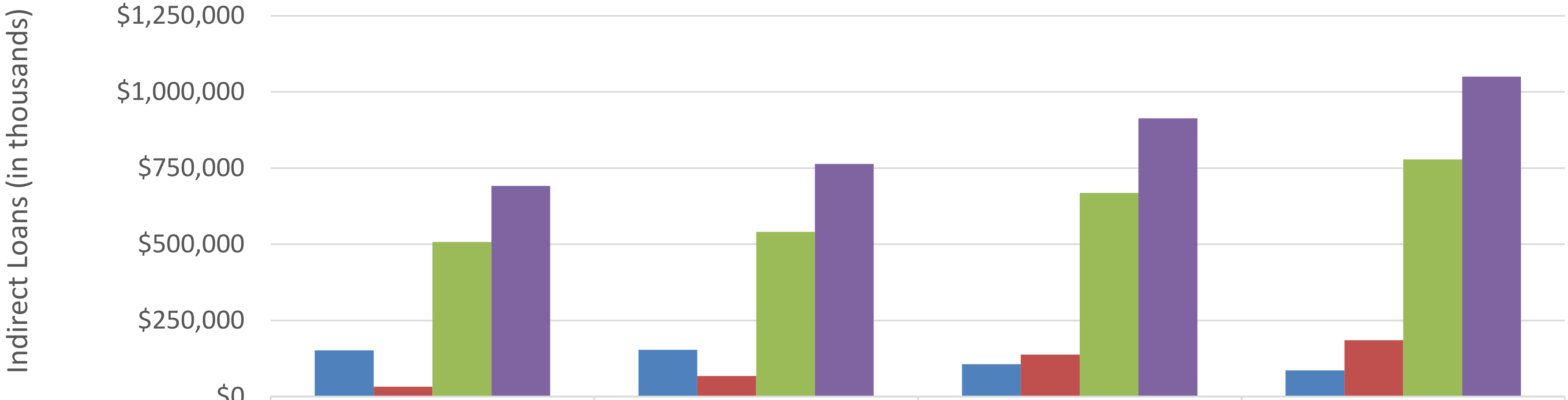
# Park National Bank
# Loans by Type

- Commercial lending focus is on small, closely-held businesses within our markets.
- Consumer mortgage and home equity portfolios are originated by Park within our footprint and have been consistently underwritten for decades

| | 12/31/2017 Amount | 12/31/2016 Amount | % Change from 12/31/2016 |
|---|---|---|---|
| Commercial Real Estate | | | |
| Owner Occupied | $ 471,103 | $ 465,603 | 1.18% |
| Non-Owner Occupied | 556,728 | 553,540 | 0.58% |
| Residential Real Estate | 1,714,333 | 1,796,894 | (4.59)% |
| Construction Real Estate | 181,470 | 188,945 | (3.96)% |
| Commercial & Industrial | 1,059,135 | 995,563 | 6.39% |
| Consumer | 1,213,717 | 1,094,480 | 10.89% |
| Farmland | 139,776 | 136,560 | 2.36% |
| Leases | 2,993 | 3,243 | (7.71)% |
| Total Loans | $ 5,339,255 | $ 5,234,828 | 1.99% |

Source: Company Filings as of December 31, 2017

# Park National Bank Indirect Loans




| | Dec. 31, 2014 | Dec. 31, 2015 | Dec. 31, 2016 | Dec. 31, 2017 |
|---|---|---|---|---|
| Other | $151,489 | $154,172 | $106,872 | $86,425 |
| Boat/RV | $32,821 | $68,096 | $138,483 | $184,862 |
| Auto | $507,245 | $541,307 | $668,018 | $778,711 |
| Total Indirect Loans | $691,555 | $763,575 | $913,373 | $1,049,998 |

**Indirect Loans (as of 12/31/17)**

| Credit Score | Outstanding Balance | 30-59 DPD | 60-89 DPD | 90+ DPD | Past Due Balance | % Past Due |
|---|---|---|---|---|---|---|
| 770 and above | $ 509,691,833 | 82 | 15 | 9 | $ 1,145,380 | 0.22% |
| 740-769 | $ 177,965,671 | 62 | 6 | 8 | $ 807,627 | 0.45% |
| 700-739 | $ 230,232,522 | 125 | 16 | 14 | $ 1,635,761 | 0.71% |
| Other | $ 132,107,786 | 381 | 97 | 55 | $ 3,981,989 | 3.01% |
| **Total** | **$ 1,049,997,812** | **650** | **134** | **86** | **$ 7,570,757** | **0.72%** |

Source: Company Filings

# Park National Corporation
# Nonperforming assets

| *(in thousands)* | Dec. 31, 2017 | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|---|
| Non-accrual loans [1] | $ 72,056 | $ 87,822 | $ 95,887 |
| Renegotiated loans [1] | 20,111 | 18,175 | 24,979 |
| Loans past due 90 days or more (still accruing) | 1,792 | 2,086 | 1,921 |
| **Total nonperforming loans** | $ 93,959 | $ 108,083 | $ 122,787 |
| Other real estate owned (OREO) | 14,190 | 13,926 | 18,651 |
| Other non performing assets – PNB | 4,849 | - | - |
| **Total nonperforming assets** [2] | $ 112,998 | $ 122,009 | $ 141,438 |
| Percentage of nonaccrual loans and loans 90+ days past due to loans (PRK) | 1.37% | 1.71% | 1.93% |
| Percentage of nonaccrual, restructured and OREO to assets (PRK) | 1.41% | 1.61% | 1.91% |
| Texas Ratio (PRK)<br>**Note:** The Texas Ratio is calculated as total nonperforming assets divided by the sum of tangible common equity plus the allowance for loan losses. | 15.40% | 16.93% | 20.28% |
| **Peer Group Information** | **Sep. 30, 2017** | **Dec. 31, 2016** | **Dec. 31, 2015** |
| Percentage of nonaccrual loans and loans 90+ days past due to loans (Peer Group) | 0.55% | 0.64% | 0.75% |
| Percentage of nonaccrual, restructured and OREO to assets (Peer Group) | 0.64% | 0.74% | 0.91% |

1 The carrying balance of impaired commercial loans as a percentage of unpaid principal balance at December 31, 2017 was 83.9% and 100.0% for Park National Corporation and SEPH, respectively.

2 At December 31, 2017, Vision/SEPH participations included in Park National Corporation's nonperforming assets were approximately $9.0 million.

Source: BHC Performance Report and Company Filings

# Park National Corporation less Vision Bank/SEPH Nonperforming Assets

| (in thousands) | Dec. 31, 2017 | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|---|
| Non-accrual loans | $ 61,753 | $ 76,084 | $ 81,468 |
| Renegotiated loans | 20,111 | 18,175 | 24,979 |
| Loans past due 90 days or more (still accruing) | 1,792 | 2,086 | 1,921 |
| **Total nonperforming loans** | $ 83,656 | $ 96,345 | $ 108,368 |
| Other real estate owned (OREO) – PNB | 6,524 | 6,025 | 7,456 |
| Other non performing assets – PNB | 4,849 | - | - |
| **Total nonperforming assets** | $ 95,029 | $ 102,370 | $ 115,824 |
| Percentage of nonaccrual loans and loans 90+ days past due to loans (PNB and Guardian) | 1.19% | 1.49% | 1.65% |
| Percentage of nonaccrual, restructured and OREO to assets (PNB and Guardian) | 1.18% | 1.36% | 1.57% |
| Texas Ratio<br>**Note:** The Texas Ratio is calculated as total nonperforming assets divided by the sum of tangible common equity plus the allowance for loan losses. | 13.33% | 14.66% | 16.98% |
| **Peer Group Information** | **Sep. 30, 2017** | **Dec. 31, 2016** | **Dec. 31, 2015** |
| Percentage of nonaccrual loans and loans 90+ days past due to loans (PRK Peer Group) | 0.55% | 0.64% | 0.74% |
| Percentage of nonaccrual, restructured and OREO to assets (PRK Peer Group) | 0.64% | 0.74% | 0.90% |

Source: BHC Performance Report and Company Filings

# PRK comparison to peers

| | PRK Price to Book % | Peer Group Price to Book % | PRK Price to tangible book | Peer Group Price to Tangible Book % | PRK Price to Earnings | Peer Group Price to Earnings | PRK Dividend Yield | Peer Group Dividend Yield |
|---|---|---|---|---|---|---|---|---|
| **4Q 2017** | 210% | 167% [1] | 233% | 210% [1] | 19.0 | 18.9 [1] | 3.6 | 1.8 [1] |
| **2016** | 247% | 171% | 274% | 221% | 21.4 | 20.5 | 3.1 | 1.7 |
| **2015** | 194% | 136% | 216% | 168% | 17.2 | 16.2 | 4.2 | 2.1 |
| **2014** | 196% | 146% | 218% | 178% | 16.2 | 19.8 | 4.2 | 1.9 |
| **2013** | 202% | 170% | 227% | 192% | 17.0 | 19.9 | 4.4 | 2.1 |
| **2012** | 153% | 117% | 172% | 145% | 13.2 | 13.4 | 5.8 | 2.8 |
| **2011** | 156% | 109% | 176% | 135% | 13.1 | 14.7 | 5.8 | 2.4 |
| **2010** | 177% | 127% | 202% | 155% | 21.1 | 17.8 | 5.2 | 2.1 |
| **2009** | 141% | 105% | 163% | 140% | 12.2 | 16.9 | 6.4 | 2.5 |
| **2008** | 183% | 135% | 217% | 211% | 14.6 | 15.7 | 5.3 | 2.9 |
| **2007** | 155% | 138% | 207% | 206% | 11.9 | 13.2 | 5.8 | 3.3 |
| **2006** | 242% | 206% | 280% | 291% | 14.7 | 17.1 | 3.8 | 2.3 |

[1] Due to unavailability of 4Q 2017 peer median financial metrics, data utilized herein reflects 3Q 2017 peer results.

Source: Company Filings and SNL data of $3 to $10 billion bank holding companies

# A Successful History of Disciplined Strategic Growth in Ohio (11 acquisitions; 2 De Novos)

***1908***
- The Park National Bank is established

***1985***
- Acquisition of Fairfield National Bank

***1987***
- Park National Corporation holding company is established
- Acquisition of Richland Trust Company

***1990***
- Acquisition of Century National Bank

***1994***
- Acquisition of Scope Aircraft Finance

***1997***
- Acquisition of First-Knox National Bank

  Farmers Savings Bank

***1999***
- Guardian Finance Company established

***2000***
- Acquisition of United Bank
- Acquisition of Second National Bank

***2001***
- Acquisition of Security National Bank

  Citizens National Bank

  Unity National Bank

***2005***
- Acquisition of First Federal Savings Bank of Eastern Ohio (merged with Century National Bank)
- Acquisition of First Clermont Bank (became the Park National Bank of Southwest Ohio & Northern Kentucky division)

***2006***
- Acquisition of Anderson Bank (merged with The Park National Bank of Southwest Ohio & Northern Kentucky division)

1908 1985 1987 1990 1994 1997 1999 2000 2001 2005 2006

PARK NATIONAL CORPORATION

and

NewDominion
Banking Handcrafted.

# Strategic Partnership and Expansion into North Carolina

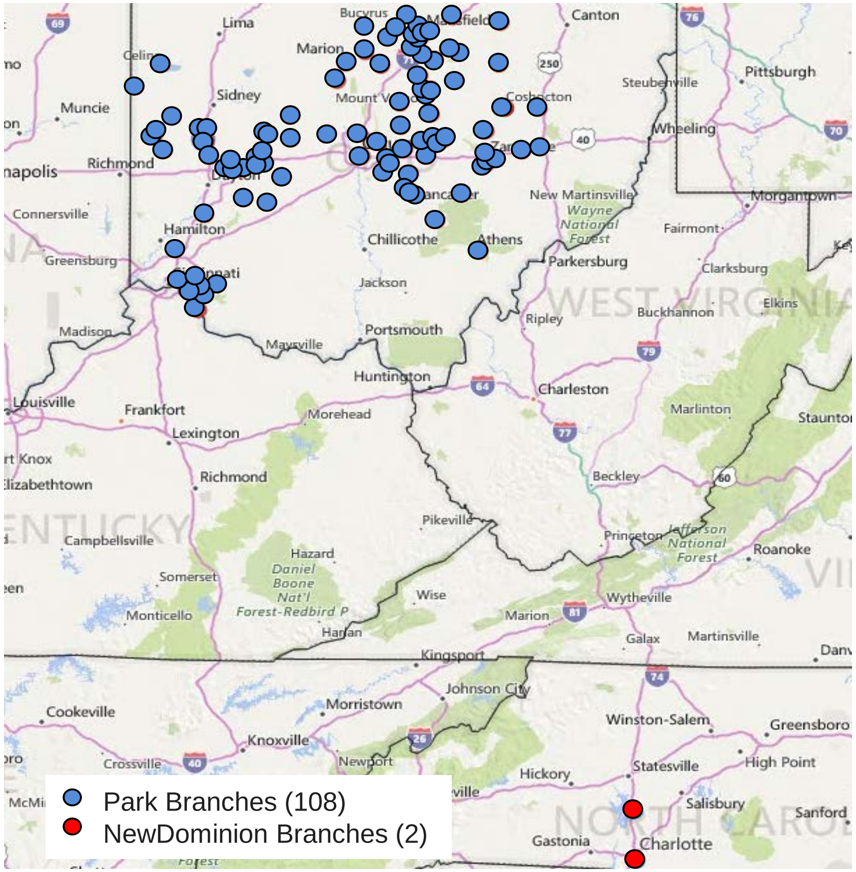
# Park National / NewDominion – Transaction Overview

| | |
|---|---|
| Deal value:<br>Blended deal value: | $76.4 million[1]<br>$79.9 million[1,2] |
| Consideration: | Option to elect $1.08 in cash or 0.01023 shares of Park common stock for each share of NewDominion common stock, subject to a 60% stock / 40% cash structure |
| Per share price:<br>Blended per share price: | $1.08[1]<br>$1.03[1,2] |
| Required approvals: | • Regulatory<br>• NewDominion shareholder |
| Key assumptions: | • Cost savings estimated to be 35%<br>• Estimated one-time charges of $6.5 million<br>• Gross credit mark of approximately 2.5% (including unfunded commitments) |
| Earnings and capital impact[2]: | • Accretive to EPS by 1.6% in 2019 and 3.7% in 2020<br>• Tangible book value earn-back of approximately 4.2 years<br>• Capital position will remain strong, creating potential for additional acquisitions, stock buybacks, strong dividend payout |
| Anticipated closing: | Mid-2018 |
| Strategic opportunity: | Similar market in some respects to Park's home market of Greater Columbus, but with even better growth prospects |

1. *Based on the 20-day average PRK closing price as of January 19, 2018*
2. *Takes into account Park's 8.55% existing ownership at a cost of $3.5 million or $0.54 per NewDominion share, initially made in November 2016*

# Park National / NewDominion – Selected Highlights

## Pro Forma Branch Map




## NewDominion Financials (as of and for the year ended 12/31/17)

- Total assets: $338.3 million
- Total gross loans: $284.4 million
- Total deposits: $282.3 million
- Total equity (all tangible): $39.0 million
- 2017 efficiency ratio: 86.5%
- NPAs / assets: 1.02%
- 2017 NCOs (recoveries) / average loans: (0.08)%

## Transaction Metrics[1]

- Blended price per share / TBVPS: 200.9%
- Blended price per share / adj. TBVPS[2]: 188.1%
- Blended price per share / 2019 EPS w/ synergies: 13.4x
- NewDominion pro forma ownership: 2.8%

1. *Based on the 20-day average PRK closing price as of January 19, 2018 and takes into account Park's 8.55% existing ownership*
2. *Reflects adjusted tangible book value per share assuming the inclusion of NewDominion's $2.7 million off balance sheet deferred tax asset*

# Park National / NewDominion – Strategic Rationale

- Demographically accretive, given attractive Charlotte market demographics
  - Charlotte's five-year population growth rate projected to be 11x Ohio average and 2x national average *(Nielsen)*
  - Charlotte is the largest metropolitan area in the Carolinas with over 2.5 million residents *(Nielsen)*
  - Charlotte was rated among top 20 places to live in the U.S. *(U.S. News & World Report)*
  - Charlotte's tech talent pool grew faster than any other top 50 U.S. tech market *(CBRE)*
  - Charlotte is home to six Fortune 500 companies *(Fortune)*
- Culturally similar; Park has become very familiar with NewDominion since initially investing $3.5 million in NewDominion in a friendly transaction in November 2016
- Terrific NewDominion management team that has completed a turnaround effort and is eager to grow its franchise as part of the Park team
- Strategically important but a small and lower-risk acquisition for Park

# PRK M&A Strategy

Two prong strategy guidelines:

- **<u>Traditional M&A</u>**
  - Strong franchise, good reputation
  - Good market share
  - Existing leadership continuity
  - Traditional community bank structure
  - Core deposits
- **<u>Metro Strategy</u>** – Attractive markets in the Midwest / Southeast / Mid-Atlantic states
  - Open de novo
    - Mirror successful Columbus, Ohio office
  - Partner with banks that have the following characteristics:
    - Consistent loan growth
    - Acceptable asset quality
    - Existing or potential trust and wealth management business
    - Commercial focused
    - Proven leadership team

# Keefe, Bruyette & Woods
## Winter Financial Services Symposium

February 7-9, 2018