

# **Raymond James Ohio Bank Tour**

May 24, 2012

# Forward-looking Statements

This presentation presents management's discussion and analysis of the financial condition and results of operations for Park National Corporation and its subsidiaries ("Park" or the "Corporation"). This discussion should be read in conjunction with the consolidated financial statements and related notes and the five-year summary of selected financial data presented in Park's 2011 Annual Report. Management's discussion and analysis contains forward-looking statements that 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 its business plan successfully and within the expected timeframe; deterioration in the asset value of our 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 collateral could prove less valuable than assumed and cash flows may be worse than expected; Park's ability to sell OREO properties at anticipated prices; general economic and financial market conditions, and weakening in the economy, specifically the real estate market and credit markets, 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; our liquidity requirements could be adversely affected by changes in our assets and liabilities; competitive factors among financial institutions may increase significantly, including product and pricing pressures and Park's 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 effect of changes in accounting policies and practices, as may be adopted by the Financial Accounting Standards Board (the "FASB"), the Securities and Exchange Commission (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; the 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 our 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, 2011. 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 was made, or reflect the occurrence of unanticipated events, except to the extent required by law.



## Park National Corporation Profile

(as of March 31, 2012)

- 11 Community Banks
- 2 Specialty Finance Companies
- One non-bank workout subsidiary
- 29 Ohio & 1 Kentucky counties
- 124 bank branches
- 7 specialty finance offices
- 1,784 FTEs

# Leadership Team

## Park Executive Management

- **C. Daniel DeLawder – Chairman and Chief Executive Officer – Age: 62**

Chairman, Chief Executive Officer (1999) and Board Member of The Park National Bank and Park National Corporation (Corporation or Park) headquartered in Newark, Ohio. He served previously as President of The Park National Bank and Park. 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 MedBen, 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 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.

- **David L. Trautman – President – Age: 51**

President and Board Member of The Park National Bank and Park National Corporation (2004) headquartered in Newark, Ohio. He also serves as Secretary of the Corporation. 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 BA 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, Kenyon College Board member, member of Newark Rotary Club, past campaign chair for United Way of Licking County, and serves as a Trustee of the Licking County Foundation.

# Park Executive Management (continued)

- **John W. Kozak – Chief Financial Officer – Age: 57**

Chief Financial Officer of Park (1998); Senior Vice President since January 1999, a Member of the Board of Directors since December 2006, and Vice President from 1991 to 1998, of The Park National Bank; Chief Financial Officer from 1980 to 1991, and a Member of the Board of Directors from 1988 to May 2006 of Century National Bank, a division of Park.

Mr. Kozak received his B.S. Degree in Accounting summa cum laude from The Ohio State University in 1977. He also received the Pacesetter Award from the College of Business.

- **Brady T. Burt – Chief Accounting Officer – Age: 39**

Chief Accounting Officer of Park since April 2007.

Prior to joining Park, Mr. Burt served Vail Banks, Inc. in various capacities, including EVP-Chief Financial Officer from June 2005 to November 2006, SVP-Director of Internal Audit from September 2003 to June 2005, and VP-Assistant Audit Director from April 2002 to September 2003. Mr. Burt was also employed by Bank One from August 2001 to March 2002 and PricewaterhouseCoopers from September 1994 to August 2001, working in various accounting roles.

Mr. Burt received his B.S. Degree in Accounting from Miami University in 1994. He currently serves on the Finance Committee of the Licking County United Way is a member of the Granville Rotary Club, and is a board member of Habitat of Licking County and the Licking County Foundation.

# Experienced Leadership Team

- Senior leadership consists of executives with proven local market experience
- Leadership team averages 23 years of banking experience
- Average management tenure at Park National is approximately 20 years

Name	Position	Age	Years with PRK	Years In Industry
C. Daniel DeLawder	Chairman & CEO	62	41	41
David L. Trautman	President	51	28	28
John W. Kozak	Chief Financial Officer	57	32	32

## Leadership Team – continued

Name	Position	Age	Years with PRK	Years In Industry
Brady T. Burt	VP – Chief Accounting Officer	39	5	11
Thomas J. Button	SVP – Chief Credit Officer	51	15	26
Thomas M. Cummiskey	SVP – Trust	42	12	14
Lynn B. Fawcett	SVP – Operations	53	21	21
Robert N. Kent	President – Scope Aircraft Finance	54	8	28
Timothy J. Lehman	SVP – Information Systems	47	17	17
Laura B. Lewis	SVP – Human Resources & Marketing	52	27	27
Matthew R. Miller	VP - Finance	33	3	9
Cheryl L. Snyder	SVP – Retail Lending	55	32	34
Paul E. Turner	VP - Treasurer	44	21	21
Jeffrey A. Wilson	SVP – Director of Internal Audit	45	7	15
William R. Wilson	SVP – Commercial Lending	63	41	41

# Affiliate Leadership

Name	Position	Age	Years with PRK/Affiliate	Years In Industry
John A. Brown	President – Richland Bank	43	20	20
Brett A. Baumeister	President – Unity National Bank	46	8	22
William C. Fralick	President – Security National Bank	57	36	36
David J. Gooch	President – Park National Bank of Southwest Ohio & Northern Kentucky	43	14	20
Kenneth G. Gosche	President – Farmers Bank	63	13	39
Thomas M. Lyall	Chairman – Century National Bank	66	41	41
Patrick L. Nash	President – Century National Bank	47	25	25
Earl W. Osborne	Chairman – Guardian Finance Company	58	13	22
Vickie A. Sant	President – First Knox National Bank	56	35	35
Donald R. Stone	President – United Bank	54	16	28
John E. Swallow	President – Second National Bank	55	27	37
Stephen G. Wells	President – Fairfield National Bank	51	28	28



# Vision Bancshares, Inc. Acquisition

- On March 9, 2007, Park acquired all the stock and outstanding stock options of Vision Bancshares, Inc. for \$87.8 million in cash and 792,937 shares of Park common stock valued at \$83.3 million or \$105.00 per share.
- Following our acquisition, net losses at Vision Bank were:

<u>(in thousands)</u>	<u>Net Loss</u>	<u>Loan Loss Provision</u>	<u>OREO Devaluations and Losses</u>	<u>Total</u>	<u>% of Average Loans</u>
2011	(22,526)	31,052	6,216	37,268	6.40%
2010	(45,414)	61,407	10,663	72,070	10.81%
2009	(30,110)	44,430	6,287	50,717	7.33%
2008 *	(81,187)	46,963	1,067	48,030	7.09%
2007 *	(60,681)	19,425	-	19,425	3.87%
		<u>\$ 203,277</u>	<u>\$ 24,233</u>	<u>\$ 227,510</u>	

\* 2008 and 2007 include goodwill impairment charges of \$55.0 million and \$54.0 million, respectively.

- Through February 16, 2012, the date of sale, Park National Corporation contributed \$171.7 million in additional capital to Vision Bank.

## **Timeline of Regulatory Issues Pertaining to Vision Bank**

- On June 30, 2011, Park made the first announcement regarding regulatory concern pertaining to the allowance for loan loss calculation at Vision Bank. Specifically, the Florida Office of Financial Regulation (the “OFR”) and the FDIC took exception to management’s use of approximately \$18 million in expected payments from guarantors when calculating the allowance for loan losses.
- On August 15, 2011, Park filed the Form 10-Q for the second quarter of 2011, announcing a material weakness in internal control over financial reporting. This material weakness was the result of three items: (1) management had relied upon the work of a third-party specialist, who was not a licensed appraiser, to value certain nonperforming loan and OREO collateral; (2) management did not have sufficient documentation to support the valuations received from the third-party specialist; and (3) management had, at times, been relying on internal estimates of value as support for collateral values, which were more than one year old.
- On October 24, 2011, management announced earnings for the third quarter of 2011 and also announced that examination reports had been received by all three of the regulatory agencies involved with the Vision Bank guarantor support issue; the Federal Reserve Bank of Cleveland, the FDIC, and the OFR. All three reports of examination included the issue pertaining to reliance on guarantor support. Management stated that the intention was to appeal these findings and also disclosed that it was possible that the Call Reports for Vision Bank may have to be amended and re-filed.

## Timeline of Regulatory Issues Pertaining to Vision Bank

- On December 14, 2011, management announced that the FDIC appeal was denied and that management would revise Park's Y-9C and Call Report for Vision Bank for December 31, 2010, March 31, 2011, June 30, 2011, and September 30, 2011.
- On January 23, 2012, management announced that the GAAP financial statements for December 31, 2010, March 31, 2011, June 30, 2011, and September 30, 2011 would need to be restated to ensure that regulatory reports and the GAAP reports filed with the SEC were consistent.
- On January 31, 2012, management announced that the restatement disclosed on January 23, 2012 was determined to be considered a correction of an error versus a change in accounting estimate. Therefore, management determined that a material weakness in financial reporting existed at December 31, 2010. Management had been relying on expected cash flows from guarantors when calculating the net present value of expected cash flows. However, when those cash flows required prolonged and protracted litigation, it is not possible to reasonably predict the timing of the cash flows; therefore, those estimated payments from guarantors should not have been included in expected cash flows.

## Restatement – December 31, 2010

	Dec. 31 2010 (restated)	Dec. 31 2010 (as originally reported)	Change
Net interest income	\$ 274,044	\$ 274,044	\$ -
Provision for loan losses	87,080	64,902	22,178
Net interest income after provision	186,964	209,142	(22,178)
Non interest income	63,016	65,632	(2,616)
Gain on sale of securities	11,864	11,864	-
Non interest expense	187,107	187,107	-
Income before income taxes	\$ 74,737	\$ 99,531	\$ (24,794)
Income taxes	16,636	25,314	(8,678)
Net income	\$ 58,101	\$ 74,217	\$ (16,116)

**Note:** 2010 financial information presented throughout the remainder of this presentation is presented post-restatement, where appropriate.

## **Sale of Vision Bank**

- November 16, 2011 – Park entered into a Purchase and Assumption Agreement with Home BancShares and its wholly-owned subsidiary Centennial Bank to sell substantially all of the performing loans, operating assets and liabilities associated with Vision Bank for a purchase price of \$27.9 million.
- February 16, 2012 – Closed the transaction as contemplated in the Purchase and Assumption Agreement.
- March 16, 2012 – Completed system conversion, moving the retained Vision Bank assets and liabilities onto the Park National Bank operating system.
- April 13, 2012 – Centennial completed system conversion procedures of Vision Bank assets and liabilities to the Centennial operating system.

## Gain on sale of Vision Bank

Premium paid	\$	27,913
One-time gains		298
Loss on sale of fixed assets		(2,434)
Employment and severance agreements		(1,610)
Other one-time charges, including estimates		<u>(2,000)</u>
Pre-tax gain	\$	22,167
Federal income taxes		<u>7,758</u>
Net gain on sale	\$	<u><u>14,409</u></u>

## Lessons Learned from Vision Bank

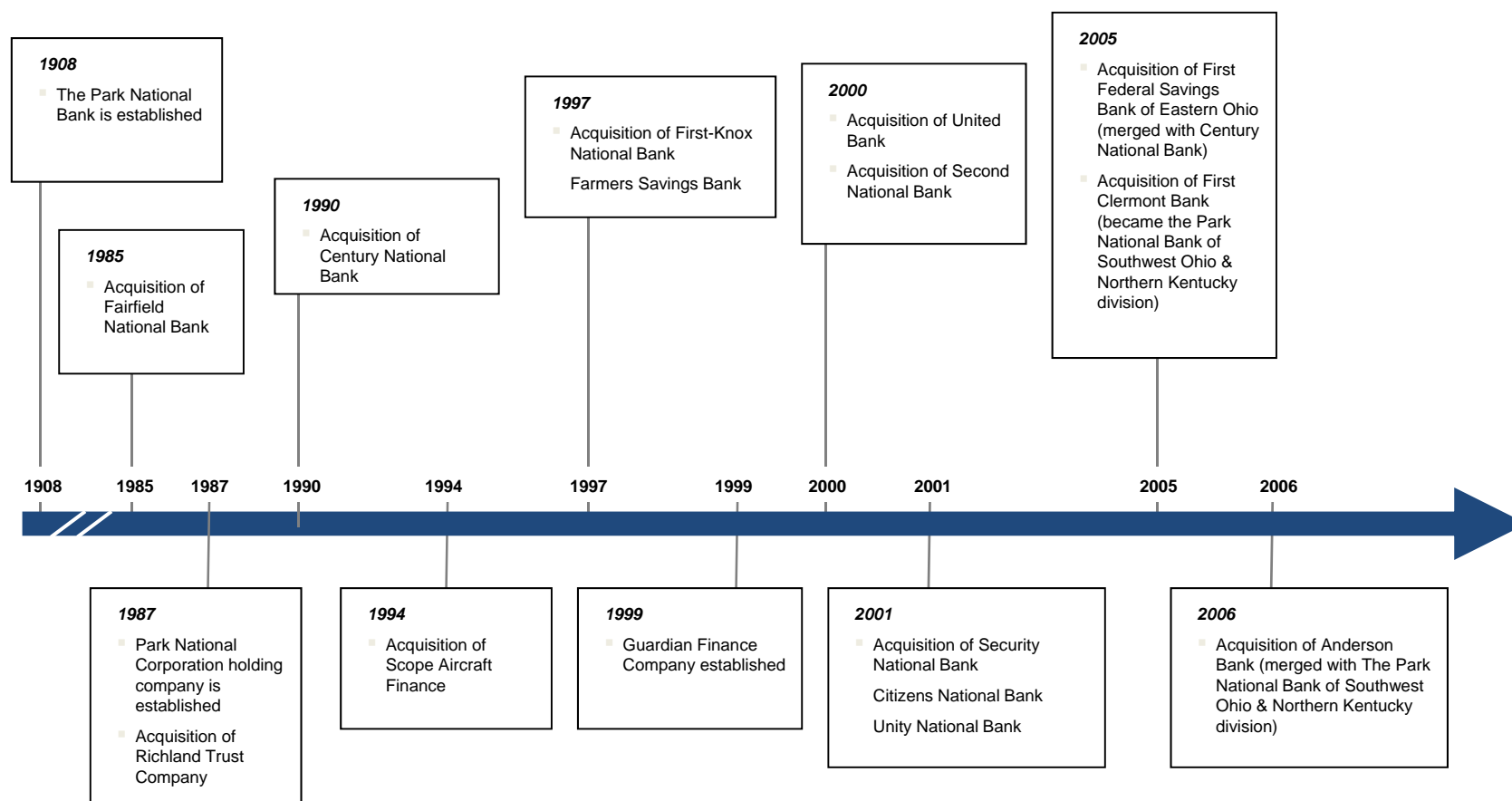
1. Bank Concentration Risks
2. Market Concentration Risks
3. Unequivocal Agreement
4. Understand Market Culture
5. Worst Case X Multiple
6. Physical Inspection of Collateral
7. Adopt PRK Underwriting
8. Seller's Business Model
9. Attributes of Seller
10. Scrutinize Seller Leadership
11. Seller Size/PRK Leader
12. PRK CEO Engagement Level
13. Reaction to Adversity
14. Mobilize Timely Resources
15. Heed External Forecasts
16. De novo Danger

## TARP Repayment

- Park repurchased the \$100 million of cumulative preferred shares from the U.S. Treasury on April 25, 2012. Total consideration paid of \$101 million included accrued interest and unpaid dividends. The warrant associated with the preferred shares was repurchased on May 2, 2012 for \$2.8 million. The warrant was recorded at \$4.2 million on December 23, 2008.
- As part of the redemption, Park completed a \$30 million Subordinated Note offering on Friday, April 20, 2012. The Subordinated Note offering qualifies as Tier II capital and pays interest at a fixed rate of 7 percent per annum for up to 10 years and is callable on April 20, 2017.
- Net income available to common shareholders will increase by \$5.9 million annually (including the accretion of the discount) as a result of the redemption of the preferred shares. This is offset by \$1.365 million, the annual after-tax expense related to the issuance of the Subordinated Notes. The net impact for shareholders is an annual gain of \$4.535 million.
- After the repayment of TARP, capital ratios as of March 31, 2012 are 8.89%, 13.18%, and 15.75% for Leverage, Tier 1 Risk-Based, and Total Risk-Based Capital, respectively.



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



# Results Count

## ROA and ROE History – PRK and PRK, excluding Vision

	Park ROAA	Park ROAA, excluding VB & SEPH	Peer median ROAA	Park ROAE*	Park ROAE, excluding VB & SEPH **	Peer median ROAE
2011	1.06%	1.53%	0.80%	11.81%	18.59%	7.26%
2010	0.74%	1.58%	0.29%	8.05%	18.27%	1.59%
2009	0.97%	1.61%	-0.16%	11.81%	20.80%	-2.22%
2008	1.02% ***	1.63%	-0.04%	12.12% ***	21.57%	-1.80%
2007	1.24% ***	1.52%	0.87%	12.40% ***	17.88%	9.45%
2006	1.75%	1.75%	1.11%	17.26%	17.26%	12.23%
2005	1.71%	1.71%	1.14%	17.03%	17.03%	12.96%
2004	1.81%	1.81%	1.15%	17.00%	17.00%	13.15%
2003	1.81%	1.81%	1.15%	16.69%	16.69%	13.53%
2002	1.93%	1.93%	1.21%	17.56%	17.56%	14.46%
Average 2002 - 2011	1.40%	1.69%	0.75%	14.17%	18.27%	8.06%

\* Calculated using average common equity for Park National Corporation.

\*\* Calculated using average common equity for Park National Corporation, excluding Vision Bank and SE Property Holdings, LLC.

\*\*\* 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.

## The Park National Bank – The bank of choice

### Headquarter Counties – Deposits (in thousands)

Bank Division	Year joined Park	Hdqtr. Co. deposits	Total county Deposits	Park % of market share	Rank in market
Park National	1908	\$ 1,300,371	\$ 2,169,768	59.9%	1
Fairfield National	1985	364,719	1,714,925	21.3%	1
Richland Bank	1987	449,246	1,695,857	26.5%	1
Century National	1990	342,490	1,159,446	29.5%	1
First-Knox National	1997	373,162	698,825	53.4%	1
Second National	2000	230,402	979,311	23.5%	2
Security National	2001	422,926	1,474,225	28.7%	1
Seven largest OH divisions		\$ 3,483,316	\$ 9,892,357	35.2%	
Other OH divisions – headquarter counties		503,245	4,344,777	11.6%	
Total OH divisions – headquarter counties		\$ 3,986,561	\$ 14,237,134	28.0%	
Remaining Ohio bank deposits		\$ 684,415			
Total Ohio bank deposits		\$ 4,670,976			

## Net income by operating segment

(in thousands)	2009	2010	2011	Q1 2012	2012 Projection
Park National Bank	\$101,458	\$102,948	\$106,851	\$21,561	\$90,477
Guardian Finance	1,752	2,006	2,721	806	3,200
PRK Parent Company	1,092	(1,439)	(1,595)	49	1,523
<b>Sub total - ongoing operations</b>	<b>104,302</b>	<b>103,515</b>	<b>107,977</b>	<b>22,416</b>	<b>95,200</b>
Vision Bank	(30,110)	(45,414)	(22,526)	-	-
SE Property Holdings	-	-	(3,311)	9,059	(3,200)
<b>Total PRK</b>	<b>\$74,192</b>	<b>\$58,101</b>	<b>\$82,140</b>	<b>\$31,475</b>	<b>\$92,000</b>

**Note:** Park National Bank had gains from the sale of investment securities of \$7.3 million, \$11.9 million and \$23.6 million in the years ended December 31, 2009, 2010 and 2011, respectively. Absent these gains from the sale of investment securities, net income was \$96.7 million in 2009, \$95.2 million in 2010 and \$91.5 million in 2011 for PNB and \$99.5 million in 2009, \$95.8 million in 2010 and \$92.6 million in 2011 for ongoing operations.

\* As of April 30, 2012, SE Property Holdings had \$130 million of 5% notes payable to the Parent Company, which is eliminated at the Total PRK level. However, the interest income and interest expense on these funds is included in the results for PRK Parent Company and SE Property Holdings, respectively, in the line items above.

## Park National Corporation (PRK) – Income Statement

(in thousands)	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2011	2012 Projection
Net interest income	\$273,491	\$274,044	\$273,234	\$238,000
Provision for loan losses	68,821	87,080	63,272	25,000
Net interest income after provision	204,670	186,964	209,962	213,000
Non interest income	73,850	63,016	66,081	88,000
Gain on sale of securities	7,340	11,864	28,829	0
Non interest expense	188,725	187,107	188,317	174,000
Income before income taxes	97,135	74,737	116,555	127,000
Income taxes	22,943	16,636	34,415	35,000
Net income	<u>\$74,192</u>	<u>\$58,101</u>	<u>\$82,140</u>	<u>\$92,000</u>

# The Park National Bank Income Statement

(in thousands)	Dec. 31, 2010	Dec. 31, 2011	March 31, 2012	2012 Projection
Net interest income	\$ 237,281	\$ 236,282	\$ 55,846	\$ 225,803
Provision for loan losses	23,474	30,220	4,672	15,950
Net interest income after provision	213,807	206,062	51,174	209,853
Non interest income	68,648	67,348	16,661	66,297
Gain on sale of securities	11,864	23,634	-	-
Non interest expense	144,051	146,235	38,056	150,445
Income before income taxes	150,268	150,809	29,779	125,705
Income taxes	47,320	43,958	8,128	35,228
Net income	\$ 102,948	\$ 106,851	\$ 21,561	\$ 90,477
Net income excluding securities gains	\$ 95,236	\$ 91,489	\$ 21,561	\$ 90,477

# PARK NATIONAL CORPORATION

## Statement of Condition

<u>(in millions)</u>	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2011</u>	<u>March 31, 2012</u>
Investment securities	\$ 2,040	\$ 1,708	\$ 1,857
Loans	4,733	4,317	4,324
Allowance for loan losses	(144)	(68)	(60)
Assets held for sale	-	382	-
<u>Other assets</u>	<u>653</u>	<u>633</u>	<u>656</u>
<b><u>Total assets</u></b>	<b><u>\$ 7,282</u></b>	<b><u>\$ 6,972</u></b>	<b><u>\$ 6,777</u></b>
Non-interest bearing deposits	\$ 938	\$ 996	\$ 1,056
Interest bearing deposits	<u>4,157</u>	<u>3,469</u>	<u>3,762</u>
Total deposits	5,095	4,465	4,818
Total borrowings	1,376	1,162	1,134
Liabilities held for sale	-	536	-
Other liabilities	81	67	69
<u>Stockholders' equity</u>	<u>730</u>	<u>742</u>	<u>756</u>
<b><u>Total liabilities &amp; stockholders' equity</u></b>	<b><u>\$ 7,282</u></b>	<b><u>\$ 6,972</u></b>	<b><u>\$ 6,777</u></b>

# Park National Corporation

## Loans by Type

- Commercial lending focus 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
- Steady growth across all loan categories. No unfavorable mix or shift.

	PNB		Guardian		SE LLC		PRK	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Commercial Real Estate								
Owner Occupied	\$ 543,206	13.00%	\$ -	0.00%	\$ 12,103	12.29%	\$ 555,309	12.84%
Non-Owner Occupied	431,222	10.32%	-	0.00%	3,210	3.26%	434,432	10.05%
Residential Real Estate	1,629,798	39.01%	17	0.04%	37,884	38.48%	1,667,699	38.57%
Construction Real Estate	175,782	4.21%	-	0.00%	28,033	28.47%	203,815	4.71%
Commercial & Industrial	728,744	17.44%	6,569	13.67%	17,079	17.35%	752,392	17.40%
Consumer	568,582	13.61%	41,458	86.29%	140	0.14%	610,180	14.11%
Farmland	98,607	2.36%	-	0.00%	-	0.00%	98,607	2.28%
Leases	1,949	0.05%	-	0.00%	-	0.00%	1,949	0.05%
<b>Total Loans</b>	<b>\$ 4,177,890</b>	<b>100.00%</b>	<b>\$ 48,044</b>	<b>100.00%</b>	<b>\$ 98,449</b>	<b>100.00%</b>	<b>\$ 4,324,383</b>	<b>100.00%</b>
Performing	4,041,970	96.75%	46,346	96.47%	16,123	16.38%	4,104,439	94.91%
Nonperforming	135,920	3.25%	1,698	3.53%	82,326	83.62%	219,944	5.09%

Source: Company Filings as of March 31, 2012



# Park National Corporation

## Nonperforming loans by type

	PNB		Guardian		SE LLC		PRK	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Commercial Real Estate								
Owner Occupied	\$ 18,581	13.67%	\$ -	0.00%	\$ 10,091	12.26%	\$ 28,672	13.04%
Non-Owner Occupied	11,536	8.49%	-	0.00%	1,363	1.66%	12,899	5.86%
Residential Real Estate	47,654	35.06%	6	0.35%	32,787	39.83%	80,447	36.58%
Construction Real Estate	30,925	22.75%	-	0.00%	22,469	27.29%	53,394	24.28%
Commercial & Industrial	24,709	18.18%	-	0.00%	15,539	18.87%	40,248	18.30%
Consumer	821	0.60%	1,692	99.65%	77	0.09%	2,590	1.18%
Farmland	1,694	1.25%	-	0.00%	-	0.00%	1,694	0.77%
Leases	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total Loans	\$ 135,920	100.00%	\$ 1,698	100.00%	\$ 82,326	100.00%	\$ 219,944	100.00%

Source: Company Filings as of March 31, 2012

# Park National Corporation

## Nonperforming assets

(in thousands)	March 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Non-accrual loans	183,227	\$195,106	\$289,268	\$233,544
Renegotiated loans	34,436	28,607	-	142
Loans past due 90 days or more (still accruing)	2,281	3,489	3,590	14,773
<b>Total nonperforming loans</b>	219,944	\$227,202	\$292,858	\$248,459
Other real estate owned (OREO)	41,965	42,272	41,709	41,240
<b>Total nonperforming assets</b>	261,909	\$269,474	\$334,567	\$289,699
Percentage of nonperforming loans to loans (PRK)	5.09%	5.26%	6.19%	5.35%
Percentage of nonperforming assets to loans + OREO (PRK)	6.00%	6.18%	7.01%	6.19%
Texas Ratio (PRK)	40.62%	42.25%	47.96%	44.18%
<b>Note:</b> The Texas Ratio is calculated as total nonperforming assets divided by the sum of tangible common equity plus the allowance for loan losses.				
<b>Peer Group Information</b>				
Percentage of nonperforming loans to loans (Peer Group)	-	3.37%	4.01%	4.22%
Percentage of nonperforming assets to loans + OREO (Peer Group)	-	4.66%	5.37%	5.41%

## Vision Bank/SE Properties Holdings Nonperforming assets

(in thousands)	March 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Non-accrual loans	80,341	\$98,993	\$171,453	\$148,347
Renegotiated loans	1,985	2,265	-	-
Loans past due 90 days or more (still accruing)	-	122	364	11,277
<b>Total nonperforming loans</b>	82,326	\$101,380	\$171,817	\$159,624
Other real estate owned (OREO)	28,578	29,032	33,324	35,203
<b>Total nonperforming assets</b>	110,904	\$130,412	\$205,141	\$194,827
Percentage of nonperforming loans to loans	N.M.	N.M.	26.82%	23.58%
Percentage of nonperforming assets to loans + OREO	N.M.	N.M.	30.44%	27.35%
<b>Note:</b> The percentages above are deemed not meaningful (N.M.), as the total loans on the balance sheet at March 31, 2012 and December 31, 2011 include only the nonperforming loans and those performing loans retained from the Vision Bank sale.				
<b>Peer Group Information</b>				
Percentage of nonperforming loans to loans (PRK's Peer Group)	-	3.37%	4.01%	4.22%
Percentage of nonperforming assets to loans + OREO (PRK's Peer Group)	-	4.46%	5.37%	5.41%

## SE LLC – Charge-Off History

SE LLC – Retained Vision Bank Loan Portfolio  
Charge-Offs as a percentage of unpaid principal balance  
March 31, 2012

<i>(In thousands)</i>	<b>Unpaid Principal Balance</b>	<b>Charge-Offs</b>	<b>Net Book Balance</b>	<b>Charge-Off Percentage</b>
Nonperforming loans – retained by SE LLC	\$ 160,858	\$ 78,532	\$ 82,326	49%
Performing loans – retained by SE LLC	<u>17,348</u>	<u>1,225</u>	<u>16,123</u>	<u>7%</u>
Total SE LLC loan exposure	<u>\$ 178,206</u>	<u>\$ 79,757</u>	<u>\$ 98,449</u>	<u>45%</u>

## Park National Corporation less Vision Bank/SE Properties Holdings - Nonperforming assets

(in thousands)	March 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Non-accrual loans	102,886	\$96,113	\$117,815	\$85,197
Renegotiated loans	32,451	26,342	-	142
Loans past due 90 days or more (still accruing)	2,281	3,367	3,226	3,496
<b>Total nonperforming loans</b>	137,618	\$125,822	\$121,041	\$88,835
Other real estate owned (OREO)	13,387	13,240	8,385	6,037
<b>Total nonperforming assets</b>	151,005	\$139,062	\$129,426	\$94,872
Percentage of nonperforming loans to loans	3.26%	3.00%	2.96%	2.24%
Percentage of nonperforming assets to loans + OREO	3.56%	3.31%	3.16%	2.39%
Texas Ratio	24.05%	22.77%	24.73%	18.45%
<b>Note:</b> The Texas Ratio is calculated as total nonperforming assets divided by the sum of tangible common equity plus the allowance for loan losses.				
<b>Peer Group Information</b>				
Percentage of nonperforming loans to loans (PRK's Peer Group)	-	3.37%	4.01%	4.22%
Percentage of nonperforming assets to loans + OREO (PRK's Peer Group)	-	4.46%	5.37%	5.41%

## 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
<b>1Q 2012</b>	162%	N/A	182%	N/A	12.5 *	N/A	5.4 **	N/A
<b>2011</b>	156%	109%	176%	135%	13.1	14.7	5.8	2.4
<b>2010</b>	177%	127%	202%	155%	21.1	17.8	5.2	2.1
<b>2009</b>	141%	105%	163%	140%	12.2	16.9	6.4	2.5
<b>2008</b>	183%	135%	217%	211%	14.6	15.7	5.3	2.9
<b>2007</b>	155%	138%	207%	206%	11.9	13.2	5.8	3.3
<b>2006</b>	242%	206%	280%	291%	14.7	17.1	3.8	2.3
<b>2005</b>	259%	204%	296%	268%	15.5	15.5	3.6	2.3
<b>2004</b>	345%	238%	372%	307%	21.4	18.1	2.7	2.1
<b>2003</b>	301%	219%	309%	283%	18.9	16.9	3.1	2.1
<b>2002</b>	281%	194%	290%	229%	16.9	13.9	3.4	2.4

\* Calculated for the twelve months ended March 31, 2012.

\*\* Annualized based on dividends and stock price through March 31, 2012.

## Park National Corporation – Tax equivalent yield

	Tax equivalent yield				
	<u>Dec. 31, 2009</u>	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2011</u>	<u>March 31, 2012</u>	<u>2012 Projection</u>
Loans	6.03%	5.80%	5.60%	5.52%	
Taxable investments	4.90%	4.44%	3.74%	3.33%	
Tax exempt investments	7.45%	7.24%	7.15%	7.05%	
Money market instruments	0.22%	0.22%	0.23%	0.25%	
Interest earning assets	5.67%	5.36%	5.03%	4.81%	4.67%
Interest bearing deposits	1.53%	0.98%	0.66%	0.56%	
Short-term borrowings	0.76%	0.39%	0.28%	0.29%	
Long-term debt	3.38%	3.91%	3.42%	3.38%	
Interest bearing liabilities	1.73%	1.35%	1.09%	1.05%	1.04%
Net interest spread	3.94%	4.01%	3.94%	3.76%	3.63%
Net interest margin	4.22%	4.26%	4.14%	3.97%	3.84%

Source: Company Filings as of March 31, 2012

## PRK short interest position

<u>Date</u>	<u>Short Interest Position</u>	<u>PRK Closing Price</u>	<u>Average Annual Daily Volume</u>	<u>Days to Cover Short Position</u>
04/30/2012	1,426,107	\$ 67.25	35,267 *	40.4
12/30/2011	1,654,098	\$ 65.06	50,130	33.0
12/31/2010	922,074	\$ 72.67	38,840	23.7
12/31/2009	1,127,086	\$ 58.88	51,959	21.7
12/31/2008	1,052,361	\$ 71.75	59,665	17.6
12/31/2007	1,275,369	\$ 64.50	38,166	33.4
12/15/2006	554,641	\$ 99.76	18,717	29.6
12/15/2005	437,661	\$ 108.00	16,147	27.1
12/15/2004	237,656	\$ 139.61	14,531	16.4
12/15/2003	62,334	\$ 106.95	7,691	8.1
12/13/2002	100,099	\$ 93.57	10,782	9.3

\* Average daily volume is for the four months ended April 30, 2012.



## PRK short interest comparison to peers

<u>Entity</u>	<u>Shares Outstanding</u>	<u>Short Interest Position</u>	<u>Average Daily Volume in 2012</u>	<u>Days to Cover</u>	<u>Short Interest as a % of Total Shares Outstanding</u>
PRK	15,405,905	1,426,107	35,267	40.4	9.26%
Midwest Peer Median	58,300,000	2,652,880	270,687	9.8	4.55%
Midwest Peer Average	76,447,368	3,354,824	465,318	7.2	4.39%

**Note:** Midwest peers consist of 20 peer bank holding companies with \$3 - \$10 billion in total assets.

## Why invest in Park National Corporation?

- Unique, localized business model makes us the bank of choice for customers.
- History of dividend payments to shareholders and a strong dividend yield.
- Favorably positioned to take advantage of growth opportunities in our markets, largely caused by industry dislocation, increased regulations and fatigue.
- Park's short interest position is high compared to both historic levels and peer group. As short interest position returns to historic levels, our stock price should react favorably.
- Experienced leadership team with proven knowledge of local markets.
- Management expects the Ohio franchise will earn \$90 - \$93 million in 2012. Using a P/E ratio of 13, implies a stock price of \$75 to \$80.

# **Raymond James Ohio Bank Tour**

May 24, 2012