

# **Annual Shareholders' Meeting**

April 23, 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.

## Net income by operating segment

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

## Park National Corporation (PRK) – Income Statement

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

## Restatement – December 31, 2010

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

# PARK NATIONAL CORPORATION

## Statement of Condition

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



## SE Property Holdings, LLC – Retained Vision Bank balance sheet

<u>(in thousands)</u>	<u>March 31, 2012</u>	<u>February 16, 2012</u>
Assets		
Cash	\$ 16,049	\$ 10,366
Loans	98,449	110,162
OREO	28,578	29,450
Other assets	<u>18,417</u>	<u>18,334</u>
<b>Total Assets</b>	<b><u>\$ 161,493</u></b>	<b><u>\$ 168,312</u></b>
Liabilities & equity		
Borrowings	\$ 140,000	\$ 30,000
Other liabilities	4,623	7,436
Equity	<u>16,870</u>	<u>130,876</u>
<b>Total liabilities &amp; equity</b>	<b><u>\$ 161,493</u></b>	<b><u>\$ 168,132</u></b>

# Park National Corporation

## Non-performing 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 Non-performing 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%

Source: BHC Performance Report and Company Filings

## Park National Corporation less Vision Bank/SE Properties Holdings - Non-performing 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%

## 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

# 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.

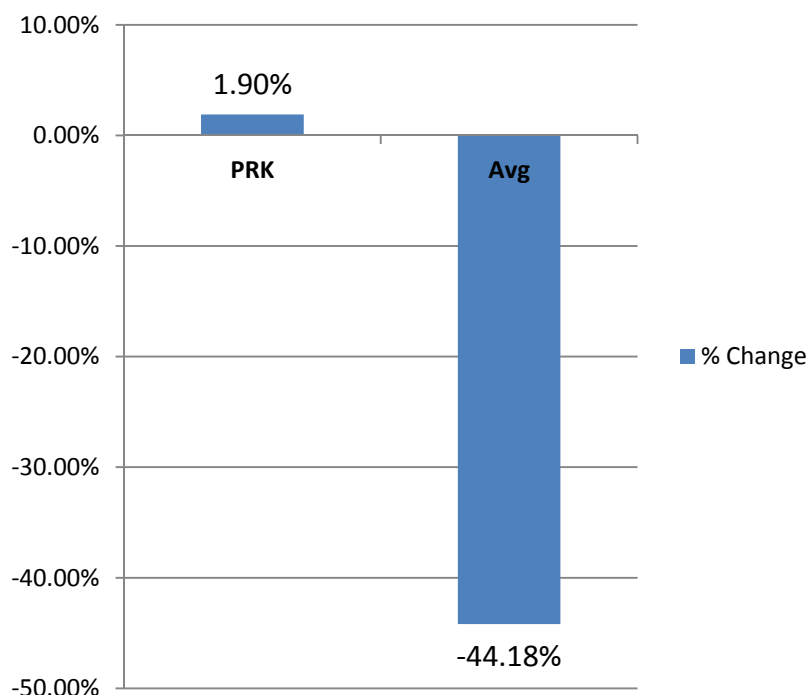
# PRK Earnings History

	<u>Diluted EPS</u>	<u>Dividends Per Share</u>	<u>Period End Stock Price</u>	<u>Common Book Value Per Share</u>	<u>Tangible Common Book Value Per Share</u>
1Q 2012	\$ 1.95	\$0.94	\$69.17	\$42.71	\$37.97
<b>2011</b>	4.95	3.76	65.06	41.82	36.96
<b>2010</b>	3.45	3.76	72.67	41.07	35.98
<b>2009</b>	4.82	3.76	58.88	41.71	36.22
<b>2008</b>	4.91 *	3.77	71.75	39.15	33.02
<b>2007</b>	5.40 *	3.73	64.50	41.54	31.18
<b>2006</b>	6.74	3.69	99.00	40.98	35.37
<b>2005</b>	6.64	3.62	102.64	39.63	34.72
<b>2004</b>	6.32	3.41	135.50	39.28	36.43
<b>2003</b>	5.97	3.21	113.15	37.57	36.67
<b>2002</b>	5.86	2.96	98.80	35.17	34.06

\* Adjusted for goodwill impairment charge of \$55 million in 2008 and \$54 million in 2007. Including the goodwill impairment charges, Park's diluted EPS for 2008 and 2007 was \$0.97 and \$1.60, respectively.

## PRK comparison to Midwest peers – Dividend history

**% Change in Dividends Per Share  
(2006-2011)**



Bank	% Change (2006-2011)
Park National Corporation	1.90%
Midwest Peer Average	-44.18%
UMB Financial Corporation	53.40%
1st Source Corporation	22.65%
First Financial Bancorp	21.88%
Independent Bank Corp.	18.75%
Chemical Financial Corporation	-27.93%
Wintrust Financial Corporation	-35.71%
WesBanco, Inc.	-41.51%
FirstMerit Corporation	-43.04%
S&T Bancorp, Inc.	-48.72%
F.N.B. Corporation	-48.94%
Old National Bancorp	-55.56%
Fulton Financial Corporation	-65.55%
First Commonwealth Financial Corporation	-82.35%
PrivateBancorp, Inc.	-83.33%
National Penn Bancshares, Inc.	-85.70%
Susquehanna Bancshares, Inc	-91.75%
First Merchants Corporation	-95.65%
First Midwest Bankcorp, Inc	-96.43%
Taylor Capital Group, Inc.	-100.00%



## PRK comparison to peers

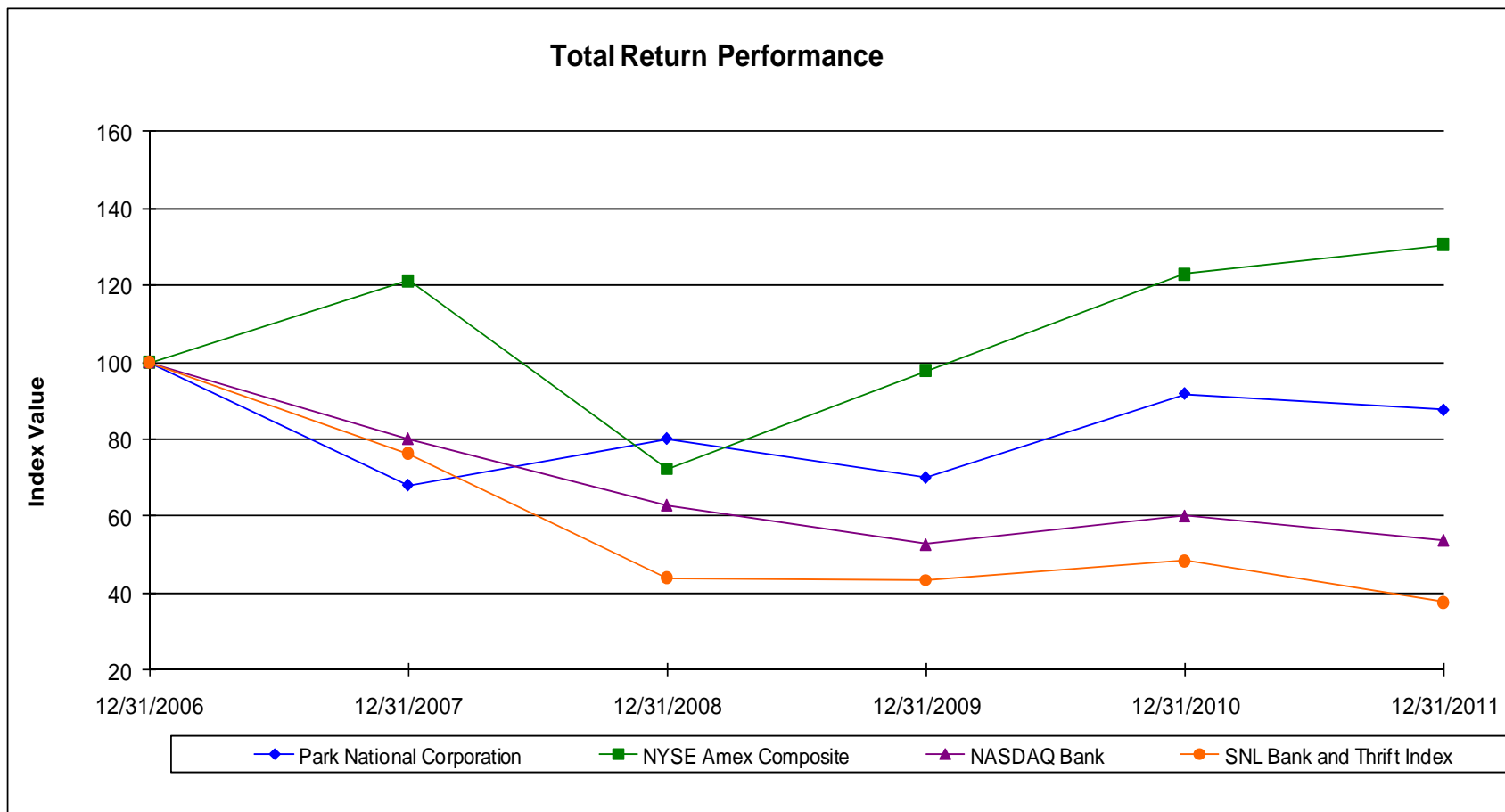
	PRK Price to Book %	Peer Group Price to Book %	PRK Price to tangible book	Peer Group Price to Tangible Book %	PRK Price to Earnings	Peer Group Price to Earnings	PRK Dividend Yield	Peer Group Dividend Yield
<b>1Q 2012</b>	162%	N/A	182%	N/A	13.7 *	N/A	5.4 **	N/A
<b>2011</b>	156%	109%	176%	135%	13.1	14.7	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

\* Annualized earnings through March 31, 2012 have been utilized in this calculation. This calculation assumes the only non-core income from 2012 is the gain on the sale of Vision Bank, which was not annualized.

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

# Total Return Performance

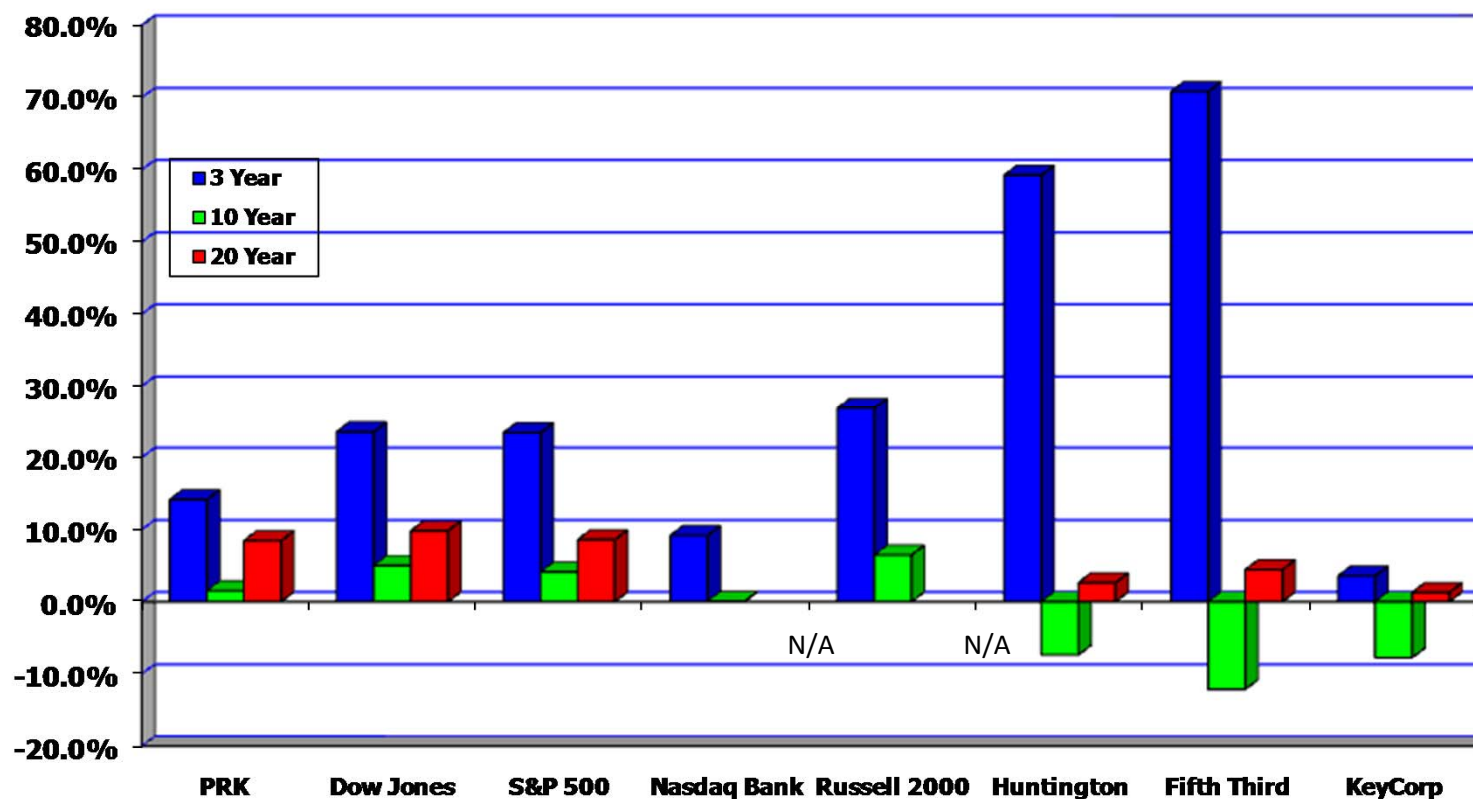
## Park National Corporation



The total return stock performance graph depicts the yearly percentage change in Park's cumulative total shareholder return over the latest 5-year fiscal periods. Calculations include the reinvestment of dividends and are indexed to the base year's measurement point (closing price on last trading day before the beginning of the registrant's fifth preceding fiscal year).

# Analysis of Total Return

PRK, various indices and other Ohio bank holding companies



## 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>
03/30/2012	1,405,458	\$ 69.17	35,126 *	40.0
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 three months ended March 31, 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	1,405,458	35,126	40.0	9.12%
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 are consistent with the peer group listed on slide 15.



## 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

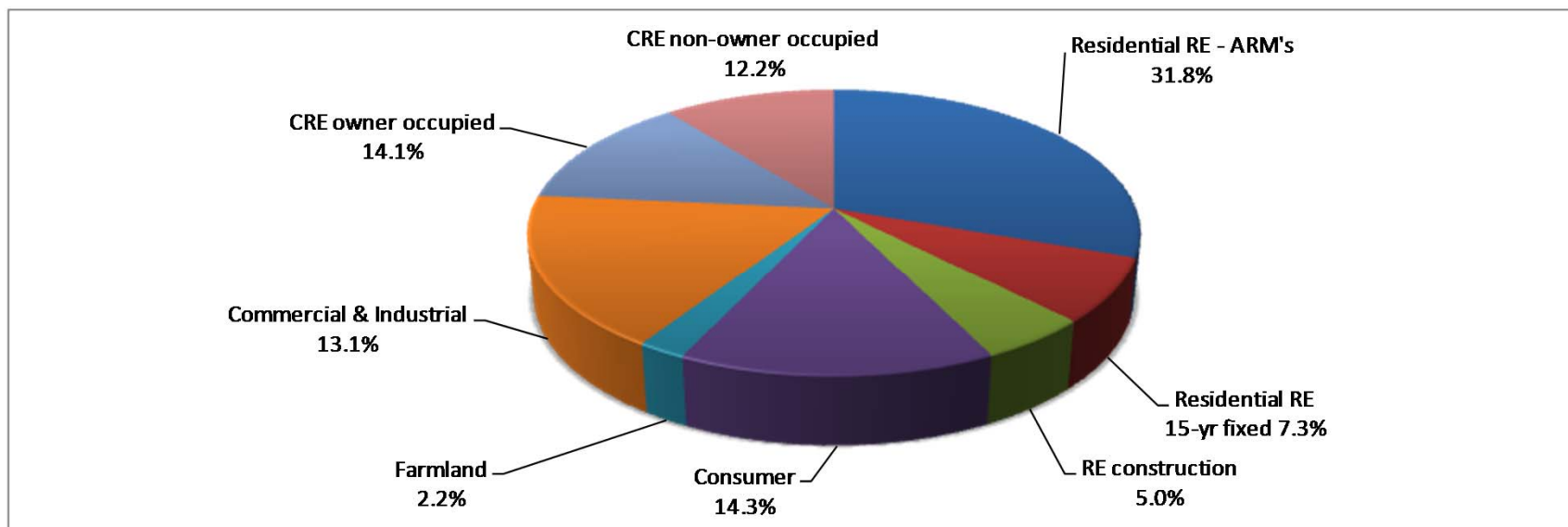
## The Park National Bank – The bank of choice

### 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			

## 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



**Total loan portfolio (\$M): \$4,317**



# The Park National Bank Income Statement

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

## 2011 PRK Agenda

- A. Maintain dividend at current level  
Yes
- B. Increase net income  
Yes / No
- C. Improve loan quality; reduce troubled assets  
Yes
- D. Complete implementation of “Service Excellence” initiative  
Yes
- E. Continue process and technology improvement initiatives  
Yes
- F. Capital funding alternatives (TARP/CPP)  
No
- G. M & A analysis; branch office review  
Yes

## 2012 PRK Agenda

- A. Maintain dividend at current level
- B. Increase net income
- C. Improve loan quality; reduce troubled assets
- D. Continued customer focus through ongoing Service Excellence initiative
- E. Continue process and technology improvement initiatives
- F. Repay TARP
- G. Complete Vision Bank sale (completed February 16, 2012)
- H. M & A analysis; branch office review

## TARP Repayment Plans

- As disclosed in a current report on Form 8-K issued on April 20, 2012, Park received approval from the United States Department of Treasury (“UST”) to redeem the \$100 million in cumulative perpetual preferred shares (“the preferred shares”), which were issued by Park to the UST on December 23, 2008 as part of the Capital Purchase Program (“CPP”).
- Park will enter into a Repurchase Letter Agreement with the UST and pay off the \$100 million (and unpaid accrued dividends) of preferred shares on Wednesday April 25, 2012, which is the earliest possible date available for the redemption.
- 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.

# Capital Ratios

Capital Ratios @ December 31, 2011

(\$ in thousands)

	Leverage Ratio	Tier I Risk- Based Capital	Risk-Based Capital
<b>Park National Corporation</b>	9.81%	14.15%	16.65%
<b>Park National Bank</b>	6.58%	9.52%	11.46%
<b>Vision Bank</b>	15.89%	23.42%	24.72%
<b>Regulatory minimum capital ratio</b>	4.00%	4.00%	8.00%
<b>Regulatory well capitalized ratio</b>	5.00%	6.00%	10.00%
<b>PRK exceeds the well capitalized ratio by</b>	\$ 338,537	\$ 397,717	\$ 324,449
<b>TARP capital</b>	\$ 100,000	\$ 100,000	\$ 100,000
<b>PRK capital ratios, excluding TARP capital</b>	8.30%	11.97%	14.47%
<b>PRK capital ratios at March 31, 2012</b>	10.35%	15.35%	17.91%
<b>PRK capital ratios, excluding TARP capital at March 31, 2012</b>	8.79%	13.04%	15.60%

### Definitions

Leverage ratio = Tier 1 capital / Average total consolidated assets

Tier I risk-based capital ratio = Tier 1 capital / Risk-adjusted assets

Risk-based capital ratio = Total capital (Tier 1 and Tier 2) / Risk-adjusted assets

## PRK Strategic Plan

### *Mission Statement:*

“...to maximize long-term return to our shareholders...”

### First Declaration:

To act at all times with integrity and with concern for the well-being of our customers, our community, and all of us who work here.

## 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.
- Park's average P/E ratio over the past 10 years was 17.4. Management expects the Ohio franchise will earn \$90 - \$93 million in 2012.

# **Annual Shareholders' Meeting**

April 23, 2012