



# **Park National Corporation**

**December 31, 2016**

# 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, including 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 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 and changes in laws and regulations concerning taxes, pensions, bankruptcy, consumer protection, accounting, bank products and services, 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, the Budget Control Act of 2011, the American Taxpayer Relief Act of 2012, the JOBS Act, the FAST Act 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; 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 United Kingdom's exit from the European Union and its consequences; our litigation and regulatory compliance 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 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, 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 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.



Century National Bank  
 Fairfield National Bank  
 Farmers Bank  
 First-Knox National Bank  
 The Park National Bank  
 The Park National Bank of  
 Southwest Ohio & Northern Kentucky

Richland Bank  
 Second National Bank  
 Security National Bank  
 United Bank, N.A.  
 Unity National Bank  
 Ⓢ Scope Aircraft Finance  
 Ⓞ Guardian Finance Company

**Park National Corporation (PRK) Profile**  
 (as of December 31, 2016)

- 11 Community Bank Divisions
- 2 Specialty Finance Companies
- One non-bank workout subsidiary
- 29 Ohio counties
- 111 bank branches
- 6 specialty finance offices
- 1,726 FTEs

# Leadership Team

## Park Executive Management

- **David L. Trautman – President and CEO– Age: 55**

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 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, member of Newark Rotary Club, past campaign chair for United Way of Licking County, and serves as a Trustee of the Licking County Foundation and Dawes Arboretum.

- **C. Daniel DeLawder – Chairman – Age: 67**

Chairman and Board Member of The Park National Bank and Park National Corporation 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 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 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 Executive Management (continued)

- **Brady T. Burt – Chief Financial Officer – Age: 44**

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

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 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. 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.

- **Matthew R. Miller – Chief Accounting Officer – Age: 38**

Chief Accounting Officer of Park since 2012. He served previously as an Accounting Vice President with Park beginning in April 2009.

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. In addition, he currently is vice chair of the Next Generation Advisory Board of the Ohio Bankers League, is board president of the YMCA of Licking County, 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 and is a member of the Granville Rotary Club.

# 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	55	33	33
C. Daniel DeLawder	Chairman	67	45	45
Brady T. Burt	Chief Financial Officer	44	10	16

# Leadership Team – continued

Name	Position	Age	Years with PRK	Years In Industry
Adrienne M. Brokaw	SVP – Director of Internal Audit	48	3	17
Thomas J. Button	SVP – Chief Credit Officer	56	19	30
Thomas M. Cummiskey	SVP – Trust	47	17	19
Robert N. Kent, Jr.	President – Scope Aircraft Finance	59	13	33
Timothy J. Lehman	SVP and Chief Operating Officer	52	21	21
Laura B. Lewis	SVP – Human Resources & Marketing	57	32	32
Matthew R. Miller	SVP – Chief Accounting Officer	38	8	14
Jason L. Painley	SVP – Chief Risk Officer	39	5	16
Greg M. Rhoads	VP – Chief Information Officer	39	14	14
Cheryl L. Snyder	SVP – Consumer Banking	60	37	39
Paul E. Turner	SVP - Treasury	49	26	26
Jeffrey A. Wilson	SVP – Chief Administrative Officer	50	12	20

# Affiliate Leadership

Name	Position	Age	Years with PRK/Affiliate	Years In Industry
Brett A. Baumeister	President – Unity National Bank	50	12	26
John A. Brown	President – Security National Bank	47	25	25
David J. Gooch	President – Park National Bank of Southwest Ohio & Northern Kentucky	47	19	25
Chris R. Hiner	President – Richland Bank	33	10	10
Brian R. Hinkle	President – Farmers & Savings Bank	39	11	15
Thomas M. Lyll	Chairman – Century National Bank	70	45	45
Matthew R. Marsh	President – Guardian Finance Company	51	17	28
Patrick L. Nash	President – Century National Bank	52	29	29
Vickie A. Sant	President – First-Knox National Bank	61	41	41
Donald R. Stone	President – United Bank	59	20	32
John E. Swallow	President – Second National Bank	60	31	41
Stephen G. Wells	President – Fairfield National Bank	55	32	32



# Highlights of 2016

- Loan growth of \$86.3 million in 4Q 2016 (6.67% annualized) and \$205.8 million in 2016 (4.09%) at Park's Ohio subsidiary, The Park National Bank.
- Credit quality remains strong: Park National Corporation experienced net charge-offs of 2 basis points in 2016, and Park National Bank recognized net charge-offs of 16 basis points in 2016.
- Continued reduction of SEPH (formerly Vision) nonperforming assets. At December 31, 2016, the carrying value of SEPH's nonperforming assets were approximately \$29.8 million, including \$9.6 million of participations at Park National Bank, down from \$36.2 million and \$9.8 million, respectively, at December 31, 2015.
- On October 20, 2016, Park prepaid \$50 million of FHLB advances, incurring a \$5.6 million prepayment penalty. These advances had a maturity date of November 13, 2023, and an expected annual expense of approximately \$1.6 million.

# 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 <sup>1</sup>	Park ROAE, excluding VB & SEPH <sup>2</sup>	Peer median ROAE
2016	1.16%	1.08%	1.00% <sup>4</sup>	11.68%	11.03%	9.12% <sup>4</sup>
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% <sup>3</sup>	1.63%	(0.06)%	12.12% <sup>3</sup>	21.57%	(2.01)%
2007	1.24% <sup>3</sup>	1.52%	0.87%	12.40% <sup>3</sup>	17.88%	9.45%
2006	1.75%	1.75%	1.11%	17.26%	17.26%	12.23%
<b>Average 2006 – 2015</b>	<b>1.14%</b>	<b>1.45%</b>	<b>0.68%</b>	<b>12.05%</b>	<b>16.48%</b>	<b>6.01%</b>

<sup>1</sup> Calculated using average common equity for Park National Corporation.

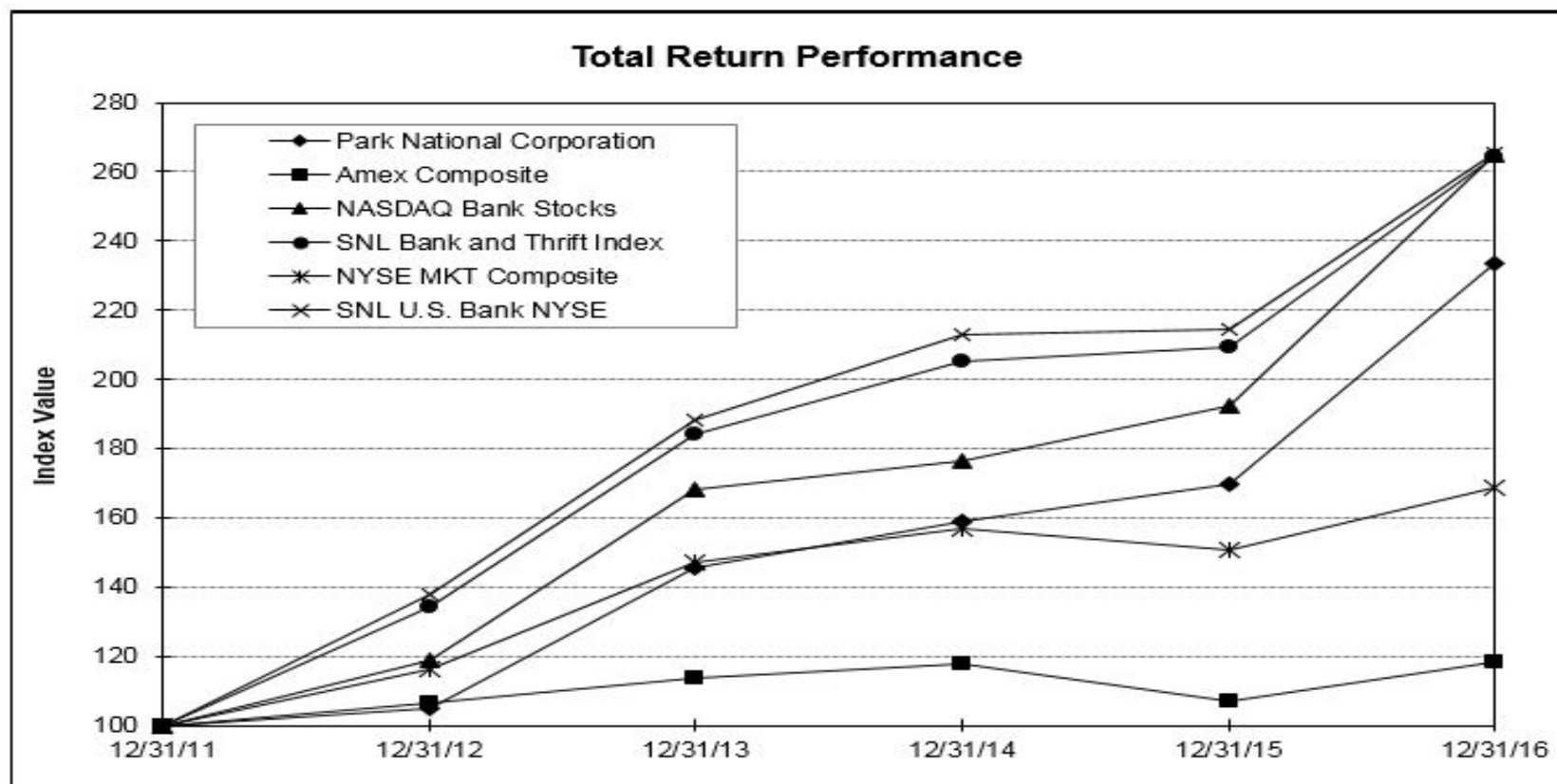
<sup>2</sup> Calculated using average common equity for Park National Corporation, excluding Vision Bank and SE Property Holdings, LLC.

<sup>3</sup> 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.

<sup>4</sup> Due to unavailability of 4Q 2016 peer median financial metrics, data utilized herein reflects 3Q 2016 peer results.

# Total Return Performance

## Park National Corporation



The total return performance graph depicts the yearly change in Park's cumulative total shareholder return over the five-year period from December 31, 2011 to December 31, 2016. 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 Parks' fifth preceding fiscal year).

# 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 2016 Market Share	% of 2015 Market Share	2016 Headquarter County Market Share Rank	2015 Headquarter County Market Share Rank
Park National	1908	\$1,554,977	\$2,506,245	62.04%	62.98%	1	1
Fairfield National	1985	374,719	2,005,731	18.68%	20.58%	1	1
Richland Bank	1987	529,316	1,814,562	29.17%	28.94%	1	1
Century National	1990	462,466	1,363,558	33.92%	33.51%	1	1
First-Knox National	1997	527,959	856,851	61.62%	60.70%	1	1
Second National	2000	276,029	1,116,268	24.73%	24.11%	2	2
Security National	2001	478,881	1,478,541	32.39%	32.82%	1	1
Seven largest OH divisions		\$4,204,347	\$11,141,756	37.74%	38.06%		
Other OH divisions – headquarter counties		596,693	5,195,471	11.48%	11.30%		
Total OH divisions – headquarter counties		\$4,801,040	\$16,337,227	29.39%	29.66%		
Remaining Ohio bank deposits		\$926,030					
Total Ohio bank deposits		\$5,727,070					

## Park National Corporation – Income Statement

(in thousands)	Q4 2016	Q3 2016	Q2 2016	Q1 2016	2016	2015	2014
Net interest income	\$ 62,249	\$ 58,533	\$ 57,485	\$ 59,819	\$ 238,086	\$ 227,632	\$ 225,044
(Recovery of) provision for loan losses	(1,282)	(7,366)	2,637	910	(5,101)	4,990	(7,333)
Other income	22,071	20,535	18,736	17,389	78,731	77,551	75,549
Other expense	57,062	46,756	45,306	49,899	199,023	186,614	187,510
Income before income taxes	\$ 28,540	\$ 39,678	\$ 28,278	\$ 26,399	\$ 122,895	\$113,579	\$ 120,416
Federal income taxes	8,538	12,229	8,280	7,713	36,760	32,567	36,459
Net income	\$ 20,002	\$ 27,449	\$ 19,998	\$ 18,686	\$ 86,135	\$ 81,012	\$ 83,957

# PARK NATIONAL CORPORATION

## Statement of Condition

<u>(in millions)</u>	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
Investment securities	\$ 1,580	\$ 1,644	\$ 1,501
Loans	5,272	5,068	4,830
Allowance for loan losses	(51)	(56)	(54)
Other assets	667	655	724
<b>Total assets</b>	<b>\$ 7,468</b>	<b>\$ 7,311</b>	<b>\$ 7,001</b>
Non-interest bearing deposits	\$ 1,523	\$ 1,404	\$ 1,269
Interest bearing deposits	3,999	3,944	3,859
Total deposits	\$ 5,522	\$ 5,348	\$ 5,128
Total borrowings	1,134	1,177	1,109
Other liabilities	70	73	67
Stockholders' equity	742	713	697
<b>Total liabilities &amp; shareholders' equity</b>	<b>\$ 7,468</b>	<b>\$ 7,311</b>	<b>\$ 7,001</b>

## Quarterly Net Income by Operating Segment

<i>(In thousands)</i>	Q4 2016	Q3 2016	Q2 2016	Q1 2016	2016	2015	2014
<b>PNB</b>	\$16,138	\$25,491	\$21,078	\$21,744	\$84,451	\$84,345	\$82,907
<b>GFSC</b>	263	640	626	(1,836)	(307)	1,423	1,175
<b>Park Parent Company <sup>1</sup></b>	(989)	(665)	(1,069)	(1,834)	(4,557)	(4,549)	(5,050)
<b>Ongoing operations</b>	\$15,412	\$25,466	\$20,635	\$18,074	\$79,587	\$81,219	\$79,032
<b>SEPH</b>	4,590	1,983	(637)	612	6,548	(207)	4,925
<b>Total Park</b>	\$20,002	\$27,449	\$19,998	\$18,686	\$86,135	\$81,012	\$83,957

<sup>1</sup> 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.

# The Park National Bank Income Statement

<i>(In thousands)</i>	Q4 2016	Q3 2016	Q2 2016	Q1 2016	2016	2015	2014
<b>Net interest income</b>	\$ 57,382	\$ 57,033	\$ 56,006	\$ 57,155	\$ 227,576	\$ 220,879	\$ 218,641
<b>Provision for (recovery of) loan losses</b>	3,061	(3,345)	1,362	1,533	2,611	7,665	3,517
<b>Other income</b>	19,793	19,279	18,508	17,223	74,803	75,188	69,384
<b>Other expense</b>	51,144	42,327	42,731	41,360	177,562	167,476	163,641
<b>Income before income taxes</b>	\$ 22,970	\$ 37,330	\$ 30,421	\$ 31,485	\$ 122,206	\$ 120,926	\$ 120,867
<b>Federal income taxes</b>	6,832	11,839	9,343	9,741	37,755	36,581	37,960
<b>Net income</b>	\$ 16,138	\$ 25,491	\$ 21,078	\$ 21,744	\$ 84,451	\$ 84,345	\$ 82,907



# Park National Bank

## Statement of Condition

<i>(In thousands)</i>	December 31, 2016	December 31, 2015	% change from 12/31/15
<b>Loans</b>	\$ 5,234,828	\$ 5,029,072	4.09%
<b>Allowance for loan losses</b>	48,782	54,453	(10.41%)
<b>Net loans</b>	5,186,046	4,974,619	4.25%
<b>Investment securities</b>	1,573,320	1,641,539	(4.16%)
<b>Total assets</b>	7,389,538	7,229,764	2.21%
<b>Average assets <sup>(1)</sup></b>	7,337,438	7,219,898	1.63%
<b>Return on average assets</b>	1.15%	1.17%	(1.71%)

(1) Average assets for the fiscal years ended December 31, 2016 and 2015.

# 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

	<u>12/31/2016</u>	<u>9/30/2016</u>	<u>12/31/2015</u>	<u>% Change from</u>	
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>9/30/2016</u>	<u>12/31/2015</u>
Commercial Real Estate					
Owner Occupied	\$ 465,603	\$ 463,946	\$ 507,572	0.36%	(8.27%)
Non-Owner Occupied	553,540	545,480	479,584	1.48%	15.42%
Residential Real Estate	1,796,894	1,818,335	1,843,525	(1.18%)	(2.53%)
Construction Real Estate	188,945	184,275	171,301	2.53%	10.30%
Commercial & Industrial	995,563	958,745	958,767	3.84%	3.84%
Consumer	1,094,480	1,042,523	939,020	4.98%	16.56%
Farmland	136,560	131,576	126,447	3.79%	8.00%
Leases	3,243	3,602	2,856	(9.97%)	13.55%
<b>Total Loans</b>	<b>\$ 5,234,828</b>	<b>\$ 5,148,482</b>	<b>\$ 5,029,072</b>	<b>1.68%</b>	<b>4.09%</b>

# Park National Corporation

## Nonperforming assets

(in thousands)

	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014
Non-accrual loans <sup>1</sup>	\$ 87,822	\$ 95,887	\$ 100,393
Renegotiated loans <sup>1</sup>	18,175	24,979	16,254
Loans past due 90 days or more (still accruing)	2,086	1,921	2,641
<b>Total nonperforming loans</b>	<b>\$ 108,083</b>	<b>\$ 122,787</b>	<b>\$ 119,288</b>
Other real estate owned (OREO)	13,926	18,651	22,605
<b>Total nonperforming assets <sup>2</sup></b>	<b>\$ 122,009</b>	<b>\$ 141,438</b>	<b>\$ 141,893</b>
Percentage of nonaccrual loans and loans 90+ days past due to loans (PRK)	1.71%	1.93%	2.13%
Percentage of nonaccrual, restructured and OREO to assets (PRK)	1.61%	1.91%	1.99%
Texas Ratio (PRK)	16.93%	20.28%	20.85%
<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>	<b>Sep. 30, 2016</b>	<b>Dec. 31, 2015</b>	<b>Dec. 31, 2014</b>
Percentage of nonaccrual loans and loans 90+ days past due to loans (Peer Group)	0.64%	0.74%	1.13%
Percentage of nonaccrual, restructured and OREO to assets (Peer Group)	0.77%	0.90%	1.23%

<sup>1</sup> The carrying balance of impaired commercial loans as a percentage of unpaid principal balance at December 31, 2016 was 73.3% and 52.3% for Park National Corporation and SEPH, respectively.

<sup>2</sup> At December 31, 2016, Vision/SEPH participations included in Park National Corporation's nonperforming assets were approximately \$9.5 million.

Source: BHC Performance Report and Company Filings

## Park National Corporation less Vision Bank/SEPH Nonperforming Assets

(in thousands)	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014
Non-accrual loans	\$ 76,084	\$ 81,468	\$ 77,477
Renegotiated loans	18,175	24,979	16,157
Loans past due 90 days or more (still accruing)	2,086	1,921	2,641
<b>Total nonperforming loans</b>	<b>\$ 96,345</b>	<b>\$ 108,368</b>	<b>\$ 96,275</b>
Other real estate owned (OREO) – PNB	6,025	7,456	10,687
<b>Total nonperforming assets</b>	<b>\$ 102,370</b>	<b>\$ 115,824</b>	<b>\$ 106,962</b>
Percentage of nonaccrual loans and loans 90+ days past due to loans (PNB and Guardian)	1.49%	1.65%	1.67%
Percentage of nonaccrual, restructured and OREO to assets (PNB and Guardian)	1.36%	1.57%	1.51%
Texas Ratio	14.66%	16.98%	16.09%
<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>	<b>Sep. 30, 2016</b>	<b>Dec. 31, 2015</b>	<b>Dec. 31, 2014</b>
Percentage of nonaccrual loans and loans 90+ days past due to loans (PRK Peer Group)	0.64%	0.74%	1.13%
Percentage of nonaccrual, restructured and OREO to assets (PRK Peer Group)	0.77%	0.90%	1.23%

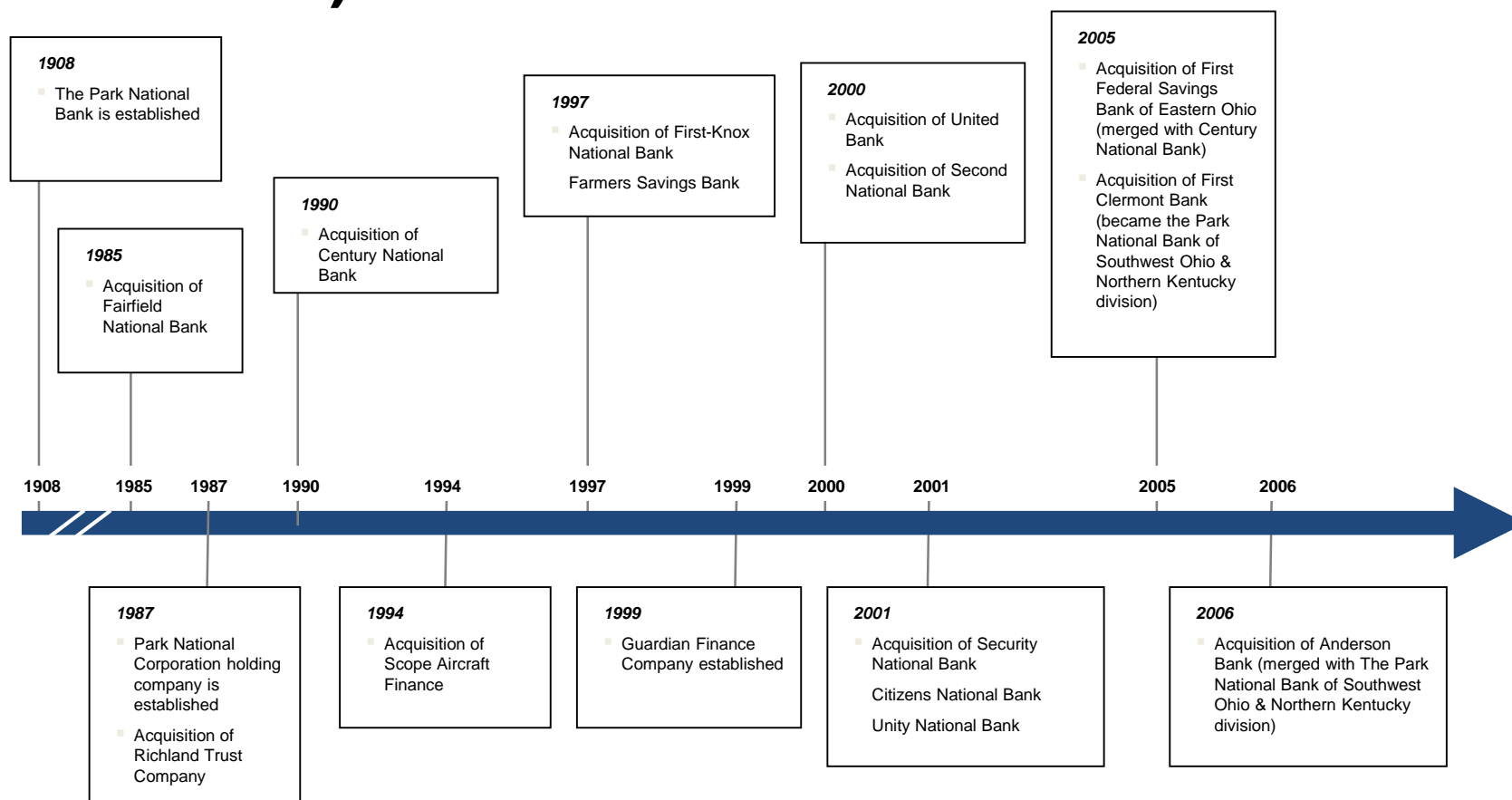
## PRK comparison to peers

	<u>PRK Price to Book %</u>	<u>Peer Group Price to Book %</u>	<u>PRK Price to tangible book</u>	<u>Peer Group Price to Tangible Book %</u>	<u>PRK Price to Earnings</u>	<u>Peer Group Price to Earnings</u>	<u>PRK Dividend Yield</u>	<u>Peer Group Dividend Yield</u>
<b>2016</b>	247%	134% <sup>1</sup>	274%	168% <sup>1</sup>	21.4	15.8 <sup>1</sup>	3.1	2.1 <sup>1</sup>
<b>2015</b>	194%	136%	216%	168%	17.2	16.2	4.2	2.1
<b>2014</b>	196%	146%	218%	178%	16.2	19.8	4.2	1.9
<b>2013</b>	202%	170%	227%	192%	17.0	19.9	4.4	2.1
<b>2012</b>	153%	117%	172%	145%	13.2	13.4	5.8	2.8
<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

<sup>1</sup> Due to unavailability of 4Q 2016 peer median financial metrics, data utilized herein reflects 3Q 2016 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)



# PRK M&A Strategy

Two prong strategy guidelines:

- **Traditional M&A**
  - Strong franchise, good reputation
  - Good market share
  - Existing leadership continuity
  - Traditional community bank structure
  - Core deposits
- **Metro Strategy** – 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



## 2017 PRK Agenda

- A. Increase Net Income  $\geq$  \$90 million
- B. Maintain common dividend at historic rate
- C. Perform in upper quintile of \$3-\$10 billion bank holding company peer group
- D. Reduce PRK NPA's from \$122 million to \$85 million
- E. Cultivate and respond promptly to M & A possibilities





# **Park National Corporation**

**December 31, 2016**