



NEWS RELEASE

Park National Corporation reports financial results for third quarter and first nine months of 2023

10/23/2023

NEWARK, Ohio, Oct. 23, 2023 (GLOBE NEWSWIRE) -- Park National Corporation (Park) (NYSE American: PRK) today reported financial results for the third quarter and the first nine months of 2023. Park's board of directors declared a quarterly cash dividend of \$1.05 per common share, payable on December 8, 2023, to common shareholders of record as of November 17, 2023.

"In uncertain times, customers and prospects tell us they value predictability, consistency and access to their banker...Park bankers provide all three," Park Chairman and Chief Executive Officer David Trautman said. "We are pleased to report another quarter of impressive loan growth, which underscores our bankers' dedication to provide financial solutions that meet the evolving needs of our customers."

Park's net income for the third quarter of 2023 was \$36.9 million, a 12.2 percent decrease from \$42.1 million for the third quarter of 2022. Third quarter 2023 net income per diluted common share was \$2.28, compared to \$2.57 for the third quarter of 2022. Park's net income for the first nine months of 2023 was \$102.2 million, a 11.3 percent decrease from \$115.3 million for the first nine months of 2022. Net income per diluted common share for the first nine months of 2023 was \$6.29, compared to \$7.05 for the first nine months of 2022.

Park's total loans increased 2.0 percent (7.8 percent annualized) during the third quarter of 2023.

"Our disciplined approach to managing interest rate risk allowed us to maintain a strong net interest margin," said Park President Matthew Miller. "These results reflect Park's strong core deposit base and the ongoing efforts of our bankers to expand and develop lending relationships, protecting the interests of our customers and shareholders."

Park's community-banking subsidiary, The Park National Bank, reported net income of \$40.8 million for the third quarter of 2023, a 29.4 percent increase compared to \$31.5 million for the same period of 2022. The Park National Bank reported net income of \$112.5 million for the first nine months of 2023, a 4.3 percent increase compared to \$107.9 million for the same period of 2022.

Headquartered in Newark, Ohio, Park National Corporation has \$10.0 billion in total assets (as of September 30, 2023). Park's banking operations are conducted through its subsidiary The Park National Bank. Other Park subsidiaries are Scope Leasing, Inc. (d.b.a. Scope Aircraft Finance), Guardian Financial Services Company (d.b.a. Guardian Finance Company) and SE Property Holdings, LLC.

Complete financial tables are listed below.

Category: Earnings

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Park cautions that any forward-looking statements contained in this news release 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 as well as our ability to manage strategic initiatives;
- current and future economic and financial market conditions, either nationally or in the states in which Park and our subsidiaries do business, that may reflect deterioration in business and economic conditions, including the effects of higher unemployment rates or labor shortages, the impact of persistent inflation, the impact of continued elevated interest rates, changes in the economy or global supply chain, supply-demand imbalances affecting local real estate prices, U.S. fiscal debt, budget and tax matters, geopolitical matters (including the impact of the Russia-Ukraine conflict and associated sanctions and export controls as well as Israel-Hamas conflict), and any slowdown in global economic growth, any of which may result in adverse impacts on the demand for loan, deposit and other financial services, delinquencies, defaults and

counterparties' inability to meet credit and other obligations and the possible impairment of collectability of loans;

- factors that can impact the performance of our loan portfolio, including changes in real estate values and liquidity in our primary market areas, the financial health of our commercial borrowers and the success of construction projects that we finance;
- the effect of monetary and other fiscal policies (including the impact of money supply, ongoing increasing market interest rate policies and policies impacting inflation, of the Federal Reserve Board, the U.S. Treasury and other governmental agencies) as well as disruption in the liquidity and functioning of U.S. financial markets, may adversely impact prepayment penalty income, mortgage banking income, income from fiduciary activities, the value of securities, deposits and other financial instruments, in addition to the loan demand and the performance of our loan portfolio, and the interest rate sensitivity of our consolidated balance sheet as well as reduce net interest margins;
- changes in the federal, state, or local tax laws 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 and otherwise negatively impact our financial performance;
- the impact of the changes in federal, state and local governmental policy, including the regulatory landscape, capital markets, elevated government debt, potential changes in tax legislation that may increase tax rates, government shutdown, infrastructure spending and social programs;
- changes in laws or requirements imposed by Park's regulators impacting Park's capital actions, including dividend payments and stock repurchases;
- changes in consumer spending, borrowing and saving habits, whether due to changes in retail distribution strategies, consumer preferences and behaviors, changes in business and economic conditions, legislative and regulatory initiatives, or other factors may be different than anticipated;
- changes in customers', suppliers', and other counterparties' performance and creditworthiness, and Park's expectations regarding future credit losses and our allowance for credit losses, may be different than anticipated due to the continuing impact of and the various responses to inflationary pressures and continued elevated interest rates;
- Park may have more credit risk and higher credit losses to the extent there are loan concentrations by location or industry of borrowers or collateral;
- the volatility from quarter to quarter of mortgage banking income, whether due to interest rates, demand, the fair value of mortgage loans, or other factors;
- the adequacy of our internal controls and risk management program in the event of changes in the market, economic, operational (including those which may result from our associates working remotely), asset/liability repricing, legal, compliance, strategic, cybersecurity, liquidity, credit and interest rate risks associated with Park's business;
- competitive pressures among financial services organizations could increase significantly, including product

and pricing pressures (which could in turn impact our credit spreads), changes to third-party relationships and revenues, changes in the manner of providing services, customer acquisition and retention pressures, and Park's ability to attract, develop and retain qualified banking professionals;

- uncertainty regarding the nature, timing, cost 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, FDIC insurance premium levels, pensions, bankruptcy, consumer protection, rent regulation and housing, financial accounting and reporting, environmental protection, insurance, bank products and services, bank and bank holding company capital and liquidity standards, fiduciary standards, securities and other aspects of the financial services industry;
- Park's ability to meet heightened supervisory requirements and expectations;
- the effect of changes in accounting policies and practices, as may be adopted by the Financial Accounting Standards Board (the "FASB"), the SEC, the Public Company Accounting Oversight Board and other regulatory agencies, may adversely affect Park's reported financial condition or results of operations;
- Park's assumptions and estimates used in applying critical accounting policies and modeling which may prove unreliable, inaccurate or not predictive of actual results;
- the possibility that future credit losses may be higher than currently expected due to changes in economic assumptions;
- Park's ability to anticipate and respond to technological changes and Park's reliance on, and the potential failure of, a number of third-party vendors to perform as expected, including Park's primary core banking system provider, which can impact Park's ability to respond to customer needs and meet competitive demands;
- operational issues stemming from and/or capital spending necessitated by the potential need to adapt to industry changes in information technology systems on which Park and our subsidiaries are highly dependent;
- Park's ability to secure confidential information and deliver products and services through the use of computer systems and telecommunications networks, including those of Park's third-party vendors and other service providers, which may prove inadequate, and could adversely affect customer confidence in Park and/or result in Park incurring a financial loss;
- a failure in or breach of Park's operational or security systems or infrastructure, or those of our third-party vendors and other service providers, resulting in failures or disruptions in customer account management, general ledger, deposit, loan, or other systems, including as a result of cyber attacks;
- the impact on Park's business and operating results of any costs associated with obtaining rights in intellectual property claimed by others and of the adequacy of Park's intellectual property protection in general;
- the existence or exacerbation of general geopolitical instability and uncertainty as well as the effect of trade

policies (including the impact of potential or imposed tariffs, a U.S. withdrawal from or significant renegotiation of trade agreements, trade wars and other changes in trade regulations, closing of border crossings and changes in the relationship of the U.S. and its global trading partners);

- 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 growth rates and financial stability of certain sovereign governments, supranationals and financial institutions in Europe and Asia and the risk they may face difficulties servicing their sovereign debt;
- the effect of a fall in stock market prices on Park's asset and wealth management businesses;
- our litigation and regulatory compliance exposure, including the costs and effects of any adverse developments in legal proceedings or other claims, the costs and effects of unfavorable resolution of regulatory and other governmental examinations or other inquiries, and liabilities and business restrictions resulting from litigation and regulatory investigations;
- continued availability of earnings and excess capital sufficient for the lawful and prudent declaration of dividends;
- the impact on Park's business, personnel, facilities or systems of losses related to acts of fraud, scams and schemes of third parties;
- the impact of widespread natural and other disasters, pandemics (including the COVID-19 pandemic), dislocations, regional or national protests and civil unrest (including any resulting branch closures or damages), military or terrorist activities or international hostilities (especially in light of the Russia-Ukraine conflict) on the economy and financial markets generally and on us or our counterparties specifically;
- the potential further deterioration of the U.S. economy due to financial, political, or other shocks;
- the effect of healthcare laws in the U.S. and potential changes for such laws which may increase our healthcare and other costs and negatively impact our operations and financial results;
- the impact of larger or similar-sized financial institutions encountering problems, such as the recent closures of Silicon Valley Bank in California, Signature Bank in New York and First Republic Bank in California, which may adversely affect the banking industry and/or Park's business generation and retention, funding and liquidity, including potential increased regulatory requirements and increased reputational risk and potential impacts to macroeconomic conditions;
- Park's continued ability to grow deposits or maintain adequate deposit levels in light of the recent bank failures;
- unexpected outflows of deposits which may require Park to sell investment securities at a loss;
- 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, 2022 and in "Item 1.A. Risk Factors" of Part II of Park's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023.

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.

PARK NATIONAL CORPORATION

Financial Highlights

As of or for the three months ended September 30, 2023, June 30, 2023 and September 30, 2022

(in thousands, except common share and per common share data and ratios)	2023			Percent change vs.	
	3rd QTR	2nd QTR	3rd QTR	2Q '23	3Q '22
INCOME STATEMENT:					
Net interest income	\$ 94,269	\$ 91,572	\$ 90,828	2.9%	3.8%
(Recovery of) provision for credit losses	(1,580)	2,492	3,190	N.M.	N.M.
Other income	27,713	25,015	46,694	10.8%	(40.6)%
Other expense	77,808	75,885	82,903	2.5%	(6.1)%
Income before income taxes	\$ 45,754	\$ 38,210	\$ 51,429	19.7%	(11.0)%
Income taxes	8,837	6,626	9,361	33.4%	(5.6)%
Net income	\$ 36,917	\$ 31,584	\$ 42,068	16.9%	(12.2)%
MARKET DATA:					
Earnings per common share - basic (a)	\$ 2.29	\$ 1.95	\$ 2.59	17.4%	(11.6)%
Earnings per common share - diluted (a)	2.28	1.94	2.57	17.5%	(11.3)%
Quarterly cash dividend declared per common share	1.05	1.05	1.04	—%	1.0%
Book value per common share at period end	67.41	67.40	63.75	—%	5.7%
Market price per common share at period end	94.52	102.32	124.48	(7.6)%	(24.1)%
Market capitalization at period end	1,522,096	1,652,818	2,023,272	(7.9)%	(24.8)%
Weighted average common shares - basic (b)	16,133,310	16,165,119	16,253,704	(0.2)%	(0.7)%
Weighted average common shares - diluted (b)	16,217,880	16,240,600	16,374,982	(0.1)%	(1.0)%
Common shares outstanding at period end	16,103,425	16,153,425	16,253,794	(0.3)%	(0.9)%
PERFORMANCE RATIOS: (annualized)					
Return on average assets (a)(b)	1.47%	1.28%	1.61%	14.8%	(8.7)%
Return on average shareholders' equity (a)(b)	13.28%	11.61%	15.50%	14.4%	(14.3)%
Yield on loans	5.65%	5.43%	4.72%	4.1%	19.7%
Yield on investment securities	3.73%	3.73%	2.85%	—%	30.9%
Yield on money market instruments	5.34%	5.11%	2.20%	4.5%	N.M.
Yield on interest earning assets	5.27%	5.08%	4.18%	3.7%	26.1%
Cost of interest bearing deposits	1.63%	1.46%	0.46%	11.6%	N.M.
Cost of borrowings	3.92%	3.54%	2.61%	10.7%	50.2%
Cost of paying interest bearing liabilities	1.76%	1.58%	0.60%	11.4%	N.M.
Net interest margin (g)	4.12%	4.07%	3.81%	1.2%	8.1%
Efficiency ratio (g)	63.25%	64.58%	59.88%	(2.1)%	5.6%
OTHER DATA (NON-GAAP) AND BALANCE SHEET INFORMATION:					
Tangible book value per common share (d)	\$ 57.19	\$ 57.19	\$ 53.54	—%	6.8%
Average interest earning assets	9,178,281	9,122,323	9,565,710	0.6%	(4.1)%
Pre-tax, pre-provision net income (k)	44,174	40,702	54,619	8.5%	(19.1)%

Note: Explanations for footnotes (a) - (l) are included at the end of the financial tables in the "Financial Reconciliations" section.

PARK NATIONAL CORPORATION

Financial Highlights (continued)

As of or for the three months ended September 30, 2023, June 30, 2023 and September 30, 2022

(in thousands, except ratios)	2023			Percent change vs.	
	September 30, 2023	June 30, 2023	September 30, 2022	2Q '23	3Q '22
BALANCE SHEET:					
Investment securities	\$ 1,708,827	\$ 1,756,953	\$ 1,828,068	(2.7)%	(6.5)%
Loans	7,349,745	7,208,109	7,103,246	2.0%	3.5%
Allowance for credit losses	84,602	87,206	83,961	(3.0)%	0.8%
Goodwill and other intangible assets	164,581	164,915	165,911	(0.2)%	(0.8)%
Other real estate owned (OREO)	1,354	2,267	1,354	(40.3)%	—%
Total assets	10,000,914	9,899,551	9,855,047	1.0%	1.5%
Total deposits	8,244,724	8,358,976	8,309,927	(1.4)%	(0.8)%
Borrowings	541,811	332,818	378,044	62.8%	43.3%

Total shareholders' equity	1,085,564	1,088,757	1,036,172	(0.3)%	4.8%
Tangible equity (d)	920,983	923,842	870,261	(0.3)%	5.8%
Total nonperforming loans (l)	55,635	58,229	65,233	(4.5)%	(14.7)%
Total nonperforming assets (l)	56,989	60,496	66,587	(5.8)%	(14.4)%
ASSET QUALITY RATIOS:					
Loans as a % of period end total assets	73.49%	72.81%	72.08%	0.9%	2.0%
Total nonperforming loans as a % of period end loans	0.76%	0.81%	0.92%	(6.2)%	(17.4)%
Total nonperforming assets as a % of period end loans + OREO + other nonperforming assets	0.78%	0.84%	0.94%	(7.1)%	(17.0)%
Allowance for credit losses as a % of period end loans	1.15%	1.21%	1.18%	(5.0)%	(2.5)%
Net loan charge-offs	\$ 1,024	\$ 1,232	\$ 677	(16.9)%	51.3%
Annualized net loan charge-offs as a % of average loans (b)	0.06%	0.07%	0.04%	(14.3)%	50.0%
CAPITAL & LIQUIDITY:					
Total shareholders' equity / Period end total assets	10.85%	11.00%	10.51%	(1.4)%	3.2%
Tangible equity (d) / Tangible assets (f)	9.36%	9.49%	8.98%	(1.4)%	4.2%
Average shareholders' equity / Average assets (b)	11.07%	11.00%	10.37%	0.6%	6.8%
Average shareholders' equity / Average loans (b)	15.17%	15.30%	15.29%	(0.8)%	(0.8)%
Average loans / Average deposits (b)	86.69%	85.34%	80.06%	1.6%	8.3%

Note: Explanations for footnotes (a) - (l) are included at the end of the financial tables in the "Financial Reconciliations" section.

PARK NATIONAL CORPORATION
Financial Highlights
Nine months ended September 30, 2023 and September 30, 2022

(in thousands, except share and per share data)	2023		2022		Percent change vs '22
	Nine months ended September 30		Nine months ended September 30		
INCOME STATEMENT:					
Net interest income	\$	278,039	\$	252,453	10.1%
Provision for credit losses		1,095		1,576	(30.5)%
Other income		77,115		109,543	(29.6)%
Other expense		230,196		220,324	4.5%
Income before income taxes	\$	123,863	\$	140,096	(11.6)%
Income taxes		21,629		24,829	(12.9)%
Net income	\$	102,234	\$	115,267	(11.3)%
MARKET DATA:					
Earnings per common share - basic (a)	\$	6.32	\$	7.10	(11.0)%
Earnings per common share - diluted (a)		6.29		7.05	(10.8)%
Quarterly cash dividends declared per common share		3.15		3.12	1.0%
Weighted average common shares - basic (b)		16,180,261		16,240,966	(0.4)%
Weighted average common shares - diluted (b)		16,261,109		16,355,790	(0.6)%
PERFORMANCE RATIOS:					
Return on average assets (a)(b)		1.37%		1.55%	(11.6)%
Return on average shareholders' equity (a)(b)		12.48%		14.22%	(12.2)%
Yield on loans		5.44%		4.54%	19.8%
Yield on investment securities		3.69%		2.45%	50.6%
Yield on money market instruments		4.94%		1.34%	N.M.
Yield on interest earning assets		5.08%		3.98%	27.6%
Cost of interest bearing deposits		1.42%		0.24%	N.M.
Cost of borrowings		3.56%		2.48%	43.5%
Cost of paying interest bearing liabilities		1.55%		0.40%	N.M.
Net interest margin (g)		4.09%		3.74%	9.4%
Efficiency ratio (g)		64.29%		60.43%	6.4%
ASSET QUALITY RATIOS					
Net loan charge-offs	\$	2,255	\$	812	N.M.
Net loan charge-offs as a % of average loans (b)		0.04%		0.02%	N.M.
CAPITAL & LIQUIDITY					
Average shareholders' equity / Average assets (b)		10.97%		10.88%	0.8%
Average shareholders' equity / Average loans (b)		15.28%		15.70%	(2.7)%
Average loans / Average deposits (b)		85.37%		82.47%	3.5%
OTHER DATA (NON-GAAP) AND BALANCE SHEET:					

Average interest earning assets	\$	9,189,014	\$	9,129,524	0.7%
Pre-tax, pre-provision net income (k)		124,958		141,672	(11.8)%

Note: Explanations for footnotes (a) - (l) are included at the end of the financial tables in the "Financial Reconciliations" section.

PARK NATIONAL CORPORATION Consolidated Statements of Income					
(in thousands, except share and per share data)	Three Months Ended September 30		Nine Months Ended September 30		
	2023	2022	2023	2022	
Interest income:					
Interest and fees on loans	\$ 103,258	\$ 83,522	\$ 291,300	\$ 233,725	
Interest on debt securities:					
Taxable	13,321	10,319	39,731	24,073	
Tax-exempt	2,900	2,923	8,718	8,046	
Other interest income	1,410	3,180	6,715	3,593	
Total interest income	120,889	99,944	346,464	269,437	
Interest expense:					
Interest on deposits:					
Demand and savings deposits	20,029	5,757	52,309	7,441	
Time deposits	3,097	825	6,410	2,253	
Interest on borrowings	3,494	2,534	9,706	7,290	
Total interest expense	26,620	9,116	68,425	16,984	
Net interest income	94,269	90,828	278,039	252,453	
(Recovery of) provision for credit losses	(1,580)	3,190	1,095	1,576	
Net interest income after (recovery of) provision for credit losses	95,849	87,638	276,944	250,877	
Other income	27,713	46,694	77,115	109,543	
Other expense	77,808	82,903	230,196	220,324	
Income before income taxes	45,754	51,429	123,863	140,096	
Income taxes	8,837	9,361	21,629	24,829	
Net income	\$ 36,917	\$ 42,068	\$ 102,234	\$ 115,267	
Per common share:					
Net income - basic	\$ 2.29	\$ 2.59	\$ 6.32	\$ 7.10	
Net income - diluted	\$ 2.28	\$ 2.57	\$ 6.29	\$ 7.05	
Weighted average common shares - basic	16,133,310	16,253,704	16,180,261	16,240,966	
Weighted average common shares - diluted	16,217,880	16,374,982	16,261,109	16,355,790	
Cash dividends declared:					
Quarterly dividend	\$ 1.05	\$ 1.04	\$ 3.15	\$ 3.12	

PARK NATIONAL CORPORATION
Consolidated Balance Sheets

(in thousands, except share data)	September 30, 2023		December 31, 2022	
Assets				
Cash and due from banks	\$	140,252	\$	156,750
Money market instruments		83,366		32,978
Investment securities		1,708,827		1,820,787
Loans		7,349,745		7,141,891
Allowance for credit losses		(84,602)		(85,379)
Loans, net		7,265,143		7,056,512
Bank premises and equipment, net		77,331		82,126
Goodwill and other intangible assets		164,581		165,570
Other real estate owned		1,354		1,354
Other assets		560,060		538,916
Total assets	\$	10,000,914	\$	9,854,993
Liabilities and Shareholders' Equity				
Deposits:				
Noninterest bearing	\$	2,732,504	\$	3,074,276
Interest bearing		5,512,220		5,160,439
Total deposits		8,244,724		8,234,715
Borrowings		541,811		416,009
Other liabilities		128,815		135,043
Total liabilities	\$	8,915,350	\$	8,785,767
Shareholders' Equity:				
Preferred shares (200,000 shares authorized; no shares outstanding at September 30, 2023 and December 31, 2022)	\$	—	\$	—
Common shares (No par value; 20,000,000 shares authorized; 17,623,104 shares issued at September 30, 2023 and December 31, 2022)		461,849		462,404
Accumulated other comprehensive loss, net of taxes		(115,890)		(102,394)
Retained earnings		896,627		847,235
Treasury shares (1,519,679 shares at September 30, 2023 and 1,359,521 shares at December 31, 2022)		(157,022)		(138,019)
Total shareholders' equity	\$	1,085,564	\$	1,069,226
Total liabilities and shareholders' equity	\$	10,000,914	\$	9,854,993

PARK NATIONAL CORPORATION
Consolidated Average Balance Sheets

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Assets				
Cash and due from banks	\$	146,162	\$	156,585
Money market instruments		104,754		573,858
Investment securities		1,737,292		1,904,909
Loans		7,267,476		7,039,040
Allowance for credit losses		(88,522)		(81,130)
Loans, net		7,178,954		6,957,910
Bank premises and equipment, net		78,483		85,588
Goodwill and other intangible assets		164,801		166,136
Other real estate owned		1,870		1,745
Other assets		552,798		537,318
Total assets	\$	9,965,114	\$	10,384,049
Liabilities and Shareholders' Equity				
Deposits:				
Noninterest bearing	\$	2,748,259	\$	3,112,219
Interest bearing		5,634,621		5,679,989
Total deposits		8,382,880		8,792,208
Borrowings		353,203		385,310
Other liabilities		126,354		130,005
Total liabilities	\$	8,862,437	\$	9,307,523

Shareholders' Equity:					
Preferred shares	\$	—	\$	—	\$
Common shares		460,592		460,188	
Accumulated other comprehensive loss, net of taxes		(97,029)		(78,040)	
Retained earnings		893,124		833,540	
Treasury shares		(154,010)		(139,162)	
Total shareholders' equity	\$	1,102,677	\$	1,076,526	\$
Total liabilities and shareholders' equity	\$	9,965,114	\$	10,384,049	\$

PARK NATIONAL CORPORATION
Consolidated Statements of Income - Linked Quarters

(in thousands, except per share data)	2023	2023	2023	2022	2022
	3rd QTR	2nd QTR	1st QTR	4th QTR	3rd QTR
Interest income:					
Interest and fees on loans	\$ 103,258	\$ 96,428	\$ 91,614	\$ 89,382	\$ 83,522
Interest on debt securities:					
Taxable	13,321	13,431	12,979	11,974	10,319
Tax-exempt	2,900	2,906	2,912	2,918	2,923
Other interest income	1,410	1,909	3,396	4,536	3,180
Total interest income	120,889	114,674	110,901	108,810	99,944
Interest expense:					
Interest on deposits:					
Demand and savings deposits	20,029	18,068	14,212	10,205	5,757
Time deposits	3,097	1,966	1,347	1,061	825
Interest on borrowings	3,494	3,068	3,144	2,938	2,534
Total interest expense	26,620	23,102	18,703	14,204	9,116
Net interest income	94,269	91,572	92,198	94,606	90,828
(Recovery of) provision for credit losses	(1,580)	2,492	183	2,981	3,190
Net interest income after (recovery of) provision for credit losses	95,849	89,080	92,015	91,625	87,638
Other income	27,713	25,015	24,387	26,392	46,694
Other expense	77,808	75,885	76,503	77,654	82,903
Income before income taxes	45,754	38,210	39,899	40,363	51,429
Income taxes	8,837	6,626	6,166	7,279	9,361
Net income	\$ 36,917	\$ 31,584	\$ 33,733	\$ 33,084	\$ 42,068
Per common share:					
Net income - basic	\$ 2.29	\$ 1.95	\$ 2.08	\$ 2.03	\$ 2.59
Net income - diluted	\$ 2.28	\$ 1.94	\$ 2.07	\$ 2.02	\$ 2.57

PARK NATIONAL CORPORATION
Detail of other income and other expense - Linked Quarters

	2023	2023	2023	2022	2022
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(in thousands)	3rd QTR	2nd QTR	1st QTR	4th QTR	3rd QTR
Other income:					
Income from fiduciary activities	\$ 9,100	\$ 8,816	\$ 8,615	\$ 8,219	\$ 8,216
Service charges on deposit accounts	2,109	2,041	2,241	2,595	2,859
Other service income	2,615	2,639	2,697	2,580	2,956
Debit card fee income	6,652	6,830	6,457	6,675	6,514
Bank owned life insurance income	1,448	1,332	1,185	1,366	1,185
ATM fees	575	553	533	548	610
(Loss) gain on the sale of OREO, net	(6)	12	(9)	—	5,607
OREO valuation markup	—	—	15	—	12,009
Gain (loss) on equity securities, net	998	25	(405)	(165)	58
Other components of net periodic benefit income	1,893	1,893	1,893	3,027	3,027
Miscellaneous	2,329	874	1,165	1,547	3,653
Total other income	\$ 27,713	\$ 25,015	\$ 24,387	\$ 26,392	\$ 46,694
Other expense:					
Salaries	\$ 34,525	\$ 33,649	\$ 34,871	\$ 33,837	\$ 37,889
Employee benefits	10,822	10,538	10,816	9,895	9,897
Occupancy expense	3,203	3,214	3,353	4,157	3,455
Furniture and equipment expense	3,060	3,103	3,246	3,118	2,912
Data processing fees	9,700	9,582	8,750	8,537	8,170
Professional fees and services	7,572	7,365	7,221	9,845	8,359
Marketing	1,197	1,239	1,319	1,404	1,595
Insurance	2,158	1,960	1,814	1,526	1,237
Communication	1,135	1,045	1,037	968	1,098
State tax expense	1,125	1,096	1,278	1,040	1,186
Amortization of intangible assets	334	328	327	341	341
Foundation contributions	—	—	—	—	4,000
Miscellaneous	2,977	2,766	2,471	2,986	2,764
Total other expense	\$ 77,808	\$ 75,885	\$ 76,503	\$ 77,654	\$ 82,903

PARK NATIONAL CORPORATION
Asset Quality Information

(in thousands, except ratios)	September 30, 2023	June 30, 2023	March 31, 2023	Year ended December 31,			
				2022	2021	2020	2019
Allowance for credit losses:							
Allowance for credit losses, beginning of period	\$ 87,206	\$ 85,946	\$ 85,379	\$ 83,197	\$ 85,675	\$ 56,679	\$ 51,512
Cumulative change in accounting principle; adoption of ASU 2022-02 in 2023 and ASU 2016-13 in 2021	—	—	383	—	6,090	—	—
Charge-offs	2,293	2,685	2,235	9,133	5,093	10,304	11,177
Recoveries	1,269	1,453	2,236	6,758	8,441	27,246	10,173
Net charge-offs (recoveries) (Recovery of) provision for credit losses	1,024	1,232	(1)	2,375	(3,348)	(16,942)	1,004
Allowance for credit losses, end of period	\$ 84,602	\$ 87,206	\$ 85,946	\$ 85,379	\$ 83,197	\$ 85,675	\$ 56,679
General reserve trends:							
Allowance for credit losses, end of period	\$ 84,602	\$ 87,206	\$ 85,946	\$ 85,379	\$ 83,197	\$ 85,675	\$ 56,679
Allowance on accruing purchased credit deteriorated ("PCD") loans (purchased credit impaired ("PCI") loans for years 2020 and prior)	—	—	—	—	—	167	268
Allowance on purchased loans excluded from collectively evaluated loans (for years 2020 and prior)	N.A.	N.A.	N.A.	N.A.	N.A.	678	—
Specific reserves on individually evaluated loans	3,422	4,132	4,318	3,566	1,616	5,434	5,230
General reserves on collectively evaluated loans	\$ 81,180	\$ 83,074	\$ 81,628	\$ 81,813	\$ 81,581	\$ 79,396	\$ 51,181
Total loans	\$ 7,349,745	\$ 7,208,109	\$ 7,093,857	\$ 7,141,891	\$ 6,871,122	\$ 7,177,785	\$ 6,501,404
Accruing PCD loans (PCI loans for	—	—	—	—	—	—	—

years 2020 and prior)	3,807	4,455	4,555	4,653	7,149	11,153	14,331
Purchased loans excluded from collectively evaluated loans (for years 2020 and prior)	N.A.	N.A.	N.A.	N.A.	N.A.	360,056	548,436
Individually evaluated loans (l)	40,839	43,887	59,384	78,341	74,502	108,407	77,459
Collectively evaluated loans	\$ 7,305,099	\$ 7,159,767	\$ 7,029,918	\$ 7,058,897	\$ 6,789,471	\$ 6,698,169	\$ 5,861,178
Asset Quality Ratios:							
Net charge-offs (recoveries) as a % of average loans	0.06%	0.07%	—%	0.03%	(0.05)%	(0.24)%	0.02%
Allowance for credit losses as a % of period end loans	1.15%	1.21%	1.21%	1.20%	1.21%	1.19%	0.87%
Allowance for credit losses as a % of period end loans (excluding PPP loans) (j)	1.15%	1.21%	1.21%	1.20%	1.22%	1.25%	N.A.
General reserve as a % of collectively evaluated loans	1.11%	1.16%	1.16%	1.16%	1.20%	1.19%	0.87%
General reserves as a % of collectively evaluated loans (excluding PPP loans) (j)	1.11%	1.16%	1.16%	1.16%	1.21%	1.24%	N.A.
Nonperforming assets:							
Nonaccrual loans	\$ 55,008	\$ 57,279	\$ 73,114	\$ 79,696	\$ 72,722	\$ 117,368	\$ 90,080
Accruing troubled debt restructurings (for years 2022 and prior) (l)	N.A.	N.A.	N.A.	20,134	28,323	20,788	21,215
Loans past due 90 days or more	627	950	1,251	1,281	1,607	1,458	2,658
Total nonperforming loans	\$ 55,635	\$ 58,229	\$ 74,365	\$ 101,111	\$ 102,652	\$ 139,614	\$ 113,953
Other real estate owned - Park National Bank	—	913	114	—	181	837	3,100
Other real estate owned - SEPH	1,354	1,354	1,354	1,354	594	594	929
Other nonperforming assets - Park National Bank	—	—	—	—	2,750	3,164	3,599
Total nonperforming assets	\$ 56,989	\$ 60,496	\$ 75,833	\$ 102,465	\$ 106,177	\$ 144,209	\$ 121,581
Percentage of nonaccrual loans to period end loans	0.75%	0.79%	1.03%	1.12%	1.06%	1.64%	1.39%
Percentage of nonperforming loans to period end loans	0.76%	0.81%	1.05%	1.42%	1.49%	1.95%	1.75%
Percentage of nonperforming assets to period end loans	0.78%	0.84%	1.07%	1.43%	1.55%	2.01%	1.87%
Percentage of nonperforming assets to period end total assets	0.57%	0.61%	0.77%	1.04%	1.11%	1.55%	1.42%

Note: Explanations for footnotes (a) - (l) are included at the end of the financial tables in the "Financial Reconciliations" section.

PARK NATIONAL CORPORATION
Asset Quality Information (continued)

(in thousands, except ratios)	September 30, 2023	June 30, 2023	March 31, 2023	Year ended December 31,			
				2022	2021	2020	2019
New nonaccrual loan information:							
Nonaccrual loans, beginning of period	\$ 57,279	\$ 73,114	\$ 79,696	\$ 72,722	\$ 117,368	\$ 90,080	\$ 67,954
New nonaccrual loans	10,658	10,940	9,207	64,918	38,478	103,386	81,009
Resolved nonaccrual loans	12,929	26,775	15,789	57,944	83,124	76,098	58,883
Nonaccrual loans, end of period	\$ 55,008	\$ 57,279	\$ 73,114	\$ 79,696	\$ 72,722	\$ 117,368	\$ 90,080
Individually evaluated commercial loan portfolio information (period end): (l)							
Unpaid principal balance	\$ 42,907	\$ 45,955	\$ 60,922	\$ 80,116	\$ 75,126	\$ 109,062	\$ 78,178
Prior charge-offs	2,068	2,068	1,538	1,775	624	655	719
Remaining principal balance	40,839	43,887	59,384	78,341	74,502	108,407	77,459
Specific reserves	3,422	4,132	4,318	3,566	1,616	5,434	5,230
Book value, after specific reserves	\$ 37,417	\$ 39,755	\$ 55,066	\$ 74,775	\$ 72,886	\$ 102,973	\$ 72,229

Note: Explanations for footnotes (a) - (l) are included at the end of the financial tables in the "Financial Reconciliations" section.

PARK NATIONAL CORPORATION
Financial Reconciliations
NON-GAAP RECONCILIATIONS

(in thousands, except share and per share data)	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net interest income	\$ 94,269	\$ 91,572	\$ 90,828	\$ 278,039	\$ 252,453
less purchase accounting accretion related to NewDominion and Carolina Alliance acquisitions	145	164	495	509	1,522
less interest income on former Vision Bank relationships	9	13	649	596	2,996
Net interest income – adjusted	\$ 94,115	\$ 91,395	\$ 89,684	\$ 276,934	\$ 247,935
(Recovery of) provision for credit losses	\$ (1,580)	\$ 2,492	\$ 3,190	\$ 1,095	\$ 1,576
less recoveries on former Vision Bank relationships	(40)	(25)	(20)	(788)	(527)
(Recovery of) provision for credit losses - adjusted	\$ (1,540)	\$ 2,517	\$ 3,210	\$ 1,883	\$ 2,103
Other income	\$ 27,713	\$ 25,015	\$ 46,694	\$ 77,115	\$ 109,543
less Vision related gain on the sale of OREO, net	—	—	5,607	—	5,607
less Vision related OREO valuation markup	—	—	12,009	—	12,009
less other service income related to former Vision Bank relationships	—	—	3	135	503
Other income – adjusted	\$ 27,713	\$ 25,015	\$ 29,075	\$ 76,980	\$ 91,424
Other expense	\$ 77,808	\$ 75,885	\$ 82,903	\$ 230,196	\$ 220,324
less Foundation contribution	—	—	4,000	—	4,000
less core deposit intangible amortization related to NewDominion and Carolina Alliance acquisitions	334	328	341	989	1,146
less direct expenses related to collection of payments on former Vision Bank loan relationships	—	—	1,295	100	1,661
Other expense – adjusted	\$ 77,474	\$ 75,557	\$ 77,267	\$ 229,107	\$ 213,517
Tax effect of adjustments to net income identified above (i)	\$ 29	\$ 26	\$ (2,761)	\$ (197)	\$ (3,435)
Net income – reported	\$ 36,917	\$ 31,584	\$ 42,068	\$ 102,234	\$ 115,267
Net income - adjusted (h)	\$ 37,028	\$ 31,684	\$ 31,682	\$ 101,492	\$ 102,345
Diluted earnings per common share	\$ 2.28	\$ 1.94	\$ 2.57	\$ 6.29	\$ 7.05
Diluted earnings per common share, adjusted (h)	\$ 2.28	\$ 1.95	\$ 1.93	\$ 6.24	\$ 6.26
Annualized return on average assets (a)(b)	1.47%	1.28%	1.61%	1.37%	1.55%
Annualized return on average assets, adjusted (a)(b)(h)	1.47%	1.28%	1.21%	1.36%	1.37%
Annualized return on average tangible assets (a)(b)(e)	1.49%	1.30%	1.63%	1.39%	1.57%
Annualized return on average tangible assets, adjusted (a)(b)(e)(h)	1.50%	1.30%	1.23%	1.38%	1.40%
Annualized return on average shareholders' equity (a)(b)	13.28%	11.61%	15.50%	12.48%	14.22%
Annualized return on average shareholders' equity, adjusted (a)(b)(h)	13.32%	11.65%	11.68%	12.39%	12.62%
Annualized return on average tangible equity (a)(b)(c)	15.62%	13.68%	18.33%	14.70%	16.80%
Annualized return on average tangible equity, adjusted (a)(b)(c)(h)	15.66%	13.73%	13.81%	14.59%	14.91%
Efficiency ratio (g)	63.25%	64.58%	59.88%	64.29%	60.43%
Efficiency ratio, adjusted (g)(h)	63.05%	64.40%	64.56%	64.21%	62.44%
Annualized net interest margin (g)	4.12%	4.07%	3.81%	4.09%	3.74%
Annualized net interest margin, adjusted (g)(h)	4.11%	4.06%	3.76%	4.07%	3.67%

Note: Explanations for footnotes (a) - (l) are included at the end of the financial tables in the "Financial Reconciliations" section.

PARK NATIONAL CORPORATION
Financial Reconciliations (continued)

(a) Reported measure uses net income

(b) Averages are for the three months ended September 30, 2023, June 30, 2023, and September 30, 2022 and the nine months ended September 30, 2023 and September 30, 2022, as appropriate

(c) Net income for each period divided by average tangible equity during the period. Average tangible equity equals average shareholders' equity during the applicable period less average goodwill and other intangible assets during the applicable period.

RECONCILIATION OF AVERAGE SHAREHOLDERS' EQUITY TO AVERAGE TANGIBLE EQUITY:

	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
AVERAGE SHAREHOLDERS' EQUITY	\$ 1,102,677	\$ 1,091,016	\$ 1,076,526	\$ 1,094,924	\$ 1,084,080
Less: Average goodwill and other intangible assets	164,801	165,129	166,136	165,127	166,521
AVERAGE TANGIBLE EQUITY	\$ 937,876	\$ 925,887	\$ 910,390	\$ 929,797	\$ 917,559

(d) Tangible equity divided by common shares outstanding at period end. Tangible equity equals total shareholders' equity less goodwill and other intangible assets, in each case at the end of the period.

RECONCILIATION OF TOTAL SHAREHOLDERS' EQUITY TO TANGIBLE EQUITY:

	September 30, 2023	June 30, 2023	September 30, 2022
TOTAL SHAREHOLDERS' EQUITY	\$ 1,085,564	\$ 1,088,757	\$ 1,036,172
Less: Goodwill and other intangible assets	164,581	164,915	165,911
TANGIBLE EQUITY	\$ 920,983	\$ 923,842	\$ 870,261

(e) Net income for each period divided by average tangible assets during the period. Average tangible assets equal average assets less average goodwill and other intangible assets, in each case during the applicable period.

RECONCILIATION OF AVERAGE ASSETS TO AVERAGE TANGIBLE ASSETS

	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
AVERAGE ASSETS	\$ 9,965,114	\$ 9,917,805	\$ 10,384,049	\$ 9,980,256	\$ 9,964,863
Less: Average goodwill and other intangible assets	164,801	165,129	166,136	165,127	166,521
AVERAGE TANGIBLE ASSETS	\$ 9,800,313	\$ 9,752,676	\$ 10,217,913	\$ 9,815,129	\$ 9,798,342

(f) Tangible equity divided by tangible assets. Tangible assets equal total assets less goodwill and other intangible assets, in each case at the end of the period.

RECONCILIATION OF TOTAL ASSETS TO TANGIBLE ASSETS:

	September 30, 2023	June 30, 2023	September 30, 2022
TOTAL ASSETS	\$ 10,000,914	\$ 9,899,551	\$ 9,855,047
Less: Goodwill and other intangible assets	164,581	164,915	165,911
TANGIBLE ASSETS	\$ 9,836,333	\$ 9,734,636	\$ 9,689,136

(g) Efficiency ratio is calculated by dividing total other expense by the sum of fully taxable equivalent net interest income and other income. Fully taxable equivalent net interest income reconciliation is shown assuming a 21% corporate federal income tax rate. Additionally, net interest margin is calculated on a fully taxable equivalent basis by dividing fully taxable equivalent net interest income by average interest earning assets, in each case during the applicable period.

RECONCILIATION OF FULLY TAXABLE EQUIVALENT NET INTEREST INCOME TO NET INTEREST INCOME

	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Interest income	\$ 120,889	\$ 114,674	\$ 99,944	\$ 346,464	\$ 269,437
Fully taxable equivalent adjustment	1,042	920	932	2,888	2,623
Fully taxable equivalent interest income	\$ 121,931	\$ 115,594	\$ 100,876	\$ 349,352	\$ 272,060
Interest expense	26,620	23,102	9,116	68,425	16,984
Fully taxable equivalent net interest income	\$ 95,311	\$ 92,492	\$ 91,760	\$ 280,927	\$ 255,076

(h) Adjustments to net income for each period presented are detailed in the non-GAAP reconciliations of net interest income, (recovery of) provision for credit losses, other income, other expense and tax effect of adjustments to net income.

(i) The tax effect of adjustments to net income was calculated assuming a 21% corporate federal income tax rate.

(j) Excludes \$2.4 million of PPP loans and \$2,000 in related allowance at September 30, 2023, \$3.1 million of PPP loans and \$3,000 in related allowance at June 30, 2023, \$3.4 million of PPP loans and \$3,000 in related allowance at March 31, 2023, \$4.2 million of PPP loans and \$4,000 in related allowance at December 31, 2022, \$74.4 million of PPP loans and \$77,000 in related allowance at December 31, 2021 and \$331.6 million of PPP loans and \$337,000 in related allowance at December 31, 2020.

(k) Pre-tax, pre-provision ("PTPP") net income is calculated as net income, plus income taxes, plus the (recovery of) provision for credit losses, in each case during the applicable period. PTPP net income is a common industry metric utilized in capital analysis and review. PTPP is used to assess the operating performance of Park while excluding the impact of the (recovery of) provision for credit losses.

RECONCILIATION OF PRE-TAX, PRE-PROVISION NET INCOME

	THREE MONTHS ENDED			NINE MONTHS ENDED	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net income	\$ 36,917	\$ 31,584	\$ 42,068	\$ 102,234	\$ 115,267
Plus: Income taxes	8,837	6,626	9,361	21,629	24,829
Plus: (Recovery of) provision for credit losses	(1,580)	2,492	3,190	1,095	1,576
Pre-tax, pre-provision net income	\$ 44,174	\$ 40,702	\$ 54,619	\$ 124,958	\$ 141,672

(l) Effective January 1, 2023, Park adopted Accounting Standards Update ("ASU") 2022-02. Among other things, this ASU eliminated the concept of troubled debt restructurings ("TDRs"). As a result of the adoption of this ASU and elimination of the concept of TDRs, total nonperforming loans ("NPLs") and total nonperforming assets ("NPAs") each decreased by \$20.1 million effective January 1, 2023. Additionally, as a result of the adoption of this ASU, individually evaluated loans decreased by \$11.5 million effective January 1, 2023.

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Source: Park National Corporation