October 23, 2023 FOR IMMEDIATE RELEASE

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

**NEWARK, Ohio —** 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

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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**

| | 2023 | 2023 | 2022 | Percent change vs. | |
|---|---|---|---|---|---|
| *(in thousands, except common share and per common share data and ratios)* | **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)* | September 30, 2023 | June 30, 2023 | September 30, 2022 | Percent change vs. 2Q '23 | Percent change vs. 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 | 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**

| | 2023 | 2022 | |
|---|---|---|---|
| *(in thousands, except share and per share data)* | Nine months ended September 30 | Nine months ended September 30 | Percent change vs '22 |
| **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 **2023** | Three Months Ended September 30 2022 | Nine Months Ended September 30 **2023** | Nine Months Ended September 30 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, 2023 | Three Months Ended September 30, 2022 | Nine Months Ended September 30, 2023 | Nine Months Ended September 30, 2022 |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and due from banks | **$ 146,162** | $ 156,585 | **$ 151,735** | $ 161,424 |
| Money market instruments | **104,754** | 573,858 | **181,793** | 357,514 |
| Investment securities | **1,737,292** | 1,904,909 | **1,773,695** | 1,854,295 |
| Loans | **7,267,476** | 7,039,040 | **7,166,863** | 6,904,019 |
| Allowance for credit losses | **(88,522)** | (81,130) | **(87,511)** | (81,148) |
| **Loans, net** | **7,178,954** | 6,957,910 | **7,079,352** | 6,822,871 |
| Bank premises and equipment, net | **78,483** | 85,588 | **80,361** | 87,107 |
| Goodwill and other intangible assets | **164,801** | 166,136 | **165,127** | 166,521 |
| Other real estate owned | **1,870** | 1,745 | **1,759** | 1,096 |
| Other assets | **552,798** | 537,318 | **546,434** | 514,035 |
| **Total assets** | **$ 9,965,114** | $ 10,384,049 | **$ 9,980,256** | $ 9,964,863 |
| **Liabilities and Shareholders' Equity** | | | | |
| Deposits: | | | | |
| Noninterest bearing | **$ 2,748,259** | $ 3,112,219 | **$ 2,854,736** | $ 3,079,026 |
| Interest bearing | **5,634,621** | 5,679,989 | **5,540,680** | 5,292,194 |
| **Total deposits** | **8,382,880** | 8,792,208 | **8,395,416** | 8,371,220 |
| Borrowings | **353,203** | 385,310 | **364,384** | 392,269 |
| Other liabilities | **126,354** | 130,005 | **125,532** | 117,294 |
| **Total liabilities** | **$ 8,862,437** | $ 9,307,523 | **$ 8,885,332** | $ 8,880,783 |
| **Shareholders' Equity:** | | | | |
| Preferred shares | **$ —** | $ — | **$ —** | $ — |
| Common shares | **460,592** | 460,188 | **460,672** | 460,462 |
| Accumulated other comprehensive loss, net of taxes | **(97,029)** | (78,040) | **(94,762)** | (46,489) |
| Retained earnings | **893,124** | 833,540 | **877,506** | 810,457 |
| Treasury shares | **(154,010)** | (139,162) | **(148,492)** | (140,350) |
| **Total shareholders' equity** | **$ 1,102,677** | $ 1,076,526 | **$ 1,094,924** | $ 1,084,080 |
| **Total liabilities and shareholders' equity** | **$ 9,965,114** | $ 10,384,049 | **$ 9,980,256** | $ 9,964,863 |

**PARK NATIONAL CORPORATION**

**Consolidated Statements of Income - Linked Quarters**

| | **2023** | 2023 | 2023 | 2022 | 2022 |
|---|---|---|---|---|---|
| ***(in thousands, except per share data)*** | **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**

| *(in thousands)* | **2023 3rd QTR** | 2023 2nd QTR | 2023 1st QTR | 2022 4th QTR | 2022 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) | 1,024 | 1,232 | (1) | 2,375 | (3,348) | (16,942) | 1,004 |
| (Recovery of) provision for credit losses | (1,580) | 2,492 | 183 | 4,557 | (11,916) | 12,054 | 6,171 |
| 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 September 30, 2023 | June 30, 2023 | September 30, 2022 | NINE MONTHS ENDED 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.