REFINITIV

DELTA REPORT

10-Q

PRK - PARK NATIONAL CORP /OH/

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2592
CHANGES	802
DELETIONS	1134
ADDITIONS	656

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023 March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______________________ to __________________________

Commission File Number 1-13006

PARK NATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

Ohio	31-1179518
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

50 North Third Street, P.O. Box 3500 Newark, Ohio 43058-3500

(Address of principal executive offices) (Zip Code)

(740) 349-8451

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common shares, without par value	PRK	NYSE American

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer",
"smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 16,116,479 16,149,523 Common Shares, no par value per share, outstanding at October 31, 2023 May 1, 2024.

PARK NATIONAL CORPORATION

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Glossary of Abbreviations and Acronyms

Park has identified the following list of abbreviations and acronyms that are used in the Unaudited Consolidated Condensed Financial Statements, Notes to Unaudited Consolidated Condensed Financial Statements, and Management's Discussion and Analysis of Financial Condition and Results of Operations.

ACH	Automated clearing house	LDA	Loss driver analysis	
ACL	Allowance for credit losses	LGD	Loss given default	
AFS	Available-for-sale	LTIP	Long-Term Incentive Plan	
Allowance	Allowance for credit losses	MSRs	Mortgage servicing rights	
ASC	Accounting Standards Codification	NAV	Net asset value	
ASU	Accounting Standards Update	NewDominion	NewDominion Bank	
ATM	Automated teller machine	NSF	Non-sufficient funds	
CARES Act	Coronavirus Aid, Relief, and Economic Security Act	OREO	Other real estate owned	
Carolina Alliance	CAB Financial Corporation and its subsidiaries	OWS OREO	One-way sell	
CECL	Current expected credit loss	Park	Park National Corporation and its subsidiaries Other real estate owned	
Company	Park National Corporation and its subsidiaries	Park	Park National Bank	The Park National Bank Corporation and its subsidiaries
Corporation	Park National Corporation and its subsidiaries	Park National Bank	The Park National Bank	
COVID-19	Novel coronavirus	PBRSUs	Performance-based restricted stock units	
COVID	Novel coronavirus	PCD	Purchased credit deteriorated	
DCF	Discounted cash flow	PD PCD	Probability of default Purchased credit deteriorated	
DDA	Demand deposit account	PD	Probability of default	
EPS	Earnings per common share	PNB	The Park National Bank	
DOJ FASB	U.S. Department of Justice Financial Accounting Standards Board	PPP	CARES Act Paycheck Protection Program	
EPS	Earnings per common share	PTPP	Pre-tax, pre-provision	
FASB	Financial Accounting Standards Board	Registrant	Park National Corporation	
FDIC	Federal Deposit Insurance Corporation	ROU PTPP	Right-of-use Pre-tax, pre-provision	
FFIEC	Federal Financial Institutions Examination Council	SARs Registrant	Stock appreciation rights Park National Corporation	
FHLB	Federal Home Loan Bank	SBA ROU	U.S. Small Business Administration Right-of-use	
FRB	Federal Reserve Bank	SARs	Stock appreciation rights	
FTE	Fully taxable equivalent	SEC	U.S. Securities and Exchange Commission	
FTE	Fully taxable equivalent	SEPH	SE Property Holdings, LLC	
GDP	Gross domestic product	SERP	Supplemental Executive Retirement Plan	
GFSC	Guardian Financial Services Company	TBRSUs	Time-based restricted stock units	
HELOC	Home equity line of credit	TDRs TBRSUs	Troubled debt restructurings Time-based restricted stock units	
HPI	Home price index	U.S. TDRs	United States of America Troubled debt restructurings	
ICS	Insured Cash Sweep	U.S. GAAP	United States Generally Accepted Accounting Principles of America	
IRLC	Interest rate lock commitment	United States U.S. GAAP	United States of America Generally Accepted Accounting Principles	
KSOP	Park's qualified retirement plan that combines an employee stock ownership plan (ESOP) with a 401(k) plan	United States	United States of America	
		VOV	Verification of value	

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Item 1. Financial Statements

PARK NATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Condensed Balance Sheets (Unaudited)
(in thousands, except common share and per common share data)

		September 30, 2023	**December 31, 2022**		
	March 31, 2024			**March 31, 2024**	**December 31, 2023**
Assets:	Assets:			Assets:	
Cash and due from banks	Cash and due from banks	**$ 140,252**	$ 156,750		
Money market instruments	Money market instruments	**83,366**	32,978		
Cash and cash equivalents	Cash and cash equivalents	**223,618**	189,728		
Investment securities:	Investment securities:				
Debt securities available-for-sale, at fair value (amortized cost of $1,747,396 and $1,854,852 at September 30, 2023 and December 31, 2022, respectively, and no allowance for credit losses at September 30, 2023 or at December 31, 2022)		**1,609,156**	1,733,696		
Investment securities:					
Investment securities:					
Debt securities available-for-sale, at fair value (amortized cost of $1,334,973 and $1,418,770 at March 31, 2024 and December 31, 2023, respectively, and no allowance for credit losses at March 31, 2024 or at December 31, 2023)					
Other investment securities	Other investment securities	**99,671**	87,091		
Total investment securities	Total investment securities	**1,708,827**	1,820,787		
Loans	Loans	**7,349,745**	7,141,891		
Loans					
Loans					
Allowance for credit losses	Allowance for credit losses	**(84,602)**	(85,379)		
Net loans	Net loans	**7,265,143**	7,056,512		

Bank owned life insurance

Bank owned life insurance

Bank owned life insurance	Bank owned life insurance	**225,142**	220,072
Prepaid assets	Prepaid assets	**158,124**	153,579
Goodwill	Goodwill	**159,595**	159,595
Other intangible assets	Other intangible assets	**4,986**	5,975
Premises and equipment, net	Premises and equipment, net	**77,331**	82,126
Affordable housing tax credit investments	Affordable housing tax credit investments	**64,676**	60,968
OREO	OREO	**1,354**	1,354
Accrued interest receivable	Accrued interest receivable	**39,101**	34,704
Operating lease ROU asset	Operating lease ROU asset	**16,349**	17,600
Mortgage loan servicing rights	Mortgage loan servicing rights	**14,960**	15,792
Other	Other	**41,708**	36,201
Total assets	Total assets	**$10,000,914**	$9,854,993

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PARK NATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Condensed Balance Sheets (Unaudited) (Continued)
(in thousands, except common share and per common share data)

		September 30, 2023	**December 31, 2022**			
	March 31, 2024				**March 31, 2024**	**December 31, 2023**
Liabilities and Shareholders' Equity:	Liabilities and Shareholders' Equity:			Liabilities and Shareholders' Equity:		
Deposits:	Deposits:			Deposits:		
Non-interest bearing	Non-interest bearing	**$ 2,732,504**	$3,074,276			
Interest bearing	Interest bearing	**5,512,220**	5,160,439			
Total deposits	Total deposits	**8,244,724**	8,234,715			
Short-term borrowings						
Short-term borrowings						
Short-term borrowings	Short-term borrowings	**352,786**	227,342			
Subordinated notes	Subordinated notes	**189,025**	188,667			
Unfunded commitments in affordable housing tax credit investments	Unfunded commitments in affordable housing tax credit investments	**31,553**	28,132			
Operating lease liability	Operating lease liability	**17,426**	19,291			
Allowance for credit losses on off-balance sheet commitments	Allowance for credit losses on off-balance sheet commitments	**5,201**	5,214			

Accrued interest payable	Accrued interest payable	**3,277**	3,486
Other	Other	**71,358**	78,920
Total liabilities	Total liabilities	**$ 8,915,350**	$8,785,767
Shareholders' equity:	Shareholders' equity:		
Shareholders' equity:			
Shareholders' equity:			
Preferred shares (No par value; 200,000 shares authorized; No shares issued)	Preferred shares (No par value; 200,000 shares authorized; No shares issued)	**$ —**	$ —
Common shares (No par value; 20,000,000 shares authorized; 17,623,104 common shares issued at September 30, 2023 and at December 31, 2022)		**461,849**	462,404
Common shares (No par value; 20,000,000 shares authorized; 17,623,104 common shares issued at March 31, 2024 and at December 31, 2023)			
Retained earnings	Retained earnings	**896,627**	847,235
Treasury shares (1,519,679 common shares at September 30, 2023 and 1,359,521 common shares at December 31, 2022)		**(157,022)**	(138,019)
Treasury shares (1,473,581 common shares at March 31, 2024 and 1,506,625 common shares at December 31, 2023)			
Accumulated other comprehensive loss, net of taxes	Accumulated other comprehensive loss, net of taxes	**(115,890)**	(102,394)
Total shareholders' equity	Total shareholders' equity	**1,085,564**	1,069,226
Total liabilities and shareholders' equity	Total liabilities and shareholders' equity	**$10,000,914**	$9,854,993

SEE ACCOMPANYING NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

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PARK NATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Income (Unaudited)
(in thousands, except common share and per common share data)

	Three Months Ended September 30,		**Nine Months Ended September 30,**			
Three Months Ended March 31,					**Three Months Ended March 31,**	
	2023	**2022**	**2023**	**2022**	**2024**	**2023**

Interest and dividend income:	Interest and dividend income:					Interest and dividend income:
Interest and fees on loans	Interest and fees on loans	**$103,258**	$83,522	**$291,300**	$233,725	
Interest and fees on loans						
Interest and fees on loans						
Interest and dividends on:						
Interest and dividends on:						
Interest and dividends on:	Interest and dividends on:					
Debt securities - taxable	Debt securities - taxable	**13,321**	10,319	**39,731**	24,073	
Debt securities - tax-exempt	Debt securities - tax-exempt	**2,900**	2,923	**8,718**	8,046	
Other interest income	Other interest income	**1,410**	3,180	**6,715**	3,593	
Total interest and dividend income	Total interest and dividend income	**120,889**	99,944	**346,464**	269,437	
Interest expense:	Interest expense:					
Interest expense:						
Interest expense:						
Interest on deposits:						
Interest on deposits:						
Interest on deposits:	Interest on deposits:					
Demand and savings deposits	Demand and savings deposits	**20,029**	5,757	**52,309**	7,441	
Time deposits	Time deposits	**3,097**	825	**6,410**	2,253	
Interest on borrowings:	Interest on borrowings:					
Interest on borrowings:						
Interest on borrowings:						
Short-term borrowings	Short-term borrowings	**1,136**	306	**2,688**	740	
Subordinated notes and long-term debt		**2,358**	2,228	**7,018**	6,550	
Subordinated notes						
Total interest expense						
Total interest expense						
Total interest expense	Total interest expense	**26,620**	9,116	**68,425**	16,984	
Net interest income	Net interest income	**94,269**	90,828	**278,039**	252,453	
Net interest income						

Net interest income					
(Recovery of) provision for credit losses		**(1,580)**	3,190	**1,095**	1,576
Provision for credit losses					
Provision for credit losses					
Provision for credit losses					
Net interest income after (recovery of) provision for credit losses		**$ 95,849**	$87,638	**$276,944**	$250,877
Net interest income after provision for credit losses					
Net interest income after provision for credit losses					
Net interest income after provision for credit losses					
Other income:					
Other income:					
Other income:	Other income:				
Income from fiduciary activities	Income from fiduciary activities	**$ 9,100**	$ 8,216	**$ 26,531**	$ 25,872
Service charges on deposit accounts	Service charges on deposit accounts	**2,109**	2,859	**6,391**	7,496
Other service income	Other service income	**2,615**	2,956	**7,951**	12,715
Debit card fee income	Debit card fee income	**6,652**	6,514	**19,939**	19,371
Bank owned life insurance income	Bank owned life insurance income	**1,448**	1,185	**3,965**	4,734
ATM fees	ATM fees	**575**	610	**1,661**	1,725
(Loss) gain on the sale of OREO, net		**(6)**	5,607	**(3)**	5,611
OREO valuation markup		**—**	12,009	**15**	12,039
Gain on equity securities, net		**998**	58	**618**	3,120
Gain (loss) on the sale of OREO, net					
Loss on the sale of debt securities, net					
Loss on equity securities, net					
Other components of net periodic pension benefit income	Other components of net periodic pension benefit income	**1,893**	3,027	**5,679**	9,081
Miscellaneous	Miscellaneous	**2,329**	3,653	**4,368**	7,779
Total other income	Total other income	**$ 27,713**	$46,694	**$ 77,115**	$109,543

PARK NATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Income (Unaudited) (Continued)
(in thousands, except common share and per common share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2023	**2022**	**2023**	**2022**
	2024	2023		
Other expense:				
Salaries	**$ 34,525**	$ 37,889	**$ 103,045**	$ 99,462
Employee benefits	**10,822**	9,897	**32,176**	30,595
Occupancy expense	**3,203**	3,455	**9,770**	9,709
Furniture and equipment expense	**3,060**	2,912	**9,409**	8,783
Data processing fees	**9,700**	8,170	**28,032**	24,090
Professional fees and services	**7,572**	8,359	**22,158**	20,992
Marketing	**1,197**	1,595	**3,755**	3,931
Insurance	**2,158**	1,237	**5,932**	3,887
Communication	**1,135**	1,098	**3,217**	2,923
State tax expense	**1,125**	1,186	**3,499**	3,545
Amortization of intangible assets	**334**	341	**989**	1,146
Foundation contribution	**—**	4,000	**—**	4,000
Miscellaneous	**2,977**	2,764	**8,214**	7,261
Total other expense	**$ 77,808**	$ 82,903	**$ 230,196**	$ 220,324
Income before income taxes	**$ 45,754**	$ 51,429	**123,863**	140,096
Income before income taxes				
Income before income taxes				
Income taxes				
Income taxes				
Income taxes	**8,837**	9,361	**21,629**	24,829
Net income	**$ 36,917**	$ 42,068	**$ 102,234**	$ 115,267
Net income				
Net income				
Earnings per common share:				

Earnings per common share:

Earnings per common share:

Basic

Basic

Basic	Basic	**$ 2.29**	$ 2.59	**$ 6.32**	$ 7.10
Diluted	Diluted	**$ 2.28**	$ 2.57	**$ 6.29**	$ 7.05

Weighted average common shares outstanding:

Weighted average common shares outstanding:

Weighted average common shares outstanding:	**Weighted average common shares outstanding:**				
Basic	Basic	**16,133,310**	16,253,704	**16,180,261**	16,240,966
Diluted	Diluted	**16,217,880**	16,374,982	**16,261,109**	16,355,790
Regular cash dividends declared per common share	Regular cash dividends declared per common share	**$ 1.05**	$ 1.04	**$ 3.15**	$ 3.12

Regular cash dividends declared per common share

Regular cash dividends declared per common share

SEE ACCOMPANYING NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

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PARK NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income (Loss) (Unaudited)

(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income	$ 36,917	$ 42,068	$ 102,234	$ 115,267
Other comprehensive loss, net of tax:				
Unrealized net holding loss on debt securities available-for-sale, net of income tax effect of $(5,078) and $(10,617) for the three months ended September 30, 2023 and 2022, respectively, and $(3,588) and $(37,403) for the nine months ended September 30, 2023 and 2022, respectively.	(19,104)	(39,939)	(13,496)	(140,704)
Reclassification adjustment for losses included in net income on cash flow hedging derivatives, net of income tax effect of $14 for the nine months ended September 30, 2022.	—	—	—	52
Unrealized gain on cash flow hedging derivatives, net of income tax effect of $41 for the nine months ended September 30, 2022.	—	—	—	154
Other comprehensive loss	$ (19,104)	$ (39,939)	$ (13,496)	$ (140,498)
Comprehensive income (loss)	$ 17,813	$ 2,129	$ 88,738	$ (25,231)

	Three Months Ended March 31,	
	2024	2023
Net income	$ 35,204	$ 33,733
Other comprehensive (loss) income, net of tax:		
Unrealized net holding (loss) gain on debt securities available-for-sale, net of income tax effect of $(138) and $3,285 for the three months ended March 31, 2024 and 2023, respectively	(518)	12,361
Net loss realized on sale of debt securities, AFS, net of income tax effect of $84 for the three months ended March 31, 2024	314	—

Other comprehensive (loss) income	$	(204)	$	12,361
Comprehensive income	$	35,000	$	46,094

SEE ACCOMPANYING NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

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PARK NATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Changes in Shareholders' Equity (Unaudited)
(in thousands, except common share and per common share data)

	Preferred Shares	Common Shares	Retained Earnings	Treasury Shares	Accumulated Other Comprehensive Loss
Balance at December 31, 2022	**$ —**	**$ 462,404**	**$ 847,235**	**$ (138,019)**	**$ (102,394)**
Cumulative effect of a change in accounting principle			**(303)**		
Balance at January 1, 2023	**$ —**	**$ 462,404**	**$ 846,932**	**$ (138,019)**	**$ (102,394)**
Net income			**33,733**		
Other comprehensive income, net of tax					**12,361**
Dividends on common shares at $1.05 per common share			**(17,285)**		
Issuance of 34,484 common shares under share-based compensation awards, net of 21,981 common shares withheld to pay employee income taxes		**(5,309)**	**(862)**	**3,564**	
Share-based compensation expense		**2,336**			
Repurchase of 124,000 common shares to be held as treasury shares				**(15,308)**	
Balance at March 31, 2023	**$ —**	**$ 459,431**	**$ 862,518**	**$ (149,763)**	**$ (90,033)**
Net income			**31,584**		
Other comprehensive loss, net of tax					**(6,753)**
Dividends on common shares at $1.05 per common share			**(17,187)**		
Issuance of 4,358 common shares under share-based compensation awards, net of 1,992 common shares withheld to pay employee income taxes		**(602)**	**(85)**	**$ 450**	
Share-based compensation expense		**1,749**			
Repurchase of 25,000 common shares to be held as treasury shares				**(2,552)**	
Balance at June 30, 2023	**$ —**	**$ 460,578**	**$ 876,830**	**$ (151,865)**	**$ (96,786)**
Net income			**36,917**		
Other comprehensive loss, net of tax					**(19,104)**
Dividends on common shares at $1.05 per common share			**(17,120)**		
Share-based compensation expense		**1,271**			
Repurchase of 50,000 common shares to be held as treasury shares				**(5,157)**	
Balance at September 30, 2023	**$ —**	**$ 461,849**	**$ 896,627**	**$ (157,022)**	**$ (115,890)**

	Preferred Shares	Common Shares	Retained Earnings	Treasury Shares	Accumulated Other Comprehensive Loss
Balance at December 31, 2023	**$ —**	**$ 463,280**	**$ 903,877**	**$ (155,673)**	**$ (66,191)**
Net income			**35,204**		

Other comprehensive loss, net of tax					**(204)**
Dividends on common shares at $1.06 per common share			**(17,287)**		
Issuance of 33,044 common shares under share-based compensation awards, net of 21,937 common shares withheld to pay employee income taxes		**(5,701)**	**(693)**	**3,414**	
Share-based compensation expense		**1,953**			
Balance at March 31, 2024	**$ —**	**$ 459,532**	**$ 921,101**	**$ (152,259)**	**$ (66,395)**

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PARK NATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Condensed Statements of Changes in Shareholders' Equity (Unaudited) (Continued)

(in thousands, except common share and per common share data)

	Preferred Shares	Common Shares	Retained Earnings	Treasury Shares	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2021	$ —	$ 461,800	$ 776,294	$ (142,490)	$ 15,155
Net income			38,875		
Other comprehensive loss, net of tax					(55,624)
Dividends on common shares at $1.04 per common share			(17,172)		
Cash payment for fractional common shares in dividend reinvestment plan		(2)			
Issuance of 29,757 common shares under share-based compensation awards, net of 18,658 common shares withheld to pay employee income taxes		(4,508)	(964)	3,021	
Share-based compensation expense		1,981			
Balance at March 31, 2022	$ —	$ 459,271	$ 797,033	$ (139,469)	$ (40,469)
Net income			34,324		
Other comprehensive loss, net of tax					(44,935)
Dividends on common shares at $1.04 per common share			(17,116)		
Share-based compensation expense		1,374			
Balance at June 30, 2022	$ —	$ 460,645	$ 814,241	$ (139,469)	$ (85,404)
Net income			42,068		
Other comprehensive loss, net of tax					(39,939)
Dividends on common shares at $1.04 per common share			(17,101)		
Issuance of 4,490 common shares under share-based compensation awards, net of 2,559 common shares withheld to pay employee income taxes		(765)	(1)	456	
Share-based compensation expense		1,441			
Balance at September 30, 2022	$ —	$ 461,321	$ 839,207	$ (139,013)	$ (125,343)

	Preferred Shares	Common Shares	Retained Earnings	Treasury Shares	Accumulated Other Comprehensive Loss
Balance at December 31, 2022	$ —	$ 462,404	$ 847,235	$ (138,019)	$ (102,394)
Cumulative effect of a change in accounting principle			(303)		
Balance at January 1, 2023	$ —	$ 462,404	$ 846,932	$ (138,019)	$ (102,394)
Net income			33,733		
Other comprehensive income, net of tax					12,361

Dividends on common shares at $1.05 per common share			(17,285)		
Issuance of 34,484 common shares under share-based compensation awards, net of 21,981 common shares withheld to pay employee income taxes		(5,309)	(862)	3,564	
Share-based compensation expense		2,336			
Repurchase of 124,000 common shares to be held as treasury shares				$ (15,308)	
Balance at March 31, 2023	$ —	$ 459,431	$ 862,518	$ (149,763)	$ (90,033)

SEE ACCOMPANYING NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

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PARK NATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Cash Flows (Unaudited)
(in thousands)

		Nine Months Ended September 30,			
	Three Months Ended March 31,				Three Months Ended March 31,
		2023	2022	2024	2023
Operating activities:	Operating activities:			Operating activities:	
Net income	Net income	$ 102,234	$ 115,267		
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:				
Adjustments to reconcile net income to net cash provided by operating activities:					
Adjustments to reconcile net income to net cash provided by operating activities:					
Provision for credit losses	Provision for credit losses	1,095	1,576		
Accretion of loan fees and costs, net	Accretion of loan fees and costs, net	(6,621)	(9,869)		
Depreciation of premises and equipment	Depreciation of premises and equipment	10,635	10,341		
Amortization of investment securities, net	Amortization of investment securities, net	3,156	2,596		
Net amortization (accretion) of purchase accounting adjustments		451	(402)		
Gain on equity securities, net		(618)	(3,120)		
Net (accretion) amortization of purchase accounting adjustments					
Loss on the sale of debt securities, net					
Loss on equity securities, net					
Loan originations to be sold in secondary market	Loan originations to be sold in secondary market	(53,432)	(157,868)		

Proceeds from sale of loans in secondary market	Proceeds from sale of loans in secondary market	**53,711**	169,212	
Gain on sale of loans in secondary market	Gain on sale of loans in secondary market	**(996)**	(3,885)	
Share-based compensation expense	Share-based compensation expense	**5,356**	4,796	
Loss (gain) on sale of OREO, net		**3**	(5,611)	
OREO valuation markup		**(15)**	(12,039)	
Gain on sale of non-mortgage loans		**—**	(495)	
(Gain) loss on sale of OREO, net				
Bank owned life insurance income	Bank owned life insurance income	**(3,965)**	(4,734)	
Investment in qualified affordable housing tax credits amortization	Investment in qualified affordable housing tax credits amortization	**6,292**	5,940	
Changes in assets and liabilities:	Changes in assets and liabilities:			
Increase in prepaid dealer premiums		**(1,339)**	(10,827)	
Increase in other assets		**(7,000)**	(2,302)	
Changes in assets and liabilities:				
Changes in assets and liabilities:				
Decrease in prepaid dealer premiums				
Decrease in prepaid dealer premiums				
Decrease in prepaid dealer premiums				
Decrease (increase) in other assets				
Decrease in other liabilities	Decrease in other liabilities	**(12,092)**	(8,963)	
Net cash provided by operating activities	Net cash provided by operating activities	**$ 96,855**	$ 89,613	
Investing activities:	Investing activities:			
Investing activities:				
Investing activities:				
Proceeds from sales of investment securities				
Proceeds from the redemption/repurchase of FHLB stock	Proceeds from the redemption/repurchase of FHLB stock	**$ 4,605**	$ 2,216	
Proceeds from calls and maturities of:	Proceeds from calls and maturities of:			Proceeds from calls and maturities of:
Debt securities AFS	Debt securities AFS	**108,281**	148,192	
Purchases of:	Purchases of:			Purchases of:
Debt securities AFS	Debt securities AFS	**(3,981)**	(316,878)	
Equity securities	Equity securities	**(2,195)**	(9,165)	
FHLB stock	FHLB stock	**(13,636)**	—	
Net decrease in other investments		**2,009**	392	
Net loan originations, portfolio loans		**(203,298)**	(234,239)	
Proceeds from the sale of non-mortgage loans		**—**	4,345	
Net decrease (increase) in other investments				

Net loan (originations) paydowns, portfolio loans			
Investment in qualified affordable housing tax credits	Investment in qualified affordable housing tax credits	**(6,579)**	(10,004)
Proceeds from the sale of OREO	Proceeds from the sale of OREO	**965**	17,684
Bank owned life insurance death benefits	Bank owned life insurance death benefits	**1,658**	8,380
Purchases of bank owned life insurance	Purchases of bank owned life insurance	**(2,500)**	(7,500)
Purchases of premises and equipment	Purchases of premises and equipment	**(5,858)**	(6,576)
Net cash used in investing activities		**$(120,529)**	$(403,153)
Net cash provided by investing activities			

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PARK NATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Cash Flows (Unaudited) (Continued)
(in thousands)

PARK NATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Cash Flows (Unaudited) (Continued)
(in thousands)

PARK NATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Cash Flows (Unaudited) (Continued)
(in thousands)

		Nine Months Ended September 30,			
		Three Months Ended March 31,		**Three Months Ended March 31,**	
		2023	**2022**	**2024**	**2023**
Financing activities:	Financing activities:			Financing activities:	
Net (decrease) increase in deposits		**$(185,164)**	$188,536		
Net decrease in off-balance sheet deposits		**195,173**	216,869		
Net increase (decrease) in short-term borrowings		**125,444**	(49,293)		
Net increase in deposits					
Net (increase) decrease in off-balance sheet deposits					
Net decrease in short-term borrowings					
Value of common shares withheld to pay employee income taxes	Value of common shares withheld to pay employee income taxes	**(2,844)**	(2,761)		

Repurchase of common shares to be held as treasury shares	Repurchase of common shares to be held as treasury shares	**(23,017)**	—
Cash dividends paid	Cash dividends paid	**(52,028)**	(51,558)
Net cash provided by financing activities		**$ 57,564**	$301,793
Net cash provided by (used in) financing activities			
Increase (decrease) in cash and cash equivalents		**33,890**	(11,747)
Increase in cash and cash equivalents			
Increase in cash and cash equivalents			
Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year			
Cash and cash equivalents at beginning of year			
Cash and cash equivalents at beginning of year	Cash and cash equivalents at beginning of year	**189,728**	219,180
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	**$ 223,618**	$207,433
Cash and cash equivalents at end of period			
Cash and cash equivalents at end of period			
Supplemental disclosures of cash flow information:			
Supplemental disclosures of cash flow information:			
Supplemental disclosures of cash flow information:	Supplemental disclosures of cash flow information:		
Cash paid for:	Cash paid for:		
Cash paid for:			
Cash paid for:			
Interest	Interest	**$ 68,634**	$ 18,805
Federal income tax		**12,200**	16,070
Non-cash items:	Non-cash items:		
Non-cash items:			
Non-cash items:			
Loans transferred to OREO			
Loans transferred to OREO			
Loans transferred to OREO	Loans transferred to OREO	**$ 1,051**	$ 13,418
ROU assets obtained in exchange for lease obligations	ROU assets obtained in exchange for lease obligations	**499**	4,270
New commitments in affordable housing tax credits		**10,000**	10,000

New commitments in other investment securities	**2,745**	15,000
ROU assets obtained in exchange for lease obligations		
ROU assets obtained in exchange for lease obligations		

SEE ACCOMPANYING NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

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PARK NATIONAL CORPORATION
NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Note 1 – Basis of Presentation

The accompanying unaudited consolidated condensed financial statements included in this report have been prepared for Park National Corporation (sometimes also referred to as the “Registrant”) and its subsidiaries. Unless the context otherwise requires, references to "Park", the "Corporation" or the "Company" and similar terms mean Park National Corporation and its subsidiaries. In the opinion of management, all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the results of operations for the interim periods included herein have been made. The results of operations for the three-month and the nine-month periods period ended September 30, 2023 March 31, 2024 are not necessarily indicative of the operating results to be anticipated for the year ending December 31, 2023 December 31, 2024.

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with the instructions for Quarterly Reports on Form 10-Q and, therefore, do not include all information and footnotes necessary for a fair presentation of the consolidated condensed balance sheets, consolidated condensed statements of income, consolidated condensed statements of comprehensive income, (loss), consolidated condensed statements of changes in shareholders’ equity and consolidated condensed statements of cash flows in conformity with U.S. GAAP. These financial statements should be read in conjunction with the consolidated financial statements included in Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA in the Annual Report on Form 10-K of Park National Corporation for the fiscal year ended December 31, 2022 December 31, 2023 ("Park's 2022 2023 Form 10-K"). Certain prior period amounts have been reclassified to conform to the current period presentation.

Park’s significant accounting policies are described in Note 1. Summary of Significant Accounting Policies of the Notes to Consolidated Financial Statements included in Park’s 2022 2023 Form 10-K. For interim reporting purposes, Park follows the same basic accounting policies, as updated by the information contained in this report, and considers each interim period an integral part of an annual period.

Note 2 - Adoption of New Accounting Pronouncements and Issued But Not Yet Effective Accounting Standards

The following is a summary of new accounting pronouncements impacting Park's consolidated financial statements:

Adoption of New Accounting Pronouncements

ASU 2022-02 - Financial Instruments - Credit Losses (Topic 326) Troubled Debt Restructurings and Vintage Disclosures: In March 2022, FASB issued *ASU 2022-02 - Financial Instruments - Credit Losses (Topic 326) Troubled Debt Restructurings and Vintage Disclosures*. ASU 2022-02 eliminated No significant new pronouncements were adopted during the accounting guidance for TDRs by creditors in *Subtopic 310-40, Receivables - Troubled Debt Restructurings by Creditors*, while enhancing disclosure requirements for certain loan refinancing and restructurings by creditors when borrowers are experiencing financial difficulty. Additionally, the amendments in this ASU require that public business entities disclose current-period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of *Subtopic 326-20, Financial Instruments - Credit Losses - Measured at Amortized Cost.* three months ended March 31, 2024.

Park adopted ASU 2022-02 using the modified retrospective transition method on January 1, 2023. Park recorded a $383,000 increase to the ACL, a $303,000 decrease to retained earnings and an $80,000 increase to deferred tax assets as of January 1, 2023 for the cumulative effect of adopting ASU 2022-02. Additionally, as a result of the adoption of this ASU and elimination of the concept of TDRs, total nonperforming loans decreased by $20.1 million effective January 1, 2023 and individually evaluated loans decreased by $11.5 million.

The adoption of ASU 2022-02 impacted disclosures in Note 5 - Loans and Note 6 - Allowance for Credit Losses.

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Issued But Not Yet Effective Accounting Standards

SEC Cybersecurity Disclosures: In July 2023, the SEC voted to standardize disclosures about cybersecurity risk management, strategy, governance, and material cybersecurity incidents by public companies subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Current Report on Form 8-K has a new item, Item 1.05, and registrants will be required to disclose under this Item 1.05 any cybersecurity incident that is deemed to be material and describe the material aspects of the incident's nature, scope, and timing, as well as its material impact, or reasonably likely material impact on a registrant, including its financial condition and results of operations. The Form 8-K filing will generally be due four business days after a registrant determines that the cybersecurity incident is material.

Also, SEC Regulation S-K has a new item, Item 106, which will require registrants to describe, on an annual basis, the processes for assessing, identifying, and managing material risks from cybersecurity threats as well as the material effects, or reasonably likely material effects, of risk from cybersecurity threats and previous cybersecurity incidents. Item 106 will also require registrants to describe the board of directors' oversight of risks from cybersecurity threats and management's role and expertise in assessing and managing material risks from cybersecurity threats. These disclosures will be required in the annual report on Form 10-K. Compliance with the material incident disclosure requirements in Item 1.05 of Form 8-K is to begin on December 18, 2023 and the annual disclosures are to be provided beginning with annual reports for fiscal years ending on or after December 15, 2023.

Management intends to adopt the SEC cybersecurity rules effective December 18, 2023 and will include annual disclosures in the Annual Report on Form 10-K of Park National Corporation for the fiscal year ending December 31, 2023.

ASU 2023-06 - Disclosure Improvements - Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative: In October 2023, *FASB issued ASU 2023-06 - Disclosure Improvements - Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative.* ASU 2023-06 amends the disclosure or presentation requirements related to various subtopics in the FASB Accounting Standards Codification. ASU 2023-06 was issued in response to the SEC's August 2018 final rule that updated and simplified disclosure requirements. In the final rule, the SEC identified 27 disclosure requirements that were incremental to those in the ASC and referred them to the FASB for potential incorporation into US GAAP. To avoid duplication, the SEC intended to eliminate those disclosure requirements from existing SEC regulations if the FASB incorporated them into the relevant ASC subtopics. The disclosure requirements are currently included in either SEC Regulation S-X or SEC Regulation S-K. ASU 2023-06 adds 14 of the 27 identified disclosure or presentation requirements to the ASC.

For entities, like Park that are subject to the SEC's existing disclosure requirements, the effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The amendments are to be applied prospectively and, if by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or S-K, the pending content of the related amendment will be removed from the ASC and will not become effective for any entity. Management intends to adopt the provisions of ASU 2023-06 on their respective effective dates. The adoption of the provisions of ASU 2023-06 is not expected to have a material impact on Park's consolidated financial statements.

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ASU 2023-07 - Segment Reporting (Topic 280) Improvements to Reportable Segment Disclosures

In November 2023, FASB issued *ASU 2023-07 -Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. ASU 2023-07 will require public entities to disclose information about their reportable segments' significant expenses on an interim and annual basis. Public entities will be required to disclose other segment items for each reportable segment and provide a description of its composition. Significant expense categories are derived from expenses that are regularly reported to an entity's chief operating decision-makers and included in a segments' reported measures of profit or loss. ASU 2023-07 will also require for an entity to disclose the title and position of the chief operating decision-maker and explain how the chief operating decision-maker uses the reported measures of profit or loss to assess segment performance. ASU 2023-07 also requires interim disclosures of certain segment-related disclosures that previously were required only on an annual basis and clarifies that entities with a single reportable segment are subject to both new and existing segment reporting requirements under Topic 280.

ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. ASU 2023-07 requires entities to adopt the changes to the segment reporting guidance on a retrospective basis and early adoption is permitted. The adoption of the provisions of ASU 2023-07 is not expected to have an impact on Park's consolidated financial statements.

ASU 2023-09- Income Taxes (Topic 740) Improvement to Income Tax Disclosures

In December 2023, FASB issued *ASU 2023-09 - Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* ASU 2023-09 will require entities to disclose more detailed information in the reconciliation of their statutory tax rate to their effective tax rate. ASU 2023-09 also requires entities to disclose more detailed information about income taxes paid, including by jurisdiction.

ASU 2023-09 is effective for public business entities for annual reporting periods beginning after December 15, 2024 and interim periods beginning after December 15, 2025. The adoption of the provisions of ASU 2023-09 is not expected to have an impact on Park's consolidated financial statements, but will impact disclosures.

Note 3 – Investment Securities

Investment securities at September 30, 2023 March 31, 2024 and at December 31, 2022 December 31, 2023, were as follows:

Debt securities AFS (In thousands)	Debt securities AFS (In thousands)	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value	Debt securities AFS (In thousands)	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
September 30, 2023:										
Obligations of U.S. Government sponsored entities		**$ 39,000**	**$ —**	**$ 1,700**	**$ 37,300**					

March 31, 2024:					
Obligations of states and political subdivisions					
Obligations of states and political subdivisions					
Obligations of states and political subdivisions	Obligations of states and political subdivisions	**420,590**	**17**	**31,510**	**389,097**
U.S. Government sponsored entities' asset-backed securities	U.S. Government sponsored entities' asset-backed securities	**735,317**	**—**	**95,035**	**640,282**
Collateralized loan obligations	Collateralized loan obligations	**532,030**	**—**	**7,139**	**524,891**
Corporate debt securities	Corporate debt securities	**20,459**	**—**	**2,873**	**17,586**
Total	Total	**$1,747,396**	**$ 17**	**$ 138,257**	**$1,609,156**

Debt securities AFS (In thousands)	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
December 31, 2022:				
Obligations of U.S. Government sponsored entities	$ 39,000	$ —	$ 1,787	$ 37,213
Obligations of states and political subdivisions	423,285	1,620	18,194	406,711
U.S. Government sponsored entities' asset-backed securities	839,399	—	82,638	756,761
Collateralized loan obligations	535,518	—	18,979	516,539
Corporate debt securities	17,650	—	1,178	16,472
Total	$ 1,854,852	$ 1,620	$ 122,776	$ 1,733,696

Investment securities in an unrealized loss position at September 30, 2023, were as follows:

	Unrealized loss position for less than 12 months		Unrealized loss position for 12 months or longer		Total	
(In thousands)	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Debt securities AFS:						
Obligations of U.S. Government sponsored entities	**$ —**	**$ —**	**$ 37,300**	**$ 1,700**	**$ 37,300**	**$ 1,700**

Debt securities AFS (In thousands)	Debt securities AFS (In thousands)	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
December 31, 2023:					
Obligations of states and political subdivisions					

Obligations of states and political subdivisions							
Obligations of states and political subdivisions	Obligations of states and political subdivisions	**277,975**	**8,626**	**93,969**	**22,884**	**371,944**	**31,510**
U.S. Government sponsored entities' asset-backed securities	U.S. Government sponsored entities' asset-backed securities	**1,171**	**22**	**639,111**	**95,013**	**640,282**	**95,035**
Collateralized loan obligations	Collateralized loan obligations	**—**	**—**	**524,891**	**7,139**	**524,891**	**7,139**
Corporate debt securities	Corporate debt securities	**9,299**	**910**	**8,287**	**1,963**	**17,586**	**2,873**
Total	Total	**$288,445**	**$ 9,558**	**$1,303,558**	**$ 128,699**	**$1,592,003**	**$ 138,257**

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Investment securities in an unrealized loss position at December 31, 2022 March 31, 2024, were as follows:

(In thousands)	Unrealized loss position for less than 12 months: Fair value	Unrealized loss position for less than 12 months: Unrealized losses	Unrealized loss position for 12 months or longer: Fair value	Unrealized loss position for 12 months or longer: Unrealized losses	Total: Fair value	Total: Unrealized losses
Debt securities AFS:						
Obligations of states and political subdivisions	**$ 37,808**	**$ 276**	**$ 131,395**	**$ 13,476**	**$ 169,203**	**$ 13,752**
U.S. Government sponsored entities' asset-backed securities	**—**	**—**	**601,810**	**69,466**	**601,810**	**69,466**
Collateralized loan obligations	**34,873**	**25**	**254,721**	**1,339**	**289,594**	**1,364**
Corporate debt securities	**3,001**	**40**	**15,360**	**2,290**	**18,361**	**2,330**
Total	**$ 75,682**	**$ 341**	**$ 1,003,286**	**$ 86,571**	**$ 1,078,968**	**$ 86,912**

Investment securities in an unrealized loss position at December 31, 2023, were as follows:

		Unrealized loss position for less than 12 months		Unrealized loss position for 12 months or longer		Total								
		Unrealized loss position for less than 12 months									Unrealized loss position for less than 12 months	Unrealized loss position for 12 months or longer		
(In thousands)	(In thousands)	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses	(In thousands)	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	U
Debt securities AFS:	Debt securities AFS:													
Obligations of U.S. Government sponsored entities		$ 37,213	$ 1,787	$ —	$ —	$ 37,213	$ 1,787							
Obligations of states and political subdivisions														

Obligations of states and political subdivisions							
Obligations of states and political subdivisions	Obligations of states and political subdivisions	270,905	18,194	—	—	270,905	18,194
U.S. Government sponsored entities' asset-backed securities	U.S. Government sponsored entities' asset-backed securities	446,423	27,507	310,338	55,131	756,761	82,638
Collateralized loan obligations	Collateralized loan obligations	415,491	15,446	101,048	3,533	516,539	18,979
Corporate debt securities	Corporate debt securities	7,388	862	1,684	316	9,072	1,178
Total	Total	$1,177,420	$ 63,796	$413,070	$ 58,980	$1,590,490	$ 122,776

At September 30, 2023 March 31, 2024, Park's debt securities portfolio consisted of $1.6 $1.2 billion of securities, $1.6 $1.1 billion of which were in an unrealized loss position with aggregate unrealized losses of $138.3 $86.9 million. Of the $1.6 $1.1 billion of securities in an unrealized loss position, $1.3 $1.0 billion were in an unrealized loss position for 12 months or longer. Of the $138.3 $86.9 million in unrealized losses, an aggregate of $96.7 $69.5 million were related to Park's "Obligations of U.S. Government sponsored entities" portfolio and Park's "U.S. Government sponsored entities' asset-backed securities" portfolio. For non-agency debt securities, Park verified that the current credit ratings remain above investment grade. Quarterly, On a quarterly basis, management reviews the credit profile of each non-agency debt security and assesses whether any impairment to the contractually obligated cash flow is likely to occur. Based on these reviews, management has concluded that the underlying creditworthiness for each security remains sufficient to maintain required payment obligations and, therefore, unrealized losses have not been recognized into net income. Management does not intend to sell, and it is not more likely than not that management would be required to sell, the securities prior to their anticipated recovery in respect of the unrealized losses. Management believes the value will recover as the securities approach maturity or market interest rates change.

There was no allowance for credit losses recorded for debt securities AFS at either September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023. Additionally, for the three months ended March 31, 2024 and the nine months ended September 30, 2023 and 2022, 2023, there were no credit-related investment impairment losses recognized.

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The amortized cost and estimated fair value of investments in debt securities AFS at September 30, 2023 March 31, 2024, are shown in the following table by contractual maturity, except for asset-backed securities and collateral loan obligations, which are shown as a single total due to the unpredictability of the timing of principal repayments. Expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

(In thousands)	(In thousands)	Amortized cost	Fair value	Tax equivalent yield (1)	(In thousands)	Amortized cost		Fair value		Tax equivalent yield (1)
Debt Securities AFS	**Debt Securities AFS**									
Obligations of U.S. Treasury and other U.S. Government sponsored entities										
Obligations of state and political subdivisions:										
Obligations of state and political subdivisions:										
Obligations of state and political subdivisions:										
Due one through five years	Due one through five years	**$ 39,000**	**$ 37,300**	**2.37 %**						

Obligations of state and political subdivisions:										
Due one through five years										
Due one through five years	Due one through five years	$ 2,262	$ 2,231	2.97 %		$ 1,505	$	$ 1,503	3.15	3.15 %
Due five through ten years	Due five through ten years	276,900	269,945	3.69 %	Due five through ten years	87,545	85,731	85,731	3.26	3.26 %
Due over ten years	Due over ten years	141,428	116,921	3.10 %	Due over ten years	130,836	119,292	119,292	3.14	3.14 %
Total (1)	Total (1)	$420,590	$389,097	3.49 %	Total (1)	$219,886	$	$206,526	3.19	3.19 %
U.S. Government sponsored entities' asset-backed securities	U.S. Government sponsored entities' asset-backed securities	$735,317	$640,282	1.89 %						
U.S. Government sponsored entities' asset-backed securities										
U.S. Government sponsored entities' asset-backed securities						$672,462		$603,009		1.83 %
Collateralized loan obligations										
Collateralized loan obligations										
Collateralized loan obligations	Collateralized loan obligations	$532,030	$524,891	7.31 %		$420,041	$	$418,997	7.23	7.23 %
Corporate debt securities	Corporate debt securities									
Corporate debt securities										
Corporate debt securities										
Due one through five years										
Due one through five years										
Due one through five years	Due one through five years	$ 2,809	$ 2,794	10.41 %		$ 2,834	$	$ 2,795	9.21	9.21 %
Due five through ten years	Due five through ten years	17,650	14,792	3.89 %	Due five through ten years	19,750	17,460	17,460	4.10	4.10 %
Total	Total	$ 20,459	$ 17,586	4.79 %	Total	$ 22,584	$	$ 20,255	4.74	4.74 %

(1) The tax equivalent yield for certain obligations of state and political subdivisions includes the effect of a taxable equivalent adjustment using a 21% federal corporate income tax rate.

During the three-month period ended March 31, 2024, Park sold certain AFS debt securities with a book value of $31.2 million at a gross loss of $398,000. There were no sales of debt securities AFS during the three-month or the nine-month periods period ended September 30, 2023 or 2022. March 31, 2023.

Investment securities having a fair value of $606.2 million $762.1 million and $753.6 million $602.0 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, were pledged to collateralize government and public fund deposits, to secure repurchase agreements sold and as collateral for FHLB advance borrowings.

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Note 4 – Other Investment Securities

Other investment securities consist of restricted stock investments in the FHLB and the FRB, and equity securities. The restricted FHLB and FRB stock investments are carried at their redemption value. Equity securities with a readily determinable fair value are carried at fair value. Equity securities without a readily determinable fair value are recorded at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions ("modified cost"). Park's portfolio of equity investments in limited partnerships which provide mezzanine funding ("Partnership Investments") are valued using the NAV practical expedient in accordance with ASC 820.

The carrying amounts of other investment securities at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were as follows:

(In thousands)	(In thousands)	September 30, 2023	December 31, 2022	(In thousands)	March 31, 2024	December 31, 2023
FHLB stock	FHLB stock	**$ 20,229**	$ 11,197			
FRB stock	FRB stock	**14,653**	14,653			
Equity investments carried at fair value	Equity investments carried at fair value	**2,794**	1,859			
Equity investments carried at modified cost (1)	Equity investments carried at modified cost (1)	**15,921**	14,725			
Equity investments carried at NAV	Equity investments carried at NAV	**46,074**	44,657			
Total other investment securities	Total other investment securities	**$ 99,671**	$ 87,091			

(1) There have been no impairments or downward adjustments made to equity investments carried at modified cost. An Cumulatively, upward adjustment adjustments of $871,000 was have been recorded during the nine months ended September 30, 2022 as a result of observable price changes. There were no adjustments recorded during the three months ended September 30, 2022. There were no adjustments recorded during the three months March 31, 2024 or the nine months ended September 30, 2023 March 31, 2023 as a result of observable price changes.

During the three months ended September 30, 2023 March 31, 2024, Park purchased 122,296 2,246 shares of FHLB stock with a book value of $12.2 million. During the nine months ended September 30, 2023, Park purchased 136,371 $225,000. No shares of FHLB stock with a book value of $13.6 million. were purchased during the three months ended March 31, 2023. During the three months ended September 30, 2023 March 31, 2024, the FHLB repurchased 10,002 shares of FHLB stock with a book value of $1.0 million. During the nine months ended September 30, 2023, the FHLB repurchased 46,054 45,630 shares of FHLB stock with a book value of $4.6 million. During the three months and the nine months ended September 30, 2022 March 31, 2023, the FHLB repurchased 22,160 30,938 shares of FHLB stock with a book value of $2.2 $3.1 million. No shares of FRB stock were purchased or sold during the three months ended March 31, 2024 or the nine months ended September 30, 2023 or 2022. 2023.

During the three months ended September 30, 2023 March 31, 2024 and 2022, $74,000 2023, $3,000 and $(39,000) $(27,000), respectively, of gains (losses) on equity investments carried at fair value were recorded within "Gain on equity securities, net" on the Consolidated Condensed Statements of Income. During the nine months ended September 30, 2023 and 2022, $(65,000) and $488,000, respectively, of (losses) gains on equity investments carried at fair value were recorded within "Gain "Loss on equity securities, net" on the Consolidated Condensed Statements of Income.

During the three months ended September 30, 2023 March 31, 2024 and 2022, $924,000 2023, $(690,000) and $97,000, $(378,000), respectively, of gains losses on equity investments carried at NAV were recorded within "Gain on equity securities, net" on the Consolidated Condensed Statements of Income. During the nine months ended September 30, 2023 and 2022, $683,000 and $2.6 million, respectively, of gains on equity investments carried at NAV were recorded within "Gain "Loss on equity securities, net" on the Consolidated Condensed Statements of Income.

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Note 5 – Loans

The composition of the loan portfolio at September 30, 2023 March 31, 2024 and at December 31, 2022 December 31, 2023 was as follows:

		September 30, 2023	December 31, 2022			
	March 31, 2024				March 31, 2024	December 31, 2023
(In thousands)	(In thousands)	Amortized Cost	Amortized Cost	(In thousands)	Amortized Cost	Amortized Cost

Commercial, financial and agricultural: (1)	Commercial, financial and agricultural: (1)			
Commercial, financial and agricultural (1)				
Commercial, financial and agricultural (1)				
Commercial, financial and agricultural (1)	Commercial, financial and agricultural (1)	**$1,283,485**	$1,295,238	
PPP loans	PPP loans	**2,427**	4,206	
Overdrafts	Overdrafts	**3,109**	1,489	
Commercial real estate (1)	Commercial real estate (1)	**1,833,400**	1,794,054	
Construction real estate:	Construction real estate:			Construction real estate:
Commercial	Commercial	**182,992**	208,982	
Retail	Retail	**105,934**	116,433	
Residential real estate:	Residential real estate:			Residential real estate:
Commercial	Commercial	**583,251**	550,183	
Mortgage	Mortgage	**1,185,544**	1,075,446	
HELOC	HELOC	**173,256**	167,151	
Installment	Installment	**5,295**	4,091	
Consumer:	Consumer:			
Consumer	Consumer	**1,970,570**	1,902,831	
Consumer				
Consumer				
Check loans	Check loans	**2,053**	2,150	
Leases	Leases	**18,429**	19,637	
Total	Total	**$7,349,745**	$7,141,891	
Allowance for credit losses	Allowance for credit losses	**(84,602)**	(85,379)	
Net loans	Net loans	**$7,265,143**	$7,056,512	

(1) Included within each of commercial, financial and agricultural loans and commercial real estate loans is an immaterial amount of consumer loans that were not broken out by class.

In order to support customers, Park participated in the CARES Act Paycheck Protection Program ("PPP"). For its assistance in making and retaining these loans, Park received an aggregate of $33.1 million in fees from the SBA. During the three months ended September 30, 2023 and September 30, 2022, $9,000 and $361,000, respectively, of PPP fee income was recognized within loan interest income. During the nine months ended September 30, 2023 and September 30, 2022, $34,000 and $2.9 million, respectively, of PPP fee income was recognized within loan interest income.

Loans are shown net of deferred origination fees, costs and unearned income of $18.9 million $20.3 million at September 30, 2023 March 31, 2024, and of $18.2 million $19.8 million at December 31, 2022 December 31, 2023, which represented a net deferred income position at both dates. At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, loans included purchase accounting adjustments of $1.9 million $1.5 million and $2.5 million $1.8 million, respectively, which represented a net deferred income position at each date. This fair market value purchase accounting adjustment is expected to be recognized into interest income on a level yield basis over the remaining expected life of the loans.

Overdrawn deposit accounts of $3.1 million $1.6 million and $1.5 million were reclassified to loans at September 30, 2023 March 31, 2024 and at December 31, 2022 December 31, 2023, respectively.

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Credit Quality

Among other things, the adoption of ASU 2022-02 on January 1, 2023 eliminated the concept of TDRs. After the adoption of ASU 2022-02 on January 1, 2023, nonperforming Nonperforming loans consisted consist of nonaccrual loans and loans past due 90 days or more and still accruing. Prior to the adoption of ASU 2022-02, nonperforming loans consisted of nonaccrual loans, accruing TDRs and loans past due 90 days or more and still accruing.

The following table presents tables present the amortized cost of nonaccrual loans and loans past due 90 days or more and still accruing, by class of loan, at September 30, 2023 March 31, 2024 and December 31, 2023.

(In thousands)	(In thousands)	September 30, 2023 Nonaccrual Loans	Loans Past Due 90 Days or More and Accruing	Total Nonperforming Loans	(In thousands)	March 31, 2024 Nonaccrual Loans	Loans Past Due 90 Days or More and Accruing	Total Nonperforming Loans
Commercial, financial and agricultural:	Commercial, financial and agricultural:							
Commercial, financial and agricultural								
Commercial, financial and agricultural								
Commercial, financial and agricultural	Commercial, financial and agricultural	$ 17,336	$ —	$ 17,336				
PPP loans	PPP loans	—	—	—				
Overdrafts	Overdrafts	—	—	—				
Commercial real estate	Commercial real estate	19,899	—	19,899				
Construction real estate:	Construction real estate:				Construction real estate:			
Commercial	Commercial	1,124	—	1,124				
Retail	Retail	—	—	—				
Residential real estate:	Residential real estate:				Residential real estate:			
Commercial	Commercial	2,237	—	2,237				
Mortgage	Mortgage	10,935	139	11,074				
HELOC	HELOC	957	—	957				
Installment	Installment	35	—	35				
Consumer:	Consumer:							
Consumer	Consumer	2,133	488	2,621				
Consumer								
Consumer								
Check loans	Check loans	—	—	—				
Leases	Leases	352	—	352				
Total loans	Total loans	$ 55,008	$ 627	$ 55,635				

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The following table presents the amortized cost of nonaccrual loans, accruing TDRs, and loans past due 90 days or more and still accruing, by class of loan, at December 31, 2022:

	December 31, 2022		December 31, 2023

(In thousands)	(In thousands)	Nonaccrual Loans	Accruing TDRs	Loans Past Due 90 Days or More and Accruing	Total Nonperforming Loans	(In thousands)	Nonaccrual Loans	Loans Past Due 90 Days or More and Accruing	Total Nonperforming Loans
Commercial, financial and agricultural									
Commercial, financial and agricultural									
Commercial, financial and agricultural	Commercial, financial and agricultural								
Commercial, financial and agricultural	Commercial, financial and agricultural	$ 38,158	$ 3,261	$ —	$ 41,419				
PPP loans	PPP loans	—	—	389	389				
Overdrafts	Overdrafts	—	—	—	—				
Commercial real estate	Commercial real estate	24,504	7,919	—	32,423				
Construction real estate:	Construction real estate:								
Commercial									
Commercial									
Commercial	Commercial	1,712	—	—	1,712				
Retail	Retail	1,254	12	—	1,266				
Residential real estate:	Residential real estate:					Residential real estate:			
Commercial	Commercial	1,894	298	—	2,192				
Mortgage	Mortgage	9,260	6,750	182	16,192				
HELOC	HELOC	1,133	187	7	1,327				
Installment	Installment	51	1,037	—	1,088				
Consumer	Consumer								
Consumer	Consumer	1,022	670	703	2,395				
Consumer									
Consumer									
Check loans	Check loans	—	—	—	—				
Leases	Leases	708	—	—	708				
Total loans	Total loans	$ 79,696	$20,134	$ 1,281	$ 101,111				

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The following tables provide additional detail on nonaccrual loans and the related ACL, by class of loan, at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

		September 30, 2023						
		March 31, 2024						March 31, 2024
(In thousands)	(In thousands)	Nonaccrual Loans With No ACL	Nonaccrual Loans With an ACL	Related ACL	(In thousands)	Nonaccrual Loans With No ACL	Nonaccrual Loans With an ACL	Related ACL
Commercial, financial and agricultural:	Commercial, financial and agricultural:							

Commercial, financial and agricultural				
Commercial, financial and agricultural				
Commercial, financial and agricultural	Commercial, financial and agricultural	**$ 8,121**	**$ 9,215**	**$3,132**
PPP loans	PPP loans	**—**	**—**	**—**
Overdrafts	Overdrafts	**—**	**—**	**—**
Commercial real estate	Commercial real estate	**18,411**	**1,488**	**205**
Construction real estate:	Construction real estate:			
Commercial	Commercial	**575**	**549**	**94**
Commercial				
Commercial				
Retail	Retail	**—**	**—**	**—**
Residential real estate:	Residential real estate:			
Commercial				
Commercial				
Commercial	Commercial	**2,237**	**—**	**—**
Mortgage	Mortgage	**—**	**10,935**	**96**
HELOC	HELOC	**—**	**957**	**25**
Installment	Installment	**—**	**35**	**18**
Consumer	Consumer			
Consumer	Consumer	**—**	**2,133**	**615**
Consumer				
Consumer				
Check loans	Check loans	**—**	**—**	**—**
Leases	Leases	**352**	**—**	**—**
Total loans	Total loans	**$ 29,696**	**$ 25,312**	**$4,185**

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		December 31, 2022						
		December 31, 2023						December 31, 2023
(In thousands)	(In thousands)	Nonaccrual Loans With No ACL	Nonaccrual Loans With an ACL	Related ACL	(In thousands)	Nonaccrual Loans With No ACL	Nonaccrual Loans With an ACL	Related ACL
Commercial, financial and agricultural:	Commercial, financial and agricultural:							
Commercial, financial and agricultural								
Commercial, financial and agricultural								
Commercial, financial and agricultural	Commercial, financial and agricultural	$ 28,291	$ 9,867	$3,440				
PPP loans	PPP loans	—	—	—				
Overdrafts	Overdrafts	—	—	—				
Commercial real estate	Commercial real estate	22,965	1,539	130				

Construction real estate:	Construction real estate:			
Commercial	Commercial	1,712	—	—
Commercial				
Commercial				
Retail	Retail	—	1,254	19
Residential real estate:	Residential real estate:			
Commercial				
Commercial				
Commercial	Commercial	1,894	—	—
Mortgage	Mortgage	—	9,260	85
HELOC	HELOC	—	1,133	191
Installment	Installment	—	51	17
Consumer	Consumer			
Consumer	Consumer	—	1,022	284
Consumer				
Consumer				
Check loans	Check loans	—	—	—
Leases	Leases	680	28	9
Total	**Total**	$ 55,542	$ 24,154	$4,175

Nonaccrual commercial loans are evaluated on an individual basis and are excluded from the collective evaluation. Management's general practice is to proactively charge down loans individually evaluated to the fair value of the underlying collateral. Nonaccrual consumer loans are collectively evaluated based on similar risk characteristics.

The following tables provide the amortized cost basis of collateral-dependent loans by class of loan, at September 30, 2023 March 31, 2024 and at December 31, 2022 December 31, 2023:

		September 30, 2023					March 31, 2024			
(In thousands)	(In thousands)	Real Estate	Business Assets	Other	Total	(In thousands)	Real Estate	Business Assets	Other	Total
Commercial, financial and agricultural	Commercial, financial and agricultural									
Commercial, financial and agricultural	Commercial, financial and agricultural	**$ 8,110**	**$ 4,719**	**$4,470**	**$17,299**					
Commercial, financial and agricultural										
Commercial, financial and agricultural										
Commercial real estate	Commercial real estate	**22,643**	**21**	**—**	**22,664**					
Construction real estate:	Construction real estate:									
Commercial	Commercial	**1,761**	**—**	**—**	**1,761**					
Commercial										
Commercial										
Residential real estate:	Residential real estate:									
Commercial										
Commercial										
Commercial	Commercial	**2,491**	**—**	**—**	**2,491**					
Mortgage	Mortgage	**79**	**—**	**—**	**79**					

Leases	Leases	—	352	—	352
Total loans	Total loans	$35,084	$ 5,092	$4,470	$44,646

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		December 31, 2022					December 31, 2023			
(In thousands)	(In thousands)	Real Estate	Business Assets	Other	Total	(In thousands)	Real Estate	Business Assets	Other	Total
Commercial, financial and agricultural	Commercial, financial and agricultural									
Commercial, financial and agricultural	Commercial, financial and agricultural	$ 8,242	$ 7,788	$23,125	$39,155					
Commercial, financial and agricultural										
Commercial, financial and agricultural										
Commercial real estate	Commercial real estate	35,908	28	—	35,936					
Construction real estate:	Construction real estate:									
Commercial	Commercial	2,372	—	—	2,372					
Commercial										
Commercial										
Residential real estate:	Residential real estate:									
Commercial										
Commercial										
Commercial	Commercial	2,479	—	—	2,479					
Mortgage	Mortgage	90	—	—	90					
Leases	Leases	—	708	—	708					
Total loans	Total loans	$49,091	$ 8,524	$23,125	$80,740					

Interest income on nonaccrual loans individually evaluated for impairment is recognized on a cash basis only when Park expects to receive the entire recorded investment in the loans. The following table presents interest income recognized on nonaccrual loans for the three-month and the nine-month periods ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Interest Income Recognized					Interest Income Recognized	
		Interest Income Recognized						
(In thousands)	(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	(In thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Commercial, financial and agricultural:	Commercial, financial and agricultural:							
Commercial, financial and agricultural								
Commercial, financial and agricultural								

Commercial, financial and agricultural	Commercial, financial and agricultural	**$ 253**	$ 15	**$ 1,580**	$ 45
PPP loans	PPP loans	**—**	—	**—**	—
Overdrafts	Overdrafts	**—**	—	**—**	—
Commercial real estate	Commercial real estate	**177**	237	**537**	751
Construction real estate:	Construction real estate:				
Commercial	Commercial	**5**	6	**59**	10
Commercial					
Commercial					
Retail	Retail	**—**	—	**—**	4
Residential real estate:	Residential real estate:				
Commercial					
Commercial					
Commercial	Commercial	**37**	24	**100**	64
Mortgage	Mortgage	**58**	43	**160**	112
HELOC	HELOC	**1**	5	**16**	11
Installment	Installment	**1**	1	**3**	3
Consumer:	Consumer:				
Consumer	Consumer	**25**	15	**65**	46
Consumer					
Consumer					
Check loans	Check loans	**—**	—	**—**	—
Leases	Leases	**—**	9	**—**	33
Total loans	Total loans	**$ 557**	$ 355	**$ 2,520**	$ 1,079

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The following tables present the aging of the amortized cost in past due loans at September 30, 2023 March 31, 2024 and at December 31, 2022 December 31, 2023 by class of loan:

(In thousands)	Accruing Loans Past Due 30-89 Days

(In thousands)		Accruing Loans Past Due 30-89 Days
Commercial, financial and agricultural:		
Commercial, financial and agricultural	**$**	**324**
PPP loans		
Overdrafts		
Commercial real estate		**20**
Construction real estate:		
Commercial		
Retail		
Residential real estate:		
Commercial		

Mortgage		7,584
HELOC		65
Installment		
Consumer:		
Consumer		6,732
Check loans		
Leases		
Total loans	$	15,586 2

(1) Includes an aggregate of $0.6 million $1.6 million of loans past due 90 days or more and accruing. The remaining loans were past due nonaccrual loans.

(2) Includes an aggregate of $33.5 million $50.5 million of nonaccrual loans which were current with respect to contractual principal and interest payments.

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(in thousands)	Accruing Loans Past Due 30-89 Days

(in thousands)		Accruing Loans Past Due 30-89 Day
Commercial, financial and agricultural		
Commercial, financial and agricultural	$	
PPP loans		
Overdrafts		
Commercial real estate		
Construction real estate:		
Commercial		
Retail		
Residential real estate:		
Commercial		
Mortgage		
HELOC		
Installment		
Consumer		
Consumer		
Check loans		
Leases		
Total loans	$	

(1) Includes an aggregate of $1.3 million $0.9 million of loans past due 90 days or more and accruing. The remaining loans were past due nonaccrual l

(2) Includes an aggregate of $58.9 million $39.0 million of nonaccrual loans which were current with respect to contractual principal and interest payme

Credit Quality Indicators

Management utilizes past due information as a credit quality indicator across the loan portfolio. Past due information at Septemb following classes of loans: (1) overdrafts in the commercial, financial and agricultural portfolio segment; (2) retail loans in the con consumer portfolio segment. The primary credit indicator for commercial loans is based on an internal grading system that grade little or no credit risk and a grade of 8 is considered a loss. Commercial loans that are pass-rated (graded a 1 through a 4) are co as special mention have potential weaknesses that require management's close attention. If left uncorrected, these potential wea watch list credits, are considered to represent higher credit risk and, as a result, a higher PD is applied to these loans. Loans clas well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility their fair value by taking a partial charge-off or recording a specific an individual reserve. Loans classified as doubtful have all the conditions, and values, highly questionable and improbable. Certain 6-rated loans and all 7-rated loans are placed on nonaccrua ability to perform in accordance with the contractual loan agreement is in doubt. Any commercial loan graded an 8 (loss) is comp

Based on the most recent analysis performed, the risk category of commercial loans by class of loans at September 30, 2023 Ma charge offs for the nine three months ended September 30, 2023 March 31, 2024 and for the year ended December 31, 2023.

September 30, 2023 — Term Loans Amortized Cost Basis by Origination Year

March 31, 2024

(In thousands)

(In thousands)

(In thousands)	(In thousands)	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Total	2024
Commercial, financial and agricultural:										
Commercial, financial and agricultural (1)	Commercial, financial and agricultural: Commercial, financial and agricultural (1)									
Risk rating	Risk rating									
Risk rating										
Risk rating										
Pass										
Pass										
Pass	Pass	$157,097	$162,986	$136,515	$116,752	$45,243	$48,042	$567,498	$1,234,133	
Special Mention	Special Mention	125	598	285	242	110	11	28,954	30,325	
Substandard	Substandard	111	191	197	2,530	140	623	6,100	9,892	
Doubtful	Doubtful	75	52	42	126	104	7,862	874	9,135	
Total	Total	$157,408	$163,827	$137,039	$119,650	$45,597	$56,538	$603,426	$1,283,485	
Current period gross charge-offs	Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 51	$ —	$ 51	

Commercial, financial and agricultural: PPP	Commercial, financial and agricultural: PPP				
Risk rating	Risk rating				
Risk rating					
Risk rating					
Pass					
Pass					
Pass	Pass	$ —	$	—	$
Special Mention	Special Mention	—		—	
Substandard	Substandard	—		—	
Doubtful	Doubtful	—		—	
Total	Total	$ —	$	—	$
Current period gross charge-offs	Current period gross charge-offs	$ —	$	—	$
Commercial real estate (1)	Commercial real estate (1)				
Risk rating	Risk rating				
Risk rating					
Risk rating					

Pass						
Pass						
Pass	Pass	$	198,641	$	309,027	$
Special Mention	Special Mention		72		16,984	
Substandard	Substandard		1,624		1,137	
Doubtful	Doubtful		—		—	
Total	Total	$	200,337	$	327,148	$
Current period gross charge-offs	Current period gross charge-offs	$	—	$	—	$
Construction real estate: Commercial	Construction real estate: Commercial					
Risk rating	Risk rating					
Risk rating						
Risk rating						
Pass						
Pass						
Pass	Pass	$	63,281	$	75,994	$
Special Mention	Special Mention		—		—	
Substandard	Substandard		1,414		270	
Doubtful	Doubtful		—		—	
Total	Total	$	64,695	$	76,264	$
Current period gross charge-offs	Current period gross charge-offs	$	—	$	—	$

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September 30, 2023 — Term Loans Amortized Cost Basis by Origination Year

March 31, 2024

(In thousands)

(In thousands)

(In thousands)	(In thousands)	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Total	2024	202
Residential Real Estate: Commercial	Residential Real Estate: Commercial										
Risk rating	Risk rating										
Risk rating											
Risk rating											
Pass											
Pass											
Pass	Pass	$ 86,116	$ 108,555	$ 108,655	$ 123,374	$ 51,584	$ 79,032	$ 20,793	$ 578,109		
Special Mention	Special Mention	—	338	462	607	415	848	—	2,670		
Substandard	Substandard	200	572	333	256	31	890	190	2,472		
Doubtful	Doubtful	—	—	—	—	—	—	—	—		
Total	Total	$ 86,316	$ 109,465	$ 109,450	$ 124,237	$ 52,030	$ 80,770	$ 20,983	$ 583,251		
Current period gross charge-offs	Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —		

Leases	Leases					
Risk rating	Risk rating					
Risk rating						
Risk rating						
Pass						
Pass						
Pass	Pass	$	4,530	$	5,597	$
Special Mention	Special Mention		665		752	
Substandard	Substandard		—		—	
Doubtful	Doubtful		—		—	
Total	Total	$	5,195	$	6,349	$
Current period gross charge-offs	Current period gross charge-offs	$	—	$	—	$
Total Commercial Loans	Total Commercial Loans					
Risk rating	Risk rating					
Risk rating						
Risk rating						
Pass						
Pass						
Pass	Pass	$	509,665	$	662,159	$
Special Mention	Special Mention		862		18,672	
Substandard	Substandard		3,349		2,170	
Doubtful	Doubtful		75		52	
Total	Total	$	513,951	$	683,053	$
Current period gross charge-offs	Current period gross charge-offs	$	—	$	—	$

(1) Included within each of commercial, financial and agricultural loans and commercial real estate loans is an immaterial amount of consumer loans that are not

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December 31, 2022		Term Loans Amortized Cost Basis by Origination Year									
December 31, 2023											
(In thousands)											
(In thousands)											
(In thousands)	(In thousands)	2022	2021	2020	2019	2018	Prior	Revolving Loans Amortized Cost Basis	Total	2023	2
Commercial, financial and agricultural:											
Commercial, financial and agricultural (1)	Commercial, financial and agricultural: Commercial, financial and agricultural (1)										
Risk rating	Risk rating										
Risk rating											
Risk rating											
Pass											
Pass											
Pass	Pass	$197,497	$198,999	$142,487	$60,845	$32,887	$47,135	$546,237	$1,226,087		

Special Mention	Special Mention	700	313	918	315	4	35	25,536	27,821
Substandard	Substandard	1,101	18	2,737	226	1,836	8,424	26,464	40,806
Doubtful	Doubtful	—	—	3	77	80	172	192	524
Total	Total	$199,298	$199,330	$146,145	$61,463	$34,807	$55,766	$598,429	$1,295,238
Current period gross charge-offs									

Commercial, financial and agricultural: PPP					
Risk rating					
Pass	$	—	$	1,875	$
Special Mention		—		—	
Substandard		—		—	
Doubtful		—		—	
Total	$	—	$	1,875	$
Commercial real estate (1)					
Risk rating					
Pass	$	323,235	$	374,763	$
Special Mention		199		3,256	
Substandard		7,856		1,427	
Doubtful		—		—	
Total	$	331,290	$	379,446	$
Construction real estate: Commercial					
Risk rating					
Pass	$	107,976	$	40,534	$
Special Mention		—		—	
Substandard		652		800	
Doubtful		—		—	
Total	$	108,628	$	41,334	$
Commercial, financial and agricultural: PPP					
Risk rating					
Pass	$	—	$	—	$
Special Mention		—		—	
Substandard		—		—	
Doubtful		—		—	
Total	$	—	$	—	$
Current period gross charge-offs	$	—	$	—	$

Residential Real Estate: Commercial

Commercial real estate (1)

Risk rating	Risk rating					
Risk rating						
Risk rating						
Pass						
Pass						
Pass	Pass	$	107,086	$	120,303	$
Special Mention	Special Mention		—		92	
Substandard	Substandard		610		449	

Doubtful	Doubtful		—		—		
Total	Total	$	107,696	$	120,844	$	
Current period gross charge-offs							

Construction real estate: Commercial					
Risk rating					
Pass	$	89,283	$	77,988	$
Special Mention		—		—	
Substandard		831		236	
Doubtful		—		—	
Total	$	90,114	$	78,224	$
Current period gross charge-offs	$	546	$	—	$

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December 31, 2022

(In thousands)		2022		2021	
Leases					
Risk rating					
Pass	$	7,629	$	3,310	$
Special Mention		1,085		614	
Substandard		—		—	
Doubtful		—		—	
Total	$	8,714	$	3,924	$

December 31, 2023

(In thousands)			2022		2021	
Total Commercial Loans						
Residential Real Estate: Commercial						
Risk rating	Risk rating					
Risk rating						
Risk rating						
Pass						
Pass						
Pass	Pass	$	743,423	$	739,784	$
Special Mention	Special Mention		1,984		4,275	
Substandard	Substandard		10,219		2,694	
Doubtful	Doubtful		—		—	
Total	Total	$	755,626	$	746,753	$
Current period gross charge-offs						

Leases					
Risk rating					
Pass	$	11,440	$	4,404	$
Special Mention		731		1,564	
Substandard		—		—	

Doubtful		—		—
Total	$	12,171	$	5,968 $
Current period gross charge-offs	$	—	$	— $

Total Commercial Loans				
Risk rating				
Pass	$	712,835	$	657,882 $
Special Mention		3,353		6,397
Substandard		3,003		3,279
Doubtful		889		—
Total	$	720,080	$	667,558 $
Current period gross charge-offs	$	770	$	13 $

(1) Included within each of commercial, financial and agricultural loans and commercial real estate loans is an immaterial amount of consumer loans that are not

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Park considers the performance of the loan portfolio and its impact on the allowance for credit losses. For residential and consun
amortized cost in residential and consumer loans based on performing status. Also included in the table detailing loan balances a
mentioned, the adoption of ASU 2022-02 on January 1, 2023 eliminated the concept of TDRs. After the adoption of ASU 2022-02
nonperforming loans consisted of nonaccrual loans, accruing TDRs and loans past due 90 days or more and still accruing.

Term Loans Amortized Cost Basis by Origination Year

September 30, 2023

March 31, 2024

(In thousands)

(In thousands)

(In thousands)	(In thousands)	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Total	2024	2023	2022
Commercial, financial and agricultural: Overdrafts	Commercial, financial and agricultural: Overdrafts											
Performing	Performing	$3,109	$ —	$ —	$ —	$ —	$ —	$ —	$3,109			
Performing												
Performing												
Nonperforming	Nonperforming	—	—	—	—	—	—	—	—			
Total	Total	$3,109	$ —	$ —	$ —	$ —	$ —	$ —	$3,109			
Current period gross charge-offs	Current period gross charge-offs	$ 704	$ —	$ —	$ —	$ —	$ —	$ —	$ 704			

Construction Real Estate: Retail	Construction Real Estate: Retail					
Performing	Performing	$	33,399	$	50,927	$
Performing						
Performing						
Nonperforming	Nonperforming		—		—	
Total	Total	$	33,399	$	50,927	$
Current period gross charge-offs	Current period gross charge-offs	$	—	$	—	$

Residential Real Estate: Mortgage

Performing	$	38,674 $	206,167 $
Nonperforming		—	196
Total	$	38,674 $	206,363 $
Current period gross charge-offs	$	— $	— $

Residential Real Estate: HELOC			
Performing	$	— $	147 $
Nonperforming		—	20
Total	$	— $	167 $
Current period gross charge-offs	$	— $	— $
Residential Real Estate: Installment			
Performing	$	422 $	2,091 $
Nonperforming		—	—
Total	$	422 $	2,091 $
Current period gross charge-offs	$	— $	— $

Consumer: Consumer			
Performing	$	155,368 $	594,174 $
Nonperforming		—	441
Total	$	155,368 $	594,615 $
Current period gross charge-offs	$	— $	620 $

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September 30, 2023

(In thousands)		2023	2022
Residential Real Estate: Mortgage			
Performing	$	151,811 $	235,246 $
Nonperforming		—	976
Total	$	151,811 $	236,222 $
Current period gross charge-offs	$	— $	— $
Residential Real Estate: HELOC			
Performing	$	79 $	181 $
Nonperforming		—	—
Total	$	79 $	181 $
Current period gross charge-offs	$	— $	— $
Residential Real Estate: Installment			
Performing	$	1,692 $	168 $
Nonperforming		—	—
Total	$	1,692 $	168 $
Current period gross charge-offs	$	— $	— $
Consumer: Consumer			
Performing	$	520,059 $	664,029 $
Nonperforming		155	687
Total	$	520,214 $	664,716 $
Current period gross charge-offs	$	253 $	2,223 $

Consumer: Check loans			
Performing	$	— $	— $
Nonperforming		—	—
Total	$	— $	— $
Current period gross charge-offs	$	— $	— $

Total Consumer Loans

March 31, 2024

(In thousands)

(In thousands)

(In thousands)										2024
Consumer: Check loans										
Performing										
Performing										
Performing	Performing	$710,149	$950,551	$582,554	$424,973	$182,957	$390,184	$189,706	$3,431,074	
Nonperforming	Nonperforming	155	1,663	1,436	1,218	636	9,335	244	14,687	
Total	Total	$710,304	$952,214	$583,990	$426,191	$183,593	$399,519	$189,950	$3,445,761	
Current period gross charge-offs	Current period gross charge-offs	$ 957	$ 2,223	$ 1,893	$ 635	$ 497	$ 390	$ 37	$ 6,632	

Total Consumer Loans			
Performing	$	200,541 $	865,946 $
Nonperforming		—	805
Total	$	200,541 $	866,751 $
Current period gross charge-offs	$	215 $	620 $

December 31, 2023

(In thousands)		2023	2022
Commercial, financial and agricultural: Overdrafts			
Performing	$	1,499 $	— $
Nonperforming		—	—
Total		1,499 $	— $
Current period gross charge-offs	$	1,064 $	— $
Construction Real Estate: Retail			
Performing	$	52,904 $	24,219 $
Nonperforming		—	—
Total	$	52,904 $	24,219 $
Current period gross charge-offs	$	— $	— $
Residential Real Estate: Mortgage			
Performing	$	209,315 $	259,076 $
Nonperforming		197	1,144
Total	$	209,512 $	260,220 $
Current period gross charge-offs	$	— $	— $
Residential Real Estate: HELOC			
Performing	$	99 $	205 $

Nonperforming			—		—
Total	$		99	$	205 $
Current period gross charge-offs	$		—	$	— $

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December 31, 2022		Term Loans Amortized Cost Basis by Origination Year								
December 31, 2023										
(In thousands)	(In thousands)	2022	2021	2020	2019	2018	Prior	Revolving Loans Amortized Cost Basis	Total	
Commercial, financial and agricultural: Overdrafts										
(In thousands)										
(In thousands)										2023 / 2022 / 2021
Residential Real Estate: Installment										
Performing										
Performing										
Performing	Performing	$ 1,489	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,489	
Nonperforming	Nonperforming	—	—	—	—	—	—	—	—	
Total	Total	1,489	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,489	
Current period gross charge-offs										

Construction Real Estate: Retail					
Performing	$		71,923	$	26,134 $
Nonperforming			731		—
Total	$		72,654	$	26,134 $

Residential Real Estate: Mortgage

Consumer: Consumer						
Performing						
Performing						
Performing	Performing	$	207,093	$	227,131	$
Nonperforming	Nonperforming		—		—	
Total	Total	$	207,093	$	227,131	$
Current period gross charge-offs						

Residential Real Estate: HELOC					
Performing	$		140	$	299 $
Nonperforming			—		—
Total	$		140	$	299 $

Residential Real Estate: Installment

Consumer: Check loans

Performing

Performing							
Performing	Performing	$	187	$	—	$	
Nonperforming	Nonperforming		—		—		
Total	Total	$	187	$	—	$	
Current period gross charge-offs							

Consumer: Consumer					
Performing	$	823,484	$	462,014	$
Nonperforming		440		489	
Total	$	823,924	$	462,503	$
Consumer: Check loans					
Performing	$	—	$	—	$
Nonperforming		—		—	
Total	$	—	$	—	$
Total Consumer Loans					
Performing	$	1,104,316	$	715,578	$
Nonperforming		1,171		489	
Total	$	1,105,487	$	716,067	$

Total Consumer Loans					
Performing	$	894,027	$	896,681	$
Nonperforming		592		2,035	
Total	$	894,619	$	898,716	$
Current period gross charge-offs	$	1,624	$	3,517	$

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Loans and Leases Acquired with Deteriorated Credit Quality

In conjunction with the NewDominion acquisition, Park acquired loans with a book value of $277.9 million as of the July 1, 2018 a
recorded at the initial fair value of $4.9 million. In conjunction with the Carolina Alliance acquisition, Park acquired loans and leas
with deteriorated credit quality (ASC 310-30) with a book value of $19.9 million were recorded at the initial fair value of $18.4 mill

Upon Park's adoption of CECL on January 1, 2021, $52,000 of the credit discount on PCD loans was reclassified to the allowanc
2022 December 31, 2023, there was no allowance for credit losses on PCD loans. The carrying amount of accruing loans acquire
respectively. The carrying amount of nonaccrual loans acquired with deteriorated credit quality was $549,000 $544,000 and $534

Modifications to Borrowers Experiencing Financial Difficulty

Management identifies loans as modifications to borrowers experiencing financial difficulty when a borrower is experiencing finan
difficulty, an evaluation is performed of the probability that the borrower will be in payment default on any of the borrower's debt i
experiencing financial difficulty by providing principal forgiveness, a term extension, an other-than-insignificant payment delay or

In some cases, Park provides multiple types of modifications on one loan. Typically, one type of modification, such as a term exte
combination columns below, multiple types of modifications have been made on the same loan within the current reporting period

The starting point for the estimate of the allowance for credit losses is historical loss information, which includes losses from mod
the allowance for credit losses and a change to the allowance for credit losses is generally not recorded upon modification. When

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The following tables present the amortized cost basis of loans at September 30, 2023 March 31, 2024 and 2023 that were both e
The percentage of the amortized cost basis of loans that were modified to borrowers in financial difficulty as compared to the am

Three Months Ended
September 30, 2023

(Dollars in thousands)	(Dollars in thousands)	Three Months Ended March 31, 2024								(Dollars in thousands)	
		Principal Forgiveness	Payment Delay	Term Extension	Interest Rate Adjustment	Combination Term Extension and Interest Rate Adjustment	Other	Total	Percent of Total Class of Financing Receivable		
Commercial, financial and agricultural:	Commercial, financial and agricultural:										
Commercial, financial and agricultural											
Commercial, financial and agricultural											
Commercial, financial and agricultural	Commercial, financial and agricultural	$ —	$ —	$ 1,920	$ 387	$ 2,568	$ —	$ 4,875	0.38 %		$ —
PPP loans	PPP loans	—	—	—	—	—	—	—	— %	PPP loans	
Overdrafts	Overdrafts	—	—	—	—	—	—	—	— %	Overdrafts	
Commercial real estate	Commercial real estate	—	—	366	—	511	—	877	0.05 %	Commercial real estate	
Construction real estate:	Construction real estate:										
Commercial	Commercial	—	—	228	—	637	—	865	0.47 %		
Commercial											
Commercial											
Retail	Retail	—	—	—	—	—	—	—	— %	Retail	
Residential real estate:	Residential real estate:										
Commercial											
Commercial											
Commercial	Commercial	—	—	—	—	147	—	147	0.03 %		—
Mortgage	Mortgage	—	—	—	—	95	—	95	0.01 %	Mortgage	
HELOC	HELOC	—	—	—	—	—	—	—	— %	HELOC	
Installment	Installment	—	—	174	—	121	—	295	5.57 %	Installment	
Consumer:	Consumer:										
Consumer	Consumer	—	—	—	22	—	—	22	— %		
Consumer											
Consumer											
Check loans	Check loans	—	—	—	—	—	—	—	— %	Check loans	
Leases	Leases	—	—	—	—	—	—	—	— %	Leases	
Total	Total	$ —	$ —	$ 2,688	$ 409	$ 4,079	$ —	$ 7,176	0.10 %	Total	$

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Nine Months Ended
September 30, 2023

Three Months Ended
March 31, 2023

(Dollars in thousands)	(Dollars in thousands)	Principal Forgiveness	Payment Delay	Term Extension	Interest Rate Adjustment	Combination Term Extension and Interest Rate Adjustment	Other	Total	Percent of Total Class of Financing Receivable	(Dollars in thousands)
Commercial, financial and agricultural:	Commercial, financial and agricultural:									
Commercial, financial and agricultural										
Commercial, financial and agricultural										
Commercial, financial and agricultural	Commercial, financial and agricultural	$ —	$ —	$ 452	$ 387	$ 11,312	$ 11	$ 12,162	0.95 %	$ —
PPP loans	PPP loans	—	—	—	—	—	—	—	— %	PPP loans
Overdrafts	Overdrafts	—	—	—	—	—	—	—	— %	Overdrafts
Commercial real estate	Commercial real estate	—	—	1,366	—	511	—	1,877	0.10 %	Commercial real estate
Construction real estate:	Construction real estate:									
Commercial	Commercial	—	—	228	—	637	—	865	0.47 %	
Commercial										
Commercial										
Retail	Retail	—	—	—	—	—	—	—	— %	Retail
Residential real estate:	Residential real estate:									
Commercial										
Commercial										
Commercial	Commercial	—	—	—	—	158	—	158	0.03 %	—
Mortgage	Mortgage	—	—	—	—	229	—	229	0.02 %	Mortgage
HELOC	HELOC	—	—	—	—	—	—	—	— %	HELOC
Installment	Installment	—	—	178	—	199	—	377	7.12 %	Installment
Consumer:	Consumer:									
Consumer	Consumer	—	—	—	39	—	—	39	— %	
Consumer										
Consumer										
Check loans	Check loans	—	—	—	—	—	—	—	— %	Check loans
Leases	Leases	—	—	—	—	—	—	—	— %	Leases
Total	Total	$ —	$ —	$ 2,224	$ 426	$ 13,046	$ 11	$ 15,707	0.21 %	Total

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At March 31, 2024 Park has committed had commitments to lend additional amounts totaling $3.4 million $1.4 million related to to

The following tables present the financial effect of the loan modifications presented above to borrowers experiencing financial dif

Three Months Ended
September 30, 2023

Three Months Ended
March 31, 2024

(Dollars in thousands)	(Dollars in thousands)	Principal Forgiveness	Weighted Average Interest Rate Adjustment	Weighted Average Term Extension (years)	(Dollars in thousands)	Principal Forgiveness
Commercial, financial and agricultural:	Commercial, financial and agricultural:					
Commercial, financial and agricultural						
Commercial, financial and agricultural						
Commercial, financial and agricultural	Commercial, financial and agricultural	$ —	(0.15) %	0.5	$ —	(0.5
PPP loans	PPP loans	—	— %	0.0	PPP loans	—
Overdrafts	Overdrafts	—	— %	0.0	Overdrafts	—
Commercial real estate	Commercial real estate	—	2.76 %	2.0	Commercial real estate	—
Construction real estate:	Construction real estate:					
Commercial	Commercial	—	2.34 %	1.6		
Commercial						
Commercial						—
Retail	Retail	—	— %	0.0	Retail	—
Residential real estate:	Residential real estate:					
Commercial						
Commercial						
Commercial	Commercial	—	(2.75) %	1.1	—	(1.0
Mortgage	Mortgage	—	(4.00) %	0.8	Mortgage	—
HELOC	HELOC	—	— %	0.0	HELOC	—
Installment	Installment	—	(0.89) %	13.6	Installment	—
Consumer:	Consumer:					
Consumer	Consumer	—	(1.49) %	0.0		
Consumer						
Consumer						—
Check loans	Check loans	—	— %	0.0	Check loans	—
Leases	Leases	—	— %	0.0	Leases	—
Total	Total	$ —	0.34 %	1.4	Total	$ —

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		Nine Months Ended September 30, 2023				
		Three Months Ended March 31, 2023				
(Dollars in thousands)	(Dollars in thousands)	Principal Forgiveness	Weighted Average Interest Rate Adjustment	Weighted Average Term Extension (years)	(Dollars in thousands)	Principal F

Commercial, financial and agricultural:	Commercial, financial and agricultural:								
Commercial, financial and agricultural									
Commercial, financial and agricultural									
Commercial, financial and agricultural	Commercial, financial and agricultural	$	—	0.58	%	0.6		$	—
PPP loans	PPP loans		—	—	%	0.0	PPP loans		
Overdrafts	Overdrafts		—	—	%	0.0	Overdrafts		
Commercial real estate	Commercial real estate		—	2.76	%	3.1	Commercial real estate		
Construction real estate:	Construction real estate:								
Commercial	Commercial		—	2.34	%	1.6			
Commercial									
Commercial									
Retail	Retail		—	—	%	0.0	Retail		
Residential real estate:	Residential real estate:								
Commercial									
Commercial									
Commercial	Commercial		—	(2.47)	%	1.4			—
Mortgage	Mortgage		—	(2.76)	%	0.6	Mortgage		
HELOC	HELOC		—	—	%	0.0	HELOC		
Installment	Installment		—	(1.21)	%	12.9	Installment		
Consumer:	Consumer:								
Consumer	Consumer		—	(2.33)	%	0.0			
Consumer									
Consumer									
Check loans	Check loans		—	—	%	0.0	Check loans		
Leases	Leases		—	—	%	0.0	Leases		
Total	Total	$	—	0.62	%	1.3	Total	$	

Park closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the
March 31, 2024 that were 60-89 days past due as of March 31, 2024 in the Commercial, financial, and agricultural loan portfolio
March 31, 2024 in the Commercial, financial, and agricultural loan portfolio segment. All other loans modified to borrowers experi
financial difficulty that had been modified during the three months ended September 30, 2023 March 31, 2023 that were greater t
months ended September 30, 2023 that were 30-59 days past due as of September 30, 2023 in the Commercial, financial, and a

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The following table presents the amortized cost basis of loans that had a payment default subsequent to modification during the
loan is considered to be in default when it becomes 30 days contractually past due under the modified terms:

(In thousands)
Commercial, financial and agricultural:
Commercial, financial and agricultural
PPP loans
Overdrafts
Commercial real estate
Construction real estate:
Commercial
Retail
Residential real estate:
Commercial
Mortgage
HELOC
Installment
Consumer:
Consumer
Check loans
Leases
Total loans

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The following table presents the amortized cost basis of

Commercial, financial and agricultural:
Commercial, financial and agricultural
PPP loans
Overdrafts
Commercial real estate
Construction real estate:
Commercial
Retail
Residential real estate:
Commercial
Mortgage
HELOC
Installment
Consumer:
Consumer
Check loans
Leases
Total loans

There were no loans that had a payment default during the nine three months ended September 30, 2023 March 31, 2023 and w
in default when it becomes 30 days contractually past due under the modified terms:

(In thousands)
Commercial, financial and agricultural:
Commercial, financial and agricultural
PPP loans
Overdrafts
Commercial real estate
Construction real estate:
Commercial
Retail
Residential real estate:
Commercial
Mortgage
HELOC
Installment
Consumer:
Consumer
Check loans
Leases
Total loans

default.

Upon the determination that a modified loan (or a portion of a loan) has subsequently been deemed uncollectible, the loan (or a p
amounts.

Note 6 – Allowance for Credit Losses

The ACL is an estimate of the expected credit losses on financial assets measured at amortized cost, which is measured using r
forecasts that affect the collectability of the remaining cash flows over the contractual term of the financial assets. A provision for

During the first quarter of 2023, Park adopted ASU 2022-02. This standard was adopted using a modified retrospective transition
deferred tax assets was also recorded as a result of the adoption of ASU 2022-02 was also recorded as a result of the adoption o

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Quantitative Considerations

The ACL is primarily calculated utilizing a DCF model. Key inputs and assumptions used in this model are discussed below:

- Forecast model - For each portfolio segment, a LDA was performed in order to identify appropriate loss drivers and creat real estate portfolio loan segments. Peer data was incorporated into the analysis for the commercial real estate, loan, the September 30, 2022. After considering and subsequent results, management refined the peer group in the LDA and mai analysis part of the ongoing applicability of the selected peer group, management decided it was appropriate to continue
- Probability of default – PD is the probability that an asset will be in default within a given time frame. Park has defined de reasonable and supportable forecast period. When loan-level data is not available reflecting the forecasted economic co period.
- Loss given default – LGD is the percentage of the asset not expected to be collected due to default. Whenever possible, Frye Jacobs. In all cases, the Frye Jacobs method is utilized to calculate LGDs during the reversion period and long-tern
- Prepayments and curtailments – Prepayments and curtailments are calculated based on Park's own data utilizing a three
- Forecast and reversion – Park has established a one-year reasonable and supportable forecast period with a one-year s
- Economic forecast - Park utilizes a third party to provide economic forecasts under various scenarios, which are weighte
    - As As of December 31, 2022 December 31, 2023, the "most likely" scenario forecasted Ohio unemployment betw unemployment as well as a number of economic indicators. The continued high level of inflation, historically low uncertainty as to the overall economic environment. Considering these factors, management determined it was a
    - As of March 31, 2023, the "most likely" scenario forecasted Ohio unemployment between 4.15% and 4.51% duri economic indicators. The continued high level of inflation, historically low consumer confidence, rising interest ra

Considering these factors, management determined it was appropriate to maintain the existing weighting, and w

- As of June 30, 2023, the "most likely" scenario forecasted Ohio unemployment between 4.01% and 4.62% durin economic indicators. The continued elevated levels of inflation, volatile levels of consumer confidence, the likelih management determined it was appropriate to maintain the existing weighting, and weigh the "most likely" scena
- As of September 30, 2023, the "most likely" scenario forecasted Ohio unemployment between 4.07% 4.05% and unemployment as well as a number of economic indicators. The continued elevated levels of inflation, volatile lev Hamas), and stress in the commercial real estate sector, continued to cause uncertainty as to the overall econor

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weighting, and weigh the "most likely" scenario 50% and the "moderate recession" scenario 50% at September 3

- As of March 31, 2024, the "most likely" scenario forecasted Ohio unemployment between 4.31% and 4.79% duri economic indicators. The continued elevated levels of inflation, volatile levels of consumer confidence, continued real estate sector, continued to cause uncertainty as to the overall economic environment. Considering these fac 2024.

Qualitative Considerations

Park reviews various internal and external factors to consider the need for any qualitative adjustments to the quantitative model.

- The nature and volume of Park's financial assets; the existence, growth, and effect of any concentrations of credit and th considers:
  - Trends (e.g., growth, reduction) in specific categories of the loan portfolio, as well as adjustments to the types of
  - Level of and trend in loan delinquencies, troubled loans, commercial watch list loans and nonperforming loans.

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  - Level of and trend in new nonaccrual loans.
  - Level of and trend in loan charge-offs and recoveries.
- Park's lending policies and procedures, including changes in lending strategies, underwriting standards and practices for
- The quality of Park's credit review function.
- The experience, ability, and depth of Park's lending, investment, collection, and other relevant management and staff.
- The effect of other external factors such as the regulatory, legal and technological environments; competition; geopolitica
- Actual and expected changes in international, national, regional, and local economic and business conditions and develo
- Where the U.S. economy is within a given credit cycle.
- The extent that there is government assistance (stimulus).

At September 30, 2023 Qualitative adjustments amounted to $428,000 and $417,000 at December 31, 2022 March 31, 2024 and loans are guaranteed by the SBA and thus have not been reserved for using the same methodology as the rest of Park's loan po

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ACL Activity

The activity in the ACL for the three-month and the nine-month periods ended September 30, 2023 March 31, 2024 and Septemb

		Three Months Ended September 30, 2023							
(In thousands)	(In thousands)	Commercial, financial and agricultural	Commercial real estate	Construction real estate	Residential real estate	Consumer	Leases	Total	(In thousands)
ACL:	**ACL:**								**ACL:**
Beginning balance	Beginning balance	**$ 16,278**	**$ 19,141**	**$ 4,886**	**$ 18,419**	**$ 28,370**	**$ 112**	**$87,206**	
Charge-offs	Charge-offs	**218**	**—**	**—**	**1**	**2,074**	**—**	**2,293**	
Recoveries	Recoveries	**79**	**3**	**40**	**8**	**1,139**	**—**	**1,269**	
Net charge-offs/(recoveries)	Net charge-offs/(recoveries)	**$ 139**	**$ (3)**	**$ (40)**	**$ (7)**	**$ 935**	**$ —**	**$ 1,024**	
(Recovery of) provision for credit losses	(Recovery of) provision for credit losses	**(1,171)**	**(526)**	**373**	**(1,437)**	**1,185**	**(4)**	**(1,580)**	
Ending balance	Ending balance	**$ 14,968**	**$ 18,618**	**$ 5,299**	**$ 16,989**	**$ 28,620**	**$ 108**	**$84,602**	

		Three Months Ended September 30, 2022							
(In thousands)	(In thousands)	Commercial, financial and agricultural	Commercial real estate	Construction real estate	Residential real estate	Consumer	Leases	Total	(In thousands)
ACL:	**ACL:**								**ACL:**
Beginning balance	Beginning balance	$ 12,747	$ 22,339	$ 4,391	$ 13,619	$ 28,149	$ 203	$81,448	
Impact of Adoption of ASU 2022-02									
Charge-offs	Charge-offs	543	—	—	—	1,169	36	1,748	
Recoveries	Recoveries	110	36	20	20	884	1	1,071	
Net charge-offs/(recoveries)	Net charge-offs/(recoveries) $	433	$ (36)	$ (20)	$ (20)	$ 285	$ 35	$ 677	
Provision for (recovery of) credit losses		563	(1,653)	87	1,464	2,699	30	3,190	
(Recovery of) provision for credit losses									
Ending balance	Ending balance	$ 12,877	$ 20,722	$ 4,498	$ 15,103	$ 30,563	$ 198	$83,961	

(In thousands)		Commercial, financial and agricultural		Co re
ACL:				
Beginning balance	$	**16,987**	$	
Impact of Adoption of ASU 2022-02		**222**		
Charge-offs		**755**		
Recoveries		**209**		
Net charge-offs/(recoveries)	$	**546**	$	
(Recovery of) provision for credit losses		**(1,695)**		
Ending balance	$	**14,968**	$	

(In thousands)		Commercial, financial and agricultural		Co re
ACL:				
Beginning balance	$	14,025	$	
Charge-offs		1,456		
Recoveries		544		
Net charge-offs/(recoveries)	$	912	$	
(Recovery of) provision for credit losses		(236)		
Ending balance	$	12,877	$	

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ACL Summary

Loans collectively evaluated for impairment in the following tables include all performing loans at September 30, 2023 March 31, evaluated for impairment, but receive a portion of the statistical allocation of the ACL. Loans individually evaluated for impairmen individually evaluated for impairment in accordance with U.S. GAAP (see Note 1 - Summary of Significant Accounting Policies of

The composition of the ACL at September 30, 2023 March 31, 2024 and at December 31, 2022 December 31, 2023 was as follov

		September 30, 2023							
(In thousands)	(In thousands)	Commercial, financial and agricultural	Commercial real estate	Construction real estate	Residential real estate	Consumer	Leases	Total	(In thousar
ACL:	ACL:								ACL:
Ending allowance balance attributed to loans:	Ending allowance balance attributed to loans:								Ending a
Individually evaluated for impairment	Individually evaluated for impairment	$ 3,122	$ 205	$ 95	$ —	$ —	$ —	$ 3,422	Individu
Collectively evaluated for impairment	Collectively evaluated for impairment	11,846	18,413	5,204	16,989	28,620	108	81,180	Collecti
Accruing loans acquired with deteriorated credit quality	Accruing loans acquired with deteriorated credit quality	—	—	—	—	—	—	—	Accruin
Total ending allowance balance	Total ending allowance balance	$ 14,968	$ 18,618	$ 5,299	$ 16,989	$ 28,620	$ 108	$ 84,602	Total end
Loan balance:	Loan balance:								
Loan balance:									
Loan balance:									
Loans individually evaluated for impairment	Loans individually evaluated for impairment	$ 17,257	$ 19,869	$ 1,124	$ 2,237	$ —	$ 352	$ 40,839	Loans ind
Loans collectively evaluated for impairment	Loans collectively evaluated for impairment	1,271,722	1,810,736	287,165	1,944,776	1,972,623	18,077	7,305,099	Loans co
Accruing loans acquired with deteriorated credit quality	Accruing loans acquired with deteriorated credit quality	42	2,795	637	333	—	—	3,807	Accruing
Total ending loan balance	Total ending loan balance	$ 1,289,021	$ 1,833,400	$ 288,926	$ 1,947,346	$ 1,972,623	$ 18,429	$ 7,349,745	Total endin
ACL as a percentage of loan balance:	ACL as a percentage of loan balance:								
ACL as a percentage of loan balance:									

ACL as a percentage of loan balance:

Loans individually evaluated for impairment	Loans individually evaluated for impairment	**18.09** %	**1.03** %	**8.45** %	**—** %	**—** %	**—** %	**8.38** %	Loans inc
Loans collectively evaluated for impairment	Loans collectively evaluated for impairment	**0.93** %	**1.02** %	**1.81** %	**0.87** %	**1.45** %	**0.60** %	**1.11** %	Loans co
Accruing loans acquired with deteriorated credit quality	Accruing loans acquired with deteriorated credit quality	**—** %	**—** %	**—** %	**—** %	**—** %	**—** %	**—** %	Accruing
Total	Total	**1.16** %	**1.02** %	**1.83** %	**0.87** %	**1.45** %	**0.59** %	**1.15** %	Total

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		December 31, 2022							
(In thousands)	(In thousands)	Commercial, financial and agricultural	Commercial real estate	Construction real estate	Residential real estate	Consumer	Leases	Total	(In thousan
ACL:	ACL:								ACL:
Ending allowance balance attributed to loans:	Ending allowance balance attributed to loans:								Ending al
Individually evaluated for impairment	Individually evaluated for impairment	$ 3,426	$ 131	$ —	$ —	$ —	$ 9	$ 3,566	Individua
Collectively evaluated for impairment	Collectively evaluated for impairment	13,561	17,698	5,550	16,831	28,021	152	81,813	Collectiv
Accruing loans acquired with deteriorated credit quality	Accruing loans acquired with deteriorated credit quality	—	—	—	—	—	—	—	Accruing
Total ending allowance balance	Total ending allowance balance	$ 16,987	$ 17,829	$ 5,550	$ 16,831	$ 28,021	$ 161	$ 85,379	Total end
Loan balance:	Loan balance:								
Loan balance:									
Loan balance:									
Loans individually evaluated for impairment	Loans individually evaluated for impairment	$ 41,307	$ 32,423	$ 1,712	$ 2,191	$ —	$ 708	$ 78,341	Loans inc

Loans collectively evaluated for impairment	Loans collectively evaluated for impairment	1,259,524	1,758,118	323,043	1,794,302	1,904,981	18,929	7,058,897	Loans co
Accruing loans acquired with deteriorated credit quality	Accruing loans acquired with deteriorated credit quality	102	3,513	660	378	—	—	4,653	Accruing
Total ending loan balance	Total ending loan balance	$ 1,300,933	$ 1,794,054	$ 325,415	$ 1,796,871	$ 1,904,981	$ 19,637	$ 7,141,891	Total ending
ACL as a percentage of loan balance:	ACL as a percentage of loan balance:								
ACL as a percentage of loan balance:									
ACL as a percentage of loan balance:									
Loans individually evaluated for impairment	Loans individually evaluated for impairment	8.29 %	0.40 %	— %	— %	— %	1.27 %	4.55 %	Loans ind
Loans collectively evaluated for impairment	Loans collectively evaluated for impairment	1.08 %	1.01 %	1.72 %	0.94 %	1.47 %	0.80 %	1.16 %	Loans co
Accruing loans acquired with deteriorated credit quality	Accruing loans acquired with deteriorated credit quality	— %	— %	— %	— %	— %	— %	— %	Accruing
Total	Total	1.31 %	0.99 %	1.71 %	0.94 %	1.47 %	0.82 %	1.20 %	Total

Note 7 – Loans Held For Sale

Mortgage loans held for sale are carried at their fair value. At September 30, 2023 March 31, 2024 and at December 31, 2022 De
Condensed Balance Sheets and in the residential real estate loan portfolio segment in Note 5 - Loans, and Note 6 - Allowance fo
respectively. The gain expected upon sale was $44,000 $33,000 and $41,000 $53,000 at September 30, 2023 March 31, 2024 ar
December 31, 2022 December 31, 2023.

During the three months ended June 30, 2022, Park transferred certain commercial loans held for investment, prev
with a charge-off recorded in each instance where the fair value of an individual loan was deemed to be below the
three months ended September 30, 2022, and Park recognized a gain on sale of $495,000 which is recorded withi
held for sale were transferred back to loans held for investment at the lower of cost or fair value. No non-performin

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Note 8 – Goodwill and Other Intangible Assets

The following table shows the activity in goodwill and other intangible assets for the three-month and the nine-month periods end

(in thousands)
July 1, 2022
Amortization
September 30, 2022
July 1, 2023

Amortization

September 30, 2023

(in thousands)

December 31, 2022

Amortization

March 31, 2023

December 31, 2023

Amortization

March 31, 2024

(in thousands)

December 31, 2021

Amortization

September 30, 2022

December 31, 2022

Amortization

September 30, 2023

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Park evaluates goodwill for impairment during the second quarter of each year, with financial data as of the immediately prior Ma

Acquired Intangible Assets

The following table shows the balance of acquired intangible assets at September 30, 2023 March 31, 2024 and at December 31

		September 30, 2023		December 31, 2022			
		March 31, 2024					
(in thousands)	*(in thousands)*	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	*(in thousands)*	Gross Carrying
Other intangible assets:	Other intangible assets:						
Core deposit intangible assets	Core deposit intangible assets	**$14,456**	**$ 9,470**	$14,456	$ 8,481		
Trade name intangible assets		**1,300**	**1,300**	1,300	1,300		
Total		**$15,756**	**$ 10,770**	$15,756	$ 9,781		
Core deposit intangible assets							
Core deposit intangible assets							

Core deposit intangible assets are being amortized, on an accelerated basis, over a period of ten years. Aggregate amortization
the nine months ended September 30, 2023 and 2022, 2023, respectively.

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Estimated amortization expense related to core deposit intangible assets for the remainder of 2023 2024 and the next four years

(in thousands)	(in thousands)	Total	(in thousands)
Three months ending December 31, 2023		$ 334	
2024		1,215	
Nine months ending December 31, 2024			
2025	2025	1,042	
2026	2026	887	
2027	2027	754	
2028			

Note 9 – Investment in Qualified Affordable Housing

Park makes certain equity investments in various limited partnerships that sponsor affordable housing projects. The purposes of
Reinvestment Act.

The table below details the balances of Park's affordable housing tax credit investments and related unfunded commitments at S

(in thousands)	(in thousands)	September 30, 2023	December 31, 2022	(in thousands)
Affordable housing tax credit investments	Affordable housing tax credit investments	**$ 64,676**	$ 60,968	
Unfunded commitments	Unfunded commitments	**31,553**	28,132	

Commitments are funded when capital calls are made by the general partner. Park expects that the current commitments will be

Park recognized amortization expense of $2.1 million and $2.0 million, respectively, for both the three months ended September
provision for income taxes. Additionally, during the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, Pa
30, 2023 and 2022, recognized $7.6 million and $7.4 million $2.4 million, respectively, which were included within the provision fo

Note 10 – Foreclosed and Repossessed Assets

Park typically transfers a loan to OREO at the time that Park takes deed/title to the real estate property asset. The carrying amou

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recorded investment of loans secured by residential real estate properties for which formal foreclosure proceedings were in proc

(in thousands)
OREO:
Commercial real estate
Residential real estate
Total OREO

Loans in process of foreclosure:

Residential real estate

Assets acquired through or in lieu of loan foreclosure are initially recorded at fair value, less costs to sell, when acquired. During
collateralizing a former Vision Bank relationship. This income is included in "OREO valuation markup" on the Consolidated Cond

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valuation markup related to former Vision Bank relationships during the three months or the nine months ended September 30, 2

During the three months and the nine months ended September 30, 2022, Park recognized a $5.6 million gain on the sale of OR
loss on the sale of OREO related to former Vision Bank
relationships during the three months or the nine months ended September 30, 2023.

(in thousands)
OREO:
Commercial real estate
Residential real estate
Construction real estate
Total OREO
Loans in process of foreclosure:
Residential real estate

In addition to real estate, Park may also repossess different types of collateral. At September 30, 2023 March 31, 2024 and Dece
Consolidated Condensed Balance Sheets. consolidated condensed balance sheets.

Note 11 – Loan Servicing

Park serviced sold mortgage loans of $1.96 billion $1.91 billion at September 30, 2023 March 31, 2024, $2.05 billion $1.93 billion
sold mortgage loans were sold with recourse, compared to $2.9 million at December 31, 2023 and $3.2 million at December 31,
2023 March 31, 2024 and December 31, 2022 December 31, 2023, management had established reserves of $54,000 $50,000 a

When Park sells mortgage loans with servicing rights retained, these servicing rights are initially recorded at fair value. Park has
servicing income with respect to the underlying loan. At the end of each reporting period, the carrying value of MSRs is assessed
the Consolidated Condensed Statements consolidated condensed statements of Income. income.

Activity for MSRs and the related valuation allowance follows:

		Three Months Ended September 30,		Nine Months Ended September 30,		
		Three Months Ended March 31,				
(In thousands)	(In thousands)	**2023**	2022	**2023**	2022	(In thousands)
Mortgage servicing rights:	Mortgage servicing rights:					
Carrying amount, net, beginning of period						
Carrying amount, net, beginning of period						
Carrying amount, net, beginning of period	Carrying amount, net, beginning of period	**$15,237**	$16,470	**$15,792**	$15,264	

Additions	Additions	**169**	254	**437**	1,336
Amortization	Amortization	**(462)**	(592)	**(1,366)**	(1,804)
Change in valuation allowance	Change in valuation allowance	**16**	59	**97**	1,395
Carrying amount, net, end of period	Carrying amount, net, end of period	**$14,960**	$16,191	**$14,960**	$16,191
Valuation allowance:	Valuation allowance:				
Valuation allowance:					
Valuation allowance:					
Beginning of period					
Beginning of period					
Beginning of period	Beginning of period	**$ 101**	$ 232	**$ 182**	$ 1,568
Change in valuation allowance	Change in valuation allowance	**(16)**	(59)	**(97)**	(1,395)
End of period	End of period	**$ 85**	$ 173	**$ 85**	$ 173

Servicing fees included in "Other service income" were $1.3 million and $1.4 million for both the three months ended September

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Note 12 - Leases

Park is a lessee in several noncancellable operating lease arrangements, primarily for retail branches, administrative and wareho
ranging from one year to five years. Park's leases generally do not include termination options for either party to the lease or rest
proportionate share of property taxes, insurance and common area maintenance.

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Park's operating lease ROU asset and lease liability are presented in "Operating lease ROU asset" and "Operating lease liability,
million $15.8 million and $17.4 million $16.5 million, respectively. At December 31, 2022 December 31, 2023, the carrying amount
on the Company's Consolidated Condensed Statements consolidated condensed statements of Income. income.

Other information related to operating leases for the three-month and the nine-month periods ended September 30, 2023 March

		Three Months Ended		Nine Months Ended		
	Three Months Ended					
(in thousands)	(in thousands)	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	(in thousands)
Lease cost	**Lease cost**					
Operating lease cost						
Operating lease cost						
Operating lease cost	Operating lease cost	**$ 727**	$ 811	**$ 2,187**	$ 2,286	
Sublease income	Sublease income	**(73)**	(63)	**(199)**	(189)	
Total lease cost	Total lease cost	**$ 654**	$ 748	**$ 1,988**	$ 2,097	
Other information	**Other information**					

Other information

Other information

Cash paid for amounts included in the measurement of lease liabilities:	Cash paid for amounts included in the measurement of lease liabilities:								
Cash paid for amounts included in the measurement of lease liabilities:									
Cash paid for amounts included in the measurement of lease liabilities:									
Operating cash flows from operating leases									
Operating cash flows from operating leases									
Operating cash flows from operating leases	Operating cash flows from operating leases	**$**	**890**	$	766	**$**	**2,734**	$	2,307
ROU assets obtained in exchange for new operating lease liabilities	ROU assets obtained in exchange for new operating lease liabilities	**$**	**320**	$	88	**$**	**499**	$	4,270
Reductions to ROU assets resulting from reductions to lease obligations	Reductions to ROU assets resulting from reductions to lease obligations	**$**	**(753)**	$	(697)	**$**	**(2,307)**	$	(2,090)

At each of September 30, 2023 and December 31, 2022, Park's operating leases had a weighted average remaining term of 10.0
September 30, 2023 March 31, 2024 and at December 31, 2022 December 31, 2023, respectively.

Undiscounted cash flows included in lease liabilities have expected contractual payments as follows:

(in thousands)	(in thousands)	September 30, 2023	(in thousands)
Three months ending December 31, 2023		**$ 884**	
2024		**2,515**	
Nine months ending December 31, 2024			
2025	2025	**2,169**	
2026	2026	**2,134**	
2027	2027	**2,040**	
2028			
Thereafter	Thereafter	**11,474**	

Total undiscounted minimum lease payments	Total undiscounted minimum lease payments	$ 21,216
Present value adjustment	Present value adjustment	(3,790)
Total lease liabilities	Total lease liabilities	$ 17,426

In March 2024, the Company entered into a noncancellable operating lease for an additional retail office for an initial term of 88 months, with three five-year renewal options. This lease is expected to commence no later than the fourth quarter of 2024, Company will assess the lease renewal options as of the lease commencement date.

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Note 13 – Repurchase Agreement Borrowings

Securities sold under agreements to repurchase ("repurchase agreements") with customers represent funds deposited by custom the Consolidated Condensed Balance Sheets. consolidated condensed balance sheets.

All repurchase agreements are subject to terms and conditions of repurchase/security agreements between Park and the client c

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At September 30, 2023 March 31, 2024 and at December 31, 2022 December 31, 2023, Park's repurchase agreement borrowing securities with a fair value of $179.0 million $143.5 million and $313.1 million $180.8 million at September 30, 2023 March 31, 202 2024 and at December 31, 2022 December 31, 2023, Park had $1,106 million $647.8 million and $1,147 million $847.5 million, re

The table below shows the remaining contractual maturity of repurchase agreements by collateral pledged at September 30, 202

		September 30, 2023 March 31, 2024				
(in thousands)	(in thousands)	Remaining Contractual Maturity of the Agreements				(in thousands)
		Overnight and Continuous	Up to 30 days	30 - 90 days	Greater than 90 days	Total
		Overnight and Continuous				
U.S. government and agency securities	U.S. government and agency securities	$ 105,786	$—	$—	$ —	$105,786

		December 31, 2022 December 31, 2023 December 31, 2023 December 31, 2023				
(in thousands)	(in thousands)	Remaining Contractual Maturity of the Agreements				(in thousands)
		Overnight and Continuous	Up to 30 days	30 - 90 days	Greater than 90 days	Total

		Overnight and Continuous				
U.S. government and agency securities	U.S. government and agency securities	$ 227,342	$—	$—	$ —	$227,342

Note 14 - Derivatives

Park uses certain derivative financial instruments (or "derivatives") to meet the needs of Park's clients customers while managing

Interest Rate Swaps
Park utilizes interest rate swap agreements (or "interest rate swaps") as part of its asset-liability management strategy to help ma
of the interest rate swaps does not represent the amount exchanged by the parties. The amount exchanged is determined by ref

Borrowing Derivatives: At September 30, 2023 and at December 31, 2022, Park had no borrowing derivatives. There was no inte
period ended September 30, 2022. Additionally, Park recognized a $154,000 gain, net of income taxes, related to borrowing swa
2022. No gain (loss) related to borrowing swaps was recorded during the three-month period ended September 30, 2022.

Loan Derivatives: In conjunction with the Carolina Alliance acquisition, Park acquired interest rate swaps related to certain comm
Alliance minimized its net interest rate risk exposure resulting from such transactions. These interest rate swaps had a notional a

All of the Company's interest rate swaps were determined to be fully effective during each of the three-month periods ended Mar
Therefore, the aggregate fair value of the interest rate swaps is recorded in "Other assets" and "Other liabilities" with changes in

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would be reclassified to net income should the hedges no longer be considered effective. During the nine-month period ended S
expense related to borrowing interest rate swaps during the three-month period ended September 30, 2022 or during the three-n

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September 30, 2023. Park expects the outstanding hedges to remain fully effective during the remaining respective terms of the

Summary information about Park's interest rate swaps at September 30, 2023 March 31, 2024 and at December 31, 2022 Decem

		September 30, 2023 / **March 31, 2024**	December 31, 2022	
(In thousands, except weighted average data)	(In thousands, except weighted average data)	Loan Derivatives	Loan Derivatives	(In thousands, except weighted average data)
Notional amounts	Notional amounts	**$ 18,584**	$21,700	
Weighted average pay rates	Weighted average pay rates	**4.512 %**	4.553 %	Weighted average pay rates
Weighted average receive rates	Weighted average receive rates	**4.512 %**	4.553 %	Weighted average receive rates

Weighted average maturity (years)	Weighted average maturity (years)	**6.8**	7.9	Weighted average maturity (years)
Unrealized losses	Unrealized losses	**$ —**	$ —	

Interest Rate Swaps

The following table reflects the interest rate swaps included in the Consolidated Condensed Balance Sheets consolidated conder

		September 30, 2023		December 31, 2022		
(In thousands)	(In thousands)	Notional Amount	Fair Value	Notional Amount	Fair Value	(In thousands)
Included in "Other assets":	Included in "Other assets":					
Loan derivatives - instruments associated with loans	Loan derivatives - instruments associated with loans					
Loan derivatives - instruments associated with loans						
Loan derivatives - instruments associated with loans						
Matched interest rate swaps with borrower						
Matched interest rate swaps with borrower						
Matched interest rate swaps with borrower	Matched interest rate swaps with borrower	**$ —**	**$ —**	$ —	$ —	
Matched interest rate swaps with counterparty	Matched interest rate swaps with counterparty	**18,584**	**1,719**	21,700	1,508	
Total included in "Other assets"	Total included in "Other assets"	**$18,584**	**$ 1,719**	$21,700	$ 1,508	
Included in "Other liabilities":	Included in "Other liabilities":					
Included in "Other liabilities":						
Included in "Other liabilities":						
Loan derivatives - instruments associated with loans	Loan derivatives - instruments associated with loans					
Loan derivatives - instruments associated with loans						

Loan derivatives - instruments associated with loans

Matched interest rate swaps with borrower

Matched interest rate swaps with borrower

Matched interest rate swaps with borrower	Matched interest rate swaps with borrower	**$18,584**	**$(1,719)**	$21,700	$(1,508)
Matched interest rate swaps with counterparty	Matched interest rate swaps with counterparty	**—**	**—**	—	—
Total included in "Other liabilities"	Total included in "Other liabilities"	**$18,584**	**$(1,719)**	$21,700	$(1,508)

Mortgage Banking Derivatives

Commitments to fund mortgage loans (interest rate locks) to be sold into the secondary market and forward commitments for the
Company enters into forward commitments for the future delivery of mortgage loans when interest rate locks are entered into. Th
executed and is adjusted for the expected exercise of the commitment before the loan is funded. Fair values of these mortgage b
in "Other service income" in the Condensed Consolidated Statements condensed consolidated statements of Income. income.

At September 30, 2023 March 31, 2024 and at December 31, 2022 2023, Park had $1.7 million $7.3 million and $2.1 million $4.0
at September 30, 2023 March 31, 2024 and at December 31, 2022 2023, respectively.

Other Derivatives

In connection with the sale of Park's Class B Visa shares during 2009, Park entered into a swap agreement with the purchaser o
at December 31, 2022 2023, the fair value of the swap agreement liability of $123,000 and $243,000, respectively, represented a

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Note 15 – Accumulated Other Comprehensive Comprehensive Loss

Other comprehensive loss income (loss) components, net of tax, are shown in the following table for thethree-month three-month

(in thousands)
Beginning balance at July 1, 2023
Other comprehensive loss before reclassifications
Net current period other comprehensive loss
Ending balance at September 30, 2023
Beginning balance at July 1, 2022
Other comprehensive loss before reclassifications
Net current period other comprehensive loss
Ending balance at September 30, 2022

(in thousands)
Beginning balance at January 1, 2023
Other comprehensive loss before reclassifications
Net current period other comprehensive loss

Ending balance at September 30, 2023

Beginning balance at January 1, 2022

Other comprehensive income (loss) before reclassifications

Amounts reclassified from other comprehensive loss

Net current period other comprehensive income (loss)

Ending balance at September 30, 2022

(in thousands)
Beginning balance at January 1, 2024
Other comprehensive loss before reclassifications
Amounts reclassified from accumulated other comprehensive loss
Net current period other comprehensive loss
Ending balance at March 31, 2024
Beginning balance at January 1, 2023
Other comprehensive income before reclassifications
Net current period other comprehensive income
Ending balance at March 31, 2023

During the three-month and the nine-month periods ended September 30, 2023, there were no reclassifications out of accumulat nine-month period ended September 30, 2022 March 31, 2024, there was $66,000 $398,000 ($52,000 314,000 net of tax) reclass "Miscellaneous" other expense "Loss on the Consolidated Condensed Statements sale of Income. debt securities, net" on the cor

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Note 16 – Earnings Per Common Share

The following table sets forth the computation of basic and diluted earnings per common share for the three months and the nine

		Three Months Ended September 30,		Nine Months Ended September 30,		
		Three Months Ended March 31,				
(In thousands, except common share and per common share data)	(In thousands, except common share and per common share data)	**2023**	2022	**2023**	2022	(In thousands, except common share and per c
Numerator:	Numerator:					Numerator:
Net income	Net income	**$ 36,917**	$ 42,068	**$ 102,234**	$ 115,267	
Denominator:	Denominator:					Denominator:
Weighted-average common shares outstanding	Weighted-average common shares outstanding	**16,133,310**	16,253,704	**16,180,261**	16,240,966	

Effect of dilutive PBRSUs and TBRSUs	Effect of dilutive PBRSUs and TBRSUs	**84,570**	121,278	**80,848**	114,824
Weighted-average common shares outstanding adjusted for the effect of dilutive PBRSUs and TBRSUs	Weighted-average common shares outstanding adjusted for the effect of dilutive PBRSUs and TBRSUs	**16,217,880**	16,374,982	**16,261,109**	16,355,790
Earnings per common share:	Earnings per common share:				Earnings per common share:
Basic earnings per common share	Basic earnings per common share	**$ 2.29**	$ 2.59	**$ 6.32**	$ 7.10
Diluted earnings per common share	Diluted earnings per common share	**$ 2.28**	$ 2.57	**$ 6.29**	$ 7.05

Park awarded 54,698 59,165 PBRSUs and 52,335 54,698 PBRSUs to certain employees during the nine months ended Septemb

Park repurchased an aggregate of 50,000 and 199,000 124,000 common shares during the three months and the nine months e
PNB (and its divisions) as well as pursuant to Park's previously announced stock repurchase authorizations. No common shares

Note 17 – Segment Information
The Corporation is a financial holding company headquartered in Newark, Ohio. The reportable segments for the Corporation ar
Management is required to disclose information about the different types of business activities in which a company engages and
better understand the potential for future cash flows, and make more informed judgments about the company as a whole. Park h

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information is available for these reportable segments and (ii) the segments are aligned with internal reporting to Park's Chief Ex

(In thousands)
Net interest income (expense)
Recovery of credit losses
Other income (loss)
Other expense
Income (loss) before income taxes
Income tax expense (benefit)
Net income (loss)
Assets (at September 30, 2023)

(In thousands)

Net interest income (expense)
Provision for (recovery of) credit losses
Other income
Other expense
Income before income taxes
Income tax expense
Net income
Assets (at September 30, 2022)

(In thousands)
Net interest income (expense)
Provision for (recovery of) credit losses
Other income (loss)
Other expense
Income (loss) before income taxes
Income tax expense (benefit)
Net income (loss)

(In thousands)
Net interest income (expense)
Provision for (recovery of) credit losses
Other income
Other expense
Income before income taxes
Income tax expense
Net income

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The operating results in the “All Other” column are used to reconcile the segment totals to the Consolidated Condensed Stateme
September 30, 2023 and 2022 consisted of the elimination of intersegment borrowings and the assets of the Parent Company, G

Note 18 17 - Share-Based Compensation

The Park National Corporation 2017 Long-Term Incentive Plan for Employees (the "2017 Employees LTIP") was adopted by the
equity-based awards and cash-based awards available for grant to employee participants in the form of incentive stock options, r
LTIP, 750,000 common shares are authorized to be delivered in connection with grants under the 2017 Employees LTIP. The cor
including common shares purchased in the open market or in private transactions. At September 30, 2023 March 31, 2024, 320,3

The Park National Corporation 2017 Long-Term Incentive Plan for Non-Employee Directors (the "2017 Non-Employee Directors L
Non-Employee Directors LTIP makes equity-based awards and cash-based awards available for grant to non-employee director
Directors LTIP, 150,000 common shares are authorized to be delivered in connection with grants under the 2017 Non-Employee
acquired by Park as treasury shares, including common shares purchased in the open market or in private transactions. At Septe

During the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Compensation Committee of the B
respectively, to certain employees of Park and its subsidiaries. No awards were granted during either of the three months ended

At September 30, 2023 March 31, 2024, Park reported 187,461 191,120 nonvested PBRSUs. The number of PBRSUs earned or

A summary of changes in the common shares subject to nonvested PBRSUs for the nine three months ended September 30, 20

Nonvested at January 1, 2023 January 1, 2024	
Granted	
Vested	
Forfeited	
Adjustment for performance conditions of PBRSUs (1)	
Nonvested at September 30, 2023 March 31, 2024 (2)	

(1) The number of PBRSUs earned depends on the level of achievement with respect to certain performance criteria. Adjustment herein, if any, represents the di
(2) Nonvested amount herein represents the maximum number of nonvested PBRSUs. As of September 30, 2023 March 31, 2024, an aggregate of 182,647 184.

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A summary of awards vested during the three months ended March 31, 2024 and the nine months ended September 30, 2023 a

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	**2023**	2022
PBRSUs and TBRSUs vested		—	7,049	**62,815**	55,464
	Three Months Ended March 31, **2024**				
PBRSUs vested					
Common shares withheld to satisfy employee income tax withholding obligations	Common shares withheld to satisfy employee income tax withholding obligations	—	2,559	**23,973**	21,217
Net common shares issued	**Net common shares issued**	—	4,490	**38,842**	34,247
Net common shares issued					

Share-based compensation expense of $1.3 million $2.0 million and $1.4 million $2.3 million was recognized for the three-month periods ended September 30, 2023 and 2022, 2023, respectively.

The following table details expected additional share-based compensation expense related to PBRSUs outstanding at Septembe

(In thousands)	(In thousands)
Three months ending December 31, 2023	
2024	
Nine months ending December 31, 2024	
Nine months ending December 31, 2024	
Nine months ending December 31, 2024	
2025	2025
2026	2026
2027	2027
2028	

Total	Total

Note 19 18 – Benefit Plans

Park has a noncontributory defined benefit pension plan (the "Pension Plan") covering substantially all of its employees. The Per

There were no Pension Plan contributions for any either of the three-month or the nine-month periods ended September 30, 202

The following table shows the components of net periodic pension benefit income:

(In thousands)	(In thousands)	Three Months Ended September 30, 2023	2022	Nine Months Ended September 30, 2023	2022	Affected Line Item in the Consolidated Condensed Statements of Income		Three Months Ended March 31,	
Service cost							Service cost		
Service cost	Service cost	$1,559	$2,437	$ 4,677	$ 7,311	Employee benefits		$ 1,750	$
Interest cost	Interest cost	1,631	1,426	4,893	4,278	Other components of net periodic pension benefit income	Interest cost	1,719	
Expected return on plan assets	Expected return on plan assets	(3,536)	(4,449)	(10,608)	(13,347)	Other components of net periodic pension benefit income	Expected return on plan assets	(3,935)	
Recognized prior service cost (credit)		12	(4)	36	(12)	Other components of net periodic pension benefit income			
Recognized prior service cost							Recognized prior service cost	12	
Net periodic pension benefit income	Net periodic pension benefit income	$ (334)	$ (590)	$(1,002)	$(1,770)				

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Park has entered into Supplemental Executive Retirement Plan Agreements (the “SERP Agreements”) with certain key officers o for the Corporation related to the SERP Agreements for the three months ended March 31, 2024 and the nine months ended Sep

		Three Months Ended September 30,		Nine Months Ended September 30,		Affected Line Item in the Consolidated Condensed Statements of Income				
		Three Months Ended March 31,				Affected Line Item in the Consolidated Condensed Statements of Income				
(In thousands)	(In thousands)	**2023**	2022	**2023**	2022	Affected Line Item in the Consolidated Condensed Statements of Income				
Service cost										
Service cost										
Service cost	Service cost	**$234**	$212	**$ 702**	$ 637	Employee benefits		**$ 216**	$	$ 234
Interest cost	Interest cost	**176**	183	**527**	549	Miscellaneous expense	Interest cost	**155**	176	
Total SERP expense	Total SERP expense	**$410**	$395	**$1,229**	$1,186					

Note 2019 – Fair Value

The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that Park has the ability to access a
- Level 2: Level 1 inputs for assets or liabilities that are not actively traded. Also consists of an observable market price for
- Level 3: Consists of unobservable inputs that are used to measure fair value when observable market inputs are not ava

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in the principal or observable markets to price identical assets or liabilities. When identical assets and liabilities are not traded in active markets, th methods to develop a fair value. The fair value of individually evaluated collateral dependent loans is typically based on the fair v

Assets and Liabilities Measured at Fair Value on a Recurring Basis:

The following table presents assets and liabilities measured at fair value on a recurring basis:

						Fa
Fair Value Measurements at March 31, 2024 using:						Fair Value
(In thousands)	(In thousands)	Level 1	Level 2	Level 3	Balance at September 30, 2023	(In thousands)
Assets	**Assets**					**Assets**

Investment securities:	Investment securities:					Investment securities:
Obligations of U.S. Government sponsored entities		**$ —**	**$37,300**	**$ —**	**$ 37,300**	
Obligations of states and political subdivisions	Obligations of states and political subdivisions	**—**	**389,097**	**—**	**389,097**	
U.S. Government sponsored entities' asset-backed securities	U.S. Government sponsored entities' asset-backed securities	**—**	**640,282**	**—**	**640,282**	
Collateralized loan obligations	Collateralized loan obligations	**—**	**524,891**	—	**524,891**	
Corporate debt securities	Corporate debt securities	**—**	**11,460**	**6,126**	**17,586**	
Equity securities	Equity securities	**2,328**	**—**	**466**	**2,794**	
Mortgage loans held for sale	Mortgage loans held for sale	**—**	**2,866**	**—**	**2,866**	
Mortgage IRLCs	Mortgage IRLCs	**—**	**30**	**—**	**30**	
Loan interest rate swaps	Loan interest rate swaps	**—**	**1,719**	**—**	**1,719**	
Liabilities	**Liabilities**					
Liabilities						
Liabilities						
Fair value swap	Fair value swap	**$ —**	**$ —**	**$ 123**	**$ 123**	
Loan interest rate swaps	Loan interest rate swaps	**—**	**1,719**	**—**	**1,719**	

						Fair
Fair Value Measurements at December 31, 2023 using:						Fair Value Mea
(In thousands)	(In thousands)	Level 1	Level 2	Level 3	Balance at December 31, 2022	(In thousands)
Assets	**Assets**					**Assets**
Investment securities:	Investment securities:					Investment securities:
Obligations of U.S. Government sponsored entities		$ —	$37,213	$ —	$ 37,213	
Obligations of states and political subdivisions	Obligations of states and political subdivisions	—	406,711	—	406,711	

U.S. Government sponsored entities' asset-backed securities	U.S. Government sponsored entities' asset-backed securities	—	756,761	—	756,761
Collateralized loan obligations	Collateralized loan obligations	—	516,539	—	516,539
Corporate debt securities	Corporate debt securities	—	9,472	7,000	16,472
Equity securities	Equity securities	1,420	—	439	1,859
Mortgage loans held for sale	Mortgage loans held for sale	—	2,149	—	2,149
Mortgage IRLCs	Mortgage IRLCs	—	46	—	46
Loan interest rate swaps	Loan interest rate swaps	—	1,508	—	1,508
Liabilities	**Liabilities**				
Liabilities					
Liabilities					
Fair value swap	Fair value swap	$ —	$ —	$ 243	$ 243
Loan interest rate swaps	Loan interest rate swaps	—	1,508	—	1,508

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The following methods and assumptions were used by the Company in determining the fair value of the financial assets and fina

Interest rate swaps: The fair values of interest rate swaps are based on valuation models using observable market data

Investment securities: Fair values for investment securities are based on quoted market prices, where available (Level

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For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discou

Mortgage loans held for sale: Mortgage loans held for sale are carried at their fair value. Mortgage loans held for sale a

Mortgage interest rate lock commitments: Mortgage IRLCs are based on current secondary market pricing and are cl

Interest rate swaps: The fair values of interest rate swaps are based on valuation models using observable market data

Fair value swap: The fair value of the swap agreement entered into with the purchaser of the Visa Class B shares repre

Mortgage interest rate lock commitments: Mortgage IRLCs are based on current secondary market pricing and are classified
Mortgage loans held for sale: Mortgage loans held for sale are carried at their fair value. Mortgage loans held for sale a

The following tables present a reconciliation of the beginning and ending balances of the Level 3 inputs for the three-month and t

(In thousands)

Balance at July 1, 2023
Transfer into (out of) level 3, net
Total (losses) / gains
Included in other income / other expense
Included in other comprehensive income
Purchases, sales, issuances and settlements, other, net
Balance at September 30, 2023
Balance at July 1, 2022
Total losses
Included in other income / other expense
Purchases, sales, issuances and settlements, other, net
Balance at September 30, 2022

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(In thousands)
Balance at January 1, 2023
Transfers into (out of) level 3, net
Total (losses) / gains
Included in other income / other (expense)
Included in other comprehensive income
Purchases, sales, issuances and settlements, other, net
Balance at September 30, 2023
Balance at January 1, 2022
Total losses
Included in other income / other (expense)
Purchases, sales, issuances and settlements, other, net
Balance at September 30, 2022

(In thousands)
Balance at January 1, 2024
Transfer into (out of) level 3
Total gains
Included in other income
Included in other comprehensive income
Purchases, sales, issuances and settlements, other, net
Balance at March 31, 2024
Balance at January 1, 2023
Transfer into level 3
Total gains / (losses)
Included in other income
Included in other comprehensive income

Purchases, sales, issuances and settlements, other, net
Balance at March 31, 2023

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis:

The following methods and assumptions were used by the Company in determining the fair value of assets and liabilities measur

Individually evaluated collateral dependent loans: When a loan is individually evaluated, it is valued at the lower of cost or fai losses. For collateral dependent loans, fair value is generally based on real estate appraisals. These appraisals may utilize a sing independent appraisers to adjust for differences between the comparable sales and income data available. Such adjustments res from the time of the valuation, and management's expertise and knowledge of the client customer and the client's customer's bus valuations for all collateral dependent loans are updated annually, either through independent valuations by a licensed appraiser

Table of value ("VOV") Contents

performed by an internal licensed appraiser, in accordance with Company policy. A VOV can only be used in select circumstance prior valuation.

After the adoption of ASU 2022-02 on January 1, 2023, loans Loans individually evaluated for impairment include all internally cla accruing TDRs.

OREO: Assets acquired through or in lieu of loan foreclosure are initially recorded at fair value less costs to sell when acquired. T selling costs. Fair value is based on recent real estate appraisals and is updated at least annually. These appraisals may utilize a by the independent appraisers to adjust for differences between the comparable sales and income data available. Such adjustme

Appraisals for both individually evaluated collateral dependent loans and OREO are performed by licensed appraisers. Appraisal and lot development loan appraisals. These are discussed below:

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- Real estate appraisals typically incorporate measures such as recent sales prices for comparable properties. Appraisers Management generally applies a 15% discount to real estate appraised values which management expects will cover all
- Income approach appraisals typically incorporate the annual net operating income of the business divided by an appropr disposition costs (including selling costs).
- Lot development loan appraisals are typically performed using a discounted cash flow analysis. Appraisers determine an discount to lot development appraised values, which is an additional discount above the net present value calculation inc

MSRs: MSRs are carried at the lower of cost or fair value. MSRs do not trade in active, open markets with readily observable pri determines fair value based on the discounted value of the future cash flows estimated to be received. Significant inputs include to current market expectations for similar products. Accordingly, MSRs are classified as Level 2.

The following tables present assets and liabilities measured at fair value on a nonrecurring basis. Individually evaluated collatera 2023 March 31, 2024 and December 31, 2022 December 31, 2023, there were no PCD loans

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carried at fair value. A new cost basis is established at the time a property is initially recorded in OREO. OREO properties are ca

At September 30, 2023 and December 31, 2022, there were no OREO properties held by Park that were carried at fair value due

(In thousands)
Individually evaluated collateral dependent loans recorded at fair value:
Commercial real estate
Residential real estate

Total individually evaluated collateral dependent loans recorded at fair value

MSRs

OREO recorded at fair value:

Commercial real estate

Total OREO recorded at fair value

Fair Value Measurements at December 31, 2023 using:

Fair V

(In thousands)	(In thousands)	Level 1	Level 2	Level 3	Balance at September 30, 2023
Individually evaluated collateral dependent loans recorded at fair value:	Individually evaluated collateral dependent loans recorded at fair value:				
Commercial real estate	Commercial real estate	**$ —**	**$ —**	**$2,289**	**$ 2,289**
Construction real estate		**—**	**—**	**455**	**455**
Residential real estate	Residential real estate	**—**	**—**	**186**	**186**
Total individually evaluated collateral dependent loans recorded at fair value	Total individually evaluated collateral dependent loans recorded at fair value	**$ —**	**$ —**	**$2,930**	**$ 2,930**
MSRs	MSRs	**$ —**	**$872**	**$ —**	**$ 872**

(In thousands)

Individually evaluated collateral dependent loans recorded at fair

MSRs

MSRs

OREO recorded at fair value:

OREO recorded at fair value:

OREO recorded at fair value:

Commercial real estate

Commercial real estate

Commercial real estate

Total OREO recorded at fair value

(In thousands)

Individually evaluated collateral dependent loans recorded at fair value:

Commercial real estate

Residential real estate

Total individually evaluated collateral dependent loans recorded at fair value

MSRs

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The following table below provides additional detail on those individually evaluated loans which are recorded at fair value as well
are not secured by real estate, and 3) loans carried at cost as the fair

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value of the underlying collateral or the present value of expected future cash flows on each of the loans exceeded the book valu

September 30, 2023

March 31, 2024

(In thousands)	(In thousands)	Loan Balance	Prior Charge-Offs	Specific Valuation Allowance	Carrying Balance	(In thousands)	Loan Balanc
Total individually evaluated collateral dependent loans recorded at fair value	Total individually evaluated collateral dependent loans recorded at fair value	**$ 3,230**	**$ 1,824**	**$ 300**	**$ 2,930**		
Remaining individually evaluated loans	Remaining individually evaluated loans	**37,609**	**244**	**3,122**	**34,487**		
Total individually evaluated loans	Total individually evaluated loans	**$40,839**	**$ 2,068**	**$ 3,422**	**$37,417**		

December 31, 2022

December 31, 2023

(In thousands)	(In thousands)	Loan Balance	Prior Charge-Offs	Specific Valuation Allowance	Carrying Balance	(In thousands)	Loan Balance
Total individually evaluated collateral dependent loans recorded at fair value	Total individually evaluated collateral dependent loans recorded at fair value	$ 5,903	$ 1,523	$ 130	$ 5,773		
Remaining individually evaluated loans	Remaining individually evaluated loans	72,438	252	3,436	69,002		

Total individually evaluated loans	Total individually evaluated loans	$78,341	$1,775	$ 3,566	$74,775

The (expense) income expense from credit adjustments related to individually evaluated loans carried at fair value was $(0.3) mil month periods ended September 30, 2023 and 2022, 2023, respectively.

MSRs totaled $15.0 million $14.4 million at September 30, 2023 March 31, 2024. Of this $15.0 million $14.4 million MSR carrying at cost, as the fair value exceeded cost at September 30, 2023 March 31, 2024. At December 31, 2022 December 31, 2023, MSF of $182,000. $0.1 million. The remaining $14.1 million were $13.8 million was recorded at cost, as the fair value exceeded cost at 2022 2023 was $16,000 $25,000 and $59,000, respectively, $14,000, respectively.

Total OREO held by Park at March 31, 2024 and December 31, 2023 was $97,000 $1.7 million and $1.4 million $1.0 million, resp initial OREO measurement. There was no net (expense) income related to OREO fair value adjustments for the nine-month perio March 31, 2023.

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The following tables present qualitative information about Level 3 fair value measurements for financial instruments measured at

(In thousands)		Fair Value
Individually evaluated collateral dependent loans:		
Commercial real estate	**$**	**2,289 1,641**
Construction real estate	**$**	**455**
Residential real estate	**$**	**186 176**
Other real estate owned:		
Commercial real estate	**$**	**938**

(In thousands)			Fair Value	
Individually evaluated collateral dependent loans:				
Commercial real estate		$	5,573 2,315	
				Cost appro
Residential real estate		$	200 182	
Other real estate owned:	1.9%			
Commercial real estate		$	938	

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Assets Measured at Net Asset Value:

Park's portfolio of Partnership Investments is valued using the NAV practical expedient in accordance with ASC 820.

At September 30, 2023 March 31, 2024 and at December 31, 2022 December 31, 2023, Park had Partnership Investments with a million $17.9 million and $20.3 million $18.4 million, respectively, in unfunded commitments related to these Partnership Investme the nine-month periods ended September 30, 2023 and 2022, recognized income of $683,000 and $2.6 million, $378,000, respe

The fair value of certain financial instruments at September 30, 2023 March 31, 2024 and at December 31, 2022 December 31, 2

		September 30, 2023					
		March 31, 2024					
			Fair Value Measurements				
(In thousands)	(In thousands)	Carrying value	Level 1	Level 2	Level 3	Total fair value	(In thousands)
Financial assets:	Financial assets:						
Cash and money market instruments	Cash and money market instruments	$ 223,618	$223,618	$ —	$ —	$ 223,618	
Cash and money market instruments							
Cash and money market instruments							
Investment securities (1)	Investment securities (1)	1,609,156	—	1,603,030	6,126	1,609,156	
Other investment securities (2)	Other investment securities (2)	2,794	2,328	—	466	2,794	
Mortgage loans held for sale							
Mortgage loans held for sale							
Mortgage loans held for sale	Mortgage loans held for sale	2,866	—	2,866	—	2,866	
Mortgage IRLCs	Mortgage IRLCs	30	—	30	—	30	
Individually evaluated loans carried at fair value	Individually evaluated loans carried at fair value	2,930	—	—	2,930	2,930	
Other loans, net	Other loans, net	7,259,317	—	—	7,086,524	7,086,524	
Loans receivable, net	Loans receivable, net	$7,265,143	$ —	$ 2,896	$7,089,454	$7,092,350	
Financial liabilities:	Financial liabilities:						
Financial liabilities:							
Financial liabilities:							
Time deposits	Time deposits	$ 603,165	$ —	$ 601,491	$ —	$ 601,491	
Brokered deposits and Bid Ohio CDs							
Other	Other	4,896	4,896	—	—	4,896	

Deposits (excluding demand deposits)	Deposits (excluding demand deposits)	**$ 608,061**	**$ 4,896**	**$ 601,491**	**$ —**	**$ 606,387**
Short-term borrowings	Short-term borrowings	**$ 352,786**	**$ —**	**$ 352,786**	**$ —**	**$ 352,786**
Short-term borrowings						
Short-term borrowings						
Subordinated notes	Subordinated notes	**189,025**	**—**	**176,506**	**—**	**176,506**
Derivative financial instruments - assets:	Derivative financial instruments - assets:					
Derivative financial instruments - assets:						
Derivative financial instruments - assets:						
Loan interest rate swaps						
Loan interest rate swaps						
Loan interest rate swaps	Loan interest rate swaps	**$ 1,719**	**$ —**	**$ 1,719**	**$ —**	**$ 1,719**
Derivative financial instruments - liabilities:	Derivative financial instruments - liabilities:					
Derivative financial instruments - liabilities:						
Derivative financial instruments - liabilities:						
Fair value swap	Fair value swap	**$ 123**	**$ —**	**$ —**	**$ 123**	**$ 123**
Loan interest rate swaps	Loan interest rate swaps	**1,719**	**—**	**1,719**	**—**	**1,719**

(1) Includes debt securities AFS.
(2) Excludes FHLB stock and FRB stock which are carried at their respective redemption values, investment securities accounted for at modified cost as these in

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		December 31, 2022					
		December 31, 2023					
			Fair Value Measurements				
(In thousands)	(In thousands)	Carrying value	Level 1	Level 2	Level 3	Total fair value	(In thousands)
Financial assets:	Financial assets:						
Cash and money market instruments	Cash and money market instruments	$ 189,728	$189,728	$ —	$ —	$ 189,728	
Cash and money market instruments							
Cash and money market instruments							
Investment securities (1)	Investment securities (1)	1,733,696	—	1,726,696	7,000	1,733,696	

Other investment securities (2)	Other investment securities (2)	1,859	1,420	—	439	1,859
Mortgage loans held for sale						
Mortgage loans held for sale						
Mortgage loans held for sale	Mortgage loans held for sale	2,149	—	2,149	—	2,149
Mortgage IRLCs	Mortgage IRLCs	46	—	46	—	46
Individually evaluated loans carried at fair value	Individually evaluated loans carried at fair value	5,773	—	—	5,773	5,773
Other loans, net	Other loans, net	7,048,544	—	—	6,918,326	6,918,326
Loans receivable, net	Loans receivable, net	$7,056,512	$ —	$ 2,195	$6,924,099	$6,926,294
Financial liabilities:	Financial liabilities:					
Financial liabilities:						
Financial liabilities:						
Time deposits	Time deposits	$ 554,445	$ —	$ 552,443	—	$ 552,443
Brokered deposits and Bid Ohio CDs						
Other	Other	1,325	1,325	—	—	1,325
Deposits (excluding demand deposits)	Deposits (excluding demand deposits)	$ 555,770	$ 1,325	$ 552,443	$ —	$ 553,768
Short-term borrowings	Short-term borrowings	$ 227,342	$ —	$ 227,342	$ —	$ 227,342
Short-term borrowings						
Short-term borrowings						
Subordinated notes	Subordinated notes	188,667	—	177,928	—	177,928
Derivative financial instruments - assets:						
Derivative financial instruments - assets:						
Derivative financial instruments - assets:	Derivative financial instruments - assets:					
Loan interest rate swaps	Loan interest rate swaps	$ 1,508	$ —	$ 1,508	$ —	$ 1,508
Derivative financial instruments - liabilities:	Derivative financial instruments - liabilities:					
Derivative financial instruments - liabilities:						
Derivative financial instruments - liabilities:						

Fair value swap

Fair value swap

Fair value swap	Fair value swap	$ 243	$ —	$ —	$ 243	$ 243
Loan interest rate swaps	Loan interest rate swaps	1,508	—	1,508	—	1,508

(1) Includes debt securities AFS.
(2) Excludes FHLB stock and FRB stock which are carried at their respective redemption values, investment securities accounted for at modified cost as these in

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Note 21 20 - Revenue from Contracts with Customers

All of Park's revenue from contracts with customers within the scope of ASC 606 is recognized within "Other income" in the Cons segment.

The following tables present table presents the Corporation's sources of other income by revenue stream and operating segment

		Three Months Ended September 30, 2023			
		Three Months Ended March 31,			
Revenue by Operating Segment (in thousands)	Revenue by Operating Segment (in thousands)	PNB	All Other	Total	Revenue by Operating Segment (in thousands)
Income from fiduciary activities	Income from fiduciary activities				
Personal trust and agency accounts					
Personal trust and agency accounts					
Personal trust and agency accounts	Personal trust and agency accounts	**$ 2,593**	**$ —**	**$ 2,593**	
Employee benefit and retirement-related accounts	Employee benefit and retirement-related accounts	**2,568**	**—**	**2,568**	
Investment management and investment advisory agency accounts	Investment management and investment advisory agency accounts	**3,407**	**—**	**3,407**	
Other	Other	**532**	**—**	**532**	
Service charges on deposit accounts	Service charges on deposit accounts				
Non-sufficient funds (NSF) fees	Non-sufficient funds (NSF) fees	**943**	**—**	**943**	

Non-sufficient funds (NSF) fees				
Non-sufficient funds (NSF) fees				
Demand deposit account (DDA) charges	Demand deposit account (DDA) charges	1,060	—	1,060
Other	Other	106	—	106
Other service income (1)	Other service income (1)			
Credit card				
Credit card				
Credit card	Credit card	719	—	719
HELOC	HELOC	100	—	100
Installment	Installment	39	—	39
Real estate	Real estate	1,497	—	1,497
Commercial	Commercial	260	—	260
Debit card fee income	Debit card fee income	6,652	—	6,652
Bank owned life insurance income (2)	Bank owned life insurance income (2)	1,394	54	1,448
ATM fees	ATM fees	575	—	575
Loss on sale of OREO, net		(6)	—	(6)
OREO valuation markup		—	—	—
Gain (loss) on equity securities, net (2)		1,264	(266)	998
Gain (loss) on sale of OREO, net				
Loss on the sale of debt securities, net (2)				
Loss on equity securities, net (2)				
Other components of net periodic pension benefit income (2)	Other components of net periodic pension benefit income (2)	1,857	36	1,893
Miscellaneous (3)	Miscellaneous (3)	2,328	1	2,329
Total other income	Total other income	$ 27,888	$ (175)	$ 27,713

(1) "Other Service Income" totaled $2.5 million and $2.7 million for the three months ended March 31, 2024 and 2023, respectively. Of the $2.6 million of this aggr
of certain residential real estate loan fees which were out of scope.

(2) Not within the scope of ASC 606.

(3) "Miscellaneous" income "Miscellaneous Income" included brokerage income, safe deposit box rentals, and miscellaneous bank fees totaling $2.3 million, all of

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Revenue by Operating Segment (in thousands)
Income from fiduciary activities
Personal trust and agency accounts
Employee benefit and retirement-related accounts
Investment management and investment advisory agency accounts
Other
Service charges on deposit accounts
Non-sufficient funds (NSF) fees
Demand deposit account (DDA) charges
Other
Other service income (1)
Credit card
HELOC
Installment
Real estate
Commercial
Debit card fee income
Bank owned life insurance income (2)
ATM fees
Gain on sale of OREO, net
OREO valuation markup
Gain on equity securities, net (2)
Other components of net periodic pension benefit income (2)
Miscellaneous (3)
Total other income

(1) Of the $3.0 million of aggregate revenue included within "Other service income", approximately $1.4 million was within the scope of ASC 606, with the remainin

(2) Not within the scope of ASC 606.

(3) "Miscellaneous" income included brokerage income, safe deposit box rentals, three months ended March 31, 2024 and miscellaneous bank fees totaling $3.7

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Revenue by Operating Segment (in thousands)
Income from fiduciary activities
Personal trust and agency accounts
Employee benefit and retirement-related accounts
Investment management and investment advisory agency accounts
Other
Service charges on deposit accounts
Non-sufficient funds (NSF) fees
Demand deposit account (DDA) charges
Other
Other service income (1)
Credit card
HELOC
Installment
Real estate
Commercial
Debit card fee income

Bank owned life insurance income (2)
ATM fees
Loss on sale of OREO, net
OREO valuation markup
Gain (loss) on equity securities, net (2)
Other components of net periodic pension benefit income (2)
Miscellaneous (3)
Total other income

(1) Of the $8.0 million of aggregate revenue included within "Other service income", approximately $4.1 million was within the scope of ASC 606, with the remaini

(2) Not within the scope of ASC 606.

(3) "Miscellaneous" income included brokerage income, safe deposit box rentals, and miscellaneous bank fees totaling $4.4 million, all of which were within the sc

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Revenue by Operating Segment (in thousands)
Income from fiduciary activities
Personal trust and agency accounts
Employee benefit and retirement-related accounts
Investment management and investment advisory agency accounts
Other
Service charges on deposit accounts
Non-sufficient funds (NSF) fees
Demand deposit account (DDA) charges
Other
Other service income (1)
Credit card
HELOC
Installment
Real estate
Commercial
Debit card fee income
Bank owned life insurance income (2)
ATM fees
Gain on sale of OREO, net
OREO valuation markup
Gain on equity securities, net (2)
Other components of net periodic pension benefit income (2)
Miscellaneous (3)
Total other income

(1) Of the $12.7 million of aggregate revenue included within "Other service income", approximately $4.3 million was within the scope of ASC 606, with the remain

(2) Not within the scope of ASC 606.

(3) "Miscellaneous" income included brokerage income, safe deposit box rentals, and miscellaneous bank fees totaling $7.8 million, all of which were within the sc

A description of Park's material revenue streams accounted for under ASC 606 follows:

Income from fiduciary activities (gross): Park earns fiduciary fee income and investment brokerage fees from its contracts wit generally assessed based on the market value of the trust assets.

Service charges on deposit accounts and ATM fees: The Corporation earns fees from the Corporation's deposit customers fo rendering fees, and ACH fees, are recognized at the time the transaction is executed as that is the point in time the Corporation f which the Corporation satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft o

Other service income: Other service income includes income from (1) the sale and servicing of loans sold to the secondary ma
to the secondary market is included within "Other service income", but is not within the scope of ASC 606. Services that fall withi

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Debit card fee income: Park earns interchange fees from debit cardholder transactions conducted primarily through the Visa pa
with the transaction processing services provided to the cardholder.

Gain or loss on sale of OREO, net: The Corporation records a gain or loss from the sale of OREO when control of the property
is committed to perform the buyer's obligation under the contract and whether collectability of the transaction price is probable. C
on the sale, the Corporation adjusts the transaction price and related gain (loss) on sale if a significant financing component is pr

OREO valuation markup: The Corporation records an OREO valuation markup immediately prior to the transfer of a loan to OR

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ITEM 2 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's discussion Discussion and analysis Analysis of Financial Condition and Results of Operations contains forwa
understanding of anticipated future financial performance. Forward-looking statements provide current expectations, estimates, c
and uncertainties. Although management believes that the expectations reflected in such forward-looking statements are reason

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 manag
- current and future economic and financial market conditions, either nationally or in the states in which Park and our subs persistent inflation, the impact of continued elevated interest rates, changes in the economy or global supply chain, supp sanctions and export controls as well as the Israel-Hamas conflict), and any slowdown in global economic growth, any of 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 p
- the effect of monetary and other fiscal policies (including the impact of money supply, ongoing increasing market interest U.S. financial markets, may adversely impact prepayment penalty income, mortgage banking income, income from fiduc 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 obligati
- the impact of the changes in federal, state and local governmental policy, including the regulatory landscape, capital mar
- changes in laws or requirements imposed by Park's regulators impacting Park's capital actions, including dividend paym
- changes in consumer spending, borrowing and saving habits, whether due to changes in retail distribution strategies, co
- changes in customers', suppliers', and other counterparties' performance and creditworthiness, and Park's expectations continued elevated interest rates;
- Park may have more credit risk and higher credit losses to the extent there are loan concentrations by location or industr
- the volatility from quarter to quarter of mortgage banking income, whether due to interest rates, demand, the fair value of

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- the adequacy of our internal controls and risk management program in the event of changes in the market, economic, op associated with Park's business;
- competitive pressures among financial services organizations could increase significantly, including product and pricing p retention pressures, and Park's ability to attract, develop and retain qualified banking professionals;

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- uncertainty regarding the nature, timing, cost and effect of changes in banking regulations or other regulatory or legislati in laws and regulations concerning taxes, FDIC insurance premium levels, pensions, bankruptcy, consumer protection, r 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 Bo operations;
- Park's assumptions and estimates used in applying critical accounting policies estimates and modeling which may prove

- 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 nu competitive demands;
- operational issues stemming from and/or capital spending necessitated by the potential need to adapt to industry change
- Park's ability to secure confidential information and deliver products and services through the use of computer systems a 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 o
- the impact on Park's business and operating results of any costs associated with obtaining rights in intellectual property
- the existence or exacerbation of general geopolitical instability and uncertainty as well as the effect of trade policies (incl 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 an stability of certain sovereign governments, supranationals and financial institutions in Europe and Asia and the risk they
- 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 p 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
- the impact of widespread natural and other disasters, pandemics, (including the COVID-19 pandemic), dislocations, regi Ukraine conflict and the Israel-Hamas conflict) on the economy and financial markets generally and on us or our counter
- 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 oth
- the impact of larger or similar-sized financial institutions encountering problems such as the recent closures of Silicon Va Park's business generation and retention, funding and liquidity, including potential increased regulatory requirements an
- Park's continued ability to grow deposits or maintain adequate deposit levels in light of the recent bank failures; due to ch
- unexpected outflows of deposits which may require Park to sell investment securities assets at a loss; and
- and other risk factors relating to included in the financial services industry as detailed current and periodic reports filed by year ended December 31, 2022, in "Item 1A. Risk Factors" of Part II of Park's Quarterly Report on Form 10-Q for the qua Factors" of Part II of this Quarterly Report on Form 10-Q. time.

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Forward-looking statements should be construed in the light of such risks. It is impossible to predict or identify all potential risk fa forward-looking statements. Any forward looking statement in this Form 10-Q are based on current information as of the date of t statement to reflect the events or circumstances after the date on which the forward-looking statement was made, whether as a r

Non-U.S. GAAP Financial Measures

This Management's Discussion and Analysis of Financial Condition and Results of Operations (or "MD&A") contains non-U.S. G used, the comparable U.S. GAAP financial measures, as well as the reconciliation from the comparable U.S. GAAP financial me

Items Impacting Comparability of Period Results

From time to time, revenue, expenses and/or taxes are impacted by items judged by management of Park to be outside of ordina Park at that time to be infrequent or short-term in nature. Most often, these items impacting comparability of period results are du with significant corporate actions outside of the ordinary course of business.

Even though certain revenue and expense items are naturally subject to more volatility than others due to changes in market and the provision for (recovery of) credit losses (aside from those related to former Vision Bank loan relationships), (losses) gains (lo comparability of period results.

Management believes the disclosure of items impacting comparability of period results provides a better understanding of Park's determining how that performance differed from expectations, as well as how, if at all, to adjust estimates of future performance t

Items impacting comparability of the results of particular periods are not intended to be a complete list of items that may material

Non-U.S. GAAP Financial Measures

Park's management uses certain non-U.S. GAAP financial measures to evaluate Park's performance. Specifically, management provision net income.

Management has included in the tables included within the "Items Impacting Comparability" section of this MD&A information rel share and pre-tax, pre-provision net income for the three months and the nine months ended and at September 30, 2023 March each period is divided by average tangible equity during the period. Average tangible equity equals average shareholders' equity assets, a non-U.S. GAAP financial measure, net income for each period is divided by average tangible assets during the period. the tangible equity to tangible assets ratio, a non-U.S. GAAP financial measure, tangible equity is divided by tangible assets. Tan

assets, in each case at period end. For the purpose of calculating tangible book value per common share, a non-U.S. GAAP fina
U.S. GAAP financial measure, income taxes and the provision for (recovery of) credit losses are added back to net income, in ea

Management believes that the disclosure of the annualized return on average tangible equity, the annualized return on average t

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income presents additional information to the reader of the condensed consolidated financial statements, which, when read in co
operating performance from period to period, and facilitates comparisons with the performance of Park's peer financial holding co

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included within the "Items Impacting Comparability" section of this MD&A, Park has provided a reconciliation of average tangible
provision net income from net income solely for the purpose of complying with SEC Regulation G and not as an indication that th
pre-tax, pre-provision net income are substitutes for the annualized return on average equity, the annualized return on average a

FTE (fully taxable equivalent) Financial Measures
Interest income, yields, and ratios on a FTE basis are considered non-U.S. GAAP financial measures. Management believes net
revenue arising from both taxable and tax-exempt sources. The FTE basis assumes a federal corporate income tax rate of 21 pe
with SEC Regulation G and not as an indication that FTE interest income, yields and ratios are substitutes for interest income, yi

Critical Accounting Policies Estimates

Note 1 of the Notes to Consolidated Financial Statements included in Park's 2022 Form 10-K lists significant accounting policies
the financial services industry. The preparation of financial statements in conformity with U.S. GAAP requires management to ma

Allowance for Credit Losses: Park believes the determination of the allowance for credit losses involves a higher degree of judgm
be sufficient to absorb estimated credit losses over the life of an asset or an off-balance sheet credit exposure. Management's de
characteristics, current conditions, and reasonable and supportable forecasts that affect the collectability of the remaining cash fl
expected LGD, loss given default, the amounts and timing of expected future cash flows on individually evaluated loans, and esti
from management estimates, additional provisions for credit losses may be required that would adversely impact earnings in futu

One of the most significant judgments impacting the ACL estimate is the economic forecast forecasts for Ohio unemployment, Oh
economic forecast scenarios are weighted to arrive at the quantitative reserve. Changes in the economic forecast or weighting co

In As noted above, in calculating the ACL, management weighs several different scenarios, including a baseline (most likely) sce
hypothetical sensitivity analyses, management calculated a quantitative allowance using a 100% weighting applied to a baseline
result in a longer shutdown of the federal government than in the baseline; (2) the Russian invasion of Ukraine persists longer tha
longer than expected, and eroding consumer and business confidence; (4) the Federal Reserve Board Hamas-Israel conflict will
the FRB begins to continued lower rates; (3) Europe goes into a recession. Populism in Europe rises, raising uncertainties about
fall; (5) concerns about inflation, but starts to ease subsequently because of weakening economic conditions; (5) recent bank fail
2024 and (6) the economy falls into recession in lasts through the fourth quarter of 2023. 2024 resulting in real GDP declining by
adverse scenario also forecasts Ohio unemployment for the next twelve months to range from 6.2% 6.4% to 8.8% 9.0%. Excludin

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September 30, 2023 March 31, 2024 if only the adverse scenario was used. Excluding consideration of general reserve qualitativ

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Refer to the "Credit Metrics and (Recovery of) Provision for Credit Losses" section of this MD&A for additional discussion.

Goodwill: Management believes that the accounting for goodwill also involves a higher degree of judgment than most other signi
unidentifiable intangible assets in each business acquired. Park's goodwill, as of September 30, 2023, relates to the value inhere
marketplace. The goodwill value is supported by revenue that is in part driven by the volume of business transacted. A decrease
goodwill that could, in turn, adversely impact earnings in future periods.

U.S. GAAP requires an annual evaluation of goodwill for impairment, or more frequently if events or changes in circumstances in
Based on the qualitative analysis performed as of April 1, 2023, the Company determined that goodwill for Park's reporting unit, P
PNB, deposit and loan totals for PNB and financial services industry comparable information.

Pension Plan: The determination of pension plan Pension Plan obligations and related expenses requires the use of assumptions
components: (1) the value of benefits earned by employees for working during the year (service cost), (2) the increase in the liab
plan was amended to update the pension plan's benefit formula, vesting schedule and the hours of service basis. These change

Significant assumptions used to measure our annual pension expense include:

- the interest rate used to determine the present value of liabilities (discount rate);
- certain employee-related factors, such as turnover, retirement age and mortality;
- the expected return on assets in our funded pension plan; Pension Plan; and
- the rate of salary increases where benefits are based on earnings.

Our assumptions reflect our historical experience and management's best judgment regarding future expectations. Due to the sig

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For the Three an

Summary Discussion of Results

Net income for the three months ended September 30, 2023 March 31, 2024 was $36.9 million $35.2 million, compared to $42.1
$40.1 million for the first quarter of 2023. Diluted earnings per common share were $2.28 $2.17 for the third first quarter of 2023,
16,374,982 weighted average diluted common shares outstanding for the third quarter of 2022.

Net income for the nine months ended September 30, 2023 was $102.2 million, compared to $115.3 million 16,191,065 for the fi
average diluted common shares outstanding were 16,261,109 for the first nine months of 2023, compared to 16,355,790 16,324,

The following discussion provides additional information regarding Park.

Park National Corporation (Park)

The following table reflects Park's consolidated the net income for the third first quarters (the three months ended March 31) of ea

(In thousands)		*Q3 2023*	*Q3*
Net interest income	$	94,269	$
(Recovery of) provision for credit losses		(1,580)	
Other income		27,713	
Other expense		77,808	
Income before income taxes	$	45,754	$
Income tax expense		8,837	
Net income	$	36,917	$
Pre-tax, pre-provision net income (1)	$	44,174	$

(1) Pre-tax, pre-provision ("PTPP") net income is calculated as net income, (minus) plus income taxes, plus the (recovery of) provision for credit losses, in each c

(In thousands)
Net interest income
Provision for credit losses
Other income
Other expense
Income before income taxes
Income tax expense
Net income

Highlights from the three-month and nine-month periods ended September 30, 2023 and 2022 included:

- During the three months ended September 30, 2023, Park recorded Net interest income of $16,000 related to PPP loans
recorded interest income of $57,000 related to PPP loans, or 3.7%, increase compared to $3.0 million $92.2 million for th
- Park recognized a $5.6 million gain on the sale of OREO, net, during the three months and ended March 31, 2023. The i

The $15.7 million increase in interest income was due to a $19.6 million increase in interest income on loans partially offset by a
relationships. There was no gain or loss on the sale result of OREO, net, related to former Vision Bank relationships during a $38

- Park recognized a $12.0 million OREO valuation markup during March 31, 2023 to $7.48 billion for the three months and sale of a property collateralizing a former Vision Bank relationship. There was no OREO valuation markup related to form
- During March 31, 2024, compared to 5.24% for the three months and the nine months ended September 30, 2023, Park 2022 March 31, 2023.
- During the three months and the nine months ended September 30, 2022, Park paid $1.8 million in one-time bonuses ar ended September 30, 2023. The $3.9

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- During million decrease in investment income was primarily the three months and the nine months ended September 30, 202 compared to $0 and $100,000 for the three months and the nine months ended September 30, 2023, respectively.
  - During the three months and the nine months ended September 30, 2022, Park contributed $4.0 million to its charitable f
  - PNB loans outstanding at September 30, 2023 (i) increased 3.5% compared to September 30, 2022, (ii) increased 2.9%
  - Park's loan portfolio had net loan charge-offs as a percentage of average loans of 0.06% investments, including money n billion for the three months ended September 30, 2022 March 31, 2024. Park's loan portfolio had net loan charge-offs as 31 basis points to 4.06% for the nine months ended September 30, 2023, compared to net loan charge-offs as a percent

Net income for each of the three months ended September 30, 2023 and September 30, 2022 and March 31, 2024, compared to
These items are detailed in the "Items Impacting Comparability" section within this MD&A.

Liquidity and Capital

Park continues to maintain strong capital and liquidity. Funds are available from a number of sources, including the capital marke
Funds Sold, unpledged investment securities and available FHLB borrowing capacity, totaled $2.17 billion at September 30, 2023

Park's debt securities portfolio is classified The $12.3 million increase in interest expense was due to a $11.6 million increase in i
$167.4 million (or 3.06%) and these debt securities are available increase in average on-balance sheet interest bearing deposits
basis points, from 1.15% for the three months ended March 31, 2023 to 1.94% for the three months ended March 31, 2024. The
deposits and asset-liability management strategies, among other reasons. AFS debt securities are reported at fair value, with unr
participate in a program to transfer deposits off-balance sheet in order to manage growth of the balance sheet.

The provision for credit losses excluded from earnings, but included of $2.2 million for the three months ended March 31, 2024 re
additional details regarding the level of the provision for credit losses recognized in other comprehensive income (loss), net of ap

The table below provides additional detail reflects Park's total other income for the three months ended March 31, 2024 and 2023

(Dollars in thousands)
Other income:
Income from fiduciary activities
Service charges on deposit accounts
Other service income
Debit card fee income
Bank owned life insurance income
ATM fees
Gain (loss) on the sale of OREO, net
Loss on sale of debt securities, net
Loss on equity securities, net
Other components of net periodic benefit income
Miscellaneous
Total other income

Other income of $26.2 million for the three months ended March 31, 2024 represented an increase of $1.8 million, or 7.4%, comp
under management. The $1.4 million increase in bank owned life insurance income was primarily related to death benefits receiv

(Dollars in thousands)	
Net unrealized losses on debt securities	$

Net unrealized losses on debt securities as a percentage of period end total assets

Total shareholders' equity / Period end total assets

Tangible equity / Tangible assets (1)

(1) Tangible equity equals total shareholders' equity less goodwill and other intangible assets, in each case at period end. Tangible assets equal total assets less

Park has demonstrated that it has the tools available net was due to remain under $10.0 billion in assets. Various tools such as m
three months ended March 31, 2024. No loss on sale of debt securities, net was recorded during the three months ended March
increase in other components of net periodic benefit income was largely due to have an increase in the expected return on plan a

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The table below reflects Park's total other expense for the three months ended March 31, 2024 and 2023.

(Dollars in thousands)
Other expense:
Salaries
Employee benefits
Occupancy expense
Furniture and equipment expense
Data processing fees
Professional fees and services
Marketing
Insurance
Communication
State tax expense
Amortization of intangible assets
Miscellaneous
Total other expense

Total other expense of $77.2 million for the three months ended March 31, 2024 represented an increase of $725,000, or 0.9%, c
decreases in share-based compensation expense, additional compensation expense and officer incentive compensation expens
expense was primarily due to decreases in depreciation expense and maintenance and repairs expense. The decrease in profes

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The table below provides certain balance sheet information and financial ratios for Park as of or for the three months ended Marc

(Dollars in thousands)
Loans
Allowance for credit losses
Net loans
Investment securities
Total assets
Total deposits
Average assets (1)
Efficiency ratio (2)
Return on average assets (3)

(1) Average assets for the three months ended March 31, 2024 and 2023 and for the year ended December 31, 2023.
(2) Efficiency ratio is calculated by dividing total other expense by the sum of fully taxable equivalent net interest income and other income. Fully taxable equivale
and 2023 and $3.7 million for the year ended December 31, 2023.
(3) Annualized for the three months ended March 31, 2024 and 2023.

Loans

Loans outstanding at March 31, 2024 were $7.53 billion, compared to (i) $7.48 billion at December 31, 2023, an increase of $48.

(Dollars in thousands)		*March 31, 2024*	*Dece*
Home equity	$	177,094	$
Installment		1,947,215	
Real estate		1,359,193	
Commercial		4,038,327	
Other		3,176	
Total loans	$	7,525,005	$

Park's allowance for credit losses was $85.1 million at March 31, 2024, compared to $83.7 million at December 31, 2023, an incr
credit losses recognized in each period presented.

Deposits

Total deposits at March 31, 2024 were $8.31 billion, compared to (i) $8.04 billion at December 31, 2023, an increase of $263.5 m
participated in a program to transfer deposits off-balance sheet in order to manage growth of the balance sheet, as deposits incre
deposits which were off-balance sheet. Total deposits would have increased $264.6 million, or 3.3%, compared to December 31,

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and would have decreased $150.7 million, or 1.8%, had the $2.3 million, $1.2 million and $164.6 million in deposits remained on

(Dollars in thousands)		*March 31, 2024*	
Non-interest bearing deposits	$	2,587,152	$
Transaction accounts		2,270,677	
Savings		2,604,012	
Certificates of deposit		663,859	
Brokered and bid cd deposits		180,332	
Total deposits	$	8,306,032	$
Off balance sheet deposits		2,279	
Total deposits including off balance sheet deposits	$	8,308,311	$

Park's deposits grew during the COVID COVID-19 pandemic and normalized have declined toward pre-pandemic levels througho
balances are transferred off balance sheet while maintaining the customer relationship. Park is able to increase or decrease the a
declined as deposit balances have returned to normalized declined toward pre-pandemic levels.

The table below breaks out the change in deposit balances, by deposit type, for Park.

(Dollars in thousands)	*(Dollars in thousands)*	*September 30, 2023*	*June 30, 2023*	*March 31, 2023*	*December 31, 2022*	*December 31, 2021*	*December 31, 2020*	*December 31, 2019*	*(Dollar*
Retail deposits	**Retail deposits**	$4,110,821	$4,136,401	$4,263,947	$4,388,394	$4,416,228	$4,025,852	$3,748,039	
Commercial deposits	**Commercial deposits**	4,133,903	4,222,575	4,030,497	3,846,321	3,488,300	3,546,506	3,304,573	
Brokered and bid CD deposits									
Total deposits	**Total deposits**	$8,244,724	$8,358,976	$8,294,444	$8,234,715	$7,904,528	$7,572,358	$7,052,612	
Off balance sheet deposits	**Off balance sheet deposits**	763	767	164,600	195,937	983,053	710,101	—	

Total deposits including off balance sheet deposits	Total deposits including off balance sheet deposits	$8,245,487	$8,359,743	$8,459,044	$8,430,652	$8,887,581	$8,282,459	$7,052,612
$ change from prior period end	$ change from prior period end	$ (114,256)	$ (99,301)	$ 28,392	$ (456,929)	$ 605,122	$1,229,847	
% change from prior period end	% change from prior period end	(1.4)%	(1.2)%	0.3 %	(5.1)%	7.3 %	17.4 %	
% change from prior period end								
% change from prior period end								

During the three months ended September 30, 2023 March 31, 2024, total deposits including off balance sheet deposits increase
increase in off balance sheet deposits, partially offset by a $52.6 million decrease in total retail deposits. The majority of off balan

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The table below breaks out the change in deposit balance, by deposit type, for March 31, 2024 compared to March 31, 2023.

(Dollars in thousands)
Retail deposits
Commercial deposits
Brokered and bid CD deposits
Total deposits
Off balance sheet deposits
Total deposits including off balance sheet deposits

At March 31, 2024, total deposits including off balance sheet deposits decreased by $114.3 million $150.7 million, or 1.4% 1.8%,
commercial deposits. During the nine months ended September 30, 2023, total deposits including off balance sheet deposits dec
partially offset by a $287.6 million $180.3 million increase in brokered and bid CD deposits and a $67.4 million increase in total co
sheet.

Included in the total commercial deposits and off balance sheet deposits shown in the previous table tables are public fund depos

(Dollars in thousands)		*September 30, 2023*	
Total public fund deposits	$	1,400,807	$
$ change from prior period end	$	(172,877)	$
% change from prior period end		(11.0)%	

(Dollars in thousands)	*(Dollars in thousands)*	*September 30, 2023*	*December 31, 2022*	*September 30, 2022*	*$ change from 12/31/22*	*% change from 12/31/22*	*$ change from 9/30/22*	*% change from 9/30/22*	*(Dollars in thousands)*

Total public fund deposits	**Total public fund deposits**	$1,400,807	$1,335,400	$1,743,210	$65,407	4.9	%	$(342,403)	(19.6)%

$ change from prior period end

% change from prior period end

% change from prior period end

% change from prior period end

As of September 30, 2023 March 31, 2024, Park had approximately $1.4 billion of uninsured deposits, which was 17.2% 16.8% o
Park's investment securities portfolio.

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Financial Results by Segment

The table below reflects the net income (loss) by segment for the first, second, and third quarters of 2023, for the first nine month
"All Other," which primarily consists of Park as the "Parent Company", Guardian Financial Services Company ("GFSC") and SE F

(In thousands)	
PNB	$
All Other	
Total Park	$

Net income for each of the three months ended September 30, 2023 and September 30, 2022 and for each of the nine months e
Impacting Comparability" section within this MD&A.

The following discussion provides additional information regarding the PNB segment, followed by additional information regardin

The Park National Bank (PNB)

The table below reflects PNB's net income for the first, second and third quarters of 2023, for the first nine months of each of 202

(In thousands)	
Net interest income	$
(Recovery of) provision for credit losses	
Other income	
Other expense	
Income before income taxes	$
Income tax expense	
Net income	$

Net interest income of $283.2 million for the nine months ended September 30, 2023 represented a $28.4 million, or 11.1%, incre
increase in interest expense.

The $79.6 million increase in interest income was due to a $60.1 million increase in interest income on loans and a $19.5 million
for the nine months ended September 30, 2022 to $7.17 billion for the nine months ended September 30, 2023, as well as an inc
The $19.5 million increase in investment income was primarily the result of an increase in the yield on investments, including mo
The increase in the yield on investments was partially offset by a decrease in average investments, including money market inve

The $51.2 million increase in interest expense was due to a $49.0 million increase in interest expense on deposits, as well as a $

million (or 4.70%) increase in average on-balance sheet interest bearing deposits from $5.29 billion for the nine months ended S
ended September 30, 2022 to 1.42% for the nine months ended September 30, 2023. The increase in on-balance sheet interest
30, 2023 and 2022, Park made the decision to continue its participation in a program to transfer deposits off-balance sheet in orc

The provision for credit losses of $1.9 million for the nine months ended September 30, 2023 represented a decline of $144,000,
regarding the level of the provision for (recovery of) credit losses recognized in each period presented above.

Other income of $77.2 million for the nine months ended September 30, 2023 represented a decrease of $12.2 million, or 13.6%
was primarily due to declines in fee income from mortgage loan originations and mortgage servicing rights, partially offset by incr
of loans and other assets and in other fee income; (iii) a $3.3 million decrease in other components of net periodic benefit income
September 30, 2023; and (v) a $1.1 million decrease in service charges on deposits income, primarily related to a decrease in ov
owned life insurance income.

A summary of mortgage loan originations for the first, second and third quarters of 2023 and 2022 and the years ended Decemb

(In thousands)		Q3 2023		Q2 2023
Mortgage Loan Origination Volume				
Sold	$	19,035	$	15
Portfolio		78,847		65
Construction		27,826		20
Service released		1,678		1
Total mortgage loan originations	$	127,386	$	103
Refinances as a % of Total Mortgage Loan Originations		15.2 %		1

Total mortgage loan originations decreased $174.1 million, or 37.4%, to $291.9 million for the nine months ended September 30,

The table below reflects PNB's total other expense for the nine months ended September 30, 2023 and 2022.

	(Dollars in thousands)
Other expense:	
Salaries	
Employee benefits	
Occupancy expense	
Furniture and equipment expense	
Data processing fees	
Professional fees and services	
Marketing	
Insurance	
Communication	
State tax expense	
Amortization of intangible assets	
Foundation contribution	
Miscellaneous	
Total other expense	

Total other expense of $220.7 million for the nine months ended September 30, 2023 represented an increase of $11.2 million, o
based compensation expense, partially offset by decreases in additional compensation expense and officer incentive compensat
retirement benefit expense. The increase in furniture and equipment expense was primarily related to increases in depreciation e
processing expense. The increase in professional fees and services expense was primarily due to increases in consulting, other

in miscellaneous expense was due to increased expense related to fraud and other non-loan related losses, other miscellaneous
allowance for unfunded lines of credit.

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The table below provides certain balance sheet information and financial ratios for PNB as of or for the nine months ended Septe

(Dollars in thousands)
Loans
Allowance for credit losses
Net loans
Investment securities
Total assets
Total deposits
Average assets (1)
Efficiency ratio (2)
Return on average assets (3)

(1) Average assets for the nine months ended September 30, 2023 and 2022 and for the year ended December 31, 2022.
(2) Efficiency ratio is calculated by dividing total other expense by the sum of fully taxable equivalent net interest income and other income. Fully taxable equivale
million for the year ended December 31 2022 and $2.6 million for the nine months ended September 30 2022.
(3) Annualized for the nine months ended September 30, 2023 and 2022.

Loans outstanding at September 30, 2023 were $7.35 billion, compared to (i) $7.14 billion at December 31, 2022, an increase of

(Dollars in thousands)		September 30, 2023	De
Home equity	$	173,570	$
Installment		1,977,730	
Real estate		1,295,769	
Commercial		3,897,676	
Other		4,835	
Total loans	$	7,349,580	$

Loans outstanding at September 30, 2023 were $7.35 billion, compared to $7.21 billion at June 30, 2023, an increase of $141.7

The table below breaks out the change in loans outstanding, by loan type.

(Dollars in thousands)
Home equity
Installment
Real estate
Commercial
Other
Total loans

PNB's allowance for credit losses was $84.6 million at September 30, 2023, compared to (i) $85.4 million at December 31, 2022,

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Net charge-offs were $3.1 million, or 0.06% of total average loans, for the nine months ended September 30, 2023 and were $3.
30, 2022. Refer to the “Credit Metrics and (Recovery of) Provision for Credit Losses” section for additional information regarding

Total deposits at September 30, 2023 were $8.54 billion, compared to (i) $8.53 billion at December 31, 2022, an increase of $2.1
2022, Park made the decision to continue participation in a program to transfer deposits off-balance sheet in order to manage gr
$763,000, $195.9 million, and $766.2 million, respectively, in deposits which were off-balance sheet. Total deposits would have d
would have decreased $835.3 million, or 8.9%, compared to September 30, 2022 had the $763,000 and $766.2 million in deposi

The table below breaks out the change in deposit balances, by deposit type.

(Dollars in thousands)		September 30, 2023	De
Non-interest bearing deposits	$	3,024,412	$
Transaction accounts		2,193,054	
Savings		2,715,802	
Certificates of deposit		603,165	
Total deposits	$	8,536,433	$
Off-balance sheet deposits		763	
Total deposits including off-balance sheet deposits	$	8,537,196	$

Total deposits at September 30, 2023 were $8.54 billion, compared to $8.66 billion at June 30, 2023, a decrease of $119.7 millio

	(Dollars in thousands)
Non-interest bearing deposits	
Transaction accounts	
Savings	
Certificates of deposit	
Total deposits	
Off-balance sheet deposits	
Total deposits including off-balance sheet deposits	

All Other

The table below reflects All Other net (loss) income for the first, second and third quarters of 2023, for the first nine months of

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each of 2023 and 2022 (the nine months ended September 30) and for the years ended December 31, 2022, and 2021.

(In thousands)	
Net interest (expense) income	$
Recovery of credit losses	
Other (loss) income	
Other expense	
Net (loss) income before income tax (benefit) expense	$
Income tax (benefit) expense	
Net (loss) income	$

The net interest (expense) income for All Other included, for all periods presented, interest income on subordinated debt investm
All Other also included interest expense on $175.0 million aggregate principal amount of 4.50% Fixed-to-Floating Rate Subordina

Net interest (expense) income reflected net interest expense of $5.2 million for the nine months ended September 30, 2023, com
to payment collections at SEPH, a decrease of $197,000 in net interest income from GFSC and an increase in interest expense o

Refer to the “Credit Metrics and (Recovery of) Provision for Credit Losses” section for additional information regarding the All Oth

All Other had other loss of $(126,000) for the nine months ended September 30, 2023, compared to other income of $20.1 millio
OREO, net, a $1.2 million decrease in bank owned life insurance income as the result of death benefits received in 2022 which d

All Other had other expense of $9.5 million for the nine months ended September 30, 2023, compared to $10.8 million for the nir

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Park National Corporation

The table below reflects Park's consolidated net income for the first, second and third quarters of 2023, for the first nine months c

(In thousands)	
Net interest income	$
(Recovery of) provision for credit losses	
Other income	
Other expense	
Income before income taxes	$
Income tax expense	
Net income	$

Net Interest Income

Park's principal source of earnings is net interest income, the difference between total interest income and total interest expense

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Comparison for the Third First Quarters of 2023 2024 and 2022 2023

Net interest income increased by $3.4 million, or 3.8% 3.7%, to $94.3 million $95.6 million for the third first quarter of 2023, 2024,

		Three months ended September 30, 2023				Three months ended September 30, 2022				
		Three months ended March 31, 2024								
(Dollars in thousands)	(Dollars in thousands)	Average balance	Interest	Tax equivalent yield/cost		Average balance	Interest	Tax equivalent yield/cost		(Dollars in thousands)
Loans (1)	Loans (1)	$7,267,476	$103,529	5.65	%	$7,039,040	$ 83,677	4.72	%	Loans (1)
Taxable investments	Taxable investments	1,385,023	13,321	3.82	%	1,528,169	10,319	2.68	%	Taxable investments
Tax-exempt investments (2)	Tax-exempt investments (2)	421,028	3,671	3.46	%	424,643	3,700	3.46	%	Tax-exempt investments (2)
Money market instruments	Money market instruments	104,754	1,410	5.34	%	573,858	3,180	2.20	%	Money market instruments
Interest earning assets	Interest earning assets	$9,178,281	$121,931	5.27	%	$9,565,710	$100,876	4.18	%	Interest earning assets
Interest bearing deposits	Interest bearing deposits	$5,634,621	$ 23,126	1.63	%	$5,679,989	$ 6,582	0.46	%	
Interest bearing deposits										
Interest bearing deposits										
Short-term borrowings	Short-term borrowings	164,237	1,136	2.74	%	196,816	306	0.62	%	Short-term borrowings
Long-term debt	Long-term debt	188,966	2,358	4.95	%	188,494	2,228	4.69	%	Long-term debt
Interest bearing liabilities	Interest bearing liabilities	$5,987,824	$ 26,620	1.76	%	$6,065,299	$ 9,116	0.60	%	Interest bearing liabilities

Excess interest earning assets	Excess interest earning assets	$3,190,457	$3,500,411
Tax equivalent net interest income	Tax equivalent net interest income	$ 95,311	$ 91,760

Tax equivalent net interest income

Tax equivalent net interest income

Net interest spread

Net interest spread

Net interest spread	Net interest spread	3.51	%	3.58	%	
Net interest margin	Net interest margin	4.12	%	3.81	%	Net interest margin

(1) Loan interest income includes the effects of taxable equivalent adjustments using a 21% federal corporate income tax rate. The taxable equivalent adjustmen

(2) Interest income on tax-exempt investment securities includes the effects of taxable equivalent adjustments using a 21% federal corporate income tax rate. Th

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Average interest earning assets for the third first quarter of 2023 2024 decreased by $387.4 million $219.2 million, or 4.1% 2.4%, earning assets increased by 109 77 basis points to 5.27% 5.66% for the third first quarter of 2023, 2024, compared to 4.18% 4.89

Interest income for the three months ended September 30, 2023 and 2022 included purchase accounting accretion of $145,000 received on certain SEPH nonaccrual loan relationships, some of which are participated with PNB. Interest income for the three accretion, SEPH-related income, and PPP income, the yield on loans was 5.64% and 4.64% for the three months ended Septem

Average interest bearing liabilities for the third first quarter of 2023 decreased 2024 increased by $77.5 million $135.9 million, or 1 116 79 basis points to 1.76% 2.08% for the third first quarter of 2023, 2024, compared to 0.60% 1.29% for the third first quarter of 2023 and 2022, Park had $763,000 and $766.2 million, respectively, in OWS insured cash sweep deposits which were off-balanc factors. When on the balance sheet, these deposits are included in the average interest bearing liabilities and related interest exp

Removing the impacts of the accretion of purchase accounting adjustments related to the acquisitions of NewDominion and Carc 3.75% for the three months ended September 30, 2023 and 2022, respectively. 2023.

Yield on Loans: Average loan balances increased $228.4 million $383.4 million, or 3.2% 5.4%, to $7,267 million $7,483 million fo points to 5.65% 5.99% for the third first quarter of 2023, 2024, compared to 4.72% 5.24% for the third first quarter of 2022. Averag

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The table below shows the average balance and tax equivalent yield by type of loan for the three months ended September 30, 2

		Three months ended September 30, 2023			Three months ended September 30, 2022			
		Three months ended March 31, 2024						
(Dollars in thousands)	(Dollars in thousands)	Average balance	Tax equivalent yield		Average balance	Tax equivalent yield		(Dollars in thousands)
Home equity loans	Home equity loans	$ 171,235	8.34	%	$ 164,766	5.45	%	Home equity loans
Installment loans	Installment loans	1,962,225	5.66	%	1,912,912	4.74	%	Installment loans

Real estate loans	Real estate loans	1,270,156	4.45 %	1,147,402	3.85 %	Real estate loans
Commercial loans (1)	Commercial loans (1)	3,860,066	5.91 %	3,808,863	4.93 %	Commercial loans (1)
Other	Other	3,794	9.10 %	5,097	6.85 %	Other
Total loans before allowance	Total loans before allowance	$7,267,476	5.65 %	$7,039,040	4.72 %	Total loans before allowance

(1) Commercial loan interest income includes the effects of taxable equivalent adjustments using a 21% federal corporate income tax rate. The taxable equivaler

Loan interest income for the three months ended September 30, 2023 and 2022 included the accretion of purchase accounting a related to PPP loans. Excluding the impact of the purchase accounting accretion, SEPH-related income, and PPP income, (a) th was 5.90% and the yield on total loans before allowance was 5.64% for the three months ended September 30, 2023; and (b) th

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yield on commercial loans was 4.80% and the yield on total loans and leases before allowance was 4.64% for the three months e

Cost of Deposits: Average interest bearing deposit balances decreased $45.4 million increased $167.4 million, or 0.8% 3.1%, to balances increased by 117 79 basis points to 1.63% 1.94% for the third first quarter of 2023, 2024, compared to 0.46% 1.15% for of deposit.

		Three months ended September 30, 2023		Three months ended September 30, 2022		
		Three months ended March 31, 2024				
(Dollars in thousands)	(Dollars in thousands)	Average balance	Cost of funds	Average balance	Cost of funds	(Dollars in thousands)
Transaction accounts	Transaction accounts	$2,309,320	1.62 %	$2,197,169	0.38 %	Transaction accounts
Savings deposits and clubs	Savings deposits and clubs	2,742,151	1.54 %	2,837,613	0.51 %	Savings deposits and clubs
Time deposits	Time deposits	583,150	2.11 %	645,207	0.51 %	Time deposits
Brokered/bid CD deposits						Brokered/bid CD deposits
Total interest bearing deposits	Total interest bearing deposits	$5,634,621	1.63 %	$5,679,989	0.46 %	Total interest bearing deposits

Comparison **Yield on Average Interest Earning Assets:** The following table shows the tax equivalent yield on average interes
Net interest income increased by $25.6 million, or 10.1%, to $278.0 million for the first nine months of 2023, compared to $252.5

(Dollars in thousands)		Average balance
Loans (1)	$	7,166,863
Taxable investments		1,418,433
Tax-exempt investments (2)		421,925
Money market instruments		181,793
Interest earning assets	$	9,189,014
Interest bearing deposits	$	5,540,680

Short-term borrowings		175,537
Long-term debt		188,847
Interest bearing liabilities	$	5,905,064
Excess interest earning assets	$	3,283,950
Tax equivalent net interest income		
Net interest spread		
Net interest margin		

2021 - year
2022 - year
2023 - year
2024 - first three months

(1) Loan interest income includes the effects of taxable equivalent adjustments using a 21% federal corporate income tax rate. The taxable equivalent adjustmen
(2) Interest income on tax-exempt investment securities includes the effects of taxable equivalent adjustments using a 21% federal corporate income tax rate. Th

Average interest earning assets for the first nine months of 2023 increased by $59.5 million, or 0.7%, to $9,189 million for the firs
months of 2023, compared to 3.98% for the first nine months of 2022.

Interest income for the nine months ended September 30, 2023 and 2022 included purchase accounting accretion of $509,000 a

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million, respectively, of interest income related to payments received on certain SEPH nonaccrual loan relationships, some of wh
loans. Excluding the impact of the purchase accounting accretion, SEPH-related income, and PPP income, the yield on loans wa
30, 2023 and 2022, respectively.

Average interest bearing liabilities for the first nine months of 2023 decreased by $220.6 million, or 3.9%, to $5,905 million, comp
0.40% for the first nine months of 2022. During the nine months ended September 30, 2023 and 2022, Park continued to particip
sweep deposits which were off-balance sheet. Management from time to time has elected to move these funds both on and off th
liabilities and related interest expense.

Removing the impacts of the accretion of purchase accounting adjustments related to the acquisitions of NewDominion and Carc
3.64% for the nine months ended September 30, 2023 and 2022, respectively.

Yield on Loans: Average loan balances increased $262.8 million, or 3.8%, to $7,167 million for the first nine months of 2023, co
4.54% for the first nine months of 2022. Average loans for the first nine months of 2023 and 2022 included $3.3 million and $32.3

The table below shows the average balance and tax equivalent yield by type of loan for the nine months ended September 30, 20

(Dollars in thousands)
Home equity loans
Installment loans
Real estate loans
Commercial loans (1)
Other
Total loans before allowance

(1) Commercial loan interest income includes the effects of taxable equivalent adjustments using a 21% federal corporate income tax rate. The taxable equivaler

Loan interest income for the nine months ended September 30, 2023 and 2022 included the accretion of purchase accounting ac
related to PPP loans. Excluding the impact of the purchase accounting accretion, SEPH-related income, and PPP income, (a) th
was 5.72% and the yield on total loans before allowance was 5.42% for the nine months ended September 30, 2023; and (b) the
the yield on total loans and leases before allowance was 4.41% for the nine months ended September 30, 2022.

Cost of Deposits: Average interest bearing deposit balances increased $248.5 million, or 4.7%, to $5,541 million for the first nin
months of 2023, compared to 0.24% for the first nine months of 2022. The table below shows for the nine months ended Septem

(Dollars in thousands)
Transaction accounts
Savings deposits and clubs
Time deposits
Total interest bearing deposits

Yield on Average Interest Earning Assets: The following table shows the tax equivalent yield on average interest earning asse

2020 - year
2021 - year
2022 - year
2023 - first nine months

(1) Loan interest income includes the effects of taxable equivalent adjustments using a 21% federal corporate income tax rate. The taxable equivalent adjustmen
(2) Interest income on tax-exempt investment securities includes the effects of taxable equivalent adjustments using a 21% federal corporate income tax rate. Th
2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.
(3) Interest income for the nine months ended September 30, 2023 and for the years ended December 31, 2022, 2
some

Table of which are participated with PNB, as well as $509,000, $1.8 million, $3.3 million, and $4.4 million, respectively, of the accretion of purchase accounting adjustments related to th
related to PPP loans. Excluding all of these sources of income described in the preceding sentences of this footnote, the yield on loans was 5.42%, 4.55%, 4.27%, and 4.63% for the ni
December 31, 2022, 2021 and 2020, respectively. Contents

Cost of Average Interest Bearing Liabilities: The following table shows the cost of funds on average interest bearing liabilities

2020 - year
2021 - year
2022 - year
2023 - first nine months

(1) Interest expense for the years ended December 31, 2022, 2021 and 2020 included $7,000, $46,000, and $226,000, respectively, of the accretion of purchase
0.12%, and 0.41%, respectively, and the cost of total interest bearing liabilities was 0.54%, 0.28%, and 0.53%, respectively. There was no accretion of purchase

2021 - year
2022 - year
2023 - year
2024 - first three months

<u>Credit Metrics and (Recovery of) Provision for Credit Losses</u>

The (recovery of) provision for credit losses is the amount subtracted from/added to the allowance for credit losses to ensure the
information about past events, including historical credit loss experience on financial assets with similar risk characteristics, curre

The adoption of ASU 2022-02 on January 1, 2023 resulted in a $383,000 increase to the allowance for credit losses. A cumulativ
ASU and elimination of the concept of TDRs, total nonperforming loans decreased by $20.1 million effective January 1, 2023 anc

The table below provides additional information on the (recovery of) provision for credit losses for the three-month and nine-mont

		Three Months Ended September 30,		Nine Months Ended September 30,		
	Three Months Ended March 31,					
(Dollars in thousands)	(Dollars in thousands)	2023	2022	2023	2022	(Dollars in thousands)
Allowance for credit losses:	**Allowance for credit losses:**					
Beginning balance						
Beginning balance						
Beginning balance	Beginning balance	$87,206	$81,448	$85,379	$83,197	
Cumulative change in accounting principle; adoption of ASU 2022-02	Cumulative change in accounting principle; adoption of ASU 2022-02	—	—	383	—	
Charge-offs	Charge-offs	2,293	1,748	7,213	5,497	
Recoveries	Recoveries	1,269	1,071	4,958	4,685	
Net charge-offs		1,024	677	2,255	812	
(Recovery of) provision for credit losses		(1,580)	3,190	1,095	1,576	
Net charge-offs (recoveries)						
Provision for credit losses						
Ending balance	Ending balance	$84,602	$83,961	$84,602	$83,961	
Net charge-offs as a % of average loans (annualized)		0.06 %	0.04 %	0.04 %	0.02 %	
Net charge-offs (recoveries) as a % of average loans (annualized)						
Net charge-offs (recoveries) as a % of average loans (annualized)						
Net charge-offs (recoveries) as a % of average loans (annualized)						

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The following table provides additional information related to the allowance for credit losses for Park including information relatec
2022 March 31, 2023.

(Dollars in thousands)

Total allowance for credit losses
Allowance on accruing PCD loans
Specific reserves on individually evaluated loans
General reserves on collectively evaluated loans
Total loans
Accruing PCD loans
Individually evaluated loans (1)
Collectively evaluated loans
Allowance for credit losses as a % of period end loans
General reserve as a % of collectively evaluated loans

(1) After the adoption of ASU 2022-02 on January 1, 2023, loans individually evaluated for impairment include all internally classified commercial nonaccrual loar

(Dollars in thousands)
Total allowance for credit losses
Allowance on accruing PCD loans
Reserves on individually evaluated loans
General reserves on collectively evaluated loans
Total loans
Accruing PCD loans
Individually evaluated loans
Collectively evaluated loans
Allowance for credit losses as a % of period end loans
General reserve as a % of collectively evaluated loans

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The total allowance for credit losses of $84.6 million $85.1 million at September 30, 2023 March 31, 2024 represented a $2.6 mill
general reserves, reflecting an improvement in economic forecasts, particularly in the adverse scenario, along with a reduction in

The allowance for credit losses of $84.6 million at September 30, 2023 represented a $777,000, or 0.9%, decrease compared to
specific reserves.

Generally, valuations for all nonperforming loans are updated at least annually, either through independent valuations by a licens
appraised value has not deteriorated through property inspection, consideration of market conditions, and performance of all valu
determine the net realizable value of the collateral, which is compared against the outstanding principal balance to determine if a

Nonperforming Assets: After the adoption of ASU 2022-02 on January 1, 2023, which eliminated the TDR classification**,** non-pe
interest payments but whose interest continues to accrue; and (3) OREO which results from taking possession of property that se
basis; (2) TDRs on accrual status; (3) loans which are contractually past due 90 days or more as to principal or interest payments

The following table compares Park's nonperforming assets at September 30, 2023 March 31, 2024, December 31, 2022 Decemb

(In thousands)
Nonaccrual loans
Accruing TDRs (for years 2022 and prior) (1)
Loans past due 90 days or more
Total nonperforming loans
OREO
Total nonperforming assets
Percentage of nonaccrual loans to total loans

Percentage of nonperforming loans to total loans (1)	
Percentage of nonperforming assets to total loans (1)	
Percentage of nonperforming assets to total assets (1)	

(1) Effective January 1, 2023, Park adopted ASU 2022-02. Among other things, this ASU eliminated the concept of TDRs.

(In thousands)	
Nonaccrual loans	
Loans past due 90 days or more	
Total nonperforming loans	
OREO	
Total nonperforming assets	
Percentage of nonaccrual loans to total loans	
Percentage of nonperforming loans to total loans	
Percentage of nonperforming assets to total loans	
Percentage of nonperforming assets to total assets	

Included in the OREO totals above were $1.4 million of SEPH OREO at September 30, 2023, December 31, 2022, and Septemb

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Park classifies loans as nonaccrual when a loan (1) is maintained on a cash basis because of deterioration in the financial condit all other loans. As a result, loans may be classified as nonaccrual despite being current with their contractual terms. The followin are classified as current if they are less than 30 days past due.

		September 30, 2023		December 31, 2022		September 30, 2022			March 31, 2024
(In thousands)	(In thousands)	Balance	Percent of Total Loans	Balance	Percent of Total Loans	Balance	Percent of Total Loans	(In thousands)	Bala
Nonaccrual loans - current	Nonaccrual loans - current	$33,470	0.46 %	$58,893	0.83 % 1	$28,472	0.40 %	Nonaccrual loans - current	$ 50
Nonaccrual loans - past due	Nonaccrual loans - past due	21,538	0.29 %	20,803	0.29 %	16,140	0.23 %	Nonaccrual loans - past due	19
Total nonaccrual loans	Total nonaccrual loans	$55,008	0.75 %	$79,696	1.12 %	$44,612	0.63 %	Total nonaccrual loans	$ 70

Credit Quality Indicators: When determining the quarterly credit loss provision, Park reviews the grades of commercial loans. T considered to be of acceptable credit risk. Commercial loans graded a 5 (special mention) are considered to be watch list credits mention and, as a result, a higher PD is applied to these loans. Commercial loans that are graded a 7 (doubtful) are shown as no placed on nonaccrual status and included within the individually evaluated category. Any commercial loan graded an 8 (loss) is c

The following table highlights the credit trends within the commercial loan portfolio.

Commercial loans * (In thousands)	
Pass-rated	
Special mention	
Substandard	
Individually evaluated for impairment (1)	
Accruing PCD	

Total

(1) Prior to the adoption of ASU 2002-02 on January 1, 2023, accruing TDRs were also included in individually evaluated for impairment loans totals.

Commercial loans * (In thousands)
Pass-rated
Special mention
Substandard
Individually evaluated for impairment
Accruing PCD
Total

* Commercial loans include (1) Commercial, financial and agricultural loans, (2) Commercial real estate loans, (3) Commercial related loans in the construction re

Park's watch list includes all criticized and classified commercial loans defined by Park as loans rated special mention or worse. December 31, 2022 December 31, 2023, and $79.4 million $89.6 million at September 30, 2022 March 31, 2023. The existing co borrower's ability to comply with payment terms.

The increase in watch list credits during the first nine months of 2023 was largely due to a $16.8 million hotel loan which was dov including the upgrade to pass-rated of a $8.9 million hotel relationship. These two downgraded loans were both current in respec 0.22% 0.29%, of total loans at September 30, 2023 March 31, 2024, compared to $18.9 million $23.5 million, or 0.26% 0.31% of t

Individually Evaluated Loans: Loans that do not share risk characteristics are evaluated on an individual basis. Park has deter scope. Specific reserves Reserves on individually evaluated commercial loans are typically based on management's best estima may be for an amount different from management's estimate.

Individually evaluated commercial loans were $54.7 million at March 31, 2024, an increase of $9.5 million, compared to $45.2 mi

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amount different from management's estimate. Prior to the elimination of TDRs with the adoption of ASU 2022-02 on January 1,

Individually evaluated commercial loans were $40.8 million at September 30, 2023, a decrease of $37.5 million, compared to $78 December 31, 2022 included $11.5 million of loans modified in a TDR which were on accrual status and performing in accordanc

At September 30, 2023 March 31, 2024, Park had taken partial charge-offs of $2.1 million $2.3 million related to the $40.8 million commercial loans at December 31, 2022 December 31, 2023.

Loans Acquired with Deteriorated Credit Quality: In conjunction with the NewDominion acquisition, Park acquired loans with (ASC 310-30) with a book value of $5.1 million were recorded at the initial fair value of $4.9 million. In conjunction with the Caroli value of $578.6 million. Loans and leases acquired with deteriorated credit quality (ASC 310-30) with a book value of $19.9 millio

Upon Park's adoption of CECL on January 1, 2021, $52,000 of the credit discount on PCD loans was reclassified to the allowanc 2022 December 31, 2023, there was no allowance for credit losses on PCD loans. The carrying amount of accruing loans acquire respectively. The carrying amount of nonaccrual loans acquired with deteriorated credit quality at March 31, 2024 and at Decemb

Allowance for Credit Losses: The allowance for credit losses is calculated on a quarterly basis. The methodology for calculatin

Quantitative Considerations

The ACL is primarily calculated utilizing a DCF model. Key inputs and assumptions used in this model are discussed below:

- Forecast model - For each portfolio segment, a LDA was performed in order to identify appropriate loss drivers and creat real estate loan portfolio segments. Peer data was incorporated into the analysis for the commercial real estate loan, the impact of the inclusion of periods impacted by COVID, as well as analysis of the ongoing applicability of the selected pee
- Probability of default – PD is the probability that an asset will be in default within a given time frame. Park has defined de reasonable and supportable forecast period. When loan-level data is not available reflecting the forecasted economic co
- Loss given default – LGD is the percentage of the asset not expected to be collected due to default. Whenever possible, Frye Jacobs.
- Prepayments and curtailments – Prepayments and curtailments are calculated based on Park's own data utilizing a three
- Forecast and reversion – Park has established a one-year reasonable and supportable forecast period with a one-year s

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- Economic forecast - Park utilizes a third party to provide economic forecasts under various scenarios, which are weighte
    - As of December 31, 2022, the "most likely" scenario forecasted Ohio unemployment between 4.14% and 4.36%
    number of economic indicators. The continued high level of inflation, historically low consumer confidence, rising
    economic environment. Considering these factors, management determined it was appropriate to maintain the e
    - As of March 31, 2023, the "most likely" scenario forecasted Ohio unemployment between 4.15% and 4.51% duri
    economic indicators. The continued high level of inflation, historically low consumer confidence, rising interest ra
    Considering these factors, management determined it was appropriate to maintain the existing weighting, and w
    - As of June 30, 2023, Additional Considerations: *the "most likely" scenario forecasted Ohio unemployment betwe*
    unemployment as well as a number of economic indicators. The continued elevated levels of inflation, volatile le
    environment. Considering these factors, management determined it was appropriate to maintain the existing wei
    - As of September 30, 2023, the "most likely" scenario forecasted Ohio unemployment between 4.07% and 4.66% du
    number of economic indicators. The continued elevated levels of inflation, volatile levels of consumer confidence
    cause uncertainty as to the overall economic environment. Considering these factors, management determined i

Qualitative Considerations

Park reviews various internal and external factors to consider the need for any qualitative adjustments to the quantitative model.

- The nature and volume of Park's financial assets; the existence, growth, and effect of any concentrations of credit and th
considers:
    - Trends (e.g., growth, reduction) in specific categories of the loan portfolio, as well as adjustments to the types of
    - Level of and trend in loan delinquencies, troubled loans, commercial watch list loans and nonperforming loans.
    - Level of and trend in new nonaccrual loans.
    - Level of and trend in loan charge-offs and recoveries.
- Park's lending policies and procedures, including changes in lending strategies, underwriting standards and practices for
- The quality of Park's credit review function.
- The experience, ability, and depth of Park's lending, investment, collection, and other relevant management and staff.
- The effect of other external factors such as the regulatory, legal and technological environments; competition; geopolitica
- Actual and expected changes in international, national, regional, and local economic and business conditions and develo
- Where the U.S. economy is within a given credit cycle.

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- The extent that there is government assistance (stimulus).

At September 30, 2023 and at December 31, 2022, Park had $2.4 million and $4.2 million, respectively, of PPP loans which were
as the rest of Park's loan portfolio. A 10 basis point reserve at each of September 30, 2023 and December 31, 2022 was calcula

Additional Considerations

As part of its quarterly allowance process, Park evaluates certain industries which are more likely to be under economic stress in
downtown and urban business districts are seeing the most stress. As of September 30, 2023 March 31, 2024, Park had $212.7
$210.1 million $222.6 million of which were accruing. This portfolio is not currently exhibiting signs of stress, but Park continues t

Other Income

Other income decreased increased by $19.0 million $1.8 million to $27.7 million $26.2 million for the quarter ended September 30
to $109.5 million for the first nine months of 2022. 2023.

The decrease increase for the three months ended September 30, 2023 March 31, 2024 compared to the three months ended Se
valuation markup, from fiduciary activities, bank owned life insurance income, and other components of net periodic pension bene
on equity securities, net.

The decrease for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was prin
valuation markup, gain loss on equity securities, net, other components of net periodic pension benefit income, and miscellaneou

The following table provides a summary of the changes in the components of other income:

		Three months ended September 30,			Nine months ended September 30,			
	Three months ended March 31,							
(In thousands)	(In thousands)	2023	2022	Change	2023	2022	Change	(In thousands)

Income from fiduciary activities	Income from fiduciary activities	$ 9,100	$ 8,216	$ 884	$26,531	$ 25,872	$ 659
Service charges on deposit accounts	Service charges on deposit accounts	2,109	2,859	(750)	6,391	7,496	(1,105)
Other service income	Other service income	2,615	2,956	(341)	7,951	12,715	(4,764)
Debit card fee income	Debit card fee income	6,652	6,514	138	19,939	19,371	568
Bank owned life insurance income	Bank owned life insurance income	1,448	1,185	263	3,965	4,734	(769)
ATM fees	ATM fees	575	610	(35)	1,661	1,725	(64)
(Loss) gain on sale of OREO, net		(6)	5,607	(5,613)	(3)	5,611	(5,614)
OREO valuation markup		—	12,009	(12,009)	15	12,039	(12,024)
Gain on equity securities, net		998	58	940	618	3,120	(2,502)
Gain (loss) on sale of OREO, net							
Loss on the sale of debt securities, net							
Loss on equity securities, net							
Other components of net periodic pension benefit income	Other components of net periodic pension benefit income	1,893	3,027	(1,134)	5,679	9,081	(3,402)
Miscellaneous	Miscellaneous	2,329	3,653	(1,324)	4,368	7,779	(3,411)
Total other income	Total other income	$27,713	$46,694	$(18,981)	$77,115	$109,543	$(32,428)

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Income from fiduciary activities increased by $884,000, $1.4 million, or 10.8% 16.4%, to $9.1 million $10.0 million for the three mo
ended September 30, 2023 compared to $25.9 million for the same period in 2022. 2023. The majority of fiduciary fees are calcu
2023 March 31, 2024 was $7,797 million $8,373 million compared to $7,062 million $7,463 million for the same period in 2022. Th

Service charges on deposit accounts decreased by $750,000, or 26.2%, to $2.1 million for the three months ended September 3
million for the same period of 2022. The decreases for both the three-month and nine-month periods ended September 30, 2023

Other service income decreased by $341,000, or 11.5%, to $2.6 million for the three months ended September 30, 2023, compa
decrease in fee income related to mortgage loan originations to be sold in the secondary market of $287,000 and a decrease in c
fees of $121,000. Mortgage origination volume decreased by $26.8 million, or 17.4%, to $127.4 million for the three months ende

Other service income decreased by $4.8 million, or 37.5%, to $7.9 million for the nine months ended September 30, 2023, compa
decrease in fee income related to mortgage loan originations to be sold in the secondary market of $2.9 million, a decrease in mo
sale of $359,000 and an increase in other consumer real estate fees of $297,000. Mortgage origination volume decreased by $1

Bank owned life insurance income increased by $263,000, or 22.2%, $1.4 million to $1.4 million $2.6 million for the three months
September 30, 2023, compared to $4.7 million for the same period of 2022. 2023. The increase for the three-month period ended
September 30, 2023 compared to September 30, 2022 was due to a decrease in received death benefits.

(Loss) gain on sale of OREO, net decreased by $5.6 million to a net loss on sale of OREO of $6,000 for the three months ended
of $3,000 for the nine months ended September 30, 2023 compared to a net gain on the sale of OREO of $5.6 million for the sar
relationships. There was no gain on the sale of OREO, net, related to former Vision Bank relationships during the three months a

There was no OREO valuation markup income recognized in the three months ended September 30, 2023 compared to $12.0 m
2023 compared to $12.0 million for the nine months ended September 30, 2022. The $12.0 million OREO valuation markup durir
was no OREO valuation markup related to former Vision Bank relationships during the three months and the nine months ended

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Gain During the three-month period ended March 31, 2024, Park sold certain AFS debt securities with a book value of $31.2 milli

Loss on equity securities, net, increased changed by $940,000, $282,000, to a net gain loss of $998,000 $687,000 for the three m
three months ended September 30, 2023 March 31, 2024 compared to the three months ended September 30, 2022 March 31, 2
2022 March 31, 2023 to a net gain of $74,000 $3,000 for the three months ended September 30, 2023 March 31, 2024, and a $82
2023 to a $924,000 $690,000 net gain loss for the three months ended September 30, 2023.

Gain on equity securities, net, decreased by $2.5 million, to a net gain of $618,000 for the nine months ended September 30, 20:
September 30, 2022 was related to a $553,000 change in gain (loss) on other equity securities which went from a $488,000 net g
at NAV, which went from a $2.6 million net gain for the nine months ended September 30, 2022 to a $683,000 net gain for the nir

Other components of net periodic pension benefit income decreased $1.1 million increased $311,000, or 16.4%, to $1.9 million $:
the nine months ended September 30, 2023 compared to $9.1 million for the same period in 2022. 2023. The decrease increase

Miscellaneous income decreased $1.3 million, or 36.2%, to $2.3 million for the three months ended September 30, 2023 compar
decreases in gains on sales of loans and other assets and settlement income and fees earned on off-balance sheet deposit acco

Miscellaneous income decreased $3.4 million, or 43.8% to $4.4 million for the nine months ended September 30, 2023 compared
in (i) brokerage income; (ii) operating lease income; (iii) wire transfer and ACH fees as a result of the reclassification of these fee
by a decrease in OREO devaluations and miscellaneous income received as a part of an investment fund liquidation.

Other Expense

Other expense decreased increased by $5.1 million $725,000 to $77.8 million $77.2 million for the three months ended Septembe
2023 compared to $220.3 million for the nine months ended September 30, 2022. 2023.

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The following table is a summary of the changes in the components of other expense:

		Three months ended September 30,			Nine months ended September 30,			
(In thousands)	(In thousands)	2023	2022	Change	2023	2022	Change	(In thousands)
Salaries	Salaries	$34,525	$37,889	$(3,364)	$103,045	$ 99,462	$3,583	
Employee benefits	Employee benefits	10,822	9,897	925	32,176	30,595	1,581	
Occupancy expense	Occupancy expense	3,203	3,455	(252)	9,770	9,709	61	
Furniture and equipment expense	Furniture and equipment expense	3,060	2,912	148	9,409	8,783	626	
Data processing fees	Data processing fees	9,700	8,170	1,530	28,032	24,090	3,942	
Professional fees and services	Professional fees and services	7,572	8,359	(787)	22,158	20,992	1,166	
Marketing	Marketing	1,197	1,595	(398)	3,755	3,931	(176)	
Insurance	Insurance	2,158	1,237	921	5,932	3,887	2,045	
Communication	Communication	1,135	1,098	37	3,217	2,923	294	
State tax expense	State tax expense	1,125	1,186	(61)	3,499	3,545	(46)	

Amortization of intangible assets	Amortization of intangible assets	334	341	(7)	989	1,146	(157)
Foundation contribution		—	4,000	(4,000)	—	4,000	(4,000)
Miscellaneous	Miscellaneous	2,977	2,764	213	8,214	7,261	953
Total other expense	Total other expense	$77,808	$82,903	$(5,095)	$230,196	$220,324	$9,872

Salaries decreased increased by $3.4 million, $862,000, or 8.9% 2.5%, to $34.5 million $35.7 million for the three months ended S
2023 March 31, 2024 compared to the same period of 2022 was due to a decrease of $3.7 million in additional compensation exp
base salary expense of $2.6 million.

Salaries increased by $3.6 million, or 3.6%, to $103.0 million for the nine months ended September 30, 2023, compared to $99.5
million in base salary expense as full-time equivalent employees increased from 1,711 at September 30, 2022 to 1,794 at Septem
$559,000. expense. These increases were partially offset by a decrease in additional share-based compensation expense of $4.4

Employee benefits increased $925,000, $744,000, or 9.3% 6.9%, to $10.8 million $11.6 million for the three months ended Septem
September 30, 2023 compared to $30.6 million for the same period. The $925,000 2023.The $744,000 increase for the three mo
increase in payroll tax expense of $262,000, partially offset by decreased $175,000, and an increase in pension plan expense of

Furniture and equipment expense decreased $663,000, or 20.4%, to $2.6 million for the nine three months ended September 30,
due to an increase in group insurance costs of $2.9 million, an increase in payroll tax expense of $815,000, and an increase in co

Furniture and equipment expense increased $148,000, or 5.1%, to $3.1 million for the three months ended September 30, 2023
period in 2022. The increase for both the three-month and the nine-month periods ended September 30, 2023 compared to the s

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Data processing expense increased $1.5 million, or 18.7%, to $9.7 million for the three months ended September 30, 2023 comp
period in 2022. The increase for both the three-month maintenance and the nine-month periods ended September 30, 2023 comp

Professional fees and services expense decreased $787,000, or 9.4%, to $7.6 million for the three months ended September 30
million decrease in management consulting fees with the elevated 2022 amount due to direct expenses related to the collection o
offset by a $310,000 increase in legal fees and a $266,000 increase in down payment assistance costs.

Professional fees and services expense increased $1.2 million, or 5.6%, to $22.2 million for the nine months ended September 3
$252,000 increase in directors fees; (ii) a $527,000 increase in ICS fees; (iii) a $633,000 increase in legal expenses; (iv) a $300,0
management consulting fees, a $374,000 decrease in recruiting expenses, and a $513,000 decrease in audit and supervisory ex

Insurance expense increased $921,000 or 74.5%, to $2.2 million for the three months ended September 30, 2023 compared to $
2022. The increase for both the three-month and the nine-month periods ended September 30, 2023 compared to the periods en

The Foundation contribution decrease for the three months and the nine months ended September 30, 2023, compared to the sa
no contribution made by Park to its charitable foundation during the three months and the nine months ended September 30, 202

The subcategory "miscellaneous" other expense includes expenses for supplies, travel and other miscellaneous expense. The su
in 2022. The $213,000 increase in expense for the three months ended September 30, 2023 compared to the three months ende
$571,000 in the provision for unfunded credit losses.

The subcategory "miscellaneous" other expense increased $953,000, or 13.1%, to $8.2 million for the nine-month period ended S
months ended September 30, 2022 was primarily related to an increase in non-loan related losses of $268,000, the accrual of a
deprecation and a decrease of $181,000 in the provision for unfunded credit losses.

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Professional fees and services expense decreased $404,000, or 5.6%, to $6.8 million for the three months ended March 31, 202
decrease in legal expenses and a $332,000 decrease in other fees, partially offset by (i) an increase of $132,000 in temporary wa
appraisal and title expenses.

Marketing expense increased $422,000, or 32.0%, to $1.7 million for the three months ended March 31, 2024 compared to $1.3

Items Impacting Comparability (Non-U.S. GAAP)

From time to time, revenue, expenses, and/or taxes are impacted by items judged by management of Park to be outside of ordin
Park at that time to be infrequent or short-term in nature. Most often, these items impacting comparability of period results relate
with significant corporate actions outside of the ordinary course of business.

The following table details those items which management believes impact the comparability of current and prior period amounts

(in thousands except per common share data)	Septe
Net interest income	$
less purchase accounting accretion related to NewDominion and Carolina Alliance acquisitions	
less purchase accounting accretion related to NewDominion and Carolina Alliance acquisitions	
less interest income on former Vision Bank relationships	
Net interest income - adjusted	$
(Recovery of) provision for credit losses	$
less recoveries on former Vision Bank relationships	
(Recovery of) provision for credit losses - adjusted	$
Total other income	$
less other service income related to former Vision Bank relationships	
less Vision Bank related gain on the sale of OREO, net	
less Vision Bank related OREO valuation markup	
Total other income - adjusted	$
Total other expense	$
less direct expenses related to collection of payments on former Vision Bank loan relationships	
less core deposit intangible amortization related to NewDominion and Carolina Alliance acquisitions	
less Foundation contribution	
Total other expense - adjusted	$
Tax effect of adjustments to net income identified above (7)	$
Net income - reported	$
Net income - adjusted (6)	$
Diluted EPS	$
Diluted EPS- adjusted (6)	$
Annualized return on average assets (1)(2)	
Annualized return on average assets- adjusted (1)(2)(6)	
Annualized return on average tangible assets (1)(2)(4)	
Annualized return on average tangible assets- adjusted (1)(2)(4)(6)	

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(in thousands except per common share data)
Net interest income
less purchase accounting accretion related to NewDominion and Carolina Alliance acquisitions
less interest income on former Vision Bank relationships
Net interest income - adjusted

Provision for credit losses
less recoveries on former Vision Bank relationships
Provision for credit losses - adjusted
Total other income
less loss on sale of debt securities, net
less write-downs on strategic initiatives
less Vision related gain on the sale of OREO, net
less other service income related to former Vision Bank relationships
Total other income - adjusted
Total other expense
less direct expenses related to collection of payments on former Vision Bank loan relationships
less core deposit intangible amortization related to NewDominion and Carolina Alliance acquisitions
Total other expense - adjusted
Tax effect of adjustments to net income identified above (7)
Net income - reported
Net income - adjusted (6)
Diluted EPS
Diluted EPS- adjusted (6)
Annualized return on average assets (1)(2)
Annualized return on average assets- adjusted (1)(2)(6)
Annualized return on average tangible assets (1)(2)(4)
Annualized return on average tangible assets- adjusted (1)(2)(4)(6)
Annualized return on average shareholders' equity (1)(2)
Annualized return on average shareholders' equity- adjusted (1)(2)(6)
Annualized return on average tangible equity (1)(2)(3)
Annualized return on average tangible equity- adjusted (1)(2)(3)(6)
Efficiency ratio (5)
Efficiency ratio- adjusted (5)(6)
Annualized net interest margin (5)
Annualized net interest margin- adjusted (5)(6)

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(in thousands except per common share data)	Septe
Annualized return on average shareholders' equity (1)(2)	
Annualized return on average shareholders' equity- adjusted (1)(2)(6)	
Annualized return on average tangible equity (1)(2)(3)	
Annualized return on average tangible equity- adjusted (1)(2)(3)(6)	
Efficiency ratio (5)	
Efficiency ratio- adjusted (5)(6)	
Annualized net interest margin (5)	

Annualized net interest margin- adjusted (5)(6)

Financial Reconciliations

Financial Reconciliations

(1) Reported measure uses net income.

(1) Reported measure uses net income.

(1) Reported measure uses net income.

(2) Averages are for the three months ended March 31, 2024 and March 31, 2023, as appropriate.

(2) Averages are for the three months ended March 31, 2024 and March 31, 2023, as appropriate.

(2) Averages are for the three months ended March 31, 2024 and March 31, 2023, as appropriate.

(3) 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.

(3) 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.

(3) 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 TO AVERAGE SHAREHOLDERS' EQUITY OF AVERAGE TANGIBLE EQUITY:

RECONCILIATION TO AVERAGE SHAREHOLDERS' EQUITY OF AVERAGE TANGIBLE EQUITY:

THREE MONTHS ENDED

March 31, 2024

March 31, 2024

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

(4) Net income for each period divided by average tangible assets during the applicable period.

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

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

RECONCILIATION TO AVERAGE ASSETS OF AVERAGE TANGI

RECONCILIATION TO AVERAGE ASSETS OF AVERAGE TANGIBLE ASSETS

RECONCILIATION TO AVERAGE ASSETS OF AVERAGE TANGIBLE ASSETS

THREE MONTHS ENDED

March 31, 2024

March 31, 2024

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

(5) Efficiency ratio is calculated by dividing total other expense by t
below assuming a 21% federal corporate income tax rate. Additiona
earning assets, in each case during the applicable period.

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

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

RECONCILIATION TO FTE NET INTEREST INCOME OF NET IN

RECONCILIATION TO FTE NET INTEREST INCOME OF NET INTEREST INCOME

RECONCILIATION TO FTE NET INTEREST INCOME OF NET INTEREST INCOME

THREE MONTHS ENDED

March 31, 2024

March 31, 2024

		THREE MONTHS ENDED		NINE MONTHS ENDED	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Interest income	Interest income	$ 120,889	$ 99,944	$ 346,464	$ 269,437
FTE adjustment	FTE adjustment	1,042	932	2,888	2,623
FTE interest income	FTE interest income	$ 121,931	$ 100,876	$ 349,352	$ 272,060
Interest expense	Interest expense	26,620	9,116	68,425	16,984

FTE net interest income	FTE net interest income	$	95,311	$	91,760	$	280,927	$	255,076

(6) Adjustments to net income for each period presented are detaile
other expense, as well as the disclosure of the "Tax effect of adjust

(6) Adjustments to net income for each period presented are detailed in the non-GAAP reconciliations of net interest income, provision for credit losses, total other income, and total other expense, as well as the disclosure of the "Tax effect of adjustments to net income identified above."

(6) Adjustments to net income for each period presented are detailed in the non-GAAP reconciliations of net interest income, provision for credit losses, total other income, and total other expense, as well as the disclosure of the "Tax effect of adjustments to net income identified above."

(6) Adjustments to net income for each period presented are detailed in the non-GAAP reconciliations of net interest income, provision for credit losses, total other income, and total other expense, as well as the disclosure of the "Tax effect of adjustments to net income identified above."

(7) The tax effect of adjustments to net income was calculated assu

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

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

(8) Pre-tax, pre-provision ("PTPP") net income is calculated as net
income is a common industry metric utilized in capital analysis and
credit losses.

(8) Pre-tax, pre-provision ("PTPP") net income is calculated as net income, plus income taxes, plus the 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 provision for credit losses.

(8) Pre-tax, pre-provision ("PTPP") net income is calculated as net income, plus income taxes, plus the 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 provision for credit losses.

(8) Pre-tax, pre-provision ("PTPP") net income is calculated as net income, plus income taxes, plus the 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 provision for credit losses.

RECONCILIATION TO NET INCOME OF PRE-TAX, PRE-PROVISION NET

RECONCILIATION TO NET INCOME OF PRE-TAX, PRE-PROVISION NET INCOME

RECONCILIATION TO NET INCOME OF PRE-TAX, PRE-PROVISION NET INCOME

THREE MONTHS ENDED

March 31, 2024

March 31, 2024

		THREE MONTHS ENDED				**NINE MONTHS ENDED**			
		September 30, 2023		**September 30, 2022**		**September 30, 2023**		**September 30, 2022**	
Net income	Net income	$	36,917	$	42,068	$	102,234	$	115,267

Plus: Income taxes	Plus: Income taxes	8,837	9,361	21,629	24,829
Plus: (Recovery of) provision for credit losses		(1,580)	3,190	1,095	1,576
Plus: Provision for credit losses					
Pre-tax, pre-provision net income	Pre-tax, pre-provision net income	$ 44,174	$ 54,619	$ 124,958	$ 141,672

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Income Tax

Income tax expense was $8.8 million $7.2 million for the third first quarter of 2023 2024 and consisted of federal income tax exper
2022, 2023, which consisted of federal income tax expense of $9.0 million $6.4 million and state income tax expense benefit of $3
Income tax expense was $21.6 million for the nine months ended September 30, 2023 and consisted of federal income tax exper
of federal income tax expense of $23.8 million and state income tax expense of $987,000. The effective income tax rate for the n

The difference between the statutory federal corporate income tax rate of 21% and Park's effective income tax rate reflects perm
insurance income, and dividends paid on the common shares held within Park's KSOP, offset by the impact of state income taxes

At September

Changes in Financial Condition

Total assets increased by $145.9 million $44.6 million during the first nine three months of 2023 2024 to $10,001 million $9,881 m

- Cash and cash equivalents increased by $33.9 million $87.8 million, or 17.9% 40.2%, to $223.6 million $306.1 million at S
million and cash and due from banks decreased by $16.5 million $48.4 million.
- Loans increased by $207.9 million $48.8 million, or 2.9% 0.7%, to $7,350 million $7,525 million at September 30, 2023 Ma
- Total investment securities decreased by $112.0 million $89.4 million, or 6.1% 6.3%, to $1,709 million $1,340 million at Se

Total liabilities increased by $129.6 million $27.9 million, or 1.5% 0.3%, during the first nine three months of 2023 2024 to $8,915 r
following:

- Total deposits increased by $10.0 million $263.5 million, or 0.1% 3.3%, to $8,245 million $8,306 million at September 30,
order to manage the balance sheet. At September 30, 2023 and at December 31, 2022, Park had $763,000 and $195.9
- Short-term borrowings increased decreased by $125.4 million $222.3 million, or 55.2% 67.7%, to $352.8 million $105.9 m
- Other liabilities decreased by $7.6 million $7.7 million, or 9.6% 10.4%, to $71.4 million $66.2 million at September 30, 202

Total shareholders' equity increased by $16.3 million $16.7 million, or 1.5%, to $1,086 million $1,162 million at September 30, 202

- Retained earnings increased by $49.4 million $17.2 million during the period primarily as a result of net income of $102.2
- Treasury shares increased decreased by $19.0 million $3.4 million during the period as a result of the repurchase of an a
pay employee income taxes).
- The increases noted above were Common shares decreased by $3.7 million during the period as a result of the issuance
other comprehensive loss, net of taxes, from a negative $102.4 million at December 31, 2022, an increase due to a nega

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million at September 30, 2023 compared to unrealized net holding losses on debt securities AFS, net of taxes of $95.7 m

Increases or decreases in the investment securities portfolio, short-term borrowings and long-term debt are greatly dependent up
growth rate, additional investment securities may be acquired. Likewise, both short-term borrowings and long-term debt are utiliz

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Liquidity

Cash provided by operating activities was $96.9 million $34.7 million and $89.6 million $24.4 million for the nine three months enc
ended September 30, 2023 March 31, 2024 and 2022. 2023.

Cash used in provided by investing activities was $120.5 million $32.4 million and $403.2 million $78.7 million for the nine three m
investment securities use cash. Net investment securities transactions provided cash of $95.1 million $87.6 million for the nine thr
use or source of cash in investing activities is the net increase or decrease in the loan portfolio. Cash used by the net increase in
30, 2023 March 31, 2024 and 2022, 2023, respectively.

Cash provided by financing activities was $57.6 million $20.8 million and $301.8 million cash used in financing activities was $30.
Deposits (net of off-balance sheet deposits) increased and provided $10.0 million $263.5 million and $405.4 million $59.7 million
form of short-term borrowings, long-term debt and subordinated notes. For the nine three months ended September 30, 2023, ne
used $49.3 million $222.3 million and $55.3 million in cash. cash, respectively. For the nine three months ended September 30, 20
shares during the nine three months ended September 30, 2022 March 31, 2024. Finally, cash declined by $52.0 million and $51.

Effective liquidity management ensures that the cash flow requirements of depositors and borrowers, as well as the operating ca
borrowings and the capability to securitize or package loans for sale. The most easily accessible forms of liquidity, Fed Funds So
was 73.49% 76.16% at September 30, 2023 March 31, 2024, compared to 72.47% 76.01% at December 31, 2022 December 31,
$189.7 million $218.3 million at December 31, 2022 December 31, 2023 and $207.4 million $261.9 million at September 30, 2022

Capital Resources

Total shareholders' equity at September 30, 2023 March 31, 2024 was $1,085.6 million $1,162 million, or 10.9% 11.8% of total as
assets, at September 30, 2022 March 31, 2023.

Financial institution regulators have established guidelines for minimum capital ratios for banks, thrifts and bank holding compani
approved by the federal banking agencies. Under the Basel III regulatory capital framework, in order to avoid limitations on capita
above the adequately capitalized risk-based capital ratios. The amounts shown below as the adequately capitalized ratio plus ca
financial holding company.

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Park and PNB met each of the well capitalized ratio guidelines applicable to them at September 30, 2023 March 31, 2024. The fo

At September 30, 2023

		At March 31, 2024				
		Leverage	Tier 1 Risk-Based	Common Equity Tier 1	Total Risk-Based	
The Park National Bank	The Park National Bank	8.96 %	10.92 %	10.92 %	12.34 %	The Park National Bank
Park National Corporation	Park National Corporation	10.56 %	12.92 %	12.73 %	16.16 %	Park National Corporation
Adequately capitalized ratio	Adequately capitalized ratio	4.00 %	6.00 %	4.50 %	8.00 %	Adequately capitalized ratio
Adequately capitalized ratio plus capital conservation buffer	Adequately capitalized ratio plus capital conservation buffer	4.00 %	8.50 %	7.00 %	10.50 %	Adequately capitalized ratio plus capital conservation buffer
Well capitalized ratio (PNB)	Well capitalized ratio (PNB)	5.00 %	8.00 %	6.50 %	10.00 %	Well capitalized ratio (PNB)
Well capitalized ratio (Park)	Well capitalized ratio (Park)	N/A	6.00 %	N/A	10.00 %	Well capitalized ratio (Park)

At December 31, 2022

		At December 31, 2023				
		Leverage	Tier 1 Risk-Based	Common Equity Tier 1	Total Risk-Based	
The Park National Bank	The Park National Bank	8.34 %	10.69 %	10.69 %	12.15 %	The Park National Bank
Park National Corporation	Park National Corporation	9.90 %	12.76 %	12.57 %	16.07 %	Park National Corporation
Adequately capitalized ratio	Adequately capitalized ratio	4.00 %	6.00 %	4.50 %	8.00 %	Adequately capitalized ratio
Adequately capitalized ratio plus capital conservation buffer	Adequately capitalized ratio plus capital conservation buffer	4.00 %	8.50 %	7.00 %	10.50 %	Adequately capitalized ratio plus capital conservation buffer
Well capitalized ratio (PNB)	Well capitalized ratio (PNB)	5.00 %	8.00 %	6.50 %	10.00 %	Well capitalized ratio (PNB)
Well capitalized ratio (Park)	Well capitalized ratio (Park)	N/A	6.00 %	N/A	10.00 %	Well capitalized ratio (Park)

Contractual Obligations and Commitments

In the ordinary course of operations, Park enters into certain contractual obligations. Such obligations include the funding of oper
commitments at December 31, 2022 December 31, 2023. There were no significant changes in contractual obligations and comm

Financial Instruments with Off-Balance Sheet Risk

PNB is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs o
excess of the amount recognized in the consolidated financial statements.

The exposure to credit loss (for PNB) in the event of nonperformance by the other party to the financial instrument for loan comm
as it does for on-balance sheet instruments. Since many of the loan commitments may expire without being drawn upon, the tota
commitments to customers.

The total amounts of off-balance sheet financial instruments with credit risk were as follows:

(In thousands)	(In thousands)	September 30, 2023	December 31, 2022	(In thousands)
Loan commitments	Loan commitments	$1,537,815	$1,416,699	
Standby letters of credit	Standby letters of credit	$ 31,241	$ 30,468	

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ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Management reviews interest rate sensitivity on a quarterly basis by modeling the consolidated financial statements under variou
balance sheet composition changes, Park has experienced a moderation in earnings risk exposure to either rising or falling intere
tools to adjust exposure as needed. As a result, management expects further changes in interest rates to have a modest impact

On page 78 69 (Table 38) 31) of Park's 2022 2023 Form 10-K, management reported that Park's twelve-month cumulative rate se
September 30, 2023 March 31, 2024, Park's twelve-month cumulative rate sensitivity gap was a positive (assets exceeding liabili

Management supplements the interest rate sensitivity gap analysis with periodic simulations of balance sheet sensitivity under va
200 basis points per year in evaluating the impact of changing interest rates on net interest income and net income over a twelve

On page 79 70 of Park's 2022 2023 Form 10-K, management reported that at December 31, 2022 December 31, 2023, the earnin
the next year. At September 30, 2023 March 31, 2024, the earnings simulation model projected that net income would decrease b
believe that it has the tools necessary to mitigate gradual changes in interest rates (50 basis points per quarter for a total of 200 b

ITEM 4 – CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

With the participation of the Chairman of the Board and Chief Executive Officer (the principal executive officer) and the Chief Fina
in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of September 30, 2023 Marc
Park's Chief Financial Officer, Secretary and Treasurer have concluded that:

- information required to be disclosed by Park in this Quarterly Report on Form 10-Q and the other reports that Park files o to allow timely decisions regarding required disclosure;
- information required to be disclosed by Park in this Quarterly Report on Form 10-Q and the other reports that Park files o
- Park's disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024 (the end of the quart

Changes in Internal Control Over Financial Reporting

There were no changes in Park's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) t
financial reporting.

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Item 1. Legal Proceedings

We are routinely engaged in various litigation and other legal matters. These include defending against claims matters that are
course of business and we have a number of unresolved lawsuits and open matters pending resolution. In addition, we are partie
ordinary course of business. While the ultimate liability with respect to these matters and claims cannot be determined at this tim
on our business, consolidated financial position, or results of operations. Reserves are established for these various litigation and

Item 1A. Risk Factors

There are certain risks and uncertainties in our business that could cause Park's actual results to differ materially from
one additional risk factor and updated an existing risk factor, which continue to apply to the third quarter of 2023. All of these risk
There have been no material changes to the risk factors set forth in Park's 2023 Form 10-K. Any of the risks described in Park's
which forward-looking statements are made. These are not the only risks we face. Additional risks and uncertainties not currently

The impact of larger or similar-sized financial institutions encountering problems may adversely affect Park's business, e

Park is exposed to the risk that when a peer financial institution experiences financial difficulties, there could be an adver
First Republic Bank in California, and Heartland Tri-State Bank in Kansas, during the first, second, and third quarters of 2023 hav
failures are indicators of broader issues with the banking system, the failures may reduce customer confidence, affect sources of
including Park. Park will continue to monitor the ongoing events concerning these four banks as well as any future potential bank
financial services industry.

We may become subject to additional requirements and restrictions imposed by the U.S. Department of Justice (the "DO

On February 28, 2023, Park National Bank reached an agreement with the DOJ to increase the efforts of Park National B
District of Ohio, Western Division (the "DOJ Consent Order") and approved on March 2, 2023 by that Court, serves to voluntarily
Equal Credit Opportunity Act.

In accordance with the terms of the DOJ Consent Order, Park National Bank will invest a minimum of $7.75 million over t
consumers applying for loans in majority-minority census tracts ("MCTS") in Fairfield, Franklin, Hocking, Licking, Morrow and Per
programs that provide services to residents of MCTS in the Columbus Lending Area related to credit, financial education, homeo

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outreach, consumer financial education and credit counseling in the Columbus Lending Area. Park National Bank will also establ focused on serving these communities. In addition, Park National Bank will continue to maintain, throughout the term of the DOJ Lending Area.

Park is committed to investing at least $9.0 million over five years and will record the related expenses incurred in the pe

Although Park and Park National Bank are committed to full compliance with the DOJ Consent Order, achieving such co Consent Order may affect Park's financial performance and may require us to reallocate resources away from existing businesse other enforcement actions relating to the alleged violations resolved by the DOJ Consent Order.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

(a) Not applicable

(b) Not applicable

(c) The following table provides information concerning purchases of Park's common shares ("Common Shares") made by o the maximum number of Common Shares that may be purchased under Park's previously announced stock repurchase Non-Employee Directors LTIP") LTIP and Park's previously announced 2017 and 2019 stock repurchase authorizations:

Period
July 1 through July 31, 2023
August 1 through August 31, 2023
September 1 through September 30, 2023
Total

Period
January 1 through January 31, 2024
February 1 through February 29, 2024
March 1 through March 31, 2024
Total

(1) The number shown represents, as of the end of each period, the maximum number of Common Shares that may yet be effective on April 24, 2017; Park's publicly announced stock repurchase authorization covering 500,000 Common Shares approval from the Federal Reserve was obtained in the form of correspondence from the Federal Reserve Bank of Cleve

At the 2017 Annual Meeting of Shareholders held on April 24, 2017, Park's shareholders approved the 2017 Employees LTIP either Common Shares currently held or Common Shares subsequently acquired by Park as treasury shares. No newly-issued C

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purchase, from time to time, of up to 750,000 Park Common Shares and 150,000 Park Common Shares, respectively, to be held

Table No awards shall be granted under the 2017 Employees LTIP and the 2017 Non-Employee Directors LTIP after the tenth anniversary of Contents

these plans.

On January 23, 2017, Park announced that on that same day, the Park Board of Directors authorized Park to purchase, from t repurchase, from time to time following receipt of any required approval from the Federal Reserve, up to 500,000 Park Common repurchase as of January 28, 2019. The required approval was received by Park in the form of correspondence from the Federal

Purchases may be made through NYSE American, in the over-the-counter market or in privately negotiated transactions, in ea regulations promulgated by the Federal Reserve Board and all other applicable laws and regulations, each as in effect at the time appropriate, subject to market conditions, regulatory requirements, any contractual obligations of Park and Park's subsidiaries ar are distinct from the stock repurchase authorizations to fund the 2017 Employees LTIP and the 2017 Non-Employee Directors LT

Item 3. Defaults Upon Senior Securities

(a), (b) Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) Not applicable
(b) As previously reported in "Item 5.03 - Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year" of the C
Park's Regulations which addresses the requirements to be satisfied by a shareholder who wishes to nominate candidat

The amendment to Section 2.03 of Park's Regulations:

- revise and enhance the procedures and disclosure requirements set forth in the advance notice provisions for di
nominees, and other persons related to, and acting in concert with, a shareholder and the shareholder's solicitat
of giving notice of the nomination; (iii) clarifying that shareholders are not entitled to make additional or substitute
such meeting; (iv) clarifying the authority of the Secretary of Park, the Park Board of Directors, or any committee
shareholders and proposed nominees; (v) clarifying that a shareholder's notice must include explicit cross-refere
information required by Park's Regulations; and (vii) clarifying that a nomination may not be brought before a me
and complete;

- provide that a shareholder's notice with respect to the proposed nomination of a director at an annual meeting of
previous year's annual meeting of

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shareholders provided, however, that if the date of the annual meeting of shareholders is held on a date more th
meeting of shareholders and not later than the 60th day prior to such annual meeting of shareholders;

- require that the information provided include the disclosure of all synthetic equity positions and short interests he

- address matters relating to Rule 14a-19 (the "Universal Proxy Rule") under the Exchange Act including (i) requiri
nominees in accordance with the Universal Proxy Rule, and if so, agree in writing that such shareholder will com
inform Park if such shareholder no longer plans to solicit proxies in accordance with the Universal Proxy Rule; ar
business days before the applicable meeting of shareholders upon request by Park;

The foregoing description of amended Section 2.03 of Park's Regulations does not purport to be complete and is
with the SEC on October 27, 2023 and incorporated by reference into Exhibit 3.2(g) and Exhibit 3.2(h), respectively, to th

(c) During the three months (the quarterly period) ended September 30, 2023 March 31, 2024, no director and no officer of P
each term is defined in Item 408(a) of SEC Regulation S-K.

Item 6. Exhibits

3.1(a)	Articles of Incorporation of Park National Corporation as filed with the Form 8-B")) P
3.1(b)	Certificate of Amendment to the Articles of Incorporation of Park Natio the fiscal year ended December 31, 1993 (File No. 0-18772)) P
3.1(c)	Certificate of Amendment to the Articles of Incorporation of Park Natio for the quarterly period ended March 31, 1996 (File No. 1-13006))
3.1(d)	Certificate of Amendment by Shareholders to the Articles of Incorpora Report on Form 10-Q for the quarterly period ended June 30, 1997 (Fi
3.1(e)	Certificate of Amendment by Shareholders as filed with the Ohio Secre Park National Corporation's Articles of Incorporation to authorize Park K dated and filed December 19, 2008 (File No. 1-13006))

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3.1(f)	Certificate of Amendment by Directors to Articles as filed with the Ohio Corporation's Articles of Incorporation to establish the express terms c Corporation's Current Report on Form 8-K dated and filed December 2
3.1(g)	Certificate of Amendment by Shareholders as filed with the Ohio Secre Incorporation in order to provide that shareholders do not have preem
3.1(h)	Certificate of Amendment as filed with the Ohio Secretary of State on Article NINTH to eliminate cumulative voting rights in the election of di 2022 Form 8-K"))
3.1(i) 3.1(a)	Articles of Incorporation of Park National Corporation [This document of State.] (Incorporated herein by reference to Exhibit 3.1(i) to Park Na
3.2(a)	Regulations of Park National Corporation (Incorporated herein by refe
3.2(b)	Certified Resolution regarding Adoption of Amendment to Subsection
3.2(c)	Certificate Regarding Adoption of Amendments to Sections 1.04 and 1 Form 8-K dated and filed April 18, 2006 (File No. 1-13006))
3.2(d)	Certificate Regarding Adoption by the Shareholders of Park National C Quarterly Report on Form 10-Q for the quarterly period ended March 3
3.2(e)	Certificate Regarding Adoption by the Shareholders of Park National C Corporation's shareholders to have cumulative voting apply in the elec
3.2(f)	Certificate Regarding Adoption by the Shareholders of Park National C Park National Corporation's Regulations to the extent permitted by the 13006))

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3.2 (g)	Certificate Regarding Adoption and Approval by the Board of Directors Exhibit 3.1(a) to Park National Corporation's Current Report on Form 8
3.2(h)	Regulations of Park National Corporation [This document represents t Corporation on October 23, 2023] (Incorporated herein by reference to
31.1	Rule 13a – 14(a) / 15d – 14(a) Certifications (Principal Executive Offic
31.2	Rule 13a – 14(a) / 15d – 14(a) Certifications (Principal Financial Office

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32.1	Certifications Pursuant to Section 1350 of Chapter 63 of Title 18 of the
32.2	Certifications Pursuant to Section 1350 of Chapter 63 of Title 18 of the
101	The following information from Park National Corporation's Quarterly F Regulation S-T: (i) the Consolidated Condensed Balance Sheets as of 31, 2024 and the nine months ended September 30, 2023 and 2022 2 2023 and 2022 2023 (unaudited); (iv) the Consolidated Condensed St Consolidated Condensed Statements of Cash Flows for the nine three herewith). *
104	Cover Page Interactive Data File (the cover page XBRL tags are emb

* The instance document does not appear in the interactive data file because its XBRL tags are imbedded within the Inline XBRL

P Park National Corporation filed this exhibit with the SEC in paper form originally and this exhibit has not been file

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Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on

November 1, 2023 May 2, 2024

November 1, 2023 May 2, 2024

I, David L. Trautman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023 March 31, 2024,
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material f
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and proc registrant and have:
   - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be de particularly during the period in which this report is being prepared;
   - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to accordance with generally accepted accounting principles;
   - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report ou
   - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over
   - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial re
   - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in

November 1, 2023 May 2, 2024

I, Brady T. Burt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023 March 31, 2024,
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material f
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and proc registrant and have:
   - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be de particularly during the period in which this report is being prepared;
   - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to accordance with generally accepted accounting principles;
   - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report ou
   - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over
   - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial re

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in

November 1, 2023 May 2, 2024

Cl

In connection with the Quarterly Report of Park National Corporation (the "Company") on Form 10-Q for the quarterly period endo
Executive Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopt

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as am

(2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and r

*These certifications are being furnished as required by Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended
subject to the liability of that Section.

These certifications shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amei

Cl

In connection with the Quarterly Report of Park National Corporation (the "Company") on Form 10-Q for the quarterly period endo
Treasurer, certify, pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 9

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as am

(2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and r

*These certifications are being furnished as required by Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended
subject to the liability of that Section.

These certifications shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amer

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