

PARK NATIONAL CORP /OH/
Form 10-K
February 25, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2013

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 (I.R.S. Employer
incorporation or organization) 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)

Securities registered pursuant to Section 12(b) of the Act:
Title of each class Name of each exchange on which registered
Common Shares, without par value NYSE MKT LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes No

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

Yes No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the Registrant's most recently completed second fiscal quarter: As of June 28, 2013, the aggregate market value of the Registrant's common shares (the only common equity of the Registrant) held by non-affiliates of the Registrant was \$1,060,189,898 based on the closing sale price as reported on NYSE MKT LLC. For this purpose, executive officers and directors of the Registrant are considered affiliates.

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at February 24, 2014
Common Shares, without par value	15,392,443 common shares

DOCUMENTS INCORPORATED BY REFERENCE

Document	Parts Into Which Incorporated
Portions of the Registrant's 2013 Annual Report	Parts I and II
Portions of the Registrant's Definitive Proxy Statement for the Annual Meeting of Shareholders to be held on April 28, 2014	Part III

Exhibit Index on Page E-1

PART I

ITEM 1. BUSINESS.

General

Park National Corporation ("Park") is a financial holding company subject to regulation under the Bank Holding Company Act of 1956, as amended (the "Bank Holding Company Act"). Throughout the fiscal year ended December 31, 2013 ("Fiscal 2013"), Park was a bank holding company subject to the authority of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") under the Bank Holding Company Act. On January 8, 2014, Park filed a declaration with the Federal Reserve Bank of Cleveland electing to become a financial holding company, pursuant to Sections 4(k) and 4(l) of the Bank Holding Company Act, which was deemed complete as of January 27, 2014. As a result, Park is a financial holding company which remains subject to the authority of the Federal Reserve Board under the Bank Holding Company Act. Please see the discussion below in the section captioned "Supervision and Regulation of Park and its Subsidiaries."

Park was incorporated under Ohio law in 1992. Park's principal executive offices are located at 50 North Third Street, Newark, Ohio 43055, and its telephone number is (740) 349-8451. Park's common shares, each without par value ("Common Shares"), are listed on NYSE MKT LLC ("NYSE MKT"), under the symbol "PRK."

Park maintains an Internet site which can be accessed at <http://www.parknationalcorp.com>. Information contained in Park's Internet site does not constitute part of, and is not incorporated into, this Annual Report on Form 10-K. Park makes available free of charge on or through its Internet site Park's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as well as Park's definitive proxy statements filed pursuant to Section 14 of the Exchange Act, as soon as reasonably practicable after Park electronically files such material with, or furnishes it to, the Securities and Exchange Commission (the "SEC"). Park's principal business consists of owning and supervising its subsidiaries. Although Park directs the overall policies of its subsidiaries, including lending policies and financial resources, most day-to-day affairs are managed by the respective officers of Park's subsidiaries.

Banking Operations

Throughout the fiscal year ended December 31, 2013 ("Fiscal 2013"), Park's banking operations were conducted through The Park National Bank ("Park National Bank").

Park National Bank is a national banking association with its main office in Newark, Ohio and financial service offices in Ashland, Athens, Butler, Champaign, Clark, Clermont, Coshocton, Crawford, Darke, Fairfield, Fayette, Franklin, Greene, Hamilton, Hocking, Holmes, Knox, Licking, Madison, Marion, Mercer, Miami, Morrow, Muskingum, Perry, Richland, Tuscarawas and Warren Counties in Ohio and Boone County in Kentucky.

Park National Bank engages in the commercial banking and trust business, generally in small and medium population Ohio communities. Park National Bank operates 123 financial service offices in Ohio and Northern Kentucky through eleven banking divisions with: (i) the Park National Bank Division headquartered in Newark, Ohio; (ii) the Fairfield National Bank Division headquartered in Lancaster, Ohio; (iii) The Park National Bank of Southwest Ohio & Northern Kentucky Division headquartered in Cincinnati, Ohio; (iv) the Century National Bank Division headquartered in Zanesville, Ohio; (v) the Second National Bank Division headquartered in Greenville, Ohio; (vi) the Richland Bank Division headquartered in Mansfield, Ohio; (vii) the United Bank, N.A. Division headquartered in Bucyrus, Ohio; (viii) the First-Knox National Bank Division headquartered in Mount Vernon, Ohio; (ix) the Farmers Bank Division headquartered in Loudonville, Ohio; (x) the Security National Bank Division headquartered in Springfield, Ohio; and (xi) the Unity National Bank Division headquartered in Piqua, Ohio.

Park National Bank, Guardian Financial Services Company ("Guardian Finance") and SE Property Holdings, LLC ("SEPH") comprise Park's reportable operating segments. All other operating segments are combined and disclosed in the "All Other" category. Financial information about Park's reportable operating segments as of December 31, 2013 is included in Note 23 of the Notes to Consolidated Financial Statements in Park's 2013 Annual Report. That financial information is incorporated herein by reference.

As of the date of this Annual Report on Form 10-K, Park National Bank operated 123 financial service offices and a network of 144 automated teller machines. Financial information about Park National Bank is included in the "PNB" category for purposes of the reportable segment information included in Note 23 of the Notes to Consolidated Financial Statements in Park's 2013 Annual Report.

Consumer Finance Subsidiary

Guardian Finance, an Ohio consumer finance company based in Hilliard, Ohio, operates as a separate subsidiary of Park. Guardian Finance provides consumer finance services in the central Ohio area. As of the date of this Annual Report on Form 10-K, Guardian Finance had six financial service offices spanning six counties in Ohio: Clark, Fairfield, Franklin, Licking, Montgomery and Richland. Financial information about Guardian Finance is included in the "GFSC" category for purposes of the reportable segment information included in Note 23 of the Notes to Consolidated Financial Statements in Park's 2013 Annual Report.

SE Property Holdings, LLC

SEPH is a limited liability company, organized in 2011 under the laws of the State of Ohio, and a direct subsidiary of Park. The initial purpose of SEPH was to purchase other real estate owned ("OREO") from Vision Bank, a bank subsidiary of Park until February 16, 2012, and continue to market such properties for sale. By letter dated January 30, 2012, the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") authorized Park to engage in the business of extending credit through SEPH. As a result, SEPH is permitted to engage in lending activities and was able to succeed to the rights and obligations of Vision Bank in respect of the loans held by Vision Bank when Vision Bank merged into SEPH on February 16, 2012 (the "Vision Bank-SEPH merger"). SEPH has operations in Ohio, Alabama, and Florida, with the sole purpose of such operations being to sell OREO in an effective and efficient manner and work out or sell problem loan situations with the respective borrowers.

Financial information about SEPH is included in the "SEPH" category for purposes of the reportable segment information included in Note 23 of the Notes to Consolidated Financial Statements in Park's 2013 Annual Report.

Leasing Subsidiary

Scope Leasing, Inc. (which does business as "Scope Aircraft Finance"), a subsidiary of Park National Bank, specializes in aircraft financing. The customers of Scope Aircraft Finance include small businesses and entrepreneurs intending to use the aircraft for business or pleasure. Scope Aircraft Finance serves customers throughout the United States of America (the "United States") and Canada.

Title Agency Subsidiary

As of the date of this Annual Report on Form 10-K, Park National Bank held 49% of the ownership interest of Park Title Agency, LLC ("Park Title Agency"). Park Title Agency is a traditional title agency serving the central Ohio area.

Vision Bancshares Trust I

In connection with the merger of Vision Bancshares, Inc. ("Vision") into Park in March of 2007 (the "Vision Merger"), Park entered into a First Supplemental Indenture, dated as of the effective time of the Vision Merger (the "First Supplemental Indenture"), with Vision and Wilmington Trust Company, a Delaware banking corporation, as Trustee. Under the terms of the First Supplemental Indenture, Park assumed all of the payment and performance obligations of Vision under the Junior Subordinated Indenture, dated as of December 5, 2005 (the "Indenture"), pursuant to which Vision issued \$15.5 million of junior subordinated debentures to Vision Bancshares Trust I, a Delaware statutory trust (the "Vision Trust"). The junior subordinated debentures were issued by Vision in connection with the sale by the Vision Trust of \$15.0 million of floating rate preferred securities to institutional investors on December 5, 2005. Under the terms of the First Supplemental Indenture, Park also succeeded to and was substituted for Vision with the same effect as if Park had originally been named (i) as "Depositor" in the Amended and Restated Trust Agreement of the Vision Trust, dated as of December 5, 2005 (the "Trust Agreement"), among Vision, Wilmington Trust Company, as Property Trustee and as Delaware Trustee, and the Administrative Trustees named therein and (ii) as "Guarantor" in the Guarantee Agreement, dated as of December 5, 2005 (the "Guarantee Agreement"), between Vision and Wilmington Trust Company, as Guarantee Trustee. Through these contractual obligations, Park has fully and unconditionally guaranteed all of the Vision Trust's obligations with respect to the floating rate preferred securities.

Both the junior subordinated debentures and the floating rate preferred securities mature on December 30, 2035 (which maturity may be shortened), and carry a floating interest rate per annum, reset quarterly, equal to the sum of three-month LIBOR plus 148 basis points. Payment of interest on the junior subordinated debentures, and payment of cash distributions on the floating rate preferred securities, may be deferred at any time or from time to time for a period not to exceed twenty consecutive quarters, subject to specified conditions.

Under the terms of the Indenture and the related Guarantee Agreement, Park, as successor to Vision in accordance with the First Supplemental Indenture, is prohibited, subject to limited exceptions, from declaring or paying dividends or distributions on, or redeeming, repurchasing, acquiring or making any liquidation payments with respect to, any shares of Park's capital stock (i) if an event of default under the Indenture has occurred and continues; (ii) if Park is in default with respect to the payment of any obligations under the Guarantee Agreement; or (iii) during any period in which the payment of interest on the junior subordinated debentures by Park (and the payment of cash distributions on the floating rate preferred securities by the Vision Trust) is being deferred. The floating rate preferred securities are considered Tier 1 Capital under regulatory capital standards.

Other Subsidiaries

Park Investments, Inc., which is a subsidiary of Park National Bank, operates as an asset management company. Its operations are not significant to the consolidated entity.

River Park Properties, LLC and Sunny Green, LLC are subsidiaries of Park National Bank that hold certain OREO properties. The operations of these subsidiaries are not significant to the consolidated entity.

87A Orange Beach LLC, Morningside Holding LLC, Swindall Holding LLC, Swindall Partnership Holdings LLC and Vision Park Properties, LLC are subsidiaries of SEPH that hold certain OREO properties. The operations of these subsidiaries are not significant to the consolidated entity.

Services Provided by Park's Subsidiaries

Park National Bank and its divisions provide the following principal services:

• the acceptance of deposits for demand, savings and time accounts and the servicing of those accounts;

- commercial, industrial, consumer and real estate lending, including installment loans, credit cards (which are offered through a third party), home equity lines of credit and commercial leasing;

• trust and wealth management services;

• cash management;

• safe deposit operations;

• electronic funds transfers;

• Internet and mobile banking solutions with bill pay service; and

• a variety of additional banking-related services tailored to the needs of individual customers.

Park believes that the deposit mix of Park National Bank and its divisions is currently such that no material portion has been obtained from a single customer and, consequently, the loss of any one customer of Park National Bank (or its divisions) would not have a materially adverse effect on the business of Park National Bank (or the relevant division).

Guardian Finance also provides consumer finance services.

Lending Activities

Park National Bank deals with consumers as well as with a wide cross-section of businesses and corporations located primarily in the 28 Ohio counties and one Kentucky county served by the financial service offices of Park National Bank. As a result of the Vision Bank – SEPH Merger, SEPH holds loans originated by Vision Bank located in the five Florida counties and one Alabama county previously serviced by the financial service offices of Vision Bank. It is expected that SEPH will originate loans only to further the collection efforts with respect to the loans transferred to SEPH by operation of law as a result of the Vision Bank - SEPH Merger. Such origination (or modification) volume is expected to be insignificant to the consolidated Park entity. Park National Bank also holds loans which were purchased from Vision Bank prior to the Vision Bank - SEPH merger.

Park National Bank makes lending decisions in accordance with the written loan policy adopted by Park which is designed to maintain acceptable loan quality. Park National Bank originates and retains for its own portfolio commercial and commercial real estate loans, residential real estate loans, home equity lines of credit, and installment loans. Park National Bank also generates fixed rate residential real estate loans for sale to the secondary market. Guardian Finance originates and retains for its own portfolio consumer installment loans. Guardian Finance makes lending decisions in accordance with the written loan policy adopted and approved by the Guardian Finance Board of Directors.

There are certain risks inherent in making loans. These risks include changes in the credit worthiness of borrowers over the time period in which loans may be repaid, interest rate changes over the time period in which loans may be repaid, risks resulting from changes in the national and local economies, risks inherent in dealing with borrowers and, in the case of loans secured by collateral, risks resulting from uncertainties about the future value of the collateral.

Commercial Loans

At December 31, 2013, Park's subsidiaries (including Scope Aircraft Finance) had approximately \$1,940 million in commercial loans (commercial, financial and agricultural loans and commercial real estate loans) and commercial leases outstanding, representing approximately 42.0% of their total aggregate loan portfolio as of that date. Of this amount, approximately \$825 million represented commercial, financial and agricultural loans, \$1,112 million represented commercial real estate loans and \$3 million represented commercial leases. At December 31, 2013, of the \$1,940 million in commercial loans Park's subsidiaries had outstanding, SEPH had outstanding commercial loans of \$14.1 million.

Commercial loans are made for a wide variety of general corporate purposes, including financing for industrial and commercial properties, financing for equipment, inventories and accounts receivable, acquisition financing and commercial leasing. The term of each commercial loan varies by its purpose. Repayment terms are structured such that commercial loans will be repaid within the economic useful life of the underlying asset. Information concerning the loan maturity distribution within the commercial loan portfolio is provided in Table 10 included in the section of Park's 2013 Annual Report captioned "MANAGEMENT'S DISCUSSION AND ANALYSIS," and is incorporated herein by reference.

The commercial loan portfolio of Park's current subsidiaries includes loans to a wide variety of corporations and businesses across many industrial classifications in (i) the 28 Ohio counties and one Kentucky county where Park National Bank operates and (ii) the five Florida counties and one Alabama county where Vision Bank operated prior to the Vision Bank - SEPH merger. The primary industries represented by these customers include commercial real estate leasing, manufacturing, retail trade, health care and other services.

Commercial loans are evaluated for the adequacy of repayment sources at the time of approval and are regularly reviewed for any possible deterioration in the ability of the borrower to repay the loan. The credit information required generally includes, depending on the amount of money lent, fully completed financial statements, third-party prepared financial statements, two years of federal income tax returns and a current credit report. Loan terms include amortization schedules commensurate with the purpose of each loan, identification of the source of each repayment and the risk involved. In most instances, collateral is required to provide an additional source of repayment in the event of default by a commercial borrower. The structure of the collateral package, including the type and amount of the collateral, varies from loan to loan depending on the financial strength of the borrower, the amount and terms of the loan and the collateral available to be pledged by the borrower. Most often, the collateral is inventory, machinery,

accounts receivable and/or real estate. The guarantee of the business owners/principals is generally required on loans made to closely-held business entities.

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Commercial real estate loans (“CRE loans”) include mortgage loans to developers and owners of commercial real estate. The lending policy for CRE loans is designed to address the unique risk attributes of CRE lending. The collateral for these CRE loans is the underlying commercial real estate. Park National Bank generally requires that the CRE loan amount be no more than 85% of the purchase price or the appraised value of the commercial real estate securing the CRE loan, whichever is less. CRE loans made for Park National Bank’s portfolio generally have a variable interest rate. For more information concerning the loan maturity distribution in the CRE loan portfolio, please see Table 10 included in the section of Park’s 2013 Annual Report captioned “MANAGEMENT’S DISCUSSION AND ANALYSIS,” which is incorporated herein by reference.

The regulatory limit for loans made to one borrower by Park National Bank was \$81.8 million at December 31, 2013. Participations in a loan by Park National Bank in an amount larger than \$20.0 million are generally sold to third-party banks or financial institutions. While Park National Bank has a loan limit of \$81.8 million, the total indebtedness of the largest single borrower within the commercial portfolio was \$24.5 million at December 31, 2013.

Park has an independent, internal loan review program which annually evaluates substantially all (generally, about 90%) loan relationships with an outstanding balance greater than \$300,000. If deterioration has occurred, the lending subsidiary takes prompt action designed to increase the likelihood of payment of the loan. Upon detection of the reduced ability of a borrower to service interest and/or principal on a loan, the subsidiary may downgrade the loan and, under certain circumstances, place the loan on nonaccrual status. The subsidiary then works with the borrower to develop a payment schedule which the subsidiary anticipates will permit service of the principal and interest on the loan by the borrower. Loans which deteriorate and show the inability of a borrower to repay principal are charged down to the net realizable value of collateral. A collection specialist/work-out officer is available to assist each subsidiary when a credit deteriorates. Information about Park’s policy for placing loans on nonaccrual status is included under the caption “Loans” in Note 1 of the Notes to Consolidated Financial Statements in Park’s 2013 Annual Report, and is incorporated herein by reference.

Commercial loans are generally viewed as having a higher credit risk than consumer loans because commercial loans usually involve larger loan balances to a single borrower and are more susceptible to a risk of default during an economic downturn. Commercial loans generally have variable interest rates. The Park pricing strategy generally does not include low introductory or “teaser” rates. Park uses several indices for commercial loans. However, the national prime rate is the most common index Park uses. Credit risk for commercial loans arises from borrowers lacking the ability or willingness to pay principal or interest and, in the case of secured loans, by a shortfall in the collateral value in relation to the outstanding loan balance in the event of a default and subsequent liquidation of collateral. The underwriting of all commercial loans, regardless of type, includes cash flow analyses with rates shocked by 400 basis points. In the case of commercial loans secured by accounts receivable, the availability of funds for the repayment of these loans may be substantially dependent on the ability of each borrower to collect amounts due from its customers. Other collateral securing commercial loans may depreciate over time, may be difficult to appraise and may fluctuate in value based on the success of the borrower’s business. Information concerning the loan loss experience and allowance for loan losses related to the commercial, financial and agricultural loan portfolio and the commercial real estate portfolio is provided in Tables 24 and 25 included in the section of Park’s 2013 Annual Report captioned “MANAGEMENT’S DISCUSSION AND ANALYSIS,” and is incorporated herein by reference.

Aircraft Financing

Scope Aircraft Finance specializes in aircraft financing. The customers of Scope Aircraft Finance include small businesses and entrepreneurs intending to use the aircraft for business or pleasure. The customers of Scope Aircraft Finance are located throughout the United States. The lending officers of Scope Aircraft Finance are experienced in the aircraft financing industry and rely upon that experience and industry guides in determining whether to grant an aircraft loan or lease. At December 31, 2013, Scope Aircraft Finance had outstanding approximately \$181 million in loans primarily secured by aircraft (which are included in the commercial loan portfolio).

Consumer Loans

At December 31, 2013, Park’s subsidiaries had outstanding consumer loans (including automobile loans and leases and home equity lines of credit) in an aggregate amount of approximately \$724 million, constituting approximately 15.7% of their aggregate total loan portfolio. These subsidiaries make installment credit available to customers and

prospective customers in their primary market areas of central and southern Ohio and Northern Kentucky. At December 31, 2013, of the \$724 million in consumer loans, GFSC had outstanding consumer loans of \$39.1 million and SEPH had outstanding consumer loans of \$15,000.

Credit approval for consumer loans requires income sufficient to repay principal and interest due, stability of employment, an established credit record and sufficient collateral for secured loans. It is the policy of Park's subsidiaries to adhere strictly to all laws and regulations governing consumer lending. A compliance officer is responsible for monitoring each subsidiary's performance and advising and updating loan personnel in this area. Each subsidiary reviews its consumer loan portfolio monthly and charges off loans which do not meet Park's standards. Information about Park's policy for placing loans on nonaccrual status is included under the caption "Loans" in Note 1 of the Notes to Consolidated Financial Statements in Park's 2013 Annual Report, and is incorporated herein by reference. Park National Bank and its divisions also offer home equity lines of credit through the consumer lending department. These accounts are administered under the same standards as other consumer loans and leases. Consumer loans typically have shorter terms and lower balances with higher yields as compared to real estate mortgage loans, but generally carry higher risks of default. Consumer loan collections are dependent on the borrower's continuing financial stability, and thus are more likely to be affected by adverse personal circumstances. Furthermore, the application of various federal and state laws, including bankruptcy and insolvency laws, may limit the amount that can be recovered on these loans. Information concerning the loan loss experience and allowance for loan losses related to the consumer loan portfolio is provided in Tables 24 and 25 included in the section of Park's 2013 Annual Report captioned "MANAGEMENT'S DISCUSSION AND ANALYSIS," and is incorporated herein by reference.

Residential Real Estate and Construction Loans

At December 31, 2013, Park National Bank and SEPH had outstanding approximately \$1,957 million in construction real estate loans and residential real estate loans, representing approximately 42.3% of total loans outstanding. Of the \$1,957 million, approximately \$1,800 million was included within the residential real estate loan segment, which included \$407 million of commercial loans, \$1,145 million of mortgage loans, \$214 million of home equity lines of credit and \$34 million of installment loans. The remaining \$157 million was included within the construction real estate loan segment, which included \$117 million of commercial land and development ("CL&D") loans and \$40 million of 1-4 family residential construction loans. The market area for real estate lending by Park National Bank is concentrated in central and southern Ohio and Northern Kentucky. The market area for real estate lending by Vision Bank, which merged with and into SEPH on February 16, 2012, was concentrated in the Gulf Coast communities in Baldwin County, Alabama and the Florida panhandle. At December 31, 2013, of the \$1,957 million in construction real estate and residential real estate loans, SEPH had outstanding construction real estate loans of \$5.8 million and residential real estate loans of \$18.0 million.

Credit approval for residential real estate loans requires demonstration of sufficient income to repay the principal and interest and the real estate taxes and insurance, stability of employment, an established credit record and a current appraisal providing the market value of the real estate securing the loan. Residential real estate loans are generally analyzed through an automated underwriting platform (system) to determine a risk classification. All loans receiving a risk classification of caution require review by a senior lender and generally require additional documentation if the loan is approved.

Park National Bank generally requires, and prior to February 16, 2012, Vision Bank generally required, that the residential real estate loan amount be no more than 80% of the purchase price or the appraised value of the real estate securing the loan, whichever is less, unless private mortgage insurance is obtained by the borrower. Loans in this lending category which are made to be held in the bank's portfolio are generally adjustable rate, fully amortized mortgages. The rates used are generally fully-indexed rates. From time to time, Park may offer a limited-time promotional rate on funds advanced on newly originated home equity lines of credit. Park National Bank also originates fixed rate real estate loans for sale to the secondary market. These loans are generally sold immediately after closing. However, beginning in 2010, Park's management made a decision to retain 15-year, fixed-rate residential mortgage loans, which previously would have been sold in the secondary market. At December 31, 2013 and 2012, Park reported \$612 million and \$471 million, respectively, of these loans on the Consolidated Balance Sheets. All real estate loans are secured by first mortgages with evidence of title in favor of the lender in the form of an attorney's opinion of title or a title insurance policy. Park National Bank has also required, and prior to February 16, 2012, Vision Bank also required, proof of hazard insurance with the lender named as the mortgagee and as the loss payee. Independent appraisals are generally obtained for consumer real estate loans.

Home equity lines of credit are generally made as second mortgages by Park National Bank. The maximum amount of a home equity line of credit is generally limited to 85% of the appraised value of the property less the balance of the first mortgage. The home equity lines of credit are written with ten-year terms. A variable interest rate is generally charged on the home equity lines of credit.

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Information concerning the loan loss experience and allowance for loan losses related to the residential real estate portfolio is provided in Tables 24 and 25 included in the section of Park's 2013 Annual Report captioned "MANAGEMENT'S DISCUSSION AND ANALYSIS," and is incorporated herein by reference.

Construction loans include commercial construction loans as well as residential construction loans. Construction loans may be in the form of a permanent loan or a short-term construction loan, depending on the needs of the individual borrower. Generally, the permanent construction loans have a variable interest rate although a permanent construction loan may be made with a fixed interest rate for a term generally not exceeding five years. Short-term construction loans are made with variable interest rates. Information concerning the loan maturity distribution within the construction financing portfolio is provided in Table 10 included in the section of Park's 2013 Annual Report captioned "MANAGEMENT'S DISCUSSION AND ANALYSIS," and is incorporated herein by reference.

Construction financing is generally considered to involve a higher degree of risk of loss than long-term financing on improved, occupied real estate. Risk of loss on a construction loan depends largely upon the accuracy of the initial estimate of the property's value at completion of construction and the estimated cost (including interest) of construction. If the estimate of construction cost proves to be inaccurate, the subsidiary holding the loan may be required to advance funds beyond the amount originally committed to permit completion of the project. If the estimate of value proves inaccurate, the subsidiary holding the loan may be confronted, at or prior to the maturity of the loan, with a project having a value insufficient to assure full repayment, should the borrower default. In the event a default on a construction loan occurs and foreclosure follows, the subsidiary holding the loan must take control of the project and attempt either to arrange for completion of construction or to dispose of the unfinished project. Additional risk exists with respect to loans made to developers who do not have a buyer for the property, as the developer may lack funds to pay the loan if the property is not sold upon completion. Park National Bank attempts to reduce such risks on loans to developers by requiring personal guarantees and reviewing current personal financial statements and tax returns as well as other projects undertaken by the developer. For additional information concerning the loan loss experience, please see "ITEM 1A. RISK FACTORS – Changes in economic and political conditions could adversely affect our earnings, as our borrowers' ability to repay loans and the value of the collateral securing our loans decline." and "– Our allowance for loan losses may prove to be insufficient to absorb potential losses in our loan portfolio." in this Annual Report on Form 10-K. Information concerning the loan loss experience and allowance for loan losses related to the construction financing portfolio is provided in Tables 24 and 25 included in the section of Park's 2013 Annual Report captioned "MANAGEMENT'S DISCUSSION AND ANALYSIS," and is incorporated herein by reference.

SE Property Holdings, LLC

SEPH is a non-bank subsidiary of Park, holding OREO property, non-performing loans and small number of performing loans. The loans are of higher risk as they are either on nonaccrual status or are accruing, but may have been classified by Park management. In addition to approximately \$23 million in OREO property, SEPH also held approximately \$38 million in loans as of December 31, 2013. SEPH has one office in Licking County, Ohio. The SEPH employees are dedicated solely to working with a third-party work-out specialist to ensure effective and efficient resolution to the non-performing loans and OREO, while working closely with the borrowers of the performing loans to maximize collection efforts. It is expected that the loans and OREO will reduce over time and result in cash in-flow to Park in the future.

Title Agency

Park Title Agency is a traditional title agency serving primarily residential and commercial customers of Park National Bank and other residents in the 28 Ohio counties and one Kentucky County served by Park National Bank who are seeking title insurance for purchases, construction and refinancing of real estate.

Competition

The financial services industry is highly competitive. Park's subsidiaries compete with other local, regional and national service providers, including banks, savings associations, credit unions and other types of financial institutions, finance companies, insurance agencies and title agencies. Other competitors include securities dealers, brokers, mortgage bankers, investment advisors, insurance companies and financial services subsidiaries of commercial and manufacturing companies. Competition within the financial service industry continues to increase as a result of mergers between, and expansion of, financial service providers within and outside Park's primary market

area.

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The primary factors in competing for loans are interest rates charged and overall services provided to borrowers. The primary factors in competing for deposits are interest rates paid on deposits, account liquidity, convenience and hours of office locations and having trained and competent staff to deliver services. However, some competitors of Park's subsidiaries may have greater resources and, as such, higher lending limits, which may adversely affect the ability of Park's subsidiaries to compete. In addition, some of the financial service providers with which Park's subsidiaries compete enjoy the benefits of fewer regulatory constraints and lower cost structures.

Employees

At December 31, 2013, Park and its subsidiaries had 1,836 full-time equivalent employees.

Supervision and Regulation of Park and its Subsidiaries

Park, Park National Bank and many of Park's other subsidiaries are subject to extensive regulation by federal and state agencies. The regulation of financial holding companies and their subsidiaries is intended primarily for the protection of consumers, depositors, borrowers, the FDIC's Deposit Insurance Fund and the banking system as a whole and not for the protection of shareholders. Applicable laws and regulations restrict permissible activities and investments and require actions to protect loan, deposit, brokerage, fiduciary and other customers, as well as the FDIC's Deposit Insurance Fund. They also may restrict Park's ability to repurchase its Common Shares or to receive dividends from Park National Bank and impose capital adequacy and liquidity requirements.

As a financial holding company, Park is subject to regulation by the Federal Reserve Board under the Bank Holding Company Act and to inspection, examination and supervision by the Federal Reserve Board. Park is also subject to the disclosure and regulatory requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Exchange Act, as administered by the SEC. Park's Common Shares are listed on NYSE MKT under the trading symbol "PRK," which subjects Park to the requirements under the applicable sections of the NYSE MKT Company Guide for listed companies.

Park National Bank, as a national banking association, is subject to regulation, supervision and examination primarily by the Office of the Comptroller of the Currency (the "OCC") and secondarily by the FDIC.

Guardian Finance, as an Ohio state-chartered consumer finance company, is subject to regulation, supervision and examination by the Ohio Division of Financial Institutions.

As a subsidiary of Park, SEPH is subject to inspection, examination and supervision by the Federal Reserve Board.

Park Title Agency, as an Ohio state-chartered title agency, is subject to regulation, supervision and examination by the Ohio Department of Insurance.

The following information describes selected federal and state statutory and regulatory provisions and is qualified in its entirety by reference to the full text of the particular statutory or regulatory provisions. These statutes and regulations are continually under review by the United States Congress and state legislatures and federal and state regulatory agencies. A change in statutes, regulations or regulatory policies applicable to Park and its subsidiaries could have a material effect on their respective businesses.

Regulation of Financial Holding Companies

As a financial holding company, Park's activities are subject to extensive regulation by the Federal Reserve Board. Park is required to file reports with the Federal Reserve Board and such additional information as the Federal Reserve Board may require, and is subject to regular examinations by the Federal Reserve Board.

The Federal Reserve Board also has extensive enforcement authority over bank holding companies, including, among other things, the ability to:

• assess civil money penalties;

• issue cease and desist or removal orders; and

- require that a bank holding company divest subsidiaries (including a subsidiary bank).

In general, the Federal Reserve Board may initiate enforcement actions for violations of laws and regulations and unsafe or unsound practices.

Under Federal Reserve Board policy, a financial holding company is expected to act as a source of financial strength to each subsidiary bank and to commit resources to support such subsidiary bank. Under this policy, the Federal Reserve Board may require a bank holding company to contribute additional capital to an undercapitalized subsidiary bank and may disapprove of the payment of dividends to the shareholders if the Federal Reserve Board believes the payment of such dividends would be an unsafe or unsound practice.

The Bank Holding Company Act requires the prior approval of the Federal Reserve Board in any case where a financial holding company proposes to:

- acquire direct or indirect ownership or control of more than 5% of the voting shares of any bank that is not already majority-owned by it;
- acquire all or substantially all of the assets of another bank or another financial or bank holding company; or
- merge or consolidate with any other financial or bank holding company.

The Gramm-Leach-Bliley Act of 1999 (“GLBA”) permits a qualifying bank holding company to become a financial holding company and thereby affiliate with securities firms and insurance companies and engage in other activities that are financial in nature and not otherwise permissible for a bank holding company. A bank holding company may become a financial holding company if each of its subsidiary banks is well capitalized under the Federal Deposit Insurance Corporation Act of 1991 prompt corrective action provisions, is well managed, and has at least a satisfactory rating under the Community Reinvestment Act, by filing a declaration that the bank holding company elects to become a financial holding company. Park’s declaration to become a financial holding company was deemed complete as of January 27, 2014 and Park is now a financial holding company subject to regulation by the Federal Reserve Board. No regulatory approval is required for a financial holding company to acquire a company, other than a bank or savings association, engaged in activities that are financial in nature or incidental to activities that are financial in nature, as determined by the Federal Reserve Board.

The Financial Services Modernization Act defines “financial in nature” to include:

- securities underwriting, dealing and market making;
- sponsoring mutual funds and investment companies;
- insurance underwriting and agency;
- merchant banking; and
- activities that the Federal Reserve Board has determined to be closely related to banking.

A national bank also may engage, subject to limitations on investment, in activities that are financial in nature, other than insurance underwriting, insurance company portfolio investment, real estate development and real estate investment, through a financial subsidiary of the bank, if the bank is well capitalized and well managed and has at least a satisfactory Community Reinvestment Act rating. A subsidiary bank of a financial holding company or a national bank with a financial subsidiary must continue to be well capitalized and well managed in order to continue to engage in activities that are financial in nature without regulatory actions or restrictions, which could include divestiture of the financial-in-nature subsidiary or subsidiaries. In addition, a financial holding company or a bank may not acquire a company that is engaged in activities that are financial in nature unless each of the subsidiary banks of the financial holding company or the bank has a Community Reinvestment Act rating of satisfactory or better.

Each subsidiary bank of a financial holding company is subject to certain restrictions imposed by the Federal Reserve Act on the maintenance of reserves against deposits, extensions of credit to the financial holding company or any of its subsidiaries, investments in the stock or other securities of the financial holding company or its subsidiaries and the taking of such stock or securities as collateral for loans to any borrower. Further, a financial holding company and its subsidiaries are prohibited from engaging in certain tying arrangements in connection with any extension of credit, lease or sale of property or furnishing of any services. Various consumer laws and regulations also affect the operations of these subsidiaries.

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Transactions with Affiliates, Directors, Executive Officers and Shareholders

Sections 23A and 23B of the Federal Reserve Act and Federal Reserve Board Regulation W generally:

• limit the extent to which a bank or its subsidiaries may engage in “covered transactions” with any one affiliate;

• limit the extent to which a bank or its subsidiaries may engage in “covered transactions” with all affiliates; and

• require that all such transactions be on terms substantially the same, or at least as favorable to the bank or subsidiary, as those provided to a non-affiliate.

An affiliate of a bank is any company or entity which controls, is controlled by or is under common control with the bank. The term “covered transaction” includes the making of loans to the affiliate, the purchase of assets from the affiliate, the issuance of a guarantee on behalf of the affiliate, the purchase of securities issued by the affiliate and other similar types of transactions.

A bank’s authority to extend credit to executive officers, directors and greater than 10% shareholders, as well as entities such persons control, is subject to Sections 22(g) and 22(h) of the Federal Reserve Act and Regulation O promulgated thereunder by the Federal Reserve Board. Among other things, these loans must be made on terms (including interest rates charged and collateral required) substantially the same as those offered to unaffiliated individuals or be made as part of a benefit or compensation program and on terms widely available to employees, and must not involve a greater than normal risk of repayment. In addition, the amount of loans a bank may make to these persons is based, in part, on the bank’s capital position, and specified approval procedures must be followed in making loans which exceed specified amounts.

Regulation of Nationally-Chartered Banks

As a national banking association, Park National Bank is subject to regulation under the National Banking Act and is periodically examined by the OCC. OCC regulations govern permissible activities, capital requirements, dividend limitations, investments, loans and other matters. Furthermore, Park National Bank is subject, as a member bank, to certain rules and regulations of the Federal Reserve Board, many of which restrict activities and prescribe documentation to protect consumers. Park National Bank is an insured depository institution and a member of the Deposit Insurance Fund. As a result, it is subject to regulation and deposit insurance assessments by the FDIC. In addition, the establishment of branches by Park National Bank is subject to prior approval of the OCC. The OCC has broad enforcement powers over national banks, including the power to impose fines and other civil and criminal penalties and to appoint a conservator or receiver if any of a number of conditions are met.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") established the Consumer Financial Protection Bureau (the "CFPB"), which regulates consumer financial products and services and certain financial services providers. The CFPB is authorized to prevent unfair, deceptive or abusive acts or practices and ensures consistent enforcement of laws so that consumers have access to fair, transparent and competitive markets for consumer financial products and services. The CFPB has rulemaking and interpretive authority.

Regulation of Consumer Finance Companies

As a consumer finance company incorporated under Ohio law, Guardian Finance is subject to regulation and supervision by the Ohio Division of Financial Institutions. Division regulation and supervision designed to protect consumers affect the lending activities of Guardian Finance, including interest rates and certain loan terms, advertising and record retention. If grounds provided by law exist, the Ohio Division of Financial Institutions may suspend or revoke an Ohio consumer finance company’s ability to make loans.

Federal Deposit Insurance Corporation

The FDIC is an independent federal agency which insures the deposits, up to prescribed statutory limits, of federally-insured banks and savings associations and safeguards the safety and soundness of the financial institution industry.

Insurance Premiums

Insurance premiums for each insured depository institution are determined based upon the institution's capital level and supervisory rating provided to the FDIC by the institution's primary federal regulator and other information the FDIC determines to be relevant to the risk posed to the Deposit Insurance Fund by the institution. The assessment rate determined by considering such information is then applied to the amount of the institution's average assets minus average tangible equity to determine the institution's insurance premium. An increase in the assessment rate could have a material adverse effect on the earnings of the affected institution(s), depending on the amount of the increase. Insurance of deposits may be terminated by the FDIC upon a finding that the insured depository institution has engaged in unsafe or unsound practices, is in an unsafe or unsound condition to continue operations, or has violated any applicable law, regulation, rule, order or condition enacted or imposed by the institution's regulatory agency.

Federal Home Loan Bank

The Federal Home Loan Banks ("FHLBs") provide credit to their members in the form of advances. Park National Bank is a member of the FHLB of Cincinnati. As an FHLB member, Park National Bank must maintain an investment in the capital stock of the FHLB of Cincinnati.

Upon the origination or renewal of a loan or advance, each FHLB is required by law to obtain and maintain a security interest in certain types of collateral. Each FHLB is required to establish standards of community investment or service that its members must maintain for continued access to long-term advances from the FHLB. The standards take into account a member's performance under the Community Reinvestment Act and the member's record of lending to first-time home buyers.

Regulatory Capital

The Federal Reserve Board has adopted risk-based capital guidelines for financial holding companies and other bank holding companies as well as state member banks. The OCC and the FDIC have adopted risk-based capital guidelines for national banks and state non-member banks, respectively. The guidelines provide a systematic analytical framework which makes regulatory capital requirements sensitive to differences in risk profiles among banking organizations, takes off-balance sheet exposures expressly into account in evaluating capital adequacy, and minimizes disincentives to holding liquid, low-risk assets. Capital levels as measured by these standards are also used to categorize financial institutions for purposes of certain prompt corrective action regulatory provisions.

The minimum guideline for the ratio of total capital to risk-weighted assets (including certain off-balance sheet items such as standby letters of credit) is 8%. At least half of the minimum total risk-based capital ratio (4%) must be composed of common shareholders' equity, minority interests in certain equity accounts of consolidated subsidiaries and a limited amount of qualifying preferred stock and qualified trust preferred securities, less goodwill and certain other intangible assets, including the unrealized net gains and losses, after applicable taxes, on available-for-sale securities carried at fair value (commonly known as "Tier 1" risk-based capital). The remainder of total risk-based capital (commonly known as "Tier 2" risk-based capital) may consist of certain types and amounts of each of hybrid capital instruments, mandatory convertible debt, subordinated debt, preferred stock not qualifying as Tier 1 capital, allowance for loan losses and net unrealized gains on available-for-sale equity securities.

Under the guidelines, capital is compared to the relative risk related to the balance sheet. To derive the risk included in the balance sheet, one of four risk weights (0%, 20%, 50% and 100%) is applied to different balance sheet and off-balance sheet assets, primarily based on the relative credit risk of the counterparty. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

The Federal Reserve Board has established minimum leverage ratio guidelines for financial holding companies and other bank holding companies. The Federal Reserve Board guidelines provide for a minimum ratio of Tier 1 capital to average assets (excluding the allowance for loan losses, goodwill and certain other intangibles), or "leverage ratio," of 3% for financial holding companies and bank holding companies that meet certain criteria, including having the highest regulatory rating, and 4% for all other financial holding companies and bank holding companies. The guidelines further provide that financial holding companies and bank holding companies making acquisitions will be expected to maintain strong capital positions substantially above the minimum levels. The OCC and the FDIC have each also adopted minimum leverage ratio guidelines for national banks and for state non-member banks, respectively.

The federal banking agencies have established a system of prompt corrective action to resolve certain of the problems of undercapitalized institutions. This system is based on five capital level categories for insured depository institutions: “well capitalized,” “adequately capitalized,” “undercapitalized,” “significantly undercapitalized,” and “critically undercapitalized.”

The federal banking agencies may (or in some cases must) take certain supervisory actions depending upon a bank’s capital level. For example, the banking agencies must appoint a receiver or conservator for a bank within 90 days after the bank becomes “critically undercapitalized” unless the bank’s primary regulator determines, with the concurrence of the FDIC, that other action would better achieve regulatory purposes. Banking operations otherwise may be significantly affected depending on a bank’s capital category. For example, a bank that is not “well capitalized” generally is prohibited from accepting brokered deposits and offering interest rates on deposits higher than the prevailing rate in its market, and the holding company of any undercapitalized depository institution must guarantee, in part, specific aspects of the bank’s capital plan for the plan to be acceptable.

In order to be “well-capitalized,” a bank must have total risk-based capital of at least 10%, Tier 1 risk-based capital of at least 6% and a leverage ratio of at least 5%, and the bank must not be subject to any written agreement, order, capital directive or prompt corrective action directive to meet and maintain a specific capital level for any capital measure. Park’s management believes that Park National Bank meets the ratio requirements to be deemed “well-capitalized” according to the guidelines described above. See Note 22 of the Notes to Consolidated Financial Statements of Park’s 2013 Annual Report, which is incorporated herein by reference.

The risk-based capital guidelines adopted by the federal banking agencies are based on the “International Convergence of Capital Measurement and Capital Standards” (Basel I), published by the Basel Committee on Banking Supervision (the “Basel Committee”) in 1988. In 2004, the Basel Committee published a new capital adequacy framework (Basel II) for large, internationally active banking organizations and in December 2010 and January 2011, the Basel Committee issued an update to Basel II (“Basel III”). The Basel Committee frameworks did not become applicable to banks supervised in the United States until adopted into United States law or regulations. Although the United States banking regulators imposed some of the Basel II and Basel III rules on banks with \$250 billion or more in assets or \$10 billion of on-balance sheet foreign exposure, it was not until July 2013 that the United States banking regulators issued final (or, in the case of the FDIC, interim final) new capital rules applicable to smaller banking organizations which also implement certain of the provisions of the Dodd-Frank Act (the “Basel III Capital Rules”). Community banking organizations, including Park and Park National Bank, will begin transitioning to the new rules on January 1, 2015. The new minimum capital requirements are effective on January 1, 2015, whereas a new capital conservation buffer and deductions from common equity capital phase in from January 1, 2016, through January 1, 2019, and most deductions from common equity tier 1 capital will phase in from January 1, 2015, through January 1, 2019.

The following is a summary of the major changes from the current general risk-based capital rule:

1. higher minimum capital requirements, including a new common equity tier 1 capital ratio of 4.5 percent and criteria instruments must meet in order to be considered common equity tier 1 capital; a tier 1 capital ratio of 6.0 percent; the retention of a total capital ratio of 8.0 percent; and a minimum leverage ratio of 4.0 percent;
2. stricter eligibility criteria for regulatory capital instruments;
 - restrictions on the payment of capital distributions, including dividends, and certain discretionary bonus payments to executive officers, if the organization does not hold a capital conservation buffer of greater than 2.5 percent
3. composed of common equity tier 1 capital above its minimum risk-based capital requirements, or if its eligible retained income is negative in that quarter and its capital conservation buffer ratio was less than 2.5 percent at the beginning of the quarter;
4. replacement of the external credit ratings approach to standards of creditworthiness with a simplified supervisory formula approach, implementing the requirements of Section 939A of the Dodd-Frank Act;
 - stricter limitations on the extent to which mortgage servicing assets, deferred tax assets and significant investments
5. in unconsolidated financial institutions may be included in common equity tier 1 capital and the risk weight to be assigned to any amounts of such assets not deducted; and
6. increased risk weights for past-due loans, certain commercial real estate loans and some equity exposures, and selected other changes in risk weights and credit conversion factors.

The Basel III Capital Rules are effective for Park and the Park National Bank on January 1, 2015 (subject to a phase-in period). The implementation of Basel III is not expected to have a material impact on Park's or Park National Bank's capital ratios.

Fiscal and Monetary Policies

The business and earnings of Park and its subsidiaries are affected significantly by the fiscal and monetary policies of the United States government and its agencies. Park National Bank is particularly affected by the policies of the Federal Reserve Board, which regulates the supply of money and credit in the United States. These policies are used in varying degrees and combinations to directly affect the availability of bank loans and deposits, as well as the interest rates charged on loans and paid on deposits.

Limits on Dividends and Other Payments

There are various legal limitations on the extent to which a subsidiary bank may finance or otherwise supply funds to its parent holding company. Under applicable federal and state laws, a subsidiary bank may not, subject to certain limited exceptions, make loans or extensions of credit to, or investments in the securities of, its financial holding company. A subsidiary bank is also subject to collateral security requirements for any loan or extension of credit permitted by such exceptions.

Park National Bank may not pay dividends out of its surplus if, after paying these dividends, it would fail to meet the required minimum levels under the risk-based capital guidelines and minimum leverage ratio requirements established by the OCC. In addition, Park National Bank must have the approval of the OCC if a dividend in any year would cause the total dividends for that year to exceed the sum of Park National Bank's current year's net income and the retained net income for the preceding two years, less required transfers to surplus. Payment of dividends by Park National Bank may be restricted at any time at the discretion of its regulatory authorities, if such regulatory authorities deem such dividends to constitute unsafe and/or unsound banking practices or if necessary to maintain adequate capital.

The ability of Park to obtain funds for the payment of dividends and for other cash requirements is largely dependent on the amount of dividends which may be declared by Park National Bank. However, the Federal Reserve Board expects Park to serve as a source of strength to Park National Bank, which may require Park to retain capital for further investment in Park National Bank, rather than pay dividends to the Park shareholders. Payment of dividends by Park National Bank may be restricted at any time at the discretion of the OCC if the OCC deems such dividends to constitute an unsafe and/or unsound banking practice. These provisions could have the effect of limiting Park's ability to pay dividends on its Common Shares.

At December 31, 2013, approximately \$65.6 million of the total shareholders' equity of Park National Bank was available for payment to Park without the approval of the OCC. See Note 17 of the Notes to Consolidated Financial Statements of Park's 2013 Annual Report.

The Federal Reserve Board has issued a policy statement with regard to the payment of cash dividends by financial holding companies and other bank holding companies. The policy statement provides that, as a matter of prudent banking, a financial holding company or bank holding company should not maintain a rate of cash dividends unless its net income available to common shareholders has been sufficient to fully fund the dividends, and the prospective rate of earnings retention appears to be consistent with the financial holding company or bank holding company's capital needs, asset quality, and overall financial condition. Accordingly, a financial holding company or bank holding company should not pay cash dividends that exceed its net income or can only be funded in ways that weaken the financial holding company or bank holding company's financial health, such as by borrowing.

Under the terms of the Indenture governing the \$15.5 million of junior subordinated debentures issued by Vision to the Vision Trust and the related Guarantee Agreement, Park, as successor to Vision in accordance with the First Supplemental Indenture, is prohibited, subject to limited exceptions, from declaring or paying any dividends or distributions on any shares of its capital stock (i) if an event of default under the Indenture has occurred and continues, (ii) if Park is in default with respect to the payment of any obligations under the Guarantee Agreement or (iii) during any period in which the payment of interest on the junior subordinated debentures by Park (and the payment of cash distributions on the floating rate preferred securities of the Vision Trust) is being deferred.

The Note Purchase Agreement entered into by Park on December 23, 2009 (the "2009 Note Purchase Agreement") governs the 10% Subordinated Notes due December 23, 2019 issued by Park in December 2009. The Note Purchase Agreement entered into by Park on April 20, 2012 (the "2012 Note Purchase Agreement") governs the 7% Subordinated Notes due April 20, 2022 issued by Park in April 2012. If an event of default has occurred under the 2009 Note Purchase Agreement or under the 2012 Note Purchase Agreement and is continuing, Park's ability to declare or pay dividends on any of its capital stock will be restricted.

Volcker Rule

In December 2013, five federal agencies adopted a final regulation implementing the Volcker Rule provision of the Dodd-Frank Act (the "Volcker Rule"). The Volcker Rule places limits on the trading activity of insured depository institutions and entities affiliated with a depository institution, subject to certain exceptions. The trading activity includes a purchase or sale as principal of a security, derivative, commodity future or option on any such instrument in order to benefit from short-term price movements or to realize short-term profits. The Volcker Rule exempts specified U.S. Government, agency and/or municipal obligations, and it excepts trading conducted in certain capacities, including as a broker or other agent, through a deferred compensation or pension plan, as a fiduciary on behalf of customers, to satisfy a debt previously contracted, repurchase and securities lending agreements and risk-mitigating hedging activities.

The Volcker Rule also prohibits a banking entity from having an ownership interest in, or certain relationships with, a hedge fund or private equity fund, with a number of exceptions. Park National Bank does not engage in any of the trading activities or have any ownership interest in or relationship with any of the types of funds regulated by the Volcker Rule.

Privacy Provisions of Gramm-Leach-Bliley Act

Under the GLBA, federal banking regulators were required to adopt rules that limit the ability of banks and other financial institutions to disclose non-public information about consumers to nonaffiliated third parties. These limitations require disclosure of privacy policies to consumers and, in some circumstances, allow consumers to prevent disclosure of certain personal information to a nonaffiliated third party.

Patriot Act

In response to the terrorist events of September 11, 2001, the Uniting and Strengthening of America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act") was signed into law in October 2001. The Patriot Act gives the United States government powers to address terrorist threats through enhanced domestic security measures, expanded surveillance powers, increased information sharing and broadened anti-money laundering requirements. Title III of the Patriot Act takes measures intended to encourage information sharing among bank regulatory agencies and law enforcement bodies. Further, certain provisions of Title III impose affirmative obligations on a broad range of financial institutions. Among other requirements, Title III and related regulations require regulated financial institutions to establish a program specifying procedures for obtaining identifying information from customers seeking to open new accounts and establish enhanced due diligence policies, procedures and controls designed to detect and report suspicious activity. Park National Bank has established policies and procedures that are believed to be compliant with the requirements of the Patriot Act.

Corporate Governance

As mandated by the Sarbanes-Oxley Act of 2002, the SEC has adopted rules and regulations governing, among other issues, corporate governance, auditing and accounting, executive compensation and enhanced and timely disclosure of corporate information. NYSE MKT has also adopted corporate governance rules. The Board of Directors of Park has taken a series of actions to strengthen and improve Park's already strong corporate governance practices in light of the rules of the SEC and NYSE MKT. The Board of Directors has adopted charters for the Audit Committee, the Compensation Committee, the Executive Committee, the Investment Committee, the Nominating and Corporate Governance Committee (including as Exhibit A thereto, Corporate Governance Guidelines) and the Risk Committee as well as a Code of Business Conduct and Ethics governing the directors, officers and associates of Park and its affiliates.

Dodd-Frank Act

On July 21, 2010, President Obama signed the Dodd-Frank Act into law. The Dodd-Frank Act has significantly changed the regulation of financial institutions and the financial services industry. The Dodd-Frank Act requires various federal agencies to adopt a broad range of regulations with significant discretion. Although some of the regulations have been adopted, many still have not, and the effect they will have on Park and its subsidiaries will not be known for years.

Among the provisions already implemented that have or may have an effect on Park or its subsidiaries are the following:

- the CFPB has been formed, which has broad powers to adopt and enforce consumer protection regulations;

- the federal law prohibiting the payment of interest on commercial demand deposit accounts was eliminated effective July 21, 2011;

- the standard maximum amount of deposit insurance per customer was permanently increased to \$250,000;

- the assessment base for determining deposit insurance premiums has been expanded from domestic deposits to average assets minus average tangible equity;

- public companies in all industries are now required to provide shareholders the opportunity to cast a non-binding advisory vote on executive compensation;

- the Federal Reserve Board has imposed on financial institutions with assets of \$10 billion or more a cap on the debit card interchange fees the financial institutions may charge. Although the cap is not applicable to Park National Bank, it may have an adverse effect on Park National Bank as the debit cards issued by Park National Bank and other smaller banks, which have higher interchange fees, may become less competitive; and

- new capital regulations have been adopted as discussed above in the section captioned "Regulatory Capital".

Additional provisions not yet implemented that may have an effect on Park or its subsidiaries are new corporate governance requirements applicable generally to all public companies in all industries, which will require other new compensation practices and disclosure requirements, including requiring companies to "claw back" incentive compensation under certain circumstances and to make additional disclosures in proxy statements with respect to compensation matters.

As many provisions of the Dodd-Frank Act have not yet been implemented and will require interpretation and rule making, the ultimate effect on Park and its subsidiaries cannot yet be determined. However, the implementation of certain provisions have already increased compliance costs and the implementation of future provisions will likely increase both compliance costs and fees paid to regulators, along with possibly restricting the operations of Park and its subsidiaries.

Executive and Incentive Compensation

In June 2010, the Federal Reserve Board, the OCC and the FDIC issued joint interagency guidance on incentive compensation policies (the "Joint Guidance") intended to ensure that the incentive compensation policies of banking organizations do not undermine the safety and soundness of such organizations by encouraging excessive risk-taking. This principles-based guidance, which covers all employees that have the ability to materially affect the risk profile of an organization, either individually or as part of a group, is based upon the key principles that a banking organization's incentive compensation arrangements should: (i) provide incentives that do not encourage risk-taking beyond the organization's ability to effectively identify and manage risks; (ii) be compatible with effective internal controls and risk management; and (iii) be supported by strong corporate governance, including active and effective oversight by the organization's board of directors.

Pursuant to the Joint Guidance, the Federal Reserve Board will review as part of a regular, risk-focused examination process, the incentive compensation arrangements of financial institutions such as Park and Park National Bank. Such reviews will be tailored to each organization based on the scope and complexity of the organization's activities and the prevalence of incentive compensation arrangements. The findings of the supervisory initiatives will be included in reports of examination and deficiencies will be incorporated into the institution's supervisory ratings, which can affect the institution's ability to make acquisitions and take other actions. Enforcement actions may be taken against an institution if its incentive compensation arrangements, or related risk-management control or governance processes, pose a risk to the organization's safety and soundness and prompt and effective measures are not being taken to correct the deficiencies.

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On February 7, 2011, federal banking regulatory agencies jointly issued proposed rules on incentive-based compensation arrangements under applicable provisions of the Dodd-Frank Act (the “Proposed Joint Rules”). The Proposed Joint Rules generally apply to financial institutions with \$1.0 billion or more in assets that maintain incentive-based compensation arrangements for certain covered employees. The Proposed Joint Rules: (i) prohibit covered financial institutions from maintaining incentive-based compensation arrangements that encourage covered persons to expose the institution to inappropriate risk by providing the covered person with “excessive” compensation; (ii) prohibit covered financial institutions from establishing or maintaining incentive-based compensation arrangements for covered persons that encourage inappropriate risks that could lead to a material financial loss; (iii) require covered financial institutions to maintain policies and procedures appropriate to their size, complexity and use of incentive-based compensation to help ensure compliance with the Proposed Joint Rules; and (iv) require covered financial institutions to provide enhanced disclosure to regulators regarding their incentive-based compensation arrangements for covered persons within 90 days following the end of the fiscal year.

Pursuant to rules adopted by the stock exchanges and approved by the SEC in January 2013 under the Dodd-Frank Act, public company compensation committee members must meet heightened independence requirements and consider the independence of compensation consultants, legal counsel and other advisors to the compensation committee. A compensation committee must have the authority to hire advisors and to have the public company fund reasonable compensation of such advisors.

Public companies will be required, once stock exchanges impose additional listing requirements under the Dodd-Frank Act, to implement "clawback" procedures for incentive compensation payments and to disclose the details of the procedures which allow recovery of incentive compensation that was paid on the basis of erroneous financial information necessitating a restatement due to material noncompliance with financial reporting requirements. This clawback policy is intended to apply to compensation paid within a three-year look-back window of the restatement and would cover all executives who received incentive awards.

Future Legislation

Various and significant legislation affecting financial institutions and the financial industry is from time to time introduced by the United States Congress, as evidenced by the sweeping reforms in the Dodd-Frank Act adopted in 2010. Such legislation may continue to change banking statutes and the operating environment of Park and its subsidiaries in substantial and unpredictable ways, and could significantly increase or decrease costs of doing business, limit or expand permissible activities or affect the competitive balance among financial institutions. With the enactment of the Dodd-Frank Act and the continuing implementation of final rules and regulations thereunder, the nature and extent of future legislative and regulatory changes affecting financial institutions remains very unpredictable.

Statistical Disclosure

The statistical disclosure relating to Park and its subsidiaries required under the SEC’s Industry Guide 3, “Statistical Disclosure by Bank Holding Companies,” is included in the section of Park’s 2013 Annual Report captioned “MANAGEMENT’S DISCUSSION AND ANALYSIS” and in Note 1 of the Notes to Consolidated Financial Statements in Park’s 2013 Annual Report, Note 4 of the Notes to Consolidated Financial Statements in Park’s 2013 Annual Report, Note 5 of the Notes to Consolidated Financial Statements in Park’s 2013 Annual Report, Note 8 of the Notes to Consolidated Financial Statements in Park’s 2013 Annual Report and Note 9 of the Notes to Consolidated Financial Statements in Park’s 2013 Annual Report. This statistical disclosure is incorporated herein by reference.

Effect of Environmental Regulation

Compliance with federal, state and local provisions regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, has not had a material effect upon the capital expenditures, earnings or competitive position of Park and its subsidiaries. Park believes the nature of the operations of its subsidiaries has little, if any, environmental impact. Park, therefore, anticipates no material capital expenditures for environmental control facilities for its current fiscal year or for the foreseeable future.

Park believes its primary exposure to environmental risk is through the lending activities of its subsidiaries. In cases where management believes environmental risk potentially exists, Park’s subsidiaries mitigate their environmental risk exposures by requiring environmental site assessments at the time of loan origination to confirm collateral quality as

to commercial real estate parcels posing higher than normal potential for environmental impact, as determined by reference to present and past uses of the subject property and adjacent sites. In addition, environmental assessments are typically required prior to any foreclosure activity involving non-residential real estate collateral.

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ITEM 1A. RISK FACTORS.

Cautionary Statement Regarding Forward-Looking Information

Certain statements contained in this Annual Report on Form 10-K which are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, the statements specifically identified as forward-looking statements within this document. In addition, certain statements in future filings by Park with the SEC, in press releases, and in oral and written statements made by or with the approval of Park which are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include: (i) projections of income or expense, earnings per share, the payment or non-payment of dividends, capital structure and other financial items; (ii) statements of plans and objectives of Park or our management or Board of Directors, including those relating to products or services; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements. Words such as “believes,” “anticipates,” “expects,” “intends,” “targeted” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying those statements.

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements to encourage companies to provide prospective information so long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those discussed in the forward-looking statements. We desire to take advantage of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements involve risks and uncertainties. Actual results may differ materially from those predicted by the forward-looking statements because of various factors and possible events, including those factors and events identified below. There is also the risk that Park’s management or Board of Directors incorrectly analyzes these risks and uncertainties or that the strategies Park develops to address them are unsuccessful.

Forward-looking statements speak only as of the date on which they are made, and, except as may be required by law, Park undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made to reflect unanticipated events. All subsequent written and oral forward-looking statements attributable to Park or any person acting on Park’s behalf are qualified in their entirety by the following cautionary statements.

Changes in economic and political conditions could adversely affect our earnings, as our borrowers’ ability to repay loans and the value of the collateral securing our loans decline.

Our success depends, to a certain extent, upon economic and political conditions, local and national, as well as governmental fiscal and monetary policies. Conditions such as inflation, recession, unemployment, changes in interest rates, fiscal and monetary policy and other factors beyond our control may adversely affect our asset quality, deposit levels and loan demand and, therefore, our earnings and our capital. Economic turmoil in Europe may become global. In addition, the uncertainty over whether the United States Congress will fail to raise the federal government’s debt ceiling may have a negative effect on the economy and the stock market. Because we have a significant amount of real estate loans, additional decreases in real estate values could adversely affect the value of property used as collateral and our ability to sell the collateral upon foreclosure. Adverse changes in the economy may also have a negative effect on the ability of our borrowers to make timely repayments of their loans, which would have an adverse impact on our earnings and cash flows. The substantial majority of the loans made by our subsidiaries are to individuals and businesses in Ohio. Consequently, a significant decline in the economy in Ohio could have a materially adverse effect on our financial condition and results of operations.

Legislative or regulatory changes or actions could adversely impact us or the businesses in which we are engaged.

The financial services industry is extensively regulated. We are subject to extensive state and federal regulation, supervision and legislation that govern almost all aspects of our operations. Laws and regulations may change from time to time and are primarily intended for the protection of consumers, depositors, borrowers, the FDIC’s Deposit

Insurance Fund and the banking system as a whole, and not to benefit our shareholders. Regulations affecting banks and financial services businesses are undergoing continuous changes, and management cannot predict the effect of these changes. The impact of any changes to laws and regulations or other actions by regulatory agencies may negatively impact us or our ability to increase the value of our business. Regulatory authorities have extensive discretion in connection with their supervisory and enforcement activities, including the imposition of restrictions on the operation of an institution, the classification of assets held by an institution and the adequacy of an institution's allowance for loan losses. Additionally, actions by regulatory agencies against us

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could cause us to devote significant time and resources to defending our business and may lead to penalties that materially affect us and our shareholders.

In light of current conditions in the global financial markets and the global economy, regulators have increased their focus on the regulation of the financial services industry. Most recently, the United States Congress and the federal agencies regulating the financial services industry have acted on an unprecedented scale in responding to the stresses experienced in the global financial markets. Some of the laws enacted by the United States Congress and regulations promulgated by federal regulatory agencies subject us, and other financial institutions to which such laws and regulations apply, to additional restrictions, oversight and costs that may have an impact on our business, results of operations or the trading price of our Common Shares. In addition to laws, regulations and supervisory and enforcement actions directed at the operations of banks, proposals to reform the housing finance market consider winding down Fannie Mae and Freddie Mac, which could negatively affect our sales of loans.

In July 2013, Park's primary federal regulator, the Federal Reserve, published final rules (the "Basel III Capital Rules") establishing a new comprehensive capital framework for U.S. banking organizations. The rules implement the Basel Committee's December 2010 framework known as "Basel III" for strengthening international capital standards as well as certain provisions of the Dodd-Frank Act. The Basel III Capital Rules substantially revise the risk-based capital requirements applicable to financial holding company and other bank holding companies as well as depository institutions, including Park and Park National Bank, compared to the current U.S. risk-based capital rules. The Basel III Capital Rules define the components of capital and address other issues affecting the numerator in banking institutions' regulatory capital ratios. The Basel III Capital Rules also address risk weights and other issues affecting the denominator in banking institutions' regulatory capital ratios and replace the existing risk-weighting approach, which was derived from Basel I capital accords of the Basel Committee, with a more risk-sensitive approach based, in part, on the standardized approach in the Basel Committee's 2004 "Basel II" capital accords. The Basel III Capital Rules also implement the requirements of Section 939A of the Dodd-Frank Act to remove references to credit ratings from the federal banking agencies' rules. The Basel III Capital Rules are effective for Park and Park National Bank on January 1, 2015 (subject to a phase-in period). The implementation of Basel III is not expected to have a material impact on Park's or Park National Bank's capital ratios.

The Dodd-Frank Act and its progeny may adversely impact Park's results of operations, financial condition or liquidity.

On July 21, 2010, the Dodd-Frank Act was signed into law. The Dodd-Frank Act represents a comprehensive overhaul of the financial services industry within the United States. There are a number of reform provisions that are likely to significantly impact the ways in which banks as well as financial holding companies and bank holding companies, including Park National Bank and Park, do business. A detailed discussion regarding the Dodd-Frank Act can be found under the caption "Supervision and Regulation of Park and its Subsidiaries" in "Item 1 – Business" of this Form 10-K.

Many provisions of the Dodd-Frank Act still have not been implemented and will require interpretation and rule making by federal regulators, including banking regulators and the SEC. In addition, the CFPB has only recently begun to implement its authority, and there is significant uncertainty as to how its regulations and other authority will affect Park's business. Park is closely monitoring all relevant sections of the Dodd-Frank Act to ensure continued compliance with laws and regulations. While the ultimate effect of the Dodd-Frank Act on Park and our subsidiaries cannot currently be determined, the law and its implemented rules and regulations have already resulted in increased compliance costs and are likely to result in increased fees paid to regulators, along with restrictions on the operations of Park and our subsidiaries, all of which may have a material adverse effect on Park's operating results and financial condition.

Deposit insurance premiums assessed on Park may increase and have a negative effect on Park's results of operations.

The Deposit Insurance Fund (the “DIF”) maintained by the FDIC to resolve bank failures is funded by fees assessed on insured depository institutions. The costs of resolving bank failures has increased during the last few years and decreased the DIF. The FDIC collected a special assessment in 2009 to replenish the DIF and also required a prepayment of an estimated amount of future deposit insurance premiums. If the costs of future bank failures increase, deposit insurance premiums may also increase.

A default by another larger financial institution could adversely affect financial markets generally.

The commercial soundness of many financial institutions may be closely interrelated as a result of relationships between and among the institutions. As a result, concerns about, or a default or threatened default by, one institution could lead to significant marketwide liquidity and credit problems, losses or defaults by other institutions. This is sometimes referred to as “systemic risk” and may adversely affect our business.

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Changes in the general economic conditions and real estate valuations in our primary market areas could adversely impact results of operations, financial condition and cash flows.

Our lending and deposit gathering activities are concentrated primarily in Ohio and, prior to February 16, 2012, in markets served through Vision Bank operations in Alabama and Florida. Our success depends on the general economic conditions of these areas, particularly given that a significant portion of our lending relates to real estate located in these regions. Real estate values in these Ohio and, more dramatically, Gulf Coast communities were negatively impacted by the recent economic crisis. Although there has been some improvement recently in a number of economic measures, including home prices and unemployment rates in Ohio, adverse changes in the regional and general economic conditions could reduce our growth rate, impair our ability to collect payments on loans, increase loan delinquencies, increase problem assets and foreclosures, increase claims and lawsuits, increase devaluations recognized within our OREO portfolio, decrease the demand for our products and services and decrease the value of collateral for loans, especially real estate values, which could have a material adverse effect on our financial condition, results of operations and cash flows.

Changes in interest rates could have a material adverse effect on our financial condition, results of operations and cash flows.

Our earnings and cash flows depend substantially on our interest rate spread, which is the difference between (i) the rates we earn on loans, investment securities and other interest earning assets and (ii) the interest rates we pay on deposits and our borrowings. These rates are highly sensitive to many factors beyond our control, including general economic conditions and the policies of various governmental and regulatory authorities. Changes in monetary policy influence the origination of loans, the prepayment speed of loans, the purchase of investments, the generation of deposits and rates of interest received and paid. While we have taken measures intended to manage the risks of operating in a changing interest rate environment, there can be no assurance that such measures will be effective in avoiding undue interest rate risk. Information pertaining to the impact changes in interest rates could have on our net income is included in Table 30 in the section of Park's 2013 Annual Report captioned "MANAGEMENT'S DISCUSSION AND ANALYSIS," and is incorporated herein by reference.

We extend credit to a variety of customers based on internally set standards and the judgment of our loan officers and bank division presidents. We manage the credit risk through a program of underwriting standards, the review of certain credit decisions and an on-going process of assessing the quality of the credit already extended. Our credit standards and on-going process of credit assessment might not protect us from significant credit losses.

We take credit risk by virtue of making loans and leases, extending loan commitments and letters of credit and, to a lesser degree, purchasing non-governmental securities. Our exposure to credit risk is managed through the use of consistent underwriting standards that emphasize "in-market" lending while avoiding highly leveraged transactions as well as excessive industry and other concentrations. Our credit administration function employs risk management techniques to ensure that loans and leases adhere to corporate policy and problem loans and leases are promptly identified. While these procedures are designed to provide us with the information needed to implement policy adjustments where necessary, and to take proactive corrective actions, there can be no assurance that such measures will be effective in avoiding undue credit risk.

We may elect or be compelled to seek additional capital in the future, but that capital may not be available when it is needed.

We are required by federal and state regulatory authorities to maintain adequate levels of capital to support our operations. Federal banking agencies have adopted extensive changes to their capital requirements, including raising required amounts and eliminating the inclusion of certain instruments from the calculation of capital. If we experience

significant loan losses, additional capital may need to be infused. In addition, we may elect to raise additional capital to support our business or to finance acquisitions, if any, or we may otherwise elect or be required to raise additional capital. Our ability to raise additional capital, if needed, will depend on our financial performance, conditions in the capital markets, economic conditions and a number of other factors, many of which are outside our control. Accordingly, there can be no assurance that we can raise additional capital if needed or on terms acceptable to us. If we cannot raise additional capital when needed, it may have a material adverse effect on our financial condition, results of operations and prospects.

Our allowance for loan losses may prove to be insufficient to absorb potential losses in our loan portfolio.

Lending money is a substantial part of our business. However, every loan we make carries a risk of non-payment. This risk is affected by, among other things: the cash flow of the borrower and/or the project being financed; in the case of a collateralized loan, the changes and uncertainties as to the future value of the collateral; the credit history of a particular borrower; changes in economic and industry conditions; and the duration of the loan.

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The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make significant estimates that affect the financial statements. One of our most critical estimates is the level of the allowance for loan losses. Due to the inherent nature of these estimates, we cannot provide absolute assurance that we will not be required to charge earnings for significant unexpected loan losses.

We maintain an allowance for loan losses that we believe is a reasonable estimate of known and inherent losses within the loan portfolio. We make various assumptions and judgments about the collectability of our loan portfolio, including the creditworthiness of our borrowers and the value of the real estate and other assets serving as collateral for the repayment of loans. Through a periodic review and consideration of the loan portfolio, management determines the amount of the allowance for loan losses by considering general market conditions, the credit quality of the loan portfolio, the collateral supporting the loans and the performance of customers relative to their financial obligations with us. The amount of future losses is susceptible to changes in economic, operating and other conditions, including changes in interest rates, which may be beyond our control, and these losses may exceed current estimates. We cannot fully predict the amount or timing of losses or whether the loan loss allowance will be adequate in the future. If our assumptions prove to be incorrect, our allowance for loan losses may not be sufficient to cover losses inherent in our loan portfolio, resulting in additions to the allowance for loan losses. Excessive loan losses and significant additions to our allowance for loan losses could have a material adverse impact on our financial condition and results of operations.

In addition, bank regulators periodically review our allowance for loan losses and may require us to increase our provision for loan losses or recognize further loan charge-offs. Moreover, the Financial Accounting Standards Board may change its requirements for establishing the allowance for loan losses. Any increase in our allowance for loan losses or loan charge-offs as required by these regulatory authorities might have a material adverse effect on our financial condition and results of operations.

We are exposed to operational risk.

Similar to any large organization, we are exposed to many types of operational risk, including reputational risk, legal and compliance risk, the risk of fraud or theft by employees or outsiders, unauthorized transactions by employees or operational errors, including clerical or record-keeping errors or those resulting from faulty or disabled computer or telecommunications systems.

Negative public opinion can result from our actual or alleged conduct in any number of activities, including lending practices, corporate governance and acquisitions, and from actions taken by governmental regulators and community organizations in response to those activities. Negative public opinion can adversely affect our ability to attract and keep customers and can expose us to potential litigation and regulatory action.

Given the volume of transactions we process, certain errors may be repeated or compounded before they are discovered and successfully rectified. Our necessary dependence upon automated systems to record and process our transaction volume may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. We may also be subject to disruptions of our operating systems arising from events that are wholly or partially beyond our control (for example, computer viruses or electrical or telecommunications outages), which may give rise to disruption of service to customers and to financial loss or liability. We are further exposed to the risk that our external vendors may be unable to fulfill their contractual obligations (or will be subject to the same risk of fraud or operational errors by their respective employees as we are) and to the risk that our (or our vendors’) business continuity and data security systems prove to be inadequate.

We depend upon the accuracy and completeness of information about customers and counterparties.

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information provided to us by customers and counterparties, including financial statements and other financial information. We may also rely on representations of customers and counterparties as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. For example, in deciding whether to extend credit to a business, we may assume that the customer's audited financial statements conform with GAAP and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. We may also rely on the audit report covering those financial statements. Our financial condition, results of operations and cash flows could be negatively impacted to the extent that we rely on financial statements that do not comply with GAAP or on financial statements and other financial information that are materially misleading.

Changes in accounting standards, policies, estimates or procedures could impact Park's reported financial condition or results of operations.

The accounting standard setters, including the Financial Accounting Standards Board, the Public Company Accounting Oversight Board, the SEC and other regulatory bodies, periodically change the financial accounting and reporting guidance that governs the preparation of our consolidated financial statements. The pace of change continues to accelerate and changes in accounting standards can be hard to predict and could materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply new or revised guidance retroactively, resulting in the restatement of prior period financial statements.

The preparation of consolidated financial statements in conformity with GAAP requires management to make significant estimates that affect the financial statements. Due to the inherent nature of these estimates, actual results may vary materially from management's estimates. Additional information regarding Park's critical accounting policies and the sensitivity of estimates can be found in the section captioned "MANAGEMENT'S DISCUSSION AND ANALYSIS - CRITICAL ACCOUNTING POLICIES" in Park's 2013 Annual Report.

We may be a defendant from time to time in the future in a variety of litigation and other actions, which could have a material adverse effect on our financial condition, results of operations and cash flows.

We and our subsidiaries may be involved from time to time in the future in a variety of litigation arising out of our business. The risk of litigation increases in times of increased troubled loan collection activity. Our insurance may not cover all claims that may be asserted against us, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. Should the ultimate judgments or settlements in any litigation exceed our insurance coverage, they could have a material adverse effect on our financial condition, results of operations and cash flows. In addition, we may not be able to obtain appropriate types or levels of insurance in the future, nor may we be able to obtain adequate replacement policies with acceptable terms, if at all.

We are a financial holding company and depend on our subsidiaries for dividends, distributions and other payments.

As a financial holding company, we are a legal entity separate and distinct from our subsidiaries and affiliates. Our principal source of funds to pay dividends on our Common Shares and service our debt is dividends from these subsidiaries. In the event our subsidiaries become unable to pay dividends to us, we may not be able to service our debt, pay our other obligations or pay dividends on our Common Shares. Accordingly, our inability to receive dividends from our subsidiaries could also have a material adverse effect on our business, financial condition and results of operations.

Various federal and state statutory provisions and regulations limit the amount of dividends that Park National Bank and our other subsidiaries may pay to us without regulatory approval. Park National Bank generally may not, without prior regulatory approval, pay a dividend in an amount greater than its undivided profits. In addition, the prior approval of the OCC is required for the payment of a dividend by Park National Bank if the total of all dividends declared in a calendar year would exceed the total of its net income for the year combined with its retained net income for the two preceding years. The Federal Reserve Board and the OCC have issued policy statements that provide that insured banks as well as financial holding companies and other bank holding companies should generally only pay dividends out of current operating earnings. Thus, the ability of Park National Bank to pay dividends in the future is currently influenced, and could be further influenced, by bank regulatory policies and capital guidelines and may restrict our ability to declare and pay dividends.

Payment of dividends could also be subject to regulatory limitations if Park National Bank were to become "under-capitalized" for purposes of the applicable "prompt corrective action" regulations. "Under-capitalized" is currently

defined as having a total risk-based capital ratio of less than 8.0%, a Tier 1 risk-based capital ratio of less than 4.0%, or a core capital, or leverage, ratio of less than 4.0%. Throughout 2013 and 2014 to date, Park National Bank has been in compliance with all regulatory capital requirements and had sufficient capital under the “prompt corrective action” regulations to be deemed “well-capitalized.”

If any of our subsidiaries becomes insolvent, the direct creditors of that subsidiary will have a prior claim on that subsidiary’s assets. Our rights and the rights of our creditors will be subject to that prior claim, unless we are also a direct creditor of that subsidiary.

Unauthorized disclosure of sensitive or confidential client or customer information, whether through a breach of our computer systems or otherwise, could severely harm our business.

As part of our financial institution business, we collect, process and retain sensitive and confidential client and customer information on behalf of our subsidiaries and other third parties. Despite the security measures we have in place, our facilities and systems, and those of our third-party service providers, may be vulnerable to security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming and/or human errors or other similar events. If information security is breached, information can be lost or misappropriated, resulting in financial loss or costs to us. Any security breach involving confidential customer information, whether by us or by our vendors, could severely damage our reputation, expose us to the risks of litigation and liability or disrupt our operations and have a material adverse effect on our business.

Derivative transactions may expose us to unexpected risk and potential losses.

We are party to a number of derivative transactions. Many of these derivative instruments are individually negotiated and non-standardized, which can make exiting, transferring or settling the position difficult. We carry borrowings which contain embedded derivatives. These borrowing arrangements require that we deliver underlying securities to the counterparty as collateral. We are dependent on the creditworthiness of the counterparties and are therefore susceptible to credit and operational risk in these situations.

Derivative contracts and other transactions entered into with third parties are not always confirmed by the counterparties on a timely basis. While the transaction remains unconfirmed, we are subject to heightened credit and operational risk and, in the event of a default, may find it more difficult to enforce the contract. In addition, as new and more complex derivative products are created, covering a wider array of underlying credit and other instruments, disputes about the terms of the underlying contracts could arise, which could impair our ability to effectively manage our risk exposures from these products and subject us to increased costs. Any regulatory effort to create an exchange or trading platform for credit derivatives and other over-the-counter derivative contracts, or a market shift toward standardized derivatives, could reduce the risk associated with such transactions, but under certain circumstances could also limit our ability to develop derivatives that best suit the needs of our clients and ourselves and adversely affect our profitability.

Changes in tax laws could adversely affect our performance.

We are subject to extensive federal, state and local taxes, including income, excise, sales/use, payroll, franchise, withholding and ad valorem taxes. Changes to our taxes could have a material adverse effect on our results of operations. In addition, our customers are subject to a wide variety of federal, state and local taxes. Changes in taxes paid by our customers may adversely affect their ability to purchase homes or consumer products, which could adversely affect their demand for our loans and deposit products. In addition, such negative effects on our customers could result in defaults on the loans we have made and decrease the value of mortgage-backed securities in which we have invested.

The effect of changes to the healthcare laws in the United States may increase the number of employees who choose to participate in our healthcare plans, which may significantly increase our healthcare costs and negatively impact our financial results.

We offer healthcare coverage to our eligible employees with a portion of the cost subsidized by Park. With recent changes to the healthcare laws in the United States, more of our employees may choose to participate in our health insurance plans, which could increase our costs for such coverage and adversely impact our costs of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

No response required.
ITEM 2. PROPERTIES.

Park's principal executive offices are located at 50 North Third Street, Newark, Ohio 43055.

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Park National Bank

As of the date of this Annual Report on Form 10-K, Park National Bank, its divisions and its subsidiary Scope Leasing, Inc. have a total of 123 financial service offices in Ohio and one in Kentucky. Park National Bank has six financial service offices (including its main office) and its operations center in Newark in Licking County. In addition, within Ohio, Park National Bank has:

• financial service offices in Ashland, Loudonville and Perrysville in Ashland County;

• financial service office in Athens in Athens County;

• financial service office in West Chester in Butler County;

• financial service offices in Urbana (two offices), Mechanicsburg and North Lewisburg in Champaign County;

• financial service offices in Springfield (six offices), Enon, Medway, New Carlisle (two offices) and South Charleston in Clark County;

• financial service offices in Amelia (two offices), Cincinnati, Milford, New Richmond and Owensville in Clermont County;

• financial service office in Coshocton in Coshocton County;

• financial service offices in Bucyrus, Crestline and Galion in Crawford County;

• financial service offices in Greenville (five offices), Arcanum and Versailles in Darke County;

• financial service offices in Baltimore, Pickerington (two offices) and Lancaster (six offices) in Fairfield County;

• financial service office in Jeffersonville in Fayette County;

• financial service offices in Canal Winchester, Columbus (two offices), Gahanna, Reynoldsburg and Worthington in Franklin County;

• financial service offices in Jamestown, Xenia (two offices) and Yellow Springs in Greene County;

• financial service office in Cincinnati in Hamilton County;

• financial service office in Logan in Hocking County;

• financial service office in Millersburg in Holmes County;

• financial service offices (3 offices) and an operations center in Mount Vernon as well as financial service offices in Centerburg, Danville and Fredericktown, all in Knox County;

• financial service offices in Granville, Heath (two offices), Hebron, Johnstown, Kirkersville, Pataskala, Reynoldsburg and Utica in Licking County;

• financial service office in Plain City in Madison County;

• financial service offices in Caledonia, Marion (two offices) and Prospect in Marion County;

financial service offices in Celina and in Fort Recovery in Mercer County;

financial service offices (three offices) and an operations center in Piqua as well as financial service offices in Tipp City and Troy (two offices), all in Miami County;

financial service offices in Mount Gilead (two offices) in Morrow County;

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• financial service offices in Zanesville (nine offices), New Concord and Dresden in Muskingum County;

• financial service office in New Lexington in Perry County;

• financial service offices in Bellville, Mansfield (eight offices), Butler, Lexington, Ontario and Shelby in Richland County;

• financial service office in Newcomerstown in Tuscarawas County; and

• financial service office in Springboro in Warren County.

Park National Bank also has one financial service office in Florence (Boone County), Kentucky.

The financial service offices in Athens, Coshocton, Hocking, Muskingum, Perry and Tuscarawas Counties comprise the Century National Bank Division. The financial service offices in Canal Winchester and Reynoldsburg in Franklin County and Fairfield County comprise the Fairfield National Bank Division. The financial service offices in Ashland County comprise the Farmers Bank Division. The financial service offices in Bellville in Richland County and in Holmes, Knox and Morrow Counties comprise the First-Knox National Bank Division. The financial service offices in Butler, Clermont and Hamilton Counties in Ohio and in Boone County, Kentucky comprise The Park National Bank of Southwest Ohio & Northern Kentucky Division. The financial service offices in Richland County (except the Bellville office) comprise the Richland Bank Division. The financial service offices in Darke and Mercer Counties comprise the Second National Bank Division. The financial service offices in Champaign, Clark, Fayette, Greene, Madison and Warren Counties comprise the Security National Bank Division. The financial service offices in Crawford and Marion Counties comprise the United Bank, N.A. Division. The financial service offices in Miami County comprise the Unity National Bank Division. Of the financial service offices described above, 30 are leased and the remainder are owned. Park National Bank also operates 29 off-site automated teller machines.

Scope Leasing, Inc. has an office located in Columbus in Franklin County, Ohio, which it leases.

Guardian Finance

As of the date of this Annual Report on Form 10-K, Guardian Finance has a total of six financial service offices, all of which are located in Ohio. Guardian Finance has its main office in Hilliard in Franklin County, a financial service office in Springfield in Clark County, a financial service office in Lancaster in Fairfield County where it leases space from the Fairfield National Bank Division of Park National Bank, a financial service office in Heath in Licking County, a financial service office in Centerville in Montgomery County and a financial service office in Mansfield in Richland County where it leases space from the Richland Bank Division of Park National Bank. All of Guardian Finance's financial service offices are leased.

SE Property Holdings, LLC

SEPH has one office located in Newark in Licking County, Ohio, which it leases.

ITEM 3. LEGAL PROCEEDINGS.

There are no pending legal proceedings to which Park or any of its subsidiaries is a party or to which any of their property is subject, except for routine legal proceedings to which Park's subsidiaries are parties incidental to their respective businesses. Park considers none of those proceedings to be material.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND
5. ISSUER PURCHASES OF EQUITY SECURITIES.

The information called for in this Item 5 by Items 201(a) through 201(c) of SEC Regulation S-K is incorporated herein by reference from "Table 35 – Market and Dividend Information" and the accompanying disclosure in the section of Park's 2013 Annual Report captioned "MANAGEMENT'S DISCUSSION AND ANALYSIS."

The following table provides information regarding purchases of Park's common shares made by or on behalf of Park or any "affiliated purchaser" as defined in Rule 10b-18(a)(3) under the Exchange Act during the fiscal quarter ended December 31, 2013. The table also provides information concerning the maximum number of common shares that may be purchased under Park's previously announced stock repurchase authorization to fund the Park National Corporation 2013 Long-Term Incentive Plan (the "2013 Incentive Plan"):

Period	Total Number of Common Shares Purchased	Average Price Paid per Common Share	Total Number of Common Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Common Shares that May Yet Be Purchased under the Plans or Programs (2)
October 1 through October 31, 2013	—	—	—	600,000
November 1 through November 30, 2013	10,550	\$79.93	10,550	589,450
December 1 through December 31, 2013	—	—	—	589,450
Total	10,550	\$79.93	10,550	

(1) All of the common shares reported were purchased in the open market under Park's publicly announced stock repurchase authorization to fund the 2013 Incentive Plan.

The number shown represents, as of the end of each period, the maximum number of common shares that may yet (2) be purchased as part of Park's publicly announced stock repurchase authorization to fund the 2013 Incentive Plan which became effective on April 22, 2013.

At the 2013 Annual Meeting of Shareholders held on April 22, 2013, Park's shareholders approved the 2013 Incentive Plan. The 2013 Incentive Plan replaced the Park National Corporation 2005 Incentive Stock Option Plan (the "2005 Plan") as well as the Park National Corporation Stock Plan for Non-Employee Directors of Park National Corporation and Subsidiaries (the "Directors' Stock Plan"), each of which terminated following the approval of the 2013 Incentive Plan by Park's shareholders. From and after April 22, 2013, no further awards may be granted by Park under the 2005 Plan or the Directors' Stock Plan.

The aggregate number of common shares with respect to which awards may be granted under the 2013 Incentive Plan will be 600,000. The common shares to be issued and delivered under the 2013 Incentive Plan may consist of either common shares currently held or common shares subsequently acquired by Park as treasury shares. No newly-issued common shares will be delivered under the 2013 Incentive Plan. On April 22, 2013, Park's Board of Directors

authorized the purchase, from time to time, of up to 600,000 Park common shares to be held as treasury shares for subsequent issuance and delivery under the 2013 Incentive Plan. As of December 31, 2013, 10,550 common shares had been purchased for this purpose.

ITEM 6. SELECTED FINANCIAL DATA.

The information called for in this Item 6 is incorporated herein by reference from “Table 32 – Consolidated Five-Year Selected Financial Data” and the accompanying disclosure in the section of Park’s 2013 Annual Report captioned “MANAGEMENT’S DISCUSSION AND ANALYSIS.”

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The information called for in this Item 7 is incorporated herein by reference from the section of Park’s 2013 Annual Report captioned “MANAGEMENT’S DISCUSSION AND ANALYSIS.”

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As noted in Table 12 included in the section of Park’s 2013 Annual Report captioned “MANAGEMENT’S DISCUSSION AND ANALYSIS,” Park’s tax equivalent net interest margin declined by 31 basis points in 2012 and by 22 basis points in 2013. Consistently, over the last several years, Park’s earnings simulation model has projected that changes in interest rates would have only a small impact on net income and the tax equivalent net interest margin. The tax equivalent net interest margin was 3.61%, 3.83% and 4.14% for each of the fiscal years ended December 31, 2013, 2012 and 2011 respectively. The discussion of interest rate sensitivity included in the section of Park’s 2013 Annual Report captioned “MANAGEMENT’S DISCUSSION AND ANALYSIS – CAPITAL RESOURCES – Liquidity and Interest Rate Sensitivity Management” is incorporated herein by reference. In addition, the discussion of Park’s commitments, contingent liabilities and off-balance sheet arrangements included in Park’s 2013 Annual Report under the caption “MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTRACTUAL OBLIGATIONS – Commitments, Contingent Liabilities, and Off-Balance Sheet Arrangements,” and in Note 18 of the Notes to Consolidated Financial Statements included in Park’s 2013 Annual Report, is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The Consolidated Balance Sheets of Park and its subsidiaries at December 31, 2013 and 2012, the related Consolidated Statements of Income, of Comprehensive Income, of Changes in Shareholders’ Equity and of Cash Flows for the years ended December 31, 2013, 2012 and 2011, the related Notes to Consolidated Financial Statements and the Report of Independent Registered Public Accounting Firm (Crowe Horwath LLP) in Park’s 2013 Annual Report, are incorporated herein by reference. Quarterly Financial Data provided in “Table 33 – Quarterly Financial Data” and the accompanying disclosure included in the section of Park’s 2013 Annual Report captioned “MANAGEMENT’S DISCUSSION AND ANALYSIS,” is also incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

No response required.

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

With the participation of the Chief Executive Officer and President (the principal executive officer) and the Chief Financial Officer, Secretary and Treasurer (the principal financial officer) of Park, Park’s management has evaluated the effectiveness of Park’s disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the fiscal year covered by this Annual Report on Form 10-K. Based on that evaluation, Park’s Chief Executive Officer and President and Park’s Chief Financial Officer, Secretary and Treasurer have concluded that: information required to be disclosed by Park in this Annual Report on Form 10-K and the other reports that Park files or submits under the Exchange Act would be accumulated and communicated to Park’s management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required

disclosure;

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information required to be disclosed by Park in this Annual Report on Form 10-K and the other reports that Park files or submits under the Exchange Act would be recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and

Park's disclosure controls and procedures were effective as of the end of the fiscal year covered by this Annual Report on Form 10-K.

Management's Annual Report on Internal Control over Financial Reporting

The "MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING" included in Park's 2013 Annual Report is incorporated herein by reference.

Attestation Report of the Registered Public Accounting Firm

The "REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM" included in Park's 2013 Annual Report is incorporated herein by reference.

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) that occurred during Park's fiscal quarter ended December 31, 2013, that have materially affected, or are reasonably likely to materially affect, Park's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

No response required.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Directors, Executive Officers and Persons Nominated or Chosen to Become Directors or Executive Officers

The information required by Item 401 of SEC Regulation S-K concerning the directors of Park and the nominees for election as directors of Park at the Annual Meeting of Shareholders to be held on April 28, 2014 (the "2014 Annual Meeting") is incorporated herein by reference from the disclosure to be included under the caption "ELECTION OF DIRECTORS (Proposal 1)" in Park's definitive Proxy Statement relating to the 2014 Annual Meeting to be filed pursuant to SEC Regulation 14A ("Park's 2014 Proxy Statement").

The information required by Item 401 of SEC Regulation S-K concerning the executive officers of Park is incorporated herein by reference from the disclosure to be included under the caption "EXECUTIVE OFFICERS" in Park's 2014 Proxy Statement.

Compliance with Section 16(a) of the Exchange Act

The information required by Item 405 of SEC Regulation S-K is incorporated herein by reference from the disclosure to be included under the caption "BENEFICIAL OWNERSHIP OF PARK COMMON SHARES – Section 16(a) Beneficial Ownership Reporting Compliance" in Park's 2014 Proxy Statement.

Committee Charters; Corporate Governance Guidelines; Code of Business Conduct and Ethics

Park's Board of Directors has adopted charters for each of the Audit Committee, the Compensation Committee, the Executive Committee, the Investment Committee, the Nominating and Corporate Governance Committee and the Risk Committee. Park's Board of Directors has also adopted Corporate Governance Guidelines which are included as Exhibit A to the charter of the Nominating and Corporate Governance Committee.

In accordance with the requirements of Section 807 of the NYSE MKT Company Guide, the Board of Directors of Park has adopted a Code of Business Conduct and Ethics covering the directors, officers and employees of Park and its affiliates, including Park's Chairman of the Board, Park's Chief Executive Officer and President (the principal executive

officer), Park's Chief Financial Officer, Secretary and Treasurer (the principal financial officer) and Park's Chief Accounting Officer (the principal accounting officer). Park intends to disclose the following events, if they occur, in a current report on Form 8-K within four business days following their occurrence: (A) the date and nature of any amendment to a provision of Park's Code of Business Conduct and Ethics that (i) applies to Park's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, (ii) relates to any element of the code of ethics definition enumerated in Item 406(b) of SEC Regulation S-K, and (iii) is not a technical, administrative or other non-substantive amendment; and (B) a description of any waiver (including the nature of the waiver, the name of the person to whom the waiver was granted and the date of the waiver), including an implicit waiver, from a provision of the Code of Business Conduct and Ethics granted to Park's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions that relates to one or more of the elements of the code of ethics definition set forth in Item 406(b) of SEC Regulation S-K. In addition, Park will disclose any waivers from the provisions of the Code of Business Conduct and Ethics granted to a director or executive officer of Park in a current report on Form 8-K within four business days following their occurrence in accordance with the requirements of Section 807 of the NYSE MKT Company Guide. The text of each of the Code of Business Conduct and Ethics, the Audit Committee Charter, the Compensation Committee Charter, the Executive Committee Charter, the Investment Committee Charter, the Nominating and Corporate Governance Committee Charter (including the Corporate Governance Guidelines) and the Risk Committee Charter is posted on the "Governance Documents" section of the "Investor Relations" page of Park's Internet site located at <http://www.parknationalcorp.com>. Interested persons may also obtain copies of the Code of Business Conduct and Ethics, the Audit Committee Charter, the Compensation Committee Charter, the Executive Committee Charter, the Investment Committee Charter, the Nominating and Corporate Governance Committee Charter and the Risk Committee Charter, without charge, by writing to the Chief Executive Officer and President of Park at Park National Corporation, 50 North Third Street, P.O. Box 3500, Newark, Ohio 43058-3500, Attention: David L. Trautman.

Procedures for Recommending Director Nominees

Information concerning the procedures by which shareholders of Park may recommend nominees to Park's Board of Directors is incorporated herein by reference from the disclosure to be included under the caption "CORPORATE GOVERNANCE – Nominating Procedures" in Park's 2014 Proxy Statement. These procedures have not materially changed from those described in Park's definitive Proxy Statement for the 2013 Annual Meeting of Shareholders held on April 22, 2013.

Audit Committee

The information required by Items 407(d)(4) and 407(d)(5) of SEC Regulation S-K is incorporated herein by reference from the disclosure to be included under the caption "BOARD OF DIRECTORS STRUCTURE AND MEETINGS – Committees of the Board – Audit Committee" in Park's 2014 Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION.

The information required by Item 402 of SEC Regulation S-K is incorporated herein by reference from the disclosure to be included under the captions "EXECUTIVE COMPENSATION" and "DIRECTOR COMPENSATION" in Park's 2014 Proxy Statement.

The information required by Item 407(e)(4) of SEC Regulation S-K is incorporated herein by reference from the disclosure to be included under the caption "COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION" in Park's 2014 Proxy Statement.

The information required by Item 407(e)(5) of SEC Regulation S-K is incorporated herein by reference from the disclosure to be included under the caption "EXECUTIVE COMPENSATION – Compensation Committee Report" in Park's 2014 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Beneficial Ownership of Common Shares of Park

The information required by Item 403 of SEC Regulation S-K is incorporated herein by reference from the disclosure to be included under the caption "BENEFICIAL OWNERSHIP OF PARK COMMON SHARES" in Park's 2014 Proxy Statement.

Equity Compensation Plan Information

The information required by Item 201(d) of SEC Regulation S-K is incorporated herein by reference from the disclosure to be included under the caption "EQUITY COMPENSATION PLAN INFORMATION" in Park's 2014 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Certain Relationships and Related Person Transactions

The information required by Item 404 of SEC Regulation S-K is incorporated herein by reference from the disclosure to be included under the captions "CORPORATE GOVERNANCE – Transactions with Related Persons" and "COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION" in Park's 2014 Proxy Statement.

Director Independence

The information required by Item 407(a) of SEC Regulation S-K is incorporated herein by reference from the disclosure to be included under the caption "CORPORATE GOVERNANCE – Independence of Directors" in Park's 2014 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The information called for in this Item 14 is incorporated herein by reference from the disclosure to be included under the captions "AUDIT COMMITTEE MATTERS – Pre-Approval of Services Performed by Independent Registered Public Accounting Firm" and "AUDIT COMMITTEE MATTERS – Fees of Independent Registered Public Accounting Firm" in Park's 2014 Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a)(1) Financial Statements.

The consolidated financial statements (and report thereon) listed below are incorporated herein by reference from Park's 2013 Annual Report as noted:

Report of Independent Registered Public Accounting Firm (Crowe Horwath LLP) -- Incorporated by reference from Park's 2013 Annual Report

Consolidated Balance Sheets at December 31, 2013 and 2012 -- Incorporated by reference from Park's 2013 Annual Report

Consolidated Statements of Income for the years ended December 31, 2013, 2012 and 2011 -- Incorporated by reference from Park's 2013 Annual Report

Consolidated Statements of Comprehensive Income for the years ended December 31, 2013, 2012 and 2011 - Incorporated by reference from Park's 2013 Annual Report

Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2013, 2012 and 2011 -- Incorporated by reference from Park's 2013 Annual Report

Consolidated Statements of Cash Flows for the years ended December 31, 2013, 2012 and 2011 -- Incorporated by reference from Park's 2013 Annual Report

Notes to Consolidated Financial Statements -- Incorporated by reference from Park's 2013 Annual Report

(a)(2) Financial Statement Schedules.

All schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are inapplicable and have been omitted.

(a)(3) Exhibits.

The documents listed below are filed/furnished with this Annual Report on Form 10-K as exhibits or incorporated into this Annual Report on Form 10-K by reference as noted:

Exhibit No. Description of Exhibit

2.1(a) Purchase and Assumption Agreement, made and entered into on November 16, 2011, by and between Vision Bank and Park National Corporation (collectively, "Seller") and Centennial Bank and Home BancShares, Inc. (collectively, "Buyer") (incorporated herein by reference to Exhibit 2.1 to Park National Corporation's Current Report on Form 8-K, dated and filed November 17, 2011 (File No. 1-13006))

Note: The disclosure schedules and other schedules (with the exception of Schedule S) referenced in the Purchase and Assumption Agreement have been omitted pursuant to Item 601(b)(2) of SEC Regulation S-K. Park National Corporation hereby undertakes to furnish a copy of the omitted disclosure schedules and other schedules upon request by the SEC.

2.1(b) First Amendment to Purchase and Assumption Agreement by and between Vision Bank and Park National Corporation and Centennial Bank and Home BancShares, Inc., effective as of January 25, 2012 (incorporated herein by reference to Exhibit 2.1(b) to Park National Corporation's Current Report on Form 8-K, dated and filed February 16, 2012 (File No. 1-13006))

2.1(c) Second Amendment to Purchase and Assumption Agreement by and between SE Property Holdings, LLC (as successor to Vision Bank) and Park National Corporation and Centennial Bank and Home BancShares, Inc., effective as of April 30, 2012 (incorporated herein by reference to Exhibit 2.1(c) to Park National Corporation's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 (File No. 1-13006))

2.2 Agreement and Plan of Merger, entered into as of January 25, 2012, by and between Vision Bank and SE Property Holdings, LLC (incorporated herein by reference to Exhibit 2.2 to Park National Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (File No. 1-13006))

3.1(a) 1992 Articles of Incorporation of Park National Corporation as filed with the Ohio Secretary of State on March 24, 1992 (incorporated herein by reference to Exhibit 3(a) to Park National Corporation's Form 8-B, filed on May 20, 1992 (File No. 0-18772) ("Park's Form 8-B"))

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3.1(b) Certificate of Amendment to the Articles of Incorporation of Park National Corporation as filed with the Ohio Secretary of State on May 6, 1993 (incorporated herein by reference to Exhibit 3(b) to Park National Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 (File No. 0-18772))

3.1(c) Certificate of Amendment to the Articles of Incorporation of Park National Corporation as filed with the Ohio Secretary of State on April 16, 1996 (incorporated herein by reference to Exhibit 3(a) to Park National Corporation's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1996 (File No. 1-13006))

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3.1(d) Certificate of Amendment by Shareholders to the Articles of Incorporation of Park National Corporation as filed with the Ohio Secretary of State on April 22, 1997 (incorporated herein by reference to Exhibit 3(a)(1) to Park National Corporation's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1997 (File No. 1-13006) ("Park's June 30, 1997 Form 10-Q"))

3.1(e) Certificate of Amendment by Shareholders or Members as filed with the Secretary of State of the State of Ohio on December 18, 2008 in order to evidence the adoption by the shareholders of Park National Corporation on December 18, 2008 of an amendment to Article FOURTH of Park National Corporation's Articles of Incorporation to authorize Park National Corporation to issue up to 200,000 preferred shares, without par value (incorporated herein by reference to Exhibit 3.1 to Park National Corporation's Current Report on Form 8-K dated and filed December 19, 2008 (File No. 1-13006))

3.1(f) Certificate of Amendment by Directors or Incorporators to Articles as filed with the Secretary of State of the State of Ohio on December 19, 2008, evidencing adoption of amendment by Board of Directors of Park National Corporation to Article FOURTH of Articles of Incorporation to establish express terms of Fixed Rate Cumulative Perpetual Preferred Shares, Series A, each without par value, of Park National Corporation (incorporated herein by reference to Exhibit 3.1 to Park National Corporation's Current Report on Form 8-K dated and filed December 23, 2008 (File No. 1-13006) ("Park's December 23, 2008 Form 8-K"))

3.1(g) Certificate of Amendment by Shareholders or Members as filed with the Secretary of State of the State of Ohio on April 18, 2011 in order to evidence the adoption by Park National Corporation's shareholders of an amendment to Article SIXTH of Park National Corporation's Articles of Incorporation in order to provide that shareholders do not have preemptive rights (incorporated herein by reference to Exhibit 3.1 to Park National Corporation's Current Report on Form 8-K dated and filed April 19, 2011 (File No. 1-13006))

3.1(h) Articles of Incorporation of Park National Corporation (reflecting amendments through April 18, 2011) [for SEC reporting compliance purposes only - not filed with Ohio Secretary of State] (incorporated herein by reference to Exhibit 3.1(h) to Park National Corporation's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011 (File No. 1-13006))

3.2(a) Regulations of Park National Corporation (incorporated herein by reference to Exhibit 3(b) to Park's Form 8-B)

3.2(b) Certified Resolution regarding Adoption of Amendment to Subsection 2.02(A) of the Regulations of Park National Corporation by Shareholders on April 21, 1997 (incorporated herein by reference to Exhibit 3(b)(1) to Park's June 30, 1997 Form 10-Q)

3.2(c) Certificate Regarding Adoption of Amendments to Sections 1.04 and 1.11 of Park National Corporation's Regulations by the Shareholders on April 17, 2006 (incorporated herein by reference to Exhibit 3.1 to Park National Corporation's Current Report on Form 8-K dated and filed on April 18, 2006 (File No. 1-13006))

3.2(d) Certificate Regarding Adoption by the Shareholders of Park National Corporation on April 21, 2008 of Amendment to Regulations to Add New Section 5.10 to Article FIVE (incorporated herein by reference to Exhibit 3.2(d) to Park National Corporation's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2008 (File No. 1-13006) ("Park's March 31, 2008 Form 10-Q"))

3.2(e) Regulations of Park National Corporation (reflecting amendments through April 21, 2008) [For purposes of SEC reporting compliance only] (incorporated herein by reference to Exhibit 3.2 (e) to Park's March 31, 2008 Form 10-Q)

4.1(a) Junior Subordinated Indenture, dated as of December 5, 2005, between Vision Bancshares, Inc. and Wilmington Trust Company, as Trustee (incorporated herein by reference to Exhibit 10.16 to Vision Bancshares, Inc.'s Annual Report on Form 10-KSB for the fiscal year ended December 31, 2005 (File No. 000-50719))

4.1(b) First Supplemental Indenture, dated to be effective as of 6:00 p.m., Eastern Standard Time, on March 9, 2007, among Wilmington Trust Company, as Trustee; Park National Corporation; and Vision Bancshares, Inc. (incorporated herein by reference to Exhibit 4.1(b) to Park National Corporation's Current Report on Form 8-K dated and filed March 15, 2007 (File No. 1-13006) ("Park's March 15, 2007 Form 8-K"))

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Amended and Restated Trust Agreement, dated as of December 5, 2005, among Vision Bancshares, Inc., as Depositor; Wilmington Trust Company, as Property Trustee and as Delaware Trustee; and the Administrative Trustees named therein, in respect of Vision Bancshares Trust I (incorporated herein by reference to Exhibit 10.15 to Vision Bancshares, Inc.'s Annual Report on Form 10-KSB for the fiscal year ended December 31, 2005 (File No. 000-50719))

Note: Pursuant to the First Supplemental Indenture, dated to be effective as of 6:00 p.m., Eastern Standard Time, on March 9, 2007, among Wilmington Trust Company, as Trustee; Park National Corporation; and Vision Bancshares, Inc., Park National Corporation succeeded to and was substituted for Vision Bancshares, Inc. as "Depositor"

Notice of Resignation of Administrative Trustees and Appointment of Successors, dated March 9, 2007, delivered to Wilmington Trust Company by the Resigning Administrative Trustees named therein, the Successor Administrative Trustees named therein and Park National Corporation (incorporated herein by reference to Exhibit 4.2(b) to Park's March 15, 2007 Form 8-K)

Notice of Removal of Administrative Trustee and Appointment of Successor, dated February 21, 2013, delivered to Wilmington Trust Company by the continuing Administrative Trustee named therein and Park National Corporation (incorporated herein by reference to Exhibit 4.2(c) to Park National Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 (File No. 1-13006) ("Park's 2012 Form 10-K"))

Guarantee Agreement, dated as of December 5, 2005, between Vision Bancshares, Inc., as Guarantor, and Wilmington Trust Company, as Guarantee Trustee, in respect of Vision Bancshares Trust I (incorporated herein by reference to Exhibit 10.17 to Vision Bancshares, Inc.'s Annual Report on Form 10-KSB for the fiscal year ended December 31, 2005 (File No. 000-50719))

Note: Pursuant to the First Supplemental Indenture, dated to be effective as of 6:00 p.m., Eastern Standard Time, on March 9, 2007, among Wilmington Trust Company, as Trustee; Park National Corporation; and Vision Bancshares, Inc., Park National Corporation succeeded to and was substituted for Vision Bancshares, Inc. as "Guarantor"

Warrant to Purchase 227,376 Shares of Common Stock (Common Shares) of Park National Corporation issued to the United States Department of the Treasury on December 23, 2008 (incorporated herein by reference to Exhibit 4.1 to Park's December 23, 2008 Form 8-K)

Note: Repurchased on May 2, 2012. See Exhibit 4.7 to this Annual Report on form 10-K.

Letter Agreement, dated December 23, 2008, including Securities Purchase Agreement - Standard Terms attached thereto as Exhibit A, between Park National Corporation and the United States Department of the Treasury (incorporated herein by reference to Exhibit 10.1 to Park's December 23, 2008 Form 8-K) [NOTE: Annex A to Securities Purchase Agreement is not included therewith; filed as Exhibit 3.1 to Park's December 23, 2008 Form 8-K and incorporated by reference at Exhibit 3.1(f) of this Annual Report on Form 10-K]

Letter Agreement, dated April 25, 2012, between Park National Corporation and the United States Department of the Treasury related to the repurchase of the 100,000 Fixed Rate Cumulative Perpetual Preferred Shares, Series A, issued by Park National Corporation (incorporated herein by reference to Exhibit 10.1 to Park National Corporation's Current Report on Form 8-K, dated and filed April 25, 2012 (File No. 1-13006))

Letter Agreement, dated May 2, 2012, between Park National Corporation and the United States Department of the Treasury related to the repurchase of the Warrant to purchase 227,376 Common Shares issued by Park National

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Corporation (incorporated herein by reference to Exhibit 10.1 to Park National Corporation's Current Report on Form 8-K, dated and filed May 2, 2012 (File No. 1-13006))

Note Purchase Agreement, dated December 23, 2009, between Park National Corporation and 38 accredited 4.8 investors (incorporated herein by reference to Exhibit 4.1 to Park National Corporation's Current Report on Form 8-K dated and filed on December 28, 2009 (File No. 1-13006) ("Park's December 28, 2009 Form 8-K"))

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4.9 Form of 10% Subordinated Note due December 23, 2019 (incorporated herein by reference to Exhibit 4.2 to Park's December 28, 2009 Form 8-K)

4.10 Note Purchase Agreement, dated April 20, 2012, between Park National Corporation and 56 accredited investors (incorporated herein by reference to Exhibit 4.1 to Park National Corporation's Current Report on Form 8-K dated and filed on April 20, 2012 (File No. 1-13006) ("Park's April 20, 2012 Form 8-K"))

4.11 Form of 7% Subordinated Note due April 20, 2022 (incorporated herein by reference to Exhibit 4.2 to Park's April 20, 2012 Form 8-K)

4.12 Agreement to furnish instruments and agreements defining rights of holders of long-term debt (filed herewith)

10.1 Summary of Base Salaries for Executive Officers of Park National Corporation (filed herewith)

10.2(a) Split-Dollar Agreement, dated May 17, 1993, between William T. McConnell and The Park National Bank (incorporated herein by reference to Exhibit 10(f) to Park National Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 (File No. 0-18772))

10.2(b) Schedule identifying Split-Dollar Agreements covering executive officers of The Park National Bank who are also directors and executive officers of Park National Corporation, which Split-Dollar Agreements are identical to the Split-Dollar Agreement, dated May 17, 1993, between William T. McConnell and The Park National Bank (filed herewith)

10.3(a) Description of Park National Corporation Supplemental Executive Retirement Benefits as in effect since February 18, 2008 (filed herewith)

10.3(b) Supplemental Executive Retirement Benefits Agreement, made as of February 18, 2008, between Park National Corporation and David L. Trautman (incorporated herein by reference to Exhibit 10.1 to Park National Corporation's Current Report on Form 8-K dated and filed February 19, 2008 (File No. 1-13006) ("Park's February 19, 2008 Form 8-K"))

10.3(c) Form of Amended and Restated Supplemental Executive Retirement Benefits Agreement, made as of February 18, 2008, between Park National Corporation and each of C. Daniel DeLawder and William T. McConnell (incorporated herein by reference to Exhibit 10.2 to Park's February 19, 2008 Form 8-K)

10.4 Employment Agreement, made and entered into as of December 22, 1999, and the Amendment thereto, dated March 23, 2001, between The Security National Bank and Trust Co. (now known as the Security National Bank Division of The Park National Bank) and Harry O. Egger (incorporated herein by reference to Exhibit 10(e) to Park National Corporation's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2001 (File No. 1-13006))

10.5 Summary of Certain Compensation for Directors of Park National Corporation (filed herewith)

10.6(a) Form of Split-Dollar Agreement, made and entered into effective as of December 28, 2007, covering Non-Employee Directors of Park National Corporation (incorporated herein by reference to Exhibit 10.2(a) to Park National Corporation's Current Report on Form 8-K dated and filed on January 2, 2008 (File No. 1-13006))

10.6(b)

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Schedule identifying Non-Employee Directors of Park National Corporation covered by form of Split-Dollar Agreement, made and entered into effective as of December 28, 2007 (filed herewith)

10.7 Split-Dollar Agreement, made and entered into effective as of May 19, 2008, between The Park National Bank and David L. Trautman (incorporated herein by reference to Exhibit 10.1 to Park National Corporation's Current Report on Form 8-K dated and filed on May 20, 2008 (File No. 1-13006))

10.8 Split-Dollar Agreement, made and entered into effective as of January 1, 2010, between The Park National Bank and Brady T. Burt (incorporated herein by reference to Exhibit 10.11 to Park's 2012 Form 10-K)

- 10.9 Park National Corporation 2013 Long-Term Incentive Plan (incorporated herein by reference to Exhibit 10.1 to Park National Corporation's Current Report on Form 8-K dated and filed on April 23, 2013 (File No. 1-13006)) Form of Park National Corporation 2013 Long-Term Incentive Plan Performance-Based Restricted Stock Unit Award Agreement used and to be used to evidence awards of Performance-Based Restricted Stock Units to employees of Park National Corporation and its subsidiaries granted on and after January 24, 2014 (incorporated herein by reference to Exhibit 10.1 to Park National Corporation's Current Report on Form 8-K dated and filed on January 27, 2014 (File No. 1-13006))
- 10.10 2013 Annual Report (not deemed filed except for portions thereof which are specifically incorporated by reference in this Annual Report on Form 10-K) (specified portions filed herewith)
- 13 Code of Business Conduct and Ethics, as amended July 22, 2013 and updated July 23, 2013 (filed herewith)
- 21 Subsidiaries of Park National Corporation (filed herewith)
- 23 Consent of Crowe Horwath LLP (filed herewith)
- 24 Powers of Attorney of Directors and Executive Officers of Park National Corporation (filed herewith)
- 31.1 Rule 13a-14(a)/15d-14(a) Certifications - Principal Executive Officer (filed herewith)
- 31.2 Rule 13a-14(a)/15d-14(a) Certifications - Principal Financial Officer (filed herewith)
- 32 Certifications Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code - Principal Executive Officer and Principal Financial Officer (furnished herewith)

The following materials from Park National Corporation's 2013 Annual Report and incorporated therefrom into Park National Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, formatted in XBRL (eXtensible Business Reporting Language) pursuant to Rule 405 of Regulation S-T: (i) the Consolidated Balance Sheets as of December 31, 2013 and 2012; (ii) the Consolidated Statements of Income for the years ended December 31, 2013, 2012 and 2011; (iii) the Consolidated Statements of Comprehensive Income for the years ended December 31, 2013, 2012 and 2011; (iv) the Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2013, 2012 and 2011; (v) the Consolidated Statements of Cash Flows for the years ended December 31, 2013, 2012 and 2011; and (vi) the Notes to Consolidated Financial Statements (electronically submitted herewith)

Management contract or compensatory plan or arrangement.

(b) Exhibits.

The documents listed in Item 15(a)(3) are filed/furnished with this Annual Report on Form 10-K as exhibits or incorporated into this Annual Report on Form 10-K by reference.

(c) Financial Statement Schedules.

None

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

PARK NATIONAL CORPORATION

Date: February 25, 2014

By: /s/ David L. Trautman
David L. Trautman,
Chief Executive Officer and President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on the 25th day of February, 2014.

Name	Capacity
/s/ David L. Trautman David L. Trautman	Chief Executive Officer, President and Director
/s/ C. Daniel DeLawder C. Daniel DeLawder	Chairman of the Board and Director
/s/ Brady T. Burt Brady T. Burt	Chief Financial Officer, Secretary and Treasurer
/s/ Matthew R. Miller Matthew R. Miller	Chief Accounting Officer
/s/ Donna M. Alvarado* Donna M. Alvarado	Director
/s/ Maureen Buchwald* Maureen Buchwald	Director
/s/ Harry O. Egger* Harry O. Egger	Director
/s/ F. William Englefield IV* F. William Englefield IV	Director
/s/ Stephen J. Kambeitz* Stephen J. Kambeitz	Director
/s/ William T. McConnell* William T. McConnell	Director

Name	Capacity
/s/ Timothy S. McLain* Timothy S. McLain	Director
/s/ Dr. Charles W. Noble, Sr.* Dr. Charles W. Noble Sr.	Director
/s/ John J. O'Neill* John J. O'Neill	Director
/s/ Robert E. O'Neill* Robert E. O'Neill	Director
/s/ Rick R. Taylor* Rick R. Taylor	Director
/s/ Leon Zazworsky* Leon Zazworsky	Director

* The above-named directors of the Registrant sign this Annual Report on Form 10-K by David L. Trautman, their attorney-in-fact, pursuant to Powers of Attorney signed by the above-named directors, which Powers of Attorney are filed with this Annual Report on Form 10-K as exhibits, in the capacities indicated and on the 25th day of February, 2014.

By: /s/ David L. Trautman
David L. Trautman
Chief Executive Officer and President