

Lakeland Financial Corporation

A Proven History of Shareholder Value Creation
And Commitment to Our Communities

4th Quarter 2021



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Forward-Looking Information

This presentation contains, and future oral and written statements of the Company and its management may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts and are generally identifiable by the use of words such as “believe”, “expect”, “anticipate”, “estimate”, “could”, and other similar expressions. All statements in this presentation, including forward-looking statements, speak only as of today’s date, and the Company undertakes no obligation to update any statement in light of new information or future events.

The Company’s ability to predict results or the actual effect of future plans or strategies is inherently uncertain and, accordingly, you are cautioned not to place undue reliance on any forward-looking statement. Actual results could differ materially from those addressed in the forward-looking statements as a result of numerous factors, including, without limitation: (i) the effects of future economic, business and market conditions and changes, including in connection with the COVID-19 pandemic, (ii) the risks of changes in interest rates on the levels, composition and costs of deposits, loan demand, and the values and liquidity of loan collateral, securities and other interest sensitive assets and liabilities, (iii) changes in borrowers’ credit risks and payment behaviors, (iv) the timing and scope of any legislative and regulatory changes, including changes in tax and banking laws and regulations and their application by the Company’s regulators, (v) the failure of assumptions and estimates used in the Company’s reviews of its loan portfolio, underlying the establishment of reserves for possible credit losses, the Company’s analysis of its capital position and other estimates; and (vi) the risks noted in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, as well as other risks and uncertainties set forth from time to time in the Company’s other filings with the Securities and Exchange Commission.

Bank Director's 2021 Scorecard

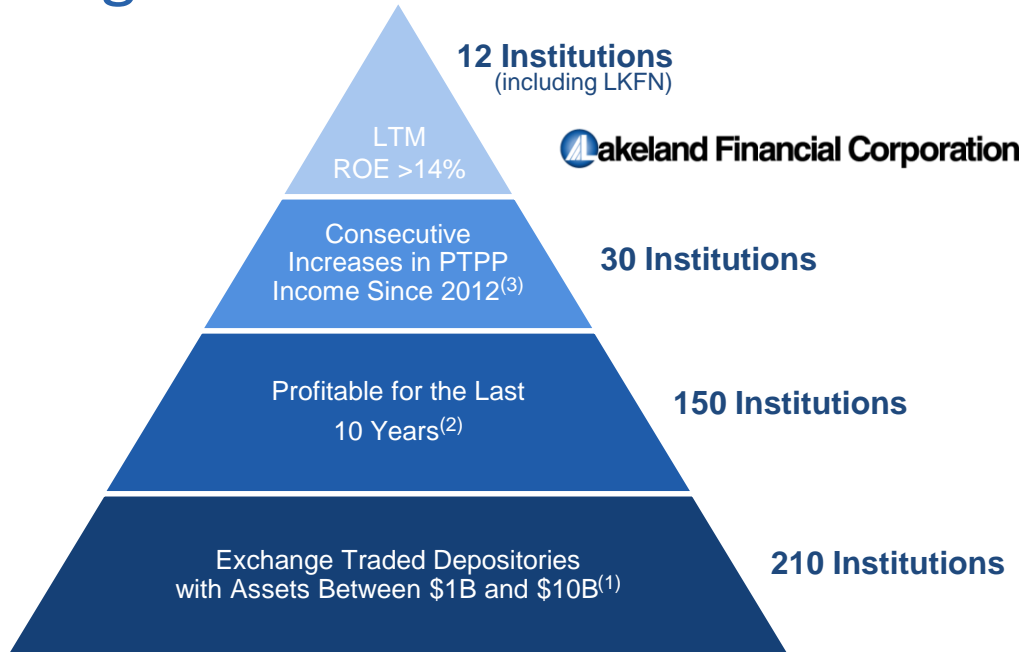
2021
BANK
PERFORMANCE
SCORE
CARD

\$5 BILLION UP TO \$50 BILLION

Rank	Company Name	Ticker	State	Total Assets (\$MM)	Profitability				Capital Adequacy			Asset Quality			Final Score
					Core ROAA (%)	ROA Rank	Core ROAE (%)	ROE Rank	Tang Common Equity/Tang Assets (%)	TCE Rank	NPAs ex TDRs/Loans & OREO (%)	NPA Rank	NCOs/Avg Loans (%)	NCOs Rank	
1	Lakeland Financial Corp.*	LKFN	IN	5,830	1.54	10	13.39	11	11.19	16	0.26	26	0.09	62	81.0
2	First Financial Bankshares	FFIN	TX	10,905	2.01	4	13.10	13	12.85	7	0.81	107	0.06	45	100.0
3	Great Southern Bancorp*	GSBC	MO	5,526	1.17	38	10.00	36	11.28	15	0.09	4	0.01	20	101.0
4	Glacier Bancorp	GBCI	MT	18,504	1.69	6	12.68	17	9.69	39	0.30	31	0.07	52	103.5
5	National Bank Holdings Corp.	NBHC	CO	6,660	1.44	13	11.59	19	10.68	24	0.55	74	0.06	43	114.5



Long Term Success for Shareholders



Source: S&P Global Market Intelligence. Financial data is as of September 30, 2021.

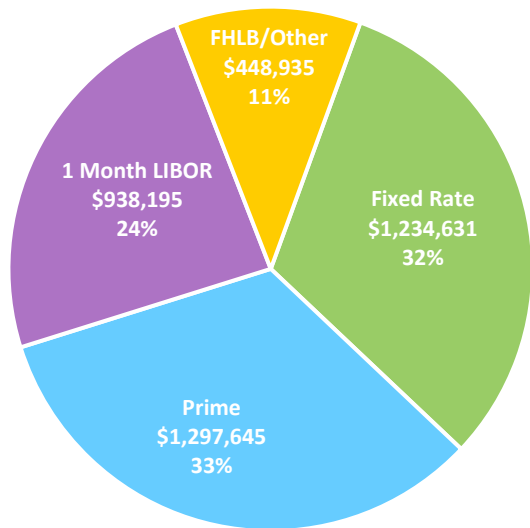
(1) Includes banks and thrifts traded on the NYSE, NYSEAM or NASDAQ as of 1/5/22; excludes merger targets.

(2) Defined as having positive net income before extraordinary items and preferred dividends for each of the last 10 years (calendar years ended December 31, 2011 through December 31, 2020). Net income before extraordinary items is defined by S&P Global Market Intelligence as GAAP net income, after taxes, minority interest, and other after tax items, but before any extraordinary items. Excludes any revaluation of net deferred tax assets due to tax reform per S&P Global Market Intelligence.

(3) Defined as consecutive increases in pre-tax, pre-provision earnings (excludes nonrecurring revenues and expenses, one-time goodwill impairment charges) for each of the years ending December 31, 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020.

Interest Rate Sensitivity

Highly Asset Sensitive Balance Sheet

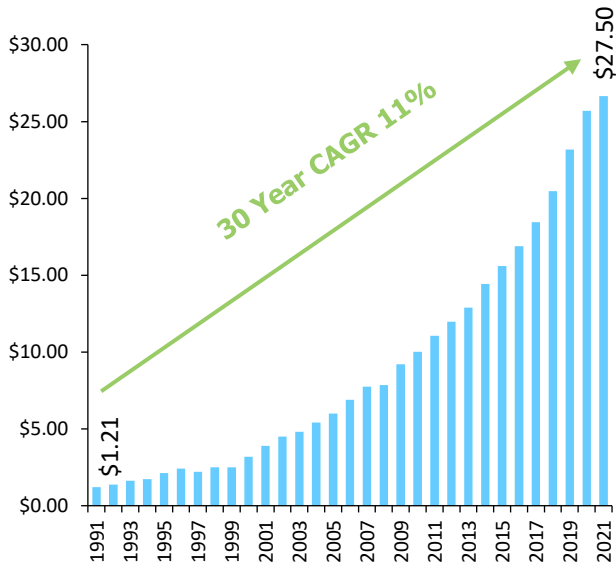


Commercial Loans
\$3.9 billion as of December 31, 2021
(000's)

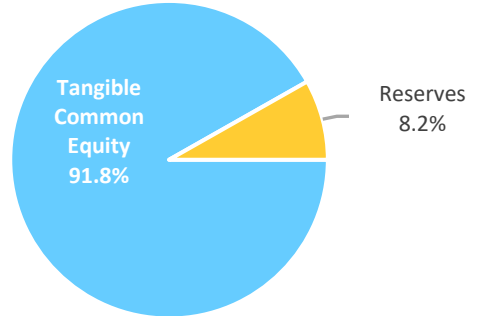
- Every 25 basis point move up in the federal funds rate is expected to improve margin by 3-5 basis points
- Cost of funds at historic lows
- Excess liquidity will likely contribute to nominal increases in cost of funds
- 90% of loan portfolio consists of commercial loans
- 68% of loans tied to variable rates
- Fixed rate commercial loans have shorter, average term of 5 years

Strong Capital Structure

Tangible Book Value⁽¹⁾ Per Share



⁽¹⁾compounded annual growth rate computed from 1991-2021



Key Ratios and Per Share Data as of December 31, 2021

TCE/Tangible Assets	10.70%
Total Risk-Based	15.34%
Leverage	10.72%
Book Value	\$27.65
Tangible Book Value	\$27.50

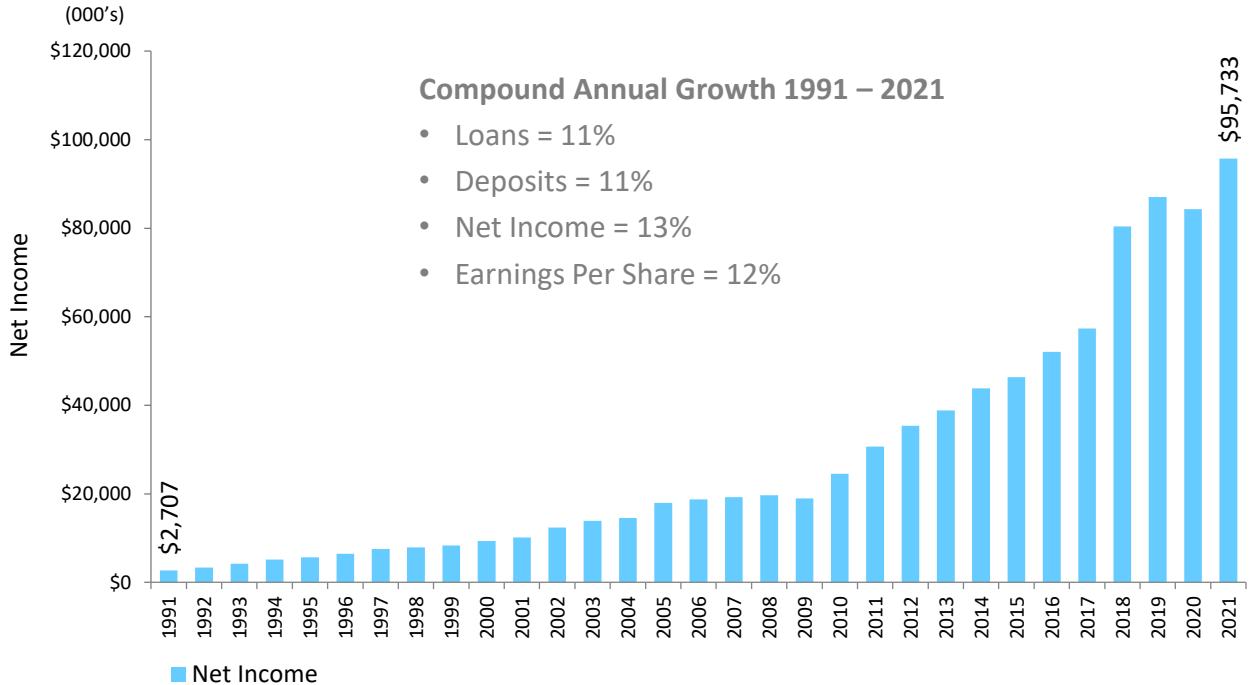
Lake City Bank Today

- A long-term and consistent organic growth story
- Headquartered in Warsaw, Indiana
- 51 branch offices - \$6.6 billion banking assets - \$3.0 billion trust, retirement and investment brokerage assets
- Focused on execution – “blocking and tackling”
- Continued growth potential



A Quarter Century of Organic Growth

Record Net Income for 31 of 33 Years



Established Market Presence

Organic Growth Potential in Mature and Expanding Markets

Lake City Bank Market Growth

Warsaw – est. 1872

Kosciusko-12
Noble-3
Whitley-1
Marshall-3
Fulton-2
Pulaski-1

Elkhart – est. 1990

Elkhart-10
LaGrange-2

South Bend – est. 1997

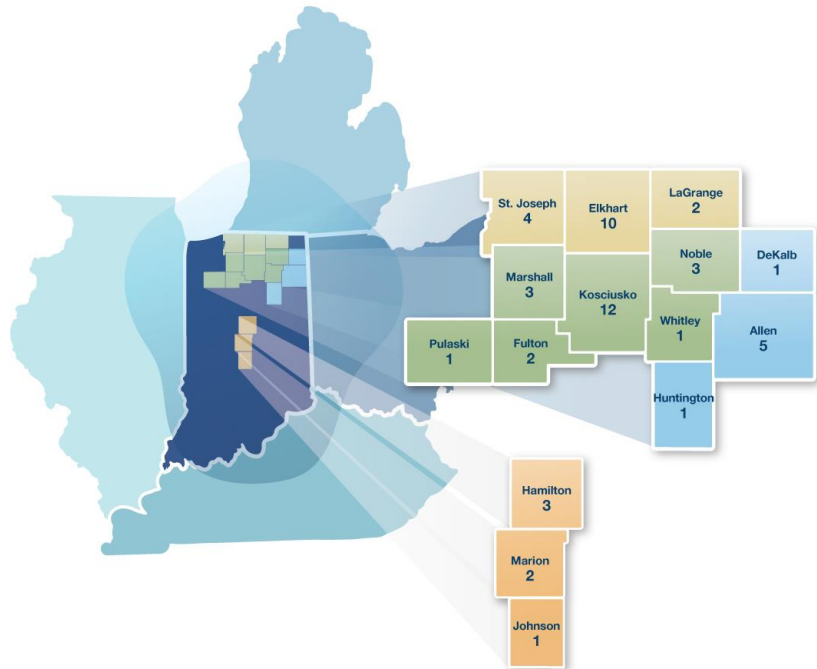
South Bend-4

Fort Wayne – est. 1999

Allen-5
DeKalb-1
Huntington-1

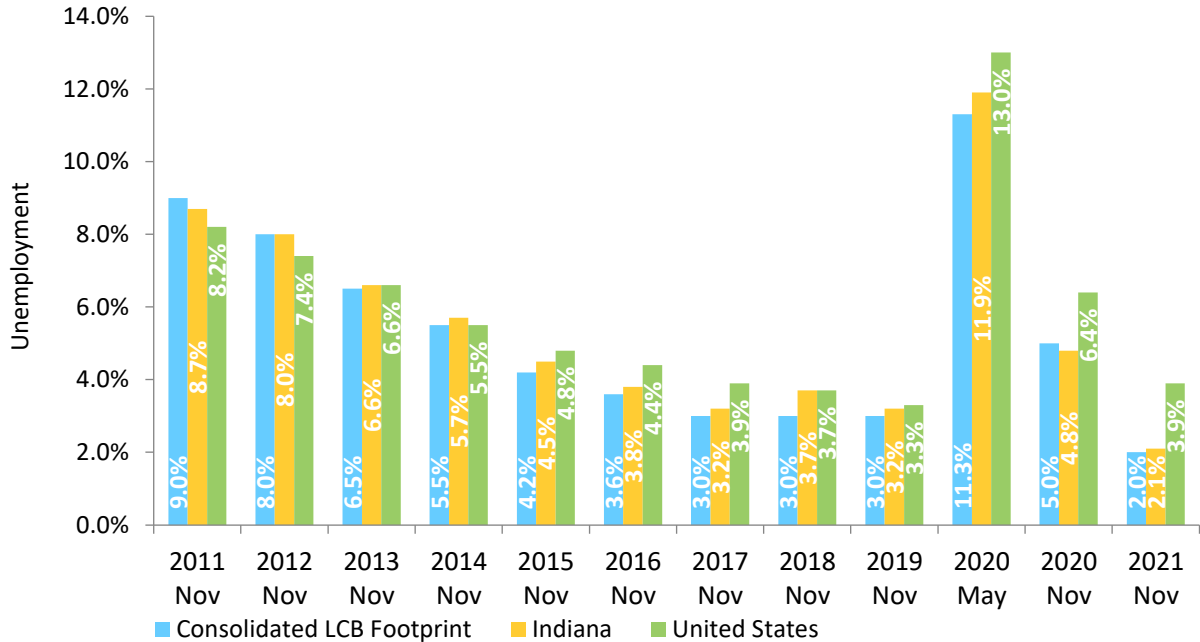
Indianapolis – est. 2011

Hamilton-3
Marion-2
Johnson-1



Strong Regional and Statewide Economy

Indiana Unemployment Rate is Lower Than the National Average



Source: United States Bureau of Labor Statistics. Lake City Bank footprint is defined as Kosciusko, Marshall, Fulton, Pulaski, Noble, Whitley, St. Joseph, Elkhart, LaGrange, Allen, DeKalb, Huntington, Marion, Hamilton and Johnson Counties in Indiana

Shareholder Value Strategy

1. Commercial Banking Focus
2. High Quality Team Members
3. Proven Organic Growth Experience
4. Focus on Core Deposit Funding
5. Commitment to Technology

Commercial Banking Focus

Experienced Relationship Driven Team

- 39 credit “smart” commercial bankers
- Average 23 years in banking & 12 years at Lake City Bank
- We live where we lend
- Face to face calling matters and is a team effort
- We understand our clients’ needs
- Deep organizational structure provides credit and administrative support
- We cross-sell aggressively by leveraging technology

Credit Process

Commercial Banking Focus

- We are in-market lender to in-market clients
- Character matters – we lend to people first
- Our credit discipline has never changed
- We focus on management/cash flow
- We have a centralized committee structure
- Structure is important
- Orientation towards owner occupied and well structured nonowner occupied real estate
- Credit risk management practices have evolved to address growth in portfolio

Corporate Social Responsibility

150 Year History of Focusing on Our Customers, Employees and
Our Communities

- Supporting our communities since 1872
- Building and caring for our team
- Delivering loan products to our communities
- Supporting financial literacy
- Protecting our customers and their data
- Caring for the environment

Lake City Bank Culture

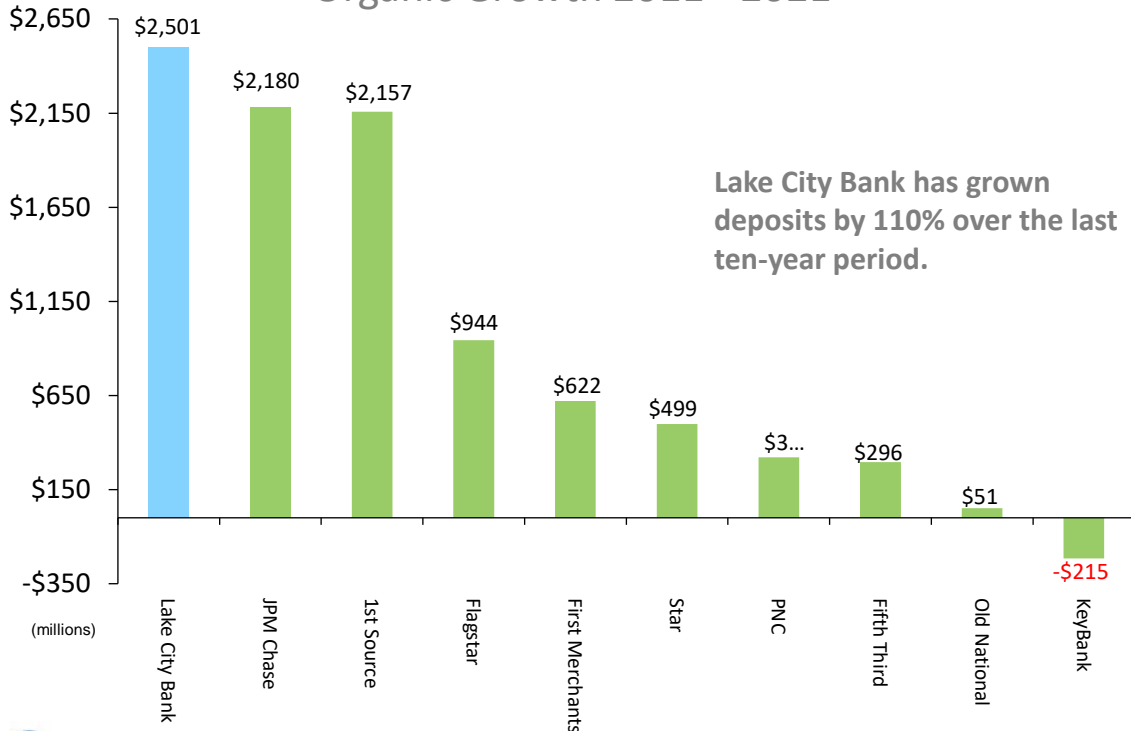
High Quality Team Members

- Our culture is our greatest asset and we will preserve it
- Lake City University drives our culture
- Diversity, Equity and Inclusion initiatives underway
- Our community involvement is real and critical to our strategy
- Our culture has not been diluted by acquisition



Mature¹ Market Deposit Performance

Organic Growth 2011 - 2021

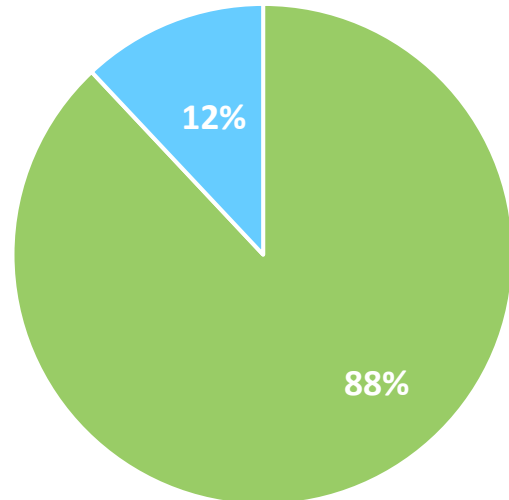


Organic Growth

Indianapolis Market Opportunity

Indianapolis Market Banks	Share of Market
1. JPM Chase	23%
2. PNC	14%
3. Merchants Bank	11%
4. Fifth Third	10%
5. Huntington National	7%
6. BMO Harris	5%
7. Bank of America	5%
8. First Internet Bank	5%
9. National Bank of Indy	4%
10. KeyBank	4%
16. Lake City Bank	1%

Deposit Market Share



■ Out of State ■ In State

- Marion, Hamilton and Johnson Counties as of 6/30/21;
- Source: FDIC 6/30/21 Statistics

A Strong Environment for Growth and Expansion

Indiana Economy has Largely Rebounded from Pandemic Despite Supply Chain and Labor Availability Challenges

- Indiana #1 manufacturing state in the country⁽¹⁾
- Manufacturing jobs increased 1.54% from December 2019 to December 2021⁽²⁾
- U.S. Census Bureau announced Indiana's population grew by 4.7% between 2010 and 2020
- Indiana unemployment at 2.7% as of December 2021⁽³⁾
- Forecast of real GDP growth of 5.7% for 2021⁽⁴⁾

(1) https://www.statsamerica.org/sip/rank_list.aspx?rank_label=gsp2_b&item_in=12&ct=518

(2) Hoosiers By The Numbers- Indiana Department of Workforce Development

(3) IN.gov- Indiana employment report

(4) Indiana Economic Forecast Update December 2021, ISH Markit

Core Deposit Funding

Core Deposit Growth Adds Liquidity to Balance Sheet

- Deposit surge from PPP funding and stimulus
- DDA growth over two years, equal to 93%
- Focus on core deposit growth in retail, commercial, and public funds
- Capitalize on market disruption in our footprint to grow deposits
- Emphasize checking account relationship products and flexible solutions including Lake City Bank Digital Platform
- Leverage demographic and lifestyle data
- Omni channel media campaign is utilized

Commitment to Technology and Cyber Risk Management

Innovation and Competitive Technology is a Focus

- Fintech partnerships play a growing role in our technology
- Investments in Lake City Bank Digital, our focus on a solution that is experiencing increased demand
- Technology partnership with FIS is strong – User Planning Council and Strategic Planning Advisory Council
- Retail and Commercial platforms ensure competitive positioning
- Cybersecurity protection expands
- AI and data gathering and analysis is playing an increasingly important role
- Branch of the future proof of concept implemented in 2021

Channel Utilization Over Three Year Horizon

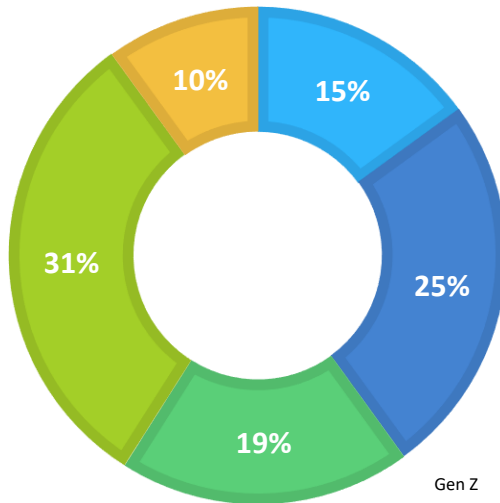
Mobile Adoption is Growing Rapidly

Channel Type	Total Transactions 2018 ⁽¹⁾	% of Total	Total Transactions 2021 ⁽¹⁾	% of Total	Three Year Change
Branch Transactions	2,339,018	19%	2,040,905	15%	(13)%
ATM/ITM	938,674	8%	902,387	6%	(4)%
Online Logins	5,056,323	41%	4,795,959	34%	(5)%
Mobile Logins ⁽²⁾	3,625,925	30%	6,081,688	43%	68%
Telephone Banking	201,412	2%	241,110	2%	20%
Total	12,161,352	100%	14,062,049	100%	16%

Customer Composition and Digital Adoption

December 2021

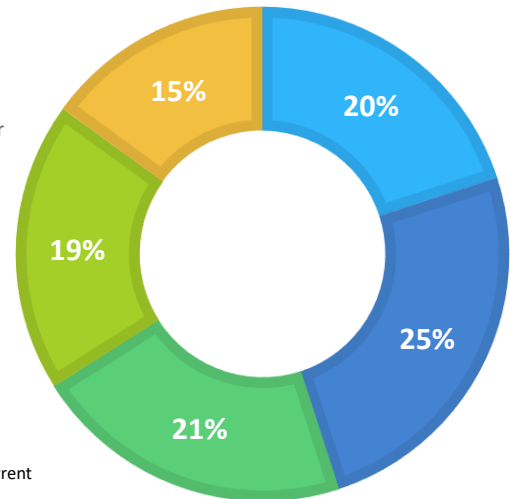
CUSTOMER BREAKDOWN



- Gen Z
- Millennial
- Gen X
- Baby Boomer
- Mature

Gen Z	1996 – Current
Millennial	1977 – 1995
Gen X	1965 – 1976
Baby Boomer	1946 – 1964
Mature	1945 or before

DIGITAL ADOPTION



Technology Focused Solutions

Commitment to Technology and Cyber Risk Management



BINGE WATCH YOUR MONEY

Digital Banking
ASK FOR DETAILS
lakecitybank.com/digital



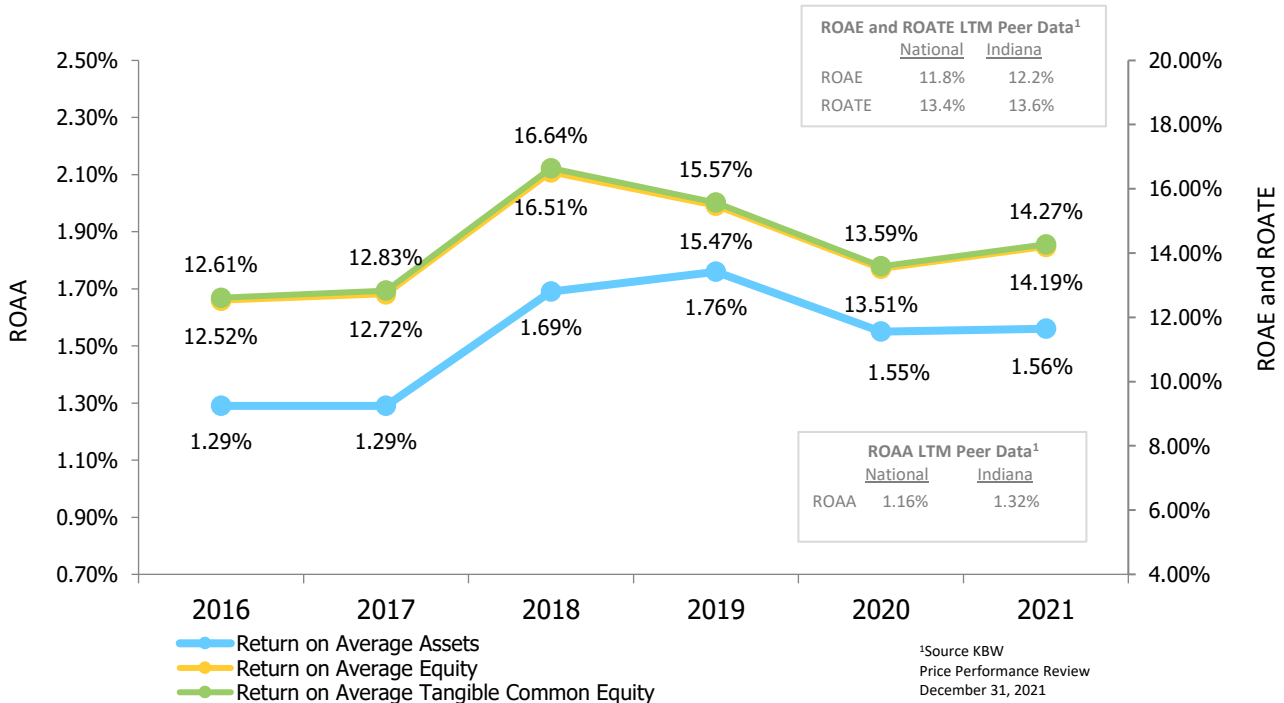
EVEN OUR DIGITAL BANKING IS PERSONAL.

Digital Banking
ASK FOR DETAILS
lakecitybank.com/digital

Financial Performance

Income Performance Metrics

LKFN Performance Exceeds National and Indiana Peers and Maintains Strong Capital Levels

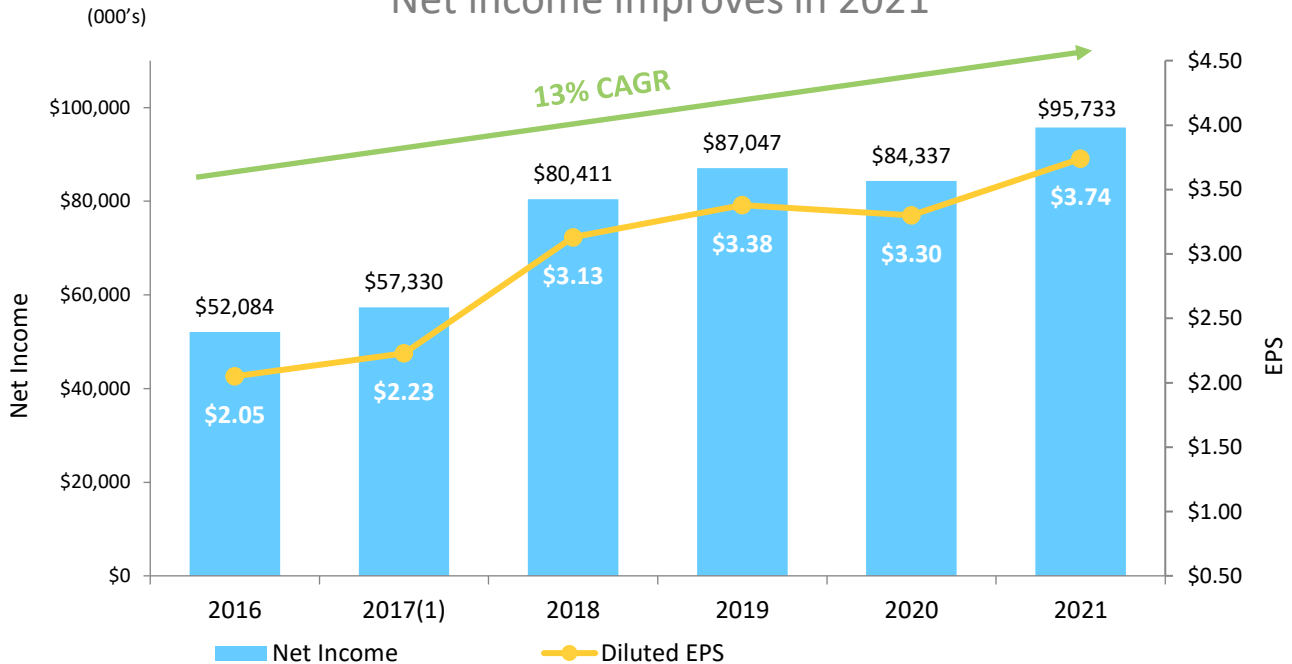


Note: Return on Average Tangible Common Equity is a Non-GAAP financial measure. See "Reconciliation of Non-GAAP Financial Measures" in the Fourth Quarter 2021 Earnings Press Release and Form 8-K.

¹Source KBW
Price Performance Review
December 31, 2021

Net Income and EPS

Net income improves in 2021



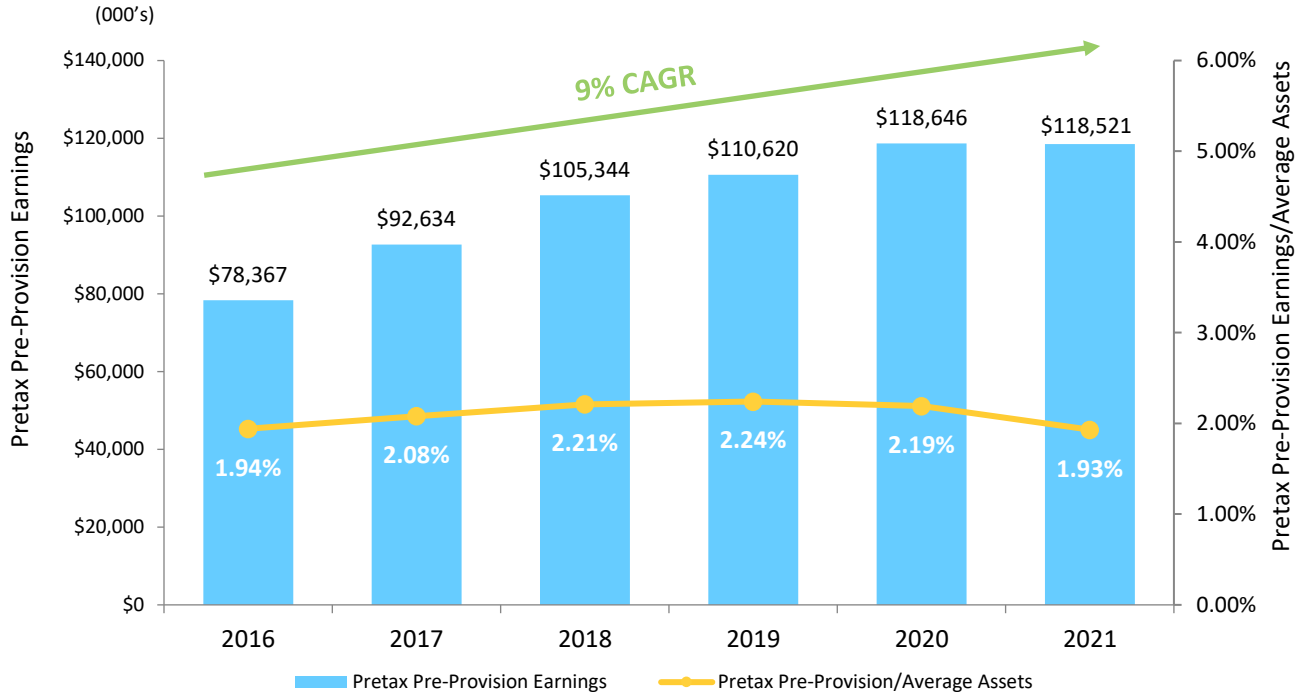
(1) Includes impact of tax reform of \$4.1 million income tax provision for 2017

2021 Net Income increase 14%

2021 Diluted EPS increase 13%

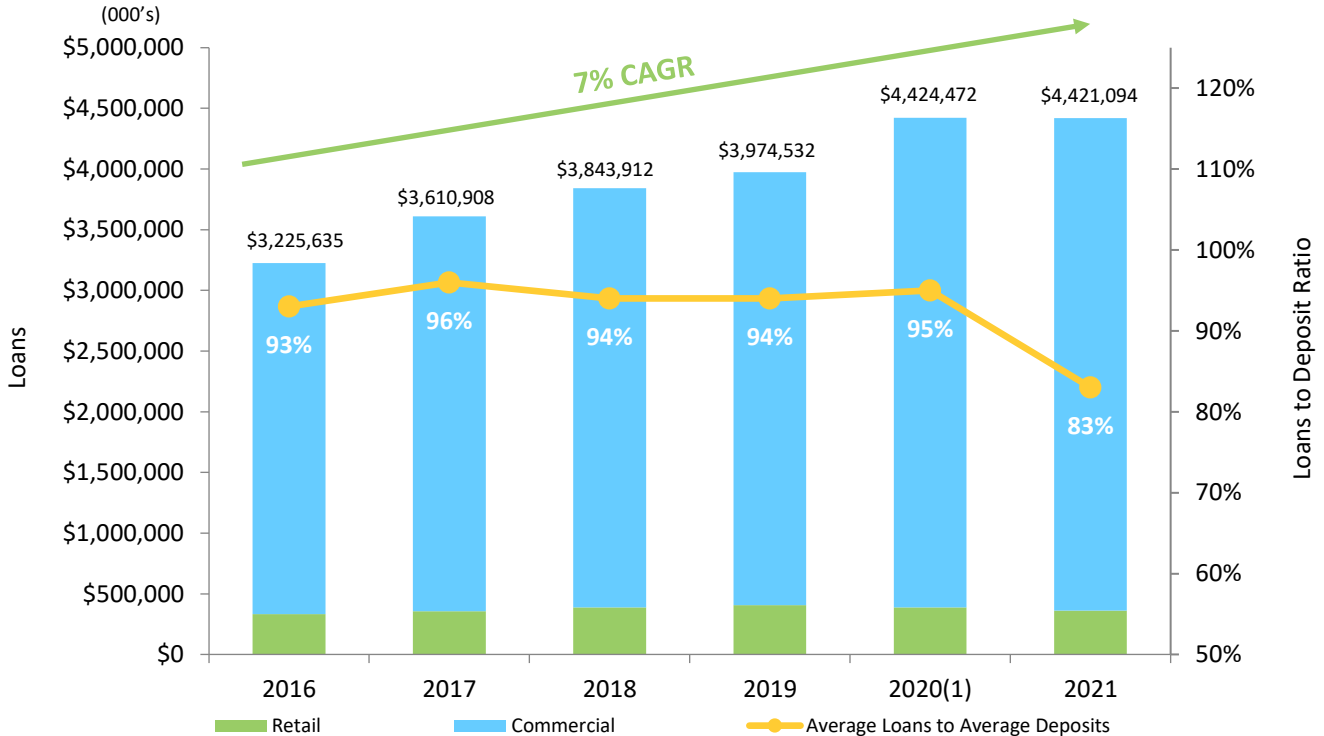
Pretax Pre-Provision Earnings

Margin Pressure and Lower Loan Demand Impact Net Interest Income



Average Loans

Organic Loan Growth ex PPP of \$135 million or 3% for 2021

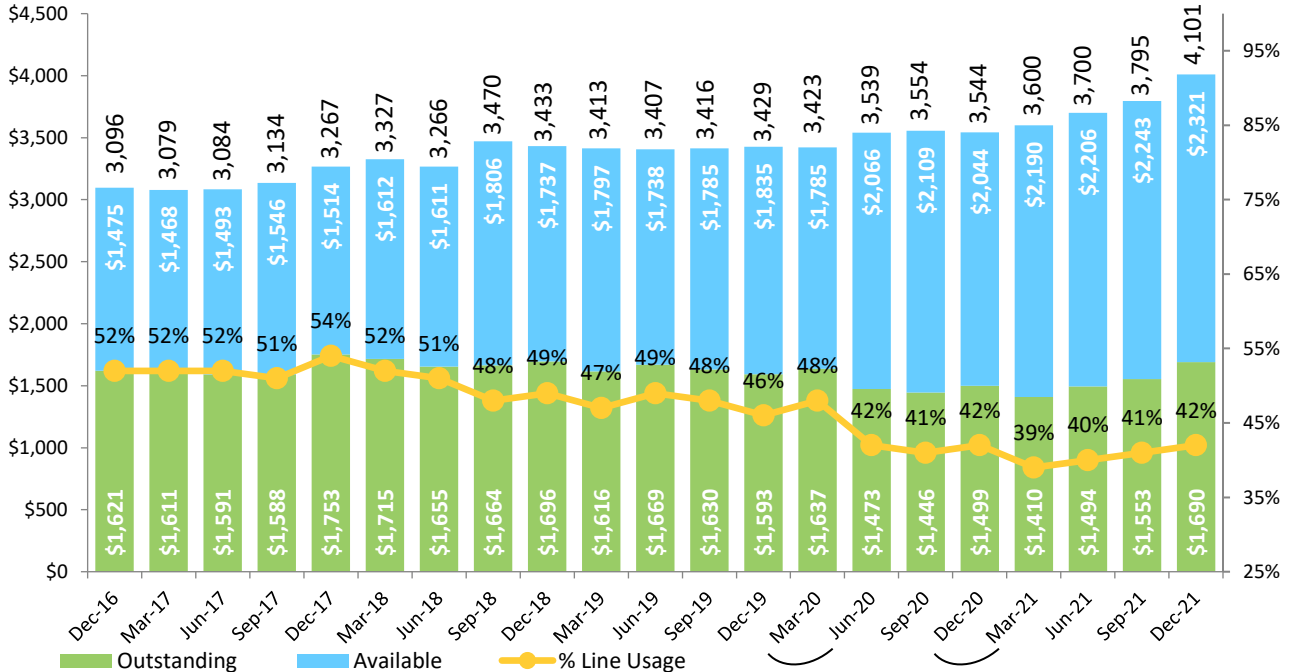


(1) Includes \$377 million in Average PPP loans in 2020 and \$238 million at December 31, 2021

2021 YOY Growth 0%

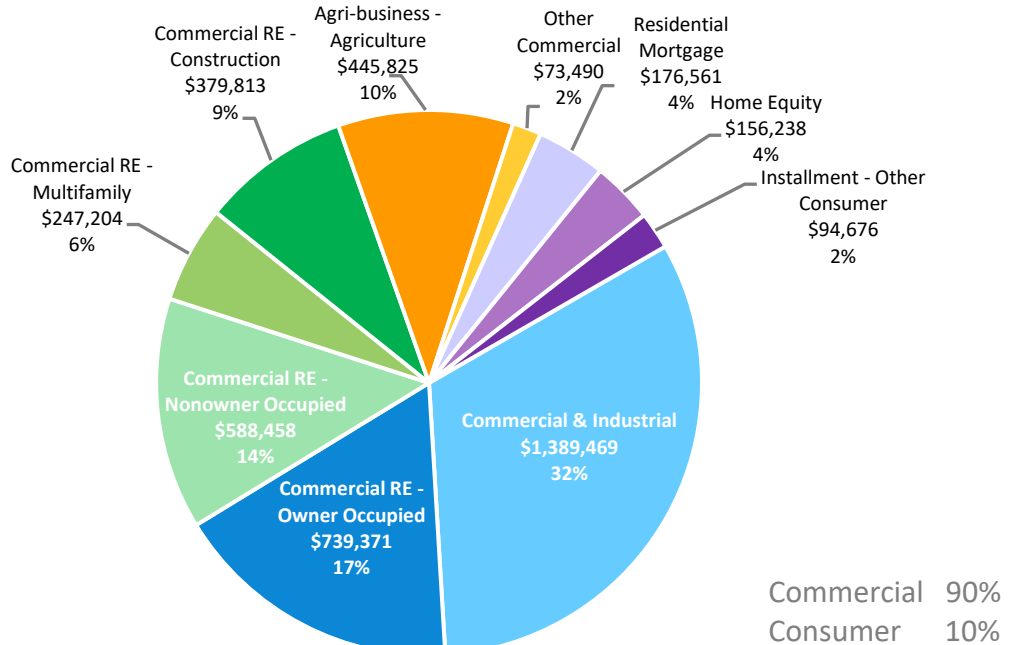
Line of Credit Utilization

Utilization Improves During 2021



Loan Breakdown

C&I Drives Lending Business

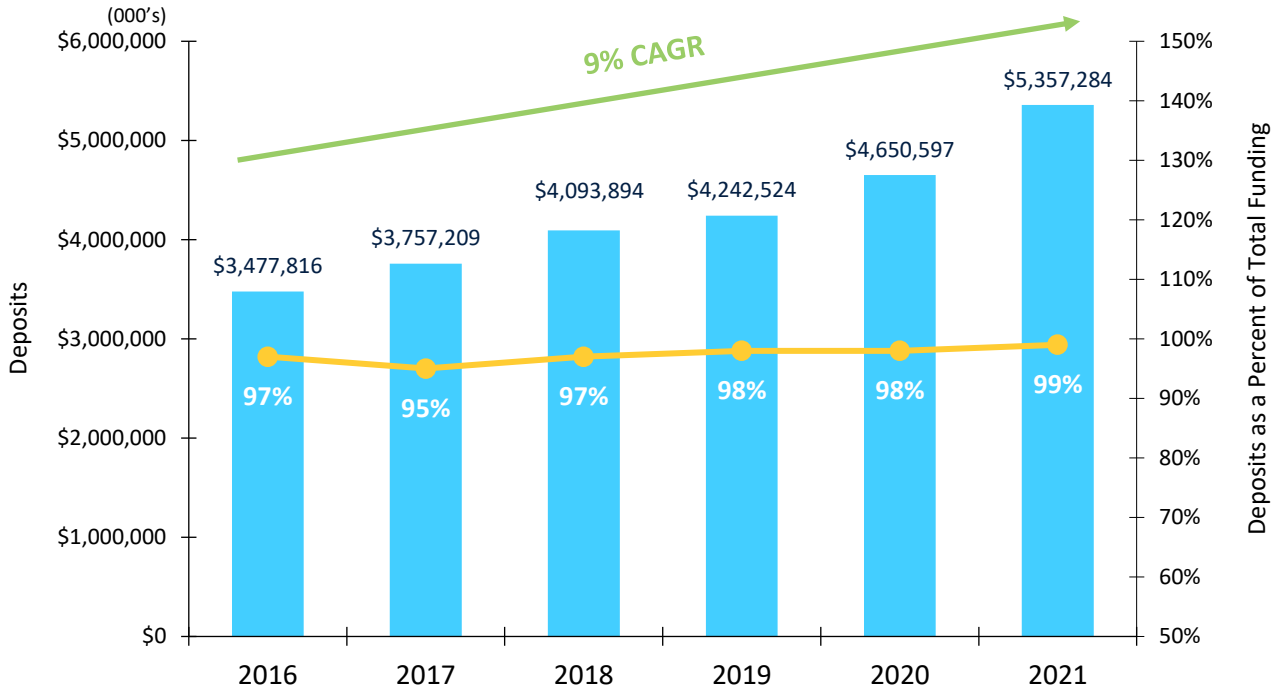


\$4.3 billion as of December 31, 2021

(000's)

Average Deposits

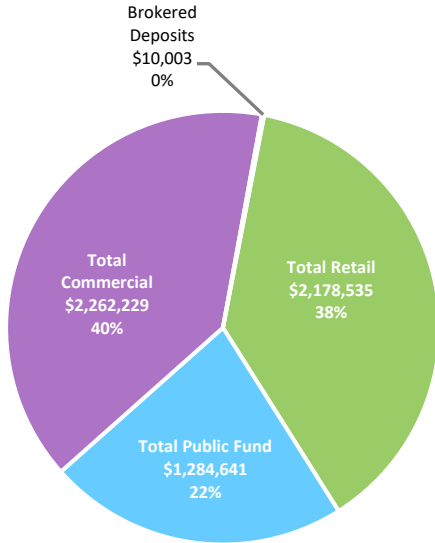
Deposit Growth Surges in 2020 and in 2021



Note: Core Deposits are defined as total deposits less brokered deposits

Deposit Breakdown

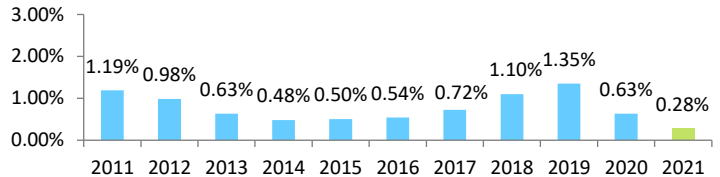
Deposit Costs at a Historic Low



December 31, 2021
Total Deposits - \$5.7 billion

(000's)

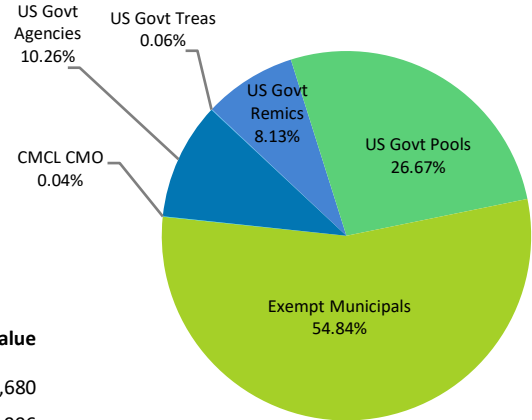
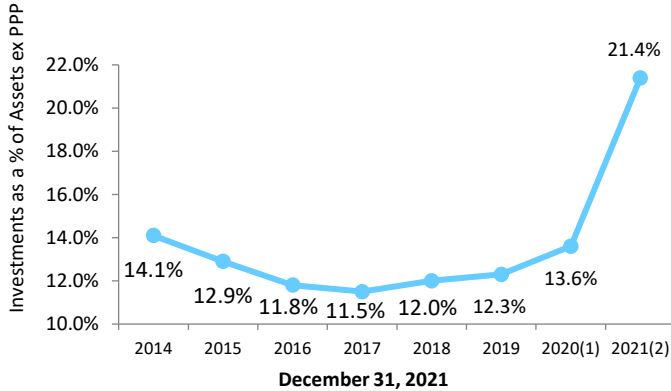
Cost of Deposits



Deposit Composition at end of period	2009	2021
Non-interest Bearing Demand Deposits	12%	33%
Interest Bearing Demand, Savings & MMA	34%	52%
Time Deposits > or = to \$100,000	35%	11%
Time Deposits < \$100,000	19%	4%
Total Deposits (billions)	\$1.9	\$5.7

Investment Portfolio

Excess Liquidity Temporarily Deployed to Investment Portfolio



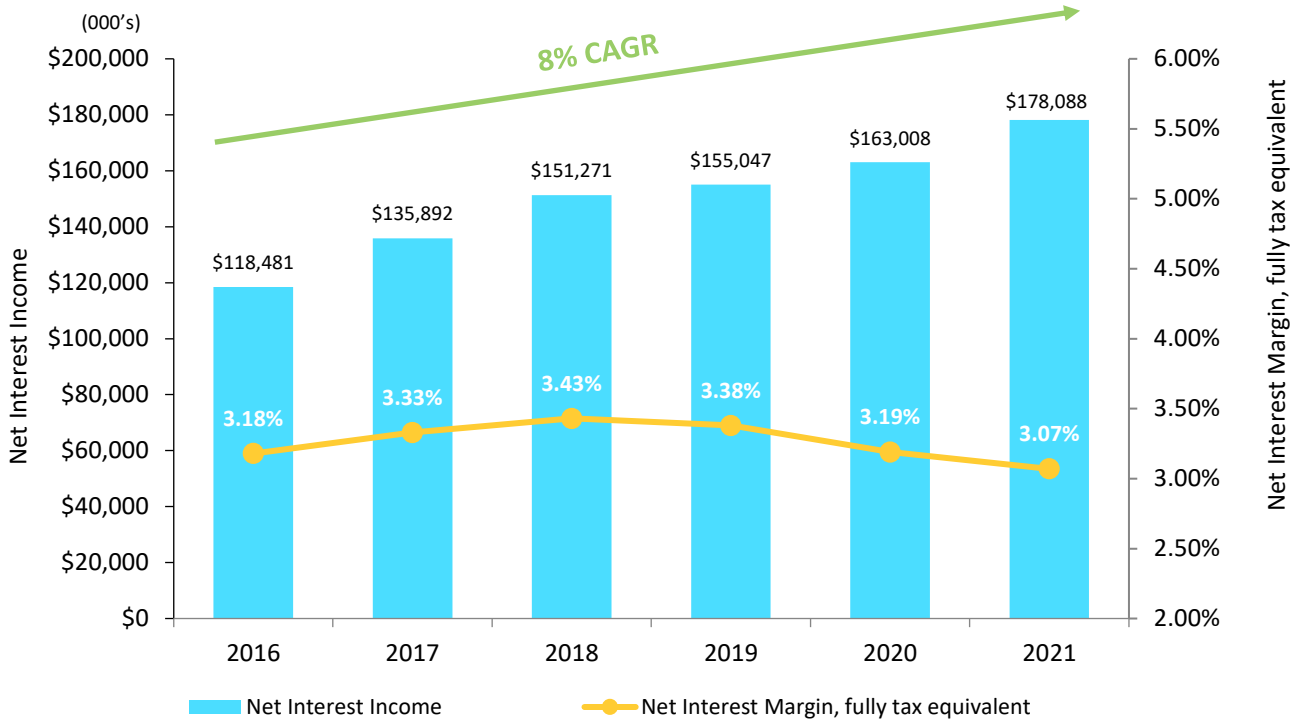
	Weighted Maturity	Book Yield	Duration	Market Value
US Govt REMICS	3.39	2.04	4.51	113,680
US Govt Pools	6.24	1.84	5.65	372,996
US Agencies	8.44	1.46	9.54	143,452
US Treasury Notes/Bills	0.33	0.07	0.33	900
Exempt Municipals (TEY)	16.84	2.99	7.71	767,007
CMCL CMO	0.25	2.31	0.19	523
Total (Tax-Equivalent Yield)	11.84	2.42%	7.07	\$1,398,558



(1) Ratio for 12/31/20 excludes PPP loans of \$412 million in total assets
 (2) Ratio for 12/31/21 excludes PPP loans of \$26 million in total assets

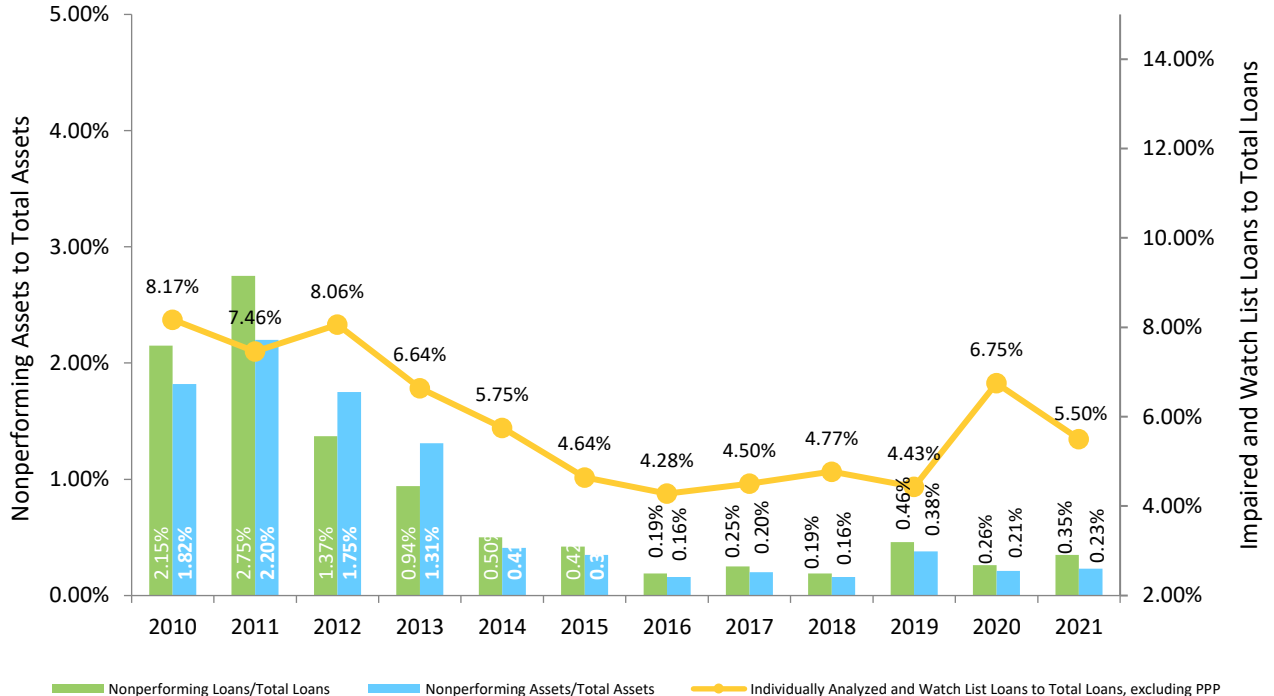
Net Interest Income

Growth in Net Interest Income Offset by Margin Compression



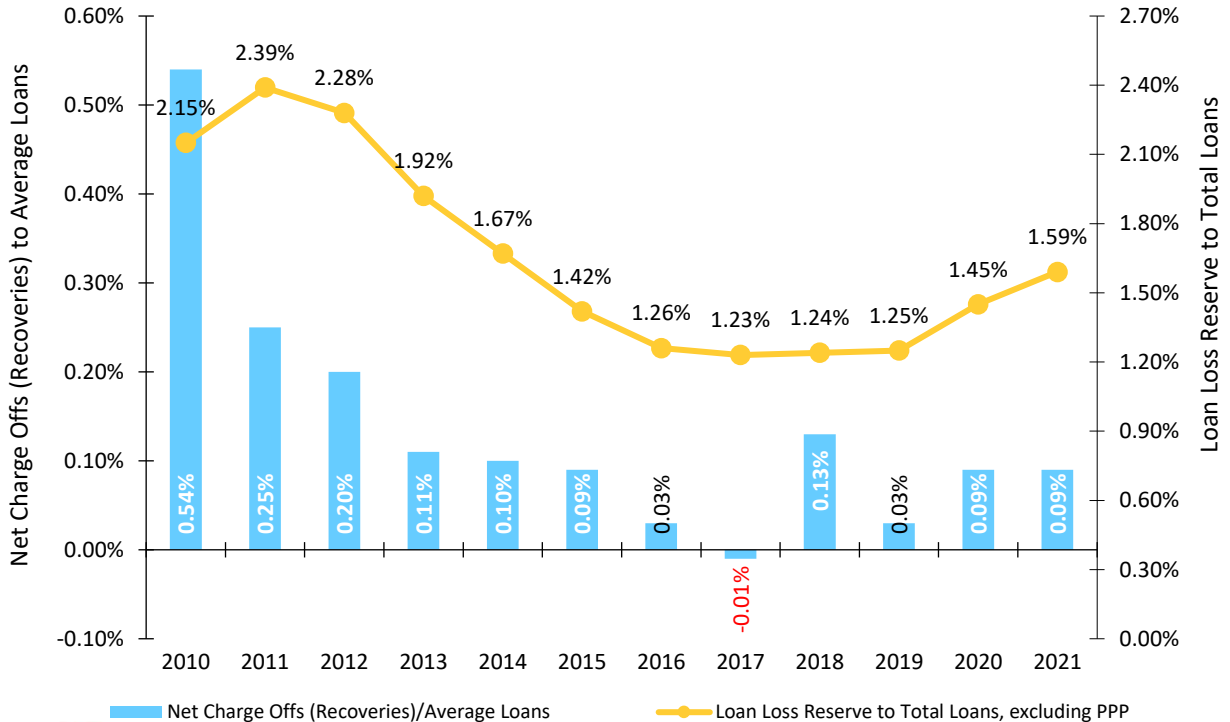
Asset Quality

Asset Quality Trends Improve in 2021



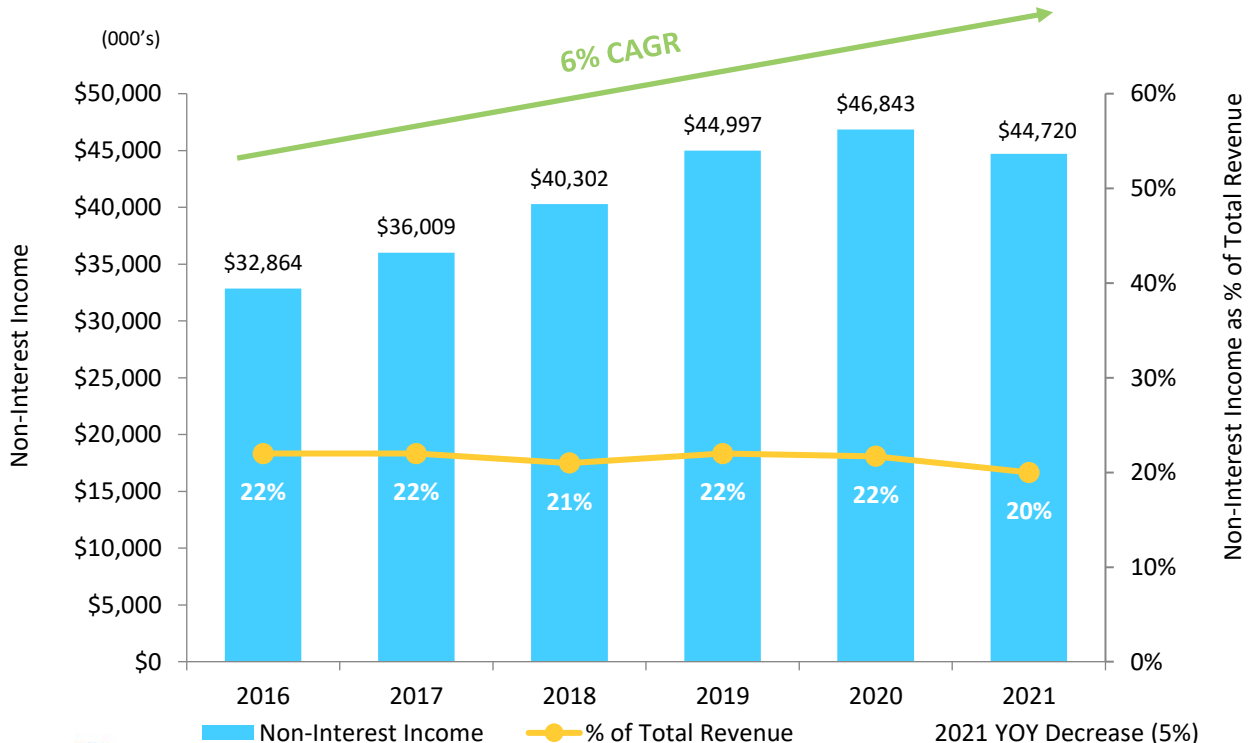
Asset Quality

Reserve Represents Strong Coverage with Stable Asset Quality Metrics



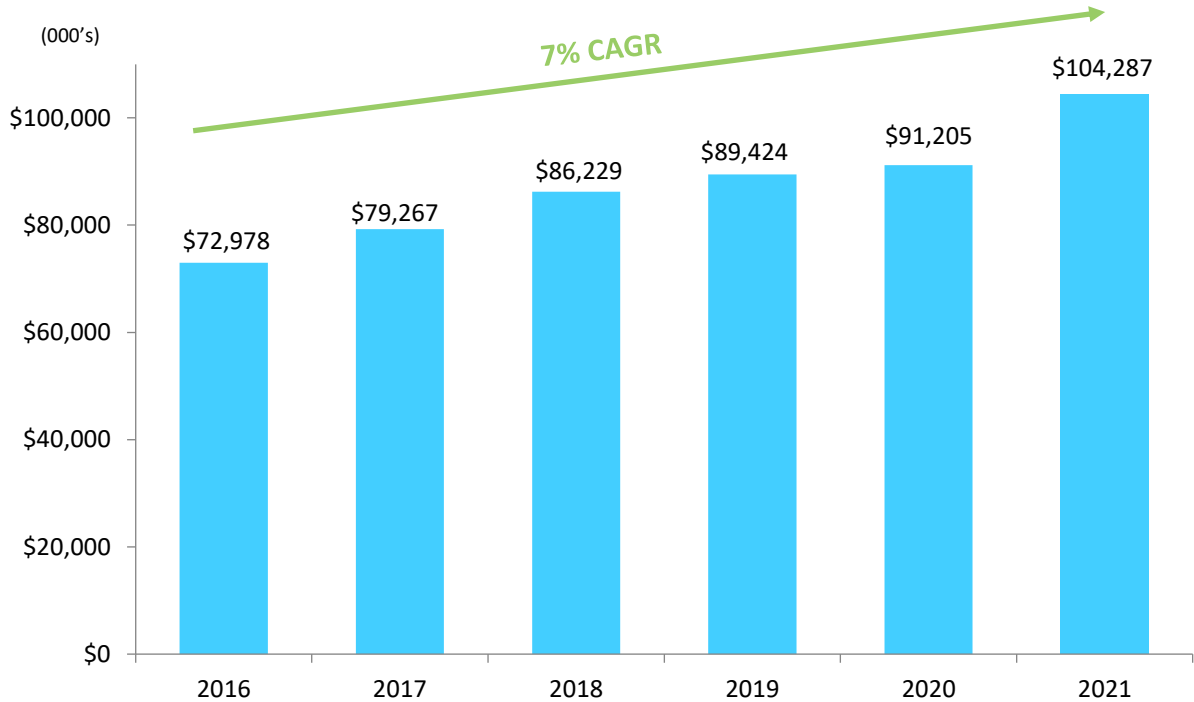
Non-Interest Income

Double Digit Growth in Wealth Advisory, Interchange and Merchant Card Fees



Non-Interest Expense

Payroll Costs and Professional Fees Impact 2021 Expenses

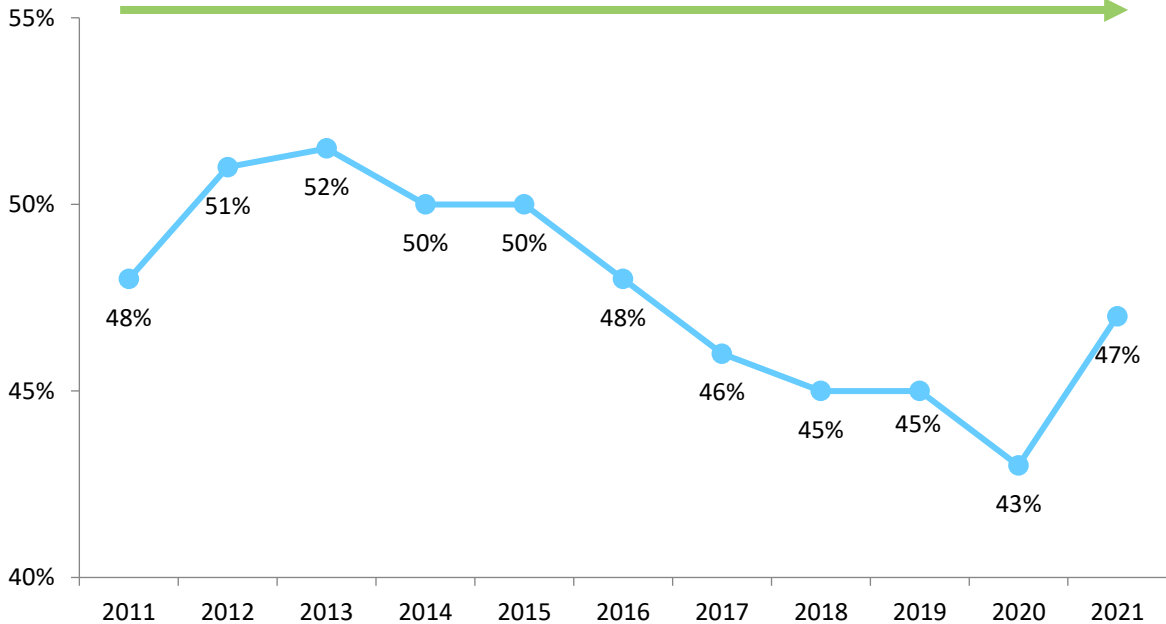


2021 YOY Increase 14%

Efficiency Ratio

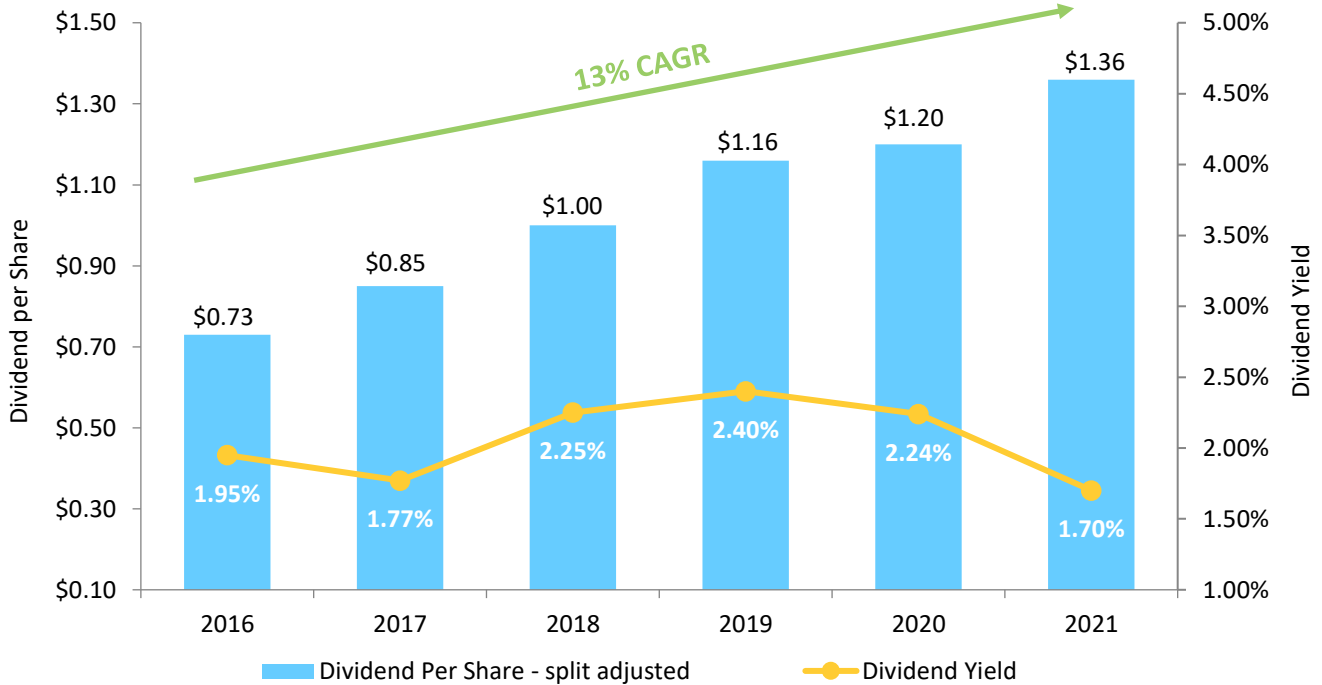
Efficiency Ratio Normalizes in 2021

Constant investment in technology and facilities



Stable Healthy Dividend

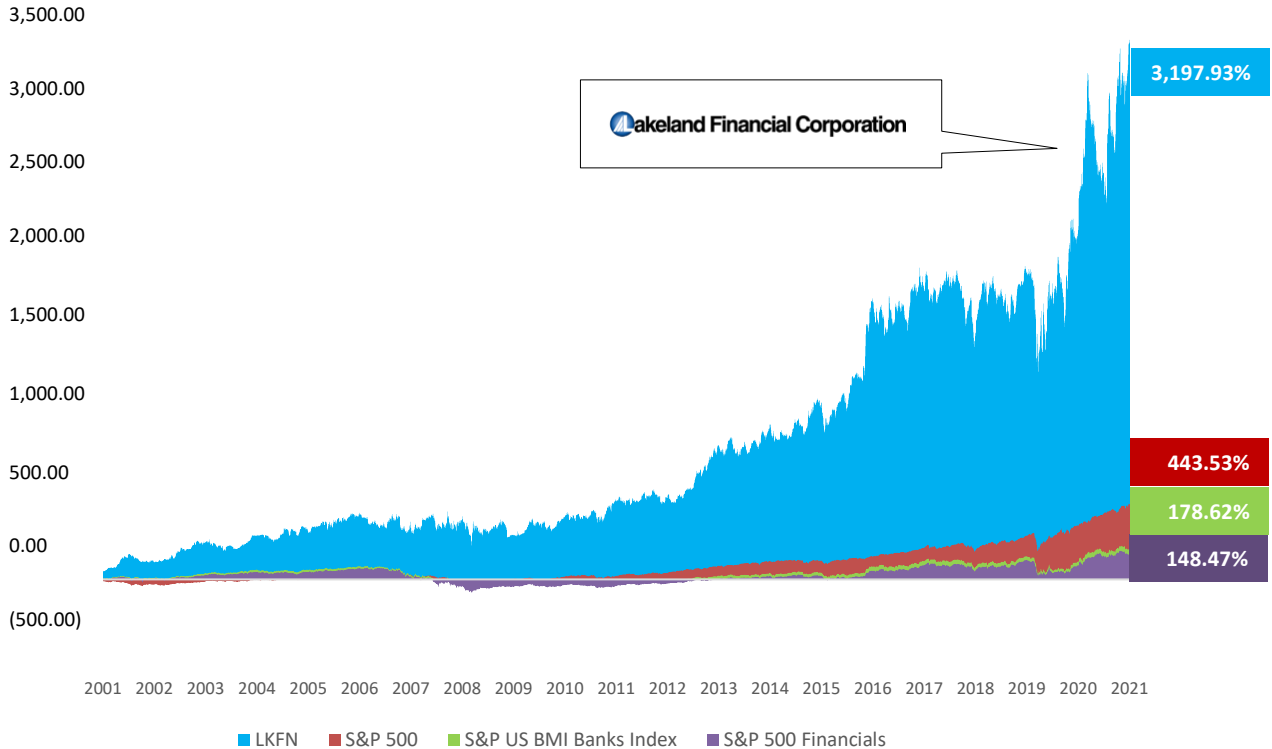
Growth in Dividend Reflects Strength of Capital



2021 Growth 13%

LKFN Shareholder Value

Total Return Performance from 12/31/00 to 12/31/21



Investment Highlights

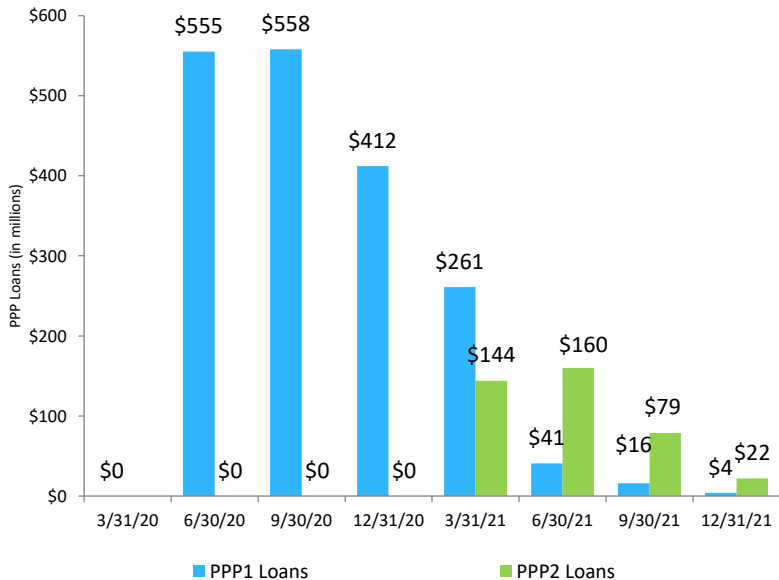
- Proven History of Organic Growth
- Disciplined and Focused Strategy
- Strong Internal Culture
- Consistent Execution
- Service Excellence Drives Shareholder Value

Supplemental Information

Paycheck Protection Program

PPP Loan Forgiveness Accelerates Unearned Fees into Net Interest Income

PPP Round 1 and Round 2 Outstanding Balances



PPP Round 1 Highlights

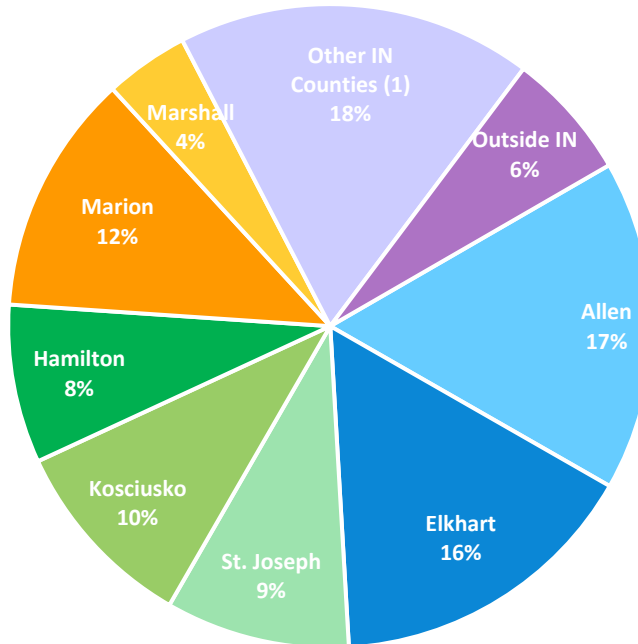
- \$571 million thru 2,409 loans
- Average loan size \$237,000
- 99% of loans, or \$567 million forgiven as of 12/31/21

PPP Round 2 Highlights

- \$165 million thru 1,191 loans
- Average loan size \$139,000
- 94% of loans, or \$143 million forgiven as of 12/31/21
- PPP funding exhausted as of 5/4/21

Commercial Loans by County

Commercial Customers in 46 Indiana Counties and 22 Other States



Commercial Loans
Outstanding as of
12/31/2021
\$3.9 billion

December 31, 2021
(000's)

Larger Market Organic Expansion

Organic Growth

State Rank	County	Primary City	Population*	LCB Entry	LCB Deposit Market Share**	# of Branches
20.	Kosciusko	Warsaw	78,988	1872	58%	12
6.	Elkhart	Elkhart	206,161	1990	26%	10
5.	St. Joseph	South Bend	271,484	1997	10%	4
3.	Allen	Fort Wayne	382,187	1999	12%	5
1.	Hamilton, Johnson, Marion	Indianapolis	1,467,028	2011	1%	6

* Source: STATS Indiana

** Source: FDIC 6/30/21 Statistics



Mature Market Strength and Growth

Organic Growth

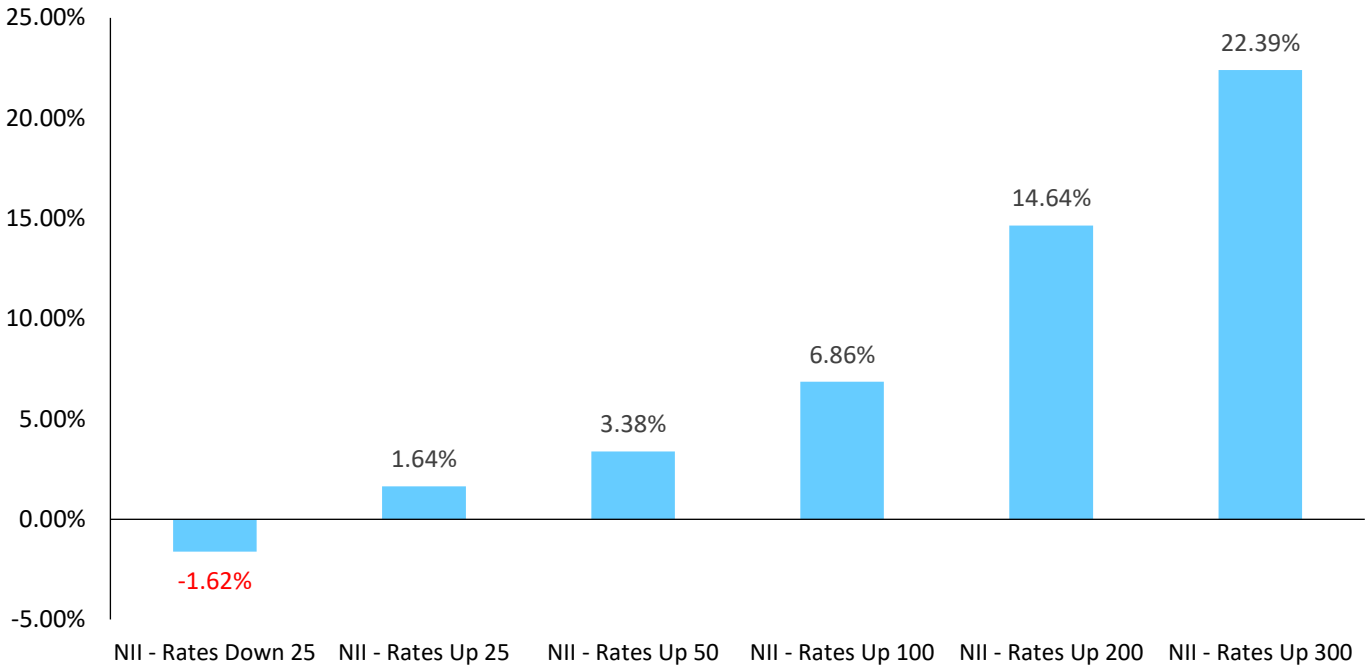
(millions) ¹	2021		2011			2021 # of Offices
	Deposits	Share	Deposits	Share	Increase	
1. Lake City Bank	\$4,778	18.74%	\$2,277	13.37%	109.84%	51
2. 1 st Source	\$4,670	18.31%	\$2,513	14.75%	85.83%	53
3. JPM Chase	\$3,601	14.12%	\$1,421	8.34%	153.41%	21
4. PNC	\$1,764	6.92%	\$1,442	9.47%	22.33%	20
5. First Merchants	\$1,265	4.96%	\$643	3.77%	96.73%	10
6. Flagstar	\$958	3.76%	\$14	0.08%	6742.86%	23
7. Star	\$954	3.74%	\$455	2.67%	109.67%	10
8. KeyBank	\$769	3.02%	\$984	5.77%	(21.85)%	14
9. Old National	\$707	2.77%	\$656	3.85%	7.77%	9
10. Fifth Third	\$612	2.40%	\$316	1.85%	96.67%	9
Market Total	\$25,502		\$17,040		49.66%	



¹Mature Markets includes 12 Northern Indiana counties and excludes 3 Central Indiana counties Adjusted to include branches subsequently acquired by surviving banks. Data based on June 30th regulatory reporting for each year presented.

Projected Impact of Rising/Falling Rates

Asset Sensitive Balance Sheet





(800) 827-4522

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