

Lakeland Financial Corporation

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

2nd 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, (ii) the effects of the COVID-19 pandemic and the responses of federal, state and local governmental authorities, (iii) 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, (iv) changes in borrowers’ credit risks and payment behaviors, (v) 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, (vi) 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 (vii) 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

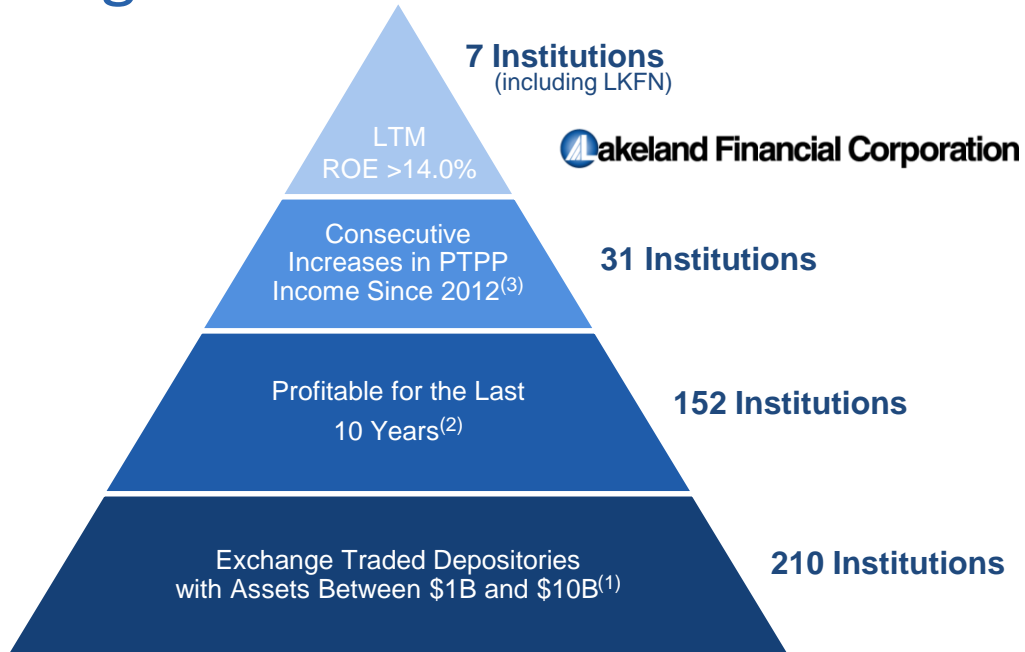
2021
BANK
PERFORMANCE
SCORE
CARD

\$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 March 31, 2021.

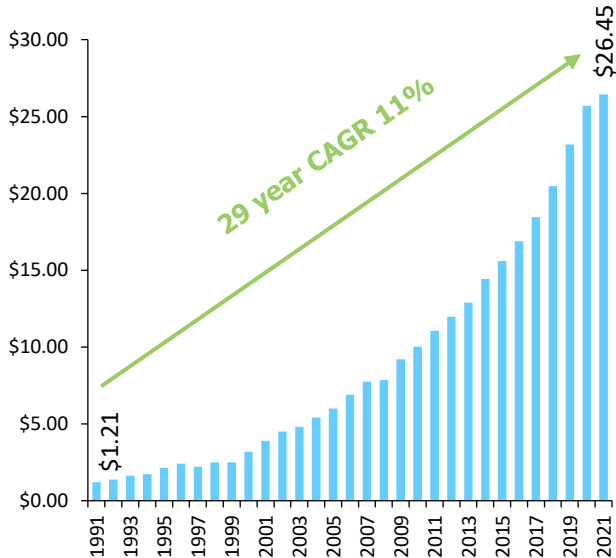
(1) Includes banks and thrifts traded on the NYSE, NYSEAM or NASDAQ as of 7/8/21; excludes merger targets.

(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.

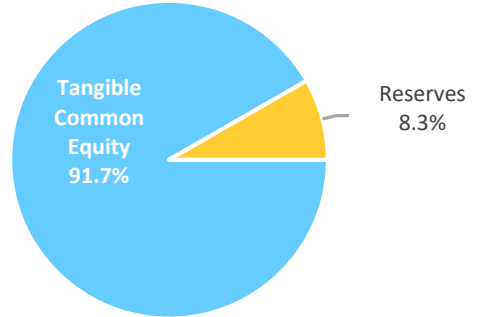
(3) Defined as consecutive increases in pre-tax, pre-provision earnings (excludes nonrecurring revenues and expenses, one-time goodwill impairment charges) for each of the years ending December 31, 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020.

Strong Capital Structure

Tangible Book Value⁽¹⁾ Per Share



⁽¹⁾compounded annual growth rate computed from 1991-2020



Key Ratios and Per Share Data as of June 30, 2021

TCE/Tangible Assets	10.81%
Total Risk-Based	15.04%
Leverage	10.59%
Book Value	\$26.59
Tangible Book Value	\$26.45

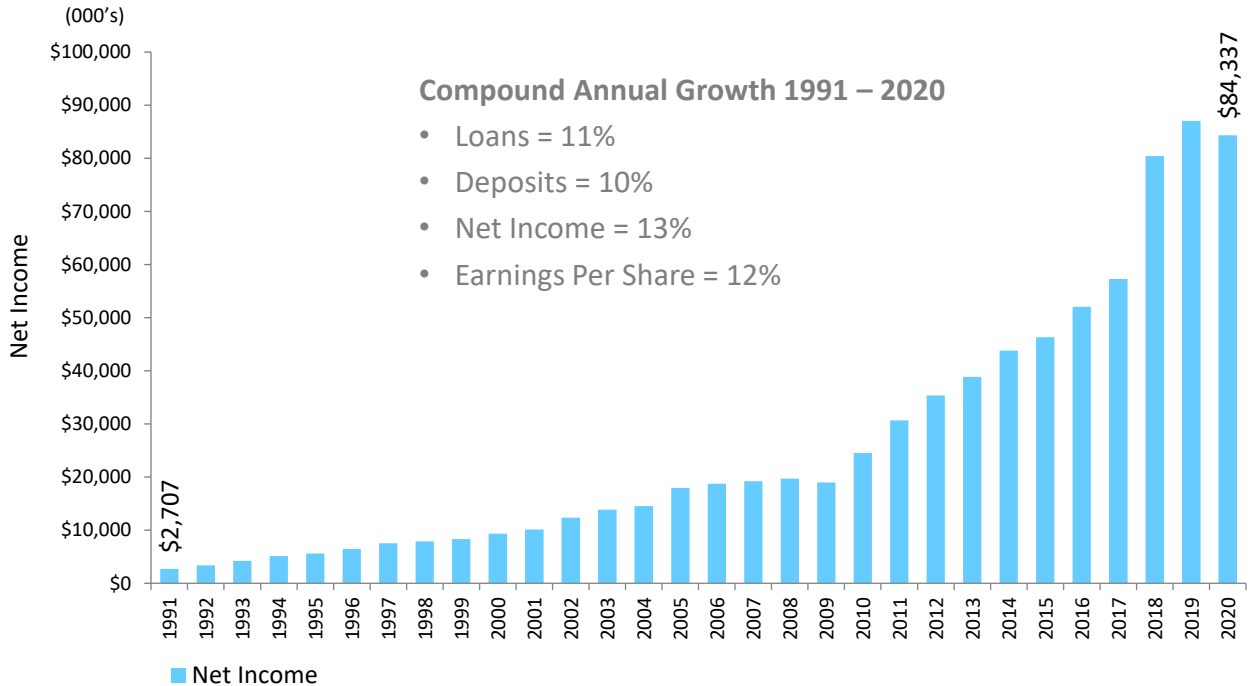
Lake City Bank Today

- A long-term and consistent organic growth story
- Headquartered in Warsaw, Indiana
- 50 branch offices - \$6.2 billion banking assets - \$2.9 billion trust and investment brokerage assets
- Focused on execution – “blocking and tackling”
- Continued growth potential



A Quarter Century of Organic Growth

Record Net Income for 30 of 32 Years

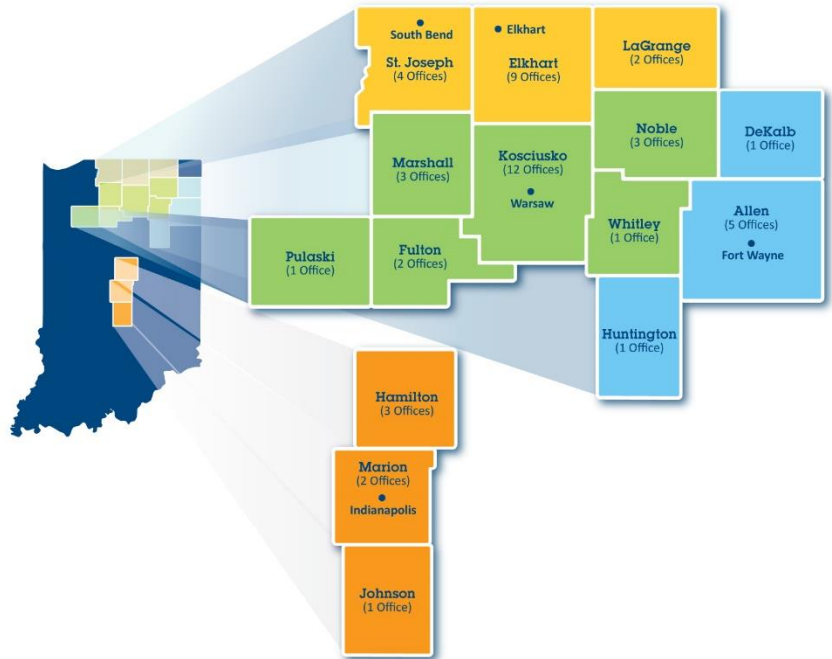


Established Market Presence

Organic Growth Potential in Mature and Developing Markets

Market Data

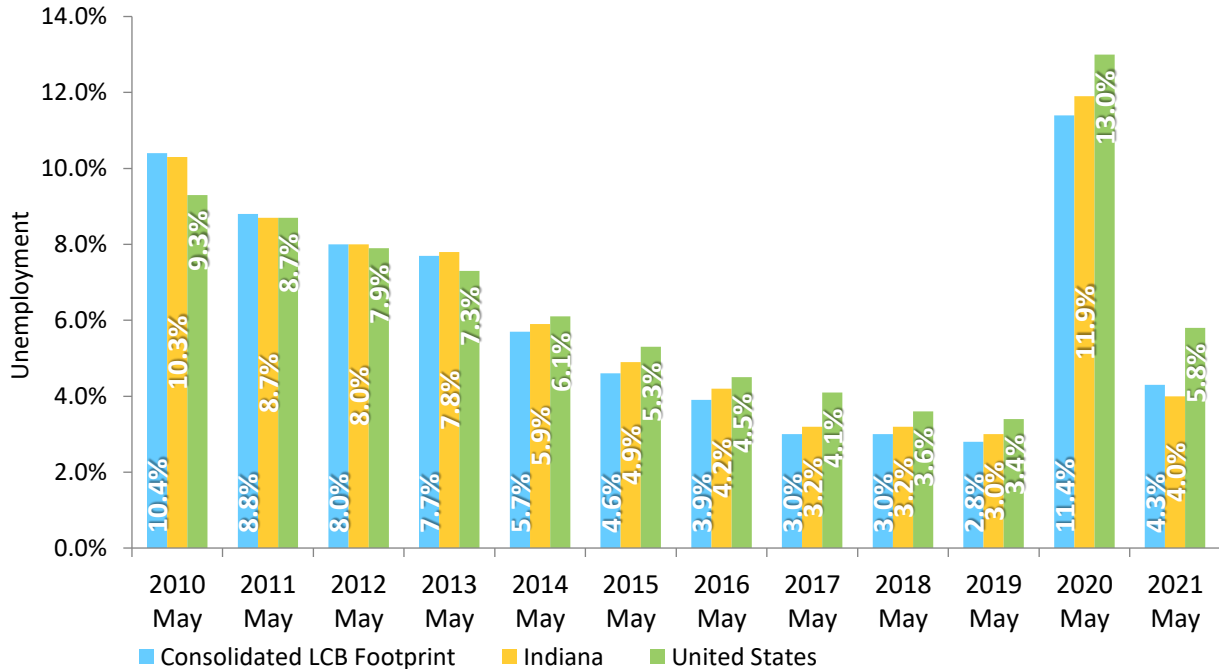
Warsaw – 1872 22 offices
Elkhart – 1990 11 offices
South Bend – 1997 4 offices
Fort Wayne – 1999 7 offices
Indianapolis – 2011 6 offices



Opening Date of First Office in Market

Strong Regional and Statewide Economy

Indiana Employment Trends Versus National Averages



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

- 42 credit “smart” commercial bankers
- Average 20 years in banking & 11 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

Commercial Banking Focus

Credit Process

- 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

High Quality Team Members

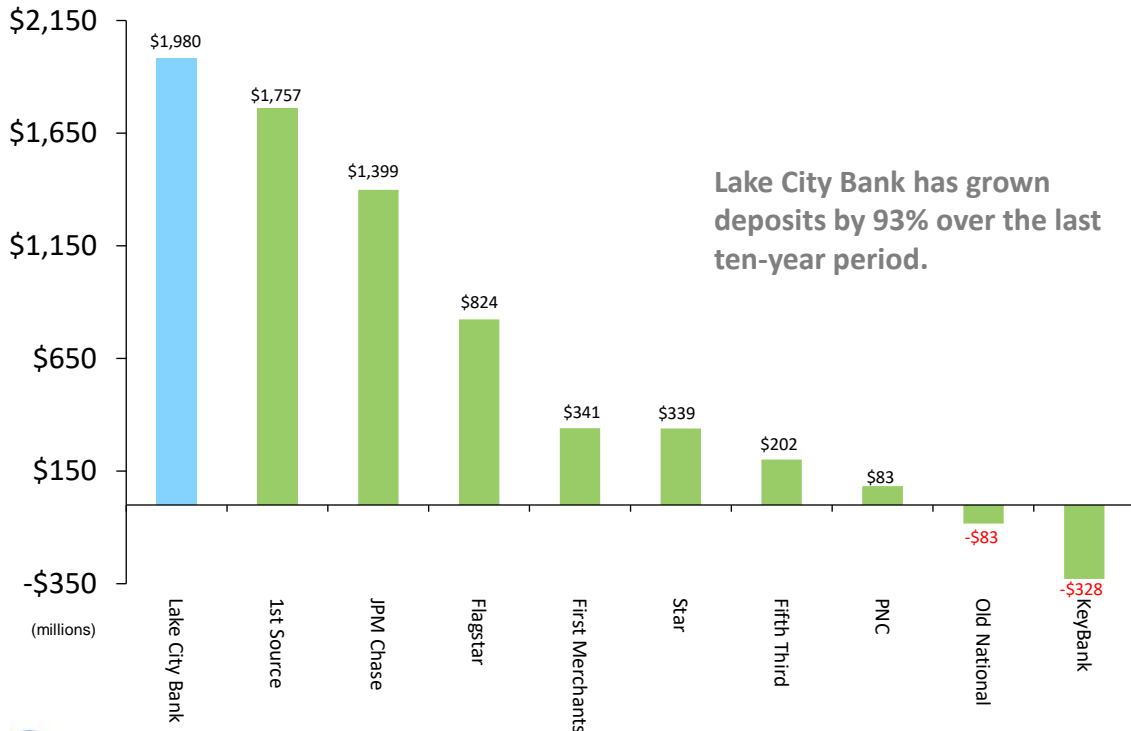
Lake City Bank Culture

- 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



Organic Growth 2010 - 2020

Mature¹ Market Deposit Performance

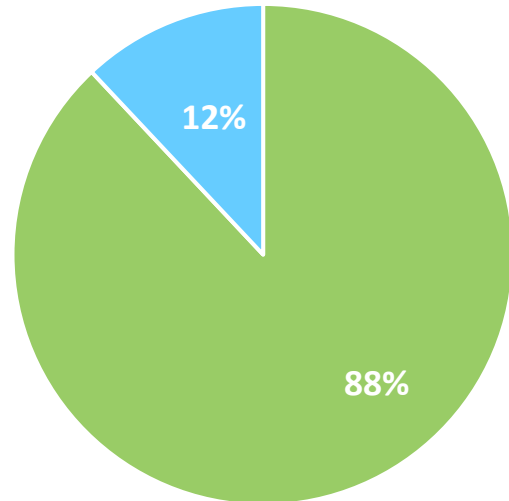


Organic Growth

Indianapolis Market Opportunity

Indianapolis Market Banks	Share of Market
1. JPM Chase	22%
2. PNC	14%
3. Fifth Third	9%
4. Huntington National	7%
5. First Internet Bank	7%
6. BMO Harris	7%
7. KeyBank	6%
8. Bank of America	6%
9. Merchants Bank	5%
10. National Bank of Indy	4%
16. Lake City Bank	1%

Deposit Market Share



■ Out of State ■ In State

- Marion, Hamilton and Johnson Counties as of 6/30/20; Source: FDIC Statistics

A Strong Environment for Growth and Expansion

- #1 manufacturing state in the country⁽¹⁾
- CNBC named Indiana as #1 state for infrastructure
- K-12 funding increased \$1 billion since 2017
- Net population in-migration in 2020
- Ten-year population growth of 4% through 2020
- State GDP percent increase of 4% from January 2020 to March 2021⁽²⁾

(1) Based on per capita population as of 2019

(2) Indiana Chamber Economic Recovery Dashboard

Core Deposit Funding

Core Deposits Fund Organic Loan Growth

- Focus on core deposit growth in retail, commercial and public funds
- Commercial deposit growth over 5 years = 22% CAGR
- Capitalize on market disruption in our footprint to grow deposits
- Emphasize checking account relationship products and flexible solutions
- Leverage demographic and lifestyle data
- Omni channel media campaign is utilized

Commitment to Technology and Cyber Risk Management

Innovative and Competitive Technology is a Focus

- Fintech partnerships play a growing role in our technology
- Lake City Bank Digital, the next generation digital solution implemented in March 2021
- Technology partnership with FIS is strong – User Planning Council and Strategic Planning Advisory Council
- Retail and Commercial platforms ensure competitive positioning
- Cybersecurity protection is a constant focus
- AI and data gathering and analysis playing an increasingly important role
- Branch strategies involve hardware and software innovations

Mobile Adoption is Growing Rapidly

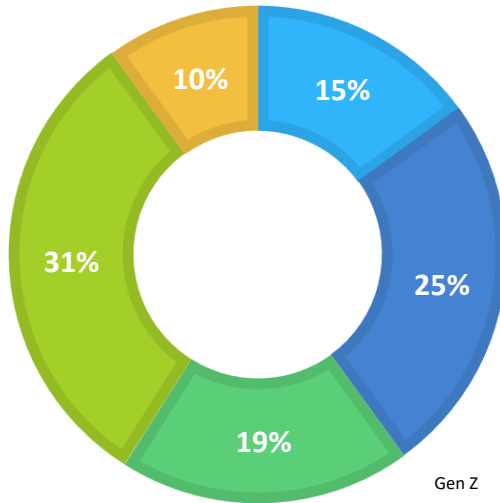
Channel Utilization Over Three Year Horizon⁽¹⁾

Channel Type	Total Transactions 2018	% of Total	Total Transactions 2021	% of Total	Three Year Change
Branch Transactions	2,361,272	20%	2,020,517	15%	(14)%
ATM/ITM	951,855	8%	895,677	7%	(6)%
Online Logins	4,934,041	41%	4,891,595	36%	(1)%
Mobile Logins ⁽²⁾	3,442,475	29%	5,402,220	40%	57%
Telephone Banking	235,635	2%	245,362	2%	4%
Total	11,925,278	100%	13,455,371	100%	13%

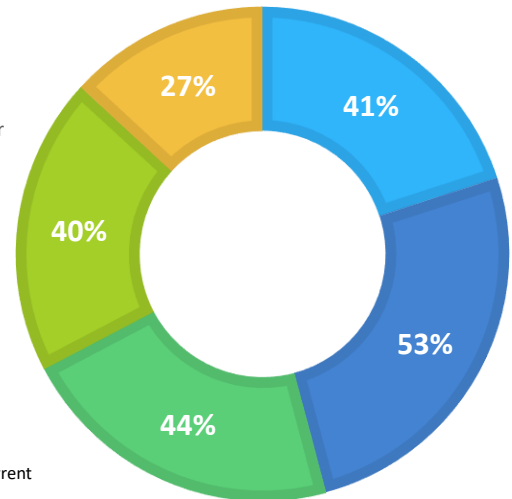
Lake City Bank Digital Adoption by Age Demographic

June 2021

CUSTOMER BREAKDOWN



DIGITAL ADOPTION



- 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

Commitment to Technology and Cyber Risk Management

Technology Focused Solutions

BINGE WATCH YOUR MONEY

Digital Banking
ASK FOR DETAILS

lakecitybank.com/digital

Lake City Bank
Member FDIC

EVEN OUR DIGITAL BANKING IS PERSONAL.

Digital Banking
ASK FOR DETAILS

lakecitybank.com/digital

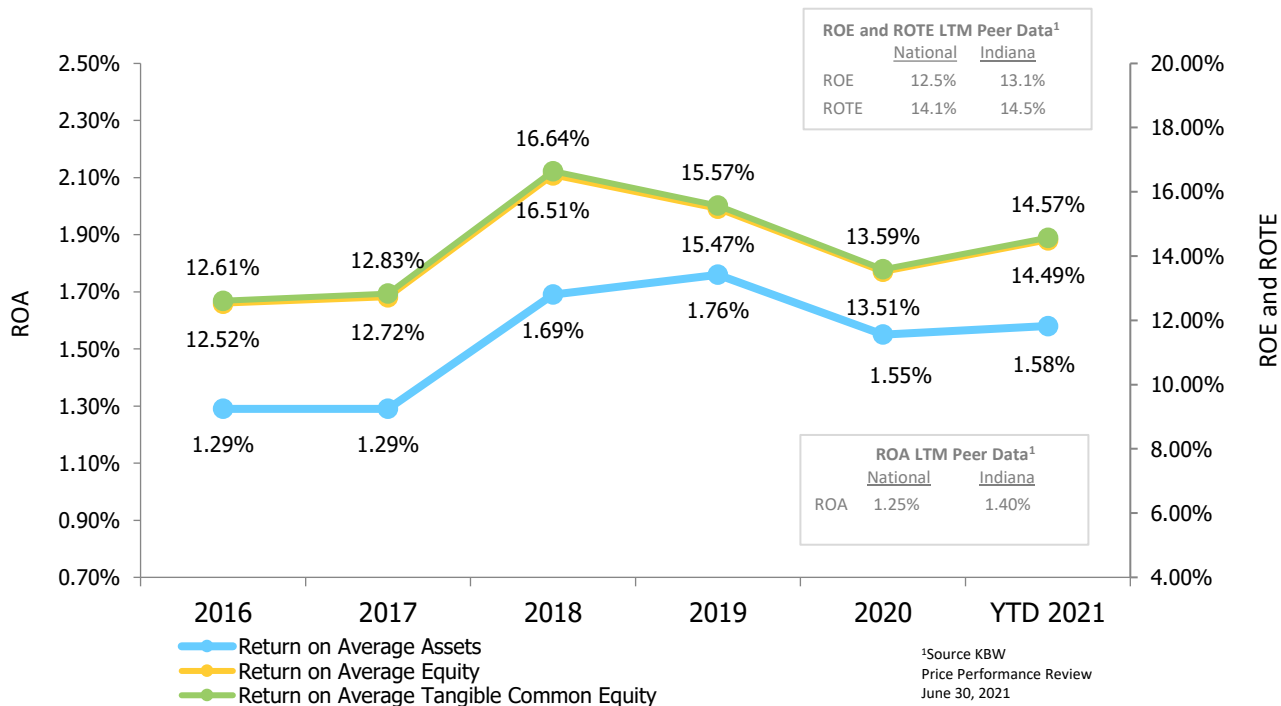
Lake City Bank
Member FDIC

The advertisement is divided into two main sections. The top section features three smartphone screens displaying various digital banking features: 'Home' with account balances, 'Budget' with a pie chart and 'Bills & Utilities' section, and 'Financial Tools' with a 'Spending' pie chart. The bottom section shows a man in a light blue shirt and tie holding a tablet, with the text 'EVEN OUR DIGITAL BANKING IS PERSONAL.' and a 'Digital Banking' button. Both sections include the Lake City Bank logo and website information.

Financial Performance

Income Performance Metrics

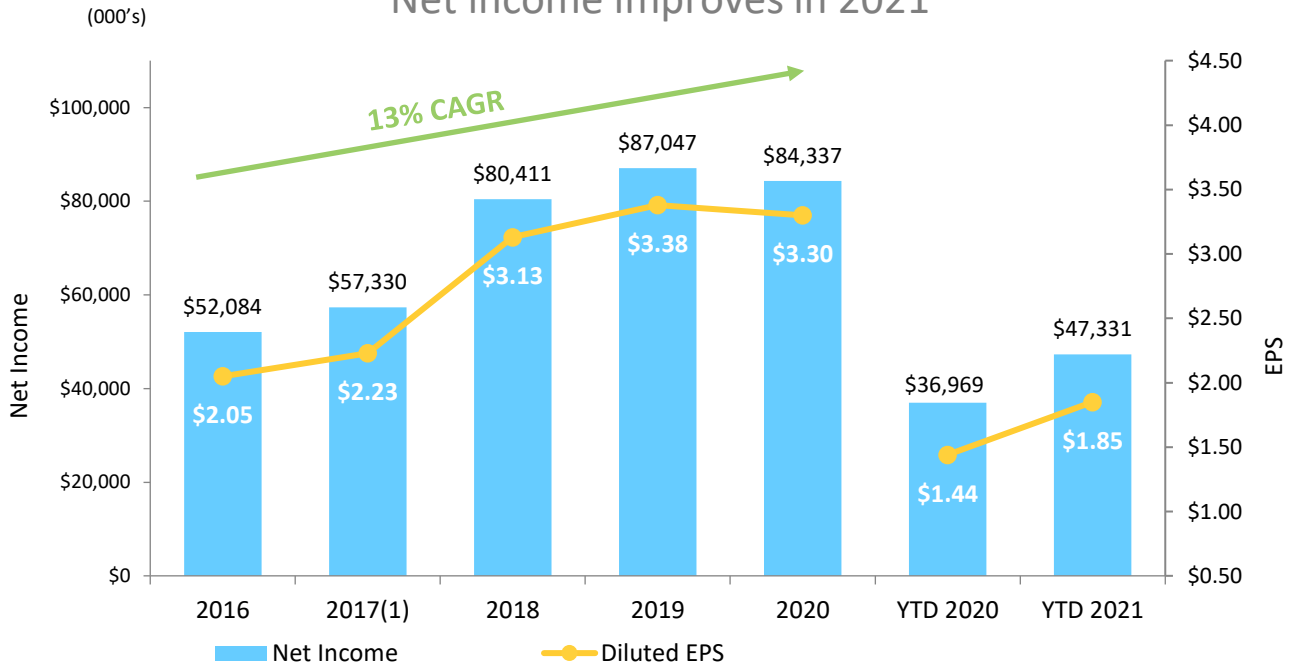
LKFN Performance Exceeds National and Indiana Peers



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

Net Income and EPS

Net income improves in 2021



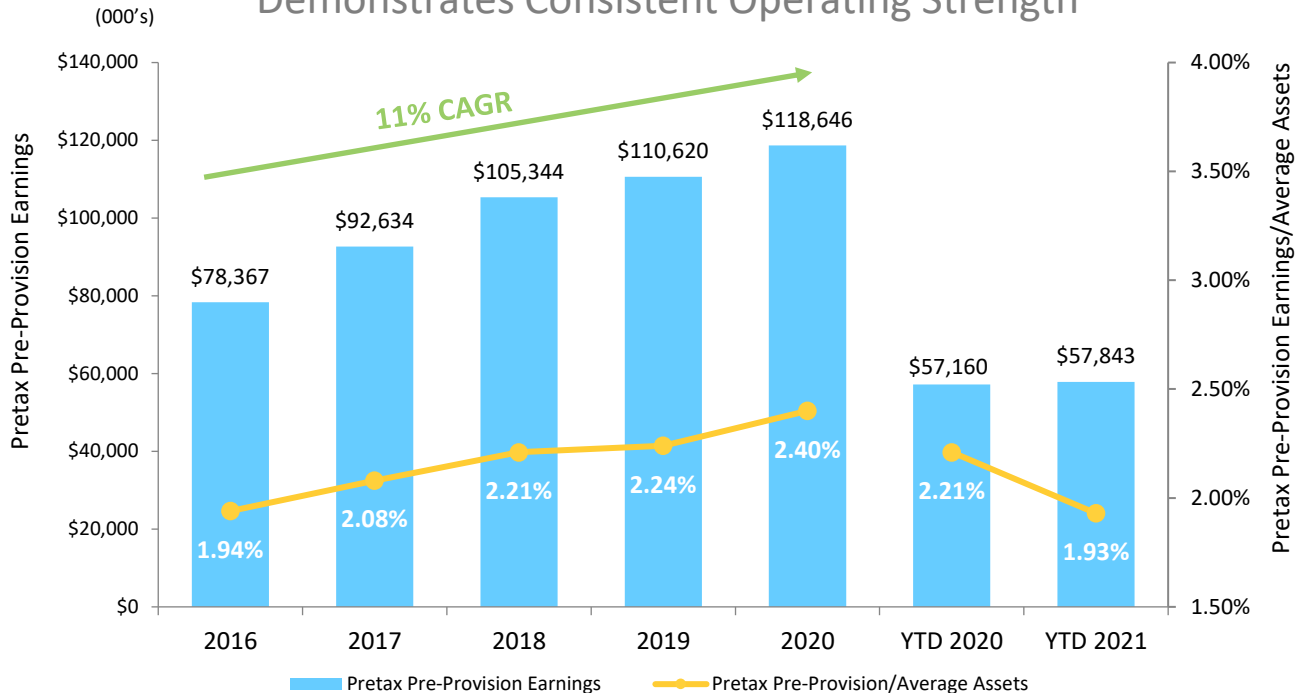
(1) Includes impact of tax reform of \$4.1 million income tax provision for 2017

2021 Net Income increase 28%

2021 Diluted EPS increase 28%

Pretax Pre-Provision Earnings

Demonstrates Consistent Operating Strength



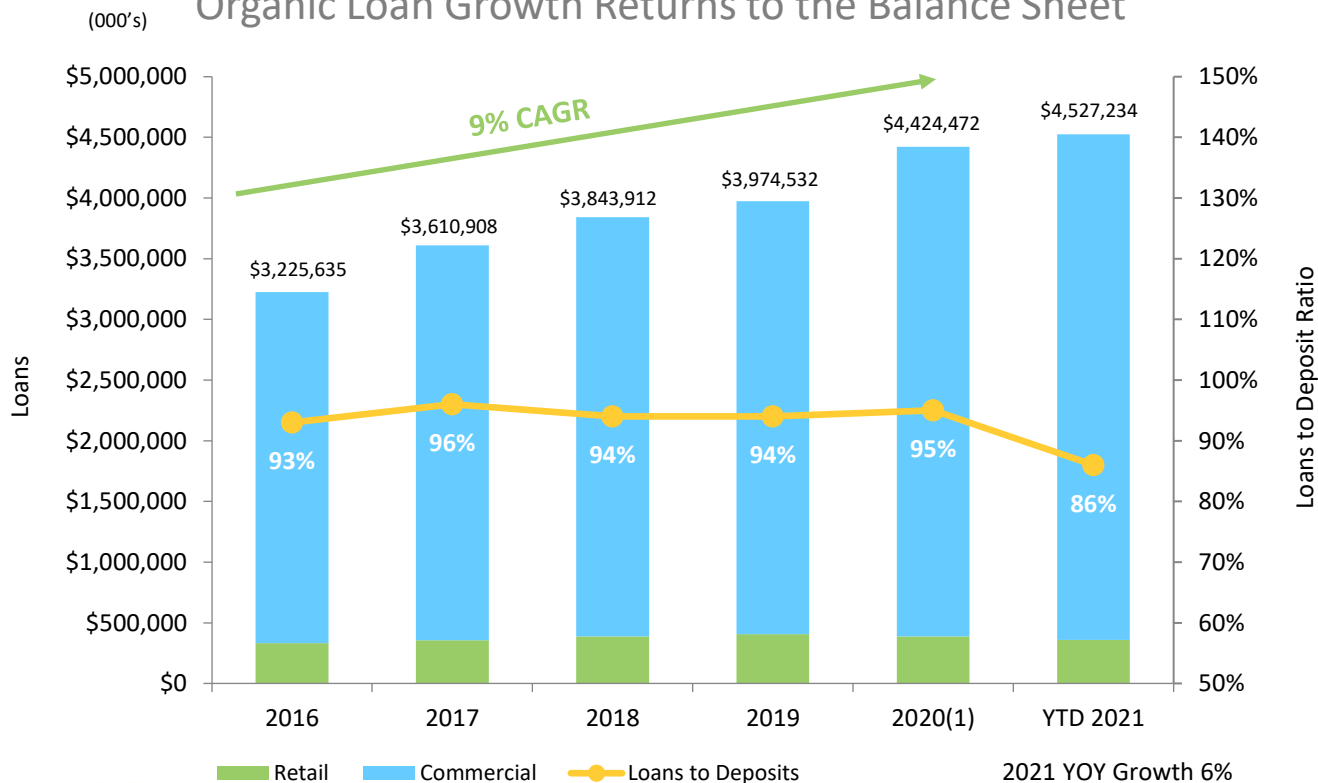
2021 Pretax Pre-Provision Earnings YOY Growth 1%



Note: Pretax Pre-Provision Earnings is a Non-GAAP financial measure. See "Reconciliation of Non-GAAP Financial Measures" in the Second Quarter 2021 Earnings Press Release and Form 8-K.

Average Loans

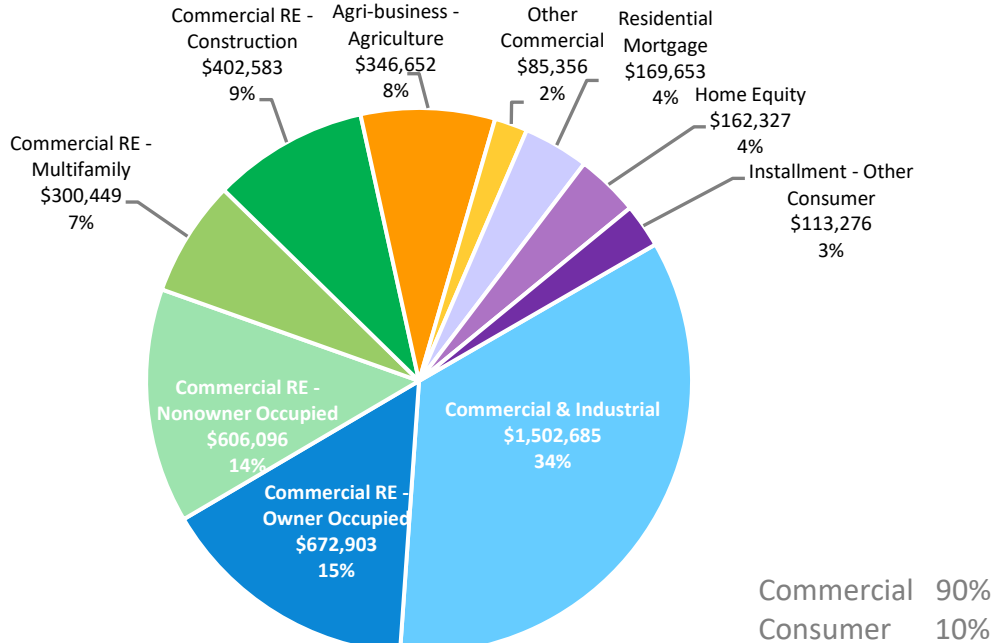
Organic Loan Growth Returns to the Balance Sheet



(1) Includes \$377 million in Average PPP loans in 2020 and \$375 million at June 30, 2021

Loan Breakdown

C&I Drives Lending Business



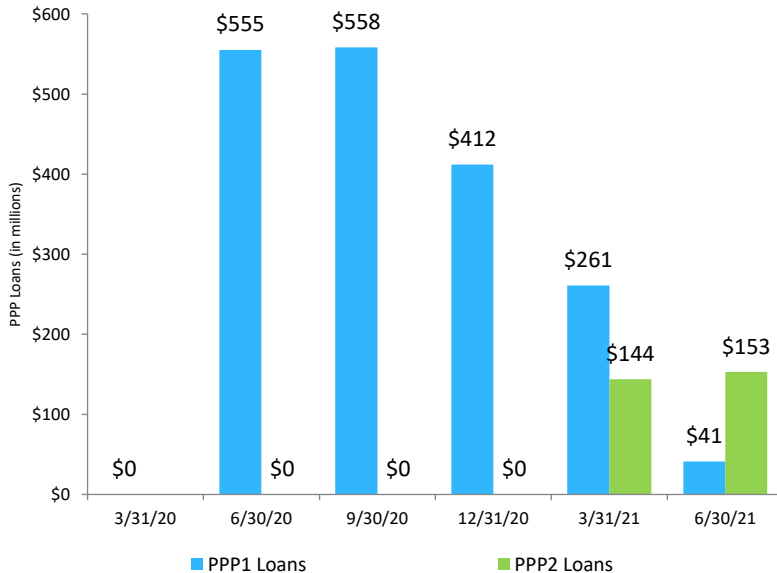
\$4.4 billion as of June 30, 2021

(000's)

Paycheck Protection Program

PPP Forgiveness Approvals Accelerate in Second Quarter

PPP Round 1 and Round 2 Balances



PPP Round 1 Highlights

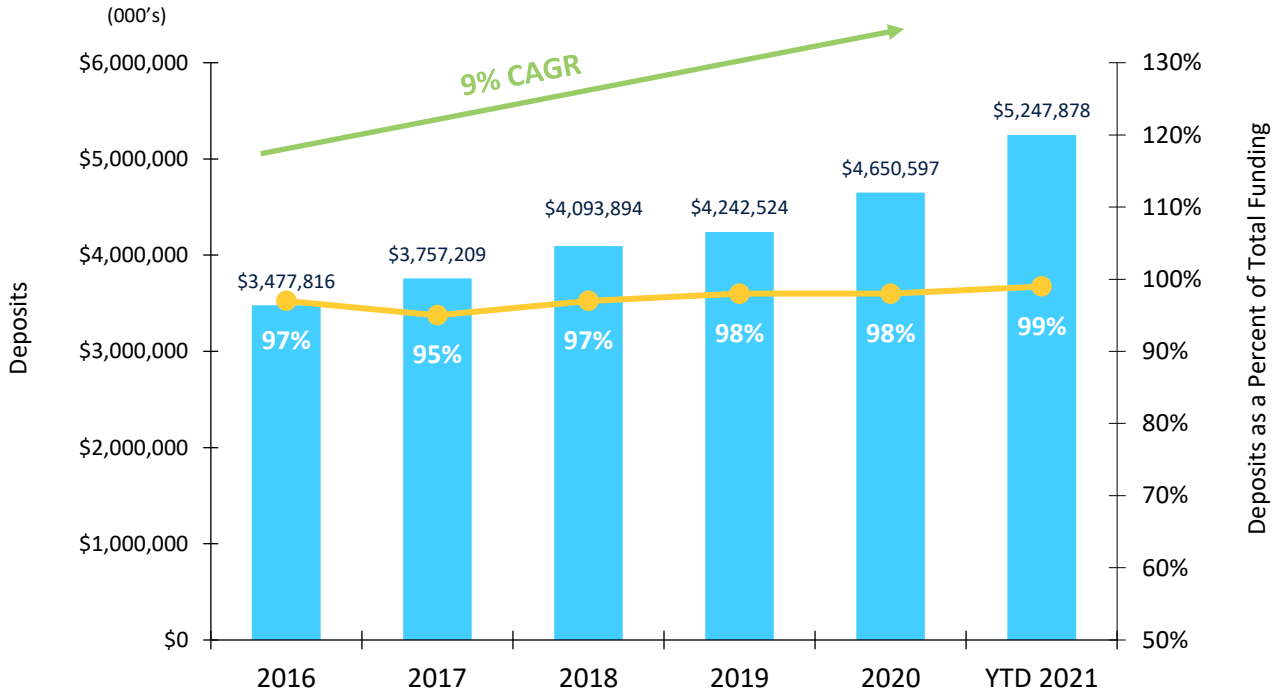
- \$571 million thru 2,409 loans
- Average loan size \$237,000
- 94% of loans, or \$514 million forgiven as of 6/30/21

PPP Round 2 Highlights

- \$165 million thru 1,192 loans
- Average loan size \$139,000
- 15% of loans or \$6 million forgiven as of 6/30/21

Average Deposits

Deposit Growth Impacted by PPP Loans and Federal Stimulus



2021 YOY Growth 18%

Average Deposits

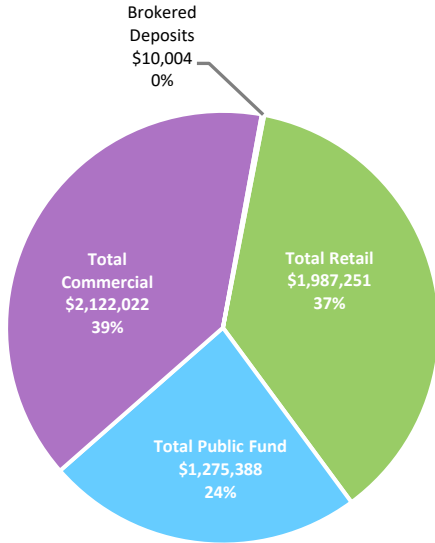
% of Funding



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

Deposit Breakdown

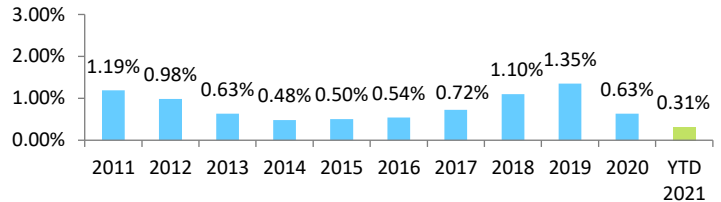
Demand Deposits Grew by \$317 million or 22% in One Year



June 30, 2021
Total Deposits - \$5.4 billion

(000's)

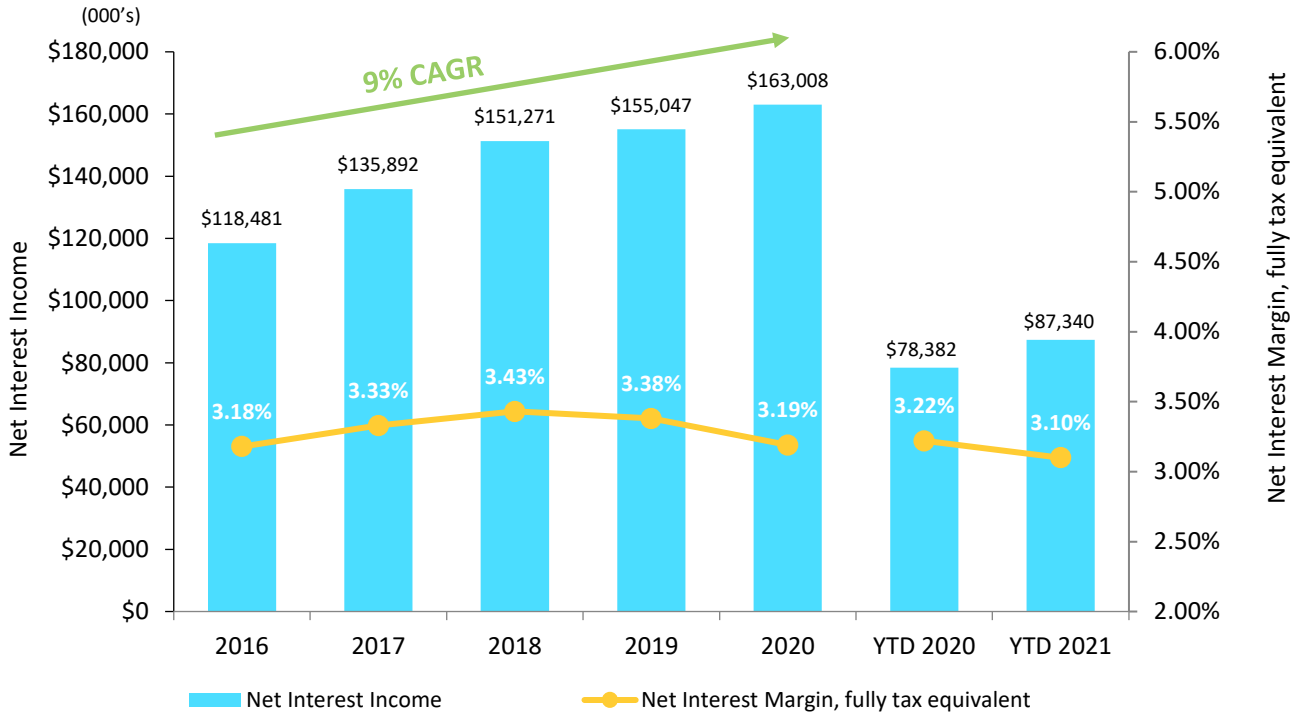
Cost of Deposits



Deposit Composition at end of period	2009	2021
Non-interest Bearing Demand Deposits	12%	32%
Interest Bearing Demand, Savings & MMA	34%	50%
Time Deposits > or = to \$100,000	35%	14%
Time Deposits < \$100,000	19%	4%
Total Deposits (billions)	\$1.9	\$5.4

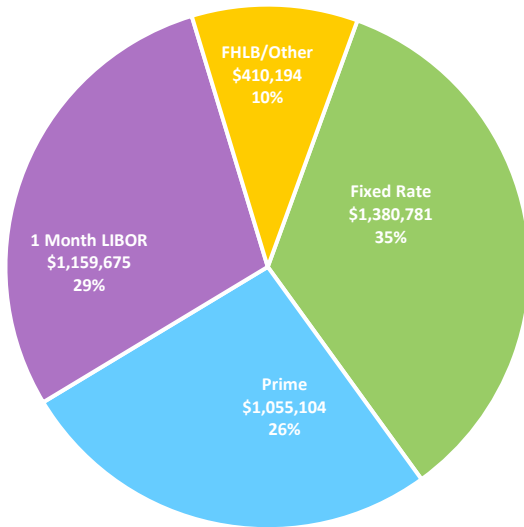
Net Interest Income

Growth in Net Interest Income Offset by Margin Compression



Interest Rate Sensitivity

Commercial Loan Portfolio Pricing Composition

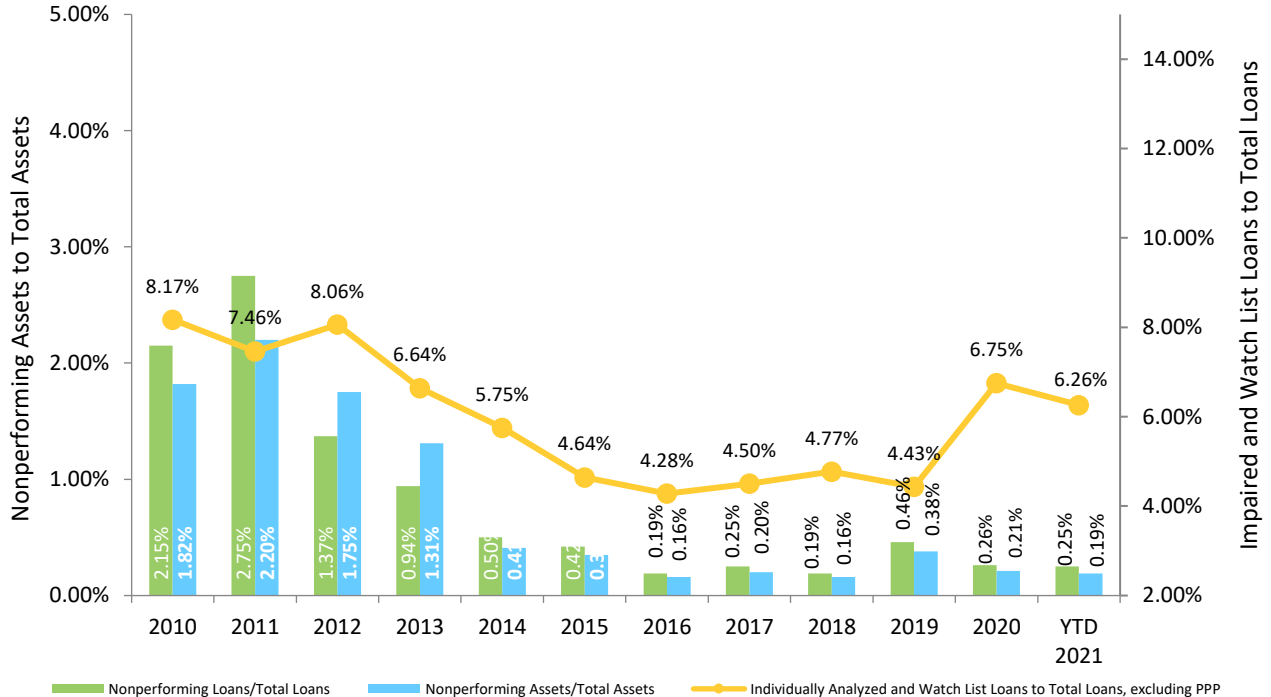


Commercial Loans
\$3.9 billion as of June 30, 2021
(000's)

- Proactive deposit pricing reductions
- 70% of Public Funds are tied to Fed Funds effective rate
- 90% of loan portfolio consists of commercial loans
- Fixed rate commercial loans have average terms of 5 years
- 37% of variable rate loans have floors with an average rate of 3.54%
- Investment portfolio duration is 7.06 years

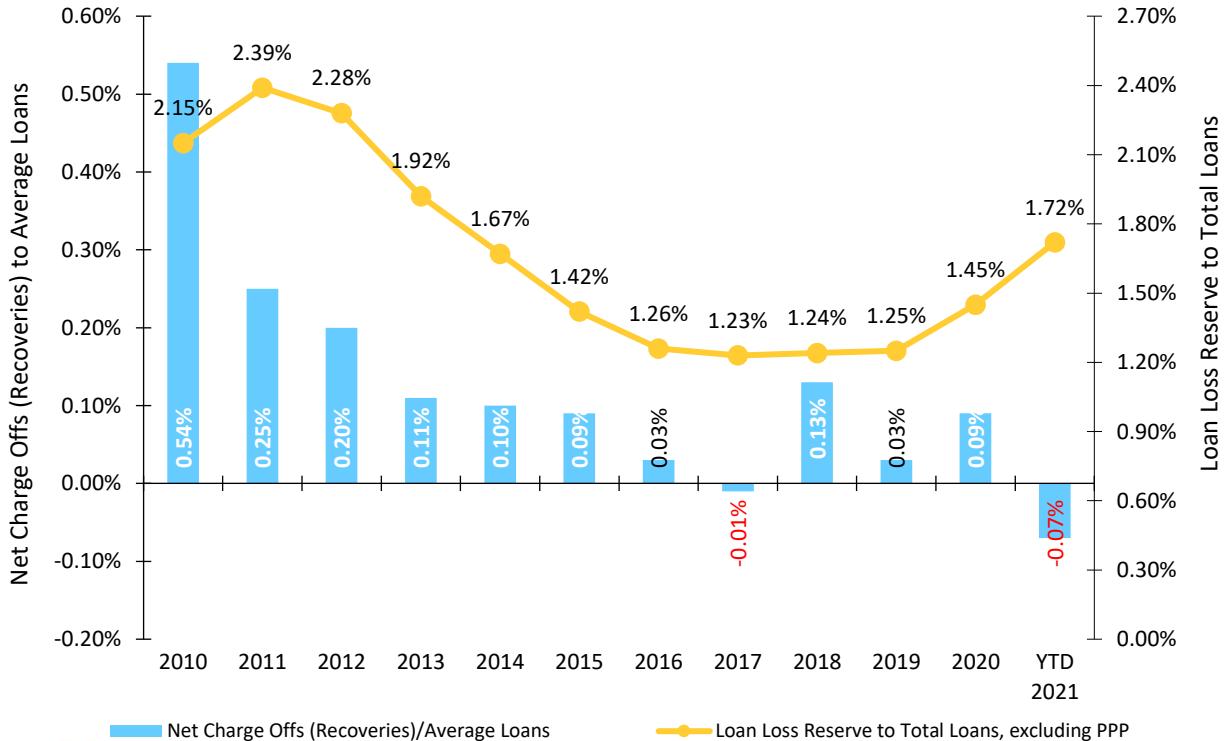
Asset Quality

Semi-Annual Portfolio Reviews Affirm Overall Strength of Asset Quality



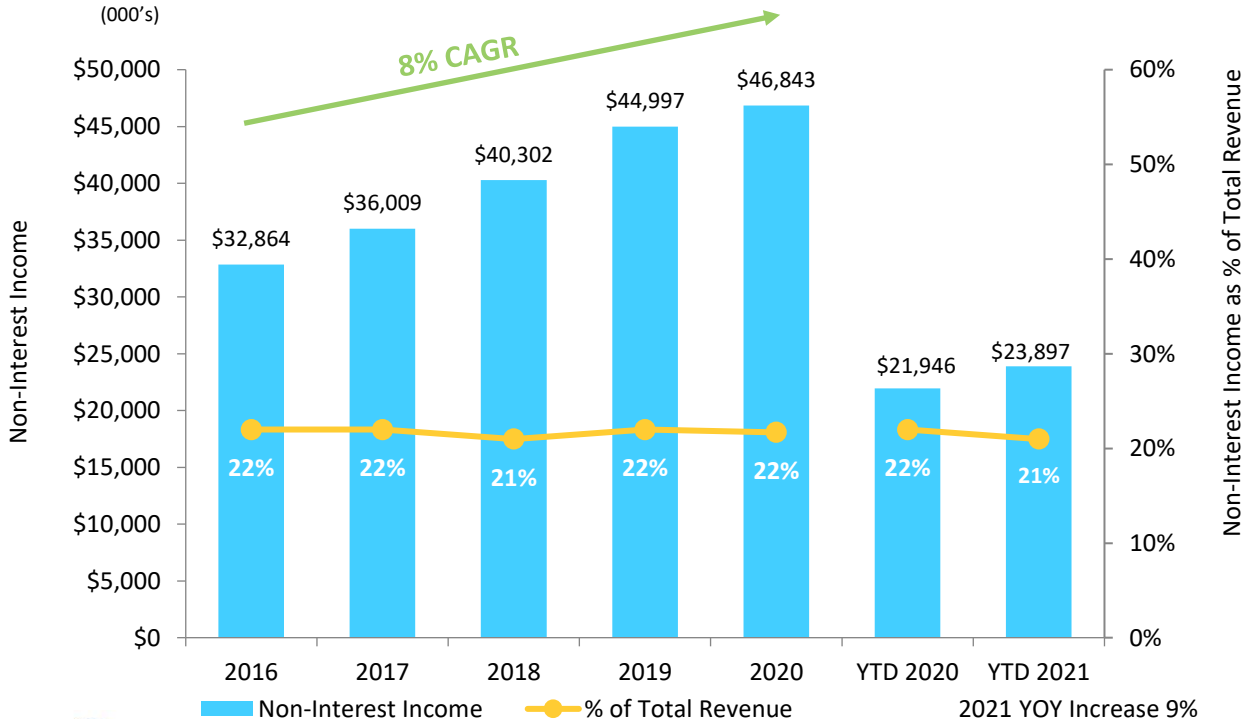
Asset Quality

Reserve Represents Strong Coverage with Stable and Improving Asset Quality Metrics



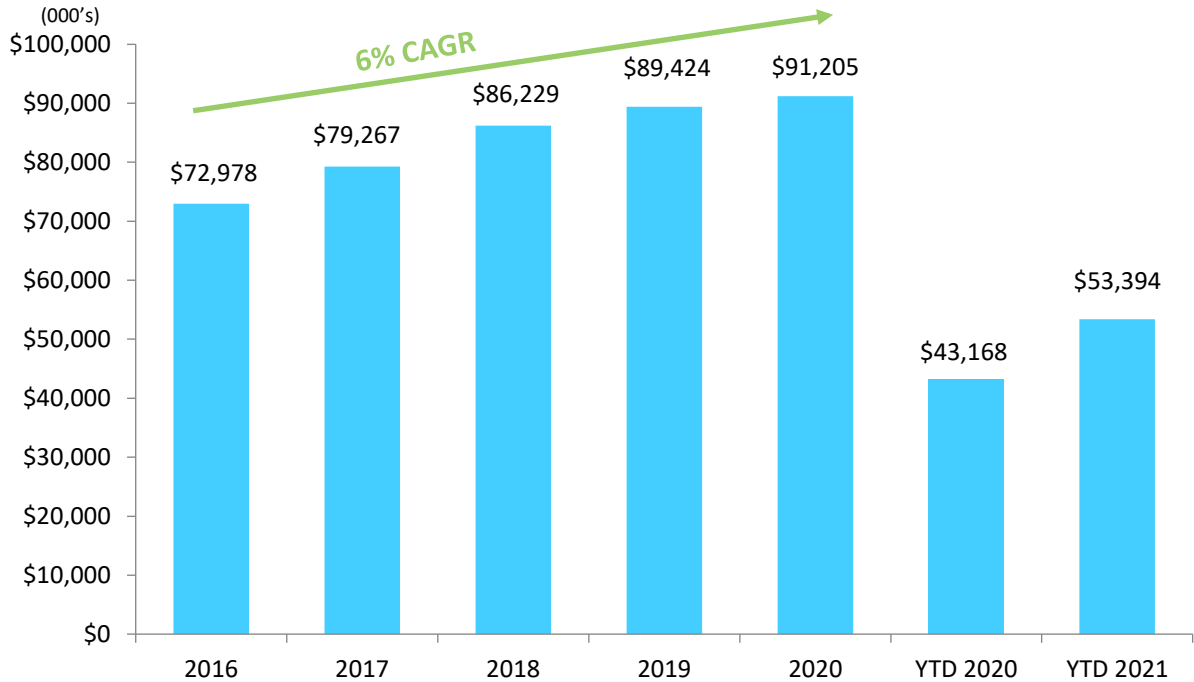
Non-Interest Income

Fee-based Revenue Improves in 2021



Non-Interest Expense

Disciplined Approach to Cost Structure While Continuing to Invest in the Future

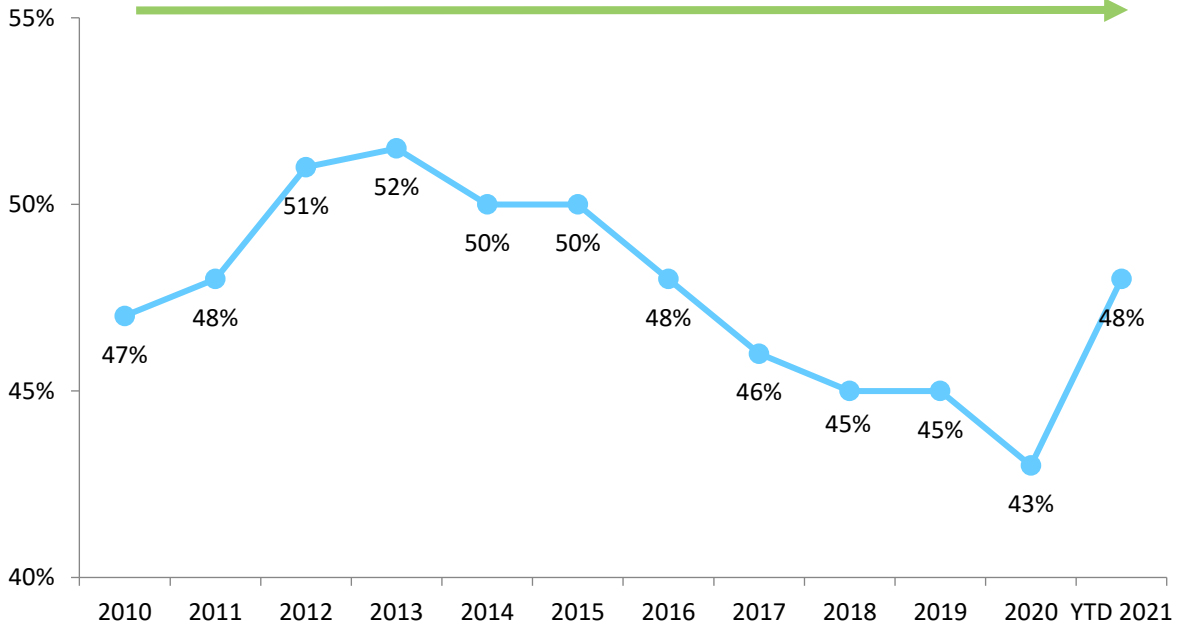


2021 YOY Increase 24%

Efficiency Ratio

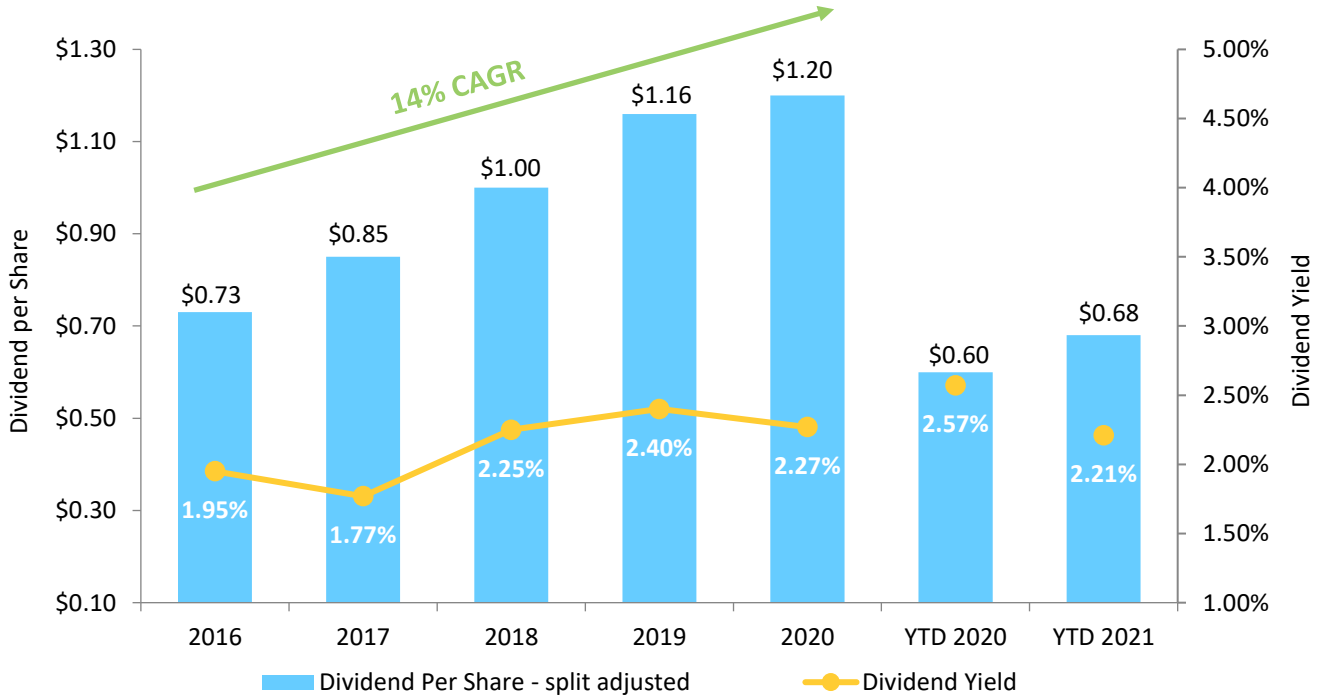
Revenue Growth is Primary Driver

Constant investment in technology and facilities



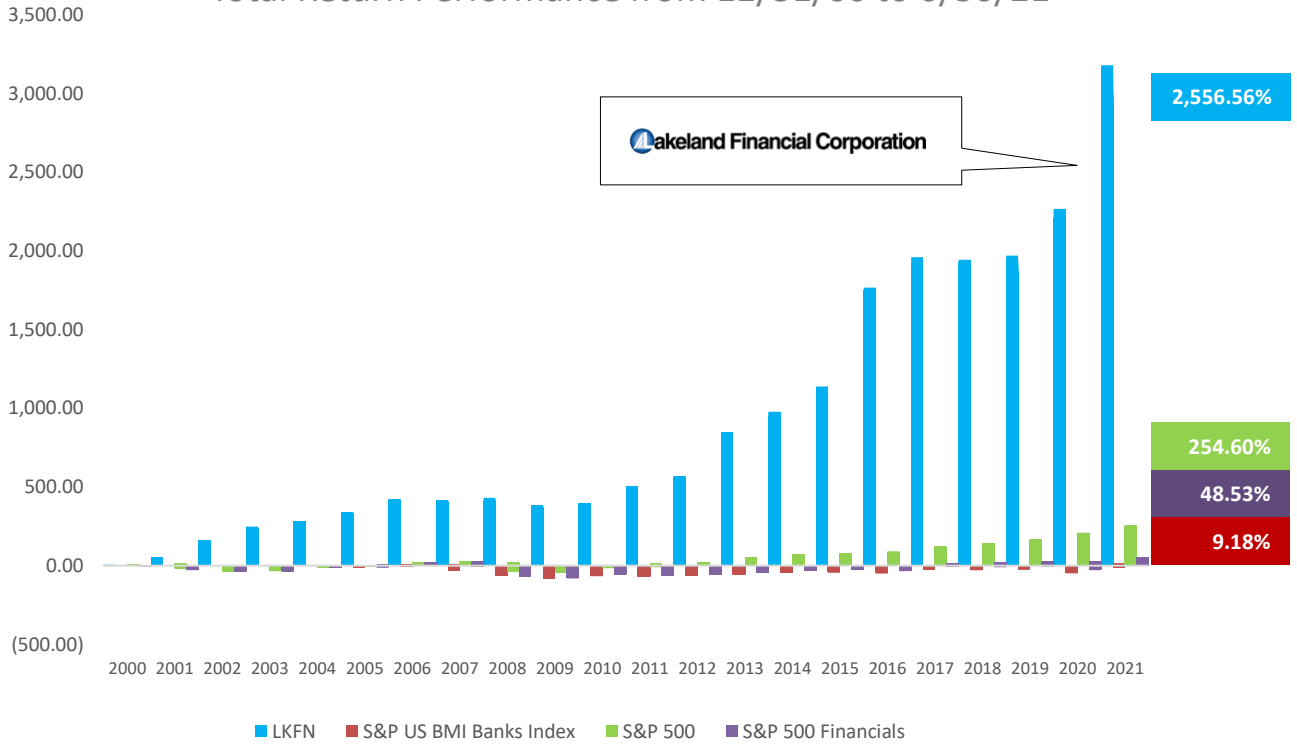
Stable Healthy Dividend

Dividend Reflects Strength of Balance Sheet



LKFN Shareholder Value

Total Return Performance from 12/31/00 to 6/30/21



Investment Highlights

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

Supplemental Information

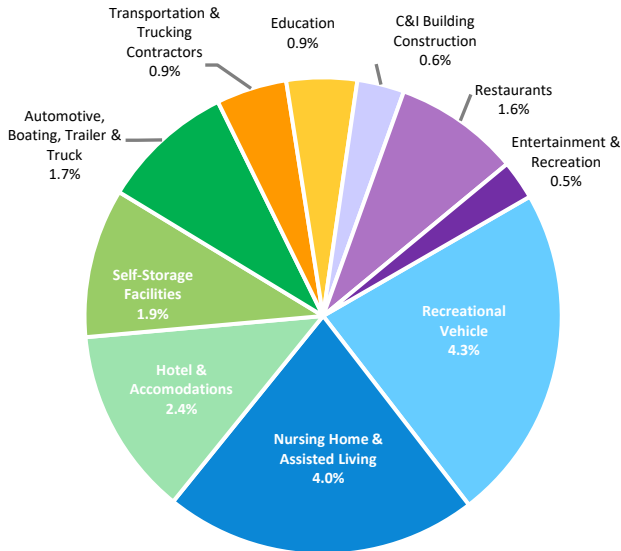
COVID-19 Crisis Management

- Active Credit Risk Management
- COVID-19 Related Loan Deferrals
- Paycheck Protection Program

Active Credit Risk Management

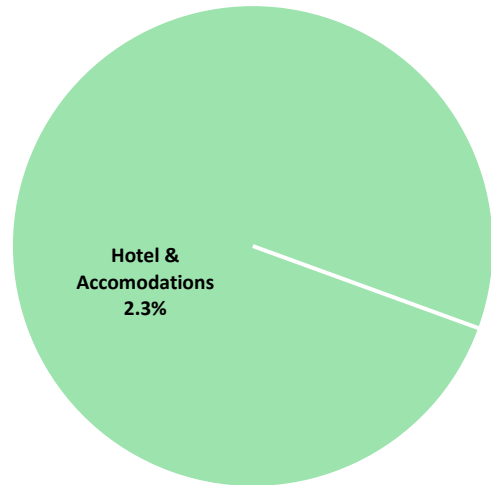
Ongoing Assessment of Potential Risk Sector – COVID-19

March 31, 2020



18.7% of Loan Portfolio
\$765 million

June 30, 2021



2.3% of Loan Portfolio
\$96 million
(excludes PPP Loans)

COVID-19 Related Loan Deferrals

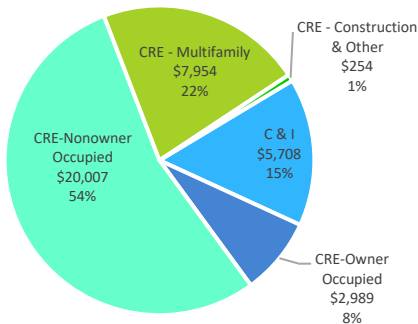
COVID-19 Loan Deferrals as of June 30, 2021

Type of Loan	# of Borrowers	Loans (000's)	% of Total Loan Portfolio
Commercial	8	\$36,912	1%
Consumer	0	0	0%
Total	10	\$36,912	1%

Credit Risk Management Efforts

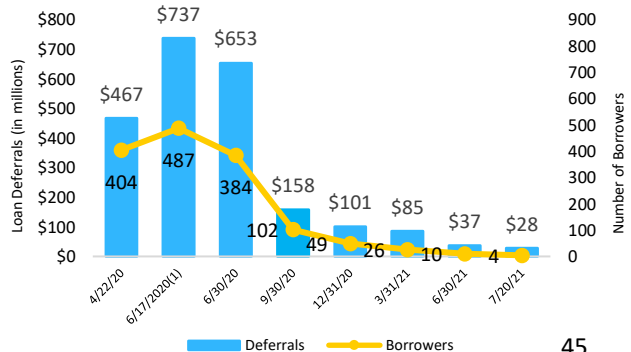
- All COVID-19 related loan deferrals remain on accrual status, each deferral is evaluated individually and management has determined that all contractual cash flows are collectible at this time
- The Hotel and Accommodation sector represents the largest component of deferral totals
- TDR deferral relief extended to January 1, 2022

Commercial Deferrals by Loan Type



\$37 million Commercial Deferrals

COVID-19 Loan Deferrals

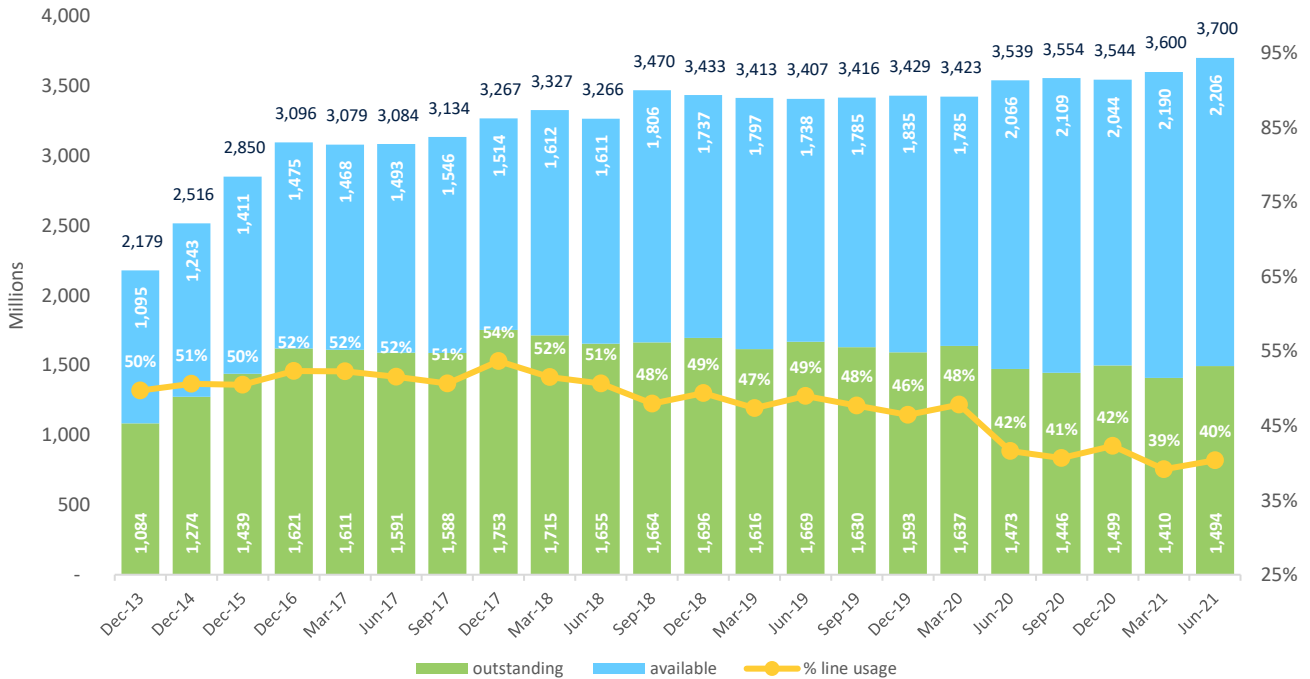


(1) Deferral balances peaked on June 17, 2020

Liquidity

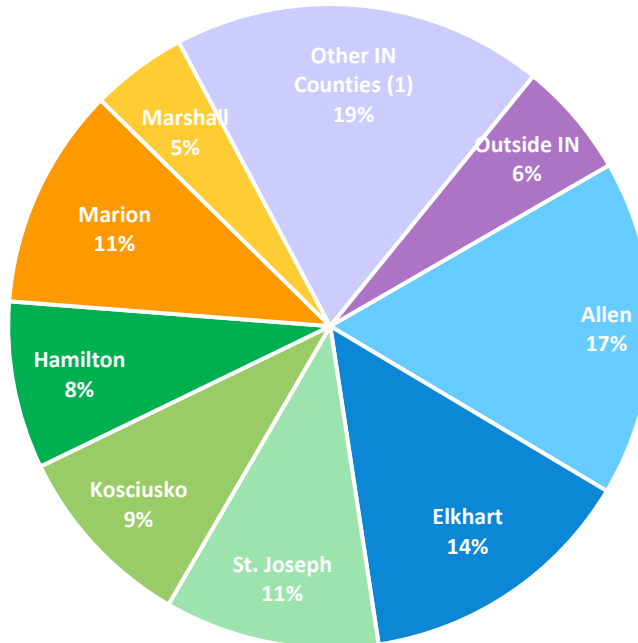
Line of Credit Utilization

June 30, 2021



Commercial Loans by County

Commercial Customers in 50 Indiana Counties and 18 Other States



Commercial Loans
Outstanding as of
6/30/2021
\$3.9 million

June 30, 2021
(000's)

Organic Growth

Larger Market Organic Expansion

State Rank	County	Primary City	Population*	LCB Entry	LCB Deposit Market Share**	# of Branches
20.	Kosciusko	Warsaw	79,456	1872	58%	12
6.	Elkhart	Elkhart	206,341	1990	23%	9
5.	St. Joseph	South Bend	271,286	1997	9%	4
3.	Allen	Fort Wayne	379,299	1999	14%	5
1.	Hamilton, Johnson, Marion	Indianapolis	1,460,760	2011	1%	6

* Source: STATS Indiana

** Source: FDIC 6/30/20 Statistics

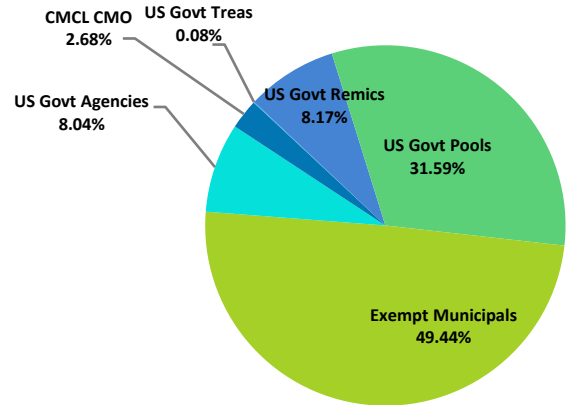
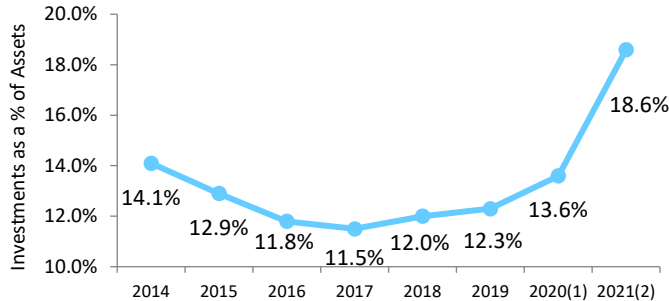


Organic Growth

Mature Market Strength and Growth

(millions) ¹	2020		2010			2020 # of Offices
	<u>Deposits</u>	<u>Share</u>	<u>Deposits</u>	<u>Share</u>	<u>Increase</u>	
1. 1 st Source	\$4,433	19.68%	\$2,676	15.68%	65.66%	53
2. Lake City Bank	\$4,113	18.26%	\$2,133	12.50%	92.83%	50
3. JPM Chase	\$2,992	13.29%	\$1,593	10.81%	87.82%	22
4. PNC	\$1,626	7.22%	\$1,543	9.07%	5.38%	24
5. First Merchants	\$941	4.18%	\$600	3.52%	56.83%	12
6. Flagstar	\$841	3.74%	\$17	0.10%	4847.06%	24
7. Star	\$797	3.54%	\$459	2.69%	73.86%	11
8. KeyBank	\$696	3.09%	\$1,024	6.00%	(32.03)%	17
9. Old National	\$639	2.84%	\$722	4.20%	(11.50)%	9
10. Fifth Third	\$571	2.54%	\$369	2.16%	54.74%	10
Market Total	\$22,521		\$17,066		31.96%	

Investment Portfolio – Source of Liquidity



June 30, 2021

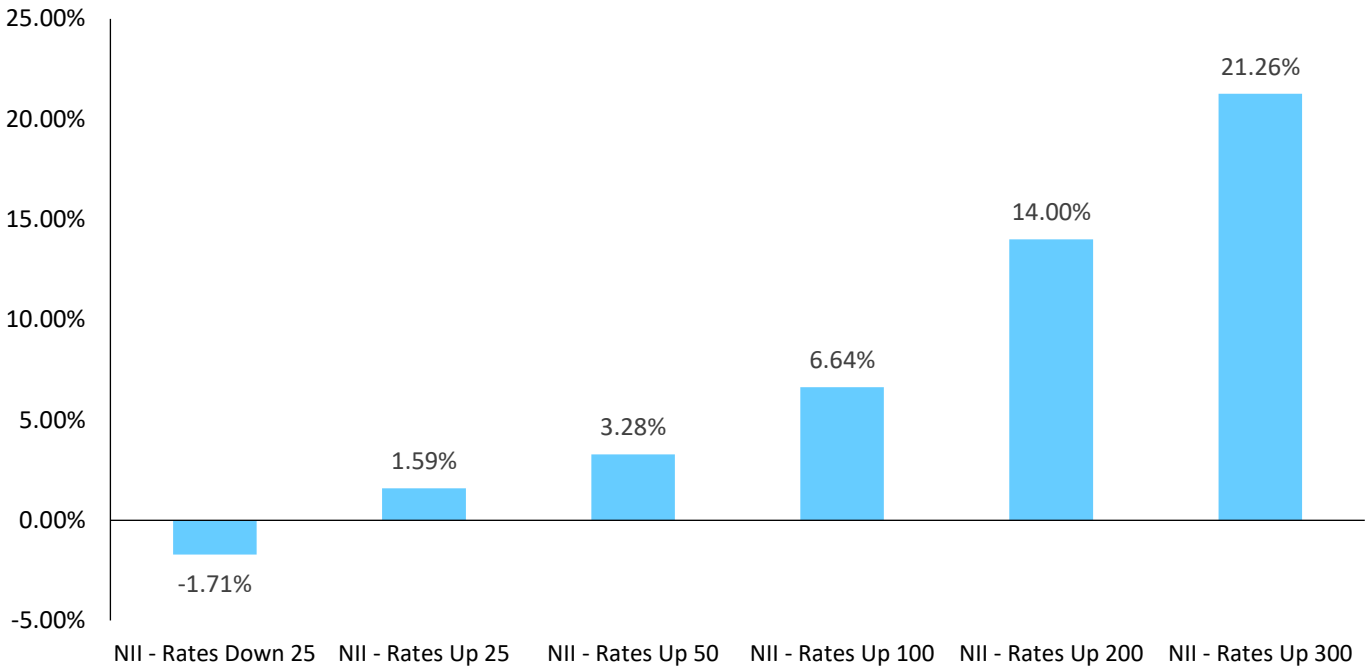
	Weighted Maturity	Book Yield	Duration	Market Value
US Govt REMICS	3.15	2.26%	4.49	91,834
US Govt Pools	7.40	1.91%	7.08	355,144
US Agencies	11.73	1.38%	12.74	90,372
US Treasury Notes/Bills	0.83	0.07%	0.83	900
Exempt Municipals (TEY)	16.16	3.20%	6.78	555,864
CMCL CMO	2.02	2.29%	1.54	30,121
Total (Tax-Equivalent Yield)	11.24	2.49%	7.06	\$1,124,235



(1) Ratio for 2020 excludes PPP loans of \$412 million in total assets
 (2) Ratio for 2021 excludes PPP loans of \$194 million in total assets

Projected Impact of Rising/Falling Rates

Asset Sensitive Balance Sheet



Graph presents 12 month projected net interest income simulation results as of June 30, 2021 using parallel shocks



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