

2017



Lakeland Financial Corporation
Annual Report



"We work hard to develop trust-based relationships with our clients and are proud that they have chosen to place their confidence in us."

Lake City Bank Shareholders, Clients and Community Partners:

As we reflect on a record 2017, the Lake City Bank team is particularly proud that we continue to demonstrate it is possible to focus on employees, clients and communities and at the same time perform for shareholders. Ultimately, we understand that it's our performance for shareholders that allows us to remain an independent community bank. However, our priorities start with our team of nearly 600 people who impact the business every day. As always, this annual report will focus on our community and client relationships and at the same time report on our financial performance.

A Record Year

While financial performance is critical to our success, it does not tell the story of Lake City Bank. People, not numbers, are at our core. Yet, the numbers tell a pretty good story. Our record net income in 2017 of \$57.3 million represented the highest earnings in our 145-year history and was our eighth consecutive year of record income. As a testimony to our long term success, it also

represented the 28th year of record net income in the last 29 years. Our story cannot be told without reflecting on our unwavering commitment to help our retail and commercial clients build a financial future through our lending business. We grew average total loans by \$385 million in 2017, an increase of 12%. Equally important to our success is our funding strategy, which provides our clients with an array of aggressively priced and creatively structured retail and commercial deposit products. In 2017, we successfully grew average total deposits by \$279 million, or 8%.

When it comes to shareholder value, we're pretty proud of our performance in both the short and long term. Ultimately, we are focused on the long term. A dollar invested in Lakeland Financial on December 31, 2000 was worth \$11 on December 31, 2017. Including the impact of our consistent dividend payments, our total return was 1,714% over that same 17-year period.

A Commitment to Technology

A commitment to technology and information security is paramount in today's fast evolving financial services world. Our clients are increasingly leveraging technology to simplify and streamline their finances and we are committed to providing them with the tools to do so. That requires that we explore every technological solution available to us, and by extension, our clients. Much has been made of the role of the expanding Fintech sector in banking, and we have been actively engaged in product development and evolution with several Fintech partners. It's simply not good enough to be competitive. We must be innovative to effectively compete with our larger bank competitors. On the related front of information security, we recognize that safeguarding our clients' information is of critical importance. As a result, we've dedicated significant resources to protect the bank and its clients.

Relationships are Paramount

The relationships we have with our clients and communities are very important to our long term success. As we do every year, we've featured a handful of those relationships in this report. On page 8, you'll get a look into our expanding relationship with Flanner House in Indianapolis. For 120 years, Flanner House has been at the epicenter of helping people move to a place of self-reliance and self-sufficiency. Led by a cross section of leadership from multiple areas of the bank, our team is working with the Flanner House to bring financial services and education to the northwest side of Indianapolis, an area underserved by the banking industry.

On page 10, you'll read about a team of Lake City Bank employees volunteering by offering the Reality Store at a local elementary school. For nearly a decade, hundreds of team members from every market have committed their time and financial knowledge to bring financial education and resources to support students in our communities. We teach practical budgeting and financial planning as well as provide financial literacy advice and counseling. This volunteerism reflects a bank-wide commitment to giving back to the communities that help us succeed.

The client relationship stories featured on the balance of these pages paint a picture of a diverse client base with representation from numerous industries and communities. While the businesses we've featured may not be similar, one consistent characteristic is embedded in each story: mutual respect between the bank and our clients. Strong banking relationships are built on a foundation of shared trust. We work hard to develop trust-based relationships with our clients and are proud that they have chosen to place their confidence in us.

At Lake City Bank, we've been able to grow into a bigger bank balance sheet without taking on the characteristics of a bigger bank. It's a delicate balance as there are many good things that come

with growth. We benefit from tangible strengths like ready access to innovative technology and the ability to finance large, growing businesses in our communities. We also benefit from intangible strengths, like the ability to deliver personal and professional development through Lake City University, our in-house training and development facility. While we are grateful to have the technology and resources that a larger balance sheet brings us, we remain committed to our community bank roots and work hard to preserve them.

We appreciate the opportunity to serve our Indiana communities. These are the communities that have provided Lake City Bank with the ability to grow successfully over the last 145 years into the largest bank 100% invested in Indiana. We will continue to build proudly on our history of service to our clients, communities, partners and shareholders.



David M. Findlay

President and Chief Executive Officer

Management Committee



As we completed another year of record net income performance for our shareholders, we paused to celebrate our great results with the entire Lake City Bank team. We're fortunate to have an organizational culture that focuses both internally and externally on taking care of people. It starts with our own team and carries over into our relationships with our clients and communities. Late in 2017, we received a note from a team member that reinforced this cultural dynamic, "It's wonderful to work for a company that values its employees and demonstrates it (all the time!). I hope we as employees never take that for granted." This is a humbling note and reminds the entire organization that we can't take anything for granted, including the privilege of serving our clients and communities.



David M. Findlay
President and Chief Executive Officer



Kevin L. Deardorff
Executive Vice President Retail Banking



Michael E. Gavin
Executive Vice President Chief Credit Officer



Lisa M. O'Neill
Executive Vice President Chief Financial Officer



Eric H. Ottinger
Executive Vice President Commercial Banking



Kristin L. Pruitt
Executive Vice President Chief Administration Officer and General Counsel



Jill A. DeBatty
Senior Vice President People Development



Jonathan P. Steiner
Senior Vice President Wealth Advisory Group and Brokerage

Board of Directors



At Lake City Bank, our board fulfills a much larger role than corporate governance. The board is an extension of the bank in all of our communities and represents a valuable and informed set of community and industry perspectives. While our board members play a key oversight role in everything from network security to internal controls, one of the most important roles that they play is that of a partner and proponent in our efforts across our Indiana footprint. Their leadership, guidance and support is invaluable to the bank, our clients and our communities.

Front (Left to Right)

Ronald D. Truex
President and
General Manager
Creighton Brothers and
Crystal Lake Egg Production

Bradley J. Toothaker
President and
Chief Executive Officer
Bradley Company

Michael L. Kubacki
Chairman
Lakeland Financial Corporation
and Lake City Bank

David M. Findlay
President and
Chief Executive Officer
Lakeland Financial Corporation
and Lake City Bank

Back (Left to Right)

Brian J. Smith
Co-Chief Executive Officer
Heritage Group, Inc.

Robert E. Bartels, Jr.
President and
Chief Executive Officer
Martin's Super Markets

Blake W. Augsburger
Former Executive Vice President
& America's Country Manager
Harman International
President
Harman Professional Division

M. Scott Welch
Chief Executive Officer
Welch Packaging Group

Daniel F. Evans, Jr.
President Emeritus
Indiana University Health

Thomas A. Hiatt
Former Founding Partner
Centerfield Capital
Partners, LP

Emily E. Pichon
Chairman
ExTech Plastics, Inc.
Officer and Director
Olive B Cole Foundation and
M E Raker Foundation, Inc.

Steven D. Ross
Former President
Heartland Coffee Company



Owners Peyman and Amir Rashid

Client since 2015

Fishers Imports, which sells and services luxury pre-owned vehicles, is a dream destination for car lovers. Brothers Peyman and Amir Rashid have been in the auto business since 2005, started their own company in 2011, and have been growing ever since. Lake City Bank has helped fuel Fishers Imports' growth with commercial and construction loans, dealer floor plan financing, and treasury management solutions ranging from online banking and bill pay to ACH and wire services. "We haven't found another bank to match Lake City—one that provides such a full cycle of services to surround us with what we need," said

Peyman Rashid. The bank has been a reliable source for creative solutions. "The bank always follows through on what they say they will do," said Amir Rashid. "Not once have they failed to come through as promised."

Group Photo: Left to right, Peyman Rashid, Owner; Marie Rogers, Business Manager; Bill Redman, Senior Vice President, Commercial Indianapolis Regional Manager; Amir Rashid, Owner; Ryan Hart, Vice President, Commercial Banking Officer; Terry Young, Operations Manager; Brenda Prater, Floor Plan Auditor, Credit Administration; and Simon Turner, Service and Parts Director.



Galen Miller, President and Chief Executive Officer

Client since 2014

Miller Poultry, located in Orland, Indiana, is a true egg-to-table poultry producer. The company raises chicks in its own hatchery, contracts with local farmers to raise them, and then processes chickens in its plant. Along the way, chickens eat all-vegetable feed that is drug and antibiotic free, and is processed at Miller's own feed mill. The company, family owned since 1942, has grown through the years to its current size, processing 650,000 chickens each week. Lake City Bank's expertise in the agricultural industry and business banking has helped Miller Poultry grow. Joe Kessie, Senior Vice President, Commercial South

Regional Manager, worked with Galen Miller, President and Chief Executive Officer, on financing and deposits for the company, and on access to a number of technology-driven treasury management solutions, in addition to a 401(k) plan for employees. "It has been really easy to work with Joe and the folks from Lake City Bank," Miller said. "Joe has a long track record in agricultural lending and has a great industry perspective. He's the best we've experienced with a lender over the years."



Brandon Cosby, Executive Director; and Debra White, Deputy Director

Client since 2017

The Flanner House has been a community resource in the Martin Luther King Jr. Boulevard area of Indianapolis since 1898. Through the decades, the Flanner House has worked, through a variety of programs and collaborators, to support, advocate for and empower individuals toward stabilization and self-sufficiency. Lake City Bank has joined the list of Flanner House collaborators with plans to add an Interactive Teller Machine (ITM) to the Flanner House grounds in 2018. Gloria Crawford, Vice President and Office Manager at the bank's Clearwater office, is a frequent contributor to Flanner House activities. "We want

to bring financial literacy to the neighborhood, and having the ITM here, in an area that is essentially unbanked, will be a great resource to the community," she said. Flanner House Executive Director Brandon Cosby said, "Attracting a bank to the area, especially an Indiana bank like Lake City Bank, was essential to our efforts to help residents become self-sufficient financially." Plans are also in the works to hold financial literacy classes for the community at Flanner House.



James Schwartz, Chief Executive Officer; and Tom Nagy, President

Client since 2009

Since 1956, Dehco Inc. has grown from its beginnings in a small facility in Elkhart to a leading national supplier to the recreational vehicle, manufactured housing, marine and specialty industries. While the company has grown incrementally, its constant attention to service and quality has enabled Dehco to build a loyal customer base. Dehco began working with Lake City Bank in 2009, and the relationship has grown based on the same tenets that guide Dehco's service to its customers—service and quality. "It's been a great relationship," said Tom Nagy, President. "Lake City Bank has proven it believes in strong

ownership and good operations." Lake City Bank provides commercial and real estate lending to Dehco, as well as merchant and treasury management services. "Lake City is always a step ahead of us," said James Schwartz, Chief Executive Officer. "They want to know what we need, and they bring us the right products."



Karla Kroll, Commercial Loan Operations Officer; Nathan Polston, Principal, Leesburg Elementary; and Tiffany Peterson, Commercial Loan Servicing Specialist

Active since 2010

Leesburg Elementary was a hive of grown-up activity one Friday last fall when Lake City Bank's Reality Store paid a visit to the sixth grade classes. The Leesburg Reality Store was organized by Karla Kroll, Commercial Loan Operations Officer; and Tiffany Peterson, Commercial Loan Servicing Specialist; and staffed by employees from Operations and other areas. "Lake City Bank has hosted Reality Stores since about 2010, and our Operations group wanted to reach out to our community by hosting one," Kroll said. "They are a real-life activity designed to help students learn about the economics of life." Students are given a personal situation—married with two children, job as a nurse, income of \$50,000, for example—and they have to select living choices and the expenditures that go along with them

at different stations staffed by Lake City Bank volunteers. For example, they have to choose renting or buying a home, and for how much; what kind of car they will drive, if they can afford one; what they will spend on utilities; and even what will happen if they're struck by a twist of fate, like a house fire or other calamity. "It's really fun to work with students and see them realize how much it costs to run a household," Peterson said. "They figure out quickly that they might want to get more education, or that buying a brand new car might not be the best choice." Schools appreciate Reality Stores too. "Learning about the economics of life hands-on is quite valuable for our students," said Nathan Polston, Principal, Leesburg Elementary. "And the fact that the bank makes it a turnkey event for us is even better."



Donnie Fain, Chief Executive Officer; and Mary Habegger-Fox, President

Client since 2014

Poseidon Barge, Ltd. builds barges that support, literally, the construction, marine, diving and dredging industries. Poseidon manufactures portable barges that can be transported by truck, making them convenient and economical for projects on inland rivers and lakes. Multiple Poseidon barges can be anchored together to create the size platform required to support heavy machinery and other equipment, and can be moved easily when the job is done. “Lake City Bank has been a great fit for us,” said Mary Habegger-Fox, President. “Cammy Treadway is just a phone call away, ready with advice and to take care of what we need.” Lake City Bank has worked with Poseidon Barge

since 2014, providing commercial loans, technology-based treasury management solutions, and health savings accounts and other personal accounts for employees. “Our partnership with Poseidon has been productive for Poseidon and for the bank,” said Cammy Treadway, Senior Vice President, Commercial East Regional Manager. “In addition to helping with financing that has helped the company grow, we have been able to provide treasury management solutions that help the company run more efficiently, and personal products for employees and management.”



Tyler Kitt, EP Graphics Chief Executive Officer and DRG Treasurer; Roger Muselman, DRG Chairman; Chuck Croft, DRG Chief Executive Officer; Thomas Muselman, DRG President

Client since 2011

Third generation family business DRG started as a printing operation in 1925 and has grown to include companies in printing, media and sophisticated technology solutions, and distribution. The company's media products—including magazines, books, kits and supplies, online classes and TV programming—are targeted to home and family interests, including crafts, nostalgia and home décor. Through the generations, the Muselman family has shepherded the company's expansion. Lake City Bank entered the picture in 2011, providing trust, investment management and private banking services for individuals as well as a

foundation account. The relationship grew to include services for the company including technology-driven treasury management solutions, commercial loans and commercial deposits. "Working with a local company makes all the difference in the world," said Chuck Croft, Chief Executive Officer. "The ability to understand a complex organization in a local context was important to us, and Lake City Bank delivered."

Group Photo: Left to right, Tyler Kitt, EP Graphics Chief Executive Officer and DRG Treasurer; Reneta Thurairatnam, Vice President, Wealth Advisor; Marshall Weadick, Vice President, Commercial Banking Officer; Thomas Muselman, DRG President; Roger Muselman, DRG Chairman; Chuck Croft, DRG Chief Executive Officer; Tabitha Williamson, Vice President, Treasury Management Sales Officer; and Karrie Kitch, Vice President, Commercial and Private Banking Officer.



David Pairitz, Chief Executive Officer; Rocky Anderson, Vice President; and Keith Howard, President

Client since 2009

Global Link Distribution Corp., which warehouses and distributes parts to the recreational vehicle, cargo trailer, manufactured housing and cabinet industries, was looking for a real partner when it discovered Lake City Bank very early in its history as a company. “Lake City Bank has been a business partner to us more so than just a bank, from the start,” said David Pairitz, Chief Executive Officer. “Because the bank really understands the cyclical nature of the RV industry, they could structure loans that worked for both of us.” Global Link’s partnership with Lake City Bank includes services that span company and personal

needs. In addition to credit and deposit products, Global Link uses a variety of the bank’s treasury management products to help manage and protect finances. In addition, Global Link’s principals work with Lake City Bank on a personal level. “It’s important to have a partner to help us expand to the next level,” Pairitz said. “Lake City Bank has kept pace with the RV industry and with our growth. Much of our success as partners is due to the people we work with at the bank. We can’t say enough about the great people at Lake City.”

Five Year Summary of Financial Highlights

(in thousands, except share and per share data)

End of Period Balances

	2017	2016	2015	2014	2013
Assets	\$4,682,976	\$4,290,025	\$3,766,286	\$3,443,284	\$3,175,764
Deposits	4,008,655	3,577,912	3,183,421	2,873,120	2,546,068
Loans	3,818,459	3,470,927	3,080,929	2,762,320	2,535,098
Allowance for Loan Losses	47,121	43,718	43,610	46,262	48,797
Total Equity	468,667	427,067	392,901	361,385	321,964

Average Balances

Assets					
Total Assets	\$4,443,106	\$4,039,719	\$3,597,190	\$3,318,271	\$3,009,738
Earning Assets	4,183,112	3,799,963	3,384,178	3,141,290	2,838,457
Investments	530,275	493,656	476,153	475,068	474,711
Loans	3,610,908	3,225,635	2,885,568	2,650,678	2,343,422
Liabilities and Stockholders' Equity					
Total Deposits	\$3,757,209	\$3,477,816	\$3,088,598	\$2,797,929	\$2,505,341
Interest Bearing Deposits	2,967,902	2,753,466	2,478,674	2,299,578	2,087,870
Interest Bearing Liabilities	3,178,439	2,872,691	2,589,915	2,461,352	2,265,303
Total Equity	450,796	416,034	378,106	343,135	310,627

Income Statement Data

Net Interest Income	\$135,892	\$118,481	\$105,927	\$102,303	\$90,439
Net Interest Income - Fully Tax Equivalent	139,015	120,719	107,902	104,232	92,235
Provision for Loan Loss	3,000	1,150	0	0	0
Non-interest Income	36,009	32,864	31,479	30,053	30,737
Non-interest Expense	79,267	72,978	68,206	66,166	62,778
Net Income	57,330	52,084	46,367	43,805	38,839

Per Share Data

Basic Net Income Per Common Share	\$2.28	\$2.08	\$1.86	\$1.77	\$1.57
Diluted Net Income Per Common Share	2.23	2.05	1.84	1.74	1.55
Cash Dividends Per Common Share	0.85	0.73	0.63	0.55	0.38
Dividend Payout	38.12%	35.61%	34.36%	31.42%	24.46%
Book Value Per Common Share	18.60	17.01	15.74	14.55	13.03
Basic Weighted Average Common Shares Outstanding	25,181,208	25,056,095	24,926,354	24,803,295	24,654,197
Diluted Weighted Average Common Shares Outstanding	25,663,381	25,460,727	25,245,569	25,172,183	24,951,507

Key Ratios

Return on Average Assets	1.29%	1.29%	1.29%	1.32%	1.29%
Return on Average Total Equity	12.72%	12.52%	12.26%	12.77%	12.50%
Equity to Average Assets	10.15%	10.30%	10.51%	10.34%	10.32%
Net Interest Margin	3.33%	3.18%	3.19%	3.32%	3.25%
Efficiency	46.11%	48.22%	49.64%	49.99%	51.81%
Net Charge Offs to Average Loans	-0.01%	0.03%	0.09%	0.10%	0.11%
Loan Loss Reserve to Total Loans	1.23%	1.26%	1.42%	1.67%	1.92%
Loan Loss Reserve to Nonperforming Loans	500.91%	653.31%	334.04%	337.51%	203.79%
Nonperforming Assets to Total Loans	0.25%	0.20%	0.43%	0.51%	0.96%

The following selected data has been taken from the Company's consolidated financial statements. Refer to Lakeland Financial Corporation's Annual Report on Form 10-K for the year 2017 for a complete set of consolidated financials.

Condensed Consolidated Balance Sheets

(Years ended December 31)
(in thousands, except share data)

Assets	2017	2016
Cash and due from banks	\$156,679	\$142,408
Short-term investments	<u>19,501</u>	<u>24,872</u>
Total cash and cash equivalents	176,180	167,280
Securities available for sale (carried at fair value)	538,493	504,191
Real estate mortgage loans held for sale	3,346	5,915
Total loans	3,818,459	3,470,927
Less: Allowance for loan losses	<u>47,121</u>	<u>43,718</u>
Net Loans	3,771,338	3,427,209
Land, premises and equipment, net	56,466	52,092
Bank owned life insurance	75,879	74,006
Federal Reserve and Federal Home Loan Bank stock	13,772	11,522
Accrued interest receivable	14,093	11,687
Goodwill	4,970	4,970
Other assets	<u>28,439</u>	<u>31,153</u>
Total Assets	<u>\$4,682,976</u>	<u>\$4,290,025</u>
Liabilities		
Non-interest bearing deposits	\$885,622	\$819,803
Interest bearing deposits	<u>3,123,033</u>	<u>2,758,109</u>
Total deposits	4,008,655	3,577,912
Accrued interest payable and other liabilities	24,044	24,041
FHLB advances and other borrowings	150,682	230,077
Subordinated debentures	<u>30,928</u>	<u>30,928</u>
Total Liabilities	4,214,309	3,862,958
Stockholders' Equity		
Common stock: 90,000,000 shares authorized, no par value	108,862	104,405
Retained earnings	363,794	327,873
Accumulated other comprehensive income (loss)	(670)	(2,387)
Treasury stock	<u>(3,408)</u>	<u>(2,913)</u>
Total Stockholders' Equity	468,578	426,978
Total Non-controlling Interest	<u>89</u>	<u>89</u>
Total Equity	468,667	427,067
Total Liabilities and Stockholders' Equity	<u>\$4,682,976</u>	<u>\$4,290,025</u>
End of period shares issued	25,194,903	25,096,087
End of period shares outstanding	25,025,933	24,937,865

Report of Independent Registered Public Accounting Firm

Stockholders and Board of Directors, Lakeland Financial Corporation, Warsaw, IN

[See Annual Report on Form 10-K](#)

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of Lakeland Financial Corporation and subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for each of the three years in the period December 31, 2017, not appearing herein; and in our report dated February 28, 2018, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated, in all material respects, in relation to the December 31, 2017 consolidated financial statements from which it has been derived.

Crowe Horwath LLP, South Bend, Indiana, February 28, 2018

Condensed Consolidated Statements of Income

(Years ended December 31)
(in thousands, except share and per share data)

	2017	2016	2015
Interest Income			
Interest and fees on loans	\$151,024	\$125,292	\$110,561
Interest and dividends on securities			
Taxable	9,218	9,421	8,564
Tax exempt	5,102	3,885	3,355
Interest on short-term investments	354	353	59
Total Interest Income	165,698	138,951	122,539
Interest Expense			
Interest on deposits	27,026	18,944	15,415
Interest on FHLB advances and other borrowings	2,780	1,526	1,197
Total Interest Expense	29,806	20,470	16,612
Net Interest Income	135,892	118,481	105,927
Provision for loan losses	3,000	1,150	0
Net Interest Income After Provision for Loan Losses	132,892	117,331	105,927
Non-interest Income			
Wealth advisory and investment brokerage income	6,754	5,815	6,038
Service charges on deposit accounts	13,696	12,013	10,608
Loan and service fees	7,900	7,681	7,460
Merchant card fee income	2,279	2,098	1,843
Bank owned life insurance income	1,768	1,392	1,338
Other income	2,598	2,213	2,974
Mortgage banking income	982	1,586	1,176
Net securities gains/(losses)	32	66	42
Total Non-interest Income	36,009	32,864	31,479
Non-interest Expense			
Salaries and employee benefits	45,510	41,934	38,923
Occupancy and equipment expense	9,224	8,116	7,418
Data processing fees and supplies	8,233	8,148	7,592
Other expense	16,300	14,780	14,273
Total Non-interest Expense	79,267	72,978	68,206
Income Before Income Tax Expense	89,634	77,217	69,200
Income tax expense	32,304	25,133	22,833
Net Income	\$57,330	\$52,084	\$46,367
BASIC WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	25,181,208	25,056,095	24,926,354
BASIC EARNINGS PER COMMON SHARE	\$2.28	\$2.08	\$1.86
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	25,663,381	25,460,727	25,245,569
DILUTED EARNINGS PER COMMON SHARE	\$2.23	\$2.05	\$1.84

See Annual Report on Form 10-K

Corporate Information

Nature of Business

Lakeland Financial Corporation is a \$4.7 billion bank holding company located in Warsaw, Indiana. Lake City Bank, its single bank subsidiary, is the fourth largest bank headquartered in the state and the largest bank 100% invested in Indiana. Lake City Bank operates 49 offices in Northern and Central Indiana, delivering technology-driven and client-centric financial services solutions to individuals and businesses.

Headquarters

Lakeland Financial Corporation
202 E Center Street
Warsaw, IN 46580
(574) 267-6144
(800) 827-4522
lakecitybank.com

Annual Meeting

Tuesday, April 10, 2018
4:30 p.m. – Annual meeting followed by a reception
Ritz Charles Carmel
12156 North Meridian Street | Carmel, Indiana 46032

Common Stock Listing

Lakeland Financial Corporation common stock is traded on the Nasdaq Global Select Market under the symbol “LKFN.”

Market Makers

Robert W. Baird & Co. Incorporated
BNY Mellon Capital Markets, LLC
Fig Partners, LLC
Cantor Fitzgerald & Co.
Citadel Securities LLC
Cowen and Company, LLC
Canaccord Genuity Inc.
Citadel Derivatives Group LLC
D.A. Davidson & Co.
Deutsche Bank Securities Inc.
EG Market Technologies LLC
G1 Execution Services, LLC
Goldman, Sachs & Co.
IMC Financial Markets
Jefferies LLC
Keefe, Bruyette & Woods, Inc.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
Morgan Stanley & Co. LLC
VIRTU Americas LLC
Nasdaq Execution Services, LLC.
Puma Capital, LLC
Raymond James & Associates, Inc.
Citigroup Global Markets Inc.
Sandler O’Neill & Partners, L.P.
Two Sigma Securities, LLC
Stephens, Inc.
Susquehanna Securities
Stifel, Nicolaus & Company, Incorporated
Susquehanna Financial Group, LLP
Sun Trading LLC
UBS Securities LLC
Wall Street Access
Wells Fargo Securities, LLC
Wolverine Securities, LLC
Latour Trading LLC

Stock Transfer Agent and Registrar

American Stock Transfer and Trust Company
6201 15th Avenue
Brooklyn, NY 11219
(800) 937-5449
(718) 236-4588 fax
info@amstock.com
amstock.com

Dividend Reinvestment and Stock Purchase Plan

Lakeland Financial Corporation offers stockholders a convenient way to increase their investment through the Lakeland Financial Dividend Reinvestment and Stock Purchase Plan. Under the plan, investors can elect to acquire Lakeland Financial shares in the open market by reinvesting dividends and through optional cash payments. Lakeland Financial absorbs the fees and brokerage commissions on shares acquired through the plan. To obtain a plan prospectus and authorization form, call Tina Rensberger at (800) 827-4522. The plan prospectus is also available on the company’s website at lakecitybank.com.

Direct Deposit of Dividends

The direct deposit program, which is offered at no charge, provides for automatic deposit of quarterly dividends directly to a checking or savings account. For information regarding this program, call Tina Rensberger at (800) 827-4522.

Form 10-K and Other Financial Reports

The company maintains a website at lakecitybank.com. The company makes available free of charge on this site its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after it electronically files such material with, or furnishes it to, the Securities and Exchange Commission. The company will also provide copies of its filings free of charge upon written request to:

Lakeland Financial Corporation
Attn: Investor Relations
PO Box 1387
Warsaw, IN 46581-1387

Corporate Governance

Lakeland Financial Corporation corporate governance documents are available on the company’s website at lakecitybank.com or may be obtained in print form by contacting Tina Rensberger at (800) 827-4522.

Independent Registered Public Accounting Firm

Crowe Horwath LLP
330 E Jefferson Boulevard
South Bend, IN 46624

Corporate Counsel

John Freechack
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President and Chief Executive Officer

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Executive Vice President
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Executive Vice President
Chief Credit Officer

Lisa M. O'Neill
Executive Vice President
Chief Financial Officer

Eric H. Ottinger
Executive Vice President
Commercial Banking

Kristin L. Pruitt
Executive Vice President
Chief Administration Officer
and General Counsel

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