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

FORM 10-Q

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2005

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 0-11487

LAKELAND FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

INDIANA	35-1559596
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

202 East Center Street P.O. Box 1387, Warsaw, Indiana	46581-1387
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (574)267-6144

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 [x] NO [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).
YES [x] NO [ ]

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

Class	Outstanding at July 31, 2005
Common Stock, No Par Value	5,933,514

LAKELAND FINANCIAL CORPORATION

Form 10-Q Quarterly Report

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PART I.

PART II.

Part 1
LAKELAND FINANCIAL CORPORATION
ITEM 1 - FINANCIAL STATEMENTS

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS
As of June 30, 2005 and December 31, 2004
(in thousands)

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	June 30, 2005 (Unaudited)	December 31, 2004
ASSETS		
Cash and due from banks	$ 87,862	$ 81,144
Short-term investments	5,079	22,714
Total cash and cash equivalents	92,941	103,858
Securities available-for-sale (carried at fair value)	289,557	286,582
Real estate mortgages held-for-sale	4,269	2,991
Loans, net of allowance for loan losses of $11,724 and $10,754	1,082,324	992,465
Land, premises and equipment, net	25,091	25,057
Bank owned life insurance	17,328	16,896
Accrued income receivable	6,403	5,765
Goodwill	4,970	4,970
Other intangible assets	1,140	1,245
Other assets	14,592	13,293
Total assets	$ 1,538,615	$ 1,453,122

(Continued)

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS
As of June 30, 2005 and December 31, 2004
(in thousands except for share and per share data)

	June 30, 2005 (Unaudited)	December 31, 2004
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Noninterest bearing deposits	$ 232,413	$ 237,261
Interest bearing deposits	893,459	878,138
Total deposits	1,125,872	1,115,399
Short-term borrowings:		
Federal funds purchased	69,500	20,000
Securities sold under agreements to repurchase	92,589	88,057
U.S. Treasury demand notes	2,077	2,593
Other borrowings	89,900	75,000
Total short-term borrowings	254,066	185,650
Accrued expenses payable	7,311	7,445
Other liabilities	1,936	1,889
Long-term borrowings	10,046	10,046
Subordinated debentures	30,928	30,928
Total liabilities	1,430,159	1,351,357
STOCKHOLDERS' EQUITY		
Common stock: No par value, 90,000,000 shares authorized, 5,968,204 shares issued and 5,931,568 outstanding as of June 30, 2005, and 5,915,854 shares issued and 5,881,283 outstanding at December 31, 2004	1,453	1,453
Additional paid-in capital	13,754	12,463
Retained earnings	95,586	89,864
Accumulated other comprehensive loss	(1,508)	(1,267)
Treasury stock, at cost	(829)	(748)
Total stockholders' equity	108,456	101,765
Total liabilities and stockholders' equity	$ 1,538,615	$ 1,453,122

The accompanying notes are an integral part of these consolidated financial statements.

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
For the Three Months and Six Months Ended June 30, 2005 and 2004
(in thousands except for share and per share data)

(Unaudited)

(Page 1 of 2)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
NET INTEREST INCOME				
Interest and fees on loans:				
Taxable	$ 16,154	$ 11,688	$ 30,667	$ 23,131
Tax exempt	40	71	85	139
Interest and dividends on securities:				
Taxable	2,364	1,868	4,636	4,047
Tax exempt	587	588	1,174	1,172
Short-term investments	45	21	101	49
Total interest income	19,190	14,236	36,663	28,538
Interest on deposits	5,082	3,101	9,530	6,132
Interest on short-term borrowings	1,063	352	1,743	698
Interest on long-term borrowings	541	404	1,035	994
Total interest expense	6,686	3,857	12,308	7,824
NET INTEREST INCOME	12,504	10,379	24,355	20,714
Provision for loan losses	662	246	1,120	498
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	11,842	10,133	23,235	20,216
NONINTEREST INCOME				
Trust and brokerage income	791	780	1,519	1,519
Service charges on deposit accounts	1,703	1,697	3,252	3,354
Loan, insurance and service fees	478	470	893	957
Merchant card fee income	629	581	1,165	1,081
Other income	410	544	1,057	874
Net gains on sale of real estate mortgages held for sale	207	(27)	451	293
Total noninterest income	4,218	4,045	8,337	8,078
NONINTEREST EXPENSE				
Salaries and employee benefits	5,027	4,859	10,173	9,784
Net occupancy expense	675	590	1,331	1,168
Equipment costs	491	524	1,008	963
Data processing fees and supplies	571	650	1,129	1,245
Credit card interchange	388	343	716	633
Other expense	2,146	2,229	4,304	4,310
Total noninterest expense	9,298	9,195	18,661	18,103

(Continued)

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
For the Three Months and Six Months Ended June 30, 2005 and 2004
(in thousands except for share and per share data)

(Unaudited)

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
INCOME BEFORE INCOME TAX EXPENSE	6,762	4,983	12,911	10,191
Income tax expense	2,358	1,639	4,452	3,345
NET INCOME	$ 4,404	$ 3,344	$ 8,459	$ 6,846
Other comprehensive income/(loss), net of tax:				
Unrealized gain/(loss) on available-for-sale securities	1,845	(3,972)	(241)	(2,521)
TOTAL COMPREHENSIVE INCOME	$ 6,249	$ (628)	$ 8,218	$ 4,325
AVERAGE COMMON SHARES OUTSTANDING FOR BASIC EPS	5,953,831	5,859,474	5,945,149	5,851,210
BASIC EARNINGS PER COMMON SHARE	$ 0.74	$ 0.57	$ 1.42	$ 1.17
AVERAGE COMMON SHARES OUTSTANDING FOR DILUTED EPS	6,129,603	6,048,256	6,130,937	6,050,297
DILUTED EARNINGS PER SHARE	$ 0.72	$ 0.55	$ 1.38	$ 1.13

The accompanying notes are an integral part of these consolidated financial statements.

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2005 and 2004
(in thousands)

(Unaudited)

(Page 1 of 2)

	2005	2004
Cash flows from operating activities:		
Net income	$ 8,459	$ 6,846
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	958	960
Provision for loan losses	1,120	498
Amortization of intangible assets	105	107
Amortization of loan servicing rights	306	251
Net change in loan servicing rights valuation allowance	(69)	(71)
Loans originated for sale	(21,766)	(36,565)
Net gain on sale of loans	(451)	(293)
Proceeds from sale of loans	20,751	34,147
Net (gain) loss on sale of premises and equipment	(5)	49
Net securities amortization	1,356	1,899
Stock compensation expense	0	33
Earnings on life insurance	(384)	(312)
Net change:		
Accrued income receivable	(638)	33
Accrued expenses payable	(46)	(1,163)
Other assets	(1,017)	1,829
Other liabilities	47	57
Total adjustments	267	1,459
Net cash from operating activities	8,726	8,305
Cash flows from investing activities:		
Proceeds from maturities, sales and calls of securities available-for-sale	22,442	35,587
Purchases of securities available-for-sale	(27,147)	(38,069)
Purchase of life insurance	(48)	(104)
Net increase in total loans	(90,979)	(58,779)
Proceeds from sales of land, premises and equipment	111	49
Purchase of land, premises and equipment	(1,098)	(691)
Net cash from investing activities	(96,719)	(62,007)

(Continued)

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2005 and 2004
(in thousands)

(Unaudited)

(Page 2 of 2)

	2005	2004
Cash flows from financing activities:		
Net increase in total deposits	$ 10,473	$ 95,944
Net decrease in short-term borrowings	68,416	(11,092)
Payments on long-term borrowings	0	(20,001)
Dividends paid	(2,611)	(2,338)
Proceeds from stock options exercise	879	780
Purchase of treasury stock	(81)	(88)
Net cash from financing activities	77,076	63,205
Net increase (decrease) in cash and cash equivalents	(10,917)	9,503
Cash and cash equivalents at beginning of the period	103,858	57,441
Cash and cash equivalents at end of the period	$ 92,941	$ 66,944
Cash paid during the period for:		
Interest	$ 11,762	$ 7,111
Income taxes	$ 5,080	$ 2,740
Loans transferred to other real estate	$ 0	$ 7

The accompanying notes are an integral part of these consolidated financial statements.

LAKELAND FINANCIAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2005

(Unaudited)

NOTE 1. BASIS OF PRESENTATION

This report is filed for Lakeland Financial Corporation (the "Company") and its wholly-owned subsidiary, Lake City Bank (the "Bank"). All significant inter-company balances and transactions have been eliminated in consolidation. Also included is the Bank's wholly-owned subsidiary, LCB Investments Limited ("LCB Investments").

The unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with instructions for Form 10-Q. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (all of which are normal and recurring in nature) considered necessary for a fair presentation have been included. Operating results for the three-month and six-month periods ending June 30, 2005 are not necessarily indicative of the results that may be expected for the year ending December 31, 2005. The 2004 Lakeland Financial Corporation Annual Report on Form 10-K should be read in conjunction with these statements.

NOTE 2. EARNINGS PER SHARE

Basic earnings per common share is based upon weighted-average common shares outstanding. Diluted earnings per share show the dilutive effect of additional common shares issueable.

Employee compensation expense under stock options is reported using the intrinsic value method. No stock-based compensation cost is reflected in net income at the time of grant, as all options granted had an exercise price equal to or greater than the market price of the underlying common stock at date of grant. No additional options were granted in the first six months of 2005. Had compensation cost for stock options been recorded in the financial statements, net income and earnings per share would have been the pro forma amounts indicated below. The pro forma effect may increase in the future if more options are granted.

	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Net income (in thousands) as reported	$ 8,459	$ 6,846
Deduct: stock-based compensation expense determined under fair value based method	180	291
Pro forma net income	$ 8,279	$ 6,555
Basic earnings per common share as reported	$ 1.42	$ 1.17
Pro forma basic earnings per share	$ 1.39	$ 1.12
Diluted earnings per share as reported	$ 1.38	$ 1.13
Pro forma diluted earnings per share	$ 1.35	$ 1.08

	Three Months Ended June 30, 2005	Three Months Ended June 30, 2004
Net income (in thousands) as reported	$ 4,404	$ 3,344
Deduct: stock-based compensation expense determined under fair value based method	80	185
Pro forma net income	$ 4,324	$ 3,159
Basic earnings per common share as reported	$ 0.74	$ 0.57
Pro forma basic earnings per share	$ 0.73	$ 0.54
Diluted earnings per share as reported	$ 0.72	$ 0.55
Pro forma diluted earnings per share	$ 0.71	$ 0.52

The common shares outstanding for the stockholders' equity section of the consolidated balance sheet at June 30, 2005 reflects the holding of 36,636 shares of Company common stock to offset a liability for a directors' deferred compensation plan. These shares are treated as outstanding when computing the weighted-average common shares outstanding for the calculation of both basic and diluted earnings per share.

NOTE 3. LOANS

	June 30, 2005	December 31, 2004
	(in thousands)	
Commercial and industrial loans	$ 770,816	$ 688,211
Agri-business and agricultural loans	101,715	102,749
Real estate mortgage loans	55,870	47,642
Real estate construction loans	6,610	6,719
Installment loans and credit cards	159,097	158,065
Subtotal	1,094,108	1,003,386
Less: Allowance for loan losses	(11,724)	(10,754)
Net deferred loan fees	(60)	(167)
Loans, net	$1,082,324	$ 992,465
Impaired loans	$ 8,766	$ 9,309
Non-performing loans	$ 9,207	$ 9,991
Allowance for loan losses to total loans	1.07%	1.07%

Changes in the allowance for loan losses are summarized as follows:

	Six months ended June 30,	
	2005	2004
Balance at beginning of period	$ 10,754	$ 10,234
Provision for loan losses	1,120	498
Charge-offs	(236)	(293)
Recoveries	86	204
Net loans charged-off	150	89
Balance at end of period	$ 11,724	$ 10,643

NOTE 4. SECURITIES

The fair values of securities available for sale were as follows:

	June 30, 2005	December 31, 2004
	(in thousands)	
U.S. Treasury securities	$ 984	$ 989
U.S. Government agencies	31,110	22,885
Mortgage-backed securities	203,472	208,961
State and municipal securities	53,991	53,747
Total	$ 289,557	$ 286,582

As of June 30, 2005, net unrealized losses on the total securities available for sale portfolio totaled $517,000. As of December 31, 2004, net unrealized losses on the total securities available for sale portfolio totaled $142,000.

NOTE 5. EMPLOYEE BENEFIT PLANS

Components of Net Periodic Benefit Cost

	Six Months Ended June 30			
	Pension Benefits		SERP Benefits	
	2005	2004	2005	2004
Service cost	$ 0	$ 0	$ 0	$ 0
Interest cost	75	74	40	42
Expected return on plan assets	(73)	(62)	(51)	(50)
Recognized net actuarial loss	19	19	21	18
Net pension expense	$ 21	$ 31	$ 10	$ 10

	Three Months Ended June 30			
	Pension Benefits		SERP Benefits	
	2005	2004	2005	2004
Service cost	$ 0	$ 0	$ 0	$ 0
Interest cost	38	37	20	22
Expected return on plan assets	(37)	(31)	(25)	(25)
Recognized net actuarial loss	9	9	10	9
Net pension expense	$ 10	$ 15	$ 5	$ 6

The Company previously disclosed in its financial statements for the year ended December 31, 2004, that it expected to contribute $422,000 to its pension plan and $106,000 to its SERP plan in 2005. As of June 30, 2005, $106,000 had been contributed to the SERP plan and $468,000 to the pension plan. The Company does not anticipate making any additional contributions to its pension plan or SERP plan during the remainder of 2005.

NOTE 6. RECLASSIFICATIONS

Certain amounts appearing in the financial statements and notes thereto for prior periods have been reclassified to conform with the current presentation. The reclassification had no effect on net income or stockholders' equity as previously reported.

Part 1
LAKELAND FINANCIAL CORPORATION
ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
and
RESULTS OF OPERATION

June 30, 2005

OVERVIEW

Lakeland Financial Corporation is the holding company for Lake City Bank. The Company is headquartered in Warsaw, Indiana and operates 43 offices in 12 counties in northern Indiana. The Company earned $8.5 million for the first six months of 2005, versus $6.8 million in the same period of 2004, an increase of 23.6%. The increase was driven by a $3.6 million increase in net interest income. Offsetting this positive impact were increases of $622,000 in the provision for loan losses and $558,000 in noninterest expense. Basic earnings per share for the first six months of 2005 were $1.42 per share versus $1.17 per share for the first six months of 2004. Diluted earnings per share reflect the potential dilutive impact of stock options granted under the stock option plan. Diluted earnings per share for the first six months of 2005 were $1.38 per share, versus $1.13 per share for the first six months of 2004.

Net income for the second quarter of 2005 was $4.4 million, an increase of 31.7% versus $3.3 million for the comparable period of 2004. The increase was driven by a $2.1 million increase in net interest income. Offsetting this positive impact was an increase of $416,000 in the provision for loan losses. Basic earnings per share for the second quarter of 2005 were $0.74 per share, versus $0.57 per share for the second quarter of 2004. Diluted earnings per share for the second quarter of 2005 were $0.72 per share, versus $0.55 per share for the second quarter of 2004.

RESULTS OF OPERATIONS

Net Interest Income

For the six-month period ended June 30, 2005, net interest income totaled $24.4 million, an increase of 17.6%, or $3.6 million versus the first six months of 2004. Net interest income increased in the six-month period of 2005 versus the comparable period of 2004, primarily due to an 18 basis point increase in the net interest margin from 3.60% to 3.78%. In addition, average earning assets increased by $134.9 million, or 11.3% to $1.330 billion. For the three-month period ended June 30, 2005, net interest income totaled $12.5 million, an increase of 20.5%, or $2.1 million. This increase was driven by a 23 basis point increase in the net interest margin from 3.55% to 3.78%. In addition, average earning assets increased by $141.3 million, or 11.6%, to

$1.354 billion, versus the same period in 2004.

Given the Company's mix of interest earning assets and interest bearing liabilities at June 30, 2005, the net interest margin could be expected to be maintained or to increase in a rising rate environment. Management expects the net interest margin will continue to improve during 2005 versus 2004, as the effects of recent rate increases by the Federal Reserve are felt.

During the first six months of 2005, total interest and dividend income increased by $8.1 million, or 28.5% to $36.7 million, versus $28.5 million during the first six months of 2004. During the second quarter of 2005, interest and dividend income increased by $5.0 million, or 34.8%, to $19.2 million, versus $14.2 million during the same quarter of 2004. The tax equivalent yield on average earning assets increased by 74 basis points to 5.7% for the six-month period ended June 30, 2005 versus the same period of 2004. For the second quarter of 2005, the yield increased 94 basis points to 5.8%, versus 4.8% for the second quarter of 2004.

The average daily loan balances for the first six months of 2005 increased 14.5% to $1.036 billion, over the average daily loan balances of $904.3 million for the same period of 2004. During the same period, loan interest income increased by $7.5 million, or 32.2%, to $30.8 million. The increase was the result of an 80 basis point increase in the tax equivalent yield on loans to 6.0% from 5.2% in the first six months of 2005. The average daily loan balances for the second quarter of 2005 increased $136.5 million, or 14.8%, to $1.061 billion, versus $924.8 million for the second quarter of 2004. During the same period, loan interest income increased by $4.4 million, or 37.7%, to $16.2 million versus $11.8 million during the second quarter of 2004. The increase was driven by a 101 basis point increase in the tax equivalent yield on loans, to 6.1%, versus 5.1% in the second quarter of 2004.

The average daily securities balances for the first six months of 2005 increased $5.2 million, or 1.9%, to $286.3 million, versus $281.1 million for the same period of 2004. During the same periods, income from securities increased by $591,000, or 11.3%, to $5.8 million versus $5.2 million during the first six months of 2004. The increase was primarily the result of a 34 basis point increase in the tax equivalent yields on securities, to 4.5% versus 4.2% in the first six months of 2004. The average daily securities balances for the second quarter of 2005 increased $6.5 million, or 2.3%, to $286.6 million, versus $280.2 million for the same period of 2004. During the same periods, income from securities increased by $495,000, or 20.2%, to $3.0 million, versus $2.5 million in the second quarter of 2004. The increase was driven by a 58 basis point increase in the tax equivalent yield in securities to 4.5% versus 4.0% in the second quarter of 2004.

Total interest expense increased $4.5 million, or 57.3%, to $12.3 million for the six-month period ended June 30, 2005, from $7.8 million for the comparable period in 2004. The increase was primarily the result of a 56 basis point increase in the Company's daily cost of funds to 1.87%, versus 1.31% for the same period of 2004. Total interest expense increased $2.8 million, or 73.4%, to $6.7 million for the second quarter of 2005, versus $3.9 million for the second quarter of 2004. The increase was primarily the result of a 62 basis point increase in the Company's daily cost of funds to 2.0%, from 1.3% for the same period of 2004.

On an average daily basis, total deposits (including demand deposits) increased $126.9 million, or 12.8%, to $1.120 billion for the six-month period ended June 30, 2005, versus $992.8 million during the same period in 2004. The average daily balances for the second quarter of 2005 increased $112.8 million, or 11.1%, to $1.130 billion from $1.017 billion during the second quarter of 2004. On an average daily basis, noninterest bearing demand deposits increased $22.3 million, or 11.3% for the six-month period ended June 30, 2005, versus the same period in 2004. The average daily noninterest bearing demand deposit balances for the second quarter of 2005 increased $15.3 million, or 7.3%, to $223.5 million from $208.2 million during the second quarter of 2004. When comparing the six months ended June 30, 2005 with the same period of 2004, the average daily balance of time deposits, which pay a higher rate of interest compared to demand deposit and transaction accounts, increased $103.9 million, primarily as a result of increases in public fund deposits. The rate paid on time deposit accounts increased 53 basis points to 3.0% versus the same period in 2004. During the second quarter of 2005, the average daily balance of time deposits increased $94.6 million to $485.4 million, and the rate paid increased 62 basis points to 3.1%, versus the second quarter of 2004.

Management believes that it is important to grow demand deposit accounts in both the dollar volume and total number of accounts. These accounts typically provide the Company with opportunities to expand into ancillary activities for both retail and commercial customers. In addition, they represent low cost deposits. Furthermore, the Company is focused on growing transaction money market accounts which also provide a reasonable cost of funds and generally represent relationship accounts.

Average daily balances of borrowings were $207.3 million during the six months ended June 30, 2005, versus $208.8 million during the same period of 2004, and the rate paid on borrowings increased 108 basis points to 2.7%. During the second quarter of 2005 the average daily balances of borrowings increased $16.7 million to $221.0 million, versus $204.2 million for the same period in 2004. The rate on borrowings increased 71 basis points when comparing the second quarter of 2005 with the same period of 2004. On an average daily basis, total deposits (including demand deposits) and purchased funds increased 10.3% and 11.3%, respectively, when comparing the six-month and three-month periods ended June 30, 2005 versus the same periods in 2004.

The following tables set forth consolidated information regarding average balances and rates.

DISTRIBUTION OF ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY;
INTEREST RATES AND INTEREST DIFFERENTIAL
(in thousands of dollars)

	Six Months Ended June 30,					
	2005			2004		
	Average Balance	Interest Income	Yield (1)	Average Balance	Interest Income	Yield (1)
ASSETS						
Earning assets:						
Loans:						
Taxable (2)(3)	$ 1,031,180	$ 30,667	6.00 %	$ 895,679	$ 23,131	5.19 %
Tax exempt (1)	4,411	112	5.10	8,575	186	4.37
Investments: (1)						
Available for sale	286,307	6,389	4.50	281,106	5,815	4.16
Short-term investments	4,429	55	2.50	6,128	29	0.95
Interest bearing deposits	3,467	46	2.68	3,448	20	1.17
Total earning assets	1,329,794	37,269	5.65 %	1,194,936	29,181	4.91 %
Nonearning assets:						
Cash and due from banks	54,516	0		49,704	0	
Premises and equipment	25,038	0		25,996	0	
Other nonearning assets	43,528	0		42,760	0	
Less allowance for loan loss losses	(11,133)	0		(10,435)	0	
Total assets	$ 1,441,743	$ 37,269		$ 1,302,961	$ 29,181	

(1) Tax exempt income was converted to a fully taxable equivalent basis at a 35 percent tax rate for 2005 and 2004. The tax equivalent rate for tax exempt loans and tax exempt securities acquired after January 1, 1983 included the TEFRA adjustment applicable to nondeductible interest expenses.

(2) Loan fees, which are immaterial in relation to total taxable loan interest income for the six months ended June 30, 2005 and 2004, are included as taxable loan interest income.

(3) Nonaccrual loans are included in the average balance of taxable loans.

DISTRIBUTION OF ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY;
INTEREST RATES AND INTEREST DIFFERENTIAL (Cont.)
(in thousands of dollars)

	Six months Ended June 30,					
	2005			2004		
	Average Balance	Interest Expense	Yield	Average Balance	Interest Expense	Yield
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest bearing liabilities:						
Savings deposits	$ 71,927	$ 35	0.10 %	$ 67,611	$ 48	0.14 %
Interest bearing checking accounts	343,335	2,266	1.33	346,980	1,380	0.80
Time deposits:						
In denominations under $100,000	222,311	3,289	2.98	214,077	3,016	2.83
In denominations over $100,000	262,239	3,940	3.03	166,606	1,688	2.04
Miscellaneous short-term bbborrowings	166,350	1,743	2.11	155,551	698	0.90
Long-term borrowings	40,974	1,035	5.09	53,297	994	3.75
Total interest bearing liabilities	1,107,136	12,308	2.24 %	1,004,122	7,824	1.57 %
Noninterest bearing liabilities and stockholders' equity:						
Demand deposits	219,907	0		197,563	0	
Other liabilities	9,579	0		8,150	0	
Stockholders' equity	105,121	0		93,126	0	
Total liabilities and stockholders' equity	$ 1,441,743	$ 12,308		$ 1,302,961	$ 7,824	
Net interest differential - yield on average daily earning assets		$ 24,961	3.78 %		$ 21,357	3.60 %

DISTRIBUTION OF ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY;
INTEREST RATES AND INTEREST DIFFERENTIAL
(in thousands of dollars)

	Three Months Ended June 30,					
	2005			2004		
	Average Balance	Interest Income	Yield (1)	Average Balance	Interest Income	Yield (1)
ASSETS						
Earning assets:						
Loans:						
Taxable (2)(3)	$ 1,057,459	$ 16,154	6.13 %	$ 915,879	$ 11,688	5.13 %
Tax exempt (1)	3,830	53	5.51	8,938	154	4.28
Investments: (1)						
Available for sale	286,638	3,237	4.53	280,159	2,751	3.95
Short-term investments	2,933	21	2.87	4,080	10	0.99
Interest bearing deposits	3,339	24	2.88	3,889	11	1.14
Total earning assets	1,354,199	19,489	5.77 %	1,212,945	14,614	4.83 %
Nonearning assets:						
Cash and due from banks	54,909	0		51,640	0	
Premises and equipment	25,059	0		25,928	0	
Other nonearning assets	44,105	0		43,011	0	
Less allowance for loan loss losses	(11,372)	0		(10,509)	0	
Total assets	$ 1,466,900	$ 19,489		$ 1,323,015	$ 14,614	

(1) Tax exempt income was converted to a fully taxable equivalent basis at a 35 percent tax rate for 2005 and 2004. The tax equivalent rate for tax exempt loans and tax exempt securities acquired after January 1, 1983 included the TEFRA adjustment applicable to nondeductible interest expenses.

(2) Loan fees, which are immaterial in relation to total taxable loan interest income for the three months ended June 30, 2005 and 2004, are included as taxable loan interest income.

(3) Nonaccrual loans are included in the average balance of taxable loans.

DISTRIBUTION OF ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY;
INTEREST RATES AND INTEREST DIFFERENTIAL (Cont.)
(in thousands of dollars)

	Three Months Ended June 30,					
	2005			2004		
	Average Balance	Interest Expense	Yield	Average Balance	Interest Expense	Yield
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest bearing liabilities:						
Savings deposits	$ 73,389	$ 18	0.10 %	$ 70,268	$ 20	0.11 %
Interest bearing checking accounts	347,468	1,274	1.47	347,633	642	0.74
Time deposits:						
In denominations under $100,000	223,778	1,707	3.06	222,777	1,576	2.85
In denominations over $100,000	261,652	2,083	3.19	168,048	863	2.07
Miscellaneous short-term bbborrowings	180,046	1,063	2.37	160,113	352	0.88
Long-term borrowings	40,974	541	5.30	44,176	404	3.68
Total interest bearing liabilities	1,127,307	6,686	2.38 %	1,013,015	3,857	1.53 %
Noninterest bearing liabilities and stockholders' equity:						
Demand deposits	223,488	0		208,225	0	
Other liabilities	9,505	0		7,967	0	
Stockholders' equity	106,600	0		93,808	0	
Total liabilities and stockholders' equity	$ 1,466,900	$ 6,686		$ 1,323,015	$ 3,857	
Net interest differential - yield on average daily earning assets		$ 12,803	3.78 %		$ 10,757	3.55 %

Provision for Loan Losses

Based on management's review of the adequacy of the allowance for loan losses, provisions for losses on loans of $1.1 million and $662,000 were recorded during the six-month and three-month periods ended June 30, 2005, versus provisions of $498,000 and $246,000 recorded during the same periods of 2004. The increase in the provision for loan losses for the periods ended June 30, 2005 reflected a number of factors, including the level of charge-offs, management's overall view on current credit quality, the amount and status of impaired loans and the amount and status of past due accruing loans (90 days or more), as discussed in more detail below in the analysis relating to the Company's financial condition.

Noninterest Income

Noninterest income categories for the six and three-month periods ended June 30, 2005 and 2004 are shown in the following table:

	Six Months Ended June 30,		
	2005	2004	Percent Change
	(in thousands)		
Trust and brokerage income	$ 1,519	$ 1,519	0.0 %
Service charges on deposit accounts	3,252	3,354	(3.0)
Loan, insurance and service fees	893	957	(6.7)
Merchant card fee income	1,165	1,081	7.8
Other income	1,057	874	20.9
Net gains on the sale of real estate mortgages held for sale	451	293	53.9
Total noninterest income	$ 8,337	$ 8,078	3.2 %

	Three Months Ended June 30,		
	2005	2004	Percent Change
	(in thousands)		
Trust and brokerage income	$ 791	$ 780	1.4 %
Service charges on deposit accounts	1,703	1,697	0.4
Loan, insurance and service fees	478	470	1.7
Merchant card fee income	629	581	8.3
Other income	410	544	(24.6)
Net gains on the sale of real estate mortgages held for sale	207	(27)	866.7
Total noninterest income	$ 4,218	$ 4,045	4.3 %

Noninterest income increased $259,000 and $173,000, respectively, in the six-month and three-month periods ended June 30, 2005, versus the same periods in 2004. Driving these increases were gains on sale of mortgages which increased $158,000 and $234,000, respectively, in the six-month and three-month periods ended June 30, 2005. The increases reflected a more favorable timing of mortgage sales into the secondary market during the second quarter of 2005 versus the second quarter of 2004. Other income increased in the six-month period ended June 30, 2005, primarily due to a $62,000 gain on the sale of other real estate. Partially offsetting these increases were decreases of $102,000 in service charges on deposit accounts. This decline was driven by increases in the earnings credit available to offset service charges on commercial checking accounts as well as reduced overdraft activity resulting in fewer overdraft charges.

Noninterest Expense

Noninterest expense categories for the six-month and three-month periods ended June 30, 2005 and 2004 are shown in the following table:

	Six Months Ended June 30,		
	2005	2004	Percent Change
	(in thousands)		
Salaries and employee benefits	$ 10,173	$ 9,784	4.0 %
Net occupancy expense	1,331	1,168	14.0
Equipment costs	1,008	963	4.7
Data processing fees and supplies	1,129	1,245	(9.3)
Credit card interchange	716	633	13.1
Other expense	4,304	4,310	(0.1)
Total noninterest expense	$ 18,661	$ 18,103	3.1 %

	Three Months Ended June 30,		
	2005	2004	Percent Change
	(in thousands)		
Salaries and employee benefits	$ 5,027	$ 4,859	3.5 %
Net occupancy expense	675	590	14.4
Equipment costs	491	524	(6.3)
Data processing fees and supplies	571	650	(12.2)
Credit card interchange	388	343	13.1
Other expense	2,146	2,229	(3.7)
Total noninterest expense	$ 9,298	$ 9,195	1.1 %

Noninterest expense increased $558,000 and $103,000, respectively, in the six-month and three-month periods ended June 30, 2005 versus the same periods of 2004. Driving these increases were salaries and employee benefits, which increased $389,000 and $168,000, respectively, in the six-months and three-months ended June 30, 2005. The increases were due largely to higher health care costs as well as normal salary increases. In addition, net occupancy expense increased due to higher property tax expense. Offsetting these increases were decreases in data processing fees and supplies which declined due to lower processing costs.

Income Tax Expense

Income tax expense increased $1.1 million, or 33.1%, for the first six months of 2005, compared to the same period in 2004. Income tax expense for the second quarter of 2005 increased $719,000, or 43.9%, compared to the same period of 2004. The combined state franchise tax expense and the federal income tax expense as a percentage of income before income tax expense increased to 34.5% during the first three months of 2005 compared to 32.8% during the same period in 2004. It increased to 34.9% for the second quarter of 2005, versus 32.9% for the second quarter of 2004. The increases were driven by a decrease in the amount of income derived from tax-advantaged sources during the six-month and three-month periods ended June 30, 2005, versus the comparable periods of 2004.

CRITICAL ACCOUNTING POLICIES

Certain of the Company's accounting policies are important to the portrayal of the Company's financial condition, since they require management to make difficult, complex or subjective judgments, some of which may relate to matters that are inherently uncertain. Estimates associated with these policies are susceptible to material changes as a result of changes in facts and circumstances. Some of the facts and circumstances which could affect these judgments include changes in interest rates, in the performance of the economy or in the financial condition of borrowers. Management believes that its critical accounting policies include determining the allowance for loan losses, determining the fair value of securities and other financial instruments and the valuation of mortgage servicing rights. The Company's critical accounting policies are discussed in detail in the Annual Report for the year ended December 31, 2004 (incorporated by reference as part of the Company's 10-K filing).

FINANCIAL CONDITION

Total assets of the Company were $1.539 billion as of June 30, 2005, an increase of $85.5 million, or 5.9%, when compared to $1.453 billion as of December 31, 2004.

Total cash and cash equivalents decreased by $10.9 million, or 10.5%, to $92.9 million at June 30, 2005 from $103.9 million at December 31, 2004. The decrease was primarily attributable to loan growth.

Total securities available-for-sale increased by $3.0 million, or 1.0%, to $289.6 million at June 30, 2005 from $286.6 million at December 31, 2004. The increase was a result of a number of transactions in the securities portfolio. Securities purchases totaled $27.2 million. Offsetting this increase were securities paydowns totaling $20.7 million, maturities and calls of securities totaling $1.7 million, the amortization of premiums, net of the accretion of discounts totaling $1.4 million, and the fair market value of the securities portfolio decreased by $374,000. A rising interest rate environment during the first half of 2005 drove the market value decrease. The investment portfolio is managed to limit the Company's exposure to risk by containing mostly collateralized mortgage obligations and other securities which are either directly or indirectly backed by the federal government or a local municipal government.

Real estate mortgages held-for-sale increased by $1.3 million, or 42.7%, to $4.3 million at June 30, 2005 from $3.0 million at December 31, 2004. The balance of this asset category is subject to a high degree of variability depending on, among other things, recent mortgage loan rates and the timing of loan sales into the secondary market. During the six months ended June 30, 2005, $21.8 million in real estate mortgages were originated for sale and $20.8 million in mortgages were sold.

Total loans, excluding real estate mortgages held-for-sale, increased by $90.8 million, or 9.1%, to $1.094 billion at June 30, 2005 from $1.003 billion at December 31, 2004. The mix of loan types within the Company's portfolio consisted of 80% commercial, 6% real estate and 14% consumer loans at June 30, 2005 compared to 79% commercial, 5% real estate and 16% consumer at December 31, 2004.

The Company has a relatively high percentage of commercial and commercial real estate loans, most of which are extended to small or medium-sized businesses. Commercial loans represent higher dollar loans to fewer customers and therefore higher credit risk. Pricing is adjusted to manage the higher credit risk associated with these types of loans. The majority of fixed rate mortgage loans, which represent increased interest rate risk, are sold in the secondary market, as well as some variable rate mortgage loans. The remainder of the variable rate mortgage loans and a small number of fixed rate mortgage loans are retained. Management believes the allowance for loan losses is at a level commensurate with the overall risk exposure of the loan portfolio. However, as a result of the slow economic recovery, certain borrowers may experience difficulty and the level of non-performing loans, charge-offs, and delinquencies could rise and require further increases in the provision for loan losses.

Loans are charged against the allowance for loan losses when management believes that the uncollectibility of the principal is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance is an amount that management believes will be adequate to absorb probable incurred credit losses relating to specifically identified loans based on an evaluation as well as other probable incurred losses inherent in the loan portfolio. The evaluations take into consideration such factors as changes in the nature and volume of the loan portfolio, overall portfolio quality, review of specific problem loans, and current economic conditions that may affect the borrower's ability to repay. Management also considers trends in adversely classified loans based upon a monthly review of those credits. An appropriate level of general allowance is determined based on the application of loss allocations to graded loans. Federal regulations require insured institutions to classify their own assets on a regular basis. The regulations provide for three categories of classified loans - substandard, doubtful and loss. The regulations also contain a special mention category. Special mention is defined as loans that do not currently expose an insured institution to a sufficient degree of risk to warrant classification but do possess credit deficiencies or potential weaknesses deserving management's close attention. Assets classified as substandard or doubtful require the institution to establish general allowances for loan losses. If an asset or portion thereof is classified as loss, the insured institution must either establish specified allowances for loan losses in the amount of 100% of the portion of the asset classified loss, or charge off such amount. At June 30, 2005, on the basis of management's review of the loan portfolio, the Company had $31.0 million of assets classified as special mention, $26.1 million classified as substandard, $933,000 classified as doubtful and $0 classified as loss as compared to $32.1 million, $23.3 million, $751,000 and $0 at December 31, 2004.

Allowance estimates are developed by management in consultation with regulatory authorities, taking into account actual loss experience, and are adjusted for current economic conditions. Allowance estimates are considered a prudent measurement of the risk in the Company's loan portfolio and are applied to individual loans based on loan type. In accordance with FASB Statements 5 and 114, the allowance is provided for losses that have been incurred as of the balance sheet date and is based on past events and current economic conditions, and does not include the effects of expected losses on specific loans or groups of loans that are related to future events or expected changes in economic conditions.

Total impaired loans decreased by $543,000 to $8.8 million at June 30, 2005 from $9.3 million at December 31, 2004. The decrease in the impaired loans category resulted primarily from the payoff of an impaired commercial credit. The impaired loan total included $6.7 million in nonaccrual loans. A loan is impaired when full payment under the original loan terms is not expected. Impairment is evaluated in total for smaller-balance loans of similar nature such as residential mortgage, consumer, and credit card loans, and on an individual loan basis for other loans. If a loan is impaired, a portion of the allowance may be allocated so that the loan is reported, net, at the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral. The following table summarizes nonperforming assets at June 30, 2005 and December 31, 2004.

	June 30, 2005	December 31, 2004
	(in thousands)	
NONPERFORMING ASSETS:		
Nonaccrual loans	$ 6,665	$ 7,213
Loans past due over 90 days and accruing	2,542	2,778
Total nonperforming loans	9,207	9,991
Other real estate	0	261
Repossessions	14	13
Total nonperforming assets	$ 9,221	$ 10,265
Total impaired loans	$ 8,766	$ 9,309
Nonperforming loans to total loans	0.85%	1.01%
Nonperforming assets to total assets	0.60%	0.71%

Total deposits increased by $10.5 million, or 0.9% to $1.126 billion at June 30, 2005 from $1.115 billion at December 31, 2004. The increase resulted from increases of $49.5 million in certificates of deposit and $1.7 million in money market accounts. Offsetting these increases were declines of $29.7 million in Investors' Money Market accounts, $4.9 million in demand deposits, $4.3 million in NOW accounts and $1.8 million in savings accounts. Total short-term borrowings increased by $68.4 million, or 36.9%, to $254.1 million at June 30, 2005 from $185.7 million at December 31, 2004. The increase resulted primarily from increases of $49.5 million in federal funds purchased, and $14.9 million in other borrowings, primarily short-term advances from the Federal Home Loan Bank of Indianapolis.

Total stockholders' equity increased by $6.7 million, or 6.6%, to $108.5 million at June 30, 2005 from $101.8 million at December 31, 2004. Net income of $8.5 million, minus dividends of $2.7 million, plus $1.2 million for stock issued through options exercised, minus the decrease in the accumulated other comprehensive income of $241,000, minus $81,000 for the cost of treasury stock purchased, comprised most of this increase.

The Federal Deposit Insurance Corporation's risk based capital regulations require that all banking organizations maintain an 8.0% total risk based capital ratio. The FDIC has also established definitions of "well capitalized" as a 5.0% Tier I leverage capital ratio, a 6.0% Tier I risk based capital ratio and a 10.0% total risk based capital ratio. All of the Company's ratios continue to be above "well capitalized" levels. As of June 30, 2005, the Company's Tier 1 leverage capital ratio, Tier 1 risk based capital ratio and total risk based capital ratio were 9.0%, 11.0% and 12.0%, respectively.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest rate risk represents the Company's primary market risk exposure. The Company does not have a material exposure to foreign currency exchange risk, does not have any material amount of derivative financial instruments and does not maintain a trading portfolio. The board of directors annually reviews and approves the policy used to manage interest rate risk. The policy was last reviewed and approved in May 2005. The policy sets guidelines for balance sheet structure, which are designed to protect the Company from the impact that interest rate changes could have on net income, but does not necessarily indicate the effect on future net interest income. The Company, through its Asset/Liability Committee, manages interest rate risk by monitoring the computer simulated earnings impact of various rate scenarios and general market conditions. The Company then modifies its long-term risk parameters by attempting to generate the type of loans, investments, and deposits that currently fit the Company's needs, as determined by the Asset/Liability Committee. This computer simulation analysis measures the net interest income impact of various interest rate scenario changes during the next 12 months. If the change in net interest income is less than 3% of primary capital, the balance sheet structure is considered to be within acceptable risk levels. At June 30, 2005, the Company's potential pretax exposure was within the Company's policy limit, and not significantly different from December 31, 2004.

ITEM 4 - CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities and Exchange Act of 1934, as amended) as of June 30, 2005. Based on that evaluation, the Company's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective. During the quarter ended June 30, 2005, the Company has not made a change to its disclosure controls and procedures or its internal controls over financial reporting that has materially affected or is reasonably likely to materially affect its disclosure controls or its controls over financial reporting.

FORWARD-LOOKING STATEMENTS

This document contains, and future oral and written statements of the Company and its management may contain, forward-looking statements, within the meaning of such term in the Private Securities Litigation Reform Act of 1995, with respect to the financial condition, results of operations, plans, objectives, future performance and business of the Company. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of the Company's management and on information currently available to management, are generally identifiable by the use of words such as "believe," "expect," "anticipate," "plan," "intend," "estimate," "may," "will," "would," "could," "should" or other similar expressions. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, 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. Factors, which could have a material adverse effect on the operations and future prospects of the Company and its subsidiaries include, but are not limited to, the following:

- The strength of the United States economy in general and the strength of the local economies in which the Company conducts its operations which may be less favorable than expected and may result in, among other things, a deterioration in the credit quality and value of the Company's assets.

- The economic impact of past and any future terrorist attacks, acts of war or threats thereof and the response of the United States to any such threats and attacks.

- The effects of, and changes in, federal, state and local laws, regulations and policies affecting banking, securities, insurance and monetary and financial matters.

- The effects of changes in interest rates (including the effects of changes in the rate of prepayments of the Company's assets) and the policies of the Board of Governors of the Federal Reserve System.

- The ability of the Company to compete with other financial institutions as effectively as the Company currently intends due to increases in competitive pressures in the financial services sector.

- The ability of the Company to obtain new customers and to retain existing customers.

- The timely development and acceptance of products and services, including products and services offered through alternative delivery channels such as the Internet.

- Technological changes implemented by the Company and by other parties, including third party vendors, which may be more difficult or more expensive than anticipated or which may have unforeseen consequences to the Company and its customers.

- The ability of the Company to develop and maintain secure and reliable electronic systems.

- The ability of the Company to retain key executives and employees and the difficulty that the Company may experience in replacing key executives and employees in an effective manner.

- Consumer spending and saving habits, which may change in a manner that affects the Company's business adversely.

- Business combinations and the integration of acquired businesses, which may be more difficult or expensive than expected.

- The costs, effects and outcomes of existing or future litigation.

- Changes in accounting policies and practices, as may be adopted by state and federal regulatory agencies, the Financial Accounting Standards Board, the Securities and Exchange Commission and the Public Company Accounting Oversight Board.

- The ability of the Company to manage the risks associated with the foregoing as well as anticipated.

These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Additional information concerning the Company and its business, including other factors that could materially affect the Company's financial results, is included in the Company's filings with the Securities and Exchange Commission.

Part II - Other Information

Item 1. Legal proceedings

There are no material pending legal proceedings to which the Company or its subsidiaries is a party other than ordinary routine litigation incidental to their respective businesses.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information as of June 30, 2005 with respect to shares of common stock repurchased by the Company during the quarter then ended:

Issuer Purchases of Equity Securities(a)

Period	Total Number of Shares Purchased	Average PricePaid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plan or Programs
April 1-30	231	$ 36.20	0	0
May 1-31	0	$ 0	0	0
June 1-30	0	$ 0	0	0
Total	231	$ 36.20		

(a) The shares purchased during the periods were credited to the deferred share accounts of seven non-employee directors under the Company's directors' deferred compensation plan.

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

On April 12, 2005, the Company's annual meeting of stockholders was held. At the meeting, the stockholders ratified the selection of Crowe Chizek and Company LLC as the Company's independent auditors for the year ended December 31, 2005, and Robert E. Bartels, Jr., Michael L. Kubacki, Steven D. Ross and M. Scott Welch were elected to serve as directors with terms expiring in 2008. Continuing as directors until 2006 are Allan J. Ludwig, Emily E. Pichon and Richard L. Pletcher. Continuing as directors until 2007 are L. Craig Fulmer, Charles E. Niemier, Donald B. Steininger and Terry L. Tucker.

Election of Directors:

	For	Withheld
Robert L. Bartels, Jr.	4,968,966	11,121
Michael L. Kubacki	4,724,260	255,830
Steven D. Ross	4,972,444	7,646
M. Scott Welch	4,972,519	7,571

Ratification of Auditors:

	For	Against	Abstain	Broker Non-votes
Crowe Chizek and Company LLC	4,951,629	19,785	0	0

Item 5. Other Information

None

Item 6. Exhibits

31.1 Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a)

31.2 Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a)

32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

LAKELAND FINANCIAL CORPORATION

FORM 10-Q

June 30, 2005

Part II - Other Information

Signatures

Pursuant to the requirements 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.

LAKELAND FINANCIAL CORPORATION
(Registrant)

Date: August 1, 2005	/s/Michael L. Kubacki Michael L. Kubacki - President and Chief Executive Officer
Date: August 1, 2005	/s/David M. Findlay David M. Findlay - Executive Vice President and Chief Financial Officer
Date: August 1, 2005	/s/Teresa A. Bartman Teresa A. Bartman - Vice President and Controller

Exhibit 31.1

CERTIFICATION PURSUANT TO 13a-14(a)/15d-14(a)

I, Michael L. Kubacki, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lakeland Financial Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting, and;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2005

/s/Michael L. Kubacki
Michael L. Kubacki
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO 13a-14(a)/15d-14(a)

I, David M. Findlay, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lakeland Financial Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of

the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting, and;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2005

/s/David M. Findlay
David M. Findlay
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Lakeland Financial Corporation (the "Company") on Form 10-Q for the period ending June 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael L. Kubacki, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/Michael L. Kubacki

Michael L. Kubacki
Chief Executive Officer
August 1, 2005

A signed original of this written statement required by Section 906 has been provided to Lakeland Financial Corporation and will be retained by Lakeland Financial Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Lakeland Financial Corporation (the "Company") on Form 10-Q for the period ending June 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David M. Findlay, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/David M. Findlay

David M. Findlay
Chief Financial Officer
August 1, 2005

A signed original of this written statement required by Section 906 has been provided to Lakeland Financial Corporation and will be retained by Lakeland Financial Corporation and furnished to the Securities and Exchange Commission or its staff upon request.