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, 2003

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, 2003
Common Stock, No Par Value	5,772,032

LAKELAND FINANCIAL CORPORATION

Form 10-Q Quarterly Report

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Part 1
LAKELAND FINANCIAL CORPORATION
ITEM 1 - FINANCIAL STATEMENTS

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS
As of June 30, 2003 and December 31, 2002
(in thousands)

	June 30, 2003 (Unaudited)	December 31, 2002
ASSETS		
Cash and cash equivalents:		
Cash and due from banks	$ 56,412	$ 74,149
Short-term investments	7,184	13,000
Total cash and cash equivalents	63,596	87,149
Securities available-for-sale:		
U. S. Treasury and government agency securities	14,164	17,284
Mortgage-backed securities	211,228	222,036
State and municipal securities	45,928	34,785
Total securities available-for-sale (carried at fair value)	271,320	274,105
Real estate mortgages held-for-sale	11,230	10,395
Loans:		
Total loans	839,355	822,676
Less: Allowance for loan losses	9,786	9,533
Net loans	829,569	813,143
Land, premises and equipment, net	26,286	24,768
Accrued income receivable	4,943	4,999
Goodwill	4,970	4,970
Other intangible assets	968	1,042
Other assets	26,691	27,215
Total assets	$ 1,239,573	$ 1,247,786

(Continued)

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS
As of June 30, 2003 and December 31, 2002
(in thousands except for share and per share data)

	June 30, 2003 (Unaudited)	December 31, 2002
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Noninterest bearing deposits	$ 183,436	$ 192,787
Interest bearing deposits	782,808	720,538
Total deposits	966,244	913,325
Short-term borrowings:		
Federal funds purchased	17,000	30,000
Securities sold under agreements to repurchase	98,736	124,968
U.S. Treasury demand notes	1,848	4,000
Other borrowings	10,000	26,000
Total short-term borrowings	127,584	184,968
Accrued expenses payable	7,430	12,503
Other liabilities	1,367	2,417
Long-term borrowings	30,047	31,348
Guaranteed preferred beneficial interests in Company's subordinated debentures	19,358	19,345
Total liabilities	1,152,030	1,163,906
STOCKHOLDERS' EQUITY		
Common stock: No par value, 90,000,000 shares authorized, 5,817,459 shares issued and 5,773,731 outstanding as of June 30, 2003, and 5,813,984 shares issued and 5,767,010 outstanding at December 31, 2002	1,453	1,453
Additional paid-in capital	9,671	8,537
Retained earnings	75,873	70,819
Accumulated other comprehensive income	1,373	3,937
Treasury stock, at cost	(827)	(866)
Total stockholders' equity	87,543	83,880
Total liabilities and stockholders' equity	$ 1,239,573	$ 1,247,786

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, 2003 and 2002
(in thousands except for share and per share data)

(Unaudited)

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002
INTEREST AND DIVIDEND INCOME				
Interest and fees on loans: Taxable	$ 12,077	$ 12,315	$ 23,910	$ 24,651
Tax exempt	66	34	129	67
Total loan income	12,143	12,349	24,039	24,718
Short-term investments	58	64	85	92
Securities:				
U.S. Treasury and government agency securities	145	342	315	737
Mortgage-backed securities	2,694	3,039	5,626	5,797
State and municipal securities	497	400	925	800
Other debt securities	0	87	0	202
Total interest and dividend income	15,537	16,281	30,990	32,346
INTEREST EXPENSE				
Interest on deposits	3,702	4,226	7,488	8,578
Interest on short-term borrowings	313	635	653	1,555
Interest on long-term debt	771	755	1,540	1,327
Total interest expense	4,786	5,616	9,681	11,460
NET INTEREST INCOME	10,751	10,665	21,309	20,886
Provision for loan losses	717	747	1,384	1,249
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	10,034	9,918	19,925	19,637
NONINTEREST INCOME				
Trust and brokerage fees	565	641	1,175	1,299
Service charges on deposit accounts	1,736	1,739	3,400	3,137
Other income (net)	1,431	814	2,450	1,742
Net gains on the sale of real estate mortgages held-for-sale	1,193	350	2,272	711
Net securities gains	0	16	0	16
Total noninterest income	4,925	3,560	9,297	6,905
NONINTEREST EXPENSE				
Salaries and employee benefits	5,008	4,536	9,713	9,134
Occupancy and equipment expense	1,218	1,082	2,580	2,181
Other expense	3,035	3,181	5,932	6,053
Total noninterest expense	9,261	8,799	18,225	17,368

(Continued)

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
For the Three Months and Six Months Ended June 30, 2003 and 2002
(in thousands except for share and per share data)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
INCOME BEFORE INCOME TAX EXPENSE	5,698	4,679	10,997	9,174
Income tax expense	1,949	1,619	3,733	3,161
NET INCOME	$ 3,749	$ 3,060	$ 7,264	$ 6,013
Other comprehensive income, net of tax:				
Unrealized gain/(loss) on available-for-sale securities	(1,240)	2,195	(2,564)	2,437
TOTAL COMPREHENSIVE INCOME	$ 2,509	$ 5,255	$ 4,700	$ 8,450
AVERAGE COMMON SHARES OUTSTANDING FOR BASIC EPS	5,819,448	5,813,984	5,815,386	5,813,984
BASIC EARNINGS PER COMMON SHARE	$ 0.64	$ 0.53	$ 1.25	$ 1.03
AVERAGE COMMON SHARES OUTSTANDING FOR DILUTED EPS	5,977,598	5,973,772	5,960,399	5,941,108
DILUTED EARNINGS PER COMMON SHARE	$ 0.63	$ 0.51	$ 1.22	$ 1.01

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, 2003 and 2002
(in thousands)

(Unaudited)

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	2003	2002
Cash flows from operating activities:		
Net income	$ 7,264	$ 6,013
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	1,118	1,108
Provision for loan losses	1,384	1,249
Amortization of intangible assets	88	88
Amortization of mortgage servicing rights	414	170
Impairment of mortgage servicing rights	169	203
Loans originated for sale	(84,959)	(35,928)
Net gain on sale of loans	(2,272)	(711)
Proceeds from sale of loans	85,857	43,650
Net loss on sale of premises and equipment	1	16
Net (gain) on sale of securities available-for-sale	0	(16)
Net securities amortization	709	932
(Decrease) in taxes payable	(549)	(56)
Decrease in income receivable	56	133
Increase (decrease) in accrued expenses payable	(466)	149
(Increase) in life insurance cash surrender value	(340)	0
(Increase) decrease in other assets	(367)	595
Increase in other liabilities	4	735
Total adjustments	847	12,317
Net cash from operating activities	8,111	18,330
Cash flows from investing activities:		
Proceeds from maturities, sales and calls of securities available-for-sale	68,833	34,754
Purchases of securities available-for-sale	(70,782)	(38,110)
Net increase in total loans	(19,339)	(26,300)
Proceeds from sales of land, premises and equipment	0	6
Purchase of land, premises and equipment	(2,636)	(1,226)
Net cash from investing activities	(23,924)	(30,876)

(Continued)

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2003 and 2002
(in thousands)

(Unaudited)

(Page 2 of 2)

	2003	2002
Cash flows from financing activities:		
Net increase in total deposits	$ 52,919	$ 49,782
Proceeds from short-term borrowings	12,676,285	14,979,710
Payments on short-term borrowings	(12,733,669)	(15,009,512)
Proceeds from long-term borrowings	0	20,000
Payments on long-term borrowings	(1,301)	(20)
Dividends paid	(2,094)	(1,962)
Proceeds from the sale of common stock	81	0
(Purchase) sale of treasury stock	39	(67)
Net cash from financing activities	(7,740)	37,931
Net decrease in cash and cash equivalents	(23,553)	25,385
Cash and cash equivalents at beginning of the period	87,149	79,123
Cash and cash equivalents at end of the period	$ 63,596	$ 104,508
Cash paid during the period for:		
Interest	$ 9,642	$ 11,753
Income taxes	$ 4,277	$ 3,399
Loans transferred to other real estate	$ 1,530	$ 0

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

LAKELAND FINANCIAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2003

(Unaudited)

NOTE 1. BASIS OF PRESENTATION

This report is filed for Lakeland Financial Corporation (the "Company") and its wholly owned subsidiaries, Lake City Bank (the "Bank") and Lakeland Capital Trust ("Lakeland Trust"). 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 accounting principles generally accepted in the United States of America for interim financial information and with instructions for Form 10-Q. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America 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, 2003 are not necessarily indicative of the results that may be expected for the year ending December 31, 2003. The 2002 Lakeland Financial Corporation Annual Report on Form 10-K should be read in conjunction with these statements.

NOTE 2. NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (FASB) has issued Statement of Financial Accounting Standards (SFAS) No. 149 and No. 150. SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts. The provisions of this statement require that contracts with comparable characteristics be accounted for similarly. The provisions of SFAS No. 149 are effective for contracts entered into or modified after June 30, 2003, and for hedging relationships designated after June 30, 2003. SFAS No. 150 establishes standards on the classification and measurement of certain financial instruments with characteristics of both liability and equity. SFAS No. 150 is effective for all financial instruments entered into or modified after May 31, 2003, and to all other instruments that exist as of the beginning of the first interim period beginning after June 15, 2003. Management does not expect the adoption of SFAS No. 149 and SFAS No. 150 to have a material impact to the Company's consolidated financial position or results of operations.

NOTE 3. EARNINGS PER SHARE

Basic earnings per common share is based upon weighted-average common shares outstanding. Diluted earnings per common share shows 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, 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 2003. 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, 2003	Six Months ended June 30, 2002
Net income (in thousands) as reported	$ 7,264	$ 6,013
Deduct: stock-based compensation expense determined under fair value based method	270	351
Pro forma net income	$ 6,994	$ 5,662
Basic earnings per common share as reported	$ 1.25	$ 1.03
Pro forma basic earnings per share	$ 1.20	$ 0.97
Diluted earnings per common share as reported	$ 1.22	$ 1.01
Pro forma diluted earnings per share	$ 1.17	$ 0.95

	Three Months ended June 30, 2003	Three Months ended June 30, 2002
Net income (in thousands) as reported	$ 3,749	$ 3,060
Deduct: stock-based compensation expense determined under fair value based method	152	171
Pro forma net income	$ 3,597	$ 2,889
Basic earnings per common share as reported	$ 0.64	$ 0.53
Pro forma basic earnings per share	$ 0.62	$ 0.50
Diluted earnings per common share as reported	$ 0.63	$ 0.51
Pro forma diluted earnings per share	$ 0.60	$ 0.48

The common shares outstanding for the stockholders' equity section of the consolidated balance sheet at June 30, 2003 reflects the acquisition of 43,728 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 4. LOANS

	June 30, 2003	December 31, 2002
	(in thousands)	
Commercial and industrial loans	$ 577,597	$ 556,800
Agri-business and agricultural loans	69,561	68,137
Real estate mortgage loans	39,056	44,644
Real estate construction loans	2,453	2,540
Installment loans and credit cards	150,688	150,555
Total loans	$ 839,355	$ 822,676
Impaired loans	$ 6,297	$ 7,298
Non-performing loans	$ 6,633	$ 7,603

NOTE 5. 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, 2003

OVERVIEW

Lakeland Financial Corporation is the holding company for Lake City Bank. The Company is headquartered in Warsaw, Indiana and operates 41 offices in 12 counties in northern Indiana. The Company earned $7.3 million for the first six months of 2003 versus $6.0 million in the same period of 2002, an increase of 20.8%. The increase was driven by a $2.4 million increase in non-interest income and a $423,000 increase in net interest income. Offsetting these positive impacts were increases of $135,000 in the provision for loan losses, and $857,000 in non-interest expense. Basic earnings per share for the first six months of 2003 was $1.25 per share versus $1.03 per share for the first six months of 2002. Diluted earnings per share reflect the potential dilutive impact of stock options granted under an employee stock option plan. Diluted earnings per share for the first six months of 2003 was $1.22 per share, versus $1.01 per share for the first six months of 2002.

Net income for the second quarter of 2003 was $3.7 million, an increase of 22.5% versus $3.1 million for the comparable period of 2002. Basic earnings per share for the second quarter of 2003 were $0.64 per share, versus $0.53 per share for the second quarter of 2002. Diluted earnings per share for the second quarter of 2003 were $0.63 per share, versus $0.51 per share for the second quarter of 2002.

RESULTS OF OPERATIONS

Net Interest Income

For the six-month period ended June 30, 2003, net interest income totaled $21.3 million, an increase of 2.0%, or $423,000 versus the first six months of 2002. For the three-month period ended June 30, 2003, net interest income totaled $10.8 million, an increase of 0.8%, or $86,000, over the same period of 2002. Net interest income increased in both the six-month and three-month periods of 2003 versus the comparable periods of 2002, primarily due to increases in average interest bearing assets combined with increases in average non-interest bearing demand deposits. For the six-month period ended June 30, 2003, average earning assets increased by $87.1 million, and average non-interest bearing demand deposits increased by $21.1 million versus the same period in 2002. For the three-month period ended June 30, 2003, average earning assets increased by $86.8 million, and average non-interest bearing demand deposits increased by $24.1 million, versus the same period in 2002. The net interest income was negatively impacted by declines in the Company's net interest margin to 3.92% and 3.89%, respectively, for the six-month and three-month periods ended June 30, 2003, versus 4.14% and 4.15% for the comparable periods of 2002.

During the first six months of 2003, total interest and dividend income decreased by $1.3 million, or 4.2% to $31.0 million, versus $32.3 million during the same six months of 2002. During the second quarter of 2003, interest and dividend income decreased $744,000, or 4.6%, to $15.5 million, versus $16.3 million during the same quarter of 2002. Daily average earning assets for the first six months of 2003 increased 8.4% to $1.125 billion versus the same period in 2002. For the second quarter, daily average earning assets increased 8.3% to $1.137 billion versus the same period of 2002. The tax equivalent yield on average earning assets decreased by 71 basis points to 5.7% for the six-month period ended June 30, 2003 versus the same period of 2002. For the three-month period ended June 30, 2003, the yield decreased 75 basis points to 5.6% from the yield for the three-month period ended June 30, 2002.

The decrease in the yield on average earning assets reflected decreases in the yields on both loans and securities caused by the falling interest rate environment. The yield on securities is historically lower than the yield on loans, and decreasing the ratio of securities to total earning assets will normally improve the yield on earning assets. The ratio of average daily securities to average earning assets for the six-month and three-month periods ended June 30, 2003 were 24.2% and 23.7% compared to 26.4% and 26.1% for the same periods of 2002.

The average daily loan balances for the first six months of 2003 increased 11.3% to $838.1 million, over the average daily loan balances of $753.2 million for the same period of 2002. During the same period, loan interest income declined by $679,000, or 2.8%, to $24.0 million. The decrease was the result of an 83 basis point decrease in the tax equivalent yield on loans to 5.8% from 6.6% in the first six months of 2002. The average daily loan balances for the second quarter of 2003 increased $85.7 million, or 11.3%, to $846.5 million, versus $760.7 million for the same period of 2002. During the same period, loan interest income declined by $206,000, or 1.7%, to $12.1 million versus $12.3 million during the second quarter of 2002. The decrease was the result of a 76 basis point decrease in the tax equivalent yield on loans, to 5.7%, versus 6.5% in the second quarter of 2002.

The average daily securities balances for the first six months of 2003 decreased $1.3 million, or 0.5%, to $272.6 million, versus $273.9 million for the same period of 2002. During the same periods, income from securities declined by $670,000, or 0.9%, to $6.9 million versus $7.5 million during the first six months of 2002. The decrease was primarily the result of a 42 basis point decline in the tax equivalent yields on securities, to 5.4% versus 5.8% in the first six months of 2002. The average daily securities balances for the second quarter of 2003 decreased $4.0 million, or 1.5%, to $269.9 million, versus $274.0 million for the same period of 2002. During the same periods, income from securities declined by $532,000, or 13.8%, to $3.3 million versus $3.9 million during the second quarter of 2002. The decrease was primarily the result of a 62 basis point decrease in the tax equivalent yield on securities, to 5.3%, versus 6.0% in the second quarter of 2002.

Total interest expense decreased $1.8 million, or 15.5%, to $9.7 million for the six-month period ended June 30, 2003, from $11.5 million for the comparable period in 2002. The decrease was primarily the result of a 51 basis point decrease in the Company's daily cost of funds to 1.73%, versus 2.24% for the same period of 2002. Total interest expense decreased $830,000, or 14.8%, to $4.8 million for the three-month period ended June 30, 2003, from $5.6 million for the comparable period of 2002. The decrease was primarily the result of a 47 basis point decrease in the Company's daily cost of funds to 1.69%, versus 2.16% for the same period of 2002. On an average daily basis, total deposits (including demand deposits) increased $116.6 million, or 14.0%, to $951.2 million for the six-month period ended June 30, 2003, versus $834.6 million in the same period in 2002. The average daily deposit balances for the second quarter of 2003 increased $116.4 million, or 13.7%, to $968.1 million versus $851.7 million during the second quarter of 2002. On an average daily basis, noninterest bearing demand deposits increased $21.1 million, or 14.7% and $24.1 million, or 16.4% for the six and three-month periods ended June 30, 2003, versus the same periods in 2002. When comparing the six months ended June 30, 2003 with the same period of 2002, the average daily balance of time deposits, which pay a higher rate of interest compared to demand deposit and transaction accounts, increased $49.8 million and the rate paid on such accounts declined by 67 basis points versus the same period in 2002. In the second quarter of 2003, the average daily balance of time deposits increased by $31.2 million and the rate paid on such accounts declined by 58 basis points versus the same period in 2002. During the remainder of 2003, management plans to continue efforts to grow relationship type accounts such as demand deposit and Investors' Weekly accounts, which traditionally pay a lower rate of interest compared to time deposit accounts and are generally viewed by management as stable and reliable funding sources. Average daily balances of borrowings decreased $24.6 million, or 12.4%, to $174.2 million for the six months ended June 30, 2003 versus $198.8 million for the same period in 2002, and decreased $23.0 million, or 11.9% for the three months ended June 30 2003. The rate on borrowings decreased 38 basis points and 33 basis points, respectively, when comparing the six and three month periods of 2003 with the same periods of 2002. On an average daily basis, total deposits (including demand deposits) and purchased funds increased 8.9% for both the six-month and three-month periods ended June 30, 2003 versus the same periods in 2002. 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,					
	2003			2002		
	Average Balance	Interest Income	Yield (1)	Average Balance	Interest Income	Yield (1)
ASSETS						
Earning assets:						
Loans:						
Taxable (2)(3)	$ 831,090	$ 23,910	5.80 %	$ 750,609	$ 24,651	6.62 %
Tax exempt (1)	7,019	129	4.93	2,602	67	7.41
Investments: (1)						
Available for sale	272,560	6,866	5.42	273,857	7,536	5.84
Short-term investments	8,620	50	1.16	7,117	58	1.63
Interest bearing deposits	6,005	35	1.17	3,963	34	1.72
Total earning assets	1,125,294	30,990	5.65 %	1,038,148	32,346	6.37 %
Nonearning assets:						
Cash and due from banks	44,985	0		41,588	0	
Premises and equipment	25,195	0		24,405	0	
Other nonearning assets	37,942	0		25,716	0	
Less allowance for loan losses	(9,778)	0		(8,234)	0	
Total assets	$ 1,223,639	$ 30,990		$ 1,121,623	$ 32,346	

(1) Tax exempt income was converted to a fully taxable equivalent basis at a 35 percent tax rate for 2003 and 2002. 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, 2003 and 2002, 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,					
	2003			2002		
	Average Balance	Interest Expense	Yield	Average Balance	Interest Expense	Yield
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest bearing liabilities:						
Savings deposits	$ 58,751	$ 139	0.48 %	$ 52,570	$ 216	0.83 %
Interest bearing checking accounts	268,308	1,596	1.20	228,832	1,865	1.64
Time deposits:						
In denominations under $100,000	207,152	3,268	3.18	198,443	3,798	3.86
In denominations over $100,000	252,788	2,485	1.98	211,675	2,699	2.57
Miscellaneous short-term borrowings	123,598	653	1.06	159,618	1,555	1.97
Long-term borrowings	50,647	1,540	6.13	39,211	1,327	6.83
Total interest bearing liabilities	961,244	9,681	2.03 %	890,349	11,460	2.60 %
Noninterest bearing liabilities and stockholders' equity:						
Demand deposits	164,175	0		143,084	0	
Other liabilities	11,730	0		11,747	0	
Stockholders' equity	86,489	0		76,443	0	
Total liabilities and stockholders' equity	$ 1,223,639	$ 9,681		$ 1,121,623	$ 11,460	
Net interest differential - yield on average daily earning assets		$ 21,309	3.92 %		$ 20,886	4.14 %

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

	Three Months Ended June 30,					
	2003			2002		
	Average Balance	Interest Income	Yield (1)	Average Balance	Interest Income	Yield (1)
ASSETS						
Earning assets:						
Loans:						
Taxable (2)(3)	$ 839,251	$ 12,077	5.77 %	$ 758,076	$ 12,315	6.52 %
Tax exempt (1)	7,228	66	4.86	2,666	34	7.30
Investments: (1)						
Available for sale	269,945	3,336	5.33	273,989	3,868	5.95
Short-term investments	12,271	35	1.14	12,322	50	1.62
Interest bearing deposits	8,256	23	1.10	3,134	14	1.69
Total earning assets	1,136,951	15,537	5.58 %	1,050,187	16,281	6.30 %
Nonearning assets:						
Cash and due from banks	46,974	0		44,190	0	
Premises and equipment	25,600	0		24,456	0	
Other nonearning assets	36,677	0		26,650	0	
Less allowance for loan losses	(9,936)	0		(8,519)	0	
Total assets	$ 1,236,266	$ 15,537		$ 1,136,964	$ 16,281	

(1) Tax exempt income was converted to a fully taxable equivalent basis at a 35 percent tax rate for 2003 and 2002. 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, 2003 and 2002, 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,					
	2003			2002		
	Average Balance	Interest Expense	Yield	Average Balance	Interest Expense	Yield
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest bearing liabilities:						
Savings deposits	$ 60,759	$ 70	0.46 %	$ 54,110	$ 110	0.82 %
Interest bearing checking accounts	283,818	839	1.19	229,357	900	1.57
Time deposits:						
In denominations under $100,000	205,371	1,584	3.09	198,373	1,850	3.74
In denominations over $100,000	247,008	1,209	1.96	222,792	1,366	2.46
Miscellaneous short-term borrowings	119,968	313	1.05	145,914	635	1.75
Long-term borrowings	50,601	771	6.11	47,625	755	6.36
Total interest bearing liabilities	967,525	4,786	1.98 %	898,171	5,616	2.51 %
Noninterest bearing liabilities and stockholders' equity:						
Demand deposits	171,126	0		147,032	0	
Other liabilities	10,237	0		14,081	0	
Stockholders' equity	87,378	0		77,680	0	
Total liabilities and stockholders' equity	$ 1,236,266	$ 4,786		$ 1,136,964	$ 5,616	
Net interest differential - yield on average daily earning assets		$ 10,751	3.89 %		$ 10,665	4.15 %

Provision for Loan Losses

Based on management's review of the adequacy of the allowance for loan losses, provisions for losses on loans of $1.4 million and $717,000 were recorded during the six-month and three-month periods ended June 30, 2003, versus provisions of $1.2 million and $747,000 recorded during the same periods of 2002. The increase in the provision for loan losses for the six-month period reflected a number of factors, including the increase in the size of the loan portfolio, the amount and status of impaired loans, the amount and status of past due accruing loans (90 days or more), and management's overall view on current credit quality, 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, 2003 and 2002 are shown in the following table:

	Six Months ended June 30,		
	2003	2002	Percent Change
	(in thousands)		
Trust and brokerage fees	$ 1,175	$ 1,299	(9.6)%
Service charges on deposits	3,400	3,137	8.4
Other income (net)	2,450	1,742	40.6
Net gains on the sale of real estate mortgages held-for-sale	2,272	711	219.6
Net securities gains	0	16	(100.0)
Total noninterest income	$ 9,297	$ 6,905	34.6 %

	Three Months ended June 30,		
	2003	2002	Percent Change
	(in thousands)		
Trust and brokerage fees	$ 565	$ 641	(11.9)%
Service charges on deposits	1,736	1,739	(0.2)
Other income (net)	1,431	814	75.8
Net gains on the sale of real estate mortgages held-for-sale	1,193	350	240.9
Net securities gains	0	16	(100.0)
Total noninterest income	$ 4,925	$ 3,560	38.3 %

Trust fees decreased $174,000 and $92,000, respectively, in the six-month and three-month periods ended June 30, 2003 versus the same periods in 2002. These decreases were primarily in employee benefit plan, stock transfer, and living trust fees. The Company exited the stock transfer business in late 2002. Many of the trust fees are determined based upon the dollar amount of the assets held in the various trusts. The overall decline in the stock market has adversely impacted the value of those trust assets, and therefore reduced the trust income based upon it. Brokerage fees increased $49,000 and $15,000, respectively, in the six-month and three-month periods ended June 30, 2003 versus the same periods in 2002, driven by increased trading volume during 2003.

The primary sources of the increase in service charges on deposit accounts were fees related to business checking accounts as well as fees related to new deposit services that were implemented in 2002.

Other income consists of normal recurring fee income such as mortgage service fees, credit card fees, insurance income and fees, valuation of mortgage servicing rights and safe deposit box rent, as well as other income that management classifies as non-recurring. Other fee income increased $708,000 and $617,000, respectively, in the six-month and three- month periods ended June 30, 2003 versus the same periods of 2002. The primary drivers behind the increase in the six-month period were a $340,000 increase in the cash surrender value of bank owned life insurance, a $146,000 increase in mortgage fees and a $79,000 increase in operating lease income. Offsetting these was a $244,000 increase in the amortization of the Bank's mortgage servicing rights. The primary reasons for the second quarter increase were a $172,000 increase in the cash surrender value of bank owned life insurance, the $105,000 increase in mortgage fees and the $79,000 increase in operating lease income. Offsetting these was a $113,000 increase in the amortization of the Bank's mortgage servicing rights.

The increase in profits from the sale of mortgages reflected an increase in the volume of mortgages sold during the six-month and three-month periods ended June 30, 2003 versus the same periods in 2002. During the first six months of 2003, the Company sold $84.1 million in mortgages versus $43.2 million in the comparable period of 2002. During the second quarter of 2003, the Company sold $43.2 million in mortgages versus $21.9 million in the second quarter of 2002. These increases in volume were the result of the low interest rate environment, which has resulted in increased mortgage refinance activity and increased demand for home mortgages. Management does not anticipate that this level of mortgage sales gains will continue throughout the year.

Noninterest Expense

Noninterest expense categories for the six and three-month periods ended June 30, 2003, and 2002 are shown in the following table:

	Six Months ended June 30,		
	2003	2002	Percent Change
	(in thousands)		
Salaries and employee benefits	$ 9,713	$ 9,134	6.3 %
Occupancy and equipment expense	2,580	2,181	18.3
Other expense	5,932	6,053	(2.0)
Total noninterest expense	$ 18,225	$ 17,368	4.9 %

	Three Months ended June 30,		
	2003	2002	Percent Change
	(in thousands)		
Salaries and employee benefits	$ 5,008	$ 4,536	10.4 %
Occupancy and equipment expense	1,218	1,082	12.6
Other expense	3,035	3,181	(4.6)
Total noninterest expense	$ 9,261	$ 8,799	5.3 %

The increase in salaries and employee benefits reflected normal salary increases, increases related to the employee 401(k) plan and incentive compensation plan and higher health care costs. Total employees remained stable at 471 at June 30, 2003, compared to 472 at June 30, 2002.

The increase in occupancy and equipment expense reflected higher property taxes, as well as higher maintenance and repair expense due to an increased commitment to the physical enhancement of offices and higher snow removal costs required during the first quarter of 2003, versus the comparable period of 2002.

Other expense includes corporate and business development, data processing fees, telecommunications, postage, and professional fees such as legal, accounting, and directors' fees. Other expense declined slightly in both the six-month and three-month periods ended June 30, 2003, versus the comparable periods in 2002, primarily as a result of a decrease in telecommunications expense.

Income Tax Expense

Income tax expense increased $572,000, or 18.1%, for the first six months of 2003, compared to the same period in 2002. Income tax expense for the second quarter of 2003 increased $330,000, or 20.4%, compared to the same period of 2002. The combined state franchise tax expense and the federal income tax expense as a percentage of income before income tax expense decreased to 33.9% during the first six months of 2003 compared to 34.5% during the same period in 2002. It decreased to 34.2% for the second quarter of 2003, versus 34.6% for the second quarter of 2002.

FINANCIAL CONDITION

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.

Total assets of the Company were $1.240 billion as of June 30, 2003, a decrease of $8.2 million, or 0.7%, when compared to $1.248 billion as of December 31, 2002.

Total cash and cash equivalents decreased by $23.5 million, or 27.0%, to $63.6 million at June 30, 2003 from $87.1 million at December 31, 2002. The decrease was attributable to decreases in the Company's short-term borrowings.

Total securities available-for-sale decreased by $2.8 million, or 1.0%, to $271.3 million at June 30, 2003 from $274.1 million at December 31, 2002. The decrease was a result of a number of transactions in the securities portfolio. Paydowns of $57.7 million were received, and the amortization of premiums, net of the accretion of discounts, was $709,000. Maturities, calls and sales of securities totaled $11.2 million, and the fair market value of the securities declined by $4.0 million. The market value decline was driven by paydowns received in the mortgage-backed portion on the securities portfolio. These portfolio decreases were offset by securities purchases totaling $70.8 million. The investment portfolio is managed to limit the Company's exposure to risk by containing mostly CMO's 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 $835,000, or 8.0%, to $11.2 million at June 30, 2003 from $10.4 million at December 31, 2002. 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, 2003, $84.9 million in real estate mortgages were originated for sale and $84.1 million in mortgages were sold.

Total loans, excluding real estate mortgages held-for-sale, increased by $16.7 million or 2.0% to $839.4 million at June 30, 2003 from $822.7 million at December 31, 2002. The mix of loan types within the Company's portfolio remained relatively unchanged, reflecting 77% commercial, 5% real estate and 18% consumer loans at June 30, 2003 compared to 76% commercial, 6% real estate and 18% consumer loans at December 31, 2002.

The allowance for loan losses increased $253,000, or 2.7%, to $9.8 million at June 30, 2003 from $9.5 million at December 31, 2002. Net charge-offs for the six months ended June 30, were $1.1 million in 2003 and $311,000 in 2002. The increase in charge-offs was primarily due to one commercial credit. The allowance for loan losses at June 30, 2003 was 1.17% of total loans, net of residential mortgage loans held for sale on the secondary market, versus 1.16% at December 31, 2002.

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 continuing difficult economic climate, 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.

Loans are charged against the allowance for loan losses when management believes that the collectibility of the principal is unlikely. Subsequent recoveries, if any, are credited to the allowance. The allowance is an amount that management believes will be adequate to absorb probable 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 percentages to graded loans by categories. 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, 2003, on the basis of management's review of the loan portfolio, the Company had $43.1 million of assets classified special mention, $25.8 million classified as substandard, $254,000 classified as doubtful and $0 classified as loss as compared to $47.6 million, $27.0 million, $211,000 and $200,000 at December 31, 2002.

Classified loan percentages of estimated loss are as follows: Special Mention-5%; Substandard-15%; Doubtful-50%; and Loss-100%. Management additionally provides a reserve estimate for incurred losses in non-classified loans ranging from 0.20% to 0.75%. Allowance estimates are developed by management in consultation with regulatory authorities, taking into account both actual loss experience and peer group 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.

At June 30, 2003, total nonperforming loans decreased by $1.0 million to $6.6 million from $7.6 million at December 31, 2002. Loans delinquent 90 days or more that were included in the accompanying financial statements as accruing totaled $3.1 million at June 30, 2003 and $3.4 million at December 31, 2002. Total impaired loans decreased by $1.0 million to $6.3 million at June 30, 2003 from $7.3 million at December 31, 2002. The decrease in the impaired loans category resulted primarily from payments received on two commercial credits totaling $1.2 million. The decrease in nonperforming loans also resulted from the payments on the aforementioned loans. The impaired loan total includes $3.2 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.

Total deposits increased by $52.9 million, or 5.8%, to $966.2 million at June 30, 2003 from $913.3 million at December 31, 2002. The increase resulted from increases of $45.6 million in NOW accounts, $31.4 million in Investors' Weekly accounts, $5.9 million in savings accounts and $1.3 million in money market accounts. Offsetting these increases were declines of $22.0 million in certificates of deposit and $9.3 million in demand deposits.

Total short-term borrowings decreased by $57.4 million, or 31.0%, to $127.6 million at March 31, 2003 from $184.9 million at December 31, 2002. The decrease resulted from declines of $26.2 million in securities sold under agreements to repurchase, $13.0 million in federal funds purchased and $16.0 million in other borrowings, primarily short-term advances from the Federal Home Loan Bank of Indianapolis.

Total stockholders' equity increased by $3.7 million, or 4.4%, to $87.5 million at June 30, 2003 from $83.9 million at December 31, 2002. Net income of $7.3 million, less dividends of $2.2 million, less the decrease in the accumulated other comprehensive income of $2.6 million, plus $39,000 for the cost of treasury stock sold plus $81,000 for stock issued through options exercises, comprised most of this increase. In addition, effective January 1, 2003, the Company's directors' deferred compensation plan was amended to no longer permit diversification outside of Company stock and to require that settlement of deferred balances be made in shares of Company stock. In accordance with EITF 97-14: "Accounting for Deferred Compensation Arrangements Where Amounts Earned Are Held in a Rabbi Trust and Invested," on the date of the plan change the $1.1 million current value of the liability for the Company shares was transferred to additional paid-in capital from other liabilities.

The Federal Deposit Insurance Corporation's (FDIC) 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, 2003, the Company's Tier 1 leverage capital ratio, Tier 1 risk based capital ratio and total risk based capital ratio were 8.2%, 10.6% and 11.7%, 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 2003. 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, 2003, the Company's potential pretax exposure was within the Company's policy limit, and not significantly different from December 31, 2002.

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, 2003. 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. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls.

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:

o 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.

o 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.

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

o 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 inability 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.

LAKELAND FINANCIAL CORPORATION

FORM 10-Q

June 30, 2003

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. Changes in Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

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

On April 8, 2003, the Company's annual meeting of stockholders was held. At the meeting, Crowe Chizek and Company LLC was appointed as the Company's independent auditors for the year ended December 31, 2003, and R. Douglas Grant, Jerry L. Helvey, Allan J. Ludwig, D. Jean Northenor, Emily Pichon and Richard L. Pletcher were elected to serve as directors with terms expiring in 2006. As disclosed in the Company's proxy statement relating to the annual meeting, Mr. Grant retired from the board in June, 2003, and Ms. Northenor and Mr. Helvey intend to retire before the end of 2003. Continuing as directors until 2004 are Anna K. Duffin, L. Craig Fulmer, Charles E. Niemier, Donald B. Steininger and Terry L. Tucker. Continuing as directors until 2005 are Robert E. Bartels, Jr., Michael L. Kubacki, Steven D. Ross and M. Scott Welch.

Election of Directors:

	For	Withheld
R. Douglas Grant	4,282,510	311,007
Jerry L. Helvey	4,560,533	32,984
Allan J. Ludwig	4,149,398	444,119
D. Jean Northenor	4,317,439	276,078
Emily Pichon	4,562,998	30,519
Richard L. Pletcher	4,559,982	33,535

Ratification of Auditors:

	For	Withheld
Crowe Chizek and Company LLC	4,397,188	196,329

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

a. 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.

b. Reports

A report on Form 8-K was filed on July 15, 2003 under Item 5 which reported the Company's second quarter financial information in the form of a press release.

A report on Form 8-K was filed on April 15, 2003 under Item 5 which reported the Company's first quarter financial information in the form of a press release.

LAKELAND FINANCIAL CORPORATION

FORM 10-Q

June 30, 2003

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 5, 2003 /s/Michael L. Kubacki
Michael L. Kubacki - President and Chief Executive Officer

Date: August 5, 2003 /s/David M. Findlay
David M. Findlay - Executive Vice President and Chief Financial Officer

Date: August 5, 2003 /s/Teresa A. Bartmen
Teresa A. Bartman - Vice President and Controller

Exhibit 31.1

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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) [intentionally omitted]

   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 (the registrant's fourth fiscal quarter in the case of an annual report) 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(s) 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 the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control 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 5, 2003

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

Exhibit 31.2

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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) [intentionally omitted]

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 (the registrant's fourth fiscal quarter in the case of an annual report) 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(s) 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 the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control 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 5, 2003

/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, 2003 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 5, 2003

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, 2003 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 5, 2003

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.