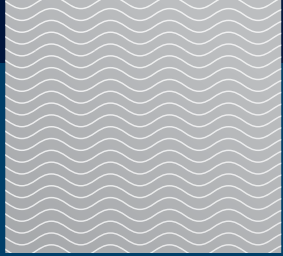


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REPORT

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LAKELAND FINANCIAL CORPORATION



# The value proposition of the Lake City Bank community banking model has never been more relevant.

## Lake City Bank Shareholders, Clients and Community Partners:

When should an annual report to shareholders focus on more than just the financial performance of an organization? That's an easy one for all of us. In 2020. As it did for most organizations, the year challenged the Lake City Bank team in ways that we couldn't have imagined. And there wasn't much fun involved either. But we are a stronger organization as a result. As we entered 2021, it seemed like all anyone wanted to talk about was the fact that 2020 was over. And while the Lake City Bank team is glad to have the year in our rearview mirror, we are enormously proud of what the bank achieved.

Community banking shined in 2020. It became increasingly clear throughout the year that community banks like Lake City Bank are critical to the delivery of financial services in our communities and to our clients. This was particularly evident with the Paycheck Protection Program (PPP). We originated \$571 million of PPP loans for 2,409 clients during the first round of the program. In a few short weeks, our balance sheet ballooned by more than 10% due to the program! With the

Lake City Bank team working everywhere from their kitchen tables to our disaster recovery sites, we came together quickly and cohesively to do what we always do, and that is to take care of our clients. The volume of interest and applications was extraordinary and we were very pleased that we were able to take care of 100% of our clients who completed the application process before the Small Business Administration closed the application portal. These loans were critical lifelines to our clients during an unprecedented period of uncertainty and challenge. The value proposition of the Lake City Bank community banking model has never been more relevant.

Speaking of kitchen tables, we saw plenty of those in virtual meetings as the majority of our team transitioned to a remote workplace structure for most of the year, as did many of you. We've tested our business continuity plans frequently over the years, but never on the scale that we experienced in real time last year. It worked pretty seamlessly and was proof that our substantial investment in technology and innovation over the last decade was money well spent. Critically, our digital banking solutions provided uninterrupted access for our commercial and retail clients, despite our limited lobby access and remote workforce arrangements.

While we are talking about a remote workforce, I'd like to address the predictions that a permanent remote workforce is here to stay and is even a good idea. There is no way that an organization that truly cares about developing and maintaining a strong culture can argue that never being together, or being together infrequently, will strengthen its culture or create a good one. The banking business is really about the culture of the team and how we approach client relationships. We don't manufacture a product that defines our ultimate client satisfaction; we are the product. At every level of the bank, and in every way we provide services to clients, the teamwork and partnership that is derived from face-to-face personal interaction is critical. It defines our culture and our product. We like each other, and we miss being together. And we



know we are better when we are together. We are eager to get everyone back to work in a Lake City Bank facility when we can do so safely.

Financial performance does matter, so let's address that as well. Lakeland Financial Corporation's stock price ended the year up 10% at \$53.58 per share. Importantly, we fared well relative to key banking indexes. The Nasdaq Bank Index and the KBW Bank Index fell (11)% and (14)%, respectively. Like all financial stocks, the uncertainty of our economic future in the early days of the pandemic severely impacted our stock. On March 23, 2020, our stock price hit a pandemic low of \$30.49 per share. Our 76% improvement in 2020 relative to this low point reflects our execution-driven reputation with investors.

As detailed in this annual report, our net income and diluted earnings per share were down (3)% and (2)%, respectively. We concluded 2020 with great momentum as we reported record quarterly net income in both the third and fourth quarters and are cautiously optimistic as we enter 2021. The Federal Reserve's target Federal Funds Rate of 0% to 0.25% will continue to present challenges to the management of our balance sheet, but we've successfully maneuvered through similar cycles in the past and will do so again. While much uncertainty remains, the Lake City Bank team is focused on the future and our continued growth.

2020 tested every aspect of our business plan and proved that the delivery of competitive banking services will continue to rely upon both the personal relationships we build with our clients and the leveraging of technology in ways that we never imagined. Our branch network and all of the client contact people throughout the bank who connect with our customers every day continue to be the backbone of our community banking success. Yet, our experience in 2020 demonstrated the importance of offering a digital banking solution that matches our large bank competition and outperforms our community bank competition. As a result, 2021 will be a critical year as we roll out

Lake City Bank Digital, our next generation digital banking platform, late in the first quarter.

Lake City Bank Digital is a truly transformational change to our mobile and internet banking services. For our clients, it's a completely new way to connect with us, and with their money, from a single solution that works the same way regardless of device or account type. From your phone, your laptop, your tablet, or your desktop, it will be a seamless and consistent way to access your Lake City Bank relationships. With Lake City Bank Digital, we have reinvented our digital platform with a focus on innovative solutions that are built to serve our clients' needs.

We are an inherently optimistic organization and remain so today, despite the twists and turns of 2020. Our long term mission – "Lake City Bank will be the acknowledged and recognized leader in Indiana community banking," is as relevant and achievable as it has ever been. We are grateful for the partnerships we have with our clients, employees, communities and shareholders. Thank you.



A handwritten signature in black ink, appearing to read "David M. Findlay". The signature is stylized and fluid.

David M. Findlay  
President and Chief Executive Officer

# Management Committee

Lake City Bank has a strong history of commitment to diversity and inclusion and we are proud of our day-to-day actions supporting this commitment.



**David M. Findlay**  
President and Chief  
Executive Officer



**Michael E. Gavin**  
Executive Vice President  
Chief Credit Officer



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



**Eric H. Ottinger**  
Executive Vice President  
Chief Commercial  
Banking Officer



**Kristin L. Pruitt**  
Executive Vice President  
Chief Administrative Officer



**Kyra E. Clark**  
Senior Vice President  
Chief Human Resources  
Officer



**J. Rickard Donovan**  
Senior Vice President  
General Counsel



**Stephanie R. Leniski**  
Senior Vice President  
Chief Retail Banking  
Officer



**Jonathan P. Steiner**  
Senior Vice President  
Chief Wealth Advisory  
Officer

Community banking is about the connections we have with our communities. Our communities were challenged on many levels in 2020, including the upheaval and angst prompted by continuing racial injustice. At Lake City Bank, our culture is built upon a foundation of equitable treatment of everyone we interact with and serve – our employees, our clients, our communities, our business partners and our shareholders. As a society, we must insist on empathy and respect for human dignity for all. This is not debatable.

Lake City Bank has a strong history of commitment to diversity and inclusion and we are proud of our day-to-day actions supporting this commitment. In order to affirm and expand our commitment, we formed the Diversity and Inclusion Task Force in 2020. Additionally, we added the word Inclusivity to our Core Values. Inclusivity is an intentionally broad term and the task force will have authority to develop a plan to review where we are today and where we want to be in the future. We must not only aspire to be an organization of Inclusivity, we must actually be one, and it is important that we become a leader in our communities on this front. As a community bank, we are dedicated to working to serve our underserved and underbanked communities and we support this movement for fairness as racism and discrimination of any form are simply wrong. We are dedicated to serving everyone equally in our great Indiana communities.



# Board of Directors

The strength of the board and its imprint on our performance was evident as we moved through 2020 and into 2021.



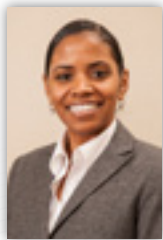
**Michael L. Kubacki**  
Chairman  
Lakeland Financial  
Corporation and  
Lake City Bank



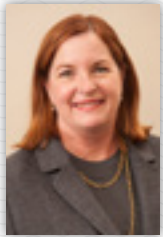
**Blake W. Augsburger**  
Founder and Chief  
Executive Officer  
LEA Professional



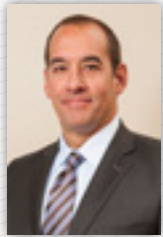
**Robert E. Bartels, Jr.**  
Partner  
Incedo LLC



**Darrienne P. Christian**  
Civic Leader



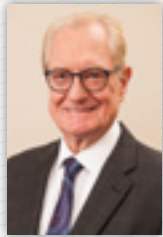
**Emily E. Pichon**  
Chairman  
ExTech Plastics, Inc.  
Officer and Director  
Olive B Cole Foundation and  
M E Raker Foundation, Inc.



**Bradley J. Toothaker**  
President and Chief  
Executive Officer  
Bradley Company



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



**Steven D. Ross**  
Owner  
Ross and Associates



**Ronald D. Truex**  
Chairman of the Board  
Creighton Brothers, LLC



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



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



**M. Scott Welch**  
Chief Executive Officer  
Welch Packaging Group

Our board of directors last met in person in January 2020. More than a year has passed since our directors were together. Yet, the strength of the board and its imprint on our performance was evident as we moved through 2020 and into 2021. Good corporate governance cannot take a break during a pandemic and the collective and individual efforts of the board were critical to our success as we traversed a uniquely challenging, yet rewarding, year for the company. The Lake City Bank board was fully aligned and supportive of the company's efforts on diversity and inclusion, and also provided a leading voice on Environmental, Social and Corporate Governance (ESG). The board's focus and efforts on the diversity and ESG fronts will ensure that we effectively measure and report on the central factors in assessing the sustainability and societal impact we have on all of our constituents.

At our 2021 annual meeting of shareholders, we will recognize Tom Hiatt upon his retirement from our board. For 14 years, Tom has been a quietly influential and valuable partner to the board of directors and the leadership team. His measured and thoughtful partnership will be missed. Thank you, Tom.



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



# ChromaSource Inc.

Columbia City  
Client since 1996



“  
We wouldn't be  
where we are  
today without that  
relationship.”  
- Jason Brooks

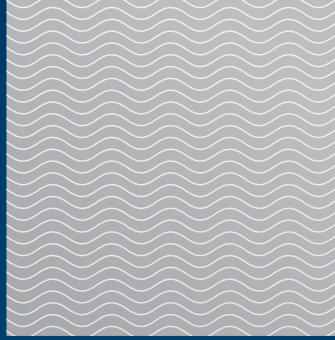




**Left to right:** Doug Spare, Vice President of Product Development; Cammy Treadway, Senior Vice President, Commercial East Regional Manager; Shannon Getty, Vice President of Sales; and Jason Brooks, Chief Executive Officer.

No matter where you find yourself, undoubtedly you'll be surrounded by color. Simple, right? Perhaps not so much. It's very likely that the person who selected the colors in your environment used samples from ChromaSource to do so. Located in Columbia City, ChromaSource produces and delivers color sampling resources for retail and commercial paint manufacturers around the country and around the world. For example, the paint color samples you choose from and take home from your local home-improvement or paint retailer are produced by applying actual paint to the sample card. The process of matching color on paint samples to exact color formulas is painstaking and rigorous, and something that ChromaSource has perfected. Founded in 1996, ChromaSource has grown with the paint industry over the years, adding color systems production and management in 1998, followed by fulfillment solutions in 2006. Constant throughout the company's history have been its commitments to innovation and to superior service. Lake City Bank has been another familiar feature of the

growth at ChromaSource. "The bank, and Cammy Treadway, have gone above and beyond for us since the beginning," said Jason Brooks, Chief Executive Officer. "We wouldn't be where we are today without that relationship." ChromaSource has commercial loans and deposits, and technology-driven treasury management products with Lake City Bank. In addition, the senior management team uses the bank for its personal banking needs. Quality, innovation and attention to detail have served ChromaSource well. In the midst of the COVID-19 pandemic, ChromaSource developed a fulfillment system for one of its customers that enables do-it-yourself homeowners to order paint color samples online from ChromaSource, choose their color and type of paint, and pick up their order curbside at their local retailer. This combination of technology and hands-on fulfillment enabled ChromaSource to help its customer respond to new demands from consumers wanting to do improvement projects while staying at home during the pandemic.



# Birge & Held

Indianapolis  
Client since 2016



“  
The bank really  
understands our  
business.”

- J. Taggart Birge



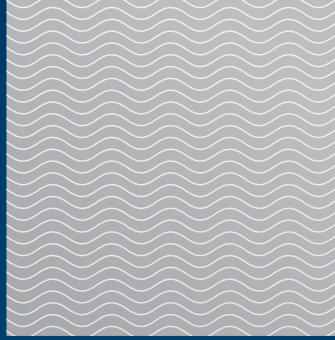




**Left to right:** Andrew Held, President and Chief Operating Officer; J. Taggart Birge, President and Chief Executive Officer; and Tim Schlichte, Vice President, Commercial Banking Officer.

Birge & Held, a real estate investment, property management and construction firm, focuses on multifamily commercial real estate across the Midwest, Southeast and Western markets. Using experience, innovation and agility honed over nearly three decades, the firm manages more than \$1 billion in assets for clients including institutional investors, private equity funds, banks, private wealth offices and individual and large-scale real estate investors. The company has built a reputation for improving the properties it acquires and manages. “We focus on the whole picture,” said Tag Birge, President and Chief Executive Officer. “We look for quality properties with

great prospects, and we understand that we serve the tenants and communities where our properties are located, in addition to our investors.” Birge & Held’s dedication to analysis, agility and innovation match up well with Lake City Bank, its partner for banking services since 2016. The company has commercial loans, a line of credit and deposits with the bank, along with private banking services for the principals. “Lake City Bank has proven to be just the partner we need,” Birge said. “The bank really understands our business, and that has supported our growth.”



# South Bend Clinic

South Bend  
Client since 2020



“  
Everyone on the  
team has been  
willing to go the  
extra mile for us.  
”

- Kelly Macken-Marble

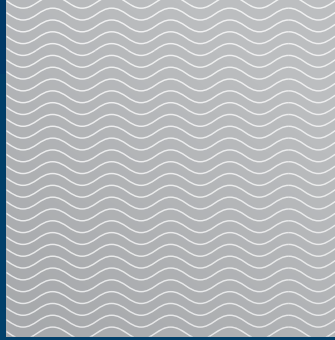




**Left to right:** Lisa Wine, Chief Financial Officer; Patti McNarney, Vice President, Commercial Banking Officer; and Kelly Macken-Marble, Chief Executive Officer.

Back in 1916, a group of doctors, inspired by the Mayo Clinic in Rochester, Minnesota, founded what would become the South Bend Clinic. Today, the South Bend Clinic encompasses 10 campuses, and nearly 150 providers holding 30 different board certifications. Even in light of such growth, the South Bend Clinic remains true to its roots—providing patient-centered, physician-led health care. “We believe in collaboration—that access to colleagues and specialties under one roof, sharing expertise, improves treatment and outcomes for all of our patients,” said Kelly Macken-Marble, Chief Executive Officer. The Lake City Bank team brought similar skills in

collaboration and teamwork to bear in its relationship with the South Bend Clinic. When this 105-year-old practice selected a new financial partner in 2020, they chose Lake City Bank. The bank provides commercial loans to the clinic, as well as treasury management solutions that are technology driven and structured around the health care provider’s needs. In addition, Lake City Bank participated with two other Indiana banks in another commercial loan. “We’ve been really pleased with Lake City Bank’s ability to respond to our needs,” Macken-Marble said. “Everyone on the team has been willing to go the extra mile for us.”



# Boys & Girls Club

Goshen

Client since 2006



**We know we're working with trusted advisors who respect the work we do, and we rely on them to do their job as well.**

- Kevin Deary



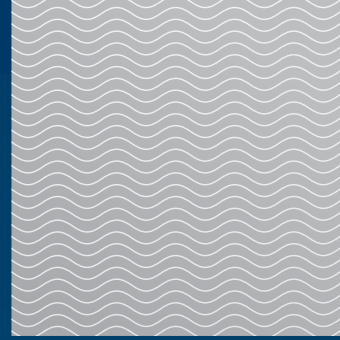


*Left to right: Kevin Deary, Chief Executive Officer; and Amber Wolfer, Vice President, Commercial Banking Officer.*

The Boys & Girls Club of Elkhart County (BGCEC), founded in 1956, inspires and empowers young people to reach their full potential through a variety of programs and experiences, of course, but also through building powerful relationships that help guide young people as they grow. Every day, the organization welcomes more than 1,500 youth ages six through 18 to its clubhouses in Elkhart, Goshen, Middlebury and Nappanee, serving more than 5,000 young people each year. Clubs are located where families need them most, and they are open when youth need them most as well—after school, during school breaks and in the summer. Kids can also visit Camp Koda in Goshen for summer day camp. The BGCEC team practices what it preaches, relying on partners for advice, support and services. Lake City Bank has partnered with BGCEC since 2006. The bank provides commercial loans, technology-driven treasury management products and credit card processing. On closer examination, though, the relationship

goes much deeper—BGCEC relies on the Lake City Bank team for advice, knowledge and help with planning. “Lake City Bank is part of our community. They live and work here,” said Kevin Deary, Chief Executive Officer. “We know we’re working with trusted advisors who respect the work we do, and we rely on them to do their job as well.” Through the years, as BGCEC has grown from one club in Goshen to four full-service clubs throughout Elkhart County, the organization has changed and grown with the needs of the community. Its ability to pivot, adapt and change has served BGCEC well during the COVID-19 crisis, when it had to shift services to support families faced with changing work, school and child care situations, all the while maintaining a safe environment for young people and staff. “It makes a huge difference when you have a true relationship with your bank,” Deary said. “We wouldn’t have all of this, without the bank as our partner.”





# G&G Hauling & Excavating, Inc.

Warsaw

Client since 1966



Both of our organizations are very community focused and dedicated to great service. We rely on them.

- Cary Groninger





**Left to right:** Richard Groninger, Vice President; Everett Nifong, Vice President, Commercial Banking Officer; Cary Groninger, President; and Krista Campbell, Controller.

Lake City Bank and G&G Hauling & Excavating have been partners right from the company's founding in 1966. G&G started small—doing excavation and site preparation. Very soon the company began to grow, adding mining its own gravel and, soon after, concrete and asphalt recycling. G&G has continued to grow over the years, adding capabilities and building a reputation for quality workmanship, satisfied customers and a strong connection to the community. The company's extensive list of capabilities also includes commercial site preparation and site utilities; demolition, clearing and trucking; production and sales; design build services and development; and

commercial and industrial snow removal. Community means a lot to G&G—not only has the family-led company grown up here, G&G has built strong relationships with local organizations that improve the service they can offer to customers. Lake City Bank's relationship with G&G has grown over the years as well. The company has commercial loans and deposits, technology-driven treasury management services, credit cards and personal services with Lake City Bank. "We work well with Lake City Bank," said Cary Groninger, President. "Both of our organizations are very community focused and dedicated to great service. We rely on them."





# The Community Bank Model at its Best

As a public company, we are often asked by the investment community how we compete with significantly larger and more resourced competitors and how we differentiate Lake City Bank from our competitors of all sizes. 2020 provided a resounding real-time answer to these frequently asked questions on many levels.

When the COVID-19 crisis arrived, we moved quickly to ensure uninterrupted access for our clients to their bank and their bankers while at the same time adapting our offices and practices to protect our employees and our customers. We are proud that from the start of the pandemic we were able to continue to support our team members, clients, and communities safely.

Our response to the Paycheck Protection Program illustrated Lake City Bank's management of the crisis. In a few short weeks, we provided critical funding to 2,409 clients totaling \$571 million in the first round of PPP activity. As we entered 2021, we began working with our clients to ensure that their PPP loans qualified for forgiveness as rapidly as possible and initiated another round of PPP lending with our clients. The efficiency and speed of our PPP process was exceptional.

We're proud of our PPP numbers, but they only tell part of the story. Every one of our customers who needed, qualified and applied for a PPP loan was served, regardless of whether they were a commercial client, a private banking sole practitioner, or a business served by branch bankers throughout our footprint. Every single client. Here is what they told us.

## Long-term client pleased with service

“From my perspective as a client, the feeling was that everything was done to get this loan processed and funded with the highest sense of urgency and as efficiently as if I were the only client being helped. And I cannot emphasize how crucial this funding was and is to our practice, our patients, and our employees, during these most difficult and challenging times.”

## Time was of the essence

“Got the wonderful word late today that the Paycheck Protection Program loan application for our company has been not only approved but funded. Kudos and thanks—I know this ‘easy’ funding has been anything but to get, and I am equally certain that, but for the focused efforts of Lake City, this good news would likely never have happened for us.”

## Small business client values team

“When I deal with Lake City Bank, I always feel like I am the office's most important customer, no matter what I need. We were able to get a PPP loan from Lake City Bank to help keep our business going, and the service and attention we received was exactly the same—we were treated like VIPs.”



#### Communication and timeliness matter

“Our banker reached out to us in advance of the PPP rollout and did a tremendous job—we can’t thank him enough for his attention to our small business and he has been a pleasure to work with. The Lake City team was obviously prepared and committed to helping its customers.”

#### Big-bank client appreciates service

“What has blown us away is your manager treated us the entire time as though we were a beloved friend and gave us professional help as though we were a multi-million dollar account.”

#### 24/7 effort recognized

“I want to express my sincere appreciation to you and your team at Lake City Bank for the extraordinary effort made to work with our CFO to secure SBA approval of our PPP loan that was funded last week. It did not escape my attention that many of your email communications with us were sent late evenings and over weekends. So thanks again for everything you did, and for going the extra mile to get us approved under this program during the brief window of opportunity that was available.”

#### Feedback from a happy client

“I wanted to reach out to you and say thank you for how LCB and its people handled the SBA loan for my company. You folks were on it! I have several friends and business associates throughout the tri-state area who were applying for the same loan and didn’t have near the success that I had in getting their loans processed. I received my funds 12 days after I dropped off my application. My banker did a great job keeping me informed on the changes that were happening as everyone was trying to figure out how it was going to be handled.”

#### Reflections from a client with multiple banks

“I applied for the PPP SBA program with my banker last week...her knowledge of what was needed to get it done and keeping abreast of the SBA’s changing documents was simply outstanding. She also contacted me well before the other banks I have relationships with did, which was really appreciated in this time of uncertainty.”

**Paycheck  
Protection  
Program**



# Five Year Summary of Financial Highlights

(in thousands, except share and per share data)

End of Period Balances	2020	2019	2018	2017	2016
Assets	\$5,830,435	\$4,946,745	\$4,875,254	\$4,682,976	\$4,290,025
Deposits	5,036,805	4,133,819	4,044,065	4,008,655	3,577,912
Loans, net of Deferred Fees	4,649,156	4,065,828	3,914,745	3,818,459	3,470,927
Allowance for Loan Losses	61,408	50,652	48,453	47,121	43,718
Total Equity	657,184	598,100	521,704	468,667	427,067

## Average Balances

Assets					
Total Assets	\$5,424,796	\$4,941,904	\$4,758,392	\$4,443,106	\$4,039,719
Earning Assets	5,184,836	4,656,707	4,461,366	4,183,112	3,799,963
Investments - Available-for-Sale	633,957	603,580	562,385	530,275	493,656
Loans, net of Deferred Fees	4,424,472	3,974,532	3,843,912	3,610,908	3,225,635
Liabilities and Equity					
Total Deposits	\$4,650,597	\$4,242,524	\$4,093,894	\$3,757,209	\$3,477,816
Interest Bearing Deposits	3,340,696	3,298,406	3,235,867	2,967,902	2,753,466
Interest Bearing Liabilities	3,437,338	3,390,512	3,382,507	3,178,439	2,872,691
Total Equity	624,174	562,601	487,062	450,796	416,034

## Income Statement Data

Net Interest Income	\$163,008	\$155,047	\$151,271	\$135,892	\$118,481
Net Interest Income - Fully Tax Equivalent	165,454	157,176	153,088	139,015	120,719
Provision for Loan Loss	14,770	3,235	6,400	3,000	1,150
Non Interest Income	46,843	44,997	40,302	36,040	32,864
Non Interest Expense	91,205	89,424	86,229	79,298	72,978
Net Income	84,337	87,047	80,441	57,330	52,084

## Per Share Data

Basic Net Income Per Common Share	\$3.31	\$3.40	\$3.18	\$2.28	\$2.08
Diluted Net Income Per Common Share	3.30	3.38	3.13	2.23	2.05
Cash Dividends Per Common Share	1.20	1.16	1.00	0.85	0.73
Dividend Payout	36.36%	34.32%	31.95%	38.12%	35.61%
Book Value Per Common Share	\$25.85	\$23.34	\$20.62	\$18.60	\$17.01
Basic Weighted Average Common Shares Outstanding	25,469,242	25,588,404	25,288,533	25,181,208	25,056,095
Diluted Weighted Average Common Shares Outstanding	25,573,941	25,758,893	25,727,831	25,663,381	25,460,727

## Key Ratios

Return on Average Assets	1.55%	1.76%	1.69%	1.29%	1.29%
Return on Average Total Equity	13.51%	15.47%	16.51%	12.72%	12.52%
Average Equity to Average Assets	11.51%	11.38%	10.24%	10.15%	10.30%
Net Interest Margin	3.19%	3.38%	3.43%	3.33%	3.18%
Efficiency	43.46%	44.70%	45.01%	46.11%	48.22%
Net Charge Offs to Average Loans	0.09%	0.03%	0.13%	-0.01%	0.03%
Loan Loss Reserve to Total Loans	1.32%	1.25%	1.24%	1.23%	1.26%
Loan Loss Reserve to Nonperforming Loans	507.42%	270.58%	667.40%	500.91%	653.31%
Nonperforming Assets to Total Loans	0.26%	0.47%	0.19%	0.25%	0.20%

The following selected data has been taken from the Company's consolidated financial statements. Refer to Lakeland Financial Corporation's Annual Report on Form 10-K for the year 2020 for a complete set of consolidated financials.



# Condensed Consolidated Balance Sheets

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

<b>Assets</b>	<b>2020</b>	<b>2019</b>
Cash and due from banks	\$74,457	\$68,605
Short-term investments	<u>175,470</u>	<u>30,776</u>
Total cash and cash equivalents	249,927	99,381
Securities available-for-sale (carried at fair value)	734,845	608,233
Real estate mortgage loans held-for-sale	11,218	4,527
Total loans	4,649,156	4,065,828
Less: Allowance for loan losses	<u>61,408</u>	<u>50,652</u>
Net loans	4,587,748	4,015,176
Land, premises and equipment, net	59,298	60,154
Bank owned life insurance	95,227	83,848
Federal Reserve and Federal Home Loan Bank stock	13,772	13,772
Accrued interest receivable	18,761	15,391
Goodwill	4,970	4,970
Other assets	<u>54,669</u>	<u>41,293</u>
Total Assets	<u><u>\$5,830,435</u></u>	<u><u>\$4,946,745</u></u>

## Liabilities

Noninterest bearing deposits	\$1,538,331	\$983,307
Interest bearing deposits	<u>3,498,474</u>	<u>3,150,512</u>
Total deposits	5,036,805	4,133,819
Accrued interest payable and other liabilities	50,946	44,826
FHLB advances and other borrowings	<u>85,500</u>	<u>170,000</u>
Total Liabilities	<u>5,173,251</u>	<u>4,348,645</u>

## Stockholders' Equity

Common stock: 90,000,000 shares authorized, no par value	114,927	114,858
Retained earnings	529,005	475,247
Accumulated other comprehensive income (loss)	27,744	12,059
Treasury stock	<u>(14,581)</u>	<u>(4,153)</u>
Total Stockholders' Equity	657,095	598,011
Total Noncontrolling Interest	<u>89</u>	<u>89</u>
Total Equity	<u>657,184</u>	<u>598,100</u>
Total Liabilities and Stockholders' Equity	<u><u>\$5,830,435</u></u>	<u><u>\$4,946,745</u></u>
End of period shares issued	25,713,408	25,623,016
End of period shares outstanding	25,239,748	25,444,275

Report of Independent Registered Public Accounting Firm

Stockholders and the Board of Directors of Lakeland Financial Corporation, Warsaw, Indiana

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

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of Lakeland Financial Corporation as of December 31, 2020 and 2019, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2020 (not presented herein); and in our report dated February 23, 2021, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated, in all material respects, in relation to the December 31, 2020 consolidated financial statements from which it has been derived.

Crowe LLP, South Bend, Indiana, February 23, 2021

# Condensed Consolidated Statements of Income

(Years ended December 31)

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

	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Interest Income</b>			
Interest and fees on loans	<b>\$177,185</b>	\$197,684	\$182,265
Interest and dividends on securities			
Taxable	<b>6,973</b>	8,909	9,717
Tax exempt	<b>8,577</b>	7,127	6,079
Interest on short-term investments	<b>368</b>	1,490	909
Total Interest Income	<b>193,103</b>	215,210	198,970
<b>Interest Expense</b>			
Interest on deposits	<b>29,342</b>	57,148	44,913
Interest on FHLB advances and other borrowings	<b>753</b>	3,015	2,786
Total Interest Expense	<b>30,095</b>	60,163	47,699
<b>Net Interest Income</b>	<b>163,008</b>	155,047	151,271
Provision for loan losses	<b>14,770</b>	3,235	6,400
<b>Net Interest Income After Provision for Loan Losses</b>	<b>148,238</b>	151,812	144,871
<b>Non-interest Income</b>			
Wealth advisory and investment brokerage income	<b>9,138</b>	8,522	7,802
Service charges on deposit accounts	<b>10,110</b>	15,717	15,831
Loan and service fees	<b>10,085</b>	9,911	9,291
Merchant card fee income	<b>2,408</b>	2,641	2,461
Bank owned life insurance income	<b>2,105</b>	1,890	1,244
Interest rate swap fee income	<b>5,089</b>	1,691	475
Mortgage banking income	<b>3,911</b>	1,626	1,150
Net securities gains (losses)	<b>433</b>	142	(50)
Other income	<b>3,564</b>	2,857	2,098
Total Non Interest Income	<b>46,843</b>	44,997	40,302
<b>Non-interest Expense</b>			
Salaries and employee benefits	<b>49,413</b>	48,742	47,645
Occupancy and equipment expense	<b>11,617</b>	10,816	10,392
Data processing fees and supplies	<b>11,864</b>	10,407	9,685
Other expense	<b>18,311</b>	19,459	18,507
Total Non Interest Expense	<b>91,205</b>	89,424	86,229
<b>Income Before Income Tax Expense</b>	<b>103,876</b>	107,385	98,944
Income tax expense	<b>19,539</b>	20,338	18,533
<b>Net Income</b>	<b>\$84,337</b>	\$87,047	\$80,411
<b>BASIC WEIGHTED AVERAGE COMMON SHARES OUTSTANDING</b>	<b>25,469,242</b>	25,588,404	25,288,533
<b>BASIC EARNINGS PER COMMON SHARE</b>	<b>\$3.31</b>	\$3.40	\$3.18
<b>DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING</b>	<b>25,573,941</b>	25,758,893	25,727,831
<b>DILUTED EARNINGS PER COMMON SHARE</b>	<b>\$3.30</b>	\$3.38	\$3.13

See Annual Report on Form 10-K



# Corporate Information

## Nature of Business

Lakeland Financial Corporation is a \$5.8 billion bank holding company located in Warsaw, Indiana. Lake City Bank, its single bank subsidiary, is the sixth largest bank headquartered in the state and the largest bank 100% invested in Indiana. Lake City Bank operates 50 offices in Northern and Central Indiana, delivering technology-driven and client-centric financial services solutions to individuals and businesses.

## Headquarters

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

## Virtual Annual Meeting

Tuesday, April 13, 2021  
4:30 pm eastern

## Common Stock Listing

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

## Market Makers

Robert W. Baird & Co. Incorporated  
BofA Securities, Inc.  
Cantor Fitzgerald & Co.  
Citadel Securities LLC  
Cowen and Company, LLC  
Canaccord Genuity Inc.  
Cannacord Genuity LLC.  
Citadel Derivatives Group LLC  
D.A. Davidson & Co.  
G1 Execution Services, LLC  
Goldman, Sachs & Co. LLC  
GTS Securities LLC  
Janney Montgomery Scott Inc.  
IMC Financial Markets  
Jefferies LLC  
Keefe, Bruyette & Woods, Inc.  
Keybank Capital Markets Inc.  
Maxim Group LLC  
Morgan Stanley & Co. LLC  
OTA LLC  
VIRTU Americas LLC  
Piper Sandler & Co.  
Puma Capital, LLC  
Raymond James & Associates, Inc.  
RBC Capital Markets, LLC  
SG Americas Securities, LLC  
Two Sigma Securities, LLC  
Stephens, Inc.  
Susquehanna Securities  
Stifel, Nicolaus & Company, Incorporated  
Susquehanna Financial Group, LLP  
UBS Securities LLC  
Wall Street Access  
Wells Fargo Securities, LLC  
Wolverine Securities, LLC  
Latour Trading LCC

## Stock Transfer Agent and Registrar

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

## Dividend Reinvestment and Stock Purchase Plan

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

## Direct Deposit of Dividends

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

## Form 10-K and Other Financial Reports

The company maintains a website at lakecitybank.com. The company makes available free of charge on this site its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after it electronically files such material with, or furnishes it to, the Securities and Exchange Commission. The company will also provide copies of its filings free of charge upon written request to:  
Lakeland Financial Corporation  
Attn: Investor Relations  
PO Box 1387  
Warsaw IN 46581-1387

## Corporate Governance

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

## Independent Registered Public Accounting Firm

Crowe LLP  
330 E Jefferson Boulevard  
PO Box 7  
South Bend, IN 46624-0007

## Corporate Counsel

Barack Ferrazzano Kirschbaum & Nagelberg LLP  
200 W Madison Street  
Suite 3900  
Chicago, IL 60606

# Lake City Bank Officers

## Management Committee

David M. Findlay  
President &  
Chief Executive Officer

Michael E. Gavin  
Executive Vice President  
Chief Credit Officer

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

Eric H. Ottinger  
Executive Vice President  
Chief Commercial Banking Officer

Kristin L. Pruitt  
Executive Vice President  
Chief Administrative Officer

Kyra E. Clark  
Senior Vice President  
Chief Human Resources Officer

J. Rickard Donovan  
Senior Vice President  
General Counsel

Stephanie R. Leniski  
Senior Vice President  
Chief Retail Banking Officer

Jonathan P. Steiner  
Senior Vice President  
Chief Wealth Advisory Officer

## Brokerage

**Vice President**  
Scott M. Hartman  
Adam C. Johnston

## Officer

Greg L. Emmack  
Zachary A. Fiantd  
Lori A. Richcreek

## Commercial Banking

### Senior Vice President—Regional Manager

Todd A. Bruce  
Joseph F. Kessie  
William R. Redman  
J. Chad Stoltzfus  
Camalyn M. Treadway

### Vice President

Ronald L. BonDurant  
Gregory C. Brown  
Brian D. Burrell  
Nathan R. Conley  
Amy M. Counts  
Grant N. Daily  
David E. Davis  
John F. Dietzen  
David S. Frey  
Chad A. Glassburn  
Keith B. Goodman  
Ryan L. Hart  
Matthew J. Highbarger  
Ryan J. Hoffman  
Rodney B. Hooley  
Karese E. Kitch  
Gregory W. Lentz  
Cory E. McClarnon  
Patricia T. McNarney  
Gavin S. Miller  
Everett L. Nifong  
Cameron V. Plew  
Michael J. Ryan  
Timothy M. Schlichte  
D. Andrew Skaggs  
Eric J. Steenman  
Nicholas A. Toney  
Steven J. Troike  
Marshall C. Weadick  
Christopher W. Wiggins  
Amber M. Wolfer

### Assistant Vice President

Holly A. Davis  
Corbin J. Holtsberry  
Kelsey M. Jenkins  
Cari J. Juillerat  
Kris J. Kerlin  
Sara B. Millsbaugh  
Kevin R. Poe  
Nathan R. Poe  
Stacy M. Richardson  
Robin R. Ritchie

### Officer

Luke C. Mungovan  
Elizabeth A. Schmidlin  
Virginia E. Wirt

## Consumer & Home Loans

### Senior Vice President

Kirtus D. Murray

### Vice President

Denise M. Brennan  
Sabrina N. Brown  
Scott B. Bucher  
Holly N. Clevenger  
Glenn A. Goudey  
Jodi L. Hammond  
Jeffery W. Krusenklau  
W. John Pritz  
Mark R. Rensner  
Sue L. Sands

### Assistant Vice President

Chad J. Clinton  
John J. (J.J.) Foster  
Anna A. Jimenez  
Sarah J. Miller-Bontrager  
Todd E. Pequinot  
Amanda M. Tom

### Officer

Ashley R. Hite  
Susan R. McClanahan

## Corporate & Institutional Services

### Senior Vice President

Douglas R. Samuels

### Vice President

Anna N. Corkill  
Melanie A. McIntyre  
Sheena L. White  
Tabitha A. Williamson

### Assistant Vice President

Michelle L. Harris

### Officer

Tiffany R. Peterson  
Grant R. Toney

## Credit Administration

### Senior Vice President

Kimberly A. Hooley  
Donald J. Robinson-Gay

### Vice President

Ronald E. Cotton  
Amanda R. Ellsworth  
Cynthia J. Gianneschi  
Bradford S. Grabow  
Judd P. McNally  
Benjamin A. Rice

### Assistant Vice President

David J. Curry  
Justin T. Hayes  
Megan E. Ottinger  
Daniel M. Sloan  
Matthew R. Smith  
Aaron T. Wood  
Jeffrey L. Wyckoff

### Officer

Joseph D. Burtnette  
Bridget M. Camden  
Seth M. Greiner

## Executive Administration

### Officer

Tina A. Rensberger

## Finance & Treasury

### Senior Vice President

Jennifer M. Hurford—Treasurer  
Brok A. Lahrman—Chief Accounting Officer

### Vice President

Melissa D. Davison  
Brian M. Lamb  
Ryan D. Neese

### Assistant Vice President

Stacy L. Price  
Becka J. Turnbow  
Beth A. Weber

### Officer

Samantha D. Ducey

## Marketing

### Vice President—Manager

Mary S. Horan

### Vice President

Cindy A. Bateman

### Assistant Vice President

Caitlin E. Steiner

## Operations

### Senior Vice President

Lisa A. Fulton

### Vice President

Lili A. Dailey  
Shannan L. Hepler  
Jan R. Martin  
Eric D. Wagoner

### Assistant Vice President

Leslie R. Baker  
Sherri L. DiRico  
Tana J. Johnson  
Miranda R. Jordon  
Karla J. Kroll  
Natalie M. Ousley

### Officer

Susan K. Hayes  
Christine M. Himes  
Brittney C. Hollopeter  
Jennifer R. Kooistra  
Katrina L. Mills  
Cynthia L. Montel  
Jennifer L. Mosier

## People Development

### Vice President

Alice G. Hitchcock  
Kathleen M. Keirn  
Tori L. Platt

### Assistant Vice President

Ana Karina Cervantes  
Rhonda K. Frank  
Mary A. Lepird

### Officer

Alma R. Jimenez  
Brianna D. Kreczmer

## Property Management

### Vice President

Rick Hatcher

### Officer

Richard A. Hoover

## Retail Banking

### Senior Vice President—Retail Banking

**Regional Manager**  
Bruce A. Wright

### Vice President—Retail Banking

### Regional Manager

Melissa J. Blosser  
Karen A. Francis  
Sara B. Hill  
Pamela F. Messmore  
Margaret A. Waddell

## Officer

Megan L. Sutter  
Justin Taylor

## Risk Management

**Senior Vice President**  
Matthew D. VanDeWielles

### Vice President

Teresa A. Bartman  
Gloria J. Crawford  
Jeannine P. Draper Cooley  
Dianne C. Harris  
Candy A. Little  
Amanda M. Longmire  
Kyle G. Schmidt

### Assistant Vice President

Kristin D. Brown  
Aaron T. Connell  
Eric D. Neuenschwander  
Victoria L. Starr

### Officer

Austin L. Bair  
Wendy N. Brown  
Hilda E. Cantu  
Kristina R. Kiracofe  
Kimberly A. Knoerzer  
Dakotah B. Lantz  
Ashley L. Pluta

## Technology Services

### Senior Vice President

Angela K. Ritchey

### Vice President

Joanie L. Foreman  
George H. Goodlink  
Jolene D. Howard  
Christopher D. Merrill  
Donna J. Wolfe

### Assistant Vice President

Lisa M. Bicknese  
Jean A. Ciriello  
Lisa S. Fitzgerald  
Michele R. Ganser  
Jill E. Garber  
R. David Hume  
Scot A. Karbach  
Evan R. Kehr  
Kimberly K. Mattko  
Sean P. Raver  
Melissa S. Rupe  
Diane M. Wirth

### Officer

Jordan M. Bell

## Wealth Advisory Group

### Senior Vice President

Andrew R. Haddock  
James D. Westerfield

### Vice President

Randall J. Crouch  
Richard A. Delks  
Michelle L. Kindler  
Jennifer I. King  
Lisa A. Mansberger  
Peggy L. Michel  
Benjamin D. Shively  
Reneta U. Thurairatnam

### Assistant Vice President

Steven B. Burnside  
Leslie E. Rohrer

### Officer

Deborah R. Cataldo



# Lake City Bank Offices

<b>Akron</b>	L. Jane Murphy	Vice President, Retail Banking Officer
<b>Argos</b>	Kimberly K. Vermillion	Assistant Vice President, Retail Banking Officer
<b>Auburn</b>	Rebekah K. Hefty	Vice President, Retail Banking Officer
<b>Bremen</b>	Sonia R. Teske	Assistant Vice President, Retail Banking Officer
<b>Columbia City</b>	Carolyn M. Ross	Retail Banking Officer
<b>Concord</b>	Andrea R. Bowers	Retail Banking Officer
<b>Elkhart Beardsley</b>	Rebecca L. Miller	Vice President, Retail Banking Officer
<b>Elkhart East</b>	Phillip G. Ensley	Vice President, Retail Banking Officer
<b>Elkhart Northwest</b>	Clayton J. Bright	Assistant Retail Banking Officer
<b>Fishers</b>	Emily E. Wold	Retail Banking Officer
<b>Fort Wayne Downtown</b>	Dana L. Hess	Vice President, Retail Banking Officer
<b>Fort Wayne Jefferson</b>	Kristi L. Manwaring	Assistant Vice President, Retail Banking Officer
<b>Fort Wayne North</b>	Bruce A. Wright	Senior Vice President, Regional Manager
<b>Fort Wayne Northeast</b>	Robert J. Savage	Vice President, Retail Banking Officer
<b>Fort Wayne Southwest</b>	Steve D. Schumacher	Vice President, Retail Banking Officer
<b>Goshen Downtown</b>	Philip W. Dwire, Jr.	Vice President, Retail Banking Officer
<b>Goshen South</b>	Amy M. Weisman	Vice President, Retail Banking Officer
<b>Granger</b>	Angela M. Daly	Assistant Vice President, Retail Banking Officer
<b>Greenwood</b>	Rosa M. Alba	Assistant Vice President, Retail Banking Officer
<b>Huntington</b>	Margaret A. Waddell	Vice President, Regional Manager
<b>Indianapolis Clearwater</b>	Kathryn A. Smith	Vice President, Retail Banking Officer
<b>Indianapolis Downtown</b>	Joseph P. Waltermann	Vice President, Retail Banking Officer
<b>Indianapolis Michigan Road</b>	Paula J. Whiting	Vice President, Retail Banking Officer
<b>Indianapolis North</b>	Dereck L. Stinson	Vice President, Retail Banking Officer
<b>Jimtown</b>	Jody M. Meyer	Vice President, Retail Banking Officer
<b>Kendallville</b>	Terry L. Bradley	Assistant Vice President, Retail Banking Officer
<b>LaGrange</b>	Sara B. Hill	Vice President, Regional Manager
<b>Ligonier Downtown</b>	Ashley A. Gott	Assistant Retail Banking Officer
<b>Ligonier South</b>	Alexandra L. Mitchell	Retail Banking Officer
<b>Medaryville</b>	Barbara E. Keene	Vice President, Retail Banking Officer
<b>Mentone</b>	Mareen L. Barton	Retail Banking Officer
<b>Middlebury</b>	Lori I. Cunningham	Assistant Vice President, Retail Banking Officer
<b>Milford</b>	Jana L. Miller	Assistant Vice President, Retail Banking Officer
<b>Mishawaka</b>	Karen S. Scott	Assistant Vice President, Retail Banking Officer
<b>Nappanee</b>	Karen A. Francis	Vice President, Regional Manager
<b>North Webster</b>	Kimberly S. Orr	Assistant Retail Banking Officer
<b>Pierceton</b>	Lindsay N. Stanifer	Assistant Vice President, Retail Banking Officer
<b>Plymouth</b>	Cheryl L. Luke	Assistant Vice President, Retail Banking Officer
<b>Rochester</b>	Brandon Prince	Assistant Vice President, Retail Banking Officer
<b>Shipshewana</b>	Katina A. Stephenson	Assistant Vice President, Retail Banking Officer
<b>Silver Lake</b>	Brenda S. Peterson	Vice President, Retail Banking Officer
<b>South Bend Downtown</b>	Kelli-Anna Cook	Retail Banking Officer
<b>South Bend Northwest</b>	Carol D. Brown	Vice President, Retail Banking Officer
<b>Syracuse</b>	Penny S. Ramsey	Assistant Vice President, Retail Banking Officer
<b>Warsaw Downtown</b>	Jennifer M. Wilson	Retail Banking Officer
<b>Warsaw East</b>	Sandra A. Nelson-Rowland	Assistant Vice President, Retail Banking Officer
<b>Warsaw North</b>	Melissa J. Blosser	Vice President, Regional Manager
<b>Warsaw West</b>	Christina J. Myer	Assistant Retail Banking Officer
<b>Winona Lake</b>	Mark A. Berta	Vice President, Retail Banking Officer
	Kimberly K. Strawbridge	Vice President, Retail Banking Officer
	Shelly R. Kammerer	Vice President, Retail Banking Officer
	Jennifer M. Orr	Vice President, Retail Banking Officer
	Pamela F. Messmore	Vice President, Regional Manager
	Kathleen Madden	Retail Banking Officer
	Sheryl L. Harlan	Assistant Vice President, Retail Banking Officer

## Forward Looking Statement

This document (including information incorporated by reference) contains, and future oral and written statements of the Company and its management may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 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. A number of factors, many of which are beyond the ability of the Company to control or predict, could cause actual results to differ materially from those in its forward-looking statements. These factors include, among others, the following: (i) the strength of the local and national economy; (ii) the economic impact of future terrorist attacks and threats or acts of war and the response of the United States to any such attacks or threats; (iii) changes in state and federal laws, regulations and governmental policies concerning the Company's general business; (iv) changes in interest rates and prepayment rates of the Company's assets; (v) increased competition in the financial services sector and the inability to attract new customers; (vi) changes in technology and the ability to develop and maintain secure and reliable electronic systems; (vii) the loss of key executives or employees; (viii) changes in consumer spending; (ix) unexpected results of acquisitions; (x) unexpected outcomes of existing or new litigation involving the Company; and (xi) changes in accounting standards and practices. 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 additional factors that could materially affect the Company's financial results, is included in the Company's filings with the Securities and Exchange Commission.



(888) 522-2265  
LAKECITYBANK.COM