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 September 30, 2005

OR

[ ]TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to _____________

Commission File Number 0-11487

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

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES [x] NO [ ]

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

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

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 October 31, 2005
Common Stock, No Par Value	5,946,742

LAKELAND FINANCIAL CORPORATION

Form 10-Q Quarterly Report

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PART I.

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Part 1
LAKELAND FINANCIAL CORPORATION
ITEM 1 - FINANCIAL STATEMENTS

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

	September 30, 2005 (Unaudited)	December 31, 2004
ASSETS		
Cash and due from banks	$ 56,361	$ 81,144
Short-term investments	6,082	22,714
Total cash and cash equivalents	62,443	103,858
Securities available-for-sale (carried at fair value)	289,198	286,582
Real estate mortgages held-for-sale	3,478	2,991
Loans, net of allowance for loan losses of $12,233 and $10,754	1,133,133	992,465
Land, premises and equipment, net	24,820	25,057
Bank owned life insurance	17,521	16,896
Accrued income receivable	6,503	5,765
Goodwill	4,970	4,970
Other intangible assets	1,087	1,245
Other assets	14,560	13,293
Total assets	$ 1,557,713	$ 1,453,122

(Continued)

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

	September 30, 2005 (Unaudited)	December 31, 2004
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Noninterest bearing deposits	$ 228,242	$ 237,261
Interest bearing deposits	1,022,728	878,138
Total deposits	1,250,970	1,115,399
Short-term borrowings:		
Federal funds purchased	2,600	20,000
Securities sold under agreements to repurchase	70,626	88,057
U.S. Treasury demand notes	1,428	2,593
Other borrowings	70,000	75,000
Total short-term borrowings	144,654	185,650
Accrued expenses payable	8,797	7,445
Other liabilities	1,847	1,889
Long-term borrowings	10,046	10,046
Subordinated debentures	30,928	30,928
Total liabilities	1,447,242	1,351,357
STOCKHOLDERS' EQUITY		
Common stock: No par value, 90,000,000 shares authorized, 5,985,354 shares issued and 5,946,864 outstanding as of September 30, 2005, and 5,915,854 shares issued and 5,881,283 outstanding at December 31, 2004	1,453	1,453
Additional paid-in capital	14,259	12,463
Retained earnings	98,729	89,864
Accumulated other comprehensive loss	(3,060)	(1,267)
Treasury stock, at cost	(910)	(748)
Total stockholders' equity	110,471	101,765
Total liabilities and stockholders' equity	$ 1,557,713	$ 1,453,122

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

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

(Unaudited)

(Page 1 of 2)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
NET INTEREST INCOME				
Interest and fees on loans:				
Taxable	$ 17,894	$ 12,352	$ 48,561	$ 35,255
Tax exempt	47	67	132	206
Interest and dividends on securities:				
Taxable	2,313	1,971	6,949	6,018
Tax exempt	585	585	1,759	1,757
Short-terminvestments	83	33	184	82
Total interest income	20,922	15,008	57,585	43,318
Interest on deposits	6,609	3,249	16,139	9,381
Interest on short-term borrowings	1,207	517	2,950	1,215
Interest on long-term borrowings	572	428	1,607	1,422
Total interest expense	8,388	4,194	20,696	12,018
NET INTEREST INCOME	12,534	10,814	36,889	31,300
Provision for loan losses	659	150	1,779	648
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	11,875	10,664	35,110	30,652
NONINTEREST INCOME				
Trust and brokerage income	742	800	2,261	2,319
Service charges on deposit accounts	1,860	1,840	5,112	5,194
Loan, insurance and service fees	440	521	1,333	1,706
Merchant card fee income	692	576	1,857	1,657
Other income	371	363	1,428	1,237
Net gains on sale of real estate mortgages held for sale	275	431	726	724
Total noninterest income	4,380	4,531	12,717	12,837
NONINTEREST EXPENSE				
Salaries and employee benefits	5,051	4,921	15,224	14,705
Net occupancy expense	728	634	2,059	1,802
Equipment costs	468	569	1,476	1,532
Data processing fees and supplies	586	656	1,715	1,901
Credit card interchange	442	404	1,158	1,037
Other expense	2,080	2,017	6,384	6,327
Total noninterest expense	9,355	9,201	28,016	27,304

(Continued)

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

(Unaudited)

(Page 2 of 2)

	Three Months Ended September 30, 2005	Three Months Ended September 30, 2004	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004
INCOME BEFORE INCOME TAX EXPENSE	6,900	5,994	19,811	16,185
Income tax expense	2,378	2,043	6,830	5,388
NET INCOME	$ 4,522	$ 3,951	$ 12,981	$ 10,797
Other comprehensive income/(loss), net of tax:				
Unrealized gain/(loss) on available-for-sale securities	(1,552)	3,007	(1,793)	486
TOTAL COMPREHENSIVE INCOME	$ 2,970	$ 6,958	$ 11,188	$ 11,283
AVERAGE COMMON SHARES OUTSTANDING FOR BASIC EPS	5,978,865	5,874,981	5,956,507	5,859,191
BASIC EARNINGS PER COMMON SHARE	$ 0.76	$ 0.67	$ 2.18	$ 1.84
AVERAGE COMMON SHARES OUTSTANDING FOR DILUTED EPS	6,154,776	6,058,608	6,139,587	6,053,125
DILUTED EARNINGS PER SHARE	$ 0.73	$ 0.65	$ 2.11	$ 1.78

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

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

(Unaudited)

	2005	2004
Cash flows from operating activities:		
Net income	$ 12,981	$ 10,797
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	1,214	1,492
Provision for loan losses	1,779	648
Amortization of intangible assets	158	161
Amortization of loan servicing rights	449	408
Net change in loan servicing rights valuation allowance	(109)	(85)
Loans originated for sale	(34,192)	(48,555)
Net gain on sale of loans	(725)	(724)
Proceeds from sale of loans	34,114	49,977
Net (gain) loss on sale of premises and equipment	(74)	91
Net securities amortization	2,003	2,817
Stock compensation expense	0	33
Earnings on life insurance	(593)	(466)
Net change:		
Accrued income receivable	(738)	(244)
Accrued expenses payable	2,417	(225)
Other assets	(815)	2,008
Other liabilities	(42)	215
Total adjustments	4,846	7,551
Net cash from operating activities	17,827	18,348
Cash flows from investing activities:		
Proceeds from maturities, sales and calls of securities available-for-sale	37,206	52,098
Purchases of securities available-for-sale	(44,653)	(57,774)
Purchase of life insurance	(32)	(117)
Net increase in total loans	(142,447)	(81,937)
Proceeds from sales of land, premises and equipment	591	74
Purchase of land, premises and equipment	(1,494)	(872)
Net cash from investing activities	(150,829)	(88,528)

(Continued)

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

(Unaudited)

	2005	2004
Cash flows from financing activities:		
Net increase in total deposits	$ 135,571	$ 117,122
Net decrease in short-term borrowings	(40,996)	(27,675)
Payments on long-term borrowings	0	(20,001)
Dividends paid	(3,984)	(3,572)
Proceeds from stock options exercise	1,158	852
Purchase of treasury stock	(162)	(157)
Net cash from financing activities	91,587	66,569
Net increase (decrease) in cash and cash equivalents	(41,415)	(3,611)
Cash and cash equivalents at beginning of the period	103,858	57,441
Cash and cash equivalents at end of the period	$ 62,443	$ 53,830
Cash paid during the period for:		
Interest	$ 18,971	$ 11,437
Income taxes	$ 6,620	$ 3,602
Loans transferred to other real estate	$ 0	$ 7

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

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

(Unaudited)

NOTE 1. BASIS OF PRESENTATION

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

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

NOTE 2. EARNINGS PER SHARE

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

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

	Nine Months Ended September 30, 2005	2004
Net income (in thousands) as reported	$ 12,981	$ 10,797
Deduct: stock-based compensation expense determined under fair value based method	246	312
Pro forma net income	$ 12,735	$ 10,485
Basic earnings per common share as reported	$ 2.18	$ 1.84
Pro forma basic earnings per share	$ 2.14	$ 1.79
Diluted earnings per share as reported	$ 2.11	$ 1.78
Pro forma diluted earnings per share	$ 2.07	$ 1.73

	Three Months Ended September 30, 2005	2004
Net income (in thousands) as reported	$ 4,522	$ 3,951
Deduct: stock-based compensation expense determined under fair value based method	66	103
Pro forma net income	$ 4,456	$ 3,848
Basic earnings per common share as reported	$ 0.76	$ 0.67
Pro forma basic earnings per share	$ 0.75	$ 0.66
Diluted earnings per share as reported	$ 0.73	$ 0.65
Pro forma diluted earnings per share	$ 0.72	$ 0.64

The common shares outstanding for the stockholders' equity section of the consolidated balance sheet at September 30, 2005 reflects the holding of 38,490 shares of Company common stock to offset a liability for a directors' deferred compensation plan. These shares are treated as outstanding when computing the weighted-average common shares outstanding for the calculation of both basic and diluted earnings per share.

NOTE 3. LOANS

	September 30, 2005	December 31, 2004
	(in thousands)	
Commercial and industrial loans	$ 814,331	$ 688,211
Agri-business and agricultural loans	99,792	102,749
Real estate mortgage loans	62,563	47,642
Real estate construction loans	6,679	6,719
Installment loans and credit cards	162,005	158,065
Subtotal	1,145,370	1,003,386
Less: Allowance for loan losses	(12,233)	(10,754)
Net deferred loan fees	(4)	(167)
Loans, net	$ 1,133,133	$ 992,465
Impaired loans	$ 7,207	$ 9,309
Non-performing loans	$ 7,818	$ 9,991
Allowance for loan losses to total loans	1.07%	1.07%

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

	Nine months ended September 30, 2005	2004
Balance at beginning of period	$ 10,754	$ 10,234
Provision for loan losses	1,779	648
Charge-offs	(410)	(381)
Recoveries	110	240
Net loans charged-off	300	141
Balance at end of period	$ 12,233	$ 10,741

NOTE 4. SECURITIES

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

	September 30, 2005	December 31, 2004
	(in thousands)	
U.S. Treasury securities	$ 972	$ 989
U.S. Government agencies	30,691	22,885
Mortgage-backed securities	204,440	208,961
State and municipal securities	53,095	53,747
Total	$ 289,198	$ 286,582

As of September 30, 2005, net unrealized losses on the total securities available for sale portfolio totaled $3.0 million. As of December 31, 2004, net unrealized losses on the total securities available for sale portfolio totaled $142,000.

NOTE 5. EMPLOYEE BENEFIT PLANS

Components of Net Periodic Benefit Cost

	Nine Months Ended September 30			
	Pension Benefits		SERP Benefits	
	2005	2004	2005	2004
Service cost	$ 0	$ 0	$ 0	$ 0
Interest cost	112	112	60	62
Expected return on plan assets	(109)	(94)	(77)	(75)
Recognized net actuarial loss	28	29	33	27
Net pension expense	$ 31	$ 47	$ 16	$ 14

	Three Months Ended September 30			
	Pension Benefits		SERP Benefits	
	2005	2004	2005	2004
Service cost	$ 0	$ 0	$ 0	$ 0
Interest cost	37	38	20	20
Expected return on plan assets	(36)	(32)	(26)	(25)
Recognized net actuarial loss	9	10	12	9
Net pension expense	$ 10	$ 16	$ 6	$ 4

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

NOTE 6. RECLASSIFICATIONS

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

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

September 30, 2005

OVERVIEW

Lakeland Financial Corporation is the holding company for Lake City Bank. The Company is headquartered in Warsaw, Indiana and operates 43 offices in 12 counties in northern Indiana. The Company earned $13.0 million for the first nine months of 2005, versus $10.8 million in the same period of 2004, an increase of 20.2%. The increase was driven by a $5.6 million increase in net interest income. Offsetting this positive impact were increases of $1.1 million in the provision for loan losses and $712,000 in noninterest expense. Basic earnings per share for the first nine months of 2005 were $2.18 per share versus $1.84 per share for the first nine months of 2004. Diluted earnings per share reflect the potential dilutive impact of stock options granted under the stock option plan. Diluted earnings per share for the first nine months of 2005 were $2.11 per share, versus $1.78 per share for the first nine months of 2004.

Net income for the third quarter of 2005 was $4.5 million, an increase of 14.5% versus $4.0 million for the comparable period of 2004. The increase was driven by a $1.7 million increase in net interest income. Offsetting this positive impact were increases of $509,000 in the provision for loan losses and decreases of $151,000 in noninterest income. Basic earnings per share for the third quarter of 2005 were $0.76 per share, versus $0.67 per share for the third quarter of 2004. Diluted earnings per share for the third quarter of 2005 were $0.73 per share, versus $0.65 per share for the third quarter of 2004.

RESULTS OF OPERATIONS

Net Interest Income

For the nine-month period ended September 30, 2005, net interest income totaled $36.9 million, an increase of 17.9%, or $5.6 million versus the first nine months of 2004. Net interest income increased in the nine-month period of 2005 versus the comparable period of 2004, primarily due to a $151.6 million, or 12.6% increase in average earning assets to $1.358 billion. In addition, the net interest margin increased by 15 basis points from 3.57% to 3.72%. For the three-month period ended September 30, 2005, net interest income totaled $12.5 million, an increase of 15.9%, or $1.7 million. This increase was driven by a $184.5 million, or 15.0% increase in average earning assets to $1.414 billion, versus the same period in 2004.

Given the Company's mix of interest earning assets and interest bearing liabilities at September 30, 2005, the Company would generally be considered to have an asset sensitive balance sheet. This balance sheet structure would normally be expected to produce a stable or improving net interest margin in a rising rate environment. Despite this balance sheet structure and a rising rate environment during 2005, the Company experienced net interest margin compression in the third quarter of 2005 versus the second quarter of 2005. Management attributes this compression primarily to a highly competitive deposit pricing environment that is having a negative impact on the net interest margin. In addition, the Company's mix of deposits has shifted to more reliance on certificates of deposits, which generally carry a higher interest rate cost than other types of interest bearing deposits.

During the first nine months of 2005, total interest and dividend income increased by $14.3 million, or 32.9% to $57.6 million, versus $43.3 million during the first nine months of 2004. During the third quarter of 2005, interest and dividend income increased by $5.9 million, or 39.4%, to $20.9 million, versus $15.0 million during the same quarter of 2004. These increases were primarily the result of increases in interest rates generally, as well as an increase in average earning assets. The tax equivalent yield on average earning assets increased by 86 basis points to 5.8% for the nine-month period ended September 30, 2005 versus the same period of 2004. For the third quarter of 2005, the yield increased 99 basis points to 6.0%, versus 5.0% for the third quarter of 2004.

The average daily loan balances for the first nine months of 2005 increased 16.0% to $1.063 billion, over the average daily loan balances of $916.2 million for the same period of 2004. During the same period, loan interest income increased by $13.2 million, or 37.3%, to $48.7 million. The increase was the result of a 90 basis point increase in the tax equivalent yield on loans to 6.1% from 5.2% in the first nine months of 2004. The average daily loan balances for the third quarter of 2005 increased $176.0 million, or 18.7%, to $1.116 billion, versus $939.9 million for the third quarter of 2004. During the same period, loan interest income increased by $5.5 million, or 44.5%, to $17.9 million versus $12.4 million during the third quarter of 2004. The increase was driven by a 107 basis point increase in the tax equivalent yield on loans, to 6.4%, versus 5.3% in the third quarter of 2004.

The average daily securities balances for the first nine months of 2005 increased $6.2 million, or 2.2%, to $286.9 million, versus $280.7 million for the same period of 2004. During the same periods, income from securities increased by $933,000, or 12.0%, to $8.7 million versus $7.8 million during the first nine months of 2004. The increase was primarily the result of a 34 basis point increase in the tax equivalent yields on securities, to 4.5%

versus 4.1% in the first nine months of 2004. The average daily securities balances for the third quarter of 2005 increased $8.1 million, or 2.9%, to $288.0 million, versus $279.9 million for the same period of 2004. During the same periods, income from securities increased by $342,000, or 13.4%, to $2.9 million, versus $2.6 million in the third quarter of 2004. The increase was driven by a 33 basis point increase in the tax equivalent yield in securities to 4.4% versus 4.1% in the third quarter of 2004.

Total interest expense increased $8.7 million, or 72.2%, to $20.7 million for the nine-month period ended September 30, 2005, from $12.0 million for the comparable period in 2004. The increase was primarily the result of a 70 basis point increase in the Company's daily cost of funds to 2.04%, versus 1.34% for the same period of 2004. Total interest expense increased $4.2 million, or 100.0%, to $8.4 million for the third quarter of 2005, versus $4.2 million for the third quarter of 2004. The increase was primarily the result of a 102 basis point increase in the Company's daily cost of funds to 2.4%, from 1.4% for the same period of 2004. Increases in total deposits also contributed to increases in total interest expense over the two periods.

On an average daily basis, total deposits (including demand deposits) increased $141.6 million, or 14.1%, to $1.144 billion for the nine-month period ended September 30, 2005, versus $1.003 billion during the same period in 2004. The average daily balances for the third quarter of 2005 increased $170.4 million, or 16.7%, to $1.193 billion from $1.022 billion during the third quarter of 2004. On an average daily basis, noninterest bearing demand deposits increased $16.4 million, or 8.1% for the nine-month period ended September 30, 2005, versus the same period in 2004. The average daily noninterest bearing demand deposit balances for the third quarter of 2005 increased $4.8 million, or 2.2%, to $217.0 million from $212.2 million during the third quarter of 2004. When comparing the nine months ended September 30, 2005 with the same period of 2004, the average daily balance of time deposits, which pay a higher rate of interest compared to demand deposit and transaction accounts, increased $134.0 million, primarily as a result of increases in public fund deposits and brokered certificates of deposit. More public fund deposits have become available due to increased property tax collections resulting from the resolution of difficulties associated with the property tax reassessment process in Indiana. The rate paid on time deposit accounts increased 70 basis points to 3.2% for the nine-month period ended September 30, 2005, versus the same period in 2004. During the third quarter of 2005, the average daily balance of time deposits increased $193.1 million to $580.8 million, and the rate paid increased 97 basis points to 3.6%, versus the third quarter of 2004.

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

Due to strong loan growth and additional relationship opportunities the Company continues to focus on public fund deposits as a core funding strategy. In addition, the Company has introduced brokered certificates of deposit to the funding mix as a result of loan growth.

Average daily balances of borrowings were $209.3 million during the nine months ended September 30, 2005, versus $208.6 million during the same period of 2004, and the rate paid on borrowings increased 122 basis points to 2.9%. During the third quarter of 2005, the average daily balances of borrowings increased $2.3 million to $213.3 million, versus $211.0 million for the same period in 2004. The rate on borrowings increased 154 basis points when comparing the third quarter of 2005 with the same period of 2004. On an average daily basis, total deposits (including demand deposits) and purchased funds increased 11.8% and 14.0%, respectively, when comparing the nine-month and three-month periods ended September 30, 2005 versus the same periods in 2004. The following tables set forth consolidated information regarding average balances and rates.

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

	Nine Months Ended September 30,					
	2005			2004		
	Average Balance	Interest Income	Yield (1)	Average Balance	Interest Income	Yield (1)
ASSETS						
Earning assets:						
Loans:						
Taxable (2)(3)	$ 1,058,227	$ 48,561	6.14 %	$ 907,573	$ 35,255	5.19 %
Tax exempt (1)	4,416	172	5.21	8,655	275	4.24
Investments: (1)						
Available for sale	286,866	9,569	4.46	280,704	8,658	4.12
Short-term investments	4,761	83	1.49	5,779	46	1.20
Interest bearing deposits	3,838	101	3.52	3,782	36	1.27
Total earning assets	1,358,108	58,486	5.76 %	1,206,493	44,270	4.90 %
Nonearning assets:						
Cash and due from banks	54,439	0		50,109	0	
Premises and equipment	25,068	0		25,888	0	
Other nonearning assets	43,907	0		42,549	0	
Less allowance for loan loss losses	(11,403)	0		(10,515)	0	
Total assets	$ 1,470,119	$ 58,486		$ 1,314,524	$ 44,270	

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

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

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

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

	Nine months Ended September 30,					
	2005			2004		
	Average Balance	Interest Expense	Yield	Average Balance	Interest Expense	Yield
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest bearing liabilities:						
Savings deposits	$ 71,668	$ 58	0.11 %	$ 68,375	$ 65	0.13 %
Interest bearing checking accounts	336,705	3,649	1.45	348,794	2,097	0.80
Time deposits:						
In denominations under $100,000	225,411	5,179	3.07	216,224	4,575	2.83
In denominations over $100,000	291,589	7,253	3.33	166,816	2,644	2.12
Miscellaneous short-term bbborrowings	168,365	2,950	2.34	160,396	1,215	1.01
Long-term borrowings	40,974	1,607	5.24	48,200	1,422	3.94
Total interest bearing liabilities	1,134,712	20,696	2.44 %	1,008,805	12,018	1.59 %
Noninterest bearing liabilities and stockholders' equity:						
Demand deposits	218,925	0		202,493	0	
Other liabilities	9,697	0		8,145	0	
Stockholders' equity	106,785	0		95,081	0	
Total liabilities and stockholders' equity	$ 1,470,119	$ 20,696		$ 1,314,524	$ 12,018	
Net interest differential - yield on average daily earning assets		$ 37,790	3.72 %		$ 32,252	3.57 %

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

	Three Months Ended September 30,					
	2005			2004		
	Average Balance	Interest Income	Yield (1)	Average Balance	Interest Income	Yield (1)
ASSETS						
Earning assets:						
Loans:						
Taxable (2)(3)	$ 1,111,440	$ 17,894	6.39 %	$ 931,102	$ 12,352	5.34 %
Tax exempt (1)	4,426	62	5.60	8,812	89	4.01
Investments: (1)						
Available for sale	287,968	3,180	4.38	279,907	2,850	4.05
Short-term investments	5,412	45	3.30	5,090	17	1.33
Interest bearing deposits	4,568	38	3.30	4,445	16	1.43
Total earning assets	1,413,814	21,219	5.95 %	1,229,356	15,324	4.96 %
Nonearning assets:						
Cash and due from banks	54,287	0		50,910	0	
Premises and equipment	25,124	0		25,674	0	
Other nonearning assets	44,652	0		43,701	0	
Less allowance for loan loss losses	(11,932)	0		(10,673)	0	
Total assets	$ 1,525,945	$ 21,219		$ 1,338,968	$ 15,324	

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

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

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

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

	Three Months Ended September 30,					
	2005			2004		
	Average Balance	Interest Expense	Yield	Average Balance	Interest Expense	Yield
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest bearing liabilities:						
Savings deposits	$ 71,158	$ 23	0.13 %	$ 69,888	$ 17	0.10 %
Interest bearing checking accounts	323,660	1,383	1.70	352,381	717	0.81
Time deposits:						
In denominations under $100,000	231,511	1,891	3.24	220,473	1,559	2.81
In denominations over $100,000	349,332	3,312	3.76	167,229	956	2.27
Miscellaneous short-term bbborrowings	172,329	1,207	2.78	169,981	517	1.21
Long-term borrowings	40,974	572	5.54	40,974	428	4.16
Total interest bearing liabilities	1,188,964	8,388	2.80 %	1,020,926	4,194	1.63 %
Noninterest bearing liabilities and stockholders' equity:						
Demand deposits	216,995	0		212,245	0	
Other liabilities	9,926	0		8,308	0	
Stockholders' equity	110,060	0		97,489	0	
Total liabilities and stockholders' equity	$ 1,525,945	$ 8,388		$ 1,338,968	$ 4,194	
Net interest differential - yield on average daily earning assets		$ 12,831	3.59 %		$ 11,130	3.60 %

Provision for Loan Losses

Based on management's review of the adequacy of the allowance for loan losses, provisions for losses on loans of $1.8 million and $659,000 were recorded during the nine-month and three-month periods ended September 30, 2005, versus provisions of $648,000 and $150,000 recorded during the same periods of 2004. The increase in the provision for loan losses for the periods ended September 30, 2005 was primarily due to growth in the loan portfolio, as well as higher allocations on classified credits. Other factors impacting the provision included the level of charge-offs, management's overall view on current credit quality, the amount and status of impaired loans and the amount and status of past due accruing loans (90 days or more), as discussed in more detail below in the analysis relating to the Company's financial condition.

Noninterest Income

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

	Nine Months Ended September 30,		
	2005	2004	Percent Change
	(in thousands)		
Trust and brokerage income	$ 2,261	$ 2,319	(2.5)%
Service charges on deposit accounts	5,112	5,194	(1.6)
Loan, insurance and service fees	1,333	1,706	(21.9)
Merchant card fee income	1,857	1,657	12.1
Other income	1,428	1,237	15.4
Net gains on the sale of real estate mortgages held for sale	726	724	0.3
Total noninterest income	$ 12,717	$ 12,837	(0.9)%

	Three Months Ended September 30,		
	2005	2004	Percent Change
	(in thousands)		
Trust and brokerage income	$ 742	$ 800	(7.3)%
Service charges on deposit accounts	1,860	1,840	1.1
Loan, insurance and service fees	440	521	(15.6)
Merchant card fee income	692	576	20.1
Other income	371	363	2.2
Net gains on the sale of real estate mortgages held for sale	275	431	(36.2)
Total noninterest income	$ 4,380	$ 4,531	(3.3)%

Noninterest income decreased $120,000 and $151,000, respectively, in the nine-month and three-month periods ended September 30, 2005, versus the same periods in 2004. Loan, insurance and service fees declined primarily due to the classification of certain loan fees as interest income for 2005, versus being classified as noninterest income during 2004. During the nine months ended September 30, 2004, $323,000 of such fees was included in noninterest income. In addition, profits from the sale of mortgages declined in the third quarter of 2005 versus the third quarter of 2004 primarily due to lower mortgage loan volumes. Partially offsetting these decreases were increases in merchant card fee income driven by higher volume activity in interchange and merchant fees. Other income increased in the nine-month period ended September 30, 2005 primarily due to a $62,000 gain on the sale of other real estate.

Noninterest Expense

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

	Nine Months Ended September 30,		
	2005	2004	Percent Change
	(in thousands)		
Salaries and employee benefits	$ 15,224	$ 14,705	3.5 %
Net occupancy expense	2,059	1,802	14.3
Equipment costs	1,476	1,532	(3.7)
Data processing fees and supplies	1,715	1,901	(9.8)
Credit card interchange	1,158	1,037	11.7
Other expense	6,384	6,327	0.9
Total noninterest expense	$ 28,016	$ 27,304	2.6 %

	Three Months Ended September 30,		
	2005	2004	Percent Change
	(in thousands)		
Salaries and employee benefits	$ 5,051	$ 4,921	2.6 %
Net occupancy expense	728	634	14.8
Equipment costs	468	569	(17.8)
Data processing fees and supplies	586	656	(10.7)
Credit card interchange	442	404	9.4
Other expense	2,080	2,017	3.1
Total noninterest expense	$ 9,355	$ 9,201	1.7 %

Noninterest expense increased $712,000 and $154,000, respectively, in the nine-month and three-month periods ended September 30, 2005 versus the same periods of 2004. Driving these increases were salaries and employee benefits, which increased $519,000 and $130,000, respectively, in the nine-months and three-months ended September 30, 2005. The increases were due largely to normal salary increases and staff additions. In addition, net occupancy expense increased due to higher property tax and maintenance expenses. Offsetting these increases were decreases in data processing fees and supplies which declined due to improved pricing with the Company's processing agents.

Income Tax Expense

Income tax expense increased $1.4 million, or 26.8%, for the first nine months of 2005, compared to the same period in 2004. Income tax expense for the third quarter of 2005 increased $335,000, or 16.4%, compared to the same period of 2004. The combined state franchise tax expense and the federal income tax expense as a percentage of income before income tax expense increased to 34.5% during the first nine months of 2005 compared to 33.3% during the same period in 2004. It increased to 34.5% for the third quarter of 2005, versus 34.1% for the third quarter of 2004. The increases were driven by a decrease in the amount of income derived from tax-advantaged sources during the nine-month and three-month periods ended September 30, 2005, versus the comparable periods of 2004.

CRITICAL ACCOUNTING POLICIES

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

FINANCIAL CONDITION

Total assets of the Company were $1.558 billion as of September 30, 2005, an increase of $104.6 million, or 7.2%, when compared to $1.453 billion as of December 31, 2004.

Total cash and cash equivalents decreased by $41.4 million, or 39.9%, to $62.4 million at September 30, 2005 from $103.9 million at December 31, 2004. The decrease was primarily attributable to loan growth.

Total securities available-for-sale increased by $2.6 million, or 0.9%, to $289.2 million at September 30, 2005 from $286.6 million at December 31, 2004. The increase was a result of a number of transactions in the securities portfolio. Securities purchases totaled $44.7 million. Offsetting this increase were securities paydowns totaling $35.2 million, maturities and calls of securities totaling $2.0 million, the amortization of premiums, net of the accretion of discounts totaling $2.0 million, and the fair market value of the securities portfolio decreased by $2.9 million. A rising interest rate environment during the first nine months of 2005 drove the market value decrease. The investment portfolio is managed to limit the Company's exposure to risk by containing mostly collateralized mortgage obligations and other securities which are either directly or indirectly backed by the federal government or a local municipal government.

Real estate mortgages held-for-sale increased by $487,000, or 16.3%, to $3.5 million at September 30, 2005 from $3.0 million at December 31, 2004. The balance of this asset category is subject to a high degree of variability depending on, among other things, recent mortgage loan rates and the timing of loan sales into the secondary market. During the nine months ended September 30, 2005, $34.2 million in real estate mortgages were originated for sale and $34.1 million in mortgages were sold.

Total loans, excluding real estate mortgages held-for-sale, increased by $142.1 million, or 14.2%, to $1.145 billion at September 30, 2005 from $1.003 billion at December 31, 2004. The mix of loan types within the Company's portfolio consisted of 80% commercial, 6% real estate and 14% consumer loans at September 30, 2005 compared to 79% commercial, 5% real estate and 16% consumer at December 31, 2004.

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

Loans are charged against the allowance for loan losses when management believes that the uncollectibility of the principal is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance is an amount that management believes will be adequate to absorb probable incurred credit losses relating to specifically identified loans based on an evaluation as well as other probable incurred losses inherent in the loan portfolio. The evaluations take into consideration such factors as changes in the nature and volume of the loan portfolio, overall portfolio quality, review of specific problem loans, and current economic conditions that may affect the borrower's ability to repay. Management also considers trends in adversely classified loans based upon a monthly review of those credits. An appropriate level of general allowance is determined based on the application of loss allocations to graded loans. Federal regulations require insured institutions to classify their own assets on a regular basis. The regulations provide for three categories of classified loans - substandard, doubtful and loss. The regulations also contain a special mention category. Special mention is defined as loans that do not currently expose an insured institution to a sufficient degree of risk to warrant classification but do possess credit deficiencies or potential weaknesses deserving management's close attention. Assets classified as substandard or doubtful require the institution to establish general allowances for loan losses. If an asset or portion thereof is classified as loss, the insured institution must either establish specified allowances for loan losses in the amount of 100% of the portion of the asset classified loss, or charge off such amount. At September 30, 2005, on the basis of management's review of the loan portfolio, the Company had $26.7 million of assets classified as special mention, $26.5 million classified as substandard, $801,000 classified as doubtful and $0 classified as loss as compared to $32.1 million, $23.3 million, $751,000 and $0 at December 31, 2004.

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

Total impaired loans decreased by $2.1 million to $7.2 million at September 30, 2005 from $9.3 million at December 31, 2004. The decrease in the impaired loans category resulted primarily from the upgrade of an impaired commercial credit. The renewal of the loan in question had been complicated as more than one bank was involved which resulted in it being past maturity. The renewal issues were resolved in the third quarter of 2005, and the loan is current as to principal and interest. The impaired loan total included $7.2 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. The following table summarizes nonperforming assets at September 30, 2005 and December 31, 2004.

	September 30, 2005	December 31, 2004
	(in thousands)	
NONPERFORMING ASSETS:		
Nonaccrual loans	$ 7,600	$ 7,213
Loans past due over 90 days and accruing	218	2,778
Total nonperforming loans	7,818	9,991
Other real estate	0	261
Repossessions	12	13
Total nonperforming assets	$ 7,830	$ 10,265
Total impaired loans	$ 7,207	$ 9,309
Nonperforming loans to total loans	0.68%	1.01%
Nonperforming assets to total assets	0.50%	0.71%

Total deposits increased by $135.6 million, or 12.2% to $1.251 billion at September 30, 2005 from $1.115 billion at December 31, 2004. The increase resulted from increases of $191.6 million in certificates of deposit and $9.2 million in money market accounts. Offsetting these increases were declines of $37.1 million in Investors' Money Market accounts, $14.7 million in NOW accounts, $9.0 million in demand deposits and $4.4 million in savings accounts. Total short-term borrowings decreased by $41.0 million, or 22.1%, to $144.7 million at September 30, 2005 from $185.7 million at December 31, 2004. The decrease resulted primarily from decreases of $17.4 million in both federal funds purchased and securities sold under agreements to repurchase.

Total stockholders' equity increased by $8.7 million, or 8.6%, to $110.5 million at September 30, 2005 from $101.8 million at December 31, 2004. Net income of $13.0 million, minus dividends of $4.1 million, plus $1.6 million for stock issued through options exercised, minus the decrease in the accumulated other comprehensive income of $1.8 million, minus $162,000 for the cost of treasury stock purchased, comprised most of this increase.

The Federal Deposit Insurance Corporation's risk based capital regulations require that all banking organizations maintain an 8.0% total risk based capital ratio. The FDIC has also established definitions of "well capitalized" as a 5.0% Tier I leverage capital ratio, a 6.0% Tier I risk based capital ratio and a 10.0% total risk based capital ratio. All of the Company's ratios continue to be above "well capitalized" levels. As of September 30, 2005, the Company's Tier 1 leverage capital ratio, Tier 1 risk based capital ratio and total risk based capital ratio were 9.0%, 10.9% and 11.9%, respectively.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4 - CONTROLS AND PROCEDURES

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

FORWARD-LOOKING STATEMENTS

This document contains, and future oral and written statements of the Company and its management may contain, forward-looking statements, within the meaning of such term in the Private Securities Litigation Reform Act of 1995, with respect to the financial condition, results of operations, plans, objectives, future performance and business of the Company. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of the Company's management and on information currently available to management, are generally identifiable by the use of words such as "believe," "expect," "anticipate," "plan," "intend," "estimate," "may," "will," "would," "could," "should" or other similar expressions. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events.

The Company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors, which could have a material adverse effect on the operations and future prospects of the Company and its subsidiaries include, but are not limited to, the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LAKELAND FINANCIAL CORPORATION

FORM 10-Q

September 30, 2005

Part II - Other Information

Item 1. Legal proceedings

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

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

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

Issuer Purchases of Equity Securities(a)

Paid Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchasof as Part of Publicly Announced Plans or Programs	Maximum Number Shares that May Yet Be Purchased Under the Plan or Programs
July 1-31	1,854	$ 43.76	0	0
August 1-31	0	$ 0	0	0
September 1-30	0	$ 0	0	0
Total	1,854	$ 43.76		

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

Item 3. Defaults Upon Senior Securities

None

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

None

Item 5. Other Information

None

Item 6. Exhibits

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

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

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

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

LAKELAND FINANCIAL CORPORATION

FORM 10-Q

September 30, 2005

Part II - Other Information

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LAKELAND FINANCIAL CORPORATION
(Registrant)

Date: October 31, 2005	/s/Michael L. Kubacki Michael L. Kubacki - President and Chief Executive Officer
Date: October 31, 2005	/s/David M. Findlay David M. Findlay - Executive Vice President and Chief Financial Officer
Date: October 31, 2005	/s/Teresa A. Bartman Teresa A. Bartman - Vice President and Controller

Exhibit 31.1

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

I, Michael L. Kubacki, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: October 31, 2005

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

Exhibit 31.2

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

I, David M. Findlay, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: October 31, 2005

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

Exhibit 32.1

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

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

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

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

/s/Michael L. Kubacki

Michael L. Kubacki
Chief Executive Officer
October 31, 2005

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

Exhibit 32.2

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

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

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

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

/s/David M. Findlay

David M. Findlay
Chief Financial Officer
October 31, 2005

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