



# Lake City Bank

A Proven History of Shareholder Value Creation  
And Commitment to Our Communities



LKFN  

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NASDAQ<sup>®</sup>  
LISTED

# Forward-Looking Information

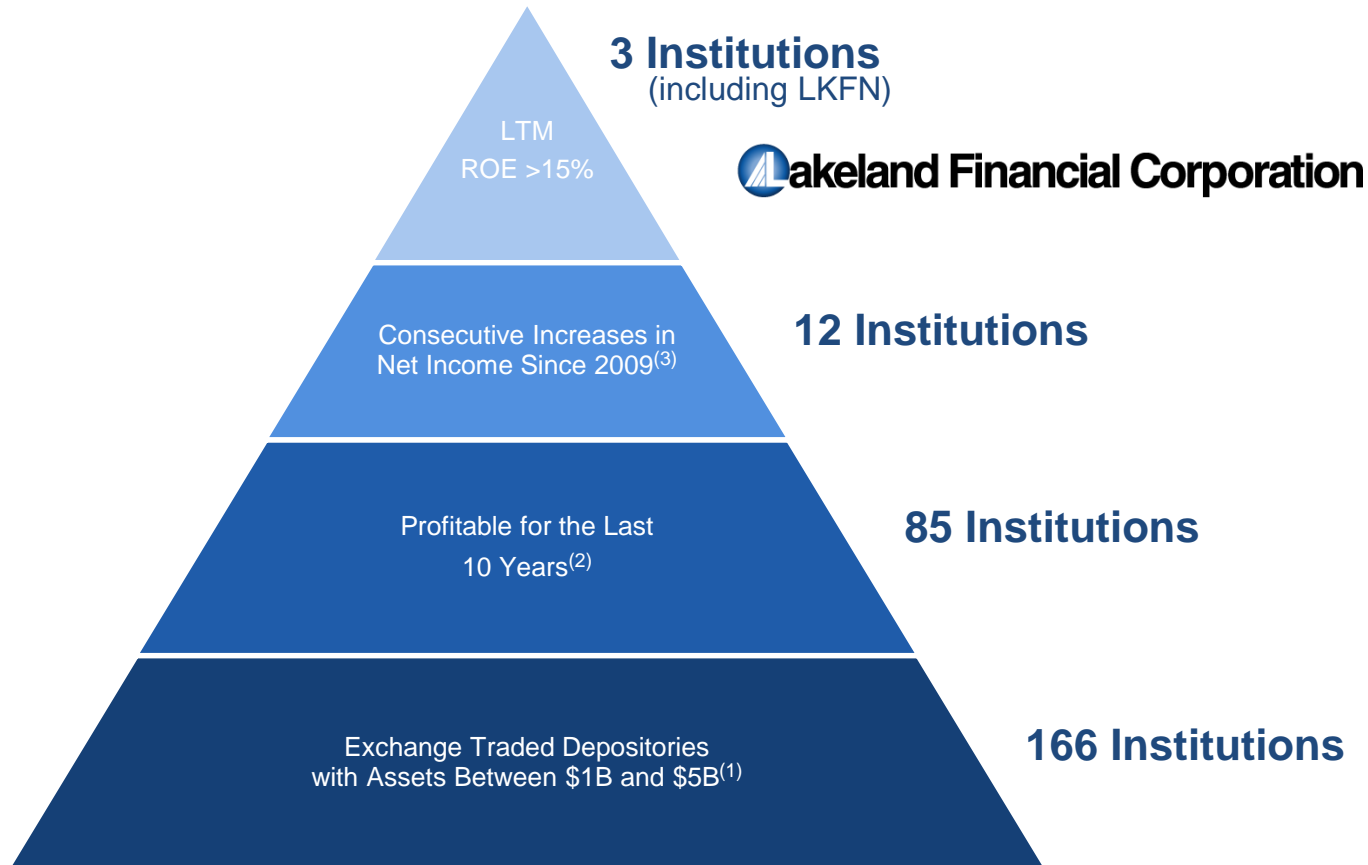
This presentation contains, and future oral and written statements of the Company and its management may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of the Company. Forward-looking statements are generally identifiable by the use of words such as “believe”, “expect”, “anticipate”, “estimate”, “could”, and other similar expressions. All statements in this presentation, including forward-looking statements, speak only as of today’s date, 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. Additional information is included in the Company’s filings with the Securities and Exchange Commission.

Factors that could have a material adverse effect on the Company’s financial condition, results of operations and future prospects can be found in the “Risk Factors” section of the prospectus included in the Registration Statement on Form S-1 filed on October 26, 2009, as amended under Item 1A “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2008 and elsewhere in the Company’s periodic and current reports filed with the Securities and Exchange Commission. These factors include, but are not limited to, the effects of future economic, business and market conditions and changes, domestic and foreign, including competition, governmental policies and seasonality; legislative and regulatory changes, including changes in banking, securities and tax laws and regulations and their application by Company regulators, and changes in the scope and cost of FDIC insurance and other coverages; the risks of changes in interest rates on the levels, composition and costs of deposits, loan demand and other interest sensitive assets and liabilities; the failure of assumptions and estimates underlying the establishment of reserves for possible loan losses, analysis of capital needs and other estimates; changes in borrowers’ credit risks and payment behaviors; and changes in the availability and cost of credit and capital in the financial markets.



# Long Term Success for Shareholders



Source: S&P Global Market Intelligence. Financial data is as of December 31, 2018.

- (1) Includes banks and thrifts traded on the NYSE, NYSEAM or NASDAQ as of 3/20/19; excludes merger targets.
- (2) Defined as having positive net income before extraordinary items and preferred dividends for each of the last 10 years (calendar years ended December 31, 2009 through December 31, 2018). Net income before extraordinary items is defined by S&P Global Market Intelligence as GAAP net income, after taxes, minority interest, and other after tax items, but before any extraordinary items. Excludes any revaluation of net deferred tax assets due to tax reform per S&P Global Market Intelligence.
- (3) Defined as consecutive increases in net income before extraordinary items for each of the years ending December 31, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, and 2018. Excludes any revaluation of net deferred tax assets due to tax reform per S&P Global Market Intelligence.

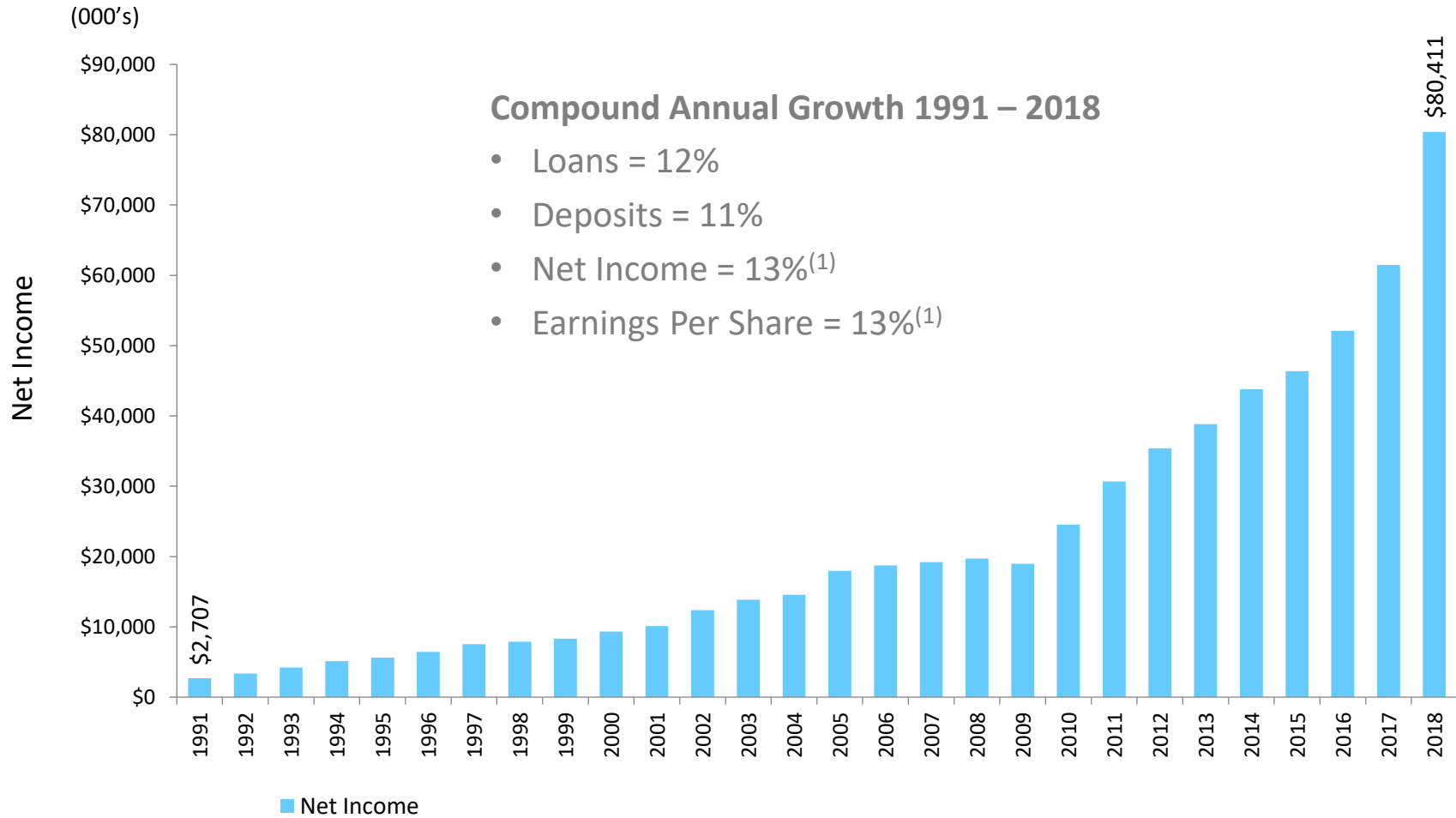
# TOP 25 BANKS

Rank	Company Name	Ticker	State	Total Assets (\$millions)	Profitability				Capital Adequacy			Asset Quality			Final Score
					Core ROAA (%)	ROA Rank	Core ROAE (%)	ROE Rank	Tang Common Equity/ Tang Assets (%)	TCE Rank	NPAs/ Loans & REO (%)	NPA Rank	NCOs/ Avg Loans (%)	NCOs Rank	
1	RBB Bancorp	RBB	CA	1,691	1.84	4	12.99	23	14.09	10	0.21	18	-0.05	16	54.0
2	Bank of the Ozarks	OZRK	AR	21,276	1.92	3	12.06	40	13.38	13	0.24	23	0.07	132	133.5
3	Live Oak Bancshares	LOB	NC	2,758	2.11	1	15.66	8	15.71	3	0.33	35	0.21	227	143.0
<b>4</b>	<b>Lakeland Financial Corp.</b>	<b>LKFN</b>	<b>IN</b>	<b>4,683</b>	<b>1.38</b>	<b>29</b>	<b>13.63</b>	<b>14</b>	<b>9.91</b>	<b>77</b>	<b>0.32</b>	<b>33</b>	<b>-0.01</b>	<b>32</b>	<b>152.5</b>
5	Eagle Bancorp	EGBN	MD	7,479	1.61	11	12.60	30	11.45	34	0.42	59	0.06	108	158.5
6	Sterling Bancorp	SBT	MI	2,962	1.56	16	20.39	2	9.20	136	0.13	11	-0.04	22	170.5
7	FCB Financial Holdings	FCB	FL	10,677	1.40	24	12.43	34	10.33	67	0.34	37	0.00	56	171.5



# A Quarter Century of Organic Growth

Record Net Income for 29 of 30 Years



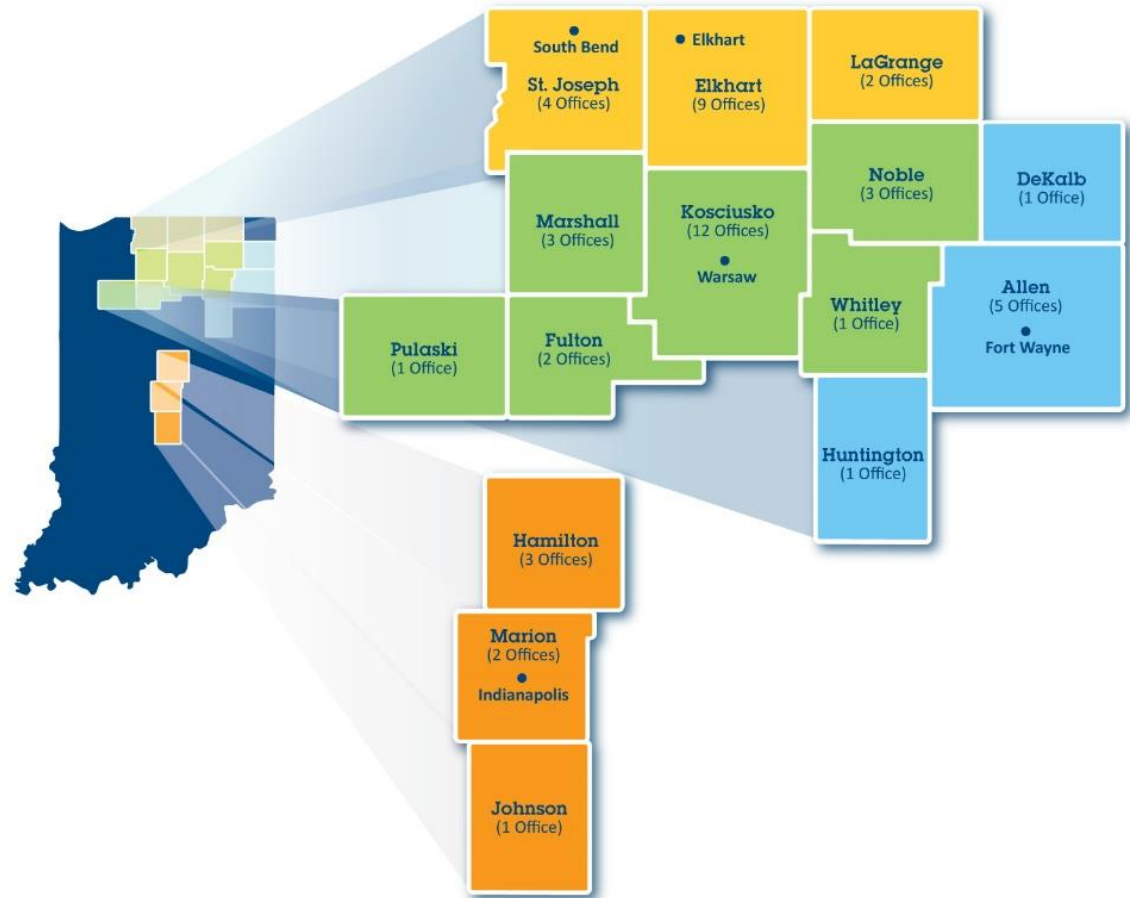
(1) Excludes the income tax provision of \$4.1 million related to the 2017 revaluation of deferred tax assets

# Established Market Presence

Organic Growth Potential in Mature and Developing Markets

## Market Data

Warsaw – 1872 22 offices
Elkhart – 1990 11 offices
South Bend – 1997 4 offices
Fort Wayne – 1999 7 offices
Indianapolis – 2011 6 offices



Opening Date of First Office in Market

# Lake City Bank – 50th Office



“Think small and act small, and we’ll get bigger. Think big and act big, and we’ll get smaller.”

– *Herb Kelleher*





# Long-Term Mission

Lake City Bank Will be  
the Acknowledged and Recognized Leader in  
Indiana Community Banking



**Management Committee**



**Board of Directors**

# 2019 Strategic Plan

A Continued Commitment to  
Execution, Culture and Performance



# Critical Role of Culture

Our unique, caring and community-driven culture is our greatest asset and will be preserved.

It matters.

# Organizational Vision

We're driven by the growth of shareholder value and the delivery of competitive banking services through a progressive business model that preserves the principles and ideals of a community bank.



# Key Role of Innovation

Innovation in technology, products and services and our brand is a marketplace expectation and critical to remain relevant and competitive.

# Shareholder Value

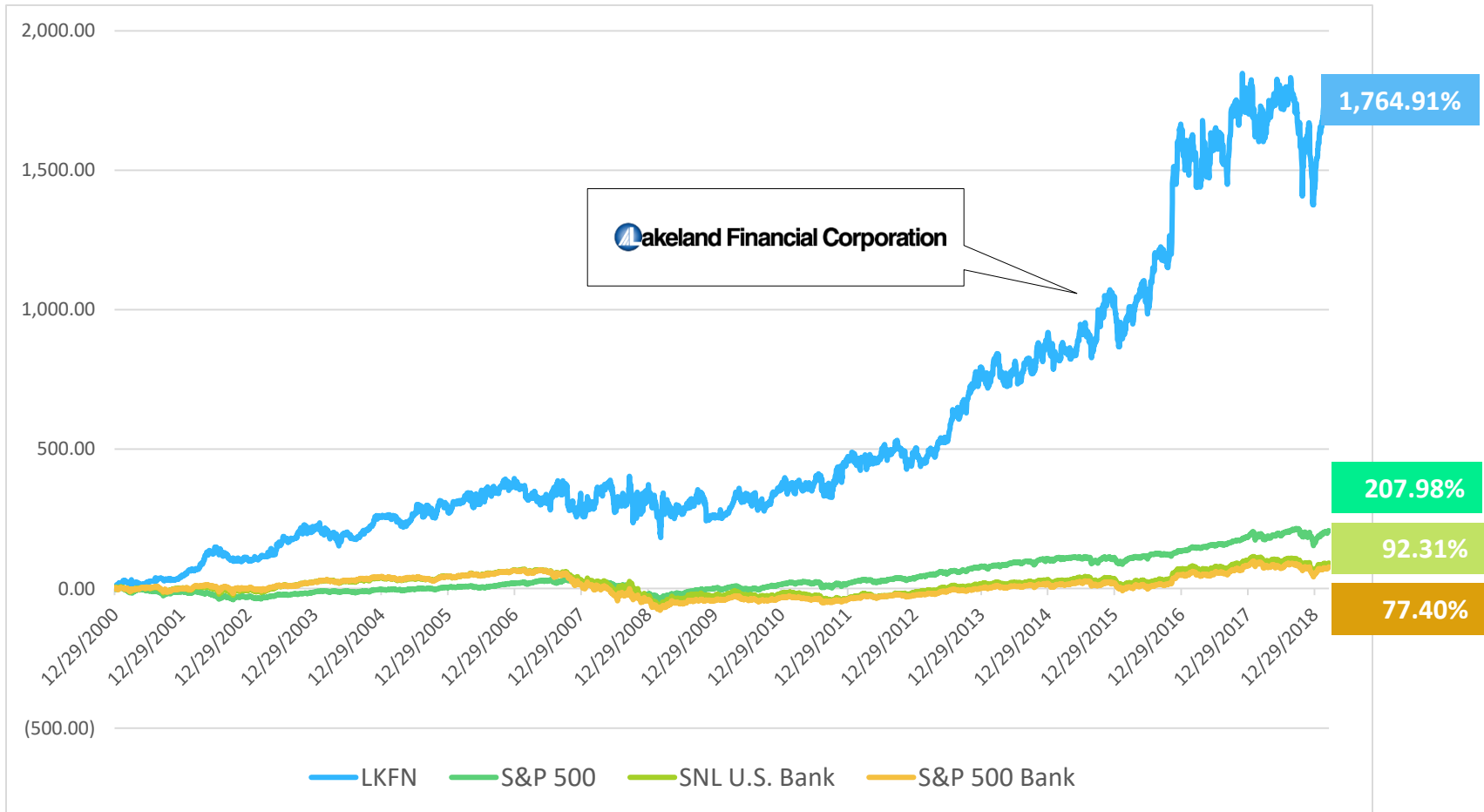
Creation of shareholder value will result from the successful long-term execution of our Mission.

Long-Term Mission Execution Key:

While important, we will not allow short term financial results to impact our commitment to the Long Term Mission.

# LKFN Shareholder Value

Total Return Performance from 12/31/00 to 3/18/19



Source: SNL database



# Financial Performance

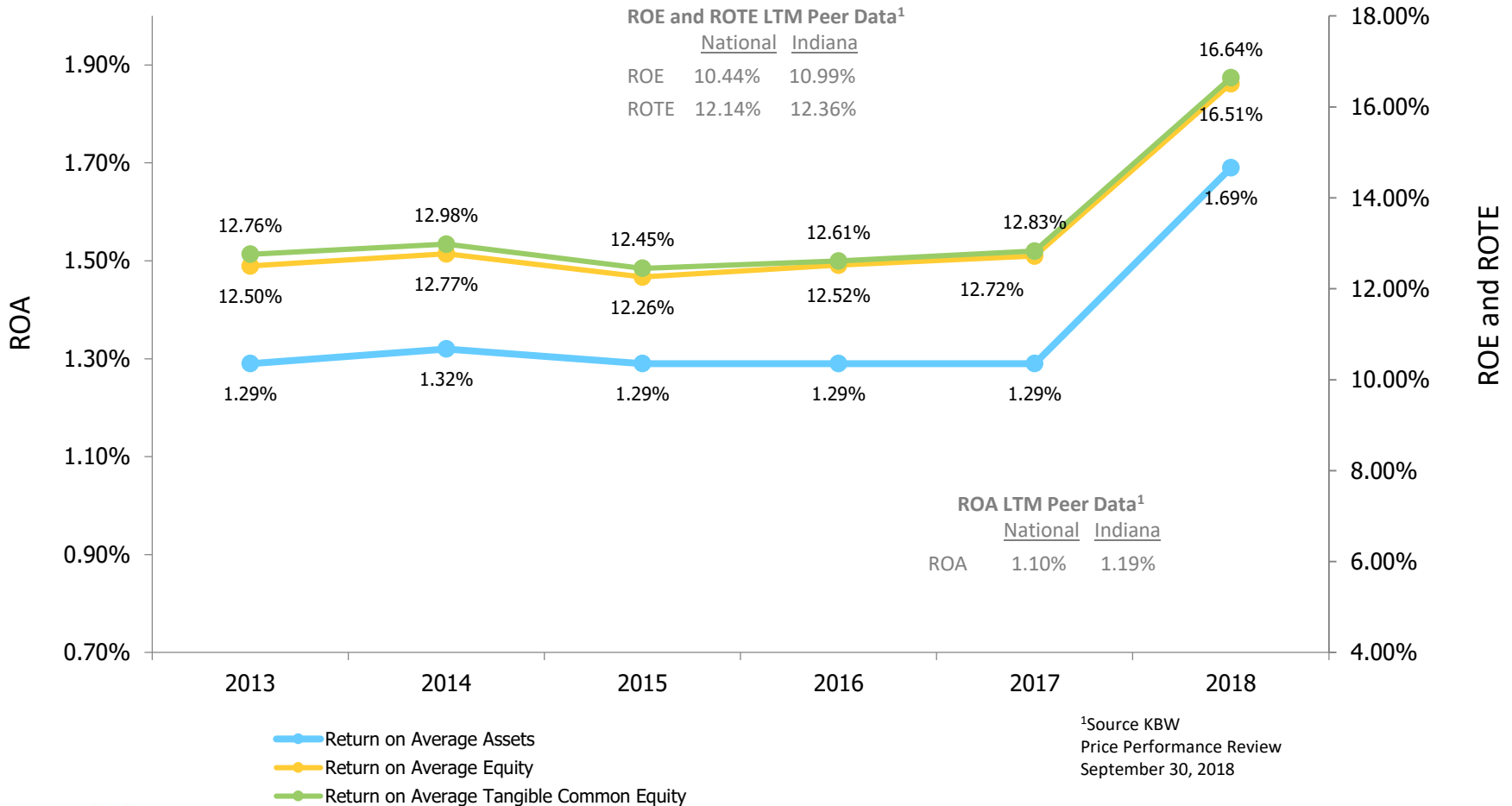
LAKELAND FINANCIAL CORPORATION  
LAKE CITY BANK





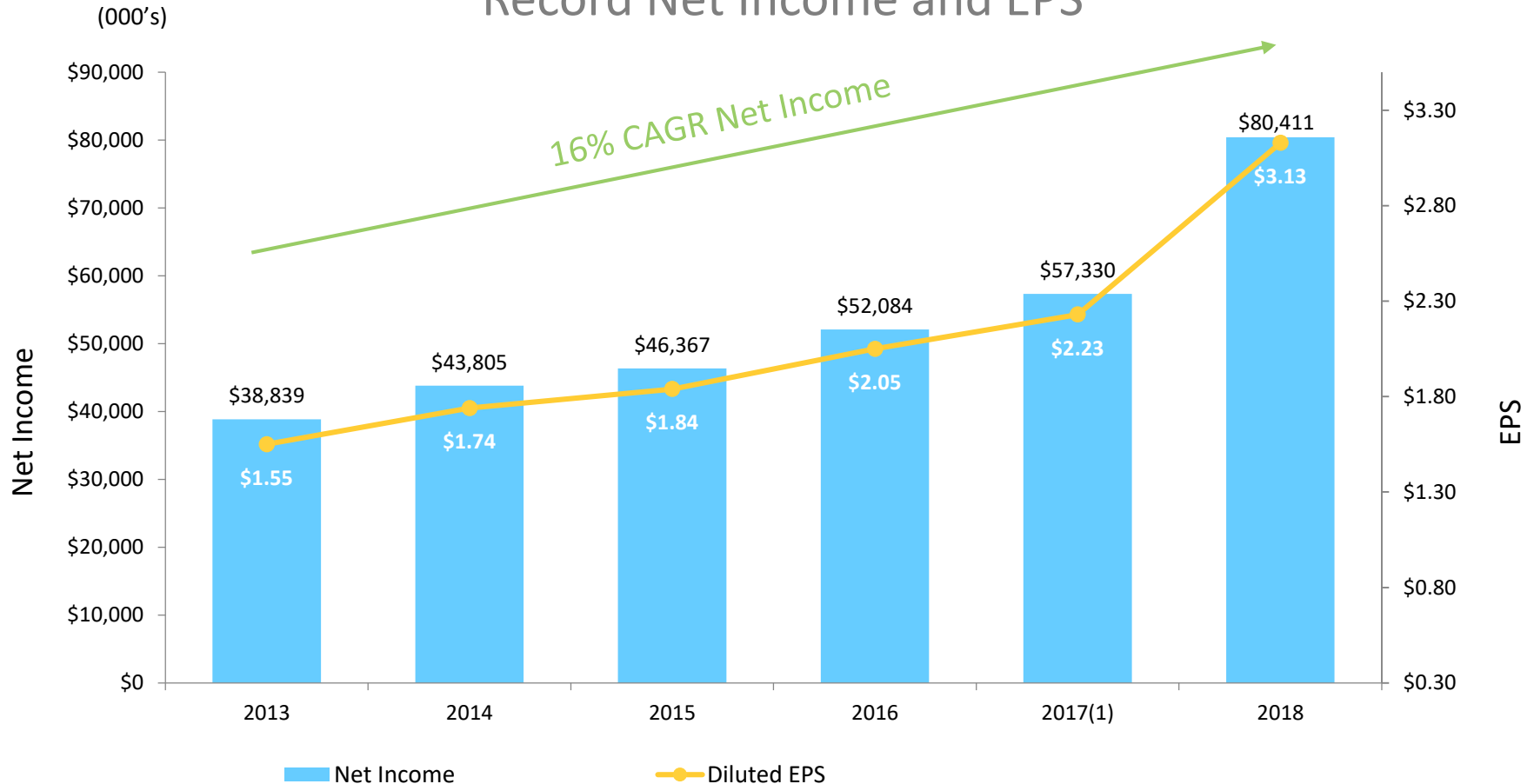
# Income Performance Metrics

LKFN Performance Exceeds National and Indiana Peers



# Net Income and EPS

## Record Net Income and EPS



(1) Includes impact of tax reform of \$4.1 million income tax provision for 2017

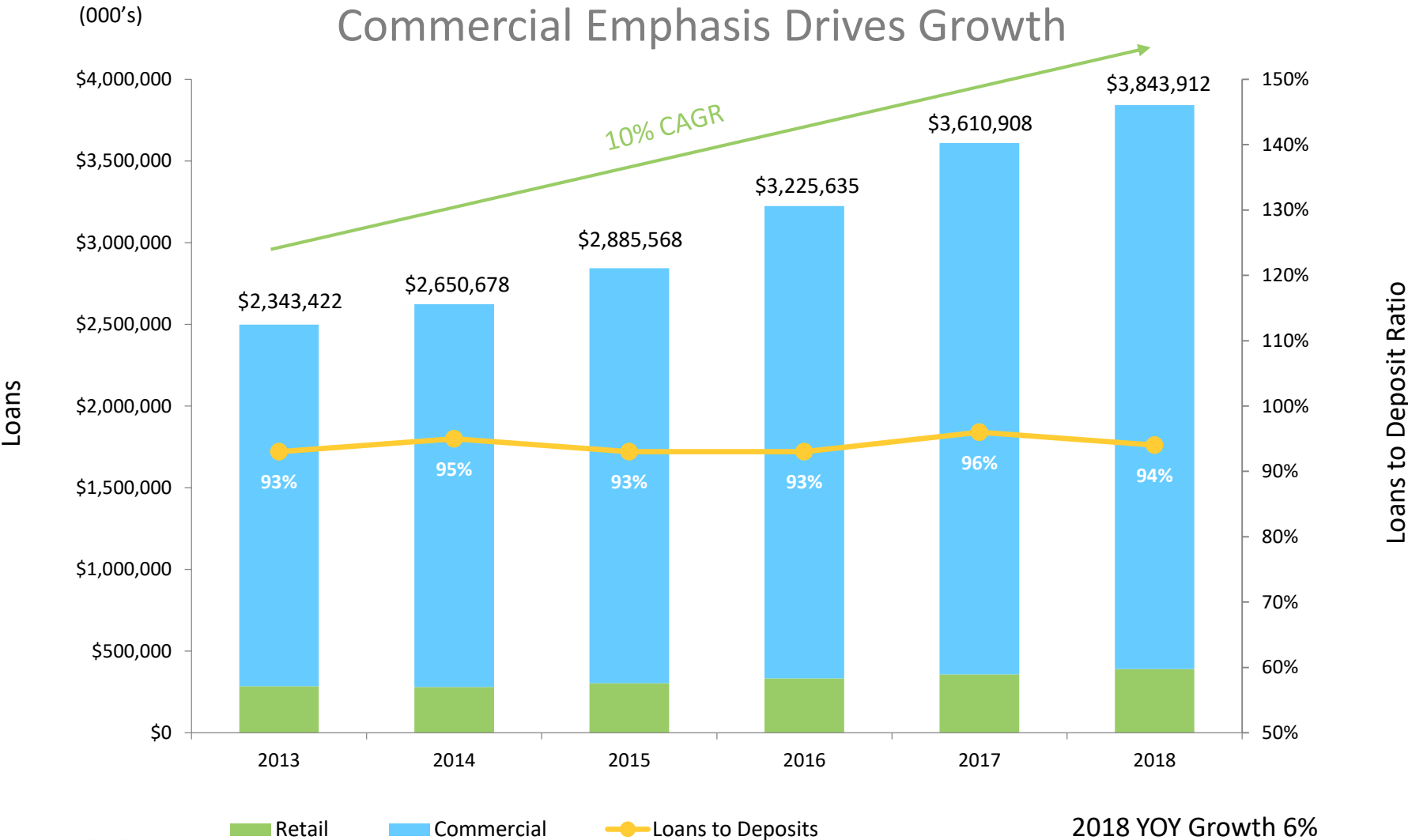
2018 Net Income Growth 40%

2018 Diluted EPS Growth 40%



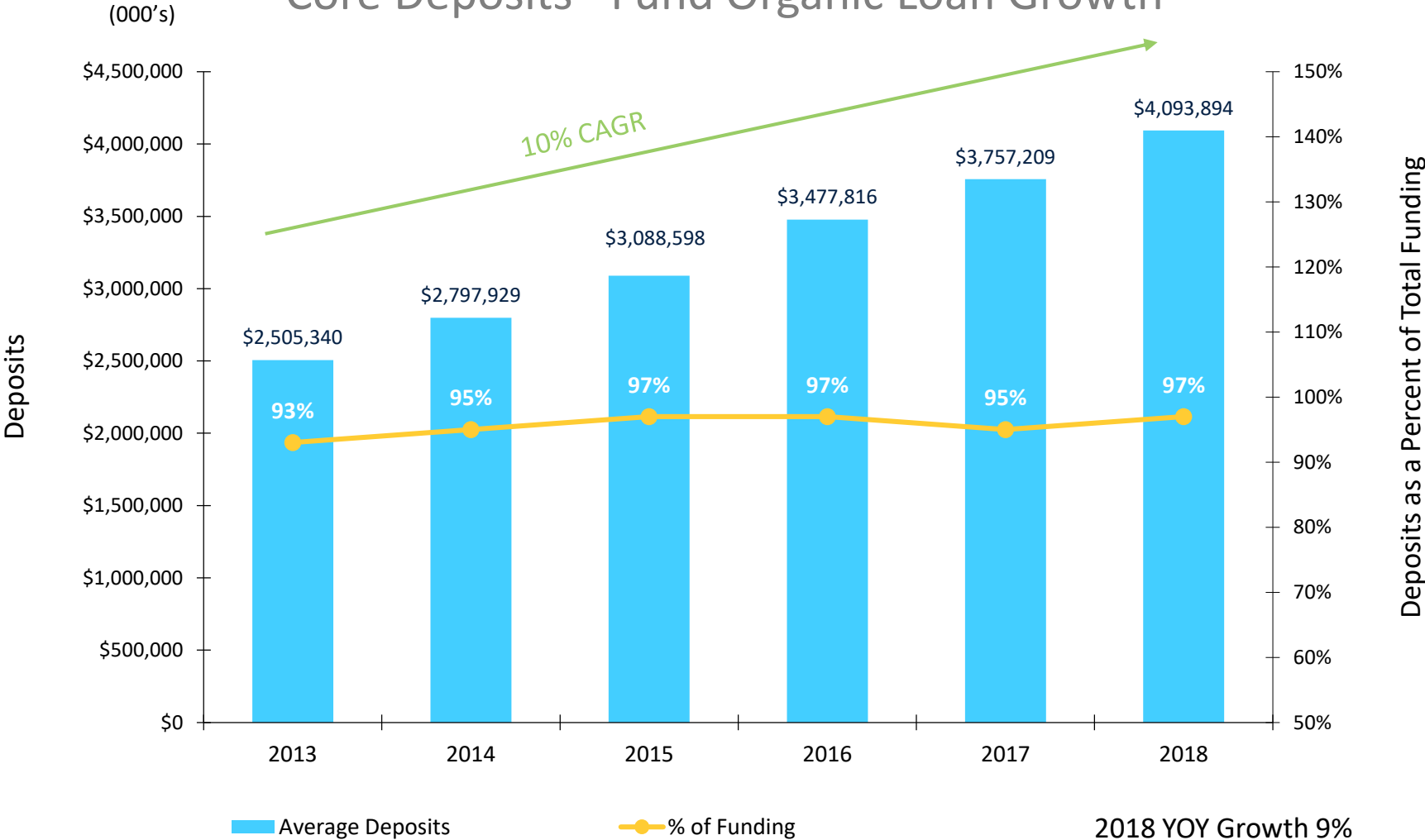
# Average Loans

Commercial Emphasis Drives Growth



# Average Deposits

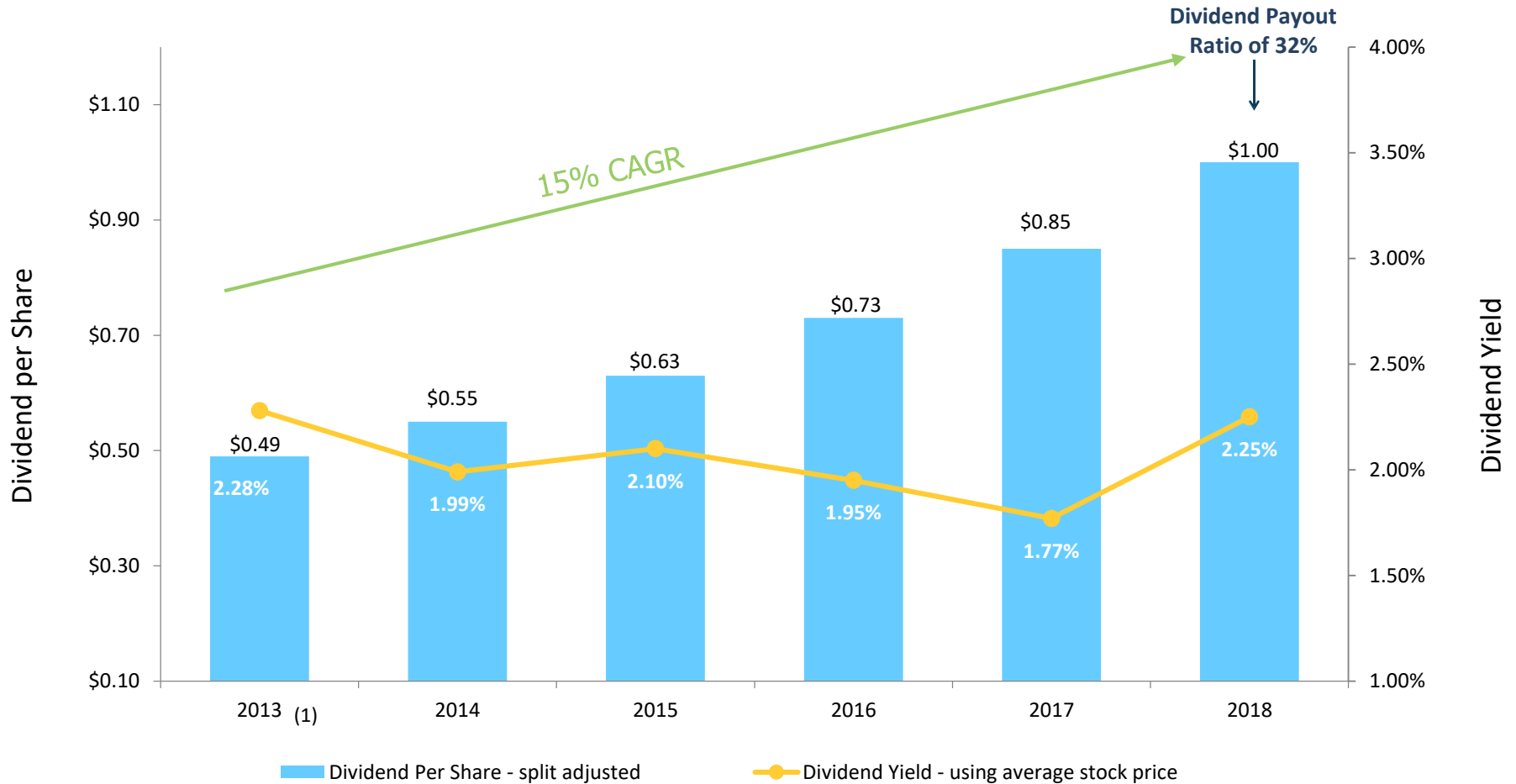
Core Deposits\* Fund Organic Loan Growth



\*Core Deposits are defined as total deposits less brokered deposits

# Stable Healthy Dividend

Significant Increase in Dividend Reflects Strength of Balance Sheet



(1) The special fourth quarter dividend paid in 2012 is included in 2013

2018 Growth 18%





 **Lake City Bank**

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