



2021 ANNUAL REPORT

“

We are an organization driven by execution and results



Lake City Bank Shareholders, Clients and Community Partners:

The Lake City Bank team is exceptionally proud of our performance in 2021. For starters, we reported record net income of \$95.7 million, an increase of 14% versus 2020. We've reported record net income in 31 of the last 33 years, with the Great Recession in 2009 and the COVID pandemic in 2020 representing the only years in which we did not have record net income performance. It's a three-decade track record of financial success that reflects our consistent and stable ability to generate

strong performance for our shareholders. Speaking of shareholders, our performance over the last 20 years has produced a total return of 3,198%. In addition, our stock price increased 50% during 2021 in a very challenging market. We once again outperformed two key banking indexes as the Nasdaq Bank Index and the KBW Bank Index were up 40% and 35%, respectively.

These results are a testament to the disciplined focus of the entire Lake City Bank team. We are an organization driven by execution and results. Once again, we've proven that our simple business model works well for our employees, our clients, our communities, and our shareholders.

We enter 2022 with great optimism and confidence in the core relationship businesses within Lake City Bank. During the last two years, we have experienced unprecedented growth that has challenged our management of the balance sheet and necessitated a level of flexibility and adaptability by the entire Lake City Bank team. There was nothing easy about it as we continued to manage through the COVID pandemic while at the same time maintaining our disciplined focus on the future. Community banking once again shined in 2021 and our business model continues to be highly relevant and competitive, yet we are under constant pressure from both bank and non-bank competitors. This requires an intense curiosity about the rapidly evolving role of technology in our industry. Being good enough simply isn't acceptable. We've got to ensure that we continue to innovate and evolve our products and services to provide our clients with technology-driven solutions to their financial needs. We took a significant step forward in 2021 with Lake City Bank Digital, a truly transformational change in our mobile and internet banking services. With Lake City Bank Digital, we have reinvented our digital platform with a focus on innovative solutions that are built around our clients' needs.

We proved to be a resilient organization again in 2021. We were happy to fully transition back to our workplaces

in April and spent the balance of 2021 focused on completing our Strategic Initiatives, which are a critical part of our annual planning process. Their completion is at the core of our ability to move the business forward on everything from technology to branch facilities.

On the branch front, we were delighted to open our 51st office in Elkhart High School as part of our partnership with Elkhart Community Schools. The office is led by a Lake City Bank retail banker and staffed by high school students who are enrolled in the school's Business and International Relations School of Study. Having students as part of our branch team, and as our customers, will provide us with a unique and inventive way to gain real-life intelligence about what the next generation is looking for in financial services. It's a fully digital office that will serve as an innovative place to test our future technology and ensure that we are prepared to serve the next generation of bank clients.

We were excited that our clients returned to our branch offices in 2021. While technology is playing an increasing role in our relationships with clients, it's clear that face-to-face banking is still important. Yet we know that the branch of the future must be a different place to interact with our clients and communities. As detailed on page 16, we're partnering with our client 16 Tech in Indianapolis to bring a branch to the AMP, which is in HqO, the innovation hub at the heart of the 16 Tech Innovation District. By fostering collaboration and community, the AMP serves as a springboard for Indy's next generation of culinary talent and entrepreneurship. As with the Elkhart High School branch, we'll bring an entirely new branch concept to the AMP—one that is designed to appeal to the emerging generation of clients. We look forward to exploring the future while remaining connected to our past in our offices throughout Central and Northern Indiana.

We're hopeful that there's some boredom in 2022. That may sound uninspiring, but the last two years have tested Lake City Bank, its clients, and its communities in ways we could never imagine, as it did nearly every business in our communities. We entered 2022 committed to continuing our historical success and are off to a great start. Our workforce is happy

to be together, but challenges remain as our world continues to test our culture. We're doing everything we can to protect and evolve the culture of the organization because culture has been and is central to our success, and we still believe that being together is the best path to long term success.

One thing that won't be boring in 2022 is Lake City Bank's 150th Anniversary. In May of 1872, a group of community leaders came together and decided that Warsaw, Indiana, a town of less than 2,000 residents, needed a fourth bank. As a result, Lake City Bank was founded. That's right, the same name has been on our doors for 150 years. Throughout 2022, we'll proudly celebrate our sesquicentennial and the wonderful impact that this community bank has had on the Indiana communities we are lucky to serve.

“ We have proven that our model of community banking works.

Community banking was once again at its best in 2021. We have proven that our model of community banking works. We have proven that respecting and caring for each other matters. We have proven that our clients can rely upon us in trying times. We have proven that our culture can survive the most severe challenges. We've demonstrated an incredible level of adaptability and action. Lake City Bank has always been an execution-oriented place, and that has been affirmed over and over throughout this pandemic. We have become a better organization through our response to this crisis and we are excited for the future.

We are grateful for the partnerships we have with our clients, employees, communities, and shareholders. Thank you.



David M. Findlay
President and Chief Executive Officer

MANAGEMENT COMMITTEE



Left to right:

Jonathan P. Steiner
Senior Vice President
Chief Wealth Advisory
Officer

Kristin L. Pruitt
Executive Vice President
Chief Administrative Officer

J. Rickard Donovan
Senior Vice President
General Counsel

David M. Findlay
President and Chief
Executive Officer

Kyra E. Clark
Senior Vice President
Chief Human Resources
Officer

Michael E. Gavin
Executive Vice President
Chief Credit Officer

Stephanie R. Leniski
Senior Vice President
Chief Retail Banking
Officer

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

Eric H. Ottinger
Executive Vice President
Chief Commercial
Banking Officer

In last year's annual report, we shared with you that we had formed the Diversity and Inclusion Task Force to affirm and expand our commitment to this important initiative. 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. The task force is hard at work developing and implementing actions that are designed to ensure that we are dedicated to this movement for fairness as racism and discrimination of any form are simply wrong. As we write this report, the task force is finalizing an in-person Lake City University course that every employee of the bank will

attend. Actions, not words will be the evidence of our success on this front.

This leadership team averages 14 years of experience at Lake City Bank and 28 years of total experience. Together, we bring a passionate and enthusiastic leadership style to our jobs. Simply put, we love what we do and are driven by the mission statement of the bank, "Lake City Bank will be the acknowledged and recognized leader in Indiana Community Banking." Every contact within our communities is a building block to achieve this goal and we will relentlessly pursue it.

BOARD OF DIRECTORS



Left to right:

Ronald D. Truex
Chairman
Creighton Brothers, LLC

Steven D. Ross
Owner
Ross and Associates

M. Scott Welch
Chief Executive Officer
Welch Packaging Group

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

Robert E. Bartels, Jr.
Partner at Incedo LLC

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

Darrienne P. Christian
Civic Leader

Blake W. Augsburg
Founder and Chief
Executive Officer
LEA Professional

Emily E. Pichon
Chairman, ETP Asset
Holdings, Inc.
Officer and Director, Olive
B Cole Foundation and M E
Raker Foundation, Inc.

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

Bradley J. Toothaker
President and CEO
Bradley Company
Managing Partner of
Great Lakes Capital
Development

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

The Lake City Bank board plays an important role on multiple fronts. Strong corporate governance is at the core of the board's role. The board continues to actively engage and contribute to our efforts on Environmental, Social, and Corporate Governance (ESG) and diversity and inclusivity. They ensure that management maintains its focus and efforts on these fronts and effectively measures and reports on the central factors in assessing the sustainability and societal impact we have on all of our constituents. It's important work.

At our 2022 annual meeting of shareholders, we will recognize Dan Evans and Ron Truex upon their retirement from our board. For 12 years, both Dan and Ron have brought informed, experienced, and helpful voices into our boardroom. Dan's encyclopedic knowledge of our industry has been valued by the board and management and Ron's lifelong agribusiness experience has proven to be incredibly valuable as we continued to grow the sector. They have both delivered steady and balanced perspectives. Thank you, Dan and Ron, for your support and partnership inside and outside the boardroom.

Conquest Racing





Left to right:
Sara Hill, Vice President, Retail Regional Manager; Eric Bachelart, President; Melanie McIntyre, Vice President, Treasury Management Sales Officer; Ryan Hart, Vice President, Commercial Banking Officer

Think Indianapolis, and racing springs to mind. But there's more to racing in Indy than that event each year at the end of May. 1991 Indy Lights champion and Indianapolis 500 veteran Eric Bachelart founded Conquest Racing in 1997 to compete in North American open-wheel racing. Today, Conquest Racing operates cars in the Ferrari Challenge Series and the International Motor Sports Association (IMSA) Prototype Challenge. The Ferrari Challenge brings together Ferrari owners who want to compete in top-level sprint races on storied tracks around the world. Conquest Racing prepares Ferraris to customer specifications for racing, and provides the team support for competing in the Challenge Series. "It's so exciting to give our Ferrari owners a genuine race experience in such an iconic car,"

said Bachelart, President. Conquest Racing began working with Lake City Bank and Sara Hill, Vice President, Retail Regional Manager, in 2014. Fast forward to 2020, and Lake City Bank stepped in to provide Conquest Racing with a Paycheck Protection Program (PPP) loan quickly and efficiently, when the company's primary bank did not. "Working with Sara and the Lake City Bank team has made a definite difference for our company," Bachelart said. "We've been more than satisfied, especially in terms of responsiveness." In fact, Lake City Bank is now Conquest Racing's primary bank, with commercial and real estate loans, deposits and a range of technology focused treasury management products. We call that a win-win.

"We've been more than satisfied, especially in terms of responsiveness."

Williamsburg Marine & Williamsburg Furniture



Left to right: Gus Feiler, Chief Executive Officer; Lance Feiler, President, Williamsburg Furniture; and Karen Weaver, General Manager, Williamsburg Marine



Left to right:
Richard Delks, Vice President, Senior Wealth Advisor; Karen Weaver, General Manager, Williamsburg Marine; Gus Feiler, Chief Executive Officer; Lance Feiler, President, Williamsburg Furniture; Gavin Miller, Vice President, Commercial Banking Officer

Williamsburg Marine is a wonderful COVID-19 success story. Founded in 2019 as a sister company to Williamsburg Furniture, the company took off when consumer needs changed in the pandemic. Sheltering in place and working from home translated to an increased market for at-home recreation, including an uptick in the pontoon boat market. Williamsburg Furniture, which manufactures furniture and bedding for the RV industry, pivoted to start Williamsburg Marine, which manufactures seating for the boat industry, with an emphasis on pontoon boats. Starting with two employees in 2019, Williamsburg Marine has grown to such a degree that it's building a new facility to expand operations, and Lake City Bank has been a partner along the way. "We wouldn't be here without the bank," said Gus Feiler, Chief

Executive Officer of Williamsburg Marine and Williamsburg Furniture. "We started working with Lake City Bank back in 2009, when other banks were not willing to work with RV companies. Our relationship works because the bank takes time to understand all aspects of our business." Both companies and their principals use Lake City Bank for lines of credit, commercial loans and deposits, and technology-forward treasury management products. They also rely on the bank for personal banking and wealth management services. "Our business has been getting bigger, not smaller," Feiler said. "Lake City Bank has proven to be the best partner for our success."

"Our relationship works because the bank takes time to understand all aspects of our business."

Pranger Enterprises LLC & Hydronov LLC





Left to right:
Joe Kessie, Senior Vice President, Commercial South Regional Manager; Tabitha Williamson, Vice President, Treasury Management Sales Officer and Operations Manager; Gabe Pranger, Owner and Chief Operating Officer; Nick Pranger, Owner and Chief Executive Officer; Sheena White, Vice President, Merchant and Cardholder Services Manager

When you see those beautifully packaged fresh herbs and lettuce in the produce section at your supermarket, you might not think “Aha! Commercial mechanical systems,” but chances are those systems are what brought the product to your store. Pranger Enterprises, founded in 1964, installs mechanical systems like process plumbing, fire protection and HVAC systems for commercial enterprises, and has grown in expertise and technology to meet customer needs across a variety of industries. Pranger’s background in plumbing and piping led them to hydroponic production and purchasing Hydronov, a company that offers leading edge automation, design, equipment and installation for hydroponic growing. Hydroponics, or growing plants without soil, has been around for decades. Hydronov has developed a commercial system for greenhouses that uses Floating Raft Technology to automatically move plants from seed to harvest in a matter of weeks. At maturity, herbs and produce are transferred to another automated line for harvest, cleaning, packaging and shipping. This process allows for clean, climate controlled growing and up to 18 harvests each year. Without weather as a

factor, production can take place much closer to markets, saving on transportation and energy costs, and allowing products to get to market much fresher than by conventional means. Pranger Enterprises has worked with Lake City Bank since 2010, using commercial lines of credit and term loans, technology-forward treasury management products, commercial deposits and merchant and credit card services. “Lake City Bank has been our partner for more than a decade now,” said Nick Pranger, Owner and Chief Executive Officer. “We couldn’t have grown in size and in new technologies without the bank behind us.” In addition to its position as an expert provider—from design to completion—of complex commercial plumbing, piping, HVAC and fire protection systems, Pranger, through Hydronov, is designing and building hydroponic growing systems all over the world. The Pranger Enterprises and Lake City Bank teams are pictured at Eden Valley Farms in Francesville, Indiana, which grows herbs and lettuces for local outlets using a system designed and built by Hydronov.

“We couldn’t have grown in size and in new technologies without the bank behind us.”

Genesis Products, LLC.





Left to right:
Anna Corkill,
Vice President,
Treasury
Management
Sales Officer;
Jon Wenger,
President,
Chief Executive
Officer; Chris
Westerbeek,
Chief Financial
Officer; Steve
Brown, Vice
President,
Commercial
Banking Officer

While Genesis Products, founded in 2002, serves Fortune 200 companies across the country and across a variety of industries, its story begins in Northern Indiana creating better solutions for the RV market. Expertise in high-volume commercial lamination products led to growth in just-in-time manufacturing, custom product development, domestic outsourcing and supply chain management. Genesis works with manufacturers of all sizes across the RV, manufactured housing, building materials, health care, office and education, furniture, heavy truck industries, and more. Genesis found a partner in Lake City Bank in 2016. “We’ve been more than pleased with Lake City Bank,” said Jon Wenger, President, Chief Executive Officer. “The bank is a community bank first and foremost, which meshes perfectly

with our culture. But we have seen no lack in the level of sophistication in the solutions it provides.” Genesis has a commercial credit facility with Lake City Bank, structured along with partners the bank identified. In addition, Genesis uses the bank’s technology-forward treasury management products. “We’ve grown our company based on our culture and an appetite for innovation,” said Wenger. “Lake City Bank has proven itself a great match to both.”

“The bank is a community bank first and foremost, which meshes perfectly with our culture.”

Humane Fort Wayne





Left to right, front: Reneta Thurairatnam, Vice President, Senior Wealth Advisor and Humane Fort Wayne treasurer and board member with Wicket; Nichole Mendez, Assistant Retail Banking Officer; Doug Samuels, Vice President, Treasury Management Sales Officer; Beth Squires, Development Manager with Nancy Grace
Back row: Melissa Osborn, Pet Promises and Community Outreach Coordinator with Thelma Lou; Marshall Weadick, Vice President, Commercial Banking Officer; Jessica Henry, Executive Director with Keokuk; Tanya Gallo, Director of Operations with Luna; Jenny King, Vice President, Personal Trust Officer

Humane Fort Wayne has helped pets and people find each other since 1956. The organization is deeply rooted in the concept that pets thrive when they're in a safe and loving home, and, likewise, people thrive along with animal companions. Humane Fort Wayne connects pets with humans, but more importantly the organization provides resources that support pets and their owners in a variety of ways, including spay/neuter and wellness services, along with community outreach programs across Northeast Indiana. The shelter takes in dogs and cats from around the region, evaluates and treats any health issues, and prepares them for adoption, including spaying/neutering and vaccinations. Animals stay at the shelter or are placed in the Foster Program until they find a home. In addition, Humane Fort Wayne's low-cost walk-in clinic offers non-emergency wellness care, vaccinations, and heartworm and flea care for both cats and

dogs. Outreach programs include a weekly pet food pantry, and in-home services for pet owners, as well as compassion fostering for the pets of people in personal crisis. Lake City Bank started working with Humane Fort Wayne in 2020, when the bank stepped in to provide a Paycheck Protection Program (PPP) loan during the coronavirus pandemic. Since then, the relationship has grown to include a line of credit, technology-forward treasury management products including Lake City Bank Digital, and services from the bank's Wealth Advisory Group. "Even in this relatively short span of time, Lake City Bank has proven to be the right partner for us," said Jessica Henry, Executive Director. "The bank stepped in when we needed a PPP loan, and our relationship has grown from there. They really understand our mission and want to help us achieve our goals."

The furry friends in our pictures have been adopted by their forever (dare we say fur-ever?) families.

"They really understand our mission and want to help us achieve our goals."

16 Tech Community Corporation

CLIENT SINCE
2019



Bob Coy, President and Chief Executive Officer

The 16 Tech Innovation District in Indianapolis, established in 2015, is a catalyst for growth in the region, and Lake City Bank has been a partner in the initiative just about since its inception. The 50-acre community in the Riverside District of downtown Indianapolis is strategically located at the intersection of Central Indiana's top health care, academic and 13 corporate institutions. 16 Tech leverages its location to foster collaboration that translates into innovation, job creation and economic growth for the region and beyond. The nonprofit 16 Tech Community Corporation oversees the development district and helps extend benefits like job creation and economic growth beyond the district.

"16 Tech is committed to serving, supporting, and working alongside our neighbors in the Near West, Near Northwest and other nearby communities, including the Riverside neighborhood," said Bob Coy, President and Chief Executive Officer.

“ While we want to foster technology, business and health care collaboration and innovation, we also want to work with our neighbors to ensure that they benefit from the growth of the district, and that the district itself is a diverse, inclusive, and welcoming destination.

16 Tech's first building opened in 2020, home to the Indiana Biosciences Research Institute, the Central Indiana Corporate Partnership (CICP) and the Indiana University School of Medicine. Expansion has continued, even with slowdowns brought on by the



Left to right: Bill Redman, Senior Vice President, Commercial Indianapolis Regional Manager; Bob Coy, President and Chief Executive Officer; John Dietzen, Vice President, Commercial Banking Officer

COVID-19 pandemic, to include more than \$130 million invested in buildings and infrastructure. Also open is HqO, the district's innovation hub, which is home to the AMP (a food hall and artisan marketplace), Machyne Makerspace, and flexible office space. In 2021, the district welcomed more than 50 companies, including biotech and tech startups, venture studios, and three institutes focused on the life sciences, data analytics and advanced manufacturing sectors, six universities and 21 restaurants and retail establishments. Together these organizations employ more than 500 people in the district.

“Joining efforts to develop 16 Tech was a natural fit for Lake City Bank,” said David M. Findlay, President and Chief Executive Officer. “We view our partnership with 16 Tech, and our presence on their expanding campus, as a natural link between our efforts with the Flanner House to improve the quality of life for residents on the Northwest side

of Indianapolis. As part of the 16 Tech community, we think this connection is critical to both of these community partners.”

Lake City Bank's partnership began with a multi-year pledge of support. The bank was instrumental in structuring initial financing, followed by collaboration with 16 Tech and other investors to identify additional funding and tax credit opportunities. Lake City Bank also plans to build a branch office in the AMP.

Five Year Summary of Financial Highlights

(in thousands, except share and per share data)

End of Period Balances	2021	2020	2019	2018	2017
Assets	\$6,557,323	\$5,830,435	\$4,946,745	\$4,875,254	\$4,682,976
Deposits	5,735,407	5,036,805	4,133,819	4,044,065	4,008,655
Loans, net of Deferred Fees	4,287,841	4,649,156	4,065,828	3,914,745	3,818,459
Allowance for Credit Losses*	67,773	61,408	50,652	48,453	47,121
Total Equity	704,906	657,184	598,100	521,704	468,667
Average Balances					
Assets					
Total Assets	\$6,153,780	\$5,424,796	\$4,941,904	\$4,758,392	\$4,443,106
Earning Assets	5,906,640	5,184,836	4,656,707	4,461,366	4,183,112
Investments - Available-for-Sale	1,068,325	633,957	603,580	562,385	530,275
Loans, net of Deferred Fees	4,421,094	4,424,472	3,974,532	3,843,912	3,610,908
Liabilities and Equity					
Total Deposits	\$5,357,284	\$4,650,597	\$4,242,524	\$4,093,894	\$3,757,209
Interest Bearing Deposits	3,686,112	3,340,696	3,298,406	3,235,867	2,967,902
Interest Bearing Liabilities	3,761,520	3,437,338	3,390,512	3,382,507	3,178,439
Total Equity	674,637	624,174	562,601	487,062	450,796
Income Statement Data					
Net Interest Income	\$178,088	\$163,008	\$155,047	\$151,271	\$135,892
Net Interest Income - Fully Tax Equivalent	181,675	165,454	157,176	153,088	139,015
Provision for Credit Losses*	1,077	14,770	3,235	6,400	3,000
Noninterest Income	44,720	46,843	44,997	40,302	36,040
Noninterest Expense	104,287	91,205	89,424	86,229	79,298
Net Income	95,733	84,337	87,047	80,441	57,330
Per Share Data					
Basic Net Income Per Common Share	\$3.76	\$3.31	\$3.40	\$3.18	\$2.28
Diluted Net Income Per Common Share	3.74	3.30	3.38	3.13	2.23
Cash Dividends Per Common Share	1.36	1.20	1.16	1.00	0.85
Dividend Payout	36.36%	36.36%	34.32%	31.95%	38.12%
Book Value Per Common Share	\$27.65	\$25.85	\$23.34	\$20.62	\$18.60
Basic Weighted Average Common Shares Outstanding	25,475,994	25,469,242	25,588,404	25,288,533	25,181,208
Diluted Weighted Average Common Shares Outstanding	25,620,105	25,573,941	25,758,893	25,727,831	25,663,381
Key Ratios					
Return on Average Assets	1.56%	1.55%	1.76%	1.69%	1.29%
Return on Average Total Equity	14.19%	13.51%	15.47%	16.51%	12.72%
Average Equity to Average Assets	10.96%	11.51%	11.38%	10.24%	10.15%
Net Interest Margin	3.07%	3.19%	3.38%	3.43%	3.33%
Efficiency	46.81%	43.46%	44.70%	45.01%	46.11%
Net Charge Offs to Average Loans	0.09%	0.09%	0.03%	0.13%	-0.01%
Credit Loss Reserve to Total Loans	1.58%	1.32%	1.25%	1.24%	1.23%
Credit Loss Reserve to Nonperforming Loans	449.13%	507.42%	270.58%	667.40%	500.91%
Nonperforming Assets to Total Loans	0.36%	0.26%	0.47%	0.19%	0.25%

*Beginning January 1, 2021 calculation is based on the current expected credit loss methodology. Prior to January 1, 2021 calculation was based on the incurred loss methodology.

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 2021 for a complete set of consolidated financials.

Condensed Consolidated Balance Sheets

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

Assets	2021	2020
Cash and due from banks	\$51,830	\$74,457
Short-term investments	<u>631,410</u>	<u>175,470</u>
Total cash and cash equivalents	683,240	249,927
Securities available-for-sale (carried at fair value)	1,398,558	734,845
Real estate mortgage loans held-for-sale	7,470	11,218
Total loans	4,287,841	4,649,156
Less: Allowance for credit losses*	<u>67,773</u>	<u>61,408</u>
Net loans	4,220,068	4,587,748
Land, premises and equipment, net	59,309	59,298
Bank owned life insurance	97,652	95,227
Federal Reserve and Federal Home Loan Bank stock	13,772	13,772
Accrued interest receivable	17,674	18,761
Goodwill	4,970	4,970
Other assets	<u>54,610</u>	<u>54,669</u>
Total Assets	<u><u>\$6,557,323</u></u>	<u><u>\$5,830,435</u></u>
Liabilities		
Noninterest bearing deposits	\$1,895,481	\$1,538,331
Interest bearing deposits	<u>3,839,926</u>	<u>3,498,474</u>
Total deposits	5,735,407	5,036,805
Accrued interest payable and other liabilities	42,010	50,946
FHLB advances and other borrowings	<u>75,000</u>	<u>85,500</u>
Total Liabilities	5,852,417	5,173,251
Stockholders' Equity		
Common stock: 90,000,000 shares authorized, no par value	120,615	114,927
Retained earnings	583,134	529,005
Accumulated other comprehensive income	16,093	27,744
Treasury stock	<u>(15,025)</u>	<u>(14,581)</u>
Total Stockholders' Equity	704,817	657,095
Total Noncontrolling Interest	<u>89</u>	<u>89</u>
Total Equity	704,906	657,184
Total Liabilities and Stockholders' Equity	<u><u>\$6,557,323</u></u>	<u><u>\$5,830,435</u></u>
End of period shares issued	25,777,609	25,713,408
End of period shares outstanding	25,300,793	25,239,748

See Annual Report on Form 10-K.

*Beginning January 1, 2021 calculation is based on the current expected credit loss methodology. Prior to January 1, 2021 calculation was based on the incurred loss methodology.

Report of Independent Registered Public Accounting Firm

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

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, 2021 and 2020, 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, 2021 (not presented herein); and in our report dated February 23, 2022, 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, 2021 consolidated financial statements from which it has been derived.

Crowe LLP, South Bend, Indiana, February 23, 2022

Condensed Consolidated Statements of Income

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

	2021	2020	2019
Interest Income			
Interest and fees on loans	\$170,551	\$177,185	\$197,684
Interest and dividends on securities			
Taxable	9,086	6,973	8,909
Tax exempt	13,033	8,577	7,127
Interest on short-term investments	549	368	1,490
Total Interest Income	<u>193,219</u>	<u>193,103</u>	<u>215,210</u>
Interest Expense			
Interest on deposits	14,827	29,342	57,148
Interest on FHLB advances and other borrowings	304	753	3,015
Total Interest Expense	<u>15,131</u>	<u>30,095</u>	<u>60,163</u>
Net Interest Income	<u>178,088</u>	<u>163,008</u>	<u>155,047</u>
Provision for credit losses*	1,077	14,770	3,235
Net Interest Income After Provision for Credit Losses	<u>177,011</u>	<u>148,238</u>	<u>151,812</u>
Noninterest Income			
Wealth advisory and investment brokerage income	10,725	9,138	8,522
Service charges on deposit accounts	10,608	10,110	15,717
Loan and service fees	11,922	10,085	9,911
Merchant card fee income	3,023	2,408	2,641
Bank owned life insurance income	2,467	2,105	1,890
Interest rate swap fee income	1,035	5,089	1,691
Mortgage banking income	1,418	3,911	1,626
Net securities gains (losses)	797	433	142
Other income	2,725	3,564	2,857
Total Noninterest Income	<u>44,720</u>	<u>46,843</u>	<u>44,997</u>
Noninterest Expense			
Salaries and employee benefits	57,882	49,413	48,742
Occupancy and equipment expense	11,258	11,617	10,816
Data processing fees and supplies	12,674	11,864	10,407
Other expense	22,473	18,311	19,459
Total Noninterest Expense	<u>104,287</u>	<u>91,205</u>	<u>89,424</u>
Income Before Income Tax Expense	<u>117,444</u>	<u>103,876</u>	<u>107,385</u>
Income tax expense	21,711	19,539	20,338
Net Income	<u>\$95,733</u>	<u>\$84,337</u>	<u>\$87,047</u>
BASIC WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	<u>25,475,994</u>	<u>25,469,242</u>	<u>25,588,404</u>
BASIC EARNINGS PER COMMON SHARE	<u>\$3.76</u>	<u>\$3.31</u>	<u>\$3.40</u>
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	<u>25,620,105</u>	<u>25,573,941</u>	<u>25,758,893</u>
DILUTED EARNINGS PER COMMON SHARE	<u>\$3.74</u>	<u>\$3.30</u>	<u>\$3.38</u>

See Annual Report on Form 10-K.

*Beginning January 1, 2021 calculation is based on the current expected credit loss methodology. Prior to January 1, 2021 calculation was based on the incurred loss methodology.

Corporate Information

Nature of Business

Lakeland Financial Corporation is a \$6.6 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 52 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

Annual Meeting

Live Webcast
Tuesday, April 12, 2022
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

Canaccord Genuity Inc.
Robert W. Baird & Co. Incorporated
Boenning & Scattergood, Inc.
Cantor Fitzgerald & Co.
Citadel Securities LLC
Cowen and Company, LLC
Canaccord Genuity LLC
Citadel Derivatives Group Llc
D.A. Davidson & Co.
G1 Execution Services, LLC
Goldman, Sachs & Co. LLC
GTS Securities LLC
HRT Financial LLC
IMC Financial Markets
StoneX Financial Inc.
Janney Montgomery Scott Inc.
Jefferies LLC
Keefe, Bruyette & Woods, Inc.
Keybank Capital Markets Inc.
SVB Leerink LLC
Maxim Group LLC
Bofa Securities, Inc.
Morgan Stanley & Co. LLC
VIRTU Americas LLC
Two Sigma Securities, LLC
RBC Capital Markets, LLC
SG Americas Securities, LLC
Two Sigma Securities, LLC
Stephens, Inc.
Susquehanna Securities
Stifel, Nicolaus & Company, Incorporated
Susquehanna Financial Group, LLP
Two Sigma Securities, LLC
UBS Securities LLC
Virtu Americas LLC
Wall Street Access
William Blair
Wells Fargo Securities, LLC
Latour Trading LLC

Stock Transfer Agent and Registrar

American Stock Transfer and Trust Company
6201 15th 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
Eric Frappier

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
Steven L. Brown
Brian D. Burrell
Nathan R. Conley
David E. Davis
John F. Dietzen
David S. Frey
Chad A. Glassburn
Keith B. Goodman
Ryan L. Hart
Matthew J. Highbarger
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

David J. Curry

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

Officer

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

Assistant Vice President

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

Officer

Sandra F. Medina

Corporate & Institutional Services

Vice President
Anna N. Corkill
Melanie A. McIntyre
Douglas R. Samuels
Sheena L. White
Tabitha A. Williamson

Assistant Vice President

Michelle L. Harris
Tiffany R. Mudd

Officer

Grant R. Toney

Credit Administration

Senior Vice President
Kimberly A. Hooley
Donald J. Robinson-Gay

Vice President

Amanda R. Ellsworth
Cynthia J. Gianneschi
Bradford S. Grabow
Justin T. Hayes
Judd P. McNally
Benjamin A. Rice
Matthew R. Smith

Assistant Vice President

Bridget M. Camden
Megan E. Ottinger
Christoffer C. Penny
Daniel M. Sloan
Aaron T. Wood
Jeffrey L. Wyckoff

Officer

Joseph D. Burtnette
Victoria A. Fulton
Seth M. Greiner
Kyle A. Grimm
Trent W. Koble
Troy D. Tom
Thomas B. Weimer

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
David J. Hughes
Ryan D. Neese
Stacy L. Price

Assistant Vice President

Samantha D. Ducey
Crystal A. Vander Bie
Beth A. Weber

Marketing

Vice President
Mary S. Horan

Assistant Vice President

Caitlin E. Steiner
Luke A. Weick

Operations

Senior Vice President
Lisa A. Fulton

Vice President

Michele R. Ganser
Shannan L. Hepler
Scot A. Karbach
Michelle L. Jacobsen
Jan R. Martin
Eric D. Wagoner
Donna J. Wolfe

Assistant Vice President

Lisa M. Bicknese
Sherri L. DiRico
Jill E. Garber
Miranda R. Jordon
Karla J. Kroll
Katrina L. Mills
Natalie M. Ousley
Melissa S. Rupe
Leslie R. Rutherford
Diane M. Wirth

Officer

Jennifer A. Bradley
Kelly S. Gochenour
Susan K. Hayes
Christine M. Himes
Brittney C. Hoppeter
Jennifer R. Kooistra
Cynthia L. Montel
Jennifer L. Mosier
Michele I. Myers
Maritza Patino
Carla A. Snyder

People Development

Vice President
Alice G. Hitchcock
Mary A. Lepird
Tori L. Platt

Assistant Vice President

Ana Karina Cervantes
Rhonda K. Frank
Brianna D. Kreczmer

Officer

Kristen J. Heiman
Marissa Rico

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
Kimberly K. Strawbridge

Retail Administration

Vice President
Lisa S. Fitzgerald

Assistant Vice President

Jean A. Ciriello

Officer

Megan L. Sutter
Justin Taylor

Risk Management

Senior Vice President
Matthew D. VanDeWille

Vice President

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
Becka J. Turnbow
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
Darrin M. McLaughlin

Vice President

Joanie L. Foreman
Christopher D. Merrill

Assistant Vice President

Kimberly K. Mattke

Officer

Jordan M. Bell
Matti E. Gray
Andrew D. Lockridge

Wealth Advisory Group

Senior Vice President
Andrew R. Haddock
James D. Westerfield

Vice President

Robert M. Congdon
Lili A. Dailey
Richard A. Delks
Kevin D. Hampton
Michelle L. Kindler
Jennifer I. King
Lisa A. Mansberger
Scott R. Tapley
Reneta U. Thurairatnam

Assistant Vice President

Steven B. Burnside
Leslie E. Rohrer

Officer

Deborah R. Cataldo
Adam L. Esterline

Lake City Bank Offices

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

