

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): October 25, 2023

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

Indiana
(State or other jurisdiction
of incorporation)

0-11487
(Commission
File Number)

35-1559596
(IRS Employer
Identification No.)

202 East Center Street,
Warsaw , Indiana
(Address of principal executive offices)

46580
(Zip Code)

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

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	LKFN	NASDAQ

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (s230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (s240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure

The executive officers of Lakeland Financial Corporation intend to use the material filed herewith, in whole or in part, in one or more meetings with investors and analysts. A copy of the investor presentation is attached hereto as Exhibit 99.1.

Lakeland Financial Corporation does not intend for this Item 7.01 or Exhibit 99.1 to be treated as "filed" for purposes of the Securities Exchange Act of 1934, as amended, or incorporated into its filings under the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits

The following exhibit shall not be deemed as "filed" for purposes of the Securities Exchange Act of 1934, as amended.

(d) Exhibits

[99.1 2023 3Q Investor Presentation](#)

104 Cover Page Interactive Data File (embedded with the Inline XBRL document)

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 hereunto duly authorized.

LAKELAND FINANCIAL CORPORATION

Dated: October 25, 2023

By: /s/ Lisa M. O'Neill
Lisa M. O'Neill
Executive Vice President
and Chief Financial Officer



Lakeland Financial Corporation

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

3rd Quarter 2023





David M. Findlay

Chief Executive Officer
david.findlay@lakecitybank.com
(574) 267-9197

Kristin L. Pruitt

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Lisa M. O'Neill

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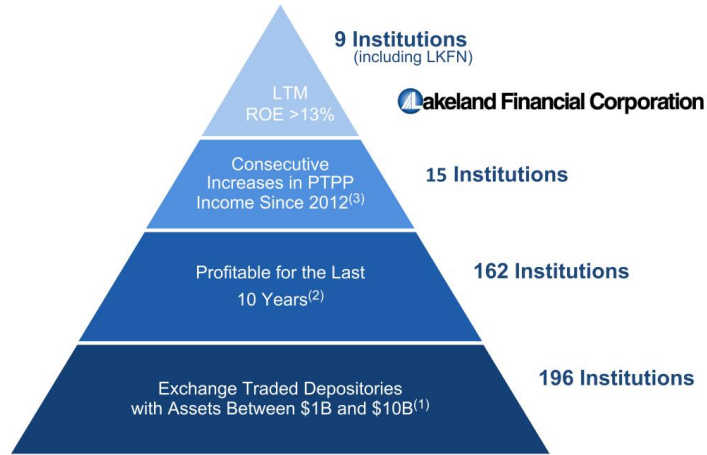
Forward-Looking Information

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. Forward-looking statements are not historical facts and are generally identifiable by the use of words such as “believe,” “expect,” “anticipate,” “continue,” “plan,” “intend,” “estimate,” “may,” “will,” “would,” “could,” “should,” or 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.

The Company’s ability to predict results or the actual effect of future plans or strategies is inherently uncertain and, accordingly, you are cautioned not to place undue reliance on any forward-looking statement. Actual results could differ materially from those addressed in the forward-looking statements as a result of numerous factors, including, without limitation: (i) the effects of future economic, business and market conditions and changes, including the effects of governmental monetary and fiscal policies, (ii) the risks of changes in interest rates on the levels, composition and costs of deposits, loan demand, and the values and liquidity of loan collateral, securities and other interest sensitive assets and liabilities, (iii) changes in borrowers’ credit risks and payment behaviors, (iv) the timing and scope of any legislative and regulatory changes, including changes in tax and banking laws and regulations and their application by the Company’s regulators, (v) the failure of assumptions and estimates used in the Company’s reviews of its loan portfolio, underlying the establishment of reserves for possible credit losses, the Company’s analysis of its capital position and other estimates; and (vi) the risks noted in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, as well as other risks and uncertainties set forth from time to time in the Company’s other filings with the Securities and Exchange Commission.



Long Term Success for Shareholders



Source: S&P Capital IQ Pro. Financial data is as of June 30, 2023.

(1) Includes banks and thrifts traded on the NYSE, NYSE-AM or NASDAQ as of 10/10/23; excludes merger targets.

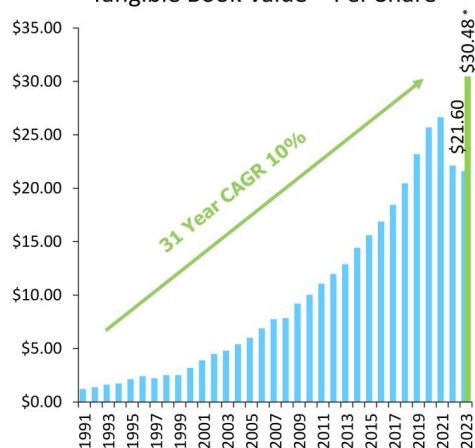
(2) Defined as having positive net income before extraordinary items and preferred dividends for each of the last 10 years (calendar years ended December 31, 2013 through December 31, 2022). Net income before extraordinary items is defined by S&P Capital IQ Pro as GAAP net income, after taxes, minority 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 Capital IQ Pro.

(3) Defined as consecutive increases in pre-tax, pre-provision earnings (excludes nonrecurring revenues and expenses, one-time goodwill impairment charges) for each of the years ending December 31, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022.

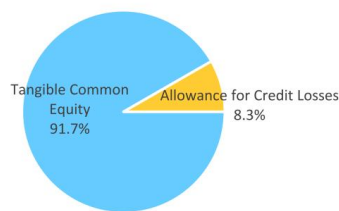


Strong Capital Structure

Tangible Book Value⁽¹⁾ Per Share



⁽¹⁾ compounded annual growth rate computed from 1991-2022
 *TBV adjusted to exclude the market value impact of AFS investment securities for TCE and Tangible Assets



Key Ratios and Per Share Data as of September 30, 2023

TCE/Tangible Assets	8.62%
Adj. TCE/Adj. Tangible Assets	11.74%
Total Risk-Based	15.14%
Leverage	11.64%
Book Value	\$21.75
Tangible Book Value	\$21.60
Adj. Tangible Book Value	\$30.48



Note: Tangible Common Equity to Tangible Assets and Tangible Book Value per Common Share are Non-GAAP financial measures. See "Reconciliation of Non-GAAP Financial Measures" in the Third Quarter 2023 Earnings Press Release and Form 8-K.

Lake City Bank Today

- A long-term and consistent organic growth story
- Headquartered in Warsaw, Indiana
- 53 branch offices - \$6.4 billion banking assets - \$3.0 billion trust, retirement and investment brokerage assets
- Focused on execution – “blocking and tackling”
- Continued growth potential

32 Years of Organic Growth

Record Net Income for 32 of 34 Years



Established Market Presence

Organic Growth Potential in Mature and Expanding Markets

Lake City Bank Market Growth

Warsaw – est. 1872

Kosciusko-12
Noble-3
Whitley-1
Marshall-3
Fulton-2
Pulaski-1

Elkhart – est. 1990

Elkhart-11
LaGrange-2

South Bend – est. 1997

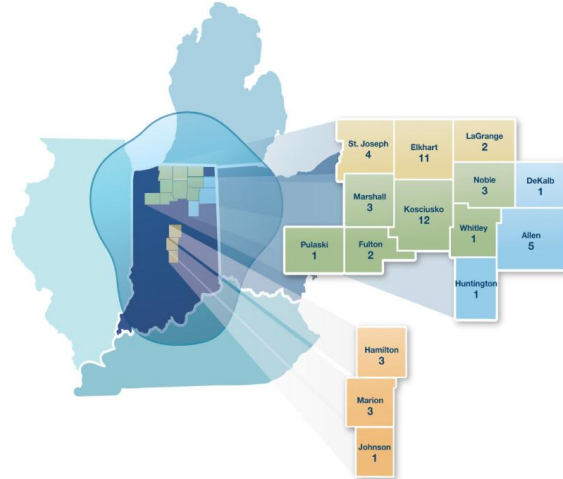
South Bend-4

Fort Wayne – est. 1999

Allen-5
DeKalb-1
Huntington-1

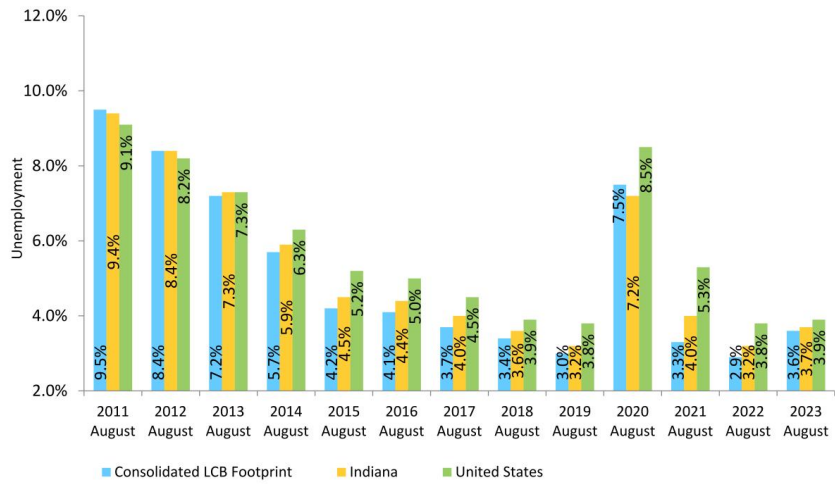
Indianapolis – est. 2011

Hamilton-3
Marion-3
Johnson-1



Strong Regional and Statewide Economy

Unemployment Rate In The Lake City Bank Footprint Is Consistent With The National Average



Source: United States Bureau of Labor Statistics. Lake City Bank footprint is defined as Kosciusko, Marshall, Fulton, Pulaski, Noble, Whitley, St. Joseph, Elkhart, LaGrange, Allen, DeKalb, Huntington, Marion, Hamilton and Johnson Counties in Indiana



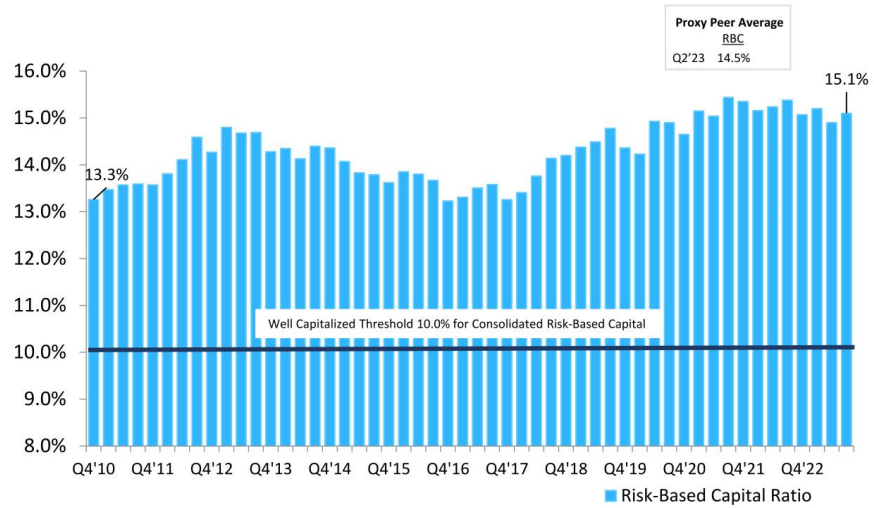
Lake City Bank

Balance Sheet Dynamics

1. Capital Strength
2. Diversified Deposit Composition
3. Liquidity Availability
4. Investment Securities Portfolio
5. Asset Liability Management

Fortress Balance Sheet in Excess of Regulatory Capital Requirements

LKFN Above Peer Long-Term Profitability has Contributed to a Strong Capital Foundation

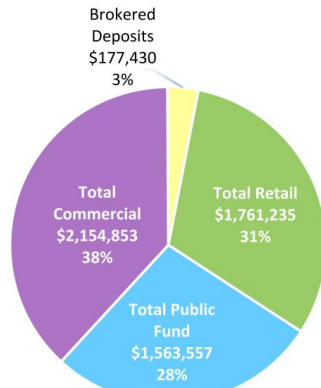


Stable Deposit Base

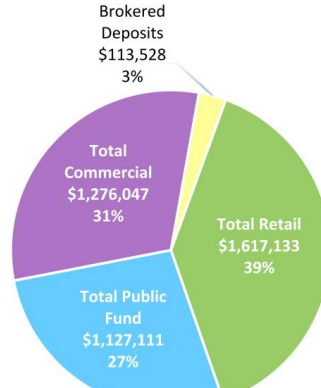
- Daily monitoring of liquidity position, large depositor fluctuation report, uninsured deposit balances, and significant daily balance fluctuations
- Depositors greater than \$10 million totaled \$1.79 billion at March 6, 2023, and \$2.10 billion on October 16, 2023, an increase of \$306 million, or 17%.
- Daily fluctuation reports show some nominal retail runoff to the brokerage firms and largest banks
- Deposit rate increases have attracted new depositors

Deposit Composition Provides Diversification

Commercial Deposits Increase Share of Total Deposits



September 30, 2023
 Total Deposits - \$5.7 billion
 DDA \$1,377,650
 DDA % of Total Deposits - 24%
(000's)



December 31, 2019
 Total Deposits - \$4.1 billion
 DDA- \$983,307
 DDA % of Total Deposits - 24%
(000's)



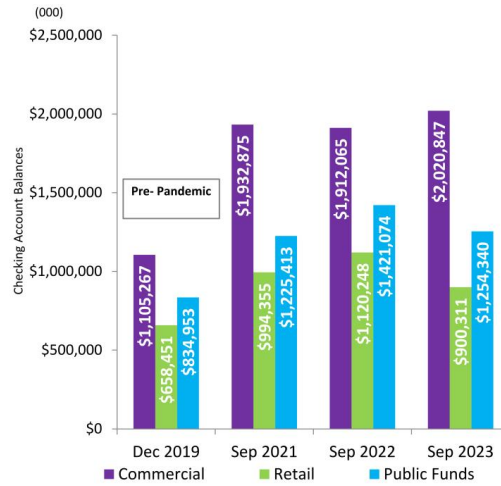
Diversified Deposit Base

Deposits Are Not Concentrated to Any Industry or Client

- Deposit composition has remained stable with commercial deposits increasing as a percent of total deposits
- Lake City Bank had 127,108 deposit accounts at September 30, 2023. 124,380, or 98%, of those accounts are less than \$250,000
- Public Funds in Indiana are covered by the Public Deposit Insurance Fund (PDIF). Collateral is not pledged to public funds.

Checking Accounting Trends by Deposit Sector

Commercial Accounts Grow by Double Digits since December 2019



(000)	Commercial	Retail	Public Funds
9/30/23	\$132	\$15	\$5,917
9/30/22	\$129	\$19	\$6,799
9/30/21	\$135	\$17	\$6,037
12/31/19	\$86	\$12	\$4,073

	Commercial	Retail	Public Funds
9/30/23	15,269	61,414	212
9/30/22	14,772	60,443	209
9/30/21	14,343	59,174	203
12/31/19	12,921	56,177	205



Note: Checking account balances include demand deposits and interest-bearing checking products and exclude goal accounts

Liquidity Overview

- Available liquidity is stable \$3.3 billion, up from \$2.9 billion at June 30, 2023
- Sources of liquidity are varied and represent wholesale funding and brokered deposits
- Brokered deposits represent 3% of total deposits
- Noncore funding represented 5% of total deposits and purchased funds as of September 30, 2023 vs. 8% as of June 30, 2023 and unchanged from December 31, 2022

Liquidity Preparedness

September 30, 2023

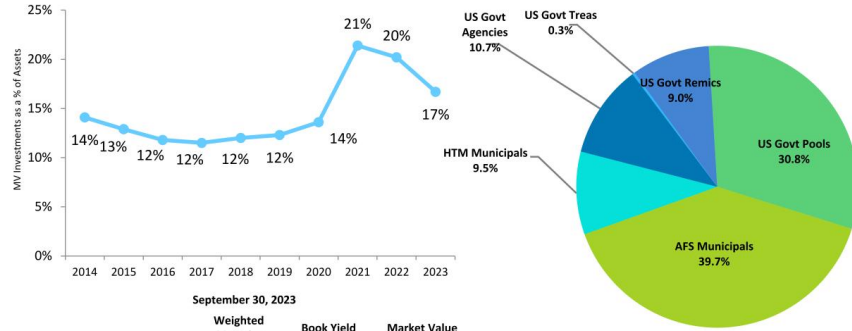
(000)	Liquidity Availability	Used	Unused/ Available	Additional Loan Collateral Available for Pledge
Secured/Committed Borrowings:				
Federal Home Loan Bank-Indianapolis ⁽¹⁾	\$ 582,245	\$ 90,000	\$ 492,245	\$ --
Federal Reserve Bank Discount Window	1,291,010	--	1,291,010	71,516
FRB Bank Term Funding Program (BTFP)	153,280	--	153,280	--
Total Secured/Committed	\$ 2,026,535	\$ 90,000	\$ 1,936,535	\$ 71,516
Unsecured/Uncommitted Borrowings:				
Brokered Certificates of Deposit ⁽²⁾	\$ 574,708	\$ 100,000	\$ 474,708	\$ --
Brokered Money Market Deposit ⁽³⁾	192,805	67,393	125,412	--
Insured Cash Sweep-One Way Buy ⁽⁴⁾	100,000	10,038	89,962	--
Fed Fund Lines	325,000	--	325,000	--
Total Unsecured/uncommitted borrowings	\$ 1,192,513	\$ 177,431	\$ 1,015,082	\$ --
Investment Securities available for pledge:				
Treasuries, Agencies, MBS, CMO ⁽⁵⁾	8,550	--	8,550	--
Municipals ⁽⁶⁾	311,974	--	311,974	--
Total Investment Securities Available	320,524	--	320,524	--
Total Lake City Bank Liquidity Preparedness	\$ 3,539,572	\$ 267,431	\$ 3,272,141	\$ 71,516

(1) The BOD has authorized borrowing capacity up to \$800 million, and qualifying collateral is required for availability
(2) Brokered deposit capacity is equal to 10% of total deposits plus purchased funds, per bank policy
(3) Brokered money market capacity is equal to 3% of total assets, per bank policy
(4) Insured cash sweep one way by capacity is approved under program by IntraFi Network (formerly Promontory)
(5) Investment securities are eligible collateral at the Federal Reserve Bank - Discount Window, FHLB and BTFP
(6) Municipal securities are eligible collateral at the FRB - Discount Window



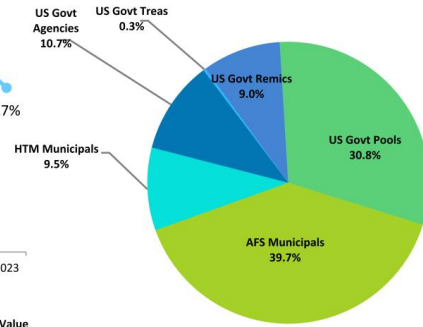
Investment Portfolio

Investment Portfolio as a Percent of Total Assets is Expected to Trend Lower Through Receipt of Cash Flows



September 30, 2023

	Weighted Maturity	Book Yield	Market Value
US Govt REMICS	6.26	2.11	97,237
US Govt Pools	7.35	1.96	332,425
US Agencies	9.24	1.55	115,671
US Treasury Notes/Bills	0.40	4.43	2,861
AFS Municipals (TEY)	15.91	2.90	427,338
HTM Municipals (TEY)	17.18	2.73	102,629
Total (Tax-Equivalent Yield)	11.90	2.38%	\$1,078,161



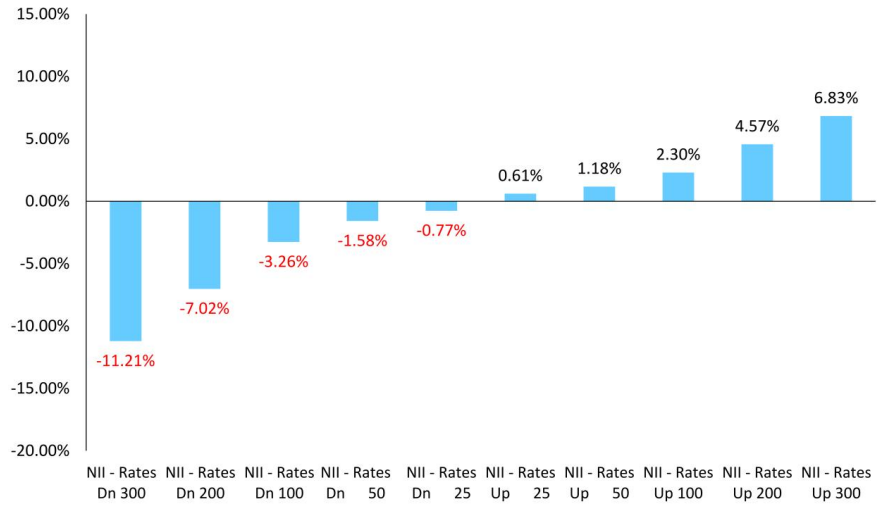
Carrying Value
 Held-to-Maturity \$ 129,494
 Available-for-Sale \$ 975,532



Note: Ratio of total securities to total assets excludes PPP loans of \$412 million in 2020, \$26 million in 2021 and \$2 million in 2022 from total assets

Projected Impact of Rising/Falling Rates

Asset Sensitive Balance Sheet



Graph presents 12 month projected net interest income simulation results as of September 30, 2023 using parallel shocks



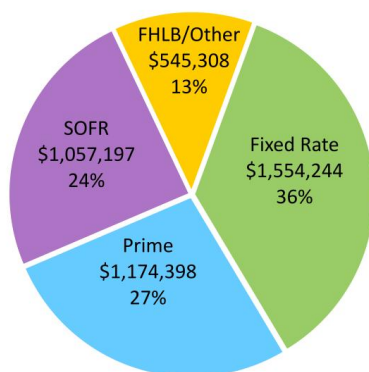
Evolution of Deposit and Loan Betas

Fed Tightening in 2022-2023 Has Been More Aggressive Than Past Cycles

- NIM expanded 102 basis points from 4Q21 through 4Q22 due to asset sensitive balance sheet and lagged deposit rate increases
- Total cumulative deposit beta of 46% from March 2022 to September 2023 is higher than past FED tightening cycle (2016-2018) of 45%
- Deposit betas impacted by deposit mix shift from DDA to interest bearing products and competitive deposit pricing pressures in the market
- Total cumulative loan beta of 52% has lagged past FED tightening cycle (2016-2018) of 61%

Interest Rate Sensitivity

Asset Sensitivity Attributable to Commercial Loan Portfolio



Commercial Loans
\$4.3 billion as of September 30, 2023
(000's)

- Cost of deposits increased due to deposit mix shift from DDA to interest bearing products, increased competition for deposits, and liquidity used to fund loan growth
- Fixed rate loans have shorter, average original terms of approximately 5 years
- Approximately \$580.5 million of fixed rate commercial loans reprice in the next twelve months
- 89% of loan portfolio consists of commercial loans and 64% of commercial loans are tied to variable interest rates



Shareholder Value Strategy

1. Commercial Banking Focus
2. High Quality Team Members
3. Proven Organic Growth Experience
4. Focus on Core Deposit Funding
5. Commitment to Technology

Commercial Banking Focus

Experienced Relationship Driven Team

- 41 credit “smart” commercial bankers
- Average 24 years in banking & 13 years at Lake City Bank
- We live where we lend
- Face to face calling matters and is a team effort
- We understand our clients’ needs
- Deep organizational structure provides credit and administrative support
- We cross sell aggressively by leveraging technology



Credit Process

Commercial Banking Focus

- Our credit discipline has never changed
- We have a centralized committee structure
- We are in-market lender to in-market clients
- Character matters – we lend to people first
- We focus on management/cash flow
- Structure is important and is disciplined
- Orientation towards owner occupied and well structured nonowner occupied real estate

Corporate Social Responsibility

Over 150 Years of Focusing on Our Customers, Employees
and Our Communities

- Supporting our communities since 1872
- Caring for and building a diverse and inclusive team
- Delivering loan and deposit products to our communities
- Developing strong cybersecurity controls to protect our customers' data
- Supporting financial literacy in our footprint
- Caring for the environment
- Focusing on continued, positive corporate stewardship

Lake City Bank Culture

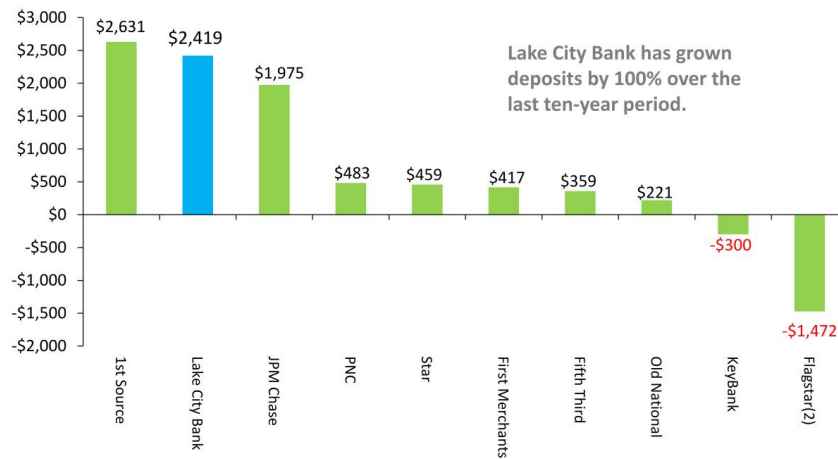
High Quality Team Members

- Our culture is our greatest asset and we will preserve it
- Lake City University drives our culture
- Diversity, Equity and Inclusion are ongoing initiatives that create a culture of belonging
- Our community involvement is real and critical to our strategy
- Our culture has not been diluted by acquisition



Mature¹ Market Deposit Performance

Organic Growth 2013 – 2023

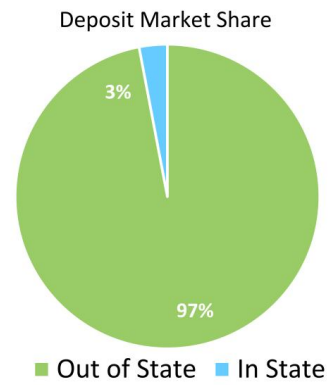


¹Mature Markets include 12 Northern Indiana counties and exclude 3 Central Indiana counties
²Flagstar acquired Wells Fargo branches in 2018
 Totals adjusted to include branches subsequently acquired by surviving banks.
 Source: FDIC 6/30/23 Statistics

Organic Growth

Indianapolis Market Opportunity

Indianapolis Market Banks	Share of Market
1. JPM Chase	20%
2. Merchants Bank	16%
3. PNC	13%
4. Fifth Third	9%
5. Huntington National	7%
6. Bank of America	5%
7. First Internet Bank	5%
8. BMO Harris	5%
9. National Bank of Indy	3%
10. First Merchants	3%
16. Lake City Bank	1%



Marion, Hamilton and Johnson Counties as of 6/30/23;
Source: FDIC 6/30/23 Statistics

A Strong Environment for Growth and Expansion

- Indiana #1 manufacturing state in the country⁽¹⁾
- Manufacturing jobs decreased slightly by 0.6% from 543,600 to 540,600 from August '22 to August '23⁽²⁾
- Indiana unemployment at 3.4% as of August 2023⁽³⁾
- Indiana ranked 14 in CNBC's "America's Top States for Business 2022", ranking Indiana higher than any of its neighboring states⁽⁴⁾
- Electric Vehicle battery plant planned in St. Joseph County (South Bend) will add approximately 1,700 jobs in the area
- General Motors is making a \$632 million investment in its Allen County (Fort Wayne) facility to support the production of the next-generation internal combustion engine full-size light-duty trucks
- Stellantis and Samsung SDI make \$3.2 billion investment in Electric Vehicle battery manufacturing facility in Kokomo, IN⁽⁵⁾
- Indiana ranks 4th in the U.S. for the "most clean energy capacity"⁽⁶⁾ and 3rd for solar energy development⁽⁷⁾

(1) https://www.statsamerica.org/sip/rank_list.aspx?rank_label=isp2_b&item_in=12&ct=518

(2) http://www.hoosierdata.in.gov/dpage.asp?id=52&view_number=1&menu_level=8&panel_number=2

(3) https://fred.stlouisfed.org/graph?graph_id=880632&m=643

(4) <https://www.cnbc.com/2022/07/13/top-states-for-business-indiana.html>

(5) <https://www.iedc.in.gov/events/news/details/2023/10/11/gov-hoicomb-announces-second-stellantis-samsung-sdi-ev-battery-manufacturing-facility-3b-investment>

(6) <https://www.iedc.in.gov/events/news/details/2023/08/29/solar-energy-innovator-launches-us-headquarters-manufacturing-in-indiana>

(7) <https://www.canarymedia.com/articles/clean-energy/chart-the-top-10-states-building-americas-renewable-energy-resources>



Commitment to Technology

Innovation and Competitive Technology is a Focus

- Fintech partnerships play a significant role in our technology stack and enable delivery of innovative solutions to our customers
- Investments in Lake City Bank Digital, a Q2 product implemented in 2021 with ongoing functionality added since initial adoption
- Technology partnership with FIS is strong – User Planning Council and Strategic Planning Advisory Council
- Retail and Commercial platforms ensure competitive positioning
- AI and data gathering and analysis is playing an increasingly important role
- Branch of the future proof of concept implemented in 2021 and used in three new offices

Channel Utilization over Three-year Horizon

Number of Bank Transactions Increase by 7% Over Three Years

Channel Type	Total Transactions 2020 ⁽¹⁾	% of Total	Total Transactions 2023 ⁽¹⁾	% of Total	Three Year Change
Branch Transactions	2,073,708	16%	2,064,617	15%	0%
ATM/ITM	891,756	7%	815,366	6%	(9)%
Online Logins	4,867,781	38%	3,157,348	23%	(35)%
Mobile Logins ⁽²⁾	4,716,618	37%	7,425,088	54%	57%
Telephone Banking	251,467	2%	210,362	2%	(16)%
Total	12,801,330	100%	13,672,781	100%	7%

⁽¹⁾ Measurement period includes twelve months of data ending September 30, 2020 and September 30, 2023

⁽²⁾ Includes mobile phone, Apple watch and iPad app use



Customer Composition and Digital Adoption

Digital Platform Upgrade in March of 2021 Positively Impacting Digital Adoption Across All Generations

Customer Composition and Digital Adoption Over Three Years

Generation		Customer Breakdown	9/30/23	9/30/22	9/30/21
Gen Z	(1996 - Current)	17%	53%	49%	41%
Millennial	(1977 - 1995)	26%	59%	57%	51%
Gen X	(1965 - 1976)	19%	50%	48%	42%
Baby Boomer	(1946 - 1964)	30%	44%	42%	38%
Mature	(1945 or before)	8%	30%	28%	25%
Digital Adoption			50%	47%	41%

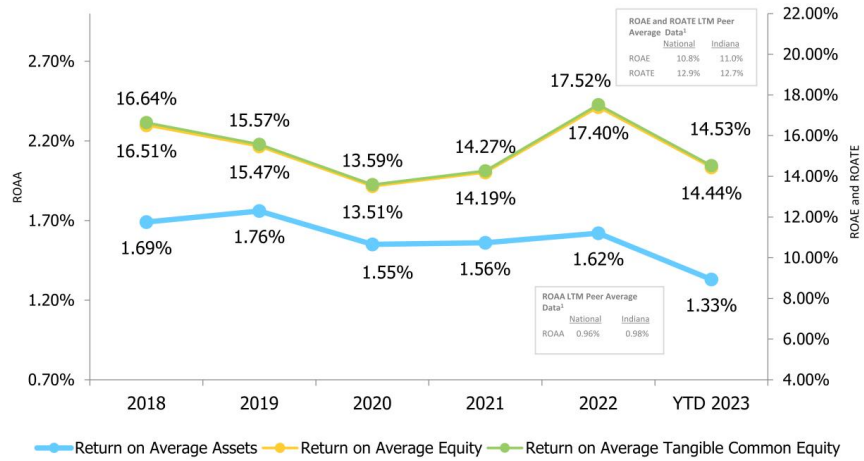


Financial Performance



Income Performance Metrics

LKFN Performance Exceeds National Peers and Contributes to Strong Capital Levels

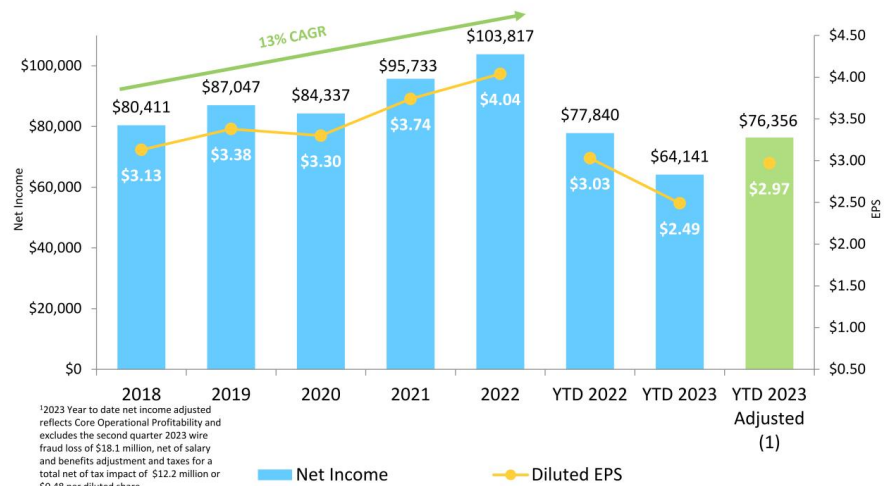


¹Source KBW Price Performance Review June 30, 2023



Net Income and EPS

Core Operational Profitability Declines by 2% in 2023



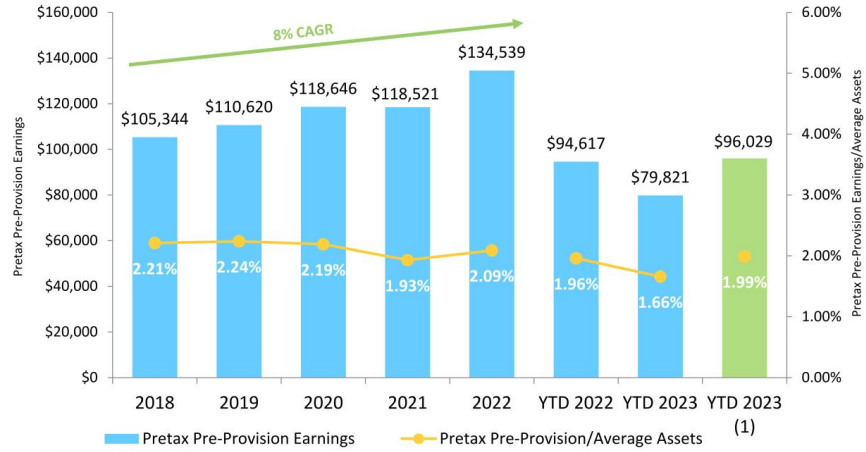
¹2023 Year to date net income adjusted reflects Core Operational Profitability and excludes the second quarter 2023 wire fraud loss of \$18.1 million, net of salary and benefits adjustment and taxes for a total net of tax impact of \$12.2 million or \$0.48 per diluted share



2023 Net Income YOY decrease (18)%
 2023 Diluted EPS YOY decrease (18)%
 2023 Core Operational Profitability YOY decrease (2)%
 2023 Core Operational Profitability per share YOY decrease (2)%

Pretax Pre-Provision Earnings

Core Pretax Pre-Provision Earnings Improve by 1%



¹2023 Year to date core pre-provision earnings excludes the second quarter 2023 wire fraud loss of \$18.1 million, net of salary and benefits adjustment, for a total adjustment of \$16.2 million

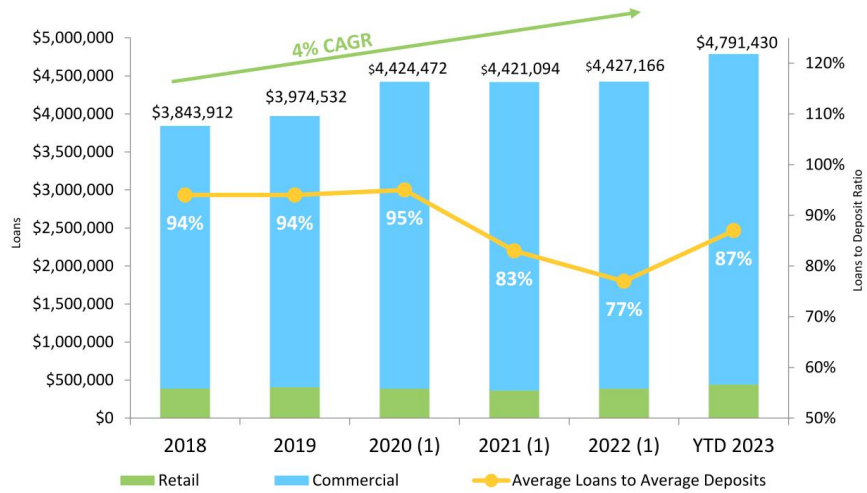
2023 Pretax Pre-Provision Earnings YOY Decrease (16)%
2023 Core Pretax Pre-Provision Earnings YOY Increase 1%



Note: Pretax Pre-Provision Earnings is a Non-GAAP financial measure. See "Reconciliation of Non-GAAP Financial Measures" in the Second Quarter 2023 Earnings Press Release and Form 8-K.

Average Loans

Average YTD Loan Growth of \$410 million or 9% Compared to Prior Year



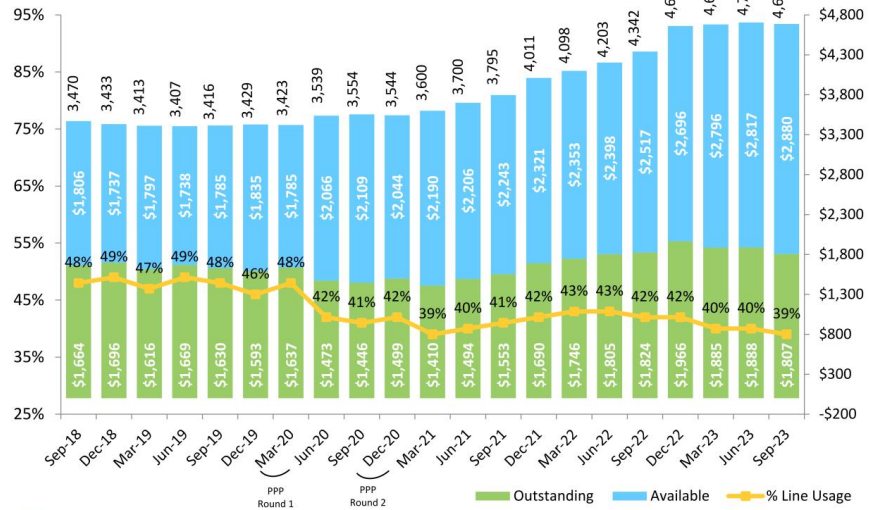
2023 YOY Increase 9%



(1) Includes \$377 million in Average PPP loans in 2020, \$238 million in 2021, and \$8 million in 2022

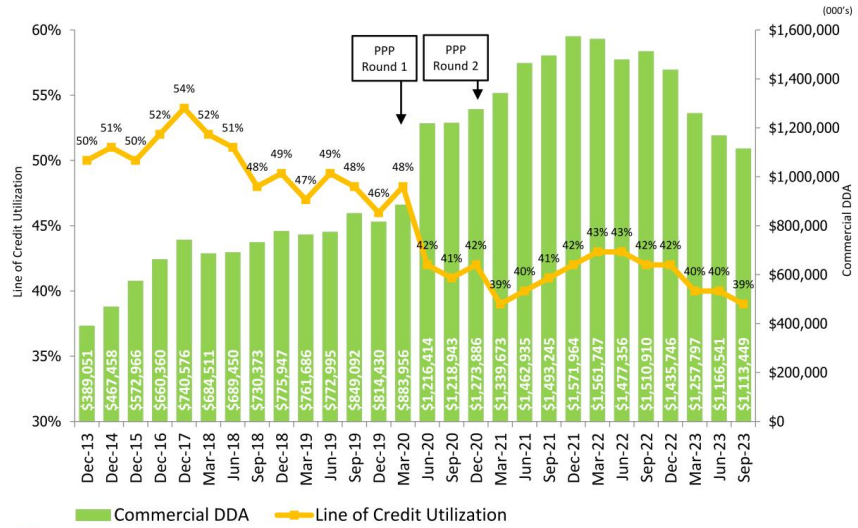
Line of Credit Utilization

Line Availability Increase Demonstrates Growth



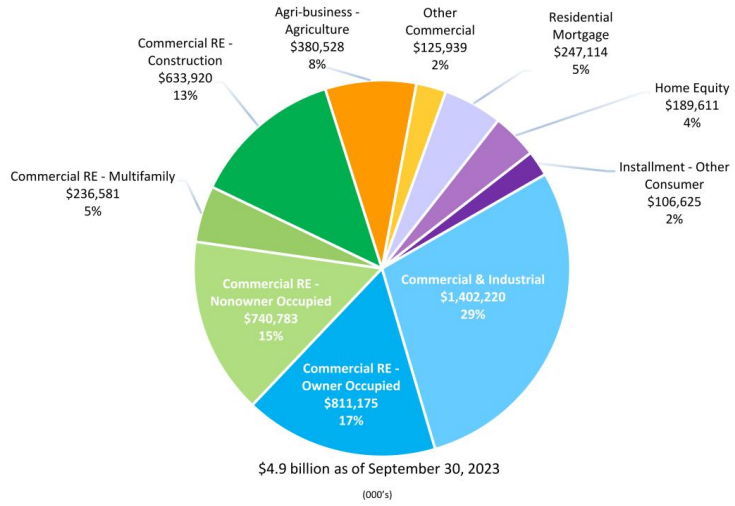
Line of Credit Utilization vs. Commercial DDA

Commercial DDA Deposit Balances Normalize in 2023



Loan Portfolio Breakdown

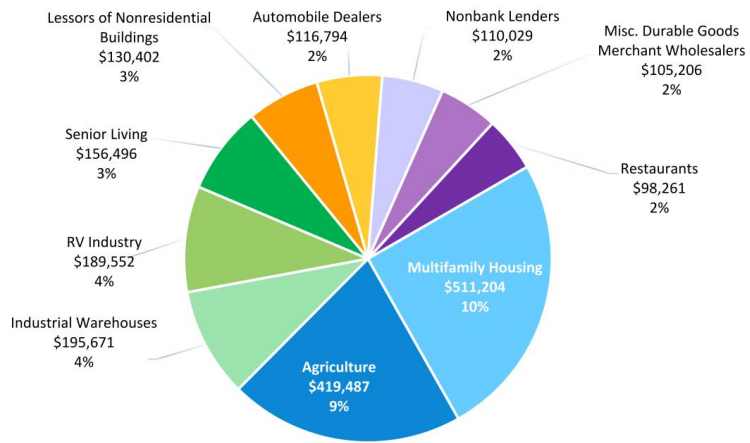
C&I Drives Lending Business



Note: Loan breakdown is presented by Federal Reserve Bank ("FRB")
Collateral Code as reported on the call report.

Top 10 Industry Concentrations

Loan Portfolio is Diversified- Commercial Office Space Represents 1.5% of Loans



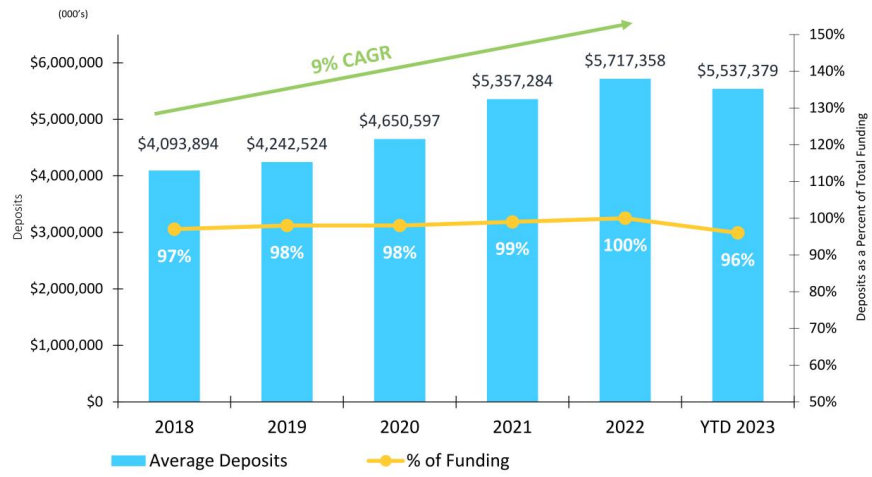
Top 10 Industries Represent 41% or \$2.0 billion of Total Loans



Note: Industry data is obtained from loan classifications pursuant to the North American Industry Classification System ("NAICS")

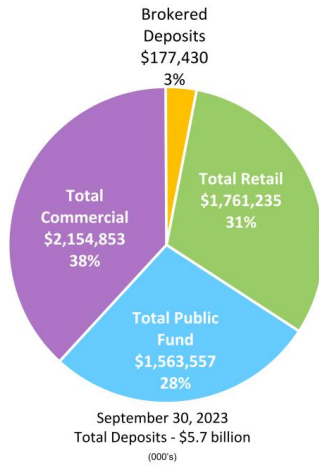
Average Deposits

Pandemic's Deposit Surge Abates in 2023



Deposit Breakdown

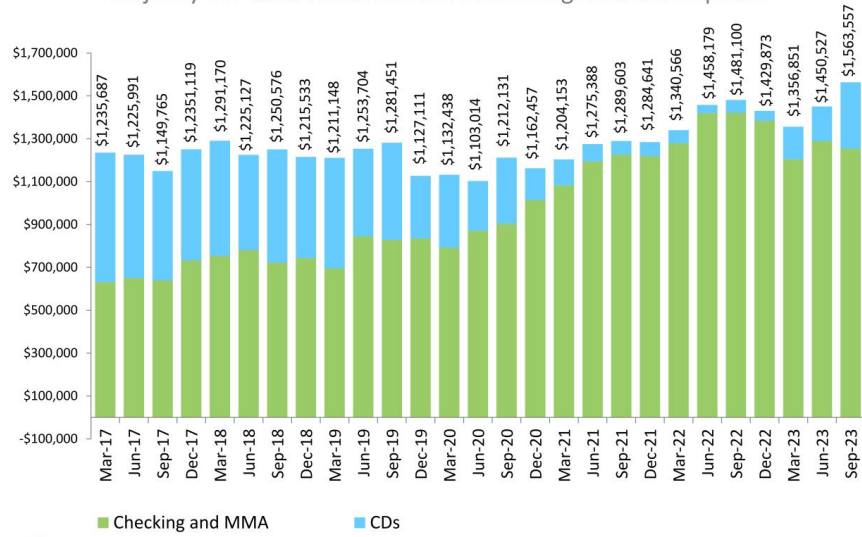
Deposit Costs Rise in Response to Interest Rate Environment and Increased Competition



Deposit Composition at end of period	2019	2023
Non-interest Bearing Demand Deposits	24%	24%
Interest Bearing Demand, Savings & MMA	47%	57%
Time Deposits > or = to \$100,000	22%	13%
Time Deposits < \$100,000	7%	6%
Total Deposits (billions)	\$4.1	\$5.7

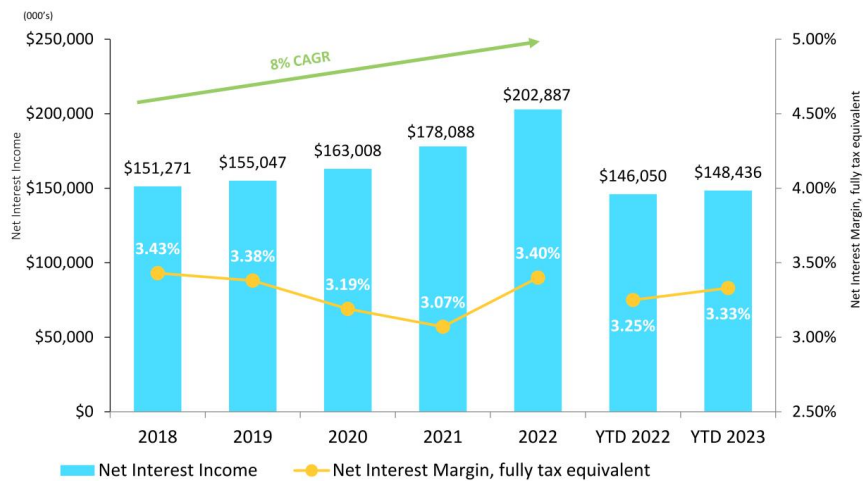
Public Fund Deposit Trends

Majority of Public Funds are Core Checking Account Deposits



Net Interest Income

Year-to-date Net Interest Margin Improvement in 2023

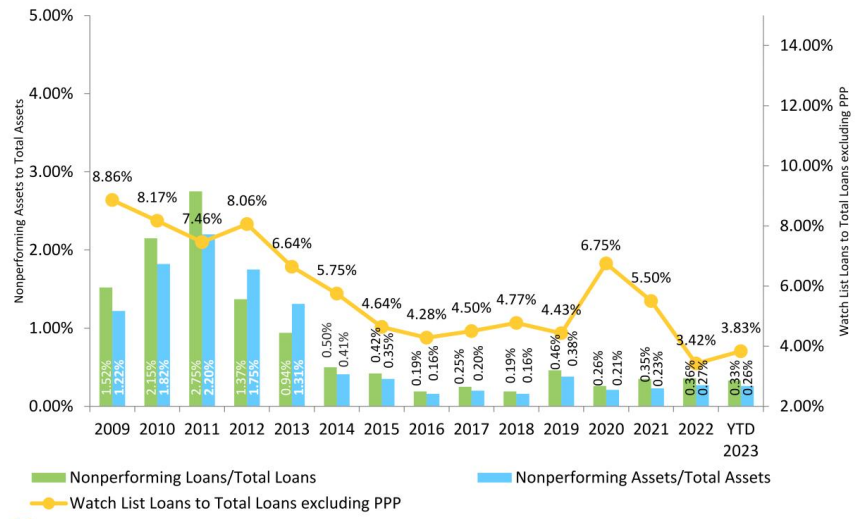


2023 YOY Increase 2%



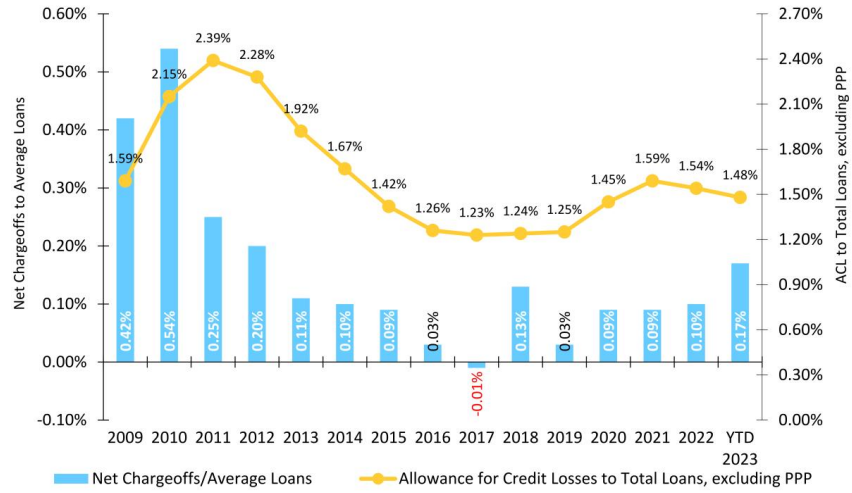
Asset Quality

Watchlist Loans as a Percentage of Total Loans Remain at Historic Lows



Asset Quality

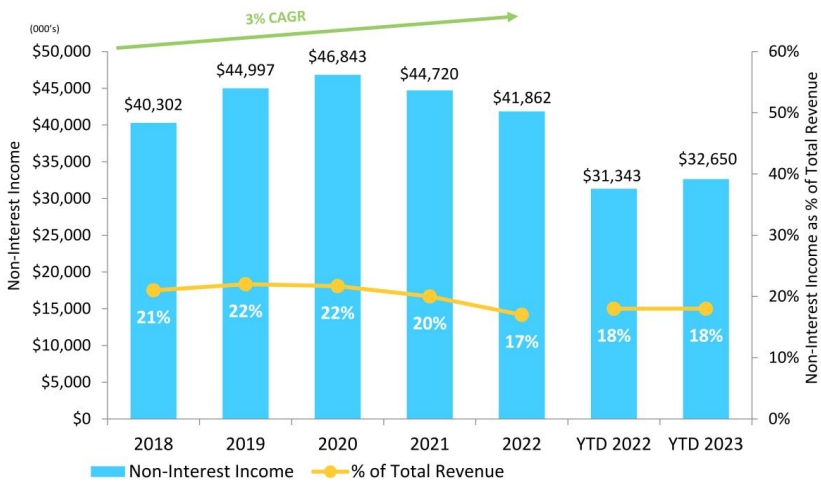
Allowance for Credit Losses Represents Strong Coverage



Note: Current Expected Credit Loss ("CECL") Standard adopted effective 1/1/21

Noninterest Income

Noninterest Income as a Percentage of Total Revenue Stable at 18%

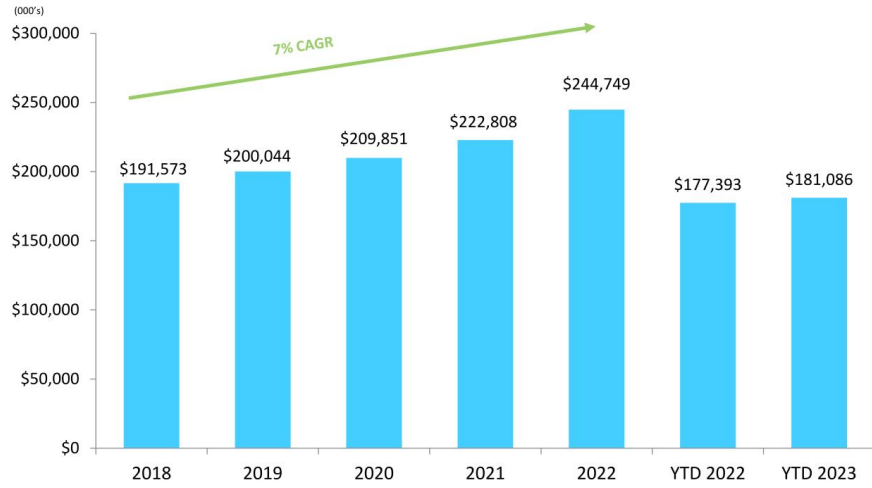


2023 YOY Increase 4%



Total Revenue

Revenue Growth Benefited by Loan Growth and Improvement in Noninterest Income

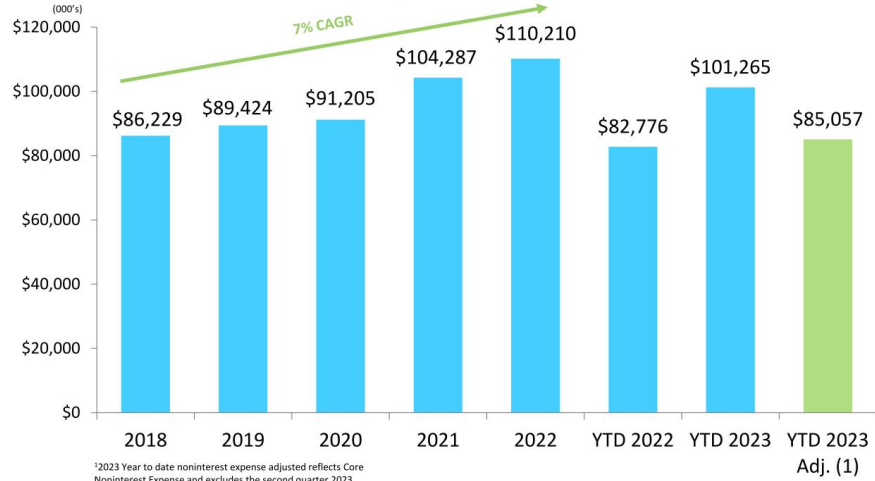


2023 YOY Increase 2%



Non-Interest Expense

Core Noninterest Expense Growth at 3% for 2023



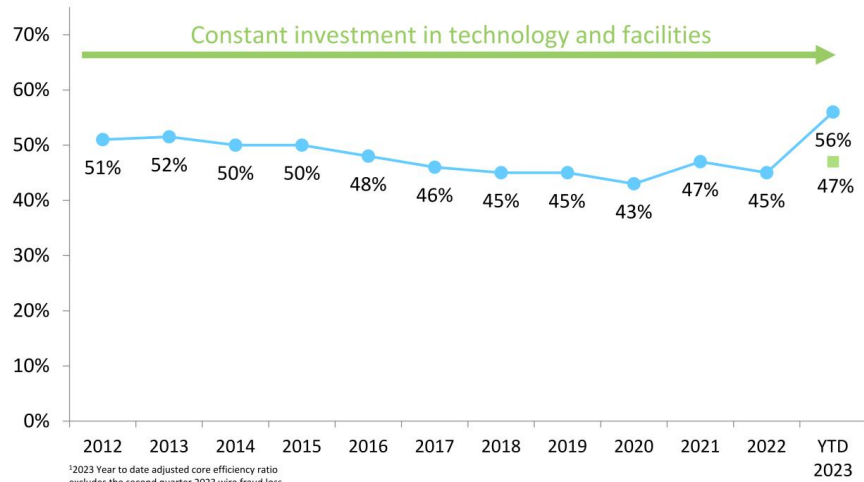
¹2023 Year to date noninterest expense adjusted reflects Core Noninterest Expense and excludes the second quarter 2023 wire fraud loss of \$18.1 million net of \$1.9 million salary and benefits adjustment, or \$16.2 million, net.

2023 YOY Increase 22%
 2023 Core Noninterest Expense YOY Increase Adj. (1) 3%



Efficiency Ratio

Adjusted Core Efficiency Ratio of 47% Excludes Impact of Wire Fraud Loss



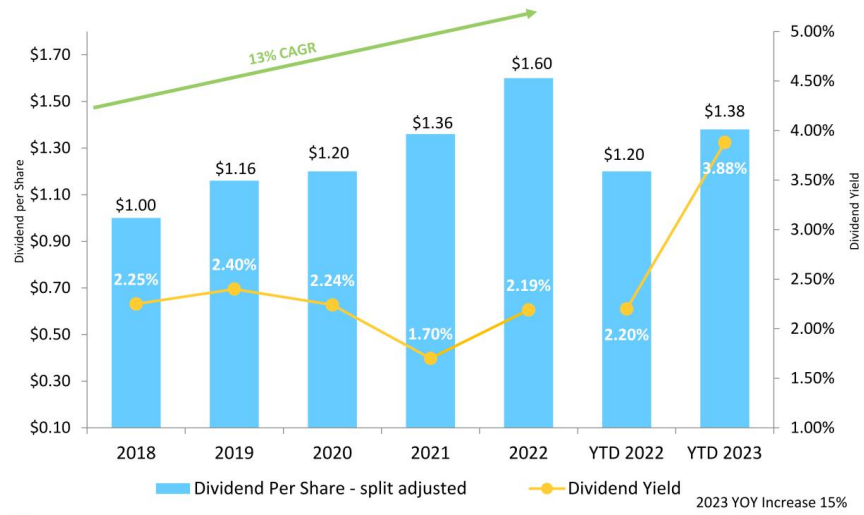
¹2023 Year to date adjusted core efficiency ratio excludes the second quarter 2023 wire fraud loss loss, net, of salary and benefits adjustment for a total of \$16.2 million



—●— Efficiency Ratio —■— Adjusted Core Efficiency Ratio

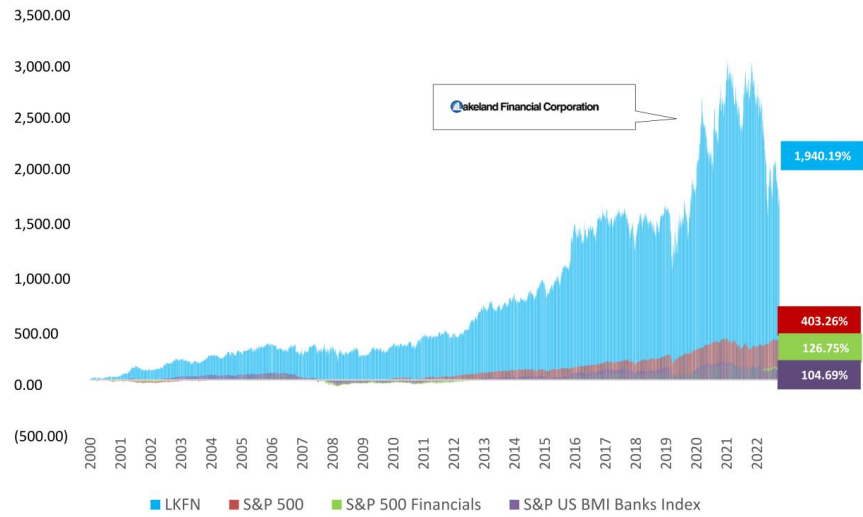
Stable Healthy Dividend

Growth in Dividend Reflects Strength of Capital



LKFN Shareholder Value

Total Return Performance from 12/31/00 to 9/30/23



Investment Highlights

- Proven History of Organic Growth
- Disciplined and Focused Strategy
- Strong Internal Culture
- Consistent Execution
- Service Excellence Drives Shareholder Value



Supplemental Information



Lake City Bank Capital Adequacy

Capital Strength Continues in September 2023

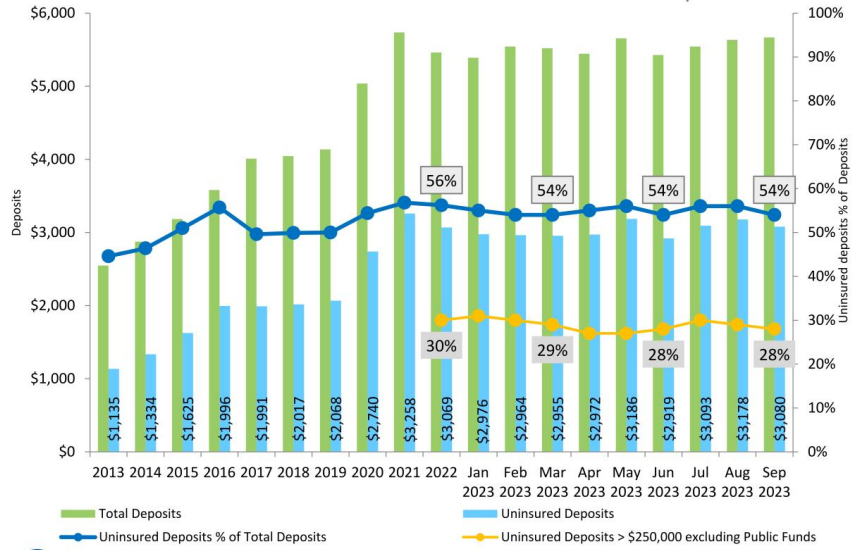
Regulatory Ratio Description *	September 30, 2023 Actual	Well-Capitalized Threshold	Capital Cushion (in 000's)	Non-GAAP AOCI and HTM Losses-after tax	Non-GAAP Excess Capital after AOCI and HTM	Non-GAAP Adjusted Capital Ratios with AOCI and HTM Losses
Tier 1 Leverage Ratio	11.35%	5.00%	\$424,655	\$(248,589)	\$176,076	7.63%
Common Tier 1 (CET)	13.53%	6.50%	\$394,477	\$(248,589)	\$145,887	9.10%
Tier 1 Risk Based Capital	13.53%	8.00%	\$310,324	\$(248,589)	\$61,734	9.10%
Tier 2 Risk Based Capital	14.78%	10.00%	\$268,362	\$(248,589)	\$19,772	10.35%

* Regulatory Ratios are preliminary pending the finalization of regulatory filings



Lake City Bank Uninsured Deposits

Public Funds Account for 28% of Total Uninsured Deposits



Investment Securities Overview

Excess Liquidity Deployed to Investment Security Portfolio

- Excess liquidity of \$1 billion deployed to investment portfolio during 2020-2022
- Investment portfolio longer duration offsets shorter duration of loan portfolio for interest rate risk management
- The investment portfolio balances the asset sensitive commercial loan portfolio
- Deployment to the investment portfolio provided an earnings asset shift from balances earning 10 basis points at the Federal Reserve to a tax equivalent yield of 2.69%
- All taxable bonds are 100% backed by the full faith of the U.S. Government
- Municipal Securities are high quality bonds with strong credit quality. 92% of the municipal bonds are rated AA/AAA

Investment Portfolio Analysis

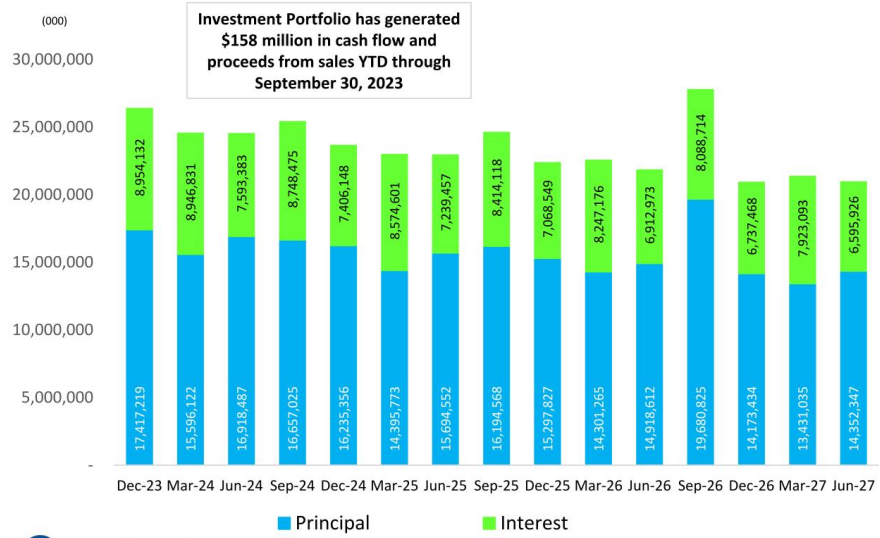
Investment Portfolio Declines as a Percentage of Total Assets in 2023

	9/30/2023			12/31/2022		
	Weighted Maturity	Market Value	% of Total	Weighted Maturity	Market Value	% of Total
US Govt REMICS	6.26	97,237	9%	5.97	114,355	9%
US Govt Pools	7.35	332,425	31%	7.34	377,953	29%
US Agencies	9.24	115,671	11%	8.82	126,961	10%
US Treasury Notes/Bills	0.40	2,861	0%	0.92	3,034	0%
AFS Municipals (Exempt)	15.91	427,338	40%	15.87	563,225	43%
AFS Municipals (Taxable)	-	-	-	-	-	-
HTM Municipals	17.18	102,629	9%	17.92	111,029	9%
CMCL CMO	-	-	-	-	-	-
Total	11.90	\$1,078,161	100%	11.99	\$1,296,557	100%
Unrealized losses AFS		(\$266,389)			(\$215,255)	
Unrealized losses HTM		(\$26,865)			(\$17,213)	
Total market value losses		(\$293,254)			(\$232,468)	
Portfolio effective duration		6.7			6.5	
Investment securities as a % of assets		17%			20%	



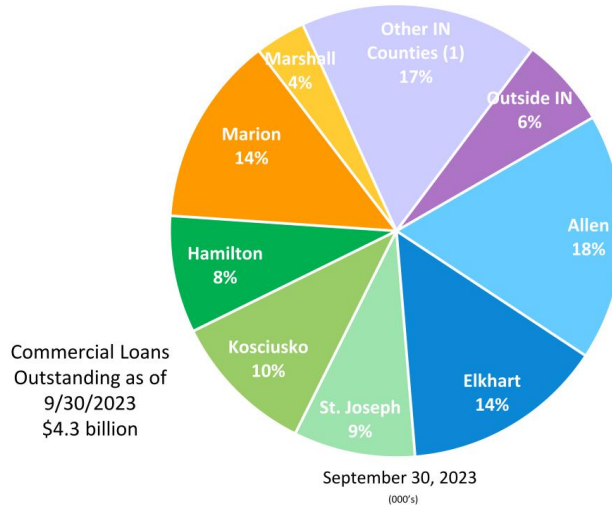
Investment Security Portfolio Cashflows

Cash Flows of \$353 million Expected Through June 2027



Commercial Loans by County

Commercial Customers in 46 Indiana Counties and 22 Other States



(1) All other counties individually represent less than 2% of total

Larger Market Organic Expansion

Organic Growth

State Rank	County	Primary City	Population*	LCB Entry	LCB Deposit Market Share**	# of Branches
21.	Kosciusko	Warsaw	80,826	1872	64%	12
6.	Elkhart	Elkhart	206,890	1990	23%	11
5.	St. Joseph	South Bend	272,234	1997	8%	4
3.	Allen	Fort Wayne	391,449	1999	12%	5
1.	Hamilton, Johnson, Marion	Indianapolis	1,500,169	2011	1%	7

* Source: STATS Indiana

** Source: FDIC 6/30/23 Statistics



Mature Market Strength and Growth

Organic Growth

(millions)¹

	2023		2013		Increase	2023 # of Offices
	Deposits	Share	Deposits	Share		
1. 1 st Source	\$5,258	19.69%	\$2,627	14.33%	100.15%	53
2. Lake City Bank	\$4,828	18.08%	\$2,409	13.14%	101.42%	53
3. JPM Chase	\$3,651	13.68%	\$1,676	9.14%	117.84%	20
4. PNC	\$1,694	6.34%	\$1,211	6.60%	39.88%	17
5. First Merchants	\$1,071	4.01%	\$654	3.57%	63.76%	9
6. Flagstar/Wells Fargo ⁽²⁾	\$994	3.72%	\$2,466	13.46%	(59.69)%	23
7. Star	\$903	3.38%	\$444	2.42%	103.38%	10
8. Old National	\$803	3.01%	\$582	3.18%	37.97%	9
9. Fifth Third	\$729	2.73%	\$370	2.02%	97.03%	8
10. KeyBank	\$674	2.52%	\$974	5.32%	(30.80)%	14
Market Total	\$26,701		\$18,331		45.66%	



¹Mature Markets includes 12 Northern Indiana counties and excludes 3 Central Indiana counties
²Flagstar purchased Wells Fargo Indiana branches in 2018
 Adjusted to include branches subsequently acquired by surviving banks. Data based on June 30th regulatory reporting for each year presented.



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