

2017 Year in Review

Forward-Looking Information

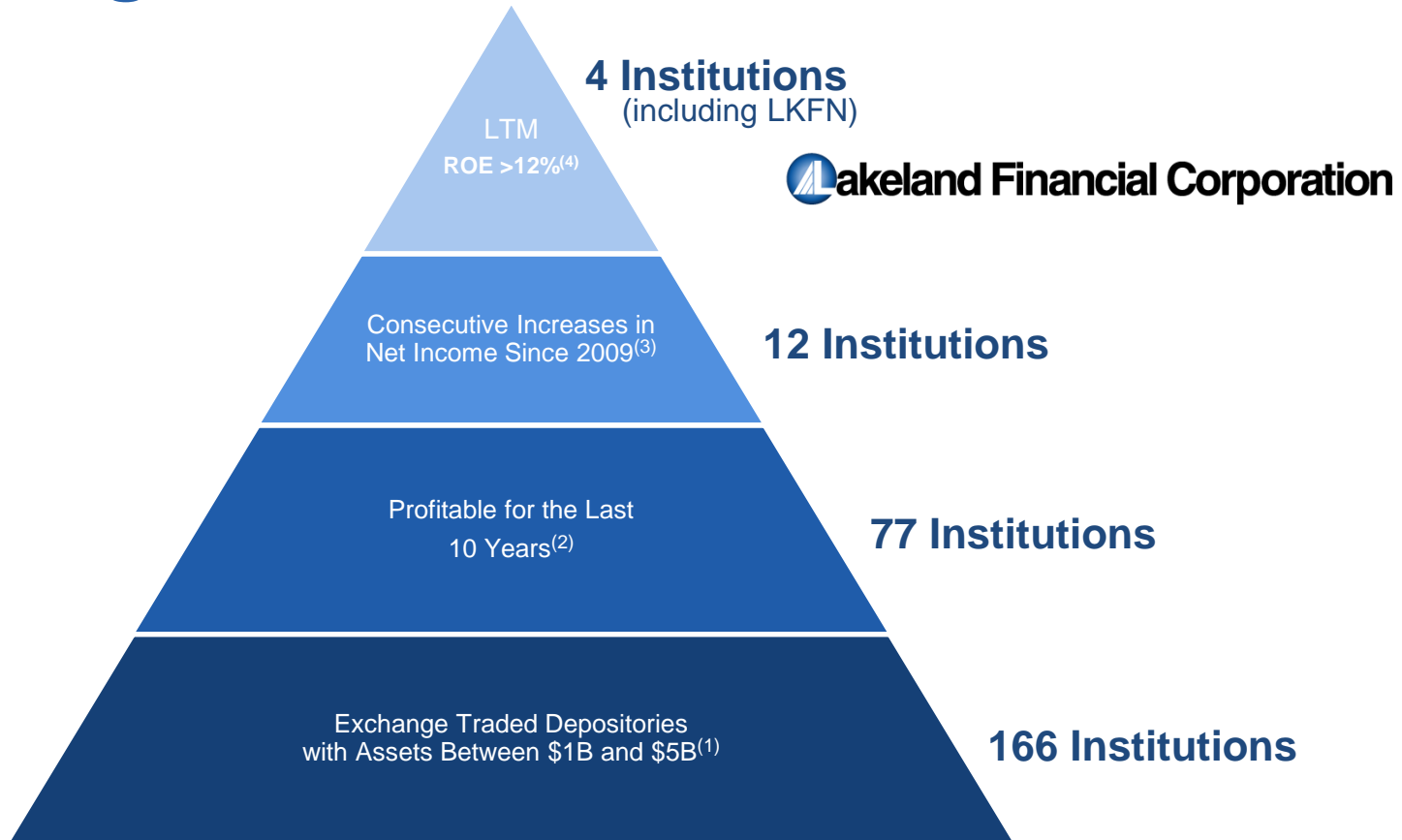
This presentation contains, and future oral and written statements of the Company and its management may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future 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, 2017.

- (1) Includes banks and thrifts traded on the NYSE, NYSEAM or NASDAQ as of 3/13/18; 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, 2008 through December 31, 2017). 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.
- (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 and 2017.
- (4) 2017Q4 net income excludes any extraordinary items, including any revaluation of net deferred tax assets due to tax reform.

A Quarter Century of Organic Growth

Record Net Income for 28 of 29 Years



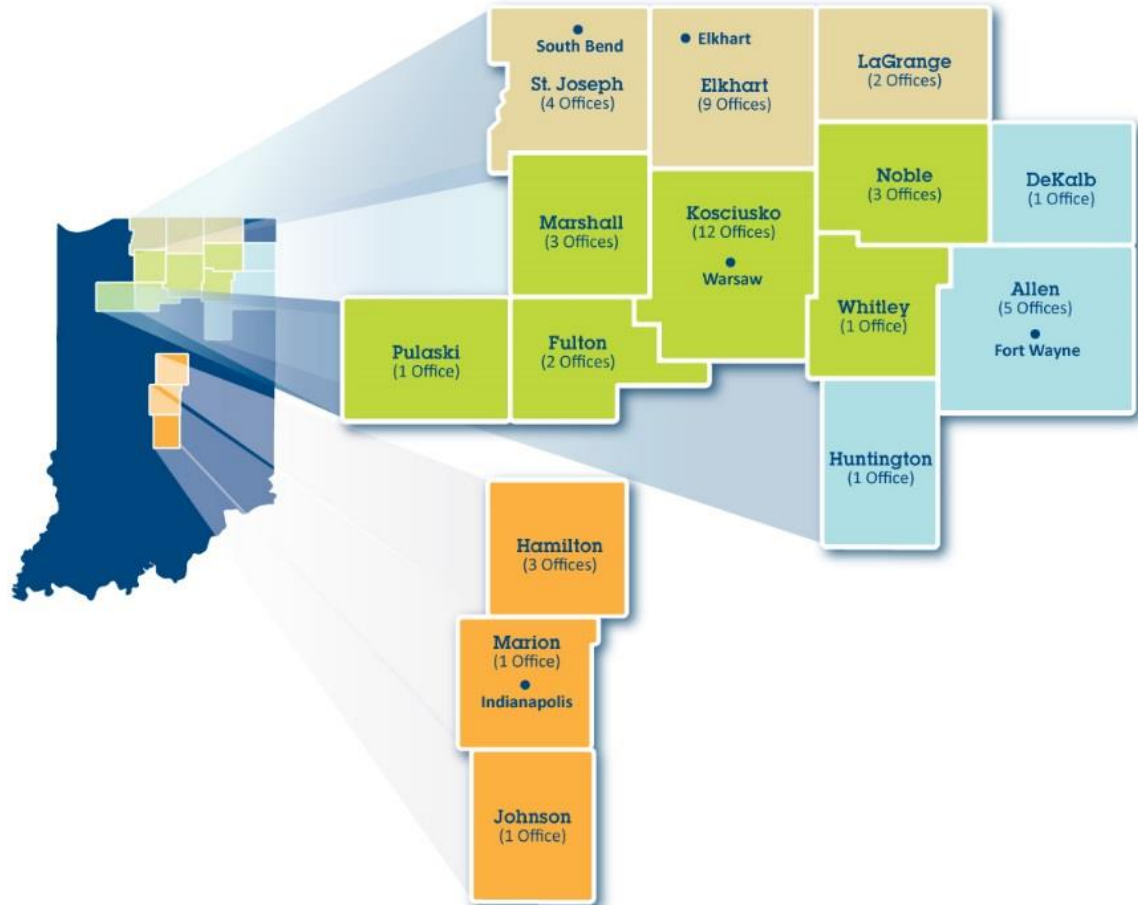
(1) Excludes the income tax provision of \$4.1 million related to the 2017 revaluation of deferred tax assets

Positioned for Growth

Organic Growth Potential in Mature and New Markets

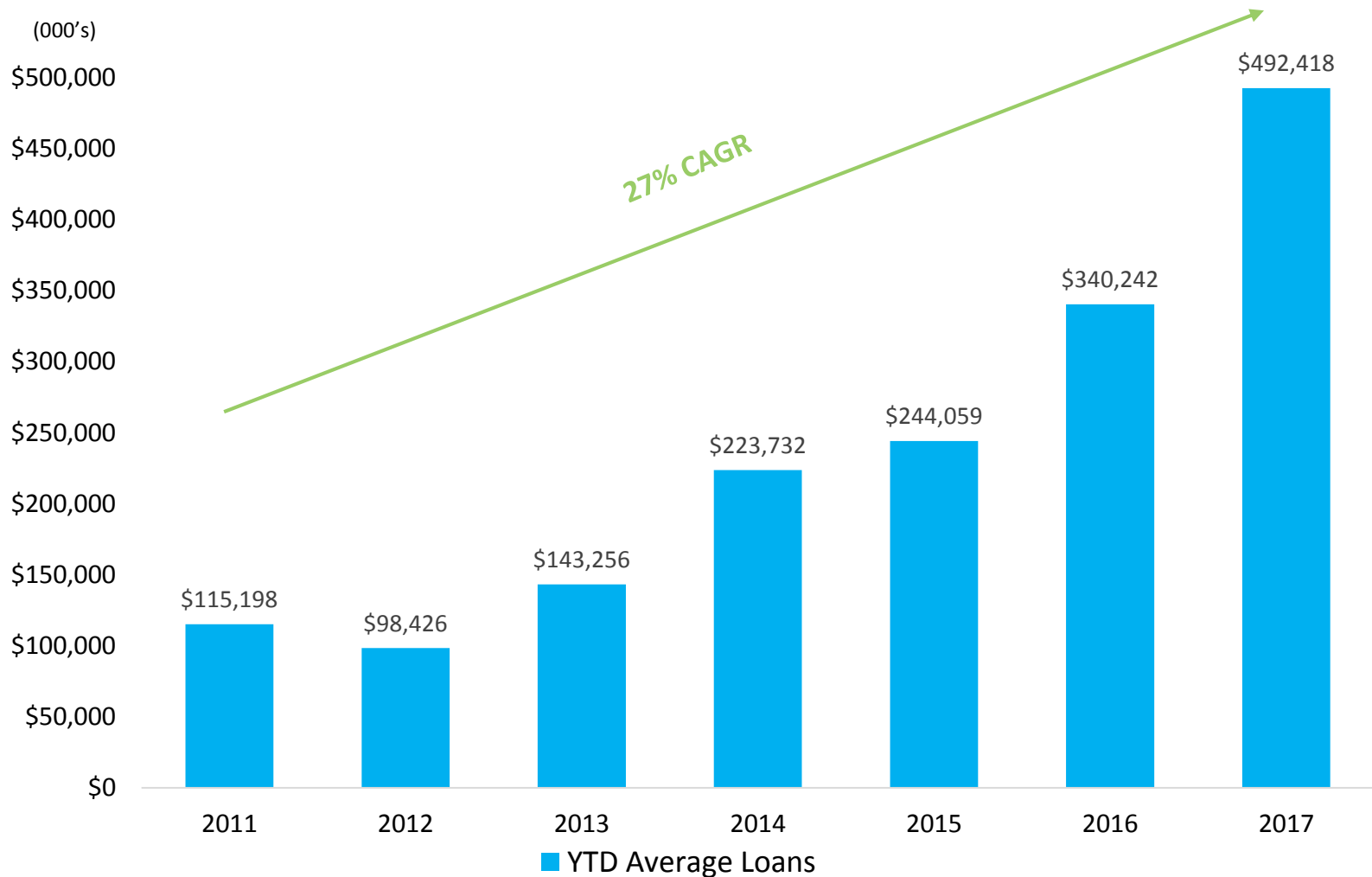
Market Data

Warsaw – 1872 22 offices
Elkhart – 1990 11 offices
South Bend – 1997 4 offices
Fort Wayne – 1999 7 offices
Indianapolis – 2011 5 offices

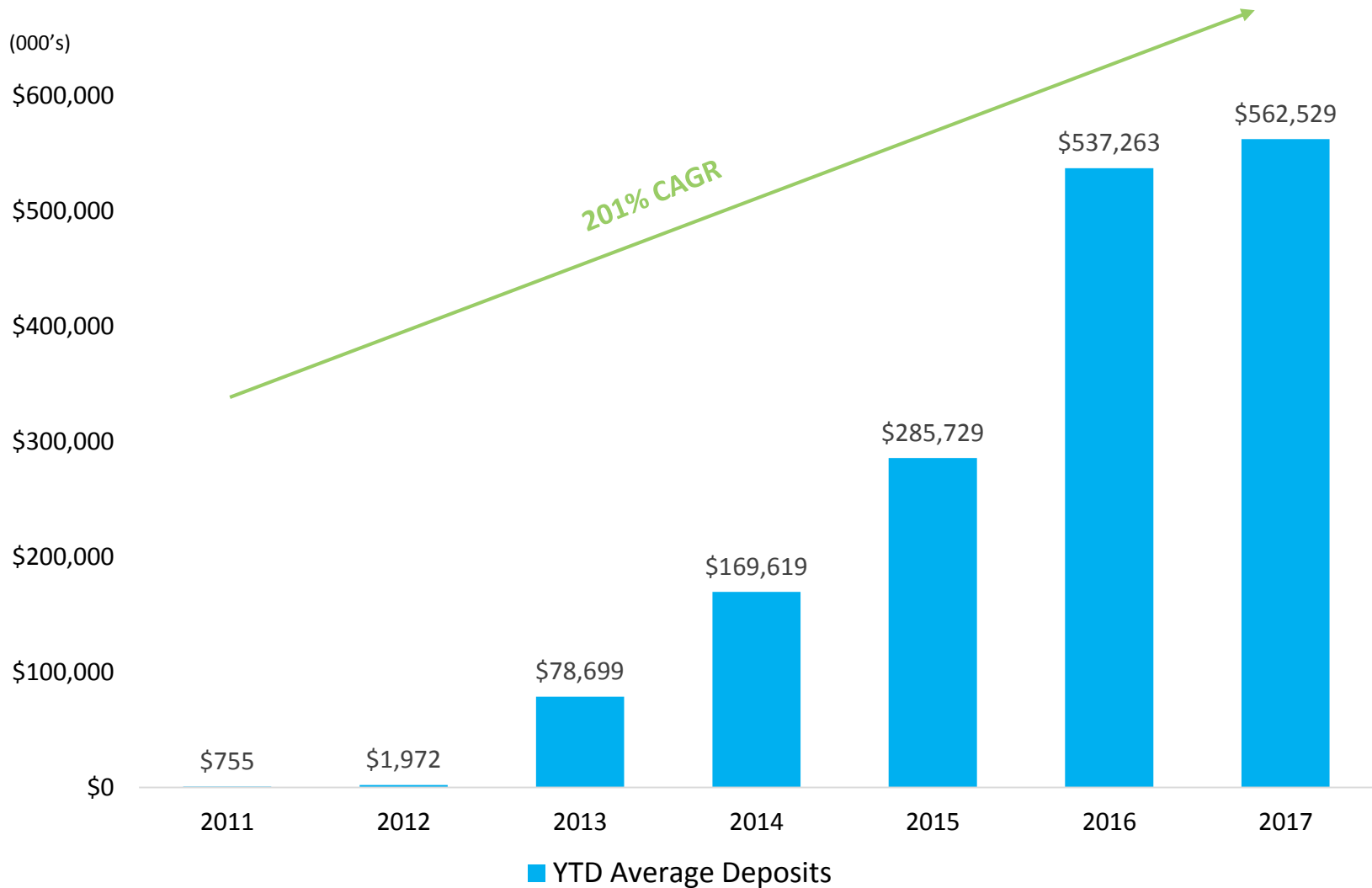


Opening Date of First Office in Market

Indianapolis Market Average Loan Growth



Indianapolis Market Average Deposit Growth



Long-Term Mission

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



Management Committee



Board of Directors

2018 Strategic Plan

A Continued Commitment to
Execution, Culture and Performance



High Quality Team Members

Lake City Bank Culture

- Our Core Values start with honesty
- Lake City University drives our culture
- Our community involvement is real and critical to our strategy
- Our culture has not been diluted by acquisition



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.



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.

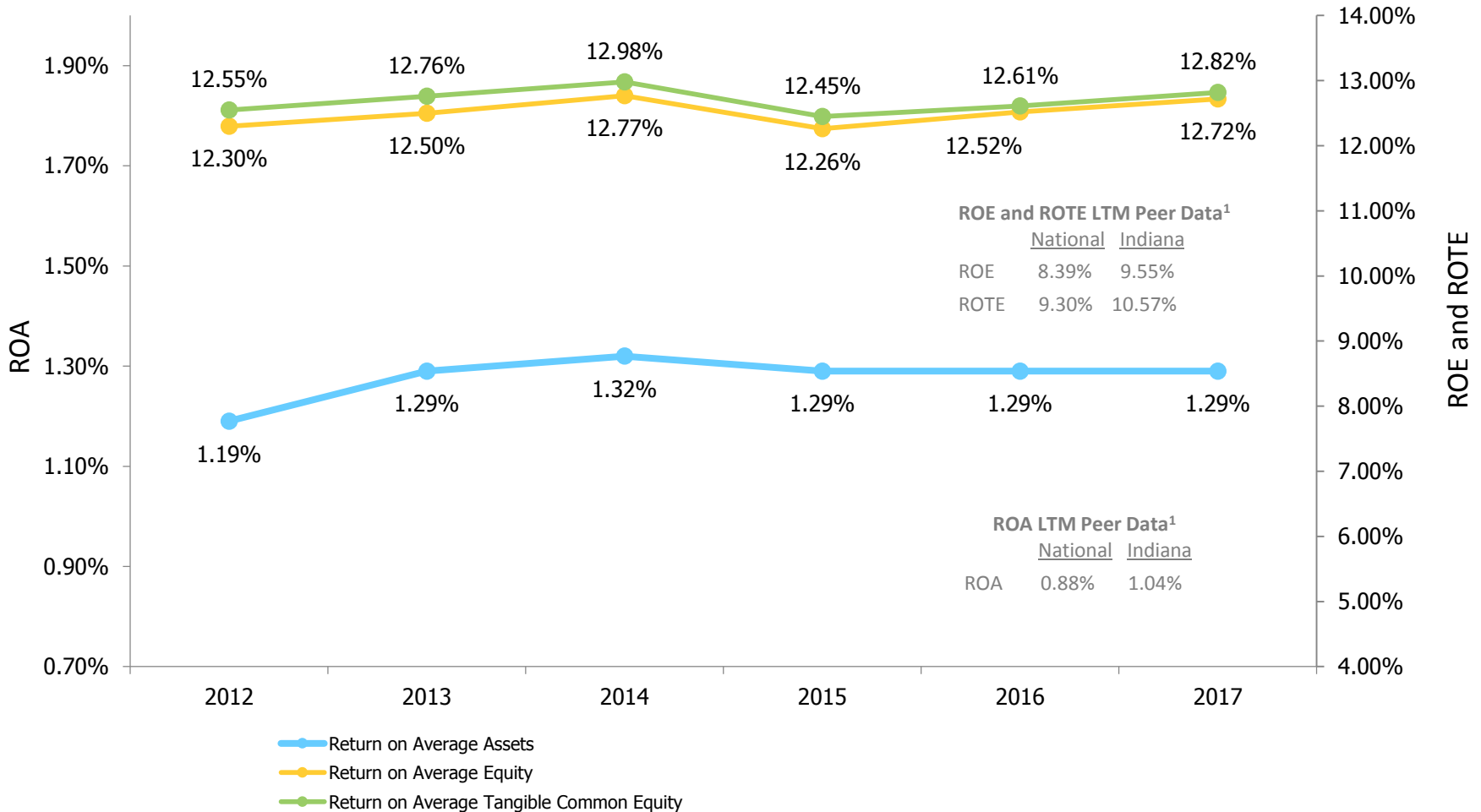
Financial Performance

LAKELAND FINANCIAL CORPORATION
LAKE CITY BANK



Income Performance Metrics

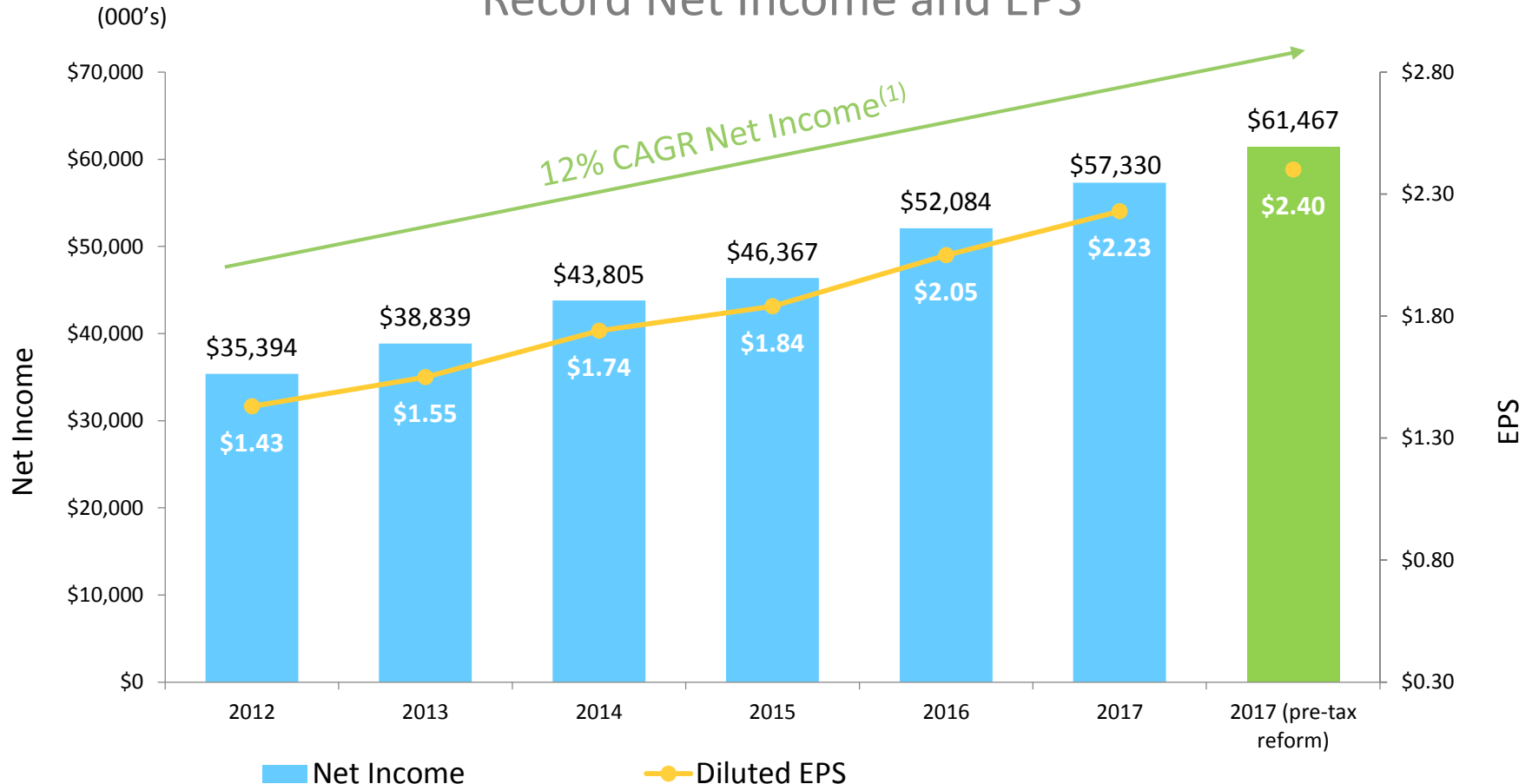
LKFN Performance Exceeds National and Indiana Peers



¹Source KBW
Price Performance Review
September 2017

Net Income and EPS

Record Net Income and EPS



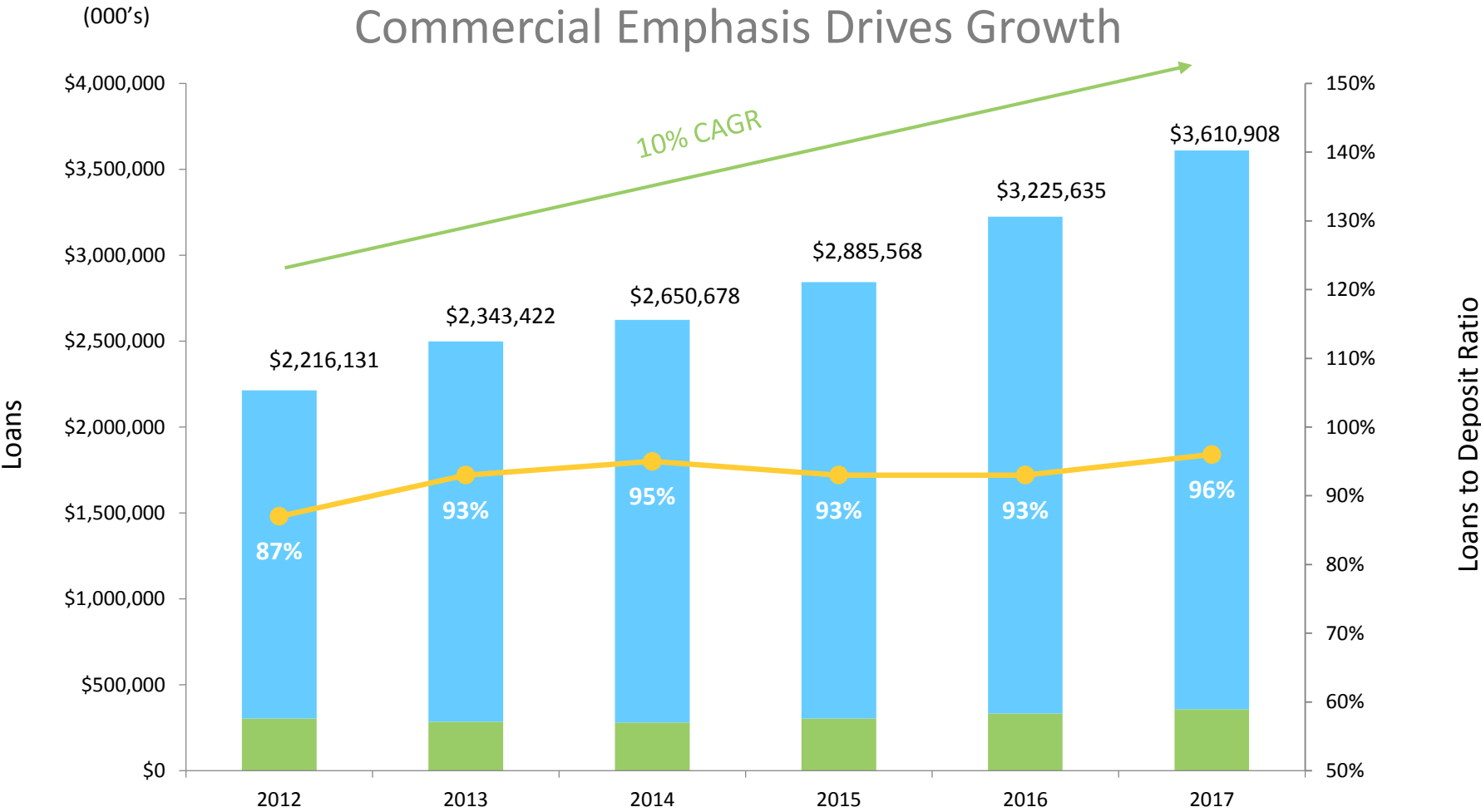
(1) The compound annual growth rate for 2012 to 2017 utilizes net income for 2017, adjusted to exclude the income tax provision of \$4.1 million related to the 2017 revaluation of deferred tax assets.

2017 Net Income Growth pre-tax reform	18%
2017 Net Income Growth	10%
2017 Diluted EPS Growth	9%



Average Loans

Commercial Emphasis Drives Growth



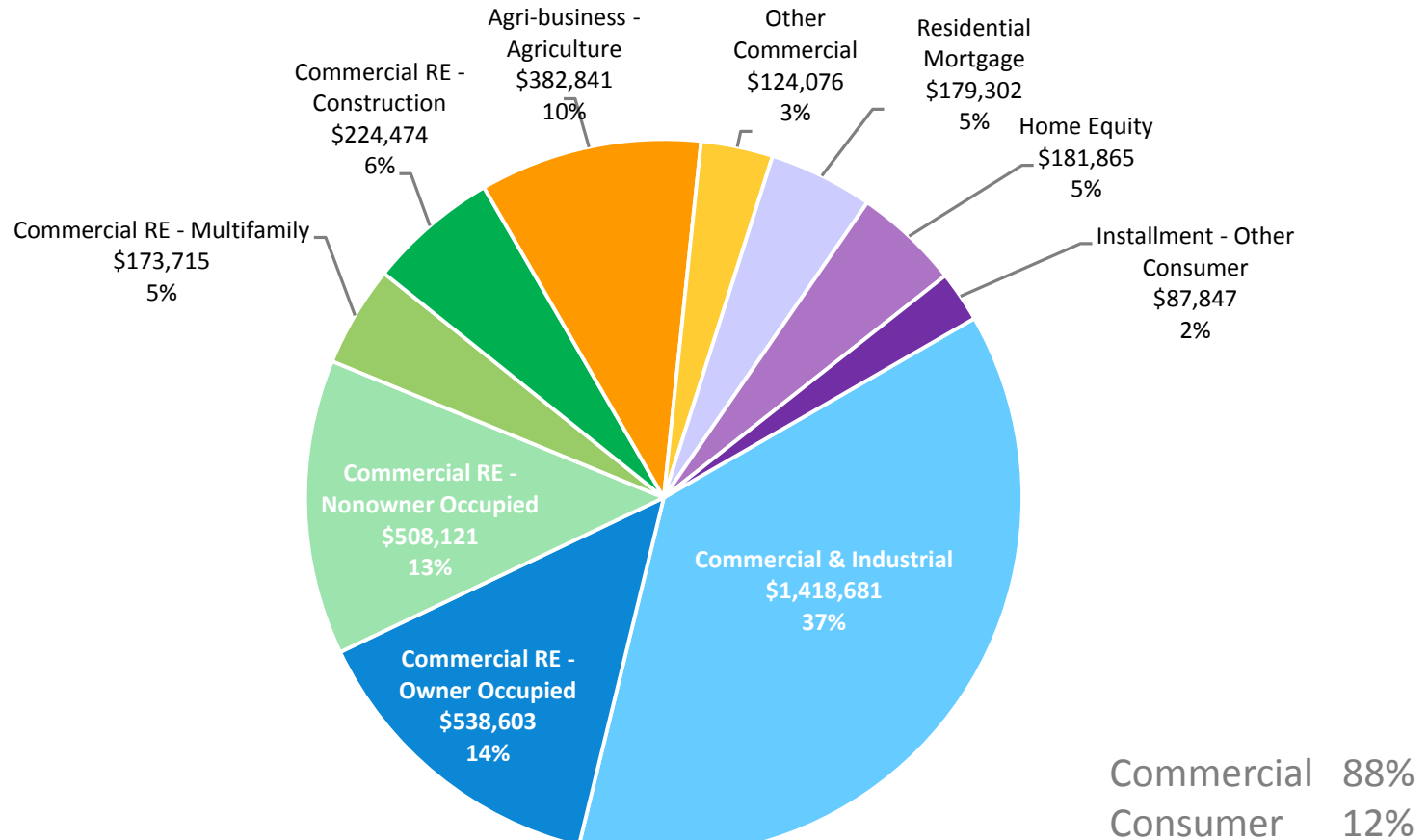
■ Retail
 ■ Commercial
 ● Loans to Deposits

2017 YOY Growth 12%



Loan Breakdown

C&I Drives Lending Business



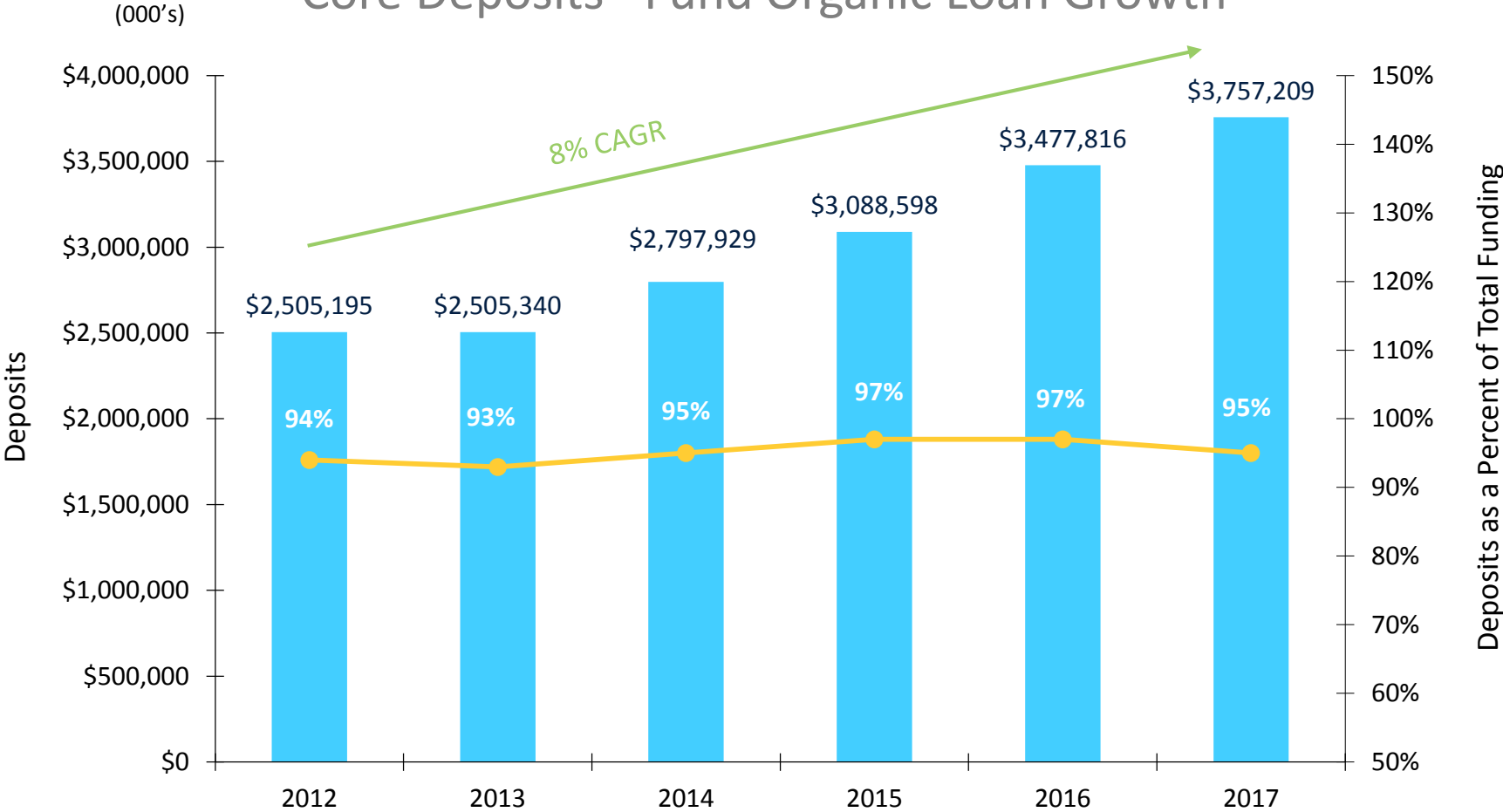
\$3.8 billion as of December 31, 2017

(000's)



Average Deposits

Core Deposits* Fund Organic Loan Growth



Average Deposits

% of Funding

2017 YOY Growth 8%

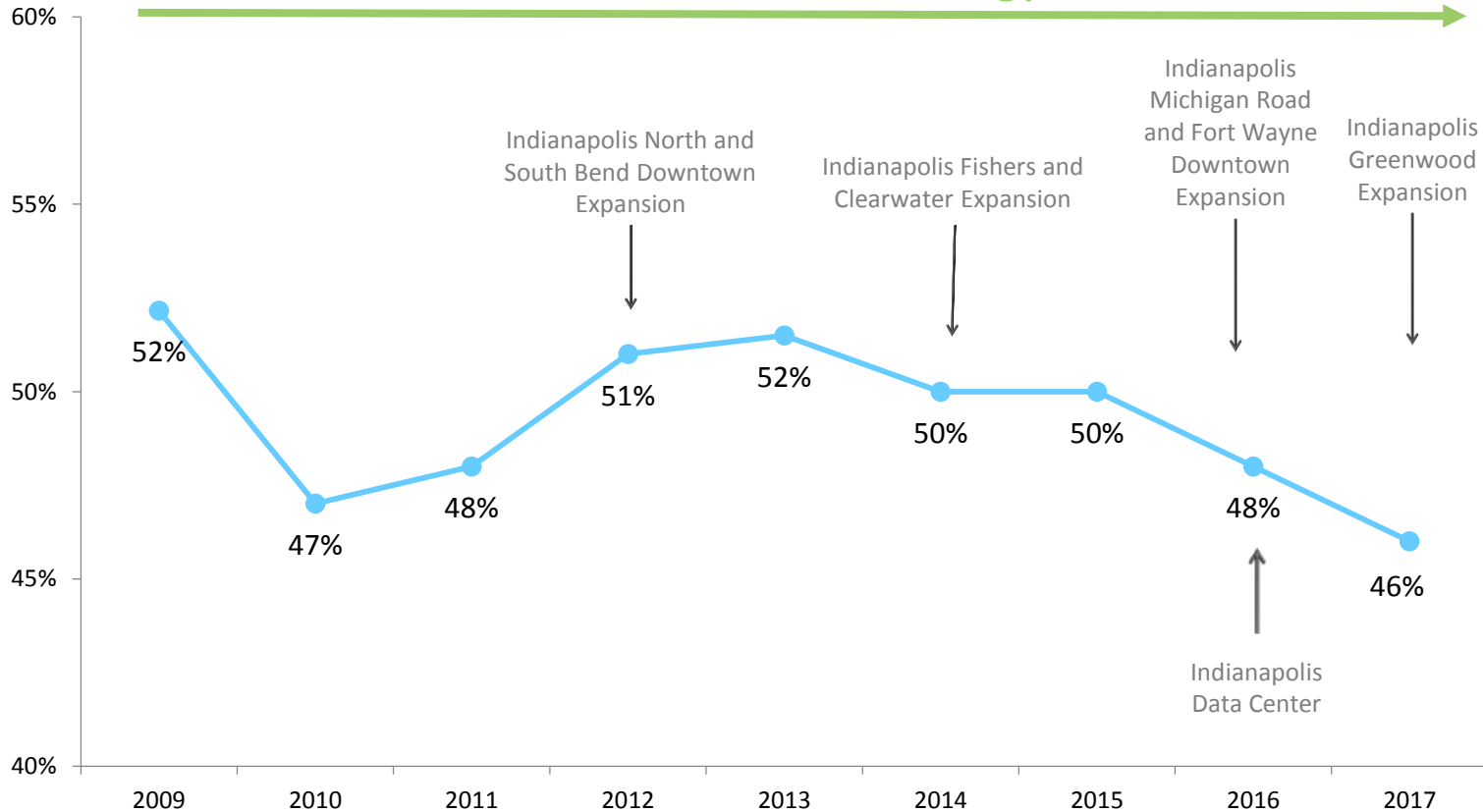


*Core Deposits are defined as total deposits less brokered deposits

Efficiency Ratio

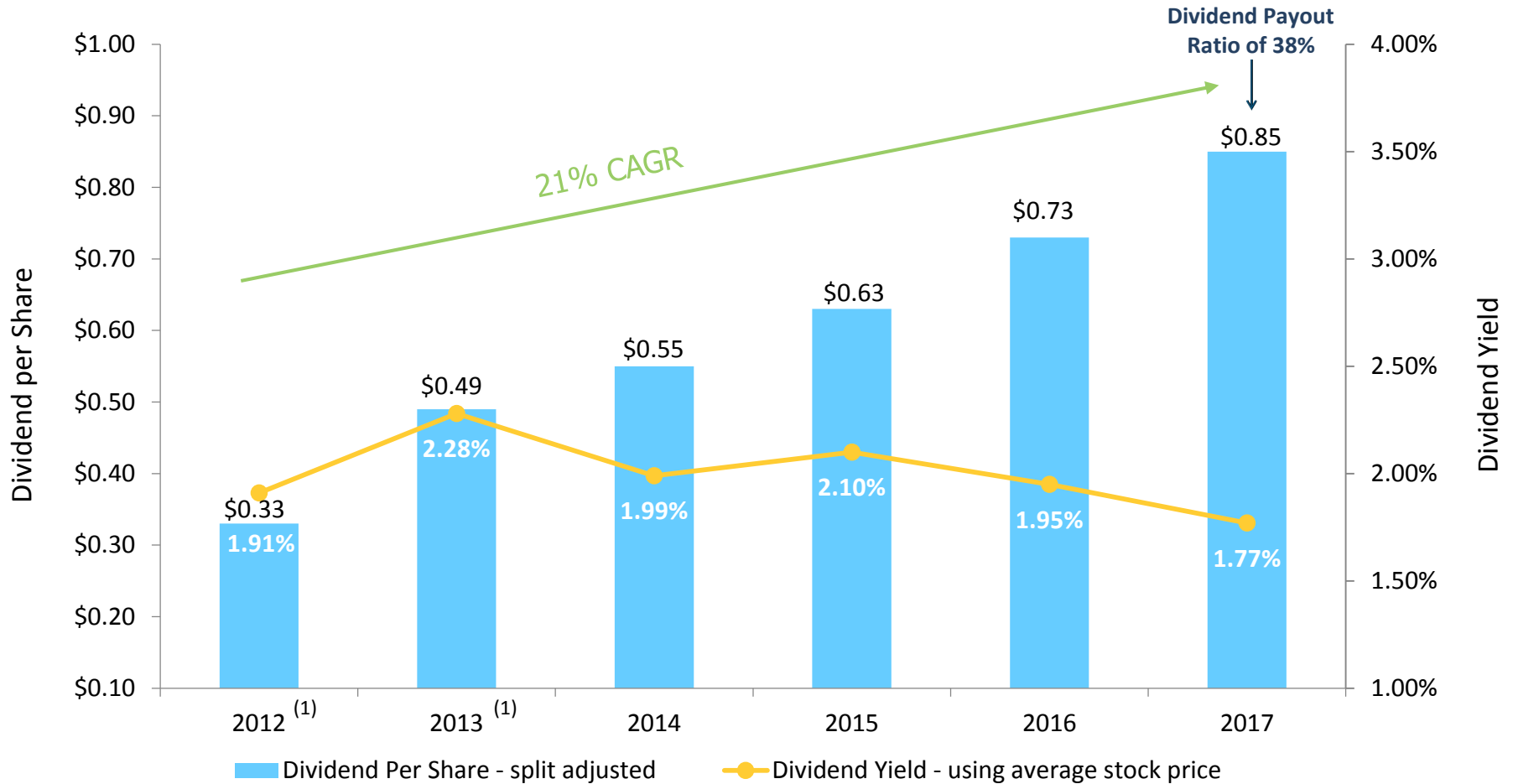
Revenue Growth is Primary Driver of Low Efficiency Ratio

Constant investment in technology and facilities



Stable Healthy Dividend

Significant Increase in Dividend Reflects Strength of Balance Sheet



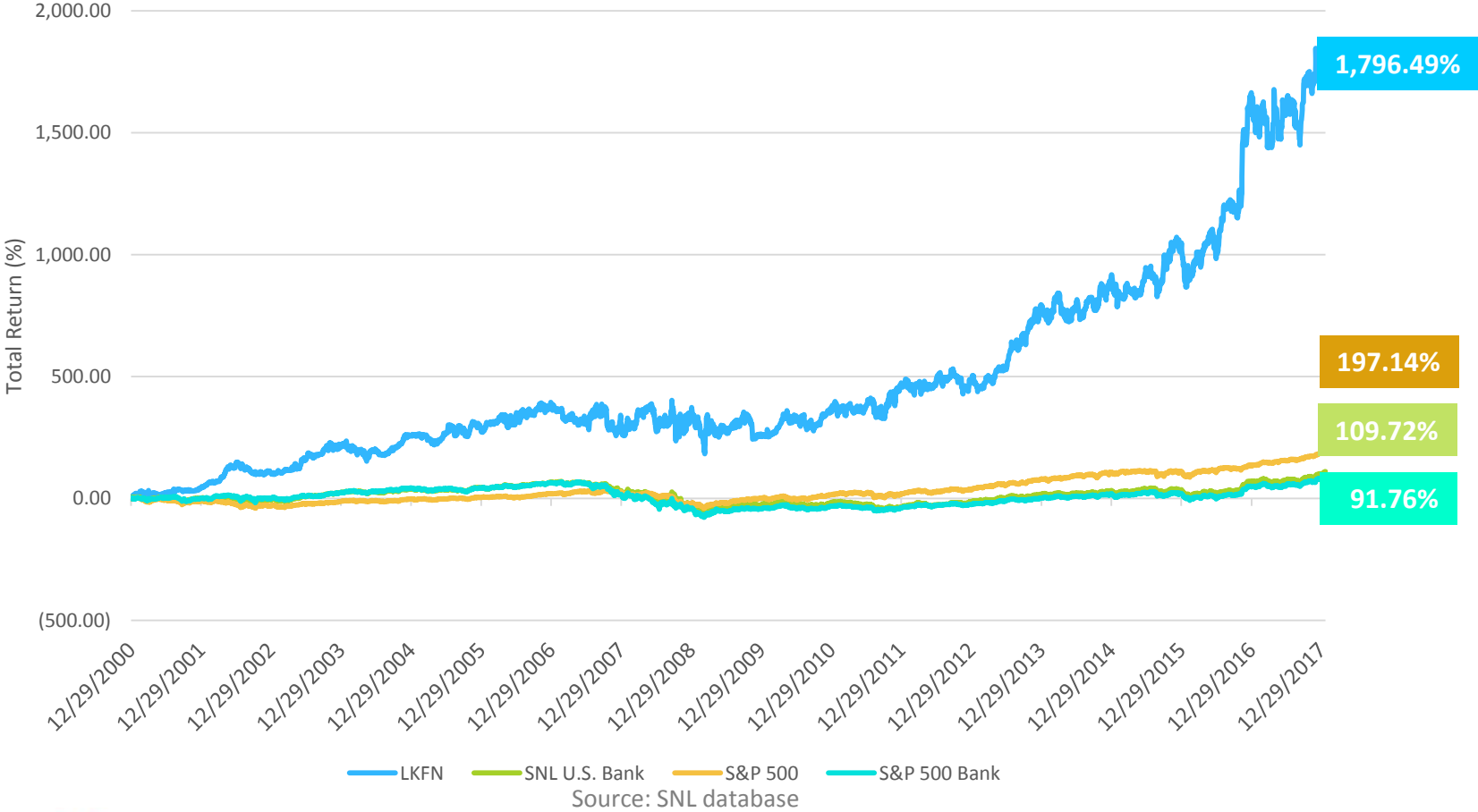
(1) The special fourth quarter dividend paid in 2012 is included in 2013

2017 Growth 16%



LKFN Shareholder Value

Total Return Performance from 12/31/00 to 1/18/18





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