



Lakeland Financial Reports Record Third Quarter Performance with Loan Growth of 8%; Diluted Earnings per Share Increases by 11%

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WARSAW, Ind., Oct. 26, 2026 (GLOBE NEWSWIRE) -- Lakeland Financial Corporation (Nasdaq Global Select/LKFN), parent company of Lake City Bank, today reported record third quarter net income of \$28.9 million for the three months ended September 30, 2026, which represents an increase of \$2.5 million, or 9%, compared to net income of \$26.4 million for the three months ended September 30, 2025. Diluted earnings per share of \$1.14 for the third quarter of 2026 also represents a record for third quarter performance and increased \$0.11, or 11%, compared to \$1.03 for the third quarter of 2025. On a linked quarter basis, net income increased \$417,000 from \$28.4 million. Diluted earnings per share increased \$0.01 from \$1.13 on a linked quarter basis.

The company further reported record performance year-to-date with net income of \$83.8 million for the nine months ended September 30, 2026, versus \$73.5 million for the corresponding period of 2025, an increase of \$10.3 million, or 14%. Diluted earnings per share increased \$0.46, or 16%, to \$3.31 for the nine months ended September 30, 2026, versus \$2.85 for the corresponding period of 2025.

Total revenue was \$73.0 million for the third quarter of 2026 representing an increase of \$4.0 million, or 6%, as compared to \$69.0 million for the third quarter of 2025. On a linked quarter basis, total revenue increased by \$2.1 million, or 3%, from \$70.9 million in the second quarter of 2026. Total revenue increased by \$14.4 million, or 7%, to \$213.6 million for nine months ended September 30, 2026, as compared to \$199.2 million for the corresponding period of 2025.

"Strong loan growth and healthy net interest margin expansion were reflected in the quality of our earnings performance in the quarter," commented David M. Findlay, Chairman and CEO. "Clearly, the resulting record net income reflects the efforts of the entire Lake City Bank team as we continue to grow our market share in every market we serve."

Quarterly Financial Performance

Third Quarter 2026 versus Third Quarter 2025 highlights:

- Loans increased by \$431.4 million, or 8%, from \$5.25 billion to \$5.68 billion
- Average loans increased by \$381.9 million, or 7%, to \$5.59 billion
- Net interest income improved by \$4.6 million, or 8%, from \$56.1 million to \$60.7 million
- Net interest margin improved 8 basis points to 3.58% from 3.50%
- Total revenue grew by 6% from \$69.0 million to \$73.0 million
- Core deposits expanded by \$204.3 million, or 3%, to \$6.05 billion
- Return on average equity improved to 14.88%, compared to 14.60%
- Average equity improved by \$51.7 million, or 7%, from \$717.4 million to \$769.1 million
- Return on average assets improved to 1.59%, compared to 1.53%
- Nonperforming loans to total loans improved to 0.32%, from 0.36%
- Diluted weighted average common shares outstanding declined by 583,478, or 2%, as a result of the company's ongoing share repurchase plan

Third Quarter 2026 versus Second Quarter 2026 highlights:

- Net interest margin improved 9 basis points to 3.58% from 3.49%
- Loans grew by \$100.4 million, or 2%, from \$5.58 billion to \$5.68 billion
- Net interest income increased \$2.4 million, or 4%, from \$58.3 million to \$60.7 million
- Average loans increased by \$56.4 million, or 1%, to \$5.59 billion
- Core deposits expanded by \$22.5 million, or less than 1%, to \$6.05 billion
- Total revenue grew by 3% from \$70.9 million to \$73.0 million
- Nonperforming loans declined by \$2.0 million, or 10%, from \$20 million to \$18 million

Net Interest Margin

Net interest margin was 3.58% for the third quarter of 2026, representing an 8 basis point increase from 3.50% for the third quarter of 2025. Net interest margin was favorably impacted by a reduction in deposit pricing that outpaced the decline in earning asset yields. The company's funding costs fell by 24 basis points from 2.37% for the third quarter of 2025 to 2.13% for the third quarter of 2026. Offsetting the decrease in funding costs was a decrease to earning asset yields of 16 basis points from 5.87% for the third quarter of 2025 to 5.71% for the third quarter of 2026.

Net interest margin increased 9 basis points to 3.58% for the third quarter of 2026, as compared to 3.49% for the linked second quarter of 2026. Average earning asset yields increased by 6 basis points from 5.65% to 5.71% on a linked quarter basis and interest expense as a percentage of average earning assets decreased 3 basis points from 2.16% to 2.13%. The second quarter cost of funds were elevated by inflows of seasonal public funds deposits into higher priced deposit products.

Net interest income was \$60.7 million for the third quarter of 2026, representing an increase of \$4.6 million, or 8%, as compared to \$56.1 million for the third quarter of 2025. On a linked quarter basis, net interest income increased by \$2.4 million, or 4%, from \$58.3 million. Net interest income increased by \$12.0 million, or 7%, from \$163.8 million for the nine months ended September 30, 2025, to \$175.8 million for the nine months ended September 30, 2026.

"We're particularly proud of the net interest margin expansion on a year-over-year basis as well as on a quarter-linked basis. This significant improvement reflects the positive impact of healthy loan growth combined with deposit pricing strategies to positively impact our net interest margin," stated Lisa M. O'Neill, Executive Vice President and Chief Financial Officer.

Capital Strength

The company's total capital as a percentage of risk-weighted assets was 15.56% at September 30, 2026, compared to 16.21% at September 30, 2025, and 15.61% at June 30, 2026. These capital levels significantly exceeded the 10.00% regulatory threshold required to be characterized as "well capitalized" and reflect the company's robust capital base.

The company's tangible common equity to tangible assets ratio, which is a non-GAAP financial measure, was 10.11% at September 30, 2026, compared to 10.79% at September 30, 2025, and 10.63% at June 30, 2026. The decline in the tangible common equity to tangible assets ratio was primarily driven by an increase in unrealized losses from available-for-sale investment securities, resulting from the rapid 85 basis point rise in the 10-year Treasury yield during the third quarter. As a result, unrealized losses on available-for-sale investment securities increased to \$213.9 million at September 30, 2026, up from \$159.9 million at September 30, 2025, and \$140.9 million at June 30, 2026. Excluding the impact of accumulated other comprehensive income (loss) on tangible common equity and tangible assets, the company's ratio of adjusted tangible common equity to adjusted tangible assets, a non-GAAP financial measure, was 12.32% at September 30, 2026, compared to 12.57% at September 30, 2025, and 12.14% at June 30, 2026.

The company continued to repurchase shares during the third quarter, with 41,550 shares of its common stock repurchased at a weighted average price per share of \$58.45 with an aggregate purchase price of \$2.4 million. The current program authorizes the company to repurchase up to \$60.0 million in aggregate purchase price of the company's common stock through April 30, 2027, or 8.2% of current equity. The company has repurchased a total of 787,166 shares under the current program from April 1, 2025 through September 30, 2026 at an aggregate purchase price of \$45.4 million and weighted average purchase price per share of \$57.62, with remaining authorization of \$14.6 million at quarter end.

As announced on October 13, 2026, the board of directors approved a cash dividend for the third quarter of \$0.52 per share, payable on November 5, 2026, to shareholders of record as of October 25, 2026. The third quarter dividend per share represents a 4% increase from the \$0.50 dividend per share paid for the third quarter of 2025. The dividend payout ratio improved to 47.1% for the nine months ended September 30, 2026 compared to 52.6% for the similar period in 2025.

Kristin L. Pruitt, President, noted, "We are pleased to continue to opportunistically leverage our share repurchase program to demonstrate our confidence in the quality of our performance and the long-term strength of our model, as well as our earnings potential. Our capital position remains robust, enabling us to grow the balance sheet while also returning excess capital to shareholders through a meaningful dividend as well as the common share repurchases."

Loan Portfolio

Average total loans of \$5.59 billion in the third quarter of 2026 increased \$381.9 million, or 7%, from \$5.21 billion for the third quarter of 2025, and increased \$56.4 million, or 1%, from \$5.53 billion for the second quarter of 2026.

Total loans, net of deferred loan fees, increased by \$431.4 million, or 8%, from \$5.25 billion as of September 30, 2025, to \$5.68 billion as of September 30, 2026. The growth in loans was driven by increases across all primary commercial and consumer segments of the portfolio, with increases to the commercial and industrial loans of \$187.4 million, or 12%, commercial real estate and multi-family residential loans of \$117.6 million, or 4%, consumer 1-4 family mortgage loans of \$83.2 million, or 16%, other commercial loans of \$28.8 million, or 31%, agri-business and agricultural loans of \$8.2 million, or 2%, and other consumer loans of \$6.7 million, or 6%.

On a linked quarter basis, total loans increased by \$100.4 million, or 2%, from \$5.58 billion at June 30, 2026. The linked quarter increase was driven by growth in both the commercial and consumer segments of the portfolio, with increases to the commercial and industrial loan portfolio of \$61.1 million, or 4%, consumer 1-4 family mortgage loans of \$18.0 million, or 3%, commercial real estate and multi-family residential loans of \$12.2 million, or less than 1%, and agri-business and agricultural loans of \$8.8 million, or 3%.

Commercial loan originations for the third quarter were approximately \$525.0 million and were offset by approximately \$443.0 million in loan pay downs. Commercial and industrial line of credit usage was 42% as of September 30, 2026, compared to 40% at September 30, 2025, and 43% at June 30, 2026. Total commercial and industrial lines of credit availability grew by \$104.0

million, or 5%, as compared to the prior year, and line usage increased by \$88.0 million, or 10%, over that period. On a linked quarter basis, total commercial and industrial lines of credit availability declined by \$2.0 million, and line usage declined by \$16.0 million, or 2%.

"The strength of loan growth during 2026 has been highlighted by double digit growth in commercial and industrial loans. This encouraging trend is further supported by commercial loan originations outpacing loan paydowns for the fourth quarter in a row," stated Findlay. "We continue to make progress on our organic loan growth plans with high single digit loan growth on a year-over-year and quarter-linked bases. We are optimistic that our continued emphasis on client prospecting and joint calling is beginning to yield positive results. We continue to add to our commercial and retail lending teams throughout the Lake City Bank footprint."

Diversified Deposit Base

The bank's diversified deposit base has grown on a year-over-year basis and core deposits, which exclude brokered deposits, represented 96% of total deposits at September 30, 2026.

<u>(in thousands)</u>	<u>September 30, 2026</u>		<u>June 30, 2026</u>		<u>September 30, 2025</u>	
Retail	\$ 1,817,961	28.9%	\$ 1,769,029	28.0%	\$ 1,724,983	28.6%
Commercial	2,210,358	35.1	2,113,784	33.4	2,288,701	38.0
Public funds	2,024,628	32.2	2,147,600	33.9	1,834,987	30.5
Core deposits	6,052,947	96.2	6,030,413	95.3	5,848,671	97.1
Brokered deposits	241,849	3.8	299,155	4.7	175,647	2.9
Total	\$ 6,294,796	100.0%	\$ 6,329,568	100.0%	\$ 6,024,318	100.0%

Total deposits increased \$270.5 million, or 4%, from \$6.02 billion as of September 30, 2025, to \$6.29 billion as of September 30, 2026. The increase in total deposits was driven by an increase in core deposits, which increased by \$204.3 million, or 3%. Public funds deposits grew annually by \$189.6 million, or 10%, to \$2.02 billion and retail deposits expanded by \$93.0 million, or 5%, to \$1.82 billion. Conversely, commercial deposits contracted by \$78.3 million, or 3%, to \$2.21 billion. Brokered deposits increased by \$66.2 million, or 38%, but remain at a low level, representing 4% of total deposits at September 30, 2026.

On a linked quarter basis, total deposits decreased \$34.8 million, or 1%, from \$6.33 billion at June 30, 2026, to \$6.29 billion at September 30, 2026. Core deposits increased by \$22.5 million, or less than 1%, while brokered deposits decreased by \$57.3 million, or 19%. The linked quarter growth in core deposits was driven by an increase in commercial deposits of \$96.6 million, or 5%, and an increase in retail deposits of \$48.9 million, or 3%. This growth was offset by a seasonal reduction in public funds of \$123.0 million, or 6%.

Average total deposits were \$6.34 billion for the third quarter of 2026, an increase of \$308.5 million, or 5%, from \$6.03 billion for the third quarter of 2025. Average interest-bearing deposits drove the increase in average total deposits and increased by \$259.3 million, or 5%. Contributing to the overall growth of interest-bearing deposits was an increase in total average time deposits of \$174.4 million, or 23%, and an increase in average interest-bearing checking accounts of \$88.6 million, or 2%. Additionally, average noninterest-bearing demand deposits increased by \$49.3 million, or 4%, to \$1.29 billion.

On a linked quarter basis, average total deposits increased by \$25.4 million, or less than 1%, from \$6.31 billion for the second quarter of 2026 to \$6.34 billion for the third quarter of 2026. Driving the increase was an increase in noninterest bearing demand deposits of \$65.9 million, or 5%, and an increase in average time deposits of \$13.3 million, or 1%. Offsetting these increases were reductions in interest bearing checking accounts, which declined by \$47.1 million, or 1%, and average savings accounts, which declined by \$6.7 million, or 2%.

Checking account growth as of September 30, 2026, compared to September 30, 2025, includes growth of \$261.3 million, or 15%, in aggregate public fund checking account balances and growth of \$43.5 million, or 5%, in aggregate retail checking account balances. Offsetting these increases was a decline of \$128.2 million, or 6%, in aggregate commercial checking account balances. The number of accounts expanded for all three segments, with growth of 2% for commercial accounts, 1% for public funds accounts and 1% for retail accounts.

"Core deposits remain stable at 96% of total deposits," added O'Neill. "During the quarter we deployed deposit growth strategies in Indianapolis that yielded \$106.1 million in deposits, of which \$83.2 million was new money to Lake City Bank. This strategy contributed to the quarter linked growth in commercial and retail deposits and provides our revenue producing teams with new opportunities to continue to grow deposit and loan relationships."

Asset Quality

The company recorded a provision for credit losses of \$1.2 million in the third quarter of 2026, compared to \$2.0 million in the third quarter of 2025 and \$1.7 million for the linked second quarter of 2026.

The allowance for credit loss reserve to total loans was 1.21% at September 30, 2026, down from 1.30% at September 30, 2025, and 1.27% at June 30, 2026. The company recorded net charge offs of \$3.0 million in the third quarter of 2026, compared to net

charge offs of \$384,000 in the third quarter of 2025 and \$24,000 during the linked second quarter of 2026. Net charge offs during the third quarter of 2026 were driven by a partial charge off of \$2.8 million to address a shortfall in collateral related to the ongoing workout of a nonperforming commercial credit, which was fully reserved for in prior quarters. Annualized net charge offs to average loans were 0.21% for the third quarter of 2026, compared to 0.03% for the third quarter of 2025 and 0.00% for the linked second quarter of 2026.

Nonperforming assets decreased by \$1.1 million, or 6%, to \$18.0 million as of September 30, 2026, versus \$19.1 million as of September 30, 2025. On a linked quarter basis, nonperforming assets decreased by \$2.0 million, or 10%, primarily driven by the aforementioned \$2.8 million partial charge off. The ratio of nonperforming assets to total assets at September 30, 2026, decreased to 0.25%, down from 0.28% at September 30, 2025 and June 30, 2026.

Total individually analyzed and watch list loans increased by \$44.7 million, or 28%, to \$202.0 million as of September 30, 2026, versus \$157.2 million as of September 30, 2025. On a linked quarter basis, total individually analyzed and watch list loans increased by \$4.0 million, or 2%, from \$198.0 million at June 30, 2026. The increase in individually analyzed and watch list loans during the linked quarter was driven primarily by credit downgrades to the watch list of approximately \$15.6 million and offset by payoffs and upgrades of approximately \$9.4 million and the \$2.8 million partial charge off. Watch list loans as a percentage of total loans were 3.56% at September 30, 2026, a 56 basis point increase compared to 3.00% at September 30, 2025, and a 1 basis point increase from 3.55% at June 30, 2026.

Findlay stated, "The Indiana economy is resilient, diverse and expanding. Our borrowers continue to navigate through the challenges created by rising oil prices and tariff policy uncertainty. We are pleased that our asset quality trends continue to be stable with historically-low troubled loan totals, and we remain optimistic about the manufacturing outlook in our state."

Investment Portfolio Overview

Total investment securities were \$1.09 billion at September 30, 2026, reflecting a decrease of \$74.3 million, or 6%, as compared to \$1.16 billion at September 30, 2025. Investment securities represented 15% of total assets as of September 30, 2026, down from 17% at September 30, 2025 and 16% at June 30, 2026. The company anticipates receiving principal and interest cash flows of approximately \$24.1 million during the remainder of 2026 from the investment securities portfolio and plans to use that liquidity to fund loan growth as well as reinvestments to the investment securities portfolio. Tax equivalent adjusted effective duration for the investment portfolio contracted to 5.6 years at September 30, 2026, compared to 5.8 years at September 30, 2025, and 5.8 years at June 30, 2026.

Noninterest Income

The company's noninterest income decreased \$680,000, or 5%, to \$12.3 million for the third quarter of 2026, compared to \$13.0 million for the third quarter of 2025. Wealth advisory fees increased \$298,000, or 10%, driven by continued growth in customers and assets under management. Mortgage banking income increased \$94,000 from increased pipeline volume. Service charges on deposit accounts increased by \$84,000, or 3%. Equity market declines negatively impacted the performance of the bank's variable owned life insurance policies, which declined by \$476,000 during the third quarter of 2026 as compared to the prior quarter. Loan and service fees decreased \$384,000, or 11%, from reduced commercial loan fees. Other income decreased by \$320,000, or 43%, from a reduction in limited partnership investment income.

Noninterest income for the third quarter of 2026 decreased by \$298,000, or 2%, on a linked quarter basis from \$12.6 million during the second quarter of 2026. Increases to fee-based revenue streams benefitted noninterest income, including wealth advisory fees, which increased \$136,000, or 5%, service charges on deposit accounts, which increased \$127,000, or 4%, merchant and interchange fee income, which increased \$40,000, or 5%, and investment brokerage fees, which increased \$24,000, or 5%. Offsetting these positive contributions to noninterest income were decreases to bank owned life insurance income of \$464,000, or 29%, other income of \$96,000, or 18%, and mortgage banking income of \$40,000, or 31%. The decrease in bank owned life insurance income was driven by variable bank owned life insurance market performance. Reduced limited partnership income primarily drove the decrease in other income, and reduced pipeline volume contributed to the decrease in mortgage banking income.

Noninterest income increased by \$2.4 million, or 7%, to \$37.8 million for the nine months ended September 30, 2026, compared to \$35.4 million for the prior year period. Increases in fee-based revenue streams contributed to the increase to noninterest income, with wealth advisory fees improving by \$844,000, or 10%, and service charges on deposit accounts improving by \$235,000, or 3%. Conversely, merchant and interchange fee income declined \$79,000, or 3%. Bank owned life insurance income improved by \$817,000, or 28%, from improved market performance from variable bank owned life insurance policies and incremental income from general account policies purchased in 2025. Interest rate swap fee income improved by \$681,000 and mortgage banking income improved \$230,000, or 343%, from increased volume.

"Our fee-based generating lines of business are contributing to revenue growth with high single digit year-over-year growth in noninterest income," added Findlay. "We are seeing our investments in these business lines positively impact revenue outcomes. In particular, our Wealth Advisory fees grew by 10% on a year-to-date basis compared to the same period in 2025."

Noninterest Expense

Noninterest expense increased \$1.2 million, or 3%, to \$36.1 million for the third quarter of 2026, compared to \$35.0 million during

the third quarter of 2025. Salaries and employee benefits expense increased by \$368,000, or 2%, primarily as a result of increased salaries and wages and benefits expense, and was offset by reduced performance-based incentive compensation accruals. Full-time equivalent staff increased by 31 persons at September 30, 2026 compared to the same period in the prior year, or 5%. The growth in staff reflects the organic growth plans with an increase of 18 revenue generating personnel and 13 support staff over the past year. Professional fees increased \$397,000, or 23%, from increased technology implementation fees and other professional expenses. Net occupancy expense increased \$276,000, or 15%, from the company's continued expansion and reinvestment into its physical branch and operational infrastructure, including the Innovation and Technology Center at the company's downtown Warsaw campus. Data processing fees and supplies increased \$234,000, or 6%, from continued investment in customer-facing and operational technology solutions, including artificial intelligence capabilities. Offsetting these increases was a decrease in other expense of \$175,000, or 6%. The reduction in other expense was driven by reduced office supplies and telecommunications expenses.

On a linked quarter basis, noninterest expense increased by \$1.7 million, or 5%, from \$34.5 million during the second quarter of 2026. Other expense increased \$436,000, or 19%, primarily from semi-annual board of directors share grants that occurred in the third quarter. Corporate and business development expense increased by \$388,000, or 31%, from increased advertising, client entertainment and business development expenses. Professional fees increased \$338,000, or 19%, from increased technology implementation fees and other professional fees. Salaries and employee benefits expense increased \$288,000, or 1%, primarily from increased health insurance expense. Net occupancy expense increased by \$186,000, or 9%.

Noninterest expense increased by \$7.6 million, or 8%, for the nine months ended September 30, 2026, to \$105.7 million compared to \$98.2 million for the comparable period of 2025. Salaries and employee benefits expense increased \$6.2 million, or 11%, primarily due to increased salaries and wages of \$2.9 million, performance-based incentive compensation accruals of \$1.6 million, health insurance expense of \$1.3 million, and variable deferred compensation expense of \$370,000. Net occupancy expense increased \$620,000, or 11%, from investing in our retail branch and operational infrastructure. Data processing fees and supplies expense increased \$450,000, or 4%, from continued investment in customer-facing and operational technology solutions. Corporate and business development expense increased \$236,000, or 6%, from increased advertising and corporate development expenses. FDIC insurance and other regulatory fees increased \$147,000, or 6%, from increased FDIC insurance premium accruals due to balance sheet growth.

The company's efficiency ratio was 49.5% for the third quarter of 2026, compared to 50.7% for the third quarter of 2025 and 48.6% for the linked second quarter of 2026. The company's efficiency ratio was 49.5% for the nine months ended September 30, 2026, compared to 49.3% for the comparable period in 2025.

"During 2026, we have made significant investments in people, brick and mortar and technology," Findlay stated. "Our staffing focus has been on the addition of revenue producing team members, primarily in commercial banking. In addition, we continue to invest in our footprint expansion in all Lake City Bank markets. We currently have three branches under development in the Indianapolis and Fort Wayne markets, and we opened the company's Innovation and Technology Center in our Warsaw headquarters. Innovation that focuses on artificial intelligence capabilities is also a priority as we prepare for the rollout of our innovative, new customer relationship management program that will enhance relationship development and expansion, client communication, and allow for future revenue growth."

Information regarding Lakeland Financial Corporation may be accessed on the home page of its subsidiary, Lake City Bank, at lakecitybank.com. The company's common stock is traded on the Nasdaq Global Select Market under "LKFN." Lake City Bank, a \$7.2 billion bank headquartered in Warsaw, Indiana, was founded in 1872 and serves Central and Northern Indiana communities with 55 branch offices and a robust digital banking platform. Lake City Bank's community banking model prioritizes building in-market long-term customer relationships while delivering technology-forward solutions for retail and commercial clients.

This document 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, 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," "continue," "plan," "intend," "estimate," "may," "will," "would," "could," "should" or other similar expressions. The company's ability to predict results or the actual effect of the company's operating environment or its plans or strategies is inherently uncertain and, accordingly, the reader is cautioned not to place undue reliance on any forward-looking statements made by the company. 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. Numerous factors could cause the company's actual results to differ from those reflected in forward-looking statements, including the effects of economic, business and market conditions and changes, particularly in our Indiana market area, including prevailing interest rates and the rate of inflation; governmental trade, monetary and fiscal policies; including any effects resulting from international government conflicts; 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; changes in borrowers' credit risks and payment behaviors; and developments in technology, as well as those identified in the company's filings with the Securities and Exchange Commission, including the company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are incorporated herein by reference.

LAKELAND FINANCIAL CORPORATION
THIRD QUARTER 2026 FINANCIAL HIGHLIGHTS

	Three Months Ended			Nine Months Ended	
(unaudited – dollars in thousands, except per share data)	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
END OF PERIOD BALANCES					
Assets	\$ 7,207,927	\$ 7,242,959	\$ 6,895,028	\$ 7,207,927	\$ 6,895,028
Investments	1,090,447	1,169,188	1,164,737	1,090,447	1,164,737
Loans	5,680,004	5,579,625	5,248,619	5,680,004	5,248,619
Allowance for Credit Losses	68,830	70,598	68,168	68,830	68,168
Deposits	6,294,796	6,329,568	6,024,318	6,294,796	6,024,318
Brokered Deposits	241,849	299,155	175,647	241,849	175,647
Core Deposits (1)	6,052,947	6,030,413	5,848,671	6,052,947	5,848,671
Total Equity	732,094	773,374	747,503	732,094	747,503
Goodwill Net of Deferred Tax Assets	3,803	3,803	3,803	3,803	3,803
Tangible Common Equity (2)	728,291	769,571	743,700	728,291	743,700
Adjusted Tangible Common Equity (2)	909,564	893,530	883,865	909,564	883,865
AVERAGE BALANCES					
Total Assets	\$ 7,196,421	\$ 7,190,663	\$ 6,850,671	\$ 7,156,850	\$ 6,839,762
Earning Assets	6,837,770	6,832,702	6,492,640	6,800,353	6,498,243
Investments	1,151,647	1,161,807	1,127,094	1,167,769	1,129,664
Loans	5,587,744	5,531,344	5,205,833	5,520,526	5,207,205
Total Deposits	6,338,090	6,312,674	6,029,557	6,236,470	6,000,829
Interest Bearing Deposits	5,044,449	5,084,953	4,785,176	4,984,286	4,751,953
Interest Bearing Liabilities	5,062,655	5,133,439	4,818,115	5,067,118	4,807,547
Total Equity	769,133	760,533	717,428	767,524	703,564
INCOME STATEMENT DATA					
Net Interest Income	\$ 60,721	\$ 58,301	\$ 56,073	\$ 175,795	\$ 163,824
Net Interest Income-Fully Tax Equivalent	61,836	59,404	57,180	179,118	167,150
Provision for Credit Losses	1,200	1,708	2,000	4,908	11,800
Noninterest Income	12,274	12,572	12,954	37,779	35,368
Noninterest Expense	36,121	34,457	34,965	105,729	98,160
Net Income	28,857	28,440	26,404	83,775	73,455
Pretax Pre-Provision Earnings (2)	36,874	36,416	34,062	107,845	101,032
PER SHARE DATA					
Basic Net Income Per Common Share	\$ 1.15	\$ 1.14	\$ 1.03	\$ 3.33	\$ 2.86
Diluted Net Income Per Common Share	1.14	1.13	1.03	3.31	2.85
Cash Dividends Declared Per Common Share	0.52	0.52	0.50	1.56	1.50
Dividend Payout	45.61%	46.02%	48.54%	47.13%	52.63%
Book Value Per Common Share (equity per share issued)	\$ 29.29	\$ 30.90	\$ 29.08	\$ 29.29	\$ 29.08
Tangible Book Value Per Common Share (2)	29.14	30.75	28.93	29.14	28.93
Market Value – High	\$ 64.55	\$ 63.03	\$ 69.40	\$ 64.55	\$ 71.77
Market Value – Low	57.40	56.56	59.08	54.36	50.00
Basic Weighted Average Common Shares Outstanding	25,027,394	25,058,539	25,703,699	25,142,662	25,708,543

	Three Months Ended			Nine Months Ended	
(unaudited – dollars in thousands, except per share data)	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
PER SHARE DATA (continued)					
Diluted Weighted Average Common Shares Outstanding	25,237,882	25,231,590	25,821,360	25,320,493	25,804,322
KEY RATIOS					
Return on Average Assets	1.59%	1.59%	1.53%	1.57%	1.44%
Return on Average Total Equity	14.88	15.00	14.60	14.59	13.96

Average Equity to Average Assets	10.69	10.58	10.47	10.72	10.29
Net Interest Margin	3.58	3.49	3.50	3.52	3.44
Efficiency (Noninterest Expense/Net Interest Income plus Noninterest Income)	49.48	48.62	50.65	49.50	49.28
Loans to Deposits	90.23	88.15	87.12	90.23	87.12
Investment Securities to Total Assets	15.13	16.14	16.89	15.13	16.89
Tier 1 Leverage (3)	12.36	12.17	12.56	12.36	12.56
Tier 1 Risk-Based Capital (3)	14.46	14.47	15.05	14.46	15.05
Common Equity Tier 1 (CET1) (3)	14.46	14.47	15.05	14.46	15.05
Total Capital (3)	15.56	15.61	16.21	15.56	16.21
Tangible Capital (2)	10.11	10.63	10.79	10.11	10.79
Adjusted Tangible Capital (2)	12.32	12.14	12.57	12.32	12.57
ASSET QUALITY					
Loans Past Due 30 - 89 Days	\$ 2,148	\$ 3,026	\$ 984	\$ 2,148	\$ 984
Loans Past Due 90 Days or More	6	6	7	6	7
Nonaccrual Loans	17,927	19,946	18,701	17,927	18,701
Nonperforming Loans	17,933	19,952	18,708	17,933	18,708
Other Real Estate Owned	0	0	284	0	284
Other Nonperforming Assets	24	48	82	24	82
Total Nonperforming Assets	17,957	20,000	19,074	17,957	19,074
Individually Analyzed Loans	65,869	66,945	39,497	65,869	39,497
Non-Individually Analyzed Watch List Loans	136,099	131,070	117,746	136,099	117,746
Total Individually Analyzed and Watch List Loans	201,968	198,015	157,243	201,968	157,243
Gross Charge Offs	3,101	431	573	5,728	30,193
Recoveries	133	407	189	655	601
Net Charge Offs	2,968	24	384	5,073	29,592
Net Charge Offs to Average Loans	0.21%	0.00%	0.03%	0.12%	0.76%
Credit Loss Reserve to Loans	1.21	1.27	1.30	1.21	1.30
Credit Loss Reserve to Nonperforming Loans	383.81	353.84	364.38	383.81	364.38
Nonperforming Loans to Loans	0.32	0.36	0.36	0.32	0.36
Nonperforming Assets to Assets	0.25	0.28	0.28	0.25	0.28
Total Individually Analyzed and Watch List Loans to Total Loans	3.56	3.55	3.00	3.56	3.00
OTHER DATA					
Full Time Equivalent Employees	697	695	666	697	666
Offices	55	55	55	55	55

(1) Core deposits equals deposits less brokered deposits.

(2) Non-GAAP financial measure - see "Reconciliation of Non-GAAP Financial Measures".

(3) Capital ratios for September 30, 2026 are preliminary until the FR Y-9C is filed.

CONSOLIDATED BALANCE SHEETS (dollars in thousands, except share data)

	September 30, 2026 (unaudited)	December 31, 2025
ASSETS		
Cash and due from banks	\$ 53,830	\$ 57,139
Short-term investments	61,938	84,179
Total cash and cash equivalents	115,768	141,318
Securities available-for-sale, at fair value	956,013	1,052,062

Securities held-to-maturity, at amortized cost (fair value of \$103,352 and \$117,510, respectively)	134,434	133,208
Real estate mortgage loans held-for-sale	2,268	2,707
Loans, net of allowance for credit losses of \$68,830 and \$68,995	5,611,174	5,306,354
Land, premises and equipment, net	72,390	65,542
Bank owned life insurance	133,549	129,978
Federal Reserve and Federal Home Loan Bank stock	21,420	21,420
Accrued interest receivable	30,253	28,997
Goodwill	4,970	4,970
Other assets	125,688	103,466
Total assets	<u>\$ 7,207,927</u>	<u>\$ 6,990,022</u>

LIABILITIES

Noninterest bearing deposits	\$ 1,316,701	\$ 1,221,327
Interest bearing deposits	4,978,095	4,752,023
Total deposits	<u>6,294,796</u>	<u>5,973,350</u>
Borrowings - Federal Home Loan Bank advances:		
Short-term advance	100,000	170,000
Long-term advance	1,300	1,200
Other borrowings	0	13,000
Total borrowings	<u>101,300</u>	<u>184,200</u>
Accrued interest payable	9,701	8,868
Other liabilities	70,036	61,112
Total liabilities	<u>6,475,833</u>	<u>6,227,530</u>

STOCKHOLDERS' EQUITY

Common stock: 90,000,000 shares authorized, no par value		
26,070,726 shares issued and 24,819,965 outstanding as of September 30, 2026		
26,023,644 shares issued and 25,219,634 outstanding as of December 31, 2025	142,939	136,965
Retained earnings	832,843	788,345
Accumulated other comprehensive income (loss)	(181,766)	(127,137)
Treasury stock at cost (1,250,761 shares as of September 30, 2026, 804,010 shares as of December 31, 2025)	(62,011)	(35,770)
Total stockholders' equity	<u>732,005</u>	<u>762,403</u>
Noncontrolling interest	89	89
Total equity	<u>732,094</u>	<u>762,492</u>
Total liabilities and equity	<u>\$ 7,207,927</u>	<u>\$ 6,990,022</u>

CONSOLIDATED STATEMENTS OF INCOME (unaudited - in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
NET INTEREST INCOME				
Interest and fees on loans				
Taxable	\$ 88,383	\$ 85,490	\$ 257,488	\$ 251,648
Tax exempt	347	287	919	870
Interest and dividends on securities				
Taxable	3,889	3,489	11,494	10,335
Tax exempt	3,876	3,915	11,666	11,742
Other interest income	<u>859</u>	<u>1,706</u>	<u>2,922</u>	<u>5,132</u>

Total interest income	97,354	94,887	284,489	279,727
Interest on deposits	36,467	38,446	106,277	114,015
Interest on short-term borrowings	166	368	2,417	1,888
Total interest expense	36,633	38,814	108,694	115,903
NET INTEREST INCOME	60,721	56,073	175,795	163,824
Provision for credit losses	1,200	2,000	4,908	11,800
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	59,521	54,073	170,887	152,024
NONINTEREST INCOME				
Wealth advisory fees	3,153	2,855	9,233	8,389
Investment brokerage fees	535	557	1,570	1,559
Service charges on deposit accounts	3,005	2,921	8,757	8,522
Loan and service fees	3,035	3,419	9,302	9,309
Merchant and interchange fee income	876	892	2,489	2,568
Bank owned life insurance income	1,153	1,567	3,746	2,929
Interest rate swap fee income	0	0	701	20
Mortgage banking income (loss)	88	(6)	297	67
Other income	429	749	1,684	2,005
Total noninterest income	12,274	12,954	37,779	35,368
NONINTEREST EXPENSE				
Salaries and employee benefits	20,782	20,414	61,571	55,412
Net occupancy expense	2,153	1,877	6,224	5,604
Equipment costs	1,432	1,475	4,305	4,294
Data processing fees and supplies	4,350	4,116	12,983	12,533
Corporate and business development	1,630	1,563	4,365	4,129
FDIC insurance and other regulatory fees	910	878	2,664	2,517
Professional fees	2,123	1,726	5,845	5,812
Other expense	2,741	2,916	7,772	7,859
Total noninterest expense	36,121	34,965	105,729	98,160
INCOME BEFORE INCOME TAX EXPENSE	35,674	32,062	102,937	89,232
Income tax expense	6,817	5,658	19,162	15,777
NET INCOME	\$ 28,857	\$ 26,404	\$ 83,775	\$ 73,455
BASIC WEIGHTED AVERAGE COMMON SHARES	25,027,394	25,703,699	25,142,662	25,708,543
BASIC EARNINGS PER COMMON SHARE	\$ 1.15	\$ 1.03	\$ 3.33	\$ 2.86
DILUTED WEIGHTED AVERAGE COMMON SHARES	25,237,882	25,821,360	25,320,493	25,804,322
DILUTED EARNINGS PER COMMON SHARE	\$ 1.14	\$ 1.03	\$ 3.31	\$ 2.85

LAKELAND FINANCIAL CORPORATION
LOAN DETAIL
(unaudited, in thousands)

	September 30, 2026		June 30, 2026		September 30, 2025	
Commercial and industrial loans:						
Working capital lines of credit loans	\$ 812,472	14.3%	\$ 815,493	14.6%	\$ 709,645	13.5%
Non-working capital loans	892,989	15.7	828,878	14.9	808,371	15.4
Total commercial and industrial loans	1,705,461	30.0	1,644,371	29.5	1,518,016	28.9
Commercial real estate and multi-family residential loans:						
Construction and land development loans	409,682	7.2	439,987	7.9	574,896	10.9
Owner occupied loans	772,098	13.6	804,995	14.4	804,253	15.3
Nonowner occupied loans	992,570	17.5	937,493	16.8	863,085	16.5
Multifamily loans	598,456	10.5	578,151	10.4	413,016	7.9
Total commercial real estate and multi-family residential loans	2,772,806	48.8	2,760,626	49.5	2,655,250	50.6
Agri-business and agricultural loans:						
Loans secured by farmland	189,685	3.3	180,871	3.2	153,904	2.9
Loans for agricultural production	158,501	2.8	158,522	2.8	186,068	3.6
Total agri-business and agricultural loans	348,186	6.1	339,393	6.0	339,972	6.5
Other commercial loans	120,661	2.1	121,060	2.2	91,833	1.7
Total commercial loans	4,947,114	87.0	4,865,450	87.2	4,605,071	87.7
Consumer 1-4 family mortgage loans:						
Closed end first mortgage loans	308,959	5.5	302,799	5.4	273,580	5.2
Open end and junior lien loans	296,641	5.2	283,099	5.1	241,256	4.6
Residential construction and land development loans	11,166	0.2	12,904	0.2	18,706	0.4
Total consumer 1-4 family mortgage loans	616,766	10.9	598,802	10.7	533,542	10.2
Other consumer loans	119,172	2.1	117,953	2.1	112,430	2.1
Total consumer loans	735,938	13.0	716,755	12.8	645,972	12.3
Subtotal	5,683,052	100.0%	5,582,205	100.0%	5,251,043	100.0%
Less: Allowance for credit losses	(68,830)		(70,598)		(68,168)	
Net deferred loan fees	(3,048)		(2,580)		(2,424)	
Loans, net	\$ 5,611,174		\$ 5,509,027		\$ 5,180,451	

LAKELAND FINANCIAL CORPORATION
DEPOSITS AND BORROWINGS
(unaudited, in thousands)

	September 30, 2026	June 30, 2026	September 30, 2025
Noninterest bearing demand deposits	\$ 1,316,701	\$ 1,292,033	\$ 1,268,241
Savings and transaction accounts:			
Savings deposits	279,489	281,901	281,291
Interest bearing demand deposits	3,751,171	3,828,259	3,689,037
Time deposits:			
Deposits of \$100,000 or more	749,478	727,412	580,499
Other time deposits	197,957	199,963	205,250
Total deposits	\$ 6,294,796	\$ 6,329,568	\$ 6,024,318
FHLB advances and other borrowings	101,300	71,200	56,200
Total funding sources	\$ 6,396,096	\$ 6,400,768	\$ 6,080,518

LAKELAND FINANCIAL CORPORATION
AVERAGE BALANCE SHEET AND NET INTEREST ANALYSIS
(UNAUDITED)

	Three Months Ended September 30, 2026			Three Months Ended June 30, 2026			Three Months Ended September 30, 2025		
(fully tax equivalent basis, dollars in thousands)	Average Balance	Interest Income	Yield (1)/ Rate	Average Balance	Interest Income	Yield (1)/ Rate	Average Balance	Interest Income	Yield (1)/ Rate
Earning Assets									
Loans:									
Taxable (2)(3)	\$5,560,289	\$ 88,383	6.31%	\$5,507,100	\$ 85,994	6.26%	\$5,180,847	\$ 85,490	6.55%
Tax exempt (1)	27,455	431	6.23	24,244	363	6.01	24,986	354	5.62
Investments: (1)									
Securities	1,151,647	8,796	3.03	1,161,807	8,680	3.00	1,127,094	8,444	2.97
Short-term investments	3,414	27	3.14	3,567	28	3.15	2,795	27	3.83
Interest bearing deposits	94,965	832	3.48	135,984	1,186	3.50	156,918	1,679	4.25
Total earning assets	\$6,837,770	\$ 98,469	5.71%	\$6,832,702	\$ 96,251	5.65%	\$6,492,640	\$ 95,994	5.87%
Less: Allowance for credit losses	(70,473)			(69,959)			(67,115)		
Nonearning Assets									
Cash and due from banks	59,654			64,197			62,671		
Premises and equipment	72,013			69,499			64,391		
Other nonearning assets	297,457			294,224			298,084		
Total assets	<u>\$7,196,421</u>			<u>\$7,190,663</u>			<u>\$6,850,671</u>		
Interest Bearing Liabilities									
Savings deposits	\$ 280,866	\$ 39	0.06%	\$ 287,520	\$ 41	0.06%	\$ 284,553	\$ 41	0.06%
Interest bearing checking accounts	3,820,281	28,076	2.92	3,867,392	28,184	2.92	3,731,706	31,382	3.34
Time deposits:									
In denominations under \$100,000	199,739	1,555	3.09	201,696	1,576	3.13	204,997	1,678	3.25
In denominations over \$100,000	743,563	6,797	3.63	728,345	6,578	3.62	563,920	5,345	3.76
Short-term borrowings	16,957	166	3.88	47,286	468	3.97	31,739	368	4.60
Long-term borrowings	1,249	0	0.00	1,200	0	0.00	1,200	0	0.00
Total interest bearing liabilities	\$5,062,655	\$ 36,633	2.87%	\$5,133,439	\$ 36,847	2.88%	\$4,818,115	\$ 38,814	3.20%
Noninterest Bearing Liabilities									
Demand deposits	1,293,641			1,227,721			1,244,381		
Other liabilities	70,992			68,970			70,747		
Stockholders' Equity	769,133			760,533			717,428		
Total liabilities and stockholders' equity	<u>\$7,196,421</u>			<u>\$7,190,663</u>			<u>\$6,850,671</u>		
Interest Margin Recap									
Interest income/average earning assets		98,469	5.71%		96,251	5.65%		95,994	5.87%
Interest expense/average earning assets		36,633	2.13		36,847	2.16		38,814	2.37
Net interest income and margin		<u>\$ 61,836</u>	<u>3.58%</u>		<u>\$ 59,404</u>	<u>3.49%</u>		<u>\$ 57,180</u>	<u>3.50%</u>

(1) Tax exempt income was converted to a fully taxable equivalent basis at a 21 percent tax rate. The tax equivalent rate for tax exempt loans and tax-exempt securities acquired after January 1, 1983, included the Tax Equity and Fiscal Responsibility Act

of 1982 ("TEFRA") adjustment applicable to nondeductible interest expenses. Taxable equivalent basis adjustments were \$1.12 million, \$1.10 million, and \$1.11 million in the three-month periods ended September 30, 2026, June 30, 2026, and September 30, 2025, respectively.

- (2) Loan fees, which are immaterial in relation to total taxable loan interest income for the three-month periods ended September 30, 2026, June 30, 2026, and September 30, 2025, are included as taxable loan interest income.
- (3) Nonaccrual loans are included in the average balance of taxable loans.

Reconciliation of Non-GAAP Financial Measures

Tangible common equity, adjusted tangible common equity, tangible assets, adjusted tangible assets, tangible book value per common share, tangible common equity to tangible assets, adjusted tangible common equity to adjusted tangible assets, and pretax pre-provision earnings are non-GAAP financial measures calculated based on GAAP amounts. Tangible common equity is calculated by excluding the balance of goodwill and other intangible assets from the calculation of equity, net of deferred tax. Tangible assets are calculated by excluding the balance of goodwill and other intangible assets from the calculation of total assets, net of deferred tax. Adjusted tangible assets and adjusted tangible common equity remove the fair market value adjustment impact of the available-for-sale investment securities portfolio in accumulated other comprehensive income (loss) ("AOCI"). Tangible book value per common share is calculated by dividing tangible common equity by the number of shares outstanding less true treasury stock. Pretax pre-provision earnings is calculated by adding net interest income to noninterest income and subtracting noninterest expense. Because not all companies use the same calculation of tangible common equity and tangible assets, this presentation may not be comparable to other similarly titled measures calculated by other companies. However, management considers these measures of the company's value meaningful to understanding of the company's financial information and performance.

A reconciliation of these non-GAAP financial measures is provided below (dollars in thousands, except per share data).

	Three Months Ended			Nine Months Ended	
	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Total Equity	\$ 732,094	\$ 773,374	\$ 747,503	\$ 732,094	\$ 747,503
Less: Goodwill	(4,970)	(4,970)	(4,970)	(4,970)	(4,970)
Plus: DTA Related to Goodwill	1,167	1,167	1,167	1,167	1,167
Tangible Common Equity	728,291	769,571	743,700	728,291	743,700
Market Value Adjustment in AOCI	181,273	123,959	140,165	181,273	140,165
Adjusted Tangible Common Equity	909,564	893,530	883,865	909,564	883,865
Assets	\$ 7,207,927	\$ 7,242,959	\$ 6,895,028	\$ 7,207,927	\$ 6,895,028
Less: Goodwill	(4,970)	(4,970)	(4,970)	(4,970)	(4,970)
Plus: DTA Related to Goodwill	1,167	1,167	1,167	1,167	1,167
Tangible Assets	7,204,124	7,239,156	6,891,225	7,204,124	6,891,225
Market Value Adjustment in AOCI	181,273	123,959	140,165	181,273	140,165
Adjusted Tangible Assets	7,385,397	7,363,115	7,031,390	7,385,397	7,031,390
Ending Common Shares Issued	24,994,459	25,028,859	25,704,243	24,994,459	25,704,243
Tangible Book Value Per Common Share	\$ 29.14	\$ 30.75	\$ 28.93	\$ 29.14	\$ 28.93
Tangible Common Equity/Tangible Assets	10.11%	10.63%	10.79%	10.11%	10.79%
Adjusted Tangible Common Equity/Adjusted Tangible Assets	12.32%	12.14%	12.57%	12.32%	12.57%
Net Interest Income	\$ 60,721	\$ 58,301	\$ 56,073	\$ 175,795	\$ 163,824
Plus: Noninterest Income	12,274	12,572	12,954	37,779	35,368
Minus: Noninterest Expense	(36,121)	(34,457)	(34,965)	(105,729)	(98,160)
Pretax Pre-Provision Earnings	\$ 36,874	\$ 36,416	\$ 34,062	\$ 107,845	\$ 101,032

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