

# Lakeland Financial Corporation

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

2<sup>nd</sup> Quarter 2025



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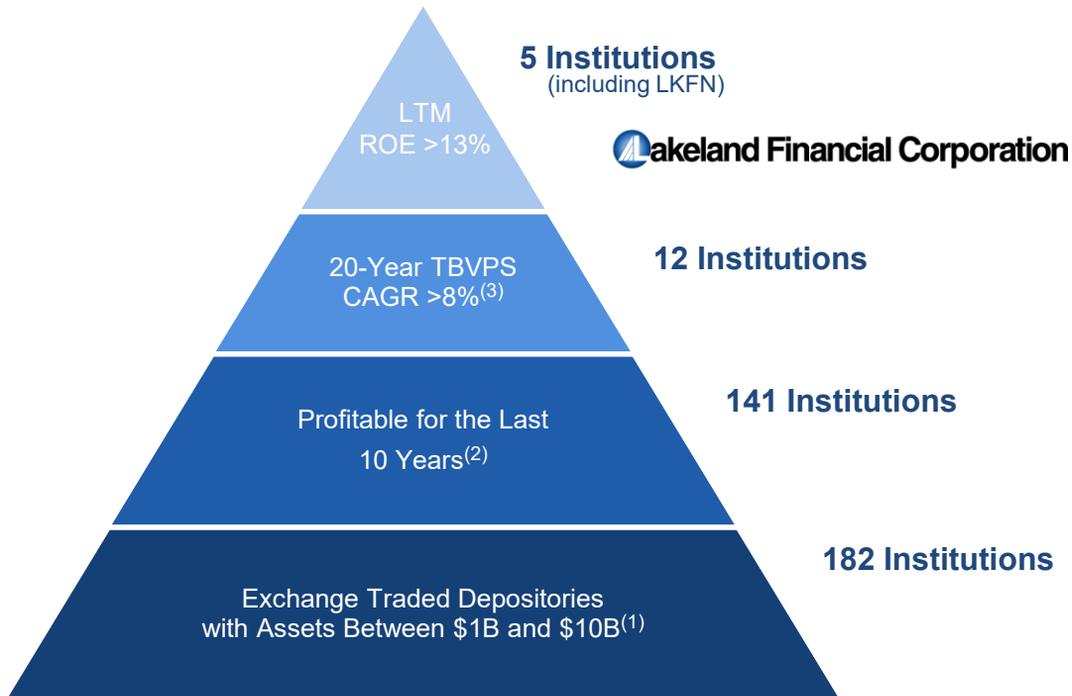
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# Forward-Looking Information

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 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; the risks of changes in interest rates on the levels, composition and trade, costs of deposits, loan demand and the values and liquidity of loan collateral, securities and other interest sensitive assets and liabilities; and changes in borrowers’ credit risks and payment behaviors, 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.

# Long Term Success for Shareholders



Source: S&P Capital IQ Pro. Financial data is as of March 31, 2025.

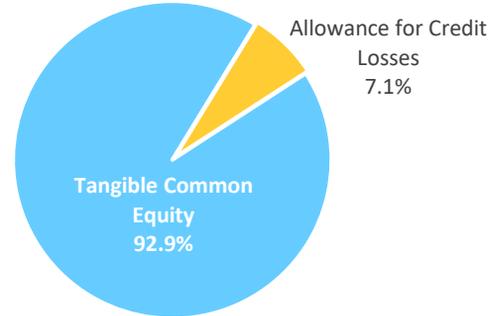
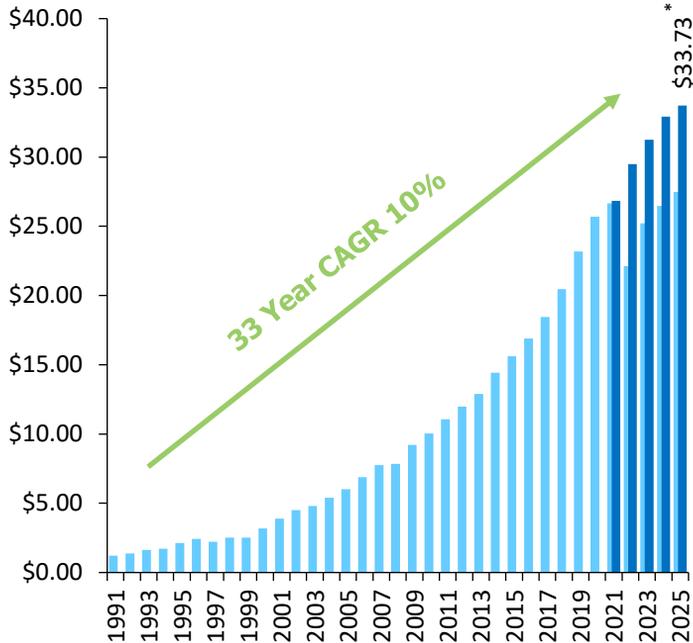
(1) Includes banks and thrifts traded on the NYSE, NYSEAM or NASDAQ as of 7/8/25; excludes merger targets.

(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, 2015 through December 31, 2024). 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 having compounded annual growth in tangible book value per share from 3/31/05 through 3/31/25 greater than 8%.

# Strong Capital Structure

## Tangible Book Value<sup>(1)</sup> Per Share



### Key Ratios and Per Share Data as of June 30, 2025

TCE/Tangible Assets	10.15%
Adj. TCE/Adj. Tangible Assets	12.17%
Total Risk-Based Leverage	15.86%
Book Value	\$27.63
Tangible Book Value	\$27.48
Adj. Tangible Book Value	\$33.73

<sup>(1)</sup>compounded annual growth rate computed from 1991-2024 for tangible book value

\*TBV adjusted to exclude the market value impact of AFS investment securities for TCE and Tangible Assets from 2021 to 2025

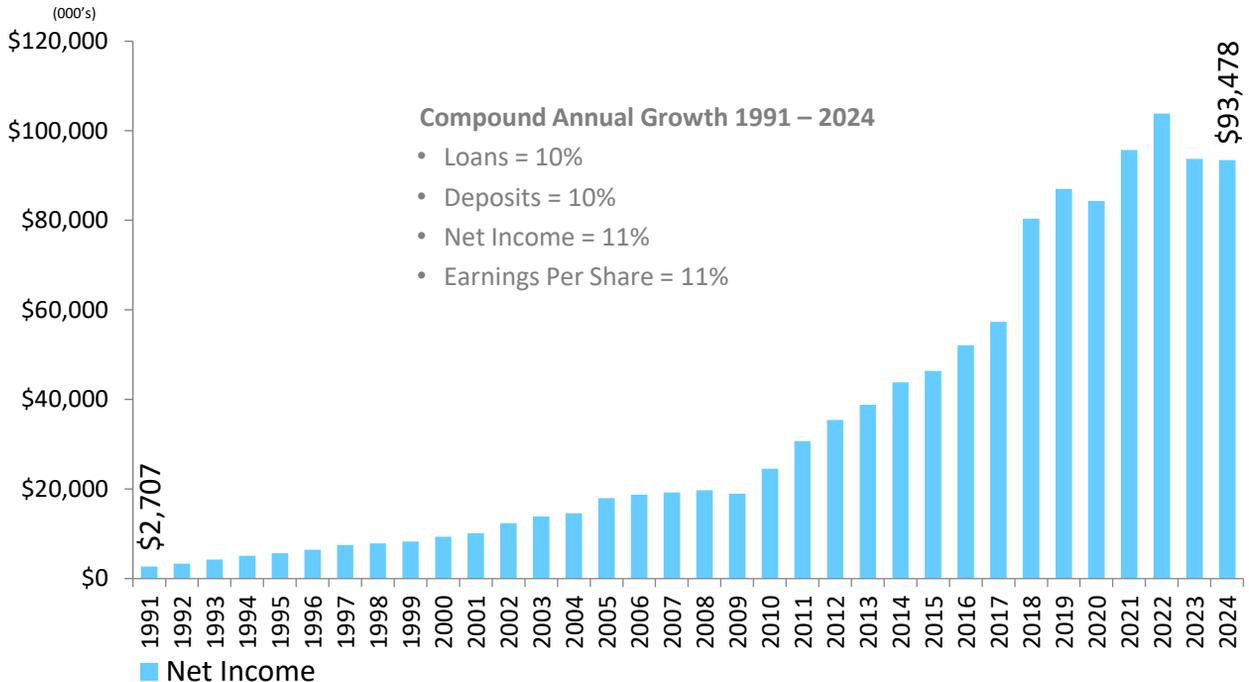
Note: Tangible Common Equity to Tangible Assets and Tangible Book Value per Common Share are Non-GAAP financial measures. See "Reconciliation of Non-GAAP Financial Measures" in the Second Quarter 2025 Earnings Press Release and Form 8-K.

# Lake City Bank Today

- A long-term and consistent organic growth story
- Headquartered in Warsaw, Indiana
- 54 branch offices - \$7.0 billion banking assets - \$3.4 billion trust, retirement and investment brokerage assets
- Focused on execution – “blocking and tackling”
- Continued growth potential

# 34 Years of Organic Growth

Record Net Income for 30 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

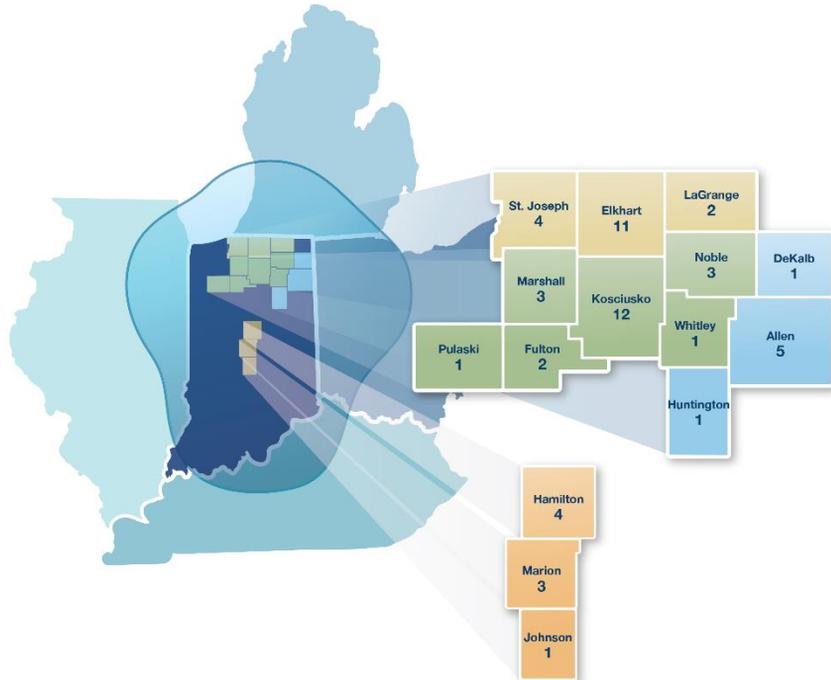
South Bend-4

### Fort Wayne – est. 1999

Allen-5  
DeKalb-1  
Huntington-1

### Indianapolis – est. 2011

Hamilton-4  
Marion-3  
Johnson-1

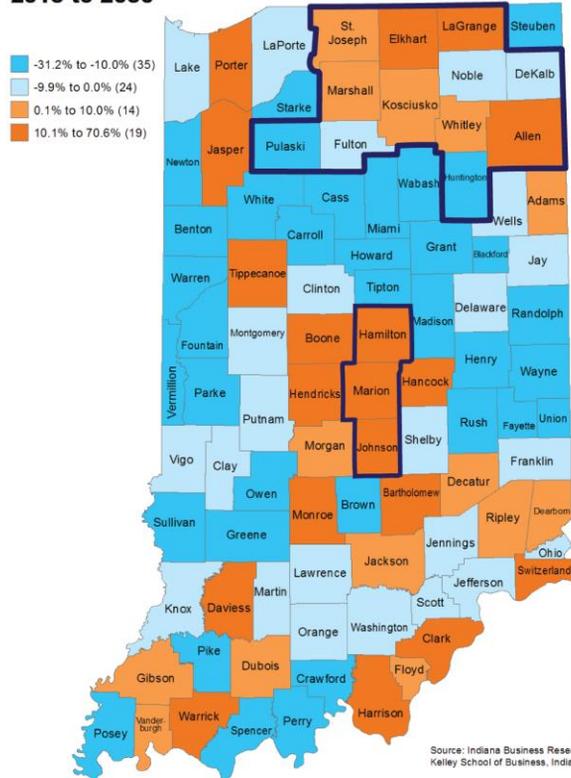


# A Continued Path to Economic Growth

- 67% of Lake City Bank counties are growth and high growth counties
- 40% of Lake City Bank counties are high growth counties
- Indiana is poised to experience continued economic strength and vitality

*Population Projections*

**Percent Change in Total Population,  
2015 to 2050**



Source: Indiana Business Research Center,  
Kelley School of Business, Indiana University.

# Expansion and Innovation Occurring Throughout Indiana

- Indiana #1 manufacturing state in the country<sup>(1)</sup>
- Indiana to host semiconductor event in 2025. The state has attracted seven new semiconductor companies, secured a federal tech hub designation for microelectronics and broken ground on a new, 10-acre public-private microelectronics hub<sup>(2)</sup>
- In 2024, the Indiana Economic Development Corporation secured more than \$39.2 billion of committed capital investment, helped launch 482 new small businesses and awarded another \$500 million in quality of place funding to communities across the state through READI 2.0<sup>(3)</sup>
- In 2024, Eli Lilly announces \$13 billion investment in Indiana's LEAP Research and Innovation District in Lebanon, Indiana to establish the Lilly Medicine Foundry, a new center for drug development and advanced manufacturing<sup>(4)</sup>
- In April 2025, Slate Auto from Troy, Michigan, confirmed it will build its low cost, direct to consumer electric vehicle in Warsaw, Indiana at a now vacant factory. Slate expects to employ more than 2,000 workers with its first deliveries expected by the end of 2026 and has received 100,000 reservations for its vehicle<sup>(5)</sup>

(1) [https://www.statsamerica.org/sip/rank\\_list.aspx?rank\\_label=gsp2\\_b&item\\_in=12&ct=S18](https://www.statsamerica.org/sip/rank_list.aspx?rank_label=gsp2_b&item_in=12&ct=S18)

(2) <https://www.iedc.in.gov/events/news/details/2024/07/09/gov-holcomb-announces-indiana-to-host-global-semiconductor-event-in-2025>

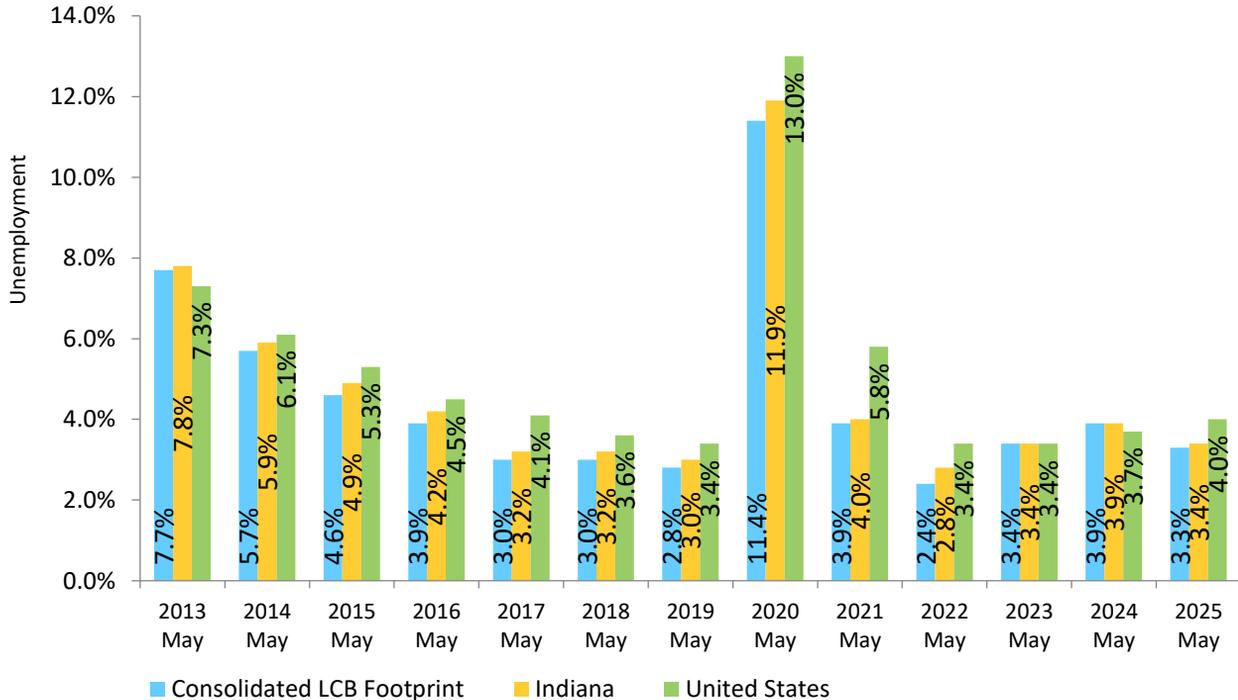
(3) <https://www.iedc.in.gov/events/news/details/2025/01/10/iedc-closes-holcomb-term-with-eighth-consecutive-record-breaking-year-for-economic-development>

(4) <https://lebanon.in.gov/2025/05/06/ground-broken-on-lilly-foundry-within-leap-district/>

(5) <https://www.wane.com/top-stories/published-report-indicates-slate-eyeing-vacant-factory-in-warsaw-for-low-cost-ev-production/>

# Strong Regional and Statewide Economy

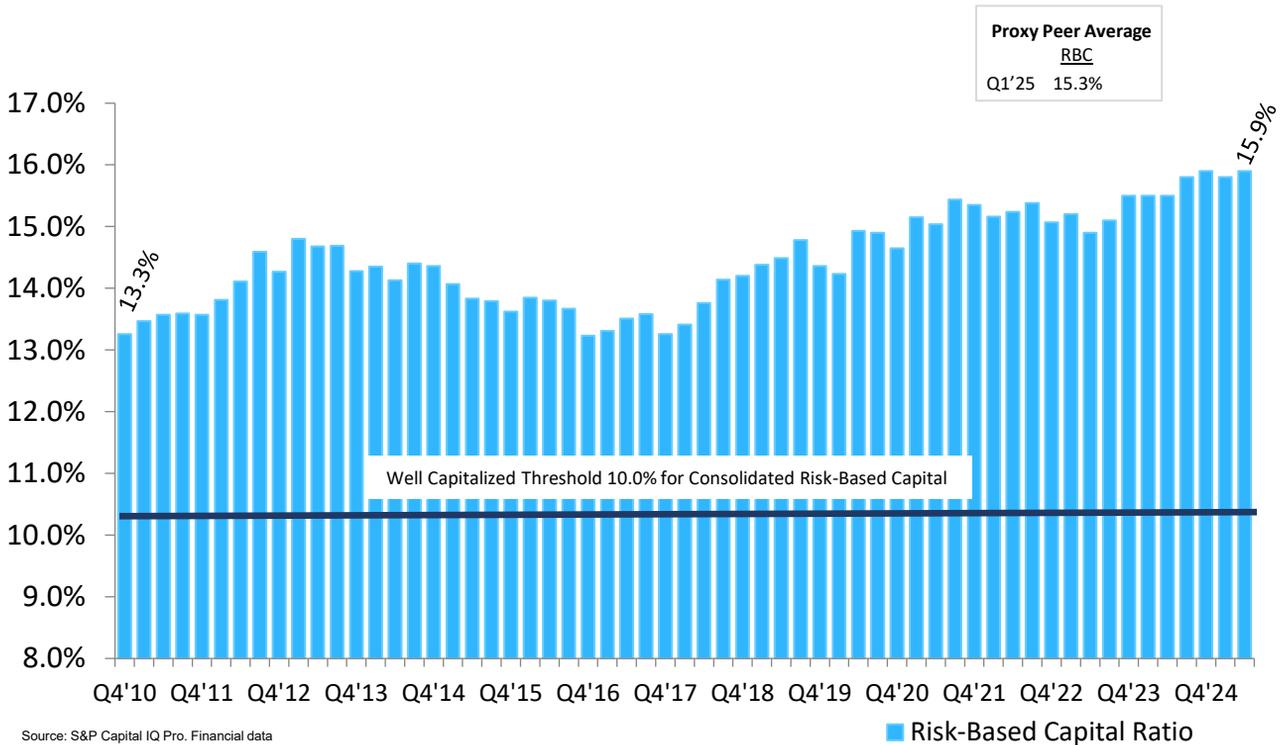
Unemployment Rate In The Lake City Bank Footprint Is Lower Than The National Average



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

# Fortress Balance Sheet And Capital In Excess of Requirements

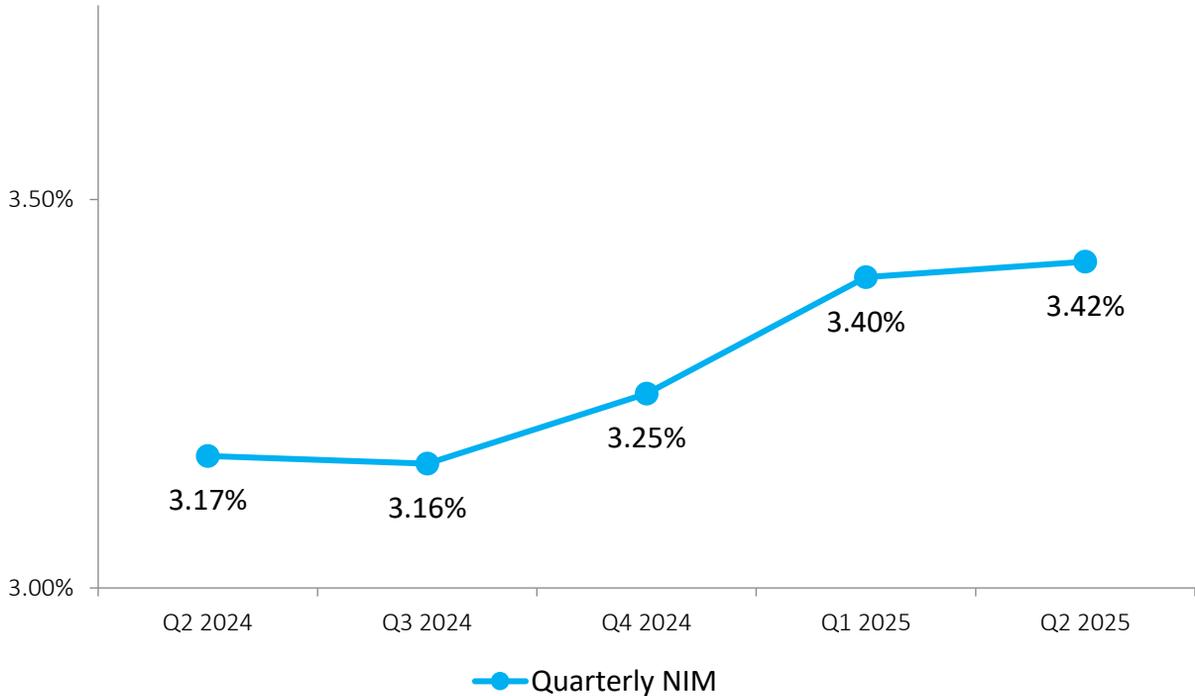
LKFN Above Peer Long-Term Profitability has Contributed to a Strong Capital Foundation



Source: S&P Capital IQ Pro. Financial data

# Net Interest Margin by Quarter

NIM Expansion of 25 Basis Points Over Last Twelve Months



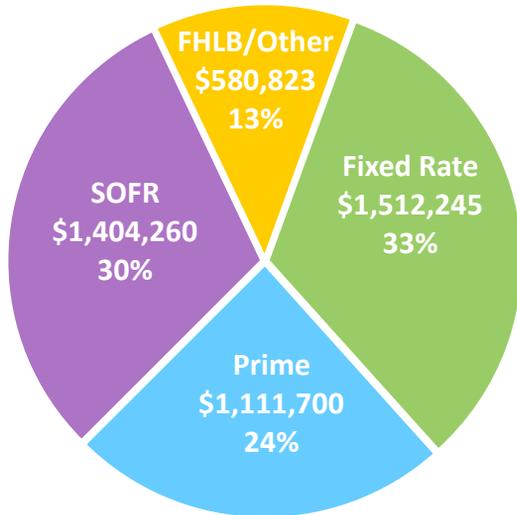
# Net Interest Margin

Deposit Costs Coming Down Rapidly

- Linked quarter net interest margin expanded by 2 basis points in 2Q25 compared to 1Q25
- Cumulative Loan Beta 29% for recent easing cycle
- Cumulative Deposit Beta 50% for recent easing cycle
- Deposit repricing in current easing cycle continues to be a heightened focus
- Noninterest bearing deposits to total deposits were 20% compared to 21% in the second quarter 2024

# Interest Rate Sensitivity

Deposits Have Repriced Quicker Than Loans During Current Easing Cycle

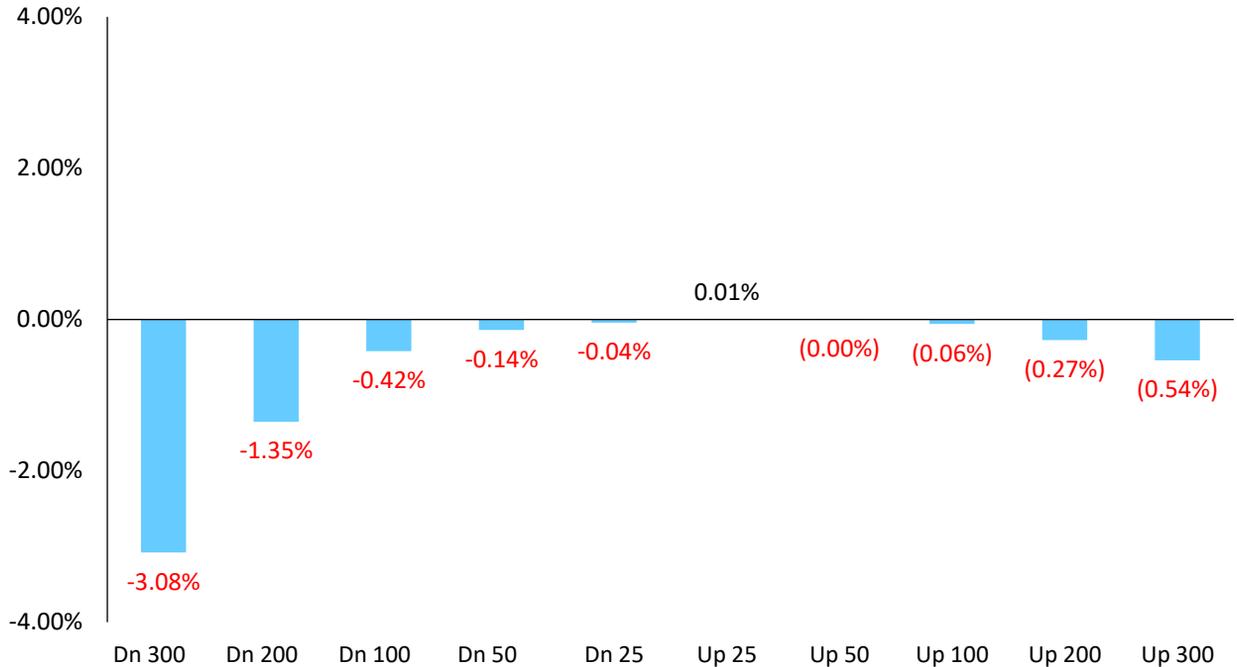


Commercial Loans  
\$4.6 billion as of June 30, 2025  
(000's)

- 88% of loan portfolio consists of commercial loans and 67% of commercial loans are tied to variable interest rates
- Approximately \$772.7 million of fixed rate commercial loans are estimated to reprice in the next twelve months
  - Fixed rate loans have shorter, average original terms of approximately 5 years
- Public Funds contribute to deposit repricing, \$1.7 billion are tied to the Effective Federal Funds Rate
- Cost of Funds peaked in 2Q24 at 2.90% compared to 2.41% in 2Q25

# Projected Impact of Rising/Falling Rates

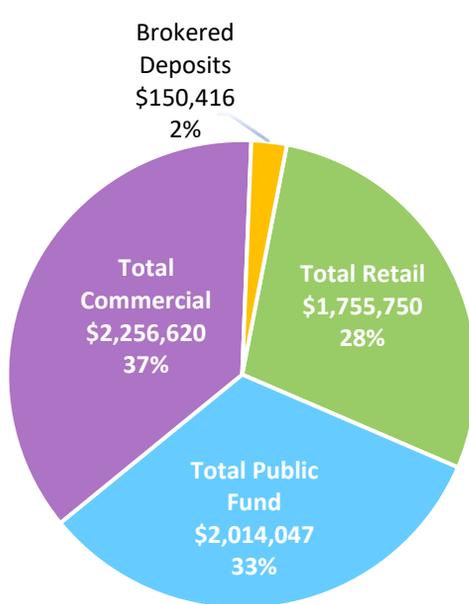
Asset Sensitive Balance Sheet Maintains Neutral Shift



Graph presents 12 month projected net interest income simulation results as of June 30, 2025 using parallel shocks

# Deposit Composition Provides Diversification

Strong Multi-Year Deposit Growth

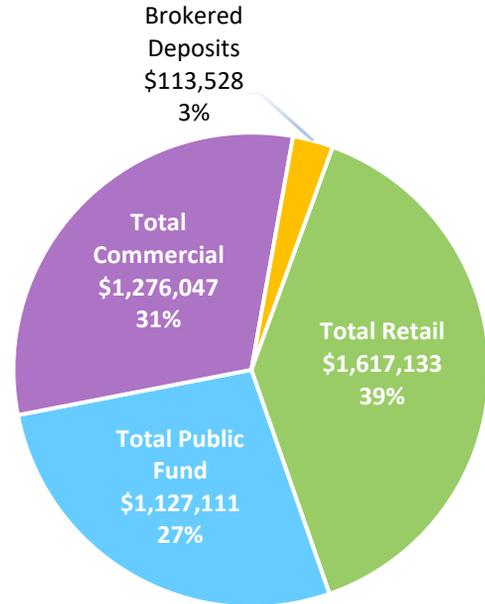


**June 30, 2025**

Total Deposits - \$6.2 billion

DDA \$1,261,740

**DDA % of Total Deposits – 20%**  
(000's)



**December 31, 2019**

Total Deposits - \$4.1 billion

DDA- \$983,307

**DDA % of Total Deposits – 24%**  
(000's)

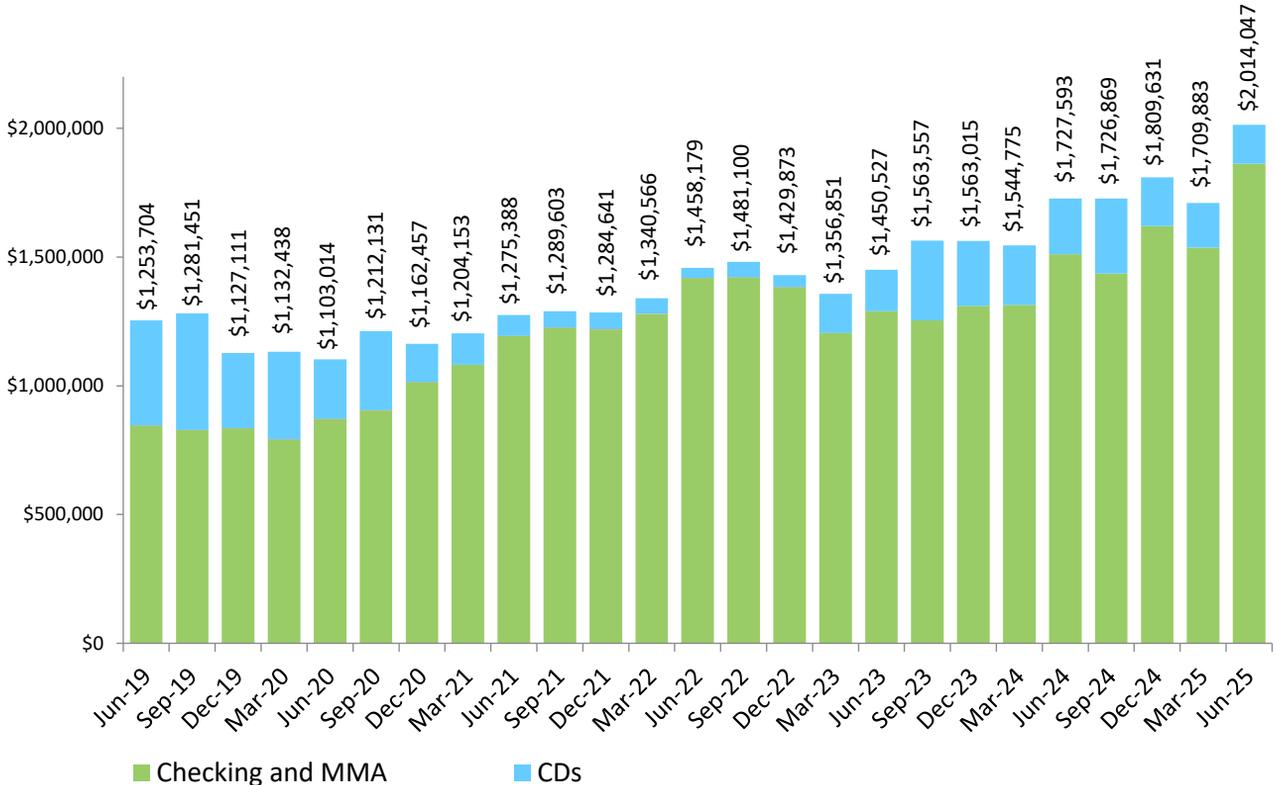
# Diversified Deposit Base

Deposit Franchise Consists of Broad-based and Deep Relationships

- Deposit composition has remained stable with growth in all three deposit segments
- 98% of deposit accounts are less than \$250,000 at June 30, 2025
- Public Funds in Indiana are covered by the Public Deposit Insurance Fund (PDIF). Collateral is not pledged to public funds.

# Public Fund Deposit Trends

88% of Large Public Fund Deposits are Operating Relationships



# Checking Accounting Trends by Deposit Sector

Commercial Accounts Grow by 23% since December 2019



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

Checking Account Average Balances by Deposit Type			
(000)	Commercial	Retail	Public Funds
06/30/25	\$133	\$15	\$7,030
12/31/24	\$136	\$16	\$6,209
12/31/23	\$137	\$15	\$5,369
12/31/22	\$132	\$18	\$6,615
12/31/21	\$144	\$20	\$6,004
12/31/19	\$86	\$12	\$4,073

Number of Checking Accounts by Deposit Type			
	Commercial	Retail	Public Funds
06/30/25	15,844	63,112	265
12/31/24	15,663	62,626	261
12/31/23	15,402	61,725	244
12/31/22	14,824	60,528	209
12/31/21	14,414	59,492	203
12/31/19	12,921	56,177	205

# 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

- 42 credit “smart” commercial bankers
- Average 25 years in banking & 14 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
- Capital capacity supports organic loan growth

# 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
- CRE portfolio has nominal office exposure (2% of total) with focus on owner occupied, in-market multifamily, and strong credit tenant transact projects

# Corporate Social Responsibility

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

- Supporting our communities since 1872
- Focusing on continued, positive corporate stewardship
- Caring for and building a diverse and inclusive team
- Delivering customer-focused 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

# Lake City Bank Culture

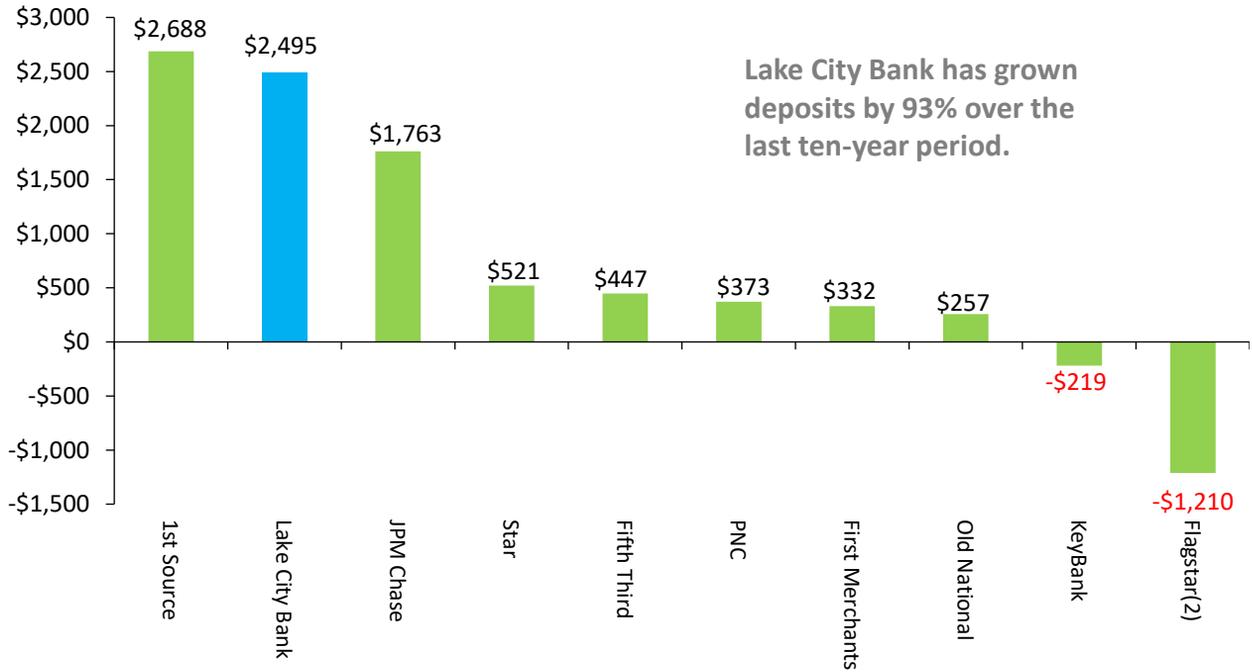
## High Quality Team Members

- Our culture is our greatest asset and we will preserve it
- Lake City University drives our culture
- Inclusion initiatives continue, such as employee education and marketing campaigns to create a culture of belonging
- Our community involvement is real and critical to our strategy
- Our culture has not been diluted by acquisition



# Mature<sup>1</sup> Market Deposit Performance

Organic Growth 2014 – 2024



<sup>1</sup>Mature Markets include 12 Northern Indiana counties and exclude 3 Central Indiana counties

<sup>2</sup>Flagstar acquired Wells Fargo branches in 2018

Totals adjusted to include branches subsequently acquired by surviving banks.

Source: FDIC 6/30/24 Statistics

# 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 design and functionality is ever evolving based on client transaction, relationship activity and geographic expansion plans

# Channel Utilization Today versus Pre-Pandemic

Mobile Adoption Outpacing All Other Delivery Channels

Channel Type	Total Transactions 2019 <sup>(1)</sup>	% of Total	Total Transactions 2025 <sup>(1)</sup>	% of Total	Period Change
Branch Transactions	2,279,975	18%	2,044,404	14%	(10)%
ATM/ITM	944,785	7%	723,465	5%	(23)%
Online Logins	5,058,317	40%	3,737,567	25%	(26)%
Mobile Logins <sup>(2)</sup>	4,199,910	33%	8,364,993	55%	99%
Telephone Banking	265,475	2%	183,307	1%	(31)%
<b>Total</b>	<b>12,748,462</b>	<b>100%</b>	<b>15,053,736</b>	<b>100%</b>	<b>18%</b>

<sup>(1)</sup> Measurement period includes twelve months of data ending December 31, 2019, and June 30, 2025

<sup>(2)</sup> Includes mobile phone, Apple watch and iPad app use

# Customer Composition and Digital Adoption

Digital Platform Upgrade with Fintech Partner in 2021 Positively Impacting Digital Adoption Across All Generations

## Customer Composition and Digital Adoption Over Three Years

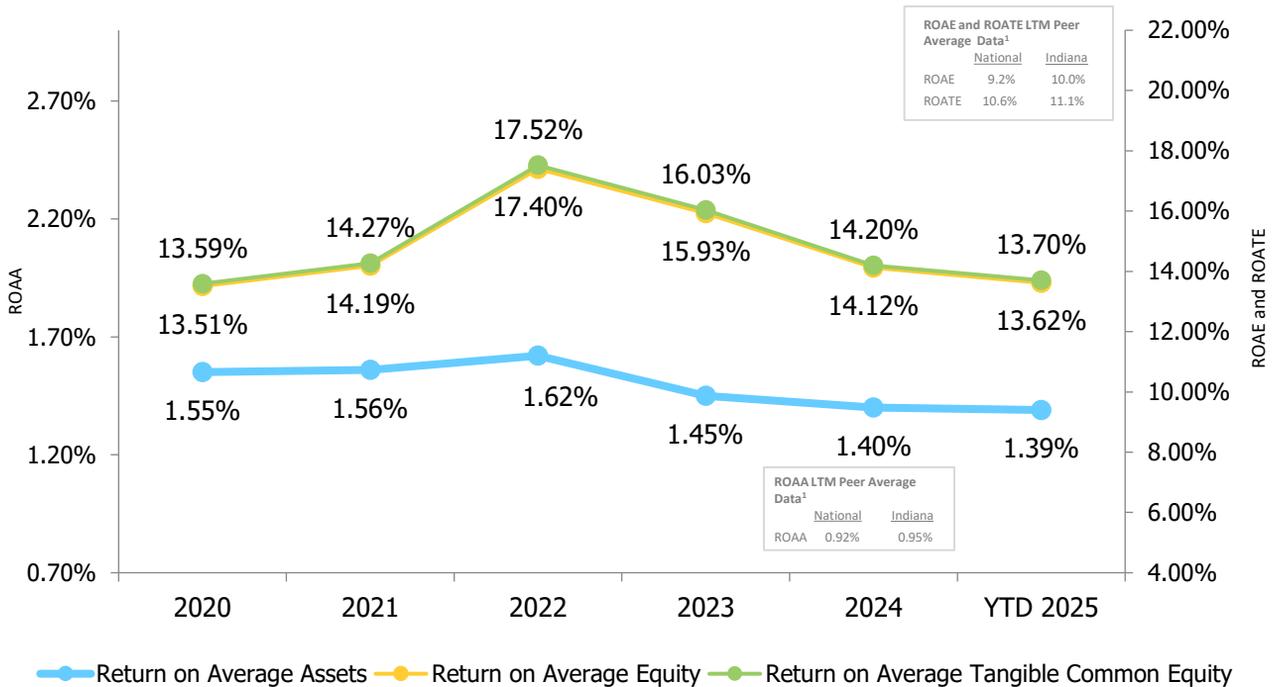
Generation <sup>(1)</sup>	Customer Breakdown	6/30/25	6/30/24	6/30/23
<b>Gen Alpha</b> (2010 - Current)	4%	4%	1%	n/a
<b>Gen Z</b> (1996 - 2009)	16%	72%	68%	52%
<b>Millennial</b> (1977 - 1995)	26%	60%	59%	59%
<b>Gen X</b> (1965 - 1976)	19%	52%	51%	50%
<b>Baby Boomer</b> (1946 - 1964)	28%	46%	45%	44%
<b>Mature</b> (1945 or before)	7%	32%	30%	30%
Digital Adoption		52%	50%	49%

<sup>(1)</sup> Gen Alpha was added in January 2024

# Financial Performance

# Income Performance Metrics

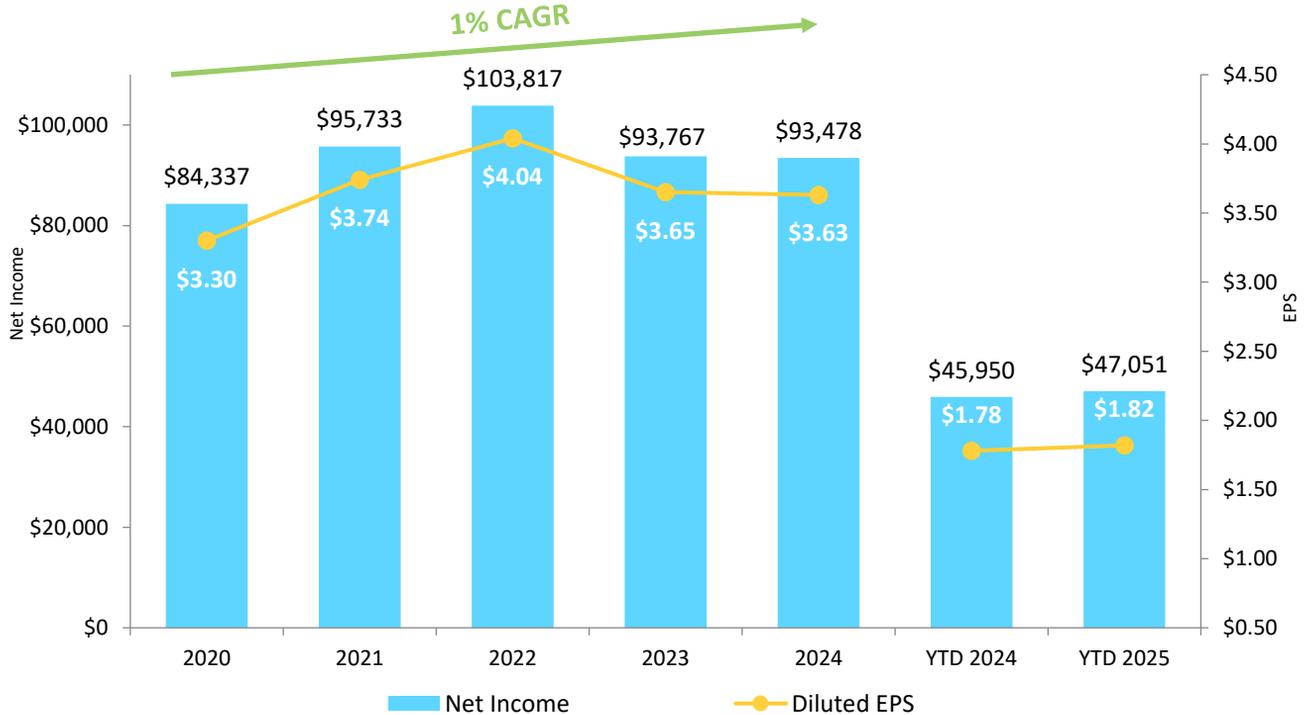
LKFN Performance Exceeds National Peers and Contributes to Strong Capital Levels



<sup>1</sup>Source KBW Price Performance Review March 31, 2025

# Net Income and EPS

Net Interest Income Growth of 13% in 2025

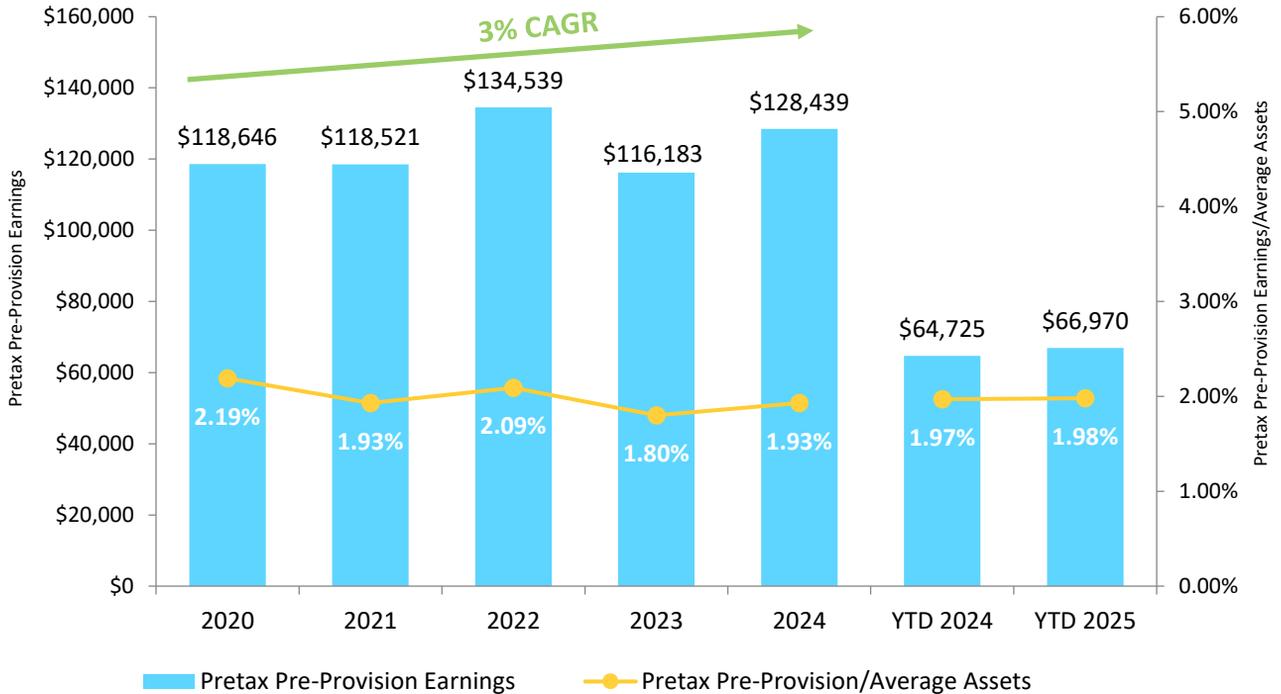


Compound annual growth rate "CAGR" is based on the most recent 5-year calculation

2025 Net Income YOY 2%  
2025 Diluted EPS YOY 2%

# Pretax Pre-Provision Earnings

Pretax Pre-Provision Earnings Improves by 3% in 2025



Compound annual growth rate "CAGR" is based on the most recent 5-year calculation

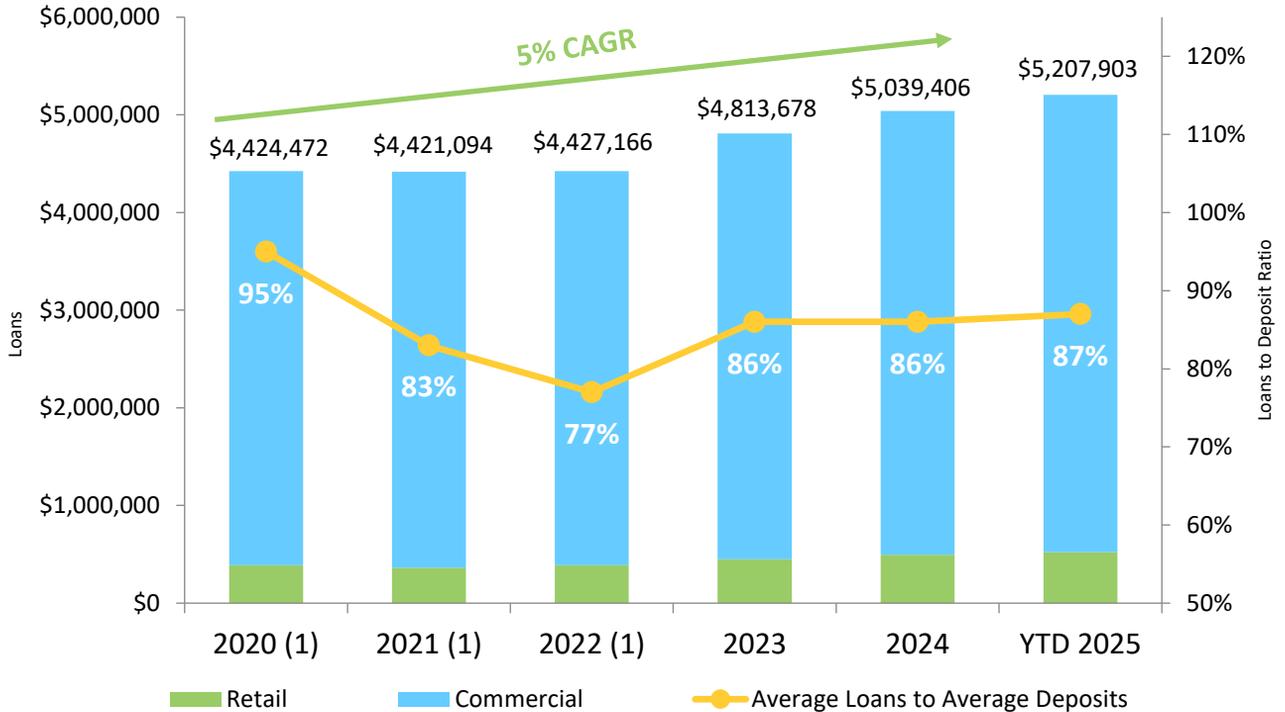
2025 Pretax Pre-Provision Earnings YOY Increase 3%



Note: Pretax Pre-Provision Earnings is a Non-GAAP financial measure. See "Reconciliation of Non-GAAP Financial Measures" in the Second Quarter 2025 Earnings Press Release and Form 8-K.

# Average Loans

Average YTD Loan Growth of \$205 million or 4% Compared to Prior Year

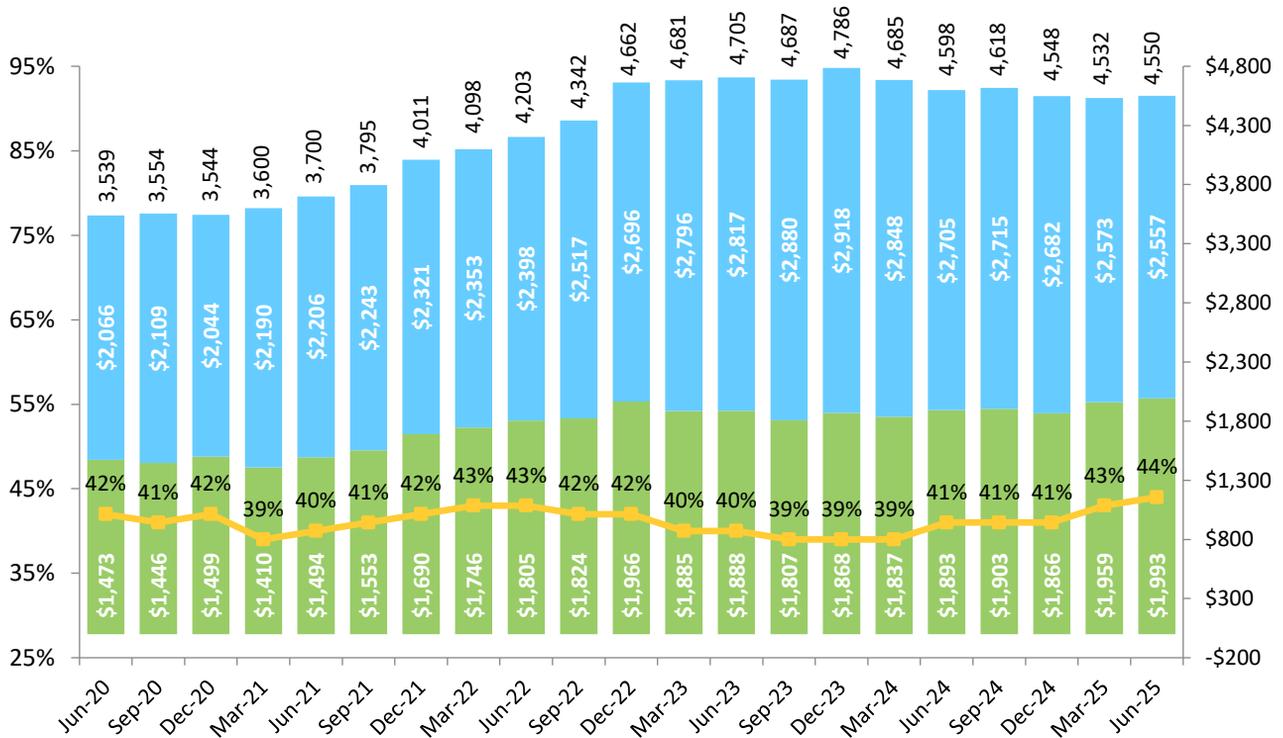


(1) Includes \$377 million in Average PPP loans in 2020, \$238 million in 2021, and \$8 million in 2022  
Compound annual growth rate "CAGR" is based on the most recent 5-year calculation

2025 YOY Increase 4%

# Line of Credit Utilization

Line Utilization Improves in 2025



PPP Round 1

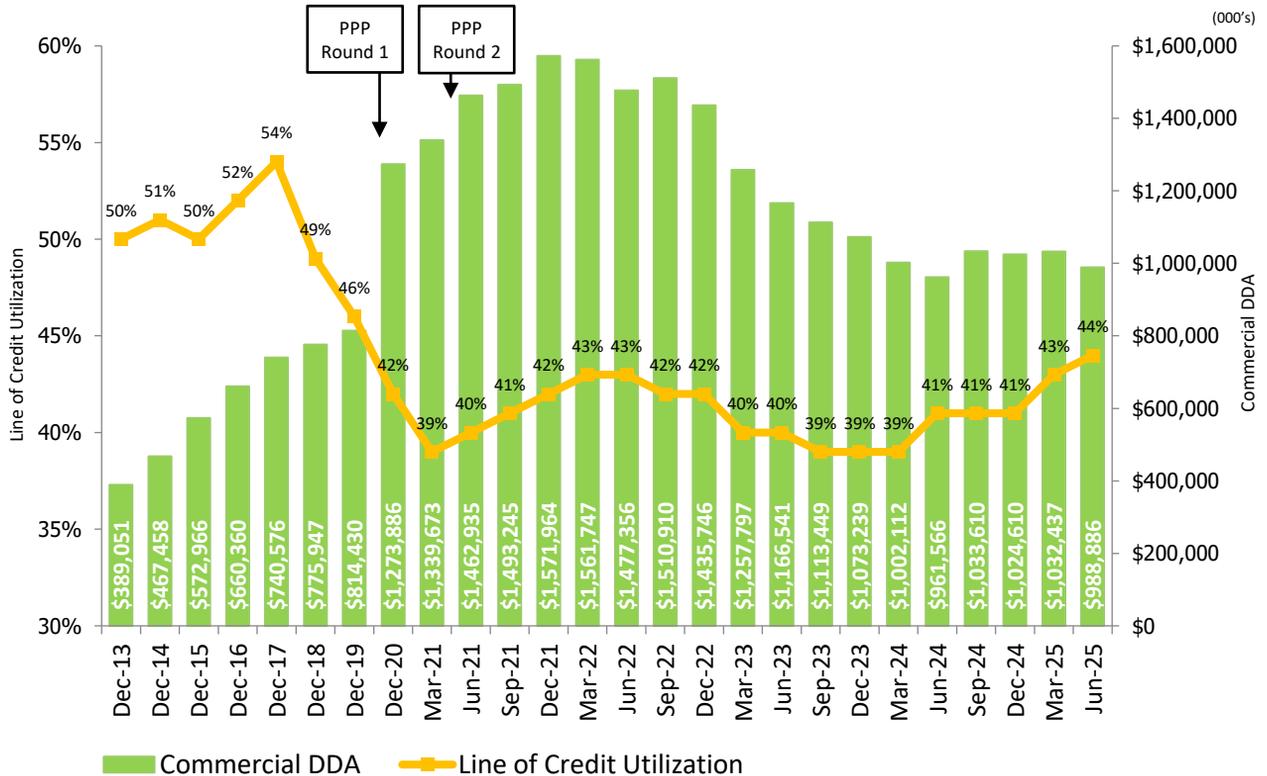
PPP Round 2

Outstanding Available % Line Usage



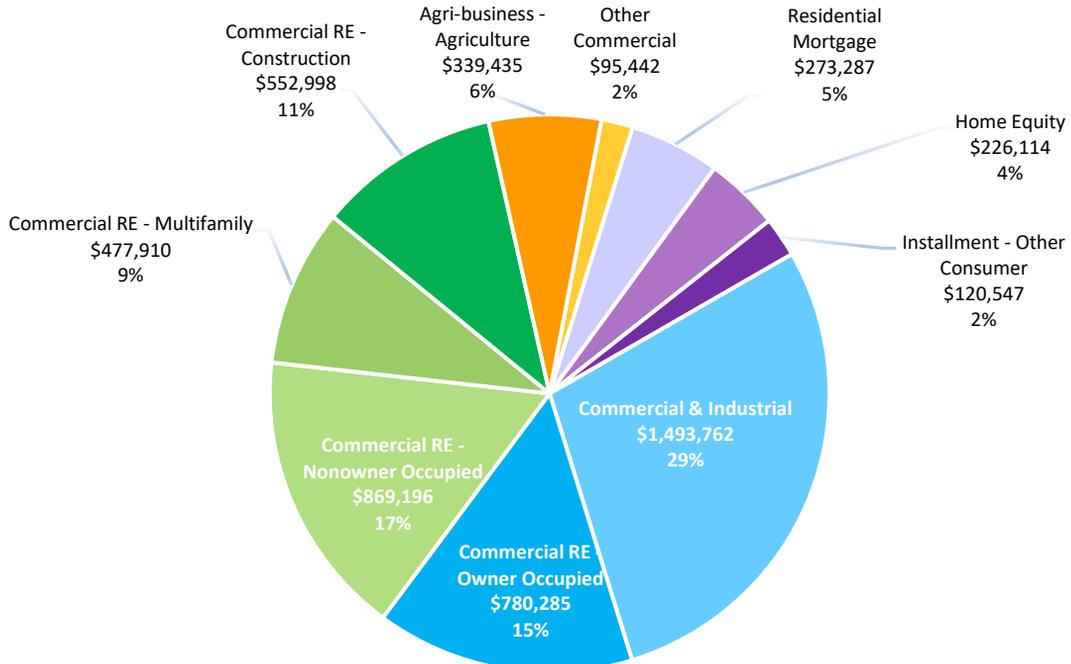
# Line of Credit Utilization vs. Commercial DDA

Commercial DDA Deposit Balances Grow by 3% Annually



# Loan Portfolio Breakdown

C&I Drives Lending Business

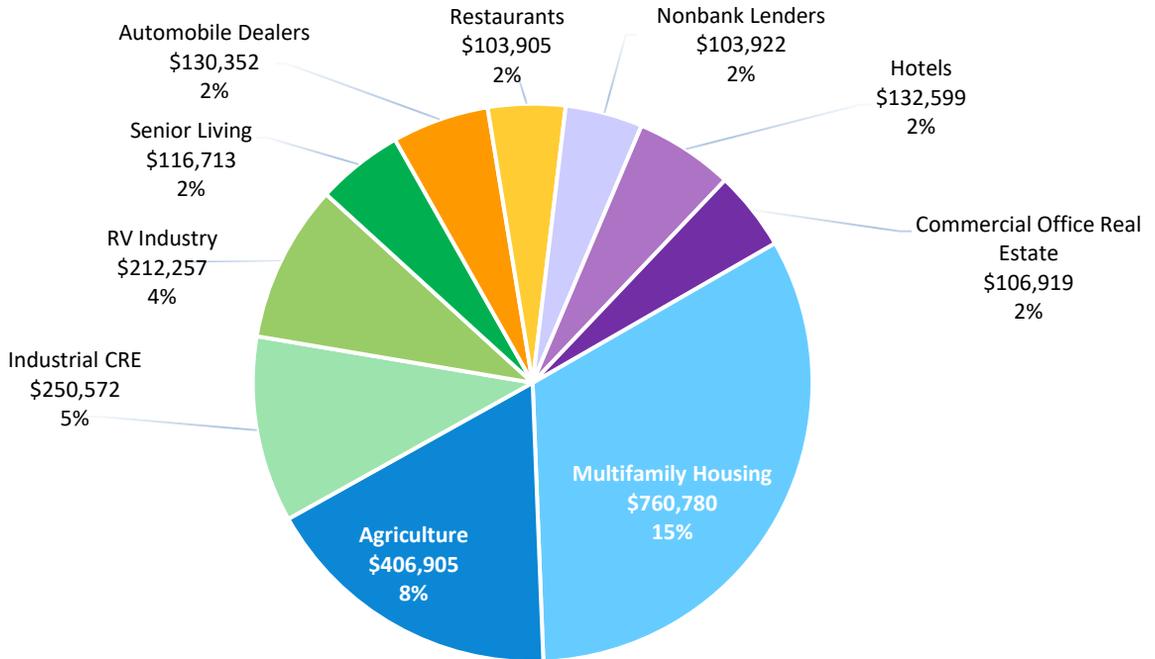


\$5.2 billion as of June 30, 2025

(000's)

# Top 10 Industry Concentrations

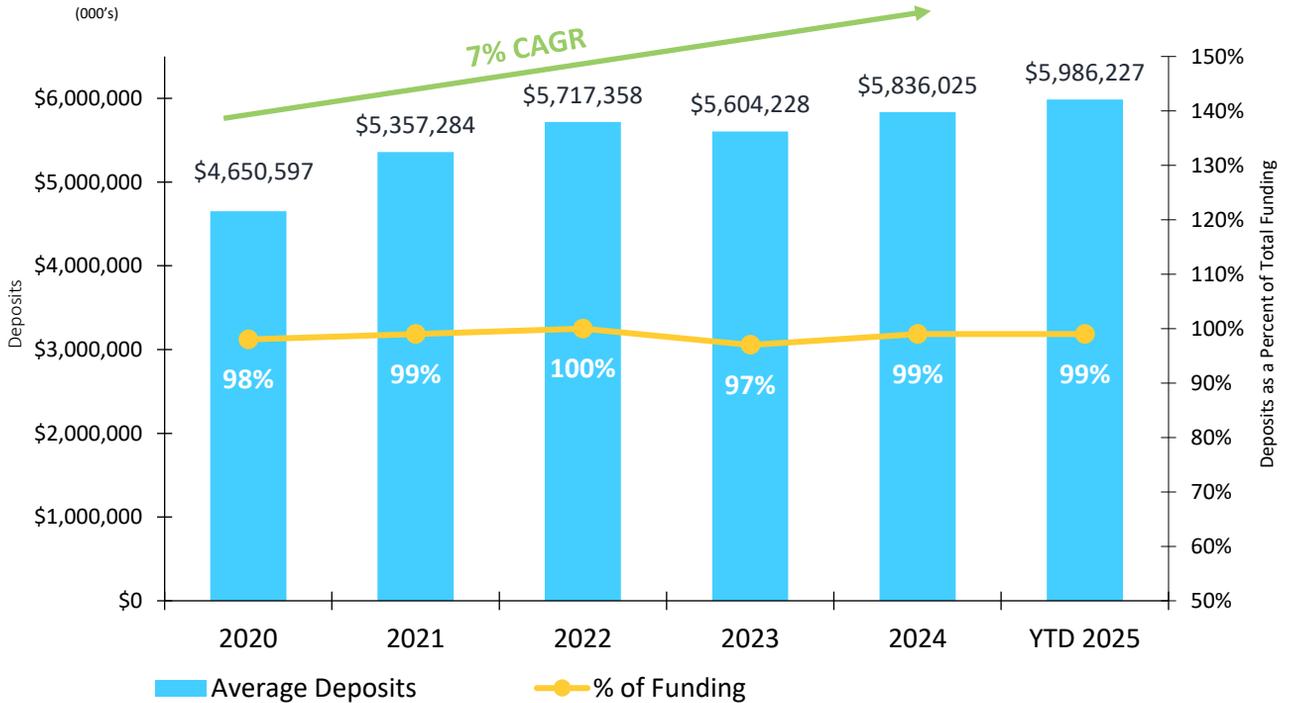
Loan Portfolio is Diversified



Top 10 Industries Represent 44% or \$2.3 billion of Total Loans

# Average Deposits

Average YTD Deposit Growth of \$261 million or 5% Compared to Prior Year

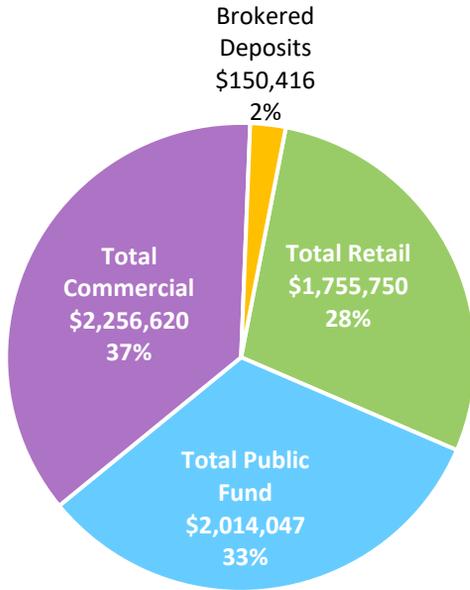


Compound annual growth rate "CAGR" is based on the most recent 5-year calculation

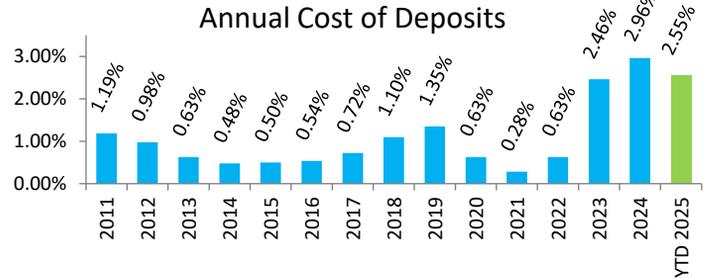
2025 YOY Increase 5%

# Deposit Breakdown

Deposit Costs Are Repricing Downward with Federal Funds Rate Cuts



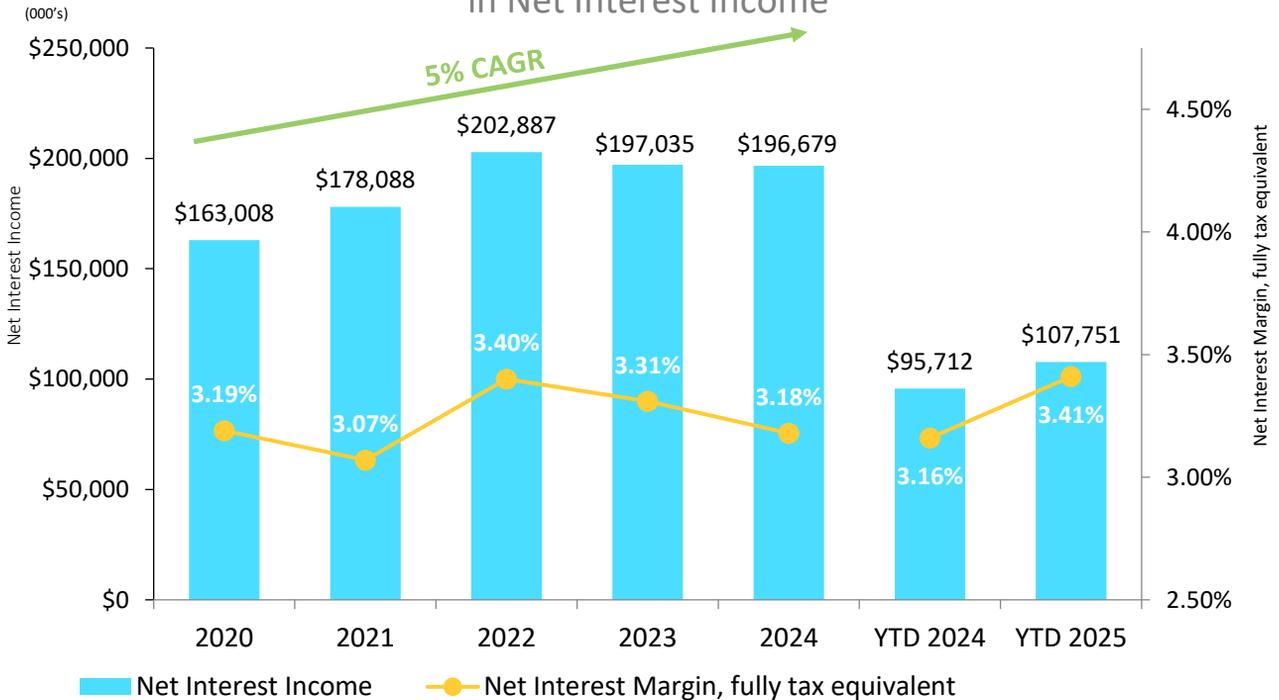
June 30, 2025  
 Total Deposits - \$6.2 billion  
 (000's)



Deposit Composition at end of period	2019	2025
Non-interest Bearing Demand Deposits	24%	20%
Interest Bearing Demand, Savings & MMA	47%	67%
Time Deposits > or = to \$100,000	22%	10%
Time Deposits < \$100,000	7%	3%
<b>Total Deposits (billions)</b>	<b>\$4.1</b>	<b>\$6.2</b>

# Net Interest Income

Net Interest Margin Expansion and Loan and Deposit Growth Drive Increases in Net Interest Income

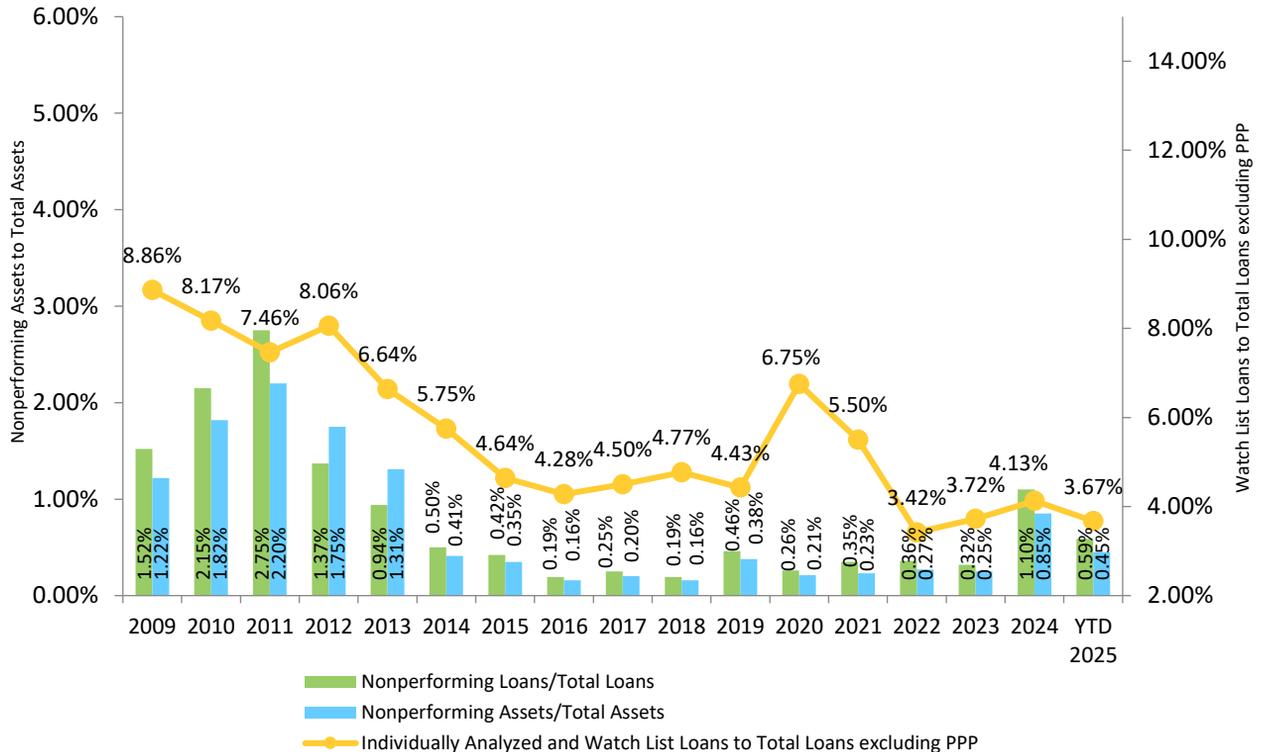


Compound annual growth rate "CAGR" is based on the most recent 5-year calculation

2025 YOY Increase 13%

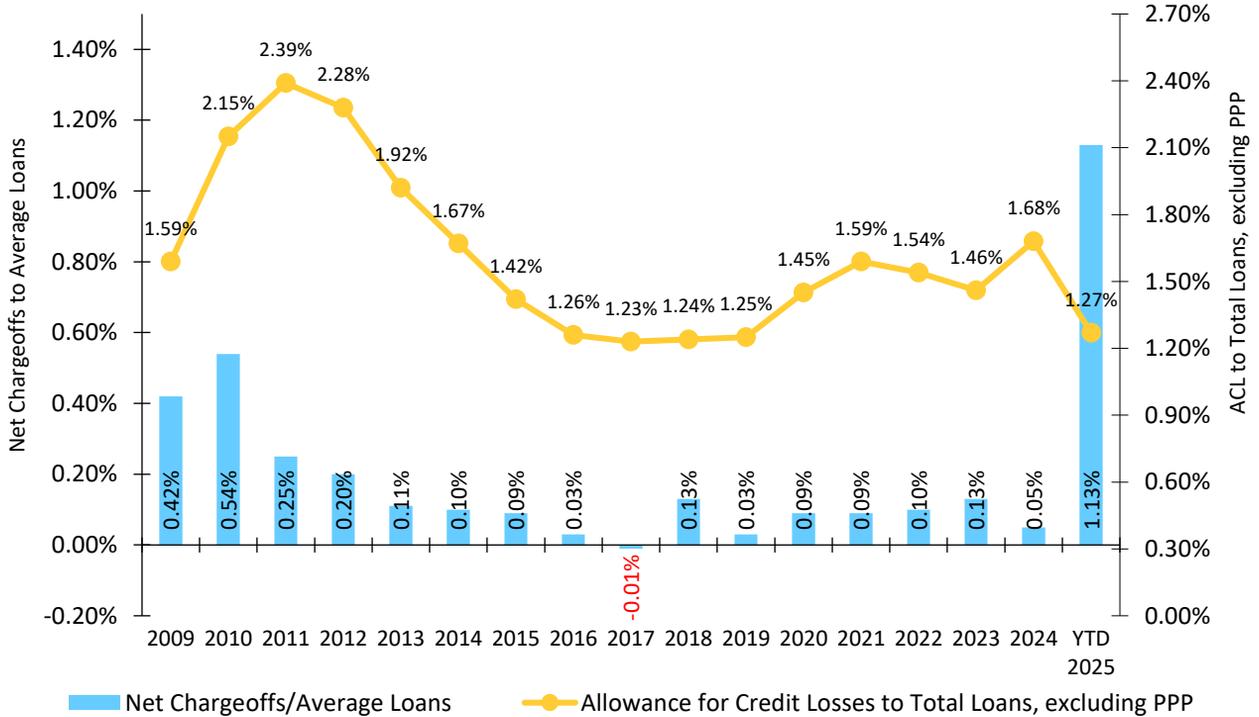
# Asset Quality

Total Individually Analyzed and Watchlist Loans Decline by \$77 Million in a Year



# Asset Quality

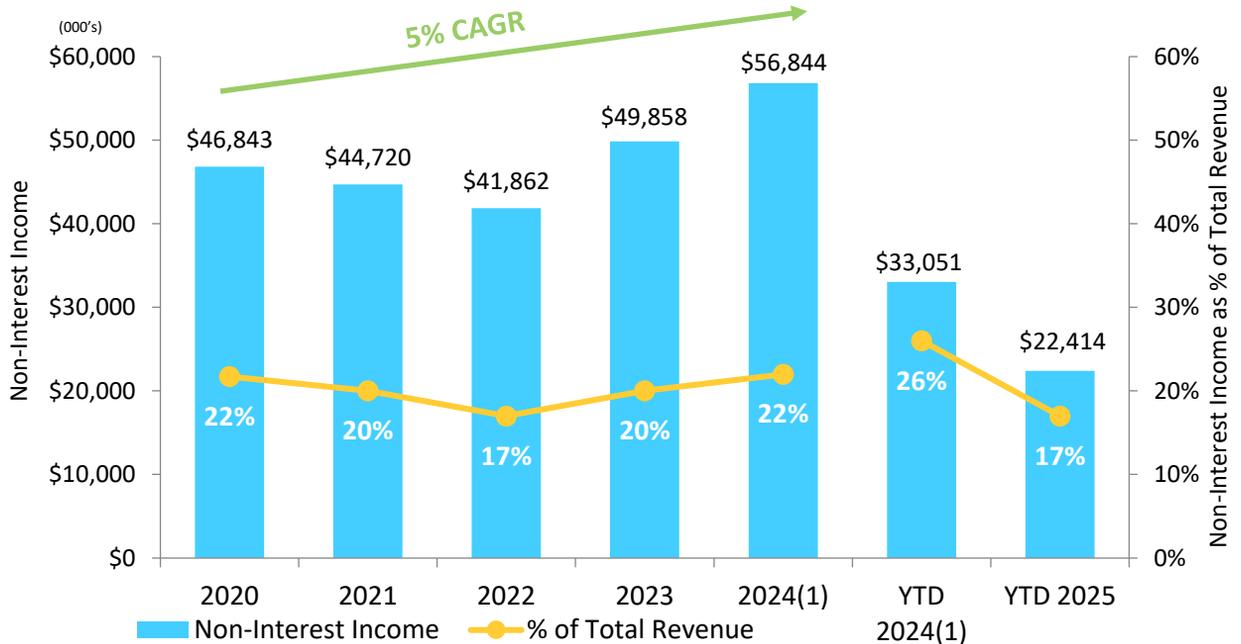
Allowance for Credit Losses Coverage Normalizes in Second Quarter 2025



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

# Noninterest Income

Wealth Advisory Group and Treasury Management Fees Continue to Grow



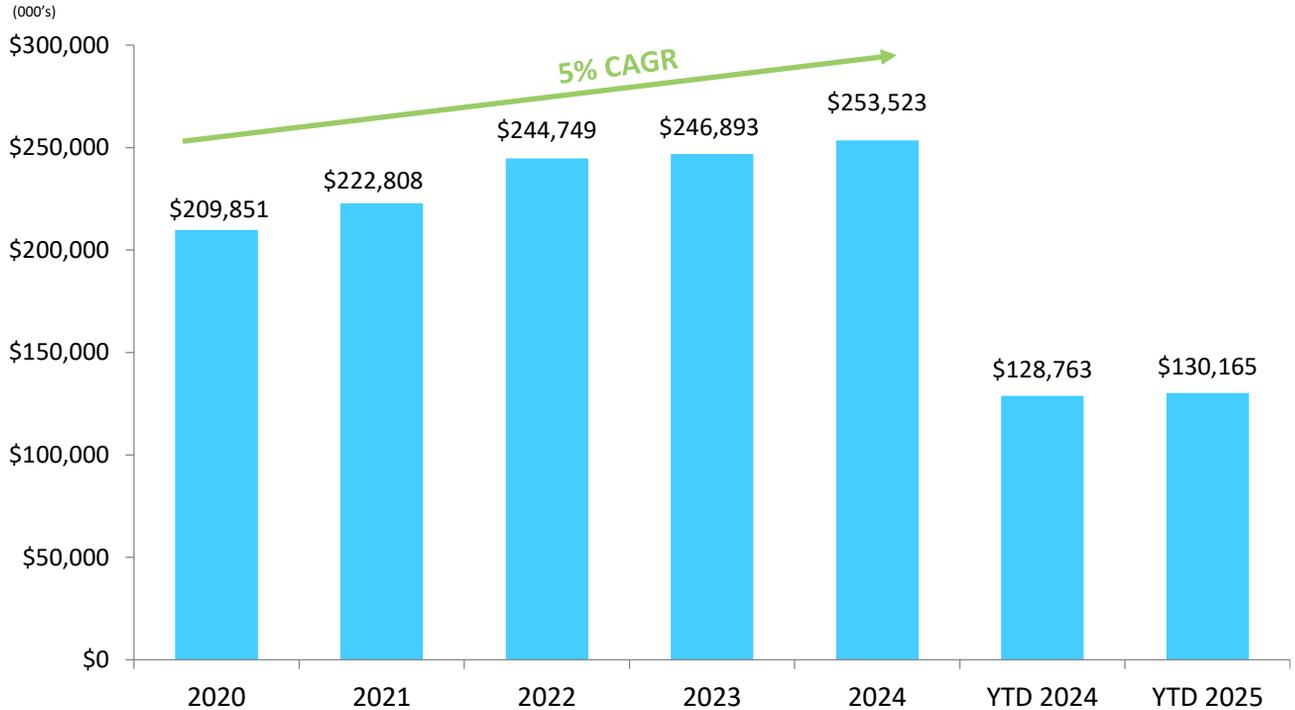
(1) Noninterest Income includes \$10.0 million of non-core income in 2024. See the "Reconciliation of Non-GAAP Financial Measures" in the second quarter 2025 Earnings Press Release and Form 8-K

Compound annual growth rate "CAGR" is based on the most recent 5-year calculation

2025 YOY Decrease (32)%  
 2025 YOY Core Noninterest Income Decrease (3)%<sup>(1)</sup>

# Total Revenue

Revenue Growth Benefits from Double Digit Growth in Net Interest Income



Compound annual growth rate "CAGR" is based on the most recent 5-year calculation

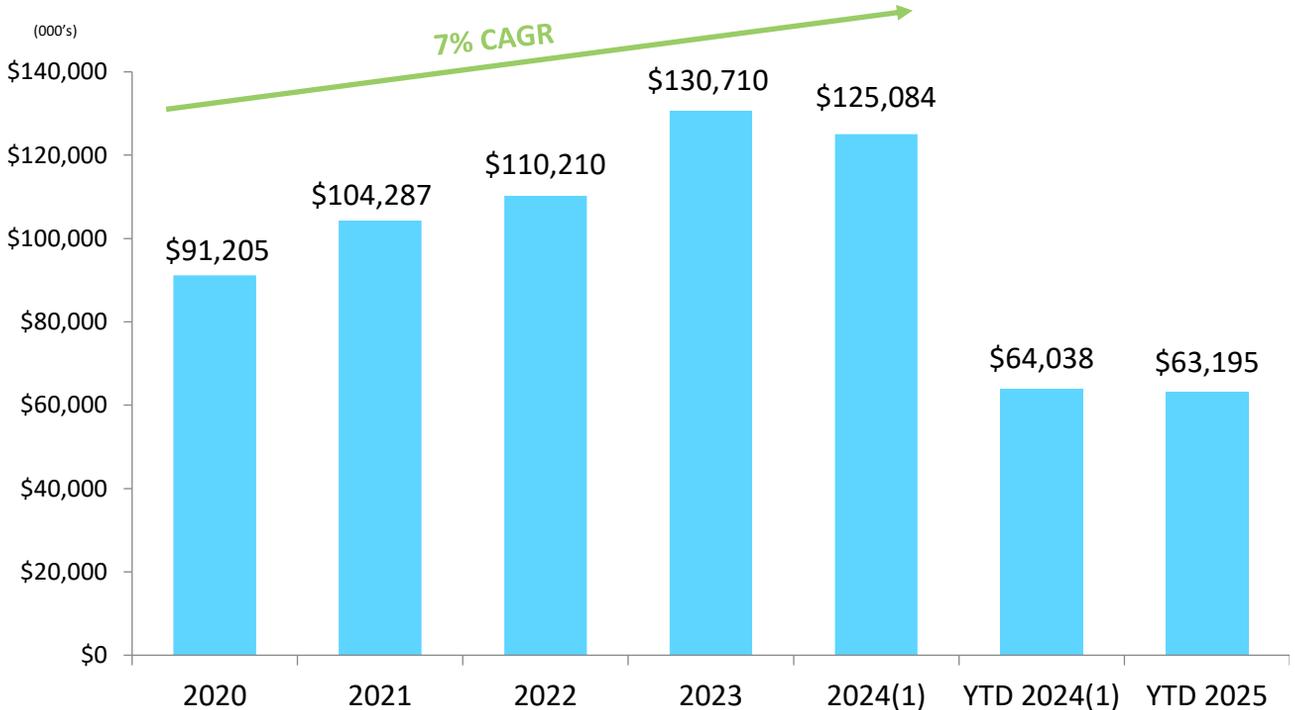
2025 YOY Increase 1%  
 2025 YOY Core Revenue Increase <sup>1</sup> 10%



(1) Core revenue includes \$10.0 million of non-core income in 2024. See the "Reconciliation of Non-GAAP Financial Measures" in the second quarter 2025 Earnings Press Release and Form 8-K

# Noninterest Expense

Disciplined Investment in People and Technology Continues



(1) Noninterest Expense includes \$4.5 million of non-core expense in 2024. See the "Reconciliation of Non-GAAP Financial Measures" in the second quarter 2025 Earnings Press Release and Form 8-K

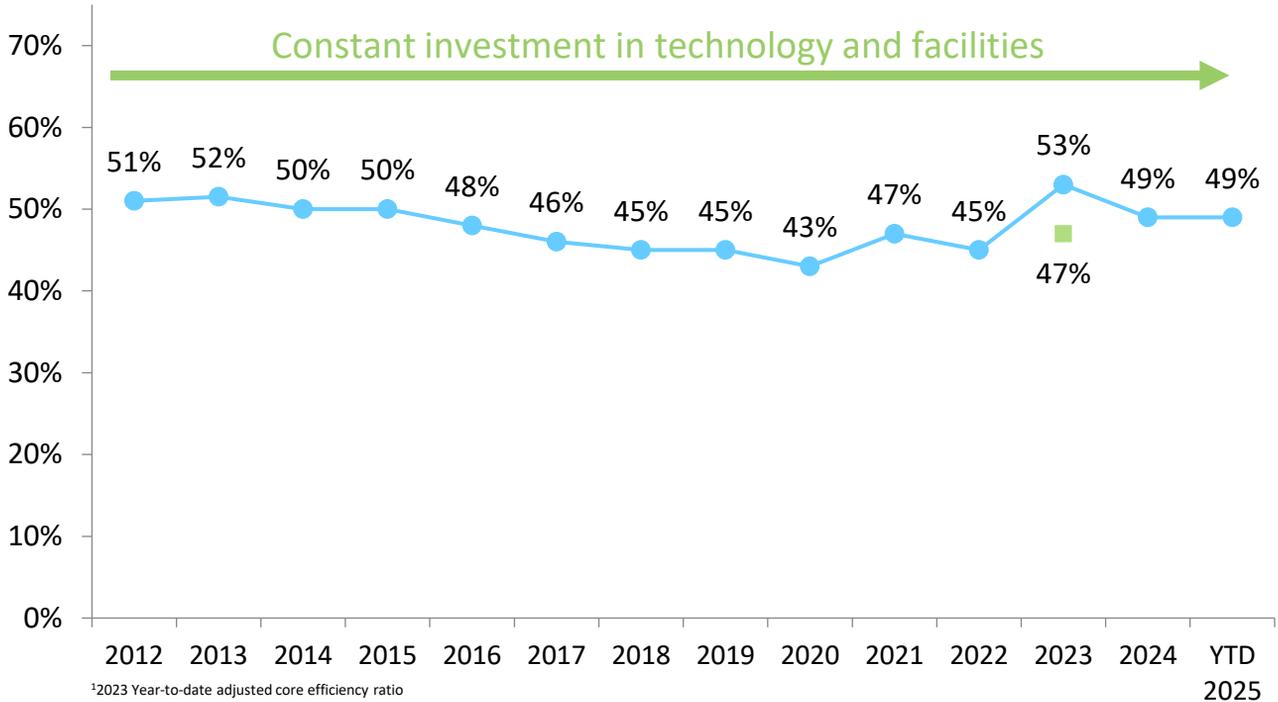
Compound annual growth rate "CAGR" is based on the most recent 5-year calculation

2025 YOY Decrease (1)%

2025 YOY Core Noninterest Expense Increase 6%<sup>(1)</sup>

# Efficiency Ratio

Efficiency Ratio is Stable



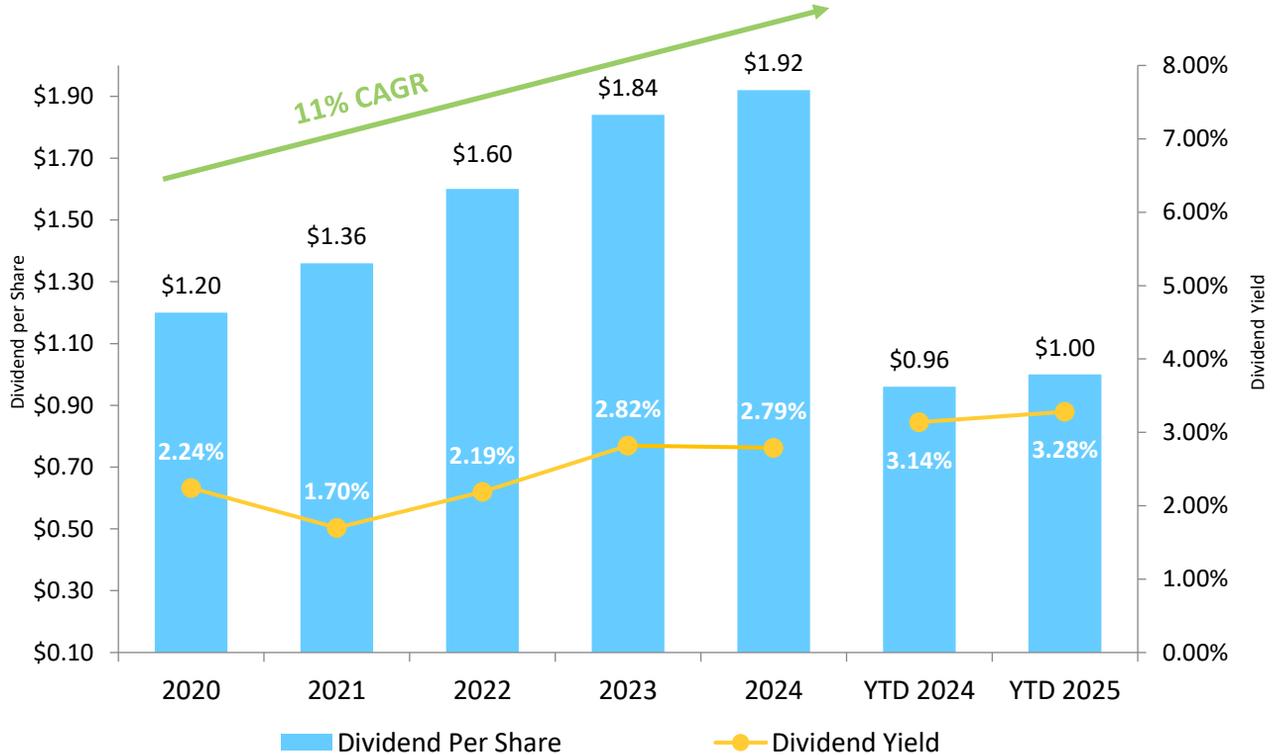
<sup>1</sup>2023 Year-to-date adjusted core efficiency ratio excludes the second quarter 2023 wire fraud loss, net, of salary and benefits adjustment for a total of \$16.2 million

● Efficiency Ratio

■ Adjusted Core Efficiency Ratio

# Stable Healthy Dividend

Growth in Dividend Reflects Strength of Capital

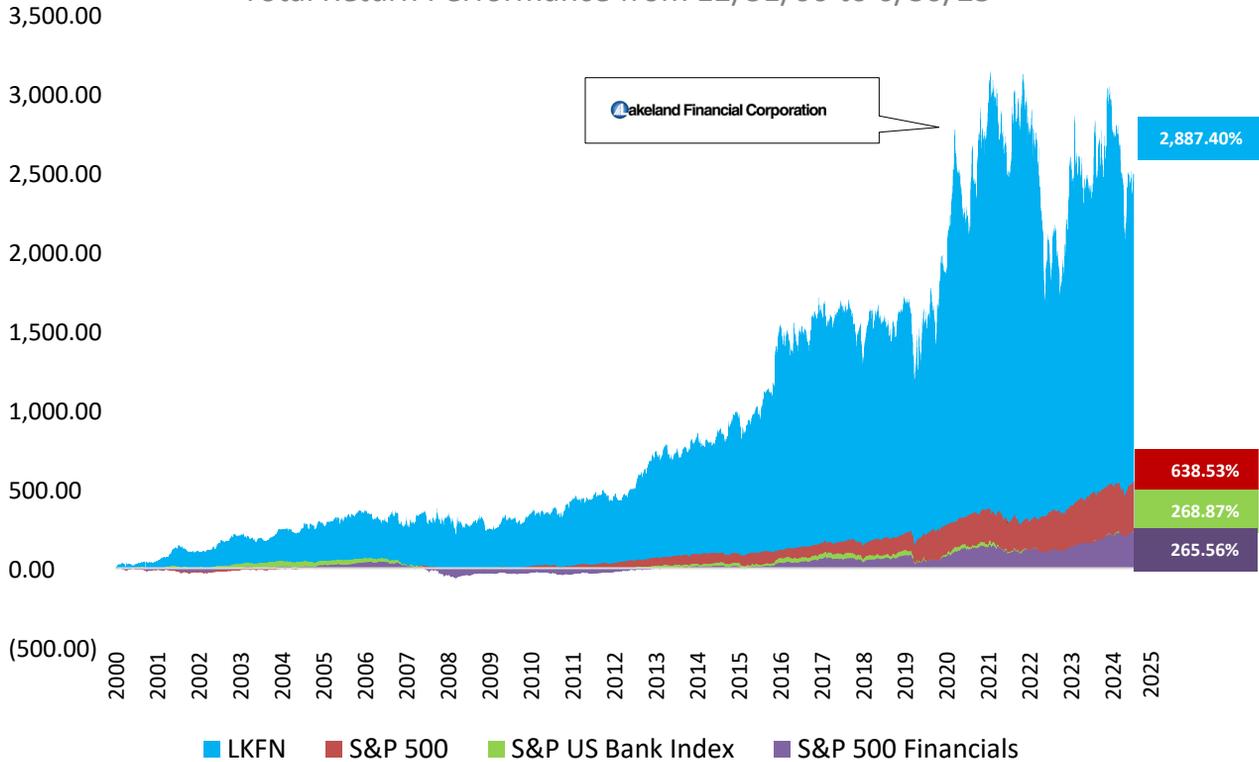


Compound annual growth rate "CAGR" is based on the most recent 5-year calculation

2025 YOY Increase 4%

# LKFN Shareholder Value

Total Return Performance from 12/31/00 to 6/30/25



# 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

Regulatory Ratio Description *	June 30, 2025 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	12.17%	5.00%	\$508,177	\$(179,857)	\$328,320	9.63%
Common Tier 1 (CET)	14.68%	6.50%	\$480,494	\$(179,857)	\$300,637	11.62%
Tier 1 Risk Based Capital	14.68%	8.00%	\$392,356	\$(179,857)	\$212,499	11.62%
Tier 2 Risk Based Capital	15.81%	10.00%	\$341,480	\$(179,857)	\$161,623	12.75%

\* Regulatory Ratios are preliminary pending the finalization of regulatory filings

# Robust Liquidity Sources

- Available liquidity is stable at \$3.7 billion, an increase from \$3.3 billion at June 30, 2024
- Sources of liquidity are varied and represent wholesale funding and brokered deposits
- Brokered deposits represent 2% of total deposits compared to 3% at June 30, 2024
- Noncore funding represented 3% of total deposits and purchased funds as of June 30, 2025, compared to 4% as of June 30, 2024

# Liquidity Preparedness

June 30, 2025

(000)	Liquidity Availability	Used	Unused/ Available	Additional Loan Collateral Available for Pledge
<b>Secured/Committed Borrowings:</b>				
Federal Home Loan Bank-Indianapolis <sup>(1)</sup>	\$ 610,031	\$ 1,200	\$ 608,831	\$ --
Federal Reserve Bank Discount Window	1,363,528	--	1,363,528	161,402
Total Secured/Committed	\$ 1,973,559	\$ 1,200	\$ 1,972,359	\$ 161,402
<b>Unsecured/Uncommitted Borrowings:</b>				
Brokered Certificates of Deposit <sup>(2)</sup>	\$ 618,303	\$ --	\$ 618,303	\$ --
Brokered Money Market Deposit <sup>(3)</sup>	208,929	150,416	58,513	--
Insured Cash Sweep-One Way Buy <sup>(4)</sup>	100,000	--	100,000	--
Fed Fund Lines	395,000	--	395,000	--
Total Unsecured/uncommitted borrowings	\$ 1,322,232	\$ 150,416	\$ 1,171,816	\$ --
<b>Investment Securities available for pledge:</b>				
Agencies, MBS and CMO <sup>(5)</sup>	194,575	--	194,575	--
Municipals <sup>(6)</sup>	339,469	--	339,469	--
Total Investment Securities Available	534,044	--	534,044	--
<b>Total Lake City Bank Liquidity Preparedness</b>	<b>\$ 3,829,835</b>	<b>\$ 151,616</b>	<b>\$ 3,678,219</b>	<b>\$ 161,402</b>

(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 LCB policy

(3) Brokered money market capacity is equal to 3% of total assets, per LCB policy

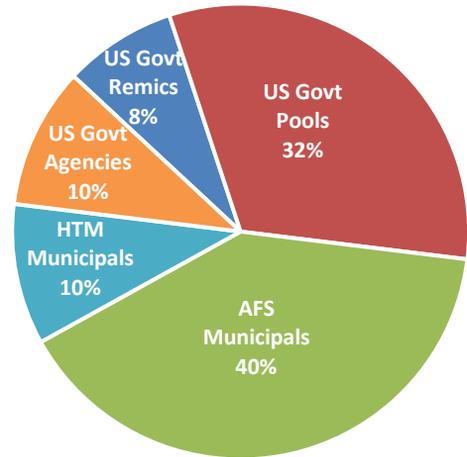
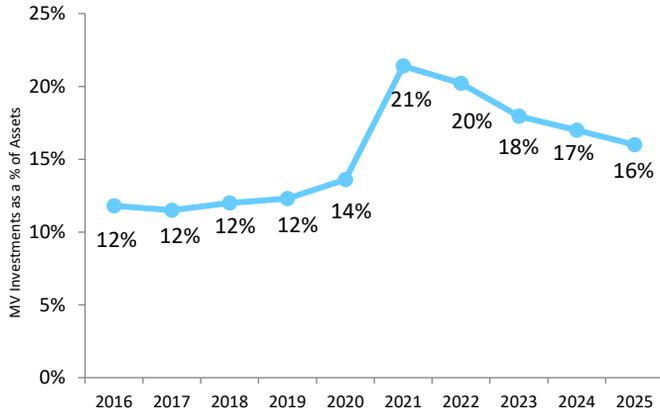
(4) Insured cash sweep OWB capacity is based on previous contracts with IntraFi Network (formerly Promontory)

(5) Investment securities are eligible collateral at the FRB – Discount Window and FHLB

(6) Municipal securities are eligible collateral at the FRB – Discount Window

# Investment Portfolio

## Recurring Cash Flows Used to Fund Organic Loan Growth



June 30, 2025

	Weighted Maturity	Book Yield	Market Value
US Govt REMICS	5.80	2.43	92,826
US Govt Pools	6.69	2.37	346,979
US Agencies	7.90	1.68	113,091
AFS Municipals (TEY)	14.25	2.89	444,061
HTM Municipals (TEY)	15.42	2.73	107,979
<b>Total (Tax-Equivalent Yield)</b>	<b>10.77</b>	<b>2.56%</b>	<b>\$1,104,936</b>

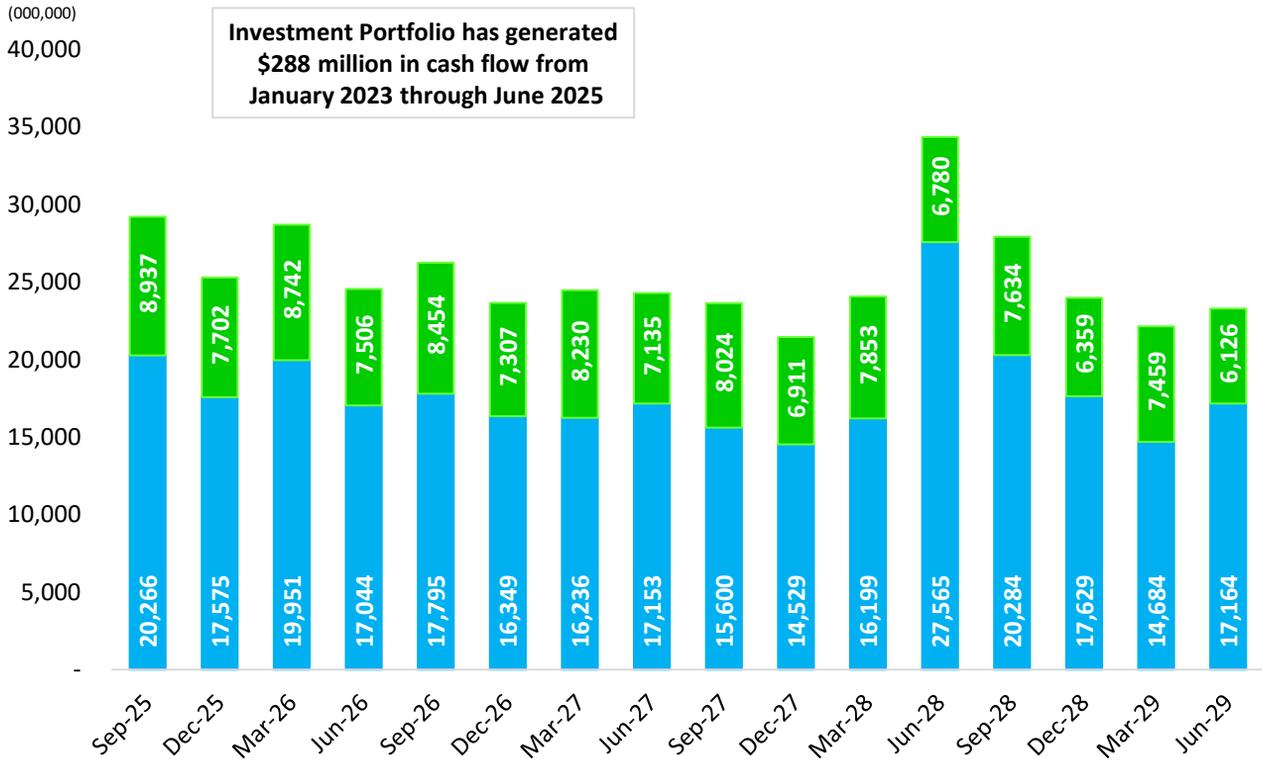
### Carrying Value

Held-to-Maturity \$ 132,389  
 Available-for-Sale \$ 996,957

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

# Investment Security Portfolio Cashflows

Cash Flows of \$407 million Expected Through June 2029



# Investment Portfolio Analysis

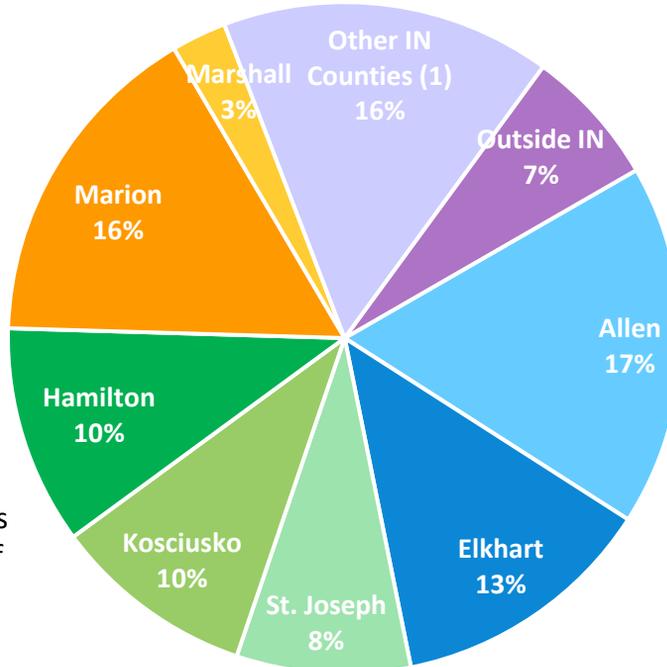
Investment Portfolio as a Percentage of Total Assets Continues to Decline

	6/30/2025			12/31/2024		
	Weighted Maturity	Market Value	% of Total	Weighted Maturity	Market Value	% of Total
US Govt REMICS	5.80	92,826	8%	6.05	85,794	8%
US Govt Pools	6.69	346,979	32%	6.83	336,615	30%
US Agencies	7.90	113,091	10%	8.36	109,435	10%
AFS Municipals (Exempt)	14.25	444,061	40%	14.75	459,582	42%
HTM Municipals	15.42	107,979	10%	15.92	113,107	10%
<b>Total</b>	<b>10.77</b>	<b>\$1,104,936</b>	<b>100%</b>	<b>11.14</b>	<b>\$1,104,533</b>	<b>100%</b>
Unrealized losses AFS		(\$185,271)			(\$191,075)	
Unrealized losses HTM		(\$24,410)			(\$18,462)	
<b>Total market value losses</b>		<b>(\$209,681)</b>			<b>(\$209,537)</b>	
<b>Portfolio effective duration, tax equivalent<sup>(1)</sup></b>		<b>5.92</b>			<b>5.96</b>	
<b>Investment securities as a % of assets</b>		<b>16%</b>			<b>17%</b>	

(1) Effective duration on a tax equivalent basis incorporates the historical price sensitivity relationship between tax-free and taxable securities. Tax-free securities have 2/3 of the price risk as a taxable security for a given change in taxable rates.

# Commercial Loans by County

Commercial Customers in 50 Indiana Counties and 21 Other



Commercial Loans  
Outstanding as of  
6/30/2025  
\$4.6 billion

June 30, 2025  
(000's)

# Larger Market Organic Expansion

## Organic Growth

State Rank	County	Primary City	Population*	LCB Entry	LCB Deposit Market Share**	# of Branches
22.	Kosciusko	Warsaw	80,364	1872	67%	12
6.	Elkhart	Elkhart	206,409	1990	22%	11
5.	St. Joseph	South Bend	272,848	1997	8%	4
3.	Allen	Fort Wayne	394,545	1999	14%	5
1.	Hamilton, Johnson, Marion	Indianapolis	1,507,924	2011	1%	8

\* Source: STATS Indiana

\*\* Source: FDIC 6/30/24 Statistics



# Mature Market Strength and Growth

## Organic Growth

(millions)<sup>1</sup>

	2024		2014			2024 # of Offices
	<u>Deposits</u>	<u>Share</u>	<u>Deposits</u>	<u>Share</u>	<u>Increase</u>	
1. 1 <sup>st</sup> Source	\$5,389	19.43%	\$2,701	15.68%	99.52%	52
<b>2. Lake City Bank</b>	<b>\$5,182</b>	<b>18.68%</b>	<b>\$2,687</b>	<b>15.60%</b>	<b>92.85%</b>	<b>54</b>
3. JPM Chase	\$3,483	12.56%	\$1,720	9.99%	102.50%	20
4. PNC	\$1,589	5.73%	\$1,216	7.06%	30.67%	16
5. Flagstar/Wells Fargo <sup>(2)</sup>	\$1,140	4.11%	\$2,350	13.64%	(51.49)%	23
6. First Merchants	\$1,032	3.72%	\$700	4.07%	47.43%	9
7. Star	\$1,007	3.63%	\$486	2.82%	107.20%	10
8. Old National	\$864	3.12%	\$607	3.52%	42.34%	9
9. Fifth Third	\$798	2.88%	\$351	2.04%	127.35%	8
10. KeyBank	\$689	2.48%	\$908	5.27%	(24.12)%	13
<b>Market Total</b>	<b>\$27,736</b>		<b>\$17,223</b>		<b>61.04%</b>	

<sup>1</sup>Mature Markets includes 12 Northern Indiana counties and excludes 3 Central Indiana counties

<sup>2</sup>Flagstar purchased Wells Fargo Indiana branches in 2018

Adjusted to include branches subsequently acquired by surviving banks. Data based on June 30<sup>th</sup> regulatory reporting for each year presented.



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