

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) April 15, 2005

Lakeland Financial Corporation
(Exact name of Registrant as specified in its charter)

Indiana (State or other jurisdiction of incorporation)	0-11487 (Commission file Number)	35-1559596 (I.R.S. Employer Identification Number)
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202 East Center Street, P.O. Box 1387, Warsaw, Indiana (Address of principal executive offices)	46581-1387 (Zip Code)
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(574) 267-6144
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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

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

Item 2.02. Results of Operations and Financial Condition

On April 15, 2005, Lakeland Financial Corporation issued a press release announcing its earnings for the quarter ended March 31, 2005. The news release is attached as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release dated April 15, 2005

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LAKELAND FINANCIAL CORPORATION

Dated: April 15, 2005

By: /s/David M. Findlay
David M. Findlay
Chief Financial Officer

FOR IMMEDIATE RELEASE

Contact: David M. Findlay
 Executive Vice President-
 Administration and
 Chief Financial Officer
 (574) 267-9197

INCOME SETS RECORD AT LAKELAND FINANCIAL
 First Quarter Performance and Cash Dividend Announced

Warsaw, Indiana (April 15, 2005) - Lakeland Financial Corporation (Nasdaq/LKFN), parent company of Lake City Bank, today reported record net income of \$4.1 million for the first quarter of 2005. Net income increased 16% over the \$3.5 million reported for the comparable period in 2004 and 8% versus the \$3.7 million reported for the fourth quarter of 2004. Diluted net income per common share for the quarter was \$0.66 versus \$0.58 for the comparable period of 2004 and \$0.62 for the fourth quarter of 2004.

Michael L. Kubacki, Chairman, President and Chief Executive Officer, commented, "Led by healthy loan growth and further margin enhancement, our financial results for the quarter were gratifying. We continue to experience greater market penetration in Northern Indiana, particularly in the commercial lending segment, which has led to linked-quarter average loan growth of 4%. This level of growth represents a great start to the year and further contributes to our reputation as an aggressive, thoughtful lender in Northern Indiana."

Kubacki continued, "Our focus on relationship building is the leading contributor to our financial success. At Lake City Bank, we value every client relationship as much as the next one, regardless of its size or scope. While some of our larger competitors would view our approach as unsophisticated in this day and age, we think it works well for our clients and provides a foundation for long-term shareholder value. We believe that our results for the quarter further affirm our strategy."

Kubacki added, "Our net interest margin improved to 3.77% for the quarter versus 3.63% for all of 2004 and represents the fourth consecutive quarter of margin expansion. The strengthening net interest margin contributed to an increase in net interest income in the quarter and establishes a positive trend for the balance of 2005, particularly if there are additional interest rate increases during the year."

The Company also announced that the Board of Directors approved a cash dividend for the first quarter of \$0.23 per share, payable on April 25, 2005 to shareholders of record on April 10, 2005. The quarterly dividend represents a 10% increase over the quarterly dividend of \$0.21 paid in 2004.

Average total loans for the first quarter of 2005 were \$1.0 billion versus \$975 million during the fourth quarter of 2004, a linked-quarter increase of 4%. Total loans as of March 31, 2005 were \$1.022 billion, an increase of \$19.0 million, versus \$1.003 billion as of December 31, 2004. Total loans as of March 31, 2004 were \$884 million.

Lakeland Financial's allowance for loan losses as of March 31, 2005 was \$11.1 million, compared to \$10.8 million as of December 31, 2004 and \$10.5 million as of March 31, 2004. Non-performing assets totaled \$9.8 million as of March 31, 2005 versus \$10.3 million as of December 31, 2004 and \$4.5 million on March 31, 2004. The ratio of non-performing assets to loans was 0.96% on March 31, 2005 compared to 1.02% at December 31, 2004 and 0.51% at March 31, 2004. Net charge offs totaled \$96,000 in the first quarter of 2005 versus \$562,000 during the fourth quarter of 2004 and \$9,000 in the first quarter of 2004.

For the three months ended March 31, 2005, Lakeland Financial's average equity to average assets ratio was 7.32% compared to 7.24% for the fourth quarter of 2004 and 7.21% for the first quarter of 2004. Average stockholders' equity for the quarter ended March 31, 2005 was \$103.6 million versus \$100.8 million for the fourth quarter of 2004 and \$92.4 million for the comparable period in 2004. Average total deposits for the first quarter of 2005 and the fourth quarter of 2004 were \$1.1 billion compared to \$968.7 million for the first quarter of 2004.

Lakeland Financial Corporation is a \$1.4 billion bank holding company headquartered in Warsaw, Indiana. Lake City Bank serves Northern Indiana with 43 branches located in the following Indiana counties: Kosciusko, Elkhart, Allen, St. Joseph, DeKalb, Fulton, Huntington, LaGrange, Marshall, Noble, Pulaski and Whitley.

Lakeland Financial Corporation may be accessed on its home page at www.lakecitybank.com. The Company's common stock is traded on the Nasdaq Stock Market under "LKFN". Market makers in Lakeland Financial Corporation common shares include Citigroup Global Market Holdings, Inc., FTN Financial Securities Corp., Hill, Thompson, Magid & Co., Howe Barnes Investments, Inc., Keefe, Bruyette & Woods, Inc., Knight Equity Securities, L.P., Morgan Stanley & Co., Inc., Schwab Capital Markets, Stifel Nicolaus & Company, Inc. and Susquehanna Capital Group.

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, future performance and business of the Company. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of the Company's management and on information currently available to management, are generally

identifiable by the use of words such as "believe," "expect," "anticipate," "plan," "intend," "estimate," "may," "will," "would," "could," "should" or other similar expressions. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events.

A number of factors, many of which are beyond the ability of the Company to control or predict, could cause actual results to differ materially from those in its forward-looking statements. These factors include, among others, the following: (i) the strength of the local and national economy; (ii) the economic impact of past and any future terrorist attacks, acts of war or threats thereof and the response of the United States to any such attacks and threats; (iii) changes in state and federal laws, regulations and governmental policies concerning the Company's general business; (iv) changes in interest rates and prepayment rates of the Company's assets; (v) increased competition in the financial services sector and the inability to attract new customers; (vi) changes in technology and the ability to develop and maintain secure and reliable electronic systems; (vii) the loss of key executives or employees; (viii) changes in consumer spending; (ix) unexpected results of acquisitions; (x) unexpected outcomes of existing or new litigation involving the Company; and (xi) changes in accounting policies and practices. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Additional information concerning the Company and its business, including additional factors that could materially affect the Company's financial results, is included in the Company's filings with the Securities and Exchange Commission.

LAKELAND FINANCIAL CORPORATION
FIRST QUARTER 2005 FINANCIAL HIGHLIGHTS
(Unaudited - Dollars in thousands except Share and Per Share Data)

	Three Months Ended		
	Mar. 31, 2005	Dec. 31, 2004	Mar. 31, 2004
END OF PERIOD BALANCES			
Assets	\$ 1,426,032	\$ 1,453,122	\$ 1,285,929
Deposits	1,132,546	1,115,399	1,006,811
Loans	1,022,184	1,003,219	884,499
Allowance for Loan Losses	11,115	10,754	10,477
Common Stockholders' Equity	103,271	101,765	94,191
AVERAGE BALANCES			
Assets			
Total Assets	\$ 1,416,307	\$ 1,391,171	\$ 1,281,413
Earning Assets	1,305,117	1,281,124	1,176,928
Investments	285,971	285,344	282,053
Loans	1,009,607	974,732	883,692
Liabilities and Stockholders' Equity			
Total Deposits	1,109,551	1,126,411	968,724
Interest Bearing Deposits	893,265	903,633	781,823
Interest Bearing Liabilities	1,086,741	1,057,924	993,786
Common Stockholders' Equity	103,625	100,779	92,444
INCOME STATEMENT DATA			
Net Interest Income	\$ 11,851	\$ 11,549	\$ 10,335
Net Interest Income-Fully Tax Equivalent	12,154	11,869	10,653
Provision for Loan Losses	458	575	252
Noninterest Income	4,119	4,044	4,033
Noninterest Expense	9,363	9,356	8,908
Net Income	4,055	3,748	3,502
PER SHARE DATA			
Basic Net Income Per Common Share	\$ 0.68	\$ 0.64	\$ 0.60
Diluted Net Income Per Common Share	0.66	0.62	0.58
Cash Dividends Per Common Share	0.23	0.21	0.21
Book Value Per Common Share (equity per share issued)	17.35	17.20	16.10
Market Value - High	41.38	40.90	38.05
Market Value - Low	37.11	33.80	31.41
Basic Weighted Average Common Shares Outstanding	5,936,370	5,893,060	5,842,946
Diluted Weighted Average Common Shares Outstanding	6,132,482	6,098,920	6,052,537
KEY RATIOS			
Return on Average Assets	1.16	1.07	1.10
Return on Average Common Stockholders' Equity	15.87	14.80	15.24
Efficiency (Noninterest Expense / Net Interest Income plus Noninterest Income)	58.63	60.00	61.98
Average Equity to Average Assets	7.32	7.24	7.21
Net Interest Margin	3.77	3.69	3.65
Net Charge Offs to Average Loans	0.04	0.23	0.00
Loan Loss Reserve to Loans	1.09	1.07	1.18
Nonperforming Assets to Loans	0.96	1.02	0.51
Tier 1 Leverage	9.17	9.15	9.23
Tier 1 Risk-Based Capital	11.55	11.41	11.95
Total Capital	12.54	12.38	13.02
ASSET QUALITY			
Loans Past Due 90 Days or More	\$ 2,809	\$ 2,778	\$ 3,211

Non-accrual Loans	6,876	7,213	997
Net Charge Offs	96	562	9
Other Real Estate Owned	91	261	277
Other Nonperforming Assets	6	13	39
Total Nonperforming Assets	9,782	10,265	4,524

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS
As of March 31, 2005 and December 31, 2004
(in thousands)

	March 31, 2005	December 31, 2004
	----- (Unaudited)	-----
ASSETS		
Cash and due from banks	\$ 52,419	\$ 81,144
Short-term investments	5,665	22,714
	-----	-----
Total cash and cash equivalents	58,084	103,858
Securities available-for-sale (carried at fair value)	285,162	286,582
Real estate mortgages held-for-sale	2,726	2,991
Loans:		
Total loans	1,022,184	1,003,219
Less: Allowance for loan losses	11,115	10,754
	-----	-----
Net loans	1,011,069	992,465
Land, premises and equipment, net	24,951	25,057
Bank owned life insurance	17,156	16,896
Accrued income receivable	6,044	5,765
Goodwill	4,970	4,970
Other intangible assets	1,193	1,245
Other assets	14,677	13,293
	-----	-----
Total assets	\$ 1,426,032	\$ 1,453,122
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Noninterest bearing deposits	\$ 228,391	\$ 237,261
Interest bearing deposits	904,155	878,138
	-----	-----
Total deposits	1,132,546	1,115,399
Short-term borrowings:		
Federal funds purchased	12,500	20,000
Securities sold under agreements to repurchase	89,959	88,057
U.S. Treasury demand notes	1,262	2,593
Other borrowings	35,000	75,000
	-----	-----
Total short-term borrowings	138,721	185,650
Accrued expenses payable	8,505	7,445
Other liabilities	2,015	1,889
Long-term borrowings	10,046	10,046
Subordinated debentures	30,928	30,928
	-----	-----
Total liabilities	1,322,761	1,351,357
STOCKHOLDERS' EQUITY		
Common stock: No par value, 90,000,000 shares authorized, 5,950,554 shares issued and 5,914,149 outstanding as of March 31 2005, and 5,915,854 shares issued and 5,881,283 outstanding at December 31, 2004	1,453	1,453
Additional paid-in capital	13,316	12,463
Retained earnings	92,675	89,864
Accumulated other comprehensive income/(loss)	(3,353)	(1,267)
Treasury stock, at cost	(820)	(748)
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Total stockholders' equity	103,271	101,765
	-----	-----
Total liabilities and stockholders' equity	\$ 1,426,032	\$ 1,453,122
	=====	=====

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2005 and 2004
(in thousands except for share data)
(Unaudited)

	Three Months Ended March 31,	
	2005	2004
NET INTEREST INCOME		

Interest and fees on loans:		
Taxable	\$ 14,513	\$ 11,443
Tax exempt	45	68
Interest and dividends on securities:		
Taxable	2,272	2,179
Tax exempt	587	584
Short-term investments	56	28
	-----	-----
Total interest and dividend income	17,473	14,302
Interest on deposits	4,448	3,031
Interest on short-term borrowings	680	346
Interest on long-term borrowings	494	590
	-----	-----
Total interest expense	5,622	3,967
	-----	-----
NET INTEREST INCOME	11,851	10,335

Provision for loan losses	458	252
	-----	-----
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	11,393	10,083

NONINTEREST INCOME		

Trust and brokerage fees	728	739
Service charges on deposit accounts	1,549	1,657
Loan, insurance and service fees	415	487
Merchant card fee income	536	500
Other income	647	330
Net gains on sale of real estate mortgages held for sale	244	320
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Total noninterest income	4,119	4,033
NONINTEREST EXPENSE		

Salaries and employee benefits	5,146	4,925
Net occupancy expense	656	578
Equipment costs	517	439
Data processing fees and supplies	558	595
Credit card interchange	328	290
Other expense	2,158	2,081
	-----	-----
Total noninterest expense	9,363	8,908
INCOME BEFORE INCOME TAX EXPENSE	6,149	5,208

Income tax expense	2,094	1,706
	-----	-----
NET INCOME	\$ 4,055	\$ 3,502
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BASIC WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	5,936,370	5,842,946
BASIC EARNINGS PER COMMON SHARE	\$ 0.68	\$ 0.60
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DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	6,132,482	6,052,537
DILUTED EARNINGS PER COMMON SHARE	\$ 0.66	\$ 0.58
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