SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) April 25, 2008

Lakeland Financial Corporation

(Exact name of Registrant as specified in its charter)

Indiana

0-11487

35-1559596

(State or other jurisdiction Of incorporation)

(Commission File Number)

(IRS Employer Identification No.)

202 East Center Street, P.O. Box 1387, Warsaw, Indiana 46581-1387 (Address of principal executive offices) (Zip Code)

(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:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- o Solicitation material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)
- o 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 25, 2008, Lakeland Financial Corporation issued a press release announcing its earnings for the three-months ended March 31, 2008. The news release is attached as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release dated April 25, 2008

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 25, 2008 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

LAKE CITY BANK REPORTS RECORD FIRST QUARTER INCOME

Dividend Increase of 11% Announced

Warsaw, Indiana (April 25, 2008) – Lakeland Financial Corporation (Nasdaq Global Select/LKFN), parent company of Lake City Bank, today reported record net income of \$5.2 million for the first quarter of 2008. Net income increased 10% over the \$4.8 million reported in the comparable quarter of 2007. On a linked quarter basis, net income increased 9% versus the fourth quarter of 2007. Diluted net income per share for the quarter was \$0.42 versus \$0.38 for the comparable period of 2007 and \$0.40 for the fourth quarter of 2007.

"Highlighted by the single largest quarterly loan growth in our history, the Bank's overall performance reflects strong results in a challenging banking environment. With record first quarter income, our performance demonstrates that we've been able to manage through a somewhat weaker regional economy. We've done this by leading with lending relationships and expanding fee-based revenue opportunities with a growing customer base," commented Michael L. Kubacki, Chairman, President and Chief Executive Officer.

"The customer-first reputation that we've worked hard to earn in Indiana continues to lead to new and expanded relationship opportunities. As a result, we're able to generate overall loan and revenue growth from within our existing footprint," added Kubacki.

Kubacki continued, "Average loans increased by \$101 million during the quarter, which far exceeds our previous record loan growth in a single quarter. We continue to benefit from our commitment to commercial banking with diversified growth occurring in every geographic market in which we operate. Our traditional commercial banking client base has continued to provide excellent growth opportunities for relationship-based lending opportunities. It's notable that loan growth during the quarter came primarily from the agribusiness and commercial and industrial lending sectors, which reinforces our emphasis on these traditional lending segments."

Contributing to earnings was a pre-tax benefit of \$642,000, or \$382,000 after tax, realized from the recent initial public offering of Visa, Inc. common shares. Excluding the effect of the Visa transaction, net income for the quarter would have been \$4.9 million, an increase of 2% over the comparable quarter of 2007. Diluted net income per share would have been \$0.39, an increase of 3% over the comparable quarter of 2007. This adjusted first quarter performance would have also represented record performance for the quarter.

The Company also announced that the Board of Directors approved a cash dividend for the first quarter of \$0.155 per share, payable on May 5, 2008 to shareholders of record as of April 25, 2008. The quarterly dividend represents an 11% increase over the quarterly dividends paid in 2007.

The Company's net interest margin was relatively stable at 3.12% in the first quarter versus 3.14% in the fourth quarter of 2007 and 3.25% for the first quarter of 2007. Despite a continued shift in funding mix and the Federal Reserve Bank's recent interest rate cuts, the margin declined only nominally on a linked quarter basis. As a result of growth in earning assets, the Company's net interest income increased by 11% to \$14.5 million in the first quarter of 2008 versus \$13.1 million in the first quarter of 2007. On a linked quarter basis, net interest income increased by 3% versus the fourth quarter of 2007. The Company's provision for loan losses increased by \$512,000, or 80%, to \$1.2 million for the first quarter of 2008 versus \$641,000 in the same period of 2007, principally as a result of loan growth and overall economic conditions in the Company's markets.

The Company's non-interest income was \$5.8 million for the first quarter of 2008, an increase of 25% compared to \$4.6 million for the same period in 2007. Excluding the effect of the Visa transaction, noninterest income would have been \$5.1 million, an 11% increase over the same period in 2007. The increase was driven by increases in every client-driven revenue category. The largest increases came from service charges on deposit accounts, which increased by 8% and wealth advisory fees and investment brokerage fees, both of which increased by 17%.

The Company's non-interest expense was \$11.4 million for the first quarter of 2008 compared to \$10.3 million for the same period in 2007, an increase of 11%. This increase was driven primarily by increased payroll and benefit expense and general increases in operating and regulatory expenses. Employee payroll and benefit costs increased by \$398,000 as a result of a combination of normal merit increases, increases in health insurance expense and performance-based incentive expense, the addition of revenue-producing staff in the commercial lending department and new office staff costs. In addition, advertising expenses were \$171,000 higher in the first quarter of 2008 versus the same period in 2007 as a result of the rollout of a significant new deposit product. Further, regulatory expenses increased by \$130,000 versus the comparable period in 2007 due to the Company's resumption of regular FDIC insurance premiums as prior credits expired early in 2008. Data processing fees and supplies increased by \$139,000 primarily as a result of the implementation of a new corporate cash management platform and contractual increases in existing operating services. Finally, the Company incurred \$105,000 of expense related to the impairment of other real estate owned. The Company's efficiency ratio improved to 56.1% compared to 58.0% for the same period a year ago.

Average total loans for the first quarter of 2008 were \$1.56 billion versus \$1.35 billion for the first quarter of 2007 and \$1.46 billion for the linked fourth quarter of 2007. The year-over-year increase for the first quarter represented an increase of 16%, or \$211 million. On a linked quarter basis, average loans increased by \$101 million versus the fourth quarter of 2007. Total gross loans as of March 31, 2008 were \$1.60 billion compared to \$1.38 billion as of March 31, 2007 and \$1.52 billion as of December 31, 2007.

Net charge offs totaled \$196,000 in the first quarter of 2008, versus \$327,000 during the fourth quarter of 2007, and \$346,000 during the first quarter of 2007. Lakeland Financial's allowance for loan losses as of March 31, 2008 was \$16.8 million, compared to \$15.8 million as of December 31, 2007 and \$14.8 million as of March 31, 2007.

Nonperforming assets totaled \$9.6 million as of March 31, 2008 compared to \$9.9 million as of December 31, 2007 and \$13.9 million on March 31, 2007. The ratio of nonperforming assets to assets improved to 0.43% on March 31, 2008 compared to 0.50% at December 31, 2007 and 0.76% at March 31, 2007. The allowance for loan losses represented 228% of nonperforming loans as of March 31, 2008 versus 212% at December 31, 2007 and 107% at March 31, 2007.

For the three months ended March 31, 2008, Lakeland Financial's average equity to average assets ratio was 7.38% compared to 7.47% for the fourth quarter of 2007 and 7.45% for the first quarter of 2007. Average stockholders' equity for the quarter ended March 31, 2008 was \$149.5 million versus \$143.9 million for the fourth quarter of 2007 and \$131.9 million for the first quarter of 2007. Average total deposits for the

quarter ended March 31, 2008 were \$1.51 billion versus \$1.52 billion for the fourth quarter of 2007 and \$1.45 billion for the first quarter of 2007.

Lakeland Financial Corporation is a \$2.2 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. The Company also has a Loan Production Office in Indianapolis, Indiana.

Lakeland Financial Corporation may be accessed on its home page at www.lakecitybank.com. The Company's common stock is traded on the Nasdaq Global Select Market under "LKFN". Market makers in Lakeland Financial Corporation common shares include Automated Trading Desk Financial Services, LLC, B-Trade Services, LLC, Citadel Derivatives Group, LLC, Citigroup Global Markets Holdings, Inc., Domestic Securities, Inc., E*TRADE Capital Markets LLC, FTN Financial Securities Corp., FTN Midwest Securities Corp., Goldman Sachs & Company, Howe Barnes Hoefer & Arnett, Inc., Keefe, Bruyette & Woods, Inc., Knight Equity Markets, L.P., Lehman Brothers Inc., Morgan Stanley & Co., Inc., Stifel Nicolaus & Company, Inc., Susquehanna Capital Group and UBS Securities LLC.

In addition to the results presented in accordance with generally accepted accounting principles in the United States of America, this press release contains certain non-GAAP financial measures. Lakeland Financial believes that providing non-GAAP financial measures provides investors with information useful to understanding Lakeland Financial's financial performance. Additionally, these non-GAAP measures are used by management for planning and forecasting purposes, including measures based on "tangible equity" which is "common stockholders' equity" excluding intangible assets, net of deferred tax. A reconciliation of these non-GAAP measures to the most comparable GAAP equivalent is included in the attached financial tables where the non-GAAP measure is presented.

Visa Initial Public Offering Adjustments

Lake City Bank, as a member bank of Visa U.S.A. Inc., holds shares of restricted common stock in Visa. In connection with Visa's initial public offering in March 2008, a portion of our Visa shares were redeemed pursuant to a mandatory redemption. The after-tax benefit to the current quarter net income from these Visa adjustments totaled \$382,000, or \$0.03 per diluted common share. This adjustment represents the net impact of the gain from the proceeds of the sale of these shares and the Company's portion of the settlement expenses related to litigation involving Visa, which Lake City Bank was subject to as a member bank. Lake City Bank's remaining shares of Visa stock are recorded at their original cost basis of zero. These shares have restrictions as to their sale or transfer and the ultimate realization of their value is subject to future adjustments based on the resolution of outstanding indemnified litigation.

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. Additional information concerning the Company and its business, including factors that could materially affect the Company's financial results, is included in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on form 10-K.

LAKELAND FINANCIAL CORPORATION FIRST QUARTER 2008 FINANCIAL HIGHLIGHTS

(Unaudited – Dollars in thousands except share and Per Share Data)

Three Months Ended Mar. 31. Mar. 31, Dec. 31. 2008 2007 2007 END OF PERIOD BALANCES \$ 2,204,995 \$ 1,989,133 \$ 1,818,260 Assets 1,478,918 1,498,002 Deposits 1,576,598 Loans 1,602,416 1,523,720 1,377,926 Allowance for Loan Losses 14.758 16,758 15.801 Common Stockholders' Equity 134 944 151,046 146,270 Tangible Equity 146,492 141,619 130,003 AVERAGE BALANCES Assets Total Assets \$ 2,026,664 \$ 1,927,172 \$ 1,771,551 Earning Assets 1,911,079 1,811,630 1,664,938 333,699 325,226 295,706 Investments 1 564 552 1 463 085 1,353,378 Loans Liabilities and Stockholders' Equity Total Deposits 1,514,784 1,520,201 1,454,083 Interest Bearing Deposits 1,296,949 1,287,356 1,237,542 Interest Bearing Liabilities 1,642,609 1,532,760 1,408,401 Common Stockholders' Equity 143,948 131,907 149,533 INCOME STATEMENT DATA \$ 14,058 \$ 13,098 \$ 14,506 Net Interest Income Net Interest Income-Fully Tax Equivalent 14,791 14,340 13,349 Provision for Loan Losses 1,153 1,054 641 Noninterest Income 5,769 5.201 4.603 Noninterest Expense 11,382 11,369 10,270 5,241 4,824 4,758 Net Income PER SHARE DATA Basic Net Income Per Common Share \$ 0.43 \$ 0.40 \$ 0.39 0.38 Diluted Net Income Per Common Share 0.42 0.40 Cash Dividends Declared Per Common Share 0.14 0.125 0.14 Book Value Per Common Share (equity per share issued) 12.35 11.98 11.07 Market Value - High 23.97 25.00 25.92 Market Value - Low 16.87 18.25 21.85 Basic Weighted Average Common Shares Outstanding 12,215,561 12,206,210 12,159,768 12,420,827 12,419,975 Diluted Weighted Average Common Shares Outstanding 12,424,643 KEY RATIOS 0.99 1.09 % Return on Average Assets 1.04 Return on Average Common Stockholders' Equity 14.10 13.30 14.63 Efficiency (Noninterest Expense / Net Interest Income plus Noninterest Income) 56.14 59.03 58.02 Average Equity to Average Assets 7.38 7.47 7.45 3.25 Net Interest Margin 3.12 3.14 Net Charge Offs to Average Loans 0.05 0.09 0.10 1.07 Loan Loss Reserve to Loans 1.05 1.04 0.46 0.49 1.00 Nonperforming Loans to Loans 0.43 0.50 0.76 Nonperforming Assets to Assets Tier 1 Leverage 8.68 8.93 9.07 Tier 1 Risk-Based Capital 10.01 10.54 10.97 Total Capital 10.96 11.51 11.98 Tangible Capital 6.66 7.14 7.17 ASSET QUALITY Loans Past Due 90 Days or More \$ 508 \$ 409 \$ 334 6.852 7.039 13.438 Non-accrual Loans Nonperforming Loans 7,360 7,448 13,772 Other Real Estate Owned 2,167 2,387 71 Other Nonperforming Assets 30 24 35 Total Nonperforming Assets 9,557 9,859 13,878 Impaired Loans 6,591 6,748 13,226 Net Charge Offs/(Recoveries) 196 327 346

LAKELAND FINANCIAL CORPORATION CONSOLIDATED BALANCE SHEETS As of March 31, 2008 and December 31, 2007 (in thousands, except per share data)

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Tabla lasses S. 204,955 S. 1,989,130 Tabla lasses Tabla	Other intangible assets	568	619		
LIABILITIES AND STOCKHOLDERS' EQUITY LIABILITIES Noninterest bearing deposits \$ 342,432 \$ 255,348 Interest bearing deposits \$ 1,234,166 1,223,570 Total deposits \$ 1,243,166 1,223,570 Short-term borrowings \$ \$ 99,500 70,010 Securities sold under agreements to repurchase \$ 164,348 154,913 \$ 1,242 \$ 1,242 Other short-term borrowings \$ 163,700 90,000 Total short-term borrowings \$ 16,165 \$ 15,495 Other liabilities \$ 1,239 \$ 1,311 Long-term borrowings \$ 1,453 \$ 1,453 \$ 1,453 \$ 1,453 \$ 1,453 \$ 1,453 \$ 1,453 \$ 1,453 \$ 1,453 \$ 1,453 \$ 1,453 \$ 1,453 \$ 1,453 \$ 1,453 \$ 1,453 \$ 1,453 \$ 1,453 \$ 1,603	Other assets	23,894	21,446		
Liabilities 1 342,432 \$ 255,348 Increst bearing deposits 1,234,166 1,223,570 Total deposits 1,576,598 1,478,918 Short-term borrowings \$ 50,000 70,010 Securities sold under agreements to repurchase 99,500 70,010 Securities sold under agreements to repurchase 164,348 154,913 U.S. Treasury demand notes 163,700 90,000 Total short-term borrowings 163,700 90,000 Total short-term borrowings 16,276 15,495 Other short-term borrowings 16,276 15,495 Other liabilities 1,29 1,311 Long-term borrowings 43 44 Subordinated debentures 30,928 30,928 Total liabilities 2,053,949 1,842,663 Total liabilities 2,053,949 1,842,663 Stower, and the stock: 180,000,000 shares authorized, no par value 1,153 1,453 1,453 12,207,723 shares issued and 12,117,03 outstanding as of March 31, 2008 11,262 1,20,70 1,807 1,807 1,80	Total assets	\$ 2,204,995	\$ 1,989,133		
Noninterest bearing deposits \$ 342,432 \$ 255,348 Interest bearing deposits 1,234,166 1,223,570 Total deposits 1,576,588 1,478,918 Short-term borrowings Federal funds purchased 99,500 70,010 Sccurities sold under agreements to repurchase 164,348 154,913 U.S. Treasury demand notes 163,700 90,000 Total short-term borrowings 16,276 15,497 Other short-term borrowings 16,276 15,497 Other labilities 1,239 1,311 Long-term borrowings 16,276 15,497 Other labilities 1,239 1,311 Subordinated debentures 30,928 30,928 Total liabilities 2,053,949 1,842,863 STOCKHOLDERS' EQUITY Common stock: 180,000,000 shares authorized, no par value 12,207,723 shares issued and 12,130,676 outstanding as of March 31,2008 1,453 1,453 1,453 1,453 1,453 1,657 1,807 Retained earnings 1,20 1,20	LIABILITIES AND STOCKHOLDERS' EQUITY				
Interest bearing deposits 1,234,166 1,223,570 Total deposits 1,576,588 1,478,918 Short-term borrowings "Securities sold under agreements to repurchase 164,348 154,913 U.S. Treasury demand notes 163,700 90,000 Other short-term borrowings 163,700 90,000 Other short-term borrowings 16,276 15,976 Accrued expenses payable 16,276 15,976 Other liabilities 1,239 1,311 Long-term borrowings 43 44 Subordinated debentures 30,928 30,928 Total liabilities 2,05,394 1,826,60 TOTSCKHOLDERS' EQUITY 1,453 1,453 12,230,973 shares issued and 12,130,676 outstanding as of March 31,2008 1,453 1,453 12,207,973 shares issued and 12,110,730 sutstanding as of December 31,200 1,453 1,453 Additional paid-in capital 1,857 1,800 Accumulated other comprehensive loss 113,261 12,000 Accumulated other comprehensive loss 1,134 1,453 1,453 <t< td=""><td>LIABILITIES</td><td></td><td></td></t<>	LIABILITIES				
Short-term borrowings Federal funds purchased 99,500 70,010 Securities sold under agreements to repurchase 164,348 154,913 U.S. Treasury demand notes 1,317 1,242 Other short-term borrowings 163,700 90,000 Total short-term borrowings 428,865 316,165 Accrued expenses payable 16,276 15,497 Other liabilities 1,239 1,311 Long-term borrowings 43 44 Subordinated debentures 30,928 30,928 Total liabilities 2,053,949 1,842,863 STOCKHOLDERS' EQUITY 2 1,230,973 shares issued and 12,130,676 outstanding as of March 31, 2008 12,230,973 shares issued and 12,130,676 outstanding as of March 31, 2008 1,453 1,453 1,453 12,207,723 shares issued and 12,111,703 outstanding as of December 31, 2007 1,453 1,453 1,453 Retained earnings 132,621 129,090 Accumulated other comprehensive loss (1,627) (1,341) Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) 151,046 146,270	Noninterest bearing deposits	\$ 342,432	\$ 255,348		
Short-term borrowings 70,010 Federal funds purchased 164,348 154,913 U.S. Treasury demand notes 1,317 1,242 Other short-term borrowings 163,700 90,000 Total short-term borrowings 428,865 316,165 Accrued expenses payable 16,276 15,497 Other liabilities 1,239 1,311 Long-term borrowings 43 44 Subordinated debentures 30,928 30,928 Total liabilities 2,053,949 1,842,863 Total liabilities 2,053,949 1,842,863 STOCKHOLDERS' EQUITY 5 5 Common stock: 180,000,000 shares authorized, no par value 12,230,733 shares issued and 12,130,676 outstanding as of March 31,2008 1,453 1,453 12,207,723 shares issued and 12,111,703 outstanding as of December 31, 2007 1,453 1,453 Additional paid-in capital 18,557 18,078 Retained earnings 1,010 1,010 Accumulated other comprehensive loss (1,181) 1,1,011 Treasury stock, at cost (2008 + 100,297 shares, 2	Interest bearing deposits	1,234,166	1,223,570		
Federal funds purchased 99,500 70,010 Securities sold under agreements to repurchase 164,348 154,913 U.S. Treasury demand notes 1,317 1,242 Other short-term borrowings 163,700 90,000 Total short-term borrowings 428,865 316,165 Accrued expenses payable 16,276 15,497 Other liabilities 1,239 1,311 Long-term borrowings 43 44 Subordinated debentures 30,928 30,928 Total liabilities 2,053,949 1,842,863 STOCKHOLDER' EQUITY 2 2 Common stock: 180,000,000 shares authorized, no par value 3 4 12,230,973 shares issued and 12,130,676 outstanding as of March 31, 2008 1,453 1,453 1,453 Additional paid-in capital 18,557 18,078 1,607 Retained earnings 132,621 129,009 Accumulated other comprehensive loss 1,153 1,150 1,150 Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) 1,162,70 1,1341 <	Total deposits	1,576,598	1,478,918		
Securities sold under agreements to repurchase 164,348 154,913 U.S. Treasury demand notes 1,317 1,242 Other short-term borrowings 163,700 90,000 Total short-term borrowings 428,865 316,165 Accrued expenses payable 16,276 15,497 Other liabilities 1,239 1,311 Long-term borrowings 43 44 Subordinated debentures 30,928 30,928 Total liabilities 2,053,949 1,842,863 STOCKHOLDERS' EQUITY 2 2 Common stock: 180,000,000 shares authorized, no par value 1,230,973 shares issued and 12,130,676 outstanding as of March 31, 2008 1,453 1,453 1,453 12,207,723 shares issued and 12,111,703 outstanding as of December 31, 2007 1,453 1,453 1,453 Additional paid-in capital 18,575 18,078 1,450 1,450 1,450 1,450 1,450 1,450 1,450 1,450 1,450 1,450 1,450 1,450 1,450 1,450 1,450 1,450 1,450 1,450 <t< td=""><td>Short-term borrowings</td><td></td><td></td></t<>	Short-term borrowings				
U.S. Treasury demand notes 1,317 1,242 Other short-term borrowings 163,700 90,000 Total short-term borrowings 428,865 316,165 Accrued expenses payable 16,276 15,497 Other liabilities 1,239 1,311 Long-term borrowings 43 44 Subordinated debentures 30,928 30,928 Total liabilities 2,053,949 1,842,863 STOCKHOLDERS' EQUITY CONCHOLDERS' EQUITY 12,230,973 shares issued and 12,130,676 outstanding as of March 31, 2008 1,453 1,453 12,207,723 shares issued and 12,111,703 outstanding as of December 31, 2007 1,453 1,453 Additional paid-in capital 18,557 18,078 Retained earnings 132,621 129,090 Accumulated other comprehensive loss (1,510) (1,010) Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) (1,1427) (1,341) Total stockholders' equity 151,046 146,270	Federal funds purchased	99,500	70,010		
Other short-term borrowings 163,700 90,000 Total short-term borrowings 428,865 316,165 Accrued expenses payable 16,276 15,497 Other liabilities 1,239 1,311 Long-term borrowings 43 44 Subordinated debentures 30,928 30,928 Total liabilities 2,053,949 1,842,863 STOCKHOLDERS' EQUITY Common stock: 180,000,000 shares authorized, no par value 2 2 12,230,973 shares issued and 12,130,676 outstanding as of March 31, 2008 1,453 1,453 Additional paid-in capital 18,557 18,078 Accumulated other comprehensive loss 132,621 129,090 Accumulated other comprehensive loss (1,58) (1,010) Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) 10,1341 (1,341)	Securities sold under agreements to repurchase	164,348	154,913		
Accrued expenses payable 16,276 15,497 Other liabilities 1,239 1,311 Long-term borrowings 43 44 Subordinated debentures 30,928 30,928 Total liabilities 2,053,949 1,842,863 STOCKHOLDERS' EQUITY Common stock: 180,000,000 shares authorized, no par value 12,230,973 shares issued and 12,130,676 outstanding as of March 31, 2008 1,453 1,453 12,207,723 shares issued and 12,111,703 outstanding as of December 31, 2007 1,453 1,453 Additional paid-in capital 18,557 18,078 Retained earnings 132,621 129,090 Accumulated other comprehensive loss (158) (1,010) Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) (1,427) (1,341) Total stockholders' equity 151,046 146,270	U.S. Treasury demand notes	1,317	1,242		
Accrued expenses payable 16,276 15,497 Other liabilities 1,239 1,311 Long-term borrowings 43 44 Subordinated debentures 30,928 30,928 Total liabilities 2,053,949 1,842,863 STOCKHOLDERS' EQUITY Common stock: 180,000,000 shares authorized, no par value 12,230,973 shares issued and 12,130,676 outstanding as of March 31, 2008 1,453 1,453 12,207,723 shares issued and 12,111,703 outstanding as of December 31, 2007 1,453 1,453 Additional paid-in capital 18,557 18,078 Retained earnings 132,621 129,090 Accumulated other comprehensive loss (158) (1,010) Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) (1,427) (1,341) Total stockholders' equity 151,046 146,270	Other short-term borrowings	163,700	90,000		
Other liabilities 1,239 1,311 Long-term borrowings 43 44 Subordinated debentures 30,928 30,928 Total liabilities 2,053,949 1,842,863 STOCKHOLDERS' EQUITY Common stock: 180,000,000 shares authorized, no par value 30,928 30,928 12,230,973 shares issued and 12,130,676 outstanding as of March 31, 2008 31,453 1,453 1,453 Additional paid-in capital 18,557 18,078 18,078 18,078 12,209,090 Accumulated other comprehensive loss (158) (1,010) 17,0341 1,0101	Total short-term borrowings	428,865	316,165		
Other liabilities 1,239 1,311 Long-term borrowings 43 44 Subordinated debentures 30,928 30,928 Total liabilities 2,053,949 1,842,863 STOCKHOLDERS' EQUITY Common stock: 180,000,000 shares authorized, no par value 30,928 30,928 12,230,973 shares issued and 12,130,676 outstanding as of March 31, 2008 31,453 1,453 1,453 Additional paid-in capital 18,557 18,078 18,078 18,078 12,209,090 Accumulated other comprehensive loss (158) (1,010) 17,0341 1,0101	Accrued expenses payable	16,276	15,497		
Long-term borrowings 43 44 Subordinated debentures 30,928 30,928 Total liabilities 2,053,949 1,842,863 STOCKHOLDERS' EQUITY Common stock: 180,000,000 shares authorized, no par value 30,928 30,928 12,230,973 shares issued and 12,130,676 outstanding as of March 31, 2008 31,453 1,453 1,453 Additional paid-in capital 18,557 18,078 18,078 18,078 12,209,090 Accumulated earnings 132,621 129,090 12,090 12,000					
STOCKHOLDERS' EQUITY Common stock: 180,000,000 shares authorized, no par value 12,230,973 shares issued and 12,130,676 outstanding as of March 31, 2008 1,453 1,453 12,207,723 shares issued and 12,111,703 outstanding as of December 31, 2007 1,453 1,8078 Additional paid-in capital 18,078 Retained earnings 132,621 129,090 Accumulated other comprehensive loss (1,54) (1,341) Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) (1,341) Total stockholders' equity 151,046 146,270	Long-term borrowings	43	44		
STOCKHOLDERS' EQUITY Common stock: 180,000,000 shares authorized, no par value 12,230,973 shares issued and 12,130,676 outstanding as of March 31, 2008 12,207,723 shares issued and 12,111,703 outstanding as of December 31, 2007 1,453 1,453 1,8078 Additional paid-in capital 18,078 18,078 129,090 Accumulated earnings 132,621 129,090 Accumulated other comprehensive loss (158) (1,010) Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) (1,427) (1,341) Total stockholders' equity 151,046 146,270	Subordinated debentures	30,928	30,928		
Common stock: 180,000,000 shares authorized, no par value 12,230,973 shares issued and 12,130,676 outstanding as of March 31, 2008 1,453 1,453 12,207,723 shares issued and 12,111,703 outstanding as of December 31, 2007 18,557 18,078 Retained earnings 132,621 129,090 Accumulated other comprehensive loss (158) (1,010) Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) (1,427) (1,341) Total stockholders' equity 151,046 146,270	Total liabilities	2,053,949	1,842,863		
Common stock: 180,000,000 shares authorized, no par value 12,230,973 shares issued and 12,130,676 outstanding as of March 31, 2008 1,453 1,453 12,207,723 shares issued and 12,111,703 outstanding as of December 31, 2007 18,557 18,078 Retained earnings 132,621 129,090 Accumulated other comprehensive loss (158) (1,010) Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) (1,427) (1,341) Total stockholders' equity 151,046 146,270	STOCKHOLDERS' EQUITY				
12,230,973 shares issued and 12,130,676 outstanding as of March 31,2008 1,453 1,453 12,207,723 shares issued and 12,111,703 outstanding as of December 31,2007 18,557 18,078 Additional paid-in capital 132,621 129,090 Accumulated other comprehensive loss (158) (1,010) Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) (1,427) (1,341) Total stockholders' equity 151,046 146,270					
12,207,723 shares issued and 12,111,703 outstanding as of December 31, 2007 1,453 1,453 Additional paid-in capital 18,557 18,078 Retained earnings 132,621 129,090 Accumulated other comprehensive loss (158) (1,010) Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) (1,427) (1,341) Total stockholders' equity 151,046 146,270					
Additional paid-in capital 18,557 18,078 Retained earnings 132,621 129,090 Accumulated other comprehensive loss (158) (1,010) Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) (1,427) (1,341) Total stockholders' equity 151,046 146,270		1,453	1,453		
Retained earnings 132,621 129,090 Accumulated other comprehensive loss (158) (1,010) Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) (1,427) (1,341) Total stockholders' equity 151,046 146,270					
Accumulated other comprehensive loss (158) (1,010) Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) (1,427) (1,341) Total stockholders' equity 151,046 146,270	• •				
Treasury stock, at cost (2008 - 100,297 shares, 2007 - 96,020 shares) (1,427) (1,341) Total stockholders' equity 151,046 146,270					
Total stockholders' equity 151,046 146,270	-				
	Total liabilities and stockholders' equity		\$ 1,989,133		

LAKELAND FINANCIAL CORPORATION CONSOLIDATED STATEMENTS OF INCOME For the Three Months Ended March 31, 2008 and 2007 (in thousands except for share and per share data) (unaudited)

Three Months Ended

	36 10	Ended		
	March 3 2008	2007		
NET INTEREST INCOME				
Interest and fees on loans				
Taxable	\$ 25,475	\$ 24,720		
Tax exempt	32	50		
Interest and dividends on securities				
Taxable	3,380	2,678		
Tax exempt	614	602		
Interest on short-term investments	91	208		
Total interest income	29,592	28,258		
Interest on deposits	12,047	13,098		
Interest on borrowings				
Short-term	2,424	1,430		
Long-term	615	632		
Total interest expense	15,086	15,160		
NET INTEREST INCOME	14,506	13,098		
Provision for loan losses	1,153	641		
NET INTEREST INCOME AFTER PROVISION FOR				
LOAN LOSSES	13,353	12,457		
NONINTEREST INCOME				
Wealth advisory fees	809	689		
Investment brokerage fees	283	243		
Service charges on deposit accounts	1,769	1,632		
Loan, insurance and service fees	655	581		
Merchant card fee income	810	764		
Other income	458	493		
Net gains on sales of real estate mortgage loans held for sale	315	165		
Net securities gains (losses)	28	36		
Gain on redemption of Visa shares	642	0		
Total noninterest income	5,769	4,603		
NONINTEREST EXPENSE				
Salaries and employee benefits	6,253	5,855		
Net occupancy expense	796	674		
Equipment costs	441 840	445 701		
Data processing fees and supplies Credit card interchange	535	489		
Other expense	2,517	2,106		
Total noninterest expense	11,382	10,270		
INCOME BEFORE INCOME TAX EXPENSE	7,740	6,790		
Income tax expense	2,499	2,032		
NET INCOME	\$ 5,241	\$ 4,758		
BASIC WEIGHTED AVERAGE COMMON SHARES	12,215,561	12,159,768		
BASIC EARNINGS PER COMMON SHARE	\$ 0.43	\$ 0.39		
DILUTED WEIGHTED AVERAGE COMMON SHARES	12,424,643	12,419,975		
DILUTED EARNINGS PER COMMON SHARE	\$ 0.42	\$ 0.38		

LAKELAND FINANCIAL CORPORATION

LOAN DETAIL

FIRST QUARTER 2008

(unaudited in thousands)

	March 31,			December 31,			March 31,				
	2008			2007			2007				
Commercial and industrial loans	\$ 1,047,367	65.4	%	\$	968,336	63.6	%	\$	892,828	64.8	%
Commercial real estate - multifamily loans	16,660	1.0			16,839	1.1			19,118	1.4	
Commercial real estate construction loans	83,378	5.2			84,498	5.6			67,885	4.9	
Agri-business and agricultural loans	180,344	11.3			170,921	11.2			127,742	9.3	
Residential real estate mortgage loans	115,953	7.2			124,107	8.1			113,814	8.3	
Home equity loans	108,558	6.8			108,429	7.1			103,885	7.5	
Installment loans and other consumer loans	50,250	3.1			50,516	3.3			52,743	3.8	
Subtotal	1,602,510	100.0	%		1,523,646	100.0	%		1,378,015	100.0	%
Less: Allowance for loan losses	(16,758)				(15,801)				(14,758)		
Net deferred loan (fees)/costs	(94)				74				(89)		
Loans, net	\$ 1,585,658	:		\$	1,507,919			\$	1,363,168		