

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 April 15, 2003
(Date of earliest event reported)

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

Indiana
(State or other jurisdiction of incorporation)

0-11487 35-1559596
(Commission File Number) (I.R.S. Employer Identification Number)

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)

Item 5. Other Information

On April 15, 2003, the Registrant issued a press release regarding its earnings for the first quarter ended March 31, 2003. The press release is attached hereto as Exhibit 99.1.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) Financial Statements of Business Acquired.

None.

(b) Pro Forma Financial Information.

None.

(c) Exhibits.

99.1 Press Release dated April 15, 2003

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, 2003

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

LAKELAND FINANCIAL CORPORATION

FOR IMMEDIATE RELEASE

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

RECORD RESULTS REPORTED
FOR LAKELAND FINANCIAL

Quarterly Dividend of \$0.19 Per Share Announced

Warsaw, Indiana (April 15, 2003) - Lakeland Financial Corporation (Nasdaq/LKFN), parent company of Lake City Bank, today reported record quarterly net income of \$3.5 million for the first quarter of 2003, an increase of 19% versus \$3.0 million for the comparable period in 2002. Diluted net income per common share for the quarter was \$0.59 versus \$0.50 for the comparable period in 2002.

The Company also announced that the Board of Directors approved a cash dividend for the first quarter of \$0.19 per share, payable on April 25, 2003 to shareholders of record on April 10, 2003. The quarterly dividend represents a 12% increase over the quarterly dividend of \$0.17 paid in 2002.

Michael L. Kubacki, President and Chief Executive Officer, commented, "The Lake City Bank team delivered another strong performance in the quarter. We are proud to report stable growth throughout the income statement, led by a 31% increase in total noninterest income."

Kubacki continued, "Noninterest income increased to \$4.4 million versus \$3.3 million in the comparable period in 2002, driven by mortgage sales gains of \$1.1 million, an increase of \$718,000 versus the comparable period in 2002. The unprecedented volume of mortgage originations continued during the first quarter. While mortgage rates remain near historically low levels, we do not anticipate that this level of mortgage sales gains will continue throughout the year. Also adding to the strong increase in noninterest income was a 19% increase in service charges on deposit accounts which grew from \$1.4 million to \$1.7 million as a result of increases in both business and retail accounts."

"Net interest income after the provision for loan losses increased by 2% from \$9.7 million in the first quarter of 2002 to \$9.9 million for the first quarter of 2003. Net interest income performance was negatively impacted by a decline in the net interest margin from 4.12% in the first quarter of 2002 to 3.93% in the first quarter of 2003. We are pleased that the net interest margin improved from 3.77% in the fourth quarter of 2002, but expect margin pressures to continue due to overall lower asset yields and the generally lower interest rate environment," added Kubacki.

Average loans for the quarter ended March 31, 2003 were \$830 million versus \$746 million during the first quarter of 2002 and \$801 million for fourth quarter of 2002. Total loans as of March 31, 2003 were \$827 million versus \$745 million as of March 31, 2002 and \$823 million as of December 31, 2002. Lakeland Financial's allowance for loan losses as of March 31, 2003 was \$9.7 million, or 1.18% of gross loans, compared to \$8.3 million, or 1.12% of gross loans, as of March 31, 2002 and \$9.5 million, or 1.16% of gross loans as of December 31, 2002. Non-performing assets totaled \$8.8 million as of March 31, 2003 versus \$3.4 million on March 31, 2002 and \$7.7 million as of December 31, 2002. The increase resulted primarily from the addition of a single commercial loan. The ratio of non-performing assets to loans was 1.06% on March 31, 2003 compared to 0.46% on March 31, 2002 and 0.94% at December 31, 2002.

Kubacki commented, "Commercial loan demand slowed in the first quarter as our region continued to experience economic uncertainty. This reduction in demand, in conjunction with our adherence to diligent underwriting standards, led to relatively modest net loan growth in the quarter. Furthermore, we retained a conservative approach to our loan loss reserve by increasing the reserve during the quarter from \$9.5 million to \$9.7 million. Net charge offs totaled \$458,000 in the quarter versus \$139,000 in the first quarter of 2002 and \$315,000 during the fourth quarter of 2002. We remain concerned with the overall weak economic conditions that have contributed to an increase in non-performing assets and believe we are taking appropriate actions to monitor and manage asset quality."

For the quarter ended March 31, 2003, Lakeland Financial's average equity to average assets ratio was 7.07% compared to 6.80% for the first quarter of 2002 and 6.88% for the fourth quarter of 2002. Average stockholders' equity in the quarter was \$85.6 million versus \$75.2 million for the comparable period in 2002 and \$82.6 million for the fourth quarter of 2002. Average total deposits for the quarter ended March 31, 2003 were \$934 million versus \$817 million for the comparable period in 2002 and \$916 million for the fourth quarter of 2002.

Lakeland Financial Corporation is a \$1.2 billion bank holding company headquartered in Warsaw, Indiana. Lake City Bank serves Northern Indiana with 41 branches located in the following Indiana counties: Kosciusko, Elkhart, Allen, St. Joseph, DeKalb, Fulton, Huntington, LaGrange, Marshall, Noble, Pulaski and Whitley. A 42nd office is currently under construction in Warsaw and is expected to open in late 2003.

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". Marketmakers in Lakeland Financial Corporation common shares include Stifel Nicolaus & Company, Howe Barnes Investments, Inc., Raymond James & Associates, Inc., McDonald Investments, Inc., First Tennessee Capital Markets and Trident Securities.

The Company's fixed rate cumulative trust preferred securities are traded on the Nasdaq Stock Market under the symbols "LKFPN". The annual rate on the fixed rate securities is 9.0%.

This document (including information incorporated by reference) 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 September 11th; (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 2003 FINANCIAL HIGHLIGHTS
(Unaudited - Dollars in thousands except Share and Per Share Data)

	3 Months Ended March 31	
	2003	2002
	-----	-----
END OF PERIOD BALANCES		
Assets	\$ 1,221,616	\$ 1,108,187
Deposits	961,494	844,751
Loans	826,865	744,940
Allowance for Loan Losses	9,742	8,309
Common Stockholders' Equity	86,067	75,683
AVERAGE BALANCES		
Assets		
Total Assets	\$ 1,210,872	\$ 1,106,112
Earning Assets	1,113,508	1,025,975
Investments	275,204	273,724
Loans	829,647	745,597
Liabilities and Stockholders' Equity		
Total Deposits	934,078	817,353
Interest Bearing Deposits	776,931	678,262
Interest Bearing Liabilities	954,894	882,439
Common Stockholders' Equity	85,590	75,193
INCOME STATEMENT DATA		
Net Interest Income	\$ 10,558	\$ 10,221
Net Interest Income-Fully Tax Equivalent	10,792	10,431
Provision for Loan Loss	667	502
Noninterest Income	4,372	3,345
Noninterest Expense	8,964	8,569
Net Income	3,515	2,954
PER SHARE DATA		
Basic Net Income Per Common Share	\$ 0.60	\$ 0.51
Diluted Net Income Per Common Share	0.59	0.50
Cash Dividends Per Common Share	0.19	0.17
Book Value Per Common Share	14.80	13.02
Market Value - High	25.75	20.45
Market Value - Low	23.21	17.45
Basic Weighted Average Common Shares Outstanding	5,813,984	5,813,984
Diluted Weighted Average Common Shares Outstanding	5,957,134	5,901,581

KEY RATIOS		
Return on Average Assets	1.18%	1.08%
Return on Average Common Stockholders' Equity	16.65	15.91
Efficiency (Noninterest Expense / Gross Interest Income plus Noninterest Income)	60.04	63.17
Average Equity to Average Assets	7.07	6.80
Net Interest Margin	3.93	4.12
Net Charge Offs to Average Loans	0.23	0.08
Loan Loss Reserve to Loans	1.18	1.12
Nonperforming Assets to Loans	1.06	0.46
Tier 1 Leverage	8.12	7.92
Tier 1 Risk-Based Capital	10.54	10.43
Total Capital	11.59	11.42

ASSET QUALITY		
Loans Past Due 90 Days or More	\$ 3,386	\$ 213
Non-accrual Loans	5,208	1,703
Net Charge Offs	458	139
Other Real Estate Owned	109	1,435
Other Nonperforming Assets	62	51
Total Nonperforming Assets	8,765	3,402

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS
As of March 31, 2003 and December 31, 2002
(in thousands)

	March 31, 2003	December 31, 2002
	-----	-----
	(Unaudited)	
ASSETS		
Cash and cash equivalents:		
Cash and due from banks	\$ 52,344	\$ 74,149
Short-term investments	8,190	13,000
	-----	-----
Total cash and cash equivalents	60,534	87,149
Securities available-for-sale:		
U. S. Treasury and government agency securities	14,171	17,284
Mortgage-backed securities	221,498	222,036
State and municipal securities	40,527	34,785
	-----	-----
Total securities available-for-sale	276,196	274,105
Real estate mortgages held-for-sale	7,001	10,395
Loans:		
Total loans	826,865	822,676
Less: Allowance for loan losses	9,742	9,533
	-----	-----
Net loans	817,123	813,143
Land, premises and equipment, net	24,612	24,768
Accrued income receivable	5,124	4,999
Goodwill	4,970	4,970
Other intangible assets	1,005	1,042
Other assets	25,051	27,215
	-----	-----
Total assets	\$ 1,221,616	\$ 1,247,786
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Noninterest bearing deposits	\$ 167,558	\$ 192,787
Interest bearing deposits	793,936	720,538
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Total deposits	961,494	913,325
Short-term borrowings:		
Federal funds purchased	9,300	30,000
Securities sold under agreements to repurchase	91,457	124,968
U.S. Treasury demand notes	581	4,000
Other borrowings	10,000	26,000
	-----	-----
Total short-term borrowings	111,338	184,968
Accrued expenses payable	10,773	12,503
Other liabilities	1,246	2,417
Long-term borrowings	31,347	31,348
Guaranteed preferred beneficial interests in Company's subordinated debentures	19,351	19,345
	-----	-----
Total liabilities	1,135,549	1,163,906
STOCKHOLDERS' EQUITY		
Common stock: No par value, 90,000,000 shares authorized, 5,813,984 shares issued and 5,770,565 outstanding as of March 31, 2003, and 5,813,984 shares issued and 5,767,010 outstanding at December 31, 2002	1,453	1,453
Additional paid-in capital	9,591	8,537
Retained earnings	73,230	70,819
Accumulated other comprehensive income	2,612	3,937
Treasury stock, at cost	(819)	(866)
	-----	-----
Total stockholders' equity	86,067	83,880
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Total liabilities and stockholders' equity	\$ 1,221,616	\$ 1,247,786
	=====	=====

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
For the Three Month Ended March 31, 2003 and 2002
(in thousands except for share data)
(Unaudited)

	Three Months Ended March 31,	
	2003	2002
INTEREST AND DIVIDEND INCOME		

Interest and fees on loans: Taxable	\$ 11,833	\$ 12,336
Tax exempt	63	33

Total loan income	11,896	12,369
Short-term investments	27	28
Securities:		
U.S. Treasury and government agency securities	170	395
Mortgage-backed securities	2,932	2,758
State and municipal securities	428	400
Other debt securities	0	115

Total interest and dividend income	15,453	16,065
INTEREST EXPENSE		

Interest on deposits	3,786	4,352
Interest on short-term borrowings	340	920
Interest on long-term borrowings	769	572

Total interest expense	4,895	5,844

NET INTEREST INCOME	10,558	10,221

Provision for loan losses	667	502

NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	9,891	9,719

NONINTEREST INCOME		

Trust and brokerage fees	610	658
Service charges on deposit accounts	1,664	1,398
Other income (net)	1,019	928
Net gains on the sale of real estate mortgages held-for-sale	1,079	361

Total noninterest income	4,372	3,345
NONINTEREST EXPENSE		

Salaries and employee benefits	4,705	4,598
Occupancy and equipment expense	1,362	1,099
Other expense	2,897	2,872

Total noninterest expense	8,964	8,569
INCOME BEFORE INCOME TAX EXPENSE		

Income tax expense	1,784	1,541

NET INCOME	\$ 3,515	\$ 2,954

BASIC WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	5,813,984	5,813,984
BASIC EARNINGS PER COMMON SHARE	\$ 0.60	\$ 0.51

DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	5,957,134	5,901,581
DILUTED EARNINGS PER COMMON SHARE	\$ 0.59	\$ 0.50
