

# Lakeland Financial Corporation

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

4<sup>th</sup> Quarter 2025



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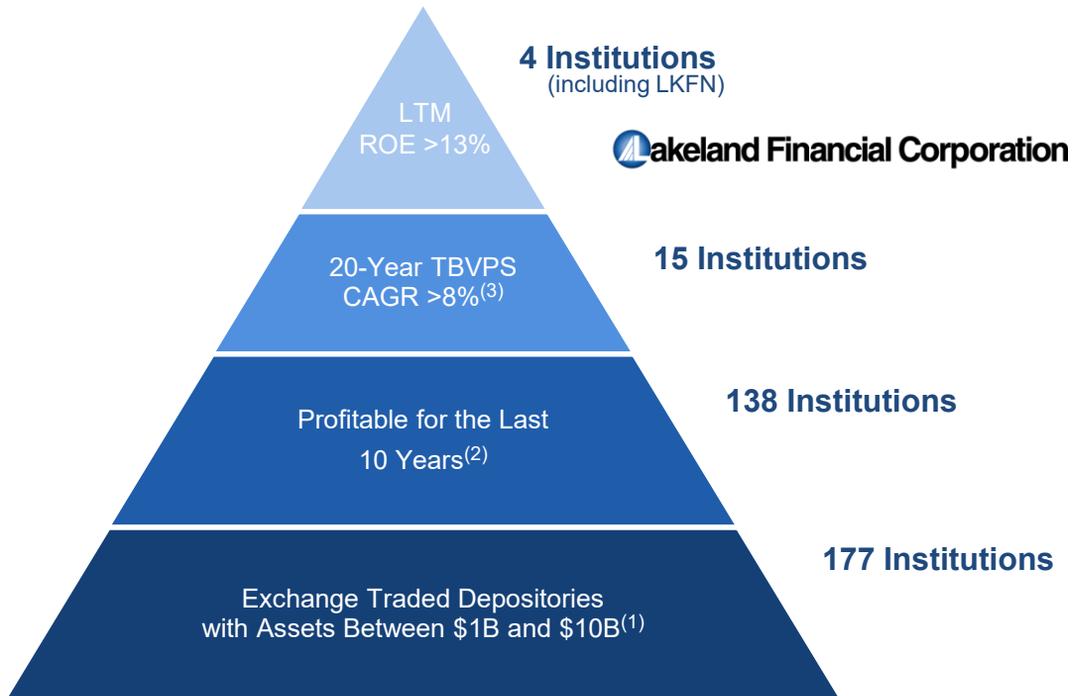
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# Forward-Looking Information

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 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," "continue," "plan," "intend," "estimate," "may," "will," "would," "could," "should" or other similar expressions. The company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain and, accordingly, the reader is cautioned not to place undue reliance on any forward-looking statements made by the company.

Additionally, all statements in this presentation, including forward-looking statements, speak only as of the date they are made, and the company undertakes no obligation to update any statement in light of new information or future events. Numerous factors could cause the company's actual results to differ from those reflected in forward-looking statements, including the effects of economic, business and market conditions and changes, particularly in our Indiana market area, including prevailing interest rates and the rate of inflation; governmental trade, monetary and fiscal policies; the risks of changes in interest rates on the levels, composition and costs of deposits, loan demand and the values and liquidity of loan collateral, securities and other interest sensitive assets and liabilities; 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 September 30, 2025.

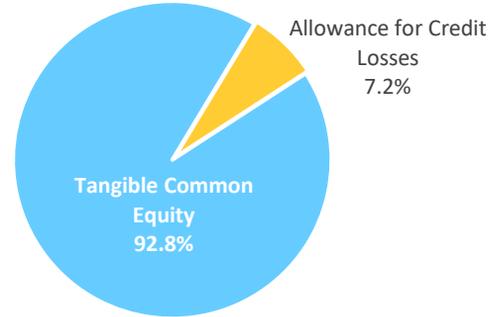
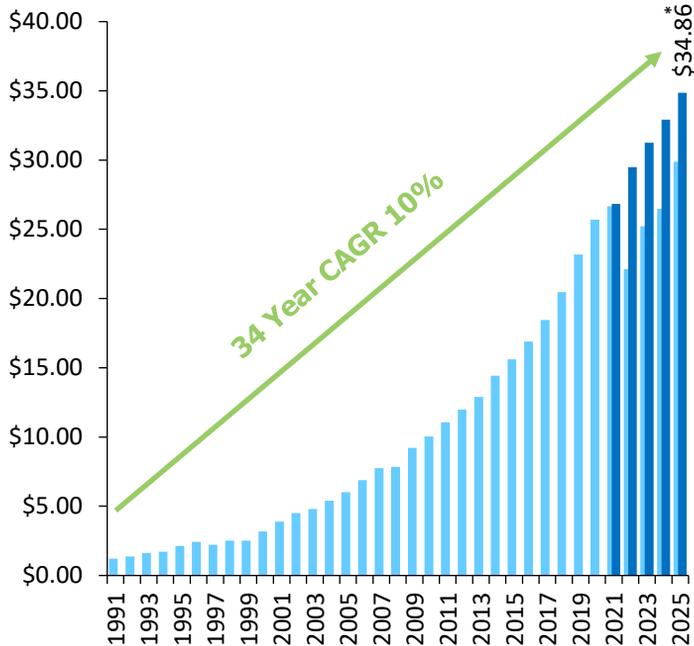
(1) Includes banks and thrifts traded on the NYSE, NYSEAM or NASDAQ as of 1/5/26; excludes merger targets.

(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 9/30/05 through 9/30/25 greater than 8%.

# Strong Capital Structure

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



### Key Ratios and Per Share Data as of December 31, 2025

TCE/Tangible Assets	10.86%
Adj. TCE/Adj. Tangible Assets	12.45%
Total Risk-Based Leverage	15.92%
Leverage	12.39%
Book Value	\$30.02
Tangible Book Value	\$29.87
Adj. Tangible Book Value	\$34.86

<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

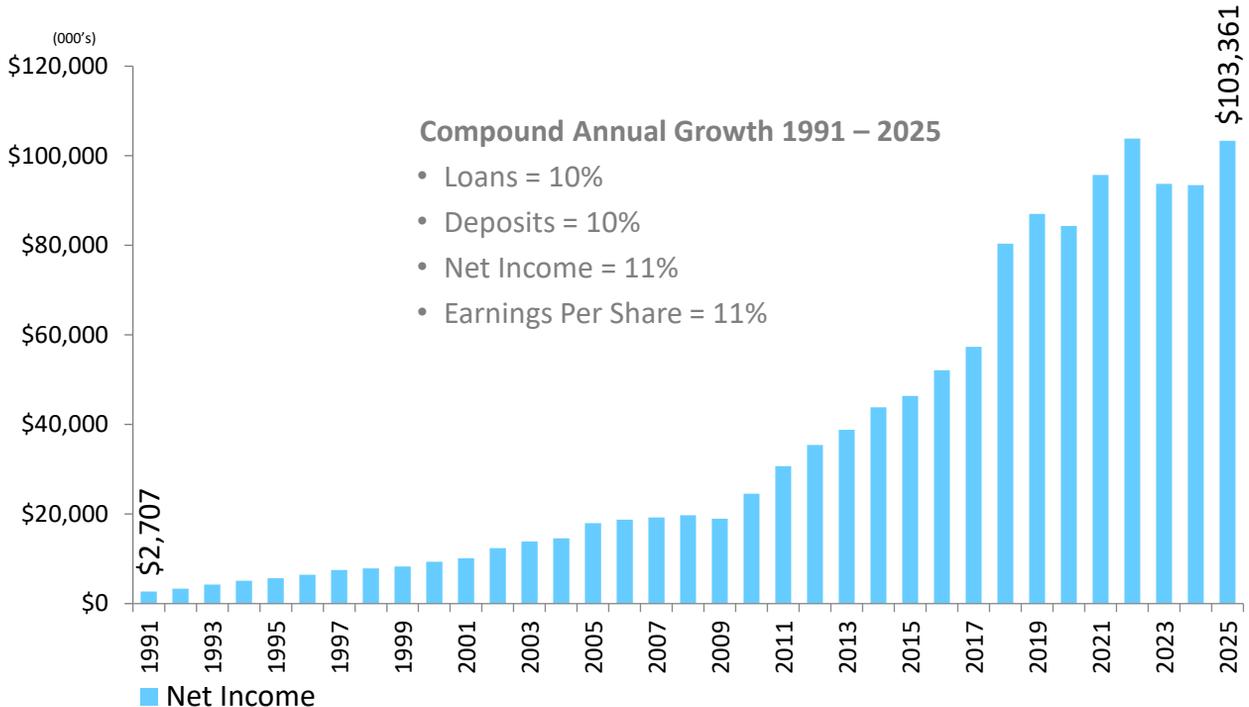
Note: Tangible Common Equity to Tangible Assets and Tangible Book Value per Common Share are Non-GAAP financial measures. See "Reconciliation of Non-GAAP Financial Measures" in the Fourth Quarter 2025 Earnings Press Release and Form 8-K.

# Lake City Bank Today

- An entrepreneurial 153-year-old de novo bank
- A long-term and consistent organic growth story
- Headquartered in Warsaw, Indiana
- 55 branch offices - \$7.0 billion banking assets
- \$3.7 billion in Wealth Advisory assets
- A forward-thinking technology adopter
- Focused on execution – “blocking and tackling”
- A demonstrated history of identifying growth opportunities
- Located in a pro-business state with economic expansion occurring statewide

# 34 Years of Organic Growth

A History of Balance Sheet and Income Statement Expansion



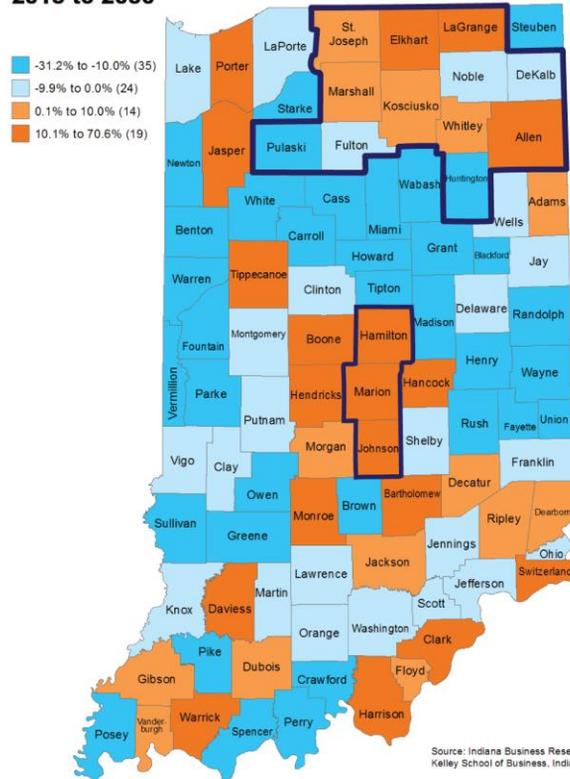


# Projected Population Growth Reflects Strength of Economy

- 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.

# Indiana Is Poised For Continued Economic Growth

- Indiana #1 manufacturing state in the country<sup>(1)</sup>
- In 2026, Herb Simon, the owner of the Pacers Sports & Entertainment, broke ground on a mixed-use development downtown featuring the first Ritz-Carlton in Indianapolis and a 4,000 person capacity live music venue operated by Live Nation for the entertainment district in the area surrounding the Gainbridge Fieldhouse<sup>(2)</sup>
- State leadership accelerates life sciences leadership with more than 1,300 new high wage jobs across the state, including 300 new high wage jobs at Autocam, in Kosciusko County, where Lake City Bank is headquartered<sup>(3,4)</sup>
- In 2025, Eli Lilly broke ground on a \$13 billion investment in Indiana's LEAP Research and Innovation District in Boone County where Lake City Bank will open an office in 2026<sup>(5)</sup>
- Indiana has emerged as a Midwestern data-center hub driven by AI compute demand, favorable land and energy economics and aggressive state-local incentives. Amazon operates a data center in St. Joseph County, Google is developing a site in Allen County, META has announced plans in Boone County and Microsoft has announced plans in La Porte. <sup>(6)</sup>
- Bezos funded Slate Auto announced in 2025 it will build its low cost, direct to consumer electric vehicle in Warsaw, Indiana, Lake City Bank's hometown and employ 2,000 workers<sup>(7)</sup>

(1) [https://www.statsamerica.org/sip/rank\\_list.aspx?rank\\_label=gsp2\\_b&item\\_in=12&ct=518](https://www.statsamerica.org/sip/rank_list.aspx?rank_label=gsp2_b&item_in=12&ct=518)

(2) <https://newsroom.livenation.com/news/partners-formally-break-ground-on-mixed-use-development-downtown-featuring-ritz-carlton-indianapolis-and-new-live-nation-venue/>

(3) <https://www.iedc.in.gov/events/news/details/2026/01/14/gov.-braun-accelerates-life-sciences-leadership-with-more-than-1-300-new-high-wage-jobs-across-the-state>

(4) <https://www.21alivenews.com/2025/06/16/orthopedic-manufacturer-build-70m-facility-warsaw-hiring-hundreds/>

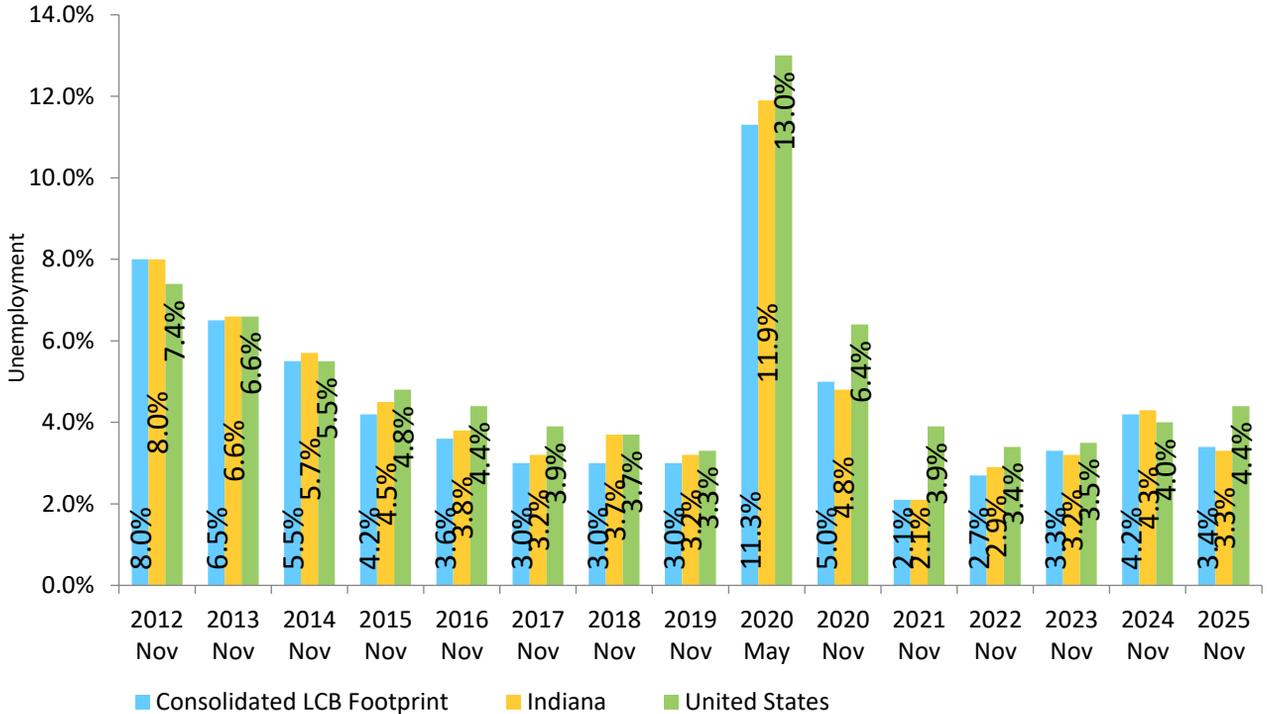
(5) <https://lebanon.in.gov/2025/05/06/ground-broken-on-lilly-foundry-within-leap-district/>

(6) <https://cleanview.co/public/data-centers/indiana>

(7) <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

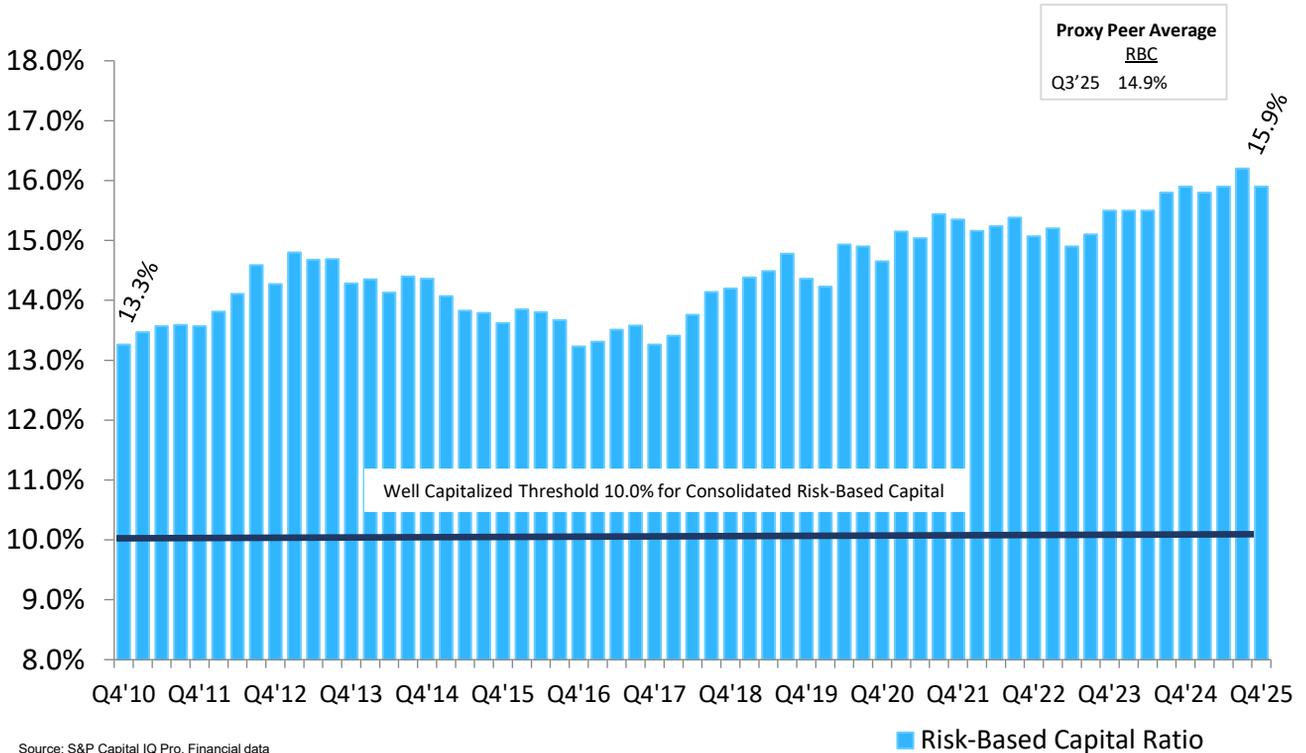
Unemployment Rate In The Lake City Bank Footprint Is Historically Lower



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

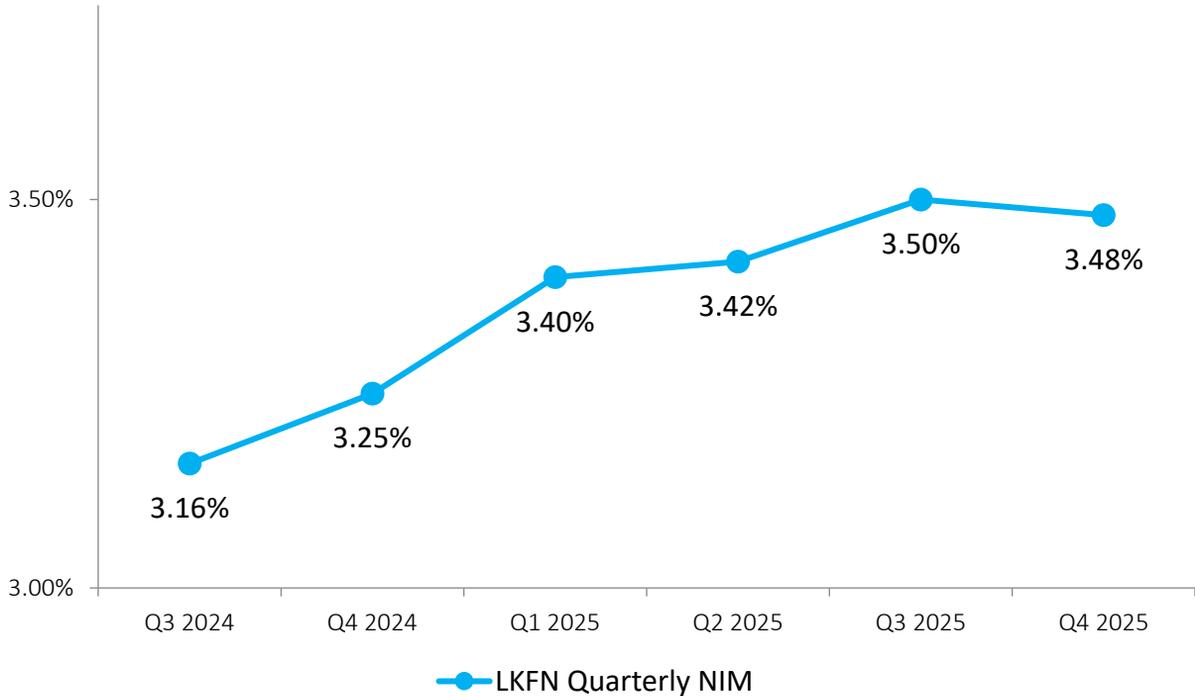
LKFN Above Peer Long-Term Profitability has Contributed to a Strong Capital Foundation



Source: S&P Capital IQ Pro. Financial data

# Net Interest Margin by Quarter

NIM Expansion of 23 Basis Points Over the Prior Four Quarters



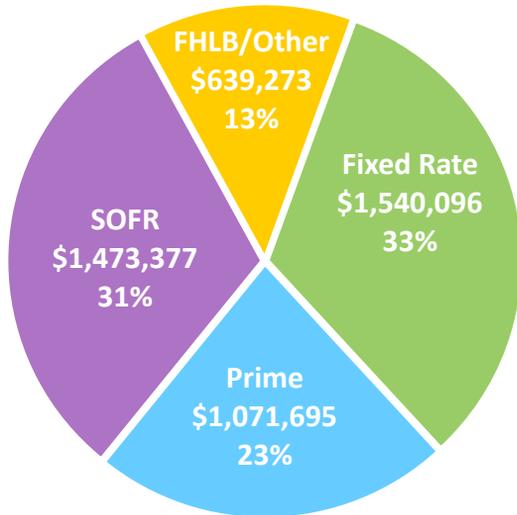
# Net Interest Margin

Deposit Costs Coming Down Rapidly

- Quarterly net interest margin expanded by 23 basis points in 2025 compared to 2024
- Cumulative Loan Beta 24% for recent easing cycle
- Cumulative Deposit Beta 40% for recent easing cycle
- Deposit repricing in current easing cycle continues to be a heightened focus
- Average noninterest bearing deposits to total average deposits were 21% in the 4Q25 unchanged from 21% in the 4Q24

# Interest Rate Sensitivity

Deposits Have Repriced Quicker Than Loans During Current Easing Cycle

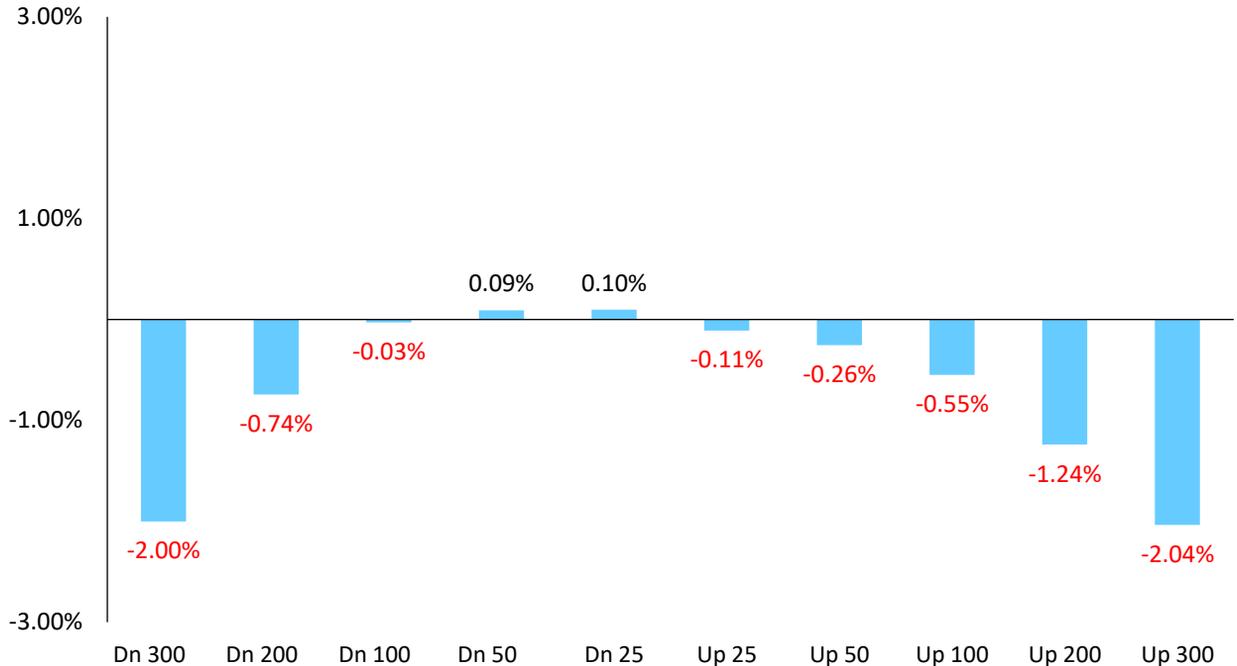


Commercial Loans  
\$4.7 billion as of December 31, 2025  
(000's)

- 88% of loan portfolio consists of commercial loans and 67% of commercial loans are tied to variable interest rates
- Approximately \$775.7 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 2.20% in 4Q25

# Projected Impact of Rising/Falling Rates

Historically Asset Sensitive Balance Sheet Maintains Neutral Shift



Graph presents 12 month projected net interest income simulation results as of December 31, 2025 using parallel shocks

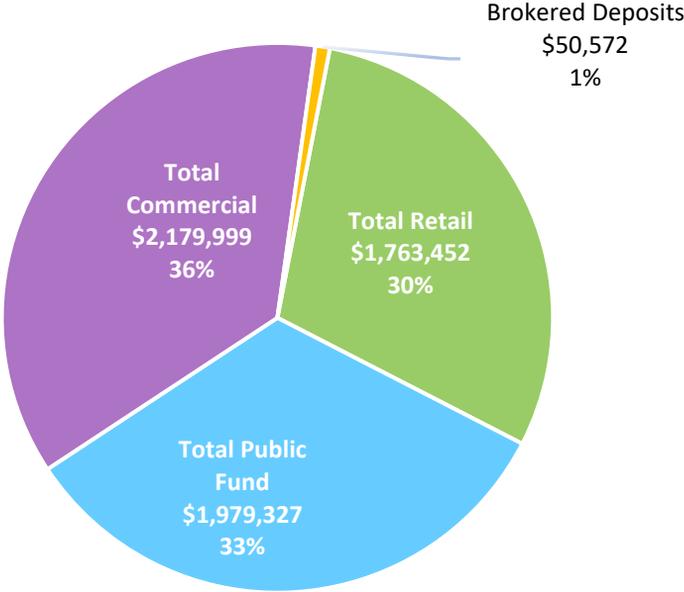
# Diversified Deposit Base

Deposit Franchise Consists of Broad-based, Tenured and Deep Relationships

- Deposit composition is stable and commercial deposits account for 36% of total deposits
- Since 2019 the number of checking accounts have grown by: Commercial +24%, Retail +13% and Public Funds +32%
- 98% of deposit accounts are less than \$250,000 at December 31, 2025

# Deposit Mix Reflects Strength of Franchise

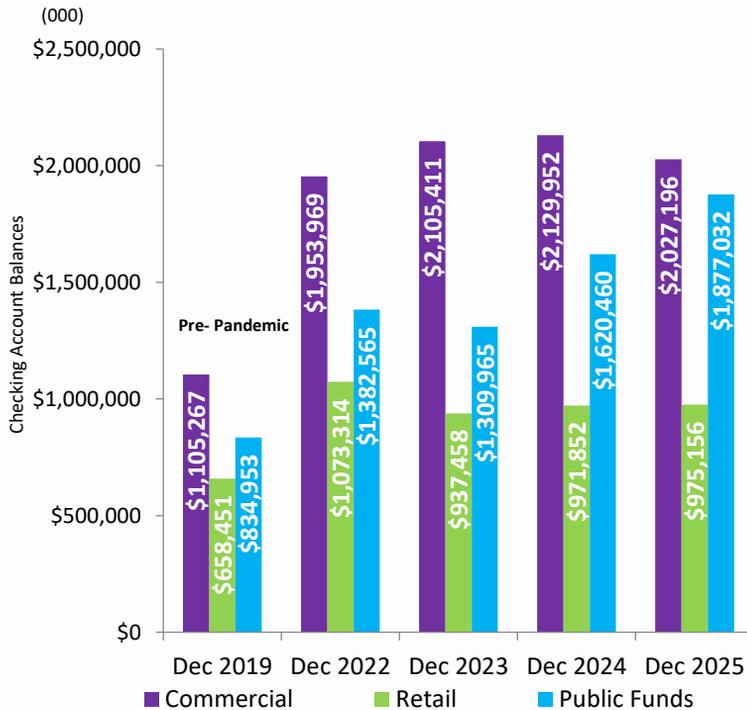
Core Deposit Growth Consistently Funds Loan Growth



**December 31, 2025**  
Total Deposits - \$6.0 billion  
DDA \$1,221,327  
**DDA % of Total Deposits – 20%**  
(000's)

# Checking Accounting Trends by Deposit Sector

Number of Commercial Accounts Grow by 24% since December 2019



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

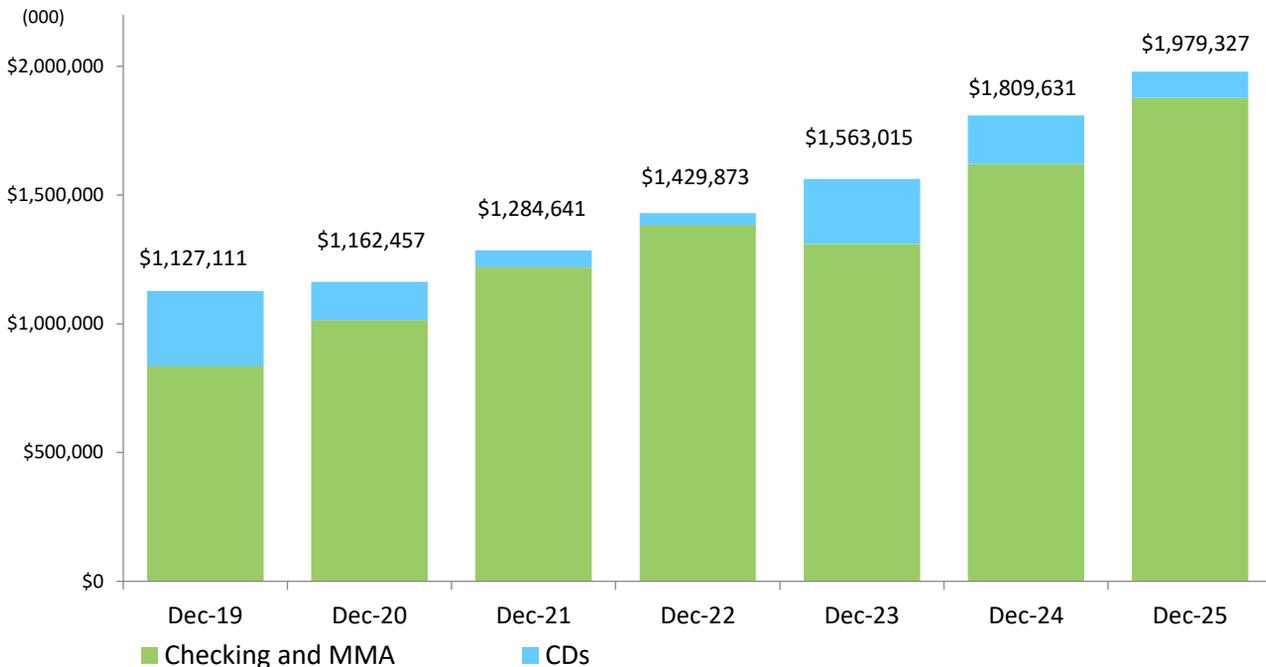
Checking Account Average Balances by Deposit Type			
(000)	Commercial	Retail	Public Funds
12/31/25	\$127	\$15	\$6,952
12/31/24	\$136	\$16	\$6,209
12/31/23	\$137	\$15	\$5,369
12/31/22	\$132	\$18	\$6,615
12/31/21	\$144	\$20	\$6,004
12/31/19	\$86	\$12	\$4,073

Number of Checking Accounts by Deposit Type			
	Commercial	Retail	Public Funds
12/31/25	15,968	63,397	270
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

# Public Fund Deposit Trends

87% of Large Depositors include Operating Relationships



Note: Public Funds in Indiana are covered by the Public Deposit Insurance Fund (PDFIF). The bank is not required to pledge collateral to secure public funds due to its financial strength as determined by the Indiana Board of Depositories.

# 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

- 47 credit “smart” commercial bankers
- Average 23 years in banking & 13 years at Lake City Bank
- We live where we lend
- Face to face calling matters and is a team effort
- 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 is focused on owner occupied, in-market multifamily, and strong credit tenant transact projects

# Lake City Bank Culture

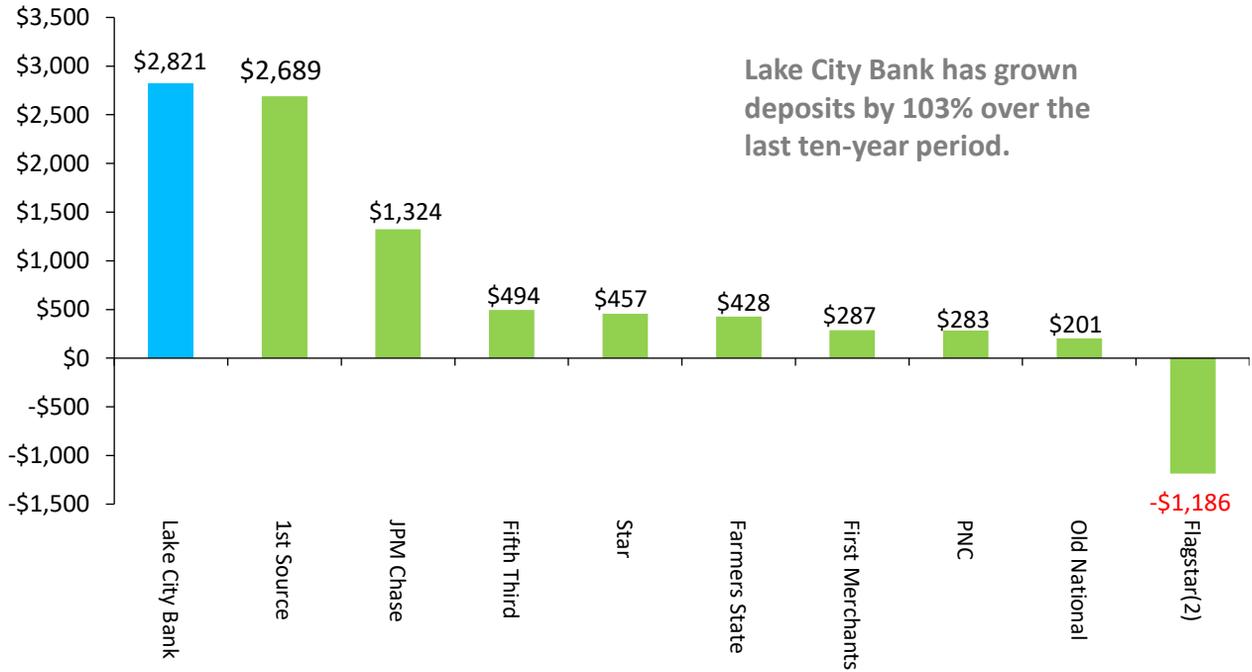
## High Quality Team Members

- Our culture is our greatest asset and we will preserve it
- Lake City University drives our culture
- Every employee attends on average, 20 hours of in person training annually
- Our community involvement is real and critical to our strategy
- Inclusion initiatives continue and create a culture of belonging
- Our culture has not been diluted by acquisition



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

Organic Growth 2015 – 2025



<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 6/30/25 Statistics

# Commitment to Technology

Innovation and Competitive Technology is a Focus

- Progressive AI strategy underway with a focus on revenue enhancement and expense management opportunities
- 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 user and security 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
- Branch design and functionality is ever evolving based on client transactions, 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%	2,031,838	13%	(11)%
ATM/ITM	944,785	7%	708,695	5%	(25)%
Online Logins	5,058,317	40%	4,121,813	26%	(19)%
Mobile Logins <sup>(2)</sup>	4,199,910	33%	8,614,178	55%	105%
Telephone Banking	265,475	2%	179,076	1%	(33)%
<b>Total</b>	<b>12,748,462</b>	<b>100%</b>	<b>15,655,600</b>	<b>100%</b>	<b>23%</b>

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

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

# Customer Composition and Digital Adoption

Digital Adoption Across All Generations Is Strong

## Customer Composition and Digital Adoption Over Three Years

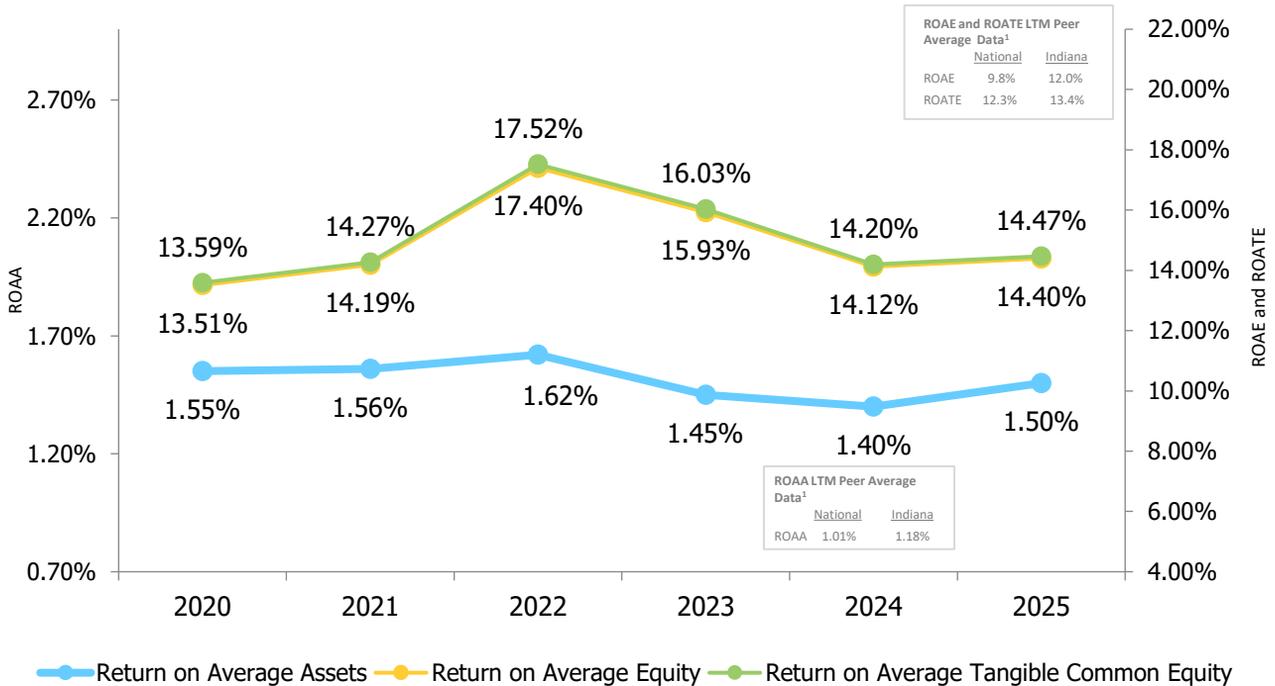
<b>Generation<sup>(1)</sup></b>	<b>Customer Breakdown</b>	<b>12/31/25</b>	<b>12/31/24</b>	<b>12/31/23</b>
<b>Gen Alpha</b> (2010 - Current)	4%	6%	2%	1%
<b>Gen Z</b> (1996 - 2009)	16%	74%	70%	66%
<b>Millennial</b> (1977 - 1995)	26%	60%	59%	59%
<b>Gen X</b> (1965 - 1976)	19%	53%	51%	51%
<b>Baby Boomer</b> (1946 - 1964)	28%	46%	45%	44%
<b>Mature</b> (1945 or before)	7%	32%	31%	30%
<b>Digital Adoption</b>		<b>53%</b>	<b>51%</b>	<b>50%</b>

<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 September 30, 2025

# Net Income and EPS

Net Interest Income Growth of 12% in 2025

4% CAGR

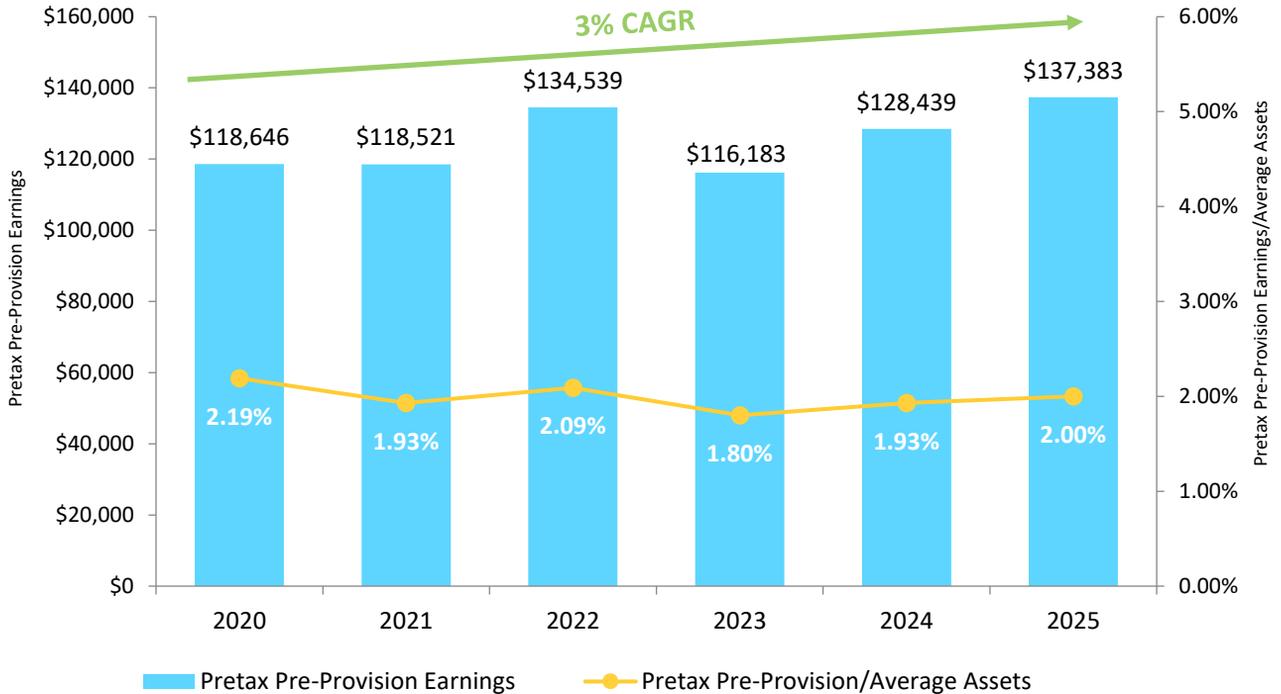


Compound annual growth rate "CAGR" is based on the most recent 5-year calculation

2025 Net Income YOY 11%  
2025 Diluted EPS YOY 10%

# Pretax Pre-Provision Earnings

Pretax Pre-Provision Earnings Improves by 7% in 2025



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

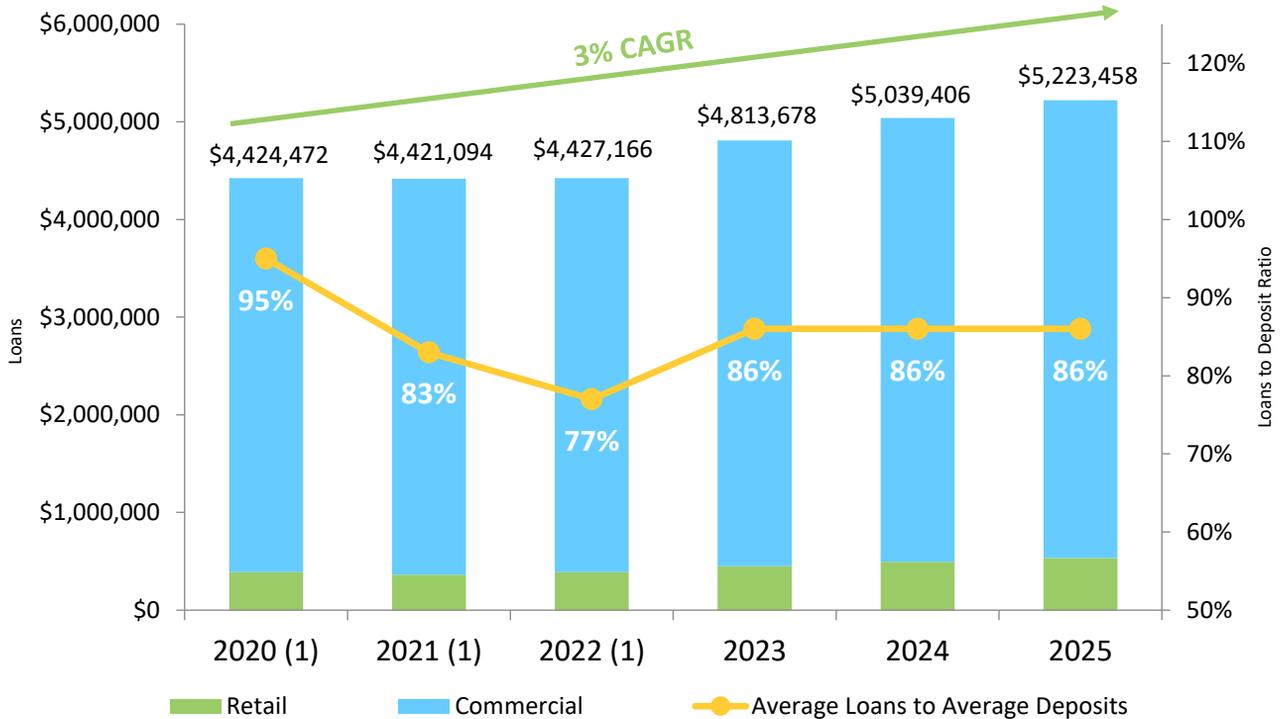
2025 Pretax Pre-Provision Earnings YOY Increase 7%



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

# Average Loans

Average YTD Loan Growth of \$184 million or 4% Compared to Prior Year



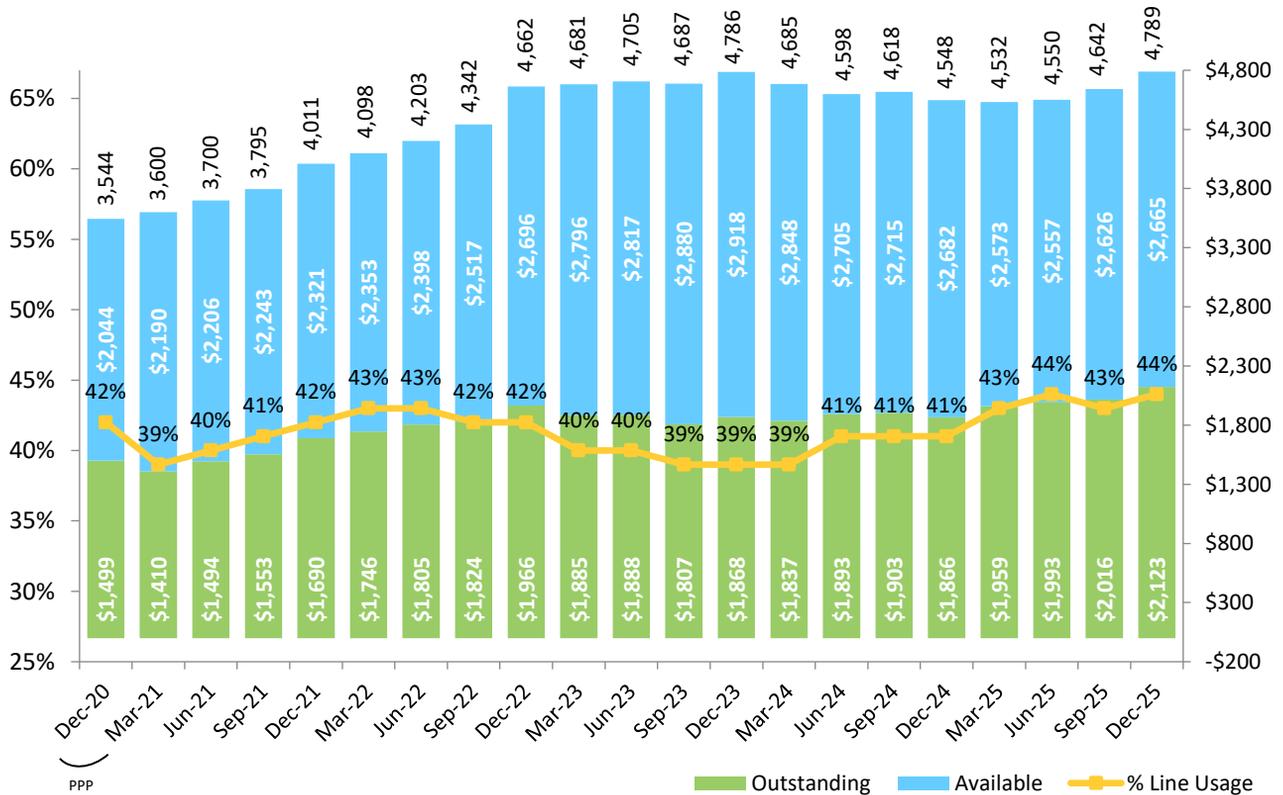
(1) Includes \$377 million in Average PPP loans in 2020, \$238 million in 2021, and \$8 million in 2022

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

2025 YOY Increase 4%

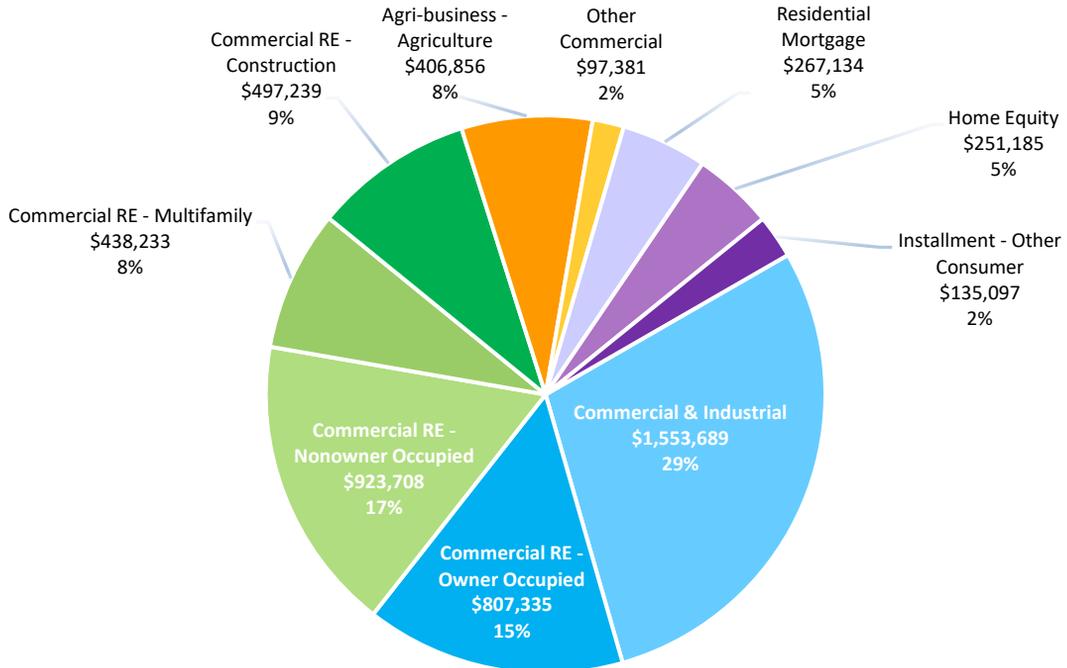
# Line of Credit Utilization

Line Utilization Rises in 2025



# Loan Portfolio Breakdown

C&I Drives Lending Business

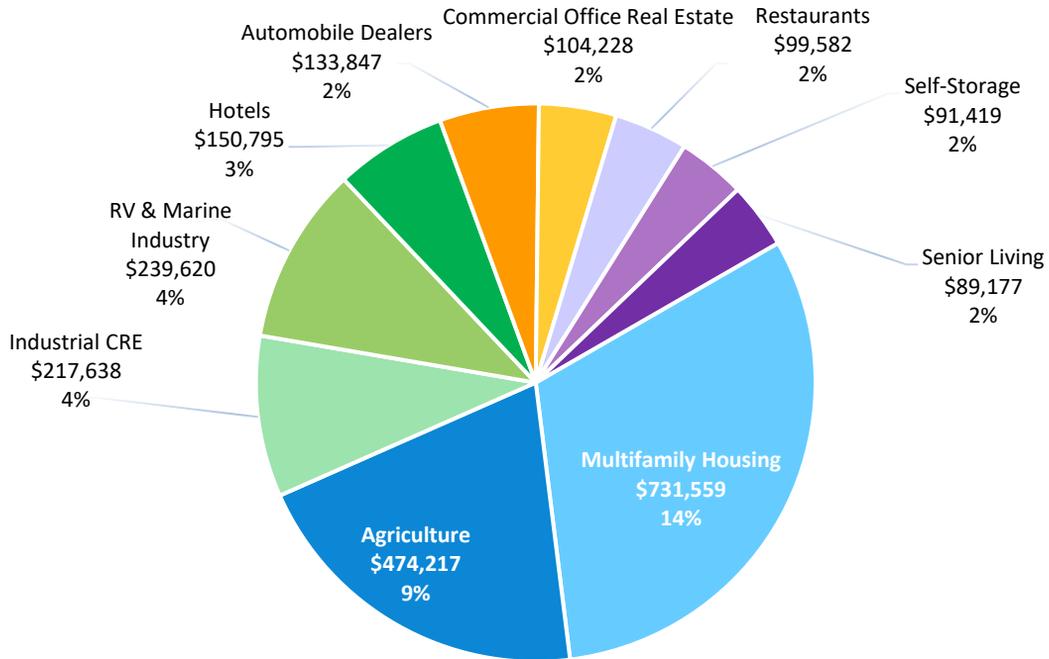


\$5.4 billion as of December 31, 2025

(000's)

# Top 10 Industry Concentrations

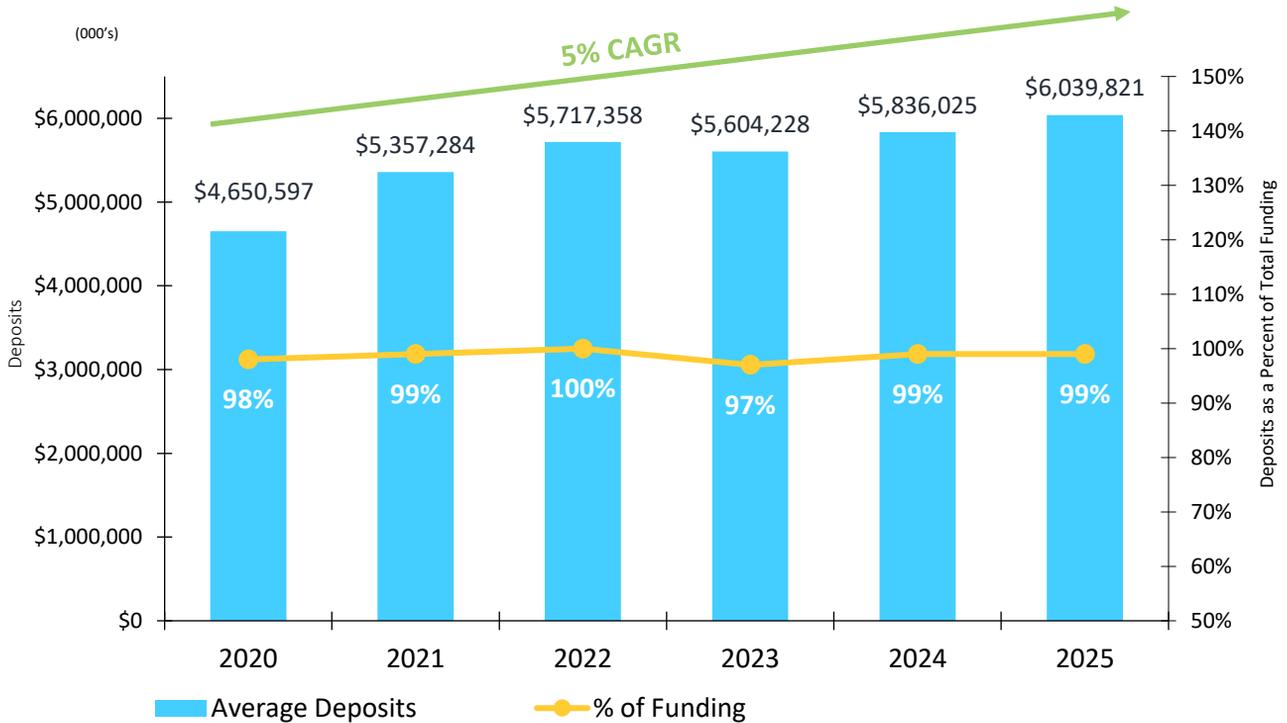
Loan Portfolio is Diversified



Top 10 Industries Represent 43% or \$2.3 billion of Total Loans

# Average Deposits

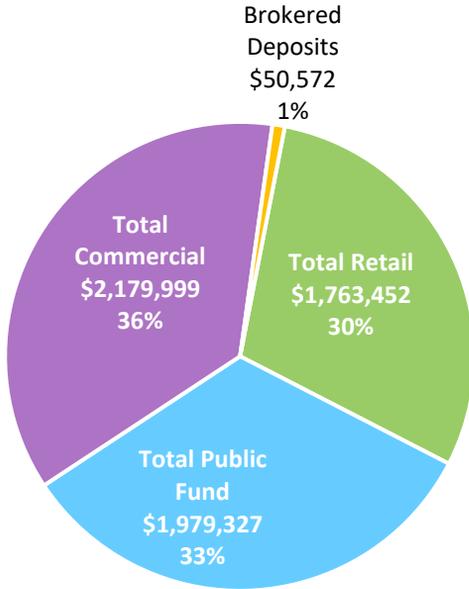
Average YTD Deposit Growth of \$204 million or 3% Compared to Prior Year



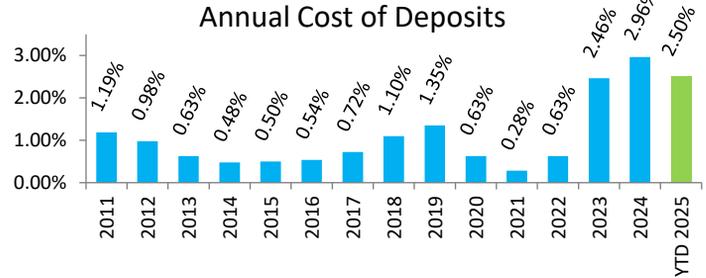
2025 YOY Increase 3%

# Deposit Breakdown

Deposit Costs Are Repricing Downward with Federal Funds Rate Cuts



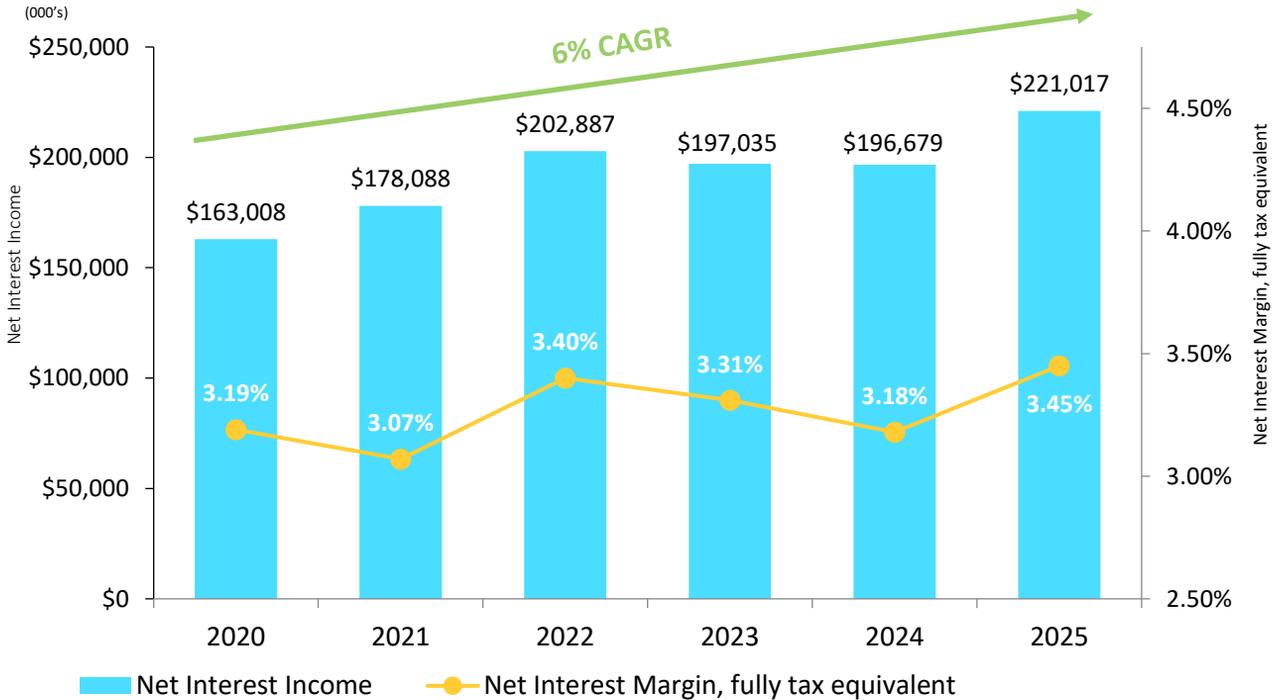
December 31, 2025  
 Total Deposits - \$6.0 billion  
 (000's)



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%	9%
Time Deposits < \$100,000	7%	4%
<b>Total Deposits (billions)</b>	<b>\$4.1</b>	<b>\$6.0</b>

# Net Interest Income

Double Digit Growth in Net Interest Income

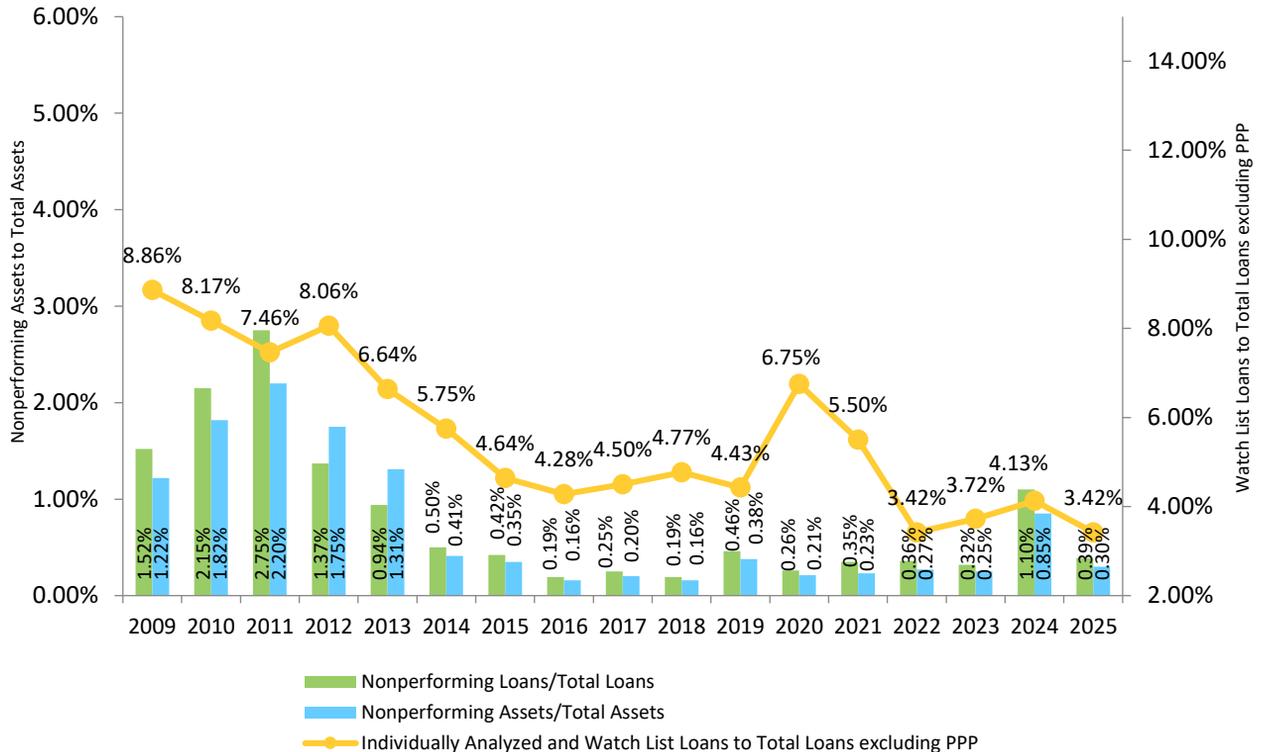


Compound annual growth rate "CAGR" is based on the most recent 5-year calculation

2025 YOY Increase 12%

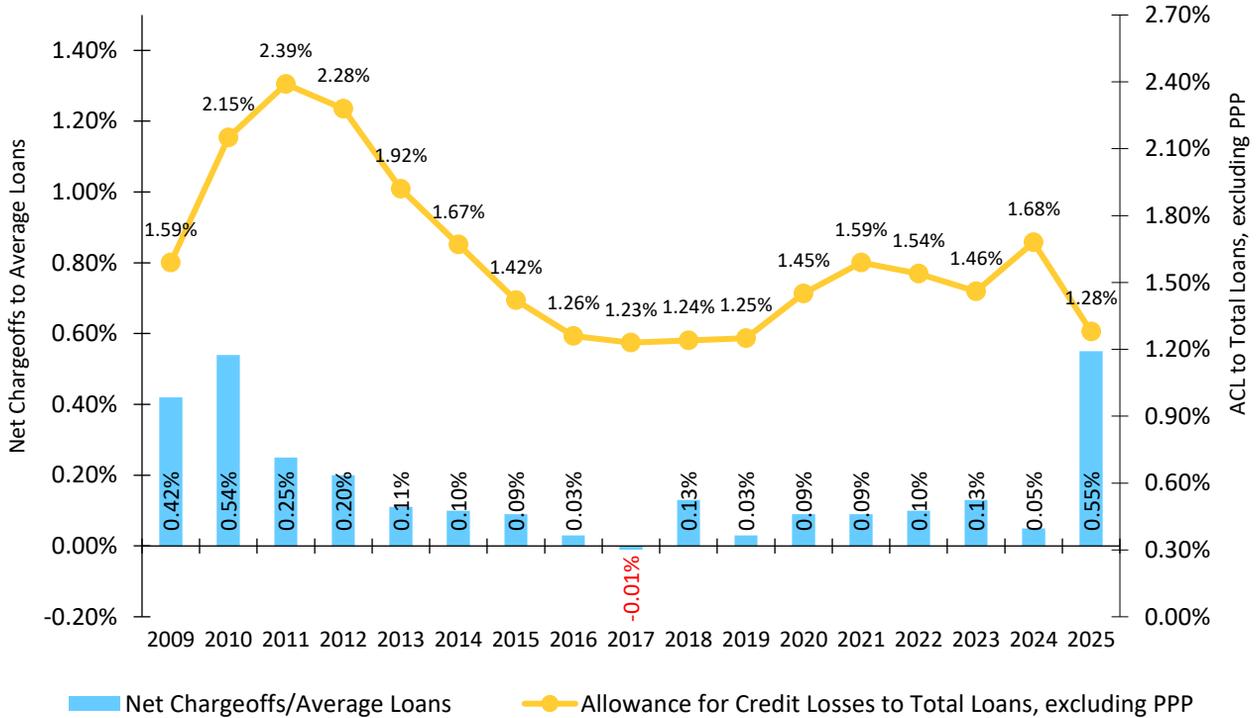
# Asset Quality

Total Individually Analyzed and Watchlist Loans Decline by 13% During 2025



# Asset Quality

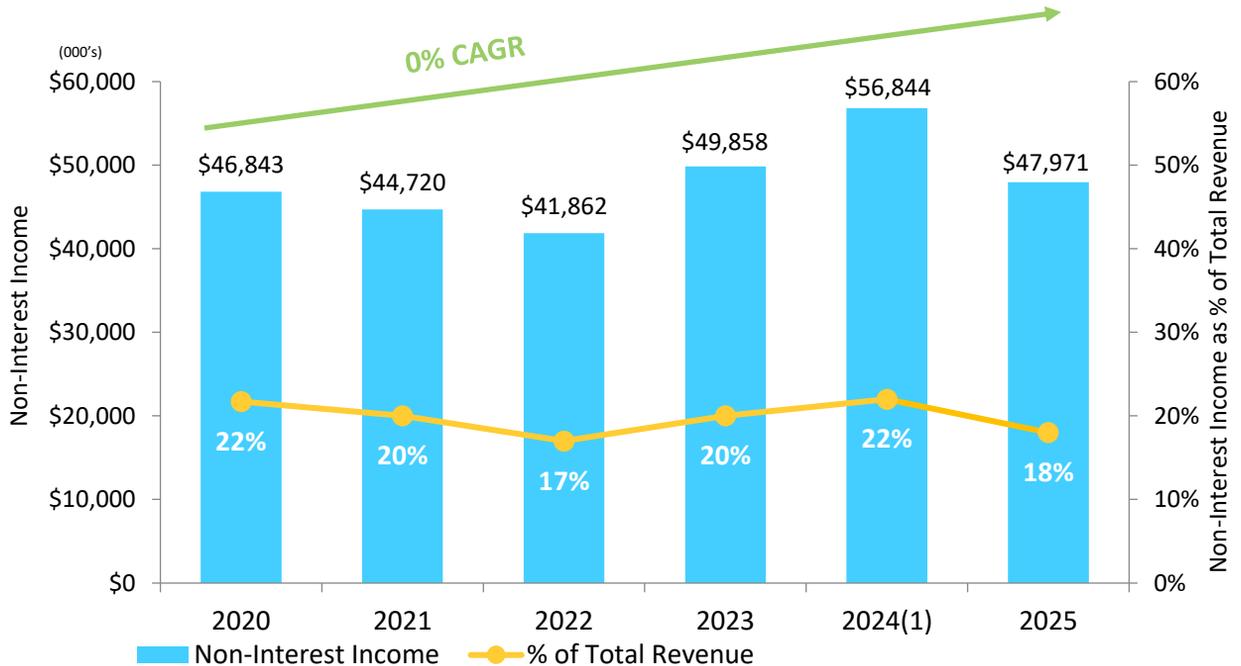
## Allowance for Credit Losses Coverage Normalizes



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

# Noninterest Income

Fee-Based Revenue Produces Mid to High Single Digit Growth



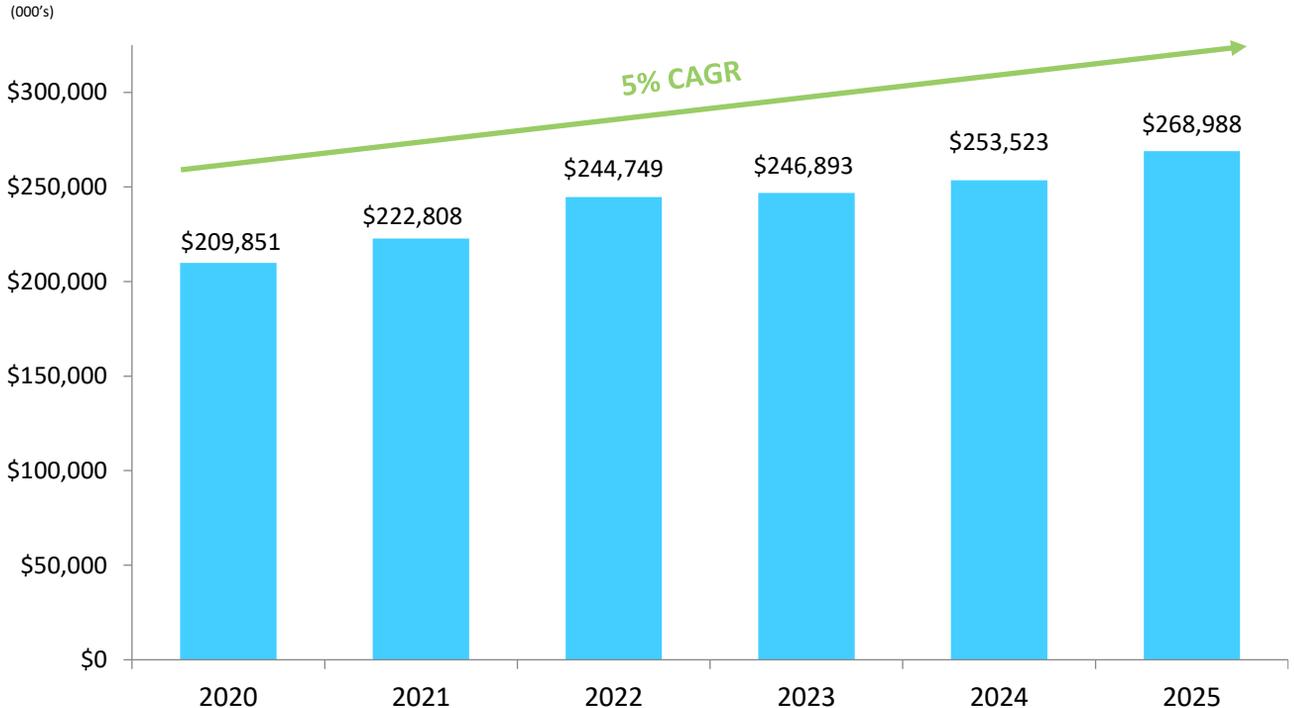
(1) Noninterest Income includes \$10.0 million of non-core income in 2024. See the "Reconciliation of Non-GAAP Financial Measures" in the Fourth quarter 2025 Earnings Press Release and Form 8-K

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

2025 YOY Decrease (16%)  
2025 YOY Core Noninterest Income Increase 2 %<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

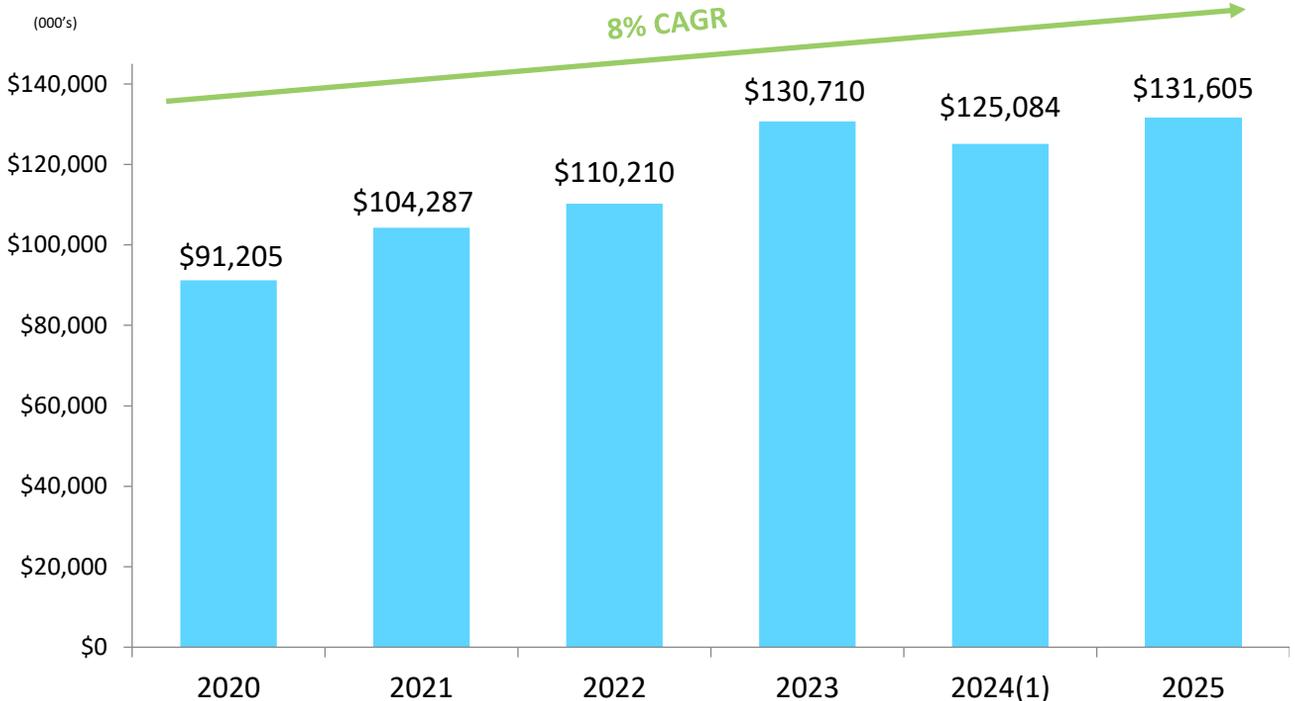
2025 YOY Increase 6%  
 2025 YOY Core Revenue Increase <sup>1</sup> 10%



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

# Noninterest Expense

Disciplined Investment in People, Branch Expansion 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 fourth quarter 2025 Earnings Press Release and Form 8-K

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

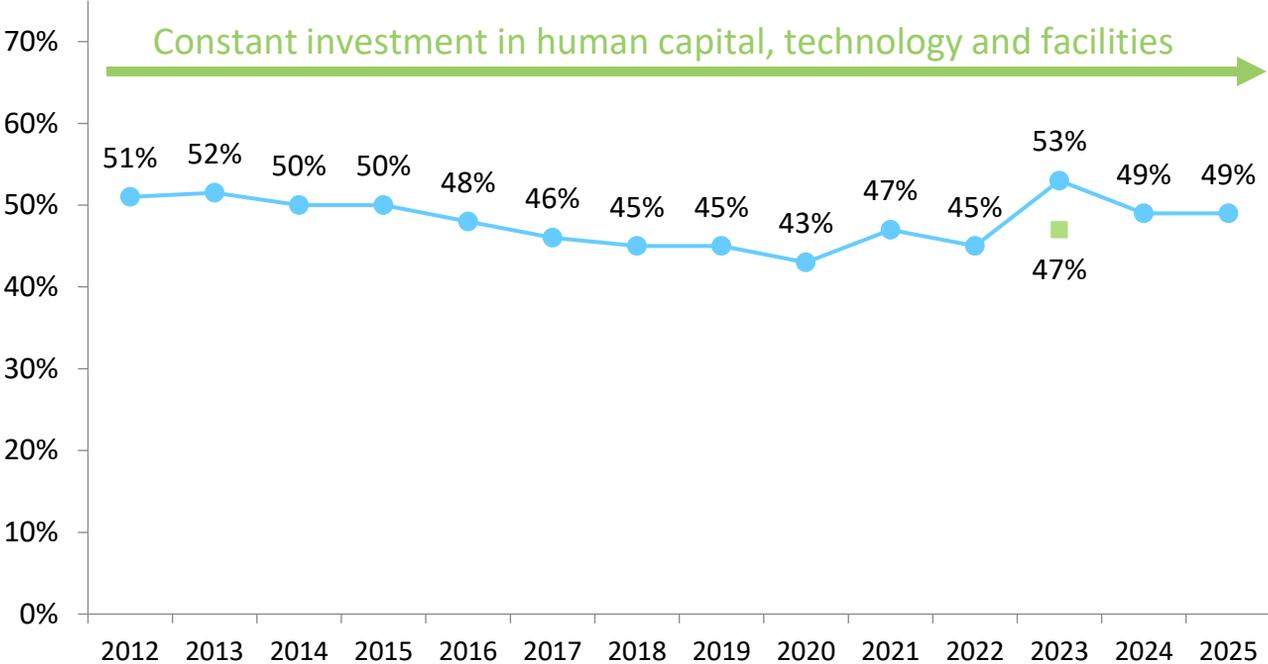
2025 YOY Increase

5%

2025 YOY Core Noninterest Expense Increase 9%<sup>(1)</sup>

# Efficiency Ratio

Efficiency Ratio is Stable



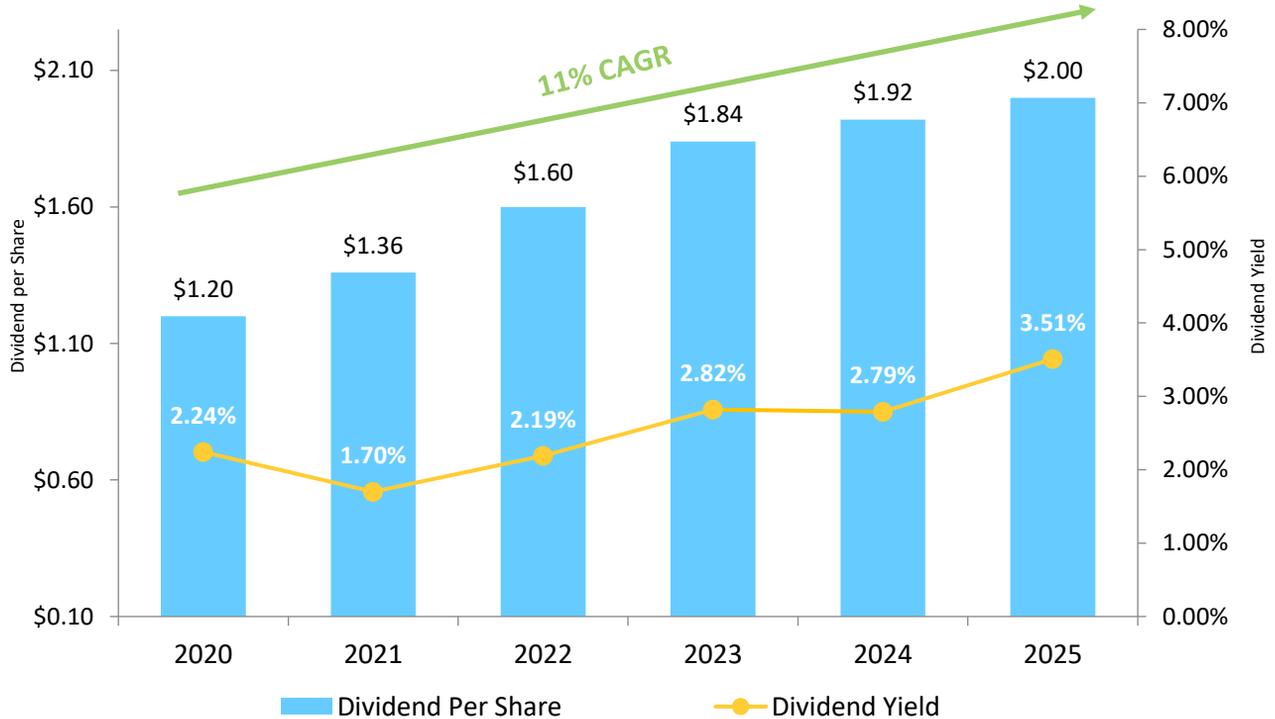
<sup>1</sup>2023 Year-to-date adjusted core efficiency ratio excludes the second quarter 2023 wire fraud loss, net, of salary and benefits adjustment for a total of \$16.2 million

● Efficiency Ratio

■ Adjusted Core Efficiency Ratio

# Stable Healthy Dividend

Growth in Dividend Reflects Strength of Capital

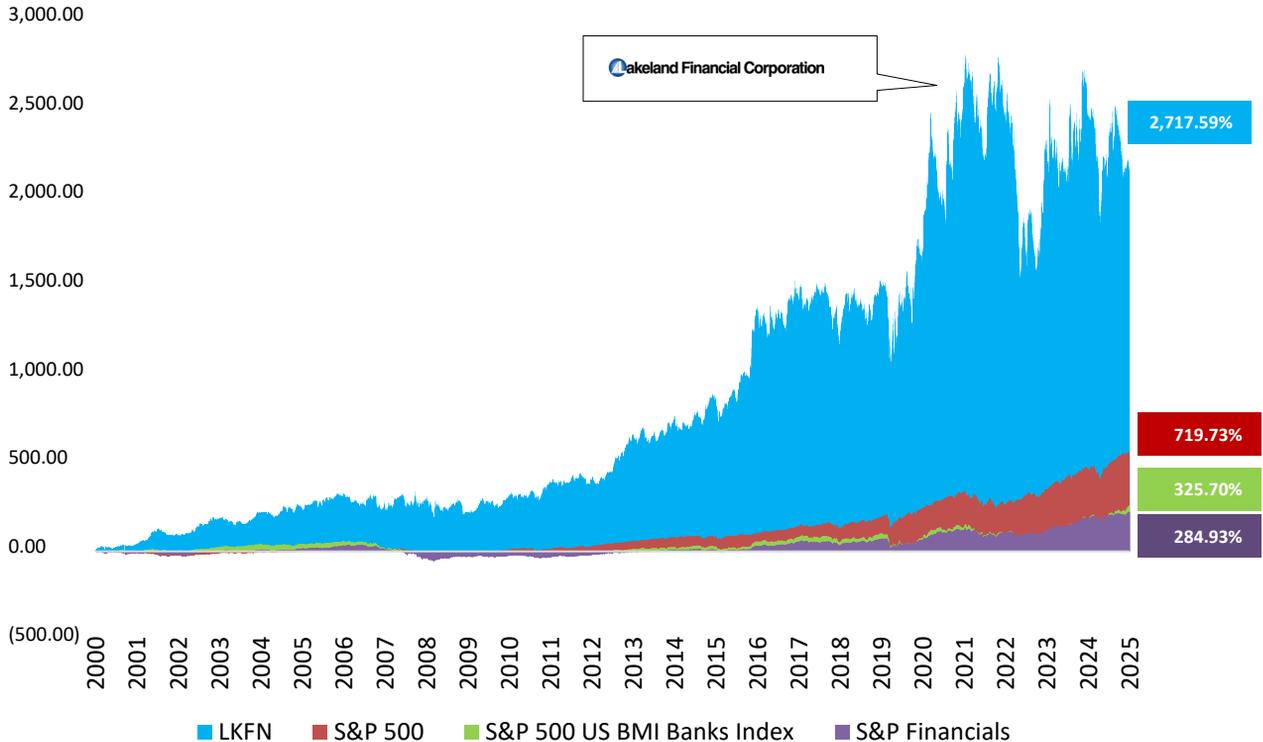


Compound annual growth rate "CAGR" is based on the most recent 5-year calculation

2025 YOY Increase 4%

# LKFN Shareholder Value

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



# Investment Highlights

- Proven History of Organic Growth
- Disciplined and Focused Strategy
- Strong Internal Culture
- Consistent Execution and Financial Results
- Service Excellence Drives Shareholder Value
- Unwavering Focus on Core Business Strategy
- Dedication to Long-term Shareholder Value Creation

# Supplemental Information

# Lake City Bank Capital Adequacy

Capital Strength Contributes to Fortress Balance Sheet

Regulatory Ratio Description *	December 31, 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	12.50%	5.00%	\$534,697	\$(139,010)	\$395,687	10.55%
Common Tier 1 (CET)	14.89%	6.50%	\$502,338	\$(139,010)	\$363,328	12.57%
Tier 1 Risk Based Capital	14.89%	8.00%	\$412,575	\$(139,010)	\$273,565	12.57%
Tier 2 Risk Based Capital	16.05%	10.00%	\$361,975	\$(139,010)	\$222,965	13.73%

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

# Robust Liquidity Sources

- Available liquidity is stable at \$3.5 billion, a decrease from \$3.7 billion at December 31, 2024
- Sources of liquidity are varied and represent wholesale funding and brokered deposits
- Brokered deposits represent 1% of total deposits unchanged from December 31, 2024
- Noncore funding represented 4% of total deposits and purchased funds as of December 31, 2025, compared to 1% as of December 31, 2024

# Liquidity Preparedness

December 31, 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>	\$ 644,807	\$ 171,200	\$ 473,607	\$ --
Federal Reserve Bank Discount Window	1,190,406	--	1,190,406	436,169
Total Secured/Committed	\$ 1,835,213	\$ 171,200	\$ 1,664,013	\$ 436,169
<b>Unsecured/Uncommitted Borrowings:</b>				
Brokered Certificates of Deposit <sup>(2)</sup>	\$ 615,755	\$ --	\$ 615,755	\$ --
Brokered Money Market Deposit <sup>(3)</sup>	209,701	50,572	159,129	--
Insured Cash Sweep-One Way Buy <sup>(4)</sup>	100,000	--	100,000	--
Fed Fund Lines	395,000	--	395,000	--
Total Unsecured/uncommitted borrowings	\$ 1,320,456	\$ 50,572	\$ 1,269,884	\$ --
<b>Investment Securities available for pledge:</b>				
Agencies, MBS and CMO <sup>(5)</sup>	229,725	--	229,725	--
Municipals <sup>(6)</sup>	361,922	--	361,992	--
Total Investment Securities Available	591,647	--	591,647	--
<b>Total Lake City Bank Liquidity Preparedness</b>	<b>\$ 3,747,316</b>	<b>\$ 221,772</b>	<b>\$ 3,525,544</b>	<b>\$ 436,169</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

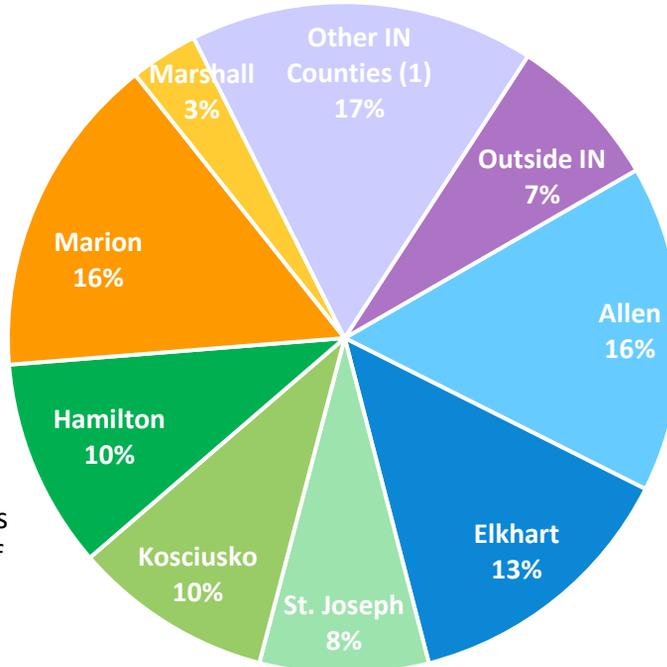
(4) Insured cash sweep OWB capacity is based on previous contracts with IntraFi Network (formerly Promontory)

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

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

# Commercial Loans by County

Commercial Customers in 51 Indiana Counties and 20 Other States



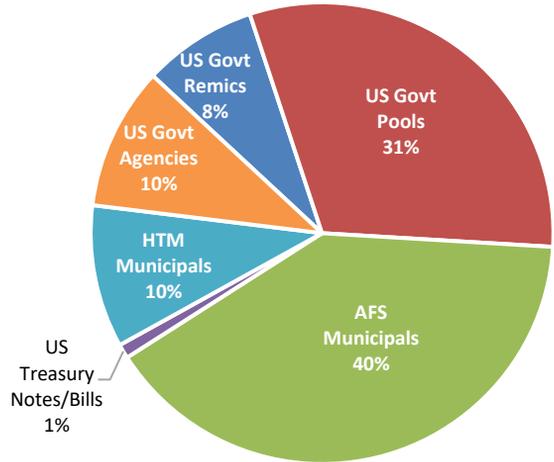
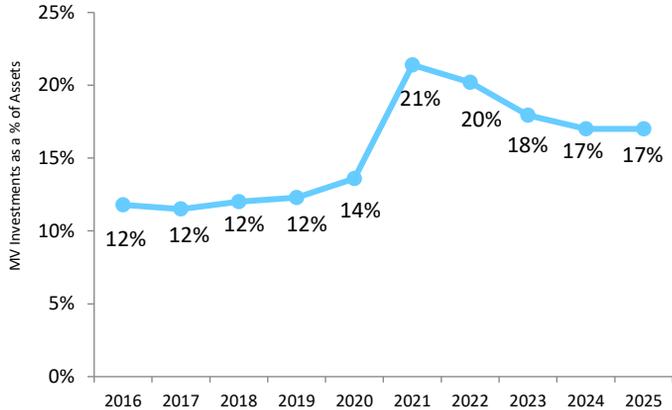
Commercial Loans  
Outstanding as of  
12/31/2025  
\$4.7 billion

December 31, 2025

(000's)

# Investment Portfolio

## Recurring Cash Flows Used to Fund Organic Loan Growth



December 31, 2025

	Weighted Maturity	Book Yield	Market Value
US Govt REMICS	5.21	2.49	90,111
US Govt Pools	6.17	2.53	364,052
US Govt Agencies	7.70	1.79	115,690
US Treasury Notes/Bills	2.17	3.52	10,119
AFS Municipals (TEY)	13.76	2.89	472,090
HTM Municipals (TEY)	14.92	2.73	117,510
<b>Total (Tax-Equivalent Yield)</b>	<b>10.20</b>	<b>2.63%</b>	<b>\$1,169,572</b>

### Carrying Value

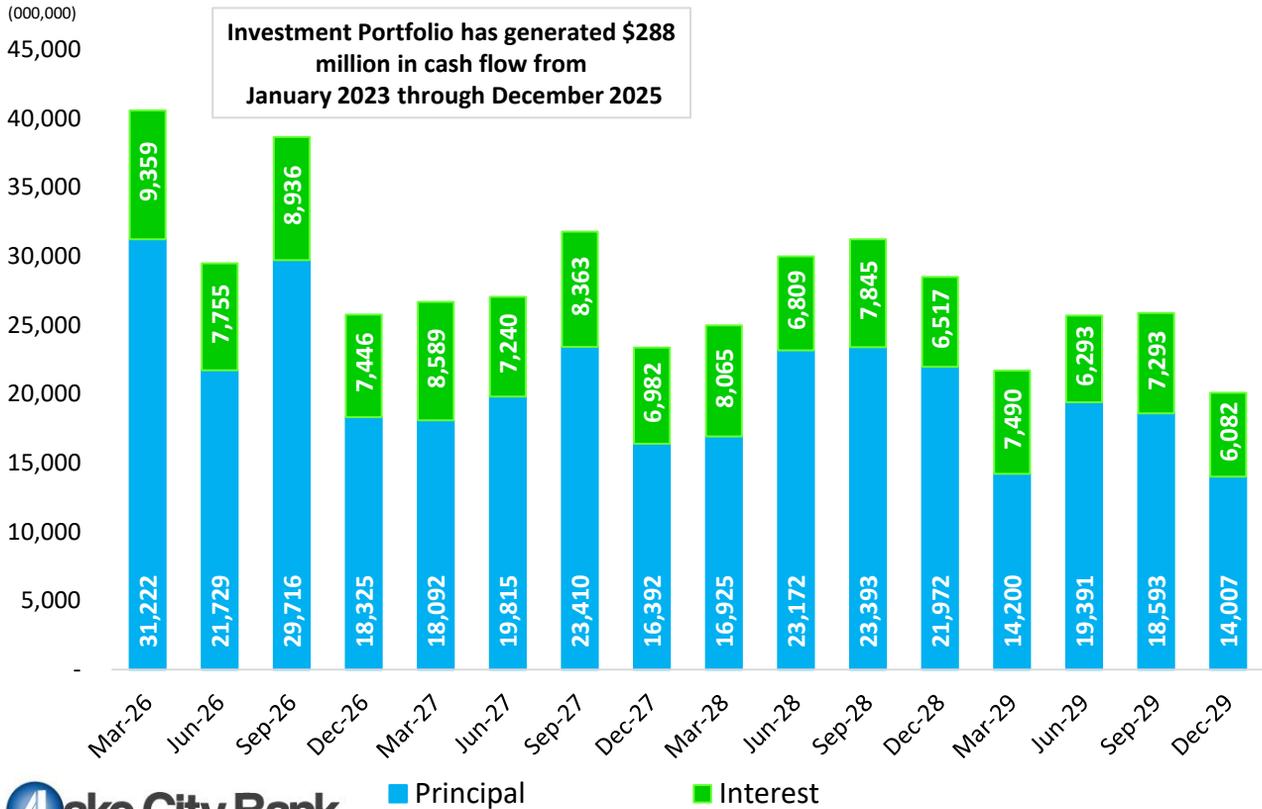
Held-to-Maturity \$ 133,208

Available-for-Sale \$ 1,052,062

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 \$451 million Expected Through December 2029



# Investment Portfolio Analysis

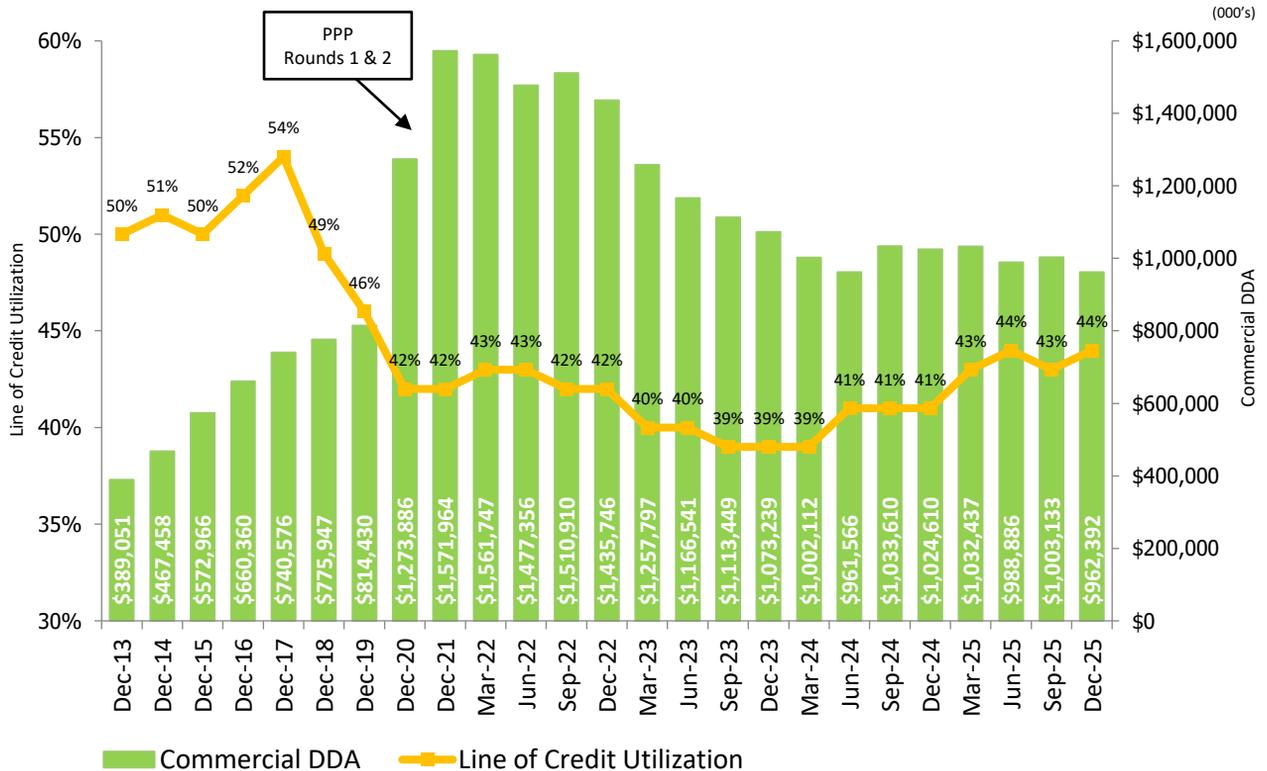
## Portfolio Effective Duration on a Downward Trajectory

	12/31/2025			12/31/2024		
	Weighted Maturity	Market Value	% of Total	Weighted Maturity	Market Value	% of Total
US Govt REMICS	5.21	90,111	8%	6.05	85,794	8%
US Govt Pools	6.17	364,052	31%	6.83	336,615	30%
US Agencies	7.70	115,690	10%	8.36	109,435	10%
US Treasury Notes/Bills	2.17	10,119	1%	--	--	--
AFS Municipals (Exempt)	13.76	472,090	40%	14.75	459,582	42%
HTM Municipals	14.92	117,510	10%	15.92	113,107	10%
<b>Total</b>	<b>10.20</b>	<b>\$1,169,572</b>	<b>100%</b>	<b>11.14</b>	<b>\$1,104,533</b>	<b>100%</b>
Unrealized losses AFS		(\$143,255)			(\$191,075)	
Unrealized losses HTM		(\$15,698)			(\$18,462)	
<b>Total market value losses</b>		<b>(\$158,953)</b>			<b>(\$209,537)</b>	
<b>Portfolio effective duration, tax equivalent<sup>(1)</sup></b>		<b>5.94</b>			<b>5.96</b>	
<b>Investment securities as a % of assets</b>		<b>17%</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.

# Line of Credit Utilization vs. Commercial DDA

Commercial Accounts Grow by 2% Annually



# Larger Market Organic Expansion

## Organic Growth

State Rank	County	Primary City	Population*	LCB Entry	LCB Deposit Market Share**	# of Branches
22.	Kosciusko	Warsaw	80,669	1872	67%	12
6.	Elkhart	Elkhart	207,436	1990	24%	11
5.	St. Joseph	South Bend	273,744	1997	8%	4
3.	Allen	Fort Wayne	399,295	1999	16%	5
1.	Hamilton, Johnson, Marion	Indianapolis	1,531,946	2011	1%	9

\* Source: STATS Indiana

\*\* Source: FDIC 6/30/25 Statistics



# Branch Expansion Strategy for Growth

Lake City Bank Deposits in Indianapolis Total \$606 Million at June 30, 2025

Indiana County	2025 Population	2050 Projected Population	25- year projected % growth	2025 Deposits in Market (000's)	Lake City Bank 2025 Deposits (000's)	Lake City Bank 2025 Deposit Market Share	Lake City Bank Branches
Hamilton	384,401	529,505	38%	\$28,239,463	\$495,564	1.75%	4
Marion	965,874	1,011,523	5%	\$43,268,429	\$80,015	0.18%	3
Johnson	171,056	203,455	19%	\$3,855,297	\$30,700	0.80%	1
Boone	78,948	107,634	36%	\$1,842,747	n/a	0%	0
Tippecanoe	189,425	201,073	6%	\$3,908,258	n/a	0%	0

# Mature Market Strength and Growth

## Organic Growth

(millions)<sup>1</sup>

	2025		2015			2025 # of Offices
	<u>Deposits</u>	<u>Share</u>	<u>Deposits</u>	<u>Share</u>	<u>Increase</u>	
<b>1. Lake City Bank</b>	<b>\$5,573</b>	<b>19.68%</b>	<b>\$2,752</b>	<b>15.53%</b>	<b>102.51%</b>	<b>55</b>
2. 1 <sup>st</sup> Source	\$5,539	19.56%	\$2,850	16.09%	94.35%	51
3. JPM Chase	\$3,242	11.45%	\$1,918	10.83%	69.03%	20
4. PNC	\$1,562	5.51%	\$1,279	7.22%	22.13%	16
5. Flagstar/Wells Fargo <sup>(2)</sup>	\$1,090	3.85%	\$2,276	12.85%	(52.11)%	16
6. First Merchants	\$963	3.40%	\$676	3.81%	42.46%	10
7. Star	\$952	3.36%	\$495	2.79%	92.32%	10
8. Fifth Third	\$859	3.03%	\$365	2.06%	135.34%	8
9. Old National	\$814	2.87%	\$613	3.46%	32.79%	9
10. Farmers State	\$744	2.63%	\$316	1.78%	135.44%	8
<b>Market Total</b>	<b>\$28,321</b>		<b>\$17,715</b>		<b>59.87%</b>	

<sup>1</sup>Mature Markets includes 12 Northern Indiana counties and excludes 3 Central Indiana counties / branch count for Lake City Bank reflects all offices, other banks listed reflect market total

<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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