UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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, 2024

LAKELAND FINANCIAL CORPORATION

(Exact name of Registrant as specified in its charter)

0-11487

(Commission

Indiana (State or other jurisdiction of incorporation)

File Number)

202 East Center Street, Warsaw , Indiana (Address of principal executive offices) 35-1559596 (IRS Employer Identification No.)

46580 (Zip Code)

Registrant's telephone number, including area code: (574) 267-6144

(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)

□ Soliciting 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	LKFN	NASDAQ

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (s230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (s240.12b-2 of this chapter).

If an emerging growth company, indicate by check mark if the Registrant has elected not to use extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition

On April 25, 2024, Lakeland Financial Corporation (the "Company") issued a press release announcing its earnings for the three months ended March 31, 2024. The press release is furnished herewith as Exhibit 99.1.

The disclosure in this Item 2.02 and the related exhibit under Item 9.01 are being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The disclosure in this Item 2.02 and the related exhibit under Item 9.01 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 Press Release dated April 25, 2024

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, 2024

By: /s/ Lisa M. O'Neill

Lisa M. O'Neill Executive Vice President and Chief Financial Officer



NEWS FROM LAKELAND FINANCIAL CORPORATION

FOR IMMEDIATE RELEASE

Contact Lisa M. O'Neill Executive Vice President and Chief Financial Officer (574) 267-9125 lisa.oneill@lakecitybank.com

Lakeland Financial Reports First Quarter Net Income of \$23.4 Million and 5% Annualized Average Loan Growth

Warsaw, Indiana (April 25, 2024) – Lakeland Financial Corporation (Nasdaq Global Select/LKFN), parent company of Lake City Bank, today reported net income of \$23.4 million for the three months ended March 31, 2024, which represents a decrease of \$877,000, or 4%, compared with net income of \$24.3 million for the three months ended March 31, 2023. Diluted earnings per share were \$0.91 for the first quarter of 2024 and decreased 3% compared to \$0.94 for the first quarter of 2023. On a linked quarter basis, net income decreased \$6.2 million, or 21%, from fourth quarter 2023 net income of \$29.6 million. Diluted earnings per share decreased from \$1.16, or 22%.

Net income for the first quarter of 2024 benefited from the recognition of \$1.0 million in additional insurance recoveries associated with the wire fraud loss that occurred during the second quarter of 2023. This created an after-tax benefit of \$0.03 diluted earnings per common share for the first quarter of 2024. This recovery was in addition to insurance and loss recoveries of \$6.3 million, or \$0.18 diluted earnings per common share, that were recorded during the fourth quarter of 2023. Adjusting for these recoveries, the company's core operational profitability, a non-GAAP financial measure that excludes the impact of the wire fraud loss, insurance and loss recoveries and other related effects, was \$22.7 million for the first quarter of 2024, a decrease of \$1.6 million, or 7%, compared to the first quarter of 2023. Core operational diluted earnings per common share, a non-GAAP financial measure, were \$0.88 for the first quarter of 2024, representing a 6% decrease, from the first quarter of 2023. Core operational profitability decreased \$2.6 million, or 10%, from \$25.2 million for the fourth quarter of 2023. Core operational diluted earnings per common share decreased 10% from \$0.98 on a linked quarter basis.

"We have entered 2024 with good momentum on the critical goal of continuing our long history of healthy organic balance sheet growth. With annual loan growth of 5% in the quarter, we are off to a fine start. While the prevailing interest rate environment continues to put pressure on our net interest margin, the Lake City Bank team did a terrific job of identifying revenue growth opportunities and diligently managing expenses. Despite the pressure on our net interest margin, we continue to focus on our future growth through investments in people, technology, and new branch office opportunities," observed David M. Findlay, Chairman and Chief Executive Officer.

Quarterly Financial Performance

First Quarter 2024 versus First Quarter 2023 highlights:

- Return on average equity of 14.59%, compared to 16.81%
- Return on average assets of 1.44%, compared to 1.54%
- Tangible book value per share grew by \$1.69, or 7%, to \$25.05
- Average loans grew by \$245.6 million, or 5%
- Average investments declined by \$91.7 million, or 7%
- Core deposit growth of \$75.2 million, or 1%
- Average interest-bearing deposits grew by \$531.3 million, or 14%, to \$4.4 billion
- Noninterest income grew by \$2.3 million, or 22%
- Noninterest expense grew by \$1.3 million, or 4%
- Provision expense of \$1.5 million, compared to \$4.4 million
- Net charge offs of \$312,000 versus \$5.7 million, a decline of \$5.4 million, or 95%
- Nonperforming loans declined by \$3.0 million, or 17%, from \$17.7 million to \$14.8 million
- Watch list loans as a percentage of total loans declined to 3.67% from 3.68%
- Total risk-based capital ratio of 15.46%, compared to 15.21%
- Cash dividends per share increased by \$0.02, or 4%, to \$0.48 per share

- Tangible capital ratio of 9.80%, compared to 9.34%
- Tangible common equity growth of \$45.0 million, or 8%

First Quarter 2024 versus Fourth Quarter 2023 highlights:

- Return on average equity of 14.59%, compared to 20.52%
- Return on average assets of 1.44%, compared to 1.80%
- Average loans grew by \$91.3 million, or 2%
- Average equity increased by \$72.4 million, or 13%
- Net interest income declined by \$1.2 million, or 2%
- Net charge offs of \$312,000 versus \$433,000
- Nonperforming loans declined by \$945,000, or 6%, from \$15.7 million to \$14.8 million
- Watch list loans as a percentage of total loans declined to 3.67%, from 3.72%
- Average equity to average assets of 9.84%, compared to 8.79%
- Total risk-based capital ratio remains unchanged at 15.46%
- Average equity to average assets increased to 9.84%, compared to 8.79%
- Cash dividends per share increased by \$0.02, or 4%, to \$0.48 per share
- Tangible capital ratio of 9.80%, compared to 9.91%

Capital Strength

The company's total capital as a percentage of risk-weighted assets was 15.46% at March 31, 2024, compared to 15.21% at March 31, 2023 and 15.47% at December 31, 2023. These capital levels are well in excess of the 10.00% regulatory threshold required to be characterized as "well capitalized" and reflect the company's exceptionally strong capital base.

The company's tangible common equity to tangible assets ratio, which is a non-GAAP financial measure, was 9.80% at March 31, 2024, compared to 9.34% at March 31, 2023 and 9.91% at December 31, 2023. Unrealized losses from available-for-sale investment securities were \$189.9 million at March 31, 2024, compared to \$188.5 million at March 31, 2023 and \$174.6 million at December 31, 2023. When excluding the impact of accumulated other comprehensive income (loss) on tangible common equity and tangible assets, the company's ratio of adjusted tangible common equity to adjusted tangible assets, a non-GAAP financial measure, was 12.03% at March 31, 2024, compared to 11.63% at March 31, 2023 and 11.99% at December 31, 2023.

Kristin L. Pruitt, President stated, "Our robust capital position supports our capacity to broaden our organic balance sheet growth strategy. We manage our balance sheet for the long-term and our conservative approach has created a very strong balance sheet."

As announced on April 9, 2024, the board of directors approved a cash dividend for the first quarter of \$0.48 per share, payable on May 6, 2024, to shareholders of record as of April 25, 2024. The first quarter dividend per share represents a 4% increase from the \$0.46 dividend per share paid for the first quarter of 2023 and fourth quarter of 2023.

Loan Portfolio

Average total loans of \$4.97 billion in the first quarter of 2024, an increase of \$245.6 million, or 5%, from \$4.73 billion for the first quarter of 2023, and an increase of \$91.3 million, or 2%, from \$4.88 billion for the fourth quarter of 2023.

Total loans increased by \$242.6 million, or 5%, from \$4.75 billion as of March 31, 2023, to \$5.00 billion as of March 31, 2024. The increase in loans was driven by increases to commercial real estate and multi-family residential loans of \$211.7 million, or 9%, and consumer loans of \$50.2 million, or 10%. On a linked quarter basis, total loans increased by \$81.0 million, or 2%, from \$4.92 billion as of December 31, 2023. The linked quarter increase was a result of growth in commercial and industrial loans of \$56.5 million, or 4%, and growth in commercial real estate and multi-family residential loans of \$39.9 million, or 2%.

Findlay added, "Commercial and industrial loans led our loan expansion in the first quarter as we experienced growth in both working capital lines of credit and non-working capital loans versus the fourth quarter of 2023. Average loan growth on a linked quarter basis was a healthy 8% when annualized, and it was well-diversified. In addition, we continued our aggressive business development efforts with our calling program, creating the foundation for future relationship growth and market share expansion."

Commercial loan originations for the first quarter included approximately \$447.0 million in loan originations, offset by approximately \$372.0 million in commercial loan pay downs. Line of credit usage decreased to 39% at March 31, 2024, compared to 40% at March 31, 2023, and remained unchanged from 39% at December 31, 2023. Total available lines of credit expanded by \$52.0 million, or 2%, as compared to a year ago, and line usage decreased by \$48.0 million, or 3%, for the same period. The company has limited exposure to commercial office space borrowers, all of which are located in the bank's Indiana markets. Loans totaling \$73.6 million for this sector represented 1.5% of total loans at March 31, 2024, unchanged from December 31, 2023. Additionally, commercial real estate loans secured by multi-family residential properties and secured by non-farm non-residential properties were approximately 205% of total risk-based capital at March 31, 2024.

Diversified Deposit Base

The bank's diversified deposit base has remained stable on a year over year basis and on a linked quarter basis.

			DEPOSIT E (unaudited, in t								
March 31, 2024 December 31, 2023 March 31, 2023											
Retail	\$	1,770,007	31.5 %	\$	1,794,958	31.4 %	\$	1,894,707	34.3 %		
Commercial		2,117,536	37.7		2,227,147	38.9		2,105,512	38.2		
Public fund		1,544,775	27.5		1,563,015	27.3		1,356,851	24.6		
Core deposits		5,432,318	96.7		5,585,120	97.6		5,357,070	97.1		
Brokered deposits		185,767	3.3		135,405	2.4		160,658	2.9		
Total	\$	5,618,085	100.0 %	\$	5,720,525	100.0 %	\$	5,517,728	100.0 %		

Total deposits increased \$100.4 million, or 2%, from \$5.52 billion as of March 31, 2023 to \$5.62 billion as of March 31, 2024. The increase in total deposits was driven by an increase in core deposits (which excludes brokered deposits) of \$75.2 million, or 1%. Total core deposits at March 31, 2024 were \$5.43 billion and represented 97% of total deposits, as compared to \$5.36 billion and 97% at March 31, 2023. Brokered deposits were \$185.8 million, or 3% of total deposits, at March 31, 2024, compared to \$160.7 million, or 3% of total deposits, at March 31, 2023.

The change in composition of core deposits since March 31, 2023 reflects growth in commercial deposits and public funds deposits. Commercial deposits grew by \$12.0 million to \$2.12 billion, or 38% of total deposits. Public funds deposits grew by \$187.9 million to \$1.54 billion, or 28% of total deposits. Retail deposits contracted by \$124.7 million, representing 32% of total deposits at \$1.77 billion. Net retail outflows since March 31, 2023 reflect the continued utilization of deposits from peak savings levels during 2021.

Checking accounts by deposit sector, which include demand deposits and interest-bearing checking accounts, continue to maintain average balances that are higher than pre-pandemic levels. Since December 31, 2019, commercial checking account balances have grown by \$886.1 million, or 80%, retail checking account balances have grown by \$280.6 million, or 43%, and public fund checking account balances have grown by \$479.5 million, or 57%.

Checking account trends compared to March 31, 2023 demonstrate average aggregate checking account balance growth of \$110.1 million, or 9%, for aggregate public fund checking account balances and \$14.3 million, or 1%, for aggregate commercial checking account balances, offset by a contraction of \$72.9 million, or 7%, for aggregate retail checking account balances. The number of accounts also has grown for all three segments, with growth of 4% for commercial accounts, 2% for retail accounts and 16% for public fund accounts.

"Our deposit franchise has remained stable and well-diversified within our deposit segments. It's good to see that average core deposits have grown on a year over year basis by \$131.0 million, or 2%, in a very interesting deposit environment. We continue to benefit from the core deposit relationships we have with average deposits per account in each deposit segment continuing to remain elevated as compared to December 2019. Importantly, the number of retail and commercial checking accounts continues to grow while average balances per account trend back to normalized pre-pandemic levels," commented Findlay.

On a linked quarter basis, total deposits decreased \$102.4 million, or 2%, from \$5.72 billion at December 31, 2023 to \$5.62 billion at March 31, 2024. Core deposits decreased by \$152.8 million, or 3%, while brokered deposits increased by \$50.4 million, or 37%. Linked quarter contraction in core deposits resulted from decreases in commercial deposits of \$109.6 million,

or 5%, and decreases in retail deposits of \$25.0 million, or 1%, and decreases in public fund deposits, of \$18.2 million, or 1%. Demand deposits as a percent of total deposits declined to 22% at March 31, 2024 as compared to 28% at March 31, 2023 and from 24% at December 31, 2023.

Average total deposits were \$5.63 billion for the first quarter of 2024, an increase of \$142.8 million, or 3%, from \$5.49 billion for the first quarter of 2023. Average interest-bearing deposits drove the increase to average total deposits, increasing \$531.3 million, or 14%. Contributing to this increase were increases to average interest-bearing checking accounts of \$289.8 million, or 11%, and average time deposits of \$338.3 million, or 50%. Offsetting these increases was a decrease to average savings deposits of \$96.9 million, or 25%. Average noninterest-bearing demand deposits decreased by \$388.4 million, or 23%.

On a linked quarter basis, average total deposits decreased by \$172.2 million, or 3%, from \$5.80 billion for the fourth quarter of 2023 to \$5.63 billion for the first quarter of 2024. Average noninterest-bearing demand deposits drove the decrease in linked quarter average deposits, decreasing by \$100.3 million, or 7%. Additionally, total average interest-bearing deposit accounts decreased by \$71.8 million, or 2%. Total time deposits drove the decrease in the linked quarter reduction of interest-bearing deposit accounts, decreasing by \$34.0 million, or 3%. Interest-bearing checking accounts decreased by \$26.6 million, or less than 1%, and savings accounts decreased by \$11.2 million, or 4%.

Deposits not covered by FDIC deposit insurance were 54% as of March 31, 2024, compared to 57% at December 31, 2023, and 54% at March 31, 2023. Deposits not covered by FDIC deposit insurance or the Indiana Public Deposit Insurance Fund (which insures public fund deposits in Indiana), were 27% of total deposits as of March 31, 2024, compared to 31% at December 31, 2023, and 29% as of March 31, 2023. As of March 31, 2024, 98% of deposit accounts had deposit balances less than \$250,000.

Liquidity Overview

The bank has robust liquidity resources. These resources include secured borrowings available from the Federal Home Loan Bank and the Federal Reserve Bank Discount Window. In addition, the bank has unsecured borrowing capacity through long established relationships within the brokered deposits markets, Federal Funds lines from correspondent bank partners, and Insured Cash Sweep (ICS) one-way buy funds available from the Intrafi network. As of March 31, 2024, the company had access to an aggregate of \$3.1 billion in liquidity from these sources, compared to \$3.0 billion at March 31, 2023 and \$3.4 billion at December 31, 2023. Utilization from these sources totaled \$385.8 million at March 31, 2024, compared to \$360.7 million at March 31, 2023 and \$185.4 million at December 31, 2023. Core deposits have historically represented, and currently represent, the primary funding resource of the bank at 93% of total deposits and purchased funds.

Investment Portfolio Overview

Total investment securities were \$1.14 billion at March 31, 2024, reflecting a decrease of \$92.1 million, or 7%, as compared to \$1.24 billion at March 31, 2023. On a linked quarter basis, investment securities decreased \$36.8 million, or 3%, due primarily to a combination of a decline in the fair value of available-for-sale securities of \$15.3 million, paydowns, calls and maturities of \$13.0 million and portfolio sales of \$7.1 million. Investment securities represented 17% of total assets on March 31, 2024, compared to 19% on March 31, 2023 and 18% on December 31, 2023. Effective duration for the investment portfolio was 6.6 years at March 31, 2024, compared to 4.0 years at December 31, 2019 and 6.5 years at December 31, 2023. Effective duration of the portfolio extended following the deployment of excess liquidity to the investment portfolio and the rise in interest rates from the recent tightening cycle by the Federal Reserve. The ratio of investment securities as a percentage of total assets remains elevated over historical levels of approximately 12% to 14% during the period from 2014 through 2020. The company expects the investment securities are used to fund loan portfolio growth and for general liquidity purposes. Furthermore, the company anticipates receiving principal and interest cash flows of approximately \$77.0 million throughout the remainder of 2024.

Net Interest Margin

Net interest margin was 3.15% for the first quarter of 2024, representing a 39 basis point contraction from 3.54% for the first quarter of 2023. Earning assets yields increased by 58 basis points to 5.97% for the first quarter of 2024, up from 5.39% for the first quarter of 2023. The increase in earning asset yields was offset by an increase in the company's funding costs as interest expense as a percentage of average earning assets increased to 2.82% for the first quarter of 2023, or an increase of 97 basis points. While earning asset yields have benefited from a 50 basis point increase in the target Federal Funds Rate between March 31, 2023 and 2024, the company has experienced an offsetting increase to

funding costs as competition for deposits has increased throughout the industry. Notably, a deposit mix shift from noninterest bearing deposits to interest bearing deposits has further eroded net interest margin with noninterest bearing deposits as a percentage of total deposits declining to 22% at March 31, 2024, compared to 28% at March 31, 2023 and 24% at December 31, 2023.

Linked quarter net interest margin contracted by 8 basis points to 3.15% for the first quarter of 2024, compared to 3.23% for the fourth quarter of 2023. Average earning asset yields increased by 1 basis point from 5.96% during the fourth quarter of 2023 to 5.97% during the first quarter of 2024 and were offset by a 9 basis point increase in interest expense as a percentage of average earning assets. The increase in linked quarter interest expense was driven by continued upward pressure in deposit costs resulting from market competition and increased borrowing costs due to continued loan growth.

The cumulative loan beta, which measures the sensitivity of a bank's average loan yield to changes in short-term interest rates, is 55% for the current ratetightening cycle, compared to 61% during the prior tightening cycle from 2016 through 2019. The cumulative deposit beta, which measures the sensitivity of a bank's deposit cost to changes in short-term interest rates, is 52% for the current rate-tightening cycle, compared to 45% during the prior tightening cycle.

"The bank's robust liquidity position and long history of growing core deposits allows us to continue our focus on high-quality loan growth. Core deposit relationships are the bedrock of our balance sheet and will continue to be as we pursue future balance sheet growth," noted Findlay. "While the higher for longer Federal Reserve Bank stance will enable us to reprice maturing fixed rate loans at today's higher interest rates, we are looking forward to the potential for interest rate easing by the Federal Reserve as we expect it to positively impact loan demand on the commercial and retail lending fronts."

Net interest income was \$47.4 million for the first quarter of 2024, representing a decrease of \$4.1 million, or 8%, as compared to the first quarter of 2023. On a linked quarter basis, net interest income decreased \$1.2 million, or 2%, from \$48.6 million for the fourth quarter of 2023.

Asset Quality

The company recorded a provision for credit losses expense of \$1.5 million in the first quarter of 2024, a decrease of \$2.8 million as compared to \$4.4 million in the first quarter of 2023. On a linked quarter basis, the provision expense increased by \$1.2 million, or 407%, from \$300,000 for the fourth quarter of 2023. The linked quarter increase was driven by loan growth during the first quarter of 2024.

The ratio of allowance for credit losses to total loans was 1.46% at March 31, 2024, down from 1.50% at March 31, 2023, and remained unchanged from 1.46% at December 31, 2023. Net charge offs in the first quarter of 2024 were \$312,000, compared to \$5.7 million in the first quarter of 2023 and \$433,000 during the linked fourth quarter of 2023. Annualized net charge offs to average loans were 0.03% for the first quarter of 2024, compared to 0.49% for the first quarter of 2023 and 0.04% for the linked fourth quarter of 2023.

Nonperforming assets decreased \$2.7 million, or 15%, to \$15.2 million as of March 31, 2024, versus \$17.9 million as of March 31, 2023. On a linked quarter basis, nonperforming assets decreased \$875,000, or 5%, compared to \$16.1 million as of December 31, 2023. These decreases were driven primarily by the paydown of one nonaccrual relationship. The ratio of nonperforming assets to total assets at March 31, 2024 decreased to 0.23% from 0.28% at March 31, 2023 and from 0.25% at December 31, 2023.

Total individually analyzed and watch list loans increased by \$8.5 million, or 5%, to \$183.3 million as of March 31, 2024, versus \$174.9 million as of March 31, 2023. On a linked quarter basis, total individually analyzed and watch list loans increased by \$229,000, or less than 1%, from \$183.1 million at December 31, 2023. Watch list loans as a percentage of total loans decreased by 1 basis point to 3.67% at March 31, 2024, compared to 3.68% at March 31, 2023, and decreased by 5 basis points from 3.72% at December 31, 2023 due primarily to loan growth.

Findlay added, "We are encouraged by the stable asset quality trends of the past four quarters. Unemployment in our Indiana footprint at 3.6% is lower than the national average of 3.8% and demand for labor in our footprint continues to be strong. We continue to follow our disciplined loan underwriting process. While our asset quality measures are near historic lows, we will continue to monitor the economic conditions on our 15 county Indiana footprint."



Noninterest Income

The company's noninterest income increased \$2.3 million, or 22%, to \$12.6 million for the first quarter of 2024, compared to \$10.3 million for the first quarter of 2023. The increase in noninterest income was driven primarily by an increase in other income of \$1.6 million, or 253%, due to the recognition of an insurance recovery of \$1.0 million during the first quarter of 2024. Contributing further to the increase in other income was the recognition of a death benefit from the company's bank owned life insurance program, increased FHLB dividend income and increased limited partnership investment income. Additionally, bank owned life insurance income increased by \$345,000, or 50%, wealth advisory fees increased by \$255,000, or 12%, and mortgage banking income increased by \$151,000. The increase to bank owned life insurance income was driven by an improvement in market valuation for the company's variable bank owned life insurance policies, which are tied to the performance of the equity markets. Wealth advisory fees benefited from new volume growth in addition to favorable market performance. The increase to mortgage banking income was attributable to growth in the company's mortgage pipeline, which favorably impacted secondary market loan sale gains and mortgage rate lock income.

Adjusted core noninterest income, a non-GAAP financial measure that excludes the impact of the \$1.0 million insurance recovery, was \$11.6 million for the first quarter of 2024, an increase of \$1.3 million, or 13%, compared to the first quarter of 2023.

Noninterest income for the first quarter of 2024 decreased by \$4.6 million, or 27%, on a linked quarter basis from \$17.2 million during the fourth quarter of 2023. The linked quarter decrease was driven largely by a decrease in other income of \$5.0 million, or 70%, as the majority of the loss and insurance recoveries related to the wire fraud loss, \$6.3 million, were settled and recorded during the fourth quarter of 2023. Offsetting this decrease to other income were increases in FHLB dividend income and limited partnership income and the recognition of benefit income from the company's bank owned life insurance. Bank owned life insurance increased by \$296,000, or 40%, wealth advisory fees increased by \$144,000, or 6%, and mortgage banking income increased by \$122,000.

Adjusted core noninterest income for the first quarter of 2024 increased by \$704,000, or 6%, compared to the linked fourth quarter adjusted core noninterest income of 2023.

Noninterest Expense

Noninterest expense increased \$1.3 million, or 4%, to \$30.7 million for the first quarter of 2024, compared to \$29.4 million during the first quarter of 2023. The increase in noninterest expense during the quarter was driven by an increase in salaries and employee benefits of \$770,000, or 5%. The increase to salaries and employee benefits expense was driven by increases to expenses for employee salaries, incentive pay, health insurance as well as deferred compensation expense linked to the increase in market valuation of the company's variable bank owned life insurance. Data processing fees and supplies expense increased \$387,000, or 11%, from increased software as well as digital and core data processing expenses. Professional fees increased \$342,000, or 16%, from continued investment in customer-facing and operational technology solutions. Other expense decreased \$314,000, or 12%, due to a reduction in expenses related to credit card recourse reserve expense, telephone expense and semi-annual director share grant expense.

On a linked quarter basis, noninterest expense increased by \$1.3 million, or 4%, from \$29.4 million during the fourth quarter of 2023. Salaries and employee benefits increased \$1.1 million, or 7%, from increases to salaries and benefits, incentive, health insurance and variable deferred compensation expense. These increases were offset by decreased long-term incentive expense. Corporate and business development expense increased, \$504,000, or 57%, driven by the timing of advertising expense related to the company's annual marketing plan and community sponsorships. Net occupancy expense increased \$254,000, or 17%, driven by higher weather-related maintenance expenses. Other expense decreased \$767,000, or 25%. The company incurred one-time transaction costs of \$352,000 as the result of a loan assumption transaction that took place during the fourth quarter of 2023 as well as \$373,000 in accruals pertaining to ongoing legal matters.

The company's efficiency ratio was 51.2% for the first quarter of 2024, compared to 47.6% for the first quarter of 2023 and 44.7% for the linked fourth quarter of 2023. The company's adjusted core efficiency ratio, a non-GAAP measure, was 52.0% for the first quarter of 2024, compared to 47.6% for the first quarter of 2023 and 48.7% for the linked fourth quarter of 2023.





Information regarding Lakeland Financial Corporation may be accessed on the home page of its subsidiary, Lake City Bank, at <u>lakecitybank.com</u>. The company's common stock is traded on the Nasdaq Global Select Market under "LKFN." Lake City Bank, a \$6.6 billion bank headquartered in Warsaw, Indiana, was founded in 1872 and serves Central and Northern Indiana communities with 53 branch offices and a robust digital banking platform. Lake City Bank's community banking model prioritizes building in-market long-term customer relationships while delivering technology-forward solutions for retail and commercial clients.

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," "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 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. 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 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.

LAKELAND FINANCIAL CORPORATION FIRST QUARTER 2024 FINANCIAL HIGHLIGHTS

Goodwill Net of Defered Tax Assets 3.803 3.803 3.803 Anguist Common Equity (2) 643.206 645.299 598.203 Adjusted Tangubte Common Equity (2) 899.395 800.450 764.815 Total Assets 6.216.029 6.14.300 \$ 6.412.001 Earning Assets 6.216.029 6.14.301 \$ 6.412.001 Loans 4.971.020 6.412.803 1.107.862 1.250.189 Loans 4.971.020 6.426.002 5.487.992 5.447.592 Loans 4.971.020 4.350.328 4.428.140 3.825.602 Interest Bearing Deposits 6.45.007 572.653 S85.044 VECOME STATEMENT DATA 645.007 572.653 S85.044 VECOME STATEMENT DATA 84.653 4.99.91 5.287 Net Interest Income 1.261 17.208 10.314 Nominterest Income 1.261 17.208 10.314 Nominterest Income 2.943 2.945 2.945 Pretax Perbroxisin Farrings (2) 2.923 2				Thr	ee Months Ende	d	
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Investments 1,144,816 1,121,902 1,219,023 Allowance for Credit Losses 73,180 71,772 77,123 Projection 5,018,085 5,720,523 5,517,728 Droker of Deposits 5,018,085 5,720,523 5,537,707 Total Fagity 647,009 469,733 5,600,000 Ocodwall Net of Deferred Tax Assets 3,803 3,803 3,803 Applied Common Fapity (2) 643,206 645,590 9,784,815 Ocodwall Net of Deferred Tax Assets 5 6,554,468 \$ 6,514,430 \$ 6,412,080 Farming Assets 6,216,629 6,145,4740 \$ 6,417,280 7,815 Total Assets 5,654,468 \$ 6,514,470 \$ 6,475,792 7,125,189 Loans 1,007,862 1,207,802 1,475,473 \$ 6,477,473 \$ 6,477,473 \$ 6,477,473 \$ 6,477,473 \$ 5,474,993 \$ 5,474,993 \$ 5,474,993 \$ 5,474,993 \$ 5,474,993	END OF PERIOD BALANCES						
Joans 4.997.59 4.916.59 4.916.59 4.916.43 4.749.08 Deposits 73.180 71.915 71.215 71.215 Deposits 185.767 135.405 160.656 5.517.728 Deposits (1) 5.432.318 5.585.10 5.337.070 602.006 764.135 809.305 806.435 86.314.30 8.042.84 8.614.436 8.616.436 8.616.436 8.616.436 8.616.436 8.616.436 8.616.436 8.616.436.457.576.536 5.615.19 7.61		\$		\$		\$	
Allowance for Credit Losses 7,180 7,120 7,121 Brokerol Deposits 5616,085 5,720,525 5,517,228 Brokerol Deposits 185,767 135,405 100,058 Groe Deposits (1) 5,324,2318 5,585,120 5,337,070 Tradit Lepiny 647,009 649,739 602,000 Goodwill Net of Deferred Tax Assets 3,803 3,803 3,803 Aphinsed Lingbite Common Equity (2) 643,206 645,299 5,952,408 Adjusted Lingbite Common Equity (2) 643,206 6,6514,430 5 6,071,453 Aphinsed Lingbite Common Equity (2) 645,009 5,004,410 3,803 1,007,862 1,208,08 Loans 4,275,029 6,141,240 6,479,295 4,472,647 4,472,647 Loans 4,353,137 4,414,425 4,069,33 1,007,862 1,261,08 Loans 4,353,137 4,414,425 4,069,33 5,004 5,856,04 Morest Baoring Laboritis 4,353,137 4,414,425 4,066,93 5,913,153 1,016,85,02 5,238 7,914,153 5,914,93 5,914,93 5,914,93 5,91							
Deposis 5618.085 5.720.255 5.517.23 Forkerd Poposits 108.767 135.405 100.685 Core Deposits (1) 5.432.318 5.583.707 62.006 Cond Hight Park 647.009 649.793 602.006 Cond Mill Net of Deferred Tax Assets 3.803 3.803 3.803 Adjusted Langable Common Equity (2) 643.206 645.590 578.473 Adjusted Langable Common Equity (2) 643.206 6.541.408 \$ 6.412.608 Camaing Assets 5 6.554.408 \$ 6.412.603 1.058.03							
Brokerob Deposits 185,767 51.805 100.685 Core Deposits 5.432,318 5.535,720 5.335,700 Total Equity 647,009 649,793 602,006 Godwill Not O'Deferred Tax Assets 3,803 1,201,803 1,101,802 1,201,803 1,201,803 1,201,803 1,201,803 1,201,803 1,201,803 1,201,803 1,201,803 1,201,803 1,201,803 1,201,803 1,201,803 1,201,803 1,201,803 1,201,803 1,201,803 1,201,803							
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Tangibi Common Figury (2) 643.206 645.900 598.203 Adjustaf Tangibi Common Figury (2) 899.395 800.450 764.815 Atterna Ascets 6216.029 6.145.937 6.075.761 Investments 1.158.003 1.107.862 1.250.189 Loans 4.971.020 4.870.695 4.275.427 Interest Rearing Deposits 4.356.328 4.428.140 3.825.962 Interest Rearing Labilities 4.356.328 4.428.140 3.825.962 Interest Rearing Labilities 4.356.328 4.428.140 3.825.962 Interest Rearing Labilities 4.356.328 4.428.140 3.825.962 Net Interest Income 5 4.74.16 5 4.060.912 Net Interest Income 1.320 3.00 4.350.923 Nominterest Income 1.261 1.7.208 1.03.14 Notin Income Fer Common Share 9.91 1.16 0.94 Notin Income Per Common Share 9.91 1.16 0.95 Divided Net Income Per Common Share 9.91 1.16 0.95 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>602,006</td>							602,006
Adjared Tangible Common Equity (2) 899,395 800,450 764,415 VERACLE PLANANCES - <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>							
AVERAGE BALANCES S 6.554.468 S 6.514.430 S 6.412.080 Earning Assets 6.216.029 6.145.937 6.067.578 Investments 1.158.503 1.107.862 1.250.189 Loans 4.971.020 4.879.093 4.725.427 Total Deposits 5.650.431 5.802.592 5.487.592 Interest Bearing Labilities 4.356.328 4.428.10 3.825.062 Interest Bearing Liabilities 4.356.328 4.428.10 3.825.062 Interest Bearing Liabilities 4.356.328 4.428.10 3.825.062 Net Interest Income 5 47.416 5 4.85.99 5 5.15.19 Net Interest Income 1.2.612 17.208 10.314 Soc.502 2.0.33 0.420 2.424 Notititzerst Expense 30.708 2.9.443 2.9.443 2.9.443 2.9.443 Notititzerst Expense 30.708 2.9.425 2.0.399 PTER STARE DOTA 5 7.55 3.06.66 4.8.49 Notititzerst Expense <t< td=""><td></td><td></td><td></td><td></td><td>645,990</td><td></td><td></td></t<>					645,990		
Total Assets S 6.554.468 S 6.216.292 6.14.300 S 6.412.080 Investments 1.158.503 1.107.862 1.250.198 Lanus 4.971.000 4.873.695 4.725.427 Total Deposits 5.630.431 5.802.592 5.487.592 Interest Bearing Deposits 4.356.328 4.428.140 3.825.602 Interest Bearing Liabitities 4.356.328 4.428.140 3.825.602 Total Figuity 645.007 572.653 58.50.40 Net Interest Income S 4.716 S 48.502 Net Interest Income 1.520 3.00 4.353 Noninterest Expense 30.705 2.9.445 2.9.449 Noninterest Expense 30.705 2.9.445 2.9.499 Net Income Income 2.9.323 36.362 2.3.399 PER SHARE DATA S 0.91 1.16 S 0.95 Diluted Net Income Per Common Share 0.91 1.16 S 2.5.37 5 2.3.37 D			809,395		800,450		764,815
Iaming Assets 6,216,929 6,413,937 6,067,576 Investments 1,155,503 1,107,862 1,250,189 Ioran Deposits 5,630,431 5,802,592 5,487,592 Interest Hearing Liabilities 4,355,28 4,423,140 3,825,062 Interest Hearing Liabilities 4,355,38 4,423,140 3,825,062 Interest Hearing Liabilities 4,356,38 4,423,140 3,825,062 Net Interest Income S 47,416 S 48,509 S 5,1519 Net Interest Income S 47,416 S 48,503 3,000 4,350 Nominterest Expense 1,2612 17,208 10,314 29,445 29,443 Nominterest Expense 23,401 29,626 22,23 36,562 32,329 Petts NFR-Provision Earnings (2) 23,33 36,362 32,393 10,646 0.46 Prest Nark DutA 1.16 0.91 1,16 0.94 0.46 0.46 0.46 0.46 0.46 0.46 0.46 0.46	AVERAGE BALANCES						
Investments 1,138,503 1,107,862 1,250,198 Loans 4,971,020 4,879,095 4,725,427 Total Deposits 5,633,431 5,802,592 5,437,592 Interess Bearing Deposits 4,356,328 4,428,140 3,225,062 Interess Bearing Labilities 4,552,137 4,414,425 4,066,932 Total Equity 645,007 572,653 585,040 Net Interest Income \$ 4,74,16 \$ 48,599 \$ 51,519 Not Interest Income \$ 4,74,16 \$ 48,599 \$ 51,519 Noninterest Income \$ 1,2612 17,008 423,847 Provision for Credit Losses \$ 10,716 29,445 22,349 Pretax Pre-Provision Earnings (2) \$ 23,3401 29,626 24,273 Diluted Net Income Per Common Share \$ 0,91 \$ 1,16 0.95 Diluted Net Income Per Common Share (equity per share issued) \$ 25,27 \$ 23,31 Diluted Value Per Common Share (e	Total Assets	\$	6,554,468	\$	6,514,430	\$	6,412,080
Loans 4,971,020 4,879,095 4,725,421 Total Deposits 5,630,431 5,802,592 5,847,592 Interest Bearing Liabilities 4,355,328 4,428,140 3,825,062 Total Equity 645,007 572,653 585,604 Net Interest Income \$ 97,416 \$ 48,599 \$ 51,519 Net Interest Income \$ 97,416 \$ 48,593 \$ 51,519 Net Interest Income \$ 97,416 \$ 48,599 \$ 51,519 Nominterest Income \$ 97,416 \$ 48,593 \$ 51,519 Nominterest Income \$ 1,520 300 4,350 30,45 20,445 20,445 20,445 20,445 20,445 20,442 20,428 10,404 10,904 20,523 \$ 25,37 \$ 21,323 36,562 23,239 23,513 10,314 10,904 20,906 % 48,904 4,904 40,904 40,904 40,46 40,46 <td>Earning Assets</td> <td></td> <td>6,216,929</td> <td></td> <td>6,145,937</td> <td></td> <td>6,067,576</td>	Earning Assets		6,216,929		6,145,937		6,067,576
Ibrail Deposits 5,430,431 5,802,592 5,447,592 Interest Bearing Liabilities 4,355,328 4,428,140 3,825,062 Interest Bearing Liabilities 4,532,137 4,441,425 4,066,932 Iterest Bearing Liabilities 4,532,137 4,441,425 4,066,932 Iterest Braines 645,007 572,653 585,004 Net Interest Income 4,6633 49,914 52,887 Provision for Credit Losses 1,520 300 4,353 Nominterest Income 1,612 17,208 103,144 Nominterest Income 12,612 17,208 103,144 Nominterest Income 12,612 17,208 103,144 Not Income 23,401 29,626 24,278 Basic Net Income Per Common Share 0,91 1,16 0.95 Diluted Net Income Per Common Share 0,91 1,16 0.94 Dook Value Per Common Share (equity per share issued) 5 25,22 23,36 Targible Book Value Per Common Share (2) 25,15 22,22 23,56	Investments		1,158,503		1,107,862		1,250,189
Interest Bearing Deposits 4,356,328 4,428,140 3,825,062 Interest Bearing Liabilities 4,521,137 4,441,425 4,066,932 Interest Bearing Liabilities 645,007 572,653 585,604 Net Interest Income 5 47,416 5 48,599 5 51,519 Net Interest Income 12,612 17,208 10.314 Noninterest Expanse 30,705 29,445 29,433 Noninterest Expanse 30,705 29,445 29,434 No.914 20,230 23,239 PTER STARE DATA 29,232 36,362 32,399 PTER STARE DATA No.91 1.16 0.94 PRE STARE DATA 29,232 36,362 32,399 PTER STARE DATA 25,20 5 25,21 23,239 PRE STARE DATA 25,20 5 25,22 23,36 24,27 33,66 48,94 36,66 % 48,94 36,66 % 48,94 36,66 % 48,94 36,66 % 48,94 36,65 % 55,55 35,52 25,51 55,55 35,55	Loans		4,971,020		4,879,695		4,725,427
Interest Bearing Liabilities 4,532,137 4,441,425 4,066,932 INCOME STATEMENT DATA 645,007 572,653 585,604 INCOME STATEMENT DATA 84,863 49,914 52,85,604 Net Interest Income 84,863 49,914 52,887,903 15,19 Net Interest Income 1,520 300 4,350 10,314 Noninterest Income 1,2(12 17,208 10,314 10,314 Noninterest Income 23,401 29,626 24,278 70,934 29,433 29,445 29,434 10,314 11,314 10,314 10,314	Total Deposits		5,630,431		5,802,592		5,487,592
Total Equity 645,007 572,653 588,564 INCOME STATEMENT DATA 8 849,914 52,857 Net Interest Income 12,012 17,008 10,314 Noriniterest Expense 30,00 4,350 5 51,519 Noninterest Expense 12,012 17,208 10,314 Noninterest Expense 30,005 29,445 29,443 10,314 Noninterest Expense 30,015 29,445 29,444 10,314 Noninterest Expense 30,015 21,233 36,562 32,399 PEK STIAKE NATA 300 5 1,616 5 0.95 5 25,57 5 23,517 16 0,90 1,616 0,946 4,946 0,496 1,420 20,537 5 23,515 17,716	Interest Bearing Deposits		4,356,328		4,428,140		3,825,062
INCOMÉ STATEMENT DATA Net Interest Income \$ 47,416 \$ 48,599 \$ 51,519 Net Interest Income-Fully Tax Equivalent 48,683 49,914 \$ 52,887 Provision for Credit Losses 1,520 300 4,350 Noninterest Income 12,612 17,208 10,314 Noninterest Expense 30,705 29,445 29,443 Net Income 29,323 36,662 32,399 Protax Pre-Provision Earnings (2) 29,323 36,662 32,399 PER STIREE DATA 901 1.16 0.49 Dividend Net Income Per Common Share 0.91 1.16 0.49 Cash Dividend Ne Common Share (equity per share issued) \$ 25,275 % 39,66 % 48,94 Book Value Per Common Share (2) 25,055 25,222 23,36 Market Value – High \$ 73,22 \$ 67,88 \$ 77,07 Basic Net Income Nare (2) 25,656 45,59 59,55 Basic Weit Income Nare (2) 25,614,420 25,583,026 Diluted Value Per Common Share Soutstanding 25,747,643 <td< td=""><td>Interest Bearing Liabilities</td><td></td><td>4,532,137</td><td></td><td>4,441,425</td><td></td><td>4,066,932</td></td<>	Interest Bearing Liabilities		4,532,137		4,441,425		4,066,932
Net Interest Income \$ 47,16 \$ 48,683 49,914 52,879 Net Interest Income-Fully Tax Equivalent 48,683 49,914 52,870 Noninterest Income 1,520 300 4,350 Noninterest Repnese 30,705 29,445 29,434 Net Income 23,401 29,626 24,278 Pretax Pre-Provision Earnings (2) 29,323 36,362 32,399 PTR SILARE Pre-Provision Earnings (2) 29,323 36,362 32,399 PTR SILARE Pre-Provision Earnings (2) 29,323 36,362 32,399 PTR SILARE Pre-Provision Earnings (2) 29,344 0.46 0.46 Dividend Seclared Per Common Share 0.91 1.16 0.94 Cash Dividend Seclared Per Common Share (equity per share issued) \$ 25,20 \$ 25,37 \$ 23,31 Tangible Book Value Per Common Share (outstanding \$ 25,657,063 25,614,420 25,583,065 25,52,25 5 59,25 36,53 25,532,05 25,742,885 \$ 77,70,7 3,84	Total Equity		645,007		572,653		585,604
Net Interest Income-Fully Tax Equivalent 48,683 49,914 52,887 Provision for Credit Losses 1,520 300 4,350 Noninterest Income 12,612 17,208 10,314 Noninterest Expense 30,705 29,445 29,443 Net Income 23,401 29,626 24,278 Pretax Pre-Provision Earnings (2) 29,323 36,362 32,399 PR STARE DATA 30,701 \$ 1.16 0.99 Basic Net Income Per Common Share 0.91 \$ 1.16 0.99 Obvidend Payout 52,75 \$ 25,67 \$ 25,37 \$ 23,315 Tangible Book Value Per Common Share (2) 5 5 25,20 \$ 25,37 \$ 23,51 Market Value – High \$ 7,22 \$ 67,88 \$ 7,707 Market Value – Low 60,56 45,59 5,55,20 25,514,20 25,543,202 25,742,885 Return on Average Asets 1.44 1.80 % 1.54 8	INCOME STATEMENT DATA						
Net Interest Income-Fully Tax Equivalent 48,683 49,914 52,873 Provision for Credit Losses 1,520 300 4,350 Noninterest Expense 30,705 29,445 22,434 Noninterest Expense 30,705 29,445 22,434 Net Income 23,401 29,626 24,278 Protex Pre-Provision Earnings (2) 29,323 36,362 32,399 PER SHARE DATA 99,1 1.16 0.95 Basic Net Income Per Common Share 0.91 1.16 0.95 Dibuted Net Income Per Common Share 0.48 0.46 0.44 Dook Value Per Common Share (2) 25,075 \$ 25,237 \$ 25,37 Tangible Book Value Per Common Share (2) 25,05 25,22 23,36 Market Value – High \$ 73,22 \$ 67,88 \$ 77,043 Market Value – High \$ 25,67,063 25,614,420 25,583,026 Dibuted Weighted Average Common Shares Outstanding 25,677,663 25,614,20 25,583,026 Dibuted Weighted Average Common Shares Outstanding 25,677,663 25,614,20 25,583,026 Dibuted Weighted Average Common Shares Outsta	Net Interest Income	\$	47,416	\$	48,599	\$	51,519
Provision for Credit Losses 1,520 300 4,350 Noninterest Income 12,612 17,208 10,314 Noninterest Expense 30,705 29,445 29,323 36,362 23,239 Pretas Pre-Provision Earnings (2) 29,323 36,362 23,239 28 23,399 28 11.16 5 0.99 11.16 0.99 11.16 0.99 11.16 0.99 11.16 0.99 11.16 0.99 11.16 0.99 11.16 0.99 11.16 0.94	Net Interest Income-Fully Tax Equivalent		48,683		49,914		52,887
Noninterest Income 12,612 17,208 10,314 Noninterest Expense 30,705 29,445 29,324 Notinterest Expense 23,401 29,626 24,278 Pretax Pre-Provision Earnings (2) 29,323 36,362 32,399 PER SHARE DATA 29,323 36,362 32,399 Basic Net Income Per Common Share 0.91 1.16 0.99 Cash Dividends Declared Per Common Share 0.48 0.46 0.46 Dividend Payout 52,75 % 39,66 % 48,94 Book Value Per Common Share (equity per share issued) S 73,22 S 67,88 S 77,07 Market Value – High S 73,22 S 67,88 S 77,07 Market Value – Low 60,65 45,59 59,55 25,542,00 25,742,0420 25,742,8420 25,742,843 25,732,870 25,742,843 25,742,843 25,742,843 25,742,843 25,742,843 25,742,843 25,742,843 25,742,843 25,742,843 25,742,843 25,742,843 25,742,843							
Noninterest Expense 30,705 29,445 29,434 Net Income 23,301 29,626 24,278 Pretas Pre-Provision Earnings (2) 29,323 36,362 23,399 Basic Net Income Per Common Share 0.91 1.16 0.995 Diluted Net Income Per Common Share 0.91 1.16 0.94 Cash Dividends Declared Per Common Share 0.48 0.46 0.46 Dividend Payout 5 25,20 \$ 23,37 \$ 23,35 Market Value Per Common Share (equity per share issued) 5 25,20 \$ 25,37 \$ 23,35 Market Value - High 5 73,22 \$ 67,88 \$ 77,07 Market Value - Low 60,56 45,59 59,55 58.30 25,747,643 25,742,885 Ket Ward Meighted Average Common Shares Outstanding 25,747,643 25,742,885 14.459 20.52 16.81 Chaudited - Dollars in thousands, eccept per share data) March 31, 2023 2023 2023 2023 2023 2023	Noninterest Income				17,208		
Net Income 23,401 29,626 24,278 Preta Nrc-Provision Earnings (2) 20,323 36,362 32,399 PER SHARE Pre-Provision Earnings (2) 20,323 36,362 32,399 Basic Net Income Per Common Share 0.91 1.16 0.95 Diluted Net Income Per Common Share 0.91 1.16 0.94 Cash Dividends Declared Per Common Share 0.48 0.46 0.46 Dividend Payout 52,75 % 39,66 % 48,94 Book Value Per Common Share (2) 25,05 25,22 23,30 Market Value – High 5 73,22 67,88 5 77,07 Market Value – Low 60,56 45,59 59,55 30,30 25,657,063 25,614,420 25,583,026 Diluted Weighted Average Common Shares Outstanding 25,657,063 25,614,420 25,583,026 Diluted Weighted Average Common Shares Outstanding 25,657,063 25,614,420 25,583,026 Diluted Weighted Average Common Shares Outstanding 26,722,875 Three Monthes Ended 144 180 % 1.54 <t< td=""><td>Noninterest Expense</td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	Noninterest Expense						
Pretax Pre-Provision Earnings (2) 29,323 36,362 32,399 PER SHARE DATA	-						
PER SHARE DATA Basic Net Income Per Common Share 0.91 \$ 1.16 0.94 Cash Dividends Declared Per Common Share 0.91 1.16 0.94 Cash Dividends Declared Per Common Share 0.48 0.46 0.46 Dividend Payout 52.75 % 39.66 % 48.94 Book Value Per Common Share (equity per share issued) 5 25.20 \$ 5 25.22 23.36 Market Value – High 5 73.22 \$ 6.78.8 \$ 77.07 99.55 Basic Weighted Average Common Shares Outstanding 25.657.063 25.614.420 25.583.026 Dituted Weighted Average Common Shares Outstanding 25.657.063 25.614.420 25.573.02 Dituted Weighted Average Common Shares Outstanding 25.67.063 25.614.420 25.583.026 Ditute Weighted Average Common Shares Outstanding 14.459 2.0.52 16.81 Return on Average Asets 1.44 % 1.80 % 1.54 Return on Average Asets 9.84 8.79 9.13 Net Interest Margin 3.15 3.23 3.54 Efficien	Pretax Pre-Provision Earnings (2)						
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Interview Three Months Ended (Unaudited – Dollars in thousands, except per share data) March 31, December 31, December 31, December 31, 2023 March 31, 2024 2023 2023 Average Equity to Average Assets 9.84 8.79 9.13 Net Interest Margin 3.15 3.23 3.54 Efficiency (Noninterest Expense/Net Interest Income plus Noninterest Income) 51.15 44.74 47.60 Loans to Deposits 88.95 85.95 86.18 Investment Securities to Total Assets 17.43 18.11 19.29 Tier 1 Leverage (3) 11.82 11.57 Tier 1 Risk-Based Capital (3) 14.21 14.21 13.96 Common Equity Tier 1 (CET1) (3) 15.46 15.47 15.21 Tangible Capital (2) 9.80 9.91 9.34 Adjusted Tangible Capital (2) 12.03 11.99 11.63 ASSET QUALITY 12.03 11.99 11.63 Loans Past Due 30 - 89 Days or More 7 27 25)	
March 31, December 31, March 31, KEY RATIOS (continued) 2024 2023 2023 Average Equity to Average Assets 9.84 8.79 9.13 Net Interest Margin 3.15 3.23 3.54 Efficiency (Noninterest Expense/Net Interest Income plus Noninterest Income) 51.15 44.74 47.60 Loans to Deposits 88.95 85.95 86.18 Investment Securities to Total Assets 17.43 18.11 19.29 Tier 1 Leverage (3) 11.82 11.57 Tier 1 Risk-Based Capital (3) 14.21 14.21 13.96 Common Equity Tier 1 (CET1) (3) 14.21 14.21 13.96 Total Capital (2) 9.80 9.91 9.34 Adjusted Tangible Capital (2) 12.03 11.99 11.63 ASSET QUALITY Loans Past Due 30 - 89 Days or More \$ 3.177 \$ 3.360 \$ 2.403	Return on Average Total Equity		14.37	Thr		a	10.81
KEY RATIOS (continued)202420232023Average Equity to Average Assets9.848.799.13Net Interest Margin3.153.233.54Efficiency (Noninterest Expense/Net Interest Income plus Noninterest Income)51.1544.7447.60Loans to Deposits88.9585.9586.18Investment Securities to Total Assets17.4318.1119.29Tier 1 Leverage (3)12.0111.8211.57Tier 1 Risk-Based Capital (3)14.2114.2113.96Common Equity Tier 1 (CET1) (3)15.4615.4715.21Total Capital (2)9.809.919.34Adjusted Tangible Capital (2)12.0311.9911.63ASSET QUALITYLoans Past Due 30 - 89 Days\$ 3,177\$ 3,360\$ 2,403Loans Past Due 90 Days or More72725	(Unaudited Dollars in thousands, execution ar share data)		March 21			u	Marah 21
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Loans to Deposits 88.95 85.95 86.18 Investment Securities to Total Assets 17.43 18.11 19.29 Tier 1 Leverage (3) 12.01 11.82 11.57 Tier 1 Risk-Based Capital (3) 14.21 14.21 13.96 Common Equity Tier 1 (CET1) (3) 14.21 14.21 13.96 Total Capital (3) 15.46 15.47 15.21 Tangible Capital (2) 9.80 9.91 9.34 Adjusted Tangible Capital (2) 11.99 11.63 ASSET QUALITY 10.30 11.99 11.63 Loans Past Due 30 - 89 Days \$ 3,177 \$ 3,360 \$ 2,403 Loans Past Due 90 Days or More 7 27 25	efficiency (Noninterest Expense/Net Interest Income		51 15		11 71		47.60
Investment Securities to Total Assets 17.43 18.11 19.29 Tier 1 Leverage (3) 12.01 11.82 11.57 Tier 1 Risk-Based Capital (3) 14.21 14.21 13.96 Common Equity Tier 1 (CET1) (3) 14.21 14.21 13.96 Total Capital (3) 15.46 15.47 15.21 Tangible Capital (2) 9.80 9.91 9.34 Adjusted Tangible Capital (2) 11.99 11.63 ASSET QUALITY 10.30 \$3,177 \$3,360 \$2,403 Loans Past Due 30 - 89 Days \$7 27 25	* ·						
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Tier 1 Risk-Based Capital (3) 14.21 14.21 13.96 Common Equity Tier 1 (CET1) (3) 14.21 14.21 13.96 Total Capital (3) 14.21 14.21 13.96 Total Capital (3) 15.46 15.47 15.21 Tangible Capital (2) 9.80 9.91 9.34 Adjusted Tangible Capital (2) 12.03 11.99 11.63 ASSET QUALITY Uans Past Due 30 - 89 Days \$ 3,177 \$ 3,360 \$ 2,403 Loans Past Due 90 Days or More 7 27 25							
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Loans Past Due 30 - 89 Days \$ 3,360 \$ 2,403 Loans Past Due 90 Days or More 7 27 25	· · · · · ·		12.03		11.99		11.63
Loans Past Due 90 Days or More72725				¢	2.26	¢	2 402
·	Loans Past Due 30 - 89 Days	\$	3,177	\$	3,360	\$	2,403
Nonaccrual Loans 14,762 15,687 17,715							
	-		7				25

Nonperforming Loans	14,769	15,714	17,740
Other Real Estate Owned	384	384	100
Other Nonperforming Assets	78	8	82
Total Nonperforming Assets	15,231	16,106	17,922
Individually Analyzed Loans	15,181	16,124	18,188
Non-Individually Analyzed Watch List Loans	168,133	166,961	156,663
Total Individually Analyzed and Watch List Loans	183,314	183,085	174,851
Gross Charge Offs	504	566	5,896
Recoveries	192	133	155
Net Charge Offs/(Recoveries)	312	433	5,741
Net Charge Offs/(Recoveries) to Average Loans	0.03 %	0.04 %	0.49 %
Credit Loss Reserve to Loans	1.46	1.46	1.50
Credit Loss Reserve to Nonperforming Loans	495.51	458.01	401.44
Nonperforming Loans to Loans	0.30	0.32	0.37
Nonperforming Assets to Assets	0.23	0.25	0.28
Total Individually Analyzed and Watch List Loans to Total Loans	3.67 %	3.72 %	3.68 %
OTHER DATA			
Full Time Equivalent Employees	628	619	619
Offices	53	53	52

(1) Core deposits equals deposits less brokered deposits.

(2) Non-GAAP financial measure - see "Reconciliation of Non-GAAP Financial Measures".
(3) Capital ratios for March 31, 2024 are preliminary until the Call Report is filed.

CONSOLIDATED BALANCE SHEETS (in thousands, except share data)

		March 31, 2024		December 31, 2023
S 55,533 5 70,451 Short-term investments 92,154 81,373 Total cash and cash equivalents 117,667 113,824 Securities available-for-sale, at fair value 1,014,481 1,051,728 Securities available-for-sale, at fair value 1,014,481 1,051,728 Securities and equipanents 1,004,481 1,051,728 Real estate mortage boas held-for-sale 1,004,481 1,051,728 Louns, net of allowance for credit losses of \$73,180 and \$71,972 4,924,379 4,824,562 Land, premises and equipment, net 57,890 57,890 Back oward fite instannce 110,067 101,114 Gondwill 4,970 4,970 Other assets 121,420 21,420 Total assance 20,000 50,000 Nomiterest bearing deposits 4,363,885 4,367,048 Total assets 200,000 50,000 Accruad interest recivable 5,618,085 5,720,525 Federal Home Loan Bank advances 200,000 5,919,382 Total assets 2,919,382		 (Unaudited)		
Short-com 92,154 81,373 Total cash and cash quivalents 147,687 151,824 Securities available-for-sale, at fair value 1,014,481 1.051,728 Securities available-for-sale, at fair value of \$115,467 and \$119,215, respectively) 130,335 129,918 Real estate morigage loans held-for-sale 1,689 1,158 Loans, net of allowance for credit losses of \$73,180 and \$71,972 4,924,379 4,844,562 Land, premises and equipment, net 57,899 57,899 Bank wordel life insurance 110,067 109,114 Cederal Reserve and Pederal Tome Loan Bank stock 21,420 21,420 Accrued interest receivable 30,793 30,0011 Goodwill 4,970 4,970 Other assets 123,180 121,425 Total assets \$ 6,566,861 \$ Interest bearing deposits \$ 1,254,200 \$ Noninterest bearing deposits \$ 1,254,200 \$ 1,353,477 Interest payable 0.41,524 20,893 5,702,525 5 6,62,214,202 \$ </th <th>ASSETS</th> <th></th> <th></th> <th></th>	ASSETS			
Total cash and eash equivalents 147,687 151,824 Securities available-for-sale, at fair value 1,014,481 1,051,728 Securities available-for-sale, at fair value of \$115,467 and \$119,215, respectively) 130,335 129,918 Real estate mortiggie loans held-for-sale 1,669 1,158 Lans, net of allowance for credit losses of \$73,180 and \$71,972 4,924,379 4,844,562 Land, premises and equipment, net 57,890 57,899 Bak owned life instrance 110,067 109,114 Federal Reserve and Federal Home Loan Bank stock 21,420 21,420 Accrued interest neevivable 30,733 30,011 Goodwill 4,970 4,970 Other assets 121,420 21,420 Total assets 5 6,556,861 5 Total deposits 5 1,254,200 \$ 1,353,477 Interest bearing deposits 5 1,254,200 \$ 1,353,477 Total deposits 5 5,254,200 \$ 1,353,477 Total deposits 5 5,254,200 \$ 1,354,4	Cash and due from banks	\$ 55,533	\$	70,451
Securities available.or-sale, at fair value 1,014,481 1,051,728 Securities held-to-maturity, at anotized cost (fair value of \$115,467 and \$119,215, respectively) 130,335 129,918 Real estate mortgage loans held-for-sale 1,659 1,158 Leans, net of allowance for credit losses of \$73,180 and \$71,972 4,924,379 4,844,562 Land, premises and equipment, net 57,890 57,890 Bank owned life insurance 100,067 109,114 Codowill 4,970 4,970 Other assets 123,180 121,422 Total assets \$ 6,566,861 \$ Noninterest bearing deposits \$ 1,554,477 Interest bearing deposits \$ 1,554,777 Interest bearing deposits \$ 1,554,773 Total assets \$ 5,919,882 5,872,435 Stotal depos	Short-term investments	92,154		81,373
Securits beld-for-maturity, at amortized cost (fair value of \$115,467 and \$119,215, respectively) 130,335 129,918 Real estate mortgage loans held-for-sale 1,659 1,158 Loans, net of allowance for credit losses of \$73,180 and \$71,972 4,924,379 4,844,562 Bank owned life insurance 110,067 109,114 Federal Reserve and Federal Home Loan Bank stock 21,420 21,420 Accredit intrest receivable 30,973 30,011 Goodwill 4,970 4,970 Other assets 123,180 121,425 Total assets \$ 6,563,605 \$ Noninterest bearing deposits \$ 1,254,200 \$ 1,353,477 Total assets 200,000 \$ 5,01,058 \$ 5,720,525 Federal Home Loan Bank advances 200,000 \$ 5,01,058 \$ 5,720,525 Federal Home Loan Bank advances 200,000 \$ 5,01,003 \$ 2,82,818 Total deposits \$ 5,250,255 \$ 5,720,255 \$ \$ 5,720,255 Fed	Total cash and cash equivalents	 147,687		151,824
Real estate mortgage loans held-for-sale 1,659 1,158 Loans, net of allowance for credit losses of \$73,180 and \$71,972 4,924,379 4,844,562 Land, premises and equipment, net 57,890 57,890 Bank owned life insurance 110,067 109,114 Federal Reserve and Federal Home Loan Bank stock 21,420 21,420 Accredit interst receivable 30,793 30,011 Goodwill 4,970 4,970 Other assets 123,180 121,2425 Total assets \$ 6,524,029 Noninterest bearing deposits 5 1,658 Total deposits \$ 1,452,4200 Federal Home Loan Bank advances 200,000 \$ Accredit interest payable 14,524 20,893 Total deposits \$ 5,919,852 \$ Federal Home Loan Bank advances \$ 5,919,852 \$ Stockhold Series issued and 25,50,425 outstanding as of March 31, 2024 2,929,868 \$ \$ Stockhold Series issued and 25,50,425 outstanding as of March 31, 2024 \$ \$ \$	Securities available-for-sale, at fair value	1,014,481		1,051,728
Lans, net of allowance for credit losses of \$73,180 and \$71,972 4,924,379 4,844,562 Land, premises and equipment, net 57,890 57,890 Bark owned life insurance 110,067 109,114 Federal Reserve and Federal Home Loan Bank stock 21,420 21,420 Accrued interest receivable 30,793 30,011 Godwill 4,970 4,970 Other assets 112,180 121,425 Total assets \$ 6,566,861 \$ 6,524,029 LIABILITIES S 1,254,200 \$ 1,353,477 Interest bearing deposits \$ 1,254,200 \$ 0,000 Accrued interest payable \$ 5,618,085 \$ 5,720,252 Federal Home Loan Bank advances 200,000 \$ 5,008,000 \$ 5,00,000 Accrued interest payable \$ 14,524 20,893 \$ 5,919,852 \$ 5,874,233 \$ 2,818 \$ 5,919,852 \$ 5,874,235 \$ 2,874,33 \$ 2,818 \$ 5,919,852 \$ 5,874,235	Securities held-to-maturity, at amortized cost (fair value of \$115,467 and \$119,215, respectively)	130,335		129,918
Land, premiss and equipment, net 57,890 57,890 57,890 Bank owned life insurance 110,067 109,114 Federal Reserve and Federal Home Loan Bank stock 21,420 21,420 Accrued interest receivable 30,793 30,011 Goodwill 4,970 4,970 Other assets 123,180 121,425 Total assets \$ 6,566,861 \$ 6,562,029 LABILITIES \$ 1,254,200 \$ 1,353,477 Noninterest bearing deposits \$ 1,254,200 \$ 1,353,477 Interst bearing deposits \$ 1,254,200 \$ 1,353,477 Total deposits \$ 5,128,055 \$ 5,720,525 Federal Home Loan Bank advances \$ 200,000 \$ 5,00,000 Accrued interest payable \$ 14,524 20,893	Real estate mortgage loans held-for-sale	1,659		1,158
Bank owned life insurance 110,067 109,114 Federal Reserve and Federal Home Loan Bank stock 21,420 21,420 21,420 Accrued interest receivable 30,793 30,010 4970 4970 Goodwill 4,970 4,970 4970 0 4970 Other assets 123,180 121,425 5 6,563,661 \$ 6,524,029 LABILITIES Noninterest bearing deposits \$ 1,353,477 1,353,477 Interest bearing deposits \$ 1,254,200 \$ 1,353,477 Interest bearing deposits \$ 1,254,200 \$ 1,353,477 Interest bearing deposits \$ 1,4524 20,893 \$ Total deposits \$ 1,4524 20,893 \$ \$ 5,919,852 \$,874,236 \$ </td <td>Loans, net of allowance for credit losses of \$73,180 and \$71,972</td> <td>4,924,379</td> <td></td> <td>4,844,562</td>	Loans, net of allowance for credit losses of \$73,180 and \$71,972	4,924,379		4,844,562
Federal Reserve and Federal Home Loan Bank stock 21,420 21,420 Accrued interest receivable 30,793 30,011 Godwill 49,70 4,970 Other assets 123,180 121,425 Total assets \$ 6,566,861 \$ Noninterest bearing deposits \$ 1,353,477 Interest bearing deposits 4,363,885 4,367,048 Total deposits \$ 5,618,085 5,720,525 Federal Home Loan Bank advances 200,000 50,000 50,000 Accrued interest payable 14,524 20,893 20,813 Other liabilities 87,243 82,818 36,254,230 5,874,236 STOCKHOLDERS' EQUITY 25,965,000 shares sisced and 25,03,425 outstanding as of March 31, 2024 25,963,000 shares sisced and 25,03,425 outstanding as of March 31, 2024 25,963,000 shares sisced and 25,03,425 outstanding as of March 31, 2024 25,963,000 shares sisced and 25,03,435 outstanding as of March 31, 2024 25,963,000 shares sisced and 25,03,435 outstanding as of March 31, 2024 and December 31, 2023, respectively) 115,159,157,157,157,157,157,157,157,157,157,157	Land, premises and equipment, net	57,890		57,899
Accrued interest receivable 30,793 30,011 Goodwill 4,970 4,970 Other assets 123,180 121,425 Total assets \$ 6,566,801 \$ LIABILITIES \$ 1,353,477 Noninterest bearing deposits \$ 1,254,200 \$ Total deposits \$ 1,254,200 \$ 1,353,477 Interest bearing deposits \$ 1,254,200 \$ 1,353,477 Interest bearing deposits \$ 1,254,200 \$ 1,353,477 Interest bearing deposits \$ 4,363,885 4,367,048 Total deposits \$ 200,000 50,000 Accrued interest payable 14,524 20,893 Other liabilities \$ 5,919,852 5,874,236 STOCKIOLDERS' EQUITY \$ 25,906,500 shares issued and 25,503,425 outstanding as of December 31, 2024 125,873 127,692 Retained earnings 703,330 602,700 402,704 125,973 127,692 Retained earnings 703,330 602,700 466,920 649,704 464,920 649,704 <td>Bank owned life insurance</td> <td>110,067</td> <td></td> <td>109,114</td>	Bank owned life insurance	110,067		109,114
Goodwill 4,970 4,970 Other assets 123,180 121,425 Total assets \$ 6,566,861 \$ 6,524,029 Noninterest bearing deposits \$ 1,254,200 \$ 1,353,477 Interest bearing deposits 4,363,885 4,367,048 Total deposits \$ 5,618,085 \$ 5,720,525 Federal Home Loan Bank advances 200,000 \$ 50,000 Accrued interest payable 14,524 20,893 Other liabilities \$ 7,243 \$ 2,818 Total liabilities \$ 5,919,852 \$ 5,724,326 STOCKHOLDERS' EQUITY \$ 5,903,425 outstanding as of March 31, 2024 \$ 5,903,306 \$ 5,913,330 \$ 6,92,903 Common stock: 90,000,000 shares authorized, no par value 25,903,666 outstanding as of March 31, 2024 \$ 5,933,30 \$ 692,7692 Zetained earnings \$ 703,330 \$ 692,7693 \$ 125,873 \$ 127,692 Retained earnings \$ 703,330 \$ 692,7693 \$ 15,5195 \$ 15,5195 Treaus stock, at cost (463,075 shares as of March 31, 2024 and December 31, 2023, respectively) \$ (166,913) \$ (15,533) Tota	Federal Reserve and Federal Home Loan Bank stock	21,420		21,420
Other assets 123,180 121,425 Total assets \$ 6,566,861 \$ 6,524,029 LIABILITIES 4,363,885 4,367,048 Noniterest bearing deposits \$ 1,254,200 \$ 1,353,477 Interest bearing deposits \$ 4,363,885 4,367,048 \$ 4,363,885 4,367,048 Total deposits \$ 5,618,085 5,720,525 \$ 5,618,085 5,720,525 Federal Home Loan Bank advances 200,000 \$ \$ 50,000 Accruci interest payable 14,524 20,893 \$ \$ Total liabilities \$ <td>Accrued interest receivable</td> <td>30,793</td> <td></td> <td>30,011</td>	Accrued interest receivable	30,793		30,011
Total assets \$ 6,566,861 \$ 6,524,029 LABILITIES Noninterest bearing deposits \$ 1,254,200 \$ 1,353,477 Interest bearing deposits 4,363,885 4,367,048 4,363,885 4,367,048 Total deposits 5,618,085 5,720,525 5 5,720,525 Federal Home Loan Bank advances 200,000 50,000 50,000 Accrued interest payable 14,524 20,893 202,000 50,000 Accrued interest payable 14,524 20,893 25,874,236 25,919,852 5,874,236 Total liabilities 87,243 82,818 704,330 692,760 5,919,852 5,874,236 STOCKHOLDERS' EQUITY Common stock: 90,000,000 shares suborized, no par value 25,903,686 shares issued and 25,403,425 outstanding as of March 31, 2024 25,903,686 shares issued and 25,403,4056 outstanding as of December 31, 2023 125,873 127,692 Retained earnings 703,330 692,760 646,913 (155,195) Treasury stock, at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively) (15,5370) <t< td=""><td>Goodwill</td><td>4,970</td><td></td><td>4,970</td></t<>	Goodwill	4,970		4,970
LIABILITIESNoninterest bearing deposits\$ 1,254,200\$ 1,353,477Interest bearing deposits4,363,8854,367,048Total deposits5,618,0855,720,525Federal Home Loan Bank advances200,00050,000Accrued interest payable14,52420,893Other liabilities87,24382,818Total liabilities5,919,8525,874,236STOCKHOLDERS' EQUITY25,903,425 outstanding as of March 31, 202425,903,686 shares issued and 25,503,425 outstanding as of March 31, 202425,903,686 shares issued and 25,430,566 outstanding as of December 31, 2023125,873127,692Retained earnings703,330692,760Accumulated other comprehensive income (loss)(166,913)(155,195)Treasury stock, at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively)(15,570)(155,531)Total stockholders' equity646,920649,793Noncontrolling interest8989Total equity647,009649,793	Other assets	123,180		121,425
Noninterest bearing depositsS1,254,200S1,353,477Interest bearing deposits4,363,8854,367,048Total deposits5,618,0855,720,525Federal Home Loan Bank advances200,00050,000Accrued interest payable14,52420,893Other liabilities87,24382,818Total liabilities5,919,8525,874,236STOCKHOLDERS' EQUITY55,874,236Common stock: 90,000,000 shares issued and 25,503,425 outstanding as of December 31, 2024125,873127,692Stock at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively)(165,913)(155,195)Treasury stock, at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively)(164,900649,704Noncontrolling interest898989Total equity647,009649,793	Total assets	\$ 6,566,861	\$	6,524,029
Interest bearing deposits 4,363,885 4,367,048 Total deposits 5,618,085 5,720,525 Federal Home Loan Bank advances 200,000 50,000 Accrued interest payable 14,524 20,893 Other liabilities 87,243 82,818 Total liabilities 87,243 82,818 Total liabilities 5,919,852 5,874,236 STOCKHOLDERS' EQUITY Common stock: 90,000,000 shares authorized, no par value 25,966,500 shares issued and 25,503,425 outstanding as of March 31, 2024 25,903,686 shares issued and 25,430,566 outstanding as of December 31, 2023 125,873 127,692 Retained earnings 703,330 692,760 Accumulated other comprehensive income (loss) (166,913) (155,195) Treasury stock, at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively) (166,913) (15,573) Total equity 646,920 649,793 649,793	LIABILITIES			
Total deposits 5,618,085 5,720,525 Federal Home Loan Bank advances 200,000 50,000 Accrued interest payable 14,524 20,893 Other liabilities 87,243 82,818 Total liabilities 5,919,852 5,874,236 STOCKHOLDERS' EQUITY 5,90,000 50,000 Common stock: 90,000,000 shares authorized, no par value 25,966,500 shares issued and 25,503,425 outstanding as of March 31, 2024 25,903,686 shares issued and 25,430,566 outstanding as of December 31, 2023 125,873 127,692 Retained earnings 703,330 692,760 Accumulated other comprehensive income (loss) (166,913) (155,195) Total stockholders' equity 646,920 649,704 89 89 89 Total equity 647,009 649,703 649,793 649,793	Noninterest bearing deposits	\$ 1,254,200	\$	1,353,477
Federal Home Loan Bank advances200,000 $50,000$ Accrued interest payable $14,524$ $20,893$ Other liabilities $87,243$ $82,818$ Total liabilities $5,919,852$ $5,874,236$ STOCKHOLDERS' EQUITYCommon stock: $90,000,000$ shares authorized, no par value $25,966,500$ shares issued and $25,503,425$ outstanding as of March $31,2024$ $25,903,686$ shares issued and $25,430,566$ outstanding as of December $31,2023$ $125,873$ Total equity(166,500(15,370)(15	Interest bearing deposits	4,363,885		4,367,048
Accrued interest payable $14,524$ $20,893$ Other liabilities $87,243$ $82,818$ Total liabilities $5,919,852$ $5,874,236$ STOCKHOLDERS' EQUITYCommon stock: 90,000,000 shares authorized, no par value $25,966,500$ shares issued and $25,503,425$ outstanding as of March $31,2024$ $25,903,686$ shares issued and $25,430,566$ outstanding as of December $31,2023$ Retained earnings $703,330$ $692,760$ Accumulated other comprehensive income (loss)(166,913)(155,195)Treasury stock, at cost (463,075 shares and 473,120 shares as of March $31,2024$ and December $31,2023$, respectively)(15,370)(15,553)Total stockholders' equity $646,920$ $649,704$ Noncontrolling interest 89 89 Total equity $647,009$ $649,793$	Total deposits	 5,618,085		5,720,525
87,243 82,818 Total liabilities 5,919,852 5,874,236 STOCKHOLDERS' EQUITY 5 5 Common stock: 90,000,000 shares authorized, no par value 25,966,500 shares issued and 25,503,425 outstanding as of March 31, 2024 25,903,686 shares issued and 25,430,566 outstanding as of December 31, 2023 125,873 127,692 Retained earnings 703,330 692,760 Accumulated other comprehensive income (loss) (166,913) (155,195) Treasury stock, at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively) (15,370) (15,553) Total stockholders' equity 646,920 649,704 Noncontrolling interest 89 89 Total equity 647,009 649,793	Federal Home Loan Bank advances	200,000		50,000
87,243 82,818 Total liabilities 5,919,852 5,874,236 STOCKHOLDERS' EQUITY 5 5 Common stock: 90,000,000 shares authorized, no par value 25,966,500 shares issued and 25,503,425 outstanding as of March 31, 2024 25,903,686 shares issued and 25,430,566 outstanding as of December 31, 2023 125,873 127,692 Retained earnings 703,330 692,760 Accumulated other comprehensive income (loss) (166,913) (155,195) Treasury stock, at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively) (15,370) (15,553) Total stockholders' equity 646,920 649,704 Noncontrolling interest 89 89 Total equity 647,009 649,793				
Total liabilities 5,919,852 5,874,236 STOCKHOLDERS' EQUITY Common stock: 90,000,000 shares authorized, no par value 25,966,500 shares issued and 25,503,425 outstanding as of March 31, 2024 25,903,686 shares issued and 25,430,566 outstanding as of December 31, 2023 125,873 127,692 Retained earnings 703,330 692,760 Accumulated other comprehensive income (loss) (166,913) (155,195) Treasury stock, at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively) (15,370) (15,553) Total stockholders' equity 646,920 649,704 Noncontrolling interest 89 89 Total equity 647,009 649,793	Accrued interest payable	14,524		20,893
STOCKHOLDERS' EQUITY Common stock: 90,000,000 shares authorized, no par value 25,966,500 shares issued and 25,503,425 outstanding as of March 31, 2024 25,903,686 shares issued and 25,430,566 outstanding as of December 31, 2023 Retained earnings Accumulated other comprehensive income (loss) Treasury stock, at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively) (166,913) Total stockholders' equity Noncontrolling interest 0 103 104 104 104 104 105	Other liabilities	87,243		82,818
Common stock: 90,000,000 shares authorized, no par value 25,966,500 shares issued and 25,503,425 outstanding as of March 31, 2024 25,903,686 shares issued and 25,430,566 outstanding as of December 31, 2023 125,873 127,692 Retained earnings 703,330 692,760 Accumulated other comprehensive income (loss) (166,913) (155,195) Treasury stock, at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively) (15,370) (15,553) Total stockholders' equity 646,920 649,704 Noncontrolling interest 89 89 Total equity 647,009 649,793	Total liabilities	5,919,852		5,874,236
25,966,500 shares issued and 25,503,425 outstanding as of March 31, 2024 25,903,686 shares issued and 25,430,566 outstanding as of December 31, 2023 Retained earnings 703,330 692,760 Accumulated other comprehensive income (loss) (166,913) (155,195) Treasury stock, at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively) (15,370) (15,553) Total stockholders' equity 646,920 649,704 Noncontrolling interest 89 89 Total equity 647,009 649,793	STOCKHOLDERS' EQUITY			
25,903,686 shares issued and 25,430,566 outstanding as of December 31, 2023 125,873 127,692 Retained earnings 703,330 692,760 Accumulated other comprehensive income (loss) (166,913) (155,195) Treasury stock, at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively) (15,370) (15,553) Total stockholders' equity 646,920 649,704 Noncontrolling interest 89 89 Total equity 647,009 649,793	Common stock: 90,000,000 shares authorized, no par value			
Retained earnings 703,330 692,760 Accumulated other comprehensive income (loss) (166,913) (155,195) Treasury stock, at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively) (15,370) (15,553) Total stockholders' equity 646,920 649,704 Noncontrolling interest 89 89 Total equity 647,009 649,793	25,966,500 shares issued and 25,503,425 outstanding as of March 31, 2024			
Accumulated other comprehensive income (loss) (166,913) (155,195) Treasury stock, at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively) (15,370) (15,553) Total stockholders' equity 646,920 649,704 Noncontrolling interest 89 89 Total equity 647,009 649,793	25,903,686 shares issued and 25,430,566 outstanding as of December 31, 2023	125,873		127,692
Treasury stock, at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively) (15,370) (15,553) Total stockholders' equity 646,920 649,704 Noncontrolling interest 89 89 Total equity 647,009 649,703	Retained earnings	703,330		692,760
Total stockholders' equity 646,920 649,704 Noncontrolling interest 89 89 Total equity 647,009 649,793		(166,913)		(155,195)
Noncontrolling interest8989Total equity647,009649,793	Treasury stock, at cost (463,075 shares and 473,120 shares as of March 31, 2024 and December 31, 2023, respectively)	(15,370)		(15,553)
Total equity 647,009 649,793	Total stockholders' equity	 646,920		649,704
	Noncontrolling interest	 89		89
S 6,566,861 \$ 6,524,029	Total equity	 647,009		649,793
	Total liabilities and equity	\$ 6,566,861	\$	6,524,029

CONSOLIDATED STATEMENTS OF INCOME (unaudited - in thousands, except share and per share data)

	Three Me	onths E	Ended March 31,		
	2024		2023		
NET INTEREST INCOME					
Interest and fees on loans					
Taxable	\$ 82	2,042	\$ 6	69,542	
Tax exempt		900		901	
Interest and dividends on securities					
Taxable	2	3,039		3,513	
Tax exempt	ŝ	3,947		4,300	
Other interest income]	1,106		964	
Total interest income	9	1,034		79,220	
Interest on deposits	4	1,164	2	24,918	
Interest on short-term borrowings	2	2,454		2,783	
Total interest expense		3,618	2	27,701	
NET NTERET NOME		1.416		51 510	
NET INTEREST INCOME	4	7,416	:	51,519	
Provision for credit losses	1	1,520		4,350	
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	45	5,896	2	47,169	
NONINTEREST INCOME					
Wealth advisory fees		2,455		2,200	
Investment brokerage fees	- -	522		534	
Service charges on deposit accounts		2,691		2,630	
Loan and service fees		2,852		2,846	
Merchant and interchange fee income		863		877	
Bank owned life insurance income		1,036		691	
Mortgage banking income (loss)		52		(99)	
Notigage banking income (loss) Net securities gains (losses)		(46)		16	
Other income	· · · · · · · · · · · · · · · · · · ·	(40) 2,187		619	
Total noninterest income		2,187	1	10,314	
	1.	.,012		10,514	
NONINTEREST EXPENSE					
Salaries and employee benefits	10	5,833	1	16,063	
Net occupancy expense	1	1,740		1,572	
Equipment costs	1	1,412		1,438	
Data processing fees and supplies	2	3,839		3,452	
Corporate and business development	1	1,381		1,431	
FDIC insurance and other regulatory fees		789		795	
Professional fees	1	2,463		2,121	
Other expense	1	2,248		2,562	
Total noninterest expense	30	0,705	2	29,434	
INCOME BEFORE INCOME TAX EXPENSE	2'	7,803	2	28,049	
Income tax expense		4,402		3,771	
NET INCOME	\$ 23	3,401	\$ 2	24,278	
DASIC WEIGHTED AVED AGE COMMON SHADES	25,65'	7.063	25.55	83,026	
BASIC WEIGHTED AVERAGE COMMON SHARES	23,03	,005		,5,020	
BASIC EARNINGS PER COMMON SHARE	<u>\$</u>	0.91	\$	0.95	
DILUTED WEIGHTED AVERAGE COMMON SHARES	25,74	1,643	25,74	42,885	
	e	0.01	¢	0.04	
DILUTED EARNINGS PER COMMON SHARE	\$	0.91	\$	0.94	

LAKELAND FINANCIAL CORPORATION LOAN DETAIL (unaudited, in thousands)

	March 3 2024	1,	December 2023	er 31, 3	March 3 2023	51,
Commercial and industrial loans:						
Working capital lines of credit loans	\$ 646,459	12.9 %	\$ 604,893	12.3 % \$	636,171	13.4 %
Non-working capital loans	830,817	16.6	815,871	16.6	823,447	17.3
Total commercial and industrial loans	1,477,276	29.5	1,420,764	28.9	1,459,618	30.7
Commercial real estate and multi-family residential loans:						
Construction and land development loans	659,712	13.2	634,435	12.9	591,812	12.4
Owner occupied loans	833,410	16.7	825,464	16.8	750,840	15.8
Nonowner occupied loans	744,346	14.9	724,101	14.7	705,830	14.8
Multifamily loans	239,974	4.8	253,534	5.1	217,274	4.5
Total commercial real estate and multi- family residential loans	2,477,442	49.6	2,437,534	49.5	2,265,756	47.5
Agri-business and agricultural loans:						
Loans secured by farmland	167,271	3.3	162,890	3.3	178,683	3.8
Loans for agricultural production	200,581	4.0	225,874	4.6	214,299	4.5
Total agri-business and agricultural loans	367,852	7.3	388,764	7.9	392,982	8.3
Other commercial loans	120,302	2.4	120,726	2.5	132,284	2.8
Total commercial loans	4,442,872	88.8	4,367,788	88.8	4,250,640	89.3
Consumer 1-4 family mortgage loans:	2(0,(22		050 100	5.0	221 (1)	4.7
Closed end first mortgage loans Open end and junior lien loans	260,633	5.2 3.8	258,103	5.2 3.9	221,616 175,907	4.7 3.7
Residential construction and land	188,927	3.8	189,663	3.9	1/5,907	5.7
development loans	10,956	0.2	8,421	0.2	20,393	0.4
Total consumer 1-4 family mortgage loans		9.2	456,187	9.3	417,916	8.8
Other consumer loans	97,369	2.0	96,022	1.9	89,734	1.9
Total consumer loans	557,885	11.2	552,209	11.2	507,650	10.7
Subtotal	5,000,757	100.0 %	4,919,997	100.0 %	4,758,290	100.0 %
Less: Allowance for credit losses	(73,180)		(71,972)		(71,215)	
Net deferred loan fees	(3,198)		(3,463)		(3,362)	
Loans, net	\$ 4,924,379		\$ 4,844,562	\$	4,683,713	

LAKELAND FINANCIAL CORPORATION DEPOSITS AND BORROWINGS (unaudited, in thousands)

March 31, 2024	De	ecember 31, 2023		March 31, 2023
\$ 1,254,200	\$	1,353,477	\$	1,548,066
296,671		301,168		385,353
3,041,025		3,049,059		2,820,146
805,832		792,738		577,549
220,357		224,083		186,614
\$ 5,618,085	\$	5,720,525	\$	5,517,728
 200,000		50,000		200,000
\$ 5,818,085	\$	5,770,525	\$	5,717,728
\$ \$ \$	2024 \$ 1,254,200 296,671 3,041,025 805,832 220,357 \$ 5,618,085 200,000	2024 2024 \$ 1,254,200 \$ 296,671 3,041,025 805,832 220,357 \$ 5,618,085 \$ 200,000 \$ \$	2024 2023 \$ 1,254,200 \$ 1,353,477 296,671 301,168 3,049,059 805,832 792,738 220,357 224,083 \$ 5,618,085 \$ 5,720,525 200,000 50,000 \$ \$	2024 2023 \$ 1,254,200 \$ 1,353,477 \$ 296,671 301,168 3,041,025 3,049,059 805,832 792,738 220,357 224,083 \$ 5,618,085 \$ 5,720,525 \$ 200,000 50,000 \$ \$ \$



LAKELAND FINANCIAL CORPORATION AVERAGE BALANCE SHEET AND NET INTEREST ANALYSIS (UNAUDITED)

					(UNAU	Dľ	ГED)								
		Three Mon	ths E	nded Marc	h 31, 2024		Three Month	is En	ded Decembe	er 31, 2023		Three Mon	ths F	Ended March	31, 2023
(fully tax equivalent basis, dollars in thousands)	Av	erage Balance		Interest Income	Yield (1)/ Rate	Av	/erage Balance		Interest Income	Yield (1)/ Rate	Av	verage Balance		Interest Income	Yield (1)/ Rate
Earning Assets								_							
Loans:															
Taxable (2)(3)	\$	4,916,943	\$	82,042	6.71 %	\$	4,820,389	\$	80,631	6.64 %	\$	4,667,867	\$	69,542	6.04 %
Tax exempt (1)		54,077		1,118	8.31		59,306		1,265	8.46		57,560		1,126	7.93
Investments: (1)															
Securities		1,158,503		8,035	2.79		1,107,862		8,262	2.96		1,250,189		8,956	2.91
Short-term investments		2,710		33	4.90		2,610		32	4.86		2,242		22	3.98
Interest bearing deposits		84,696		1,073	5.10		155,770		2,067	5.26		89,718		942	4.26
Total earning assets	\$	6,216,929	\$	92,301	5.97 %	\$	6,145,937	\$	92,257	5.96 %	\$	6,067,576	\$	80,588	5.39 %
Less: Allowance for credit losses		(72,433)					(72,165)					(73,266)			
Nonearning Assets															
Cash and due from banks		68,584					69,563					76,578			
Premises and equipment		57,883					58,436					58,319			
Other nonearning assets		283,505					312,659					282,873			
Total assets	\$	6,554,468				\$	6,514,430				\$	6,412,080			
Interest Bearing Liabilities															
Savings deposits	\$	295,650	\$	49	0.07 %	\$	306,875	\$	52	0.07 %	\$	392,567	\$	71	0.07 %
Interest bearing checking accounts		3,046,958		30,365	4.01		3,073,570		30,953	4.00		2,757,120		21,402	3.15
Time deposits:															
In denominations under \$100,000		224,139		1,918	3.44		220,678		1,810	3.25		180,502		642	1.44
In denominations over \$100,000		789,581		8,832	4.50		827,017		9,339	4.48		494,873		2,803	2.30
Miscellaneous short-term borrowings		175,809		2,454	5.61		13,285		189	5.64		241,870		2,783	4.67
Total interest bearing liabilities	\$	4,532,137	\$	43,618	3.87 %	\$	4,441,425	\$	42,343	3.78 %	\$	4,066,932	\$	27,701	2.76 %
Noninterest Bearing Liabilities															
Demand deposits		1,274,103					1,374,452					1,662,530			
Other liabilities		103,221					125,900					97,014			
Stockholders' Equity		645,007					572,653					585,604			
Total liabilities and stockholders' equity	\$	6,554,468				\$	6,514,430				\$	6,412,080			
Interest Margin Recap															
Interest income/average earning assets				92,301	5.97 %				92,257	5.96 %				80,588	5.39 %
Interest expense/average earning assets				43,618	2.82				42,343	2.73				27,701	1.85
Net interest income and margin			\$	48,683	3.15 %			\$	49,914	3.23 %			\$	52,887	3.54 %

(1) Tax exempt income was converted to a fully taxable equivalent basis at a 21 percent tax rate. The tax equivalent rate for tax exempt loans and tax exempt securities acquired after January 1, 1983 included the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") adjustment applicable to nondeductible interest expenses. Taxable equivalent basis adjustments were \$1.27 million, \$1.32 million and \$1.37 million in the three-month periods ended March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

(2) Loan fees, which are immaterial in relation to total taxable loan interest income for the three months ended March 31, 2024, December 31, 2023 and March 31, 2023, are included as taxable loan interest income.

(3) Nonaccrual loans are included in the average balance of taxable loans.



Reconciliation of Non-GAAP Financial Measures

Tangible common equity, adjusted tangible common equity, tangible assets, adjusted tangible assets, tangible book value per common share, tangible common equity to tangible assets, adjusted tangible assets, adjusted tangible assets, and pretax pre-provision earnings are non-GAAP financial measures calculated based on GAAP amounts. Tangible common equity is calculated by excluding the balance of goodwill and other intangible assets from the calculation of equity, net of deferred tax. Tangible assets are calculated by excluding the balance of goodwill and other intangible assets from the calculation of total assets, net of deferred tax. Adjusted tangible assets and adjusted tangible common equity remove the fair market value adjustment impact of the available-for-sale investment securities portfolio in accumulated other comprehensive income (loss) ("AOCI"). Tangible book value per common share is calculated by dividing tangible common equity by the number of shares outstanding less true treasury stock. Pretax pre-provision earnings is calculated by adding net interest income to noninterest income and subtracting noninterest expense. Because not all companies use the same calculation of tangible common equity and tangible assets, this presentation may not be comparable to other similarly titled measures calculated by other companies. However, management considers these measures of the company's value meaningful to understanding of the company's financial information and performance.

A reconciliation of these non-GAAP financial measures is provided below (dollars in thousands, except per share data).

			Th	ree Months Endec	i	
		Mar. 31, 2024		Dec. 31, 2023		Mar. 31, 2023
Total Equity	\$	647,009	\$	649,793	\$	602,006
Less: Goodwill		(4,970)		(4,970)		(4,970)
Plus: DTA Related to Goodwill		1,167		1,167		1,167
Tangible Common Equity		643,206		645,990		598,203
Market Value Adjustment in AOCI		166,189		154,460		166,612
Adjusted Tangible Common Equity		809,395		800,450		764,815
Assets	\$	6,566,861	\$	6,524,029	\$	6,411,529
Less: Goodwill		(4,970)		(4,970)		(4,970)
Plus: DTA Related to Goodwill		1,167		1,167		1,167
Tangible Assets		6,563,058		6,520,226		6,407,726
Market Value Adjustment in AOCI		166,189		154,460		166,612
Adjusted Tangible Assets		6,729,247		6,674,686		6,574,338
Ending Common Shares Issued		25,677,399		25,614,585		25,607,663
Tangible Book Value Per Common Share	\$	25.05	\$	25.22	\$	23.36
Tangible Common Equity/Tangible Assets		9.80 %		9.91 %		9.34 %
Adjusted Tangible Common Equity/Adjusted Tangible Assets		12.03 %		11.99 %		11.63 %
Net Interest Income	\$	47,416	\$	48,599	\$	51,519
Plus: Noninterest Income		12,612		17,208	•	10,314
Minus: Noninterest Expense		(30,705)		(29,445)		(29,434)
	¢	20 222	¢	26.262	¢	22 200
Pretax Pre-Provision Earnings	<u>\$</u>	29,323	\$	36,362	\$	32,399



Adjusted core noninterest income, adjusted core noninterest expense, adjusted earnings before income taxes, core operational profitability, core operational diluted earnings per common share and adjusted core efficiency ratio are non-GAAP financial measures calculated based on GAAP amounts. These adjusted amounts are calculated by excluding the impact of the wire fraud loss that occurred during the second quarter of 2023, related insurance and loss recoveries, and corresponding adjustments to salaries and employee benefits expense for the periods presented below. Management considers these measures of financial performance to be meaningful to understanding the company's core business performance for these periods.

A reconciliation of these non-GAAP financial measures is provided below (dollars in thousands, except per share data).

	Three Months Ended									
	M	ar. 31, 2024	D	ec. 31, 2023	Mar. 31, 2023					
Noninterest Income	\$	12,612	\$	17,208	\$	10,314				
Less: Recoveries		(1,000)		(6,300)		0				
Adjusted Core Noninterest Income	\$	11,612	\$	10,908	\$	10,314				
Noninterest Expense	\$	30,705	\$	29,445	\$	29,434				
Less: Wire Fraud Loss		0		0		0				
Plus: Salaries and Employee Benefits (1)		0		(453)		0				
Adjusted Core Noninterest Expense	\$	30,705	\$	28,992	\$	29,434				
Earnings Before Income Taxes Adjusted Core Impact:	\$	27,803	\$	36,062	\$	28,049				
Noninterest Income		(1,000)		(6,300)		0				
Noninterest Expense		0		453		0				
Total Adjusted Core Impact		(1,000)		(5,847)		0				
Adjusted Earnings Before Income Taxes		26,803		30,215		28,049				
Tax Effect		(4,153)		(4,996)		(3,771)				
Core Operational Profitability (2)	\$	22,650	\$	25,219	\$	24,278				
Diluted Earnings Per Common Share	\$	0.91	\$	1.16	\$	0.94				
Impact of Wire Fraud Loss, Net of Recoveries		(0.03)		(0.18)		0.00				
Core Operational Diluted Earnings Per Common Share	\$	0.88	\$	0.98	\$	0.94				
Adjusted Core Efficiency Ratio		52.02 %	·	48.72 %		47.60 %				

(1) In 2023, long-term, incentive-based compensation accruals were reduced as a result of the wire fraud loss.

(2) Core operational profitability was \$751,000 lower and \$4.4 million lower than reported net income for the three months ended March 31, 2024 and December 31, 2023, respectively.