SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) October 26, 2009

Lakeland Financial Corporation

(Exact name of Registrant as specified in its charter)

Indiana	**0-11487**	**35-1559596**
(State or other jurisdiction Of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

202 East Center Street, P.O. Box 1387, Warsaw, Indiana 46581-1387

(Address of principal executive offices) (Zip Code)

(574) 267-6144

(Registrant's telephone number, including area code)

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

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

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Solicitation material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)

Item 2.02. Results of Operations and Financial Condition

On October 26, 2009, Lakeland Financial Corporation issued a press release announcing its earnings for the three-months and nine-months ended September 30, 2009. The news release is attached as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 Press Release dated October 26, 2009

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: October 26, 2009 By: /s/David M. Findlay

David M. Findlay
Chief Financial Officer

Exhibit 99.1

FOR IMMEDIATE RELEASE &
#160; Contact: David M. Findlay
&# 160; Executive Vice President-
&# 160; Administration and
&# 160; Chief Financial Officer
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LAKELAND FINANCIAL REPORTS STRONG RESULTS

Loan Growth and Interest Margin Improvement Contributes

Warsaw, Indiana (October 26, 2009) – Lakeland Financial Corporation (Nasdaq Global Select/LKFN), parent company of Lake City Bank, today reported net income of $5.3 million for the third quarter of 2009 versus $5.2 million for the third quarter of 2008. Diluted net income per share for the quarter was $0.36 versus $0.42 for the comparable period of 2008. On a linked quarter basis, net income increased 18% compared to net income of $4.5 million, or $0.29 per diluted share, for the second quarter of 2009. Net income performance for the quarter was the highest reported net income in the Bank's 138 year history.

The Company further reported net income of $13.6 million for the nine months ended September 30, 2009 versus $15.3 million for the comparable period of 2008. Diluted net income per common share was $0.94 for the nine months ended September 30, 2009 versus $1.23 for the comparable period of 2008.

The Company also announced that the Board of Directors approved a cash dividend for the third quarter of $0.155 per share, payable on November 5, 2009 to shareholders of record as of October 25, 2009. The quarterly dividend is unchanged from the dividends paid in 2008 and in the first and second quarters of 2009.

Average total loans for the third quarter of 2009 were $1.91 billion versus $1.69 billion for the third quarter of 2008 and $1.89 billion for the linked second quarter of 2009. The year-over-year increase for the third quarter represented an increase of 13%, or $221 million. On a linked quarter basis, average loans increased by $15 million versus the second quarter of 2009. Total gross loans as of September 30, 2009 were $1.94 billion compared to $1.72 billion as of September 30, 2008 and $1.88 billion as of June 30, 2009.

Michael L. Kubacki, Chairman, President and Chief Executive Officer, commented, "While we are gratified with our record net income performance for the quarter, we are equally pleased that our track record demonstrates that we are a responsive and relationship-oriented bank. We further believe that we're developing a reputation throughout the state based upon this track record. In a tremendously challenging economic environment, we recognize that our clients need our support and we continue to use our balance sheet to lend to new and existing clients in Indiana. We are excited that Lake City Bank can contribute to the economic recovery by proactively growing our lending activities and we've demonstrated once again that we are doing just that with our loan growth this year."

Kubacki added, “This good performance clearly supports our position on paying dividends to our shareholders. We are proud that our ongoing financial strength makes it possible for us to continue our dividend at a level consistent with the past six quarters.”

The Company’s net interest margin was 3.69% in the third quarter versus 3.45% in the second quarter and 3.35% for the third quarter of 2008. This margin improvement, in conjunction with strong growth in loans, contributed to an increase of 23% in the Company’s net interest income to $21.3 million in the third quarter of 2009 versus $17.3 million in the third quarter of 2008. On a linked quarter basis, net interest income increased by 9% versus the second quarter of 2009.

The Company’s provision for loan losses in the quarter of $5.5 million represented an increase of $1.8 million, or 48%, versus $3.7 million in the same period of 2008. In the second quarter of 2009, the provision was $4.9 million. The provision increases in 2009 were primarily driven by continued loan growth, the difficult economic conditions in the Company’s markets and the related possible weaknesses in our future borrowers’ performance and prospects.

The Company's non-interest income was $5.3 million in the third quarter of 2009 versus $6.2 million in the third quarter of 2008 and $6.0 million for the second quarter of 2009. Several factors affected noninterest income in the quarter versus the linked second quarter of 2009, including recognition of a non-cash other than temporary impairment of $225,000 on available for sale securities, a decline in mortgage banking income of $123,000 and mortgage servicing impairment costs of $236,000. Also contributing to the lower noninterest income performance was a change related to the processing of merchant credit card activities. Prior to the third quarter of 2009, transaction driven revenue and expenses related to this category were reported on a gross basis in merchant card fee income in noninterest income and credit card interchange fees in noninterest expense. Beginning in the second quarter of 2009, the Company began converting clients to a new third party processor for this activity. As a result, only net revenues with the new processor are being recognized in merchant card fee income in noninterest expense. The conversion is ongoing and will be completed by the end of 2009. Total revenue for the third quarter of 2009 was $26.5 million versus $23.5 million for the comparable period of 2008, an increase of 13%. On a linked quarter basis, total revenue increased by 4% versus the second quarter of 2009.

The Company's non-interest expense was $13.1 million for the third quarter of 2009 compared to $11.9 million for the same period in 2008 and $14.2 million for the second quarter of 2009. On a year over year basis, salaries and employee benefits increased by $916,000, or 14%, versus the third quarter of 2008, primarily as a result of staff additions in lending positions in the Indianapolis loan production office, higher incentive-based compensation resulting from increased revenue and net income and overall improved performance, normal merit increases system-wide and increased health insurance costs. In addition, regulatory expense increased by $435,000 due to higher FDIC insurance premiums that have been levied on all financial institutions. The Company's efficiency ratio for the third quarter of 2009 was 49%, compared to 51% for the same period in 2008 and 55% for the second quarter of 2009.

Net charge-offs totaled $1.8 million in the third quarter of 2009, versus $3.6 million during the third quarter of 2008 and $1.3 million during the second quarter of 2009. Lakeland Financial’s allowance for loan losses as of September 30, 2009 was $28.8 million, compared to $18.1 million as of September 30, 2008 and $25.1 million as of June 30, 2009. The allowance for loan losses increased to 1.48% of total loans as of September 30, 2009 versus 1.06% for the comparable period in 2008 and 1.33% as of June 30, 2009.

Nonperforming assets increased to $30.0 million as of September 30, 2009 compared to $20.5 million as of June 30, 2009 and $21.1 million on September 30, 2008. The ratio of nonperforming assets to total assets increased to 1.22% on September 30, 2009 compared to 0.85% on June 30, 2009 and 0.94% at September 30, 2008. The increase in nonperforming assets was due primarily to the addition of two commercial relationships totaling $9.4 million. One of the credits is engaged in commercial real estate development and the other is a real estate holding company which leased manufacturing buildings to an affiliated company involved in the recreational vehicle industry. The allowance for loan losses represented 98% of nonperforming loans as of September 30, 2009 versus 127% at June 30, 2009 and 90% at September 30, 2008.

Kubacki continued, “There are some signs of an economic recovery on the horizon, but we remain cautious in the short term. As the increase in nonperforming assets indicates, there remain real challenges in our Indiana markets. We are pleased that our net charge off activity has improved from 2008, yet this higher level of nonperforming assets provides cause for concern. We continue to work closely with our borrowers to work through these situations, as we’re cognizant that our reputation and our clients are always at risk. There is no cookie cutter approach to managing through individual situations and we always try to work with our clients to seek a fair result.”

“Our allowance for loan losses has grown by 53%, or $10 million, since year end 2008. We believe this growth reflects the challenges inherent in our loan portfolio. There remain clear risks of potential loan losses, but we believe our approach is appropriately conservative.” Kubacki added.

For the three months ended September 30, 2009, Lakeland Financial’s tangible equity to average assets ratio was 6.56% compared to 6.62% for the third quarter of 2008 and 6.42% for the second quarter of 2009. Average total capital to average assets for the quarter ended September 30, 2009 was 13.01% versus 10.76% for the third quarter of 2008 and 13.10% for the second quarter of 2009. Average total deposits for the quarter ended September 30, 2009 were $1.82 billion versus $1.85 billion for the second quarter of 2009 and $1.64 billion for the third quarter of 2008.

Lakeland Financial Corporation is a $2.5 billion bank holding company headquartered in Warsaw, Indiana. Lake City Bank serves Northern Indiana with 43 branches located in the following Indiana counties: Kosciusko, Elkhart, Allen, St. Joseph, DeKalb, Fulton, Huntington, LaGrange, Marshall, Noble, Pulaski and Whitley. The Company also has a Loan Production Office in Indianapolis, Indiana.

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

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

This document contains, and future oral and written statements of the Company and its management may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of the Company. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of the Company's management and on information currently available to management, are generally identifiable by the use of words such as "believe," "expect," "anticipate," "plan," "intend," "estimate," "may," "will," "would," "could," "should" or other similar expressions. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events. Additional information concerning the Company and its business, including factors that could materially affect the Company's financial results, is included in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on form 10-K.

LAKELAND FINANCIAL CORPORATION
THIRD QUARTER 2009 FINANCIAL HIGHLIGHTS
(Unaudited – Dollars in thousands except share and per share data)

	Three Months Ended			Nine Months Ended	
	Sep. 30, 2009	Jun. 30, 2009	Sep. 30, 2008	Sep. 30, 2009	Sep. 30, 2008
END OF PERIOD BALANCES					
Assets	$ 2,469,882	$ 2,404,140	$ 2,254,471	$ 2,469,882	$ 2,254,471
Deposits	1,821,031	1,735,136	1,707,930	1,821,031	1,707,930
Loans	1,941,111	1,882,106	1,717,345	1,941,111	1,717,345
Allowance for Loan Losses	28,778	25,090	18,124	28,778	18,124
Total Equity	219,714	212,193	153,447	219,714	153,447
Tangible Common Equity	161,659	154,144	148,984	161,659	148,984
AVERAGE BALANCES					
Total Assets	$ 2,439,847	$ 2,426,602	$ 2,208,067	$ 2,417,422	$ 2,125,305
Earning Assets	2,322,134	2,304,684	2,085,042	2,294,411	2,005,027
Investments	401,192	395,711	389,817	395,424	363,367
Loans	1,906,496	1,891,724	1,685,963	1,881,157	1,630,510
Total Deposits	1,816,697	1,852,776	1,641,525	1,859,042	1,569,995
Interest Bearing Deposits	1,587,103	1,630,532	1,420,367	1,635,814	1,350,832
Interest Bearing Liabilities	1,974,106	1,972,947	1,817,981	1,974,046	1,737,806
Total Equity	215,508	210,824	152,081	200,055	151,067
INCOME STATEMENT DATA					
Net Interest Income	$ 21,262	$ 19,538	$ 17,272	$ 57,815	$ 47,276
Net Interest Income-Fully Tax Equivalent	21,565	19,844	17,549	58,742	48,141
Provision for Loan Losses	5,500	4,936	3,710	14,952	7,884
Noninterest Income	5,279	6,022	6,202	16,871	17,943
Noninterest Expense	13,097	14,153	11,942	39,937	34,937
Net Income	5,267	4,460	5,225	13,597	15,262
Net Income Available to Common Shareholders	4,466	3,660	5,225	11,706	15,262
PER SHARE DATA					
Basic Net Income Per Common Share	$ 0.36	$ 0.29	$ 0.43	$ 0.94	$ 1.25
Diluted Net Income Per Common Share	0.36	0.29	0.42	0.94	1.23
Cash Dividends Declared Per Common Share	0.155	0.155	0.155	0.465	0.45
Book Value Per Common Share (equity per share issued)	13.32	12.75	12.47	13.32	12.47
Market Value – High	22.49	21.04	30.09	23.87	30.09
Market Value – Low	17.80	17.10	18.52	14.14	16.87
Basic Weighted Average Common Shares Outstanding	12,432,135	12,416,710	12,290,055	12,416,894	12,256,389
Diluted Weighted Average Common Shares Outstanding	12,531,264	12,515,196	12,468,446	12,519,460	12,454,426
KEY RATIOS					
Return on Average Assets	0.86%	0.74%	0.94%	0.75%	0.96%
Return on Average Total Equity	9.70	8.49	13.68	9.09	13.50
Efficiency (Noninterest Expense / Net Interest Income plus Noninterest Income)	49.35	55.37	50.88	53.47	53.57
Average Equity to Average Assets	8.83	8.69	6.88	8.28	7.10
Net Interest Margin	3.69	3.45	3.35	3.42	3.20
Net Charge Offs to Average Loans	0.38	0.27	0.85	0.36	0.46
Loan Loss Reserve to Loans	1.48	1.33	1.06	1.48	1.06
Nonperforming Loans to Loans	1.51	1.05	1.18	1.51	1.18
Nonperforming Assets to Assets	1.22	0.85	0.94	1.22	0.94
Tier 1 Leverage	10.20	10.19	8.30	10.20	8.30
Tier 1 Risk-Based Capital	11.76	11.89	9.79	11.76	9.79
Total Capital	13.01	13.10	10.76	13.01	10.76
Tangible Capital	6.56	6.42	6.62	6.56	6.62
ASSET QUALITY					
Loans Past Due 30 - 89 Days	$ 5,240	$ 13,805	$ 5,210	$ 5,240	$ 5,210
Loans Past Due 90 Days or More	5,547	253	1,669	5,547	1,669
Non-accrual Loans	23,708	19,446	18,516	23,708	18,516
Nonperforming Loans	29,255	19,699	20,185	29,255	20,185
Other Real Estate Owned	723	711	879	723	879
Other Nonperforming Assets	36	59	30	36	30
Total Nonperforming Assets	30,014	20,469	21,094	30,014	21,094
Impaired Loans	28,236	18,967	19,464	28,236	19,464
Net Charge Offs/(Recoveries)	1,812	1,264	3,600	5,034	5,561

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS
As of September 30, 2009 and December 31, 2008
(in thousands, except share data)

	September 30, 2009 (Unaudited)	December 31, 2008
ASSETS		
Cash and due from banks	$ 31,188	$ 57,149
Short-term investments	8,072	6,858
Total cash and cash equivalents	39,260	64,007
Securities available for sale (carried at fair value)	407,331	387,030
Real estate mortgage loans held for sale	1,934	401
Loans, net of allowance for loan losses of $28,778 and $18,860	1,912,333	1,814,474
Land, premises and equipment, net	30,108	30,519
Bank owned life insurance	34,383	33,966
Accrued income receivable	8,990	8,599
Goodwill	4,970	4,970
Other intangible assets	259	413
Other assets	30,314	33,066
Total assets	$ 2,469,882	$ 2,377,445
LIABILITIES AND EQUITY		
LIABILITIES		
Noninterest bearing deposits	$ 231,970	$ 230,716
Interest bearing deposits	1,589,061	1,654,583
Total deposits	1,821,031	1,885,299
Short-term borrowings		
Federal funds purchased	40,000	19,000
Securities sold under agreements to repurchase	122,672	137,769
U.S. Treasury demand notes	2,563	840
Other short-term borrowings	175,000	45,000
Total short-term borrowings	340,235	202,609
Accrued expenses payable	16,535	17,163
Other liabilities	1,397	1,434
Long-term borrowings	40,042	90,043
Subordinated debentures	30,928	30,928
Total liabilities	2,250,168	2,227,476
EQUITY		
Cumulative perpetual preferred stock: 1,000,000 shares authorized, no par value, $1 liquidation value		
56,044 shares issued and outstanding as of September 30, 2009	53,992	0
Common stock: 90,000,000 shares authorized, no par value		
12,441,930 shares issued and 12,341,593 outstanding as of September 30, 2009		
12,373,080 shares issued and 12,266,849 outstanding as of December 31, 2008	1,453	1,453
Additional paid-in capital	23,846	20,632
Retained earnings	147,295	141,371
Accumulated other comprehensive loss	(5,437)	(12,024)
Treasury stock, at cost (2009 - 100,337 shares, 2008 - 106,231 shares)	(1,524)	(1,552)
Total stockholders' equity	219,625	149,880
Noncontrolling interest	89	89
Total equity	219,714	149,969
Total liabilities and equity	$ 2,469,882	$ 2,377,445

LAKELAND FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
For the Three Months and Nine Months Ended September 30, 2009 and 2008
(in thousands except for share and per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	**2009**	2008
NET INTEREST INCOME				
Interest and fees on loans				
Taxable	**$ 24,561**	$ 25,872	**$ 71,101**	$ 75,673
Tax exempt	**26**	28	**126**	87
Interest and dividends on securities				
Taxable	**4,335**	4,437	**13,231**	11,793
Tax exempt	**597**	583	**1,804**	1,820
Interest on short-term investments	**11**	46	**39**	197
Total interest income	**29,530**	30,966	**86,301**	89,570
Interest on deposits	**7,431**	10,854	**25,464**	33,592
Interest on borrowings				
Short-term	**268**	1,435	**841**	5,164
Long-term	**569**	1,405	**2,181**	3,538
Total interest expense	**8,268**	13,694	**28,486**	42,294
NET INTEREST INCOME	**21,262**	17,272	**57,815**	47,276
Provision for loan losses	**5,500**	3,710	**14,952**	7,884
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	**15,762**	13,562	**42,863**	39,392
NONINTEREST INCOME				
Wealth advisory fees	**747**	869	**2,213**	2,541
Investment brokerage fees	**410**	582	**1,300**	1,479
Service charges on deposit accounts	**2,133**	2,331	**6,153**	6,355
Loan, insurance and service fees	**711**	729	**1,941**	2,122
Merchant card fee income	**536**	949	**2,179**	2,646
Other income	**506**	585	**1,459**	1,453
Mortgage banking income	**459**	146	**1,849**	666
Net securities gains (losses)	**2**	11	**2**	39
Gain on redemption of Visa shares	**0**	0	**0**	642
Impairment on available-for-sale securities (includes total losses of $2,831, net of $2,606 recognized in other comprehensive income, pre-tax)	**(225)**	0	**(225)**	0
Total noninterest income	**5,279**	6,202	**16,871**	17,943
NONINTEREST EXPENSE				
Salaries and employee benefits	**7,327**	6,411	**20,516**	19,113
Occupancy expense	**751**	741	**2,392**	2,226
Equipment costs	**571**	426	**1,588**	1,344
Data processing fees and supplies	**985**	955	**2,969**	2,662
Credit card interchange	**302**	651	**1,353**	1,765
Other expense	**3,161**	2,758	**11,119**	7,827
Total noninterest expense	**13,097**	11,942	**39,937**	34,937
INCOME BEFORE INCOME TAX EXPENSE	**7,944**	7,822	**19,797**	22,398
Income tax expense	**2,677**	2,597	**6,200**	7,136
NET INCOME	**$ 5,267**	$ 5,225	**$ 13,597**	$ 15,262
Dividends and accretion of discount on preferred stock	**801**	0	**1,891**	0
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	**$ 4,466**	$ 5,225	**$ 11,706**	$ 15,262
BASIC WEIGHTED AVERAGE COMMON SHARES	**12,432,135**	12,290,055	**12,416,894**	12,256,389
BASIC EARNINGS PER COMMON SHARE	**$ 0.36**	$ 0.43	**$ 0.94**	$ 1.25
DILUTED WEIGHTED AVERAGE COMMON SHARES	**12,531.264**	12,468,446	**12,519,460**	12,454,426
DILUTED EARNINGS PER COMMON SHARE	**$ 0.36**	$ 0.42	**$ 0.94**	$ 1.23

LAKELAND FINANCIAL CORPORATION
LOAN DETAIL
THIRD QUARTER 2009
(unaudited in thousands)

	September 30, 2009		December 31, 2008		September 30, 2008	
Commercial and industrial loans	$ 691,012	35.5%	$ 652,107	35.5%	$ 612,895	35.7%
Commercial real estate - owner occupied	340,899	17.5	337,060	18.4	325,878	19.0
Commercial real estate - nonowner occupied	242,278	12.5	212,444	11.6	191,187	11.1
Commercial real estate - multifamily loans	25,651	1.3	25,428	1.4	23,674	1.4
Commercial real estate construction loans	153,426	7.9	116,970	6.4	96,004	5.6
Agri-business and agricultural loans	178,683	9.2	189,007	10.3	174,462	10.2
Residential real estate mortgage loans	95,095	4.9	117,230	6.4	114,900	6.7
Home equity loans	158,706	8.2	128,219	7.0	124,016	7.2
Installment loans and other consumer loans	57,504	3.0	55,102	3.0	54,504	3.1
Subtotal	1,943,254	100.0%	1,833,567	100.0%	1,717,520	100.0%
Less: Allowance for loan losses	(28,778)		(18,860)		(18,124)	
Net deferred loan (fees)/costs	(2,143)		(233)		(175)	
Loans, net	$ 1,912,333		$ 1,814,474		$ 1,699,221	