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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, DC 20549

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**FORM 8-K**

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

Date of report (Date of earliest event reported): May 5, 2020

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**LAKELAND FINANCIAL CORPORATION**  
(Exact name of Registrant as specified in its charter)

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**Indiana**  
(State or other jurisdiction  
of incorporation)

**0-11487**  
(Commission  
File Number)

**35-1559596**  
(IRS Employer  
Identification No.)

**202 East Center Street**  
**Warsaw, Indiana**  
(Address of Principal Executive Offices)

**46580**  
(Zip Code)

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

(Former name or former address if changed since last report.)

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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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
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).

Emerging growth company

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.

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**Item 7.01. Regulation FD Disclosure**

The executive officers of Lakeland Financial Corporation intend to use the material filed herewith, in whole or in part, in one or more meetings with investors and analysts. A copy of the investor presentation is attached hereto as Exhibit 99.1.

Lakeland Financial Corporation does not intend for this Item 7.01 or Exhibit 99.1 to be treated as “filed” for purposes of the Securities Exchange Act of 1934, as amended, or incorporated into its filings under the Securities Act of 1933, as amended.

**Item 9.01. Financial Statements and Exhibits**

The following exhibit shall not be deemed as “filed” for purposes of the Securities Exchange Act of 1934, as amended

(d) Exhibits

99.1 [2020 1Q Investor Presentation](#)

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**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: May 5, 2020

By: /s/Lisa M. O'Neill  
Lisa M. O'Neill  
Executive Vice President  
and Chief Financial Officer

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# Lakeland Financial Corporation

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

1<sup>st</sup> Quarter 2020



# David M. Findlay

President & Chief Executive Officer

[david.findlay@lakecitybank.com](mailto:david.findlay@lakecitybank.com)

(574) 267-9197

# Lisa M. O'Neill

Executive Vice President & Chief Financial Officer

[lisa.oneill@lakecitybank.com](mailto:lisa.oneill@lakecitybank.com)

(574) 267-9125



# Forward-Looking Information

This presentation contains, and future oral and written statements of the Company and its management may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of the Company. Forward-looking statements are generally identifiable by the use of words such as “believe”, “expect”, “anticipate”, “estimate”, “could”, and other similar expressions. All statements in this presentation, including forward-looking statements, speak only as of today’s date, and the Company undertakes no obligation to update any statement in light of new information or future events.

A number of factors, many of which are beyond the ability of the Company to control or predict, could cause actual results to differ materially from those in its forward-looking statements. Additional information is included in the Company’s filings with the Securities and Exchange Commission.

Factors that could have a material adverse effect on the Company’s financial condition, results of operations and future prospects can be found in the “Risk Factors” section of the prospectus included in the Registration Statement on Form S-1 filed on October 26, 2009, as amended under Item 1A “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2008 and elsewhere in the Company’s periodic and current reports filed with the Securities and Exchange Commission. These factors include, but are not limited to, the effects of future economic, business and market conditions and changes, domestic and foreign, including competition, governmental policies and seasonality; legislative and regulatory changes, including changes in banking, securities and tax laws and regulations and their application by Company regulators, and changes in the scope and cost of FDIC insurance and other coverages; the risks of changes in interest rates on the levels, composition and costs of deposits, loan demand and other interest sensitive assets and liabilities; the failure of assumptions and estimates underlying the establishment of reserves for possible loan losses, analysis of capital needs and other estimates; changes in borrowers’ credit risks and payment behaviors; and changes in the availability and cost of credit and capital in the financial markets.

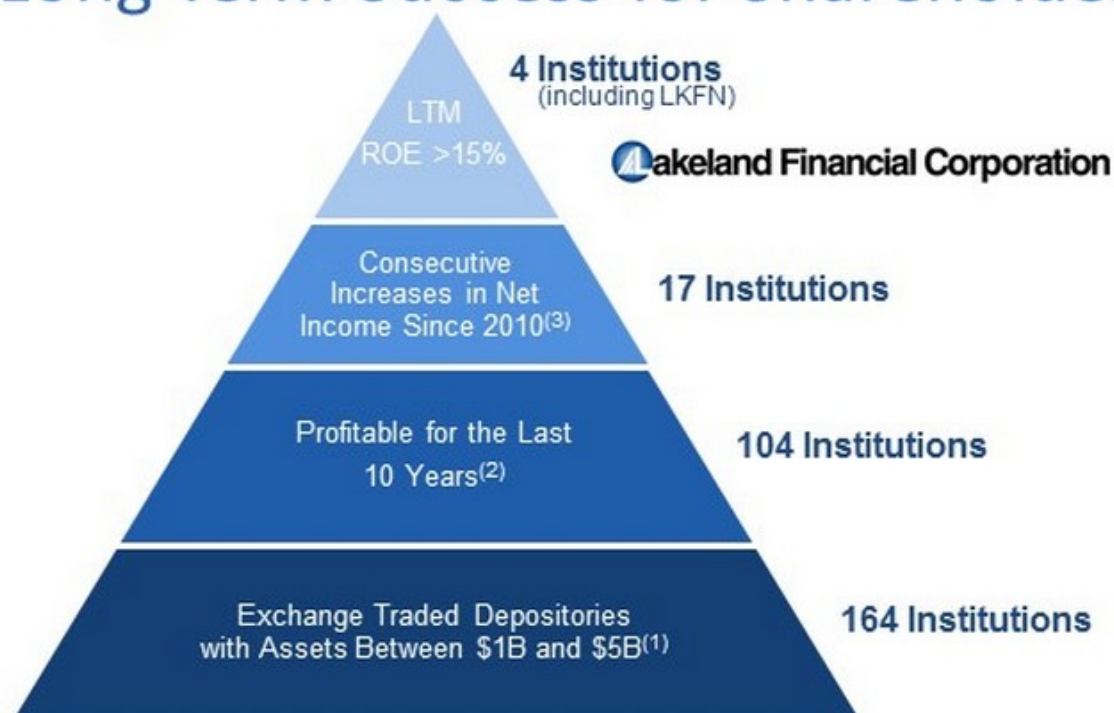


# TOP 25 BANKS

Rank	Company Name	Ticker	State	Total Assets (\$millions)	Profitability				Capital Adequacy		Asset Quality				Final Score
					Core ROAA (%)	ROA Rank	Core ROAE (%)	ROE Rank	Tang Common Equity/Tang Assets (%)	TCE Rank	NPAs/Loans & REO (%)	NPA Rank	NCOs/Avg Loans (%)	NCOs Rank	
1	RBB Bancorp	RBB	CA	1,691	1.84	4	12.99	23	14.09	10	0.21	18	-0.05	16	54.0
2	Bank of the Ozarks	OZRK	AR	21,276	1.92	3	12.06	40	13.38	13	0.24	23	0.07	132	133.5
3	Live Oak Bancshares	LOB	NC	2,758	2.11	1	15.66	8	15.71	3	0.33	35	0.21	227	143.0
<b>4</b>	<b>Lakeland Financial Corp.</b>	<b>LKFN</b>	<b>IN</b>	<b>4,683</b>	<b>1.38</b>	<b>29</b>	<b>13.63</b>	<b>14</b>	<b>9.91</b>	<b>77</b>	<b>0.32</b>	<b>33</b>	<b>-0.01</b>	<b>32</b>	<b>152.5</b>
5	Eagle Bancorp	EGBN	MD	7,479	1.61	11	12.60	30	11.45	34	0.42	59	0.06	108	158.5
6	Sterling Bancorp	SBT	MI	2,962	1.56	16	20.39	2	9.20	136	0.13	11	-0.04	22	170.5
7	FCB Financial Holdings	FCB	FL	10,677	1.40	24	12.43	34	10.33	67	0.34	37	0.00	56	171.5



# Long Term Success for Shareholders



Source: S&P Global Market Intelligence. Financial data is as of December 31, 2019.

(1) Includes banks and thrifts traded on the NYSE, NYSEAM or NASDAQ as of 4/8/20; excludes merger targets.

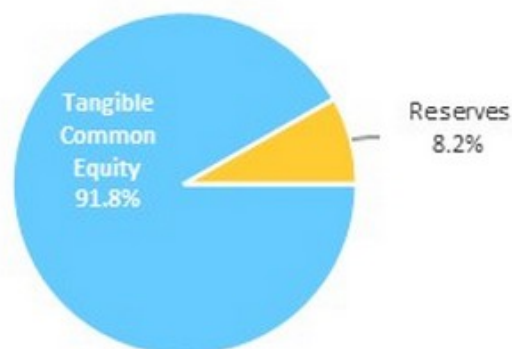
(2) Defined as having positive net income before extraordinary items and preferred dividends for each of the last 10 years (calendar years ended December 31, 2010 through December 31, 2019). Net income before extraordinary items is defined by S&P Global Market Intelligence as GAAP net income, after taxes, minority interest, and other after tax items, but before any extraordinary items. Excludes any revaluation of net deferred tax assets due to tax reform per S&P Global Market Intelligence.

(3) Defined as consecutive increases in net income before extraordinary items for each of the years ending December 31, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019. Excludes any revaluation of net deferred tax assets due to tax reform per S&P Global Market Intelligence.





# Strong Capital Structure



**Key Ratios and Per Share Data as of March 31, 2020**

TCE/Tangible Assets	11.99%
Total Risk-Based	14.23%
Leverage	11.67%
Book Value	\$23.87
Tangible Book Value	\$23.72



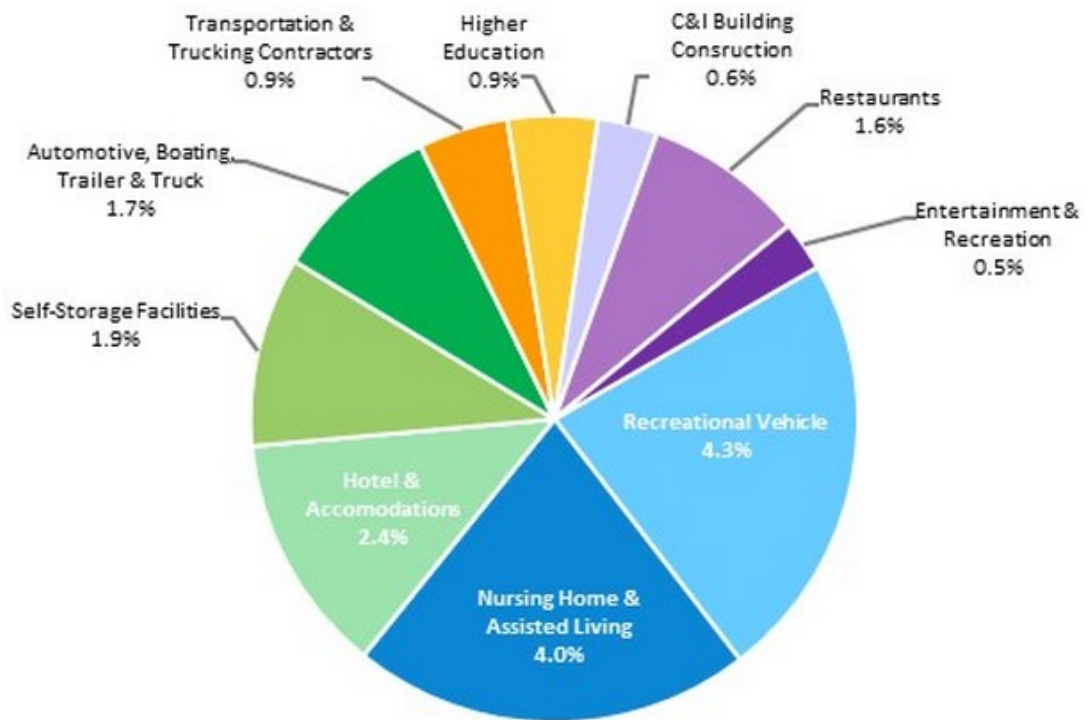
Note: Tangible Common Equity to Tangible Assets and Tangible Book Value per Common Share are Non-GAAP financial measures. See "Reconciliation of Non-GAAP Financial Measures" in the First Quarter 2020 Earnings Press Release and Form 8-K.

# COVID-19 Crisis Management

- Active Credit Risk Management
- COVID-19 Related Loan Deferrals
- Paycheck Protection Program
- Liquidity Preparedness
- Deferment of CECL Implementation

# Active Credit Risk Management

## Early Identification of Potential Risk Sectors



19% of Loan Portfolio as of March 31, 2020

# COVID-19 Related Loan Deferrals

## COVID-19 Loan Deferrals as of April 22, 2020

Type of Loan	# of Customers	Loans (000's)	% of total Loan Portfolio
Commercial	267	\$459,788	13%
Consumer	137	7,289	2%
<b>Total</b>	<b>404</b>	<b>\$467,077</b>	<b>11%</b>

## Credit Risk Management Efforts

- Actively working with borrowers on COVID-19 loan deferral requests
- Ongoing scrutiny of potential risk sector clients and other emerging situations
- Accelerated planning for the upcoming semi-annual loan portfolio meetings in June

## Commercial Deferrals by Loan Type



## Commercial Deferrals by Risk Rating

Borrower Risk Rating	Deferred Loans (000's)	% of Loans Deferred
2	\$ 7,759	1.7%
3	27,347	5.9%
4	330,445	71.9%
5	68,962	15.0%
6	24,213	5.3%
7	1,062	0.2%
<b>Total</b>	<b>\$ 459,788</b>	<b>100%</b>

# Paycheck Protection Program

100% of Customer Applications Approved

## PPP Loans- Phase 1

## PPP Highlights

Size of Loan	Number of Loans	% of Loan to Total # of Loans	\$ of Loans (000'S)	% of Loans to Total \$ of Loans
\$1 to \$24,999	383	23%	\$ 5,310	1%
\$25,000 to \$49,999	250	15%	9,190	2%
\$50,000 to \$99,999	281	17%	19,996	4%
\$100,000 to \$499,999	531	32%	117,880	22%
\$500,000 to \$999,999	100	6%	69,780	13%
\$1,000,000 to \$1,999,999	78	4%	109,198	21%
\$2,000,000 to \$4,999,999	47	3%	146,409	27%
\$5,000,000 & above	7	0%	52,414	10%
<b>Total</b>	<b>1,677</b>	<b>100%</b>	<b>\$ 530,177</b>	<b>100%</b>

### Phase I:

- 1,677 Loans
- \$530 million
- Average loans size of \$316,000

### Phase II:

- 509 Loans
- \$37 million
- Average loans size of \$72,000

### Total:

- 2,186 Loans
- \$567 million
- Average loans size of \$259,000

## Liquidity Preparedness

- Overall, line utilization has been stable in 2020
- Overall utilization rate of credit lines was 44% as of April 22, 2020 down from 48% as of March 31, 2020
- Expansion of funding sources has provided additional liquidity
- Liquidity availability of \$2.2 billion consists of access to:
  - FHLB Indianapolis
  - FRB Discount Window
  - FRB PPP Loan Facility
  - Brokered Deposits
  - Promontory Insured Cash Sweep
  - Federal Funds Lines



## Deferment of CECL Implementation

- Incurred methodology provides:
  - The ability to leverage objective and subjective data analysis for the most accurate calculation
  - A tested and proven methodology to ensure the loan loss reserve is appropriately conservative
  - A loan-by-loan evaluation of non-impaired watch list loans
  - Investor clarity in understanding the appropriateness of the reserve compared to prior periods

# Lake City Bank Today

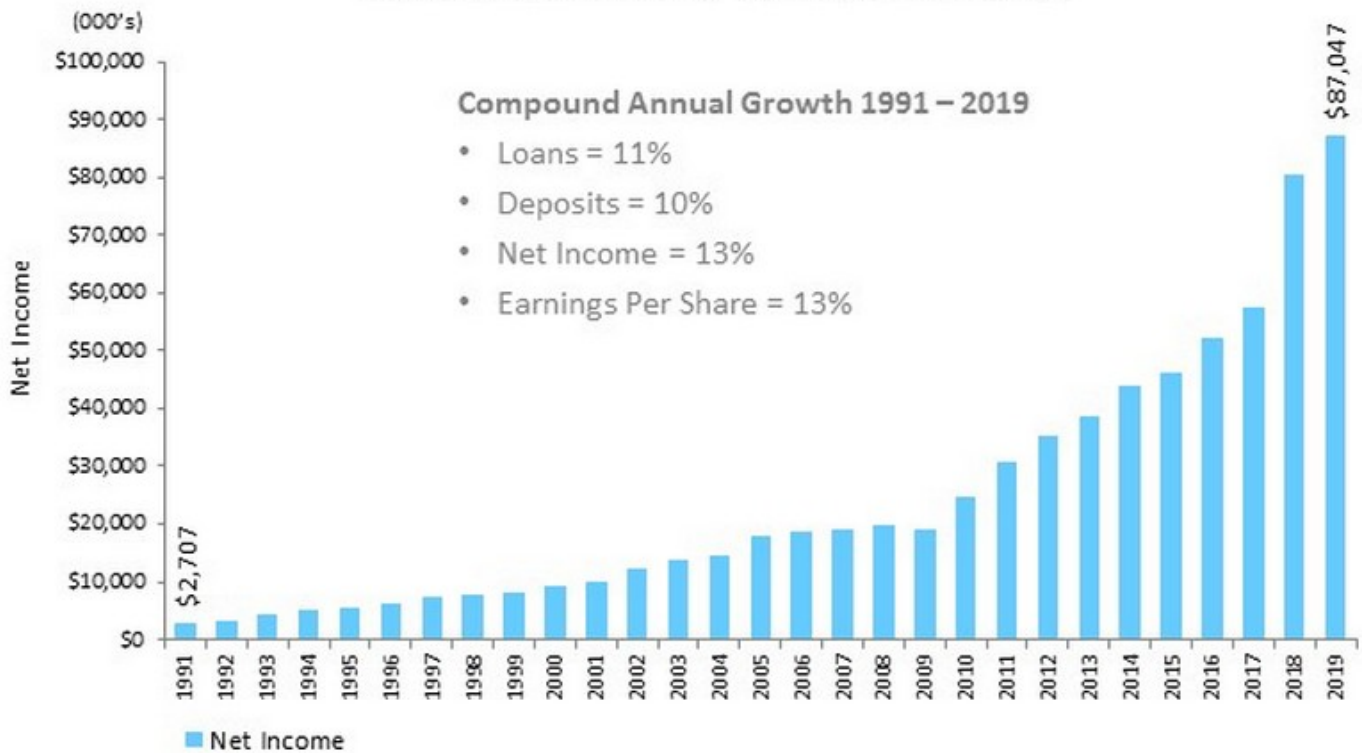
- A long-term and consistent organic growth story
- Headquartered in Warsaw, Indiana
- 50 branch offices - \$5.0 billion banking assets - \$2.2 billion trust and investment assets
- Focused on execution – “blocking and tackling”
- Continued growth potential





# A Quarter Century of Organic Growth

Record Net Income for 30 of 31 Years

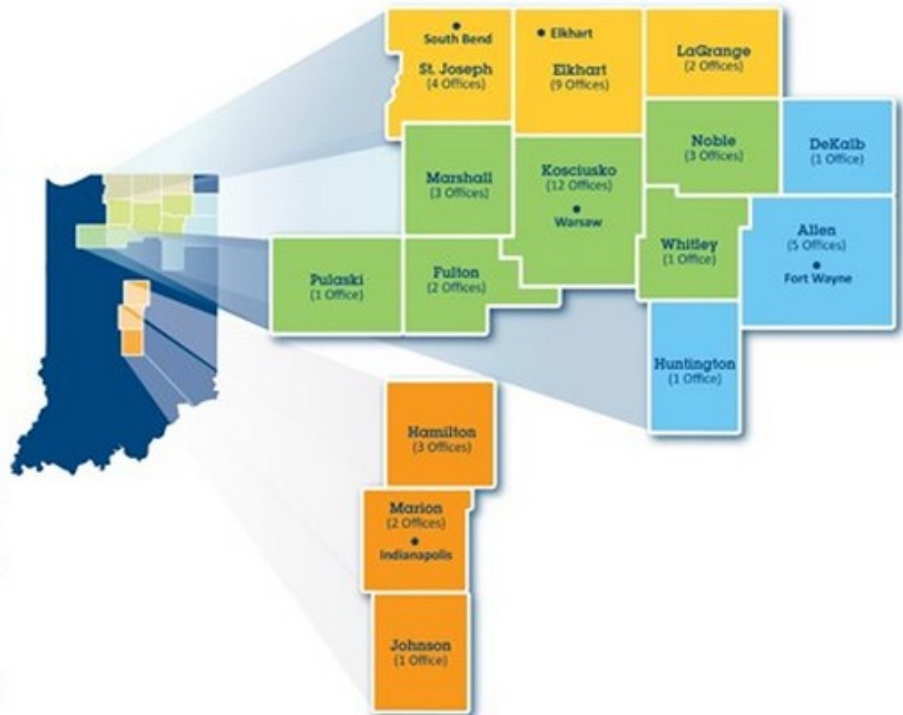


# Established Market Presence

Organic Growth Potential in Mature and Developing Markets

## Market Data

Warsaw – 1872 22 offices
Elkhart – 1890 11 offices
South Bend – 1897 4 offices
Fort Wayne – 1899 7 offices
Indianapolis – 2011 6 offices

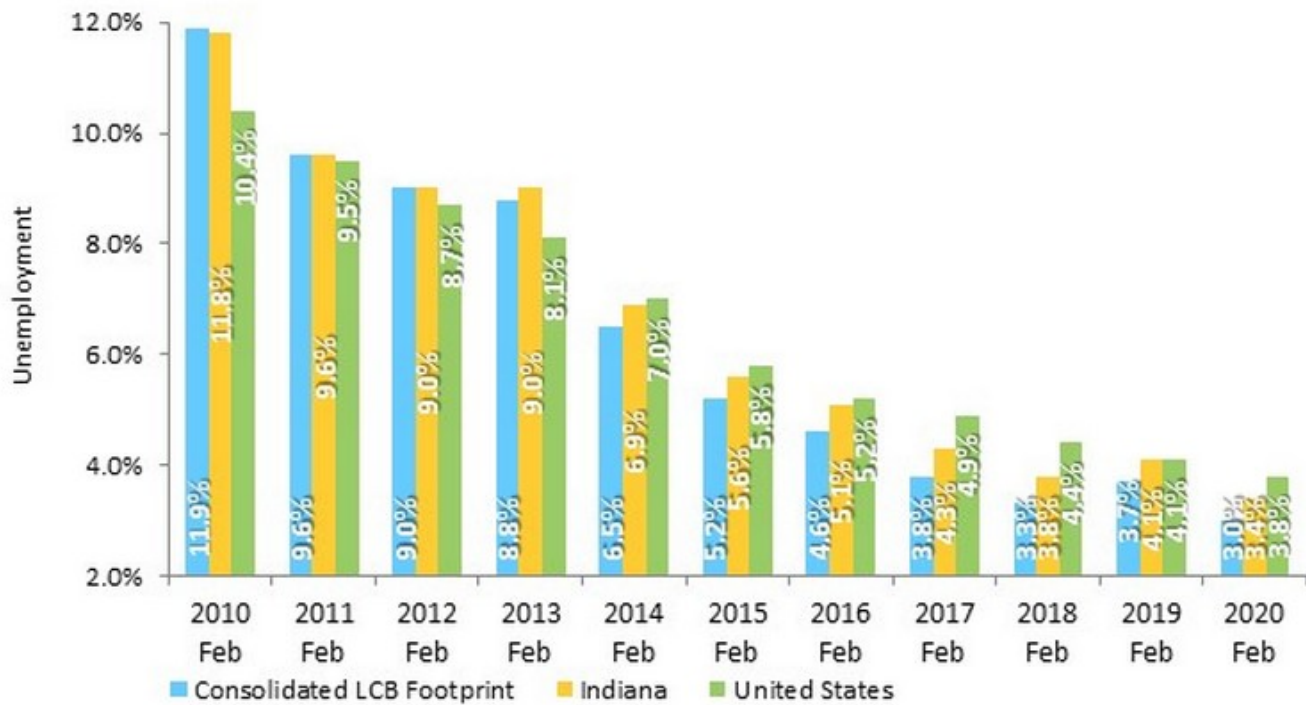


Opening Date of First Office in Market



# Strong Regional and Statewide Economy

Indiana Employment Trends Versus National Averages



Source: United States Bureau of Labor Statistics. Lake City Bank footprint is defined as Kosciusko, Marshall, Fulton, Pulaski, Noble, Whitley, St. Joseph, Elkhart, LaGrange, Allen, DeKalb, Huntington, Marion, Hamilton and Johnson Counties in Indiana



## Shareholder Value Strategy

1. Commercial Banking Focus
2. High Quality Team Members
3. Proven Organic Growth Experience
4. Focus on Core Deposit Funding
5. Commitment to Technology

## Experienced Relationship Driven Team

- 39 credit “smart” commercial bankers
- Average 20 years in banking & 9 years at Lake City Bank
- We live where we lend
- Face to face calling matters and is a team effort
- We understand our client needs
- Deep organizational structure provides credit and administrative support
- We cross-sell aggressively by leveraging technology

## Credit Process

- We are in-market lender to in-market clients
- Character matters – we lend to people first
- Our credit discipline has never changed
- We focus on management/cash flow
- We have a centralized committee structure
- Structure is important
- Orientation towards owner-occupied and well structured nonowner occupied real estate



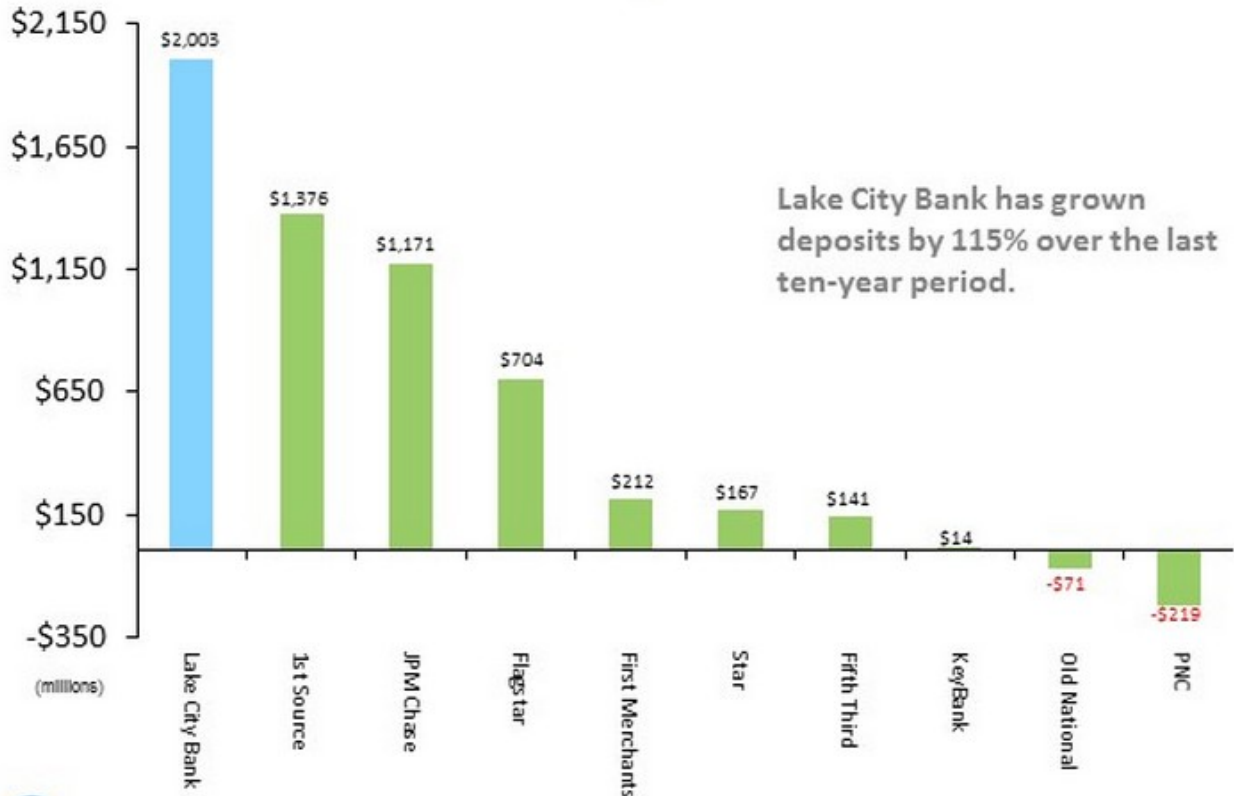
## High Quality Team Members

# Lake City Bank Culture

- Our culture is our greatest asset and we will preserve it
- Lake City University drives our culture
- Our community involvement is real and critical to our strategy
- Our culture has not been diluted by acquisition



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



<sup>1</sup>Mature Markets include 12 Northern Indiana counties and exclude 3 Central Indiana counties  
Totals adjusted to include branches subsequently acquired by surviving banks



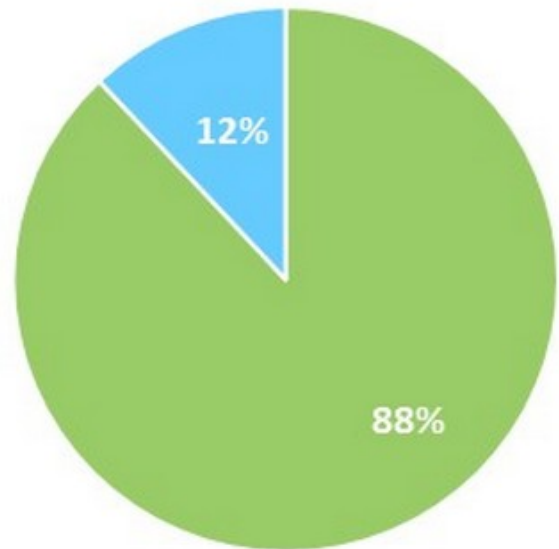
# Organic Growth

## Indianapolis Market Opportunity

Indianapolis Market Banks	Share of Market
1. JPM Chase	22%
2. PNC	14%
3. Fifth Third	9%
4. Huntington National	7%
5. First Internet Bank	7%
6. BMO Harris	7%
7. KeyBank	6%
8. Bank of America	6%
9. Merchants Bank	5%
10. National Bank of Indy	4%
16. Lake City Bank	1%

- Marion, Hamilton and Johnson Counties as of 6/30/19; Source: FDIC Statistics

### Deposit Market Share



■ Out of State ■ In State

# A Strong Environment for Growth and Expansion

- #1 manufacturing state in the country<sup>(1)</sup>
- CNBC named Indiana as #1 state for infrastructure
- K-12 funding increased \$1 billion since 2017
- Net population in-migration in 2019
- Economic expansion of 1.25% in 2019<sup>(2)</sup>

(1) Based on per capita population

(2) Indiana University study

## Core Deposits Fund Organic Loan Growth

- We focus on core deposit growth in retail, commercial and public funds
- Commercial deposit growth over 5 years is a 18% compounded annual growth rate
- We capitalize on market disruption in our footprint to grow deposits
- We emphasize checking account relationship products and flexible solutions
- We leverage demographic and lifestyle data
- Our omni channel media campaign is evolving

## Innovative and Competitive Technology is a Focus

- Technology partnership with FIS is strong – User Planning Council and Strategic Planning Advisory Council
- Fintech partnerships play a growing role in our technology strategy
- Mobile banking applications adoption accelerating in Retail and Commercial Banking
- Retail and Commercial platforms ensure competitive positioning
- Cybersecurity protection is a constant focus
- Data gathering and analysis playing an increasingly important role
- Branch strategies involve hardware and software innovations

## Digital Solutions Growing Rapidly

# Channel Utilization Over Three Year Horizon

Channel Type	Total Transactions 2016	% of Total	Total Transactions 2019	% of Total	Three Year Change
Branch Transactions	2,440,198	23%	2,279,975	18%	(7)%
ATM/ITM	754,695	7%	944,785	7%	25%
Online Logins	4,795,231	44%	5,058,317	40%	5%
Mobile Logins	2,432,634	23%	4,199,910	33%	73%
Telephone Banking	353,096	3%	265,475	2%	(25)%
<b>Total</b>	<b>10,775,854</b>	<b>100%</b>	<b>12,748,462</b>	<b>100%</b>	<b>18%</b>



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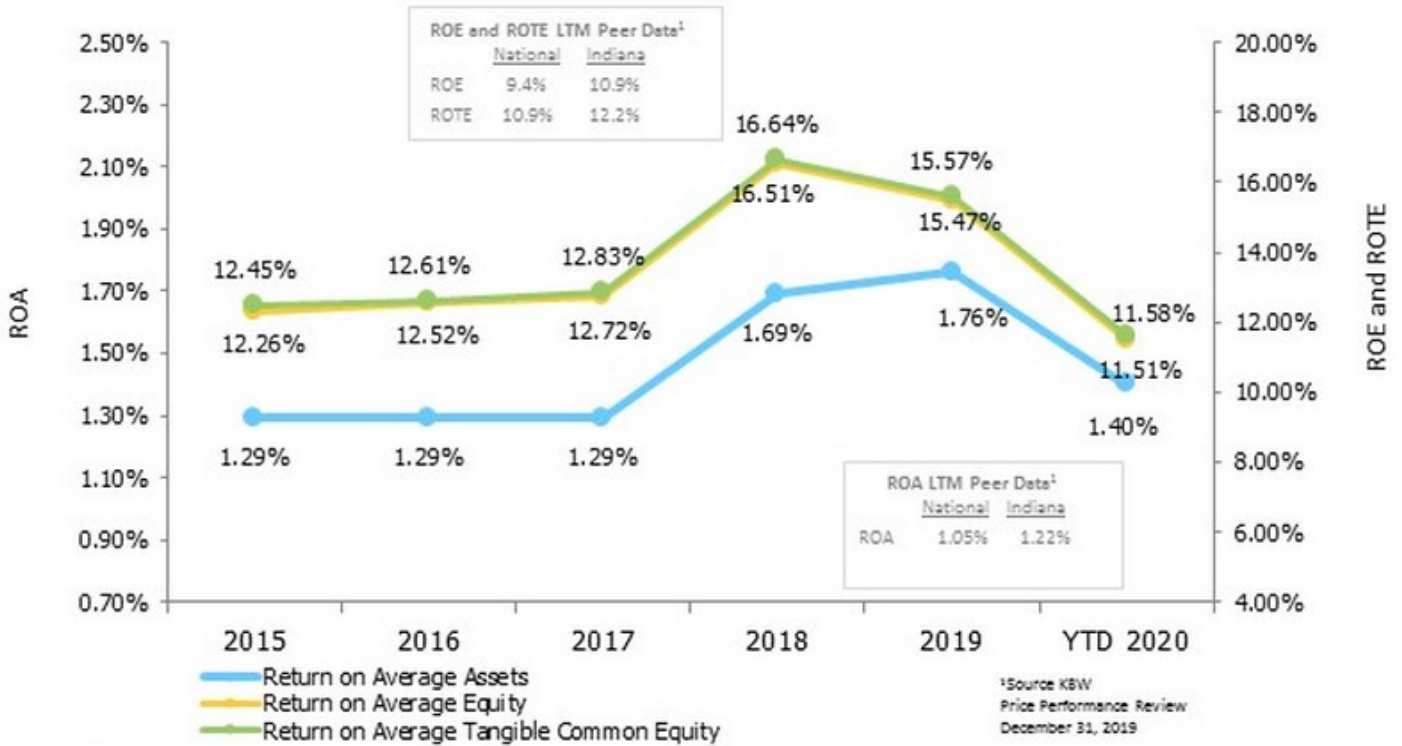


# Financial Performance



# Income Performance Metrics

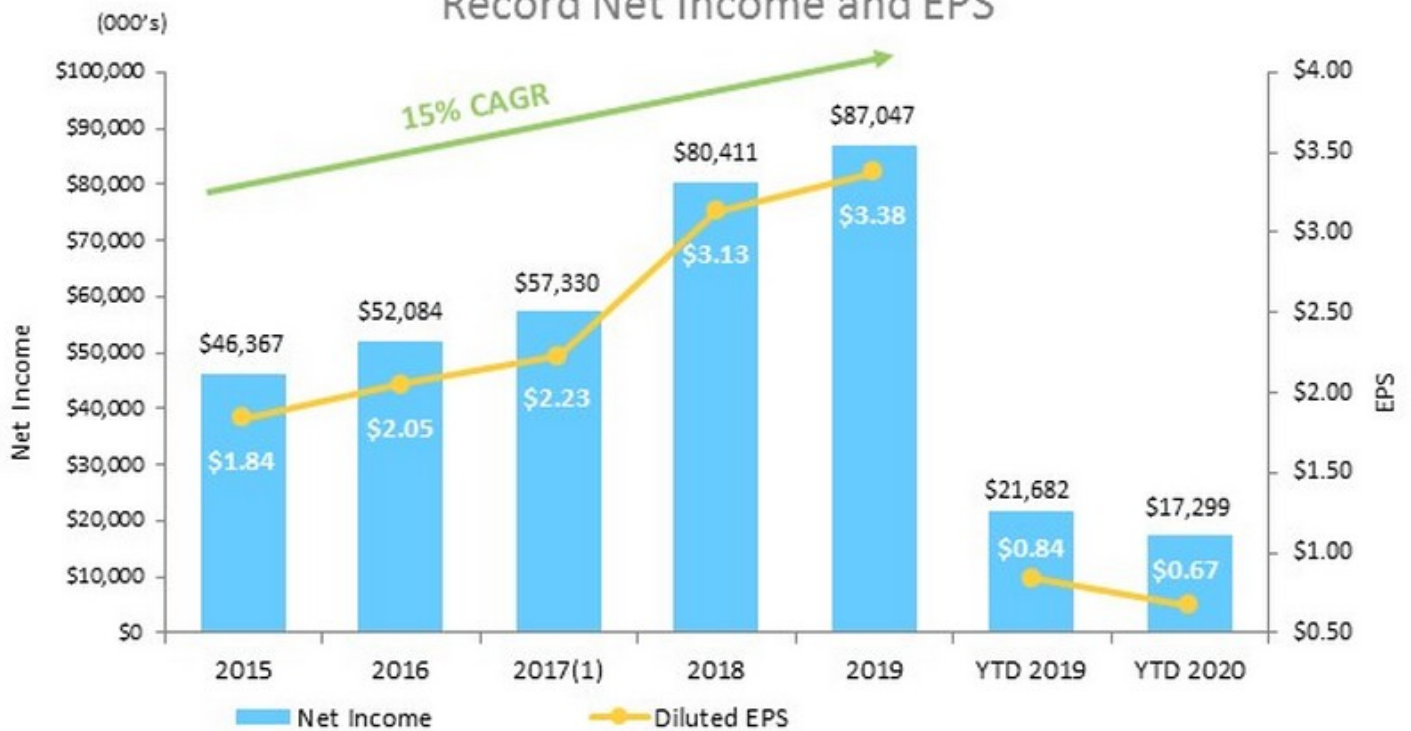
## LKFN Performance Exceeds National and Indiana Peers





# Net Income and EPS

Record Net Income and EPS



(1) Includes impact of tax reform of \$4.1 million income tax provision for 2017

2020 Net Income decline 20%  
2020 Diluted EPS decline 20%



# Pretax Pre-Provision Earnings

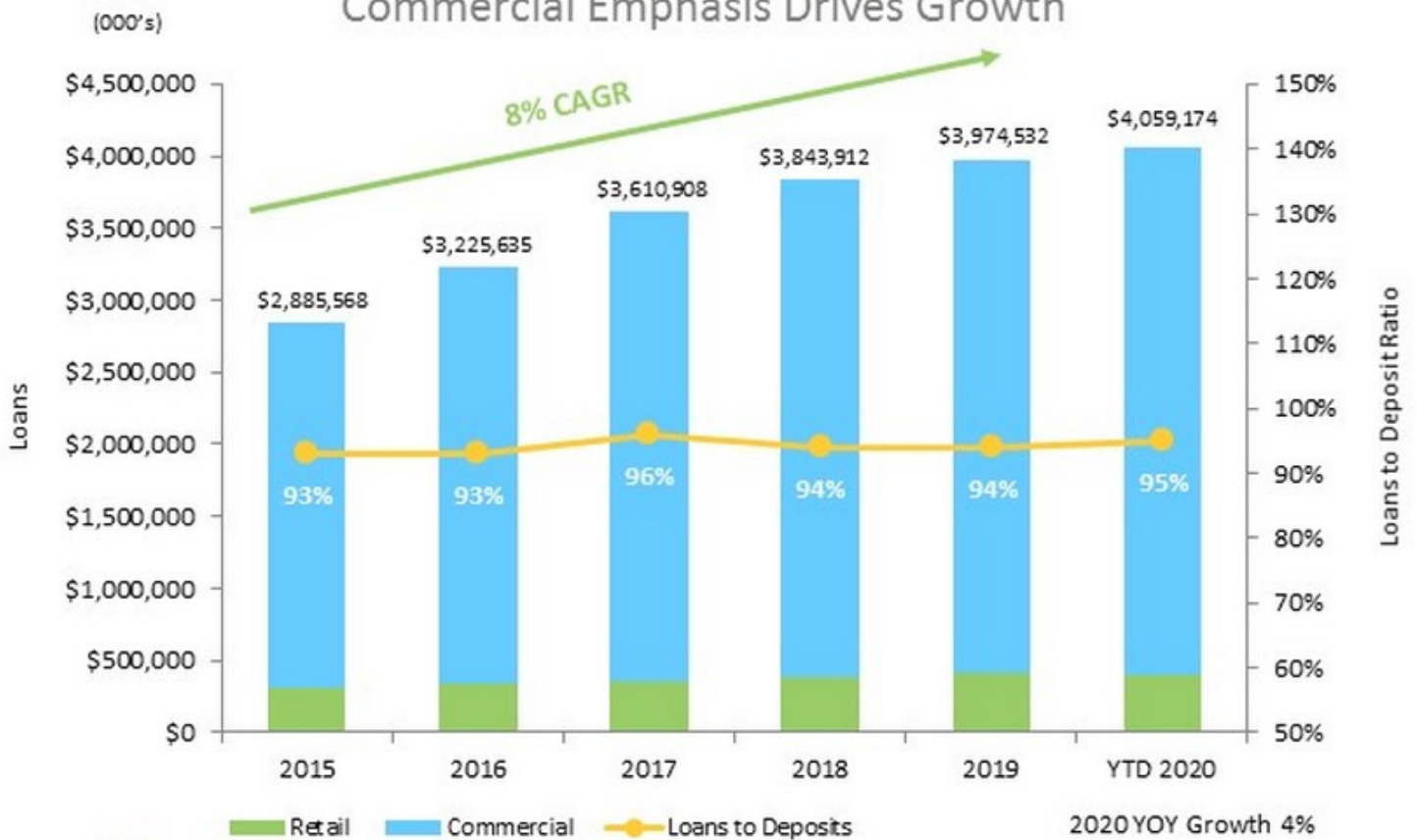
## Demonstrates Consistent Operating Strength



Note: Pretax Pre-Provision Earnings is a Non-GAAP financial measure. See "Reconciliation of Non-GAAP Financial Measures" in the First Quarter 2020 Earnings Press Release and Form 8-K.

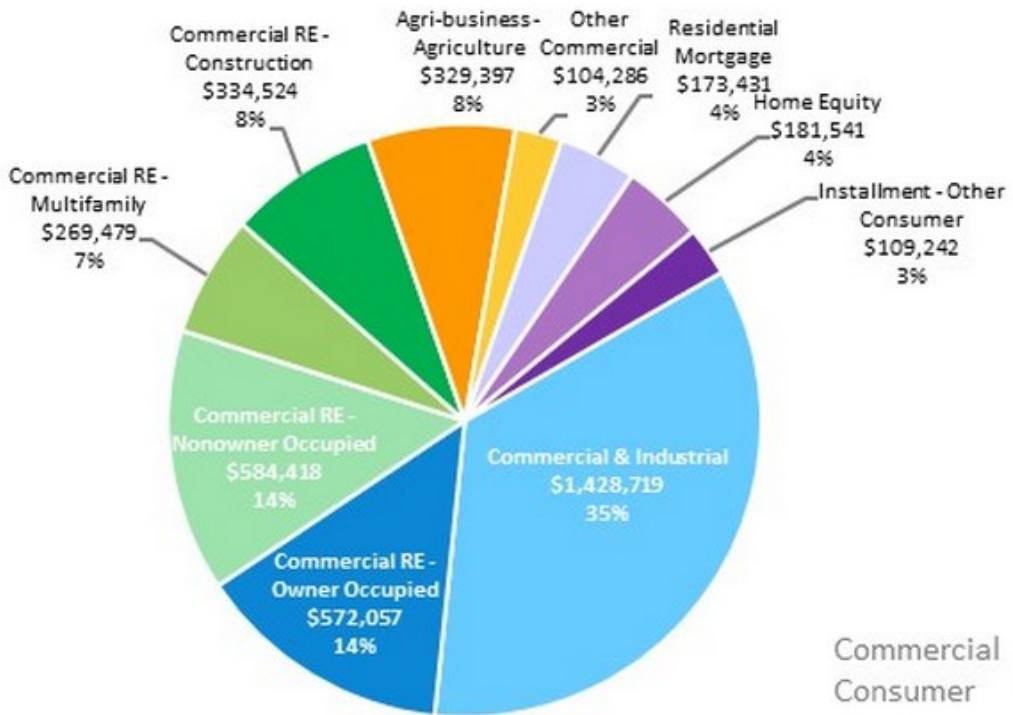
# Average Loans

Commercial Emphasis Drives Growth



# Loan Breakdown

C&I Drives Lending Business



Commercial 89%  
Consumer 11%

\$4.1 billion as of March 31, 2020

(000's)



# Average Deposits

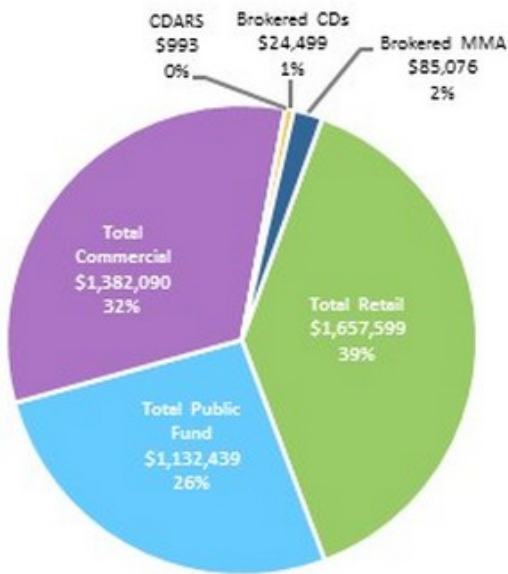
Core Deposits Grow by 5% or \$179 Million Year-over-Year



Note: Core Deposits are defined as total deposits less brokered deposits

# Deposit Breakdown

Deposit Growth Key to Franchise Value



March 31, 2020  
Total Deposits - \$4.3 billion

(000's)



Deposit Composition at end of period	2009	2020
Non-interest Bearing Demand Deposits	12%	25%
Interest Bearing Demand, Savings & MMA	34%	46%
Time Deposits > or = to \$100,000	35%	23%
Time Deposits < \$100,000	19%	6%
Total Deposits (billions)	\$1.9	\$4.3



# Net Interest Income

## Loan Growth Driving Growth in Income



# Interest Rate Sensitivity

Impact of FOMC Accommodative Policy on Commercial Loans:



Commercial Loans  
\$3.7 billion as of March 31, 2020  
(000's)



- Proactive deposit pricing reductions concurrent with FOMC easing
- 56% of Public Funds are tied to Fed Funds effective rate
- 89% of loan portfolio consists of commercial loans
- Fixed rate commercial loans have average terms of 5 years
- 23% of variable rate loans have floors
- Investment portfolio duration is 4.64 years



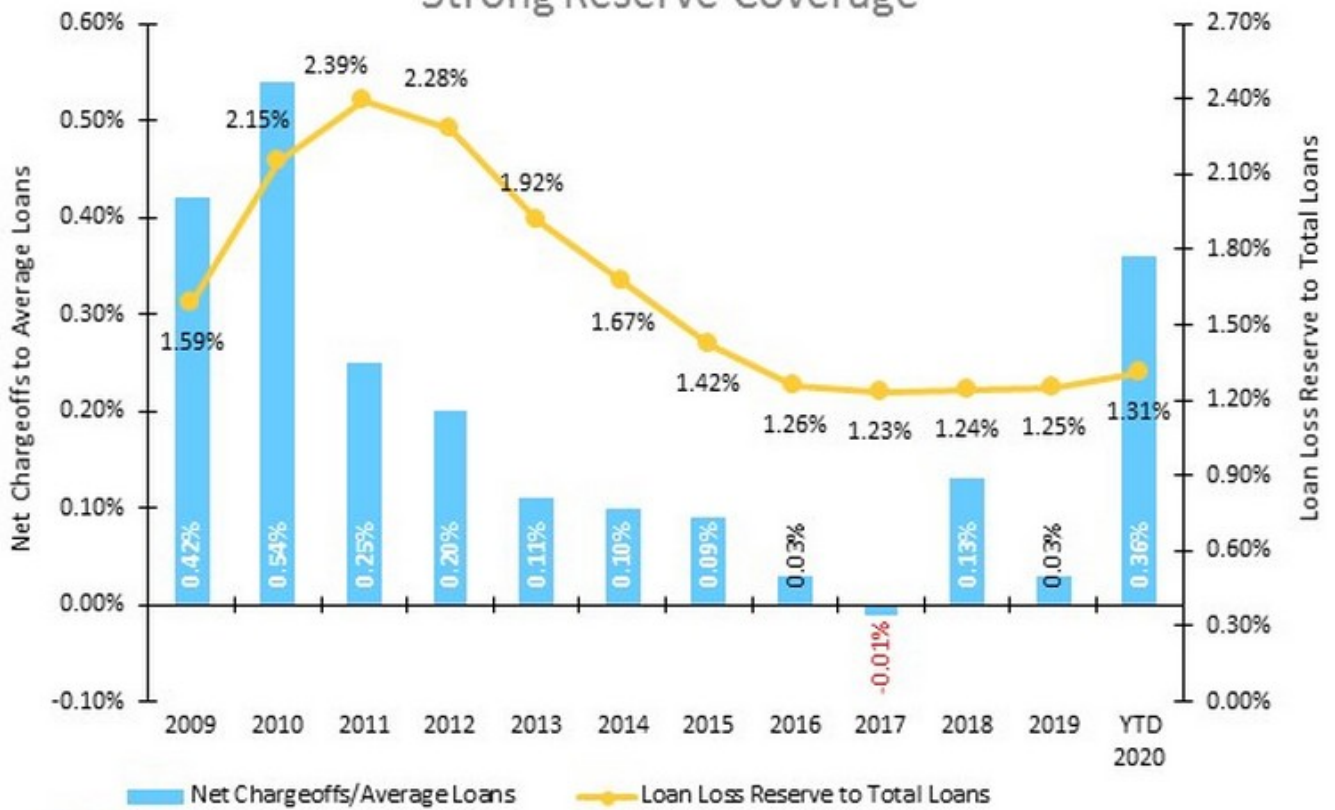
# Asset Quality

Nonperforming Levels Reflect Economic Strength of Markets



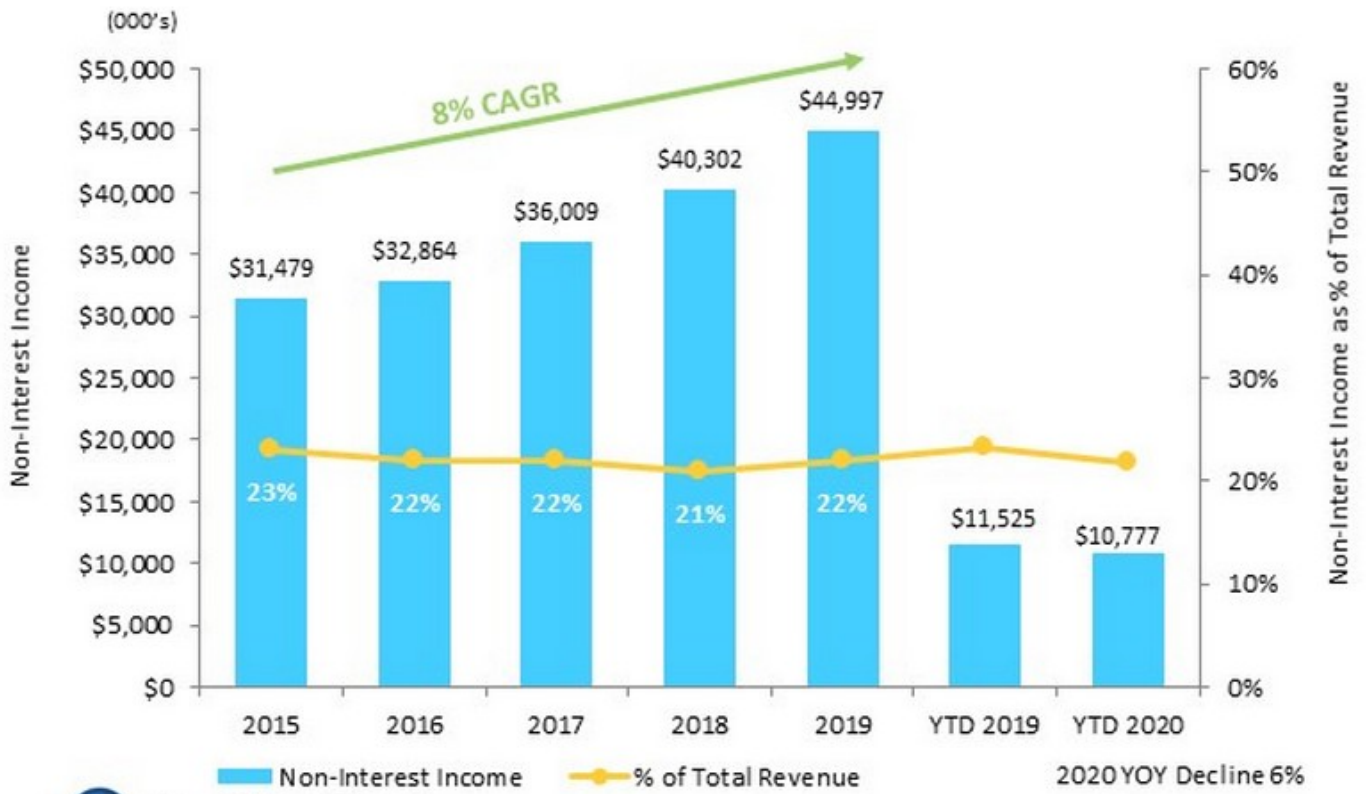
# Asset Quality

## Strong Reserve Coverage



# Non-Interest Income

Fee-Based Revenue Drives Increases



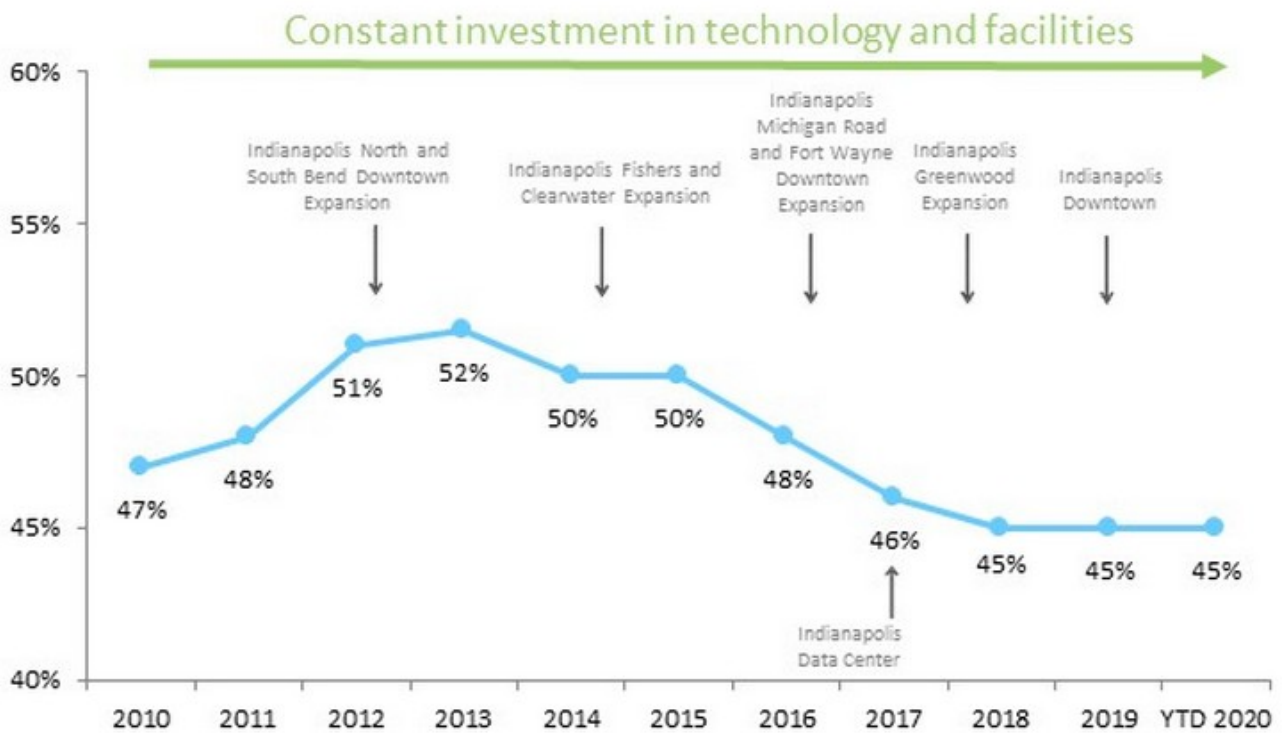
# Non-Interest Expense

Disciplined Approach to Cost Structure While Continuing to Invest in the Future



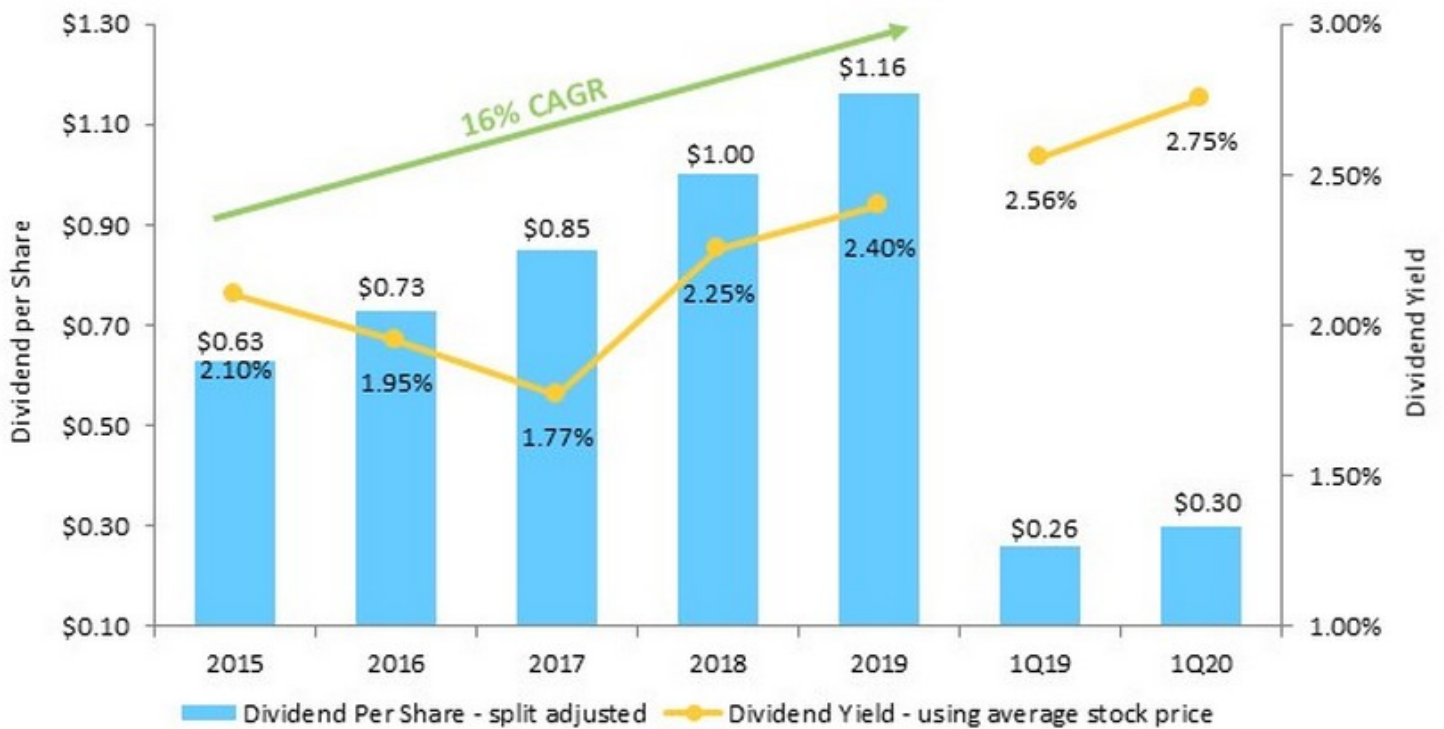
# Efficiency Ratio

Revenue Growth is Primary Driver of Low Efficiency Ratio



# Stable Healthy Dividend

Dividend Reflects Strength of Balance Sheet



2020 Growth 3%  
43



# LKFN Shareholder Value

Total Return Performance from 12/31/00 to 3/31/20



Source: SNL database



# Investment Highlights

- Proven History of Organic Growth
- Disciplined and Focused Strategy
- Strong Internal Culture
- Consistent Execution
- Service Excellence Drives Shareholder Value



# Supplemental Information



## Organic Growth

# Larger Market Organic Expansion

State Rank	County	Primary City	Population*	LCB Entry	LCB Deposit Market Share**	# of Branches
20.	Kosciusko	Warsaw	79,344	1872	59%	12
6.	Elkhart	Elkhart	205,560	1990	21%	9
5.	St. Joseph	South Bend	270,771	1997	8%	4
3.	Allen	Fort Wayne	375,351	1999	14%	5
1.	Hamilton/Marion	Indianapolis	1,284,756	2011	1%	5

\* Source: STATS Indiana

\*\* Source: FDIC 6/30/19 Statistics



## Organic Growth

# Mature Market Strength and Growth

(millions) <sup>1</sup>	2019		2009			2019 # of Offices
	Deposits	Share	Deposits	Share	Increase	
1. 1 <sup>st</sup> Source	\$4,053	19.62%	\$2,677	17.16%	51.40%	53
2. Lake City Bank	\$3,739	18.10%	\$1,736	11.13%	115.38%	50
3. JPM Chase	\$2,655	12.85%	\$1,484	9.51%	78.91%	23
4. PNC	\$1,432	6.93%	\$1,651	10.58%	(13.26)%	26
5. KeyBank	\$1,060	5.13%	\$1,046	6.70%	1.34%	18
6. First Merchants	\$784	3.80%	\$572	3.67%	37.06%	12
7. Flagstar	\$759	3.67%	\$55	0.35%	1280.00%	24
8. Old National Bank	\$754	3.65%	\$825	5.28%	(8.61)%	10
9. Star	\$643	3.11%	\$476	3.05%	35.08%	11
10. Fifth Third	\$492	2.38%	\$351	2.25%	40.17%	10
<b>Market Total</b>	<b>\$20,655</b>		<b>\$15,602</b>		<b>32.39%</b>	

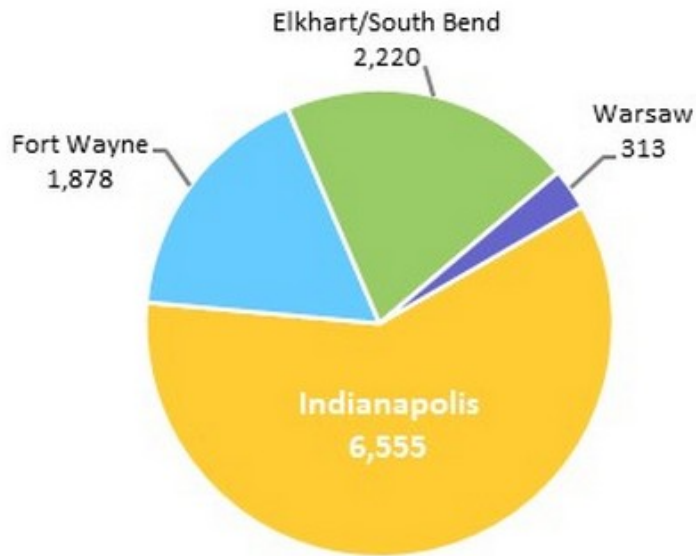


<sup>1</sup>Mature Markets includes 12 Northern Indiana counties and excludes 3 Central Indiana counties  
Adjusted to include branches subsequently acquired by surviving banks

## Organic Growth

# Commercial Banking Target Opportunities

Growth Potential in Every Market



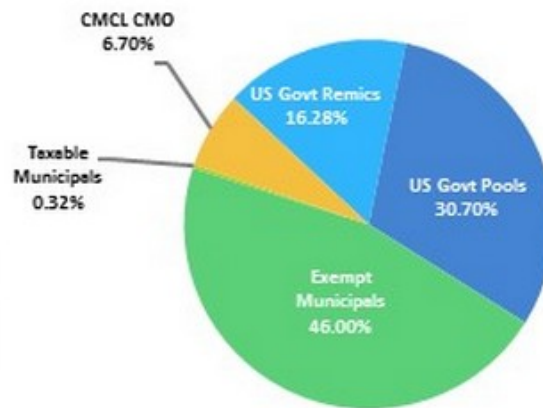
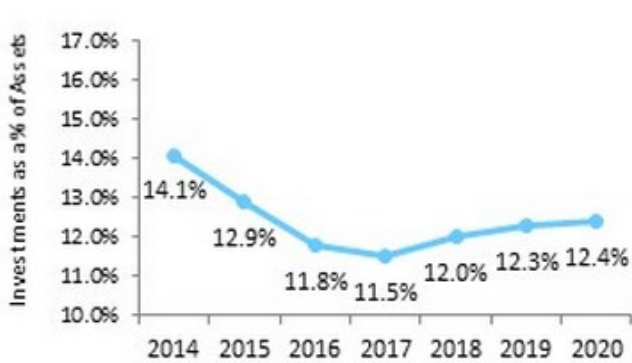
Companies with Revenue of \$1 to \$50 million in Lake City Bank footprint by county

Source: 2017 Hoover's





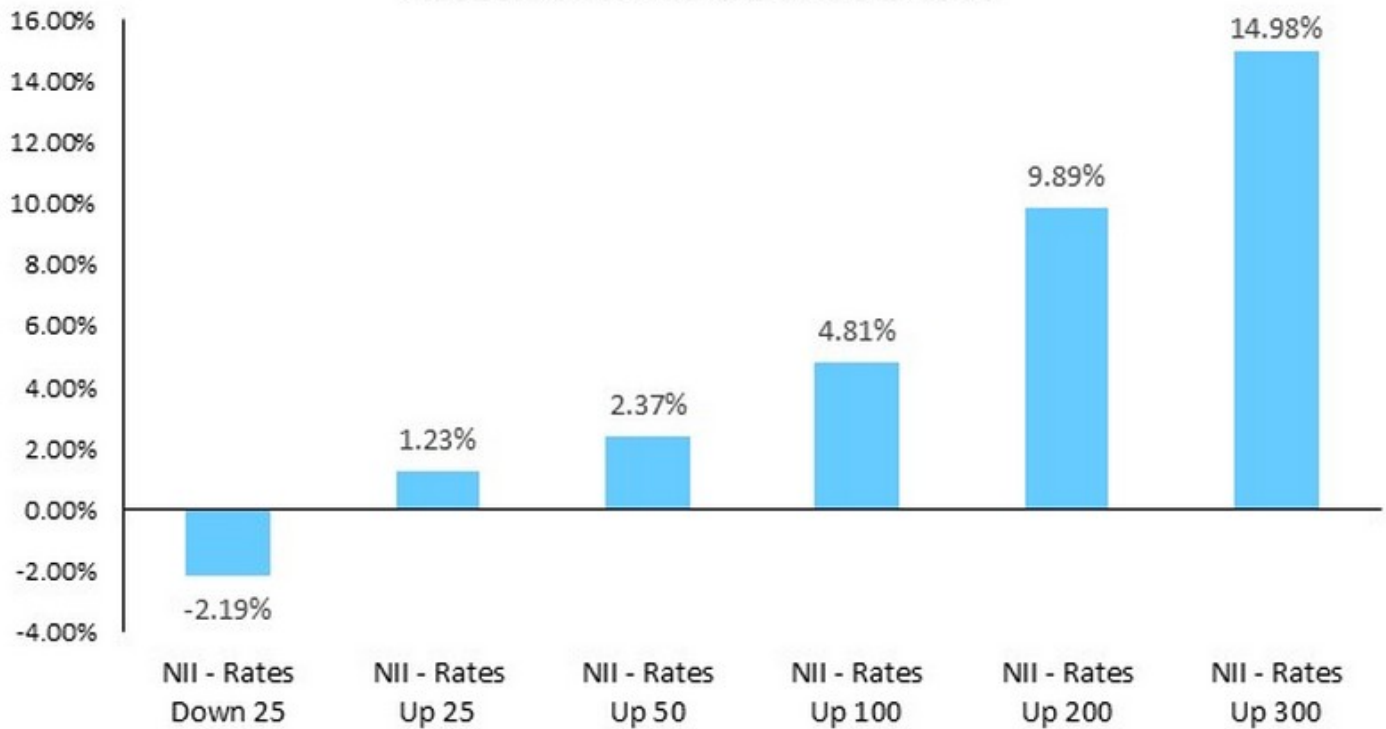
# Investment Portfolio – Source of Liquidity



	March 31, 2020			
	Weighted Maturity	Book Yield	Duration	Market Value
US Govt REMICS	2.74	3.01%	2.84	101,621
US Govt Pools	4.87	2.68%	4.43	191,648
Exempt Municipals (TEY)	13.74	3.75%	5.90	287,227
Taxable Municipals	0.55	2.25%	0.54	2,014
CMCL CMO	2.66	2.30%	2.03	41,814
<b>Total (Tax-Equivalent Yield)</b>	<b>8.31</b>	<b>3.18%</b>	<b>4.64</b>	<b>\$624,324</b>

# Projected Impact of Rising/Falling Rates

## Asset Sensitive Balance Sheet



Graph presents 12 month projected net interest income simulation results as of March 31, 2020 using parallel shocks



 **Lake City Bank**

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