

**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, 2023

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

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.)

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
Common Stock, no par value

Trading Symbol(s)
LKFN

Name of each exchange on which registered
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.

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 2023 1Q Investor Presentation](#)

104 Cover Page Interactive Data File (embedded with the Inline XBRL document)

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, 2023

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



Lakeland Financial Corporation

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

1st Quarter 2023





David M. Findlay

President & Chief Executive Officer

david.findlay@lakecitybank.com

(574) 267-9197

Lisa M. O'Neill

Executive Vice President & Chief Financial Officer

lisa.oneill@lakecitybank.com

(574) 267-9125



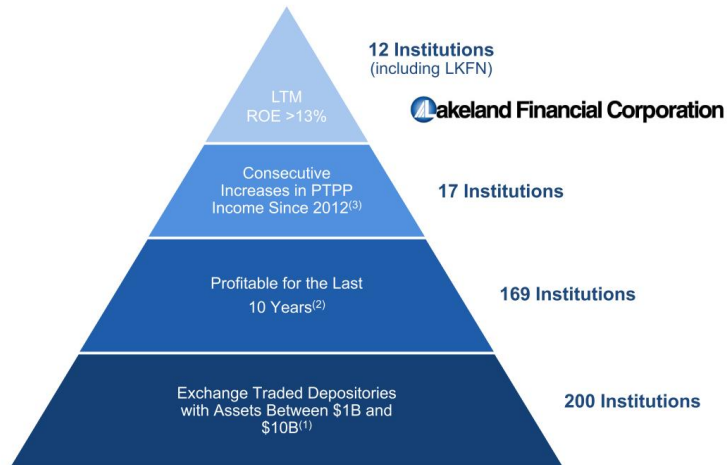
Forward-Looking Information

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. Forward-looking statements are not historical facts and 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. 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.

The Company’s ability to predict results or the actual effect of future plans or strategies is inherently uncertain and, accordingly, you are cautioned not to place undue reliance on any forward-looking statement. Actual results could differ materially from those addressed in the forward-looking statements as a result of numerous factors, including, without limitation: (i) the effects of future economic, business and market conditions and changes, including the effects of governmental monetary and fiscal policies, (ii) 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, (iii) changes in borrowers’ credit risks and payment behaviors, (iv) the timing and scope of any legislative and regulatory changes, including changes in tax and banking laws and regulations and their application by the Company’s regulators, (v) the failure of assumptions and estimates used in the Company’s reviews of its loan portfolio, underlying the establishment of reserves for possible credit losses, the Company’s analysis of its capital position and other estimates; and (vi) the risks noted in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, as well as other risks and uncertainties set forth from time to time in the Company’s other filings with the Securities and Exchange Commission.



Long Term Success for Shareholders



Source: S&P Capital IQ Pro. Financial data is as of December 31, 2022.

(1) Includes banks and trusts traded on the NYSE, NYSEAM or NASDAQ as of 3/21/23; excludes merger targets.

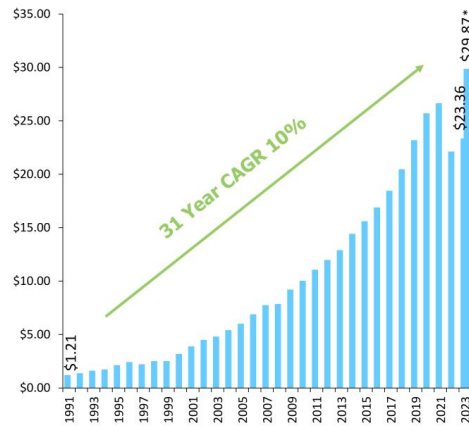
(2) Defined as having positive net income before extraordinary items and preferred dividends for each of the last 10 years (calendar years ended December 31, 2013 through December 31, 2022). Net income before extraordinary items is defined by S&P Capital IQ Pro as GAAP net income, after taxes, minority interest, and other after tax items, but before any extraordinary items. Excludes any revaluation of net deferred tax assets due to tax reform per S&P Capital IQ Pro.

(3) Defined as consecutive increases in pre-tax, pre-provision earnings (excludes nonrecurring revenues and expenses, one-time goodwill impairment charges) for each of the years ending December 31, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022.

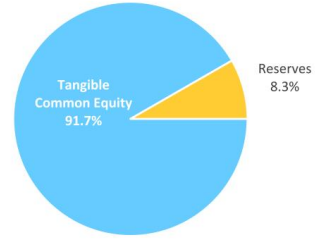


Strong Capital Structure

Tangible Book Value⁽¹⁾ Per Share



⁽¹⁾compounded annual growth rate computed from 1991-2022
 *TBV adjusted to exclude the market value impact of AFS investment securities for TCE and Tangible Assets



Key Ratios and Per Share Data as of March 31, 2023

TCE/Tangible Assets	9.34%
Adj. TCE/Adj. Tangible Assets	11.56%
Total Risk-Based	15.21%
Leverage	11.56%
Book Value	\$23.51
Tangible Book Value	\$23.36
Adj. Tangible Book Value	\$29.87



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 2023 Earnings Press Release and Form 8-K.

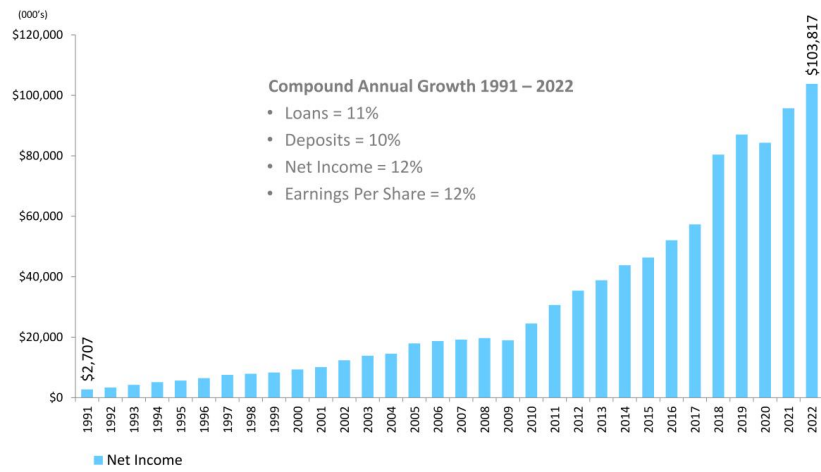
Lake City Bank Today

- A long-term and consistent organic growth story
- Headquartered in Warsaw, Indiana
- 53 branch offices - \$6.4 billion banking assets - \$2.9 billion trust, retirement and investment brokerage assets
- Focused on execution – “blocking and tackling”
- Continued growth potential



32 Years of Organic Growth

Record Net Income for 32 of 34 Years



Established Market Presence

Organic Growth Potential in Mature and Expanding Markets

Lake City Bank Market Growth

Warsaw – est. 1872

Kosciusko-12
Noble-3
Whitley-1
Marshall-3
Fulton-2
Pulaski-1

Elkhart – est. 1990

Elkhart-11
LaGrange-2

South Bend – est. 1997

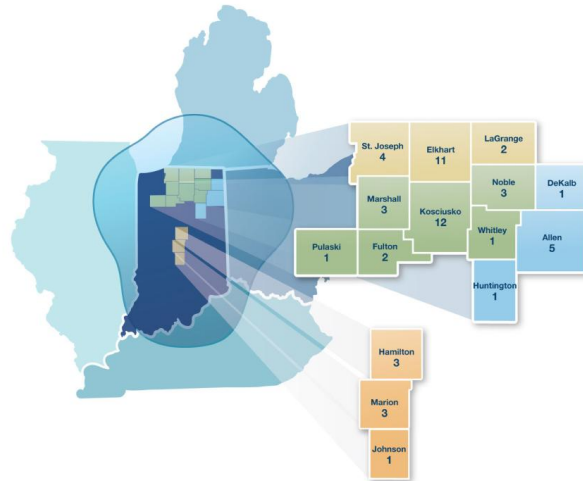
South Bend-4

Fort Wayne – est. 1999

Allen-5
DeKalb-1
Huntington-1

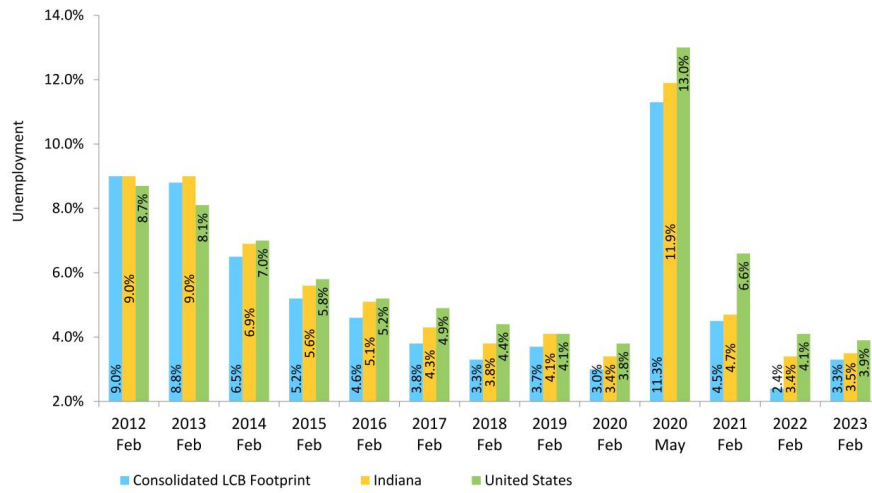
Indianapolis – est. 2011

Hamilton-3
Marion-3
Johnson-1



Strong Regional and Statewide Economy

Indiana Unemployment Rate is Lower Than the National Average



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



Lake City Bank

Balance Sheet Dynamics

1. Capital Strength
2. Diversified Deposit Composition
3. Liquidity Availability
4. Investment Securities Portfolio
5. Asset Liability Management

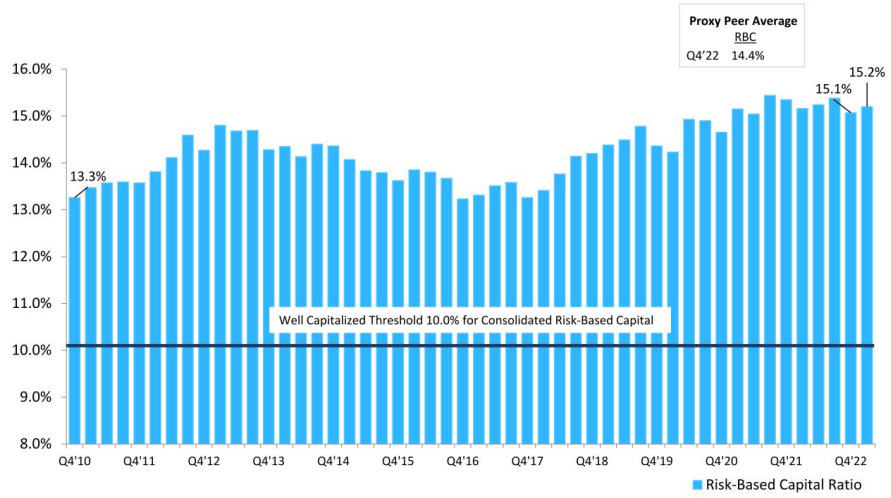
Capital Strength

Our Above Peer Profitability Has Contributed to our Strong Capital Foundation

- Lake City Bank has significantly higher levels of capital than the minimum required by the regulators for “Well-Capitalized” status
- A strong capital foundation has been maintained for a long period of time due to strong profitability and a conservative balance sheet management culture
- Tangible Common Equity at above peer bank levels and with capacity to absorb unrealized losses from the investment securities portfolio

Fortress Balance Sheet in Excess of Regulatory Capital Requirements

LKFN Performance Exceeds Minimums Required to be "Well-Capitalized"



Lake City Bank Capital Adequacy

Capital Strength Grows in March 2023

Regulatory Ratio Description *	March 31, 2023 Actual	Well-Capitalized threshold	Capital Cushion (in 000's)	Non-GAAP AOCI and HTM Losses-after tax	Non-GAAP Excess Capital after AOCI and HTM	Non-GAAP Adjusted Capital Ratios with AOCI and HTM Losses
Tier 1 Leverage Ratio	11.25%	5.00%	\$412,285	\$(176,967)	\$235,318	8.57%
Common Tier 1 (CET)	13.58%	6.50%	\$386,856	\$(176,967)	\$209,888	10.34%
Tier 1 Risk Based Capital	13.58%	8.00%	\$304,911	\$(176,967)	\$127,944	10.34%
Tier 2 Risk Based Capital	14.83%	10.00%	\$264,065	\$(176,967)	\$87,098	11.59%

* Regulatory Ratios are preliminary pending the finalization of regulatory filings



Impact of “Banking Crisis” on Lake City Bank

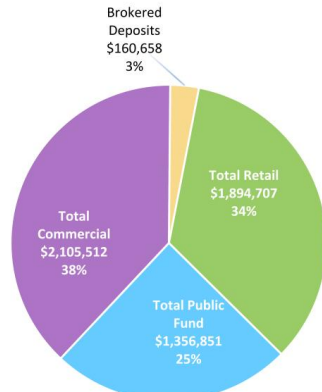
Deposits Have Been Stable Since Banking Crisis Emerged

- Deposit activity reflects customary fluctuations for this time of year
- Daily monitoring of liquidity position, large depositor fluctuation report, uninsured deposit balances, and significant daily balance fluctuations
- Depositors greater than \$10 million totaled \$1.79 billion at March 6, 2023, and \$1.72 billion on April 17, 2023, a decrease of \$70 million, or 1.3% of total deposits since December 31, 2022
- Uninsured deposits not covered by FDIC deposit insurance, or the Indiana Public Deposit Insurance Fund (PDIF), were 29% of total deposits at March 31, 2023
- Daily fluctuation reports show some nominal retail runoff to the brokerage firms and largest banks
- Deposit rate increases are attracting new depositors

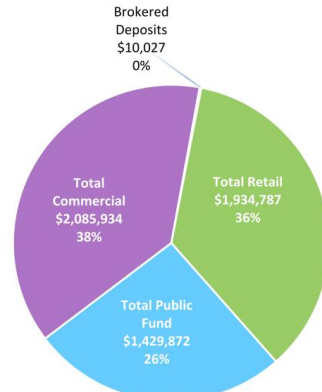


Deposit Composition Continues To Remain Stable In 2023

Runoff of PPP and Economic Stimulus Deposits Impacts Demand Deposit Balances



March 31, 2023
 Total Deposits - \$5.5 billion
 DDA \$1,548,066
 DDA % of Total Deposits – 28%
 (000's)



December 31, 2022
 Total Deposits - \$5.5 billion
 DDA- \$1,736,761
 DDA % of Total Deposits – 32%
 (000's)



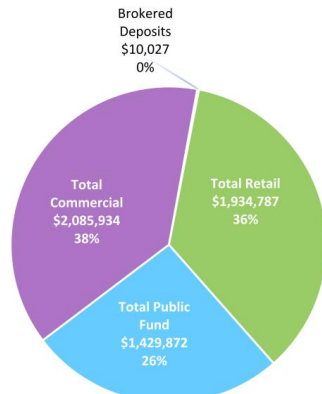
Diversified Deposit Base

Deposits Are Not Concentrated to Any Industry or Client

- Deposit composition has remained stable with commercial deposits increasing as a percent of total deposits
- Lake City Bank had 129,532 deposit accounts at March 31, 2023. 126,804, or 98%, of those accounts are less than \$250,000
- 2,728 of deposit accounts, or 2%, are greater than \$250,000
- Public Funds in Indiana are covered by the Public Deposit Insurance Fund (PDIF). Collateral is not pledged to public funds.

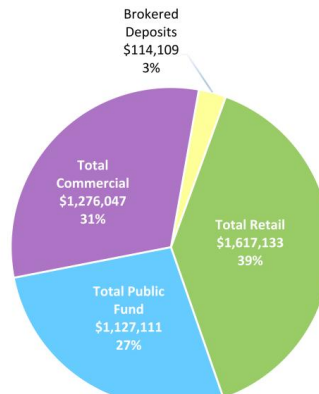
Pre-Pandemic Deposit Comparison

Deposit Composition Has Remained Stable in 2022 versus 2019



December 31, 2022
 Total Deposits - \$5.5 billion
 DDA - \$1,736,761
 DDA % of Total Deposits - 32%

(000's)



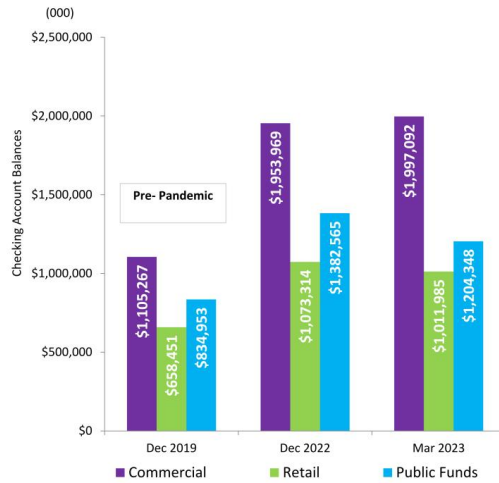
December 31, 2019
 Total Deposits - \$4.1 billion
 DDA - \$983,307
 DDA % of Total Deposits - 24%

(000's)



Checking Accounting Trends by Deposit Sector

Commercial and Retail Accounts Grow by Double Digits



(000)	Commercial	Retail	Public Funds
3/31/23	\$133	\$16	\$5,790
12/31/22	\$132	\$17	\$6,615
12/31/19	\$86	\$12	\$4,073

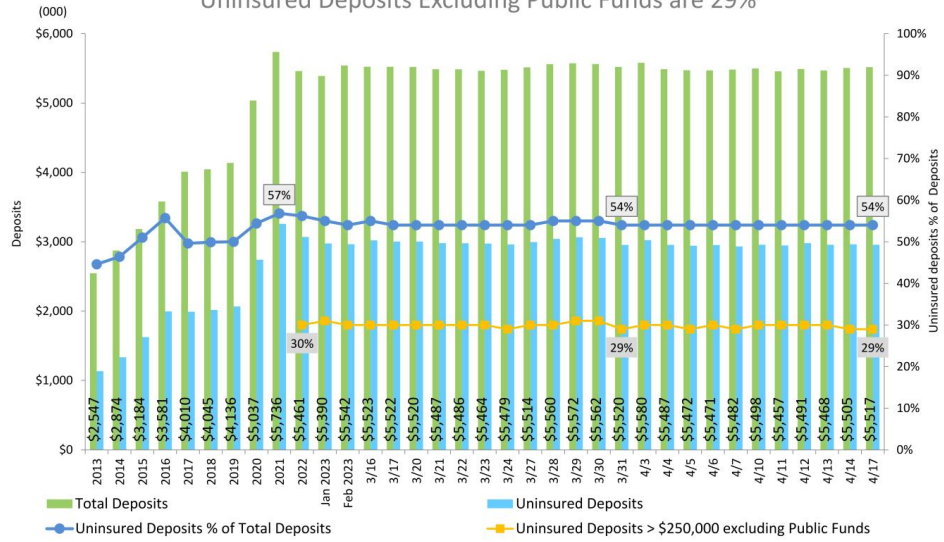
	Commercial	Retail	Public Funds
3/31/23	14,892	62,218	208
12/31/22	14,824	61,870	209
12/31/19	12,921	56,177	205



Checking account balances include demand deposits and interest-bearing checking products

Lake City Bank Uninsured Deposits

Uninsured Deposits Excluding Public Funds are 29%



Liquidity Overview

- Available liquidity is stable and has remained unchanged at \$3.0 billion since year end
- Sources of liquidity are varied and represent wholesale funding and brokered deposits
- In December 2022, loan growth and deposit outflows contributed to a need of wholesale funding, primarily through FHLB short-term advances
- As of March 31, 2023, we continued to utilize FHLB for liquidity and increased brokered deposits
- Noncore funding represented 6% of total deposits and purchased funds as of March 31, 2023 vs. 5% at December 31, 2022
- During 2021 and for most of 2022, all wholesale funding and brokered deposits were repaid

Liquidity Preparedness

March 31, 2023

(000)	Liquidity Availability	Used	Unused/ Available	Additional Loan Collateral Available for Pledge
Secured/Committed Borrowings:				
Federal Home Loan Bank-Indianapolis ⁽¹⁾	\$ 506,702	\$ 200,000	\$ 306,702	\$ --
Federal Reserve Bank Discount Window	1,150,910	--	1,150,910	349,426
FRB Bank Term Funding Program (BTFP)	160,359	--	160,359	--
Total Secured/Committed	\$ 1,817,971	\$ 200,000	\$ 1,617,971	\$ 349,426
Unsecured/Uncommitted Borrowings:				
Brokered Certificates of Deposit ⁽²⁾	\$ 571,773	\$ --	\$ 571,773	\$ --
Brokered Money Market Deposit ⁽³⁾	192,346	150,629	41,717	--
Insured Cash Sweep-One Way Buy ⁽⁴⁾	100,000	10,030	89,970	--
Fed Fund Lines	350,000	--	350,000	--
Total Unsecured/uncommitted borrowings	\$ 1,214,119	160,659	1,053,460	\$ --
Investment Securities available for pledge:				
Treasuries, Agencies, MBS, CMO ⁽⁵⁾	159,168	--	159,168	--
Municipals ⁽⁶⁾	201,290	--	201,290	--
Total Investment Securities Available	360,458	--	360,458	--
Total Lake City Bank Liquidity Preparedness	\$ 3,392,548	\$ 360,659	\$ 3,031,889	\$ 349,426

(1) The BOD has authorized borrowing capacity up to \$800 million, and qualifying collateral is required for availability
(2) Brokered deposit capacity is equal to 10% of total deposits plus purchased funds, per bank policy
(3) Brokered money market capacity is equal to 3% of total assets, per bank policy
(4) Insured cash sweeps one way by capacity is approved under program by IntraFi Network (formerly Promontory)
(5) Investment securities are eligible collateral at the Federal Reserve Bank – Discount Window, FHLB and BTFP
(6) Municipal securities are eligible collateral at the FRB – Discount Window



Investment Securities Overview

Excess Liquidity Deployed to Investment Security Portfolio Over Two Years

- Excess liquidity of \$1 billion deployed to investment portfolio during 2020-2022
- Investment portfolio longer duration offsets shorter duration of loan portfolio for interest rate risk management
- The bank was asset sensitive before the pandemic and maintains similar levels of asset sensitivity
- Deployment to the investment portfolio provided an earnings asset shift from balances earning 10 basis points at the Federal Reserve to a tax equivalent yield of 2.69%
- All taxable bonds are 100% backed by the full faith of the U.S. Government
- Municipal Securities are high quality bonds with strong credit quality. 93% of the municipal bonds are rated AA/AAA

Investment Portfolio Analysis

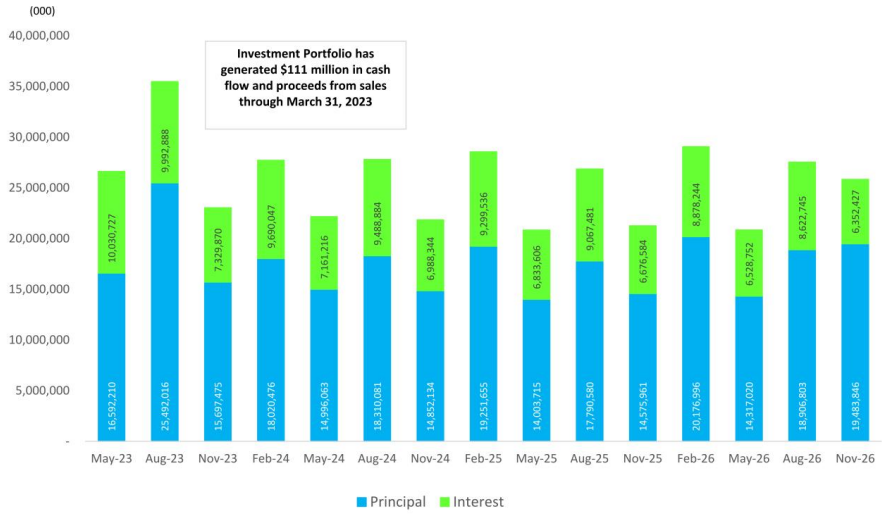
Linked Quarter Comparison

	3/31/2023			12/31/2022		
	Weighted Maturity	Market Value	% of Total	Weighted Maturity	Market Value	% of Total
US Govt REMICS	6.17	108,021	9%	5.97	114,355	9%
US Govt Pools	7.85	376,440	31%	7.34	377,953	29%
US Agencies	9.24	127,995	11%	8.82	126,961	10%
US Treasury Notes/Bills	0.79	3,352	0%	0.92	3,034	0%
AFS Municipals (Exempt)	16.28	492,472	40%	15.87	563,225	43%
AFS Municipals (Taxable)	-	-	-	-	-	-
HTM Municipals	17.68	115,533	9%	17.92	111,029	9%
CMCL CMO	-	-	-	-	-	-
Total	12.18	\$1,223,813	100%	11.99	\$1,296,557	100%
Unrealized losses AFS		(\$188,478)			(\$215,255)	
Unrealized losses HTM		(\$13,118)			(\$17,213)	
Total market value losses		<u>(\$201,596)</u>			<u>(\$232,468)</u>	
Portfolio effective duration		6.6			6.5	
Investment securities as a % of assets		19%			20%	



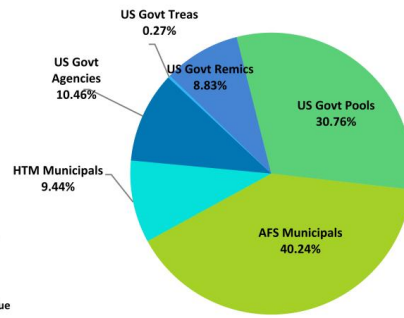
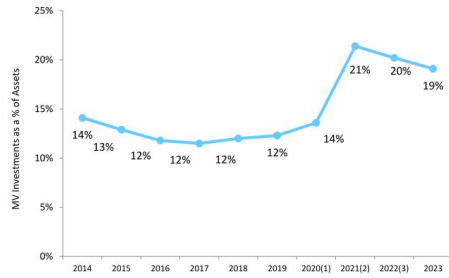
Investment Security Portfolio Cashflows

Nearly \$400 million of Principal and Interest Cash Flows Expected from 2023-2026



Investment Portfolio

Investment Portfolio Decreasing in Size as a Percentage of Total Assets



March 31, 2023

	Weighted Maturity	Book Yield	Market Value
US Govt REMICS	6.17	2.11	108,022
US Govt Pools	7.85	1.97	376,440
US Agencies	9.24	1.55	127,995
US Treasury Notes/Bills	0.79	3.80	3,352
AFS Municipals (TEY)	16.28	2.93	492,472
HTM Municipals (TEY)	17.68	2.73	115,533
Total (Tax-Equivalent Yield)	12.18	2.39%	\$1,223,814

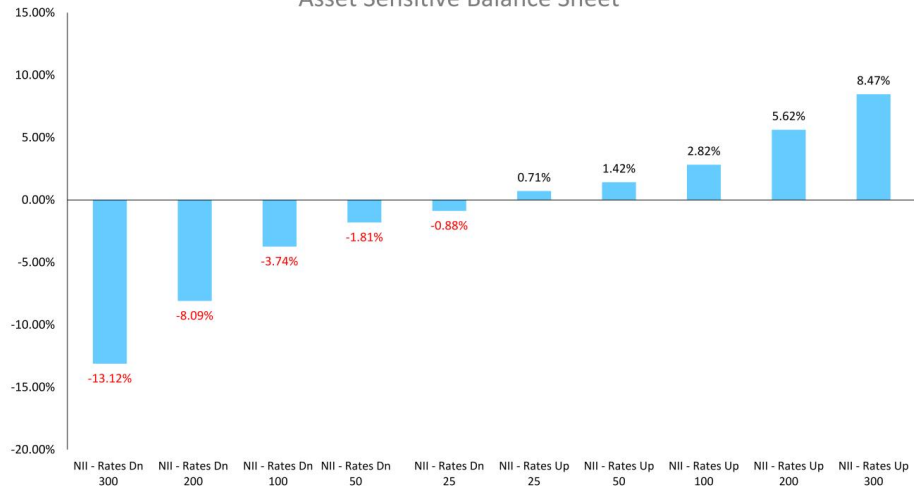
Carrying Value
 Held-to-Maturity \$ 128,651
 Available-for-Sale \$1,108,281



(1) Ratio for 12/31/20 excludes PPP loans of \$412 million in total assets
 (2) Ratio for 12/31/21 excludes PPP loans of \$26 million in total assets
 (3) Ratio for 12/31/22 excludes PPP loans of \$2 million in total assets

Projected Impact of Rising/Falling Rates

Asset Sensitive Balance Sheet



Graph presents 12 month projected net interest income simulation results as of March 31, 2023 using parallel shocks

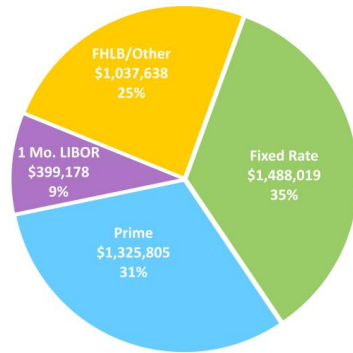
Evolution of Deposit and Loan Betas

FED Tightening in 2022-2023 Has Been More Aggressive Than Past Cycles

- NIM expanded 102 basis points from 4Q21 through 4Q22 due to asset sensitive balance sheet and lagged deposit rate increases
- Total cumulative deposit beta of 34% from March 2022 to March 2023 has lagged past FED tightening cycle (2016-2018) of 45%
- Deposit betas are expected to move to historical levels due to a deposit mix shift from DDA to interest bearing products and competitive deposit pricing pressures in the market
- Total cumulative loan beta of 47% has lagged past FED tightening cycle (2016-2018) of 61%.

Interest Rate Sensitivity

Asset Sensitivity Generated From Commercial Loan Portfolio



Commercial Loans
\$4.3 billion as of March 31, 2023
(000's)

- Cost of deposits and purchased funds increased due to loan growth, deposit mix shift from DDA, and increased competition for deposits
- Fixed rate loans have shorter, average original terms of approximately 5 years.
- Approximately \$546.8 million of fixed rate commercial loan reprice in the next twelve months.
- 89% of loan portfolio consists of commercial loans and 65% of commercial loans are tied to variable interest rates



Shareholder Value Strategy

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

Commercial Banking Focus

Experienced Relationship Driven Team

- 39 credit “smart” commercial bankers
- Average 23 years in banking & 13 years at Lake City Bank
- We live where we lend
- Face to face calling matters and is a team effort
- We understand our clients’ needs
- Deep organizational structure provides credit and administrative support
- We cross-sell aggressively by leveraging technology



Credit Process

Commercial Banking Focus

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

Corporate Social Responsibility

Over 150 Years of Focusing on Our Customers, Employees
and Our Communities

- Supporting our communities since 1872
- Caring for and building a diverse and inclusive team
- Delivering loan products to our communities
- Developing strong cybersecurity controls to protect our customers' data
- Supporting financial literacy in our footprint
- Caring for the environment
- Focusing on continued, positive corporate stewardship

Lake City Bank Culture

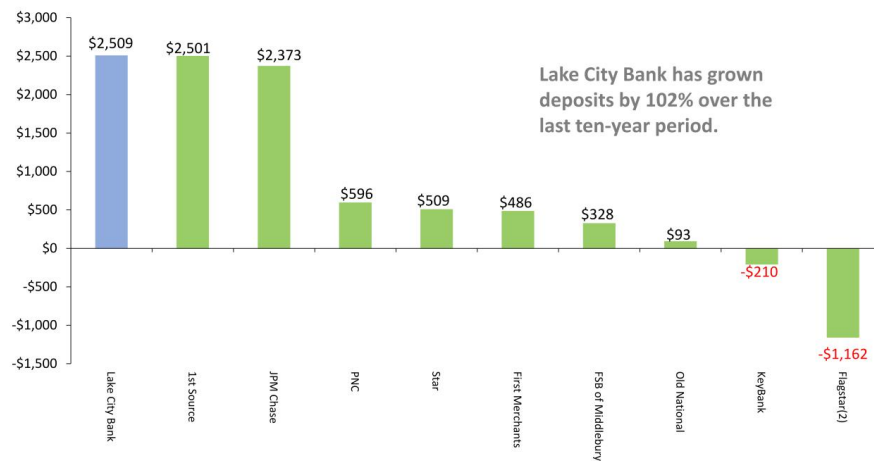
High Quality Team Members

- Our culture is our greatest asset and we will preserve it
- Lake City University drives our culture
- Diversity, Equity and Inclusion are ongoing initiatives that create a culture of belonging
- Our community involvement is real and critical to our strategy
- Our culture has not been diluted by acquisition



Mature¹ Market Deposit Performance

Organic Growth 2012 - 2022

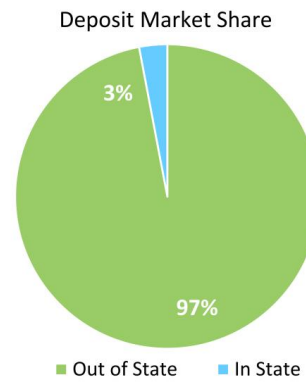


¹Mature Markets include 12 Northern Indiana counties and exclude 3 Central Indiana counties
²Flagstar acquired Wells Fargo branches in 2018
 Totals adjusted to include branches subsequently acquired by surviving banks.
 Source: FDIC 6/30/22 Statistics

Organic Growth

Indianapolis Market Opportunity

Indianapolis Market Banks	Share of Market
1. JPM Chase	24%
2. PNC	14%
3. Merchants Bank	10%
4. Fifth Third	8%
5. Huntington National	7%
6. BMO Harris	5%
7. Bank of America	5%
8. First Internet Bank	5%
9. National Bank of Indy	4%
10. KeyBank	3%
16. Lake City Bank	1%



Marion, Hamilton and Johnson Counties as of 6/30/22;
Source: FDIC 6/30/22 Statistics

A Strong Environment for Growth and Expansion

- Indiana #1 manufacturing state in the country⁽¹⁾
- Manufacturing jobs increased 0.5% or 537,600 from February '22 to February '23⁽²⁾
- U.S. Census Bureau announced Indiana's population grew by 4.7% between 2010 and 2020
- Indiana unemployment at 3.1% as of February 2023⁽³⁾
- GDP growth of 5.2% from December '19 to December '21
- Indiana ranked 14 in CNBC's "America's Top States for Business 2022", ranking Indiana higher than any of its neighboring states⁽⁴⁾
- Indiana ranked as the #1 state to start a business by Forbes in November 2022⁽⁵⁾
- IEDC lists Elkhart-Goshen area as 8th in the nation for semiconductor workforce readiness⁽⁶⁾

(1) https://www.statsamerica.org/sip/rank_list.aspx?rank_label=gsp2_b&item_in=12&ct=518

(2) http://www.hoosierdata.in.gov/dpage.asp?id=52&view_number=1&menu_level=8&panel_number=2

(3) https://fred.stlouisfed.org/graph?graph_id=889632&m=643

(4) <https://www.cnbc.com/2022/07/13/top-states-for-business-indiana.html>

(5) <https://www.forbes.com/advisor/business/best-states-to-start-a-business>

(6) <https://go.southbendelkhart.org/webmail/881312/460728598/e1d48e68200c45433960a3dd769f9ce92b992f91dc8ee01171354070e212ba31>



Commitment to Technology and Cyber Risk Management

Innovation and Competitive Technology is a Focus

- Fintech partnerships play a significant role in our technology stack and enable delivery of innovative solutions to our customers
- Investments in Lake City Bank Digital, a Q2 product implemented in 2021 with ongoing functionality added since initial adoption
- Technology partnership with FIS is strong – User Planning Council and Strategic Planning Advisory Council
- Retail and Commercial platforms ensure competitive positioning
- Cybersecurity protection expands
- AI and data gathering and analysis is playing an increasingly important role
- Branch of the future proof of concept implemented in 2021 and used in three new offices



Channel Utilization Over Three Year Horizon

Mobile Channel Engagement Continues to Accelerate

Channel Type	Total Transactions 2020 ⁽¹⁾	% of Total	Total Transactions 2023 ⁽¹⁾	% of Total	Three Year Change
Branch Transactions	2,254,349	18%	2,064,323	15%	(8)%
ATM/ITM	947,292	7%	857,780	6%	(9)%
Online Logins	4,918,474	39%	3,686,816	27%	(25)%
Mobile Logins ⁽²⁾	4,344,894	34%	7,062,652	51%	63%
Telephone Banking	259,950	2%	221,295	1%	(15)%
Total	12,724,959	100%	13,892,866	100%	9%



⁽¹⁾ Measurement period includes twelve months of data ending March 31, 2020 and March 31, 2023

⁽²⁾ Includes mobile phone, Apple watch & iPad app use

Customer Composition and Digital Adoption

Digital Platform Upgrade in March of 2021 Positively Impacting Digital Adoption Across All Generations

Customer Composition and Digital Adoption Over Three Years

Generation		Customer Breakdown	3/31/23	3/31/22	3/31/21
Gen Z	(1996 - Current)	17%	52%	49%	45%
Millennial	(1977 - 1995)	25%	60%	61%	56%
Gen X	(1965 - 1976)	19%	50%	51%	45%
Baby Boomer	(1946 - 1964)	30%	44%	45%	40%
Mature	(1945 or before)	9%	30%	32%	27%
Digital Adoption			49%	49%	44%

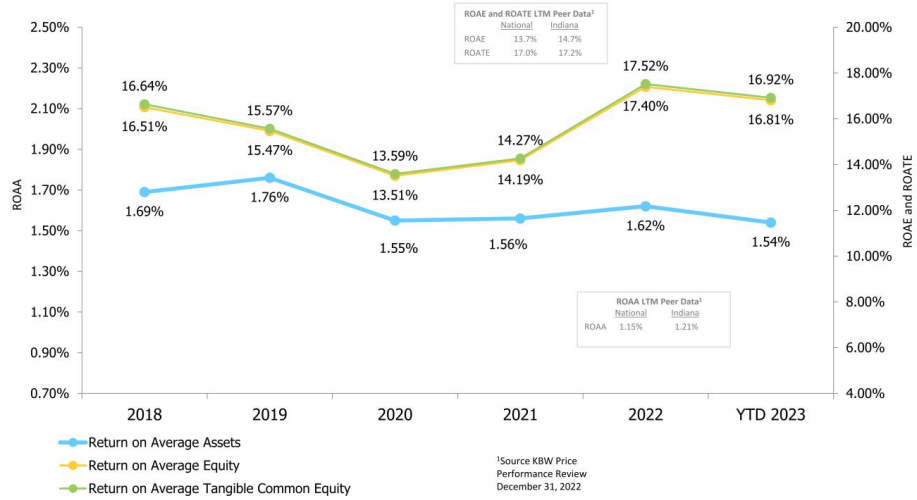


Financial Performance



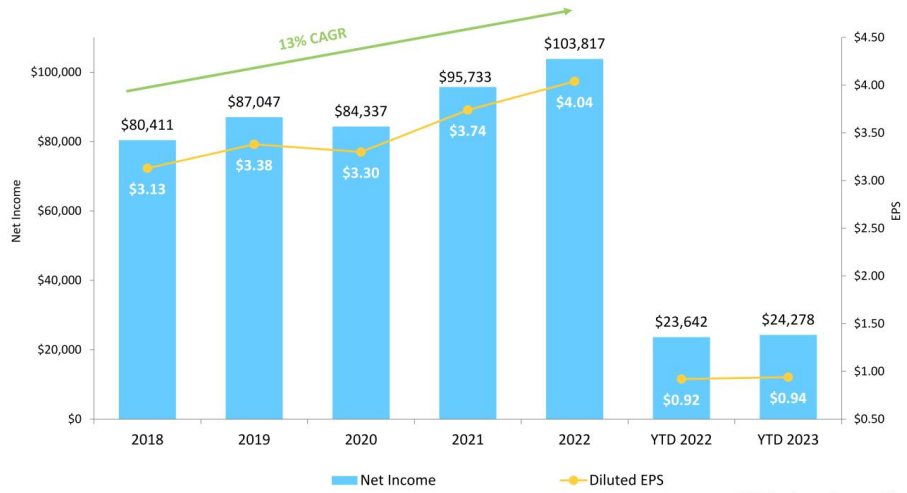
Income Performance Metrics

LKFN Performance Exceeds National and Indiana Peers and Maintains Strong Capital Levels



Net Income and EPS

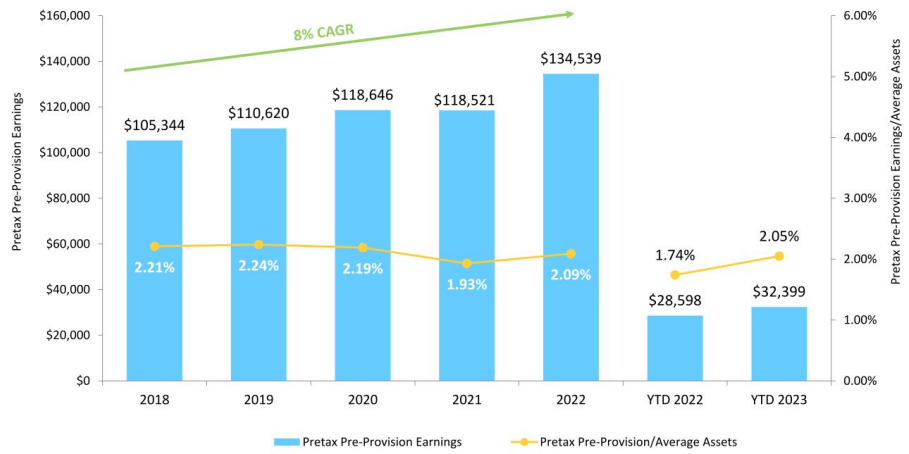
Record Profitability in 2022



2023 Net Income increase 3%
2023 Diluted EPS increase 2%

Pretax Pre-Provision Earnings

Significant Growth in Net Interest Income Offset by Decline in Noninterest Income



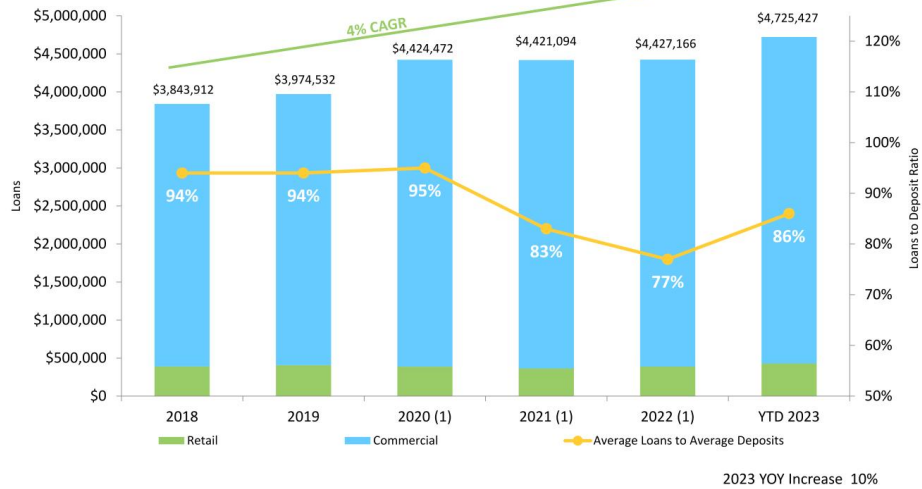
2023 Pretax Pre-Provision Earnings YOY Increase 13%



Note: Pretax Pre-Provision Earnings is a Non-GAAP financial measure. See "Reconciliation of Non-GAAP Financial Measures" in the First Quarter 2023 Earnings Press Release and Form 8-K.

Average Loans

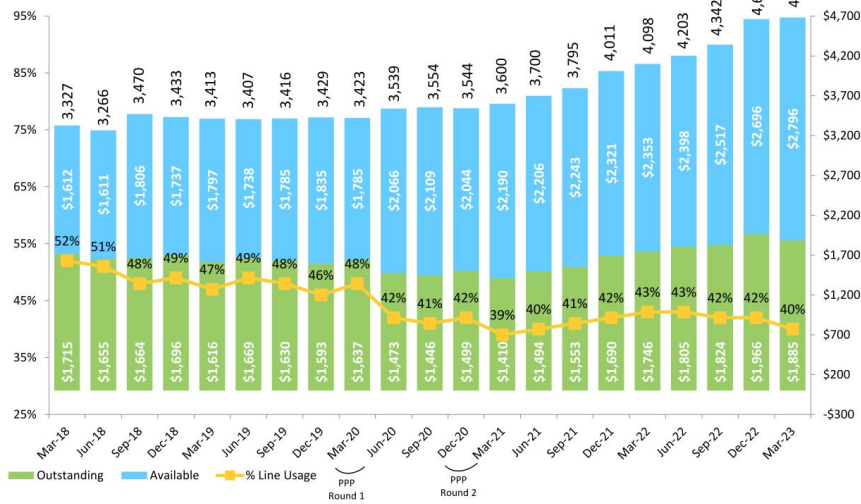
Average Loan Growth of \$425 million or 10% for 2023



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

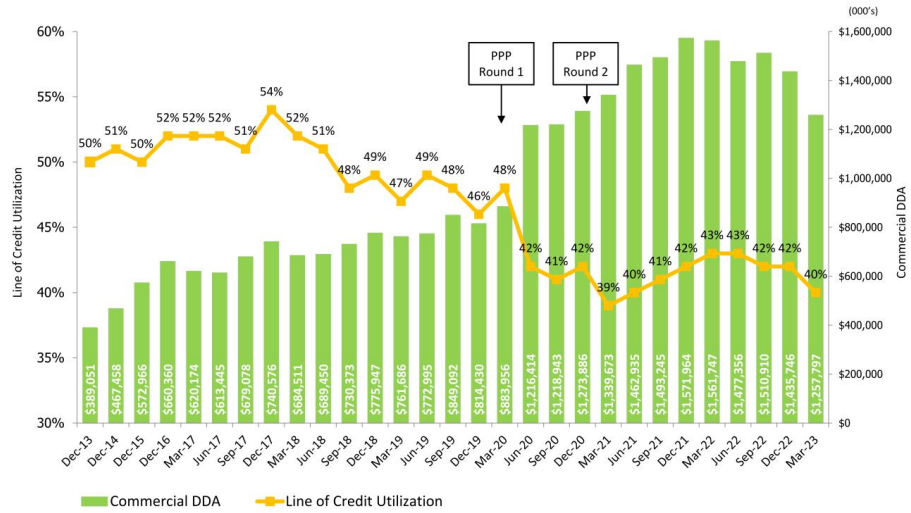
Line of Credit Utilization

Line Availability Outpacing Utilization



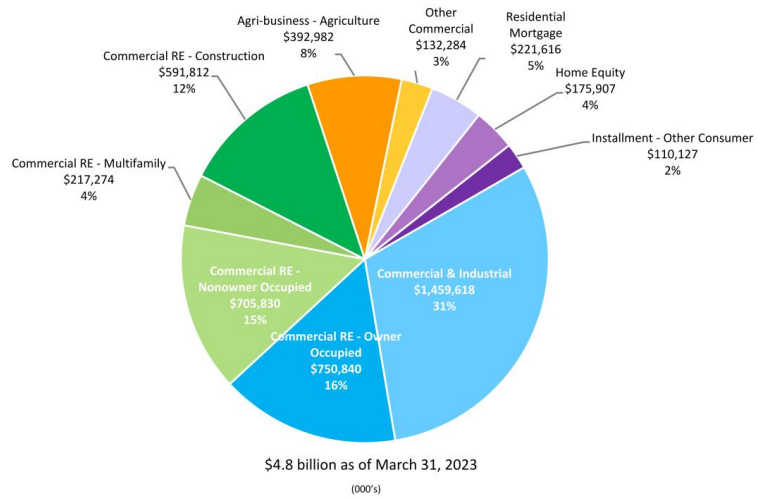
Line of Credit Utilization vs. Commercial DDA

DDA Deposit Balances Remain Elevated in 2022



Loan Portfolio Breakdown

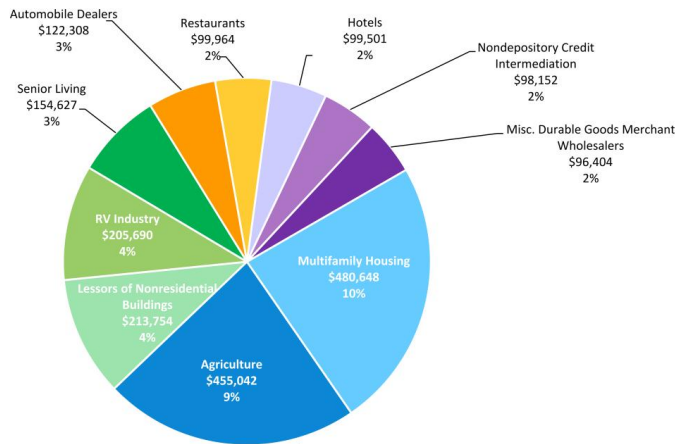
C&I Drives Lending Business



Note: Loan breakdown is presented by Federal Reserve Bank ("FRB") Collateral Code as reported on the call report.

Top 10 Industry Concentrations

Loan Portfolio is Diversified- Commercial Office Space Represents 0.71% of Loans



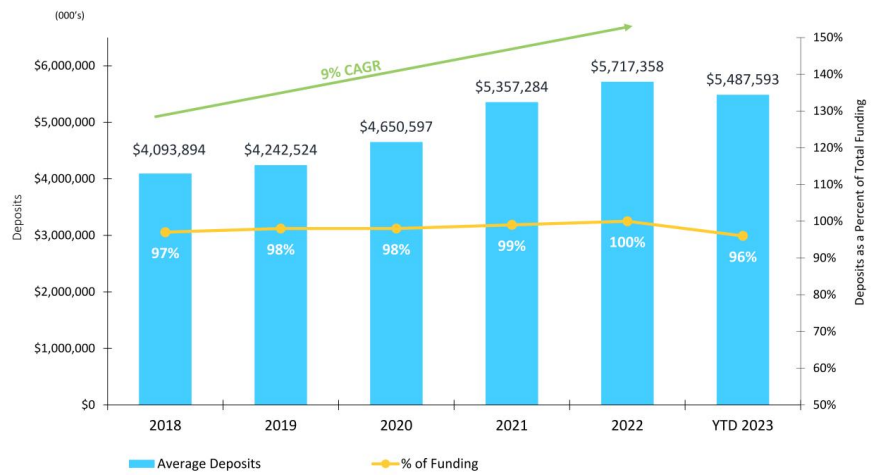
Top 10 Industries Represent 42% or \$2 billion of Total Loans



Note: Industry data is obtained from loan classifications pursuant to the North American Industry Classification System ("NAICS")

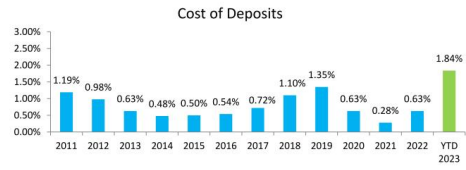
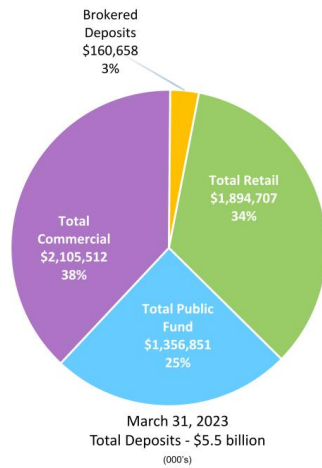
Average Deposits

Deposit Surge During Pandemic Abates in 2023



Deposit Breakdown

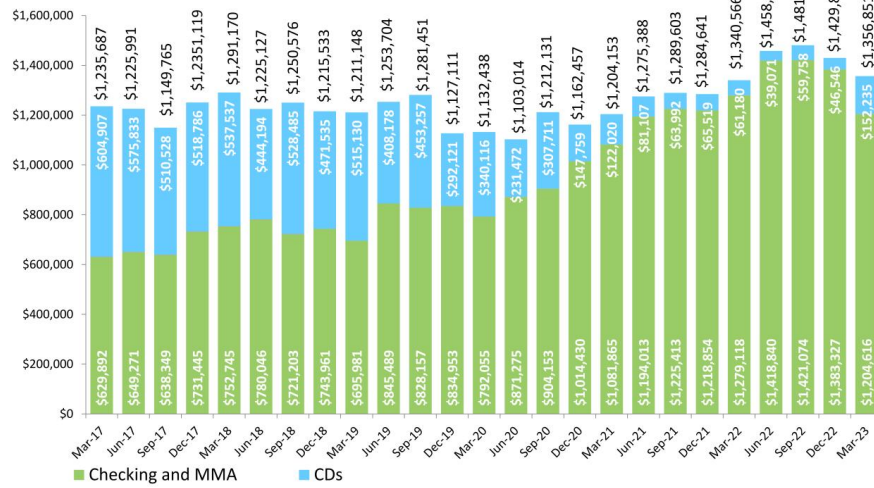
Deposit Costs Rise in Response to Rising Competition and Interest Rate Environment



Deposit Composition at end of period	2019	2023
Non-interest Bearing Demand Deposits	24%	28%
Interest Bearing Demand, Savings & MMA	47%	58%
Time Deposits > or = to \$100,000	22%	11%
Time Deposits < \$100,000	7%	3%
Total Deposits (billions)	\$4.1	\$5.5

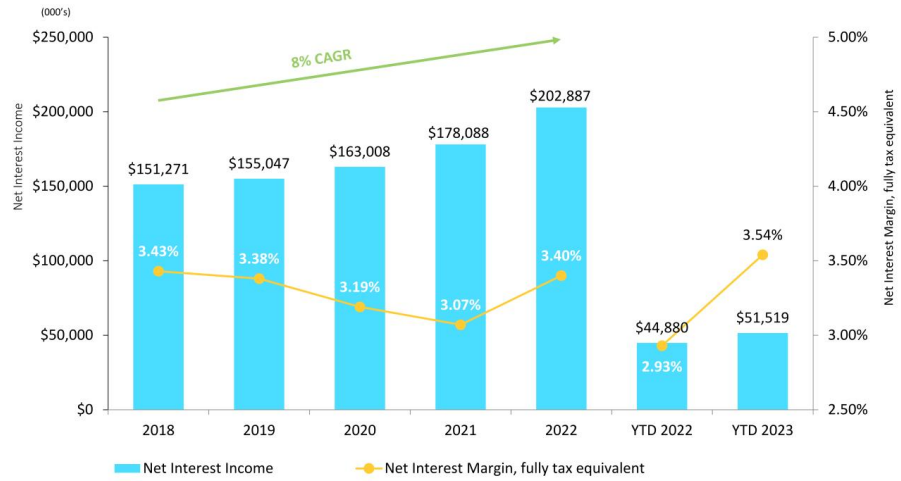
Public Fund Deposit Trends

Majority of Public Funds are Core Checking Account Deposits



Net Interest Income

Growth in Net Interest Income Impacted by Higher Rates and Growth in Loans

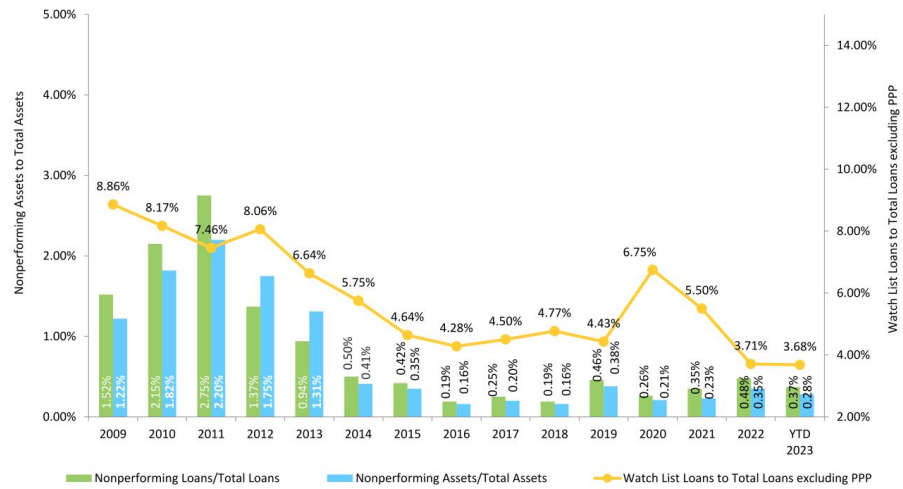


2023 YOY Growth 15%



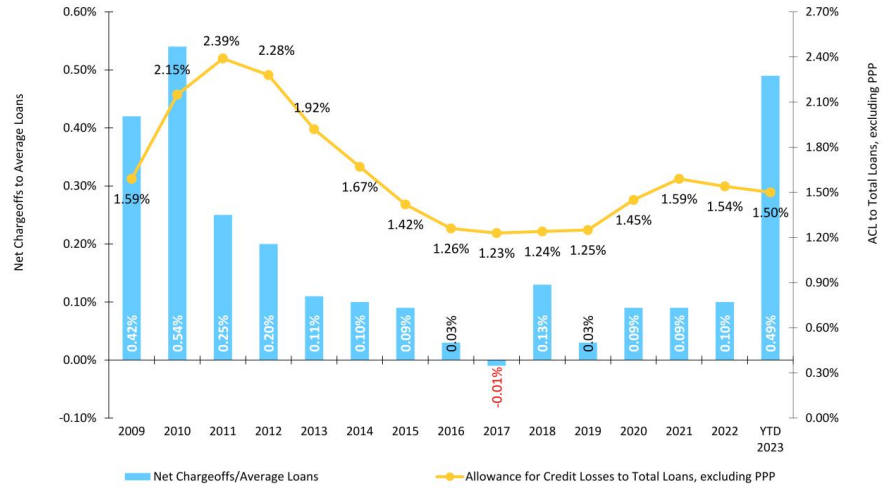
Asset Quality

Watchlist Loans as a Percentage of Total Loans at Historic Lows



Asset Quality

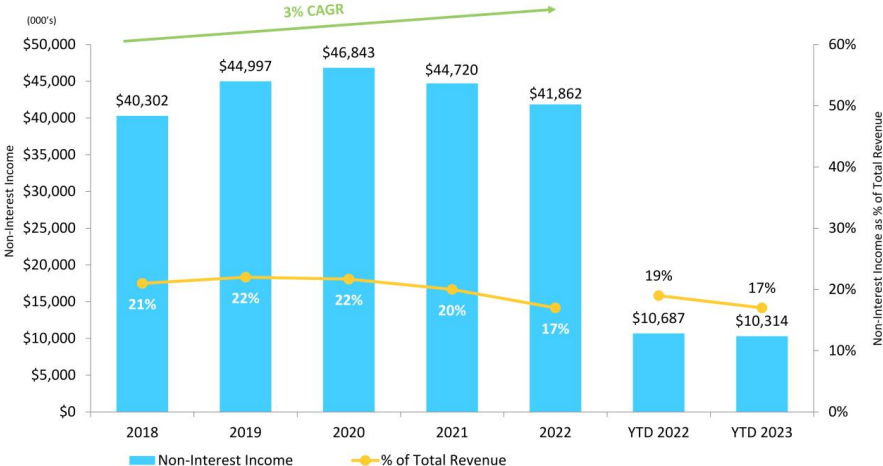
Allowance for Credit Losses Represents Strong Coverage



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

Noninterest Income

Growth in Fee Generating Lines of Business is Offset by Volatile Market Driven Activity

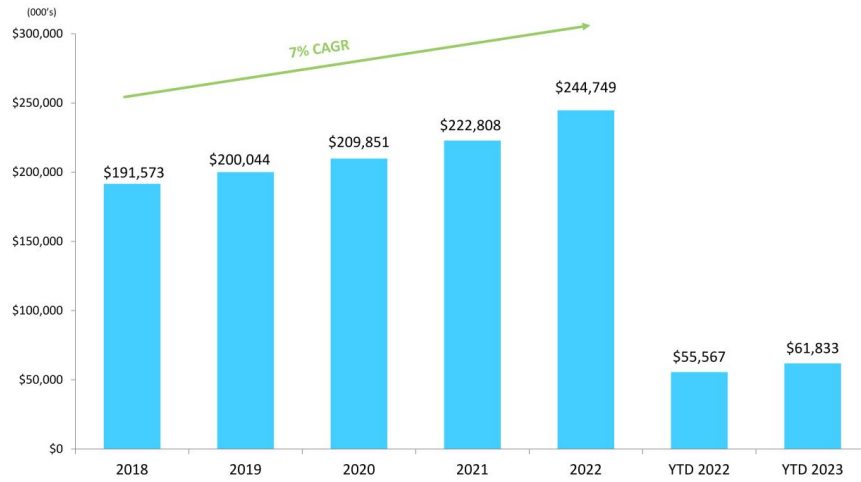


2023 YOY Decrease (3)%



Total Revenue

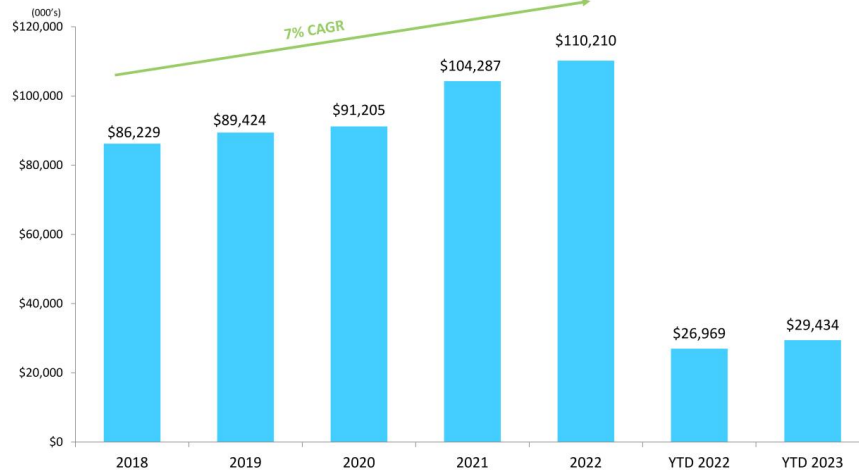
Revenue Growth Benefited by Core Loan Growth and Rising Rates



2023 YOY Increase 11%

Non-Interest Expense

Disciplined Operating Expense Management



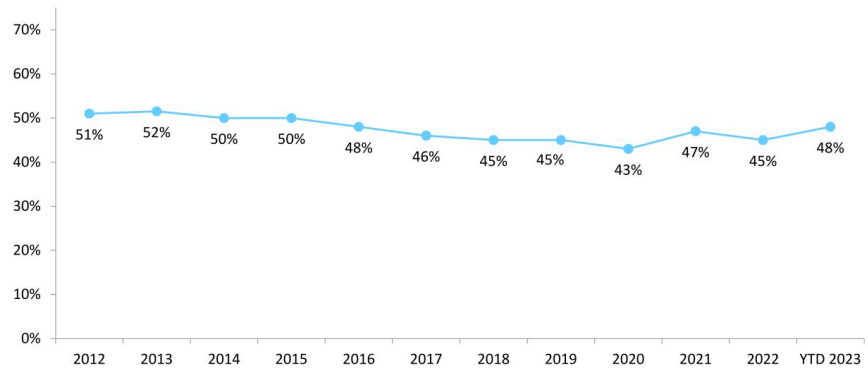
2023 YOY Increase 9%



Efficiency Ratio

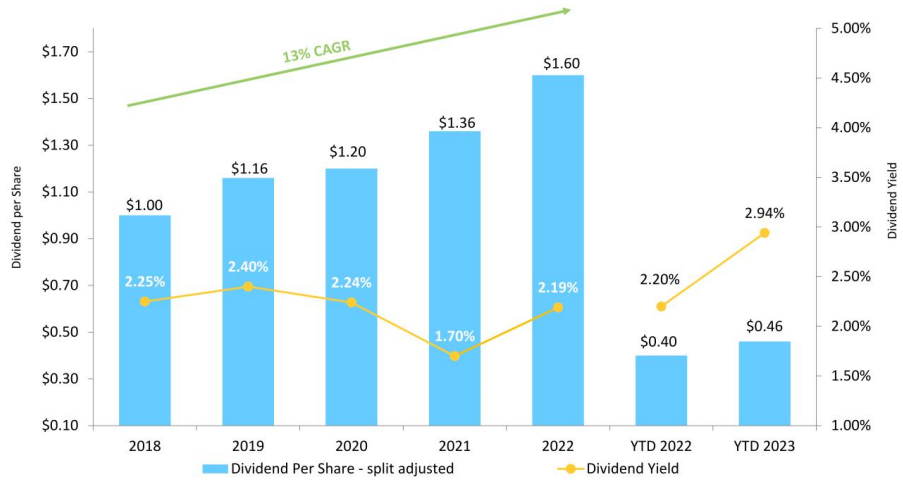
Revenue Growth Outpaces Expense Growth

Constant investment in technology and facilities →



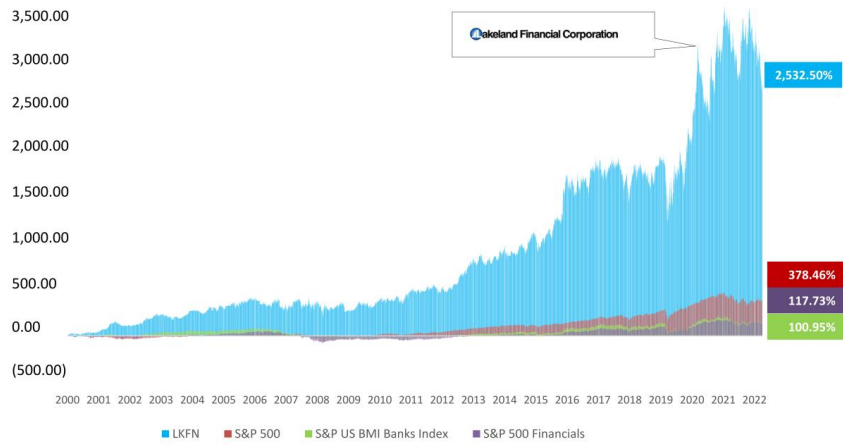
Stable Healthy Dividend

Growth in Dividend Reflects Strength of Capital



LKFN Shareholder Value

Total Return Performance from 12/31/00 to 3/31/23



Investment Highlights

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

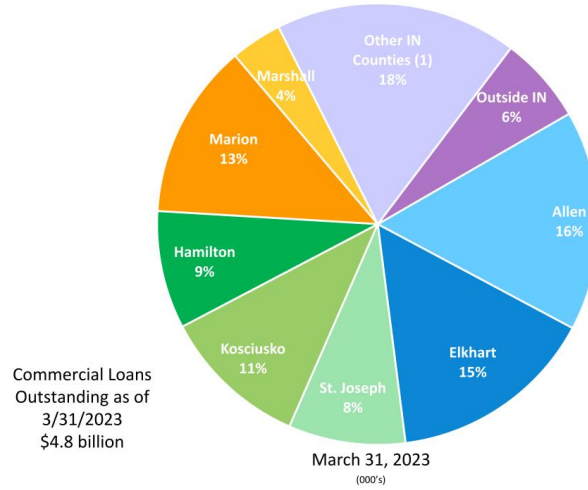


Supplemental Information



Commercial Loans by County

Commercial Customers in 46 Indiana Counties and 22 Other States



(1) All other counties individually represent less than 2% of total

Larger Market Organic Expansion

Organic Growth

State Rank	County	Primary City	Population*	LCB Entry	LCB Deposit Market Share**	# of Branches
22.	Kosciusko	Warsaw	80,106	1872	60%	12
6.	Elkhart	Elkhart	206,921	1990	23%	11
5.	St. Joseph	South Bend	272,212	1997	9%	4
3.	Allen	Fort Wayne	388,608	1999	13%	5
1.	Hamilton, Johnson, Marion	Indianapolis	1,492,050	2011	1%	6

* Source: STATS Indiana

** Source: FDIC 6/30/22 Statistics



Mature Market Strength and Growth

Organic Growth

(millions) ¹	2022		2012		Increase	2022 # of Offices
	Deposits	Share	Deposits	Share		
1. 1 st Source	\$5,051	18.67%	\$2,550	14.77%	98.08%	53
2. Lake City Bank	\$4,978	18.40%	\$2,469	14.30%	101.62%	52
3. JPM Chase	\$3,896	14.40%	\$1,523	8.82%	155.81%	20
4. PNC	\$1,845	6.82%	\$1,249	7.24%	47.72%	17
5. First Merchants	\$1,128	4.17%	\$642	3.72%	75.70%	10
6. Flagstar/Wells Fargo ⁽²⁾	\$979	3.62%	\$2,141	12.40%	(54.27)%	23
7. Star	\$950	3.51%	\$440	2.55%	115.91%	10
8. Old National	\$778	2.87%	\$684	3.97%	13.74%	9
9. KeyBank	\$712	2.63%	\$922	5.34%	(22.78)%	14
10. FSB of Middlebury	\$639	2.36%	\$311	1.80%	105.47%	6
Market Total	\$27,058		\$17,264		56.73%	



¹Mature Markets includes 12 Northern Indiana counties and excludes 3 Central Indiana counties
²Flagstar purchased Wells Fargo Indiana branches in 2018
 Adjusted to include branches subsequently acquired by surviving banks. Data based on June 30th regulatory reporting for each year presented.



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