

Lakeland Financial Corporation

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

1st Quarter 2023



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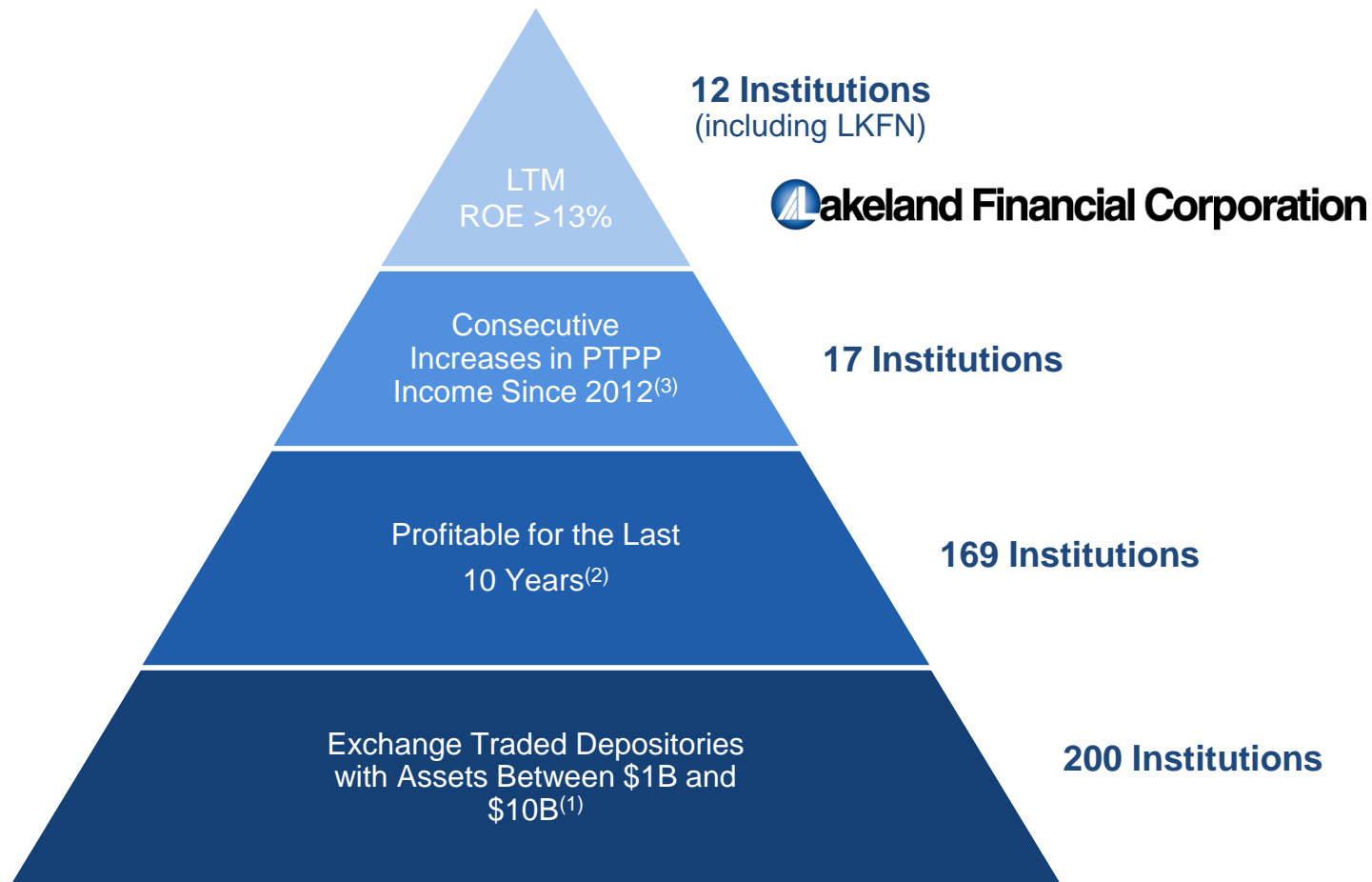
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Forward-Looking Information

This presentation contains, and future oral and written statements of the Company and its management may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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.

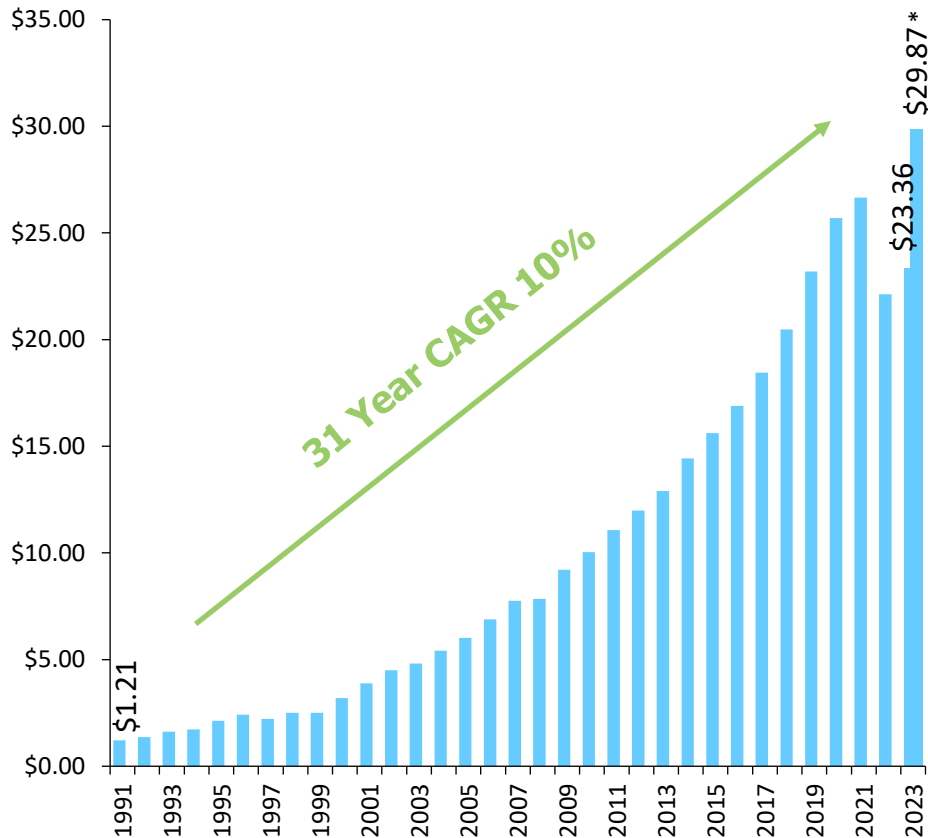
(1) Includes banks and thrifts traded on the NYSE, NYSEAM or NASDAQ as of 3/21/23; excludes merger targets.

(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.

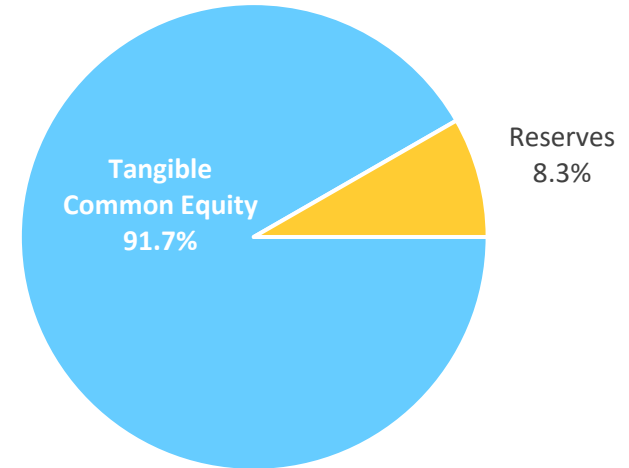
Strong Capital Structure

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.

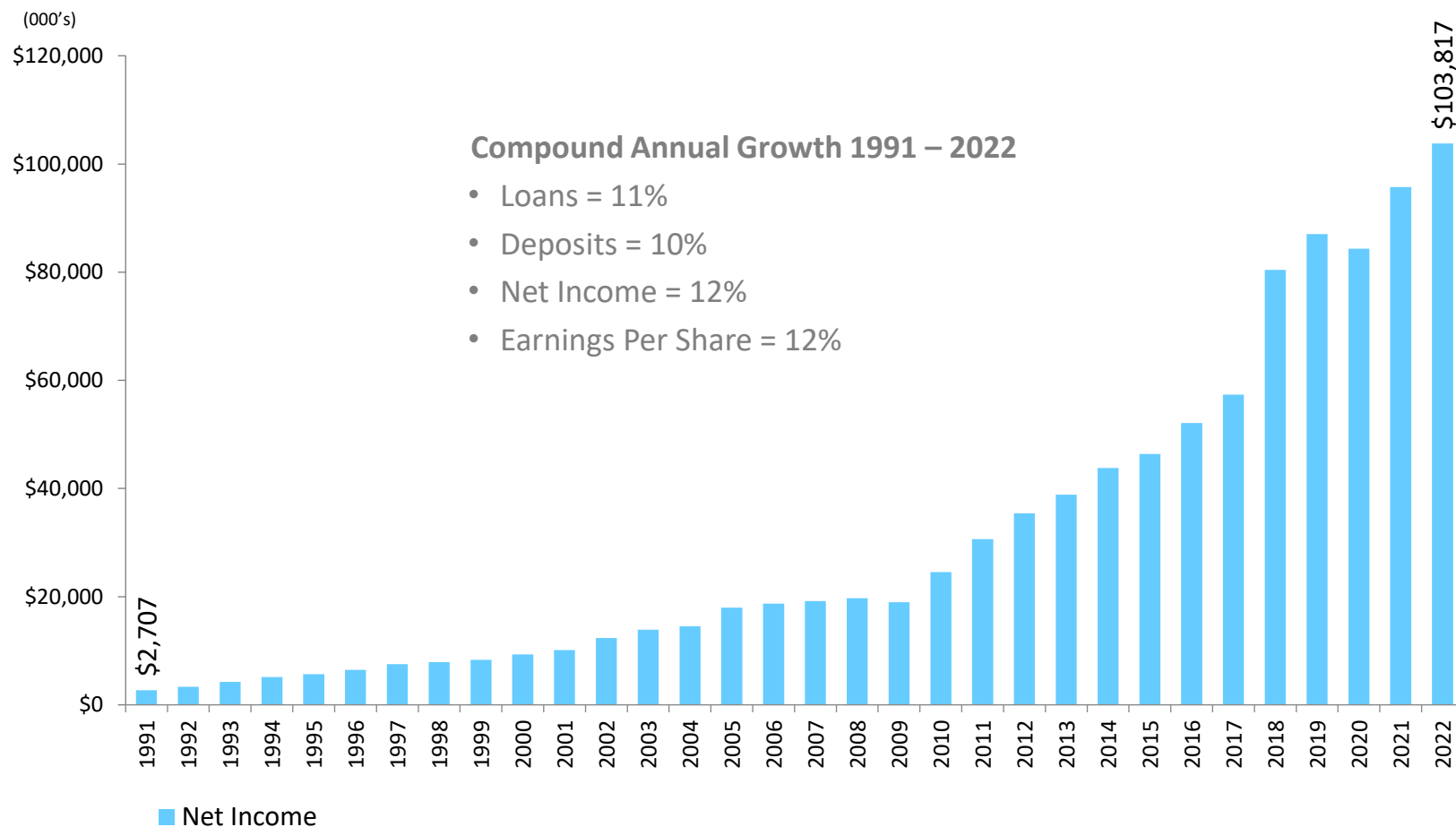
Lake City Bank Today

- 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

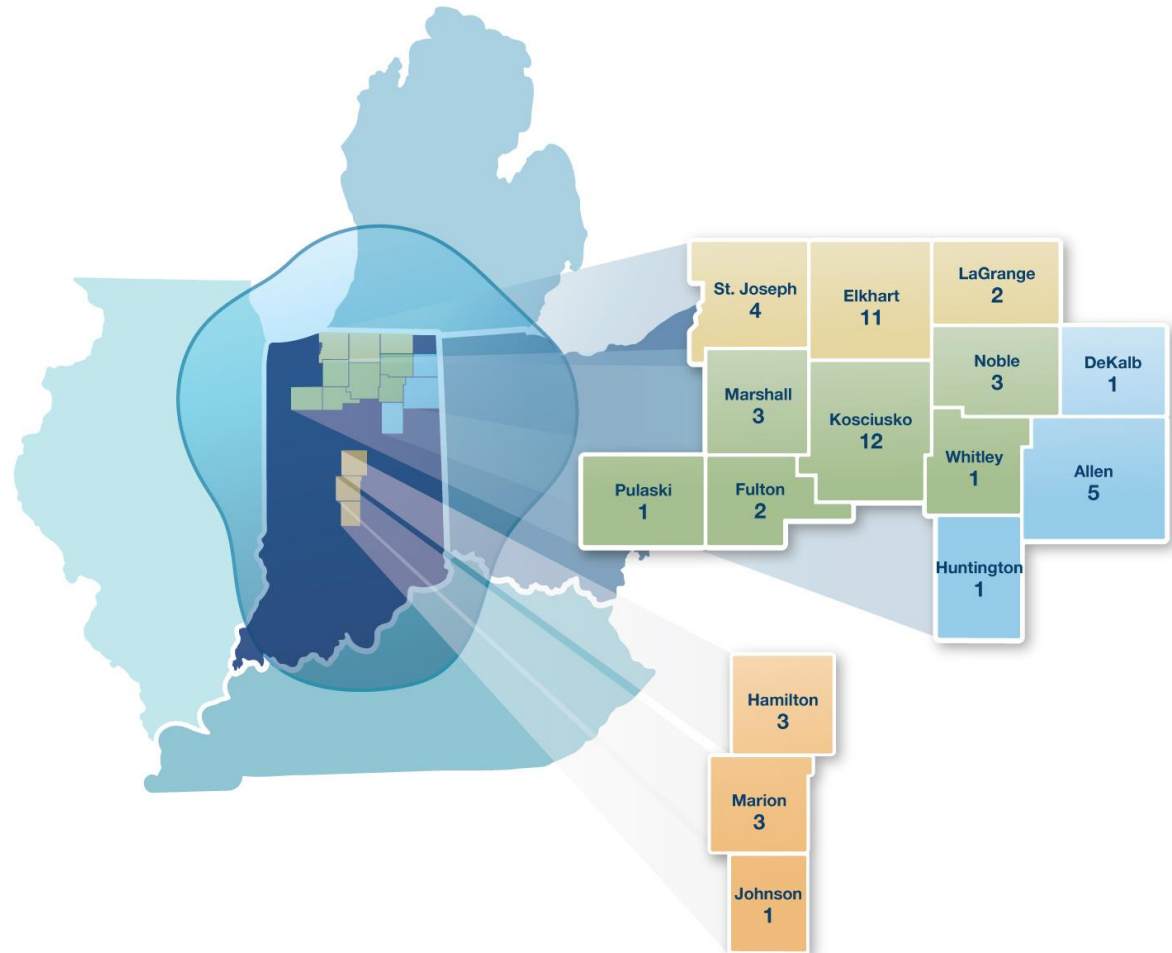
South Bend-4

Fort Wayne – est. 1999

Allen-5
DeKalb-1
Huntington-1

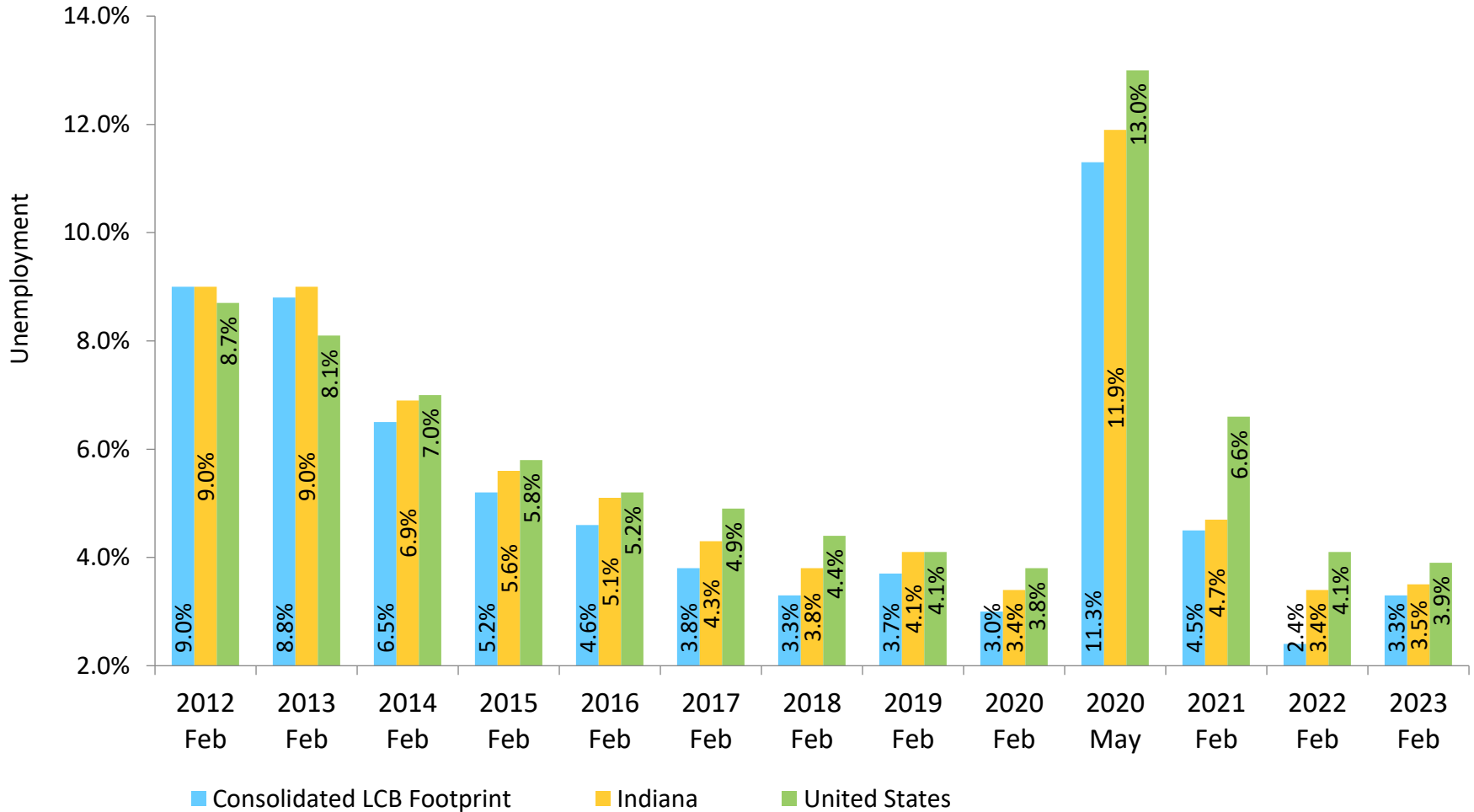
Indianapolis – est. 2011

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

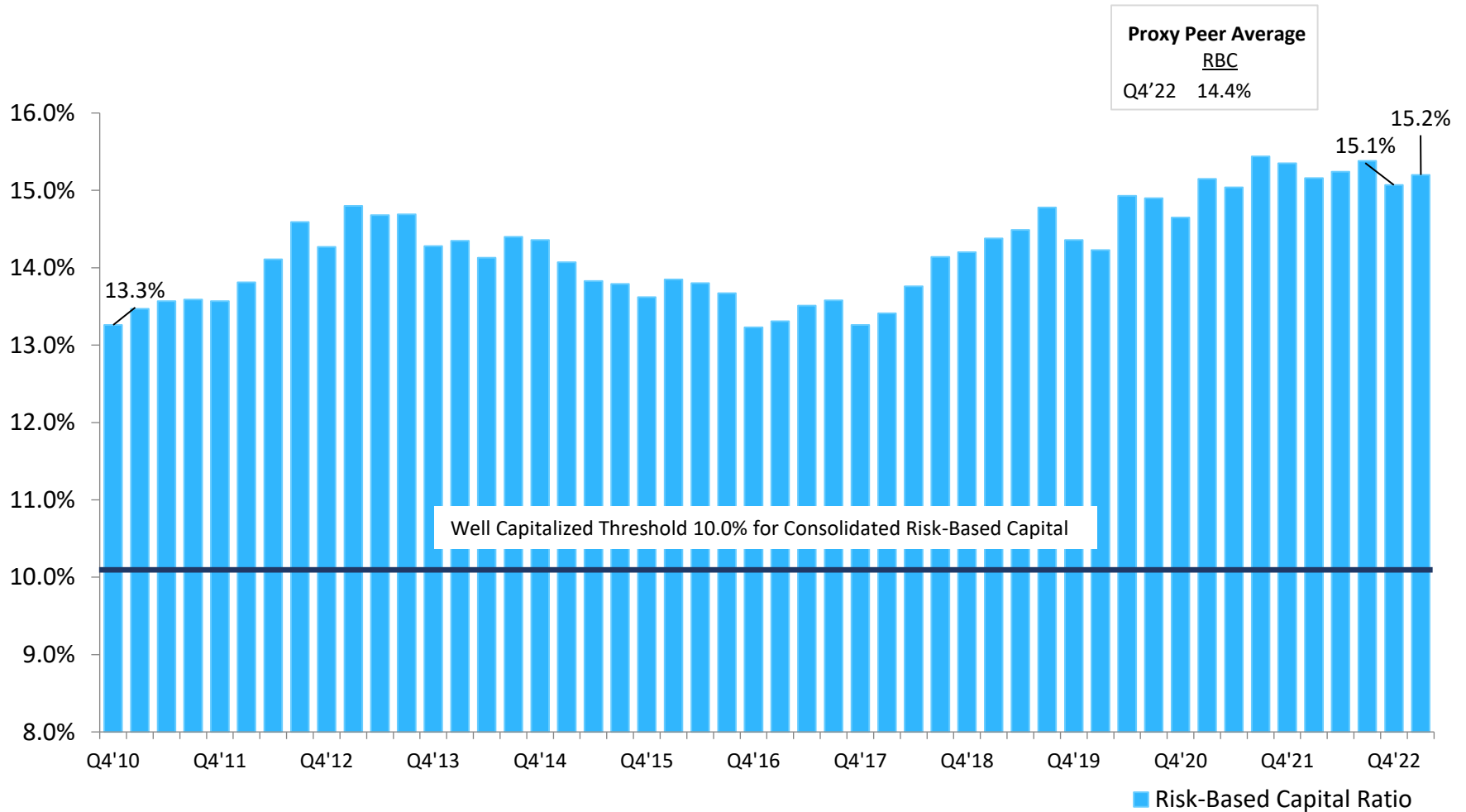
Capital Strength

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

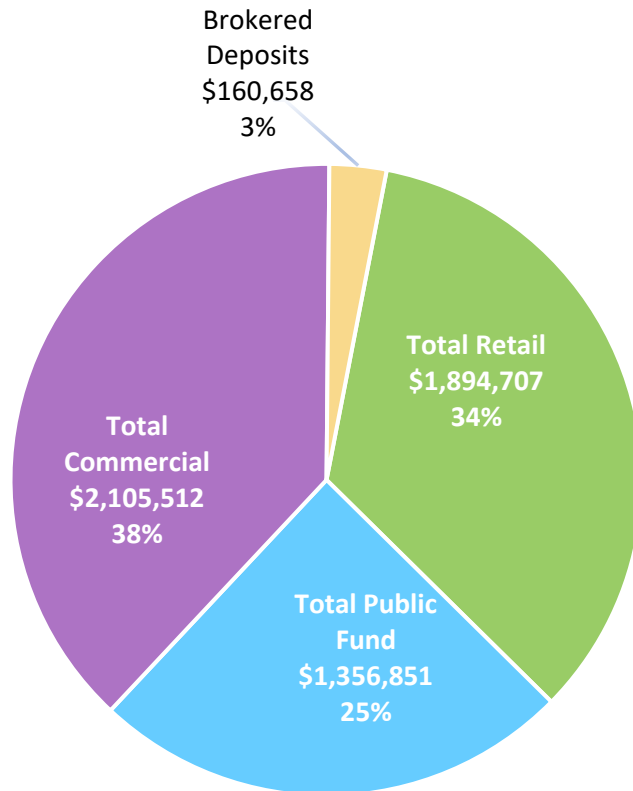
Impact of “Banking Crisis” on Lake City Bank

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

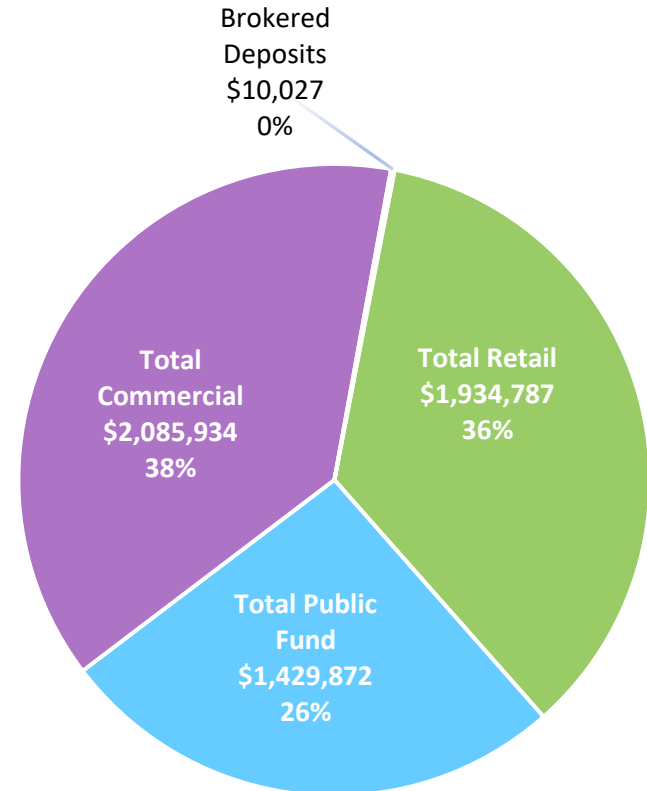
Runoff of PPP and Economic Stimulus Deposits Impacts Demand Deposit Balances



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)

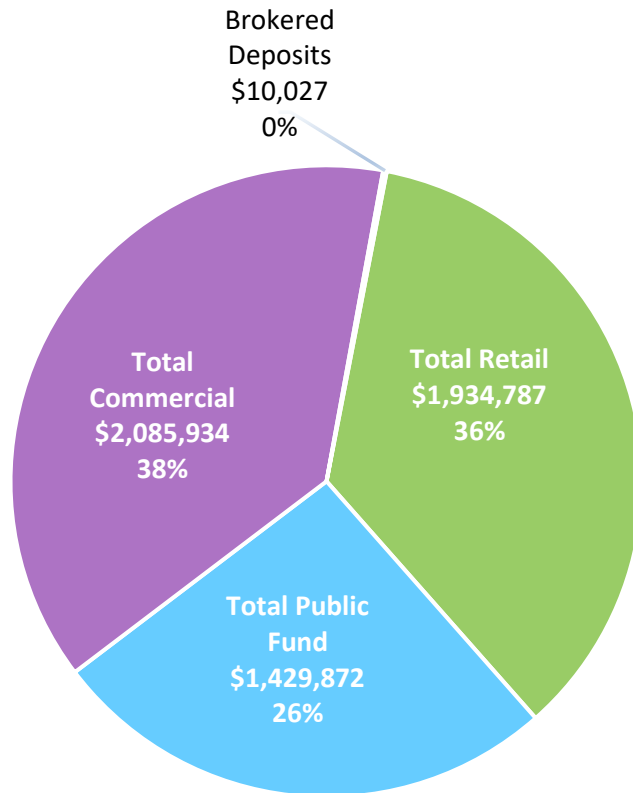
Diversified Deposit Base

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

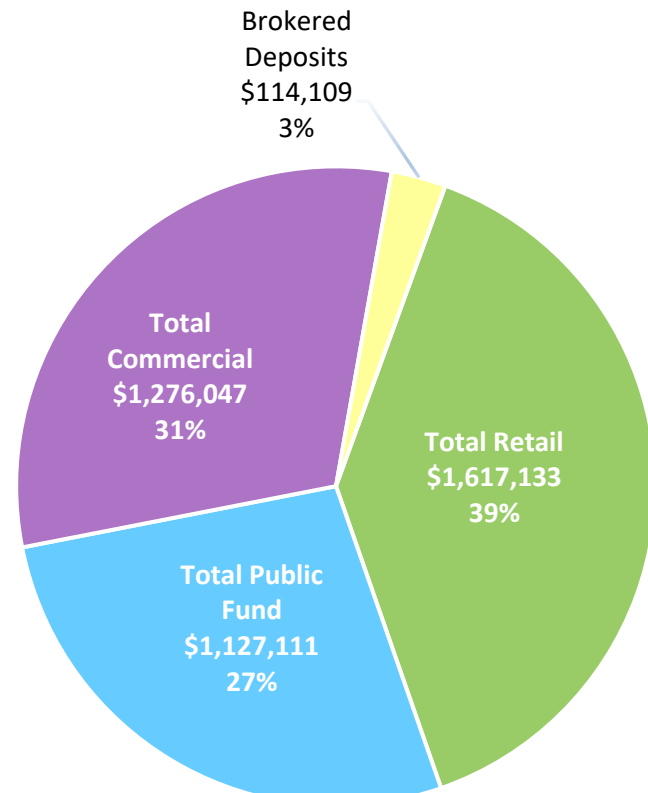
Deposit Composition Has Remained Stable in 2022 versus 2019



December 31, 2022

Total Deposits - \$5.5 billion
 DDA- \$1,736,761
 DDA % of Total Deposits – 32%

(000's)



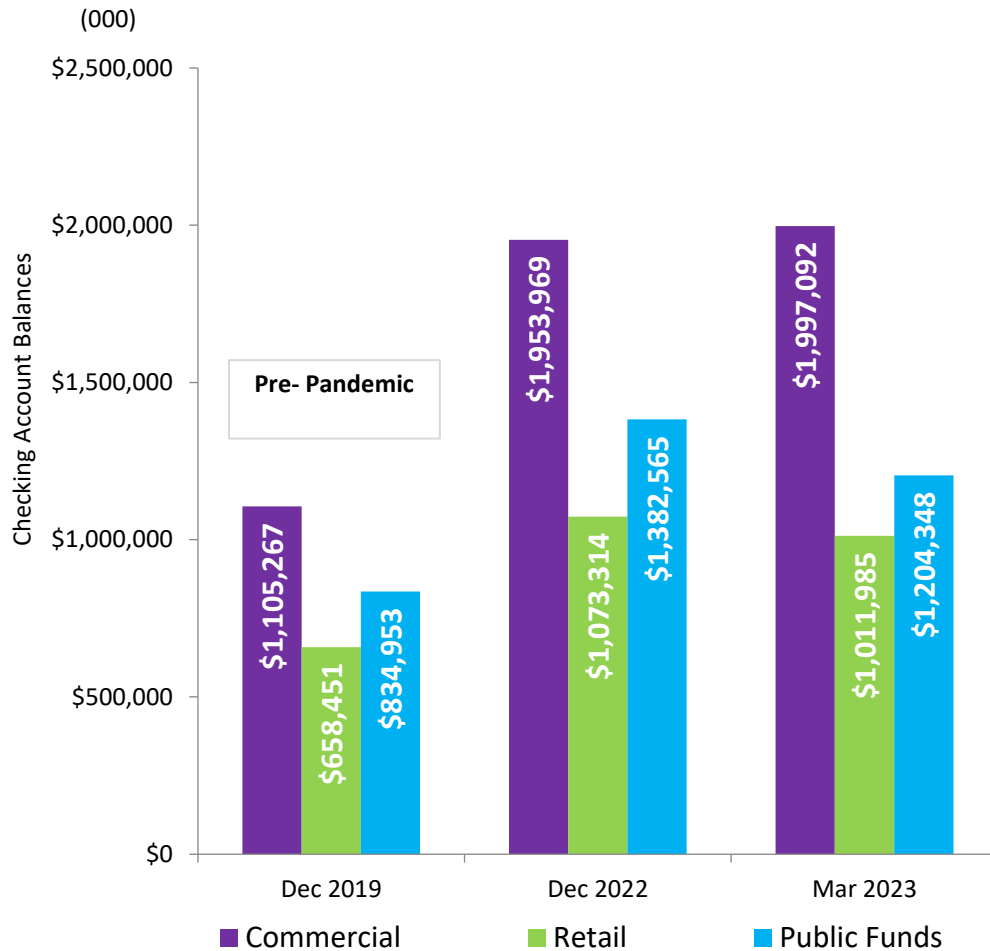
December 31, 2019

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

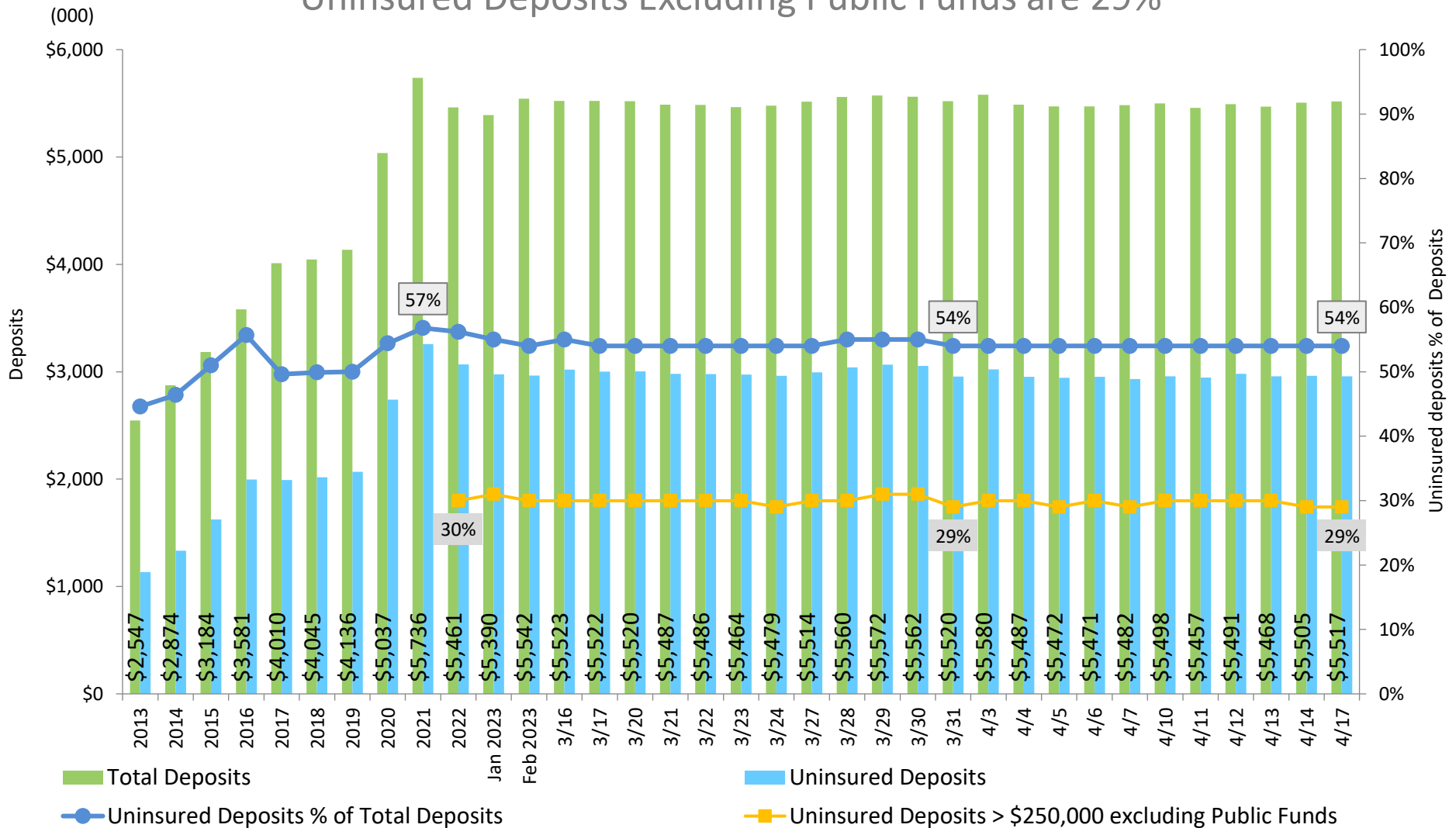


| Checking Account Average Balances by Deposit Type | | | |
|---|------------|--------|--------------|
| (000) | Commercial | Retail | Public Funds |
| 3/31/23 | \$133 | \$16 | \$5,790 |
| 12/31/22 | \$132 | \$17 | \$6,615 |
| 12/31/19 | \$86 | \$12 | \$4,073 |

| Number of Checking Accounts by Deposit Type | | | |
|---|------------|--------|--------------|
| | 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 |

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 sweep 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

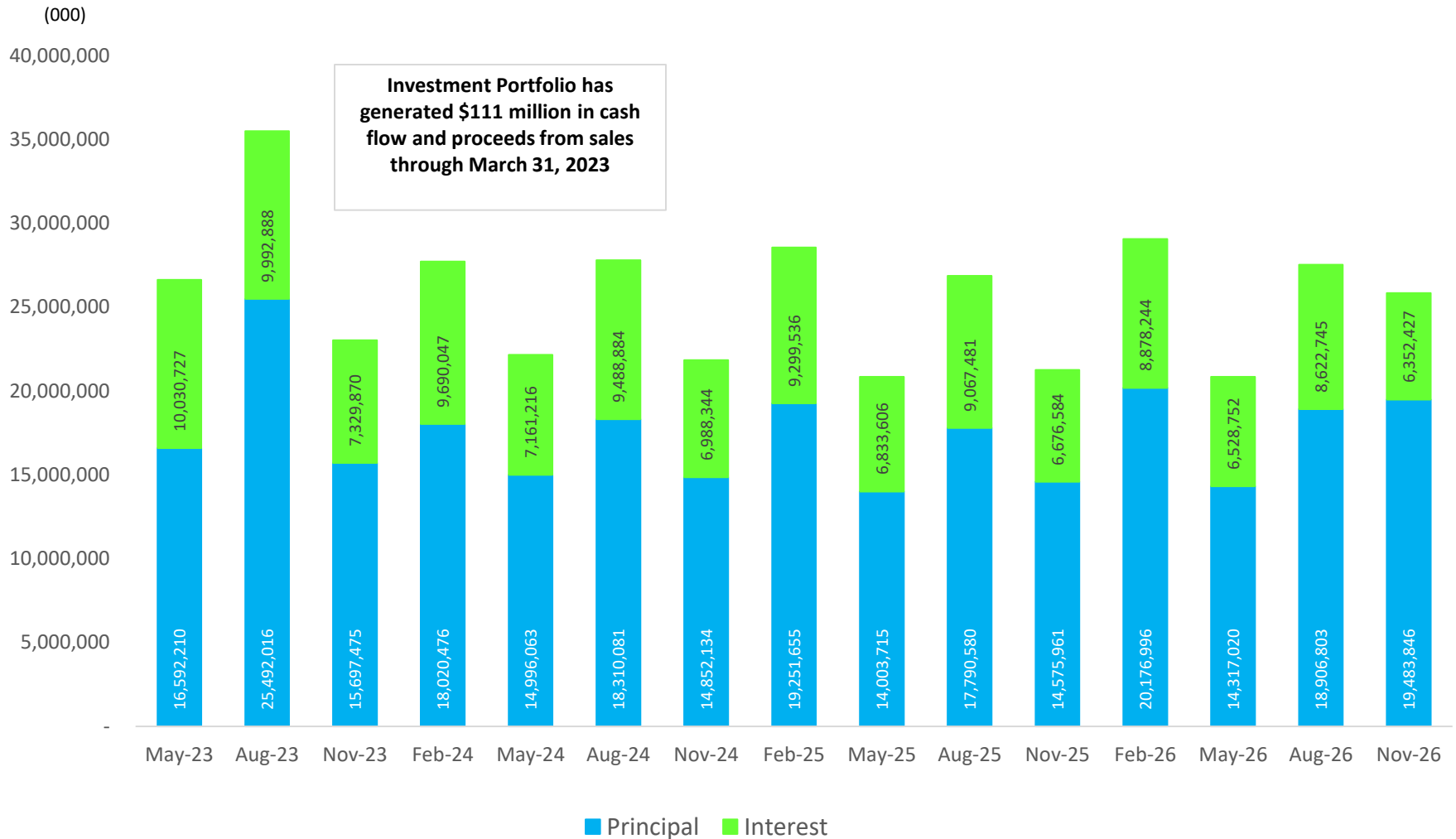
Investment Portfolio Analysis

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 | | (\$201,596) | | | (\$232,468) | |
| Portfolio effective duration | | 6.6 | | | 6.5 | |
| Investment securities as a % of assets | | 19% | | | 20% | |

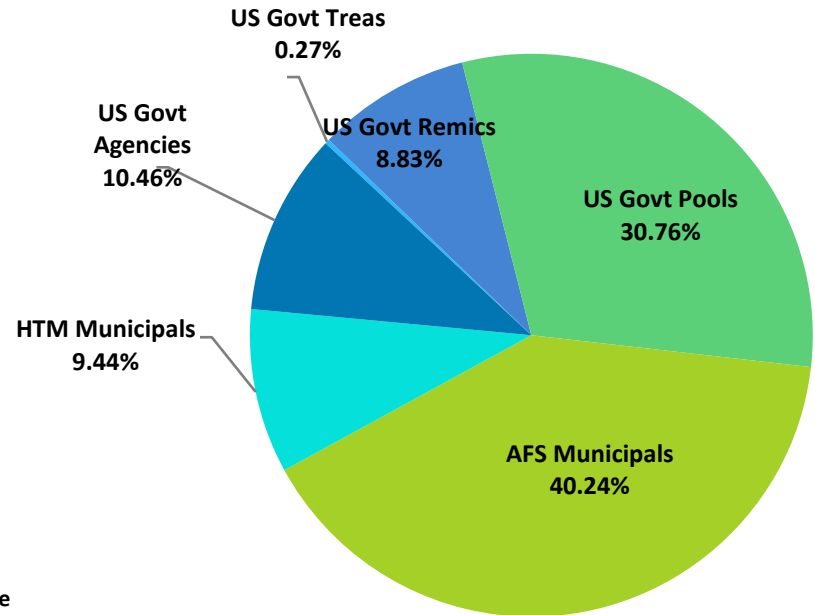
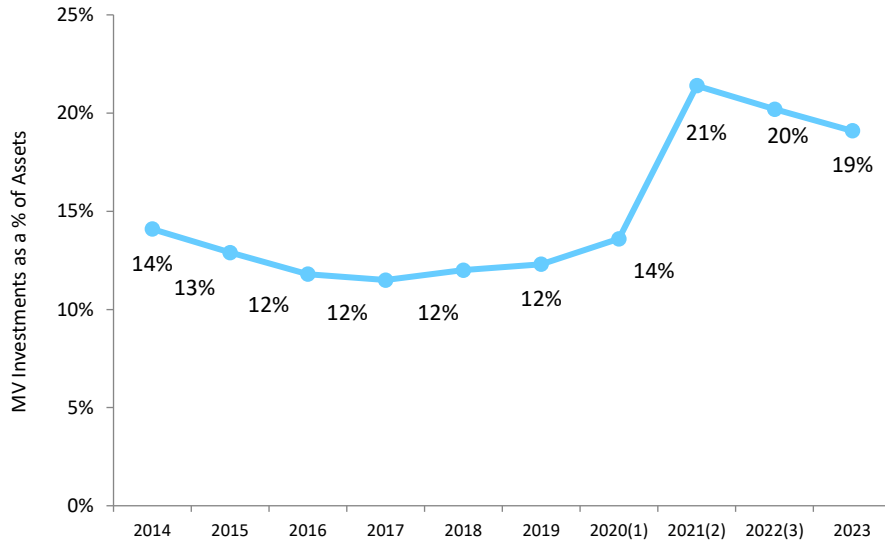
Investment Security Portfolio Cashflows

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

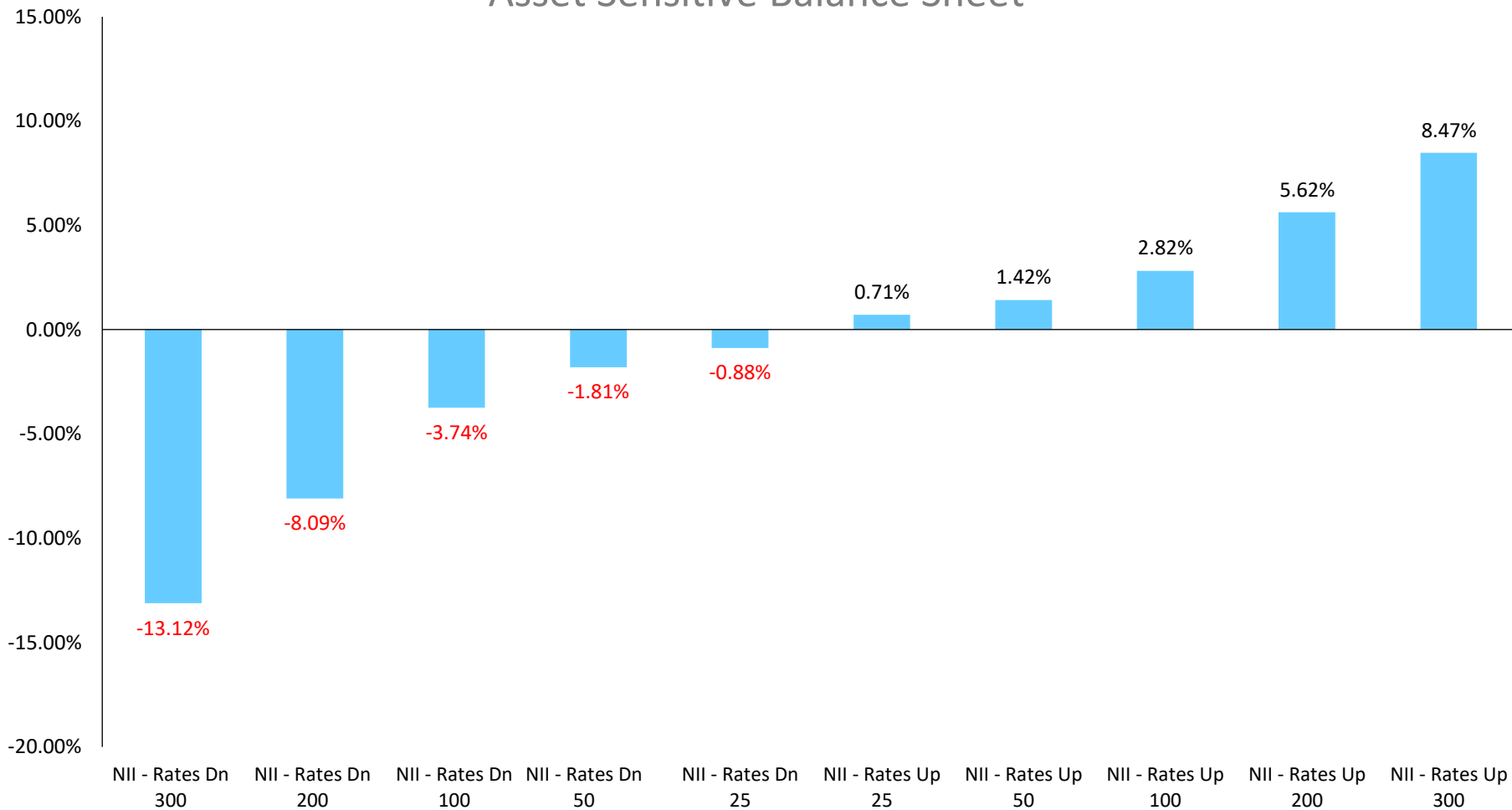
Held-to-Maturity \$ 128,651
Available-for-Sale \$1,108,281



- (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

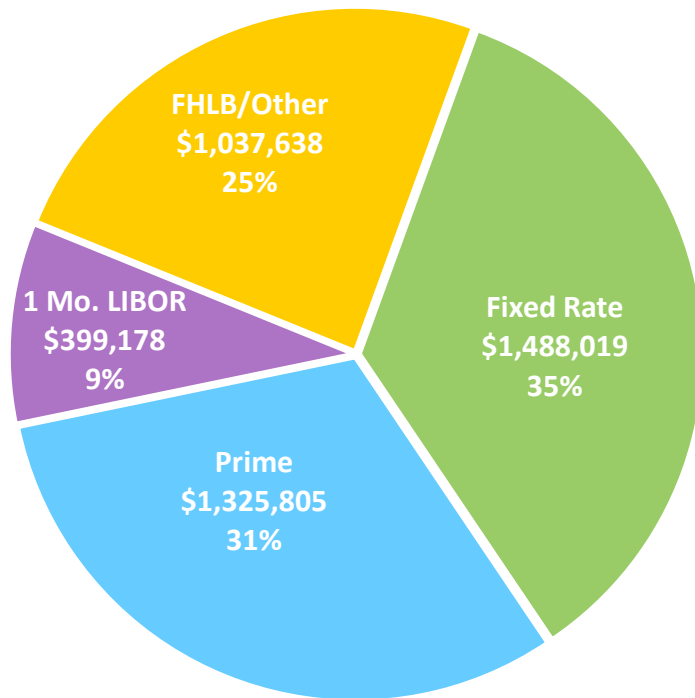
Evolution of Deposit and Loan Betas

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

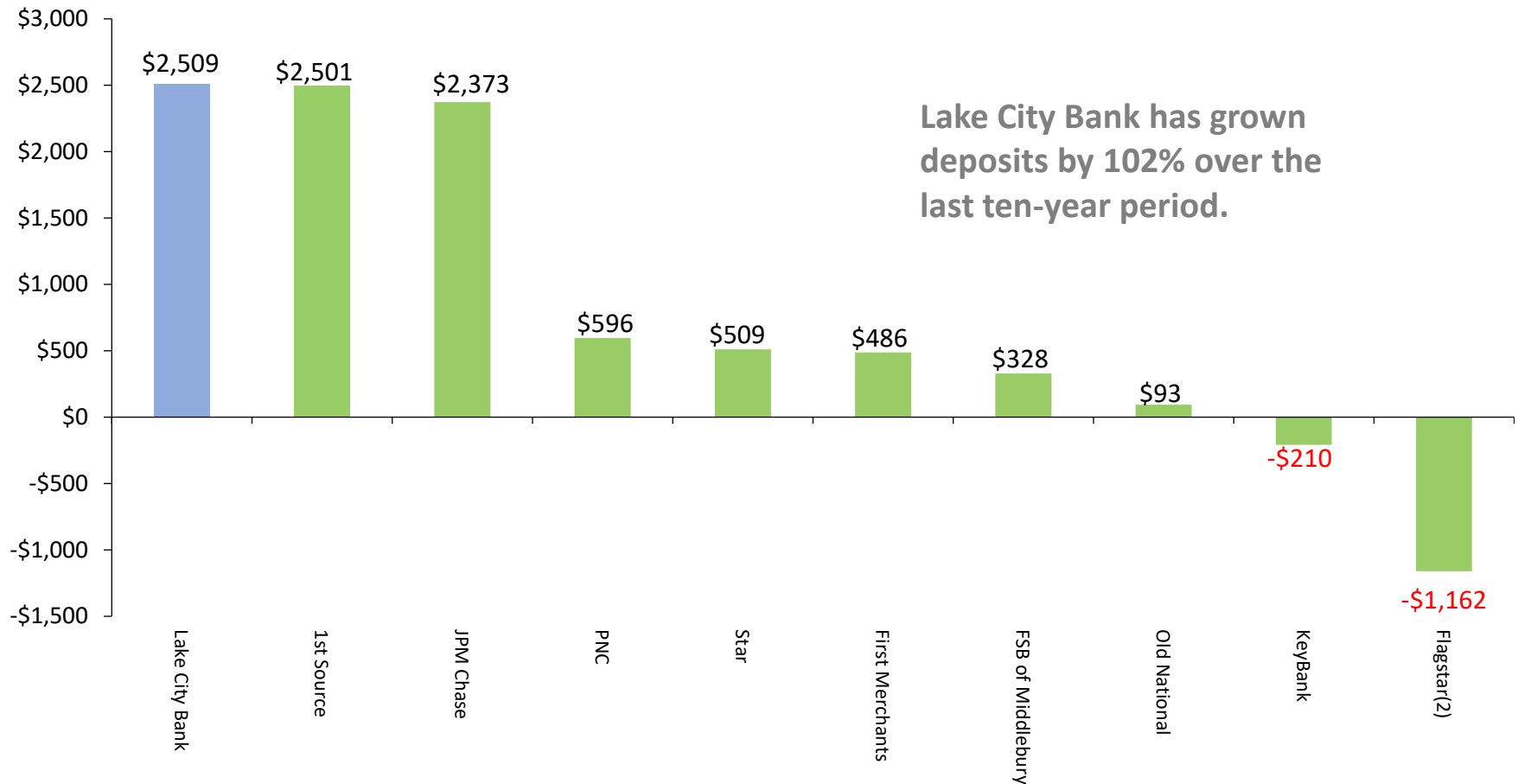
High Quality Team Members

- 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

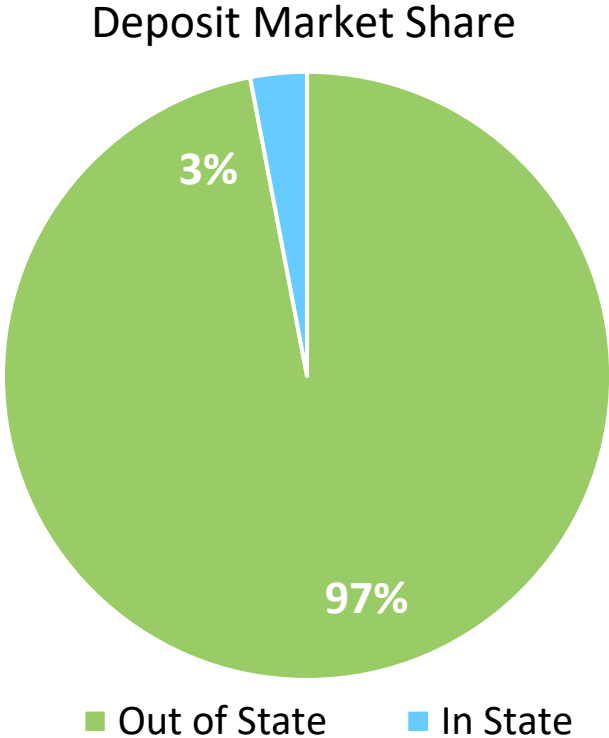
Totals adjusted to include branches subsequently acquired by surviving banks.

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% |



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=S18

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

(3) https://fred.stlouisfed.org/graph/?graph_id=880632&rn=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

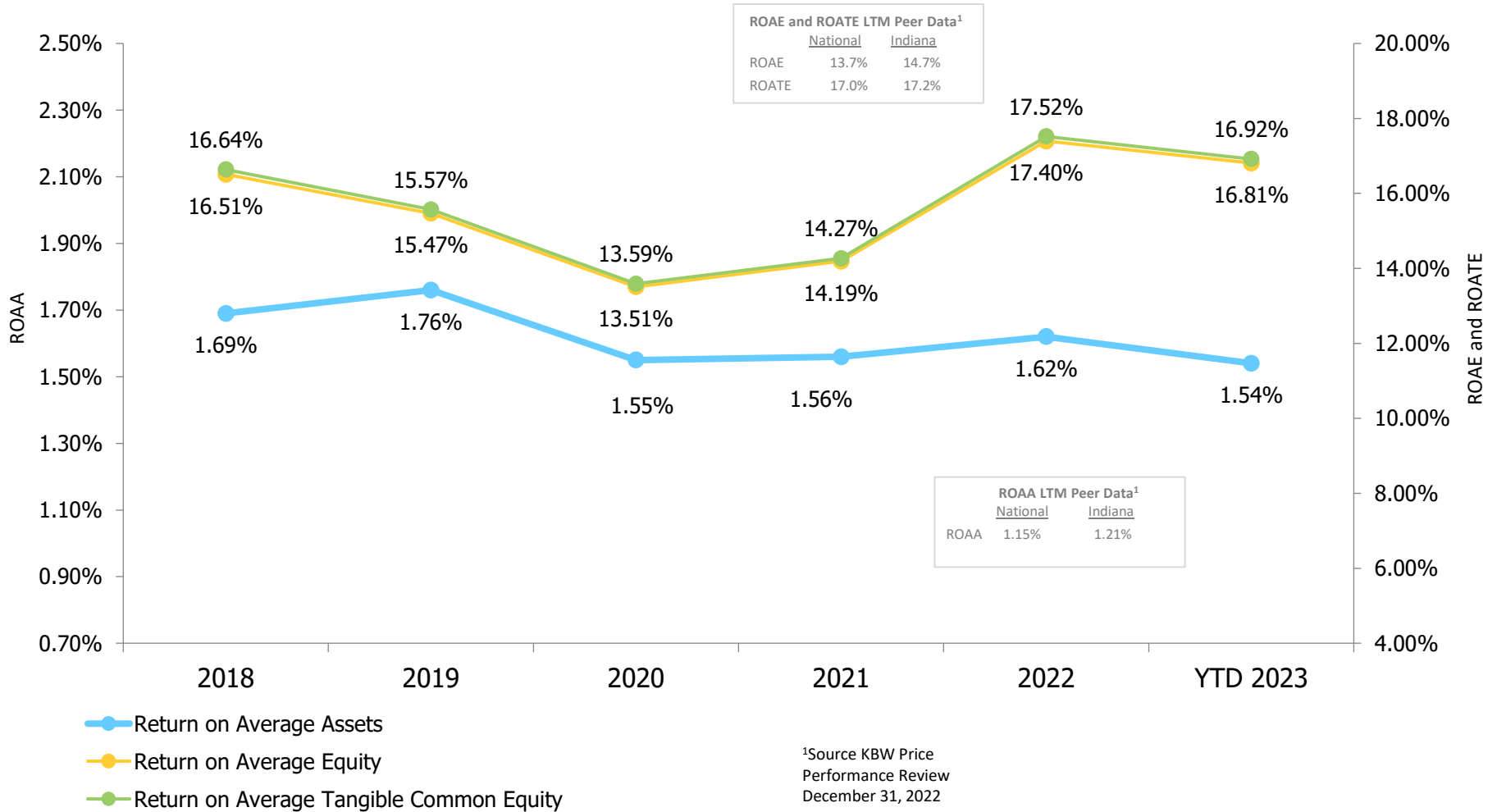
Customer Composition and Digital Adoption Over Three Years

| 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

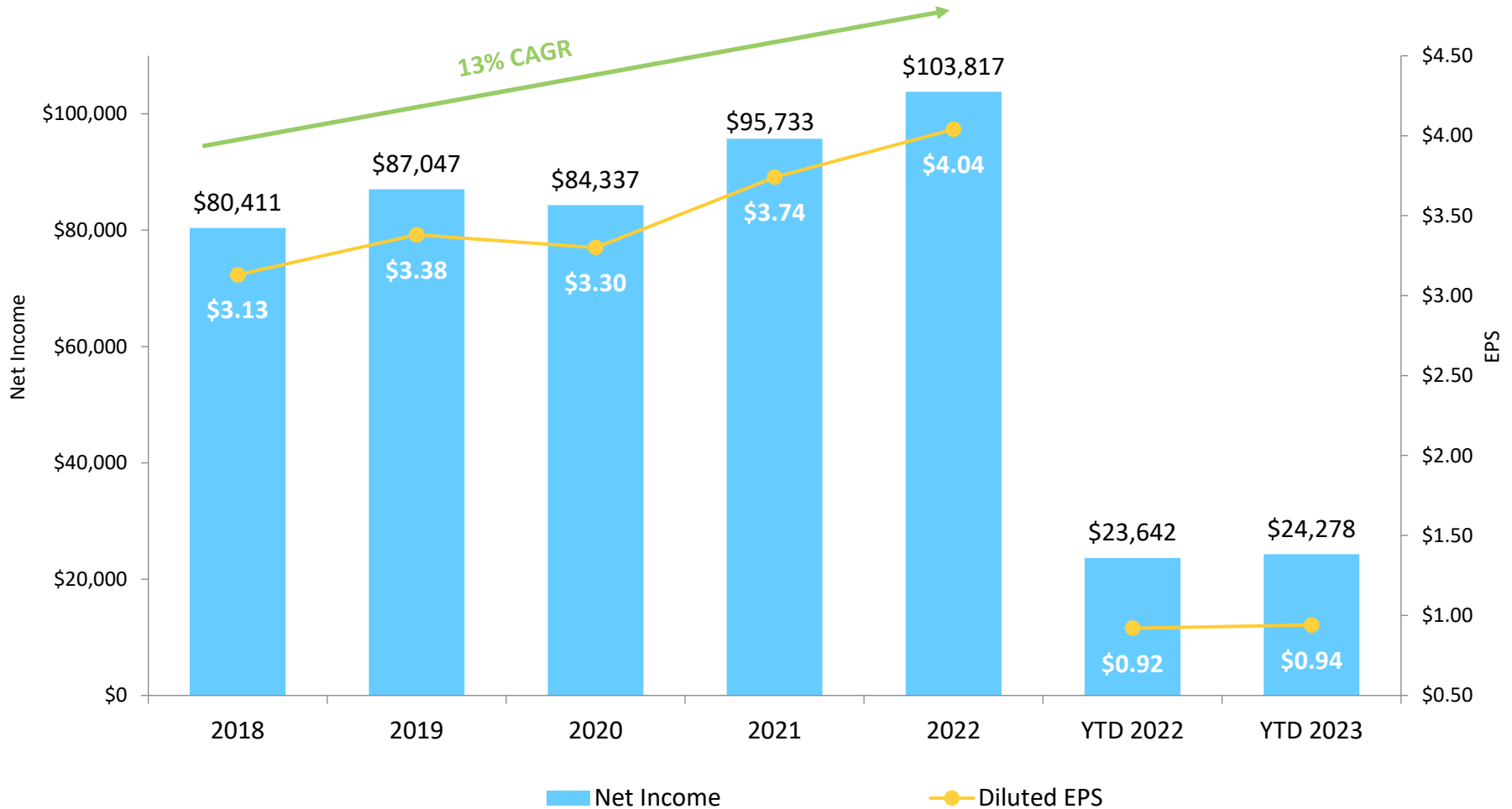
Income Performance Metrics

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



Net Income and EPS

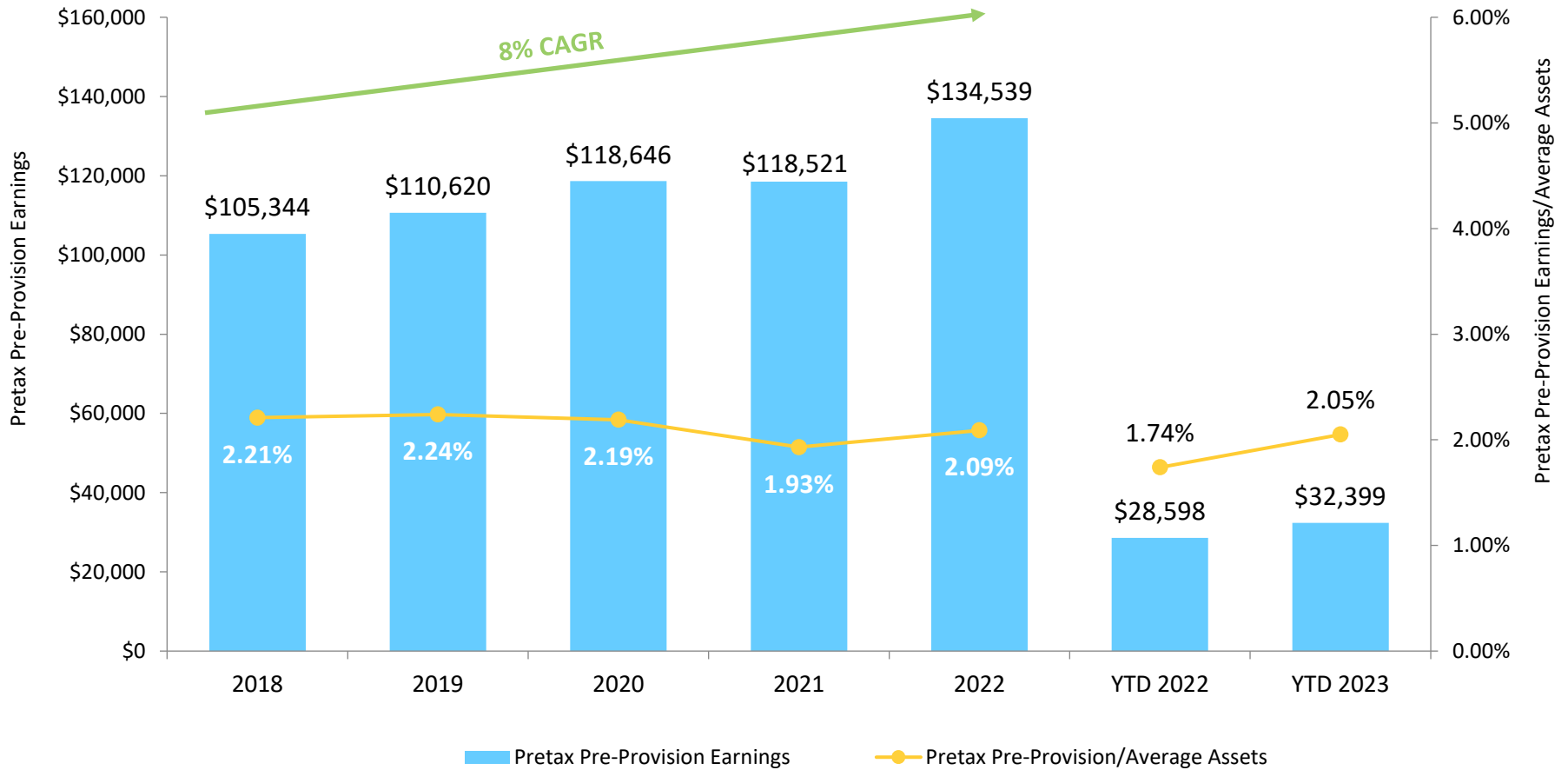
Record Profitability in 2022



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



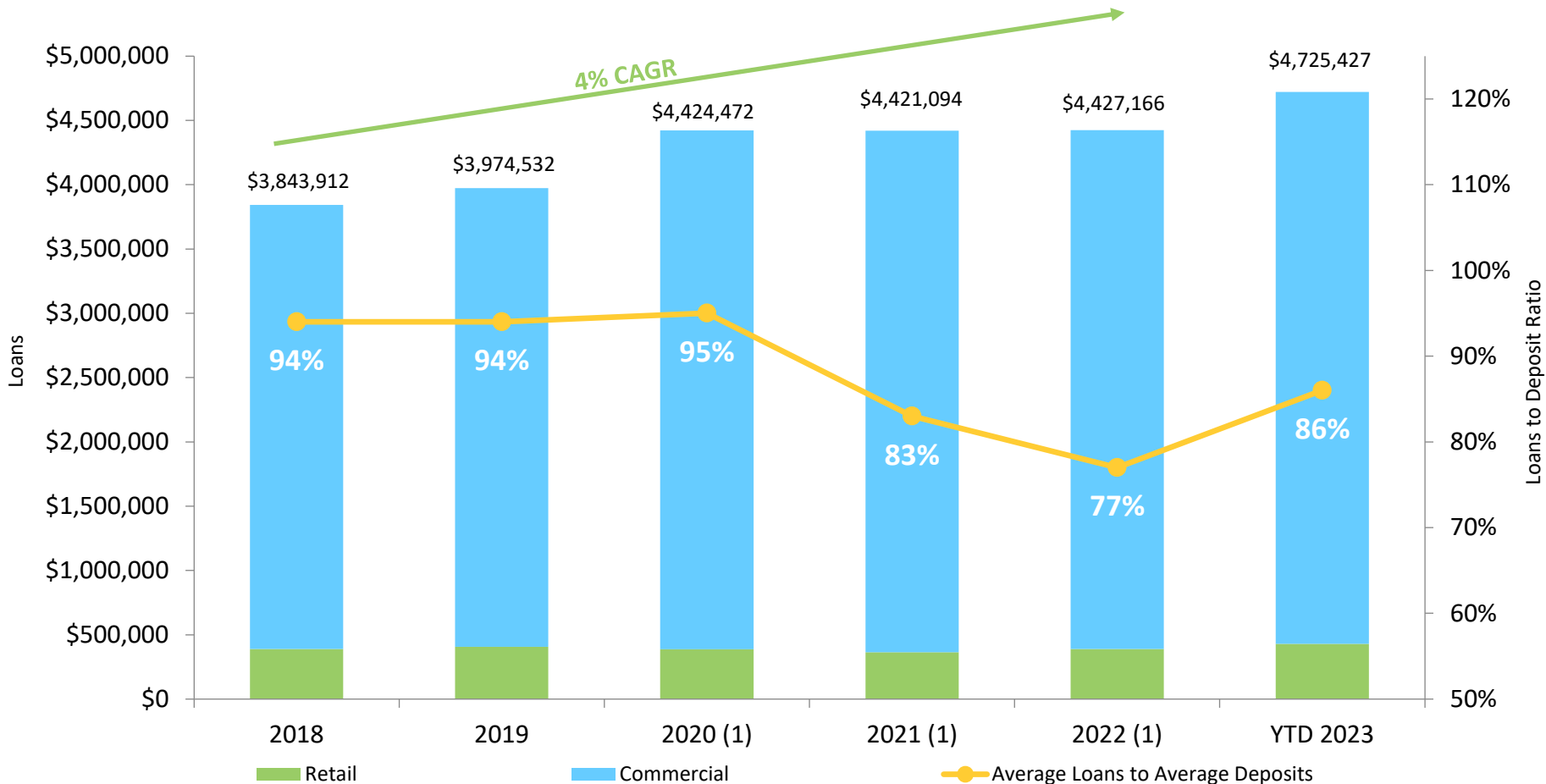
2023 Pretax Pre-Provision Earnings YOY Increase 13%



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



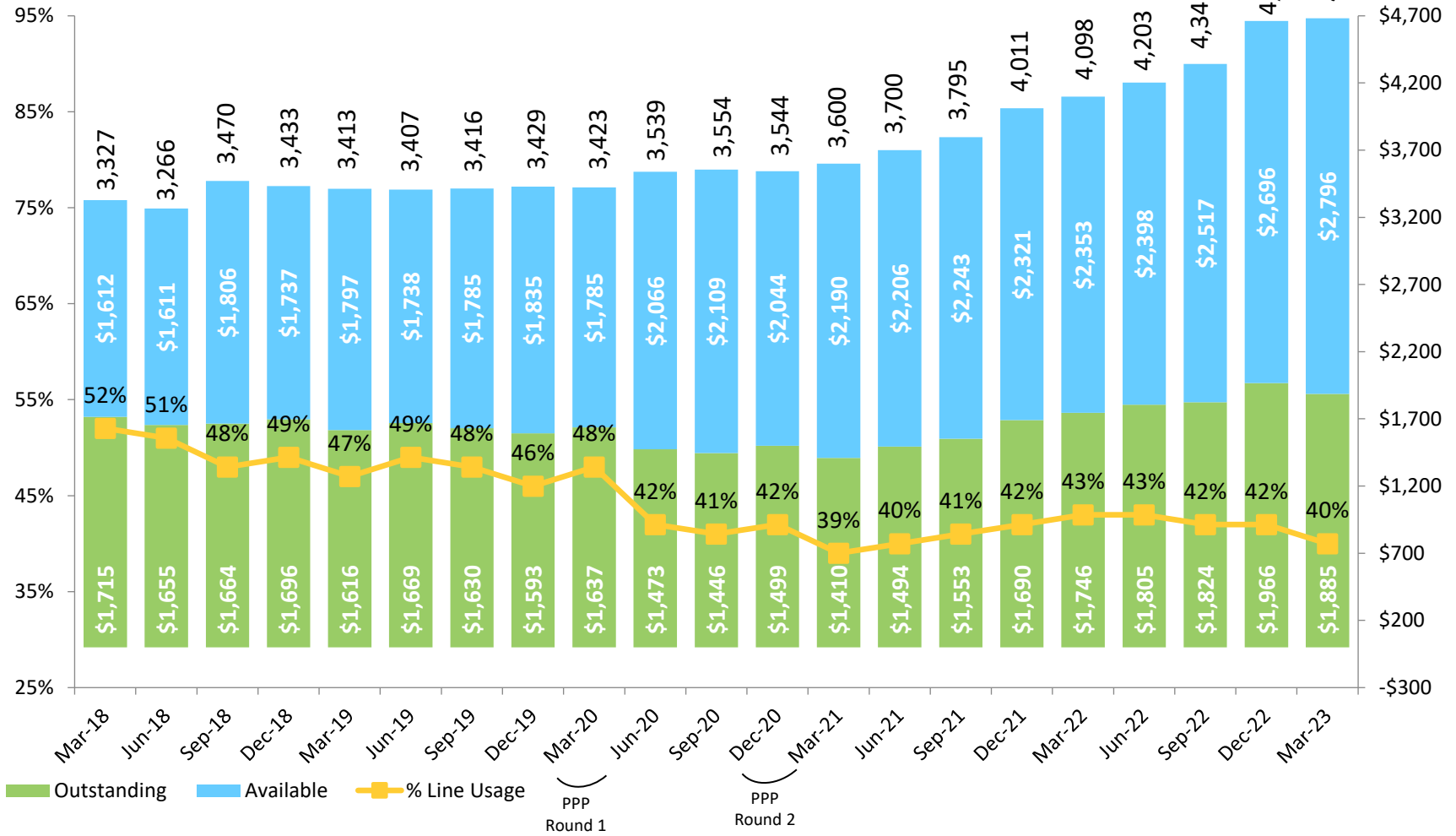
2023 YOY Increase 10%



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

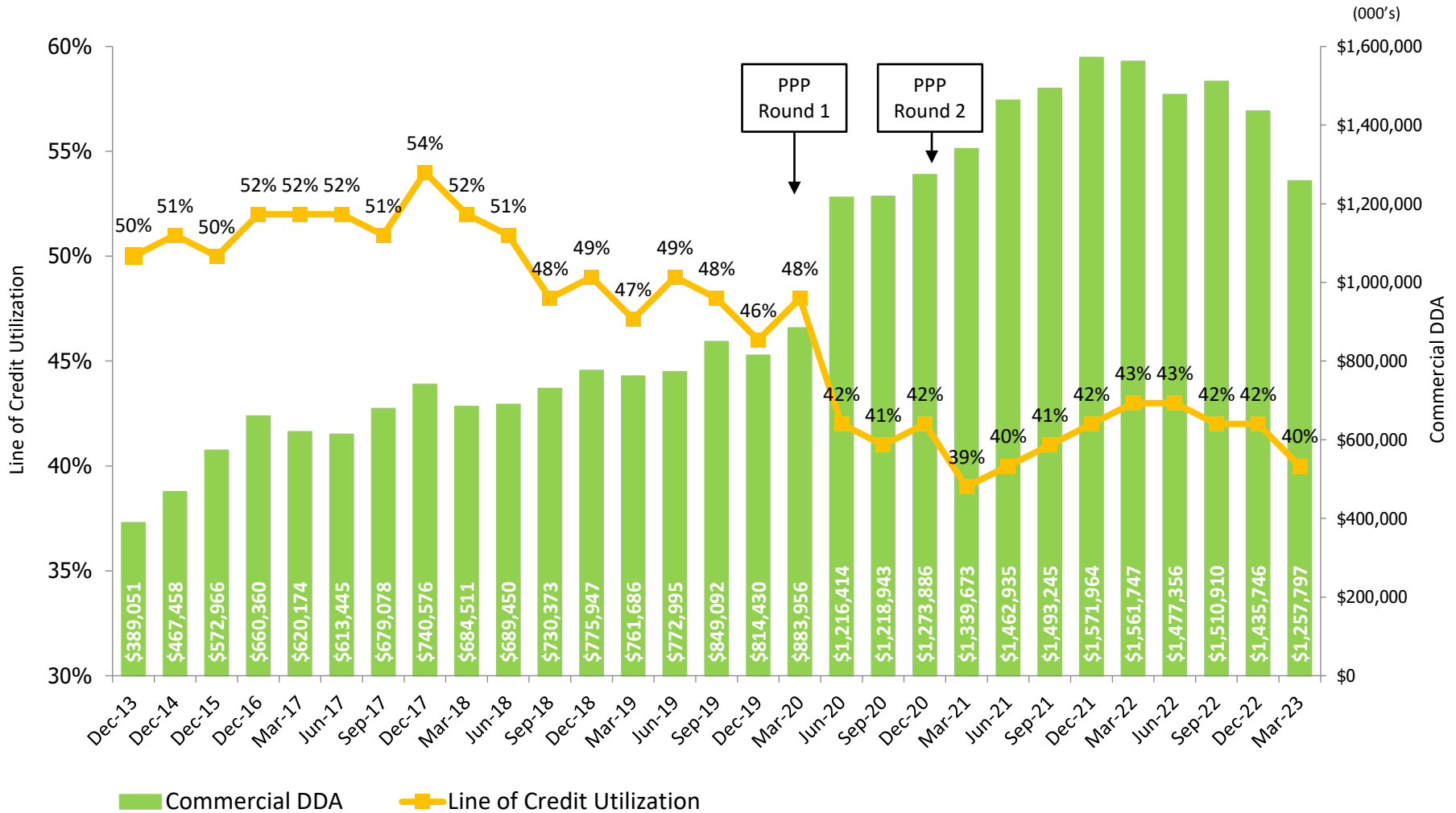
Line of Credit Utilization

Line Availability Outpacing Utilization



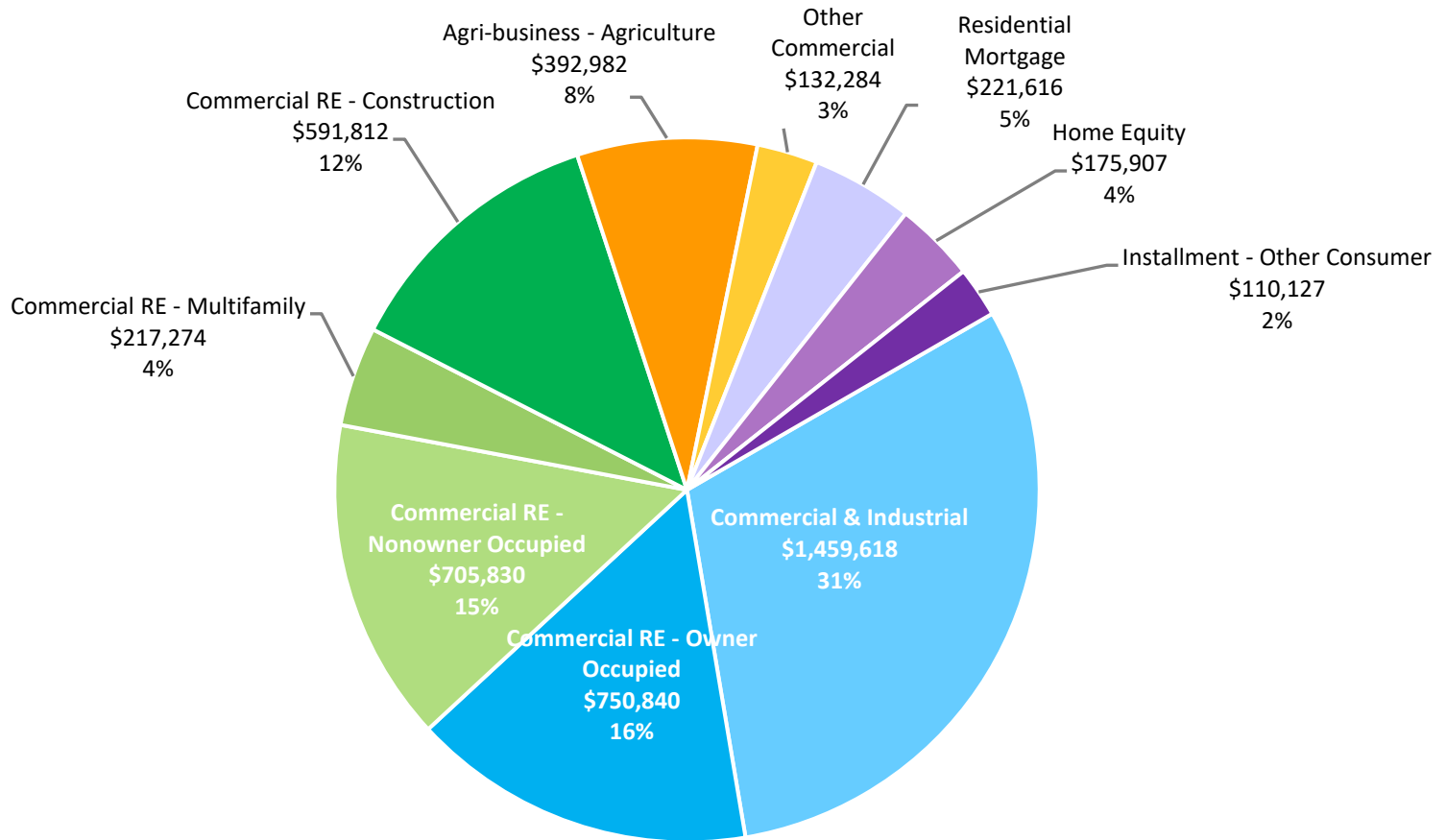
Line of Credit Utilization vs. Commercial DDA

DDA Deposit Balances Remain Elevated in 2022



Loan Portfolio Breakdown

C&I Drives Lending Business



\$4.8 billion as of March 31, 2023

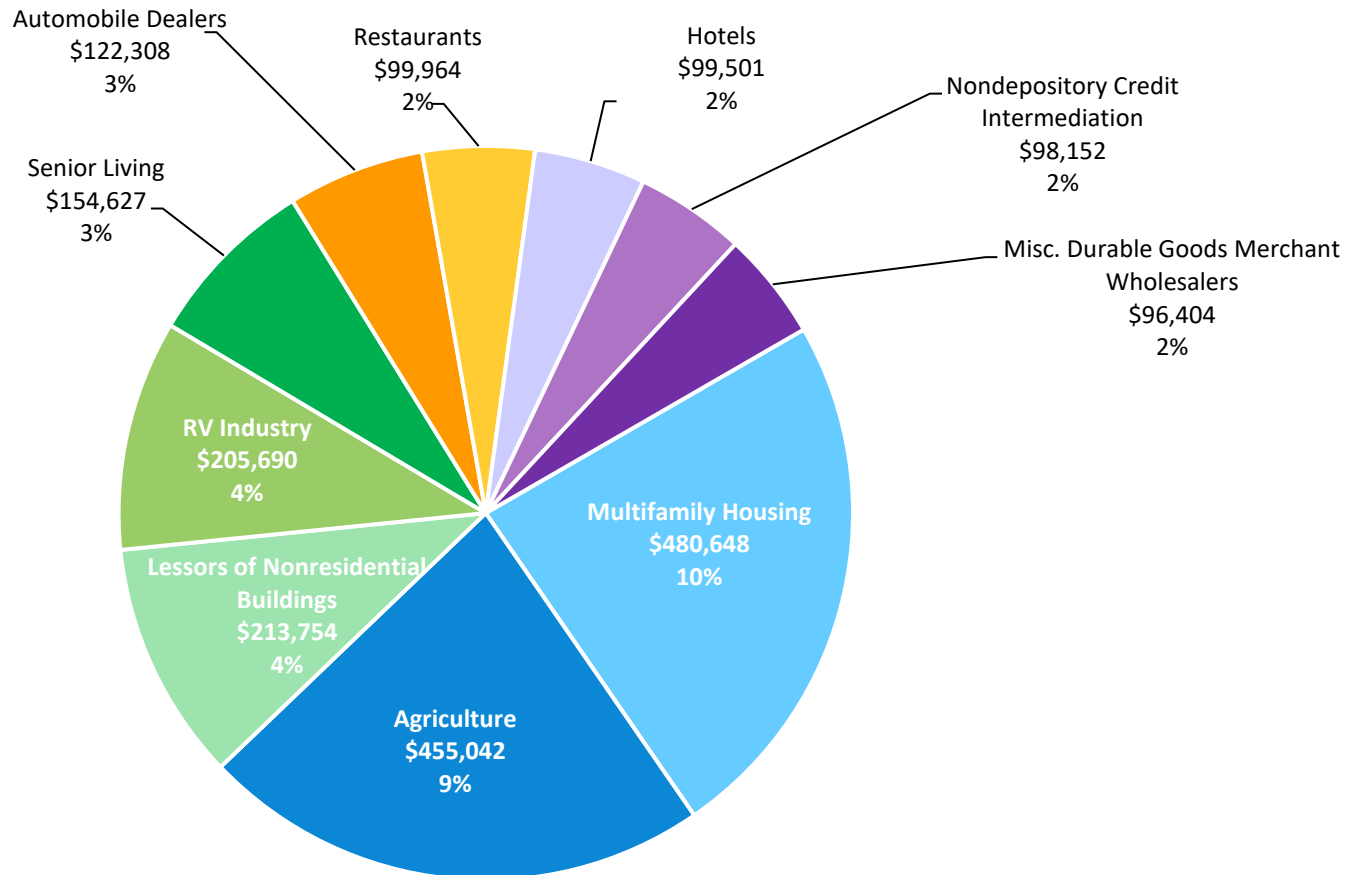
(000's)



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

Top 10 Industry Concentrations

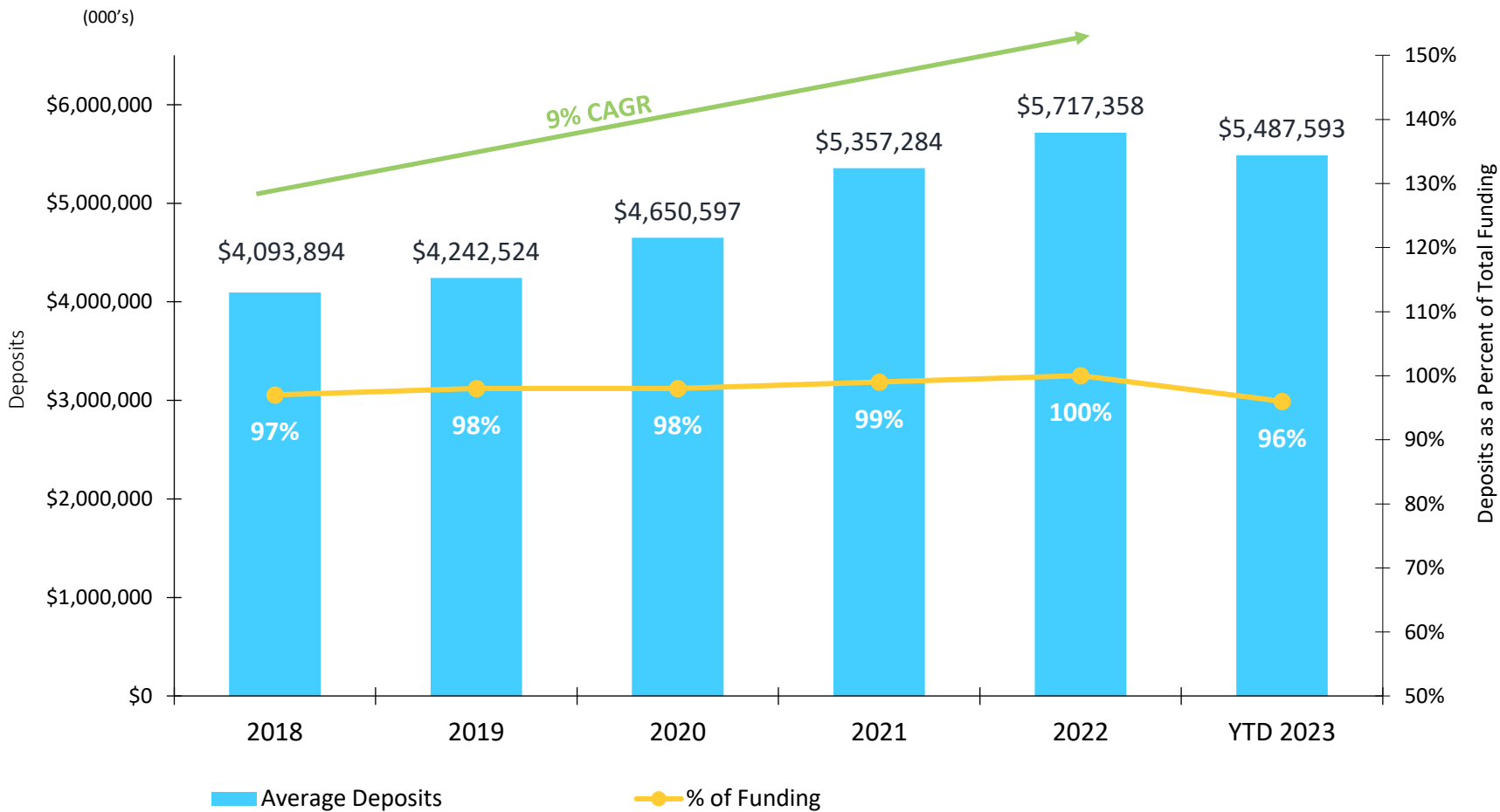
Loan Portfolio is Diversified- Commercial Office Space Represents 0.71% of Loans



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

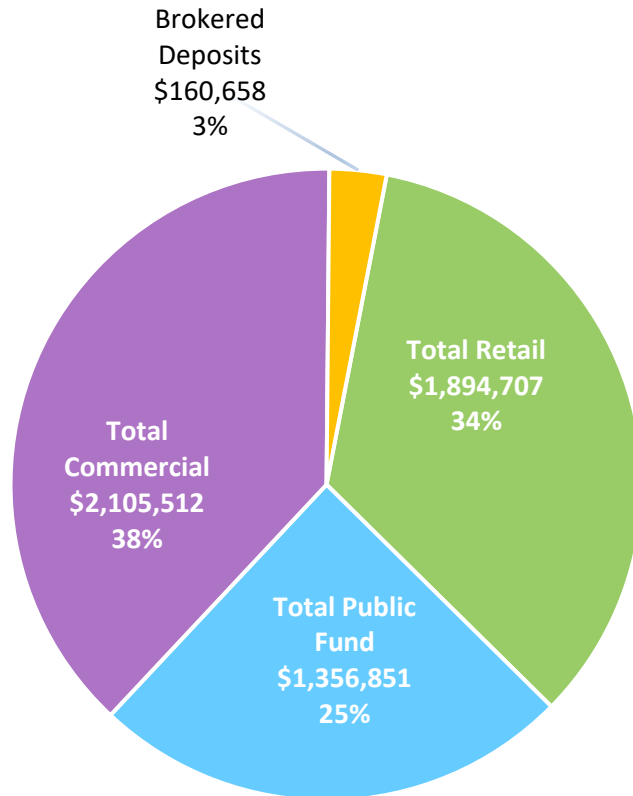
Average Deposits

Deposit Surge During Pandemic Abates in 2023



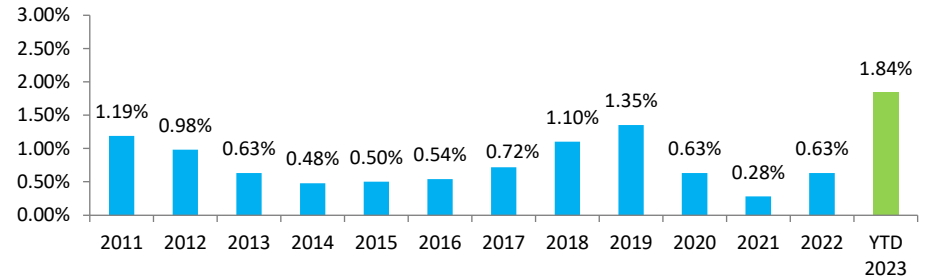
Deposit Breakdown

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



March 31, 2023
Total Deposits - \$5.5 billion
(000's)

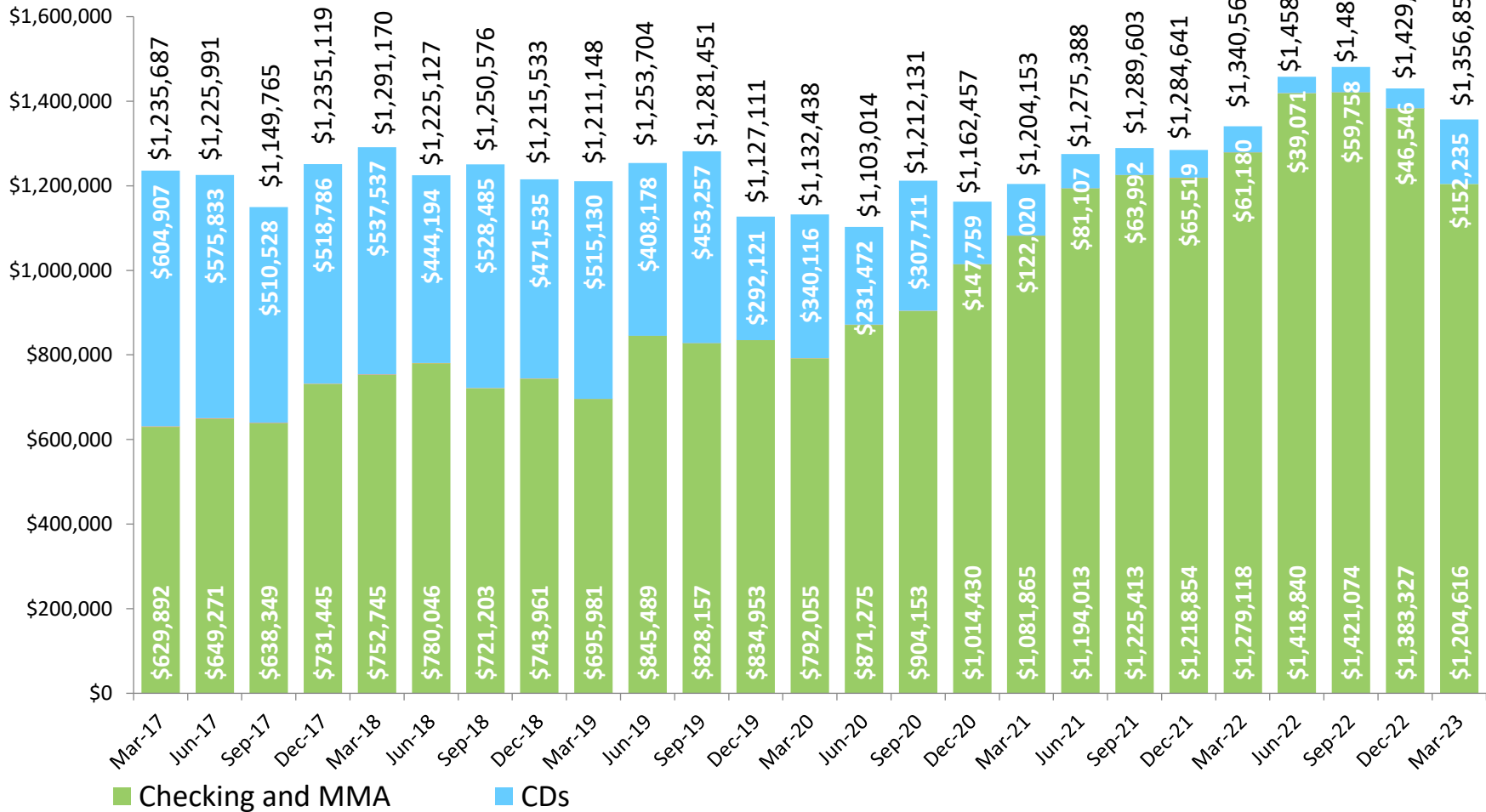
Cost of Deposits



| 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 |

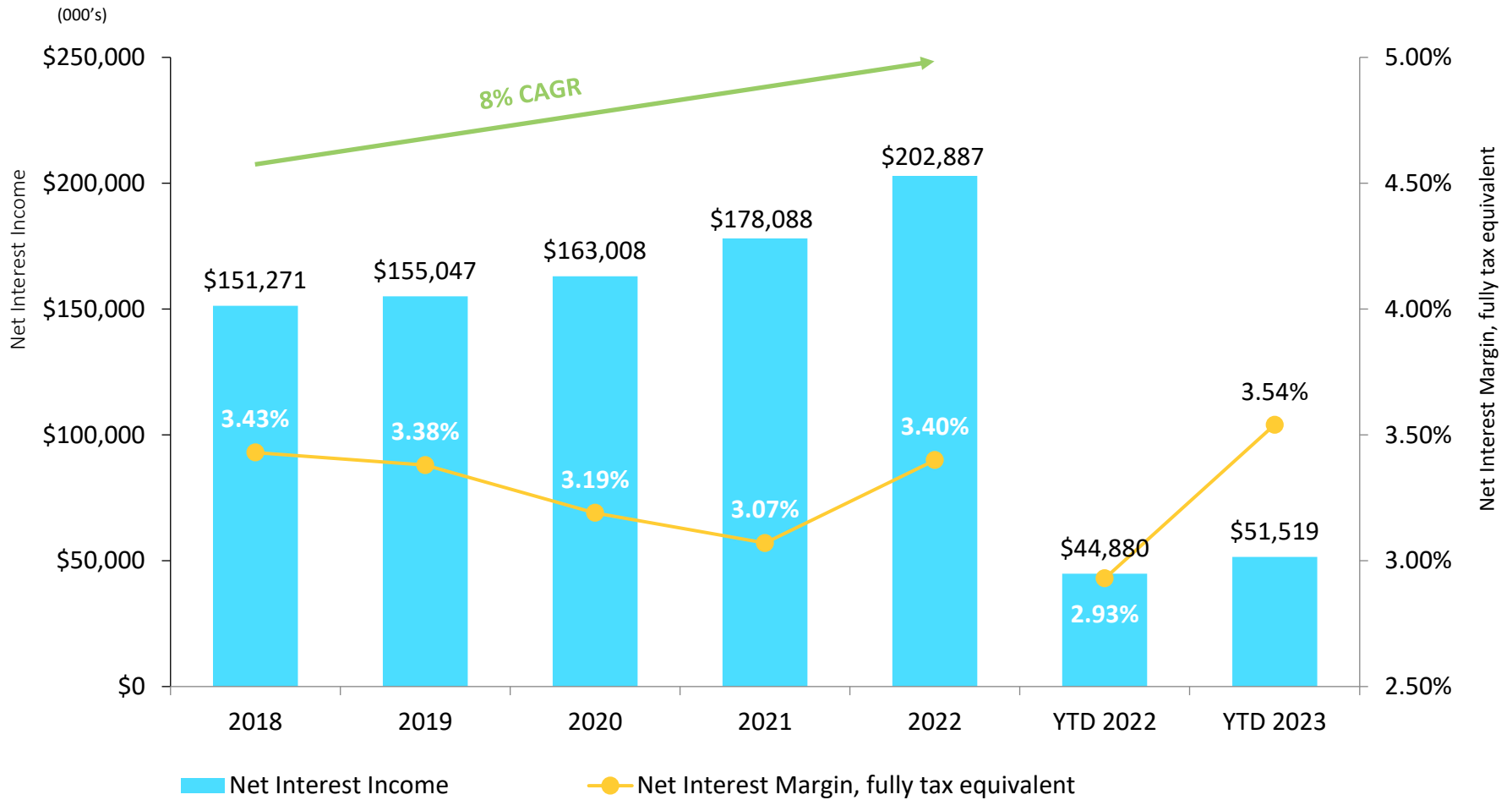
Public Fund Deposit Trends

Majority of Public Funds are Core Checking Account Deposits



Net Interest Income

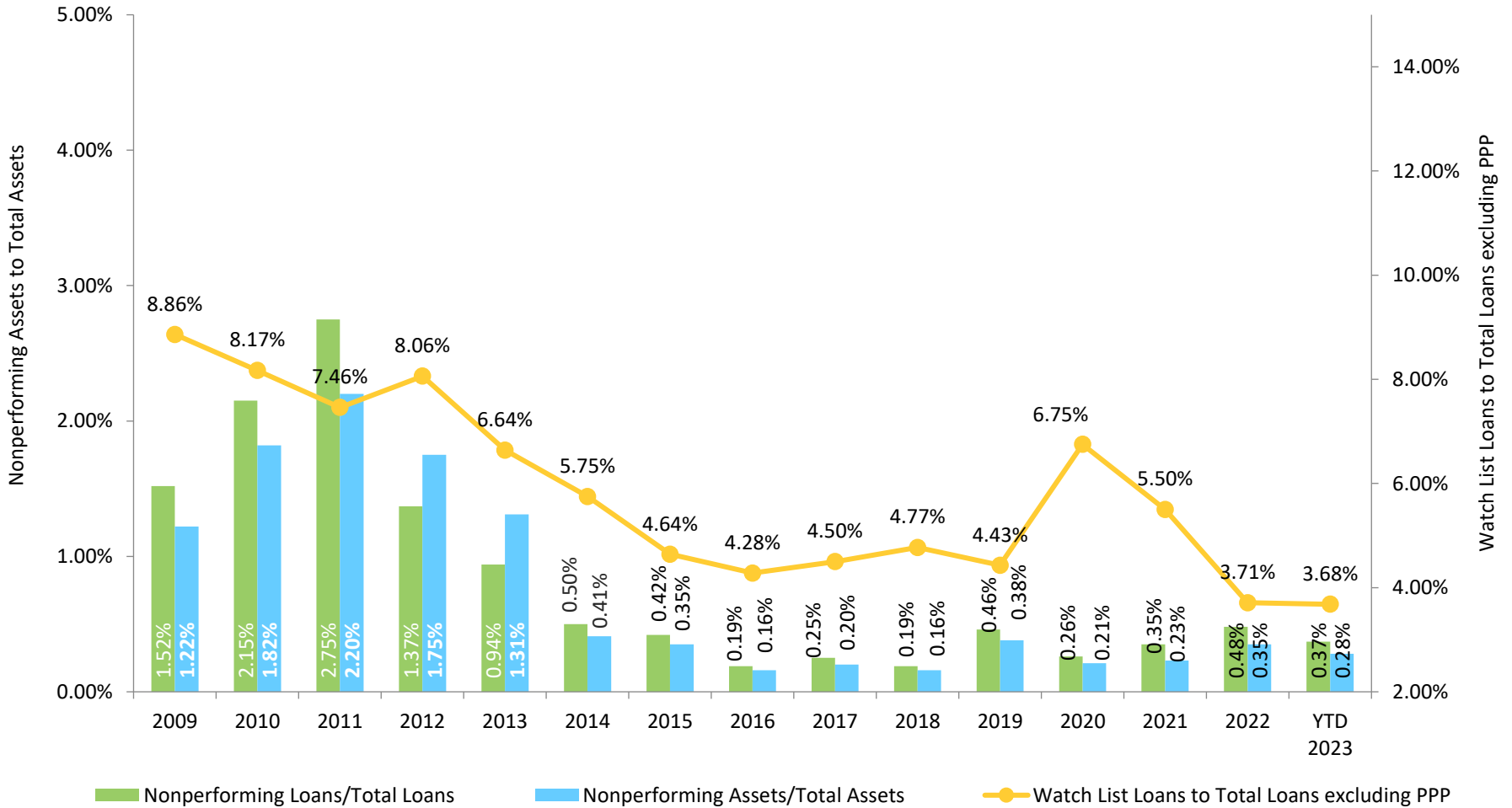
Growth in Net Interest Income Impacted by Higher Rates and Growth in Loans



2023 YOY Growth 15%

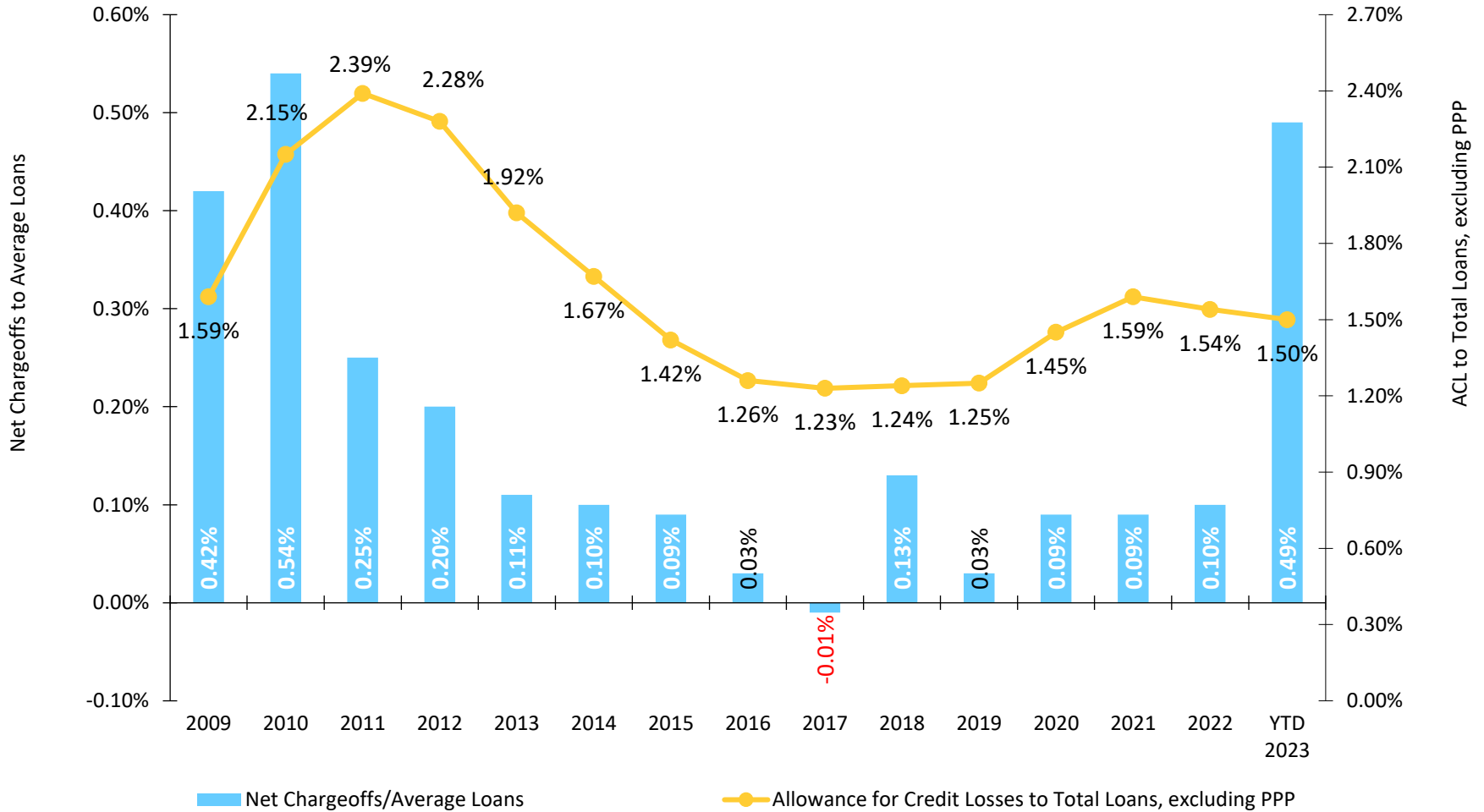
Asset Quality

Watchlist Loans as a Percentage of Total Loans at Historic Lows



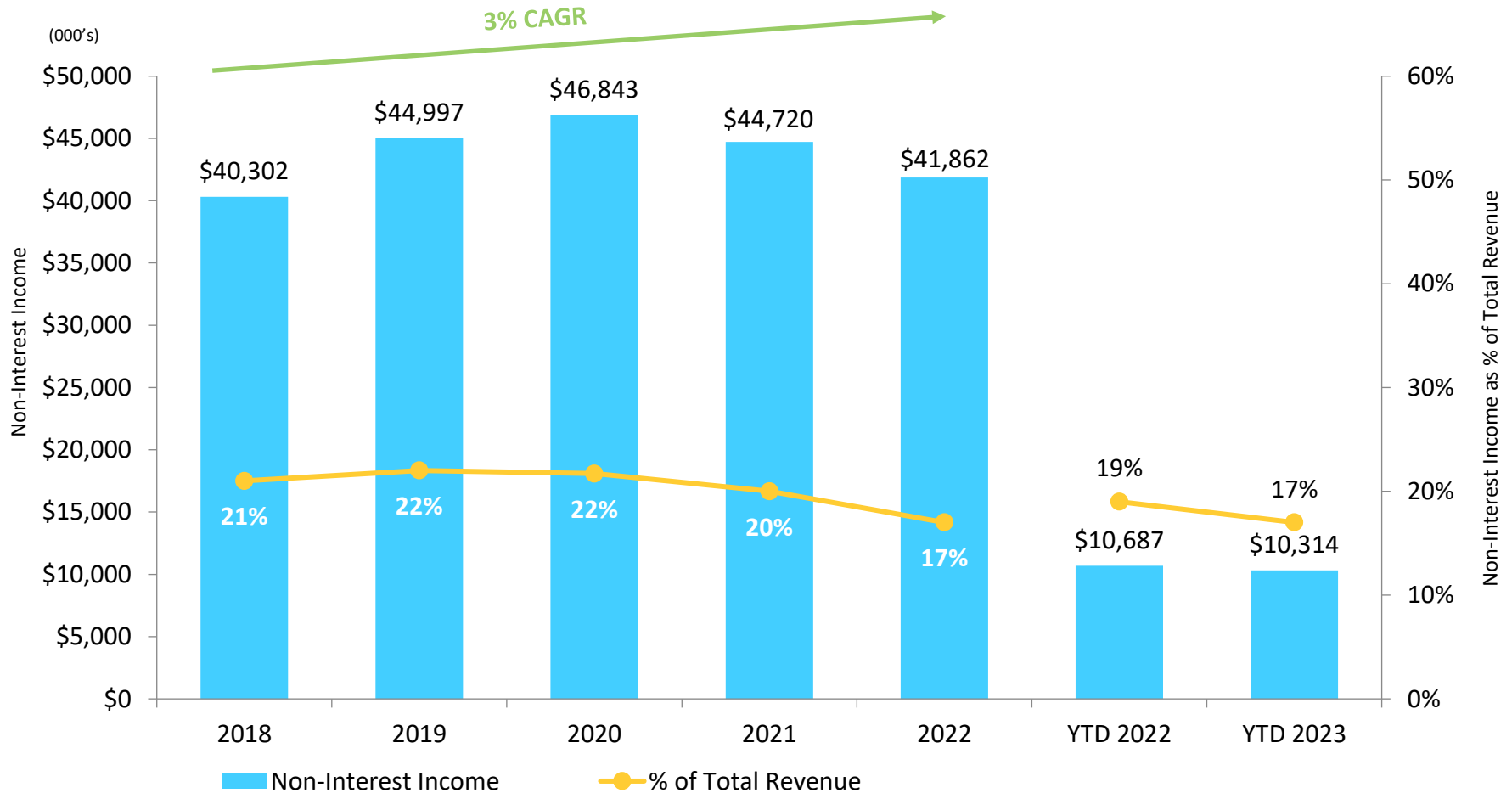
Asset Quality

Allowance for Credit Losses Represents Strong Coverage



Noninterest Income

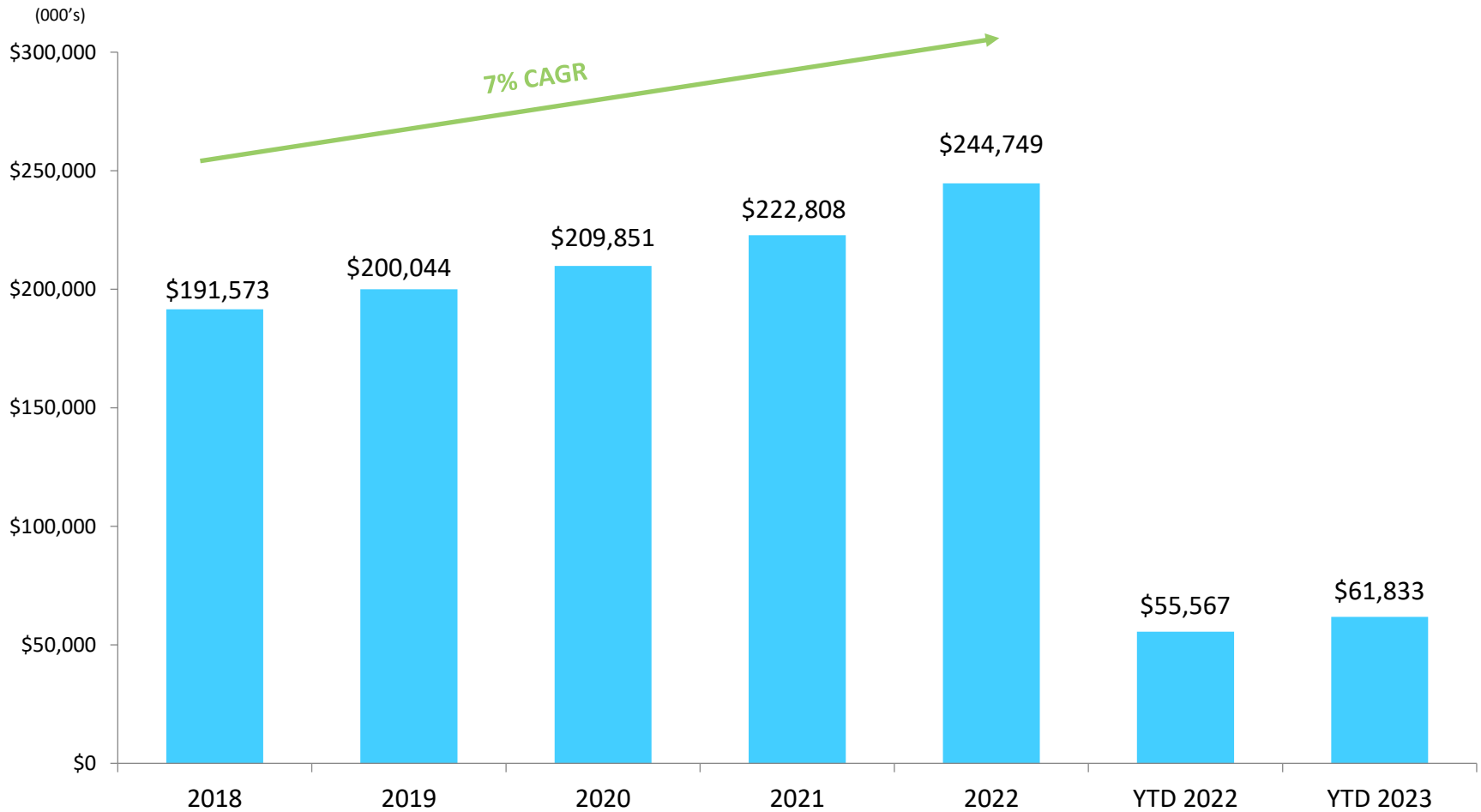
Growth in Fee Generating Lines of Business is Offset by Volatile Market Driven Activity



2023 YOY Decrease (3)%

Total Revenue

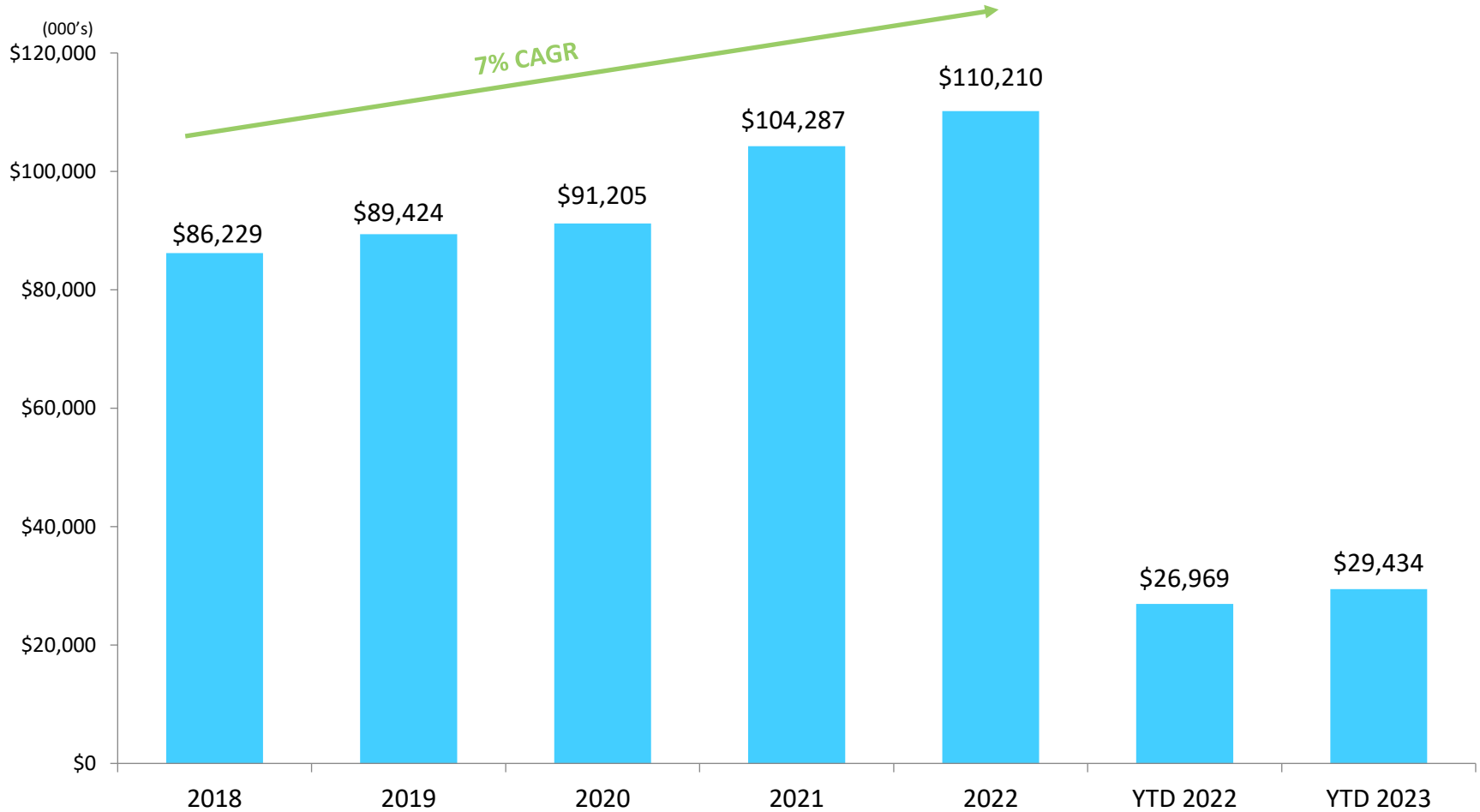
Revenue Growth Benefited by Core Loan Growth and Rising Rates



2023 YOY Increase 11%

Non-Interest Expense

Disciplined Operating Expense Management

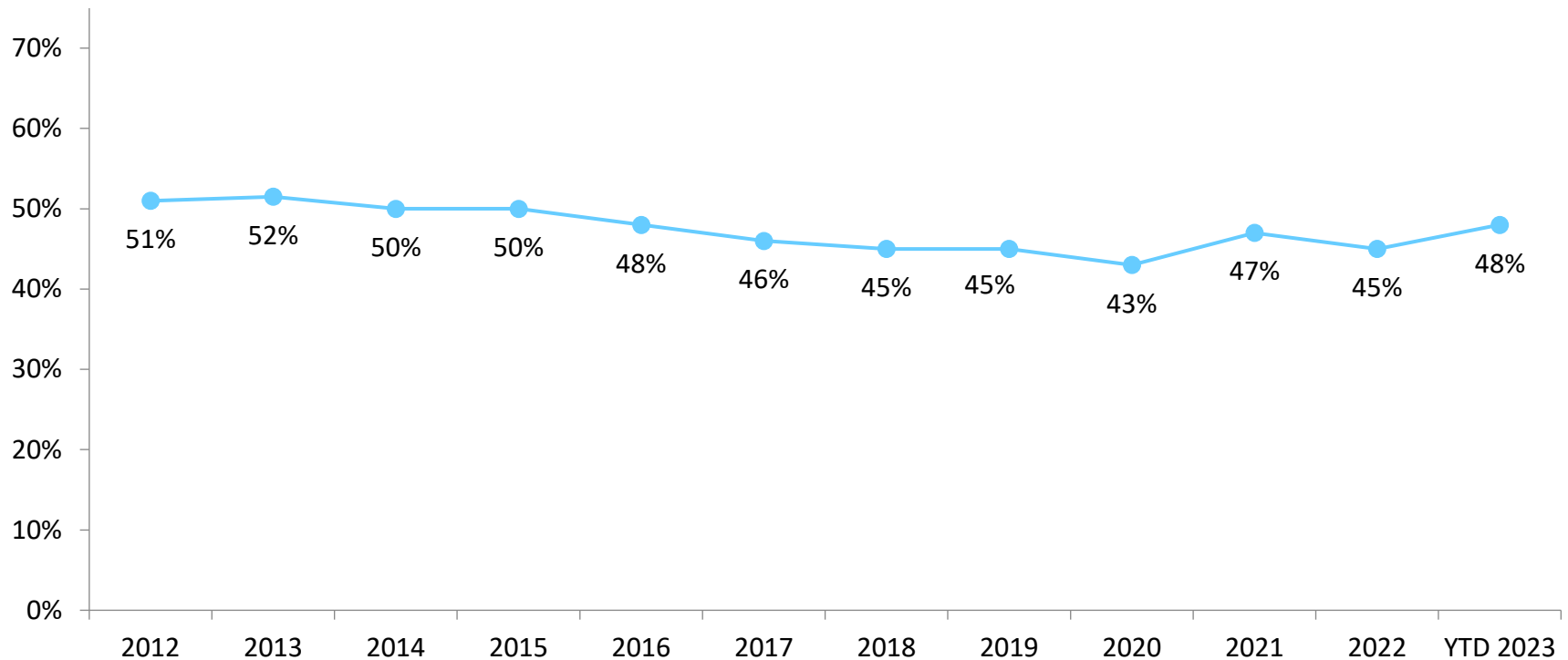


2023 YOY Increase 9%

Efficiency Ratio

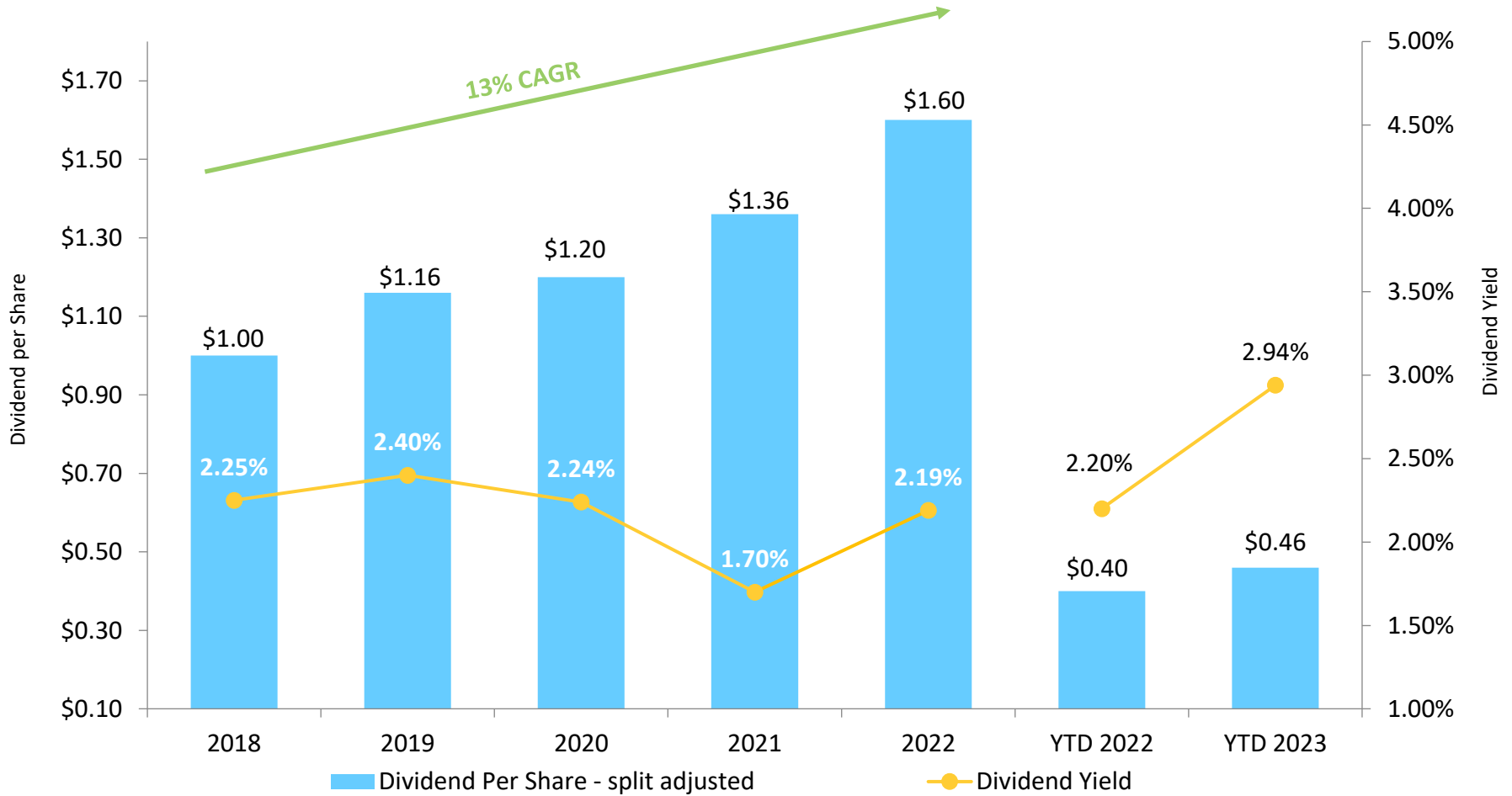
Revenue Growth Outpaces Expense Growth

Constant investment in technology and facilities



Stable Healthy Dividend

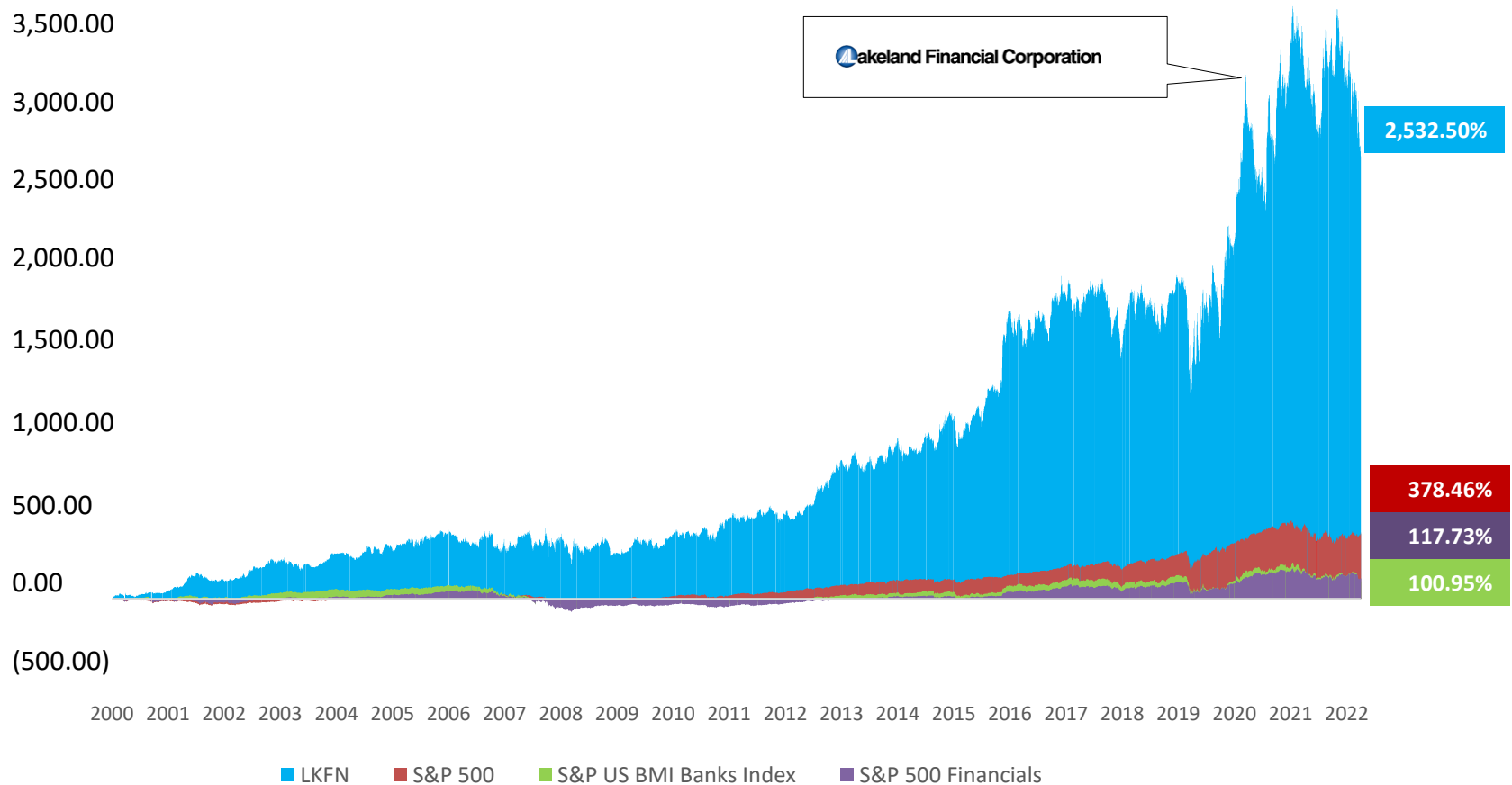
Growth in Dividend Reflects Strength of Capital



2023 Growth 15%

LKFN Shareholder Value

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



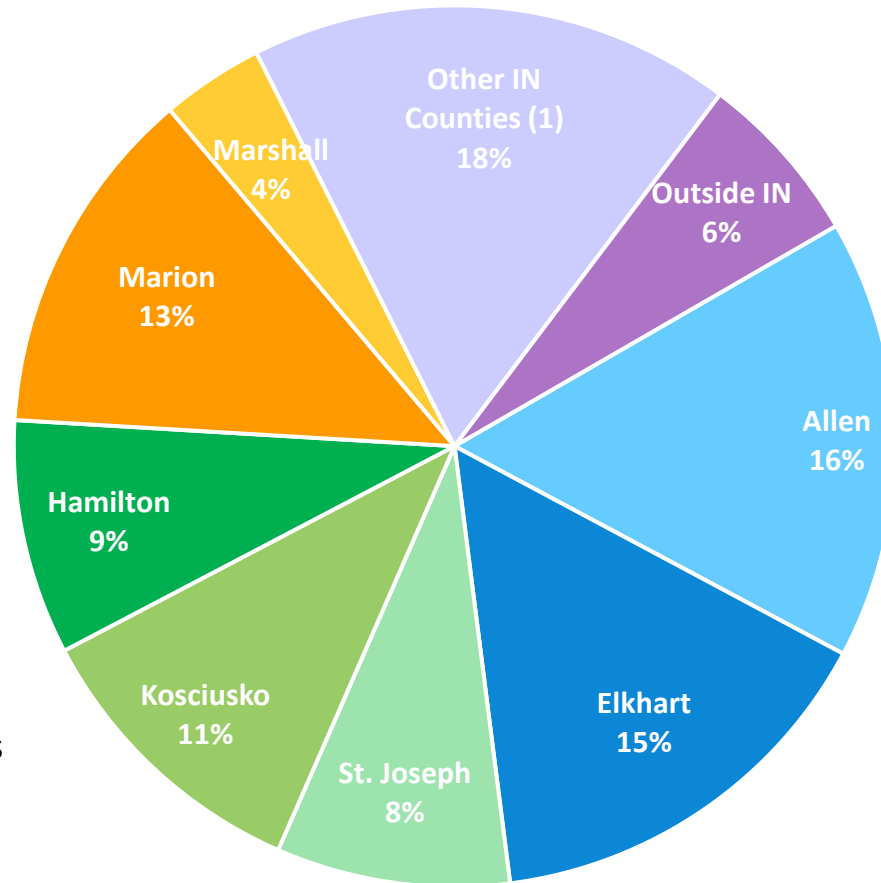
Investment Highlights

- 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



Commercial Loans
Outstanding as of
3/31/2023
\$4.8 billion

March 31, 2023
(000's)

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 | | | 2022 # of Offices |
|--|-----------------|---------------|-----------------|---------------|-----------------|-------------------------|
| | <u>Deposits</u> | <u>Share</u> | <u>Deposits</u> | <u>Share</u> | <u>Increase</u> | |
| 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.



 **Lake City Bank**

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