



# 2010

2010 Annual Report

# Forward-Looking Information

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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. 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.

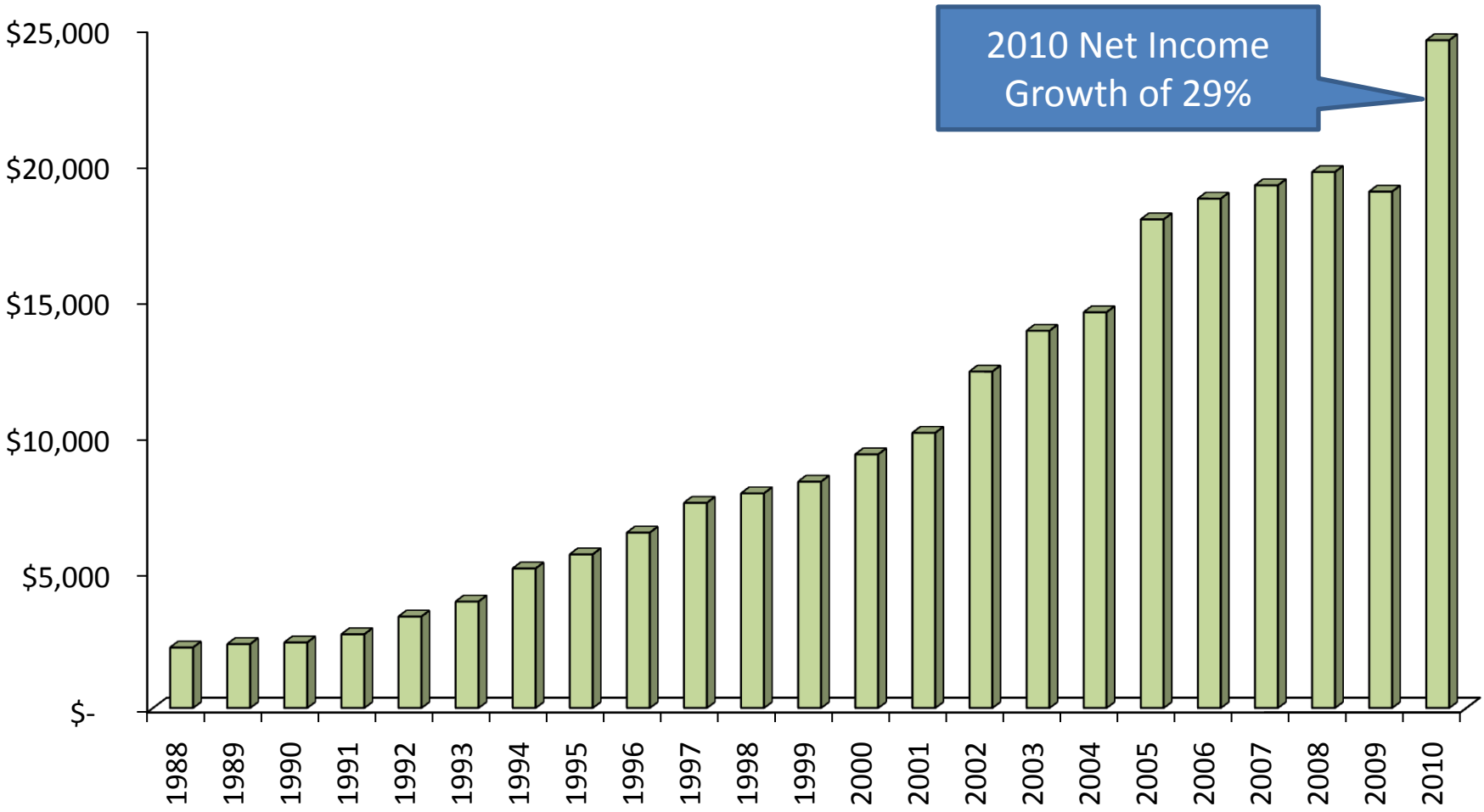
# Financial Review

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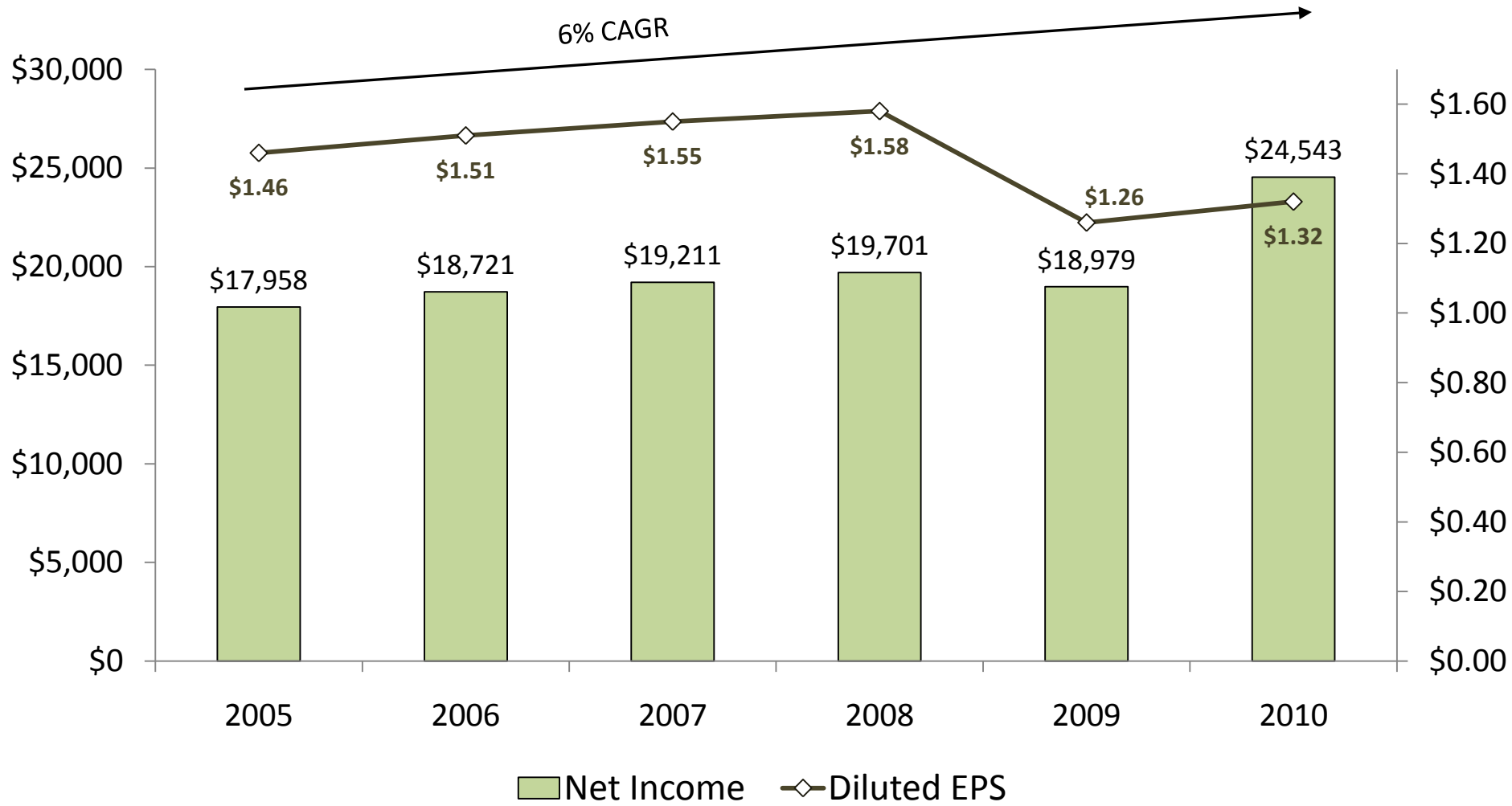
**David Findlay**  
**President**

# 1988-2008 – 21 Years of Record Earnings

## 2009-2010 – A Good Start!

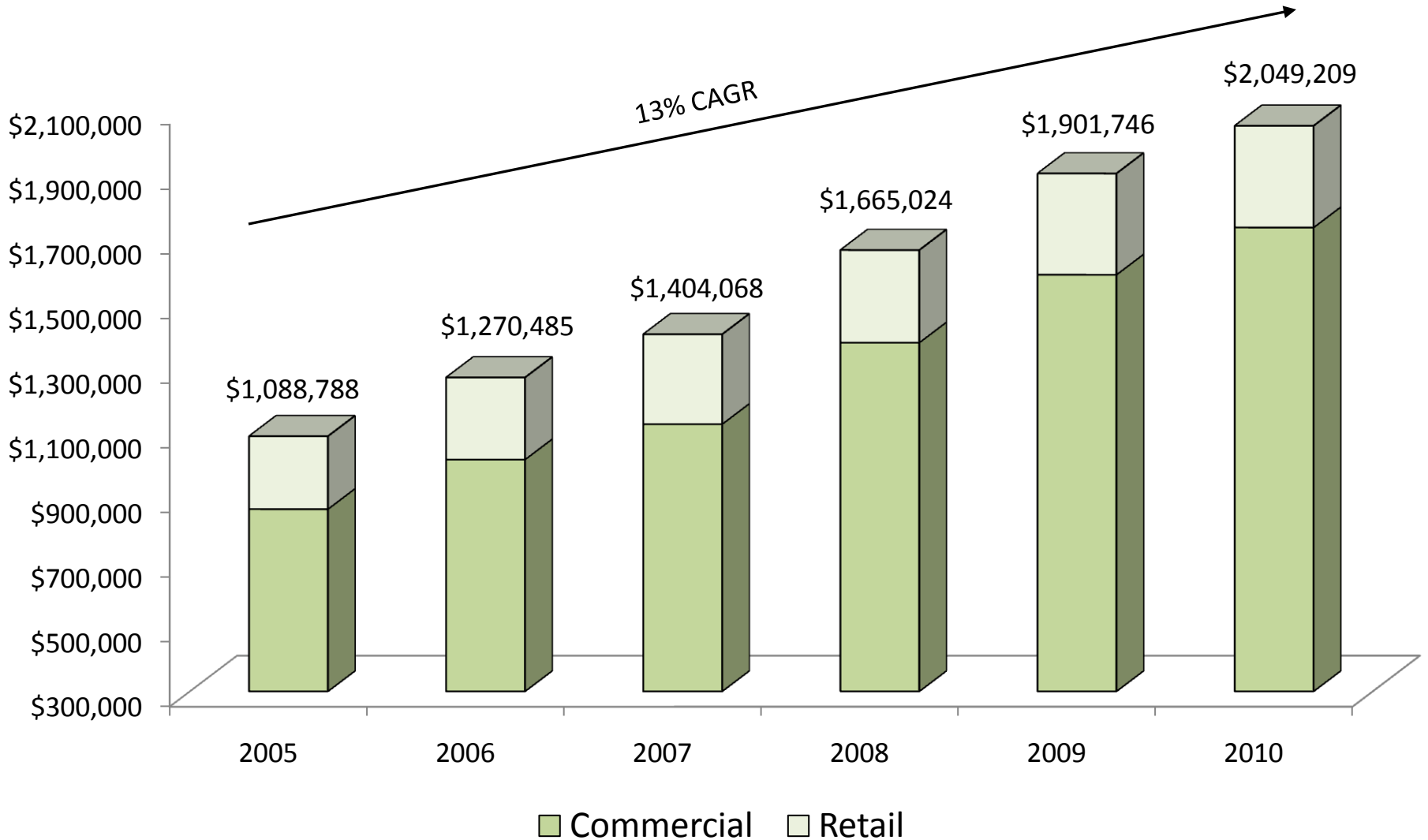


# Net Income and EPS



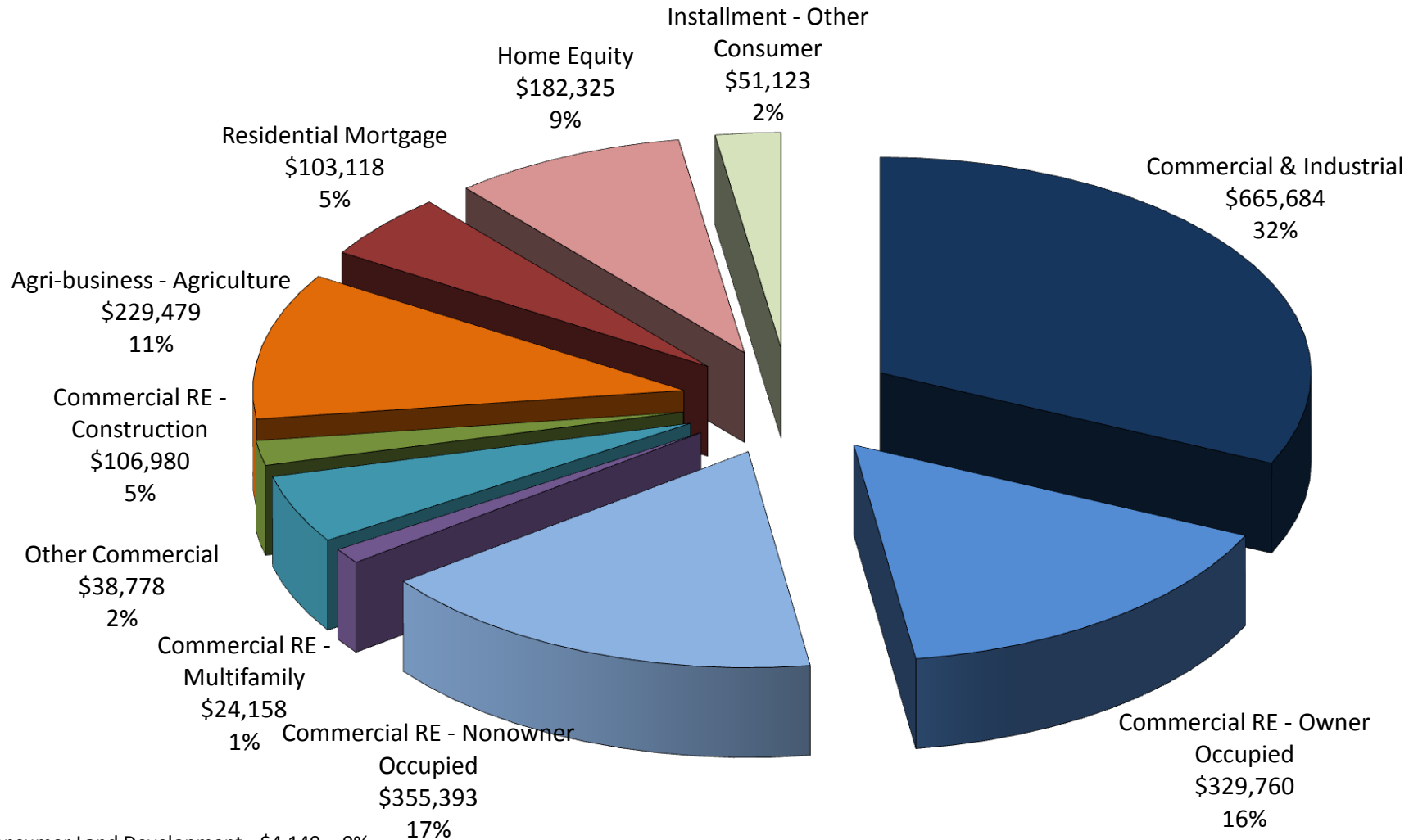
2010 Net Income Growth 29%  
 2010 Diluted EPS Growth 5%

# Average Loans



2010 Growth 8%

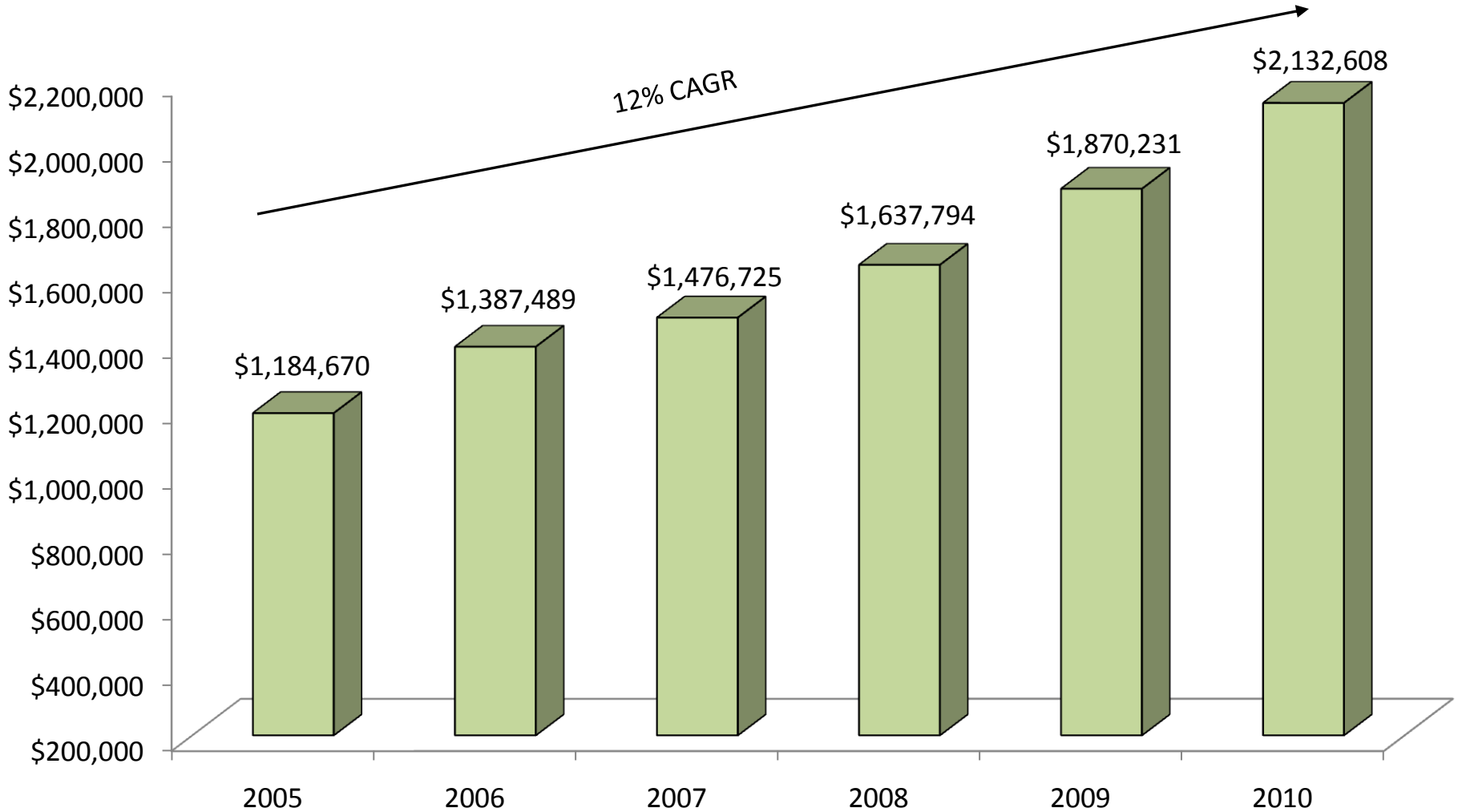
# Loan Breakdown\*



\*Consumer Land Development - \$4,140 – 0%

As of December 31, 2010

# Average Deposits

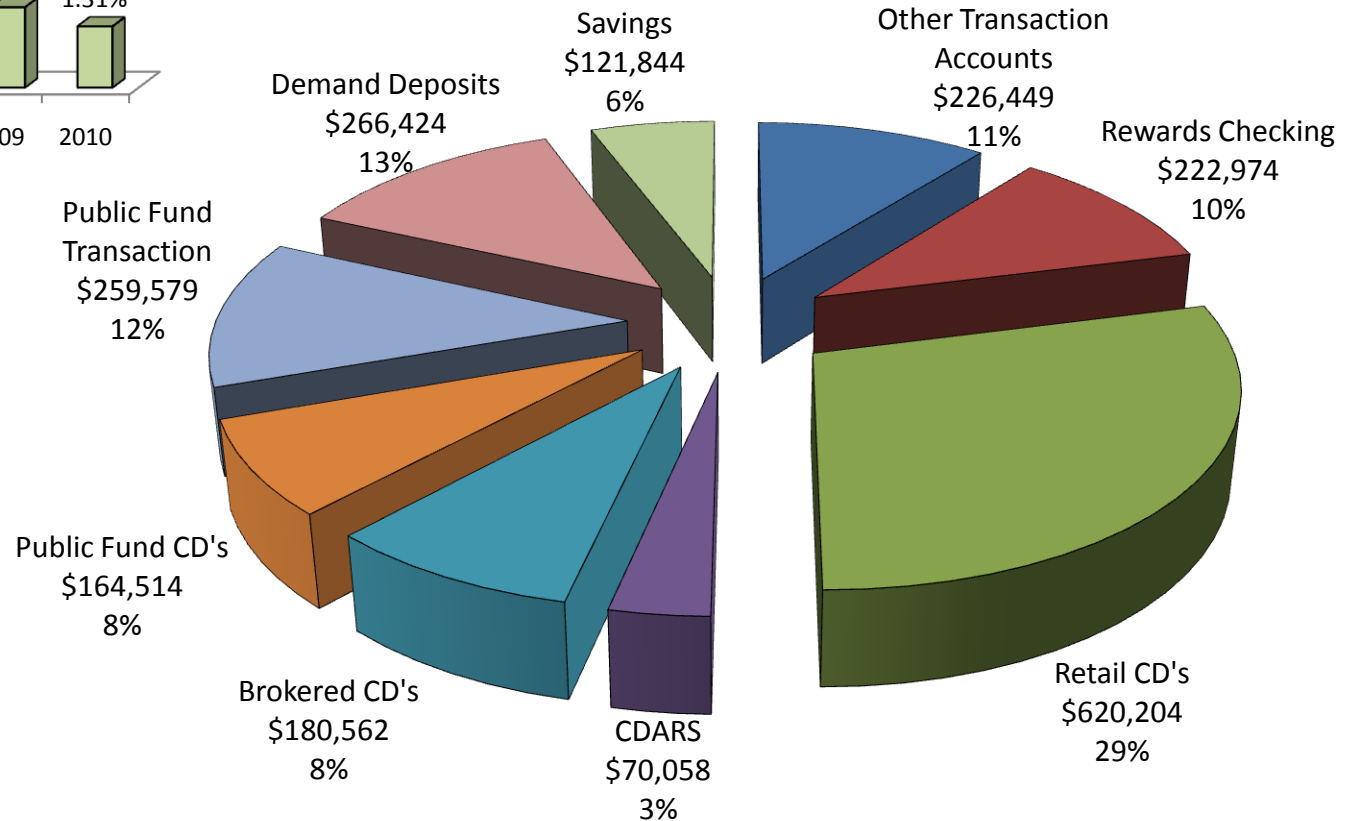
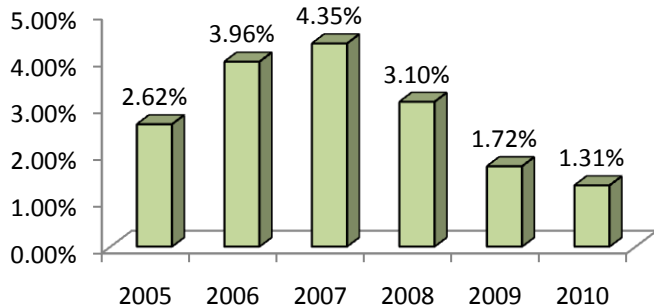


2010 Growth 14%



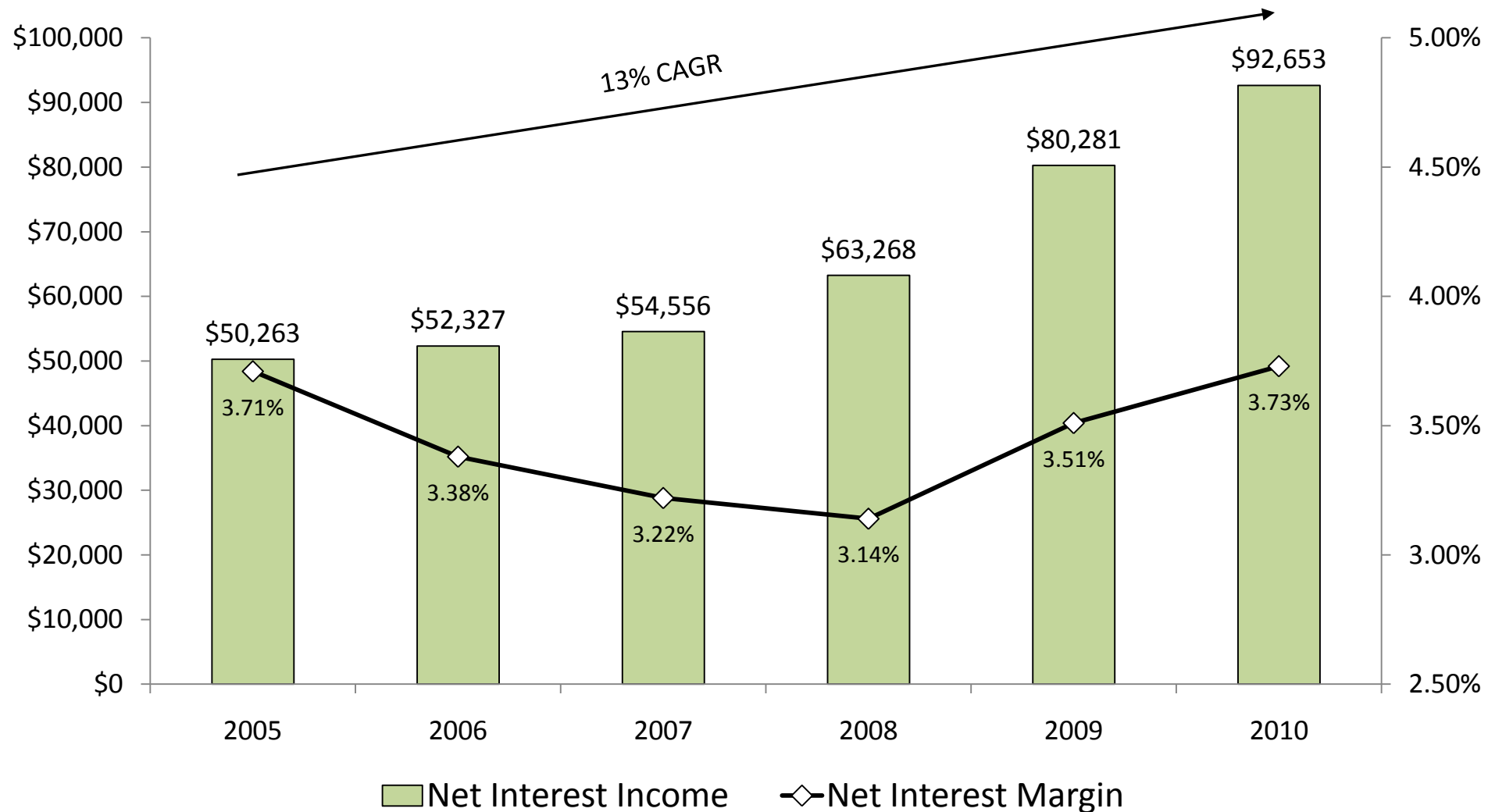
# Deposit Breakdown

Cost of Deposits



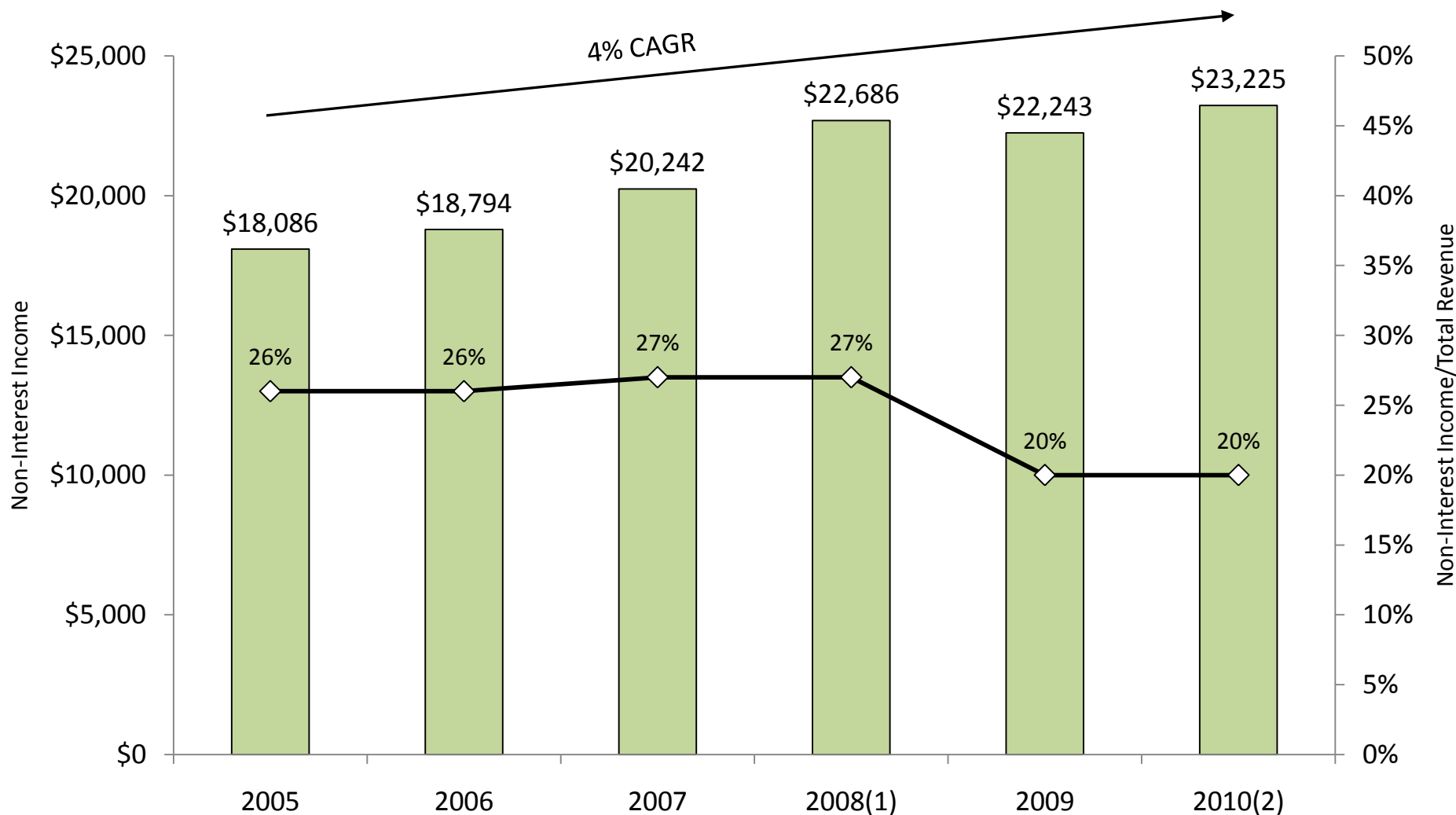
As of December 31, 2010

# Net Interest Income



2010 Growth 15%

# Non-Interest Income

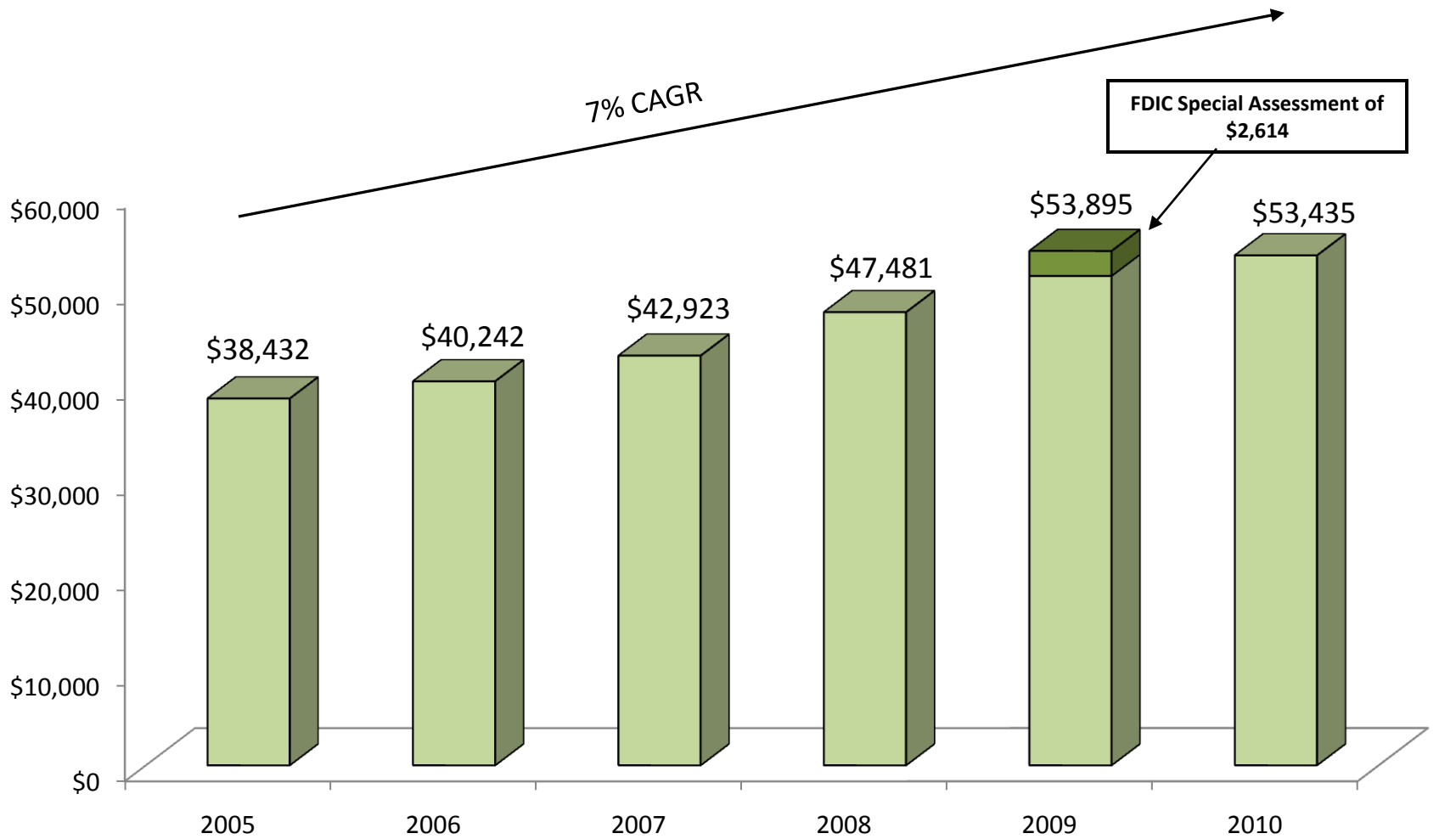


(1) Excluding gain on redemption of VISA shares in 2008.

(2) Excluding non-cash OTTI in 2010

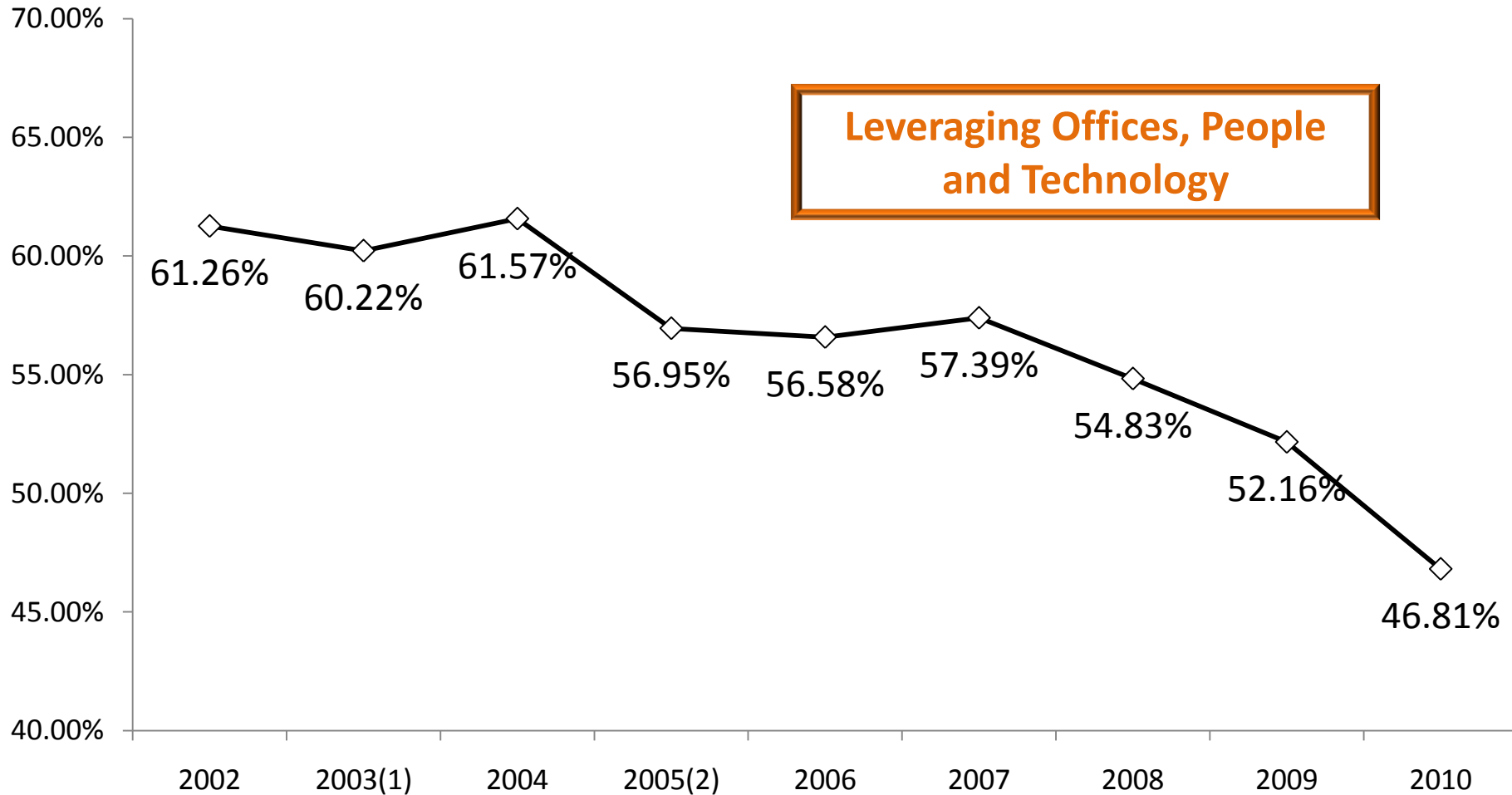
2010 Growth 4%

# Non-Interest Expense



2010 Growth (1)%

# Efficiency Ratio

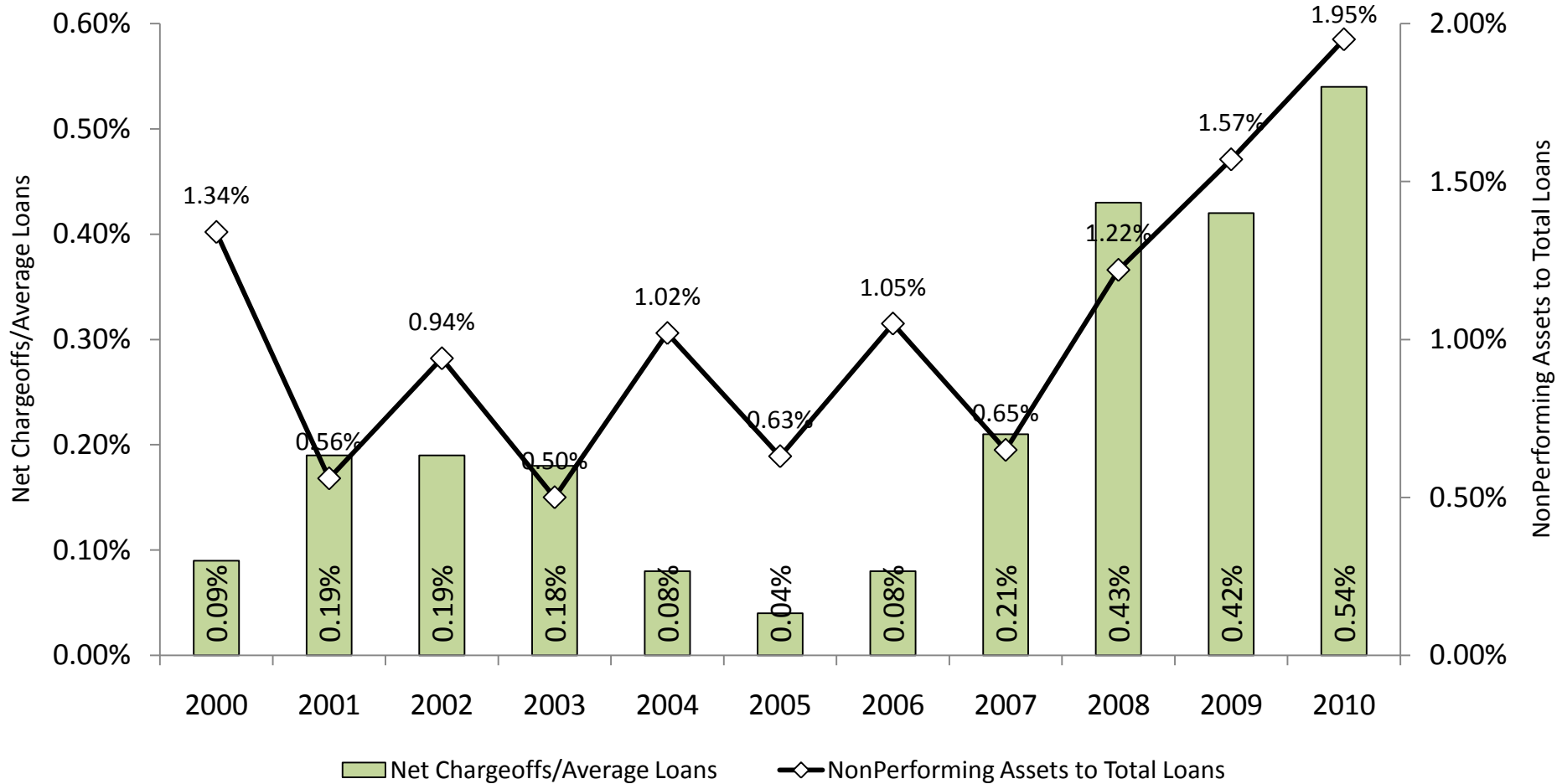


(1) Excluding impact of debt extinguishment cost of \$804,000

(2) Excluding impact of retail card portfolio sale of \$863,000

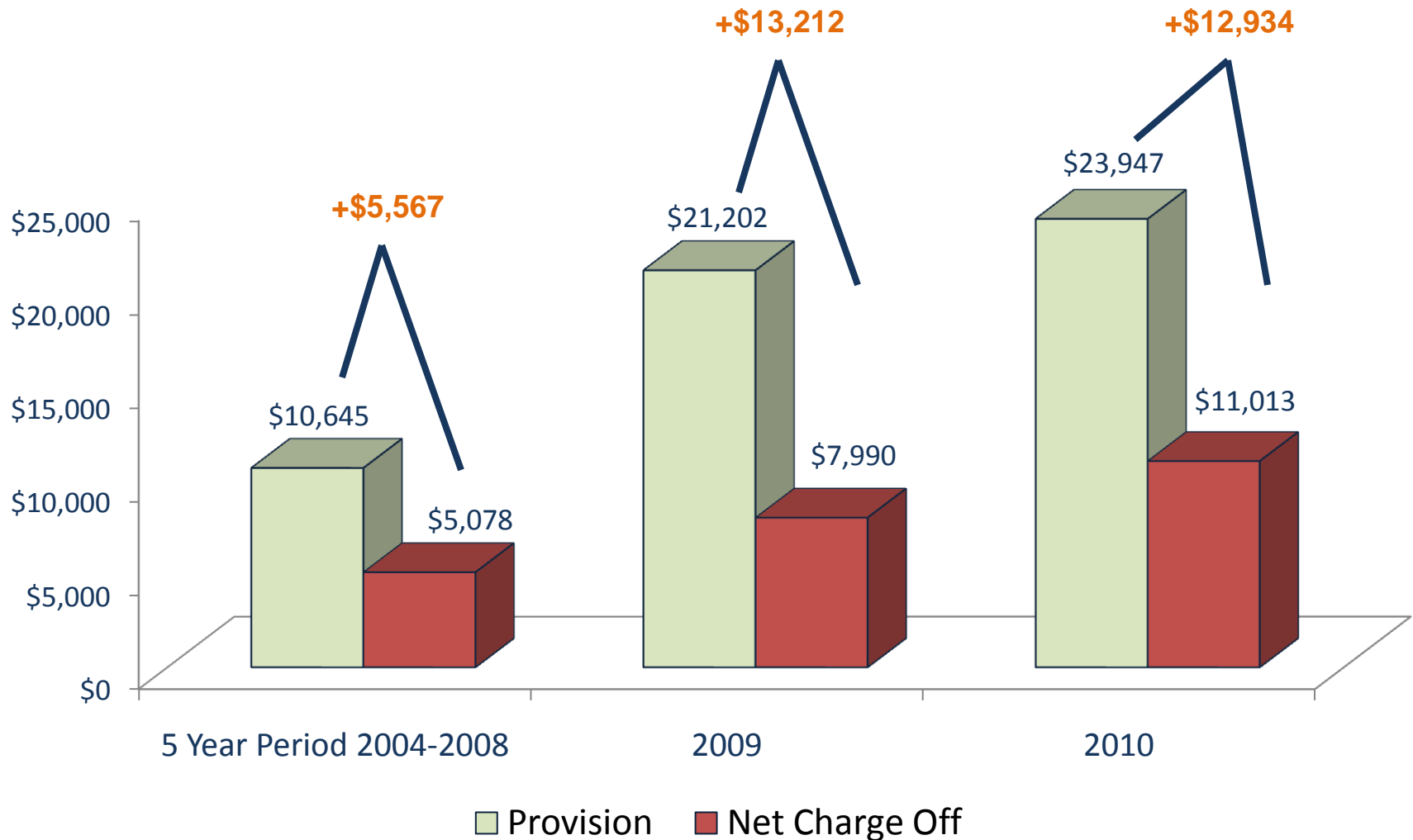
# Asset Quality

## Trends in NPA's vs. NCO's



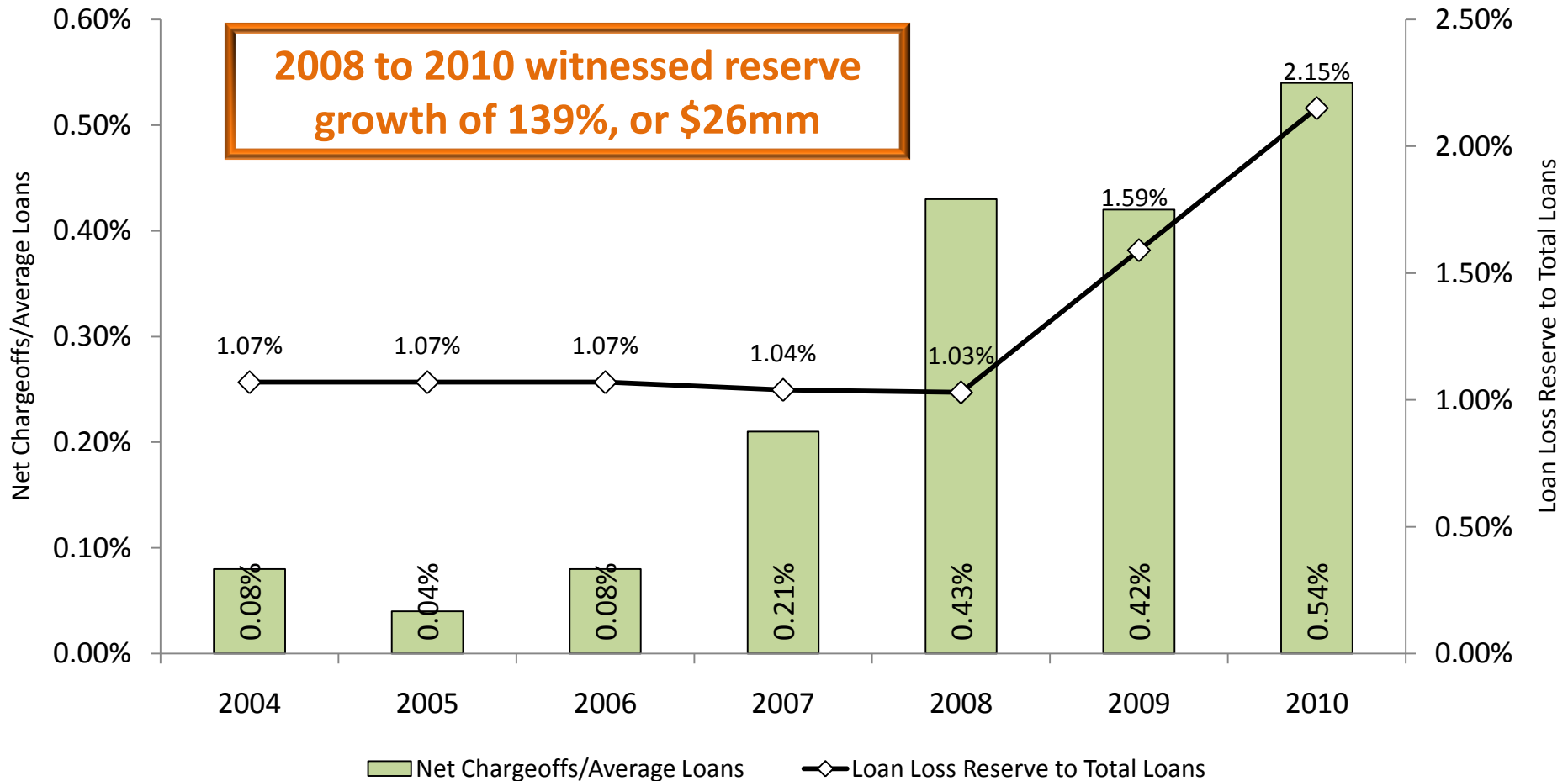
# Asset Quality

## Loan Loss Reserve Building



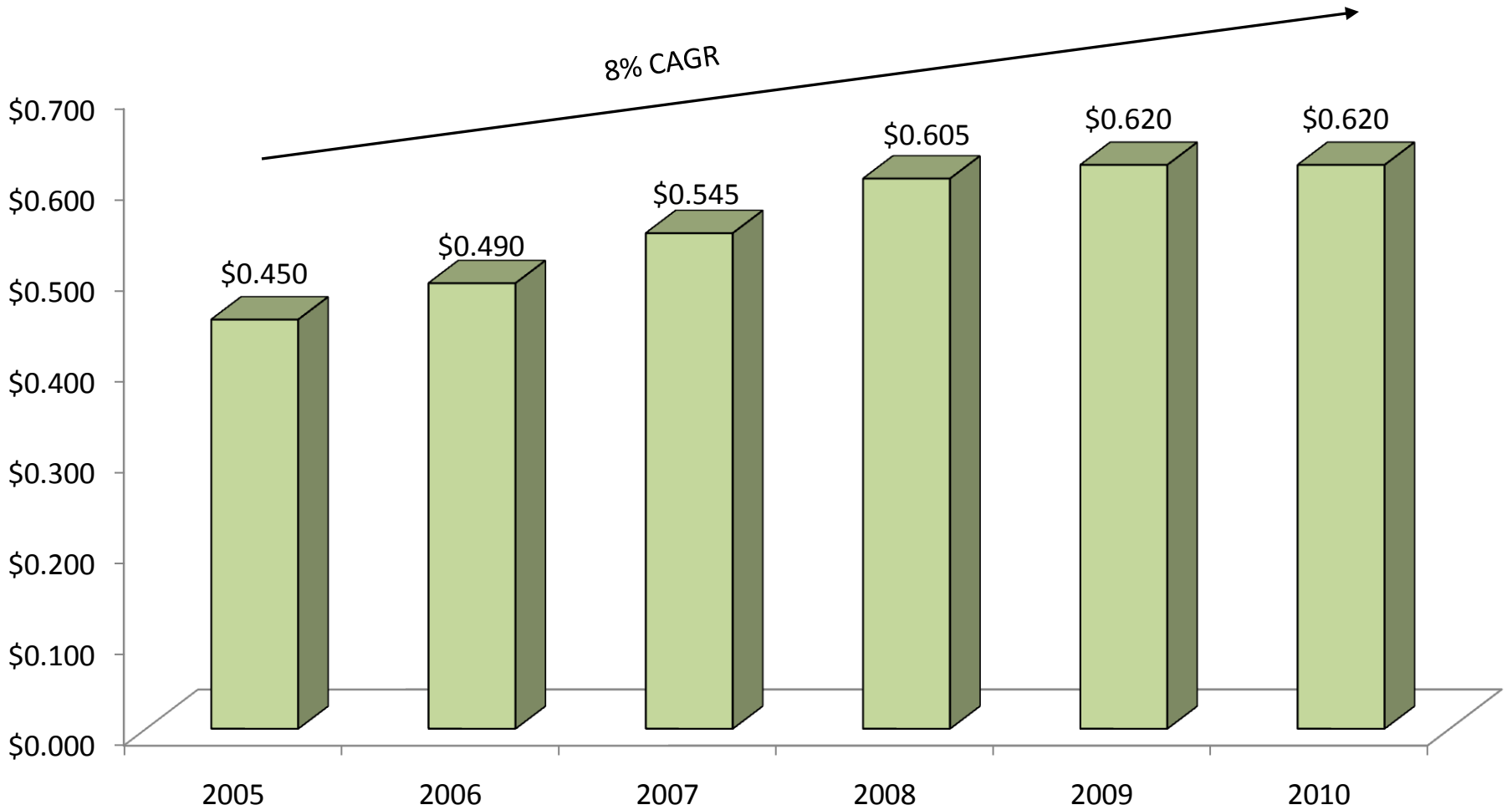
# Asset Quality

## Charge Offs and Reserve Summary





# Paid Dividends Per Share



Note - Split Adjusted  
- Paid Dividends

2010 Growth 0%

# TARP Repayment

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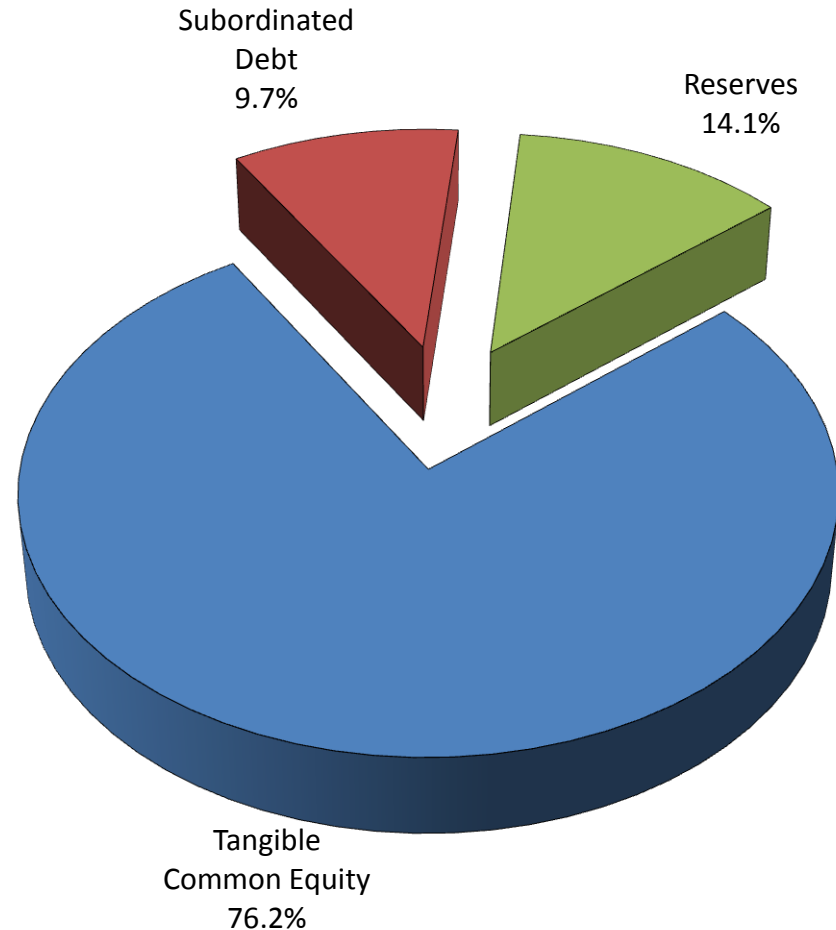
- Repaid 100% of TARP on June 9, 2010
- Elected not to repurchase warrants from Treasury
- Pro forma capital ratios strong

# Capital Structure

## Key Ratios and Per Share Data

Tangible Equity /Tangible Assets	9.10%
TCE /Tangible Assets	9.10%
Tier 1 Risk-Based	12.00%
Total Risk-Based	13.26%
Leverage	9.93%
Book Value	\$15.28
Tangible Book Value	\$15.08

As of December 31, 2010



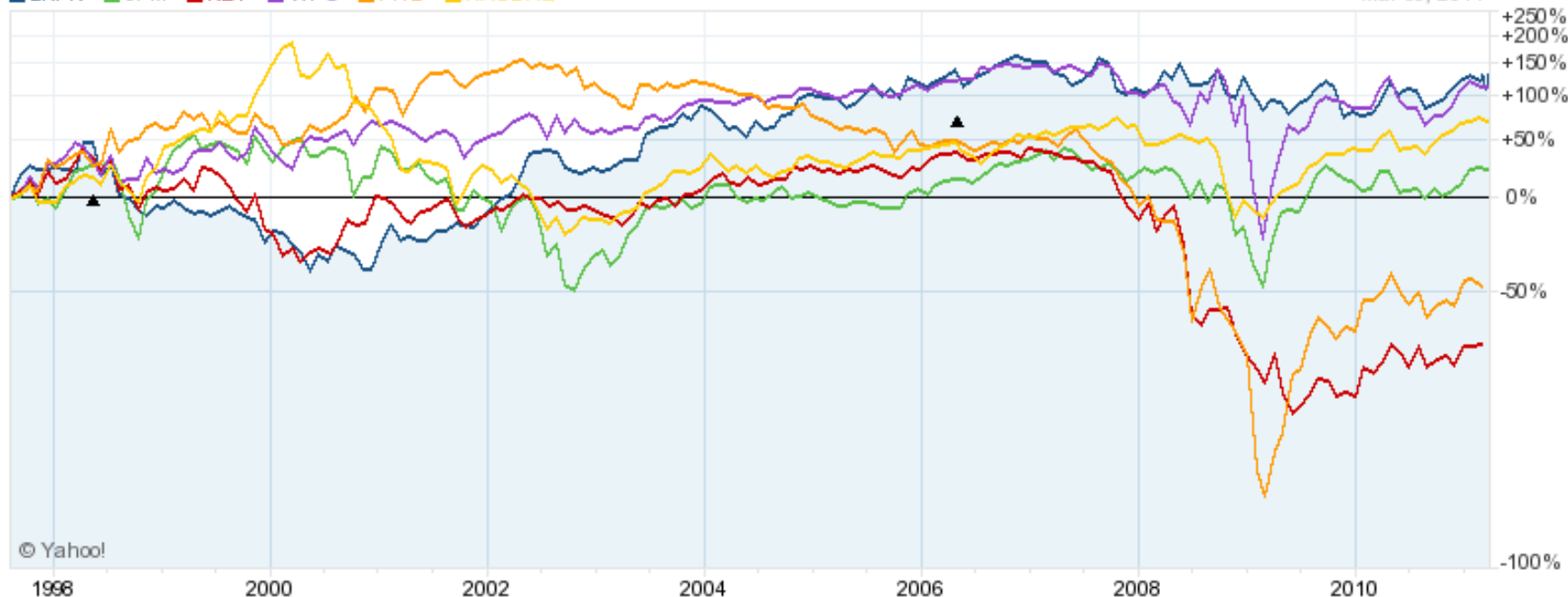
# Shareholder Value

## LKFN vs. "The Buyers"

### Lakeland Financial Corporation

■ LKFN ■ JPM ■ KEY ■ WFC ■ FITB ■ NASDAQ

Mar 30, 2011



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# 2010

2010 Annual Report

# North | Central Region Market Update



Christopher L. Craft  
Senior Vice President  
& Regional Manager



J. Chad Stoltzfus  
Senior Vice President  
& Regional Manager

# North | Central Region: Branch Growth

1990

Nappanee  
Goshen Downtown

1991

Bremen

1992

Goshen South

1993

Elkhart Beardsley  
Ligonier South

1994

Elkhart East  
Shipshewana

1995

Middlebury  
LaGrange  
Concord

1996

Kendallville East  
Elkhart Hubbard Hill

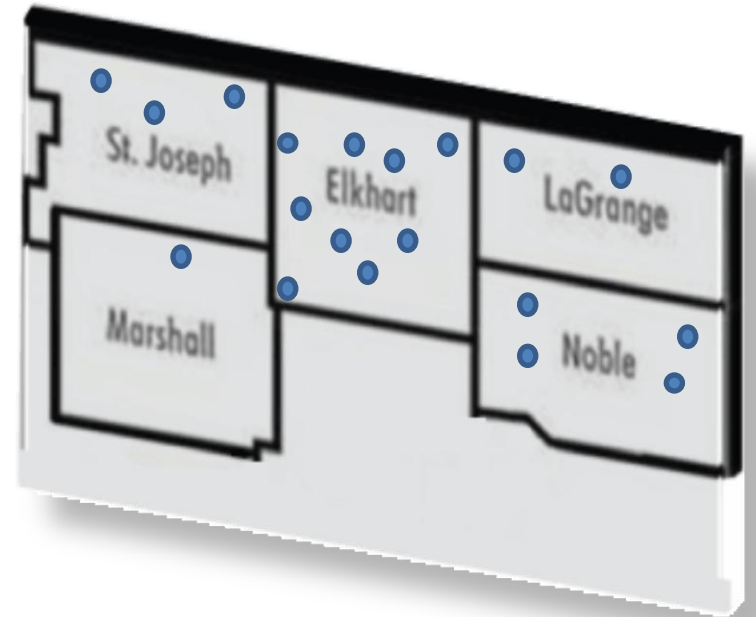
1997

Elkhart Northwest  
Granger  
Mishawaka  
Kendallville Downtown  
Ligonier Downtown

2001

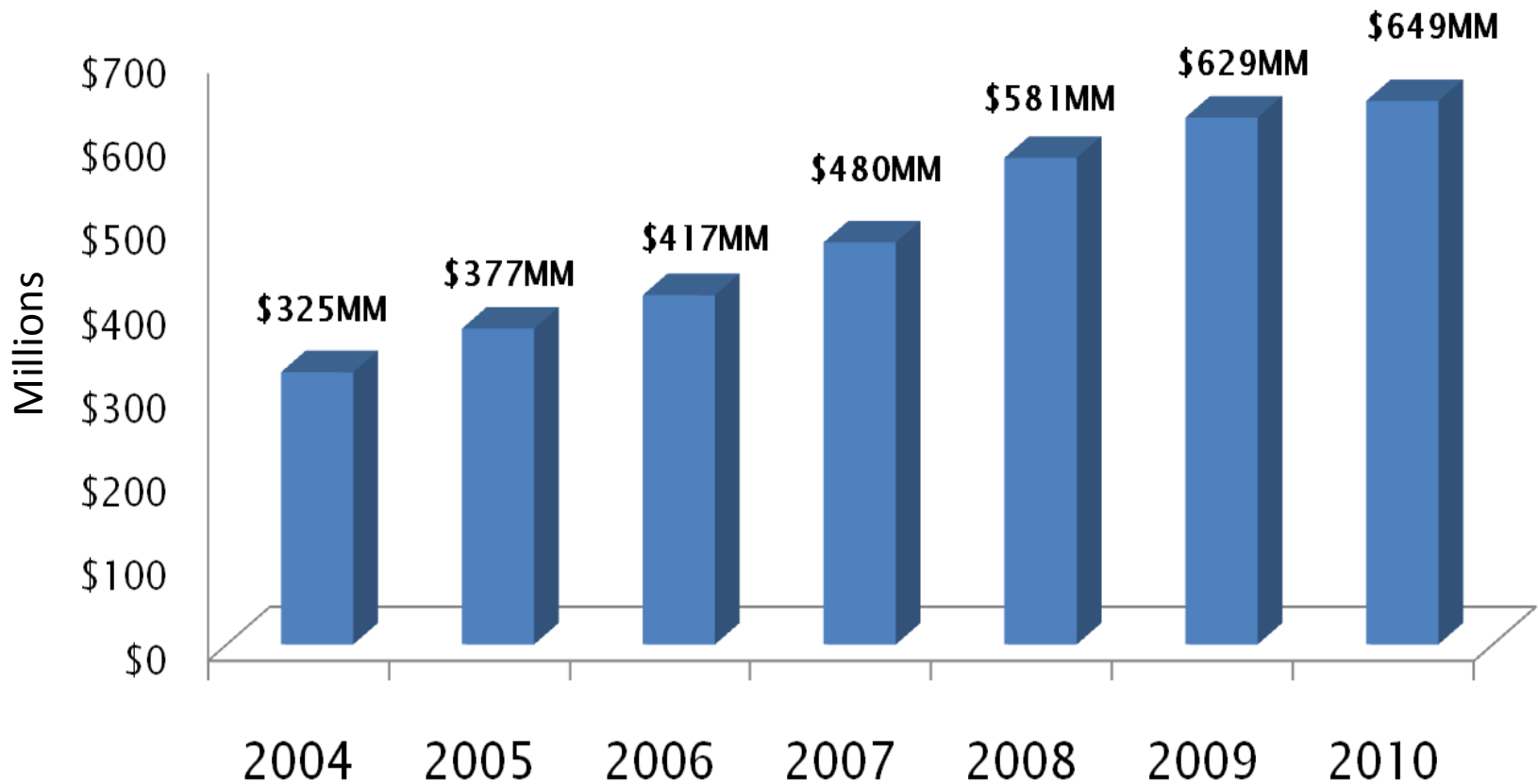
South Bend Northwest

# North | Central Region Banking Service Locations





# North | Central Regions: Commercial Loan Growth



# Serving Local Business



Manufacturing: Walerko Tool

Manufacturing :  
Maple City Machine



Distribution Services: Dehco, Inc

# Serving Local Business



Agricultural Products: Edd's Supply



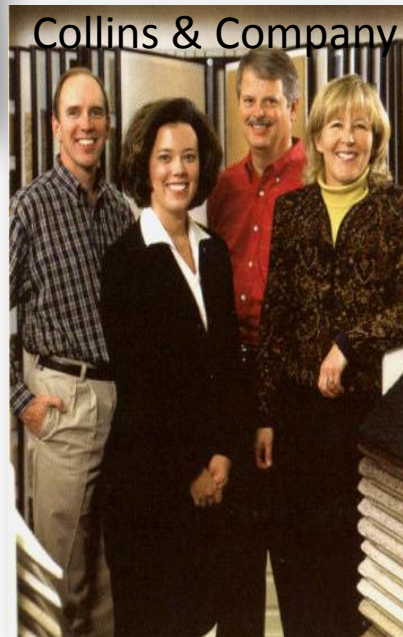
Medical Services: Boling Vision Center

# Serving Local Business



Food Distribution: Troyer Group

Distribution &  
Retail:



Collins & Company



Distribution Services: Pletcher  
Sales

# Serving Local Business

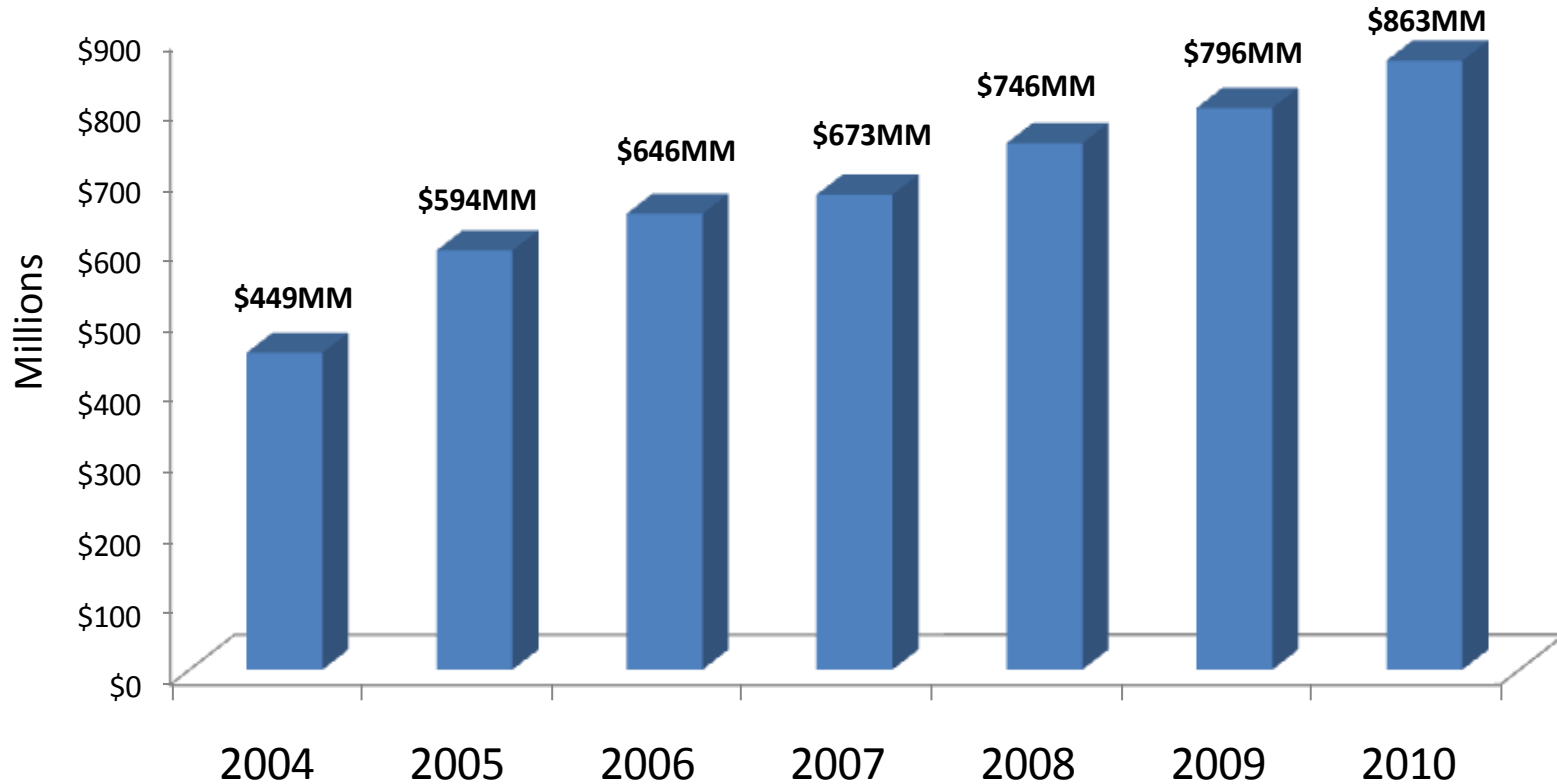


Multi Family Housing |  
Management & Construction  
Services:  
Sterling Group



Not for Profit Services:  
La Casa of Goshen, Inc.

# North | Central Region: Deposits



Ronald Mc Donald House | Church Community Services | Fellowship of Christian Athletes United Way | Samaritan Center  
ETHOS | Bethel College | 5-Star Life | YMCA of Elkhart | St. Margret's House | SCORE | Oaklawn | Bashor Children's Home  
South Bend Symphony | Wellfield Botanic Gardens | CAPS | Project Future | IUSB Entrepreneurial Lecture Series | Council on  
Aging | Center for History | Elkhart Chamber of Commerce | Center for Homeless | Logan Center | South Bend Rotary |  
Boys Scouts of Elkhart & St. Joe Counties | Women's Care Center | Boys & Girls Clubs of St. Joseph County | Arthritis Foundation  
CARES | Center for Hospice | Studebaker National Museum | Lifeline/Youth for Christ | Coaches vs. Cancer | Women In Business Ivy  
Tech Community College | Minority Business Council | St. Vincent De Paul Society | St. Joseph County Chamber of  
Commerce | Goshen Chamber of Commerce | WNIT Public Television | Literacy Council of St. Joe County |  
Downtown Elkhart, Inc. | Habitat for Humanity | South Bend Heritage Foundation | Goshen College | Goshen

# Community Engagement

University of Notre Dame  
Housing Authority  
Shakespeare  
Festival  
YWCA of North Central Indiana

Goshen  
Community School  
Foundation  
Goshen

Goshen Noon Kiwanis | La Casa | Horizon 2.0 | Neighborhood Stabilization Program | Goshen  
Chamber | Middlebury Exchange Club | Business Development Corp | Nappanee Redevelopment Commission | Big Brothers Big  
Sisters of Elkhart County | Goshen Parks Dept | JA of LaGrange | Shipshewana Retail Merchants Association | American Cancer Society  
| LaGrange County Chamber Association | Kendallville Development Corp | Goshen Redevelopment | Nappanee Library Board |  
Nappanee Chamber | Elkhart County 4-H | Indiana Youth Institute | Middlebury Chamber | Wa -Nee Community Schools  
Elkhart South Central Neighborhood Planning | Boys & Girls Club of Nappanee | Fairfield High School Band Boosters |  
| LaGrange County 4-H | Greencroft | Downtown Goshen Inc | EDC of Elkhart | Westview  
School Corp. | Elkhart County Redevelopment | LaGrange United Fund |

# Reality Store: Teaching Children to Succeed Financially





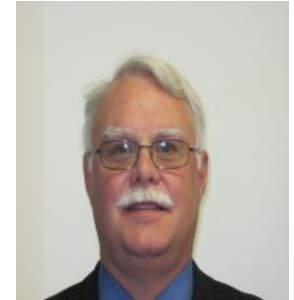
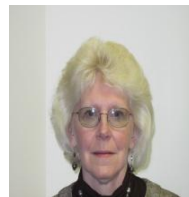
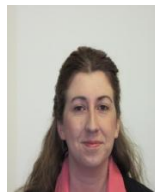
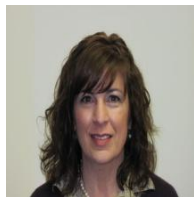
# Success Factors:

- Demonstrated commitment to local businesses
- Deep understanding of local businesses
- Practical local credit underwriting
- Rapid response to credit needs
- Long term relationship management approach
- High client service levels
- Direct calling efforts on local business
- Array of complimentary products tailored to needs of local business
- Skilled bankers who hustle and care
- Support from clients, board, community leaders and centers of influence

# Working Together: Our People Make a Difference

Central Retail Banking

Central Commercial Banking



# Working Together: Our People Make a Difference

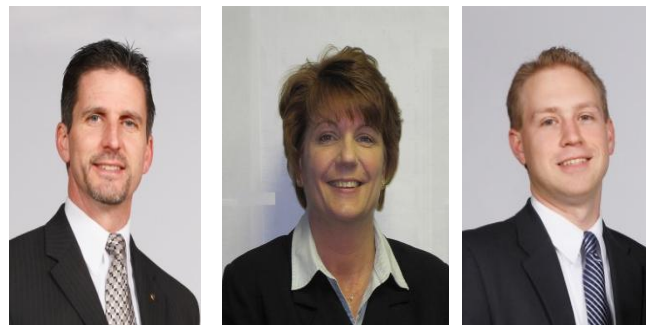
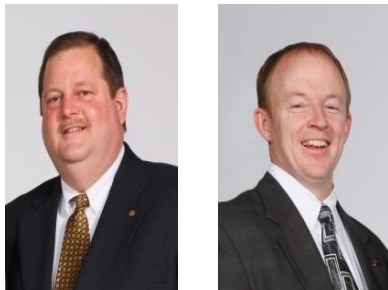
## North Retail Banking



## North Product Partners



## North Commercial Banking



Lakeland Financial Corporation | Lake City Bank



Thank you for joining us