

LAKELAND FINANCIAL CORP

Form 10-Q

August 04, 2010

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

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

Indiana	0-11487	35-1559596
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(IRS Employer Identification No.)

202 East Center Street, P.O. Box 1387, Warsaw, Indiana 46581-1387  
(Address of Principal Executive Offices)(Zip Code)

(574) 267-6144  
Registrant's Telephone Number, Including Area Code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act). (check one):

Edgar Filing: LAKELAND FINANCIAL CORP - Form 10-Q

Large accelerated filer    Accelerated filer     Non-accelerated filer    (do not check if a smaller reporting company)    Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes    No   

Number of shares of common stock outstanding at July 31, 2010: 16,129,519

---

LAKELAND FINANCIAL CORPORATION  
Form 10-Q Quarterly Report  
Table of Contents

PART I.

	Page Number
Item 1. <u>Financial Statements</u>	1
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	23
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	41
Item 4. <u>Controls and Procedures</u>	41

PART II.

	Page Number
Item 1. <u>Legal Proceedings</u>	43
Item 1A. <u>Risk Factors</u>	43
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	43
Item 3. <u>Defaults Upon Senior Securities</u>	44
Item 4. <u>Removed and Reserved</u>	44
Item 5. <u>Other Information</u>	44
Item 6. <u>Exhibits</u>	44
Form 10-Q <u>Signature Page</u>	45

---

PART 1  
LAKELAND FINANCIAL CORPORATION  
ITEM 1 – FINANCIAL STATEMENTS

LAKELAND FINANCIAL CORPORATION  
CONSOLIDATED BALANCE SHEETS  
As of June 30, 2010 and December 31, 2009  
(in thousands except for share data)

(Page 1 of 2)

	June 30, 2010 (Unaudited)	December 31, 2009
<b>ASSETS</b>		
Cash and due from banks	\$ 51,652	\$ 48,964
Short-term investments	5,217	7,019
Total cash and cash equivalents	56,869	55,983
Securities available for sale (carried at fair value)	432,025	410,028
Real estate mortgage loans held for sale	1,472	1,521
Loans, net of allowance for loan losses of \$37,364 and \$32,073	2,020,363	1,979,937
Land, premises and equipment, net	29,249	29,576
Bank owned life insurance	37,175	36,639
Accrued income receivable	9,178	8,600
Goodwill	4,970	4,970
Other intangible assets	180	207
Other assets	42,028	44,044
Total assets	\$ 2,633,509	\$ 2,571,505

(continued)



LAKELAND FINANCIAL CORPORATION  
CONSOLIDATED BALANCE SHEETS  
As of June 30, 2010 and December 31, 2009  
(in thousands except for share data)

(Page 2 of 2)

	June 30, 2010 (Unaudited)	December 31, 2009
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Noninterest bearing deposits	\$ 264,817	\$ 259,415
Interest bearing deposits	1,866,314	1,591,710
<b>Total deposits</b>	<b>2,131,131</b>	<b>1,851,125</b>
<b>Short-term borrowings</b>		
Federal funds purchased	71,300	9,600
Securities sold under agreements to repurchase	104,958	127,118
U.S. Treasury demand notes	2,427	2,333
Other short-term borrowings	0	215,000
<b>Total short-term borrowings</b>	<b>178,685</b>	<b>354,051</b>
Accrued expenses payable	13,638	14,040
Other liabilities	1,034	1,236
Long-term borrowings	40,041	40,042
Subordinated debentures	30,928	30,928
<b>Total liabilities</b>	<b>2,395,457</b>	<b>2,291,422</b>
<b>EQUITY</b>		
Cumulative perpetual preferred stock: 1,000,000 shares authorized, no par value, \$56,044 liquidation value		
0 shares issued and outstanding as of June 30, 2010		
56,044 shares issued and outstanding as of December 31, 2009	0	54,095
Common stock: 90,000,000 shares authorized, no par value		
16,126,619 shares issued and 16,023,797 outstanding as of June 30, 2010		
16,078,461 shares issued and 15,977,352 outstanding as of December 31, 2009	85,009	83,487
Retained earnings	153,996	149,945
Accumulated other comprehensive income (loss)	520	(5,993)

Edgar Filing: LAKELAND FINANCIAL CORP - Form 10-Q

Treasury stock, at cost (2010 - 102,822 shares, 2009 - 101,109 shares)	(1,562)	(1,540)
Total stockholders' equity	237,963	279,994
Noncontrolling interest	89	89
Total equity	238,052	280,083
Total liabilities and equity	\$ 2,633,509	\$ 2,571,505

The accompanying notes are an integral part of these consolidated financial statements.



LAKELAND FINANCIAL CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME  
For the Three Months and Six Months Ended June 30, 2010 and 2009  
(in thousands except for share and per share data)

(Unaudited)

(Page 1 of 2)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
<b>NET INTEREST INCOME</b>				
Interest and fees on loans				
Taxable	\$ 25,945	\$ 23,751	\$ 51,295	\$ 46,540
Tax exempt	19	30	38	100
Interest and dividends on securities				
Taxable	4,113	4,433	8,341	8,896
Tax exempt	708	604	1,353	1,207
Interest on short-term investments	27	12	41	28
Total interest income	30,812	28,830	61,068	56,771
Interest on deposits	6,933	8,278	13,448	18,033
Interest on borrowings				
Short-term	188	265	437	573
Long-term	539	749	1,070	1,612
Total interest expense	7,660	9,292	14,955	20,218
<b>NET INTEREST INCOME</b>	<b>23,152</b>	<b>19,538</b>	<b>46,113</b>	<b>36,553</b>
Provision for loan losses	5,750	4,936	11,276	9,452
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>				
	17,402			