

LAKELAND FINANCIAL CORP

Form 10-Q

May 05, 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 March 31, 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)	(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 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 Act). (check one):

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 April 30, 2010: 16,108,119

LAKELAND FINANCIAL CORPORATION
Form 10-Q Quarterly Report
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PART 1
LAKELAND FINANCIAL CORPORATION
ITEM 1 – FINANCIAL STATEMENTS

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

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	March 31, 2010 (Unaudited)	December 31, 2009
ASSETS		
Cash and due from banks	\$ 36,910	\$ 48,964
Short-term investments	60,266	7,019
Total cash and cash equivalents	97,176	55,983
Securities available for sale (carried at fair value)	422,691	410,028
Real estate mortgage loans held for sale	1,153	1,521
Loans, net of allowance for loan losses of \$36,332 and \$32,073	1,975,111	1,979,937
Land, premises and equipment, net	29,262	29,576
Bank owned life insurance	36,922	36,639
Accrued income receivable	9,130	8,600
Goodwill	4,970	4,970
Other intangible assets	194	207
Other assets	42,026	44,044
Total assets	\$ 2,618,635	\$ 2,571,505

(continued)

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

(Page 2 of 2)

	March 31, 2010 (Unaudited)	December 31, 2009
LIABILITIES AND EQUITY		
LIABILITIES		
Noninterest bearing deposits	\$ 244,488	\$ 259,415
Interest bearing deposits	1,786,664	1,591,710
Total deposits	2,031,152	1,851,125
Short-term borrowings		
Federal funds purchased	0	9,600
Securities sold under agreements to repurchase	118,332	127,118
U.S. Treasury demand notes	2,754	2,333
Other short-term borrowings	90,000	215,000
Total short-term borrowings	211,086	354,051
Accrued expenses payable	15,640	14,040
Other liabilities	3,155	1,236
Long-term borrowings	40,041	40,042
Subordinated debentures	30,928	30,928
Total liabilities	2,332,002	2,291,422
EQUITY		
Cumulative perpetual preferred stock: 1,000,000 shares authorized, no par value, \$56,044 liquidation value		
56,044 shares issued and outstanding as of March 31, 2010 and December 31, 2009	54,199	54,095
Common stock: 90,000,000 shares authorized, no par value		
16,099,561 shares issued and 15,993,041 outstanding as of March 31, 2010	84,623	83,487

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16,078,461 shares issued and 15,977,352 outstanding as of December 31,
2009

Retained earnings	152,668		149,945
Accumulated other comprehensive loss	(3,311)		(5,993)
Treasury stock, at cost (2010 - 106,520 shares, 2009 - 101,109 shares)	(1,635)		(1,540)
Total stockholders' equity	286,544		279,994
Noncontrolling interest	89		89
Total equity	286,633		280,083
Total liabilities and equity	\$ 2,618,635	\$	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 Ended March 31, 2010 and 2009
(in thousands except for share and per share data)

(Unaudited)

(Page 1 of 2)

	Three Months Ended March 31,	
	2010	2009
NET INTEREST INCOME		
Interest and fees on loans		
Taxable	\$ 25,350	\$ 22,789
Tax exempt	19	70
Interest and dividends on securities		
Taxable	4,228	4,463
Tax exempt	645	603
Interest on short-term investments	14	16
Total interest income	30,256	27,941
Interest on deposits	6,515	9,755
Interest on borrowings		
Short-term	249	308
Long-term	531	863
Total interest expense	7,295	10,926
NET INTEREST INCOME	22,961	17,015
Provision for loan losses	5,526	4,516
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	17,435	12,499
NONINTEREST INCOME		
Wealth advisory fees	792	739
Investment brokerage fees	545	458
Service charges on deposit accounts	1,858	1,910
Loan, insurance and service fees	920	784
Merchant card fee income	280	803
Other income	532	516
Mortgage banking income	91	360
Impairment on available-for-sale securities (includes total losses of \$184, net of \$13 recognized in other comprehensive income, pre-tax)	(171)	0
Total noninterest income	4,847	5,570

(continued)

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LAKELAND FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2010 and 2009
(in thousands except for share and per share data)

(Unaudited)

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	Three Months Ended March 31,	
	2010	2009
NONINTEREST EXPENSE		
Salaries and employee benefits	7,511	6,100
Occupancy expense	789	921
Equipment costs	529	