

LAKELAND FINANCIAL CORP

Form 10-Q

November 05, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10 Q

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

For the quarterly period ended September 30, 2018

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer
Smaller reporting company Emerging growth company

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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 October 31, 2018: 25,301,732

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ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS (in thousands except share data)

	September 30, 2018 (Unaudited)	December 31, 2017
ASSETS		
Cash and due from banks	\$151,127	\$140,402
Short-term investments	31,193	35,778
Total cash and cash equivalents	182,320	176,180
Securities available for sale (carried at fair value)	570,568	538,493
Real estate mortgage loans held for sale	3,488	3,346
Loans, net of allowance for loan losses of \$48,343 and \$47,121	3,794,782	3,771,338
Land, premises and equipment, net	57,644	56,466
Bank owned life insurance	76,998	75,879
Federal Reserve and Federal Home Loan Bank stock	13,772	13,772
Accrued interest receivable	15,802	14,093
Goodwill	4,970	4,970
Other assets	37,275	28,439
Total assets	\$4,757,619	\$4,682,976
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Noninterest bearing deposits	\$880,363	\$885,622
Interest bearing deposits	3,135,561	3,123,033
Total deposits	4,015,924	4,008,655
Borrowings		
Federal funds purchased	20,000	0
Securities sold under agreements to repurchase	77,352	70,652
Federal Home Loan Bank advances	80,000	80,030
Subordinated debentures	30,928	30,928
Total borrowings	208,280	181,610
Accrued interest payable	8,742	6,311
Other liabilities	26,132	17,733
Total liabilities	4,259,078	4,214,309
STOCKHOLDERS' EQUITY		
Common stock: 90,000,000 shares authorized, no par value		
25,301,732 shares issued and 25,129,796 outstanding as of September 30, 2018		
25,194,903 shares issued and 25,025,933 outstanding as of December 31, 2017	111,045	108,862
Retained earnings	404,394	363,794
Accumulated other comprehensive income/(loss)	(13,276)	(670)
Treasury stock, at cost (2018 - 171,936 shares, 2017 - 168,970 shares)	(3,711)	(3,408)
Total stockholders' equity	498,452	468,578
Noncontrolling interest	89	89

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Total equity	498,541	468,667
Total liabilities and equity	\$4,757,619	\$4,682,976

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

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CONSOLIDATED STATEMENTS OF INCOME (unaudited - in thousands
except share and per share data)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
NET INTEREST INCOME				
Interest and fees on loans				
Taxable	\$46,127	\$38,630	\$132,360	\$110,044
Tax exempt	208	205	627	517
Interest and dividends on securities				
Taxable	2,275	2,349	7,201	7,033
Tax exempt	1,570	1,309	4,367	3,745
Other interest income	199	96	687	198
Total interest income	50,379	42,589	145,242	121,537
Interest on deposits	11,473	7,037	31,488	18,722
Interest on borrowings				
Short-term	555	588	861	1,329
Long-term	426	344	1,212	986
Total interest expense	12,454	7,969	33,561	21,037
NET INTEREST INCOME	37,925	34,620	111,681	100,500
Provision for loan losses	1,100	450	6,100	1,150
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	36,825	34,170	105,581	99,350
NONINTEREST INCOME				
Wealth advisory fees	1,627	1,471	4,676	4,005
Investment brokerage fees	376	330	1,043	950
Service charges on deposit accounts	4,114	3,631	11,542	10,027
Loan and service fees	2,327	2,060	6,925	5,850
Merchant card fee income	643	588	1,834	1,696
Bank owned life insurance income	466	397	1,177	1,270
Other income	561	718	1,816	1,886
Mortgage banking income	319	302	998	811
Net securities gains/(losses)	0	0	(6)	52
Total noninterest income	10,433	9,497	30,005	26,547
NONINTEREST EXPENSE				