

LAKELAND FINANCIAL CORP

Form 10-Q

November 09, 2015

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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, 2015

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 (§232.405 of this chapter) 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):

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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 October 31, 2015: 16,636,069

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## ITEM 1. FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEETS (in thousands except share data)

	September 30, 2015 (Unaudited)	December 31, 2014
<b>ASSETS</b>		
Cash and due from banks	\$86,586	\$75,381
Short-term investments	11,485	15,257
Total cash and cash equivalents	98,071	90,638
Securities available for sale (carried at fair value)	477,699	475,911
Real estate mortgage loans held for sale	3,132	1,585
Loans, net of allowance for loan losses of \$44,694 and \$46,262	2,927,586	2,716,058
Land, premises and equipment, net	44,013	41,983
Bank owned life insurance	67,693	66,612
Federal Reserve and Federal Home Loan Bank stock	7,668	9,413
Accrued interest receivable	9,330	8,662
Goodwill	4,970	4,970
Other assets	26,088	27,452
Total assets	\$3,666,250	\$3,443,284

**LIABILITIES AND STOCKHOLDERS' EQUITY****LIABILITIES**

Noninterest bearing deposits	\$630,789	\$579,495
Interest bearing deposits	2,516,745	2,293,625
Total deposits	3,147,534	2,873,120
Short-term borrowings		
Federal funds purchased	0	500
Securities sold under agreements to repurchase	80,414	54,907
Other short-term borrowings	0	105,000
Total short-term borrowings	80,414	160,407
Long-term borrowings	34	35
Subordinated debentures	30,928	30,928
Accrued interest payable	3,712	2,946
Other liabilities	16,928	14,463
Total liabilities	3,279,550	3,081,899

**STOCKHOLDERS' EQUITY**

Common stock: 90,000,000 shares authorized, no par value

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16,636,069 shares issued and 16,540,957 outstanding as of September 30, 2015		
16,550,324 shares issued and 16,465,621 outstanding as of December 31, 2014	98,216	96,121
Retained earnings	285,792	263,345
Accumulated other comprehensive income	5,035	3,830
Treasury stock, at cost (2015 - 95,112 shares, 2014 - 84,703 shares)	(2,432)	(2,000)
Total stockholders' equity	386,611	361,296
Noncontrolling interest	89	89
Total equity	386,700	361,385
Total liabilities and equity	\$3,666,250	\$3,443,284

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
<b>NET INTEREST INCOME</b>				
Interest and fees on loans				
Taxable	\$27,981	\$26,713	\$81,553	\$78,317
Tax exempt	116	125	350	348
Interest and dividends on securities				
Taxable	2,009	2,075	6,459	6,114
Tax exempt	844	820	2,515	2,455
Interest on short-term investments	16	12	43	31
Total interest income	30,966	29,745	90,920	87,265
Interest on deposits	3,973	3,424	11,551	9,946
Interest on borrowings				
Short-term	43	96	138	351
Long-term	239	260	756	769
Total interest expense	4,255	3,780	12,445	11,066
<b>NET INTEREST INCOME</b>	<b>26,711</b>	<b>25,965</b>	<b>78,475</b>	<b>76,199</b>
Provision for loan losses	0	0	0	0
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>				
	<b>26,711</b>	<b>25,965</b>	<b>78,475</b>	<b>76,199</b>
<b>NONINTEREST INCOME</b>				
Wealth advisory fees	1,103	1,030	3,393	3,046
Investment brokerage fees	405	699	1,208	2,739
Service charges on deposit accounts	2,806	2,474	7,753	6,973
Loan, insurance and service fees	2,147	1,972	5,616	5,187
Merchant card fee income	485	407	1,332	1,137
Bank owned life insurance income	221	372		