

LAKELAND FINANCIAL CORP

Form 10-Q

May 10, 2016

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 March 31, 2016

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):

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 April 30, 2016: 16,696,834

TABLE OF CONTENTS

Page

PART I. FINANCIAL INFORMATION

Item 1.	Financial Statements	
	<u>Consolidated Balance Sheets — March 31, 2016 and December 31, 2015</u>	1
	<u>Consolidated Statements of Income — three months ended March 31, 2016 and 2015</u>	2
	<u>Consolidated Statements of Comprehensive Income — three months ended March 31, 2016 and 2015</u>	3
	<u>Consolidated Statements of Shareholders' Equity — three months ended March 31, 2016 and 2015</u>	4
	<u>Consolidated Statements of Cash Flows — three months ended March 31, 2016 and 2015</u>	5
	<u>Notes to the Consolidated Financial Statements</u>	6
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	31
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	42
Item 4.	<u>Controls and Procedures</u>	43
PART II. OTHER INFORMATION		
Item 1.	<u>Legal Proceedings</u>	44
Item 1A.	<u>Risk Factors</u>	44
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	44
Item 3.	<u>Defaults Upon Senior Securities</u>	44
Item 4.	<u>Mine Safety Disclosures</u>	44
Item 5.	<u>Other Information</u>	44
Item 6.	<u>Exhibits</u>	45
<u>SIGNATURES</u>		46

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS (in thousands except share data)

	March 31, 2016 (Unaudited)	December 31, 2015
ASSETS		
Cash and due from banks	\$63,849	\$67,484
Short-term investments	16,889	13,190
Total cash and cash equivalents	80,738	80,674
Securities available for sale (carried at fair value)	485,263	478,071
Real estate mortgage loans held for sale	2,186	3,294
Loans, net of allowance for loan losses of \$43,284 and \$43,610	3,070,016	3,037,319
Land, premises and equipment, net	48,628	46,684
Bank owned life insurance	70,043	69,698
Federal Reserve and Federal Home Loan Bank stock	7,668	7,668
Accrued interest receivable	10,030	9,462
Goodwill	4,970	4,970
Other assets	29,365	28,446
Total assets	\$3,808,907	\$3,766,286
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Noninterest bearing deposits	\$660,318	\$715,093
Interest bearing deposits	2,590,417	2,468,328
Total deposits	3,250,735	3,183,421
Short-term borrowings		
Securities sold under agreements to repurchase	59,504	69,622
Other short-term borrowings	35,000	70,000
Total short-term borrowings	94,504	139,622
Long-term borrowings	32	34
Subordinated debentures	30,928	30,928
Accrued interest payable	4,212	3,773
Other liabilities	21,533	15,607
Total liabilities	3,401,944	3,373,385
STOCKHOLDERS' EQUITY		
Common stock: 90,000,000 shares authorized, no par value		
16,696,834 shares issued and 16,596,745 outstanding as of March 31, 2016		

Edgar Filing: LAKELAND FINANCIAL CORP - Form 10-Q

16,641,651 shares issued and 16,546,044 outstanding as of December 31, 2015	99,962	99,123
Retained earnings	302,202	294,002
Accumulated other comprehensive income	7,363	2,142
Treasury stock, at cost (2016 - 100,089 shares, 2015 - 95,607 shares)	(2,653)	(2,455)
Total stockholders' equity	406,874	392,812
Noncontrolling interest	89	89
Total equity	406,963	392,901
Total liabilities and equity	\$3,808,907	\$3,766,286

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

March 31,

2016 2015

NET INTEREST INCOME

Interest and fees on loans

Taxable	\$29,630	\$26,257
Tax exempt	111	117
Interest and dividends on securities		
Taxable	2,546	2,448
Tax exempt	895	829
Interest on short-term investments	28	13
Total interest income	33,210	29,664

Interest on deposits	4,195	3,648
Interest on borrowings		
Short-term	147	60
Long-term	286	256
Total interest expense	4,628	3,964

NET INTEREST INCOME	28,582	25,700
---------------------	--------	--------

Provision for loan losses	0	0
---------------------------	---	---

NET INTEREST INCOME AFTER PROVISION FOR

LOAN LOSSES	28,582	25,700
-------------	--------	--------

NONINTEREST INCOME

Wealth advisory fees	1,160	1,184
Investment brokerage fees	288	492
Service charges on deposit accounts	2,780	2,374
Loan, insurance and service fees	1,838	1,569
Merchant card fee income	497	416
Bank owned life insurance income	173	375
Other income	(72)	954
Mortgage banking income	327	389
Net securities gains	52	42
Total noninterest income	7,043	7,795

NONINTEREST EXPENSE

Salaries and employee benefits	9,605	9,723
Net occupancy expense	1,096	1,084
Equipment costs	901	916
Data processing fees and supplies	2,032	1,767
Corporate and business development	857	790
FDIC insurance and other regulatory fees	523	486
Professional fees	827	689
Other expense	1,543	1,446

Edgar Filing: LAKELAND FINANCIAL CORP - Form 10-Q

Total noninterest expense	17,384	16,901
INCOME BEFORE INCOME TAX EXPENSE	18,241	16,594
Income tax expense	5,962	5,458
NET INCOME	\$12,279	\$11,136
BASIC WEIGHTED AVERAGE COMMON SHARES	16,679,835	16,590,285
BASIC EARNINGS PER COMMON SHARE	\$0.74	\$0.67
DILUTED WEIGHTED AVERAGE COMMON SHARES	16,885,204	16,789,497
DILUTED EARNINGS PER COMMON SHARE	\$0.73	\$0.66

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited - in thousands)

	Three months ended March 31,	
	2016	2015
Net income	\$12,279	\$11,136
Other comprehensive income		
Change in securities available for sale:		
Unrealized holding gain on securities available for sale arising during the period	7,547	3,662
Reclassification adjustment for gains included in net income	(52)	(42)
Net securities gain activity during the period	7,495	3,620
Tax effect	(2,306)	(1,443)
Net of tax amount	5,189	2,177
Defined benefit pension plans:		
Net gain (loss) on defined benefit pension plans	0	(276)
Amortization of net actuarial loss	54	61
Net gain (loss) activity during the period	54	(215)
Tax effect	(22)	77
Net of tax amount	32	(138)
Total other comprehensive income, net of tax	5,221	2,039
Comprehensive income	\$17,500	\$13,175

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

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (unaudited - in thousands except share and per share data)

	Common Stock Shares	Common Stock Stock	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total Stockholders' Equity
Balance at January 1, 2015	16,465,621	\$96,121	\$263,345	\$3,830	\$(2,000)	\$361,296
Comprehensive income:						
Net income			11,136			11,136
Other comprehensive income, net of tax				2,039		2,039
Cash dividends declared, \$0.21 per share			(3,477)			(3,477)
Treasury shares purchased under deferred directors' plan	(4,730)	191			(191)	0
Stock activity under equity compensation plans	60,364	(597)				(597)
Stock based compensation expense		353				353
Balance at March 31, 2015	16,521,255	\$96,068	\$271,004	\$5,869	\$(2,191)	\$370,750
Balance at January 1, 2016	16,546,044	\$99,123	\$294,002	\$2,142	\$(2,455)	\$392,812
Comprehensive income:						
Net income			12,279			12,279
Other comprehensive income, net of tax				5,221		5,221
Cash dividends declared, \$0.245 per share			(4,079)			(4,079)
Treasury shares purchased under deferred directors' plan	(4,482)	198			(198)	0
Stock activity under equity compensation plans	55,183	(143)				(143)
Stock based compensation expense		784				784
Balance at March 31, 2016	16,596,745	\$99,962	\$302,202	\$7,363	\$(2,653)	\$406,874

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

4

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited - in thousands)

Three Months Ended March 31	2016	2015
Cash flows from operating activities:		
Net income	\$12,279	\$11,136
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	983	956
Net (gain) loss on sale and write down of other real estate owned	0	(12)
Amortization of loan servicing rights	145	142
Loans originated for sale	(10,341)	(16,679)
Net gain on sales of loans	(339)	(361)
Proceeds from sale of loans	11,666	16,249
Net gain on sales of premises and equipment	0	(3)
Net gain on sales and calls of securities available for sale	(52)	(42)
Net securities amortization	695	1,193
Stock based compensation expense	784	353
Earnings on life insurance	(174)	(375)
Tax benefit of stock award exercises	(482)	(12)
Net change:		
Interest receivable and other assets	(3,293)	83
Interest payable and other liabilities	6,595	3,848
Total adjustments	6,187	5,340
Net cash from operating activities	18,466	16,476
Cash flows from investing activities:		
Proceeds from sale of securities available for sale	6,929	7,787
Proceeds from maturities, calls and principal paydowns of securities available for sale		
	19,700	19,464
Purchases of securities available for sale	(26,969)	(26,069)
Purchase of life insurance	(179)	(149)
Net increase in total loans	(32,730)	(10,672)
Proceeds from sales of land, premises and equipment	0	6
Purchases of land, premises and equipment	(2,927)	(1,414)
Proceeds from sales of other real estate	0	16
Net cash from investing activities	(36,176)	(11,031)

Cash flows from financing activities:		
Net increase in total deposits	67,314	121,119
Net decrease in short-term borrowings	(45,118)	(99,890)
Payments on long-term borrowings	(2)	(1)
Common dividends paid	(4,079)	(3,477)
Payments related to equity incentive plans	(143)	(597)
Purchase of treasury stock	(198)	(191)
Net cash from financing activities	17,774	16,963
Net change in cash and cash equivalents	64	22,408
Cash and cash equivalents at beginning of the period	80,674	90,638
Cash and cash equivalents at end of the period	\$80,738	\$113,046
Cash paid during the period for:		
Interest	\$4,188	\$3,318
Income taxes	0	104
Supplemental non-cash disclosures:		
Loans transferred to other real estate owned	33	194

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

NOTE 1. BASIS OF PRESENTATION

This report is filed for Lakeland Financial Corporation (the “Company”) and its wholly owned subsidiaries, Lake City Bank (the “Bank”) and LCB Risk Management, a captive insurance company. Also included in this report is the Bank’s wholly owned subsidiary, LCB Investments II, Inc. (“LCB Investments”), which manages the Bank’s investment portfolio. LCB Investments also owns LCB Funding, Inc. (“LCB Funding”), a real estate investment trust. All significant inter-company balances and transactions have been eliminated in consolidation.

The unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and with the instructions for Form 10-Q. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements and are unaudited. In the opinion of management, all adjustments (all of which are normal and recurring in nature) considered necessary for a fair presentation have been included. Operating results for the three-month period ending March 31, 2016 are not necessarily indicative of the results that may be expected for any subsequent reporting periods, including the year ending December 31, 2016. The Company’s 2015 Annual Report on Form 10-K should be read in conjunction with these statements.

NOTE 2. SECURITIES

Information related to the fair value and amortized cost of securities available for sale and the related gross unrealized gains and losses recognized in accumulated other comprehensive income is provided in the tables below.

(dollars in thousands)	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Losses	Fair Value
March 31, 2016				
U.S. Treasury securities	\$988	\$46	\$0	\$1,034
U.S. government sponsored agencies	7,132	59	0	7,191
Agency residential mortgage-backed securities	350,450	9,539	(262)	359,727
State and municipal securities	113,030	4,448	(167)	117,311
Total	\$471,600	\$14,092	\$(429)	\$485,263
December 31, 2015				
U.S. Treasury securities	\$988	\$15	\$0	\$1,003
U.S. government sponsored agencies	7,178	19	(77)	7,120
Agency residential mortgage-backed securities	357,984	5,087	(2,399)	360,672
State and municipal securities	105,753	3,773	(250)	109,276
Total	\$471,903	\$8,894	\$(2,726)	\$478,071

Information regarding the fair value and amortized cost of available for sale debt securities by maturity as of March 31, 2016 is presented below. Maturity information is based on contractual maturity for all securities other than mortgage-backed securities. Actual maturities of securities may differ from contractual maturities because borrowers may have the right to prepay the obligation without a prepayment penalty.

(dollars in thousands)	Amortized Cost	Fair Value
Due in one year or less	\$2,895	\$2,939
Due after one year through five years	20,132	20,834
Due after five years through ten years	47,500	49,987
Due after ten years	50,623	51,776
	121,150	125,536
Mortgage-backed securities	350,450	359,727
Total debt securities	\$471,600	\$485,263

Edgar Filing: LAKELAND FINANCIAL CORP - Form 10-Q

Securities proceeds, gross gains and gross losses are presented below.

(dollars in thousands)	Three months ended March 31,	
	2016	2015
Sales of securities available for sale		
Proceeds	\$6,929	\$7,787
Gross gains	65	42
Gross losses	13	0

The Company sold four securities with a total book value of \$6.9 million and a total fair value of \$7.0 million during the first three months of 2016. The Company sold two securities with a total book value of \$7.7 million and a total fair value of \$7.8 million during the first three months of 2015.

Purchase premiums or discounts are recognized in interest income using the interest method over the terms of the securities or over the estimated lives of mortgage-backed securities. Gains and losses on sales are based on the amortized cost of the security sold and recorded on the trade date.

Securities with carrying values of \$193.1 million and \$122.7 million were pledged as of March 31, 2016 and December 31, 2015, respectively, as collateral for securities sold under agreements to repurchase, borrowings from the Federal Home Loan Bank and for other purposes as permitted or required by law.

Information regarding securities with unrealized losses as of March 31, 2016 and December 31, 2015 is presented below. The tables divide the securities between those with unrealized losses for less than twelve months and those with unrealized losses for twelve months or more.

(dollars in thousands)	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
March 31, 2016						
Agency residential mortgage-backed securities	\$9,481	\$(34)	\$28,551	\$(228)	\$38,032	\$(262)
State and municipal securities	12,527	(80)	3,587	(87)	16,114	(167)
Total temporarily impaired	\$22,008	\$(114)	\$32,138	\$(315)	\$54,146	\$(429)
December 31, 2015						
U.S. government sponsored agencies	\$0	\$0	\$3,895	\$(77)	\$3,895	\$(77)
Agency residential mortgage-backed securities	151,792	(1,521)	30,116	(878)	181,908	(2,399)
State and municipal securities	11,364	(78)	8,326	(172)	19,690	(250)
Total temporarily impaired	\$163,156	\$(1,599)	\$42,337	\$(1,127)	\$205,493	\$(2,726)

The total number of securities with unrealized losses as of March 31, 2016 and December 31, 2015 is presented below.

	Less than 12 months	12 months or more	Total
March 31, 2016			
Agency residential mortgage-backed securities	6	10	16
State and municipal securities	13	4	17
Total temporarily impaired	19	14	33
December 31, 2016			
U.S. government sponsored agencies	0	1	1
Agency residential mortgage-backed securities	46	9	55
State and municipal securities	21	12	33
Total temporarily impaired	67	22	89

The following factors are considered in determining whether or not the impairment of these securities is other-than-temporary. In making this determination, management considers the extent and duration of the unrealized loss, and the financial condition and near-term prospects of the issuer, as well as the underlying fundamentals of the relevant market and the outlook for such market in the near future. Management also assesses whether it intends to sell, or it is more likely than not that it will be required to sell, a security in an unrealized loss position before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the entire difference between amortized cost and fair value is recognized as impairment through earnings. For debt securities that do not meet the aforementioned criteria, the amount of impairment is split into two components as follows: 1) OTTI related to credit loss, which must be recognized in the income statement and 2) OTTI related to other factors, which is recognized in other comprehensive income. Credit loss is defined as the difference between the present value of the cash flows expected to be collected and the amortized cost basis. For equity securities, the entire amount of impairment is recognized through earnings. As of March 31, 2016 and December 31, 2015, ninety-nine percent of the securities in the Company's portfolio are backed by the U.S. government, government agencies, government sponsored agencies or are A-rated or better, except for certain non-local or local municipal securities, which are not rated. For the government, government-sponsored agency and municipal securities, management did not believe that there would be credit losses or that full principal would not be received. Management considered the unrealized losses on these securities to be primarily interest rate driven and does not expect material losses given current market conditions unless the securities are sold. However, at this time management does not have the intent to sell, and it is more likely than not that the Company will not be required to sell these securities before the recovery of their amortized cost basis.

NOTE 3. LOANS

(dollars in thousands)	March 31,			December 31,		
	2016			2015		
Commercial and industrial loans:						
Working capital lines of credit loans	\$591,136	19.0	%	\$581,025	18.9	%
Non-working capital loans	614,619	19.7		598,487	19.4	
Total commercial and industrial loans	1,205,755	38.7		1,179,512	38.3	
Commercial real estate and multi-family residential loans:						
Construction and land development loans	206,378	6.6		230,719	7.5	
Owner occupied loans	447,620	14.4		412,026	13.4	
Nonowner occupied loans	408,273	13.1		407,883	13.2	
Multifamily loans	104,303	3.4		79,425	2.6	
Total commercial real estate and multi-family residential loans	1,166,574	37.5		1,130,053	36.7	
Agri-business and agricultural loans:						
Loans secured by farmland	144,687	4.6		164,375	5.3	
Loans for agricultural production	128,456	4.1		141,719	4.6	
Total agri-business and agricultural loans	273,143	8.8		306,094	9.9	
Other commercial loans	83,617	2.7		85,075	2.8	
Total commercial loans	2,729,089	87.7		2,700,734	87.7	
Consumer 1-4 family mortgage loans:						
Closed end first mortgage loans	161,701	5.2		158,062	5.1	
Open end and junior lien loans	160,734	5.2		163,700	5.3	
Residential construction and land development loans	8,488	0.3		9,341	0.3	
Total consumer 1-4 family mortgage loans	330,923	10.6		331,103	10.7	
Other consumer loans	53,327	1.7		49,113	1.6	
Total consumer loans	384,250	12.3		380,216	12.3	
Subtotal	3,113,339	100.0	%	3,080,950	100.0	%
Less: Allowance for loan losses	(43,284)			(43,610)		
Net deferred loan fees	(39)			(21)		
Loans, net	\$3,070,016			\$3,037,319		

The recorded investment in loans does not include accrued interest.

The Company had \$326,000 in residential real estate loans in process of foreclosure as of March 31, 2016.

NOTE 4. ALLOWANCE FOR LOAN LOSSES AND CREDIT QUALITY

The following tables present the activity in the allowance for loan losses by portfolio segment for the three-month periods ended March 31, 2016 and 2015:

	Commercial and Industrial	Commercial Real Estate and Multifamily Residential	Agri-business and Agricultural	Other Commercial	Consumer 1-4 Family Mortgage	Other Consumer	Unallocated	Total
(dollars in thousands) Three Months Ended March 31, 2016								
Beginning balance, January 1	\$21,564	\$12,473	\$2,445	\$574	\$3,395	\$319	\$2,840	\$43,610
Provision for loan losses	(947)	436	4	(15)	196	42	284	0
Loans charged-off	(214)	(168)	0	0	(38)	(45)	0	(465)
Recoveries	62	11	5	0	33	28	0	139
Net loans charged-off	(152)	(157)	5	0	(5)	(17)	0	(326)
Ending balance	\$20,465	\$12,752	\$2,454	\$559	\$3,586	\$344	\$3,124	\$43,284

	Commercial and Industrial	Commercial Real Estate and Multifamily Residential	Agri-business and Agricultural	Other Commercial	Consumer 1-4 Family Mortgage	Other Consumer	Unallocated	Total
(dollars in thousands) Three Months Ended March 31, 2015								
Beginning balance	\$22,785	\$14,153	\$1,790	\$276	\$3,459	\$483	\$3,316	\$46,262

Edgar Filing: LAKELAND FINANCIAL CORP - Form 10-Q

Provision for loan losses	556	(338)	(167)	244	(25)	(35)	(235)	0
Loans charged-off	(369)	(30)	0	(122)	(134)	(53)	0	(708)
Recoveries	52	19	4	0	13	35	0	123
Net loans charged-off	(317)	(11)	4	(122)	(121)	(18)	0	(585)
Ending balance	\$23,024	\$13,804	\$1,627	\$398	\$3,313	\$430	\$3,081	\$45,677

The following tables present the balance in the allowance for loan losses and the recorded investment in loans by portfolio segment and based on impairment method as of March 31, 2016 and December 31, 2015:

	Commercial and Industrial	Commercial Real Estate and Multifamily Residential	Agri-business and Agricultural	Other Commercial	Consumer 1-4 Family Mortgage	Other Consumer	Unallocated	Total
(dollars in thousands)								
March 31, 2016								
Allowance for loan losses:								
Ending allowance balance attributable to loans:								
Individually evaluated for impairment	\$2,541	\$430	\$0	\$4	\$415	\$49	\$0	\$3,439
Collectively evaluated for impairment	17,924	12,322	2,454	555	3,171	295	3,124	39,845
Total ending allowance balance	\$20,465	\$12,752	\$2,454	\$559	\$3,586	\$344	\$3,124	\$43,284
Loans:								
Loans individually evaluated for impairment	\$5,988	\$9,061	\$471	\$12	\$1,827	\$59	\$0	\$17,418
Loans collectively evaluated for impairment	1,199,911	1,156,427	272,752	83,600	330,021	53,171	0	3,095,882
Total ending loans balance	\$1,205,899	\$1,165,488	\$273,223	\$83,612	\$331,848	\$53,230	\$0	\$3,113,300

Commercial
Real Estate

Edgar Filing: LAKELAND FINANCIAL CORP - Form 10-Q

	Commercial and Industrial	and Multi-family Residential	Agri-business and Agricultural	Other Commercial	Consumer 1-4 Family Mortgage	Other Consumer	Unallocated	Total
(dollars in thousands) December 31, 2015								
Allowance for loan losses:								
Ending allowance balance attributable to loans:								
Individually evaluated for impairment	\$2,781	\$465	\$0	\$5	\$358	\$50	\$0	\$3,659
Collectively evaluated for impairment	18,783	12,008	2,445	569	3,037	269	2,840	39,951
Total ending allowance balance	\$21,564	\$12,473	\$2,445	\$574	\$3,395	\$319	\$2,840	\$43,610
Loans:								
Loans individually evaluated for impairment	\$8,286	\$9,823	\$471	\$12	\$1,927	\$60	\$0	\$20,579
Loans collectively evaluated for impairment	1,171,407	1,119,150	305,707	85,059	330,072	48,955	0	3,060,350
Total ending loans balance	\$1,179,693	\$1,128,973	\$306,178	\$85,071	\$331,999	\$49,015	\$0	\$3,080,929

The following table presents loans individually evaluated for impairment by class of loans as of March 31, 2016:

(dollars in thousands)	Unpaid Principal Balance	Recorded Investment	Allowance for Loan Losses Allocated
With no related allowance recorded:			
Commercial and industrial loans:			
Working capital lines of credit loans	\$20	\$20	\$0
Non-working capital loans	2,351	584	0
Commercial real estate and multi-family residential loans:			
Owner occupied loans	2,701	2,520	0
Nonowner occupied loans	4,760	4,763	0
Agri-business and agricultural loans:			
Loans secured by farmland	969	471	0
Consumer 1-4 family loans:			
Closed end first mortgage loans	72	34	0
With an allowance recorded:			
Commercial and industrial loans:			
Working capital lines of credit loans	1,406	1,405	625
Non-working capital loans	4,379	3,979	1,916
Commercial real estate and multi-family residential loans:			
Construction and land development loans	339	339	46
Owner occupied loans	942	941	235
Nonowner occupied loans	185	115	20
Multifamily loans	383	383	129
Other commercial loans	12	12	4
Consumer 1-4 family mortgage loans:			
Closed end first mortgage loans	1,611	1,544	391
Open end and junior lien loans	249	249	24
Other consumer loans	59	59	49
Total	\$20,438	\$17,418	\$3,439

The following table presents loans individually evaluated for impairment by class of loans as of December 31, 2015:

(dollars in thousands)	Unpaid Principal Balance	Recorded Investment	Allowance for Loan Losses Allocated
With no related allowance recorded:			
Commercial and industrial loans:			
Working capital lines of credit loans	\$20	\$20	