

LAKELAND BANCORP INC  
Form 424B3  
May 13, 2016  
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**Filed Pursuant to Rule 424(b)(3)  
Registration Statement No. 333-210559**

## **MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear Shareholder:

The board of directors of Harmony Bank has approved the merger of Harmony Bank with and into Lakeland Bank, a wholly-owned subsidiary of Lakeland Bancorp, Inc. In the merger, the shareholders of Harmony Bank will receive, for each outstanding share of Harmony Bank common stock that they own at the effective time of the merger, 1.25 shares of Lakeland Bancorp common stock.

Lakeland Bancorp's common stock is quoted on the Nasdaq Global Select Market under the symbol LBAI. On May 10, 2016, the closing sale price of Lakeland Bancorp common stock on the Nasdaq Global Select Market was \$11.16 per share.

If the market price of Lakeland Bancorp common stock falls substantially, both in absolute terms (that is, below \$8.09) and by comparison to the list of banking institutions that comprise the Nasdaq Bank Index, Harmony Bank may terminate the merger agreement. However, if Harmony Bank seeks to exercise this termination right, Lakeland Bancorp will have the right to negate such termination by increasing the exchange ratio from 1.25 to a formula amount determined in accordance with the merger agreement, as described in this proxy statement and prospectus.

The merger cannot be completed unless Harmony Bank shareholders holding two thirds of the outstanding shares of Harmony Bank common stock approve it. You will be asked to vote on the merger at our special meeting. **The Harmony Bank board of directors recommends that you vote to approve the merger.** Directors and executive officers of Harmony Bank owning in the aggregate approximately 25.9% of Harmony Bank's outstanding shares of common stock on the date the merger agreement was signed have agreed to vote in favor of the merger.

The date, time and place of the meeting are as follows:

Wednesday, June 22, 2016

9:00 a.m.

Harmony Bank's Corporate Offices, 2120 West County Line Road, Jackson, New Jersey

Only shareholders of record as of May 10, 2016, are entitled to attend and vote at the meeting.

Your vote is very important. Whether or not you plan to attend the meeting, please take the time to vote by completing and mailing the enclosed proxy card to us. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote in favor of the merger.

Michael A. Schutzer

President and CEO

Harmony Bank

**Neither the Securities and Exchange Commission, nor any bank regulatory agency, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The shares of Lakeland Bancorp common stock to be issued in the merger are not savings accounts, deposits or other obligations of a bank or depository institution and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

**Investing in Lakeland Bancorp common stock involves risks that are described in RISK FACTORS beginning on page 14.**

This proxy statement and prospectus is dated May 13, 2016, and is first being mailed to Harmony Bank shareholders on or about May 19, 2016.

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**HARMONY BANK**

**2120 West County Line Road**

**Jackson, New Jersey 08527**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**To be Held June 22, 2016**

To The Shareholders of Harmony Bank:

A special meeting of shareholders of Harmony Bank will be held at our Corporate Offices, 2120 West County Line Road, Jackson, New Jersey, at 9:00 a.m. on Wednesday, June 22, 2016 for the following purposes:

1. To approve an Agreement and Plan of Merger, dated as of February 17, 2016, by and among Lakeland Bancorp, Inc., Lakeland Bank, a wholly-owned subsidiary of Lakeland Bancorp, and Harmony Bank, providing for:

the merger of Harmony Bank with and into Lakeland Bank; and

the automatic conversion of all of the outstanding capital stock of Harmony Bank into 1.25 shares of Lakeland Bancorp common stock.

2. To transact such other business as shall properly come before the special meeting, which may include a motion to adjourn the meeting to another time or place in order to solicit additional proxies in favor of the merger agreement and the merger.

Shareholders of record as of the close of business on May 10, 2016 are entitled to notice of and to vote at the meeting. Whether or not you contemplate attending the special meeting, please execute the enclosed proxy and return it to us. You may revoke your proxy at any time prior to its exercise by delivering to us a later-dated proxy or by delivering a written notice of revocation to us prior to or at the special meeting.

This meeting involves a matter of major importance to all shareholders. You are urged to read and carefully consider the attached proxy statement and prospectus, as well as the annexes.

The Harmony Bank board of directors recommends that shareholders vote **FOR** approval of the merger.

By Order of the Board of Directors,

Michael A. Schutzer

President and CEO

May 13, 2016

**YOUR VOTE IS IMPORTANT. PLEASE SIGN AND RETURN THE ENCLOSED PROXY IN THE ENVELOPE PROVIDED.**

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**REFERENCES TO ADDITIONAL INFORMATION**

This proxy statement and prospectus provides you with detailed information about the merger agreement and the merger. The boards of directors of Harmony Bank, which we sometimes refer to as Harmony, Lakeland Bancorp, Inc., which we sometimes refer to as Lakeland Bancorp or Lakeland, and Lakeland Bank, a wholly-owned subsidiary of Lakeland Bancorp, encourage you to read this entire document carefully.

This proxy statement and prospectus incorporates by reference important business and financial information about Lakeland Bancorp that is not included in or delivered with this document. You can obtain free copies of this information by writing or calling:

Timothy J. Matteson, Esq.

Executive Vice President, General Counsel and Corporate Secretary

Lakeland Bancorp, Inc.

250 Oak Ridge Road

Oak Ridge, New Jersey 07438

Telephone: 973-697-2000

Email: [tmatteson@lakelandbank.com](mailto:tmatteson@lakelandbank.com)

In order to obtain timely delivery of these documents, you should request the information by June 15, 2016. See **WHERE YOU CAN FIND MORE INFORMATION** at page 68 for additional information.

Neither Harmony Bank nor Lakeland Bancorp has authorized anyone to provide you with any information other than the information included in this document and the documents to which you are referred in this document. If someone provides you with other information, please do not rely on it as being authorized by Harmony Bank or Lakeland Bancorp.

This proxy statement and prospectus offers only the shares of Lakeland Bancorp common stock offered in the merger, and offers such shares only where it is legal to do so.

This proxy statement and prospectus has been prepared as of May 11, 2016. Changes that may have occurred in the affairs of Lakeland Bancorp or Harmony Bank or their respective subsidiaries since that date are not reflected in this document.

The information contained in this document with respect to Lakeland Bancorp and Lakeland Bank was provided solely by Lakeland Bancorp, and the information contained in this document with respect to Harmony Bank was provided solely by Harmony Bank.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE HARMONY BANK SPECIAL MEETING**

**Q: WHAT IS THE PURPOSE OF THIS DOCUMENT?**

A: This document serves as both a proxy statement of Harmony Bank and a prospectus of Lakeland Bancorp. As a proxy statement, it is being provided to Harmony Bank's shareholders by Harmony Bank's board of directors in connection with that board's solicitation of proxies for the Harmony Bank special meeting at which the Harmony Bank shareholders will be asked to approve the merger agreement and the merger of Harmony Bank with and into Lakeland Bank.

As a prospectus, this document is being provided to Harmony Bank's shareholders because Lakeland Bancorp is offering to exchange shares of its common stock for shares of Harmony Bank common stock upon completion of the merger.

**Q: WHY ARE HARMONY BANK AND LAKELAND BANK PROPOSING TO MERGE?**

A: The boards of directors of Lakeland Bancorp, Lakeland Bank and Harmony Bank are proposing to merge Harmony Bank with and into Lakeland Bank because they believe that combining the strengths of the two financial institutions is in the best interests of both companies, their respective shareholders and their respective customers. Please see **THE MERGER - Harmony Bank's Reasons for the Merger** and **THE MERGER - Recommendation of the Harmony Bank Board of Directors** at pages 34 to 36 for the various factors considered by the Harmony Bank board of directors in recommending that Harmony Bank's shareholders vote **FOR** the proposal to approve the merger agreement and the merger. Please see **THE MERGER - Lakeland's Reasons for the Merger** at page 45.

**Q: WHAT WILL A HARMONY BANK SHAREHOLDER RECEIVE IN THE MERGER?**

A: Upon completion of the merger, the shareholders of Harmony Bank will receive, for each outstanding share of Harmony Bank common stock that they own at the effective time of the merger, 1.25 shares of Lakeland Bancorp common stock.

**Q: WHAT ARE THE TAX CONSEQUENCES OF THE MERGER TO HARMONY BANK'S SHAREHOLDERS?**

A. The obligation of Lakeland Bancorp and Harmony Bank to complete the merger is conditioned upon the receipt of a legal opinion from Lowenstein Sandler LLP, counsel to Lakeland Bancorp, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Provided that the merger qualifies as a reorganization for United States federal income tax purposes, then you generally will not recognize any gain or loss, except with respect to the cash received instead of a fractional share of Lakeland Bancorp common stock.

For a more detailed discussion of the material United States federal income tax consequences of the transaction, see **THE MERGER - Material United States Federal Income Tax Consequences** beginning on page 58.

The consequences of the merger to any particular shareholder will depend on that shareholder's particular facts and circumstances. Accordingly, you are urged to consult your tax advisor to determine your tax consequences from the merger.

**Q: DO I HAVE RIGHTS TO DISSENT FROM THE MERGER?**

A: Yes. Shareholders of Harmony Bank will have the right to dissent from the merger if they properly follow the requirements of applicable law. See THE MERGER Rights of Dissenting Shareholders beginning on page 61.

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**Q: ARE THERE ANY REGULATORY OR OTHER CONDITIONS TO THE MERGER OCCURRING?**

A: Yes. The merger of Harmony Bank into Lakeland Bank must be approved by the Federal Deposit Insurance Corporation (the FDIC ) and the New Jersey Department of Banking and Insurance. Applications were filed with the FDIC and the New Jersey Department of Banking and Insurance on March 31, 2016. The New Jersey Department of Banking and Insurance approved the merger on April 21, 2016, and FDIC approval is pending.

In addition, the merger must be approved by the holders of at least two thirds of the shares of Harmony Bank common stock outstanding on the record date for Harmony Bank s special shareholders meeting.

Completion of the merger is also subject to certain other conditions. See THE MERGER Conditions to the Merger, beginning at page 51.

**Q: WHAT DOES THE HARMONY BANK BOARD OF DIRECTORS RECOMMEND?**

A: The Harmony Bank board of directors has approved the merger and the merger agreement and believes that the proposed merger is in the best interests of Harmony Bank and its shareholders. Accordingly, the Harmony Bank board of directors recommends that Harmony Bank shareholders vote **FOR** approval of the merger agreement and the merger.

**Q: ARE THERE RISKS ASSOCIATED WITH LAKELAND BANCORP S COMMON STOCK OR THE MERGER?**

A: Yes. For a description of some of the risks, see RISK FACTORS, beginning at page 14.

**Q: WHAT DO I NEED TO DO NOW?**

A: After you have carefully read this proxy statement and prospectus, you should indicate on your proxy card how you want your shares to be voted, and then sign, date and mail the proxy card in the enclosed postage-paid envelope as soon as possible so that your shares may be represented and voted at the special meeting. In addition, you may attend the special meeting in person and vote, whether or not you have signed and mailed your proxy card.

If you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote **FOR** approval of the merger agreement.

**Q: MAY I CHANGE MY VOTE AFTER I HAVE MAILED MY SIGNED PROXY CARD?**

A: Yes. There are three ways for you to revoke your proxy and change your vote. First, you may send a later-dated, signed proxy card before the special meeting. Second, you may revoke your proxy by written notice (which you could personally deliver at the special meeting) to the Secretary of Harmony Bank, at any time prior to the vote being taken at the Harmony Bank special meeting. Third, you may submit a new proxy via telephone or the Internet. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote. If you deliver such a notice or if you do not submit a proxy, you may vote your shares at the special meeting. If you wish to vote in person at the special meeting, you may deliver your completed proxy card in person or you may vote by completing a ballot, which will be available at the special meeting. Attendance at the special meeting will not by itself constitute a revocation of a proxy.

**Q: SHOULD I SEND IN MY HARMONY BANK STOCK CERTIFICATES NOW?**

A: No. Lakeland Bancorp will mail to you instructions for exchanging your stock certificates promptly after the merger is consummated.

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**Q: HOW MANY SHARES OF LAKELAND BANCORP COMMON STOCK ARE ISSUABLE PURSUANT TO THE MERGER?**

A: If:

all of the outstanding Harmony Bank stock options are exercised prior to the completion of the merger;

no adjustment is made in the exchange ratio because of a stock split, stock dividend or similar event affecting the stock price of Lakeland Bancorp common stock; and

no adjustment is made in the exchange ratio as a result of the price adjustment provision described below under **THE MERGER Termination** ,

then, the maximum number of shares of Lakeland Bancorp common stock issuable pursuant to the merger agreement is 3,408,463 shares.

**Q: IS THERE OTHER INFORMATION I SHOULD CONSIDER?**

A: Yes. Much of the business and financial information about Lakeland Bancorp that may be important to you is not included in this document. Instead, that information is incorporated by reference to documents separately filed by Lakeland Bancorp with the Securities and Exchange Commission. This means that Lakeland Bancorp may satisfy its disclosure obligations to you by referring you to one or more documents separately filed by it with the SEC. See

**WHERE YOU CAN FIND MORE INFORMATION** beginning at page 68, for a list of documents that Lakeland Bancorp has incorporated by reference into this proxy statement and prospectus and for instructions on how to obtain copies of those documents. The documents are available to you without charge.

**Q: WHAT IF THERE IS A CONFLICT BETWEEN DOCUMENTS?**

A: You should rely on the later filed document. Information in this proxy statement and prospectus may update information contained in one or more of the Lakeland Bancorp documents incorporated by reference. Similarly, information in documents that Lakeland Bancorp may file after the date of this proxy statement and prospectus may update information contained in this proxy statement and prospectus or information contained in previously filed documents.

**Q: WHEN DO YOU EXPECT TO MERGE?**

A: We are working toward completing the merger as quickly as possible. We cannot close the merger until (a) after we receive all necessary bank regulatory approvals and the 15 to 30 day period following FDIC approval during which the Justice Department may file objections to the merger relating to competitive factors has passed and (b) after the shareholders of Harmony Bank have approved the merger agreement and the merger at the Harmony Bank special meeting. The closing is expected to occur late in the second or early in the third calendar quarter of 2016.

**Q: WHOM SHOULD I CALL WITH QUESTIONS OR TO OBTAIN ADDITIONAL COPIES OF THIS PROXY STATEMENT AND PROSPECTUS?**

A: If you have questions about the Harmony Bank special meeting or if you need additional copies of this proxy statement and prospectus, you should contact:

Michael A. Schutzer

President & CEO

Harmony Bank

2120 West County Line Road

Jackson, New Jersey 08527

Telephone: 732-719-3710

Email: [mschutzer@myharmonybank.com](mailto:mschutzer@myharmonybank.com)

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**SUMMARY**

This summary highlights selected information from this proxy statement and prospectus. Because this is a summary, it does not contain all of the information that may be important to you. You should carefully read this entire document and the other documents we refer to in this document before you decide how to vote. These references will give you a more complete description of the merger agreement and the merger. We have included page references in this summary to direct you to more complete descriptions of the topics provided elsewhere in this proxy statement and prospectus.

**The Companies** (See page 63 for Harmony Bank and page 63 for Lakeland Bancorp)

Harmony Bank

2120 West County Line Road

Jackson, New Jersey 08527

Telephone: 732-364-0088

Harmony Bank is a state-chartered commercial bank that focuses on serving consumers and small-to-medium-size businesses. Harmony Bank is headquartered in Jackson, New Jersey, with additional branch offices in Lakewood and Toms River, New Jersey. As of March 31, 2016, Harmony Bank had total assets, total loans, total deposits and total shareholders' equity of \$305 million, \$248 million, \$266 million and \$28.5 million, respectively.

Lakeland Bancorp, Inc.

250 Oak Ridge Road

Oak Ridge, New Jersey 07438

Telephone: 973-697-2000

Lakeland Bancorp, Inc. is a New Jersey business corporation and a registered bank holding company. Lakeland was organized in March of 1989 and commenced operations on May 19, 1989, upon the consummation of the acquisition of all of the outstanding stock of Lakeland Bank, formerly named Lakeland State Bank. Lakeland Bank is a banking corporation organized under the banking laws of the State of New Jersey. Lakeland Bank operates 53 New Jersey branch offices in Bergen, Essex, Morris, Passaic, Somerset, Sussex, Union and Warren counties; five New Jersey regional commercial lending centers in Bernardsville, Montville, Newton, Teaneck and Wyckoff/Waldwick; and, two commercial loan production offices serving Middlesex and Monmouth counties in New Jersey and the Hudson Valley region of New York. Lakeland Bank offers an extensive suite of financial products and services for businesses and consumers. As of March 31, 2016, Lakeland Bancorp had consolidated total assets, total loans, total deposits and total shareholders' equity of \$4.40 billion, \$3.37 billion, \$3.46 billion and \$446.9 million, respectively.

**The Merger** (See page 29)

Harmony Bank will merge with and into Lakeland Bank, with Lakeland Bank as the surviving bank in the merger. A copy of the merger agreement among Lakeland Bancorp, Lakeland Bank and Harmony Bank is attached to this proxy statement and prospectus as Annex A.

The shareholders of Harmony Bank will receive, for each outstanding share of Harmony Bank common stock that they own at the effective time of the merger, 1.25 shares of Lakeland Bancorp common stock.



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The exchange ratio will be adjusted proportionately if Lakeland Bancorp makes any stock splits, stock dividends or similar distributions prior to the closing of the merger.

Lakeland Bancorp will not issue any fractions of a share of common stock. Rather, Lakeland Bancorp will pay cash (without interest) for any fractional share interest any Harmony Bank shareholder would otherwise receive in the merger. All shares of Harmony Bank common stock held by a shareholder immediately prior to the effective time of the merger will be aggregated before determining the need to pay cash in lieu of fractional shares to such former shareholder.

### **Tax Consequences** (See pages 58 to 61)

We expect that for federal income tax purposes, the merger will not be a taxable event to Harmony Bank shareholders as they are receiving solely Lakeland Bancorp common stock in exchange for their Harmony Bank common stock (other than cash in lieu of fractional shares). However, we urge you to consult your tax advisor to gain a full understanding of the tax consequences of the merger to you. Tax matters are very complicated, and in many cases, the tax consequences of the merger will depend on your particular facts and circumstances.

### **Reasons for proposing the merger** (See pages 34 to 36 for Harmony Bank and page 45 for Lakeland Bancorp)

Harmony Bank's board of directors has approved the merger and the merger agreement and believes that the proposed merger is in the best interests of Harmony Bank and its shareholders. If the merger is consummated, Harmony Bank shareholders will own stock in a larger and more diversified corporation.

In approving the merger agreement, Harmony Bank's board considered, among other things, the terms of the merger agreement, including the financial terms, the opinion of Harmony Bank's financial advisor, the income tax consequences of the transaction, the historical market prices of Lakeland Bancorp common stock and Harmony Bank common stock, the liquidity of Lakeland Bancorp's common stock and the illiquidity of Harmony Bank's common stock, the historical cash dividends paid on Lakeland common stock and the fact that Harmony Bank has not historically paid cash dividends on its common stock, the competitive environment facing Harmony Bank, the regulatory environment faced by all community sized banks, including Harmony Bank, and the business and prospects of Lakeland Bancorp.

Lakeland's board of directors focused principally on Harmony Bank's shared focus with Lakeland on community banking and the fact that the acquisition will enable Lakeland to expand into Ocean County in New Jersey. Lakeland believes the merger is consistent with its recent initiatives to expand into desirable markets and will leverage its loan production office initiated in 2015 covering neighboring Middlesex and Monmouth Counties. In evaluating acquisition opportunities, Lakeland generally considers potential revenue enhancements and operating efficiencies, asset quality and interest rate risk.

### **Board recommendation** (See page 36)

The board of directors of Harmony Bank approved the merger agreement and the merger, and recommends that Harmony Bank shareholders vote **FOR** approval of that proposal.

**Harmony Bank's financial advisor has concluded that the consideration that Harmony Bank shareholders will receive in the merger is fair.** (See pages 36 to 45)

At the February 17, 2016 meeting of the Harmony Bank board of directors, representatives of Raymond James & Associates, Inc. ( Raymond James ), rendered Raymond James oral opinion, which was subsequently

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confirmed by delivery of a written opinion to the board dated February 17, 2016, as to the fairness, as of such date, from a financial point of view, to the holders of Harmony Bank's outstanding common stock of the merger consideration to be received by such holders in the merger pursuant to the merger agreement, based upon and subject to the qualifications, assumptions and other matters considered in connection with the preparation of its opinion.

The full text of the written opinion of Raymond James, dated February 17, 2016, which sets forth, among other things, the various qualifications, assumptions and limitations on the scope of the review undertaken, is attached as Annex B to this document. Raymond James provided its opinion for the information and assistance of the Harmony Bank board of directors (solely in its capacity as such) in connection with, and for purposes of, its consideration of the merger and its opinion only addresses whether the merger consideration to be received by the holders of the common stock in the merger pursuant to the merger agreement was fair, from a financial point of view, to such holders. The opinion of Raymond James did not address any other term or aspect of the merger agreement or the merger contemplated thereby. The Raymond James opinion does not constitute a recommendation to the board or any holder of Harmony Bank common stock as to how the board, such shareholder or any other person should vote or otherwise act with respect to the merger or any other matter.

Pursuant to the Raymond James engagement letter, Harmony Bank agreed to pay Raymond James a fee of \$150,000 concurrently with the rendering of the opinion, a fee of \$50,000 upon the signing of the merger agreement, and a fee equal to 1.5% of the aggregate consideration offered in the merger upon consummation of the merger (such fee would equal \$474,573, based on the closing price of Lakeland common stock on February 16, 2016, the day prior to the date the merger agreement was signed). The \$150,000 paid for the opinion and the \$50,000 paid upon the signing of the merger agreement are each non-refundable and will be credited against the amount due at the closing of the merger. Harmony Bank also agreed to reimburse Raymond James for reasonable out-of-pocket expenses and disbursements incurred in connection with its retention up to \$5,000 and to indemnify Raymond James against certain liabilities, including liabilities under the federal securities laws.

In the ordinary course of business, Raymond James may trade in the securities of Harmony Bank and Lakeland Bancorp for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities. Raymond James may provide investment banking, financial advisory and other financial services to Harmony Bank and/or Lakeland Bancorp or other participants in the merger in the future, for which Raymond James may receive compensation.

**Special meeting of Harmony Bank's shareholders to be held on June 22, 2016** (See pages 23 to 28)

The special meeting of Harmony Bank's shareholders will be held on June 22, 2016, at Harmony Bank's Corporate Offices, 2120 West County Line Road, Jackson, New Jersey, beginning at 9:00 a.m. At the special meeting, Harmony Bank will ask its shareholders:

1. To approve the Agreement and Plan of Merger, dated as of February 17, 2016, by and among Harmony Bank, Lakeland Bancorp and Lakeland Bank, providing for:

the merger of Harmony Bank with and into Lakeland Bank; and

the automatic conversion of each outstanding share of Harmony Bank common stock into 1.25 shares of Lakeland Bancorp common stock.

2. To transact such other business as shall properly come before the special meeting, which may include a motion to adjourn the meeting to another time or place in order to solicit additional proxies in favor of the merger agreement and the merger.

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### **Who can vote** (See page 24)

You are entitled to vote at the Harmony Bank special meeting if you owned shares of Harmony Bank common stock at the close of business on the record date of May 10, 2016. You will have one vote for each share of Harmony Bank common stock that you owned on the record date. On the record date, there were 2,454,320 shares of Harmony Bank common stock outstanding.

You may vote either by attending Harmony Bank's special meeting and voting your shares, or by completing the enclosed proxy card and mailing it to Harmony Bank in the enclosed envelope. Harmony Bank shareholders may also vote by telephone or via the Internet, as described in the enclosed instructions.

The board of directors of Harmony Bank is seeking your proxy to use at the special meeting. This proxy statement and prospectus has been prepared to assist you in deciding how to vote and whether or not to grant your proxy. Please indicate on your proxy card how you want to vote. Then sign, date and mail the proxy card as soon as possible so that your shares will be represented at the special meeting.

If you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote **FOR** approval of the merger agreement.

If you sign a proxy, you may revoke it at any time before it is voted at the special meeting.

You cannot vote shares held by your broker in street name. Only your broker can vote those shares, with your instructions. If you do not provide your broker with instructions on how to vote your shares, your broker will not be permitted to vote them.

### **Voting matters** (See page 24)

The presence, in person or by proxy, of a majority of the shares of Harmony Bank common stock outstanding on the record date will constitute a quorum for the purposes of the Harmony Bank special meeting. Assuming a quorum is present, the approval of the merger agreement and the merger will require the approval of at least two thirds of Harmony Bank's shares of common stock outstanding on the record date for the special meeting. Abstentions and broker non-votes will be counted for purposes of determining whether a quorum is present, and will have the effect of a no vote on the merger agreement.

Each holder of shares of Harmony Bank common stock outstanding on the record date will be entitled to one vote for each share held of record.

### **Certain Harmony Bank directors and executive officers have agreed to vote their shares of Harmony Bank stock in favor of the merger agreement** (See page 58)

On Harmony Bank's record date, the directors and executive officers of Harmony Bank, together with their affiliates, had sole or shared voting power over 741,226 shares of Harmony Bank common stock, or approximately 30.20% of the shares of common stock outstanding on the record date.

Certain of Harmony Bank's directors and executive officers, holding approximately 29.18% of the shares of Harmony Bank common stock outstanding on the record date, have entered into agreements with Lakeland in which they have agreed to vote all shares of Harmony Bank common stock which they own on the record date in favor of the merger agreement and the merger. One Harmony Bank director voted against the merger and the merger agreement and

declined to sign a voting agreement.

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To the best knowledge of Lakeland Bancorp and Harmony Bank:

Lakeland holds no shares of Harmony Bank common stock other than shares held in a fiduciary capacity for others.

Harmony Bank holds no shares of Lakeland common stock other than shares held in a fiduciary capacity for others.

As of the record date, Lakeland's directors and executive officers, together with their affiliates, did not beneficially own any shares of Harmony Bank common stock.

As of the record date, Harmony Bank's directors and executive officers, together with their affiliates, did not beneficially own any shares of Lakeland common stock.

**Interests of Harmony Bank directors and management in the merger** (See pages 56 to 58)

The directors and officers of Harmony Bank have interests in the merger as directors and employees that are different from the interests of the other Harmony Bank shareholders. These interests include, among others:

Each of Messrs. Michael Schutzer, Michael Gormley and Richard Machtinger, Harmony Bank's President and CEO, Executive Vice President and Chief Financial Officer and Executive Vice President and Chief Lending Officer, respectively, was a party to an employment agreement with Harmony Bank, each dated February 3, 2015, which employment agreements superseded prior change in control or employment agreements dating back to 2008 (with respect to Messrs. Schutzer and Machtinger) and 2011 (with respect to Mr. Gormley). Each of Messrs. Schutzer and Machtinger has entered into an Employment and Settlement Agreement with Lakeland Bank and Harmony Bank, which will become effective upon the effective time of the merger. Pursuant to such agreements, Mr. Schutzer will be paid a change in control amount of no more than approximately \$650,000 in a lump sum on or about 60 days following the closing of the merger; and Mr. Machtinger will be paid a change in control amount of approximately \$500,000 in bi-monthly installments over an 18 month period commencing 60 days following the closing of the merger. Mr. Gormley will be entitled to severance pay of no more than \$500,000 in the event of his involuntary termination of employment or resignation for good reason within 12 months following the closing of the merger.

In addition, certain Harmony Bank employees who are not party to an employment or change in control agreement with Harmony Bank whose employment is terminated or substantially adversely modified (other than for cause) within one year of the merger will be entitled, subject to the employee's execution of a release provided by Lakeland, to severance equal to two weeks of his or her then current base salary plus two additional weeks of salary for each year of service with Harmony Bank, with a maximum severance amount equal to 16 weeks.

Certain employees of Harmony Bank will be entitled, subject to the employee's execution of a release provided by Lakeland, to a retention bonus if they maintain their employment with Harmony Bank until that person's job function has been converted or transitioned and that person does not accept an offer for continued employment.

All stock options to purchase Harmony Bank common stock that are outstanding at the effective time of the merger (which we refer to as old stock options) will upon execution by holders of an option cancellation agreement, in form and substance reasonably satisfactory to Lakeland, be cancelled in exchange for a payment equal to the number of shares of Harmony Bank common stock covered by the old stock option multiplied by the amount, if any, by which the product of Lakeland's closing price on the closing date of the merger multiplied by 1.25 exceeds the exercise price of the old stock option.

The merger agreement provides that Lakeland will indemnify the directors and officers of Harmony Bank against certain liabilities for a six-year period following completion of the merger. In addition,



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Lakeland has agreed to cause the persons serving as officers and directors of Harmony Bank immediately prior to the merger to be covered by directors and officers liability insurance for a period of six years after the closing, subject to a limitation on the amount which Lakeland must spend for this insurance.

Harmony Bank's board of directors was aware of these interests and considered them in approving and recommending the merger. For additional information on the benefits of the merger to Harmony Bank's management, see pages 56 to 58.

**Merger expected to occur late in the second or early in the third calendar quarter of 2016** (See page 47)

The merger of Harmony Bank with and into Lakeland Bank will become final when a merger agreement, attaching certifications by Lakeland Bank and Harmony Bank as to the requisite shareholder approval having been obtained, is filed with the New Jersey Department of Banking and Insurance. We currently anticipate that the merger will be completed late in the second or early in the third calendar quarter of 2016, although delays could occur.

We cannot assure you that we can obtain the necessary regulatory or shareholder approvals or that the other conditions precedent to the merger can or will be satisfied.

**Regulatory approval must be obtained and other conditions must be satisfied before the merger will be completed** (See pages 51 to 52 and page 56)

Our obligations to complete the merger are subject to various conditions that are usual and customary for this kind of transaction, including obtaining approvals from the New Jersey Department of Banking and Insurance and the FDIC. Applications were filed with the FDIC and the New Jersey Department of Banking and Insurance on March 31, 2016. The New Jersey Department of Banking and Insurance approved the merger on April 21, 2016 and FDIC approval is pending. In addition to the required regulatory approvals, the merger will only be completed if certain conditions, including the following, are met or, where permissible, waived:

Holdings of Harmony Bank common stock must approve the merger agreement at the Harmony Bank special meeting.

Harmony Bank and Lakeland must each receive an opinion of Lakeland's counsel that the merger will be treated as a tax-free reorganization for federal income tax purposes.

Harmony Bank and Lakeland must not have breached any of their respective representations or obligations under the merger agreement, subject to certain materiality qualifications.

Holdings of not more than 7.5% of the issued and outstanding shares of Harmony Bank common stock shall have served a written notice of dissent from the merger agreement to Harmony Bank in accordance with the applicable provisions of New Jersey banking law.

There are no suits or proceedings seeking to restrain or prohibit the merger.

The merger agreement attached to this proxy statement and prospectus as Annex A describes other conditions that must be met or waived before the merger may be completed.

**Amendment or termination of the merger agreement is possible** (See pages 53 to 54)

Lakeland and Harmony Bank may agree to terminate the merger agreement and not complete the merger at any time before the merger is completed. Lakeland or Harmony Bank can unilaterally terminate the merger in

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certain circumstances. These include a failure to complete the merger by February 17, 2017, or if either party materially breaches the merger agreement, unless the terminating party's breach is the reason that the merger has not been completed.

Harmony Bank may unilaterally terminate the merger agreement if:

during a specified 20 business day period, the average closing sale price of Lakeland common stock on the Nasdaq Global Select Market is less than \$8.09; and

such average closing sale price of Lakeland common stock under-performs the average stock price of the Nasdaq Bank Index by more than 20%, as measured in accordance with the merger agreement; and

in response to its receipt of a notice of termination from Harmony Bank, Lakeland does not increase the number of shares of Lakeland common stock issuable for each share of Harmony Bank common stock in the merger to the extent required by the merger agreement.

See THE MERGER Termination beginning at page 53 for additional information regarding this and other bases for terminating the merger agreement, including Harmony Bank's fiduciary out.

### **Rights of Lakeland shareholders differ from those of Harmony Bank shareholders** (See pages 66 to 68)

When the merger is completed, each Harmony Bank shareholder will automatically become a Lakeland shareholder, unless such shareholder has perfected such shareholder's dissenters' rights in accordance with applicable law. The rights of Lakeland shareholders differ from the rights of holders of Harmony Bank common stock in certain ways, primarily as a result of the fact that Lakeland is governed by the New Jersey Business Corporation Act and Harmony Bank is governed by the New Jersey Banking Act of 1948, as amended, which we refer to as the New Jersey Banking Act. In addition, certain provisions in Lakeland's certificate of incorporation and by-laws differ from those of Harmony Bank's certificate of incorporation and by-laws. Some of these provisions are intended to make a takeover of Lakeland harder if Lakeland's board of directors does not approve it.

### **Harmony Bank shareholders have dissenters' rights** (See pages 61 to 62)

Harmony Bank shareholders will have dissenters' rights under the New Jersey Banking Act. These dissenters' rights give Harmony Bank shareholders the right to obtain an appraisal of the value of their shares of Harmony Bank common stock in connection with the merger. To perfect dissenters' rights, a Harmony Bank shareholder must not vote for the approval of the merger agreement and must strictly comply with all of the procedures required under Sections 17:9A-140 through 17:9A-145 of the New Jersey Banking Act. These procedures are described more fully beginning on page 61. The applicable provisions of the New Jersey Banking Act are attached to this proxy statement and prospectus as Annex C.

### **Stock certificates to be submitted after the merger is complete** (See pages 55 to 56)

Promptly after the merger is completed, the former shareholders of Harmony Bank will receive a letter and instructions on how to surrender their Harmony Bank stock certificates in exchange for Lakeland Bancorp common stock. Harmony Bank shareholders will need to carefully review and complete these materials and return them as

instructed along with their stock certificates for Harmony Bank common stock in order to receive the merger consideration.

Table of Contents**MARKET PRICE AND DIVIDEND INFORMATION****Harmony Bank**

The shares of Harmony Bank common stock are traded from time to time on the OTC Pink marketplace (the "OTCPK"), under the symbol "HRMB". The following table sets forth the high and low closing prices of the shares of Harmony Bank common stock for the periods indicated. Harmony Bank has not declared or paid any cash dividends on its shares of common stock for the periods indicated.

	High	Low
Year ended December 31, 2014		
First Quarter	\$9.52	\$9.52
Second Quarter	10.25	9.52
Third Quarter	10.25	10.25
Fourth Quarter	10.25	9.00

	High	Low
Year ended December 31, 2015		
First Quarter	\$9.00	\$9.00
Second Quarter	10.00	9.00
Third Quarter	10.00	9.30
Fourth Quarter	9.30	9.30

	High	Low
Year ending December 31, 2016		
First Quarter	\$14.00	\$9.30
Second Quarter (through May 10)	13.95	12.85

The shares of Harmony Bank common stock are not actively traded. On January 14, 2016, the last full trading day prior to announcement of the execution of the merger agreement on which a trade occurred in Harmony Bank common stock, the reported high and low sales prices and the closing sale price of Harmony Bank common stock on the OTCPK were as follows:

	January 14, 2016		
	High	Low	Closing Sale Price
Harmony Bank	\$ 9.50	\$ 9.50	\$ 9.50

On May 10, 2016, the last full trading day prior to the date of this proxy statement and prospectus on which a trade occurred in Harmony Bank common stock, the reported high and low sales prices and the closing sale price of Harmony Bank common stock on the OTCPK were as follows:

	May 10, 2016		
	High	Low	Closing Sale Price
Harmony Bank	\$ 12.85	\$ 12.85	\$ 12.85

Shareholders are urged to obtain current market quotations for shares of Harmony Bank common stock.

As of May 10, 2016, there were 2,454,320 shares of Harmony Bank common stock outstanding, held of record by approximately 273 shareholders, and outstanding options that were exercisable on that date, or within 60 days after that date, for 210,936 shares of Harmony Bank common stock. As of May 10, 2016, all 3,500 shares of Harmony Bank Senior Non-Cumulative Perpetual Preferred Stock, Series A (the Series A Preferred Stock ) that had been issued to the U.S. Department of the Treasury were redeemed.

**Table of Contents****Lakeland**

The shares of Lakeland common stock are traded on the Nasdaq Global Select Market under the symbol **LBAI**. The following table sets forth the high and low daily closing prices for shares of Lakeland common stock for the periods indicated, as provided by Nasdaq, and the cash dividends declared per share by Lakeland for the periods indicated. All information is adjusted for Lakeland's 5% stock dividend distributed on June 17, 2014.

	High	Low	Dividends Declared
<b>Year ended December 31, 2014</b>			
First Quarter	\$11.53	\$9.87	\$0.071
Second Quarter	11.21	9.61	0.071
Third Quarter	11.11	9.76	0.075
Fourth Quarter	12.26	9.78	0.075

	High	Low	Dividends Declared
<b>Year ended December 31, 2015</b>			
First Quarter	\$11.66	\$10.66	\$0.075
Second Quarter	12.23	11.25	0.085
Third Quarter	12.37	10.53	0.085
Fourth Quarter	12.25	10.74	0.085

	High	Low	Dividends Declared
<b>Year ending December 31, 2016</b>			
First Quarter	\$11.62	\$9.81	\$0.085
Second Quarter (through May 10)	11.35	10.26	0.095

On February 17, 2016, the last full trading day prior to announcement of the execution of the merger agreement, the reported high and low sales prices and the closing sale price of Lakeland common stock on the Nasdaq Global Select Market were as follows:

	<b>February 17, 2016</b>		
	High	Low	Closing Sale Price
Lakeland	\$ 10.50	\$ 10.05	\$ 10.23

On May 10, 2016, the last practicable date prior to the date of this proxy statement and prospectus, the reported high and low sales prices and the closing sale price of Lakeland common stock on the Nasdaq Global Select Market were as follows:

	<b>May 10, 2016</b>		
	High	Low	Closing Sale Price
Lakeland	\$ 11.24	\$ 10.91	\$ 11.16

Shareholders are urged to obtain current market quotations for shares of Lakeland common stock.

As of May 10, 2016, there were 41,240,573 shares of Lakeland common stock outstanding, held of record by approximately 3,092 shareholders, and outstanding options that were exercisable on that date, or within 60 days after that date, for 165,392 shares of Lakeland common stock.



**Table of Contents****Equivalent value per share**

The following table shows the closing sale price of Lakeland common stock on the Nasdaq Global Select Market on February 17, 2016, the last full trading day prior to announcement of the execution of the merger agreement and on May 10, 2016, the last practicable date prior to the date of this proxy statement and prospectus, the closing sale price of Harmony Bank common stock on the OTC PK on January 14, 2016, the last full trading day prior to announcement of the execution of the merger agreement on which a trade occurred in Harmony Bank common stock and on May 10, 2016, the last full trading day prior to the date of this proxy statement and prospectus on which a trade occurred in Harmony Bank common stock, and the equivalent value per share of Harmony Bank common stock on the same dates. The equivalent value per share is calculated by multiplying the per share price of Lakeland Bancorp common stock by the exchange ratio of 1.25.

	<b>Lakeland Common Stock</b>	<b>Harmony Common Stock</b>	<b>Equivalent Value Per Share of Harmony Common Stock</b>
<b>February 17, 2016 (Lakeland) and January 14, 2016 (Harmony Bank)</b>	\$ 10.23	\$ 9.50	\$ 12.7875
<b>May 10, 2016 (Lakeland) and May 10, 2016 (Harmony)</b>	\$ 11.16	\$ 12.85	\$ 13.95

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**RISK FACTORS**

If the merger is consummated, Harmony Bank shareholders will receive Lakeland common stock and thus will be investing in Lakeland's common stock. An investment in Lakeland's common stock involves a degree of risk. In addition to the other information included in this document, including the matters addressed in

**FORWARD-LOOKING INFORMATION** immediately following this section, you should carefully consider the matters described below in determining whether to approve the merger agreement.

***Risks pertaining to the proposed merger:***

**Since the exchange ratio is fixed, Harmony Bank shareholders are at risk in the event that the market price of Lakeland's common stock declines prior to the consummation of the merger.**

Absent special circumstances described under **THE MERGER Termination**, the number of shares that Lakeland will issue for each share of Harmony Bank common stock to be converted into Lakeland common stock—that is, 1.25 shares—is fixed. If the market price of Lakeland's common stock declines, the value of the stock consideration that Harmony Bank shareholders will receive will decline. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in Lakeland's business, operations and prospects and regulatory considerations. Many of these factors are beyond Lakeland's control. The merger is not expected to close until late in the second or early in the third calendar quarter of 2016. Moreover, Harmony Bank shareholders can expect that there will be some delay after the merger is consummated before they will receive their Lakeland stock. Thus, Harmony Bank shareholders will be subject to the risk of market declines in the value of Lakeland common stock for a substantial period of time.

**A Harmony Bank shareholder will have less influence as a shareholder of Lakeland than as a shareholder of Harmony Bank.**

The shareholders of Harmony Bank currently have the right to control Harmony Bank through their ability to elect the board of directors of Harmony Bank and to vote on other matters affecting Harmony Bank. The merger will transfer control of Harmony Bank to Lakeland. After completion of the merger, former Harmony Bank shareholders will own between 7% and 8% of Lakeland's outstanding common stock depending on the number of Harmony Bank stock options that are exercised prior to the closing of the merger. Consequently, the former Harmony Bank shareholders will exercise much less influence over the management and policies of Lakeland than they currently exercise over the management and policies of Harmony Bank.

**If Lakeland does not successfully integrate Harmony Bank and any other banks that Lakeland may acquire in the future, the combined company may be adversely affected.**

If the merger of Harmony Bank into Lakeland Bank is completed, and if Lakeland makes additional acquisitions in the future, Lakeland will need to integrate the acquired entities into its existing business and systems. Lakeland may experience difficulties in accomplishing this integration or in effectively managing the combined company after the merger with Harmony Bank, and after any future acquisition. Any actual cost savings or revenue enhancements that Lakeland may anticipate from a future acquisition will depend on future expense levels and operating results, the timing of certain events and general industry, regulatory and business conditions. Many of these events will be beyond Lakeland's control, and Lakeland cannot assure you that if the merger is consummated or if Lakeland makes any additional acquisitions in the future, it will be successful in integrating those businesses into its own.

**Lakeland's future acquisitions could dilute your ownership of Lakeland and may cause Lakeland to become more susceptible to adverse economic events.**

Lakeland has acquired other companies with its common stock in the past (including, most recently, its acquisition of Pascack Community Bank in January 2016) and intends to acquire or make investments in banks

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and other complementary businesses with its common stock in the future. Lakeland may issue additional shares of common stock to pay for those future acquisitions, which would dilute your ownership interest in Lakeland. Future business acquisitions could be material to Lakeland, and the degree of success achieved in acquiring and integrating these businesses into Lakeland could have a material effect on the value of Lakeland common stock. In addition, any such acquisition could require Lakeland to use substantial cash or other liquid assets or to incur debt. In those events, Lakeland could become more susceptible to economic downturns and competitive pressures.

### **Failure to complete the merger could severely disadvantage Harmony Bank.**

In order to complete the merger, Harmony Bank must focus on meeting all merger conditions. This could reduce management's focus on growing Harmony Bank's banking business. If for any reason the merger does not occur, that failure could adversely affect Harmony Bank's business, harm its ability to operate as an independent financial institution and make it difficult for Harmony Bank to attract other acquisition partners.

### **If the merger does not occur by February 17, 2017, either Lakeland or Harmony Bank is generally free to choose not to proceed with the merger.**

Either Lakeland or Harmony Bank may terminate the merger agreement if the merger is not completed by February 17, 2017, unless such failure has resulted from the failure to perform by the party seeking to terminate the merger agreement. Although Lakeland and Harmony Bank expect to close the merger late in the second or early in the third calendar quarter of 2016, there can be no assurance that all conditions to the merger will have been satisfied by February 17, 2017.

### **The expected benefits of the merger may not be realized if the combined company does not achieve certain cost savings and other benefits.**

Lakeland's belief that cost savings and revenue enhancements are achievable is a forward-looking statement that is inherently uncertain. The combined company's actual cost savings and revenue enhancements, if any, cannot be quantified at this time. Any actual cost savings or revenue enhancements will depend on future expense levels and operating results, the timing of certain events and general industry, regulatory and business conditions. Many of these events will be beyond the control of the combined company.

### **Harmony Bank's officers and directors may have conflicts of interest and will receive benefits in the merger that other Harmony Bank shareholders will not receive.**

Harmony Bank's directors and executive officers may have conflicts of interest with respect to the merger because they will receive benefits from the merger that other Harmony Bank shareholders will not receive. See "The Merger Interests of Management and Others in the Merger" beginning on page 56. Both boards of directors considered these interests, together with other relevant factors, in deciding whether to approve the merger.

### ***Risks pertaining to Lakeland's business:***

### **The Dodd-Frank Act could materially and adversely affect Lakeland by increasing compliance costs, heightening Lakeland's risk of noncompliance with applicable regulations, and changing the competitive landscape in the banking industry.**

From time to time, the U.S. Congress and state legislatures consider changing laws and enact new laws to further regulate the financial services industry. On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer

Protection Act of 2010, or the Dodd-Frank Act, was signed into law. The Dodd-Frank Act has resulted in sweeping changes in the regulation of financial institutions. The Dodd-Frank Act contains numerous

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provisions that affect all banks and bank holding companies. Some of the provisions in the Dodd-Frank Act remain subject to regulatory rule-making and implementation, the full effects of which are not yet known. Although Lakeland cannot predict the full and specific impact and long-term effects that the Dodd-Frank Act and the regulations promulgated thereunder will have on Lakeland and its prospects, Lakeland's target markets and the financial industry more generally, Lakeland believes that the Dodd-Frank Act and the regulations promulgated thereunder are likely to continue to impose additional administrative and regulatory burdens that will obligate Lakeland to continue to incur additional expenses and will continue to adversely affect Lakeland's margins and profitability. For example, the elimination of the prohibition on the payment of interest on demand deposits could materially increase Lakeland's interest expense, depending on competitors' responses. Provisions in the legislation mandating modifications of the capital requirements of Lakeland and Lakeland Bank, and the resulting adoption by federal regulators in July 2013 of new capital requirements, could require Lakeland and Lakeland Bank to seek additional sources of capital in the future. Recent or additional regulations may limit or expand Lakeland's permissible activities, and may affect the competitive balance within Lakeland's industry and market areas, with the nature and extent of future legislative and regulatory changes affecting financial institutions remaining very unpredictable at this time. More stringent consumer protection regulations could materially and adversely affect Lakeland's profitability. Lakeland will also have a heightened risk of noncompliance with all of the additional regulations. Finally, the impact of some of these new regulations is not known and may affect Lakeland's ability to compete long-term with larger competitors.

**Lakeland and Lakeland Bank may be subject to more stringent capital and liquidity requirements.**

The Dodd-Frank Act also imposes more stringent capital requirements on bank holding companies such as Lakeland by, among other things, imposing leverage ratios on bank holding companies and prohibiting new trust preferred issuances from counting as Tier I capital. These restrictions will limit Lakeland's future capital strategies. Under the Dodd-Frank Act, Lakeland's currently outstanding trust preferred securities will continue to count as Tier I capital, but Lakeland will be unable to issue replacement or additional trust preferred securities which would count as Tier I capital.

Lakeland was required to meet new capital requirements beginning on January 1, 2015. In addition, beginning in 2016, banks and bank holding companies are required to maintain a capital conservation buffer on top of minimum risk-weighted asset ratios. The implementation of the capital conservation buffer began on January 1, 2016 at the 0.625% level and increases by 0.025% on each subsequent January 1 until it reaches 2.5% when fully phased in on January 1, 2019. Banking institutions which do not maintain capital in excess of the capital conservation buffer will face constraints on the payment of dividends, equity repurchases and compensation based on the amount of the shortfall. Accordingly, if Lakeland Bank fails to maintain the applicable minimum capital ratios and the capital conservation buffer, distributions to Lakeland may be prohibited or limited.

Future increases in minimum capital requirements could adversely affect Lakeland's net income. Furthermore, Lakeland's failure to comply with the minimum capital requirements could result in its regulators taking formal or informal actions against Lakeland which could restrict its future growth or operations.

**Lakeland's future growth may require it to raise additional capital in the future, but that capital may not be available when it is needed or may be available only at an excessive cost.**

Lakeland is required by regulatory authorities to maintain adequate levels of capital to support its operations. Lakeland anticipates that its current capital levels will satisfy regulatory requirements for the foreseeable future. Lakeland may, however, at some point choose to raise additional capital to support its continued growth. Lakeland's ability to raise additional capital will depend, in part, on conditions in the capital markets at that time, which are outside of Lakeland's control. Accordingly, Lakeland may be unable to raise additional capital, if and when needed, on

terms acceptable to Lakeland, or at all. If Lakeland cannot raise additional capital when needed, its ability to further expand operations through internal growth and acquisitions

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could be materially impacted. In the event of a material decrease in Lakeland's stock price, future issuances of equity securities could result in dilution of existing shareholder interests.

**Europe's debt crisis and volatility in China's financial markets could have a material adverse effect on Lakeland's liquidity, financial condition and results of operations.**

The possibility that certain European Union (EU) member states will default on their debt obligations and concerns about Chinese financial markets have negatively impacted economic conditions and global markets. The continued uncertainty over the outcome of international and the EU's financial support programs and the possibility that other EU member states may experience similar financial troubles could further disrupt global markets. The negative impact on economic conditions and global markets could also have a material adverse effect on Lakeland's liquidity, financial condition and results of operations.

**A decrease in Lakeland's ability to borrow funds could adversely affect its liquidity.**

Lakeland's ability to obtain funding from the Federal Home Loan Bank or through its overnight federal funds lines with other banks could be negatively affected if Lakeland experienced a substantial deterioration in its financial condition or if such funding became restricted due to a deterioration in the financial markets. While Lakeland has a contingency funds management plan to address such a situation if it were to occur (such plan includes deposit promotions, the sale of securities and the curtailment of loan growth, if necessary), a significant decrease in Lakeland's ability to borrow funds could adversely affect its liquidity.

**Lakeland is subject to interest rate risk and variations in interest rates may negatively affect its financial performance.**

Lakeland is unable to predict actual fluctuations of market interest rates. Rate fluctuations are influenced by many factors, including:

inflation or deflation;

excess growth or recession;

a rise or fall in unemployment;

tightening or expansion of the money supply;

domestic and international disorder;

instability in domestic and foreign financial markets; and



actions taken or statements made by the Federal Reserve Board.

Both increases and decreases in the interest rate environment may reduce Lakeland's profits. Lakeland expects that it will continue to realize income from the difference or spread between the interest it earns on loans, securities and other interest-earning assets, and the interest it pays on deposits, borrowings and other interest-bearing liabilities. Lakeland's net interest spreads are affected by the differences between the maturities and repricing characteristics of its interest-earning assets and interest-bearing liabilities. Lakeland's interest-earning assets may not reprice as slowly or rapidly as its interest-bearing liabilities. Changes in market interest rates could materially and adversely affect Lakeland's net interest spread, asset quality, levels of prepayments, cash flows, the market value of its securities portfolio, loan and deposit growth, costs and yields on loans and deposits and Lakeland's overall profitability. Competition for deposits has increased significantly as a result of the recent low interest rate environment.

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### **Declines in value may adversely impact Lakeland's investment portfolio.**

As of December 31, 2015, Lakeland had approximately \$442.3 million and \$116.7 million in available for sale and held to maturity investment securities, respectively. Lakeland may be required to record impairment charges on its investment securities if they suffer a decline in value that is considered other-than-temporary. Numerous factors, including lack of liquidity for sales of certain investment securities, absence of reliable pricing information for investment securities, adverse changes in business climate, adverse actions by regulators, or unanticipated changes in the competitive environment could have a negative effect on Lakeland's investment portfolio in future periods. If an impairment charge is significant enough it could affect the ability of Lakeland Bank to upstream dividends to Lakeland, which could have a material adverse effect on Lakeland's liquidity and its ability to pay dividends to shareholders and could also negatively impact Lakeland's regulatory capital ratios.

### **Lakeland may incur impairment to goodwill.**

Lakeland reviews its goodwill at least annually. Lakeland's valuation methodology for assessing impairment requires management to make judgments and assumptions based on historical experience and to rely on projections of future operating performance. Lakeland operates in a competitive environment and projections of future operating results and cash flows may vary significantly from actual results. Additionally, if Lakeland's analysis results in an impairment to goodwill, Lakeland would be required to record a non-cash charge to earnings in its financial statements during the period in which such impairment is determined to exist. Any such charge could have a material adverse effect on Lakeland's results of operations and its stock price.

### **The extensive regulation and supervision to which Lakeland is subject impose substantial restrictions on its business.**

Lakeland, Lakeland Bank and certain non-bank subsidiaries are subject to extensive regulation and supervision. Banking regulations are primarily intended to protect depositors' funds, federal deposit insurance funds and the banking system as a whole. Such laws are not designed to protect Lakeland's shareholders. These regulations affect Lakeland's lending practices, capital structure, investment practices, dividend policy and growth, among other things. Lakeland is also subject to a number of laws which, among other things, govern its lending practices and require Lakeland Bank to establish and maintain comprehensive programs relating to anti-money laundering and customer identification. The United States Congress and federal regulatory agencies continually review banking laws, regulations and policies for possible changes. Changes to statutes, regulations or regulatory policies, including changes in interpretation or implementation of statutes, regulations or policies, could affect Lakeland in substantial and unpredictable ways. Such changes could subject Lakeland to additional costs, limit the types of financial services and products Lakeland may offer and/or increase the ability of non-banks to offer competing financial services and products, among other things. Failure to comply with laws, regulations or policies could result in sanctions by regulatory agencies, civil money penalties and/or reputational damage, which could have a material adverse effect on Lakeland's business, financial condition and results of operations.

### **Lakeland Bank's ability to pay dividends is subject to regulatory limitations which, to the extent that the holding company requires such dividends in the future, may affect the holding company's ability to pay its obligations and pay dividends to shareholders.**

As a bank holding company, Lakeland is a separate legal entity from Lakeland Bank and its subsidiaries, and does not have significant operations of its own. Lakeland currently depends on Lakeland Bank's cash and liquidity to pay its operating expenses and dividends to shareholders. The availability of dividends from Lakeland Bank is limited by various statutes and regulations. The inability of Lakeland to receive dividends from Lakeland Bank could adversely

affect Lakeland's financial condition, results of operations, cash flows and prospects and its ability to pay dividends.

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In addition, beginning in 2016, banks and bank holding companies are required to maintain a capital conservation buffer on top of minimum risk-weighted asset ratios. The implementation of the capital conservation buffer began on January 1, 2016 at the 0.625% level and increases by 0.025% on each subsequent January 1 until it reaches 2.5%. Banking institutions which do not maintain capital in excess of the capital conservation buffer will face constraints on the payment of dividends, equity repurchases and compensation based on the amount of the shortfall. Accordingly, if Lakeland Bank fails to maintain the applicable minimum capital ratios and the capital conservation buffer, distributions to Lakeland may be prohibited or limited.

**Lakeland's allowance for loan and lease losses may not be adequate to cover actual losses.**

Like all commercial banks, Lakeland Bank maintains an allowance for loan and lease losses to provide for loan and lease defaults and non-performance. If the allowance for loan and lease losses is not adequate to cover actual loan and lease losses, Lakeland may be required to significantly increase future provisions for loan and lease losses, which could materially and adversely affect its operating results. Lakeland's allowance for loan and lease losses is determined by analyzing historical loan and lease losses, current trends in delinquencies and charge-offs, plans for problem loan and lease resolution, the opinions of Lakeland's regulators, changes in the size and composition of the loan and lease portfolio and industry information. Lakeland also considers the possible effects of economic events, which are difficult to predict. The amount of future losses is affected by changes in economic, operating and other conditions, including changes in interest rates, many of which are beyond Lakeland's control. These losses may exceed Lakeland's current estimates. Federal regulatory agencies, as an integral part of their examination process, review Lakeland's loans and the allowance for loan and lease losses. While Lakeland believes that its allowance for loan and lease losses in relation to its current loan portfolio is adequate to cover current losses, Lakeland cannot assure you that it will not need to increase its allowance for loan and lease losses or that the regulators will not require Lakeland to increase this allowance. Future increases in the allowance for loan and lease losses could materially and adversely affect Lakeland's earnings and profitability.

**If Lakeland is unable to remediate the material weakness in its internal controls over financial reporting that Lakeland reported in its Annual Report on Form 10-K for the year ended December 31, 2015, or if other material weaknesses are identified in the future, Lakeland's results of operations or financial condition could be materially adversely affected.**

As disclosed in Lakeland's Annual Report on Form 10-K for the year ended December 31, 2015, during the fourth quarter of 2015, Lakeland identified a material weakness in its internal controls over financial reporting over the completeness and accuracy of the information used to determine the qualitative component of the allowance for loan and lease loss estimate. No restatement of prior period financial statements and no change in previously released financial results were required as a result of this finding. Management has taken steps to remediate this weakness by enhancing review controls, including adding an additional independent level of review over the information used to determine the qualitative factors in the allowance for loan and lease loss estimation process. If Lakeland's remedial measures are insufficient to address this material weakness, or if additional material weaknesses or significant deficiencies in Lakeland's internal control are discovered or occur in the future, Lakeland's results of operations or financial condition could be materially adversely affected.

**The concentration of Lakeland's commercial real estate loan portfolio may subject Lakeland to increased regulatory analysis.**

The FDIC, the Federal Reserve and the OCC have promulgated joint guidance on sound risk management practices for financial institutions with concentrations in commercial real estate (CRE) lending. The 2006 interagency guidance did not establish specific CRE lending limits or caps; rather, the guidance set forth supervisory criteria to serve as

levels of bank CRE concentration above which certain financial institutions may be identified for further supervisory analysis. According to the guidelines, institutions could be subject to further analysis if (i) their loans for construction, land, and land development (CLD) represent 100% or more of the

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financial institution's total risk-based capital, or (ii) their total non-owner-occupied CRE loans (including CLD loans), as defined, represent 300% or more of the institution's total risk-based capital, and further, that the institution's non-owner-occupied CRE loan portfolio has increased by 50% or more during the previous 36 months.

Lakeland Bank's total reported CLD loans represented 36% of total risk-based capital at December 31, 2015. Lakeland Bank's total reported CRE loans to total capital was 386% at December 31, 2015 while Lakeland Bank's CRE portfolio has increased by 54% over the preceding 36 months. Had Pascack Bancorp, Inc. been merged into Lakeland as of December 31, 2015 (that merger occurred on January 7, 2016), the combined CRE portfolio would have increased by 45% over the preceding 36 months.

Lakeland Bank's CRE portfolio is segmented and spread among various property types including retail, office, multi-family, mixed use, industrial, hospitality, healthcare, special use and residential and commercial construction. Management regularly reviews and evaluates its CRE portfolio, including concentrations within the various property types based on current market conditions and risk appetite as well as by utilizing stress testing on material exposures and believes its underwriting practices are sound.

There is no assurance that in the future Lakeland will not continue to exceed the levels set forth in the guidelines.

### **Lakeland's mortgage banking operations expose Lakeland to risks that are different than the risks associated with its retail banking operations.**

Lakeland Bank's mortgage banking operations expose Lakeland to risks that are different than its retail banking operations. Lakeland's mortgage banking operations are dependent upon the level of demand for residential mortgages. During higher and rising interest rate environments, the level of refinancing activity tends to decline, which can lead to reduced volumes of business and lower revenues that may not exceed Lakeland's fixed costs to run the business. In addition, mortgages sold to third-party investors are typically subject to certain repurchase provisions related to borrower refinancing, defaults, fraud or other reasons stipulated in the applicable third-party investor agreements. If the fair value of a loan when repurchased is less than the fair value when sold, a bank may be required to charge such shortfall to earnings.

In addition, the ability to repay and Qualified Mortgage rules promulgated as required by the Dodd-Frank Act, which rules became effective January 10, 2014, may expose Lakeland and its Sullivan Financial Services, Inc. subsidiary to greater losses, reduced volume and litigation related expenses and delays in taking title to collateral real estate, if the related loans do not perform and borrowers challenge whether the rules were satisfied when originating the loans.

### **Lakeland is subject to various lending and other economic risks that could adversely affect its results of operations and financial condition.**

Economic, political and market conditions, trends in industry and finance, legislative and regulatory changes, changes in governmental monetary and fiscal policies and inflation affect Lakeland's business. These factors are beyond Lakeland's control. A deterioration in economic conditions, particularly in New Jersey, could have the following consequences, any of which could materially adversely affect Lakeland's business:

loan and lease delinquencies may increase;

problem assets and foreclosures may increase;

demand for Lakeland's products and services may decrease; and

collateral for loans made by Lakeland may decline in value, in turn reducing the borrowing ability of its customers.

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Deterioration in the real estate market, particularly in New Jersey, could adversely affect Lakeland's business. A decline in real estate values in New Jersey would reduce Lakeland's ability to recover on defaulted loans by selling the underlying real estate, which would increase the possibility that Lakeland may suffer losses on defaulted loans.

### **Lakeland may suffer losses in its loan portfolio despite its underwriting practices.**

Lakeland seeks to mitigate the risks inherent in its loan portfolio by adhering to specific underwriting practices. Although Lakeland believes that its underwriting criteria are appropriate for the various kinds of loans that it makes, Lakeland may incur losses on loans that meet its underwriting criteria, and these losses may exceed the amounts set aside as reserves in its allowance for loan and lease losses.

### **Lakeland faces strong competition from other financial institutions, financial service companies and other organizations offering services similar to the services that Lakeland provides.**

Many competitors offer the types of loans and banking services that Lakeland offers. These competitors include other state and national banks, savings associations, regional banks and other community banks. Lakeland also faces competition from many other types of financial institutions, including finance companies, brokerage firms, insurance companies, credit unions, mortgage banks and other financial intermediaries. Many of Lakeland's competitors have greater financial resources than it does, which may enable them to offer a broader range of services and products, and to advertise more extensively, than Lakeland does. Lakeland's inability to compete effectively would adversely affect its business.

### **The inability to attract and retain key personnel could adversely affect Lakeland's business.**

Lakeland's success depends partially on the ability to attract and retain a high level of experienced personnel. The inability to attract and retain key employees, as well as find suitable replacements, if necessary, could adversely affect Lakeland's customer relationships and internal operations.

### **The inability to stay current with technological change could adversely affect Lakeland's business model.**

Financial institutions continually are required to maintain and upgrade technology in order to provide the most current products and services to their customers, as well as create operational efficiencies. This technology requires personnel resources, as well as significant costs to implement. Failure to successfully implement technological change could adversely affect Lakeland's business, results of operations and financial condition.

### **The occurrence of any failure, breach, or interruption in service involving Lakeland's systems or those of its service providers could damage Lakeland's reputation, cause losses, increase Lakeland's expenses, and result in a loss of customers, an increase in regulatory scrutiny, or expose Lakeland to civil litigation and possibly financial liability, any of which could adversely impact Lakeland's financial condition, results of operations and the market price of its stock.**

Communications and information systems are essential to the conduct of Lakeland's business, as Lakeland uses such systems to manage its customer relationships, general ledger, deposits and loans. Lakeland's operations rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. Although Lakeland takes protective measures and endeavors to modify them as circumstances warrant, the security of its computer systems, software and networks may be vulnerable to breaches, unauthorized access, misuse, computer viruses or other malicious code and cyber-attacks that could have a security impact. In addition, breaches of security may occur through intentional or unintentional acts by those having authorized or unauthorized access to



Lakeland's confidential or other information or the confidential or other information of Lakeland's customers, clients or counterparties. If one or more of such events were to occur, the confidential and other information processed and stored in, and transmitted through,

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Lakeland's computer systems and networks could potentially be jeopardized, or could otherwise cause interruptions or malfunctions in its operations or the operations of its customers, clients or counterparties. This could cause Lakeland significant reputational damage or result in Lakeland's experiencing significant losses.

Furthermore, Lakeland may be required to expend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures arising from operational and security risks. Lakeland also may be subject to litigation and financial losses that are either not insured against or not fully covered through any insurance Lakeland maintains. In addition, Lakeland routinely transmits and receives personal, confidential and proprietary information by e-mail and other electronic means. Lakeland has discussed and worked with its customers, clients and counterparties to develop secure transmission capabilities, but it does not have, and may be unable to put in place, secure capabilities with all of these constituents, and Lakeland may not be able to ensure that these third parties have appropriate controls in place to protect the confidentiality of such information.

While Lakeland has established policies and procedures to prevent or limit the impact of systems failures and interruptions, there can be no assurance that such events will not occur or that they will be adequately addressed if they do. In addition, Lakeland outsources certain aspects of its data processing to certain third-party providers. If Lakeland's third-party providers encounter difficulties, or if Lakeland has difficulty in communicating with them, Lakeland's ability to adequately process and account for customer transactions could be affected, and its business operations could be adversely impacted. Threats to information security also exist in the processing of customer information through various other vendors and their personnel.

**If Lakeland does not successfully integrate Pascack Community Bank, the combined company may be adversely affected.**

Lakeland's acquisition of Pascack Bancorp and Pascack Community Bank closed on January 7, 2016. Lakeland is in the process of integrating Pascack Community Bank and may experience difficulties in accomplishing this integration or in effectively managing the combined company.

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**FORWARD-LOOKING INFORMATION**

This proxy statement and prospectus, including information incorporated by reference in this document, contains forward-looking statements with respect to the consolidated financial condition, results of operations and business of Harmony Bank and Lakeland. These include statements relating to revenues, cost savings and anticipated benefits resulting from the merger. You can find many of these statements by looking for words such as believes, expects, anticipates, estimates, projects or similar words or expressions.

These forward-looking statements involve substantial risks and uncertainties. There are many factors that may cause actual results to differ materially from those contemplated by such forward-looking statements. In addition to the factors disclosed under the caption RISK FACTORS and elsewhere in this document, the following factors, among others, could cause Lakeland's actual results to differ materially and adversely from Lakeland's forward-looking statements: uncertainties relating to general economic conditions; uncertainties relating to the determination of Lakeland's provisions for loan and lease losses and allowances for loan and lease losses; uncertainties relating to Lakeland's analysis of the assessment of rate sensitive assets and rate sensitive liabilities and relating to the extent to which market factors indicate that a financial institution such as Lakeland Bank should match such assets and liabilities; the impact of competition among financial institutions and between financial institutions and other sources of credit; changes to the presentation of financial results and condition resulting from the adoption of new accounting principles or upon the advice of Lakeland's independent auditors or the staff of various regulatory agencies; unanticipated demands upon Lakeland's liquidity; unanticipated failure or malfunction of Lakeland's information systems; changes in, or failure to comply with, governmental regulations; the costs and other effects of administrative and legal proceedings; the continued financial viability of Lakeland's borrowers; the continued financial viability of the issuers of securities within Lakeland's investment portfolio; labor and employment benefit costs; changes in the conditions of the capital markets in general and in the capital markets for financial institutions in particular; the ability to successfully integrate Pascack Community Bank into Lakeland Bank; the ability to integrate Harmony Bank promptly into Lakeland's overall business and plans if the merger is consummated; the extent and timing of legislative and regulatory actions and reforms; and other factors referenced in Lakeland's Annual Report on Form 10-K for the year ended December 31, 2015. Risks pertaining directly to the merger are described under RISK FACTORS beginning on page 14 of this proxy statement and prospectus.

Because forward-looking statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such statements. You should not place undue reliance on such statements. These statements speak only as of the date of this proxy statement and prospectus or, if made in any document incorporated by reference, as of the date of that document.

All written or oral forward-looking statements attributable to Lakeland or Harmony Bank or any person acting on their behalf made after the date of this proxy statement and prospectus are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Neither Lakeland nor Harmony Bank undertakes any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date of this proxy statement and prospectus or to reflect the occurrence of unanticipated events.

**THE MEETING**

**When and Where the Harmony Bank Special Meeting will be Held**

Harmony Bank will hold its special meeting of shareholders at Harmony Bank's Corporate Offices, 2120 West County Line Road, Jackson, New Jersey, commencing at 9:00 a.m., local time, on Wednesday, June 22, 2016.



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### **What will be Voted on at the Harmony Bank Special Meeting**

At the Harmony Bank special meeting, Harmony Bank shareholders will consider and vote on proposals to do the following:

1. Approve the Agreement and Plan of Merger, dated as of February 17, 2016, by and among Harmony Bank, Lakeland Bancorp and Lakeland Bank, providing for:

the merger of Harmony Bank with and into Lakeland Bank; and

the automatic conversion of each outstanding share of Harmony Bank common stock into 1.25 shares of Lakeland Bancorp common stock, other than shares held by dissenters who perfect their dissenters' rights in accordance with applicable law.

2. Transact such other business as shall properly come before the special meeting, which may include a motion to adjourn the meeting to another time or place in order to solicit additional proxies in favor of the merger agreement and the merger.

If a quorum is not present, or if fewer shares of Harmony Bank common stock are voted in favor of the merger agreement and the merger than the number required for approval, it is expected that the meeting will be adjourned to allow additional time for obtaining additional proxies. In that event, proxies will be voted to approve an adjournment, except for proxies as to which instructions have been given to vote against the merger agreement and the merger. The holders of a majority of the shares present at the meeting would be required to approve any adjournment of the meeting.

### **Shareholders Entitled to Vote**

Harmony Bank has set May 10, 2016 as the record date to determine which Harmony Bank shareholders will be entitled to vote at the special meeting. Only holders of Harmony Bank common stock at the close of business on the record date will be entitled to vote at the special meeting. As of the record date, there were 2,454,320 shares of Harmony Bank common stock outstanding and entitled to be voted at the special meeting, held by approximately 273 shareholders of record. Each holder of shares of Harmony Bank common stock outstanding on the record date will be entitled to one vote for each share held of record.

### **Number of Shares that Must be Represented for a Vote to be Taken**

In order to have a quorum at the special meeting, a majority of the total number of outstanding shares of common stock entitled to vote at the meeting must be represented at the meeting in person or by proxy.

The following shares will be counted at the Harmony Bank special meeting for purposes of determining the presence or absence of a quorum:

shares of common stock held by persons attending the special meeting, whether or not they are voting, and

other shares of common stock for which Harmony Bank has received proxies, including proxies with respect to which holders of those shares have abstained from voting.

**Vote Required; Voting Agreements**

The approval of the merger agreement and the merger will require the affirmative vote, in person or by proxy, of the holders of at least two thirds of the outstanding shares of Harmony Bank common stock on the record date. Each holder of shares of Harmony Bank common stock outstanding on the record date will be entitled to one vote for each share held of record. Abstentions and broker non-votes will be counted for purposes

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of determining whether a quorum is present and will have the effect of a vote against the merger and merger agreement.

Certain directors and executive officers of Harmony Bank have agreed with Lakeland to vote all shares of Harmony Bank common stock for which they have voting power on the record date in favor of the approval of the merger agreement and the merger. On the record date, such directors and executive officers had sole or shared voting power over 716,176 shares of Harmony Bank common stock, or approximately 29.18% of the shares of Harmony Bank common stock outstanding on the record date.

## **Voting your Shares**

The Harmony Bank board of directors is soliciting proxies from the Harmony Bank shareholders. This will give Harmony Bank shareholders an opportunity to vote at the special meeting. When you deliver a valid proxy, the shares represented by that proxy will be voted by a named agent in accordance with your instructions.

If you are a Harmony Bank shareholder and you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote **FOR** approval of the merger agreement.

If you sign a proxy, you may revoke it at any time before it is voted at the special meeting. See [Changing Your Vote](#).

You cannot vote shares held by your broker in street name. Only your broker can vote those shares, with your instructions. If you do not provide your broker with instructions on how to vote your shares, your broker will not be permitted to vote them.

Harmony Bank shareholders will have four alternative ways to vote:

by traditional paper proxy card;

by telephone;

via the Internet; or

in person at the Harmony Bank special meeting.

Please take a moment to read the instructions for Harmony Bank shareholders, choose the way to vote that you find most convenient and cast your vote as soon as possible.

*Voting by Proxy Card.* If proxy cards in the accompanying form are properly executed and returned, the shares represented thereby will be voted in the manner specified therein. As stated above, if you are a Harmony Bank shareholder and you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote **FOR** approval of the merger agreement.

*Voting by Telephone.* If you wish to vote by telephone and you are a Harmony Bank shareholder of record, you may dial the toll free number and follow the instructions on your proxy card. If you vote by telephone, you must have your

control number and the proxy card available when you call.

*Voting by the Internet.* If you wish to vote through the Internet and you are a Harmony Bank shareholder of record, you may access the Internet at the web address stated on the proxy card and follow the on-screen instructions. If you vote through the Internet, you must have your control number and the proxy card available when you access the web page.

If your shares are registered in the name of a broker or other nominee, the voting form your broker or other nominee sent you will provide telephone and Internet voting instructions.



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The deadline for voting by telephone or through the Internet as a Harmony Bank shareholder of record is 12:00 a.m., Eastern Daylight Time, on June 22, 2016. For shareholders whose shares are registered in the name of a broker or other nominee, please consult the voting instructions provided by your broker or other nominee for information about the deadline for voting by telephone or through the Internet.

*Voting in Person.* If you attend the Harmony Bank special meeting and you are a Harmony Bank shareholder of record, you may deliver your completed proxy card in person or you may vote by completing a ballot, which will be available at the meeting. If you are not a Harmony Bank shareholder of record and you wish to vote at the meeting, please consult the voting instructions provided by your broker or other nominee for information about voting in person.

## **Changing your Vote**

As a Harmony Bank shareholder, you will be able to change your vote as many times as you wish and the last vote received chronologically by any means will supersede your prior vote(s).

Any Harmony Bank shareholder may revoke a proxy at any time before or at the Harmony Bank special meeting in one or more of the following ways:

Delivering a written notice of revocation, bearing a later date than the proxy, at any time prior to the vote at the special meeting to Richard S. Machtinger, Corporate Secretary; or

Submitting a later-dated proxy card; or

Submitting a later-dated proxy via telephone or the Internet.

A Harmony Bank shareholder should send any written notice of revocation or subsequent proxy to Harmony Bank, Attention: Richard S. Machtinger, Corporate Secretary, 2120 West County Line Road, Jackson, New Jersey 08527, or hand deliver the notice of revocation or subsequent proxy to Mr. Machtinger before the taking of the vote at the Harmony Bank special meeting. Attendance at the special meeting will not by itself constitute a revocation of a proxy.

## **Solicitation of Proxies and Costs**

The solicitation of proxies for the special meeting is made on behalf of the Harmony Bank board of directors. Harmony Bank will pay the costs of soliciting proxies with respect to its special meeting. In addition to solicitation by mail, directors, officers and employees acting on behalf of Harmony Bank may solicit proxies for the special meeting in person or by telephone, telegraph, facsimile or other means of communication. Harmony Bank will not pay any additional compensation to these directors, officers or employees for these activities, but may reimburse them for reasonable out-of-pocket expenses.

Harmony Bank will make arrangements with brokerage houses, custodians, nominees and fiduciaries for the forwarding of proxy solicitation materials to beneficial owners of shares held of record by these brokerage houses, custodians, nominees and fiduciaries, and Harmony Bank will reimburse these brokerage houses, custodians, nominees and fiduciaries for their reasonable expenses incurred in connection with the solicitation.

**Principal Shareholders; Security Ownership of Harmony Bank Management**

The following table sets forth, as of March 15, 2016, the beneficial ownership of Harmony Bank common stock by (i) each shareholder of Harmony Bank known by Harmony Bank to have beneficially owned more than 5% of Harmony Bank's outstanding common stock as of such date, (ii) each director of Harmony Bank, (iii) the executive officers of Harmony Bank and (iv) all directors and executive officers of Harmony Bank as a group. The address of each 5% or greater shareholder set forth below is c/o Harmony Bank, 2120 West County Line

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Road, Jackson, New Jersey 08527. Unless otherwise indicated in the footnotes following the table, each of the named shareholders possesses sole voting and investment power with respect to the shares beneficially owned. Shares covered by stock options are included in the table to the extent they are exercisable within 60 days of March 15, 2016.

<b>Name of Beneficial Owner</b>	<b>Shares Beneficially Owned (1)</b>	<b>Percentage of Class</b>
William R. Clayton, Jr.	245,745 (2)(3)	10.13%
Wayne Courtright	38,427 (2)	1.58%
George Elliott	35,527 (2)	1.46%
Jeremiah Johnson	40,996 (2)(4)	1.69%
Michael J. Kokes	3,896(5)	*
Stephan R. Leone	29,470 (5)(6)	1.22%
Michael E. Levin	125,918 (2)(7)	5.19%
Adam Pfeffer	33,467 (8)	1.38%
Steven I. Pfeffer	92,174 (2)(9)	3.80%
Michael A. Schutzer	34,296 (10)	1.41%
Raymond F. Shea, Jr.	124,240 (2)	5.12%
Robert Sickel	151,405 (2)(11)	6.24%
Gregory Wright	12,414 (5)	*
Michael Gormley	21,709 (10)	*
Richard Machtinger	40,914 (10)	1.68%
All Directors and Executive Officers as a group (15 persons)	1,030,598 (12)	39.58%

\* Less than 1%

To Harmony Bank's knowledge, there are no shareholders (or group of shareholders) other than those set forth above who beneficially own 5% or more of the Common Stock of Harmony Bank.

**NOTES:**

- (1) Beneficially owned shares include shares over which the named person exercises either sole or shared voting power or sole or shared investment power. It also includes shares (i) owned by a spouse, minor children or relatives sharing the same home, (ii) owned by entities owned or controlled by the named person and (iii) underlying stock options if the named person has the right to acquire such shares within 60 days of the exercise of such stock options. Unless otherwise noted, all shares are owned of record and beneficially by the named person.
- (2) Includes 10,336 shares underlying currently exercisable options granted to each of Messrs. Clayton, Courtright, Elliott, Johnson, Levin, S. Pfeffer, Sickel and Shea under the Harmony Bank 2008 Stock Option Plan for Non-Employee Directors and 3,041 shares underlying currently exercisable options granted to each of Messrs. Clayton, Courtright, Elliott, Johnson, Levin, S. Pfeffer, Sickel and Shea under the Harmony Bank 2012 Stock Option Plan for Non-Employee Directors, as amended (the 2012 Option Plan).
- (3) Includes 100,302 shares owned directly by Mr. Clayton's spouse.
- (4) Includes 27,563 shares held in a trust for Mr. Johnson.
- (5) Includes 1,250 shares underlying currently exercisable options granted to Messrs. Kokes, Leone & Wright under the 2012 Option Plan.

- (6) Includes 8,333 shares held jointly with Mr. Leone's spouse, 2,777 shares owned directly by Mr. Leone's spouse and 2,224 shares held in two Uniform Transfers to Minors Act ( UTMA ) accounts for which Mr. Leone is custodian.
- (7) Includes 16,554 shares held with Mr. Levin's spouse as tenants in common, 30,111 shares owned directly by Mr. Levin's spouse and 9,923 shares held in two irrevocable trusts for which Mr. Levin is trustee.

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- (8) Includes 13,378 shares underlying currently exercisable options granted to Mr. A. Pfeffer under the 2012 Option Plan and 1,051 shares held in a Uniform Gifts to Minors Act ( UGMA ) account for which Mr. A. Pfeffer ' s spouse is custodian.
- (9) Includes 66,666 shares held jointly with Mr. S. Pfeffer ' s spouse and 11,025 shares held in a trust for which Mr. S. Pfeffer is trustee.
- (10) Includes 27,227, 18,709, and 20,914 shares underlying currently exercisable options granted to Messrs. Schutzer, Gormley and Machtinger, respectively, under the Harmony Bank 2008 Incentive Stock Option Plan.
- (11) Includes 137,972 shares owned by J & R Investment Trust, an entity owned 50% by Mr. Sickel.
- (12) Based upon total shares outstanding plus maximum shares currently exercisable by all 15 persons.

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**PROPOSAL 1**

**THE MERGER**

The following information describes the material terms and provisions of the merger. This description is not complete. We qualify this discussion in its entirety by reference to the merger agreement which we incorporate by reference in this proxy statement and prospectus. A copy of the merger agreement is attached hereto as Annex A. We urge you to read the full text of the agreement carefully.

The merger agreement provides that Harmony Bank will merge with and into Lakeland Bank, with Lakeland Bank as the surviving bank in the merger.

Harmony Bank shareholders, other than those shareholders who perfect their dissenters' rights in accordance with applicable law, will receive 1.25 shares of Lakeland common stock for each share of Harmony Bank common stock that they own at the effective time of the merger. The exchange ratio will be adjusted proportionately if Lakeland makes any stock splits, stock dividends or similar distributions prior to the closing of the merger.

Lakeland will not issue any fractions of a share of Lakeland common stock. Rather, Lakeland will pay cash (without interest) for any fractional share interest any Harmony Bank shareholder would otherwise receive in the merger. All shares of Harmony Bank common stock held by a shareholder immediately prior to the effective time of the merger will be aggregated before determining the need to pay cash in lieu of fractional shares to such former shareholder.

The boards of directors of Harmony Bank, Lakeland Bancorp and Lakeland Bank have approved and adopted the merger agreement and believe that the merger is in the best interests of their respective shareholders. The Harmony Bank board of directors recommends that Harmony Bank shareholders vote **FOR** the merger agreement and the merger.

All stock options to purchase Harmony Bank common stock that are outstanding at the effective time of the merger (which we refer to as "old stock options") will upon execution by holders of an option cancellation agreement, in form and substance reasonably satisfactory to Lakeland, be cancelled in exchange for a payment equal to the number of shares of Harmony Bank common stock covered by the old stock option multiplied by the amount, if any, by which the product of Lakeland's closing price on the closing date of the merger multiplied by 1.25 exceeds the exercise price of the old stock option.

The executive officers and directors of Harmony Bank have interests in the merger that are different from the interests of Harmony Bank's shareholders in general. See "Interests of Management and Others in the Merger" beginning on page 56. These interests were considered by Harmony Bank's board of directors and Lakeland's board of directors before approving the merger.

**Background of the Merger**

As part of Lakeland's strategic growth plan, Lakeland's board of directors and senior management explore on an ongoing basis the feasibility of acquiring banks and bank holding companies that would broaden Lakeland's presence in its markets and allow Lakeland to expand into neighboring markets, while enabling it to maintain its focus on community banking.

From January 2014 through September 2014, Thomas J. Shara, President and Chief Executive Officer of Lakeland, met with or spoke by telephone with Michael A. Schutzer, President and Chief Executive Officer of Harmony Bank,

on several occasions. Stewart E. McClure, Jr., Lakeland's Senior Executive Vice President and Regional President of Lakeland Bank, who was President and Chief Executive Officer of Somerset Hills Bancorp prior to Lakeland's acquisition of Somerset Hills effective as of May 31, 2013, participated in some of those discussions.

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The principal topics discussed by the parties were Harmony Bank's capital needs and possible equity capital raise. The parties discussed possible participation by Lakeland in the capital raise. Ultimately, Harmony Bank consummated an equity raise of approximately \$6.7 million on September 30, 2014. Lakeland ultimately did not participate in the equity raise. The parties also discussed the preferred stock issued by Harmony Bank to the U.S. Department of the Treasury under the Small Business Lending Fund program, and the fact that the dividends on such preferred stock would significantly increase in March 2016. (Such preferred stock was subsequently redeemed in full on April 12, 2016.)

The parties also discussed the possibility of each of Lakeland Bank and Harmony Bank participating in the loans of the other, and the emphasis of each bank on community banking. The discussions also included general conversations about the economy and competition in the banking industry.

As part of its ongoing consideration and evaluation of Harmony Bank's long-term prospects and strategies, Harmony Bank's board of directors regularly reviewed and assessed Harmony Bank's business development and strategic opportunities. The board considered various strategic options potentially available to Harmony Bank, with the goal of enhancing value for Harmony Bank's shareholders. Strategic discussions have focused on, among other things, the competitive environment and regulatory burden facing Harmony Bank and the growth prospects for Harmony Bank as an independent bank, as well as the possibilities of a strategic combination.

From time to time, Harmony Bank, through its President and Chief Executive Officer, Michael Schutzer, engaged in general discussions with representatives of other financial institutions, including Lakeland, as described herein, regarding the possibility of an affiliation. During the past several years, Harmony Bank's board of directors also met with representatives of Raymond James to discuss metrics and developments in the merger and acquisition market for financial institutions. These discussions usually included a review of the financial growth of commercial banks and merger and acquisition prospects for Harmony Bank.

In April 2014, Harmony Bank received an expression of interest from a financial institution that we refer to as Bank A about a potential acquisition. At the time, counsel for Harmony Bank advised the board that the board was under no legal obligation to pursue the indication of interest as the board had not reached a decision to sell the bank. Nonetheless, the board asked representatives of Raymond James to hold further discussions with Bank A regarding the pricing in its expression of interest. In May 2014, following these discussions, Harmony Bank and Bank A terminated discussions as the potential acquiror was unwilling to increase the proposed price in its expression of interest.

In December 2014, Harmony Bank received an expression of interest from a financial institution that we refer to as Bank B. The board asked representatives of Raymond James to contact Bank B to discuss a possible transaction. When Bank B indicated that their interest was for an all-stock transaction with an implied price below book value, the board terminated further discussions with the potential acquiror in February 2015.

On March 19, 2015, Mr. Schutzer and Mr. Shara spoke by telephone. Mr. Schutzer described Harmony Bank's challenging earnings environment, and commented that Harmony Bank could benefit from spreading its regulatory and technology costs across a much larger platform. He further suggested that he thought that Lakeland Bank and Harmony Bank could make an excellent fit by having both parties benefit from expanded geography, products (consumer & SBA) and similar lending and relationship philosophies. The parties discussed the local markets, competition, and the opportunities that could be generated by a sale of Harmony Bank to Lakeland for stock consideration. The parties noted that such a transaction would provide liquidity and dividends to Harmony Bank shareholders and scale in operations.



On April 28, 2015, Mr. Shara and Mr. Schutzer discussed their respective expectations, valuations and the overall expenses and cost synergies that could be obtained from a merger of the two banks.

In late May 2015, at the New Jersey Bankers Association conference in Nashville, Tennessee, Mr. Schutzer was approached by Mr. Shara about Lakeland's interest in potentially engaging in a business transaction with

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Harmony Bank. At that time, Mr. Schutzer indicated that Harmony Bank may have an interest and that he would speak to his board to determine if there was any interest. Shortly thereafter, Mr. Schutzer advised Michael Levin, Chairman of the Board, and William Clayton, a director, about his meeting with Mr. Shara and Lakeland's interest in a possible acquisition.

At a Harmony Bank board meeting held on June 10, 2015, Mr. Schutzer discussed his meeting with Mr. Shara with the board. Mr. Schutzer reported that while no hard indication of exchange value had been discussed with Mr. Shara, Mr. Schutzer described for the board some of the parameters around Lakeland's recent acquisition of Somerset Hills Bancorp. The board asked Mr. Schutzer to contact representatives of Raymond James to get their view of Lakeland and the current merger and acquisition market prior to a meeting that had been scheduled for June 17, 2015 between Messrs. Levin, Clayton and Schutzer and Mr. Shara.

A special Harmony Bank board meeting was held on June 15, 2015. At the meeting, a representative of Raymond James reviewed with the board the trading values of bank holding companies and banks, both nationally and locally, and recent mergers and acquisitions involving bank holding companies and banks in New Jersey and New York. The representative of Raymond James also provided a summary of Lakeland, its management and its share price. The Raymond James presentation also covered pricing in general for acquisitions in New Jersey or nationally of community banks such as Harmony Bank with assets of up to \$1 billion. The representative of Raymond James, who was a long-time advisor to Harmony Bank, also disclosed that Raymond James, through the representative, had advised Lakeland in its acquisition of Somerset Hills in 2013.

On June 17, 2015, Messrs. Levin, Clayton and Schutzer met with Mr. Shara. In the meeting, the two sides shared their respective business strategies and synergies which could result from a combination between the two banks, including the opening by Lakeland in 2015 of a loan production office serving Middlesex and Monmouth counties in New Jersey. Harmony Bank's branch offices are located in Ocean County, New Jersey, which is contiguous to Monmouth County. Neither side engaged in any discussion of price. In addition, Mr. Shara discussed his extensive background with mergers and acquisitions and the Lakeland board of directors' comfort level with acquisitions. Each side indicated that its respective institution was interested in moving forward to explore a possible transaction.

At a June 24, 2015 Harmony Bank board meeting, Messrs. Levin and Schutzer provided the board with a summary of the meeting with Mr. Shara. Representatives of Raymond James advised the board that in a discussion with Mr. Shara following the June 17, 2015 meeting, Mr. Shara indicated that Lakeland remained very interested in pursuing a transaction with Harmony Bank and was working to determine a range of reasonable prices.

On July 21, 2015, Lakeland, through Raymond James, executed a confidentiality agreement with Harmony Bank and shortly thereafter, Harmony Bank provided Lakeland with certain financial information.

At a Harmony Bank board meeting held on July 22, 2015, Mr. Schutzer advised the board that Mr. Shara apologized for an expected delay by Lakeland in its pursuit of a possible transaction caused by another transaction that Lakeland was working on. Mr. Schutzer also indicated that Mr. Shara had consulted with Lakeland's regulators about the possibility of Lakeland engaging in either simultaneous or back-to-back acquisitions.

At the July 22, 2015 Harmony Bank board meeting, Mr. Levin advised the board that he was contacted by the attorney for a financial institution that we refer to as Bank C about a meeting to discuss a potential merger. The board and representatives of Raymond James indicated that there should be no issues with such a meeting as it would be very preliminary. Mr. Schutzer also advised the board that he recently had lunch with the chief executive officer of a financial institution that we refer to as Bank D, who had expressed interest in Harmony Bank in the past. While this chief executive officer reiterated his interest in Harmony Bank at the lunch meeting, Bank D had no further contact