

# LANDMARK BANCORP, INC.

**2016 Annual Meeting**

Manhattan, KS

# Special Note Concerning Forward-Looking Statements

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**This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of Landmark Bancorp, Inc (the “Company”). Forward-looking statements, which may be based upon beliefs, expectations and assumptions of our management and on information currently available to management, are generally identifiable by the use of words such as “believe,” “expect,” “anticipate,” “plan,” “intend,” “estimate,” “may,” “will,” “would,” “could,” “should” or other similar expressions. Additionally, all statements in this press release, including forward-looking statements, speak only as of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events. A number of factors, many of which are beyond our ability to control or predict, could cause actual results to differ materially from those in our forward-looking statements. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements.**

**Additional information concerning Landmark Bancorp, Inc. and its business, including additional factors that could materially affect the Company’s financial results, is included in our filings with the Securities and Exchange Commission.**



# Landmark Corporate Profile

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Landmark Bancorp is the holding company for Landmark National Bank, a community banking organization serving 23 communities across Kansas

• Shares Outstanding <sup>(1)</sup>	3.6 million
• Market Cap <sup>(2)</sup>	\$91.2 million
• Total Assets <sup>(3)</sup>	\$892.5 million
• Total Deposits <sup>(3)</sup>	\$708.4 million
• Locations	29

(1) As of March 31, 2016.

(2) Market cap based on the average April 2016 closing price of \$25.48 per common share.

(3) Total assets and deposits as of March 31, 2016.



# Landmark Stock (NASDAQ: LARK)

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- Price-to-Book Value 107%
- Price-to-Tangible Book Value 144%
- Price-to-2015 Earnings 8.8x
- Dividend Yield 3.1%
- Book Value Per Share \$23.79
- TBV Per Share \$17.73

Based on financial information as of March 31, 2016 and the average April 2016 closing price of \$25.48 per common share.



# Track Record for Dividends

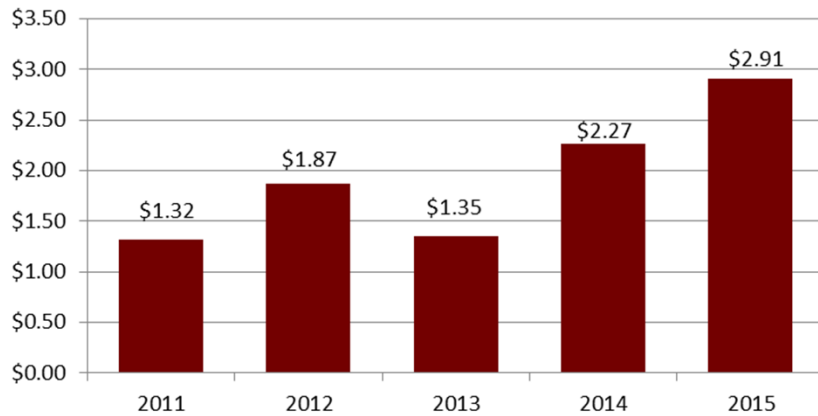
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- Quarterly cash dividends currently \$0.20 / share
  - Landmark increased quarterly cash dividend rate during the 1<sup>st</sup> quarter of 2016 by 10.5%
  - Landmark has paid 59 consecutive quarterly cash dividends since its formation in October 2001
- Annual stock dividends for 15 consecutive years
  - Declared 5% stock dividend in December 2015
- SNL cited Landmark as 1 of only 22 banks that increased dividends  $\geq 4\%$  each year 2007-12
  - Landmark has actually increased its dividends by  $\geq 5\%$  each year since 2001

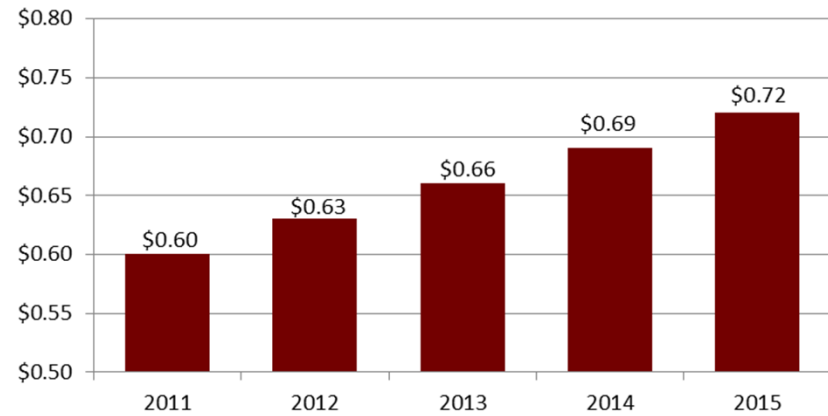


# Financial Highlights

## Earnings per Share

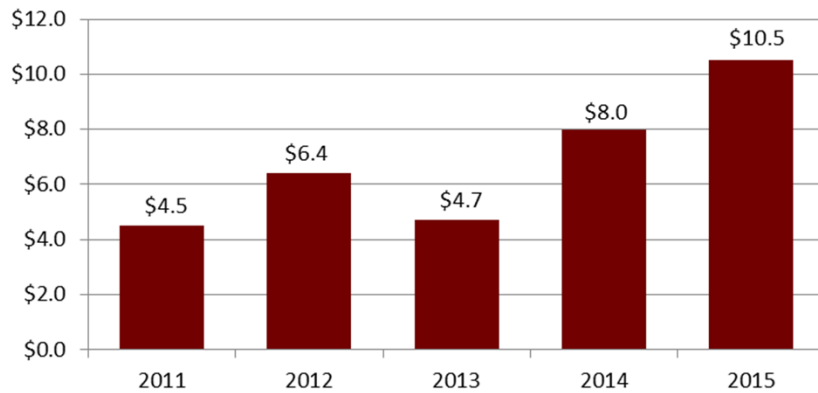


## Dividends per Share

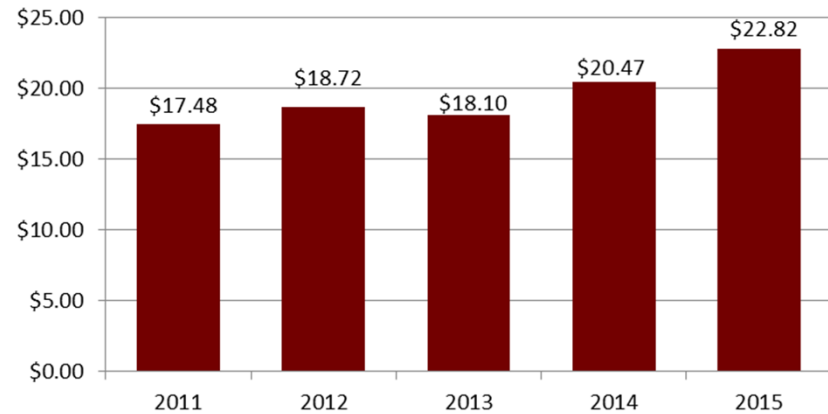


## Net Earnings

(Dollars in Millions)

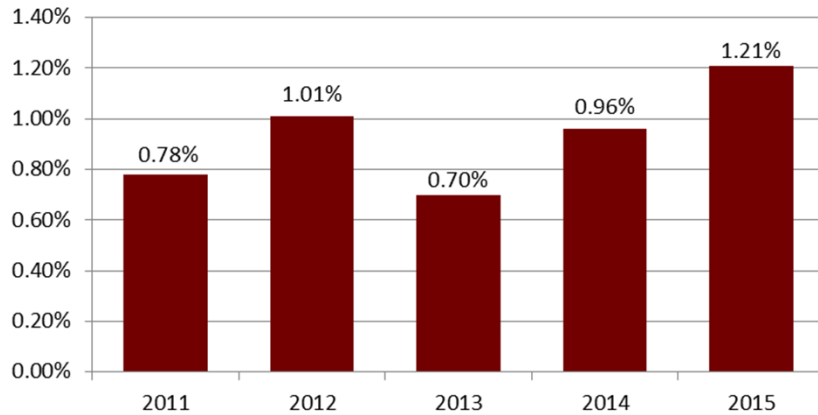


## Book Value per Share

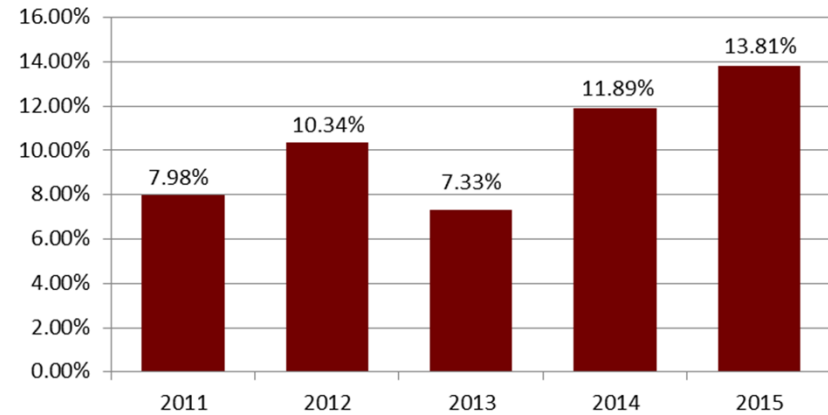


# Financial Highlights

## Return on Average Assets

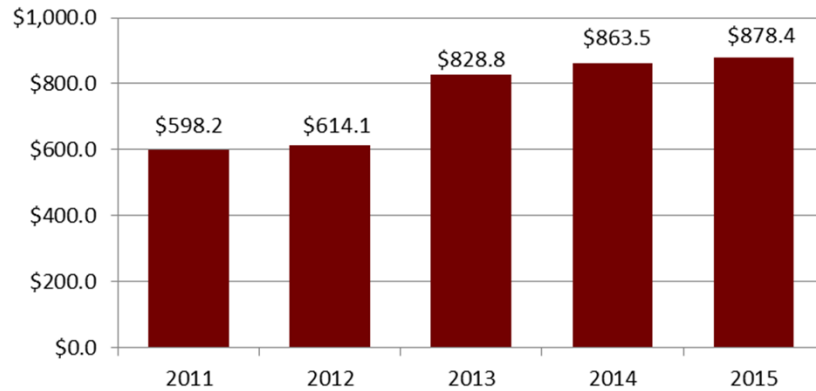


## Return on Average Equity



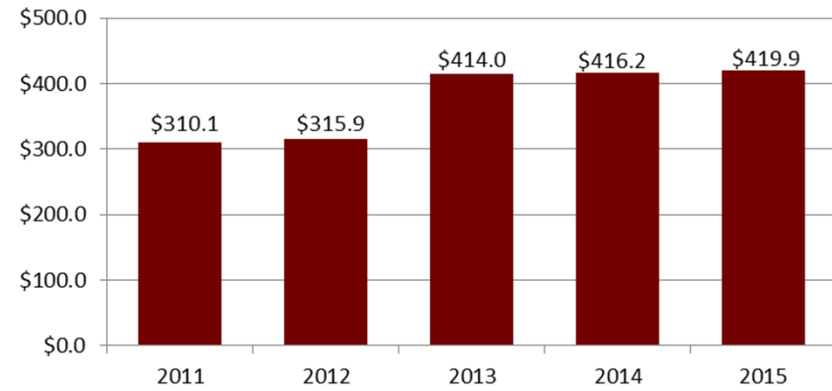
## Total Assets

(Dollars in Millions)



## Net Loans

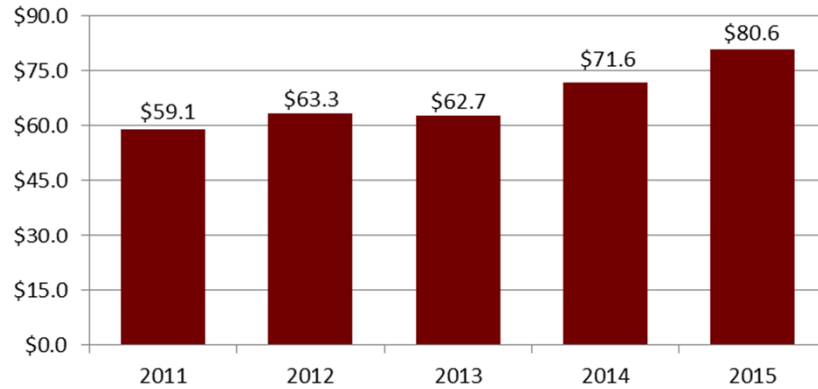
(Dollars in Millions)



# Financial Highlights

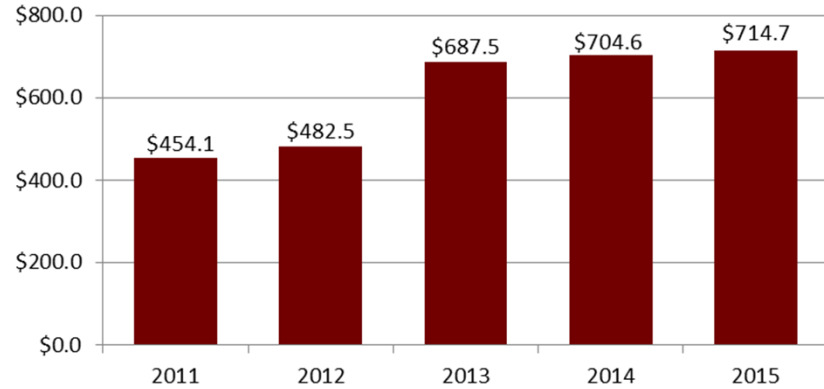
## Stockholders' Equity

(Dollars in Millions)



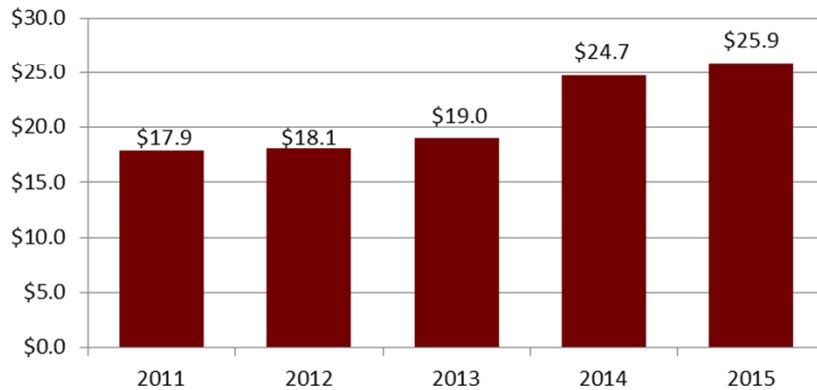
## Deposits

(Dollars in Millions)



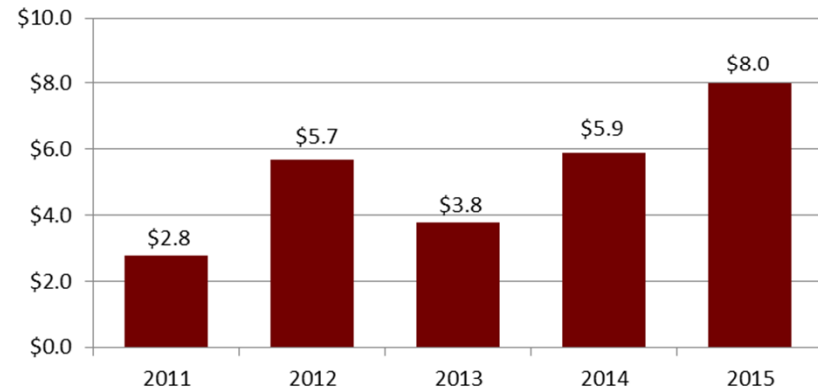
## Net Interest Income

(Dollars in Millions)



## Gains on Sales of Loans

(Dollars in Millions)





# Financial Highlights

	Q1 2016	Years ended December 31,		
		2015	2014	2013
Total assets (millions)	\$ 892.5	\$ 878.4	\$ 863.5	\$ 828.3
Stockholders' equity (millions)	\$ 85.2	\$ 80.6	\$ 71.6	\$ 62.7
Net earnings (millions)	\$ 2.3	\$ 10.5	\$ 8.0	\$ 4.7
Tangible equity to tangible assets	7.29%	6.86%	5.91%	5.00%
Return on average assets	1.04%	1.21%	0.96%	0.70%
Return on average equity	11.04%	13.81%	11.89%	7.33%
Dividends per share	\$ 0.20	\$ 0.72	\$ 0.69	\$ 0.66
Diluted earnings per share	\$ 0.62	\$ 2.91	\$ 2.27	\$ 1.35
Net interest margin (TE)	3.47%	3.51%	3.47%	3.40%
Loans to deposits	60.10%	59.58%	59.83%	61.03%
Efficiency ratio	69.00%	64.55%	66.70%	67.45%



# Condensed Consolidated Statement of Earnings

*(dollars in thousands, except per share amounts)*

	Years ended December 31,		Variance from prior period in	
	2015	2014	Dollars	Percent
Interest income	\$ 28,997	\$ 27,850	\$ 1,147	4.1%
Interest expense	3,081	3,186	(105)	-3.3%
Net interest income ("NII")	25,916	24,664	1,252	5.1%
Provision for loan losses	(700)	600	(1,300)	-216.7%
NII after provision for loan losses	26,616	24,064	2,552	10.6%
Non-interest income	17,010	15,071	1,939	12.9%
Non-interest expense	29,206	28,060	1,146	4.1%
Income tax expense	3,914	3,026	888	29.3%
Net earnings	\$ 10,506	\$ 8,049	\$ 2,457	30.5%
Net earnings per share - diluted	\$ 2.91	\$ 2.27	\$ 0.64	28.2%



# Condensed Consolidated Statement of Earnings

*(dollars in thousands, except per share amounts)*

	Quarters ended March 31,		Variance from prior period in	
	2016	2015	Dollars	Percent
Interest income	\$ 7,174	\$ 7,063	\$ 111	1.6%
Interest expense	770	769	1	0.1%
Net interest income ("NII")	6,404	6,294	110	1.7%
Provision for loan losses	50	(1,000)	1,050	-105.0%
NII after provision for loan losses	6,354	7,294	(940)	-12.9%
Non-interest income	3,894	3,763	131	3.5%
Non-interest expense	7,162	7,111	51	0.7%
Income tax expense	809	1,169	(360)	-30.8%
Net earnings	<u>\$ 2,277</u>	<u>\$ 2,777</u>	<u>\$ (500)</u>	<u>-18.0%</u>
Net earnings per share - diluted	\$ 0.62	\$ 0.77	\$ (0.15)	-19.5%

# Condensed Consolidated Balance Sheets

<i>(dollars in thousands)</i>	March 31,	December 31,	
	2016	2015	2014
Cash and cash equivalents	\$ 9,853	\$ 13,569	\$ 12,760
Investment securities	377,770	357,935	352,938
Loans, net	419,879	419,923	416,190
Loans held for sale	13,423	14,465	10,671
Premises and equipment, net	20,844	20,958	20,954
Bank owned life insurance	18,284	18,164	17,650
Goodwill and other intangible assets, net	21,720	21,836	21,902
Other assets	10,681	11,526	10,405
Total assets	<u>\$ 892,454</u>	<u>\$ 878,376</u>	<u>\$ 863,470</u>
Deposits	\$ 708,392	\$ 714,727	\$ 704,555
Federal Home Loan Bank and other borrowings	81,367	70,658	76,547
Other liabilities	17,495	12,421	10,723
Stockholders' equity	85,200	80,570	71,645
Total liabilities and stockholders' equity	<u>\$ 892,454</u>	<u>\$ 878,376</u>	<u>\$ 863,470</u>

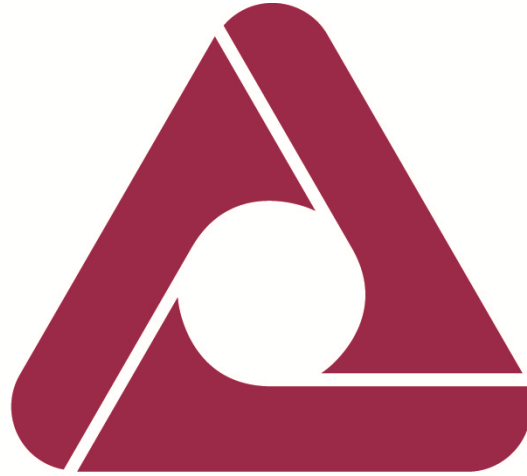


# Strong Capital Base

*(Dollars in thousands)*

	<u>As of March 31, 2016</u>		<u>For capital adequacy purposes</u>		<u>To be well-capitalized under prompt corrective action provisions</u>	
	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
<b><u>Landmark Bancorp, Inc.</u></b>						
Leverage	\$ 83,139	9.67%	\$ 34,407	4.000%		
Common Equity Tier 1 Capital	62,683	11.77%	27,285	5.125%		
Tier 1 Capital	83,139	15.62%	35,271	6.625%		
Total Risk Based Capital	89,427	16.80%	45,919	8.625%		
<b><u>Landmark National Bank</u></b>						
Leverage	\$ 81,293	9.49%	\$ 34,270	4.000%	\$ 42,837	5.000%
Common Equity Tier 1 Capital	81,293	15.31%	27,212	5.125%	34,513	6.500%
Tier 1 Capital	81,293	15.31%	35,177	6.625%	42,478	8.000%
Total Risk Based Capital	87,312	16.44%	45,797	8.625%	53,097	10.000%





# LANDMARK BANCORP, INC.

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Manhattan, KS

# Summary of Non-performing Assets

*(dollars in thousands)*

	<u>March 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>	<u>2014</u>
<b>Total non-accrual loans</b>	<b>\$ 2,727</b>	<b>\$ 2,168</b>	<b>\$ 6,046</b>
<b>Accruing loans over 90 days past due</b>	-	-	-
<b>Non-performing investments</b>	-	-	-
<b>Real estate owned</b>	<b>310</b>	<b>1,000</b>	<b>255</b>
<b>Total non-performing assets</b>	<b>\$ 3,037</b>	<b>\$ 3,168</b>	<b>\$ 6,301</b>
<b>Loans 30-89 days delinquent and still accruing to gross loans</b>	<b>0.22%</b>	<b>0.33%</b>	<b>0.26%</b>
<b>Total non-performing loans to gross loans</b>	<b>0.64%</b>	<b>0.51%</b>	<b>1.44%</b>
<b>Total non-performing assets to total assets</b>	<b>0.34%</b>	<b>0.36%</b>	<b>0.73%</b>
<b>Allowance for loan losses to gross loans</b>	<b>1.38%</b>	<b>1.39%</b>	<b>1.26%</b>
<b>Allowance for loan losses to total non-performing loans</b>	<b>215.2%</b>	<b>273.2%</b>	<b>88.0%</b>



# Non-Accrual Loans

*(dollars in thousands)*

	<u>March 31,</u> <u>2016</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
<b>One-to-four family residential</b>	<b>\$ 1,282</b>	<b>\$ 749</b>	<b>\$ 1,585</b>
<b>Construction and land</b>	<b>610</b>	<b>614</b>	<b>1,322</b>
<b>Commercial real estate</b>	<b>47</b>	<b>47</b>	<b>2,488</b>
<b>Commercial loans</b>	<b>615</b>	<b>583</b>	<b>234</b>
<b>Agriculture loans</b>	<b>139</b>	<b>139</b>	<b>285</b>
<b>Municipal loans</b>	<b>-</b>	<b>-</b>	<b>65</b>
<b>Consumer loans</b>	<b>34</b>	<b>36</b>	<b>67</b>
<b>Total</b>	<b><u>\$ 2,727</u></b>	<b><u>\$ 2,168</u></b>	<b><u>\$ 6,046</u></b>



# Summary of Allowance for Loan Losses

<i>(dollars in thousands)</i>	<u>Quarter Ended</u> <u>Mar. 31, 2016</u>	<u>Years ended December 31</u>	
		<u>2015</u>	<u>2014</u>
<b>Beginning Balance</b>	<b>\$ 5,922</b>	<b>\$ 5,320</b>	<b>\$ 5,540</b>
<b>Provisions for loan losses</b>	<b>50</b>	<b>(700)</b>	<b>600</b>
<b>Charge-offs</b>	<b>(137)</b>	<b>(554)</b>	<b>(1,049)</b>
<b>Recoveries</b>	<b>34</b>	<b>1,856</b>	<b>229</b>
<b>Ending Balance</b>	<b><u>\$ 5,869</u></b>	<b><u>\$ 5,922</u></b>	<b><u>\$ 5,320</u></b>

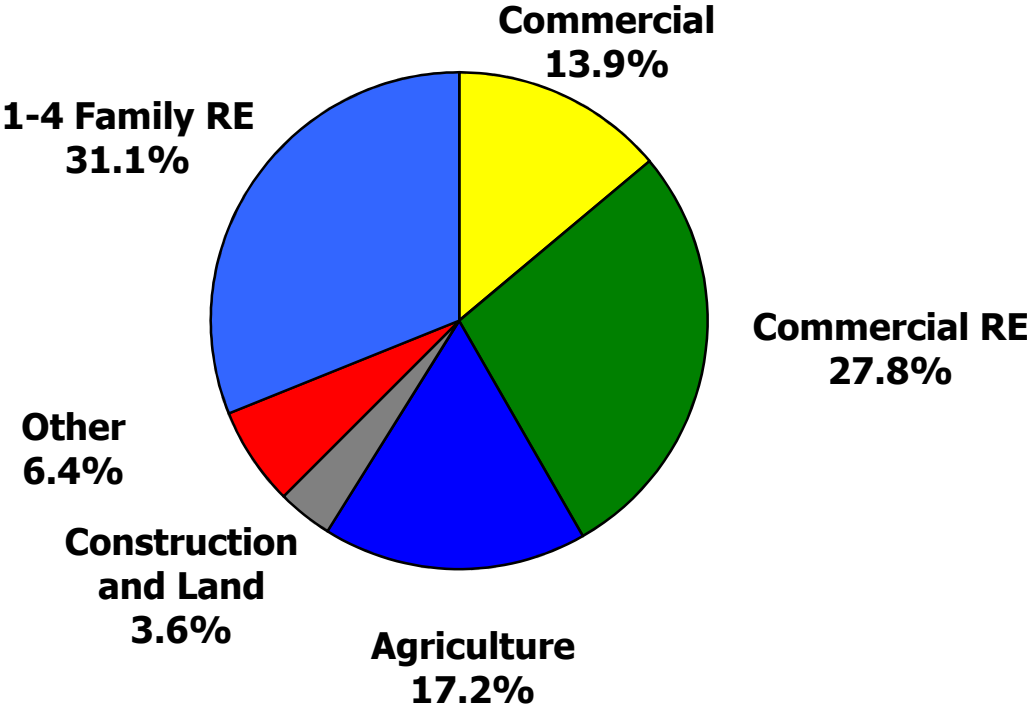
The loan recoveries in 2015 were primarily associated with a \$4.3 million construction loan which was fully charged-off during 2010 and 2011. As of March 31, 2016, the Company has recovered approximately \$2.4 million of the loan and continues to pursue collection of the remaining amount.



# Diverse Loan Portfolio

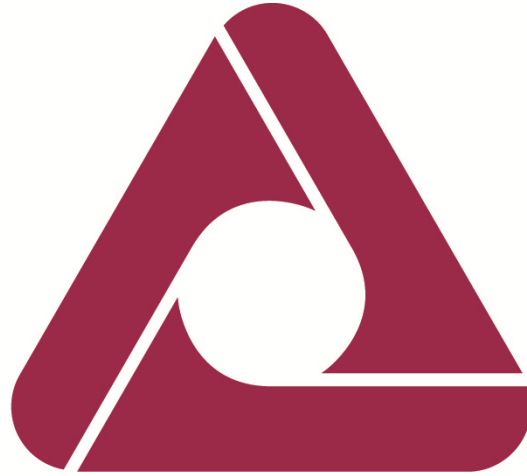
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As of March 31, 2016



Loan portfolio diversification:

- Geographically across state of Kansas
- Across loan categories and collateral types



# LANDMARK BANCORP, INC.

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Manhattan, KS

# 2015 Performance

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- Record net profit – \$10.5 million
- Cash dividend increased 5%
- 5% stock dividend
- ROA – 1.21%; ROE – 13.81%
- Diluted EPS – \$2.91 per share

# Industry Performance Recognition

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- **American Banker recognized Landmark Bancorp in their Top 200**

list for most profitable publicly traded community banks (less than \$2 billion) based on return on average equity over the past three years (2013-2015).

Landmark Bancorp ranked 75<sup>th</sup> out of 684 nationally that fit the criteria.



# Industry Performance Recognition

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- **2015 Seifried & Brew 5 Gold Bar Institution**

based on S&B's total risk / return for financial institutions with assets between \$10 million and \$10 billion. Landmark National Bank was ranked 299<sup>th</sup> out of 5,960 banks.



# Commercial Banking Growth

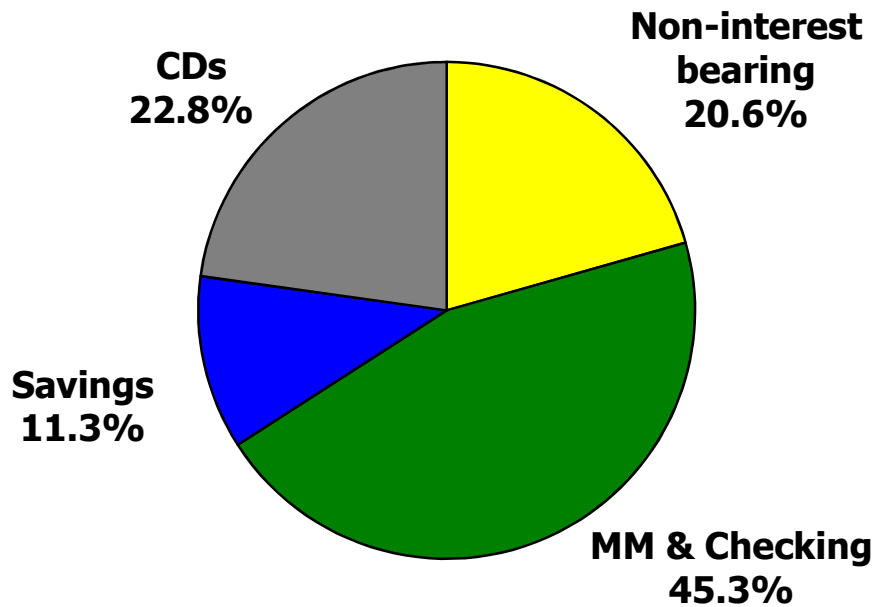
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	<u>Loan Closings (millions)</u>	<u>New or Significantly Expanded Relationships</u>
Year-to-date April 30, 2016	\$ 27.4	20
Year-to-date April 30, 2015	\$ 34.5	25
Year ending December 31, 2015	\$ 82.4	62
Year ending December 31, 2014	\$ 85.5	49

# Solid Low-cost Deposit Base

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As of March 31, 2016



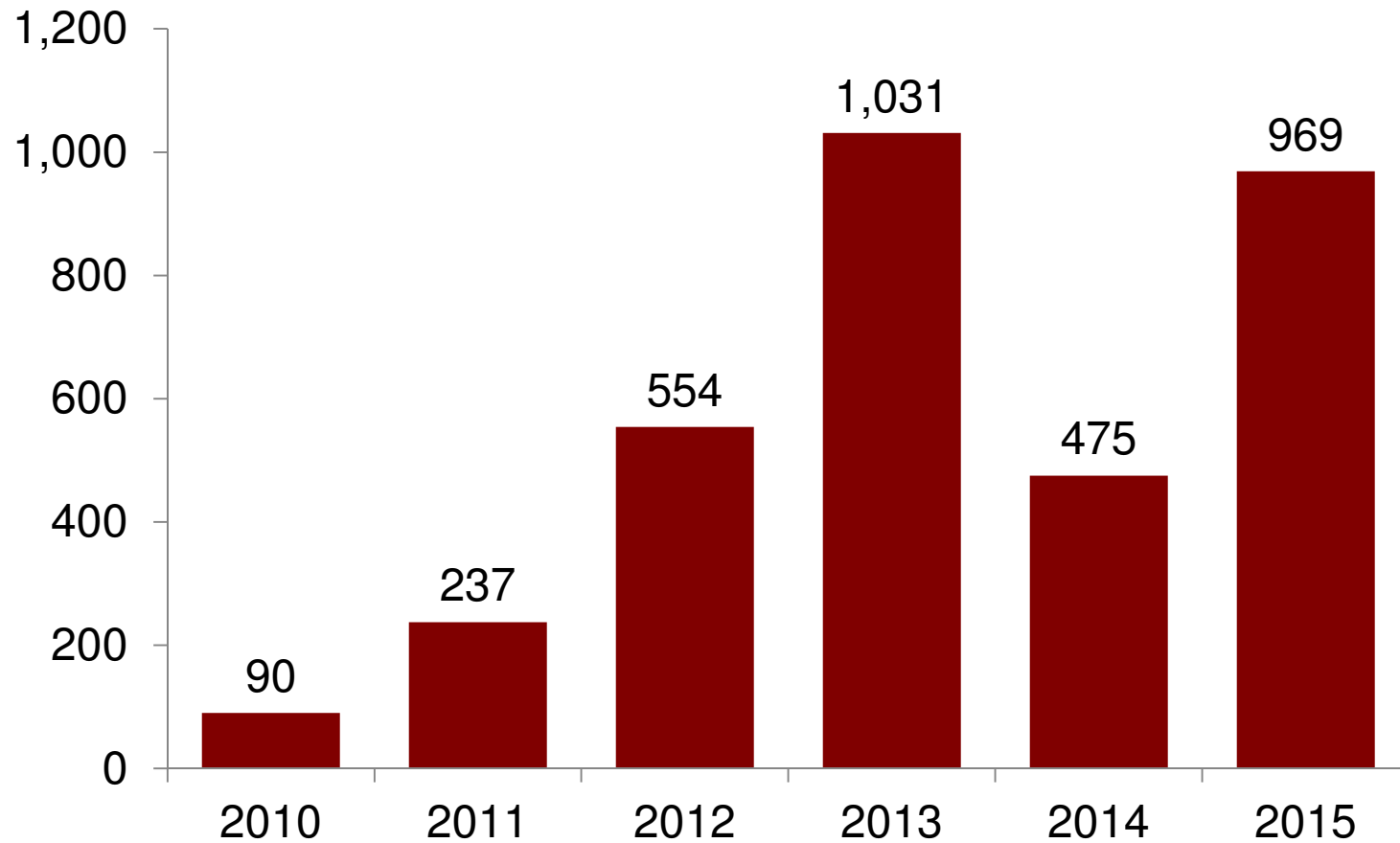
Solid deposit portfolio:

- Primary funding is from core deposits
- Geographically located across state of Kansas
- Mix of account types and interest rates



# Net Retail Accounts

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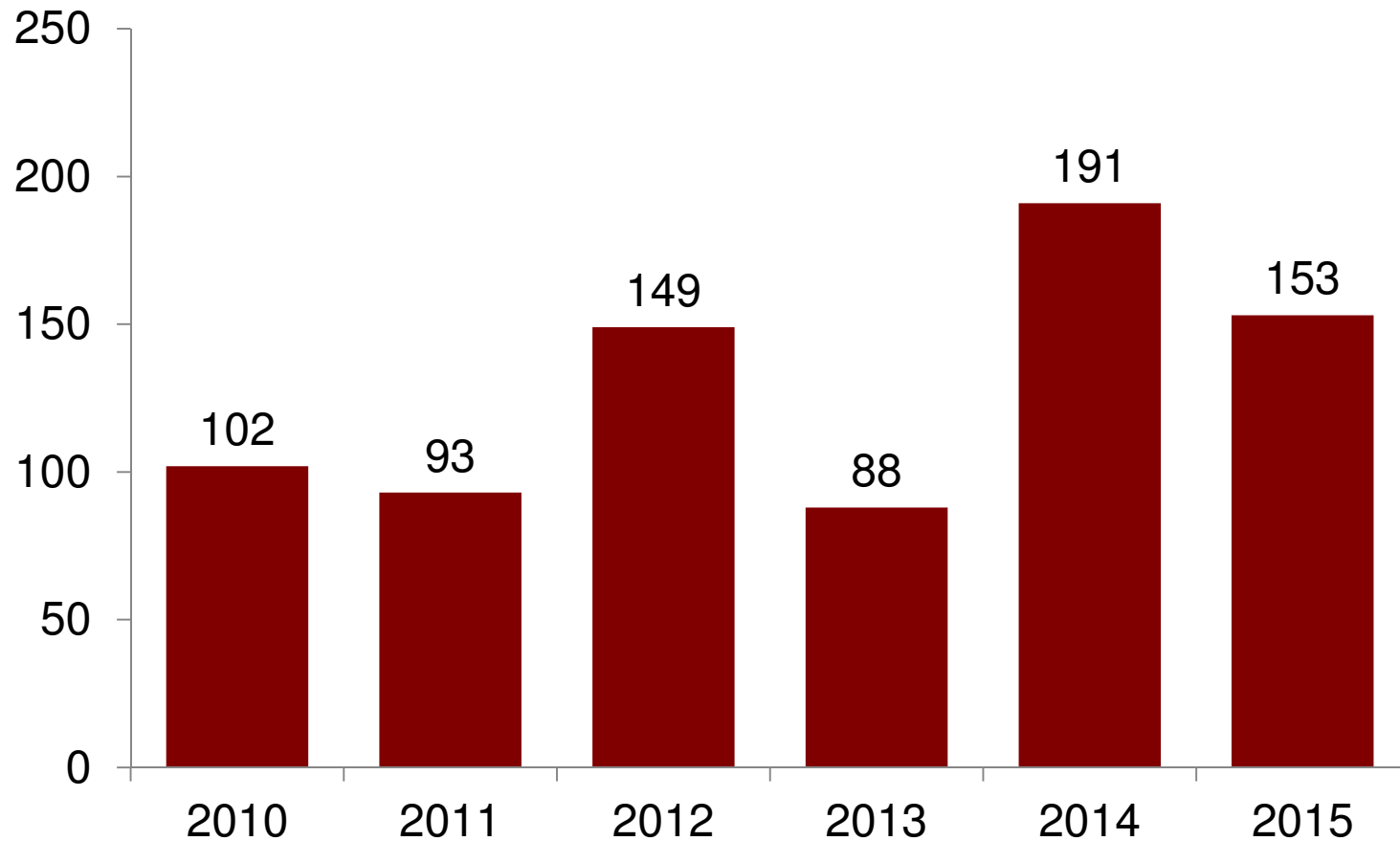


Includes checking, money market and savings accounts.



# Net Commercial Accounts

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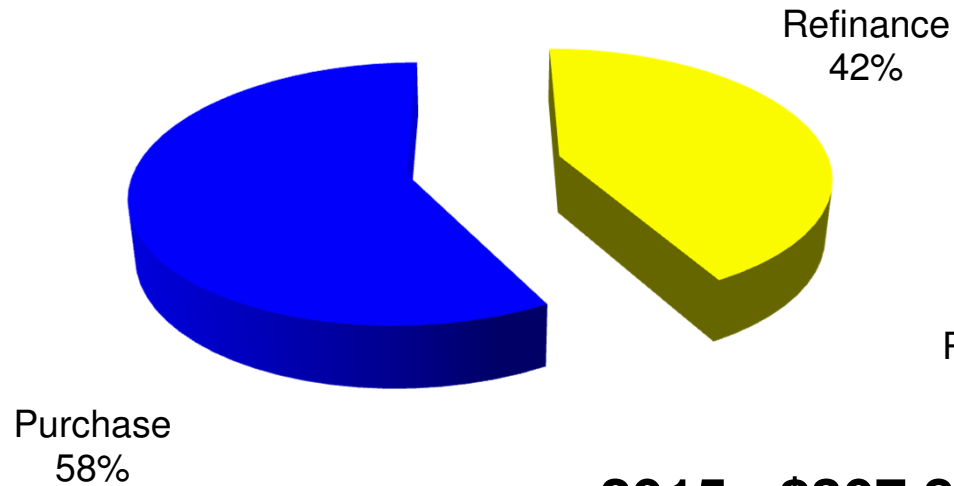
Includes checking, money market and savings accounts.



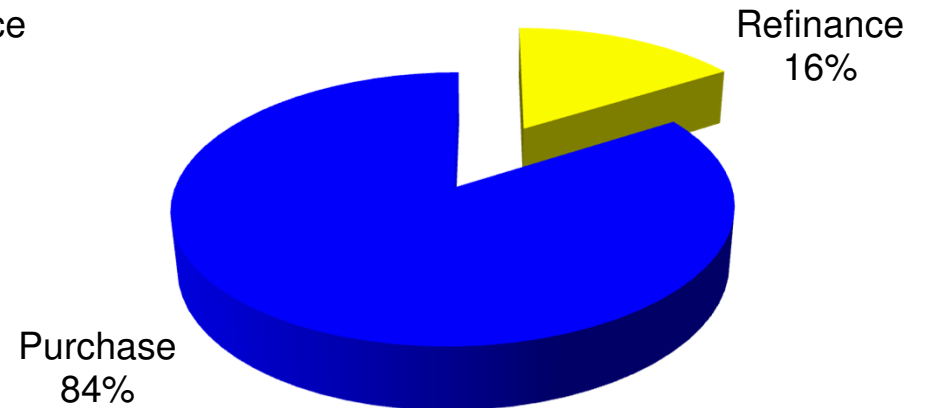
# 1-4 Family Mortgage Banking Volumes

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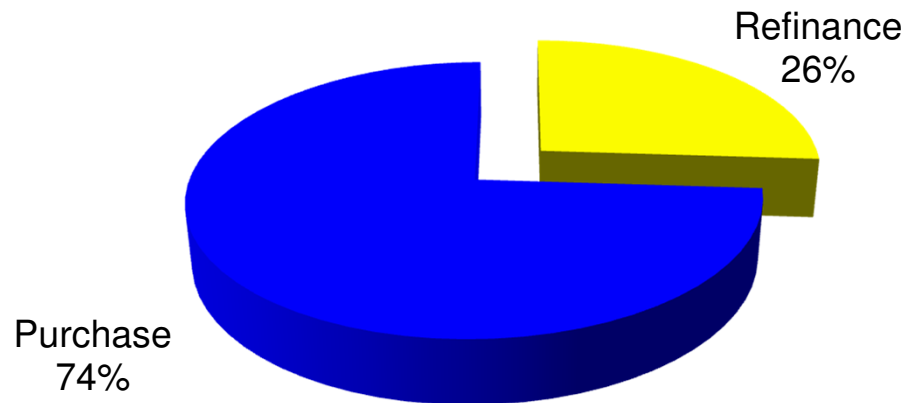
2013 - \$160.7 million



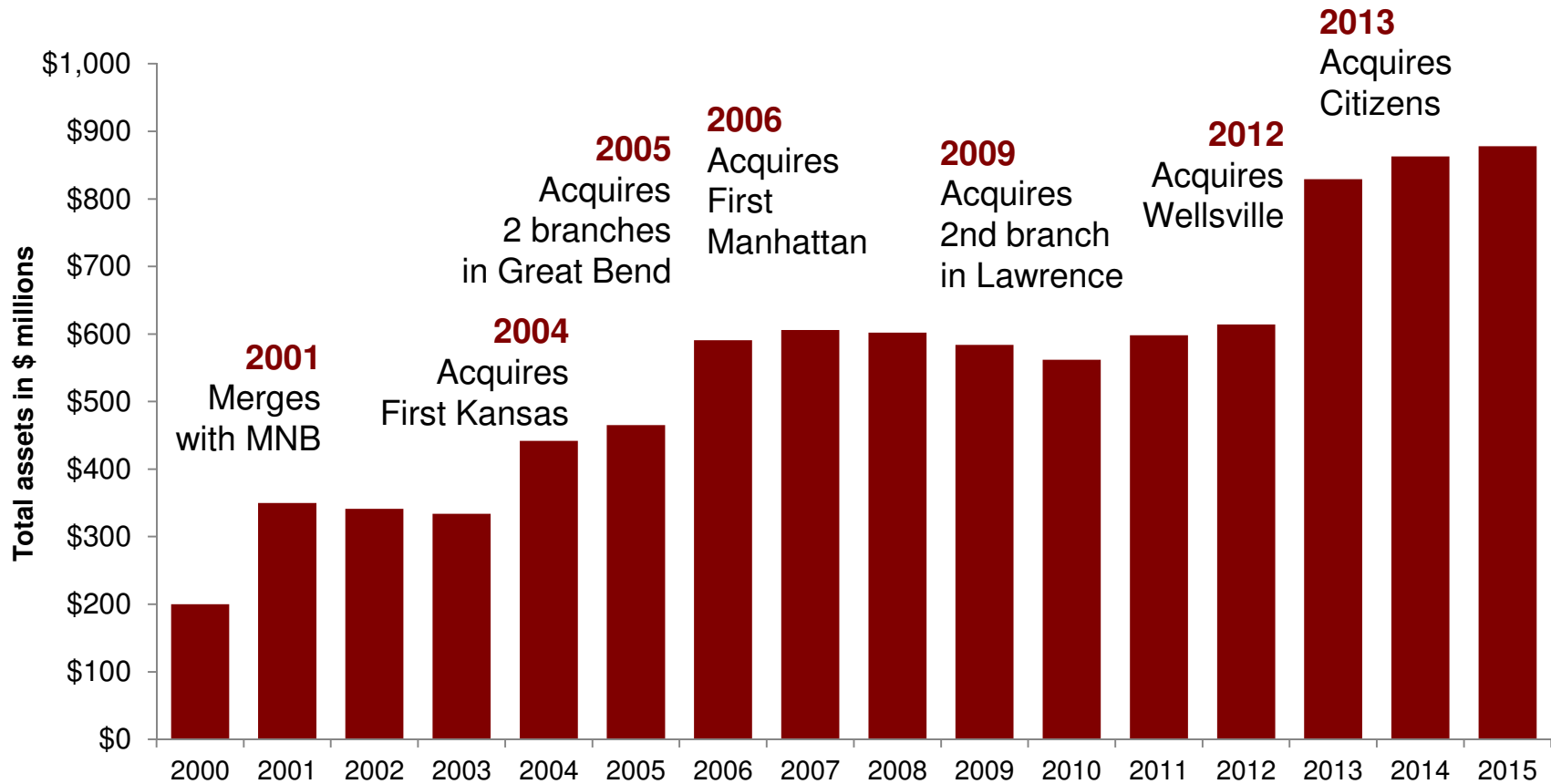
2014 - \$211.0 million



2015 - \$307.8 million



# Track Record of Growing Scale



# Kansas Banks and Thrifts

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Total assets	Number of banks
\$0 - \$100 million	139
\$100 million - \$250 million	72
\$250 million - \$500 million	34
\$500 million - \$1 billion	16
> \$1 billion	11

Source: SNL Financial

Total assets as of December 31, 2015



# Strategy for Continued Performance

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1. Continue rigorous management disciplines
2. Refine and improve new business targeting and recruitment strategies
3. Capitalize on mortgage banking capabilities and infrastructure
4. Continue efforts to grow profitably – organically and through acquisitions
5. Control non-interest expenses
6. Focus on development of relationships with customers versus transactions

# Landmark Investment Summary

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<b>Profile</b>	<ul style="list-style-type: none"><li>• Community bank with strong capital base</li><li>• Diversified markets across State of Kansas</li></ul>
<b>Q1 2016 Results</b>	<ul style="list-style-type: none"><li>• Record quarterly earnings in Q1 2015 on \$1.0 million credit provision for loan losses related to \$1.7 million loan recovery</li><li>• Solid core earnings continue in 2016</li></ul>
<b>2015 Results</b>	<ul style="list-style-type: none"><li>• Successful integration of Citizens Bank</li><li>• Record annual earnings on larger banking presence</li></ul>
<b>Well Positioned</b>	<ul style="list-style-type: none"><li>• Capital growth to allow continued acquisitions</li><li>• LARK stock available for larger acquisitions</li></ul>
<b>Strategic Plans</b>	<ul style="list-style-type: none"><li>• Continue focus on organic growth</li><li>• Remain patient for the right acquisition</li></ul>

# The Landmark Team

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- Associates
- Board of Directors
- Shareholders



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# Questions

# Landmark – A Star in Each Community

