



# LANDMARK BANCORP, INC.

A NASDAQ Traded Company – Symbol LARK

# 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>	3.9 million
• Market Cap <sup>(2)</sup>	\$121.1 million
• Total Assets <sup>(3)</sup>	\$911.4 million
• Total Deposits <sup>(3)</sup>	\$741.5 million
• Locations	29

(1) As of December 31, 2016.

(2) Market cap based on the January 27, 2017 closing price of \$31.30 per common share.

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



# Landmark Stock (NASDAQ: LARK)

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- Price-to-Book Value 143%
- Price-to-Tangible Book Value 191%
- Price-to-2016 Earnings 13.6x
- Dividend Yield 2.6%
- Book Value Per Share \$21.96
- TBV Per Share \$16.40

Based on financial information as of December 31, 2016 and the January 27, 2017 closing price of \$31.30 per common share.



# Track Record for Dividends

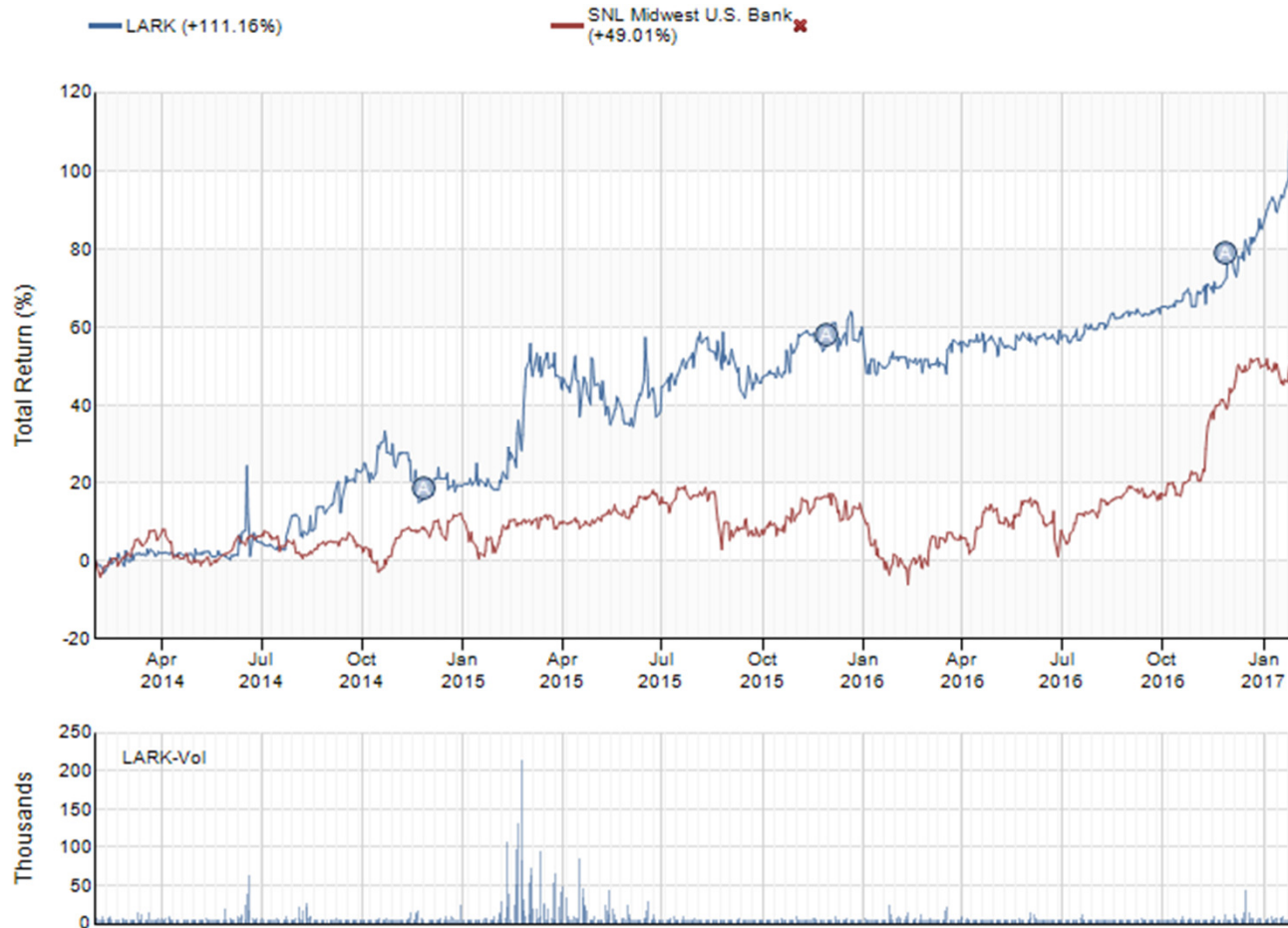
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- Quarterly cash dividends currently \$0.20 / share
  - Landmark increased quarterly cash dividend rate during the 1<sup>st</sup> quarter of 2016 by 10.5%
  - Landmark has paid 62 consecutive quarterly cash dividends since its formation in October 2001
- Annual stock dividends for 16 consecutive years
  - Issued a 5% stock dividend in December 2016
- SNL cited Landmark as 1 of only 18 banks that increased dividends  $\geq 2\%$  each year 2009-16
  - Landmark has actually increased its dividends by  $\geq 5\%$  each year since 2001



# Outperforming in Total Return

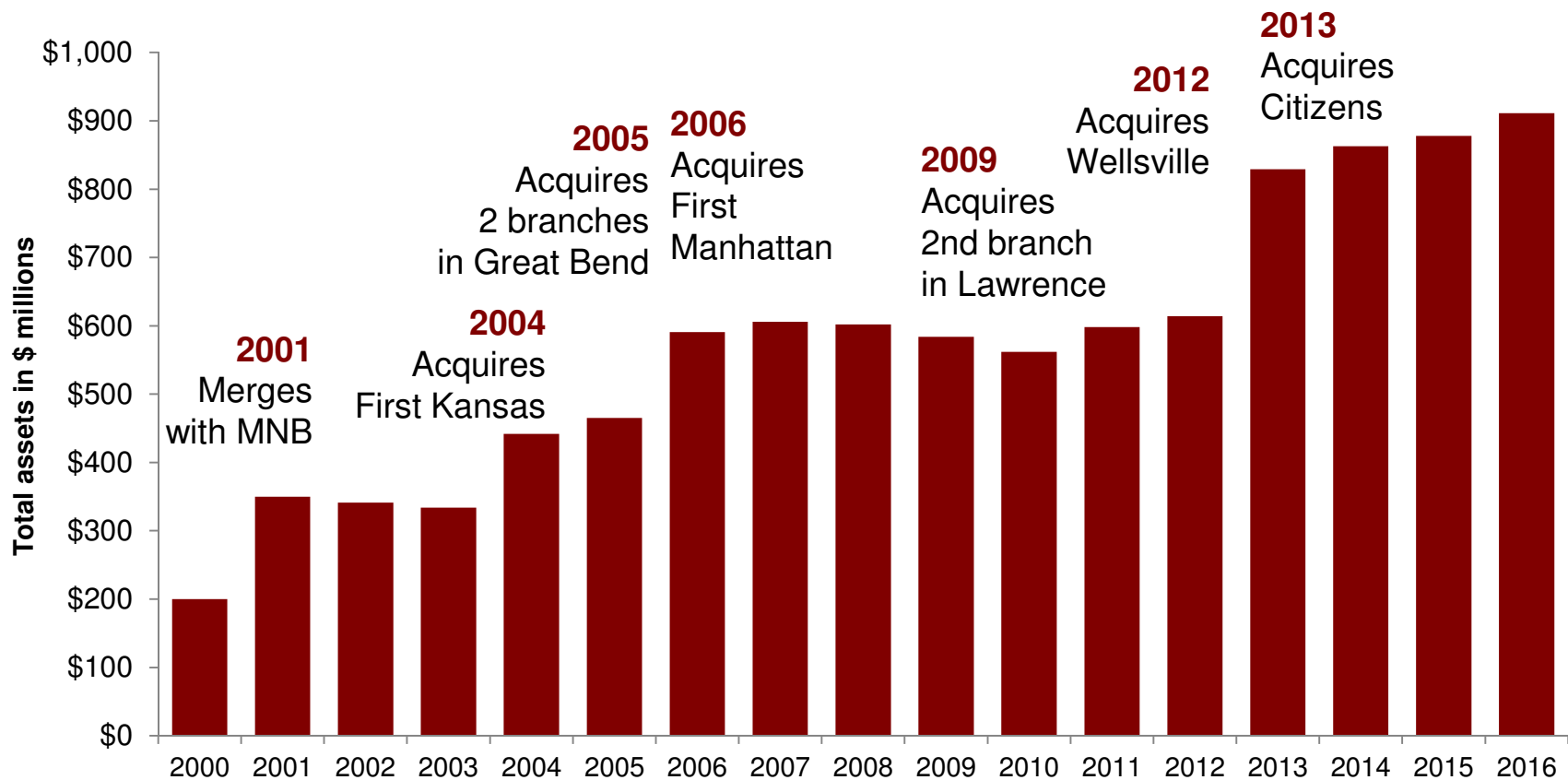
Landmark Bancorp, Inc. - Total Return (%)



Source: SNL Financial



# Track Record of Growing Scale



# Kansas Commercial Banks

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Total assets	Number of banks
\$0 - \$100 million	124
\$100 million - \$250 million	69
\$250 million - \$500 million	34
\$500 million - \$1 billion	14
> \$1 billion	7

Source: SNL Financial

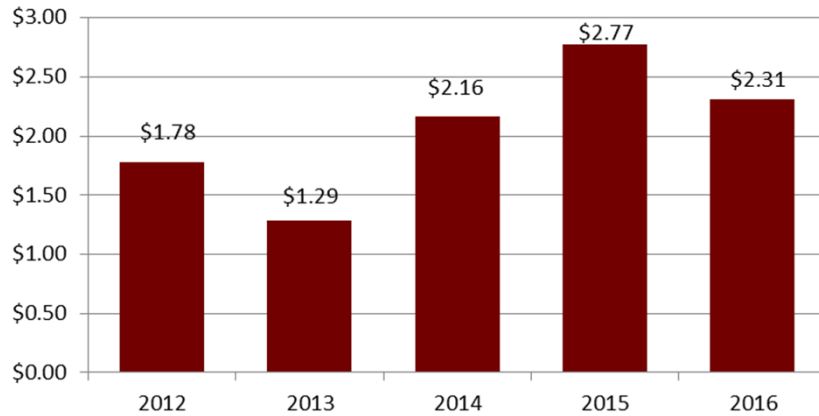
Total assets as of December 31, 2016



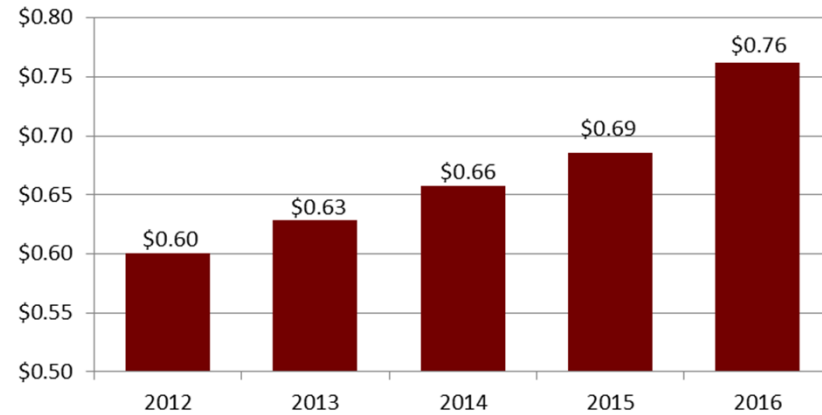


# Financial Highlights

## Earnings per Share

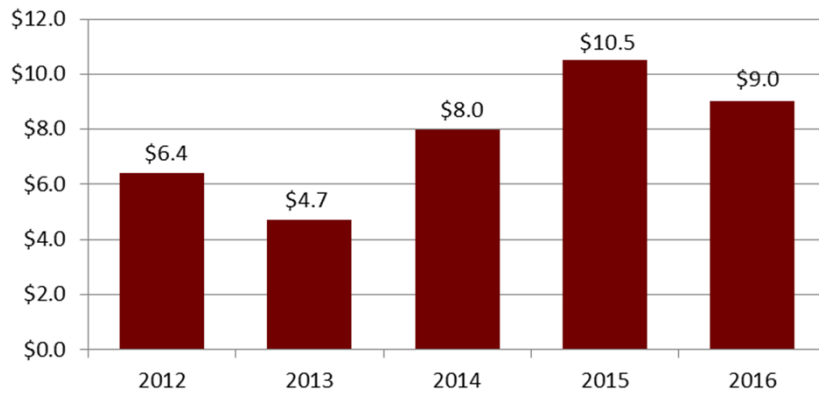


## Dividends per Share

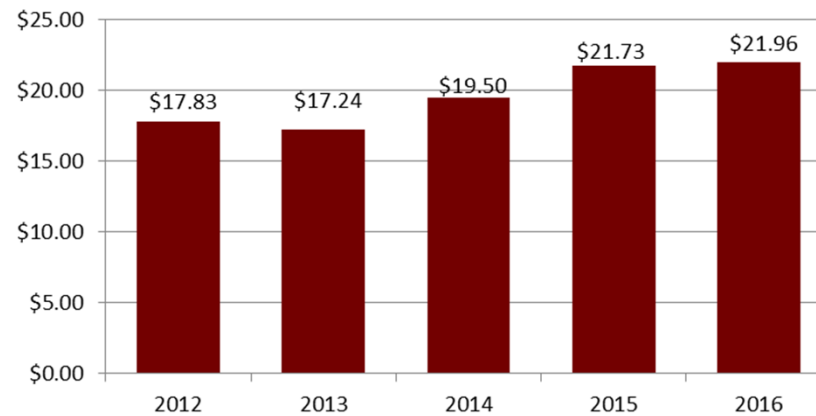


## Net Earnings

(Dollars in Millions)

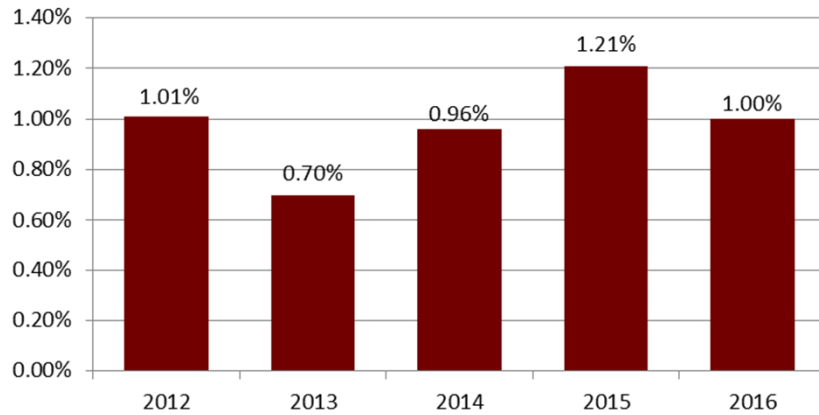


## Book Value per Share

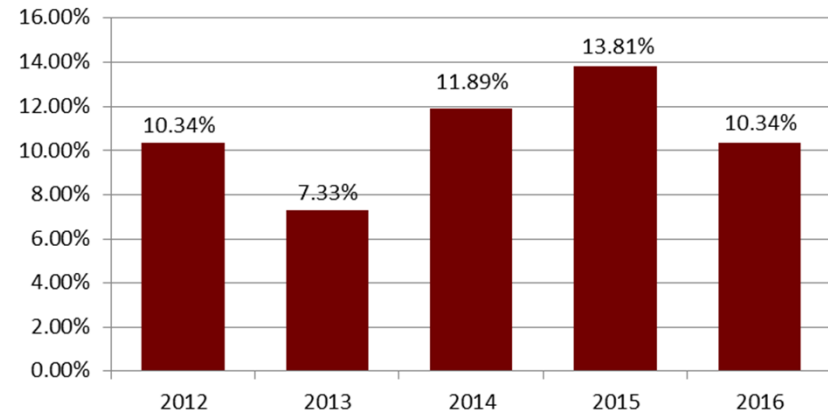


# Financial Highlights

### Return on Average Assets

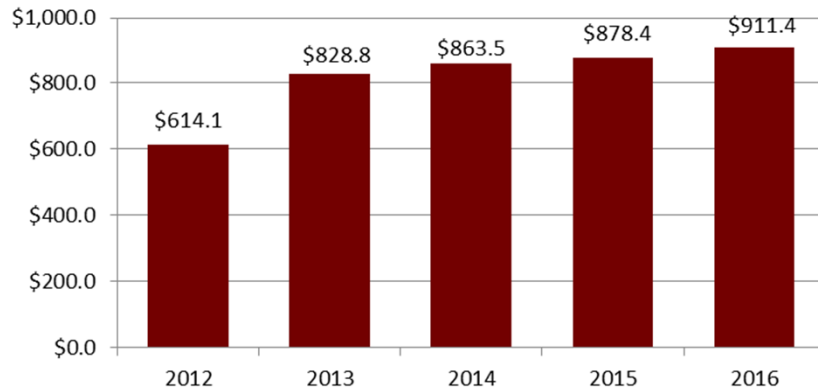


### Return on Average Equity



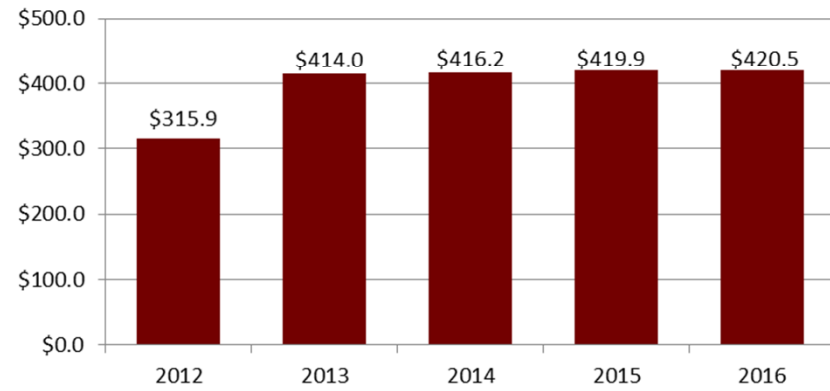
### Total Assets

(Dollars in Millions)



### Net Loans

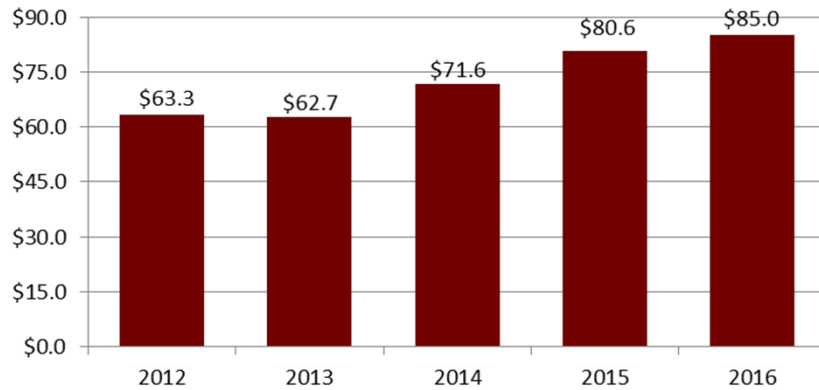
(Dollars in Millions)



# Financial Highlights

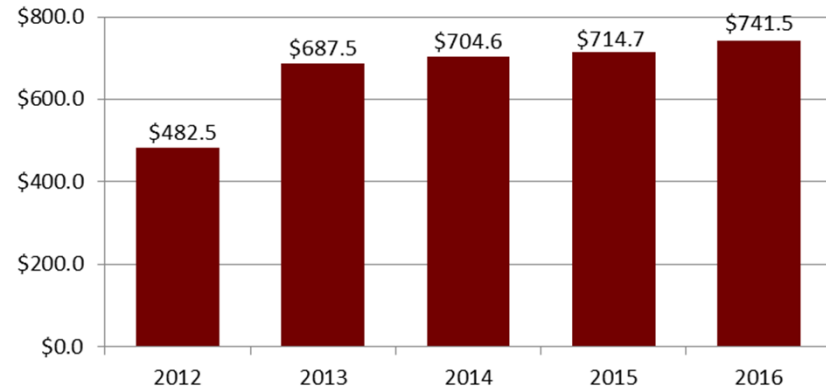
## Stockholders' Equity

(Dollars in Millions)



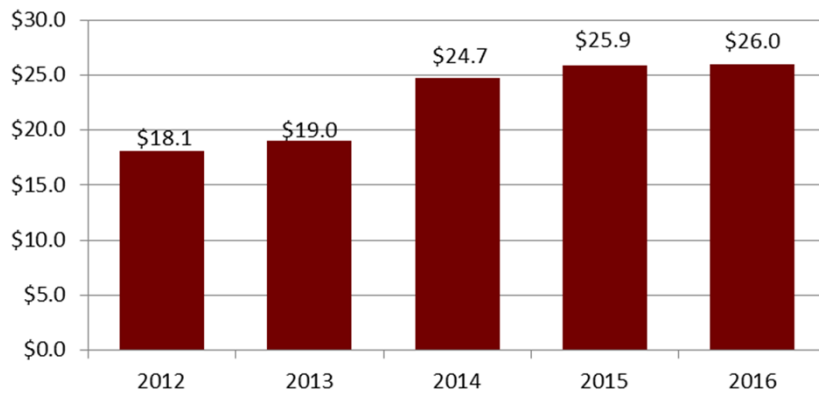
## Deposits

(Dollars in Millions)



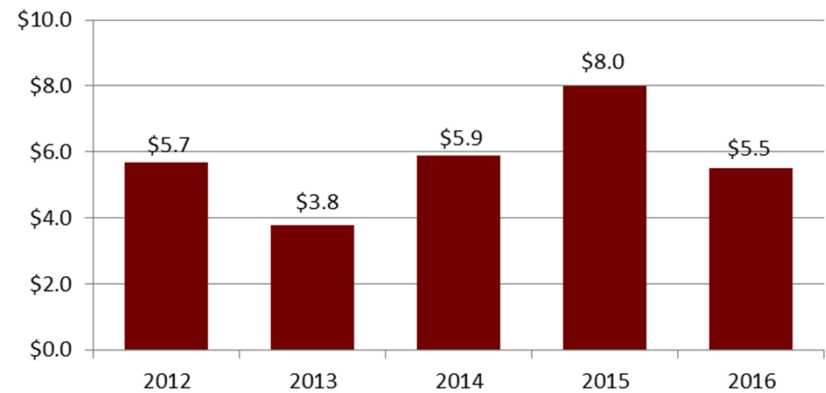
## Net Interest Income

(Dollars in Millions)



## Gains on Sales of Loans

(Dollars in Millions)



# Financial Highlights

	Years ended December 31,		
	2016	2015	2014
Total assets (millions)	\$ 911.4	\$ 878.4	\$ 863.5
Stockholders' equity (millions)	\$ 85.0	\$ 80.6	\$ 71.6
Net earnings (millions)	\$ 9.0	\$ 10.5	\$ 8.0
Tangible equity to tangible assets	7.13%	6.86%	5.91%
Return on average assets	1.00%	1.21%	0.96%
Return on average equity	10.34%	13.81%	11.89%
Dividends per share	\$ 0.76	\$ 0.69	\$ 0.66
Diluted earnings per share	\$ 2.31	\$ 2.77	\$ 2.16
Net interest margin (TE)	3.45%	3.51%	3.47%
Loans to deposits	57.42%	59.58%	59.83%
Efficiency ratio	67.67%	64.55%	66.70%



# Condensed Consolidated Statement of Earnings

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

	Years ended December 31,		Variance from prior period in	
	2016	2015	Dollars	Percent
Interest income	\$ 29,230	\$ 28,997	\$ 233	0.8%
Interest expense	3,191	3,081	110	3.6%
Net interest income ("NII")	26,039	25,916	123	0.5%
Provision for loan losses	500	(700)	1,200	-171.4%
NII after provision for loan losses	25,539	26,616	(1,077)	-4.0%
Non-interest income	14,850	17,010	(2,160)	-12.7%
Non-interest expense	29,114	29,206	(92)	-0.3%
Income tax expense	2,314	3,914	(1,600)	-40.9%
Net earnings	\$ 8,961	\$ 10,506	\$ (1,545)	-14.7%
Net earnings per share - diluted	\$ 2.31	\$ 2.77	\$ (0.46)	-16.6%



# 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	\$ 2.77	\$ 2.16	\$ 0.61	28.2%



# Condensed Consolidated Balance Sheets

<i>(dollars in thousands)</i>	December 31,		
	2016	2015	2014
Cash and cash equivalents	\$ 19,996	\$ 13,569	\$ 12,760
Investment securities	390,862	357,935	352,938
Loans, net	420,461	419,923	416,190
Loans held for sale	5,517	14,465	10,671
Premises and equipment, net	20,407	20,958	20,954
Bank owned life insurance	18,314	18,164	17,650
Goodwill and other intangible assets, net	21,518	21,836	21,902
Other assets	14,307	11,526	10,405
Total assets	<u>\$ 911,382</u>	<u>\$ 878,376</u>	<u>\$ 863,470</u>
Deposits	\$ 741,521	\$ 714,727	\$ 704,555
Federal Home Loan Bank and other borrowings	72,867	70,658	76,547
Other liabilities	12,043	12,421	10,723
Stockholders' equity	84,951	80,570	71,645
Total liabilities and stockholders' equity	<u>\$ 911,382</u>	<u>\$ 878,376</u>	<u>\$ 863,470</u>



# 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.
- **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.





# Landmark – A Star in Each Community



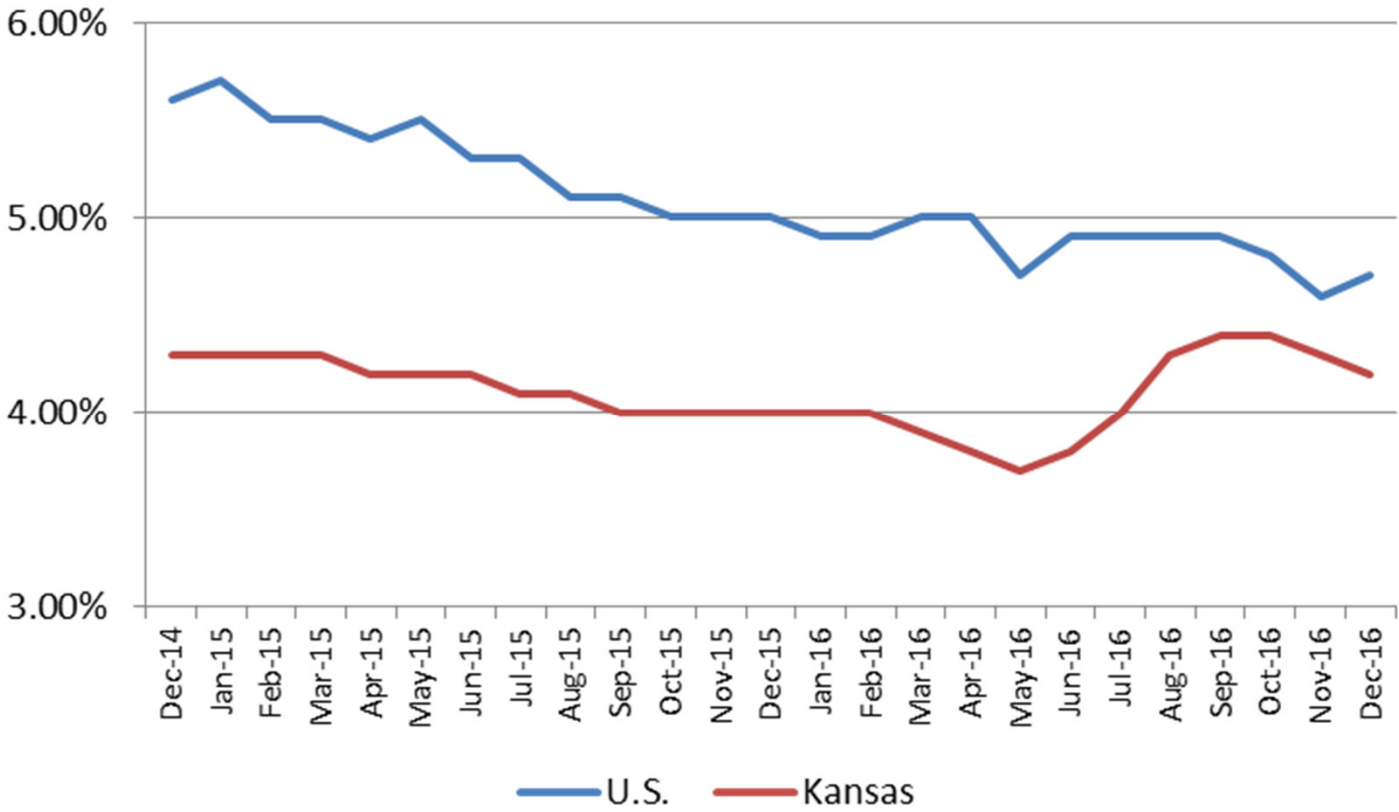
# Stable & Diverse Kansas Economy

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- Kansas ranked 7th in U.S. for total agriculture production (USDA)
- Kansas has a population of just over 2.9 million (KS Dept. of Commerce)
- Wichita is “Aviation Capital of the World” – producing 43% of domestic and 30% of global general aviation aircraft (KS Dept. of Commerce)
- Northeast Kansas is home to a burgeoning animal health corridor, with 40% of global animal health and veterinary science interests converged in the region (KS Dept. of Commerce)
- The state has built a diverse industry base that includes bioscience, animal health, energy technology, aviation, advanced manufacturing and agriculture (KS Dept. of Commerce)

# Kansas Employment Stronger than U.S.

Statewide unemployment rate 4.2% vs. 4.4% national in December 2016



Source: U.S. Bureau of Labor Statistics



# Overview on Key Landmark Markets

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- **Kansas** ranked 5th in pro business rankings for states (*AED/Pollina*)
  - Kansas ranked 28th in 2016 Top States for Business (*CNBC*)
- **Kansas City** rated No. 3 overall in America's Favorite Cities survey (*Travel + Leisure*, 2014)
- **Overland Park** selected as 7th best mid-sized city to move to (*Movoto*, 2013)
- **Lawrence** ranked 7th best place for business in the U.S. (*CNBC*)
  - Ranked 23<sup>rd</sup> Best City for Entrepreneurs (*Bioscience and Technology Business Center*)
- **Topeka** ranked 9<sup>th</sup> in top 10 affordable cities in the U.S. (*Livability.com*)
- **Manhattan** area in Top 10 Fastest Growing MSAs in the U.S. (*Census Bureau*, 2013)
  - Ranked 13<sup>th</sup> in Best Small Places for Business and Careers (*Forbes*)

# Closer Look at Markets across Kansas

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- **Central Region**
  - Economy and employment influenced by Kansas State University in **Manhattan** and Fort Riley Army Base in **Junction City**. Also, Manhattan has been chosen as site of the new National Bio and Agro-Defense Facility (NBAF).
  - **Topeka** is the capital of Kansas and strongly influenced by state activities.
- **Eastern Region**
  - Region is influenced by proximity to the **Kansas City market**, the largest metropolitan area in Kansas, along with the University of Kansas in **Lawrence**.
  - Public and private **industries and businesses** of all sizes operating here.
  - **Housing** and **commercial real estate** are major drivers of the region's economy.

# Closer Look at Markets across Kansas

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- **Southeast Region**

- Strongly influenced by **agriculture, oil and gas**, the Southeast area is also home to a variety of service and manufacturing businesses.
- **Pittsburg** is home to Pittsburg State University, while **Fort Scott** and **Iola** each have community colleges. These cities are also regional commercial centers.

- **Southwest Region**

- Focused on **agribusiness activities** such as crop production, feed lot operations and food processing plants. **Oil and gas production** is another economic driver.
- **Dodge City** and **Garden City** are regional commercial centers and are also each home to a community college.

# Landmark's Strengths for the Future

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- Strong capital base
- Loan diversification
- Solid, low-cost deposit base
- Non-interest income
- Management depth and tenure

# Strong Capital Base

<i>(Dollars in thousands)</i>	As of		For capital		To be well-capitalized	
	December 31, 2016		adequacy purposes		under prompt corrective	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b><u>Landmark Bancorp, Inc.</u></b>						
Leverage (1)	\$ 88,819	10.04%	\$ 35,378	4.000%		
Common Equity Tier 1 Capital (1)	68,263	13.31%	26,280	5.125%		
Tier 1 Capital (1)	88,819	17.32%	33,972	6.625%		
Total Risk Based Capital (1)	94,596	18.45%	44,228	8.625%		
<b><u>Landmark National Bank</u></b>						
Leverage	\$ 88,076	9.98%	\$ 35,284	4.000%	\$ 44,105	5.000%
Common Equity Tier 1 Capital	88,076	17.23%	26,194	5.125%	33,222	6.500%
Tier 1 Capital	88,076	17.23%	33,861	6.625%	40,888	8.000%
Total Risk Based Capital	93,560	18.31%	44,083	8.625%	51,110	10.000%

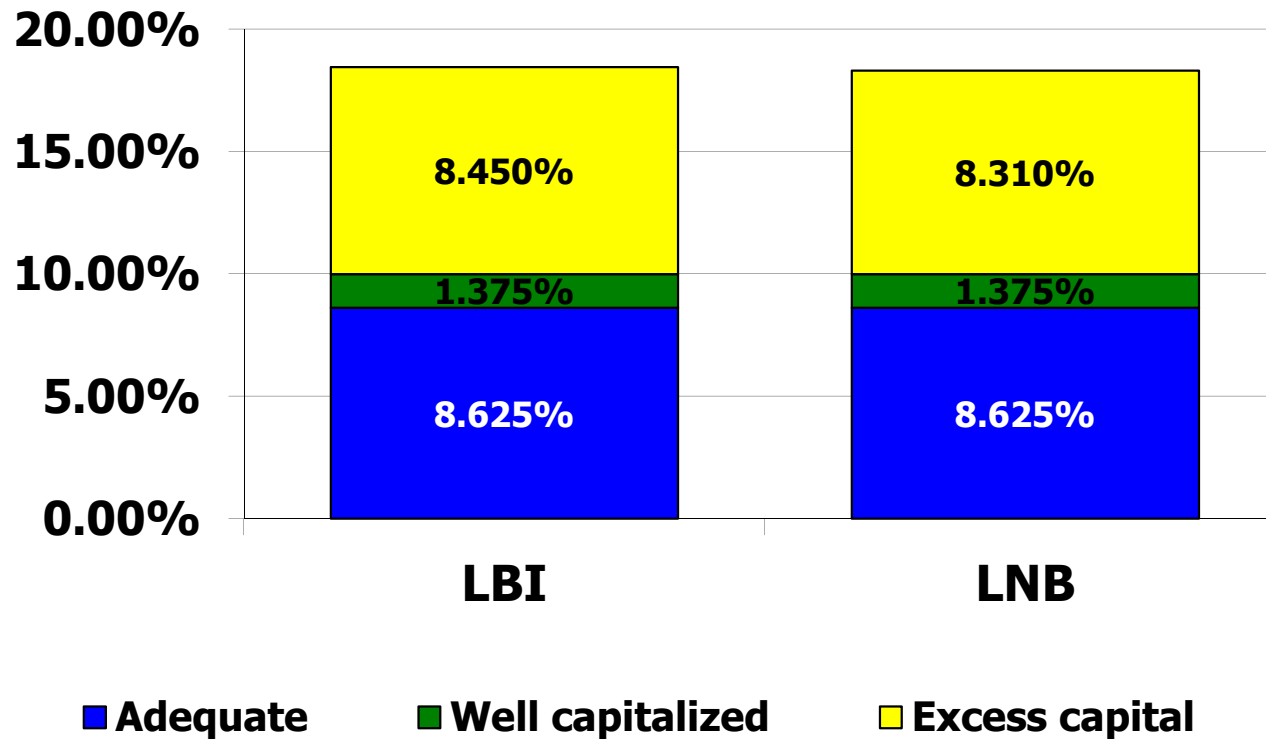
(1) Landmark Bancorp, Inc. capital and ratios are projected as of December 31, 2016





# Strong Capital Base

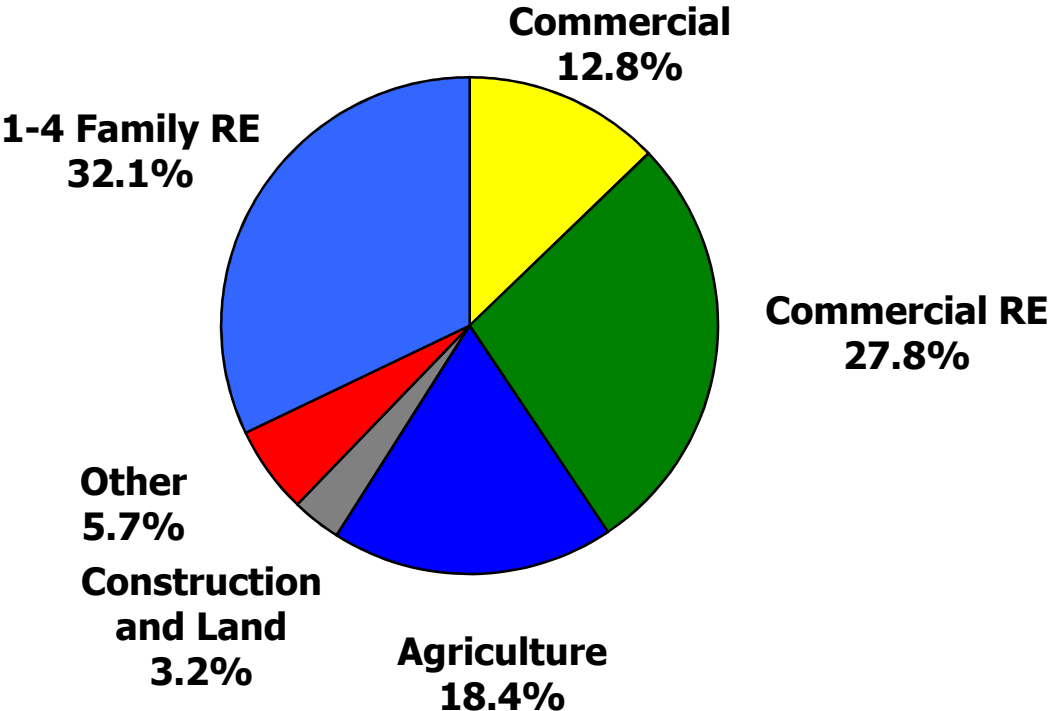
Risk Based Capital Ratio as of December 31, 2016



# Diverse Loan Portfolio

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As of December 31, 2016



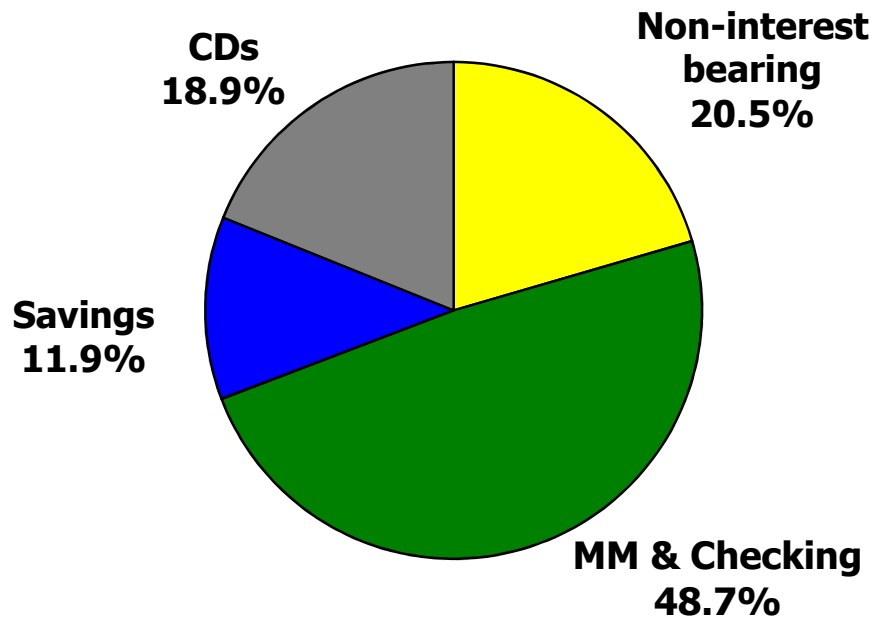
Loan portfolio diversification:

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

# Solid Low-cost Deposit Base

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As of December 31, 2016



Solid deposit portfolio:

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

# 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>2016 Results</b>	<ul style="list-style-type: none"><li>• Record earnings in 2015 on \$700,000 credit provision for loan losses related to \$1.7 million loan recovery</li><li>• Gains on sales of loans decreased in 2016 after the loss of a few mortgage lenders, but solid core earnings continued</li><li>• 2016: ROA – 1.00% and ROE – 10.3%</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>