

# LANDMARK BANCORP, INC.

**2017 Annual Meeting**

Manhattan, KS

# Disclaimers

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## **Special Note Concerning Forward-Looking Statements**

This presentation contains forward-looking statements, within the meaning of such term in 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 presentation, 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.

The Company’s ability to predict results or the actual effect of future plans or strategies is inherently uncertain. A number of factors could have a material adverse effect on the operations and future prospects of the Company and its subsidiaries. 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 the Company and its business, including the factors that could materially affect the Company’s financial results, is included in the Company’s filings with the Securities and Exchange Commission.

## **Non-GAAP Financial Measures**

This presentation contains certain ratios and amounts not in conformity with U.S. generally accepted accounting principles (“GAAP”). These are provided to evaluate and measure the operating performance and financial condition of the Company, including tangible book value per share, ratio of tangible equity to tangible assets, and efficiency ratio. Management believes these ratios and amounts provide investors with information regarding the Company’s balance sheet, profitability, financial condition and capital adequacy and how management evaluates such metrics internally.



# 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> \$119.0 million
- Total Assets <sup>(3)</sup> \$923.0 million
- Total Deposits <sup>(3)</sup> \$752.7 million
- Locations 29

(1) As of March 31, 2017.

(2) Market cap based on the April 28, 2017 closing price of \$30.75 per common share.

(3) Total assets and deposits as of March 31, 2017.



# Landmark Stock (NASDAQ: LARK)

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- Price-to-Book Value 137%
- Price-to-Tangible Book Value 182%
- Price-to-2016 Earnings 13.3x
- Dividend Yield 2.6%
- Book Value Per Share \$22.40
- TBV Per Share \$16.87

Based on financial information as of March 31, 2017 and the April 28, 2017 closing price of \$30.75 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 63 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



# Financial Highlights

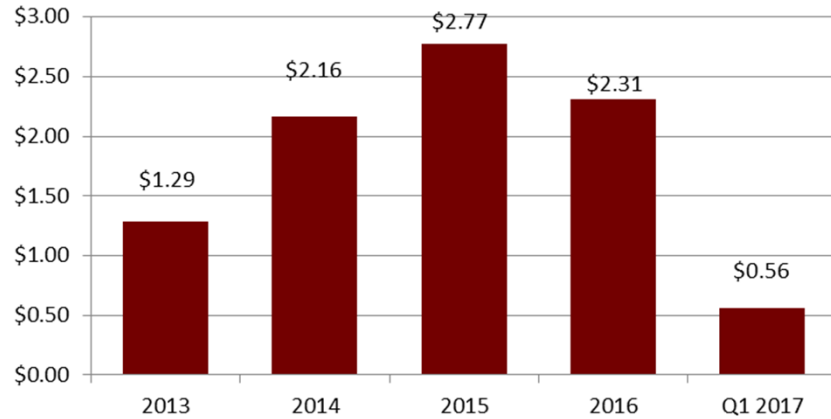
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	Q1 2017	Years ended December 31,		
		2016	2015	2014
Total assets (millions)	\$ 923.0	\$ 911.4	\$ 878.4	\$ 863.5
Stockholders' equity (millions)	\$ 86.7	\$ 85.0	\$ 80.6	\$ 71.6
Net earnings (millions)	\$ 2.2	\$ 9.0	\$ 10.5	\$ 8.0
Tangible equity to tangible assets	7.24%	7.13%	6.86%	5.91%
Return on average assets	0.98%	1.00%	1.21%	0.96%
Return on average equity	10.46%	10.34%	13.81%	11.89%
Dividends per share	\$ 0.20	\$ 0.76	\$ 0.69	\$ 0.66
Diluted earnings per share	\$ 0.56	\$ 2.31	\$ 2.77	\$ 2.16
Net interest margin (TE)	3.38%	3.45%	3.51%	3.47%
Loans to deposits	56.25%	57.42%	59.58%	59.83%
Nonperforming assets to assets	0.40%	0.44%	0.36%	0.73%
Efficiency ratio	69.07%	67.67%	64.55%	66.70%

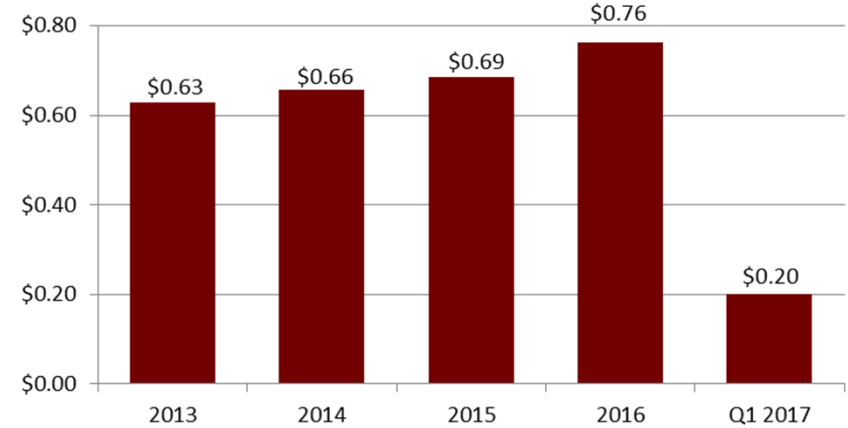


# Financial Highlights

## Earnings per Share

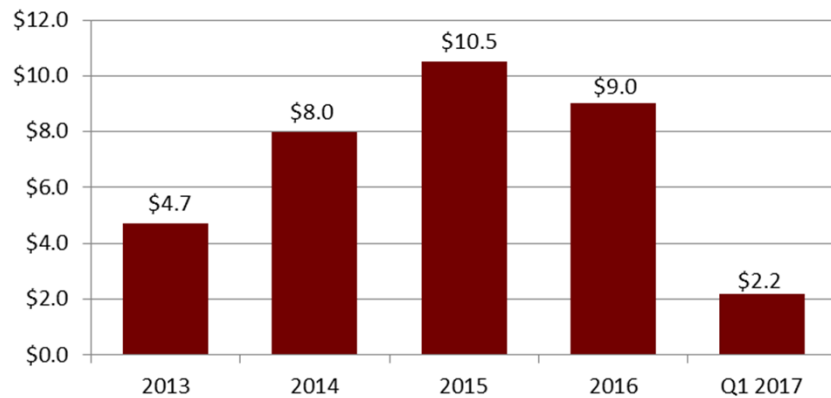


## Dividends per Share

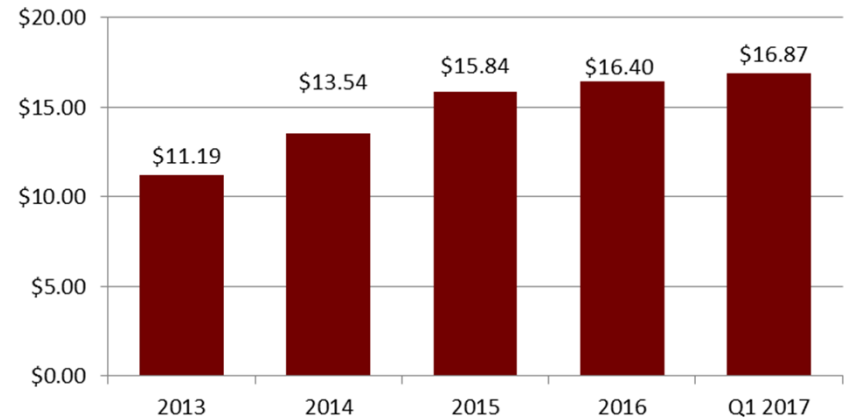


## Net Earnings

(Dollars in Millions)

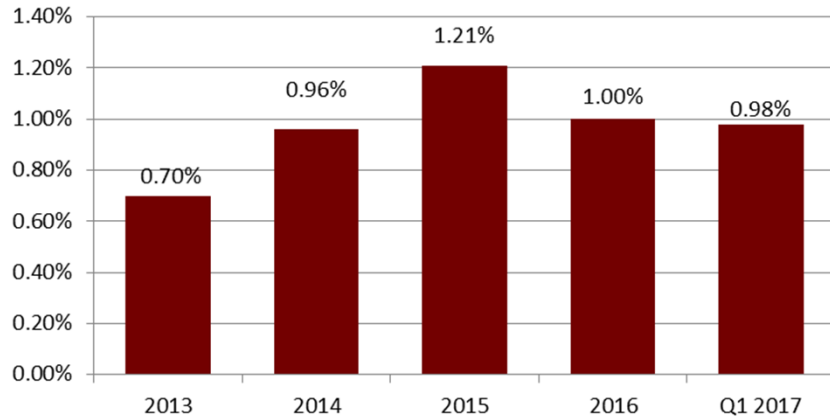


## Tangible Book Value per Share

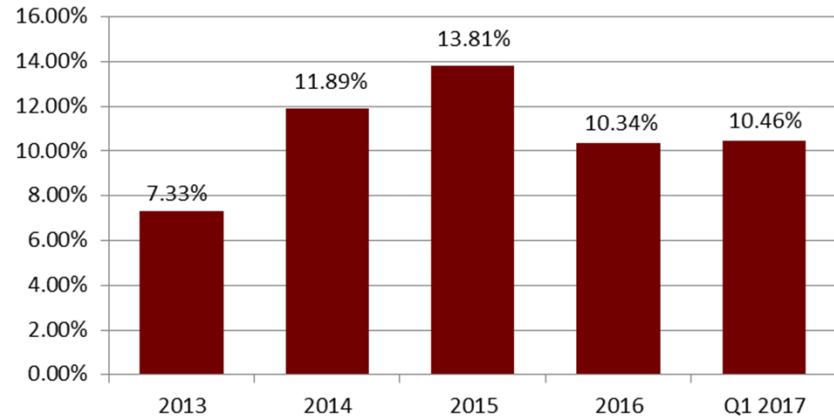


# Financial Highlights

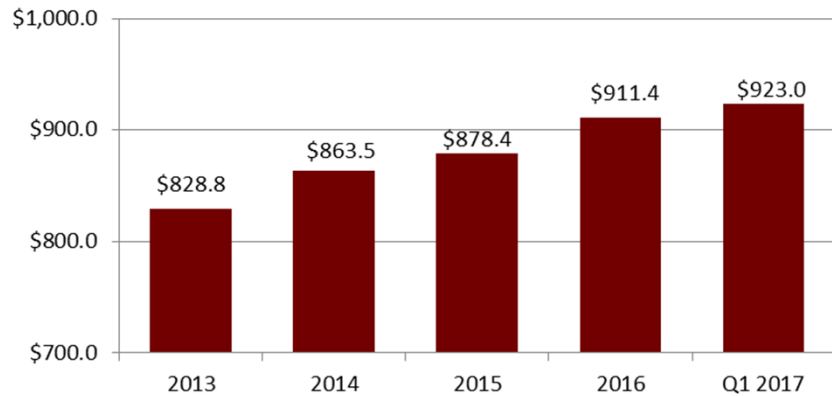
### Return on Average Assets



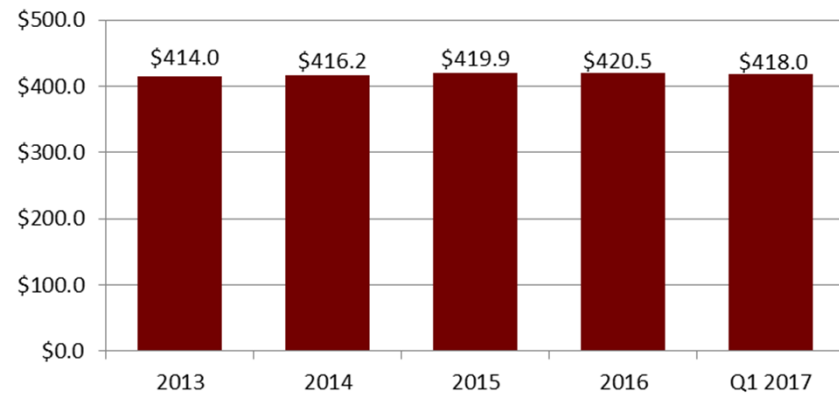
### Return on Average Equity



### Total Assets (Dollars in Millions)



### Net Loans (Dollars in Millions)

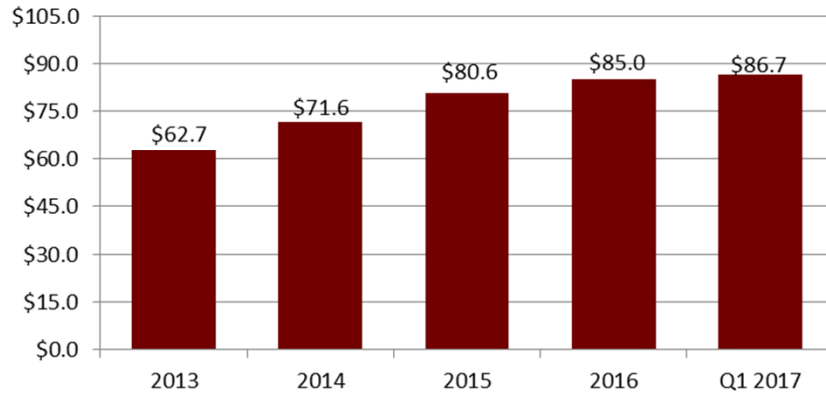




# Financial Highlights

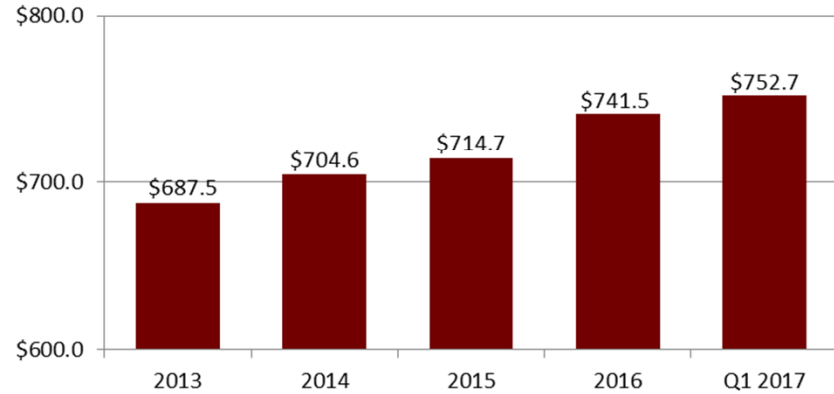
## Stockholders' Equity

(Dollars in Millions)



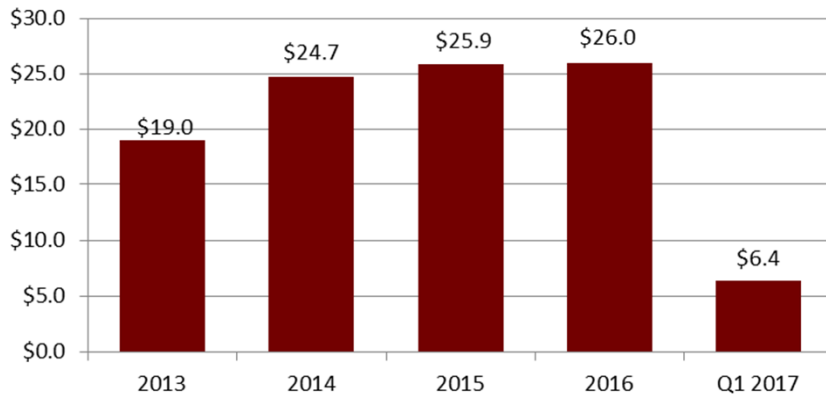
## Deposits

(Dollars in Millions)



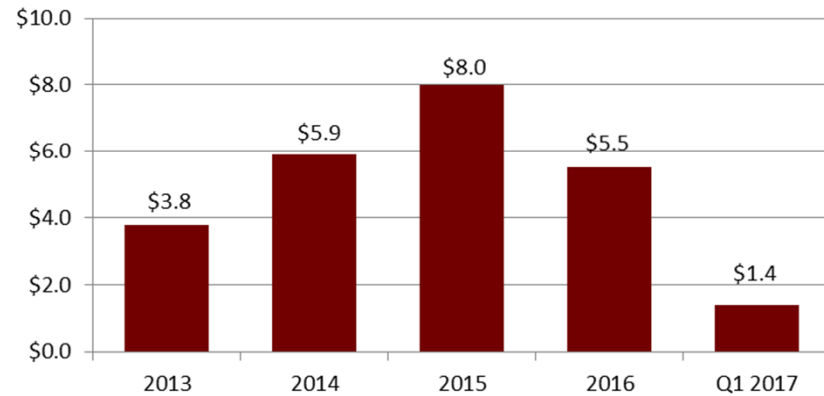
## Net Interest Income

(Dollars in Millions)



## Gains on Sales of Loans

(Dollars in Millions)



# 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

	Three months ended March 31,		Variance from prior period in	
	2017	2016	Dollars	Percent
<i>(dollars in thousands, except per share amounts)</i>				
Interest income	\$ 7,188	\$ 7,174	\$ 14	0.2%
Interest expense	820	770	50	6.5%
Net interest income ("NII")	6,368	6,404	(36)	-0.6%
Provision for loan losses	50	50	-	0.0%
NII after provision for loan losses	6,318	6,354	(36)	-0.6%
Non-interest income	3,641	3,894	(253)	-6.5%
Non-interest expense	7,061	7,162	(101)	-1.4%
Income tax expense	693	693	-	0.0%
Net earnings	\$ 2,205	\$ 2,393	\$ (188)	-7.9%
Net earnings per share - diluted	\$ 0.56	\$ 0.63	\$ (0.07)	-11.1%

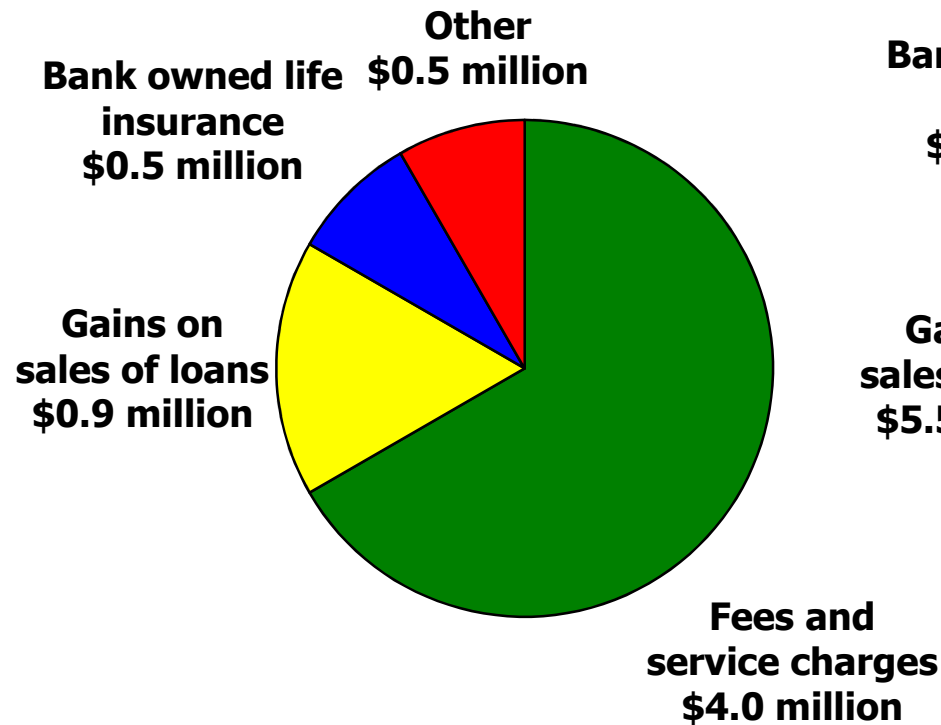


# Growing and Diversified Non-Interest Income

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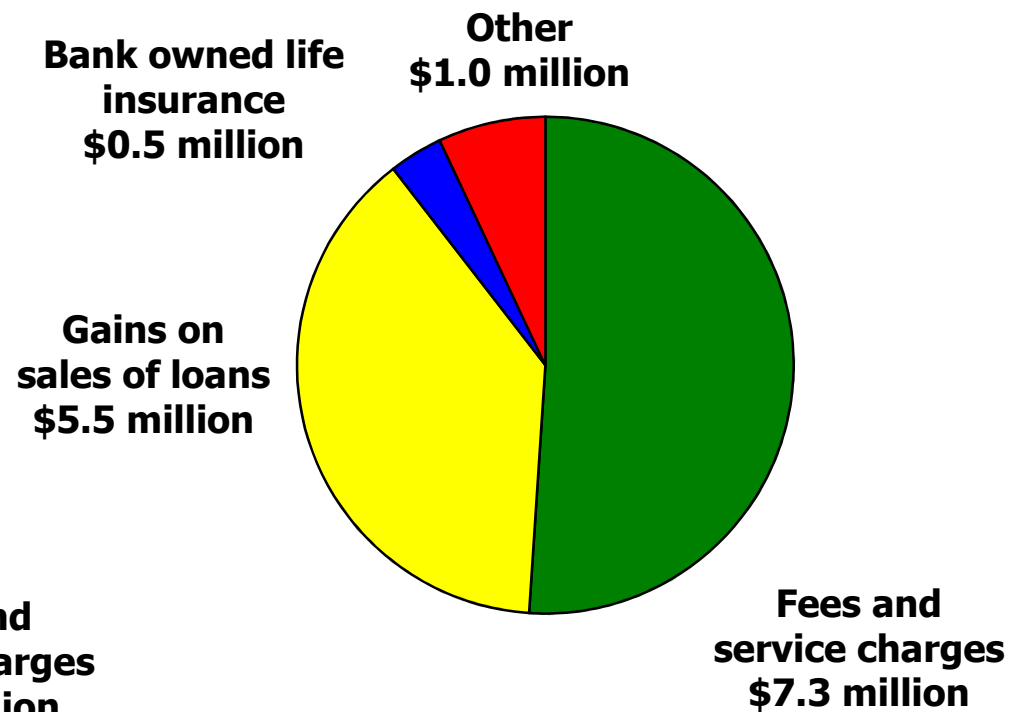
Year ending December 31, 2007

Total \$5.9 million



Year ending December 31, 2016

Total \$14.3 million



# Condensed Consolidated Balance Sheets

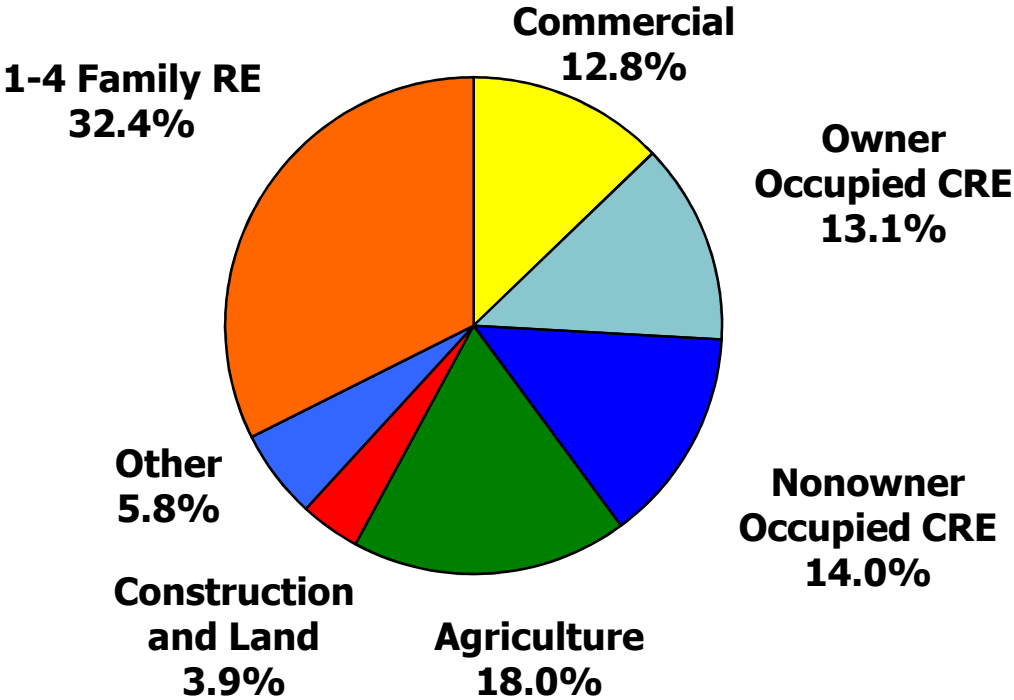
<i>(dollars in thousands)</i>	March 31, 2017	December 31, 2016	December 31, 2015
Cash and cash equivalents	\$ 20,062	\$ 19,996	\$ 13,569
Investment securities	402,243	390,862	357,935
Loans, net	417,955	420,461	419,923
Loans held for sale	8,588	5,517	14,465
Premises and equipment, net	20,156	20,407	20,958
Bank owned life insurance	18,431	18,314	18,164
Goodwill and other intangible assets, net	21,381	21,518	21,836
Other assets	14,201	14,307	11,526
Total assets	<u>\$ 923,017</u>	<u>\$ 911,382</u>	<u>\$ 878,376</u>
Deposits	\$ 752,686	\$ 741,521	\$ 714,727
Federal Home Loan Bank and other borrowings	68,275	72,867	70,658
Other liabilities	15,387	12,043	12,421
Stockholders' equity	86,669	84,951	80,570
Total liabilities and stockholders' equity	<u>\$ 923,017</u>	<u>\$ 911,382</u>	<u>\$ 878,376</u>



# Diverse Loan Portfolio

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As of March 31, 2017



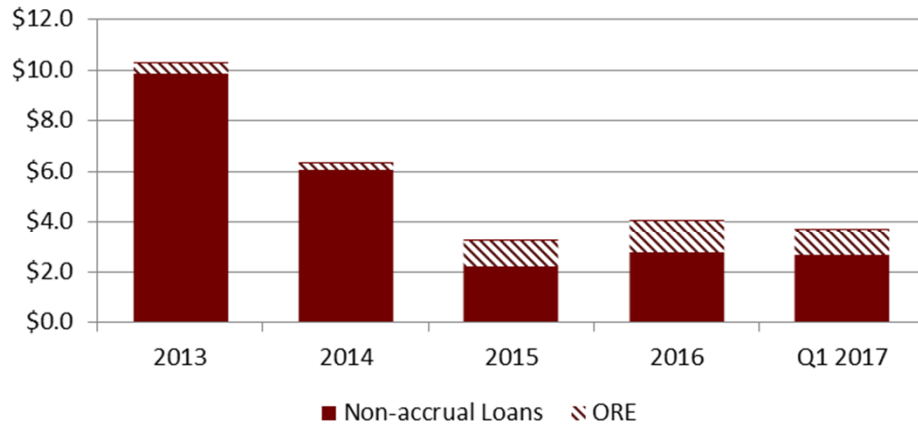
Loan portfolio diversification:

- Attractive yield on loans of 4.89%
- Geographically across state of Kansas
- Across loan categories and collateral types

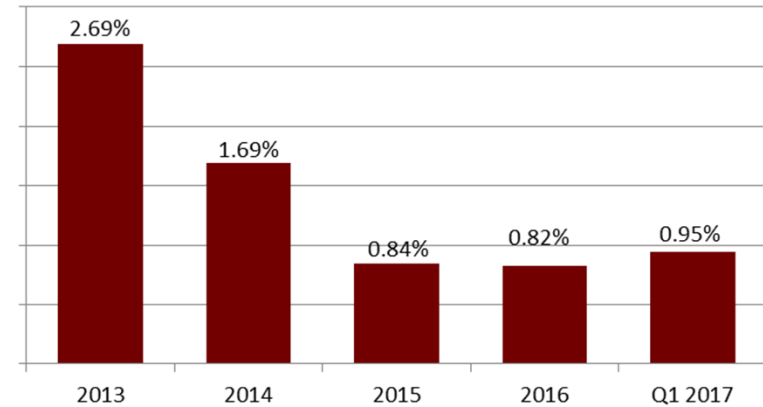
# Asset Quality

## Non-performing Assets

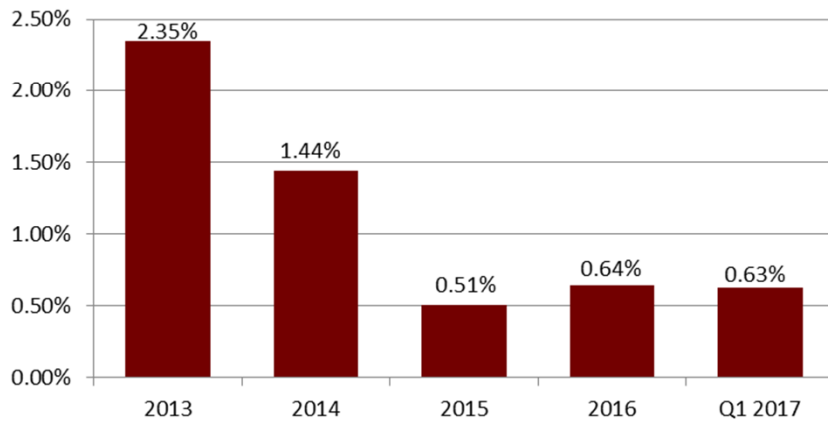
(Dollars in Millions)



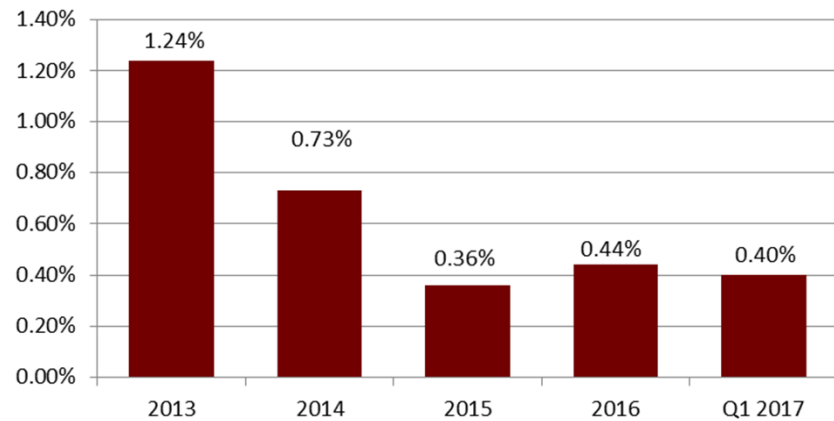
## Past Due & Non-accrual to Loans



## Non-performing Loans to Loans

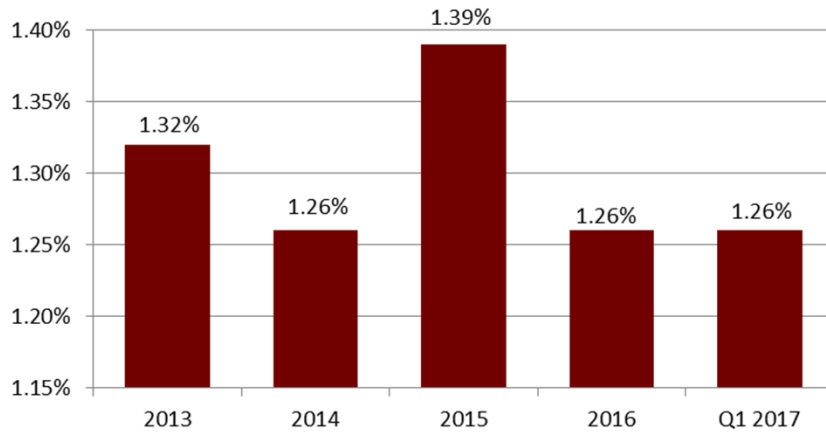


## Non-performing Assets to Assets

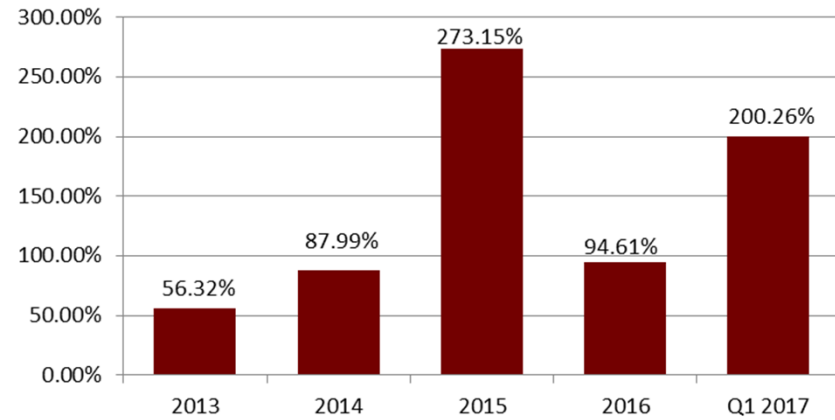


# Asset Quality

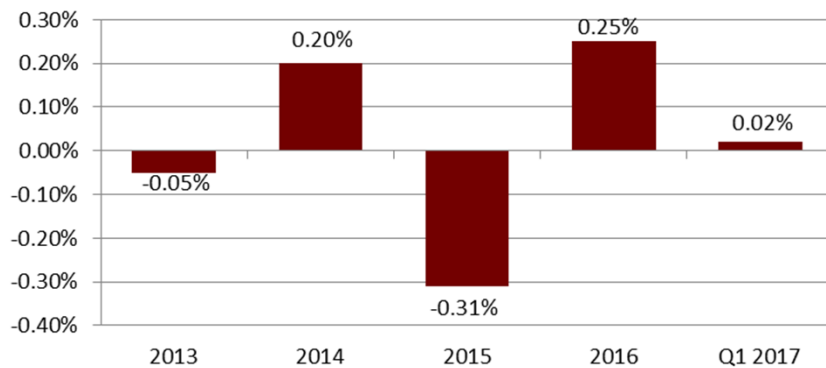
### ALLL to Gross Loans



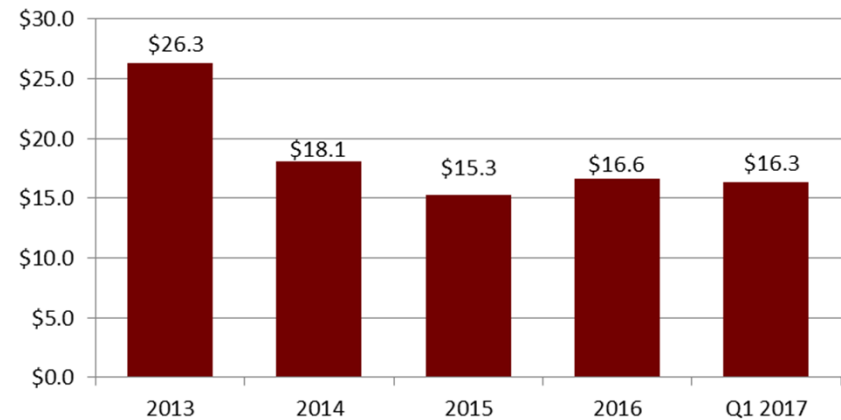
### ALLL to Non-performing Loans



### Net Charge-offs (Recoveries) to Average Net Loans



### Classified Loans

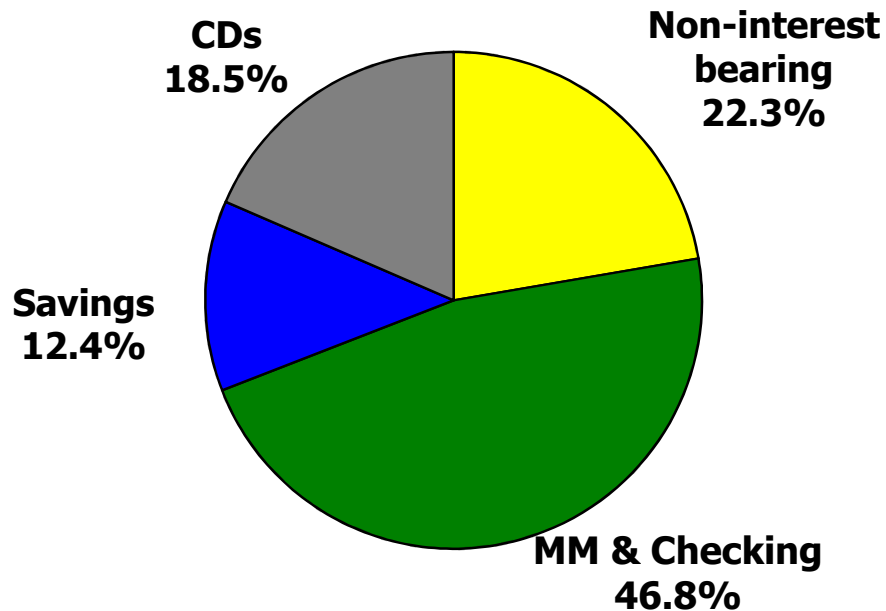




# Solid Low-cost Deposit Base

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As of March 31, 2017



Solid deposit portfolio:

- Low cost of deposits was 0.23%
- Primary funding is from core deposits (96% of total deposits)
- Geographically located across state of Kansas
- Mix of account types and interest rates

# Strong Capital Base

<i>(Dollars in thousands)</i>	As of		For capital		To be well-capitalized	
	March 31, 2017		adequacy purposes		under prompt corrective	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b><u>Landmark Bancorp, Inc.</u></b>						
Leverage	\$ 90,260	10.05%	\$ 35,914	4.00%		
Common Equity Tier 1 Capital	69,609	13.49%	29,672	5.75%		
Tier 1 Capital	90,260	17.49%	37,413	7.25%		
Total Risk Based Capital	95,901	18.58%	47,733	9.25%		
<b><u>Landmark National Bank</u></b>						
Leverage	\$ 89,262	9.97%	\$ 35,813	4.00%	\$ 44,766	5.00%
Common Equity Tier 1 Capital	89,262	17.35%	29,583	5.75%	33,442	6.50%
Tier 1 Capital	89,262	17.35%	37,301	7.25%	41,159	8.00%
Total Risk Based Capital	94,729	18.41%	47,591	9.25%	51,449	10.00%

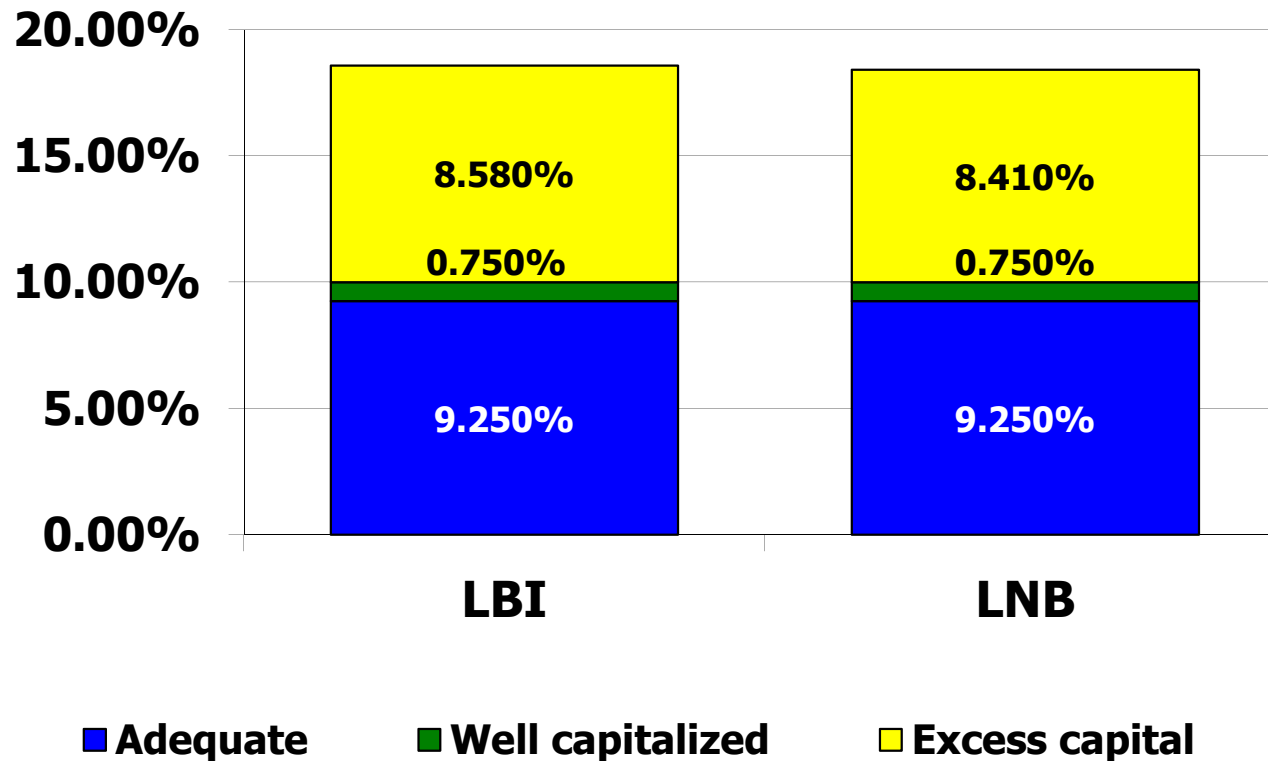
(1) The required ratios for capital adequacy purposes include a capital conservation buffer of 1.25%.



# Strong Capital Base

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Risk Based Capital Ratio as of March 31, 2017





# LANDMARK BANCORP, INC.

**2017 Annual Meeting**

Manhattan, KS

# Overview of Key Landmark Markets

## 11<sup>th</sup> Largest Bank Headquartered in Kansas

### Kansas - Top 25

Rank	Institution (State)	Number of Branches	Deposits in Market	Deposit Growth (1-Year)	Market Share
1	Bank of America Corp. (NC)	29	\$ 5,800,603	+4.7%	8.26%
2	Capitol Federal Financial Inc (KS)	43	\$ 5,158,708	+4.7%	7.34%
3	Commerce Bancshares Inc. (MO)	47	\$ 3,700,329	+2.6%	5.27%
4	INTRUST Financial Corp. (KS)	38	\$ 3,241,078	+1.9%	4.61%
5	U.S. Bancorp (MN)	37	\$ 2,567,435	+9.6%	3.66%
6	Valley View Bancshares Inc. (KS)	27	\$ 1,803,269	+1.6%	2.57%
7	UMB Financial Corp. (MO)	24	\$ 1,604,323	+11.1%	2.28%
8	Emprise Financial Corp. (KS)	38	\$ 1,370,372	+0.1%	1.95%
9	Fidelity Financial Corp. (KS)	14	\$ 1,349,171	+23.1%	1.92%
10	Sunflower Financial Inc. (KS)	27	\$ 1,095,617	+6.0%	1.56%
11	Manhattan Banking Corp. (KS)	6	\$ 1,092,846	+0.4%	1.56%
12	Wells Fargo & Co. (CA)	9	\$ 1,088,574	+2.4%	1.55%
13	CrossFirst Holdings LLC (KS)	2	\$ 1,019,638	+23.8%	1.45%
14	Equity Bancshares Inc. (KS)	18	\$ 802,802	+5.7%	1.14%
15	Community Bancorp Inc. (KS)	29	\$ 787,256	+0.3%	1.12%
16	Central Bancompany Inc. (MO)	20	\$ 778,900	-1.1%	1.11%
<b>17</b>	<b>Landmark Bancorp Inc. (KS)</b>	<b>29</b>	<b>\$ 719,219</b>	<b>+2.3%</b>	<b>1.02%</b>
18	Central of Kansas Inc. (KS)	32	\$ 715,527	+6.5%	1.02%
19	Lauritzen Corp. (NE)	7	\$ 698,324	+0.0%	0.99%
20	Ottawa Bancshares Inc. (KS)	15	\$ 663,956	+0.3%	0.95%
21	BNP Paribas USA Inc. (NY)	17	\$ 649,786	-3.1%	0.93%
22	CCB Financial Corp. (MO)	12	\$ 629,909	+2.9%	0.90%
23	Heartland Financial USA Inc. (IA)	6	\$ 604,033	+3.1%	0.86%
24	Enterprise Financial Services (MO)	6	\$ 602,990	+14.7%	0.86%
25	National Bank Holdings Corp. (CO)	11	\$ 574,355	-0.8%	0.82%
<i>Total For Institutions In Market</i>		<i>1,450</i>	<i>\$70,240,387</i>	<i>+3.3%</i>	

Out of 282 Institutions

### Deposit Market Share Summary (MSA)

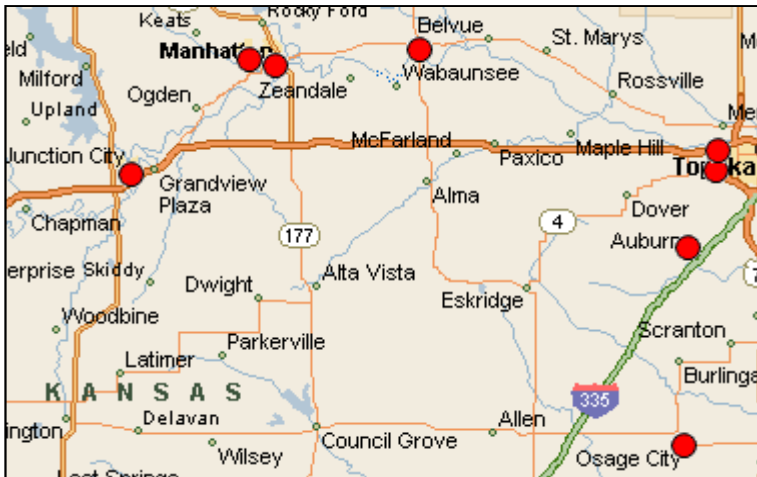
Geographic Market	Company Market Share				Market Totals	
	Rank	# of Branches	Total Company Deposits	Market Share (%)	Total	Total # of
					Deposits	Banks
Manhattan, KS	5	3	\$ 139,344	5.54%	\$ 2,515,098	22
Kansas City, MO-KS	60	6	\$ 91,155	0.17%	\$ 52,656,500	117
Dodge City, KS	2	2	\$ 87,525	15.69%	\$ 557,821	10
Great Bend, KS	6	3	\$ 76,190	7.89%	\$ 965,846	20
Topeka, KS	18	4	\$ 56,061	1.10%	\$ 5,093,485	37
Ottawa, KS	6	1	\$ 28,946	6.82%	\$ 424,373	9
Lawrence, KS	19	2	\$ 20,112	0.93%	\$ 2,162,379	23
Pittsburg, KS	11	1	\$ 15,658	2.06%	\$ 761,383	12
Junction City, KS	7	1	\$ 12,501	2.99%	\$ 417,636	8
Garden City, KS	9	1	\$ 10,830	1.33%	\$ 814,982	9

Source: SNL Financial, as of 6/30/2016  
Note: All dollars in thousands



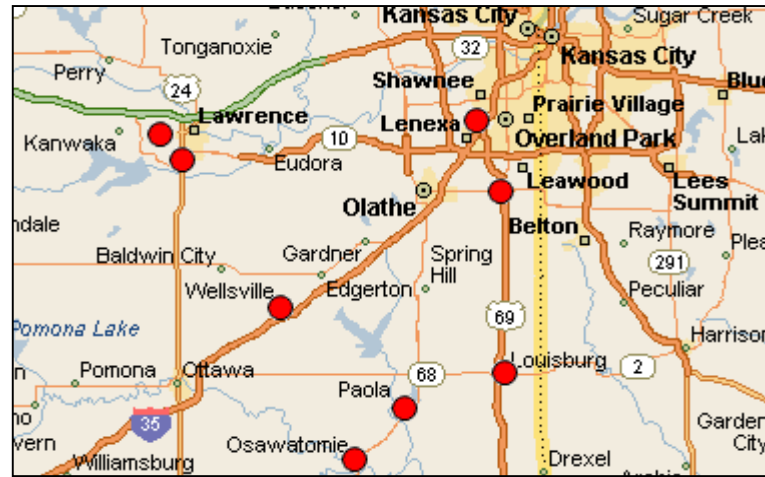
# Closer Look at LARK Markets Across Kansas

## Central Region



- #5 market share in the Manhattan MSA
- Unemployment: Manhattan = 3.2%  
Topeka = 4.0%
- \* Proj. Population Growth: Manhattan = 3.6%
- \* Proj. HH Income Growth: Manhattan = 6.6%  
Topeka = 6.3%
- Economy and employment influenced by Kansas State University in Manhattan and Fort Riley Army Base in Junction City
- Manhattan has been chosen as site of the new National Bio and Agro-Defense Facility
- Topeka is the capital of Kansas and strongly influenced by state activities

## Eastern Region

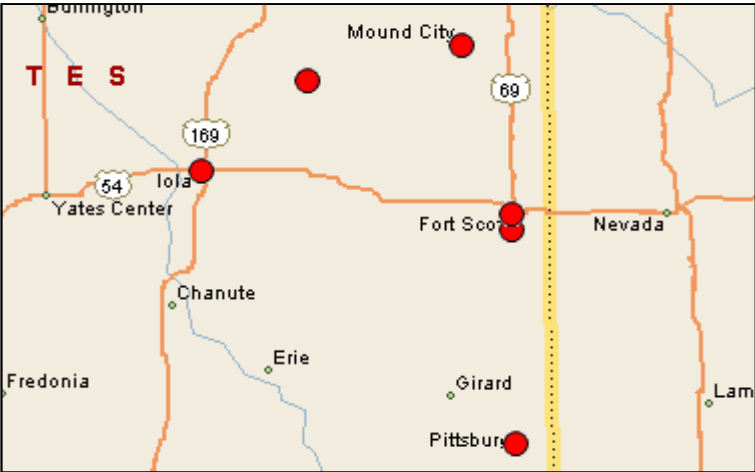


- Unemployment: Kansas City = 4.1%
- \* Proj. Population Growth: Kansas City = 3.3%
- \* Proj. HH Income Growth: Kansas City = 6.2%
- Region is influenced by proximity to the Kansas City market, the largest metropolitan area in Kansas, along with the University of Kansas in Lawrence
- Public and private industries and businesses of all sizes operating here
- Housing and commercial real estate are major drivers of the region's economy

Source: Bureau of Labor Statistics unemployment data as of 4/5/2017. SNL Financial; The Nielsen Company, population & HH income data as of October 2016  
\*Projected population growth and household income growth from 2017-2022

# Closer Look at LARK Markets Across Kansas

## Southeast Region



- \* Proj. HH Income Growth: Pittsburg = 5.5%
- 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 Lola each have community colleges
  - Pittsburg, Fort Scott and Lola are also regional commercial centers

## Southwest Region



- #2 market share in the Dodge City MSA
- #6 market share in the Great Bend MSA
- \* Proj. HH Income Growth: Dodge City = 3.0%  
Great Bend = 3.7%
- 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

Source: Bureau of Labor Statistics unemployment data as of 4/5/2017. SNL Financial; The Nielsen Company, population & HH income data as of October 2016  
 \*Projected population growth and household income growth from 2017-2022



# Industry Performance Recognition

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**American Banker recognized Landmark Bancorp in their Top 200 for the 3<sup>rd</sup> consecutive year.**

The list recognizes the most profitable publicly traded community banks (less than \$2 billion) based on return on average equity over the prior three years.

Landmark rankings:

2017 - 43<sup>rd</sup> out of 669 (2014-2016)

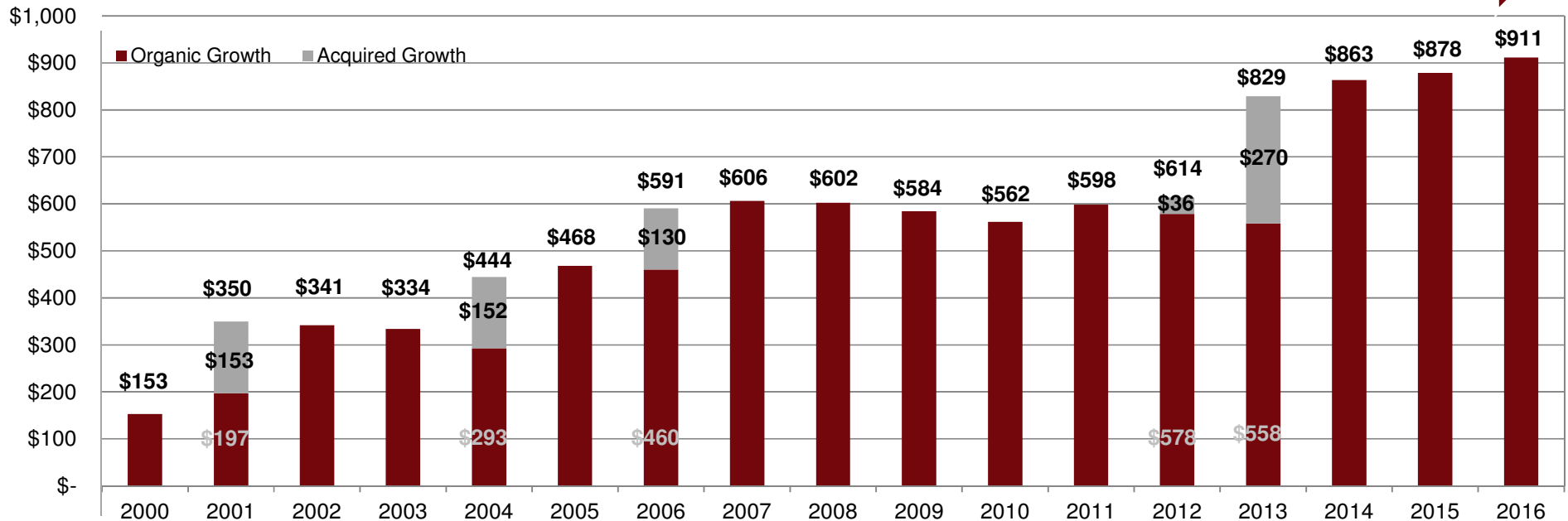
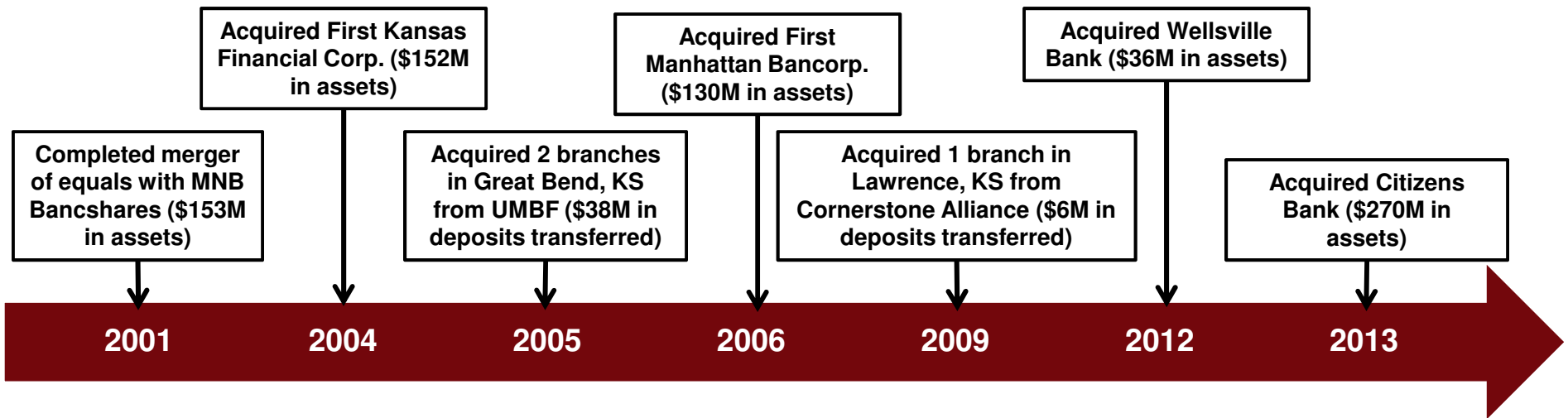
2016 - 75<sup>th</sup> out of 684 (2013-2015)

2015 - 124<sup>th</sup> out of 750 (2012-2014)



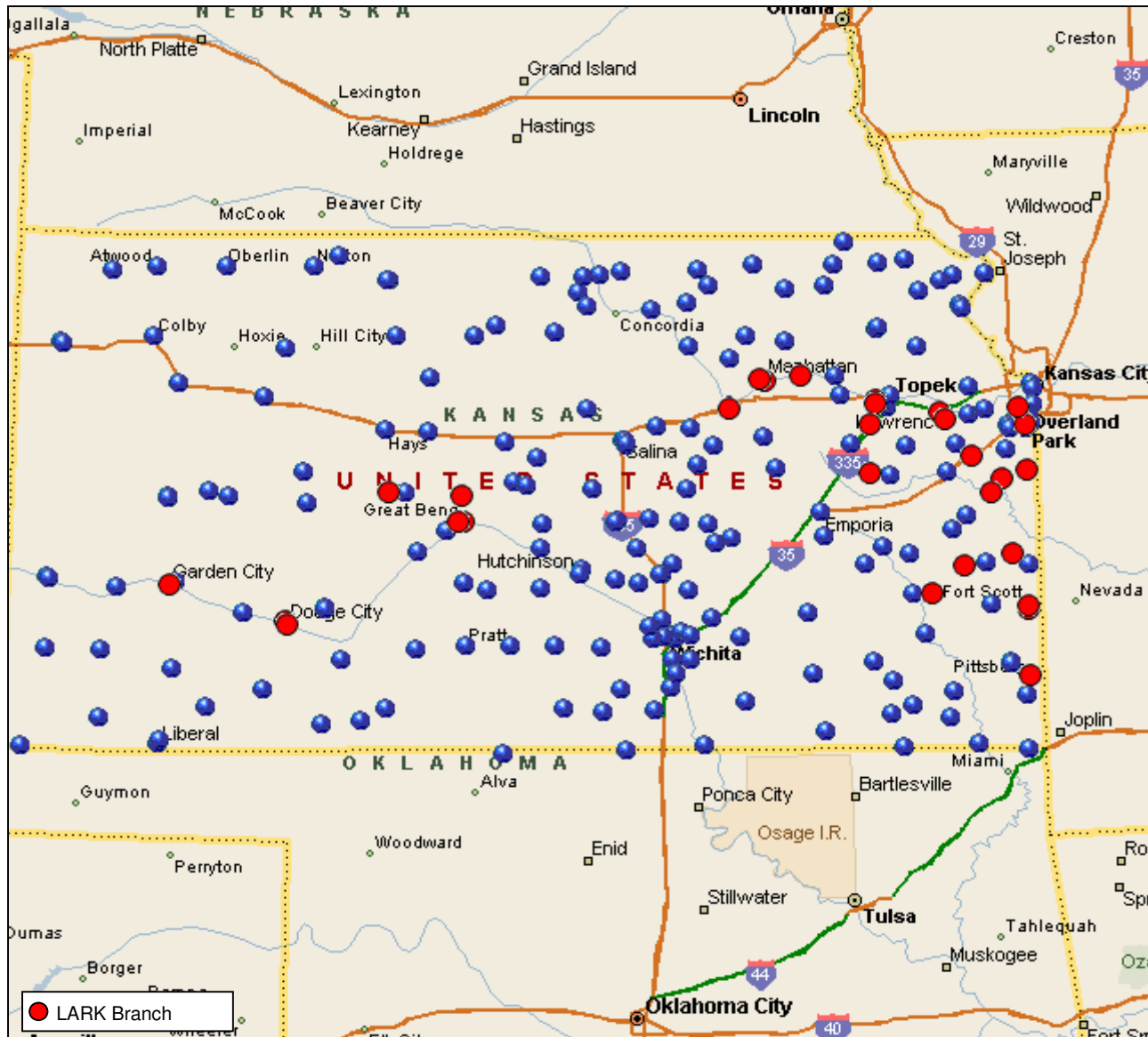


# Track Record of Organic & Acquisitive Growth



Source: SNL Financial, as of 12/31/2016  
 Note: All dollars in millions

# Kansas Commercial Banks



Total Assets	Number of Banks
\$0 - \$100 million	123
\$100 million - \$250 million	68
\$250 million - \$500 million	33
\$500 million - \$1 billion	12
> \$1 billion	7
<b>Total</b>	<b>243</b>

- At over \$900 million in assets, Landmark is one of the largest banks headquartered in Kansas
- With over 240 banks headquartered in the State of Kansas, there is a large universe of banks for Landmark to potentially acquire



Source: SNL Financial, as of 12/31/2016

# Landmark Investment Rationale

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- Strong asset quality and capital
- Diversified loan portfolio and low-cost core deposit base
- Stable non-interest income levels, including a history of proven mortgage loan production
- Consistent dividend history
- Significant opportunities for consolidation
- Track record of accretive acquisitions
- Management depth and tenure, including significant insider ownership

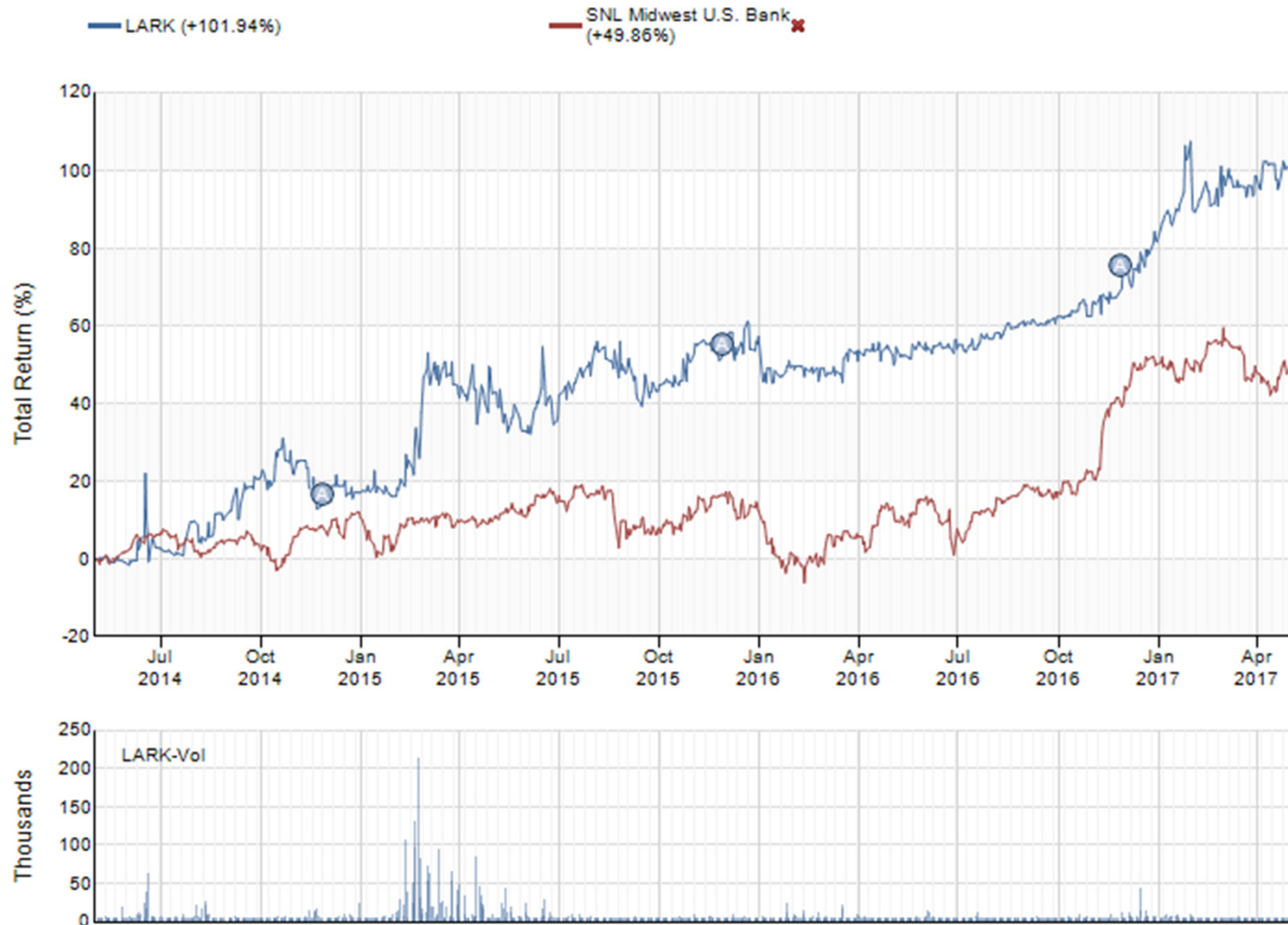
# Strategy for Continued Performance

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

# Outperforming in Total Return

Landmark Bancorp, Inc. - Total Return (%)



Source: SNL Financial



# Landmark Investment Summary

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## Profile

- Community bank with strong capital base
- Diversified markets across State of Kansas

## 2016 Results

- 2016: ROA – 1.00% and ROE – 10.3%
- Solid core earnings continued despite lower levels of gains on sales of loans in 2016 after the loss of a few mortgage lenders

## Well Positioned

- Capital growth to allow continued acquisitions
- LARK stock available for larger acquisitions

## Strategic Plans

- Continue focus on organic growth
- Remain patient for the right acquisition



# The Landmark Team

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- Associates
- Board of Directors
- Shareholders

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# Questions



# Landmark – A Star in Each Community

