

Supplemental Financial Information

For the quarter ended April 30, 2021 (unaudited)

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Use of this Report

This financial information is supplementary to the Bank's second quarter unaudited interim Consolidated Financial Statements, Management Discussion and Analysis, and its annual 2020 Audited Financial Statements and should be read in conjunction with those documents.

This report is unaudited and all amounts are in thousands of Canadian dollars, unless indicated otherwise.

					QUAR	TER							6 MONTHS	EN	NDED			YE/	AR ENDED		
		202					202	20					2021		2020						
		Q2	Q1		Q4	C	13		Q2		Q1		Q2		Q2	Ь	2020		2019		2018
Results of Operations	_							_				_		_				_		_	
Interest income	\$	21,649			21,068		20,172	\$		\$		\$		\$	44,854	\$		\$	88,305	\$	80,914
Net interest income		15,095	14,374		13,708		12,384		14,476		13,557		29,469		28,033		54,125		53,897		51,499
Non-interest income (loss) ⁽¹⁾		875	1,048		18		8		9		25		1,923		34		60		22		186
Total revenue		15,970	15,422		13,726		12,392		14,485		13,582		31,392		28,067		54,185		53,919		51,685
Provision for (recovery of) credit losses ⁽²⁾		(312)	57		(582)		(44)		490		(208)		(255)		282		(344)		(298)		334
Non-interest expenses		8,342	8,087		7,763		6,410		6,899		6,705		16,429		13,604		27,777		26,396		26,338
Net income before income tax		7,940	7,278		6,545		6,026		7,096		7,085		15,218		14,181		26,752		27,821		25,013
Tax provision (recovery) Net income	\$	2,196 5,744	1,988 5,290		1,799	œ.	1,657 4,369	¢.	1,947 5,149	æ	1,944	¢.	4,184 11,034	Φ	3,891 10,290	\$	7,347 19,405	¢.	7,625 20,196	d.	6,939
Net income	Ф	5,744	5,290) Þ	4,746	Ф	4,369	Ф	5,149	Ф	5,141	\$	11,034	Ф	10,290	-	19,405	Ф	20,196	Ф	18,074
Per Common Share (\$'s)																					
Basic earnings per share		0.25	0.22	2	0.20		0.18		0.22		0.22		0.47		0.44		0.82		0.85		0.75
Diluted earnings per share		0.25	0.22	2	0.20		0.18		0.22		0.22		0.47		0.44		0.82		0.85		0.75
Return on average common equity		9.20%	8.269		7.46%		6.90%		8.64%		8.60%		8.73%		8.62%		7.89%		8.89%		8.50%
Book value/share		11.06	10.90		10.70		10.52		10.37		10.17		11.06		10.37		10.70		9.98		9.19
Closing market price (common share)		15.03	10.99		6.59		6.94		5.57		7.44		15.03		5.57		6.59		6.57		7.05
Weighted average number of common shares		21,124	21,124		21,124		21,124		21,124		21,124		21,124		21,124		21,124		21,124		21,124
Number of common shares outstanding at period end		21,124	21,124		21,124		21,124		21,124		21,124		21,124		21,124		21,124		21,124		21,124
Total market value of common shares		317,494	232,153	5	139,207	74	46,601		117,661		157,163		317,494		117,661	\vdash	139,207		138,785		148,924
Financial Ratios																					
Yield		4.24%	4.289	%	4.33%		4.12%		4.83%		4.84%		4.26%		4.81%		4.62%		4.91%		4.58%
Cost of funds		1.28%	1.429		1.51%		1.59%		1.75%		1.88%		1.35%		1.80%		1.71%		1.91%		1.66%
Net interest income (%)		2.96%	2.869	%	2.82%		2.53%		3.08%		2.96%		2.91%		3.01%		2.90%		3.00%		2.91%
Non-interest expenses to average total assets (annualized)		1.64%	1.619	%	1.59%		1.31%		1.47%		1.47%		1.62%		1.45%		1.49%		1.47%		1.49%
Efficiency ratio		52.24%	52.449	%	56.56%		51.73%		47.63%		49.37%		52.33%		48.47%		51.26%		48.95%		50.96%
Number of full time equivalent staff at period end		140	142		98		96		94		93		140		94		98		92		86
Assets to full time employee	\$	15,284	\$ 14,40°	\$	19,836	\$ 2	20,107	\$	20,852	\$	19,880	\$	15,284	\$	20,852	\$	19,836	\$	19,385	\$	21,135
Credit Quality																					
Gross impaired loans	\$	- ;	¢ .	\$	_	\$	6.678	Φ	6,453	Ф	6,374	\$		\$	6,453	\$		\$	6,282	Ф	627
Gross impaired loans as a % of total loans	Ψ	0.00%	0.00		0.00%	φ	0.43%	Ψ	0,433	Ψ	0.38%	Ψ	0.00%	φ	0,433	۳	0.00%	φ	0,202	Ψ	0.04%
Net impaired loans	\$	(1,636)			(1,775)	\$	4,321	\$	4,052	\$		\$	(1,636)	\$	4,052	\$	(1,775)	\$	4,163	\$	(2,132)
Provision (recovery) for credit losses as a % of average loans	Ψ	(0.07%)	0.019		(0.14%)		0.01%)	Ψ	0.12%	Ψ	(0.01%)	Ψ	(0.03%)	Ψ	0.04%	•	(0.02%)	Ψ	(0.02%)	Ψ	0.02%
· · · · · · · · · · · · · · · · · · ·		(010170)			(011170)		,		****		(0.0.,0)		(0.00,0)		0.0.70		(0.02/0)		(0.02,0)		0.0270
Financial Position																					
Cash and securities	\$	272,428	\$ 212,016	\$	257,644	\$ 3	53,794	\$	340,326	\$	134,253	\$	272,428	\$	340,326	\$	257,644	\$	149,206	\$	139,798
Cash and securities to total assets (%)		12.73%	10.379		13.25%		18.33%		17.31%		7.24%		12.73%		17.31%		13.25%		8.36%		7.73%
Total loans		1,829,776	1,793,724		1,654,910		47,761		1,594,968		1,668,720		1,829,776	1	,594,968		1,654,910		1,594,288	1	,631,026
Mortgages and loans to total assets (%)		85.51%	87.719		85.14%		80.18%		81.11%		89.97%		85.51%		81.11%		85.13%		89.30%		90.16%
Total assets		2,139,757	2,044,976		1,943,885		30,256		1,966,369		1,854,765		2,139,757		,966,369		1,943,885		1,785,381		,809,130
Average assets		2,092,367	1,994,43		1,937,071		48,313		1,910,567		1,820,073		2,041,821		1,875,875		1,864,633		1,797,256		,767,089
Deposits		1,679,273	1,664,694		1,567,570	1,56	65,334		1,591,732		1,454,979		1,679,273	1	1,591,732		1,567,570		1,399,889	1	,437,431
Subordinated notes payable		94,392	4,89		4,889	21	4,887		4,885		4,883		94,392		4,885		4,889		4,881		9,844
Shareholders' equity	Щ.	247,366	259,508)	255,288	2	51,612		248,313		244,234		247,366		248,313	Щ.	255,288		240,163		223,567

⁽¹⁾ Beginning Q1/21, non-interest income captures contribution from Digital Boundary Group accuired on November 30, 2020. (2) 2018 has not been restated to reflect IFRS 9 adopted in 2019. The adoption of IFRS 9 has been applied prospectively 2019.

VERSABANK **NET INCOME** (unaudited)

(\$CAD thousands except per share amounts)

QUARTER

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YEAR ENDED

6 MONTHS ENDED

	-				QUANTL				-	O WICHTING LI		1		LAN LINE		
		2021				2020				2021	2020					
		Q2	Q1		Q4	Q3	Q2	Q1		Q2	Q2		2020	2019		2018
Interest Income																
Loans	\$	24 204 (24.000	d.	20 526 €	10 101 C	04 000 P	24 274	•	40.007	42 242	•	00 000	r 040	7F (t	70 500
	Ф	21,301 \$		\$	20,536 \$	19,484 \$	21,938 \$	21,274	\$	42,387	43,212	Ф	83,232		75 \$	78,509
Cash and Securities		348	429		532	688	750	892		777	1,642		2,862	3,4		2,405
Total interest income		21,649	21,515		21,068	20,172	22,688	22,166		43,164	44,854		86,094	88,3		80,914
Yield %		4.24%	4.28%		4.33%	4.12%	4.83%	4.84%		4.26%	4.81%	ľ	4.62%	4.9	1%	4.58%
Interest Expense																
Deposits and other		6,414	7,014		7,233	7,661	8,085	8,482		13,428	16,567		31,461	33,6	53	28,557
Notes		140	127		127	127	127	127		267	254		508		55	858
Total interest expense		6,554	7,141		7,360	7,788	8,212	8,609		13,695	16,821		31,969	34,4		29,415
Cost of funds %		1.28%	1.42%		1.51%	1.59%	1.75%	1.88%		1.35%	1.80%	ľ	1.71%	1.9	1%	1.66%
Net interest income		15,095	14,374		13,708	12,384	14,476	13,557		29,469	28,033		54,125	53,8	97	51,499
Spread %		2.96%	2.86%		2.82%	2.53%	3.08%	2.96%		2.91%	3.01%		2.90%	3.0	0%	2.91%
Non-interest income (loss)																
` ,																
IT security services (1)		874	1,065		-	-	-	-		1,939	-		-		-	-
Other		1	(17)		18	8	9	25		(16)	34		60		22	186
Total non-interest income (loss)		875	1,048		18	8	9	25		1,923	34		60		22	186
Total revenue		15,970	15,422		13,726	12,392	14,485	13,582		31,392	28,067		54,185	53,9	19	51,685
		,				-,-,-	,	,		- 1,000			,			0.,000
Provision for credit losses (recovery) ⁽²⁾		(312)	57		(582)	(44)	490	(208)		(255)	282		(344)	(2	98)	334
		16,282	15,365		14,308	12,436	13,995	13,790		31,647	27,785		54,529	54,2	17	51,351
		10,202	13,303		14,500	12,430	13,993	13,790		31,047	21,100		34,323	34,2	.17	31,331
Non-interest expenses		8,342	8,087		7,763	6,410	6,899	6,705		16,429	13,604		27,777	26,3	96	26,338
Net income before taxes		7,940	7,278		6,545	6,026	7,096	7,085		15,218	14,181		26,752	27,8	21	25,013
Net income before taxes		7,540	1,210		0,545	0,020	7,090	7,005		13,210	14,101		20,732	21,0	<u> </u>	23,013
Tax provision (recovery)		2,196	1,988		1,799	1,657	1,947	1,944		4,184	3,891		7,347	7,6	25	6,939
Not in a sure	_	5 744 B	5 000	•	4.740 €	4.000 €	5.4.40 B	5 4 44	•	44.004 €	40.000	•	40.405	r 00.4	00 f	40.074
Net income	\$	5,744 \$	5,290	\$	4,746 \$	4,369 \$	5,149 \$	5,141	\$	11,034 \$	10,290	\$	19,405	\$ 20,1	96 \$	18,074
Earnings per common share:																
Basic	\$	0.25 \$	0.22	\$	0.20 \$	0.18 \$	0.22 \$	0.22	\$	0.47 \$	0.44	\$	0.82	\$ 0.	85 \$	0.75
Diluted	\$	0.25 \$			0.20 \$	0.18 \$	0.22 \$	0.22		0.47 \$	0.44	\$	0.82		85 \$	0.75
				Ť				-	-		• • • • • • • • • • • • • • • • • • • •	Ť				
Comprehensive Income																
Net income	\$	5,744 \$	5,290	\$	4,746 \$	4,369 \$	5,149 \$	5,141	\$	11,034 \$	10,290	\$	19,405	\$ 20.1	96 \$	18,074
Other comprehensive income (loss), net of tax	Ψ	5,777 \$	5,290	Ψ	т, гто Ф	τ,505 φ	J, 173 Ø	5, 141	Ψ	11,00-т Ф	10,230	Ψ	13,403	ا,اک پ	υυ ψ	10,074
Net unrealized gains (losses) on fair value through OCI assets ⁽³⁾		(3)	_			_	_	_		(3)	_		_		_	(4)
1.0. acaea gaino (10000) orriain value tirroagri cor assets	-	(3)		 						(3)						(4)
Total comprehensive income	\$	5,741 \$	5,290	Φ.	4,746 \$	4,369 \$	5,149 \$	5,141	\$	11,031 \$	10,290	•	19,405	\$ 20.4	96 \$	18,070
i otal comprehensive income	Ф	5,741 \$	5,∠90	Ф	4,740 \$	4,309 \$	5,149 \$	5,147	Ф	11,031 \$	10,290	Ф	19,405	.p ∠0,1	90 Þ	10,070

⁽¹⁾ Beginning Q1/21, non-interest income captures contribution from Digital Boundary Group acquired on November 30, 2020. (2) 2018 has not been restated to reflect IFRS 9 adopted in 2019. The adoption of IFRS 9 has been applied prospectively 2019. (3) 2018 net unrealized gains (losses) based on assets held as available-for-sale per IAS 39

VERSABANK NET INTEREST INCOME, NON-INTEREST INCOME AND TOTAL REVENUES (unaudited) (\$CAD thousands)

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Net Interest Income Net Interest Income (NII)

Other income

Total non-interest income

Total revenue

Non-interest income as a % of total revenue

Net interest income per average assets

		QUA	RTE	R				6 MONTH	IS E	NDED		YΕ	AR ENDED	
20	21			20	20			2021		2020				
Q2	Q1	Q4		Q3		Q2	Q1	Q2		Q2	2020		2019	2018
\$ 15,095	\$ 14,374	\$ 13,708	\$	12,384	\$	14,476	\$ 13,557	\$ 29,469	\$	28,033	\$ 54,125	\$	53,897	\$ 51,499
15,095	14,374	13,708		12,384		14,476	13,557	29,469		28,033	54,125		53,897	51,499
875	1,048	18		8		9	25	1,923		34	60		22	186
875	1,048	18		8		9	25	1,923		34	60		22	186
\$ 15,970	\$ 15,422	\$ 13,726	\$	12,392	\$	14,485	\$ 13,582	\$ 31,392	\$	28,067	\$ 54,185	\$	53,919	\$ 51,685
5.48%	6.80%	0.13%		0.06%		0.06%	0.18%	6.13%		0.12%	0.11%		0.04%	0.36%
2.96%	2.86%	2.82%		2.53%		3.08%	2.96%	2.91%		3.01%	2.90%		3.00%	2.91%

Allowance for Credit Losses By Lending Assets for the Year to Date (unaudited) (C\$ thousands)

YEAR ENDED QUARTER 6 MONTHS ENDED 2021 2020 2021 2020 Q2 Q1 Q4 Q3 Q2 Q1 Q2 Q2 2020 2019 2018 \$ 1,811,750 \$ 1,724,317 \$ 1,601,336 \$ 1,571,365 \$ 1,631,844 \$ 1,631,504 \$ 1,742,343 \$ 1,594,628 \$ 1,624,599 \$ 1,612,657 \$ 1,575,942 \$ 2,092,367 \$ 1,994,431 \$ 1,937,071 \$ 1,948,313 \$ 1,910,567 \$ 1,820,073 \$ 2,041,821 \$ 1,875,875 \$ 1,864,633 \$ 1,797,256 \$ 1,767,089

Average loans Average total assets

VERSABANK NON-INTEREST EXPENSES (unaudited) (\$CAD thousands)

				QUA						6	MONTH	IS EN	NDED			YEA	R ENDED)	
		2021				2020					2021		2020						
	Q2	Q1		Q4	Q3		Q2		Q1		Q2		Q2	:	2020		2019		2018
Salaries and Employee Benefits								_		_									
Salaries	\$ 3,98	. ,		3,679	\$ 3,12		3,086	\$	3,184	\$	8,168	\$	-, -	\$	13,073	\$	12,658	\$	11,972
Employee benefits	96			1,489	83		812		755		1,815		1,567		3,891		2,516		2,365
Total	4,95	5,030)	5,168	3,95	9	3,898		3,939		9,983		7,837		16,964		15,174		14,337
Premises																			
Rent	22	2 189)	132	13	2	131		143		411		274		538		520		716
Depreciation	49	4 327	,	201	19	3	193		182		821		375		769		721		623
Other	29	0 202	2	297	27	3	309		270		492		579		1,149		1,189		965
Total	1,00	6 718	3	630	59	3	633		595		1,724		1,228		2,456		2,430		2,304
General and administrative																			
Capital taxes and other assessments	60			372	36	1	450		462		1,093		912		1,645		1,933		3,101
Insurance	17	5 14		159	11:	9	127		121		316		248		526		494		484
Listing, sustaining and annual meeting fees	11	2 72	2	61	6	3	66		86		184		152		281		287		266
Marketing and business development	15	2 12°		89	6	5	76		61		273		137		291		309		351
Professional fees and consulting services	49	7 514	l.	620	55)	764		492		1,011		1,256		2,426		2,013		1,759
Other	84	5 1,000)	664	69)	885		949		1,845		1,834		3,188		3,756		3,736
Total	2,38	3 2,339)	1,965	1,85	3	2,368		2,171		4,722		4,539		8,357		8,792		9,697
İ																			
Restructuring charges		-		-		-	-		-		-		-		-		-		-
Total non-interest expenses	\$ 8,34	2 \$ 8,087	\$	7,763	\$ 6,41) \$	6,899	\$	6,705	\$	16,429	\$	13,604	\$	27,777	\$	26,396	\$	26,338

VERSABANK **BALANCE SHEET** (unaudited) (\$CAD thousands)

				QUAF	RTE	R						YΕ	AR ENDED	
	20:	21				20:	20							
	Q2		Q1	Q4		Q3		Q2	Q1		2020		2019	2018
Cash and cash equivalents Securities	\$ 272,428	\$	212,016	\$ 257,644	\$	353,794	\$	340,326	\$ 134,253	\$	257,644	\$	139,145 10,061	\$ 129,781 10,017
Total	272,428		212,016	257,644		353,794		340,326	134,253		257,644		149,206	139,798
Loans Commerical real estate mortgages Commerical real estate loans Point of sale loans and leases Public sector and other financing Allowance for credit losses ⁽¹⁾ Accrued interest Total Other assets	686,909 34,897 1,067,135 35,362 (1,636) 7,109 1,829,776		712,256 31,663 1,008,029 36,612 (1,832) 6,996 1,793,724	606,299 25,574 980,677 37,596 (1,775) 6,539 1,654,910		563,032 36,913 909,804 34,335 (2,357) 6,034 1,547,761		558,797 18,645 973,572 40,036 (2,401) 6,319 1,594,968	539,977 22,830 1,061,207 39,894 (1,911) 6,723 1,668,720		606,299 25,574 980,677 37,596 (1,775) 6,539 1,654,910		528,434 25,433 994,842 40,975 (2,119) 6,723 1,594,288	622,512 63,397 889,822 51,157 (2,759) 6,897 1,631,026
Capital assets Goodwill ⁽²⁾ Intangible assets ⁽²⁾ Other assets	7,462 5,754 3,804 20,533		7,643 5,754 3,886 21,953	7,431 - - 23,900		7,608 - - 21,093		7,717 - - 23,358	7,765 - - 44,027		7,431 - - 23,900		7,911 - - 33,976	8,390 - - 29,916
Total	37,553		39,236	31,331		28,701		31,075	51,792		31,331		41,887	38,306
Total assets	\$ 2,139,757	\$	2,044,976	\$ 1,943,885	\$	1,930,256	\$	1,966,369	\$ 1,854,765	\$ -	1,943,885	\$	1,785,381	\$ 1,809,130
Deposits Demand Trustee chequing accounts Term (including accrued interest) Total	\$ 14,908 461,108 1,203,257 1,679,273	\$	14,813 449,475 1,200,406 1,664,694	\$ 13,796 440,219 1,113,555 1,567,570	\$	14,019 418,198 1,133,117 1,565,334	\$	13,329 398,233 1,180,170 1,591,732	\$ 13,579 387,201 1,054,199 1,454,979		13,796 440,219 1,113,555 1,567,570		12,925 386,052 1,000,912 1,399,889	15,231 395,994 1,026,206 1,437,431
Securitization liabilities	-		-	8,745		9,053		9,032	33,388		8,745		33,366	33,310
Other liabilities	118,726		115,883	107,393		99,370		112,407	117,281		107,393		107,082	104,978
Subordinated notes payable	94,392		4,891	4,889		4,887		4,885	4,883		4,889		4,881	9,844
Shareholders' equity Share capital Retained earnings Accumulated other comprehensive income Total	166,404 80,965 (3) 247,366		182,094 77,414 - 259,508	182,094 73,194 - 255,288		182,094 69,518 - 251,612		182,094 66,219 - 248,313	182,094 62,140 - 244,234		182,094 73,194 - 255,288		182,094 58,069 - 240,163	182,094 41,473 - 223,567
Total liabilities and shareholders' equity	\$ 2,139,757	\$	2,044,976	\$ 1,943,885	\$	1,930,256	\$	1,966,369	\$ 1,854,765	\$	1,943,885	\$	1,785,381	\$ 1,809,130

^{(1) 2018} has not been restated to reflect IFRS 9 adopted in 2019. The adoption of IFRS 9 has been applied prospectively 2019.(2) Goodwill and intangible assets relate to the acquisition of Digital Boundary Group on November 30, 2020. See the Bank's Q1/21 interim Consolidated Financial Statements and Q1/21 Management Discussion & Analysis for additional detail.

VERSABANK IMPAIRED LOANS AND ALLOWANCE FOR CREDIT LOSSES (unaudited) (\$CAD thousands)

Page 6

Gross impaired loans

Commercial real estate mortgages Commercial real estate loans Point of sale loans and leases Public sector and other financing Total gross impaired loans

Allowance for credit losses

Individual allowance - based on IAS 39 Collective allowance - based on IAS 39 Allowance for credit losses under IFRS 9 Total allowance for credit losses

Reconciliation of allowance for credit losses

Balance, beginning of period IFRS 9 transition Provision (recoveries) for credit losses Write-offs (recoveries) Balance, end of period

Total net impaired loans

Total loans

Gross impaired loans as a % of total loans Provision (recovery) for credit losses as a % of average loans

					QUAI	RTE	R					ΥE	AR ENDED	
	20	21						20						
	Q2		Q1		Q4		Q3		Q2	Q1	2020		2019	2018
\$	-	\$	-	\$	-	\$	6,678	\$	6,453	\$ 6,374	\$ -	\$	6,282	\$ -
	-		-		-		-		-	-	-		-	627
\$	-	\$	-	\$	-	\$	6,678	\$	6,453	\$ 6,374	\$ -	\$	6,282	\$ 627
\$	-	\$	-	\$	-	\$	-	\$	-	\$ -	\$ -	\$	-	\$ 400 2,359
	1,636		1,832		1,775		2,357		2,401	1,911	1,775		2,119	-
\$	1,636	\$	1,832	\$	1,775	\$	2,357	\$	2,401	\$ 1,911	\$ 1,775	\$	2,119	\$ 2,759
\$	1,832	\$	1,775	\$	2,357	\$	2,401	\$	1,911	\$ 2,119	\$ 2,119	\$	2,759 (106)	\$ 2,425
	(312) 116		57		(582)		(44)		490	(208)	(344)		(298) (236)	334
\$	1,636	\$	1,832	\$	1,775	\$	2,357	\$	2,401	\$ 1,911	\$ 1,775	\$	2,119	\$ 2,759
\$	(1,636)	\$	(1,832)	\$	(1,775)	\$	4,321	\$	4,052	\$ 4,463	\$ (1,775)	\$	4,163	\$ (2,132)
·	() /		, , , , , ,	,	,		,-	·	,	,	X / -/		,	
\$	1,829,776	\$	1,793,724	\$	1,654,910	\$	1,547,761	\$	1,594,968	\$ 1,668,720	\$ 1,654,910	\$	1,594,288	\$ 1,631,026
	0.00%		0.00%		0.00%		0.43%		0.41%	0.38%	0.00%		0.39%	0.04%
	(0.07%)		0.01%		(0.14%)		(0.01%)		0.12%	(0.01%)	(0.02%)		(0.02%)	0.02%

VERSABANK ALLOWANCE FOR CREDIT LOSSES BY LENDING ASSET Quarter ended April 30, 2021 (unaudited) (\$CAD thousands)

			_	As at Apr	il 30	2021					As	at Apri	il 30	. 2020		
		Stage 1		Stage 2		Stage 3		Total		Stage 1		Stage 2		Stage 3		Total
Commercial real estate mortgages																
Balance at beginning of period	\$	1,346	\$	167	\$	-	\$	1,513	\$	1,289	\$	236	\$	-	\$	1,525
Transfer in (out) to Stage 1		-		-		-		-		-		-		-		-
Transfer in (out) to Stage 2		(56)		56		-		-		(6)		6		-		-
Transfer in (out) to Stage 3		-		-		-		-		-		-		-		-
Net remeasurement of loss allowance		(256)		36		-		(220)		253		44		-		297
Loan originations		78		-		-		78		57		-		-		57
Derecognitions and maturities		(33)		(30)		-		(63)		(9)		-		-		(9)
Provision for (recovery of) credit losses		(267)		62		-		(205)		295		50		-		345
Write-offs		-		-		-		-		-		-		-		-
Recoveries		-		-		-		-		-		-		-		-
Balance at end of period	\$	1,079	\$	229	\$	-	\$	1,308	\$	1,584	\$	286	\$	-	\$	1,870
Commercial real estate loans																
Balance at beginning of period	\$	72	\$	-	\$	-	\$	72	\$	69	\$	-	\$	-	\$	69
Transfer in (out) to Stage 1		-		-		-		-		-		-		-		-
Transfer in (out) to Stage 2		-		-		-		-		-		-		-		-
Transfer in (out) to Stage 3		-		-		-		-		-		-		-		-
Net remeasurement of loss allowance		(23)		-		-		(23)		61		-		-		61
Loan originations		-		-		-		-		2		-		-		2
Derecognitions and maturities		-		-		-		-		-		-		-		-
Provision for (recovery of) credit losses		(23)		-		-		(23)		63		-		-		63
Write-offs		- ′		-		-		- ′		-		-		-		-
Recoveries		-		-		-		-		-		-		-		-
Balance at end of period	\$	49	\$	-	\$	•	\$	49	\$	132	\$	-	\$	-	\$	132
Point of sale loans and leases																
Balance at beginning of period	\$	207	\$	-	\$	-	\$	207	\$	276	\$		\$	-	\$	276
Transfer in (out) to Stage 1	Ψ	21	Ψ	(21)	Ψ	_	Ψ	-	Ψ	25	Ψ	(25)	Ψ	_	Ψ	-
Transfer in (out) to Stage 2		(46)		46		_		_		(70)		70		_		_
Transfer in (out) to Stage 3		-		-		_		_		-		-		_		_
Net remeasurement of loss allowance		(1,017)		(11)		_		(1,028)		(1,362)		(36)		_		(1,398)
Loan originations		1,601		- (,		_		1,601		2,000		-		_		2,000
Derecognitions and maturities		(528)		(14)		_		(542)		(573)		(9)		_		(582)
Provision for (recovery of) credit losses		31		- (1-1)		-		31		20		- (0)		_		20
Write-offs		-		_		_		-		-		_		_		-
Recoveries		_		_		_		_		_		_		_		_
Balance at end of period	\$	238	\$	-	\$		\$	238	\$	296	\$	-	\$	-	\$	296
Public sector and other financing																
Balance at beginning of period	\$	40	\$		\$		\$	40	\$	41	\$		\$		\$	41
Transfer in (out) to Stage 1	Φ	40	Φ	-	Φ		Φ	40	Φ	41	Φ	-	Φ	-	Φ	41
Transfer in (out) to Stage 1 Transfer in (out) to Stage 2		-		-		-		-		-		-		-		-
Transfer in (out) to Stage 2 Transfer in (out) to Stage 3		-		-		-		-		-		-		-		-
Net remeasurement of loss allowance		- 2		-				2		27		1		-		28
Loan originations		2		-				2		34		'		-		34
3		- (1)		-		(116)		(117)		34		-		-		- 34
Derecognitions and maturities Provision for (recovery of) credit losses	-	(1) 1				(116)		(117)	-	61		<u> </u>				62
Write-offs		1		-		(116)		(115)		- 61		'		-		- 62
Recoveries		-		-		- 116		116		-		-		-		-
Balance at end of period	\$	41	\$		\$	- 116	\$	41	\$	102	\$	<u> </u>	\$	- -	\$	103
•												•			·	
Total balance at end of period	\$	1,407	\$	229	\$	-	\$	1,636	\$	2,114	\$	287	\$	-	\$	2,401

VERSABANK ALLOWANCE FOR CREDIT LOSSES BY LENDING ASSET

Year to Date ended April 30, 2021 (unaudited) (\$CAD thousands)

			-	s at Apri	1 30.	2021					As	at Apri	il 30	. 2020		
		Stage 1		Stage 2		tage 3		Total		Stage 1		Stage 2		Stage 3		Total
Commercial real estate mortgages																
Balance at beginning of period	\$	1,174	\$	192	\$		\$	1,366	\$	1,563	\$	209	\$	-	\$	1,772
Transfer in (out) to Stage 1		-		-		-		-		5		(5)		-		-
Transfer in (out) to Stage 2		(58)		58		-		-		(19)		19		-		-
Transfer in (out) to Stage 3		-		-		-		-		-		-		-		-
Net remeasurement of loss allowance		(189)		46		-		(143)		(69)		63		-		(6)
Loan originations		224		-		-		224		123		-		-		123
Derecognitions and maturities		(72)		(67)		-		(139)		(19)		-		-		(19)
Provision for (recovery of) credit losses		(95)		37				(58)		21		77				98
Write-offs		-		-		-		-		-		-		-		-
Recoveries		-		-		-		-		-		-		-		-
Balance at end of period	\$	1,079	\$	229	\$	-	\$	1,308	\$	1,584	\$	286	\$	-	\$	1,870
Commercial real estate loans																
Balance at beginning of period	\$	137	\$	-	\$	-	\$	137	\$	78	\$		\$	-	\$	78
Transfer in (out) to Stage 1	Ψ	-	Ψ	_	Ψ	_	Ψ	-	Ψ	-	Ψ	_	Ψ	_	Ψ	-
Transfer in (out) to Stage 2																
Transfer in (out) to Stage 2 Transfer in (out) to Stage 3						-		-								
Net remeasurement of loss allowance		(88)				-		(88)		51						51
Loan originations		(00)		=		-		(00)		3		-		_		3
Derecognitions and maturities		-		-		-		-		3		-		-		3
Provision for (recovery of) credit losses		(88)						(88)	-	54						54
Write-offs		(00)		-		-		(00)		34		-		-		- 54
Recoveries		-		-		-		-		-		-		-		-
Balance at end of period	\$	49	\$		\$	-	\$	49	\$	132	\$		\$		\$	132
balance at end of period	Ψ.	43	Ψ		Ψ	_	Ψ	43	Ψ	132	Ψ		Ψ		Ψ	132
Point of sale loans and leases	<u> </u>															
Balance at beginning of period	\$	215	\$	-	\$	-	\$	215	\$	229	\$	-	\$	-	\$	229
Transfer in (out) to Stage 1		41		(41)		-		-		42		(42)		-		-
Transfer in (out) to Stage 2		(90)		90		-		-		(104)		104		-		-
Transfer in (out) to Stage 3		-		-		-		-		-		-		-		-
Net remeasurement of loss allowance		(3,154)		(20)		-		(3,174)		(3,947)		(43)		-		(3,990)
Loan originations		4,271		-		-		4,271		5,008		-		-		5,008
Derecognitions and maturities		(1,045)		(29)		-		(1,074)		(932)		(19)		-		(951)
Provision for (recovery of) credit losses		23		-		-		23		67		-		-		67
Write-offs		-		-		-		-		-		-		-		-
Recoveries		-		-		-		-		-		-		-		-
Balance at end of period	\$	238	\$	-	\$	-	\$	238	\$	296	\$	-	\$	-	\$	296
Public sector and other financing							L								L	
Balance at beginning of period	\$	57	\$	-	\$	-	\$	57	\$	40	\$	-	\$	-	\$	40
Transfer in (out) to Stage 1		-		-		-		-		-		-		-		-
Transfer in (out) to Stage 2		-		-		-		-		-		-		-		-
Transfer in (out) to Stage 3		-		-		-		-		-		-		-		-
Net remeasurement of loss allowance		(15)		-		-		(15)		21		1		-		22
Loan originations		- ′		-		-		- 1		41		-		-		41
Derecognitions and maturities		(1)		-		(116)		(117)		-		-		-		-
Provision for (recovery of) credit losses		(16)		-		(116)		(132)		62		1		-		63
Write-offs		- ′		-		`- ´		- 1		-		-		-		-
Recoveries		-		-		116		116		-		-		-		-
1,000,01109																
Balance at end of period	\$	41	\$	-	\$	-	\$	41	\$	102	\$	1	\$	-	\$	103

VERSABANK BASEL III DISCLOSURE (unaudited) (\$CAD thousands)

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Modified Capital Disclosure Template	
O E. W. Eliza A Wall to	

Common Equity Tier 1 capital: instruments and reserves

Directly issued qualifying common share capital Retained earnings

Accumulated other comprehensive income

Common Equity Tier 1 capital before regulatory adjustments

Total regulatory adjustments to Common Equity Tier 1 Adjustment under transitional basis

Common Equity Tier 1 capital (CET1)

Additional Tier 1 capital: instruments

Directly issued qualifying Additional Tier 1 instruments Tier 1 capital (T1 = CET1 + AT1)

Tier 2 capital: instruments and allowances

Directly issued capital instruments subject to phase out from Tier 2 Tier 2 capital before regulatory adjustments

Total regulatory adjustments to Tier 2 capital

Eligible stage 1 and stage 2 allowance amounts

Tier 2 capital (T2)

Total regulatory capital (TC = T1 + T2)

Total risk-weighted assets

Capital ratios

Common Equity Tier 1 (as a % of risk-weighted assets) Tier 1 (as a % of risk-weighted assets) Total regulatory capital (as a % of risk-weighted assets)

Basel III minimums

Common Equity Tier 1 capital target ratio Tier 1 capital target ratio Total regulatory capital target ratio

20	21		1		20	20		
Q2	<u>'- 1</u>	Q1		Q4	Q3	20	Q2	Q1
\$ 152,757 80,965 (3)	\$	152,757 77,414	\$	152,757 73,194	\$ 152,757 69,518	\$	152,757 66,219	\$ 152,757 62,140
233,719		230,171		225,951	222,275		218,976	214,897
(12,979) -		(15,320)		(6,592)	(8,003) 227		(7,981) 249	(11,498) -
220,740		214,851		219,359	214,499		209,495	203,399
13,647		29,337		29,337	29,337		29,337	29,337
234,387		244,188		248,696	243,836		238,832	232,736
07.400								
97,138 97,138		5,000 5,000		5,000 5,000	5,000 5,000		5,000 5,000	5,000
97,130		5,000		5,000	5,000		5,000	5,000
1,636		1,832		1,775	2,130		2,152	-
98,774		6,832		6,775	7,130		7,152	5,000
\$ 333,161	\$	251,020	\$	255,471	\$ 250,966	\$	245,984	\$ 237,736
\$ 1,763,424	\$	1,721,935	\$	1,580,939	\$ 1,518,918	\$	1,551,796	\$ 1,558,070
12.52%		12.48%		13.88%	14.12%		13.50%	13.05%
13.29%		14.18%		15.73%	16.05%		15.39%	14.94%
18.89%		14.58%		16.16%	16.52%		15.85%	15.26%
7.00%		7.00%		7.00%	7.00%		7.00%	7.00%
8.50%		8.50%		8.50%	8.50%		8.50%	8.50%
10.50%		10.50%		10.50%	10.50%		10.50%	10.50%

VERSABANK LEVERAGE RATIO DISCLOSURE (unaudited) (\$CAD thousands)

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On-Balance Sheet Exposures

On-balance sheet assets

Asset amounts adjusted in determining Basel III Tier 1 Captial Adjustment under transitional basis

Total on-balance sheet exposures

Other Off-Balance Sheet Exposures

Off-balance sheet exposure at gross notional amount Adjustments for conversion to credit equivalent amounts Off-balance sheet items

Capital and Total Exposures

Tier 1 capital
Total exposures

Leverage Ratios

Basel III leverage ratio

	2021				20	20		
	Q2	Q1		Q4	Q3		Q2	Q1
\$	2,139,757 \$	2,044,976	\$	1,943,885 \$	1,930,256	\$	1,966,369 \$	1,854,765
•	(12,979)	(15,320)	•	(6,592)	(8,003)	•	(9,481)	(11,498)
	-	-		-	227		249	-
	2,126,778	2,029,656		1,937,293	1,922,480		1,956,888	1,843,267
\$	309,763 \$	318,977	\$	289,008 \$	308,061	\$	332,385 \$	312,160
	(196,623)	(207,253)		(186,524)	(197,874)		(209,104)	(192,338)
	113,140	111,724		102,484	110,187		123,281	119,822
	234,388	244,188		248,696	243,609		238,832	232,736
	2,239,918	2,141,380		2,039,777	2,032,440		2,080,169	1,963,089
		·						
	10.46%	11.40%		12.19%	11.99%		11.48%	11.86%