

Supplemental Financial Information

For the quarter ended July 31, 2021 (unaudited)

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Use of this Report

This financial information is supplementary to the Bank's third 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.



							C	UARTER								9 MONTHS	S E	NDED			YE/	AR ENDE)	
				2021						2020)					2021		2020						
		Q3		Q2		Q1		Q4		Q3		Q2		Q1		Q3		Q3		2020		2019		2018
Results of Operations		~~ . ~ ~										~~ ~~ ~												
Interest income	\$,	\$	21,649	\$		\$	21,068	\$	20,172	>	22,688	\$	22,166	\$,	\$		\$	86,094	\$	88,305	\$	80,914
Net interest income		14,542		15,095		14,374		13,708		12,384		14,476		13,557		44,011		40,417		54,125		53,897		51,499
Non-interest income (loss) ⁽¹⁾		1,187		875		1,048		18		8		9		25		3,110		42		60		22		186
Total revenue		15,729		15,970		15,422		13,726		12,392		14,485		13,582		47,121		40,459		54,185		53,919		51,685
Provision for (recovery of) credit losses ⁽²⁾		96		(312)		57		(582)		(44)		490		(208)		(159)		238		(344)		(298)	334
Non-interest expenses		8,200		8,342		8,087		7,763		6,410		6,899		6,705		24,629		20,014		27,777		26,396		26,338
Net income before income tax		7,433		7,940		7,278		6,545		6,026		7,096		7,085		22,651		20,207		26,752		27,821		25,013
Tax provision (recovery)		1,997		2,196		1,988		1,799		1,657		1,947		1,944		6,181		5,548		7,347		7,625		6,939
Net income	\$	5,436	\$	5,744	\$	5,290	\$	4,746	<u>\$</u>	4,369	5	5,149	\$	5,141	\$	16,470	\$	14,659	\$	19,405	\$	20,196	\$	18,074
Per Common Share (\$'s)																								
Basic earnings per share		0.25		0.25		0.22		0.20		0.18		0.22		0.22		0.72		0.62		0.82		0.85		0.75
Diluted earnings per share		0.25		0.25		0.22		0.20		0.18		0.22		0.22		0.72		0.62		0.82		0.85		0.75
Return on average common equity		8.72%		9.20%		8.26%		7.46%		6.90%		8.64%		8.60%		8.72%		8.04%		7.89%		8.89%	•	8.50%
Book value/share		11.29		11.06		10.90		10.70		10.52		10.37		10.17		11.29		10.52		10.70		9.98		9.19
Closing market price (common share)		13.30		15.03		10.99		6.59		6.94		5.57		7.44		13.30		6.94		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		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		21,124
Total market value of common shares		280,949		317,494		232,153		139,207	_	146,601		117,661		157,163		280,949		146,601		139,207		138,785		148,924
Financial Ratios																								
Yield		4.02%		4.24%		4.28%		4.33%		4.12%		4.83%		4.84%		4.14%		4.68%		4.62%		4.91%	,	4.58%
Cost of funds		1.41%		1.28%		1.42%		1.51%		1.59%		1.75%		1.88%		1.36%		1.77%		1.71%		1.91%	,	1.66%
Net interest income (%)		2.61%		2.96%		2.86%		2.82%		2.53%		3.08%		2.96%		2.78%		2.91%		2.90%		3.00%	,	2.91%
Non-interest expenses to average total assets (annualized)		1.47%		1.64%		1.61%		1.59%		1.31%		1.47%		1.47%		1.56%		1.45%		1.49%		1.47%	,	1.49%
Efficiency ratio		52.13%		52.24%		52.44%		56.56%		51.73%		47.63%		49.37%		52.27%		49.47%		51.26%		48.95%	,	50.96%
Number of full time equivalent staff at period end		145		140		142		98		96		94		93		145		96		98		92		86
Assets to full time employee	\$	15,764	\$	15,284	\$	14,401	\$	19,836	\$	20,107	5	20,852	\$	19,880	\$	15,764	\$	20,107	\$	19,836	\$	19,385	\$	21,135
Credit Quality																								
Gross impaired loans	\$		\$	-	\$	_	\$	_	\$	6.678		6.453	\$	6.374	\$	-	\$	6.678	\$	-	\$	6.282	\$	627
Gross impaired loans as a % of total loans	Ψ	0.00%	Ψ	0.00%	Ψ	0.00%	Ψ	0.00%	Ψ	0.43%		0,400	Ψ	0.38%	Ψ	0.00%	Ψ	0.43%	۴,	0.00%	Ψ	0.39%		0.04%
Net impaired loans	\$	(1,732)	\$	(1,636)	\$		\$	(1,775)	\$	4.321	5	4,052	\$	4.463	\$	(1,732)	\$	4,321	\$	(1,775)	\$	4.163		(2,132)
Provision (recovery) for credit losses as a % of average loans	Ť	0.02%	Ŷ	(0.07%)	Ŷ	0.01%	Ŷ	(0.14%)	Ŷ	(0.01%)		0.12%	Ψ	(0.01%)	Ŷ	(0.01%)	Ŷ	0.02%	Ť	(0.02%)	Ŷ	(0.02%)		0.02%
																						·		
Financial Position																								
Cash and securities	\$		\$,	\$		\$		\$	353,794	5		\$	134,253	\$		\$	353,794	\$	257,644	\$	149,206		139,798
Cash and securities to total assets (%)		12.99%		12.73%		10.37%		13.25%		18.33%		17.31%		7.24%		12.99%		18.33%		13.25%		8.36%)	7.73%
Total loans		1,952,154		1,829,776	1,	793,724		1,654,910		1,547,761	1	,594,968		1,668,720		1,952,154		1,547,761		1,654,910		1,594,288		1,631,026
Mortgages and loans to total assets (%)		85.40%		85.51%	0	87.71%		85.14%		80.18%		81.11%		89.97%		85.40%		80.18%		85.13%		89.30%)	90.16%
Total assets		2,285,771 2,212,764		2,139,757 2,092,367		044,976 994,431		1,943,885 1,937,071		1,930,256 1,948,313		,966,369 ,910,567		1,854,765 1,820,073		2,285,771		1,930,256 1,857,819		1,943,885 1,864,633		1,785,381 1,797,256		1,809,130 1,767,089
Average assets Deposits		2,212,764		2,092,367		664,694		1,937,071		1,948,313		,910,567		1,820,073		2,114,828 1,817,746		1,857,819		1,864,633		1,797,256		1,437,431
Subordinated notes payable		95,683		94,392	Ι,	4,891		4,889		4,887		4,885		4,883		95,683		4,887		4,889		4,881		9,844
Subordinated notes payable Shareholders' equity		252.032		94,392 247,366		259.508		4,889		4,887 251,612		4,885		4,883		95,683 252.032		4,887		4,889 255,288		240,163		9,844 223,567
Shareholders equily	L	202,002		241,300		209,000		200,200		201,012		240,313		244,234		202,002		201,012		200,208		240,103		223,307

Beginning Q1/21, non-interest income captures contribution from Digital Boundary Group acquired on November 30, 2020.
 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)

					QU	ARTER					9 MONTHS E	NDED		YE	AR ENDED	
			2021				2020				2021	2020				
		Q3	Q2	Q1		Q4	Q3	Q2	Q1		Q3	Q3		2020	2019	2018
Interest Income																
Loans	\$	22.078 \$	21,301 \$	21,086	\$	20,536 \$	19.484 \$	21,938 \$	21,274	¢	64,465	62.696	e	83.232 \$	84,875 \$	78,509
Cash and Securities	φ	322	348	429	φ	20,530 \$ 532	688	21,950 \$ 750	892	φ	1,099	2,330	Ψ	2,862	3,430	2,405
Total interest income		22.400	21,649	21,515		21,068	20,172	22,688	22,166		65,564	65,026	-	86,094	88,305	80,914
Yield %	-	4.02%	4.24%	4.28%		4.33%	4.12%	4.83%	4.84%		4.14%	4.68%		4.62%	4.91%	4.58%
Interest Expense																
Deposits and other		6,539	6,414	7,014		7,233	7,661	8,085	8,482		19,967	24,228		31,461	33,653	28,557
Notes		1,319	140	127		127	127	127	127		1,586	381		508	755	858
Total interest expense		7,858	6,554	7,141		7,360	7,788	8,212	8,609		21,553	24,609		31,969	34,408	29,415
Cost of funds %		1.41%	1.28%	1.42%		1.51%	1.59%	1.75%	1.88%		1.36%	1.77%	•	1.71%	1.91%	1.66%
N			15 005			10 700	10.001		10					54.405	50.007	F 4 400
Net interest income		14,542	15,095	14,374		13,708	12,384	14,476	13,557		44,011	40,417		54,125	53,897	51,499
Spread %		2.61%	2.96%	2.86%		2.82%	2.53%	3.08%	2.96%		2.78%	2.91%	'	2.90%	3.00%	2.91%
Non-interest income (loss)																
IT security services ⁽¹⁾		1,185	874	1,065							3,124					
Other		2	1	(17)		- 18	- 8	- 9	- 25		(14)	42		60	- 22	- 186
Total non-interest income (loss)		1.187	875	1,048		18	8	9	25		3,110	42	-	60	22	186
Total non-interest income (loss)	-	1,107	675	1,040		10	0	9	20		3,110	42	-	00	22	100
Total revenue		15,729	15,970	15,422		13,726	12,392	14,485	13,582		47,121	40,459		54,185	53,919	51,685
Provision for credit losses (recovery) ⁽²⁾		96	(312)	57		(582)	(44)	490	(208)		(159)	238		(344)	(298)	334
		15.633	16.282	15,365		14.308	12,436	13,995	13,790		47,280	40,221	-	54,529	54,217	51,351
	-	15,633	10,282	15,305		14,308	12,430	13,995	13,790		47,200	40,221		54,529	54,217	51,351
Non-interest expenses		8,200	8,342	8,087		7,763	6,410	6,899	6,705		24,629	20,014		27,777	26,396	26,338
Net income before taxes		7,433	7,940	7,278		6,545	6,026	7,096	7,085		22,651	20,207		26,752	27,821	25,013
Tax provision (recovery)		1,997	2,196	1,988		1,799	1,657	1,947	1,944		6,181	5,548		7,347	7,625	6,939
Net income	\$	5,436 \$	5,744 \$	5,290	\$	4,746 \$	4,369 \$	5,149 \$	5,141	\$	16,470 \$	14,659	\$	19,405 \$	20,196 \$	18,074
-																
Earnings per common share:		0.05	0.05	0.00	^	0.00	0.40 0	0.00	0.00		0.70 0	0.00		0.00	0.05	0.75
Basic	\$	0.25 \$	0.25 \$		\$	0.20 \$	0.18 \$	0.22 \$	0.22		0.72 \$	0.62		0.82 \$	0.85 \$	0.75
Diluted	\$	0.25 \$	0.25 \$	0.22	\$	0.20 \$	0.18 \$	0.22 \$	0.22	\$	0.72 \$	0.62	\$	0.82 \$	0.85 \$	0.75
Comprehensive Income																
Net income	\$	5,436 \$	5,744 \$	5,290	\$	4,746 \$	4,369 \$	5,149 \$	5,141	\$	16,470 \$	14,659	\$	19,405 \$	20,196 \$	18,074
Other comprehensive income (loss), net of tax	Ψ	0,400 φ	5,777 Φ	5,230	Ψ	-,, , ττυ φ	ч ,505 ф	0, 1 1 0 φ	5, 171	۳.	10, 1 10 φ	14,005	۳ ا	10, 1 00 φ	20,100 Ø	10,074
Net unrealized gains (losses) on fair value through OCI assets ⁽³⁾		5	(3)			-	_	_			2			_		(4)
	-	5	(3)	-		-		-	-		2		-			(4)
Total comprehensive income	\$	5,441 \$	5,741 \$	5,290	\$	4,746 \$	4,369 \$	5,149 \$	5,141	\$	16,472 \$	14,659	\$	19,405 \$	20,196 \$	18,070
	Ľ.	-,φ	φ	2,200	Ŧ	., v v	.,250 Q	2,.10 φ	-,	Ŧ	,Ψ	,000	1 4	,	, .00	,

Beginning Q1/21, non-interest income captures contribution from Digital Boundary Group acquired on November 30, 2020.
 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)

						QUA	ARTER				9 MONTH	S EN	DED			YEA	R ENDED	
			2021					2020			2021		2020					
	Q	3	Q2	Q1		(Q4	Q3	Q2	Q1	Q3		Q3	2	2020		2019	2018
Net Interest Income		4,542 \$	15,095		,374	\$	-,	\$ 12,384 \$	14,476	\$ 13,557	\$,	\$	40,417	\$	54,125	\$	53,897 \$	51,499
Net Interest Income (NII)	1	4,542	15,095	14	,374		13,708	12,384	14,476	13,557	44,011		40,417		54,125		53,897	51,499
Other income		1,187	875		,048		18	8	9	25	3,110		42		60		22	186
Total non-interest income		1,187	875	1	,048		18	8	9	25	3,110		42		60		22	186
Total revenue	\$ 1	5,729 \$	15,970	\$ 15	422	\$	13,726	\$ 12,392 \$	14,485	\$ 13,582	\$ 47,121	\$	40,459	\$	54,185	\$	53,919 \$	51,685
Non-interest income as a % of total revenue		7.55%	5.48%	6	.80%		0.13%	0.06%	0.06%	0.18%	6.60%		0.10%		0.11%		0.04%	0.36%
Net interest income per average assets		2.61%	2.96%	2	.86%		2.82%	2.53%	3.08%	2.96%	2.78%		2.91%		2.90%		3.00%	2.91%

(unaudited) (C\$ thousands)

			QUARTER				9 MONTH	IS ENDED		YEAR ENDED	
	2021			20	20		2021	2020			
Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3	2020	2019	2018
\$ 1,890,965	\$ 1,811,750	\$ 1,724,317	\$ 1,601,336	\$ 1,571,365	\$ 1,631,844	\$ 1,631,504	\$ 1,803,532	\$ 1,571,025	\$ 1,624,599	\$ 1,612,657	\$ 1,575,9
\$ 2.212.764	\$ 2.092.367	\$ 1,994,431	\$ 1,937,071	\$ 1.948.313	\$ 1.910.567	\$ 1.820.073	\$ 2,114,828	\$ 1,857,819	\$ 1,864,633	\$ 1.797.256	\$ 1.767.0

Average loans Average total assets

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

						Q	UARTER							IONTH				YEA	R ENDED		
				2021					2020				20			2020					
		Q3		Q2	Q1		Q4	Q3		Q2	Q	1	C	3		Q3	2020		2019	2	018
Salaries and Employee Benefits																					
Salaries	\$	3,861	\$	3,986	\$ 4,182	\$	3,679 \$	3.12	1 0	3,086	¢	3,184	\$ 1	2,029	\$	9,394	\$ 13,073	¢	12,658	•	11,972
	φ	3,601 992	φ	967	φ 4,102 848	φ		83		3,080 812	φ	755			φ			φ		P	
Employee benefits						-	1,489			-				2,807		2,402	3,891		2,516		2,365
Total		4,853		4,953	5,030		5,168	3,95	1	3,898		3,939	1	4,836		11,796	16,964		15,174		14,337
Premises																					
Rent		185		222	189		132	13	2	131		143		596		406	538		520		716
Depreciation		452		494	327		201	19		193		182		1.273		568	769		721		623
Other		296		290	202		297	27		309		270		788		852	1,149		1,189		965
Total		933		1,006	718		630	59		633		595		2,657		1,826	2.456		2,430		2,304
		000		1,000	110	-	000	00	, 	000				2,001		1,020	2,100		2,100		2,001
General and administrative																					
Capital taxes and other assessments		832		602	491		372	36	1	450		462		1,925		1,273	1,645		1,933		3,101
Insurance		168		175	141		159	11	9	127		121		484		367	526		494		484
Listing, sustaining and annual meeting fees		154		112	72		61	6	3	66		86		338		220	281		287		266
Marketing and business development		164		152	121		89	6	5	76		61		437		202	291		309		351
Professional fees and consulting services		476		497	514		620	55		764		492		1,487		1,806	2,426		2,013		1,759
Other		620		845	1,000		664	69)	885		949		2,465		2,524	3,188		3,756		3,736
Total		2,414		2,383	2,339		1,965	1,85		2,368		2,171		7,136		6,392	8,357		8,792		9,697
	<u> </u>	<u></u> , , , , , , , , , , , , , , , , , , ,		2,000	2,000	-	1,000	1,00	,	2,000		2,171		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		0,002	0,001		0,102		0,007
Restructuring charges	<u> </u>	-		-	-		-		-	-		-		-		-	-		-		-
Total non-interest expenses	\$	8,200	\$	8,342	\$ 8,087	\$	7,763 \$	6,41) \$	6,899	\$	6,705	\$ 2	4,629	\$	20,014	\$ 27,777	\$	26,396	5	26,338

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

							_	QUARTER												
	<u> </u>			2021				QUARIER		20	20						I EF	AR ENDED		
		Q3		Q2		Q1		Q4		Q3	20	Q2		Q1		2020		2019		2018
Cash and cash equivalents	\$	297,005	\$	272,428	\$	212,016	\$	257,644	\$	353,794	\$	340,326	\$	134,253	\$	257,644	\$	139,145	\$	129,781
Securities Total		- 297,005		- 272,428		212,016		257,644		353,794		- 340,326		- 134,253		257.644		10,061 149,206		10,017 139,798
Total		297,005		272,420		212,010		237,044		555,794		340,320		134,233		237,044		149,200		139,790
Loans																				
Commerical real estate mortgages		738,063		686,909		712,256		606,299		576,390		558,797		539,977		606,299		528,434		622,512
Commerical real estate loans		30,044		34,897		31,663		25,574		19,466		18,645		22,830		25,574		25,433		63,397
Point of sale loans and leases		1,144,902		1,067,135		1,008,029		980,677		909,804		973,572		1,061,207		980,677		994,842		889,822
Public sector and other financing		33,201		35,362		36,612		37,596		38,424		40,036		39,894		37,596		40,975		51,157
Allowance for credit losses ⁽¹⁾		(1,732)		(1,636)		(1,832)		(1,775)		(2,357)		(2,401)		(1,911)		(1,775)		(2,119)		(2,759)
Accrued interest		7,676		7,109		6,996		6,539		6,034		6,319		6,723		6,539		6,723		6,897
Total		1,952,154		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
Other assets																				
Capital assets		7,272		7,462		7,643		7,431		7,608		7,717		7,765		7,431		7,911		8,390
Goodwill ⁽²⁾		5,754		5,754		5,754		-		-		-		-		-		-		-
Intangible assets ⁽²⁾		3,722		3,804		3,886		-		-		-		-		-		-		-
Other assets		19,864		20,533		21,953		23,900		21,093		23,358		44,027		23,900		33,976		29,916
Total		36,612		37,553		39,236		31,331		28,701		31,075		51,792		31,331		41,887		38,306
Total assets	\$	2,285,771	\$	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
	۴–	2,200,777	Ψ	2,100,101	Ψ	2,011,010	Ψ	1,010,000	Ψ	1,000,200	<u> </u>	1,000,000	Ψ	1,001,100	Ψ	1,010,000	Ψ	1,100,001	Ψ	1,000,100
Deposits																				
Demand	\$	15,661	\$	14,908	\$	14,813	\$	13,796	\$	14,019	\$	13,329	\$	13,579	\$	13,796	\$	12,925	\$	15,231
Trustee chequing accounts		497,621		461,108		449,475		440,219		418,198		398,233		387,201		440,219		386,052		395,994
Term (including accrued interest)		1,304,464		1,203,257		1,200,406		1,113,555		1,133,117		1,180,170		1,054,199		1,113,555		1,000,912		1,026,206
Total		1,817,746		1,679,273		1,664,694		1,567,570		1,565,334		1,591,732		1,454,979		1,567,570		1,399,889		1,437,431
Securitization liabilities		-		-		-		8,745		9,053		9,032		33,388		8,745		33,366		33,310
Other liabilities		120,310		118,726		115,883		107,393		99,370		112,407		117,281		107,393		107,082		104,978
		05 000		04.000		4 00 4		4 000		4 007		4 005		4 000		4 000		4 004		
Subordinated notes payable	<u> </u>	95,683		94,392		4,891		4,889		4,887		4,885		4,883		4,889		4,881		9,844
Shareholders' equity																				
Share capital		166,404		166,404		182.094		182.094		182,094		182,094		182,094		182,094		182,094		182,094
Retained earnings		85,626		80,965		77,414		73,194		69,518		66,219		62,140		73,194		58,069		41,473
Accumulated other comprehensive income		05,020		80,903 (3)		11,414		13,194		09,010		00,219		02,140		13,194		50,009		41,473
Total	<u> </u>	252,032		247,366		259,508		255,288		251,612		248,313		244,234		255,288		240,163		223,567
10101		202,002		247,000		200,000		200,200		201,012		240,010		277,204		200,200		270,100		220,007
Total liabilities and shareholders' equity	\$	2,285,771	\$	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)

					(QUARTER								YEAR	ENDED	
			2021					203	20							
	Q3		Q2	Q1		Q4		Q3		Q2	Q1		2020	2	019	2018
Gross impaired loans Commercial real estate mortgages Commercial real estate loans	\$ -	\$	- 5	\$ ·	\$		\$	6,678 -	\$	6,453 \$ -	6,3	'4 \$ -	; - -	\$	6,282 -	\$ -
Point of sale loans and leases Public sector and other financing	-		-			-		-		-		-	-		-	- 627
Total gross impaired loans	\$ -	\$	- (\$ ·	\$	-	\$	6,678	\$	6,453 \$	6,3	4 \$; -	\$	6,282	\$ 627
Allowance for credit losses Individual allowance - based on IAS 39 Collective allowance - based on IAS 39	\$ -	\$	- {	\$	\$		\$	-	\$	- \$		- \$; -	\$	-	\$ 400 2,359
Allowance for credit losses under IFRS 9	1,732		1,636	1,832		1,775		2,357		2,401	1,9	1	1,775		2,119	2,000
Total allowance for credit losses	\$ 1,732	\$	1,636			1,775	\$	2,357	\$	2,401 \$		1 \$		\$	2,119	\$ 2,759
Reconciliation of allowance for credit losses Balance, beginning of period IFRS 9 transition	\$ 1,636	\$	1,832	\$ 1,775	\$	2,357	\$	2,401	\$	1,911 \$	2,1	9 \$	2,119	\$	2,759	\$ 2,425
Provision (recoveries) for credit losses Recoveries (write-offs)	- 96 -		- (312) 116	57		- (582) -		(44)		- 490 -	(20	- (8)	(344)		(106) (298) (236)	- 334 -
Balance, end of period	\$ 1,732	\$	1,636	\$ 1,832	\$	1,775	\$	2,357	\$	2,401 \$	1,9	1 \$	1,775	\$. /	\$ 2,759
Total net impaired loans	\$ (1,732)	\$	(1,636)	\$ (1,832)\$	(1,775)	\$	4,321	\$	4,052 \$	4,46	3 \$	6 (1,775)	\$	4,163	\$ (2,132)
Total loans	\$ 1,952,154	\$ 1	1,829,776	\$ 1,793,724	\$	1,654,910	\$ ´	1,547,761	\$	1,594,968 \$	1,668,72	20 \$	5 1,654,910	\$ 1,5	94,288	\$ 1,631,026
Gross impaired loans as a % of total loans Provision (recovery) for credit losses as a % of average loans	0.00% 0.02%		0.00% (0.07%)	0.009		0.00% (0.14%)		0.43% (0.01%)		0.41% 0.12%	0.38 (0.01		0.00% (0.02%)		0.39%	0.04% 0.02%

VERSABANK ALLOWANCE FOR CREDIT LOSSES BY LENDING ASSET Quarter ended July 31, 2021 (unaudited) (\$CAD thousands)

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			A	s at July	/ 31.	2021					A	s at July	/ 31, 3	2020		
		Stage 1		Stage 2		Stage 3		Total		Stage 1		Stage 2		tage 3		Total
Commercial real estate mortgages		Ŭ		Ŭ		Ŭ						- Ŭ		Ŭ		
Balance at beginning of period	\$	1,079	\$	229	\$	-	\$	1,308	\$	1,584	\$	286	\$	-	\$	1,870
Transfer in (out) to Stage 1		47		(47)		-		-		5		(5)		-		-
Transfer in (out) to Stage 2		(23)		23		-		-		(68)		68		-		-
Transfer in (out) to Stage 3		- '		-		-		-		- '		-		-		-
Net remeasurement of loss allowance		20		(17)		-		3		(67)		(52)		-		(119)
Loan originations		120		-		-		120		118		-		-		118
Derecognitions and maturities		(30)		-		-		(30)		(3)		-		-		(3)
Provision for (recovery of) credit losses		134		(41)		-		93		(15)		11		-		(4)
Write-offs		-								-				-		(.,
Recoveries		_		_		_		_		_		_		_		
Balance at end of period	\$	1,213	\$	188	\$	-	\$	1,401	\$	1,569	\$	297	\$	-	\$	1,866
Datatice at end of period	4	1,213	φ	100	Ψ	-	Ψ	1,401	Ψ	1,303	Ψ	251	Ψ	-	φ	1,000
Commercial real estate loans																
Balance at beginning of period	\$	49	\$	-	\$	-	\$	49	\$	132	\$	-	\$	-	\$	132
Transfer in (out) to Stage 1	1 ·	-	·	-		-		- 1		-		-	•	-		_
Transfer in (out) to Stage 2		-		-		-		-		-		-		-		-
Transfer in (out) to Stage 3				-				-		-		-		-		-
Net remeasurement of loss allowance		3						3		40		-		-		40
Loan originations		- 0		_		_		_		-10		_		_		-10
Derecognitions and maturities		_		_		-				_		_		_		
Provision for (recovery of) credit losses	-	- 3						- 3	-	40		-				40
Write-offs		5				-		J		40		-		-		-
Recoveries		-		-		-		-		-		-		-		-
Balance at end of period	\$	- 52	\$		\$		\$	- 52	\$	172	\$	-	\$		\$	172
Balance at end of period	- 3	52	φ	-	φ	-	φ	52	φ	174	φ	-	φ	-	φ	1/2
Point of sale loans and leases																
Balance at beginning of period	\$	238	\$	-	\$	-	\$	238	\$	296	\$	-	\$	-	\$	296
Transfer in (out) to Stage 1	1	34	*	(34)	Ŧ	-	-		Ť	45	+	(45)	•	-	Ť	-
Transfer in (out) to Stage 2		(29)		29		-		-		(60)		60		-		-
Transfer in (out) to Stage 3		-				-		-		(5)		-		5		-
Net remeasurement of loss allowance		(1,672)		18		-		(1,654)		(719)		6		(5)		(718)
Loan originations		2.140		-		_		2.140		1.220				(0)		1.220
Derecognitions and maturities		(452)		(13)		-		(465)		(556)		(21)		-		(577)
Provision for (recovery of) credit losses		21						21	-	(75)		- (21)		-		(75)
Write-offs		-		-				- 1		(13)		-		-		-
Recoveries		-		-				-		-		-		2		-
Balance at end of period	\$	259	\$		\$		\$	259	\$	221	\$		\$		\$	221
Datatice at end of period	4	233	φ	-	Ψ	-	Ψ	233	Ψ	221	Ψ	-	Ψ	-	φ	221
Public sector and other financing																
Balance at beginning of period	\$	41	\$	-	\$	-	\$	41	\$	102	\$	1	\$	-	\$	103
Transfer in (out) to Stage 1	1	-		-		-		-		1		(1)		-		-
Transfer in (out) to Stage 2		-		-		-		-		-		- ` `		-		-
Transfer in (out) to Stage 3		-		-		-		-		-		-		-		-
Net remeasurement of loss allowance		(16)		-		-		(16)		(1)		-		-		(1)
Loan originations		-		-						1		-		-		1
Derecognitions and maturities		(5)						(5)		(5)		-		-		(5)
Provision for (recovery of) credit losses		(21)						(21)		(4)		(1)		_		(5)
Write-offs		(21)		-		-		(21)		(4)		(1)		-		(3)
Recoveries		-		-		-		-		-		-		-		-
Balance at end of period	\$	20	\$	-	\$		\$	- 20	\$	- 98	\$	-	\$	-	\$	- 98
Balance at end of period	\$	20	Ψ	-	Ψ	-	Ψ	20	Ψ	30	Ψ	-	Ψ	-	,	30
Total balance at end of period	\$	1,544	\$	188	\$	-	\$	1,732	\$	2,060	\$	297	\$	-	\$	2,357

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VERSABANK ALLOWANCE FOR CREDIT LOSSES BY LENDING ASSET Year to Date ended July 31, 2021 (unaudited) (\$CAD thousands)

				As at July	/ 31	, 2021					A	s at July	/ 31,	2020		
		Stage 1		Stage 2		Stage 3		Total		Stage 1	5	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		47		(47)		-		-		10		(10)		-		-
Transfer in (out) to Stage 2		(81)		81		-		-		(87)		87		-		-
Transfer in (out) to Stage 3		-		-		-		-		-		-		-		-
Net remeasurement of loss allowance		(169)		29		-		(140)		(136)		11		-		(125)
Loan originations		344		-		-		344		241		-		-		241
Derecognitions and maturities		(102)		(67)		-		(169)		(22)		-		-		(22)
Provision for (recovery of) credit losses		39		(4)		-		35		6		88		-		94
Write-offs		-		-		-		-		-		-		-		-
Recoveries		-		-		-		-		-		-		-		-
Balance at end of period	\$	1,213	\$	188	\$	-	\$	1,401	\$	1,569	\$	297	\$	-	\$	1,866
• • • • • • •																
Commercial real estate loans		107	_				•	407	-	70	•		•			70
Balance at beginning of period	\$	137	\$	-	\$	-	\$	137	\$	78	\$	-	\$	-	\$	78
Transfer in (out) to Stage 1		-		-		-		-		-		-		-		-
Transfer in (out) to Stage 2		-		-		-		-		-		-		-		-
Transfer in (out) to Stage 3		-		-		-		-		-		-		-		-
Net remeasurement of loss allowance		(85)		-		-		(85)		91 3		-		-		91
Loan originations		-		-		-		-		3		-		-		3
Derecognitions and maturities Provision for (recovery of) credit losses		- (85)		-		-		- (85)		- 94		-		-		- 94
Write-offs		(00)		-		-		(65)		94		-		-		94
Recoveries		-		-				-		-		-				-
Balance at end of period	\$	- 52	\$	-	\$	-	\$	- 52	\$	172	\$	-	\$		\$	172
Balance at end of period	\$	52	φ	-	Ψ	-	φ	JZ	Ψ.	1/2	Ψ	-	Ψ	-	Ψ	1/2
Point of sale loans and leases																
Balance at beginning of period	\$	215	\$	-	\$	-	\$	215	\$	229	\$	-	\$	-	\$	229
Transfer in (out) to Stage 1	1	75		(75)	·	-	•	- 1	1	87		(87)	•	-		-
Transfer in (out) to Stage 2		(119)		119		-		-		(164)		164		-		-
Transfer in (out) to Stage 3		-		-		-		-		(5)		-		5		-
Net remeasurement of loss allowance		(4,826)		(2)		-		(4,828)		(4,666)		(37)		(5)		(4,708)
Loan originations		6,411		- `		-		6,411		6,228		-		- ` `		6,228
Derecognitions and maturities		(1,497)		(42)		-		(1,539)		(1,488)		(40)		-		(1,528)
Provision for (recovery of) credit losses		44		-		-		44		(8)		-		-		(8)
Write-offs		-		-		-		-		-		-		-		-
Recoveries		-		-		-		-		-		-		-		-
Balance at end of period	\$	259	\$	-	\$	-	\$	259	\$	221	\$	-	\$	-	\$	221
Dublic contour and other financian																
Public sector and other financing	\$	57	\$		\$	-	\$	57	\$	40	\$		\$		\$	40
Balance at beginning of period Transfer in (out) to Stage 1	3	57	ф	-	Ф	-	Э	57	\$	40	\$	- (1)	Ф	-	Þ	40
Transfer in (out) to Stage 2		-		-		-		-		1		(1)		-		-
Transfer in (out) to Stage 3		-		-		-		-		-		-		-		-
Net remeasurement of loss allowance		(31)		-				(31)		- 21		- 1		-		- 22
Loan originations		(31)		-		-		(31)		41		- '		-		41
Derecognitions and maturities		(6)		-		(116)		(122)		(5)		-		-		(5)
Provision for (recovery of) credit losses		(37)				(116)		(153)	-	58		-				58
Write-offs		-		-		- (110)		- (100)		-		-		-		-
Recoveries		-		-		116		116		-		-		-		-
Balance at end of period	\$	20	\$	-	\$	-	\$	20	\$	98	\$	-	\$	-	\$	98
•	Ċ				_			-	Ľ		<u> </u>					
Total balance at end of period	\$	1,544	\$	188	\$	-	\$	1,732	\$	2,060	\$	297	\$	-	\$	2,357

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

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		2021			2020		
Modified Capital Disclosure Template	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Common Equity Tier 1 capital: instruments and reserves							
Directly issued qualifying common share capital	\$ 152,757 \$	152,757 \$	152,757	\$ 152,757 \$	152,757 \$	152,757 \$	152,757
Retained earnings	85,626	80,965	77,414	73,194	69,518	66,219	62,140
Accumulated other comprehensive income	2	(3)	-	-	-	-	-
Common Equity Tier 1 capital before regulatory adjustments	238,385	233,719	230,171	225,951	222,275	218,976	214,897
Total regulatory adjustments to Common Equity Tier 1	(11,869)	(12,979)	(15,320)	(6,592)	(8,003)	(7,981)	(11,498)
Adjustment under transitional basis	-	-	-	-	227	249	-
Common Equity Tier 1 capital (CET1)	226,516	220,740	214,851	219,359	214,499	209,495	203,399
Additional Tier 1 capital: instruments							
Directly issued qualifying Additional Tier 1 instruments	13.647	13.647	29,337	29,337	29.337	29.337	29,337
Tier 1 capital (T1 = CET1 + AT1)	240,163	234,387	244,188	248,696	243,836	238,832	232,736
Tier 2 capital: instruments and allowances							
Directly issued capital instruments subject to phase out from Tier 2	98,375	97.138	5,000	5,000	5,000	5,000	5,000
Tier 2 capital before regulatory adjustments	98,375	97,138	5,000	5,000	5,000	5,000	5,000
Total regulatory adjustments to Tier 2 capital	-	-	-	-	-	-	-
Eligible stage 1 and stage 2 allowance amounts	1.732	1.636	1,832	1.775	2,130	2,152	-
Tier 2 capital (T2)	100,107	98,774	6,832	6,775	7,130	7,152	5,000
Total regulatory capital (TC = T1 + T2)	\$ 340,270 \$	333,161 \$	251,020	\$ 255,471 \$	250,966 \$	245,984 \$	237,736
Total risk-weighted assets	\$ 1,897,695 \$	1,763,424 \$	1,721,935	\$ 1,580,939 \$	1,518,918 \$	1,551,796 \$	1,558,070
Capital ratios							
Common Equity Tier 1 (as a % of risk-weighted assets)	11.94%	12.52%	12.48%	13.88%	14.12%	13.50%	13.05%
Tier 1 (as a % of risk-weighted assets)	12.66%	13.29%	14.18%	15.73%	16.05%	15.39%	14.94%
Total regulatory capital (as a % of risk-weighted assets)	17.93%	18.89%	14.58%	16.16%	16.52%	15.85%	15.26%
	17.9370	10.0970	14.30 /0	10.1070	10.5270	13.03 //	15.2070
Basel III minimums							
Common Equity Tier 1 capital target ratio	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Tier 1 capital target ratio	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
Total regulatory capital target ratio	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%

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

	-		2021			2020		
	Q	3	Q2	Q1	Q4	Q3	Q2	Q1
On-Balance Sheet Exposures								
On-balance sheet assets	\$ 2	,285,771 \$	2,139,757	2,044,976	\$ 1,943,885 \$	1,930,256 \$	1,966,369 \$	1,854,765
Asset amounts adjusted in determining Basel III Tier 1 Captial		(11,869)	(12,979)	(15,320)	(6,592)	(8,003)	(9,481)	(11,498)
Adjustment under transitional basis		-	-	-	-	227	249	-
Total on-balance sheet exposures	2,	,273,902	2,126,778	2,029,656	1,937,293	1,922,480	1,956,888	1,843,267
Other Off-Balance Sheet Exposures								
Off-balance sheet exposure at gross notional amount	\$	331,504 \$	309,763	318,977	\$ 289,008 \$	308,061 \$	332,385 \$	312,160
Adjustments for conversion to credit equivalent amounts		(200,446)	(196,623)	(207,253)	(186,524)	(197,874)	(209,104)	(192,338
Off-balance sheet items		131,058	113,140	111,724	102,484	110,187	123,281	119,822
Capital and Total Exposures								
Tier 1 capital		240,163	234,388	244,188	248,696	243,609	238,832	232,736
Total exposures	2,	,404,960	2,239,918	2,141,380	2,039,777	2,032,440	2,080,169	1,963,089
Leverage Ratios								
Basel III leverage ratio		9.99%	10.46%	11.40%	12.19%	11.99%	11.48%	11.86%