



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.

**VERSABANK
HIGHLIGHTS
(unaudited)
(\$CAD thousands)**

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	QUARTER							9 MONTHS ENDED		YEAR ENDED		
	2021			2020				2021	2020	2020	2019	2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3			
Results of Operations												
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
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	\$ 4,369	\$ 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	\$ 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	0.00%	0.00%	0.00%	0.00%	0.43%	0.41%	0.38%	0.00%	0.43%	0.00%	0.39%	0.04%
Net impaired loans	\$ (1,732)	\$ (1,636)	\$ (1,832)	\$ (1,775)	\$ 4,321	\$ 4,052	\$ 4,463	\$ (1,732)	\$ 4,321	\$ (1,775)	\$ 4,163	\$ (2,132)
Provision (recovery) for credit losses as a % of average loans	0.02%	(0.07)%	0.01%	(0.14)%	(0.01)%	0.12%	(0.01)%	(0.01)%	0.02%	(0.02)%	(0.02)%	0.02%
Financial Position												
Cash and securities	\$ 297,005	\$ 272,428	\$ 212,016	\$ 257,644	\$ 353,794	\$ 340,326	\$ 134,253	\$ 297,005	\$ 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%	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	2,139,757	2,044,976	1,943,885	1,930,256	1,966,369	1,854,765	2,285,771	1,930,256	1,943,885	1,785,381	1,809,130
Average assets	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	1,767,089
Deposits	1,817,746	1,679,273	1,664,694	1,567,570	1,565,334	1,591,732	1,454,979	1,817,746	1,565,334	1,567,570	1,399,889	1,437,431
Subordinated notes payable	95,683	94,392	4,891	4,889	4,887	4,885	4,883	95,683	4,887	4,889	4,881	9,844
Shareholders' equity	252,032	247,366	259,508	255,288	251,612	248,313	244,234	252,032	251,612	255,288	240,163	223,567

(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.

VERSABANK
NET INCOME
(unaudited)
(\$CAD thousands except per share amounts)

	QUARTER								9 MONTHS ENDED		YEAR ENDED		
	2021			2020				2021	2020	2020	2019	2018	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3				
Interest Income													
Loans	\$ 22,078	\$ 21,301	\$ 21,086	\$ 20,536	\$ 19,484	\$ 21,938	\$ 21,274	\$ 64,465	62,696	\$ 83,232	\$ 84,875	\$ 78,509	
Cash and Securities	322	348	429	532	688	750	892	1,099	2,330	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%	
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 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	
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:													
Basic	\$ 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	\$ 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													
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	

(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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	QUARTER							9 MONTHS ENDED		YEAR ENDED		
	2021			2020				2021	2020	2020		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3	2020	2019	2018
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
Net Interest Income (NII)	14,542	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	1,048	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	\$ 15,729	\$ 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 MONTHS ENDED		YEAR ENDED		
	2021			2020				2021	2020	2020		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3	2020	2019	2018
Average loans	\$ 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	\$ 1,575,942
Average total assets	\$ 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	\$ 1,767,089

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

	QUARTER							9 MONTHS ENDED		YEAR ENDED		
	2021			2020				2021	2020	2020	2019	2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3			
Salaries and Employee Benefits												
Salaries	\$ 3,861	\$ 3,986	\$ 4,182	\$ 3,679	\$ 3,124	\$ 3,086	\$ 3,184	\$ 12,029	\$ 9,394	\$ 13,073	\$ 12,658	\$ 11,972
Employee benefits	992	967	848	1,489	835	812	755	2,807	2,402	3,891	2,516	2,365
Total	4,853	4,953	5,030	5,168	3,959	3,898	3,939	14,836	11,796	16,964	15,174	14,337
Premises												
Rent	185	222	189	132	132	131	143	596	406	538	520	716
Depreciation	452	494	327	201	193	193	182	1,273	568	769	721	623
Other	296	290	202	297	273	309	270	788	852	1,149	1,189	965
Total	933	1,006	718	630	598	633	595	2,657	1,826	2,456	2,430	2,304
General and administrative												
Capital taxes and other assessments	832	602	491	372	361	450	462	1,925	1,273	1,645	1,933	3,101
Insurance	168	175	141	159	119	127	121	484	367	526	494	484
Listing, sustaining and annual meeting fees	154	112	72	61	68	66	86	338	220	281	287	266
Marketing and business development	164	152	121	89	65	76	61	437	202	291	309	351
Professional fees and consulting services	476	497	514	620	550	764	492	1,487	1,806	2,426	2,013	1,759
Other	620	845	1,000	664	690	885	949	2,465	2,524	3,188	3,756	3,736
Total	2,414	2,383	2,339	1,965	1,853	2,368	2,171	7,136	6,392	8,357	8,792	9,697
Restructuring charges	-	-	-	-	-	-	-	-	-	-	-	-
Total 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

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

	QUARTER								YEAR ENDED		
	2021			2020					2020	2019	2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1				
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	-	-	-	-	-	-	-	-	10,061	10,017	
Total	297,005	272,428	212,016	257,644	353,794	340,326	134,253	257,644	149,206	139,798	
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	
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	
Subordinated notes payable	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	2	(3)	-	-	-	-	-	-	-	-	
Total	252,032	247,366	259,508	255,288	251,612	248,313	244,234	255,288	240,163	223,567	
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)

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	QUARTER								YEAR ENDED		
	2021			2020					2020	2019	2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1				
Gross impaired loans											
Commercial real estate mortgages	\$ -	\$ -	\$ -	\$ -	\$ 6,678	\$ 6,453	\$ 6,374	\$ -	\$ 6,282	\$ -	
Commercial real estate loans	-	-	-	-	-	-	-	-	-	-	
Point of sale loans and leases	-	-	-	-	-	-	-	-	-	-	
Public sector and other financing	-	-	-	-	-	-	-	-	-	627	
Total gross impaired loans	\$ -	\$ -	\$ -	\$ -	\$ 6,678	\$ 6,453	\$ 6,374	\$ -	\$ 6,282	\$ 627	
Allowance for credit losses											
Individual allowance - based on IAS 39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400	
Collective allowance - based on IAS 39	-	-	-	-	-	-	-	-	-	2,359	
Allowance for credit losses under IFRS 9	1,732	1,636	1,832	1,775	2,357	2,401	1,911	1,775	2,119	-	
Total allowance for credit losses	\$ 1,732	\$ 1,636	\$ 1,832	\$ 1,775	\$ 2,357	\$ 2,401	\$ 1,911	\$ 1,775	\$ 2,119	\$ 2,759	
Reconciliation of allowance for credit losses											
Balance, beginning of period	\$ 1,636	\$ 1,832	\$ 1,775	\$ 2,357	\$ 2,401	\$ 1,911	\$ 2,119	\$ 2,119	\$ 2,759	\$ 2,425	
IFRS 9 transition	-	-	-	-	-	-	-	-	(106)	-	
Provision (recoveries) for credit losses	96	(312)	57	(582)	(44)	490	(208)	(344)	(298)	334	
Recoveries (write-offs)	-	116	-	-	-	-	-	-	(236)	-	
Balance, end of period	\$ 1,732	\$ 1,636	\$ 1,832	\$ 1,775	\$ 2,357	\$ 2,401	\$ 1,911	\$ 1,775	\$ 2,119	\$ 2,759	
Total net impaired loans	\$ (1,732)	\$ (1,636)	\$ (1,832)	\$ (1,775)	\$ 4,321	\$ 4,052	\$ 4,463	\$ (1,775)	\$ 4,163	\$ (2,132)	
Total loans	\$ 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	
Gross impaired loans as a % of total loans	0.00%	0.00%	0.00%	0.00%	0.43%	0.41%	0.38%	0.00%	0.39%	0.04%	
Provision (recovery) for credit losses as a % of average loans	0.02%	(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 July 31, 2021
(unaudited)
(\$CAD thousands)

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	As at July 31, 2021				As at July 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Commercial real estate mortgages								
Balance at beginning of period	\$ 1,079	\$ 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
Commercial real estate loans								
Balance at beginning of period	\$ 49	\$ -	\$ -	\$ 49	\$ 132	\$ -	\$ -	\$ 132
Transfer in (out) to Stage 1	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 2	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	3	-	-	3	40	-	-	40
Loan originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	3	-	-	3	40	-	-	40
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 52	\$ -	\$ -	\$ 52	\$ 172	\$ -	\$ -	\$ 172
Point of sale loans and leases								
Balance at beginning of period	\$ 238	\$ -	\$ -	\$ 238	\$ 296	\$ -	\$ -	\$ 296
Transfer in (out) to Stage 1	34	(34)	-	-	45	(45)	-	-
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	-	-	1,220
Derecognitions and maturities	(452)	(13)	-	(465)	(556)	(21)	-	(577)
Provision for (recovery of) credit losses	21	-	-	21	(75)	-	-	(75)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 259	\$ -	\$ -	\$ 259	\$ 221	\$ -	\$ -	\$ 221
Public sector and other financing								
Balance at beginning of period	\$ 41	\$ -	\$ -	\$ 41	\$ 102	\$ 1	\$ -	\$ 103
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	(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	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 20	\$ -	\$ -	\$ 20	\$ 98	\$ -	\$ -	\$ 98
Total balance at end of period	\$ 1,544	\$ 188	\$ -	\$ 1,732	\$ 2,060	\$ 297	\$ -	\$ 2,357

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

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	As at July 31, 2021				As at July 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Commercial real estate mortgages								
Balance at beginning of period	\$ 1,174	\$ 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								
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	-	-	91
Loan originations	-	-	-	-	3	-	-	3
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	(85)	-	-	(85)	94	-	-	94
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 52	\$ -	\$ -	\$ 52	\$ 172	\$ -	\$ -	\$ 172
Point of sale loans and leases								
Balance at beginning of period	\$ 215	\$ -	\$ -	\$ 215	\$ 229	\$ -	\$ -	\$ 229
Transfer in (out) to Stage 1	75	(75)	-	-	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
Public sector and other financing								
Balance at beginning of period	\$ 57	\$ -	\$ -	\$ 57	\$ 40	\$ -	\$ -	\$ 40
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	(31)	-	-	(31)	21	1	-	22
Loan originations	-	-	-	-	41	-	-	41
Derecognitions and maturities	(6)	-	(116)	(122)	(5)	-	-	(5)
Provision for (recovery of) credit losses	(37)	-	(116)	(153)	58	-	-	58
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	116	116	-	-	-	-
Balance at end of period	\$ 20	\$ -	\$ -	\$ 20	\$ 98	\$ -	\$ -	\$ 98
Total balance at end of period	\$ 1,544	\$ 188	\$ -	\$ 1,732	\$ 2,060	\$ 297	\$ -	\$ 2,357

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

	2021			2020			
	Q3	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 Capital	(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%