



# VersaBank

Choice Through Innovation

**2022 Annual General Meeting**

April 20, 2022

**Banking on the Future!**



Versa**Bank**

Choice Through Innovation

**Hon. Thomas A. Hockin**

Chair

# Board of Directors

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**Honourable Thomas A. Hockin**

Chairman

**Gabrielle Bochynek**

Director

**Robbert-Jan Brabander**

Director

**David Bratton**

Director

**R.W. (Dick) Carter**

Director

**Peter Irwin**

Director

**Art Linton**

Director

**Susan McGovern**

Director

**Paul Oliver**

Director

**David Taylor**

President & CEO

# Senior Management

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## Officers of the Bank:

### **Shawn Clarke**

Chief Financial Officer

### **Michael Dixon**

SVP, Point-of-Sale Financing

### **Ross Duggan**

SVP, Commercial Lending

### **Nick Kristo**

Chief Credit Officer

### **Tammie Ashton**

Chief Risk Officer

### **Garry Clement**

Chief Anti-Money Laundering Officer

### **Barbara Hale**

Vice-President, Anti-Money Laundering  
Compliance

### **Brent Hodge**

General Counsel & Corporate Secretary

### **Joanne Johnston**

Chief Internal Auditor

### **Wooi Koay**

Vice President, Information Technology

### **Nancy McCutcheon**

Vice President, TIB Business Development

### **Andy Min**

Vice President, Finance & Corporate Accounting

### **Dylan Steuart**

Treasurer

### **Barbara Todres**

Vice President, Deposit Services

### **Steve Creery**

Vice President, Credit

### **Saad Inam**

Vice President, Credit

### **Scott Mizzen**

Vice President, Commercial Lending

### **David Thoms**

Vice President, Structured Finance

### **Terri Wilson**

Vice President, Investment & Risk Control

## Additional Senior Management:

### **Jon Taylor**

Chief Human Resources Executive

### **Lawrence Chamberlain**

Director of Investor Relations

### **Tel Matrundola**

Chief Strategist

### **Gurpreet Sahota**

Chief Architect, Cyber-Security





# Appointment of Auditors



# Director Nominees

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- Honourable Thomas A. Hockin
- David Taylor
- Gabrielle Bochynek
- Robbert-Jan Brabander
- David Bratton
- R.W. (Dick) Carter
- Peter Irwin
- Art Linton
- Susan McGovern
- Paul Oliver



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## David Taylor

President & CEO

The Bank occasionally makes forward-looking statements about its objectives, operations and targeted financial results. These statements may be written or verbal and may be included in such things as press releases, corporate presentations, annual reports and other disclosure documents and communications. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. A number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, the strength of the Canadian economy in general and the strength of the local economies within Canada in which the Bank conducts operations; the effects of changes in monetary and fiscal policy, including changes in interest rate policies of the Bank of Canada; global commodity prices; the effects of competition in the markets in which the Bank operates; inflation; capital market fluctuations; the timely development and introduction of new products in receptive markets; the impact of changes in the laws and regulations regulating financial services; changes in tax laws; technological changes; unexpected judicial or regulatory proceedings; unexpected changes in consumer spending and savings habits; the impact of the COVID-19 pandemic and the Bank's anticipation of and success in managing the risks implicated by the foregoing. When relying on forward-looking statements to make decisions, investors and others should carefully consider these factors and other uncertainties or potential events. For a detailed discussion of certain key factors that may affect our future results, please see our annual MD&A for the year ended October 31, 2021 and quarter ended January 31, 2022. The Bank makes no undertaking to update any forward-looking statement that is made from time to time by the Bank.

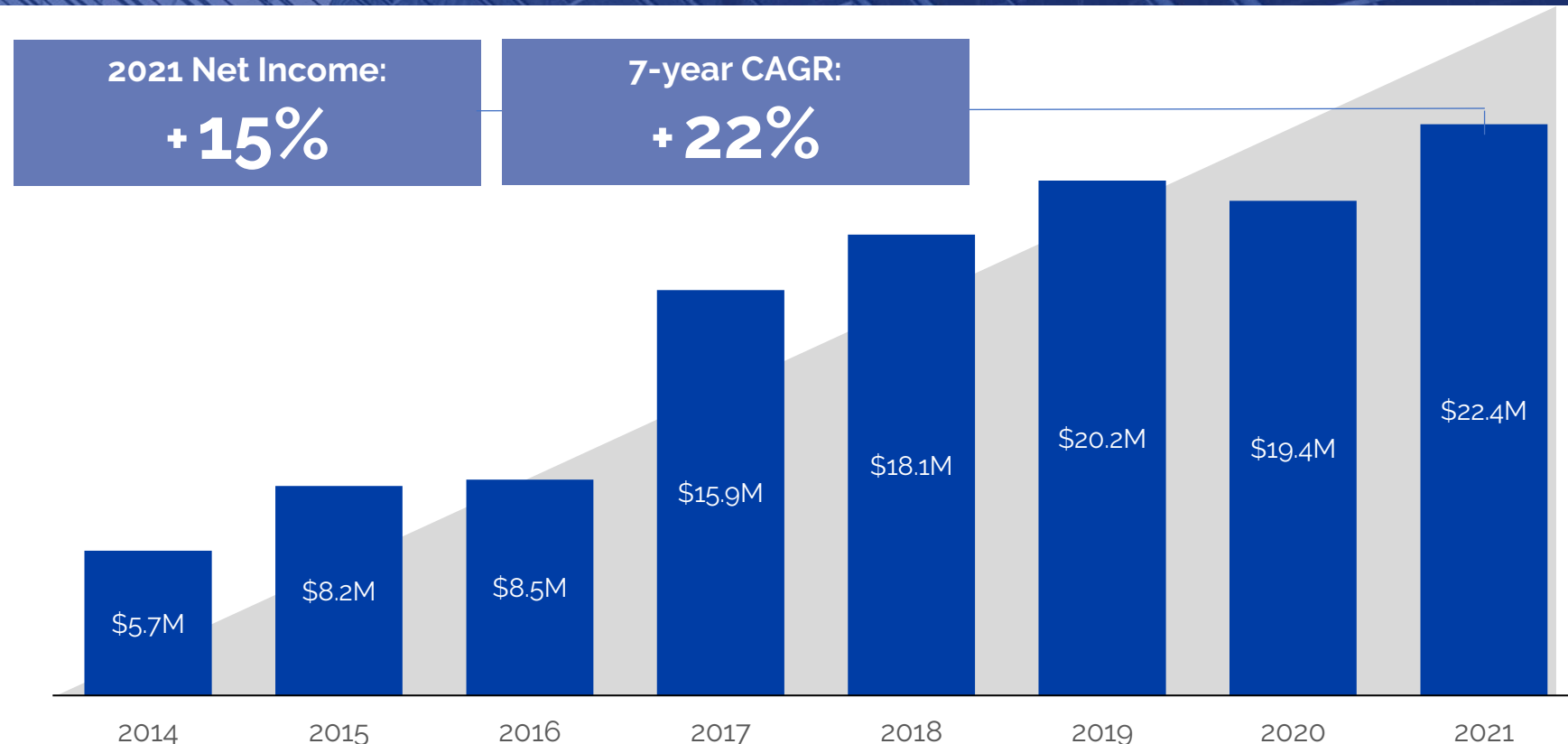
# 2021: Momentum in Loan Growth and Profitability

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**Record Loan  
Portfolio:  
\$2.1B**

Point-of-Sale  
Portfolio:  
Up 30% vs 2020

Commercial Real  
Estate Portfolio:  
Up 22% vs 2020



Note: 2017 core EPS excludes deferred tax benefit impact of \$3.6M



# Re-Launch of Indigenous & Remote Community Lending Program



Arviat Health Centre (Nunavut)



Five Nations Energy (Northern Ontario)



# Q1 2022: Continued Strong Financial Performance

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## Income Statement

	3 Months Ended January 31		
	2022	2021	Change
Total Revenue	\$18.3M	\$15.4M	+18%
Cost of Funds	1.29%	1.42%	-13 bps
Net Interest Margin	2.77%	2.86%	-9 bps
Net Income	\$5.6 M	\$5.3M	+5%
Basic and Diluted Net Income per Common Share	\$0.19	\$0.22	-14%

## Balance Sheet

	At January 31		
	2022	2021	Change
Total Assets	\$2.42 B	\$2.04 B	+18%
Book Value per Common Share	\$11.78	\$10.90	+8%
CET1 Ratio	14.83%	12.48%	+235bps
Leverage Ratio	12.69%	11.40%	+129bps

Continued strong year-over-year growth across all key performance metrics



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**April 2021:**

**Completed US\$75 Million In Fixed To Floating  
Rate Subordinated Notes Due 2031**

**Received Investment Grade Credit Ratings:  
“A” Overall and “A-” Sub-Debt Ratings**

**October 2021:**

**Completed US IPO for total net cash proceeds  
of CA\$73.2 million**

**Listed on Nasdaq: VBNK**

**VBNK | Nasdaq Listed**



# U.S. Point-of-Sale Financing: A Largely Untapped Opportunity

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## A New Financing Solution for U.S. Point-of-Sale Providers

**\$1.8T**

Estimated size of the total point-of-sale market in the near term, driven primarily by technological evolution and increased consumer demand for non-credit card financing options <sup>(1)</sup>

**20%**

Growth per year of the U.S. point-of-sale financing market <sup>(2)</sup>

**75%**

Of consumers claim to be more likely to make a purchase if simple and seamless POS lending solutions were available; however, only 44% of consumers surveyed claim to have been offered POS financing when making a purchase <sup>(3)</sup>

(1) Filene Research Institute: "Blue Ocean Lending for Credit Unions: Point of Sale Financing" (05.19.15); (2) Skeps – "POS Financing Competition is Growing" (10.08.20); (3) The Financial Brand – "Growth of POS financing is Both a Threat and Opportunity in Retail Banking" (07.29.19)

## Supporting an Emerging, High-Growth Industry

With a massive millennial consumer base and an impressive suite of digital offerings, **fintechs are best positioned to leverage POS financing** (online "buy now, pay later")



Entered into agreement with first U.S. Point-of-Sale partner in March



# Revolutionary Digital Deposit Receipts: Opportunity for Exponential Deposit Growth

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 CAD

 USD

Based on VersaBank's proprietary  
banking software and VersaVault  
Cybersecurity technology

 EUR

 GBP

## Addressing the Critical Security and Value Certainty Shortcomings of Current Stablecoins

- Represented 1:1 by Canadian-dollar deposits
- Highest level of stability and security amongst all digital currencies
- Addresses key concerns of global regulators
- Commercial launch in partnership with Stablecorp
- Launch targeted for the coming months: Plans to add other digital currencies in the future

Recognition by Bank of Canada of the role of stablecoins and  
the value of the regulated issuance of such by banks



Building a  
**comprehensive suite  
of innovative cyber  
security solutions**  
that address  
**high-demand,  
underserved segments  
of this rapidly growing  
market**





# Our Time Has Arrived!



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