



Supplemental Financial Information

For the quarter ended April 30, 2023
(unaudited)

Page

1	Highlights
2	Net Income
3	Net Interest Income, Non-Interest Income and Total Revenue
4	Non-Interest Expenses
5	Operating Segments
6	Operating Segments for the Year to Date
7	Balance Sheet
8	Allowance for Credit Losses
9	Allowance for Credit Losses By Lending Assets
10	Allowance for Credit Losses By Lending Assets for the Year to Date
11	Basel III Disclosure
12	Leverage Ratio Disclosure

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 2022 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)**

Page 1

	QUARTER						6 MONTHS ENDED		YEAR ENDED		
	2023		2022				2023	2022	2022	2021	2020
	Q2	Q1	Q4	Q3	Q2	Q1	Q2	Q2			
Results of Operations											
Interest income	\$ 53,595	\$ 49,561	\$ 42,072	\$ 34,177	\$ 25,848	\$ 24,720	\$ 103,156	\$ 50,568	\$ 126,817	\$ 89,488	\$ 86,094
Net interest income	24,609	24,274	22,477	20,062	17,242	16,885	48,883	34,127	76,666	60,157	54,125
Non-interest income ⁽¹⁾	2,076	1,644	1,775	1,177	1,393	1,381	3,720	2,774	5,726	5,200	60
Total revenue	26,685	25,918	24,252	21,239	18,635	18,266	52,603	36,901	82,392	65,357	54,185
Provision for (recovery of) credit losses	237	385	205	166	78	2	622	80	451	(438)	(344)
Non-interest expenses	12,726	12,335	13,774	13,216	11,767	10,636	25,061	22,403	49,393	35,006	27,777
Net income before income tax	13,722	13,198	10,273	7,857	6,790	7,628	26,920	14,418	32,548	30,789	26,752
Tax provision	3,459	3,781	3,844	2,137	1,847	2,062	7,240	3,909	9,890	8,409	7,347
Net income	\$ 10,263	\$ 9,417	\$ 6,429	\$ 5,720	\$ 4,943	\$ 5,566	\$ 19,680	\$ 10,509	\$ 22,658	\$ 22,380	\$ 19,405
Per Common Share (\$'s)											
Basic earnings per share	0.38	0.34	0.23	0.20	0.17	0.19	0.72	0.36	0.79	0.96	0.82
Diluted earnings per share	0.38	0.34	0.23	0.20	0.17	0.19	0.72	0.36	0.79	0.96	0.82
Return on average common equity	12.07%	10.79%	7.32%	6.57%	5.92%	6.58%	11.38%	6.25%	6.61%	8.45%	7.89%
Book value/share	13.19	12.77	12.37	12.14	11.94	11.78	13.19	11.94	12.37	11.61	10.70
Closing market price (common share)	9.92	10.44	9.29	9.42	13.02	14.74	9.92	13.02	9.29	14.78	6.59
Weighted average number of common shares	26,171	27,025	27,379	27,441	27,441	27,441	26,605	27,441	27,425	21,753	21,124
Number of common shares outstanding at period end	26,004	26,423	27,245	27,441	27,441	27,441	26,004	27,441	27,245	27,441	21,124
Total market value of common shares	257,960	275,856	253,106	258,494	357,282	404,480	257,960	357,282	253,106	405,578	139,207
Financial Ratios											
Yield	6.05%	5.78%	5.26%	4.70%	4.15%	4.06%	5.95%	3.99%	4.47%	4.11%	4.62%
Cost of funds	3.27%	2.95%	2.45%	1.94%	1.38%	1.29%	3.13%	1.30%	1.77%	1.35%	1.71%
Net interest income (%)	2.78%	2.83%	2.81%	2.76%	2.77%	2.77%	2.82%	2.69%	2.70%	2.76%	2.90%
Net interest income on loans (%)	2.99%	3.03%	3.03%	3.07%	3.11%	3.23%	3.02%	3.14%	3.08%	3.35%	3.41%
Non-interest expenses to average total assets (annualized)	1.44%	1.44%	1.72%	1.82%	1.89%	1.75%	1.44%	1.77%	1.74%	1.61%	1.49%
Efficiency ratio	47.69%	47.59%	56.80%	62.23%	63.14%	58.23%	47.64%	60.71%	59.95%	53.56%	51.26%
Efficiency ratio - Digital Banking	43.49%	42.22%	50.99%	57.05%	58.17%	56.28%	42.86%	57.30%	55.38%	51.69%	49.44%
Number of full time equivalent staff at period end	173	168	160	154	152	145	173	152	160	145	98
Assets to full time employee	\$ 21,595	\$ 21,060	\$ 20,400	\$ 19,996	\$ 17,758	\$ 16,704	\$ 21,595	\$ 17,758	\$ 20,400	\$ 16,656	\$ 19,836
Credit Quality											
Provision (recovery) for credit losses as a % of average loans	0.03%	0.05%	0.03%	0.03%	0.01%	0.00%	0.04%	0.01%	0.02%	(0.02%)	(0.02%)
Financial Position											
Cash and securities	\$ 263,313	\$ 251,219	\$ 230,145	\$ 217,896	\$ 198,157	\$ 155,239	\$ 263,313	\$ 198,157	\$ 230,145	\$ 271,523	\$ 257,644
Cash and securities to total assets (%)	7.06%	7.11%	7.05%	7.09%	7.36%	6.43%	7.06%	7.36%	7.05%	11.24%	13.25%
Total loans	3,419,455	3,235,083	2,992,678	2,814,121	2,450,276	2,215,638	3,419,455	2,450,276	2,992,678	2,103,050	1,654,910
Mortgages and loans to total assets (%)	91.69%	91.60%	91.63%	91.51%	91.02%	91.73%	91.69%	91.02%	91.63%	87.08%	85.13%
Total assets	3,729,393	3,531,690	3,265,998	3,075,343	2,692,146	2,415,346	3,729,393	2,692,146	3,265,998	2,415,086	1,943,885
Average assets	3,630,542	3,398,844	3,170,671	2,883,745	2,553,746	2,415,216	3,497,696	2,553,616	2,840,542	2,179,486	1,864,633
Deposits	3,108,218	2,925,452	2,657,540	2,475,063	2,124,916	1,847,003	3,108,218	2,124,916	2,657,540	1,853,204	1,567,570
Subordinated notes payable	104,532	102,765	104,951	98,706	98,410	97,726	104,532	98,410	104,951	95,272	4,889
Shareholders' equity	356,519	351,177	350,675	346,648	341,414	336,951	356,519	341,414	350,675	332,106	255,288

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

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

Page 2

	QUARTER						6 MONTHS ENDED		YEAR ENDED			
	2023		2022				2023	2022	2022	2021	2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q2	Q2				
Interest Income												
Loans	\$ 50,704	\$ 46,855	\$ 40,039	\$ 33,165	\$ 25,472	\$ 24,514	\$ 97,559	49,986	\$ 123,190	\$ 88,055	\$ 83,232	
Cash and Securities	2,891	2,706	2,033	1,012	376	206	5,597	582	3,627	1,433	2,862	
Total interest income	53,595	49,561	42,072	34,177	25,848	24,720	103,156	50,568	126,817	89,488	86,094	
Yield %	6.05%	5.78%	5.26%	4.70%	4.15%	4.06%	5.95%	3.99%	4.47%	4.11%	4.62%	
Interest Expense												
Deposits and other	27,534	23,841	18,165	12,727	7,239	6,469	51,375	13,708	44,600	26,446	31,461	
Notes	1,452	1,446	1,430	1,388	1,367	1,366	2,898	2,733	5,551	2,885	508	
Total interest expense	28,986	25,287	19,595	14,115	8,606	7,835	54,273	16,441	50,151	29,331	31,969	
Cost of funds %	3.27%	2.95%	2.45%	1.94%	1.38%	1.29%	3.13%	1.30%	1.77%	1.35%	1.71%	
Net interest income	24,609	24,274	22,477	20,062	17,242	16,885	48,883	34,127	76,666	60,157	54,125	
Spread %	2.78%	2.83%	2.81%	2.76%	2.77%	2.77%	2.82%	2.69%	2.70%	2.76%	2.90%	
Non-interest income (loss)												
IT security services ⁽¹⁾	1,954	1,642	1,737	1,165	1,392	1,381	3,596	2,773	5,675	5,260	-	
Other	122	2	38	12	1	0	124	1	51	(60)	60	
Total non-interest income (loss)	2,076	1,644	1,775	1,177	1,393	1,381	3,720	2,774	5,726	5,200	60	
Total revenue	26,685	25,918	24,252	21,239	18,635	18,266	52,603	36,901	82,392	65,357	54,185	
Provision for credit losses (recovery)	237	385	205	166	78	2	622	80	451	(438)	(344)	
	26,448	25,533	24,047	21,073	18,557	18,264	51,981	36,821	81,941	65,795	54,529	
Non-interest expenses	12,726	12,335	13,774	13,216	11,767	10,636	25,061	22,403	49,393	35,006	27,777	
Net income before taxes	13,722	13,198	10,273	7,857	6,790	7,628	26,920	14,418	32,548	30,789	26,752	
Tax provision	3,459	3,781	3,844	2,137	1,847	2,062	7,240	3,909	9,890	8,409	7,347	
Net income	\$ 10,263	\$ 9,417	\$ 6,429	\$ 5,720	\$ 4,943	\$ 5,566	\$ 19,680	\$ 10,509	\$ 22,658	\$ 22,380	\$ 19,405	
Earnings per common share:												
Basic	\$ 0.38	\$ 0.34	\$ 0.23	\$ 0.20	\$ 0.17	\$ 0.19	\$ 0.72	\$ 0.36	\$ 0.79	\$ 0.96	\$ 0.82	
Diluted	\$ 0.38	\$ 0.34	\$ 0.23	\$ 0.20	\$ 0.17	\$ 0.19	\$ 0.72	\$ 0.36	\$ 0.79	\$ 0.96	\$ 0.82	
Comprehensive Income												
Net income	\$ 10,263	\$ 9,417	\$ 6,429	\$ 5,720	\$ 4,943	\$ 5,566	\$ 19,680	\$ 10,509	\$ 22,658	\$ 22,380	\$ 19,405	
Other comprehensive income (loss), net of tax												
Net unrealized gains (losses) on fair value through OCI assets	22	(27)	36	24	30	17	(5)	47	107	(4)	-	
	22	(27)	36	24	30	17	(5)	47	107	(4)	-	
Total comprehensive income	\$ 10,285	\$ 9,390	\$ 6,465	\$ 5,744	\$ 4,973	\$ 5,583	\$ 19,675	\$ 10,556	\$ 22,765	\$ 22,376	\$ 19,405	

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

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

	QUARTER						6 MONTHS ENDED		YEAR ENDED		
	2023		2022				2023	2022			
	Q2	Q1	Q4	Q3	Q2	Q1	Q2	Q2	2022	2021	2020
Net Interest Income	\$ 24,609	\$ 24,274	\$ 22,477	\$ 20,062	\$ 17,242	\$ 16,885	\$ 48,883	\$ 34,127	\$ 76,666	\$ 60,157	\$ 54,125
Net Interest Income (NII)	24,609	24,274	22,477	20,062	17,242	16,885	48,883	34,127	76,666	60,157	54,125
Other income	2,076	1,644	1,775	1,177	1,393	1,381	3,720	2,774	5,726	5,200	60
Total non-interest income	2,076	1,644	1,775	1,177	1,393	1,381	3,720	2,774	5,726	5,200	60
Total revenue	\$ 26,685	\$ 25,918	\$ 24,252	\$ 21,239	\$ 18,635	\$ 18,266	\$ 52,603	\$ 36,901	\$ 82,392	\$ 65,357	\$ 54,185
Non-interest income as a % of total revenue	7.78%	6.34%	7.32%	5.54%	7.48%	7.56%	7.07%	7.52%	6.95%	7.96%	0.11%
Net interest income per average assets	2.78%	2.83%	2.81%	2.76%	2.77%	2.77%	2.82%	2.69%	2.70%	2.76%	2.90%

(unaudited)
(\$CAD thousands)

	QUARTER						6 MONTHS ENDED		YEAR ENDED		
	2023		2022				2023	2022			
	Q2	Q1	Q4	Q3	Q2	Q1	Q2	Q2	2022	2021	2020
Average loans	\$ 3,327,269	\$ 3,113,881	\$ 2,903,400	\$ 2,632,199	\$ 2,332,957	\$ 2,159,344	\$ 3,206,067	\$ 2,276,663	\$ 2,547,864	\$ 1,878,980	\$ 1,624,599
Average total assets	\$ 3,630,542	\$ 3,398,844	\$ 3,170,671	\$ 2,883,745	\$ 2,553,746	\$ 2,415,216	\$ 3,497,696	\$ 2,553,616	\$ 2,840,542	\$ 2,179,486	\$ 1,864,633

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

	QUARTER						6 MONTHS ENDED		YEAR ENDED		
	2023		2022				2023	2022			
	Q2	Q1	Q4	Q3	Q2	Q1	Q2	Q2	2022	2021	2020
Salaries and Employee Benefits											
Salaries	\$ 7,053	\$ 6,772	\$ 6,400	\$ 4,397	\$ 5,571	\$ 4,757	\$ 13,825	\$ 10,328	\$ 21,125	\$ 16,110	\$ 13,073
Employee benefits	1,376	1,485	819	2,371	1,155	1,326	2,861	2,481	5,671	4,133	3,891
Total	8,429	8,257	7,219	6,768	6,726	6,083	16,686	12,809	26,796	20,243	16,964
General and administrative											
Capital taxes and other assessments	4	(46)	1,003	667	640	640	(42)	1,281	2,950	2,555	1,645
Insurance	538	547	556	1,067	1,075	1,061	1,085	2,136	3,759	1,050	526
Listing, sustaining and annual meeting fees	155	166	87	102	67	111	321	178	367	381	281
Marketing and business development	194	270	176	224	242	138	464	380	780	570	291
Professional fees and consulting services	1,680	1,059	2,202	2,239	868	494	2,739	1,362	5,803	2,331	2,426
Other	745	1,130	1,546	1,220	1,127	1,180	1,875	2,306	5,073	4,222	3,188
Total	3,316	3,126	5,570	5,519	4,019	3,624	6,442	7,643	18,732	11,110	8,357
Premises											
Rent	167	168	164	176	177	178	335	355	695	765	538
Depreciation	360	377	416	368	393	400	737	793	1,577	1,729	769
Other	454	407	405	385	452	351	861	803	1,593	1,159	1,149
Total	981	952	985	929	1,022	929	1,933	1,951	3,865	3,653	2,456
Total non-interest expenses	\$ 12,726	\$ 12,335	\$ 13,774	\$ 13,216	\$ 11,767	\$ 10,636	\$ 25,061	\$ 22,403	\$ 49,393	\$ 35,006	\$ 27,777

VERSABANK
OPERATING SEGMENTS
Quarter ended April 30, 2023
(unaudited)
(\$CAD thousands)

Page 5

	April 30, 2023				April 30, 2022			
	Digital Banking	DRTC	Eliminations/ Adjustments	Consolidated	Digital Banking	DRTC	Eliminations/ Adjustments	Consolidated
Net interest income	\$ 24,609	\$ -	\$ -	\$ 24,609	\$ 17,242	\$ -	\$ -	\$ 17,242
Non-interest income	122	2,146	(192)	2,076	1	1,434	(42)	1,393
Total revenue	24,731	2,146	(192)	26,685	17,243	1,434	(42)	18,635
Provision for (recovery of) credit losses	237	-	-	237	78	-	-	78
	24,494	2,146	(192)	26,448	17,165	1,434	(42)	18,557
Non-interest expenses								
Salaries and benefits	6,930	1,499	-	8,429	5,586	1,140	-	6,726
General and administrative	3,131	377	(192)	3,316	3,761	300	(42)	4,019
Premises and equipment	612	369	-	981	659	363	-	1,022
	10,673	2,245	(192)	12,726	10,006	1,803	(42)	11,767
Income before income taxes	13,821	(99)	-	13,722	7,159	(369)	-	6,790
Income tax provision	3,991	(532)	-	3,459	1,744	103	-	1,847
Net income	\$ 9,830	\$ 433	\$ -	\$ 10,263	\$ 5,415	\$ (472)	\$ -	\$ 4,943
Total assets	\$ 3,719,592	\$ 25,559	\$ (15,758)	\$ 3,729,393	\$ 2,692,510	\$ 21,386	\$ (21,750)	\$ 2,692,146
Total liabilities	\$ 3,366,614	\$ 29,057	\$ (22,797)	\$ 3,372,874	\$ 2,347,610	\$ 23,727	\$ (20,605)	\$ 2,350,732

VERSABANK
OPERATING SEGMENTS
Year to Date ended April 30, 2023
(unaudited)
(\$CAD thousands)

Page 6

	April 30, 2023				April 30, 2022			
	Digital Banking	DRTC	Eliminations/ Adjustments	Consolidated	Digital Banking	DRTC	Eliminations/ Adjustments	Consolidated
Net interest income	\$ 48,883	\$ -	\$ -	\$ 48,883	\$ 34,127	\$ -	\$ -	\$ 34,127
Non-interest income	124	3,979	(383)	3,720	2	2,855	(83)	2,774
Total revenue	49,007	3,979	(383)	52,603	34,129	2,855	(83)	36,901
Provision for (recovery of) credit losses	622	-	-	622	80	-	-	80
	48,385	3,979	(383)	51,981	34,049	2,855	(83)	36,821
Non-interest expenses								
Salaries and benefits	13,614	3,072	-	16,686	11,025	1,784	-	12,809
General and administrative	5,993	832	(383)	6,442	7,243	483	(83)	7,643
Premises and equipment	1,235	698	-	1,933	1,241	710	-	1,951
	20,842	4,602	(383)	25,061	19,509	2,977	(83)	22,403
Income before income taxes	27,543	(623)	-	26,920	14,540	(122)	-	14,418
Income tax provision	7,780	(540)	-	7,240	3,706	203	-	3,909
Net income	\$ 19,763	\$ (83)	\$ -	\$ 19,680	\$ 10,834	\$ (325)	\$ -	\$ 10,509
Total assets	\$ 3,719,592	\$ 25,559	\$ (15,758)	\$ 3,729,393	\$ 2,692,510	\$ 21,386	\$ (21,750)	\$ 2,692,146
Total liabilities	\$ 3,366,614	\$ 29,057	\$ (22,797)	\$ 3,372,874	\$ 2,347,610	\$ 23,727	\$ (20,605)	\$ 2,350,732

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

Page 7

	QUARTER						YEAR ENDED		
	2023		2022				2022	2021	2020
	Q2	Q1	Q4	Q3	Q2	Q1			
Cash and cash equivalents	\$ 223,661	\$ 201,372	\$ 88,581	\$ 84,214	\$ 198,157	\$ 155,239	\$ 88,581	\$ 271,523	\$ 257,644
Securities	39,652	49,847	141,564	133,682	-	-	141,564	-	-
Total	263,313	251,219	230,145	217,896	198,157	155,239	230,145	271,523	257,644
Loans									
Point-of-sale loans and leases	2,538,917	2,414,266	2,220,894	1,998,993	1,610,336	1,439,781	2,220,894	1,279,576	980,677
Commerical real estate mortgages	807,828	752,138	710,369	755,042	782,274	722,829	710,369	757,576	606,299
Commerical real estate loans	11,996	12,811	13,165	13,510	14,065	14,600	13,165	26,569	25,574
Public sector and other financing	46,350	42,523	35,452	35,605	35,529	31,247	35,452	32,587	37,596
Allowance for credit losses	(2,526)	(2,289)	(1,904)	(1,699)	(1,533)	(1,455)	(1,904)	(1,453)	(1,775)
Accrued interest	16,890	15,634	14,702	12,670	9,605	8,636	14,702	8,195	6,539
Total	3,419,455	3,235,083	2,992,678	2,814,121	2,450,276	2,215,638	2,992,678	2,103,050	1,654,910
Other assets									
Capital assets	6,833	6,698	6,868	6,965	6,872	6,905	6,868	7,075	7,431
Goodwill	5,754	5,754	5,754	5,754	5,754	5,754	5,754	5,754	-
Intangible assets	10,275	9,627	9,363	9,356	9,151	8,934	9,363	7,848	1,936
Other assets	23,763	23,309	21,190	21,251	21,936	22,876	21,190	19,836	21,964
Total	46,625	45,388	43,175	43,326	43,713	44,469	43,175	40,513	31,331
Total assets	\$ 3,729,393	\$ 3,531,690	\$ 3,265,998	\$ 3,075,343	\$ 2,692,146	\$ 2,415,346	\$ 3,265,998	\$ 2,415,086	\$ 1,943,885
Deposits									
Demand	\$ 6,621	\$ 8,304	\$ 9,829	\$ 10,732	\$ 12,380	\$ 13,643	\$ 9,829	\$ 14,989	\$ 13,796
Trustee chequing accounts	500,148	512,683	498,049	499,124	484,261	473,369	498,049	480,562	440,219
Term (including accrued interest)	2,601,449	2,404,465	2,149,662	1,965,207	1,628,275	1,359,991	2,149,662	1,357,653	1,113,555
Total	3,108,218	2,925,452	2,657,540	2,475,063	2,124,916	1,847,003	2,657,540	1,853,204	1,567,570
Securitization liabilities	-	-	-	-	-	-	-	-	8,745
Other liabilities	160,124	152,296	152,832	154,926	127,406	133,666	152,832	134,504	107,393
Subordinated notes payable	104,532	102,765	104,951	98,706	98,410	97,726	104,951	95,272	4,889
Shareholders' equity									
Share capital	228,880	232,512	239,629	241,321	241,321	241,321	239,629	241,321	181,949
Contributed surplus	2,147	1,955	1,612	1,189	765	341	1,612	145	145
Retained earnings	125,398	116,638	109,335	104,071	99,285	95,276	109,335	90,644	73,194
Accumulated other comprehensive income	94	72	99	67	43	13	99	(4)	-
Total	356,519	351,177	350,675	346,648	341,414	336,951	350,675	332,106	255,288
Total liabilities and shareholders' equity	\$ 3,729,393	\$ 3,531,690	\$ 3,265,998	\$ 3,075,343	\$ 2,692,146	\$ 2,415,346	\$ 3,265,998	\$ 2,415,086	\$ 1,943,885

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

	QUARTER						YEAR ENDED			
	2023		2022				2022	2021	2020	
	Q2	Q1	Q4	Q3	Q2	Q1				
Allowance for credit losses										
Allowance for credit losses	\$ 2,526	\$ 2,289	\$ 1,904	\$ 1,699	\$ 1,533	\$ 1,455	\$ 1,904	\$ 1,453	\$ 1,775	
Total allowance for credit losses	\$ 2,526	\$ 2,289	\$ 1,904	\$ 1,699	\$ 1,533	\$ 1,455	\$ 1,904	\$ 1,453	\$ 1,775	
Reconciliation of allowance for credit losses										
Balance, beginning of period	\$ 2,289	\$ 1,904	\$ 1,699	\$ 1,533	\$ 1,455	\$ 1,453	\$ 1,699	\$ 1,775	\$ 2,119	
Provision (recoveries) for credit losses	237	385	205	166	78	2	205	(438)	(344)	
Recoveries	-	-	-	-	-	-	-	116	-	
Balance, end of period	\$ 2,526	\$ 2,289	\$ 1,904	\$ 1,699	\$ 1,533	\$ 1,455	\$ 1,904	\$ 1,453	\$ 1,775	
Total loans	\$ 3,419,455	\$ 3,235,083	\$ 2,992,678	\$ 2,814,121	\$ 2,450,276	\$ 2,215,638	\$ 2,992,678	\$ 2,103,050	\$ 1,654,910	
Provision (recovery) for credit losses as a % of average loans	0.03%	0.05%	0.03%	0.03%	0.01%	0.00%	0.02%	(0.02%)	(0.02%)	

VERSABANK
ALLOWANCE FOR CREDIT LOSSES BY LENDING ASSET
Quarter ended April 30, 2023
(unaudited)
(\$CAD thousands)

Page 9

	As at April 30, 2023				As at April 30, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Point-of-sale loans and leases								
Balance at beginning of period	\$ 583	\$ -	\$ -	\$ 583	\$ 370	\$ -	\$ -	\$ 370
Transfer in (out) to Stage 1	32	(32)	-	-	14	(14)	-	-
Transfer in (out) to Stage 2	(118)	118	-	-	(27)	27	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	130	(86)	-	44	62	(13)	-	49
Loan originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	44	-	-	44	49	-	-	49
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 627	\$ -	\$ -	\$ 627	\$ 419	\$ -	\$ -	\$ 419
Commercial real estate mortgages								
Balance at beginning of period	\$ 1,517	\$ 74	\$ -	\$ 1,591	\$ 949	\$ 96	\$ -	\$ 1,045
Transfer in (out) to Stage 1	17	(17)	-	-	8	(8)	-	-
Transfer in (out) to Stage 2	(88)	88	-	-	-	-	-	-
Transfer in (out) to Stage 3	-	(13)	13	-	-	-	-	-
Net remeasurement of loss allowance	159	(7)	(13)	139	(69)	13	-	(56)
Loan originations	63	-	-	63	80	-	-	80
Derecognitions and maturities	(21)	(5)	-	(26)	(20)	-	-	(20)
Provision for (recovery of) credit losses	130	46	-	176	(1)	5	-	4
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 1,647	\$ 120	\$ -	\$ 1,767	\$ 948	\$ 101	\$ -	\$ 1,049
Commercial real estate loans								
Balance at beginning of period	\$ 57	\$ -	\$ -	\$ 57	\$ 36	\$ -	\$ -	\$ 36
Transfer in (out) to Stage 1	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 2	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	2	-	-	2	4	-	-	4
Loan originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	2	-	-	2	4	-	-	4
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 59	\$ -	\$ -	\$ 59	\$ 40	\$ -	\$ -	\$ 40
Public sector and other financing								
Balance at beginning of period	\$ 55	\$ 3	\$ -	\$ 58	\$ 4	\$ -	\$ -	\$ 4
Transfer in (out) to Stage 1	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 2	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	(1)	-	-	(1)	20	1	-	21
Loan originations	16	-	-	16	-	-	-	-
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	15	-	-	15	20	1	-	21
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 70	\$ 3	\$ -	\$ 73	\$ 24	\$ 1	\$ -	\$ 25
Total balance at end of period	\$ 2,403	\$ 123	\$ -	\$ 2,526	\$ 1,431	\$ 102	\$ -	\$ 1,533

VERSABANK
ALLOWANCE FOR CREDIT LOSSES BY LENDING ASSET
Year to Date ended April 30, 2023
(unaudited)
(\$CAD thousands)

Page 10

	As at April 30, 2023				As at April 30, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Point-of-sale loans and leases								
Balance at beginning of period	\$ 545	\$ -	\$ -	\$ 545	\$ 275	\$ -	\$ -	\$ 275
Transfer in (out) to Stage 1	70	(70)	-	-	52	(52)	-	-
Transfer in (out) to Stage 2	(172)	172	-	-	(85)	85	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	184	(102)	-	82	177	(33)	-	144
Loan originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	82	-	-	82	144	-	-	144
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 627	\$ -	\$ -	\$ 627	\$ 419	\$ -	\$ -	\$ 419
Commercial real estate mortgages								
Balance at beginning of period	\$ 1,150	\$ 137	\$ -	\$ 1,287	\$ 980	\$ 134	\$ -	\$ 1,114
Transfer in (out) to Stage 1	79	(79)	-	-	22	(22)	-	-
Transfer in (out) to Stage 2	(118)	118	-	-	(4)	4	-	-
Transfer in (out) to Stage 3	-	(13)	13	-	-	-	-	-
Net remeasurement of loss allowance	422	(38)	(13)	371	(97)	(11)	-	(108)
Loan originations	149	-	-	149	160	-	-	160
Derecognitions and maturities	(35)	(5)	-	(40)	(113)	(4)	-	(117)
Provision for (recovery of) credit losses	497	(17)	-	480	(32)	(33)	-	(65)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 1,647	\$ 120	\$ -	\$ 1,767	\$ 948	\$ 101	\$ -	\$ 1,049
Commercial real estate loans								
Balance at beginning of period	\$ 54	\$ -	\$ -	\$ 54	\$ 45	\$ -	\$ -	\$ 45
Transfer in (out) to Stage 1	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 2	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	5	-	-	5	(5)	-	-	(5)
Loan originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	5	-	-	5	(5)	-	-	(5)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 59	\$ -	\$ -	\$ 59	\$ 40	\$ -	\$ -	\$ 40
Public sector and other financing								
Balance at beginning of period	\$ 17	\$ 1	\$ -	\$ 18	\$ 16	\$ 3	\$ -	\$ 19
Transfer in (out) to Stage 1	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 2	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	10	2	-	12	9	(2)	-	7
Loan originations	43	-	-	43	-	-	-	-
Derecognitions and maturities	-	-	-	-	(1)	-	-	(1)
Provision for (recovery of) credit losses	53	2	-	55	8	(2)	-	6
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 70	\$ 3	\$ -	\$ 73	\$ 24	\$ 1	\$ -	\$ 25
Total balance at end of period	\$ 2,403	\$ 123	\$ -	\$ 2,526	\$ 1,431	\$ 102	\$ -	\$ 1,533

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

Page 12

	2023		2022			
	Q2	Q1	Q4	Q3	Q2	Q1
On-Balance Sheet Exposures						
On-balance sheet assets	\$ 3,729,393	\$ 3,531,690	\$ 3,265,998	\$ 3,075,343	\$ 2,692,146	\$ 2,415,346
Asset amounts adjusted in determining Basel III Tier 1 capital	(11,258)	(11,119)	(11,371)	(11,615)	(11,804)	(12,479)
Total on-balance sheet exposures	3,718,135	3,520,571	3,254,627	3,063,728	2,680,342	2,402,867
Other Off-Balance Sheet Exposures						
Off-balance sheet exposure at gross notional amount	\$ 457,175	\$ 404,883	\$ 443,124	\$ 374,489	\$ 366,780	\$ 366,895
Adjustments for conversion to credit equivalent amounts	(266,913)	(232,402)	(251,101)	(210,567)	(212,907)	(212,919)
Off-balance sheet items	190,262	172,481	192,023	163,922	153,873	153,976
Capital and Total Exposures						
Tier 1 capital	345,261	340,058	339,304	335,033	329,610	324,472
Total exposures	3,908,397	3,693,052	3,446,650	3,227,650	2,834,215	2,556,843
Leverage Ratios						
Basel III leverage ratio	8.83%	9.21%	9.84%	10.38%	11.63%	12.69%