



## Supplemental Financial Information

For the quarter ended January 31, 2023  
(unaudited)

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### Use of this Report

This financial information is supplementary to the Bank's first 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)

	QUARTER					YEAR ENDED		
	2023 Q1	2022			Q1	2022	2021	2020
	Q4	Q3	Q2					
<b>Results of Operations</b>								
Interest income	\$ 49,561	\$ 42,072	\$ 34,177	\$ 25,848	\$ 24,720	\$ 126,817	\$ 89,488	\$ 86,094
Net interest income	24,274	22,477	20,062	17,242	16,885	76,666	60,157	54,125
Non-interest income (loss) <sup>(1)</sup>	1,644	1,775	1,177	1,393	1,381	5,726	5,200	60
Total revenue	25,918	24,252	21,239	18,635	18,266	82,392	65,357	54,185
Provision for (recovery of) credit losses	385	205	166	78	2	451	(438)	(344)
Non-interest expenses	12,335	13,774	13,216	11,767	10,636	49,393	35,006	27,777
Net income before income tax	13,198	10,273	7,857	6,790	7,628	32,548	30,789	26,752
Tax provision (recovery)	3,781	3,844	2,137	1,847	2,062	9,890	8,409	7,347
Net income	\$ 9,417	\$ 6,429	\$ 5,720	\$ 4,943	\$ 5,566	\$ 22,658	\$ 22,380	\$ 19,405
<b>Per Common Share (\$'s)</b>								
Basic earnings per share	0.34	0.23	0.20	0.17	0.19	0.79	0.96	0.82
Diluted earnings per share	0.34	0.23	0.20	0.17	0.19	0.79	0.96	0.82
Return on average common equity	10.79%	7.32%	6.57%	5.92%	6.58%	6.61%	8.45%	7.89%
Book value/share	12.77	12.37	12.12	11.94	11.78	12.37	11.61	10.70
Closing market price (common share)	10.44	9.29	9.42	13.02	14.74	9.29	14.78	6.59
Weighted average number of common shares	27,025	27,379	27,441	27,441	27,441	27,425	21,753	21,124
Number of common shares outstanding at period end	26,423	27,245	27,441	27,441	27,441	27,245	27,441	21,124
Total market value of common shares	275,856	253,106	258,494	357,282	404,480	253,106	405,578	139,207
<b>Financial Ratios</b>								
Yield	5.78%	5.26%	4.70%	4.15%	4.06%	4.47%	4.11%	4.62%
Cost of funds	2.95%	2.45%	1.94%	1.38%	1.29%	1.77%	1.35%	1.71%
Net interest income (%)	2.83%	2.81%	2.76%	2.77%	2.77%	2.70%	2.76%	2.90%
Net interest income on loans (%)	3.03%	3.03%	3.07%	3.11%	3.23%	3.08%	3.35%	3.41%
Non-interest expenses to average total assets (annualized)	1.44%	1.72%	1.82%	1.89%	1.75%	1.74%	1.61%	1.49%
Efficiency ratio	47.59%	56.80%	62.23%	63.14%	58.23%	59.95%	53.56%	51.26%
Efficiency ratio - Digital Banking	42.22%	50.99%	57.05%	58.17%	56.28%	55.38%	51.69%	49.44%
Number of full time equivalent staff at period end	168	160	154	152	145	160	145	98
Assets to full time employee	\$ 21,060	\$ 20,400	\$ 19,996	\$ 17,758	\$ 16,704	\$ 20,400	\$ 16,656	\$ 19,836
<b>Credit Quality</b>								
Gross impaired loans	\$ 1,680	\$ 279	\$ 1,392	\$ -	\$ -	\$ 279	\$ -	\$ -
Gross impaired loans as a % of total loans	0.05%	0.01%	0.05%	0.00%	0.00%	0.01%	0.00%	0.00%
Net impaired loans	\$ (609)	\$ (1,625)	\$ (307)	\$ (1,533)	\$ (1,455)	\$ (1,625)	\$ (1,453)	\$ (1,775)
Provision (recovery) for credit losses as a % of average loans	0.05%	0.03%	0.03%	0.01%	0.00%	0.02%	(0.02%)	(0.02%)
<b>Financial Position</b>								
Cash and securities	\$ 251,219	\$ 230,145	\$ 217,896	\$ 198,157	\$ 155,239	\$ 230,145	\$ 271,523	\$ 257,644
Cash and securities to total assets (%)	7.11%	7.05%	7.09%	7.36%	6.43%	7.05%	11.24%	13.25%
Total loans	3,235,083	2,992,678	2,814,121	2,450,276	2,215,638	2,992,678	2,103,050	1,654,910
Mortgages and loans to total assets (%)	91.60%	91.63%	91.51%	91.02%	91.73%	91.63%	87.08%	85.13%
Total assets	3,531,690	3,265,998	3,075,343	2,692,146	2,415,346	3,265,998	2,415,086	1,943,885
Average assets	3,398,844	3,170,671	2,883,745	2,553,746	2,415,216	2,840,542	2,179,486	1,864,633
Deposits	2,925,452	2,657,540	2,475,063	2,124,916	1,847,003	2,657,540	1,853,204	1,567,570
Subordinated notes payable	102,765	104,951	98,706	98,410	97,726	104,951	95,272	4,889
Shareholders' equity	351,177	350,675	346,648	341,414	336,951	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)

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	QUARTER					YEAR ENDED		
	2023	2022				2022	2021	2020
	Q1	Q4	Q3	Q2	Q1			
<b>Interest Income</b>								
Loans	\$ 46,855	\$ 40,039	\$ 33,165	\$ 25,472	\$ 24,514	\$ 123,190	\$ 88,055	\$ 83,232
Cash and Securities	2,706	2,033	1,012	376	206	3,627	1,433	2,862
Total interest income	49,561	42,072	34,177	25,848	24,720	126,817	89,488	86,094
Yield %	5.78%	5.26%	4.70%	4.15%	4.06%	4.47%	4.11%	4.62%
<b>Interest Expense</b>								
Deposits and other	23,841	18,165	12,727	7,239	6,469	44,600	26,446	31,461
Notes	1,446	1,430	1,388	1,367	1,366	5,551	2,885	508
Total interest expense	25,287	19,595	14,115	8,606	7,835	50,151	29,331	31,969
Cost of funds %	2.95%	2.45%	1.94%	1.38%	1.29%	1.77%	1.35%	1.71%
Net interest income	24,274	22,477	20,062	17,242	16,885	76,666	60,157	54,125
Spread %	2.83%	2.81%	2.76%	2.77%	2.77%	2.70%	2.76%	2.90%
<b>Non-interest income (loss)</b>								
IT security services <sup>(1)</sup>	1,643	1,774	1,176	1,392	1,380	5,722	5,214	-
Other	1	1	1	1	1	4	(14)	60
Total non-interest income (loss)	1,644	1,775	1,177	1,393	1,381	5,726	5,200	60
Total revenue	25,918	24,252	21,239	18,635	18,266	82,392	65,357	54,185
Provision for credit losses (recovery)	385	205	166	78	2	451	(438)	(344)
	25,533	24,047	21,073	18,557	18,264	81,941	65,795	54,529
Non-interest expenses	12,335	13,774	13,216	11,767	10,636	49,393	35,006	27,777
Net income before taxes	13,198	10,273	7,857	6,790	7,628	32,548	30,789	26,752
Tax provision (recovery)	3,781	3,844	2,137	1,847	2,062	9,890	8,409	7,347
<b>Net income</b>	\$ 9,417	\$ 6,429	\$ 5,720	\$ 4,943	\$ 5,566	\$ 22,658	\$ 22,380	\$ 19,405
<b>Earnings per common share:</b>								
Basic	\$ 0.34	\$ 0.23	\$ 0.20	\$ 0.17	\$ 0.19	\$ 0.79	\$ 0.96	\$ 0.82
Diluted	\$ 0.34	\$ 0.23	\$ 0.20	\$ 0.17	\$ 0.19	\$ 0.79	\$ 0.96	\$ 0.82
<b>Comprehensive Income</b>								
Net income	\$ 9,417	\$ 6,429	\$ 5,720	\$ 4,943	\$ 5,566	\$ 22,658	\$ 22,380	\$ 19,405
Other comprehensive income (loss), net of tax								
Net unrealized gains (losses) on fair value through OCI assets	(27)	36	24	26	17	103	(4)	-
	(27)	36	24	26	17	103	(4)	-
<b>Total comprehensive income</b>	\$ 9,390	\$ 6,465	\$ 5,744	\$ 4,969	\$ 5,583	\$ 22,761	\$ 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)

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	QUARTER					YEAR ENDED		
	2023	2022				2022	2021	2020
	Q1	Q4	Q3	Q2	Q1			
Net Interest Income	\$ 24,274	\$ 22,477	\$ 20,062	\$ 17,242	\$ 16,885	\$ 76,666	\$ 60,157	\$ 54,125
<b>Net Interest Income (NII)</b>	24,274	22,477	20,062	17,242	16,885	76,666	60,157	54,125
Other income	1,644	1,775	1,177	1,393	1,381	5,726	5,200	60
<b>Total non-interest income</b>	1,644	1,775	1,177	1,393	1,381	5,726	5,200	60
<b>Total revenue</b>	\$ 25,918	\$ 24,252	\$ 21,239	\$ 18,635	\$ 18,266	\$ 82,392	\$ 65,357	\$ 54,185
Non-interest income as a % of total revenue	6.34%	7.32%	5.54%	7.48%	7.56%	6.95%	7.96%	0.11%
Net interest income per average assets	2.83%	2.81%	2.76%	2.77%	2.77%	2.70%	2.76%	2.90%

(unaudited)  
(\$CAD thousands)

	QUARTER					YEAR ENDED		
	2023	2022				2022	2021	2020
	Q1	Q4	Q3	Q2	Q1			
<b>Average loans</b>	\$ 3,113,881	\$ 2,903,400	\$ 2,632,199	\$ 2,332,957	\$ 2,159,344	\$ 2,547,864	\$ 1,878,980	\$ 1,624,599
<b>Average total assets</b>	\$ 3,398,844	\$ 3,170,671	\$ 2,883,745	\$ 2,553,746	\$ 2,415,216	\$ 2,840,542	\$ 2,179,486	\$ 1,864,633

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

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

**VERSABANK**  
**OPERATING SEGMENTS**  
**Quarter ended January 31, 2023**  
(unaudited)  
(\$CAD thousands)

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	<b>January 31, 2023</b>				<b>January 31, 2022</b>			
	Digital Banking	DRTC	Eliminations/ Adjustments	Consolidated	Digital Banking	DRTC	Eliminations/ Adjustments	Consolidated
Net interest income	\$ 24,274	\$ -	\$ -	\$ 24,274	\$ 16,885	\$ -	\$ -	\$ 16,885
Non-interest income	2	1,833	(191)	1,644	-	1,422	(41)	1,381
Total revenue	24,276	1,833	(191)	25,918	16,885	1,422	(41)	18,266
Provision for (recovery of) credit losses	385	-	-	385	2	-	-	2
	23,891	1,833	(191)	25,533	16,883	1,422	(41)	18,264
Non-interest expenses								
Salaries and benefits	6,684	1,573	-	8,257	5,440	643	-	6,083
General and administrative	2,862	455	(191)	3,126	3,482	183	(41)	3,624
Premises and equipment	623	329	-	952	582	347	-	929
	10,169	2,357	(191)	12,335	9,504	1,173	(41)	10,636
Income before income taxes	13,722	(524)	-	13,198	7,379	249	-	7,628
Income tax provision	3,789	(8)	-	3,781	1,961	101	-	2,062
<b>Net income</b>	<b>\$ 9,933</b>	<b>\$ (516)</b>	<b>\$ -</b>	<b>\$ 9,417</b>	<b>\$ 5,418</b>	<b>\$ 148</b>	<b>\$ -</b>	<b>\$ 5,566</b>
<b>Total assets</b>	<b>\$ 3,522,279</b>	<b>\$ 23,797</b>	<b>\$ (14,386)</b>	<b>\$ 3,531,690</b>	<b>\$ 2,412,167</b>	<b>\$ 23,767</b>	<b>\$ (20,588)</b>	<b>\$ 2,415,346</b>
<b>Total liabilities</b>	<b>\$ 3,174,197</b>	<b>\$ 27,751</b>	<b>\$ (21,435)</b>	<b>\$ 3,180,513</b>	<b>\$ 2,072,691</b>	<b>\$ 25,147</b>	<b>\$ (19,443)</b>	<b>\$ 2,078,395</b>

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

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	QUARTER					YEAR ENDED		
	2023	2022				2022	2021	2020
	Q1	Q4	Q3	Q2	Q1			
<b>Cash and cash equivalents</b>	\$ 201,372	\$ 88,581	\$ 84,214	\$ 198,157	\$ 155,239	\$ 88,581	\$ 271,523	\$ 257,644
<b>Securities</b>	49,847	141,564	133,682	-	-	141,564	-	-
<b>Total</b>	251,219	230,145	217,896	198,157	155,239	230,145	271,523	257,644
<b>Loans</b>								
Point-of-sale loans and leases	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	752,138	710,369	755,042	782,274	722,829	710,369	757,576	606,299
Commerical real estate loans	12,811	13,165	13,510	14,065	14,600	13,165	26,569	25,574
Public sector and other financing	42,523	35,452	35,605	35,529	31,247	35,452	32,587	37,596
Allowance for credit losses	(2,289)	(1,904)	(1,699)	(1,533)	(1,455)	(1,904)	(1,453)	(1,775)
Accrued interest	15,634	14,702	12,670	9,605	8,636	14,702	8,195	6,539
<b>Total</b>	3,235,083	2,992,678	2,814,121	2,450,276	2,215,638	2,992,678	2,103,050	1,654,910
<b>Other assets</b>								
Capital assets	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	-
Intangible assets	9,627	9,363	9,356	9,152	8,934	9,363	7,848	1,936
Other assets	23,309	21,190	21,251	21,935	22,876	21,190	19,836	21,964
<b>Total</b>	45,388	43,175	43,326	43,713	44,469	43,175	40,513	31,331
<b>Total assets</b>	\$ 3,531,690	\$ 3,265,998	\$ 3,075,343	\$ 2,692,146	\$ 2,415,346	\$ 3,265,998	\$ 2,415,086	\$ 1,943,885
<b>Deposits</b>								
Demand	\$ 8,304	\$ 9,829	\$ 10,732	\$ 12,380	\$ 13,643	\$ 9,829	\$ 14,989	\$ 13,796
Trustee chequing accounts	512,683	498,049	499,124	484,261	473,369	498,049	480,562	440,219
Term (including accrued interest)	2,404,465	2,149,662	1,965,207	1,628,275	1,359,991	2,149,662	1,357,653	1,113,555
<b>Total</b>	2,925,452	2,657,540	2,475,063	2,124,916	1,847,003	2,657,540	1,853,204	1,567,570
<b>Securitization liabilities</b>	-	-	-	-	-	-	-	8,745
<b>Other liabilities</b>	152,296	152,832	154,926	127,406	133,666	152,832	134,504	107,393
<b>Subordinated notes payable</b>	102,765	104,951	98,706	98,410	97,726	104,951	95,272	4,889
<b>Shareholders' equity</b>								
Share capital	232,512	239,629	241,321	241,321	241,321	239,629	241,321	181,949
Contributed surplus	1,955	1,612	1,189	765	341	1,612	145	145
Retained earnings	116,638	109,335	104,071	99,285	95,276	109,335	90,644	73,194
Accumulated other comprehensive income	72	99	67	43	13	99	(4)	-
<b>Total</b>	351,177	350,675	346,648	341,414	336,951	350,675	332,106	255,288
<b>Total liabilities and shareholders' equity</b>	\$ 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**  
**IMPAIRED LOANS AND ALLOWANCE FOR CREDIT LOSSES**  
(unaudited)  
(\$CAD thousands)

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	QUARTER					YEAR ENDED		
	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2022	2021	2020
<b>Gross impaired loans</b>								
Point-of-sale loans and leases	\$ 1,680	\$ 279	\$ 1,392	\$ -	\$ -	\$ 279	\$ -	\$ -
Commercial real estate mortgages	-	-	-	-	-	-	-	-
Commercial real estate loans	-	-	-	-	-	-	-	-
Public sector and other financing	-	-	-	-	-	-	-	-
Total gross impaired loans	\$ 1,680	\$ 279	\$ 1,392	\$ -	\$ -	\$ 279	\$ -	\$ -
<b>Allowance for credit losses</b>								
Allowance for credit losses under IFRS 9	\$ 2,289	\$ 1,904	\$ 1,699	\$ 1,533	\$ 1,455	\$ 1,904	\$ 1,453	\$ 1,775
Total allowance for credit losses	\$ 2,289	\$ 1,904	\$ 1,699	\$ 1,533	\$ 1,455	\$ 1,904	\$ 1,453	\$ 1,775
<b>Reconciliation of allowance for credit losses</b>								
Balance, beginning of period	\$ 1,904	\$ 1,699	\$ 1,533	\$ 1,455	\$ 1,453	\$ 1,699	\$ 1,775	\$ 2,119
IFRS 9 transition	-	-	-	-	-	-	-	-
Provision (recoveries) for credit losses	385	205	166	78	2	205	(438)	(344)
Recoveries (write-offs)	-	-	-	-	-	-	116	-
Balance, end of period	\$ 2,289	\$ 1,904	\$ 1,699	\$ 1,533	\$ 1,455	\$ 1,904	\$ 1,453	\$ 1,775
Total net impaired loans	\$ (609)	\$ (1,625)	\$ (307)	\$ (1,533)	\$ (1,455)	\$ (1,625)	\$ (1,453)	\$ (1,775)
Total loans	\$ 3,235,083	\$ 2,992,678	\$ 2,814,121	\$ 2,450,276	\$ 2,215,638	\$ 2,992,678	\$ 2,103,050	\$ 1,654,910
Gross impaired loans as a % of total loans	0.05%	0.01%	0.05%	0.00%	0.00%	0.01%	0.00%	0.00%
Provision (recovery) for credit losses as a % of average loans	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 January 31, 2023**  
(unaudited)  
(\$CAD thousands)

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	As at January 31, 2023				As at January 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Point-of-sale loans and leases</b>								
Balance at beginning of period	\$ 545	\$ -	\$ -	\$ 545	\$ 275	\$ -	\$ -	\$ 275
Transfer in (out) to Stage 1	38	(38)	-	-	38	(38)	-	-
Transfer in (out) to Stage 2	(54)	54	-	-	(58)	58	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	54	(16)	-	38	115	(20)	-	95
Loan originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	38	-	-	38	95	-	-	95
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 583</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 583</b>	<b>\$ 370</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 370</b>
<b>Commercial real estate mortgages</b>								
Balance at beginning of period	\$ 1,150	\$ 137	\$ -	\$ 1,287	\$ 980	\$ 134	\$ -	\$ 1,114
Transfer in (out) to Stage 1	62	(62)	-	-	14	(14)	-	-
Transfer in (out) to Stage 2	(30)	30	-	-	(4)	4	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	263	(31)	-	232	(28)	(24)	-	(52)
Loan originations	86	-	-	86	80	-	-	80
Derecognitions and maturities	(14)	-	-	(14)	(93)	(4)	-	(97)
Provision for (recovery of) credit losses	367	(63)	-	304	(31)	(38)	-	(69)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 1,517</b>	<b>\$ 74</b>	<b>\$ -</b>	<b>\$ 1,591</b>	<b>\$ 949</b>	<b>\$ 96</b>	<b>\$ -</b>	<b>\$ 1,045</b>
<b>Commercial real estate loans</b>								
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	3	-	-	3	(9)	-	-	(9)
Loan originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	3	-	-	3	(9)	-	-	(9)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 57</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 57</b>	<b>\$ 36</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36</b>
<b>Public sector and other financing</b>								
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	11	2	-	13	(11)	(3)	-	(14)
Loan originations	27	-	-	27	-	-	-	-
Derecognitions and maturities	-	-	-	-	(1)	-	-	(1)
Provision for (recovery of) credit losses	38	2	-	40	(12)	(3)	-	(15)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 55</b>	<b>\$ 3</b>	<b>\$ -</b>	<b>\$ 58</b>	<b>\$ 4</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4</b>
<b>Total balance at end of period</b>	<b>\$ 2,212</b>	<b>\$ 77</b>	<b>\$ -</b>	<b>\$ 2,289</b>	<b>\$ 1,359</b>	<b>\$ 96</b>	<b>\$ -</b>	<b>\$ 1,455</b>

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

**Modified Capital Disclosure Template**

**Common Equity Tier 1 capital: instruments and reserves**

	2023	2022			
	Q1	Q4	Q3	Q2	Q1
Directly issued qualifying common share capital	\$ 218,865	\$ 225,982	\$ 227,674	\$ 227,674	\$ 227,674
Contributed surplus	1,955	1,612	1,189	765	341
Retained earnings	116,638	109,335	104,071	99,285	95,276
Accumulated other comprehensive income	72	99	67	43	13
Common Equity Tier 1 capital before regulatory adjustments	337,530	337,028	333,001	327,767	323,304
Total regulatory adjustments to Common Equity Tier 1	(11,119)	(11,371)	(11,615)	(11,804)	(12,479)
Common Equity Tier 1 capital (CET1)	326,411	325,657	321,386	315,963	310,825

**Additional Tier 1 capital: instruments**

Directly issued qualifying Additional Tier 1 instruments	13,647	13,647	13,647	13,647	13,647
Tier 1 capital (T1 = CET1 + AT1)	340,058	339,304	335,033	329,610	324,472

**Tier 2 capital: instruments and allowances**

Directly issued capital instruments subject to phase out from Tier 2	105,125	107,367	101,180	100,940	100,310
Tier 2 capital before regulatory adjustments	105,125	107,367	101,180	100,940	100,310
Total regulatory adjustments to Tier 2 capital	-	-	-	-	-
Eligible stage 1 and stage 2 allowance amounts	2,289	1,904	1,699	1,533	1,455
Tier 2 capital (T2)	107,414	109,271	102,879	102,473	101,765

Total regulatory capital (TC = T1 + T2)	\$ 447,472	\$ 448,575	\$ 437,912	\$ 432,083	\$ 426,237
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Total risk-weighted assets	\$ 2,917,048	\$ 2,714,902	\$ 2,568,678	\$ 2,313,030	\$ 2,095,335
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**Capital ratios**

Common Equity Tier 1 ( as a % of risk-weighted assets)	11.19%	12.00%	12.51%	13.66%	14.83%
Tier 1 ( as a % of risk-weighted assets)	11.66%	12.50%	13.04%	14.25%	15.49%
Total regulatory capital ( as a % of risk-weighted assets)	15.34%	16.52%	17.05%	18.68%	20.34%

**Basel III minimums**

Common Equity Tier 1 capital target ratio	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%
Total regulatory capital target ratio	10.50%	10.50%	10.50%	10.50%	10.50%

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

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	2023		2022		
	Q1	Q4	Q3	Q2	Q1
<b>On-Balance Sheet Exposures</b>					
On-balance sheet assets	\$ 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	(11,119)	(11,371)	(11,615)	(11,804)	(12,479)
Total on-balance sheet exposures	3,520,571	3,254,627	3,063,728	2,680,342	2,402,867
<b>Other Off-Balance Sheet Exposures</b>					
Off-balance sheet exposure at gross notional amount	\$ 404,883	\$ 443,124	\$ 374,489	\$ 366,780	\$ 366,895
Adjustments for conversion to credit equivalent amounts	(232,402)	(251,101)	(210,567)	(212,907)	(212,919)
Off-balance sheet items	172,481	192,023	163,922	153,873	153,976
<b>Capital and Total Exposures</b>					
Tier 1 capital	340,058	339,304	335,033	329,610	324,472
Total exposures	3,693,052	3,446,650	3,227,650	2,834,215	2,556,843
<b>Leverage Ratios</b>					
Basel III leverage ratio	9.21%	9.84%	10.38%	11.63%	12.69%