



Supplemental Financial Information

**For the quarter ended April 30, 2020
(unaudited)**

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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 2019 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						6 MONTHS ENDED		YEAR ENDED		
	2020		2019				2020	2019			
	Q2	Q1	Q4	Q3	Q2	Q1	Q2	Q2	2019	2018	2017
Results of Operations											
Interest income	\$ 22,688	\$ 22,166	\$ 22,263	\$ 22,958	\$ 21,125	\$ 21,959	\$ 44,854	\$ 43,084	\$ 88,305	\$ 80,914	\$ 71,765
Net interest income	14,476	13,557	13,655	14,059	12,743	13,440	28,033	26,183	53,897	51,499	43,983
Non-interest income (loss)	9	25	(20)	19	4	19	34	23	22	186	(141)
Total revenue	14,485	13,582	13,635	14,078	12,747	13,459	28,067	26,206	53,919	51,685	43,842
Provision for credit losses (recovery)*	490	(208)	21	381	(411)	(289)	282	(700)	(298)	334	(125)
Non-interest expenses	6,899	6,705	6,171	6,860	6,411	6,954	13,604	13,365	26,396	26,338	27,190
Restructuring charges	-	-	-	-	-	-	-	-	-	-	2,045
Net income before income tax	7,096	7,085	7,443	6,837	6,747	6,794	14,181	13,541	27,821	25,013	14,732
Tax provision (recovery)	1,947	1,944	2,038	1,874	1,851	1,862	3,891	3,713	7,625	6,939	(4,740)
Net income	\$ 5,149	\$ 5,141	\$ 5,405	\$ 4,963	\$ 4,896	\$ 4,932	\$ 10,290	\$ 9,828	\$ 20,196	\$ 18,074	\$ 19,472
Per Common Share (\$'s)											
Basic earnings per share	0.22	0.22	0.23	0.21	0.21	0.21	0.44	0.54	0.85	0.75	0.83
Diluted earnings per share	0.22	0.22	0.23	0.21	0.21	0.21	0.44	0.54	0.85	0.75	0.83
Return on average common equity	8.64%	8.60%	9.23%	8.56%	8.89%	8.86%	8.62%	8.88%	8.89%	8.50%	10.29%
Book value/share	10.37	10.17	9.98	9.77	9.58	9.39	10.37	9.58	9.98	9.19	8.48
Closing market price (common share)	5.57	7.44	6.57	7.05	7.50	7.43	5.57	7.50	6.57	7.05	5.80
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	20,864
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	20,095
Total market value of common shares	117,661	157,163	138,785	148,924	158,430	156,951	117,661	158,430	138,785	148,924	116,551
Financial Ratios											
Yield	4.83%	4.84%	4.96%	5.10%	4.89%	4.90%	4.81%	4.82%	4.91%	4.58%	4.19%
Cost of funds	1.75%	1.88%	1.92%	1.98%	1.94%	1.90%	1.80%	1.89%	1.91%	1.66%	1.62%
Net interest income (%)	3.08%	2.96%	3.04%	3.12%	2.95%	3.00%	3.01%	2.93%	3.00%	2.91%	2.57%
Non-interest expenses to average total assets (annualized)	1.47%	1.47%	1.37%	1.52%	1.48%	1.55%	1.45%	1.50%	1.47%	1.49%	1.59%
Efficiency ratio	47.63%	49.37%	45.26%	48.73%	50.29%	51.67%	48.47%	51.00%	48.95%	50.96%	62.02%
Number of full time equivalent staff at period end	94	93	92	89	87	86	94	87	92	86	80
Assets to full time employee	\$ 20,852	\$ 19,880	\$ 19,385	\$ 20,053	\$ 20,741	\$ 20,400	\$ 20,852	\$ 20,741	\$ 19,385	\$ 21,135	\$ 21,644
Credit Quality											
Gross impaired loans	\$ 6,453	\$ 6,374	\$ 6,282	\$ 25,496	\$ 25,496	\$ 19,630	\$ 6,453	\$ 25,496	\$ 6,282	\$ 627	\$ 627
Gross impaired loans as a % of total loans	0.41%	0.38%	0.39%	1.58%	1.57%	1.22%	0.40%	1.57%	0.39%	0.04%	0.04%
Net impaired loans	\$ 4,052	\$ 4,463	\$ 4,163	\$ 23,162	\$ 23,543	\$ 17,266	\$ 4,052	\$ 23,543	\$ 4,163	\$ (2,132)	\$ (1,798)
Provision (recovery) for credit losses as a % of average loans	0.12%	(0.01%)	0.00%	0.02%	(0.03%)	(0.02%)	0.04%	(0.04%)	(0.02%)	0.02%	(0.01%)
Financial Position											
Cash and securities	\$ 340,326	\$ 134,253	\$ 149,206	\$ 118,310	\$ 132,129	\$ 105,193	\$ 340,326	\$ 132,129	\$ 149,206	\$ 139,798	\$ 160,171
Cash and securities to total assets (%)	17.31%	7.24%	8.36%	6.66%	7.36%	6.02%	17.31%	7.36%	8.36%	7.73%	9.29%
Total loans	1,594,968	1,668,720	1,594,288	1,613,811	1,628,116	1,603,185	1,594,968	1,628,116	1,594,288	1,631,026	1,520,857
Mortgages and loans to total assets (%)	81.11%	89.97%	89.30%	90.83%	90.64%	91.81%	81.11%	90.64%	89.30%	90.16%	88.16%
Total assets	1,966,369	1,854,765	1,785,381	1,776,659	1,796,192	1,746,278	1,966,369	1,796,192	1,785,381	1,809,130	1,725,049
Average assets	1,910,567	1,820,073	1,781,020	1,786,426	1,771,235	1,777,704	1,875,875	1,802,661	1,797,256	1,767,089	1,714,725
Deposits	1,591,732	1,454,979	1,399,889	1,398,286	1,425,057	1,371,123	1,591,732	1,425,057	1,399,889	1,437,431	1,376,006
Subordinated notes payable	4,885	4,883	4,881	4,879	4,876	9,859	4,885	4,876	4,881	9,844	9,786
Shareholders' equity	248,313	244,234	240,163	235,730	231,739	227,710	248,313	231,739	240,163	223,567	208,541

* 2018 and 2017 have 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						6 MONTHS ENDED		YEAR ENDED		
	2020		2019				2020	2019	2019	2018	2017
	Q2	Q1	Q4	Q3	Q2	Q1	Q2	Q2			
Interest Income											
Loans	\$ 21,938	\$ 21,274	\$ 21,328	\$ 22,019	\$ 20,398	\$ 21,130	\$ 43,212	41,528	\$ 84,875	\$ 78,509	\$ 70,424
Securities	750	892	935	939	727	829	1,642	1,556	3,430	2,405	1,341
Total interest income	22,688	22,166	22,263	22,958	21,125	21,959	44,854	43,084	88,305	80,914	71,765
Yield %	4.83%	4.84%	4.96%	5.10%	4.89%	4.90%	4.81%	4.82%	4.91%	4.58%	4.19%
Interest Expense											
Deposits and other	8,085	8,482	8,481	8,771	8,099	8,302	16,567	16,401	33,653	28,557	26,473
Notes	127	127	127	128	283	217	254	500	755	858	1,309
Total interest expense	8,212	8,609	8,608	8,899	8,382	8,519	16,821	16,901	34,408	29,415	27,782
Cost of funds %	1.75%	1.88%	1.92%	1.98%	1.94%	1.90%	1.80%	1.89%	1.91%	1.66%	1.62%
Net interest income	14,476	13,557	13,655	14,059	12,743	13,440	28,033	26,183	53,897	51,499	43,983
Spread %	3.08%	2.96%	3.04%	3.12%	2.95%	3.00%	3.01%	2.93%	3.00%	2.91%	2.57%
Non-interest income (loss)	9	25	(20)	19	4	19	34	23	22	186	(141)
Total revenue	14,485	13,582	13,635	14,078	12,747	13,459	28,067	26,206	53,919	51,685	43,842
Provision for credit losses (recovery) ⁽¹⁾	490	(208)	21	381	(411)	(289)	282	(700)	(298)	334	(125)
	13,995	13,790	13,614	13,697	13,158	13,748	27,785	26,906	54,217	51,351	43,967
Non-interest expenses	6,899	6,705	6,171	6,860	6,411	6,954	13,604	13,365	26,396	26,338	27,190
Restructuring charges	-	-	-	-	-	-	-	-	-	-	2,045
	6,899	6,705	6,171	6,860	6,411	6,954	13,604	13,365	26,396	26,338	29,235
Net income before taxes	7,096	7,085	7,443	6,837	6,747	6,794	14,181	13,541	27,821	25,013	14,732
Tax provision (recovery)	1,947	1,944	2,038	1,874	1,851	1,862	3,891	3,713	7,625	6,939	(4,740)
Net income	\$ 5,149	\$ 5,141	\$ 5,405	\$ 4,963	\$ 4,896	\$ 4,932	\$ 10,290	\$ 9,828	\$ 20,196	\$ 18,074	\$ 19,472
Earnings per common share:											
Basic	\$ 0.22	\$ 0.22	\$ 0.23	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.44	\$ 0.41	\$ 0.85	\$ 0.75	\$ 0.83
Diluted	\$ 0.22	\$ 0.22	\$ 0.23	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.44	\$ 0.41	\$ 0.85	\$ 0.75	\$ 0.83
Comprehensive Income											
Net income	\$ 5,149	\$ 5,141	\$ 5,405	\$ 4,963	\$ 4,896	\$ 4,932	\$ 10,290	\$ 9,828	\$ 20,196	\$ 18,074	\$ 19,472
Other comprehensive income (loss), net of tax											
Net unrealized gains (losses) on fair value through OCI assets ⁽²⁾	-	-	-	-	-	-	-	-	-	(4)	(2)
	-	-	-	-	-	-	-	-	-	(4)	(2)
Total comprehensive income	\$ 5,149	\$ 5,141	\$ 5,405	\$ 4,963	\$ 4,896	\$ 4,932	\$ 10,290	\$ 9,828	\$ 20,196	\$ 18,070	\$ 19,470

(1) 2018 and 2017 have not been restated to reflect IFRS 9 adopted in 2019. The adoption of IFRS 9 has been applied prospectively 2019.

(2) 2018 and 2017 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						6 MONTHS ENDED		YEAR ENDED		
	2020		2019				2020	2019	2019	2018	2017
	Q2	Q1	Q4	Q3	Q2	Q1	Q2	Q2			
Net Interest Income	\$ 14,476	\$ 13,557	\$ 13,655	\$ 14,059	\$ 12,743	\$ 13,440	\$ 28,033	\$ 26,183	\$ 53,897	\$ 51,499	\$ 43,983
Net Interest Income (NII)	14,476	13,557	13,655	14,059	12,743	13,440	28,033	26,183	53,897	51,499	43,983
Credit card non-interest revenue	-	-	-	-	-	-	-	-	-	-	(215)
Other income	9	25	(20)	19	4	19	34	23	22	186	74
Total non-interest income	9	25	(20)	19	4	19	34	23	22	186	(141)
Total revenue	\$ 14,485	\$ 13,582	\$ 13,635	\$ 14,078	\$ 12,747	\$ 13,459	\$ 28,067	\$ 26,206	\$ 53,919	\$ 51,685	\$ 43,842
Non-interest income as a % of total revenue	0.06%	0.18%	(0.15%)	0.13%	0.03%	0.14%	0.12%	0.09%	0.04%	0.36%	(0.32%)
Net interest income per average assets	3.08%	2.96%	3.04%	3.12%	2.95%	3.00%	3.01%	2.93%	3.00%	2.91%	2.57%

(unaudited)
(C\$ thousands)

	QUARTER						6 MONTHS ENDED		YEAR ENDED		
	2020		2019				2020	2019	2019	2018	2017
	Q2	Q1	Q4	Q3	Q2	Q1	Q2	Q2			
Average loans	\$ 1,631,844	\$ 1,631,504	\$ 1,604,050	\$ 1,620,964	\$ 1,615,651	\$ 1,617,106	\$ 1,594,628	\$ 1,629,571	\$ 1,612,657	\$ 1,575,942	\$ 1,542,235
Average total assets	\$ 1,910,567	\$ 1,820,073	\$ 1,781,020	\$ 1,786,426	\$ 1,771,235	\$ 1,777,704	\$ 1,875,875	\$ 1,802,661	\$ 1,797,256	\$ 1,767,089	\$ 1,714,725

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

	QUARTER						6 MONTHS ENDED		YEAR ENDED		
	2020		2019				2020	2019	2019	2018	2017
	Q2	Q1	Q4	Q3	Q2	Q1	Q2	Q2			
Salaries and Employee Benefits											
Salaries	\$ 3,086	\$ 3,184	\$ 2,776	\$ 3,159	\$ 3,380	\$ 3,343	\$ 6,270	\$ 6,723	\$ 12,658	\$ 11,972	\$ 11,207
Employee benefits	812	755	696	779	479	562	1,567	1,041	2,516	2,365	2,449
Total	3,898	3,939	3,472	3,938	3,859	3,905	7,837	7,764	15,174	14,337	13,656
Premises											
Rent	131	143	115	130	124	151	274	275	520	716	731
Depreciation	193	182	173	182	186	180	375	366	721	623	553
Other	309	270	273	296	304	316	579	620	1,189	965	851
Total	633	595	561	608	614	647	1,228	1,261	2,430	2,304	2,135
General and administrative											
Capital taxes and other assessments	450	462	486	479	484	484	912	969	1,933	3,101	3,939
Insurance	127	121	134	117	125	118	248	243	494	484	456
Listing, sustaining and annual meeting fees	66	86	47	78	77	85	152	162	287	266	723
Marketing and business development	76	61	67	78	73	91	137	164	309	351	386
Professional fees and consulting services	764	492	495	664	318	536	1,256	854	2,013	1,759	1,611
Credit card administration	-	-	-	-	-	-	-	-	-	-	471
Other	885	949	909	898	861	1,088	1,834	1,948	3,756	3,736	3,813
Total	2,368	2,171	2,138	2,314	1,938	2,402	4,539	4,340	8,792	9,697	11,399
Restructuring charges	-	-	-	-	-	-	-	-	-	-	2,045
Total non-interest expenses	\$ 6,899	\$ 6,705	\$ 6,171	\$ 6,860	\$ 6,411	\$ 6,954	\$ 13,604	\$ 13,365	\$ 26,396	\$ 26,338	\$ 29,235

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

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	QUARTER						YEAR ENDED		
	2020		2019				2019	2018	2017
	Q2	Q1	Q4	Q3	Q2	Q1			
Cash and cash equivalents	\$ 340,326	\$ 134,253	\$ 139,145	\$ 108,299	\$ 122,090	\$ 95,203	\$ 139,145	\$ 129,781	\$ 159,909
Securities	-	-	10,061	10,011	10,039	9,990	10,061	10,017	262
Total	340,326	134,253	149,206	118,310	132,129	105,193	149,206	139,798	160,171
Loans									
Commercial real estate	545,317	526,375	509,564	554,956	601,395	568,331	509,564	594,627	559,501
Non-commercial real estate	36,216	38,099	44,608	43,789	50,842	60,328	44,608	91,517	82,080
Corporate and public sector	35,945	38,227	40,670	43,378	47,574	48,845	40,670	50,922	69,544
Structured finance	973,572	1,061,207	994,842	966,470	923,715	921,303	994,842	889,822	806,347
Credit card receivables	-	-	-	-	-	-	-	-	-
Allowance for credit losses*	(2,401)	(1,911)	(2,119)	(2,334)	(1,953)	(2,364)	(2,119)	(2,759)	(2,425)
Accrued interest	6,319	6,723	6,723	7,552	6,543	6,742	6,723	6,897	5,810
Total	1,594,968	1,668,720	1,594,288	1,613,811	1,628,116	1,603,185	1,594,288	1,631,026	1,520,857
Other assets									
Capital assets	7,717	7,765	7,911	8,029	8,203	8,368	7,911	8,390	8,020
Other assets	23,358	44,027	33,976	36,509	27,744	29,532	33,976	29,916	36,001
Total	31,075	51,792	41,887	44,538	35,947	37,900	41,887	38,306	44,021
Total assets	\$ 1,966,369	\$ 1,854,765	\$ 1,785,381	\$ 1,776,659	\$ 1,796,192	\$ 1,746,278	\$ 1,785,381	\$ 1,809,130	\$ 1,725,049
Deposits									
Demand	\$ 13,329	\$ 13,579	\$ 12,925	\$ 13,024	\$ 13,119	\$ 13,921	\$ 12,925	\$ 15,231	\$ 18,983
Trustee chequing accounts	398,233	387,201	386,052	369,477	351,905	395,225	386,052	395,994	275,182
Term (including accrued interest)	1,180,170	1,054,199	1,000,912	1,015,785	1,060,033	961,977	1,000,912	1,026,206	1,081,841
Total	1,591,732	1,454,979	1,399,889	1,398,286	1,425,057	1,371,123	1,399,889	1,437,431	1,376,006
Securitization liabilities	9,032	33,388	33,366	33,518	33,338	33,490	33,366	33,310	33,256
Other liabilities	112,407	117,281	107,082	104,246	101,182	104,096	107,082	104,978	97,460
Subordinated notes payable	4,885	4,883	4,881	4,879	4,876	9,859	4,881	9,844	9,786
Shareholders' equity									
Share capital	182,094	182,094	182,094	182,094	182,094	182,094	182,094	182,094	182,094
Retained earnings	66,219	62,140	58,069	53,636	49,645	45,616	58,069	41,473	26,443
Accumulated other comprehensive income	-	-	-	-	-	-	-	-	4
Total	248,313	244,234	240,163	235,730	231,739	227,710	240,163	223,567	208,541
Total liabilities and shareholders' equity	\$ 1,966,369	\$ 1,854,765	\$ 1,785,381	\$ 1,776,659	\$ 1,796,192	\$ 1,746,278	\$ 1,785,381	\$ 1,809,130	\$ 1,725,049

* 2018 and 2017 have not been restated to reflect IFRS 9 adopted in 2019. The adoption of IFRS 9 has been applied prospectively 2019.

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

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	QUARTER						YEAR ENDED		
	2020		2019				2019	2018	2017
	Q2	Q1	Q4	Q3	Q2	Q1			
Gross impaired loans									
Commercial real estate	\$ 6,453	\$ 6,374	\$ 6,282	\$ 24,869	\$ 24,869	\$ 19,003	\$ 6,282	\$ -	\$ -
Non-commercial real estate	-	-	-	-	-	-	-	-	-
Corporate and public sector	-	-	-	627	627	627	-	627	627
Structured finance	-	-	-	-	-	-	-	-	-
Total gross impaired loans	\$ 6,453	\$ 6,374	\$ 6,282	\$ 25,496	\$ 25,496	\$ 19,630	\$ 6,282	\$ 627	\$ 627
Allowance for credit losses									
Individual allowance - based on IAS 39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400	\$ 200
Collective allowance - based on IAS 39	-	-	-	-	-	-	-	2,359	2,225
Allowance for credit losses under IFRS 9	2,401	1,911	2,119	2,334	1,953	2,364	2,119	-	-
Total allowance for credit losses	\$ 2,401	\$ 1,911	\$ 2,119	\$ 2,334	\$ 1,953	\$ 2,364	\$ 2,119	\$ 2,759	\$ 2,425
Reconciliation of allowance for credit losses									
Balance, beginning of period	\$ 1,911	\$ 2,119	\$ 2,334	\$ 1,953	\$ 2,364	\$ 2,759	\$ 2,759	\$ 2,425	\$ 3,031
IFRS 9 transition	-	-	-	-	-	(106)	(106)	-	-
Provision (recoveries) for credit losses	490	(208)	21	381	(411)	(289)	(298)	334	(125)
Write-offs (recoveries)	-	-	(236)	-	-	-	(236)	-	(481)
Balance, end of period	\$ 2,401	\$ 1,911	\$ 2,119	\$ 2,334	\$ 1,953	\$ 2,364	\$ 2,119	\$ 2,759	\$ 2,425
Total net impaired loans	\$ 4,052	\$ 4,463	\$ 4,163	\$ 23,162	\$ 23,543	\$ 17,266	\$ 4,163	\$ (2,132)	\$ (1,798)
Total loans	\$ 1,594,968	\$ 1,668,720	\$ 1,594,288	\$ 1,613,811	\$ 1,628,116	\$ 1,603,185	\$ 1,594,288	\$ 1,631,026	\$ 1,520,857
Gross impaired loans as a % of total loans	0.41%	0.38%	0.39%	1.58%	1.57%	1.22%	0.39%	0.04%	0.04%
Provision (recovery) for credit losses as a % of average loans	0.12%	(0.01%)	0.00%	0.02%	(0.03%)	(0.02%)	(0.02%)	0.02%	(0.01%)

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ALLOWANCE FOR CREDIT LOSSES BY LENDING ASSET
Quarter ended April 30, 2020
(unaudited)
(\$CAD thousands)

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	As at April 30, 2020				As at April 30, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Commercial real estate								
Balance at beginning of period	\$ 1,286	\$ 236	\$ -	\$ 1,522	\$ 1,187	\$ 269	\$ -	\$ 1,456
Transfer in (out) to Stage 1	-	-	-	-	1	(1)	-	-
Transfer in (out) to Stage 2	(6)	6	-	-	(8)	8	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	(97)	97	-
Net remeasurement of loss allowance	252	44	-	296	(211)	23	(97)	(285)
Loan originations	56	-	-	56	98	-	-	98
Derecognitions and maturities	(8)	-	-	(8)	(20)	-	-	(20)
Provision for (recovery of) credit losses	294	50	-	344	(140)	(67)	-	(207)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 1,580	\$ 286	\$ -	\$ 1,866	\$ 1,047	\$ 202	\$ -	\$ 1,249
Non-commercial real estate								
Balance at beginning of period	\$ 82	\$ -	\$ -	\$ 82	\$ 133	\$ -	\$ -	\$ 133
Transfer in (out) to Stage 1	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 2	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	60	-	-	60	(49)	-	-	(49)
Loan originations	37	-	-	37	-	-	-	-
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	97	-	-	97	(49)	-	-	(49)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 179	\$ -	\$ -	\$ 179	\$ 84	\$ -	\$ -	\$ 84
Corporate and public sector								
Balance at beginning of period	\$ 31	\$ -	\$ -	\$ 31	\$ 64	\$ -	\$ 400	\$ 464
Transfer in (out) to Stage 1	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 2	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	28	1	-	29	(6)	-	-	(6)
Loan originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	28	1	-	29	(6)	-	-	(6)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 59	\$ 1	\$ -	\$ 60	\$ 58	\$ -	\$ 400	\$ 458
Structured finance								
Balance at beginning of period	\$ 276	\$ -	\$ -	\$ 276	\$ 310	\$ 1	\$ -	\$ 311
Transfer in (out) to Stage 1	25	(25)	-	-	16	(16)	-	-
Transfer in (out) to Stage 2	(70)	70	-	-	(56)	56	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	(1,362)	(36)	-	(1,398)	(921)	(30)	-	(951)
Loan originations	2,000	-	-	2,000	1,127	-	-	1,127
Derecognitions and maturities	(573)	(9)	-	(582)	(315)	(10)	-	(325)
Provision for (recovery of) credit losses	20	-	-	20	(149)	-	-	(149)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 296	\$ -	\$ -	\$ 296	\$ 161	\$ 1	\$ -	\$ 162
Total balance at end of period	\$ 2,114	\$ 287	\$ -	\$ 2,401	\$ 1,350	\$ 203	\$ 400	\$ 1,953

VERSABANK
ALLOWANCE FOR CREDIT LOSSES BY LENDING ASSET
Year to Date ended April 30, 2020
(unaudited)
(\$CAD thousands)

Page 8

	As at April 30, 2020				As at April 30, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Commercial real estate								
Balance at beginning of period	\$ 1,557	\$ 209	\$ -	\$ 1,766	\$ 1,257	\$ 348	\$ -	\$ 1,605
Transfer in (out) to Stage 1	5	(5)	-	-	22	(22)	-	-
Transfer in (out) to Stage 2	(19)	19	-	-	(9)	9	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	(177)	177	-
Net remeasurement of loss allowance	(68)	63	-	(5)	(305)	45	(177)	(437)
Loan originations	122	-	-	122	157	-	-	157
Derecognitions and maturities	(17)	-	-	(17)	(75)	(1)	-	(76)
Provision for (recovery of) credit losses	23	77	-	100	(210)	(146)	-	(356)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 1,580	\$ 286	\$ -	\$ 1,866	\$ 1,047	\$ 202	\$ -	\$ 1,249
Non-commercial real estate								
Balance at beginning of period	\$ 86	\$ -	\$ -	\$ 86	\$ 151	\$ -	\$ -	\$ 151
Transfer in (out) to Stage 1	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 2	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	50	-	-	50	(67)	-	-	(67)
Loan originations	45	-	-	45	-	-	-	-
Derecognitions and maturities	(2)	-	-	(2)	-	-	-	-
Provision for (recovery of) credit losses	93	-	-	93	(67)	-	-	(67)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 179	\$ -	\$ -	\$ 179	\$ 84	\$ -	\$ -	\$ 84
Corporate and public sector								
Balance at beginning of period	\$ 38	\$ -	\$ -	\$ 38	\$ 81	\$ -	\$ 400	\$ 481
Transfer in (out) to Stage 1	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 2	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	21	1	-	22	(25)	-	-	(25)
Loan originations	-	-	-	-	2	-	-	2
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	21	1	-	22	(23)	-	-	(23)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 59	\$ 1	\$ -	\$ 60	\$ 58	\$ -	\$ 400	\$ 458
Structured finance								
Balance at beginning of period	\$ 229	\$ -	\$ -	\$ 229	\$ 415	\$ 1	\$ -	\$ 416
Transfer in (out) to Stage 1	42	(42)	-	-	35	(35)	-	-
Transfer in (out) to Stage 2	(104)	104	-	-	(92)	92	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	(3,947)	(43)	-	(3,990)	(2,124)	(35)	-	(2,159)
Loan originations	5,008	-	-	5,008	2,596	-	-	2,596
Derecognitions and maturities	(932)	(19)	-	(951)	(669)	(22)	-	(691)
Provision for (recovery of) credit losses	67	-	-	67	(254)	-	-	(254)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 296	\$ -	\$ -	\$ 296	\$ 161	\$ 1	\$ -	\$ 162
Total balance at end of period	\$ 2,114	\$ 287	\$ -	\$ 2,401	\$ 1,350	\$ 203	\$ 400	\$ 1,953

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

	2020		2019			
	Q2	Q1	Q4	Q3	Q2	Q1
Modified Capital Disclosure Template						
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
Retained earnings	66,219	62,140	58,069	53,636	49,645	45,616
Accumulated other comprehensive income	-	-	-	-	-	-
Common Equity Tier 1 capital before regulatory adjustments	218,976	214,897	210,826	206,393	202,402	198,373
Total regulatory adjustments to Common Equity Tier 1	(9,730)	(11,498)	(13,281)	(15,158)	(16,872)	(18,562)
Adjustment under transitional basis	249	-	-	-	-	-
Common Equity Tier 1 capital (CET1)	209,495	203,399	197,545	191,235	185,530	179,811
Additional Tier 1 capital: instruments						
Directly issued qualifying Additional Tier 1 instruments	29,337	29,337	29,337	29,337	29,337	29,337
Tier 1 capital (T1 = CET1 + AT1)	238,832	232,736	226,882	220,572	214,867	209,148
Tier 2 capital: instruments and allowances						
Directly issued capital instruments subject to phase out from Tier 2	5,000	5,000	5,000	5,000	5,000	10,000
Tier 2 capital before regulatory adjustments	5,000	5,000	5,000	5,000	5,000	10,000
Total regulatory adjustments to Tier 2 capital	-	-	-	-	-	6,000
Allowance for credit losses	2,152	-	-	-	-	-
Tier 2 capital (T2)	7,152	5,000	5,000	5,000	5,000	4,000
Total regulatory capital (TC = T1 + T2)	\$ 245,984	\$ 237,736	\$ 231,882	\$ 225,572	\$ 219,867	\$ 213,148
Total risk-weighted assets	\$ 1,551,796	\$ 1,558,070	\$ 1,501,435	\$ 1,504,445	\$ 1,524,228	\$ 1,466,154
Capital ratios						
Common Equity Tier 1 (as a % of risk-weighted assets)	13.50%	13.05%	13.16%	12.71%	12.17%	12.26%
Tier 1 (as a % of risk-weighted assets)	15.39%	14.94%	15.11%	14.66%	14.10%	14.27%
Total regulatory capital (as a % of risk-weighted assets)	15.85%	15.26%	15.44%	14.99%	14.42%	14.54%
OSFI all-in target						
Common Equity Tier 1 capital target ratio	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%
Total regulatory capital target ratio	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Capital instruments subject to phase-out arrangements						
Current cap on T2 instruments subject to phase-out arrangements	\$ 15,450	\$ 15,450	\$ 15,450	\$ 15,450	\$ 15,450	\$ 15,450
Amounts excluded from T2 due to cap	-	-	-	-	-	-

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

	2020		2019			
	Q2	Q1	Q4	Q3	Q2	Q1
On-Balance Sheet Exposures						
On-balance sheet assets	\$ 1,966,369	\$ 1,854,765	\$ 1,785,381	\$ 1,776,659	\$ 1,796,192	\$ 1,746,278
Asset amounts deducted in determining Basel III Tier 1 Capital	(9,730)	(11,498)	(13,281)	(15,158)	(16,872)	(18,562)
Adjustment under transitional basis	249	-	-	-	-	-
Total on-balance sheet exposures	1,956,888	1,843,267	1,772,100	1,761,501	1,779,320	1,727,716
Other Off-Balance Sheet Exposures						
Off-balance sheet exposure at gross notional amount	\$ 332,385	\$ 312,160	\$ 309,440	\$ 254,711	\$ 268,681	\$ 223,657
Adjustments for conversion to credit equivalent amounts	(209,104)	(192,338)	(190,023)	(162,410)	(168,745)	(142,012)
Off-balance sheet items	123,281	119,822	119,417	92,301	99,936	81,645
Capital and Total Exposures						
Tier 1 capital	238,832	232,736	226,882	220,572	214,867	209,148
Total exposures	2,080,169	1,963,089	1,891,517	1,853,802	1,879,256	1,809,361
Leverage Ratios						
Basel III leverage ratio	11.48%	11.86%	11.99%	11.90%	11.43%	11.56%