



## **Supplemental Financial Information**

**For the quarter ended July 31, 2020  
(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 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								9 MONTHS ENDED		YEAR ENDED		
	2020			2019			2020	2019	2019	2018	2017		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3	2019	2018	2017	
<b>Results of Operations</b>													
Interest income	\$ 20,172	\$ 22,688	\$ 22,166	\$ 22,263	\$ 22,958	\$ 21,125	\$ 21,959	\$ 65,026	\$ 66,042	\$ 88,305	\$ 80,914	\$ 71,765	
Net interest income	12,384	14,476	13,557	13,655	14,059	12,743	13,440	40,417	40,242	53,897	51,499	43,983	
Non-interest income (loss)	8	9	25	(20)	19	4	19	42	42	22	186	(141)	
Total revenue	12,392	14,485	13,582	13,635	14,078	12,747	13,459	40,459	40,284	53,919	51,685	43,842	
Provision for credit losses (recovery)*	(44)	490	(208)	21	381	(411)	(289)	238	(319)	(298)	334	(125)	
Non-interest expenses	6,410	6,899	6,705	6,171	6,860	6,411	6,954	20,014	20,225	26,396	26,338	27,190	
Restructuring charges	-	-	-	-	-	-	-	-	-	-	-	2,045	
Net income before income tax	6,026	7,096	7,085	7,443	6,837	6,747	6,794	20,207	20,378	27,821	25,013	14,732	
Tax provision (recovery)	1,657	1,947	1,944	2,038	1,874	1,851	1,862	5,548	5,587	7,625	6,939	(4,740)	
Net income	\$ 4,369	\$ 5,149	\$ 5,141	\$ 5,405	\$ 4,963	\$ 4,896	\$ 4,932	\$ 14,659	\$ 14,791	\$ 20,196	\$ 18,074	\$ 19,472	
<b>Per Common Share (\$')</b>													
Basic earnings per share	0.18	0.22	0.22	0.23	0.21	0.21	0.21	0.62	0.54	0.85	0.75	0.83	
Diluted earnings per share	0.18	0.22	0.22	0.23	0.21	0.21	0.21	0.62	0.54	0.85	0.75	0.83	
Return on average common equity	6.90%	8.64%	8.60%	9.23%	8.56%	8.89%	8.86%	8.04%	8.77%	8.89%	8.50%	10.29%	
Book value/share	10.52	10.37	10.17	9.98	9.77	9.58	9.39	10.52	9.77	9.98	9.19	8.48	
Closing market price (common share)	6.94	5.57	7.44	6.57	7.05	7.50	7.43	6.94	7.05	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	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	21,124	20,095	
Total market value of common shares	146,601	117,661	157,163	138,785	148,924	158,430	156,951	146,601	148,924	138,785	148,924	116,551	
<b>Financial Ratios</b>													
Yield	4.12%	4.83%	4.84%	4.96%	5.10%	4.89%	4.90%	4.68%	4.92%	4.91%	4.58%	4.19%	
Cost of funds	1.59%	1.75%	1.88%	1.92%	1.98%	1.94%	1.90%	1.77%	1.92%	1.91%	1.66%	1.62%	
Net interest income (%)	2.53%	3.08%	2.96%	3.04%	3.12%	2.95%	3.00%	2.91%	3.00%	3.00%	2.91%	2.57%	
Non-interest expenses to average total assets (annualized)	1.31%	1.47%	1.47%	1.37%	1.52%	1.48%	1.55%	1.44%	1.51%	1.47%	1.49%	1.59%	
Efficiency ratio	51.73%	47.63%	49.37%	45.26%	48.73%	50.29%	51.67%	49.47%	50.21%	48.95%	50.96%	62.02%	
Number of full time equivalent staff at period end	96	94	93	92	89	87	86	96	89	92	86	80	
Assets to full time employee	\$ 20,107	\$ 20,852	\$ 19,880	\$ 19,385	\$ 20,053	\$ 20,741	\$ 20,400	\$ 20,107	\$ 20,053	\$ 19,385	\$ 21,135	\$ 21,644	
<b>Credit Quality</b>													
Gross impaired loans	\$ 6,678	\$ 6,453	\$ 6,374	\$ 6,282	\$ 25,496	\$ 25,496	\$ 19,630	\$ 6,678	\$ 25,496	\$ 6,282	\$ 627	\$ 627	
Gross impaired loans as a % of total loans	0.43%	0.41%	0.38%	0.39%	1.58%	1.57%	1.22%	0.43%	1.58%	0.39%	0.04%	0.04%	
Net impaired loans	\$ 4,321	\$ 4,052	\$ 4,463	\$ 4,163	\$ 23,162	\$ 23,543	\$ 17,266	\$ 4,321	\$ 23,162	\$ 4,163	\$ (2,132)	\$ (1,798)	
Provision (recovery) for credit losses as a % of average loans	(0.01%)	0.12%	(0.01%)	0.00%	0.02%	(0.03%)	(0.02%)	0.02%	(0.02%)	(0.02%)	0.02%	(0.01%)	
<b>Financial Position</b>													
Cash and securities	\$ 353,794	\$ 340,326	\$ 134,253	\$ 149,206	\$ 118,310	\$ 132,129	\$ 105,193	\$ 353,794	\$ 118,310	\$ 149,206	\$ 139,798	\$ 160,171	
Cash and securities to total assets (%)	18.33%	17.31%	7.24%	8.36%	6.66%	7.36%	6.02%	18.33%	6.66%	8.36%	7.73%	9.29%	
Total loans	1,547,761	1,594,968	1,668,720	1,594,288	1,613,811	1,628,116	1,603,185	1,547,761	1,613,811	1,594,288	1,631,026	1,520,857	
Mortgages and loans to total assets (%)	80.18%	81.11%	89.97%	89.30%	90.83%	90.64%	91.81%	80.18%	90.83%	89.30%	90.16%	88.16%	
Total assets	1,930,256	1,966,369	1,854,765	1,785,381	1,776,659	1,796,192	1,746,278	1,930,256	1,776,659	1,785,381	1,809,130	1,725,049	
Average assets	1,948,313	1,910,567	1,820,073	1,781,020	1,786,426	1,771,235	1,777,704	1,857,819	1,792,894	1,797,256	1,767,089	1,714,725	
Deposits	1,565,334	1,591,732	1,454,979	1,399,889	1,398,286	1,425,057	1,371,123	1,565,334	1,398,286	1,399,889	1,437,431	1,376,006	
Subordinated notes payable	4,887	4,885	4,883	4,881	4,879	4,876	9,859	4,887	4,879	4,881	4,844	9,786	
Shareholders' equity	251,612	248,313	244,234	240,163	235,730	231,739	227,710	251,612	235,730	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)

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	QUARTER							9 MONTHS ENDED		YEAR ENDED		
	2020			2019				2020	2019	2019		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3	2019	2018	2017
<b>Interest Income</b>												
Loans	\$ 19,484	\$ 21,938	\$ 21,274	\$ 21,328	\$ 22,019	\$ 20,398	\$ 21,130	\$ 62,696	63,547	\$ 84,875	\$ 78,509	\$ 70,424
Securities	688	750	892	935	939	727	829	2,330	2,495	3,430	2,405	1,341
Total interest income	20,172	22,688	22,166	22,263	22,958	21,125	21,959	65,026	66,042	88,305	80,914	71,765
Yield %	4.12%	4.83%	4.84%	4.96%	5.10%	4.89%	4.90%	4.68%	4.92%	4.91%	4.58%	4.19%
<b>Interest Expense</b>												
Deposits and other	7,661	8,085	8,482	8,481	8,771	8,099	8,302	24,228	25,172	33,653	28,557	26,473
Notes	127	127	127	127	128	283	217	381	628	755	858	1,309
Total interest expense	7,788	8,212	8,609	8,608	8,899	8,382	8,519	24,609	25,800	34,408	29,415	27,782
Cost of funds %	1.59%	1.75%	1.88%	1.92%	1.98%	1.94%	1.90%	1.77%	1.92%	1.91%	1.66%	1.62%
Net interest income	12,384	14,476	13,557	13,655	14,059	12,743	13,440	40,417	40,242	53,897	51,499	43,983
Spread %	2.53%	3.08%	2.96%	3.04%	3.12%	2.95%	3.00%	2.91%	3.00%	3.00%	2.91%	2.57%
Non-interest income (loss)	8	9	25	(20)	19	4	19	42	42	22	186	(141)
Total revenue	12,392	14,485	13,582	13,635	14,078	12,747	13,459	40,459	40,284	53,919	51,685	43,842
Provision for credit losses (recovery) <sup>(1)</sup>	(44)	490	(208)	21	381	(411)	(289)	238	(319)	(298)	334	(125)
	12,436	13,995	13,790	13,614	13,697	13,158	13,748	40,221	40,603	54,217	51,351	43,967
Non-interest expenses	6,410	6,899	6,705	6,171	6,860	6,411	6,954	20,014	20,225	26,396	26,338	27,190
Restructuring charges	-	-	-	-	-	-	-	-	-	-	-	2,045
	6,410	6,899	6,705	6,171	6,860	6,411	6,954	20,014	20,225	26,396	26,338	29,235
Net income before taxes	6,026	7,096	7,085	7,443	6,837	6,747	6,794	20,207	20,378	27,821	25,013	14,732
Tax provision (recovery)	1,657	1,947	1,944	2,038	1,874	1,851	1,862	5,548	5,587	7,625	6,939	(4,740)
<b>Net income</b>	\$ 4,369	\$ 5,149	\$ 5,141	\$ 5,405	\$ 4,963	\$ 4,896	\$ 4,932	\$ 14,659	\$ 14,791	\$ 20,196	\$ 18,074	\$ 19,472
<b>Earnings per common share:</b>												
Basic	\$ 0.18	\$ 0.22	\$ 0.22	\$ 0.23	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.62	\$ 0.62	\$ 0.85	\$ 0.75	\$ 0.83
Diluted	\$ 0.18	\$ 0.22	\$ 0.22	\$ 0.23	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.62	\$ 0.62	\$ 0.85	\$ 0.75	\$ 0.83
<b>Comprehensive Income</b>												
Net income	\$ 4,369	\$ 5,149	\$ 5,141	\$ 5,405	\$ 4,963	\$ 4,896	\$ 4,932	\$ 14,659	\$ 14,791	\$ 20,196	\$ 18,074	\$ 19,472
Other comprehensive income (loss), net of tax												
Net unrealized gains (losses) on fair value through OCI assets <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	(4)	(2)
	-	-	-	-	-	-	-	-	-	-	(4)	(2)
<b>Total comprehensive income</b>	\$ 4,369	\$ 5,149	\$ 5,141	\$ 5,405	\$ 4,963	\$ 4,896	\$ 4,932	\$ 14,659	\$ 14,791	\$ 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							9 MONTHS ENDED		YEAR ENDED		
	2020			2019				2020	2019			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3	2019	2018	2017
Net Interest Income	\$ 12,384	\$ 14,476	\$ 13,557	\$ 13,655	\$ 14,059	\$ 12,743	\$ 13,440	\$ 40,417	\$ 40,242	\$ 53,897	\$ 51,499	\$ 43,983
<b>Net Interest Income (NII)</b>	<b>12,384</b>	<b>14,476</b>	<b>13,557</b>	<b>13,655</b>	<b>14,059</b>	<b>12,743</b>	<b>13,440</b>	<b>40,417</b>	<b>40,242</b>	<b>53,897</b>	<b>51,499</b>	<b>43,983</b>
Credit card non-interest revenue	-	-	-	-	-	-	-	-	-	-	-	(215)
Other income	8	9	25	(20)	19	4	19	42	42	22	186	74
<b>Total non-interest income</b>	<b>8</b>	<b>9</b>	<b>25</b>	<b>(20)</b>	<b>19</b>	<b>4</b>	<b>19</b>	<b>42</b>	<b>42</b>	<b>22</b>	<b>186</b>	<b>(141)</b>
<b>Total revenue</b>	<b>\$ 12,392</b>	<b>\$ 14,485</b>	<b>\$ 13,582</b>	<b>\$ 13,635</b>	<b>\$ 14,078</b>	<b>\$ 12,747</b>	<b>\$ 13,459</b>	<b>\$ 40,459</b>	<b>\$ 40,284</b>	<b>\$ 53,919</b>	<b>\$ 51,685</b>	<b>\$ 43,842</b>
Non-interest income as a % of total revenue	0.06%	0.06%	0.18%	(0.15%)	0.13%	0.03%	0.14%	0.10%	0.10%	0.04%	0.36%	(0.32%)
Net interest income per average assets	2.53%	3.08%	2.96%	3.04%	3.12%	2.95%	3.00%	2.91%	3.00%	3.00%	2.91%	2.57%

(unaudited)  
(C\$ thousands)

	QUARTER							9 MONTHS ENDED		YEAR ENDED		
	2020			2019				2020	2019			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3	2019	2018	2017
Average loans	\$ 1,571,365	\$ 1,631,844	\$ 1,631,504	\$ 1,604,050	\$ 1,620,964	\$ 1,615,651	\$ 1,617,106	\$ 1,571,025	\$ 1,622,419	\$ 1,612,657	\$ 1,575,942	\$ 1,542,235
Average total assets	\$ 1,948,313	\$ 1,910,567	\$ 1,820,073	\$ 1,781,020	\$ 1,786,426	\$ 1,771,235	\$ 1,777,704	\$ 1,857,819	\$ 1,792,894	\$ 1,797,256	\$ 1,767,089	\$ 1,714,725

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

	QUARTER								9 MONTHS ENDED		YEAR ENDED		
	2020			2019				2020	2019	2019	2018	2017	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3				
<b>Salaries and Employee Benefits</b>													
Salaries	\$ 3,124	\$ 3,086	\$ 3,184	\$ 2,776	\$ 3,159	\$ 3,380	\$ 3,343	\$ 9,394	\$ 9,882	\$ 12,658	\$ 11,972	\$ 11,207	
Employee benefits	835	812	755	696	779	479	562	2,402	1,820	2,516	2,365	2,449	
Total	3,959	3,898	3,939	3,472	3,938	3,859	3,905	11,796	11,702	15,174	14,337	13,656	
<b>Premises</b>													
Rent	132	131	143	115	130	124	151	406	405	520	716	731	
Depreciation	193	193	182	173	182	186	180	568	548	721	623	553	
Other	273	309	270	273	296	304	316	852	916	1,189	965	851	
Total	598	633	595	561	608	614	647	1,826	1,869	2,430	2,304	2,135	
<b>General and administrative</b>													
Capital taxes and other assessments	361	450	462	486	479	484	484	1,273	1,447	1,933	3,101	3,939	
Insurance	119	127	121	134	117	125	118	367	360	494	484	456	
Listing, sustaining and annual meeting fees	68	66	86	47	78	77	85	220	240	287	266	723	
Marketing and business development	65	76	61	67	78	73	91	202	242	309	351	386	
Professional fees and consulting services	550	764	492	495	664	318	536	1,806	1,518	2,013	1,759	1,611	
Credit card administration	-	-	-	-	-	-	-	-	-	-	-	471	
Other	690	885	949	909	898	861	1,088	2,524	2,847	3,756	3,736	3,813	
Total	1,853	2,368	2,171	2,138	2,314	1,938	2,402	6,392	6,654	8,792	9,697	11,399	
<b>Restructuring charges</b>	-	-	-	-	-	-	-	-	-	-	-	2,045	
<b>Total non-interest expenses</b>	\$ 6,410	\$ 6,899	\$ 6,705	\$ 6,171	\$ 6,860	\$ 6,411	\$ 6,954	\$ 20,014	\$ 20,225	\$ 26,396	\$ 26,338	\$ 29,235	

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

	QUARTER								YEAR ENDED		
	2020			2019					2019	2018	2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1				
<b>Cash and cash equivalents</b>	\$ 353,794	\$ 340,326	\$ 134,253	\$ 139,145	\$ 108,299	\$ 122,090	\$ 95,203	\$ 139,145	\$ 129,781	\$ 159,909	
<b>Securities</b>	-	-	-	10,061	10,011	10,039	9,990	10,061	10,017	262	
<b>Total</b>	353,794	340,326	134,253	149,206	118,310	132,129	105,193	149,206	139,798	160,171	
<b>Loans</b>											
Commercial real estate	563,032	545,317	526,375	509,564	554,956	601,395	568,331	509,564	594,627	559,501	
Non-commercial real estate	36,913	36,216	38,099	44,608	43,789	50,842	60,328	44,608	91,517	82,080	
Corporate and public sector	34,335	35,945	38,227	40,670	43,378	47,574	48,845	40,670	50,922	69,544	
Structured finance	909,804	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*	(2,357)	(2,401)	(1,911)	(2,119)	(2,334)	(1,953)	(2,364)	(2,119)	(2,759)	(2,425)	
Accrued interest	6,034	6,319	6,723	6,723	7,552	6,543	6,742	6,723	6,897	5,810	
<b>Total</b>	1,547,761	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	
<b>Other assets</b>											
Capital assets	7,608	7,717	7,765	7,911	8,029	8,203	8,368	7,911	8,390	8,020	
Other assets	21,093	23,358	44,027	33,976	36,509	27,744	29,532	33,976	29,916	36,001	
<b>Total</b>	28,701	31,075	51,792	41,887	44,538	35,947	37,900	41,887	38,306	44,021	
<b>Total assets</b>	\$ 1,930,256	\$ 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	
<b>Deposits</b>											
Demand	\$ 14,019	\$ 13,329	\$ 13,579	\$ 12,925	\$ 13,024	\$ 13,119	\$ 13,921	\$ 12,925	\$ 15,231	\$ 18,983	
Trustee chequing accounts	418,198	398,233	387,201	386,052	369,477	351,905	395,225	386,052	395,994	275,182	
Term (including accrued interest)	1,133,117	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	
<b>Total</b>	1,565,334	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	
<b>Securitization liabilities</b>	9,053	9,032	33,388	33,366	33,518	33,338	33,490	33,366	33,310	33,256	
<b>Other liabilities</b>	99,370	112,407	117,281	107,082	104,246	101,182	104,096	107,082	104,978	97,460	
<b>Subordinated notes payable</b>	4,887	4,885	4,883	4,881	4,879	4,876	9,859	4,881	9,844	9,786	
<b>Shareholders' equity</b>											
Share capital	182,094	182,094	182,094	182,094	182,094	182,094	182,094	182,094	182,094	182,094	
Retained earnings	69,518	66,219	62,140	58,069	53,636	49,645	45,616	58,069	41,473	26,443	
Accumulated other comprehensive income	-	-	-	-	-	-	-	-	-	4	
<b>Total</b>	251,612	248,313	244,234	240,163	235,730	231,739	227,710	240,163	223,567	208,541	
<b>Total liabilities and shareholders' equity</b>	\$ 1,930,256	\$ 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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1				
<b>Gross impaired loans</b>											
Commercial real estate	\$ 6,678	\$ 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	-	-	-	-	-	-	-	-	-	-	
<b>Total gross impaired loans</b>	<b>\$ 6,678</b>	<b>\$ 6,453</b>	<b>\$ 6,374</b>	<b>\$ 6,282</b>	<b>\$ 25,496</b>	<b>\$ 25,496</b>	<b>\$ 19,630</b>	<b>\$ 6,282</b>	<b>\$ 627</b>	<b>\$ 627</b>	
<b>Allowance for credit losses</b>											
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	2,357	2,401	1,911	2,119	2,334	1,953	2,364	2,119	-	-	
<b>Total allowance for credit losses</b>	<b>\$ 2,357</b>	<b>\$ 2,401</b>	<b>\$ 1,911</b>	<b>\$ 2,119</b>	<b>\$ 2,334</b>	<b>\$ 1,953</b>	<b>\$ 2,364</b>	<b>\$ 2,119</b>	<b>\$ 2,759</b>	<b>\$ 2,425</b>	
<b>Reconciliation of allowance for credit losses</b>											
Balance, beginning of period	\$ 2,401	\$ 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	(44)	490	(208)	21	381	(411)	(289)	(298)	334	(125)	
Write-offs (recoveries)	-	-	-	(236)	-	-	-	(236)	-	(481)	
<b>Balance, end of period</b>	<b>\$ 2,357</b>	<b>\$ 2,401</b>	<b>\$ 1,911</b>	<b>\$ 2,119</b>	<b>\$ 2,334</b>	<b>\$ 1,953</b>	<b>\$ 2,364</b>	<b>\$ 2,119</b>	<b>\$ 2,759</b>	<b>\$ 2,425</b>	
<b>Total net impaired loans</b>	<b>\$ 4,321</b>	<b>\$ 4,052</b>	<b>\$ 4,463</b>	<b>\$ 4,163</b>	<b>\$ 23,162</b>	<b>\$ 23,543</b>	<b>\$ 17,266</b>	<b>\$ 4,163</b>	<b>\$ (2,132)</b>	<b>\$ (1,798)</b>	
<b>Total loans</b>	<b>\$ 1,547,761</b>	<b>\$ 1,594,968</b>	<b>\$ 1,668,720</b>	<b>\$ 1,594,288</b>	<b>\$ 1,613,811</b>	<b>\$ 1,628,116</b>	<b>\$ 1,603,185</b>	<b>\$ 1,594,288</b>	<b>\$ 1,631,026</b>	<b>\$ 1,520,857</b>	
Gross impaired loans as a % of total loans	0.43%	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	(0.01%)	0.12%	(0.01%)	0.00%	0.02%	(0.03%)	(0.02%)	(0.02%)	0.02%	(0.01%)	

**VERSABANK**  
**ALLOWANCE FOR CREDIT LOSSES BY LENDING ASSET**  
**Quarter ended July 31, 2020**  
(unaudited)  
(\$CAD thousands)

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	As at July 31, 2020				As at July 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Commercial real estate</b>								
Balance at beginning of period	\$ 1,580	\$ 286	\$ -	\$ 1,866	\$ 1,047	\$ 202	\$ -	\$ 1,249
Transfer in (out) to Stage 1	5	(5)	-	-	15	(15)	-	-
Transfer in (out) to Stage 2	(68)	68	-	-	(43)	43	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	(72)	(52)	-	(124)	127	(13)	-	114
Loan originations	118	-	-	118	116	-	-	116
Derecognitions and maturities	(3)	-	-	(3)	(65)	-	-	(65)
Provision for (recovery of) credit losses	(20)	11	-	(9)	150	15	-	165
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 1,560</b>	<b>\$ 297</b>	<b>\$ -</b>	<b>\$ 1,857</b>	<b>\$ 1,197</b>	<b>\$ 217</b>	<b>\$ -</b>	<b>\$ 1,414</b>
<b>Non-commercial real estate</b>								
Balance at beginning of period	\$ 179	\$ -	\$ -	\$ 179	\$ 84	\$ -	\$ -	\$ 84
Transfer in (out) to Stage 1	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 2	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	48	-	-	48	(10)	-	-	(10)
Loan originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	-	-	-	-	(1)	-	-	(1)
Provision for (recovery of) credit losses	48	-	-	48	(11)	-	-	(11)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 227</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 227</b>	<b>\$ 73</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 73</b>
<b>Corporate and public sector</b>								
Balance at beginning of period	\$ 59	\$ 1	\$ -	\$ 60	\$ 58	\$ -	\$ 400	\$ 458
Transfer in (out) to Stage 1	1	(1)	-	-	-	-	-	-
Transfer in (out) to Stage 2	-	-	-	-	(1)	1	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	(3)	-	-	(3)	(14)	1	227	214
Loan originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	(5)	-	-	(5)	-	-	-	-
Provision for (recovery of) credit losses	(7)	(1)	-	(8)	(15)	2	227	214
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 52</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 52</b>	<b>\$ 43</b>	<b>\$ 2</b>	<b>\$ 627</b>	<b>\$ 672</b>
<b>Structured finance</b>								
Balance at beginning of period	\$ 296	\$ -	\$ -	\$ 296	\$ 161	\$ 1	\$ -	\$ 162
Transfer in (out) to Stage 1	45	(45)	-	-	26	(26)	-	-
Transfer in (out) to Stage 2	(60)	60	-	-	(27)	27	-	-
Transfer in (out) to Stage 3	(5)	-	5	-	-	-	-	-
Net remeasurement of loss allowance	(719)	6	(5)	(718)	(1,126)	14	-	(1,112)
Loan originations	1,220	-	-	1,220	1,481	-	-	1,481
Derecognitions and maturities	(556)	(21)	-	(577)	(340)	(16)	-	(356)
Provision for (recovery of) credit losses	(75)	-	-	(75)	14	(1)	-	13
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 221</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 221</b>	<b>\$ 175</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 175</b>
<b>Total balance at end of period</b>	<b>\$ 2,060</b>	<b>\$ 297</b>	<b>\$ -</b>	<b>\$ 2,357</b>	<b>\$ 1,488</b>	<b>\$ 219</b>	<b>\$ 627</b>	<b>\$ 2,334</b>



**VERSABANK**  
**ALLOWANCE FOR CREDIT LOSSES BY LENDING ASSET**  
**Year to Date ended July 31, 2020**  
(unaudited)  
(\$CAD thousands)

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	As at July 31, 2020				As at July 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Commercial real estate</b>								
Balance at beginning of period	\$ 1,557	\$ 209	\$ -	\$ 1,766	\$ 1,257	\$ 348	\$ -	\$ 1,605
Transfer in (out) to Stage 1	10	(10)	-	-	37	(37)	-	-
Transfer in (out) to Stage 2	(87)	87	-	-	(52)	52	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	(177)	177	-
Net remeasurement of loss allowance	(140)	11	-	(129)	(178)	32	(177)	(323)
Loan originations	240	-	-	240	273	-	-	273
Derecognitions and maturities	(20)	-	-	(20)	(140)	(1)	-	(141)
Provision for (recovery of) credit losses	3	88	-	91	(60)	(131)	-	(191)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 1,560</b>	<b>\$ 297</b>	<b>\$ -</b>	<b>\$ 1,857</b>	<b>\$ 1,197</b>	<b>\$ 217</b>	<b>\$ -</b>	<b>\$ 1,414</b>
<b>Non-commercial real estate</b>								
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	98	-	-	98	(77)	-	-	(77)
Loan originations	45	-	-	45	-	-	-	-
Derecognitions and maturities	(2)	-	-	(2)	(1)	-	-	(1)
Provision for (recovery of) credit losses	141	-	-	141	(78)	-	-	(78)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 227</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 227</b>	<b>\$ 73</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 73</b>
<b>Corporate and public sector</b>								
Balance at beginning of period	\$ 38	\$ -	\$ -	\$ 38	\$ 81	\$ -	\$ 400	\$ 481
Transfer in (out) to Stage 1	1	(1)	-	-	-	-	-	-
Transfer in (out) to Stage 2	-	-	-	-	(1)	1	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	18	1	-	19	(39)	1	227	189
Loan originations	-	-	-	-	2	-	-	2
Derecognitions and maturities	(5)	-	-	(5)	-	-	-	-
Provision for (recovery of) credit losses	14	-	-	14	(38)	2	227	191
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 52</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 52</b>	<b>\$ 43</b>	<b>\$ 2</b>	<b>\$ 627</b>	<b>\$ 672</b>
<b>Structured finance</b>								
Balance at beginning of period	\$ 229	\$ -	\$ -	\$ 229	\$ 415	\$ 1	\$ -	\$ 416
Transfer in (out) to Stage 1	87	(87)	-	-	61	(61)	-	-
Transfer in (out) to Stage 2	(164)	164	-	-	(119)	119	-	-
Transfer in (out) to Stage 3	(5)	-	5	-	-	-	-	-
Net remeasurement of loss allowance	(4,666)	(37)	(5)	(4,708)	(3,250)	(21)	-	(3,271)
Loan originations	6,228	-	-	6,228	4,077	-	-	4,077
Derecognitions and maturities	(1,488)	(40)	-	(1,528)	(1,009)	(38)	-	(1,047)
Provision for (recovery of) credit losses	(8)	-	-	(8)	(240)	(1)	-	(241)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 221</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 221</b>	<b>\$ 175</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 175</b>
<b>Total balance at end of period</b>	<b>\$ 2,060</b>	<b>\$ 297</b>	<b>\$ -</b>	<b>\$ 2,357</b>	<b>\$ 1,488</b>	<b>\$ 219</b>	<b>\$ 627</b>	<b>\$ 2,334</b>



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

	2020			2019			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>On-Balance Sheet Exposures</b>							
On-balance sheet assets	\$ 1,930,256	\$ 1,966,369	\$ 1,854,765	\$ 1,785,381	\$ 1,776,659	\$ 1,796,192	\$ 1,746,278
Asset amounts adjusted in determining Basel III Tier 1 Capital	(8,003)	(9,481)	(11,498)	(13,281)	(15,158)	(16,872)	(18,562)
Total on-balance sheet exposures	1,922,480	1,956,888	1,843,267	1,772,100	1,761,501	1,779,320	1,727,716
<b>Other Off-Balance Sheet Exposures</b>							
Off-balance sheet exposure at gross notional amount	\$ 308,061	\$ 332,385	\$ 312,160	\$ 309,440	\$ 254,711	\$ 268,681	\$ 223,657
Adjustments for conversion to credit equivalent amounts	(197,874)	(209,104)	(192,338)	(190,023)	(162,410)	(168,745)	(142,012)
Off-balance sheet items	110,187	123,281	119,822	119,417	92,301	99,936	81,645
<b>Capital and Total Exposures</b>							
Tier 1 capital	243,609	238,832	232,736	226,882	220,572	214,867	209,148
Total exposures	2,032,440	2,080,169	1,963,089	1,891,517	1,853,802	1,879,256	1,809,361
<b>Leverage Ratios</b>							
Basel III leverage ratio	11.99%	11.48%	11.86%	11.99%	11.90%	11.43%	11.56%