



Supplemental Financial Information

For the quarter ended July 31, 2023
(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 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)

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	QUARTER							9 MONTHS ENDED		YEAR ENDED		
	2023			2022				2023	2022	2022	2021	2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3			
Results of Operations												
Interest income	\$ 60,089	\$ 53,595	\$ 49,561	\$ 42,072	\$ 34,177	\$ 25,848	\$ 24,720	\$ 163,245	\$ 84,745	\$ 126,817	\$ 89,488	\$ 86,094
Net interest income	24,929	24,609	24,274	22,477	20,062	17,242	16,885	73,812	54,189	76,666	60,157	54,125
Non-interest income ⁽¹⁾	1,930	2,076	1,644	1,775	1,177	1,393	1,381	5,650	3,951	5,726	5,200	60
Total revenue	26,859	26,685	25,918	24,252	21,239	18,635	18,266	79,462	58,140	82,392	65,357	54,185
Provision for (recovery of) credit losses	171	237	385	205	166	78	2	793	246	451	(438)	(344)
Non-interest expenses	12,879	12,726	12,335	13,774	13,216	11,767	10,636	37,940	35,619	49,393	35,006	27,777
Net income before income tax	13,809	13,722	13,198	10,273	7,857	6,790	7,628	40,729	22,275	32,548	30,789	26,752
Tax provision	3,806	3,459	3,781	3,844	2,137	1,847	2,062	11,046	6,046	9,890	8,409	7,347
Net income	\$ 10,003	\$ 10,263	\$ 9,417	\$ 6,429	\$ 5,720	\$ 4,943	\$ 5,566	\$ 29,683	\$ 16,229	\$ 22,658	\$ 22,380	\$ 19,405
Per Common Share (\$'s)												
Basic earnings per share	0.38	0.38	0.34	0.23	0.20	0.17	0.19	1.10	0.56	0.79	0.96	0.82
Diluted earnings per share	0.38	0.38	0.34	0.23	0.20	0.17	0.19	1.10	0.56	0.79	0.96	0.82
Return on average common equity	11.15%	12.07%	10.79%	7.32%	6.57%	5.92%	6.58%	11.24%	6.36%	6.61%	8.45%	7.89%
Book value/share	13.55	13.19	12.77	12.37	12.14	11.94	11.78	13.55	12.14	12.37	11.61	10.70
Closing market price (common share)	11.56	9.92	10.44	9.29	9.42	13.02	14.74	11.56	9.42	9.29	14.78	6.59
Weighted average number of common shares	25,958	26,171	27,025	27,379	27,441	27,441	27,441	26,387	27,441	27,425	21,753	21,124
Number of common shares outstanding at period end	25,924	26,004	26,423	27,245	27,441	27,441	27,441	25,924	27,441	27,245	27,441	21,124
Total market value of common shares	299,681	257,960	275,856	253,106	258,494	357,282	404,480	299,681	258,494	253,106	405,578	139,207
Financial Ratios												
Yield	6.19%	6.05%	5.78%	5.26%	4.70%	4.15%	4.06%	6.02%	4.13%	4.47%	4.11%	4.62%
Cost of funds	3.62%	3.27%	2.95%	2.45%	1.94%	1.38%	1.29%	3.30%	1.49%	1.77%	1.35%	1.71%
Net interest income (%)	2.57%	2.78%	2.83%	2.81%	2.76%	2.77%	2.77%	2.72%	2.64%	2.70%	2.76%	2.90%
Net interest income on loans (%)	2.69%	2.99%	3.03%	3.03%	3.07%	3.11%	3.23%	2.89%	3.04%	3.08%	3.35%	3.41%
Non-interest expenses to average total assets (annualized)	1.33%	1.44%	1.44%	1.72%	1.82%	1.89%	1.75%	1.40%	1.73%	1.74%	1.61%	1.49%
Efficiency ratio	47.95%	47.69%	47.59%	56.80%	62.23%	63.14%	58.23%	47.75%	61.26%	59.95%	53.56%	51.26%
Efficiency ratio - Digital Banking	43.31%	43.49%	42.22%	50.99%	57.05%	58.17%	56.28%	43.01%	57.21%	55.38%	51.69%	49.44%
Number of full time equivalent staff at period end	174	173	168	160	154	152	145	174	154	160	145	98
Assets to full time employee	\$ 22,852	\$ 21,595	\$ 21,060	\$ 20,400	\$ 19,996	\$ 17,758	\$ 16,704	\$ 22,852	\$ 19,996	\$ 20,400	\$ 16,656	\$ 19,836
Credit Quality												
Provision (recovery) for credit losses as a % of average loans	0.02%	0.03%	0.05%	0.03%	0.03%	0.01%	0.00%	0.03%	0.01%	0.02%	(0.02%)	(0.02%)
Financial Position												
Cash and securities	\$ 270,670	\$ 263,313	\$ 251,219	\$ 230,145	\$ 217,896	\$ 198,157	\$ 155,239	\$ 270,670	\$ 217,896	\$ 230,145	\$ 271,523	\$ 257,644
Cash and securities to total assets (%)	6.80%	7.06%	7.11%	7.05%	7.09%	7.36%	6.43%	6.80%	7.09%	7.05%	11.24%	13.25%
Total loans	3,661,672	3,419,455	3,235,083	2,992,678	2,814,121	2,450,276	2,215,638	3,661,672	2,814,121	2,992,678	2,103,050	1,654,910
Mortgages and loans to total assets (%)	91.98%	91.69%	91.60%	91.63%	91.51%	91.02%	91.73%	91.98%	91.51%	91.63%	87.08%	85.13%
Total assets	3,980,845	3,729,393	3,531,690	3,265,998	3,075,343	2,692,146	2,415,346	3,980,845	3,075,343	3,265,998	2,415,086	1,943,885
Average assets	3,855,119	3,630,542	3,398,844	3,170,671	2,883,745	2,553,746	2,415,216	3,623,422	2,745,215	2,840,542	2,179,486	1,864,633
Deposits	3,328,017	3,108,218	2,925,452	2,657,540	2,475,063	2,124,916	1,847,003	3,328,017	2,475,063	2,657,540	1,853,204	1,567,570
Subordinated notes payable	101,585	104,532	102,765	104,951	98,706	98,410	97,726	101,585	98,706	104,951	95,272	4,889
Shareholders' equity	365,043	356,519	351,177	350,675	346,648	341,414	336,951	365,043	346,648	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)

	QUARTER								9 MONTHS ENDED		YEAR ENDED		
	2023			2022				2023	2022	2022	2021	2020	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3				
Interest Income													
Loans	\$ 56,206	\$ 50,704	\$ 46,855	\$ 40,039	\$ 33,165	\$ 25,472	\$ 24,514	\$ 153,765	83,151	\$ 123,190	\$ 88,055	\$ 83,232	
Cash and Securities	3,883	2,891	2,706	2,033	1,012	376	206	9,480	1,594	3,627	1,433	2,862	
Total interest income	60,089	53,595	49,561	42,072	34,177	25,848	24,720	163,245	84,745	126,817	89,488	86,094	
Yield %	6.19%	6.05%	5.78%	5.26%	4.70%	4.15%	4.06%	6.02%	4.13%	4.47%	4.11%	4.62%	
Interest Expense													
Deposits and other	33,725	27,534	23,841	18,165	12,727	7,239	6,469	85,100	26,435	44,600	26,446	31,461	
Notes	1,435	1,452	1,446	1,430	1,388	1,367	1,366	4,333	4,121	5,551	2,885	508	
Total interest expense	35,160	28,986	25,287	19,595	14,115	8,606	7,835	89,433	30,556	50,151	29,331	31,969	
Cost of funds %	3.62%	3.27%	2.95%	2.45%	1.94%	1.38%	1.29%	3.30%	1.49%	1.77%	1.35%	1.71%	
Net interest income	24,929	24,609	24,274	22,477	20,062	17,242	16,885	73,812	54,189	76,666	60,157	54,125	
Spread %	2.57%	2.78%	2.83%	2.81%	2.76%	2.77%	2.77%	2.72%	2.64%	2.70%	2.76%	2.90%	
Non-interest income (loss)													
IT security services ⁽¹⁾	1,829	1,954	1,642	1,737	1,165	1,391	1,381	5,425	3,937	5,674	5,260	-	
Other	101	122	2	38	12	2	0	225	14	52	(60)	60	
Total non-interest income (loss)	1,930	2,076	1,644	1,775	1,177	1,393	1,381	5,650	3,951	5,726	5,200	60	
Total revenue	26,859	26,685	25,918	24,252	21,239	18,635	18,266	79,462	58,140	82,392	65,357	54,185	
Provision for credit losses (recovery)	171	237	385	205	166	78	2	793	246	451	(438)	(344)	
	26,688	26,448	25,533	24,047	21,073	18,557	18,264	78,669	57,894	81,941	65,795	54,529	
Non-interest expenses	12,879	12,726	12,335	13,774	13,216	11,767	10,636	37,940	35,619	49,393	35,006	27,777	
Net income before taxes	13,809	13,722	13,198	10,273	7,857	6,790	7,628	40,729	22,275	32,548	30,789	26,752	
Tax provision	3,806	3,459	3,781	3,844	2,137	1,847	2,062	11,046	6,046	9,890	8,409	7,347	
Net income	\$ 10,003	\$ 10,263	\$ 9,417	\$ 6,429	\$ 5,720	\$ 4,943	\$ 5,566	\$ 29,683	\$ 16,229	\$ 22,658	\$ 22,380	\$ 19,405	
Earnings per common share:													
Basic	\$ 0.38	\$ 0.38	\$ 0.34	\$ 0.23	\$ 0.20	\$ 0.17	\$ 0.19	\$ 1.10	\$ 0.56	\$ 0.79	\$ 0.96	\$ 0.82	
Diluted	\$ 0.38	\$ 0.38	\$ 0.34	\$ 0.23	\$ 0.20	\$ 0.17	\$ 0.19	\$ 1.10	\$ 0.56	\$ 0.79	\$ 0.96	\$ 0.82	
Comprehensive Income													
Net income	\$ 10,003	\$ 10,263	\$ 9,417	\$ 6,429	\$ 5,720	\$ 4,943	\$ 5,566	\$ 29,683	\$ 16,229	\$ 22,658	\$ 22,380	\$ 19,405	
Other comprehensive income (loss), net of tax													
Net unrealized gains (losses) on fair value through OCI assets	(42)	22	(27)	36	24	30	17	(47)	71	107	(4)	-	
	(42)	22	(27)	36	24	30	17	(47)	71	107	(4)	-	
Total comprehensive income	\$ 9,961	\$ 10,285	\$ 9,390	\$ 6,465	\$ 5,744	\$ 4,973	\$ 5,583	\$ 29,636	\$ 16,300	\$ 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								9 MONTHS ENDED		YEAR ENDED		
	2023			2022				2023	2022	2022	2021	2020	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3				
Net Interest Income	\$ 24,929	\$ 24,609	\$ 24,274	\$ 22,477	\$ 20,062	\$ 17,242	\$ 16,885	\$ 73,812	\$ 54,189	\$ 76,666	\$ 60,157	\$ 54,125	
Net Interest Income (NII)	24,929	24,609	24,274	22,477	20,062	17,242	16,885	73,812	54,189	76,666	60,157	54,125	
Other income	1,930	2,076	1,644	1,775	1,177	1,393	1,381	5,650	3,951	5,726	5,200	60	
Total non-interest income	1,930	2,076	1,644	1,775	1,177	1,393	1,381	5,650	3,951	5,726	5,200	60	
Total revenue	\$ 26,859	\$ 26,685	\$ 25,918	\$ 24,252	\$ 21,239	\$ 18,635	\$ 18,266	\$ 79,462	\$ 58,140	\$ 82,392	\$ 65,357	\$ 54,185	
Non-interest income as a % of total revenue	7.19%	7.78%	6.34%	7.32%	5.54%	7.48%	7.56%	7.11%	6.80%	6.95%	7.96%	0.11%	
Net interest income per average assets	2.57%	2.78%	2.83%	2.81%	2.76%	2.77%	2.77%	2.72%	2.64%	2.70%	2.76%	2.90%	

(unaudited)
(\$CAD thousands)

	QUARTER								9 MONTHS ENDED		YEAR ENDED		
	2023			2022				2023	2022	2022	2021	2020	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3				
Average loans	\$ 3,540,564	\$ 3,327,269	\$ 3,113,881	\$ 2,903,400	\$ 2,632,199	\$ 2,332,957	\$ 2,159,344	\$ 3,327,175	\$ 2,458,586	\$ 2,547,864	\$ 1,878,980	\$ 1,624,599	
Average total assets	\$ 3,855,119	\$ 3,630,542	\$ 3,398,844	\$ 3,170,671	\$ 2,883,745	\$ 2,553,746	\$ 2,415,216	\$ 3,623,422	\$ 2,745,215	\$ 2,840,542	\$ 2,179,486	\$ 1,864,633	

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

	QUARTER								9 MONTHS ENDED		YEAR ENDED		
	2023			2022				2023	2022	2022			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q3	Q3	2022	2021	2020	
Salaries and Employee Benefits													
Salaries	\$ 5,814	\$ 7,053	\$ 6,772	\$ 6,400	\$ 4,397	\$ 5,571	\$ 4,757	\$ 19,639	\$ 14,725	\$ 21,125	\$ 16,110	\$ 13,073	
Employee benefits	1,639	1,376	1,485	819	2,371	1,155	1,326	4,500	4,852	5,671	4,133	3,891	
Total	7,453	8,429	8,257	7,219	6,768	6,726	6,083	24,139	19,577	26,796	20,243	16,964	
General and administrative													
Capital taxes and other assessments	(4)	4	(46)	1,003	667	640	640	(46)	1,947	2,950	2,555	1,645	
Insurance	543	538	547	556	1,067	1,075	1,061	1,628	3,203	3,759	1,050	526	
Listing, sustaining and annual meeting fees	129	155	166	87	102	67	111	450	280	367	381	281	
Marketing and business development	193	194	270	176	224	242	138	657	604	780	570	291	
Professional fees and consulting services	2,388	1,680	1,059	2,202	2,239	868	494	5,127	3,601	5,803	2,331	2,426	
Other	1,197	745	1,130	1,546	1,220	1,127	1,180	3,072	3,527	5,073	4,222	3,188	
Total	4,446	3,316	3,126	5,570	5,519	4,019	3,624	10,888	13,162	18,732	11,110	8,357	
Premises													
Rent	168	167	168	164	176	177	178	503	531	695	765	538	
Depreciation	341	360	377	416	368	393	400	1,078	1,161	1,577	1,729	769	
Other	471	454	407	405	385	452	351	1,332	1,188	1,593	1,159	1,149	
Total	980	981	952	985	929	1,022	929	2,913	2,880	3,865	3,653	2,456	
Total non-interest expenses	\$ 12,879	\$ 12,726	\$ 12,335	\$ 13,774	\$ 13,216	\$ 11,767	\$ 10,636	\$ 37,940	\$ 35,619	\$ 49,393	\$ 35,006	\$ 27,777	

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

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	July 31, 2023				July 31, 2022			
	Digital Banking	DRTC	Eliminations/ Adjustments	Consolidated	Digital Banking	DRTC	Eliminations/ Adjustments	Consolidated
Net interest income	\$ 24,929	\$ -	\$ -	\$ 24,929	\$ 20,062	\$ -	\$ -	\$ 20,062
Non-interest income	101	2,020	(191)	1,930	12	1,206	(41)	1,177
Total revenue	25,030	2,020	(191)	26,859	20,074	1,206	(41)	21,239
Provision for (recovery of) credit losses	171	-	-	171	166	-	-	166
	24,859	2,020	(191)	26,688	19,908	1,206	(41)	21,073
Non-interest expenses								
Salaries and benefits	5,891	1,562	-	7,453	5,600	1,168	-	6,768
General and administrative	4,257	380	(191)	4,446	5,217	343	(41)	5,519
Premises and equipment	610	370	-	980	610	319	-	929
	10,758	2,312	(191)	12,879	11,427	1,830	(41)	13,216
Income before income taxes	14,101	(292)	-	13,809	8,481	(624)	-	7,857
Income tax provision	3,999	(193)	-	3,806	2,099	38	-	2,137
Net income	\$ 10,102	\$ (99)	\$ -	\$ 10,003	\$ 6,382	\$ (662)	\$ -	\$ 5,720
Total assets	\$ 3,971,781	\$ 25,485	\$ (16,421)	\$ 3,980,845	\$ 3,076,611	\$ 21,796	\$ (23,064)	\$ 3,075,343
Total liabilities	\$ 3,609,832	\$ 29,123	\$ (23,153)	\$ 3,615,802	\$ 2,725,820	\$ 24,794	\$ (21,919)	\$ 2,728,695

VERSABANK
OPERATING SEGMENTS
Year to Date ended July 31, 2023
(unaudited)
(\$CAD thousands)

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	July 31, 2023				July 31, 2022			
	Digital Banking	DRTC	Eliminations/ Adjustments	Consolidated	Digital Banking	DRTC	Eliminations/ Adjustments	Consolidated
Net interest income	\$ 73,812	\$ -	\$ -	\$ 73,812	\$ 54,189	\$ -	\$ -	\$ 54,189
Non-interest income	225	5,999	(574)	5,650	14	4,061	(124)	3,951
Total revenue	74,037	5,999	(574)	79,462	54,203	4,061	(124)	58,140
Provision for (recovery of) credit losses	793	-	-	793	246	-	-	246
	73,244	5,999	(574)	78,669	53,957	4,061	(124)	57,894
Non-interest expenses								
Salaries and benefits	19,505	4,634	-	24,139	16,625	2,952	-	19,577
General and administrative	10,250	1,212	(574)	10,888	12,460	826	(124)	13,162
Premises and equipment	1,845	1,068	-	2,913	1,851	1,029	-	2,880
	31,600	6,914	(574)	37,940	30,936	4,807	(124)	35,619
Income before income taxes	41,644	(915)	-	40,729	23,021	(746)	-	22,275
Income tax provision	11,779	(733)	-	11,046	5,805	241	-	6,046
Net income	\$ 29,865	\$ (182)	\$ -	\$ 29,683	\$ 17,216	\$ (987)	\$ -	\$ 16,229
Total assets	\$ 3,971,781	\$ 25,485	\$ (16,421)	\$ 3,980,845	\$ 3,076,611	\$ 21,796	\$ (23,064)	\$ 3,075,343
Total liabilities	\$ 3,609,832	\$ 29,123	\$ (23,153)	\$ 3,615,802	\$ 2,725,820	\$ 24,794	\$ (21,919)	\$ 2,728,695

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

	QUARTER								YEAR ENDED		
	2023			2022				2022	2021	2020	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1				
Cash and cash equivalents	\$ 87,726	\$ 223,661	\$ 201,372	\$ 88,581	\$ 84,214	\$ 198,157	\$ 155,239	\$ 88,581	\$ 271,523	\$ 257,644	
Securities	182,944	39,652	49,847	141,564	133,682	-	-	141,564	-	-	
Total	270,670	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	2,776,126	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	810,630	807,828	752,138	710,369	755,042	782,274	722,829	710,369	757,576	606,299	
Commerical real estate loans	9,298	11,996	12,811	13,165	13,510	14,065	14,600	13,165	26,569	25,574	
Public sector and other financing	49,627	46,350	42,523	35,452	35,605	35,529	31,247	35,452	32,587	37,596	
Allowance for credit losses	(2,697)	(2,526)	(2,289)	(1,904)	(1,699)	(1,533)	(1,455)	(1,904)	(1,453)	(1,775)	
Accrued interest	18,688	16,890	15,634	14,702	12,670	9,605	8,636	14,702	8,195	6,539	
Total	3,661,672	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	6,687	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	5,754	-	
Intangible assets	10,554	10,275	9,627	9,363	9,356	9,151	8,934	9,363	7,848	1,936	
Other assets	25,508	23,763	23,309	21,190	21,251	21,936	22,876	21,190	19,836	21,964	
Total	48,503	46,625	45,388	43,175	43,326	43,713	44,469	43,175	40,513	31,331	
Total assets	\$ 3,980,845	\$ 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	\$ 5,979	\$ 6,621	\$ 8,304	\$ 9,829	\$ 10,732	\$ 12,380	\$ 13,643	\$ 9,829	\$ 14,989	\$ 13,796	
Trustee chequing accounts	525,526	500,148	512,683	498,049	499,124	484,261	473,369	498,049	480,562	440,219	
Term (including accrued interest)	2,796,512	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	3,328,017	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	186,200	160,124	152,296	152,832	154,926	127,406	133,666	152,832	134,504	107,393	
Subordinated notes payable	101,585	104,532	102,765	104,951	98,706	98,410	97,726	104,951	95,272	4,889	
Shareholders' equity											
Share capital	228,191	228,880	232,512	239,629	241,321	241,321	241,321	239,629	241,321	181,949	
Contributed surplus	2,339	2,147	1,955	1,612	1,189	765	341	1,612	145	145	
Retained earnings	134,461	125,398	116,638	109,335	104,071	99,285	95,276	109,335	90,644	73,194	
Accumulated other comprehensive income	52	94	72	99	67	43	13	99	(4)	-	
Total	365,043	356,519	351,177	350,675	346,648	341,414	336,951	350,675	332,106	255,288	
Total liabilities and shareholders' equity	\$ 3,980,845	\$ 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							
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2022	2021	2020	
Allowance for credit losses											
Allowance for credit losses	\$ 2,697	\$ 2,526	\$ 2,289	\$ 1,904	\$ 1,699	\$ 1,533	\$ 1,455	\$ 1,904	\$ 1,453	\$ 1,775	
Total allowance for credit losses	\$ 2,697	\$ 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	\$ 2,526	\$ 2,289	\$ 1,904	\$ 1,699	\$ 1,533	\$ 1,455	\$ 1,453	\$ 1,699	\$ 1,775	\$ 2,119	
Provision (recoveries) for credit losses	171	237	385	205	166	78	2	205	(438)	(344)	
Recoveries	-	-	-	-	-	-	-	-	116	-	
Balance, end of period	\$ 2,697	\$ 2,526	\$ 2,289	\$ 1,904	\$ 1,699	\$ 1,533	\$ 1,455	\$ 1,904	\$ 1,453	\$ 1,775	
Total loans	\$ 3,661,672	\$ 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	0.02%	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 July 31, 2023
(unaudited)
(\$CAD thousands)

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	As at July 31, 2023				As at July 31, 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	\$ 627	\$ -	\$ -	\$ 627	\$ 419	\$ -	\$ -	\$ 419
Transfer in (out) to Stage 1	52	(52)	-	-	16	(16)	-	-
Transfer in (out) to Stage 2	(85)	85	-	-	(45)	45	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	52	(33)	-	19	138	(29)	-	109
Loan originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	19	-	-	19	109	-	-	109
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 646	\$ -	\$ -	\$ 646	\$ 528	\$ -	\$ -	\$ 528
Commercial real estate mortgages								
Balance at beginning of period	\$ 1,647	\$ 120	\$ -	\$ 1,767	\$ 948	\$ 101	\$ -	\$ 1,049
Transfer in (out) to Stage 1	14	(14)	-	-	16	(16)	-	-
Transfer in (out) to Stage 2	(106)	106	-	-	(88)	88	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	138	44	-	182	49	(38)	-	11
Loan originations	56	-	-	56	64	-	-	64
Derecognitions and maturities	(94)	(5)	-	(99)	(10)	(18)	-	(28)
Provision for (recovery of) credit losses	8	131	-	139	31	16	-	47
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 1,655	\$ 251	\$ -	\$ 1,906	\$ 979	\$ 117	\$ -	\$ 1,096
Commercial real estate loans								
Balance at beginning of period	\$ 59	\$ -	\$ -	\$ 59	\$ 40	\$ -	\$ -	\$ 40
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)	9	-	-	9
Loan originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	(4)	-	-	(4)	-	-	-	-
Provision for (recovery of) credit losses	(9)	-	-	(9)	9	-	-	9
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 50	\$ -	\$ -	\$ 50	\$ 49	\$ -	\$ -	\$ 49
Public sector and other financing								
Balance at beginning of period	\$ 70	\$ 3	\$ -	\$ 73	\$ 24	\$ 1	\$ -	\$ 25
Transfer in (out) to Stage 1	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 2	(8)	8	-	-	-	-	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	(4)	10	-	6	1	-	-	1
Loan originations	16	-	-	16	-	-	-	-
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	4	18	-	22	1	-	-	1
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 74	\$ 21	\$ -	\$ 95	\$ 25	\$ 1	\$ -	\$ 26
Total balance at end of period	\$ 2,425	\$ 272	\$ -	\$ 2,697	\$ 1,581	\$ 118	\$ -	\$ 1,699

VERSABANK
ALLOWANCE FOR CREDIT LOSSES BY LENDING ASSET
Year to Date ended July 31, 2023
(unaudited)
(\$CAD thousands)

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	As at July 31, 2023				As at July 31, 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	122	(122)	-	-	68	(68)	-	-
Transfer in (out) to Stage 2	(257)	257	-	-	(130)	130	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	236	(135)	-	101	315	(62)	-	253
Loan originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	101	-	-	101	253	-	-	253
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 646	\$ -	\$ -	\$ 646	\$ 528	\$ -	\$ -	\$ 528
Commercial real estate mortgages								
Balance at beginning of period	\$ 1,150	\$ 137	\$ -	\$ 1,287	\$ 980	\$ 134	\$ -	\$ 1,114
Transfer in (out) to Stage 1	93	(93)	-	-	38	(38)	-	-
Transfer in (out) to Stage 2	(224)	224	-	-	(92)	92	-	-
Transfer in (out) to Stage 3	-	(13)	13	-	-	-	-	-
Net remeasurement of loss allowance	560	6	(13)	553	(48)	(49)	-	(97)
Loan originations	205	-	-	205	224	-	-	224
Derecognitions and maturities	(129)	(10)	-	(139)	(123)	(22)	-	(145)
Provision for (recovery of) credit losses	505	114	-	619	(1)	(17)	-	(18)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 1,655	\$ 251	\$ -	\$ 1,906	\$ 979	\$ 117	\$ -	\$ 1,096
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	-	-	-	-	4	-	-	4
Loan originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	(4)	-	-	(4)	-	-	-	-
Provision for (recovery of) credit losses	(4)	-	-	(4)	4	-	-	4
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 50	\$ -	\$ -	\$ 50	\$ 49	\$ -	\$ -	\$ 49
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	(8)	8	-	-	-	-	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	6	12	-	18	10	(2)	-	8
Loan originations	59	-	-	59	-	-	-	-
Derecognitions and maturities	-	-	-	-	(1)	-	-	(1)
Provision for (recovery of) credit losses	57	20	-	77	9	(2)	-	7
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	\$ 74	\$ 21	\$ -	\$ 95	\$ 25	\$ 1	\$ -	\$ 26
Total balance at end of period	\$ 2,425	\$ 272	\$ -	\$ 2,697	\$ 1,581	\$ 118	\$ -	\$ 1,699

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

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	2023			2022			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
On-Balance Sheet Exposures							
On-balance sheet assets	\$ 3,980,845	\$ 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	(11,502)	(11,258)	(11,119)	(11,371)	(11,615)	(11,804)	(12,479)
Total on-balance sheet exposures	3,969,343	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	\$ 424,526	\$ 457,175	\$ 404,883	\$ 443,124	\$ 374,489	\$ 366,780	\$ 366,895
Adjustments for conversion to credit equivalent amounts	(247,001)	(266,913)	(232,402)	(251,101)	(210,567)	(212,907)	(212,919)
Off-balance sheet items	177,525	190,262	172,481	192,023	163,922	153,873	153,976
Capital and Total Exposures							
Tier 1 capital	353,541	345,261	340,058	339,304	335,033	329,610	324,472
Total exposures	4,146,868	3,908,397	3,693,052	3,446,650	3,227,650	2,834,215	2,556,843
Leverage Ratios							
Basel III leverage ratio	8.53%	8.83%	9.21%	9.84%	10.38%	11.63%	12.69%