



## **Supplemental Financial Information**

**For the quarter and year ended October 31, 2020  
(unaudited)**

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### **Use of this Report**

This financial information is supplementary to the Bank's 2020 audited consolidated financial statements and management discussion and analysis 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								YEAR ENDED			
	2020				2019				2020	2019	2018	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1				
<b>Results of Operations</b>												
Interest income	\$ 21,068	\$ 20,172	\$ 22,688	\$ 22,166	\$ 22,263	\$ 22,958	\$ 21,125	\$ 21,959	\$ 86,094	\$ 88,305	\$ 80,914	
Net interest income	13,708	12,384	14,476	13,557	13,655	14,059	12,743	13,440	54,125	53,897	51,499	
Non-interest income (loss)	18	8	9	25	(20)	19	4	19	60	22	186	
Total revenue	13,726	12,392	14,485	13,582	13,635	14,078	12,747	13,459	54,185	53,919	51,685	
Provision for credit losses (recovery) <sup>(1)</sup>	(582)	(44)	490	(208)	21	381	(411)	(289)	(344)	(298)	334	
Non-interest expenses	7,763	6,410	6,899	6,705	6,171	6,860	6,411	6,954	27,777	26,396	26,338	
Net income before income tax	6,545	6,026	7,096	7,085	7,443	6,837	6,747	6,794	26,752	27,821	25,013	
Tax provision (recovery)	1,799	1,657	1,947	1,944	2,038	1,874	1,851	1,862	7,347	7,625	6,939	
Net income	\$ 4,746	\$ 4,369	\$ 5,149	\$ 5,141	\$ 5,405	\$ 4,963	\$ 4,896	\$ 4,932	\$ 19,405	\$ 20,196	\$ 18,074	
<b>Per Common Share (\$'s)</b>												
Basic earnings per share	0.20	0.18	0.22	0.22	0.23	0.21	0.21	0.21	0.82	0.85	0.75	
Diluted earnings per share	0.20	0.18	0.22	0.22	0.23	0.21	0.21	0.21	0.82	0.85	0.75	
Return on average common equity	7.46%	6.90%	8.64%	8.60%	9.23%	8.56%	8.89%	8.86%	7.89%	8.89%	8.50%	
Book value/share	10.70	10.52	10.37	10.17	9.98	9.77	9.58	9.39	10.70	9.98	9.19	
Closing market price (common share)	6.59	6.94	5.57	7.44	6.57	7.05	7.50	7.43	6.59	6.57	7.05	
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	
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	
Total market value of common shares	139,207	146,601	117,661	157,163	138,785	148,924	158,430	156,951	139,207	138,785	148,924	
<b>Financial Ratios</b>												
Yield	4.33%	4.12%	4.83%	4.84%	4.96%	5.10%	4.89%	4.90%	4.62%	4.91%	4.58%	
Cost of funds	1.51%	1.59%	1.75%	1.88%	1.92%	1.98%	1.94%	1.90%	1.71%	1.91%	1.66%	
Net interest income (%)	2.82%	2.53%	3.08%	2.96%	3.04%	3.12%	2.95%	3.00%	2.90%	3.00%	2.91%	
Non-interest expenses to average total assets (annualized)	1.59%	1.31%	1.47%	1.47%	1.37%	1.52%	1.48%	1.55%	1.49%	1.47%	1.49%	
Efficiency ratio	56.56%	51.73%	47.63%	49.37%	45.26%	48.73%	50.29%	51.67%	51.26%	48.95%	50.96%	
Number of full time equivalent staff at period end	98	96	94	93	92	89	87	86	98	92	86	
Assets to full time employee	\$ 19,836	\$ 20,107	\$ 20,852	\$ 19,880	\$ 19,385	\$ 20,053	\$ 20,741	\$ 20,400	\$ 19,836	\$ 19,385	\$ 21,135	
<b>Credit Quality</b>												
Gross impaired loans	\$ -	\$ 6,678	\$ 6,453	\$ 6,374	\$ 6,282	\$ 25,496	\$ 25,496	\$ 19,630	\$ -	\$ 6,282	\$ 627	
Gross impaired loans as a % of total loans	0.00%	0.43%	0.41%	0.38%	0.39%	1.58%	1.57%	1.22%	0.00%	0.39%	0.04%	
Net impaired loans	\$ (1,775)	\$ 4,321	\$ 4,052	\$ 4,463	\$ 4,163	\$ 23,162	\$ 23,543	\$ 17,266	\$ (1,775)	\$ 4,163	\$ (2,132)	
Provision (recovery) for credit losses as a % of average loans	(0.14%)	(0.01%)	0.12%	(0.01%)	0.00%	0.02%	(0.03%)	(0.02%)	(0.02%)	(0.02%)	0.02%	
<b>Financial Position</b>												
Cash and securities	\$ 257,644	\$ 353,794	\$ 340,326	\$ 134,253	\$ 149,206	\$ 118,310	\$ 132,129	\$ 105,193	\$ 257,644	\$ 149,206	\$ 139,798	
Cash and securities to total assets (%)	13.25%	18.33%	17.31%	7.24%	8.36%	6.66%	7.36%	6.02%	13.25%	8.36%	7.73%	
Total loans	1,654,910	1,547,761	1,594,968	1,668,720	1,594,288	1,613,811	1,628,116	1,603,185	1,654,910	1,594,288	1,631,026	
Mortgages and loans to total assets (%)	85.14%	80.18%	81.11%	89.97%	89.30%	90.83%	90.64%	91.81%	85.13%	89.30%	90.16%	
Total assets	1,943,885	1,930,256	1,966,369	1,854,765	1,785,381	1,776,659	1,796,192	1,746,278	1,943,885	1,785,381	1,809,130	
Average assets	1,937,071	1,948,313	1,910,567	1,820,073	1,781,020	1,786,426	1,771,235	1,777,704	1,864,633	1,797,256	1,767,089	
Deposits	1,567,570	1,565,334	1,591,732	1,454,979	1,399,889	1,398,286	1,425,057	1,371,123	1,567,570	1,399,889	1,437,431	
Subordinated notes payable	4,889	4,887	4,885	4,883	4,881	4,879	4,876	9,859	4,889	4,881	9,844	
Shareholders' equity	255,288	251,612	248,313	244,234	240,163	235,730	231,739	227,710	255,288	240,163	223,567	

(1) 2018 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								YEAR ENDED			
	2020				2019				2020	2019	2018	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1				
<b>Interest Income</b>												
Loans	\$ 20,536	\$ 19,484	\$ 21,938	\$ 21,274	\$ 21,328	\$ 22,019	\$ 20,398	\$ 21,130	\$ 83,232	\$ 84,875	\$ 78,509	
Securities	532	688	750	892	935	939	727	829	2,862	3,430	2,405	
Total interest income	21,068	20,172	22,688	22,166	22,263	22,958	21,125	21,959	86,094	88,305	80,914	
Yield %	4.33%	4.12%	4.83%	4.84%	4.96%	5.10%	4.89%	4.90%	4.62%	4.91%	4.58%	
<b>Interest Expense</b>												
Deposits and other	7,233	7,661	8,085	8,482	8,481	8,771	8,099	8,302	31,461	33,653	28,557	
Notes	127	127	127	127	127	128	283	217	508	755	858	
Total interest expense	7,360	7,788	8,212	8,609	8,608	8,899	8,382	8,519	31,969	34,408	29,415	
Cost of funds %	1.51%	1.59%	1.75%	1.88%	1.92%	1.98%	1.94%	1.90%	1.71%	1.91%	1.66%	
Net interest income	13,708	12,384	14,476	13,557	13,655	14,059	12,743	13,440	54,125	53,897	51,499	
Spread %	2.82%	2.53%	3.08%	2.96%	3.04%	3.12%	2.95%	3.00%	2.90%	3.00%	2.91%	
Non-interest income (loss)	18	8	9	25	(20)	19	4	19	60	22	186	
Total revenue	13,726	12,392	14,485	13,582	13,635	14,078	12,747	13,459	54,185	53,919	51,685	
Provision for credit losses (recovery) <sup>(1)</sup>	(582)	(44)	490	(208)	21	381	(411)	(289)	(344)	(298)	334	
	14,308	12,436	13,995	13,790	13,614	13,697	13,158	13,748	54,529	54,217	51,351	
Non-interest expenses	7,763	6,410	6,899	6,705	6,171	6,860	6,411	6,954	27,777	26,396	26,338	
Net income before taxes	6,545	6,026	7,096	7,085	7,443	6,837	6,747	6,794	26,752	27,821	25,013	
Tax provision (recovery)	1,799	1,657	1,947	1,944	2,038	1,874	1,851	1,862	7,347	7,625	6,939	
<b>Net income</b>	\$ 4,746	\$ 4,369	\$ 5,149	\$ 5,141	\$ 5,405	\$ 4,963	\$ 4,896	\$ 4,932	\$ 19,405	\$ 20,196	\$ 18,074	
<b>Earnings per common share:</b>												
Basic	\$ 0.20	\$ 0.18	\$ 0.22	\$ 0.22	\$ 0.23	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.82	\$ 0.85	\$ 0.75	
Diluted	\$ 0.20	\$ 0.18	\$ 0.22	\$ 0.22	\$ 0.23	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.82	\$ 0.85	\$ 0.75	
<b>Comprehensive Income</b>												
Net income	\$ 4,746	\$ 4,369	\$ 5,149	\$ 5,141	\$ 5,405	\$ 4,963	\$ 4,896	\$ 4,932	\$ 19,405	\$ 20,196	\$ 18,074	
Other comprehensive income (loss), net of tax												
Net unrealized gains (losses) on fair value through OCI assets <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	(4)	
	-	-	-	-	-	-	-	-	-	-	(4)	
<b>Total comprehensive income</b>	\$ 4,746	\$ 4,369	\$ 5,149	\$ 5,141	\$ 5,405	\$ 4,963	\$ 4,896	\$ 4,932	\$ 19,405	\$ 20,196	\$ 18,070	

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

(2) 2018 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								YEAR ENDED		
	2020				2019				2020	2019	2018
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Net Interest Income	\$ 13,708	\$ 12,384	\$ 14,476	\$ 13,557	\$ 13,655	\$ 14,059	\$ 12,743	\$ 13,440	\$ 54,125	\$ 53,897	\$ 51,499
<b>Net Interest Income (NII)</b>	13,708	12,384	14,476	13,557	13,655	14,059	12,743	13,440	54,125	53,897	51,499
Other income	18	8	9	25	(20)	19	4	19	60	22	186
<b>Total non-interest income</b>	18	8	9	25	(20)	19	4	19	60	22	186
<b>Total revenue</b>	<b>\$ 13,726</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>\$ 54,185</b>	<b>\$ 53,919</b>	<b>\$ 51,685</b>
Non-interest income as a % of total revenue	0.13%	0.06%	0.06%	0.18%	(0.15%)	0.13%	0.03%	0.14%	0.11%	0.04%	0.36%
Net interest income per average assets	2.82%	2.53%	3.08%	2.96%	3.04%	3.12%	2.95%	3.00%	2.90%	3.00%	2.91%

(unaudited)  
(C\$ thousands)

	QUARTER								YEAR ENDED		
	2020				2019				2020	2019	2018
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Average loans	\$ 1,601,336	\$ 1,571,365	\$ 1,631,844	\$ 1,631,504	\$ 1,604,050	\$ 1,620,964	\$ 1,615,651	\$ 1,617,106	\$ 1,624,599	\$ 1,612,657	\$ 1,575,942
Average total assets	\$ 1,937,071	\$ 1,948,313	\$ 1,910,567	\$ 1,820,073	\$ 1,781,020	\$ 1,786,426	\$ 1,771,235	\$ 1,777,704	\$ 1,864,633	\$ 1,797,256	\$ 1,767,089

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

	QUARTER								YEAR ENDED			
	2020				2019				2020	2019	2018	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1				
<b>Salaries and Employee Benefits</b>												
Salaries	\$ 3,679	\$ 3,124	\$ 3,086	\$ 3,184	\$ 2,776	\$ 3,159	\$ 3,380	\$ 3,343	\$ 13,073	\$ 12,658	\$ 11,972	
Employee benefits	1,489	835	812	755	696	779	479	562	3,891	2,516	2,365	
Total	5,168	3,959	3,898	3,939	3,472	3,938	3,859	3,905	16,964	15,174	14,337	
<b>Premises</b>												
Rent	132	132	131	143	115	130	124	151	538	520	716	
Depreciation	201	193	193	182	173	182	186	180	769	721	623	
Other	297	273	309	270	273	296	304	316	1,149	1,189	965	
Total	630	598	633	595	561	608	614	647	2,456	2,430	2,304	
<b>General and administrative</b>												
Capital taxes and other assessments	372	361	450	462	486	479	484	484	1,645	1,933	3,101	
Insurance	159	119	127	121	134	117	125	118	526	494	484	
Listing, sustaining and annual meeting fees	61	68	66	86	47	78	77	85	281	287	266	
Marketing and business development	89	65	76	61	67	78	73	91	291	309	351	
Professional fees and consulting services	620	550	764	492	495	664	318	536	2,426	2,013	1,759	
Other	664	690	885	949	909	898	861	1,088	3,188	3,756	3,736	
Total	1,965	1,853	2,368	2,171	2,138	2,314	1,938	2,402	8,357	8,792	9,697	
<b>Restructuring charges</b>	-	-	-	-	-	-	-	-	-	-	-	
<b>Total non-interest expenses</b>	\$ 7,763	\$ 6,410	\$ 6,899	\$ 6,705	\$ 6,171	\$ 6,860	\$ 6,411	\$ 6,954	\$ 27,777	\$ 26,396	\$ 26,338	

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

	QUARTER								YEAR ENDED		
	2020				2019				2020	2019	2018
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>Cash and cash equivalents</b>	\$ 257,644	\$ 353,794	\$ 340,326	\$ 134,253	\$ 139,145	\$ 108,299	\$ 122,090	\$ 95,203	\$ 257,644	\$ 139,145	\$ 129,781
<b>Securities</b>	-	-	-	-	10,061	10,011	10,039	9,990	-	10,061	10,017
Total	257,644	353,794	340,326	134,253	149,206	118,310	132,129	105,193	257,644	149,206	139,798
<b>Loans</b>											
Commercial real estate	598,368	563,032	545,317	526,375	509,564	554,956	601,395	568,331	598,368	509,564	594,627
Non-commercial real estate	37,592	36,913	36,216	38,099	44,608	43,789	50,842	60,328	37,592	44,608	91,517
Corporate and public sector	33,509	34,335	35,945	38,227	40,670	43,378	47,574	48,845	33,509	40,670	50,922
Structured finance	980,677	909,804	973,572	1,061,207	994,842	966,470	923,715	921,303	980,677	994,842	889,822
Credit card receivables	-	-	-	-	-	-	-	-	-	-	-
Allowance for credit losses <sup>(1)</sup>	(1,775)	(2,357)	(2,401)	(1,911)	(2,119)	(2,334)	(1,953)	(2,364)	(1,775)	(2,119)	(2,759)
Accrued interest	6,539	6,034	6,319	6,723	6,723	7,552	6,543	6,742	6,539	6,723	6,897
Total	1,654,910	1,547,761	1,594,968	1,668,720	1,594,288	1,613,811	1,628,116	1,603,185	1,654,910	1,594,288	1,631,026
<b>Other assets</b>											
Capital assets	7,431	7,608	7,717	7,765	7,911	8,029	8,203	8,368	7,431	7,911	8,390
Other assets	23,900	21,093	23,358	44,027	33,976	36,509	27,744	29,532	23,900	33,976	29,916
Total	31,331	28,701	31,075	51,792	41,887	44,538	35,947	37,900	31,331	41,887	38,306
<b>Total assets</b>	\$ 1,943,885	\$ 1,930,256	\$ 1,966,369	\$ 1,854,765	\$ 1,785,381	\$ 1,776,659	\$ 1,796,192	\$ 1,746,278	\$ 1,943,885	\$ 1,785,381	\$ 1,809,130
<b>Deposits</b>											
Demand	\$ 13,796	\$ 14,019	\$ 13,329	\$ 13,579	\$ 12,925	\$ 13,024	\$ 13,119	\$ 13,921	\$ 13,796	\$ 12,925	\$ 15,231
Trustee chequing accounts	440,219	418,198	398,233	387,201	386,052	369,477	351,905	395,225	440,219	386,052	395,994
Term (including accrued interest)	1,113,555	1,133,117	1,180,170	1,054,199	1,000,912	1,015,785	1,060,033	961,977	1,113,555	1,000,912	1,026,206
Total	1,567,570	1,565,334	1,591,732	1,454,979	1,399,889	1,398,286	1,425,057	1,371,123	1,567,570	1,399,889	1,437,431
<b>Securitization liabilities</b>	8,745	9,053	9,032	33,388	33,366	33,518	33,338	33,490	8,745	33,366	33,310
<b>Other liabilities</b>	107,393	99,370	112,407	117,281	107,082	104,246	101,182	104,096	107,393	107,082	104,978
<b>Subordinated notes payable</b>	4,889	4,887	4,885	4,883	4,881	4,879	4,876	9,859	4,889	4,881	9,844
<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	182,094
Retained earnings	73,194	69,518	66,219	62,140	58,069	53,636	49,645	45,616	73,194	58,069	41,473
Accumulated other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total	255,288	251,612	248,313	244,234	240,163	235,730	231,739	227,710	255,288	240,163	223,567
<b>Total liabilities and shareholders' equity</b>	\$ 1,943,885	\$ 1,930,256	\$ 1,966,369	\$ 1,854,765	\$ 1,785,381	\$ 1,776,659	\$ 1,796,192	\$ 1,746,278	\$ 1,943,885	\$ 1,785,381	\$ 1,809,130

(1) 2018 has 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)

	QUARTER								YEAR ENDED			
	2020				2019				2020	2019	2018	
	Q4	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	
Structured finance	-	-	-	-	-	-	-	-	-	-	-	
<b>Total gross impaired loans</b>	<b>\$ -</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>\$ -</b>	<b>\$ 6,282</b>	<b>\$ 627</b>	
<b>Allowance for credit losses</b>												
Individual allowance - based on IAS 39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400	
Collective allowance - based on IAS 39	-	-	-	-	-	-	-	-	-	-	2,359	
Allowance for credit losses under IFRS 9	1,775	2,357	2,401	1,911	2,119	2,334	1,953	2,364	1,775	2,119	-	
<b>Total allowance for credit losses</b>	<b>\$ 1,775</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>\$ 1,775</b>	<b>\$ 2,119</b>	<b>\$ 2,759</b>	
<b>Reconciliation of allowance for credit losses</b>												
Balance, beginning of period	\$ 2,357	\$ 2,401	\$ 1,911	\$ 2,119	\$ 2,334	\$ 1,953	\$ 2,364	\$ 2,759	\$ 2,119	\$ 2,759	\$ 2,425	
IFRS 9 transition	-	-	-	-	-	-	-	(106)	-	(106)	-	
Provision (recoveries) for credit losses	(582)	(44)	490	(208)	21	381	(411)	(289)	(344)	(298)	334	
Write-offs (recoveries)	-	-	-	-	(236)	-	-	-	-	(236)	-	
Balance, end of period	\$ 1,775	\$ 2,357	\$ 2,401	\$ 1,911	\$ 2,119	\$ 2,334	\$ 1,953	\$ 2,364	\$ 1,775	\$ 2,119	\$ 2,759	
<b>Total net impaired loans</b>	<b>\$ (1,775)</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>\$ (1,775)</b>	<b>\$ 4,163</b>	<b>\$ (2,132)</b>	
<b>Total loans</b>	<b>\$ 1,654,910</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>\$ 1,654,910</b>	<b>\$ 1,594,288</b>	<b>\$ 1,631,026</b>	
Gross impaired loans as a % of total loans	0.00%	0.43%	0.41%	0.38%	0.39%	1.58%	1.57%	1.22%	0.00%	0.39%	0.04%	
Provision (recovery) for credit losses as a % of average loans	(0.14%)	(0.01%)	0.12%	(0.01%)	0.00%	0.02%	(0.03%)	(0.02%)	(0.02%)	(0.02%)	0.02%	

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

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	As at October 31, 2020				As at October 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	\$ 1,560	\$ 297	\$ -	\$ 1,857	\$ 1,197	\$ 217	\$ -	\$ 1,414
Transfer in (out) to Stage 1	16	(16)	-	-	19	(19)	-	-
Transfer in (out) to Stage 2	(175)	175	-	-	(13)	18	(5)	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	(378)	(264)	-	(642)	47	16	(386)	(323)
Loan originations	158	-	-	158	351	-	-	351
Derecognitions and maturities	(14)	-	-	(14)	(44)	(23)	-	(67)
Provision for (recovery of) credit losses	(393)	(105)	-	(498)	360	(8)	(391)	(39)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	391	391
<b>Balance at end of period</b>	<b>\$ 1,167</b>	<b>\$ 192</b>	<b>\$ -</b>	<b>\$ 1,359</b>	<b>\$ 1,557</b>	<b>\$ 209</b>	<b>\$ -</b>	<b>\$ 1,766</b>
<b>Non-commercial real estate</b>								
Balance at beginning of period	\$ 227	\$ -	\$ -	\$ 227	\$ 73	\$ -	\$ -	\$ 73
Transfer in (out) to Stage 1	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 2	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	(51)	-	-	(51)	(1)	-	-	(1)
Loan originations	-	-	-	-	14	-	-	14
Derecognitions and maturities	(1)	-	-	(1)	-	-	-	-
Provision for (recovery of) credit losses	(52)	-	-	(52)	13	-	-	13
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 175</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 175</b>	<b>\$ 86</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 86</b>
<b>Corporate and public sector</b>								
Balance at beginning of period	\$ 52	\$ -	\$ -	\$ 52	\$ 43	\$ 2	\$ 627	\$ 672
Transfer in (out) to Stage 1	-	-	-	-	2	(2)	-	-
Transfer in (out) to Stage 2	-	-	-	-	-	-	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	(26)	-	-	(26)	(7)	-	-	(7)
Loan originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	(26)	-	-	(26)	(5)	(2)	-	(7)
Write-offs	-	-	-	-	-	-	(627)	(627)
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 26</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26</b>	<b>\$ 38</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38</b>
<b>Structured finance</b>								
Balance at beginning of period	\$ 221	\$ -	\$ -	\$ 221	\$ 175	\$ -	\$ -	\$ 175
Transfer in (out) to Stage 1	40	(32)	(8)	-	7	(7)	-	-
Transfer in (out) to Stage 2	(66)	66	-	-	(42)	42	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	(775)	(20)	10	(785)	(1,401)	(26)	-	(1,427)
Loan originations	1,300	-	-	1,300	1,842	-	-	1,842
Derecognitions and maturities	(505)	(14)	(2)	(521)	(352)	(9)	-	(361)
Provision for (recovery of) credit losses	(6)	-	-	(6)	54	-	-	54
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 215</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 215</b>	<b>\$ 229</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 229</b>
<b>Total balance at end of period</b>	<b>\$ 1,583</b>	<b>\$ 192</b>	<b>\$ -</b>	<b>\$ 1,775</b>	<b>\$ 1,910</b>	<b>\$ 209</b>	<b>\$ -</b>	<b>\$ 2,119</b>



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

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	As at October 31, 2020				As at October 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	26	(26)	-	-	56	(56)	-	-
Transfer in (out) to Stage 2	(262)	262	-	-	(65)	70	(5)	-
Transfer in (out) to Stage 3	-	-	-	-	-	(177)	177	-
Net remeasurement of loss allowance	(518)	(253)	-	(771)	(131)	48	(563)	(646)
Loan originations	398	-	-	398	624	-	-	624
Derecognitions and maturities	(34)	-	-	(34)	(184)	(24)	-	(208)
Provision for (recovery of) credit losses	(390)	(17)	-	(407)	300	(139)	(391)	(230)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 1,167</b>	<b>\$ 192</b>	<b>\$ -</b>	<b>\$ 1,359</b>	<b>\$ 1,557</b>	<b>\$ 209</b>	<b>\$ -</b>	<b>\$ 1,766</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	47	-	-	47	(78)	-	-	(78)
Loan originations	45	-	-	45	14	-	-	14
Derecognitions and maturities	(3)	-	-	(3)	(1)	-	-	(1)
Provision for (recovery of) credit losses	89	-	-	89	(65)	-	-	(65)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 175</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 175</b>	<b>\$ 86</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 86</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)	-	-	2	(2)	-	-
Transfer in (out) to Stage 2	-	-	-	-	(1)	1	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	(8)	1	-	(7)	(46)	1	227	182
Loan originations	-	-	-	-	2	-	-	2
Derecognitions and maturities	(5)	-	-	(5)	-	-	-	-
Provision for (recovery of) credit losses	(12)	-	-	(12)	(43)	-	227	184
Write-offs	-	-	-	-	-	-	(627)	(627)
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 26</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26</b>	<b>\$ 38</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38</b>
<b>Structured finance</b>								
Balance at beginning of period	\$ 229	\$ -	\$ -	\$ 229	\$ 415	\$ 1	\$ -	\$ 416
Transfer in (out) to Stage 1	127	(119)	(8)	-	68	(68)	-	-
Transfer in (out) to Stage 2	(230)	230	-	-	(161)	161	-	-
Transfer in (out) to Stage 3	(5)	-	5	-	-	-	-	-
Net remeasurement of loss allowance	(5,441)	(57)	5	(5,493)	(4,651)	(47)	-	(4,698)
Loan originations	7,528	-	-	7,528	5,919	-	-	5,919
Derecognitions and maturities	(1,993)	(54)	(2)	(2,049)	(1,361)	(47)	-	(1,408)
Provision for (recovery of) credit losses	(14)	-	-	(14)	(186)	(1)	-	(187)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>\$ 215</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 215</b>	<b>\$ 229</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 229</b>
<b>Total balance at end of period</b>	<b>\$ 1,583</b>	<b>\$ 192</b>	<b>\$ -</b>	<b>\$ 1,775</b>	<b>\$ 1,910</b>	<b>\$ 209</b>	<b>\$ -</b>	<b>\$ 2,119</b>



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

	2020				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>On-Balance Sheet Exposures</b>								
On-balance sheet assets	\$ 1,943,885	\$ 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	(6,592)	(8,003)	(9,481)	(11,498)	(13,281)	(15,158)	(16,872)	(18,562)
Adjustment under transitional basis	-	227	249	-	-	-	-	-
Total on-balance sheet exposures	1,937,293	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	\$ 289,008	\$ 308,061	\$ 332,385	\$ 312,160	\$ 309,440	\$ 254,711	\$ 268,681	\$ 223,657
Adjustments for conversion to credit equivalent amounts	(186,524)	(197,874)	(209,104)	(192,338)	(190,023)	(162,410)	(168,745)	(142,012)
Off-balance sheet items	102,484	110,187	123,281	119,822	119,417	92,301	99,936	81,645
<b>Capital and Total Exposures</b>								
Tier 1 capital	248,696	243,609	238,832	232,736	226,882	220,572	214,867	209,148
Total exposures	2,039,777	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	12.19%	11.99%	11.48%	11.86%	11.99%	11.90%	11.43%	11.56%