



# VersaBank

**Q3 2025 Conference Call  
September 4, 2025**

**NASDAQ: VBNK | TSX: VBNK**

## Dial-In to Ask Questions

For those wishing to ask questions during the Q&A, please access today's call through the telephone dial-in:

Toll-free: 1-888-699-1199 (Canada/US)  
Local: 416-945-7677

# Advisory

The Bank occasionally makes forward-looking statements about its objectives, operations and targeted financial results. These statements may be written or verbal and may be included in such things as press releases, corporate presentations, annual reports and other disclosure documents and communications. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. A number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, the strength of the Canadian economy in general and the strength of the local economies within Canada in which the Bank conducts operations; the effects of changes in monetary and fiscal policy, including changes in interest rate policies of the Bank of Canada; global commodity prices; the effects of competition in the markets in which the Bank operates; inflation; capital market fluctuations; the timely development and introduction of new products in receptive markets; the impact of changes in the laws and regulations regulating financial services; changes in tax laws; technological changes; unexpected judicial or regulatory proceedings; unexpected changes in consumer spending and savings habits; and the Bank's anticipation of and success in managing the risks implicated by the foregoing. When relying on forward-looking statements to make decisions, investors and others should carefully consider these factors and other uncertainties or potential events. For a detailed discussion of certain key factors that may affect our future results, please see our MD&A for the quarter ended July 31, 2025. The Bank makes no undertaking to update any forward-looking statement that is made from time to time by the Bank.



VersaBank

**David Taylor**

President &  
Chief Executive Officer

# Q3 2025 Key Metrics & Highlights



<b>Total Assets</b>	\$5.48 B
---------------------	----------

<b>Credit Assets</b>	\$4.78 B
----------------------	----------

<b>NIM on Credit Assets</b>	2.55%
-----------------------------	-------

<b>Total Revenue</b>	\$31.6 M
----------------------	----------

<b>Adjusted Net Income<sup>1</sup></b>	\$9.7 M
----------------------------------------	---------

<b>Adjusted EPS<sup>1</sup></b>	\$0.30
---------------------------------	--------

- Record credit assets, up 18% YoY & 6% sequentially
- Record revenue
- Net interest margin grew year-over-year
- Healthy sequential increase in adjusted net income

1. Adjusted net income and adjusted EPS exclude the costs associated with the realignment to corporate structure

Canadian Digital Banking Operations Continue to Demonstrate Potential of US Digital Banking Operations as US Credit Assets Ramp Up and Achieve Scale

# Continued Innovation to Accelerate Growth

## RPP Securitization



- Investment in senior-level tranches of target securitized credit assets
- Capitalize on current demand from larger point-of-sale and other financing companies for lower-cost securitized financing
- Uses Bank's same proprietary Asset Management System (AMS) technology as its core RPP solution and benefits from the same unique model under which the Bank requires a cash holdback from its financing partners
- Appointed capital markets veteran Timothy Comiskey lead initiative
- Will establish own platform offering securitization of assets originated and owned by its financing partners



VersaBank

**John Asma**

Chief Financial Officer

# Q3 2025: Continued Strong Financial Performance

## Balance Sheet

	At July 31		YoY Change
	2025	2024	
Total Assets	\$5.48 B	\$4.52B	21%
Credit Asset Portfolio	\$4.78 B	\$4.05 B	18%
Cash and Securities	\$0.62 B	\$0.40 B	55%
Book Value per Common Share	\$16.42	\$15.23	8%
CET1 Ratio	13.56%	11.75%	181 bps
Leverage Ratio	8.90%	8.54%	36 bps

- Total credit asset portfolio expanded to another record balance
- Book value per share increased as a function of the December 2024 capital raise and higher retained earnings (from net income growth), partially offset by dividends paid

Both CET1 and leverage ratios remain above targets

# Q3 2025: Continued Strong Financial Performance

## Consolidated

### Consolidated Income Statement

	Quarter Ended July 31			
(000's)	2025	2024	YoY Change	Sequential Change
Revenue	31,583	26,996	17%	5%
Non-Interest Expenses	21,649	13,534	60%	24%
Net Income	6,582	9,705	-32%	-23%
Adj Net Income	9,670	9,705	0%	11%
EPS	0.20	0.36	-44%	-23%
Adj EPS	0.30	0.36	-17%	7%

- YoY and sequential revenue increase due primarily to growth in assets
- EPS impacted by 25% higher number of weighted-average shares outstanding due to December 2024 capital raise
- NIE included \$4.2 million related to the ongoing costs associated with the Bank's plan to realign its corporate structure to that of a standard US bank framework

# Q3 2025: Segmented Income Statement

## Segmented Income Statement

### Revenue

	Quarter Ended July 31			
(000's)	2025	2024	YoY Change	Sequential Change
Revenue	31,583	26,996	17%	5%
Digital Banking Canada	26,619	25,119	6%	4%
Digital Banking USA	3,116	NM	NM	25%
Digital Meteor	622	816	-24%	9%
DRTC	1,569	1,403	12%	-12%

### Net Income

	Quarter Ended July 31			
(000's)	2025	2024	YoY Change	Sequential Change
Net Income	6,582	9,705	-32%	-23%
Digital Banking Canada	6,520	9,811	-34%	-29%
Digital Banking USA	437	NM	NM	229%
Digital Meteor	23	303	-92%	-115%
DRTC	(398)	(409)	-3%	-39%

Net Income for Q3 and YTD 2025 includes \$4.2M and \$4.4M respectively related to the plan to realign its corporate structure to that of a standard US bank framework

Costs for realignment of corporate structure are under Digital Banking Canada

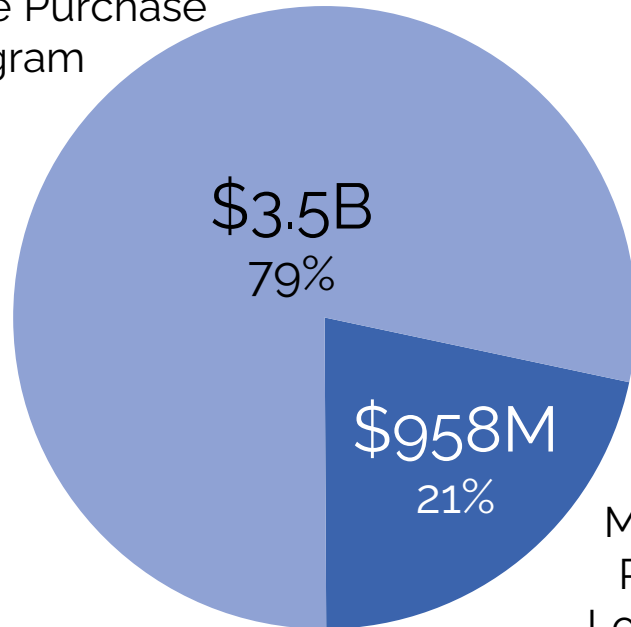
# Q3 2025: Continued Strong Financial Performance

## Digital Banking Operations - Record Credit Asset: \$4.78 B

**Q2 2025**

Total: \$4.52 B

Receivable Purchase  
Program

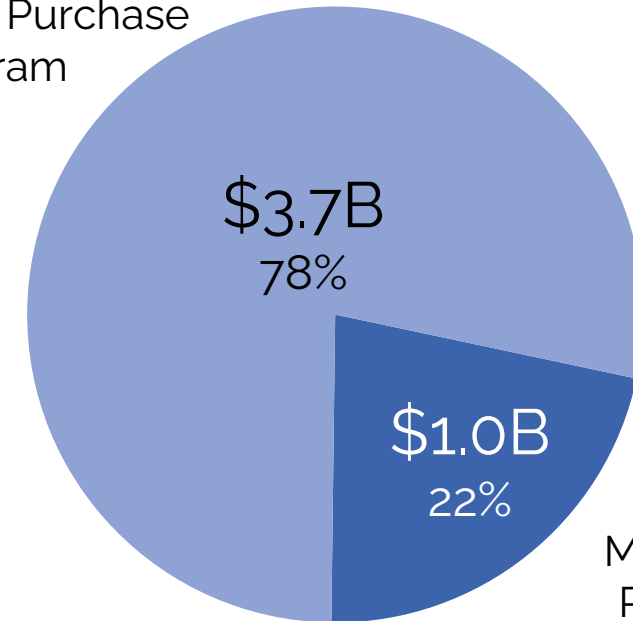


Multi-Family  
Residential  
Loans & Other

**Q3 2025**

Total: \$4.78 B

Receivable Purchase  
Program



Multi-Family  
Residential  
Loans & Other

Receivable Purchase Program Portfolio: Up 15% YoY & Up 5% sequentially  
Multi-Family Residential Loans & Other: Up 30% YoY & Up 9% sequentially

# Q3 2025: Continued Strong Financial Performance

## Digital Banking Operations

### Digital Banking Operations: Income Statement

	Quarter Ended July 31			
	2025	2024	YoY Change	Sequential Change
Cost of Funds	3.33%	4.17%	-84 bps	-19 bps
Non-Interest Expenses	19,271	11,498	68%	34%
Net Interest Income	29,779	24,944	18%	6%
Net Interest Margin on Credit Assets	2.55%	2.41%	14 bps	-4 bps
Net Interest Margin	2.25%	2.23%	2 bps	-4 bps

- YoY increase in NIE reflects build out of US RPP business ahead of revenue
- NIE included \$4.2 million related to the ongoing costs associated with the Bank's plan to realign its corporate structure to that of a standard US bank framework
- NIM on credit assets increased 14 bps year-over-year

NIM remained among the highest of the publicly traded Canadian Schedule I (federally licensed) banks



# VersaBank

**David Taylor**

President &  
Chief Executive Officer

# Momentum Toward a Breakout F2026

## US RPP Steadily Ramping Up

- Funding first US RPP partner at a regular pace of ~\$20 million/month
- Progressing toward signing up next partners
- Additional growth potential via expanded Securitized RPP offering

## Improved Outlook for Canadian RPP / CMHCs Steadily Growing

- Resilient consumer spending in Bank's largest consumer sectors
- Contribution from additional Securitized RPP offering

## Planned Realignment of Corporate Structure Moving Forward as Planned

- Intended to enhance shareholder value through further risk mitigation, reducing corporate costs and eligibility for certain stock indices – expect to benefit in 2026

## Steadily Advancing Process to Divest our DRTC

- Completion of the sales process expected to generate significant cash proceeds, providing additional regulatory and growth capital to support our forward trajectory.

# Digital Deposit Receipts

A Market Ready  
Solution to Address  
the Digital Asset  
Revolution

## **A Superior, Bank-Issued Alternative to Stablecoins**

- Highly encrypted digital assets that represent actual 1:1 deposits with the Bank – seamless conversion to/from other digital currencies
- Legally entitled to bear interest and federally insured just like conventional bank deposits.
- Reside on the balance sheet to be able to fund lending activities
- SOC 2 Type I certification for the underlying VersaVault® technology
- Successfully completed pilot program on Ethereum, Algorand and Stellar blockchains (first bank known to do so)

## **Multiple Opportunities to Commercialize/Monetize**

Initiated pilot program to demonstrate security, processes, procedures and protocols of Digital Deposit Receipts the United States



# VersaBank

## Q&A Session

Toll-free: 1-888-699-1199 (Canada/US)

Local: 416-945-7677



# VersaBank

## Banking on the Future!