

VersaBank**Fourth Quarter Fiscal 2025 Financial Results Conference Call**

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CORPORATE PARTICIPANTS

David Taylor

VersaBank — President

John Asma

VersaBank — Chief Financial Officer

CONFERENCE CALL PARTICIPANTS

Joe Yanchunis

Raymond James — Analyst

Tim Switzer

KBW — Analyst

Andrew Scutt

ROTH Capital Partners — Analyst

PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the VersaBank Fourth Quarter Fiscal 2025 Financial Results Conference Call. This morning VersaBank issued a news release reporting its financial results for the fourth quarter and year ended October 31, 2025. That news release, along with the Bank's financial statements, MD&A, and supplemental financial information are available on the Bank's website in the Investor Relations section as well as on SEDAR+ and EDGAR.

Please note, in addition to the telephone dial-in, VersaBank is webcasting this morning's conference call. The webcast is listen-only. If you are listening to the webcast but wish to ask a question in the Q&A session following Mr. Taylor's presentation, please dial in to the conference line, the details of which are included in the morning's news release and on the Bank's website. For those participating in today's call by telephone, the accompanying slide presentation is available on the Bank's website. Also, today's call will be archived for replay, both by telephone and via the internet, beginning approximately one hour following completion of the call. Details on how to access the replays are available in this morning's news release.

I would like to remind our listeners that the statements about future events made on this call are forward looking in nature and are based on certain assumptions and analysis made by VersaBank management. Actual results could differ materially from our expectations due to various material risks and uncertainties associated with VersaBank's businesses. Please refer to VersaBank's forward-looking statement advisory in today's presentation.

I would like to turn the call over to David Taylor, President of VersaBank. Please go ahead, Mr. Taylor.

David Taylor — President, VersaBank

Good morning, everyone, and thank you for joining us for today's call. With me is our Chief Financial Officer, John Asma.

Before I begin, I want to remind you, as I did last quarter, that our financial results for the fourth quarter and the year reflect the costs associated with our plan to realign our corporate structure to that of a standard US bank framework. Those costs amounted to \$4.3 million in the fourth quarter and brought the total cost for the year to \$8.6 million. A reminder, these are one-time transitory costs and represent the majority of the total for the realignment, although there will be some that flow into the first half of fiscal 2026. So again, this quarter I will focus my discussion on our adjusted, or core earnings, as those more accurately reflect the performance of the business going forward.

On to our financial results. The fourth quarter was a very strong finish to a transformational fiscal 2025 and clear evidence of the momentum of our Digital Banking business. When we extract the one-time costs and the other adjustments I just noted, you can clearly see the increasing benefit of our operating leverage in our cloud-based business-to-business bank and ramp up in United States. Credit assets grew at a healthy 20% year over year and 6% sequentially to another record, driven by solid growth in Canada, as consumer spending remains resilient despite economic softness, as well as the increasing contribution of now rapidly accelerating ramp-up of our receivable purchase program in the United States, although it's worth noting that we are only just beginning to realize the contribution of

our expansion south of the border. Combined with steady continued expansion in our net interest margin, this drove year-over-year revenue growth of 29% to a new all-time high, and with the continued improvement in efficiency generated by our operating leverage that translated into a 91% increase in adjusted net income. John will go into the financial results by segment, but I do want to note here that our US operations are profitable even at this early point and we expect to really capitalize on the greater efficiency of the US operation as the RPP ramps up there in 2026. Finally, I'll note that we achieved these metrics with significantly higher than typical levels of liquidity at this early point in our expansion in the US.

Let me go into a little more detail on the accelerated momentum we are seeing in our RPP program, most importantly, of course, in the United States. During Q4 we completed US\$200 million in US RPP fundings and we surpassed our fiscal 2025 target for our US RPP fundings, achieving \$310 million in total fundings, ending the year with RPP assets of \$293 million. We have since added over \$80 million more in fundings.

Since the start of Q4, we have added four new RPP partners, two in Canada and two in the United States, highlighted by an agreement with our largest partner to date, ECN Financial, via their subsidiary, Source One. Bringing ECN as a partner is especially gratifying given their experience and knowledge in this sector. It is our largest validation to date of the program in the United States. Since we've started working together at the end of October, we have already provided more than \$90 million of fundings to Source One. All of this business is under our higher spread core RPP. Importantly, in terms of our results, the vast majority of these recent additions only had a small contribution to the fourth quarter. The pipeline for additional partners remains strong.

As I discussed on our last call, we have expanded our RPP program to securitization option that will generate additional growth through access to a component of the market not previously available to us. We've already seen good initial interest and expect this will be a solid complement to the growth of our core RPP portfolio.

Those who have listened to these calls for a while will know that we operate our multi-residential real estate lending business in Canada in an opportunistically way, but always in the context of risk mitigation. A couple of years ago we shifted our focus here to new opportunity around CMHC-insured construction lending that has contributed both in asset growth and the return on equity as a result of the zero risk weightings. We are nearing our \$1 billion target in commitments for these with our loan portfolio steadily increasing as borrowers draw down on those commitments.

Subsequent to the quarter end, we added a new income stream in this business through the enhancement of the program. We are now utilizing our allocated capacity under the Canadian Mortgage Bond Program to invest in CMHC-insured multi-unit residential term mortgages. These are post-construction loans for stabilized properties originated by partners who are well established leaders in the Canadian multi-res mortgage industry. This initiative requires de minimis incremental regulatory capital and we will earn fixed fee on the securitization and sale of these CMHC-insured mortgages into the CMB program, which are expected to contribute a minimum of \$2 million of incremental revenue in fiscal 2026 with a de minimis additional operating costs. We will see the first contribution from this program in Q1.

I'd now like to turn the call over to John to review our financial results in detail.

John Asma — Chief Financial Officer, VersaBank

Before I begin, I will remind you that our full financial statements and MD&A for the fourth quarter are available on our website under the investors section as well as on SEDAR and EDGAR. All of the following numbers are reported in Canadian dollars, as per our financial statements, unless otherwise noted.

Starting with the balance sheet, total assets at the end of the fourth quarter for fiscal 2025 grew 20% year over year and 6% sequentially to a new high of just over \$5.8 billion. Cash and securities were \$663 million, or 11% of total assets, level with the end of Q3. And I will reiterate here David's earlier comments about there being higher than historical levels of around 7% as a result of our entry into the US market. Book value per share increased to another record of \$16.67. Our CET1 ratio was 12.92% and our leverage ratio was 8.47%, with both remaining above our internal targets.

Our strong growth in assets drove total consolidated revenue to a record \$35.1 million, up 29% year over year and 11% sequentially. Consolidated non-interest expenses, including one-time costs associated with the realignment and other adjustments, were \$23.9 million compared with \$19.4 million in Q4 last year and \$21.6 million for Q3 of this year. Excluding these costs, non-interest expense for Q4 was \$19.7 million. As a reminder, DRT Cyber expenses are included in our consolidated non-interest expenses and totaled \$1.9 million for the quarter. Reported net income was \$5.2 million and consolidated earnings per share were \$0.16. Excluding the costs associated with the realignment and other adjustments, consolidated adjusted net income was \$10.5 million, or \$0.33 per share.

Going on to slide 11, looking at the income statement on a segmented basis, revenue for the Canadian banking operations was \$27.6 million, up 17% year over year and 4% sequentially. Again this quarter I will remind you that the Bank's corporate expenses flow through the Canadian Digital Banking segment and, as a result, reported net income includes those realignment costs and other adjustments. Net income was \$3.1 million; however, that number is dampened by the \$5.4 million impact of corporate realignment I described earlier.

Revenue for the US banking operations was \$5.2 million, a 67% increase sequentially, primarily due to the ramp up in the US RPP. That drove a 357% increase sequentially in net income as we begin to see the US operation leverage take effect. As David noted, much of the growth in the US RPP assets in Q4 only contributed partially to the quarter's results, but will fully contribute in Q1.

Within DRTC, the cybersecurity component generated revenue of \$1.9 million, up from \$2.3 million in Q4 of last year. Net loss was \$17,000, impacted by higher operating expenses relating to the onboarding support costs for new cybersecurity offerings. Digital Meteor revenue was \$1.6 million with net income of \$94,000.

Our credit asset portfolio grew to a new record of \$5.07 billion at the end of Q4, driven once again by our receivable purchase program, which increased 19% year over year and 6% sequentially to \$3.9 billion. Our RPP portfolio represented 78% of our total assets portfolio at the end of Q4, level with the end of Q3. Our Multi-Family Residential Loans & Other portfolio grew 11% year over year and decreased 3% sequentially to \$1 billion. We have enhanced our CMHC-insured lending program to invest in CMHC-insured multi-unit residential term mortgages and securitize them through the Canadian

Mortgage Program. As a reminder, our Multi-Family Residential Loans & Other portfolio is primarily business-to-business mortgages and construction loans for residential properties. We have very little exposure to commercial use properties.

Turning to the income statement for our Digital Banking operations, net interest margin on our credit assets, that is excluding cash and securities, was 265 basis points. That was 31 basis points or 13% higher on a year-over-year basis and 10% or 4% higher sequentially. Overall, net interest margin, including the impact of cash and securities and other assets, was 229 basis points, an increase of 17 basis points year over year and up slightly from Q3, and again is dampened by our higher than typical cash balances, but still remained among the highest of the publicly traded Canadian federally licensed banks.

Our provision for credit losses, or PCLs, in Q4 continued to be de minimis as a percentage of average credit assets at 0.11%. This was up slightly from Q3 and reflects the forward-looking information used in our credit modeling.

I'd now like to turn the call back to David for some closing remarks. David?

David Taylor — President, VersaBank

Thanks, John.

Our Q4 results show clear momentum in our business going into fiscal 2026. At the start of the call, I called 2025 a transformational year. So what does that actually mean for the Bank and our

shareholders next year? Simply, it means we will increasingly capitalize on the efficiency and operating leverage in our model, taking it into new levels.

Let me start with the cost side of the equation. While we anticipate that there will be some additional one-time costs associated with our corporate realignment in the neighbourhood of \$1.5 million, most, if not all, of which should occur in the first half of the year. Excluding these, we expect our costs to be relatively flat this year with some opportunities for cost savings.

On the revenue side, there are multiple drivers of credit asset growth that will, in turn, drive the top line. Let's start with the core driver of growth in our business, our receivable purchase program. As I discussed earlier, in Canada, it has continued to steadily deliver double-digit growth, which we expect to continue, barring any major economic shocks. Momentum in the US is accelerating. At a minimum, we are targeting \$1 billion in RPP funding in the US in fiscal 2026, split roughly 60/40 between our conventional high-margin RPP and the securitized RPP, although with recent momentum we could see a higher-margin RPP above the 60% mark. With significantly greater operating leverage in the United States, we will see US asset growth drive much better efficiency, faster earnings growth, a much higher return on equity. In addition, in Canada, we expect to see continued growth in our CMHC loan book as well as the contribution of the new revenue stream generated by our CMHC allocation fees.

Lastly, on a net interest margin, in October we finally saw the yield curve return to its normal upslope, which benefits the RPP spreads, and we continue to benefit from growth in our low-cost insolvency professional deposits, which is closing in on \$1 billion. Netting this out with the impact of

asset mix, we expect net interest margin to remain relatively stable in 2026 with some solid upside potential.

In addition to our operational momentum, we expect to execute on a number of corporate actions that will bring greater focus to our core banking business while eliminating inefficient costs and providing significantly greater visibility into the true underlying performance of our banking operations. Our plan to realign our structure with that of a standard US bank is moving nicely forward. Should we receive the requisite regulatory and stock exchange approvals, we now expect to hold our shareholder vote on this matter at the annual meeting in April. As part of the realignment, we are continuing to progress towards the divestiture of our cybersecurity business. That will provide additional regulatory capital to support our growth plans while eliminating about \$10 million from our consolidated cost structure.

Before I open the call to questions, just a few comments on our proprietary deposit tokens known until recently as Digital Deposit Receipts. With VersaBank's reputation and leadership in the deposit token stablecoin area, several times I have had the privilege of being a featured speaker on the subject. The premise of my presentation is simple: For centuries, banks have acted and continue to act as the trusted and highly-regulated safekeeper of the hard-earned dollars of our depositors. As a result, they are best positioned to continue to do so with blockchain-based deposits. With what I believe to be a superior security based on our unique proprietary VersaVault technology, the ability to pay interest just like any bank deposit, as well as our expectation that RBDTs will be covered by conventional deposit insurance, again, just like any conventional deposit, we believe we are well positioned to continue to be a leader in this space. Our RBDTs represent a significant source of ultra-low-cost deposits to fund our

future growth as well as an opportunity to generate additional revenue through licensing our technology. We recently formally branded our DDRs to the name Real Bank Deposit Tokens, which we believe the brand also reinforces the critical functional foundation that Real Bank Deposit Tokens, RBDTs, are actually cash deposits with our bank or any bank that are reflected on the blockchain and an important step as we prepare for the anticipated commercialization of our proprietary technology in the months ahead, subject to requisite regulatory reviews.

We recently embarked on an additional opportunity in this emerging industry with the start of collaboration with third-party stablecoin issuers on the custody solutions that are consistent with the Canadian government's recently announced plans for regulation of stablecoins. While tokenized deposits have very clear advantages over stablecoins, stablecoins will have their place in digital ecosystem. As a nationally regulated bank with what we believe is the most secure technology for their safe storage, SOC2 Type 1 certified technology, we believe we are well positioned to be a leader here with, we believe, a similar opportunity exists south of the border.

With that, I'd like to open up the call to questions. Operator?

Q & A

Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Should you have a question, please press star followed by the one on your touchtone phone. You will hear a prompt that your hand has been raised. Should you wish to decline from the polling process, please

press the star followed by the two. If you are using a speakerphone, please lift the handset before pressing any keys. One moment please for your first question.

Your first question comes from Joe Yanchunis with Raymond James. Your line is now open.

Joe Yanchunis — Analyst, Raymond James

Good morning. So, it looks like momentum is really building in your US RPP program with a couple partners added since the start of 4Q. Can you talk about your partner pipeline and are you able to reach your \$1 billion fiscal year end 2026 target with your current partner base?

David Taylor — President, VersaBank

Good question, Joe, and good morning, to you too. I'm speaking to you from polar opposite of where you are. It's a winter wonderland here in Canada, a ton of snow.

So, to answer your question, yes, with the existing RPP partners we presently have, we can reach that target. So obviously that begs another question, how much will we do when we add another four? There's quite a pipeline and, as you'd expect, when we bring a new product to a new country, there's a little bit of skepticism of what it's all about. Will it work? How is it going to happen? But now that folks are seeing other large RPP partners, point-of-sale partners, participate and do well, I'm guessing it's going to gather a lot of momentum going forward.

Joe Yanchunis — Analyst, Raymond James

Got it. And then in your prepared remarks, and then as well as in some of your materials, you talked about your custody solution being consistent with planned regulation in Canada. Are you able to flesh out that opportunity a little more?

David Taylor — President, VersaBank

Well, we [inaudible] the digital vault that was designed to keep cryptocurrency keys safe from the hackers of the world and we rolled it out and we actually piloted the project in Canada. So, at this point in time, as a federal bank in Canada, National Bank in the United States, we're well within our rights to provide custodial services to those stablecoin issuers who would like a bank that has this state-of-the-art technology to look after the cash deposits that they would have and to deal with the issuing of the wallets and such. So we're all set to go. And just recently in Canada, as you know, they passed some, well, a budget that somewhat reflects the GENIUS Act, so there was one already in Canada that received a license, Stablecorp I believe. So we stand ready to help out in this industry. We have that technology. It was built and we're well within our rights, as a federal bank both sides of the border, to provide those custodial services. So, from our perspective as a banker, we'll earn a little fees for being a custodian and we'll happily receive the deposits.

Joe Yanchunis — Analyst, Raymond James

Got it. Then just a couple more for me here. Can you provide an update around the DRT Cyber sales process, which, from my chair, seems to be taking a little longer than expected.

David Taylor — President, VersaBank

Yeah. Yeah, it is taking longer than we had originally hoped. KBW is looking after that for us and the final stages of what they call the quality of earnings report. And once that's ready, I think there's approximately 10 interested parties, so they'll be reviewing the quality of earnings report and I expect we'll be getting some bids.

Joe Yanchunis — Analyst, Raymond James

And do you have a sense when the quality of earnings report will be completed?

David Taylor — President, VersaBank

I think a week. We've been out for quite a while. So hopefully in the next week that's done. But mind you, we're in the holiday season, so I don't know. Things move a little slower. I did say to the fellow in charge at KBW, I said, are you going to give me a Christmas present? And he did smile, so I hope that means something positive. But realistically, we're probably first, early part of January.

Joe Yanchunis — Analyst, Raymond James

Got it. And then just one kind of last housekeeping question for me. It looks like in your prepared remarks you mentioned that the realignment one-time costs were \$4.3 million and I'm seeing \$5.7 million in some of your printed materials. Is there something that I'm missing here? Can you help me bridge that gap?

David Taylor — President, VersaBank

I can probably do that offline in a bit more detail. In total, we were originally looking for around \$8.5 million and I think now the estimate is \$8.7 million, and most of it is behind us now with this quarter, although I did say it is possible with another top of \$1.5 million in the new year, just to be safe, miscellaneous expenses associated with SOC2 compliance and a little bit of rollout in the United States. But the bulk of that's behind us. And I have seen the draft of the [inaudible] report. It was quite a process too, it's 125 pages, but I've seen that in its final form and it's been submitted. It was approved by the board the other day. So we're moving right along with the process and, like I say, hopefully the majority of the spending is behind us now.

Joe Yanchunis — Analyst, Raymond James

Okay, great. Thank you for taking my questions.

David Taylor — President, VersaBank

Well, thank you, Joe, and look forward to seeing you in the sunnier climes when I get down there just before Christmas.

Joe Yanchunis — Analyst, Raymond James

Absolutely.

Operator

Your next question comes from Tim Switzer with KBW. Your line is now open.

Tim Switzer — Analyst, KBW

Hey, good morning.

David Taylor — President, VersaBank

Good morning.

Tim Switzer — Analyst, KBW

Thanks for taking my question. The first one I have is some clarity on the non-interest expense guide. You guys guided to flat expenses year over year. What's the number we should be using as the base for that? Is it the \$78 million or so of total reported expenses and that's what we should be using for 2026?

David Taylor — President, VersaBank

Well, Tim, that's an [inaudible] number. Let's get back to you. Our budget, I recall, says \$72 million on it, and I think that's the figure they had in mind, but let's get back to you with a more precise figure there. And then we're guiding flat with whatever it is, I think it's \$72 million, taking out some of the miscellaneous one-time expense associated with the rollout in the United States and the project to optimize. And then there's some cost savings. I alluded to that in my remarks, too. There's some cost

savings that, given a little bit of luck, we should be realizing in the upcoming year that just go with a more efficient organization structure. And of course, something that pollutes our numbers is the \$10 million non-interest expenses associated with DBG that hopefully, early in the new year, we're shedding.

Tim Switzer — Analyst, KBW

Okay. Yeah, if we could get some clarity, I guess, on what the actual core number is for 2026, that'd be helpful, in addition to, I guess, the \$1.5 million of expected reorg one-time costs. Where are you guys looking to invest right now in the expense base and how much of that is part of the Real Bank Deposit Token program? And I believe there was a comment in the press release about how most of the fixed costs of the US business are already in place, so is that helping to keep a lid on costs going forward?

David Taylor — President, VersaBank

Yeah, that's absolutely true. In fact, there's probably less to spend in the States going forward. Now there's a lot of trips back and forth, hotel rooms, meetings, all that, but I think, if anything, it'll be less in the States going forward. I don't have a number for Real Bank Deposit Tokens in that it's a tiny number. We did the bulk of the spending a number of years ago setting it all up. We had a SOC2 Type 1 audit done. That was quite the process. So that's all behind us. There isn't a lot to sort of put your finger on to launch this Real Bank Deposit Token. The people were hired, the [inaudible] team is already hired, and we're just sort of rolling it through the system, as we did a few years back in Canada, so it would be insignificant that we're spending [inaudible].

Tim Switzer — Analyst, KBW

Okay. Got you. And then another question I had was, you know, the elevated liquidity that's weighing on the NIM right now, it continues to kind of leak higher over the course of the year. When do you think you can deploy that? Obviously, you have really strong growth expectations, but what's like a normalized level of liquidity for you? If you include the securities portfolio, you had \$640 million on average this quarter. Like where should that go and what's the timeline for that?

David Taylor — President, VersaBank

It's already going down, because we're funding these new partners pretty rapidly. The normal level is around [inaudible] of total assets. [Inaudible]... But what we did is we built [inaudible] getting ready for the rapid funding of the new partners and now we are funding them, so it's dropping back to around that 6%, 6.5%, which is sort of where banks tend to run. If there's a little worry in the marketplace, we banks tend to carry a little bit more liquidity. Right now, things are looking pretty stable, and so that's about the number. So you saw us build liquidity, particularly in the States, and then you're seeing us deploy it now. About \$100 million a month.

Tim Switzer — Analyst, KBW

Okay. Thank you, David. The last question I have is, you know, can you provide some colour on which verticals have been driving growth in the US RPP? Is it largely HVAC and things like that or is it a little bit different than the composition in Canada?

David Taylor — President, VersaBank

Well, strangely enough, it's quite similar to the composition in Canada. It's home improvement, HVAC and energy saving things, and then recreational vehicles and such and some small business equipment. Quite a variety. From our perspective, we're sort of agnostic as to what industry we participate in, in that, as you know, we securitize it with a cash collateral account to offset the perceived risk. We're wide open for everything from hot water heaters to insurance premiums. In Canada that's what we've done. The model works just as well for extremely low-risk assets, for higher-risk assets. And thankfully, I think what we're doing is we're providing an essential service in the United States, just like we were in Canada, providing an economically reliable funding source for point-of-sale lenders that are helping drive the economy.

Tim Switzer — Analyst, KBW

Awesome. Thank you for taking all my questions.

David Taylor — President, VersaBank

No problem, Tim. Talk to you later. I guess you're getting ready for skiing now.

Tim Switzer — Analyst, KBW

Yeah. Yeah. Got our first big snow last week.

David Taylor — President, VersaBank

Well, like I said, right here in Canada, I was looking out the window, it's a winter wonderland. But where you are, you got the real snow.

Tim Switzer — Analyst, KBW

Oh, yeah. It's building up here.

Operator

Ladies and gentlemen, as a reminder, should you have a question, please press star one. Your next question comes from Andrew Scutt with ROTH Capital Partners. Your line is now open.

Andrew Scutt — Analyst, ROTH Capital Partners

Good morning, guys, and thank you for taking my questions. So my first question here for you, David, you talked about NIM kind of staying stable from levels here into 2026 with some potential for some upside, so could you just kind of provide us some details on the puts and takes there? Because I know you'll get some incremental benefits from the US RPP portfolio but then maybe some headwinds from the CMHC lending, so just any additional colour there would be great.

David Taylor — President, VersaBank

Sure. Well, obviously, finally, the yield curve went upwardly sloping, which, as predicted, gave rise to a NIM expansion on the credit assets. And we're still picking up a little bit. That's why we're sort

of hedging our bet on that with that upwardly sloping yield curve. The other thing that right now is actually contributing to expansion of NIM is the CMHC in that, with the prime rate dropping in Canada, we price the professional deposits over prime, approximately prime minus 280, and we're earning about prime minus 20 on the CMHC, so we're getting about 270 basis points margin on those CMHCs too. So we've got the wind at our back on the NIMs. But 265, 270 for credit assets, that's probably where it'll sort of stabilize. The overall NIM was depressed in the past, as the other fellow was pointing out, by the accumulation of cash and liquid securities in anticipation of drawdowns, and you get a little bit of a negative on the upper sloping yield curve because you don't get as much on the short-term liquid securities now at yield. But all things considered, I think you budget NIM to stay flat with, it's a little bit of wind at our back given the CMHCs are producing a little more positive spread and the RPPs are producing a bit more positive spread too.

Andrew Scutt — Analyst, ROTH Capital Partners

Great. Well, I appreciate the colour. And yeah, as the capital gets deployed, that'll be a great benefit. Second one from me here. I feel like Digital Meteor is kind of maybe an underappreciated opportunity in the long term. I know it might take a while to get the program to ramp, but can you guys just kind of talk to what you see the opportunity over the next couple of years for the program as you expand in Canada and in the States?

David Taylor — President, VersaBank

There'll be, I think, two opportunities with it. One is just simply opening up a brand-new deposit channel that presently is priced, well, again, stablecoin zero. We would, of course, pay something on our

deposits. But it'd be an economical new deposit channel which, sorry, emulates a checking account. In fact, that's basically what it's designed to do, a bank deposit that also has the feature of being able to be used as a payment vehicle. So it's a new economical diversified channel for deposit taking that any bank would be happy as hell. Of course, that's our dream come true, is having a new channel of deposits that is priced around checking accounts.

The other opportunity that we have, and we've been vocal about this and we actually talked to some US banks about this opportunity, is we plan to license this technology out to the other small community banks that would be so inclined. The US is a huge market, and our bank takes its piece of the pie, but we have no problem whatsoever sharing this technology with the other community banks and we'd expect to earn some licensing fees with that too.

So, basically, the opportunity is both in Canada and United States is expanded economical new deposit channel and the opportunity to license the technology out to those smaller banks that want to take advantage of it.

Andrew Scutt — Analyst, ROTH Capital Partners

Great. Well, thank you for taking my questions and congrats on the strong progress in the US.

David Taylor — President, VersaBank

Well, thank you. We expected the United States would be a good market for the RPP program and thankfully those expectations have proven out. The other thing that's helpful in the United States is this resurgence of regulatory acceptance of the smaller banks. I think my banking colleagues in the

States have gone through sort of a winter where they felt that regulators didn't quite appreciate what they do for the US economy, but they do now. I was at a conference where Jonathan Gould was presenting keynote's address. He got standing ovations and claps from my colleagues, other CEOs, might have been 100 or so CEOs and small community banks. You're just feeling it that the community banks are being let loose to do what they're supposed to do, provide capital to people and small businesses, stimulate growth. We're ideally suited for that. We're providing relatively economical capital to that industry and feel pretty good about it.

Operator

There are no further questions at this time. I will now turn the call over to David for closing remarks.

David Taylor — President, VersaBank

Well, thank you, Joelle. I would like to thank everybody for joining us today and wish you all a Merry Christmas and happy holidays and best for the new year. We at VersaBank are certainly looking forward to 2026 and I look forward to speaking to you again at the time of our first quarter results. Again, thank you.

Operator

Ladies and gentlemen, this concludes your conference call for today. We thank you for participating and ask that you please disconnect your lines.