



VersaBank

**Proprietary Technology for the
Digital Asset Revolution**

**Real Bank Deposit Tokens (RBDTs) &
Stablecoin Custody Services**

January 2026

NASDAQ: VBNK | TSX: VBNK

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; the impact of the COVID-19 pandemic 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 October 31, 2025. The Bank makes no undertaking to update any forward-looking statement that is made from time to time by the Bank.



>30 Year Track Record of Technological Innovation

Part of Our DNA

- World's **FIRST** digital financial institution (1993)
- **FIRST** electronic deposit broker network (1993)
- World's **FIRST** “smart router”: Web Weaver (1995)
- Received **FIRST** National Bank License in Canada in 18 years (2002)
- **FIRST** integrated digital deposit solution for TIBs
- Developed world's **FIRST** digital receivables purchase solution
- 30+ year track record **NO MATERIAL LOAN LOSSES**
- Integral to **INITIAL DEVELOPMENT** of Tailscale mesh VPN (current PE valuation of >\$2B)
- Developed world's **FIRST** digital vault, VersaVault®
- **FOUNDED** DRT Cyber in 2019
- **ONE** of a (very) small number of foreign banks to be approved for a U.S. license in recent history
- Launched **FIRST** Digital Receivable Purchase Solution in the U.S.
- **FIRST** U.S. Financing Provider uses VersaBank RPP
- **FIRST** blockchain-enabled deposit token by a nationally licensed bank in both the U.S. and Canada



**Fully Digital
North American Bank**



**Highly Efficient: Branchless,
Partner (B2B) model**



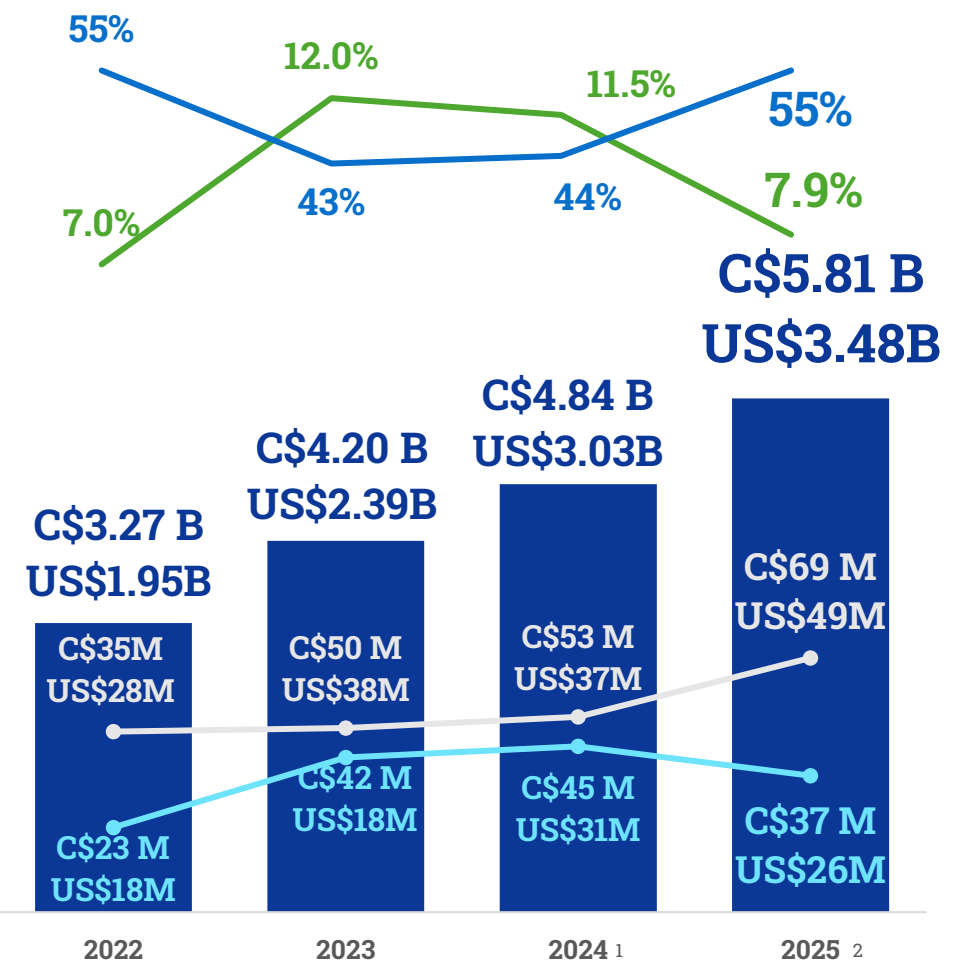
**Innovative, Value-Added
Deposit & Financing Solutions for
Underserved Markets**

- Operating leverage of a technology company with the intrinsic value of a bank
- Highly risk-mitigated model: Very sticky deposits/No material loan losses
- Track record of strong earnings growth with strong future growth prospects based on US entry and new product offerings
- Planned divestiture of Cybersecurity Services subsidiary represents significant unrealized value

Poised for **outsized long-term growth** through ramp up of proven Receivables Purchase Program (RPP) in US market and market-ready deposit token technology

Capitalizing on the Significant Operating Leverage in Our Core Digital Banking Operations

\$ CAD (millions)



Next Milestones:

F2025 Actual	Total Credit Assets		
C\$5.1B US\$3.6B	>C\$6B >US\$4.3B	>C\$7.5B >US\$5.4B	>C\$10B >US\$7.2B
Efficiency Ratio			
55%	<40%	<35%	<25%
ROCE			
8%	18%+	20%+	35%+
Adjusted			
Assumes Net Interest Margin on Credit Assets of 2.65%			
Assumes consistent common equity			

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1. Excluding One-Time Impacts Related to closing of the acquisition of SBH
 2. Excluding costs associated with the proposed realignment to corporate structure and adjustments



**Early Leadership in the Digital Asset Revolution:
Multiple Commercial Opportunities**

The Digital Asset Revolution is Transforming the Financial Services Industry

Deposits: Banks increasingly experiencing “deposit drain”

Payments: Global payments landscape being reshaped

Younger generations increasingly prefer digital interactions over traditional banking methods / Declining use, interest in physical branches and traditional banking services

- Less than 50% of Gen Z have a traditional bank account
- Younger generations moving inheritances out of traditional banks
- Over 50% of Gen Z rely primarily on non-traditional financial service providers
- 38% of Gen Z would consider switching from banks that lack innovation
- Nearly 94% of cryptocurrency buyers are in the age range of 18-40

Digital assets/currencies, stablecoins increasingly in demand

- Stablecoins account for ~3% of global cross-border payments (~US\$1.5 T)
- Annual stablecoin transfer volume reached US\$27.6 T in 2024, surpassing combined volumes of Visa and Mastercard

Stablecoins have become the digital currency of choice

- Stablecoins represent 2/3 of cryptocurrency transactions in recent months

Increasingly favorable regulatory environment for secure and stable cryptocurrency activities

Major banks, bank technology providers, payment providers and major retailers have expressed need for a digital asset/stablecoin strategy

Deposit Tokens and Stablecoins: The Future of the Financial Ecosystem

Blockchain enabled: Provide significantly greater speed, significantly lower cost, greater security and programmability

Deposit Tokens (or Tokenized Deposits)

Issued by Regulated Banks

Remain on
Bank Balance
Sheet

- Digital representations of traditional bank deposits that operate on blockchain-based infrastructure
- Supported by same liquidity/regulatory frameworks as typical bank deposits
- Ability to pay interest¹
- Eligible for deposit insurance¹
- Designed for institutional applications, including cross-border and B2B payments, digital asset settlement, and on-chain liquidity management.
- Adhere to more rigorous compliance standards: better suited for enterprise-grade applications where KYC and AML compliance standards must be met

Stablecoins

Issued by Non-Banks

Must be
Invested in
Liquid Assets
(e.g. T-Bills)

- A cryptocurrency whose value is designed to be stable, typically by being pegged to a fiat currency like the U.S. dollar
- Regulation by GENIUS Act in US, similar expected in Canada
- Not permitted to pay interest
- Not eligible for deposit insurance
- Mainly used in lower-value retail contexts, incl. crypto trading, remittances, merchant payments w/ lighter compliance requirements

1. In compliance with FDIC and CDIC policies

The Digital Asset Revolution is Happening Now...

...And Moving Fast

Bank-Led Initiatives are taking the Offensive in developing Digital Assets

Increasingly favorable regulatory environment for secure and stable cryptocurrency activities

Major Bank-Led Digital Asset Initiatives

J.P.Morgan	<ul style="list-style-type: none">• Developing institutional-grade stablecoin, JPM Coin• Piloting JPMD, a deposit token for live institutional payments
	<ul style="list-style-type: none">• Launched Citi Token Services, blockchain-based platform for institutional clients• Joined European banking coalition developing a euro-based stablecoin
	<ul style="list-style-type: none">• G7 stablecoin initiative: consortium of 10 major banks exploring creation of a shared digital currency platform• Primary objective is to create a regulated, interoperable, bank-grade alternative to privately-issued stablecoins
	<ul style="list-style-type: none">• Developing tokenized deposit / digital cash infrastructure for on-chain settlement• Focused on wholesale use cases: collateral mobility, margin, and cash management
	<ul style="list-style-type: none">• Building tokenized cash & asset servicing capabilities for institutional blockchain settlement• Positioning deposit tokens as an extension of custody, fund administration, and capital markets workflows

Source: KBW Research, Company websites, Reuters,

VersaBank is Leading the Charge on Two Fronts:



- VersaBank Real Bank Deposit Tokens™ (RBDTs™)
- VersaBank Stablecoin Custody Services

Proprietary VersaVault® Digital Asset Technology

2018: Launched world's first digital bank vault for securing blockchain-based assets and highly sensitive digital documents and data



- Developed by DRT Cyber, based on VersaBank's internally developed security technology security-centric digital asset storage solution
- Designed by Gurpreet Sahota, previously head of cybersecurity at Blackberry
- Utilizes military-grade hardware within a dedicated, private data center specifically designed for highly secure and sensitive operations
- Logically air-gapped from both the public internet and public blockchains and not hosted on public cloud infrastructure
- Specifically developed for security conscious enterprises, financial institutions and agencies to protect their digital assets
- SOC2 Type 1 Audit Compliant

VersaBank's Real Bank Deposit Tokens™ (RBDTs™)

**Market Ready
Solution: Near-Term
Commercialization**

USDVB™

CADVB™

1. Subject to regulatory obligations as may apply

Compelling Proposition for Banks/Payments Providers

Significantly Enhanced Depositor Loyalty/Stickiness of Deposits

- Reduced funding costs, lower/no-cost deposits as customers prioritize holding digital currency
- Deposit Tokens circulate digitally, reducing redemption frequency and enhancing deposit stability

Low-Cost Solution that is Readily Available

Seamlessly Integrates with Existing Technology Including that of Core Service Providers

Multiple Opportunities to Realize Value

Operational

- Low-cost / No-cost deposits for Bank's own operations

Sale/Licensing of Technology to:

- Major banking technology provider
- Payment/credit card providers
- Major US banks/Community banks
- Major online/physical retailers

**Integrated US and Canadian demonstration pilots underway:
Commercialization as soon as possible following completion¹**

VersaBank's Real Bank Deposit Tokens™ (RBDTs™) (cont'd)

RBDT™ Near-Term Use Case

Cross-Border Payments

VersaBank is the first, and to date, only bank with a deposit token in both US and Canadian dollars

- Deposit tokens could improve efficiency and reduce the cost of global money transfers. Real-time settlement across different time zones is a key advantage, potentially cutting costs significantly and reducing settlement times from days to minutes
- Real-time, 24/7 settlement for large-value B2B within a regulated banking framework. Reducing settlement times from days to seconds and lower operational and liquidity costs, with the strongest impact in high-friction and emerging-market corridors
- Annual trade between the US and Canada is over US\$1.3T

Other RBDT™ Use Cases

Domestic Business-to-Business payments

Conditional Payments

Securities Settlement

VersaBank's Stablecoin Custody Services

VersaBank is Ideally Positioned to Act as Custodian for Third-Party Stablecoins

Value of Stablecoins in
Circulation Projected to
Grow to as High as

\$4 T

by 2030

Source: Citi Institute

- Banks have historically been the custodians of depositors' money
- VersaBank is a nationally-licensed bank in both the U.S. and Canada
- Extensive experience and expertise in digital asset custody
- VersaVault's® unique approach to digital asset technology provides unmatched security

Initiated Collaborations with Third-Party Stablecoin Issuers



Why VersaBank? Why Now?

At inflection point for operating leverage, earnings growth and ROCE generation

US Receivables Purchase Program (RPP) (proven in Canada) ramping up in an underserved multi-trillion \$ US market

Highly risk-mitigated model based on structuring of both deposits and credit assets

Current valuation around book value & well below US peers

Planned divestiture of profitable cybersecurity services will generate significant incremental value

Renewed opportunity for the Bank's transformational Real Bank Deposit Tokens (formerly Digital Deposit Receipts)

Proposed corporate realignment expected to realize additional shareholder value, further mitigate risk and reduce costs



VersaBank

Banking on the Future!