



# VersaBank

**US Entry Provides A  
Transformational Opportunity**

**Investor Presentation  
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 year 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.





VersaBank

**A Better Bank Model  
Founded on Technology**

- ~~Excessive lending risk~~
- ~~Loan losses / collections~~
- ~~Deposit / liquidity risk~~
- ~~Economic exposure~~
- ~~Interest rate exposure~~
- ~~Physical infrastructure~~
- ~~Inefficiency~~





**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

# Cloud-Based, Branchless, Partner (B2B) Model Using VersaBank's Proprietary Banking Technology

Proprietary, state-of-the-art software based  
out of two technology centres



- All deposits/credit assets managed digitally
- No direct interaction with end users
- Very high asset-to-employee ratio



Significant **operating leverage** derived from **scalability** of technology platform & partner model



# Cloud-based, Partner Model Drives Efficiency



Total Assets: **C\$5.8B/US\$4.1B<sup>1</sup>**

Net Interest Margin (Credit Assets): **2.65%<sup>2</sup>**

Total Revenue: **C\$140M/US\$100M<sup>3</sup>**

Non-Interest Expense (excl. DRTC): **C\$63M/US\$45M<sup>3,4</sup>**

Net Income: **C\$42M/US\$30M<sup>3,4</sup>**

# Proprietary Technology Enables Ultra Low-Risk Digital Model



## Organization-Wide Focus on Risk Mitigation

- Technology-based approach to risk analysis/monitoring
- Rigorous, multi-step, multi-executive approval process
- Continuous, real-time monitoring of credit performance
- Top-tier asset quality
- High-liquidity ratio & access to vast supply of low-cost funds
- Low operational risk: branchless, digital model & industry leading security



## Very Sticky Deposits

- Brokered Deposits: 100% term deposit receipts – Depositors have no direct access to deposits
- Insolvency Professionals: Long-term relationships based on unique, high-value add, integrated technology
- 98% insured (All Brokered Deposits insured)

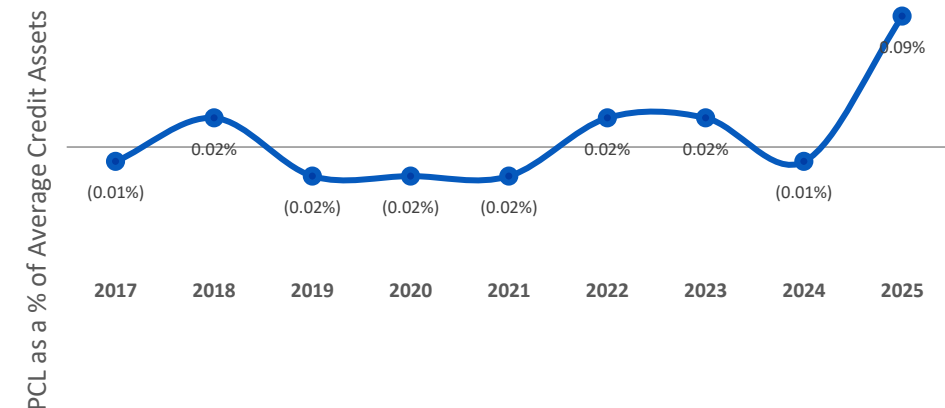


## 30+ Years with No Material Credit Asset Losses

### Average Provision for Credit Losses as a % of Average Credit Assets

**0.03%**

(Trailing 12-Quarters as of Q4 2025)



# Deposits: Unlimited Low-Cost, Very Stable Sources



- Objective to minimize cost of deposit funding
- Very “sticky” deposit base

## Deposit Brokers (>120 Partners)

- Extensive network of providing exposure to vast majority of Canadian depositors
- All broker deposits are term deposits
- Competitively positioned for inexpensive deposits as a federally licensed bank

## Licensed Insolvency Trustee Firms(>100 Offices)

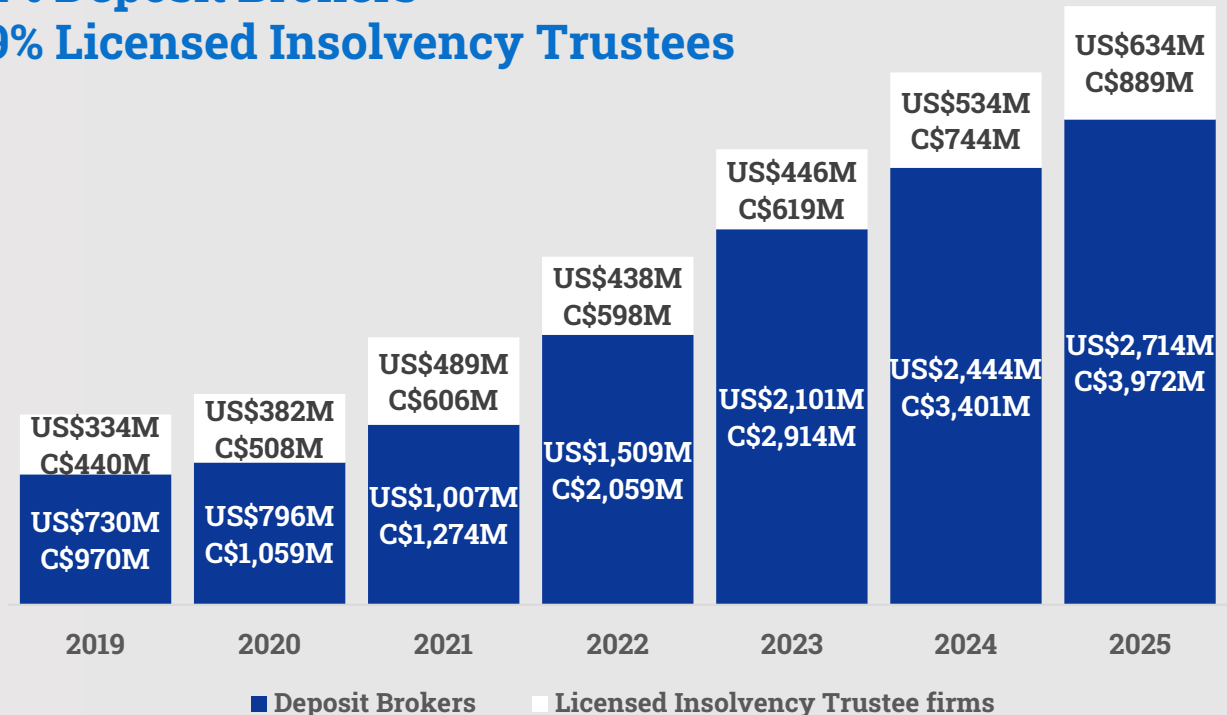
- Proprietary, high-value add, technology-based solution
- Grown to >100 partners & C\$823M/US\$594M in <10 years

**>220 Partners Provide Access  
to Millions of Depositors**

## Deposit Composition:

Q3 2025

**81% Deposit Brokers  
19% Licensed Insolvency Trustees**





# Credit Assets: Very Low Risk Lending Channels



- Low-cost deposits enable low-risk lending
- 30-year history of virtually no credit asset losses

## Receivable Purchase Program

- Reliable, attractive alternative financing option for POS lenders, providing convenience for their consumers
- Very low-risk:
  - Default risk resides substantially with partner
  - Only partner with established POS lenders
- Dominant position in Canada

## Multi-Family Residential and Other

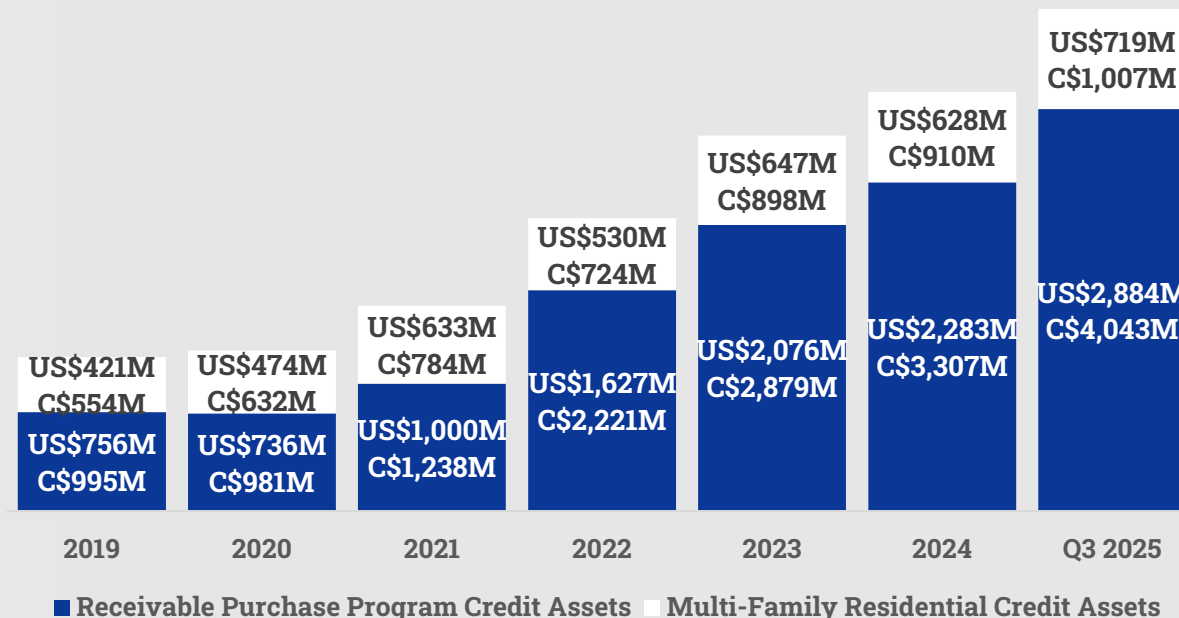
- Highly profitable opportunistic legacy business
- De minimis commercial real estate exposure

## 30 Partners Provide Access to Hundreds of Millions of Borrowers

### Credit Asset Composition:

Q4 2025

**80% Receivable Purchase Program**  
**20% Multi-Family Residential and Other**



# Point-of-Sale Receivable Purchase Program (RPP)

Innovative, Unique and Efficient Digital Funding Solutions  
for Point-of-Sale Finance Companies



- Readily accessible, reliable, economic funding, and daily loan sales (real-time sales in development)
- VersaBank typically provides 100% of loan value (vs. ~75% from conventional sources) – much higher partner ROE



# A Significantly Risk Mitigated Model



## Extensive Partner Due Diligence & Monitoring

**Restricted to the highest quality lenders - typical 10-year track record**

- Annual in-person audits
- "As offered" basis – Purchases at VersaBank's discretion
- Pre-established "credit box" to which all loans must adhere

## Continuous Loan monitoring

- Real-time, technology-based monitoring
- Increasingly benefitting from the use of AI
- Human oversight
- VersaBank automatically paid (and loan returned to partner) for loans 90 days in arrears

## Proven Highly Attractive & Successful in Canada

- **>15 years in market**
- **>C\$10B (>US\$7.1B)**  
Total value of RPP Financings to Date<sup>1</sup>
- **C\$4.0B (US\$2.9B)**  
Current Value of RPP Portfolio<sup>1</sup>
- **33% 5-Year CAGR<sup>1</sup>**

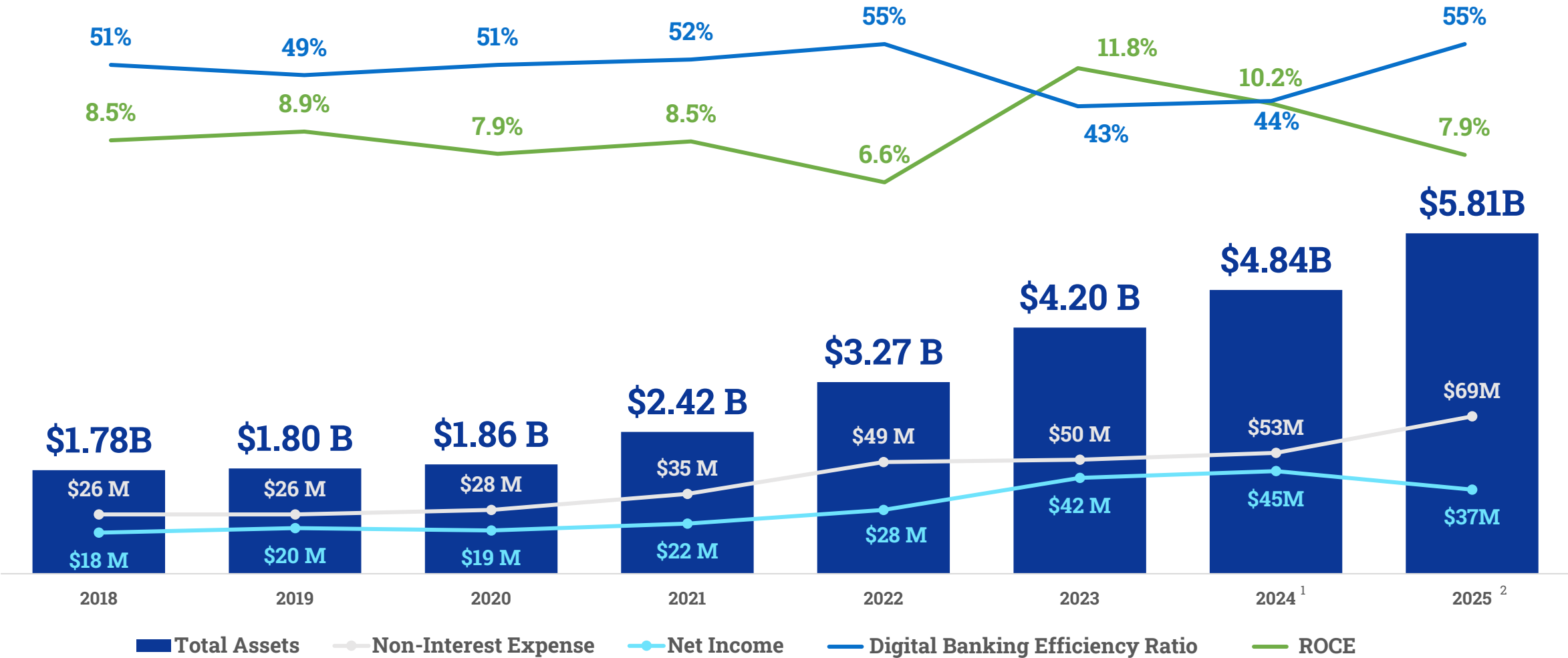
History of **ZERO** Credit Asset Losses for VersaBank



# Success of Canadian POS Business Has Driven Profitability



\$ CAD (millions)



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

# Q4 2025 Key Metrics & Highlights



<b>Total Assets</b>	<b>\$5.81 B</b>
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<b>Credit Assets</b>	<b>\$5.07 B</b>
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<b>NIM on Credit Assets</b>	<b>2.65%</b>
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<b>Total Revenue</b>	<b>\$35.1 M</b>
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<b>Adjusted Net Income<sup>1</sup></b>	<b>\$10.5 M</b>
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<b>Adjusted EPS<sup>1</sup></b>	<b>\$0.33</b>
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- Record credit assets, up 20% YoY & 6% sequentially
- Record revenue
- NIM on Credit Assets grew 31 bps 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

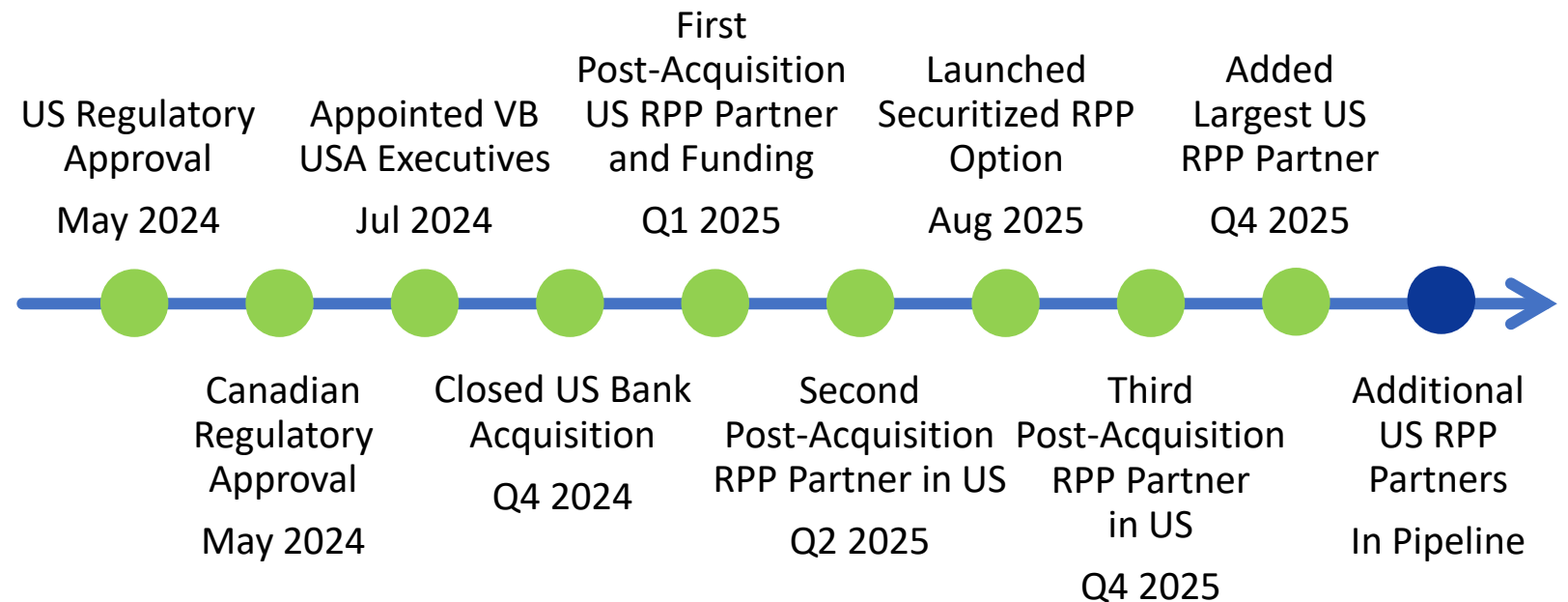
Canadian Digital Banking Operations Continue to Demonstrate Potential of  
US Digital Banking Operations as US Credit Assets Ramp Up and Achieve Scale

# VersaBank USA: Transformational Opportunity



## High-Growth, Underserved Multi-Trillion \$ Market

Acquisition of National OCC  
licensed US bank enables ramp up  
of Receivables Purchase Program  
(RPP) in the US



**Addition of Securitized RPP Option to Significantly  
Expand Addressable Market**

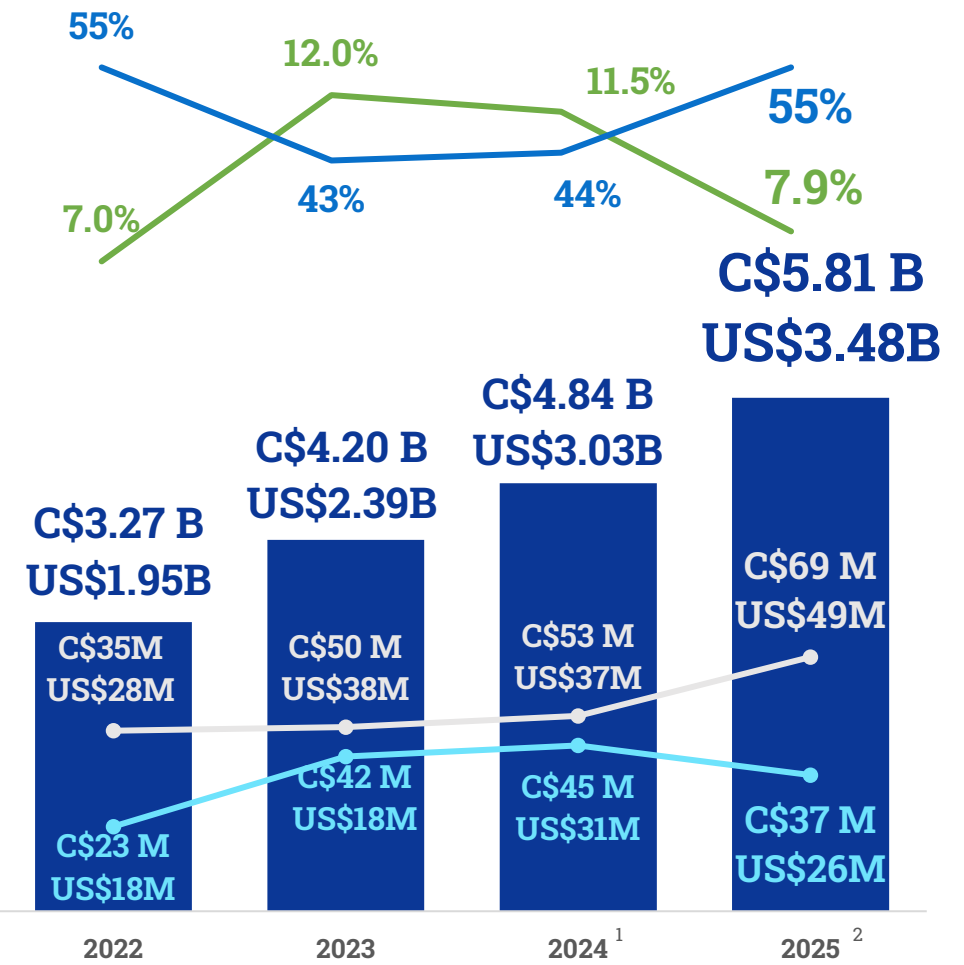
**Exceeded Fiscal 2025 Target with Total Fundings of  
US\$310M**



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



\$ CAD (millions)



## Next Milestones:

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
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Efficiency Ratio

55%	<40%	<35%	<25%
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ROCE

8%	18%+	20%+	35%+
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Assumes Net Interest Margin on Credit Assets of 2.65%

# 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**

**BUT recently passed GENIUS Act will limit stablecoin activities**

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

# VersaBank's Proprietary Real Bank Deposit Tokens

(formerly Digital Deposit Receipts)

## USDVB CADVB

A Superior Bank-Issued  
Market-Ready Alternative  
to Stablecoins

**Developed by a Bank for Banks:** All the functionality, efficiency, auditability, safety and security of stablecoins and other encrypted digital assets WITHOUT the associated volatility and risk, and WITH:

- Conventional bank deposit insurance (FDIC, CDIC)<sup>1</sup>
- Legal ability to pay interest

**A \$1 Deposit Held with VersaBank on a 1:1 Basis Reflected on Blockchains**

- Developed in close collaboration with regulators and law enforcement

**The highest level of security based on proprietary VersaVault®, underpinned by SOC 2 Type I certification.**

- Encrypted, transferable & traceable – suspicious s can be frozen
- Secure Custody: Digital assets are privately secured with a nationally licensed bank serving as custodian

**Proven Technology**

- Successfully completed pilot program on Algorand, Ethereum, and Stellar blockchains (First bank known to achieve this)
- Integrates with existing banking technology

Integrated US and Canadian demonstration pilots underway: Commercialization as soon as possible following completion<sup>2</sup>



# Market Ready Solution: Near-Term Commercialization



## Very Compelling Proposition for Banks and Payments Providers

### **Significantly Enhanced Depositor Loyalty/Stickiness of Deposits for Banks**

- Reduced funding costs, lower or 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 VersaBank's own US banking operations

### **Sale/Licensing of Technology to:**

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

# Proposed Realignment of Corporate Structure

## Intended to Realize Additional Shareholder Value, Further Mitigate Risk and Reduce Corporate Costs

- Would align corporate structure with that of standard US bank framework with which US and international investment communities are most familiar
- Proposed new holding company parent would be domiciled in United States
- Would be expected to enable eligibility for inclusion in certain stock indices, including the Russell 2000
- Would simplify regulatory structure
- Would facilitate further international expansion as the Bank explores additional markets beyond Canada and the United States
- Subject to approval by Bank's shareholders, Office of the Comptroller of the Currency (OCC), Federal Reserve, Minister of Finance (Canada), TSX and Nasdaq

# DRT Cyber: “Free Option” on Digital Banking Valuation



## One of North America’s Premiere IT Security Assurance Services Firms

- Comprehensive Suite of Services:
  - External network, web and mobile app penetration testing
  - Physical social engineering engagements
  - Supervisory control & data acquisition (SCADA) system assessments
  - Various aspects of training
- > 400 Clients Across North America
  - Large retailers & financial service providers
  - Police service organizations
  - Energy, public utilities & infrastructure firms
- Significant opportunities to cross-sell and up-sell

Profitable, with solid growth in revenue and EBITDA in fiscal 2024





## **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!