



**Basel III Pillar 3 Disclosures  
April 30, 2026**

# VERSABANK

## Basel III Pillar 3 Disclosures

For the quarter ended April 30, 2026

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### Overview

VersaBank (“VersaBank” or the “Bank”) is a North American bank (federally chartered in Canada and the United States) with a difference. VersaBank was one of the world's first fully digital financial institutions. Today VersaBank employs a cloud-based, branchless, business-to-business model based on its proprietary state-of-the-art technology that enables it to profitably address underserved segments of the banking industry. The Bank’s business model is based on obtaining its deposits and providing financing digitally through other third-party financial intermediaries (referred to as “partners”) who, themselves, engage with the actual depositors and borrowers. This provides VersaBank with significant operating leverage, which drives efficiency and return on common equity, and significantly reduces the Bank’s risk.

VersaBank’s recent and expected continued growth is primarily the result of its unique Structured Receivable Program (“SRP”) (formerly referred to as the Receivable Purchase Program, or “RPP”), which invests in cash flow streams generated by credit assets originated and owned by companies that provide financing at the point of sale to consumers and small businesses for “big ticket” value purchases. In September 2024, following its acquisition of a US bank, VersaBank broadly launched its SRP, which has been highly successful in Canada for over 15 years, to the underserved multi-trillion-dollar US market.

### Basis of preparation

This document represents the Basel III Pillar 3 disclosures for the Bank. These disclosures are made pursuant to the Office of the Superintendent of Financial Institutions (OSFI) requirements, which are based on global standards established by the Bank of International Settlements, Basel Committee on Banking Supervision (BCBS). The Bank follows the Pillar 3 Disclosure requirements for Small and Medium-Sized Banks (SMSBs) and is classified as a Category 2 SMSB.

The amounts disclosed in this document are based on the Bank’s condensed consolidated interim financial statements, which reflect the financial position and results of operations of the Bank consolidated with the financial position and results of operations of its subsidiaries. The condensed consolidated interim financial statements were prepared in accordance with International Accounting Standard (IAS) 34. The condensed consolidated interim financial statements follow the same accounting policies and methods of computation as in the Bank’s most recent annual financial statements including the accounting requirements specified by OSFI, and reflect, where necessary, management’s best estimates and judgments.

The Bank’s credit risk – General information about credit risk (CRA), Operational risk – General qualitative information on the Bank’s operational risk framework (ORA) and Credit Valuation Adjustment (CVA) risk – General qualitative disclosure related to CVA (CVAA) are disclosed in the Bank’s Audited Consolidated Audit Financial Statements and Management’s Discussion and Analysis for the year ended October 31, 2025, available online at [www.versabank.com/investor-relations](http://www.versabank.com/investor-relations).

This report is unaudited and is reported in thousands of Canadian dollars, unless otherwise noted.

The report is available in the Regulatory information section of the Bank’s website at [www.versabank.com/investor-relations/financial-results/](http://www.versabank.com/investor-relations/financial-results/) and additional financial data published on the OSFI website can also be accessed through the below link;

[Financial data for banks - Office of the Superintendent of Financial Institutions.](#)

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### KM1: Key Metrics (at consolidated group level)

(in thousands of Canadian dollars)		April 30 2026	January 31 2026	October 31 2025	July 31 2025	April 30 2025
<b>Available capital (amounts)</b>						
1	Common Equity Tier 1 (CET1)	\$ 527,758	\$ 516,815	\$ 509,650	\$ 507,212	\$ 507,222
2	Tier 1	527,758	516,815	509,650	507,212	507,222
3	Total capital	631,623	623,825	619,890	617,079	615,770
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	4,285,370	4,031,913	3,943,657	3,740,088	3,551,398
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	CET1 ratio (%)	12.32%	12.82%	12.92%	13.56%	14.28%
6	Tier 1 ratio (%)	12.32%	12.82%	12.92%	13.56%	14.28%
7	Total capital ratio (%)	14.74%	15.47%	15.72%	16.50%	17.34%
<b>Basel III Leverage ratio</b>						
13	Total Basel III leverage ratio exposure measure	6,647,106	6,326,404	6,014,710	5,698,707	5,276,975
14	Basel III leverage ratio (row 2 / row 13)	7.94%	8.17%	8.47%	8.90%	9.61%



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**LR2: Leverage Ratio Common Disclosure Template**

	April 30 2026	January 31 2026	October 31 2025
(in thousands of Canadian dollars)			
<b>On-balance sheet exposures</b>			
1			
1	\$ 6,440,700	\$ 6,146,010	\$ 5,808,475
4	(24,480)	(26,261)	(23,023)
5	6,416,220	6,119,749	5,785,452
<b>Derivative exposures</b>			
6	7,216	-	-
7	4,032	3,319	3,975
11	11,248	3,319	3,975
<b>Other off-balance sheet exposures</b>			
17	612,630	585,899	635,854
18	(392,992)	(382,563)	(410,571)
19	219,638	203,336	225,283
<b>Capital and total exposures</b>			
20	527,758	516,815	509,650
21	6,647,106	6,326,404	6,014,710
<b>Leverage ratio</b>			
22	7.94%	8.17%	8.47%

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### CVA1: The reduced basic approach for Credit Valuation Adjustment (BA-CVA)

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(in thousands of Canadian dollars, except percentages)

		a	b
		Components	Capital requirements under BA-CVA
1	Aggregation of systematic components of CVA risk	798	
2	Aggregation of idiosyncratic components of CVA risk	796	
3	<b>Total</b>		518