



# VersaBank

**U.S. Ramp up Driving Efficiency:  
Inflection Point for Profitability Growth**

**Investor Presentation**

**July 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 April 30, 2026. 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 Structured Receivable Program (SRP) in US market and market-ready tokenized deposit 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



**Target Net Interest Margin on Credit Assets:  
2.5 to 3.0%**

Total Assets: **C\$6.4B/US\$4.7B<sup>1</sup>**

Net Interest Margin (Credit Assets): **2.71%<sup>2</sup>**

Total Revenue: **C\$150M/US\$110M<sup>3</sup>**

Non-Interest Expense (excl. DRTC): **C\$73M/US\$54M<sup>3,4</sup>**

Net Income: **C\$49M/US\$36M<sup>3,4</sup>**

# Proprietary Technology Enables Ultra Low-Risk Digital Model



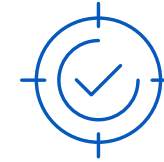
## Organization-Wide Focus on Risk Mitigation

- 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)

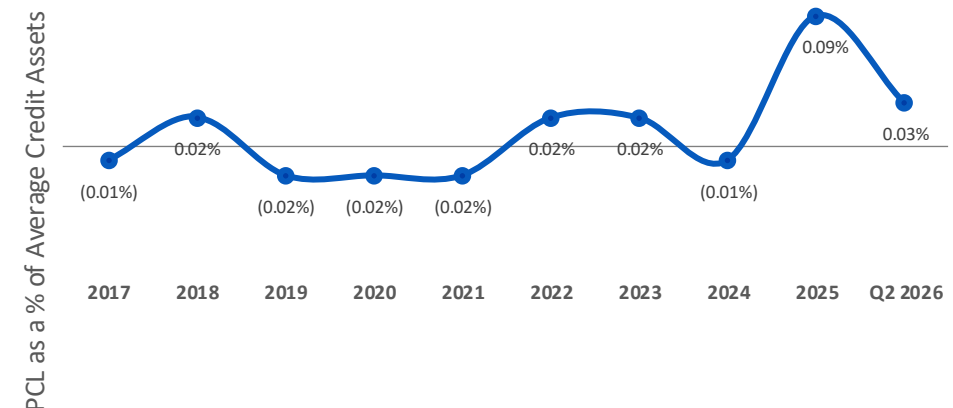


## 30+ Years with No Material Credit Asset Losses

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

**0.04%**

(Trailing 12-Quarters as of Q2 2026)



# 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)

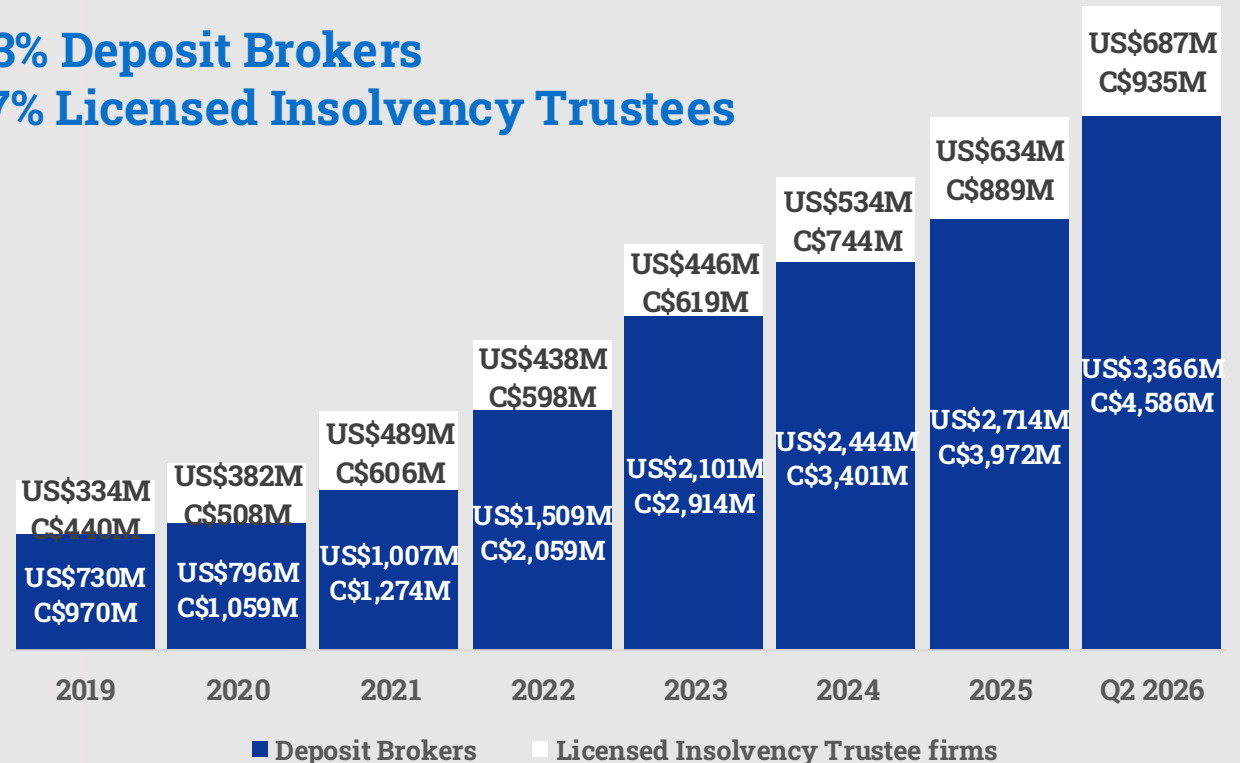
- Proprietary, high-value add, technology-based solution
- Grown to >100 partners & C\$823M/US\$594M in <10 years

>220 Partners Provide Access  
to Millions of Depositors

## Deposit Composition

Q2 2026

83% Deposit Brokers  
17% 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

## Structured Receivable 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

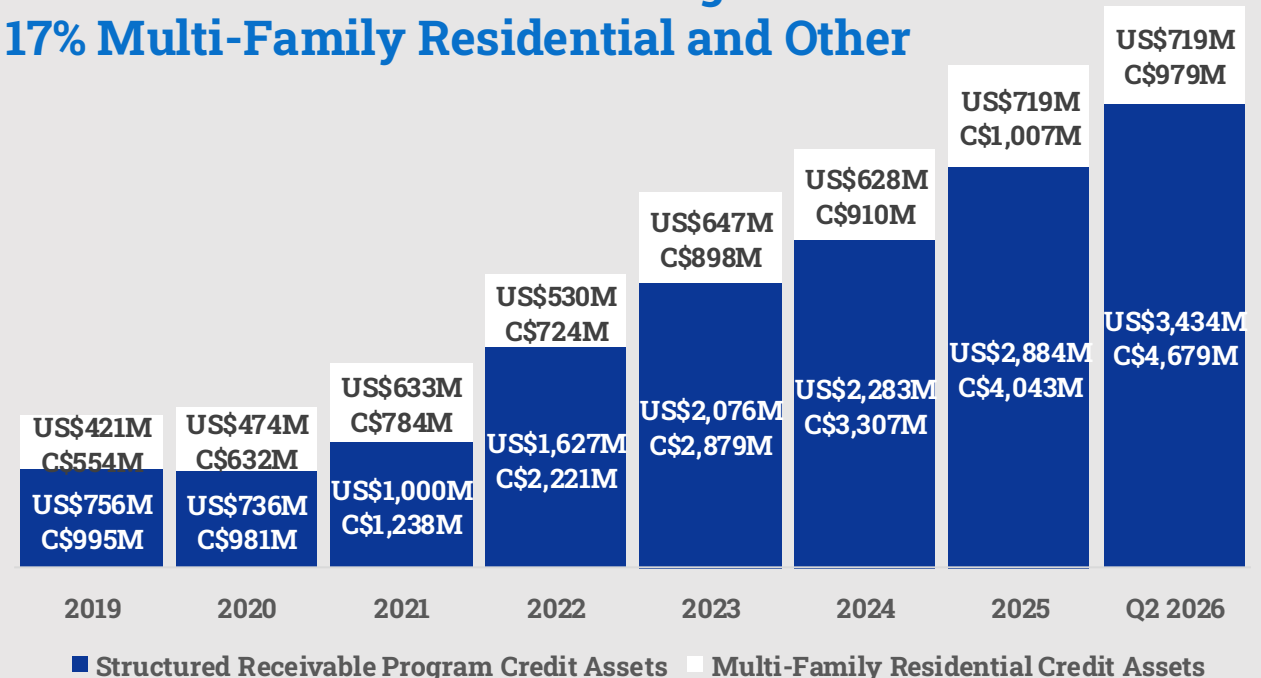
- Highly profitable opportunistic legacy business
- De minimis commercial real estate exposure

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

### Credit Asset Composition

Q2 2026

**83% Structured Receivable Program**  
**17% Multi-Family Residential and Other**



# Structured Receivable Program (SRP)

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
- History of zero credit asset losses for VersaBank resulting from unique cash holdback model

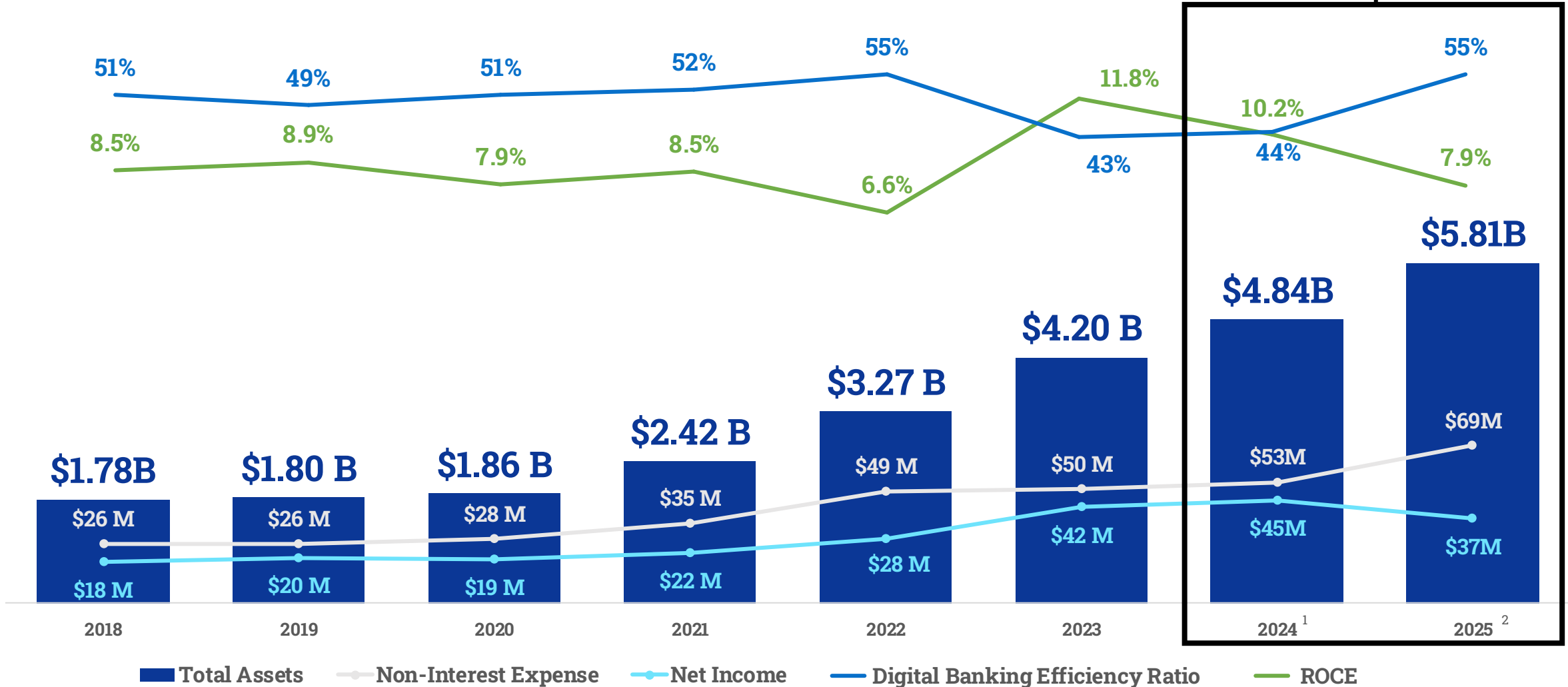


# Success of Canadian POS Business Has Driven Profitability



\$ CAD (millions)

Efficiency, ROCE reflect US costs ahead of revenue ramp



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

# Q2 2026 Financial Highlights



**Total Assets** \$6.44 B

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**Credit Assets** \$5.68 B

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**NIM on Credit Assets** 2.71%

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**Total Revenue** \$38.3 M

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**Adj./Core Net Income<sup>1</sup>** \$12.4 M

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**Adj./Core EPS<sup>1</sup>** \$0.39

- Record credit assets, **up 25% YoY & 6% sequentially**
- Record revenue, up **27% YoY**
- NIM on credit assets expanded **12 bps YoY**
- Adjusted net income up **45% YoY**
- Net income down **12% YoY**

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

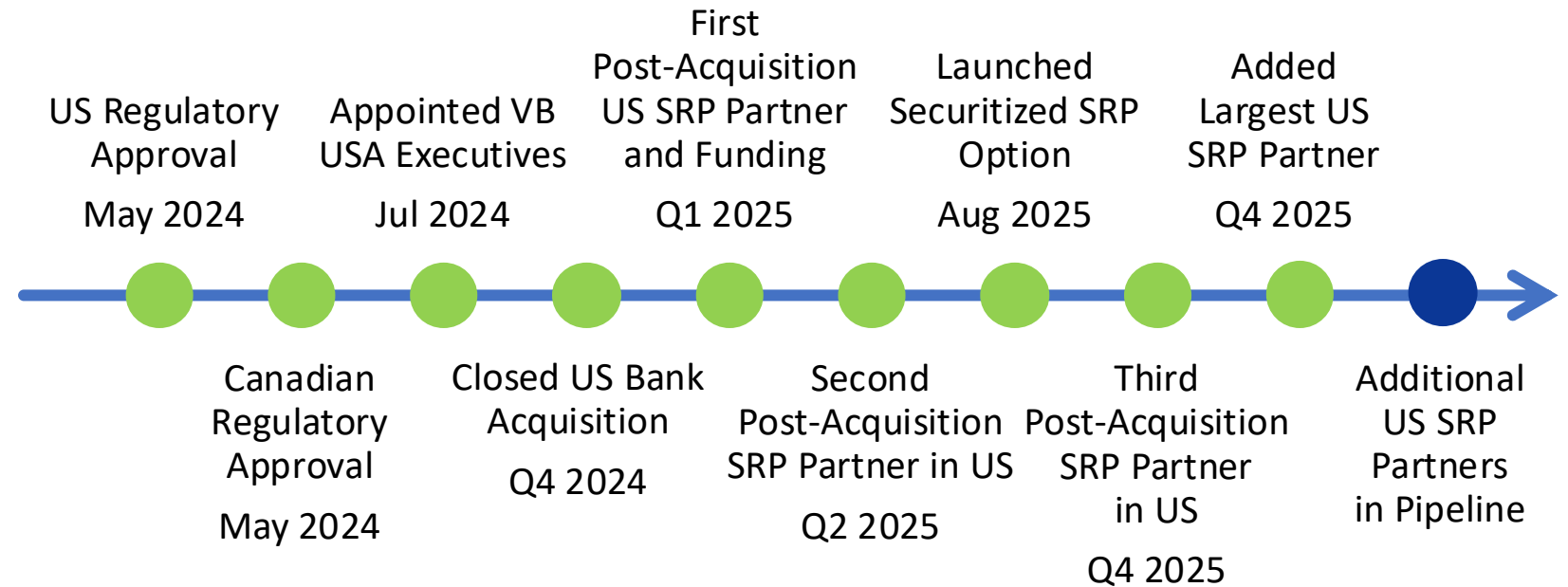
Strong start to F2026: Momentum in Digital Banking business with increasing benefit of operating leverage

# U.S. Structured Receivable Program: Executing on Plan



**Rapidly Ramping in  
the High-Growth,  
Underserved,  
Multi-Trillion Dollar  
U.S. Market**

Even greater operating leverage  
than proven and successful  
Canadian Structured Receivable  
Program business



**Addition of Securitized SRP Option Significantly Expands Addressable Market**

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

**On Track to Achieve Fiscal 2026 Target of Adding at Least US\$1 Billion in**

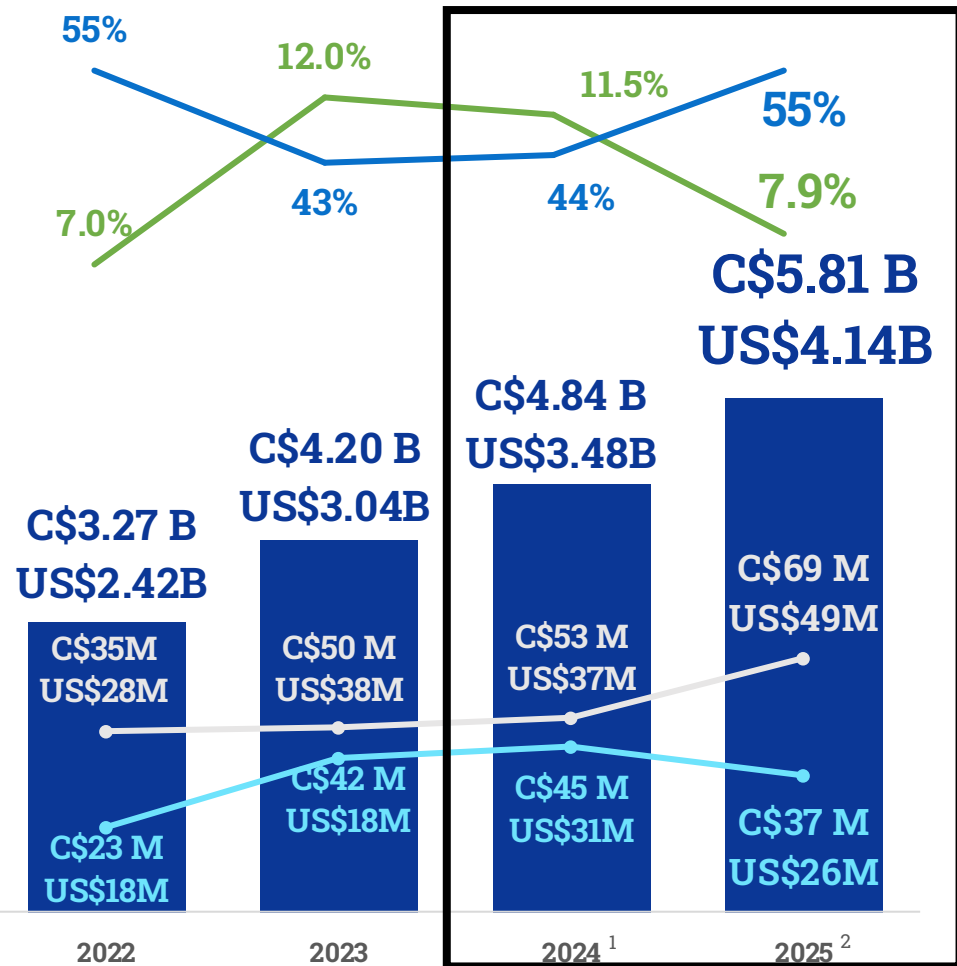
**U.S. SRP Fundings**

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

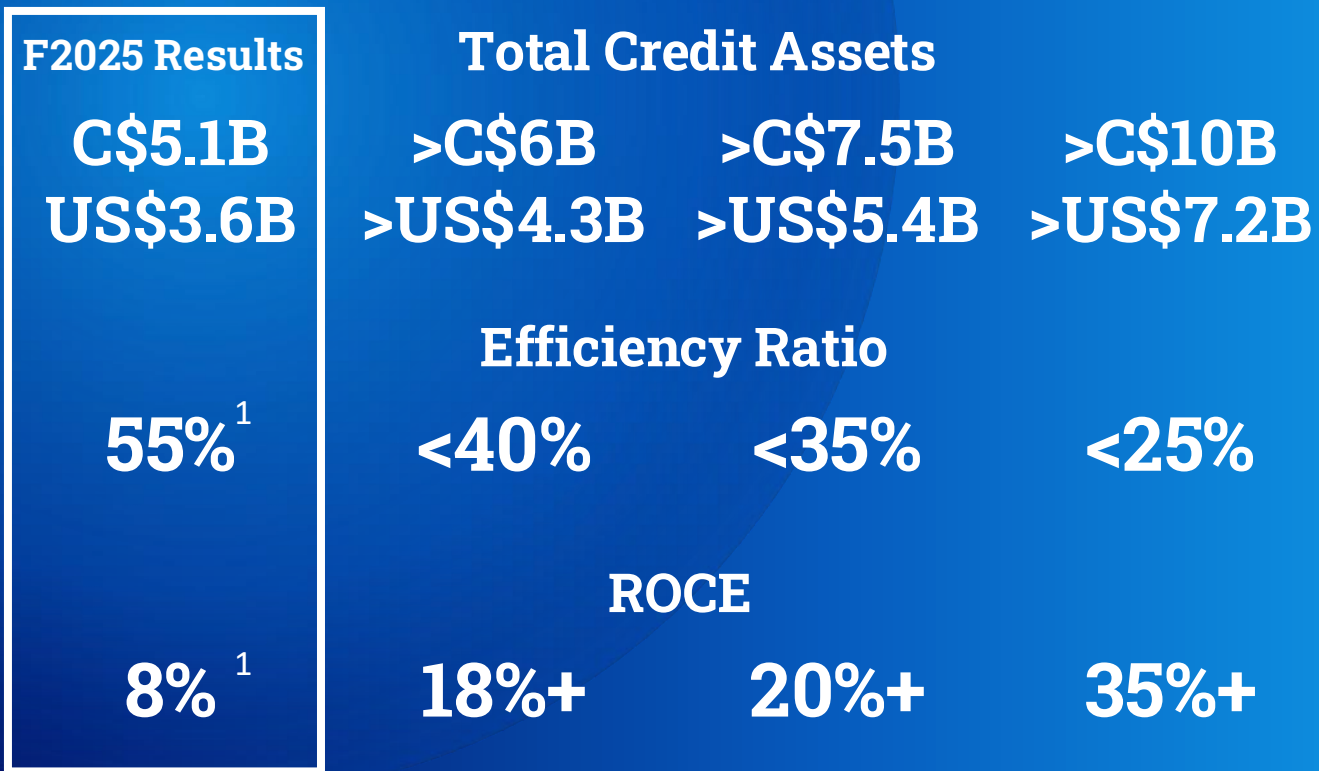


\$ CAD (millions)

Efficiency, ROCE reflect US costs ahead of revenue ramp



## Next Milestones:



Assumes Net Interest Margin on Credit Assets of 2.65%

Assumes consistent common equity

1. Based on Adjusted/Core Net Income, which excludes costs associated with the proposed realignment to corporate structure and other adjustments.

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

# Tokenized Deposits and Stablecoins: The Future of the Financial Ecosystem

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

## Tokenized Deposits

**Issued by Regulated Banks**

**Remain on Bank Balance Sheet**

- 1:1 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 interest<sup>1</sup>
- Eligible for deposit insurance<sup>1</sup>
- 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

# VersaBank's Real Bank Tokenized Deposits™ (RBTDs™)



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

**USDVB™**

**CADVB™**

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

1. Subject to regulatory obligations as may apply.

## **Compelling Proposition for Banks/Payments Providers**

### **Significantly Enhanced Depositor Loyalty/Stickness of Deposits**

- Reduced funding costs, lower/no-cost deposits as customers prioritize holding digital currency
- Tokenized Deposits 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 U.S. and Canadian demonstration pilots progressing:  
Commercialization as soon as possible following completion<sup>1</sup>**

# 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

- 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

Source: Citi Institute

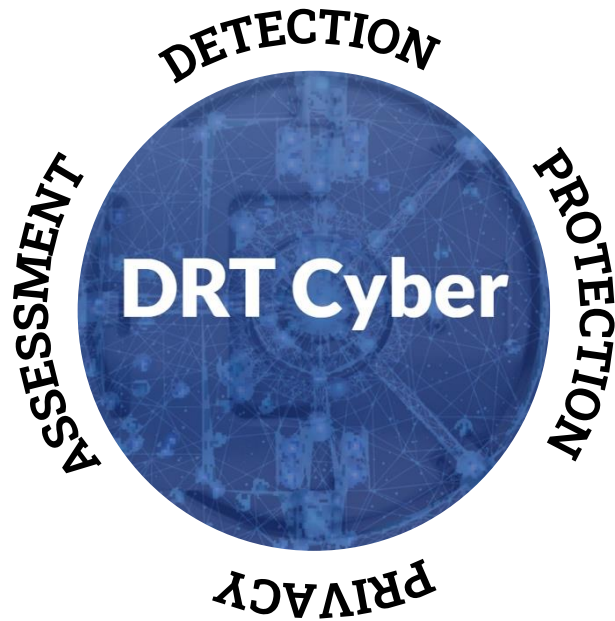
Feb 2026: First Stablecoin Custody Customer – Stablecorp's QCAD

# 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

Divestiture Process Progressing: Proceeds Will Provide Additional Capital to Support Growth

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

**US Structured Receivable Program (SRP) (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**

**Planned divestiture of profitable cybersecurity services will generate significant incremental value**

**Renewed opportunity for the Bank's transformational Real Bank Tokenized Deposits™ (formerly Digital Deposit Receipts)**

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

**Attractive valuation**



**Why VersaBank?  
Why Now?**



Versa**Bank**

**Banking on the Future!**