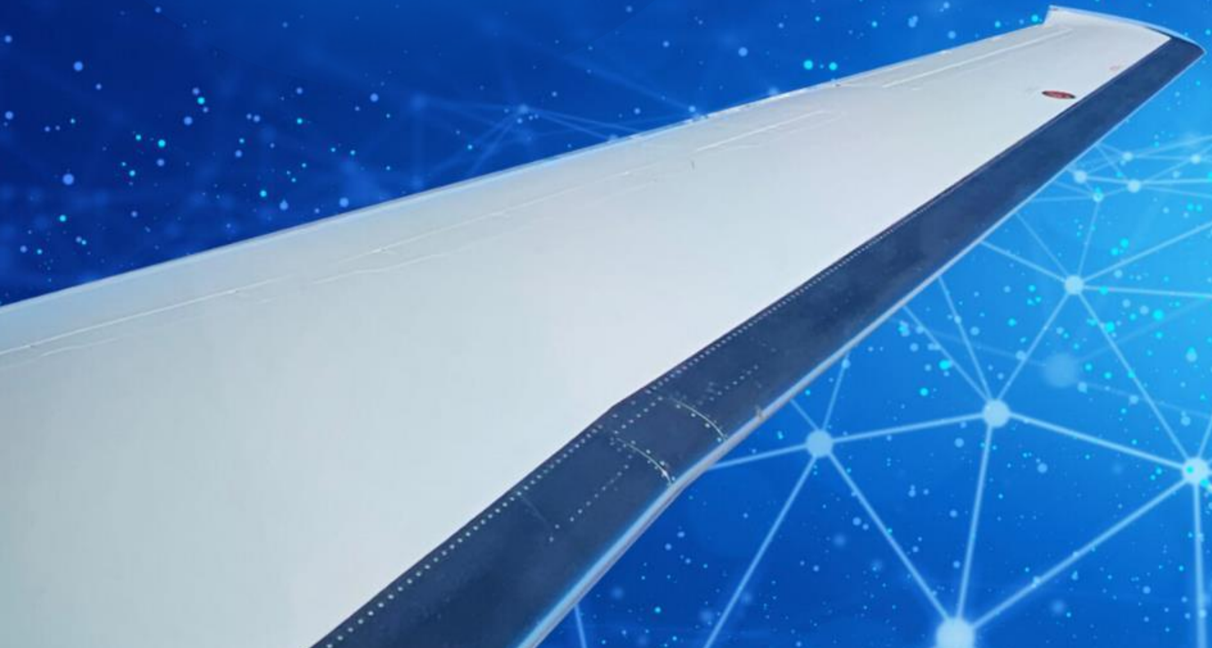
VersaBank

Authorized for Landing: U.S. Entry Provides A Transformational Opportunity



Investor Presentation

September 2024

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 July 31, 2024. 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

VersaBank

Fully Digital North American Bank

Highly Efficient: Branchless, Partner (B2B) model

Innovative, Value-Added Deposit & Lending 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
- Planned divestiture of Cybersecurity Services subsidiary represents significant unrealized value

Poised for **outsized long-term growth** through broad launch of proven Point-of-Sale Receivables Purchase Program in U.S. market in Fiscal 2024

Branchless, Digital, Partner (B2B) Model Based on Proprietary Banking Technology

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

- All deposits/loans 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

Proprietary Technology Enables Ultra Low-Risk Digital Model

VersaBank

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

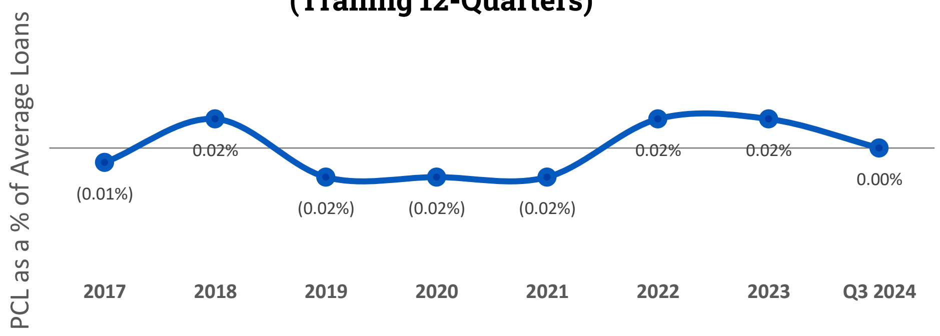
Very Sticky Deposits

- Wealth Management:
  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 Wealth Management deposits insured)

30+ Years with No Material Loan Losses

Average Provision for Credit Losses as a % of Average Loans

0.00%
(Trailing 12-Quarters)



Deposits:
Unlimited Low-Cost, Very Stable Sources

VersaBank

- **Objective to minimize cost of deposit funding**
- **Very "sticky" deposit base**

Wealth Management (>120 Partners)

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

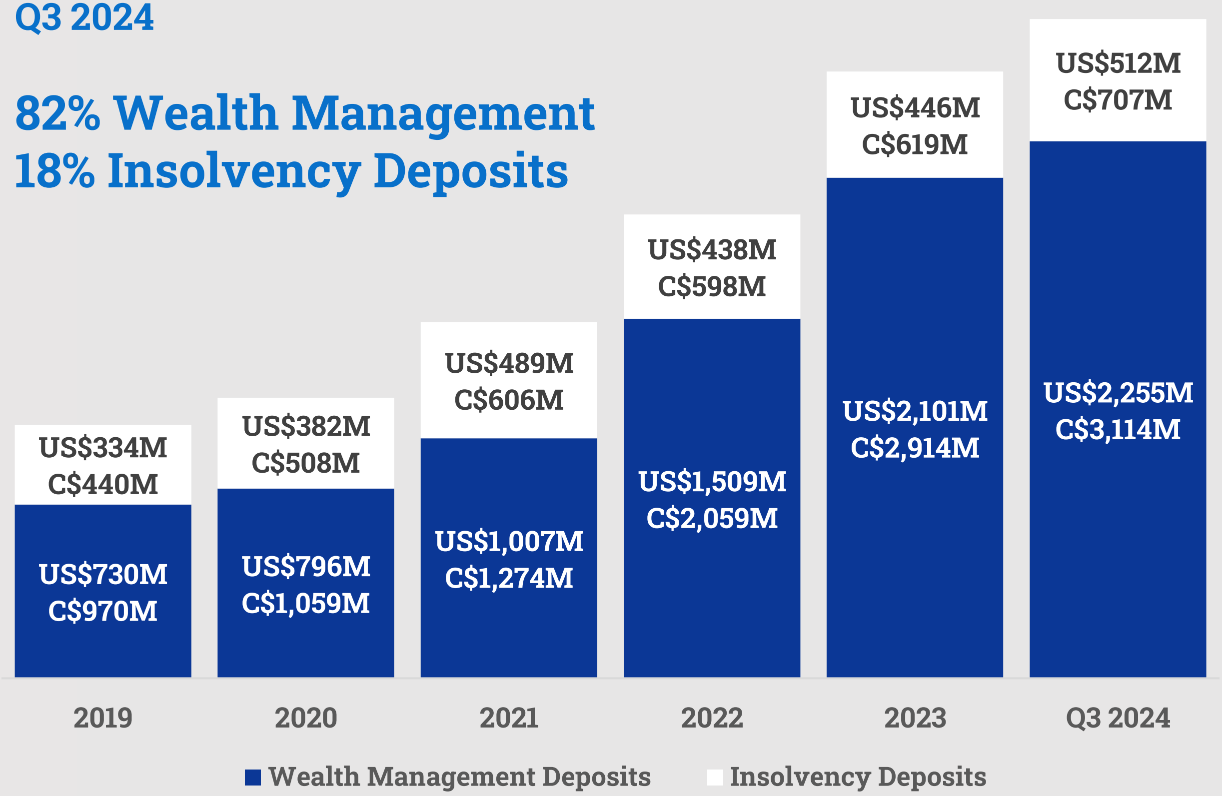
Insolvency Professionals (>100 Offices)

- Proprietary, high-value add, technology-based solution
- Grown to >100 partners & C$642M/US$479M in <10 years

>220 Partners Provide Access to Millions of Depositors

Deposit Composition:
Q3 2024

82% Wealth Management
18% Insolvency Deposits



Loans:
Very Low Risk Lending Channels

- **Low-cost deposits enable low-risk lending**
- **30-year history of virtually no loan losses**

Point-of-Sale Financing (Loans and Leases)

- 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

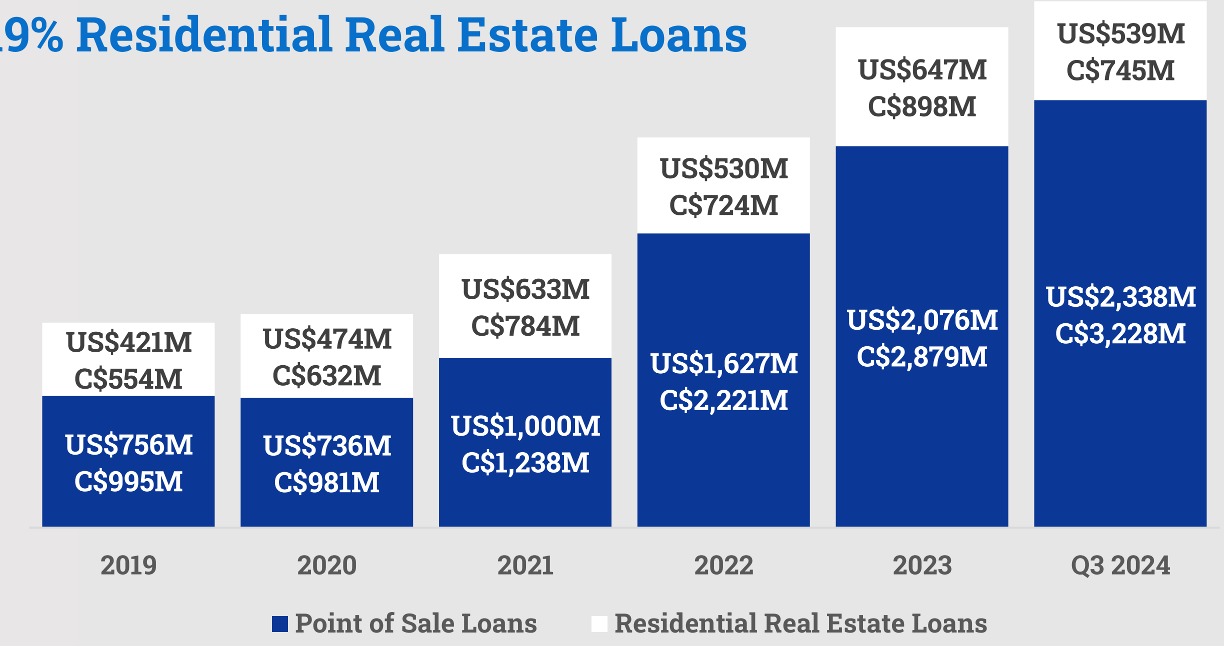
Residential Land & Construction Financing

- Highly profitable opportunistic legacy business
- No commercial real estate exposure

30 Partners Provide Access to Hundreds of Millions of Borrowers

Loan Composition:
Q3 2024

81% Point of Sale Loans
19% Residential Real Estate Loans



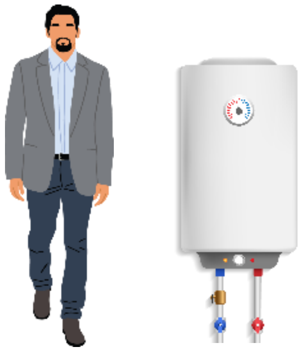
Point-of-Sale Receivable Purchase Program (RPP)

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

VersaBank

- 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

Point-of-Sale



Point-of-Sale Partner
Loan Administrator with
ALL Direct Contact w/ Consumer

VersaBank

VB's proprietary banking software efficiently analyzes and ensures adherence to credit specifications

VersaBank
NO Direct Contact w/ Borrower

If any loans are 90+ days in arrears, VersaBank automatically paid (and loan returned to partner) for loans 90 days in arrears

Stream of Payments:

Point-of-Sale Financing Offered to Consumer (through VersaBank Point-of-Sale partner) → **$$$** → **Preapproved by VersaBank to underwrite attractive POS Direct-to-Consumer loans for 'Big Ticket' Purchases** → **$$$ + Holdback of Cash Collateral** (Embedded in Purchase Price) Amount of Holdback Changes with Risk of Loan → **VersaBank Purchases Loans & Flow of Monthly Consumer Loan Payments from Partner**

Loans + Holdback of Cash Collateral Reside on VBNK Balance Sheet

A Significantly Risk Mitigated Model

VersaBank

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

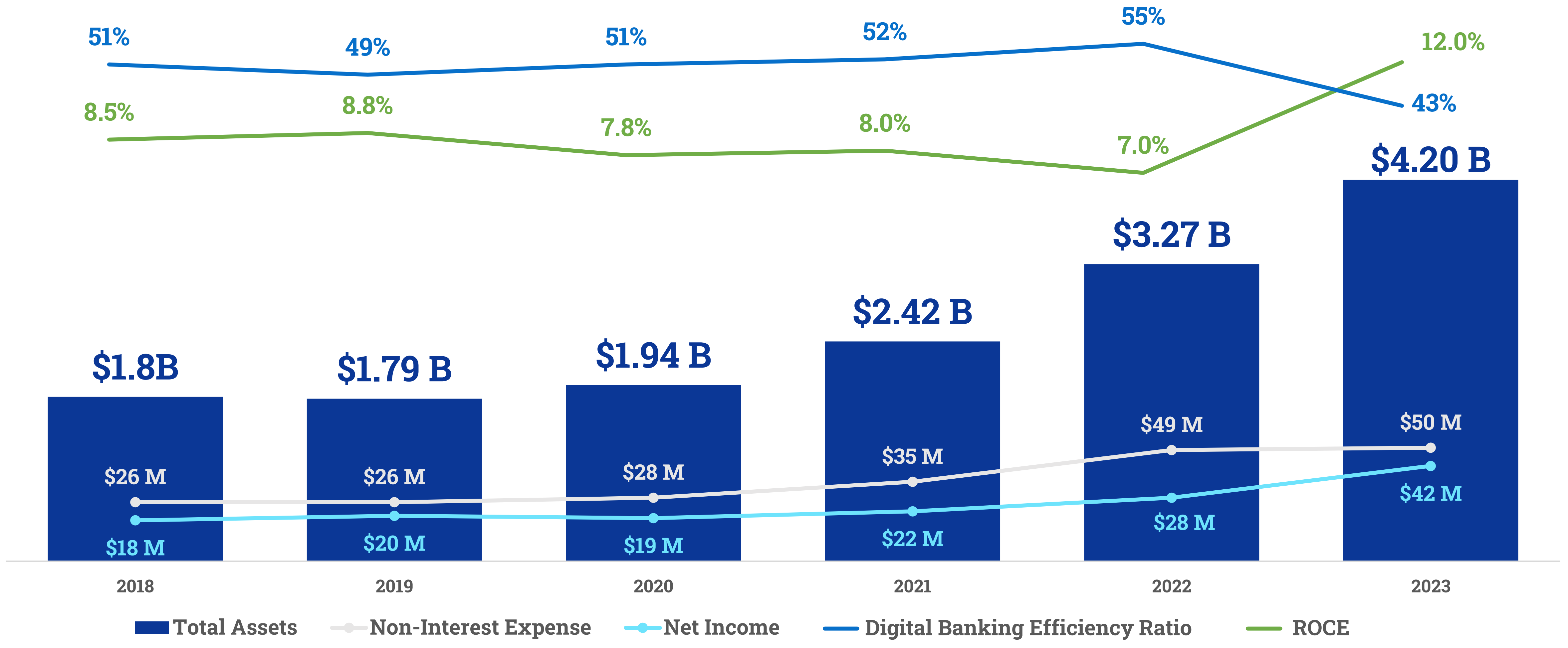
- **>14 years in market**
- **>C$9B (US$6.5B)**
  Total value of POS RPP Financings to Date[1]
- **C$3.1B (US$2.3B)**
  Current Value of RPP Portfolio[1]
- **25% 5-Year CAGR[1]**

History of ZERO Loan Losses for VersaBank

1. At July 31, 2024

Success of Canadian POS Business Has Driven Profitability

$ CAD (millions)



Q3 YTD 2024 Key Metrics & Highlights: Record Results[1]

VersaBank

Total Assets		$4.52B
Loan Portfolio		$4.05B
Loan Growth	↑	11% YOY
Total Revenue	↑	6% YOY
Net Income	↑	15% YOY
EPS	↑	17% YOY

Digital Banking Efficiency Ratio: 41% ↓ 200 bps (9%) YOY

Ave. Return on Common Equity (ROCE): 11.79% ↑ 55 bps (5%) YOY

1. In the first quarter of 2017 the Bank recognized an $8.8 million deferred tax asset derived from the tax loss carryforwards assumed pursuant to the amalgamation of VersaBank with PWC Capital Inc. Quarterly net income for January 31, 2017, excluding the $8.8 million deferred tax asset was $3.1 million, or $0.12/share.

Realizing significant operating leverage inherent in Digital Banking model:
Driving outsized growth in profitability and ROCE

VersaBank USA: Transformational Opportunity

High-Growth, Underserved Multi-Trillion $ Market

Acquisition of National OCC licensed US bank enables launch of receivables purchase program in the US

US Regulatory Approval
May 2024

Canadian Regulatory Approval
May 2024

Appoint VB USA Executives
Jul 2024

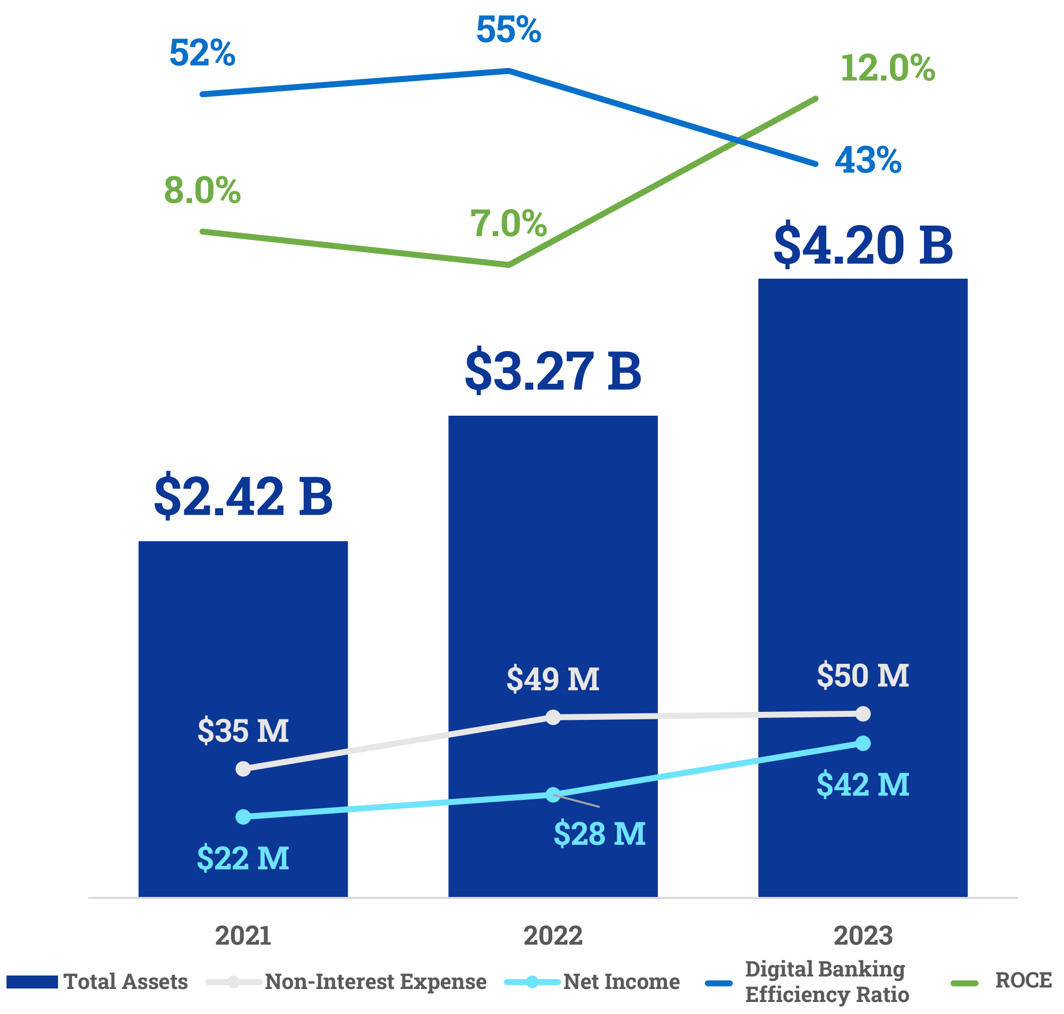
Close US Bank Acquisition
Aug 30, 2024

Start Making RPP Loans in US
Sep 2024

Large Number of US RPP Partners Ready to Proceed Upon US Acquisition Close

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

$ CAD (millions)



Next Milestones:

Total Assets	>$5B	>$6B	>$10B
Efficiency Ratio	<40%	<35%	<25%
ROCE	>16.5%	>20%	>25%

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 2023 and fiscal H1 2024

VersaBank

Why VersaBank? Why Now?

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

Imminent U.S. launch of Receivables Purchase Program (proven out in Canada) to an underserved **multi-trillion U.S. market**

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

Current valuation around book value and well below US peers

Planned divestiture of profitable cybersecurity services will generate significant incremental value

VersaBank

Banking on the Future!