VersaBank

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Use of this Report
This financial information is supplementary to the Bank's first quarter unaudited interim Consolidated Financial Statements, Management Discussion and Analysis, and its annual 2024 audited Financial Statements and should be read in conjunction with those documents.
This report is unaudited and all amounts are in thousands of Canadian dollars, unless indicated otherwise.

VERSABANK
HIGHLIGHTS
(unaudited)
($CAD thousands)

	QUARTER					YEAR ENDED		
	2025	2024						
	Q1	Q4	Q3	Q2	Q1	2024	2023	2022
Results of Operations								
Interest income	$ 73,246	$ 73,238	$ 71,646	$ 71,243	$ 69,292	$ 285,419	$ 229,334	$ 126,817
Net interest income	25,724	24,901	24,944	26,242	26,568	102,655	100,051	76,666
Non-interest income	2,103	2,384	2,052	2,259	2,283	8,978	8,584	5,726
Total revenue	27,827	27,285	26,996	28,501	28,851	111,633	108,635	82,392
Provision for (recovery of) credit losses	1,024	(156)	(1)	16	(127)	(268)	609	451
Non-interest expenses	15,699	19,365	13,534	12,185	12,024	57,108	50,381	49,393
Net income before income tax	11,104	8,076	13,463	16,300	16,954	54,793	57,645	32,548
Tax provision	2,961	2,560	3,758	4,472	4,255	15,045	15,483	9,890
Net income	$ 8,143	$ 5,516	$ 9,705	$ 11,828	$ 12,699	$ 39,748	$ 42,162	$ 22,658
Per Common Share ($'s)								
Basic earnings per share	0.28	0.20	0.36	0.45	0.48	1.49	1.57	0.79
Diluted earnings per share	0.28	0.20	0.36	0.45	0.48	1.49	1.57	0.79
Return on average common equity	7.02%	5.28%	9.63%	12.36%	13.41%	10.16%	11.75%	6.61%
Book value/share	16.03	15.35	15.23	14.88	14.46	15.35	14.00	12.37
Closing market price (common share)	19.89	20.93	16.65	13.62	15.30	20.93	10.36	9.29
Weighted average number of common shares	29,061	25,970	25,964	25,964	25,964	25,966	26,274	27,425
Number of common shares outstanding at period end	32,519	26,003	25,964	25,964	25,964	26,003	25,964	27,245
Total market value of common shares	646,799	544,243	432,301	353,630	397,249	544,243	268,987	253,106
Financial Ratios								
Yield	5.92%	6.23%	6.40%	6.66%	6.47%	6.31%	6.14%	4.47%
Cost of funds	3.84%	4.11%	4.17%	4.21%	3.99%	4.04%	3.46%	1.77%
Net interest income (%)	2.08%	2.12%	2.23%	2.45%	2.48%	2.27%	2.68%	2.70%
Net interest income on loans (%)	2.36%	2.34%	2.41%	2.52%	2.63%	2.52%	2.85%	3.08%
Non-interest expenses to average total assets (annualized)	1.27%	1.65%	1.21%	1.14%	1.12%	1.26%	1.35%	1.74%
Efficiency ratio	56.41%	70.97%	50.13%	42.75%	41.68%	51.16%	46.38%	59.95%
Efficiency ratio - Digital Banking	50.11%	69.57%	46.40%	38.27%	39.52%	48.15%	43.45%	55.38%
Number of full time equivalent staff at period end	197	185	185	181	182	185	179	160
Assets to full time employee	$ 25,237	$ 26,154	$ 24,413	$ 24,245	$ 23,679	$ 26,154	$ 23,440	$ 20,400
Credit Quality								
Provision for (recovery of) credit losses as a % of average credit assets	0.09%	(0.01%)	0.00%	0.00%	(0.01%)	(0.01%)	0.02%	0.02%
Financial Position								
Cash and securities	$ 545,239	$ 524,554	$ 401,009	$ 302,577	$ 260,514	$ 524,554	$ 300,182	$ 230,145
Cash and securities to total assets (%)	10.97%	10.84%	8.88%	6.90%	6.04%	10.84%	7.14%	7.05%
Total credit assets	4,346,748	4,236,116	4,049,449	4,018,458	3,984,281	4,236,116	3,850,404	2,992,678
Credit assets to total assets (%)	87.43%	87.55%	89.66%	91.57%	92.45%	87.55%	91.64%	91.63%
Total assets	4,971,732	4,838,484	4,516,436	4,388,320	4,309,635	4,838,484	4,201,610	3,265,998
Average assets	4,905,108	4,677,460	4,452,378	4,348,978	4,255,623	4,520,047	3,733,804	2,840,542
Deposits	4,133,438	4,144,673	3,821,185	3,693,495	3,638,656	4,144,673	3,533,366	2,657,540
Subordinated notes payable	106,824	102,503	101,641	101,108	103,355	102,503	106,850	104,951
Shareholders' equity	521,295	399,203	408,985	400,103	389,034	399,203	377,158	350,675

VERSABANK
NET INCOME
(unaudited)
($CAD thousands except per share amounts)

	QUARTER					YEAR ENDED		
	2025	2024						
	Q1	Q4	Q3	Q2	Q1	2024	2023	2022
Interest income								
Credit assets	$ 66,959	$ 67,095	$ 66,614	$ 66,096	$ 65,076	$ 264,881	$ 215,686	$ 123,190
Cash and securities	6,287	6,143	5,032	5,147	4,216	20,538	13,648	3,627
Total interest income	73,246	73,238	71,646	71,243	69,292	285,419	229,334	126,817
Yield %	**5.92%**	**6.23%**	**6.40%**	**6.66%**	**6.47%**	**6.31%**	**6.14%**	**4.47%**
Interest expense								
Deposits and other	46,130	46,997	45,357	43,469	41,271	177,094	123,491	44,600
Notes	1,392	1,340	1,345	1,532	1,453	5,670	5,792	5,551
Total interest expense	47,522	48,337	46,702	45,001	42,724	182,764	129,283	50,151
Cost of funds %	**3.84%**	**4.11%**	**4.17%**	**4.21%**	**3.99%**	**4.04%**	**3.46%**	**1.77%**
Net interest income	25,724	24,901	24,944	26,242	26,568	102,655	100,051	76,666
Spread %	**2.08%**	**2.12%**	**2.23%**	**2.45%**	**2.48%**	**2.27%**	**2.68%**	**2.70%**
Non-interest income (loss)								
IT security services	1,977	2,243	1,877	1,997	2,163	8,280	8,044	5,674
Other	126	141	175	262	120	698	540	52
Total non-interest income	2,103	2,384	2,052	2,259	2,283	8,978	8,584	5,726
Total revenue	27,827	27,285	26,996	28,501	28,851	111,633	108,635	82,392
Provision for (recovery of) credit losses	1,024	(156)	(1)	16	(127)	(268)	609	451
	26,803	27,441	26,997	28,485	28,978	111,901	108,026	81,941
Non-interest expenses	15,699	19,365	13,534	12,185	12,024	57,108	50,381	49,393
Net income before taxes	11,104	8,076	13,463	16,300	16,954	54,793	57,645	32,548
Tax provision	2,961	2,560	3,758	4,472	4,255	15,045	15,483	9,890
Net income	$ 8,143	$ 5,516	$ 9,705	$ 11,828	$ 12,699	$ 39,748	$ 42,162	$ 22,658
Earnings per common share:								
Basic	$ 0.28	$ 0.20	$ 0.36	$ 0.45	$ 0.48	$ 1.49	$ 1.57	$ 0.79
Diluted	$ 0.28	$ 0.20	$ 0.36	$ 0.45	$ 0.48	$ 1.49	$ 1.57	$ 0.79
Comprehensive income								
Net income	$ 8,143	$ 5,516	$ 9,705	$ 11,828	$ 12,699	$ 39,748	$ 42,162	$ 22,658
Other comprehensive income (loss), net of tax								
Net unrealized gains (losses) on fair value through OCI assets	(172)	(271)	2	66	(58)	(261)	32	103
	(172)	(271)	2	66	(58)	(261)	32	103
Total comprehensive income	$ 7,971	$ 5,245	$ 9,707	$ 11,894	$ 12,641	$ 39,487	$ 42,194	$ 22,761

VERSABANK
NET INTEREST INCOME, NON-INTEREST INCOME AND TOTAL REVENUE
(unaudited)
($CAD thousands)

	QUARTER					YEAR ENDED		
	2025	2024						
	Q1	Q4	Q3	Q2	Q1	2024	2023	2022
Net interest income	$ 25,724	$ 24,901	$ 24,944	$ 26,242	$ 26,568	$ 102,655	$ 100,051	$ 76,666
Net interest income (NII)	25,724	24,901	24,944	26,242	26,568	102,655	100,051	76,666
Other income	2,103	2,384	2,052	2,259	2,283	8,978	8,584	5,726
Total non-interest income	2,103	2,384	2,052	2,259	2,283	8,978	8,584	5,726
Total revenue	$ 27,827	$ 27,285	$ 26,996	$ 28,501	$ 28,851	$ 111,633	$ 108,635	$ 82,392
Non-interest income as a % of total revenue	7.56%	8.74%	7.60%	7.93%	7.91%	8.04%	7.90%	6.95%
Net interest income per average assets	2.08%	2.12%	2.23%	2.45%	2.48%	2.27%	2.68%	2.70%

(unaudited)
($CAD thousands)

	QUARTER					YEAR ENDED		
	2025	2024						
	Q1	Q4	Q3	Q2	Q1	2024	2023	2022
Average credit assets	$ 4,291,432	$ 4,142,783	$ 4,033,954	$ 4,001,370	$ 3,917,343	$ 4,043,260	$ 3,421,541	$ 2,547,864
Average total assets	$ 4,905,108	$ 4,677,460	$ 4,452,378	$ 4,348,978	$ 4,255,623	$ 4,520,047	$ 3,733,804	$ 2,840,542

VERSABANK
NON-INTEREST EXPENSES
(unaudited)
($CAD thousands)

	QUARTER					YEAR ENDED		
	2025	2024						
	Q1	Q4	Q3	Q2	Q1	2024	2023	2022
Salaries and employee benefits								
Salaries	$ 8,171	$ 9,779	$ 6,088	$ 6,495	$ 5,740	$ 28,102	$ 25,509	$ 21,125
Employee benefits	443	1,551	1,419	914	798	4,682	5,919	5,671
Total	8,614	11,330	7,507	7,409	6,538	32,784	31,428	26,796
General and administrative								
Capital taxes and other assessments	876	924	767	730	709	3,130	(713)	2,950
Insurance	510	516	541	541	541	2,139	2,181	3,759
Listing, sustaining and annual meeting fees	221	216	223	218	208	865	574	367
Marketing and business development	337	229	282	243	254	1,008	887	780
Professional fees and consulting services	1,672	1,697	1,303	285	935	4,220	6,161	5,803
Other	1,873	2,864	1,717	1,540	1,686	7,807	5,961	5,073
Total	5,489	6,446	4,833	3,557	4,333	19,169	15,051	18,732
Premises								
Rent	183	151	173	172	178	674	655	695
Depreciation	744	841	586	632	574	2,633	1,783	1,577
Other	669	597	435	415	401	1,848	1,464	1,593
Total	1,596	1,589	1,194	1,219	1,153	5,155	3,902	3,865
Total non-interest expenses	$ 15,699	$ 19,365	$ 13,534	$ 12,185	$ 12,024	$ 57,108	$ 50,381	$ 49,393

VERSABANK
OPERATING SEGMENTS
Quarter ended January 31, 2025
(unaudited)
($CAD thousands)

	January 31, 2025						**January 31, 2024**				
	Digital Banking Canada	Digital Banking USA	Digital Meteor	DRTC	Eliminations/ Adjustments	Consolidated	Digital Banking Canada	Digital Meteor	DRTC	Eliminations/ Adjustments	Consolidated
Net interest income	$ 23,685	$ 2,039		$ -	$ -	$ 25,724	$ 26,568	$ -	$ -	$ -	$ 26,568
Non-interest income	125	1	342	1,989	(354)	2,103	120	580	1,920	(337)	2,283
Total revenue	23,810	2,040	342	1,989	(354)	27,827	26,688	580	1,920	(337)	28,851
Provision for (recovery of) credit losses	1,033	(9)	-	-	-	1,024	(127)		-	-	(127)
	22,777	2,049	342	1,989	(354)	26,803	26,815	580	1,920	(337)	28,978
Non-interest expenses											
Salaries and benefits	5,289	1,164	217	1,944	-	8,614	5,371	144	1,023	-	6,538
General and administrative	4,716	597	44	486	(354)	5,489	4,276	50	344	(337)	4,333
Premises and equipment	903	109	48	536	-	1,596	768	43	342	-	1,153
	10,908	1,870	309	2,966	(354)	15,699	10,415	237	1,709	(337)	12,024
Income before income taxes	11,869	179	33	(977)	-	11,104	16,400	343	211	-	16,954
Income tax provision	3,105	76	-	(220)	-	2,961	4,136	5	114	-	4,255
Net income (loss)	$ 8,764	$ 103	$ 33	$ (757)	$ -	$ 8,143	$ 12,264	$ 338	$ 97	$ -	$ 12,699
Total assets	$ 4,707,062	$ 256,627	$ 11,236	$ 25,340	$ (28,533)	$ 4,971,732	$ 4,299,625	$ 2,821	$ 24,476	$ (17,287)	$ 4,309,635
Total liabilities	$ 4,350,601	$ 115,351	$ 8,922	$ 21,548	$ (45,985)	$ 4,450,437	$ 3,914,863	$ 719	$ 27,906	$ (22,887)	$ 3,920,601

VERSABANK
BALANCE SHEET
(unaudited)
($CAD thousands)

	QUARTER					YEAR ENDED		
	2025	2024						
	Q1	Q4	Q3	Q2	Q1	2024	2023	2022
Cash and cash equivalents	$ 386,693	$ 225,254	$ 247,983	$ 198,808	$ 127,509	$ 225,254	$ 132,242	$ 88,581
Securities	158,546	299,300	153,026	103,769	133,005	299,300	167,940	141,564
Total	545,239	524,554	401,009	302,577	260,514	524,554	300,182	230,145
Credit assets								
Receivable purchase program	3,401,328	3,307,328	3,228,354	3,114,024	3,078,941	3,307,328	2,879,320	2,220,894
Multi-family residential loans and other	927,978	910,314	801,791	885,136	886,226	910,314	952,916	758,986
Allowance for credit losses	(4,233)	(3,303)	(2,401)	(2,402)	(2,386)	(3,303)	(2,513)	(1,904)
Accrued interest	21,675	21,777	21,705	21,700	21,500	21,777	20,681	14,702
Total	4,346,748	4,236,116	4,049,449	4,018,458	3,984,281	4,236,116	3,850,404	2,992,678
Other assets								
Capital assets	25,107	23,885	24,239	24,172	24,180	23,885	6,536	6,868
Goodwill	12,301	12,301	5,754	5,754	5,754	12,301	5,754	5,754
Intangible assets	11,714	12,054	2,495	2,594	2,692	12,054	2,791	3,185
Other assets	30,623	29,574	33,490	34,765	32,214	29,574	35,943	27,368
Total	79,745	77,814	65,978	67,285	64,840	77,814	51,024	43,175
Total assets	$ 4,971,732	$ 4,838,484	$ 4,516,436	$ 4,388,320	$ 4,309,635	$ 4,838,484	$ 4,201,610	$ 3,265,998
Deposits								
Demand	$ 41,122	$ 38,539	$ 1,517	$ 1,423	$ 1,467	$ 38,539	$ 2,491	$ 9,829
Trustee chequing accounts	725,199	691,180	652,679	618,609	595,173	691,180	552,851	498,049
Term (including accrued interest)	3,367,117	3,414,954	3,166,989	3,073,463	3,042,016	3,414,954	2,978,024	2,149,662
Total	4,133,438	4,144,673	3,821,185	3,693,495	3,638,656	4,144,673	3,533,366	2,657,540
Other liabilities	210,175	192,105	184,625	193,614	178,590	192,105	184,236	152,832
Subordinated notes payable	106,824	102,503	101,641	101,108	103,355	102,503	106,850	104,951
Shareholders' equity								
Share capital	330,489	215,610	228,471	228,471	228,471	215,610	228,471	239,629
Contributed surplus	2,540	2,485	2,789	2,717	2,645	2,485	2,513	1,612
Retained earnings	188,568	181,238	177,584	168,776	157,845	181,238	146,043	109,335
Accumulated other comprehensive income	(302)	(130)	141	139	73	(130)	131	99
Total	521,295	399,203	408,985	400,103	389,034	399,203	377,158	350,675
Total liabilities and shareholders' equity	$ 4,971,732	$ 4,838,484	$ 4,516,436	$ 4,388,320	$ 4,309,635	$ 4,838,484	$ 4,201,610	$ 3,265,998

VERSABANK
ALLOWANCE FOR CREDIT LOSSES
(unaudited)
($CAD thousands)

	QUARTER					YEAR ENDED		
	2025	2024						
	Q1	Q4	Q3	Q2	Q1	2024	2023	2022
Allowance for credit losses								
Allowance for credit losses	$ 4,233	$ 3,303	$ 2,401	$ 2,402	$ 2,386	$ 3,303	$ 2,513	$ 1,904
Total allowance for credit losses	$ 4,233	$ 3,303	$ 2,401	$ 2,402	$ 2,386	$ 3,303	$ 2,513	$ 1,904
Reconciliation of allowance for credit losses								
Balance, beginning of period	$ 3,303	$ 2,401	$ 2,402	$ 2,386	$ 2,513	$ 2,513	$ 1,904	$ 1,453
Provision for (recovery of) credit losses	1,024	(156)	(1)	16	(127)	(268)	609	451
Recoveries (write-offs)	(124)	(4)	-	-	-	(4)	-	-
Aquired loans	-	1,032	-	-	-	1,032	-	-
FX impact	30	30	-	-	-	30	-	-
Balance, end of period	$ 4,233	$ 3,303	$ 2,401	$ 2,402	$ 2,386	$ 3,303	$ 2,513	$ 1,904
Total loans	$ 4,346,748	$ 4,236,116	$ 4,049,449	$ 4,018,458	$ 3,984,281	$ 4,236,116	$ 3,850,404	$ 2,992,678
Provision for (recovery of) credit losses as a % of average credit assets	0.09%	(0.01%)	0.00%	0.00%	(0.01%)	(0.01%)	0.02%	0.02%

VERSABANK
ALLOWANCE FOR CREDIT LOSSES BY LENDING ASSETS
Quarter ended January 31, 2025
(unaudited)
($CAD thousands)

	As at January 31, 2025				As at January 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Receivable purchase program								
Balance at beginning of period	$ 783	$ -	$ -	$ 783	$ 100	$ -	$ -	$ 100
Transfer in (out) to Stage 1	-	-	-	-	56	(56)	-	-
Transfer in (out) to Stage 2	-	-	-	-	(124)	124	-	-
Transfer in (out) to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	1,128	4	56	1,188	33	(68)	-	(35)
Credit asset originations	-	-	-	-	-	-	-	-
Derecognitions and maturities	-	-	-	-	-	-	-	-
Provision for (recovery of) credit losses	1,128	4	56	1,188	(35)	-	-	(35)
Write-offs	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at end of period	**$ 1,911**	**$ 4**	**$ 56**	**$ 1,971**	**$ 65**	**$ -**	**$ -**	**$ 65**
Multi-family residential loans and other								
Balance at beginning of period	$ 2,213	$ 306	$ 1	$ 2,520	$ 1,845	$ 568	$ -	$ 2,413
Transfer in (out) to Stage 1	(197)	197	-	-	140	(140)	-	-
Transfer in (out) to Stage 2	(9)	9	-	-	(109)	109	-	-
Transfer in (out) to Stage 3	(1)	-	1	-	-	-	-	-
Net remeasurement of loss allowance	(172)	8	-	(164)	(19)	(44)	-	(63)
Credit asset originations	40	(29)	-	11	77	-	-	77
Derecognitions and maturities	(11)	-	-	(11)	(89)	(17)	-	(106)
Provision for (recovery of) credit losses	(350)	185	1	(164)	-	(92)	-	(92)
Write-offs	(124)	-	-	(124)	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
FX impact	33	(3)	-	30	-	-	-	-
Balance at end of period	**$ 1,772**	**$ 488**	**$ 2**	**$ 2,262**	**$ 1,845**	**$ 476**	**$ -**	**$ 2,321**
Total balance at end of period	**$ 3,683**	**$ 492**	**$ 58**	**$ 4,233**	**$ 1,910**	**$ 476**	**$ -**	**$ 2,386**