



VersaBank

**U.S. Entry Provides A
Transformational Opportunity**

**Investor Presentation
June 2025**

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, 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~~





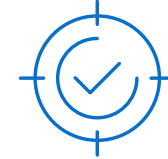
VersaBank



**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 ramp up of proven
Receivables Purchase Program in U.S. market

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

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)

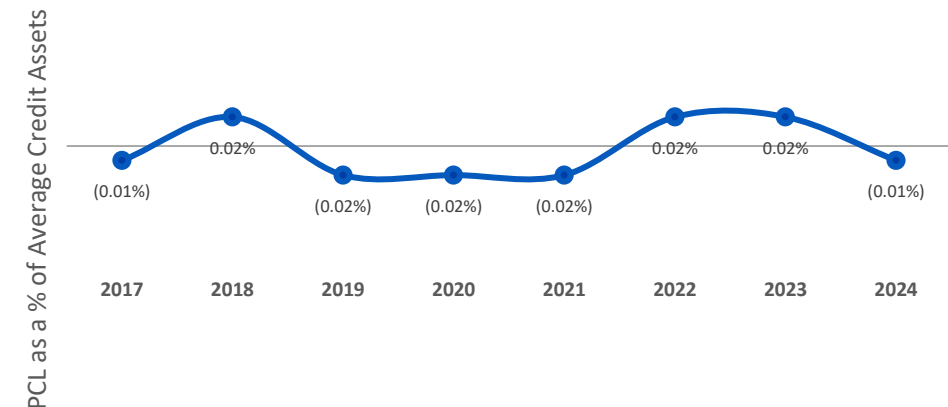


30+ Years with No Material Credit Asset Losses

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

0.02%

(Trailing 12-Quarters)



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)

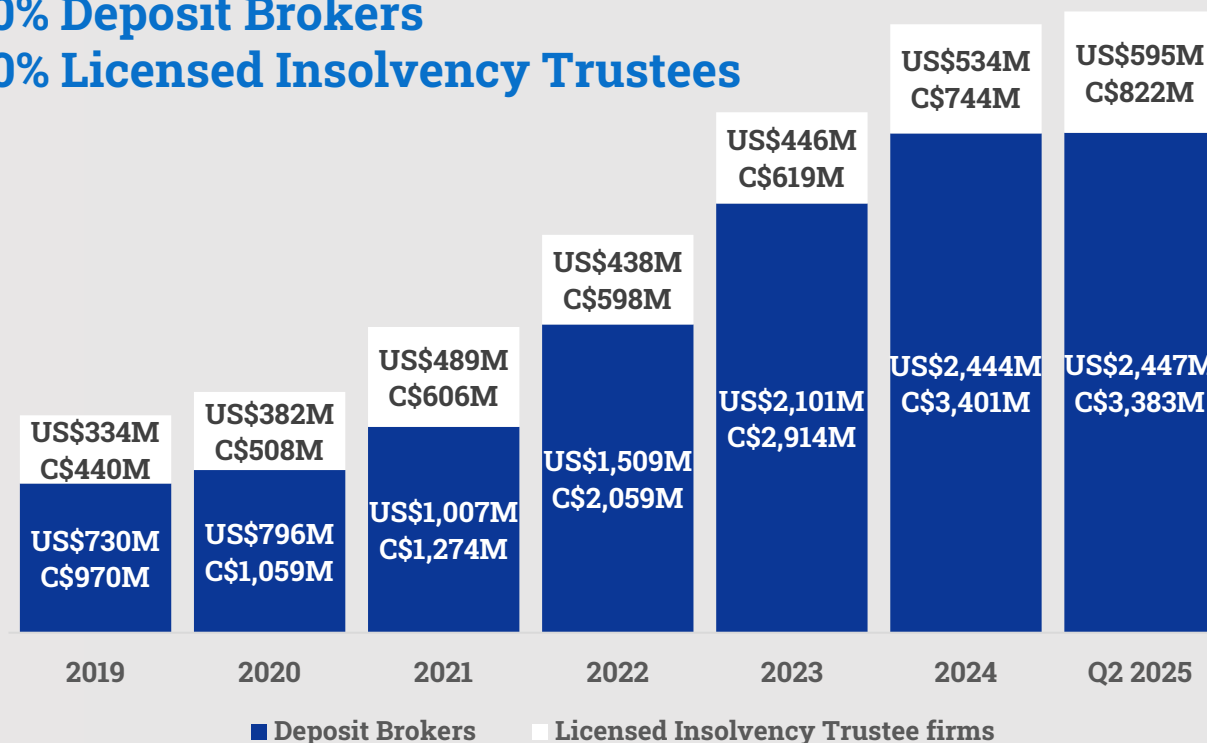
- Proprietary, high-value add, technology-based solution
- Grown to >100 partners & C\$822M/US\$595M in <10 years

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

Deposit Composition:

Q2 2025

**80% Deposit Brokers
20% 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

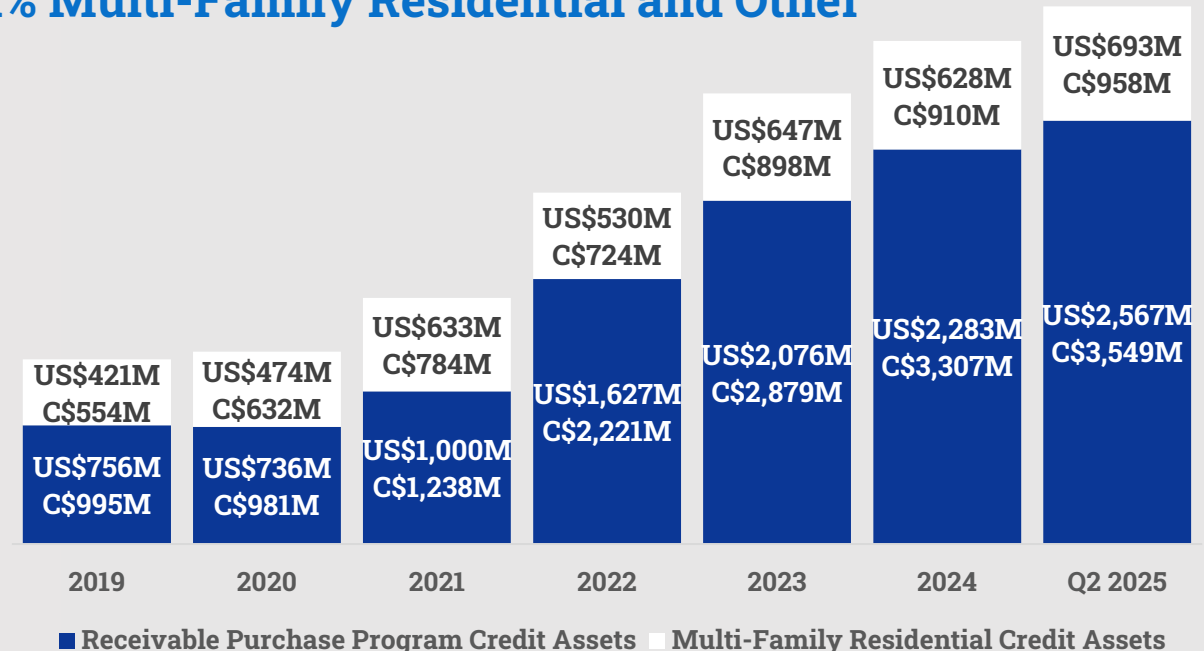
- Highly profitable opportunistic legacy business
- De minimis commercial real estate exposure

30 Partners Provide Access to Hundreds of Millions of Borrowers

Credit Asset Composition:

Q2 2025

79% Receivable Purchase Program
21% 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

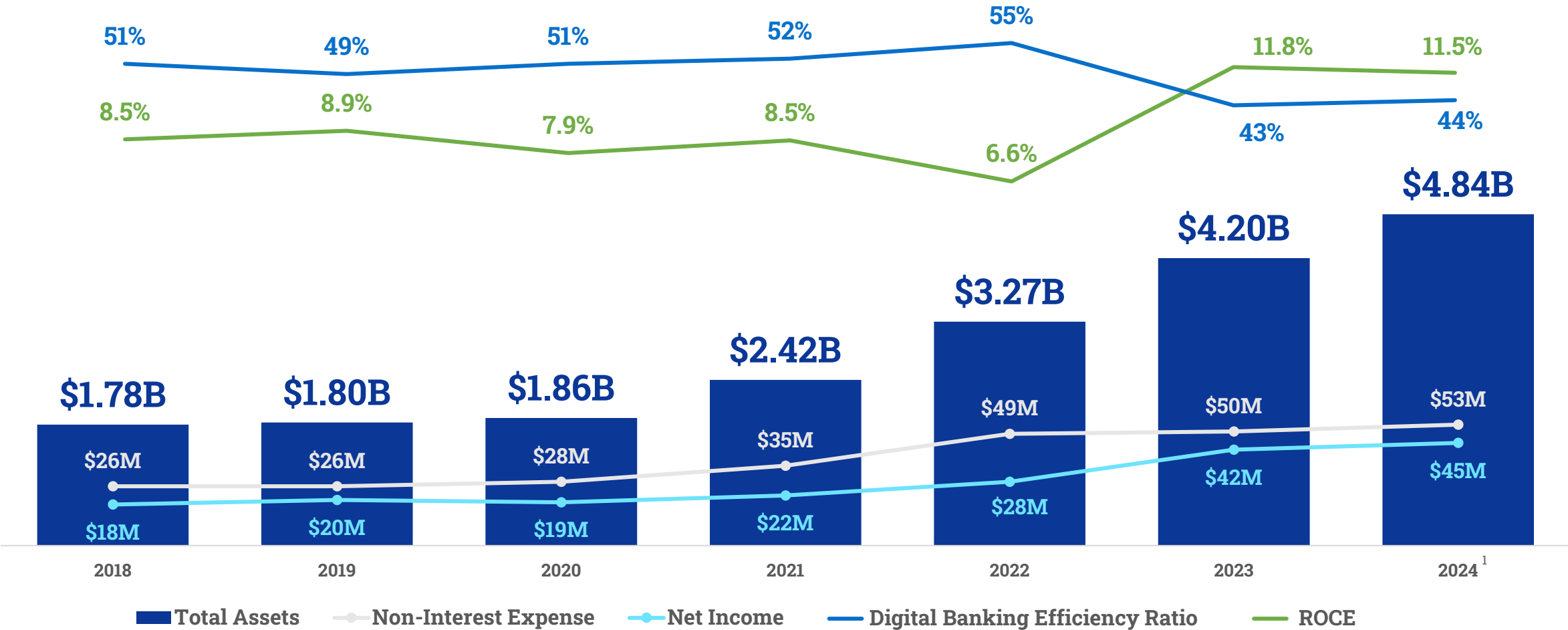
- **>14 years in market**
- **>C\$10B (US\$7B)**
Total value of RPP Financings to Date¹
- **C\$3.3B (US\$2.2B)**
Current Value of RPP Portfolio¹
- **27% 5-Year CAGR¹**

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

Q2 2025 Key Metrics & Highlights



Total Assets	\$5.05 B
Credit Assets	\$4.52 B
NIM on Credit Assets	2.59%
Total Revenue	\$30.1 M
Net Income	\$8.5 M
EPS	\$0.26

- Net income and EPS impacted by:
 - Atypically-large non-cash unrealized foreign exchange translation loss due to depreciation of US dollar
 - Preliminary costs associated with proposed Structural Realignment
- Excluding these items, EPS was \$0.28

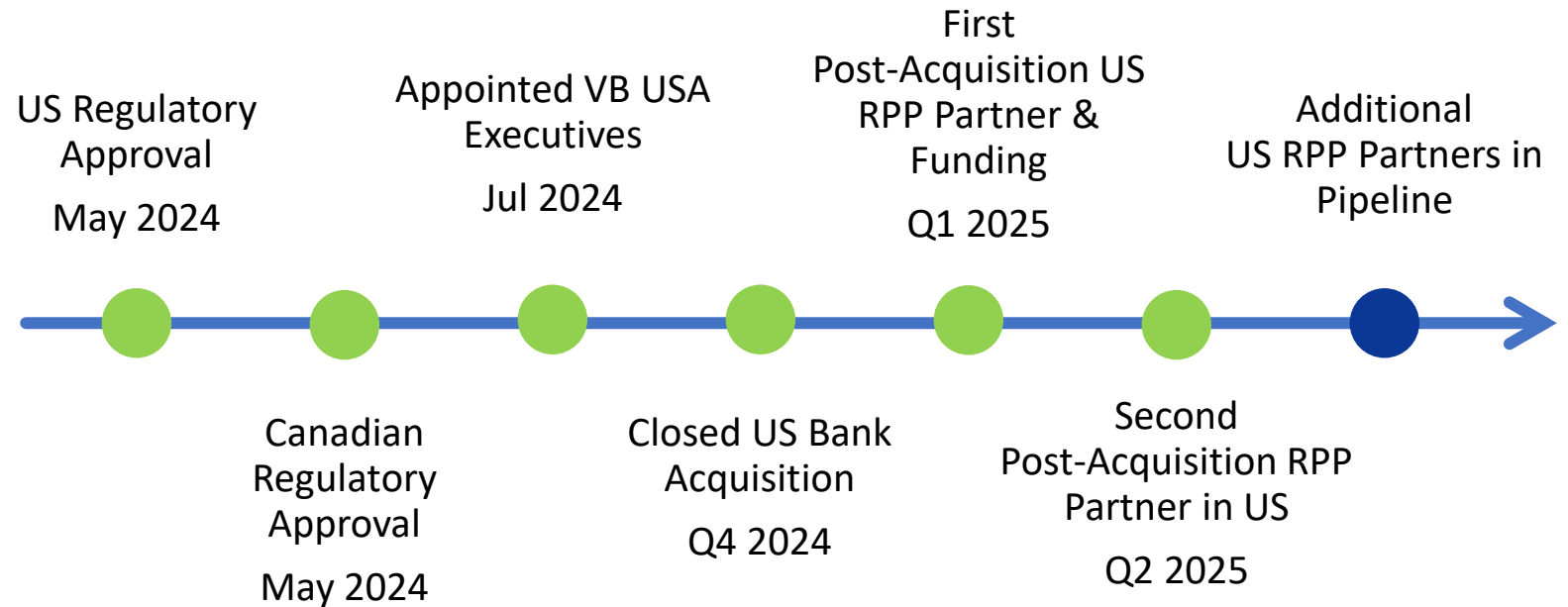
Realizing significant operating leverage inherent in Digital Banking model

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

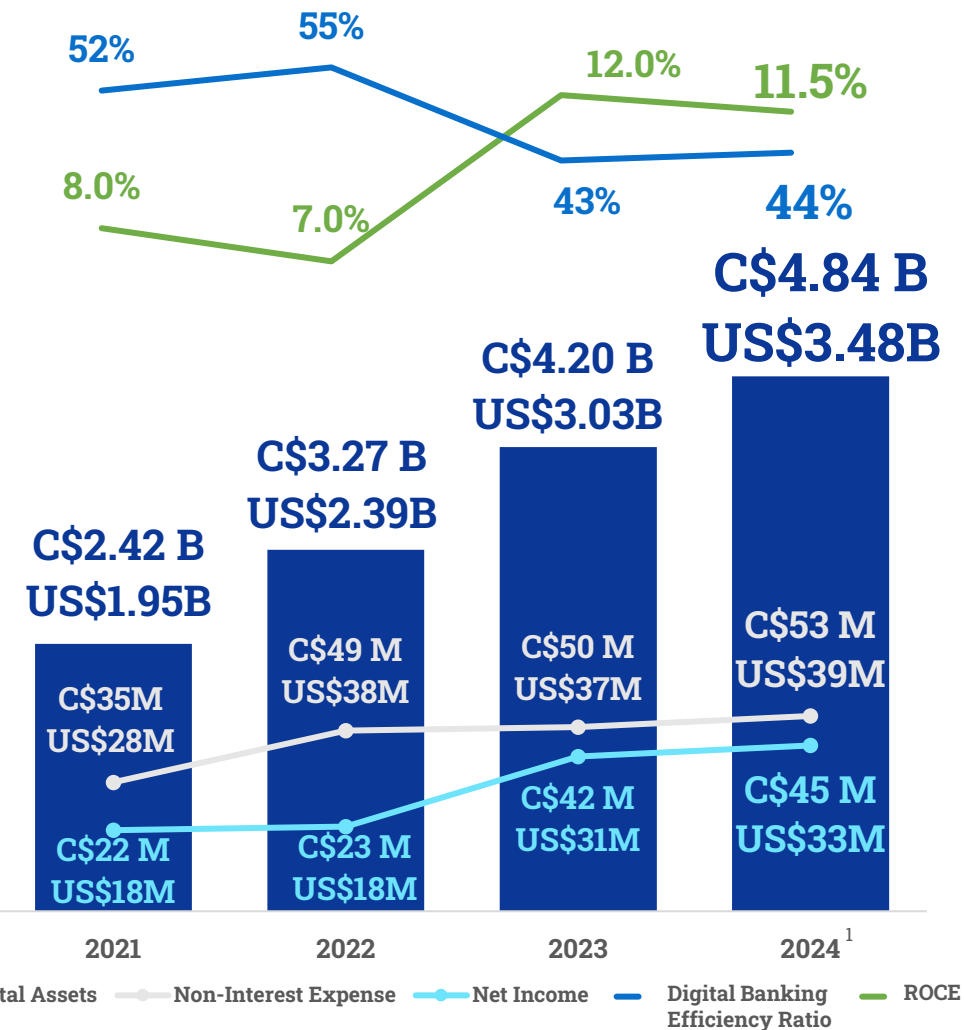


>US\$70M in Just 75 Days
On Target to Achieve US\$290M in Fiscal 2025

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



\$ CAD (millions)



Next Milestones:

Total Assets

>C\$6B

>US\$4.3B

>C\$7.5B

>US\$5.4B

>C\$10B

>US\$7.2B

Efficiency Ratio

<37%

<29%

<22%

ROCE

>14%

>20%

>29%

Assumes overall Net Interest Margin of 2.5%

Digital Meteor, Inc.

**Digital Deposit
Receipt (DDR) IP,
technology and other
resources transferred
to wholly owned
digital asset focused
subsidiary**

Digital Deposit Receipts (DDRs): Transcending Stablecoins



A Market Ready Solution

- Highly encrypted digital assets that can represent fiat currency on deposit with the Bank – seamless conversion to/from other digital currencies (incl. Bitcoin)
- SOC 2 Type I certification for the underlying VersaVault® technology
- Successfully completed pilot program on Ethereum, Algorand and Stellar blockchains (first bank known to do so)
- Secure and private storage of digital assets with dual chartered bank as custodian
- Developed in collaboration with Canadian regulators and law enforcement

**Capitalizing on Proven Proprietary Technology Amidst Favourable
Regulatory Stance of New US Administration**

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



VersaBank

Why VersaBank? Why Now?

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

Ramp up of recently launched U.S. 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 credit assets

Current valuation below book value & well below US peers

Planned divestiture of profitable cybersecurity services will generate significant incremental value

Renewed opportunity for the Bank's transformational Digital Deposit Receipts



VersaBank

Banking on the Future!