VersaBank

Q2 2025 Conference Call
June 4, 2025

NASDAQ: VBNK | TSX: VBNK

Dial-In to Ask Questions

For those wishing to ask questions during the Q&A, please access today's call through the telephone dial-in:

Toll-free:	1-888-699-1199 (Canada/US)
Local:	416-945-7677

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; 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

David Taylor

President &

Chief Executive Officer

Q2 2025 Highlights

VersaBank

- Momentum in US RPP
  - Achieved US$70 M in first 70 days
  - Signed second RPP partner
- New records for total assets, credit assets and revenue
- Strong sequential expansion in net interest margin
- Announced proposed Structural Realignment to realize additional shareholder value

Q2 2025 Key Metrics & Highlights

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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:
  - 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

John Asma

Chief Financial Officer

Q2 2025: Continued Strong Financial Performance

Balance Sheet

	At April 30		
	2025	2024	YoY Change
Total Assets	$5.05 B	$4.39B	15%
Credit Asset Portfolio	$4.52 B	$4.02 B	12%
Cash and Securities	$0.44 B	$0.30 B	47%
Book Value per Common Share	$16.25	$14.88	9%
CET1 Ratio	14.28%	11.63%	265 bps
Leverage Ratio	9.61%	8.55%	106 bps

- Total credit asset portfolio expanded to another record balance
- Book value per share increased as a function of the December 2024 capital raise and higher retained earnings (from net income growth), partially offset by dividends paid

Both CET1 and leverage ratios remain above targets

Q2 2025: Continued Strong Financial Performance Consolidated

Consolidated Income Statement

	Quarter Ended April 30			
(000's)	2025	2024	YoY Change	Sequential Change
Revenue	30,139	28,501	6%	8%
Non-Interest Expenses	17,516	12,185	44%	12%
Net Income	8,529	11,828	-28%	5%
Earnings Per Share	0.26	0.45	-42%	-7%

- YoY revenue increase due primarily to growth in assets
- Sequential revenue increase due additionally to NIM expansion
- EPS impacted by 25% higher number of weighted-average shares outstanding due to December 2024 capital raise
- NIE included a non-cash unrealized FX translation loss and preliminary costs associated with proposed Structural Realignment
- EPS excluding these items was $0.28

Q2 2025: Segmented Income Statement

Segmented Income Statement

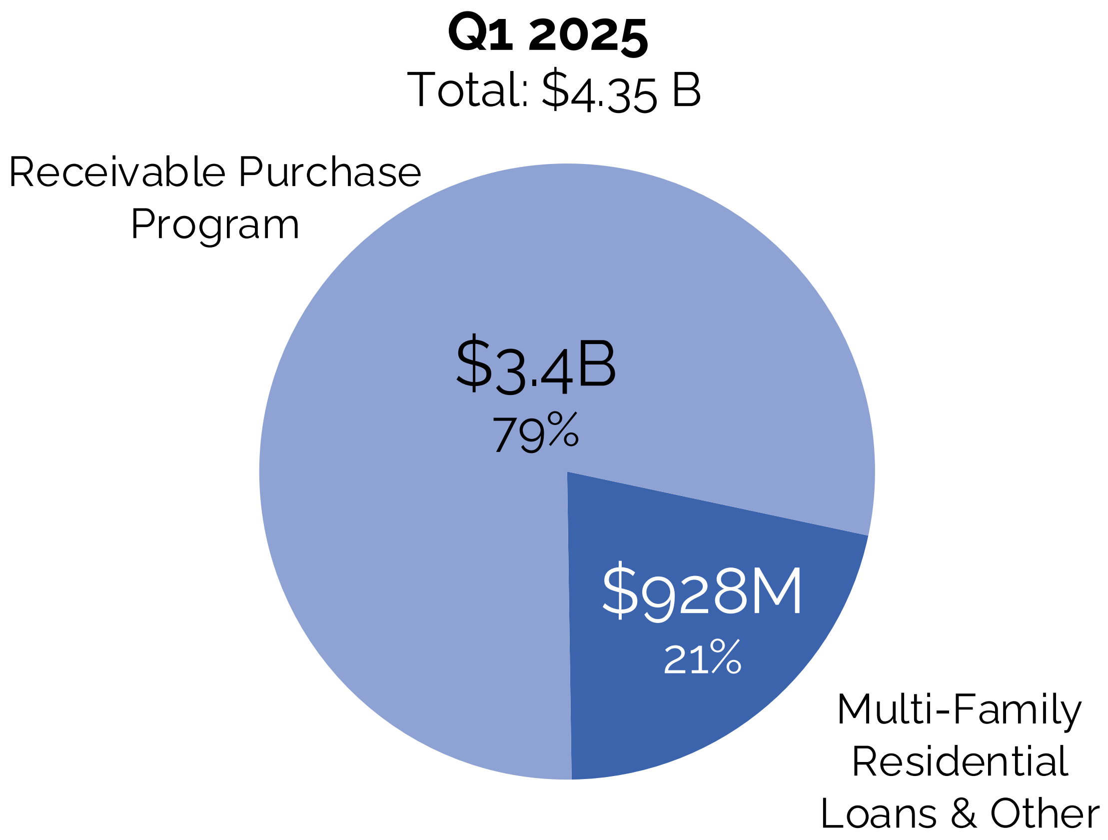
Revenue

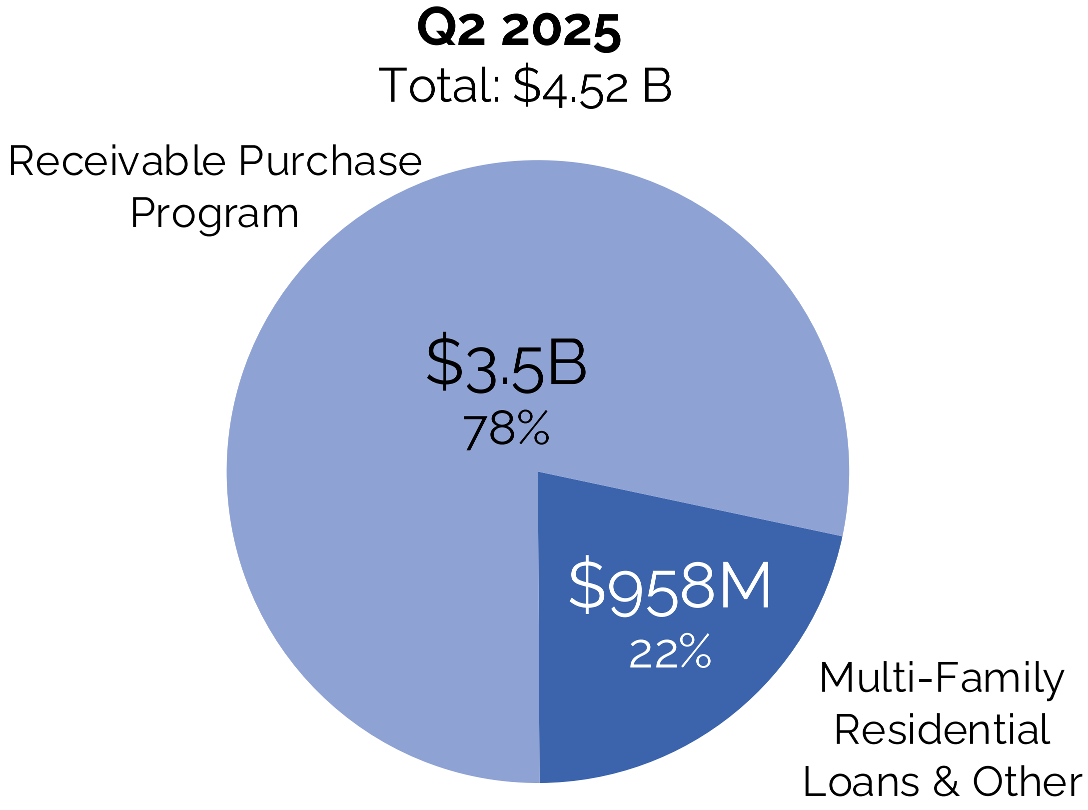
	Quarter Ended April 30			
(000's)	2025	2024	YoY Change	Sequential Change
Revenue	30,139	28,501	6%	8%
Digital Banking Canada	25,647	26,504	-3%	8%
Digital Banking USA	2,489	NM	NM	22%
Digital Meteor	569	82	594%	66%
DRTC	1,789	2.254	-21%	-10%

Net Income

	Quarter Ended April 30			
(000's)	2025	2024	YoY Change	Sequential Change
Net Income	8,529	11,828	-28%	5%
Digital Banking Canada	9,200	11,990	-23%	5%
Digital Banking USA	133	NM	NM	26%
Digital Meteor	-152	-147	3%	-561%
DRTC	-652	-15	4247%	-14%

Q2 2025: Continued Strong Financial Performance
Digital Banking Operations - Record Credit Asset: $4.52 B





Receivable Purchase Program Portfolio: Up 14% YoY & Up 4% sequentially
Multi-Family Residential Loans & Other: Up 8% YoY & Up 3% sequentially

Q2 2025: Continued Strong Financial Performance
Digital Banking Operations

Digital Banking Operations: Income Statement

	Quarter Ended April 30			
	2025	2024	YoY Change	Sequential Change
Cost of Funds	3.52%	4.21%	-69 bps	-32 bps
Non-Interest Expenses	14,418	10,014	44%	13%
Net Interest Income	28,032	26,242	7%	9%
Net Interest Margin on Credit Assets	2.59%	2.52%	7 bps	23 bps
Net Interest Margin	2.29%	2.45%	-16 bps	21 bps

- YoY increase in NIE reflects build out of US RPP business ahead of revenue
- NIE included atypically-large non-cash unrealized FX translation loss and preliminary costs associated with proposed Structural Realignment
- NIM on credits assets decreased primarily due to lag effect of atypically inverted yield curve that existed throughout fiscal 2024
- NIM on credit assets increased 21 bps sequentially with further expansion expected [throughout the year]

NIM remained among the highest of the publicly traded Canadian Schedule I (federally licensed) banks

Top Tier Asset Quality & Prudent Approach to Risk Mitigation

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

0.02%

(Trailing 12-Quarters)

VersaBank

David Taylor

President &
Chief Executive Officer

H2 Fiscal 2025: Continued Momentum

- Continued steady, incremental growth led by the Receivable Purchase Program (RPP)
  - US RPP on track to achieve US$290 M by fiscal year end
  - Potential for incremental growth in Canada
- Contribution of CHMC-insured loan business
- Continuation of several favourable trends that support current higher levels of net interest margin
  - Replacement of maturing higher cost term deposits with those at the current lower rates
  - Yield curve no longer inverted: Beneficial to RPP spread
  - Higher-spread on US RPP
  - Higher balances of low-cost Insolvency Professional deposits

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

VersaBank

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

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

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Renewed Opportunity for Proprietary Digital Asset Technology

Proposed Realignment of Corporate Structure

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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

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Q&A Session

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Banking on the Future!