

Digital Bank
Roaring into the 20s
With 5 yr. 40% Cash Earnings Growth

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 local economies within Canada, in which we conduct operations; the effect of changes in interest rates; the effects of competition in the markets in which we operate; capital market fluctuations; and the impact of changes in laws and regulations. When relying on forward-looking statements to make decisions, investors and others should carefully consider these factors and other uncertainties or potential events. The Bank makes no undertaking to update any forward-looking statement that is made from time to time by the Bank.



Advisory



1st Quarter Presentation

World's First Branchless Digital Bank

David Taylor, CEO & Founder

Clean Sheet Design of a Bank
- Our Model
- The Q1 Results

The Future:
- Enhanced Point-of Sale Banking
- New Deposit Channels
- Cyber Security Solutions

VB LISTED ON TMX Toronto Stock Exchange

VersaBank Choice Through Innovation

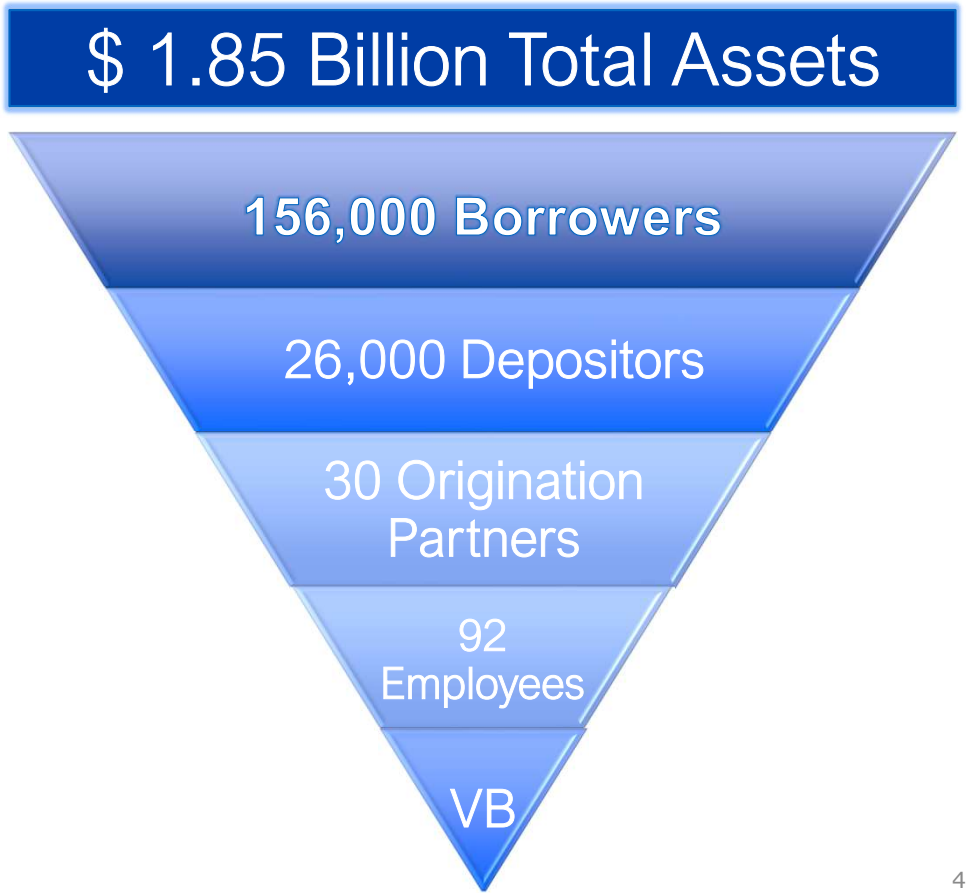
Leveraging Technology Model

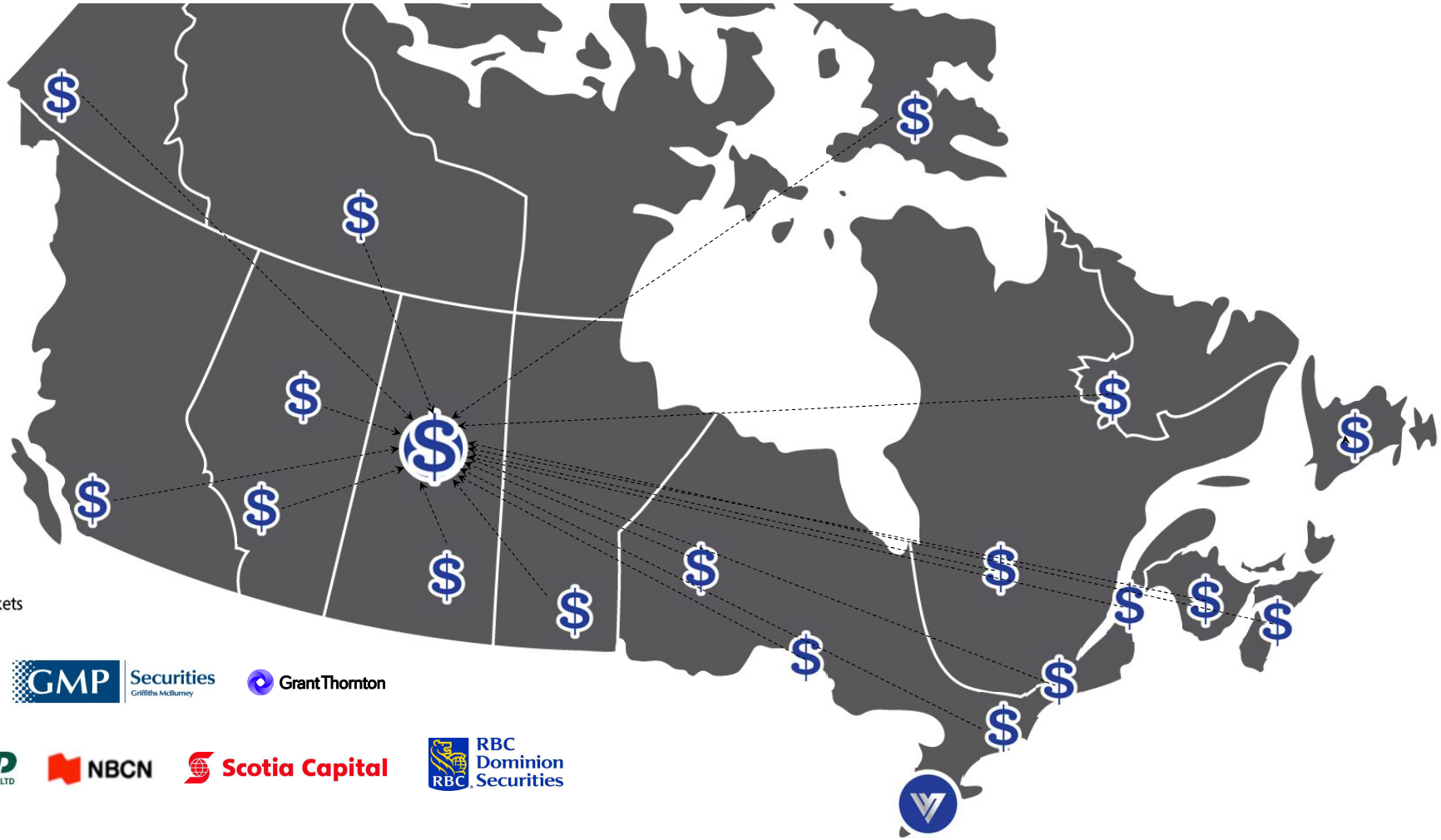
Use existing distribution channels to minimize investment in physical infrastructure and people.

Develop & Maintain state-of-the-art custom banking software to maximize capacity, velocity and efficiency.

Use digital technology to further the Bank's operational and financial Independence.

Modest risk appetite with risk management framework, policies and procedures keeping pace with the ever increasing complexity of our business environment.





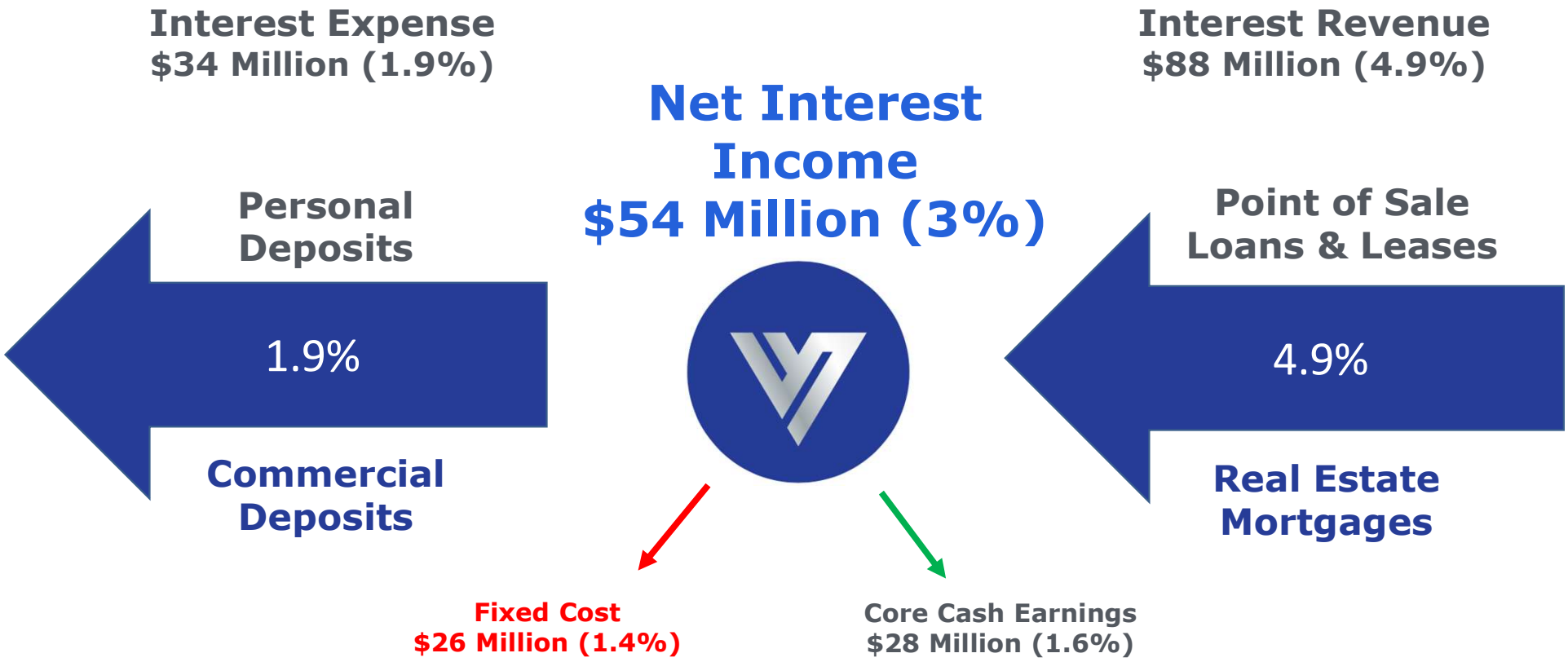
BDO
CIBC World Markets
Deloitte.
Edward Jones
GMP Securities
Grant Thornton
Investment Planning Counsel
MNP
NBCN
Scotia Capital
RBC Dominion Securities

Nationwide Deposit Gathering Network

Network of 30 Lending Partners



Nationwide Lending Network



State-of-the-Art Bank Model

(2019 Results)

Commercial Mortgages

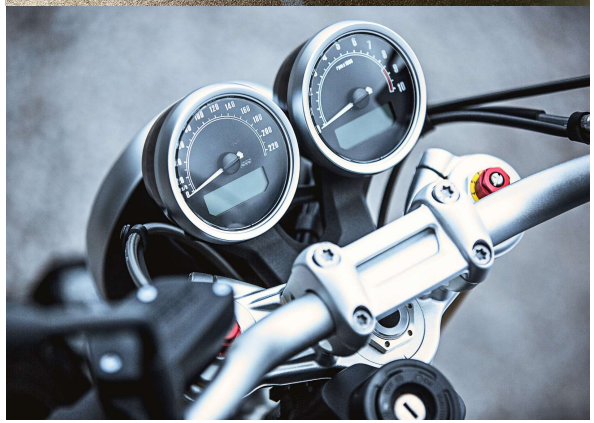






eCommerce – Point of Sale Loans & Leases





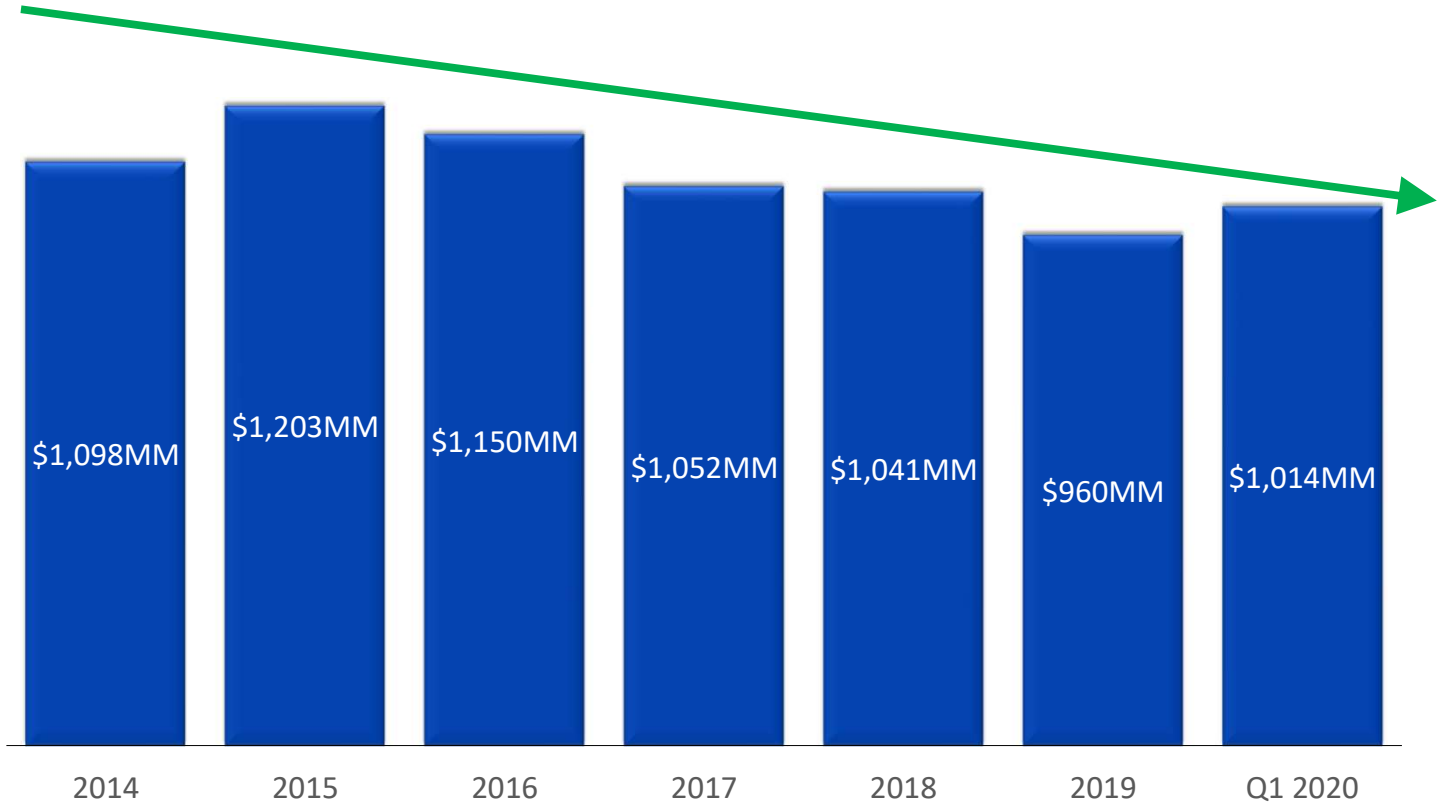




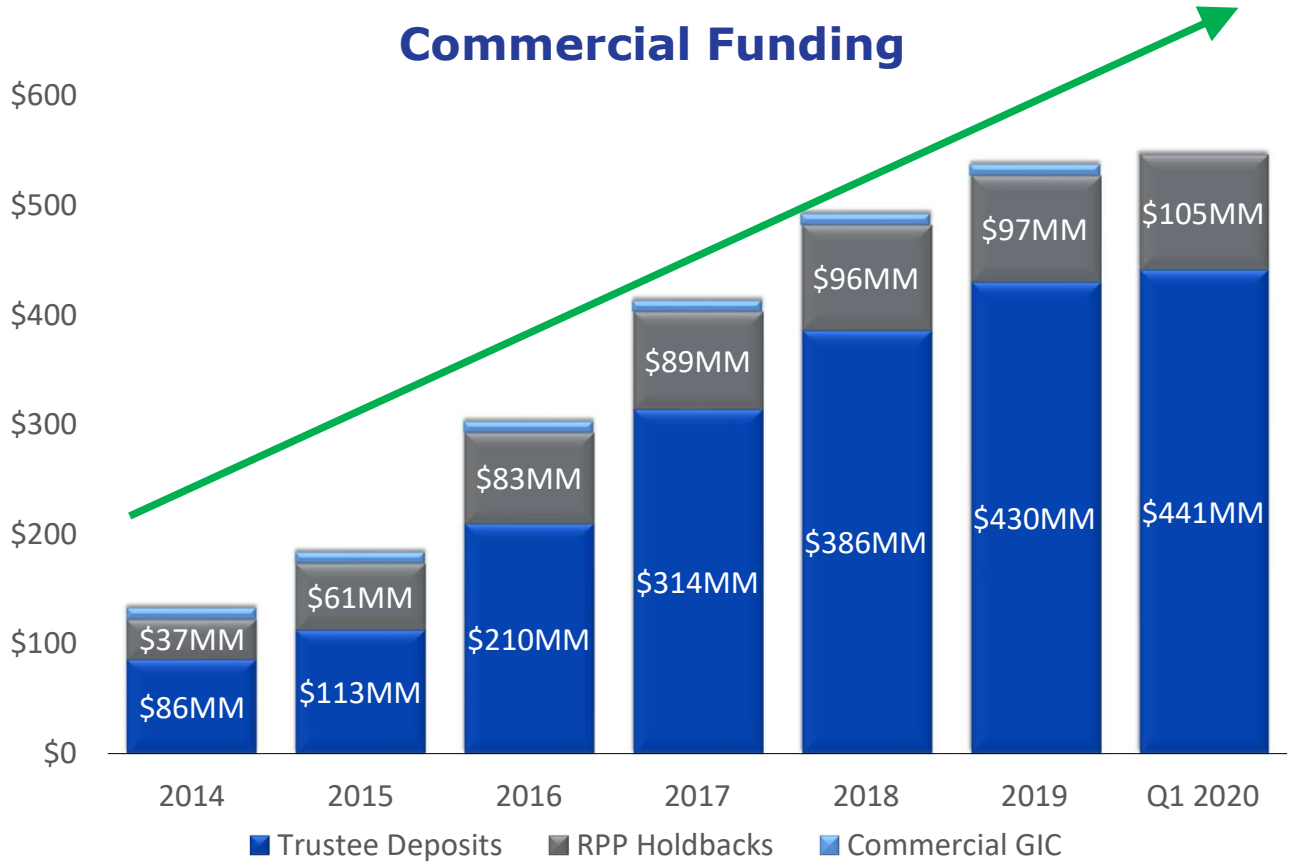




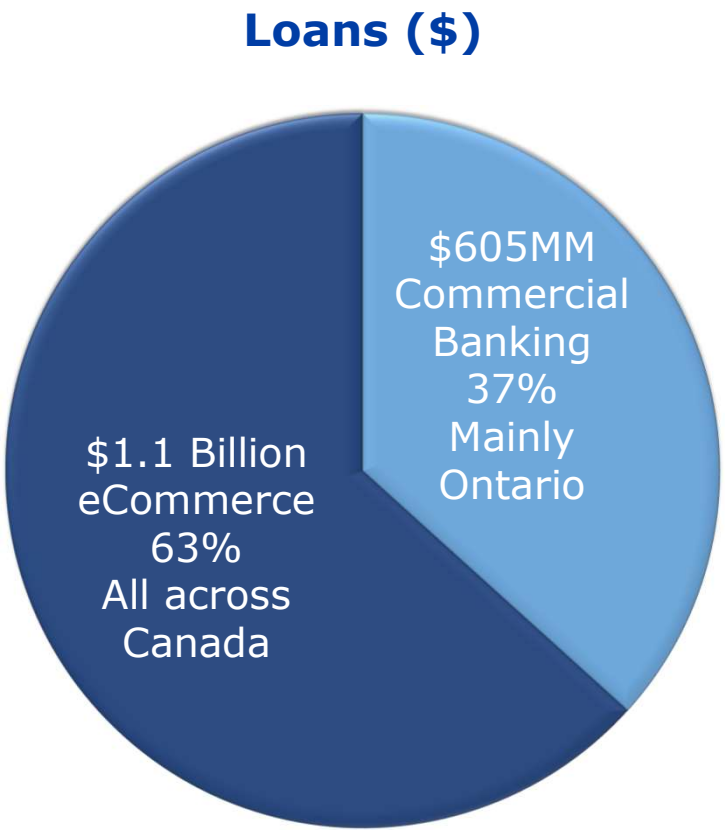
Personal Deposits



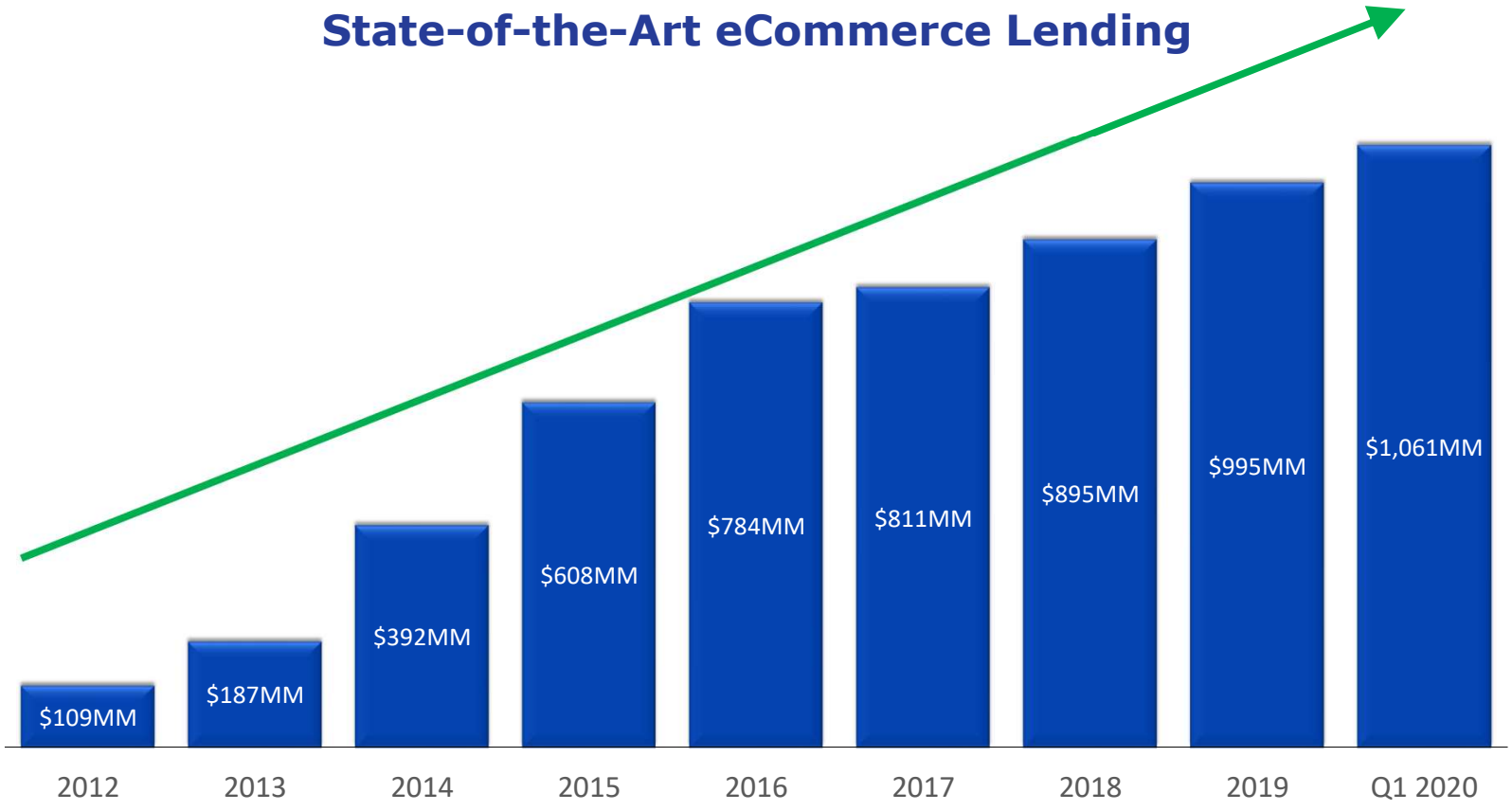
Reducing Reliance on Higher Cost Personal Deposits



Increasing Low Cost Commercial Funding

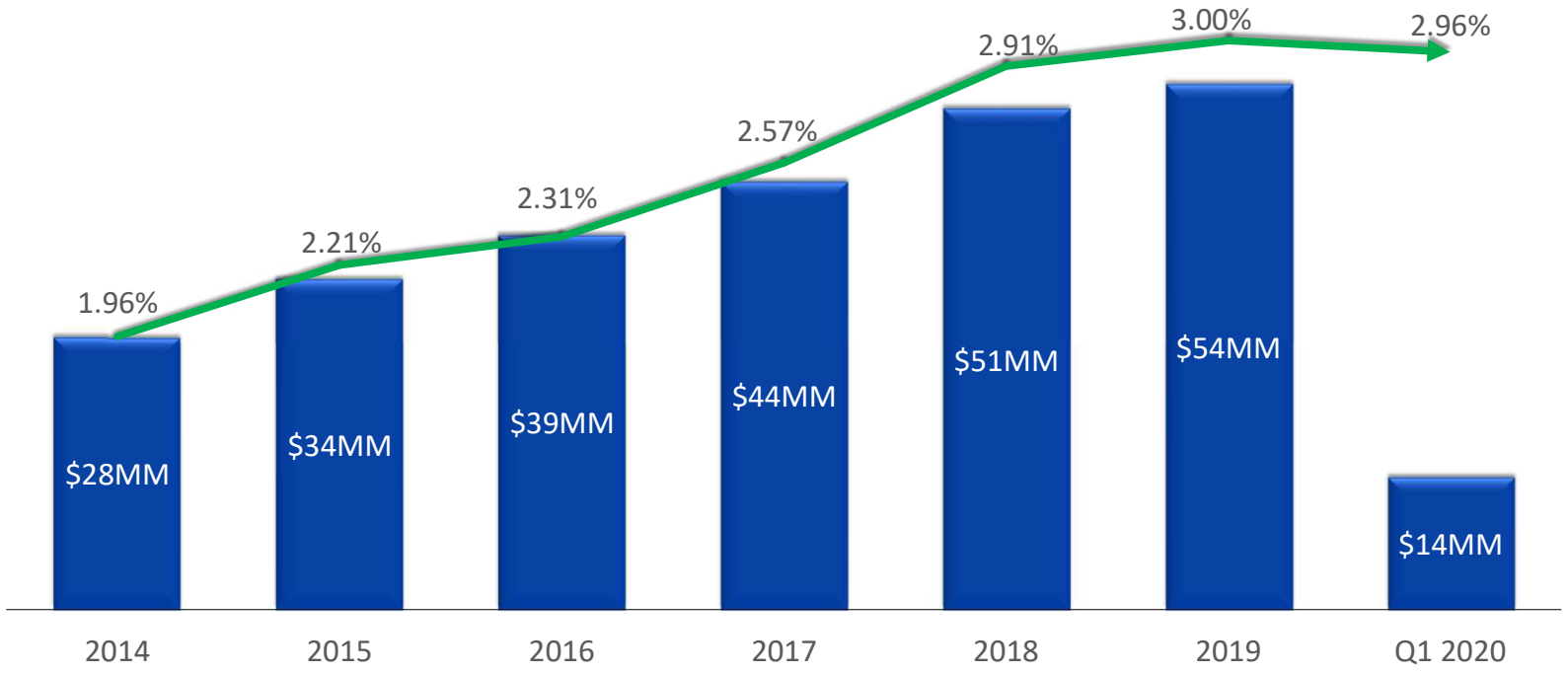


Loan Portfolio Mix & Distribution

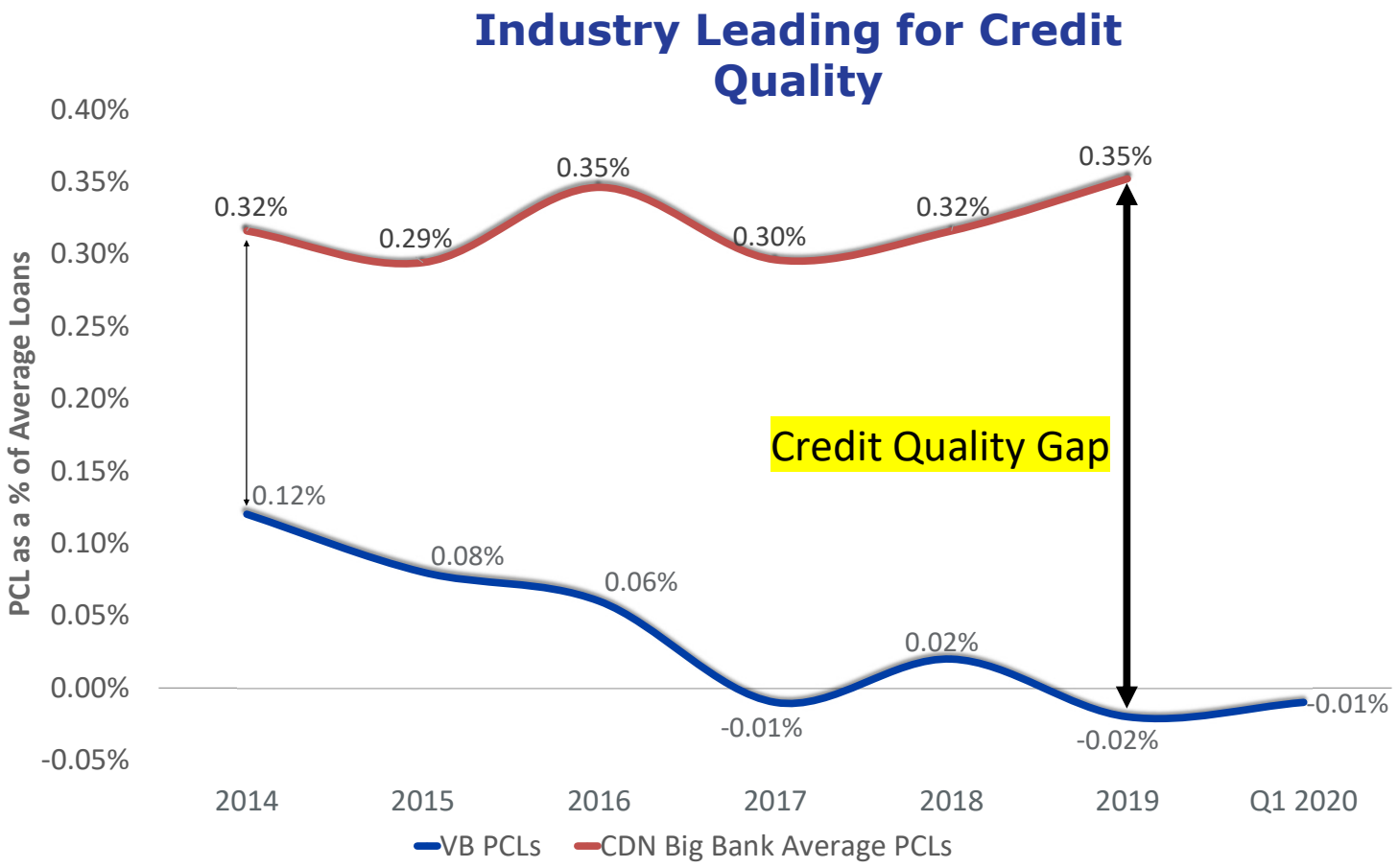


Rapidly Increasing Point of Sale Financing

Net Interest Income

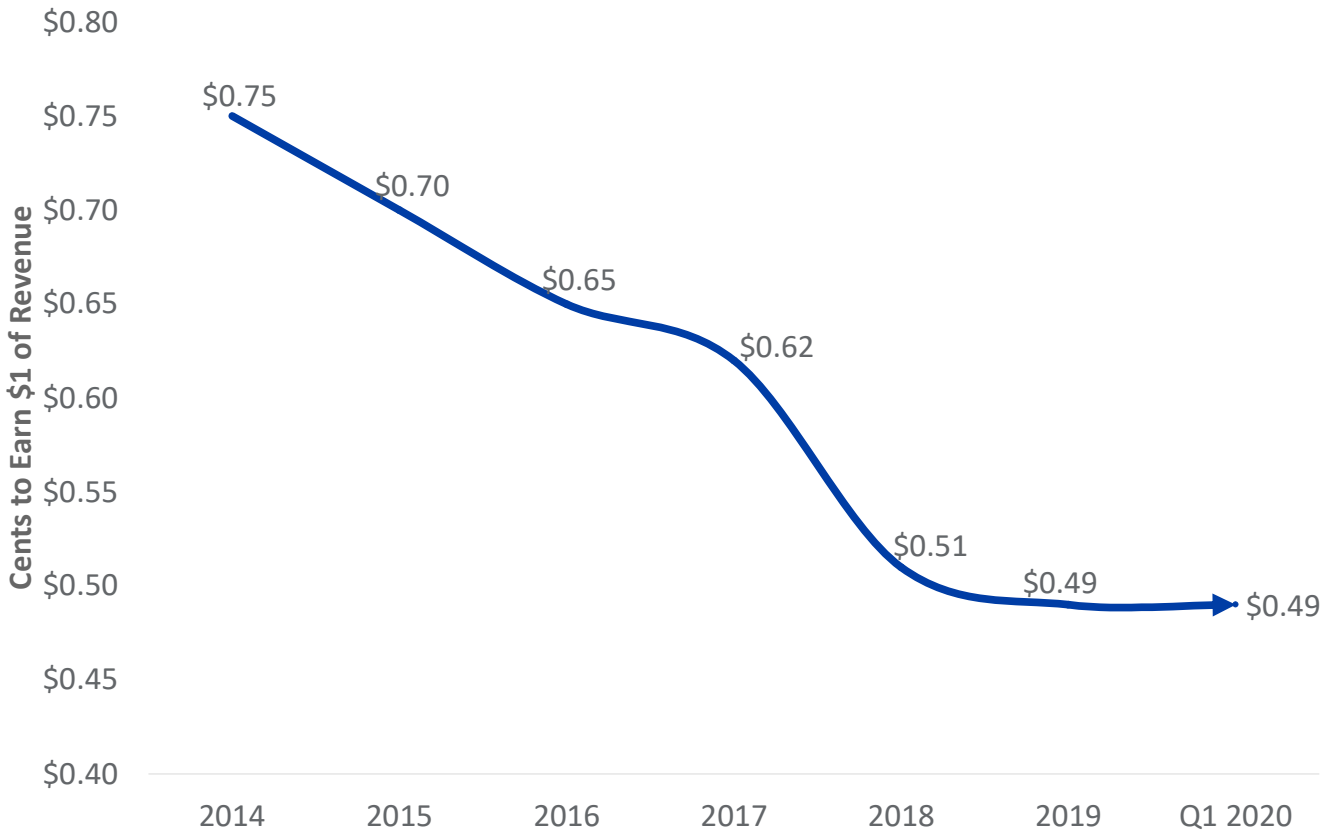


Industry Leading Net Interest Margin



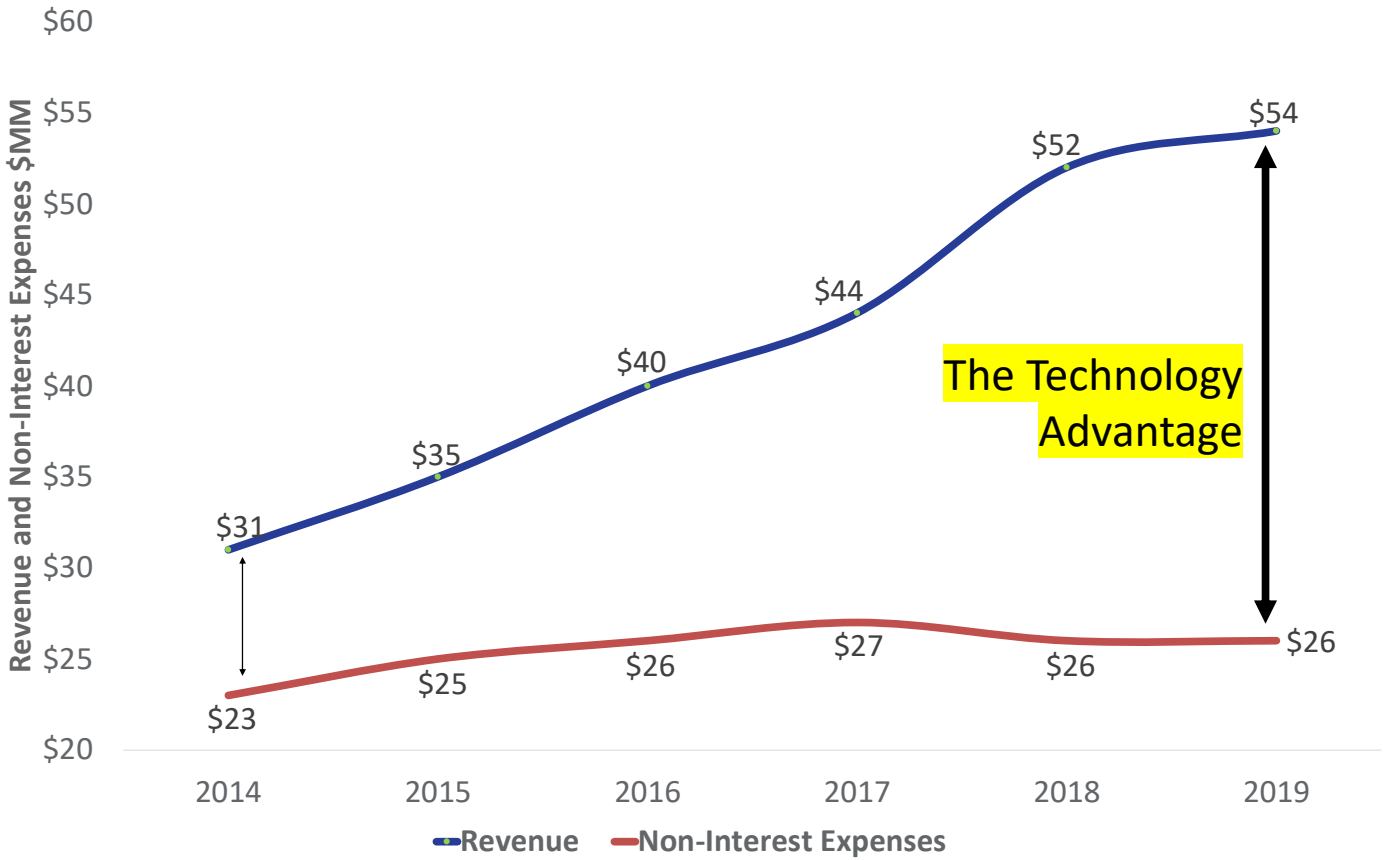
Enviable Credit Adjudication

Economies of Scale at Work

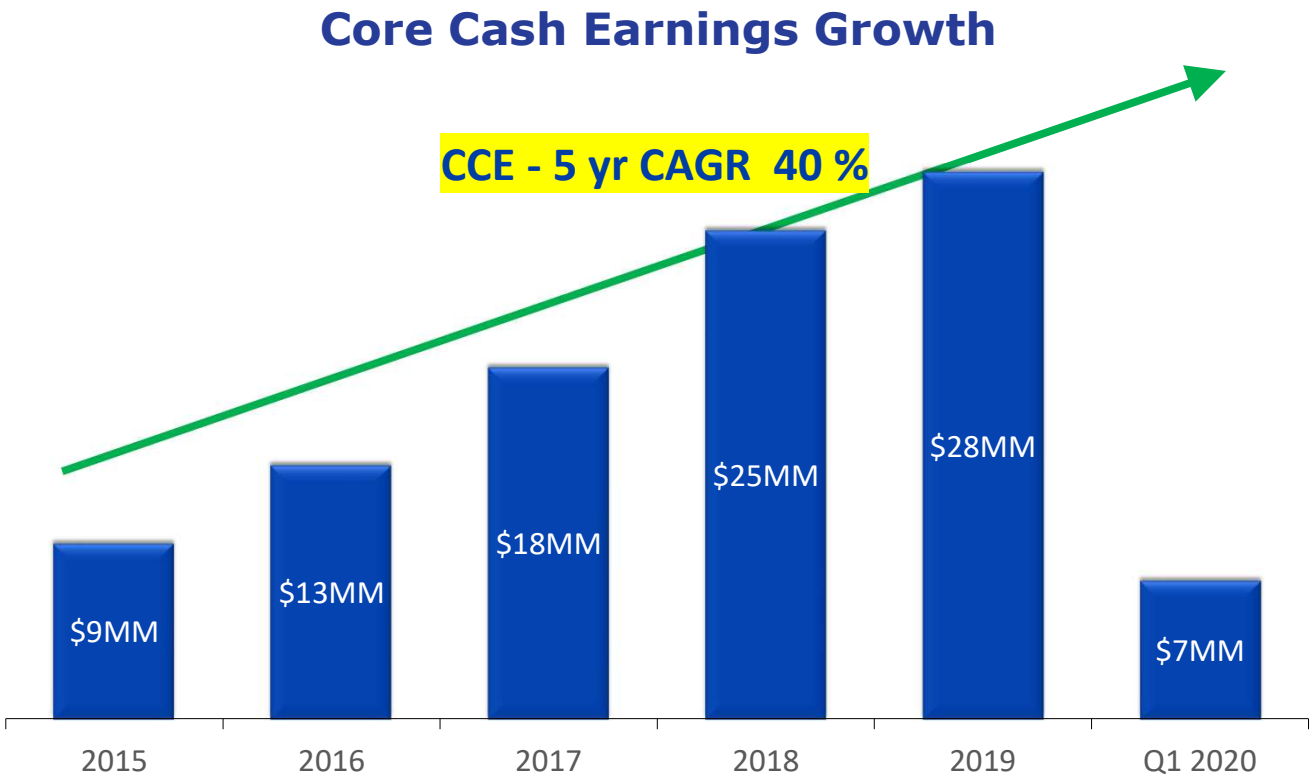


Cost to Earn $1 of Revenue Rapidly Decreasing

5 Year Efficiency Ratio Trend



Huge Operating Leverage



Core Cash Earnings = pre-tax earnings adjusted for non-core operating income/expenses

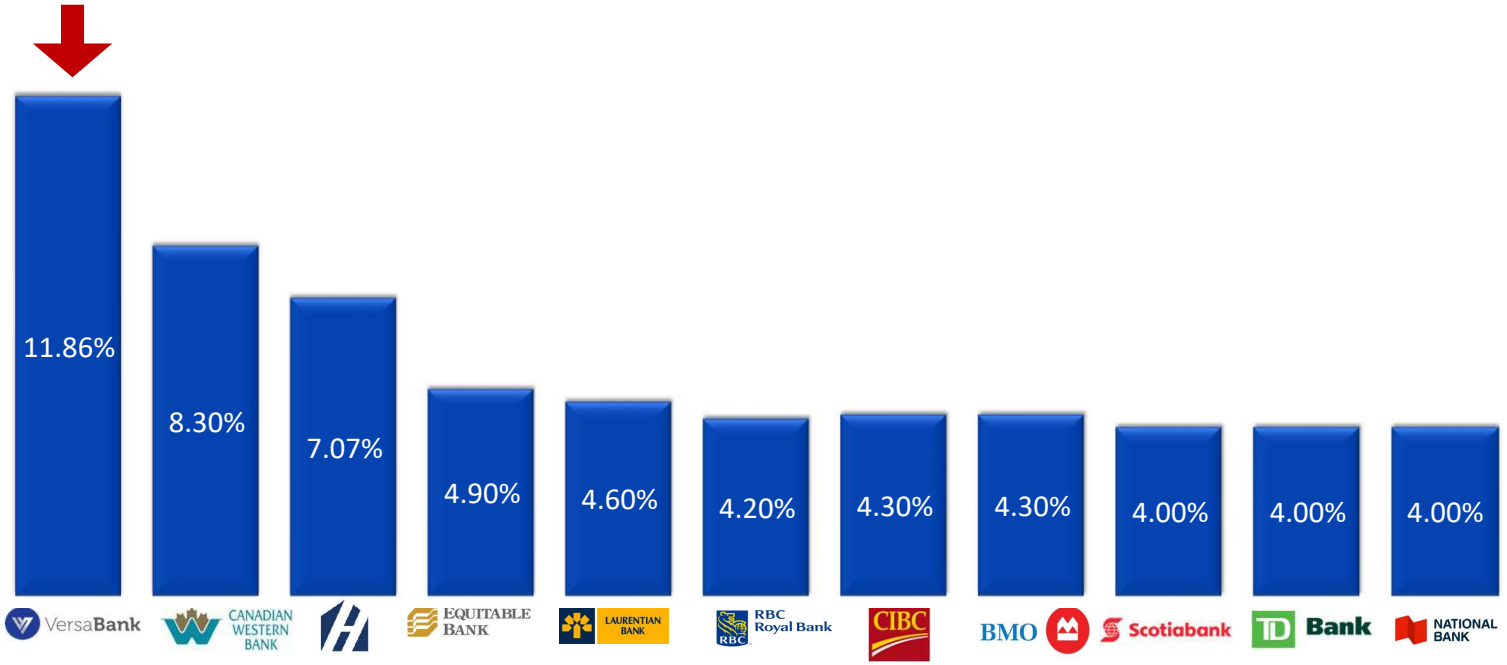
Substantial Core Cash Earnings Growth

Quarterly Core Cash Earnings



Historical Core Cash Earnings Trend

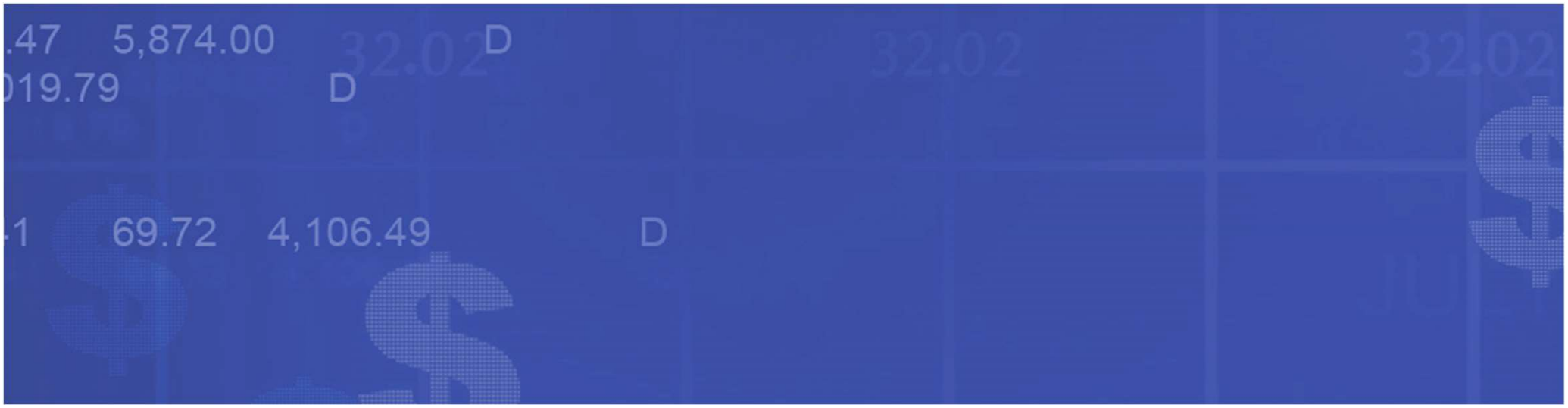
Comparative Leverage Percentage



Plenty of Excess Capital to Fuel Growth

In the Works:

- New US$ Deposit Products;
- New Long-term Deposit Products;
- New Direct-Connect App for large low risk markets ;
- New Prepaid and Secured Credit Cards;
- On the hunt for suitable acquisitions;
- DRT Cyber is developing marketable cyber security solutions.



State-of-the-art Digital Bank
Exploiting Profitable New Markets