

# LodeRock Research

## VersaBank

### A counter-cyclical bank play

Our investment thesis for (TSX/NASDAQ: VBNK) is unchanged - this technology-based banking model will enable multi-year double-digit EPS growth, while expansion strategies in the US market and cybersecurity (DRTC) provide free upside optionality. **While most bank stocks remain focused on a 2023 recession, VBNK should counter any slowdown with further share-gains in Canada, and its US expansion.** Our take from the results: expect continued double-digit loan growth, and +95% EPS growth in 2023 as US market set-up costs are behind us and operating leverage helps EPS/BVPS crest \$2.00/\$16.00 by 2024. Bullish for the stock.

#### TSX: VBNK Loderock Growth Outlook

	2021 A	2022 A	2023 E	2024 E	2025 E
Gross Loans (\$'000)	\$ 2,096,308	\$ 2,979,880	\$ 3,707,109	\$ 4,183,388	\$ 4,523,557
Growth Rate (%)	27.0%	42.1%	24.4%	12.8%	8.1%

Source: Loderock Research & Company fillings

**Operating leverage is now evident.** VersaBank reported 1Q23 EPS of \$0.34 (+79%/y) vs our \$0.26 estimate. Our previous report sighted two EPS growth catalysts starting in early 2023; 1) reversal of start-up expenses for the US expansion, freeing up an estimated \$0.06-0.08/share in quarterly EPS, and 2) deployment of US cash into loans after the recent US bank acquisition. The EPS beat reflects the first catalyst above. Note also that current non-interest expense can support continued double-digit loan book expansion. As for the second catalyst, management expects the US bank acquisition to be approved in 2Q23 but has also continued to sign US loan origination partners. **We believe operating leverage can still surprise to the upside.**

**Loan growth remains well above comps...the key differentiator for this stock.** Overall loan growth accelerated at +8% sequentially (+46%/y). Recession risk remains a factor for Canadian volumes, though Commercial loans did see growth. However, Canadian POS and US expansion suggests sustainability at double-digit rates overall. Notably, capital market funding solutions are drying up for US POS loans which provides an attractive risk-adjusted growth opportunity. US capital on the balance sheet supports loan value potential of C\$2b from almost zero today. **The opportunity for loan growth through a recession is the major potential catalyst for VBNK.**

**Valuation is still very attractive vs growth profile.** VBNK is now -44% off of its 2022 high, and trades at just 0.8x P/TBV and 6.7x 2023E earnings, versus other sched-1 banks at 1.4-2x and 9-12x and comparable US specialty and tech-based banks in the 1-2.5x and 10-15x range. The discount is unjustified given its growth profile (+20% EPS CAGR through 2025) which we think will be catalyst in the very near term. Applying a 10x multiple on earnings 1-2 years out still yields values of \$20/\$23 for the bank not including DRTC, which we conservatively value at \$2.50/share. Investors looking to take advantage of the decline in small cap and bank stock sentiment should consider this high growth fintech.

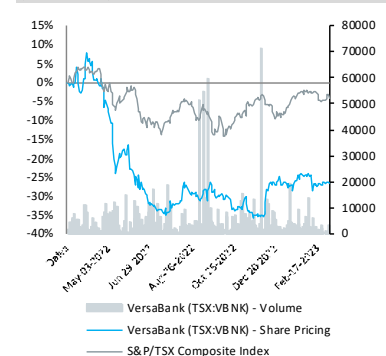
Update

Banks

2023-03-08

Symbol	TSX:VBNK
Price (\$C)	\$ 10.32
Mkt. cap (\$mm)	\$ 282.0
Shrs OS (mm)	27.32
Float (%)	52.7%
Div. yield	1.0%

#### (TSX:VBNK) 1Y Perf. vs. Index



#### Fundamentals

Yr end 31 Oct	2021 A	2022 A	2023 E
Netint. inc. (C\$m)	\$ 60.2	\$ 76.7	\$ 105.6
Growth %	11%	27%	38%
Netint. margin	2.76%	2.70%	2.88%
Pro Forma EPS	\$ 0.96	\$ 0.79	\$ 1.55
EPS Growth%	17.7%	-17.4%	95.8%
Eff. Ratio	53.5%	59.9%	45.7%
ROE	7.62%	6.64%	11.69%
ROA	1.03%	0.80%	1.17%
BVPS (\$)	\$ 11.6	\$ 12.3	\$ 13.7
P/BV	0.89x	0.84x	0.75x
P/E	10.8x	13.1x	6.7x
Div. PS (\$)	\$ 0.1	\$ 0.1	\$ 0.1
Div. yield	1.0%	1.0%	1.0%

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**Loan growth upside – remains the key differentiator versus other banks.** Our initial thesis on this bank forecasted potentially significant renewed growth in the loan book in both Commercial Mortgage but more so point of sale (POS) activity related to big ticket purchases in the auto and home improvement segments – since then loans are up +100%. Total loans grew +8% sequentially in 1Q23 to \$3.22b putting annual growth at +46% with momentum for another +25-30% in 2023. **Mix is a key difference from other Canadian banks, where VBNK benefits from higher home improvement and other POS loans, and strong partner activity across multiple loan segments as these companies grow share.** This contrasts with larger banks that have broader commercial and personal home loan activity and therefore greater exposure to the broader economic outlook. Commercial Mortgage loans surprised to the upside with +6% sequential (+4%/y/y) growth as the bank started to consider strong development proposals now that asset prices have corrected. However, Point of Sale (POS) loans (+9% sequential and +67%/y/y) remains the key loan-growth engine. Comments this quarter were focused on the strength in home improvement spending, such as energy efficiency solutions which we note are at the low end of the risk spectrum for this segment.

The broader bank earnings season showed there is ample reason to assume much slower activity in the Canadian market in 2023. **That said, a key difference between VBNK and other banks is that it has strong growth potential even through a recessionary scenario.** We continue to see the overall loan growth outlook as offering respectable double-digit growth for two reasons; 1) we think there are still ‘price-elasticity driven’ market share gains in the Canadian POS segment as evidenced by the 9% sequential growth this quarter, and 2) there is a large and unique opportunity for POS loan growth in the US market as traditional capital market funding sources significantly decline as interest rates rise. Specifically, there are many potential US loan origination partners that support fintech solutions beyond embedded finance (buy now pay later) which are in need of a strong banking partner.

The US opportunity could be material for a bank this size and is the main strategic reason for its expansion to that market. Given the size of the US capital raises in the recent past (equity of US\$63m in 2022 and US\$75m subordinate note issuance in 2021), we see the prospect of US loan growth to be the key operating catalyst for VBNK, even as the economic outlook slows. The bank’s US capital supports US loan growth up to \$2 billion in a market that is worth \$2 trillion. We estimate US loans at +US\$50 million today and we believe the bank could end 2023 with \$300-500m. Note, US POS loans are estimated to be accretive to NIM as they yield on average about 100bps premium to those with similar risk profiles in Canada. Despite the growing risk of recession we are slightly increasing our estimates for the year end 2023 loan book (we now expect roughly \$3.7 billion (+24%/y/y), previously \$3.6b). **The key message here is that loan growth was +46%/y/y in 1Q23 after a +42% increase in 2022, a very different message than other Canadian banks.**

Interest income was up +100%/y/y to \$49.6m, reflecting both +46% loan growth plus yield expansion. Significant growth in the POS book shows that despite a decline in housing sales the bank’s loan growth strategy has higher than average protection against economic shocks. A lack of competitive activity continues to provide some loan yield support with further upside as competitors continue to shy away from these segments. We still expect overall loan growth to support the interest income line despite the near-term cost of carrying the US\$75m sub-note as the US loan growth strategy gets executed. Following the quarter, we are making minor upward changes to our interest income estimates due to slightly higher loan growth.

**Growth in low-cost deposits and deployment of US loan funding should help NIMs in 2023+.** Overall deposits were up +10% sequentially to \$2.93 billion though almost all growth came from higher cost personal deposits. As

discussed in our initiation report, insolvency commercial deposits are much lower cost and remain a key long-term focus for funding growth. **They are also a key differentiator for VersaBank in that they help insulate NIMs from any deflation in loan yields** if rate increases are mitigated or competition increases. The 1Q23 update again suggested growth in insolvency deposits is likely in 2023 as bankruptcies start to increase along with the more challenging economic outlook. Noteworthy, monthly insolvencies have recently increased to 11k/month in Canada from 7.5k/month during Covid as government support policies subside. This bodes well for medium term NIM support.

Finally, transitional costs (legal and consulting) related to the recent US Stearns Bank Holdingford acquisition and banking license application translated largely reversed in 1Q23. The efficiency ratio improved 1400bps y/y and 875bps sequentially to 42%. Similarly, ROE improved 347bps sequentially and 421bps y/y to 10.79%. Key to regaining investor confidence is proving out the operating leverage benefit of the US acquisition. To this point, **management commented that further improvements in ROE toward the high teens were very feasible. In our view, such an achievement would be a strong catalyst to the stock.** We expect NIMs to remain in the 3.0% range as the bank deploys its US funding into US receivables. Overall, our EPS growth estimate is a CAGR of +20% through 2025 but given the US loan book potential it could easily be much higher.

**DRT Cyber - growth slows but expected to ramp over time.** Revenue for DRTC was down -3%y/y to \$2.3m in this seasonally weaker quarter. Gross profit of \$1.6m was up +17%y/y due mainly to higher operating efficiencies. We note that the second half of the calendar year is more seasonally strong for this business, and management commentary indicated an expectation that growth will remain double digits going into 2023 as demand remains high for the company's suite of security products. New product revenue will start to be booked in 2Q and 3Q23, and the release noted a major North American financial institution customer was added in the quarter.

While growth has been tepid to date, DRTC remains a strong potential growth contributor to VersaBank. As stated previously, recent high-profile hacks and heightened cyber-security concerns over the Russia-Ukraine conflict suggest sustained high demand for DRTC's services. Adding to its pen-testing capabilities the company now has a full suite of products including an email privacy compliance platform (RAVEN) which is the first fully automated and integrated solution to comply with all major global anti-SPAM legislation and a resale agreement with Syrenis to sell its subscription-based product Cassie which is a world leading Consent and Preference Management solution for global organizations. Our 2023 operating income assumption remains \$6.6 million which assumes 16% growth y/y. We have previously published a value in the \$2.50/share range for this division and believe investors will realize that value at some point in the next few years either through operating growth or a value crystallization event such as IPO of the business.

VBANK trades at just 0.8x P/TBV with book expected to grow at +13% CAGR for the next 3 years. This compares to larger banks at 1.4-2x and US specialty and tech-based banks between 1-2.5x with significantly lower growth. On forward earnings the bank trades at 6.7x. Key to analysing the P/E profile is the expected growth rate at +20% CAGR through 2025 driven by double-digit loan growth from US expansion. VBANK's earnings multiple compares to larger Canadian banks at 9-12x and US specialty and tech-based banks at 10-15x all of which have lower expansion opportunities. Finally, the company has a dividend of \$0.10/sh for a yield of 1%. However, the payout on 2023E earnings is just 7% with a CET1 ratio of 11.2%, leverage ratio of 9.2% and credit loss provisions at just 0.05% of average loans (i.e., plenty of capacity and low risk). Management recently stated it will hold the dividend steady for now as it assesses its multiple growth strategies though in our view the

key focus here is the US expansion. As we see evidence of this growth opportunity and what form that may take, we believe a payout closer to 15-20% is more likely in the medium term. Hence, we forecast significant dividend growth in the 2-4-year period. In the meantime, the company purchased and cancelled 822,296 shares under the NCIB this quarter for total of 1.017m shares under the program. Management comments suggest the company is likely to fully execute on the NCIB which implies a further 683k shares to be purchased. Overall, we think there is still significant upside for the stock as it executes on its growth strategies over the next 2-3 years.

Figure 2 TSX:VBNK vs. Public Comps Stock Information

Canadian Banks	Ticker	Cur.	52 week		Shrs Out. (M)	Mar. Cap (\$M)	Div/Share LTM	Dividend Yield	Payout Ratio	EPS LTM	P/E LTM	Norm. EPS Fiscal 23'E	Forward P/E 23'E	TBV/Share LTM	P/BV LTM							
			\$Cur. Price	Below High																		
Canadian Banks	Bank of Montreal	TSXBMO	CAD	\$127.38	-17.5%	12.0%	676.3	86,144	\$ 5.54	4.3%	23.2%	\$15.72	8.1x	\$13.42	9.5x	\$ 90.29	1.41x					
	Canadian Imperial Bank of Commerce	TSX:CM	CAD	\$ 61.37	-25.9%	14.5%	906.4	55,623	\$ 3.32	5.4%	58.8%	\$5.06	12.1x	\$7.07	8.7x	\$ 43.01	1.43x					
	National Bank of Canada	TSX:NA	CAD	\$103.45	-1.3%	25.9%	340.4	35,211	\$ 3.68	3.6%	49.8%	\$9.46	10.9x	\$9.79	10.6x	\$ 51.90	1.99x					
	Royal Bank of Canada	TSX:RY	CAD	\$137.06	-4.9%	17.4%	1,396.0	191,338	\$ 5.08	3.7%	48.2%	\$10.51	13.0x	\$11.85	11.6x	\$ 59.45	2.31x					
	The Bank of Nova Scotia	TSXBNS	CAD	\$ 68.71	-27.0%	8.7%	1,200.3	82,469	\$ 4.09	6.0%	57.8%	\$7.24	9.5x	\$7.64	9.0x	\$ 47.59	1.44x					
	The Toronto-Dominion Bank	TSX:TD	CAD	\$ 87.19	-16.2%	12.8%	1,813.4	158,106	\$ 3.63	4.2%	31.7%	\$8.26	10.6x	\$8.90	9.8x	\$ 47.37	1.84x					
	Average				-15.5%	15.2%					10.71x		9.85x				1.74x					
	Canadian Western Bank	TSX:CWB	CAD	\$ 26.11	-32.7%	23.1%	92.82	2,424	\$ 1.24	4.7%	0.0%	\$3.42	7.6x	\$3.58	7.3x	\$ 33.91	0.77x					
	EQB Inc.	TSX:EQB	CAD	\$ 62.40	-19.9%	39.3%	35.03	2,186	\$ 1.21	1.9%	17.8%	\$7.55	8.3x	\$10.45	6.0x	\$ 57.25	1.09x					
	Home Capital Group Inc.	TSX:HCG	CAD	\$ 41.30	-4.0%	73.4%	41.27	1,705	\$ 0.60	1.5%	16.2%	\$3.64	11.3x	\$5.18	8.0x	\$ 39.34	1.05x					
	Laurentian Bank of Canada	TSX:LB	CAD	\$ 34.07	-23.6%	20.7%	43.34	1,477	\$ 1.80	5.3%	43.1%	\$4.87	7.0x	\$4.86	7.0x	\$ 53.30	0.64x					
	Average				-20.0%	39.1%					8.56x		7.06x				0.89x					
U.S. Banks	AX	USD	\$ 45.69	-11.2%	34.7%	60.5	2,765	\$ -	0.0%	0.0%	\$4.29	10.6x	\$5.07	9.0x	\$ 27.17	1.68x						
	Eagle Bancorp, Inc.	EGBN	USD	\$ 41.98	-30.8%	0.7%	32.1	1,347	\$ 1.75	4.2%	39.6%	\$4.39	9.6x	\$4.78	8.8x	\$ 35.86	1.17x					
	The Bancorp, Inc.	TBKC	USD	\$ 34.03	-9.4%	105.1%	57.3	1,949	\$ -	0.0%	0.0%	\$2.27	15.0x	\$3.37	10.1x	\$ 12.33	2.76x					
	Coastal Financial Corporation	CCB	USD	\$ 44.35	-18.7%	24.5%	13.5	599	\$ -	0.0%	0.0%	\$3.01	14.7x	\$4.13	10.7x	\$ 18.50	2.40x					
	OP Bancorp	OPBK	USD	\$ 10.93	-24.6%	6.6%	15.2	166	\$ 0.44	4.0%	0.0%	\$2.14	5.1x	\$1.84	5.9x	\$ 11.59	0.94x					
	CB Financial Services, Inc.	CBVF	USD	\$ 24.47	-3.6%	19.4%	5.1	126	\$ 0.96	3.9%	na	\$2.15	11.4x	\$2.80	8.7x	\$ 22.45	1.09x					
	Average				-16.4%	31.9%					11.07x		8.89x				1.67x					
VersaBank	TSX:VBNK	CAD	\$ 10.32	-31.2%	17.9%	27.32	282	\$ 0.10	1.0%	12.65%	\$0.93	11.0x	\$1.55	6.7x	\$ 12.77	0.81x						
*Normalized 23'E based on Loderock Estimates																						
Canadian Banks	NIM 22'A	Profitability		EBT Margin % 22'A	Operating Leverage 22'A		Capital & Funding		ROA 22'A	ROE 22'A	Tire 1 ratio 22'A	Credit Qualities		Nonperf. Loans / Total Loans %	Allow for Credit Losses / Total Loans %	Coverage Ratio	Loan Growth	3-yr CAGR (19-22')		Diluted EPS CAGR 20' -23'	PEG	P/BV/ ROE
	Bank of Montreal	1.62%	55.80%	53.59%	13.44%	1.27%	21.06%	18.40%	0.37%	0.48%	130%	9.0%	10.2%	17.4%	22.9%	0.69	6.7					
	Canadian Imperial Bank of Commerce	1.58%	56.40%	39.26%	0.66%	0.70%	12.98%	13.30%	0.37%	0.60%	163%	10.0%	5.3%	12.1%	14.5%	0.35	11.0					
	National Bank of Canada	1.34%	52.60%	44.99%	3.00%	0.89%	16.74%	15.30%	0.39%	0.49%	127%	11.0%	10.4%	21.9%	18.4%	0.51	11.9					
	Royal Bank of Canada	1.48%	52.30%	41.46%	2.99%	0.87%	15.28%	13.80%	0.31%	0.48%	154%	9.8%	6.8%	10.0%	15.3%	0.69	15.1					
	The Bank of Nova Scotia	2.20%	52.80%	43.39%	1.73%	0.80%	13.78%	13.20%	0.67%	0.72%	108%	7.9%	5.2%	5.5%	13.4%	0.54	10.5					
	The Toronto-Dominion Bank	1.69%	52.80%	44.39%	3.63%	0.96%	16.50%	18.30%	0.31%	0.77%	251%	6.7%	7.2%	11.2%	20.9%	0.40	11.2					
	Average	1.65%	53.78%	44.51%	-1.86%	0.92%	16.06%	15.38%	0.40%	0.59%	155%	9.1%	7.5%	13.0%	17.6%	0.53	11.1					
	Canadian Western Bank	2.41%	51.50%	43.59%	-4.12%	0.86%	9.27%	10.60%	0.75%	0.45%	60%	8.0%	4.1%	10.8%	7.1%	0.48	8.3					
	EQB Inc.	1.87%	41.60%	49.46%	-8.14%	0.62%	12.04%	14.70%	0.30%	0.21%	70%	20.5%	23.3%	17.5%	18.9%	0.40	9.1					
	Home Capital Group Inc.	2.01%	50.80%	43.85%	-1.03%	0.70%	9.61%	15.31%	0.24%	0.26%	105%	7.0%	0.0%	-2.6%	15.2%	0.24	10.9					
Laurentian Bank of Canada	1.84%	66.50%	28.40%	2.61%	0.47%	8.36%	10.10%	0.45%	0.52%	114%	4.0%	-12.1%	7.9%	21.1%	0.23	7.6						
Average	2.03%	52.60%	41.32%	2.00%	0.66%	9.82%	12.68%	0.44%	0.36%	87%	9.9%	3.8%	8.4%	15.6%	0.34	9.0						
U.S. Banks	Axos Financial, Inc.	4.13%	50.25%	49.99%	0.57%	1.52%	15.82%	9.86%	0.60%	0.99%	0%	14.7%	0.0%	16.8%	21.7%	0.20	10.6					
	Eagle Bancorp, Inc.	2.93%	46.31%	53.46%	-3.92%	1.23%	10.93%	14.03%	0.08%	0.97%	243%	0.4%	38.4%	1.1%	7.8%	0.56	10.7					
	The Bancorp, Inc.	3.55%	0.00%	52.05%	11.33%	1.77%	19.34%	13.40%	0.33%	0.41%	157%	44.3%	0.0%	13.1%	35.9%	0.06	14.3					
	Coastal Financial Corporation	5.97%	56.26%	23.29%	-9.38%	1.41%	18.27%	9.08%	1.26%	2.81%	0%	40.9%	0.0%	25.2%	49.7%	0.06	13.1					
	OP Bancorp	4.18%	47.42%	51.03%	8.40%	1.74%	19.47%	11.70%	0.18%	1.13%	0%	19.9%	30.1%	8.0%	29.9%	0.07	4.8					
	CB Financial Services, Inc.	3.25%	63.36%	28.80%	-1.28%	0.80%	9.20%	12.30%	0.70%	1.10%	NA	3.3%	0.0%	-4.8%	-202.2%	-0.01	11.8					
	Average	4.00%	49.93%	43.10%	-0.75%	1.41%	15.50%	11.73%	0.53%	1.23%	80%	20.6%	11.4%	9.9%	9.5%	0.16	10.9					
	VersaBank	2.70%	53.55%	51.21%	-11.14%	1.03%	7.62%	11.99%	0.05%	0.10%	682%	8.8%	35.7%	18.4%	23.8%	0.04	10.6					

\*Operating Leverage is calculated as total revenue 3yr (19-22)/CAGR growth minus non-interest expense 3-yr CAGR growth  
\*PEG is defined as 23'E PE/3-yr EPS CAGR till Fiscal 2023E

Source: Loderock Research & Company fillings

Figure 3 Income Statement

Versa Bank Income Statement											
						Projected					
		2022A	2022A	2022A	2022A	2022A	2023A	2023F	2023F	2023F	2023F
		Q1	Q2	Q3	Q4	31-Oct	Q1	Q2	Q3	Q4	31-Oct
Interest Income											
Loans	(C\$ thous)	24,514	25,472	33,165	40,039	123,190	46,855	49,732	52,819	54,944	204,351
Securities	(C\$ thous)	206	376	1,012	2,033	3,627	2,706	3,180	3,022	2,662	11,571
Total Interest Income	(C\$ thous)	24,720	25,848	34,177	42,072	126,817	49,561	52,913	55,841	57,607	215,922
Interest Expense											
Deposits and other	(C\$ thous)	6,469	7,239	12,727	18,165	44,600	23,841	25,611	27,015	28,069	104,536
Subordinated notes	(C\$ thous)	1,366	1,367	1,388	1,430	5,551	1,446	1,446	1,446	1,446	5,784
Total Costs	(C\$ thous)	7,835	8,606	14,115	19,595	50,151	25,287	27,057	28,461	29,515	110,320
Net Interest Income		16,885	17,242	20,062	22,477	76,666	24,274	25,855	27,380	28,091	105,601
Provision for credit losses	(C\$ thous)	(2)	(78)	(166)	(205)	(451)	(385)	(136)	(103)	(105)	(730)
Operational Expenses	(C\$ thous)	10,636	11,767	13,216	13,774	49,393	12,335	12,752	13,050	13,150	51,287
Income Before Income Taxes	(C\$ thous)	7,628	6,790	7,857	10,273	32,548	13,198	14,569	15,581	16,878	60,225
Income Tax Expenses	(C\$ thous)	2,062	1,847	2,137	3,844	9,890	3,781	4,225	4,518	4,894	17,419
Net Income	(C\$ thous)	5,566	4,943	5,720	6,429	22,658	9,417	10,344	11,062	11,983	42,806
Div on Preferred Shares	(C\$ thous)	(247)	(247)	(247)	(247)	(988)	(247)	(247)	(247)	(247)	(988)
Net Income to Common Shrs Holders											
Average Basic Shares O/S	(Thous's)	27,441	27,441	27,441	27,379	27,425	27,025	27,025	27,025	27,025	27,025
Average Diluted Shares O/S	(Thous's)	27,441	27,441	27,441	27,379	27,425	27,025	27,025	27,025	27,025	27,025
Earnings per Share - Basic	(C\$ / share) \$	0.19	\$ 0.17	\$ 0.20	\$ 0.23	\$ 0.79	\$ 0.34	\$ 0.37	\$ 0.40	\$ 0.43	\$ 1.55
Earnings per Share - Diluted	(C\$ / share) \$	0.19	\$ 0.17	\$ 0.20	\$ 0.23	\$ 0.79	\$ 0.34	\$ 0.37	\$ 0.40	\$ 0.43	\$ 1.55
Dividend Per share	(C\$ / share) \$	0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.10	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.10

Source: Loderock Research &amp; Company filings

Figure 4 Balance Sheet

Versa Bank Balance Sheet											
							Projected				
		2022A Q1	2022A Q2	2022A Q3	2022A Q4	2022A 31-Oct	2023A Q1	2023F Q2	2023F Q3	2023F Q4	2023F 31-Oct
ASSETS											
Cash and Cash Equivalents	(C\$ thous)	155,239	198,157	84,214	88,581	88,581	201,372	212,597	168,596	116,654	116,654
Loans, net of allowance for credit losses		2,215,638	2,450,276	2,814,121	2,992,678	2,992,678	3,235,083	3,424,791	3,570,570	3,719,093	3,719,093
CRE Mortgages	(C\$ thous)	722,829	782,274	755,042	710,369	710,369	752,138	774,702	790,196	802,049	802,049
CRE Loans	(C\$ thous)	14,600	14,065	13,510	13,165	13,165	12,811	12,939	13,069	13,199	13,199
PSOF	(C\$ thous)	31,247	35,529	35,605	35,452	35,452	42,523	42,948	43,378	43,811	43,811
POS	(C\$ thous)	1,439,781	1,610,336	1,998,993	2,220,894	2,220,894	2,414,266	2,583,265	2,712,428	2,848,049	2,848,049
Other assets	(C\$ thous)	44,469	43,713	43,326	43,175	43,175	45,388	-5,382	38,711	84,225	84,225
Total Assets	(C\$ thous)	2,415,346	2,692,146	3,075,343	3,265,998	3,265,998	3,531,690	3,773,570	3,919,440	4,061,536	4,061,536
LIABILITIES AND EQUITY											
Deposits	(C\$ thous)	1,847,003	2,124,916	2,475,063	2,657,540	2,657,540	2,925,452	3,024,927	3,146,418	3,262,470	3,262,470
Personal Deposit	(C\$ thous)	1,250,792	1,516,222	1,883,971	2,059,127	2,059,127	2,339,873	2,410,069	2,482,371	2,532,019	2,532,019
Commercial Deposit	(C\$ thous)	596,211	608,694	591,092	598,413	598,413	585,579	614,858	664,047	730,451	730,451
Subordinated Notes Payable	(C\$ thous)	97,726	98,410	98,706	104,951	104,951	102,765	102,765	102,765	102,765	102,765
Securitization Liabilities	(C\$ thous)	0	0	0	0	0	0	0	0	0	0
Other Liabilities	(C\$ thous)	133,666	127,406	154,926	152,832	152,832	152,296	285,339	299,566	314,537	314,537
Total Liabilities	(C\$ thous)	2,078,395	2,350,732	2,728,695	2,915,323	2,915,323	3,180,513	3,413,031	3,548,749	3,679,772	3,679,772
Share Capital	(C\$ thous)	241,662	242,086	242,510	239,629	239,629	234,467	234,467	234,467	234,467	234,467
Additional Paid in Capital	(C\$ thous)				1,612	1,612	1,955	0	0	0	0
Retained Earnings (deficit)	(C\$ thous)	95,276	99,285	104,071	109,335	109,335	116,638	126,072	136,224	147,297	147,297
Other	(C\$ thous)		43	67	99	99	72	0	0	0	0
Shareholder's Equity	(C\$ thous)	336,938	341,414	346,648	350,675	350,675	351,177	360,539	370,691	381,764	381,764
Check		0	0	0	0	0	0	0	0	0	0

Source: Loderock Research &amp; Company filings



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