VERSABANK

For Immediate Release: November 30, 2016
Attention: Business Editors

VERSABANK TO PAY QUARTERLY DIVIDENDS ON SERIES 1 & SERIES 3 PREFERRED SHARES

LONDON, November 30, 2016/BUSINESS WIRE/ - VersaBank (TSX:VB) today announced that its Board of Directors have declared quarterly cash dividends on its 7.0% Series 1 Preferred Shares (TSX:VB.PR.A) and 7.0% Series 3 Preferred Shares (TSX:VB.PR.B).

The Series 1 Preferred Share dividend of $0.175 per Series 1 Preferred Share is payable, subject to the approval of the Toronto Stock Exchange ("TSX"), as of January 31, 2017 to shareholders of record at the close of business on January 6, 2017.

The Series 3 Preferred Share dividend of $0.175 per Series 3 Preferred Share is payable, subject to the approval of the Toronto Stock Exchange ("TSX"), as of January 31, 2017 to shareholders of record at the close of business on January 6, 2017.

The dividends to which this notice relates are eligible dividends for tax purposes.

About VersaBank

VersaBank, a technology based and digital Canadian Schedule I chartered bank, operates using an "electronic branchless model." It sources deposits, consumer loans, commercial loans and leases electronically. The Bank also makes residential development and commercial mortgages it sources through a well-established network of brokers and direct contact with its lending staff. VersaBank's Common Shares trade on Toronto Stock Exchange under the symbol VB and its Series 1 Preferred Shares and Series 3 Preferred Shares trade under the symbols VB.PR.A and VB.PR.B, respectively.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Visit our website at: http://www.versabank.com