

VERSABANK

For Immediate Release: October 26, 2017

Attention: Business Editors

VERSABANK RECEIVES TSX APPROVAL FOR NORMAL COURSE ISSUER BID

LONDON, October 26, 2017/BUSINESS WIRE/ - VersaBank (TSX:VB) today announced that it has obtained approval from the Toronto Stock Exchange (TSX) to proceed with a Normal Course Issuer Bid ("NCIB") for its common shares.

VersaBank believes that the market price of its common shares are unusually low and do not fully reflect the value of its business and its future business prospects. As a result, VersaBank believes that purchasing its common shares represents an appropriate and desirable use of available funds.

Pursuant to the NCIB, VersaBank may purchase for cancellation up to 435,000 of its common shares representing 3.2% of its public float. As of October 20, 2017, the public float comprised 13,546,520 common shares and there were 21,123,559 issued and outstanding Common Shares in total. The average daily trading volume (ADTV) of VersaBank's Common Shares on the TSX for the months of April 2017 to October 2017 (the "Preceding Six Month Period") was 17,259 shares. Daily purchases under the NCIB will be limited to 25% of the ADTV, which is 4,314 common shares, other than block purchase exceptions. During the Preceding Six Month Period 2,862,554 VersaBank common shares were traded on all Canadian exchanges; of that figure, 2,157,413 shares were traded on the TSX and the remaining 705,141 shares were traded on a number of alternate exchanges and trading systems.

The purchases may commence on October 30, 2017 and will terminate on October 29, 2018, or such earlier date as VersaBank may complete its purchases pursuant to the NCIB. The purchases will be made by VersaBank through the facilities of the TSX and alternate trading systems and in accordance with the rules of the TSX or such alternate trading systems, as applicable, and the prices that VersaBank will pay for any Common Shares will be the market price of such shares at the time of acquisition. VersaBank will make no purchases of Common Shares other than open market purchases. All shares purchased under the NCIB will be cancelled.

On behalf of the Board of Directors: David R. Taylor, President & C.E.O.

About VersaBank

VersaBank, a technology based and digital Canadian Schedule I chartered bank, operates using an "electronic branchless model". It sources its funding, along with consumer and commercial loan and lease receivables, electronically. The Bank also makes residential development and commercial mortgages it obtains through a well-established network of brokers and through direct contact with its lending staff. VersaBank's Common Shares trade on the 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>