

VERSABANK

For Immediate Release: August 29, 2018

Attention: Business Editors

VERSABANK TO PAY QUARTERLY DIVIDENDS ON ITS COMMON SHARES AND SERIES 1 AND SERIES 3 PREFERRED SHARES

LONDON, August 29, 2018/BUSINESS WIRE/ - VersaBank (TSX:VB) today announced that its Board of Directors have declared quarterly cash dividends on its Common Shares (TSX:VB), 7.0% Series 1 Preferred Shares (TSX:VB.PR.A) and 7.0% Series 3 Preferred Shares (TSX:VB.PR.B).

The Common Share dividend of \$0.01 per share and the Series 1 Preferred Share and Series 3 Preferred Share dividends of \$0.175 per share are payable, subject to the approval of the Toronto Stock Exchange ("TSX"), as of October 31, 2018 to shareholders of record at the close of business on October 5, 2018.

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

About VersaBank

VersaBank is a technology based, digital Canadian Schedule I chartered bank. It operates using an "electronic branchless model" and sources its funding, along with consumer and commercial loan and lease receivables, electronically. VersaBank 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 TSX 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>