For Immediate Release: March 31, 2021
Attention: Business Editors

VERSABANK ANNOUNCES REDEMPTION OF NON-CUMULATIVE SERIES 3 PREFERRED SHARES (NVCC)

LONDON, ONTARIO/CNW/ - VersaBank (TSX: VB) ("VersaBank" or the "Bank") today announced its intention to redeem all outstanding Non-cumulative 6-Year Rate Reset Preferred Shares, Series 3 (Non-Viability Contingent Capital (NVCC)) ("Series 3 Preferred Shares") of the Bank on April 30, 2021 at a price equal to $10.00 per share together with all declared and unpaid dividends to the Redemption Date.

The redemption has been approved by the Office of the Superintendent of Financial Institutions and will be financed out of the general funds of the Bank. This redemption is part of the Bank's ongoing management of its regulatory capital.

On February 23, 2021, the Board of Directors of the Bank declared quarterly dividends of $0.175 per Series 3 Preferred Share. These will be the final dividends on the Series 3 Preferred Shares, and will be paid in the usual manner on April 30, 2021 to shareholders of record on April 2, 2021, as previously announced. After April 30, 2021, the Series 3 Preferred Shares will cease to be entitled to dividends and the only remaining rights of holders of such shares will be to receive payment of the redemption amount.

Beneficial holders who are not directly the registered holder of Series 3 Preferred Shares should contact the financial institution, broker or other intermediary through which they hold these shares to confirm how they will receive their redemption proceeds. Inquiries should be directed to our Registrar and Transfer Agent, Computershare Investor Services Inc. at 1-800-564-6253.

ABOUT VERSABANK

VersaBank is a Canadian Schedule I chartered bank with a difference. VersaBank became the world's first fully digital financial institution when it adopted its highly efficient business-to-business model using its proprietary state-of-the-art financial technology to profitably address underserved segments of the Canadian banking market in the pursuit of superior net interest margins while mitigating risk. VersaBank obtains all of its deposits and provides the majority of its loans and leases electronically, with innovative deposit and lending solutions for financial intermediaries that allow them to excel in their core businesses. In addition, leveraging its internally developed IT security software and capabilities, VersaBank established wholly owned, Washington, DC-based subsidiary, DRT Cyber Inc. to pursue significant large-market opportunities in cyber security and develop innovative solutions to address the rapidly growing volume of cyber threats challenging financial institutions, multi-national corporations and government entities on a daily basis.

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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