

BY-LAW NO. 3
of
VERSABANK
(formerly Pacific & Western Bank of Canada)
(the “Bank”)

1. Each issued and outstanding common share of the Bank is hereby consolidated into 1/8 of a common share. Effective as of the date hereof, the issued and outstanding common shares of the Bank are hereby consolidated from 112,432,271 common shares issued and outstanding to 14,054,034 common shares issued and outstanding.

2. The effective date of By-Law No. 3 is December 31, 2012.