

Versailles Financial Corporation

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****PRESS RELEASE****

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VERSAILLES FINANCIAL CORPORATION TO RECORD CHARGE FOR DEFINED BENEFIT PENSION PLAN TERMINATION

Versailles, OH; August 2, 2016 – Versailles Financial Corporation (the “Company”) (OTC BB “VERF”), the holding company for Versailles Savings and Loan Company (the “Bank”), announced today they will incur a pre-tax charge associated with the termination of the Bank’s defined benefit pension plan effective May 31, 2016. The estimated charge of approximately \$521,000 reflects the shortfall of the value of the plan’s assets relative to the plan’s projected liabilities as of the termination date. The Company is required to record the charge during the period in which all disbursements to plan participants are made, which is expected to occur during the quarter ending September 30, 2016. Going forward, the Company expects to realize annual pension plan cost savings of approximately \$180,000 as a result of the termination of the defined benefit pension plan.

About Versailles Financial Corporation

Versailles Financial Corporation is the holding company for Versailles Savings and Loan Company. Originally chartered in 1887, Versailles Savings and Loan Company is a community financial institution serving Darke and Shelby Counties in Ohio.

Forward Looking Statements

This press release contains certain forward-looking statements, which can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like “believe,” “expect,” “anticipate,” “estimate,” and “intend” or future or conditional verbs such as “will,” “would,” “should,” “could,” or “may”. Certain factors that could cause actual results to differ materially from expected results include changes in the interest rate environment and other factors that may adversely affect the business of the Company and Versailles Savings and Loan Company.