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Laurentian Bank of Canada Acquires the Canadian Equipment Financing and Corporate Financing Activities of CIT Group Inc.

MONTREAL, QUEBEC--(Marketwired - June 29, 2016) - Laurentian Bank of Canada ("**Bank**") (TSX:LB) and CIT Group Inc. ("**CIT**"), a U.S. company based in New York, announced today that they have reached a definitive agreement under which the Bank has agreed to acquire the Canadian equipment financing and corporate financing activities of CIT ("**CIT Canada**"), a portfolio of approximately \$1 billion (CDN). The closing of the transaction is scheduled for the last quarter of the 2016 fiscal year, subject to customary closing conditions, including applicable regulatory notifications and approvals.

"Earlier this year, the Bank announced its intention to increase the percentage of revenue generated by our commercial activities as a priority in our transformation plan. By providing a more complete line of products and services, a larger pool of customers and an enhanced sales force deployment, this agreement will contribute directly to achieve our growth agenda", said François Desjardins, President and Chief Executive Officer at Laurentian Bank. "We are taking the opportunity to regroup all of our equipment financing activities in a new national subsidiary called LBC Capital. The creation of this subsidiary reflects our desire to expand our equipment financing offering and will result in greater cohesion across our teams" added Stéphane Therrien, Executive Vice-President, Personal and Commercial Banking, at Laurentian Bank.

Active in Canada for over 25 years, CIT Canada operates primarily in the equipment and corporate finance sectors out of its head office in Burlington, Ontario and employees across the country supporting customers and vendors in all provinces. By mirroring the Bank's ever-growing internal expertise in those same sectors, while providing a more geographically diverse national footprint, the Bank is confident that the acquisition of CIT Canada will be highly complementary and beneficial.

"Two years ago, the Bank set up a specialized equipment financing team and has rapidly built up its presence in the industry ever since. This acquisition corresponds perfectly with our Canada-wide growth strategy. By combining both teams, we will be able to accelerate the evolution of our activities in order to position ourselves as a leader in the industry" explained Éric Provost, Senior Vice-President, Commercial Banking, Business Services, at Laurentian Bank.

Upon closing of the transaction, approximately 140 employees of CIT Canada will join the Bank. "We are pleased with this acquisition by Laurentian Bank, an institution with over 170 years of history that intends to maintain and develop the long lasting relationships that we have built with our employees, customers, suppliers and business partners in Canada" added Blake Macaskill, Managing Director at CIT Canada.

The Bank believes the acquisition will be modestly accretive to its adjusted earnings per share in 2017 and accretive to adjusted earnings per share by approximately 4% in 2018. Based on the anticipated assets on closing and the financing, the Bank's Basel III Common Equity Tier 1 ratio



is expected to be in line with the pre-transaction level. The acquisition will be financed through a \$135 million offering of subscription receipts and existing balance sheet liquidity.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities referenced above. The securities referenced above have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration.

Conference call

A conference call is scheduled to take place on June 29, 2016 at 4:45 p.m. (ET), followed by a brief question and answer period with analysts. Presentation material will be available on Laurentian Bank's website, in the Investors section at:

https://www.banquelaurentienne.ca/en/about_lbc/my_investment/presentations.html

Interested parties can access this call live on a listen-only basis via telephone using the following access numbers:

North American toll-free: 1-800-505-9573

Conference ID: 9801064

A recording of the conference call will be available on June 29, 2016 at 7:45 p.m. until July, 29, 2016 at 7:45 p.m. via telephone at 1-888-203-1112 (North America toll-free), passcode 9801064.

About Laurentian Bank

Laurentian Bank of Canada is a banking institution whose activities extend across Canada. The Bank serves one and a half million clients throughout the country and employs more than 3,600 people whose talent and dedication have made it a major player in numerous market segments. The Bank has more than \$41 billion in balance sheet assets and \$42 billion in assets under administration.

Laurentian Bank distinguishes itself through the excellence and simplicity of its services. The Bank caters to the needs of retail clients via its branch network. The Bank has also earned a solid reputation among small and medium-sized enterprises and real estate developers thanks to its specialized teams across Canada, namely in Ontario, Québec, Alberta, British Columbia and Nova Scotia. For their part, B2B Bank is a Canadian leader in providing banking and investment products and services to financial advisors and brokers, while the expertise and effectiveness of Laurentian Bank Securities' integrated brokerage services are known nationwide.

About CIT Group Inc.

Founded in 1908, CIT (NYSE:CIT) is a financial holding company with more than \$65 billion in assets. Its principal bank subsidiary, CIT Bank, N.A., (Member FDIC, Equal Housing Lender) has more than \$30 billion of deposits and more than \$40 billion of assets. It provides financing,



leasing and advisory services principally to middle-market companies across a wide variety of industries primarily in North America, and equipment financing and leasing solutions to the transportation sector. It also offers products and services to consumers through its Internet bank franchise and a network of retail branches in Southern California, operating as OneWest Bank, a division of CIT Bank, N.A.

Caution Regarding Forward-looking Statements

In this document and in other documents filed with Canadian regulatory authorities or in other communications, Laurentian Bank of Canada may from time to time make written or oral forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements include, but are not limited to, statements regarding the Bank's business plan and financial objectives. The forward-looking statements contained in this document are used to assist the Bank's security holders and financial analysts in obtaining a better understanding of the Bank's financial position and the results of operations as at and for the periods ended on the dates presented and may not be appropriate for other purposes. Forward-looking statements typically use the conditional, as well as words such as prospects, believe, estimate, forecast, project, expect, anticipate, plan, may, should, could and would, or the negative of these terms, variations thereof or similar terminology.

By their very nature, forward-looking statements are based on assumptions and involve inherent risks and uncertainties, both general and specific in nature. It is therefore possible that the forecasts, projections and other forward-looking statements will not be achieved or will prove to be inaccurate. Although the Bank believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct.

Some of the specific forward-looking statements in this document include, but are not limited to, statements with respect to the expected timing and completion of the acquisition described herein. The Bank cautions readers against placing undue reliance on forward-looking statements when making decisions, as the actual results could differ considerably from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various material factors.

With respect to the proposed acquisition, the Bank also cautions readers regarding: the conditions in the acquisition agreement not being satisfied, failure to receive regulatory approvals (including stock exchange) or other approvals or otherwise satisfy the conditions to the completion of the offering of subscription receipts described herein (the **Offering**), changes in the terms of the offering, and the funds of the Offering not being available to the Bank. Furthermore, material factors could also include: changes in capital market conditions, changes in government monetary, fiscal and economic policies, changes in interest rates, inflation levels and general economic conditions, legislative and regulatory developments, changes in competition, modifications to credit ratings, scarcity of human resources, developments in the technological environment, as well as, the ability to operate the Bank's transformation plan.

With respect to the anticipated benefits from the acquisition of CIT's Canadian Equipment & Corporate Finance Portfolio and statements with regards to this transaction being accretive to



earnings, such factors also include, but are not limited to: synergies may not be realized in the time frame anticipated, the ability to promptly and effectively integrate the businesses, reputational risks and the reaction of Laurentian Banks' and CIT Canada customers to the transaction, and diversion of management time on acquisition-related issues.

The Bank further cautions that the foregoing list of factors is not exhaustive. For more information on the risks, uncertainties and assumptions that would cause the Bank's actual results to differ from current expectations, please also refer to the Management's Discussion and Analysis under the title "Risk Appetite and Risk Management Framework" in the Bank's Annual Report, as well as to other public filings available at www.sedar.com.

The Bank does not undertake to update any forward-looking statements, whether oral or written, made by itself or on its behalf, except to the extent required by securities regulations.

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