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Laurentian Bank of Canada Announces Closing of Bought Deal Offering and Concurrent Private Placement of Subscription Receipts

MONTREAL, QUEBEC--(Marketwired - May 26, 2017) -

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Laurentian Bank of Canada (TSX:LB) (**Laurentian Bank** or the **Bank**) has announced today that it has completed its previously announced bought deal offering (the **Public Offering**) and concurrent private placement (the **Concurrent Private Placement**) of subscription receipts (the **Subscription Receipts**).

On May 18, 2017, the Bank entered into an agreement with a syndicate of underwriters (the **Underwriters**) led by TD Securities Inc., BMO Capital Markets and RBC Capital Markets under which the Underwriters agreed to buy, on a bought deal basis, from Laurentian Bank 3,880,000 Subscription Receipts at a price of \$51.70 per Subscription Receipt (the **Offering Price**) for total gross proceeds of \$200,596,000. Effective at closing, the Underwriters exercised in full their over-allotment option to acquire an additional 291,000 Subscription Receipts, such that a total of 4,171,000 Subscription Receipts were issued for total gross proceeds of \$215,640,700.

On May 18, 2017, Laurentian Bank also entered into a subscription agreement with *Caisse de dépôt et placement du Québec* (**Caisse**) pursuant to which Caisse agreed to purchase, on a prospectus-exempt basis, 483,560 Subscription Receipts (the **Placement Subscription Receipts**) at the Offering Price for gross proceeds to the Bank of \$25,000,052. The conditions relating to the holding and release from escrow of the subscription amount from the Concurrent Private Placement and the issuance of the underlying shares pursuant to the Placement Subscription Receipts are substantially equivalent to those applicable to the Public Offering.

The Bank intends to use the net proceeds from the Public Offering and the Concurrent Private Placement to finance a portion of the purchase price for its proposed acquisition (the **Acquisition**) of all of the issued and outstanding equity interests in the capital of NCF Holdings LLC (**Northpoint Commercial Finance**), which, together with its subsidiaries, is among the leading US and Canadian inventory finance lenders with a portfolio of approximately \$1.2 billion as at March 31, 2017. The Acquisition is expected to close before the end of the fiscal year ending October 31, 2017, subject to customary closing conditions, including applicable regulatory notifications, waiting periods and approvals.

Each subscription receipt will entitle the holder to receive, if the Acquisition closes, one common share in the capital of the Bank (a **Common Share**), together with an amount per subscription receipt equal to the per-share cash dividends declared by the Bank on the Common Shares to holders of record on a date during the period from and including the closing date of the Public Offering and Concurrent Private Placement to but excluding the closing date of the Acquisition. The gross proceeds from the Public Offering less 50% of the Underwriters' fee paid upon closing of the Public Offering, together with the gross proceeds from the Concurrent Private Placement, will be held in escrow, pending closing of the Acquisition. If the Acquisition closes on or before October 31, 2017, the escrowed proceeds from the Public Offering and Concurrent Private Placement will be released to the Bank and used by the Bank to pay a portion of the purchase price of the Acquisition. If the Acquisition fails to close by October 31, 2017, or the Acquisition is terminated at an earlier time, the gross proceeds and pro rata entitlement to interest earned on the escrowed proceeds thereon will be paid to holders of the Subscription Receipts.

The Subscription Receipts will commence trading on the Toronto Stock Exchange on May 26, 2017, under the symbol "LB.N".

The Subscription Receipts were offered for sale to the public in each of the provinces of Canada pursuant to a prospectus supplement dated May 18, 2017 to the Bank's short form base shelf prospectus dated December 20, 2016, which was filed with Canadian securities regulatory authorities in all Canadian provinces. Investors should read the prospectus supplement and short form base shelf prospectus before making an investment decision. The description of the Subscription Receipts set forth above is qualified in its entirety by the subscription receipt agreement and the summary thereof contained in the prospectus supplement.

The securities offered have not been, and will not be, registered under the U.S. Securities Act of 1933 (the **U.S. Securities Act**), as amended, and may not be offered or sold in the United States, absent registration or an applicable exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities. The offering or sale of the securities shall not be made in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Laurentian Bank

Laurentian Bank of Canada is a financial institution whose activities extend across Canada. Founded in 1846, its mission is to help customers improve their financial health and it is guided by values of proximity, simplicity and honesty.

The Bank serves one and a half million clients throughout the country and employs more than 3,600 individuals, which makes it a major player in numerous market segments. The Bank caters to the needs of retail clients via its branch network based in Quebec. The Bank also stands out for its know-how among small and medium-sized enterprises and real estate developers owing to its specialized teams across Canada. Its subsidiary B2B Bank is, for its part, one of the major Canadian leaders in providing banking products and services and investment accounts through financial advisors and brokers. Laurentian Bank Securities offers integrated brokerage services to a clientele of institutional and retail investors.

The Bank has more than \$43 billion in balance sheet assets and more than \$32 billion in assets under administration.

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. Some of the specific forward-looking statements in this document include, but are not limited to, statements with respect to the use of proceeds from the Public Offering and the Concurrent Private Placement; the expected timing and completion of the Acquisition and the fact that closing of the Acquisition is subject to certain conditions.

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. Certain important assumptions by the Bank in making forward-looking statements include, but are not limited to: the satisfaction of all conditions to the completion of the Acquisition within the anticipated timeframe; the Bank's ability to execute its transformation plan and strategy; the ability of the Bank to access the capital markets; the absence of significant changes in foreign currency exchange rates or significant variability in interest rates; the ability to hedge exposures to fluctuations in interest rates and foreign exchange rates; the expectation of regulatory stability; no downturn in economic conditions; sufficient liquidity and capital resources; no material changes in competition, market conditions or in government monetary, fiscal and economic policies; and the maintenance of credit ratings.

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. Among other things, these factors include: the failure or delay to receive or fulfill regulatory approvals and notifications or otherwise satisfy the conditions to the completion of the Acquisition; difficulties in the operation of the Bank's transformation plan and in particular the reorganization of retail branches, the modernization of the core banking system and adoption of the Advanced Internal Ratings-Based approach to credit risk; exchange rate risk; foreign currency exposure risk; 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, adverse modifications to credit ratings, scarcity of human resources, and developments in the technological environment. 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 2016 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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