

FINANCING A NEW PROJECT WITH A PHARMACY'S PLUS-VALUE AS COLLATERAL: A LAURENTIAN BANK EXCLUSIVE

Montréal, May 4, 2011 – Along with the change of seasons comes the desire to embark on new projects. Whether it is a question of professional or personal projects, Laurentian Bank has developed a variety of different long-term financing solutions specifically for owner-pharmacists. In particular, the Bank offers a highly innovative and interesting exclusive option — withdrawals that consider goodwill and the overall value of the pharmacy as collateral — commonly known as *equity withdrawals*.

As such, a pharmacist who wishes to undertake a new project by taking advantage of the value gained by their establishment over the years can have access to a new source of financing. The overall collateral value takes assets into account, as well as the plus-value element associated with goodwill. In fact, goodwill is a form of asset that has considerable value in the analysis of a file.

"Few creditors recognize goodwill as a real value that can serve as collateral, and even fewer financial institutions agree to offer withdrawals on equity," underlines Monique Lo, Senior Manager with the Pharmacies segment at Laurentian Bank. "Moreover, the proceeds of this loan can be used at the entire discretion of the owner-pharmacist, which allows them great latitude in their choices."

The funding thus obtained may be used for the acquisition of another pharmacy or other business-related projects, such as the purchase of the building in which the pharmacy currently operates. In addition, pharmacists could also use this financing formula for projects of their choice — both personal and initiatives aimed at growing the business — while enjoying the benefits of a term business loan whose interest is tax deductible.

"As the market value of the pharmacy has appreciated over the years, it constitutes a real asset upon which the creditor bases the loan," explains Monique Lo. "By having access to these *equity withdrawals*, pharmacists can finally enjoy the fruits of their labour over all the years while conserving their business. They can undertake projects sooner rather than later, reduce business-related pressure and stress, or decide take that well-earned vacation."

Ultimately, this is a highly flexible and beneficial formula for well-established pharmacists who wish to give their business greater impetus. At the same time, it is a solution that can enable them to cut back on their activities by taking advantage of the full value of their enterprise.

Pharmacists who wish to know more about the complete range of financial services offered to the members of their profession can contact Laurentian Bank's Monique Lo at (514) 227-2766, extension 5046. They can also visit the *Pharmacies* page on the Bank's Web site at <https://www.banquelaurentienne.ca/en/entreprises/pme/drugstore.html>.

About Laurentian Bank

Laurentian Bank of Canada is a banking institution operating across Canada and offering its clients diversified financial services. Distinguishing itself through excellence in service, as well as through its simplicity and proximity, the Bank serves individual consumers and small and medium-sized businesses. The Bank also offers its products to a wide network of independent financial intermediaries through B2B Trust, as well as full-service brokerage solutions through Laurentian Bank Securities.



Press release

FOR IMMEDIATE RELEASE

Laurentian Bank is well established in the Province of Quebec, operating the third-largest retail branch network. Elsewhere throughout Canada, it operates in specific market segments where it holds an enviable position. Laurentian Bank of Canada has more than \$23 billion in balance sheet assets and more than \$15 billion in assets under administration. Founded in 1846, the Bank employs more than 3,700 people.

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