
**EFFECTIVE MANAGEMENT OF STOCK RENEWAL IN PHARMACIES:
LAURENTIAN BANK RECOMMENDS AN OPERATING LINE OF CREDIT**

Montréal, December 15, 2010 – At Laurentian Bank, a range of different financing vehicles is available to pharmacists to meet their specific needs. In the case of the restocking of inventories, which involves short-term financing, the Bank recommends that the logical solution is an operating line of credit.

“Pharmacists must continuously renew their stocks from distributors to respond to customer demand, and these purchases should be settled quickly,” explains Monique Lo, Senior Manager of Pharmacies at Laurentian Bank. “By paying their supplier within a period of 21 days, pharmacists can generally benefit from a 2% discount on their purchases, which can represent a substantial savings in the long-term.”

The line of credit is one of the most flexible financial vehicles available. It offers full latitude of use up to the authorized limit, repayments based on fluctuations in an enterprise’s liquid assets, as well as a highly attractive interest rate that is normally lower than long-term financing or other credit vehicles. At Laurentian Bank, the pharmacist client’s line of credit is reviewed each year, and the amount of credit granted is established based on the level of stock in inventory and the accounts receivable. Moreover, every three months, the statement of assets is examined to monitor the evolution of the line of credit account, taking the fluctuations that may affect stocks and accounts receivable into account. A specific calculation then allows for the determination of whether or not the authorized credit limit adequately meets the needs of the enterprise.

“As indicated,” underlines Monique Lo, “the authorized amount does not change during the course of the year, and the client can make use of it in full. We recognize that there could be significant fluctuations in stocks or accounts receivable during the year and that the enterprise must be able to operate worry-free with the appropriate operating credit. In addition, the cost of borrowing undergoes a quarterly follow-up. Pharmacists appreciate this approach because it enables them to know exactly how much room they have to manoeuvre and to better plan their operations. If their needs grow and they require an increase in their line of credit, we possess all the data necessary to offer new credit facilities.”

Pharmacists who wish to obtain more information about the full range of financial services offered by Laurentian Bank to members of their profession may contact Monique Lo at (514) 227-2766, extension 5046. They can also log on to the *Pharmacies* page of 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.

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 3,600 people.



Press release

FOR IMMEDIATE RELEASE

Information:

Mary-Claude Tardif

Public Relations Advisor

514 284-4500, extension 4695

mary-claude.tardif@banquelaurentienne.ca