

China Liquidity Management

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Background

- China has historically been very cautious in liberalizing its markets
- Strict regulatory issues have prevented us from managing our excess cash with maximum flexibility
- Goal is to execute on a long-term, total solution in minimizing trapped cash and managing it more efficiently

Asia Regulatory Landscape

A spectrum of liberal and more regulated countries

Bangladesh
China
India
Korea
Sri Lanka
Thailand
Vietnam

Indonesia
Malaysia
Philippines
Taiwan

Australia
Hong Kong
Japan
New Zealand
Singapore



Limited transferability of currencies beyond jurisdiction

Now allowed to automate liquidity management

FX controls limit currency convertibility

Extensive bank reporting

Central bank approvals required for most liquidity management structures

Residency determines ability to hold account types and commingle with non residents

Freely transferable currencies

Popular tool for managing liquidity

No FX controls

Limited or no central bank reporting

No need for central bank approvals

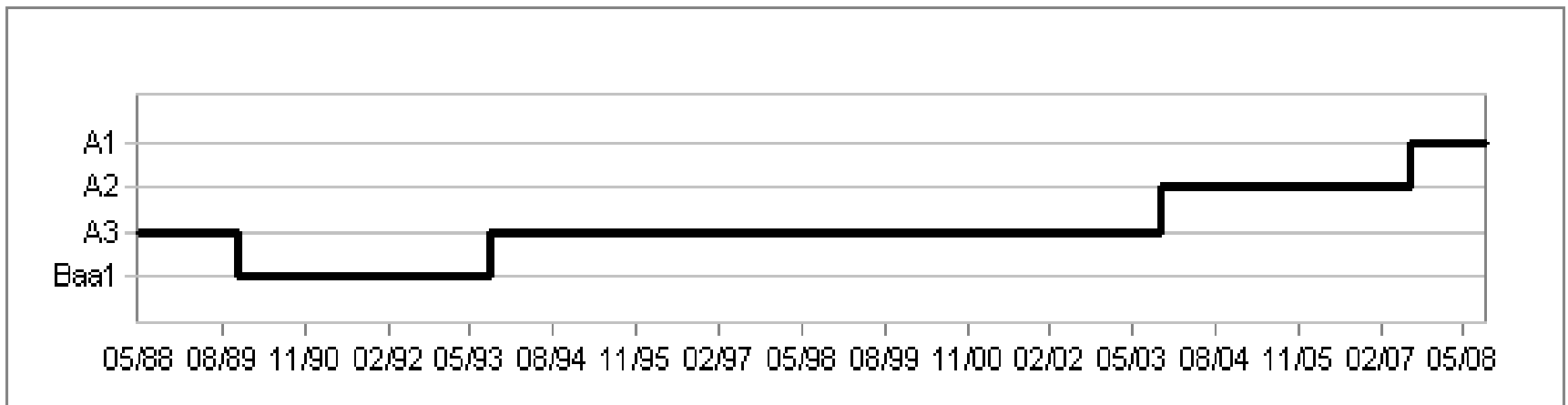
Funds are freely allowed to commingle (except for Japan)

China Risk Profile

Rating agencies upgrades China's credit ratings to A1/A+ (Stable)

Exceptionally strong external payments position, prudent debt management, and pragmatic liberalization policies

Capital controls and minimal external debt provide insulation to credit market turbulence



Total Solution Approach

