

IBM Providing Credit and Financing to Businesses in China

IBM

TIANJIN, China - 08 Jan 2010: IBM (NYSE: [IBM](#) [1]) today announced that its lending unit has signed a financing deal with Advanced Micro Devices, Inc. (NYSE: AMD) and its distributor network that will begin the flow of cash and credit in an important economic development zone in China.

Late last year, the Tianjin Government provided IBM Global Financing, the lending and leasing business segment of IBM an exclusive license to provide accounts-receivable lending (commonly referred to as '[factoring](#)' [2]) in the Tianjin Binhai New Area, a key economic development zone, designed by the government to provide support for innovative business initiatives.

"One of the keys to economic recovery is the successful partnering of private and public sectors," said Mario Bernardis, general manager for worldwide commercial financing, IBM Global Financing. "This new partnership with IBM Global Financing and the Tianjin Government will bring great benefits to businesses looking to speed up the conversion of their invoices to cash. We are grateful to the Tianjin Administrative Bureau of Industry and Commerce for granting IBM this factoring license - a first of its kind in China."

Credit is a key concern for businesses all over the world trying to keep their balance sheets healthy. As goods and services pass through their vendor supply network, companies must sometimes wait from 90 to 120 days to get paid. With this new factoring license, IBM recently established a new operating entity called IBM Factoring (China) Company Limited. This new IBM entity will help businesses operating in the country smooth out the time lag between invoice and payment.

IBM Factoring (China) Company Limited has entered into an agreement with Advanced Micro Devices (NYSE: AMD) to factor AMD sales receivables in China. IBM Factoring (China) Company Limited will purchase receivables resulting from sales by AMD to its main technology distributors. IBM Factoring (China) Company Limited will pay AMD up front for inventory delivered to its distributor network and extend payment terms to these distributors on a flexible schedule.

"This customer-focused financing arrangement can facilitate the flow of AMD's market-leading solutions throughout the China marketplace," said Devinder Kumar, AMD senior vice president, corporate controller and treasurer. "Working with IBM Global Financing, our customers in the region can focus on leveraging our technology towards greater profitability and resilience, and let the payment cycle run smoothly in the background."

IBM Global Financing has been operating in China for more than 10 years. It

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provides IT leasing and financing to clients across many industries in China, helping them to acquire the IT solutions they need to be successful and competitive. IBM Global Financing also supports the sales and distribution of IBM hardware and software to IBM's Resellers. IBM's financing operations drive channel growth through innovative programs such as payment extension programs, and through solutions to reduce collection disputes. In addition, IBM China Leasing Co offers leasing for IBM products.

A 4-trillion-yuan (585.7 billion U.S. dollars) stimulus package, backed by proactive fiscal policy and moderately easy monetary policy, has encouraged consistent gross domestic product growth in China. Economic development zones, like the China's Tianjin Binhai New Area provide new opportunities for business -- foreign and domestic -- to help improve profitability and stimulate the economy.

[SOURCE](#) [3]

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[1] <http://www.ibm.com/investor/>

[2] [http://en.wikipedia.org/wiki/Factoring_\(finance\)](http://en.wikipedia.org/wiki/Factoring_(finance))

[3] <http://www.ibm.com/press/us/en/pressrelease/29148.wss>