

AN ANALYSIS OF THE DEVELOPMENT OF PERSONAL FINANCE BUSINESS OF MINSHENG BANK

CHAPTER 1 INTRODUCTION

1.1 Topic selection background and research significance

Since the reform and opening up, China's economy and society have achieved sustained rapid and steady development and the social wealth owned by individuals and families has increased. At the same time since the 1970s commercial banks in western countries have begun to vigorously develop personal wealth management services and have basically established a relatively independent system of personal wealth management services accumulating a large amount of knowledge and experience about personal wealth management services. Into the mature stage of financial services. In this context, China has gradually developed personal finance since the 1990s. At the end of 2001, China's accession to the WTO promised to fully liberalize the financial industry providing a strong external force for the reform and development of the domestic financial industry. The development of commercial bank personal finance business has also entered a new era. Personal wealth management products have become a substitute for China's residents' savings with higher yields and lower risks. The five state-owned banks have started to develop their wealth management services. By the end of 2005, 26 commercial banks nationwide had launched personal wealth management services and the balance of products was about 200 billion yuan. In 2006, when commercial banks entered the period of independent development. The types and scale of personal wealth management products grew rapidly. In the face of increasingly fierce competition, various commercial banks increased their product innovation and distribution efforts. By the end of 2008, there were 56 companies in the country. Commercial banks issued a total of 4,456 wealth management products. Since 2009 RMB wealth management products have become a major product category of commercial banks. At the same time, joint-stock banks city commercial banks rural cooperative agencies and foreign banks have all joined the tide of personal financial services development. By the end of 2012, a total of 32,152 wealth management products had been issued nationwide with a total balance of approximately 7.10 trillion yuan. According to the 2016 annual report released by the Purui Standards as of December 31, 2016, a total of 459 commercial banks in China issued 123,758 wealth management products continuing to record new highs and the

total surviving scale exceeded 30 trillion yuan.

The development of personal finance business of China's commercial banks has achieved rapid development. But the yield of wealth management products has shown a clear downward trend. At the same time. In other words, the mode of development shifted from an inward-oriented accumulation regime with extensive state regulation and intervention to a stance that was export-oriented. It can be argued that in the process of industrialization, regional imbalances and poverty can be reduced if the credits are allocated in a way that is effective to this end. The criteria for the distribution of these credits among geographical regions, however, were ambiguous (Akyüz , 2008). Although personal finance business still has enormous potential and room for development with the increasing degree of openness in our country foreign banks have entered the domestic personal wealth management market and the development of domestic commercial banks is facing tremendous pressure and challenges. Therefore personal financial management services for commercial banks It is imperative to conduct in-depth research. China Minsheng Bank is the first joint-stock commercial bank set up by private capital in China. It has been developing rapidly for 21 years and has always been committed to the development and reform of the financial industry. Since the development of personal wealth management services. Minsheng Bank has relied on the good momentum of domestic economic development to actively create innovative wealth management products, continuously deepened reforms and achieved a diversified development of the wealth management market. Both in terms of quantity and scale are located in domestic commercial banks. Since the bulk of financial services in developing countries are provided by banks, we assess financial development from the most-commonly used bank-based measures of financial development, which are private credit, liquid liabilities, and deposit money bank assets, all expressed as a share of GDP. Private credit gauges the amount of credit that banks other than monetary authorities allocate to the private sector. This is a standard variable in the finance literature (Xie, 2016).

1.2 Overview of foreign research

The foreign banking industry has come into contact with the financial innovation theory earlier. The development of personal finance business is also more abundant than in China. The related theoretical research has been increasingly comprehensive and in-depth in terms of research methods and research contents. Assessing whether the impact of financial development on poverty is influenced by institutions has important policy insights; it is no coincidence that two of the World Bank's top priorities is the development of the financial sector and institution-building.

1.2.1 Domestic research overview

It also puts them into the context of current international development policy priorities, including the creation of sustainable employment opportunities and the reduction of poverty levels in low-income countries. Provide a thorough analysis of the existence of thresholds in the relationship between financial development and poverty (Wu, 2017). In terms of driving the development of personal wealth management services. Believes that with the advancement of interest rate liberalization, banks' liabilities have begun to undergo some changes. Residents' deposits are increasingly desiring to obtain high returns. While the yield on time deposits is far. It is difficult to satisfy residents' expectations that if banks cannot follow the needs of residents, deposits will flow to wealth management products of the same industry. This trend forces banks to choose to develop well-managed wealth management services. Believe that the catalyst for the development of wealth management services is the new normal of finance. With the further liberalization of interest rate liberalization and the vigorous rise of Internet finance, the diversified allocation of assets has become the mainstream trend. Commercial banks The development path of the interest rate spread as the main profit point needs to be updated urgently. The wealth management business will be the main financial product of commercial banks and new profit growth point.

In actual business development, banks need to improve and improve financial services from multiple aspects. Believes that commercial banks should provide targeted financial services according to the individual needs of customers, including the planning of customers' lifetime. Believes that commercial banks' financial staff must adhere to professional ethics and ethics, establish a relationship of faith with investors, fulfill faithful obligations, explanation obligations, appropriate obligations, and confidentiality obligations. Analyzed and compared the status quot of foreign commercial banks, including U.S., Japan, Europe, and domestic personal financial services, and concluded that foreign commercial banks are unique in the content, methods, level, and market positioning of their services. What are the advantages and advantages, and made specific recommendations on the development of domestic commercial banks. Analyzed the contribution of commercial banks' wealth management services in increasing revenue for customers, promoting the development of the real economy, and meeting the diversified needs of customers. It also pointed out that there are many risks in financial services, and commercial banks should Investors started to avoid and reduce risks in two aspects.

In the future development trend of commercial bank personal wealth management business. Given the large heterogeneity of countries covered by

multilateral DFI, and in order to gain a better understanding of the possible different effects that the above variables may have on economic growth, we split our sample into two sub-samples. One includes 59 lower-income countries and the other 42 higher-income countries. Pointed out the deficiencies of commercial banks' personal wealth management business compared with other asset management modes in the current background of big capital management, and borrowed advanced foreign asset management experience to suggest that domestic commercial banks should Improve Macro-Organizational Structure and Promote Asset-end Innovation and Management Innovation. Proposed that under the current background of Internet finance booming, traditional banks' financial management services have been affected. Banks should start from aspects such as wealth management products and payment platforms, actively develop online models, and improve asset security. Under the mediation of the country's macroeconomic policies. Believe that the Ministry of Finance's policy of encouraging local governments to raise government funds by issuing government bonds to repay the financing platform's debt will lead to a decrease in the growth rate of the balance of wealth management products and the yield rate. Gradually Approaching the Risk-free Interest Rate.

1.2.2 Research objects and research methods

This article takes the China Minsheng Bank Co., Ltd., which is a joint-stock commercial bank with strong overall domestic strength. As its research object, mainly analyzing its personal wealth management business, and finding out the Minsheng Bank's product structure, employee quality, risk management, and external competition. Existing problems and shortcomings, and addressing their problems, explore solutions to the problems. This level of investment corresponds to roughly 6% of Official Development Assistance provided by the governments of the DFI 14 home countries. The Least Developed Countries are the poorest countries with a GNI per capita below US \$750. The three private sector segments - large businesses, small and medium enterprises (SMEs), and micro-businesses, have different degrees of access to finance (Li, 2016).

1.3 Innovation and insufficiency

The possible innovation of this paper lies in the systematic analysis and discussion of China Minsheng Bank's personal wealth management business, and takes Minsheng Bank's personal wealth management products as the main analysis object, and conducts more in-depth data mining and analysis. It conducts comparative analysis with other commercial banks, finds out the problems existing in Minsheng Bank in this respect, and proposes corresponding countermeasures in order to have certain practical significance for its development. However, due to limitations in its own

capabilities and data collection, this paper does not provide a more in-depth analysis of China's financial market, which needs further improvement in the later period.