Development and innovation of Intermediary business in Commercial Bank of China

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Abstract: In the middle of business development to speed up the commercial banks to adjust the income structure, improving operating performance, enhance the comprehensive competitiveness of the objective requirements and the realistic choice. Relative to foreign and domestic commercial banks to intermediate business started late, development time is short, there is the proportion of low-income, less variety, innovation ability, and many other problems to be solved, the article from the concept of culture, business innovation, talent pool, incentive mechanism and other aspects put forward corresponding countermeasures.

Keywords: Intermediary business in commercial banks; development strategy; innovation

1 Introduction

Intermediary business has become a commercial bank and assets, liabilities, business alongside one of the three pillars of business. But the business of commercial banks in China is still in its infancy, there is a big gap with developed countries, this business of commercial banks on the development of China's current situation, compared with Chinese and foreign commercial banks in the middle of the gap between business innovation, business innovation center of the constraints unfavorable factors, combined with the status quo of China's banking industry innovation Intermediate Business of Commercial Banks. The strategy, and to strengthen the technical support center operations, development and other measures put forward some countermeasures.

2 Intermediary Business Development of Commercial Banks in China

2.1 lower intermediate business benefits

Most commercial banks to develop intermediary business purpose is to attract customers as the intermediary business, increasing the amount of deposit and loan business as a means, sometimes regardless of cost to develop intermediary business, so efficiency is not high. Intermediary business is to provide various financial services that the community and charge a fee for the purpose of the financial services business, but because of the shackles of the traditional concept of banking, banks ineffective publicity and customer awareness of weak and other causes of the financial impact, so far, most of among commercial banks has not given a reasonable business position. Together with our customers on the bank charge a fee lack of awareness among the majority of business a bank of free services, do not speak the price, regardless of cost, so that should be the middle of the business income loss. To bill business, for example, the lack of a unified standard, the current market price is extremely confusing bills discounted, and some even learned to just above the central bank rediscount benchmark interest rate by 1 percentage point of the price discount to customers handle business. In addition, retail and credit card businesses nationwide computer network development, each row a lot of money and technology, but it has lost business in the huge fee income.

2.2 Backward Service awareness, low level of science and technology

Intermediary business development and modernization of equipment closely related to banking, can be said that middle business is the result of scientific and technological revolution. Developed countries, commercial banks, multinational financial products, multi-functional intelligent integrated products are high-tech crystal. At present, Europe and the United States, Japan and other developed countries, the services of intermediary business means a high degree of technology. Network developed in recent years the most attractive feature is its banking business much lower than the cost of traditional commercial banking business, other networks can be easily converted between the different languages, to gently expand cross-border e-banking provide excellent conditions for business. In contrast, China's commercial banks in the middle of business service means lagging behind, the lower the level of science and technology. Specifically expressed in, commercial banks lack efficient and speedy settlement and payment systems, lack of sound, scientific accounting system, lack of proper management information systems, communication networks and computer applications supporting capacity are relatively poor.

2.3 small business development center, small species
2005-2007, Chinese commercial banks to intermediate business income accounted for the proportion of revenue from 7.8% to 10%, the proportion of intermediary business is still low. In 2007, four major state-owned commercial banks, only Bank of China's intermediary business revenue in the proportion of operating income up 18%, the other three banks were below 10%. But the West's commercial banking intermediary business revenue to operating revenue accounts for more than 30%. According to statistics, in 2002 the United States of intermediary business revenue share of total income from 80 to 14% to 30%, the Bank of Japan from 24% to 39.19%. At present, commercial banks operate in the middle of business, in terms of scale, efficiency, or from the social impact on the formation of new benefits are not enough growth. Has been set up in the middle of business innovation in services-based, advertising-based business more varieties, some innovative tools to actually market speculation, signboards to attract customers, product promotion and product often divorced from the actual function, the market demand and cause for concern; sale Services not keep up, widespread attention to actual function, the market demand and cause for concern; sale Services not keep up, widespread attention to product development, product maintenance neglect, attention to pre-work, the phenomenon of neglect after-sales service.

2.4 Development of intermediary business very uneven in different regions

Relatively speaking, the more developed coastal areas due to economic, higher income, strong financial awareness and promote the local branch of the state-owned commercial banks new business, the rapid development of intermediary business; the mainland as relatively closed, resulting in the mainland state-owned commercial banks branches of the slow development of new business. If the bank of Suzhou in 2006 in the middle of revenue 26,213,600 yuan 11.08% of total revenues, significantly higher than the national average of ICBC (9.1%) and other inland areas level.

3 The main obstacles in Innovative development of commercial banks in the Intermediary business

Compared with Western commercial banks, commercial banks, innovation and development in the middle of our business both in size, scope, variety, or in the income levels are far from its problems. The main obstacle on the following:

3.1 The financial system reform lags behind the development of intermediary business momentum constraint

Lagging performance of the financial system as unclear property rights, mechanisms, rigid, low efficiency. Dominated by four state-owned commercial banks monopoly situation has not fundamentally changed, stressed the prevention of financial risks to lower bad Zichan than as a key assessment indicators, not the profit target as a key assessment indicators. Strictly separate management and separate management system limits innovation and development of commercial banks and securities and insurance markets related to new product development. As the institutional barriers that lead to my lack of commercial banks in innovative power, intermediate business single species. Generally speaking, consultation, commitment class, Valet finance emerging class of high value-added varieties of intermediary business less. China's overall low level of financial development, financial futures and option markets have not yet established, derivative type instruments basically blank.

3.2 The charges are low and the lack of uniform standards, hurt the middle business development, enthusiasm

Bank wire transfers, electronic joint line business, acceptance bill business, the same city a long-term settlement services and other serious charges are low, especially long-term RMB business fee is not adjusted, the cost has been a serious departure from the market, resulting in cost-benefit inversion. Fees are not uniform among business, the competition for customers between the start of interbank irrational competition. Such as when the agency scrambling, race fees down, I do not receive your revenue, and even explicitly or implicitly "out ahead." This not only damages the interests and reputation of banks, but also hurt the banking intermediary business development initiative.

3.3 The lack of uniform standards for the middle of business development and management of the department

Intermediary business development and management belong to different functions, Chinese commercial banks are not the same situation, the lack of interdepartmental cooperation and coordination of the organic, even in the conflict of interest between departments, can not be together. Such as collection and payment services and the close relationship between the credit card, but in the fragmented system, the lack of an overall package development function, resulting in a degree of waste of bank resources. System management unclear responsibilities, poor management, resulting in poor flow of information channels, carrying out work.

3.4 input is insufficient to form a business development and innovation among software and...
4 Innovation and Development Strategies of Commercial Bank Business

Commercial banks should respond to domestic and international financial competition, we must further emancipate the mind, changing concepts; to accelerate the financial reform process, to explore new ways of management; standard among existing business and actively develop and innovation among businesses.

4.1 to enhance awareness of the three ideas

Commercial banks must thoroughly change the planned economic management under the concept of state-owned banks, set up with the market economy of the modern commercial banking business philosophy. Enhance the sense of crisis and be prepared, despite the difficulties, boost morale and development; increase market awareness, market-oriented, customer-centered management, business development for market advantage; enhance efficiency awareness, the development of quality and operating efficiency as All the starting point and the end goal of maximizing profits.

4.2 to strengthen supervision of financial intermediary business, developing management systems with international standards and operating specifications

Regulatory supervision of intermediary business principles should be introduced for commercial banks to develop intermediary business in China to develop business standards, to strengthen the classification of intermediary business management, management development and improve relevant laws and regulations, build a fair and competitive business environment, strengthening financial supervision, stop illegal activities, so that business is always in the middle of commercial banks standardized, orderly, and good state of market competition. Should learn from foreign intermediate business of commercial banks, regulatory standards, regulatory instruments, risk measurement indicator system to improve the level of middle business regulation. As the intermediate business of different kinds of risk vary widely, regulators should be classified according to the intermediary business practice supervision of commercial banks not to use their own funds, as a mediator between customers and charge a fee collection and payment services to the business round up opened by commercial banks operate independently and Guan Li, and security, commitment and financial derivatives class medium business, its likely on the bank's liabilities are risky, supervision departments should require commercial banks to include credit management scope to strengthen risk management. It is therefore compatible with international practice policies, laws and regulations is especially urgent and important.

4.3 to learn from the experience of Western commercial banks, development of new varieties of business

Learn from the experience of Western commercial banks, detours, reduce product development costs, shorten product innovation cycles. Among commercial banks operate in our country the actual business situation, the following recommendations: First, expand the scope of the traditional settlement business. Offering personal remittances, personal checks business; strengthen exchange settlement through international settlement, the expansion of trade financing, syndicated loans, account services business; will accept a draft business conditions and expand our agency business. Agents receive customer payments, the financing agency, agent distribution, proxy custodian, agent notary, insurance, agency accounting and so on. With China's accession to WTO and the rapid development of capital markets, the situation changes, commercial banks into the capital markets will be an important direction of development. Commercial banks and investors to focus on development for the brokerage and clearing services to provide money transfer business. As a fund trustee, on behalf of beneficiaries of the fund custody funds, securities account handling services. Active agent for corporate bonds and commercial paper issuance and trading and so on. Third, set up a private banking business, for private or business to provide financial services. Such as tele-
phone banking, self-service banking, home banking and other convenience-type businesses. Fourth, expand the object in the middle of the credit services business. It includes project evaluation, property assessment, credit rating, financial advisors, investment and financing consultant, business listing package, M & A planning high value-added services. Fifth, development of multi-credit new products. According to customer demand for diversified investment and consumption, development of multi-purpose "savings card", "credit card insurance", so that credit card to become accessible, may be appropriate overdraft, can transfer to purchases will be collection and payment

The integrated card. 6 is a positive commitment to the development of a security class of business, such as letters of credit with a single guarantee, standby letter of credit guarantees, to have recourse secured debt transfer, standby lines of credit, revolving line of credit and so on. Seventh, to carry out various types of information consulting services.

4.4 The re-development of human resources, increase scientific and technological input

Improve the innovation and development of intermediary business conditions of competition in the hardware and software support is the key technology and talent competition. Business needs of the middle of theoretical and practical experience, who not only high quality, multi-type, with dedication to develop high-level, compound talents. While commercial banks have to introduce a number of strong financial, legal, accounting tax, business management, computers and professional knowledge; the other hand, staff training mechanisms should also be established to provide staff with further opportunities to learn, to understand the middle the latest business and to participate in business innovation. At the same time, we must increase the income distribution system reform, so as to establish compliance requirements of modern commercial bank personnel incentive and restraint mechanisms to fully tap the potential of employees. Intermediate business to rely on high-tech development, especially those dependent on network computers and electronic communications. Commercial banks are required from a strategic height, Zhong Shi and Accelerating Commercial Bank marked the computer to e-financial infrastructure and to establish nationally information sharing communications network, a fairly comprehensive information system, Tigao financial Ye's information.

4.5 to speed up business cooperation between domestic banks to speed up the construction of electronic

Modern electronic technology is widely used in the middle of an important condition for business development and driving force behind the development of intermediary business size standard level speed of the decision by the electronic level. Although commercial banks have formed the basic internal bank network, but the development trend of international banking, banking electronic banking and the bank must be between the banking and financial markets, banks and enterprises, banks and at home, between banks and public places, to be connected through the electronic information communication system as a whole. Therefore, the middle of the line to speed up the construction of e-business. Key construction payment network system, information management systems, communications network system and match the application software development. Meanwhile, the business cooperation between domestic banks, help to save operating costs, improve operational efficiency and enhance competitiveness. For example, the completion of the current development of the "Golden Card Project", for each bank will be less for re-investment to increase network, user-friendly, while Ye banks of the operating area expanded Liao, Zeng Qiang Liao Gong Tong competitiveness.

4.6 to strengthen the middle of the business risk prevention

5 Conclusion

Although the business of commercial banks in China at present still in its infancy, but the industry on the development of intermediary business has a great sense of increased gradually for the middle market business development provides a new space policy environment has also been relaxed, especially with the electronic and communication technologies widely used in the banking industry for providing a foundation for the development of intermediary business; recent years, the bank card business, is the rapid development of Internet banking. Recently, most banks have made it clear that to develop intermediary businesses, and is actively expanding their. With the growing Chinese economy, rising living standards, residents in the growing disposable property, personal agents, financial business development is vast.

References