



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

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

Thematic Certificate

To

ZHANG HAOWEI

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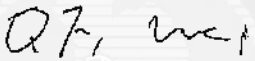
ABSTRACT

Title: An Analysis of the Development of Personal Finance Business of
Minsheng Bank

By: ZHANG HAOWEI

Degree: Master of Business Administration

Major: Business Administration

Advisor: 
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(Associate Professor Wei Qifeng)

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Since the reform and opening up, China's economy has gradually entered a stage of rapid development, and disposable income of households and individuals has continued to increase. Demand for wealth management products and services has also increased. As far as commercial banks are concerned, the continuous development of China's financial reform and the continuous advancement of interest rate liberalization have greatly reduced the profitability of traditional bank deposit and loan businesses. Personal wealth management services have become a new profit growth point for commercial banks and have gradually become the development of commercial banks. Key business. As an intermediary business with low risks and costs, personal wealth management services can attract high-quality customers by providing higher yields than savings of the same period, increase customer loyalty, bring more funds to commercial banks, and can also increase The income and profits of commercial banks have driven the overall development of commercial banks. While domestic commercial banks compete to develop personal wealth management services, the expansion of China's financial liberalization has also attracted foreign banks to join the personal finance market. In recent years, under the

background of the development of Internet finance, commercial banks' personal wealth management services are facing tremendous pressure and challenges. Therefore, commercial banks urgently need to strengthen and improve personal wealth management services and take effective measures to address the development of personal financial services. The existing problems, in turn, have a place in the fierce market competition. This paper takes China Minsheng Bank as the research object, and makes a systematic analysis and discussion on the problems existing in the development of personal wealth management services and the countermeasures that should be taken.

This article consists of five chapters. The first chapter is the introduction. It gives a brief introduction to the topic background, research significance, research methods, etc., and combs the research status at home and abroad. The second chapter is an overview of Minsheng Bank's personal wealth management business, discusses the meaning of personal wealth management business and the importance of developing wealth management business, and analyzes the development status of domestic banks and Minsheng Bank's personal wealth management business. Since the People's Bank of China launched a personal wealth management business, it has maintained a rapid growth trend. The type and quantity of wealth management products have begun to take shape, and they have taken a leading position in domestic commercial banks. However, there are bottlenecks in the development of Minsheng Bank. The third chapter mainly analyzes the problems existing in Minsheng Bank's personal wealth management business: the product structure is irrational, the customer stratification is not enough; the overall quality of employees is not high, the construction of financial management team is lagging behind; the risk management level is low, and the internal control system is not perfect. The external competition is fierce and the overall lack of competitiveness. The fourth chapter puts forward countermeasures and suggestions for the development of Minsheng Bank's personal wealth management business: strengthen product innovation, implement differentiated customer management, increase brand competitiveness, pay attention to the training of wealth management professionals and management personnel, reduce talent loss, and improve internal risk control system. , improve investors' ability to identify risks. The fifth chapter is a summary of the full text. This article believes that Minsheng Bank needs to make substantial progress and development in its personal wealth management business. It also needs to make unremitting efforts in various aspects and continuously enhance its market competitiveness.

Keywords: Minsheng Bank; Personal Finance Business; Development Strategy

摘 要

题目： 民生银行个人理财业务的发展分析

作者： 张皓玮

学位： 工商管理硕士

专业： 工商管理

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..... 2, 7, 2018

改革开放以来，我国经济逐步步入高速发展阶段，家庭及个人可支配收入不断增加，对理财产品和服务的需求也与日俱增。就商业银行而言，我国金融改革的持续发展和利率市场化的不断推进极大地缩小了银行传统存贷业务的利润空间，个人理财业务作为商业银行新的利润增长点，逐渐成为商业银行发展的重点业务。作为一项风险和成本较低的中间业务，个人理财业务可以通过提供高于同期限储蓄的收益率来吸引优质客户，增加客户忠诚度，为商业银行带来更多的资金，同时还可以增加商业银行的收入和利润，带动商业银行的整体发展。在国内商业银行竞相开展个人理财业务的同时，我国金融开放的扩大也吸引了外资银行加入个人理财市场。近年来，在互联网金融发展的大背景之下，商业银行的个人理财业务面临着巨大的压力和挑战，因此，商业银行急需加强和完善个人理财业务，采取有效的措施来解决个人理财业务发展中存在的问题，进而在激烈的市场竞争中占有一席之地。本文以中国民生银行为研究对象，对其个人理财业务发展中存在的问题及应采取的对策作了较系统的分析和探讨。

本文共五章。第一章为导论，对选题背景、研究意义、研究方法等做了简要介绍，并对国内外研究现状进行了梳理。第二章是对民生银行个人理财业务的概述，论述了个人理财业务的含义和发展理财业务的重要性，并分析了国内银行和民生银行个人理财业务的发展现状。民生银行开展个人理财业务以来，保持着快速增长的态势，理财产品种类和数量都已经初具规模，在国内商业银行中居于领先地位，但在其发展过程中也存在着瓶颈。第三章主要分析了民生银行个人理财业务存在的问题：产品结构不合理，客户分层不够细化；从业人员整体素质不高，理财队伍建设滞后；风险管理水平较低，内部控制体系不够完善；外部竞争激烈，整体缺乏竞争

力。第四章对民生银行个人理财业务发展提出了对策建议：加强产品创新，实行客户差异化管理，提高品牌竞争力；注重对理财专业人员和管理人员的培养，减少人才流失；健全内部风险控制体系，提高投资者识别风险的能力。第五章是对全文的总结。本文认为，民生银行要在个人理财业务上取得长足的进步和发展，还需要在多个方面不懈努力，不断增强自身的市场竞争力。

关键词：民生银行；个人理财业务；问题；发展对策



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理财业务面临着巨大的压力和挑战，因此，商业银行急需加强和完善个人理财业务，采取有效的措施来解决个人理财业务发展中存在的问题，进而在激烈的市场竞争中占有一席之地。本文以中国民生银行为研究对象，对其个人理财业务发展中存在的问题及应采取的对策作了较系统的分析和探讨。

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关键词：民生银行；个人理财业务；问题；发展对策

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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.



CHAPTER 2

LITERATURE REVIEW

Since China began to develop personal wealth management services in the 1990s, it has maintained a trend of rapid growth. The increase in residents' personal wealth has provided a strong external force for the development of wealth management services. The competition between various commercial banks and other financial institutions is increasing. Intensified. Among them, the development of Minsheng Bank's personal wealth management business is more prominent. The Bank will respond to this challenge by intensifying its "blended finance" operations (where the financing delivered on commercial terms is combined with financial grants or incentives to stimulate a certain market behaviour of either the PFIs or their clients) and by allowing in targeted cases for financing to be priced on the basis of the prevailing market conditions, rather than on the basis of the implied risk.

2.1 The meaning and origin of personal finance business

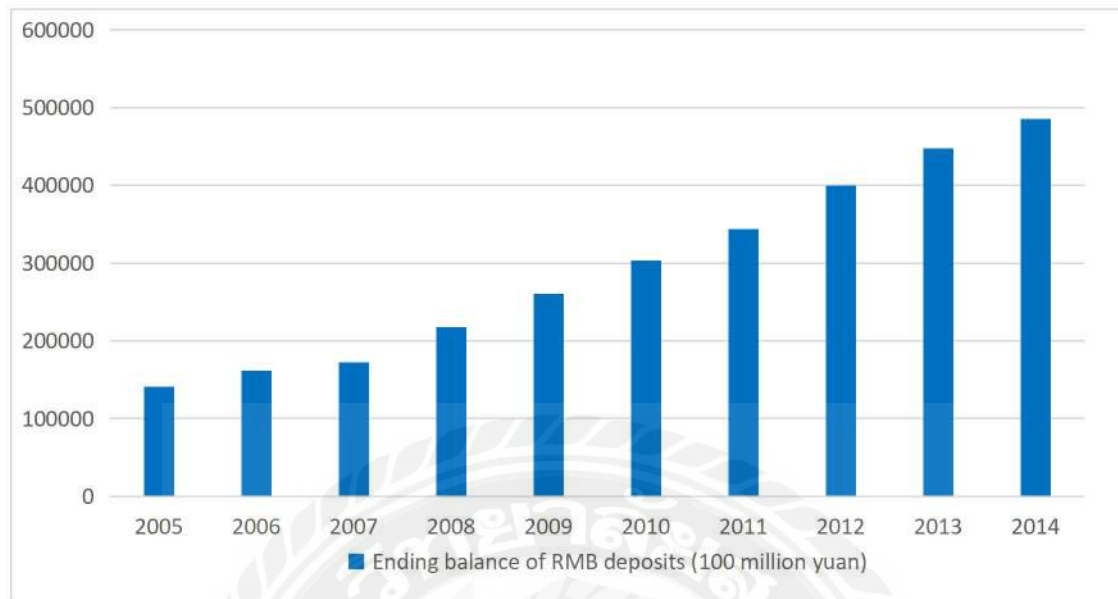
Personal financial services belong to the intermediary business of commercial banks. The bank's wealth management product is initiated by the commercial bank, and it is designed and acted as the product manager's wealth management product. The bank performs asset management on the funds entrusted by the customer according to the investment direction and investment method agreed with the customer. The income and risks arising from the investment process are Both parties sign the terms agreed in the contract for distribution. According to Article II of the Interim Measures for the Administration of Personal Banking Business of Commercial Banks promulgated by the China Banking Regulatory Commission, personal wealth management services refer to financial analysis and planning provided by commercial banks for individual customers. Investment consultants and asset management and other specialized service activities. 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 are the development of the financial sector and institution-building. 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. This level of investment corresponds to roughly 6% of Official Development Assistance provided by the governments of the DFIs' 14 home countries. The Least Developed Countries are the poorest countries with a GNI percapita 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.

Access to finance is particularly a challenge in countries that are either rated —non-investment grade or not rated at all. Excluded countries are those that do not issue debt on global markets and where market information tends to be very limited (Compton & Giedeman, 2011).

2.2 The importance of developing personal wealth management services

The importance of developing personal wealth management services is self-evident. First of all, for the public, the development of the national economy and the reform of the income distribution system have allowed residents to accumulate more personal wealth. The balance of savings deposits between urban and rural residents has increased year by year, and disposable income has also increased Figure 1. As of the fourth quarter of 2016, the cumulative per capita disposable income of residents in our country reached RMB 23,821. With the increase of residents' income, individuals and families are no longer satisfied with basic savings, and have higher requirements for asset appreciation, and hope to achieve more rational and efficient use of assets. In 2013, China Merchants Bank and Prospect Magazine conducted surveys on financial management of 1010 respondents and published the 2013 State Survey of Urban Wealth Management and Asset Allocation in China. Through analysis and summary, it is found that 88% of them have already had financial awareness and are conducting or are about to start financial management business, but they lack knowledge of financial management. As per the Enhanced and Structured Approach to Policy Reform Dialogue at the EBRD paper, investment projects will continue to form an essential base for a more proactive EBRD policy reform engagement (Wang, 2016). However, risks and benefits in the financial market Coexistence, there is an urgent need for banks to provide specialized personal financial consulting and consulting services. Provide a thorough analysis of the existence of thresholds in the relationship between financial development and poverty.

Figure 1: Annual balance of renminbi deposits between urban and rural residents from 2005 to 2014



Another concern with the estimations is the potential influence of outliers. We have used the Hadimvo procedure for outlier detection available in Stata for multivariate data. This result provides evidence in favour of a pro-poor impact from financial development, which is the expectation and is in line with the findings of previous studies on the financial development-poverty nexus. Similarly, the coefficient of the institutional variable is negative and statistically significant, meaning that the impact of institutional development is also pro-poor. Based on the above analysis, we can see the importance and urgency of developing personal wealth management services in China's social economy.

2.3 Development of personal finance services in China

Regarding development banking, four new non-deposit-collecting banks have been established in accordance with the development plans (Guo, 2015). As shown in Table 1 below, the changes in the fee and commission income structure of various listed banks from 2014 to 2015 show that the common trends in the development of all types of banks are the positive development of wealth management, private banking and asset custody services. The proportion has increased. Change, this also shows that all commercial banks are shifting their business focus to financial management.

Table 1: Changes in the fee and commission income structure of various listed banks

	Large commercial bank	Joint-stock commercial bank	city Bank	Commercial Bank		
	2015 year	2014 year	2015 year	2014 year	2015 year	2014 year
Money management, private banking and asset custody	19.58%	15.51%	27.71%	24.21%	50.24%	45.74%
E-banking and other	7.14%	7.48%	6.28%	7.55%	3.59%	3.01%
Bank card	25.11%	24.46%	28.14%	27.39%	8.09%	8.94%
Settlement, liquidation and foreign exchange	14.33%	17.24%	5.20%	7.38%	9.27%	11.54%
proxy	15.31%	12.62%	17.21%	13.93	8.04%	6.87%
Consultancy and Investment Banking	12.20%	16.02%	8.36%	10.22%	18.11%	20.45%
Guarantees and promises	6.32%	6.76%	7.11%	9.32%	2.65%	3.36%

2.3.1 Quantity and continuity of wealth management products

Since the development of wealth management services in China, the number and scale of products in China's personal wealth management market are shown in Table 2. It can be seen that the total scale has been increasing (Table 3). Despite the still relatively small, albeit growing, number of this type of randomized evaluation, the general thrust of this new body of evidence suggests that financial services do have a positive impact on a variety of micro-economic indicators, including self-employment business activities, household consumption, and well-being (Abdul & Maurizio, 2017). According to Wind data, the number of wealth management products issued in 2015 was 77,860, but the year-on-year increase was only 17.06%, far lower than the increase in previous years. As of the end of June 2016, the number of products remaining in the domestic banking wealth management market was 68,961, and the balance of funds was 26.28 billion yuan.

**Table 2: Number and Scale of Banking Wealth Products in China in 2014-2016
(Unit: only, trillion)**

Year	Product quantity	Product Continuity	Scale increase	Growth rate
2014	55012	15.02	-	-
2015	60879	23.50	8.48	56.46%
2016First half	68962	26.28	2.78	11.83%

Table 3: Number of Banking Wealth Management Products Issued in China in 2012-2015 (Unit: Only)

Year	Issue number	Growth rate
2012	31673	-
2013	44983	33.81%
2014	66512	47.86%
2015	77860	17.06%

2.3.2 Types of financial products revenue

Financial products can be divided into non-guaranteed floating income products, guaranteed capital floating income products and guaranteed income products according to different types of income. In the first half of 2016, the proportion of non-guaranteed products in China's banking wealth management products increased, and the proportion of guaranteed products declined. The remaining balance of non-guaranteed floating-income wealth management products was approximately RMB20.18 trillion, the balance of capital-guaranteed floating-income products was approximately RMB3.86 trillion, and the balance of guaranteed income products was approximately RMB2.24 trillion. The trend of changes is shown in Table 4 and Figure 1. According to the chart, we can see that although the balance of wealth management products of various income types has shown a growing trend. For example, the Bank will continue to advocate in Moldova the establishment of a single, unified, universal and transparent registry of shares of banks (Xu, 2014).

Table 4: Balances and Proportions of Various Types of Wealth Management Products in 2014-2016 (Unit: trillion)

Revenue type	2014year		2015year		2016First half	
	Balance	proportio n	Balance	proportio n	Balance	proportio n
Guaranteed fixed type	1.67	11.4%	2.43	9.68%	2.24	8.52%
Guaranteed floating	3.26	21.69%	3.64	20.88%	3.86	14.69%
Non-guaranteed floating	10.09	67.17%	17.43	69.44%	20.18	76.19%

2.3.3 The maturity of financial products

Financial products can generally be divided into four types within 3 months, 3-6 months, 6-12 months and 1 year or more depending on the time limit. In the first half of 2016, China's banking wealth management market cumulatively raised closed-ended wealth management products by 24.13 trillion yuan. The average duration of wealth management products that are weighted by the amount of funds is 127 days. The changes in the amount and proportion of capital raised from various periods since 2013 are shown in Table 5. Financial products within 3 months are the product types most favored by investors, and products with absolute advantages far exceed those of other deadlines, but their proportion is declining year by year, and they are tilted toward long-term products. Taking stock of the lessons learned from policy dialogue undertaken by the Bank so far, the activities will include support for policy implementation in addition to the definition or redefinition of policy (EBRD, 2014). The weighted period of closed wealth management products has gradually increased from 91 days in 2013 to 127 days in the first half of 2016, which also explains this issue.

Table 5: Proposals and Proportions of Offering of Closed-end Wealth Management Products of Different Term (Unit: trillions of yuan)

		Within 3 months	3-6 months	6-12month s	More than 1 year	total	Weighte d period
2013year	Amount	24.74	5.04	3.14	0.66	33.58	91day
	Accounting	73.67%	18.68%	9.34%	1.97%	100%	
2014year	Amount	28.78	7.72	4.3	0.51	41.31	96day
	Accounting	69.67%	15.02%	10.42%	1.23%	100%	
2015year	Amount	25.99	10.07	5.80	1.00	42.86	113day
	Accounting	60.64%	23.50%	13.53%	2.33%	100%	
2016First half	Amount	13.51	5.91	4.20	0.51	24.13	127day
	Accounting	56.00%	24.48%	17.40%	2.12%	100%	

Source of data: Annual income of China Banking Financial Market Annual Report

2.3.4 Risk level of financial products

The strategic objective will be achieved via the different strategic initiatives on-going within the Bank, especially the Small Business Initiative (targeting MSMEs), the Strategic Gender Initiative (targeting Women) and the Strategy for the Promotion of Gender Equality, the Green Economy Transition (promoting energy and resource efficient financial products), but also the Private Sector Food Security Initiative (which targets agriculture finance) and the Knowledge Economy where innovation and technological advancement are promoted (Wang, 2016). Financial products are generally classified into five levels of risk: low, medium, low, medium, high, and high. Table 6 show the amounts and proportions of wealth management products raised at various risk levels over the years. As can be seen from the chart, financial products below level 2 are more popular with investors and can account for about 80% of the entire wealth management market. With the overall proportion of the two occupying a high level, the proportion of wealth management products with a risk level of two is increasing, indicating that investors expect to obtain higher returns if the overall level of risk is low, so our country's commercial banks can target This development trend has issued more middle and low-level financial products.

Table 6: Amount and proportion of financial products raised by each risk level (unit: trillions of yuan)

		One level (low)	Secondary (mid Lo)	Level 3 (mid)	Level 4 (mid high)	Level 5 (High)	Total
2013 year	Raised amount	24.33	29.15	16.60	0.33	0.08	70.49
	proportion	34.52%	41.36%	23.55%	0.46%	0.11%	100%
2014 year	Raised amount	31.49	64.23	17.59	0.48	0.18	113.97
	proportion	27.63%	56.36%	15.43%	0.42%	0.18%	100%
2015 year	Raised amount	42.37	94.42	20.75	0.75	0.12	158.41
	proportion	26.75%	59.60%	13.10%	0.47%	0.08%	100%
2016 First half	Raised amount	21.71	47.72	14.30	0.16	0.10	83.98
	proportion	25.85%	56.82%	17.02%	0.20%	0.12%	100%

2.4 Development status of Minsheng Banking personal financial services

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 (Abdul & Maurizio, 2017). Minsheng Bank strictly complies with regulatory requirements, adheres to the principle of a financial service entity economy, actively expands the development path for business innovation, and strives to build an “extraordinary asset management” brand. It has won the “China Asset Management Gold Bay Award 2015” at the China Asset Management Annual Meeting. And won the "Golden Medal Innovation Custody Bank Award" at the 2015 Financial Wealth Management Awards.

2.4.1 Continuation scale of wealth management products of Minsheng Bank

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 (Bauchet & Cristobal, 2011). In 2012, the scale of the issuance of Minsheng Bank's wealth management products exceeded 100 billion yuan. The historical scale of wealth management products over the years is shown in Table 7. It can be seen that the business volume of Minsheng Bank has maintained a rapid growth trend. After the financial management scale rose in 2015, it has declined in 2016.

Table 7: Changes in the Scale and Growth Rate of Personal Wealth Management Products of Minsheng Bank

Year	The continued scale of financial products (100 million yuan)	growth rate
2013	3315.96	-
2014	4771.81	43.90%
2015	10585.40	121.83%
2016First half	13345.90	26.08%

Source: China Minsheng Bank's Annual Report

2.4.2 Minsheng Bank financial product revenue type

Similar to the percentage of product revenue types in the nation's personal wealth management market, non-guaranteed floating-type products are also the majority of personal wealth management products issued by China Minsheng Bank. In 2016, various types accounted for in Table 8. 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.

Table 8: Share of Different Types of Income of Personal Banking Products of Minsheng Bank

Revenue type	Guaranteed fixed	Capital preservation	Non-guaranteed floating
Accounting	15.43%	6.38%	78.19%

Source: China Finance Network

2.4.3 Minsheng Bank's financial product maturity

The maturity of the wealth management products issued by Minsheng Bank in 2016 is mainly within 3 months, 3-6 months and 6-12 months. The maturity of its wealth management products is shown in Table 9. It can be seen that Minsheng Bank's personal wealth management products are mostly concentrated within 3 months, accounting for 83.48%, which is far more than 56% of the Chinese banking industry's wealth management market. This may lead to the lack of supply of Minsheng Bank in responding to the long-term investment demand of its customers. At the same time, the short-term product yield will be significantly lower than the medium and long-term products, which will make Minsheng Bank unreliable in terms of profitability.(Chen, 2016).

Table 9: Distribution of Minsheng Bank's financial products

Financial product term	Product Type (only)	The proportion of the number
Within 3 months	1713	83.48%
3-6 months	305	14.86%
6-12 months	34	1.66%

Data Source: Wind Finished

2.4.4 Minsheng Bank's sales channels for financial products

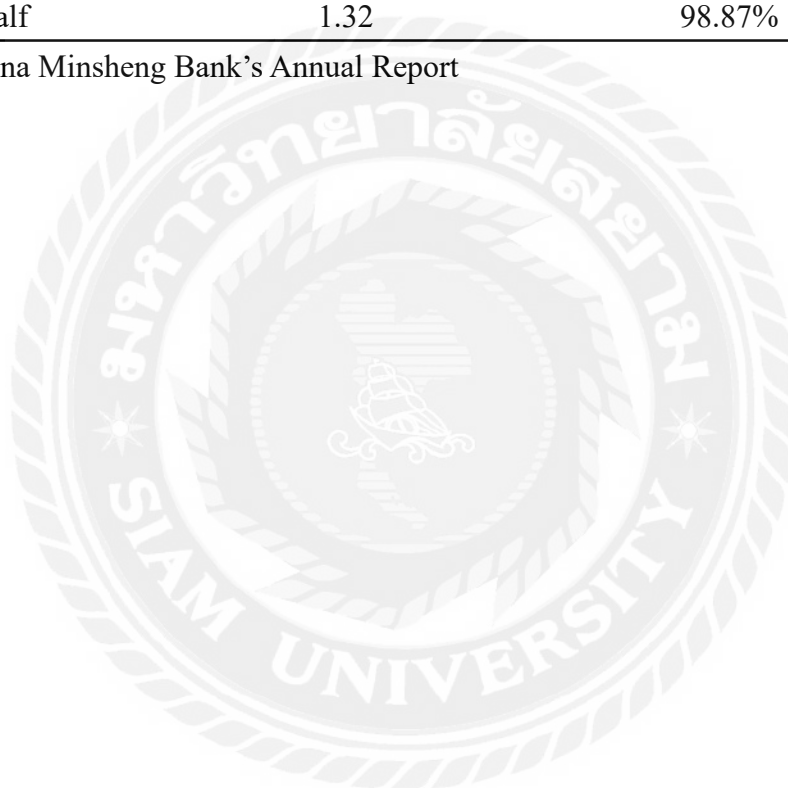
In recent years, Minsheng Bank has actively developed the financial market sector in order to adapt to the tremendous changes in the market and achieved strong growth and progress. Minsheng Bank strictly complied with regulatory requirements and established a franchised organization to conduct unified management of its customers in the same industry. It also established a three-tiered hierarchical management system for customers and promoted the healthy development of its interbank business. Relying on the "custody +" service platform, it has gained advantages in the field of asset securitization and realized the steady development of the custody business. At the same time. It has made every effort to create an "extraordinary wealth management" brand, actively expanding its sales channels under the rapid development of the Internet, and achieved remarkable results in personal finance business. Table 10 shows the amount of personal wealth management products that Minsheng Bank has sold through electronic channels over the years and the percentage of all personal wealth management products. Given the large heterogeneity of countries covered by multilateral DFIs, 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.

Table 10: Minsheng Bank Electronic Channel Sales Personal Finance Products Amount and Percentage

Year	Sales amount (trillion yuan)	percentage
2013	1.11	86.76%
2014	1.89	94.15%
2015	2.77	98.77%
2016First half	1.32	98.87%

Source: China Minsheng Bank's Annual Report



CHAPTER 3

RESEARCH METHOD

The development of Minsheng Bank's personal wealth management business has demonstrated its own distinct characteristics and advantages, but there are also some deficiencies and problems in the actual business development. This is mainly manifested in the irrational product structure, the overall quality of employees can not meet the customer's needs and standards, in the control of risk has not done enough. With the development of personal financial management by domestic commercial banks. The Bank will respond to this challenge by intensifying its “blended finance” operations (where the financing delivered on commercial terms is combined with financial grants or incentives to stimulate a certain market behaviour of either the PFIs or their clients) and by allowing in targeted cases for financing to be priced on the basis of the prevailing market conditions, rather than on the basis of the implied risk (Zheng, 2016).

3.1 The product structure is not reasonable

For all commercial banks, product innovation is a task that requires long-term implementation. In an increasingly fierce competitive environment, banks have taken innovation as an important measure to enhance their competitiveness. However, due to the impact of the policy environment, China Minsheng Bank, like most banks in China, has limited its existing personal finance services to consulting and advice. The wealth management products provided are mostly combinations of existing products. Compared with peers, homogenization of products is still relatively serious and the proportion of short-term products is too high. On the other hand, there may be greater policy risks. The distribution schedule of personal wealth management products issued by China Merchants Bank in 2016 is shown in Table 11 and Figure 2. It can be seen from the comparison between Minsheng Bank and China Merchants Bank that China Merchants Bank has a more reasonable distribution of product terms and provides products for various ranges. Investors choose to have longer product cycles to meet the needs of more customers who expect long-term stable returns.

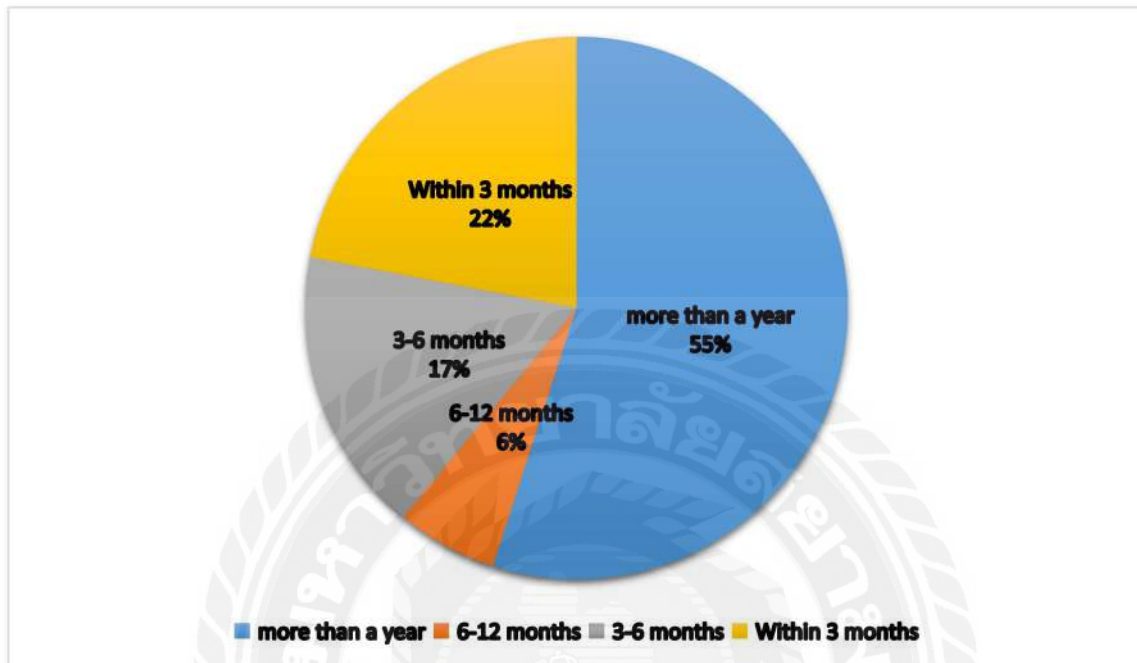
Table 11: Distribution of China Merchants Bank's wealth management products

Financial product term	Product Type (only)	The proportion of the number
Within 3 months	836	48.60%
3-6 months	623	36.22%

6-12 months	203	11.81%
More than 1 year	58	3.37%

Data Source: Wind Finished

Figure 2: Distribution of China Merchants Bank's wealth management products



Data Source: Wind Finished

Customers are always pursuing high-yield wealth management products, so the competition of similar products is mainly reflected in the market price and profitability competition. However, with the increase in people's financial needs and the lower profit margins brought about by competition, it is difficult to earn customers only by raising the rate of return to become a long-term solution, and it will easily lead to vicious competition in the personal financial market. As shown in Table 12, Table 13 and Table 14, the distribution of the returns of wealth management products issued by China Minsheng Bank and China Merchants Bank in 2016 and the average expected rate of return are shown in Table 12, Table 13 and Table 14. It can be seen that the personal wealth management products of Minsheng Bank are mostly concentrated at less than 4%. The return on wealth management products provided by China Merchants Bank is between 4% and 5%, so Minsheng Bank does not have an advantage in product revenue.

Table 12: Minsheng Bank's Distribution of Financial Product Returns

Rate of return	Accounting
3.25%-3.50%	37.17%

3.50%-4.00%	40.26%
4.00%-4.50%	18.88%
4.50%-4.95%	3.68%

Table 13: Expected Yield of Minsheng Banking Financial Products

Product term	Expected rate of return
Within 3 months	3.71%
3-6 months	4.00%
6-12 months	3.79%
More than 1 year	4.40%
Overall average	3.75%

Table 14: Distribution of China Merchants Bank's Financial Product Returns

Rate of return	Accounting
4% or less	12.62%
4.00%-4.50%	30.10%
4.50%-5.00%	53.40%
More than 5%	3.88%

Data Source: Wind Finished

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 are the development of the financial sector and institution-building. At the same time, the financial products of the people's livelihood are more biased towards standardization and subjectivation, and they have not been adjusted in a timely manner based on the characteristics of the customers. The customer's preference for risks and the requirements for profitability are different, and the demand for financial products is also not the same. According to the "28 law," 80% of wealth is in the hands of 20% of customers. Minsheng Bank is targeting 20% of high-net-worth customers in designing personal wealth management products while ignoring the remaining 80% of low-income groups. demand. As shown in Table 15, the personal wealth management products issued by Minsheng Bank in 2016 generally set a higher amount of purchases, which has limited the financial needs of some low-income people. This model will not only lose some common resources, but will also be detrimental to the development of Minsheng Bank's wealth management business. China Merchants Bank has done a more prominent job in customer relations. By providing differentiated products to customers, the initial value of financial products is shown in Table 16. Wealth management products within 50,000 account

for almost 80% of total investment. Provide more diverse options.

Table 15: Distribution of the amount of money purchased by Minsheng Bank's wealth management products

Purchase amount (million)	Product Type (only)	Accounting
1.8	1	0.05%
5	688	33.53%
10	183	8.92%
20	494	24.07%
100	443	21.59%
1000	243	11.84%

Data Source: Wind Finished

Table 16: Distribution of China Merchants Bank's Initial Value of Wealth Management Products

Purchase amount (million)	Product Type (only)	Accounting
1.8 or less	166	9.65%
5	1189	69.13%
6	24	1.40%
10	73	4.24%
20	163	9.48%
50	105	6.10%

Data Source: Wind Finished

Minsheng Bank's personal wealth management business involves many departments and is a systematic task. From research and development to management, including product requirements, product design, back-office support, marketing promotion, late-stage feedback, and product improvement, involve multiple departments. However, there is no established inter-departmental coordination mechanism in the internal organizational structure. Each link carries out its own duties in accordance with the division of the department and conducts relatively independent product management work. On the one hand, the demand information for wealth management products could not be delivered as quickly as possible, slowing down the progress of R&D of relevant departments and providing a better match between service supply and demand. Similarly, investors' feedback on wealth management products has not been transmitted quickly, which has affected the improvement and optimization of banking services and has affected the further

marketing. On the internal structure, Minsheng Bank implements a total branch system, and the final decision-making power in major affairs is still in the hands of the head office. For personal finance business, it is also a unified development of the head office and then promoted by various branches. 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 (Yan & Gao, 2014). Furthermore, because the level of economic development across the country is not balanced and the demand for wealth management products is not the same, the unified distribution of products by the head office cannot meet the needs of various places at the same time.

3.2 The overall quality of employees is not high

The personal wealth management business is a professional and relatively strong business. A team of high-quality financial management personnel is an important embodiment of the core competitiveness of a commercial bank. In late 2003, ICBC launched the core competitiveness development and management project for personal finance to provide customers with quality services. At present, there is still a large gap in the financial management professionals market. Each bank has started to train and promote financial professionals. In the fierce competition situation, with a team of highly qualified and efficient professional financial management personnel, it has already seized the opportunity in the market.

AFP and CFP are steps to enter the wealth management industry. However, from a practical point of view, the proportion of staff passing through the examinations in the Minsheng Bank is still relatively low, and the number of high-quality talents with strong comprehensive financial management capabilities is even less. In recent years, although Minsheng Bank has stepped up the training of financial management personnel, it has regularly cultivated a large number of AFP and CFP each year. However, most of the business outlets do not have full-time wealth management managers. The financial management personnel still use lobby managers as the mainstay, and other departments and front desk tellers. In the process of drawing tune-ups and frequent replacements, the level and efficiency of accepting new business knowledge are limited. The services provided have been theoretically providing clients with professional financial planning and designing wealth management plans and decomposed into simple financial product recommendations. The ratio of college education or above for employees of China Minsheng Bank and China Merchants Bank is shown in Table 17. It can be seen from the table that the proportion of Minsheng Bank employees who have college degree or above is rising

year by year, but there is still a certain gap compared with China Merchants Bank. At the same time, some financial management personnel violate the professional ethics in the marketing of financial products. Most people's livelihood financial planners are served by grassroots sales personnel. In the era of universal marketing for the financial industry, based on the pressure of performance nuclear, the bank's staff are more What counts is its own business volume, followed by the interests of its customers. Given the large heterogeneity of countries covered by multilateral DFIs, 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 (Karani & Gantsho, 2007). According to the bank's annual report, the five state-owned banks had a total of 25,000 people leaving in the first half of 2016, and Minsheng Bank had a turnover of 1,046 people. It is not related to the decline of the remuneration and welfare of Minsheng Bank. The emoluments of Minsheng Bank and China Merchants Bank since 2011 are shown in Table 18 and Table 19. In the first half of 2016, the employees' salaries of Minsheng Bank decreased by 22% compared with the same period of 2015, and they ranked first among the announced bank data. Although the increase in the salary of employees of China Merchants Bank slowed down, it still showed an upward trend. Therefore, while establishing a professional financial management team, Minsheng Bank should further improve its retention mechanism.

Table 17: Proportion of Education of Minsheng Bank and China Merchants Bank

Year	2016	2015	2014	2013	2012	2011
	First half					
Minsheng Bank's total number	56182	57228	57406	53064	47650	39885
College degree or above people	54780	55536	54880	49166	44023	39885
College degree or above proportion	97.5%	97.0%	95.6%	92.7%	92.4%	91.8%
China Merchants Bank College Degree or above proportion	98.6%	98.4%	98.8%	98.3%	98.1%	97.68%

Sources of data: China Minsheng Bank and China Merchants Bank

Table 18: Remuneration of Minsheng Banking Staff and Proportion of Increases and Decreases over the Same Period (Unit: Million)

Year	2016 First half	2015	2014	2013	2012	2011
Employee compensation	8740	24074	22427	19145	18851	15603
Increase and decrease over the same period	-22.06%	7.34%	17.14%	1.56%	20.82%	-

Source: China Minsheng Bank's Annual Report

Table 19: Remuneration of China Merchants Bank's employees and proportion of increase and decrease over the same period (in millions of dollars)

Year	2016 First half	2015	2014	2013	2012	2011
Employee compensation	16359	31394	29179	26990	23932	20316
Increase and decrease over the same period	2.81%	7.76%	8.11%	12.78%	17.80%	-

Source: China Merchants Bank Annual Reports

3.3 The level of risk management needs to be improved

With the deepening and development of China's personal wealth management business, our residents' investment awareness and financial management awareness have become more mature. For most investors, especially some risk-averse customers, they are more inclined to purchase wealth management products that are safe and available for long-term and stable investment returns. This requires commercial banks to make greater efforts in risk control.

Minsheng Bank has always been committed to ensuring the safety of customer capital and maximizing the return on investment while developing personal wealth management services, but there is also the possibility of risks occurring. At present, personal wealth management products that are being sold include the series of profit-raising, safe-winning, super fund, Tsui Chuk, and Zhi-Yong. Most of them are non-guaranteed floating income products. So the principal and income cannot be guaranteed. If the issuer breaches the contract when the financial product expires, it will result in a loss of the financial product. At the same time, high-yield companies are accompanied by high risks, and wealth management products that can provide higher expected returns are at greater risk. The trust of our residents for a long period of time has caused most customers to ignore the risks. Subjectively, we believe that financial management is a class of savings products guaranteed by bank credit. The

occurrence of risks will also bring reputation losses to banks. In addition, many of Minsheng Bank's wealth management products are linked to financial derivative products, but they lack the hedging methods for these derivatives risks, and do not have a sound risk management system. This methodology uses an approach similar to clinical trials where access to a specific new drug is randomly assigned, and the impact of a change in access on a group is then compared to a second group that does not have the same access but is otherwise indistinguishable. However, all of Minsheng Bank's wealth management funds are subject to unified management and management by the head office and investments are made in the financial market. Therefore, funds from branches at all levels are outflowed and do not hold cash positions. In addition, some financial products have a long period of time and reduce the liquidity of bank funds. In the absence of other risk diversion, it may bring liquidity risk to the banks.

According to the “Planning of Banking Financial Capacity Ranking Report” published in the fourth quarter of 2016 in accordance with the general benefit standards, as shown in Table 20, Minsheng Bank’s personal wealth management business is ranked third in the nation’s commercial banks, with good results but risk control. The capacity is only ranked seventh, which shows that Minsheng Bank has a large gap with other similar banks in the risk control of wealth management business.

Table 20: Overall Ranking of Banking Capacity in the Fourth Quarter of 2016 (Unit: Points)

Rank	Bank name	Risk Control	Synthesis Score
1	China Merchants Bank	17.70	89.97
2	Industrial Bank	17.59	89.95
3	China Minsheng Bank	16.59	88.19
4	CITIC Bank	17.46	87.58
5	HSBC Bank	17.33	87.35
6	ICBC	16.72	86.19
7	China Everbright Bank	17.56	85.51
8	Shanghai Pudong Development Bank	16.40	83.92
9	China Postal Savings Bank	17.30	81.59
10	Guangdong Development Bank	11.85	81.37

Source: Universal Standard

First of all, Minsheng Bank has a low risk identification capability. When a customer purchases a personal wealth management product through an offline channel, the staff member conducts a risk assessment test on the customer and divides the customer according to the test results, the amount of the customer's assets and financial management experience, and then introduces the customer to a suitable wealth management product and investment portfolio. At the same time, the customer will be given a risk warning during the transaction. Although the control of the people's livelihood in the sales process is relatively strict, in practice, every link may be flawed. For example, during the process of conducting risk testing and customer-related information communication, customers may misrepresent some key information and influence the test results. believe that customers understand the financial products mainly from money managers, banks and money managers in the case might take the initiative of individual interests above professional ethics (Yi, 2016). As per the Enhanced and Structured Approach to Policy Reform Dialogue at the EBRD paper, investment projects will continue to form an essential base for a more proactive EBRD policy reform engagement.

3.4 Intense external competition

Personal wealth management business is an important part of the profit sources of commercial banks. With the development of social economy, wealth management business has entered a period of rapid expansion, attracting various types of financial institutions to join. In addition to internal development bottlenecks, Minsheng Bank's wealth management services also face external competition from various sources. Apart from domestic state-owned banks, joint-stock commercial banks, city commercial banks, and rural commercial banks, these competitors also face pressure from foreign banks.

Table 21: Balance of Money at the End of Month of Financial Products of Different Types of Banking Institutions (Unit: trillions of yuan)

Time	State-owned bank	Shareholding system bank	city Commercial Bank	Foreign bank	Rural financial institutions	other organisations	Total monthly balance
2014.1	5.97	4.04	1.07	0.44	0.31	0.23	12.05
2014.2	5.87	4.17	1.10	0.41	0.33	0.24	12.12
2014.3	5.09	4.20	1.08	0.41	0.33	0.26	11.37
2014.4	6.34	4.68	1.24	0.44	0.38	0.29	13.36

2014.5	6.53	4.99	1.32	0.43	0.40	0.30	13.96
2014.6	5.64	4.59	1.32	0.41	0.38	0.30	12.65
2014.7	6.70	5.17	1.50	0.44	0.42	0.31	14.54
2014.8	6.64	5.40	1.53	0.43	0.43	0.32	14.75
2014.9	6.37	5.53	1.57	0.40	0.43	0.33	14.64
2014.10	6.69	5.80	1.63	0.41	0.46	0.33	15.32
2014.11	6.62	5.89	1.67	0.41	0.45	0.33	15.38
2014.12	6.47	5.67	1.70	0.39	0.46	0.34	15.02
2015.1	6.54	6.12	1.78	0.41	0.48	0.34	15.67
2015.2	6.81	6.49	1.86	0.39	0.52	0.35	16.42
2015.3	6.32	6.59	1.87	0.37	0.54	0.37	16.05
2015.4	7.00	7.50	2.03	0.39	0.59	0.40	17.91
2015.5	7.35	7.93	2.21	0.37	0.65	0.42	18.93
2015.6	6.67	8.15	2.27	0.34	0.66	0.43	18.52
2015.7	7.71	8.92	2.47	0.36	0.76	0.44	20.56
2015.8	7.81	9.32	2.58	0.36	0.81	0.49	21.37
2015.9	7.81	9.30	2.70	0.34	0.81	0.52	21.48
2015.10	8.17	9.32	2.84	0.33	0.84	0.57	22.07
2015.11	8.25	9.53	2.94	0.31	0.88	0.62	22.53
2015.12	8.67	9.91	3.07	0.29	0.91	0.65	23.50
2016.1	8.39	10.06	3.20	0.29	1.00	0.68	23.62
2016.2	8.80	10.41	3.36	0.31	1.10	0.73	24.72
2016.3	8.46	10.30	3.48	0.31	1.19	0.76	24.50
2016.4	9.03	10.65	3.63	0.334	1.31	0.82	25.78
2016.5	9.16	10.64	3.69	0.33	1.38	0.85	26.06
2016.6	9.00	10.89	3.74	0.30	1.44	0.91	26.28

Source: Annual Report of China's Banking Financial Market in Each Year

According to the bank wealth management capability report published in the fourth quarter of 2016 by Puyi Standards, the top ten national joint-stock commercial banks in the nationwide bank accounted for most of the seats by 80%, and Minsheng Bank ranked third. According to the scores of various commercial banks in six aspects (as shown in Table 22). Return of 4.3%-4.55%, Everbright Bank's yield of 2%-4.57%,

Industrial and Commercial Bank of China's yield of 2.1%-6.4%. And Agricultural Bank's yield of 1.4%-6.7%. As a result, China Minsheng Bank has no major attraction in terms of profitability. At the same time, Agricultural Bank of China has not set up the purchase amount in several open financial products, and has greater flexibility in terms of funding. The following table shows the personal financial products of major commercial banks in China, as shown in Table 23.

2.Competition from Foreign Banks

After the 1970s, under the impact of the financial innovation wave, various commercial banks vigorously developed their personal wealth management services. Since China's accession to the WTO. In 2001, China has fully liberalized foreign-funded financial institutions. On the one hand, it has removed restrictions on territories and objects in foreign exchange operations, and on the other hand, it allows foreign banks to conduct RMB business. For high-quality customers, they do not have enough time and energy to research financial products. Therefore, high-quality bank personnel who have a thorough understanding of the financial market, master marketing skills. And understand customer psychology become their best choice. The opening of the Chinese market by foreign banks happens to satisfy the needs of this group of people. In addition, there is a large gap in the completeness of financial products that domestic commercial banks can provide compared with foreign banks. On the one hand, the practice of mixed business operations abroad allows banks to carry out securities, insurance, and fund operations at the same time. Investors can complete multi-channel investments at the bank, eliminating the hassle of re-selection. Banks can also raise more funds. In contrast, domestic banks have few types of wealth management products and their financial management costs are relatively high. On the other hand it is manifested in the fact that foreign banks not only have a large variety of products but also can designate individualized asset management plans for their customers. This is the fundamental reason for winning the market. In addition, the wealth management products of foreign banks are updated quickly. The average cycle is about two months. This is far beyond the reach of domestic commercial banks. The following analysis focuses on the personal banking business of the U.S. banking industry.

Through analysis of the personal financial management business of commercial banks in the United States. We can see that it has handled customer relations very well and is customer-centric. Providing customers with the most appropriate wealth management products and assets based on in-depth understanding of the real needs of customers. planning. In terms of customer management. Hang Seng Bank provides three types of personal wealth management services, namely "Premium Banking",

“Operational Finance” and “Commercial Banking”. At the same time, it has a highly qualified professional team and attaches importance to strengthening the examination and training of staff qualifications. For example, a commercial bank in the United States requires financial managers to pass CFP. In terms of product diversification, both break the industry's limits and provide customers with more comprehensive financial products to meet their different requirements. Minsheng Bank's management of wealth management business is still the “follower” of foreign banks. There is also a large gap between the richness of products and the degree of professionalization of employees and foreign banks. These are areas where Minsheng Bank needs improvement.

3.Competition from other financial institutions

After the reform and opening up, China's financial industry has practiced mixed operations, and banks can carry out securities and trust business. However, due to the chaos in the financial market, the government proposed separate operations in 1993. In the "Commercial Banking Law" in 1995. It stipulated in the form of legislation that "commercial banks must not engage in trust investment and business investment within the territory of the People's Republic of China." This has played a significant role in regulating China's financial order and preventing financial risks and the development of the financial industry. In November 1999. The United States promulgated the "Graeme-Ritchie Billy-Lee Act," giving up the separate business model since 1933, and began to shift to mixed-business operations, establishing The United States' mixed industry structure. With the acceleration of the global financial integration process and the opening of the Chinese market by foreign financial institutions, domestic banks are facing greater pressure for survival. The government has gradually liberalized the restrictions on separate operations and the domestic banking industry has begun some exploratory attempts. The liberalization of payment licenses has made it difficult for banks to rely on traditional deposit and loan spreads, and the banking industry is also desperately required to penetrate other businesses. The end of the business monopoly intensified the speed of mixed operations, and wealth management and investment banking became the bank's new profit point. The Securities Trading Regulatory Commission issued the "Trial Measures for Securities Company's Client Asset Management Business" issued in December 2004 and the Securities Industry Commission's Implementation Regulations for Collective Asset Management Services issued by the Securities Regulatory Commission in 2006. Allowing brokers to carry out collective asset management plan business. As the first financial institution to enter the wealth management market, insurance companies are relatively rich in financial management experience and have accumulated a wide range of customer groups in China.

At present, the development of personal finance business of China's commercial banks is still affected by the business model of the financial industry. Banks, insurance, securities and other financial services are carried out in their respective fields. At present, most types of wealth management launched by Minsheng Bank are still traditional businesses such as savings and loans. They cannot participate in the business of other financial sectors. They can only be used as an intermediary to sell products of other financial institutions. It is difficult to effectively communicate and communicate with other competitors. Service flows to the surface. Although there are cooperations among various financial institutions. They are only related to securities, funds, insurance, trusts. Other primary projects such as account escrow and agency payments. Under the trend of mixed operation across the country, various commercial banks are accelerating the pace of applying for full financial licenses, but Minsheng Bank has only obtained three of the seven financial licenses for banking, insurance, securities, funds, futures, trusts and leases. Compared with other banks, there is still a certain gap (as shown in Table 24), and Ping An, CITIC, and Everbright backed by a strong holding company have all achieved full licences.

Table 22: Financial licenses held by some domestic commercial banks

Mechanism	Bank	Insurance	Securities	Fund	Futures	Trust	Lease	Total
Ping An Bank	√	√	√	√	√	√	√	7
CITIC Bank	√	√	√	√	√	√	√	7
Everbright Bank	√	√	√	√	√	√	√	7
Bank of China	√	√	√	√			√	5
ICBC	√	√	√	√			√	5
Agricultural Bank of China	√	√	√	√			√	5
China Construction Bank	√	√	√	√	√	√	√	7
China Bank of Communications	√	√		√		√	√	5
China Merchants Bank	√	√	√	√			√	5
China Industrial Bank	√	√	√	√	√		√	6
Minsheng Bank	√		√	√			√	4

Source: Banks' annual report for the first half of 2016

With the development of the economy, non-bank financial institutions have launched wealth management services throughout the country. Although the risk of trust, funds, and insurance wealth management products is much higher than that of bank finance, high risks are accompanied by high risks. These wealth management products have a great advantage in terms of yield. Although in 2016, as financial de-leverage progressed, market liquidity declined and the entire wealth management market showed a downward trend, but relatively speaking, the return rate of these products remained attractive. For example, the average trust yield in 2016 reached 6.99%. The insurance industry's yield was 5.66%. The QDII fund's yield was 6.56% over the same period. Some risk-preferred individual customers may prefer to choose high-yield financial management. The continuous development of non-banking financial institutions will definitely impact the development of banks' personal wealth management services. The one-year financial product revenue comparison is shown in Table 25 below.

Table 23: Comparison of One-Year Financial Product Revenue

Financial Type	Rate of return	Risk
Bank Finance	3%-4%	Low
Fund Management	6%-7%	Tall
Trust financing	6%-8%	Tall
Insurance Finance	5%-6%	Tall

Data Source: According to wind data sorting

4. Competition from Internet Finance

Internet finance is a kind of emerging finance that utilizes Internet technologies such as payment, cloud computing, social networking, and search engines to develop financial communications, payment, and information intermediary services. It challenges the traditional financial industry with its unique business model and value creation.

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 are the development of the financial sector and institution-building. 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. This level of investment corresponds to roughly 6% of Official Development Assistance provided by the governments of the DFIs' 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.

Which is equivalent to the development of new customer resources. Activating the dormant funds in the personal finance market changing financial management. The customer structure in the market has played a certain role in alleviating financial exclusion in the past and it is also conducive to raising the level of social welfare. Third. The information asymmetry under the bank's wealth management model has been changed and the ability of the financial industry to resist risks has been enhanced. Under the Internet model the fund company and the customer directly trade through the Internet platform. The Bank will respond to this challenge by intensifying its "blended finance" operations (where the financing delivered on commercial terms is combined with financial grants or incentives to stimulate a certain market behaviour of either the PFIs or their clients) and by allowing in targeted cases for financing to be priced on the basis of the prevailing market conditions, rather than on the basis of the implied risk.

The rapid development of Internet finance has accelerated the speed of penetration into traditional banking core businesses, changed the traditional banking business model, and is not a small pressure and challenge for the Bank's wealth management business. According to scholar, the main reason for the large impact of Internet wealth management products on financial services of commercial banks is that fund companies can use Internet platforms to expand their influence and sales volume. Break the monopoly of wealth management market in commercial banks. Divert the bank's Deposits and intermediary business income. Through fragmented financial management enabling customers to obtain investment returns without affecting the liquidity of funds. The current stage of Internet finance mainly includes third-party payment services, financial product sales channel services, crowdfunding models, and Internet credit services represented by P2P.

On February 28th, 2014, Minsheng Bank complied with the development trend of Internet finance, and the direct banking business was successfully launched. It also launched the "Ruyibao" wealth management product, which broke the traditional restrictions on the operation of physical outlets and expanded customers through the Internet. The purchase amount of Ruyibao is shown in Table 26. Although both the number of customers and the size of products are increasing, there is still a large gap between the audience and the overall amount of assets compared with other Internet wealth management products.

Table 24: Minsheng Bank Direct Banking Customers and Ruyibao Subscription Amount

Years	Direct Banking Customers (10,000)	Ruyibao purchase amount (100 million yuan)
2014	146.81	2366.87
2015	286.72	8475.32
2016First half	360.92	11902.21

Source: China Minsheng Bank Annual Report

In 2015, the central bank lowered the interest rate on many occasions and raised the liquidity of market funds. The return on internet financial management showed a declining trend. However, it still had a greater advantage over the yield of cash management financial products in commercial banks. Banks were obviously in this respect. Insufficient competitiveness. With the rapid development of science and technology, the scope of influence of the Internet is also expanding. The social environment in which wealth management customers are affected is also being increasingly affected. At the same time, products in the Internet era are changing with each passing day, and more and more innovative Internet financial platforms will continue to emerge in the future. These will subtly affect the consumer's consumer behaviors habits gradually increase the financial customers' psychological recognition of the Internet's financial management methods. Traditional wealth management services are more marginalized. Which brings greater pressure on commercial banks.

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. Another concern with the estimations is the potential influence of outliers. We have used the Hadimvo procedure for outlier detection available in Stata for multivariate data. This result provides evidence in favour of a pro-poor impact from financial development, which is the expectation and is in line with the findings of previous studies on the financial development-poverty nexus. Similarly, the coefficient of the institutional variable is negative and statistically significant, meaning that the impact of institutional development is also pro-poor (Beck & Levine, 2007). Access to finance is particularly a challenge in countries that are either rated —non-investment grade or not rated at all. Excluded countries are those that do not issue debt on global markets and where market information tends to be very limited.

CHAPTER 4

RESULTS AND ANALYSIS

The current economic situation has already exerted a strong impact on the business model of commercial banks. For Minsheng Bank, financial disintermediation has reduced the credit demand of high-quality companies, the development of multi-level capital markets, the accelerated establishment and rapid growth of non-banking institutions, and the Squeezing the profitability of banks and transforming the profit model. Therefore, it is of great significance for Minsheng Bank to improve the problems and deficiencies in personal wealth management services.

4.1 Continuously improve product competitiveness

4.1.1 Strengthen innovation in financial services

In the era of wealth management customers' financial awareness and diversified demands, for commercial banks, the most effective countermeasure is to carry out innovations in wealth management business, and it is also a key issue that Minsheng Bank urgently needs to solve. First, we must strengthen product innovation. Currently, the financial products launched by various banks are too similar to each other to reflect their respective characteristics. Therefore, in the process of product development and design, it is necessary to brainstorm, grasp the characteristics of banks and customer needs, and design uniquely based on thorough market research. Financial products. Second, we must plan our financial affairs according to the age, career, and personality of our customers. If a customer has a need to buy a house, get married, have a child, or have an old-age plan, they must have different products. It should also implement dynamic management of customers and closely observe the assets of customers. Some customers who are on the edge of financial management may not be satisfied with the financial threshold and may soon be able to meet the conditions. The bank must grasp this potential customer. In addition, Minsheng Bank should combine high-yield wealth management products with fixed income. High-yield and high-risk are corresponding. The most important thing for customers to do asset management is to maintain the value of assets, rather than a higher "expected" rate of return. Only in this way can the customer obtain a relatively stable income, whereas a large number of loss-making wealth management products will cause customers to lose confidence and affect the allocation and use of idle funds by investors. Finally, Minsheng Bank will also learn to "simplify administration and decentralize power," giving all branches and subsidiaries at all levels more space and independent research and development, rather than just being limited to current marketing services. By liberalizing the authority of independent branches to research

and develop wealth management products at all levels of branches, branches can sum up wealth management products and services that are most suitable for local residents and families based on the current situation of wealth management product sales and customer feedback, combined with the local economic development in the century. Combined with the overall development status and development trend of the wealth management industry, we will develop new wealth management products with strong targeting and high usage (Tao, 2007). In this way, we can increase the competitiveness of Minsheng Bank in various regions while meeting the individual needs of investors. However, while deregulating the authority, the head office should pay attention to late-stage supervision and grasp of the overall situation, assign professional talents to branches at all levels and strengthen the guidance and training of employees in business, and timely understand the latest progress, so that there is degree. Accelerating the process of interest rate liberalization has brought greater pressure on the financial innovation and intermediate business development of commercial banks. 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 are the development of the financial sector and institution-building. In this situation, Minsheng Bank should focus on increasing non-interest income while optimizing the pricing of traditional business products. We must attach great importance to the development of new wealth management products, further increase the proportion of income from intermediary businesses, promote product innovation in wealth management services, and accelerate the pace of bank transformation and upgrading. Only by formulating corresponding plans and strategies and intensifying innovation can we effectively reduce the impact of interest rate liberalization on operations and development.

4.1.2 Implementing customer differentiation management

In the current situation of fierce competition in the financial market, banks have waged a price war. For this, Shen Runtao (2016) believes that the wealth management industry should strengthen self-discipline, reflect its own advantages by improving its marketing and service levels, and eliminate malicious competition in product prices. The majority of bank customers are low-end customers. Their income is relatively low. The bank's main businesses are mainly bank accounts, credit cards, home loans and car loans. Banks should aim at the characteristics of such users' activities and improve their wealth management services to meet their needs based on their business needs. For affluent individual clients, they have a certain amount of disposable income in addition to their needs for living, and their demand for financial investment and asset management has increased significantly. For high-net-worth

customers, such customer groups are relatively small, but they have a large amount of assets. Therefore, they require a higher level of service quality and service content in banks, and banks need to provide them with highly private and tailored financial services. For Minsheng Bank, the specific structure should be improved from these aspects.

First of all, Minsheng Bank should increase its emphasis on low-end customers. At present, Minsheng Bank mainly relies on high-net-worth customers in its personal wealth management business, but long-term and stable low-end customers are still few. With the rapid development of the national economy, the middle class will rise rapidly and become the backbone of China's personal financial management business. Their income is relatively stable, and they need to manage their investment through personal financial services, so as to maintain the value of their assets and increase their quality of life. This will be the largest potential group of customers in the financial market in the future, and it is also the key for Minsheng Bank to emerge from such fierce competition. If these low-end and middle-end customers lose their support, they may not have enough stamina in their business development, encounter bottlenecks, and lag behind other competitors. Therefore, people's livelihood should actively explore new customer groups and explore potential customers on the basis of grasping existing customer resources.

Second, Minsheng Bank should speed up the development of private banking. The main service targets of private banking are high-net-worth customers. According to "China Private Banking 2016" issued jointly by Industrial Bank and Boston Consulting Group, as of December 2015, China's total personal investable financial assets amounted to 113 trillion yuan, an increase of 24% compared to 2014; The report predicts that in the next five years, the annual growth rate of China's personal wealth will be about 12%, and it will exceed 200 trillion yuan in 2020. Minsheng Bank began private banking business in October 2008. As of the first half of 2016, the scale of private bank financial assets management was 299.739 billion yuan, an increase of 26.731 billion yuan from the end of 2015. Private banking customers reached 15,517 households, compared to the end of 2015. Increase 345 households. Therefore, high-net-worth customers are still the customer groups that Minsheng Bank cannot relax in its personal wealth management business. Minsheng Bank should continue to establish and improve the personal wealth management service system, comprehensively promote personalized service to high-net-worth customers, and meet the diversified investment needs of customers in order to form long-term partnerships with these high-end customers and create a stable customer relationship chain. To achieve the maximization of the commercial value of Minsheng Bank and

the value of high net worth customers' personal wealth. Minsheng Bank should change its previous product-led competition strategy and be guided by customer needs. In terms of product design and marketing methods. We must stand in the perspective of customers pay attention to improving the service quality of personal financial services and customer satisfaction. Achieve an equal and mutually beneficial cooperation relationship with customers. For example, innovative products such as “oil-gold linked structured deposits” and “Standard & Poor's/Aquaria Water Index Linked Structured Deposits” launched by ABN Amro in the domestic wealth management market are expected to have higher yields. The financial customers who have relatively high affordability and who expect a higher return on investment have great appeal. At the same time, Minsheng Bank should form a reasonable and effective feedback mechanism, pay attention to the assessment and reflection of banking services by financial customers in real time, make timely adjustments, and do their utmost to improve personal wealth management products and services.

Finally, Minsheng Bank should actively expand the rural financial market. With the acceleration of urbanization in China and the increase in per capita income in rural areas. Farmers have gradually begun to pay attention to personal finances. However, at present, the development of personal wealth management services in rural areas is still relatively backward, and facilities and equipment cannot keep up with the needs of development. First of all, there is a general lack of hardware facilities in rural areas. Commercial banks have directly given up their penetration in rural areas considering the cost of funds. As a result, many rural communities do not have bank outlets. Coupled with the development of information technology, the backwardness of rural electronic construction has caused greater difficulties in the promotion and management of bank wealth management services. In addition, rural residents are less educated and have less ability to identify and bear risks. With little knowledge of financial management knowledge and financial management channels, farmers may have cognitive biases in financial products. If the investment channels are not properly selected, it may cause huge losses. At present, there is great potential and room for development in the rural personal wealth management market. Minsheng Bank should firmly seize this development opportunity, broaden the information channels for rural residents to understand financial products, and distribute loose-leaf pages and readers of basic knowledge to the people. The financial popularization lectures cultivated the financial awareness of rural people. At the same time taking into account the residents' risk tolerance and the seasonal characteristics of income and expenditure, we can design some rural market guarantee income financial products that are suitable for farmers to purchase for a short period of time, actively expand business, and seize the rural financial market.

Stratification of customers is the key to achieving differentiated competition in commercial banks, and resources can be better utilized through effective segmentation. Minsheng Bank should focus on building a multi-level and full-scale financial management system of “low-cost standardized public finances and private banking high-end financial management”. Strengthen communication and interaction with financial institutions and wealth management institutions in the same industry, actively develop high-end wealth management product sales, improve private bank wealth management product lines, form a multi-level product layout, and provide differentiated product services for target customers.

4.1.3 Establish a financial brand

At present, the personal financial management market is developing in full swing. As the main source of profit for intermediate businesses, competition is also showing a stalemate. The brand management of personal wealth management has become a strategic move for various commercial banks to seize the wealth management market share. Now all banks have developed their own brands, and their types are numerous and complex. Under such circumstances, the establishment of a unique and specialized wealth management brand can better distinguish the Bank's products and services from other similar products and increase product identification. At the same time, it also helps banks to market and promote wealth management products. It can communicate more information to customers, increase the influence and scope of products, and cultivate brand loyalty of customers by increasing popularity to achieve differentiated product competition. Minsheng Bank has a large gap in terms of popularity compared with state-owned banks, and social recognition is relatively low. The audience of personal wealth management services is mostly urban and rural residents. Most customers have relatively low awareness of wealth management products and are apt to confuse products with brands. This has also seriously affected the expansion of wealth management products. As a result of the bank's design, products can easily be copied and imitated by competitors. However, after the brand is established, it can gradually accumulate resources in the society and become a unique identifier for banks. Now Minsheng Bank's “extraordinary wealth management” brand has become a typical representative of the wealth management market. It has a certain influence in the wealth management industry. It has been recognized by investors in terms of capital security, profitability, etc., but there is also some opposition. Therefore, the development status and social influence of “extraordinary wealth management” are still far from meeting the development of Minsheng Bank's personal wealth management business. There are still many

opportunities and opportunities for the development of personal wealth management brands. The branding of personal wealth management is not only reflected in the design and marketing of products, but also the overall planning, strategic orientation, and corporate culture of the bank. Through a series of commercial publicity campaigns, public welfare activities, and corporate cultural communication, the publicity channels have been broadened to demonstrate the brand image of Minsheng Bank to the public and individuals, to highlight their own characteristics and advantages, and to increase awareness of the people's livelihood brand in the society and to expand influence.

4.2 Attaches great importance to talent management and construction

In the development of personal wealth management business, financial managers bear an important role. It is not a simple and unchanging service, but a process that truly embodies the level of employees, and it is also a comprehensive embodiment of commercial bank services. Therefore, Minsheng Bank should cultivate a batch of high-quality, high-quality financial managers. Minsheng Bank has already realized this and repeatedly pointed out in the annual report that it is necessary to attach great importance to the training of employees. The Bank's training is to "focus on development. "Focus on demand, accelerate change, and promote transformation" as the guiding ideology, combined the training of employees' professional skills with career development planning, and created a career development and learning system for all careers. At the same time, Minsheng Bank should strengthen the training of management personnel, play a good role in decision-making, and improve the retention mechanism from the material and professional planning, so that talented personnel can be used for their own purposes.

4.2.1 Improve the professionalism of financial staff

The professional level and accomplishment of wealth management managers is a manifestation of the financial capacity of commercial banks. The financial management staff's ability to demonstrate to customers that the business capabilities and overall quality demonstrated by the financial products will also affect the customer's acceptance of the bank and determine the development of the bank's personal wealth management services. Now, Minsheng Bank's financial staff are mostly selected from the tellers of the outlets. Although their familiarity with products and professionalism in finance are higher than others, the overall service level is still relatively low, and the needs of customers are also relatively low. There is a big gap and it is completely unable to meet the bank's business development needs. Minsheng

Bank needs to improve from the following aspects.

First, we must strengthen the professional training of wealth managers. From the campus recruitment stage, Minsheng Bank should focus on the overall quality of applicants, and select a group of talented individuals with high academic qualifications and good communication skills to join the people's livelihood. For employees engaged in wealth management services, internal screening of the industry should be conducted at all levels, and employees with high professional qualifications and high knowledge levels should be selected. At the same time, it formulated a set of reasonable training systems to urge employees to continuously improve their capabilities, and selected employees to participate in financial planner certification training in batches, organize employees to perform financial planners and international financial planners examinations. Securities practitioners. Fund operations. Insurance Qualification exams such as sales and precious metals traders will improve the overall quality of financial management staff in an all-round way. Gradually realize that all wealth management managers can hold certificates. At the same time, we must pay attention to the training of employees in psychology and customer relations, provide employees with practical opportunities. Allow financial personnel to accumulate experience in practice. Build a group of comprehensive financial management personnel improve the market competitiveness of Minsheng Bank. Even better products require the recommendation of financial management personnel, otherwise they will not be able to open the market. Therefore, it is very necessary to strengthen the training of marketing managers of wealth management managers. To enhance the competitive advantage of Minsheng Bank's personal wealth management business, a highly qualified team of experts is a powerful backup. Therefore, the people's livelihood needs to form a team of personal financial management experts, but this is a long-term task. It can fill teams through in-line competitive bidding and out-of-office hiring methods to provide front-line support for first-line wealth managers. At the same time. It is necessary to introduce international advanced experience, create a certification system that conforms to the actual conditions of the people's livelihood with reference to the overseas financial management personnel's business standards, and increase the opportunities for communication and communication during the business development and strengthen team building.

Second, we must improve the professionalism of financial management personnel. Face-to-face communication between wealth management managers and customers and the rituals and attitudes displayed are also representative of banks. People's livelihood should pay attention to the improvement of the quality of

employees and the education of professional ethics. We must love and respect our work, treat our customers with peace and patience, and stand on the customer's point of view. We must focus on the interests of our customers. We sincerely consider our customers sincerely and not because of our business pressure. To bully customers. In the practice of implementing wealth management services, differentiated services are provided to customers. When communicating with customers, customers are more likely to learn about their interests and hobbies, provide financial solutions objectively, and use their own sincere attitude and professional services. We will impress customers and continue to accumulate quality customers and resources in practice. Over time, customers will trust financial staff and establish good communication relationships with each other. This kind of good service quality can enhance customer loyalty on the one hand, and can also enhance the competitiveness of people's livelihood, leaving a stable customer resource for Minsheng Bank.

4.2.2 Strengthen the training of management personnel

Managers play an important role in the development of the bank's strategy. Only by understanding the relevant knowledge and development trends of the wealth management business can banks determine the correct direction and path for development. Managers should be familiar with the macroeconomic development situation and national policies and regulations, have a keen sense of business insight and judgment, so as to play a good decision-making and overall regulation and control, and guide the frontline staff's financial management. Therefore, Minsheng Bank should strengthen the training of management personnel. Apart from training in basic business and professional knowledge, it is more important to cultivate decision-making ability. The management of branches and sub-branches should grasp the relationship between the main business and wealth management business in daily operations, establish and improve the internal incentive system, and increase employee enthusiasm and execution.

4.2.3 Sound mechanism for retention

After all aspects of employee training, it is more important to establish a sound internal retention mechanism. A scientific and reasonable performance appraisal and incentive system is an important part of commercial bank operations. Through perfect assessment methods, wealth managers are more stressed in their work and are more fully devoted to work. A good compensation incentive system can motivate employees, have more enthusiasm in their work, and gain advantages in the competition by improving employee contributions. With regard to the rise in the

resignation rate of employees in various commercial banks, the arrival of the departure wave, and the phenomenon of serious staff turnover, scholar expressed his opinion that the salary level of employees in the commercial banking business line has a strong correlation with job performance, but has reduced their contribution. The treatment of employees is unreasonable, which reflects the large problems existing in commercial banks in improving the incentive system. For Minsheng Bank, it is important to cultivate excellent financial management personnel, but it is important to understand how to retain these talents. Because it is this type of employee that brings profits to the bank. The development of bank personal wealth management services can also promote the development of other businesses. As a wealth manager, an employee who is in direct contact with investors, the loss of good financial staff may also lead to the loss of customers. Recultivating a good financial management personnel requires more manpower, material resources, and financial resources than retaining a financial management staff. In this regard, Minsheng Bank should reflect on its own deficiencies and deficiencies in employee training and employee benefits, and increase efforts to change the status quo, strive to allow more outstanding employees to stay in the people's livelihood, not to "do others to do wedding dress." On the one hand, people's livelihood should provide employees with competitive salary and pay a certain reward based on the performance indicators of employees on the basis of basic salary and benefits, and can consider adopting employee stock ownership plan as a long-term incentive to fully solicit employees. Opinions adjust the compensation system. On the other hand, Minsheng Bank should strengthen communication and exchanges with employees, understand employees' life planning and professional appeals, and provide employees with suitable promotion channels in order to stimulate the enthusiasm of financial management personnel and a sense of belonging among banks. In addition, Minsheng Bank should pay attention to the cultural construction of banks. Minsheng Bank, starting with the core concept of "people-oriented" homeland culture, pays attention to employee satisfaction, improves employee communication management mechanisms and complaint channels, conducts diversified employee care activities, and promotes employee career development. Create a harmonious atmosphere, enhance humane care, and improve employee satisfaction and well-being throughout the company. Individual competence, professional ethics, etc. in the selection of talents should also serve as an important reference for creating a harmonious relationship among colleagues.

4.3 Strive to strengthen risk prevention system construction

Minsheng Bank shall internally improve its risk identification, risk control and risk feedback systems, strengthen risk management from the entire process of

financial management, and enhance investors' risk identification capabilities through adequate information disclosure and increased risk education for customers. With the joint efforts of Minsheng Bank and investors, we will try to reduce the risk in personal wealth management business and promote the healthy development of wealth management business.

4.3.1 Strengthen risk internal control

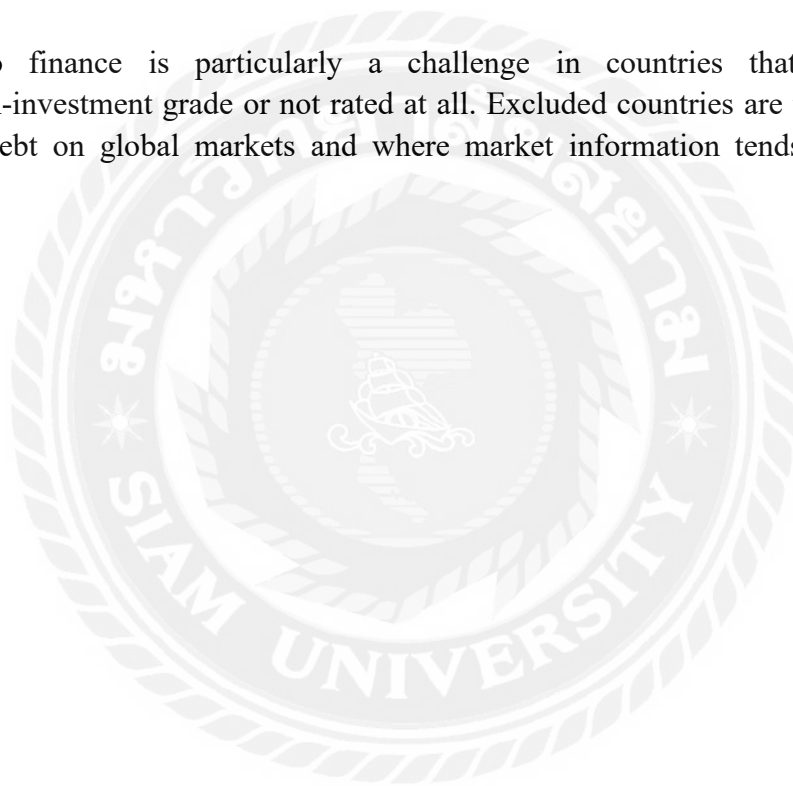
A complete internal risk control system is the first line of defense for risk management. If we can do this well and improve our internal construction, we can maximally avoid risks. The optimization of internal risk control systems by commercial banks can be carried out from the following aspects: At the macro level, attention should be paid to the formation and cultivation of internal control structures and concepts; in terms of the system, the identification criteria of various risk factors should be clarified, and sound risk control should be established. Measures; In the operation, each business line should work together to strengthen communication and sharing of information, comprehensively screen the hidden risks of various businesses, and maximize the risk of internal control efficiency. For Minsheng Bank, it mainly starts with the following aspects.

In short, Minsheng Bank should strengthen risk management in the whole process of personal wealth management business. First of all, in the aspect of product development and design, we must adhere to the principle of prudence, set risk limits, improve the management system in the development of new products, and improve the safety of products; secondly, in the process of product sales, we must do the customer's risk tolerance. Good rigorous assessment and recording. According to the results of investors' assessment, Minsheng Bank classified customers into five categories: conservative, secure, stable, growth, and active. Minsheng Bank stipulates that financial management personnel must inquire about the customer's economic strength, investment experience and risk bearing capacity when selling to customers who purchase wealth management products with a risk rating of 2 or higher for the first time, and provide financial management services by analyzing test results and requirements. The financial management personnel shall present the risk disclosure book and the product specification to the customer, and ensure that the customer has carried out detailed explanations and explanations on the specific conditions of the purchase start point, risk level, funds direction, fund raising method, expected return rate, etc. of the wealth management product; It is necessary to improve the monitoring and management throughout the entire process so that the front, middle, and back offices are separated from each other in product innovation and risk management.

4.3.2 Improve clients' ability to identify risks

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. 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.

Access to finance is particularly a challenge in countries that are either rated —non-investment grade or not rated at all. Excluded countries are those that do not issue debt on global markets and where market information tends to be very limited.



CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

At present, China's economy is in a rapid development stage. Along with the increase in residents' disposable income, the demand for wealth management services from households and individuals is also on the rise. As an important part of the intermediary business, personal wealth management has become an important source of profits for commercial banks and other non-banking financial institutions. Although China's commercial banks started late in personal financial services, they have good prospects for development. Against this background, it is of great significance for commercial banks to rapidly complete the transformation and vigorously develop wealth management services. It is also of great significance to conduct research on banks' personal wealth management services.

With the deepening of the reform and opening up of China's banking industry, personal financial services will become increasingly important in commercial banks. It is not only a manifestation of the overall competitiveness of commercial banks, but also an inevitable result of the economic and financial globalization trend. At present, China's personal wealth management business has great potential and space for development. Although there will be some problems in the development process, China will have greater development in the personal wealth management market by taking effective measures to make up for it. Commercial banks should change their traditional service concepts and operating patterns, actively adapt to the trend of the times, change their business models in a timely manner, and enter into a healthy and win-win competitive relationship with their competitors. Provide a thorough analysis of the existence of thresholds in the relationship between financial development and poverty. Another concern with the estimations is the potential influence of outliers. We have used the Hasidim procedure for outlier detection available in Stats for multivariate data. This result provide evidence in favour of a pro-poor impact from financial development, which is the expectation and is in line with the findings of previous studies on the financial development-poverty nexus. Similarly, the coefficient of the institutional variable is negative and statistically significant, meaning that the impact of institutional development is also pro-poor.

Minsheng Bank needs to make great progress and development in personal wealth management business. It also needs to make unremitting efforts to improve product competitiveness, pay attention to the training of professional personnel, and strengthen risk management, and strives to innovate in order to survive in the fierce market competition. In a defeated position, it has constantly explored a new situation

in the development of the personal financial market. This article analyzes and proposes countermeasures and suggestions for Minsheng Bank to improve personal wealth management services. It can also provide some references for the development of personal finance services for other commercial banks. Each commercial bank should combine its own situation and business. Features targeted and improved personal financial services, making our personal financial services better and faster.



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