



**RESEARCH ON DEVELOPMENT STRATEGY OF WUXI RURAL  
COMMERCIAL BANK**

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**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT  
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**RESEARCH ON DEVELOPMENT STRATEGY OF WUXI RURAL  
COMMERCIAL BANK**

**Thematic Certificate**

**To**

**AINING WANG**

This independent study has been approved as a partial Fulfillment of the Requirement of International Master of Business Administration in International Business Management

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# RESEARCH ON DEVELOPMENT STRATEGY OF WUXI RURAL COMMERCIAL BANK

## ABSTRACT

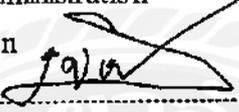
Title: RESEARCH ON DEVELOPMENT STRATEGY OF WUXI RURAL  
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The rural commercial bank of china was born in the special historical period; it is the special product of the rural financial system reform in china. With its simple and efficient business and decision-making process, the rural financial institution has comprehensive network coverage in rural areas. Close to customers, rooted in the vast rural areas of China, actively participate in the construction of new rural areas with socialist characteristics, become the main force of financial support for rural construction. With the publication of the first document of the Central Committee in 2017, the policy and measures put forward for the outstanding problems of agricultural rural reform and development in China are also pointed out by the rural financial institutions. Understand the key directions of business development in 2017.

Based on the theory of enterprise strategic management, this paper studies the development strategy of Wuxi agricultural firm. This paper mainly through the rational use of PEST analysis method, Porter five force model and SWOT analysis to Wuxi agricultural firm in-depth study, through the development of the current stage of the development of Wuxi agricultural commercial bank, the internal environment, the external environment, Based on the overall analysis of the competitive environment of the industry, the strategic orientation and development ideas of Wuxi Agricultural and Commercial Bank are further put forward, and the corresponding implementation strategies are put forward for how to carry out the development strategy steadily. On the

one hand, it is expected to play a certain role in the steady development of Wuxi agribusiness in the future.

In this paper the propose is expected to play a certain practical significance in the future steady development of Wuxi agribusiness, and on the other hand, it is expected to play a certain practical significance. It will also play a certain reference role in the strategic research of the similar small and medium-sized rural financial institutions.

**Keywords: Wuxi; Rural commercial bank; Development; Strategic management**



## 摘要

题目: 无锡农村商业银行发展战略研究

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26 / 7 / 2018

我国农村商业银行诞生于特定的历史时期,是我国农村金融体制改革的特殊产物。以其简单有效的业务在决策过程中,农村金融机构在农村有着全面的网络覆盖。贴近客户,植根于广大农村,积极参与建设有社会主义特色的新农村,成为农村建设的主力军。随着 TH 的出版第一个中央委员会的文件 2017、政策与措施提出了对中国农业农村改革发展的突出问题也由汝指出 REAR 金融机构。了解 2017 年业务发展的关键方向。

本文以企业战略管理理论为基础,对无锡农业企业的发展战略进行了研究。本文主要通过对害虫分析方法的合理运用,对波特进行了研究。五力模型和 SWOT 分析对无锡农业企业进行了深入研究,通过对无锡农业商业银行现阶段发展的内部环境进行分析。外部环境,在全面分析无锡市农业商业银行产业竞争环境的基础上,提出无锡市农业商业银行的战略定位和发展思路。并提出了相应的实施策略,以确保发展战略的稳步实施。

本文的研究对无锡农业企业今后的稳步发展具有一定的现实意义,同时也具有一定的现实意义。对类似的中小型农村金融机构的战略研究也将起到一定的借鉴作用。

**关键词: 无锡; 农村商业银行; 发展; 战略管理**

## ACKNOWLEDGMENT

First of all, I thank you very much for the Siamese university in this thesis course gave me a chance to learn. Teacher profound specialized knowledge, rigorous doing scholarly research attitude, strives for perfection the work style, with a noble ethics, who, live and let live lofty style, simplicity, approachable personality influence on me. I can not help but set up a broad academic goal, master basic research methods, and I understand a lot of people to deal with the truth of human affairs. From the topic selection to the completion of the thesis, each step is completed under the guidance of the tutor, with a great deal of painstaking efforts. Here, I would like to express my high respect and heartfelt thanks to my tutor!

The successful completion of this thesis is inseparable from the care and help of your teachers, classmates and friends. During the two years of study, I got the care and help of my classmates, and I would like to express my deep gratitude. Without their help and support, there is no way to complete my dissertation.

**Table 1: Staff professional composition**

Professional category	December 2015	
	Number of people	Proportion (%)
Business personnel	1,059	82.80
Administrative staff	152	11.88
Clerical staff	68	5.32
Amount to	1,279	100.00

As at 31 December 2015, the composition of the academic qualifications of the Bank's active staff is shown in the following table:

**Table 2: The composition of the employee's educational background**

Education category	December 2015	
	Number of people	Proportion (%)
Postgraduate and above	88	6.88
Undergraduate college	827	64.66
Junior college	244	19.08
Below university level	120	9.38
Amount to	1,279	100.00

The age composition of its active staff as at 31 December 2015 is shown in the following table:

**Table 3: Age composition of employees**

Age Category	31 December 2015	
	Number of people	Proportion (%)
Under 30	597	46.68
31-40 years	255	19.94
41—50 years	311	24.32
51—60 years	116	9.07
Amount to	1,279	100.00

**Table 4: The comparison of net interest margin and net interest rate between Wuxi Agricultural Bank and listed banks in the same industry is as follows:**

Unit: %

Project	2015		2014		2013	
	Net interest rate	Net interest margin	Net interest rate	Net interest margin	Net interest rate	Net interest margin
China Merchants Bank	2.75	2.59	2.52	2.33	2.82	2.65
China Citic Bank	2.31	2.13	2.40	2.19	2.60	2.40
Industrial Bank	2.45	2.26	2.48	2.23	2.44	2.23
Shanghai Pudong Development Bank	2.45	2.26	2.50	2.27	2.46	2.26
Minsheng Bank	2.26	2.10	2.59	2.41	2.49	2.30
Everbright Bank	2.25	2.01	2.30	2.06	2.16	1.96
Ping An Bank	2.77	2.63	2.57	2.40	2.31	2.14
Stock Bank Average	2.46	2.28	2.48	2.27	2.47	2.28
Ningbo Bank	2.70	2.40	2.51	2.50	2.51	2.46
Nanjing Bank	2.61	2.44	2.59	2.41	2.30	2.09
City Commercial Average	2.65	2.42	2.55	2.46	2.41	2.28
Wuxi Agricultural Firm	2.11	1.88	2.40	2.13	2.53	2.28

# RESEARCH ON DEVELOPMENT STRATEGY OF WUXI RURAL COMMERCIAL BANK

## CHAPTER 1

### INTRODUCTION

#### 1.1 Background

Rural commercial banks, formerly the rural credit cooperatives rooted in all parts of the country. According to the spirit of the document "decision of the State Council on the Reform of the Rural Financial system", the rural financial system should be adjusted accordingly, that is, the cooperation between commercial finance and policy-oriented finance should be guaranteed on the basis of cooperative finance. At the same time, the document also explicitly requires rural credit cooperatives to separate from the Agricultural Bank of China, and proposes to set up rural cooperative banks in areas with a high degree of urban-rural integration. In 2001, in order to further deepen the reform of the rural financial system, written reply issued by the people's Bank of China on the pilot Establishment of Rural Commercial Banks in Jiangsu Province. In view of the problems of rural financial system reform, the written reply puts forward many concrete suggestions, such as taking Changshu, Zhangjiagang and Jiangyin as pilot areas to carry out the reform of local joint-stock commercial banks. To approve the above three regions to be set up as three rural commercial banks on the basis of the former rural credit union, with voluntary contributions from farmers, individual industrial and commercial households, enterprises of all kinds and other economic organizations, respectively. On the basis of the pilot project of rural financial reform in the early stage, the Circular of the State Council on issuing and issuing the pilot Plan for deepening the Reform of Rural Credit Cooperatives proposes that, according to the principle of "treating measures according to local conditions, treating them differently, and classifying them," Choose the property right mode that accords with the actual situation of the region to promote the reform. According to the above-mentioned documents, rural commercial banks such as Wu Jiang, Kunshan, Shanghai, Beijing, and Shenzhen and so on have been set up since 2004.

Operational strategy is an overall plan that enterprises adopt in order to get a long-term survival and continuous development in the face of changing and challenging

environment. It is a concentrated expression of corporate strategic thinking, a scientific definition of business scope, and also the foundation of making plans. More specifically, the operational strategy defines the relationship between enterprises and environment, formulates business scope, growth direction and competitive strategy, and reasonably adjusts corporate structure and distributes all the resources. This is under the condition that the operational strategy coincides with the corporate mission and can guarantee that the mission could be accomplished, and based on making full use of the existing opportunities and creating new chances.

With economic globalization and the increasing pressure brought by international finance competition, China's financial system is also innovating amid development. So there is a new vigor and vitality appearing in the development of the banking industry, taking on a brand new look. Rural cooperatives nationwide were changed into rural commercial banks or rural cooperative banks. Guangdong Nanhai Rural Commercial Co, Ltd. (hereafter Nanhai Rural Commercial Bank, WuXi), as one of the main forces of China's rural finance, will rise, restructure and develop as a result of China's economic system development. If Nanhai Rural Commercial Bank intends to speed up comprehensive reform and meet the requirement of market development, the bank should thoroughly analyze the market environment, study its operations strategy, and roll out workable operational strategy.

With the continuous development of China's new rural construction, the continuous deepening of rural financial reform and the continuous increase in the country's investment in the construction of new socialist countryside, the rural commercial banks have great development space in the field of rural finance with the advantages of the system and the customer market.

## **1.2 The purpose and significance of the study**

The rural commercial bank of our country was born in the special historical period; it is the special product of the rural financial system reform in our country. With its simple and efficient business and decision-making process, the rural financial institution has comprehensive network coverage in rural areas. In the current social background, financial institutions should actively participate in the construction of new rural areas and provide financial security for construction activities.

The predecessor of Wuxi Rural Commercial Bank Co., Ltd. was Wuxi suburb Rural Credit Cooperative. Later, in order to respond to the national call, to expand the scale of

the former credit cooperative, in June 2005, in the credit cooperative staff, Wuxi private enterprises and other units and individuals under the organization of the establishment of today's commercial banks. The bank has a total registered capital of 400 million yuan, which belongs to a joint-stock rural commercial bank. In 2008, in accordance with the requirements of Wuxi municipal party committee and government to implement a strong financial market and speed up the reform and development of the financial sector, it adopted the introduction of strategic investors. Implementation of targeted additional issuance and capital expansion, enrichment and improvement of capital, so far registered capital has been Reached 750 million yuan, China Banking Regulatory Commission approved in September 2010 to change its name to Wuxi Rural Commercial Bank Co., Ltd. By the end of 2015, Wuxi Agricultural and Commercial Bank had 115.22 billion yuan of total assets, 86.919 billion yuan of deposits, 54.753 billion yuan of loans, 1.025 billion yuan of total profits, 13.72% of capital adequacy and 1.12% of non-performing loans. Wuxi Agricultural Company was officially listed on the Shanghai Stock Exchange on September 23, 2016, under the symbol: 600908. It can be seen that the operating performance of Wuxi agribusiness is in the upstream of similar agricultural firms in China. However, with the gradual intensification of financial disintermediation, the vigorous development of Internet finance, the overall promotion of marketization of interest rates, the increasingly stringent requirements of financial supervision and the emergence of major commercial banks in Wuxi, Wuxi agricultural firm will face a more complex internal and external competition environment. In order to obtain a place in the fierce market competition, Wuxi agricultural firm needs to define the market strategic positioning and formulate a strategic plan in line with its own development path. This paper studies the development strategy of Wuxi Rural Commercial Bank. On the one hand, it is expected to play a certain practical significance in the future steady development of Wuxi agribusiness, and on the other hand, it is expected to play a certain practical significance. It will also play a certain reference role in the strategic research of the similar small and medium-sized rural financial institutions.

### **1.3 The main contents of the research**

The first chapter is the introduction. This chapter is the background support of the research work, discusses the research background, significance and purpose, and determines the practical value of this study. On this basis, clear research content and methods for the content of the following paving the way.

The second chapter is a theoretical review. According to the research needs of this

paper, the research results of strategic management and commercial bank strategic management are summarized and analyzed. At the same time, from the domestic research status and foreign research status, to explore the theoretical content related to this study.

The third chapter is the strategic environment. Based on the realistic environment, this chapter discusses the external and internal environment of Wuxi Agricultural and Commercial Bank.

In the fourth chapter, based on the results of the analysis of the previous chapter, the overall strategic positioning and development goals of Wuxi agricultural firm are determined.

The fifth chapter studies how to comprehensively analyze all aspects according to the requirements of the overall development strategy positioning and objectives, and put forward the corresponding feasible measures;

Chapter six is the conclusion. Summarize the contents and results of the research. At the same time, the shortcomings of this study are analyzed, and a clear direction for further research and discussion is pointed out.

#### **1.4 Methods of research**

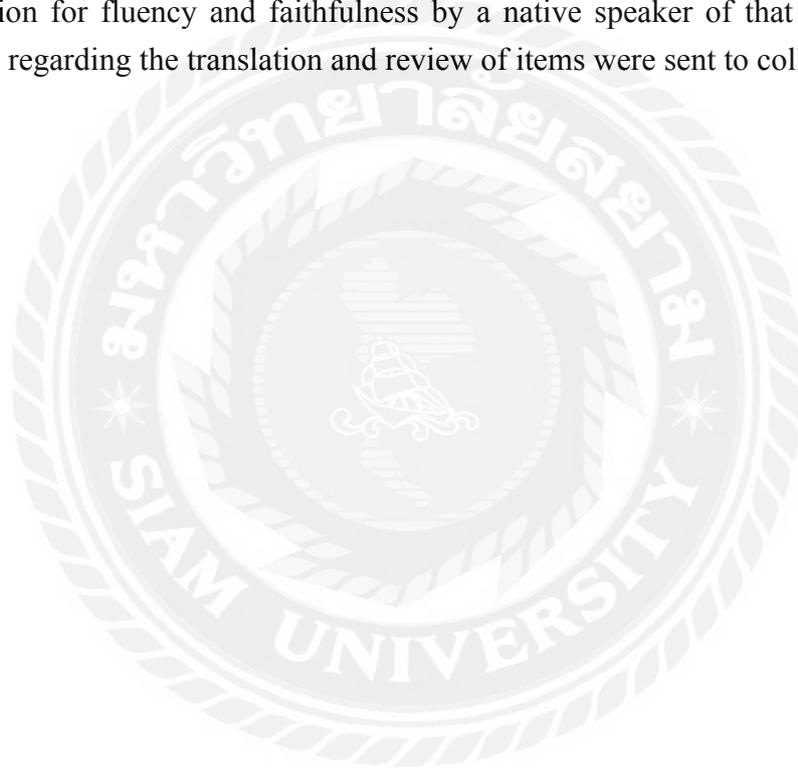
1. Literature research method. Through the Southwest University of Finance and Economics Library system, I have consulted a large number of references, using Internet resources and other channels to sort out the domestic and foreign people for corporate strategic management and commercial bank development strategy research results. All these laid a solid foundation for the smooth development of this study.

2. Data analysis. Through the analysis of the development and management data of Wuxi agribusiness and Wuxi local banking and other related data, this paper establishes the data base for the follow-up research.

3. Pest analysis, Porter's five forces model and SWOT analysis. This paper analyzes and evaluates the strategic environment faced by Wuxi Agricultural Commercial Bank, which provides an important basis for the formulation of Wuxi Agricultural Business Bank's strategy.

Some studies refer to predictive and postdictive self-efficacy beliefs. Cramer, Neal, and Brodsky argue that the terms self-efficacy and confidence should not be used interchangeably, because the two constructs differ in important ways: whereas self-efficacy refers to a person's perception of their ability to conduct a particular behavior, self-confidence reflects a degree of certainty about a perception, event, or outcome. Conceptually, confidence can be seen as a self-belief construct, encompassing one's perception of the difficulty of the test item, awareness of his/her own capabilities, and the likelihood that the just-provided answer is correct.

Translations were conducted by each foreign research team, followed by a review of the translation for fluency and faithfulness by a native speaker of that language. Clear instructions regarding the translation and review of items were sent to collaborators.



## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 A summary of strategic management theory

##### (1) Traditional strategic management theory

As early as 1962, Chandler made a clear statement of corporate strategic management. In "Strategy and structure-A textual Research on the History of American Industrial Enterprises", Chandler explores the internal relationship between enterprise strategy, environment and organizational structure, and he is the first scholar to discuss the relationship between these three factors. Enterprise strategy is to realize the long-term stable development of the enterprise, which requires that the strategy itself meets the actual needs of the market and has a higher adaptability to the environment. From the point of view of the enterprise interior, the strategic objective has a direct impact on the organizational structure. When the enterprise strategy changes, in order to achieve the strategic objectives better standard, internal organization structure also needs to adjust accordingly (Henry, 1994).

With the development of relevant theories, the research on strategic management is deepening, and there are more and more branch schools. In 1960 s, the research on strategic structure was divided into two schools: one was design school. The representative scholars of this school are Chandler, Andrews, and Sid and so on. According to the school of design, strategy is divided into two parts: formulation and implementation, and both parts need to be able to change and develop according to the actual environment. Nowadays, more SWOT strategic models are used, which is the achievement of this school. The second is the School of Planning. Some scholars, represented by Ansov, believe that strategy itself should be a very planned and standardized content. In 1965, the corporate strategy was divided into two parts: the overall strategy and the management strategy. In 1979, Ansov's "Strategic Management" explained his strategic management model directly and in detail. In his theory, strategic behavior mainly aims at two aspects: sympathetic to environment and internal structural adjustment. It can be seen that, in the traditional strategic management theory, its analysis is based on environmental factors (Beaufre, 1965).

##### (2) Theory of competitive strategy

Porter is the representative scholar of the theory of competition strategy. As early as the 1980s, his two works "competitive Strategy" and "competitive advantage" have already expressed the theory of competition strategy very well. In the famous Porter Model, there are five factors that affect the income of the enterprise: first, the substitute supplier, when the product is homogenized, the pressure is more obvious; the second is the new entrant, who has just entered the industry. Potential targets of threat; third, existing competitors, pressure from the same industry; fourth, the bargaining power of suppliers, is from the upstream pressure; fifth, the bargaining power of users, is the pressure of downstream Force. These five factors have obvious influence on the rate of return of investment. In the process of actual analysis and strategy implementation, it is necessary to make a comprehensive discussion on each factor to determine the strategic way that can improve the competitiveness (Noonan, 2012).

In the theory of competitive strategy, profitability is the basis of the research. All the relevant analysis of competitive factors is to improve the profitability of enterprises, obtain a greater market share, and thus achieve the long-term stable development of enterprises. Compared with the traditional strategy theory, the competitive strategy theory has carried on the multi-angle research to the industry attraction, but how to define the industry standard, the industrial structure stability and so on content has not been clear. The theory of competition strategy is an analysis based on the competitive structure of industry, which makes it possible to cause strategy in the actual operation process due to various reasons, especially internal environment, different resources and other practical problems. It is unreasonable (Hobsons, 2016).

### (3) Core competence theory

With the development and change of the market, the phenomenon of product homogenization is becoming more and more serious. In this context, it becomes more and more difficult to rely on accurate positioning for long-term development. In view of this, the related research of strategic management theory begins to seek new direction, bring the learning ability of enterprise into the scope of study, and think that the level of learning ability of enterprise is directly proportional to the development ability. When resources and learning ability become the important factors that affect the development of enterprises, the core competitiveness theory based on these two contents is derived.

From the point of view of enterprise, there are three types of resources: human resources, material resources and organizational resources. However, in the process of enterprise operation, these three kinds of resources are usually difficult to function alone,

which requires the enterprise to make rational use of the three kinds of resources and to allocate and utilize them reasonably in different situations. When the resources owned by the enterprise cannot be replaced and cannot be imitated, these resources and their integration ability can bring great benefits to the enterprise and thus condense into the core competitiveness of the enterprise (Kanekar, 2010).

Comparing with Porter's model, we can find that the core competence theory better describes the internal environment of the enterprise, is a resource-based theoretical content, and has a longer view.

#### (4) New strategic management model and research trends

After the last century 90's, the market environment has taken place the significant change. On the one hand, the development of technology makes the product update faster, but also increases the degree of homogeneity. On the other hand, the standard of living of the people continues to improve; individualized demand is also more and more intense. Under the action of two kinds of factors, "innovation" becomes the new path of enterprise development. Edward de Noble made a comprehensive analysis of the above problems in his book *beyond Competition*, and put forward the theory of transcendental Competition. Since then, the research on strategic management began to expand in a wider direction (Schemo, 2007).

In addition to the theory of transcendental competition, Mohr's theory of evolution of enterprise ecosystem and Davenides' model of transcendental competition are all effective approaches to the new strategic management model. In the continuous research, the scholars believe that the strategic management theory should change and perfect with the change of the times, so the theory itself also presents new characteristics. Firstly, the theoretical analysis and discussion should not be limited to the current industrial environment, should attach importance to the dynamic analysis. Secondly, the theory and practice should be combined and promoted, and the theory should be applied in practice. Finally, the content and views of different schools of thought continue to merge and promote each other's development (Nag, 2007).

## **2.2 The strategic management theory of commercial banks at home and abroad**

### **2.2.1 Domestic research**

(1) Defines the bank strategy. The fundamental purpose of bank strategy is to gain a certain competitive advantage, which is a long-term and risky activity. All strategic

objectives and behaviors of banks, such as scope of operation and competitive strategies, should be based on the realization of the bank's vision.

Operational strategy guarantees the relationship between enterprises and environment, stipulates the scope, direction and competition strategies, reasonably readjusts corporate structure and distributes all corporate resources under the condition that the strategy is consistent with corporate mission and the mission could be accomplished and on the basis of fully utilizing opportunities and creating new chances. From the perspective of formulation requirement, business strategies mean using opportunities and threats to evaluate current and future's environment, assessing the conditions of corporate based on advantages and disadvantages, hence to choose and guarantee the overall and long-term goals of corporate, and formulate and determine the action plans to realize goals (Mintzberg, 1996).

(2) To the bank strategic transformation has carried on the discussion. Strategic transformation is not only related to the current development of banks, but also affects the future development direction and path. Therefore, in Wang Jiang's research, the existing problems and future problems are the main contents of his research (Lepak, 1998).

Through formulating business strategies, investigating and analyzing internal and external environment of the enterprise, and guaranteeing the status of enterprises in market competition, it sets a clear direction for enterprises to enhance own operation abilities.

(3) Put forward that rural commercial banks must accelerate the transformation of service object, service idea, service mode, organization structure, business structure, profit model, risk management system and corporate governance mechanism in order to realize the strategic transformation (Mintzberg, 1987).

From the reality of China's banking industry's perspective, supporting strategies mainly included: market positioning strategy (consisting of regional positioning, business positioning and customer positioning strategy), and business development strategy (consisting of wholesaling development strategy, and retailing development strategy, financing and investing development strategy, and intermediary service development strategy), virtual bank development strategy (including ATM, CDM, POS, phone bank and other traditional virtual bank business, and online banking business and other business development strategies), capital operational strategy (including IPO, M&A, and

strategic alliances strategy), cost control strategy, asset control strategy and organization system development strategy. Also, a sound, scientific and complete strategic supporting system is the foundation of the implementation of bank's strategic planning. Commercial banks' strategic supporting system includes marketing supporting system support, risk control system support, backstage processing system support, financial guarantee system support, information technology support, human resources and corporate culture support, and so on (Velliariis, 2016).

### **2.2.2 Studies abroad**

Since the 1990s, the trend of economic globalization has become more and more obvious, the world markets are opening up and the pace of integration is getting faster and faster, which makes the competition pressure of the whole market increase continuously. In response to this situation, banks in many developed countries have begun to implement strategic management to improve their competitiveness in the international market, and have achieved initial results (Ghemawat, 2002).

In the process of bank operation, the implementation and transformation of the strategy are accompanied by certain risks. In order to ensure the stable development of the bank, it is necessary to effectively control the possible operation and market risk.

It includes four main contents: first, strategic formulation is the foundation of enterprise strategic behavior, and it is also the concentrated embodiment of enterprise development goal. The second is the implementation, is the concrete activity process. The third is evaluation, after the implementation of the strategy, the whole implementation process and the results achieved, the degree of completion of the objectives should be evaluated to provide reference and guidance for the follow-up work. Fourth, control, ensure that strategic management can promote the realization of corporate vision.

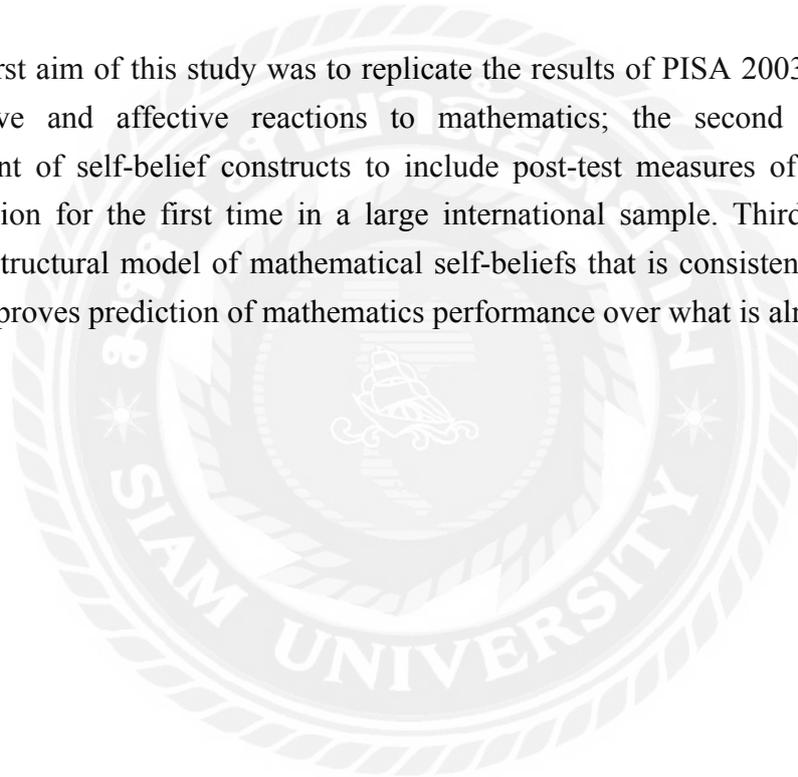
Put the research attention to the small and medium commercial banks. In the increasingly competitive realistic context, the size of small and medium-sized commercial banks, funds and so on do not occupy a large market advantage, so the strategic management is more important in its long-term stable development target.

For both constructs the word "confidence" is used, and one difference is in timing: the self-efficacy question is asked prior to a cognitive act and confidence is asked immediately after answering a cognitive item. Boekaerts and Rozendaa refer to the

calibration of 10–11 year old primary school students’ mathematics self-beliefs, in which post-solution judgments of accuracy were more accurate than “feeling of confidence” before problem solution. They argue this is because students’ metacognitive feelings during the mathematics task would have informed their judgments (Sowa, 2002).

The study was administered from Singapore, where all data collection, cleaning, and analysis took place. The foreign collaborators – all situated in the education or psychology departments of universities in their own country – were responsible for translation of the survey documents into the languages of their sample, sampling schools and classes, and managing data collection, following procedures developed in Singapore.

The first aim of this study was to replicate the results of PISA 2003, which focused on cognitive and affective reactions to mathematics; the second was to extend measurement of self-belief constructs to include post-test measures of confidence and self-evaluation for the first time in a large international sample. Thirdly we aimed to develop a structural model of mathematical self-beliefs that is consistent across cultures and that improves prediction of mathematics performance over what is already known.



## CHAPTER 3

### STRATEGIC ENVIRONMENT ANALYSIS

#### 3.1 External environment analysis tools

##### 3.1.1 Analysis of external environment PEST analysis model

The early days of foundation, China was facing the reality of low productivity, and the situation that a thousand things waited to be done. The countryside in China implemented the "three cooperatives", namely producer's cooperatives, supply and marketing cooperatives, and credit cooperatives, which was the beginning of the development of Nanhai's credit cooperation. After the "Cultural Revolution", the nation turned over Rural Credit Cooperatives (abbr. RCC) to Agricultural Bank of China (abbr. ABC) so that RCC was not only the financial collective but also the basic unit of the national bank. Under the leadership of ABC, the business of RCC had got resumed and roughly reformed the management system. However, it made RCC lose the autonomy and step on the official way. Besides, because of the incomplete reform, the principle of cooperative did not attain the results as expected and democratic management become a mere formality.

PEST analysis model is one of the most commonly used models in the macro-environmental analysis of enterprises. The model is based on the four external factors of the political and legal environment, the economic environment, the social and cultural environment, the technological environment, and the following four external factors: the political and legal environment, the economic environment, the social and cultural environment, and the technological environment. In order to provide a reference for the strategic decision of the management of the enterprise, we should deeply understand the macro-environment of the enterprise itself, and dynamically adjust the internal conditions of the enterprise according to the situation and changes under the macro-environment. This article will analyze the Wuxi agricultural firm through the above four angles External environment.

The proportion of revenue from intermediary services is largely positively correlated with the scale and the level of integration in businesses. Compared with state-owned banks and national joint-stock commercial banks, WuXi is weak in scale, market competitiveness and anti-risk capacity. Though it has undergone years' significant development, the Bank is still not large enough intermediary services income, made

transformation and upgrading difficult.

### **3.1.1.1 Analysis of the political and legal environment for the development**

Politically, in terms of the international environment, the international situation has fluctuated in recent years, with Britain leaving the European Union, Trump elected to ISIS terrorist attacks, refugee crises, and disputes in the South China Sea. North Korea's nuclear test and the turn of relations between Russia and Turkey touch the tension of the world, but the theme of the whole era remains "peace and development." Under the background of economic globalization, the new industrial revolution is rising step by step in the world. From the domestic point of view, the overall political situation in China is good, under the leadership of the State Council of the Communist Party of China, the work has progressed steadily. March 2016, March of the fourth session of the Twelfth National people's Congress the 13th Five-Year Plan outline, 2016-2020, was deliberated and adopted on the 16th. The 13th Five-Year Plan is a programmatic plan for the world's macroeconomic downward pressure and for China's economic development to enter the new normal period. It is also a crushing plan for building socialism with Chinese characteristics in an all-round way and realizing the great rejuvenation of the Chinese nation. It is also a basic plan for the overall layout of the next century-old goal. Second, since 2015, the central bank has successively cut interest rates several times, cut the number of standards, and during this period there has also been a targeted cut in the standard, and the use of the medium and short term liquidity delivery tools, such as SLFFML-PSL), has been used since 201. From October 24, 2015, the floating upper limit of deposit interest rate of commercial banks and rural cooperative financial institutions was abolished, which means the coming of interest rate marketization. Third, at the G20 summit held in Hangzhou in September 2016, the "G20 Senior principles of Digital inclusive Finance", formulated and promoted by China, was formally deliberated and adopted to promote the overall development of digital inclusive finance for all countries. The direction is indicated.

Currently, WuXi is still a major rural financial policy executor of the state. The state gives it certain preferential treatment in policies like capital support, floating interest rate, agricultural supporting re-lending, tax exemption and small amount agricultural loan issuance. This gives WuXi advantages in market competition.

In terms of system, the main laws and regulations applied by rural commercial banks and other small and medium-sized financial institutions in rural areas are divided into two parts: basic laws and regulations and trade rules and regulations. The basic laws and regulations include the Commercial Bank Law of the People's Republic of China and the

Banking Supervision and Management Law of the People's Republic of China. Industry regulations mainly involve industry management, corporate governance, business operations, risk prevention and information disclosure. The main ones are: "measures for the implementation of Administrative Licensing items of Rural small and Medium-sized Financial institutions", "guidelines on Corporate Governance of Commercial Banks", "guidelines on the system of Independent Directors and external Supervisors of Joint-stock Commercial Banks", "General principles of loans", "Commercial Banks" Due diligence guidelines for Credit granting, interim measures for the Management of Derivatives transactions in Financial institutions, guidelines on Internal Control of Commercial Banks, guidelines on Market risk Management in Commercial Banks, provisions on Anti-Money laundering of Financial institutions, guidance on Classification of loan risks Principles: measures for Information Disclosure of Commercial Banks. The implementation of the above laws and regulations provides a good guarantee for the development of commercial banks. However, it is undeniable that the legal construction of our country, especially in the field of finance, is still in the stage of gradual improvement, the legal environment is in a state of continuous change, and there is a certain lag relative to market economic activities. The completeness of banking supervision system and the gap between western developed capitalist countries still exists.

### **3.1.1.2 Economic development of Wuxi agricultural firms**

From the overall financial environment, the impact of the financial crisis has not completely subsided, and the financial situation is not generally showing the trend of vigorous development. In this case, emerging economies are not stable. Meanwhile, the fundamentals of the domestic economy have not changed for a long time and the prospects remain bright. For the whole of 2015, China's gross domestic product was 68.55058 trillion yuan, up 6.99 percentage points from 2014. Second, the tertiary industry accounted for 40.5% and 50.5% respectively, and the growth rate of the tertiary industry reached 6% and 8.3% respectively. With China 20 15 years of good development results, the overall financial environment and trade environment has also been greatly improved. First, the market space is wider. Product suppliers, producers, sellers and so on can find the right market, and continue to grow. Secondly, the material base is stronger. The improvement of GDP is directly related to the improvement of economic level. The funds in various aspects such as enterprise management and operation can be guaranteed to a greater extent and the overall financial environment is more stable. Third, the industrial system is more complete. With sufficient financial support and excellent technical support, China's industrial system is gradually improving; many products and technology can be

achieved at home. Finally, human capital is richer. Professional and technical talents are constantly emerging, the human capital needed for the development of industries and enterprises can be guaranteed, and the economic development is more stable. Our country economy appears a lot of new growth point, information, the pace of modernization is faster and faster.

WuXi has long been adhering to the development strategy of keeping a strong foothold in rural financial market. From 1998 onward, the national big four--Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, and Construction Bank of China started to withdraw their rural branches, which left wider rural financial market space for WuXi. As a result, it has built up absolute market share in this niche market. At present, business outlets below the township level of many competing rural banks have been pulled out, thus the historical task of supporting and promoting rural economic development now rests on the shoulder of WuXi. It is therefore granted a significant development opportunity.

Wuxi is located in the south of Jiangsu province, where the economy is the most developed. Wuxi is the cradle of Chinese national industry and township industry, and the birthplace of southern Jiangsu model. Wuxi is an international advanced manufacturing base in the Yangtze River Delta, a service outsourcing and creative design base, a regional trade and logistics center, a vocational education center and a tourist resort center. The total area of Wuxi is 4627 square kilometers, and the resident population of Wuxi is 6.511 million. In 2015, the GDP of Wuxi is 851.826 billion yuan, the per capita GDP is 130900 yuan, and the fixed assets investment the per capita disposable income of urban and rural residents was 451, 000 yuan and 24200 yuan respectively. The private economy in Wuxi has developed vigorously since the 12th Five-Year Plan. In 2015, the private economy in Wuxi achieved an added value of 557.946 billion yuan, an increase of 4.5 yuan over the previous year, accounting for 65.5% of the total economic volume, an increase of 8.7% over the previous year. The private economy invested 282.306 billion yuan in fixed assets, an increase of 9.1% over the previous year. At the end of 2015, the city's financial institutions had 1.318125 trillion yuan in deposits and 9525.99 yuan in loans. 100 million yuan, the total amount of deposits and loans in Jiangsu Province are ranked third. Wuxi ranked No. 1 in the ranking of the level of Development of China's Wisdom cities, which was judged by the 2014 China Wisdom cities Development Conference, and ranked among the 2015 best commercial cities in mainland China by Forbes in 2015. Wuxi ranked 8th and Wuxi ranked 10th in the 2015 Blue Book on China's Urban Competitiveness: China's Urban Competitiveness report, published by the

Chinese Academy of Social Sciences in 2015. A good economic environment has given rise to a good financial ecological environment. The steady Development of Local economy to Wuxi Agricultural and Commercial Company It means the increase of excellent customer group, which lays a good foundation for the long-term development of Wuxi agribusiness.

### **3.1.1.3 Analysis of the social and cultural environment for the development**

Social and cultural factors refer to the general situation of the development of the whole society or region in a certain period of time, mainly including the changing trend of population, the social stratum, the social moral custom, the cultural tradition, the value concept and so on.

WuXi is faced with a new set of challenges and pressure: first, profit pressure. As interest rate liberalization continues to accelerate, spreads in banking will fall gradually and profitability will be severely challenged. With ever increasing regulatory requirements, the regulatory pressure will be greater on the banking sector. The current economic environment will cause huge pressure on managing credit risk, liquidity risk and market risk. Joint-stock commercial banks increase their presence at the communities will cause pressure for WuXi, so does the entry of foreign banks and private banks. Development of Internet finance will bring shock to the traditional banking business model, at the same time, massive restart IPO in stock market also deals a blow to the banking system.

Wuxi is located in the hinterland of the Yangtze River Delta impact Plain, in the south of Jiangsu, in the Taihu Lake Valley, through the Grand Canal. Wuxi lies on the Yangtze River in the north, Taihu Lake in the south, Suzhou in the east and Changzhou in the west. Wuxi is a famous city of national history and culture, which has been the land of fish and rice since ancient times. In addition, Wuxi is an important development area of national industry and township industry. Both industries have achieved good development and are the birthplace of the southern Jiangsu model.

(1) The overall standard of living in Wuxi is relatively high. By the end of 2015, the per capita disposable income of urban and rural residents in Wuxi was relatively high, the Engel coefficient was only 28, and the number of private cars in the city reached 1.1761 million, which was far ahead of the national average in the same period. At present, the urbanization rate of Wuxi is over 70%, which is close to the level of urbanization in

developed countries. With the steady growth of residents' income in Wuxi, people's demand for retail banking business also shows a rapid growth trend, which will continue in the future. On its future development provide a wide range of customer resources.

(2) Wuxi industrial structure upgrade fast. In 2015, Wuxi's second, tertiary industry added more than 400 billion yuan, up from 2014. The added value of the primary industry is 13.772 billion yuan, with a drop of 0.1 percentage points. Wuxi emerged a large number of leading enterprises such as Hailan Group, Yangzijiang Shipping Group, Shuangliang Group, Red Bean Group, and Far East holding Group and so on. By the end of 2015, there were nearly 100 top 500 enterprises in Wuxi. In addition, many national and provincial engineering and technical research centers and research offices have settled in Wuxi and have cooperated with the international community. In the whole year of 2015, the total number of patent applications for inventions in the whole city reached 24197, showing that the city's innovation ability and innovation level are high. Such a large number of patent applications mean high quality and high level of talent. In 2015, Wuxi City was selected by 8 people in the National "Thousand thousands Plan", which provides a basic talent guarantee for scientific and technological innovation and product innovation. In the case of abundant human and material resources, Wuxi has received 488 million yuan of national and provincial funds for science and technology projects. According to the requirements of Wuxi's industrial strategy of strengthening the city, it is necessary to build the "four modernizations" as the guide and to take the emerging as the guide. Industry is the leading factor, advanced manufacturing industry is the main body, and modern service industry is the support of the new highland of modern industrial development. The transformation and upgrading of Wuxi industrial institutions means a huge demand for financial services for local financial enterprises.

(3) The educational level and scientific and cultural level of the residents are relatively high. Wuxi, as the birthplace of Wu culture, has respected teachers and teachers since ancient times. Wuxi Municipal people's Government attaches great importance to the investment in education and culture, and to the cultivation of advanced technical personnel. By the end of 2015, Wuxi had 743600 professionals, 12 colleges and 115300 ordinary colleges. The implementation of basic education has also achieved great results, the gross enrolment rate of each basic education sector reached 100. The educational and cultural level of Wuxi people is generally high, which also provides a strong talent guarantee for the development of Wuxi local economy.

As for business scope and product innovation, WuXi has made its headway, but it is

still outperformed by national joint-stock commercial banks, which have excellent innovation capacity and a far wider range of business. These banks hit credit and intermediary services the hardest, especially private banking businesses such as commissioned wealth-management, financial consultation and service of tax agent tailor-made for high-end customers. Moreover, with advanced high-tech network facilities, these banks provide information services in transportation, travel, reservation etc. The development of electronic network is an important means for banks to innovate products, enlarge market share and materialize sustainable development. WuXi values electronic development and works hard on electronic network service, it still lags behind these banks by a large margin, whether in business innovation or in technical support for electronic network.

The good social and cultural environment of Wuxi provides a good environment for the development of Wuxi agribusiness. Wuxi is the economic center of southern Jiangsu, with excellent cultural tradition, hardworking and honest people, high education level of local people. Wuxi was listed as the first batch of credit demonstration and founding city in 2015. This has provided a good reputation environment for the development of Wuxi agribusiness.

#### **3.1.1.4 Technical environment analysis of Wuxi rural commercial bank development**

With the popularity of computer and Internet, financial innovation is no longer satisfied with the traditional product or service innovation, information technology has become a new focus. For banking, both customer relationship management and customer credit evaluation need information technology to complete. In the future, banking financial innovation will rely more on modern information technology. At the same time, the commercial bank service channel has changed from a single business network channel to a comprehensive combination of electronic channel and business network channel. Information technology is widely used in various links and products of commercial banks and becomes commercial banks. Business innovation and management level of continuous improvement of the basic support. On the one hand, information technology has improved the management quality and ability of banks. From the point of view of customer management, credit information system, interactive processing system and so on need to be realized with information technology. These systems simplify many of the onerous procedures of banks and make them more efficient. From the point of view of product management, information technology has promoted the development of financial derivatives and banks can make more profits. On the other hand, information technology

has changed the way banks operate. In the traditional banking activities, customers need to go to the online store to do all the business, which in today's pursuit of speed and efficiency. With the development of information technology, ATM, VTM, mobile banking, etc. The innovation of information technology can be used to erode the traditional financial territory, but also to fill the gap of the previous market, to realize the differentiated and personalized service of its products and services. The combination of Internet and financial industry has promoted the reform of the financial field. Yi's efficiency level has been improved, which is the traditional trading model cannot be compared.

### **3.1.2 Analysis of porter's five forces analysis model for external environment**

Porter's five-force analysis model is a theoretical model founded by Michael E. Porter. The model discusses the scale and degree of competition from five aspects, which are shown below. In order to obtain the favorable situation in the competition, the model should be "standing to the team" and "standing at the head". According to the analysis of Porter's five-force model, the paper analyzes the five aspects above, and can observe directly the threats and competition, opportunities and challenges, advantages and disadvantages faced by banks. Provide theoretical support for the development of Wuxi agricultural firm Support, for its development strategy to provide direction.

#### **3.1.2.1 Bargaining power of suppliers**

For commercial banks, suppliers are the suppliers of funds. The suppliers of funds include personal savings deposits, enterprises and institutions, institutional unit's deposits, and loans from the Central Bank. Interbank borrowing and issuing financial bonds and other funds supplement, for the traditional deposit and loan business commercial banks, deposit is the foundation of the bank, there is no deposit protection, and other financial business will be restricted. According to Porter's five-force analysis model, the supplier's bargaining power is greatly affected by the products it can provide. If the supplier can provide a product that is irreplaceable, its bargaining power is strong. In addition, with the supply side of the fund. With the general strengthening of financial management consciousness, the mass introduction of securities and insurance financial management products, the promotion of marketization of interest rates, the impact of Internet finance, and the increasing bargaining power of fund providers, This makes it much more difficult and costly for commercial banks to absorb deposits, so that as a provider of funds, personal savings deposits and public deposits, especially large customers, are often the

object of competition among major banks. Every quarter, especially at the end of the year, commercial banks try their best to fulfill their liabilities.

### **3.1.2.2 Buyer's bargaining power**

For commercial banks, buyers are the demand for financial services, which include such as loan funds, financial products, fund products, various agency business, precious metal business, payment and settlement business, international business and so on. Capital demanders can be divided into three types: one is low risk demanders. These organizations and units usually have good credit or strong capital backing, such as government financing institutions and quality large and medium-sized enterprises. Banks have little risk to fund, they are more capable of negotiating with them, and they are willing to work with them. In reality in the inter-market, many individuals or organizations borrow from banks in order to achieve the needs of entrepreneurship or expansion. However, this part of the demanders are mainly small and medium - sized enterprises and individuals, with no capital backing behind them, and their bargaining power is weak. The three are the demanders of diversification. These groups are similar to those of high - risk demanders, i.e. mostly individuals, but they are able to provide corresponding collateral, and the risks required by banks can be dispersed in these mortgages, so their bargaining power is also stronger.

### **3.1.2.3 Potential competitors' ability to enter**

On the one hand, since China's entry into the WTO, China has adhered to its commitment to open market access, the threshold of entry for foreign banks has been lowered, and its business has become more convenient. Foreign banks have seized the domestic market one after another, making the banking market in China. The external competition becomes extremely fierce; the domestic commercial bank's management environment has taken place the significant change. On the other hand, with the further improvement of China's market economy system, the commercial bank groups of large commercial banks, joint-stock commercial banks, urban commercial banks and rural financial institutions have basically formed. More importantly, since 2014, more than 10 private banks have been approved for construction, some of which are privately owned. Banks have opened business, the business characteristics of private banks and shareholders background is closely related. WeBank, the Internet merchant bank, Sichuan wants the banks behind Tencent, Ali, Xiaomi, Internet scene and technology, can turn upstream and downstream enterprises into private bank customers, which has intensified

the regional banking competition pressure. Wuxi Agricultural and Commercial Bank should soberly realize the competitive pressure brought by the changes in various aspects of the situation, actively construct market-oriented, customer-centered, adopt a differentiated management strategy, and avoid excessive competition in the large and medium enterprise markets. Use a unique vision to select banks that are untapped, such as individuals, small and medium-sized enterprises, etc.

At present, there are 5 large state-owned commercial banks, 12 national joint-stock banks, 4 urban commercial banks, 7 foreign banks, 4 rural commercial banks, 5 village banks and 38 postal savings banks in Wuxi. Bank of China (excluding Agricultural Development Bank of China). The banking market in Wuxi is becoming increasingly competitive.

#### **3.1.2.4 Substitution capacity of alternatives**

With the liberalization of interest rate liberalization, private banks have been set up in batches. With the liberalization of interest rate liberalization, private banks have been set up in batches. In the large background of the domestic capital market becoming more and more perfect, securities, insurance, trust and fund products are becoming more and more abundant. The assets business of commercial banks will be replaced by equity financing market, bond trading market and paper market. At the same time , the debt service of commercial banks is gradually eroded by the increasingly abundant investment channels such as stock market investment , insurance financing , monetary fund and trust investment . As a direct result of the decline of economic entities' dependence on commercial banks and the significant enhancement of bargaining power of commercial banks, Wuxi Agricultural Bank, which relies on traditional asset-liability business, is challenged. Therefore, Wuxi Agricultural and Commercial Bank must carry out strategic transformation, combine with its own reality, constantly grow bigger, stronger and stronger, do fine and small enterprise business, personal banking business, direct selling banking business, financial market business, investment banking business, asset management business, etc. Look for new profit growth points in the transformation.

#### **3.1.2.5 Competitiveness of competitors in the industry**

The excellent financial ecological environment in Wuxi provides a solid material foundation for the prosperity and development of the banking industry. By the end of 2015, 38 banking institutions had entered the city. Including 5 large state-owned commercial banks, 12 national joint-stock banks, 4 urban commercial banks, 7 foreign

banks, 4 rural commercial banks and 5 village banks, as well as postal savings banks, a total of 38 commercial banks (excluding Agricultural Development Bank of China; by the end of 2015, The balance of local and foreign currency deposits of financial institutions in the whole city was 1.318125 trillion yuan; the balance of local and foreign currency loans of financial institutions was 9525 yuan 9.9 billion yuan; the local and foreign currency deposits and loans of financial institutions Prida 72.30; the non-performing loan rate is 2.03. By the end of 2015, the balance of local and foreign currency deposits in Wuxi was 6.86% of the total market in Wuxi, the balance of local and foreign currency loans was 5.67%, and the total amount of deposits and loans was the sixth in Wuxi.

Wuxi Farmers has 103 branches in the city, covering almost all the streets and towns in Wuxi. Wuxi Agricultural Company has been rooted in Wuxi City since its establishment and mainly serves local small and medium-sized enterprises and local residents. With its native advantages and deep understanding of regional economy, Wuxi Agricultural Commercial Bank has gradually grown and strengthened in competition with many banks, including the five major commercial banks, and has established a more advanced market position. As a leading bank in Wuxi, Wuxi Agricultural firm continues to benefit from Wuxi's strong economic growth. Through the full penetration of Wuxi, Wuxi agricultural firm will be able to provide customers with unique insight, thus seize the strong economic growth in Wuxi opportunities.

### **3.2 Internal environmental analysis**

Through the in-depth analysis of the external strategic environment of Wuxi Agricultural Commercial Bank, we have learned the opportunities and challenges of Wuxi Agricultural Business Bank. Similar to corporate core competence, banks are more competitive in the market when they have sufficient resources and capabilities. By analyzing the internal environment of banks, on the one hand, we can understand the actual contents of their resources and capabilities, and then expand these resources and capabilities. On the other hand, it can better combine the internal environment with the external environment, so that the bank can use the effective information more reasonably and promote the development of the bank. Integration of internal and external environment this paper provides a reference for the formulation of the development strategy of the bank, and clarifies its ability and resources to focus on development, as well as the specific development path. The following further analysis of the internal environment of Wuxi agribusiness to fully understand its strengths and weaknesses.

### **3.2.1 Current status of business development of Wuxi agribusiness**

The headquarters of Wuxi Agricultural Company is located in Wuxi. Wuxi is the birthplace of Wu culture, the birthplace of Chinese national industry and commerce, and the creation area of township enterprise model. The predecessor of Wuxi Rural Commercial Bank Co., Ltd. was Wuxi suburb Rural Credit Cooperative. Later, in order to respond to the national call, to expand the scale of the former credit cooperative, in June 2005, in the credit cooperative staff, Wuxi private enterprises and other units and individuals under the organization of the establishment of today's commercial banks. Since its establishment, Wuxi Agricultural Commercial Bank has made full use of the unique advantages of the small and medium-sized legal person banks, adhered to the correct market positioning, and, in accordance with the requirements for the establishment of modern commercial banks, has been determined to make full use of its unique advantages. Enterprising, pioneering and innovating, after years of unremitting efforts, we have successfully realized the strategic transformation from a local bank to a regional bank. On September 23, 2016, Wuxi Agricultural Company successfully listed on the Shanghai Stock Exchange and publicly issued 185 million shares. The offering price is 4.47 yuan and the net capital raised is 789 million yuan, becoming the first rural commercial bank listed on the main board of shares in China, which opens a new chapter of development.

The second one is the attack-oriented ST strategy. In the fierce market competition, NRCB should aware and tap their own resources to utilize one's strong points to attack others' weak points, such as more flexible marketing tool, more streamlined and convenient financial business processes, more proactive sense of service, more specific target customer, and so on. In terms of target customers, the service for Small and Medium Enterprises (abbr. SMEs) and residents should be regarded as strategic focus for the SME lending market. It needs to improve the attraction of talent and to build a harmonious enterprise culture in order to attract the best talent, in their future development and well-being of remuneration with difference competition with other banks. It could be initiative to improve relations with the local authorities and government, to win the support and trust of government and authorities. It can give prominent support to the business enterprises which government concerned. It must co-operate with authorities to carry out the work actively, compliance with legitimate business in support of regulatory policy, and take concrete actions to support the real economy and small business finance.

Wuxi agricultural firm mainly engaged in business including corporate banking, personal banking, electronic banking and financial markets. While serving the local economic construction in a comprehensive way, the banks themselves have also made relatively good development. All the bank's various businesses have grown substantially, the quality of assets has improved significantly, and the level of profitability, the capital strength, and the ability to resist risks have been greatly enhanced. The contribution to the local and society is increasing, the image and service level of the banks are improving constantly, and the status of the main force of the local finance is becoming more and more prominent. As at September 30, 2016, the total assets of Wuxi agricultural firm (consolidated statement) were 119.311 billion yuan and the balance of deposits were 94 in 2016, the World Bank ranked 638th in the UK Bankers Magazine rankings for the World Bank, with a loan balance of 60.369 billion yuan.

### **3.2.2 Organizational structure**

The bank carries out the authorized management system under the first-level legal person. The responsible persons of each functional department and branch are responsible to the president and exercise the management power within the scope of the governor's delegation of authority. Each department of the bank is the construction and execution department of the internal control system. It is responsible for building the internal control system of the line, formulating the internal control system, procedures and methods, and organizing the implementation of the internal control system. Identify and report problems in the internal control system and improve them in a timely and effective manner. The branch does not have legal personality, is responsible for the implementation of the bank's internal control system.

According to the post - engineering business and management process , the bank has set up the management departments , such as the office of the board of directors , the HR department and the party group working department , and also has the operation departments such as the Ministry of Science and Technology Information , the Company ' s Business Department , etc . Currently, there are 23 big departments in Wuxi Rural Commercial Bank, and the organizational structure is relatively mature and perfect.

### **3.2.3 Risk management and internal control**

The objective of the bank's risk strategy is to strengthen the risk supervision of the bank through the construction and improvement of an efficient management and control

system and information data system, taking the risk directive of the board of directors as the direction. A sense of risk management and a set of risk supervision and warning system are formed from top to bottom, which makes the bank become a modern joint-stock commercial bank with strict internal control, smooth operation mechanism of risk management, sufficient capital and clear responsibility of risk management.

The bank adheres to the principle of overall risk management under the constraint of capital. Through the construction of a comprehensive, independent and prudent risk management system that matches the bank's business, internal control measures are permeated into various business processes, links and positions. Achieve full coverage of the bank's risk management. The risks that the bank may now encounter are the following: credit risk, market structure risk, practice risk, system implementation risk.

Since its inception in 2005, the bank has been working to improve and strengthen the level of risk management. Over the past few years, the bank has been involved in organizational structure, risk management culture, management systems and processes, internal management systems and measurement tools, risk early warning systems, A series of measures have been taken in the construction of risk reporting system and assessment system, including:

The risk management system of the bank is divided into two parts. The first part is to establish the whole bank's risk culture system. The second part is to form an effective risk management system. Since its inception, the bank has continued to improve its risk management system, such as:

Since its inception, the bank has set up a credit review committee under senior management to focus on credit approval for large loans.

In 2005, the bank set up risk management department under senior management to conduct credit review management.

In 2005, the bank set up a risk management committee, a related party transaction control committee and an audit committee under the board of directors, which are mainly responsible for the bank's systemic risk, the risk of large assets, the control, management, supervision and evaluation of the related party transaction risk. Audit function under the authority of the board of directors; asset liability management and internal control throughout the bank.

In the 2009 year, the bank established the compliance management department. In 2010, it changed its name to the risk compliance department. In 2011, it was renamed the compliance management department, which is responsible for the internal control and compliance management of the whole bank.

In 2010, the bank set up a credit review and evaluation department to separate the loan review and loan, before the formation of the three departments to operate independently.

In the 2011 year, the bank's credit review department was renamed the risk management department, and its responsibilities were adjusted to the overall risk management, large credit review, credit assets early warning and risk classification.

Strengthen the institutionalization of risk management. In view of the business and management of the bank, the bank has established the risk management system in advance and in the course of the event and after the occurrence of the incident. The bank has carried out the detailed rules and regulations for the conclusion of the various risks, the conclusion of the specific rules and regulations, the key points of the risk management with a more powerful and authoritative means, and the strengthening of the concrete implementation of the responsibility system.

Establish a good risk Management Culture and cultivate a High quality risk Management team. The bank attaches great importance to the spread of a culture of risk management. It will talk to every employee about the concept of risk management. On the one hand, it will make employees aware of the existence and importance of risk. On the other hand, employees should learn how to deal with and deal with risks. Risk is not all wrong, catastrophic, it has dual characteristics, not only brings crisis, but also contains opportunities, many enterprises lose in the risk, and many enterprises also find new opportunities in the risk, take advantage of the waves, and climb the peak. Therefore, the awareness of risk should be propagandized in place, cannot blindly guard against, and cannot blindly meet. We should make a good forewarning plan in advance and grasp the opportunity to reject the crisis.

In strengthening risk awareness, we must also start to set up risk management teams. On the one hand, we must improve the professional quality, conduct, and skills training of personnel; on the other hand, we must also adjust the relevant systems of enterprises. For example, improve the compensation mechanism, so as to build efficient and professional

risk management team.

In carrying out the risk management work, the bank should combine the practice and pay attention to the use of methods. The author suggests that qualitative and quantitative methods complement each other to promote the development of risk management, and at the same time, store the relevant data through qualitative and quantitative methods. At present, the bank is exploring the development of credit risk internal rating method, operational risk standard method and other risk quantitative management tools, and gradually transition to economic capital management objectives.

In order to promote the awareness of risk management in the whole bank, promote the establishment and perfection of risk management mechanism, and urge all departments and staff to take the initiative to grasp risks and control risks in their work, Consciously combining the pursuit of short-term benefits with the long-term development of the bank, the bank incorporated risk management indicators into the Bank's assessment system, such as:

For the newly generated non-performing loans, the bank will make a proportionate deduction of the branch's assessment profits and the corresponding proportion of the annual salary of the bank's president.

The bank evaluates the credit assets according to five levels. The reserve is calculated by forecasting the single item and the combination of the credit assets and is reflected in the appraisal.

The bank will directly pursue the responsibility of those responsible for assets that form a risk, including withholding bonuses, transferring jobs, removing jobs, removing labor contracts, expelling them until they are handed over to judicial organs, and so on.

The bank assesses the incidence of cases, operating irregularities, and takes administrative warnings, notes and fines, and so on.

#### **3.2.4 Human resources management**

The bank has always attached importance to talent training, optimize the structure of staff, improve the comprehensive competitiveness of the bank, to provide a solid and effective human resources support for the strategic transformation of the bank. The bank actively promotes the talent development strategy, focuses on the needs of the future

sustainable development, and accelerates the construction of the talent team through the combination of "based on the internal training, appropriate external introduction". By the end of 2015, Wuxi Agricultural and Commercial Company had 1279 employees, including professional and academic qualifications. The age structure is as follows:

The professional composition of its active staff as at 31 December 2015 is shown in the following table:

**Table 1: Staff professional composition**

Professional category	December 2015	
	Number of people	Proportion (%)
Business personnel	1,059	82.80
Administrative staff	152	11.88
Clerical staff	68	5.32
Amount to	1,279	100.00

As at 31 December 2015, the composition of the academic qualifications of the Bank's active staff is shown in the following table:

**Table 2: The composition of the employee's educational background**

Education category	December 2015	
	Number of people	Proportion (%)
Postgraduate and above	88	6.88
Undergraduate college	827	64.66
Junior college	244	19.08
Below university level	120	9.38
Amount to	1,279	100.00

The age composition of its active staff as at 31 December 2015 is shown in the following table:

**Table 3: Age composition of employees**

Age Category	31 December 2015	
	Number of people	Proportion (%)
Under 30	597	46.68
31-40 years	255	19.94
41—50 years	311	24.32
51—60 years	116	9.07
Amount to	1,279	100.00

The future long-term business development of Wuxi agribusiness depends on the personal quality and education level of the bank staff. Because Wuxi, where the bank is located, has no advantage over Beijing, Shanghai, Nanjing and other central cities in attracting financial professionals, although the bank can rely on the financial market department (Shanghai) and the provincial campus recruitment methods to attract talented people. But in the fierce talent competition, the bank's appeal to senior and professional talent is still relatively weak. Therefore, if it is not possible to recruit, training and retaining sufficient qualified staff, especially high-level management and professionals, may not contribute to the management and business development of the bank Benefit influence.

### **3.2.5 Level of IT development and innovation capacity**

Information technology is increasingly playing an irreplaceable supporting role in the work of banks. The bank relies on information technology systems to handle large volumes of transactions, storing and processing most business and operational data. Financial control, risk management, accounting, customer service and other data processing systems, as well as the normal operation of the communication network between the branches and the master data processing center, all play a key role in the normal operation and effective competition of the bank.

### **3.3 SWOT analysis of Wuxi agricultural firm**

SWOT Analysis is K. J. from Harvard Business School. The .SWOT analysis, first proposed by Andrews in 1971 in his book, the concept of Corporate Strategy, also known as the Dawes Matrix, is one of the most efficient and pervasive analytical models for businesses. It is an abbreviation of four English words. That is to say, Strengths

Weakness ship opportunity threat, which means strength, inferiority, opportunity and challenge, is analyzed from both internal and external aspects of the enterprise. At present, both at home and abroad, this method is used for enterprise analysis, and then the development strategy is put forward. Because of the rationality and precision of its four components, the development strategy based on these four parts is generally objective and just. This analysis method is very simple to operate, the logic decomposition method is to analyze the internal elements of the enterprise first, and for example, what kind of situation the enterprise is in at presents, what are the favorable and unfavorable conditions and so on. Then the external environment of the enterprise is analyzed to find the contact point related to the enterprise. Finally, based on the market situation and the situation of national conditions, and referring to its own advantages, a more suitable plan for the development of the enterprise is established, which can be used to guide the future development of the enterprise. . Relatively speaking, the analysis method takes into account all aspects of the enterprise comprehensively, but also grasps the market and the environment change, so the conclusion or the plan, can better close to the market, better guide the enterprise out of the predicament, Looking for hope from the crisis, forming the future development strategy, leading the enterprise to a higher platform, to achieve greater development. Generally speaking, after the use of SWOT analysis, most enterprises will use growth, transfer, defense and other strategies, or several strategies in parallel to promote the future development of enterprises.

### **3.3.1 Competitive advantage analysis**

(1) Rooted in the heart of the Yangtze River Delta economic circle, it has unique geographical advantages and great potential for development.

The bank is located in Wuxi, one of the core cities in the Yangtze River Delta economic circle. It is based on Jiangsu Province, where the economic base is strong, the government administrative efficiency is leading, the natural endowment is good, the private enterprises are booming, and the overall comprehensive competitiveness is strong. As one of the leading economic development of Jiangsu Province, Wuxi has a gross domestic product of 851.826 billion yuan in 2015 and a per capita disposable income of 45100 yuan for residents living in cities and towns. Due to good income growth and stable consumer prices in Wuxi, the total retail sales of consumer goods in the whole city increased steadily in 2015 to 284.76 billion yuan, an increase of 9.5 percent over the same period last year. Wuxi ranked eighth among the 2015 best commercial cities in mainland China, according to Forbes' Chinese version, and the 2015 Blue Book on China's Urban

Competitiveness: China's Urban Competitiveness report, released by the Chinese Academy of Social Sciences in 2015. Wuxi City comprehensive economic competitiveness ranked 10<sup>th</sup>.

(2) Dot all over the whole city, deep ploughing subdivide the market, have extensive distribution network and deep customer relation foundation, geographical and popular advantage is obvious.

The bank has more than 100 branch offices in Wuxi and has more than 350 self-service teller machines and more than 70 multimedia self-service terminals, covering the entire Wuxi urban area. Since its establishment in 2005, the bank has been rooted in Wuxi and mainly serves local SMEs and local residents. With its native advantages and deep understanding of the regional economy, the bank has developed a large number of high growth small and medium-sized enterprises (SMEs) customers in the long process of exploration and practice. The bank's grassroots business staff and management are made up of experienced and familiar with local conditions, extremely convenient and local customers. Through communication and the transmission of relevant information, the bank has been able to introduce a series of special enterprise loan products, such as accounts receivable pledge loan, equity pledge loan, patent mortgage loan, movable property mortgage loan, according to the management characteristics of small and medium-sized enterprises. Such as operating property mortgage loans, the above characteristics of enterprise loans for the pledge of a more flexible setting, and the loan interest rate has been targeted concessions, on the basis of effective risk control, meet the financing needs of small and medium enterprises.

In addition, Wuxi agribusiness is the designated cooperative financial institution of Wuxi Social Security Citizen Card, but there are no semicolons. By the end of 2015, the number of cards issued by citizens had reached more than 3.3 million, basically covering all social security users in Wuxi urban area. They had borrowed the basic customer resources of citizens' cards to practice inclusive finance and build "community banks". Therefore, the bank has a very broad and quality personal customer base.

At the same time, as a local legal person bank, it has received high attention and policy support from the local governments at all levels since its inception. Governments at all levels have given great support to the development of the bank, such as the special account for financial funds and the special account for social security funds. Wuxi

agribusiness also has a close relationship with local governments in Wuxi. The bank has responded to the government's call to vigorously support the real economy, especially the "agriculture, countryside and farmers", small and medium-sized enterprises, and to help them grow and grow. At the same time, concentrate on the "citizen card" operation protection work, to provide local residents with close, convenient financial services, inclusive finance "take root", won the local government and residents of a wide range of praise.

(3) Flexible and efficient organizational structure and decision-making system.

As a local rural commercial bank, compared with other large and medium-sized commercial banks, the bank has a flat organizational system, less information transmission links, shorter business approval chain, and efficient decision-making and full management autonomy. It can focus on meeting the needs of customers in time, which provides favorable conditions and foundations for improving the market response ability, speeding up the pace of financial innovation and expanding the business fields.

(4) Comprehensive systematic management, careful planning of risk control steps.

At present, the development direction of the bank is to construct the flow bank, but in order to realize this goal, it must be carried out from the following several steps, the first is to strengthen the infrastructure construction, that is, to set up a framework on the whole, to make it take shape on a scale. And in the specific business, it also optimizes the configuration, adopts the way that each business has a set of rules separately, does well the business flow. For example, the construction of different business models should be based on the characteristics and attributes of the business, at the same time; it should conform to the overall development style of the bank, and constantly update the model with the changes of market and demand. The third part is to do well the risk control and to strengthen the early warning, management, supervision and prevention of various risks, so as to promote silver. The flow of the line goes smoothly.

(5) Diligent and dedicated senior management team and dedicated staff.

Wuxi Agricultural Company has an experienced, dedicated, professional, efficient business management team. The bank's core senior managers have more than 10 years of banking experience, most of the bank since the establishment of the bank since the establishment of the bank, the bank's main business and Wuxi financial industry has a high degree of familiarity. In addition, the bank inherits the characteristics of the former Wuxi suburb Rural Credit Cooperative United Society, most of which are local residents, able to get close to each street and township grassroots customers, based on knowing their

own customers. So Wuxi Agricultural and Commercial Company can grasp all kinds of enterprises in time, accurately and fully.

Moreover, since the bank was founded in 2005, most of the bank's leaders and employees held stakes in the bank, so in some ways ESOs can bind employees' own interests to the bank's interests, prompting the leadership to be diligent. To promote staff love and dedication, for the rapid development of the bank laid solid human resources foundation.

### **3.3.2 Competitive disadvantage (Weakness) analysis**

(1) The scale of operation is relatively small, and the ability to resist risks is relatively poor.

In terms of total equity, the bank had a total equity of 1.663 billion yuan by the end of 2015, a far cry from the tens of billions of dollars of equity held by the big four state-owned commercial banks and joint-stock commercial banks. In terms of total assets, by the end of 2015, the total assets were 115.491 billion, which is far from the total assets of the four state-owned commercial banks and joint-stock commercial banks, which mean that the ability to resist risks is relatively insufficient. The business of banks is based on public trust in commercial banks. The total equity principal and total assets of state-owned banks and national joint-stock banks are completely at the level of On the other hand, on the other hand, the small scale greatly restricts the development of a lot of large-scale high-quality business. For example, the asset management model of rural commercial banks is more traditional and obsolete, that is, using the management mode of asset liability and equity allocation, the user can only rely on the equity principal invested or the amount of assets owned to make a limited amount of loans. This approach is not in line with the current market development and user demand is extremely inconsistent, resulting in the loss of many major customers, such as many large enterprises unable to borrow money in the agribusiness bank, so they turn to state-owned banks or joint-stock banks.

(2) The support of information technology cannot keep up with the needs of the expansion of banking business.

With the deep integration of information technology and modern finance industry, information technology has infiltrated all fields of commercial bank management. Information system and information construction are the support of commercial banks '

business development. At the same time, it is the driving force to promote business transformation and innovation development. It plays a very important role in promoting commercial banks to accelerate innovation, improve working efficiency, improve service level, expand business scope, prevent financial risks, optimize organizational structure, and improve core competitiveness.

At present, Wuxi agricultural firm in information technology support there are some weak aspects. First of all, like most small and medium-sized banks, the bank's science and technology information department is understaffed, and its independent operation and maintenance capabilities need to be improved. The bank's science and technology information department has set up an operation and maintenance center and a software development center. The safety management center and the quality management center, besides the administrative personnel direct mail more than 40 people, this compares with the day by day strict supervision request and the fast development business demand has the very big contradiction, and also has no superiority compared with the surrounding agriculture business in the profession. Secondly, due to the shortage of scientific and technological personnel, the bank's independent R & D and management capacity is lacking. Relying on technology services companies to provide outsourcing services, long-term is not conducive to the bank to improve its own R & D strength. Third, because of the number of outsourcing companies, different situations, outsourcing personnel are uneven, which also makes it more difficult for the bank to manage the outsourcing staff. Fourth, the construction of channel system needs to be accelerated, and the user experience needs to be improved. With the prosperity of Internet finance, big data's analysis technology, mobile interconnection, cloud computing and other scientific and technological factors are constantly changing people's financial consumption mode. Although the bank is closely following the times, it has launched telephone bank, short message bank, internet bank, mobile bank, WeChat bank and Alipay Quick payment, quick payment by JingDong, and new electronic banking channels such as Ah Fu Bao, but due to the relatively short time in the early stage of research and development and the lack of analysis of user usage habits and transaction data, the user experience is not very good. The convenient and practical degree of financial consumers is not high.

(3) The cultural quality of employees is relatively low, and the attraction to high-end talents such as compound type and creative type is relatively weak.

Professional talents are the most precious resources of commercial banks, the amount of talent reserves is the embodiment of the core competitiveness of banks, and the

competition among commercial banks is, in a sense, the competition between talents and talents. As rural credit cooperatives from the transformation of Wuxi agribusiness, there is a shortage in talent reserves. First of all, the predecessor of Wuxi Agricultural and Commercial Bank is the Wuxi suburb Rural Credit Cooperatives United Association. Many old employees were recruited in the vicinity of the Rural Credit Cooperatives or transferred into the nature of collecting geotechnical work. The cultural quality of the employees is generally on the low side. This is the objective result of historical factors. Secondly, as a result of the cuts in employee benefits in recent years following the implementation of the "eight regulations", banks As a result of such objective reasons as the slowdown in the growth rate of profits in the industry, the salary of employees in hand has declined relative to the price level in recent years, and the competition in the banking sector in Wuxi has become more intense, the major joint-stock banks and agricultural and commercial banks in the country are scrambling to set up branches in Wuxi. This has also led to the loss of some bank backbone staff phenomenon. Third, the income level, the development space and the degree of internationalization of Wuxi region are relatively small in the Yangtze River Delta region, coupled with the lack of first-class ordinary universities and professional research institutions in Wuxi region. So Wuxi has no advantage over Beijing, Shanghai, Nanjing and other central cities in attracting financial professionals. These factors are direct. It affects the business upgrading and financial product innovation of Wuxi Agricultural and Commercial Bank. Therefore, the bank needs a large number of complex and creative talents with the ability to open up the market, have the advantage of foreign language and master the international banking business.

(4) The sources of income are mainly concentrated in the traditional loan business, the loan concentration is higher and the profit channel is narrow.

By the end of 2015, more than 95.81% of the loans of Wuxi Agricultural and Commercial Bank had been invested in Wuxi City. 27.89% of the loans to the public were in the manufacturing industry. 18.04% of the loans to the public were invested in the leasing and business services industries. The bank's operating income was 2.397 billion yuan, of which the net income of interest was 2.163 billion yuan, accounting for 90.27 yuan, and the net income of commission and commission was 160 million yuan, accounting for 9.73yuan. The main source of income of Wuxi Agricultural and Commercial Bank is still relying on the traditional interest income of deposit and loan. Although the income of intermediate business has increased rapidly in recent years, the total amount is still less. Accompanied by a slowdown in macroeconomic growth with the promotion of interest rate marketization, the opening of private banks and the prosperity

and development of Internet finance, the net interest rate and net profit margin of the bank have been further narrowed, and the profitability and sustainable development ability are affected.

**Table 4: The comparison of net interest margin and net interest rate between Wuxi Agricultural Bank and listed banks in the same industry is as follows:**

Unit: %

Project	2015		2014		2013	
	Net interest rate	Net interest margin	Net interest rate	Net interest margin	Net interest rate	Net interest margin
China Merchants Bank	2.75	2.59	2.52	2.33	2.82	2.65
China Citic Bank	2.31	2.13	2.40	2.19	2.60	2.40
Industrial Bank	2.45	2.26	2.48	2.23	2.44	2.23
Shanghai Pudong Development Bank	2.45	2.26	2.50	2.27	2.46	2.26
Minsheng Bank	2.26	2.10	2.59	2.41	2.49	2.30
Everbright Bank	2.25	2.01	2.30	2.06	2.16	1.96
Ping An Bank	2.77	2.63	2.57	2.40	2.31	2.14
Stock Bank Average	2.46	2.28	2.48	2.27	2.47	2.28
Ningbo Bank	2.70	2.40	2.51	2.50	2.51	2.46
Nanjing Bank	2.61	2.44	2.59	2.41	2.30	2.09
City Commercial Average	2.65	2.42	2.55	2.46	2.41	2.28
Wuxi Agricultural Firm	2.11	1.88	2.40	2.13	2.53	2.28

### 3.3.3 Opportunity analysis

(1) Wuxi "12th Five-Year Plan" has been successfully completed, and the 13th Five-Year Plan has been launched to promote the opportunity of transformation and development.

During the 13th Five-Year Plan period, Wuxi fully implemented the spirit of the

18th National Congress of the Party, with the aim of creating a new Wuxi with material civilization and spiritual civilization as its goal, carrying out the party's policy thinking, improving the people's economic level, and strengthening social aesthetics. Build a clean and peaceful social environment, further promote the construction of a harmonious socialist society, and contribute to the great rejuvenation of our country. Taking advantage of Wuxi to promote economic restructuring, cultivate and expand strategic emerging industries, vigorously develop modern service industries, strengthen the establishment of intelligent Wuxi, constantly strengthen the construction of Wuxi, strengthen the social security system, and promote the development of culture and civilization. Wuxi agricultural firm can rely on root the geographical advantages of planting localities and their close ties with small and medium-sized enterprises and governments at all levels are all devoted to Wuxi's construction of the Central District in all aspects of the 13th Five-Year Plan to promote regional economic prosperity and growth. In the process of raising the people's living standard, we should realize the leapfrog development of ourselves.

(2) The country's first commercial bank listed on the main board of the Shanghai Stock Exchange has a wide range of brand awareness and continuous effective capital replenishment channels.

Wuxi Agricultural Commercial Bank was successfully approved by the China Securities Regulatory Commission (CSRC) in January 2016 and became the first rural commercial bank in the country to be listed on the Shanghai Stock Exchange in September 2016, making it the first agricultural and commercial bank in China to list on the A-share market. After listing smoothly, the popularity of the bank in China's capital market was greatly enhanced with the intensive research on the bank by securities research and analysis institutions, fund companies and asset management companies. After the successful landing of A-shares, the bank's financing channels are diversified, compared with the traditional endogenous financing channels of agribusiness banks, the financing level after listing has a huge advantage. In the future, the bank can A series of capital tools , such as issuance of preferred stock , targeted increase of shares and convertible bonds , make up for the capital gap caused by the expansion of the business , further expand the development space and improve the anti - risk ability .

(3) The smart city construction of Wuxi City is successful, and the application of wisdom series will continue to promote the implementation

In the construction of intelligent city, Wuxi can be described as the country's only sensor network innovation demonstration zone, the only national cloud computing

innovation service pilot city at the prefecture-level, at the same time, it is also a cloud computing service security review national standard application pilot city. The first batch of pilot cities for the construction of intelligent cities in the country, pilot cities for the next generation of Internet, pilot cities for the integration of three networks, pilot demonstration cities for electronic commerce, and pilot cities for information benefits to the people, The International Association of Electrical and Electronic Engineers (IEEE) is the only pilot city in China, and there are nearly 20 national pilot cities such as National Gold Card Engineering and Software cities.

In the future, Wuxi will continue to promote the development of intelligent application, focusing on industries such as industrial adjustment, innovation and technological innovation of the Internet, to jointly build the economic operation of Wuxi, to do a good job of information services, and to establish an information city in the new era.

As the local legal person bank of Wuxi, compared with other commercial banks, Wuxi Agricultural Commercial Bank has unique geographical and kinship advantages with local governments, enterprises and residents. By combining the customer resource advantages of "citizen cards", we can smoothly shuttle between the various development sectors of intelligent cities, such as from intelligent electricity to directing traffic, from intelligent education to intellectual culture, from intelligent communities to intelligent logistics. From intelligent commerce to intelligent finance, the market of Wuxi agricultural firm is further improved, and financial services of intimate, professional and local nature are everywhere in the city of wisdom.

#### (4) Suntech's pragmatic social atmosphere, healthy and orderly credit environment

Wuxi is one of the birthplaces of Wu culture, with more than 2000 years of excellent cultural accumulation; Wuxi people respect teachers, hard-working and honest, pragmatic and introverted. Wuxi is also the cradle of Chinese national and township industries. With the optimization and upgrading of industrial structure, Wuxi has become an important base for strategic emerging industries. Now, the basic framework of the social credit system in Wuxi has been completed, and various kinds of systems are constantly improving. Now more complete mechanisms such as information collection, exposure, credit inquiry, and other mechanisms have been formed, and relevant security systems and guidelines are also in the process of being formulated. The whole Wuxi city public credit service is improving day by day; the whole city citizen may carry on the letter at any time Query. The good financial ecological environment provides a broad

development space for the local Wuxi agricultural and commercial banks. Based on this, the probability of credit risk in Wuxi is obviously lower than that in most parts of the country.

(5) The state policy guides the commercial banks to accelerate their comprehensive management, and a new profit growth point comes into being.

In June 2008, the CBRC issued the measures for the implementation of Administrative Licensing items for Rural small and Medium-sized Financial Machinery, which strongly advocated the joint operation of agricultural and commercial banks and rural cooperatives, such as the establishment of branch networks outside the registered area. In November 2013, the CBRC revised and issued the Financial Leasing Company Management measures, which encourages financial leasing to absorb all kinds of capital, thereby promoting the development of commercial banks' pilot work on financial leasing. Comprehensive management is the mainstream mode of international banking development. After repeated practice, Chinese and foreign banks have come to the following conclusion: if the risks are relatively small, When it is possible to prevent or control in advance, commercial banks should be brave enough to accept various business challenges, broaden their business scope, and reduce capital investment. In August 2016, Wuxi Agricultural and Commercial Company was approved by Jiangsu Banking Regulatory Bureau to establish Wuxi Silver Financial Leasing Company with Wuxi newspaper, Boer Software and Jiangnan Water Co., Ltd. Wuxi Agricultural Commercial Bank Suzhou Branch opened and settled in Suzhou Industrial Park; in January 2017 Wuxi Agricultural Commercial Bank set up Changzhou Branch to obtain approval from Jiangsu Banking Regulatory Bureau.

#### **3.3.4 Threat analysis**

(1) Comply with the demand of Supervision, strengthen the exposure of Information and improve the Competitiveness

New Basel Capital Accord has three important contents, that is, abundant capital, strict supervision and market regulation. Agricultural and commercial banks want to step into the international banking system, must first achieve these three requirements. On the one hand, they should be subject to an international financial examination of their own capital, to see whether their quality is up to standard and whether their assets are adequate, and on the other hand, they must also be subject to domestic judicial review. And if the agricultural and commercial bank has already listed on the stock market, It is also necessary to abide by the standards of the Securities Regulatory Commission and the Shanghai Stock Exchange, and to carry out timely information disclosure, which is

conducive to the formation of a strict, fair and standardized market management mechanism, and is also conducive to preventing risks and killing them in the cradle, thus optimizing agriculture. Commercial banks them, but also upgraded to optimize the securities market environment.

### (2) The challenges posed by the financial boom of the internet

Internet finance, represented by Yue, has obviously impacted on traditional finance and is influencing and changing the pattern of traditional finance. Internet finance will gradually break the existing market pattern, and the financial products with new technology and Internet thinking will probably change the traditional banking business model. In the new trend of Internet finance, Internet platform uses services and technology to weaken the connection between banks and users, diverts sales channels, and accelerates the financial disintermediation of the banking industry. Internet companies, e-commerce platforms, Internet loan platforms and other external institutions will penetrate into the traditional areas of commercial banks, which will impact on the business of traditional banks.

Although the development of Internet finance will bring new development opportunities and development space to the banking industry, it will help to change the status quo of homogeneous competition and a single profit model in the banking industry, but if the bank cannot effectively cope with the changes in the competitive environment of the industry, The bank's market share could also be squeezed by other market players, which could pose greater risks to the bank's operations.

### (3) The influence and result of interest rate marketization

In recent years, the pace of the development of market interest rate in our country has obviously accelerated. In 2013, our country fully liberalized the control of loan interest rate. In November 2014, the interest rate on deposit in financial institutions was continuously raised, and from January to June 2015, China's deposit interest rate rose by 1.5 percentage points; in October 2015, the ceiling on the floating deposit rate was completely liberalized. Although the interest rate marketization is helpful to establish a complete market-oriented interest rate communication system, accelerate the resource allocation rate of commercial banks, widen the freedom of commercial banks to operate, and make it develop in a more loose and informal environment. But at the same time, it will break through the fixed interest rate policy to commercial silver. The natural scope of protection formed by the banks has brought more risk challenges to commercial banks. For example, when interest rates fluctuate up and down, the past advantages of low-cost

debt will gradually collapse, and the upward trend of capital costs will gradually become apparent. Bank deposit and loan spreads continue to narrow, the traditional profit model is unsustainable. The environment of commercial banks is becoming increasingly difficult and the competition is becoming increasingly cruel, which will greatly increase the operational risk of commercial banks and significantly reduce the profits of banks. In addition, the faster the pace of marketization of interest rates, the more optimized and updated the pricing system of financial products of commercial banks will be. Only in this way can the pace of interest rate change be kept up to date, and the possible risk control will emerge. The system is under control.

#### (4) Challenges from growing competition in the same industry

Wuxi Farmers faces competition from other commercial banks and financial institutions in Wuxi. Wuxi banking industry has formed a competitive pattern of large commercial banks, agribusiness banks, city banks, joint-stock banks, foreign banks and many other financial institutions. At the same time, the emergence of private banks further intensified the competition in the banking system. The rich experience of the shareholders in the private banks, the background factors of serving the small and medium-sized enterprises and the advantages of Internet technology will make the private banks pose a great threat to the SMEs business of the existing banks.

Competing with the bank by multiple competitors over essentially the same loan, deposit and intermediate customers could adversely affect the bank's business and future prospects, such as:

- To reduce the market share of the bank in the main products and services;
- Slowing the growth of the bank's loan portfolio, deposit portfolio and other products and services;
- Reducing the bank's interest income or increasing its interest expenses, thereby reducing the net interest income;
- Reduce fees and commission income;
- Increase the bank's non-interest expenses, such as marketing expenses;
- It has a negative impact on the quality of the bank's assets;
- The competition for senior managers and qualified professionals will be intensified.

At the same time, with the sustained development of China's capital market, the bank may face competition from other forms of investment and financing. As the stock and bond markets in China continue to develop and have become attractive investment channels, the bank's depositors may choose to transfer their funds to equity or bond investments. Loan clients may choose other sources of financing to raise the required funds, which in

turn may affect the bank's deposit and loan business and adversely affect the bank's financial position and operating performance.

(5) The management of shareholders is more difficult, and there is the risk of being acquired.

After the bank's listing, major operations and management decisions need to be deliberated at the general meeting of shareholders and approved by public shareholders. After listing, the management should not only make the strategic decision according to their own wishes, but to obtain the support of the broad public shareholders, which means that the original shareholders' control over the bank has weakened after the listing. After the bank went public, especially after all the shares were in circulation, the shares of the bank were all freely traded, because the qualification of shareholders to buy shares in the secondary market could not be examined. It is difficult to manage the qualification of shareholders in accordance with the regulations on the implementation of Administrative Licensing matters of rural small and Medium-sized financial institutions of the CBRC Yes. At the same time, because the bank's equity is relatively small and shareholders' holdings are scattered, there is the possibility that outside investors will acquire control of the bank through a variety of channels without prior notice.

(6) The challenges of cross regional development

Since 2009, Wuxi agricultural firms in Jingjiang City, Feng County, Rugao City, Yizheng City, Huaian City Chuzhou District, Jiangyin City, Yixing City set up a total of 8 branches, in Xuzhou Tongshan and Taizhou Jiangyan initiated the establishment of two holding village banks. The bank has transformed itself from a regional rural commercial bank into a cross-regional commercial bank. As the bank may not have a good understanding of the economic development, credit and human environment of the relevant regions in the argumentation and evaluation of cross-regional business projects, can the management mechanism and experience of the bank be fully applied in the development of cross-regional business, also needed in the future Test in practice. Therefore, the bank cannot fully guarantee that in the future it will be able to establish or achieve stable and sustained development in the central and northern parts of Jiangsu. If the bank loses in the process of seeking cross-regional operations, the bank's operating performance will be improved. Financial position and business development prospects may be adversely affected.

Translations were conducted by each foreign research team, followed by a review of

the translation for fluency and faithfulness by a native speaker of that language. Translation review or double translation is the method used in large-scale educational studies such as PISA and TIMSS. Clear instructions regarding the translation and review of items were sent to collaborators. The Chinese instruments used in Hong Kong and Taiwan were both based on the same translation. Reliability statistics were excellent for all scales reported here. The data cleaning process included inspection of the distribution of each item in each country, together with factor analysis and reliability analysis on each scale in each country.

Related to the above, boys in our study have average overconfidence of 18% and girls 9%; it is known that young men in industrialized countries and those of lower ability in particular are at highest risk of an early death because they are risk-takers. What is not known is how generalized the overconfidence of young men is, how problematic it is, and whether attempts to reduce their overconfidence might have adverse effects. Given the evidence for confidence as a general trait, this may be a fruitful avenue for further research. In particular, longitudinal developmental studies may reveal much about the influence of sex hormones on the development of confidence.

An alternative view is simply to accept that there may be cultural and gender differences in overconfidence and that both overconfident and well-calibrated or underconfident individuals have important roles to play. While too much caution can result in missed opportunities and risk-taking may result in higher rewards, risk-taking carries higher costs; in this sense it should not be assumed that one is necessarily better than the other. What does seem to be problematic is high confidence combined with low accuracy.

In a discussion of differences between Confucians and Europeans, suggested that culture might be a reason for higher anxiety and self-doubt among Confucian Asian students. One of the implications of self-doubt and anxiety is caution and hesitancy to take chances. This is important in a knowledge economy, since those who exhibit caution and wait for others to lead may be left behind. Risk-taking and entrepreneurship by definition require some level of overconfidence in one's own abilities, because if people were wholly realistic about the objective probability of success, many would never take the chance. Accordingly then, it may be worrisome that students in Singapore and Hong Kong have very low levels of overconfidence – around 5 or 6% – in comparison to their high-performing European counterparts at around 10%. Two other studies with Singaporean students involving both mathematics and English tests resulted in a similar level of bias to this study. It is too early at this stage to read too much into these

differences, but further studies may elucidate whether there is an optimum level of overconfidence.

It may be useful to re-iterate that, at the country level, our results show that there are virtually no differences in confidence, especially if we remove Finland from consideration. The main differences are in attainment and these are due to the low performing Serbian and Latvian/Russian students, not to better performing Europeans. Country-level differences in bias scores that reflect the correlation between accuracy and confidence are due entirely to differences in attainment. Thus, one interpretation of our findings is that countries differ in terms of attainment while the differences in confidence are not pronounced. This general finding may point to a survival value of confidence in our contemporary societies – it may cushion low achieving countries from experiencing too much stress. This finding also speaks against the claim that our results may be a methodological artifact due to the possibility that increased confidence may be related to mathematical ability at the country level. Thus, although Confucian countries score high on mathematics items, their confidence is the same as most European countries.

The unexpectedly poor mathematics performance of the Finnish students offered us an opportunity to explore another important feature of confidence: self-monitoring. Looking at Figs. 8 and 9 it is clear that Finland is more like Serbia and Latvia on accuracy, yet more like The Netherlands and Denmark on bias. Based on previous PISA results we would expect the mathematics performance of Finnish students to be more like Confucians' or The Netherlands and Denmark. We speculate that (normally high-achieving) Finnish students knew that they were performing poorly. The same did not happen to Serbs and Latvians who, on this interpretation, were less aware than those from high-scoring countries about how much they know and do not know. At an individual level, bias scores could offer useful feedback to students about how well they can monitor their performance – this may assist students to plan their study and revision more effectively.

One feature of these results is that as self-belief items go from the general to the specific, prediction of mathematics accuracy improves. In other words, the weakest predictor, MARCI, represents the general domain of memory and reasoning; mathematics self-concept and anxiety is domain-specific; mathematics self-efficacy is task-specific, and confidence – the strongest predictor – is item-specific. Some would argue that the levels of measurement alone are sufficient to explain the results. We believe confidence ratings may be evoking a different kind of knowledge or belief – we may refer to it as

self-monitoring – that is not being captured by the other “self-belief” constructs such as anxiety, self-efficacy and self-concept. An important aspect of monitoring in comparison to other self-beliefs is in terms of the ‘frames of reference’. Monitoring is focused on the immediately preceding cognitive act whereas self-concept and anxiety evoke comparison of oneself with others. As measured in the present study, self-efficacy is linked to a particular item but since the item is not attempted, one’s self-efficacy has to be expressed with respect to some external or internal frame of reference as well.

Perhaps the most striking finding from this study is the strength and consistency of the confidence construct in relation to the other self-belief constructs that were studied in PISA 2003. In each of the countries surveyed in our study confidence was the variable most closely related to accuracy, and confidence could also account for most of the variance in mathematics performance that could be explained by self-efficacy and other self-constructs. The multi-group analyses indicated that the same pattern of non-cognitive variables in relation to accuracy obtained irrespective of culture, gender, or educational system.

Our findings support the view that the ability to accurately self-assess immediate past performance is a more salient indicator of performance than self-concepts, anxiety, and self-efficacy. We argue that this is because asking students to reflect on an item or test just completed invokes different psychological processes including metacognitive monitoring, which may in turn prompt deeper reflection on the items just completed. We explore these themes below.

The present paper combines these two lines of research on non-cognitive variables, to determine whether measures of confidence add comparable incremental validity over the aforementioned three self-belief constructs in an international sample.

## CHAPTER 4

### THE OVERALL STRATEGIC POSITIONING AND DEVELOPMENT GOALS OF WUXI AGRICULTURAL AND COMMERCIAL BANK

#### 4.1 Overall strategic positioning of Wuxi agricultural firm

In combination with the development of local economy and the competition situation of local banking, Wuxi Agricultural and Commercial Bank should adhere to the market orientation of "serving agriculture, rural areas, small and medium-sized enterprises, and serving the residents of the community". To take the road of development with the characteristics of Wuxi Agricultural and Commercial Bank, we should give full play to the advantages of the local banks in geography and kinship, develop to the direction of marketization, realize the transformation of the industry, establish a differentiated product system, and strengthen internal management at the same time. Do a good job of risk supervision and early warning, improve service quality, create a good brand image, achieve harmonious multi-channel development, and create a sophisticated and stable community banks.

#### 4.2 Development objectives of Wuxi agribusiness

The Bank intends to implement innovative development strategies to promote the comprehensive development of banks, and strive to make it a model of bank development with rigorous structure, clear management system, high core competitiveness, good operating ability, good brand image and high service standards. Expand the scope of business at the same time continue to speed up, achieve steady growth. At the same time, we should concentrate our efforts on providing good quality services for small and micro enterprises and regional economies, take community residents as the dominant adjustment rules, slowly change the internal structure, and develop into very representative small and micro enterprises, regional economies, A model bank for community service. Our bank will also further improve the corporate governance structure, improve risk control machine In order to ensure steady growth and achieve excellent shareholder return.

## CHAPTER 5

### THE IMPLEMENTATION OF THE DEVELOPMENT STRATEGY OF WUXI AGRICULTURAL AND COMMERCIAL COMPANY

#### **5.1 Uphold the inclusive financial concept, serve the residents of the community**

##### **5.1.1 Serving agriculture, rural areas to help them grow and grow**

As a regional rural financial institution, it is the main force to promote the development of "agriculture, countryside and farmers" in Wuxi, bearing the important task of basing on urban and rural areas, supporting agriculture, countryside and farmers, and serving small and medium-sized enterprises. We must have a deep understanding of our social responsibility and enterprise mission. On the one hand, we must vigorously support farmers and agriculture-related enterprises in developing modern new agriculture in Wuxi in terms of promoting the development of the cause of "agriculture, rural areas and farmers"; and we must also take into account the new characteristics of Wuxi's "three rural areas, rural areas, and farmers". New requirements of social transformation, multi-level capital requirements of customers, regional economic development status and their own management level, make different credit marketing focus and implement different credit strategies each year. On the other hand, in the aspect of constructing an environment-friendly society in Liwu, we should constantly improve the green credit mechanism, expand the green financing channels, and develop green financial products and services that meet the market needs.

##### **5.1.2 Adhering to the concept of inclusive financial development**

Wuxi agricultural firm bears the responsibility of serving more than 3.5 million Wuxi citizen cards. It is necessary to carry out the functions of inclusive finance and provide close and convenient financial services to local residents. In order to provide rich, safe and convenient financial services to the public, we should actively build up the financial services supported by the counter network, the internet bank, the telephone bank, the mobile phone bank, the self-help bank and the WeChat bank, so as to realize the development goal of inclusive finance.

## **5.2 Strengthen the financial business of the company**

### **5.2.1 Continue to grow corporate financial operations**

We should take the listing as an opportunity, consolidate the existing advantage market, provide comprehensive financial services for the core enterprises, and do a good job in the batch development and marketing of the supporting upstream and downstream enterprises of the core enterprises. To continue to expand the company's business customer base, and support Wuxi's new energy, new materials, new medicine, energy conservation and environmental protection, as well as the development prospects of the strategic emerging industries. Strongly support modern service industries with stable cash flow, such as education, health care, media, culture and creativity, communication and information services, and actively support good development potential and strong profitability, with independent intellectual property rights and brand technology innovation industry key enterprises and key projects.

In the retail market, NRCB should adopt differentiation strategy, to design, package, integrate and optimize specialized products and services for target specific customers, and to build the volume expansion mode of retail banking platform. It should reinforce the market positioning of "community bank and benefiting-all finance" and confirm the marketing strategy of "deep localization and smart marketing" and enhance its capability to market to and serve high value clients. With the Internet financial services, it should lay the foundation for the derivative and innovation of precision marketing and a series of financial services, in the era of big data.

### **5.2.2 Key retail business development**

The advantages of the business lie in its low investment, low risk, wide customer base and good profitability, which help to maintain the sustainable development of the bank and keep the steady growth of bank profits. Commercial banks should shift their profit model from the absolute advantage of deposit and loan spreads to the track of paying equal attention to deposit and loan interest rates and intermediate business. By vigorously expanding the retail business market, the commercial banks should cultivate new profit growth points.

In recent years, the material level of the people in Wuxi has been rising, and the consumption view has also changed. The demand for personal financial services has gradually become more and more private, customized and differentiated. Retail banking business has gradually become a new profit growth point of commercial banks. Housing

loans, bank cards, financial products and so on are becoming the main business of commercial banks, and will further promote the rapid development of commercial banks retail banking business in the future. Retail banking and private banking target middle-income families, gradually forming a core customer base. The Bank defines wealth management and consumer finance as the core business of retail finance. Our bank will further expand its business Business scope, gradually transition to high-return financial products, pension and fashion as the main direction of the financial products, and further enhance the ability to expand channels, go deep into the grass-roots network and Internet platform, The marketing channels that cover the community and the network in an all-round way, so that they can develop into the core competence, at the same time, they should be branded, established the developmental strategic direction, and rely on the superior products. We should constantly strengthen the construction of high quality customer groups in retail business, adopt flexible and efficient customer relationship management system, and adopt customer relationship management through customer relationship management. System, according to the financial contribution of different individual customers, as a whole to do a good job of mass customer and quality customer stratified services. Through the accurate positioning of the target customers and the provision of appropriate products and services to different customers, customer loyalty can be cultivated while satisfying the diversified financial needs of individual customers.

Wuxi Agricultural Commercial Bank is the only cooperative financial institution of Wuxi Citizen Card, which has brought the bank a huge, stable and high-quality customer base. Wuxi Agricultural Commercial Bank should strengthen its ability to analyze the data of citizen card financial transactions. Understand the age structure of customers, consumption capacity, and financial preferences. According to the different financial needs and value orientation of different customer groups, the specific target marketing strategy is put forward. For example: for young customers, WeChat bank, mobile banking and other convenient channels to cooperate with credit card discount activities to regularly carry out all kinds of consumption Discounts, shopping rebates, bonus repayments activities to increase this part of the customer dependence on our bank, to increase the proportion of young financial customers in Wuxi agricultural firm customers. For the middle-aged and elderly customer group, we should provide warmth to their homes through high-quality and warm counter service, close the distance between them and the middle-aged and elderly customers, and recommend to them financial services and products that meet their risk appetite. Give advice on how to maintain and increase their wealth. For Wuxi Agricultural Company, it is of great significance to cooperate with Wuxi's all-covered network, to serve well and to market this customer group of 3.5

million citizen cards.

### **5.2.3 Deepening the development of financial market operations**

On the basis of drawing lessons from the financial market business development experience of advanced commercial banks at home and abroad, and synthetically considering the relevant macro policies of the country, the general trend of the development of financial market business, and so on, on the basis of traditional bond investment, Continue to optimize the portfolio structure, increase investment in high-yield corporate bonds, securities firms targeted asset management plans, improve portfolio returns, and strengthen forward-looking research on the market, under the premise of controllable risk. Actively participate in bond trading and derivatives and other emerging fund trading business, improve trading profits; gradually supplement the lack of business qualifications, further enrich the product system, constantly improve market activity And influence.

## **5.3 Based on Wuxi, radiation Jiangsu, face to the whole country**

### **5.3.1 Self-sufficiency Wuxi, do not forget the original ideals and aspirations**

Wuxi Agricultural and Commercial Company were born in Wuxi, grew up in Wuxi and flourished in Wuxi. It is necessary to make full use of the local geographical and human relationship advantages in Wuxi, as well as a profound understanding of the local regional economy, and mobilize all the forces that can be mobilized. Using all available resources, the original mind does not forget to cultivate the native land of Wuxi. On the one hand, it is necessary to make full use of the influence of major shareholders in various local industries and strive for more high quality business resources and customer resources for banks. On the other hand, it is necessary to strengthen cooperation with governments and institutions at all levels in Wuxi, seize the business expansion opportunities brought about by the transformation of the 13th Five-Year Plan in Wuxi, and strive to devote themselves to strategic emerging enterprises and intelligent science and technology enterprises. Eco-agricultural enterprises, green environmental protection enterprises; strive to meet the local residents of Wuxi personalized financial investment needs to work.

### 5.3.2 Radiation in Jiangsu

At present, the local banking industry in Wuxi has become increasingly saturated and the degree of competition has become increasingly intense. The economic situation of Wuxi is affected by many factors, such as subjective and objective factors, the downward pressure of the economy is great, and the growth of real industry is slow. As a leading local joint-stock rural commercial bank, Wuxi Agricultural Commercial Bank should, while consolidating the local market in Wuxi, boldly go out of the new way of cross-regional development, actively and prudently distribute branches in different places and expand the space for operation and profit.

In corporation banking, WuXi has to face the situation of going down the spreads. It should encourage the use of more new financial tools by combining the traditional banking business with investment banking business, such as the short-term financing securities and financial derivatives. In this way, the Bank can increase its profit while cut the cost for the customer; reliance and loyalty of the enterprises towards the Bank can also be strengthened by providing professional services. American scholars Frederick F. Reichheld and Earl Sasser Jr concluded from their research that a 5% improvement in customer retention can cause an increase in profitability of 25%. (Guo, 2012)

In order to expand the area of northern Jiangsu and occupy it ahead of schedule, the four banks and the national joint-stock banks in northern Jiangsu have not yet expanded deeply to establish the local competitive advantage as soon as possible. However, in the process of scale expansion, the contradiction between speed and quality should be grasped. At the same time, we should do a good job in the support and support of financial institutions to the local "three rural areas", and provide extensive, comprehensive, multi-functional and all-round financial services for the construction and development of new rural areas in the central and northern parts of Jiangsu Province. In 2001, we set up a good brand image and got the approval of the local people and government while devoting ourselves to the construction of the new socialist countryside.

By optimizing the governance mechanism and operation mode of the branches in different places, the paper explores the cross-regional management mode with its own characteristics under the new normal state of economic development. First, it is necessary to further clarify the market position of foreign organizations, select the appropriate entry points, launch valuable products and make our own characteristics; and strictly supervise and urge them to ensure that their business content conforms to the "three rural areas" of the Bank's services. To fill the needs of small and micro-customer groups, to create a

grassroots economy of the people's banks, community banks. At the same time, it will continue to assist foreign organizations in developing some unique credit and intermediate business varieties that are suitable for the actual local conditions, and will support them to increase their publicity efforts. Second, aiming at the credit environment, industrial structure, and level of economic development in the areas where branch offices in different places are located, we should strengthen the differentiated assessment of the institutions in other places, improve and optimize the assessment methods and systems of the institutions in other places. Promote the development of branches, make bright spots, form characteristics.

### **5.3.3 A new model for cross-regional innovation and development**

In 2010, China's Banking Regulatory Commission issued the "guidelines on merger and reorganization of high-risk rural credit cooperatives" (No. 71) to encourage eligible M & A parties to carry out mergers and acquisitions in underdeveloped areas in the central and western regions. As a result, we balance the risk crisis, reorganize rural credit cooperatives, redeploy their tasks, set new targets for development, comprehensively reform the internal system of rural credit cooperatives through mergers and acquisitions, and strengthen the construction of organized management. The capability of internal risk assessment and early warning has been improved, and the flow of business management has been established. The channels of capital financing have been further expanded, and the capital financing channels have been enriched. Product types improve service quality, improve customer satisfaction and experience. Wuxi Agricultural and Commercial Bank should seize the opportunity of structural adjustment of China's financial market and small rural financial institutions, non-bank financial institutions to increase capital and expand shares, and merger and acquisition and reorganization of the same sector, to seek opportunities for foreign equity investment and to hold shares through equity participation and holding. While exporting capital, talents and management experience, we should permeate our prudent management concept and compliance culture into the financial institutions under merger and reorganization, promote their healthy and rapid development, and enhance their ability to support local economic development. In addition, as a listed company The Company, through the nationwide merger and reorganization of high-risk financial institutions, can further enhance the brand awareness and public image of Wuxi agribusiness in the capital market and fulfill its social responsibility.

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#### **5.4 Perfect talent reserve and training mechanism**

Strengthen the construction of the contingent, implement the strategy of talent development in an all-round way, adhere to the strategy of talent reserve mainly brought in internally and appropriately imported from outside, and gradually build up a contingent of professional talents suitable for financial reform and the Bank's business, For the rapid development of the bank to provide talent protection. Improve the hierarchical training mechanism, formulate and implement reserve cadre training plan, provide system guarantee for talent reserve and talent stability.

First, it is necessary to improve the technical and scientific training of professional personnel. In particular, it is necessary to strengthen the training of staff in some important positions, such as those at the technical level and at the managerial level, on the basis of strengthening their basic skills. Constantly inculcate a full range of knowledge and culture, such as financial knowledge, legal knowledge, marketing skills and so on. China will continue to do its best to organize the training of AFP (China registered financial analyst) and MBA (Master of Business Administration), so as to increase the

training of talents. With the combination of internal and external training, we should not only strengthen the training of internal talents, but also hire foreign highly qualified personnel from time to time to train, strengthen the quality training of team members, build a team with high efficiency and unity, so that they can give full play to their strengths and develop their skills. Promote the development of enterprises in a higher direction.

The implementation of the file system, that is, each employee with file development, at any time in accordance with the assessment results in order to promote. At the same time, in the light of the actual situation, we should formulate and implement plans for the training of reserve cadres, do a good job of regular inspection and dynamic management, and set up audit and inspection visits to reserve cadres. Comprehensive examination of various aspects of reserve cadres' abilities, such as professional competence, moral water Level, clean government consciousness, business level, etc., at the same time, record the results of each year and save them to see the progress in real time.

In order to establish a performance appraisal system based on cost - benefit, capital - consumption and risk - covering based on the appraisal system, an effective assessment mechanism, risk management mechanism, benefit evaluation and estimation mechanism, compensation mechanism, etc. The payment method of performance appraisal is changed to realize the deferred payment. In view of the actual situation of the branch of the site, the corresponding policy support is given.

### **5.5 Strengthen the construction of internal control system**

We should further improve the construction of the internal control system of the bank, promote the organic combination of compliance management and internal control management, cultivate a good compliance culture, step up the construction of compliance and set up the standard, establish the consciousness of "full compliance and compliance". Through the warning education, strengthen the implementation of the relevant regulations of integrity and self-discipline, and manage the company to live. The personal activities of the employees of the company and the company are considered as a whole, which will guide the employees to find their own career orientation, establish professional thinking, and improve their personal ability and quality. In addition, we should strengthen the training of compliance managers and strengthen the professional level and performance of the part-time management staff.

The main method in integrating the middle ground framework is to transform the Accounting and Settlement Dept. into the Operation and Management Dept. by including into the new Dept. the tellers at the grassroots level--both tellers at the front desks and tellers extending authorization, accountants, and accountant supervisor. Such a change will help them focus more on delivering service, and link their performance appraisal with their service quality, transaction number and accounting quality. But as they are directly approached by customers, when they recommend businesses to customers, they should be well rewarded.

The only truly unexpected finding in our data is the notably poor performance of Finnish students on the mathematics test. Two explanations of poor Finnish results are plausible. First, that the sample included in our study was of lower ability than a representative sample of Finnish students. This is unlikely given the strong emphasis on equity in the Finnish school system and historical evidence that differences between Finnish schools tend to be small. A second, more plausible interpretation is that the Finnish students were poorly motivated. This could be a consequence of collecting data very close to the end of the school year. Korean students also did not perform as well as expected, which may reflect a sampling issue – almost 40% of the sample was drawn from vocational schools, which cater to less academically capable students. This statistic is representative at a school level – approximately 40% of Korean high schools are vocational – but at a student level around 30% of students are enrolled in vocational schools.

## CHAPTER 6

### RESEARCH FINDINGS AND VISION

With the development of the times and the prosperity of the economy, the pace of the development of the Internet communication finance is speeding up day by day. Under this new background and situation, the Wuxi Agricultural and Commercial Bank is facing the opportunity and the risk of the transformation. This paper takes it as a case to analyze, from its birth to now, from its evolution to find the future direction of development. At the same time, combining with the relevant cases and experiences of foreign countries, the paper puts forward some effective suggestions to promote its development. Firstly, the author compares the development of commercial finance at home and abroad. On the basis of referring to the relevant literature at home and abroad, the author uses the theoretical empirical method and SWOT analysis method to divide the various aspects of Wuxi Agricultural and Commercial Bank. Analysis and arrangement, overall strategic layout and positioning, combined with the internal and external environment and advantages and disadvantages, put forward the future development of Wuxi agriculture and business proposals and strategic arrangements, hoping to help them to a higher level, to put it simply, the contents and steps of this paper are as follows:

(1) This paper is mainly about the analysis and research of Wuxi agricultural firm. In the early stage, it carries out the classification and summary of all kinds of data, and then applies the method of combining theory with practice, and at the same time refers to the SWOT method and Porter's five-force model. To accurately interpret the Wuxi Agricultural and Commercial Bank, determine its current situation environment, find the favorable conditions and disadvantages of its development, and do its best to promote the bank's forward development.

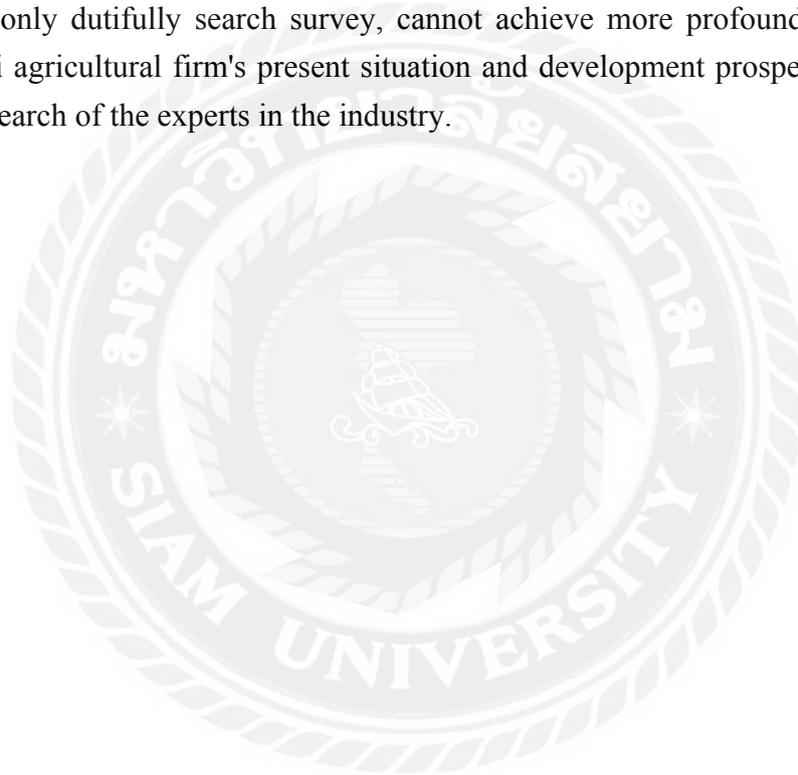
(2) To put forward the safeguard strategy of Wuxi agribusiness. In terms of concrete implementation,

First, to uphold the concept of inclusive finance, to serve agriculture, rural areas, small and micro enterprises, and to serve community residents; second, to expand and develop corporate financial business, with emphasis on retail and private banking, and to deepen the development of financial market business; Third, based on Wuxi, radiation Jiangsu, facing the whole country, taking a new way of cross-regional development; fourth, upgrading the level of information technology modernization, promoting the Internet transformation; fifth, perfecting the talent reserve and training mechanism,

perfecting the examination incentive and restriction mechanism; Sixth, strengthen the construction of internal control system and build a good compliance culture.

We argue that this is because asking students to reflect on an item or test just completed invokes different psychological processes including metacognitive monitoring.

The author has encountered many limitations in the process of writing the thesis, such as the limitation of external realistic factors, such as the existence of commercial secrets in Wuxi agricultural firms, the external environment in which there are also great variables, and the internal constraints. For example, the author's own writing time is not much, can only dutifully search survey, cannot achieve more profound and deeper, so about Wuxi agricultural firm's present situation and development prospect, still need the detailed research of the experts in the industry.



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