

Study on Impact Measuring of Internet Finance on the Profit of Commercial Banks—Construction and Analysis of Measurement Index System

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Abstract: After 2010, the Internet finance has entered a period of rapid development, the impact of physical gold knock, especially commercial banks have gradually emerged and with the continuous development of Internet finance and large, in the future and even change the current domestic financial situation, the impact of commercial banks status. Therefore, for commercial banks, in-depth analysis of the Internet financial development model, and learn and response is particularly important. Therefore, both in theory and reality, for the study of Internet finance recognition has a very important significance.

1. Introduction

2013 is the first year of Internet finance in China, so to say, in this year, the Internet thinking as the year of the Renaissance, affecting and even change the traditional financial formats and patterns. Alibaba, Tencent, Baidu, Jingdong and other Internet companies began to enter the financial sector and gradually build their own business model. That year, the market's largest public fund is the balance of treasure, "Baidu financial center - financial" on the line, the Ministry of Industry to set up Internet Finance Working Committee, Zhongguancun Internet Financial Industry Association and a series of events in the declaration of Internet finance is about to develop rapidly A trend.

In 2014, Premier Li Keqiang at the Second Session of the Twelfth National People's Congress on government work report for the first time that the Internet finance: "to promote the healthy development of Internet finance", will become the Internet financial sustainable development of the favorable signal. On the one hand, micro-banks in Shenzhen before the sea, such as the five private banks approved the construction, of which Zhejiang and Shenzhen before the Internet bank micro-banks are its major shareholders Ali and Tencent and become a bright spot, and the two banks will be the Internet As the main operating platform, the face of small micro-enterprises and individual users. The ant financial services group, which is regarded as the biggest spoiler in the financial industry, was also established in that year. It includes four brands, namely, Alipay, Alipay, Bao Bao, Ant Loan and Lucky Bao, including payment, financing, financing and insurance. At the same time, 2014 is also known as the first year of the public, the rise of the public platform, such as mushroomed, the rapid development of public financing will also promote China's Internet finance to expand in more directions. On the other hand, the intensification of market competition and the need for transformation and development, but also prompted the various commercial banks to respond accordingly, many traditional banks will upgrade the electronic banking department changed its name to "Internet Finance", or a separate "Internet Finance "Parallel with the e-banking, has begun to respond to this wave of development to make changes.

2. The Characteristics of Internet Finance

Internet finance, as a new financial model, is different from the traditional financial characteristics. In the basic function of finance, payments are important because they are tied to many other financial services. The Internet financial model has a convenient feature of payment. This is mainly due to the support of the relevant information technology, the mainstream of the means of payment gradually mobile communications equipment, wireless communications equipment consisting of mobile payment means replaced. The Internet has a Pratt & Whitney nature

of the platform to reduce the access door abuse, making its audience more extensive, small and medium-sized micro-enterprise financing and other issues to solve a great role in promoting.

Internet and other related information technology development is to support the development of the Internet financial model cornerstone. Based on the information processing function of the related technology, it is easier for us to discern the financial behavior of the Internet financial body. This is mainly because, through social networks, search engines, cloud computing and other information generated and disseminated and organized and structured analysis, the new way to get information to produce. In this way, the limited information generated by each individual is integrated and concatenated into a relatively complete whole, thus providing a sufficient information base for financial transactions. As a result, asymmetric information becomes more standardized and structured in the Internet financial model, resulting in a dynamic and time-series sequence of financial market information, which makes transaction costs and information costs of financial transactions effective. Even though the market has a relatively low degree of information asymmetry.

Relying on the Internet platform and Internet-related information technology, we can in the Internet financial model is more convenient access to transaction records transactions, information technology through the in-depth mining and analysis of data, on this basis, a more comprehensive and in-depth grasp Transaction object information, so that the efficiency of resource allocation can be improved. Furthermore, as a direct financing mode, the Internet financial model, without the involvement of financial intermediaries, capital supply and demand sides can be directly on the Internet supply and demand information match, which is more efficient to achieve personal investment channels and enterprises, especially small and medium Enterprise financing and other supply and demand docking problem solving. Thus, on the Internet platform, simultaneous two or more transactions and perfectly competitive pricing will maximize the efficiency of funds to maximize social welfare. Therefore, in this way the Internet finance shows signs of accelerating financial disintermediation, which has a certain impact on traditional financial institutions.

First of all, the Internet financial because of the emergence of a shorter time, so China's financial laws and regulations have not yet involved in many aspects of Internet finance, Internet financial related businesses to carry out the business vulnerable to regulatory loopholes and legal blind spots, the cumulative risk. Second, because Internet finance is the combination of financial and Internet technology products, the technical risk is obvious. Computer virus or platform technology defects may lead to the entire Internet financial system systemic risk. At the same time, because the Internet finance centralized mass data, the management of data information caused by the improper damage, loss or even leakage is a major risk. Innovative ability is a major feature of Internet finance, but also a source of risk. Internet financial-related enterprises are facing more uncertainties, excessive innovation or keep up with the pace of other business innovation may lead to loss of profitability-related enterprises to the ability to fail.

3. The Impact of Internet Finance on Profitability of Commercial Banks

The impact of Internet finance on commercial bank assets mainly lies in the concern of the Internet financing business to divert commercial bank loan business. Loan is the commercial bank's capital utilization business; it brings interest income for commercial banks and affect their return on assets. For China's commercial banks, to deposit and lending interest income is the main feature of its business model. Therefore, if the Internet financial business to make the commercial bank loan business is reduced or competition between the two reduced commercial banks in the pricing of loans, will to some extent squeeze the profits of commercial banks.

As the Internet financing business is mainly targeted at small and medium-sized micro-enterprises, therefore, its impact on the commercial banking business is mainly located in the retail loan business: mainly personal loans (personal consumption / business loans) and small micro-enterprise loans. In order to make the analysis clearer, we will be Internet financing business loan platform according to the investor is divided into individual network loan platform and institutional network loan platform. Among them, the personal network loan platform for

individuals and individual owners of the P2P lending platform and the public financing platform; and institutional network loan platform is attached to the electronic business platform for the platform of the main business of supply chain finance.

The direct impact of Internet finance on the profit of commercial banks mainly lies in the impact on the fee and commission income. Among them, the third-party payment platform mainly affects the fee income of commercial banks, including the payment of settlement fees, bank cards and agency business fee income; and third-party financial platform and the balance of wealth management products and commercial banking business fees and consignment Business fee income has an impact, gradually moved to the status of traditional banks as the main sales channels of funds and insurance. Therefore, in the profit item, the Internet finance through the commercial bank fees and commission income influence, affect the commercial banks operating income and thus affect their profitability.

Customers to third-party payment platform directly reduce the part of the commercial bank fee income (shown in Table 4). In the case of ordinary payments, in the traditional mode, payment is made via the UnionPay network, and the acquiring bank that installs the POS machine to the merchant can have a commission fee income of 1% to 2% of the transaction amount per bank card transaction. Among them, the bank left 20% of their own, to CUP 10%, the remaining 70% is given to the issuing bank. Since the issuing bank and acquirer can be the same bank, in this case, the bank can get 90% of fee income. If the payment in the third-party payment platform increases, the bank's income has a greater degree of reduction. Alipay, for example, the card issuer will receive 70% of the handling fee, and Alipay charge handling fee is only 0.3-0.5% of the transaction volume. Therefore, for each transaction, the issuer's fee income reduced by about 70%, only for the transaction amount of 0.2% -0.4%. Compared with the ordinary payment, the bank in the transfer of remittances and other payment methods of commission and commission income on the impact is smaller.

Customers to purchase third-party platform funds, insurance and other products will increase the sales of such products, banks reduce the income of such products, thereby reducing bank agent business fee income. Compared to the general situation of 0.5% -1% of the fund commission rate and 2% -3% of the insurance commission rate, the bank can only be third-party platform online direct marketing 0.2% -0.5% of the online payment processing fee income. It can be seen, the bank's online payment settlement business fee income can not offset the increase in its consignment sales fee income dropped significantly. At the same time, the balance of the emergence of treasure products to a certain extent, the diversion of the bank's financial management funds, so that the bank's financial business income.

For different situations, the Internet financial impact on the profitability of commercial banks, we listed commercial banks in mid-2013 data as a benchmark, a scenario analysis. In the first six months of 2013, the average ratio of commission fees and commission income to total commission and commission income was 54.72%, among which the highest was 71.62% in Ningbo, while that of the other 16 listed commercial banks was 54.72% The lowest for the China Merchants Bank, 33.02%. The ratio of the income of some 16 commercial banks to the operating income was between 5.58% (Bank of Nanjing) and 16.396% (Everbright Bank), with an average of 10.76%.

4. Conclusion

Internet financial and financial Internet is not the same concept, the two fundamental difference is whether the subversion of the traditional mode of operation of the financial. Internet finance is not a plausible concept, it is in the traditional financial basis of the Internet and related technologies to use and therefore has a different from the traditional financial mode of operation of the emerging financial model.

The different business models of Internet finance affect the profitability of commercial banks mainly by affecting the interest income and fees and commission income of commercial banks. Among them, the third-party financial products sales platform, third-party payment platform and the balance of treasure products on the commercial bank fees and commission income and reduce its

impact on earnings is relatively large, but in this regard, the commercial bank itself has a certain The impact of commercial banks' profitability due to the rising cost of commercial banks caused by the third-party financial products sales platform and the balance of treasure products, due to the limitations of Internet-related financial services and the speed of interest rates, Will have a certain reversal in the future. And then learn from the relevant experience of the United States, in general, Internet finance will have a certain impact on the profitability of commercial banks, but not a scourge.

Compared with Internet finance, commercial banks are mainly in the channel class business and investment and financing business class competition at a disadvantage, for different types of business, commercial banks need to avoid weaknesses, and in cooperation with the Internet finance in the search for opportunities.

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