

How does the Sci-tech Bank Promote the Development of Sci-tech Smes?

Yufei Ma^a, Hao Li^{b,*}

School of Finance, Yunnan University of Finance and Economics, Kunming, 650221, China

^afei8873@126.com, ^bleohiaemm@163.com

*Corresponding author

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Abstract: Sci-tech (Science and technology) is the first productive force, finance is the core of modern economy. Guiding the allocation of banking financial resources to the scientific and technological fields and promoting the deep integration of Sci-tech and finance are important measures to accelerate the transformation and transfer of Sci-tech achievements and foster strategic emerging industries. Firstly, this paper analyzes the financing dilemma of Smes. Secondly, it expounds the development status and some experiences of China's Sci-Tech Banks. Thirdly, it summarizes the problems existing in China's Sci-Tech Banks. Finally, it proposes the development of China's Sci-Tech Banks.

1. Introduction

Supported by national policies, Smes have developed rapidly and become an important part and growth point of the national economy. However, the information asymmetry and imperfect cooperation mechanism between the financing demand growth and financing service market of Smes are becoming more and more prominent, which hinders the innovation and development of Sci-tech Smes to some extent. Despite its rapid growth, the Sci-tech bank lags far behind advanced countries. Various Sci-tech Banks have designed many unique technology financial products, boldly innovated business models and assessment methods, but lack of effective risk management and identification mechanism. Sci-tech banks are still cautious in terms of loan approval and loan, and the limitations of the credit mechanism cannot meet the huge capital needs of Sci-tech Smes. Based on the successful experience of some domestic Sci-tech Banks, this paper puts forward some policy Suggestions for the development of China's Sci-tech Banks.

2. Sci-tech Smes' financing development present situation and problems

Smes in Sci-tech have small capital scale and unclear credit status, and have the characteristics of high risk of technological innovation and operation. Sci-tech Smes can obtain funds through their own funds and borrowing funds. To a certain extent, their own funds are limited and can not meet the technological innovation requirements of technology Smes. When Smes in Sci-tech are facing financial difficulties, Smes in Sci-tech need to borrow to make up for the funding gap. However, due to the small capital scale, unclear credit status, technological innovation and high operational risk of sci-tech Smes, commercial Banks are reluctant to provide loans to Smes, and even if they get credit funds, they are only short-term small loans and need to pay high interest. In order to solve the financing problem of sci-tech Smes, the government has established the "growth enterprise board and science and technology innovation board" to increase the financing channels for sci-tech Smes by means of equity financing, but the high access conditions still exclude sci-tech Smes. Therefore, the particularity of sci-tech Smes makes them face financing difficulties for a long time.

In the past few decades, China's financial market interest rate was controlled by the central bank, and the effective allocation rate of financial resources was low. Although the financing channels of sci-tech Smes are actively explored, the ratio of bank credit is still limited, and the financing path of

sci-tech Smes is still difficult. It is difficult to cross the threshold of the main board market of Smes. Although gem and sci-tech innovation board have been established, the high entry threshold makes Smes far behind. Moreover, the traditional bank credit mechanism inhibits the financing of sci-tech Smes.

3. The development statue of China Sci-tech Banks

Since 2000, China has promoted technology companies by setting up sci-tech Banks to make it easier for them to raise capital. In 2008, under the joint efforts of the ministry of science and technology, banking regulators and financial institutions, China has begun to set up pilot cities for science, technology and finance, with Tianjin, Shanghai and shenzhen being the first of 16 regions to integrate science, technology and finance. Since 2009, Shanghai, Chengdu, Hangzhou, Nanjing, Suzhou and other places have successively established "sci-tech sub-branches" relying on commercial Banks. In 2015, the Beijing Zhongguancun central branch of the people's bank of China was the first in China to establish a monitoring and evaluation mechanism for specialized organizations in Sci-tech finance, which has achieved outstanding results in supporting the development of Smes. Since the establishment of Wenzhou sci-tech sub-branch of bank of Hangzhou at the beginning of 2018, the bank has provided sci-tech credit of 149.9 million yuan to the city's Smes and served 100 enterprises. The rapid development of sci-tech bank has become a new model for Chinese commercial Banks to serve sci-tech activities and sci-tech Smes.

The Chinese government has also accumulated some successful experience in supporting sci-tech banks to invest in sci-tech Smes. For example: 1. Set up special support funds for sci-tech Banks. The municipal finance of Nanjing city arranges 30 million yuan of special support funds for sci-tech bank for risk compensation of sci-tech start-up enterprises every year. 2. Set up credit risk compensation fund. Suzhou city set up a sci-tech sub-branch risk pool special funds, the total amount has reached 150 million yuan. Jinan city to set up a sci-tech financial risk compensation, the total amount of 42 million yuan. 3. Build multi-form service platform. All provinces and cities take various measures to support the development of sci-tech Smes. First, the establishment of technology and financial services platform; Second, explore the establishment of sci-tech microfinance companies; Third, encourage commercial Banks to carry out innovation in scientific and technological financial products.

The rapid development of sci-tech banks cannot do without the support of the government and their own innovation. In recent years, CCB has set up multi-form service platform from mechanism guarantee, in the way of "professional team + group advantage + all-round service + partner". It has launched a series of sci-tech financial products, such as "science and technology wisdom loan" and "science and technology credit loan", and effectively solved the financing problems of Smes by means of government credit enhancement, intellectual property pledge and credit loan. In August 2018, with the support of the head office, the sci-tech sub-branch of bank of ningbo successfully created a credit project mode for sci-tech Smes by integrating enterprise development, risk prevention and control and other factors, and combining with the credit risk pool fund, to meet the early stage of the development of sci-tech start-ups funding needs.

4. The problems existing in the sci-tech bank of China

At present, sci-tech banks established in China mainly have two forms of business innovation: setting up branches relying on local corporate Banks and carrying out business innovation based on independent legal person qualification. These two forms are innovative in the development process, but they also present the following deficiencies:

4.1. Single business model

Most of the institutional businesses of China sci-tech Banks are mainly science and technology loans, which are of a single variety and cannot be divided into corresponding segments. At the same time, they are more dependent on the preferential policies of the government, and the final income

is still not commensurate with the high risk of lending to sci-tech Smes. Therefore, many sci-tech banking institutions have low initiative and enthusiasm in carrying out relevant businesses.

4.2. Imperfect intermediary service system

Intermediary service mechanism is far from meeting the development needs of sci-tech banks. Intermediary service is an important force to promote the development of sci-tech banks. Intellectual property assessment institutions serving sci-tech banks have the disadvantages of small number, small scale, low business level, backward assessment methods and few professional talents. However, even though the credit rating agencies for sci-tech Smes have mastered the effective information of Smes, they cannot provide credit enhancement services for enterprises due to the lack of corresponding supporting mechanisms. These factors directly restrict the development process of sci-tech finance.

4.3. The government has not done enough to support the development of sci-tech banks

Although China has promulgated a series of laws and regulations related to science and technology credit, it has not formed a perfect legal system, nor unified specific operation norms. All relevant financial and science and technology departments have not formed effective cooperation with financial institutions, investment and financing institutions, and intermediary service institutions, and cannot timely release information on financing demand and financing supply of science and technology credit and venture capital investment, so as to build a good socialized service system of sci-tech finance.

The reasons are closely related to China's current banking policy environment and institutional framework, the underdeveloped financial industry cluster, and the underdeveloped venture capital market.

5. Countermeasures and Suggestions for the Development of Sci-tech Banks in China

1) Optimize organizational form. Our country can promote the innovation of organization form of Sci-tech bank stage by stage. A poorly run technology branch can be converted into a traditional bank branch to continue operations. The original commercial Banks can also be spun off and sold to mature technology Banks to re-integrate technology and financial resources. The technology bank can establish a special equity investment company to take full charge of the investment business of sci-tech bank.

2) China's Sci-tech Banks should focus on serving small and medium-sized Sci-tech innovation enterprises that have great potential but great risks and are difficult to obtain financing from other commercial Banks. At the same time, we should learn from the profit model of the bank of Silicon Valley, which combines credit and equity investment, to improve the income and reduce the risk at the same time.

3) China's Sci-tech Banks should take the initiative to improve the system and market environment for the development of Sci-tech Banks. Improve and perfect the supporting laws and regulations; Increase the government capital injection in the initial stage of the establishment of Sci-tech bank; We will establish and improve the Sci-tech credit system and enhance the ability of Sci-tech Banks to innovate financial products and services.

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