

Brief Talk on Innovative Mechanisms of Bank Real Estate Financial Businesses

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Abstract. The real estate economy is an important part of China's market economy, which has high dependence degree on funds, and it is also easily influenced by the adjustment of bank financial policies. Bank real estate financial business is one of the most important businesses of bank finance, and its stability and development play an important role in the construction of the national economy. The state's regulation of real estate business directly affects the formulation and implementation of bank real estate financial business policies, so understanding national policies and trends, grasping real estate opportunities, and actively and steadily promoting innovation in real estate financial business are important tasks for banks. In order to the development of banking financial businesses, banks need to design business models that meets the healthy development of the real estate industry in accordance with their own characteristics, and design risk prevention and control mechanisms correspondingly to ensure capital security.

Keywords: Bank; real estate; financial business.

1. Introduction

Real estate financial business is an important business of various bank financial institutions. In recent years, with the booming domestic real estate market, the scale of banks' real estate financial business has continued to expand, the flow of funds has continued to accelerate, and their proportion in bank financial business has also increased, it is both an opportunity and a challenge for banks and financial institutions. Banks should not only create a number of new financial business products in accordance with the adjustment of macro policies and the characteristics of banking business, but also implement positive and steady risk control to ensure the funds security furthest. The real estate financial business occupies an important proportion in the banking business, how to grasp the national real estate industry's regulation and control policies, actively and steadily develop the real estate finance industry, while striving to improve economic efficiency, strengthen the risk prevention and control awareness and ensure funds security, it is the focus that the banking system needs to strengthen. This paper discusses and studies the innovative mechanism of bank real estate financial business.

2. Status Quo of Bank Real Estate Financial Businesses

Real estate is a capital-intensive industry, which heavily relies on bank funds, and its returns on banks are relatively high. For a long time, the real estate financial business has always been the focus of banks, many state-owned banks and commercial banks have designed a number of financial business products around key business areas and key links in the real estate industry, including a series of businesses, such as land reserve loan, personal house purchase mortgage loan, etc. The development of financial business not only complied with market needs, but also achieved extremely high economic benefits; banking institutions and real estate enterprises achieved "win-win" in a strategic sense. Moreover, because the real estate industry is a high-risk industry, compared with other banking financial products, its execution cycle is relatively long, stability is not strong, capital risk is high. Many banks have suffered serious losses due to inadequate supervision of real estate financial business. Therefore, the key to promoting the innovation of bank real estate financial business lies in taking active and safe measures.

3. The Influence of National Policies on Real Estate and Banking

The real estate industry plays an important role in China's economic growth; the adjustment of real estate policies will affect the stability of the national economy and national life, the national policies is a fact that China's economic structure adjustment cannot ignore. Therefore, according to the needs of economic development, the state conducts macro-control to ensure the stable growth of the national economy. The banking financial industry must also make strategic adjustments in time in accordance with national policies and market rules in order to maximize the bank's own interests. Moreover, housing prices in first-tier and second-tier cities have risen, and the housing saturation in third-tier and fourth-tier cities has also put forward new requirements for the real estate financial adjustment of the banking industry.

Real estate finance is the economic pillar of commercial banks, how to seize the real estate market and better serve real estate development, while preventing risks, improving efficiency, this is not only the work focus in front of banks, but also a new issue that the banking system cannot avoid. At present, the banking system's businesses for real estate finance mainly include land reserve loans, housing mortgage loans, farmers' home loans, and housing development loans; these businesses adapt to the needs of different clients and provide financial support for real estate business. However, the real estate industry is also a high-risk industry, with long development cycles, instability, and uneven corporate governance. In addition, banks should strengthen supervision of real estate enterprises, improve laws and regulations, and actively and steadily reform innovative mechanisms.

4. Strategic Significance of Promoting Bank Real Estate Financial Business Innovation

The bank's real estate financial business policy is part of the national monetary policy, and it is also an important content of the national macro-control policy. China has also made a series of key arrangements and deployments for the healthy development of the real estate market. Therefore, the real estate financial business innovation carried out by the banks actually reflects the basic ideas of the national macro-control policy, and it is also an important guarantee for achieving the expected goals of the macro-control policy.

In the new era, the bank's innovative mechanisms for real estate financial business have important strategic role in guiding the market to give full play to resource allocation and optimization. On the one hand, banks introduce concepts of ecology and environmental protection by adding a part of the new real estate financial business model, which will guide more real estate enterprises to realize the transformation of development models. On the other hand, by establishing a credit rating inspection mechanism for real estate enterprises, banks link the company's credit rating with the amount of financial credit funds to form credit construction level for real estate enterprises, and promote the rational and effective distribution and orderly flow of bank credit funds.

In order to achieve the healthy development of domestic banking financial markets, further expanding the scale of bank funds and improving the overall level of development will be a very important and urgent task. With the gradual recovery of the domestic real estate market in recent years, in addition to the continuous structural adjustment and improvement of the domestic real estate market, it is foreseeable that the future real estate financial business will still be an important source of profit and a pillar business for banks and financial institutions. Under the premise of ensuring the security of funds and pursuing economic benefits, the bank's innovative mechanisms for real estate financial business is an effective way to optimize its internal strategic structure.

5. Problems in the Innovative Mechanism of Bank Real Estate Financial Business

Business innovation is a sustainable driving force to promote the healthy development of banking institutions, and it is also an important way for banks to adapt to the needs of the market and customers and improve their business modes. At present, domestic banks face the following problems in the process of real estate financial business innovation:

The risks of real estate financing development are manifested in the differentiation between the quality of real estate development loans and personal housing loans, and the real estate enterprises are uneven. There are both well-qualified enterprises and poor real estate development enterprises. The potential crisis in the real estate industry is mainly concentrated in real estate development loans. The downward pressure on the economy has increased, the demand for housing saturation in third-tier and fourth-tier cities has weakened, sales have slowed down, and developers' funds recoup funds slowly, as a result, it is not conducive for banks to recoup funds, this has brought risks and challenges to the bank's work, banks must strictly review loan procedures to prevent unqualified enterprises and individuals from defrauding loan funds.

At present, the real estate development loans and personal housing loans have been differentiated. Due to the long real estate development cycle and the slow return of funds, some real estate developers have been unable to complete projects due to various factors, which have caused huge economic losses to banks. In contrast, personal housing mortgage loans are less affected by the economic environment, most residents can pay on time and the quality of loans is high. At present, financial institutions are more active in personal housing mortgage loans.

The internal management and financial system of banks also have great constraints on the development and innovation of real estate financial businesses. The integration of the real estate industry and the banking and financial industry is getting deeper and deeper, and the innovative paths is also getting faster. At present, the financial products in the real estate market are mainly development-end products, sales-end products, cross-variety innovative products and asset securitization products, but their innovative products mainly focused on lower-risk sales-side products. In the framework of the financial system, financing innovation is difficult, which is mainly reflected in the following aspects: first, national policies and restrictions on approval authority, the financing of real estate development projects is mainly concentrated in high-quality large enterprises; the second is the approval authority, banks and financial institutions have basically received the approval level of the head office for real estate development loans; the third is regional management, in some regions, the real estate development loan system is subject to list system and regional approval, although this reduces risks, banks have also encountered bottlenecks in their business scope.

The innovation of bank's new financial business model is closely related to its internal management system. Many banks are subject to the influence of internal management system, it is difficult to implement some new financial business modes. If grass-roots banks want to develop some new financial business products, they must report to the superior banks for level by level approval, which limits the enthusiasm of banks to innovate financial business to some extent, and also loses the favorable opportunity of new business development. In addition, most of the domestic banks have the problem of unreasonable structure of assets and liabilities, their ability to prevent financial risks is limited, and risks are relatively concentrated, which have a certain impact on the bank's innovative mechanisms of real estate financial business.

Macro-control policies have had a certain impact on bank financial business innovation. As an important part of the domestic market economy, the state has always implemented strict macro-controls on the real estate industry, and has introduced some policy measures to achieve the expected policy goals of the regulation. Banks' real estate financial business innovation will also be subject to policy adjustments and changes influences. As a capital-intensive industry, the real estate industry is far more sensitive to financial policy adjustments than other industries, which also has a certain impact on banks' innovative real estate financial policies.

6. Suggestions on Promoting Innovative Mechanisms of Banks' Real Estate Financial Business

Banks need to strengthen analysis and interpretation for national macro-control policies. For banks, in the process of innovating real estate finance business, they should comprehensively strengthen the analysis and interpretation of national macro-control policies, accurately grasp the development trend of the domestic real estate market in the future, and according to the development and changes of national macro-control policies, actively explore new ideas and methods for real estate financial business innovative mechanisms.

Banks must establish risk prevention and control awareness and risk prevention and control system. In the process of innovating real estate financial business, banks should firmly establish risk prevention and control awareness, place all innovative business models within the scope of risk prevention and control, and establish and improve scientific risk prevention and control system, re Achieve comprehensive prevention and control of product safety in real estate finance business. Banks must strengthen the examination of loans, and select new investment products and investment targets; rationally implement the approval of loan projects, regulate the release of loan funds; and regularly strengthen the monitoring and inspection of the operating conditions and financial status of the loan targets, when finding signs and phenomena that may endanger the safety of funds, the banks should handle in accordance with the regulations in time, try to reduce the probability of risk occurrence and enhance the ability to resist risk.

Banks should strengthen management of loan guarantees. In the process of promoting the innovation of real estate finance business, banks should also strengthen the management of loan guarantees, conduct detailed examination for qualifications of loan guarantors, improve the guarantor's approval management procedures, and achieve the goal of risk prevention and control from the source by standardizing the management of the repayment source.

The government should establish and improve the credit evaluation system as soon as possible, establish comprehensive credit evaluation system for social enterprises, institutions and individuals, improve the evaluation system for dishonesty evaluation, realize resource sharing, evaluate the integrity of applicants for real estate financial business on a unified platform, and improve the efficiency of financial business approval. Through the improvement of relevant laws and regulations, the government make up for the deficiencies of the relevant laws and regulations related to the real estate industry, introduce laws and regulations related to real estate, such as house leasing and leasing agencies as soon as possible, further clarify government management departments, real estate companies, buyers, real estate agencies, banks and other entities' rights and obligations, establish a fair, just and open cooperation mechanism, comprehensively promote the healthy and orderly development of the real estate market, and provide support for real estate financial business innovation.

7. Conclusion

The innovative mechanisms of financial business are the driving force to ensure the development of banks, the development of banks cannot be separated from financial innovation, in the innovative mechanisms of real estate financial business, banks must take into account national policies and market environment, moreover, must strengthen their risk prevention and control awareness, so that promote the development of the bank's real estate financial business and contribute to the national economic construction.

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