

Reflections on the High-quality Development Strategy of Commercial Banks under the New Development Pattern of Dual Cycles

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Abstract: China needs to reach the goal of a new development pattern with domestic and international dual cycles as the core while the two complementing with each other as soon as possible. 2021 is a special year. In view of the severe damage caused by the COVID-19 epidemic to the world, this strategy can promote the sound operation of the Chinese society to a certain extent, and it will also help to adhere to the path of socialist China. Besides, this strategy will have a greater impact on domestic commercial banks to a certain extent. Therefore, commercial banks need to attach great importance to strategic reconstruction methods, correctly recognize future prospects and world changes, and determine their own positioning and development direction in a timely manner. This helps to give play to their auxiliary functions in economic dual cycles.

Keywords: Cycles; Commercial Banks; Strategic Thinking

1. Introduction

With the increasing international influence of China, the life quality of the Chinese people has been improved, and the concept and strength of wealth management have been gradually strengthened. The continuous rise in price levels and the decline in bank deposit rates will promote the development of commercial banks' wealth management products to a certain extent. China's domestic commercial banks' wealth management products have gone through three stages, namely, the germination period, the development period and the maturity period, and their number has continued to rise as high as tens of thousands. The single issuer model has also been transformed, and there are many types of products on the market for consumers to choose from. Under the background of economic globalization, the trend of anti-globalization is gradually becoming obvious. The Central Committee of the Communist Party of China is farsighted and emphasizes the development of domestic and international dual cycles by focusing on economic internal circulation. To a certain extent, this will help promote the digestion of domestic demand, strengthen China's economic development, and also help promote the transformation and upgrading of the domestic economy. The adjustment of domestic economic strategy has a greater impact on commercial banks to a certain extent, and promotes their transformation and upgrading. The internal economic cycle will pose challenges to commercial banks to a certain extent. Therefore, we must correctly recognize and explore the challenges and opportunities for commercial banks during the period of economic dual cycles, and give effective development suggestions. To a certain extent, this can promote the strategic optimization of commercial banks, and also help optimize their supply-side structure and promote their high-quality development.

2. Concept of Dual Cycles

Dual cycles are domestic and international dual cycles, which stimulate domestic demand to stimulate the economy to a certain extent. In addition, it can strengthen the domestic market share, the level of innovation and the independence of the Chinese market, so we can accept foreign markets with an open and inclusive mind. Taking the domestic circulation as the core is to correctly understand the current development of the environment. This will also help promote domestic economic development and optimize its supply-side structure during China's development period by leveraging on the advantages of domestic and foreign market resources.

3. Significance of Dual Cycles

First of all, it refers to promoting the development of domestic and international dual cycles, strengthening the quality of the economy, and accepting foreign markets with an open and inclusive mindset against the background of the new development environment. To a certain extent, this can meet the needs of domestic development and also help improve the living standards of the people. China has demonstrated to the world its efforts and vision with practical actions, aiming to build a community with a shared future for mankind and promote the harmonious development of all countries in the world. Secondly, after the occurrence of the international financial crisis, the domestic economy has gradually become the core development cycle. To a certain extent, it helps to achieve the great rejuvenation of the Chinese nation, strengthen the development value of domestic and international dual cycles, and optimize the development of the supply-side structure. We need to correctly understand the current economic development trend, stimulate domestic demand so as to stimulate domestic economic development, and achieve the goal of a new development pattern with domestic and international dual cycles as the core and mutual promotion of domestic and international dual cycles as soon as possible. After the reform and opening up, China took advantage of its low-cost labor force and participated in activities such as the international division of labor. To a certain extent, China has accumulated more resources and strengthened its international influence by doing so.

4. Opportunities for the Development of the Banking Industry in the New Development Pattern of Dual Cycles

First, to promote the development of domestic and international dual cycles, it is necessary to stimulate the development of domestic demand and strengthen China's comprehensive strength based on the development of the international economy. To a certain extent, this provides a better development environment for the financial industry and helps the implementation of relevant banking policies. Secondly, strengthening domestic demand can stimulate the development of banks' financial services to a certain extent. Banks' traditional pension finance and other methods will face major challenges. Innovation and optimization can achieve business transformation, strengthen bank deposits and funds, and also help promote the transformation and upgrading of banks' asset structure. The government should play its own functions and issue relevant policies to support the development of new areas, such as new infrastructure areas such as 5G. To a certain extent, this will attract more social funds to participate in fixed asset investment projects. In view of the strengthening of fixed asset investment projects, it will also prompt banks to optimize and upgrade their credit asset system and increase the efficiency of high-interest assets. Economic dual cycles are interlocked with industrial chains and supply chains, thus strengthening China's capital flow, information flow, etc., and promoting the sound operation and development of R&D and circulation links. To a certain extent, the dual-chain operation will center on supply chain finance, and the supply chain will center on the construction of urban agglomerations.

5. Challenges Faced by High-quality Development of Commercial Banks in the New Development Pattern of Dual Cycles

5.1 Increased Management Risks

In the relevant research, we found that during the optimization of the economic development strategy, essential changes in market factors will be promoted, which will lead to a small number of fields and enterprises lagging behind the market to a certain extent. The economic dual-cycle pattern developed with the internal economic cycle as the core has a positive effect on the Chinese economy and has a strong appealing power. Dual cycles help companies to carry out classified management. With the help of relevant policies, commercial banks will give their relevant resources to relatively high-quality domestic enterprises. Therefore, to a certain extent, this has led to the generation of monopoly behavior, and it will also lead to an increase in the loan risk rate of commercial banks.

5.2 Increased Risk of Financial Product Innovation

Economic internal circulation will promote the creation of new products and enterprises, because some commercial banks move their overseas financial resources to China, which will lead to fierce competition among commercial banks to a certain extent. Commercial banks have not yet correctly

understood the connotation of relevant policies, nor have they been able to fully perceive the development trend of the new economy. During the economic downturn, commercial banks' ability to judge new industries is weak with poor innovation ability, which hinders the innovation of their financial products to a certain extent.

5.3 Increased Risk of Customer Loss in Small and Medium-sized Banks

The development of economic internal circulation will prompt the allocation of a large amount of resources of commercial banks to domestic customers. It will also lead to changes in the customer market, and even businesses such as old-age financial services that have not been optimistic will also face fierce competition. Under this circumstance, some large commercial banks have taken advantage of their own capital and other advantages to attract a large number of small and micro enterprise customers and related financial products, which to a certain extent hinders the business operation of small and medium commercial banks and reduces their economic benefits.

6. Strategies for High-quality Development of Commercial Banks in the New Development Pattern of Dual Cycles

6.1 Establish an Accurate Risk Management Model

Commercial banks need to establish a relevant credit management system. In the credit risk management culture of the relevant bank, whether it is the front-end business department or the back-end risk management department, every employee needs to consider issues from the same level of thinking. To a certain extent, this helps to promote the good operation and progress of the bank's credit business. If there is a big difference between credit risk management and corporate culture, this will increase its risk generation rate to a certain extent. During the relevant risk management activities, investigation and evaluation should be carried out based on the relevant evaluation mechanism. Most commercial banks have established a risk management department at the head office, which is mostly responsible for the risk management business of the whole bank, and the head of the department is at the level of vice president. The core responsibilities are to measure the risks of the whole bank, carry out relevant assessments, and select risk management managers from multiple departments. Given that the risk management department has its own independence, it can intervene in risk targets.

6.2 Attach Importance to Technical Development and Make Good Use of Local Advantages

Compared with foreign banks, commercial banks have more prominent local advantages, so the localization of their technology can promote their good operation to a certain extent. In view of the development of foreign banks in the domestic market, they gradually explore and become familiar with China's national conditions, which poses a threat to the local advantages of commercial banks to a certain extent. In the relevant system, commercial banks have more advantages than foreign banks. In the development of the economy, commercial banks must take advantage of their own advantages and attach importance to technological innovation and optimization. During the period of technological innovation, it is necessary to focus on China's national conditions and the actual needs of consumers to make the technology fit the current actual needs. Only by paying attention to and implementing this link can commercial banks and foreign banks widen the gap, strengthen their own advantages, and seize a larger market share.

6.3 Attach Importance to Talents

Financial market financing is centered on the banking sector, and it has a greater impact on economic development and currency issues. After foreign banks opened up the Chinese market, more professionals flocked to foreign banks. Compared with commercial banks, foreign banks have relatively superior career development and human resource incentive systems, which seriously hinders the development of commercial banks to a certain extent. Commercial banks should pay attention to the introduction of high-quality talents and strengthen their professionalism to help reduce the gap between them and foreign commercial banks. In the relevant employment evaluation mechanism, commercial banks should draw on and learn from relevant successful experiences, stimulate the vitality of employees, create relevant incentive mechanisms, and strengthen their own advantages. With the introduction of the market incentive system, the sense of honor and security of employees is

strengthened, and finally employees can be motivated. Therefore, we give commercial banks the following two optimization suggestions: (1) Carry out relevant professional training activities for internal bank employees, especially some grassroots employees who have direct contact with customers. It is necessary to strengthen the professional capabilities and service attitudes of employees, which to a certain extent helps to show the public a model face of the bank. Basic-level employees who have direct contact with customers will reflect the image of the bank to a certain extent and show the public that the bank attaches importance to and cares about customers. (2) It is necessary to strengthen and complete the internal construction of relevant banks, i.e., to optimize and complete the relevant facilities of its online shop, such as the number of seats in its online shop and other facilities. Besides, it is also necessary to strengthen and complete related software facilities, such as online banking services.

7. Conclusion

In view of the development of the current economic environment and the support of relevant policies, we must not only promote the sustainable development of dual cycles, but also fully implement national policies to promote the development of regional finance. Second, it is necessary to promote the development of industrial finance and serve the real economy on its premise. Third, we must promote the development of consumer finance and stimulate domestic demand to strengthen the economy to a certain extent. Fourth, we must promote the development of supply chain finance and strengthen the dual supply chain based on it. Fifth, we must vigorously support fixed asset loan projects and serve the new infrastructure strategy on the premise. To a certain extent, commercial banks must continue to adapt to market development and find suitable and effective marketing methods. We must attach importance to the bank's financial product innovation and use it to manage retail customers. Banks need to attach importance to and develop wealth management product business, which to a certain extent will demonstrate the banks' own risk control level and will also strengthen their comprehensive management level.

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