

Министерство образования и науки РФ
Федеральное государственное бюджетное образовательное учреждение высшего
профессионального образования
«Южно-Уральский государственный университет»
(национальный исследовательский университет)
Институт экономики, торговли и технологий
Кафедра «Маркетинг и менеджмент»

РАБОТА ПРОВЕРЕНА

Рецензент, *Уч. зав. кафедр.*
«Информатика, торговля»
Ильина А.Б.
« 09 » 06 2016 г.

ДОПУСТИТЬ К ЗАЩИТЕ

Заведующий кафедрой
«Маркетинг и менеджмент»
Савельева /И.П. Савельева/
« 08 » июля 2016 г.

Анализ и оценка отрасли интернет-банкинга

ПОЯСНИТЕЛЬНАЯ ЗАПИСКА
К ВЫПУСКНОЙ КВАЛИФИКАЦИОННОЙ РАБОТЕ
ЮУрГУ–38.04.01.2015.317 ПЗ ВКР

Нормоконтролер

к.э.н.
Ухова /А.И. Ухова/
« 08 » 06 2016 г.

Руководитель работы

к.э.н., доцент
Беляев /И.А. Беляев/
« 08 » 06 2016 г.

Автор работы

студент группы ИЭТТ-284

刘洋 /Лю Ян/
« 08 » июля 2016 г.

«Южно-Уральский государственный университет»
Институт экономики, торговли и технологий
Кафедра «Маркетинг и менеджмент»
Направление «Экономика»

УТВЕРЖДАЮ:

Зав. кафедрой «Маркетинг и
менеджмент»

 /И.П. Савельева/

« » 06 2016 г.

**ЗАДАНИЕ
НА ВЫПУСКНУЮ КВАЛИФИКАЦИОННУЮ РАБОТУ СТУДЕНТА**

Сю Юн

(Ф.И.О. полностью)

Группа ЭТТ-284

1. Тема работы Анализ и оценка отрасли интернет - банкинг

утверждена приказом по университету от « » 2016 г. №






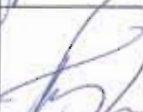




Срок сдачи студентом законченной работы « » 2016 г.

2. Исходные данные к работе статистические данные, результаты работы сектора интернет - банкинг


3. Перечень вопросов, подлежащих разработке исследование отрасли интернет - банкинг как отрасли экономики Китая, определение перспектив развития сектора интернет - банкинг

4. Перечень приложений, схем, плакатов

5. Календарный график:

Этапы работы	Характер работы	Руководитель (Ф.И.О., уч. степень, звание, должность)	Срок выполнения	Подпись руководителя, дата	
				Задание выдал	Задание принял
1	Выбор и уточнение темы	к.т.н. доцент Бемелев Н.А.	01.04.16- 06.04.16		
2	Научно- исследовательская практика	к.т.н. доцент Бемелев Н.А.	18.04.16- 13.05.16		
3	Защита отчётов по научно- исследовательской практике	к.т.н. доцент Бемелев Н.А.	13.05.16- 16.05.16		
4	Оформление, доработка выпускной квалификационной работы,	к.т.н. доцент Бемелев Н.А.	15.05.16- 30.05.16		
5	Предоставление окончательного варианта	к.т.н. доцент Бемелев Н.А.	31.05.16- 01.06.16		

Руководитель

 , Бемелев Н.А. /
(подпись руководителя) (И.О. Ф.)

« _____ » _____ 20 г.

Задание принял
к исполнению

 /
(подпись студента) (И.О. Ф.)

« _____ » _____ 20 г.

ABSTRACT

With the Internet as the representative of the information technology, especially mobile payments, social networks, search engines and cloud computing, big data, the financial needs of people have a fundamental impact. Internet financial model on the one hand as a pioneer of Inclusive Finance by the support of national policy, on the other hand, the predatory expansion of its regulatory vacuum state and constantly exposed the problem, the risk continues to show.

In this paper, the use of methods are compared and analyzed. The development status of domestic and foreign financial model on the Internet through comparative analysis found in the macro environment such as economic structure, the level of interest rates and legal protection exists significant difference under, China and other countries of the Internet financial model exist larger differences. Through the analysis of Internet banking model impact on traditional financial found the model development of domestic Internet banking and risk control, so as to obtain the mode of Internet banking and traditional banking is complementary relationship and the interaction between them getting director, respectively improved strategies are proposed. At the end of the paper, the countries to construct horizontal regulation system, perfect industry regulations, accelerate the construction of credit system and policy recommendations, that Internet banking model will also maintain a period of rapid development. However, the final and traditional financial industry, the realization of the mutual integration, and neither is dispensable.

TABLE OF CONTENTS

INTRODUCTION	7
1 ANALYSIS OF THE BACKGROUND AND CURRENT SITUATION OF INTERNET FINANCIAL MODEL	11
1.1 The essence of Internet financial model	11
1.2 Internet financial model background.....	12
1.2.1 The rapid spread of the Internet, online spending habits	13
1.2.2 Internet technology to achieve the smooth flow of information	14
1.2.3 All parties need to promote.....	15
1.3 Analysis of the development status of Internet financial model in China.....	18
1.3.1 The stage of the development of Internet financial model in China	19
1.3.2 The main business types of Internet financial model in China	21
1.3.3 The main performance of the development of the domestic Internet financial model	23
1.3.4 Domestic Internet financial model areas were investment distribution	29
1.3.5 Supervision of the domestic Internet financial model.....	30
1.4 A comparative analysis of the current situation of Internet financial model in China and Russia	34
1.4.1 Different economic structure led to significant differences in the development of space	35
1.4.2 The difference between interest rate level and financial product demand is different.....	35
1.4.3 Different social security system caused by different financial habits of	

residents	36
1.4.4 The diversity of financial market investment channel leads to the difference of financial service quality	36
1.4.5 Personal privacy protection and regulatory gaps caused by the difference in market access	37
2 THE MAIN PRODUCTS OF THE INTERNET FINANCIAL MODEL CASE ANALYSIS	38
2.1 Summary of the development of P2P net loan	39
2.1.1 P2P net loan profile.....	39
2.1.2 Analysis of P2P net loan in foreign countries -- Taking Club Lending as an example.....	40
2.1.3 Domestic P2P net loan analysis -- take everyone loan as an example....	45
2.1.4 Comparison of P2P net loan development model between China and America.....	50
2.1.5 The problem and the risk analysis of P2P model in China	52
2.1.6 Future trend analysis of P2P lending	54
2.2 A summary of the development of all the chips	58
2.2.1 Introduction to all the chips mode	58
2.2.2 Analysis of foreign public chips model -- Taking Kickstarter as an example	60
2.2.3 Analysis of all the chips in China -- Taking the named time as an example	62
2.2.4 Comparison of all the chips in China and America.....	64
2.2.5 Characteristics and risks of crowdfunding model	66
2.3 Electricity supplier Finance and Economic Analysis Model.....	71

2.3.1	Ali small credit as the representative of the platform model.....	71
2.3.2	Supply chain finance model represented by Jingdong	73
3	THE IMPACT OF INTERNET FINANCIAL MODEL AND THE CHALLENGES FACED BY THE ANALYSIS	79
3.1	The influence of Internet financial model on traditional banking and its path analysis.....	79
3.1.1	The relationship between Internet banking and traditional banking	79
3.1.2	Internet banking model affect the path of traditional banking	79
3.1.3	The influence of Internet financial model on traditional banking.....	81
3.2	Challenges facing the Internet financial model.....	84
3.2.1	Lack of financial supervision	84
3.2.2	Lack of risk control.....	85
3.2.3	Credit system construction behind	86
3.2.4	Financial market environment is not perfect.....	86
	CONCLUSION.....	88
	LIST OF REFERENCE.....	96

INTRODUCTION

Internet technology, especially mobile payments, social networks, search engines and cloud computing, big data, changes in the market set off an unprecedented business model and ideas, including triggered a new financial demands, which may human financial model will have a significant impact.

Advantages of Internet financial model is obvious. Payment convenient, low market information asymmetry; capital loan transactions directly between the parties, the financial intermediary does not work; high efficiency of resource allocation, low transaction costs. More importantly, the Internet can be made more financial models at different levels of the population to financial services, real inclusive finance services.

However, the emergence of this new model brings opportunities, but also brought great risks, and how to regulate it remains a mystery. For the government, although the Internet can be used to alleviate the financial model problem of financing faced by SMEs, promoting private financial sunshine, standardization, speed up financial reform, promote economic development, but also brought a series of regulatory problems. Traditional banking, the Internet financial model on the one hand can make a huge business opportunity, but on the other hand will form the impact, contributed to major changes in the competitive landscape.

Although the date of the Internet financial models arising from it has been the rapid development, but because of China's financial market imperfections, credit system construction lag, coupled with Internet financial enterprises predatory expansion while ignoring risk control, there is no effective regulation, this trend

continues will inevitably lead to poor risks, but also the interests of investors are not protected. How to improve the development environment, how effective supervision, the Internet and traditional banking financial sector that are still exploring how harmonious development, so the topic of this article has both theoretical significance, but also has practical significance, so I will use the knowledge network economics Internet financial point patterns of these issues in-depth study.

Because of China's Internet financial model is nearly two years before widespread concern, so a comprehensive study of basic academic Internet financial model in the blank, this paper has important significance to create.

In addition, the topic of this article there is an important practical significance. People know that the Internet is currently financial model will have an impact on the traditional banking sector, and some even think the impact is subversive, does not know both complementary and promote relations, it is not clear that the prospects of Internet financial model. So, understand, analyze the substance of the Internet financial model for the Supervision of innovation, the creation of the Internet and traditional financial sector financial industry a fair competitive environment, speed up financial reform deepening and achieve financial Pratt & Whitney has important practical significance.

The first part is an analysis of the financial development of the Internet model. First, the Internet and the financial model of the connotation of the background was analyzed, and then the domestic status quo foreign Internet financial model reviewed now, especially for the country's development of a detailed study. Finally, to discover some of the lack of domestic macroeconomic environment by comparing the status

quo of Sino-US Internet financial model development.

The second part is the main products of Internet financial model analysis. In P2P net loan and crowdfunding model is represented separately described the current situation of the country and the United States, and a representative case of a detailed study of the similarities and differences by comparing the development of domestic and international cases found domestic problems and inherent risk.

The third part points out the influence of traditional financial model of Internet banking for further in-depth analysis of the impact of the route, followed by an analysis of the challenges that the Internet development in China faced financial models, which come with the traditional financial model of Internet banking is a complementary relationship Inspiration for later improvement strategies Enlightenment.

The conclusion will be the last part of the paper, the main conclusions of the full text of combing were the traditional banking sector, the financial sector and to make recommendations Internet regulatory level. Finally, the development of the Internet for financial models were certain forward-looking analysis.

This thesis adopts comparative analysis, in addition, the integration of economic analysis and case studies of the theoretical groundwork, where theoretical groundwork for analyzing the rationality and feasibility of Internet financial models exist to provide support, confirming the financial model is how to reduce the Internet information asymmetry thus expanding transaction set. Through case studies and further demonstrates the similarities and differences affect the development of domestic and foreign financial model and the Internet on traditional finance, also

found that the risk of domestic problems and to provide direction for the final policy recommendations.

Innovations are mainly reflected in: Internet financial model is the latest academic issues, and the current study does not fully complete academic paper on the subject carried out systematic regular master's thesis writing, and provide support for theoretical analysis into reality. Additionally, this article affect the path of the traditional banking sector were analyzed financial model of the Internet.

The shortage is mainly reflected in the analysis of this article focuses on the macro level and has some limitations. By analyzing the two areas of focus in the domestic and US developments, it is mainly composed of the Sino-US comparison drawn inspiration, with some limitations. Additionally, this article emphasis on realistic analysis, the lack of quantitative analysis.

1 ANALYSIS OF THE BACKGROUND AND CURRENT SITUATION OF INTERNET FINANCIAL MODEL

1.1 The essence of Internet financial model

At present there are still large differences from all walks of life of the Internet financial model accurate definition and divided into two categories: a class that Internet banking model is the financial business of the Internet and other think Internet banking model is a non-traditional new financial model. This paper argues that the scope of Internet financial model is more than any of the above described.

From the essence of the financial point of view, the financial supply and demand is to achieve the transaction between the two sides of the capital flow, and this flow needs to generate a certain cost. From the point of view of the generalized financial, finance, including currency, settlement and exchange all and cash flow related behavior, and in accordance with the funds in the transferor and the transferee of circulation can be divided into by stock and bond market as the representative of the direct financing and to bank loans as the representative of the direct financing. And when money transferor and the transferee of the need for an intermediary to coordinate matters relating to the flow of funds, agencies can use the information asymmetry between the two to operate financial business, and gain, such as bank deposit difference.

Therefore, the Internet is engaged in the financial model or financial business, and different from the traditional financial is the Internet financial model is to intermediary, to achieve full and effective market. Through the use of Internet technology to prevent information asymmetry, get rid of financial intermediation in

the capital flow guiding role, so as to achieve the direct flow of funds, the cost of circulation will be reduced to zero. So Internet banking model is more accurate and the definition is: "convenient payment, the degree of information asymmetry of market is very low and both supply and demand of funds can direct trading, matching in term of the funds and risk sharing the cost is very low; banks, brokers and other intermediaries are not, loans, stocks, bonds and the issuance and trading of and payment can directly over the Internet." [3]

More popular, Internet banking model is an extension of the traditional financial services and supplement, making the past can not get financial services groups to get financial services. Specific performance in: in the field of non retail business, Internet banking model all "treasure" class financial products, funds online sales complements the absorbing function of traditional banking, P2P mode, all the raise pattern to make up for the traditional banking lending functions, and bank financing function extension; in the field of retail business, the traditional banking sector also tend to be customer oriented, and third party payment under the Internet banking model is a useful complement to traditional banking payment and agency services, credit card networks proposed may also on traditional banking credit card business to be extended.

Internet banking model has three core components, that is, the payment way, information processing and resource allocation, which makes the Internet banking model with convenient payment and low transaction costs and high efficiency of resources allocation of competitive advantage.

1.2 Internet financial model background

1.2.1 The rapid spread of the Internet, online spending habits

Domestic network infrastructure construction has been continuously improved, the rapid development of Internet technology, in intelligent mobile terminal and mobile Internet rapid penetration to promote, the rapid spread of the Internet, the deadline by the end of 2013, the number of Internet users in China rose to 618 million, Internet penetration rate of more than 45%, which stimulated the number of mobile phone users rose to 5 billion. [4]

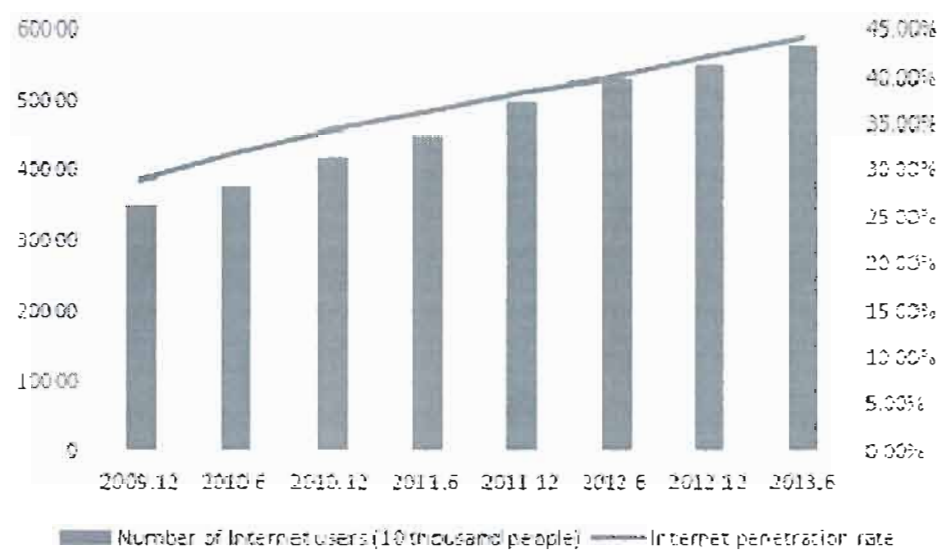


Figure 1- China over the years the scale of the network market transactions and the proportion of retail sales of social consumer goods

Source: according to the data of Ai Rui Advisory website finishing

<http://ec.iresearch.cn/shopping/20140114/224908.shtml>

And with the two-dimensional code, mobile payment, 4G network rise, people can use the phone anytime, anywhere on the Internet consumption, coupled with electric business price war to bring the huge benefits, more people are used to the online complete consumption. In 2013, China's Internet market transactions amounted to, accounting for 7.8% of total retail sales of social consumer goods, the

proportion increased by nearly 1.6% compared to 2012, and the proportion increased year by year. [5] electricity supplier to Taobao, for example, only "double 11" one day, online spending is as high as 35.019 billion, equivalent to 1.67% of the November China social retail sales, of which mobile phone Taobao transaction volume 53.5 billion, is 5.6 times 2012, mobile terminals contribution rate increased significantly. [6]

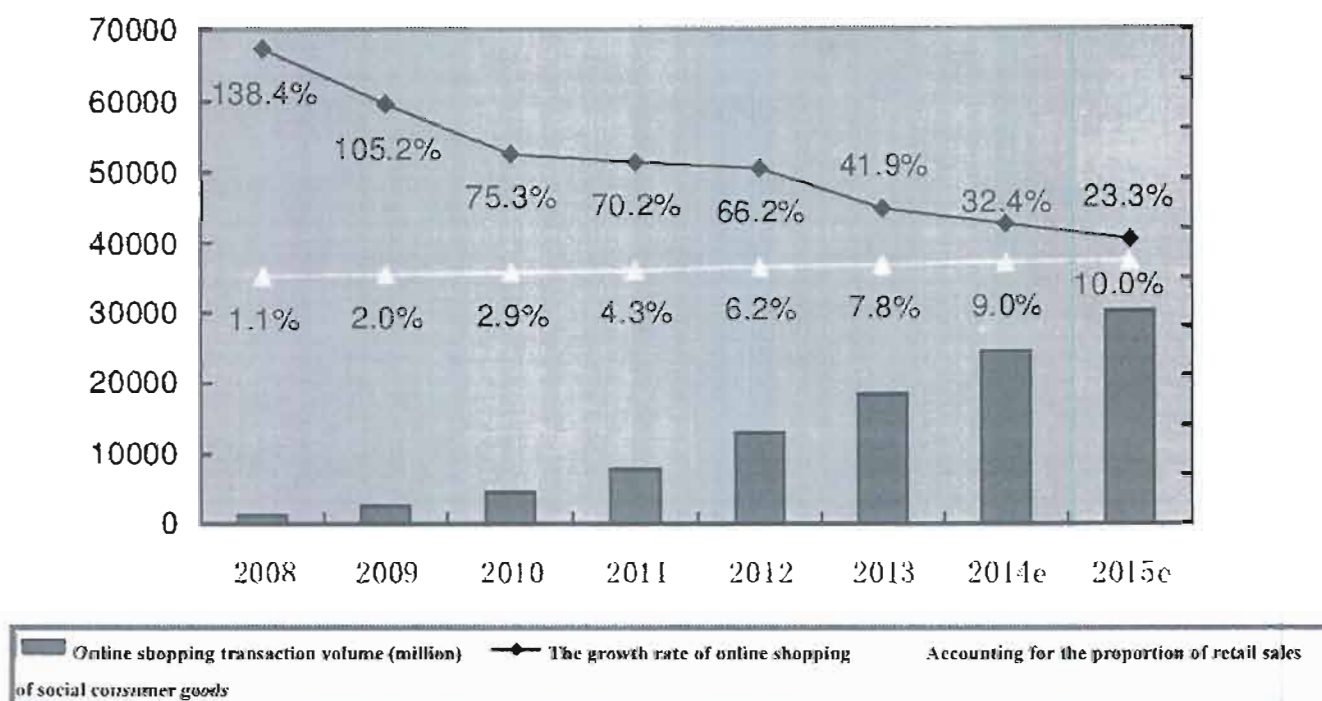


Figure 2 -China over the years the scale of the network market transactions and the proportion of retail sales of social consumer goods

Source: according to the data of Ai Rui Advisory website finishing

1.2.2 Internet technology to achieve the smooth flow of information

In discussion on essence of Internet financial model, an analysis of the financial essence is to achieve capital in the circulation of different subjects, and the circulation is will produce cost, reflected in the financial intermediation profits or tax, which is due to the asymmetry of information between the different subjects. And the progress

of Internet technology, the realization of the free flow of information, it could reduce the degree of information asymmetry, especially through the cloud, big data, search engines, mobile payment channels, people can no longer need to obtain information of supply and demand of funds through financial intermediaries directly on the Internet to complete the transaction, this weakens the function of financial intermediation, transaction costs significantly reduced, to improve the efficiency of the financial market.

In addition, for enterprises to accumulate the Internet traffic data recorded the spending habits of individuals and enterprises, income and expenditure, interpersonal relationships, etc. more information, this is the Internet companies to build consumer credit evaluation system provides sufficient information.

Table 1- Internet technology can reduce distribution costs

	Traditional financial	Internet financial model
Information Sources	Slow, indirect	Fast, direct
Risk assessment	Asset-backed entity	Virtual data forming
Supply and demand	Indirect transaction	Direct Deal
Transfer of funds	Agency completed	Supply and demand side of yourself
payment method	Bank payment	Payment methods
Finance Product Design	Complex, personalized	Simple, universal formula
transaction cost	Higher	Lower

Source: according to the definition of finishing.

1.2.3 All parties need to promote

A. Small, micro customer financial services

Due to the traditional financial institutions to maximize the interests of management mode, the customer facing mainly for large and medium-sized enterprises or the financial strength of the personal, in a single business achieve larger gains. And small and Micro customers due to the number and less money, resulting in business has larger cost and modest gains, so financial institutions try to avoid this kind of group, to resources tendency in large clients, resulting in small and Micro customers financial services extreme lack of.

Small loans, for example, traditional financial institutions mainly oriented, the loan amount is high, and in private enterprises and individual small business loans less involved and bank loan formalities is complex, the examination and approval for a long time, can not meet the much-needed cash flow needs, and this demand is actually more than the number of small, micro customer facing problems. Alibaba's a survey data show that about 89% of the enterprises need financing, including 53.7% of the small companies tend to no mortgage, financing needs in 20 million the following 28.71%, 50 million or less accounted for 55.4%, and more than 500 million accounted for only about 6%.

Table 2- Alibaba business financing needs survey

Financial Business Funding requirements (Million)	10 Within	10-20	20-50	50-100	100-200	200-500	500-1000	1000 the above
Accounting (%)	9.36	19.35	26.61	20.76	11.26	6.63	3.22	2.83

Source: according to the 2013 "small business and financing difficulties of the survey report" data finishing

B. Internet companies to transform resource advantage

With the number of Internet users increase as well as the people anytime, anywhere access habits develop, the country has to be by Baidu search engine, Alibaba as the representative of the electronic commerce, Sina and Tencent as the representative of the social platform huge traffic accumulation, these Internet companies are exploring through the accumulation of data flow to achieve diverse ways of realization. According to statistics, in 2013, Baidu search the cumulative access number is as high as 2.69 million passengers, Tencent micro letter reached 2.72 million monthly active users, Sina Weibo user scale for was 2.808 million, of which, the number of active users reached the 61.4 million people. [7] and Taobao and Tmall daily issued a package of more than 12 million single, the number of transactions per minute up to more than 8300 pen. [8] and these huge traffic has undoubtedly become a unique resource advantages of Internet companies.

The traditional Internet companies often by the size of the flow of platform to compete for Internet advertising, and its itself to provide service is often free, or to collect a fee with additional services, advertising revenue is the main income of the Internet companies. Although the scale of Internet advertising in the rapid increase, however, the Internet advertising is only the most basic development of the accumulation of traffic data, these data have a huge value behind. The emergence of the Internet financial model provides a channel for the development of the depth of the flow of data, to further broaden the way of cash flow of Internet companies.

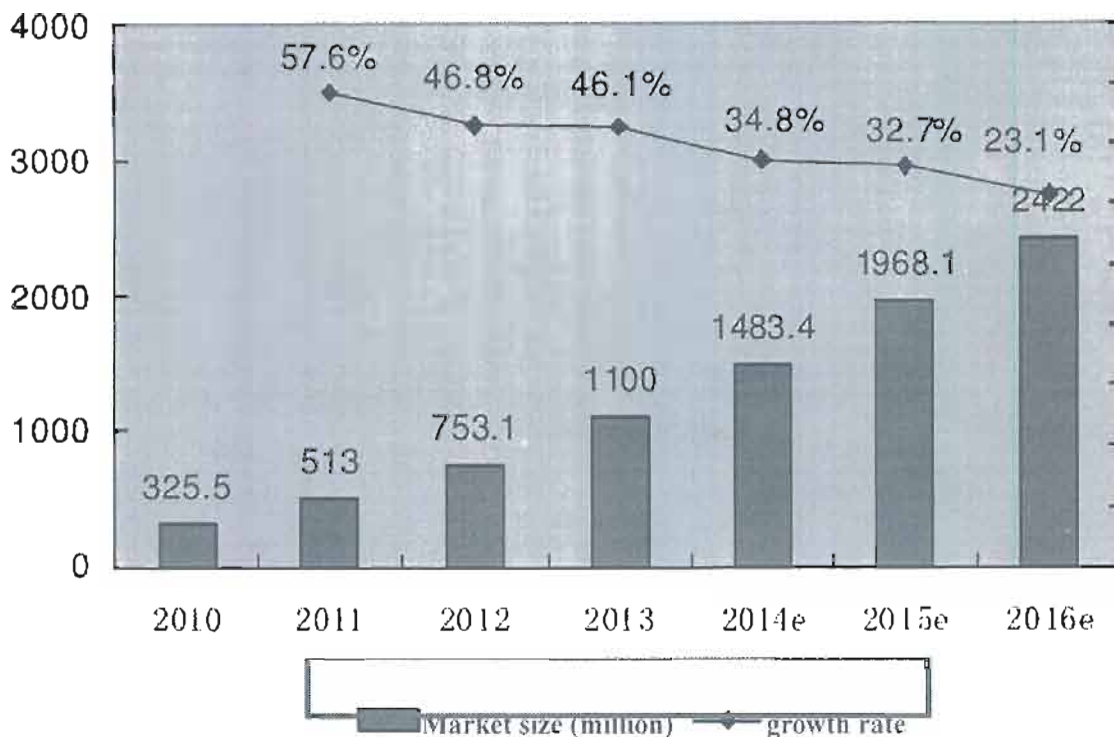


Figure 3- China calendar year online advertising market size

Data source: according to DCCI Internet data center data.

<http://www.chinavalue.net/Biz/Article/2014-2-11/190440.ht>

In addition, the Internet platform of large scale of users and highly viscous makes data has the characteristics of continuous, dynamic data, particularly as it relates to the real operating data of the real consumption data of a large number of users and a large number of vendors, we can to help the financial industry to accurately evaluate merchant payment ability and level of credit is a good auxiliary tool.

1.3 Analysis of the development status of Internet financial model in China

Internet financial model in China's development has caused no small controversy. As the Internet continues to push new financial products, the traditional banks not only quickly launched its own innovative products to deal with the impact, but also have a single day limit on the transfer of a single day, back to the Internet financial

model. A lot of the personage inside course of study also on Internet financial model to doubt and resentment, and even some scholars think internet financial products, not only does appear to promote the progress of traditional banking, but will break years of traditional banks to maintain price stability and the concept of risk management, in order to prevent the loss of customers increased spending on marketing and improve the bank's operating costs. Conversely, there are many voices to support attitude, think Internet banking model appear beneficial to domestic financial reform, accelerate the improvement of the domestic financial system and makes people can really benefit from the good financial services and fair financial rewards. As the discussion growing louder and louder, in 2014 the Chinese government work report formally proposed "to promote the healthy development of Internet banking model", also in March held two sessions, central bank governor Zhou Xiaochuan and vice governor Yi Gang have given on Internet financial model positive attitude not only encourages financial mode and the development of the Internet, and stressed that the future of the balance of treasure and other financial services regulatory policy will continue to improve. This is undoubtedly the policy to support the development of the Internet in the domestic financial model.

And according to recent 8168 consumer survey, 94.2% of people think Internet banking products bring the experience than the traditional financial products better, and only 35.2% of consumers think modes of Internet banking security problems. [9] these data show that the Internet financial model in the domestic public consumer awareness is still higher, with the market base.

1.3.1 The stage of the development of Internet financial model in China

The development of China's Internet financial model in accordance with the extent of the Internet and financial integration can be divided into three stages, respectively, 2005 years ago, 2005 to 2012 and 2013 to date. Before 2005, China's financial industry in offline mode, with the help of Internet companies and traditional financial institutions launched online banking line of business, will move some financial services on the Internet. This stage is typical of the Internet banking stage, also did not appear in the true sense of the Internet financial model. 2005-2012 years, the combination of Internet technology and financial services has been upgraded from a simple financial services to the Internet to use the Internet technology innovation and financial services. Sign of the event is the third party pay rise and began to move toward standardization, including Alipay, TenPay, quick money, Lacarra, main products. In the first half of 2013, China's third party payment transaction size of about half a year, the growth rate stable. [10]2013 years known as the "first year of Internet banking, Internet banking continues to introduce new products and to balance of treasure and other network of financial products, P2P network lending and raise financing model as the representative of the products quickly occupied a certain market scale, the traditional financial industry have a certain impact and have innovation in financial services," small is beautiful "financial

Products are highly respected by the market, inclusive finance as a new concept began to enter people's vision.

Table 3- substantially stage of Internet Financial Model Development

Time	The first stage 2005	Second stage 2005-2012	The third phase 2013 to date
Making a progress	Internet-traditional financial Agencies to provide technical support Support to help financial services Internet-based, third-party Pay at the exploratory stage	Lending network began to appear, Gradually strong third-party payment Big, big electricity suppliers to explore the use Big Data Transformation	P2P lending platform blowout hair Exhibition; crowd funding mode started; s An online insurance company is eligible Batch; start traditional financial institutions Focus on small and micro customers; government ministries The door begins to pay attention to Internet Financial Supervision Mode
Flag Event	Internet banking opened, silver Union established	Alipay online; the central bank open Start issuing third-party payment license	Balance Po, everyone made loans fast Exhibition; financial Lynx line; Biography Small banks have introduced the system will People innovative financial products

Data source: according to the order of each event.

1.3.2 The main business types of Internet financial model in China

At present, emergence of domestic Internet banking model of main business type concentrated on the Internet payment, P2P network lending, the public and raise financing, traditional financial institutions launched innovative Internet platform and Internet sales of the fund from the following aspects:, and a good momentum of development.

Table 4-Primary business type and the development of the domestic Internet banking mode

Business Type	Development
Internet payment	<p>August 2013, 250 licensed third-party payment mechanism, providing network</p> <p>Network payment services accounted for 97.</p> <p>In 2013, the cumulative incidence of Internet payment institutions payment services 15.338 billion pens, gold</p> <p>The amount of 9.22 trillion yuan, an increase of 56.06% and 48.57%, respectively.</p>
P2P lending network	<p>At the end of 2013, P2P network lending platform more than 350, a total turnover of more than 60 billion yuan.</p> <p>By the end of 2013, Ali small loans accumulated more than 650,000 customer service, total</p> <p>Loaned more than 160 billion yuan; the average credit line of about 13 million, non-performing loans</p> <p>Section rate under control in less than 1%.</p>
Crowdfunding financing	<p>There are 21 domestic financing crowd funding platform, "Angel sink" for example, a total of 8000</p> <p>Venture projects assigned by the audit listed companies over 1000, the entrepreneur will</p> <p>More than 22,000 members, the certification of 840 investors who accumulated more than 70 small and medium</p> <p>Enterprises with total project financing more than 250 million yuan.</p> <p>Domestic public financing during the project concentrated</p> <p>In the field of small and medium technology invention.</p>
<p>Traditional financial institutions Year</p> <p>The new Internet platform</p>	<p>Traditional banks have introduced innovative Internet platform, for example, CCB launched the "good financial business Services ", China Merchants Bank launched the " very e shopping ", Bank launched the " fair pay ", Huaxia Bank Launched the "electricity supplier Express" and so on.</p> <p>September 29, 2013, Alibaba, Tencent and China Ping An established first</p> <p>Home Network Insurance Company "Public Security Online" officially opened.</p>

End of Table 4

<p style="text-align: center;">Internet fund sales</p>	<p>The balance of the treasure, for example, as of December 31, 2013, the number of customers has been the balance of treasure Reached 4303 million, the scale of 185.3 billion yuan, since the on-line, the balance of accumulated treasure Purchase amount 429.4 billion yuan, the cumulative purchase 140 million pen; total redemption amount 2443Billion yuan, total redemption of 250 million pens.</p>
---	---

Source: according to the data of the website.

1.3.3 The main performance of the development of the domestic Internet financial model

A. Rapid spread of mobile payments

In 2013, due to the remote mobile Internet and two-dimensional code payment technology breakthrough, third-party mobile payment market size up to 12197.4 billion yuan, to 707% huge over the same period the growth rate of the rapid popularization, the transfer payments, credit card payments and other personal business become major trading business, and mobile online payment support has fallen. [11] despite the transfer payment, repayment business beyond mobile online shopping payment amount, but the mobile online payment trend is not to be underestimated. In the double 11 Shopping Festival as an example, all day long 35 billion yuan trading, by Alipay mobile phone client to complete the payment in the amount of 11 billion 300 million yuan, the number of orders for 45 million 180 thousand pens, accounting for 24.03% of all transactions. [12] and with the major electricity suppliers to promote the application of mobile clients, mobile online shopping payments will further enhance the proportion of.

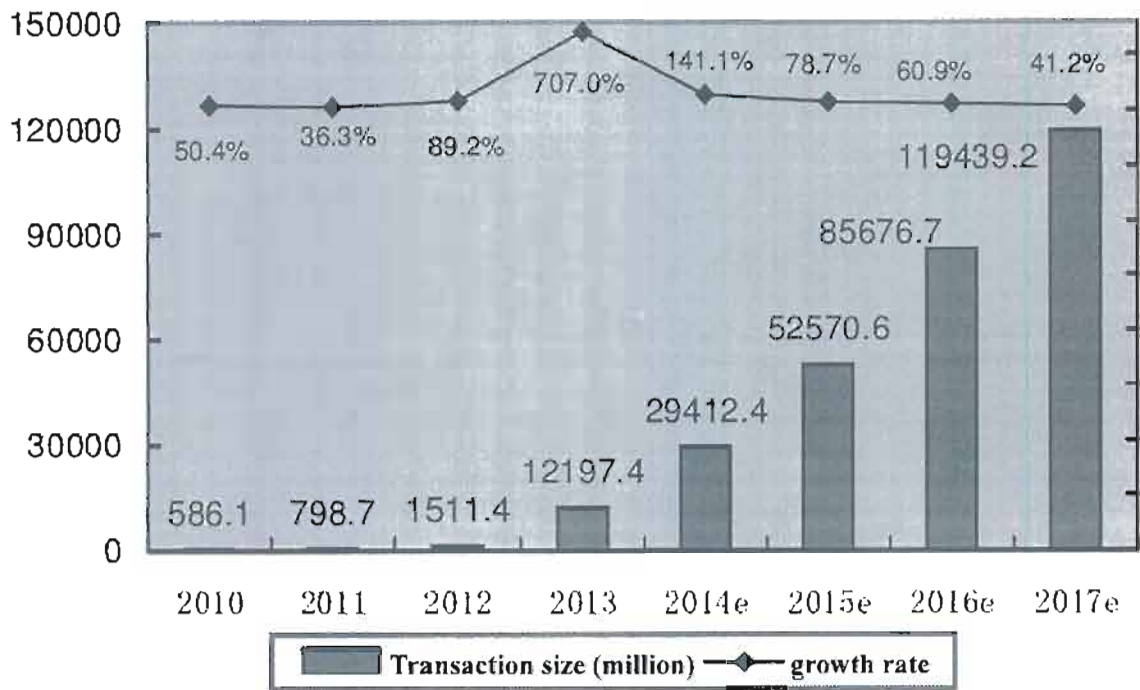


Figure third domestic 4 party mobile payment transaction size and growth rate

Data source: according to the "2013 payment system to run the overall situation" data finishing

B. Internet financial products through the rapid development of Monetary Fund

Balance treasure and day Hong fund is really a hot key to the Internet in 2013 financial model. As Alipay launched in cooperation with Celestica fund balance treasure which is a simple network of financial products, only 8 months on the line, the number of users to more than 49 million, the scale exceeded 250 billion yuan, Celestica fund from a small company became the first company in the size of the fund industry. [13]

Otherwise the 2013 Electronic Bank of China report "showed that 87% of Internet users are aware of the balance of treasure and balance of treasure from the listing to 2014 January 31, providing a total of the 29.6 billion yuan in revenue, balance of users on Taobao consumption accumulated more than 3400 billion yuan. Visible balance treasure not only regulated the social idle funds, to the general public

popularity of the financial products, but also to some extent expanded domestic demand. With the launch of the balance of treasure, other Internet Co are also considering a similar network of financial products. The micro channel will also join hands to Huaxia Fund, easy Fonda fund, the universal fund and GF fund launched the balances of financial products, the future in the field of network financial products will also have a fierce competition.

C. Rapid expansion of Supply Chain Finance

2013, the domestic electricity suppliers to upgrade the overall competition, far more than the price and the convenience of the category. With the individual large cross-border logistics and financial industry, the competition continues to expand the border, from the customer's contention for expansion to the supply chain competition. Due to differences in the electricity supplier platform is getting smaller and smaller, the financial services on the supply chain has become an important part of improving the supply chain back-end viscosity, compete for suppliers.

With Alibaba launched aimed at addressing the financing needs of the Taobao merchants Ali small loan company, Jingdong also cooperate with the Bank of China established Jingdong supply chain financial services platform ", Suning followed Jingdong and Suning Appliance jointly funded the establishment of Chongqing Suning small loan Co., Ltd. our. As of the end of 2013, Ali small loan since the establishment of a total number of customers more than 65, a total of more than 160 billion yuan of loans. [14]

In addition, the major banks have also set foot in the supply chain financial products. After the deep issue pioneered, CITIC Bank, Shanghai Pudong, people's

livelihood, investment and other commercial banks, even, construction, technology, agriculture, and the four major state-owned banks have also launched financial products. 2013, Ping An Bank to promote online supply chain finance business, aimed at creating a small and micro integrated financial services platform, the future is expected to achieve the supply chain of financial services in the mass production.

D. P2P net lending platform explosive growth

2013 is a year of P2P net loan platform blowout development, the number of P2P platforms continue to increase, the transaction size is close to one hundred billion. However, due to the market in a state of zero supervision, mature business model is not formed, the overall market competition is fierce, the industry is facing a constant reshuffle. 2013, P2P net loan risk events occur frequently, a total of 75 failed, fraud, foot and other events. However, the P2P industry has also been the attention of the government and regulatory authorities, regulatory norms should be introduced one after another.

Until the end of 2013, the transaction size of our P2P network lending platform of 897.1 billion, an increase of 292.4%, and is expected within the next three years will maintain the growth of around 200% growth, the number of P2P network lending platform reached 523. [15]

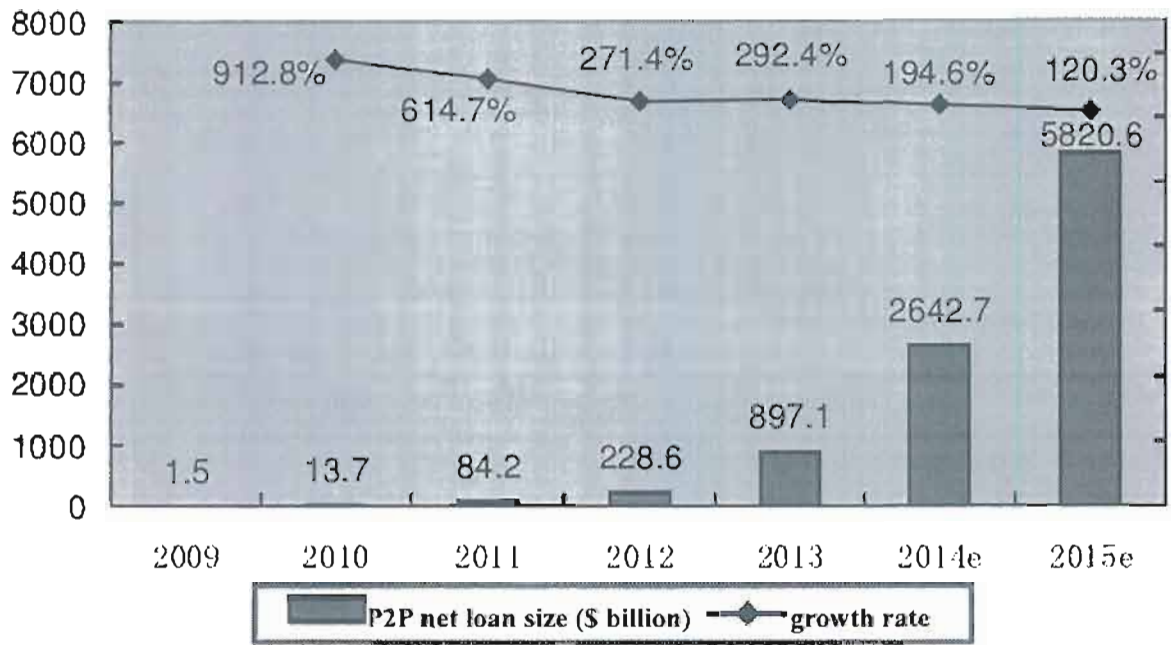


Figure 5- domestic P2P net loan platform transaction size

Data source: according to the Ai Rui advisory network data

<http://ec.iresearch.cn/shopping/20140408/230861.shtml>

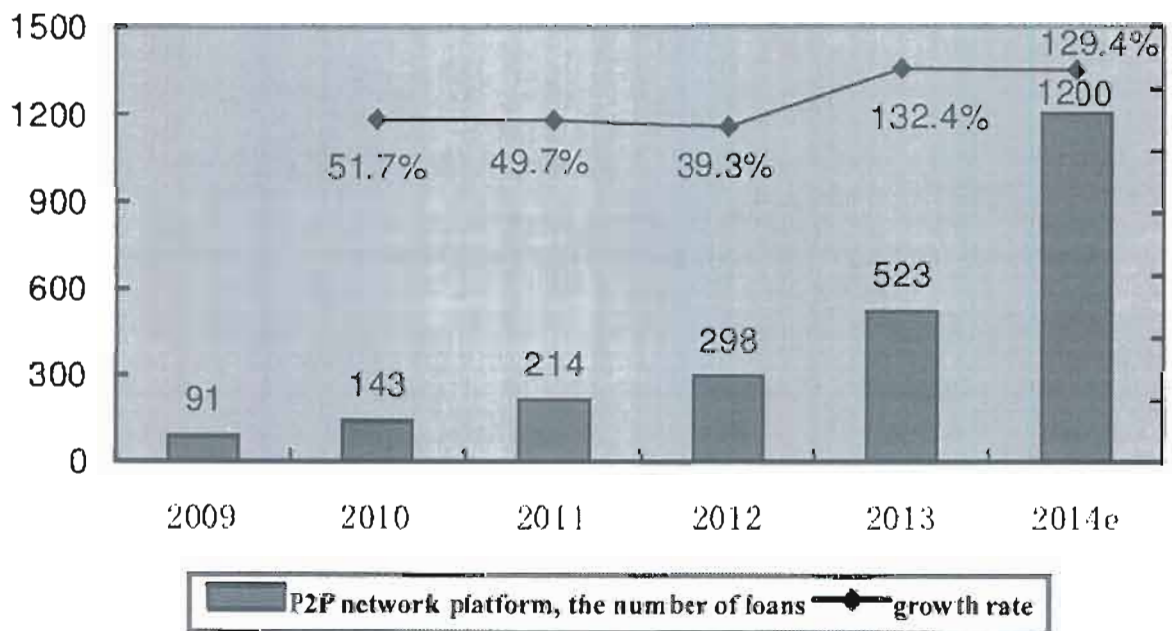


Figure 6- the number of domestic P2P net loan platform

Source: according to the data collection of Ai Rui Advisory Network

<http://report.iresearch.cn/html/20140414/231103.shtml>

E. Big electronic commerce has set foot in the financial business

2013, the major electricity suppliers action frequently, have cross-border, especially a large number of electricity suppliers to get involved in financial business. Following Ali launched the balance of treasure, Baidu quickly released "hundred" plan, the company's Jingdong's fund sales payment and settlement license. October, Taobao announced the launch of the fund business, fund Taobao shop collective line, once again to provoke the climax of the Internet cross-border. Baidu, Tencent and the fund company, Sina also said that to publish the relevant financial products, NetEase on-line financial platform, Tim gold, the Jingdong also said it should actively apply for insurance and financial services, etc..

Entered in 2014, Alibaba and Tencent obtain pilot qualifications of the first private banks makes electricity supplier cross-border financial level further, business around the Internet financial models of product competition into the most intense year.

F. Direct banks to start quickly

Direct bank is a new term in the country in 2014, and in Europe and the United States has been operating for about twenty years, the formation of a mature business model, the market share of its banking industry has been as high as 10%. This new type of bank operation mode, business development is not dependent on the counter, customers mainly through computers, e-mail, mobile phones, telephone and other online channels to obtain financial products and services." [16] so direct banks can significantly reduce operating costs, provide more competitive daily financial services.

In September 18, 2013, the Bank of Beijing opened direct bank, by the ING group to provide guidance and support, and quickly in Beijing, Xi'an, Ji'nan and other places built a number of direct banking. February 28, 2014, Minsheng Bank officially launched direct, not only developed a simple mobile phone bank and WeChat bank business, and launched the mani Xpress deposit financial products and savings products, these two products are highlighted in the low threshold, with high yield and characteristics, and cooperation with Minsheng Bank Alibaba, electronic account system and Alipay exchange, to promote mutual development. In addition, there are a number of banks are planning to launch direct banking.

1.3.4 Domestic Internet financial model areas were investment distribution

According to the 2014 China's Internet banking industry of monographic study report data shows, 2011 to 2013, a total of 90 cases of Internet financial investment case, which has 40 enterprises is angel investors or the first round of financing. Access to finance is the largest area of third party payments, while the minimum size of the financing is the public to raise financing. 2013, the number of financing cases showed a substantial growth, the growth rate of 64%, and compared to the uneven distribution of financing in the past, the financing case in 2013 is relatively uniform.

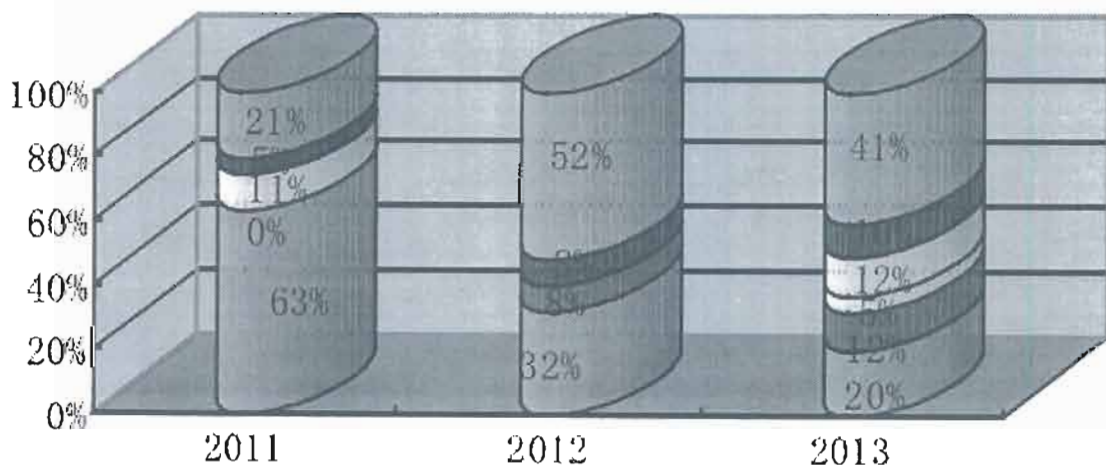




Figure 7- 2011-2013 years of Internet financial model is invested enterprises accounted for a number of

Source: 2014 China Internet Financial Industry Research Report

Table 5 -2011-2013 financial model of Internet industry segments are Investment

Internet Financial segments	Is the total amount of investment (US \$ million)	The total number of cases
Third party payment	704.79	29
Financial net sales	494.58	7
P2P	99.56	8
Financial IT Services	60.00	11
Financial calculation APP	53.00	15
Financial Search & Information	51.00	10
Virtual currency	6.80	6
Crowdfunding financing	1.00	4
total	1470.73	90

Source: 2014 China Internet Financial Industry Research Report

1.3.5 Supervision of the domestic Internet financial model

Domestic Internet banking model has been in support of the welfare of the policy, but the current financial model of the Internet has not yet a clear regulation of the introduction of the rules. Although the Internet financial model of the business is

developing rapidly under the supervision of gray area. However, the supervision department is gradually strengthen supervision or give a more stringent restrictions, the dividend policy of gradually disappear, the future of the business can get sustained development depends on the business itself, rational and normative. In addition, the industry generally spread the State Council will this year issued relevant documents to promote the healthy development of the domestic Internet banking mode and supervision, document will specify implement the separate supervision of the Internet financial model, P2P will by the banking regulatory, all the chips and securities business will by the securities and Futures Commission will be regulated, and the central bank to coordinating role. Domestic Internet banking model is to take separate regulatory or other regulatory approach is still unknown.

April 29, 2014, the people's Bank of China issued "China financial stability report (2014)", report separate out the Internet banking model are described, showing the regulatory levels for the Internet banking model has always attached importance to. However, the report still does not have a clear explanation of how the financial model of the Internet, but pointed out that the guiding ideology is to adhere to the bottom line of thinking, to promote the healthy and sustainable development of Internet banking model. Report shows the attitude of the central bank show that industry self-regulation is likely to be the financial future of the Internet model is facing the main regulatory approach, and by the people's Bank of China led the formation of the Chinese Association of Internet banking has been officially approved.

Although the ideas for supervision of the financial model of the Internet as a

whole there is no clear, regulators already Internet financial model of third-party payment service, P2P service, all raise business and Internet banking business conducted a number of specification.

Take the third party payment, for example, in June 2010, the central bank announced the non-financial institutions payment services management approach "shows the third-party payment services began under the supervision of the formal, so far non financial institutions to provide payment services must first obtain promulgated by the central bank for the payment business license". In May 2011 the central bank began issuing non-financial institutions to pay business license. However, the "measures" is not only to participate in the financial institutions to pay market access and business norms were restricted. In March 14, 2014, the central bank issued a "moratorium on the Alipay company line barcode (Er Weima) payment business opinion letter", not only an emergency stop virtual credit card products, halted a two-dimensional code payment service. And large banks have cut the limit of the day fast payment. On April 18, the China Banking Regulatory Commission and Central Bank jointly issued "on the strengthening of commercial banks and third-party payment agencies business management notice", "notice" on the establishment of business relations between commercial banks and third-party payment agencies proposed specific requirements, namely the third party payment machine structure must provide to the bank transaction amount, transaction time customer data. All of these initiatives will be a reasonable limit for the development of the third party payment.

In P2P, for example, in August 2011, the China Banking Regulatory

Commission promulgated the "notice on the risk of all loans to everyone", that there is a large number of credit risk, the banking industry must establish a firewall between.

In December 2012, the State Council promulgated the "Regulations on the administration of credit investigation", and pointed out that the unified social credit code system will be based on the number of citizen ID card number and organization code. On 25 March 2014, promulgated the opinions on Several Issues concerning the application of law in the handling of criminal cases of illegal fund-raising, identification of the "opinions" responsibility of cases of illegal fund-raising, asset recovery and disposal were provided. April 21st, the China Banking Regulatory Commission made it clear that the development of P2P should adhere to the four bottom line: "clear the nature of the platform class intermediary; can not provide guarantees; not to establish a pool of funds; can not conduct illegal fund-raising."

In all the chips mode, for example, domestic public raised pattern since in "company law" restrictions on the number of shareholders and the securities law of stock issuance way limit the legal edge, until now there is no accurate specification for all the chips mode. April 11, 2014, the establishment of China Equity congregation raised the league, and released the China Equity congregation raised Union Convention, which means that the domestic public to raise also began to conduct self regulatory. And with the requirements of the State Council in May to complete the research and development of equity financing model of the public to raise public opinion, the first draft of the relevant administrative measures on equity raised is expected to be released in the near future.

The network of financial products, for example, May 9, 2014, the State Council promulgated the "State Council on further promoting the healthy development of the capital market in a number of opinions", the "opinions" clearly for the first time the balance of treasure definition for direct sales of the fund products, and clearly the "do not allow early withdrawal of deposits or early termination of the service and still according to the original contract term interest rates or fees charges unreasonable contract terms" regulatory principles, thus the balance of treasure and other financial products of early withdrawal without paying penalty dividend policy will disappear. In addition, the central bank officials have repeatedly suggested that the balance of treasure and other monetary emergency implementation of the deposit reserve management, these signals will undoubtedly have an impact on the network of financial products.

1.4 A comparative analysis of the current situation of Internet financial model in China and Russia

Although the development of Internet banking model in the country in full swing, but in the early emergence of the Internet in the financial model of Russia has more reference, but the development of Internet banking model has become dull. Russia's financial system than the domestic to be developed and improved a lot, Internet banking model why in more market of Russia's development in general and in the development of China's fiery, by following the contrast analysis, can see is the imperfect financial system and supervision system, to the Internet banking model in the regulatory zero, zero limits under favourable conditions and rapid development, which tells us how to support model development of Internet banking and guide it

towards the standardization development.

1.4.1 Different economic structure led to significant differences in the development of space

First analysis of Russia. Four major pillar industry of the Russian economy respectively, military, science and technology, finance and education, every industry has strong competitiveness, and Russia is fully market-oriented economic system, all kinds of resources is regulated by supply and demand, human intervention degree low. This caused the difficulty of cross-border business operations in Russia.

In contrast, the domestic market supply and demand mechanism is not perfect, the degree of intervention by the government is greater, large enterprises or industries are state-owned, resulting in uneven distribution of resources. Especially in the financial sector, for example, the big four state-owned control market the vast proportion of the business, and domestic interest rates is not fully market-oriented, subject to restrictions on deposit and loan interest rates gave banks huge profit margins, resulting in banks enjoying income, to improve the lack of power, provide to the market products are scarce, the service quality is not high. While the Internet companies rely entirely on technology development, the industry is highly competitive, Internet companies are eager to find new competitive. It is this resource allocation is not leading to the outbreak of the Internet financial model in the country.

1.4.2 The difference between interest rate level and financial product demand is different

Several rounds of large-scale quantitative easing that Russia has maintained a very low level of market interest rates, and this is almost zero interest rates will

remain for a long time, which resulted in the Russian citizens do not need to obtain income higher than the savings through the purchase of financial products. And the country is different. China's economy has maintained a relatively high speed of development, and the current domestic liquidity deflation, interest rates remain at a relatively high level. And it is high enough interest rates, to the competitive advantage of the Internet financial products, making the high rate of return on the Internet financial high rate of return products are more popular with the public.

1.4.3 Different social security system caused by different financial habits of residents

Russia's social security system is perfect, citizens do not need to worry about their health care, pension and education problems, and therefore the United States citizens are often ahead of consumption patterns, generally do not have the habit of saving and investment. And the United States health care, pension and other funds are institutionalized operation, the market is strong, so most of the U.S. investment is done by the agency, and less personal involvement.

Because of the domestic social security system is still not perfect, people need their pension and children's education burden of most of the costs, coupled with the money in the habit of China handed down, so the country has higher savings rates and massive savings assets, and assets of these savings is investment market is the main source of funding. Therefore, the Internet financial model to meet the number of small financial services and the underlying financial services to obtain a huge development.

1.4.4 The diversity of financial market investment channel leads to the difference

of financial service quality

Russia's financial market is mature, the degree of market is high, so rich in financial products, the choice of diversification of citizens. And Russia's personal credit system is perfect, high degree of data sharing, financial services are very convenient, and even some financial products only reference to the citizens of the credit score.

While the development of the domestic financial market is not perfect, financial innovation is relatively weak, resulting in less investment channels, coupled with the domestic financial industry is a high degree of monopoly of the industry, to meet the operational objectives of maximizing their own interests to consider the consumer's demand, so citizens do not enjoy good financial services. This makes the small and beautiful Internet financial products favored by the public.

1.4.5 Personal privacy protection and regulatory gaps caused by the difference in market access

Russia followed the citizen's personal property and personal privacy mysterious inviolable, who relates to property and privacy activities are subject to the law of strict supervision, so Internet companies cannot privately for data traffic were depth development, so as not to be able to design financial products on the Internet.

And domestic personal awareness of privacy protection is low, the degree of protection of personal property is relatively weak, and in the mode of Internet finance related laws is a blank, is still in the exploratory stage, which gives the Internet banking model let go development opportunity, on the one hand, encourage competition prompted the continuous innovation of financial products on the Internet,

on the other hand it makes the industry access threshold is too low, internal uneven, prone to unfair competition, or even a financial fraud.

2 THE MAIN PRODUCTS OF THE INTERNET FINANCIAL

MODEL CASE ANALYSIS

2.1 Summary of the development of P2P net loan

2.1.1 P2P net loan profile

P2P net loan (to peer lending peer), refers to the direct financing through the third party Internet platform for financial lending behavior, is a personal direct financing of individuals." [17] model of such loans directly across the traditional financial intermediary, the demand side of the capital in the network platform released their information and borrowing, and money out on the network platform to screen borrowers reach a loan agreement, and money lenders can from the network platform clear to track the use of funds and repayment by borrowers. Applicable to the credit system is relatively developed countries, can improve the utilization rate of the idle funds of the society, to a certain extent, promote the economic development.

P2P net loan originated in the United Kingdom, the development of more mature countries in Europe and America. In 2005, the first network lending platform Zopa was established, the platform mainly from the role of credit rating and information collection, the main source of revenue for the management fee. Currently P2P net loan representative of Europe and the United States are mainly Lending, Club Prosper, Zopa, etc.. 2007 P2P officially entered China, P2P loan is the first domestic P2P loan company established, and then the red ridge venture capital, Yi letter and other net loan platforms have emerged. P2P net loan in the country, although the rapid development of the situation, but the problem is also emerging, reflected in the risk of a large number of platforms.

At present, from the point of view of the operation mode of P2P, there are three kinds of modes, namely, the traditional mode, Security model and network small loan model

Table 6- P2P business model

P2P business model	main feature
The traditional model	Build a platform, online matchmaking, financial intermediaries no longer participate And transaction process is the most formal net loan platform
Secured mode	Build a platform, online matchmaking, while actively involved in post Easy to process, do participate reconcile risk control, as a loan Provided certain guarantees
Network small loan model	To build a platform, while the company itself as an investor into Bank lending business, in essence, a small loan company business lines Of

Source: according to the definition of finishing.

2.1.2 Analysis of P2P net loan in foreign countries -- Taking Club Lending as an

example

P2P market in foreign countries, especially in the United States the most developed and robust. P2P net loan development process of the United States has three iconic events, namely the establishment of Prosper, SEC prohibit the Prosper loan business as well as large investment banks to inject P2P enterprise.

In 2005, prosper of the establishment of the company, mainly to the operation mode of electronic business platform for ideas, loan demand the introduction of the platform, the establishment of the basic process and framework of net loan. At first in accordance with the highest interest rate set by the borrower, lenders to raise capital loans through the form of gradually reducing the interest rate of the Dutch auction, and company's main profit from to charge the borrower for a certain percentage of the cost and to lenders charge a service fee. At this time only according to the results of the auction to achieve the transaction, not the introduction of investment and financing of the credit rating to assess the risk.

In 2008, SEC's loan to Prosper was suspended, which shows that the U.S. government has only three years on the P2P loan to carry out a formal regulation. The United States because of the financial supervision, so the P2P would have a clear regulatory agency. It is due to the timely intervention of regulatory agencies, since then, the United States P2P embarked on the development of the formal channels and there is no serious risk. Then Prosper improved the risk control method, introduced a widely recognized social network at the same time, in addition, institutional investors have begun to invest in the identity of the person into the P2P platform.

After 2010, the United States P2P began to enter the period of rapid

development. The main feature of this period is the large investment banks began to invest in P2P net loan company, especially the investment to prosper and lending club, makes these two P2P companies started to become the leader of the P2P, and small businesses in order to survive have also begun to specialization in lending to the segments.

To Club Lending, for example, has always maintained a rapid growth rate, becoming the largest P2P net loan company in the United States, as of June 2013, the cumulative contributed to more than 2 billion U.S. dollars of loans.

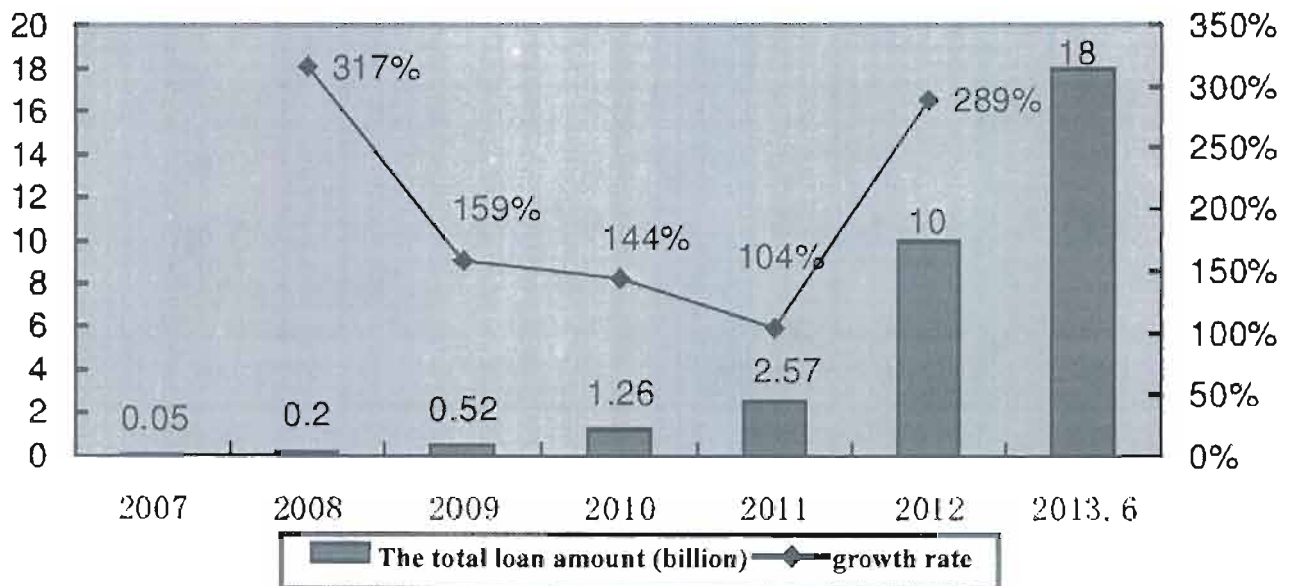


Figure 8- Club Lending in recent years, the rapid development of

Data source: according to Club Lending website data finishing.

Club Lending as the United States is currently the largest P2P platform, not only as an intermediary, but also as the interest rate makers, loan guarantees and breach of contract. All through the platform of the loan is unsecured loans, the use of credit rating to develop the corresponding fixed rate loans, and actively through the social networking platform circle of friends to deal with. Which credit rating by the borrower's FICO credit score, the past six months loan number, length of credit,

revolving letter of credit usage data are calculated, thus the customer classification, divides a to the G7 grades. Each grade is divided for five sub categories, different loan rates of different credit rating of the borrower, and the higher the credit rating, loan interest rate is lower. From the borrower's overall situation, the borrower is mainly for the middle and upper classes in the United states.

Table 8- Lending Club customers different levels of different loan rates

Level	Rate	36 APR	60 APR	Level	Rate	36 APR	60 APR		
A	1	6.03%	6.78%	7.30%	E	1	20.80%	24.00%	23.29%
A	2	6.62%	7.99%	7.90%	E	2	21.15%	24.96%	23.65%
A	3	7.62%	8.99%	8.91%	E	3	21.60%	25.42%	24.11%
A	4	7.90%	9.98%	9.20%	E	4	22.20%	26.04%	24.73%
A	5	8.90%	10.99%	12.21%	E	5	22.70%	26.55%	25.24%
B	1	9.71%	12.53%	11.94%	F	1	23.50%	27.37%	26.06%
B	2	10.64%	13.48%	12.89%	F	2	24.08%	27.96%	26.66%
B	3	11.55%	14.41%	13.82%	F	3	24.50%	27.99%	27.49%
B	4	12.35%	15.22%	14.64%	F	4	24.89%	27.99%	27.49%
B	5	13.05%	15.93%	15.36%	F	5	25.28%	27.99%	27.89%
C	1	13.68%	17.32%	16.00%	G	1	25.80%	29.72%	28.42%
C	2	14.33%	17.99%	16.67%	G	2	25.83%	29.75%	28.45%
C	3	15.22%	18.90%	17.58%	G	3	25.89%	29.81%	28.52%
C	4	15.88%	19.57%	18.25%	G	4	25.99%	29.92%	28.62%
C	5	16.78%	20.49%	19.17%	G	5	26.06%	29.99%	28.69%
D	1	17.56%	21.29%	19.97%					

D	2	18.25%	21.99%	20.68%
D	3	18.85%	22.61%	21.29%
D	4	19.52%	23.29%	21.98%
D	5	20.31%	24.10%	22.79%

Data source: according to Club Lending website data finishing.

From the profit point of view, Club Lending mainly through the borrower to charge a certain percentage of the cost, and this ratio is also with the borrower's credit rating is different. At the same time will be to the investors to charge a certain fee.

Table 9 -Lending Club charges different rates

Level		A	B	C	D	E		F	G		
Secondary level	1	2-3	4-5	1-5	1-5	1-5	1-2	3	4	5	1-5
36 months	1.1%	2%	3%	4%	5%	5%	5%	4.5%	3.5%	3.5%	5%
60 months	3.0%	3%	3%	5%	5%	5%	5%	5.0%	5%	5%	5%

Data source: according to Club Lending website data finishing.

lending channels for the market to be low, in addition, investors in the Club Lending also can get a more significant income. According to the statistics of lending club, all funders have 34% can be obtained from 6% to 9% rate of return, 29% of investors can be obtained 9% to 12% rate of return, with 12.6% of investors can get up to more than 15% of the rate of return. [18]

In addition, lending club will also borrowing similar to asset securitization operation, through the establishment of lending funding subsidiary packaging, combination and splitting of these bonds, and then put back lending Club platform for the sale, the investor can according to the bill provides information screening

investment target and the minimum subscription amount to only \$25, so it can realize the risk of fully decentralized. In addition to the bill to invest, Club Lending also provides a loan portfolio to investors recommended services.

According to the statistics of lending club, borrowers use 70% above for credit card debt, and from the point of view of the investor, loan risk dispersion effect is very obvious, investment investment sum of 100 loan loss probability is about 1%, 400 loan investment loss probability is 0.2%, and investment 800 loan without loss. [19]

2.1.3 Domestic P2P net loan analysis -- take everyone loan as an example

2013, the domestic P2P net loan platform of more than 350, the cumulative turnover of nearly 70 billion yuan, up 197.6% growth rate. And the rapid growth momentum.

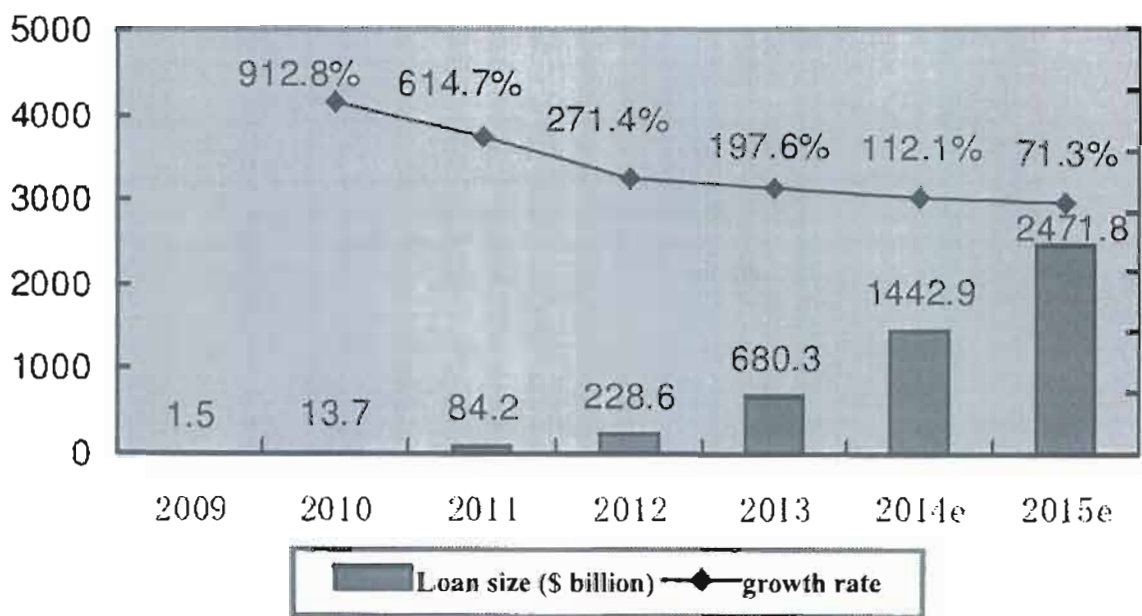


Figure 9- China P2P loan transaction size and growth rate

Source: according to the data of Ai Rui Advisory website finishing.

Domestic P2P net loan development has generally experienced three stages,

mainly in the credit model is divided into different. The first stage is a typical traditional model, that is, net lending platform is just an information intermediary, through the platform to build a set of transactions. This model platform does not provide, or just to provide a review of the basic, risk and return in the wrong doing any guarantee that lenders decide lending is completely rely on trust for borrowers, so lenders income is the highest, while risk is the highest. Typical P2P platform, including the early emergence of all domestic loans and credit.

The second stage appeared in 2013. This stage P2P net loan platform began to launch security services, that is, the security model of P2P. P2P network lending platform through introducing third-party guarantee corporation or charge insurance reserve, offline due diligence on the borrowers, and made the risk report, lenders through investment of risk report to determine funding. The mode of credit from lenders to borrowers of trust to lenders to guarantee the company trust and guarantee companies do not need to assume full responsibility for the security. As the line under the line to reconcile the risk of the reserve fund lenders to reduce the risk of income has stabilized. P2P net loan at this stage no longer hit the previous stage high yield reclame. Typical P2P platform, including the red ridge venture capital, and the letter should be.

Soon began in the second half of 2013 will be entered into the third phase, that is, P2P net loan fund operation. This stage due to investors blindly believe in the proceeds of the guarantee, a large amount of money into the P2P net loan. Guarantee Corporation as the transfer will become empty, the project on the platform on-line soon robbed finished quickly. Subsequently net lending platform will launch the

preferred plan, automatic bidding and other products, that lenders in the case of not knowing the target will be invested in funds, funds from the net loan platform for project allocation. That is, the credit of this stage turned to the lender's trust on the P2P platform. As net loan companies engaged in the fund business is not like the real fund companies have strict supervision, so the platform also has a lot of credit risk. At present, China's P2P net loan platform is more used to build their own platform, online matchmaking and security with the public

Cooperation model of the company, small loan companies and rating agencies.

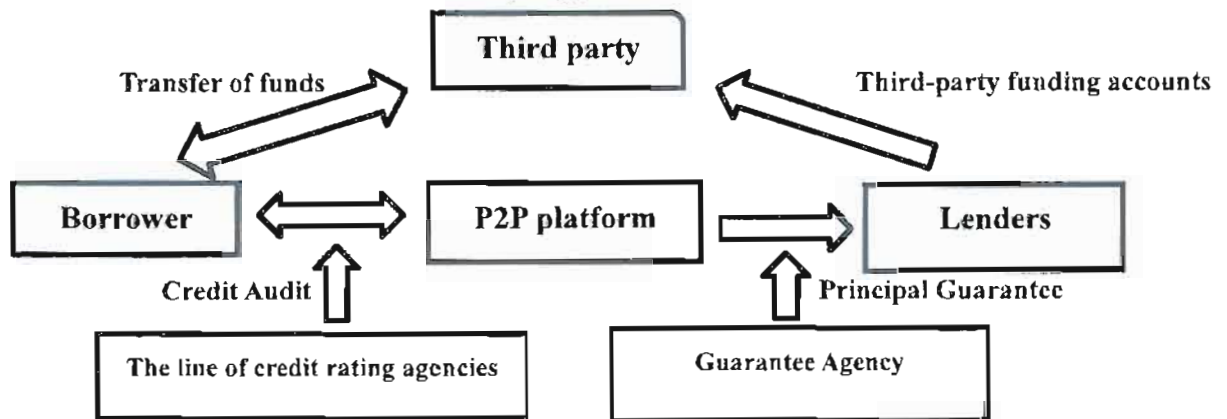


Figure 10- is currently the main mode of domestic P2P net loan

Source: according to the "P2P net loan industry development status and future trends" finishing.

To everyone credit, for example, since the rapid growth of the rapid growth of the loan on the line, especially since 2012, the size of the growth of lending showed a doubling of the situation.

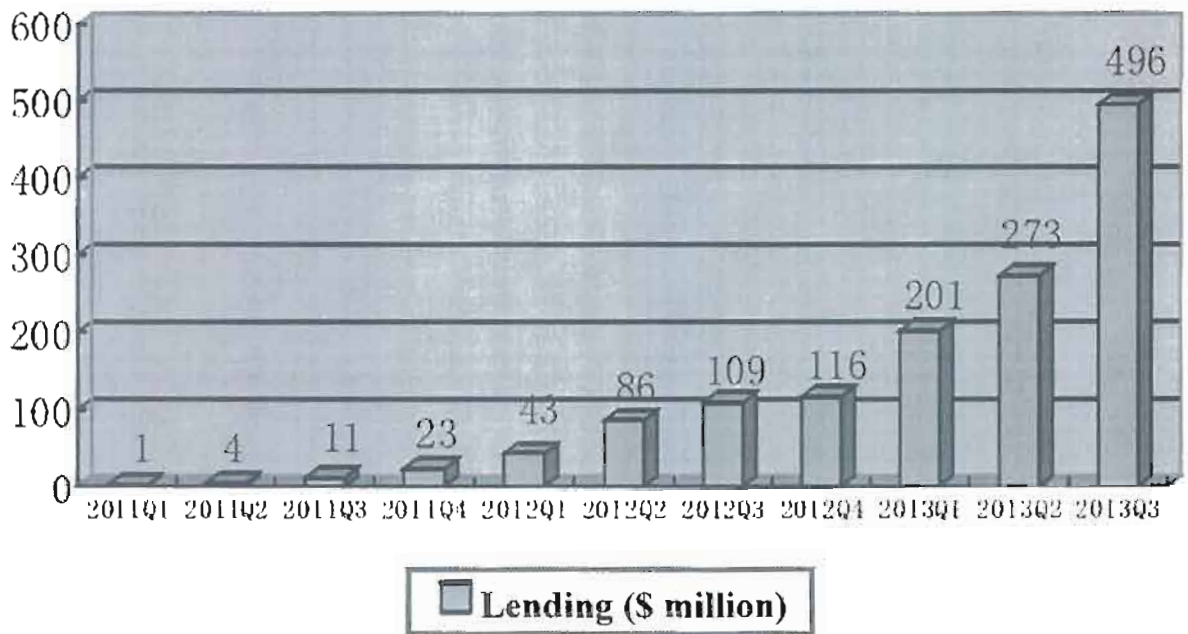


Figure 11- the size of all lending

Source: according to the official website of the official website data.

In addition, from the point of view of the loan period, everyone credit the main category of the loan is for 13-18 months, accounted for the ratio reached 44%, followed by 19-24 months, accounted for 27%, more than 24 months loans accounted for only 4%, visible all loans mainly 13-24 months short-term loans.

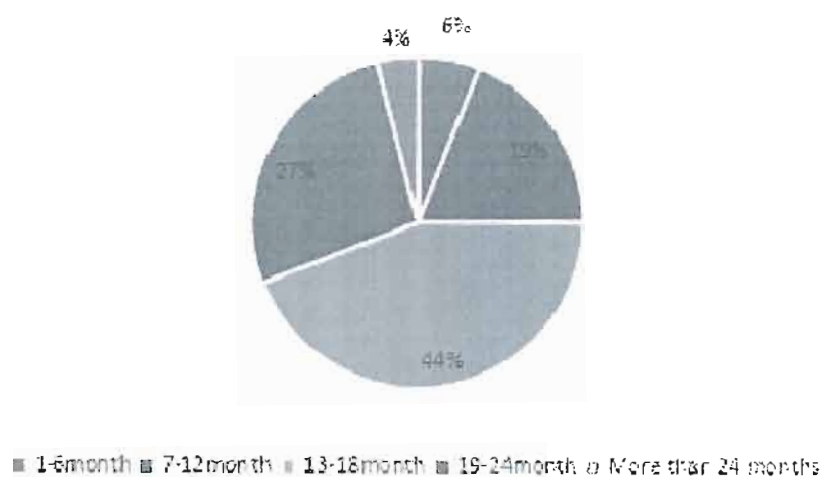


Figure 12- the proportion of the total loan loan period

Source: according to the official website of the official website data.

The early stage of the establishment of a traditional P2P is a traditional platform, that is, capital lenders and borrowers to build a platform for exchange, reflected in the volume of lending transactions before 2012. Then everyone began to intervene in the risk management of credit, through the establishment of risk reserves and line due diligence approach, so that the volume of transactions in 2012 after showing a rapid growth trend. Everyone loan data show that in the three quarter of 2013, the line under the field research loans accounted for up to 86.34% of the field research, pure online credit certification accounted for only 4.58%, while the proportion of institutions involved in the guarantee accounted for about 9%.

In 2012, friends of the UTS and peer-to-peer lending industry cooperation, through the friends of the UTS industry store began field certification offline. In addition, all loans to establish the risk reserve system and consumer to distinguish audit system, in the first quarter of 2013, everyone credit reserve and be principal accounted for than maintained above the rate of bad debts, and the rate of bad debts has been further control.

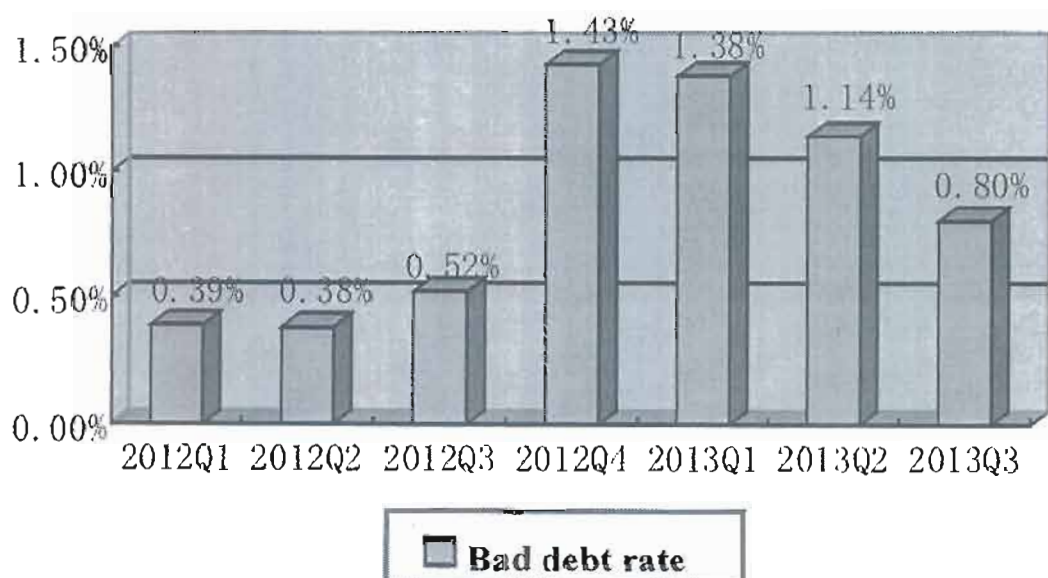


Figure 13- rate of bad debts of all loans

Source: according to the official website of the official website data.

However not all P2P network lending platform can make the balance of risks and benefits, since 2013, with the number of platforms of surge, industry reshuffle is increasingly fierce, many platforms face the risk of serious problems, the phenomenon of late withdrawals, withdrawal limit, pause repayment and collapse etc. harm the interests of investors. As of the end of 2013 12, there are more than 70 platforms collapse, concentrated in October after the outbreak. January 2014 new 11, the new two problems in February. Seen from this, the domestic P2P net loan development is still a lot of problems.

2.1.4 Comparison of P2P net loan development model between China and America

From the above analysis can be seen, the P2P network development loans relative to Chinese P2P network development loans are significantly different is U.S. P2P borrower risk assessment has a complete credit system data, i.e. FICO credit score and credit bureau data, and these data with the mature wind risk control method can guarantee controllable P2P net loan. And domestic credit data is still in the initial stage, and credit P2P network widely used Internet behavior data is fragmented and one-sided, which gives the P2P platform, risk control brought great difficulty, and the use of the line field audit approach in certain degree will increase operating costs and geographical restrictions and hinder the P2P development.

Secondly, the United States P2P net lending platform operations have strict supervision. Can be seen from the previous analysis, American regulators not only in

about three years time quickly and timely intervention P2P operation limit, on P2P network lending platform lending products and mode of operation were clearly defined, to correctly guide the development of the P2P, prevent the risk is not controllable. On the other hand, because the United States is the implementation of mixed supervision mode, so P2P platform widely used asset securitization operation is subject to strict supervision of the relevant departments. And the implementation of the separation of supervision, so the operation of the P2P platform specific actions by who regulation, how regulation is an open question.

In addition, the United States P2P net loan investors promised income. Basically no investor principal guarantee, not borrowers investigating offline. And the domestic P2P net loan investors to ensure a certain income, and yields are still very high, which in a certain extent is a virtual high, long time it is difficult to maintain the promised yield.

In addition, the United States and the domestic P2P net loan development is also different: the United States mature market interest rates, the relative dispersion of the living environment and consumer spending habits in advance. From the point of view of interest rate, the United States is entirely market supply and demand to determine, so lines of financial institutions to provide loan cost and the interest rate is relatively high, especially credit card overdue interest. Therefore it was decided that the U.S. P2P net loan market is mainly for is the individual to repay credit card business. And the United States is relatively dispersed living environment has led to the traditional financial institutions can not fully cover the crowd, which also gives the development of the P2P to create the environment. Domestic P2P net loan market is the main

borrowers of small and micro enterprises, and these small and micro enterprises are relatively concentrated distribution. Finally, the United States in advance of the habit of spending and make the credit card business has a full market, which also contributed to the development of P2P business.

2.1.5 The problem and the risk analysis of P2P model in China

Based on the analysis, we can see the main problems facing the development of domestic P2P is the lack of supervision and the credit system is not perfect. The supervision of P2P, especially P2P intermediate account lack of supervision will lead to intermediary platform of misappropriation of funds and even Juankuan absconded malignant events. At present, the domestic P2P net loan is the similar to Alipay's intermediate account, once the vicious incident, the interests of investors can not be protected. In addition, the current domestic P2P industry in "no barriers to entry, no industry standards and non regulatory agency" vacuum state, any company can be engaged in P2P services, and these companies may do not have good flow management ability and risk control ability, tend to focus on price and return rate of competition. It is apt to cause disorderly competition. Therefore, the collapse of the phenomenon to be common, and with the speculative sentiment is prevalent and bubbles appear, will further accelerate the risk of the outbreak.

The credit system is not perfect and the P2P net loan platform is facing the following problems: one is due to unreliable information and asymmetric information concerns, investors will consider investment funds on the Internet, which limits the development of P2P net loan to a certain extent; the two is the platform in order to obtain the trust of investors, have to turn to guarantee and the line of investigation,

which is contrary to the essence of P2P net loan; the three is the domestic citizens often have their own savings, so online lending behavior is rare, but Small and micro businesses and individual businesses to become the main body of P2P lending, and the use and repayment of loan funds are highly relevant, if business is bad will cause the repayment can not be recovered or even recovery time, all of these will bring unforeseen risk to the platform operation.

Therefore, the risk of P2P net loan development mainly include policy risk, lack of effective supervision of the middle account, credit risk and liquidity risk of the platform.

A. policy risk. Mainly reflected in the P2P net loan with the definition of illegal fund-raising. China's legal sanctions against illegal fund-raising is very strict, the most important method is to determine whether the illegal fund-raising deposits, whether to promote and promote the absorption of funds to the public to form a pool of funds. The P2P platform, if it involves the line of business, will evolve into the definition of the pool of funds, which touched the red line of the law. So P2P platform to achieve the transfer of funds prior to the investment behavior, namely P2P to insist to do provide information exchange of third party intermediary agencies, funds and financing correspond, the P2P platform do fund business will funds focused on the platform, the platform with funds to the borrower's behavior is facing in violation of the legal definition of risk.

B. Lack of limited supervision in the middle account. The middle of the account in the allocation of funds in still rests in the hands of the P2P platform for their own, so the platform appears absconding with money or illegal fund-raising, secretly moved

as he is an inevitable phenomenon. Currently prevailing in the middle of the account, which is platform of transfer settlement, and custody of funds often due to funding platform and less frequent transactions not to regulatory commitment. This gave the P2P platform free funds move right.

C. Credit risk. Mainly reflected in domestic credit system is not perfect cause repayment risk. This is because domestic P2P tend to do is unsecured credit, and in order to reduce the risk must have complete and dynamic credit data and strict risk control system, simply rely on network data to do a credit assessment uncertainty, even using the line of investigation will lead to the platform of the cost is too high, so the credit risk is still a major risk of P2P net loan.

D. Liquidity risk of platform. Mainly reflect the uncertainty in the borrower repayment period height. Lenders tend to be more easily to obtain credit from the platform, and once the borrower is not able to operate in accordance with the agreed date of repayment, the repayment amount, will cause the platform of liquidity risk, and the line to recover money exists many realistic difficulty, once the default number of borrowers increases to a certain extent, P2P platform due to the liquidity problem is easy to collapse.

2.1.6 Future trend analysis of P2P lending

With the people for P2P lending of understanding and accepting degree to increase, a large number of new investors into the P2P lending market, abundant supply of funds. In addition, with the aggravation of the competition platform, and old platform business ability enhancement, some borrowers began more bargaining power, the P2P platform of the loan interest rate will decline. But due to the number

of platforms, the loan period and platform wind control ability and other reasons, P2P platform of intensified market competition, poor management platform will gradually lose the business, so P2P platform contains a greater market risk, the credit problem is still questioned, the cooperation and win-win commercial banks will become 2014 of P2P lending development an important choice Han Siyue). It can be predicted that in the next few years, the development trend of the P2P platform can be covered in the following aspects:

First, the borrowing area from large and medium cities to small and medium cities. At present, the first tier cities in the market competition has been very intense, Shanghai, Beijing, Shenzhen, the number of P2P lending platform are more than 20, Guangzhou is also more than 10. Most platforms are two or three lines of urban snatch growth point. 2014, more P2P lending platform will be involved in the three or four line of the city market.

Second, the borrower by the individual to the enterprise diffusion. P2P borrowers are generally divided into ordinary individual or individual industrial and commercial households, small and micro business owners, the amount of a single loan is low, the credit assessment is mainly for individuals. Starting in 2012, some P2P lending platform began to provide loans to small and medium enterprises. In 2013, the trend obtained significantly enhanced, set up some of the platform dedicated to small and medium-sized enterprises to provide loans, credit evaluation mainly for the enterprise, single loan amount to millions and tens of millions of yuan, business growth rate is significantly higher than that of the industry as a whole. Entered in 2014, this trend intensified, some of the old platform has begun to

intervene in this business. Whether it is the third party payment companies, Guarantee corporation or institutional investors have expressed strong concern for the business.

Third, market segmentation and integration of the coexistence of the two trends. Credit risk is one of the core of the all lending business risk, in the reality of China's national conditions, for the defense of the risk, P2P lending platform often need to take on line sales and due diligence work, resulting in high operational costs. In order to reduce the cost, some of the new platform will the market segments, dedicated to providing lending service for a regional, industry, or characteristic of the people, using a good understanding of the population, experience accumulation and more for credit technology to achieve more price risk management effectiveness.

Fourth, the leading P2P platform to pay attention to the standardization of the development of technology and the development of. Leading P2P lending platform will focus on strengthening the credit, including credit channels of diversified and integrated credit data, credit evaluation of automation and strengthen risk control process of each link, is planning the financial team formation. Fifth, the pan platform property enhancements, part of the P2P lending platform will broaden the scope of business. Some platforms will be to expand the business scope of a number of platforms, to transform itself into the supply side and the demand side of the supply side of the pan platform, and not just confined to the P2P platform.

Sixth, the trend of private finance online. In addition to small loans, Guarantee Corporation began to close to P2P lending, transformation, other private financial institutions have begun to pay attention to P2P lending, hoping to open new channels

of funds.

Seventh, institutional investment trends. Net loan portfolio indicates P2P lending institutions investment trends, the trend in the United States P2P lending platform has become a reality, and occupy the mainstream. Eighth, investment facilitation, mobile. To meet investor appetite, P2P lending platform have strengthened investment end product design, emphasize the financial investment, and convenient, even with regular and irregular financial products as a packaging, help investors bidding. Some platforms have developed a mobile phone application to support investors to rush to grab at any time, for the fragmentation of financial management.

Although P2P platform development has been relatively optimistic about the achievement, but with the development of P2P platform, the inherent risk is more and more big (Ye Xiangrong, 2014), mainly including the following aspects: (1) microfinance technology risk. P2P platform development time is relatively short, is still in the exploration and the direction of credit and lending standards still need to pay more attention to. (2) the absence of risk in the middle of the supervision of the account. P2P platform is still under the supervision of the vacuum state, especially in the case of inadequate supervision of the third party regulatory agencies, the risk level will be significantly improved. (3) financial risk. Mainly refers to the P2P platform of financial disclosure poor level, fraud statements, financial index, a higher probability, which will bring higher financial risk. In addition, the risk of P2P platform will include money laundering, fraud and other credit risks and personal information loss caused by the loss of credit risk, etc.. In the future development of P2P platforms and need to continue to attach importance to the consumer rights and

interests protection (Wu Xiaoguang, 2012), through to the prudential supervision of P2P platform, make perfect the legal system and technical supervision means (Ziwei Wang, 2012), and continually reduce P2P platform that is inherent in the risk, closely follow the development trend of P2P platform, the further improvement of the Internet financial innovation business.

2.2 A summary of the development of all the chips

2.2.1 Introduction to all the chips mode

Crowd funding, refers to a mode of financing to the "initiator of the project using Internet social network propagation characteristics, concentrated all the capital, channels to raise funds; mainly take the form of pre buy + to friends to raise funds for the project. [20] all the chips in Europe and America has been developed for about four or five years, the most famous is the United States Kickstarter, in 2011 China established the first public to raise the site, named time. From the site of the project, both at home and abroad, mainly cultural and creative projects.

Raise the operation process generally includes three participants, namely the project sponsor, project investors and the public to raise the platform website. Is generally by the project sponsor on the site released their ideas or projects, attach your personal information as a guarantee, the website also to initiate people to carry out a certain degree of audit, then by project investors reading project specifications, if interested in can to capital injection into the project, general everyone to investment funds is not high number. And the site will set a project financing rules, each item will be set fund-raising target amount and the number of days, if within the specified time to raise the goal setting, then the project will succeed, if not in the

provisions of the time to complete the financing target, then the project is failure, the funds raised will be returned to investors. And the congregation raised the site will charge a certain fee as a source of funding for the operation of the site, the ratio is generally about 5%.

Currently, the congregation raised platform business model includes the following four kinds: the public to raise the reward system, all the chips to raise the public, all the chips and raise public equity lending system to raise [21]

A. Reward system to raise public. Reward of all the chips similar to buy the site, posted on the website mostly innovative physical commodities, clearly defined the cut-off date and required number of supporters or amount, in limited conditions to complete the financing, otherwise it fails and the return of the funds raised. And group to buy a website, buy goods is ready, once the buy success can immediately get the goods, reward of all the chips is similar to pre order mode, namely after the investment is commodity production. The advantages of this model reflected in project initiated prior to production to get the market feedback, and before the sale to recover funds, shorten the length of the chain of funds, which is capable of producing a more fit the market products.

B. Raise all the chips. Collection of all the chips are more similar to charity, in which investors is often because of ideas or behavior of support to investment, and this model yields little or no basic, investor behavior more with donations and help the public nature of

C. Equity ownership to raise public. Ownership of all the chips mainly in the United States to develop more smoothly, thanks in 2012 issued by the United States jobs

(jumpstart our business startups act act act permits the small and medium-sized enterprises (SMEs) in the United States raised through public access to equity financing, and is no longer limited to tangible rewards. In addition to investors also made a number of detailed provisions. Ownership of all the raised platform tend to pick with potential start-up company, by investors in investment and equity returns, to be a successful start-up companies listed, investors will be the realization of equity gains while the platform is charge certain fees, the emphasis is that all the legal documents signed and the transfer formalities are completed on the Internet. Ownership of all the chips is still unable to effective development in the country. This is because there is no clear definition of domestic laws and regulations on illegal fund-raising and raise. "Equity raise public in China as the embodiment of the certificate, membership, angel three categories form." [22] certificate to raise the general public is through acquaintances recommended to join the public project, investors often do not become shareholders, membership type raise public investors will become shareholders, and angel have clear financial returns.

D. Public borrowing to raise public. Public borrowing to raise similar to the P2P, that is, the project financing is generally based on the premise of the return on the commitment to the nature of the risk of investment.

2.2.2 Analysis of foreign public chips model -- Taking Kickstarter as an example

Kickstarter is currently the world's largest congregation to raise the site, but also the first to set up the public to raise the site, investors around the world. According to the data released by the KickStarter, 2013 site total successfully completed the 19911 projects, collected a total to \$4.8 billion in funding, nearly 300 million investors to

participate, average every day to be able to raise \$130 million, and at least 80 million users in more than two times all the projects to raise, there are more than 8 million investors in more than 10 projects to raise public. [23] compared to 2012, the funds raised by 33.3%, users increased by 25%.

According to Kickstarter page above the slogan, which is mainly devoted to support and encourage innovative, creative and creative activities, called on everyone to invest in order to achieve the project sponsor's dream. From this point of view, the main use of Kickstarter is to raise the public to raise the reward system. Anyone can be an idea to KickStarter and KickStarter to review released on the website and at the same time, a platform for a similar project forum, investors can on the platform of the initiator of the project to ask questions and ask the question for investors on the project more and more detailed, but also makes the project of authenticity can be a certain degree of verification, if investors find project of doubt, the project may be sites to revoke all the chips qualification. This way can be considered as a test A good way to permit a project.

Making website KickStarter project financing principle is within the time limit, to complete the specified amount of financing, project opening points 2-3 times to raise funds to the project sponsor, and promoters within the stipulated time cash returns to investors, KickStarter to raise funds to receive 5% of the cost of. Did not complete the amount of financing within the specified time, even if the project fails, the funds raised will be returned to investors.

In addition, according to the data released by the Kickstarter website, the website of the public to raise the project has the following characteristics:

A. Time features: Kickstarter allows the project to raise funds for 1 day to 3 months, and project sponsors often choose the fund raising period for 1 month. And in the project of a fund-raising cycle, the general will appear two peaks, project just a beginning investment of many people, then decreased rapidly, until the project is coming to an end, the number of investment and then increased rapidly reached the second peak.

B. The amount of investment characteristics: in the investment in the amount of \$100, Kickstarter do a statistics, statistics show that investors in a single project investment amount to \$25 most, accounted for than for 19%, followed by \$50, accounting for more than 14%, followed by \$10, \$100, and \$20, the rest of the amount of the number of relatively less.

In case of failure of the project appeared in Kickstarter, the risk is mainly reflected in the project can be returned to investors in the agreed time. Most of the projects have been postponed, and even the project has not yet given any feedback to investors. The Kickstarter is not responsible for the progress of the project, the investor does not have any refund mechanism, so the protection of investors has become the need to improve the content.

2.2.3 Analysis of all the chips in China -- Taking the named time as an example

Domestic public to raise market in recent years to show rapid growth trend, especially cultural and creative projects showing explosive growth, the successful financing of the project a number from 2011 to 10 growth in 2013 nearly 150, the amount of financing is also increased from 6.2 million yuan in 2011 to 2013 12.789 million yuan and the amount of financing a single project also appeared in the

amazing growth rate. [24]

Herd to raise the operation mode of the platform analysis can already be seen, due to the domestic has not let go of equity financing of small and medium sized enterprises, illegal financing and ownership of all the chips of the definition is not completely clear, so ownership of all the chips and lending all the chips in the country does not have the development environment. Because the congregation raised in domestic development is still in the incubation period and at all the chips are often through the same circle of acquaintances recommended, derived from the investment with the cast and the role that financing for the project, often by a venture capital industry professionals lead investor, then the rest of the people as investors to invest in the project, the project participants concentrated in minority populations, and not popular among the masses.

In addition, the definition of domestic laws and regulations on illegal fund-raising is also a major obstacle to the development of the domestic public to raise. Unique policy environment makes the project investors unable to obtain a return on equity or is divided into profits, investors often get the is project of the finished product, which makes all the chips from the mode of the investment, the essential attribute of, evolution to commodity futures or charitable act.

Named time is the first batch of the establishment of the public to raise the site, was founded in 2011, the founder of the Taiwanese, and its operation is generally the same as the Kickstarter, it can be said that the establishment is to imitate Kickstarter. 2011 was established by the end of 2012, a total of nearly 700 projects on the line, which has nearly half of the project has successfully raised funds and issued to

investors in return. In August 2013, named time successfully carried out a single project so far up to the amount of financing.

Entered in 2013, named time began to reform. First named time to cancel the platform for financing 10% of the cost, instead of free. Followed by the core users to review the project on-line matters. This can be seen as the Chinese localization of the original Kickstarter model. Because the first is the basic all Internet project to free to expand market share, followed by extended service chain produce additional cost to get income, so named time cancellation fee is suitable for domestic Internet market move. Secondly, because of the construction of credit mechanism is not perfect, to rely solely on the platform of the review and investors the discriminant is unable to project risk identification of, thus changing the core user review, to a certain extent, the project's safety has been improved. But whether it is named time, or any of the domestic public to raise the platform, the number of successful projects or raise the number of funds compared to foreign public or there is a big gap.

2.2.4 Comparison of all the chips in China and America

Because the domestic public to raise basically the United States as a template for the development of the domestic public to raise the same pattern basically the same as the United States, but because of the unique environment of the country has the following different. The most important difference between China and the United States is reflected in the definition of regulations. Us all the chips to be development and growth is thanks to the launch of jobs (jumpstart our business startups act) act, the jobs act increased to raise public mode of the exemption clause, which allows small and medium enterprises raised by the public mode to the public to raise funds,

equity financing. And the JOBS act also clearly defined the restrictions on investors, the project sponsors to raise public platform for the requirements of the requirements. General restrictions on investors is the main requirements of the investors and the amount of investment income linked (less than \$10 million investors in income or net assets, investment amount does not exceed 5% of the income or net assets, annual income or net assets of more than \$10 million, investment does not exceed the amount of income or net assets of 10%), to all the raised platform limitations mainly reflected the platform on the scope of business and information requirements for disclosure. The introduction of the jobs act will undoubtedly make the United States, the public to raise to the standardization of, but the country has no clear edict, but also has a strict limit of illegal fund-raising, which makes the domestic public raise mode in the cracks development, the types of projects with respect to the American public to raise is the lack of.

Secondly, the difference between the trust mechanism of China and the United States led to the participation of the public to raise the level of the project is different. The United States has a relatively perfect credit system and information disclosure system, which makes the broad masses of the people can be actively involved in raising public investment, so the American public to raise the participation of people mainly around the world of the individual. And the trust mechanism has not been built in the country, which makes the ordinary people afraid to invest in the public to raise the level of participation is low, the main focus of the current participation in a fixed circle, with the majority of people and people with the cast.

In addition, due to the differences between Chinese and American consumption

habits and concepts led to the public to raise the project focused on different. The congregation raised mainly for cultural creative projects, especially the majority of the music, film and television projects, and domestic investors pay more attention to the project returns to the successful financing of projects often for small and medium-sized science and technology invention products. Finally, due to the degree of Sino US intellectual property protection is different, the number of Chinese public chips is relatively scarce. The United States is very strict and perfect in the protection of private property and the protection of intellectual property rights, while the domestic protection of intellectual property is relatively weak. Due to the project sponsors need to on the site of project are detailed description and shooting video, the rampant piracy industry can use descriptions to counterfeiting, which makes the domestic even with very good creative projects may also because of concerns about copyright issues and not on crowdfunding website project described to obtain financing.

2.2.5 Characteristics and risks of crowdfunding model

In the era of rapid development of Internet, the integration of Internet genes crowdfunding platform of grassroots youth employment are concerned, have a huge advantage in the following three aspects: (1) propagated. Entrepreneurs can place your dreams in front of a lot of people, and each person has to see the sharing of information are likely to become a new node. Theoretically entrepreneurs can let people around the world have seen their own programs. (2) interaction. On the Internet crowdfunding platform, project sponsors are ready to share the progress of the project, people interested in the project can also be sponsors to discuss the project.

The two sides can maintain a high degree of adhesion through interaction. (3) efficiency. Traditional roadshows, entrepreneurs can only contact with less investment, investors can only contact with a limited number of projects. Internet crowdfunding platform, a project will be tens of thousands of people every day to see, is investors more easily from hundreds of thousands of items

Heads for screening.

Because crowdfunding model has these advantages, in recent years, from the time named, building blocks to Jue. So, crowdfunding network, a large number of "Publish entrepreneurial dreams, online financing" crowdfunding platforms such as mushroomed to grow up. However, due to crowdfunding model of development in China is in its infancy, despite good prospects for development, but crowdfunding mode or there is some risk. Specifically That includes the following aspects:

First, the legal risk. Coverage of legal risk including the risk of many aspects of illegal fund-raising, intellectual property protection and credit environment. Specifically: (1) the risk of illegal fund-raising, which occurred a financial regulatory gray area, on no clear legal definition of them, therefore, it is prone to illegal activities. (2) protection of intellectual property. Legal framework for the effective protection of intellectual property is a project that can really get the root causes of earnings where, if intellectual property protection is weak, it will cause a lot of good projects and fund-raising difficult by crowdfunding platform. (3) credit environment is poor. One legal factors also constrained credit environment crowdfunding model of development, poor credit environment will lead to costs of financing at defaults low, to reduce the public's enthusiasm. Because of these risks, investor interest is difficult

to obtain legal protection.

The second non-standardized risk is crowdfunding model. At present, the development of crowdfunding model is still in its infancy, construction crowdfunding platform, investor standard audit, credit financing for people borrowing so there is a lot of randomness, so with respect to this new crowdfunding Internet banking mode, its audit standards, credit database construction, there is considerable room for improvement.

Third, the investment income of the use of a lack of supervision. Crowdfunding model is through the network platform to raise funds, in a virtual environment, how to ensure the integrity of any investor is the first problem to be solved. However, the main mode crowdfunding civil spontaneous formation, receive less supervision of the formal financial system, so the use of funds there is a big loophole.

Fourth, crowdfunding platform also belongs to a new financial model of the Internet, whether it is the sponsor or funding side of their lack of the necessary knowledge, therefore, crowdfunding platform for Internet fraud often become gathering place, combined with investment crowdfunding platform threshold is not high, but also tend to attract small investors to participate in the social risks inherent often even greater.

For financing, investment and crowdfunding platform for tripartite, with respect to the development of foreign markets, China's domestic individual mode crowdfunding site still in its infancy, the next there is a large space for development. On the current crowdfunding operation mode, the main mode to reward feedback, a small amount of equity crowdfunding agencies. In addition to a high degree of

homogeneity website presents the current market, financing small-scale and large legal risks and other external factors, the market started on crowdfunding project sponsor, support parties and platforms put forward higher requirements.

A. Crowdfunding project sponsor: lack of experience, blind optimism

First, the entrepreneur and the project sponsor mostly inexperienced. The project sponsor on product quality, market approach, product publicity and promotion are the lack of ability to operate independently. Crowdfunding sites need to invest a lot of effort on the promotion of the project sponsor training and project initiator help promote achievement of objectives.

Secondly, the project sponsor expectations is always good. This optimism is reflected not only in the success of the project on anticipation, also reflected on the final completion of the project and is able to provide the expected returns. But the reality is that more than 60% of the project can not be completed financing. According to a study in 2012, Kickstarter field of science and technology with the design of the project, 75% of the project on time and cash returns after successful crowdfunding. Therefore, in the course of the project, immature market and credit system platform needs to step up the process of managing and monitoring efforts. Again, the project copyright issues. Domestic legislation on intellectual property protection, market participants in the ceremony, to be still in a developing stage, serving creative projects can not really avoid plagiarism issue quickly, but also lead to Gresham's Law phenomenon.

B. Crowdfunding Project Supported by: Buyer customary role rather than investors

Factor in all aspects of culture, environment, economy, national education, as

well as national income, to raise the awareness of the public, have a greater impact on the crowdfunding predicament. In fact, the public is to raise the level of cognitive bias in senior financing model, return part of the crowdfunding project is not real money, but more meaningful and value.

Domestic users are accustomed to the role of buyers rather than investors. It is more interested in material goods, but too few of entrepreneurship and innovation to provide support. Most of the projects supported party in fact lack the ability to judge the project on the crowdfunding model has no obvious benefit in return patterns that may occur lack of natural interest, crowdfunding model in such an investment environment difficult to implement.

C. Crowdfunding Project Party platform: multiple challenges

First, the sensitivity of the market and a variety of industry experience requirements. In mature markets, the ability to identify the parties is not sufficient to support the stage, the platform side requires screening for different areas of the project, market sensitivity. Strengthening for capturing new invention, the ability to grasp the laws and regulations, to ensure the attractiveness of the platform at the same time, so that the project itself has a certain value and crowdfunding market acceptance.

Secondly, the risk of side project control. As the platform side, we need to continue to optimize the system platform for crowdfunding project sponsor rigorous audits to ensure the authenticity of the message originator. Meanwhile, action management of the project was also a challenge, the project sponsor feedback on how the quality and quantity to support the interests of both parties is a constantly

improving and exploration process.

Again, assume greater responsibility for promoting the industry. Domestic crowdfunding model is still in the immature stage, on the one hand the need to protect the industry, encourage diversification of crowdfunding business; and the need to continue to nurture the platform side crowdfunding market, driving more people to accept and agree with this new concept, while continuing to advance the project to crowdfunding party, party support awareness training.

2.3 Electricity supplier Finance and Economic Analysis Model

With the rapid development and popularization of the Internet and mobile Internet, the rapid development of e-commerce in our country, e-commerce market transaction size has been maintained for many years more than 20% growth rate. Today, electronic commerce is not only a based on Internet of buying and selling, but has gradually become a way of life, but also the emergence of Alibaba, Jingdong Mall, Suning Tesco and other numerous business tycoon, electricity providers use the huge advantage of the platform, have entered the field of financial services, expand new markets. At present, the electricity supplier financial models mainly include Ali small loans represented by the platform model and Jingdong mall as a representative of the supply chain finance .

2.3.1 Ali small credit as the representative of the platform model

Business innovation is the root cause of the electricity business enterprise platform has a large number of businesses, the use of large data model, business enterprises can accurately provide financial services to businesses or individuals. This model is mainly represented by Ali small loan platform model. And the main features

of the model are: first, the value of positioning. Make small and micro enterprises financing is no longer difficult. Second, the key business and characteristics. Data mining as the core of small loan services, the use of massive data resources to conduct customer credit review. Third, customer positioning. Ali small loan customers to small businesses and consumers. Fourth, core competence. Ali small loan has a huge amount of customer transaction information and data, the ability to use advanced big data mining technology for professional management. Fifth, expand channels. Ali small loans to use the freedom of the Alibaba's business platform to better conduct business development. Its six, profit model. Ali small loan profit mainly from interest income and membership fee income, etc.. It can be said that Ali model through the Alibaba's own platform, including Taobao, Tmall mall, etc., to solve the problem of small and micro enterprise loans difficult to make a very useful attempt, has a strong practical significance.

In conclusion, the biggest characteristics of Ali small loans to the business financial services model is the use of advantages of big data accumulation of the platform itself, as a platform for customers to provide fast, convenient, no need to guarantee, with the use with the microfinance services. As China's first designed specifically for network lending of small loan companies, Ali financial appears to be an opportunity for the reform of China's financial market, Alibaba, Taobao and tmall sellers with its own credit based Ali small loans to apply for loans, business platform will letter of the applicant's consultative status is evaluated, to grant a certain amount of credit loans, and sellers to apply for credit loans can be early repayment, daily interest.

Ali small loan has three main characteristics. First, its loan customers must meet certain conditions, this provision is conducive to Ali financial advantage of the network platform for information exchange of information to understand the customer. Second is Alibaba after years of online trading platform of operation and monitoring, with network information on a large number of transactions, credit evaluation system with relatively mature and relatively complete transaction database. Ali small credit loans directly to Alipay account, making Ali small loans can monitor the flow of funds. Three Ali small loans to the future of the shop as collateral. Ali small loans, but also has many defects, on the one hand, Ali small loan orientation is not clear, so the business activities of enterprises should subject to what level of regulation, and its lending activities are in accordance with the provisions, it is difficult to have legal definition; on the other hand, small loan companies also certain capital restrictions, how to solve this problem, has become Ali small loans need to face one of the difficulties.

2.3.2 Supply chain finance model represented by Jingdong

Supply chain enterprises in cooperation with the core platform enterprise, on the one hand to ensure that the supply, on the other hand, but also to withstand the risk of accounts receivable cycle is too long, the funds tend to become the greatest pressure. But due to the scale, capital and other aspects of the pressure, the size of the bank loan is difficult to meet their needs. Jingdong as the representative of the electricity supplier platform, through the way of supply chain financing, trying to solve the financial pressure of small and medium enterprises, at this time it has produced another new Internet financial model.

The so-called supply chain financial model, is refers to the core of the business enterprise rely on its advantage in industry, through control the upstream and downstream enterprises cash flow, invoicing, contract etc. information, relying on their own financial platform or cooperative financial institutions for the downstream of the raw material suppliers, manufacturing, distributors and retailers to provide financial services. Supply chain finance from the supply chain point of view on the upstream and downstream enterprises to carry out a comprehensive credit, help to strengthen the level of supply chain risk management, build electricity supplier supply chain ecosystem.

Jingdong is a typical representative of supply chain finance, and its supply chain finance has a natural advantage. Its business model decided to smooth connection of upstream and downstream suppliers and consumers, have rich market resources, is conducive to its own financial platform application, creating excellent financial products, to meet the needs of our customers.

Jingdong supply chain finance is a Jingdong upstream and downstream partners provide for the rapid financing service, through the Bank of China, China Construction Bank, Bank of communications, industrial and Commercial Bank of China, Bank of China for suppliers to provide purchase order financing, accounts receivable and cooperative investment and other financial services, Jingdong to lower loan interest rates successfully obtained more than 50 billion yuan of credit. At this point, the Jingdong plays the role of the trustee, to provide credit to enterprises, to facilitate the supplier's inventory turnover, improve the operating efficiency of the enterprise.

At present, Jingdong supply chain finance can be divided into two parts, a part is by the bank as the investor, the security company guarantee, Jingdong platform of data to provide risk control for loan provider of Internet financial services; another part is by Jingdong itself as funders, loans for the supplier oriented service. Beginning in 2013, Jingdong focus on the downstream consumer services, launched a directly facing the consumer with credit property services -- "Jingdong IOUs, consumers in Jingdong shopping can get 1.5 million yuan of credit, enjoy" consumer first, pay later "interest free 30 days or 3 to 12 monthly installments per month at the rate of 0.5%. In just 1 years time, the Jingdong created the average loan amount of 80 to 1 million yuan. Currently, the development of the electricity business financial model has been widely concerned, but also become the focus of traditional financial institutions and Internet Co. Traditional financial institutions actively layout electricity suppliers, the Construction Bank in June 2012 to establish e-commerce platform, good financial business, after a number of banks have also started to explore the self built electronic business platform model.

January 12, 2014, ICBC's "financial e purchase" e-commerce platform formally launched. At this point, with the goodness of CCB financial business, ABC's "e business manager", Bank of China Bank of traders brand business platform, Bank of the "Bo", Shanghai Pudong Development Bank business credit loans, there have been a number of banks to headlining the business platform fully unveiled. In addition, telecom operators accelerated the layout of Internet banking, actively expand the supply chain finance, such as China Telecom launched the "Tianyi loan, China Unicom launched the Tesco financial", mainly for the agents to provide financing

credit services. It can be predicted that the financial model of electricity suppliers increasingly fierce competition, the key to the success of its success is the success of the business platform and build a good platform for ecosystem.

2.4 Analysis of the operation mode of Internet Banking

The Internet financial marketing platform is refers to the financial institutions or third-party organizations to achieve financial products sales objective, through the network environment to build the platform: on the one hand, financial institutions financial sales platform via the Internet to sell financial products to clients; on the other hand, financial platform for Internet sales the most direct feedback customer demand, investment preferences. Its essence is to bring together the idle funds of investors, and financial and investment institutions and a unified, but as a kind of income level relatively high way of managing money, its impact on the traditional banking industry is huge.

In the use of Modem Internet era, the birth of the Internet has been the birth of the financial, but mostly used for corporate advertising. With the popularity of ADSL (asymmetric digital subscriber loop) technology, speed significantly improved, a large number of Internet financial applications to be born, the number of users and users are also rapidly rising. With the rapid development and popularization of 3G (third generation mobile communication technology) and Wi-Fi (wireless network communication technology), the world entered the era of mobile internet. Early mobile operating systems, such as NOKIA's Symbian (Sai Ban), Sun (solar Communications) and Motorola's K-Java system and Google Corporation's Android systems (Android) occupy the mainstream market position. Unlike IOS closed

platform system, the Android system rely on its openness and price advantage, seizes the market share rate of the first throne, at present in the world accounted for about 76% of the market share, and to price sensitive in China, its market share is as high as 90%.

For banks, securities companies, funds, trust, insurance and other financial industries, the cost of human resources and business premises is the most important operating costs. Enterprises to further develop, in accordance with the traditional approach, the need for a large number of recruiting and training staff, to buy or lease a large number of business field so expand business coverage. Whether it is from the time or financial aspects, the need to pay a very large price. The rapid development of the enterprise brings the rapid growth of the cost. Both at home and abroad, the major financial institutions are listing Corporation. As a listing Corporation, even in the context of the overall business growth, shareholders are difficult to accept the company's unrestricted expansion in terms of personnel and costs. This is more and more financial institutions to use Internet sales platform to achieve one of the internal causes of business expansion, and the development and growth of new financial products are mainly relying on the rise of the Internet means of payment. Information advantages of Internet banking products .

Internet banking business from scratch, quickly attracted the attention of people, the emergence of financial products has attracted more customers. In addition, due to the continued expansion of business scope of financial institutions, more stringent financial regulation in the country today, the general customers in the financial institutions business premises for a long time, and the procedures are very

cumbersome. In addition to the old customers and not good at using out of Internet customers. In nowadays Internet banking security is protected by a premise, more and more young customers on Internet banking platform attitude gradually from doubt turn is willing to accept. Especially the new generation grew up in the Internet environment, they are more willing to use the Internet in particular mobile Internet to replace the traditional counter service.

Financial products and the trend of standardization of financial products, financial services and financial services to help the fragmentation of the sale of financial products, so that financial institutions will generally use the Internet channel sales of financial products. In addition, in the financial products to develop continuously in the future, bank, securities, insurance, funds and trust products will now simple products derived from the more, more complex, more specialized products. These products are able to meet the needs of specific investors, but in the traditional business places to find a specific investor to the past times. We need through the Internet and mobile Internet, new products faster, more timely, more detailed to show in front of potential investors, potential investors also need to through the Internet and mobile Internet deeper and more comprehensive understanding of the financial products, and to understand the other customers of the product evaluation, to help them make timely and correct investment decision.

So, from the technical progress, the seller's demand, the buyer's demand and product development in four dimensions, the development of financial products sales will be the main rely on the Internet platform. The rise and development of Internet financial sales platform has its rationality and inevitability.

3 THE IMPACT OF INTERNET FINANCIAL MODEL AND THE CHALLENGES FACED BY THE ANALYSIS

3.1 The influence of Internet financial model on traditional banking and its path analysis

3.1.1 The relationship between Internet banking and traditional banking

From the point of view of the current development of Internet banking model, within the category of Internet financial model of P2P net loans, all raise financing, the third party payment and network financial products to solve the traditional finance can not achieve the inclusive financial services, so the modes of Internet banking and traditional banking is a complementary relationship. In addition, the emergence of Internet banking model is an innovation financial services, in the business with the traditional banking industry has certain competition, which makes the mode of Internet banking and traditional banking has a relationship of mutual promotion. From these two aspects, there is a positive relationship between Internet banking and traditional banking.

3.1.2 Internet banking model affect the path of traditional banking

Before the analysis, we can see that currently category of the development of Internet banking model is not from the financial essence, the Internet financial model innovation reflected in the use of Internet technology to break through the bottleneck of traditional banking business, namely the use of Internet technology to realize the control constraints from the financial policy, operation system and market structure, through the channel platform for innovation and innovation of traditional banking

have certain effect. The essence of finance is the circulation of funds, which need information processing, resource allocation and currency payment. Therefore, the significance of the traditional banking is to collect and process information, through the aggregation and dispersion of funds to achieve the risk of transaction and income matching. Information collection and processing is reflected in the pricing of risk to the project and define the risk appetite of investors, through data processing and model calculation of financial simulation approximate, eliminate the providers of capital and financing between the information asymmetry. The convergence and dispersion of funds is reflected in the traditional banking deposit absorption and lending, related to the number of funds, duration and other factors. The risk of the transaction and the return match that the traditional banking to make the risk of funds to match the corresponding income, and through the risk of the relationship between the decomposition, mergers and restructuring, to achieve the risk of hedging and transfer.

And the emergence of Internet financial model to the role of through Internet technology part or even completely alternative to traditional banking institutions or financial professionals in the support of big data, cloud computing, Internet technology. Specifically, Internet financial mode of traditional banking path embodied in: through Internet technology collected traditional bank industry needs collected by counter business, credit approval and asset management to the data, and the convenient transmission through Internet technology. The risk appetite of investors and the risk of the project pricing, only through the professional design of the data parameter model for computing, no need to repeat the traditional financial

investment. The convergence and dispersion of funds can also be carried out on the Internet platform from the actual counter. In summary, Internet banking model under the support of the Internet technology, through financial business channels of innovation and innovation platform of traditional banking produced some diversion.

3.1.3 The influence of Internet financial model on traditional banking

Through analysis, we can see that, at present diversion Internet financial model of traditional banking only reflect in household assets for investment and consumption demand deposits, and to occupy a greater proportion of the fixed deposit also does not have an impact on. In addition, Internet banking products simple and popular involved can not meet the personalized customer demand for financial services, so Internet financial model does have a certain influence on the traditional banking, but little impact for high-end financial services.

The emergence of the Internet financial model for the traditional banking is like a double-edged sword, both to promote the role, but also produced a challenge. Especially in the transaction information asymmetry degree, financial disintermediation and product diversification choice has profound influence.

(1) Internet banking model challenges the traditional banking

A. Accelerate the market rate of interest, the main source of bank compression

With the balance of treasure as the representative of the Internet financial products continue to innovate and promote the pace of reform of the interest rate market. Internet financial products to indicate high returns quickly to occupy the personal finance market, traditional bank to raise its financial products income rate to stabilize the markets; and on peer to peer (P2P) as the representative of the Internet

financial model and to lower loan interest rates for small and micro enterprises and individual loans, traditional banks will no doubt make corresponding countermeasures. Although the Internet financial products market share relative to the traditional banking is still very low, the impact of Traditional Bank Co., but the financial mode of Internet innovation will play a promoting role of the interest rate market, due to the savings and lending is still traditional bank's main business, smaller will deposit loan difference of compression of the bank main profit source.

B. Changes in the pattern of bank exclusive funds to pay, direct squeeze the bank intermediary business

The development of the third party payment platform makes the traditional bank savings deposits and intermediary business has been an unprecedented challenge. Although the third party payment platform will eventually be returned to the traditional bank savings system in large order deposits or other means, but it will change the traditional bank deposit structure. In addition, Alipay

Representative of the third party payment platform has the function of delay in payment, which makes for online payment of deposit is settled in the third party payment platform, and third-party payment platform to fund agency, insurance agents in the field of development also enables customers to diversion from traditional bank deposits to invest in the main, the development trend in the future is not to be underestimated. Also the third party payment to even lower free of cost and more convenient operation, easy to be accepted by consumers, especially the POS network and collecting payment system online popularity, the third party payment continue to challenge the traditional banking business to pay, changed in the past by the

traditional banking monopoly pattern of payment services.

C. Change the single supply pattern of traditional bank credit

In P2P net lending as the representative of the Internet financial products to lower interest rates and faster loan rate and unsecured loans mode makes the traditional bank ever ignored the small customers with new lending channel Internet preoccupy the credit market. Although at present the development of P2P is not enough to form a fatal impact on the traditional bank lending and domestic credit system construction is not perfect. However, in the long run, elements of the development will be mature, P2P professional development will challenge the traditional banking credit business.

D. Changes in financial consumer spending habits

To Taobao, Jingdong, No. 1 shop is representative of the online mall to consumers quickly penetrate makes more and more consumers accustomed to shopping on the Internet, and gradually develop the habit of online payment. This reduces the consumer's reliance on cash and traditional bank counter service. This makes the traditional bank customer base has been a certain impact.

(2)The promotion of Internet banking model to the traditional banking industry

Internet financial model is being open, sharing, democratization, personalized, distributed collaboration, the spirit of the Internet to transform the traditional financial. [26] and to promote the traditional financial operations convenient, transparent, high participation, personalized strong direction of continuous improvement.

A.Promote the innovation of financial products

The development of Internet banking model forcing traditional financial Internet technology will be integrated into the financial services, constantly improve the products of the convenience and PFP. In order to deal with the products of Internet financial shocks also continue to introduce new financial products, such as many traditional banks launched online industry service platform, small loan products, online financial products, such as, some banks started with Internet enterprise cooperation to launch innovative financial products, such as network insurance. This will undoubtedly promote the traditional banking financial product innovation, expanding the scope of the choice of the people.

B.Promote the improvement of the quality of financial services

In the past the traditional banking monopoly position in financial services so that the majority of people can not get the quality of financial services, often large customers will be valued by the bank, and small and Micro customers pay and income is not equal. The Internet financial model is aimed at small and Micro customers of the financial market, highlighting the simple, convenient, everyone can participate in the characteristics of the customer base to shake the traditional banking. In order to deal with the impact of the Internet banking model, the traditional banking industry must constantly improve the service experience and satisfaction, so as to improve the quality of financial services.

3.2 Challenges facing the Internet financial model

3.2.1 Lack of financial supervision

Traditional financial sector has a strict market access supervision, operation supervision and market withdrawal supervision, and supervision of Internet banking

model is still in the blank, for example in the examination and approval of market access, business scope of business, capital adequacy, liquidity, market risk and personal information protection are not explicit regulations, once appear, fraud, money laundering and illegal cash and other behavior, the rights and interests of investors can not be effectively protected, or because there is no capital constraints, under the mode of high leverage, Internet banking platform prone to operational risk. And when the collapse of the enterprise, the investor's capital how to recover there is no corresponding protection measures.

In addition, Internet banking model has a significant inter industry characteristics, and the separate supervision environment has brought great difficulty to the supervision of the Internet banking model, regulated by whom, how standards of regulation and supervision, what is difficult to accurately define. And with the rapid development of Internet banking model, if there is no effective supervision to lead to the development of standardization, risk events will continue to emerge.

3.2.2 Lack of risk control

The current risk control means can not keep up with the pace of innovation in the Internet financial model, the lack of risk control reflects mainly in terms of technical risk and financial security. Technology, because the Internet banking model without access to market set a certain threshold, enterprises within the industry varies greatly and most of the enterprises are direct purchase of molding technology to the operation of enterprises, and not its own R & D team, so when there is a problem there is no professional staff to carry out repair and maintenance.

Financial security, due to intermediate capital account, and the middle of the

account large and small flow of funds lead to the supervision of the vacuum, platform of capital allocation in completely by the platform itself master, prone to contributions absconded, the illegal diversion of the risk. And the majority of the community people on the Internet financial model does not have a clear understanding of the blind investment behavior prone to follow suit, and these people's rights and interests are not effectively protected.

3.2.3 Credit system construction behind

From the macro environment, the domestic credit system construction is still in its infancy, lack of credit data, personal information security can not be effectively protected and there is a credit in the transfer of the organization is not smooth. In addition, many of the services under the Internet banking model is not included in the central bank's credit system, damage the interests of investors and the part of the company through the Internet mode of financial illegal fund-raising or sell your personal information and thus profit behavior provides an opportunity. Take P2P as an example, the platform is mainly based on the financing of personal information provided by the risk assessment of lending, and these information is easy to fake, once the borrower problems, the funds can not be recovered.

3.2.4 Financial market environment is not perfect

China's financial industry is still in the slow pace of reforms, the environment for the development of the financial industry is not perfect, resulting in inadequate development of the financial sector and degree of freedom and openness of the financial sector are far below the developed countries, financial protection and too much interference. There are the slow process of interest rate liberalization, the strict

control of financial licenses, the high degree of monopoly of the industry, the flexible and effective financial supervision system has not been established, and so on. This is not only to the traditional banking brought many risks and uncertainties, for new products and new formats continue to emerge from the Internet banking model is can not effectively control, increased the risk of the Internet financial innovation.

CONCLUSION

The foregoing analysis, Internet banking model can be defined as different from the traditional direct financing and indirect financing of the three kinds of financing ways, but in the real business is still the category of financial, just on the platform and channel are through Internet technology innovation, the main purpose is to achieve the financial disintermediation, has the feature of convenient payment, the degree of information asymmetry is low and dispersion of risks.

The ideal relationship between Internet banking and traditional financial industry is a kind of mutual complement and mutual promotion of the relationship, reflected in the Internet to solve the traditional financial services can not be achieved inclusive financial services. Traditional banking has a rigorous risk management, professional financial services, product development capability and brand credit advantage, which is lacking in Internet banking model, financial model on the Internet with information processing and low cost, large - scale users, high viscosity advantage, this is also the traditional financial industry is not up to. Although the Internet financial model for the traditional financial challenges, but also to promote the innovation and transformation of traditional finance. They can adopt a cooperative strategy, each in his element, and common progress.

Worthy of note is that the emergence of Internet banking model is not groundless, is conceived by the certain conditions, including the rapid spread of the Internet, consumers behavior change, a breakthrough technology bottleneck and multi demand interaction and mode of Internet banking in China also has to cultivate the soil.

Therefore, the emergence and development of the Internet financial model is reasonable and feasible. At present, the domestic Internet financial model on the one hand to achieve rapid development, innovation and constantly upgrade, on the other hand all kinds of hidden problems continue to emerge, the industry reshuffle, real sustainable development is not much. In contrast to the relatively mature internet financial operation mode of the United States, it has found some problems and risks that restrict the development of Internet financial model in China.

The main problems and risks of the domestic development of the macro environment are reflected in the lack of supervision, lack of risk control and the backward credit system construction. The lack of supervision mainly refers to the industry of the operating regulations and regulatory responsibilities of the vacuum state, the risk is reflected in the security problems of control technology and financial security, credit system is still in its infancy increases the default risk of borrowers of the control and responsibility can be traced back to the difficulty of. Therefore, according to these restrictions on the development of Internet financial model, the need to work together to help the country and enterprises to help the Internet financial

Although the Internet banking model of traditional banking is not a great impact, and short-term financial model on the Internet is mainly occupy the weak links in traditional banking markets, but Internet technology on traditional banking subtle change is not to be underestimated, especially financial disintermediation and the consumer behavior change. Therefore, the traditional banking sector must occupy the active position in the reform, speeding up financial innovation.

A. Build Internet thinking, take the initiative to meet the needs of consumers

Traditional banking to consciousness to Internet financial models of development trend is inevitable, it is necessary to fully aware of the importance of Internet technology, and actively absorb the Internet technology to transform the financial products, even with Internet companies for cooperation and innovation. One of the necessary is the traditional bank also launched a one-stop online financial services platform, highlighting the simplicity and standardization, so that people can conduct financial services on the Internet at any time and place.

In addition, mode of Internet banking oriented financial market of long end highlight to meet the individual needs of different consumers, the will to change consumer behavior and demand and financial direction, so traditional banking to initiative to meet the consumer's demand characteristic of product development, customer retention.

B.Improve the industry to pay solutions to consolidate the dominant position of the large customer market

Although the Internet is the first to occupy the financial model of small and Micro customers market, but the traditional banking industry in large customers and the status of public finance business is not shaken. This is due to the large customers and on public business needs is safety and efficiency of payment, and large-scale asset management business, and the third-party payment reflects the delay in payment of the advantage is reflected in this field does not come out, will not be able to traditional banks pose a threat. But the traditional banks to learn from the experience of the rapid development of the third party payment, to provide professional and personalized payment solutions for the characteristics of different customers, firmly

hold the big customers and the public business market.

C.Strengthen cooperation with the third party payment platform to achieve complementary business advantages

The third party payment made the fundamental cause of the development of the huge is the delay payment functions, mainly covering is network consumer market, but restricts the development of the third party payment is one of the important reasons is the third party payment platform, the circulation of funds and settlement business eventually is through traditional banks. Therefore, traditional banks can use the advantage and the third party payment for cooperation, sharing of information resources, with the help of the third party payment service chain extension, realize the complementary advantages of business.

Although the current development of the Internet financial model is very rapid, but there are various problems in this process, if not promptly resolved and only focus on the rapid expansion of the scale, will surely lay a huge hidden. And Internet financial enterprises need to understand the relationship between the traditional banks and complementary relationship rather than subversion, the relationship between the need to learn from the traditional financial industry development experience on the basis of continuous business innovation.

A. Adhere to the bottom line of regulations

Domestic legislation for Internet banking model has not issued, all modes of Internet banking business is to operate in the edge of the regulations, but the domestic for illegal fund-raising and non-financial payment service is regulations are clearly defined, so even in a regulatory vacuum environment development, nor the bottom

line beyond the regulations, to establish a third party escrow funds, timely disclosure of risk, without going through the intermediary transactions, do not collect deposits from residents, not illegal misappropriation of funds etc..

B. Focus on internal risk control

At present, the operation of the Internet financial enterprises operating problems and even close down due to the risk and income caused by the imbalance. Corporate Internet banking is often not clear quantitative credit risk to investors promised high returns, even if any deferred repayment and repayment of the borrower, the platform needs to misappropriation of funds to give on time commitment to investors of income, once lending problems become a large - scale, the platform could fail because there is no money to investors repayment. So Internet companies should pay attention to the internal risk control, introducing the third party audit institutions on a regular basis for the audit of the accounts, while gradually reducing the financial part of the Internet products, investment property, the more income to investors guarantees to other competitive advantages to attract investors.

C. Realization of credit risk quantification and control

Because the domestic credit system is still in its infancy, Internet banking platform simply rely on lenders to provide personal information risk discriminant is obviously not enough accurate and comprehensive. Suggest that Internet banking platform introduced financial professionals and learn traditional financial industry is more mature experience in risk control, to establish a comprehensive parameters of risk model, to borrowers of different risk classification and risk quantification, so as to form a reasonable anticipation risk and countermeasure, guarantee risk

controllability.

Internet financial model is still a new thing in the country, in addition to some of the characteristics of traditional finance, more innovative, flexible and risky. In the early stage of development, to grasp the relationship between innovation and supervision, supervision is too strict will hinder the development of the Internet financial model, the regulation is too loose and will lay a lot of hidden dangers. So supervision of Internet banking model also needs innovation, in the regulation and supervision of the ideas highlighted the risk of foresight, focus on the prevention of possible future in addition, due to the Internet banking model highlights the characteristics of cross industry business, which with our country's financial implement separate supervision of the background does not match, to improve the effective supervision of the difficulty, so there is a need to consider the establishment of an inter departmental regulatory system, form effective horizontal cooperation in regulation. Can set up in the central actors and related financial, business, information and other departments, supplemented by the supervision system according to the Internet banking model relates to the field, clear regulation of their respective duties and cooperation mechanism, strengthen supervision of targeted and effective. Present problems. At the same time to promote the Internet financial model and the fair competition in the traditional financial sector, accelerate financial reform and deepening.

In the form of legislation to clarify the nature and legal status of the Internet financial model, its industry, organizational forms, conditions, operational models and risk control and other aspects to make a clear specification. And improve industry

regulations, setting the threshold of market access, set specification, the scope of business of the Internet financial model, liquidity requirements, market risk control, protection to investors as the starting point to construct market exit mechanism, to achieve market-oriented operation of Internet banking model.

In addition, in order to strengthen the dynamic monitoring of the Internet financial model, including business trends, platform of capital storage and repatriation, lending rates, internal risk control etc., and guide the relationship

To speed up the construction of the central bank credit system, and vigorously develop the personal credit rating service market, open up the credit information exchange channels between the major agencies, to avoid duplication of credit information. In addition, to strengthen the risk education of financial consumers, so that it is aware of the risk attributes of the Internet financial products, cautious investment, enhance awareness.

The development trend of Internet financial model is irresistible. The ideal state of the Internet financial model is to intermediary, the two sides of the capital supply and demand directly to achieve the transaction. However, domestic credit system is still not mature, Internet technology did not develop to a certain height, coupled with internet banking model still exist a lot of problems, the whole is not to develop a formal way, so the Internet financial mode in the expected range will not on traditional financial subvert, but exists as a supplementary identity of traditional financial business, and traditional financial aptitude, cooperation and development. And after the rapid development of the Internet and the size of the financial model and the rapid development of traditional banking services group down, both business

began to have a certain coincidence, began to compete in the market for small and medium customers. Finally on the modes of Internet banking regulations to develop and further improve will lead to the disappearance of the dividend policy of the financial mode of Internet, can really survive financial model of the Internet enterprise must be in financial technology and Internet technology are able to skillfully use, and the traditional financial sector can also will be the development of Internet technology embedded in the financial products. So into the mode of Internet banking and traditional banking financial integration stage, both of which became part of the indispensable market, ordinary people enjoy the high quality services and a reasonable return on investment, mode of Internet banking and traditional banking competition after the biggest beneficiaries.

LIST OF REFERENCE

- 1 Luo Mingxiong, Tang Ying, Liu Yong. China financial and Economic Publishing House [text] // Internet banking M. Beijing.– 2013.– P. 15.
- 2 Chris Anderson. China CITIC publishing house, M [text] // Long tail theory. Beijing: –2006.– P.79.
- 3 Shuai Qinghong. Electronic payment and settlement M .Dalian [text] // Dongbei University of Finance and Economics press.– 2011.– P. 62
- 4 Study on the Han. Zhuangfei Internet financial model to the Alibaba group as an example D [text] // Zhengzhou: Henan University.– 2013.
- 5 Hao. Internet banking and microfinance research D Shanghai [text] // Shanghai Jiao Tong University.–2013.
- 6 Wu Qiaofang. The reform of American financial supervision and its use for reference D Shanghai [text] // East China University of political science and law.–2012.
- 7 Feng Huan. The development of China chips and innovation D Shanghai [text] // Shanghai Jiao Tong University.–2013.
- 8 Xie Ping. Zou Chuanwei. Research on Internet financial model R. Beijing [text] // China Financial forty Forum.–2012.
- 9 Gong Xiaolin. Internet banking model and its impact on the traditional banking industry J [text] // –2013. – № 5.– P. 86-88.
- 10 Chen Zhiwu. Internet banking in the end there are many new J.–2014.– № 4.– P. 21-26.
- 11 Wu Xiaoguang, Cao Yi. On strengthening the supervision of P2P network lending

platform J.-2011.- № 4.- P. 33-38.

12 Wang Xueyu. One of the banks of the Internet challenge: Ali financial J.-2013.- №5.- P. 11-17.

13 Yang Qunhua. Study on the special risk and prevention of Internet banking J.-2013.- №7.- P. 100-103.

14 Liu Ying, Luo Mingxiong. Internet banking model and risk management thinking J., -2013.- №11.- P. 29-36.

15 Ye Bing. Internet banking era, commercial banks how to do J.-2013.- №3.- P. 110-112.

16 Zhang Fen, Wujiang. The supervision experience of Internet banking in foreign countries and Its Enlightenment to China J.-2013.- №11.-p.53-56.

17 The current situation of the development of Huang.P2P net loan industry and the future trend of J economy.-2012.- №12.-p.61-62.

18 Lu Guang. This year's Internet financial J. Modern business.-2014.- №1.-p.36-47.

19 Zhao Mingyue. Risk control is the foundation of the Internet finance this new financial J.-2013.- №12.-p.35-37.

20 Yuan Xinfeng. Thinking about the current development of the Internet financial credit credit J.-2014.- №1.-p.39-42.

21 Jinlin. Financial Internet based mutual tolerance and symbiosis J.-2013.- №12.-p.4-8.

22 Cheng Xuejun. On the Internet financial development and legal supervision J.-2013.- №9.-p.55.

23 Li Wenbo. Opportunity and challenge of Internet banking J.-2013.- №3:

-p.105-106.

24 Lv Bin. Internet Banking Regulatory search road J. Legal person,2013.– №7.-p.13-17.

25 Feng Juanjuan. Research on competition strategy of commercial banks in the background of Internet banking J.-2013.– №4.-p.14-16.

26 Feng Juanjuan. Thinking about the development and regulation of Internet financial regulation J.-2013.– №12.-p.55-59.

27 Shirky, Clay, 2008.“Here Comes Everybody.The Power of Organizing without Organizations”.Penguin Press.

28 Thomas Meyer.2007.Online P2P Lending Nibbles at Banks Loan Busine ss. Deutsche Bank Research

29 CGAP.2008.Regulating Transformational Branchless Banking: Mobile Phones and Other Technology to Increase Access to Finance. Focus Note . No.43. Consultative Group to Assist the Poor, Washington, D.C.

30 Mishkin, Frederic.1995.The Economics of Money.Banking, and Financial Market. Harper Collins College Publishers.

31 Majid Aghaei, 2009.The Effect of ICT on Economic Growth.Further Evidence.Working Paper.

32 A. Montolio And F. Trillas. Regulatory federalism and industrial policy in broadband telecommunications[J]. Information Economics And Policy.-2013.– №25.-p. 19-31.

33 A.V. Thakor. Information technology and financial services Consolidation[J][text] //Journal Of Banking And Finance.-1999.-№23.-p .697-700.

- 34 Alistair Milne.The industrial organization of post-trade clearing and settlement[J][text] //Journal of Bank &Finance.-2007.– №10.-p .2945-2961
- 35 Allen,F. McAndrews. J.&Strahan.P.E-finance.An Introduction[J][text] // Journal of Financial Services Research.-2002.-№22.-p.5-27.
- 36 B.S. Bernanke.M.Gertler&S.Gilchrist.The Financial Accelerator in a Quantitative Business Cycle Framework.-1999.-№1.-p.1341-1393.
- 37 C.Anderson.The Long Tail.Why The Future Of Business Is Selling Less Of More [M] New York[text] //.Hyperion.-2006.
- 38 C.Anderson.The Longer Long Tail . How Endless Choice Is Creating Unlimited Demand [M] London[text] //Random House Business Books.-2009.
- 39 Charles M. Kahn. William Roberts.Why pay? An introduction to payments economics[J].Journal of Financial Intermediation.-2009.-№1.-p.1-23
- 40 D. Diamond. And P. Dybvig.Bank Runs.Deposit Insurance.and Liquidity [J].Journal of Political Economy.-1983.-p.401-419.
- 41 E. Mollick. The Dynamics of Crowdfunding: An Exploratory Study [J].Journal of Business Venturing.-2014-№29.-p.1-16.
- 42 F. Allen.J. McAndrews, and P. Strahan.E-finance: An Introduction [J].Journal of Financial Services Research.-2002.-№22.-p.5-27.
- 43 Friedman.B. M.,Decoupling at the Margin. the Treat to Monetary Policy from the Electronic Revolution in Banking.-2000.-№3.-p.261-272.
- 44 G.Saint-Paul.Technological choice financial markets and economic development [J]. European Economic Review.-1992.-№ 36.-p.763-781
- 45 Goldman SachsMobile Monetization.Dose the Shift in Traffic Pay?[R].-2012.-№6.

- 46 J. Magretta. E-finance:Status. Innovations. Resources and Future Challenges[J]Harvard Business Review,.-2002.-№80.-p.86-92.
- 47 Mishkin.F. S. & Strahan, P. E. What Will Technology Do to Financial Structure? National Bureau of Economic Research.-1999.
- 48 P.E. McCabe. The Cross Section of Money Market Fund Risks and Financial Crises. Board of Governors of the Federal Reserve System Finance and Economics Discussion Series.- 2010.
- 50 R. Merton and Z. Bodie.the Global Financial System: A Functional Perspective [M]. Harvard Business School Press.-1995.
- 51 R.T.S. Ramakrishnan And A.V. Thakor Information reliability and a theory of financial inter-mediation[J] Review Of Economic Studies.-1984.-№51.-p.415-432.
- 52 S.L. Jarvenpaa. N. Tractinsky and M. Vitale, Consumer trust in an internet store[J].Information Technology and Management.-2000.-№1.-p.45-71.