

## *Research article*

# **ESG Sustainable Development Report of MYBank**

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## **ABSTRACT**

As a typical social enterprise, MYBank has gone through a tumultuous development process. Compared with the traditional banking model of "deposit+loan+intermediary business", MYBank adheres to the development orientation of "inclusive finance, serving small and micro businesses, and serving agriculture, rural areas, and farmers", create a new model of "310" Internet loans, and strive to become a real "preferred bank for small and micro businesses". Under the fierce competition in the financial industry, MYBank is facing numerous challenges. In terms of business scale, technical issues such as the limited identification range of the "Great Sparrow" have become the primary challenge. It's both an opportunity and a challenge, pressure and motivation. In the midst of unprecedented changes, MYBank still needs to further enhance their technological innovation capabilities, adheres to an open platform approach, and provides meticulous financial services to small and micro operators.

**Keywords:** ESG, MYBank, Rural finance, Small and micro business operators.

## **I Industry Background - Introduction to MYBank Industry and ESG Risks**

### **(1) Introduction to Target Company and Target Industry**

#### **1. Target company**

Zhejiang MYBank Co., Ltd. officially opened on June 25, 2015. It is one of the first private banks in China initiated by Ant Group and approved by the China Banking and Insurance Regulatory Commission. With the brand concept of "meticulous", it is committed to solving the financial needs of small and micro enterprises, individual businesses, and operational farmers. MYBank continue to explore technology and deeply layout cutting-edge technologies. They are the first bank in the country to apply cloud computing to core systems, the first to fully apply artificial intelligence to small and micro risk control, the first to apply satellite remote sensing to rural finance, and the first to apply graph computing to supply chain finance. As a technology driven bank, MYBank do not have offline branches. With the help of the contactless payment "310" model that has been practiced for many years (3-minute application, 1-second loan, and zero manual intervention throughout the process), they provide pure online financial services to more small and micro operators, making every mobile phone a convenient bank branch.

#### **2. Target industry**

Fintech: According to the Financial Stability Board (FSB) definition, fintech refers to technology driven financial innovation that can create new models, businesses, processes, and products, thereby having a significant impact on the services and models provided by financial markets, including both front-end industries and back-end technologies. With cutting-edge technologies such as big data, cloud computing, artificial intelligence, and blockchain, financial technology has transformed or innovated the business models, business processes, and business processes of existing financial institutions, empowering multiple business activities such as payment/wealth management/lending/financial services/account management. When it comes to ESG (Environmental, Social and Governance), we can trace back to 2004 when the United Nations Global Compact first proposed this concept. ESG is a comprehensive business model and investment framework aimed at evaluating and managing a company's sustainability performance and impact. It requires companies to incorporate environmental, social, and governance factors into their strategies, operations, and business practices, and to make more contributions in environmental protection, social responsibility, and corporate governance to reflect their commitment to sustainable development. ESG has become a key indicator in the financial sector, indicating an increasing emphasis on sustainability in the investment community, and the establishment of the Principles of Responsible Investment (PRI) represents the future direction of green investment.

In China, ESG also has enormous potential. In the context of deepening supply side structural reform, ecological civilization construction, and achieving the dual carbon goals, ESG can guide China's industries to achieve green upgrading, become the main engine of economic growth, and also contribute to achieving sustainable development goals. However, there is still room for improvement in China's ESG investment. Chinese institutional investors still need to strengthen their evaluation and investment in ESG factors. While rating agencies are committed to aligning with international standards, they should also consider more and develop an ESG rating system that is suitable for the Chinese system and national conditions. The government and regulatory agencies also need to improve the top-level design and support policies in ESG to promote its development. Domestic asset management companies should actively promote the development and promotion of ESG integration strategy products to meet the growing market demand. This will help China better integrate into the global wave of sustainable development and contribute to better social development.

As a representative of emerging private banks, MYBank deeply integrates ESG concepts with corporate business, striving to achieve the vision of "being meticulous and bringing small and beautiful changes to the world". MYBank is committed to leveraging their technological innovation advantages, vigorously developing inclusive finance, accelerating rural revitalization, and promoting green and low-carbon transformation strategies. They strive to explore a path of enterprise development with ESG concepts for themselves and their peers, and integrate into the wave of sustainable development.

Platform based fintech (technology) enterprises		Enterprise Financial Technology Service Provider	Banking technology enterprises
Core business	<p>(1) Provide digital financial technology support, customer outreach, and risk management solutions and other service products;</p> <p>(2) Provide financial support and lifestyle services such as payment and lending to businesses and consumers;</p> <p>(3) Provide digital platforms for financial products such as consumer credit, small and micro business operator credit, wealth management, and insurance services</p>	<p>As a technology service provider, we provide IT architecture, management, and business operating systems and platforms to financial institutions, covering various service models such as IaaS, PaaS, or SaaS. We offer services such as cloud computing, storage, security, operations management, big data analysis, and machine learning</p>	<p>To provide financial technology support for financial product development, marketing customer acquisition, risk control, anti fraud, digital transformation, and data center construction in various business scenarios such as financing for small and medium-sized enterprises, consumer finance, payment, insurance, and wealth management for financial institutions themselves</p>

Representing enterprises	Ant Group, Tencent, WeBank, JD.com, Baidu Finance; Microsoft, Google Alphabet, PayPal, Amazon, Facebook, Apple, Visa	Hundsun Technologies Inc., Tencent Cloud, Alibaba Cloud, and Huawei Cloud	Jianxin Jinke, ICBC Jinke, Nongyin Jinke, Zhongyin Jinke, Ping An Technology, Financial Yizhangtong, Zhongan Technology
Downstream markets	Covering C-end consumers, B-end financial institutions, physical enterprises, especially small and micro operators	Mainly focused on financial institutions	Mainly focusing on the application of financial institutions themselves
Technical Advantage Analysis	Payment technology, cloud computing, artificial intelligence, relationship graph, NLP, privacy computing, blockchain	System development, cloud services, storage, database, data visualization, artificial intelligence	Distributed architecture, security, passwords, encrypted digital assets

Data source: Ant Group's research group has compiled and summarized the annual reports and prospectuses of the aforementioned companies

## **(2) Environmental risks**

With the intensification of global climate change, frequent occurrence of extreme natural disasters, and decline in biodiversity, banking, as an important component of the financial industry, inevitably faces severe environmental risk challenges. Commercial banks must explore a more sustainable development model, forcing them to transform from traditional models to green finance. The environmental policies led by carbon pricing and carbon neutrality have put additional cost pressures on high carbon emitting industries. The frequent occurrence of extreme natural disasters has also threatened agricultural production, and some bank loans may face default risks as a result.

## **(3) Social risk**

In recent years, the concept of social responsibility in global capital markets has been continuously deepening, and the disclosure of ESG information by listed companies has become a trend and trend. The ESG information disclosure system for listed companies in China has been preliminarily established, and many listed companies have voluntarily released ESG reports. However, there are still problems such as inconsistent ESG information disclosure standards, low ESG information disclosure rates, the phenomenon of "greenwashing" in information disclosure, and a lack of intrinsic motivation in ESG information disclosure. The accumulation of financial market risks and social contradictions caused by insufficient government regulation and governance is becoming increasingly prominent, and commercial banks are facing challenges from multiple dimensions brought about by the dual failures of government and market. If a company is found to have poor performance in social responsibility and suffers negative evaluations, it may lead to damage to its reputation, thereby affecting its market position and threatening the stability and survival of commercial banks. Commercial banks should actively take measures to improve their business practices, strengthen business compliance, closely monitor

social changes, strengthen social responsibility, and strive to reduce the adverse effects of social risks while improving their own financial data, exploring new opportunities from them.

#### **(4) Governance risk**

With the continuous changes in global geopolitics, economy, finance, trade, and technological development, traditional commercial banks in China are facing pressure to transform under the new dual circulation development pattern. Commercial banks need to adjust their own strategies, improve their management and operation mechanisms, and improve their corporate governance systems. In terms of governance systems, some commercial banks have imperfect risk management systems, inadequate risk supervision by corporate regulatory authorities, and inadequate internal control systems, leading to risk exceeding events in some commercial banks and causing a crisis of trust in the banking industry. Some commercial banks have insufficient information transparency and have not achieved timely and compliant information disclosure. The insufficient, non-standard, and inaccurate information disclosure makes it difficult for external markets and regulatory authorities to exert effective regulatory constraints, leading to increased risks and damage to the company's credit. In terms of organizational structure, some governance departments such as the board of directors of commercial banks lack independence and professionalism, and have not played the regulatory role that companies should have. Some bank shareholders have irregular behavior and chaotic equity and related party transactions, resulting in excessive concentration of equity and prominent equity imbalance, which leads to the failure of equity balance and breeds moral hazard and adverse selection problems.

## **II Innovative Model - Exploring the Breakthrough of MYBank**

### **(1) Technology empowers and helps upgrade services**

Technology is an important driving factor of ESG, which can provide innovative and feasible solutions to social problems. In the era of vigorous development of the Internet and big data, online banking actively conforms to the trend of the times, and embodies the spirit of innovation through technology empowerment. Since 2019, MYBank has created "three birds" - "big sparrows", "big geese", and "Lark" - to solve the problems of small and micro finance through technological means.

Through the organic combination of perception, cognition, interaction, and decision-making, and relying on holographic intelligent risk control technology, the "Bailing" system of MYBank creatively applies computer vision, dynamic enterprise graph, human-machine interaction and other technologies to the field of small and micro credit, allowing users to have a 7\*24-hour AI credit officer on their mobile phones. Users submit materials on their own, and the AI credit officer identifies and reviews them to complete the loan increase. The "Bailing" system has broken the "impossible triangle" small and micro credit coverage, service depth, and convenience, achieving expert level online personalized credit services for small and micro enterprises on a

scale of tens of millions.

Based on the digital supply chain finance model, the "Big Wild Goose" digital supply chain finance system aims to address the financial needs of small and medium-sized enterprises in the supply chain upstream and downstream of core brands in various industries, including supply and payment, procurement and order, and distribution and payment, throughout the entire production and operation chain, to achieve supply chain finance from  $1+N$  to  $1+N^2$ . The breakthrough of the model is that the core enterprise is 1, the supplier and distributor are N, and the square of N is the small and micro enterprises in the upstream, downstream, and end. Take each small and micro enterprise as a new center, explore more small and micro enterprises linked behind them, continue to serve their upstream and downstream, and bring digital financial services to  $N^2$ . Large scale small and micro enterprises allow financial vitality to reach small and micro enterprises directly.

The "Big Sparrow" system, with satellite remote sensing big data as its core, utilizes spectral recognition technology from satellite remote sensing images to accurately identify various crops such as rice, corn, wheat, and apples. Farmers delineate their plots on mobile phones, and MYBank uses dozens of risk control models to estimate yield and output value by understanding the planting situation and growth trends of farmers, combined with factors such as climate, geographical location, and industry prosperity, providing accurate credit and credit support for farmers. At the same time, satellite remote sensing data can be traced back to data within 2 years. More effective information such as the stability and regularity of planting in the same region and customer, as well as the operation situation, can be input into the credit risk control model to understand the continuous planting and operation behavior of farmers. Great help.

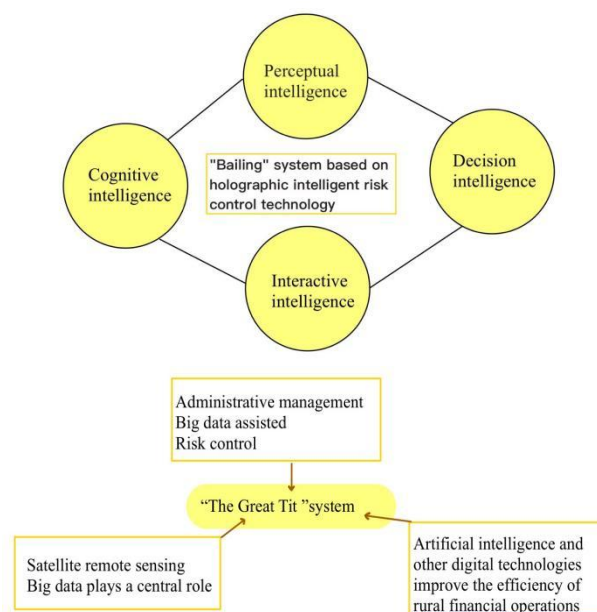


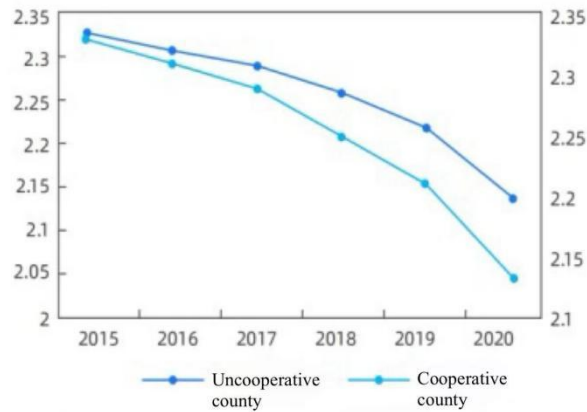
Figure 1 "Bailing" System Mode Diagram (Self made)      Figure 2: Three main functions of the "Great Sparrow" system (self-made)

In general, MYBank fully seizes the opportunity of the booming development of the Internet and big data, take scientific and technological innovation as the driving force, and actively practice the concept of ESG (Environmental, Social and Governance). Through the innovative use of the "three birds" - the "great sparrow", "wild goose", and "Lark", MYBank has demonstrated the essence of innovative spirit. These measures of MYBank not only demonstrate innovation in technology, but also reflect their attention to society, environment, and corporate governance, contributing positively to promoting sustainable development and demonstrating the positive role of enterprises in achieving ESG balance.

## **(2) Let's work together to build a warm home**

While focusing on serving small and micro enterprises and agriculture, rural areas, and farmers, and fully developing inclusive finance, MYBank continuously pursues the creation of maximum social value, cooperate with like-minded partners to expand the coverage of serving small and micro enterprises, leverage their resource advantages to carry out innovative public welfare projects, and actively give back to the country and society. The high-quality development of inclusive finance cannot be achieved without the efforts of various institutions. With an open and win-win attitude, MYBank has reached cooperation with government departments, industry organizations, peer financial institutions, research institutions, etc., to safeguard the stable, healthy, and sustainable development of small and micro enterprises through financial strength.

Through continuous development of county-level digital inclusive financial services, online merchants are committed to narrowing the urban-rural income gap and regional income gap within the county, accelerating the realization of common prosperity. According to research data, the urban-rural income gap in counties that did not cooperate with MYBank decreased from 2.33 to 2.14, a decrease of 0.19, from 2015 to 2020. The income gap between urban and rural areas in the cooperative counties of MYBank decreased from 2.33 in 2015 to 2.13 in 2020, a decrease of 0.20, and the decline rate significantly accelerated from 2018, which is consistent with the time point when MYBank and the first batch of counties launched comprehensive strategic cooperation. This also reflects to some extent the positive impact that the development of digital inclusive financial services in the domain of MYBank has brought to the overall society.



MYBank promotes the narrowing of the income gap between urban and rural areas in cooperative counties.

While developing county-level digital inclusive financial services, MYBank, as the main initiators, have been promoting the launch of the "Micro Assistance Plan" for three consecutive years. During this period, over 120 financial institutions participated in the plan, with a total of over 4 trillion yuan in small and micro loans issued, making financial resources more precise and efficient in benefiting small and micro enterprises.

Considering that the female business community needs more support and assistance, the online commercial bank launched the "Mulan Plan" in July 2020 to provide financial support and business assistance to female entrepreneurs. As of now, it has served over 17 million female entrepreneurs.

In terms of public welfare, MYBank also actively practice corporate social responsibility by launching a public welfare small shop alliance, providing public welfare support funds and free equipment upgrades to encourage more people and small shops to participate in the craft industry. As of the end of December 2022, they have supported more than 1500 public welfare small shops, with over 800 new public welfare small shops added in 2022. Public welfare small shops are located in 140 cities across 30 provinces across the country, providing practical support to vulnerable groups such as the elderly, disabled people, sanitation workers, and families of seriously ill patients, while also making good shops have good returns.

MYBank always remember that the realization of their economic value depends on the creation of social value. In other words, the more value they create for stakeholders such as users, investors, public welfare institutions, employees, and communities, the more they can gain credibility and influence from it, thereby enhancing their profitability.

### **(3) Future prospects, opportunities and challenges coexist**

#### **1. Analysis framework: SWOT analysis**



In response to the current industry situation of MYBank, we use the SWOT analysis method to organically combine their internal resources and external environment to provide an overall overview.

Strengths	Weakness
<p>1. Technological innovation and data analysis: Using technologies such as doorstep image recognition, satellite business district range recognition, and complex graph network analysis for modeling. A breakthrough has been achieved in the field of credit cognition</p> <p>2. Inclusive finance promotes rural development; MYBank provides more financing opportunities for rural areas through inclusive finance models</p> <p>3. Sustainable financial products: MYBank actively launch sustainable products such as green winning loans, green supply loans, etc., to demonstrate their sense of responsibility.</p>	<p>1. Insufficient technology popularization: The general level of technology popularization in rural areas is not high, which affects farmers' perception and use of online commercial banking financial services</p> <p>2. Information asymmetry: In rural financial services, the problem of information asymmetry is prominent</p> <p>3. Local differences: There are significant differences in rural financial needs, environment, and scale among different regions</p> <p>4. Commercial banks lack other high-quality financial products to hedge risks. Moreover, the number of customers in rural areas is relatively small, making it difficult for banks to diversify their risks. This greatly increases the difficulty for commercial banks to hedge risks.</p>
Opportunities	Threats
<p>1. Policy support: The requirements of the 14th Five Year Plan of the Communist Party of China and the 2035 Vision Outline for comprehensively promoting rural revitalization; The government has introduced a series of support policies for rural finance and inclusive finance, providing more development opportunities for MYBank.</p> <p>2. Rural market potential; The stock market in rural areas is huge, and the population base is huge.</p> <p>3. Enhanced awareness of sustainable development: With increasing social attention to sustainable development, MYBank have the opportunity to meet market demand by launching more green financial products.</p>	<p>1. Competitive brushing: As of the end of 2020, the coverage rate of financial institutions in rural industries in China was 97.13%; Faced with fierce competition from traditional financial institutions and emerging technology enterprises.</p> <p>2. Risk management challenges: Rural finance involves high risks and requires reducing its own loan interest rates to attract more rural customers and compete with other business suppliers. However, this often exacerbates the bankruptcy risk of local businesses. The original loan profits can hedge against the risk of poor loans, but the decrease in interest rates greatly weakens its ability to hedge risks.</p> <p>3. Changes in population structure; The level of aging in rural areas is significantly higher than in urban areas, and business customers are constantly losing.</p>

SWOT Analysis of MYBank (self-made by the author)

## **2. Development prospects: improving the core competitiveness of enterprises**

Enterprises with strong competitiveness can adapt to market changes, quickly adjust their strategies, maintain innovation, attract and retain customers, and achieve sustainable development. Competitiveness is not only related to a company's market position, but also directly affects its long-term survival and development. In the globalized and constantly changing business environment, the continuous improvement of the competitiveness of MYBank should be a crucial development strategic goal, which determines whether they can stand out in fierce market competition and achieve long-term prosperity. Therefore, MYBank needs to upgrade their corporate strategy at the levels of resources, users, government, and employee governance.

Firstly, in terms of resources, MYBank should actively implement a diversified funding source model. Diversified funding sources are crucial for the development of MYBank. By attracting funds from different sources, such as bank loans, investors, and capital markets, MYBank can expand their business scale, improve stability, and support technology research and development and market promotion. Regularly review the funding structure to ensure that funds match business needs. Secondly, technological innovation is the key to promoting the development of MYBank in the field of rural finance. Strengthen the training of internal teams, attract and retain high-quality technical talents, continuously improve the research and development capabilities and innovation level of fintech, to meet the needs of rural users.

Secondly, at the user level, MYBank needs to expand and develop in the following two aspects. Firstly, in terms of user education and popularization of financial knowledge, in rural areas, the level of financial knowledge popularization is relatively low. Therefore, targeted financial knowledge popularization activities need to be carried out, such as holding financial lectures, producing promotional materials, etc. Cloud service platforms can also be used to create small games related to financial knowledge, and reward mechanisms can be set up. For example, by setting up illegal behaviors such as money laundering, high interest loans, and illegal fundraising as bosses at different levels, players can improve their character skills by answering relevant financial questions, and obtain weapons to help rural users understand the basic knowledge and risks of financial products; Secondly, in terms of product customization and personalized services, we need to understand the specific needs of rural users and customize financial products that meet their actual needs. This may include financial products related to agriculture and rural industries, and due to the high proportion of elderly people in the rural population, a simple and easy to understand interface and process are particularly important. Elderly service links can be set separately, retaining only important information, and font size should also be expanded.

Thirdly, at the government level, MYBank should maintain close communication with the government, timely understand and coordinate with relevant government policies. Actively participate in rural financial reform projects promoted by the government, obtain policy support

and financial subsidies from the government, in order to promote its own development in the field of rural finance. And actively participate in rural financial reform, participate in policy formulation by providing opinions and suggestions, and promote the healthy development of the rural financial system. This kind of participation not only enhances the company's image, but also helps to understand the government's direction and policies, and adapt to market changes.

Fourthly, at the level of employee governance, a comprehensive employee training system should be established in terms of employee training and incentive mechanisms, covering skills, knowledge, attitudes, and other aspects through a combination of online and offline lectures to enhance the comprehensive quality of employees; Establish incentive mechanisms by setting up relevant competitions and including rewards such as bonuses and promotion opportunities, to motivate employees to continue learning and actively strive for progress; Establish a good internal communication mechanism, which is open, transparent, and efficient. Group meetings and ultimately collective presentations can be used to encourage employees to share ideas and opinions, thereby enhancing the cohesion and innovation of the internal team. Maintain a moderate atmosphere of equality and openness in communication, and encourage employees to propose improvement suggestions and innovative solutions.

Overall, by fully utilizing resources, gaining a deep understanding of user needs, actively participating in government cooperation and rural financial reform, and efficiently managing employees, MYBank can gain sustained competitive advantages and achieve sustainable development in the field of rural finance.

### **III Governance Challenges - The Enterprise Dilemma of MYBank**

#### **(1) Difficulties in social governance**

Firstly, the storage capacity is insufficient. Due to the lack of offline branches and insufficient motivation to attract deposits, most private banks rely on interbank lending or investment from corporate shareholders. However, in order to sustain the long-term development of private banks, interbank lending and shareholder financing are only a delaying strategy rather than a good one.

Secondly, the product launch capability is insufficient. Until today, there are also problems with weak product launch capabilities, single product types, and unreasonable product structures among the existing nineteen private banks in China. Taking Zhejiang Online Commercial Bank as an example, the technological achievements of "Big Mountain Sparrow" are remarkable, but currently it can only serve large-scale farmers. In other major fruit and vegetable categories and the breeding industry, the achievements of "Big Mountain Sparrow" are still blank. If satellite identification technology can be further developed to enable MYBank to help farmers overcome difficulties in various aspects of the supply chain, then the performance of MYBank in several private banks will undoubtedly be even more impressive.

Thirdly, the ability to attract customers is insufficient. Since the COVID-19, small and micro

enterprises have not fully recovered from the attack, so their willingness to lend is not high; Although it is not a direct confrontation with traditional banks, the attractiveness of private banks to large enterprises is clearly insufficient in the face of the strong positions of state-owned and commercial banks in the same industry. In addition, small and micro enterprises also face problems such as information silos, non-standard accounting, and distorted financial statements. Under the big data risk control model, it has become a challenge for private bankers to simultaneously establish close cooperation with small and micro enterprises and prevent bad debt risks.

## **(2) Internal governance challenges**

Firstly, the inherent contradiction between high risk and security in the banking industry. As a high profit industry, major capital is flocking to the banking industry, but at the same time, the characteristics of bank debt management also require banks to maintain great security, especially for private banks that mainly rely on private financing. Once the funding chain breaks, it will inevitably cause a domino effect, and the subsequent negative impact will be immeasurable. At present, the amount of inclusive financial loans from private banks is generally smaller than that of state-owned banks and commercial banks, and the decrease in the amount represents a sinking customer base and an increase in risk.

Secondly, there is a contradiction between user data management and the development of financial technology. With the continuous increase of loans for inclusive small and micro enterprises, "supporting small businesses and agriculture" has become a key strategic direction for the development of private enterprises. In the face of such a huge and increasing amount of data, private banks need to ensure the security of user data, so that users can "store with confidence and use with peace of mind". This requires private banks to invest more funds in the research and development of financial technology. However, such investment is not just superficial, and early research and development and later maintenance are indispensable. Only in this way can private banks establish a good reputation and reputation, dispel the doubts about private banks that still exist in the lending market.

Thirdly, the contradiction between commercial value and social responsibility. On the one hand, as financial institutions, private banks have sufficient reasons and motivations to develop their profitability. However, at the same time, private banks are given the prospect of injecting new vitality into China's banking industry. The development of private banks is inseparable from the development of green finance and inclusive finance, as well as the development of small and micro enterprises and rural finance. This requires private banks to undertake their social responsibilities, balance commercial value and social responsibility.

## **IV Conclusion - Suggestions for Solving Difficulties**

Firstly, break down information silos and introduce policy guidelines that are conducive to the joint progress of small and micro enterprises, large-scale farmers, and commercial banks. In response to the development model of "one bank, one store" for private banks, the government should provide higher levels of support at both the local and national levels, tailored to local conditions and industries, injecting triple vitality into the development of small and micro enterprises, agriculture, and commercial banks.

Secondly, do a good job in top-level planning, organically combine industry, finance, and technology, and increase support for the research and development of data risk control plans for private banks. Taking private banks targeting rural finance as an example, it is necessary to first understand the differences in the amount and duration of funds required for agriculture due to its special periodicity, regional characteristics, and seasonality. Eliminate "one size fits all" and prohibit "one size fits all". It is necessary to send dedicated personnel to conduct on-site research, and use technological means such as big data, blockchain, satellite remote sensing, and cloud computing to make top-level planning and indicate the development path.

Thirdly, further create a market order that is conducive to the development of private banks. Firstly, it is necessary to provide a fair competition policy environment, moderately liberalize the business scope of private banks, and inject new vitality into China's banking industry by utilizing the autonomy and independence of private banks; Secondly, it is necessary to establish a sound credit system and take a serious attitude towards punishing enterprises and individuals who evade bank debts; Finally, it is necessary to guide private banks to self supervise, self regulate, strengthen credit, and establish social confidence in private banks.

From the perspective of internal governance of enterprises, private banks still need to improve in the following areas.

Firstly, accelerate the cultivation of product innovation talent teams. Talents are the primary resource. Based on understanding the development trends of the industry, interpreting national policy trends, and the need for innovative financial product research and development, private banks need to establish a suitable assessment and incentive mechanism for product innovation personnel, stimulate their work enthusiasm, and improve their product innovation capabilities to attract users.

Secondly, utilize one's own expertise and focus on distinctive business operations. Firstly, it is necessary to clarify the positioning of the bank's target customers and provide one-stop financial services for large-scale farmers and small and micro enterprises. Secondly, it is necessary to provide characteristic financial products to avoid the awkward situation of overlapping and homogeneous competition with other private banks in terms of target customers.

Thirdly, strengthen risk prevention. Faced with the current situation of imbalanced and insufficient supply and demand in rural finance, private banks should use technological means to ensure that

satellite risk control models and exclusive risk control models can be continuously developed and optimized, further improve user information, and improve risk warning systems.

MYBank is meticulous. Despite facing numerous difficulties ahead, the young online commercial bank has overcome obstacles and challenges, and has delivered satisfactory answers to the problems it has encountered in the past. I believe that in the future, MYBank will not forget their original intention, forge ahead, and continue to work hand in hand with partners from the financial industry, banking industry, and various sectors of society to promote the integration and development of green finance and inclusive finance, serve more small and micro operators, penetrate into rural areas, and promote rural revitalization through finance.

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