



**A STUDY ON THE REVENUE DERIVED FROM ELECTRONIC BANKING: THE EFFECTS
TOWARDS FINANCIAL PERFORMANCE OF COMMERCIAL BANKS IN MALAYSIA**

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ABSTRACT

Financial performance is an important element in measuring the stability of commercial banks in Malaysia. As to ensure that the commercial banks particularly conventional banks achieve the desired performance, it is important to determine the revenue of conventional commercial banks correctly. This study aims to investigate how the revenue generated from electronic banking can affects the financial performance of commercial banks by choosing 17 conventional commercial banks in Malaysia which consist of domestic commercial banks and foreign commercial banks as a study sample. As dependent variable, financial performance was indicated by Return on asset (ROA) meanwhile the revenue generated from electronic banking was indicated by revenue generated from Internet banking (IB), revenue generated from Mobile banking (MB) and revenue generated from Automated teller machines (ATM). The study period was from 2007 to 2016. Multiple linear regressions were used as to determine the relationship between the independent variables and dependent variable. Based from the result, it shows that revenue generated from Mobile banking and ATM does have significant positive relationship with their financial performance.