

THE IMPACT OF ELECTRONIC BANKING ON FINANCIAL PERFORMANCE OF SRI LANKAN BANKS

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Abstract

Electronic banking is a product of e-commerce in the banking field. In Electronic banking, source documents and records exist in digital format instead of a manual accounting system. This concept is adopted at an international level with the global economy. If that these accounting systems are used, to enter information accurately and it eliminates calculation errors as a manual system. Any Bank able to purchase accounting software as a system, can develop their own or purchase a program while making banks own modifications. This paper attempts to examine how electronic banking impacts the financial performance of Sri Lankan banks. Numerous studies have been done to find the impact of electronic banking and financial performance worldwide. Nevertheless, there is a research gap based on this in the Sri Lankan context. Therefore, this research study focuses on commercial banks in Sri Lanka. This study will test the relationship between electronic banking and financial performance. This research will use return on assets (ROA) to measure the financial performance. This study will use Automated Teller Machine (ATM) operations, Point of Sale (P.O.S) and Electronic Transactions (e-transact) to measure electronic banking. This research has used all licensed commercial banks and licensed specialized banks as the population, and Licensed commercial banks, 100 operational level managers were selected as sample for this study. Since surveys guaranteed respondents' confidentiality, they were able to react freely and without fear of being exposed. Tables and pie charts were used to illustrate the quantitative data. In this study, will use descriptive analysis, Pearson correlation analysis and regression analysis under reviews to analyze the data. The results of this research study demonstrated a significant relationship between electronic banking and financial performance. The findings of this study will be useful for other academics who are interested about this issue in future studies, and it will be helpful to develop a new reporting framework. It is recommended to maintain the quality of electronic banking will be an advantage to raise the financial performance of commercial banks of Sri Lanka.

Keywords: *Electronic Banking, Automated Teller Machine (ATM) operations, Point of Sale (P.O.S), Electronic Transactions (e-transact), Financial performance*