The Impact of the Electronic Money Development in the Profitability of DBS Banks of Singapore

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One of the most important new developments in the banking industry is the creation of electronic money. Obviously, the use of electronic money in the banking industry of each country is evaluated as useful when investments made by banks in this field increase profitability. In this regard, the aim of this study is to investigate the impact of the development of electronic money on the profitability of DBS banks of Singapore in which the total return on equity is defined as the dependent variable, smart card index as electronic money variable, and market concentration index as the size of the bank, and the number of ATM machines. Estimating the model is done using annual data period between 2002 to 2011 and based on panel data econometric model. The main findings of this study suggest that the development of electronic money has had a positive impact on the profitability of surveyed banks.

Keywords: Profitability, electronic banking, electronic money, electronic security

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