

Impact of Foreign Shares to Profitability in Turkish Participation Banks

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Abstract: Covering the period 2006 to 2015, this paper aims at empirically studying the impact of foreign shares on the profitability of participation banks. Several econometrical models have been implemented to reveal this relation among variables. There is no co-integration result between profitability on the one hand, and foreign shares, deposits, loans and equity on the other hand. According to the Granger causality test lag 1, a bidirectional relationship exists between deposits and loans. Meanwhile, a unidirectional relationship exists between profitability and foreign shares.

Keywords: FS, Granger causality, Return-on-Assets, Johansen Co-integration, Turkish Participation Banks, and Vector Auto Regression (VAR).

I. INTRODUCTION

In the last three decades, Islamic Banking (also called “participation banks” or “interest-free banking”) has become increasingly popular not only among Islamic countries, but also in other parts of the world. However, despite over four decades of experience in Islamic banking and finance, the industry still has its critics, both Muslims and non-Muslims alike. Finance products and services in the Islamic banking sector are often accused of mimicking those of the conventional financial system, whereas some criticisms consider the Islamic financial system as mere “window dressing.”

The basic principles of participation banks are derived from the axioms of justice and harmony with reality on the one hand and human nature on the other hand. Participation banks have established themselves as an emerging alternative to interest-based banking, and has grown rapidly over the last three decades in both Muslim and non-Muslim countries (El-Ghattis, 2011). As a result of the profit-loss-sharing process (Abdouli, 1991), the main relationship in participation banks is based on a partnership between a bank and customer, wherein cash is entrusted to bankers for investments, and the returns are shared between the depositors and bankers. However, losses in such endeavors are borne by the owners. This sharing principle is very different from the traditional banking practices in the world. This is because it introduces the concept of sharing to the financing industry and creates a performance incentive within the mind of bankers, which relates deposits to their performance when it comes to using funds. This increases the deposit market and gives it more stability (Kahf, 2002).

Participation banks started in the early 1980s in Turkey as foreign shares under the name of “Special Finance Houses.” The first participation banks in Turkey were Albaraka Turk Finance House Inc. and Faisal Finance House Inc. They started to operate in 1985 upon the completion of legal arrangements. The Turkish Kuwait Private Financial House, Anadolu Finance House, Ihlas Finance House, and Asian Finance House were founded on 1988, 1991, 1995, and 1996, respectively. Initially, the reasons for the non-development of these institutions included the basic operational principles of these banks and the disagreements in the legal infrastructure of Turkish banking institutions. Later, with the support of the Turkish government, Islamic finance developed new instruments to penetrate the traditional system. Participation banks mainly collect deposit from customers and use such deposits for various business development projects, such as providing credit for factory building, materials, and so on. Participation banks do not ensure credit directly for interest rate profits and participate in profit-loss shares (PLS). In 2014 Turkish government established two public participation banks, Ziraat Participation Bank and Vakif Participation Bank.

The aim of the present study is to examine the impact of foreign shares on profitability and other variables in the participation banking industry. This paper is organized as follows. The first section presents the introduction. The second section deals with the different empirical works and gives an overview of the added value of Islamic finance. The third section starts with an econometric specification and several econometrical models adopted among the variables.

II. LITERATURE REVIEW

Some empirical studies have evaluated the performance of participation banking using different statistical techniques, such as regression analysis and ratio analysis. Moreover, numerous studies have attempted to explore the empirical determinants of participation banks and conventional banks across the

world. Athanasoglou et al. (2005) studied the effect of banks specific and industry-specific profitability in the Greek banking sector, along with its macroeconomic determinants. They found that banks' specific determinants, with the exception of size, significantly affect bank profitability. Izhar and Asutay (2007) analyzed the performance of Bank Muamalat Indonesia (BMI) in terms of its profitability over the period 1996–2001. Using regression analysis, they estimated the external determinants and the internal determinants, which were taken from the banks' financial structure. They found that profitability is dominantly generated from the financing activities within the BMI. Abduh and Idrees (2013) examined the determinants of participation banks in Malaysia, and found a relationship between participation banks' characteristics as well as industry and macroeconomic indicators and profitability. Financial market development and market concentration have a significantly positive impact on determining profitability. Furthermore, among the macro-economic variables investigated, inflation has been found to have a significantly positive impact on participation banks' profitability, which shows the distinction between participation and conventional banks. Doğan (2013) compared different between participation and conventional banks in terms of profitability, solvency, and liquidity. Analysis results indicated that conventional banks have higher liquidity, solvency, and capital adequacy, but have lower riskiness. Moreover, according to the same study, no statistical significance can be found between conventional and participation banks when it comes to profitability. Hassan and Bashir examined the determinants of profitability in participation banks while controlling for macroeconomic environment, financial market structure, and taxation. Their results indicate that high capital and loan-to-asset ratios lead to higher profitability in participation banks. Everything remaining equal, that study's regression results also show that implicit and explicit taxes negatively affect the bank performance measures, whereas favorable macroeconomic conditions positively affect performance measures. Meanwhile, Shahkhan et al. (2014) provided empirical evidence of the determinants of participation banks' profitability in the context of Pakistan over the period of 2007 to 2014. That study found that profitability can be significantly affected by some bank-specific factors. Menicucci and Paolucci (2016) covered the period of 2006–2015 and used a regression model to conduct their analysis. Their results show that capital ratio and size have positive impacts on bank profitability in Europe, and that higher asset quality results in lower profitability levels. Their findings also suggest that banks with a higher deposit ratio tend to be more profitable. Aliyu and Yusof (2016) studied seven banks spread across seven countries between 1995 and 2013, and measured capitalization ratio, cost efficiency, operating income, revenue gain, and other securities. The first model of this study found that all predicting variables are significantly to the profitability.

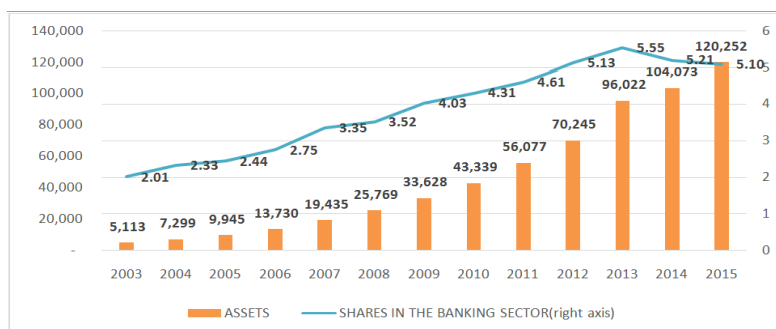
III. DEVELOPMENT PARTICIPATION BANKS IN TURKEY

Participation banks have become a growing part of the Turkish financial sector and banking system for the past thirty years. Participation banks are considered as alternative means h the idle funds not being included in the banking system, especially due to the susceptibility of interest. Such funds are also used to attract foreign resources with a similar nature to the country.

The development of participation banks is supported by the public sector. Sukuk issuances and investments in state-owned banks are among the topics that have recently gained importance in participation banks. In 2014, the Treasury's Sukuk issuances exceeded US\$5.5 billion, whereas Sukuk issuances made by participation banks exceeded US\$1.2 billion (PBAT, 2015). Participation banking has also grown in recent years because of more permissible public attitudes, decreased trust in the conventional banking sector, the Turkish government's effort to encourage participation banks, and the recent establishment of public participation banks, namely, Vakif Bank and Ziraat Bank.

Development of Participation Banks' Assets and Shares in the Banking Sector from 2003–2015

The review of the sectoral shares of Assets reveals that the distribution added by sector has changed significantly since the early 2000s.

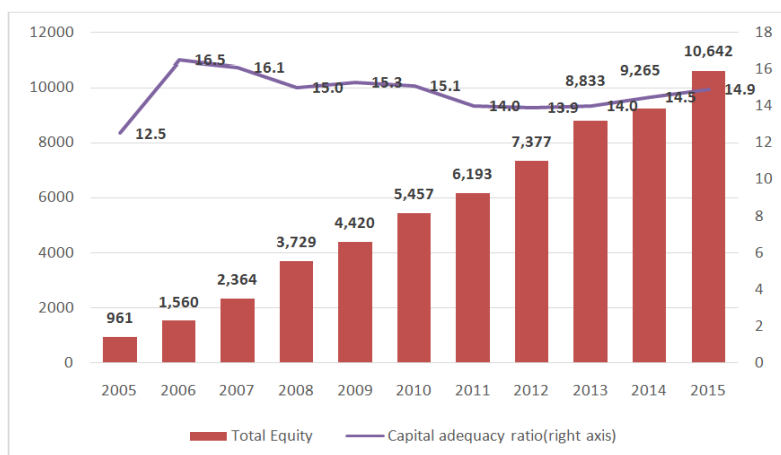


Source: PBAT, 2015 financial report.

As shown in the figure above, the market share of the total assets of participation banks in 2003 was 2.75%, which increased to 5.10% by the end of 2015. In 2016 the 5 participation banks operating in Turkey stand as evidence to the achievement of participation banking industry in Turkey.

Development of Shareholders' Equity and Capital Adequacy Ratio of Participation Banks from 2005 to 2015

The share of equity in participation banks in total sector equities raised at 4%. This confirms the necessity of climbing up equity. Development of Equity from 2005-2015 shown in the figure below.

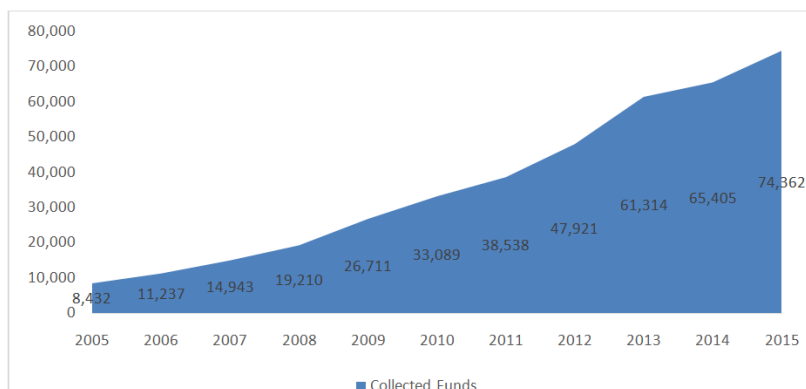


Source: Source: PBAT, 2015 financial report.

The sector's equity structure in 2005 was 961 million and continued to healthy improvement till 2015. The total equity of participation banks increased by 10% to reach Turkish Lira 10.6 billion. (PBAT, 2015).

Development of Participation Banks' Collected Funds

Development of participation collected funds 2005 was 8.492 billion increase to 74.362 billion. Participation banks collected funds at the end of 2014 TL 64.505 billion to TL 74.362 billion at the end of 2015 and 5.9% in the total of market share.

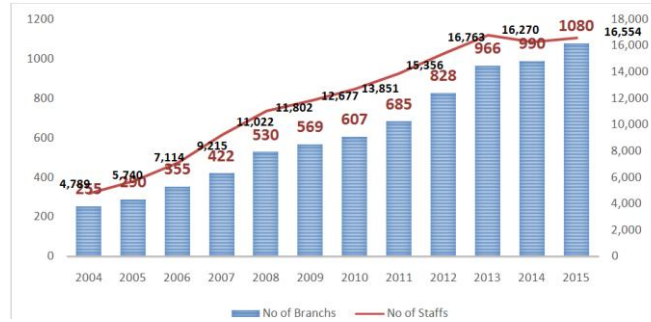


Source: PBAT, 2015 financial report.

As shown in the figure above the collected funds 2011 38,538 billion collected funds in participation banks increased by an average growth rate of 19% over the last five years.

Participation Banks' Employees and Branches

The number of branches of participating banks in 2003 was 188; in 2015, this number reached 1080 branches. In 2003, 3,520 personnel were employed in participation banks; in 2015, this number reached 16,554 personnel.



Source: PBAT, 2015 financial report.

Participation banks become an increasingly important part of the banking sector from 2003 to 2014. The participation banking sector posted a decrease of growth in 2015. As a result of the case of one participation banks.

IV. Methodology

The bank specific variables being examined in this study are derived from both balance sheets and income statements of 3 participation banks websites and Participation Banks Association of Turkey. The data set cover 10 year period from 2006 – 2015.

4.1 The Functional Form of the Model

For the estimation of the relationship between foreign shares and profitability and other variables. We have retained the following variables:

- ROA : Return on Asset
- FS: Foreign Shares
- EQTA : Equity to Total Assets
- DTA: Deposit to Total Assets
- LTA: Loans to Total Assets

For the purpose of the research, the relationship among the dependent and independent variables is presented as following:

$$ROA = f(FS, EQTA, LTA, DTA) \quad (1)$$

Model Specification:

The mathematical formulation of the model is presented as follows:

$$\ln ROA_t = \alpha_1 + \beta_2 \ln FS_t + \beta_3 \ln EQTA_t + \beta_4 \ln LTA_t + \beta_5 \ln DTA_t + \epsilon_t \quad (2)$$

- \ln : Natural logarithm;
- α_1 : Constant term;
- $\beta_2, \beta_3, \beta_4, \beta_5$: coefficients of the explanatory variables;
- ϵ_t : Error correction term.

4.2 Econometrics Analysis

The data analysis was carried out using Eviews 7.0.

Test for Stationarity:

This section presents the Unit root test conducted on the variables. As the first step, to diagnose the stationary status of the variables in order to determine the appropriate test and estimation model to employ.

Table 1: Unit Root test applied to variables

Variables		ADF Test Critical Values	ADF Test Statistical values	Prob-Values	Decision rules
lnROA	1%	-3.689.194	-5.956.285	0.0000	I(1)
	5%	-2.971.853			I(1)
lnFS	1%	-3.737.853	-5.418.890	0.0002	I(1)
	5%	-2.991.878			I(1)
lnEQTA	1%	-3.689.194	-4.701.782	0.0008	I(1)
	5%	-2.971.853			I(1)
lnDTA	1%	-3.689.194	-5.402.646	0.0001	I(1)
	5%	-2.971.853			I(1)
lnLTA	1%	-3.689.194	-5.963.894	0.0000	I(1)
	5%	-2.971.853			I(1)

Source: Computed by author; Eviews

The unit root test conducted on the variables shows that the variables found to be non-stationary at level. A further test of stationarity by first level of difference shows the variables attained stationarity. LnROA, LnFS, LnEQTA, LnDTA and LnLTA attained the stationarity by first level of differencing at one percent level of significance. The results of this test necessitate the performance of cointegration test in order to confirm the existence of long run relationship among the variables.

4.3 Cointegration Test

It is necessary to conduct cointegration test for the model to determine if there is long run association among the variables. The results of this test will allow deciding on the utilization of a VAR in case of no cointegration or VECM if there is a cointegration relationship.

Table 2: Presentation of Johansen Test of Cointegration

Hypothesized:	Eigen value	Trace Statistic	0.05 Critical Value	Prob**
No. of CE(s)				
None	0.578321	4.939.444	6.981.889	0.6639
At most 1	0.402506	2.867.019	4.785.613	0.7838
At most 2	0.339383	1.630.994	2.979.707	0.6903
At most 3	0.208320	6.359.990	1.549.471	0.6530

Source: Computed by author; Eviews

Trace test indicates no cointegration at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

**MacKinnon-Haug-Michelis (1999) p-values

The test shows that there is no co integrated equation at the 0.05 level. That implies that there is no long run relationship among the variables; consequentially, this necessitates the use of a simple VAR model operated on differentiated variables once because in our case here there is integration and not co integration. The VAR model was established to investigate the short term relationships among the mentioned variables.

4.4 Determining the order of the VAR

For reasons specific to the data size, the maximum size is fixed at 2 delays have been taken since the number of data used is small. Then the values of the information criteria were calculated. The results are presented in the table below. For the estimation of the VAR model, it is first necessary to determine the number of delays (p).

Lag	LogL	LR	FPE	AIC	SC	HQ
0	97.64180	NA	3.05e-10	-7.720150	-7.474722	-7.655038
1	165.5722	101.8957*	9.01e-12*	-11.29769*	-9.825120*	-10.90701*
2	182.1720	17.98307	2.48e-11	-10.59767	-7.897960	-9.881434

Source: Computed by author; Eviews

The five information criteria (LR, FPE, AIC, SC, HQ), give the optimal lag 1. The AIC criterion gives an efficient estimator of p. The value p = 1 will be retained because of the length of our series.

4.5 GRANGER CAUSALITY TEST

The causation analysis will allow us to know the statistically significant influences of the five variables in the model between them. Analysis of this causality is a prerequisite to the study of the dynamics of the model. Let us remember that Granger considers that a variable X causes another variable Y if the predictability of the first is improved when information on the second is incorporated in the analysis.

We get the following results:

Table 4: Granger Causality Test

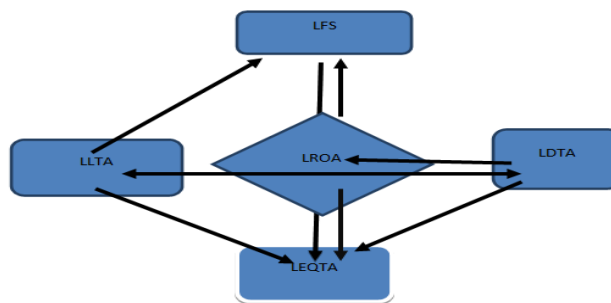
Null Hypothesis:	Obs	F-Statistic	Prob.
LNLTA does not Granger Cause LNROA	29	1.46451	0.2371
LNROA does not Granger Cause LNLTA		0.58669	0.4506
LNFS does not Granger Cause LNROA	26	1.99524	0.1712
LNROA does not Granger Cause LNFS		8.05400	0.0093
LNQTA does not Granger Cause LNROA	29	1.95014	0.1744
LNROA does not Granger Cause LEQTA		9.21773	0.0054
LNDTA does not Granger Cause LNROA	29	11.1447	0.0026
LNROA does not Granger Cause LNDTA		1.42211	0.2438
LNFS does not Granger Cause LNLTA	26	0.01054	0.9191

LNLTA does not Granger Cause LNFS		6.34642	0.0192
LNEQTA does not Granger Cause LNLTA	29	0.23237	0.6338
LNLTA does not Granger Cause LNEQTA		6.74796	0.0153
LNDTA does not Granger Cause LNLTA	29	3.67820	0.0662
LNLTA does not Granger Cause LNDTA		4.91886	0.0355
LNEQTA does not Granger Cause LNFS	26	0.07457	0.7872
LNFS does not Granger Cause LNEQTA		4.22500	0.0514
LNDTA does not Granger Cause LNLFS	26	2.48190	0.1288
LNFS does not Granger Cause LNDTA		0.98136	0.3322
LNDTA does not Granger Cause LNEQTA	29	4.72103	0.0391
LNEQTA does not Granger Cause LNDTA		1.39499	0.2483

Source: computed by author; Eviews

Y does not cause X, if H0 is accepted, at the threshold $\alpha = 5\%$. The H0 hypothesis is accepted if the p-value > 5%.

- **Causality test between LNLTA and LNROA:** The two null hypotheses are accepted. There is no causality between **LNLTA and LNROA** at Granger's sense.
- **Causality test between LNFS and LNROA:** The null hypothesis that the LNDTA does not Granger Cause LNROA is rejected. At Granger's sense (differentiated series), deposits influences the profitability at the 5% threshold over the period studied. However, it should be noted that reverse causality is statistically rejected.
- **Causality test between LNFS and LNLTA:** The null hypothesis that the LNFS does not Granger Cause LNLTA is rejected. At Granger's sense (differentiated series), loans influences the Foreign Shares at the 5% threshold over the period studied. However, it should be noted that reverse causality is statistically rejected.
- **Causality test between LNEQTA and LNLTA:** The null hypothesis that the LNEQTA does not Granger Cause LNLTA is rejected. At Granger's sense (differentiated series), loans influences the equity at the 5% threshold over the period studied. However, it should be noted that reverse causality is statistically rejected.
- **Causality test between LNDTA and LNLTA:** The null hypothesis that the LNDTA does not Granger Cause LNLTA is rejected. . At Granger's sense (differentiated series), loans influence the deposits at the 5% threshold over the period studied. However, it should be noted that reverse causality is statistically rejected.
- **Causality test between LNEQTA and LNFS:** The null hypothesis that the LNEQTA does not Granger Cause LNFS is rejected. At Granger's sense (differentiated series), Foreign Shares influence equity at the 5% threshold over the period studied. However, it should be noted that reverse causality is statistically rejected.
- **Causality test between LNDTA and NLFS:** The two null hypotheses are accepted. There is no causality between **LNLTA and LNROA** at Granger's sense.
- **Causality test between LNDTA and LNEQTA:** The null hypothesis that the LNDTA does not Granger Cause LNEQTA is rejected. At Granger's sense (differentiated series), deposits influence equity at the 5% threshold over the period studied. However, it should be noted that reverse causality is statistically rejected.



Graph 2. Granger Causality Test

Granger causality test, have bring out bidirectional causal relationship deposits and loan and unidirectional causal relationship between LNFS and LNROA, LNFS and LNLTA, LNEQTA and LNLTA, LNEQTA and LNFS and also between LNDTA and LNEQTA. There is no any relationship between LROA and LNLTA; LFS and LDTA.

4.6 VAR Model Estimated

Since the ordering of variables in VAR model is important; we performed the sorting models from external to internal LNFS, LNLTA, LNEQTA, LNDTA and LNROA. 1 lag, VAR model. The estimated VAR model gives the following results:

Table 3: VAR Model

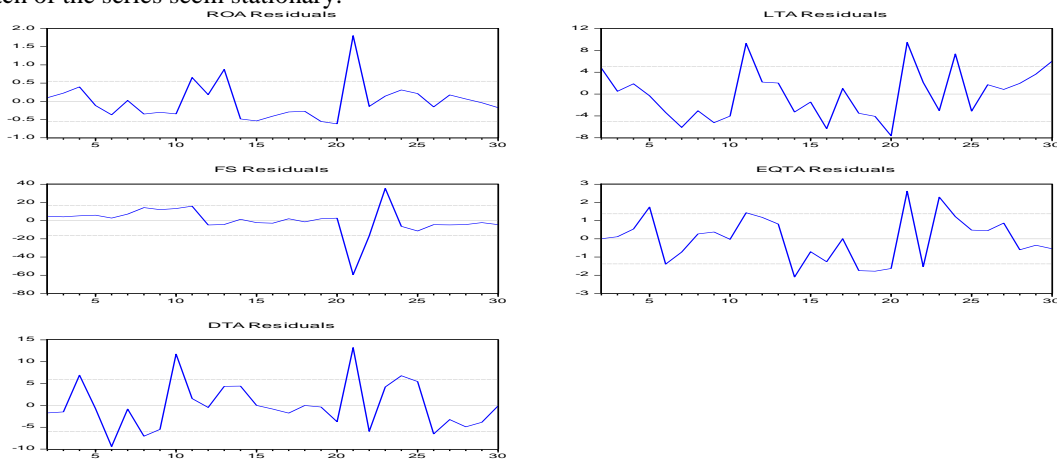
	LNFS	LNTA	LNEQTA	LNDTA	LNROA
LNFS(-1)	-0.035380	-0.132899	-0.172496	0.130796	0.103394
	(0.32989)	(0.11192)	(0.05523)	(0.16700)	(0.12094)
	[-0.10725]	[-1.18750]	[-3.12338]	[0.78320]	[0.85493]
LNTA(-1)	0.136696	0.651803	-0.159540	0.866798	-0.621576
	(0.90194)	(0.30598)	(0.15099)	(0.45658)	(0.33065)
	[0.15156]	[2.13023]	[-1.05662]	[1.89844]	[-1.87987]
LNEQTA(-1)	0.722412	0.001401	0.885489	0.617221	-0.001152
	(0.45782)	(0.15532)	(0.07664)	(0.23176)	(0.16784)
	[1.57792]	[0.00902]	[11.5533]	[2.66315]	[-0.00686]
LNDTA(-1)	0.529081	0.119213	0.232677	0.388433	0.059934
	(0.37813)	(0.12828)	(0.06330)	(0.19142)	(0.13862)
	[1.39919]	[0.92931]	[3.67560]	[2.02920]	[0.43235]
LNROA(-1)	2.182.299	0.353345	0.076533	0.247104	0.841555
	(0.48216)	(0.16357)	(0.08072)	(0.24408)	(0.17676)
	[4.52607]	[2.16018]	[0.94815]	[1.01237]	[4.76100]
C	-1.388.175	-0.263797	0.368088	-6.053.742	3.139.602
	(-5.74934)	(-1.95044)	(0.96249)	(2.91048)	(2.10770)
	[-2.41449]	[-0.13525]	[0.38243]	[-2.07998]	[1.48958]

Source: Computed by author; Eviews

For the equation, we see that the Active Profitability LNROA variable is influenced by the Deposits to Assets in the LNDTA positively. Loans to total assets, Foreign Shares, and equity to total assets are negatively affected. Foreign Shares LNFS itself and the Deposits to Assets affected by the positive direction. Equity to total assets LEQTA influenced LROA in the positive direction. Deposits to Assets LDTA is affected by itself in the positive direction.

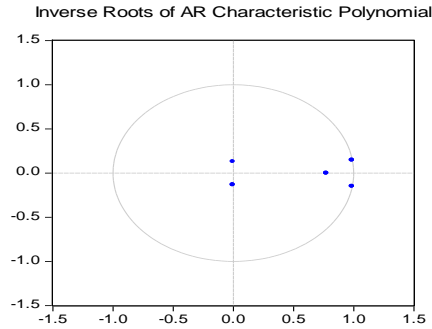
4.7 Stationarity Test of the VAR model

We can start by checking the stationarity of our series in first differences by visual examination. As we see, each of the series seem stationary.



Graph 1: First differences visual examination

Furthermore, we are able to check the stability of the VAR through EViews that allows us to visualize graphically the reverse of the roots assigned to the AR part of each variable. We obtain the following graph:



Source: Realized by author; Eviews

Through the analysis of the graph, we observe that no root of the characteristic polynomial is outside the circle, I.e. that all the roots are less than "1" in a module. The VAR is therefore stationary. Similarly, EViews gives us the mathematical conditions of stationary, as we can see on the graph below:

Root	Modulus
0.984914 - 0.148687i	0.996074
0.984914 + 0.148687i	0.996074
0.771816	0.771816
-0.004872 - 0.131548i	0.131638
-0.004872 + 0.131548i	0.131638

Source: computed by author; Eviews

No root lies outside the unit circle.

VAR satisfies the stability condition.

We note that all module roots are less than 1, therefore our VAR model is stationary.

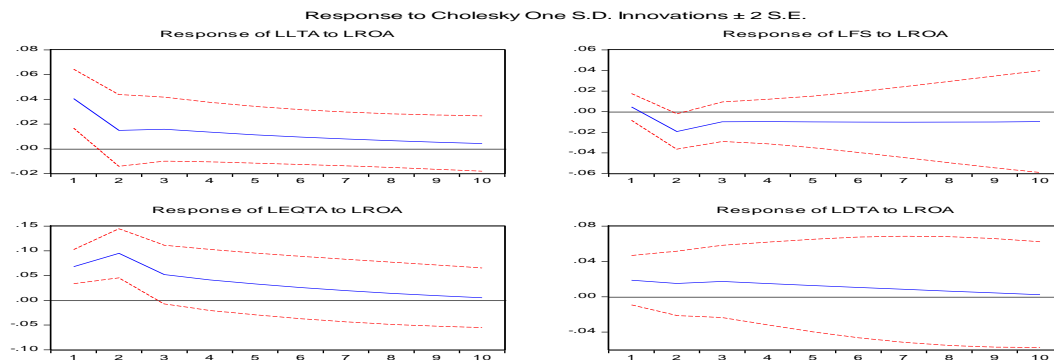
4.8 Impulse Response Functions Analysis

In order to obtain the impulse response functions, VAR models need to be expressed as vector moving average (VMA). The vector moving average representation (VMA) of the VAR model is a tool used to analyze the reciprocal dynamic relationships between variables. Impulse response functions show how one variable responds to a standard deviation shock when the other variable responds.

These functions allow identifying the nature of impacts on the different variables specified in the model. Figures tracing the impulse response functions are below.

The shock into the ROA

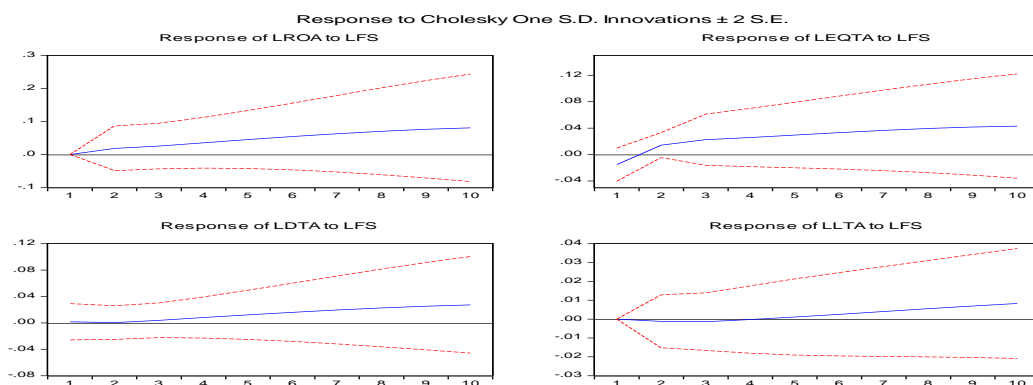
The shock into the ROA is translated positive effect in the third period but remains negligible. The performances in the profitability impact negatively those in the loans



The shock results translated by a null effect in the first period and negative in the other periods those in to foreign shares. The shock result in the profitability have positive effect and continues to decline in the equity. The shock profitability has positive effect and remains to the deposits.

The shock into the Foreign Shares

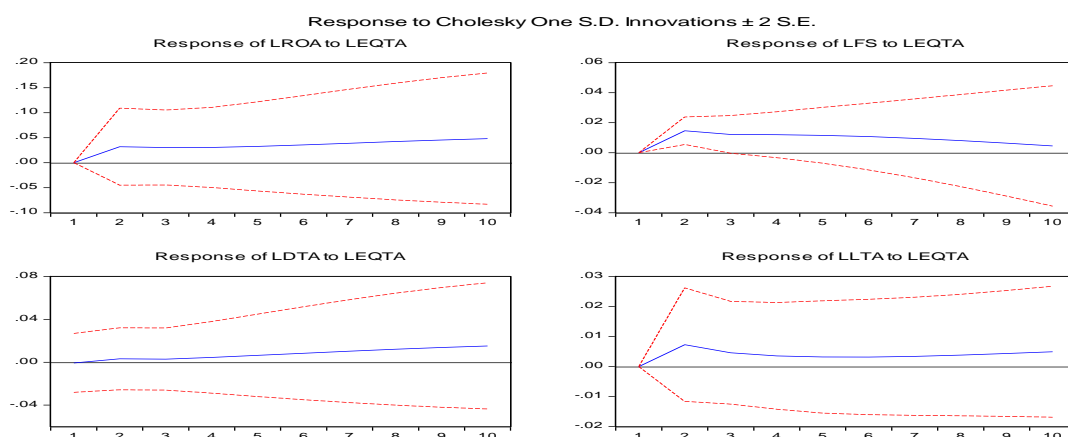
The shock in the foreign shares is translated by a null effect in the first period and positive other periods to the profitability.



The shock resulted by foreign shares has positive effect to the equity for long period. The Shock in the foreign shares is translated by a null effect in the first two periods and has positive effect to deposits. This shock has resulted by null effect in the first four periods, after the fifth period length has positive effect towards loans.

The shock into the Equity

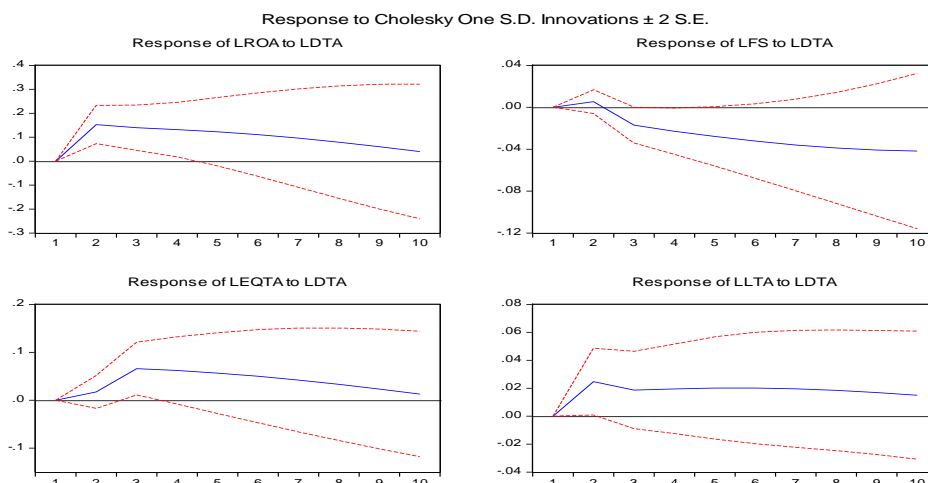
The shock in the deposits has resulted by a positive effect to the profitability that shows in the graph declining from the sixth period to the tenth period.



The shock in the equity is translated by a positive effect to profitability. The shock resulted by equity to foreign shares has positive effect to the foreign shares, deposits and loans.

The shock into the Deposit

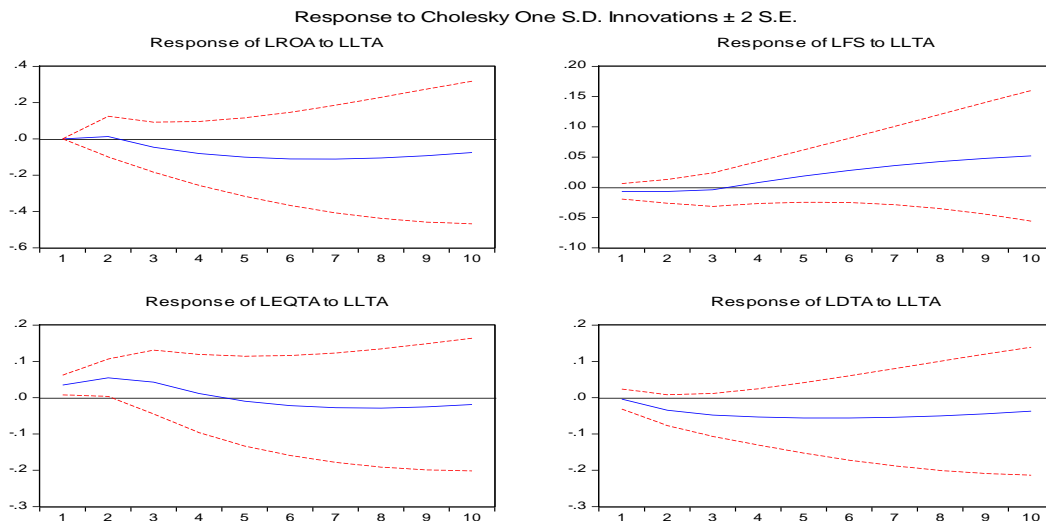
The shock resulted deposit has positive effect for the first period to the foreign shares and alternates by decreasing from one period to another.



The shock in the deposits to the equity has positive effect for the first three period's later graph declining to tenth period. The shock that resulted from deposit has positive effect toward loan.

The shock into the Loan

The shock in the loan has resulted in null effect four the first three period and later graph shows declining from one period to another.



The shock loan translated by negative effect in the first three periods to the foreign shares later this effect becomes positive. The shock resulted in loan has positive effect to the equity in the first four period and declining through periods. The shock resulted from the loan to the deposit is negative through the periods.

4.9 Analysis of Variance Decomposition

The variance decomposition allows determining to what extent the variables interact between them, i.e. in what "direction" the shock has the most impact.

- Over a period of ten (10) years, the variance of the forecast error of profitability is due to 25 % of its own innovations, 24% from loans, and 10% from foreign shares, 5% equity and 39% deposits.
- The variance of the forecast error of the loans is due to 48% of its own innovations, profitability is 22%, foreign shares 1%, equity 1% and deposits 28%.
- The variance of the forecast error of the foreign shares is due to 15% its own innovations, 39% of credits, 4% of the equity 4% and 37% of the deposits. The performances of credits more contribute to those in the foreign shares.
- The variance of the forecast error of equity is 15% from its own innovations, 15% from foreign shares, 30% on profitability, 14% on loans and 26% on deposits. The performance of foreign shares more contribute in the equity.
- Variance of the forecast error of deposits is 44% of its own innovations. 45% from loan, 6% from foreign shares, 3% from profitability and 2 % from equity.

V. CONCLUSION

This paper examines the short-term dynamics between foreign shares and profitability of participation banking during the annual period of 2006–2015. The financial ratios used in the analysis consisted of ROA, FS, LTA, EQTA, and DTA. After implementing the Granger Causality Test and the VAR model, results showed a short-term relationship between foreign shares and profitability of participation banks, along with other variables funds.

Our results suggest that when lag number is 1 the Granger causality test, exists a unidirectional relationship between FS and profitability as well as a bidirectional relationship among LTA and DTA in participation banks, thus proving the short-run relationship among variables. Similarly, Isik (2014) found DTA to LTA has unidirectional relationship.

The time series model of ADF unit-root test, Granger causality test, and VAR model are employed to test the relationships among ROA, FS, LTA, EQTA, and DTA.

Evidence for the unidirectional causality from ROA and FS in the short run has been found. Meanwhile, no relationship exists between ROA and LTA and between FS and DTA.

The limitation of this research paper is that there is no sufficient data regarding the participation banks due to lack of necessary legislation before 2005. However, after 2005, there are annual, quarterly and monthly data available in participations banks. The sample size is 32 which is available PBAT and Bank's official websites. In fact, there is no sufficient research paper regarding the relationship between foreign shares and profitability in Participation Banks.

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