

# **TURKISH BANKING SECTOR: THE ANALYSIS OF MACROECONOMICS INDICATORS AND BANK PROFITABILITY WITH PANEL DATA APPROACH**

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## **Abstract**

Turkish banking sector secured its growing profitability during the period of 2007 global financial crises and afterwards. While several large-scale banks declared their bankruptcy as a result of 2007 global crises, how did Turkish banks reach their position of growing profitability?

In this study the relationship between the profitability of Turkish banks in the sector and macroeconomic variables will be examined. In the study, the sectorial data of 31 banks and macro-economic data, that covers the period of 2001-2011, is analyzed by using panel data method. As a result of the analysis, a positive relationship between bank profitability and inflation and indicators of crisis has been found, which shows that banking sector is affected by general economy. The findings of the study support the other studies in the literature.

**Keywords:** Turkish Banking Sector, Bank Profitability, Macro-economics Indicators

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