Concentration, competition, efficiency and profitability of the Turkish banking sector in the post-crisis period

Concentration, Competition, Efficiency and Profitability of the Turkish Banking Sector in the Post-Crises Period


Abstract

After 2001 crisis, the macroeconomic environment led to important changes in Turkish banking sector which has experienced a process of concentration by involving in merger and acquisition activities and liquidation of some insolvent banks. Using the data from the detailed balance sheets of the banks that operated in the years from 2001 to 2005, we examine the degree of concentration and degree of competition in the market by applying Panzar and Rosse's approach. We also explore the existence of relationship between efficiency and profitability of the banks taking into account the internationalization of banking. Our results do not suggest the existence of relationship between concentration and competition. There is also no robust relationship between efficiency and profitability.
References:


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