

A Different Banking Methods and the Developing in the Turkish Finance Market-Turkish Participation Banking For 2007-2012

Ferhat Sayim

Yalova University, Yalova, Turkey

f_sayim@hotmail.com

Financial systems and institutions has become the most important reason in the fragility of world economic system. The formation and development process of the financial structure also constitutes the infrastructure of the world economic system. The course of the financial system and development has led to debate with the financial crisis in 2008-2011. One of the discussion topics in order to eliminate problems caused by the conventional banking system is alternative financing systems. In Turkey, the corporations based on profit share system which are named participation based banking spotlight, if the alternative banking systems are considered. These banks which determine different principles in the risk distribution of the portfolio acquired are analyzed more nowadays. Participation based banks are placed in almost every regulation related to banking terms and get their legal infrastructure more stable in the banking legislation of Turkey.

This study is a 2007-2012 part of research series. We try to find out the place and the importance of participation based banking with the various sub-headings especially in Turkey. We examine the comparative review 2007-2012 data of participation banks which Collected Turkish Currency and Foreign Currency Funds, Bank Loan Funds, Total Assets, Equity and Net Profit figures for the four participation banks in Turkey. We are comparing the total figures with deposit banks for the same period.

One of our primary goals in this essay, to study in the framework of the alternatives of the financial institutions and options. These options could be asserted as a vibrant and viable well established choice as a non-western model- different from the classical western interest based dominant banking system in the globe. Moreover, that participation banking systems' grow and increase with its resourceful bulk of transactions and shares within the financial market. In addition, we intended to delineate the basic functioning structures, rules, norms, principles, procedures, operations of that alternate banking system in the financial market.

After that, we have applied as a descriptive, explanatory, discursive and comparative analytic methodology to expound the matter in detail. Having gathered literature reviews then we have concentrated on Turkey as a model state in that banking system practice; at which, what kind of instruments and tools used by referring basic indicators, data and information related to the growth, flourish and share of that sector within the total banking and financial system in Turkey.

Furthermore, that participation banking system positions, researched in the country. Thus, it is explicated more concerns on by investigating its credits, deposits, financing formulation systems and commitments with the banks, customers and investors of the alternate banking system in the country's financial order. At last, we have attempted to clarify and summarize the concepts, definitions, expositions, demonstrations, rules, assets, liabilities, equities etc.. by giving special cultural internalizations about the organizational and operational activities of the participation banks both similarities and discrepancies, too; so as to draw the attentions of the new researchers and studies in that situation.

Keywords: Bank, Finance Market, Finance Sector, Participation Bank, Islamic Bank, Interest Free Banking, Alternative Banking System.