COUNTRY OR BANK-SPECIFIC FACTORS: A STUDY TO EXPLAIN BANK PERFORMANCE

Zyad Marashdeh [*], Ghassan Omet [**], Fayez Haddad [**]

* *Corresponding author*, Department of Banking and Finance Science, The Hashemite University, Zarqa, Jordan
Contact details: Department of Banking and Finance Science, The Hashemite University, P. O. Box 330127, Zarqa 13133, Jordan
** Department of Finance, University of Jordan, Amman, Jordan

OPEN ACCESS

How to cite this paper: Marashdeh, Z., Omet, G., & Haddad, F. (2021). Country or bank-specific factors: A study to explain bank performance. *Corporate Governance and Organizational Behavior Review, 5*(2), 66–71.
https://doi.org/10.22495/cgobrv5i2p6

ISSN Online: 2521-1889
ISSN Print: 2521-1870

Received: 01.08.2021
Accepted: 01.11.2021

JEL Classification: G20, G21, G24
DOI: 10.22495/cgobrv5i2p6

Abstract

Bank performance is an issue that has attracted so much research effort. Within this context, banks in Jordan and Palestine provide us with an interesting research issue. In Palestine, eight of the thirteen existing banks are Jordanian. Moreover, due to an obvious reason (Israeli occupation), one can argue that the economic and political environments in Jordan and Palestine could not have been more contrasting. This paper examines the determinants of the performance of banks in Jordan and Palestine. In addition, the paper examines whether the differences in the determinants of their performance are due to bank-specific factors, or country-specific differences. Using the financial statements of all thirteen Jordanian banks and the thirteen Palestinian banks (eight of which are Jordanian) over the time period 2009–2017 and panel data methods, the results indicate that factors like credit and expenses affect the performance of both sets of banks. Moreover, the results indicate that the differences in their impact are due to country-specific and not bank-specific factors. This result is probably not surprising given the relatively stable (unstable) circumstances that Jordan (Palestine) enjoys (does not enjoy).

Keywords: Bank Performance, Return on Assets, Net Interest Margin, Operating Expenses

Authors' individual contribution: Conceptualization — Z.M. and G.O.; Methodology — Z.M. and G.O.; Validation — Z.M., G.O., and F.H.; Formal Analysis — Z.M., G.O., and F.H.; Investigation — Z.M., G.O., and F.H.; Resources — Z.M., G.O., and F.H.; Writing — Original Draft — Z.M., G.O., and F.H.; Writing — Revision & Editing — Z.M., G.O., and F.H.; Visalization — Z.M., G.O., and F.H.; Supervision — Z.M.

Declaration of conflicting interests: The Authors declare that there is no conflict of interest.

1. INTRODUCTION

The classical papers by Schumpeter (1934), Patrick (1966), McKinnon (1973), Shaw (1973), and King and Levine (1993) emphasize that efficient financial systems promote real economic growth. Banks produce ex-ante information about possible future investment projects, monitor investments and exert corporate governance mechanisms, mobilize and pool savings, facilitate trading, diversification, and management of risk, and facilitate the exchange of goods and services (Levine, 1997).

Within the context of the subject matter of the services provided by financial systems in general, and banks in particular, whilst the literature that examines the impact of financial development on growth can fill volumes, it is interesting to note that financial development per se, still attracts some great research attention. To name, but a few, recently published papers include Loayza, Ouazad, and Rancière (2018), Guru and Yadav (2019), and Sobiech (2019).

As a major part of almost all financial systems, the performance of banks still attract a lot of research attention. In more specific terms, the

performance of banks is examined in terms of various issues including the determinants of profitability (return on assets) and cost of intermediation (net interest margin).

Relative to the above, it is argued that the banking sectors in Jordan and Palestine provide us with an interesting research issue worth examining. In Palestine, eight of the thirteen existing banks are Jordanian. Moreover, due to an obvious reason (Israeli occupation), one can argue that the economic and political environments in Jordan and Palestine could not have been more contrasting. This is why this paper addresses three issues (questions): 1) to examine the determinants of bank performance in Jordan and Palestine; 2) to examine whether or not there are differences in the determinants of bank performance between the two sets of banks; 3) to examine the source of the differences in the determinants of bank performance. Are they country-specific or bank-specific?

The rest of the paper is structured as follows. In Section 2, a brief review of the literature is presented. In Section 3, the data and methodology are presented. In Section 4, the results are presented and discussed. Finally, Section 5 summarizes and concludes the paper.

2. LITERATURE REVIEW

In common with the issue of financial development, banks have also been attracting a lot of theoretical and applied research efforts. For example, following the proposed models by Ho and Saunders (1981), Allen (1988), and Angbazo (1997) about the determinants of banks' net interest margins (and profitability), the published applied research papers that examine the performance of banks can also fill volumes.

Some of the recently published papers that address the determinants of banks' performance include those by Helhel (2015), Catão and Terrones (2016), Adzobu, Agbloyor, and Aboagye (2017), Maudos (2017), Jima (2018), Kohlscheen, Murcia, and Contreras (2018), Aspal, Dhawan, and Nazneen (2019), Cruz-García, Fernández de Guevara, and Maudos (2019), Xu, Hu, and Das (2019), and many others.

Islamic banks have also been examined in terms of their performance. Some of the more recent efforts include Mukhibad, Jayanto, and Anisykurlillah (2021); Malim and Normalini (2019), Mukhibad and Khafid (2018), and Shawtari, Ariff, and Abdul Razak (2019).

As far as Jordanian banks are concerned, their performance has been attracting growing research attention. For example, based on the fact that seven of the thirteen Jordanian commercial banks offer lottery prizes to their customers, Shami, Omet, Bino, and Abu Khalaf (2015) examine the impact of this marketing device on their performance. The 2002–2012 analyses indicate that lottery prizes positively affect banks' performance. However, this impact comes at the expense of widening net interest margins.

Yaseen, Omet, and Khamash (2015) examine the impact of foreign bank entry on the performance of Jordanian banks in terms of their profitability, cost of intermediation (net interest margin), and competitiveness level. The results indicate that foreign bank entry did not affect bank performance and competitiveness.

Finally, in a more recent paper, Omet (2019) examined the impact of income diversification on the performance of Jordanian banks. In this paper, it is stated that "net commission income is the dominant factor in affecting bank profitability and net interest margin. The coefficients of this variable are equal to +0.347 and -0.319 respectively" (Omet, 2019, p. 36).

Almost all of the above-mentioned applied research papers, and others, regress banks' return on assets and net interest margin on several factors. In more specific terms, the empirical model looks as follows:

$$P_{i,t} = f\left(X_{i,t}, Y, Z, \varepsilon_t\right) \quad (1)$$

where, for time period t, P is performance (return on assets or net interest margin) for bank i, X is a set of bank-specific independent variables, Y is a set of banking industry variables, Z is a set of macroeconomic variables, and ε is the error term.

The bank-specific variables include equity capital, size, operating expenses, credit, and others. The industry variables include measures like the Herfindahl-Hirschman index of deposit concentration. Finally, the macroeconomic environment variables include real gross domestic product (GDP) growth rate and inflation rate. Naturally, and as one might expect, different researchers use different independent variables.

3. THE DATA AND RESEARCH METHODOLOGY

We use a panel of data of thirteen Jordanian banks and thirteen Palestinian banks (eigth of which are Jordanian with branches in Palestine) over the period 2009–2017. Table 1 lists the sample of banks.

Based on the empirical literature, we estimate the following models for the two sets of banks.

$$ROA_{i,t} = \beta_1 SIZE_{i,t} + \beta_2 CAPITAL_{i,t} + \\ +\beta_3 CREDIT_{i,t} + \beta_4 EXPENSE_{i,t} + \varepsilon_{i,t} \quad (2)$$

$$NIM_{i,t} = \beta_1 SIZE_{i,t} + \beta_2 CAPITAL_{i,t} + \\ +\beta_3 CREDIT_{i,t} + \beta_4 EXPENSE_{i,t} + \varepsilon_{i,t} \quad (3)$$

where, the subscripts i and t refer to the banks ($i = 1, \ldots, 13$) and time ($t = 1, \ldots, t = 2009–2017$) respectively.

The dependent variables (ROA and NIM) are measured as follows:

Return on assets (ROA) = Gross income divided by total assets.

Net interest margin (NIM) = (Interest income – Interest expense) divided by total assets.

As far as the independent variables are concerned, they are operationalized as follows: *SIZE* is a natural logarithm of total assets; *CAPITAL* is equity capital to total assets; *CREDIT* is a bank credit to total deposits; *EXPENSE* is total operating expenses to total assets; ε is error term.

To estimate Model 1 and Model 2, we use the period SUR (seemingly unrelated regression) and pooled EGLS (estimated generalized least squares). This method corrects for the arbitrary period serial correlation and period heteroskedasticity between the error terms for a given cross-section.

Table 1. The sample of banks in Palestine and Jordan

Banks in Palestine	*Banks in Jordan*
Arab Bank	Arab Bank
Cairo Amman Bank	Cairo Amman Bank
The National Bank	The National Bank
Bank of Jordan	Bank of Jordan
Housing Bank for Trade and Finance	Housing Bank for Trade and Finance
Jordan Kuwaiti Bank	Jordan Kuwaiti Bank
Jordan Ahli Bank	Jordan Ahli Bank
Jordan Commercial Bank	Jordan Commercial Bank
Quds Bank	Societe General — Jordan
Palestine Investment Bank	Invest Bank
Palestine Commercial Bank	ABC Bank
Bank of Palestine	Capital Bank
Egyptian Arab Land Bank	Arab Jordan Investment Bank

4. THE EMPIRICAL RESULTS

In Table 2, we report the main descriptive statistics of both sets of banks. From the reported figures, we can see that the basic descriptive statistics of the two sets of banks are different.

First, in Jordan, the overall annual mean of bank profitability (1.8 percent) is higher than that in Palestine (1.4 percent).

Second, net interest margin in Palestine (2.7 percent) is narrower than in Jordan (3.1 percent). Naturally, this difference is one reason behind the higher profitability of banks in Jordan.

Third, banks, given the size of the two economies, banks in Jordan are larger than their counterparts in Palestine.

Fourth, the overall mean value of total operating expenses to total assets (*EXPENSE*) in Jordan (2.5 percent) is lower than in Palestine (3.4 percent). Again, this is one reason behind the higher profitability of banks in Jordan.

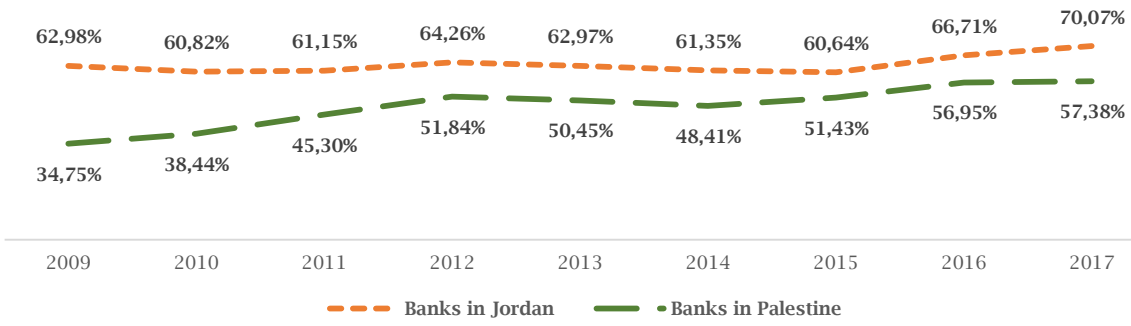
Fifth, it is interesting to note that the overall mean value of equity capital to total assets in Palestine (17.7 percent) is much higher than in Jordan (7.8 percent). Banks in Palestine are relatively well-capitalized.

Table 2. Descriptive statistics of variables

Banks in Jordan	*Mean*	*Median*	*Maximum*	*Minimum*	*Std. Deviation*
ROA	0.018	0.019	0.036	-0.001	0.007
NIM	0.031	0.030	0.044	0.015	0.006
SIZE	21.35	21.34	23.97	19.44	1.009
CAPITAL	0.078	0.075	0.209	0.022	0.038
CREDIT	0.634	0.640	1.019	0.425	0.119
EXPENSE	0.025	0.025	0.043	0.010	0.006
Banks in Palestine	***Mean***	***Median***	***Maximum***	***Minimum***	***Std. Deviation***
ROA	0.014	0.014	0.067	-0.155	0.020
NIM	0.027	0.029	0.043	0.005	0.007
SIZE	19.671	19.533	22.309	16.940	1.202
CAPITAL	0.177	0.152	0.515	0.020	0.126
CREDIT	0.483	0.470	1.099	0.024	0.208
EXPENSE	0.034	0.030	0.182	0.015	0.020

Finally, the fact that bank credit to total deposits is very different, it is useful to consider this ratio's development during the period 2009–2017 (Figure 1). On average, and for both sets of banks, bank credit to total deposits reflects upward trends. However, banks in Palestine have increased their ratio by a larger margin (from 34.75 percent in 2009 to 57.38 percent in 2017).

Figure 1. Credit to deposits ratio



The basic results are reported in Table 3. Based on the reported coefficients and their respective t-statistics, we can raise the following observations.

First, the coefficients of bank size (*SIZE*) are consistently positive, albeit small, and significant. In other words, our two sets of banks do not pass on any possible economies of scale benefits to their customers in the form of a narrower net interest margin. On the contrary, they do the opposite.

Second, in Jordan, equity capital (*CAPITAL*) has no impact on bank performance. However, in Palestine, well-capitalized banks, on average, maintain a narrower net interest margin, and higher profitability.

Third, on average, banks that lend more of their deposits maintain wider net interest margins and higher profitability.

Table 3. Determinants of ROA and NIM

Variable	*Banks in Jordan*		*Banks in Palestine*	
	ROA	*NIM*	*ROA*	*NIM*
	Coefficient	*Coefficient*	*Coefficient*	*Coefficient*
SIZE	0.001	0.001	0.001	0.001
	(10.012*)	(8.152*)	(7.294*)	(25.683*)
CAPITAL	0.004	0.010	0.018	-0.020
	(0.599)	(0.902)	(2.756*)	(-6.217*)
CREDIT	0.011	0.010	0.009	0.013
	(5.416*)	(5.239*)	(3.327*)	(7.904*)
EXPENSE	-0.243	0.401	-0.317	-0.040
	(-6.478*)	(10.444*)	(-12.536*)	(-2.656*)
Adj. R^2	0.863	0.885	0.687	0.961
F-statistic	273.444*	333.036*	95.401*	107.064*
D-W statistic	2.028	1.885	1.992	1.907

*Note: ** Imply significance at the 99% and 95% levels respectively.*

Finally, the impact of operating expenses on bank profitability is negative. While this result is what one might expect, it seems that Jordanian banks pass on this expense to their customers by widening their net interest margins. This observation is not true in the case of banks in Palestine. This difference might be the result of the difference in competitiveness in the banks in Palestine and Jordan. In other words, it might be the case that banks in Jordan operate under less competitive conditions.

Our *prima facie* evidence suggests that there are some similarities and differences in the determinants of a bank's performance as measured by ROA and NIM. To examine the differences in greater depth, we use the F-test as follows.

At first, we pool the data for both sets of banks and estimate a panel that restricts the coefficients of the determinants of bank performance (ROA and NIM) to be the same. Following this exercise, we then calculate the value of the F-statistic. This value is equal to:

$$F = [(RSSALL - RSSSJOR - RSSPAL)/k]/[(RSSJOR + RSSPAL) + (n - 2k)] \quad (4)$$

where, *RSSALL* is residual sum of squares for the restricted model that includes both sets of banks; *RSSJOR* is residual sum of squares for the model that includes banks in Jordan only; *RSSPAL* is residual sum of squares for the model that includes banks in Palestine only; n is a number of observations and k is a number of variables.

The results of pooling the data for both sets of firms are reported in Table 4.

Table 4. Determinants of ROA and NIM (both sets of banks)

Variable	*ROA*	*NIM*
SIZE	0.001	0.001
	(7.166*)	(13.722*)
CAPITAL	0.014	-0.009
	(1.629)	(-1.762)
CREDIT	0.009	0.014
	(2.845*)	(7.064*)
EXPENSE	-0.297	0.037
	(-6.207*)	(2.088**)
Adj. R^2	0.383	0.732
F-statistic	54.729*	236.454*
D-W statistic	1.989	1.933

*Note: ** Imply significance at the 99% and 95% levels respectively.*

As far as bank performance as measured by ROA, the fact that the computed F-statistic is equal to 0.544 and statistically not significant, we conclude that there are no differences in the structure of the relationship between ROA and its determinants across the banks in Jordan and Palestine.

When the dependent variable is net interest margin (NIM), the results are different. The estimated value of the F-statistic is equal to 6.313 and significant at conventional levels. In other words, there are differences in the structure of the relationship between NIM and its determinants across the banks in Jordan and Palestine.

The differences in the structure of the relationship between NIM and its determinants can be due to the differential effects of bank-level differences or country-level differences. To examine this issue, we re-estimate the panel Model 2 by controlling for the presence of fixed effects in the NIM relationship. The estimated results for both sets of banks and the combined set of banks are reported in Tables 5 and 6 respectively.

Table 5. Determinants of NIM/fixed effect results

Variable	*Banks in Jordan*	*Banks in Palestine*
SIZE	-0.002	-0.007
	(-1.322)	(-4.078*)
CAPITAL	0.030	-0.017
	(1.444)	(-1.429)
CREDIT	0.013	0.019
	(4.172*)	(5.861*)
EXPENSE	0.200	-0.005
	(3.855*)	(-0.258)
Adj. R^2	0.931	0.878
F-statistic	110.370*	59.515*
D-W statistic	1.973	1.842

*Note: ** Imply significance at the 99% and 95% levels respectively.*

Table 6. Restricted model for both countries (fixed effect)

Variable	*Coefficient*
SIZE	-0.004
	(-4.465*)
CAPITAL	-0.013
	(-1.304)
CREDIT	0.017
	(8.298*)
EXPENSE	0.030
	(1.246*)
Adj. R^2	0.916
F-statistic	99.412*
D-W statistic	1.942

*Note: ** Imply significance at the 99% and 95% levels respectively.*

Based on the above results, and after controlling for bank-specific effects, there seems to be a difference in the magnitude of the relationship between the impact of the independent variables and NIM. With a computed F-statistic value of 3.625, we conclude that once bank heterogeneity is accounted for, there appear to be significant differences in the determinants of NIM between the two sets of banks. In other words, the differences in the determinants of NIM between banks in Jordan and Palestine are not due to country-specific factors but due to bank-specific factors.

5. CONCLUSION

Within the context of the banking literature in general, and bank performance in particular, banks in Jordan and Palestine provide us with an interesting research issue. Even though banks in Jordan (Palestine) operate under relatively stable (unstable) political and economic circumstances, eight of the thirteen banks in Palestine are Jordanian. This is why this paper's main objectives are not only to examine the determinants of performance for both sets of banks but also to examine whether the differences in their determinants are due to bank-specific and country-specific factors.

Using the financial statements of all thirteen Jordanian banks and the thirteen Palestinian banks (eight of which are Jordanian) over the time period 2009–2017 and suitable panel data methods, we can report three main conclusions.

First, on average, banks in Jordan lend a higher proportion of their deposits to customers. For our sets of Jordanian and Palestinian banks, this proportion is equal to 63.4 percent and 48.3 percent respectively. The lower proportion that prevails in Palestine is really what one would expect. Indeed, political and economic circumstances in Palestine are not as stable as in Jordan.

Second, operating expenses are the largest factor in terms of their impact on bank profitability and net interest margin. In addition, the impact of operating expenses on bank profitability is negative in both sets of banks. However, while this result is what one might expect, Jordanian banks only pass on this expense to their customers by widening their net interest margins. This observation is not true in the case of banks in Palestine.

Third, while there are no differences in the structure of the relationship between ROA and its determinants across the banks in Jordan and Palestine. However, there are differences in the structure of the relationship between NIM and its determinants across the banks in Jordan and Palestine. Within this context, it is also concluded that this difference is due to country-specific and not bank-specific factors. Again, this result is not surprising given the relatively stable (unstable) circumstances that Jordan (Palestine) enjoys (does not enjoy).

Within the context of the findings of this paper, one should note, as in many developing countries, the number of our sample if banks is limited.

Relative to the subject matter of this paper, and its findings, while one can recommend a myriad of issues for future research, the most relevant is to investigate the difference, if any, between Jordanian and Palestinian banks in terms of the sectoral distribution of their credit and the impact of this issue on their respective performance.

REFERENCES

1. Adzobu, L. D., Agbloyor, E. K., & Aboagye, A. (2017). The effect of loan portfolio diversification on banks' risks and return: Evidence from an emerging market. *Managerial Finance, 43*(11), 1274–1291. https://doi.org/10.1108/MF-10-2016-0292
2. Allen, L. (1988). The determinants of bank interest margins: A note. *The Journal of Financial and Quantitative Analysis, 23*(2), 231–235. https://doi.org/10.2307/2330883
3. Angbazo, L. (1997). Commercial bank net interest margins, default risk, interest-rate risk and off-balance sheet banking. *Journal of Banking & Finance, 21*(1), 55–87. https://doi.org/10.1016/S0378-4266(96)00025-8
4. Aspal, P. K., Dhawan, S., & Nazneen, A. (2019). Significance of bank specific and macroeconomic determinants on performance of Indian private sector banks. *International Journal of Economics and Financial Issues, 9*(2), 168–174. https://doi.org/10.32479/ijefi.7727
5. Bagehot, W. (1873). *Lombard Street: A description of the money market*. Retrieved from https://fraser.stlouisfed.org/files/docs/meltzer/baglom62.pdf
6. Catão, L., & Terrones, M. (2016). *Financial de-dollarization: A global perspective and the Peruvian experience* (IMF Working Paper 16/97). https://doi.org/10.5089/9781484341377.001
7. Cruz-García, P., Fernández de Guevara, J., & Maudos, J. (2019). Determinants of bank's interest margin in the aftermath of the crisis: The effect of interest rates and the yield curve slope. *Empirical Economics,* 56, 341–365. https://doi.org/10.1007/s00181-017-1360-0
8. Guru, B. K., & Yadav, I. S. (2019). Financial development and economic growth: Panel evidence from BRICS. *Journal of Economics, Finance and Administrative Science, 24*(47), 113–126. https://doi.org/10.1108/JEFAS-12-2017-0125
9. Helhel, Y. (2015). Evaluating the performance of the commercial banks in Georgia. *Research Journal of Finance and Accounting,* 5(22), 146–156. Retrieved from https://www.iiste.org/Journals/index.php/RJFA/article/view/17603
10. Ho, T. S. Y., & Saunders, A. (1981). The determinants of bank interest margins: Theory and empirical evidence. *The Journal of Financial Quantitative Analysis, 16*(4), 581–600. https://doi.org/10.2307/2330377

11. Jima, M. D. (2018). Determinants of net interest margin in the Ethiopian banking industry. *Journal of Finance and Economics, 5*(3), 96–104. https://doi.org/10.12691/jfe-5-3-2
12. Khataybeh, M. A., Abdulaziz, M., & Marashdeh, Z. (2019). Cross-sectional relationship between beta and realized returns in emerging markets. *Applied Economics Quarterly, 65*(2), 115–137. https://doi.org/10.3790/aeq.65.2.115
13. King, R. G., & Levine, R. (1993). Finance and growth: Schumpeter might be right. *The Quarterly Journal of Economics, 108*(3), 717–737. https://doi.org/10.2307/2118406
14. Kohlscheen, E., Murcia, A., & Contreras, J. (2018). *Determinants of bank profitability in emerging markets* (Bank for International Settlements Working Paper No. 686). Retrieved from https://www.bis.org/publ/work686.pdf
15. Levine, R. (1997). Financial development and economic growth: Views and agenda. *Journal of Economic Literature, 35*(2), 688–726. Retrieved from https://faculty.haas.berkeley.edu/ross_levine/Papers/1997_JEL_ViewsAgenda.pdf
16. Loayza, N., Ouazad, A., &Rancière, R. (2018). *Financial development, growth, and crisis: Is there a trade-off?* (NBER Working Paper No 24474). https://doi.org/10.3386/w24474
17. Malim, A. K. N., & Normalini, M. K. (2019). Factors influencing the margins of Islamic banks. *Global Business Review, 19*(4), 1026–1036. https://doi.org/10.1177/0972150918772970
18. Marashdeh, Z., Alomari, M. W., Khataybeh, M., & Alkhataybeh, A. (2021). Female representation on the boards of directors of non-financial companies. *Journal of Governance and Regulation, 10*(2), 44–54. https://doi.org/10.22495/jgrv10i2art4
19. Maudos, J. (2017). Income structure, profitability and risk in the European banking sector: The impact of the crisis. *Research in International Business and Finance, 39,* 85–101. https://doi.org/10.1016/j.ribaf.2016.07.034
20. McKinnon, R. I. (1973). *Money and capital in economic development*. Washington, DC: The Brooking Institution.
21. Mukhibad, H., & Khafid, M. (2018). Financial performance determinant of Islamic banking in Indonesia. *Jurnal Keuangan dan Perbankan, 22*(3), 506–517. https://doi.org/10.26905/jkdp.v22i3.2061
22. Mukhibad, H., Jayanto, P. Y., & Anisykurlillah, I. (2021). Islamic corporate governance and financial statements fraud: A study of Islamic banks [Special issue]. *Journal of Governance & Regulation, 10*(2), 361–368. https://doi.org/10.22495/jgrv10i2siart16
23. Omet, G. (2019). Income diversification and bank performance: The Jordanian case. *Journal of Business, Economics and Finance, 8*(1), 28–37. https://doi.org/10.17261/Pressacademia.2019.1013
24. Patrick, H. T. (1966). Financial development and economic growth in underdeveloped countries. *Economic Development and Cultural Change, 14*(2), 174–189. https://doi.org/10.1086/450153
25. Robinson, J. (1952). The generalization of the general theory, in the rate of interest and other essays. London, UK: Macmillan.
26. Schumpeter, J. (1934). *The theory of economic development: An inquiry into profits, capital, credit, interest, and the business cycle*. Cambridge, MA: Harvard University Press.
27. Shami, M., Omet, G., Bino, A., & Abu Khalaf, B. (2015). Banks offer lottery prizes: What are the implications? *Journal of Management, Marketing and Logistics, 2*(3), 215–222. https://doi.org/10.17261/Pressacademia.2015312951
28. Shaw, E. S. (1973). *Financial deepening in economic development*. New York, NY: Oxford University Press.
29. Shawtari, F. A., Ariff, M., &Abdul Razak, S. H. (2019). Efficiency and bank margins: A comparative analysis of Islamic and conventional banks in Yemen. *Journal of Islamic Accounting and Business Research, 10*(1), 50–72. https://doi.org/10.1108/JIABR-07-2015-0033
30. Sobiech, I. (2019). Remittances, finance and growth: Does financial development foster the impact of remittances on economic growth? *World Development, 113,* 44–59. https://doi.org/10.1016/j.worlddev.2018.08.016
31. Xu, T., Hu, K., & Das, U. S. (2019). *Bank profitability and financial stability* (IMF Working Paper No. 19/5). https://doi.org/10.5089/9781484390078.001
32. Yaseen, H., Omet, G., & Khamash, F. (2015). On the entry of foreign banks: The Jordanian experience. *International Journal of Economics and Finance, 7*(7), 278–282. https://doi.org/10.5539/ijef.v7n7p278