

## EVALUATING THE FINANCIAL PERFORMANCE IN JORDANIAN COMMERCIAL BANKS UNDER (COVID-19)

**MOHAMMAD BDIER**

Applied Science Private University, Email: m.bdier@yahoo.com

**LINA WARRAD**

Professor, Applied Science Private University, Email: l\_warrad@asu.edu.jo

**Abstract:**

This study aimed at evaluating the financial performance in Jordanian commercial banks under (Covid-19), by examining if there are differences in the financial performance of Jordanian commercial banks before and after (Covid-19). The financial performance was measured through four indicators: (rate of return on total assets, rate of return on shareholders' equity, net interest and commissions to total income, rate of payable interest to net facilities). In order to achieve the objectives of the study, the descriptive analytical method was used, and the study sample consisted of (13) commercial banks listed on Amman Stock Exchange during the period 2019-2020 Using the quarterly budgets of banks. The study found a set of results, the most important of which are: There are statistically significant differences in all financial performance indicators represented by (rate of return on total assets, rate of return on shareholders' equity, net interest and commissions to total income, rate of payable interest to net facilities) before and after (Covid-19) in Jordanian commercial banks. The results of the study also showed that differences occurred in (rate of return on total assets, rate of return on shareholders' equity, rate of payable interest to net facilities) were in favor of the period before the (Covid-19) pandemic, while the differences that occurred in the indicator of net interest and commissions to total income were in favor of the period after the (Covid-19) pandemic. The study concluded a set of recommendations, the most important of which are: Commercial banks should study the various alternatives available to optimally use their assets, especially during exceptional periods such as the (Covid-19) pandemic, and develop policies related to exceptional circumstances where they set appropriate rates of interest on loans in order to encourage companies and individuals to take loans, increasing banks' profits and improving the financial performance indicator of net interest and commissions to total income.

**Keywords:** financial performance, Jordanian commercial banks, Return on total assets, Return on equity, COVID-19

### 1. Introduction:

Since the beginning of the year 2020, the world has witnessed the worst health crises in history, which the World Health Organization considered it a pandemic, as the world witnessed a large spread of the Corona virus (Covid-19), which led most countries of the world to take global quarantine procedures, and one of the most important these sectors were banks. ([www.drive.google](http://www.drive.google)).

The banking sector occupies a great importance in the financial and economic sectors in all countries because of its effective role in pushing these sectors towards development. The banking sector is also considered to be one of the most basic supporting sectors in the economic and financial structure of countries. However, this role depends on the extent of the development and effectiveness of this sector by contributing to covering the needs of local

development in attracting the necessary investments, as money is the basis of economic life, banks are among the institutions that save money and mobilize funds from various resources (Berkabeya, 2014).

The issue of performance appraisal has great importance to institutions, especially in the current period, looking at the rapid changes the world is witnessing and the bankruptcy of many major institutions this evaluation aims to measure the extent of its efficiency in using the resources available to it, as the performance evaluation varies from one bank to another according to the purpose of this evaluation and the quality of its beneficiaries. (Masoudi, 2014).

The financial sector has had the most prominent role in addressing the effects of the pandemic, which prompted the majority of commercial banks to take many precautionary procedures to confront the repercussions resulting from the suspension of the work of various economic activities, by reducing interest rates and reducing the ratio of the mandatory reserve to increase the ability of commercial banks to finance the private sector and institutions ,small and medium ones, increasing the ability of banks to expand in granting credit facilities and increase the volume of local liquidity, as these policies resulted in an increase in the total value of loans (credit facilities) provided by licensed banks in Jordan by 2.2% at the end of May (after the ban) compared to the previous month. February (before the ban), which led to an increase in the liquidity ratio by about 1.5%, and the total market value of the shares listed on the Amman Stock Exchange during the month of June 2020 decreased by 4.9%, amounting to 639.3 million dinars, and the total trading volume during the first half of 2020 decreased by 38% in addition, the number of traded shares decreased by 24%. ([www.jsf.org](http://www.jsf.org)).

## **2. Study problem:**

With the emergence of the Corona virus (Covid-19) in (late 2019 and early 2020) in the Chinese region of Wuhan, the world is living in a state of panic and fear. As soon as this virus spread to various countries of the world, a global economic crisis emerged from which no country, whether developed or developing, was spared, and by virtue of the global interdependence between the economies of countries, the pandemic led to the global economy , entering a state of severe recession, causing great disruption and shock to the world economy suffered by various sectors, including banks, which led to the collapse of global stock exchanges, and recorded losses of billions of dollars around the world with the expectation that the effects will be negative for decades ([www.drive.google](http://www.drive.google)). Accordingly, commercial banks in Jordan decided to reduce the interest rate on loans to individuals and small and medium-sized companies by 1.5% in order to stimulate the economy, which was severely affected by the Corona virus. The interest rate after the financial authorities cut the basic interest rate in mid-March to 2.50% from 3.50% ([www.al-ain.com](http://www.al-ain.com)).

The problem of the study can be summarized in evaluating the financial performance of Jordanian commercial banks under (Covid-19), by trying to answer the following questions:

- What is the level of financial performance in Jordanian commercial banks, as measured by the return on total assets under (Covid-19)?
- What is the level of financial performance in Jordanian commercial banks, as measured by the return on shareholders' equity under (Covid-19)?
- What is the level of financial performance in Jordanian commercial banks, as measured by net interest and commissions to total income under (Covid-19)?
- What is the level of financial performance in Jordanian commercial banks, as measured by credit interest to net facilities under (Covid-19)?

### **3. Study importance:**

The importance of the study comes from that it contributes to highlight an important topic in the financial sector specifically for Jordanian commercial banks related to evaluating the financial performance of commercial banks in (Covid-19), in addition , it is interested in analyzing the content of numbers of financial statements for the study sample of commercial banks before and after the pandemic from (2019-2020), because the banking sector constitutes the main component of the financial system in Jordan, and because of its effective contribution in stimulating the national economy, which was severely affected by the Corona virus .By mobilizing savings and directing them towards various investments, therefore any defect or a stumble in Jordanian commercial banks will lead to financial crises that may extend to all episodes of the national economy. The importance of the study also lies in the fact that it helps decision makers in the Central Bank of Jordan in formulating banking policies and making appropriate decisions that will achieve a kind of stability in the financial performance of commercial banks in Jordan under (Covid-19) by evaluating the level of financial performance in Jordanian commercial banks under (Covid-19).

It is expected from this study to obtain results that can serve those in charge of accounting work in Jordanian commercial banks. It is also expected to serve investors of all kinds and enable Jordanian commercial banks to provide better and higher quality services to their customers.

### **4. Study Hypotheses:**

By presenting the study problem and the objectives that the study seeks to achieve, the following hypotheses were formulated:

**The first main hypothesis:** There are no statistically significant differences in the level of financial performance measured by the rate of return on total assets under (Covid-19) in Jordanian commercial banks.

**The second main hypothesis:** There are no statistically significant differences in the level of financial performance measured by the rate of return on shareholders' equity under (Covid-19) in Jordanian commercial banks.

**The third main hypothesis:** There are no statistically significant differences in the level of financial performance measured by net interest and commissions to total income under (Covid-19) in Jordanian commercial banks.

**The fourth main hypothesis:** There are no statistically significant differences in the level of financial performance measured by the rate of credit interest to net facilities under (Covid-19) in Jordanian commercial banks.

## 5. Conceptual and procedural terms:

### (Covid-19):

The English name of the disease is derived as follows: "Co" are the first two letters of the word "CORONA", while the letters "VI" are a derivation of the first two letters of the word "virus", and the letter "D" is the first letter of the word "disease", according to a report. Published by UNICEF of the United Nations.

The report added that "this disease was previously called 2019 novel corona virus or NCOV-19," noting that "the (Covid-19) virus is a new virus related to the same family of viruses to which the virus that causes severe acute respiratory syndrome (SARS) belongs. And some types of common cold." ([www.unicef.org](http://www.unicef.org)).

### Commercial banks:

According to the Jordanian Companies Law of 1997, it can be said that the Commercial Bank is a public joint stock company that accepts various deposits from customers and works to invest these deposits with other resources of the bank in various fields, including lending and financing commercial, industrial and agricultural projects, housing, discounting bills of exchange, opening documentary credits, buying and selling currencies Issuance of guarantees, collection of checks, collection policies, etc. (Zahir, Saadeh, 2015).

### The rate of Return on Assets:

It is one of the profitability ratios and is considered one of the important financial ratios that measure the company's performance as an indicator used to measure the company's ability to achieve profits through its total assets owned in the future. The high rate of return on assets indicates that the company has effectiveness in managing its assets to achieve profits. This ratio is measured through the following equation:

Return on Total Assets = Available Net Profit to Common Stockholders / Total Assets (Rosika et al., 2018).

### The rate of Return on Equity:

It is one of the profitability ratios and is used to measure the company's ability to make profit on the basis of the capital owned by the company. It can be calculated through the following equation:

Return on Equity = Net Income after Tax / total shareholder equity (Rosika et al., 2018).

### Credit interest / net facilities (Credit Interest / Credit Facilities, net)

It is a ratio that measures the volume of profits and revenues achieved by banks in against the granting facilities to customers, through the following equation: Credit interest to net facilities = credit interest / net facility (Rose and Hudgins, 2013).

### Net Interest and Commissions / Total Income

It is a ratio that measures the volume of revenues achieved by banks by providing various loans and services to the bank's total income, as the bank achieves many revenues such as investment incomes, capital gains or exchange rate differences, but this ratio measures the ratio of the bank's revenue resulting from granting loans to the entire income of the bank, through the following equation:

Net interest and commission to total income = Net interest and commission/ Gross income (Rose and Hudgins, 2013).

## 6. Theoretical framework:

Commercial banks are considered to be one of the most important components of the banking system as one of the main sources of financing for economic sectors, due to the role they play by pooling different resources and then directing them to appropriate uses and investments. There are many factors that affect banks' performance and effectiveness in increasing the volume and attraction of deposits provided in credit and other banking services and thus their role in financing the economy (Masaoudi, 2014).

The evaluation of financial performance in commercial banks is gaining a great importance, as well as the importance and relevance of commercial banks in the economic sector, through their distinctive role in resource savings. Financial performance is also considered to be an essential input for decisions on incentives and equivalents system, training and staff development, the validity and appropriateness of the selection system for banks and their branches, and decisions on promotion, transportation, termination or supply and comprehensive organizational planning (Alomari, 2016).

Diseases and epidemics have always constituted one of the great challenges to the continuity of humanity. During the previous centuries, diseases were killing millions, such as plague, malaria, cholera, etc... and with medical development, these diseases disappeared, and then the world witnessed at the beginning of 2020 a large spread of the Corona virus called "Covid-19" which it was discovered in December 2019 in the Chinese city of Wuhan , it was classified as a pandemic by the World Health Organization on March 11, 2020. Countries and governments have rushed to contain and besiege the epidemic through multiple procedures, the most was notably quarantine. Hundreds of millions of people have been quarantined in their homes, and many sectors, including banks, have been disrupted ([www.drive.google](http://www.drive.google)).

Banks have taken some precautionary procedures to contain the negative effects of the corona virus on the performance of the local economy. One of the most important of these procedures was the postponement of premiums from affected sectors and retail customers. (without commission or delayed interest), the reduction of interest rates on banks' monetary policy instruments by 1.5% during March, the support of the Jordanian Loan Guarantee Corporation's procedures with guarantees and low interest rates, as well as the reduction of the mandatory reserve on deposits, resulted in additional liquidity for banks of 550 million dinars ([www.jsf.org](http://www.jsf.org)).

## 6.1 Commercial banks:

### 6.1.1 The concept of commercial banks:

Commercial banks are considered to be a great importance in the economy because of their role in mobilizing and re-employing funds, through their mediating role between surplus and disability holders. They contribute to economic and social development by financing investment operations as well as the various non-traditional services they provide to various individuals and enterprises (Al Hussein, 2018). It became a deposit creation and liquidity industry, and thus the ability of banks to lend and grant credit expanded considerably (Masaoudi, 2014).

### 6.1.2 Importance of commercial banks:

The importance of commercial banks is illustrated by their role in fund-raising and investment, which contributes to the improvement and development of many economic sectors .The importance illustrates by several points, including (Awlami, 2016):

- The Bank plays a major role in economic development by granting credit after the bank is convinced of the purpose of the loan extended to it by the client, so that the loan is in the economic interest of the client and society.
- Banks serve customers to distribute risk through diversification of short- and long-term investments.
- The ability of the Bank to provide financial services better than other financial institutions and to meet the credit needs of individuals, Governments and companies.
- The Bank plays the role of intermediary between the investor and the employer, the Bank provides places to fund funds on the appropriate terms and period for both investors and employers.

### 6.1.3 Structure of commercial banks:

The banking system in Jordan consists of the Central Bank of Jordan and licensed banks. The licensed banks include Jordanian commercial and Islamic banks and non-Jordanian banks operating in Jordan and accepting deposits, in addition to their branches spread throughout the Kingdom. The number of banks in Jordan reached to 24 banks at the end of 2021, including 13 local Jordanian banks, divided into 13 commercial banks and 3 Islamic banks, in addition to 8 foreign banks, including 7 commercial banks and one Islamic bank. These banks practice their

activities through their network of 844 branches inside Jordan, distributed by 630 branches affiliated with Jordanian commercial banks, 164 branches of Jordanian Islamic banks, and 54 branches affiliated with foreign banks. The banks operating in Jordan consist of: (Jordanian Banks Association, 2021)

- Jordanian commercial banks, consisting of 13 commercial banks by the end of 2021, as shown in the following table:

**Table (A) Names and classifications of Jordanian commercial banks, as at the end of 2021**

Bank name	Establishment year
The Arab Bank	1930
Jordan National Bank	1956
Cairo Amman Bank	1960
Bank of Jordan	1960
The Housing Bank for Trade and Finance	1974
The Jordan Kuwait Bank	1977
The Arab Jordan Investment Bank	1978
The Jordan Commercial bank	1987
The Investment bank	1989
Bank Al Etihad	1991
Societe Generale Bank	1993
Arab Banking Corporation Arab Jordan	1989
The Capital Bank of Jordan	1996

Source: Jordan Banks Association (2021)

[www.abj.org.jo](http://www.abj.org.jo))

- Jordanian Islamic banks, which consist of (3) Islamic banks by the end of 2021. They are the Jordan Islamic Bank, which was established in 1978, the Islamic Arab Bank, which was established in 1997, and Al Safwa Islamic Bank, which was established in 2009.
- Non-Jordanian banks operating in Jordan, consisting of (8) foreign banks at the end of 2021, as shown in the following table:

**Table (B): Names and classifications of non-Jordanian banks operating in Jordan as at the end of 2021**

Bank name	year
The Egyptian Arab Land Bank	1951
AL Rafidin Bank	1957
The Citibank	1974
Standard Chaterd Bank	2002
The National Bank of Kuwait	2004
BLOM Bank	2004
Bank Audi	2004
Al Rajhi Bank	2011

Source: Jordan Banks Association (2021)

[www.abj.org.jo](http://www.abj.org.jo))

#### **6.1.4 Importance of Jordan's banking sector:**

Banks play an important role in the economy and its development so as to have a positive or negative impact on the process of economic growth and its stimulation to any country. We all remember what happened in the world in 2008, when the world's major banks collapsed as a result of poor governance and poor control from central banks at the time, which led to fears of a comprehensive collapse of the economy in those countries. Governments that have developed economic stimulus schemes will therefore intervene, so that these burdens will eventually be borne by their citizens. Fortunately, for Jordan, the monitoring of the Central Bank and the current legislation helped avoiding the effects of this economic crisis on the Jordanian economy. The Central Bank continues its efforts to develop and advance the economy through various electronic systems, as well as anti-money laundering, risk management and compliance legislation, as well as governance it plays a leading role in protecting and developing the Jordanian economy, as well as promoting investment and protecting depositors and borrowers in general. In addition, the main task of banks is to accept deposits from customers and lend part of these deposits to other customers to finance various businesses, whether commercial or personal. Deposit holders expect to receive reasonable interest on their deposits and business or personal entrepreneurs expect to borrow partially to finance their projects and at appropriate prices so that their revenues can be reasonable, which will hurt the expansion of enterprises, employment, the advancement of the country's economy and sustainable development. In addition, they provide comprehensive and integrated banking services in the corporate, retail and investor sectors at high quality and competitive rates, meeting the needs of different financial clients and consolidating these services with banking solutions ([www.alrai.com](http://www.alrai.com)).

### **6.2 Financial Performance Appraisal**

#### **6.2.1 Concept of financial performance appraisal: researchers have multiple performance assessment concepts:**

First definition: "All studies that help to determine the relationship between available resources and the efficiency of their use, that is, to ensure that available resources are used adequately to achieve the planned goals by relying on many criteria and benchmarks, and that the performance appraisal process is part of the oversight for measuring results using a set of criteria." (Akhisar, 2016, p58-50).

The second definition: "It is also defined as the extent to which the institution is able to optimally utilize its resources and resources in long-term and short-term uses in order to create wealth." (Dababesh, 2013).

The third definition: "It is also known as making a judgment on the financial result obtained from the institution during a specific cycle using certain standards." (Hajjaj, 2013).

#### **6.2.2 Importance of Financial Performance Evaluation in Commercial banks:**

Taking financial performance as a criterion for distinguishing between banks helps to progress in their field, as the financial performance of banks is a basis for knowing the weaknesses and strengths of banks and their strategic performance, the engine in supporting their competitive position and developing , so that the importance of the financial performance of the banks becomes clear by focusing on achieving the results of plans for banks and owners of funds, to give authority to management to correct weaknesses, to enhance the credibility of banks' performance through published financial reports and to provide timely information, and to contribute to the adoption of basic administrative systems of bank oversight and evaluation ( kazim, 2014).

The importance of evaluating the financial performance appears in helping the bank's management to predict the expected achievement and economic conditions and assess the risks that the administration may be exposed to when making financial decisions related to the business of banks. It also aims to guide and study the internal plans of banks and apply them in a way that achieves the objectives of commercial bank management (Abdul Rahim, 2015).

### **6.2.3 Financial performance of Jordanian commercial banks under (Covid-19)**

The emergence of the (Covid-19) virus, or what is known as Corona in 2002-2003, began to develop and other strains appeared. Most of the countries are infected with this virus, and therefore it has had an impact on the global economy, many sectors, including banks, have been disrupted, so the majority of central banks have taken many monetary policies and financial measures to contain and face the repercussions resulting from the suspension of the work of various economic activities, where the Central Bank of Jordan has reduced most interest rates up to 50 points (3 March) and about 100 points (6 March). Jordanian commercial banks were also allowed to do the following: ([www.alhashmiah.com](http://www.alhashmiah.com)).

1- Postponing the installments of credit facilities granted to customers of economic sectors affected by the effects of the spread of the Corona virus, including companies and individuals: ([www.cbj.gov.jo](http://www.cbj.gov.jo))

- Allowing banks to postpone the installments owed by the affected companies, provided that this is not considered restructuring the facilities, and that it also does not affect the credit rating of the companies of CRIF, provided that the banks do not charge commission or impose delay interests on these companies as a result of that.

-Allowing banks to schedule clients' debts to whom the scheduling concept applies without a cash payment and without delaying interest.

Postponing the installments of retail customers, including credit card payments, housing loans and personal loans, without any commission or interest.

2- Setting additional liquidity for banks in the amount of 1050 million dinars through: ([www.cbj.gov.jo](http://www.cbj.gov.jo))

-Reducing the mandatory reserve ratio on deposits with banks from 7% to 5%, which provided additional funds for banks in the amount of 550 million Jordanian dinars, which enables the banks to reverse this procedure by reducing the interest rates they charge on the facilities

granted by them to all economic sectors, including individuals. And companies, knowing that this is the first time that the central bank has reduced the mandatory cash reserve since 2009.

- Making repurchase agreements with banks amounting to 500 million dinars for a term of up to one year to provide the financing needs of the public and private sectors.

3- Reducing the costs of financing the Central Bank's program to finance and support economic development sectors on existing and future facilities, as follows: ([www.cbj.gov.jo](http://www.cbj.gov.jo))

- Reducing the program's interest rates to become 1.00% instead of 1.75% for projects within the capital governorate and 5.0% instead of 1.0% for projects in the rest of the governorates.

- Banks should reduce interest by the same percentage on existing loans, starting from its date.

- Increasing the deadlines available for the advances and for all sectors targeted in the program within the capital and unifying them with the rest of the governorates to become 10 years, including a two-year grace period for those who want.

Raising the level of bank loans for all sectors to 3 million dinars, while maintaining the ceiling for the renewable energy and transportation sectors at 4 million dinars.

- Inclusion of the export sector within the program (noting that the sectors currently covered are industry, tourism, agriculture, renewable energy, information technology, transportation, health, technical, technical and vocational education and engineering consultancy).

4- Reducing loan guarantee commissions and increasing coverage of the local sales guarantee program: ([www.cbj.gov.jo](http://www.cbj.gov.jo))

- Reducing the commission for guaranteeing the industrial finance and services program from 1.50% to 0.75% for all loans that will be granted from its date until the end of the current year 2020.

Reducing the start-up loan guarantee commission from 1% to 0.75% for loans that will be granted from its date until the end of the current year 2020.

- Increasing the insurance coverage rate for the local sales guarantee program from 80% to 90%.

5- Preparing a facilitated financing program to support small and medium companies with an amount of 500 million dinars from the bank and with the guarantee of the Jordanian Loan Guarantee Company. ([www.cbj.gov.jo](http://www.cbj.gov.jo))

The loan guarantee program to confront the Corona crisis aims to facilitate financing for professionals, craftsmen, owners of individual institutions and small and medium-sized companies, and to enable them to obtain financing on easy terms and costs, to help these groups cover their financing needs for the purposes of financing operating expenses, working capital and fixed assets, in order to enable these economic sectors to Preserving its business and employees, continuing its activities and providing its services during the conditions and procedures to contain the Corona virus, also enabling them to resume their activities at normal levels and expand their business during the coming stages.

The most important features of the program:

- 1- Low cost of loans, is not exceeding 3.50%.
- 2- A guarantee level of 85% compared to 70% for the regular programs.
- 3- A grace period of up to one year.

## 7. Previous studies

A paper has examined (Elnahass, et al., 2021) in the study of the impact of (COFID-19) On global banking stability and the assessment of any potential recovery signals, this study is timely, as 1090 banks were taken from 116 countries for quarters, and the results provide strong empirical evidence that there is a spread of the virus in the global banking sector. The outbreak of (COVID-19) has negative effects on financial performance through various financial performance indicators (i.e. accounting and market-based performance measures) and financial stability (High-risk indicators, including default risk, liquidity risk and asset risk) These results are observed in different regions and States.(United States, China, and others), and we also find different effects of the epidemic on alternative banking systems (Traditional and Islamic) Furthermore, trend analysis based on Bank average performance. Also, (Kunt, et al., 2020) aimed to analyze the stock prices of banks around the world to assess the impact of COVID-19 on the banking sector. Using a global database of policy responses during the crisis, the paper also examined the role of financial sector policy announcements in the performance of bank stocks. In general, the results indicated that the crisis and the countercyclical role of lending that banks are expected to play, have pure banking systems under great pressure, as the performance of banks' shares was less than that of their domestic markets and other non-bank financial companies. The pace of political interventions varied procedures to support liquidity, aid to borrowers, and monetary easing mitigated the negative impact of the crisis, but this does not apply to all banks or in all circumstances. For example, borrower assistance and prudential procedures have exacerbated pressure on banks that are undercapitalized or operating in countries with little fiscal space. These vulnerabilities must be carefully monitored as the pandemic continues to affect the world's economies. Another study by (Sutrisno, et al., 2020) examined the impact of the pandemic (Covid-19) on the performance of Islamic banks in Indonesia. The return on equity (ROE), the net operating margin (NOM), the expenses to operating income ratio (OEIR) and the financing to deposit ratio (FDR). One bank is taken because the data was incomplete, as the data was taken quarterly (i.e., four quarters before the pandemic and 3 quarters during the pandemic), the independent t-test was used. It has a significant impact, as well as the ratio of financing to deposits varies greatly, and at the same time, the (CAR), (NPF), (ROA) and (OEIR) are not affected by the (Covid-19)

Moreover, an investigation by (Deloitte, 2020) entitled the impact of (Covid-19) on the bank (liquidity risk management and response) also examined that as a result of (Covid-19) and the procedures taken by governments and companies to help mitigate the financial impact, financial institutions faced challenges in their ability to manage and prepare Reports on their liquidity and financing capabilities The regulatory requirements that were put in place after

(2008) are designed to improve the ability of banks to meet financing commitments by creating liquidity reserves and implementing contingent financing plans (CFPs) to guide banks in times of crisis. Stocks, tightening liquidity, expanding financing margins, operational failure, and other challenges have placed great pressure on banks' liquidity. In response to recent adverse market activity, the (Federal) took steps to stabilize financial markets by purchasing government-guaranteed treasury bonds and mortgage-backed securities and reviving the agent's credit facilities. The main objective of providing loans to securities companies and re-establishing the facilities of the mutual investment fund in the money market, where the Federal Reserve encouraged the NOK has started borrowing from its discount window and regulators have extended the schedule for some regulatory requirements (such as implementing existing ECLs) in an effort to reduce some of the pressure on the bank's resources. The capital and liquidity reserves that banks now have are designed to be available sources of capital and liquidity to support the economy during adverse situations such as the effects of (Covid-19) and enable banks to continue lending, and the Federal Reserve encourages banks to use capital and preventive liquidity because it provides loans to families and companies affected by (Covid-19) restrictions, assuming that this lending takes place in a safe and sound manner. Although the Fed has taken steps to stabilize the market and make funding available, many banks have already activated their own individual funding currencies and are actively managing and reporting on their liquidity positions.

A study of (Erfani & Vasigh, 2018) aimed to know the effects of the recent global financial crisis on the efficiency and profitability of financial institutions in the comparative study, and the impact of the global financial crisis on the performance of Islamic and commercial banks was examined and it was found that the main difference between Islamic and traditional banking services is that banking services Islamic banking is based on an ethical basis for the principles of Islamic traditions and Sharia law through the use of a sample of eight Islamic banks and eleven commercial banks. The impact of the global financial crisis on the efficiency and profitability of the banking sector was evaluated, and this study covered the period between (2006-2013). Obtaining the results of this study through (Altman Z-score) model, ratio analysis, data envelope analysis (DEA) and regression model (SUR), which seem irrelevant, and the results show that, during the study period, Islamic banks managed to maintain their efficiency while Some commercial banks suffered a loss in their efficiency, moreover, this study found that the financial crisis did not have a significant impact on the profitability of Islamic banks. Also, (Kartio et al. 2017) to investigate the impact of the global financial crisis on the efficiency and performance of MCB Limited. Data was collected from different secondary sources, it was analyzed using different financial ratios for liquidity, profitability and solvency. Results, including that the profitability of banks was negatively affected, in addition to that the stability of the system remained undoubted due to maintaining the capital adequacy ratio much higher than the target ratio of 8% in terms of the Parel Agreement and non-performing loans increased significantly after strict monitoring and management for several years. The discovery of costly deposit mobilization to maintain the volume of the record and restore the confidence of depositors and all stakeholders.

(Harb, 2016) examined the causes of the global crisis, how it developed, and its impact on the financial and operational performance of banks in Palestine, and the extent of its impact on the contribution of Palestinian banks to the gross domestic product during the period (2005-2009). There are 12 banks in Ghaza, and the study used the descriptive analysis method and compared the data related to the impact of the global financial crisis on the operational and financial performance of Palestinian banks between the pre-crisis and post-crisis periods. The results of the study showed that the performance of Palestinian banks was negatively affected by the global financial crisis, especially operational performance and financial performance, as evidenced by the decline in the average of most performance rates during the period after the global financial crisis (2008-2009) compared to the period before the global financial crisis (2005-2007). And (Nafi', 2015) also aimed to assess the impact of the global financial crisis on the financial performance of commercial banks during (2003-2012) with the exclusion of the year (2007). The financial performance of these banks was measured through two financing indicators, two liquidity indicators and three from profitability indicators and two investment indicators, the results of this study showed a positive impact of the crisis on the financing indicators (used in the study), and on one of the liquidity indicators, which is the ratio of cash and portfolio investments to deposits, while those results showed a negative impact of the crisis on another indicator. The results of the study showed a negative impact of the crisis on the profitability and investment indicators (used in the study) in the Jordanian commercial banks (together) during the second period. Also, (AKKOÇ & VATANSEVER, 2013) examined the banking sector after the global financial crisis, as it was found that the banking sector plays an important role in the economy. As a financial institution that leads the economy and investments, the various segments of society are concerned with the bank's performance scale, and the main objective of the study is to provide decision makers with support in making their decision about the bank's performance using decision-making techniques with multiple criteria. According to this objective, the financial performance of twelve commercial banks is evaluated according to seventeen financial performance indicators by employing the analytical hierarchy process (hereinafter Fuzzy AHP and Fuzzy Technique) and the results of the study indicate that these two methods classify banks in a similar way.

A study of (Abdulle & Kassim, 2013) aimed to conduct a comparative analysis of the impact of the global financial crisis on Islamic and conventional banks in Malaysia. Three financial indicators were used, namely profitability, liquidity and credit risk for banking institutions. The study covered the period 2006-2010, the sample was divided into a period of before, during and after the financial crisis in the methodology, the study relied on a ratio analysis of a sample of six Islamic banks and nine conventional banks. The results of the study concluded that there was no significant difference in profitability and credit risk among the two types of banking institutions due to the financial crisis, in addition to the fact that Islamic banks kept assets It is more liquid than commercial banks and was less exposed to liquidity risks due to the global financial crisis, in addition to that it provides a number of practical repercussions on the banking sector, especially with regard to the issue of balancing the conflict between profitability and liquidity in banking institutions.

## **8. The methodology of the study:**

In order to achieve the objectives of the study and test hypotheses has been based on the use of the descriptive method, which is designed to collect data to cover the theoretical aspect. The analytical descriptive method, which covers the practical aspect, as well as the financial analysis of the indicators of the study, has also been used to achieve results that serve these objectives.

### **8.1 study community**

The study was conducted on a community made up of (13) Jordanian commercial banks listed on the Amman Stock Exchange until the end of 2020.

### **8.2 The study sample**

The study sample consisted of the banks representing the study period, which provided the full information and conditions necessary to conduct this study. All 13 banks of the study community were approved, they are (Jordan Kuwait Bank, Jordan Commercial Bank, Jordan National Bank, Jordan Investment Bank, Arab Bank Arab Banking Corporation Bank, Jordan Money Bank, Cairo Amman Bank, Housing Bank, Arab Jordan Investment Bank, Bank of Jordan, Union Bank, Societe Generale Bank).

### **8.3 Data collection methods**

In this study, the following sources were relied on in collecting and preparing data for the analysis process through appropriate programs

- Secondary sources: They are theoretical and documentary sources, books, articles, previous studies and refereed scientific journals to show the impact of (Covid-19) on the financial performance of Jordanian commercial banks listed on the Amman Stock Exchange.
- Primary data: represented by the annual reports (financial statements) of the Jordanian commercial banks, the study sample for the two years (2019-2020), in addition to the financial data published in the stock market (Amman Stock Exchange).

#### **8.3.1 Descriptive statistics of study data**

In order to extract the descriptive results of the financial performance indicators during the study period, the researcher sorted the data extracted from the financial statements of the Jordanian commercial banks into two groups before Covid-19 (included the 2019 period) and after Covid-19 (included the year 2020), where data were formed. The study sample is from the quarterly financial statements of thirteen commercial banks, and the following is the descriptive analysis of the financial performance indicators of Jordanian commercial banks before COVID-19:

**Table No. (1) Descriptive analysis of the financial performance indicators of Jordanian commercial banks before COVID-19 in (2019)**

Variable	High values	Low values	Mean	Standard deviation
Return on Total Assets%	2.505	-0.096	0.488	0.520
Return on equity%	9.693	-0.986	3.159	2.720
Net Interest and commissions to total income	95.825	63.341	86.683	6.653
Credit interest to net facility ratio%	12.016	2.445	4.838	3.668

Table No. (1) presents the descriptive analysis of the financial performance indicators of Jordanian commercial banks before Covid-19, and it is noted that the lowest value of the rate of return on total assets in commercial banks (-0.096%) and it belongs to the Jordan Commercial Bank in the third quarter of 2019, which indicates achieving losses for the Jordan Commercial Bank, and the low of this percentage indicates the weak efficiency of the company's management in achieving profits that accrue to its assets, while the highest value of the rate of return on total assets reached (2.505%), which belongs to the Jordan Investment Bank in the first quarter of 2019, and justifies this .The figure for the profit generated from the bank's invested assets. It is noted that the lowest value of the rate of return on total assets in commercial banks (-0.096%), which belongs to the Jordan Commercial Bank in the third quarter of 2019, which indicates the realization of losses for the Jordan Commercial Bank, the decrease of this percentage indicates the weak efficiency of the company's management in achieving profits on its assets, while the highest value of the rate of return on total assets reached (2.505%) and it belongs to the Jordan Investment Bank in the first quarter of 2019. This figure is justified by the profit generated from the bank's invested assets, the rise in this ratio indicates the efficiency of the management of the Jordan Investment Bank in generating profits on its assets. The mean of the rate of return on the total assets of the commercial banks during 2019 reached (0.488), and this ratio indicates the efficiency of the departments of the commercial banks included in the study sample in investment Its origins are to generate profits, and the standard deviation value was (0.520), which indicates a difference between the higher and lower ratios. It is also noted from the table that the lowest value of the rate of return on shareholders' equity in commercial banks (-0.986%), which belongs to the Jordan Commercial Bank in the third quarter of 2019, which indicates the realization of losses belonging to the Jordan Commercial Bank in that period, and this indicates a weak efficiency the bank's management in investing its shareholders' funds, while the highest value of the return on shareholders' equity reached (9.693%) and it belongs to the Bank of Jordan in the fourth quarter of 2019. This figure is justified by the profit generated from the amounts invested by the bank's

shareholders, and this indicates the efficiency of the management of the Bank of Jordan in investing the funds of its shareholders in that period, and the arithmetic mean of the rate of return on shareholders' equity in commercial banks during 2019 reached (3.159) with a standard deviation of (2.720). With regard to the lowest value of net interest and commissions to total income in commercial banks (63.341 percent), which belongs to Societe Generale Bank in the first quarter of 2019, while the highest value of net interests and commissions to total income amounted to (95.825 percent) and it belongs to Bank Al Etihad in the quarter. The mean of net interest and commissions to total income in commercial banks during 2019 reached (86,683) with a standard deviation of (6.653). As for the interest rate credited to net facilities, it reached the lowest value (2.445%) and belongs to the Jordan Kuwait Bank in the first quarter of 2019, while the highest value reached (12.016%) and belongs to the National Bank in the fourth quarter of 2019. The mean of the credit interest rate to the net facilities in commercial banks during 2019 was (4.838), with a standard deviation of (3.668).

**Table No. (2) The descriptive analysis of the financial performance indicators of Jordanian commercial banks after Covid-19**

Variable	High values	Low values	Mean	Standard deviation
Rate of return on total assets %	1.308	-0.161	0.268	0.263
Return on equity%	8.445	-0.988	1.607	1.940
Net Interest and commissions to total income	98.970	62.301	88.612	6.761
Credit interest rate to net facility %	11.528	2.039	4.286	3.199

Table No. (2) presents the descriptive analysis of the financial performance indicators of Jordanian commercial banks after Covid-19, and it is noted that the lowest value of the rate of return on total assets in commercial banks is (-0.161%), which belongs to the Jordan Kuwait Bank in the fourth quarter of 2020, which indicates on achieving losses for the Jordan Kuwait Bank, and the decrease of this percentage indicates the weak efficiency of the company's management in achieving profits that accrue to its assets, while the highest value of the rate of return on total assets reached (1.308%), which belongs to the Bank of Jordan in the fourth quarter of 2020, and this figure is justified the profit generated from the bank's invested assets, and the high of this ratio indicates the efficiency of the management of the Bank of Jordan in generating profits that accrue to its assets in that period. The departments of the commercial banks included in the study sample in investing their assets to generate profits, and the value of the standard deviation was (0.268), which indicates a difference between the higher and lower ratios. It is also noted from the table that the lowest value of the rate of return on shareholders' equity in commercial banks (-0.988%), which belongs to the Jordan Kuwait Bank in the fourth quarter of 2020, which indicates the realization of losses belonging to the Jordan Kuwait Bank in that period, and this indicates a weak efficiency. The bank's management in investing the money of its shareholders, while the highest value of the rate of return on shareholders' equity reached (8.445%), which belongs to the Capital Bank of Jordan in the

fourth quarter of 2020, and this figure is justified by the profit generated from the amounts invested by the bank's shareholders, and this indicates the extent the efficiency of the management of the Jordan Capital Bank in investing the funds of its shareholders in that period, and the arithmetic mean of the return on shareholders' equity in commercial banks during the year 2020 reached (1,607) with a standard deviation of (1.940). With regard to net interest and commissions to total income, it reached the lowest value (62.301 percent) and belongs to the Arab Bank in the fourth quarter of 2020, while the highest value of net interests and commissions to total income reached (98.970%) and belongs to the Jordan Capital Bank in the third quarter. From 2020, the mean of net interest and commissions to total income in commercial banks during the year 2020 reached (88.612) with a standard deviation of (6.761). As for the interest rate credited to net facilities, it reached the lowest value (2.039%) and belongs to the Arab Bank in the third quarter of 2020, while the highest value was (11.528 percent) and belongs to Societe Generale Bank in the fourth quarter of 2020. The mean of the credit interest rate to the net facilities in commercial banks during the year 2020 was (4.286), with a standard deviation of (3.199).

### 8.3.2 Data Validity Test for Normal Distribution

Before starting the process of testing the study's hypotheses related to financial performance indicators before and after Covid-19, it is necessary to test the characteristics of the data by ensuring that they follow the normal distribution to determine the statistical tests to be followed in measuring the study's hypotheses, whether they are parametric or nonparametric, and according to the study (Doane & Seward, 2013), when the sample's items is higher than 30, it is necessary to rely on the Kolmogorov-Smirnov test in order to obtain accurate values when testing the normal distribution, and accordingly the researcher relied on the Kolmogorov-Smirnov test in the normal distribution test for the data of the study's hypotheses to increase the items to 30, the number of study items for each variable was 52 items. Here are the results of the normal distribution test:

**Table No. (3) The results of the normal distribution test for the study data**

variable	Test value	Probability value	Result
Rate of return on total assets	0.259	0.000	Un-distributed normal distribution
Return on equity	0.310	0.000	Un-distributed normal distribution
Net interest and commissions to total income	0.172	0.001	Un-distributed normal distribution
The ratio of credit interest to net facilities	0.424	0.000	Un-distributed normal distribution
Rate of return on total assets	0.184	0.000	Un-distributed normal distribution
Return on equity	0.222	0.000	Un-distributed normal distribution
Net interest and commissions to total income	0.210	0.000	Un-distributed normal distribution

The ratio of credit interest to net facilities	0.411	0.000	Un-distributed normal distribution
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Based on the results presented in the table above, and according to a study by (Razali & Wah, 2011), which showed that a lower probability value of (0.05) indicates not following the normal distribution, and by reviewing the data of all the variables in the above table, it becomes clear that none of them follow the normal distribution, which requires reliance on non-parametric tests in measuring the study hypotheses.

### 8.3.3 Test hypotheses of the study:

The study's hypotheses were relied on the nonparametric test (Wilcoxon (Z)) to measure the differences in financial performance before and after (Covid-19) in Jordanian commercial banks. The probability value of Sig Z is about (0.05), otherwise the null hypothesis is accepted, and the Mean Rank value is relied on in order to determine in favor of which of the two periods the differences are (Hair et al., 2017).

The first hypothesis: There are no statistically significant differences in the level of financial performance measured by the rate of return on total assets under (Covid-19) in Jordanian commercial banks.

**Table No. (4) Results of the first hypothesis test**

Wilcoxon Statistics	N	Mean Rank	Reject Ho
Before Covid-19	52	27.91	
After Covid-19	52	13.20	
Wilcoxon (Z)	-5.674	Sig (Z)	0.000
Descriptive Statistics	Mean		Std. deviation
Before Covid-19	0.488		0.520
After Covid-19	0.215		0.268

By looking at Table No. (4) that presents the outcomes of the Wilcoxon (Z) test to measure the differences in the financial performance index (return on total assets) before and after Covid-19, it appears that the test value has reached (Wilcoxon (Z) = -5.674), as shown. The decrease in the probability value (Sig Z) for a significance level of less than (0.05), where it reached (0.000), which indicates that there are differences in the return on assets index before and after Covid-19 at a statistical significance level of less than (0.05), based on the foregoing: The first null hypothesis is rejected and the alternative hypothesis is accepted, which states that "there are statistically significant differences in the level of financial performance measured by the rate of return on total assets before (Covid-19) and after (Covid-19) in Jordanian commercial banks." By comparing the values of the mean ranks for the two study periods; it turns out that these differences are in favor of the period before the Covid-19 pandemic, represented in 2019. This result confirms what was previously reached in the descriptive tests, where the arithmetic

mean value of the return on assets before the pandemic was (0.488), while the mean decreased after the pandemic to reach to (0.215).

The second hypothesis: There are no statistically significant differences in the level of financial performance measured by the rate of return on shareholders' equity under (Covid-19) in Jordanian commercial banks.

**Table No. (5) Results of the second hypothesis test**

Wilcoxon Statistics		N	Mean Rank		Reject Ho	
Before Covid-19		52	28.19			
After Covid-19		52	10.60			
Wilcoxon (Z)		-5.792	Sig (Z)	0.000		
Descriptive Statistics		Mean	Std. deviation			
Before Covid-19		3.159	2.720			
After Covid-19		1.607	1.940			

By looking at Table No. (5) that presents the outcomes of the Wilcoxon (Z) test to measure the differences in the financial performance index (return on equity) before and after Covid-19, it is clear that the test value has reached (Wilcoxon (Z) = -5.792), as shown the decrease in the probability value (Sig Z) for a significance level of less than (0.05), where it reached (0.000), which indicates that there are differences in the return on equity index before and after Covid-19 at a statistical significance level of less than (0.05), based on the above the second null hypothesis is rejected and the alternative hypothesis is accepted, which states that "there are statistically significant differences in the level of financial performance measured by the rate of return on equity before (Covid-19) and after (Covid-19) in Jordanian commercial banks." By comparing the values of the mean ranks for the two study periods. It turns out that these differences are in favor of the period before the Covid-19 pandemic, represented in 2019. This result confirms what was previously reached in the descriptive tests, where the arithmetic mean value of the return on equity before the pandemic was (3.159), while the arithmetic mean decreased after the pandemic to reach (1.607).

The third hypothesis: There are no statistically significant differences in the level of financial performance measured by net interest and commissions to total income under (Covid-19) in Jordanian commercial banks.

**Table No. (6) Results of the third hypothesis test**

Wilcoxon Statistics	N	Mean Rank		Reject H <sub>0</sub>	
Before Covid-19	52	20.84			
After Covid-19	52	29.76			
Wilcoxon (Z)	-2.668	Sig (Z)	0.008		
Descriptive Statistics	Mean		Std. deviation		
Before Covid-19	86.683		6.653		
After Covid-19	88.612		6.761		

By looking at Table No. (6) that presents the outcomes of the Wilcoxon (Z) test to measure the differences in the financial performance index (net interest and commissions to total income) before and after Covid-19, it turns out that the test value has reached (Wilcoxon (Z) = -2.668). It was also shown that the probability value (Sig Z) decreased from a level of significance less than (0.05), where it reached (0.008), which indicates that there are differences in the indicator of net benefits and commissions to total income before and after Covid-19 at a statistical significance level of less than (0.05). Based on the above, the third null hypothesis is rejected and the alternative hypothesis is accepted, which states that “there are statistically significant differences in the level of financial performance measured by net interest and commissions to total income before (Covid-19) and after (Covid-19) in Jordanian commercial banks. By comparing the values of the mean ranks for the two study periods; it turns out that these differences are in favor of the period after the Covid-19 pandemic, represented in the year 2020. This result confirms what was previously reached in the descriptive tests, where the mean value of net interests and commissions to total income before the pandemic was (86.683), while the mean increased after the pandemic, it reached (88,612).

Fourth hypothesis: There are no statistically significant differences in the level of financial performance, as measured by the rate of credit interest to net facilities under (Covid-19) in Jordanian commercial banks.

**Table No. (7) Results of the fourth hypothesis test**

Wilcoxon Statistics	N	Mean Rank		Reject Ho	
Before Covid-19	52	27.38			
After Covid-19	52	4.50			
Wilcoxon (Z)	-6.193	Sig (Z)	0.000		
Descriptive Statistics	Mean		Std. deviation		
Before Covid-19	4.838		3.668		
After Covid-19	4.286		4.286		

By looking at Table No. (7) that presents the outcomes of the Wilcoxon (Z) test to measure the differences in the financial performance index (credit interest rate to net facilities) before and after Covid-19, it appears that the test value has reached (Wilcoxon (Z) = -6.193). It was also shown that the probability value (Sig Z) decreased from a significance level of less than (0.05), which amounted to (0.000), which indicates that there are differences in the index of the credit interest rate to net facilities before and after Covid-19 at a statistical significance level of less than (0.05). Based on the foregoing, the fourth null hypothesis is rejected and the alternative hypothesis accepted, which states that "there are statistically significant differences in the level of financial performance measured by the credit interest rate to net facilities before (Covid-19) and after (Covid-19) in Jordanian commercial banks. By comparing the values of the mean ranks for the two study periods; It turns out that these differences are in favor of the period preceding the Covid-19 pandemic, represented in 2019. This result confirms what was previously reached in the descriptive tests, where the mean value of the credit interest rate was to the net facilities before the pandemic (4.838), while the mean decreased after the pandemic, it reached (4.286).

## 9. Study results:

After the appropriate statistical analysis tests were performed in the previous chapter, the most important results of the study were summarized as follows:

- There are statistically significant differences in the level of financial performance measured by the rate of return on total assets under (Covid-19) in Jordanian commercial banks, where there was a decrease in the average return on total assets in Jordanian commercial banks after (Covid-19) compared to the period Before (Covid-19), the researcher believes that the reason for this result is due to the closures that took place in most countries of the world, including Jordan, as the closures continued in Jordan for long periods, and had significant effects on the Jordanian economy and the banking sector, which led to the establishment of Commercial bank administrations raise provisions for doubtful debts in addition to the

decrease in the natural volume of returns that banks were achieving before the pandemic, which explains the decline in returns achieved by commercial banks for their assets after Covid-19, and this result is similar to what was found by (Abdulle & Kassim, 2013).

- There are statistically significant differences in the level of financial performance measured by the rate of return on equity under (Covid-19) in Jordanian commercial banks, where there was a decrease in the average return on equity in Jordanian commercial banks after (Covid-19) compared to the period Before (Covid-19), the researcher believes that the reason for this result is due to the effects that this crisis had on various sectors in all countries of the world, including Jordan, which led to the banking sector being affected by these closures, as the closures continued for significant periods, whether they were These closures are comprehensive (comprehensive quarantine for the whole day) or partial (partial quarantine for certain hours of the day), which led to the commercial bank administrations raising provisions for doubtful debts, in addition to lowering the banks' returns that they achieve for their equity, which explains the low return on The rights of shareholders of commercial banks after Covid-19, and this result is similar to what was found in a study (Abdulle & Kassim, 2013).

- There are statistically significant differences in the level of financial performance measured by net interest and commissions to total income under (Covid-19) in Jordanian commercial banks, where there was an increase in the average net interest and commissions to total income in Jordanian commercial banks after (Covid-19) compared to the period before (Covid-19), although the increase in this percentage is a positive indicator, the researcher believes that the reason for this result is that the total income represents the denominator in this ratio, and therefore the decrease in the value of the total income leads to a rise in this percentage. As the crisis had significant effects on the economy and on companies and individuals led to the wheel of the economy, and then the decrease in total income in commercial banks, which led to the inflation of this percentage, which explains its increase during the period after (Covid-19) compared to before the period It is worth noting that none of the previous Arab and foreign studies reached this conclusion.

- There are statistically significant differences in the level of financial performance measured by the rate of credit interest to net facilities under (Covid-19) in Jordanian commercial banks, as there was a decrease in the average credit interest to net facilities in Jordanian commercial banks after (Covid-19). Compared to the period (before Covid-19), the researcher believes that the reason for this result is due to the nature of credit interests, which are among the revenues obtained by banks, and since the effects of the Covid-19 crisis were negative on the Jordanian economy, which affected Jordanian commercial banks, Which led to a decrease in this percentage, which justifies the existence of differences in the interest rate credited to the net facilities in favor of the period preceding Covid-19, and it is worth noting that none of the previous Arab and foreign studies reached this result.

## 10. Study recommendations:

Based on the findings, the study came out with a set of recommendations as follows:

- Based on the existence of differences in the rate of return on total assets, the study recommends that commercial banks study the various available alternatives to optimally exploit their assets, especially during exceptional periods such as the Covid-19 pandemic, in order to ensure the continuity of achieving appropriate returns that accrue to their assets for benefit and interest.
- Based on the existence of differences in net interest and commissions to total income, the study recommends that Jordanian commercial banks set policies for exceptional circumstances so that they set appropriate interest rates for loans in order to encourage companies and individuals to take loans, leading to an increase in banks' profits for and improving the financial performance indicator represented by net interest and commissions to total income.
- Based on the existence of differences in net interest and commissions to total income, the study recommends the need for commercial bank departments to follow up their credit interest rate, in order to enable them to maintain credit interests to net facilities, especially in crises that arise, because credit interests are among the revenues that banks obtain them, in addition to the fact that this ratio of credit interest to net facilities is one of the performance indicators of commercial banks.
  - Based on the existence of differences in the level of financial performance, the study recommends that commercial banks maintain sound banking practices and not change the rules currently in place and throughout the pandemic, in addition to using the preventive margins that were built during previous periods; As these reserves constitute a resource of concern to mitigate the effects of the economic and financial conditions caused by Corona.
  - Based on the existence of differences in the level of financial performance, the study recommends that commercial banks should reduce the risks related to the banking sector and maintain commitment to sound practices in credit risk management, while facilitating the efficient allocation of new credit, which will lead to raising the efficiency of the performance of commercial banks.
  - Based on the existence of differences in the interest rate credited to the net facilities, the study recommends that commercial banks adjust loan entitlements, especially after the economic repercussions of the Corona virus have weakened the ability of borrowers to meet their obligations to banks, which may lead to weakening the safety and stability of banks, which negatively affects their performance.
  - Conducting other future studies comparing the differences in the financial performance of Islamic and commercial banks before and after the (Covid-19) pandemic.

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