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The Impact of the Coronavirus Pandemic on the Profit of Jordanian Banks Listed on the Amman Stock Exchange

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The study is actually designed to examine the potential effects of COVID-19 cases on the financial environment in Jordan. The findings suggest a financial impact across the country, despite the fact that nearly all organisations across the country are facing a major impact. Additionally, permanent blocking is recognised as a threat to organisations' overall view. COVID-19 is likely to impact the global economy. To be able to assess the credible outcome of the COVID-19 program on Jordan's financial environment, it is necessary to focus not only on the financial attack, but also on what makes it important for Jordan. Leaders in government foundations and leaders in Jordan responded to it. The coronavirus creates standard methods for immediate cooperation. With that in mind, the article seeks to look at Covid's findings on Jordan's monetary environment as the best strategy to get the economy back on track to half-build it. The aim of this research is to identify the impact of the coronavirus on the profit of Jordanian banks listed on the Amman stock market.

Keywords: *Covid-19, Jordanian Banks, Amman Stock Exchange*

1. Introduction

Fitch rating (2020) expects further series on the quality of Jordanian banks 'resources in 2020 as a result of increased debilitations, reconstruction and re-listing. The proportion of non-performing loans in the area had risen to 5.2% at the end of H119 from 4.9% at the end of 2018 on the basis of a stable test working situation, which has hampered reconstruction and reconstruction progress recorded. Measures by the Jordanian Central Bank (CBJ) that allow banks to defer loan instalments, rebuild and reorganize advances without raising additional fees or delaying the interest of some lenders. However, it will delay the recognition of Stage 3 progress under IFRS 9 and reduce the success rate of emissions progress in the region. Experts accept that the highest credit age is likely to come from the fields of trade, land, development, assembly, travel business, and friendship, just as from consumer loans.

The travel industry and friendly areas will be greatly affected by more sensitive and unfamiliar internal interest and some mobility restrictions. The travel industry accounts for around 19% of Jordan's GDP. Lower regional and global development will reduce interest rates in Jordan. Jordan is deeply rooted in global investment chains and has a greater amount of unknown value content in its targets (phosphate is an important tariff feature for Jordan). SMEs (around 10% of area loans) and individuals (around 25%) are the weakest lenders.

Furthermore, Jordanian banks are open to a high degree of sovereignty, which includes an emphasis on the quality of their assets. The current crisis will put pressure on public spending and potentially hinder financial mixing. The benefits of being an oil tanker depend on the fact that the value of oil falls more than what is offset by adverse effects associated with the pandemic, for example, declining external interest and lower settlements, which are easy to move to the Gulf Cooperation Council (GCC) countries and the euro area. The landlord of Jordan has little room for estimates against repetition resulting from fully-fledged burdens and powerless public finances. However, we accept outside help from the local area which supports multi-faceted associations around the world and partners who continue to support Jordan's macroeconomic determination. This includes, for example, the new $ 1.3 billion IMF deal and unwavering financial support from the US, EU and GCC countries.

In addition to various regulators on the planet, CBJ has acted swiftly to reduce the cost of financing advances and support the ability to repay lenders, especially individuals and SMEs. CBJ cut the prime rate and the repayment rate twice in March 2020 by 150 basis points, to 2.50% and 3.50% respectively. Similarly, CBJ reduced funding costs for its small and medium-sized commitment renegotiation system from 75 basis points to 1.00% for Amman projects and from 50 basis points to 0.50% for Amman projects in other governments, while at the same time extending the pre-residency of all programs to 10 years, CBJ also reduced the fees on advances under the Jordanian Loan Guarantee Association and increased the level of protection inclusion.

Current crisis costs and borrowing will drive Jordanian bank revenues to reduce business volumes and reduce margins. These will be due to lower financing costs on down payments, an expansion of unbalanced changes to the CBJ due to fewer loan openings and a slower revaluation of stocks (time stocks make up about 55% of the total stores). Similarly, liquefaction in Jordan could increase storage costs. Similarly, lower settlements may include pressure on liquidity and bank financing costs. CBJ cut the short-term repurchase agreement rate twice in March by 150 basis points to 3.25% to help banks' financing needs. In any case, we expect Jordan's banks to continue to create medium- to large-term pre-disability labour benefits that can be used to combine higher barrier-free burdens without collision on their capital.

Capital issues are likely to remain satisfactory in the short to medium term due to moderate and minimal development, despite lower age of domestic capital. Fitch is not aware of any distribution of the key administrative capital requirements established by CBJ. This is still possible if bank capitalisation comes under pressure. The Level 1 share of the area's core value (as assessed by Fitch) and the proportion of total capital size were around 16% and 17%, respectively, at the end of H119, which provide moderate support for minimum administrative resources. The introduction of the 68% problem area of progress at the end of the first half of 2019 is hardly enough with the risks associated with the working climate.

1.1 Study Problem

Funding and liquidity are key strengths for Jordanian banks because banks have stable and diversified retail deposits and good liquidity positions. In March 2020, the CBJ reduced (for the first time since 2009) the compulsory cash reserve to 5% of the monthly average of daily customer deposits from 7% in an effort to inject about JOD550 million worth of liquidity into the economy. However, a longer duration of the crisis is likely to affect remittances further and put pressure on liquidity. The CBJ measures that by allowing banks to postpone loan instalments will also add pressure on the banks' cash flow. However, the banks' funding is largely domestic and has proved resilient in periods of challenging geopolitical and economic conditions. Thus, the main problem that arises is to identify whether there is any impact of the pandemic on Jordanian banks or not.

1.2 Importance of the study

This study will be important for investors or shareholders who are interested in investing in Jordanian banks listed on the Amman stock exchange. This analyses report will explore the impact of COVID-19 on the Amman stock exchange and Jordanians banks. The study will also identify the pre- and post-impact of the coronavirus by analysing the changes in revenue and returns of Jordanian banks.

This study aims to examine the impact of dissolvability on profitability among Jordanian industrial areas. For the study, the various repetitions cover the period 2008-2011 and are used to study the effect of dissolvability on productivity between domains. The study on that board found the Mining and Extraction area to have the highest profit before income and valuation (EBIT) and the lowest was for the glass and ceramic industries. The Mining and Extraction area has the highest net profit margin (NPM), return on assets (ROA); value added product (ROE) and the minimum of the glass and ceramic industries. A record in the electrical industries sector is the best-known cost share (DEBT) and the smallest the glass and ceramic industry. However, the glass and ceramic industries have the highest value share (EQI) and lowest value ratio (EQA) for the electrical industries area.

1.3 Study Objectives

- To analyse the impact of the coronavirus on the Amman stock exchange
- To identify the impact of the pandemic on Jordanian banks performance
- To establish a link between objectives 1 and 2.
- To test the pre-post analyses of the performance of Jordanian banks stock listed on the Amman stock exchange within the context of COVID-19.

1.4 Study Hypothesis

H01: There is no significance difference between pre- and post-performance of Jordanian's banks performance with respect to the coronavirus.

The hypothetical test will be checked on the basis of significance level of 95%, where P = 0.05.

2. Literature Review

Many researchers are concerned about the coronavirus pandemic in terms of its drivers and transmission. Magazzino, Mele and Schneider (2020) and, Mele and Magazzino (2020) focus on its relationship with pollution. Magazzino, Mele and Schneider (2020) examine the link between coronavirus transmission and air pollution. Using artificial neural network tests (ANNs), the results show that COVID-19 can induce pre-existing inflammatory regulation and render the respiratory tract more susceptible to this disease. The findings show that a predisposed state of contamination, as evidenced by financial development, could induce COVID-19 to make the respiratory tract more immune to infection.

Several experiments attempt to study the impact of the industry on the spread of the coronavirus, where they separated companies into champions and those that failed (e.g. Mazur, Dang and Vega (2020) on the US stock exchange, Yan, Stuart, Tu and Zhang (2020) in China and Kandil Goker, Eren and Karaca (2020) in Turkey). In addition, a number of researchers are concerned about analysing and anticipating inventory cost movements and trading volumes just as market files. For instance, Smales (2020) worries about S&P CNX market index NIFTY and Sabri (2008) worries about Arab currency exchanges.

Smales (2020) aims to predict the stock market using the cost of cash instruments and seeks to predict the achievement of the CNX NIFTY S&P Market index of the National Stock Exchange. The study of direct discrimination, false neural log organisation, irregular forest land, and SVMs predicts rubric patterns of financial exchange. The findings suggest that the SVM is overcoming the various models that are expected to move the development of financial exchanges. In addition, Sabri (2008) analyses value development to determine the effect of trading volume on the change in stock value volatility, covering eight Arab currency exchanges. The results show that there is an increase in trade volumes and volatility of stock values and that there are critical relationships between volumes and costs in the financial exchanges of Arab oil states.

Many papers dealt with the response of financial exchanges to the publication on the coronavirus release in 2020, where this was led by Alber (2020a) in European financial exchanges, Alber (2020b) in relation to the 6 most horrible countries (according to all total number of cases), Peterson and Ozili (2020) in leading stock exchange files, Alber and Saleh (2020) in the stock exchanges of the GCC countries, and Smales (2020) in the US equity areas.

Alber (2020a) seeks to investigate the effects of coronavirus transmission on European safe trade. This was applied to the financial exchanges of Belgium, France, Germany, Italy, the Netherlands, Spain and the United Kingdom on a regular basis during the period from February 15, 2020 to May 24, 2020. No results on the expected effects of using board analysis according to the GMM Method Board review, for the entire study period. As a result of splitting the test time frame into 7 sub-periods (fourteen days each), the results show a strange return of financial trading by all accounts for coronavirus cases larger than the most common coronavirus folders and tokens.

Alber (2020b) seeks to investigate the effects of coronavirus transmission on safe exchanges. COVID-19 distribution was measured based on total cases, new cases, combined packages and new packages. This has been applied to the 6 most curious countries (as in the total number of cases), on a regular basis in the period from March 1, 2020 to April 10, 2020. The results show that stock market return seems to be sensitive to Coronavirus cases more than deaths, and to Coronavirus cumulative indicators more than new ones.

Additionally, Peterson and Ozili (2020) examine the impact of social distance and strategies on financial years and stock exchange registers. The results show that lock-in days, financial approach choices and global travel limits were impacted by cash exercises and, ultimately, the lowest and best-known opening cost of major stock exchange records.

Alber and Saleh (2020) will seek to investigate the effects of the total release of COVID-19 2020 on the stock exchanges of GCC countries. The results show that there are significant differences between the stock exchange files during the testing period. In addition, the new financial components of the coronavirus appear to yield a fine financial exchange result. In addition, this was claimed for March with no evidence of these effects in April and May 2020. In addition, Smales (2020) addresses the consideration and response of lenders of equality areas in the U.S. to the COVID-19 revolution from Dec. 31. From 2019 to May 31, 2020 this was done using the S & P 500 composite index and considering the results in the 11 areas within the Global Industry Classification Standard (GICS).

Recently, Alber and Dabour (2020) explored the potential for development under the guise of social segregation for FinTech. This was done in 10 countries (USA, UK, Egypt, UAE, Saudi Arabia, Japan, South Korea, Italy, India and Nigeria) in the period from March to June 2020. The results show that the separation of social security could affect computer allowances. This was proven for retail and entertainment shops, groceries, travel stations and work environments with no evidence of emergency impacts for parks and individuals.

3. Analyses of Balance sheet

Bank	Average capital adequacy	Year
Société Générale	23.02	2020
Arab Bank	13,510	2020
Jordan Kuwait Bank	13,510	2020

The average capital adequacy ratio in Jordan's investment banks varies in proportions. The rating was for all hard banks where Société Générale had the highest average value at 23.02 and the lowest estimate was 13,510 for Arab Bank and Jordan Kuwait Bank. Jordan's investment banks are said to be targeting Jordan Central Bank's 12% capital adequacy options. This value is higher than the Basle Committee allowance of 10.50%. The responsibility of these characteristics with Jordan's investment banks shows that they can manage capital risk. The higher the proportion for banks, the more they can withstand the terrible misfortunes that push them to join, the more they can do due to bad weather and greater opportunities for subsequent expansion.

The average of the quality of assets in Jordanian investment banks was lowered and their classification was further notable among the fundamental and main factors. The average nature of the facilities for the Arab Bank was 7,200, which is the most popular percentage among banks and was considered a base. For the Jordan Investment Bank, the highly estimated value was 2.330. The nature of the facilities estimated by the inoperative duty in relation to the external obligation is believed to reflect the unmatched proportion of Jordan's investment banks. This depends on the methods, the offices and the level of commitments that the bank has requested from customers. This also shows that banks are adversely affected by the poor quality of their structures, as the normal proportion of the nature of the banks' resources was found to be critical.

The normal proportions among all banks were more important or equivalent to 46%. 79% was the percentage of Jordan Ahli Bank while it was 47% for the Society General. It was inferred that the nature of administration estimated from full labour costs to absolute income has expanded. This shows that Jordanian investment banks are suffering the negative effects of large labour costs, which are fundamental.

4. Analysis results

The coronavirus pandemic casts a negative shadow on countries and governments around the world, at the regional and local levels. It is clear that Jordan is not entirely credible, but instead it has had the impact of the pandemic at the immediate neighbourhood level in some areas, such as, for example, the Amman Stock Exchange, which had a negative impact on its management at the time of closing long before anything else. Even with the return of the districts, the needs of today's lenders are based on maintaining accessible liquidity and defining specific spending needs in critical sectors and meeting essential requirements, as there is no interest in funding at this stage. The Amman stock exchange is crucial today, especially with concerns about the decline in benefits of public business organisations.

exchange rate	2019	2020
	751.1 million dinars	1.1 billion dinars

Furthermore, the exchange rate of Amman Stock Exchange reached 751.1 million dinars in the middle of this month, compared to 1.1 billion dinars in the same period a year ago, a decline in 33%. The estimated market for the course reached 12.3 billion dinars, down 17.2% from the same period a year ago.

The pandemic hit the Amman stock exchange directly during the pandemic period, during the period of closure of the financial stock exchange that had been going on for some time. The conclusion added that there was no stock exchange in stock trading, which affected the exchange fees of business groups and prevented the regulation of various unfamiliar activities on the Amman Stock Exchange, which affected the effectiveness of the ESA. Even after stock trading returned to the stock exchange during the pandemic, it has substantially declined in terms of market value and book trading. The national bank delayed the circulation of cash benefits for the financial district this year and it had a sudden impact on the exchange of information and led to a negative bias among the sellers of their stock trading businesses.

The Amman Stock Exchange file went down from the beginning of the year to Wednesday 10/14 by (14%). Also, in case we study the market downturn since the main coronavirus example was recorded in Jordan in the period between 2/3 and 10/3/2020, it has fallen by 13%. The trading rate since the beginning of the year has decreased by 33% and the rate of traded offers has decreased (13%).

Moreover, it is possible that, at this stage, the advertising of the Amman Stock Exchange as in the past is not a reality, due to the removal of enterprises unfamiliar with the sources, the resulting investment, the decline in the Amman Stock Exchange order worldwide, the expansion in commission exchanges, lack of profitability rumours, corruption accounts of public business organisations, separation of neighbourhood concerns from the market and the adventures of a large number of Jordanians in other currency exchanges.

5. Conclusion and recommendations

Towards the end of this review, we believe that the coronavirus crisis has had a total impact on public stakeholder groups as a rule, particularly on stock exchanges and the volume of stock flows during the charity period due to the negative effects of this crisis. This is confirmed by the way in which the trading of offers on the Amman Stock Exchange has declined significantly since mid-May: trading has been postponed for a long time and all areas have withdrawn regardless of the consequences of the pandemic, including the financial sector. This has established a safety valve, especially with the possibility of not circulating the benefits for the whole year despite the cash results, which have seen a decrease by half. Stock trading has lost strength from the above. Considering this, the specialist recommends the following:

1. Attempt to keep pace with a similar act in connection with the foundation of the business entity, which is demonstrated by the adequacy of its complex systems and high cost, seeking to participate or co-transition between legitimate and financial structures.

2. The expert Jordanian lawyer will put a valid book in the section on open stock groups in Jordanian banking law that will determine the advantage old investors have to buy in new offerings that equate to investors in private business organisations. Furthermore, the confirmation of this advantage is not expressed in the bank, even the Corporate Governance Guidelines for the joint bodies registered for the year 2017 established this kind of thing for all investors, at least, guaranteeing the benefits by law constitutes a further proof of the investor's guarantee benefits.

3. The scientist suggests that the Jordanian Companies Act specifies the advantages of investors in the public sector organisation and the means to dispose of their benefits in a few free and private legitimate articles, not being distributed so that investors understand what they have and what they have easy and generous benefits.

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