The Role of Using CAMELS Model in Analyzing the Factors Affecting the Performance of The Jordanian Commercial Banks (2014-2019)

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SUMMARY

In this study, the factors affecting the performance of Jordanian commercial banks have been analyzed using the elements of the CAMELS model, along with identifying the most important factors. The study targeted the impact of twenty Jordanian commercial banks on performance-; these banks were listed on the Amman Stock Exchange during the period of 2014-2019. The researcher used the Data Pooled Regression Method, due to its relevance to the nature of the data used in the study, where this method is used in the case of a time series and cross-sectorial data. The Rate of Return on Assets and the Rate of Return on Equity were used as the two variables on which the banks' performance was measured. However, the independent variables included the CAMELS model elements which are capital adequacy, asset quality, management efficiency, earnings, liquidity, and sensitivity to market risks, in addition to macroeconomic variables, which include the rate of economic growth and the rate of inflation. The study concluded that capital adequacy, asset quality, management efficiency, and earnings are among the most important and most influential factors with regards to the Jordanian commercial banks, which - are is represented by the Rate of Return on Assets and the Rate of Return on Equity. Moreover, the study also concluded that it is possible to derive a miniature model from the CAMELS model called the CAME model, which has a great ability to explain and measure the performance of commercial banks in Jordan. Finally, the study recommended the Central Bank of Jordan to use the CAMELS model to evaluate Jordanian commercial banks.

Keywords: Performance Evaluation, CAMELS model, Return on Equity, Return on Assets, Jordanian Banks.

Journal of Economic Literature (JEL) codes: F65, G21

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INTRODUCTIONS

Banks have a great importance in the economies of developed and developing countries alike, due to several reasons, such as the large proportion of banks compared to other types of companies, and the multiplicity of Stakeholders who have a relationship with the Bank as shareholders, depositors and borrowers. The country's economic situation along with the effectiveness of the monetary policy depends on the situation of the financial system, - in particular of the banks (Swyngedouw et al ,2002). In light of the crucial

role of banks, and in view of the multiplicity of banks' stakeholders, it has become necessary to impose direct monitoring over banks in order to ensure their safety and durability, and to avoid exposing the banks to any undesirable events that may affect them, the stakeholders, and the economy as a whole. Hence it has increased the importance of banks monitoring by authorities, since-it plays an important role in protecting the rights of depositors, shareholders, customers and various stakeholders in the bank-.n addition - it strengthen-s the confidence in the banking sector-and - enhances the monetary and - banking stability. (Mishkin ,2001) and (Noy ,2004) indicated

that the weakness of the monitoring and supervisory systems in - banks is regarded as one of the most important factors- which leads to bank failure and generate banking crises. Central banks are one of the most important supervisory bodies over banks due to the existence of a legal basis that enables them to exercise monitoring over banks- this field banks usually use a group of monitoring tools in both the field and the office. One of the most important tools is the CAMELS Model, which evaluates the whole bank situation and identifies its strengths and weaknesses. The CAMELS model is defined as a comprehensive assessment tool used by oversight bodies to assess the financial strength of banking institutions. This model includes six basic dimensions, which are the Capital Adequacy, Assets Quality, -Management -Efficiency, Earnings, Liquidity, and Sensitivity to market risk. The name of the model reflects the first letter of each of the above dimensions. Based on the foregoing, this study comes to analyze the factors affecting the performance of the Jordanian commercial banks using the elements of the CAMELS model, and to determine the factors that most affect the performance of these banks. In this regard, it is noted that many previous studies that examined the performance of banks used macroeconomic variables as intermediate variables, due to the presence of a significant impact of the country's economic condition on the bank's performance indicators. Therefore, the current study will use two variables of the macroeconomic, the rate of economic growth and the rate of inflation in order to extract the net effect of the CAMELS model elements on the banks performance indicators. The importance of this study stems from the fact that it links the elements of -the CAMELS model, and the performance of Jordanian commercial banks, -as the CAMELS model, is one of the most important tools that Central banks use to evaluate and - monitor banks to -ensure (Thagunna and Poudel ,2013), the integrity and durability of the banking system. Moreover, the central bank of Jordan uses this method to evaluate the performance of banks in Jordan. Therefore, the results obtained by this study is of great importance to banking regulators because it gives them more understanding of the impact of the CAMELS model elements on the performance of banks, and it also gives the benefit of determining the most influential elements of the model on the banks performance. This study also adds to the previous studies and opens new horizons for future studies, because it follows the same methodology used by the regulatory authorities for the purposes of bank performance assessment. This study is trying to answer the following questions:

- What is the effect of the bank specific variables represented in Elements of the CAMELS model on the performance of the Jordanian banks?
- What is the impact of macroeconomic variables on the performance of the Jordanian commercial banks?

THEORETICAL-FRAMEWORK OF THE STUDY

Evaluation of bank performance

The Bank's performance evaluation aims to ensure that the resources available -for it are used efficiently, therefore it is a comprehensive process in which all Data, accounting, etc., determine the financial situation of the bank, and specifying how its resources were managed during a specified period of time. The financial performance of banks is defined as all the activities and efforts made by the banks to play their role and carry out their functions to provide banking services (Berger et al, 2005). The financial performance of the bank is an important mean for diagnosing weakness and strength -in the performance and the various activities of the bank, which are aimed at providing the necessary information to take appropriate measures to guarantee the bank's achieving revenues and profits and to remain in the competitive market (Nadiri, et al ,2009).

Also, the evaluation of financial performance is also an important and necessary process to know the extent to which the bank has achieved its plans and objectives, which are an imperative pillar of its work monitoring. The importance of evaluating the performance of banks stem from several aspects, most notably that it constitutes the basis for measuring the bank success and the extent to which it seeks to follow up on its activity to achieve its objectives, and that it provides an information system for the purpose of planning, monitoring and decision making (Soana ,2011). For a successful performance assessment three pillars must be taken into consideration:

1. Economy in the use of resources: -The bank is efficient when -obtaining good economic resources at the lowest possible cost, and this requires the existence of an effective monitoring system within the bank (Buyya& Venugopal, 2005).
2. Efficiency: Is the optimal use of available resources to achieve a certain volume or level of output at the lowest costs, and it is one of the most important measures of success for organizations in achieving their goals (Gunasekaran & Kobu ,2007).
3. Effectiveness: This reflects the extent to which the bank has achieved its main and minor

objectives, and the consistency of the achieved objectives with the planned objectives-. It also reveals -deviations, their causes, and the ways to correct and avoid them in the future. (Dibbern et al ,2004).

Performance evaluation criteria are based on a set of criteria that can be used to measure and compare the level of performance, which includes the following (Hashimoto et al ,1982).

1. Historical criteria: They are based on a comparison between the current financial indicators and the historical indicators of the bank and determine the extent of improvement or decline in those indicators.
2. Targeted criteria: It is based on comparing the bank's performance with the planned standards.
3. Industry criteria: These are based on the comparison between the bank's performance with the rest of the banks.

CLASSIFICATION SYSTEM (CAMELS)

The CAMELS system is one of the most important classification systems -used by the world's supervisory bodies to assess safety of banks-. The history of this system dates back to November of 1979 when it was first used by the American Federation Council for the Examination of Financial Institutions, after which this system was adopted by the National Credit Union Administration (NCUA) in the USA in October of the year 1987 (Cole & Gunther ,1998). The word indicates (CAMELS) the first letters of the components of this system, which includes six elements, Capital Adequacy ،Asset Quality, Management, Earnings, Liquidity, and Sensitivity to Market Risk (Guan et al ,2019). The CAMELS system is based on a quintuple classification -ranging from one to five, as the following : Rating 1 is the best rating and reflects the soundness of the bank's operations and the presence of strong performance and risk management practices, while rating (5) is the worst rating for the bank because it reflects that the bank's performance is not satisfactory and indicates a high probability of bank failure, and also the presence of significant challenges -to be faced by the management- .Usually the following procedures here carried out by the supervisory authorities-are to liquidate the bank, or resort to merger and acquisition(Hashemi et al ,1998).

METHODOLOGY

By going through the methodologies of previous studies, which aimed at knowing the effect of the CAMELS model elements on the performance of

commercial banks including studies such as (Nguyen et al ,2020) and (Sangmi et al ,2010). In light of the objectives of this study to be achieved, a standard model for the current study was developed, which tests the effect of CAMELS model elements and the macroeconomic variables on the performance of the Jordanian commercial banks. This form is formulated as follow:

$$Performance = (CAMELS, Macroeconomic, \varepsilon) \ldots (1)$$

Whereas, performance refers to the performance measures of Jordanian commercial banks, which include the Rate of Return on Assets (ROA), and the Rate of Return on Equity (ROE). CAMELS refers to the elements of the CAMELS model, where Macroeconomic is the macroeconomic variable, and ε is the random error coefficient. Through the previous model, two sub-models of the study can be formulated as follows:

$$ROA_i, = \beta 1 + \beta 2C_i, + \beta 3A_i, + \beta 4M_i, + \beta 5E_i, + \beta 6L_i, + \beta 7S_i, + \beta 8GRTH_t + \beta 8Inf_t + \varepsilon, \ldots (2)$$

$$ROE_i, = \beta 1 + \beta 2C_i, + \beta 3A_i, + \beta 4M_i, + \beta 5E_i, + \beta 6L_i, + \beta 7S_i, + \beta 8GRTH_t + \beta 8Inf_t + \varepsilon, \ldots (3)$$

Whereas ROA_i, is the rate of Return on Assets for the bank i per year t, and ROE_i, t is the Return on Equity for the bank i per year t. The independent variables however, include elements of the six CAMELS model, $C_{i,t}$ is the bank's capital adequacy i per year t, and $A_{i,t}$ is the quality of the bank's assets for the Bank i per year t, $M_{i,t}$ is the bank management efficiency i per year t, $E_{i,t}$ is the bank earnings i per year t, $L_{i,t}$ is the bank liquidity i per year t, $S_{i,t}$ is the sensitivity to market risk of the bank i per year t, the macroeconomic variables include two variables, $GRTH_t$ -which reflects the rate of economic growth per year t , and Inf_t which is the inflation rate per year t.

PROCEDURAL DEFINITIONS OF STUDY VARIABLES

The Dependent variables

Previous studies include several measures of bank performance, including the most important ones, which are the Return on Assets and the Return on Equity and these measures will be used in the current study.

1. The Rate of Return on Equity: This scale refers to the achieved net profit on the investors' money in the bank. It also refers to the return achieved by investors in the bank, and it shows the bank effectiveness in using the investors' money (Arditti ,1967). The rate of Return on Equity is estimated through dividing the after tax on the total Equity.

2. The Rate of Return on Assets: The rate of Return on Assets measures the achieved net profit on assets invested in the bank, and it shows how much profit is achieved by a company for every JOD of its assets, therefore it is considered as an important indicator of the administrative efficiency in the bank. Moreover, this scale presents the extent of Effectiveness of managing the bank's assets to achieve profits (Burton et al ,2002). The Rate of Return on Equity will be calculated through dividing the net profit after tax on the total Equity of the bank.

THE INDEPENDENT VARIABLES

CAMELS model elements

The study will rely on the six elements of the CAMELS model to explain the financial performance of banks, and these elements include the following:

1. Capital Adequacy Ratio: The capital adequacy ratio reflects the ability of the bank's capital to afford the unexpected losses and to satisfy the obligations, and Capital Adequacy Ratio will be measured in accordance with the instruction - regarding capital adequacy issued by the Jordan central bank. (Moyer ,1990). The capital adequacy ratio according to (Fouche et al,2006) is defined as a measurement of a bank's available capital expressed as a percentage of a bank's risk-weighted credit exposures. The capital adequacy ratio, also known as capital to risk weighted assets ratio, is used to protect depositors and promote the stability and efficiency of financial systems around the world.

2. Asset Quality: is of particular importance in the appraisal system because it is the critical part of a bank's business that leads its operations towards generating revenues, because the bank's possession of good assets will mean generating more income and better valuation both for liquidity, management and for capital-. Asset Quality is measured by dividing the non-performing loans by the bank's total loans. (Chan et al ,1986). The quality of assets is classified based on the study of the following issues:

a) The size and severity of non-performing assets in relation to the total capital.
b) The size and trends of the loan repayment terms that are past due, and the measures taken to reschedule them.
c) Large credit concentrations and the risks of the single borrower or related borrowers.
d) Amount and management's treatment of employee loans.

3. Management Quality: This element includes the analysis of five qualitative indicators, which are mainly: governance, human resources, procedures, control, audit, information system and strategic planning (Saraph et al ,1989). Therefore, the quality of the bank's management is evaluated through the following criteria:
a) Governance: where the work of the board of directors is evaluated on the basis of the diversity of technical expertise and its ability to make decisions independently of management, effectively and flexibly (Tushman & Nadler ,1986).
b) Human Resources: It constitutes the second criterion that evaluates whether the Human Resources Department provides advice and guidance and has a clear impact on users, through the recruitment and training criterion as well as the workers' motivation system and the performance appraisal system (Diallo et al ,2003).
c) Monitoring and auditing process: where the degree of formation of the basic processes and their effectiveness in managing risks at the organization level -are evaluated, through an evaluation of the internal control system and the quality of internal and external audits. (Dipper ,1998).
d) Information system: which evaluates the efficiency and effectiveness of the information system in providing accurate and timely annual reports (Narasimhan & Kim ,2001).
e) Strategic planning: which determines whether the organization has developed an integrated approach to short- and long-term financial projections (Kotler& Murphy ,1981).
4. Earnings: is one of the most important ratios that measure the performance of the bank. Earnings is the main objective of the banks and the prime source of increase in capital of a bank. The ratio that is used to evaluate the earnings is the interest margin to gross income (Sayed, G & Sayed, N,2013). The bank's earnings through net interest margin will be calculated by dividing the difference between the interest received and the interest paid by the total income. (Maudos & De Guevara, 2004).
5. Liquidity Position: Liquidity in the bank is one of the most important indicators that customers rely on in comparing banks, as it represents Liquidity is the most important means of protecting the bank from the risk of bankruptcy through its ability to meet the obligations that are distinguished with immediate payment, banks have this feature without other institutions because they cannot postpone cashing a check drawee, or postpone the payment of a deposit payable, and it cannot demand the debtors to pay loans -that they owe -and financing which have not yet matured, in addition, it is difficult to predict the

size and timing of the movement of funds from and to the bank, and which constitutes a great difficulty for the management of the bank (Qin & Pastory ,2012). Liquidity can be defined in general as the ability to convert assets into cash quickly and without realizing -loss (Arif & Anees ,2012). As for liquidity in the bank, it can be defined as the bank's ability to meet depositors' withdrawals and meet the needs of financiers in a timely manner and without having to sell securities at large losses or borrow with high interest, Liquidity is measured by dividing the bank's liquid assets by the total assets (Acharya et al ,2012).

6. Market risk sensitivity: In light of the financial and banking developments that occurred at the international level, which made banks more vulnerable to financial crises, it is necessary to focus on many topics in this regard, including the sensitivity of the bank's net profits to different expectations of changes in interest rates, fluctuations in foreign exchange centers, and in prices securities, in addition to measuring and following up on many risks, the most important of which are: Credit risk, Price risk -and Marketing- risks.

Macroeconomic variables: the study will depend on two macroeconomic variables, namely the economy growth rate and the rate of inflation. The economic growth rate will be measured by the annual rate of change in the GDP at constant market prices, while - inflation rate will be measured by calculating the annual rate of changes in the Consumer Price Index.

STUDY POPULATION AND SAMPLE

The study population consists of all Jordanian commercial banks listed on the Amman Stock Exchange, which were 20 at the end of 2019, and the study will be based on all Jordanian commercial banks that make up the study population, after excluding Islamic banks -because of the difference in its structure and the laws followed within Islamic banks. The data, which is the annual financial statements of these banks has been acquired for calculating the variables based on the companies guide issued by the Amman Stock Exchange during the period 2014-2019, -in addition to the annual reports issued by the banks included in the study sample.

DESCRIPTIVE STATISTICS

Table (1) shows the specific descriptive statistics with the variables of the study, and through the previous table, it can be noted that the average rate of return on assets for the Jordanian commercial banks during the study period -amounted to about 1.3%. This rate ranged from 0.0% to 2.5%, with a standard deviation of 0.5 %. Previous statistics indicate that there is a clear discrepancy in the rate of return on assets among commercial banks-, while the average rate of return on equity for the Jordanian commercial banks during the study period was about 9.0%. This rate ranged from 1.4-% to 16.9%, with a standard deviation of 3.6%. Previous statistics indicate a clear discrepancy in the rate of return on equity among commercial banks. As for the components of the CAMELS model, the average capital adequacy ratio of the Jordanian commercial banks during the study period was about 16.7%, and the ratio ranged from 13.0% to 24.2%, with a standard deviation of 2.1%. The previous statistics indicate that the Jordanian commercial banks enjoy high capital adequacy ratios that exceed the minimum required by the Central Bank of Jordan of 12%, as well as the minimum required by the Basel Committee of 8%. The average asset quality which was measured by the ratio of inactive loans to the Jordanian commercial banks was about 9.9%, the percentage ranged from 2.6% to 22.4%, with a standard deviation of 4.3%. The ratios of inactive loans are generally accepted as they are less than 10%, which reflects the high quality of the assets of the Jordanian commercial banks in general, but it is noted that the banks suffer from a rise in the inactive loan's ratio, which indicates the low-quality assets. As for the management, the average operating expenses ratio to the total assets of the Jordanian commercial banks is about 2.6%, and this percentage ranged from 1.3% to 4.3% with a standard deviation of 0.7%. From the above, it is clear that the Jordanian commercial banks are characterized by similar levels of operational expenses, with no significant fluctuation in the ratio during the study period, which indicates the efficiency of the Jordanian commercial banks departments. As for earnings, the average net interest margin ratio to the total assets of Jordanian commercial banks during the study period, is about 69.3 %, and this rate ranged from 51.8% to 81.9%, with a standard deviation of 5.8%. From the above, it is noted that the Jordanian commercial banks are characterized with- relatively high interest rates, as it constitutes more than two-thirds of its sources of income. The average liquidity ratio of the Jordanian commercial banks during the study period was about 24%, and the percentage ranged from 12.5% to 36.7% with a standard deviation of 5.9 %. From the above, it is noted that the Jordanian commercial banks maintained good liquidity ratios and enough to meet any unexpected needs. The average sensitivity to market risk was measured by the ratio of securities to total assets of the Jordanian commercial banks during the study period,

which was about 25%, the percentage ranged from 11.1% to 37.9 %, with a standard deviation of 6.3%. Previous statistics indicate that about a quarter of the Jordanian commercial bank's assets are exposed to market risks, which - reflects their high sensitivity to these risks. With regard to macroeconomic variables, the average economic growth rate during the study period was 3.2%, and the growth rate ranged from 2.3 % to 5.5% with a standard deviation of 1.6%. The average inflation rate was 3.4%, which ranged from -

0.7% to 4.8%. Other statistics including Skewness and Kurtosis indicate that the shape of the distribution of the dependent variables is close to the shape of the normal distribution, this is confirmed by the Jarque_Bera statistic, which reflects that the distribution of the two dependent variables follows a normal distribution, and the number of observations reached 91 views, which reflects the data of 20 banks over the six years' period.

Table 1
Descriptive statistics for the study variables during the period 2014-2019

	Capital Adequacy Ratio	Return on Equity	Return on Assets	Assets Quality	Inflation	Liquidity	Earnings	Sensitivity to market risk	average economic growth rate	Management Efficiency
Minimum	0.12876	-0.01451	-0.00157	0.02610	-0.73974	0.12482	0.51771	0.11111	2.31150	0.01258
Maximum	0.24160	0.16964	0.02526	0.22400	4.83933	0.36652	0.81938	0.37881	5.47708	0.04293
Mean	0.16720	0.09013	0.01313	0.09901	3.41793	0.23993	0.69283	0.24893	3.15854	0.02645
Median	0.16816	0.09073	0.01386	0.09000	4.34224	0.23512	0.68637	0.24160	2.73980	0.02590
Std. Dev	0.02080	0.03563	0.00510	0.04322	1.98435	0.05874	0.05790	0.06302	1.07074	0.00671
Kurtosis	3.98040	3.48407	3.48203	3.50032	3.40444	2.26164	3.37598	2.32691	3.86010	2.72851
Skewness	0.69732	-0.29150	-0.58931	0.87833	-1.40506	0.20204	-0.32086	0.32696	1.59210	0.30613
Probability	0.00981	0.39509	0.10638	0.00442	0.00000	0.31624	0.40702	0.23905	0.00000	0.48243
Jarque-Bera	9.4586	1.8724	4.4637	10.9125	26.1961	2.3025	1.7978	2.8622	35.3264	1.4578
Observations	91	91	91	91	91	91	91	91	91	91
Cross-sections	20	20	20	20	20	20	20	20	20	20

Source: Central Bank of Jordan, annual report, various issues.
Source: Association of Banks in Jordan, annual report, various issues.
Source: Amman Stock Exchange, annual report, various issues.

REGRESSION ANALYSIS RESULTS

This part aims to test the effect of the elements of the CAMELS model on the performance Jordanian commercial banks, commercial banks, and will use the Data Pooled Regression Method, due to its relevance to the nature of the data used in the study, where this method is used in the case of a time series and cross-

sectorial data. Table (2) shows the regression analysis outputs for the study models, based on this table, it can be seen that the ratio of capital adequacy, management efficiency and earnings have positive and statistically significant effect at 5% level on the rate of return on assets and the rate of return on equity, which indicates that a high capital adequacy, high management efficiency and high earnings will help improve the bank's performance. However, the assets quality has a

negative and significant statistical effect at the 5% level on the rate of return on assets and the rate of Return on Equity, which indicates that the bank's asset quality rises from the decline in the ratio of inactive loans will contribute to improving bank performance (Jha and Hui ,2012). The table also shows that the liquidity ratio or Sensitivity to Market Risk have no effect with a statistical significance on Return on Assets or Return on Equity. Moreover, the macroeconomic variables - represented in the rate of economic growth and the rate of -inflation had no statistically significant effect on the rate of return on assets or the rate of return on equity (Onjala,2012).

Table (2)
The results of the regression analysis (*) of the study model

Variable	Model 1: Return on Equity			Model 2: Return on Assets		
	t-Statistic	Coefficient	Prob.	t-Statistic	Coefficient	Prob.
Constant	1.2738	0.0845	0.2255	-0.3088	-0.0033	0.7614
Capital Adequacy Ratio	2.2852	0.1355	0.0426	4.6681	0.0764	0.0000
Assets Quality	-4.8866	-0.4548	0.0000	-7.1113	-0.0759	0.0000
Management Efficiency	2.8721	1.4811	0.0050	3.1065	0.2016	0.0027
Earnings	2.5929	0.0907	0.0236	2.3140	0.1131	0.0352
Liquidity	1.3966	0.0566	0.1732	1.6947	0.0095	0.0946
Sensitivity	-0.4591	-0.0182	0.6690	0.5154	0.0033	0.6079
Average Economic Growth Rate	-1.0249	-0.0093	0.3156	-0.9908	-0.0013	0.3253
Inflation	-0.5879	-0.0027	0.5771	-0.5275	-0.0004	0.5996
R-squared	0.5123			0.6521		
Adjusted R-squared	0.5571			0.5417		
Durbin-Watson Stat	1.8112			1.9449		
F-statistic	9.119			11.846		
Prob(F-statistic)	0.0000			0.0000		

(*) Method: Pooled EGLS (Cross-section weights)
- White diagonal standard errors & covariance (d.f. corrected).
Source: Own calculations

CONCLUSION AND RECOMMENDATION

This study aimed at analysing the factors affecting the performance of the Jordanian commercial banks using CAMELS model elements, and to determine the factors that most affect the performance of these banks. The results indicated that Jordanian commercial banks are characterized by high capital adequacy ratios that exceed the minimum required by the Central Bank of Jordan and the Basel Committee, it is also distinguished by the high quality of its assets, the efficiency of its management, and their ability to achieve relatively high profit margins-.In addition, the Jordanian commercial banks maintain a good and sufficient liquidity ratios to meet any unexpected needs, -however, there has been an increase in their Sensitivity to Market Risk. The results also indicated that capital adequacy, asset quality, efficiency of management and earnings are among the most important and influential factors on the performance measures of the Jordanian commercial banks, represented by the rate of return on assets and rate of return on equity. For the purposes of evaluating the performance of the Jordanian commercial banks, this study recommend that it is possible to rely on a miniature model of the CAMELS model, which is the CAME model, which has a great ability in interpreting and measuring the performance of the Jordanian

commercial banks, and this model includes four components, namely, capital adequacy, asset quality, management efficiency, and earnings. This, however, does not mean that the rest of the elements should be neglected, because they have effects on the other aspects of the banks such as risks of all kinds. The study also recommends the Central Bank of Jordan, when evaluating the performance of banks, to give importance to the four most influential elements on the performance of banks, which includes CAME elements in order to reach a more suitable tool for the assessment of the Jordanian commercial bank's performance.

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