



BANK PROFITABILITY INDICATORS IN THE CONTEXT OF MODERN TECHNOLOGY: A COMPARATIVE STUDY (COMMERCIAL BANKS, ISLAMIC BANKS)

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ABSTRACT

Purpose: The aim of the current study is to identify profitability indicators in commercial banks in light of modern technology compared to Islamic banks.

Method/design/approach: To achieve the study objectives, descriptive approach methods were followed, after-tax profitability indicators were used during 2018-2023 in which banking technology became widespread in specially in Islamic banks.

Results and conclusion: The research uncovered variations in profitability metrics between commercial banks and Islamic banks from 2020 to 2022, with consistency observed in subsequent years. Based on these findings, the study delineates several recommendations.

Research implications: In this study comparing the profitability measures of banks looking at Islamic banks in the context of technology it provides valuable insights, for making strategic decisions in banking sector and finance. The findings from this study can guide customized strategies to use progress for improved profitability and competitiveness, in both types of banking institutions.

Originality/value: By exploring how these two distinct banking models navigate and leverage modern technology to enhance profitability, this study provides insights into the intersection of finance, technology, and banking practices. This fills a crucial gap in existing literature and offers valuable implications for practitioners, policymakers, and scholars seeking to understand and optimize banking strategies in the digital age.

Keyword: Profitability, Electronic Banking Services, Commercial Banks, Islamic Banks.

INDICADORES DE RENDIBILIDADE BANCÁRIA NO CONTEXTO DA TECNOLOGIA MODERNA: UM ESTUDO COMPARATIVO (BANCOS COMERCIAIS, BANCOS ISLÂMICOS)

RESUMO

Objetivo: O objetivo do presente estudo é identificar indicadores de rentabilidade nos bancos comerciais à luz das tecnologias modernas em comparação com os bancos islâmicos.

Método/concepção/abordagem: Para alcançar os objetivos do estudo, foram seguidos métodos de abordagem descritiva, foram utilizados indicadores de rentabilidade após impostos durante o período de 2018-2023, em que a tecnologia bancária se generalizou especialmente em bancos islâmicos.

Resultados e conclusão: A pesquisa revelou variações nas métricas de lucratividade entre bancos comerciais e bancos islâmicos de 2020 a 2022, com consistência observada nos anos subsequentes. Com base nessas constatações, o estudo delinea várias recomendações.

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Implicações da pesquisa: Neste estudo comparando as medidas de rentabilidade dos bancos que olham para os bancos islâmicos no contexto da tecnologia, fornece informações valiosas, para a tomada de decisões estratégicas no setor bancário e financeiro. Os resultados deste estudo podem orientar estratégias personalizadas para usar o progresso para aumentar a lucratividade e a competitividade em ambos os tipos de instituições bancárias.

Originalidade/valor: explorando como esses dois modelos bancários distintos navegam e utilizam a tecnologia moderna para aprimorar a lucratividade, este estudo fornece ideias sobre a interseção de práticas financeiras, tecnológicas e bancárias. Isso preenche uma lacuna crucial na literatura existente e oferece implicações valiosas para profissionais, formuladores de políticas e acadêmicos que buscam entender e otimizar estratégias bancárias na era digital.

Palavras-chave: Lucratividade, Serviços Bancários Eletrônicos, Bancos Comerciais, Bancos Islâmicos.

INDICADORES DE RENTABILIDAD BANCARIA EN EL CONTEXTO DE LA TECNOLOGÍA MODERNA: UN ESTUDIO COMPARATIVO (BANCOS COMERCIALES, BANCOS ISLÁMICOS)

RESUMEN

Objetivo: El objetivo del presente estudio es identificar indicadores de rentabilidad en los bancos comerciales a la luz de la tecnología moderna en comparación con los bancos islámicos.

Método/diseño/enfoque: Para lograr los objetivos del estudio se siguieron métodos de enfoque descriptivo, se utilizaron indicadores de rentabilidad después de impuestos durante 2018-2023 en los que la tecnología bancaria se generalizó especialmente en los bancos islámicos.

Resultados y conclusión: La investigación reveló variaciones en las métricas de rentabilidad entre bancos comerciales y bancos islámicos de 2020 a 2022, con consistencia observada en años posteriores. Sobre la base de estas conclusiones, el estudio formula varias recomendaciones.

Implicaciones de la investigación: En este estudio que compara las medidas de rentabilidad de los bancos que miran a los bancos islámicos en el contexto de la tecnología, proporciona información valiosa para tomar decisiones estratégicas en el sector bancario y las finanzas. Los resultados de este estudio pueden guiar estrategias personalizadas para utilizar el progreso para mejorar la rentabilidad y la competitividad, en ambos tipos de instituciones bancarias.

Originalidad/valor: Al explorar cómo estos dos modelos bancarios distintos navegan y aprovechan la tecnología moderna para mejorar la rentabilidad, este estudio proporciona información sobre la intersección de las finanzas, la tecnología y las prácticas bancarias. Esto llena una brecha crucial en la literatura existente y ofrece implicaciones valiosas para los profesionales, los responsables de las políticas y los académicos que buscan comprender y optimizar las estrategias bancarias en la era digital.

Palabras clave: Rentabilidad, Servicios bancarios electrónicos, Bancos comerciales, Bancos Islámicos.

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1 INTRODUCTION

Modern technological advancements have led to significant transformations across various aspects of life, enhancing service quality and operational capacity for organizations across industries. With competition intensifying, technology has become indispensable for



productivity and efficiency (Jawad, 2023). As global economies shift towards knowledge-based models, the reliance on technology grows, prompting institutions, especially in finance, to prioritize technological adaptation (Badis, 2015). This emphasis on technology stems from its ability to swiftly and cost-effectively generate profits, garnering substantial attention from financial institutions (Bashagha Watq, 2023).

This study investigates the impact of electronic banking services on the financial performance of both commercial and Islamic banks in Jordan. Jordanian banks aim to enhance customer experiences by leveraging electronic services, prompting exploration into their influence on financial performance. The study seeks to answer whether bank type (commercial or Islamic) correlates with significant variations in profitability metrics in the context of modern technology. It aims to ascertain the extent of disparities in profitability metrics between commercial and Islamic banks, hypothesizing that significant disparities exist based on bank type.

2 THEORETICAL FRAMEWORK:

2.1 ELECTRONIC BANKING SERVICES

Electronic banking services help to improve the banking systems used by Jordanian banks. On the one hand, they link and coordinate banks with their branches and the Central Bank of Jordan. On the other hand, they facilitate interactions between Jordanian banks and their customers by making it easier for them to conduct various banking operations and access banking services via electronic networks whenever and wherever they choose.

In order to expand banking activity of all kinds, banks operating in Jordan, both Islamic and conventional, have recently looked for contemporary channels through which they can offer banking services and products to all segments of society. These banks offer a range of traditional and electronic services to their clients, the most notable of which are: Online banking available at (<https://www.abj.org.jo>).

First, one of the electronic services offered by Jordanian banks is Talking Bank, which enables customers to carry out various financial activities around-the-clock, seven days a week. Using an automatic response system, banking transactions are conducted over the phone. An individual can select a service by entering the relevant number on the keypad of their phone. In



many circumstances, the client is required to prove his identity by entering a secret number, which is meant to maintain confidentiality and security.

Many services are available from the talking bank, such as checking account balances, finding out the most recent transactions on the account, getting a check book, getting an account statement, getting an ATM card, or canceling the card in case of loss or theft or loss, transferring money between accounts, inquiring about currency sale prices, payment of bills, and more services.

Second: One of the most significant services offered by banks in Jordan to their customers is **online banking**, which enables them to access data and information about their accounts via the Internet. In order to utilize online banking, a customer must first visit the bank's website. Subsequently, they verify the online banking services, also known as E-Banking, and inputs both their secret number and their primary account number, which is the customer's record provided by the bank. They will thereafter be able to carry out a variety of tasks. Banking services include: paying bills, obtaining a credit card or check book, transferring money between accounts, enquiring about account balances, monitoring account activity, giving payment orders to the bank, and more.

Third: Modern ATMs and **automated teller machines** (ATMs), which are computerized communication devices that let bank clients use their financial services in public areas and without having to interact with human individuals. As soon as the consumer enters a smart plastic card with a chip or a plastic card with a magnetic stripe, they are recognized. The ATM can be used for cash withdrawal and deposits, account balance inquiries, account transfers, requesting a check book, and more. It can also be used to get a thorough or summary account statement.

Fourth: Virtual branching are another name for automated branching. They function by mimicking the services offered at the real bank branches that are in operation in Jordan, but via an integrated electronic system that allows the client to perform numerous functions without having to go to a bank branch. The range of electronic technology and devices found in automated branches sets them apart and enables them to offer the most up-to-date direct banking services available around-the-clock. They have currency exchange machines, automated teller machines, and sophisticated computers that are all connected to the Internet and phone systems that are immediately connected to the bank's customer support center and its services. Automated branches give consumers the flexibility to use ATMs, internet banking, or talking



bank services to complete automated transactions whenever and wherever they choose, without having to visit the branch and wait for bank staff to assist them.

Fifth: Quick money transfers using Western Union: One of the biggest global financial services businesses, Western Union offers fast money transfer services through a number of Jordanian institutions. Its headquarters are in the United States of America, and its customers can make money transfers through it through Western Union, with numerous nations worldwide, in order for it to be received the following day.

Sixth: SMS banking: This is an electronic service that Jordanian banks offer their clients, enabling them to do various banking operations via banking messages that can be accessed on mobile devices. Banking messages sent from the bank to the client (Push - SMS) and banking messages sent from the customer to the bank (Pull - SMS) comprise the two main categories of the banking messaging service.

The following services are offered by Jordanian conventional banks that are not offered by Jordanian Islamic banks: interactive automated teller machines (Van Mobile ATM), mobile ATMs, self-service kiosks, online foreign exchange trading services, Aggregation CIF services, and automatic coverage of overdrawn current accounts. These findings come from a study conducted by Melhem (2021) on conventional banks and Jordanian Islamic banks.

Studies show that the use of electronic banking services by Jordan's conventional and Islamic banks increases their market share, gives them a greater chance to serve the largest customer base, and increases their ability to compete, gain a competitive edge, and eventually enter international markets. Researchers (Melhem, 2021) note that the use of technology in banking services offered by Jordanian banks contributes to the possibility of offering new and varied banking services, as well as helping them maintain a competitive edge that allows them to stay in the financial sector. It also makes it possible for banking services to be delivered swiftly and easily, which increases productivity in their work. Additionally, it serves to strengthen the bond and ongoing business that consumers have with banks, which helps banks attract new clients who want to use cutting-edge services. However, by saving time and effort when offering financial services tailored to the demands of consumers, the use of technology in banking services lowers operating expenses. According to Sakoe, Asare (2015), electronic banking services have simplified and improved the convenience of bank services. Consumers are able to carry out financial transactions. With simplicity, from their homes and workplaces, and with the ability to complete transactions around-the-clock. According to a study (Al-Janabihi, Al-Ganbihi 2005), clients can request the service whenever they want and from any



location, which expands their customer base. The potential to deliver contemporary banking services that satisfy clients' requirements and preferences, finishing bank-provided banking services promptly, precisely, and banks offer electronic banking services at a lesser cost than conventional banking services, which boosts the bank's profitability.

Various components are necessary for the success of bank-provided electronic banking services, as listed below (Al-Haddad, 2012):

1. Infrastructure: Communications is the primary need for successful electronic services. The effectiveness and safety of communications are dependent on the safety, efficiency, and effectiveness of the laws governing the communications sector, to the extent that banks have access to efficient communications infrastructure, so too will the efficiency of electronic banking services;
2. Performance efficiency that is consistent with the technological element: Performance efficiency encompasses all technical, financial, marketing, legal, advisory, and administrative tasks associated with electronic banking activities. It is predicated on comprehending the requirements of performance and qualifying and training communication;
3. Development, effectiveness, and continuity: Banks have to consider how information and communication technology is developing together with the ongoing, ongoing development of electronic banking services;
4. Interaction with methods, means, and technological, administrative, and financial variables.

Impartial evaluation oversight: To assess their performance and the efficiency of their websites in offering a range of banking and financial services, banks need to set up advisory groups in technical specializations, marketing, and electronic publication.

2.2 FINANCIAL PERFORMANCE

Every banking activity revolves around the bank's financial performance, which is determined by both internal and external factors (Ferrouhi, E.M. 2018). The balance sheet and profit statements show internal factors, which are the bank's own factors resulting from its operations. Losses are not the result of the bank's operations; rather, they are a reflection of the overall state of the economy, which has an impact on the banking industry's financial performance.



Financial performance indicates a bank's capacity to draw in and provide returns for investors as well as to create economic value (Orozco et al., 2018; Al-Sa'eed, 2018).

Financial performance is measured using a variety of indicators, and the features of the objects under study determine which ratios are most appropriate. This allows banks' current development and future growth to be evaluated. Return on shareholders' equity (ROS) and ROE are two of the most widely used ratios, according to multiple research to measure financial performance (Walsh, 1987).

3 LITERATURE REVIEW

The effect of electronic banking services on banks' financial performance has been the subject of several studies, which include:

The performance of banks is significantly impacted by electronic banking services, including ATMs, direct payments, electronic check transfers, telephone banking, and electronic transactions, according to a study (Asia, 2015). This is because these services boost profitability, lower operating costs, and improve the efficiency and assets of banks financial institution.

Study done by Al-basheer et.al (2015) The Impact of Total Quality Management on Financial Performance "A field study in the Jordan Islamic Bank, Irbid Province - Jordan" Findings of this study indicate that there is a statistically significant relationship between the overall quality and financial performance elements in the Jordan Islamic Bank. There is a statistically significant effect of TQM on liquidity ratio of the Islamic Bank of Jordan. There is a statistically significant effect of TQM on the profitability ratio in the Jordan Islamic Bank.

Research has been done on the effects of electronic banking services on the financial performance of Jordanian banks. One such study, which was carried out in 2011, found that because Jordanian bank customers rely on channels, electronic banking services had a significant negative impact on the performance of Jordanian banks and did not help to conventional manner of doing their banking business. As a result, adopting electronic banking services still comes at a higher cost than it does revenue. Consequently, Jordanian commercial banks need to boost consumer confidence in electronic banking services and encourage their use. (Al-smadi & Al-wabel, 2011).

The potential to elucidate the cause of the detrimental effect that electronic banking services have on Jordanian banks' performance, according to a number of studies, including one



by Qadoumi (2010) on Jordanian bank customers, the role of personal characteristics—such as gender, age group, job, academic degree, years of experience using electronic banking, and the main barriers to electronic banking in Jordanian banks—was determined. It has been recommended that Jordanian banks launch a comprehensive educational campaign to spread the culture of electronic banking while simultaneously offering related services like the Internet at discounted rates. The two biggest barriers to electronic banking are the banks' lack of awareness of electronic banking services and their failure to play the necessary educational role to spread the culture of electronic banking. By examining the perspectives of clients in the southern area of Jordan.

The study of (Al-Sumairat, Al-Adayla, 2017) aimed to determine the factors impacting the adoption of electronic banking services via mobile phone. The study's findings demonstrated that (technology, vision, and confidence) affected the users' use of mobile banking services was clearly impacted, and the findings also indicated that this adoption rate of mobile banking services by users is still quite low. Given their significant role in the adoption of electronic banking services, the study recommended that bank executives focus on educating customers about electronic services, their value, and how to use them. This could be achieved by organizing seminars and creating introductory brochures on how to deal with and use electronic services, as well as by ensuring that mobile phone applications are adequately protected.

An applied study on Jordanian commercial banks was carried out in 2023, and the results showed that, in addition to the existence of a strong correlation between electronic banking services and the profitability of commercial banks, there was also a (strong) correlation between the profitability of commercial banks (rate of return on assets) in Jordan from the perspective of employees. From the perspective of the workers in Jordan (rate of return on equity), The study suggested that Jordanian commercial banks and other banks raise their knowledge of electronic banking services. Al-Afif and Al-Zoubi, 2023).

In order to determine the extent to which commercial banks operating in Jordan offer electronic banking services and the part they play in boosting customer loyalty, a study was carried out to highlight the most significant categories of electronic banking services that are most widely utilized and widespread by these banks. According to the study's findings, Jordanian commercial banks' customers' loyalty has been shown to be positively impacted by electronic banking services, including ATM, phone, and Internet banking (Al-Qar'an, 2022).



According to Bukhari's (2022) study, financial technology plays a significant role in the sustainable development of the Islamic financial industry by generating novel financial products and innovative solutions. Additionally, it helps the countries under investigation achieve financial inclusion and lower financing risks. Regarding the challenges, they can be mostly attributed to cultural considerations, the challenge of adjusting to and managing this technology, and resistance to change as they stand actually stand in the way of modern banks using technology in general, and Islamic banks specifically.

The objective of a study of Boumad (2020) was to illuminate the beneficial effects of financial technology advancements on the growth of Arab Islamic banks' performance. These banks can now more easily introduce their financial products and services and offer them with exceptional efficiency and quality, which enhances their competitiveness. inside the banking industry. In order to stay up with the digital age and take advantage of the services offered by financial technology companies, Arab Islamic banks must implement financial technology. This is especially important given the banks' reliance on antiquated systems at a time when transforming banks into digital business platforms presents numerous opportunities. Using two study methodologies, Salama and Metwally's research from 2021 examined the effects of FinTech investments on banking units. The first examined an applied analysis of the profitability of ten Egyptian banking units between 2011 and 2019 (represented as return on equity and assets). In addition to presenting a suggested framework for attaining leadership in banking services, the second study examined a field study involving customers and employees of those units. It did this by analyzing the financial technology tools' business model and determining the factors governing and influencing their success. Financial technology tools serve to benefit both the banking unit and its customers, but they also carry a number of implicit risks that are subject to RegTech technological control. The statistical analysis concluded that the investment made by Egyptian banks in financial technology tools had an effect on the rates of return on equity and assets at significant levels of 5% and 1%, respectively, as well as the different trends observed in the behavior of the banking units' clients and employees, in addition to the differing perspectives of areas and barriers to the implementation of financial technology held by clients and staff of banking units.



4 RESEARCH METHODOLOGY

The research employed a descriptive analytical methodology, characterizing the phenomenon under investigation in relation to electronic banking services (such as phone, mobile, Internet, ATM, and point-of-sale devices) and financial performance. Additionally, an applied study on conventional and Islamic banks operating in Jordan from 2018 to 2023 was conducted to analyze the impact of electronic banking services on financial performance.

5 RESULTS AND DISCUSSION

5.1 RESULTS

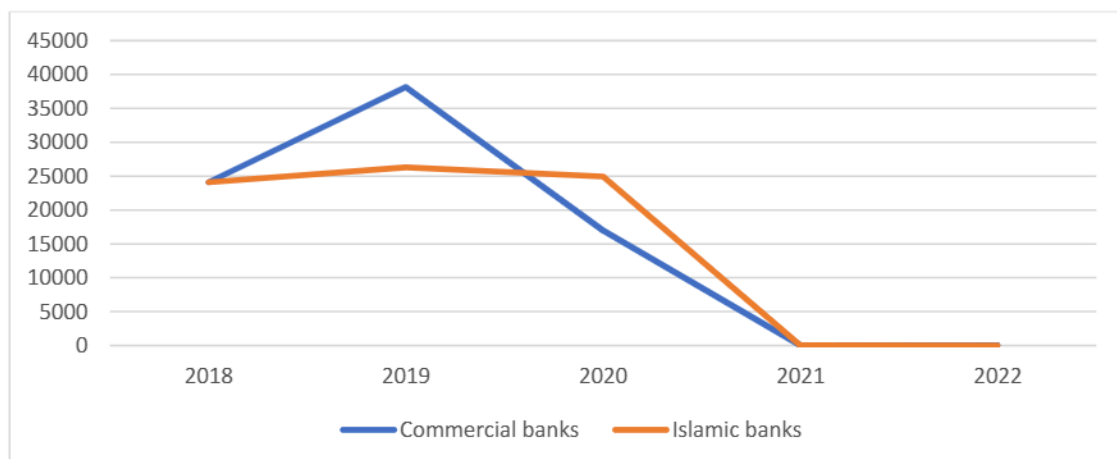
Table 1

The arithmetic averages and standard deviations of bank earnings after taxes for the study period (2018–2022)

Years	Commercial banks		Islamic banks	
	Mean	Std. Deviation	Mean	Std. Deviation
2018	24098.0909	21673.13568	24072.7500	20721.05781
2019	38153.3636	48473.41709	26296.0000	22413.39623
2020	16978.5921	20610.22594	24935.0000	20863.25877
2021	35.0979	38.41190	28.6158	22.83957
2022	39.6542	42.58234	29.9885	23.47423
Average	15860.96		15072.47	

Figure 1

The arithmetic averages and standard deviations of bank earnings after taxes for the study period (2018–2022)





According to Table No. (1), there were not many descriptive differences between commercial and Islamic banks when current technology was used, suggesting that there was no difference in the earnings of these two types of banks.

For Jordan's commercial banks and Islamic banks, a Paired Samples Test was performed to confirm the magnitude of statistically significant differences. The findings are shown in Table No. (2):

Table 2

Paired Samples Test for commercial banks and Islamic banks in Jordan during the study period (2018-2022)

		Paired Differences						t	Sig. (2-tailed)
		Com. Banks Mean	Islam. Banks Mean	Std. Mean	Error	95% Confidence Difference Lower	Interval of the Upper		
Pair 1	P2018	37050.00	29297.0000	29173.68836		-117771.24984	133277.24984	.266	.815
	- IP2018	00							
Pair 2	P2019	98566.66	31728.0000	22535.60209		-30124.20320	163801.53654	2.966	.097
	- IP2019	67							
Pair 3	P2020	40923.33	29913.3333	626.92371		8312.56500	13707.43500	17.562	.003
	- IP2020	33							
Pair 4	P2021	79.5023	28.6158	16.44890		-1.46123	103.23423	3.094	.054
	- IP2021								
Pair 5	P2022	86.6208	29.9885	12.15830		17.93911	95.32539	4.658	.019
	- IP2022								

As the significance level reached (0.815), (0.097), and (0.054), Table No. (2) Shows that there are no differences in earnings after tax between commercial banks and Islamic banks in the years (2018), (2019), and (2021). According to the table, there were differences in profits after tax between commercial banks and Islamic banks in 2020. The significance level reached (0.003), which is less than the prescribed value (0.05), indicating the presence of statistically significant differences. It is evident from the arithmetic averages that these differences were made to the advantage of commercial banks. The table shows that the profits after taxes for commercial banks and Islamic banks in the year 2022 differed. The arithmetic averages make it evident that the differences were favorable to commercial banks. The level of significance attained (0.019), which is less than the specified value (0.05), demonstrates the presence of statistically significant differences.



Table No. (2) indicates that there are no differences between commercial banks and Islamic banks in profits after tax in the year (2018), the year (2019), and the year (2021), as the significance level reached (0.815), (0.097), and (0.054). The table indicates that there are differences between commercial banks and Islamic banks in profits after tax in the year (2020), where the significance level reached (0.003), which is less than the specified value (0.05), which indicates the presence of statistically significant differences.

Through the arithmetic averages, it is clear that these differences were in favor of commercial banks. The table indicates that there are differences between commercial banks and Islamic banks in profits after tax in the year (2022), where the significance level reached (0.019), which is less than the specified value (0.05), which indicates the presence of statistically significant differences, and through the arithmetic averages it is clear that these The differences were in favor of commercial banks.

5.2 DISCUSSION

5.2.1 No Differences in Profits after Tax (2018, 2019, 2021)

- In the years 2018, 2019, and 2021, the analysis found no statistically significant differences in profits after tax between commercial banks and Islamic banks. This suggests that, during these years, both types of banks were performing similarly in terms of generating profits after tax. The significance levels of 0.815, 0.097, and 0.054 indicate that any observed differences could have occurred due to random chance, rather than a systematic difference between the two types of banks.

5.2.2 Significant Differences Favoring Commercial Banks (2020, 2022)

- In contrast, significant differences were observed in profits after tax between commercial banks and Islamic banks in the years 2020 and 2022. The significance levels of 0.003 and 0.019 indicate that these differences were unlikely to have occurred by chance and were statistically significant.

- These significant differences were consistently in favor of commercial banks, implying that commercial banks outperformed Islamic banks in terms of generating profits after tax during these years.



The researcher believes that the reason for the increase in commercial banks' profits during that period is due to customers' failure to pay due to Corona, as delay in payment in commercial banks accrues interest, which is not done by Islamic banks, which do not take interest on delay in payment.

5.2.3 Implications of the Findings

- The consistent advantage of commercial banks over Islamic banks in terms of profits after tax in 2020 and 2022 suggests potential areas where commercial banks may have a competitive edge. This could be due to various factors such as differences in business models, risk management strategies, investment portfolios, or customer bases.

- Further analysis may be needed to understand the specific reasons behind these differences. For example, examining the composition of revenue sources, cost structures, or market conditions could provide insights into why commercial banks performed better during these years.

- Additionally, policymakers and stakeholders in the banking industry may find these findings valuable for understanding the dynamics between different types of banks and for making informed decisions regarding regulations, investments, and strategic planning.

In conclusion, while there were no significant differences in profits after tax between commercial banks and Islamic banks in some years, notably 2018, 2019, and 2021, significant differences favoring commercial banks were observed in both 2020 and 2022. These findings highlight the importance of monitoring and understanding the performance of different types of banks within the financial industry.

6 RECOMMENDATIONS

Based on the results indicating significant differences in profits after tax between commercial banks and Islamic banks in certain years, the following recommendations can be made:



6.1 STRATEGIC ANALYSIS AND BENCHMARKING

- Conduct a detailed analysis to understand the specific factors contributing to the performance differences observed between commercial banks and Islamic banks during significant years, such as 2020 and 2022.
- Benchmark the performance metrics of both types of banks against industry standards and best practices to identify areas of improvement.

6.2. RISK MANAGEMENT ENHANCEMENT

- Evaluate the risk management frameworks of both commercial banks and Islamic banks to identify any disparities in risk assessment, mitigation strategies, and compliance practices.
- Implement enhancements to risk management practices to ensure robustness and resilience against economic downturns or market volatility.

6.3 PRODUCT AND SERVICE INNOVATION

- Explore opportunities for product and service innovation that cater to the specific needs and preferences of customers served by commercial banks and Islamic banks.
- Leverage technology and digitalization to enhance customer experience, streamline operations, and introduce new revenue streams.

6.4 MARKET EXPANSION AND DIVERSIFICATION

- Assess the potential for market expansion and diversification into new geographic regions or customer segments for both commercial banks and Islamic banks.
- Develop targeted strategies to capitalize on growth opportunities while mitigating associated risks.



6.5 COLLABORATION AND KNOWLEDGE SHARING

- Foster collaboration and knowledge sharing between commercial banks and Islamic banks to leverage each other's strengths and best practices.
- Encourage participation in industry forums, conferences, and research initiatives to facilitate exchange of ideas and insights.

6.6 REGULATORY COMPLIANCE AND GOVERNANCE

- Ensure compliance with regulatory requirements and governance standards applicable to both commercial banks and Islamic banks.
- Stay abreast of regulatory developments and proactively adapt policies and procedures to maintain regulatory compliance and foster trust among stakeholders.

6.7 TALENT DEVELOPMENT AND TRAINING

- Invest in talent development and training programs to enhance the skills and competencies of employees across both commercial banks and Islamic banks.
- Foster a culture of continuous learning, innovation, and professional development to drive organizational performance and competitiveness.

6.8 LONG-TERM STRATEGIC PLANNING

- Develop long-term strategic plans that align with the evolving market dynamics, customer preferences, and regulatory landscape.
- Monitor key performance indicators and market trends to assess progress against strategic objectives and make timely adjustments as needed.

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