

## ABSTRACT

Competitiveness of financial sector has increased manifold and the concern of corporate social responsibility (CSR) has become an essential concern parallel to concentrating on profitability enhancement. Businesses are considered as social units, they have to serve stakeholders, and tend to execute CSR on priority basis and subsequent disclosure as well. Unhealthy CSR policies may cause externalities and eventual relinquished customers. The main purpose of study is to shed light on the impact of CSR on financial performance (FP) of banking sector of Pakistan, using a sample of 22 commercial banks listed with Pakistan stock exchange for the period of 10 years from 2011 to 2020 selected through judgmental or purposive sampling. We applied Simple Linear Regression Model to investigate the impact of CSR on FP. Empirical findings signify the robustness of model that documented an insignificant impact of CSR on return on assets, return on equity however highly significant results of earnings per share. This premise holds that CSR has positive and significant impact on FP of selected commercial banks of Pakistan. Based upon key findings, this study postulates CSR trend is considered as an essential growth element and FP-boosting tool by banking industry of Pakistan. Eventually, majority of the studies on CSR are in context of well-established companies and nations, however, developing nations are least emphasized, thus the findings of this study greatly contribute in body of knowledge as well as offer key implications for policy makers and governance of financial sector.

**Keywords:** CSR, FP, ROA, ROE, EPS