Corporate Social Responsibility Impact on Financial Performance of Islamic and Conventional Banks: Evidence from Asian Countries

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Abstract
Purpose – The basic aim of study is to examine the effect of corporate social responsibility on financial performance in Islamic and conventional banks of various Asian countries.
Design/methodology/approach- The secondary data is collected from respective banks annual reports. This study is quantitative in nature. The data analysis purpose correlation and regression techniques are used.
Findings- According to regression and Robust analysis the research findings show that overall positive and significant relationship between corporate social Responsibility and financial performance. And, in this study we examine that banks not only pay for the CSR also their customers take a role in the bank's practices. So, the findings of this study support the relationship between CSR and financial performance as both hearted each other.
Research restraints- The bigger limitations of this study is that the size of sample may not adequately represent all Asian countries except Pakistan and Bangladesh and also less year's data of banks from period 2010-2015. Further research can be conduct by taking other countries, more years' data of other banks in the future.
Originality/value- The study indicates that financial ability in respect of corporate social responsibility outlay have certain and meaningful influence in bank's financial performance.
Keywords: Islamic and Conventional Banks, Return on asset, Return on equity, Banks financial performance, Corporate social responsibility.
Research type*:* Research paper

1.Introduction:

An important assumption in finance theory is that the primary objective of financial manager is to maximize share price and wealth of shareholders. But the phenomenon which covers ethical, environmental, and social duties of companies is called a corporate social responsibility. Financial institutions, like banks have a central role in CSR engagement. In last decades the concept of corporate social responsibility has growing is an exponential manner. Corporate social responsibility is not a new thing of interest for the business in world. But corporate social responsibility is important because its influence all the aspects of a bank's operations. Corporate Social Responsibility is a concept with many definitions and Practices. So the concept of corporate social responsibility is related to a business approach that contributes to sustainable development by delivering economics, social and environmental benefits for all stakeholders. Corporate social responsibility has been defined by different researchers in different ways. European commission defined corporate social responsibility as "a concept which shows that the contribution of a various companies towards the batter society and a cleaner environment". corporate social responsibility is defined as a commitment of a business and this commitment indicates that the contribution to the sustainable economic development, working with employees, their families and the local community and also the society at large to enhance their quality of life. Because the business purpose is not only to earn profit but the social welfare of the society as well. Basically the aim of corporate social responsibility is to ensure that companies conduct their business in an ethical way. The basic purpose of corporate social responsibility is to sustain the business operations to create shared value for business and society. Thus, corporate social responsibility has become one of the standard business practices of our time. Corporate social responsibility is also a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders.

Financial performance can be defined as, it measures all the financial position of a banks over some specific time period and also see that how efficiently a bank generates its resources and expand income. Some variables like: return on asset(ROA), return on equity(ROE), earning per share(EPS), etc. are evaluate all the wealth of banks.

The financial statements and the annual reports are the main tools for measure the management performance and check the financial performance of banks. The important component in financial statement which is use to inform management performance is that net income because net income shows the financial performance of all banks. Not only in Asian Countries infect all over the world.

Furthermore, all the elements like balance sheet, cash flow statement and income statement etc. are tools for measuring the financial performance and checking the gain and loss in every firm and every bank.

This paper shows the impact of corporate social responsibility on financial performance of the Islamic and Conventional banking sector in Asian Countries. We found significant relationship between corporate social responsibility and banks financial performance. Previously studies have mainly focused on the developed countries and there is less work done in other countries like Pakistan to measuring the impact of corporate social responsibility on financial performance. Because In less developed countries, most of the firms are unaware with the importance of corporate social responsibility and also not put much attention on the corporate social responsibility. Now today people having more much knowledge about corporate social responsibility companies who works for the welfare of the society. So it's important to make discussion and see the impact of Corporate social responsibility on financial performance of banking sector in Asian Countries.

The basic purpose of this study is to find out the impact of corporate social responsibility on banks financial performance. The financial performance is check through Return on asset(ROA), Return on equity(ROE), Earning per share(EPS), and Price Earnings Ratio(P/E).

1.1: Objectives of the study:

The basic objectives of this study are as follow:

- To examine the financial performance among Islamic and Conventional banks
- To assess the importance of corporate social responsibility in Islamic and Conventional banking sector.
- To measure the impact of corporate social responsibility on financial performance

2. Review of previous studies:

In this we are review studies about corporate social responsibility and its impact on financial performance. We are also studies related all the decision regarding corporate social responsibility and financial performance because we know that corporate social responsibility is most important factor for enhancing and encouraging the profitability for every firm and every bank. Corporate social responsibility also called corporate conscience, corporate citizenship or responsible business and it is a form of corporate self-regulation integrated into a business model. Today the corporate world facing the corporate social responsibility wherever we see. So that's way different researchers and author's conducted studies on corporate social responsibility and financial performance in all over the world. The basic purpose of literature is that what role play corporate social responsibility on financial performance in every field of life. Underlying literature focused on specific financial panel of countries studies about banks financial performance. In this paper, we review different research papers from Pakistan, Malaysia, Yemeni, UK, Bangladesh, India, Nigeria and Jordan.

Laskar and Maji (2017) conduted research on disclosure of corporate social responsibility (CSR) and financial performance: evidence from India. The results of this study explains a positive impact of CSR on all the firms performance.Yusoff and Adamu (2016) examines a relationship between CSR activities and financial performance of public listed companies in Malaysia and data taken from annual reports for the time period 2009-2013. Researcher explain with the help of findings that Malaysian top-100 companies are found supportive and involved in CSR activities and further found that CSR activities play critical role to enhance financial performance of listed companies.

Al-Samman (2016) describes the effect of corporate social responsibility on non-financial organization performance evidence from Yemeni. Using different statistical tools and results indicate three component of CSR like: economic, legal, ethical have a positive and significant relationship between each other. Furthermore, after analysis find that there was no statistically significant difference between SOEs and private enterprises concerning the level of adopting periodically corporate social responsibility activities.

Kamrujjaman and Obaidullah (2016) conducted a study on poverty eradication through the corporate social responsibility initiatives and define that currenltly practiced is unlikely to play significant role in reducing poverty in developing countries. Hossain and Khan 2016 also investigated the research on CSR in banking sectors in hong kong and shanghai banking corporation limited. This study proposed that a more great exhaustive and other conscious association of the regular individual in the CSR exercise.

TASKIN (2015) conducted the study in turkey and analyses the relation among corporate social responsibility and banks performance. So, results shows that bidirectional network among CSR practices and turkish banks performance.

Krasodomska (2015) study explains CSR disclsours in banking industy empirical evidence from poland and results concluded the quality of CSR disclosure in 2011 was higher as compared in 2005 and also all banks tend to include CSR in management commentary. Adeneye and Ahmed (2015) examines the effect between corporate social responsibility and financial performance in UK companies. In this paper, researchers use two most important theories first is social exchange theory and second is stakeholder theory. The findings of this research indicates that through CSR we can maximize the wealth of shareholder and increase the financial performance in UK firms.

Rahman, and Rashid (2014) described the relationship between corporate social responsibility and financial performance a case of Yamuna bank limited Bangladesh. In this paper focus on quantitative research and all data related about cost/investment and expenditure. In this study, researcher finds that there is no significant effect of CSR on profitability in YBL Bangladesh during period 2007-2012.

Murtaza and Akhtar (2014) conducted the research among corporate social responsibility and firm performance in Pakistan. And food sector in Pakistan is choosing as sector and country is Pakistan. The finding of the study concluded that CSR is really important for improving financial performance of firm. It means that positive relationship occurs between these two variables.

A study conducted in Pakistan and founds a significant and positive relationship of corporate social responsibility on financial performance. (Awan and Nazish 2016; Malik and Nadeem 2014).

Kanwal and Khanam (2013) examines the connection among social responsibilty and firm performance. By the way of explanation researchers used correlation analysis to find the cause and effect relationship between two variables. So researcher concluded that there is a positive relationship between the CSR and financial performance of the firms. And also said that when spending on CSR then get the benefits from continuous long term development.

Akanbi and Ofoegbu (2012) examines the impact of corporate social responsibility on banks financial performance in Nigeria and concluded that positive relationship between ethical corporate social responsibility and organization performance.

Rayman and Bacchus, Relano (2012) conducted a study on corporate responsibilty in all the banking sector at proposes typology for the german case. This paper concludes that more ethical behaviour leads to both economic performance and social gains with increase wealth or resources for all partners of banks.

A study by (Masood, and Ashraf. 2012) examines that bank specific and macroeconomic determinants influence the islamic banks profitability. They derived the following results and argue that banks with efficient managemment and large asset size lead to the greater return on assets. A study conducted by (Masood, Ashraf 2015) with aimed to determined the effetc of managerial banks specific and macro economic determinants of bank profitability. They inspects the selected member states of the organization of islamic corporation (OIC) through balanced panel data regression model. The result indicate that effcient management in an operating expense has a positive effect on profitability.

Mallin, and Farag (2014) investigated the relationship between CSR and financial performance in islamic banks. They analyze the following results of CSR disclosure index in 90 islamic banks from period 2010-2011. The results of this research indicates that CSR disclosure is determined by financial performance. In bangladesh, a study conducted by (Belal and Abdelsalam 2015) and describes a critical examination of the ethical and performance on an islamic banks. This research covers a period from 1983-2010 and provides futher evidence that islamic banking pratices reflects the global and local influence in an era which is outlined by global conventional finance. (Taşkın) the basic goal of this research is examines the liaison between corporate social responsibilty and performance of banks in turkey. They used content analysis to analyze the CSR and financial performance through regration they founnd that banks with greater CSR scores lead to lower ROA and ROE and also shows that the results is not staticsally significant.

Weshah and Dahiyat (2012) described the impact of adopting corporate social responsibility on corporate financial performance evidence from Jordanian banks in Jordan. In this paper researcher used the model estimated by Mc. Under quantitative research they find that there is a significant relationship between levels of banks, bank size, level of risk, level of all advertising expenses and CSR. Also defined that CSR is most important in the banking sector of Jordan.

Babalola (2012) defined the impact of CSR on firm's profitability and country in Nigeria. Through ordinary least square analysis researcher get some findings which shows the negative relationship between firm's financial performance measure with investment in social responsibility. And at the end concluded that profitable organizations do not invest much in Nigeria.

A study conducted by Islam and Ahmed (2012) to verify the linkage between corporate social responsibility (CSR) and corporate financial performance (CFP) in a banking sector of Bangladesh. In this paper through t-tests checked that there is a difference between these two categories of banks with their ROA, EPS and P/E ratio. The following results derived from this study that the average ROA ratios of the banks shows low CSP, so it means this could not be proved statistically.

Farook and Kabir Hassan (2011) determines the corporate social responsibility disclosure of islamic banks and results shows that there is smooth and balanced relationship in sterminent of islamic banks CSR disclosures.

Menassa (2010) conducted the study and it's findings shows that there is no difference in social disclosure behaviour between listed banks and banks with an overscas presence and non- listed banks and those operating only in lehanon.

Mehar and Rahat (2007) studied the impact of CSR on financial performance in pharmaceutical sector of Pakistan. In this research paper, researcher used the sample of KSE listed companies of pharmaceutical industry. From the result observed that there is no significant relationship between CSR and firm financial performance.

3. Determinants of corporate social Responsibility:

In this paper for checking and measuring the impact of corporate social responsibility on financial performance we are used following sub variables of Corporate Social responsibility.

The following are the factors of corporate social Responsibility are as follows:

3.1-Donation: This factor shows that how much Islamic and Conventional banks are paying for all their employees and for all other people in society. Donation is a factor of corporate social responsibility in which banks under consideration earn long term profit because such type of expenses for society build Good will. Donation factor included in clothing, toys, food and vehicle elements etc.(Malik and Nadeem 2014).

3.2-Health: Health is also a determinant of corporate social Responsibility. All the Islamic and Conventional banks invest in health like: hospital, Medical institution and health care sector for needy people. Through these factors increasing the goodwill of banking sector. So, when goodwill increases it means it's automatically enhance the financial wealth. (Malik and Nadeem 2014).

3.3-Environment protection: Islamic and Conventional banks also invest in Environment protection for social welfare of society. Environment protection included different programs like: water cleaning program, clean the society program, etc. So this factor also influences on the financial performance.

3.4-Social welfare: Social welfare is determinant of corporate social responsibility in which many banking sectors like: Islamic and Conventional banks invest on social welfare. After investment this social welfare have positive impact on financial performance. Social welfare included different sport programs, other expenses regarding CSR etc. (Malik and Nadeem 2014).

4. Determinants of financial performance:

Some financial indicators are used for measuring the performance of banks. But, Ratios is also play most important role to measure the financial performance of banks. In this paper, we are considering the following financial indicators to measure the financial performance of selected banks

Following financial measures of banking sector as shown below:

4.1-Earning per share: Earning per share shows that how much earned during the year on behalf of the common stock.

4.2-Return on Asset: Return on asset measure the profitability of banks and also analyses that how much generating return from its source of funds to produce profit. (Masood, and Ashraf. 2012; Masood, and Ashraf 2015)

4.3-Return on equity: Return on equity measure the return for both preferred and common stockholders. It’s shows the ability of generating profit from equity. Return on equity also termed as return generation from shareholder's equity. (Masood, and Ashraf. 2012 ; Masood, and Ashraf 2015).

Table:I- Determinants of bank profitability

Determinants	***Variables***	***Measures***	***Notations***
Profitability	Return on Asset	Net profit/Total assets	ROA
	Return on equity	Net profit/equity	ROE
	Earning per share	Net income/average outstanding common share	EPS
	Price earning Ratio	Market price per share/ earning per share	P/E
Corporate social responsibility	Donation		DN
	Social Welfare		SW
	Education		EDU
	Health		HH
	Environment protection		EP

Through those variables we have measure the banks social activities and its impact on financial performance.

5. Development of Hypothesis:

H1: There is a positive and significant relationship between Corporate social responsibility and Return on asset.

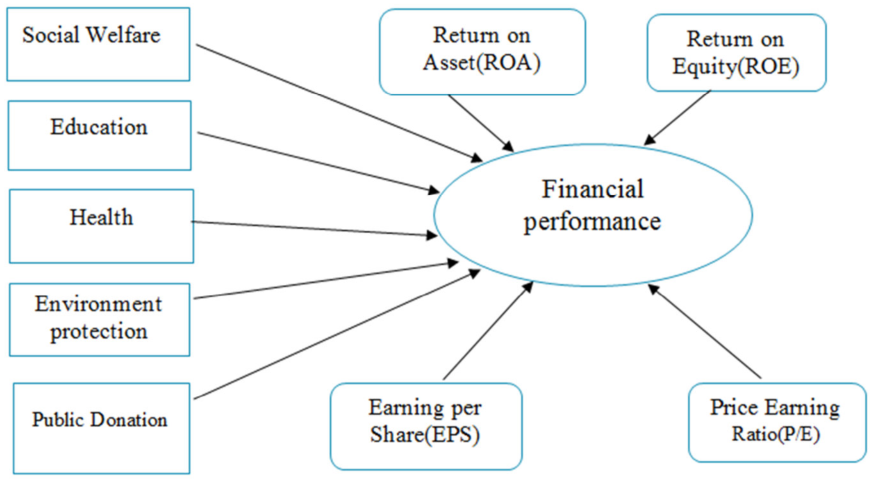
H2: There is a positive and significant relationship between Corporate social responsibility and Earning per share.

H3: There is a positive significant relationship between Corporate social responsibility and Return on asset.

H4: There is a positive significant relationship between Corporate social responsibility and Price earning ratio.
H5: There is a positive significant relationship between Corporate social responsibility and Financial performance.

6. Research Model:
In below model corporate social responsibility represents as an independent variable and which is divided into following sub variables (social welfare, education, environmental protection, Donation and Health). In this paper we are checking the financial performance of Islamic and Conventional banks in Pakistan and Bangladesh. The following seventeen Islamic and Conventional banks are considering as a sample size: Meezan Bank limited, Bank Al- Baraka, EXIM bank, Islamic Bank Bangladesh limited, Dutch Bangla Bank limited, HSBC, Bank Asia limited, Premier Bank, Trust Bank limited, Sonali Bank limited, Janata Bank limited, Mercantile Bank limited, Agrani Bank Limited, Rupali Bank limited, Southeast Bank limited, One Bank limited, Social Islamic Bank limited.

6.1. Conceptual Model:



7. Research Methodology:
In this study, we are checking the financial performance of Islamic and Conventional banks in Pakistan and Bangladesh. On the basis of secondary data, information is collected from annual reports and the nature of this study is quantitative research. All the findings of this study are based on the data collection from annual reports and various sources.

7.1: Research Design:
The study design was measured through independent and also dependent variables. Five independent variables in Corporate social responsibility (social welfare, Health, Education, public Donation, and environmental protection) are chosen and then those variables are depending on the Islamic and Conventional banks financial performance.

7.2: Type of data and its source:
In this study secondary data is used and information is collected from the annual reports of the selected Islamic and Conventional banks in Pakistan and Bangladesh from period 2010-2015.

7.3: The Methodology:
The determinants of banks financial performance are analyses from panel data. The panel data framework defined through the multiple regression equations as

$$Y = \propto + \beta x + \varepsilon_1 \qquad \text{(A)}$$

In the model;
Financial performance represents as a dependent variable and the independent variable is corporate social responsibility. So financial performance is measured by the Return on asset (ROA), Return on equity (ROE), Earning per share (EPS), and Price earning ratio(P/E).
So, four regression models have been developed which are as follows:

$$ROA = \propto + \beta_1 DN + \beta_2 SW + \beta_3 Edu + \beta_4 HH + \beta_5 EP + \varepsilon_1 \qquad (1)$$

$$ROE = \propto + \beta_1 DN + \beta_2 SW + \beta_3 Edu + \beta_4 HH + \beta_5 EP + \varepsilon_2 \quad (2)$$

$$EPS = \propto + \beta_1 DN + \beta_2 SW + \beta_3 Edu + \beta_4 HH + \beta_5 EP + \varepsilon_3 \quad (3)$$

$$\frac{P}{E} = \propto + \beta_1 DN + \beta_2 SW + \beta_3 Edu + \beta_4 HH + \beta_5 EP + \varepsilon_4 \quad (4)$$

Where:
SW= Social Welfare
Edu= Education
H= Health
EP= Environment Protection
PD= Public Donation

For measuring the impact, only 6 years' data ranging from 2010 to 2015 were considered.

8. Results and Discussion:

Table-II: shows the results of descriptive statistics, the sample of Islamic and conventional banks used for analysis over time period of 2010-2015. The mean of Corporate Social Responsibility (CSR) disclosure for 17 banks in the sample. The table shows the mean and standard deviation value for variables. Mean represent the average value and standard deviation shows deviation of value from mean. The Return on asset (ROA) mean is 2.427 and standard deviation is 13.308. The Earning per share (EPS) and Donation (DN) standard deviation is 44 and 45 percent, respectively. The results indicate that Education (EDU) hold largest value of mean 40.639 and standard deviation 82.691 percent respectively.

8.1-Descriptive results:

Table-II: Descriptive analysis:

	Mean	Min	Max	S.D
ROA	2.427	-4.920	135.00	13.308
ROE	10.192	-259.94	47.570	29.906
EPS	5.996	-280.32	108.38	44.986
PER	10.626	2.210	36.150	6.178
DN	19.483	0.000	262.15	44.878
SW	13.339	0.000	140.62	23.445
EDU	40.639	0.000	513.18	82.691
HH	25.509	0.000	412.77	50.520
EP	12.444	0.000	193.25	27.428

Table-III, represents the relationship between independent and dependent variables (what is the strength of one variable affecting the other variable). So Return on asset (ROA) and Return on equity (ROE) are too much correlate with each other. On the other hand, SW, EDU, EPS, and DN are positively correlated with the coefficient of 0.139, 0.003, 0.091, and 0.002 respectively.

8.2-Correlation Result:

Table-III: Relationship between variables

	ROA	ROE	EPS	PER	DN	SW	Edu	HH	EP
ROA	1								
ROE	0.091	1							
EPS	0.607	0.693	1						
PER	-0.002	-0.098	-0.031	1					
DN	0.002	0.012	0.124	0.009	1				
SW	0.139	-0.252	0.005	0.124	0.455	1			
EDU	0.003	-0.227	-0.054	-0.002	0.251	0.408	1		
HH	-0.010	-0.094	0.0194	-0.066	0.353	0.338	0.704	1	
EP	-0.038	0.081	0.102	-0.067	0.246	0.240	0.686	0.558	1

8.3-Empirical results of data analysis:

8.3.1-Determenants of Return on asset (ROA). Over all the results of the model are close to the results of related studied the value of $R^2 = 0.5742$ which shows that all variables explain return on asset 57.42 percent. The F-statistic resulting from a standard statistical test used E-views and regression analysis to determine if variance between means of two populations are significantly different. The value of F- statistical is 0.2745 and p-value is 0.0078 showing that the whole model is fit for the analysis. In this study table 4 show the positive and significant relationship between Return on equity (ROE) and Return on asset (ROA) at 8% significant level. Also absolute and meaningful contact in middle of Social welfare (SW) and Return on asset (ROA) at 5% significant level. Health (HH), and Environment protection (EP) negative but significant relationship between Return on asset (ROA) at 11% and 3% significant levels. In Education (EDU) and Return on asset (ROA) have positive and significant relationship at 9% significant level.

8.3.2- Return on equity (ROE). Over all the results of the model are close to the results of related studied the value of $R^2 = 0.601$ which shows that all the variables explain return on equity 60.1 percent. The F-statistic resulting from a standard statistical test used E-views and regression analysis to determine if variance between means of two populations are significantly different. The value of F- statistical is 17.57 and p-value is 0.0000 showing that the whole model is fit for the analysis. In this study table 4 results shows that positive and insignificant relationship between Return on equity (ROE) and Return on asset (ROA) at 15% significant level. Earning per share (EPS) and Return on equity (ROE) have positive and significant relationship between them at 100% significant level. Negative and significant relationship between Social welfare (SW), Education (EDU) with Return on equity (ROE) at 5% and 8% significant levels and so on….

Table: IV Regression analysis of ROA and ROE

	Dependent Variable: ROA			Dependent Variable: ROE		
Variable	Coefficient	t-Statistic	Prob.	Coefficient	t-Statistic	Prob.
C	1.0856	0.3638	0.0987	12.7382	3.0683	0.0028
ROE	0.1007	1.4329	0.0823**			
ROA				0.2144	1.4329	0.1552***
EPS	-0.0206	-0.4803	0.0582*	0.4253	9.4717	0.0000*
PER	-0.0469	-0.2123	0.8323	-0.1544	-0.4789	0.6332
DN	-0.0242	-0.6884	0.0067*	0.0281	0.5475	0.5853
SW	0.1385	1.9248	0.0573*	-0.2948	-2.8732	0.0050*
EDU	0.0128	0.4450	0.0951*	-0.1095	-2.6865	0.0086*
HH	-0.0069	-0.1778	0.1187**	0.0151	0.2649	0.7917
EP	-0.0629	-0.8709	0.0342*	0.2789	2.7381	0.0074**
R-squared	0.5742			0.601934		
F-statistic	0.2745			17.57867		
Prob. (F-statistic)	0.0078			0.00000		

8.3.3- Earning per share (EPS). overall all the regression results of robust analysis the model are close to the results of related studied the value of $R^2 = 0.767889$ which shows that all the variables are explain earning per share 76 percent. The F-statistic resulting from a standard statistical test used E-views and regression analysis to determine if variance between means of two populations are significantly different. The value of F- statistical is 177462.2 and p-value is 0.0000 showing that the whole model is fit for the analysis. In this study Table-V shows that positive and significant relationship between return on equity (ROE) and Earning per share (EPS) at 100% significant level. Similarly, positive and significant relationship between Price Earning Ratio (PER), Donation (DN), Social welfare (SW), Health(HH) and Education (Edu) at 100% significant level. Negative but significant relationship between Earning per share (EPS) and Return on asset (ROA) at 100% significant level and so on….

8.3.4- Price Earnings Ratio (PER). overall all the regression results of robust analysis the model are close to the results of related studied the value of $R^2 = 0.581106$ which shows that all the variables are explain Earning per share 58 percent. The F-statistic resulting from a standard statistical test used E-views and regression analysis to determine if variance between means of two populations are significantly different. The value of F- statistical - 285.6078 is and p-value is 0.0000 showing that the whole model is fit for the analysis. In this study Table V shows that negative and significant relationship between Price Earning Ratio (PER) and Return on asset (ROA) at 5% significant level. Positive and insignificant relationship between Price earning Ratio (PER) and Return on equity (ROE) and so on….

Table V: Dependent variable Z-score, Regression Results: robust estimation

	Dependent variable: EPS			Dependent variable: PER		
variable	coefficient	Z- Statistic	prob.	coefficient	Z- Statistic	prob.
C	-9.1675	-90.5520	0.0000	11.4690	13.8190	0.0000
ROA	0.7676	195.5691	0.0000*	-0.0180	-0.4391	0.0503*
ROE	-0.0677	-14.1124	0.0000*	0.0017	0.0642	0.9489
PER	0.1852	54.6844	0.0000*	-0.0013	-0.0862	0.0354*
DN	0.0112	16.1194	0.0000*	0.0054	0.2947	0.0702*
SW	0.1446	71.0324	0.0000*	0.0157	0.5153	0.6078
EDU	0.0022	4.7306	0.0000*	0.0006	0.0534	0.0783*
HH	0.0110	13.4917	0.0000*	-0.0142	-1.0316	0.3474
EP	-8.14	-0.0361	0.9712	-0.0631	-2.0067	0.0483*
R- Squared			0.767889	0.581106		
F- Statistic			177462.2	-285.6078		
prob.			0.000000	0.000000		

9-Concluding Remarks:

we have created a seemly attempt to review the relationship between corporate social responsibility and financial performance and prompt the following results of the study conducted on the Islamic and conventional banks in Pakistan and Bangladesh. In this study normally we seen the meaning of social responsibility is that when banks perform different business methods to create a positive effect on society to enhance their profit. The results of the study can be sum up as follows. The results of overall correlation matrix generally convey that theory justify the results between ROA and ROE so it means ROA positively correlate with ROE and its lead to higher profitability. Through empirical analysis we find positive and significant relationship between various dependent and independent variables are shown in Table. Descriptive analysis clearly explains about mean and standard deviation value for variables. So this analysis indicates value of standard deviation which means how much value deviate from mean as shown in table II. In this study we concluded that banks pay for the CSR also their customers take a role in the bank's practices. The findings also support the link in middle of corporate social responsibility and performance as both hearted with one another.

10-Recommendations:

i. Pakistan and Bangladesh doing well in Sport and Health activities in recent time so there is need to boost up its contribution and participation on other CSR activates.
ii. Government should major role play for purpose of motivate the banks of Pakistan and Bangladesh to spend for welfare of the societies, environment etc. where they operate their businesses and earned profit.
iii. Invention function is also needed to provide favourable concentration.
iv. Enlargement of technology needed to provide good concern.
v. Less work on corporate social responsibility in Pakistan and other different countries so, it should be need more explored.

11-Future Directions

The mainly focus of this study is only on specifically banks of Pakistan and Bangladesh. Further research can be done in other sectors like telecommunication, automobiles, textile industry etc. The results of this research are based on limited data for a limited period of time. So Further research can be conduct by taking other countries, more years' data of other banks in the future to acquire a more accurate measurement of findings.

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