

IMPACT OF CSR ON PROFITABILITY: A STUDY OF BANK FINANCE AND INSURANCE COMPANIES IN SRI LANKA

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ABSTRACT

This paper studies the impact of corporate social responsibility on profitability. This study tested this relationship through correlation and regression analysis. The data used were drawn from 20 Bank finance and insurance companies of CSE. The annual reports of the Bank finance and insurance companies were examined for the period of 2012 - 2016 to analyze the CSR reporting of the companies using panel data analysis. The results show that CSR reporting of the bank finance and insurance improved during that period of time. The findings of the study also explained that there is a significant positive impact on profitability of the companies. This study was conducted in a developing country with different rules regulations and socio-economic aspects as compared to developed countries

Keywords: Corporate social responsibility, Return on Assets, Return on equity, Net profit Margin