

ABSTRACT

The management of Corporate Social Responsibility (CSR) funds has become a crucial aspect for companies, particularly State-Owned Enterprises (SOEs), due to their social responsibility towards the community and the environment. As focus on social responsibility intensifies, it is essential to understand how CSR fund allocation can impact the financial performance of SOEs, specifically through indicators such as Return on Assets (ROA), Return on Equity (ROE), Earnings per Share (EPS), and Price Earnings Ratio (PER). This study aims to explore the relationship between CSR fund allocation and the financial performance of SOEs in the financial services sector.

The objective of this research is to analyze the impact of CSR fund allocation on the financial performance of SOEs operating in the financial services sector, with a focus on ROA, ROE, EPS, and PER indicators. The study also aims to provide insights into how CSR investments can influence a company's financial performance.

The research employs a quantitative analysis method using t-tests to evaluate hypotheses. Data for this analysis are derived from sustainability reports and annual financial statements provided by the companies under study. The t-test technique is applied to assess the impact of CSR fund allocation on the specified financial performance indicators.

The results indicate a significant impact of CSR fund allocation on the financial performance of the companies, as measured by the ROA, ROE, and PER ratios. However, no significant impact was found between CSR fund allocation and EPS for SOEs in the financial services sector during the period from 2018 to 2022.

This research contributes to a deeper understanding of the impact of CSR fund allocation on the financial performance of SOEs in the financial services sector. It suggests that companies should consider effective CSR allocation strategies to enhance financial performance. Future research is recommended to expand the sample size and consider additional variables that may influence the relationship between CSR and financial performance.

Keywords: *fund allocation, financial performance, corporate social responsibility.*