

The Influence of CSR Disclosure on Share Prices: An Empirical Study of Commercial Banks Listed on Borsa Istanbul

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Abstract:

This study investigates the impact of social and environmental CSR disclosure on the share prices of commercial banks listed on Borsa Istanbul. Using a descriptive-analytical approach, the study examines the entire population of twelve listed banks, analyzing disclosure data from 2023 and its relation to 2024 share prices. Statistical results from correlation and regression analyses show that while banks maintain good disclosure levels, these disclosures have no statistically significant impact on share prices. With p-values exceeding the 0.05 threshold, the study fails to reject the null hypotheses. These findings suggest a gap in investor perception regarding the importance of non-financial data in stock valuation, highlighting the need for better communication strategies to emphasize the value of social and environmental practices.

Keywords: Corporate Social Responsibility (CSR), Social Disclosure, Environmental Disclosure, Share Prices.

Jel Classification Codes: G14, G21, M14, M41.

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1. Introduction

Amidst the burgeoning global shift toward sustainability and Corporate Social Responsibility (CSR), financial markets have witnessed rapid transformations characterized by heightened investor awareness. In the contemporary investment landscape, non-financial dimensions have become increasingly pivotal in evaluating investment decisions and stock performance. Consequently, corporations are compelled to adopt responsible practices that contribute to sustainable development. Traditional financial performance is no longer the sole metric for corporate evaluation; instead, social and environmental performance has garnered significant attention from investors and various stakeholders. In this context, CSR disclosure serves as a strategic communication mechanism, enabling firms to demonstrate their commitment to ethical practices while providing transparent information regarding their environmental footprint, social impact, human rights initiatives, and anti-corruption efforts.

The empirical literature presents a nuanced debate regarding the relationship between CSR disclosure and share price performance. Some scholars contend that robust transparency in CSR reporting fosters investor confidence and mitigates information asymmetry, thereby driving stock demand and enhancing market valuation. Conversely, an alternative perspective suggests that CSR disclosure may not exert a significant influence on share prices, or in certain instances, may even yield an adverse impact—particularly if the disclosed information is perceived as insufficient, superficial, or indicative of underlying operational risks.

Against this backdrop, the present study seeks to investigate the influence of CSR disclosure on the share prices of commercial banks listed on Borsa Istanbul (BIST). By examining this relationship within the Turkish banking sector, the study aims to provide empirical evidence on how social and environmental disclosures resonate with market participants in an emerging economy.

2. Literature Review

The relationship between Corporate Social Responsibility (CSR) disclosure and stock market performance has been extensively debated in accounting literature, yielding divergent empirical results across various markets and institutional contexts.

2.1 Studies Supporting Positive Market Reactions

Several studies have established a value-relevant link between CSR disclosure and share prices. De Klerk et al. (2014) examined the top 100 UK companies using a modified Ohlson (1995) model. Their findings indicated that higher levels of CSR disclosure are significantly associated with higher share prices, particularly in environmentally sensitive industries. They concluded that CSR reports provide investors with incremental value-relevant information beyond traditional financial statements. Similarly, in the context of stock price stability, Murata and Hamori (2021) found that ESG disclosures in European and Japanese markets significantly mitigate future stock price crash risks, although this effect was less pronounced in the U.S. market. Furthermore, Zhu (2024) provided evidence from the Chinese A-share market, demonstrating that high-quality CSR disclosure reduces crash risks, especially in state-owned enterprises (SOEs)

2.2 Studies Indicating Negative or Neutral Market Reactions

Conversely, other geographical contexts have shown different dynamics. Fiori et al. (2015) investigated the Italian market and found that high social performance—particularly environmental strategies—exerted a negative impact on share prices. This suggests that Italian investors may perceive CSR activities as avoidable costs that diminish shareholder wealth, potentially due to a lack of institutional maturity regarding sustainability. In emerging markets, Haddad et al. (2023) found no statistically significant relationship between CSR disclosure and stock market liquidity in Jordan, suggesting that investors might

rely on alternative information sources rather than formal CSR reports.

2.3 Sector-Specific and Mediated Relationships

The banking and manufacturing sectors have also been a focal point for researchers. Tasnia et al. (2020) focused on the U.S. banking sector and identified a significant positive relationship between CSR activities and stock price volatility, noting that tax payments also play a role in market reactions. In the Indonesian manufacturing sector, Yessica et al. (2017) found no significant link between CSR disclosure and crash risks, concluding that CSR reporting in Indonesia often remains a mere compliance formality rather than a value-adding tool. More recently, Mufadlilah and Sriani (2024) explored the Indonesian mining sector and found that while CSR disclosure does not directly influence share prices, it has a significant indirect effect through the mediation of profitability.

2.4 Summary and Synthesis of Literature

The review of previous literature reveals a lack of consensus regarding the impact of CSR disclosure on share prices. While some evidence points toward a positive "value relevance" (e.g., UK and China), other evidence suggests a negative reaction (e.g., Italy) or a neutral/non-existent impact (e.g., Jordan and Indonesia). This inconsistency can be attributed to several factors, including the varying levels of institutional development, the maturity of financial markets, cultural differences among investor bases, and the diversity of control variables—such as profitability, taxation, and financing constraints—employed across these studies.

3. Study Problem

In recent years, the role of Corporate Social Responsibility (CSR) as a determinant of financial performance and market value has gained significant traction. However, a profound debate persists regarding the

extent to which CSR disclosure influences share prices and whether financial markets systematically react to such non-financial information. Theoretically, CSR disclosure is a pivotal corporate behavior that serves to mitigate information asymmetry between management and external investors. Firms with a high degree of social responsibility are generally expected to enhance the quality of their disclosures, thereby reducing the deviation of share prices from their intrinsic value and curbing the risk of stock price crashes.

In practice, however, the impact of CSR disclosure remains contentious. Some listed firms may strategically utilize CSR reporting as a "greenwashing" tool to mask adverse internal news or to divert shareholder attention for personal managerial gains. Such behavior exacerbates conflicts of interest (Agency Problems) and may, paradoxically, heighten the risk of stock price volatility. While numerous studies suggest that social and environmental disclosures bolster corporate reputation and reduce the cost of capital, others indicate that these effects are marginal or non-existent within certain economic and institutional frameworks. This variation in disclosure transparency and quality raises critical questions regarding how investors interpret this information and translate it into investment decisions that affect market prices.

The core of the study problem lies in the empirical inconsistency found in prior literature concerning the relationship between CSR disclosure and share prices. Given these conflicting perspectives, the problem of this study is encapsulated in the following primary research question:

Does Corporate Social Responsibility (CSR) disclosure significantly influence the share prices of commercial banks listed on Borsa Istanbul (BIST)?

4. Objectives of the Study

The primary objective of this study is to investigate and verify whether Corporate Social Responsibility (CSR) disclosure exerts a significant influence on the share prices of commercial banks listed on Borsa Istanbul (BIST).

In addition to the primary objective, this study aims to achieve the following:

- To analyze the relationship between the quality and level of CSR disclosure and the market performance of the targeted banks' shares.
- To examine the potential factors that may impact or moderate the relationship between CSR disclosure practices and stock price fluctuations.
- To provide empirical evidence from an emerging market context (Turkey) that helps investors and stakeholders understand the value relevance of non-financial disclosures in the banking sector.

5. Significance of the Study

The significance of this study stems from the growing global emphasis on sustainability and the transition toward a green economy. Its importance can be summarized in the following points:

- Highlighting the Strategic Role of CSR Disclosure: This study underscores the importance of Corporate Social Responsibility (CSR) reporting as a critical transparency tool in alignment with global sustainability trends and international reporting standards.
- Enhancing the Understanding of Market Dynamics: By investigating the link between CSR disclosure and share prices, this study provides deeper insights into how non-financial

information is integrated into equity valuation within financial markets.

- **Providing Actionable Recommendations:** The findings of this study offer valuable guidance for corporate management on improving disclosure quality and for investors on incorporating social and environmental metrics into their investment analysis and portfolio management.
- **Enriching Academic Literature:** This study contributes to the existing body of accounting and finance literature by providing empirical evidence from an emerging market context. It specifically bridges the gap in understanding how CSR disclosure affects financial performance and share price stability in the banking sector.

6. Theoretical Framework of the Study

6.1 Concept and Definition of CSR

Corporate Social Responsibility (CSR) is defined as a self-regulatory business model that ensures an organization operates in a socially accountable manner—to itself, its stakeholders, and the general public. Stakeholders, in this context, encompass investors or any group possessing a "vested interest" in the firm, as corporate activities exert significant influence over their interests (Freeman, 2004).

This study views CSR as a voluntary strategic commitment to achieving sustainable growth that transcends mere regulatory compliance. Sustainable development entails meeting current needs without compromising the ability of future generations to meet theirs; thus, CSR represents the long-term management of organizational sustainability. Beyond financial statements, firms must consider non-financial costs and benefits to maximize social value. Consequently, CSR disclosure is characterized by the periodic reporting of financial

and non-financial data regarding the firm's interactions with human rights, society, the environment, and the economy (Said et al., 2009).

6.2 CSR in the Banking Sector

Social, environmental, and economic issues are fundamental metrics of sustainability quality, as corporate transparency is often evaluated through these lenses. Historically, CSR activities within the banking industry were perceived as limited compared to other sectors, primarily due to the lack of direct involvement in industrial accidents or significant environmental pollution. However, in the contemporary era, banks play a pivotal role in national economic growth and sustainability. Modern banks utilize diverse communication channels, such as annual reports, corporate websites, and various media platforms, to engage with stakeholders regarding their CSR initiatives (Menassa & Dagher, 2020).

6.3 CSR Reporting and Regulatory Frameworks

CSR disclosure provides an objective narrative of a firm's social and environmental activities, enabling stakeholders to reliably assess corporate performance. Heemskerk et al. (2002) define CSR reporting as the process of disclosing the social and environmental impacts resulting from a firm's economic activities to specific interest groups. To promote these standards, international bodies such as the United Nations and the International Labour Organization (ILO) have developed guidelines outlining acceptable corporate conduct (Bicer & Feneir, 2019). Furthermore, many national governments in the United States and Europe have enacted regulations mandating corporations to share their social and environmental investments through formal disclosures (Najah & Jarboui, 2013).

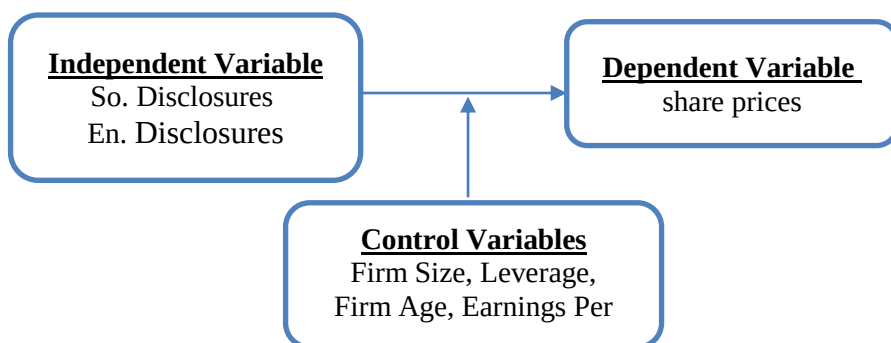
According to Moravcikova et al. (2015), high-quality CSR reports must fulfill four essential criteria:

- **Credibility:** Ensured through senior management commitment, independent third-party verification, and transparent data collection methods.
- **Completeness:** Covering all business operations and their broad impacts on society and the environment.
- **Relevance:** Maximizing the use of qualitative and quantitative indicators to evaluate social responsibility.
- **Appropriate Form:** Maintaining clarity, conciseness, and structured presentation.

6.4 Theoretical Perspectives and Global Standards

A primary challenge in accounting literature is the lack of a universally accepted theoretical perspective explaining why firms adopt CSR disclosure and how it influences stakeholder decisions. Much of the academic discourse remains philosophical, examining whether the primary purpose of disclosure is to genuinely reduce social harm or merely to influence stakeholders' perceptions of future financial performance. Evidence suggests that when disclosures are voluntary, firms may selectively report positive information—a practice often termed "self-laudatory" reporting—which raises concerns regarding the completeness and assurance of such reports (Brooks & Oikonomou, 2017).

Currently, the Global Reporting Initiative (GRI) standards are the most widely recognized framework supporting CSR disclosure. These standards provide comprehensive guidelines for sustainability reporting across all sectors and sizes, offering an international benchmark for disclosing governance, environmental, social, and economic performance.

Fig.1. Theoretical Framework

7. Hypotheses of the Study

Given that Corporate Social Responsibility (CSR) disclosure is represented through social and environmental dimensions, the hypotheses of this study are formulated as follows:

- **(H1):** Social disclosure exerts a statistically significant influence on the share prices of commercial banks listed on Borsa Istanbul (BIST).
- **(H2):** Environmental disclosure exerts a statistically significant influence on the share prices of commercial banks listed on Borsa Istanbul (BIST).

8. Study Methodology

This study adopts a descriptive-analytical approach, which is widely recognized in social sciences for its ability to comprehensively describe a phenomenon while decomposing it into its core components and examining the relationships between them.

8.1 Population and Sample

The study focuses on twelve commercial banks listed on Borsa Istanbul (BIST). These banks were selected due to their

comprehensive disclosure of both financial and non-financial information. Given the limited number of listed commercial banks in this sector, the study examines the entire population rather than a representative sample, ensuring higher reliability and coverage of the target sector.

8.2 Data Collection and Measurement

Data regarding social and environmental disclosures were manually extracted from annual reports and sustainability reports for the fiscal year ending December 31, 2023, as well as from the banks' official websites. For the dependent variable, share prices were measured by calculating the average quarterly closing prices throughout the year 2024 (the year following the disclosure). Market data were retrieved from the official Borsa Istanbul website (www.borsaistanbul.com).

8.3 Study Variables

Consistent with existing accounting literature, this study incorporates four control variables to isolate the impact of CSR disclosure on share prices. These include firm size, financial leverage, firm age, and earnings per share.

8.4 Statistical Techniques

To analyze the collected data, the following statistical methods were employed using SPSS:

- **Descriptive Statistics:** To examine the mean, maximum, and minimum values of the disclosure levels and other variables.
- **Correlation Analysis:** To determine the existence, strength, and direction of the relationships between the variables.
- **Multiple Regression Analysis:** To test the influence of the independent variables (Social and Environmental Disclosure) on

the dependent variable (Share Price) while accounting for the specified control variables.

8.5 Regression Model

To execute the regression analysis, the following econometric model was developed:

$$SP = \alpha + \beta_1 SD + \beta_2 ED + \beta_3 Size + \beta_4 Age + \beta_5 Lev + \beta_6 EPS + \varepsilon$$

Variable Definitions:

- SP (Share Prices): Average quarterly closing prices for the year 2024.
- SD and ED (Social and Environmental Disclosures): Measured as the ratio of disclosed items to the total items required by the Global Reporting Initiative (GRI) standards in the 2023 reports.
- Size: Measured as the natural logarithm (Ln) of total assets to ensure data normality for statistical testing.
- Lev (Leverage): Financial leverage as reported in the official financial statements.
- Age: The duration from the bank's establishment to the year 2024.
- EPS (Earnings Per Share): The portion of a company's profit allocated to each outstanding share of common stock.

9. Statistical Analysis

Utilizing the SPSS statistical software, a series of comprehensive tests were performed to analyze the data and evaluate the study's variables. These include independent variables (Social and Environmental CSR Disclosure), the dependent variable (Share Prices), and control variables (Firm Size, Leverage, Bank Age, and

Earnings Per Share). Descriptive statistics were applied to systematically analyze and describe the current levels and characteristics of the study variables. This analysis provides a fundamental understanding of the distribution of disclosure practices within the sampled banks and their corresponding financial and market positions. To investigate the existence and nature of linear relationships between the study variables, the Pearson Correlation Coefficient was employed. This metric assesses both the strength and direction of the linear association between two variables, with coefficients ranging from -1.00 (representing a perfect negative/inverse relationship) to +1.00 (representing a perfect positive/direct relationship). This step is crucial for identifying preliminary associations before proceeding to causal inference. To formally test the hypotheses of the study, Multiple Regression Analysis was conducted. This method serves a dual purpose: first, it measures the collective strength of the relationship between the independent and dependent variables; second, it determines the statistical significance of the influence exerted by CSR disclosure on share prices. Furthermore, this analysis evaluates the model's predictive power, examining the extent to which future fluctuations in share prices can be anticipated based on changes in CSR disclosure levels.

9.1 Descriptive Statistical Analysis

The descriptive statistics, as detailed in Table1, provide a comprehensive overview of the social and environmental disclosure practices among the targeted commercial banks listed on Borsa Istanbul (BIST).

Social and Environmental Disclosure Performance: The results indicate that the sampled banks maintain a commendable level of CSR transparency. The mean social disclosure rate stands at 44.42%, while the mean environmental disclosure rate is 40.50%. These figures suggest a "good to acceptable" level of reporting according to

international benchmarks. Social Disclosure levels range from a minimum of 25% to a maximum of 71%. Environmental Disclosure scores vary between a minimum of 21% and a maximum of 72%. These findings demonstrate that at least one or more banks are highly proactive, disclosing more than 50% of the targeted items mandated by the Global Reporting Initiative (GRI) standards. Conversely, some banks exhibit disclosure levels below the desired threshold.

The relatively moderate levels of disclosure in certain banks can be attributed to the inherent nature of the banking industry. Unlike manufacturing or industrial firms, banks have a less direct impact on environmental degradation, energy depletion, and industrial pollution. Consequently, financial institutions may perceive certain reporting items as less applicable to their operational scope, leading to a selective disclosure approach. Nevertheless, the overall data confirms that social and environmental reporting is an established and well-practiced norm within the Turkish commercial banking sector.

Table1. Descriptive Statistics

Descriptive Statistics					
	N	Min.	Max.	Mean	Std. Deviation
SP	12	4.9	146.2	39.492	49.0281
SD	12	25%	71%	44.42%	18.023%
ED	12	21%	72%	40.50%	17.604%
Size	12	8.0042	9.6121	8.947496	0.6487131
Age	12	40	100	68.58	18.248
Lev	12	3.26	15.28	7.4058	4.15558
EPS	12	0.003	3.651	1.13717	1.289764
Valid N (listwise)	12				

The descriptive analysis of the control and dependent variables, as presented in Table1, reveals the following financial and market

positions. Firm Size of the commercial banks, measured by total assets, ranged from 8.0042 to 9.6121 (represented as natural logarithms for statistical normality). The actual asset values prior to logarithmic transformation ranged from approximately 100.9 billion TRY to a peak of 4.09 trillion TRY. This data underscores the massive investment scale of the targeted institutions, with seven banks reporting total assets exceeding the one trillion TRY threshold, highlighting their systemic weight in the Turkish economy. Bank Age and Experience, the banks exhibit significant operational longevity, with ages ranging from 40 to 100 years and an average of 68.58 years. This indicates that the institutions under study possess substantial experience and have demonstrated resilience within the banking sector over several decades. Financial Leverage (Lev), the debt-to-equity ratios recorded are relatively conservative, ranging from 3.26 to 15.28 with a mean of 7.4. These ratios are considered highly favorable, suggesting that these banks maintain a robust capital structure. Such figures imply a strategic reliance on internal financing, which enhances their ability to control the cost of capital and maintain financial stability. Earnings Per Share (EPS) showed a minimum of 0.003 and a maximum of 3.651, with an average of 1.137. The notable disparity in EPS among the banks may be attributed to variations in net annual profits achieved during 2024 or differences in the volume of outstanding shares available for trading in the stock market.

Analysis of the Dependent Variable (Share Prices), the descriptive statistics for share prices—the dependent variable—show a broad spectrum, ranging from a minimum of 4.9 to a maximum of 146.2, with a mean value of 39.492. This significant variance in market valuation suggests that investor perceptions are influenced by various factors, such as profit growth trajectories and debt levels, which shape future market expectations. A primary focus of this study is to determine whether CSR disclosure acts as one of these influential factors.

9.2 Correlation Analysis

The primary objective of this test is to examine the existence, direction, and strength of the linear relationships between the independent variables (Social and Environmental Disclosure) and the dependent variable (Share Prices), while accounting for the specified control variables. The results of the Pearson Correlation test are presented in Table2. Based on the data in Table2, the following associations were observed:

Table2. Correlations

Correlations								
SP		SP	SD	ED	Size	Age	Lev	EPS
	Pearson Correlation	1	0.259	-0.020	0.430	0.086	-0.185	-0.280
	Sig. (2-tailed)		0.416	0.951	0.163	0.790	0.564	0.377
	N	12	12	12	12	12	12	12
*. Correlation is significant at the 0.05 level (2-tailed).								

- Social Disclosure and Share Prices: The results indicate a weak positive correlation ($r = 0.259$) between social disclosure and the share prices of the targeted banks. However, this relationship is not statistically significant ($p = 0.416$), suggesting that social reporting levels do not have a systematic linear association with market price fluctuations in this context.
- Environmental Disclosure and Share Prices: The analysis reveals a negligible and negative correlation ($r = -0.020$) between environmental disclosure and share prices. The significance value ($p = 0.951$) further confirms the absence of any meaningful relationship between these two variables.
- Control Variables and Share Prices: Furthermore, the correlation matrix demonstrates that there are no statistically significant

relationships between share prices and the other study variables, including bank size, age, financial leverage, and earnings per share.

9.3 Multiple Regression Analysis and Hypotheses Testing

This stage of the study involves testing the formulated hypotheses through multiple linear regression analysis. This statistical method measures the collective impact of the independent variables (Social and Environmental Disclosure) on the dependent variable (Share Prices) while controlling for firm-specific factors. The regression model was tested using SPSS at a significance level of 5% (alpha = 0.05) and a confidence level of 95%.

The econometric model applied is as follows:

$$SP = \alpha + \beta_1 SD + \beta_2 ED + \beta_3 Size + \beta_4 Age + \beta_5 Lev + \beta_6 EPS + \varepsilon$$

Table3. Regression analysis

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-429.531	459.016		-0.936	0.392
	SD	0.855	1.456	0.314	0.587	0.583
	ED	-0.898	1.710	-0.323	-0.525	0.622
	Size	57.129	59.476	0.756	0.961	0.381
	Age	-0.812	2.324	-0.302	-0.349	0.741
	Lev	2.093	6.010	0.177	0.348	0.742
	EPS	-3.130	19.229	-0.082	-0.163	0.877
a. Dependent Variable: SP						

Based on the regression results presented in Table3, the following conclusions are drawn regarding the influence of CSR disclosure dimensions:

- **Social Disclosure (SD):** The statistical analysis reveals a significance value p-value of 0.583. Since this value exceeds the established alpha threshold of 0.05, the relationship is deemed statistically insignificant.
- **Environmental Disclosure (ED):** Similarly, environmental disclosure yielded a p-value of 0.622, which is also significantly higher than 0.05, indicating a lack of statistical influence on market prices.

Hypotheses Decision:

Given that the p-values for both social and environmental disclosures are greater than 0.05, the study rejects the alternative hypotheses (H1 and H2) and fails to reject the null hypotheses as follows:

- **Null Hypothesis1:** Social disclosure does not exert a significant influence on the share prices of commercial banks listed on Borsa Istanbul (BIST).
- **Null Hypothesis2:** Environmental disclosure does not exert a significant influence on the share prices of commercial banks listed on Borsa Istanbul (BIST).

The empirical evidence suggests that fluctuations (whether increases or decreases) in the levels of social and environmental disclosures do not trigger corresponding changes in the share prices of the targeted banks. This implies that investors on Borsa Istanbul may not yet incorporate these specific non-financial disclosures into their immediate valuation models for the banking sector.

Consistent with the earlier correlation results, the regression analysis confirms that the control variables (Bank Size, Age, Financial Leverage, and Earnings Per Share) also failed to demonstrate a statistically significant impact on share prices, as all their respective p-values were found to be greater than 0.05. This reinforces the finding that the identified market prices are independent of these specific

financial and non-financial metrics within the context and period of this study.

10. Results of the Study

After conducting the necessary statistical tests and evaluating the research hypotheses, the following results and conclusions have been synthesized:

- The study reveals that commercial banks listed on Borsa Istanbul (BIST) maintain a "good to high" level of social and environmental disclosure. This reflects a significant commitment by these financial institutions to transparency regarding their non-financial activities. In some cases, disclosure levels reached as high as 71% for social items and 72% for environmental items. These figures are particularly noteworthy considering the banking sector's indirect impact on the environment compared to industrial sectors.
- The results indicate that there is no statistically significant linear relationship between the levels of social and environmental disclosure and the share prices of the targeted commercial banks. This suggests that, in the short term, market price fluctuations do not move in tandem with changes in CSR reporting levels.
- The study empirically demonstrates that social and environmental disclosure levels do not exert a significant influence on share price movements. Consequently, CSR disclosure cannot be utilized as a reliable metric to predict or explain changes in the share prices of banks listed on BIST.
- The findings of this study are consistent with several previous empirical works that reported a lack of significant impact of CSR disclosure on market performance. These include the study by Yessica (2017), the study by Haddad et al. (2023), and the study by Mufadlilah and Sriani (2024). This consensus reinforces the

idea that in certain markets or sectors, financial metrics may still outweigh non-financial disclosures in influencing investor behavior.

11. Conclusion and Recommendations

Despite the increasing global recognition of Corporate Social Responsibility (CSR) as a pivotal factor influencing financial performance and corporate value, significant academic and professional debate persists regarding its actual impact on share prices. This study sought to contribute to this discourse by investigating the relationship between CSR disclosure (social and environmental dimensions) and the share prices of commercial banks listed on Borsa Istanbul (BIST). The empirical results of this study reveal a nuanced reality within the Turkish banking sector, while the targeted banks demonstrate a commendable and relatively high level of social and environmental disclosure—considering their operational nature—this transparency does not translate into a statistically significant influence on share prices. The study confirms the absence of a linear correlation between CSR reporting levels and market valuation. Consequently, fluctuations in CSR disclosure cannot currently serve as a reliable predictor for stock price movements in the Istanbul financial market.

The findings suggest a "perceptual gap" in the market. Although banks are proactively reporting their social and environmental contributions, these disclosures appear to be overlooked by investors during the valuation process. This lack of reaction may be attributed to a deficiency in investor awareness regarding the long-term value relevance of CSR practices, or perhaps a prevailing culture that prioritizes traditional financial metrics over non-financial sustainability reports.

Based on the conclusions of this study, the following recommendations are proposed:

- Banks should move beyond standardized reporting and utilize more diverse communication channels to highlight the tangible impact of their CSR initiatives on society and the environment.
- There is a need for targeted efforts to increase awareness among the investment community regarding the importance of ESG (Environmental, Social, and Governance) factors as indicators of long-term corporate stability and risk management.
- To attract investor attention, CSR disclosures should focus more on "value-added" metrics that clearly demonstrate how social and environmental responsibility contributes to the bank's sustainable competitive advantage.

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