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CORPORATE SOCIAL RESPONSIBILITY AND PERFORMANCE OF DEPOSIT MONEY BANKS IN NIGERIA

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K E Y W O R D S

A B S T R A C T

This study examined Corporate Social Responsibility and the Performance of Deposit Money Banks in Nigeria with specific objectives to establish the effect of corporate social responsibility on profit after tax, return on assets and return on equity in a 3 model structure. The Study adopted ex-post facto research design and therefore extracted data from selected banks from 2005 - 2017. The researcher used donations on health, education and environment by the banks as proxies for corporate social responsibility while profit after tax, return on assets and return on equity were engaged as each dependent variable. The study used multiple regression analysis to estimate the relationship of the variables. The findings from data analyzed indicate that donations on health have negative significant effect on profit after tax. It was also found that corporate social responsibility has significant effect on profit after tax, return on assets and return on equity. And therefore recommends that banks should be more environmentally friendly; bank should increase their donations on health, education and should identify activities that would impact more on the society in other to attract continued patronage so as to earn profit.

Introduction

Corporate Social Responsibility concept is deepening among organizations and societies in Nigeria. It is regarded as the organization's activity to make sustainable impact in society, and which in turn has the potential to create positive effect on the business organizations that engage in it. Business organizations incur huge expenditures on social responsibility because they regard Corporate Social Responsibility as a public relations stunt used by large corporations to look good in front of customers and other stakeholders. For instance, it was reported that, in year 2011, the oil and gas sector spent N9.5 billion on Corporate Social Responsibility, followed by telecoms with N6.4 billion. The banking industry came in third position with the report that a total of N1.869 billion was spent by eight Nigerian banks in 2012 on various community-related projects under corporate social responsibility to identify with the society in which they operate. The figure is about 70 percent of

the total Corporate Social Responsibility expenditure of N3.4 billion by the banking industry in year 2011 with prediction that the figure would double in the next two years due to increased understanding of the concept of Corporate Social Responsibility (Obi, 2013).

However, the large percentage of the expenditure by the banks fall into donations and philanthropy, it was further reported that Nigerian companies perceive and practice Corporate Social Responsibility as corporate philanthropy aimed at addressing socio-economic development challenges because Corporate Social Responsibility is still at an early stage in Nigeria(Obi, 2013). In view of the huge expenditures incurred annually on Corporate Social Responsibility, it is generally held that corporate social responsibility could increase company profits. But few executives and managers are aware of the research on this important subject. Most executives believe that Corporate Social Responsibility can improve profits. They understand that Corporate Social Responsibility can promote respect for their company in the marketplace which can result in higher sales, enhance employee loyalty and attract better personnel to the firm. Also, Corporate Social Responsibility activities focusing on sustainability issues may lower costs and improve efficiencies as well. An added advantage for public companies is that aggressive Corporate Social Responsibility activities may help them gain a possible listing in the stock exchange, or other similar listing.

This may enhance the company's stock price, making executives‟ stock and stock options more profitable and shareholders happier (Robins, 2011). However, there is a crying need for an in-depth study into the quality, extent of corporate social responsibility disclosure and identification of areas for future improvement so that transparency can be ensured, especially in developing countries like Nigeria where Corporate Social Responsibility studies are limited.

However, some studies have proved that there is positive association between profitability of firms and Corporate Social Responsibility expenditures (see Olayinka & Temitope 2011; Amole, Adebiyi & Awolaja, 2012), while some studies prove negative relationship (e.g Bessong & Tapang, 2012). This present study intends to look at the effect of corporate social responsibility activity disclosure contention on profitability of Nigerian banks**.**

Statement of the Problem

The Nigerian economy today is faced with multiplicity of challenges ranging from high unemployment rate, high poverty (which stood at 69 percent of the 163 million population of Nigeria (NBS, 2020), corruption, youth restiveness, political cases, security challenges which has great effect on investment (Aimurie, *et al.,*) and economic growth among others. These problems are generally seen as social issues, thus the more social improvements related to a business, the more it leads to economic benefits as well (Porter, and Kramic, 2002). Since the role of banks is to enhance economic growth and with all these challenges facing the economy thereby

threatening economic growth at this critical time that the Nigerian banks want to be the financial hub of Africa in the year 2030 and the nation is prepared to be one among the top 20 largest economic in the world by the year 2030. Even if the banks are socially responsible to an extent, there is need for the Nigerian banks to rethink both where (that is sector and location) they focus their CSR and how they go about their CSR as no business can thrive in chaos environment.

However, in the face of the above challenges, for banks in Nigeria, the practice of corporate social responsibility as a concept entails the practice whereby corporate entities integrate both social and environment uplifting in the business philosophy and operations. A business enterprise is primarily established to create valuable production of goods and services which society demands. It therefore seems that the practices of CSR will further pose a burden on the financial performance of banks. This has made most observers perceive Nigeria business environment as been hostile. In the light of the above problems faced by most banks, there is the need to evaluate the effect of CSR on organizational performance.

Objectives of the Study

The main objective of the study is to evaluate the effect of corporate social responsibility on the performance of deposit money banks in Nigeria.

The specific objectives are to:

i. examine the effect of donation on health, Education and Environment on profit after tax of banks in Nigeria
ii. determine the effect of donation on health, Education and Environment on return on equity of banks in Nigeria
iii. Ascertain the effect of donation on health, Education and Environment on return on assets of bank in Nigeria.

Research Questions

The following research questions is raised for the purpose of this study:

i. What effect has donation on health, Education and Environment on profit after tax of banks in Nigeria?
ii. What effect has donation on health, Education and Environment on return on equity of banks in Nigeria?
iii. What effect has donation on health, Education and Environment on return on assets of bank in Nigeria?

Research Hypotheses

The following research hypotheses have been formulated for testing:

i. Donation on health, Education and Environment has no significant effect on profit after tax of banks in Nigeria?
ii. There is no significant effect of donation on health, Education and Environment on return on equity of banks in Nigeria

iii. Donation on health, Education and Environment has no significant effect on return on assets of bank in Nigeria

Scope of the study

The study will cover the period of thirteen years (16yrs) spanning from 2005-2020 the time from is chosen due to the paucity of data. As for the variables of measurement, Return on Equity, return in assets and profit tax was used in measuring financial performance, while donation on health, education and environment was used in measuring corporate social Responsibility.

Review of related literature

Corporate Social Responsibility

The concept of Corporate Social Responsibility is related to business approaches which contribute to supportable development by delivering economic, social and environment benefits to all stakeholders. 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". According to Muhammad, Bushra & Rabia (2017) banks pay for the Corporate Social Responsibility as strategic planning for increasing goodwill and reduce promotional costs.

Adeyanju (2012) defined Corporate Social Responsibilities "as the intelligent and objective concern for the welfare of the society that retains the individual and corporate behaviour from ultimately destructive activities, no matter how immediately profitable and leads to the directions of positive construction of human betterment". As an improvement on the above definitions, Adeyanju (2012) defined social responsibility as the personal obligation of everyone, as he acts in his own interests, but he must always have due regard that his freedom does not restrict others from doing the same thing. He further noted that a socially responsible individual or organization will obey the laws of the land because the rights of others are at stake.

Olayinka &Temitope (2011) used qualitative research method to examine the relationship between corporate social responsibility and financial performance in Nigeria. The study obtained data on variables which were believed to have relationship with CSR and financial performance. These variables included Return on Earnings, Return on Asset, Community Performance, Employee Relation and Environment Management System. The result shows that CSR has a positive and significant relationship with the financial performance measures. These results reinforced the accumulating body of empirical support for the positive impact of CSR on financial performance.

Effect of corporate social responsibility on banks financial performance

Akanbi & Ofoegbu (2012) examines the effect of corporate social responsibility on banks financial performance in Nigeria and concluded that positive relationship between ethical corporate social responsibility and organization performance. According to Adeyanju (2012), believe corporate social responsibility means that a corporation should be held accountable for any of its actions that affect people, communities, and its environment. It implies that negative business impacts on people and society should be acknowledged and corrected, if possible.

Keffas and Olulu-Brigs (2011) opined that "corporate social responsibility is a term describing a company's obligation to be accountable to all its stakeholders in all its operations and activities. Socially responsible companies will consider the full scope of their impact on communities and the environment when making decisions, balancing the need of stakeholders with their need to make a profit". "Corporate social responsibility is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. Since stakeholders exist both within a firm's and outside a firm, hence, behaving socially and responsibly will increase the human development of stakeholders both within and outside the corporation"

The purpose of corporate social responsibility is for businesses to go beyond concerns about the bottom line and assist with development challenges through ethics, transparency, and the reduction of poverty while legitimizing businesses that assist with these challenges (Akanbi & Ofoegbu, 2012; Idemudia, 2011). The primary concern of corporate social responsibility is the "triple bottom line, people, planet, and profit, referring to economic, environmental, and social issues" (Babalola, 2012, p.40). Triple bottom line helps organizational leaders to generate sustainability with regard to management and is vital for society, the environment, and business (Akanbi & Ofoegbu, 2012). In turn, business profit margins generally increase. The goal of corporate social responsibility is to progress society by managing an organization that is economically viable, legal, ethical, and supportive of the community (Kolk & van Tudler, 2010). Organizational leaders, the media, political leaders, and academics discuss corporate social responsibility with regard to how business leaders can act ethically, assist society, and increase their profits (Campbell, 2007). This discussion of corporate social responsibility is critical for developed and emerging economies; however, emerging economies have challenges with sustainable development that are complex (Blowfield & Frynas, 2005). Nevertheless, the application of corporate social responsibility differs based on region and culture (Idemudia, 2011). Due to cultural complexities, individuals view corporate social responsibility in different ways. There are countless definitions for corporate social responsibility because it varies based on the organization, location, and culture (Adeyanju, 2012). According to researchers at WBCSD (n.d.), corporate social responsibility is a persistent commitment by businesses behaving ethically and contributing to economic development while increasing the quality of life of employees and their families, as well as the local community and society. Corporate

social responsibility has initiated debates concerning negative business practices and their effects on society and business obligations regarding society (Riordan and Fairbrass, 2008). Scholars and business leaders want to determine the best ways to apply corporate social responsibility and the ways it can improve profits.

There is no single agreed upon definition of corporate social responsibility and therefore some business leaders are uncertain about its expectations (Adeyanju, 2012; Wettstein, 2012). At its core, corporate social responsibility is a term that consists of a complicated array of issues related to business and societal practices (Wettstein, 2012). Corporate social responsibility is a voluntary practice based on a vision of social and environmental concerns relating to business operations and dealings with stakeholders (Enquist, Johnson, and Skålèn, 2006; Russo & Perrini, 2010). Corporate social responsibility also entails transparent and ethical business practices that respect the community, employees, and environment (Dartey- Baah & Amponsah-Tawiah, 2011). Mordi, Openyemi, Tonbara, & Ojo (2012) described corporate social responsibility as a moral obligation by lawful firms to promote society.

Additionally, corporate social responsibility represents the use of responsible business application to bring about societal and environmental change (Dartey-Baah and Amponsah-Tawiah, 2011). The change brought on by corporate social responsibility should be positive for the business and community.

Some terms used to describe corporate social responsibility are social issues management, corporate accountability, corporate conscience, corporate citizenship, and public policy (Dartey-Baah & Amponsah-Tawiah, 2011; Garriga & Melé, 2004). The main themes of corporate social responsibility are human rights, employee rights, environmental protection, community involvement, supplier relations, and monitoring (WBCSD, n.d.). The basis of human rights afforded to individuals under corporate social responsibility is the UN Declaration of Human Rights of 1948 (WBCSD, n.d.), and the basis of employee rights within corporate social responsibility is the International Labour Organization's Declaration on the Fundamental Principles and Rights at Work (WBCSD, n.d.). Environmental protection under corporate social responsibility includes protecting the environment from business operations (WBSCD, n.d.). Community involvement with regard to CSR entails philanthropy (generous donations or contributions), community health and safety, and educational needs (WBSCD, n.d.). The notion of supplier relations consists of business leaders acting responsibly in choosing suppliers (WBSCD, n.d.). The monitoring aspect involves measuring and reporting performance (WBCSD, n.d.). There are several important components for the practice of corporate social responsibility; however, the application is dependent upon the culture in which people practice it.

Corporate social responsibility is a culture because it has a cultural foundation that affects beliefs and influences the culture of capitalism (Blowfield &

Frynas, 2005). Therefore, the definitions and issues pertaining to corporate social responsibility are different in various cultures (Blowfield & Frynas, 2005). Another concern of corporate social responsibility is business leaders being accountable for their actions and how they affect the community, shareholders, customers, employees, suppliers, environment, and obeying laws (Achua, 2008; Adeyanju, 2012). The aspects to corporate social responsibility are ethical, philanthropic, economic, and legal (Adeyanju, 2012). Brown stated that "corporate social responsibility is a corporate responsibility that goes far beyond philanthropy and includes a year-round responsibility that company leaders accept the environment around them, set forth the best working practices, engage in the local community, and contribute to poverty reduction" (UK Department of Trade and Industry, 2004, p. 2). Corporate social responsibility is what a company does socially, economically, politically, or developmentally to contribute to a community (Terungwa, 2011). Moral obligation, brand recognition (reputation), and operational management are the main reasons corporate social responsibility is necessary for a business (Porter and Kramer, 2006). Campbell (2007) described corporate social responsibility as socially responsible behavior in which employees earn a decent living wage and participate in responsible behavior that does not harm the environment or the community. The goal of corporate social responsibility is to attain sustainability through a balance of economic, environmental, and social measures (Akanbi & Ofoegbu, 2012). Corporate social responsibility is critical for organizations to have a positive reputation and high performance (Akanbi & Ofoegbu, 2012).

Corporate social responsibility must also entail helping communities to solve problems that the business has caused (Adeyanju, 2012). Business leaders must also be responsible to stakeholders and have respect for human values (Adeyanju, 2012). Business leaders need to practice corporate social responsibility that manages risks and their reputations, protects human capital assets, and responds to consumer demands (Doane, 2005). Economic responsibilities of corporate social responsibility entail an organization's integrity, economic development, the prevention of corruption and bribery, and employing local labor (Adeyanju, 2012).

A firm's social responsibilities consist of human rights, respecting individuals, and training individuals in the community (Adeyanju, 2012). Thus, it is imperative that organizational leaders adopt human rights, and a legal framework should be in place to hold leaders of corporations accountable for human rights violations (Wettstein, 2012). The ethical responsibilities of a firm encompass protecting people, achieving objectives, having integrity, supplying goods or services that do not injure people, entering into legitimate contracts with all parties, using resources to make a profit, compensating workers equitably, and enhancing the organization's operations (Adeyanju, 2012).

According to research firms, companies whose leaders base their performance on corporate social responsibility are more profitable than are

companies whose leaders do not (Terungwa, 2011). The valuation of a company whose leader implements corporate social responsibility, which includes community endeavors, is positively affected (Bird et al., 2007). Corporate social responsibility also improves an organization's brand, reputation, and dealings with the community and government; therefore, the market rewards companies that practice corporate social responsibility (Bird et al., 2007; Terungwa, 2011). Hence, companies that do not meet regulatory and community obligations are negatively affected.

Scherer and Palazzo (2009) asserted that corporations assist society by providing goods, services, jobs, and paying taxes. Businesses are the foundation of the economy and their role is to produce goods and provide services to make a profit (Carroll, 1979). Yet, companies have an obligation to act toward improving social ills if they are able, even if it costs the shareholders because profits will increase in the future (Branco & Rodrigues, 2007). Improved social performance of companies contributes to improved financial performance (Scherer and Palazzo, 2009). However, the literature on corporate social responsibility has shown that leaders of weak organizations are less likely than leaders of strong organizations to practice CSR because weaker organizations do not have the resources that firms that are more profitable have (Campbell, 2007). Nevertheless, leaders of weak organizations could invest in some type of corporate social responsibility to improve their business.

Practice of Corporate Social Responsibility

Scholars contended that corporate social responsibility varies from country to country and that leaders of corporations should practice corporate social responsibility based on the moral and political system in which they operate (Campbell, 2007; Scherer & Palazzo, 2009). Corporate social responsibility in developing nations refers to the formal and informal way organizational leaders attempt to improve "governance, social, ethical, labor, and environmental conditions of the developing country in which they operate, while respecting the local religion, culture, and history" (Dartey-Baah & Amponsah-Tawiah, 2011, 127).

Historically, the Nigerian government has not pressured companies to implement and practice CSR (Adeyanju, 2012). However, Nigeria is currently party to 10 UN human rights treaties, which is a development of corporate social responsibility (United Nations, 2012). In 2004, the Nigerian National Planning Commission implemented a need strategy in which the private sector would provide more jobs, increase productivity, and be more socially responsible (Babalola, 2012). At the 12th Annual Nigerian Economic Summit, held in Nigeria's capital city of Abuja in 2006, a number of Nigerian businesses signed the UN Global Compact network (Babalola, 2012). The Global Compact includes businesses, governments, and nongovernmental organizations, and is the largest voluntary, global corporate social responsibility approach based on the UN Universal Declaration of Human Rights, the

International Labour Organization, and the Rio Declaration on Environment and Development (UN Global Compact, 2011).

Transparency, public accountability, and disclosure are also important elements of the Global Compact because no one enforces behaviors (UN Global Compact, 2011). Signing the document indicated that the business leaders that are party to the network would commit to corporate social responsibility in Nigeria because the government's work is insufficient and they want to secure their brand (Babalola, 2012). Nevertheless, companies do not always follow through with their promises and objectives (Babalola, 2012). Additionally, the Global Compact does not give an explicit framework for CSR activities (Jenkins, 2005).

The Global Compact is an attempt by the UN to encourage leaders in governments, nongovernmental organizations, and businesses to be accountable for their actions. Responsible business leaders should be resourceful in finding ways to practice corporate social responsibility and develop Nigeria and other developing countries (Idemudia, 2011). Nigerians could also borrow elements of CSR from other nations to address the challenges specific to Nigeria, including its "historical, social, economic, political, and cultural environments" (Adegbite & Nakajima, 2011, p. 269). Businesses should view corporate social responsibility as a legal obligation that will hamper profitability if not practiced; therefore, there is a demand for responsible businesses (Branco & Rodrigues, 2007; Scherer and Palazzo, 2009). However, Mordi et al. (2010) asserted that organizational morality will differ from one organization to another, and law cannot enforce it. Additionally, Dartey-Baah & Amponsah-Tawiah (2011) contended that business leaders should assume CSR voluntarily, as opposed to it being law, because it is best for the long-term interest of the business. There are no laws requiring corporate social responsibility in Nigeria (Mordi et al., 2012). Nevertheless, there are debates as to whether CSR should be a law or remain voluntary based on morality (Mordi et al., 2012). The debates are important because ethical responsibilities of businesses are ill defined (Dartey-Baah & Amponsah-Tawiah, 2011). The debates about Nigeria are pointless if there is not a positive outcome.

Leaders in organizations should practice corporate social responsibility because it is ethically and morally correct and based on religion and philosophy (Branco & Rodrigues, 2007). According to Mordi et al. (2012), the Nigerian government concerns itself with getting paid from organizations when the organizations fail to meet social and legal responsibilities of corporate social responsibility. Additionally, the Nigerian government could do more to persuade leaders of companies to practice corporate social responsibility, for instance by collaborating with them to ensure they carry out corporate social responsibility and providing tax relief and soft loans to organizations that are good corporate citizens (Mordi et al., 2012). However, tax avoidance and evasion are issues in Nigeria and other parts of the developing world (Idemudia, 2011). An estimated US $11.5

trillion from the developing world are in tax shelters around the world; leaders of companies carry out 60% of tax evasion (Dobers & Halme, 2009). A vital aspect of being a good corporate citizen is paying taxes in an attempt to increase government revenue (Jenkins, 2005).

Government leaders should use government revenue to increase development in Nigeria. According to Amaeshi et al. (2006), the practice of CSR in Nigeria began with MNCs, for instance Western oil and gas companies such as Shell, in an attempt to have sustainable development and community investment. Western companies have mandates from their home countries to focus on CSR practices (Amaeshi et al., 2006). The practice of corporate social responsibility by MNCs in Nigeria includes a focus on socioeconomic needs, which is deeply entrenched in the culture because of its history of dependency on foreign aid (Adeyanju, 2012). In this regard, corporate social responsibility serves as a means to provide governance to address the problems from economic globalization (Blowfielda& Frynas, 2005). Leaders of MNCs should be willing to assist nations in which they work and make a profit.

Idemudia (2011) maintained that international pressure and violence have prompted the corporate social responsibility practiced by leaders of MNCs in Nigeria. However, as addressed earlier, corporate social responsibility in Nigeria has historically been more akin to philanthropy and has addressed poverty alleviation, health care, and education (Amaeshi et al., 2006). Nonetheless, philanthropy is critical in the developing world because of widespread poverty and high unemployment rates (Dartey-Baah and Amponsah-Tawiah, 2011). Leaders of successful companies and individuals generally carry out philanthropy due to indigenous traditions in most developing nations (Dartey-Baah & Amponsah-Tawiah, 2011). Nigeria's indigenous tradition is having an extended kinship society whereby individuals feel responsible for extended family members. Therefore, the owner of a business is responsible for providing for the family and operating the business (Amaeshi et al., 2006). The village or kinship mentality is an example of being socially responsible that existed prior to Western corporate social responsibility (Phillips, 2006). However, kinship mentality and familial responsibilities are not equivalent to corporate social responsibility. The kinship responsibilities stem from the religious aspect of the culture;

However, these spiritual philosophies do not prevent corruption and bribery in Nigerian businesses (Amaeshi et al., 2006). According to Idemudia (2011), strong connections do not exist between business and religion, as in Brazil where the Catholic tradition has influenced the growth of CSR, in addition to a liberal market. These responsibilities do not necessarily reflect the Western expectation of corporate social responsibility (Amaeshi et al., 2006).

In addition, indigenous Nigerian firms generally do not feel the pressure to protect their brand and investments because they are not global like Western

organizations and there are cultural differences (Amaeshi et al., 2006). According to Campbell (2007), the state is not the only body that can be responsible for regulating CSR. Industry leaders can establish their own standards and regulatory bodies (Campbell, 2007). Leaders in the Nigerian government have attempted to make strides toward implementing CSR in Nigerian businesses. Senate Bill 27, sponsored by Senator Uche Chukwumerde of Abia state, went before the Nigerian National Assembly on January 16, 2008, to provide for the establishment of a corporate social responsibility commission (S. 27, 2008).

The objective of the proposed bill was to implement corporate social responsibility in organizations that are consistent with international standards to provide satisfactory relief for communities that have suffered from commercial ventures (S. 27, 2008).

Senate Bill 27 proposed that organizations respect World Trade Organization rules regarding trade barriers, release annual reports on social and environmental impacts, and ensure corporate social responsibility is at least 3.5% of an organization's gross annual profit for that year (S. 27, 2008). The bill also proposed that company leaders must publish annual reports on the business's social and environmental impacts and be accountable to employees, trade unions, investors, host communities, and the environment or face fines of no less than 2% of the organization's annual gross profit for violations (S. 27, 2008). Nevertheless, Nigerian lawmakers rejected the bill because corporate social responsibility is voluntary. Mordi et al. (2012) contended that the bill had several deficiencies, including not informing the Nigerian public of the benefits of corporate social responsibility, harming investments in Nigeria because of the high local and federal taxes already in place, and not indicating how Nigerian government leaders would practice corporate social responsibility. Later in 2008, the Nigerian government attempted to promote corporate social responsibility again.

The Nigerian Federal Executive Council (2008) defined corporate social responsibility as "the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the community at large" (FEC, 2008, para.1). According to the Minister of the Federal Executive Council (FEC), Daggash, corporate social responsibility should also include "corporate governance, ethics, health, safety, human rights, human resource management, anti-bribery, and anticorruption measures" (FEC, 2008, para.1). In May 2008, members of the FEC approved the development of a corporate social responsibility policy for Nigeria in an attempt to promote ethics in Nigerian businesses and therefore society (FEC, 2008). The FECs development of a corporate social responsibility policy for Nigeria is an example of implicit CSR. Implicit CSR are formal and informal institutions that share responsibility for the community with organizations and consists of rules and values for corporations (Adeyanju, 2012; Matten & Moon, 2008).

Governments need policies that keep corporations strong because their activities affect societies (Porter and Kramer, 2006). Additionally, self-regulation is insufficient if companies are not accountable for their actions; therefore, state regulation is compulsory (Campbell, 2007; Doane, 2005). However, not all nations regulate corporate social responsibility. Mordi et al. (2012) asserted that overall corporate social responsibility in Nigeria is inadequate and ineffective because laws are necessary to enforce the practice of corporate social responsibility. The leaders of some firms operating in Nigeria have had to comply with corporate social responsibility practices in local communities due to national and international pressure (Mordi et al., 2012). Doane (2005) noted that if business leaders seriously focused on corporate social responsibility, then governments would not need to regulate or intervene. However, many Nigerian firms are corrupt, are insensitive, and need to make improvements and become more socially responsible (Mordi et al., 2012). Nevertheless, not all Nigerian companies are corrupt, and some acknowledge the benefit of corporate social responsibility. Some Nigerian company leaders are also practicing structured corporate social responsibility (Adeyanju, 2012; Phillips, 2006). Leaders of Nigerian firms attempt to model business practices after the West in an attempt to gain more respect and have a larger profit margin (Amaeshi et al., 2006). Emerging markets have a greater need for corporate social responsibility due to governance and redistribution concerns because of the need for regulation (Foo, 2007; Kolk and van Tudler, 2010). The prevalence of poverty in emerging markets indicates the need for corporate social responsibility.

Characteristics of corporate social responsibility

The European Foundation for Quality Management (EFQM) presents some common characteristics for corporate social responsibility are:

i. Meeting the need of current stakeholders without compromising the ability of future generations to meet their own demand.
ii. Adopting corporate social responsibility voluntarily, rather than as legal requirement, because it is seen to be in the long-term interests of the organization.
iii. Integrating social, environmental and economic policies in day to day business.
iv. The three dimension of corporate social responsibility with specific examples of areas particular to each dimension are:
    a. Economic Responsibility: Integrity, corporate governance, economic development of the community, transparency, prevention of bribery and corruption, payments to national and local authorities, use of local suppliers, hiring local labour and similar areas.
    b. Social Responsibility: Human rights, training and developing local labour, contributing expertise to community programs and similar areas.

c. Environmental Responsibility: Precautionary approaches to prevent or minimize adverse impacts support for initiatives, promoting greater environmental responsibility, developing and diffusing environmentally friendly technologies and similar areas.

Osemene (2012) view the corporate social responsibility concept as a combination of three separate agendas, namely Corporate Sustainability, Accountability and Governance.

Social responsibility to stakeholders

An organization should fulfill its social responsibilities to the following stakeholders for it to achieve its set objectives. For instance, using a Bank as a case study, the stakeholders will include:

1. Customers

a. Offer efficient services; Make savings and withdrawals of money less time consuming by reducing the waiting time;

b. Ensure adequate liquidity so that cash withdrawals are met promptly; Pay competitive rate of interest on saving and deposit, in line with the CBN‘s credit and monetary guidelines; Charges reasonable interest rates and commissions;

c. Ensure safety of deposit so much so that the customers can deposit his money in the bank and go to sleep; and make secret of the affairs between the bank and customers to protect the interest of the customers.

2. Shareholders

If banks are to guarantee continuous investment of their shareholders, they have the duty of:

a. Ensuring effective performance by utilizing the capital invested in the bank to maximize profit.
b. Paying good dividends, i.e. reasonable returns commensurate with the capital investment. Maximizing the owner’s wealth by ensuring good market prices of the shares of the bank in the stock market;
c. Keeping the shareholders informed of the bank’s performances through annual general meetings, newsletters and information bulletins.

3. Employees

a. Provide a conducive working environment i.e. make available modern working tools and equipment, ventilated offices, good infrastructure, decent and official cars, health and safety equipment at the workplace etc;
b. Pay competitive salary remuneration commensurate with the level of commitment
c. Offer opportunities for career development, e.g. inducement for taking professional examination;

d. Train and develop employees through continuous learning at seminars, conferences, workshop, with the view to update their knowledge base, to meet rapid changes in the banking environment;
e. Keep employees adequately informed on the policies, procedures and rules relating to day-to-day banking operations. This can be done through newsletters, bulletins, meetings, etc;
f. Involve employees in decisions affecting them, to ensure their total commitment and loyalty; and maintaining equal opportunities among employees, i.e. there should be no preferential treatment or favourism.

4. Government

Being a responsible corporate entity or citizen, provide credit facilities to various sectors of the economy, with a view to ensuring the economic development of the country; Comply with the laws and regulations prescribed by regulatory authorities like the Central Bank of Nigeria, the Nigeria Deposit Insurance Corporate, etc; and Assist government in funding and promoting social activities, such as sponsoring sports programmes, contributions towards combating diseases e.g. AIDS, etc.

5. Public

Banks are socially responsible to the banking public, in general, and members of the community in which they are situated, in particular, in the following ways:

Development of the environment through provision of basic facilities like good drinking water, donations to development associations, bringing banking services to the rural areas, indigenous lending, etc. creation and maintenance of employment opportunities to qualified members of the community. This encourages loyalty, commitment and cooperation from the community; Participation in community activities, such as donations to community to celebrations, awarding scholarship to deserving members of the community, and using the skills of employees to develop charitable goods and services.

Determinants of corporate social Responsibility and financial performance

Determinants of financial performance

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

Return on Asset (ROA): This ratio measure profitability of banks and also analyses that how much generating return from its source of funds to produce profit; Masood and Ashraf (2012).

Return on equity (ROE): This ratio measure returns for both common and preferred stockholders. It's shows ability of generating profit from equity. Return of equity also termed as return generation from shareholder's equity; Masood, O., et al. (2015).

Earnings per share (EPS): EPS is the part of an organization's benefit apportioned to each exceptional share of basic stock. Procuring per share fills in as a marker of an organization's profitability.

Price Earnings Ratio (P/E): This ratio indicates a company share price divided by its earning per share expressed as a number or as a multiple of earnings per share.

Theoretical Review

The study will be guided by three theories. These include the stakeholder theory, triple bottom line theory, and theory of the firm. These theories are discussed in the below section.

Stakeholder's Theory

This study will also be based on stakeholders' theory whose proponent is Freeman (1984). The theory posits that Corporations have stakeholders who benefits or negatively affected by corporate actions. Traditionally, a stakeholder refers to any individual or an entity that is likely to affected or be affected by the activities, success or failure of an organization (Fontaine, Haarman, and Schmid, 2006). An organization is just a grouping of all sorts of stakeholders and the main purpose of an organization is to manage the stakeholders' interests at all cost. There is a need to differentiate all stakeholders and this can be done by grouping them into classifiable relation with the organization (Fontaine, Haarman, and Schmid, 2006). The major stakeholders include: the customers, the society, the suppliers, the employees and the shareholders (Friedman and Miles, 2006).

In the context of this study, the theory will be used to interpret the function of the commercial banks, including the identification of moral or philosophical guidelines for their operation and management. In this regard, bank managers and leaders must initiate constructive contributions and interactions from their stakeholders to accomplish their own desired results such as organizational growth, expanded profitability and organizational stability, which in summation should result in improved financial performance.

Triple Bottom Line Theory

Triple bottom line (TBL) is another theory of corporate social responsibility. The theory was developed by Elkngton in 1994. The theory assumes that a corporation is a moral community member. As such, a corporation has social responsibilities. The focus of the theory is on corporation's long term sustainability. The theory holds that a firm ought to consider its actions on three independent

scales. These are the social sustainability, the economic sustainability and the environmental sustainability (Elkington, 2004).

There exist seven key drivers of this theory. These include the markets, transparency, technological life-cycle, values, partnerships, the time, and the corporate governance (Elkington, 2004). These drivers are otherwise referred to as revolutions. It is posited that the first revolution is driven by competition, mostly through markets. An increasing number of firms are being challenged by customers and financial markets regarding some aspects of their TBL performance in financial perspective and commitments. The second revolution is driven by a shift in human and societal values all over the world. The third revolution on transparency indicates that business enterprises will find themselves having their activities under intense scrutiny (Elkington, 2004).

The fourth revolution is on life-cycle technology. Firms are being challenged on TBL implications on either industrial activities or agricultural activities. The fifth revolution is expected to accelerate new partnership formation between organizations. The sixth revolution aims at enhancement of a profound shift in the way that people within the organization manage and understood time. The seventh and last revolution is corporate governance. It is asserted that with a good system of corporate governance, the better for a corporation since good corporate governance can help to build a sustainable capitalism (Elkington, 2004). Regarding TBL, commercial banks should focus on the drivers that would contribute positively towards their financial performance.

Theory of the Firm

This study is also based on theory of the firm whose main advocators were Adolf Augustus Berle, Jr. and Gardiner Coit Means. This theory is a microeconomic concept, which is based on neoclassical economics, which states that most firms exist with a clear aim of maximizing profits and that all their decisions are geared towards the same aim of profit maximization. Within the confines of this theory, most businesses entities interact with the market so as to be able to determine prices and demand. The main reason for this is to allow the managers to allocate resources under their disposal in accordance to business entity’s strategies and models that are all geared to profit maximization (Berle and Gardiner, 1932). The theory aims at answering the question;-why do firms exist? Where is the boundary between market location and the firms and what drives the firm’s actions as well as the firm’s performance (Richman and Mache, 2008).

Within the context of this study, theory of firm is discussed on the basis of arguments by McWilliams and Siegel (2001) that firm's corporate social responsibility level depends on the firm’s size, diversification level, consumer income, research and so on. Arguably therefore there exist an “ideal” corporate social responsibility level that commercial bank managers and leaders can determine with the help of cost-benefit analysis (CBA). This study aims at testing

this hypothesization that there exist an ideal corporate social responsibility level which is a factor in banks' CBA.

Empirical Review

Alemu, (2017) Conducted studies on impact of corporate social responsibility practices on financial performance of banking sectors in Ethiopa. In this paper researcher used some mixed research approach and different economistic models to evaluate the relationship between corporate social responsibility and bank's financial performance in Ethopia. The results found that there is no relationship between the financial contribution for CSR activities in Ethiopa and 1 percent significant levels.

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 corporate social responsibility 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 corporate social responsibility exercise.

Alsahlawi, (2016) Conducted the studies on corporate social responsibility disclosure of the banking sector in Saudi Arabia. In this studies banking sectors corporate social responsibility disclosure over the four-year period of 2011-2014 and results found that there is a need to extent more efforts to improve corporate social responsibility practice in the banking sector and conduct business responsible more to serve the interest and meet the needs of all its stakeholders.

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

Krasodomska, (2015) study explains corporate social responsibility disclsours in banking industry empirical evidence from poland and results concluded the quality of corporate social responsibility disclosure in 2011 was higher as compared in 2005 and also all banks tend to include corporate social responsibility in management commentary.

Methodology

A descriptive survey study between various parameters of bank size and financial performance of Kenyan banks found strong correlations between several factors of size of the bank and the subsequent banks' performance in the study. The study aimed at investigating relationship between the parameters of size of the bank and financial performance. Total deposits, total loans, total assets and branch size network were established to be correlated. Finally, total deposits and total assets had strong effects on banks' Performance in financial perspective compared

to Total Loans (Salim, 2010). In addition, in Kenya a descriptive survey study that aimed at establishing the relationship between CSR and customer loyalty in Standard Chartered Bank by Okeyo (2013), found that corporate social responsibility influenced customer loyalty whether attitudinal or behavioral loyalty (Okeyo, 2013).

A descriptive survey study of Tunisian banks between the year 2000 and the year 2009, on the relationship between capital increase and ROA, ROE, PAT (Corporate Social Responsibility) and Net Interest Margin (NIM), only the relationship between capital and ROA was significant. This study aimed at examining measures of financial performance of banks and their return on investment ratios. The study found a positive and significant impact of capital in return of assets of banks in Tunisia through the period of 2000-2009 (Aymen, 2013). This study insinuated that decrease in capital through an activity such as CSR have a bearing on bank's financial performance.

In Ghana, a descriptive survey study that aimed at documenting the extent of recognition, nature, content and perception of corporate social responsibility by firms quoted on the Ghana Stock Exchange (GSE) found that managers believe that for a successful operation within a society, the firm must support the participate and support society's social programs. This study aimed at investigating corporate social responsibility activities carried out by firms listed at GSE. corporate social responsibility is regarded as being beyond philanthropic nature of firms but rather a strategic focus which tries to meet the society's need but keeping in mind the main objective of the firm which is maximization of profits at all costs (Ofori, 2007).

A descriptive survey study carried out in India that aimed at determining the engagement of Indian commercial banks in corporate social responsibility reported that banks are making efforts in the CSR areas but still there was a requirement of more emphasis on corporate social responsibility. This study aimed at gaining insight into social responsibility performance gaps in the Indian banks. The study revealed that some banks were not even meeting the regulatory requirements. The public sector banks overall had highest contribution in CSR activities, but private sector banks and foreign banks were still lagging in this area (Sharma and Mani, 2013).

Methodology

Ex post facto research design was used in this research. Ex post facto research design research suggests linkages between variables by observing existing phenomena and then searching back through available data in order to try to identify plausible relationships. It was concerned with determining cause and effect relationship and to understand which variable is dependent and which is independent. This research design was the best in explaining if two variables are related or if they vary. This was established by use of enough information and data for testing cause and effect relationship, aimed to determine the effect of corporate

social responsibility reporting on performance of money deposit banks in Nigeria and the empirical evidences that help answer the research objective.

Population of the study

All the items under consideration in any field of inquiry constitute a ‘universe’ or ‘population’. It can be presumed that in such an inquiry when all the items are covered no element of chance is left and highest accuracy is obtained (Kothari, 2004).
There are 15 deposit money banks listed in the Nigeria stock exchange. The annual report and account of the bank was used for the period of study.

Sampling techniques

The study used non-probability sampling techniques, specifically purposive sampling to select three (3) banks based on availability of data.

Method of data collection

Secondary data from annual report and account of the selected banks were collected using data collection forms. The researcher collected secondary data for 13 years from 2006 to 2017, on the corporate social responsibility reporting on performance of money deposit banks in Nigeria. The data obtained from the bank’s financial statements; include data on return on assets and revenue generated.

Method of data analysis

The study use the ordinary least square based multiple regression to analyze the data extracted. Data analysis will be done using E-views Version 9.

Model specification

The multiple regression model was used in the study and stated as follows:

Model 1: $PAT = \mathbf{B_0} + \mathbf{B_1}DH + \mathbf{B_2}DED + \mathbf{B_3}DEN + u$
Model 2: $ROE = \mathbf{B_0} + \mathbf{B_1}DH + \mathbf{B_2}DED + \mathbf{B_3}DEN + u$
Model 3: $ROA = \mathbf{B_0} + \mathbf{B_1}DH + \mathbf{B_2}DED + \mathbf{B_3}DEN + u$

Based on the objective and hypotheses of the study, the following models where;
PAT=Profit after Tax
ROE=Return on Equity
ROA=Return on Assets
DH=Donation on Health
DED=Donation on Education
DEN=Donation on Environment
B_0 = Unknown constant to be estimated
B_1 = Unknown coefficients to be estimated
$\mathbf{B_2}$ = Unknown coefficients to be estimated
$\mathbf{B_3}$ = Unknown coefficients to be estimated
u = Stochastic error term

Data Presentation, Analysis and Discussion of Results

The study used secondary data of selected banks from 2005 to 2017. The researcher adopted donations on health, education and environment as proxies for corporate social responsibility while return on assets, profit after tax and return on equity were used as proxies for performance of banks. Corporate social responsibility proxies jointly were used as the independent variable while return on assets, profit after tax and return on equity were used as separate dependent variables in each model. Profit after tax, donations on health, education and environment were logged to bring it to the magnitude with other variables. The data are as shown on appendix A of the study.

Analysis and Discussion of Results

The variables were analysed using the ordinary least squares based multiple regression technique of data analysis to determine the relationship between corporate social responsibility and performance of banks in each model. The adjusted R squared that is, the multiple coefficient of determination was adopted to evaluate the total variation of the dependent variable as explained by the independent variables in a model. It determines the goodness of fit of the regression models and also measure the proportion or percentage of the total variation in the dependent variable as a result of variations in the independent variables. The fit of the model lies between 0 and 1, and the closer it is to 1, the better the model (Gujarati & Porter 2009, Osuala 2010 and Gujarati 2013).

The F statistic was used to establish the significance of the parameters in the overall model in each of the model specification.

The probability of the F-statistic test was used to test the hypotheses of the study to ascertain the relationship between the variables while the probability of the t-test statistic was used to examine the significance of each of the corporate social responsibility proxies on the dependent variable in each model.

Effect of corporate social responsibility on profit after tax

Table 4.1: Multiple Regression of Corporate social responsibility on Profit after Tax

Dependent Variable: LOGPAT
Method: Least Squares
Date: 09/13/21 Time: 22:37
Sample: 1 39
Included observations: 36

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.061097	0.255251	19.82792	0.0000
LOGDH	-1.96E-05	9.03E-06	-2.171386	0.0374
LOGDED	1.64E-05	4.02E-06	4.080809	0.0003

LOGDEN	4.93E-07	2.42E-06	0.203243	0.8402

R-squared	0.572613	Mean dependent var	5.603659
Adjusted R-squared	0.523170	S.D. dependent var	1.605062
S.E. of regression	1.219034	Akaike info criterion	3.338434
Sum squared resid	47.55341	Schwarz criterion	3.514380
Log likelihood	-56.09181	Hannan-Quinn criter.	3.399844
F-statistic	9.558819	Durbin-Watson stat	1.047507
Prob(F-statistic)	0.000117		

Source: Researcher's Computation using E-views Version 9

From the result in table 4.1 above, the multiple coefficient of determination, which is the adjusted R square, signifies a coefficient of .523 implies that 52.3% of the total variation in profits after tax is attributable to corporate social responsibility of banks stated in the model. This signifies that there is goodness of fit and the model is well specified. It suggests that 47.7% of the total variation profit after tax is explained by variables not included in the model.

The Durbin Watson d test of 1.047 suggests that there is evidence of positive autocorrelation since it is below the Durbin Watson d statistic table of 1.295 and 1.653 where n=36 and k=3 at 5% level of significance (Gujarati & Porter 2009).

The result of the intercept term coefficients of 5.06 which is positive and significant is the average effect of profits after tax of all the variables that are excluded in the model. In other words, it is the average effect or mean value of profits after tax of banks when donation on education, donation on environment and donation on health care data sets equal to zero.

The slope coefficient of -1.96 for donation on health in the model measures the change in the mean or average value of profits after tax per unit change in donation on health holding the values donation on education and donation on environment in the model constant. The probability of the t statistic is 0.0374 which significant implies that donation on health individually has negative significant effect on profit after tax of banks in Nigeria.

The slope coefficient of 1.64 is the change in the mean value or average effect of profits after tax per unit change in donation on education holding the values of donation on health and donation on environment in the model constant. Since the probability of the t statistic is highly significant at 0.0003 indicates that there is positive significant relationship between donation on education and profit after tax of banks.

The slope coefficient of 4.93 is the change in the mean value or average effect of profits after tax per unit change in donation on environment holding the values of donation on education and donation on health in the model constant. The

probability of t statistic coefficient is not significant hence we stated that there is positive insignificant relationship between donation on environment and profit after tax of banks.

Effect of corporate social responsibility on return on equity.

Table 4.2: Multiple Regression of Corporate social responsibility on Return on Equity

Dependent Variable: ROE
Method: Least Squares
Date: 09/13/21 Time: 22:43
Sample: 1 39
Included observations: 39

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	12.90657	5.528065	2.334735	0.0254
LOGDH	-8.16E-05	0.000206	-0.396877	0.6939
LOGDED	4.26E-05	9.08E-05	0.468911	0.6420
LOGDEN	3.05E-05	5.51E-05	0.553214	0.5836

R-squared	0.433021	Mean dependent var	15.40222
Adjusted R-squared	0.349862	S.D. dependent var	27.24810
S.E. of regression	27.91916	Akaike info criterion	9.593418
Sum squared resid	27281.78	Schwarz criterion	9.764040
Log likelihood	-183.0717	Hannan-Quinn criter.	9.654636
F-statistic	3.367125	Durbin-Watson stat	2.240915
Prob(F-statistic)	0.041536		

Source: Researcher's Computation using E-views Version 9

From the result in table 4.2 above, the multiple coefficient of determination, which is the adjusted R square, signifies a coefficient of .35 implies that 35% of the total variation in return on equity is attributable to corporate social responsibility of banks stated in the model. This signifies that there is no goodness of fit and the model is not well specified. It suggests that 65% of the total variation return on equity is explained by variables not included in the model.

The Durbin Watson d test of 2.24 suggests that there is no evidence of positive autocorrelation since it is above the Durbin Watson d statistic table of 1.295 and 1.653 where n=36 and k=3 at 5% level of significance (Gujarati & Porter 2009). The result of the intercept term coefficients of 12.91 which is positive and significant is the average effect of return on equity of all the variables that are

excluded in the model. In other words, it is the average effect or mean value of return on equity of banks when donation on education, donation on environment and donation on health care data sets equal to zero.

The slope coefficient of -8.16 for donation on health in the model measures the change in the mean or average value of return on equity per unit change in donation on health holding the values donation on education and donation on environment in the model constant. The probability of the t statistic is not significant and implies that donation on health individually has negative but not significant effect on return on equity of banks in Nigeria.

The slope coefficient of 4.26 is the change in the mean value or average effect of return on equity per unit change in donation on education holding the values of donation on health and donation on environment in the model constant. Since the probability of the t statistic is above 5% level of significance and it indicates that there is positive insignificant relationship between donation on education and return on equity of banks.

The slope coefficient of 3.05 is the change in the mean value or average effect of return on equity per unit change in donation on environment holding the values of donation on education and donation on health in the model constant. The probability of t statistic coefficient is not significant hence we stated that there is positive insignificant relationship between donation on environment and return on equity of banks.

Effect of corporate social responsibility on return on assets.

Table 4.3: Multiple Regression of Corporate social responsibility on Return on Assets Tax

Dependent Variable: ROA
Method: Least Squares
Date: 09/13/21 Time: 22:49
Sample: 1 39
Included observations: 39

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.597192	0.883658	1.807477	0.0793
LOGDH	3.33E-06	3.29E-05	0.101317	0.9199
LOGDED	1.80E-05	1.45E-05	1.240628	0.2230
LOGDEN	-4.33E-06	8.81E-06	-0.491205	0.6263
R-squared	0.543794	Mean dependent var		2.142184
Adjusted R-squared	0.438167	S.D. dependent var		4.380058

S.E. of regression	4.462862	Akaike info criterion	5.926372
Sum squared resid	697.0999	Schwarz criterion	6.096994
Log likelihood	-111.5643	Hannan-Quinn criter.	5.987590
F-statistic	5.534326	Durbin-Watson stat	2.614414
Prob(F-statistic)	0.001796		

Source: Researcher's Computation using Eviews Version 9

The multiple coefficient of determination, which is the adjusted R square, signifies a coefficient of .438 and it implies that 43.8% of the total variation in return on assets is attributable to corporate social responsibility of banks stated in the model. This signifies that there is goodness of fit and the model is well specified. It suggests that 57.2% of the total variation return on assets is explained by variables not included in the model.

The Durbin Watson d test of 2.61 suggests that there is no evidence of positive autocorrelation since it is above the Durbin Watson d statistic table of 1.295 and 1.653 where n=36 and k=3 at 5% level of significance.

The result of the intercept term coefficients of 1.597 which is positive is the average effect of return on assets of all the variables that are excluded in the model. In other words, it is the average effect or mean value of return on assets of banks when donation on education, donation on environment and donation on health care data sets equal to zero.

The slope coefficient of 3.33 for donation on health in the model measures the change in the mean or average value of return on assets per unit change in donation on health holding the values donation on education and donation on environment in the model constant. The probability of the t statistic is not significant which implies that donation on health individually has positive insignificant effect on return on assets of banks in Nigeria.

The slope coefficient of 1.80 is the change in the mean value or average effect of return on assets per unit change in donation on education holding the values of donation on health and donation on environment in the model constant. Since the probability of the t statistic is not significant it indicates that there is positive insignificant relationship between donation on education and return on assets of banks.

The slope coefficient of -4.33 is the change in the mean value or average effect of return on assets per unit change in donation on environment holding the values of donation on education and donation on health in the model constant. The probability of t statistic coefficient is not significant hence we stated that there is negative insignificant relationship between donation on environment and return on assets of banks.

Test of Hypotheses

Test of hypothesis 1

H_{O1}: Corporate social responsibility has no significant effect on profit after tax of banks in Nigeria.

To test the hypothesis that:
H_0: $\beta_1 = \beta_2 = \beta_3 = 0$ i.e. all slope coefficients are simultaneously zero.
H_I: $\beta_1 \neq \beta_2 \neq \beta_3 \neq 0$ i.e., not all slope coefficients are simultaneously zero.

The F statistic test was used to determine the overall significance of the model with the following decision: If the probability of the F-statistic obtained from the result is at 5% α level of significance, the study would reject the null hypothesis, H_0 and accept the alternative hypothesis H_1.

The F statistic with value of 9.559 has probability value of 0.000117 which is below 5% level of significance. We reject the null hypothesis and therefore conclude that corporate social responsibility has significant effect on profit after tax of banks in Nigeria.

Test of hypothesis 2

H_O2: There is no significant effect of corporate social responsibility on return on equity of banks in Nigeria.

To test the hypothesis that:
H_0: $\beta_1 = \beta_2 = \beta_3 = 0$ i.e. all slope coefficients are simultaneously zero.
H_I: $\beta_1 \neq \beta_2 \neq \beta_3 \neq 0$ i.e., not all slope coefficients are simultaneously zero.

The F statistic with value of 3.367 has probability value of 0.0415 which is below 5% level of significance. We reject the null hypothesis and therefore conclude that there is significant effect of corporate social responsibility on return on equity of banks in Nigeria.

Test of hypothesis 3

H_O3: Corporate social responsibility has no significant effect on return on assets of banks in Nigeria.

To test the hypothesis that:
H_0: $\beta_1 = \beta_2 = \beta_3 = 0$ i.e. all slope coefficients are simultaneously zero.
H_I: $\beta_1 \neq \beta_2 \neq \beta_3 \neq 0$ i.e., not all slope coefficients are simultaneously zero.

The F statistic with value of 5.534 has probability value of 0.001796 which is below 5% level of significance. We reject the null hypothesis and therefore conclude that corporate social responsibility has significant effect on return on assets of banks in Nigeria.

Discussion of findings

Based on the analysis and the empirical results the study revealed that the estimated coefficients of the regression parameter have both positive and negative signs and thus conform to our a-priori expectation. The implication of these sign is that the dependent variables Return on Asset (ROA), Return on Equity (ROE) and Profit after tax is positively affected by donation on Health, donation on Education

and donation on Environment. The study also revealed that there is a very high relationship between donation on Health, donation on Education and donation on Environment and the various dependent variables that is Return on Asset (ROA), Return on Equity (ROE) and Profit after tax (PAT

Summary of Findings

1. That Corporate Social Responsibility has significant effect on profit after tax
2. That there is significant effect of Corporate Social Responsibility on return on equity of banks in Nigeria.
3. That Corporate Social Responsibility has significant effect on return on assets of banks in Nigeria.

The study established effect of corporate social responsibility on financial performance of banks in Nigeria. Specifically, the study formulated three hypotheses in line with the specific objectives and research questions. *Ex post facto* research design was adopted because the data are in existence there the researcher extracted variables from annual reports of the selected banks from 2005 to 2017. The variables engaged were donations on health, education and environment as joint proxies for corporate social responsibility while return on assets, return on equity and profit after tax were used as separate dependent variables.

The study used the ordinary least squares based multiple regression analysis to estimate the relationship of the variables. It was established that donations on health have negative significant relationship with profit after tax of banks individually. This infers that there is an inverse significant relationship between donations on health and profit after tax of banks. It was also found that, individually donations on education have positive significant relationship with profit after tax of banks. All other proxies for corporate social responsibility have no significant effect individually on each of the financial performance proxies.

From the three hypotheses tested, the study established that corporate social responsibility has significant effect on profit after tax, return on equity and return on assets, However, it was observed that based the adjusted R squared and the F statistic coefficients, profit after tax is more affected by corporate social responsibility of banks than return on equity and return on assets while return on assets is also more influenced than return on equity. The study therefore concludes that corporate social responsibility has significant effect on financial performance of banks in Nigeria.

The findings had made the researcher to proffer the following recommendations.

1. Management of banks should be more environmentally friendly by increasing its donation on the waste management.
2. Banks should increase their donations on health, education and the environment such that it would influence return on equity.
3. Banks should identify social responsibility activities that would impact more on the society in order to attract continues patronage.

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	TA	**DED**	**LOGDED**	**DH**	**LOGDH**	**DEN**
GTB 2005	167,897,704	12,861	4.1093	297	2.4728	2,077
2006	305,080,565	8,170	3.9122	3,734	3.5722	0
2007	478,369,179	77,762	4.8908	2,389	3.3782	20,080.00
2008	918,278,750	62,815	4.7981	1,450	3.1614	10,142
2009	1,019,911,536	130,343	5.1151	250	2.3979	10,559
2010	1,083,304,116	121,430	5.0843	2,250	3.3522	15,704.00

2011	1,523,527,545	63,438	4.8023	32,286	4.5090	32,555
2012	1,620,317,223	192,284.00	5.2839	0	#NUM!	69,566.00
2013	1,904,365,795	128,665.00	5.1095	0	#NUM!	463,676.00
2014	2,126,608,312	188,846	5.2761	6,708	3.8266	384,731
2015	2,277,629,224	225,779	5.3537	0	#NUM!	145,986
2016	2,221,341,796	1,200	3.0792	400	2.6021	0
2017	109,664,427	880	2.9445	480	2.6812	0
2018						
2019						
2020						
UBN2005	398,271,000	16,055	4.2056	8,147	3.9110	000
2006	517,564,000	17,245	4.2367	5,000	3.6990	1,000
2007	619,800,000	15,335	4.1857	446	2.6493	0
2008	1,106,779,000	10,267	4.0114	1,000	3.0000	5,000
2009	921,230,000	10,275	4.0118	0	#NUM!	66,034
2010	838,605,000	8,309	3.9195	0	#NUM!	9,969
2011	827,153,000	2,832	3.4521	1,415	3.1508	7,365.00
2012	886,468,000	3,000	3.4771	1,500	3.1761	7,805.00
2013	881,391,000	17,704	4.2481	200	2.3010	5,000
2014	920,230,000	8,520	3.9304	1,000	3.0000	1,165
2015	998,137,000	9,128	3.9604	2,185	3.3395	46,120
2016	997,909,060	3,510	3.5453	290	2.4624	700
2017	1,120,109,067	12,885	4.1101	1,065	3.0273	2,570.00
ZENITH2005	329,716,511	9,111	3.9596	15,740	4.1970	43,855.00
2006	608,505,175	50,860	4.7064	87,869	4.9438	244,818.00
2007	883,940,926	67,894	4.8318	117,297	5.0693	326,811.00
2008	1,680,032,000	101,241	5.0054	62,500	4.7959	12,000
2009	1,573,196,000	396	2.5977	0	#NUM!	23
2010	1,789,458,000	66.06	1.8199	15.36	1.1864	20.71
2011	2,154,713,000	85	1.9294	146.85	2.1669	409.15
2012	2,436,886,000	301	2.4786	0	#NUM!	119
2013	2,878,693,000	97	1.9868	5	0.6990	934
2014	3,423,819,000	243	2.3856	0	#NUM!	318
2015	1,555,183,067	184	2.2648	90	1.9542	47
2016	2,936,886,000	301	2.4786	0	#NUM!	119
2017	3,587,869,300	97	1.9868	5	0.6990	934

Appendix A

LOGDEN	EQUITY	PAT	ROA	ROE	LOGPAT
3.3174	36168036	5330796	2.6142832	19.76262	6.726792

#NUM!	40645542	13193759	2.6934143	20.3805776	7.120369
4.3028	47433188	21169477	2.7120249	26.3950939	7.32571
4.0061	179550725	35820915	3.1071998	16.4330402	7.554137
4.0236	188475788	23686843	2.6819483	14.8784488	7.374507
4.1960	216445185	38346623	3.3286458	18.1884856	7.583727
4.5126	234180056	51653251	3.0949574	20.8924533	7.713098
4.8424	288153630	85263826	4.9967137	30.8979971	7.930765
5.6662	324289258	85545510	4.2810534	27.5075981	7.932197
5.5852	359912076	89170777	4.6256799	26.3655724	7.950223
5.1643	405608340	94308123	3.9387323	24.0440369	7.974549
#NUM!	412734690	95265267	4.8313219	26.02673	7.978935
#NUM!	26319328	96623978	4.9926154	25.94523	7.985085
#NUM!	26800395	13768	4.8735129	26.54281	4.138871
3.0000	30238878	12126	2.345231	13.81095	4.083718
#NUM!	22141994	24737	2.323619	12.83079	4.393347
3.6990	27523641	-71052	2.675795	21.43889	#NUM!
4.8198	41057336	-286168	-20.2329	122.7953	#NUM!
3.9987	46642394	118016	9.536409	-91.9543	5.071941
3.8672	63457896	-76711	-7.82671	-41.4055	#NUM!
3.8924	84715285	3170	0.713907	3.793763	3.501059
3.6990	95565747	5121	0.605731	3.047009	3.709355
3.0663	39129000	20486	2.632098	11.95227	4.311457
4.6639	95685000	17721	1.326784	5.694467	4.248488
2.8451	96630000	18923	1.451267	7.479251	4.27699
3.4099	53145000	24653	1.924801	11.263182	4.39187
4.6420	6721063	7146	0.0214669	9.11845393	3.854063
5.3888	1278316	11489	1.8760624	11.5450488	4.060282
5.5143	41395151	17509	1.9304459	16.1262809	4.243261
4.0792	53768649	46524	2.9095132	15.000102	4.667677
1.3617	46064110	18365	1.2413667	6.0992975	4.263991
1.3162	37896662	33335	2.4430187	10.357046	4.5229
2.6119	93800665	41301	2.5203539	12.4377525	4.615961
2.0755	112833323	95803	4.7013189	21.9022198	4.981379
2.9703	338483000	83414	3.6189169	18.8660349	4.921239
2.5024	328383000	92479	2.6484157	17.9964099	4.966043
1.6721	350414000	98784	2.6934231	17.7778189	4.994687
2.0755	360868000	129652	2.9115621	17.9417832	5.112779
2.9703	438003000	177933	3.7811955	20.5115683	5.250257

Source: Annual Reports of Banks