# EFFECT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ON THE FINANCIAL PERFORMANCE OF DEPOSIT MONEY BANKS (DMB) IN NIGERIA.

**BY**

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**A PROJECT SUBMITTED TO THE DEPARTMENT OF ACCOUNTING AND FINANCE IN THE PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF BACHELOR AND SCIENCE DEGREE (B.Sc. HONS) IN ACCOUNTING AT THE COLLEGE OF HUMANITIES, MANAGEMENT AND SOCIAL SCIENCES, MOUNTAIN TOP UNIVERSITY, PRAYER CITY, OGUN STATE, NIGERIA.**

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# DECLARATION

I hereby declare that this thesis titled "**Effect of Corporate Social Responsibility (CSR) On The Financial Performance of Selected Deposit Money Banks (DMB) In Nigeria.**" is a product of my research work. Information and data obtained from various sources have been rightly acknowledged in the text and list of references provided. This research project report has not been previously presented anywhere for award of any degree or certificate.

DAIRO, PRAISE. K　　　　　　　　　　DATE

## CERTIFICATION

I certify that this work was carried out by DAIRO, Praise Kofoworola (18020101051). This project work meets the requirements governing the award of Bachelor of Science (B.sc) Degree in the Department of Accounting and Finance, Mountain Top University, Ogun State, Nigeria and is approved for its contribution to knowledge and literacy presentation.

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## DEDICATION

This project is dedicated to God Almighty, my greatest defender and director.

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## ABSTRACT

Nigeria is a developing nation, so there is a need to pay attention to the topic of corporate social responsibility. Corporate social responsibility (CSR) is a new and rapidly expanding concept in businesses and sectors. However, a fresh management idea is still guided by corporate social responsibility (CSR). Sustainability issues are said to include Corporate Social Responsibility (CSR). Within the banking industry, the interest in Corporate Social Responsibility (CSR) has risen significantly during the past ten years. Corporate organizations have realized how important good relationships with the local communities are for a company's growth, profitability, and survival. The impact of corporate social responsibility (CSR) on the financial performance of a few Nigerian banks is examined in this study. Using various performance indicators, including Return on Assets (ROA), Return on Equity (ROE), and Earnings per Share (EPS) from their annual report, this study attempts to investigate the effect of CSR on the financial performance of selected Nigerian banks. In order to do this, the Central Bank of Nigeria's (CBN) annual report for 10 (ten) chosen deposit money banks for 10 (ten) years out of 33 (thirty-three) deposit money banks in Nigeria is being used. The simple linear methodology was used using a descriptive data research design to analyze the relationship between CSR and financial performance in order to meet the study objectives and provide a solution to the research problem. According to this study's findings, corporate social responsibility (CSR) has a favorable effect on return on assets (ROA) but a negative effect on all other factors. The correlation between corporate social responsibility (CSR) and return on assets (ROA), return on equity (ROE), and earnings per share (EPS) is also negative, with a probability value (p) greater than 0.05 or 5%. Based on the aforementioned, this study demonstrates that there is a negative relationship between CSR and the financial success of a few selected deposit money banks. Premised on its findings, the study suggests that that financial institutions make CSR one of their top priorities. DMB and other sectors of the Nigerian economy would benefit from a greater focus on Corporate Social Responsibilities (CSR) if the federal government of Nigeria were to enact regulations governing contributions to CSR.

**Keywords: Corporate Social Responsibility (CSR), Corporate Financial Performance (CFP), Deposit Money Banks(DMB), Return on Asset, Return on Equity, Earnings per Share**

# CHAPTER ONE

# INTRODUCTION

## 1.1 Background to the Study

Competition from non-bank financial institutions, technological advancements, rising non-performing assets, rising consumer expectations, rising profitability requirements, and other factors have all contributed to a challenging environment for the banking business (Ranajee, 2018; Goyal 2019;  Singh 2019). To make the Nigerian banking industry more globally competitive and to boost its contribution to the Nigerian economy, it is very critical to measure the performance of the banking sector.

The World Bank backed reforms in Nigeria's DMB after determining that, based on data from 2000–2005, the sector would become more intermediation efficient (Cook, 2011). The effectiveness of business strategies and procedures in both market and non-market contexts contributes to overall performance. Thus, there is a discussion on how much consideration firm directors and management should give to social and environmental factors. Organizational success in either a market or non-market setting is determined by the strategy and operations employed by the company. In light of this, there is a lively discussion on whether or not company boards and management should take social and environmental concerns into account at all. Quantitative metrics were used to evaluate business success prior to the early 20th century. Many large organizations evaluate their success based on a variety of metrics, including return on capital employed, return on equity, profitability, liquidity, and turnover. In response to increasing rivalry at both the firm and industry levels, however, businesses have begun to place more emphasis on qualitative rather than quantitative measures of success. Small businesses have always been at the forefront of what we now call "CSR" (CSR) because they recognize the importance of giving back to the communities in which they operate..

According to Kenneth, Bongo, Chris, and Amao (2006), CSR has its roots in the 17th and 18th century Quaker movement, when business philosophy began to place more value on social and environmental concerns than on financial gain alone., but also the value that a company might bring to society. Business and society, in their view, are inseparable; they need one another to thrive. The CSR issue is becoming increasingly important in the field of business administration (Fiori et al. 2007).

As a multifaceted term that includes many distinct aspects, measuring CSR has proven to be challenging (Waddock and Graves, 1997). Problems with managing stakeholders (such providing adequate working conditions for employees) and cultural support are two examples. Companies often apply a very broad definition of CSR because they utilize it as a public relations tool.

Many people and groups—from government officials to environmental activists to regular consumers—have called on businesses to act in more ethical and sustainable ways. However, whether CSR aids a company's financial performance is the central question for shareholders in a corporate environment. It's unclear from the most up-to-date studies whether or not successful CSR initiatives actually improve bottom lines (CFP). Recent studies have supported either negative (Mittal et al., 2008) or mixed results, so while a favorable consensus appears to be building, it is still weak (Margolis et al., 2009). (Schreck, 2011). Companies are proving that effective management of corporate responsibility is crucial to reaching their objectives, and this is especially true for major organizations where enhancements in compliance, reputation, and relationships have been shown to boost shareholder value and profitability. Whether or not a corporation actually reaps any benefits from being socially responsible depends heavily on the variables that lead to it being so.

When making choices, CSR takes into account both social and environmental impacts. Deliberately incorporating public interest into business decision making and adhering to a triple bottom line of People, Planet, and Profit are hence key to CSR. (2009) Harpreet Several different definitions of CSR exist. Commonly referred to as the "triple bottom line," these definitions encompass the interconnected spheres of economics/governance, ecology, and society. The idea behind the triple bottom line is that corporations care about more than just making a profit for their shareholders (Mirfazli 2008).

Multinational corporations' (MNCs') involvement in Nigeria's extractive industries, particularly the oil industry, gave rise to CSR (CSR) in the country. Oil spills, gas flaring, militancy/community agitation, and the dumping of toxic waste materials into rivers are all examples of CSR violations that have occurred as a result of this industry's operations. These actions ruined farming and fishing, the backbones of the local economies, leading to widespread poverty and unrest. Within its National Economic Empowerment and Development Strategy (NEEDS), the Nigerian government has defined the role of the private sector, stating that "the private sector will be expected to become more proactive in creating productive jobs, enhancing productivity, and improving the quality of life." Further, it is expected to act ethically by contributing to Nigeria's economic and social growth. 2004 Nigerian National Planning Commission. According to Santis et al. (2016), accounting data shows what is really happening in the company and is less erratic than market indications. This study used ROE, ROA, and EPS as financial performance (FP) indicators (Esteban-Sanchez et al., 2017). Researchers used a variety of methods to assess and report the company's sustainability, including the Environmental, Social, and Corporate Governance (ESG) score, the Global Reporting Initiative (GRI), the Kinder, Lydenberg, and

Domini (KLD Social Index), and the Integrated Reporting Initiative (IRI), with mixed results. The majority of these indices are restricted to developed countries and cannot be used to assess emerging markets (Yoon et al., 2018). This paper seeks to add to the existing body of work in this area by investigating the extent to which CSR influences the financial performance of a sample of Nigerian Deposit Money Banks (DMB).

## 1.2 Statement of the Problem

There is a pressing need in modern society for businesses to have clearly defined social responsibilities and ethical frameworks. The fact that more and more of the world's most successful companies are integrating CSR initiatives into their daily operations lends credence to this idea. The rising profile of CSR activities indicates that top-level management now views these policies as fundamental to running the company. Applying social ethical norms to responsible business activity is a massive effort that senior management of organizations must take on. Companies that make CSR central to their operations are laying the groundwork for future success. Consequently, they are not contributing to the common good. Some argue that CSR (CSR) has a detrimental effect on organization performance (OP) since it requires significant financial outlays, which may reduce profitability despite its relevance and growing acknowledgment by firms (Olanipekun, 2015). A number of studies have examined the correlation between CSR and success, but most have narrowed their focus to financial metrics while ignoring other important performance indicators. In addition, most prior studies have treated CSR activities as one cohesive whole, rather than subdividing them into Social Projects, Employee Welfare, and Education Aids. Thus, the purpose of this research is to classify CSR activities and financial performance factors such return on assets (ROA), return on equity (ROE), and earnings per share (EPS) to evaluate the effect of CSR activities on the performance of chosen Nigerian DMB.

### 1.3 Objectives of the Problem

The main objective of this study is to examine the impact of CSR on financial performance of selected Nigerian banks. The specific objectives are to:

i. examine the impact of CSR on **ROE** of selected Nigerian banks;

ii. examine the impact of CSR on **ROA** of selected Nigerian banks;

iii. examine the impact of CSR on **EPS** of selected Nigerian banks.

### 1.4 Research Question

The study sought to find answers to the following research questions:

- To what extent has CSR impacted on the **ROE** of selected Nigerian banks?
- To what extent has CSR impacted on the **ROA** of selected Nigerian banks?
- To what extent has CSR impacted on the **EPS** of selected Nigerian banks;

### 1.5 Hypotheses of the Study

In order to address the research questions one to three raised, the following hypotheses stated in null forms were advanced for this study.

- $H_{o1}$: - CSR does not have any significant effect on **ROE** of selected Nigerian banks
- $H_{o2}$: - CSR does not have any significant effect on the **ROA** of selected Nigerian banks
- $H_{o3}$: -CSR does not have any significant effect on the **EPS** of selected Nigerian banks

## 1.6 Significance of the Study

However, the importance of CSR to the success and reliability of DMB is poorly appreciated. The concept of internal control was defined and debated as early as 1905. (Heier, Dugan, & Sayer, 2005). However, during the last decade, CSR has become a very important and topical subject in business, notably as a result of high-profile corporate scandals and failures (Deloitte & Touche, 2009; Rezaee, 2007). (Deloitte & Touche, 2009; Rezaee, 2007). There have been repeated requests over the years for industries to exercise greater CSR in their day-to-day operations in light of such blunders. Consequently, shareholders have put pressure on governments, legislators, regulators, and standard-setting agencies to reduce the likelihood of further financial losses (International Federation of Accountants [IFAC], 2006). Since there has never been widespread agreement on how best to quantify CSR, doing so has been a perpetual challenge. In many cases, indicators of success are based on the user's own subjective assessment. In a similar vein, there is little consensus on the measurement instrument to employ when attempting to gauge monetary performance. Therefore, this research set out to assess CSR's impact on the bottom lines of a selection of Nigerian DMB that are publicly traded on the Nigerian stock exchange. This study set out to fill a gap in the literature by analyzing the effect of CSR on banking performance in Nigeria. This is despite the fact that the banking industry is crucial to Nigeria's continued economic development. Since the banking sector consumes so much energy and paper, and produces so much waste, its contribution to sustainable development is being called into question at a time when companies are placing a greater emphasis on CSR (CSR) efforts. CSR initiatives provide an opportunity to make a direct or indirect impact on societal well-being. Bank managers should prioritize environmental protection and sustainability over short-term profit maximization, argue Siueia and Wang (2017), because of the sector's importance to a country's economy. Beyond the realm of business theory and literature, the results of this investigation will yield a knowledge-based system that managers and auditors may use as a decision-aid in spotting problems with

Social Performance and avoiding their unfavorable outcomes. Institutional investors count on top management to oversee material risks and put safeguards in place. Effective Corporate Financial Performance is an essential instrument for the sustainable growth of firms, and its importance should not be underestimated by corporate leaders. As a result of meeting their CSR obligations, which include contributing to the betterment of the communities in which they operate, this instrument would have a beneficial social impact. A government's ability to provide jobs and social amenities is directly tied to its ability to collect tax money from businesses.

### 1.7 Scope of the Study

The purpose of this article is to investigate how CSR (CSR) affects the success of selected Nigerian DMB; many previous works focused on financial performance measures. This study adds to the literature on whether CSR has an impact on other parts of the economy, and it corroborates previous findings on CSR and financial performance and the stakeholder theory.

### 1.9 Operational Definition of Terms

**Banking sector**: an industry and section of the economy devoted to holding of financial assets and investing as a leveraged way to create more wealth. The banking business is an economic subsector focused on the accumulation of capital through the storage and investment of financial assets.

**Corporate Financial Performance**: refers to an all-encompassing analysis of a company's assets, liabilities, equity, expenses, revenue, and overall profitability. Using standard business calculations, it provides users with pinpoint accuracy when estimating a company's viability.

**Corporate Social Responsibility** CSR) is used to describe a business's efforts to improve society and the environment. The core concept underpinning CSR is the belief that businesses should work toward social good in addition to making a profit.

**Sustainable development**: development which seeks to produce a sustainable economic growth while ensuring future generations ability to do the same by not exceeding the regenerative capacity of nature.

**Deposit Money Banks (DMB):** A financial institution permitted by the regulatory body to mobilize the deposits from the surplus unit and route the proceeds through loans to the deficit unit, among other things.

**Return On Assets (ROA):** Financially speaking, a company's profitability in relation to its total assets can be measured by looking at its return on assets (ROA). Business leaders, market researchers, and financiers can all utilize Return on Assets (ROA) to gauge an organization's proficiency in turning its resources into cash. Management's ability to maximize profits through the efficient use of resources is shown by this metric. Revenue is divided by average total assets.

**Return On Equity:** Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity.  this is an estimate of the ability of a cooperation to make profits from each unit of shareholder’s stock. How much money a cooperative may expect to make off of each share of equity. It exemplifies the profit-making potential of investing capital for enterprises.

**Earnings Per Share (EPS):** Earnings per share (EPS) is a company's net profit divided by the number of common shares it has outstanding. Earnings per share (EPS) is a popular method of valuing a business, as it reveals how much money a firm generates for each of its shares of stock. Investors will pay a higher price for a company's stock if they determine that its earnings per share (EPS) are larger than its share price.

# CHAPTER TWO

# LITERATURE REVIEW

## 2.0 Preamble

Stakeholders, Agency, Organizational, and Legitimacy theory, as well as other relevant theoretical reviews, were discussed in this section. It also did an empirical analysis of prior studies, reviewed the relevant literature and defined certain concept associated with Corporate Social Responsibility prior to the study.

## 2.1 Conceptual Review

This requires assessing a number of ideas central to the research at hand. CSR in the banking industry refers to a wide range of activities and initiatives.

### 2.1.1 Corporate Social Responsibility: History and Origin

Some American executives in the 1950s laid the groundwork for the concept of corporate social responsibility (CSR) and the idea that corporations should work toward sustainable development. What did they intend to do? Businesses, in their view, would benefit more from considering their social and environmental impacts alongside traditional financial ones. Paying employees more means more money out of the company's pocket, but it also means more likely sales of the company's products. If a company takes measures to lessen the environmental impact of its operations, it can save money in two ways: in the short term, by avoiding fines, and in the long term, by reducing the likelihood and severity of natural disasters.

In his 1953 book "The Social Responsibility of the Businessman," Howard Bowen laid out the first "recognized" definition of CSR (CSR) and provided an argument for why businesses should care about social and environmental responsibility.

Additionally, CSR became an issue in the latter half of the twentieth century as environmental concerns expanded alongside economic and social concerns. People started being more critical of businesses and demanding that they do the right thing in terms of the law, the environment, and social responsibility. Many nations' governments enacted statutes in the 1990s and 2000s that established the framework for contemporary CSR. For the first time, French NRE laws mandated that businesses share their progress on sustainable development. There were then a number of regulations enacted, such as the Grenelle Laws and the Laws of Vigilance, which were enacted to ensure the enforcement of these statutes.

After that, companies realized they needed to start spending money on CSR if they wanted to stay competitive. At this point, CSR was recognized and utilized as a resource for management, communication, and business growth. CSR gained prominence as a means to boost the public's perception of businesses, enhance internal communication and output, and reduce overhead by fostering more effective use of energy and materials. Given the magnitude of the social and environmental problems that our planet now faces, it's unusual to come across a company of any size that doesn't have a CSR (CSR) report, a CSR department or person in charge, or at the very least, a CSR communication strategy.

Many other researchers aimed to verify and recount a more precise definition of CSR throughout the 1960s (Iqbal et al, 2013). Business decisions and actions that go beyond an organization's immediate financial and technological needs are what Davis (1960) calls CSR. The concept of CSR is now ubiquitous in the business world. Companies of a certain size are urged to take responsibility for their actions in the community. However, there is no consensus on how to define CSR in either the business or academic communities. Several academic disciplines have paid more attention to Corporate Social Performance (CSP) and CSR since the 1970s (Carroll, 1979).

Modern businesses ought to be champions of the principle of CSR. CSR refers to any action taken by a company to promote sustainable development. To be considered sustainable or responsible, a business or sector must be able to maintain its operations over time, have a net positive effect on the community, and not harm or destroy its natural surroundings. However, there are additional contexts in which a business or sector is said to be acting sustainably, including the ways in which its customers choose to eat, use technology, travel, and interact with one another. Concerns about the environment, economy, and society all increased in the second half of the twentieth century, making CSR a topic of increasing importance. Companies are under increasing scrutiny from consumers who expect them to uphold a higher standard of legal, environmental, and social responsibility.

### 2.1.2 CSR Delivery in Nigeria

In the 1960s, American multinationals expanding into new markets and NGOs working in postcolonial countries in Africa and Asia pioneered the concept of CSR Many international frameworks and guidelines have been developed since then to support the expanding CSR movement. There is a plethora of definitions of the concept of CSR, each defined to fit the stakeholder in question, because the development of the CSR agenda has been influenced by a wide range of stakeholders, including governments, NGOs, researchers, and consultants. Most descriptions include all three of these factors: economics, ecology, and society. Increased brand value, enhanced risk management and corporate governance, a more positive public image, and devoted customers are just some of the business benefits that have emerged as justifications for implementing CSR strategies. Furthermore, it is essential to acknowledge that the various factors are frequently interrelated, and that there are a variety of ways to frame the business benefits of working with CSR.

Nigeria has ratified a number of international human rights treaties, which is a step forward for CSR. The government of Nigeria, along with those of Azerbaijan, Ghana, and Kyrgyzstan, have pledged to participate in the Extractive Industries Transparency Initiative, an effort spearheaded by the United Kingdom (commonwealth). The ISO, led by the Swedish Standard Institute and the Brazilian Association of Technical Standards, has been working toward a more unified approach that draws on U.N. declarations, conventions, and constituent efforts, especially those of the International Labour Organization. The National Mirror Committee on Social Responsibility in Nigeria is doing its part to ensure that ISO26000 is finished by 2008. Promoting social responsibility on a voluntary basis will lead to standardized approaches to measuring success.

To further set the stage, the Nigerian government's NEEDS strategy (Nigerian National Planning Commission, 2004) states, "the private sector will be expected to become more proactive in creating productive jobs, enhancing productivity, and improving the quality of life." Further, it is expected to act ethically by contributing to Nigeria's economic and social growth. The Global Compact network was also formally introduced in Nigeria at the 12th Annual Nigerian Economic Summit, held in Abuja that same year. Many Nigerian corporations have signed on to the Global Compact. Some of these businesses include: Coca-Cola West Africa, BHL Holdings Nigeria Ltd, MTN Nigeria Communication Ltd, Okunnade Sijuade Holding Limited (OSHL), Equity Line Insurance Company Ltd, SAP Nigeria, SANTON Nigeria Ltd, Super Power Nigeria Ltd, Neimeth Pharmaceuticals Plc, and Shell Petroleum Development Company of Nigeria Ltd.

Currently, the oil industry in Nigeria is controlled by multinational corporations. Many businesses practice CSR as a means of making up for the government's poor governance and safeguarding their own financial interests. CSR (CSR) practices in multinational oil and gas corporations can be traced back to Nigeria. Most CSR initiatives in the extraction industry are geared toward helping locals cope with the difficulties brought on by their work.

### 2.1.3 Concept of Corporate Social Responsibility

A majority of academic studies employ Carroll's (1979) definition of CSR (Ramasamy & Yeung, 2009). In his definition of CSR published in 1979, Carroll outlined "the economic, legal, ethical, and discretionary expectations that society has of organizations at a given time." This definition set out to include not just the monetary but also the moral and political obligations that businesses have to society. CSR is "the managerial obligation to act to protect and improve both the welfare of society as a whole and the interests of organizations," as defined by Davis and Blomstrom (1975). According to the World Business Council for Sustainable Development (WBCSD), "the commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce, the local community, and society at large" is the definition of CSR (CSR) (WBCSD, 1999).

Business social responsibility, or CSR, is defined by the World Bank(2004) as "the commitment of business to contribute to long-term economic development by working with employees, their families, the local community, and society at large to improve their lives in ways that are good for business and development." CSR, or CSR, refers to an organization's efforts to improve the lives of its constituents while minimizing any negative effects it may have on the community at large (Ferrell et al., 1989; Brinkmann and Peattie, 2008). Business practices that are ethical, benevolent to society's growth, and profitable to corporations are what we mean when we talk about "CSR" (Ismail, 2009).

Activities undertaken as part of a company's "CSR" program can help it gain, keep, or regain public trust (Erawati et al., 2021).

CSR has been defined by the International Organization for Standardization (ISO), an international organization that develops and maintains international standards. The ISO 26000 standards address CSR. According to these principles, CSR is "the responsibility of an organization for the impacts of its decisions and activities on society and the environment, resulting in ethical behavior and transparency that contributes to sustainable development, including the health and well-being of society; takes into account the expectations of stakeholders; complies with current laws and is consistent with international standards of behavior; and is integrated throughout the organization."

The term "CSR" refers to an approach to doing business in which corporations actively seek out and implement strategies that improve rather than degrade their surrounding communities and natural environments. Businesses that engage in CSR can better understand their effects on the ecological, social, and environmental systems. Examples of CSR actions include enforcing moral business policies on suppliers and other business partners. The term "CSR" refers to the idea that businesses should consider not only the financial but also the social and environmental effects of their operations. Taken as a whole, the ESE (Environmental, Social, and Economic) sustainability concepts help companies act in ways that are in keeping with the idea of the corporation as a contributing member of society rather than just a profit machine.

### 2.1.4 CSR and its relation to Banking industry

**Banking industry:** The sector of the national economy in which its members (the banks) primarily act as financial intermediaries, accepting fund deposits and channeling those deposits into lending activities, either directly or through capital markets (Idolor, 2010).

Since the implementation of Structural Adjustment Programs (SAP) in the late 1980s, There have been major shifts in the banking sector's operating environment. Countries have relaxed interest rate controls, reduced government involvement, and opened their doors to international banks (Ismi, 2004As a result of this change, developed-nation firms are more visible in developing-nation markets, whether through the opening of new locations, the acquisition of local competitors, or some combination of the two. In particular, the number of foreign banks operating in foreign countries has increased dramatically. Many international banks have opened local offices or subsidiaries since the 1980s. Sub-Saharan Africa and the rest of Africa have seen a dramatic increase in the number of foreign banks over the past two decades. On the contrary, the number of domestic banks has decreased (Claessens and Horse, 2012.) Researchers have expressed an interest in investigating bank performance in relation to these reforms. There has been a significant change in the financial configuration of countries in general, with an impact on the profitability of DMB (DMBs) in particular. Furthermore, DMB (DMB) play a significant role in a country's economic growth. Banks, through their intermediation function, play an important role in the efficient allocation of resources in countries by mobilizing resources for productive activities. They transfer funds from those who are not putting them to good use to those who are. Aside from resource allocation, good bank performance provides shareholders with a sufficient return on their investment. When there is a return, there will be an investment, which will result in economic growth. On the other hand, poor banking performance has a negative impact on economic growth and development. Poor performance can result in runs, failures, and crises.

As happened in the United States in 2007, a banking crisis can lead to a financial crisis, which can lead to an economic meltdown (Marshall, 2009.) That is why governments regulate the banking sector through their central banks in order to foster a sound and healthy banking system that avoids banking crises and protects depositors and the economy (Heffernan, 1996; Shekhar and Shekhar, 2007.) To avoid the crisis, banks' performance was scrutinized.

Banks play a critical role in emerging countries' financial development and economic growth (Beck et al., 2010). In recent years, there has been a growing recognition that banks should provide information on the social, environmental, and economic aspects of their operations. CSR activities are important for banks because they can boost a bank's reputation and increase customer trust (Shen et al., 2016). In recent years, both stakeholders and academic researchers have shown increased interest in the concept of CSR (CSR). Despite the fact that there is no universally accepted definition, one of the first definitions of CSR is: "a social obligation which pursues policies set, making decisions on the policies set, or to follow the lines of actions which are desirable in terms of the aims and society values" (Bowen, 1953: 6). According to this definition, CSR practices can be viewed as bank responses to meeting stakeholder expectations. However, in today's business environment, banks have a variety of motivations and pressures to engage in CSR activities. According to studies on the relationship between CSR and corporate financial performance (CFP), CSR practices may have a positive impact on financial performance (Cochran and Wood, 1984; Herremans et al., 1993; Peters and Mullen, 2009). This finding suggests that one of the motivations for banks to perform and disclose CSR activities is to maximize CFP. The primary research question addressed in this study is: Is there a positive relationship between CSR and CFP in the Nigerian banking industry? To answer this research question, descriptive statistics and simple regression analyses are used. This study is significant because it is the first of its kind to provide empirical evidence of the impact of CSR on CFP in the banking industry. Another reason is that empirical studies on the relationship between CSR and CFP in the banking industry are abundant in developed countries, but research from emerging countries is scarce. Given the importance of banks in emerging economies, this research focuses on the performance of a few banking industries. Banking sector has a significant contribution to a nation's socioeconomic development in several dimensions, such as providing loans to common people, industries, start-ups, and farmers (Ranajee, 2018; Jyoti and Singh, 2020; Alam et al., 2021)

### 2.1.5 CSR and the environment

The total environment includes not only the Earth's biosphere, air, and water, but also human interactions with these things, nature, and what humans have created as their surroundings. As countries around the world continue to advance economically, they put a strain on the natural environment's ability to absorb the high levels of pollutants produced as a result of this economic growth. As a result, solutions must be found so that the world's economies can continue to grow, but not at the expense of the public good. In the world of economics, the quantity of environmental quality must be regarded as limited in supply and thus as a scarce resource. This is a valuable resource that must be safeguarded. A cost-benefit analysis is a common method for analyzing possible outcomes of policy decisions on scarce resources. This type of analysis compares different resource allocation options and elicits the optimal way to do so in light of various policy goals based on an evaluation of the expected courses of action and the consequences of these actions.

Environmental concerns are becoming increasingly important in CSR. Climate change is expected to bring several risks in the coming years, such as extreme weather events, rising sea levels, and climate refugees. As a result, companies that invest in CSR practices understand how critical their assistance is in protecting people, biodiversity, and ecosystem services.

Indeed, an increasing number of businesses are incorporating environmental concerns into their internal management systems in order to reduce resource consumption (often through the use of circular economy principles), better manage waste, and use energy more efficiently. Some companies are even using biomimicry principles (imitating nature) to create new and long-lasting designs (eco-design) for their products. Furthermore, ISO 14001 standards were created specifically to assist businesses in establishing an environmental management system within the context of CSR. Here are some examples of possible actions:

Implementing a program to reduce corporate paper consumption; Learning how to use your digital tools in an eco-friendly way and work from home; Learning how to use laptops in an eco-friendly way and make batteries last longer; Developing a business travel plan to promote non-polluting transportation; Reviewing the supply chain of businesses, which is responsible for 90% of their environmental pollution, affecting issues such as melting permafrost; Establishing a plan to r

Eco-designing products (create products that are more environmentally friendly and can be reused and repurposed before being recycled) Soil care through regenerative practices and participation in the organic movement

According to Campbell (2007), "corporations will be more likely to act in socially responsible ways if they operate in an environment where normative calls for such behavior are institutionalized, for example, in important business publications, business school curricula, and other educational venues in which corporate managers participate." We use the Quality of Management Schools Index from the World Economic Forum's Global Competitiveness Report to assess the strength of the business educational environment across countries, with a higher score indicating a higher quality management school.

The Environmental Impact Assessment (EIA) is another useful tool in environmental management and CSR. It is a method of assessing "the impact of planned activity on the environment in advance, allowing avoidance measures to be taken" (Glasson, Therivel, & Chadwick, 2005, p. 2) The procedure consists of four stages: screening, predicting and evaluating, presenting findings, and post-decision monitoring.

### 2.1.6 CSR and social issues

Many countries face social issues. In many cases, these social problems become massive causes supported by citizens and business communities by directly affecting the well-being of the society we live in. Companies are interested in identifying the main social problems that consumers are concerned about in a specific community, city, and country that is most likely also the firm's target market, in order to plan its CSR plan. CSR (CSR) is a self-regulating business strategy that assists a company in being socially responsible to itself, its partners, and the public.

While doing so, CSR-focused businesses think about how they can aid in the growth of the communities in which they operate. Everyone in the company's value chain counts, not just direct employees. Having a good governance system and establishing an ethics charter to combat corruption are two such examples (fight against child labor or unfair wages, for example)

Boosting workers' pay with perks like stock in the company or gift certificates to popular eateries Combining CSR and HR tactics Creating corporate wellness and preventative health initiatives Considering the health and comfort of workers is essential Educating people about the importance of making responsible purchasing decisions Giving money to nonprofits that do good work Contributing to cultural institutions such as museums, exhibits, or other forms of public display Multiple attempts have been made by academics to discuss proper reactions to social obligations by businesses. The Committee for Economic Development (1971) proposed a "three concentric circles" approach. The circle was made up of an inner circle that included the fundamentals for the firm's economic functioning - growth, products, and jobs. The inner circle includes the clear-cut fundamental responsibilities for the efficient execution of the economic function—products, jobs, and economic growth. The intermediate circle incorporates responsibility to exercise this economic function with a sensitive awareness of changing social values and priorities. The outer circle outlined newly emerging and still amorphous responsibilities that businesses should assume to become more broadly involved in actively improving the social environment. (For example, poverty and urban blight.)

Businesses can profit from their society while building their brands through CSR programs, philanthropy, and volunteer efforts.

### 2.1.7 CSR and the Economy

A variety of factors influence economic actors who make CSR decisions. These factors include managerial incentive and monitoring constraints, as well as organizational structure and culture. Firms' ability and likelihood to engage in CSR are determined by managers' incentives and constraints, which are determined by managers' preferences, ethical beliefs, contracts, and goals. Employment contracts are the most direct incentives that managers face. Managers whose pay is structured to align their incentives with those of shareholders will see less of their own pay if they choose to forego profits. However, the relationship between compensation and firm performance may be close to flat at some levels of firm performance, implying that CEOs may be able to trade off compensation against CSR activities at a rate they deem acceptable. Employees' conceptions of the company's mission, values, and aspirations are shaped by its organizational identity. The way in which an organization engages with its external stakeholders is affected by its culture of self-monitoring. Firms that are more self-conscious about their image may expend more effort to communicate and interact in "socially appropriate" ways than other firms, even if their core values regarding socially beneficial behavior are similar. Finally, firms cannot participate in CSR if their work does not allow for it. Given the differences in economic, social, and environmental conditions between developing and developed countries, one would expect normative responses to CSR questions to differ as well. Environmental regulations, for example, are frequently not well enforced in developing countries. As a result, many relatively low-cost interventions that have already been implemented in developed countries may still be available to businesses in developing countries. This suggests that CSR could result in significant gains in net social welfare. Other concerns about CSR arise in developing countries. Because legal and contractual systems in developing countries are frequently ineffective, it is critical to prevent activities that could erode the foundation for future economic growth.

### 2.1.8 CSR and sustainability development

CSR is unquestionably based on a sustainability mindset. Maintaining productivity through resource replacement with resources of equal or greater value, without degrading or endangering natural biotic systems, is the goal of sustainable development. Sustainable development combines concern for the carrying capacity of natural systems with the social, political, and economic challenges that humanity faces. Sustainability science is the study of the concepts of sustainable development and environmental science. There is a focus on the responsibility of current generations to regenerate, maintain, and improve planetary resources for future generations to use.

While the modern concept of sustainable development is largely derived from the Brundtland Report of 1987, it is also rooted in earlier ideas about sustainable forest management and twentieth-century environmental concerns. As the concept of sustainable development evolved, it shifted its emphasis to economic development, social development, and environmental protection for future generations.

CSR (CSR) is a derivative of Sustainable Development that addresses corporate behavior and how environmental management strategies are used as tools for growing a company's image and cumulative effects on the environment, as well as profits.

Because sustainable development is related to three major constituents (Social, Environment and Economic).

### 2.1.9 Advantages and disadvantages of CSR

A company must provide environmentally friendly products and services, according to the concepts underlying CSR.

1. In order to produce high-quality and appealing environmentally friendly products, a company may be forced to adopt a new technology, which may result in product differentiation and improved financial performance.

2. A positive relationship with stakeholders will improve financial performance in the long run (Brown, J.A 2013) Building a new factory, for example, is easier for a company with a good relationship with stakeholders and acceptance of the community where the factory is built, reducing costs as a result of government regulations, or even obtaining tax breaks from the government.

3. A good social agenda can also build a good reputation, such that it acts as a buffer against invisible problems or provides more opportunities for companies with CSR than for companies without CSR.

4. Potential customers take a company's social responsibility into account - modern customers are more cautious when shopping. When given the option, most buyers prefer brands known for their social responsibility, even if it means paying a higher price for ecologically and socially responsible products.

5. Perry and Towers (2013) also see clear conscience of corporations as one of the advantages of CSR.

They claim that the desire to "do good" is deeply embedded in every human being and serves as a motivator for charitable actions, providing satisfaction to management and other employees.

6. Engaging in CSR values may result in developing better relations with governments. Both sides can find a better way to serve society and provide it with more economic development opportunities than before (Arnold, 2010).

**2.1.10 Negative Effects of CSR on Performance**

1. Banerjee (2007). He indicates that impulse to escalate shareholders' value will not always lead to creation of win-win situations. Sometimes it provokes their dispossession.
2. Mullerat (2010) notes that CSR, as many other concepts, can be twisted and used only as a PR tool.
3. According to Visser and Tolhurst (2010), "it will allow companies to feel good about themselves, while communities crumble, ecosystems collapse, and economies descend into chaos" (Visser and Tolhurst, 2010, p. xxvi).

### 2.1.11 CSR and its relation to Financial Performance

Accounting measures are commonly used to determine profitability (ROA, ROE, Net profit, ROS, return on capital employed etc.). These same measures are used in other studies to assess financial performance. Some authors base market value on stock returns and private equity, the market to book ratio, and the Tobin's Q. Other authors used questionnaires to create a performance measure based on items such as -earnings per share -firm growth -net earnings per employee. These measures are generally more personalized and tailored to the industry under study. In their study of luxury Andalusian hotels, González-Rodrguez et al. (2019) measure the hotel's performance by revenue per available room. Other authors regard leverage (total equity / total debt) as a measure of financial performance. To consider such a measure, recent studies focus on stock returns and future financial performance (Jeong et al. 2018) and abnormal returns (Landi and Sciaretti, 2019; Jeong et al. 2018; Cao et al. 2019). Several studies have been conducted to investigate the impact of CSR on financial performance (Ducassy, 2013). The relationship between CSR and financial performance is ambiguous. One possible explanation for the mixed results is the use of different measures of corporate social performance in empirical studies (Orlitzky et al., 2003). On the one hand, Friedman (1970) believes that a company should use its corporate resources and engage in activities that increase profits. CSR commitment is viewed as a competitive disadvantage because incurring costs can have a negative impact on product prices, employee wages, corporate profits, and dividends (Aupperle et al., 1985; Reinhardt and Stavins, 2010). Stakeholder theory, on the other hand, supports the positive relationship between CSR and financial performance (Freeman, 1984; Donaldson and Preston, 1995). For example, Chen et al. (2015) classified measures of corporate social performance into four categories. The first category includes measures based on reputation ratings, the second on social audits and observations, the third on managerial principles and values, and the fourth on disclosures of corporate social performance. Another explanation is that each study uses a different sample, as well as different statistical analyses, and, finally, there is a lack of cohesion in the control variables used in proposed models. To summarize, it is hypothesized that a company with superior CSR performance has a positive impact on financial performance. According to Martinez-Conesa et al. (2017), the firm's innovation helps to explain the relationship between CSR activities and financial performance.

Waddock and Graves (1997) use three measures to assess the profitability of corporate financial performance: ROA, ROE, and EPS, providing a variety of measures used by the investment community to assess corporate financial performance.

### 2.1.12 Bank Performance Indicators

Profit is the ultimate goal of DMB. All strategies developed and activities carried out are aimed at achieving this grand goal. However, this does not imply that DMB have no other objectives. DMB may also have additional social and economic objectives. However, the purpose of this study is related to the first objective, profitability.

**1. Return on Equity (ROE):**

ROE is a financial ratio that measures how much profit a company earned in relation to the total amount of shareholder equity invested or found on the balance sheet. ROE is what shareholders expect in return for their investment. A company with a high return on equity is more likely to be capable of generating cash internally. As a result, the higher the ROE, the better the company is in terms of profit generation. According to Khrawish (2011), ROE is defined as the ratio of Net Income after Taxes divided by Total Equity Capital. It represents the rate of return on funds invested in the bank by its stockholders. ROE measures how effectively a bank's management spends its shareholders' money. As a result of the preceding statement, the better the ROE, the more effective the management is in utilizing the shareholder's capital.

## 2. Return On Asset (ROA):

ROA is another important ratio that indicates a bank's profitability. It assesses the bank's management's ability to generate income by utilizing company assets at their disposal. In other words, it demonstrates how effectively the company's resources are used to generate revenue. Banks that can absorb hidden losses and lower their cost of capital (COC) perform better. When the market uses the cost of capital to determine the potential return on investment, bank performance is directly impacted (Tabash, 2019). This occurs because the interest rate is a determining factor of bank income, and bank income affects the resulting return on assets (ROA).

Return on assets is a profitability ratio that indicates how much profit a company (bank) can generate from its assets. In other words, return on assets (ROA) measures how effective a company's (bank's) management is at generating earnings from its economic resources or assets on its balance sheet. The return on assets ratio is calculated by dividing net income by average total assets. This ratio can also be expressed as a product of the profit margin and total asset turnover. To calculate the return on total assets, either formula can be used. A bank's net income tells customers and investors how much profit the bank makes.

## 3. Earnings Per Share:

EPS is widely regarded as the most popular and widely used financial performance metric. Earnings Per Share is the first critical component that must be considered in the company's analysis. EPS information represents the amount of a company's net profit that is ready to be distributed to shareholders. Financial statement data can reveal a company's EPS (Eprima Dewi et al., 2015). Earnings Per Share (EPS) is a ratio that shows how much profit (return) investors receive per share. The higher the EPS, the more money the owner makes off of each share of stock. There will be repercussions for the stock price on the stock market as a result of this. Management will use earnings per share, or the amount of profit made in a given period divided by the number of outstanding shares, to decide how many dividends to pay out to shareholders. Earnings Per Share is the net profit for a period for one share of common stock outstanding during that period. Information Earnings Per Share (EPS) represents the portion of a company's net profit that is ready to be distributed to all shareholders. The EPS number can be found in the company's financial statements. A company's EPS can be calculated using information from its balance sheet and income statement (Tandelilin, 2017: 241). According to (Sutrisno 2016:223), Earnings Per Share (EPS) is a measure of a company's ability to generate profits per shareowner. Earnings per share is the amount of income earned in one period for each outstanding share and will be used by the company's leadership to determine the number of dividends to be distributed (Baridwan, 2017: 443-444).

### 2.1.13 Determinants of Bank Performance

Bank performance determinants can be divided into two categories: bank-specific (internal) factors and macroeconomic (external) factors (Al-Tamimi, 2010; Aburime, 2005). These are the stochastic variables that determine the output. Internal factors are individual bank characteristics that influence the bank's performance. Over the last two decades, banks' overall financial performance has improved. However, this does not imply that all banks are profitable; some banks report losses (Oloo, 2010). Research shows that the success of DMB is affected by both internal and external factors at banks (Flamini et al. 2009). Particular to the Bank/Inside Influences As was previously stated, internal factors are those that are unique to a given bank and have an effect on that bank's profitability. The bank has control over these factors, and they vary from institution to institution. The level of risk, the quality of management, the size of the bank's ownership stake, the diversity of the bank's deposit base, the composition of the bank's credit portfolio, the interest rate policy, worker productivity, the availability and sophistication of the bank's information technology infrastructure, and so on. Scholars frequently employ the CAMEL framework to represent bank-specific factors (Dang, 2011). CAMEL stands for Capital Adequacy, Asset Quality, Management Efficiency, Earnings Ability, and Liquidity. Each of these indicators is discussed in greater detail below.

**Capital Adequacy**- Capital is one of the bank-specific factors that influences the level of bank profitability. However, it is not without drawbacks, as it induces low demand for liability, one of the cheapest sources of funding. Capital adequacy refers to the amount of capital required by banks to withstand risks such as credit, market, and operational risks in order to absorb potential losses and protect the bank's debtors.

**Asset Quality**- Another bank-specific variable that affects a bank's profitability is asset quality. Bank assets include, among other things, current assets, credit portfolios, fixed assets, and other investments. Loans are the primary source of income for DMB. Bank profitability is determined by the quality of their loan portfolio.

**Management Efficiency**- One of the key internal factors that determines bank profitability is management efficiency. It is represented by various financial ratios such as total asset growth, loan growth rate, and earnings growth rate. Management performance is frequently expressed qualitatively through subjective evaluations of management systems, organizational discipline, control systems, staff quality, and other factors. However, some financial ratios in financial statements serve as a proxy for management efficiency.

**Liquidity Management**- Another factor influencing bank performance is liquidity. Liquidity refers to a bank's ability to meet its obligations, primarily to depositors. According to the author, the most common financial ratios that reflect a bank's liquidity position are customer deposit to total asset and total loan to customer deposits. Other researchers use different financial ratios to measure liquidity.

## 2.2 Theoretical Review

This examines the corpus of theories concerning CSR. Profit maximization is one of the functions of the banking industry. As a result, they must be adequately managed in order to function properly. Four theories will be identified and discussed in relation to the banking industries for the purposes of this study. Stakeholder theory, Agency theory, Organization theory, and Legitimacy theory are the theories employed. In this section, we review the literature on CSR (CSR) and present the findings reported by various authors about how CSR impacts an organization's profitability, employee morale and loyalty, and whether it has an impact on customer satisfaction. This study is based on stakeholders' theory, which predicts a positive relationship between CSR and financial performance (FP) in an organization.

### 2.2.1 Stakeholders Theory

Dr. F. Edward Freeman, a professor at the University of Virginia, pioneered stakeholder theory in his seminal book "Strategic Management: A Stakeholder Approach." It implies that shareholders are just one of many stakeholders in a company.

The stakeholder theory is the most common, with the main argument being that there are more groups of stakeholders in a corporation than just shareholders and investors. The basic premise is that an organization must manage its relationships with numerous stakeholder groups that influence or are influenced by its business decisions (Freeman, 1984 cited in Clarkson, 1995). In this sense, the term stakeholder refers to "... individuals or groups of individuals who have or claim ownership, rights, or interests in a corporation and its activities, past, present, or future" (Clarkson, 1995). The theory focused on "secondary stakeholders," or people or groups who do not directly participate in the production or consumption processes, such as "community activists, advocacy groups, civil society organizations, and social movements" (Russo and Perrini, 2010). There are some who argue that because they do not have any legal authority over the firms, they should not be considered stakeholders (Clarkson, 1995; Arenas et al., 2009; Russo and Perrini, 2010;).

Actually, there are three approaches in stakeholder theory: instrumental, descriptive, and normative (Donaldson and Preston, 1995; Arenas et al., 2009; Basuony et al., 2014). The normative approach is debating the firm's moral obligations to constituents and, indeed, the very purpose of firms themselves. While the instrumental and descriptive suggest that businesses strategically manage powerful stakeholders by aligning them with the business's self-interest (Donaldson and Preston, 1995; Arenas et al., 2009). When stakeholders are defined or evaluated based on their legitimacy, power, and urgency, they have a mix of normative and instrumental approaches (Donaldson and Preston, 1995; Arenas et al., 2009). Successful relationships are built on trust, and trust is built and maintained by meeting and exceeding responsibilities to stakeholders.

With stakeholder theory serving as the conceptual foundation for the literature arguing for a positive link, it appears necessary to take a closer look at some of the work done in this field. Jones's (1995) paper on instrumental stakeholder theory appears to have all of the characteristics of a seminal paper. Jones uses an elaborate set of arguments, based on notions and frameworks from agency theory, transaction cost economics, team production, and business ethics, to prove that in the case of repeated, regular interactions between a firm and its stakeholders, mutual collaboration based on trusting and cooperative relationships will lead to efficient contracting, the creation of competitive sustainable advantage, and subseq

Clarkson made an important theoretical contribution to empirical research (1995). Clarkson contends that improper implicit assertions have caused a serious flaw in attempts to detect a strong relationship between the two concepts. Busch and Hoffmann (2011) emphasize that stakeholder theory, also known as good management theory, is about doing good to those with whom the firm interacts in order to create an enabling environment for the business firm to gain a competitive advantage and grow. This approach assumes that being a good corporate citizen can also increase a company's profitability. According to Haniffa and Cooke (2005), enterprises that operate under some system of norms, values, beliefs, and definitions shared by their stakeholders can reduce the legitimacy gap by communicating more social and environmental information and thus improve their profitability. Meeting corporate social responsibilities created by stakeholders' expectations fosters trust and legitimacy, which improves stakeholder relationships and leads to a slew of other advantages. According to Freeman (1984), the true purpose of a company is to meet the needs of stakeholders, or those who are impacted by the company's decisions.

### 2.2.2 Agency Theory

The concept of "agency," created by Jensen and Meckling (1976). They put forth a theory that shareholder conflicts of interest form the basis for corporate governance. The agency theory developed in the 1970s portrays top-level managers as agents whose interests may differ from those of their principals, the shareholders, even though both groups aim to maximize utility (Katzman, Verhoeven, & Baker, 2009). According to Jensen and Meckling (1976), an agency relationship exists when a principal delegates authority to an agent to make decisions on the principal's behalf. In an agency relationship, the principal and the agent may have competing interests. The manager is an agent who is motivated to maximize economic and psychological needs fulfillment to satisfy shareholders' demands for higher corporate profits and dividends. The agency and principal model of accounting allows management to manipulate reported profits. So, the principal is protected from potential losses due to the agent's conflicting interests by means of strict control mechanisms. Top-down management is emphasized in agency theory's conception of control, which places premiums on "the effects of uncertainty, the cost of the monitoring mechanism, and rewards for the control system" (Jokipii, 2006, p. 38). Principal-agent divergence is assumed to be caused by managers' utilitarian incentives, but critics of the theory argue that this may not be the case for all managers. Therefore, it is unfavorable to rely solely on agency theory because it fails to take into account the nuances of real-world organizations (Fong & Tosi, 2007).

### 2.2.3 Organizational Theory

It originated in the work of German sociologist and engineer Max Weber (1864-1920), who believed that work should be governed by rules, policies, and procedures (Houghton, 2010).

An understanding of organization theory can shed light on the inner workings of any business, including the ways in which managers exert influence to achieve desired outcomes. Sociological ideas from the late 19th and early 20th centuries informed the foundation of modern organization theory. Weber's model theory is based on the principles of lawful authority, strict logic, and established order. For instance, Henri Fayol (1845-1925) argued that two of management's most important roles were strategic planning and guiding employees through policies and procedures (Pryor & Taneja, 2010). The ultimate goal of organization theory, as stated by Laszlo, Laszlo, and Dunsky (2010), is to maximize the achievement of corporate objectives through the active involvement of all levels of the organization. This theory provides an interdisciplinary focus on issues such as the performance, success, and survival of business organizations. Therefore, the primary emphasis of academic study in this area is on the role of internal control in ensuring the efficiency and productivity of businesses. Past investigations into internal control have occasionally incorporated ideas from organizational theory. Using this lens, Mautz et al. (1980) surveyed C-suite executives from 50 US-based companies and found that the majority regarded internal control as a key part of their role in leading the organization. In a similar vein, Feng, Li, and McVay (2009) looked into the connection between internal control quality and management guidance accuracy and found that internal control quality has an economically significant effect on internal management reports and decisions. Organization theory allows for the management, tracking, and evaluation of assets, as stated by Daft, Murphy, and Willmott (2011). The goal of organization theory is to help managers get the most out of their employees and resources so that the business can generate the most profit. Bad management of organizational theory can lead to a breakdown of internal checks and balances.

### 2.2.4 Legitimacy Theory

The legitimacy theory was conceived by Dowling and Pfeffer in 1975. An established value system has legitimacy when its core principles are shared by the larger social system (Guthrie & Ward, 2006).

Organizations, according to the legitimacy theory, should make it a priority to stay within the law and the norms of their communities at all times. In order to succeed, remain in business, and reap other benefits, a corporation must comply with a wide range of socially expected behaviors, and society unquestionably plays a role in determining the legitimacy and efficacy of a corporation's actions (Muwazir, 2011; Siwar & Md Harizan, n.d.). The legitimacy theory is seen as a lens through which businesses can both influence and be influenced by the communities in which they operate. Therefore, the company's CSR reporting is grounded in the legitimacy theory. Deegan (2002) argues that an organization's right to operate in society and the wider environment is assured when it reflects shared values without compromising them. Moreover, the benefits to the company from publishing a CSR report are anticipated to include things like increased community legitimacy and potential future profits. The traditional claim that financial performance was the best indicator of an organization's legitimacy is being challenged by a growing number of people who believe that businesses should use at least some of their profits to improve the environment, the lives of their employees, the security of their customers, and the communities in which they operate. A legitimacy gap exists, as defined by Muwazir (2011), when an organization's actions fall short of what its stakeholders expect. Some ways to bridge these chasms are to

(a) inform relevant stakeholders of the true differences in the organization's performance and activities,

(b) alter relevant stakeholders' perceptions without altering the organization's original behavior, and

(c) shift stakeholders' focus from their concerns to other issues (Nik Ahmad et al., 2003). Education has increased as a result of Nigeria's recent economic and social transformation, raising public awareness of pressing problems like the financial sector's impact on the environment.

Many similarities exist between the stakeholder theory and the legitimacy theory. According to stakeholder and legitimacy theories, as outlined by Deegan and Blomquist (2006), businesses disclose their social and environmental practices to raise their profile, educate stakeholders on their operations, and uphold their end of the social contract with social and environmental nonprofits.

## 2.3 Empirical Review

The connection between a company's bottom line and its CSR efforts has been the subject of extensive research. This research analyzed previous research relating CSR (CSR) to the financial success of banks. The corporate world is currently confronted by CSR (CSR), which is seen as the most important factor in enhancing bank performance. There has been a lack of research into the connection between CSR and FP in the banking sector, and the limited research that has been done has produced contradictory empirical results. They found an inverse, affirmative, or null correlation between the factors. This prompted many academics and writers from different parts of the world to examine the correlation between CSR and bottom line results. Finding out how CSR affects the bottom line is the primary motivation for the existing literature on the topic.

Babalola (2012) analyzed the effects of CSR on profit and national development in Nigeria. Researchers found a negative correlation between financial performance and CSR spending using ordinary least squares analysis. It was concluded, finally, that successful businesses do not typically make significant investments in Nigeria.

According to the findings of Akanbi and Ofoegbu (2012), who looked into the effect of CSR on the bottom lines of Nigerian banks, CSR that is grounded in ethics has a positive effect on the success of businesses.

CSR (CSR) and financial performance (FPR) were examined in a study of Nigerian banks by Bolanle et al. (2012), and the researchers found a positive correlation between the two.

Islamic bank profitability was studied by Masood and Ashraf (2012), who looked into the role played by both internal and external factors. The authors draw the following inferences and contend that larger, more well-managed banks enjoy a greater rate of return on their assets (ROA).

The effects of CSR on financial performance were studied by Weshah and Dahiyat (2012) using data from banks in Jordan. The authors of the study relied on Mc's estimated model. Quantitative studies show a link between CSR and bank levels, bank size, risk profile, total advertising expenditures, and CSR. Additionally, the banking industry in Jordan places the highest value on CSR.

Using CSR regression models, Iqbal et al. (2013) compared the effects of CSR on EPS, ROA, and ROE in the annual reports of four banks for the fiscal year 2010-2011. The banks were either Islamic or conventional. The regression model shows a positive relationship between profit (EPS, ROA, ROE) and CSR practices, which contradicts the findings that CSR is lacking in Pakistan.

Bolton (2013) investigated the relationship between CSR and the success of banks in the United States. These results suggest that US financial institutions can reduce their risk while also increasing their CSR.

A Pakistani study found that CSR has a positive and substantial effect on bottom line results. As in (Malik and Nadeem, 2014; Awan and Nazish, 2016).

CSR (CSR) in China's banking industry: Drivers and financial returns was studied by Mallin et al. (2014). The information in the paper was compiled from 162 financial institutions located in 22 different countries. The research showed a positive correlation between CSR and financial performance and a negative correlation between CSR and non-performing loans.

Based on accounting (return on assets) and market (market to book ratio) performance measures, Celik et al. (2016) examined how CSR initiatives contribute to community development in Ghana using qualitative and quantitative research approach were adopted. The findings showed that Selected companies engaged in CSR contributes to Community Development.

Even if there is a negative relationship in the here-and-now, Yang (2016) argues, the positive relationship in the long run will prevail. Chung et al. (2018), Jeong et al. (2018), Chuang and Huang (2018), Ghaderi et al. (2019), González-Rodrguez et al. (2019), and others have found that ethical business practices increase a company's bottom line and market value.

Velte (2017) claims that the relationship between environmental and social performance and financial performance is weaker than the relationship between environmental and social performance and governance performance. Positive and negative actions are both considered when calculating a CSR score. This might lead to a negligible outcome if these factors are combined. Positive and negative behaviors need to be clearly distinguished.

When Ngoc (2018) analyzed the annual reports of 31 Vietnamese DMB, he found an inverse correlation between CSR (CSR) disclosure and financial performance. Yamuna Bank Limited in Bangladesh was the focus of a study by Rahman and Rashid (2014), who analyzed the correlation between CSR and financial success. This research indicates that between 2007 and 2012, CSR had no appreciable impact on YBL Bangladesh's bottom line.

An in-depth analysis of an Islamic bank's moral standing and financial standing was detailed by Belal, Abdelsalam, and Nizamee (2015). To the growing body of evidence that Islamic banking practices reflect global and local influences in an era defined by global conventional finance, this study from 1983 to 2010 is an important addition. Using content analysis, they found no statistically significant correlation between CSR and financial performance, finding that banks with higher CSR scores had lower ROA and ROE.

The study was conducted by Taskin (2015) in Turkey and looked into how CSR impacts financial institutions. Consequently, the results show that CSR practices have a positive effect on Turkish banks' bottom lines.

The Saudi banking industry's CSR disclosure was studied by Alsahlawi (2016). The findings of this study, which looked at CSR disclosure in the banking sector over a four-year period (2011-2014), indicate that more work needs to be done to enhance CSR practice in the banking sector and to conduct business responsibly so as to meet the interests and needs of all stakeholders.

According to Krasodomska (2015), the quality of CSR disclosure in 2011 was higher than in 2005, and all banks include CSR in management commentary. The study drew its empirical evidence from Poland's banking industry.

Partial least square was used by Judit Creixans-Tenas et al. (2020) to estimate a structural equation model and analyze data from 122 hospitals in a study conducted in Spain. This paper also delves into how communication mediates the connection between social responsibility and material gains. The primary results provide empirical support for a model that correlates and forecasts the social responsibility activities of these businesses; these activities are in turn linked to the business communication that is carried out and the economic and financial outcomes that are produced.

Research by Ashraf et al. (2017) looked at Asian banks' ROA and ROE. In this study, we found that this factor had a positive and statistically significant effect on bank profitability. The study's results corroborated the link between CSR and bank profitability.

Using Panel data and multiple linear regression analysis, Shuaibu (2017) investigated the impact of CSR dimensions on the CFP of DMB in developing economies, specifically Turkey and Nigeria. Consistent with the stakeholder theory, the results show that CSR positively affects CFP in Nigeria. However, there does not appear to be any correlation between CSR and CFP in Turkey.

CSR has positive impact on CFP in Nigeria and no significant relationship between CSR and CFP in Turkey

Olanipekun's (2019) study of CSR and OP in a sample of Nigerian financial and manufacturing institutions used a cross-sectional survey design. It was found that CSR has a notable impact on both financial and market success. The CSR practices of a few selected Nigerian banks and manufacturing companies are also remarkably similar.

By looking at publicly traded companies in Nigeria as a case study, Edafetano, et al. (2021) investigated the relationship the relationship between corporate social responsibility and financial performance of listed consumer goods manufacturing firms in Nigeria between 2015 and 2020. Using purposive sampling technique which require ten listed consumer goods manufacturing firms in the Nigeria Exchange Group. Descriptive statistics, correlation analysis, unit root test and ordinary least Square regression were employed. Based on the foregoing, the study concludes that there is a negative and significant relationship between corporate social responsibility and financial performance of listed consumer goods manufacturing firms in Nigeria

Using data from listed Chinese banks between 2008 and 2018, G. Zhou, Y. Sun, S. Luo, and colleagues (2020) looked into the correlation between CSR and bank performance in China. The research showed that CSR had a negative effect on short-term bank financial performance. However, the benefits of this partnership become clear over time.

Using a panel data set consisting of Nigerian banks, Oyewumi et al. (2017) studied the banks' expenditures on CSR, transparency, and financial output. They looked into how CSR spending and disclosure impacted profit margins in businesses. Without proper disclosure, CSR investment would have little to no effect on a company's financial performance, as predicted by the Wallace and Hussain estimator of component variances (a two-way random and fixed effects panel).

Using linear regressions with panel data from the European countries represented in the Thomson Reuters ASSET4 database, Rossi et al. (2021) analyzed the performance of 225 listed companies over the period 2015–2019. According to the research, CSR initiatives improved the company's bottom line.

Using the CAMEL Model and performance indicators like Return on Assets (ROA) and Net Interest Margin, Chaturvedi, Akhtar, and colleagues (2021) looked into the effect of CSR on the financial success of Indian commercial banks (NIM). Panel data from 16 different financial institutions were analyzed using STATA 15 for the years 2015 through 2021. Conclusions on CSR, Capital Adequacy Ratio, Liquid Assets to Total Assets, Total Loan to Total Assets, and Total Deposit to Total Assets were all found to have a positive correlation with one another (ROA and NIM).

From 2016 to 2020, Hamma, Jinjiri, et al (2021) looked into how CSR affected the bottom lines of Nigeria's publicly traded banks. (5years). It was the purpose of this research to determine whether or not Nigerian listed companies' CSR initiatives had any effect on their financial performance (including ROA, EPS, dividend yield, and ROE). Research was conducted using secondary information culled from the company's annual reports over a five-year period (2016 to 2020). According to the results of the regression analysis, CSR programs have a significant and positive effect on all of the dependent variables studied. The financial health of publicly traded banks was significantly boosted by their commitment to CSR.

Eromonsele (2022) studied the effect of CSR on corporations' bottom lines and found a positive and statistically significant correlation between CSR and EPS (EPS).

## 2.4 Gaps in literature

Most prior research has discovered a positive correlation between CSR disclosure and FP. Overall, these results lack consensus. These earlier studies have focused on the impact of CSR disclosures on FP in general, and did not consider that both positive and negative indicators of CSR activity appear to better improve financial performance; these studies focused on Western countries and Asian countries (Esteban-Sanchez et al., 2017) and, and evidence from Sub-Saharan African countries is scant.

# CHAPTER THREE

## METHODOLOGY

### 3.0 Preamble

This chapter describes the research design, research method, data collection and analysis method, and study population. It also includes information about the data sources used in this study. This research methodology will also cover sampling techniques and sample size. Other critical aspects of the methodology include model specification and financial performance determinants.

### 3.1 Research design

[(Claire, S., Wrightsman, L.S., and Cook, S.W. (1962)] Research design describes the setting up of conditions for data collection and analysis in a way that attempts to balance relevance to the study goal with economy in data gathering and analysis in procedure. It is the framework of research methods and techniques that a researcher selects to carry out a study. The design enables researchers to fine-tune research methods appropriate for the subject matter and set their studies up for success. It serves as the blueprint for data collection, measurement, and analysis. The three major types of research designs in quantitative and qualitative research are descriptive research design, exploratory research design, and experimental research design.

This study employs descriptive research methodology, which entails tracing sentences from each component of CSR disclosed in annual reports of Nigerian banks in the sample. This study is based on data collected after the fact.

We used a sample of Nigerian listed banks for this study because it is about the effect of CSR on bank financial performance (firms that prepare CSR reports).

### 3.2 Population of the study

A population is the entire group about which you want to draw conclusions. The population of this research work consists of all DMB listed by the Central Bank of Nigeria. The list was updated on December 31, 2021, to a total of 23 (twenty-three) banks. Every company in the population must have completed its obligation to deliver the annual report for the fiscal year ended 2020. A sample of ten (10) Deposit Money -listed banks was chosen at random.

**Table 3.1: List of Deposit Money Banks in Nigeria as at 31st December, 2021**

| SN | NAME OF INSTITUTION | STATE |
|---|---|---|
| 1 | ACCESS BANK PLC | LAGOS |
| 2 | FIRST BANK NIGERIA LIMITED | LAGOS |
| 3 | FIDELITY BANK PLC | LAGOS |
| 4 | FIRST CITY MONUMENT BANK PLC | LAGOS |
| 5 | GUARANTY TRUST BANK PLC | LAGOS |
| 6 | UNION BANK OF NIGERIA PLC | LAGOS |
| 7 | UNITED BANK OF AFRICA PLC | LAGOS |
| 8 | ZENITH BANK PLC | LAGOS |
| 9 | CITIBANK NIGERIA LIMITED | LAGOS |
| 10 | ECOBANK NIGERIA PLC | LAGOS |
| 11 | HERITAGE BANK LIMITED | LAGOS |
| 12 | KEYSTONE BANK LIMITED | LAGOS |
| 13 | POLARIS  BANK PLC | LAGOS |
| 14 | STANBIC IBTC BANK PLC | LAGOS |
| 15 | STANDARD CHARTERED BANK LIMITED | LAGOS |
| 16 | STERLING BANK PLC | LAGOS |
| 17 | TITAN TRUST BANK LTD | LAGOS |
| 18 | UNITY BANK PLC | LAGOS |

| | | |
|---|---|---|
| 19 | WEMA BANK PLC | LAGOS |
| 20 | GLOBUS BANK LIMITED | LAGOS |
| 21 | SUNTRUST BANK NIGERIA LIMITED | LAGOS |
| 22 | JAIZ BANK PLC | ABUJA |
| 23 | ENTERPRISE BANK | LAGOS |

### 3.3 Sampling size and Sampling Technique

A sample can also refer to a statistically significant subset of a population rather than the entire population. A sample is the specific group from which you will collect data. The sample size is always less than the total population size. A population in research does not always refer to people.

Based on the sectors of the Nigerian economy, the sample size will be limited to the banking industry, particularly in terms of financial performance. In this study, simple random sampling was used as a sampling technique. A random sampling ensures that every unit in the population has a chance of being chosen.

### .3.4 Sampling Size Determination

Out of the listed banks, 10(ten) Deposit Money Banks (DMB) were chosen as the sample size for this study.

**Table 3.2: list of sampled Deposit Money Banks (DMB)**

| S/N | Name of sampled Deposit Money Banks in Nigeria |
|---|---|
| 1 | Access bank |
| 2 | Zenith bank |
| 3 | First bank |
| 4 | First City Monument Bank (FCMB) |
| 5 | Guarantee Trust Bank |
| 6 | Wema Bank |
| 7 | Fidelity bank |
| 8 | United Bank of Africa (UBA) |
| 9 | Sterling Bank |
| 10 | Union Bank |

### 3.5 Method of data collection

Financial data of 10(ten) years from secondary sources mainly from the annual published audited financial statement reports of each of the sample Deposit money banks from year 2011-2020 were used for this research. The data gathering process focused on the element of statement of financial position and income statements accounts. Some of the information(s) about their CSR initiatives were also gotten from their sustainability report for the year.

### 3.6 Method of data analysis

The data for this study will be reviewed using SPSS version 26. On variables, a simple Linear Regression analysis would be performed.

### 3.7 Determinants of financial performance:

Some financial indicators are used to assess bank performance. However, ratios play the most important role in measuring bank financial performance. In this paper, we look at the following financial indicators to assess the financial performance of various banks. These are the dependent variables in this study. They are;

1. **Return on Asset (ROA)**: ROA measures profits as a percentage of total assets, and it tells investors how effective the company is at managing its assets to generate profits. The higher the ROA, the better, and the formula for calculating ROA is as follows [Gross R, Holland B (2011)]

$$\text{ROA=} \quad \frac{net\ income}{total\ asset}$$

This ratio measures a bank's profitability and analyzes how much profit it generates from its sources of funds; Masood and Ashraf (2012).

2. **Return on equity (ROE)**: ROE measures profits as a percentage of total shareholders' equity, and it tells investors how efficiently the company generates profits using its shareholders' funds, or in other words, how much profit is made on each dollar of shareholders' funds. The following formula is used to calculate ROE:

$$\text{ROE=} \quad \frac{net\ income}{total\ shareholders\ equity}$$

This ratio compares the returns of common and preferred stockholders. It demonstrates the ability to generate profit from equity. Return on equity, also known as return on shareholder equity; Masood, O., et al (2015).

3. **Earnings per share (EPS)**: EPS measures earnings for each common stockholder and also shows how much money the company makes for its stockholders; as a general rule, the higher the EPS, the better. The following formula is used to calculate EPS:

$$\text{EPS}= \frac{net\ income}{ordinary\ share\ capital}$$

EPS is the portion of an organization's profit allocated to each exceptional share of common stock. Procurement per share serves as a measure of an organization's profitability. The ESE are the independent variables/parameters (Environment, Social, Economy)

**3.8 Model specification**

Simple Linear Regression will be used for this study, and the model is stated in its implicit form below:

$$\text{ROE}it= f(\text{CSR}it) +e_{it}\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ i$$

$ROAit = f(CSRit) + e_{it}$ ……………….. *ii*

$EPSit = f(CSRit) + e_{it}$ …………………..*iii*

Econometrically;

$ROEit = \beta 0 + \beta 1CSRit + e_{it}$ ………………*iv*

$ROAit = \beta 0 + \beta 1CSRit + e_{it}$ ………………*v*

$EPSit = \beta 0 + \beta 1CSRit + e_{it}$ ………………*vi*

where ROE= Return on Equity

ROA= Return on Asset

EPS= Earnings Per Share

$\beta 0$ = constant

$\beta 1$ = parameter or coefficient of the independent variable

$e_{it}$= Error term

In this study, content analysis is used to extract CSR information from the company's annual reports, and their total CSR amount for the year is used.

# CHAPTER FOUR

# DATA ANALYSIS AND RESULTS

## 4.0 Preamble

This chapter presents the results of the data analysis performed to achieve the objectives of the study.

### 4.1 Method of Data Analysis

Multiple regression analysis was the method of data analysis that was selected, and it was performed using SPSS version 26. Regressing the independent variables against the dependent variable produced the regression results for each of the hypotheses.

#### 4.1.1 Coefficient of Correlation (R)

One way to measure how well the dependent variable might be predicted is with this metric. It is also used to determine the strength of the correlation between a dependent variable and an independent variable. The results are displayed in the model summary table.

#### 4.1.2 Coefficient of determination ($R^2$).

This is used to fix the flaw in the coefficient of determination by including a new regressor that obviously reduces the degree of freedom. It is also used to determine the percentage of the overall variation in the dependent variable that the independent or explanatory variables can explain.

#### 4.1.3 The student t-test

It is used to determine the statistical significance of each calculated parameter. In an effort to make use of this tool, the significance level for the null and alternative hypotheses is set at 5% of 95%.

#### 4.1.4 The Analysis of Variance (F-test)

It is employed to assess the overall significance of the regression. It is used to ascertain whether all of the calculated parameters are statistically significant when taken together. This makes it easier to assess the influence of the jointly explanatory variables on the explained variable (s). An ANOVA table frequently displays this.

### 4.1.5 Coefficient table

It is possible to predict the dependent variable using the independent variable, and it is also possible to determine whether the independent variable contributes to the model in a statistically significant way. The "unstandardized coefficients" are given numerical values.

**Hypothesis 1**

**Impact of corporate social responsibility on Return on assets**

**Table 4.1 (a): Model Summary**

| Model | R | R-Squared | Adjusted R-Squared | Std. Error of Estimate |
|---|---|---|---|---|
| 1 | .164[a] | .027 | .017 | .021163 |

a. Predictors: Corporate Social Responsibility

**Table 4.1 (b): Coefficients**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t-stat. | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | | | |
| (Constant) | .018 | .002 | | 8.399 | .000 |
| CORPORATE SOCIAL RESPONSIB/ILITY | 9.192E-15 | .000 | .164 | 1.642 | .104 |

a. Dependent Variable: Return on Assets

From the regression tables Table 4.1 (a) and 4.1 (b) above, the model summary reveal a low correlation between return on assets and corporate social responsibility consumer sector industry in Nigeria. This is reflected on the value of coefficient of correlation (R) which is the 0.164. This value indicates that the strength of the relationship of the two variables under consideration is 16.4%. The coefficient of determination ($R^2$) shows a value of 0.027. This implies that on the average, about 2.7% variations in return on assets within the period under review can be explained by changes in Corporate Social Responsibility. The t-stat. value (1.642) depicted a positive impact of corporate social responsibility on the return on assets. This positive impact is not statistically significant at p-value of 0.104 which is more than the benchmark significance level of 0.05 (5%). We therefore fail to reject the null hypothesis of no significant impact against the alternative hypothesis of significant effect of corporate social responsibility on return on asset

**Hypothesis 2**

**Effect of Corporate Social responsibility of return on equity**

**Table 4.2 (a): Model Summary**

| Model | R | R-Squared | Adjusted R-Squared | Std. Error of Estimate |
|---|---|---|---|---|
| 1 | .015[a] | .002 | -.010 | .425625 |

a. Predictors: Corporate Social Responsibility

**Table 4.2 (b): Coefficients**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t-stat. | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | | | |
| (Constant) | .063 | .043 | | 1.457 | .148 |
| CORPORATE SOCIAL RESPONSIBILITY | -1.652E-14 | .000 | -.015 | -.147 | .884 |

b. Dependent Variable: Return on Equity

From the regression tables Table 4.2 (a) and 4.2 (b) above, the model summary reveal a very low correlation between return on equity and corporate responsibility of consumer industry in Nigeria. This is reflected on the value of coefficient of correlation (R) which is the 0.015. This value indicates that the strength of the relationship of the two variables under consideration is 1.5 %. The coefficient of determination ($R^2$) shows a value of 0.002. This implies that on the average, about 0.2% variations in return on equity within the period under review can be explained by Corporate Social Responsibilities. The t-stat. value (-0.147) depicted a negative impact of corporate responsibility on the return on equity. This negative impact is not statistically significant at p-value of 0.884 which is more than the benchmark significance level of 0.05 (5%). We therefore fail to reject the null hypothesis of no significant impact and but reject the alternative hypothesis of significant effect of corporate responsibility on return on equity.

**Hypothesis 3**

**Effect of corporate responsibility on earnings per share**

**Table 4.3 (a): Model Summary**

| Model | R | R-Squared | Adjusted R-Squared | Std. Error of Estimate |
|---|---|---|---|---|
| 1 | .126[a] | .016 | .006 | 1.587067 |

b. Predictors: Constant: Corporate Social Responsibility

**Table 4.3 (b): Coefficients**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t-stat. | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | | | |
| (Constant) | 1.440 | .161 | | 8.924 | .000 |
| CORPORATE SOCIAL RESPONSIB/ILITY | -5.292E-13 | .000 | -.126 | -1.260 | .211 |

a. Dependent Variable: Earnings per share

From the regression tables Table 4.3 (a) and 4.3 (b) above, the model summary reveal a low correlation between corporate social responsibility and earnings per share of consumer sector industry in Nigeria. This is reflected on the value of coefficient of correlation (R) which is the 0.126. This value indicates that the strength of the relationship of the two variables under consideration is 12.6%. The coefficient of determination ($R^2$) shows a value of 0.016. This implies that on the average, about 1.16% variations in return on assets within the period under review can be explained by changes in board size. The t-stat. value (-1.260) depicted a negative impact of corporate social responsibility on earnings per share. This positive impact is not statistically significant at p-value of 0.211 which is more than the benchmark significance level of 0.05 (5%). We therefore fail to reject the null hypothesis of no significant impact, but reject the alternative hypothesis of positive and significant effect of corporate social responsibility on earnings per share of consumer sector industry Nigeria.

### 4.2 Discussion of results

This section of the study discussed the result of the estimation in line with the objectives of the study. There are three specific objectives in this study.

#### 4.2.1 The impact of CSR on Return On Asset (ROA) of selected Nigerian banks;

It was found out from the data in (Table 4.1 a-b), that there was a positive impact of Corporate Social Responsibility on Return on Asset. This positive impact is insignificant because its p-value rate is at 0.104 which is more than the benchmark of significance of 5% (0.05). this finding aligns with Celik et al. (2016) using both accounting (return on assets) and market (market to book ratio) based performance measures as a dependent variable, they conducted regression analysis to examine the impact of CSR practices on financial performance. They observed that there is no statistically significant relationship between CSR practices and the financial performance of corporations. Chaturvedi, Akhtar et al. (2021) also examined the impact of CSR on the financial performance of the commercial banks of India, using Return on Assets (ROA) and Net Interest Margin (NIM) as performance indicators and concluded that there exists a positive impact between the independent variables. This finding also contradicts Ashraf et al., (2017) who conducted a study on Asian banks using Return on Asset, Return on Equity. The results showed positive and significant impact on financial performance of banks although it contradicts the significance between CSR and ROA, Hamma, Jinjiri et al., (2021) who investigated the effect of corporate social responsibility on financial performance of quoted banks in Nigeria between the period of 2016 to 2020 (5years). Specifically, the study assessed the effect of corporate social responsibility on the financial performance (return on assets, earnings per share, dividend per share and return on equity) of listed companies in Nigeria. By means of regression analysis the study found that corporate social responsibilities have a positive and significant impact on all dependent variables tested.

#### 4.2.2 The impact of CSR on Return On Equity (ROE) of selected banks;

From the data derived in (Table 4.2 a-b), it was discovered that there was a negative impact of Corporate Social Responsibility on Return On Equity depicted by the t-stat. This negative impact is insignificant because of its p-value of 0.884 greater than 5%. This finding contradicts with the findings of Ashraf et al., (2017) who conducted a study on Asian banks using Return on Asset, Return on Equity. The results showed positive and significant impact on financial performance of banks, Olanipekun (2019) also concluded that there is significant relationship between CSR and financial performance and market performance but aligns with the findings of Belal, Abdelsalam, & Nizamee, (2015) who used content analysis to analyze the CSR and financial performance through retraction and found out that banks with greater CSR scores lead to lower ROA and ROE and also shows that the results is not statically significant

### 4.2.3 The impact of CSR on Earnings Per Share (EPS) of selected banks;

It was found out from the data in (Table 4.3 a-b), it was discovered that there was a negative impact of corporate social responsibility on earnings per share. This positive impact is not statistically significant at p-value of 0.211 greater than 5%. This finding aligns with the findings of Ngoc (2018) who applied content analysis on annual reports from 31 Deposit Money Banks in Vietnam and found a negative linkage between CSR disclosure and financial performance. It contradicts Eromonsele (2022) who examined the effect of corporate social responsibility (CSR) on corporate financial performance, the findings showed that there is a positive and significant relationship between CSR and earnings per share (EPS).

# CHAPTER FIVE

# SUMMARY, CONCLUSIONS AND RECOMENDATIONS

## 5.0 Preamble of the study

In this section of the research work, the research provides a summary of the findings derived from the study, the conclusion of the study, and recommendation for the study.

## 5.1 Summary of the study

Randomly selected Deposit Money Banks in Nigeria were analyzed to determine how their CSR initiatives affected their bottom lines. While this topic has been the subject of numerous studies and literatures, it is important to keep in mind that there is considerable variation in the approaches taken by various authors, the data and sources used, the locations where studies were conducted, and the people who could potentially contribute to the study.

There are five sections to this study. In the first chapter, "Introduction," we looked at why we're doing this research, how far we're going with it, what we're hoping to learn, and how we're going to test our hypotheses. We also laid out the study's overarching goals, which are to determine whether or not CSR has an effect on the financial performance of selected Nigerian banks, and we detailed the problem we're trying to solve. Both the need for and importance of this study were emphasized in the introductory chapter. The study's terminology was defined with reference to their use in the research.

The conceptual, theoretical, and empirical review of prior studies were all covered in the second chapter of the study, the literature review. The conceptual review focused on the Concept of CSR, which details the origins of CSR, CSR delivery in Nigeria, and CSR initiatives like the Economy, Social Issues, and Environment index that contribute to their sustainability development, as well as the benefits and drawbacks of CSR. Bank performance indicators like Return on Assets, Return on Equity, Earnings per Share, etc. were also covered, as were determinants of bank performance like the CAMEL framework. Our research was grounded in the theories of stakeholder theory, agency theory, legitimacy theory, and organizational theory, with special attention paid to Dr. F. Edward Freeman's stakeholder theory. This theory argues that shareholders are just one of many stakeholders in a company. Several factors were highlighted from an empirical review of previous research studies that measured the financial performance of businesses and banking sectors. Also included were their findings and suggestions. The chapter wrapped up with a conversation about the research gap.

In the third section of this study, we discuss the methods we employed. It mainly covered the research design, which describes the conditions for data collection and analysis in a way that tries to balance relevance to the study goal, the population of the study, which consists of all the DMB (DMB) listed by the Central Bank of Nigeria (CBN), and the sampling technique and size determination by randomly selecting 10(ten) DMB out of the listed banks. The information was analyzed using SPSS version 26 and the Simple Linear Regression technique. Data was gathered using the ex post factor method from audited annual reports of banks. In addition, methods for evaluating the model coefficient and the correct functional relationship were portrayed.

In chapter four, the research design and data analysis procedures were presented. This section of the study summarizes the collected data, its interpretations, and any findings that corroborated or contradicted the hypotheses. All of the hypotheses were put to the test using linear regression at the conventional 5% level of significance. Simple linear regression indicates that CSR has a positive effect on ROA for companies. Although CSR has a positive effect on some metrics, including return on equity and earnings per share, these positive effects are not statistically significant.

## 5.2 Conclusion

This study investigated the effect of Corporate Social Responsibility on financial performance of Deposit Money Banks (DMB) in Nigeria. The impact of Corporate Social Responsibility on Return on Asset is positive but negative significant impact on Return on Asset, it also has a negative impact and significance on the Return on Equity, Earnings Per Share. Corporate Social Responsibility therefore has a negative assertion on Deposit Money Banks in Nigeria.

This is because Organisations, Banks, Firms don’t pay substantial amount of money for their Corporate Social Responsibility initiatives; they mostly pay either to gain recognition in the

Society or because Government requires them to do so. As no regulation is put in place some companies don't see the need to invest in their Corporate Social Responsibility therefore paying little or no amount for CSR and this leads to low or negative impact of Corporate Social Responsibility on the financial performance of Deposit Money Banks in Nigeria. This study thereby concludes that; banks should give enough attention to their corporate social responsibility in order to enhance their overall financial performance.

### 5.3 Recommendations

In order for CSR to have a constructive effect and meaningful significance on Nigeria's DMB, the researcher suggested the following recommendations;

a. Deposit Money Banks can benefit greatly from engaging in CSR because of the positive effect it has on their bottom line. More money from deposit-taking institutions should go toward CSR projects so that those projects can in turn benefit the institutions' bottom lines.
b. Deposit Money Banks should contribute more to the Corporate Social Responsibility initiatives in order to improve their profitability
c. Deposit Money Banks and other sectors of the Nigerian economy would benefit from a greater focus on Corporate Social Responsibilities (CSR) if the federal government of Nigeria were to enact regulations governing contributions to CSR.
d. Government can also allocate a certain percentage and proportion of Corporate Social Responsibility Initiatives to Deposit Money Banks and other sectors of the economy.

### 5.4 Areas for further study

While it is clear that CSR has an effect on DMB' bottom lines, and in light of the previous recommendations, it is worth thinking about how to categorize CSR's various initiatives so that their effects can be tracked; this will allow academics to better understand how businesses are allocating their CSR budgets. Perhaps more money is being allocated to those areas, and alterations can be made as a result of research. They could split the money, which would be good for the area around the business.

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**APPENDICES**

APPENDIX 1:

| S/N | AUTHOR AND YEAR | TITLE | OBJECTIVES | SAMPLE SIZE AND PERIOD | TECHNOLOGY/ METHODOLOGY | FINDINGS | GAP |
|---|---|---|---|---|---|---|---|

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1. | Babalola (2012) | Impact Of CSR On Firm's Profitability And Country In Nigeria | Examines the relationship between Corporate Social Responsibility and firm's performance in Nigeria | 10 randomly selected firms in Nigeria | ordinary least square analysis | negative relationship between firm's financial performance measure with investment in social responsibility. | Industrial exclusion, variable exclusion and methodology exclusion |
| 2. | Weshah and Dahiyat (2012) | The impact of adopting corporate social responsibility on corporate financial performance:: | It aims to present a suggested framework for Corporate Social responsibilityand to examine if there's a relationship between CSR, bank size,level of risk in the bank etc. and Financial performance on Jordanian Banking companies | Jordanian banks in Jordan listed in Jordanian Stock Exchange for the year 2011 | model estimated by Mc. Under quantitative research and statistical techniques | there is a significant relationship between levels of banks, bank size, level of risk, level of all advertising expenses and CSR | Variable exclusion, Geographical exclusion |
| 3. | Masood & Ashraf (2012) | Bank-specific and macroeconomic profitability determinants of Islamic banks | To inspect whether bank specific and macro-economic determinant influence Islamic Banks' profitability | different Islamic countries | Balanced panel data regression method measuring ROA and ROE as bank specific functions and | banks with efficient management and large asset size lead to the greater return on | Geographical exclusion, Variable exclusion |

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| | | | in selected countries of different regions | | determinants. | assets (ROA). | |
| 4. | Bolanle et al. (2012) | Corporate social responsibility and profitability of Nigeria banks. | To seek the causal relationship between banks and CSR | Selected Nigerian Banks | Correlation and regression analysis | CSR and financial performance is positive. | Variable exclusion |
| 5. | Iqbal et. Al (2013) | Impact of corporate social responsibility on profitability of Islamic and conventional financial institutions. | Examine the relationship with earning per share (EPS), return on asset (ROA), return on equity (ROE) | 4 banks for the year 2010-2011 | CSR regression models | there is positive relationship between profitability (EPS, ROA, ROE) and CSR practices. | Geographical exclusion |
| 6. | Bolton, (2013) | corporate social responsibility and bank performance in US | To study the empirical relationship between Corporate Social Responsibility,financial performance and risks at US banks | US banks from 1998=2010 | TARP method | improving the quality of corporate social responsibility at banks | Geographical exclusion, methodology exclusion |
| 7. | Mallin et al. (2014) | Corporate social responsibility and financial performance in Islamic banks. | Examine the economic behaviour, motivates and financial performance in china | 162 banks in 22 countries. | Using CSR disclosures index | corporate social responsibility positively associate with financial performance | Geographical exclusion, variable exclusion |

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| 8. | Senyigit and Shuaibu (2017) | The impact of Corpoate Social Responsibility on financial performance of emerging economies | To examine the effect of CSR dimensions on Corporate Financial performance (CFP) of commercial banks in emerging economies | Listed banks on Borsa Istanbul(BIST) and the Nigerian Stock Exchange(NSE) | Content analysis and Panel data Multiple Regression analysis | CSR has positive impact on CFP in Nigeria and no significant relationship between CSR and CFP in Turkey | Methodology, Variable exclusion |
| 9. | Celik et al.(2019) | The impact of Corporate Social Responsibility on community development | How CSR initiatives contribute to community development | Communities in Ghana | Qualitative and quantitative research approach were adopted | Selected companies engaged in CSR contributes to Community Development. | Geographical exclusion, variable exclusion, industry exclusion |
| 10 | Velte (2017) | Does ESG performance have an Impact on Financial Performance? | To concentrate on environmental, social and governance performance in total and divided in each component to evaluate their impact on financial performance | Companies listed on the German prime Standard for the business years 2010-2014 | Correlation and regression analysis determined by Asset 4 database of Thomson Reuters, ROA and Tobin's Q | ESG has positive imact on ROA but no Impact on Tobin's Q | Geographical exclusion, methodological exclusion |
| 11 | Ngoc (2018) | Corporate financial performance due to sustainable developme | studying the impact of CSR and CES on corporate financial performance (CFP) on | 31 Deposit Money Banks in Vietnam | content analysis, quantitative method | negative linkage between CSR disclosure and financial | Geographical exclusion, variable exclusion |

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|---|---|---|---|---|---|---|---|
| | | nt in Vietnam | Vietnam Banks | | | performan ce. | |
| 12 | Rahman and Rashid (2014) | Corporate Social Responsib ility and Financial Performan ce of Jamuna Bank Limited, Banglades h | The purpose of the study is to discover the impact of Corporate Social Responsibili ty (CSR) expenditure on the profitability of Jamuna Bank Ltd (JBL) | annual reports of JBL and Bangladesh Bank CSR review for the year 2007 to 2012 | Ordinary least squares (OLS) model and the hypothesis tested through the student's t test | there is no significant impact of CSR on PAT | Geographi cal exclusion, variable exclusion |
| 13 | Belal, Abdelsal am, & Nizamee, (2015) | Ethical Reporting in Islami Bank Banglades h Limited | to undertake a critical examination of the ethical and developmen tal performance of an Islamic bank as communicat ed in its annual reports | annual reports over a period of 28 years (1983–2010). | content analysis through extraction using ROE and ROA | banks with greater CSR scores lead to lower ROA and ROE and that the results is not statically significant | Geographi cal exclusion, variable exclusion |
| 14 | Taskin (2015) | The Relationsh ip between CSR and Banks' Financial Performan ce | to analyze the bidirectional relationship between CSR practices of Turkish banks and their financial performance | Annual report of 2013 | Content analysis is used to analyze the degree of CSR level based on a CSR index proxied by ROE, ROA and NIM for the year 2013 | The results show that ROA and ROE have no explanator y power in explaining CSR, whereas there is a bidirectio | Geographi cal exclusion, methodolo gy, variable exclusion |

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|---|---|---|---|---|---|---|---|
| | | | | | | nal relationship between CSR and NIMs | |
| 15 | Alsahlawi (2016) | CSR disclosure and the banking sector | To examine the impact of CSR disclosure on the banking sector in Saudi Arabia | banking sectors CSR disclosure over the four-year period of 2011-2014 | Content analysis examination on banks annual reports | there is a need to extent more efforts to improve CSR practice in the banking sector and conduct business responsible more to serve the interest and meet the needs of all its stakeholders. | Geographical exclusion, Variable exclusion |
| 16 | Krasodomska, (2015) | CSR disclosures in the banking industry. Empirical evidence from Poland | to present an overview of the concepts of corporate social responsibility (CSR) in banks and integrated reporting, a review of the literature on the subject and the author's own research results | 84 management commentaries of 12 banks operating in Poland in 2005-2011. | disclosure index approach | the quality of CSR disclosure in 2011 was higher as compared in 2005 and also all banks tend to include CSR in management commentary. | Geographical exclusion, Variable exclusion, methodology exclusion |

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| 17 | Judit Creixans-Tenas et al., (2020) | Social Responsibility, Communication and Financial Data of Hospitals | to determine the possible relationship between three important aspects in the management of hospital companies: social responsibility, communication, and economic and financial results. | 122 hospitals operating in Spain. | Partial least square technique | It empirically validate a model that links and predicts the social responsibility actions undertaken by these companies, which are directly related to the business communication that is carried out and the economic and financial results. | Geographical exclusion, Variable exclusion, methodology exclusion, industrial exclusion |
| 18 | Ashraf et al., (2017) | The impact of Corporate Social Resposibility (CSR) on the financial performance of banks | To confirm the link of Corporate Social Responsibility (CSR) and financial performance of banks. | Selected Asain Banks | Return on Asset, Return on Equity. | positive and significant impact on financial performance of banks. | Geographical exclusion, Variable exclusion |
| 19 | Olanipekun (2019) | Corporate social responsibility and organisational performan | To examine the relationship between CSR and Organisational | Both stratified and purposive sampling methods were | triangulation analysis through the combination of qualitative and | there is significant relationship between CSR and financial performan | Variable exclusion, methodology exclusion, Industrial exclusion |

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| | | ce of selected nigerian banks and manufacturing firms | Performance (OP) in selected Nigerian banks and manufacturing firms. | employed using Five banks and five manufacturing firms were selected for the study | quantitative methods, Partial Least Square Structural Equation Model, Mann Whitney U Test | ce, also there is no significant difference in the CSR practices of selected Nigerian banks and manufacturing firms. | |
| 20 | Edafetano et al., (2021) | Corporate Social Responsibility and Financial Performance of Listed Consumer Goods Manufacturing Firms in Nigeria | this study investigated the relationship the relationship between corporate social responsibility and financial performance of listed consumer goods manufacturing firms in Nigeria between 2015 and 2020. | purposive sampling technique which require ten listed consumer goods manufacturing firms in the Nigeria Exchange Group | Descriptive statistics, correlation analysis, unit root test and ordinary least Square regression were employed. | Based on the foregoing, the study concludes that there is a negative and significant relationship between corporate social responsibility and financial performance of listed consumer goods manufacturing firms in Nigeria. | Industrial exclusion |
| 21 | Oyewumi et al., (2017) | Investment in corporate social responsibility, disclosure practices, | To examine the effects of corporate social responsibility (CSR) investment and | Selected Nigerian banks | Wallace and Hussain estimator of component variances (a two-way random and fixed | CSR investment without due disclosure would have little or no | Methodology exclusion, Variable exclusion |

| | | | | | | | |
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| | | and financial performance of banks in Nigeria | disclosure on corporate financial performance | | effects panel) | contribution to corporate financial performance | |
| 22 | Rossi et al., (2021) | Does a Board Characteristic Moderate the Relationship between CSR Practices and Financial Performance? | To test the moderating effect of the board characteristics in the relationship between CSR practices and financial performance | 225 listed companies in Europe between 2015 and 2019. | linear regressions with panel data using the Thomson Reuters ASSET4 | The study findings appended a new dimension to governance research that could provide policymakers and regulators. the study showed that CSR practices affected the firm's financial performance positively. | Methodology exclusion, Geographical exclusion, Variable exclusion, Industrial exclusion |
| 23 | Chaturvedi, Akhtar et al. (2021) | Impact of corporate social responsibility on financial performance of selected banks in India: based on camel model | to examine the impact of CSR on the financial performance of the commercial banks of India, based on CAMEL Model, using Return on Assets (ROA) and Net Interest Margin | The sample of 16 banks where considered for seven years period from 2015-2021 | STATA 15 was employed for panel data evaluation | The results show that there exists a positive correlation between the independent variables (CSR, Capital adequacy ratio, | Geographical exclusion, Variable exclusion, methodology exclusion |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | (NIM) as performance indicators | | | Liquid Assets to Total Assets, Total Loan to Total Assets and Total Deposit to Total Assets) and dependent variables (ROA and NIM). | |
| 24 | Hamma, Jinjiri et al., (2021) | The effect of corporate social responsibility on financial performance of quoted banks in Nigeria | To investigate the effect of corporate social responsibility on financial performance of quoted banks in Nigeria between the period of 2016 to 2020 (5years). | Annual reports of quoted banks for the period of 5years (2016 to 2020). | regression analysis using (return on assets, earnings per share, dividend per share and return on equity) | corporate social responsibilities have a positive and significant impact on all dependent variables tested. | |
| 25 | Eromonsele (2022) | Corporate Social Responsibility and Corporate Financial Performance: A Competitive Perspective | To examine the effect of corporate social responsibility (CSR) on corporate financial performance: | elements in Friesland Campina, Wamco and Unilever Nigeria PLC | The descriptive research design, ordinary least square regression technique | Corporate social responsibility is positively significant in determining earnings per share. The study | Industry exclusion, Variable exclusion. |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | makes a significant contribution to knowledge in that it enriches the debate on CSR and financial performance in a significant industry | |

| NOS | COMPANY | YEAR | CSR(N) | TA(N) | PAT(N) | EQ(N) | ROA | ROE | EPS |
|---|---|---|---|---|---|---|---|---|---|
| 1 | ACCESS BANK | 2011 | 182970000 | 949382097 | 5248866 | 187037078 | 0.006 | 0.028 | 0.290 |
| | | 2012 | 173229020 | 1515754463 | 35815611 | 237624211 | 0.024 | 0.151 | 1.570 |
| | | 2013 | 391000000 | 1704094012 | 26211844 | 245181998 | 0.015 | 0.107 | 1.140 |
| | | 2014 | 388832257 | 1981955730 | 39941126 | 274155786 | 0.020 | 0.146 | 1.750 |
| | | 2015 | 346628505 | 2411944061 | 58924745 | 360428904 | 0.024 | 0.163 | 2.370 |
| | | 2016 | 285339153 | 3094960515 | 64026135 | 421678620 | 0.021 | 0.152 | 2.210 |
| | | 2017 | 567027158 | 3499683979 | 53238822 | 465238724 | 0.015 | 0.114 | 1.770 |
| | | 2018 | 376753000 | 3968114609 | 73596295 | 440799757 | 0.019 | 0.167 | 2.540 |
| | | 2019 | 353911848 | 6307588216 | 70115989 | 539488038 | 0.011 | 0.130 | 2.070 |
| | | 2020 | 2599664782 | 7624979718 | 80039331 | 653895666 | 0.010 | 0.122 | 2.250 |
| 2 | ZENITH BANK | 2011 | 716000000 | 2154713 | 41301 | 360868 | 0.019 | 0.114 | 1.320 |
| | | 2012 | 587000000 | 2436886 | 95803 | 438003 | 0.039 | 0.219 | 3.050 |
| | | 2013 | 856000000 | 2878693 | 83414 | 472622 | 0.029 | 0.176 | 2.660 |
| | | 2014 | 852000000 | 3423819 | 92479 | 512707 | 0.027 | 0.180 | 2.950 |
| | | 2015 | 923000000 | 3750327 | 98784 | 546946 | 0.026 | 0.181 | 3.150 |
| | | 2016 | 2557000000 | 4283736 | 119285 | 616353 | 0.028 | 0.194 | 3.800 |
| | | 2017 | 2611000000 | 4833658 | 157145 | 707525 | 0.033 | 0.222 | 4.870 |
| | | 2018 | 2611000000 | 4955445 | 165480 | 675032 | 0.033 | 0.245 | 5.270 |
| | | 2019 | 2729000000 | 5435073 | 178003 | 778995 | 0.033 | 0.229 | 5.670 |
| | | 2020 | 3285000000 | 7124987 | 197852 | 905232 | 0.028 | 0.219 | 6.300 |
| 3 | GT BANK | 2011 | 297413137 | 1608652646 | 51741620 | 234180056 | 0.032 | 0.221 | 1.770 |
| | | 2012 | 364750865 | 1620318000 | 85263826 | 288153630 | 0.053 | 0.296 | 2.900 |
| | | 2013 | 631991911 | 1904365795 | 85545510 | 329646681 | 0.045 | 0.260 | 2.910 |
| | | 2014 | 599916416 | 2126608312 | 43128169 | 369530326 | 0.020 | 0.117 | 3.030 |
| | | 2015 | 398211628 | 2277629224 | 94308123 | 405608348 | 0.041 | 0.233 | 3.200 |
| | | 2016 | 449616533 | 2613340074 | 126836792 | 476917853 | 0.049 | 0.266 | 4.310 |
| | | 2017 | 867113525 | 2824928985 | 158727705 | 578576776 | 0.056 | 0.274 | 5.390 |
| | | 2018 | 928078323 | 2712521494 | 166919765 | 511842259 | 0.062 | 0.326 | 5.670 |
| | | 2019 | 505365414 | 3097248495 | 175125281 | 605889596 | 0.057 | 0.289 | 5.950 |
| | | 2020 | 1870906230 | 4061543605 | 178188398 | 702399525 | 0.044 | 0.254 | 6.050 |
| 4 | FIDELITY BANK | 2011 | 65032333 | 740941 | 5361 | 146073 | 0.007 | 0.037 | 0.140 |
| | | 2012 | 45820000 | 914360 | 17924 | 161455 | 0.020 | 0.111 | 0.620 |
| | | 2013 | 185136733 | 1081217 | 7721 | 163455 | 0.007 | 0.047 | 0.270 |
| | | 2014 | 254556400 | 1187025 | 13796 | 173111 | 0.012 | 0.080 | 0.480 |
| | | 2015 | 92814027 | 1231722 | 13904 | 183516 | 0.011 | 0.076 | 0.480 |
| | | 2016 | 65578432 | 1298141 | 9734 | 185402 | 0.007 | 0.053 | 0.190 |
| | | 2017 | 330818921 | 1379214 | 18857 | 203315 | 0.014 | 0.093 | 0.310 |
| | | 2018 | 158362356 | 1719883 | 22926 | 194416 | 0.013 | 0.118 | 0.790 |
| | | 2019 | 165099021 | 2114037 | 28425 | 234030 | 0.013 | 0.121 | 0.980 |
| | | 2020 | 535575195 | 2758148 | 26650 | 273533 | 0.010 | 0.097 | 0.920 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 5 | FIRST BANK | 2011 | 968598772 | 2463543 | 47462 | 377244 | 0.019 | 0.126 | 1.450 |
| | | 2012 | 1044782368 | 2770674 | 71144 | 372176 | 0.026 | 0.191 | -0.030 |
| | | 2013 | 1248783962 | 3246579 | 70631 | 350709 | 0.022 | 0.201 | 2.160 |
| | | 2014 | 1194510700 | 3490871 | 75175 | 423047 | 0.022 | 0.178 | 0.160 |
| | | 2015 | 171032918000 | 3332375 | 37000 | 459747 | 0.011 | 0.080 | 0.060 |
| | | 2016 | 559134950000 | 3557782 | 50072 | 486087 | 0.014 | 0.103 | 0.210 |
| | | 2017 | 997770660000 | 269621 | 9275 | 673719 | 0.034 | 0.014 | 0.260 |
| | | 2018 | 2794811060000 | 270324 | 9342 | 530647 | 0.035 | 0.018 | 0.260 |
| | | 2019 | 2370950864000 | 276176 | 13862 | 661125 | 0.050 | 0.021 | 0.390 |
| | | 2020 | 2501554 | 300623 | 33860 | 765171 | 0.113 | 0.044 | 0.940 |
| 6 | FCMB BANK | 2011 | 82285221 | 593114362 | -11004393 | 117018764 | -0.019 | -0.094 | 0.000 |
| | | 2012 | 227105000 | 890313606 | 12559592 | 130890713 | 0.014 | 0.096 | 0.000 |
| | | 2013 | 439542520 | 131482189 | 6027752 | 131321521 | 0.046 | 0.046 | 0.300 |
| | | 2014 | 363448893 | 131570290 | 5396908 | 130777616 | 0.041 | 0.041 | 0.270 |
| | | 2015 | 202561950 | 129378261 | 2523055 | 128349993 | 0.020 | 0.020 | 0.130 |
| | | 2016 | 169018480 | 131366185 | 3730260 | 130099982 | 0.028 | 0.029 | 0.190 |
| | | 2017 | 395360073 | 131636805 | 1524886 | 129644597 | 0.012 | 0.012 | 0.080 |
| | | 2018 | 315802766 | 132792066 | 3552392 | 131106083 | 0.027 | 0.027 | 0.180 |
| | | 2019 | 299349230 | 134019820 | 3601460 | 131939461 | 0.027 | 0.027 | 0.180 |
| | | 2020 | 709471383 | 134719755 | 3060273 | 132227355 | 0.023 | 0.023 | 0.150 |
| 7 | UBA BANK | 2011 | 102157300 | 1666053 | -7966 | 187356 | -0.005 | -0.043 | -0.240 |
| | | 2012 | 87490250 | 1933065 | 47375 | 182315 | 0.025 | 0.260 | 1.440 |
| | | 2013 | 421107900 | 2217417 | 46483 | 259538 | 0.021 | 0.179 | 1.410 |
| | | 2014 | 388055794 | 2338858 | 40083 | 281933 | 0.017 | 0.142 | 1.220 |
| | | 2015 | 177110100 | 2216337 | 47642 | 338231 | 0.021 | 0.141 | 1.360 |
| | | 2016 | 321729616 | 2539585 | 46483 | 390900 | 0.018 | 0.119 | 1.310 |
| | | 2017 | 832765303 | 2931826 | 41396 | 400860 | 0.014 | 0.103 | 1.170 |
| | | 2018 | 1048353299 | 3591305 | 41047 | 364598 | 0.011 | 0.113 | 1.200 |
| | | 2019 | 752819830 | 4136493 | 62750 | 446522 | 0.015 | 0.141 | 1.830 |
| | | 2020 | 5103761859 | 5207833 | 56911 | 477940 | 0.011 | 0.119 | 1.660 |
| 8 | STERLING BANK | 2011 | 28056000 | 504048213 | 6908598 | 41057336 | 0.014 | 0.168 | 0.360 |
| | | 2012 | 117760000 | 580225940 | 6953539 | 46642394 | 0.012 | 0.149 | 0.440 |
| | | 2013 | 176321000 | 707797181 | 8274864 | 63457896 | 0.012 | 0.130 | 0.520 |
| | | 2014 | 80090000 | 824539426 | 9004973 | 84715285 | 0.011 | 0.106 | 0.420 |
| | | 2015 | 92106000 | 799451417 | 10292577 | 95565747 | 0.013 | 0.108 | 0.360 |
| | | 2016 | 212265000 | 830802224 | 5182000 | 85678662 | 0.006 | 0.060 | 0.180 |
| | | 2017 | 346000000 | 1068798 | 8455 | 101648 | 0.008 | 0.083 | 0.280 |
| | | 2018 | 299100000 | 1085876 | 9468 | 97800 | 0.009 | 0.097 | 0.330 |
| | | 2019 | 245826000 | 1165509 | 10163 | 119558 | 0.009 | 0.085 | 0.350 |
| | | 2020 | 435100000 | 1281830 | 11110 | 135753 | 0.009 | 0.082 | 0.390 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 9 | WEMA BANK | 2011 | 2500000 | 221157042 | -4228926 | 6268131 | -0.019 | -0.675 | -0.630 |
| | | 2012 | 18600000 | 245704597 | -5040629 | 1278315 | -0.021 | -3.943 | -0.420 |
| | | 2013 | 40200000 | 330872475 | 1596531 | 41395151 | 0.005 | 0.039 | 0.800 |
| | | 2014 | 112500000 | 382562312 | 2372445 | 43768649 | 0.006 | 0.054 | 0.600 |
| | | 2015 | 32427765 | 421221036 | 2591799 | 48501953 | 0.006 | 0.053 | 0.600 |
| | | 2016 | 30200000 | 424043580 | 2560579 | 48470733 | 0.006 | 0.053 | 0.670 |
| | | 2017 | 53585000 | 387545031 | 2255488 | 49615250 | 0.006 | 0.045 | 0.600 |
| | | 2018 | 34620000 | 488804317 | 3326420 | 50889149 | 0.007 | 0.065 | 0.860 |
| | | 2019 | 58960000 | 715869814 | 5199940 | 55160607 | 0.007 | 0.094 | 1.350 |
| | | 2020 | 221020000 | 979518151 | 4577381 | 59141754 | 0.005 | 0.077 | 1.190 |
| 10 | UNION BANK | 2011 | 28350990 | 843763 | -83239 | 179560 | -0.099 | -0.464 | 1.360 |
| | | 2012 | 87203822 | 886468 | 3170 | 171671 | 0.004 | 0.018 | 0.190 |
| | | 2013 | 54976300 | 882097 | 5121 | 187784 | 0.006 | 0.027 | 0.300 |
| | | 2014 | 223235000 | 920230 | 20486 | 205974 | 0.022 | 0.099 | 1.210 |
| | | 2015 | 57433494 | 998137 | 17721 | 233507 | 0.018 | 0.076 | 1.050 |
| | | 2016 | 30550000 | 1123483 | 15885 | 251339 | 0.014 | 0.063 | 0.940 |
| | | 2017 | 45522513 | 1334921 | 12839 | 319119 | 0.010 | 0.040 | 0.660 |
| | | 2018 | 30200000 | 1324297 | 18438 | 200087 | 0.014 | 0.092 | 0.630 |
| | | 2019 | 47272525 | 1711739 | 24375 | 231192 | 0.014 | 0.105 | 0.840 |
| | | 2020 | 393050000 | 2190746 | 24653 | 247521 | 0.011 | 0.100 | 0.840 |

## APPENDIX 3:

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | CORPORATE SOCIAL /RESPONSIB/ILITY[b] | . | Enter |

a. Dependent Variable: RETURN ON ASSET

b. All requested variables entered.

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| 1 | .164[a] | .027 | .017 | .021163 |

a. Predictors: (Constant), CORPORATE SOCIAL /RESPONSIB/ILITY

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .018 | .002 | | 8.399 | .000 |
| | CORPORATE SOCIAL /RESPONSIB/ILITY | 9.192E-15 | .000 | .164 | 1.642 | .104 |

a. Dependent Variable: RETURN ON ASSET

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | CORPORATE SOCIAL /RESPONSIB/ILITY[b] | . | Enter |

a. Dependent Variable: RETURN ON EQUITY

b. All requested variables entered.

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .015[a] | .000 | -.010 | .425625 |

a. Predictors: (Constant), CORPORATE SOCIAL /RESPONSIB/ILITY

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .063 | .043 | | 1.457 | .148 |
| | CORPORATE SOCIAL /RESPONSIB/ILITY | -1.652E-14 | .000 | -.015 | -.147 | .884 |

a. Dependent Variable: RETURN ON EQUITY

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | CORPORATE SOCIAL /RESPONSIB/ILITY[b] | . | Enter |

a. Dependent Variable: EARNINGS PER SHARE

b. All requested variables entered.

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .126[a] | .016 | .006 | 1.587067 |

a. Predictors: (Constant), CORPORATE SOCIAL /RESPONSIB/ILITY

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.440 | .161 | | 8.924 | .000 |
| | CORPORATE SOCIAL /RESPONSIB/ILITY | -5.292E-13 | .000 | -.126 | -1.260 | .211 |

a. Dependent Variable: EARNINGS PER SHARE