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EFFECT OF CORPORATE SOCIAL RESPONSIBILITY COSTS ON FINANCIAL PERFORMANCE OF LISTED DEPOSIT MONEY BANKS IN NIGERIA

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ABSTRACT:

The objective of this study was to ascertain the effect of Corporate Social Responsibility Costs on Financial Performance of Deposit Money Banks listed on Nigeria Stock Exchange for a ten year period ranging from 2011- 2020. Thirteen (13) Deposit Money Banks were purposively selected from a population of Fourteen (14) listed Deposit Money Banks. The proxies for Corporate Social Responsibility Costs were Corporate Donations, Occupational Health and Safety Cost, Training Cost and Remediation Cost while Return on Assets was employed as Financial Performance index. Four (4) hypotheses were formulated. Ex-Post facto research design was adopted while Pearson Correlation Coefficient and Panel Least Square (PLS) Regression analysis via STATA 13 statistical software were used to test the hypotheses of the study. The result of this study showed that Corporate Donations, Occupational Health and Safety Cost, Training Cost and Remediation Cost have a significant positive effect on Return on Assets at 5% level of significance respectively. Based on the empirical findings, this study suggests that Deposit Money Banks should involve in more CSR activities to increase their financial performance since CSR practices have a positive effect on financial performance of the deposit money banks in Nigeria.

Key words: *Corporate Donations, Occupational Health and Safety Cost, Return on Assets, Training Cost and Remediation Cost,*
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1. INTRODUCTION

The notion that business is just for the creation of profit has become increasingly challenged by the new practices and roles which society desires for corporations to pursue. Within the new responsibility of businesses are initiatives that address some of the social and environmental concerns that are within the spectrum of its stakeholders' interests. Corporate Social Responsibility (CSR) has become a major thrust that dramatically entered the consciousness of business institutions and its practitioners. Corporations were no longer seen as entities that only exist in order to pursue some form of economic benefits. Elsewhere in the world, companies are continuously challenged to create greater social visibility and become champions in some of the most crucial social and environmental issues of our time. This new role was added to the corporation's primary purpose of generating profits. The companies in Nigeria are not exempted from this strategic corporate governance direction. While written information on corporate performance continues to emphasize the value of financial data or the normal bottom line, various stakeholders are now expecting concrete business visibility even in the primary social issues of a country. Large corporations were identified to make substantial earnings even in the midst of challenging economic situations (Ezeokafor & Amahalu, 2019). Congruently, a growing belief exists among stakeholder communities that these corporations could be potential partners of the society where they operate. For these reasons, companies were expected to make solid contributions in addressing social ills as a way of paying forward to the public who continues to patronize their businesses. Corporations are getting the identity of being potent co-creators of community-based undertakings and possible crucial allies in the pursuit of larger societal and environmental goals. The interconnectedness of companies with their various stakeholders is often concretized through CSR activities underscores the value of business-society relations as a hallmark of good corporate governance practice.

As a corporate governance tool, a good financial performance guarantees the continued reward of corporate ownership, management and control. A good financial performance is achieved when the company's leaders and movers make decisions, which considers the welfare and interests of its shareholders. A good financial performance is a pragmatic tool that explains the company's adherence to standards of corporate governance.. According to Amahalu, Ezechukwu and Obi (2017), a firm is sustainable if it functions according to 'Triple Bottom Line' (economic prosperity, environmental quality and social justice). CSR implies all the proper social, environmental and economic actions that a firm must incorporate as to satisfy the concerns of stakeholders and the financial requirements of shareholders.

1.1 Statement of the Problem

It has become a necessity for companies to deal with issues that concern all kinds of stakeholders, either internal or market-related. The competition for and consumption of scarce resources in the global markets put great pressures on companies to achieve desirable ends beyond maximizing shareholder value. These pressures arise from the increased demands of external stakeholders that hold companies accountable for social and environmental issues. Some companies respond positively to increased stakeholder interest in corporate social responsibility (CSR). Others see a tension between value maximization proposition of the firms and CSR because they become concerned about the legitimacy of corporate involvement in social affairs and the possibility of misappropriating and misallocating scarce resources (Oshiole, Elamah, Amahalu, 2020).

Companies invest a great deal of time, efforts and resources on CSR in form of corporate donations in order to satisfy the expectations of stakeholders, however, the results between CSR and financial performance are inconclusive, mixed and contradictory. For instance, Okudo &Ndubuisi (2021); Van de Velde, Vermeir and Corten (2018) documented a significant positive relationship between CSR and financial performance. Mbonu & Amahalu (2021).; Ruf, Muralidhar, Brown, Janney and Paul (2017) documented a significant negative relationship between CSR and financial performance. Turban and Greening (2016) found a non-significant positive relationship between CSR and financial performance. On the contrary, Suchman (2018) evidenced a non-significant negative relationship between CSR and financial performance; hence creating a knowledge gap. This study is therefore aimed at filling this gap.

1.2 Objectives of the Study

The main objective of this study is to ascertain the effect of Corporate Social Responsibility Costs on Financial Performance of Deposit Money Banks listed on Nigerian Exchange Group.
The specific objectives are to;

i. Ascertain the effect of Corporate Donations on Return on Assets of Deposit Money Banks listed on Nigerian Exchange Group.
ii. Determine the effect of Occupational Health and Safety Cost on Return on Assets of Deposit Money Banks listed on Nigerian Exchange Group.
iii. Assess the effect of Training Cost on Return on Assets of Deposit Money Banks listed on Nigerian Exchange Group.
iv. Evaluate the effect of Remediation Cost on Return on Assets of Deposit Money Banks listed on Nigerian Exchange Group.

1.3 Research Hypotheses

In order to achieve the objectives of the study and answer the research questions stated above the following hypotheses are hereby formulated in their null form:

a. H_{o1}: Corporate Donations have no significant effect on Return on Assets of Deposit Money Banks listed on Nigerian Exchange Group.
b. H_{o2}: Occupational Health and Safety Cost has no significant effect on Return on Assets of Deposit Money Banks listed on Nigerian Exchange Group.
c. H_{o3}: Training Cost has no significant effect on Return on Assets of Deposit Money Banks listed on Nigerian Exchange Group.
d. H_{o4}: Remediation Cost has no significant effect on Return on Assets of Deposit Money Banks listed on Nigerian Exchange Group.

2. LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 Corporate Social Responsibility

Corporate social responsibility (CSR) is the sum of the economic, legal, ethical and philanthropic responsibilities fulfilled by the company over a certain period of time (Ecowas. Omojolaibi, Oladipupo & Okudo. 2019). Corporate Social Responsibility (CSR) is a form of corporate self-regulation integrated into business models. CSR functions as a self-regulatory mechanism by which a corporation ensures its active compliance with the spirit of the law and ethical standards. Its aim is to increase the long-term profits or survival of a firm through constructing positive public relations and high ethical standards, in order to reduce the business and legal risk and build shareholder trust (Nzekwe, Okoye & Amahalu, 2021).

2.1.2 Corporate Donations

The term corporate donation refers to any financial contribution made by a corporation to another organization that furthers the contributor's own objectives (Okudo, & Amahalu, 2021). Donations could function as a kind of marketing tool, indirect cost saving mechanism, community-oriented investment, or mechanisms to bond employees to the company, and as such improve corporate financial performance. In addition, corporate donations can also solve a collective action problem in which it is difficult to aggregate individual investors' donations to have a strong enough impact on society. If corporate philanthropy can serve the purpose of passing through individuals' donations and make a bigger impact to society, investors may perceive it favorably, consistent with the value-enhancement view (Okudo, Omojolaibi, Oladele, 2021).

2.1.3 Occupational Health and Safety Cost

Safety costs are expenses related to improving workplace safety. Non-safety costs include any expense from a lack of safety in the workplace, like accidents, incidents, or lawsuits. The value of a company's program is determined by how much non-safety costs improve as a direct response to safety expenditures (Omojolaibi, Okudo & Shojobi, 2019*)*. Occupational health and safety is referred to as occupational health and occupational and non-occupational safety and includes safety for activities outside of work. In common-law jurisdictions, employers have a common law duty to take reasonable care of the safety of their employees. The goals of occupational safety and health programs include fostering a safe and healthy work environment (Ogbodo, Amahalu & Abiahu, 2017).

2.1.4 Training Cost

Training is an organized activity aimed at imparting information and/or instructions to improve the recipient's performance or to help him or her attain a required level of knowledge or skill (Amahalu, Agbionu & Obi, 2017). Employee training is an educational preparation for performing a job that is typically provided to staff by the business that has recently hired them before they become active in service to the company. Employee training is increasingly required to assist the work force in using modern techniques, tools, strategies and materials in their jobs (Iliemena, Goodluck & Amahalu, 2019). Training costs means the reasonable costs of training and education for sensitivity, anti-harassment, minority development or diversity programs but only when required under the terms of a settlement, judgment or consent decree; provided, however, that such training and education is commenced and completed within 12 months of the date of said settlement, judgment or consent decree (O'Sullivan & Sheffrin, 2013).

2.1.5 Remediation Cost

Remediation cost means the costs of providing a remedy for; redress or make right of a particular environmental defect to the extent required by applicable environmental law (Hughes, 2017). Environmental remediation costs means all costs and expenses of actions or activities to (a) cleanup or remove Hazardous Materials from the environment, (b) to prevent or minimize the further movement, leaching or migration of Hazardous Materials in the environment, (c) prevent, minimize or mitigate the release or threatened release of hazardous materials into the environment, or injury or damage from such release, and comply with the requirements of any environmental laws. Environmental remediation costs include, without limitation, costs and expenses payable in connection with the foregoing for legal, engineering or other consultant services, for investigation, testing, sampling, and monitoring, for boring, excavation, and construction, for removal, modification or replacement of equipment or facilities, for labor and material, and for proper storage, treatment, and disposal of Hazardous Materials (Amahalu & Ezechukwu, 2020).

2.1.6 Financial Performance

Financial performance refers to the act of performing financial activity. In broader sense, financial performance refers to the degree to which financial objectives being or has been accomplished. It is the process of measuring the results of a firm's policies and operations in monetary terms. These results are reflected in the firm's return on investment, return on assets, value added, etc (Lyndsey, 2019). The level of performance of a business over a specified period of time, expressed in terms of overall profits and losses during that time. Evaluating the financial performance of a business allows decision-makers to judge the results of business strategies and activities in objective monetary terms (Mbonu & Amahalu, 2021). Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is also used as a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation (Amahalu & Obi, 2020).

2.1.7 Return on Assets (ROA)

Return on assets is a profitability ratio that provides how much profit a company is able to generate from its assets. In other words, return on assets (ROA) measures how efficient a company's management is in generating earnings from their economic resources or assets on their balance sheet (Kennon, 2018). Return on assets (ROA) is an indicator of how profitable a company is relative to its total assets. ROA gives a manager, investor, or analyst an idea as to how efficient a company's management is at using its assets to generate earnings (Amahalu & Obi, 2020). Return on assets is displayed as a percentage.

$$\text{Return on Assets} = \frac{\text{Net Income}}{\text{Total Assets}}$$

2.1.8 Corporate Donations and Return on Assets

Corporate Social Responsibility Reporting provides investors certainty and security to invest in capital market. Social disclosure contains information that provides facilities for investors in making decisions. Furthermore, social disclosure information reduces uncertainty for investors. Corporate Social Responsibility Reporting has differential effect on monthly stock price (Chen, Zhihing &Wei, 2019). To maintain and enhance performance and reputation, including improving market performance, then company needs to do a set of strategies such as legitimacy by doing Corporate Social Responsibility Reporting. Empirical proving about relationship between financial performance and CSR has led to a diverse and interesting phenomenon. Several studies have found a positive effect, negative even no effect (neutral), as in the studies of Okegbe, Eneh & Amahalu (2019), that found a positive relationship between donations and ROA; Mittal, Sinha & Singh (2018) documented a negative relationship between donations and ROA; while Basalamah & Jermias (2015) evidenced no relationship between donations and ROA.

2.1.9 Occupational Health and Safety Cost and Return on Assets

Many researchers have tried to find a relationship between the firm's CSR initiatives and their financial performance. As Eneh, Okegbe and Amahalu (2019) argue, if certain actions that are classified as socially responsible are negatively associated with the firm's financial performance (ROA), then the managers are advised to be cautious. On the contrary, if the relationship exhibits a positive association, the managers are encouraged to pursue such activities with enthusiasm. According to Yusoff and Adamu (2016), even if health and safety is viewed as a significant cost, the firms with profitable performance might be more willing to absorb these costs in the future. However, less profitable firms are reluctant in undertaking socially responsible activities. Amahalu, Abiahu, Nweze and Obi (2017) believe that indulging in CSR is an extra cost to the firm, thus the net financial performance (ROA) goes low, thereby indicated a negative relationship. In contrast, Barnett and Salomon (2012) confirmed a positive impact of a firm's health and safety activities on its financial performance (ROA).

2.1.10 Training Cost and Return on Assets

Various empirical studies exist in literature on corporate social responsibility in devrloping and developed economies and are mixed such as Amahalu, Abiahu, Obi and Okika (2016);. Cornett, Erhemjocints and Tehranian (2014) study on corporate social responsibility and its impact on financial performance focused on the investigation of U. S commercial banks. The study found that the largest banks consistently have higher corporate social responsibility strength and this appears rewarding as it has a positive and significant impact on their earnings per share.

2.1.11 Remediation Cost and Return on Assets

There are many costs of inaction arising from environmental degradation attributable to air and water pollution. With respect to air pollution, there are significant concerns associated with particulate matter (PM), ozone ($O3$) and nitrogen oxides (NOx). Other air pollutants of concern include lead and other metals, polycyclic aromatic hydrocarbons (PAHs), and ammonia ($NH3$). With respect to water pollution, significant concerns include nutrients, dioxins, furans, and persistent organic pollutants, as well as metals such as lead, mercury and arsenic. Research, scholars, and academicians have empirically analysed the relationship between remediation cost and ROA and found a mixed result. For example Kanwal, Khanm, Nasreen & Hameed (2013) found a negative relationship between remediation cost and ROA. In a related study, Enahoro & Akinyomi & Olutoye

(2013) have argued that high responsibility results in additional costs that put a company at an economic activities disadvantage compared to other, less socially responsible companies.

2.2 Theoretical framework

2.2.1 Stakeholder Theory

Stakeholder Theory is a view of capitalism that stresses the interconnected relationships between a business and its customers, suppliers, employees, investors, communities and others who have a stake in the organization. The theory argues that a firm should create value for all stakeholders, not just shareholders. In 1984, R. Edward Freeman originally detailed the Stakeholder Theory of organizational management and business ethics that addresses morals and values in managing an organization. A stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman,1984). Stakeholder Theory is a theory of management that concerns itself with matters related to morals and ethics in running a business. A Stakeholder Approach" points out the groups which are the stakeholders of an organization. Stakeholder theory suggests that a business must seek to maximize value for its stakeholders. It emphasizes the interconnections between business and all those who have a stake in it, namely customers, employees, suppliers, investors and the community.

2.3 Empirical Review

Okafor (2018) ascertained the effect of environmental costs on firm performance. The study made use of financial reports of oil and gas companies quoted in the Nigerian stock exchange market from years 2006-2015. Regression analysis was employed with the aid of Statistical Package for Social Sciences (SPSS). The results of the statistical analysis indicated that better environmental performance positively impact business value of an organization. Moreover, environmental accounting provides the organization an opportunity to reduce environmental and social costs and improve their performance.

Ajide and Abdulazeez (2018) examined the effects of corporate social responsibility activity(CSR) disclosure on bank profitability in Nigeria. Data were sourced from annual report and accounts of twelve sampled commercial banks in Nigeria for the year 2012 only. Variables such as CSR disclosure scores, banks' size and owners' equity serve as independent variables and banks' profitability proxy by returns on equity(ROE) as dependent variable were incorporated into the model. The data were analyzed using multiple regression analysis of Ordinary Least Square(OLS). The results showed that banks' size and CSR disclosure score have a positive relationship with bank profitability while owners 'equity has negative association with bank profitability. It was therefore concluded that banks should increase their level of CSR disclosure as itexhibits greater concern to improve on good corporate image and as a way of showing a greater commitment to impact and improve people's lives which in return capable of improving banks' patronage and profitability.

Fauzi (2019) addressed the issue of the relationship between corporate social and financial performance by moderating company size and financial leverage.with the use of type of industry as control variable. The Corporate social performance (CSP/CSR) was measured using seven item developed initially by Michael Jantzi Research Associate, Inc. Furthermore, company size, financial leverage, and type ofindustry were measured by total asset, degree of internal and external source to finance the company's assets, and dummy variable (0 for non manufacture and 1 for manufacture), respectively. A moderated multiple regression model was used in the study from 2008-2017. Four models were developed in the study based on the theory of slack resource and good management. The result of the study is that corporate social performance (CSP/CSR) has no effect on corporate financial performance (CFP) under slack resource and good management theory, it was also shown that only financial leverage could moderate the interaction between CSP/CSR and financial performance (CSP). However, based on the overall analysis, the study came to the conclusion that the relationship between CSP and financial performance was spurious.

3. MATERIAL AND METHOD

The research design that was employed in this study is the *ex-post facto* research design. The population of this study consists of all the fourteen (14) Deposit Money Banks that were listed on the Nigerian Exchange Group as at 31st December 2020. The banks include; Access Bank Nigeria Plc, Eco-Bank Nigeria Plc, Fidelity Bank Nigeria Plc, First Bank Nigeria Plc, First City Monument Bank Plc, Guaranty Trust Bank Plc, Jaiz Bank Plc, Stanbic IBTC Plc, Sterling Bank Plc, Union Bank Nigeria Plc, United Bank for Africa Plc, Unity Bank Plc, Wema Bank Nigeria Plc, Zenith Bank Nigeria Plc.

Purposive sampling technique was employed to arrive at thirteen (13) banks (Jaiz Bank Plc, was excluded) that were considered as sample size for this study for the study period (2011-2020). Thus, data used in this study were basically collected from secondary source such as annual reports and accounts, fact books, Nigeria Exchange Group publications data of the sampled banks and for the study period covered.

3.1 Research Variables

Table 1 Variable Description / Operationalisation of Variables

Variables (code)	**Operational Measurement**
Dependent Variable (Financial Performance)	
Proxy:	
Return on Assets (ROA)	Net Income/Total Assets
Independent Variable (Corporate Social Responsibility Costs**)**	
Indices	
Corporate Donations (CD)	Total Disclosure Score/Maximum Scores Possible for a Bank
Occupational Health and Safety Cost	Total Disclosure Score/Maximum Scores Possible for a Bank
Training Cost	Total Disclosure Score/Maximum Scores Possible for a Bank
Remediation Cost	Total Disclosure Score/Maximum Scores Possible for a Bank

Source: Authors' compilation

This study adopted the Global Reporting Initiative (GRI) framework disclosures according to the G4 guidelines for the purpose of developing the social disclosure index. Social performance was evaluated by 24 indicators on policies and systems on social issues; Employment; Labour/Management Relations; Occupational Health and Safety; Training and Education; Diversity and Equal Opportunity; Equal Remuneration for Women and Men; Investment and Procurement Practices; Non-discrimination; Freedom of Association and Clooective Bargaining; Child Labour; Forced and Compulsory Labour; Security Practices; Indigenous Rights; Assessment; Remediation; Local Communities; Corruption; Public Policy; Anti-Competitive Behaviour; Compliance; Customer Health and Safety; Product and Service Labelling; Market Communications; Customer Privacy.
All the above indicators were rated on a scale from 0 to 3 points. When a company does not take into account the specific indicator at all, it is rated with 0 (i.e non-reporting). A company is ranked 1 or 2 depending on the broadness of the description (e.g. 1 if the company only names the indicator and 2 if there is a very poor or unclear description (partial reporting). The company is rated 3 if it takes the indicator into consideration with a satisfying description (full disclosure). So, a total score for corporate social reporting costs disclosure could reach the maximum score of 72 (i.e 3x24).
Therefore, SDI =TDP/MP
Where;

SDI = Social Disclosure Index
TDP = Total Disclosure Points of a Bank MP = Maximum Points for a Bank (72)

Model Specification
The econometric form of the equation is given as:
Y = β0 + β1X+ Є
Where:
β0 = Constant (intercept)
β1 = Coefficient of the independent variable (Corporate Social Responsibility Costs) Y = Dependent Variable (Financial Performance)
X = Independent Variable Є = Error term

To test H1, H2, H3 and H4 , this study estimated the following regression equations: ROAít = β0 + β1CDít + β2OHSCít + β3TCít + β4RCít + Єít equ (i)

Where:
ROAít = Return on Assets (Dependent Variable) of bank í in period t
CDít = Corporate Donations (Independent Variable) of bank í in period t
OHSCít = Occupational Health and Safety Cost (Independent Variable) of bank í in period t
TCít = Training Cost (Independent Variable) of bank í in period t
RCít = Remediation Cost (Independent Variable) of bank í in period t
Єít = Error term which account for other possible factors that could influence Yit that are not captured in the model. í: individual banks
t: time periods

4. RESULT AND DISCUSSIONS

Table 2: Pearson Correlation Matrix
*(7 variables, 130 observations pasted into data editor)
. correlate roa roe eps tq cd (obs=150)

	roa	cd	ohsc	tc	rc
roa	1.0000				
cd	0.0957	1.0000			
ohsc	0.1127	-0.1669	1.0000		
tc	0.3028	0.2192	0.0856	1.0000	
rc	0.0494	0.0595	-0.1264	0.4210	1.0000

Source: STATA 13 correlation output, 2021
The result of the correlation analysis depicts that CD, OHSC, TC and RC positively correlates with ROA at a coefficient factor of 0.0957, 0.1127, 0.3028 and 0.0494 respectively.

4.1 Test of Hypotheses
Table 3: Panel Least Square (PLS) regression result showing the effect of CSR Costs on ROA
. regress roa cd

Source	SS	df	MS		
				Number of obs =	130
				F(4, 148) =	15.36
Model	.307026778	1	.307026778	Prob > F	= 0.0000
Residual	125.644192	148	.848947245	R-squared	= 0.7124
				Adj R-squared =	0.6743

Total | 125.951219 149 .845310195 Root MSE = .92138

roa	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
cd	.0877415	.1459007	6.60	0.000	-.2005761	.3760591
ohsc	.174642	.1028849	3.73	0.003	.1286712	.2779552
tc	.0628218	.2469288	2.55	0.023	.8707833	.1051397
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source: STATA 13 Regression Output, 2021

4.1.1 Interpretation of Regression Result

The regression model in table 4.2 can be illustrated as:

Model: ROA = 0.9835153 + 0.0877415CD + 0.174642 OHSC + 0.0628218TC + 0.2150957 RC

The model reveals that a unit increase in corporate donation will lead to 0.088 increase in ROA; one naira increase in OHSC will exert 8.77% increase in ROA; one naira increase in TC will cause ROA to increase by 6.28% and a unit increase in RC will to a corresponding increase of 21.51& in ROA. The results revealed that corporate donation causes a significant effect on ROA, while the coefficient on ROA is positive ($\beta1= 0.0877415$; p-value = $0.000 < 0.05$); there is a significant and positive relationship between OHSC and ROA ($\beta2= 0.174642$; p-value = $0.003 < 0.05$); a positive and significant relationship between TC and ROA ($\beta3= 0.0628218$; p-value = $0.023 < 0.05$); a positive and significant relationship between RC and ROA ($\beta4= 0.2150957$; p-value = $0.000 < 0.05$). The adjusted R-Squared of 0.6743 indicates that the systematic variation in ROA can be predicted by CD, OHSC, TC and RC by 67.43%, while 32.57% of the variation was explained by other factors outside the model.

4.1.2 Decision

Based on the P-value of the result = 0.0000 which is less than the critical value at 5%. Thus, this study upholds that CSR Costs have a significant positive effect on Return on Assets of Deposit Money Banks listed on Nigeria Stock Exchange at 5% level of significance, hence, H1 is preferred over Ho. In view of this, the study found out that:

i. Corporate Donations have a significant positive effect on Return on Assets of Deposit Money Banks listed on Nigeria Stock Exchange at 5% level of significance.
ii. Occupational Health and Safety Cost has a significant positive effect on Return on Assets of Deposit Money Banks listed on Nigeria Stock Exchange at 5% level of significance.
iii. Training Cost has a significant positive effect on Return on Assets of Deposit Money Banks listed on Nigeria Stock Exchange at 5% level of significance.
iv. Remediation Cost has significant positive effect on Return on Assets of Deposit Money Banks listed on Nigeria Stock Exchange..

CONCLUSION AND RECOMMENDATIONS

This study evaluated the effect of Corporate Social Responsibility Costs on Financial Performance of Deposit Money Banks listed on Nigeria Stock Exchange This study obtained panel data from annual reports and account and publications of the deposit money banks that operated during the period; 2009-2018. In addition, the study specifically examined the effect of corporate donations, occupational health and safety cost, training cost and remediation cost on return on assets. To determine the relationship that exists amongst the study variables and the effect thereof, Pearson Correlation Coefficient and Panel Least Square (PLS) regression estimate were employed via STATA 13 statistical software. This study revealed that corporate donations, occupational health and safety cost, training cost and remediation cost have a significant positive effect on return on assets at 5% level of significance respectively.

Based on the findings and conclusion of this study, the following were suggested:

i. Regulatory bodies in Nigeria such as Financial Reporting Council of Nigeria, Securities and Exchange Commission, Nigeria Stock Exchange should promote the value of CSR on conventional investors and encourage them to invest in companies involved in CSR initiatives, considering the significant positive effect CSR costs have on ROA.
ii. Since occupational health and safety cost has a positive effect on Return on Assets among Deposit Money Banks. The study therefore recommends that Deposit Money Banks should be socially responsible so as to sustain and increase their Return on Assets.
iii. Based on the positive effect of training cost on return on assets, policymakers should focus their effort on notifying the importance for deposit money banks to adopt Global Reporting Initiative or Sustainability Reporting Scorecard by Deloitte Touche Tohmatsu in relation to financial performance and how the involvement in training can payback companies.
iv. Based on the empirical findings, this study suggests that banks should involve in more remediation activities to increase their financial performance since remediation practices have a positive effect on return on assets of deposit money banks in Nigeria.

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