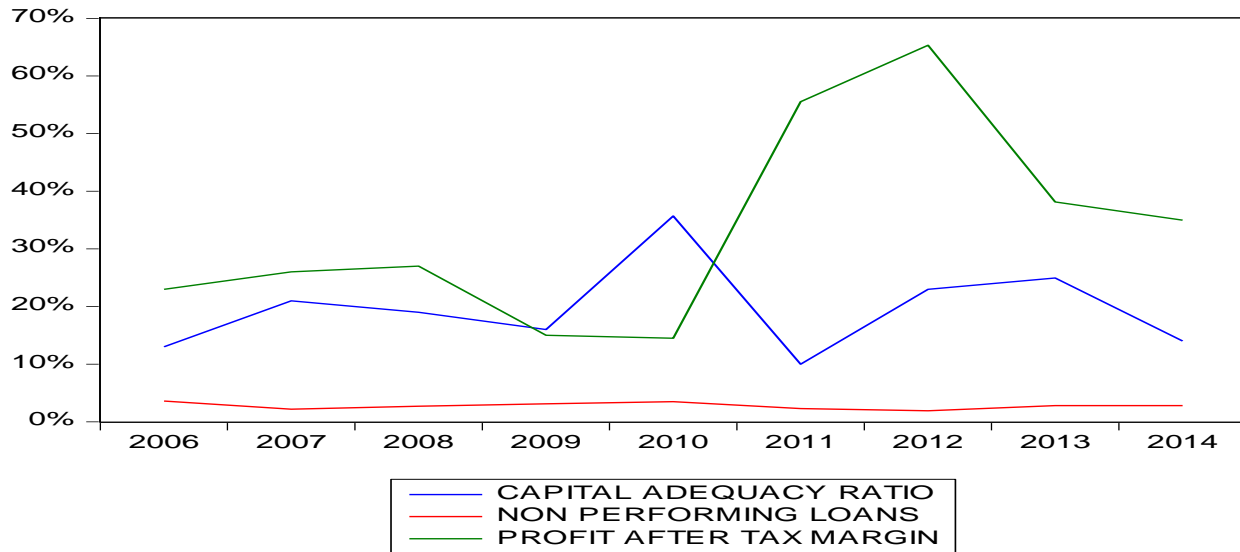


Figure 3: Graph showing the trend of CAR, NPL and PATM

Source: Author's Computation from the data obtained from the annual report using E-View 7.0

From the graph above, non performing loans ratio was the least throughout the period and the profit after tax margin was the highest.

Descriptive Statistics

The data used for this study include corporate social responsibility expenditure (CSR), non performing loans ratio (NPL), profit after tax margin (PATM) and capital adequacy ratio (CAR). CAR, NPL, CSR and PATM were available from 2006 to 2018.

Group Summary Statistics

Summary descriptive statistic is shown in the table 3 below. A test is carried out to show

whether the distribution follow normality condition. This is done through the Jacque Bera normality test, with the null hypothesis of normal distribution, skewness is zero and excess kurtosis is zero, against the alternative hypothesis of non-normal distribution. Hence, an observation of table 3 below shows that given the acceptance/rejection criteria, non performing loans ratio (NPL), profit after tax margin (PATM) and capital adequacy ratio (CAR) are normally distributed since all the probabilities are less that the Jacque Bera Chi-square distribution at 5% level of significance. However, the alternative hypothesis is accepted for CSR as the probability value is significant, meaning that the test statistics is greater than the critical value.

Table 3: Summary Statistics of the Variables

| | CAR | NPL | PATM | CSR |
|--------------|------------|------------|-------------|------------|
| Mean | 19.62889 | 2.766667 | 33.28222 | 5.45E+08 |
| Median | 19.00000 | 2.800000 | 27.00000 | 2.46E+08 |
| Maximum | 35.70000 | 3.600000 | 65.34000 | 2.64E+09 |
| Minimum | 10.00000 | 1.900000 | 14.49000 | 17634240 |
| Std. Dev. | 7.760896 | 0.574456 | 17.44960 | 8.12E+08 |
| Skewness | 0.831838 | 0.052687 | 0.739625 | 2.182122 |
| Kurtosis | 3.075977 | 1.935090 | 2.357967 | 6.266457 |
| Jarque-Bera | 1.040097 | 0.429427 | 0.975146 | 11.14364 |
| Probability | 0.594492 | 0.806773 | 0.614115 | 0.003804 |
| Sum | 176.6600 | 24.90000 | 299.5400 | 4.90E+09 |
| Sum Sq. Dev. | 481.8521 | 2.640000 | 2435.907 | 5.27E+18 |
| Observations | 9 | 9 | 9 | 9 |

Source: Author's Computation from the data obtained from the annual report using E-View 7.0

Unit Root Test

The study deploys Augmented Dickey-Fuller (ADF) test to examine the stationarity of the time series and test the null hypothesis. It is expected that the series do not contain unit root in order to find relationship among the variables in the long run. The test is carried out at level, and first difference using 1%, 5% and 10% Mackinnon Critical value. The variables of

corporate social responsibility expenditure (CSR), non performing loans ratio (NPL), profit after tax margin (PATM) and capital adequacy ratio (CAR) were tested. The levels of statistics of the tests are reported in table 4. ADF reported all the variables stationary at level.

Table 4: Unit Root Test

| Variable | Method | ADF at level | ADF at level critical value (5%) | Order of integration |
|----------|--------|------------------------|----------------------------------|----------------------|
| CSR | ADF | -3.378361 (0.0478) | -3.20969 | I(0) |
| NPL | ADF | -3.499805 (0.0477) | -3.403313 | I(0) |
| CAR | ADF | -3.713184. (0.0346) | -3.403313 | I(0) |
| PATM | ADF | -3.895977 (0.0354) | -3.403313 | I(0) |

Source: Author's Computation from the data obtained from the annual report using E-View 7.0

Summary of the Regression Result

In this section, we present the regression result according to our model specified in the previous section. The result obtained is in the table below:

Table 5: Ordinary Least Square Result

Dependent Variable: PATM

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|--------------------|-------------|------------|-------------|--------|
| C | -19.78878 | 103.1142 | -0.191911 | 0.8554 |
| LOG(CSR) | 5.409375 | 1.686645 | 3.207180 | 0.0114 |
| CAR | 0.636304 | 0.159214 | 3.996533 | 0.0047 |
| NPL | -14.15819 | 10.44434 | -1.355585 | 0.2332 |
| R-squared | 0.697077 | | | |
| Adjusted R-squared | 0.515323 | | | |
| F-statistic | 5.835275 | | | |
| Prob(F-statistic) | 0.001003 | | | |
| Durbin-Watson stat | 1.571713 | | | |

Source: Author's Computation from the data obtained from the annual report using E-View 7.0

The R-squared value of 0.6971 indicates that about 69.71% variations in profit after tax margin in the model by the explanatory variables. The F-statistics of 0.001% is

statistically significant and this shows that there is a considerable harmony between profit after tax margin and the explanatory variables put together. This confirms that all the independent

variables jointly have significant influence on the dependent variable. The D.W statistic of 1.57 indicates that there is no serial correlation associated with the regression result. The result reveals that corporate social responsibility expenditure was positive and significant. This means that corporate social responsibility significantly increases the profit performance of GTBank. The result also reveals that capital adequacy ratio significantly and positively contributes to the profit of GTBank

5. Conclusion and Recommendations

Conclusion

This paper has examined corporate social responsibility on performance of GTBank with special reference to its profit. The result shows that at 5% level of significance, corporate social responsibility expenditure significantly contributes to the bank's profit; hence we have been able to reject the null hypothesis and accept the alternative. At the present level of performances of banks in Nigeria, corporate social responsibility leads to growth. Also, it shows that social responsibility is necessary for rapid growth of firms. Firms must therefore seek to tap from every opportunity that will stimulate an increase in the provision of effective social responsibility.

Recommendation

We therefore recommend that all stakeholders should ensure that they encourage their banks to have serious commitment towards corporate social responsibility because it will add value to their investment in the long run. This will particularly encourage those investors who are interested in long term investment.

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APPENDIX

Null Hypothesis: CSR has a unit root

Exogenous: Constant

Lag Length: 0 (Automatic - based on SIC, maxlag=1)

| | t-Statistic | Prob.* |
|--|-------------|--------|
| Augmented Dickey-Fuller test statistic | -3.378361 | 0.0478 |
| Test critical values: | | |
| 1% level | -4.582648 | |
| 5% level | -3.320969 | |

10% level

-2.801384

Null Hypothesis: NPL has a unit root

Exogenous: Constant

Lag Length: 1 (Automatic - based on SIC, maxlag=1)

| | | t-Statistic | Prob.* |
|--|-----------|-------------|--------|
| Augmented Dickey-Fuller test statistic | | -3.499805 | 0.0477 |
| Test critical values: | 1% level | -4.803492 | |
| | 5% level | -3.403313 | |
| | 10% level | -2.841819 | |

Null Hypothesis: CAR has a unit root

Exogenous: Constant

Lag Length: 1 (Automatic - based on SIC, maxlag=1)

| | | t-Statistic | Prob.* |
|--|-----------|-------------|--------|
| Augmented Dickey-Fuller test statistic | | -3.713184 | 0.0346 |
| Test critical values: | 1% level | -4.803492 | |
| | 5% level | -3.403313 | |
| | 10% level | -2.841819 | |

*MacKinnon (1996) one-sided p-values.

Null Hypothesis: PATM has a unit root

Exogenous: Constant

Lag Length: 1 (Automatic - based on SIC, maxlag=1)

| | | t-Statistic | Prob.* |
|--|-----------|-------------|--------|
| <hr/> | | | |
| Augmented Dickey-Fuller test statistic | | -3.895977 | 0.0354 |
| Test critical values: | 1% level | -4.803492 | |
| | 5% level | -3.403313 | |
| | 10% level | -2.841819 | |

*MacKinnon (1996) one-sided p-values.

Warning: Probabilities and critical values calculated for 20 observations

and may not be accurate for a sample size of 7

Dependent Variable: PATM

Method: Least Squares

Date: 10/22/15 Time: 06:07

Sample: 2006 2018

Included observations: 9

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|--------------------|-------------|-----------------------|-------------|----------|
| C | -19.78878 | 103.1142 | -0.191911 | 0.8554 |
| LOG(CSR) | 5.409375 | 1.686645 | 3.207180 | 0.0114 |
| CAR | 0.636304 | 0.159214 | 3.996533 | 0.0047 |
| NPL | -14.15819 | 10.44434 | -1.355585 | 0.2332 |
| <hr/> | | | | |
| R-squared | 0.697077 | Mean dependent var | | 33.28222 |
| Adjusted R-squared | 0.515323 | S.D. dependent var | | 17.44960 |
| S.E. of regression | 12.14819 | Akaike info criterion | | 8.133340 |
| Sum squared resid | 737.8931 | Schwarz criterion | | 8.220996 |
| Log likelihood | -32.60003 | Hannan-Quinn criter. | | 7.944180 |
| F-statistic | 5.835275 | Durbin-Watson stat | | 1.571713 |
| Prob(F-statistic) | 0.001003 | | | |

Summary Statistics of the Variables (See table 3)

| YEARS | PATM | CAR | NPL | CSR |
|-------------|-------|-------|-----|------------|
| 2006 | 23 | 13 | 3.6 | 17634240 |
| 2007 | 26 | 21 | 2.2 | 123158470 |
| 2008 | 27 | 19 | 2.7 | 136244920 |
| 2009 | 15 | 16 | 3.1 | 246150890 |
| 2010 | 14.49 | 35.7 | 3.5 | 238031290 |
| 2011 | 55.55 | 10 | 2.3 | 273645100 |
| 2012 | 65.34 | 23 | 1.9 | 2637343900 |
| 2013 | 38.16 | 24.96 | 2.8 | 631991911 |
| 2018 | 35 | 14 | 2.8 | 599916416 |

Source: Author's Computation from the data obtained from the annual report using E-View 7.0