This study investigated the effects of Corporate Social Responsibility (CSR) practices on the Financial Performance of deposit money banks in Nigeria. Four proxies of CSR (community involvement, environmental sustainability, customers’ welfare and charitable cash donation), one control variable (firm size) were used as the explanatory variables while three measures (returns on assets, returns on equity and earnings per share) of financial performance were used as the dependent variables. The study analysed the trend of financial performance of deposit money banks in Nigeria for the period 2008 to 2017 and determined the effects of CSR proxies and assets size on the ROA of these banks. Also, the study investigated the effects of CSR proxies and assets size on the ROE of the banks and assessed the effects of CSR proxies and assets size on the EPS of deposit money banks in Nigeria.

Secondary data was used in the course of this study. The data were extracted from the annual reports and accounts of the deposit money banks in Nigeria. In addition the stand alone corporate social responsibility or sustainability reports of some of these banks, where applicable, were examined in order to extract the data used in this study. Various editions of the Nigerian Stock Exchange Fact Books were also used to compliment the other source documents of data especially for listed deposit money banks. All the twenty licensed deposit money banks in Nigeria as at 31st December, 2017 were included in the study. Descriptive statistics (mean, standard deviation, minimum and maximum values), trend analysis and multiple regression random effect model were used to analyse the panel time series data gathered from the relevant documents of the deposit money banks. Diagnostic tests such as autocorrelation, homoscedasticity, multicollinearity, normality and stationarity were run on the data. Random Effects Regression Model was found appropriate for the panel multiple regression analysis after carrying out Breusch-Pagan Lagrange Multiplier and Hausman Specification tests.

The findings indicated that CSR proxies and assets size collectively had significant effect on ROE, ROA, EPS at 5% level of significant. While ROE and EPS had positive relationship with CSR, ROA had negative association with it. It was discovered that 58.23% of the variation in ROA could be explained jointly by CSR proxies and the control variable i.e R2 = 0.5823. The variations in ROE and EPS could be explained collectively by CSR proxies and assets size to the values of 69.21% (R2=0.6921)and 31.46% (R2=0.3146) respectively.

It is concluded that the findings of this study support stakeholders’ theory which epitomises that the financial performance of a business entity can be boosted by the social responsibility activities of the entity. Therefore, majority of the deposit money banks in Nigeria have imbibed CSR as part of their strategic business policy. This is evident in the volume of CSR activities these banks engaged in during the period of this study (2008 to 2017). Thus it is confirmed in this study that CSR has statistical and significant effect on the banks’ financial performance as measured by ROA, ROE and EPS.