



The Portuguese banks are grounded: A view of evolution, performance and CSR on the big five Portuguese Banks

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Abstract

Title: The Portuguese banks are grounded: A view of evolution, performance and CSR on the big five Portuguese Banks

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The financial crisis in Portugal has brought profound changes. The Portuguese standard of living and the banking health has decreased considerably, and with it, the confidence in the sector. It is fundamental for the proper functioning of the country's economy that there is complete restructuring not only within the banks but also in people's trust of the sector.

This dissertation aims to study how the Portuguese perceive the Portuguese banking sector and its Corporate Social Responsibility. The study is divided into two components, the analysis of general banking perceptions and the analysis of the perceptions of five different banking entities: BPI, Caixa Geral de Depósitos and Millennium BCP, Novo Banco and Santander. In order to make this possible, a questionnaire was carried out and analyzed based on quantitative and qualitative data.

The results reveal a deep dissatisfaction with the banking sector, with its performance, evolution and lack of social responsibility initiatives. The adoption of CSR initiatives are fundamental to the perception of the banking evolution. Findings show that the more the population believes the banks are playing an active and environmental role, the more people recognize its initiatives as genuine and not for marketing purposes.

Keywords: Corporate Social Responsibility, banking sector, perception, awareness, trust, evolution, performance.

Resumo

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A crise financeira em Portugal trouxe profundas alterações. O nível de vida dos portugueses e a saúde bancária diminuiu consideravelmente, e com ela, a confiança no sector. É fundamental para o bom funcionamento da economia do país que haja uma reestruturação completa não só nos bancos, mas também, na confiança dos indivíduos para com eles.

Esta dissertação tem como objetivo estudar de que forma os Portugueses percecionam a banca Portuguesa e a sua Responsabilidade Social Corporativa. O estudo divide-se em duas componentes, a análise das perceções da banca em geral e a análise das perceções de cinco entidades bancárias diferentes: BPI, Caixa Geral de Depósitos, Millennium BCP, Novo Banco e Santander. Para que tal seja possível prossegue-se à realização de um questionário e á sua análise com base em dados quantitativos e qualitativos.

Os resultados revelam um profundo descontentamento com o sector bancário, com a sua performance, evolução e responsabilidade social. A adoção de iniciativas de CSR são fundamentais para a perceção da evolução da banca, uma vez que a perceção da evolução é mais favorável quanto mais a população acredita que esta tem um papel ativo e fundamental a nível social e ambiental e classifica a as suas iniciativas como genuínas e não com propósito de marketing.

Palavras-Chave: Responsabilidade Social Corporativa, sector bancário, perceção, sensibilização, confiança, evolução, performance.

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List of Abbreviations

BCP – Millennium BCP

BES – Banco Espírito Santo

BPI – Banco Português de Investimento

CGD – Caixa Geral de Depósitos

CSR – Corporate Social Responsibility

ESS – European Social Survey

NB- Novo Banco

OCDE - Organization for Economic Co-operation and Development

P – P-value

SB – Santandized coefficient beta

PIB – Produto Interno Bruto

Introduction

In early 2007, the world faced an economic crisis whose epicenter was the United States of America. An extreme ease in obtaining credit and abnormally low interest rates created a scenario of instability that radically changed the world and the level of life. It was not long before this crisis floods Europe, with great impact on Portugal. At the peak of the crisis, on average, fifty-two bankruptcies were declared per day, and taxpayers saw the state bailing out banking institutions that were partly responsible for the tragedy (CES, 2013).

In the ten years that the crisis haunted Portugal, the state spent more than 13 billion euros to rescue the financial system. The consequences of this crisis were extremely damaging to the population, many jobs were lost, taxpayers lost their lifelong savings at banks, wages were lowered and the level of sadness and despair shook the relationship with the banking system. The crisis still leaves a huge trail of destruction and the customer distrust is a liability that banks should try to get around. Without a healthy, vigorous, and trustworthy financial sector, it's near impossible to have a good, structured economy (Gonçalves, 2015).

Nowadays banks offer most of the same products, leaving a small room to compete. The big banks are watching their profits luring with new companies like fintech's appearing in the market, with lower costs and better service. Once the big traditional banks are not globally known for their ability to differentiate, they mainly compete for customers. Therefore the customer relations and a positive perception in the society is the best competitive advantage a bank can have. The reputation and perception of a bank is now a key element in distinguishing the different banks (Safeena, 2011). For a healthy and viable restructuring of the banking sector it is necessary to create a positive perception in order to attract new customers while retaining old ones, thereby increasing market share and profit (Lam & Burton, 2006).

With the current panorama of recurring scandals and bankruptcies, the Portuguese banking sector has never been so badly portrayed and publicized by media channels. It is imperative for the industry to find a way to improve its image, and once consumers are socially responsible and have high expectations about companies' actions and their results (Mohr, Webb, & Harris,

2001), acting in a more responsibly way, trying to minimize the negative impacts and creating initiatives that can improve the society inserted, could help the much needed restructuration.

CSR initiatives can be an important mechanism for regulating the Portuguese banking perceptions, particularly when there is an alignment between CSR actions and the values of the organization. By introducing them, banks could prevent and restore brand issues, reputation, and brand equity (Silver & Berggren, 2010). Therefore, CSR initiatives can help banks model community perceptions of Portuguese banking but also and not least, they can help the banking industry to (re)align its activity with these initiatives and become more sustainable (Lock & Seele, 2015).

There has been little research on the effects of CSR in the banking industry and its customers (Pérez & del Bosque, 2013). Even though CSR is gaining disclosure, Portuguese society is not very acquainted with the concept or its importance. Portugal was not as fast as the majority of other industrialized countries to understand and embrace the concept, but consumers are already pressuring companies to act more sustainably (Latapí Agudelo, Jóhannsdóttir, & Davídsdóttir, 2019).

This study aims to understand how Portuguese consumers perceive the five biggest banks' performance, evolution and Corporate Social Responsibility initiatives, their knowledge on the concept, and their trust in the industry. The five largest banks operating in Portugal were chosen according to the indicator: net interest income (APB, 2017). Thus, the chosen banks for analysis, in descending order, are: Santander, Caixa Geral de Depósitos, Millennium BCP, Novo Banco, and BPI. From now on this group will be mentioned by “Big Five”.

After presenting the research field and the research question, the relevance is discussed. The next chapter consists of a comprehensive literature review on Corporate Social Responsibility in the context of the Portuguese banking industry. Subsequently, the methodology is presented, with an extensive presentation of the collected qualitative data and an analysis of the quantitative measures. In the fourth chapter, the results are conferred and consequently, the discussion is presented to enable a connection between the findings and the literature. The conclusions section consists of a summary of the critical data and a final review of all the significant findings. Finally, in the limitations and future research chapter, the restrains of this dissertation are explained and what path further research should take to enrich the subject and explore the phenomenon.

Literature review

CSR historical perspective

Social Responsibility was first given importance in 1953 when Howard Bowen described a businessman as someone that had responsibilities further than its legal obligations (Porter & Kramer, 2002). Bowen questioned the leaders' decisions, believing they should take the impacts of the chosen strategies in society into consideration. A decade after, the concept was established as Corporate Social Responsibility, as an attempt to create a broader social system (Carroll, 1999).

Friedman, a firm disbeliever of CSR, defended that the primary and only duty of business was to generate, legally, as much profit as possible and only the state had obligations towards the society (Friedman, 1970). Simultaneously, and in contrast, McGuire advocates that a company that only complies with financial and legal requirements, is not responsible. It is mandatory to be considered socially responsible, to take into consideration all the surrounding society (Waddock & Tribó, 2009).

Since the beginning of CSR, the concept has suffered considerable alterations, and it is in the last century that we can find the most relevant changes and additions to the concept, especially in the '70s (Husted & Allen, 2007). Even though, for some authors, socially responsible initiatives are the ones that answer the society needs (Smith, 2001), two different socially responsible actions were defined; not doing anything that may harm the society (passive action) and, act in a way that helps solving the society issues (active action) (Parket & Eilbirt, 1973).

It is not enough for a company to obey the legislation once it is mandatory. A socially responsible company has to go beyond the law requirement, and its initiatives should create a positive turnover for society. Nowadays, compliance with the law requirements and generating profit activities have lost awareness in the CSR scope once it is ambiguous if the activities come from an altruistic state or if they are only respecting the law (McWilliams & Siegel, 2001). The social responsibility of a company starts to be measured after all the legal requirements are fulfilled, not considering them (Davis, 1973).

Until the '80s, the main concern was to create the right and precise definition of the concept, but with the arriving of this decade, the focus changed to its operationalization: how to act responsibly without harming the financial situation of the company. With this

operationalization, new notions emerged, and a relation between the socially responsible initiatives and the financial performance of a company was found, meaning companies could transform social issues in revenue (Cochran & Wood, 1984). Social responsibilities and financial performance, were now considered interdependent (Drucker, 1984).

At the end of the XX century, CSR become more recognized and prestigious. Companies were now disclosing their information regarding CSR performance periodically. The community and other companies could see what progresses a company was doing, and in what ways it was helping the society (Wang, Takeuchi, & George, 2016). But the biggest revelation of the '90s was the pyramidal model, introducing a company's social obligations divided into four steps. For Carroll (1999), the role of a company was generating value through services or products, creating profit, and benefiting society. The pyramid was designed to explain the concept, being the base the most important to be a full field - economic responsibilities - once businesses are created to generate profit. The second is legal, meaning companies need to follow the regulations, ethical, having norms and requirements that demonstrate an interest in what people recognize as just and honest. Last, in the pyramid, we have philanthropic responsibilities; since people expect a business to act in a way that advocates goodwill fully. Both economic and legal responsibilities are demanded by society, where ethics are expected, and philanthropic is craved (Archie, B. & Carroll, 1991).

Clarkson also gave a significant contribution to the subject, creating the stakeholder theory. This theory advocates for liable corporate actions to all individuals that are affected or affect corporate decisions (Clarkson, 1995). In this sense, the manager's duty is not only satisficing the shareholders but to please different stakeholders, managing to find a joint base to all needs and demands.

Nowadays CSR initiatives are critical to the success of any business. Millennials have proven to be a generation with genuine interests in existing problems, striving for companies to play an active role in their disruption. Consumers today are more concerned than ever with the welfare of society with 91% of the population admitting to expecting responsible behavior helping to solve social and environmental problems with 84% of them arguing that it has a decisive role in choosing between two products or services (EcoVadis, 2018). Companies that made CSR an essential part of their mission perform significantly better, with up to 19 times higher return on assets, better worker satisfaction and service. to the client, when comparing with companies that have not yet joined these initiatives. Companies that want to survive and

entice the new generations are forced to join CSR initiatives, the world is not facing a trend but a paradigm shift where companies are required to protect the society in which they operate (Gerner, 2019).

CSR perceptions

CSR is already a complex term, it has different strands and changes for each business we analyze, so when we talk about CSR perceptions, we are dealing with an even more compound term (Rivera, Bigne, & Curras-Perez, 2016). How a customer perceives a company's CSR is of extreme importance because these perceptions enhance the value and utility and ultimately increase satisfaction and loyalty (Maignan & Ferrell, 2004).

The customer's perceptions of a specific company can create positive impacts in economic and non-economic ways. So, CSR initiatives will bring more advantages to the consumers leading to a satisfaction increment (He & Li, 2011), and to the company once customers are more inclined to connect to a company that is devoted to environmentally-friendly and ethical causes (Barone, Miyazaki, & Taylor, 2000).

CSR in the banking industry

The relation between CSR initiatives in the banking industry and their client's perceptions is not yet studied in depth (Pérez & del Bosque, 2013). CSR is crucial to the banking business once it can help restore credibility and prevent brand obstacles (Silver & Berggren, 2010). Nevertheless, the industry is perceived as one of the riskiest industries, therefore competitive advantage of its CSR initiatives can be less visible and direct than other industries (Hsu & Cheng, 2012).

In recent years the concept of CSR has gained a lot of importance in various sectors, especially in banking (Singh, Srivastava, & Rastogi, 2013). In the scenario of destruction caused by the crisis, banking institutions have two primary benefits of adopting CSR initiatives. At a macro level, institutions have the possibility to reduce their environmental footprint and improve the living conditions of society and at a micro level, improve their image and regain lost confidence. This culminates in a final benefit because the adoption of CSR initiatives forces banks to be

aligned both culturally and organizationally to the chosen causes, making the institution more sustainable (Deng & Xu, 2017). Banks have become globally required to act responsibly by introducing various programs in educational, cultural, and environmental areas (UNEP, 2019).

There are different stakeholders to take into consideration when analyzing the banking industry CSR. Shareholders expect profit maximization, depositors foresee advantageous liquidity maintenance, borrowers want credit provisions, and lastly, following the laws and regulations, social development is everyone's interest (Jamali, 2008). Banking CSR relies upon several essential components, risk management, knowledge of the complexity of financial services, business ethics, owning a plan in case of a financial crisis, having a strong position in protecting costumers' interest, and conduct the costumer's complaints (Yeung, 2011).

When analyzing the banking industry's CSR performance, it is necessary to evaluate its corporate activities. These activities need to display "the inclusion of social, economic and environmental concerns in business operations, and in interactions with stakeholders, also according to the ambition levels of corporate sustainability" (Van Marrewijk, 2002). It is also essential to consider the professionalism of its employees, how vigorous and assertive the code of ethics is followed, an elevated level of transparency, and increasing the community sustainability (Graafland & van de Ven, 2011).

There are different approaches to whether or not CSR initiatives and its perceptions have an impact on customers' loyalty with a particular bank (McDonald & Lai, 2011). Once mediating variables such as satisfaction and identification with a specific bank were studied, the results showed a positive correlation. Meaning, CSR perceptions do have an impact on consumers' behaviors (Garcia de los Salmones, Perez, & Rodriguez del Bosque, 2009).

The same motivations and potential benefits apply to any company for embarking on CSR initiatives. These motivations are divided into altruistic and strategic ones (Lantos, 2001). Not only would companies be fulfilling a moral obligation to contribute to society, but they would also be improving their performance (McWilliams & Siegel, 2001), once it is proven that companies which make public their CSR results are compensated for by a performance improvement and increased attention from consumers (Margolis & Walsh, 2011). At this point, the most important factor for banks is to improve their reputation and ensure positive performance and since performance correlates with customer quality and quantity, we find a cause-effect on performance-reputation. A good reputation holds old customers and entices new ones, inevitably generating a superior financial situation (Wong, 2015).

In addition to the well-known financial report, banks also produce a non-financial report in which they list and explain their initiatives and results. In 2014 it became mandatory for the European Union countries to publicly share these reports for the creation of a transparent industry. Although there are several ways to report results, making it difficult to compare institutions this is one way to convey the achievements to society (Karagiorgos, 2010). Through these reports companies have the chance to improve relationships with different stakeholders as well as reduce the high risk associated with the sector (Botshabelo, Mbekomize, & Phatshwane, 2017). The added value that CSR initiatives bring makes their adaptation increasingly recurrent and publicized (Porter & Kramer, 2002).

The way individuals perceive banks' CSR initiatives lead to their identification with the bank. The ideas that individuals build over time are not changed just because they know of certain CSR initiatives, but by a continuous process that seeks stability and honesty (Marin, Ruiz, & Rubio, 2009). Participation in CSR activities has a positive outcome if consumers associate them with the company's values and culture (Madrigal, 2001). On the contrary if the initiatives are perceived as an attempt to boost the corporate image it will have the opposite effect. Although improving the bank's image is a coveted result, it cannot be the cause of the initiatives. The reason and center of these initiatives has to be the various stakeholder groups, with honest motivation the bank's perception will improve, ultimately leading to intended result (Clarkson, 1995).

The Portuguese Banking Case

The financial crisis settled in Portugal in 2010 and left a trail of destruction when it was officially lifted in 2014. The crisis was nothing but an extension of the subprime global crisis that began in 2007 (CES, 2013). The crisis has not only affected the financial sector, but also had its disastrous consequences for the real economy, inevitably damaging public finances. Governments in affected countries saw actions that revealed profound structural limitations (Braga & Vincelette, 2011). These limitations have increased inequality and public debt. The total fragmentation of the eurozone economy has placed Portugal on the spectrum of the worst affected countries. As a result, in 2011 it was necessary to request a ransom from the Troika, i.e., European Central Bank, European Commission and International Monetary Fund (Banco de Portugal, 2013). During the austerity period, Portugal experienced deep cuts in basic services, wages and subsidies, and increases in taxes and contributions. Immigration soared,

averaging 110,000 people a year, and the economy suffered recurring recessions until 2015. When Troika and its program left Portugal, the unemployment rate was over 15% and there was a reduction of around 7% in wealth during its operation. From 2008 to date the net cost of bank aids has exceeded 17 billion, the government has been forced into debt to help restructure banks once the recapitalization and bailout of CGD, BPN, BANIF, BES, BCP, Barclays. In 2014 the end of the financial crisis was declared, but the reputation of the banks was badly affected. Although in light of the numbers banks had used fewer public resources than the rest of Europe for a gradual recovery, resulting in a positive survival from the crisis, the entire population does not understand it that way. In this year there were already improvements in the banking sector, with positive liquidity, lower credit and interest rates than in the previous period and higher than expected capital ratios. Unfortunately, later this year BES crisis exploded, damaged the entire system, not only injuring the reputation of the entire industry, but bringing huge costs and asset losses to thousands of clients resulting in a cut in taxpayer confidence with the government, banks and politicians (Alves & Matias, 2014).

Banks are required to have CSR initiatives, and are pressured to develop further. But CSR should not just be another obligation as it brings real benefits to the sector. Although it is fragile, it remains fundamental to a stable and prosperous economy, and through the continued adoption of initiatives, many aspects can be improved (Scholtens, 2009). In Portugal banks can see these actions playing an imperative role in restoring confidence and consequently improving performance. Banks would not only be giving voice to projects of greater importance to society, but they would also be creating profit through improved risk management, employee satisfaction and loyalty, as well as associating a cause with the bank's values, showing that not just numbers make a good bank.

Given that Portugal is in a weak position regarding banking, this dissertation aims to characterize consumers' perceptions of it, namely in terms of performance, evolution and CSR both in general and in each of the Big Five. It also aims to explore which, if any, CSR perceptions influence consumer perceptions of evolution and performance.

Method

Sampling

A total of 301 responses were collected in the course of two weeks. Out of the 301, eleven were disregarded, only taking into analysis the Portuguese respondents (see Appendix Table 1). Therefore, the analysis was conducted with a sample size of 290 participants. Respecting gender, 51.4% of the respondents identify as male (see Appendix Table 2). The age distribution has a wide range, being the youngest 18 years old and the oldest 89, a range of 71 years and a mean of 43,4. Categorizing into intervals, 26% is between 18 and 29, 21% between 30 and 40, 13% between 41 and 50, 25% between 51 and 60, and 15% between 61 and 89 (see Appendix Table 3). When asked about their living area, 81% of the respondents are from an urban area, 15% from a suburban area, and only 4% from a rural area (see Appendix Table 4). Regarding current occupation, 74% of respondents are working, 13.4% are still studying, 3.4% are unemployed, 8.8% retired and last, 0.3% are disabled (see

Appendix Table 5). Respondents have a high level of education since 11% are currently enrolled in a bachelor's program, and 77% have a bachelor's degree or higher (see Appendix Table 6).

Describing the sample financial situation, 47% consider that their income allows them to live comfortably, 43,5% can live with it, and only 9.5% agree that it is either difficult or very difficult to live only with the current income (see Appendix Table 7). When asked about their contribution to the household income, 47.5% agrees that they are the member that contributes more, 24% believes they are in the same level of the other members, and 28.5% say that they are the member that contributes less (see Appendix Table 8). Clustering household monthly income, according to ESS monthly Showcard measurements, 71% position themselves in the 3 highest positions, with 37% having an income superior to 3038€, and only 6% believe they belong in the tree first categories, with a total income inferior to 951€ (see Appendix Table 9).

Procedure

This section consists of a comprehensive characterization of the chosen methodology and procedures used to study the research question. First and foremost, the research approach is

described. Subsequently, we find an exhaustive explanation of the data collection, sampling, instruments, measurements, and finally, data analysis.

The instrument chosen to collect the data was a self-completion questionnaire, and the data was collected using non-probability sampling techniques, i.e., convenience sampling (Saunders, Lewis, & Thornhill, 2009). The data was collected by an online questionnaire, built with Qualtrics, and it was distributed via social media, namely Facebook, WhatsApp, LinkedIn, and email.

Instrument

The survey consisted of 46 questions, divided into seven sections. The survey was firstly constructed in English but was later translated and available in Portuguese, once this study was designed to study the Portuguese population (the English version of the survey can be found in the Appendix, section I). Both the English and the translated version were revised and approved in terms of content quality and translation by one academic and later by two focus groups in a pre-test mode.

The sections in which the survey was organized by, were:

- i) Socio-demographics (6 items);
- ii) Perceived CSR Performance in the Portuguese banking system (13 items);
- iii) Personal finance (5 items);
- iv) Banks perceptions for the Big Five (12 items);
- v) Bank evolution for the Big Five (5 items);
- vi) Other demographics (4 items);
- vii) Survey performance measures (1 item).

The survey was programmed in a way that respondents could not change questions once the question block was submitted and could not progress to the next section without filling out every question in the present one. To enable the survey's execution, it was necessary to conduct a literature assessment. With this was possible to choose the adequate and reliable measurement scales. The constructs were, mainly, adopted in the original form, but some suffered changes slightly to fit the industry and theme (see Appendix Table 12).

Socio-Demographics: The first block of questions reunited the respondent's information through six basic demographic questions: gender, age, nationality, area of residence, current occupation, and the highest level of education completed.

Perceived CSR Performance: Respondents were asked about their perceived CSR knowledge, evaluated using a 4-point Likert scale where 1=high and 4=none. This question was followed by a brief text composed of some examples of CSR initiatives to ensure the respondents were on the same page when answering the next questions. After the text, the same question about CSR was done, using the same scale to observe alterations in the perceived knowledge. Respondents were now asked about the level of agreement with 10 statements, using a 5-point Likert scale, where 1=totally disagree to 5=totally agree. The ten statements were chosen after a narrow literature assessment, built based on previously conducted studies used in its integral form or, when needed, adapted. Six researchers influenced this block of questions being Ellen (2006) and Salmones (2009) studies the ones relied on more, but also other researchers had a vast contribute: Maignan (2001); Turker (2009); Becker-Olsen (2011); and Mohr and Webb (2001). Perceived CSR Performance was measured at the Portuguese banking system level.

Personal finance: In this section, respondents had five questions, where they were asked if they have a bank account, if so, for how long, in which banks they do, their level of dependency with it, and the kind of products (if any) they possess. This block of questions was firstly created by EY annual report (2019).

Banks' perceptions: Twelve questions were constructed, measuring 5 different bank dimensions. Respondents were asked to choose from the five banks, which they consider the most socially responsible and the least. The structure of these questions was heavily influenced by Marin (2009). Each of these questions were followed by an open question asking for the justification, the open-ended questions were later coded using thematic content analysis, categorizing the answers in groups of responses, enabling to interpret the results by bank and by motive. Four categories with 8 questions were made, measuring the most/least focus on its clients and their needs, ethic, risky, and trustworthy. These measurements were created and used by Becker-Olsen (2011) and Ricks (2005). All questions had the same possible scale of answers, being the 5 studied banks. With these questions, an index of global performance for each of the Big Five was computed in order to allow a correct ranking of the banks. For that, anytime someone has chosen a bank as "the best" the bank gets "1", and whenever a respondent has chosen a bank as "the worst" that bank gets "-1", and whenever someone has not chosen a

bank (i.e., neither the best or the worst) this bank gets "0". Thus, the performance indicator can range from -5 (the bank is always chosen as the worst) to +5 (the bank is always chosen as the best), with 0 meaning that the bank was never chosen or so often chosen as better than worse (as the values override).

Bank evolution: Respondents were asked to compare the Big Five Banks' actual overall performance to ten years ago, before the financial crisis hit Portugal, to evaluate their perception and compare it with the actual results. The measurement scale used was a 5-point Likert scale where 1=much better and 5= much worse. A global bank evolution measure was created with the average of the ratings for each of the Big Five Banks.

Other demographics: Four demographic questions were saved for last because the respondent would be more comfortable and willing to reply rather than at the beginning of the survey. Also, it is a way of cooling down respondents from the previous, heavy questions. Political orientation was the first question, using a 10-point scale where 1= Extreme Left and 10= Extreme right, used by Breyer, B. (2015). Four sentences constructed by OECD (2011) were presented to which respondents had to pick one to represent the best their financial situation. The monthly household income question had 10 possible choices, and the level of contribution was measured using a 3-point scale where 1= I'm the member that contributes the most to 3= I'm the member that contributes the least; both questions were extracted from ESS5 Portugal Showcard (2018).

Level of confidence: With only one item, respondents were asked to evaluate their level of confidence with the given answers to the survey, using a 4-point Likert scale, where 1= high and 4= none, adapted from Foddy. W. (1994).

Survey Pre-test

A pre-test was conducted to assess the question content and coherence, estimated duration, and questionnaire flow. The questionnaire was distributed to 10 people in two different groups. Feedback was gathered resulting in minor revisions and of wording and measurement.

Data Analysis

Data was processed using the statistical program SPSS version 25 and the tables and graphs were assembled using Excel version 16.18. The two open-ended questions were subjected to a thematic content analysis to enable their interpretation. Composite measures were tested using exploratory factorial analysis and Cronbach alphas. Initially, all variables were described using univariate and bivariate descriptive statistics. The predictors of bank performance were studied using multiple linear regressions. The conditions to apply parametric tests for statistical inference were assessed (Field, 2009). The data shows that there is no multicollinearity between the predictors in the regression. The data also shows that there are no extreme cases (two times the inter-quartile distance). Finally, visual inspection of distribution of the residuals of the regression models (final step) show small deviance from normality.

Ethical Considerations

Ethical considerations were taken into consideration when formulating the survey outline. It is essential to maintain the respondent's anonymity, especially when dealing with fragile questions as personal finances and beliefs (Bryman & Bell, 2007). Before the survey starts, respondents were informed that all their information is confidential, not allowing identification of any kind, used only for academic purposes. The survey was only distributed to adults (i.e., over 18 years old).

Survey performance

Responding times superior to what is reasonable were excluded, rejecting the cases that closed the survey and moments later finished it, deliberating a maximum of twenty minutes to complete the survey. On average, respondents spent 9 minutes completing the survey. Frequency distributions show that most participants took between 5 and 10 minutes (see Appendix Table 10).

After the first block of demographic questions, respondents were questioned about their perceived CSR understanding. 18.6% of respondents believed they had high knowledge about the concept, while 46.2% positioned themselves as moderate. 30.7% chose low to represent

their knowledge, and, finally, only 4.5% believed they had none. After, a small text was presented, with brief examples of CSR activities, hoping to position the respondents at the same pace for the next block of questions. This text took, on average, 30 seconds to read (excluding respondents that stayed in the page less than 10 seconds - 19.7% - or that spent more than two minutes - 1.4%). Reading the text improved knowledge perceptions with 26.6% of the participants choosing a high understanding, 58% moderated, and only with one respondent no knowledge (see Appendix Table 11).

The results for the survey performance questions show that 41.4% of the participants were highly confident with their answers and 50% moderately confident.

At the end of the survey, there was a comment box where respondents had the option to leave their thoughts. In this box, 55 people left some structured notes, either helpful for further research or their opinion in the banks and the survey. Nine respondents entered in direct contact, via email to ask for more information and showing their interest in this matter.

Results

The Portuguese Big Five

Performance Index

CSR Performance Index. A block of ten questions measuring banks' performance in five dimensions: CSR, ethics, trust-worthy, risk and client orientation. was conducted to understand respondents' perceptions of the different banks in different areas. In the first question, the respondents had to choose which of the five they consider more socially responsible and explain why. Caixa Geral de Depósitos was voted the most socially responsible by 38%, followed by Santander with 21.7% and BPI with 21.4%. As the worst bank in terms of CSR, Novo Banco was the one that reunited most attention with 53.1% of the votes, followed by Caixa Geral de Depósitos with 20.7% (see Table 1).

Table 1 - Most and Least socially responsible banks

Most socially responsible bank			Least socially responsible bank		
Bank	Frequency	%	Bank	Frequency	%
BPI	62	21.4%	BPI	13	4.5%
CGD	111	38.3%	CGD	60	20.7%
Millennium BCP	42	14.5%	Millennium BCP	26	9%
Novo Banco	12	4.1%	Novo Banco	154	53.1%
Santander	63	21.7%	Santander	37	12.8%
Total	290	100%	Total	290	100%

After the respondents chose an option, it was asked for a justification. With the answers to why the chosen bank was the most socially responsible, we were able to identify 11 different groups (see Appendix Table 13). Almost 22% of the respondents either did not know how to explain their answer or gave an invalid one. The justification that was given more often was Government relations representing 19.7% of total justifications. The respondents that chose CGD justified it as once it is the public bank; they have a lower priority in profit, bigger legal

and reputation obligations, and initiatives. The second most chosen category was: specific projects, agglomerating approximately 17%. In this group, Santander was the most named bank, followed by CGD. Respondents enumerated some of the bank's initiatives, being Santander recent 7.5€ million investment in CSR in Portugal and Culturgest the most popular (see Appendix Table 14).

When analyzing the justifications for why the chosen bank is the least socially responsible, twelve categories were recognized (see Appendix Table 15). The respondents that did not know how to explain or gave an invalid choice were approximately 34.5%. The most chosen category was recent scandals, representing 32% of the valid answers, all for the justification of Novo Banco. Respondents perceived Novo Banco as the least sustainable bank acknowledging that it is impossible to disassociate the scandals of the past with the new image of the bank. The bank was created by necessity, having no priority in social causes and lastly, a widely used argument, their attitude towards its injured clients by the commercial paper shows that they cannot even act responsibly towards their clients (see Appendix Table 16). The second most common justification was the lack of initiatives or its divulgation, with approximately 16%, where 10% is a justification for Novo Banco. The third most chosen category was profit orientation: respondents believed that the chosen bank preferred profit maximization as the ultimate goal, acting in a way that does not allow them to be sustainable. This category was chosen majority for Novo Banco and CGD.

It is interesting to analyze the different justifications for CGD, once it was the most voted as the most sustainable and voted as the second least responsible, simultaneously. Respondents that chose CGD as the most responsible justified with their government relations, but this was also a down factor as well. Respondents replied that the bank should have a bigger impact in the community, leading by example, what doesn't happen. The bank is also accused of corporate misrule and for being the puppet of politicians, being these incompatible with a solid social responsibility policy.

Other dimensions of the performance index. After the socially responsible questions, respondents were asked to name the bank that is the most and least focused on its clients and needs, being Santander the best with 31% of the votes and CGD the least with 37.6% followed by Novo Banco (32.4%) (see Appendix Table 17). When asked about the bank's ethics, CGD (27.9%) and Santander (27.6%) were almost tied in the first place, only differing by one respondent. BPI was the choice of 25.2% of the respondents, meaning respondents have a

positive perception of these banks' ethics, representing homogeneously, 80.7% of total respondents. As the least ethical bank, Novo Banco leads once again the ranking with 51.7%, followed by CGD with 21.7% (see Appendix Table 18) Once more, CGD is an inverse position, being the most voted as ethic and the second voted as the least ethic, meaning respondents have counter opinions relative to this bank. When analyzing risk, Novo Banco was elected the riskiest by 80% of the sample, and CGD was elected the least risky by 53%, followed by Santander (28%) (see Appendix Table 19). CGD was elected the most trustworthy bank by 40% pursued by Santander with 30%, and Novo Banco as the least trustworthy (71.4%) (see Appendix Table 20).

Overall performance index. To be able to rank the banks, an indicator was created considering the five dimensions in which the banks were rated. After conducting the analysis, we can conclude the ranking position of the banks from the best to the worst, in the respondent's perceptions. Santander has a stable first place with a sum of 267, followed by CGD, BPI, Millennium BCP, and last Novo Banco, being the only one with a negative-sum, -781 (see Table 2).

Table 2 - Overall ranking

Ranking	Bank	Sum	Average
1	Santander	267	0.92
2	CGD	203	0.70
3	BPI	178	0.61
4	Millennium	80	0.26
5	Novo Banco	-781	-2,70

Evolution

Respondents were asked about their perception of bank's evolution. Using a Likert scale, "much better-much worse" to attribute one of the choices to the five banks, when compared to 10 years ago overall performance (see Appendix Table 21).

Analyzing the respondent's perceptions of BPI evolution, 48% believe the bank continued the same, with 27% vowing for a positive evolution, while 25% think the bank is worse. Next, CGD had a negative panorama, 55.2% of respondents voted for a worse, while 27.6% believed it stayed the same and only 17.2% that improved. Millennium BCP, had 36% of respondents agreeing that the bank continued the same throughout the years, 26% believing it, and 38% voting for a worsened panorama.

Once Santander was selected as the bank with the greatest improvement and Novo Banco the one with the biggest retrogression in the respondent's perception It is worth exploring what may explain what influences the opposite perceptions of these banks.

Novo Banco was compared with former BES, with 73.2% of respondents to position the bank between somehow worse or much worse. 18.6% believed the bank continued with the same level of performance and 8.3%, considering the bank improved. This negative perception of evolution may be driven by the bank scandal and its bankruptcy. It is faster to turn a positive perception into a negative one than the other way around, and in this case the damage was so rapid that it was emptied (Urban & Pratt, 2000). It was proved that the bank formerly chaired by Ricardo Salgado disrespected Banco de Portugal twenty-one times in a period of six months, leaving the bank with irreparable damage. BES had become the largest financial institution in Portugal, making the shock even bigger when the lies that destroyed the vision of stability and created a lot of losses for certain clients were revealed.

Lastly, Santander was the bank with the biggest changes when looking at respondent's perceptions of improving, with 34% believing it improved and 48% believing it stayed the same. The bank was the first and only financial institution to receive global quality certification according to ISO 2008 standards and has made significant profits (IPQ, 2008). Additionally, it has been supporting and creating many causes and actions of social responsibility with media coverage, a large majority of which are known by the respondents who mentioned it in the open-ended question.

On average, respondents had a positive perception of BPI and Santander evolution, comparing today with ten years ago. Millennium BCP is a little below average, CGD and Novo Banco had a negative connotation on their performance.

Summary

Overall, the respondents have a negative perception of the bank's performance evolution, with a total average corresponding to the choice "somehow worse" when agglomerating all the bank's statistics.

Based on the open questions, we can take some useful insights. Respondents have a negative view of banks' motivations and values, defending that it is a corrupt industry and neither acts fully responsible, "simply ones are less harmful," quoting one respondent. We can understand these results based on past events that might have affected the population's confidence level with the banking system.

Observing the behavior and perceptions of the global population, it can be concluded that 77% believe that the performance of banking institutions do not fulfill the expectations, making it impossible to create the necessary confidence (PACE, 2018).

Whenever the banking system is struggling, consumers tend to view this as a weakness and associate a total poor bank performance (Parastoo, Sofian, Saeidi, Saeidi, & Alireza, 2015). Being such a fragile industry, after a period of crisis its image always suffers major transformations, negativity speaking, requiring time and work to be overcome (Canbas, Cabuk, & Kilic, 2005). That said, with the onset of the crisis, the general opinion about Portuguese banks has changed dramatically, requiring more time and an increased effort by the institutions for a paradigm shift.

Understanding Bank Performance

The objective of this section is to explore what variables among sociodemographic, relationship with banks, and CSR perceptions in Portuguese Banking are the best predictors of bank evolution and performance. We start by describing these variables and next move to the analysis of the predictors using backwards stepwise regressions. The predictors of performance are conducted both for the banking industry in general and for the Big Five.

CSR perceptions and personal finance

CSR perceptions. After the short text that respondents were asked to read, 11 questions were conducted to understand to what extent they agreed with the affirmations about the Portuguese Banking CSR practices' in general. With these 11 questions, we were able to extract 3 components that explained 64.7% of the total variance (see Appendix Table 22).

The first component - society and environment-based CSR - is composed of 7 questions and explains 40.6% of the variability in the initial 11 variables. Firstly, when asked if banks participate in activities that aim to protect and improve the quality of the environment, 45.5% of respondents disagree, with only 22% agreeing (see Appendix Table 23). Next, 46% disagree that banks implement special programs to minimize its negative impact, while 22% agree that the statement is true (see Appendix Table 24). Regarding future generations, two questions were made: if banks make investments to create a better life (see Appendix Table 25) and if banks target sustainable growth considering them (see Appendix Table 26), where 62.7% and 57% of respondents disagreed, respectively. A change in the pattern was found in the next question, when asked if banks contribute to campaigns and projects that promote the well-being of the society where 39% agreed with it, and 35.5% did not (see Appendix Table 27). When asked if the banks play a role in the society that goes beyond the mere generation of profits, half of the respondents disagreed (see Appendix Table 28). Lastly, when questioned if banks incentivize their employees to participate in volunteer work, the majority of respondents did not show a clear opinion with 51.4% choosing neither agree nor disagree (see Appendix Table 29). This component has an average of 2.72 points and $SD=0.74$, meaning that respondents somehow disagree that the banks act in such a way to benefit and protect the environment and society. In this component, contrasting from the rest, there is a large variance from the highest average (3.07) to the lowest (2.40), meaning that the average is not representative of all question results (see Table 3).

The second component – ethics-based CSR – is composed of two questions that explain an extra 15.24% of the total variability. Both these questions are related to the bank's ethics, either if they prioritize it (see Appendix Table 30) or ensure the minimum ethical principles are taken into consideration (see Appendix Table 31). Respondents have a clear view of the bank's position at ethical levels with respectively, 67% and 70% not agreeing with the statements. Looking at this component, we find a representative average. When considering the scale, the two questions gave us an average of 2.18 points and a $SD=0.81$, meaning respondents do not

consider that banks care about ethical concerns more than profit, always pursuing the last one, even if that means acting in a non-responsible way. These results are aligned with the given open justifications, showing a clear understanding of the bank's drives for profit maximization.

The third component – marketing and outreach-based CSR - is composed of two questions and explains 8.8% of the model. Both these questions are related to the bank's motivations to participate in some initiatives. When asked if banks are taking advantage of social causes to help their own business, 66% of respondents believe they are (see Appendix Table 32) and 80% of the sample agrees that banks participate in some initiatives only to get publicity (see Appendix Table 33). This component has an average of 2.18 in the inverted scale and a SD=0.72, meaning respondents believe that the motivations for responsible actions and initiatives are not altruistic, but a way to improve their overall image and overall profit generation.

Overall, the three components act similarly when explaining the respondent's perceptions. The respondents have a negative perception of the bank's initiatives, ethics and motives. Neither of the three components shows a positive impression, being the society block the one that respondents are more eager to believe. The sample is unanimous when perceiving the industry as negative when considering CSR.

Table 3 - CSR components averages and SD

	Society & environment	Marketing & Outreach	Ethics
Average	2.720	2.182	2.179
Standard Deviation	0.739	0.724	0.814

Personal Finance. A block of questions related to personal finance was made to identify important aspects of our sample. Of the 290 respondents, only five did not have a bank account, and the rest does have one or more (see Appendix Table 34). Out off the people that do have one or more bank accounts, CGD was the bank with the most clients, followed by Millennium BCP and Santander. Novo banco was the bank with the least number of clients, and 87 respondents choose the option “others,” with very different bank options (see Appendix Table 35).

When confronted with the level of dependency with their banks, 18.5% of the sample considered themselves as very dependent, 40% as somehow dependent, 27.5% almost independent, and 14% totally independent (see Appendix Table 36). Comparing the level of dependency with the banking product that the respondents have, we can observe that 28% have an investment account, 21% pension fund, 32% have a house loan, 15% have other loans, 62% have a credit card, and 44.5% have some kind of insurance. While 48 respondents (16.6%) do not have any of these products, the rest does have one or more products (see Appendix Table 37).

A Pearson correlation was conducted in order to understand to what extent (if any) our variables are linearly related, more specifically, intended to study how the different personal finance dimensions were related, and in what direction. The number of products and monthly household income is positively correlated, meaning the higher the income, the more bank products the respondent has ($r= 0.235$). We can detect that the number of bank accounts and the monthly household income is also significant in a positive direction ($r=0.205$). The strongest correlation is between the number of products and the number of bank accounts, meaning the more products a respondent has, the more bank accounts he/she possesses ($r= 0.329$). Lastly, the number of products and the level of dependency with the bank is negatively correlated, meaning, the more products one has, the less dependent he/she feels from the bank, ($r=-0.159$). For all these correlations, we reject the null hypothesis, but for all other possible correlations with our data, we cannot as they are not significant at $p=0.01$ level (see Table 4).

Table 4 - Pearson correlation with 4 variables

	1	2	3	4
1. # of bank accounts	-			
2. # of products	0.329**	-		
3. Household monthly income	0.205**	0.235**	-	
	-0.54*	-0,159**	0.001*	-

4. Level of dependency				
**Correlation is significant at the 0.01 level (2-tailed)				
*Correlation is significant at the 0.01 level (2-tailed)				

Predictors of the Overall Evolution of the Portuguese Banking

The results of a backwards multiple linear regression show that three variables are statistically significant predictors of Overall Evolutions. More specifically, we have the number of years with a bank account with a negative association with evolution (Beta=-0.12) and two CSR dimensions, society & environment and marketing & outreach with positive associations (Beta=0.12 and Beta=0.14). Overall these variables account for 6% of the variance of Overall Evolution (see Appendix Table 38).

This result demonstrates that CSR initiatives are relevant to the perception of banks' evolution. The perception of evolution is most favorable when the population considers that Portuguese banks are concerned about society and the environment and when they perceive that banks do not pursue these initiatives for marketing and image reasons. These results are supported by literature, as the population is increasingly concerned and aware of social and environmental problems and expects companies to act in a way that helps to reduce and solve them (Maignan, 2001). When the motivations of CSR initiatives of institutions are seen as altruistic, the population has a more positive image of their evolution, this is in line with Lantos' theory of motivations (2001) which suggests that if the motivations are understood as altruistic there is an increase in customer satisfaction and the perception of the institution concerned. This implies that CSR initiatives can work as a way for banks to create credibility, something that is very necessary in the current panorama of distrust of the banking sector.

Predictors of the Big Five performance index and evolution

For each bank two set of regressions were made with different dependent variables. First, using all the ten collected performance indicators and then the perceived evolution in the past ten years.

BPI. When analyzing which independent variables are statistically significant predictors of the perceptions of BPI performance, we uncover that only one variable successfully does so. The respondent's bank has a positive association with BPI perceived performance (Beta=0.37), meaning, BPI clients assume that the bank's performance is better than non-clients. This variable narrates 13.4% of the variance of BPI's performance (see Appendix Table 39)

The evolution of BPI, as previous stated, is perceived as positive. Furthermore, three variables are statistically significant predictors of BPI evolution, explaining 6.6% of its variance. Their clients (Beta=0.13), political orientation (Beta=0.14), and the perceptions of societal and environmental CSR actions (Beta=0.13) are the predictors that positively explain their perceived evolution. BPI clients identify the bank performance as better when compared with clients from other banks. The more respondents agreed that the banking industry does participate in activities that benefit and protect the society and environment, the better they perceived BPI performance. Political preference is also an explanatory variable; once the more right (in political terms) a respondent is, the easier they recognize the evolution as progressive (see Appendix Table 38).

CGD. Two variables are significant predictors of CGD perceived performance, accounting for 11% of the total variance (see Appendix Table 39). Both predictors have a positive association with performance: CGD clients have a more optimistic understanding of CGD performance than non-clients (Beta=0.32) and the CSR dimension - marketing & outreach - the more respondents believe that the banks have a truthful, and altruistic motivations the better they perceive CGD performance (Beta=0.10).

Through a regression we learn that three independent variables are statistically significant predictors of CGD evolution. All variables have a positive association, more particularly, we have CGD clients with an enhanced perception of the bank evolution when paralleling with other banks clients (Beta=0.20) and two CSR dimensions, ethics and marketing & outreach (Beta=0.12 and Beta=0.13) (see Appendix Table 38).

The more respondents believe the reasons for socially responsible activities are for the better good and not for publicity, the more positive they perceive CGD evolution. Furthermore, the better respondents recognize the banks ethical obligations are a priority the better they acknowledge CGD. Overall, these variables explain 8% of the variance of CGD evolution.

Millennium BCP. Millennium performed, even though positive, poorly in the overall panorama. Two variables account for 17% of the variance of Millennium performance. Particularly, we have the number of banks with an open account negatively associated with performance (Beta=-0.19), meaning, the more bank accounts in different banks respondents have the more poorly they perceive Millennium performance. Positively associated, the bank clients have a more positive perception of the ten indicators explored (Beta=0.45) (see Appendix Table 39)

Millennium had heterogeneous results when considering its evolution, with almost every third of respondents voting for improvements, stagnation, or regression (see Appendix Table 38). With the results of a backwards multiple linear regression we learn that three variables are statistically significant predictors of Millennium's evolution, able to account for 10% of its variance. Two variables have a positive association with the evolution: the bank clients and the CSR dimension, marketing & outreach. Millennium clients see the banks evolution as more positive when comparing to other banks clients (Beta=0.31) and the more respondents believe that banks motivations are altruistic and not related to self-promotion, the better they perceive the bank evolution (Beta=0.11). Negatively associated, the number of banks (Beta=-0.15), the more bank accounts in different banks, the worse the perception of Millennium's evolution.

Novo Banco. was ranked 5th in the overall performance index, being the only bank with a negative-sum. Analyzing the linear regression data, three variables are statistically significant predictors, accounting for 7% of the variance (see Appendix Table 39). Novo Banco clients, being the smallest group represented, is the group that shows a more positive impression of its performance (Beta=0.20). The number of years a client has its bank account is also related to the perceived performance; i.e. the longer one has a bank account, the more positive is the perception of its performance (Beta=0.11). Obstinate, the CSR dimension marketing & outreach, has a negative association with the bank's performance, the more respondents believe that banks CSR initiatives are not related to selfish reasons, the worse they perceive Novo Banco's performance. Therefore the respondents acknowledge that the banks motivations are not in line with the rest of the industry (Beta=-0.14).

Novo Banco occupies the last place in the evolution ranking, being voted by 73% of the respondents as worse when compared with former BES. Two variables explain 4% of the variance of the bank perceived evolution. Novo Banco clients have a positive association, meaning, the banks clients tend to have a more positive evolution than non-clients (Beta=0.17).

The number of banks is negatively associated with evolution, i.e. the more bank accounts one has in different banks, the worse evaluates the evolution (Beta=-0.16) (see Appendix Table 38).

Santander. The backwards multiple linear regression shows us that four variables are statistically significant predictors of Santander's perceived performance. We have the dependency with banks with a negative association with the perception of Santander's performance (Beta=-0.10), the bigger the dependency with the bank the worse the general perceived performance of the bank is. This is understandable, once being dependable is an overall stressful and negative experience. The other three variables have positive associations with the bank's performance: the number of banks, the bank clients and the CSR dimension, society & environment (Beta= 0.34 and Beta=0.15 and Beta=0.10). The variables represent 11% of the variance of the bank's performance (see Appendix Table 39).

Three independent variables are statistically significant predictors of Santander's evolution (see Appendix Table 38). Two of the variables are positively associated with evolution: the bank's clients (Beta=0.14) and the CSR dimension – society & environment (Beta=0.16). The number of banking products one possesses is negatively associated with its evolution (Beta=-0.17), i.e. the more products one has, the worse the perception of the evolution of the bank. Overall, there variables account for 7.4% of the total variance of Santander's evolution.

Summary

Comparing all regressions performed, it is concluded that only one variable is significantly presented in all of them. In both evolution and performance appraisal, the variable - Customer Bank - always has a positive association, meaning that customers have a better perception of their banks compared to customers from other banks. The customers perception of their own bank is always superior to the rest of the population, once individuals pay more attention to their actions and results (Devlin, 2002). Also costumers prefer to believe that they always choose the best option tending to enhance the positive traces of their bank and the negative of other banks to justify their choice (Urban & Pratt, 2000).

The results show that perceptions of CSR are good predictors of performance and evolution in most banks. The three CSR components are relevant to both evolution and performance. The society and environment component is an important predictor of BPI's evolution and Santander's evolution and performance, meeting CSR perceptions where both achieved solid

results. Analyzing the ethical component, we conclude that this is a good predictor of CGD evolution. Also, it was the most voted bank in the ethical category, being then a characteristic that is attributed to the bank. Finally, the marketing component is a good predictor of the performance and evolution of CGD, Millennium's evolution and negatively of NB's performance. Most respondents believe that CSR initiatives are a marketing stunt, but in the case of the first two banks respondents tend to believe that the initiatives are free of ulterior motives, contrary to NB which was considered by 53% as the least responsible bank leading to initiatives being perceived as maneuvers to obtain publicity.

Discussion

The literature shows that although the concept of CSR is increasingly important and recognized, we still have a long way to go. Since there is not a globally accepted definition of CSR, each company can report and define it in the most appropriate way for its business, generating a difficulty in disclosure and acceptance by the population. Although the population is aware of the need to act in a more sustainable way and the harmful role that a company can play, the concept of CSR remains, for many, somewhat uncertain (Lee & Shin, 2010). The literature is in line with the results obtained since the population has a fairly high level of education (74% have a bachelor's degree or higher) but the knowledge of CSR is not high with 81% believing it is moderate or lower. This confirms that the information is not being distributed correctly and that there is not enough research on this topic, especially in Portugal.

The new generation has played a key role in disseminating the concept and creating new measures, requiring the various industries to play a more active role in society. This pressure made by the population together with the norms and laws created lead most companies to adopt a more responsible attitude (Maignan & Ferrell, 2004). Although it is mandatory, companies can benefit from adopting these practices. If CSR initiatives are not perceived by the population as altruistic and correlated with the values of the company, it may have harmful effects for the company. To ensure that this does not happen it is necessary to have an effective way to convey the message and choose initiatives based on the mission and values of the company (Nan & Heo, 2007). In the case of banking in Portugal, respondents were almost unanimous in their assessment of CSR initiatives as a marketing maneuver aimed at revitalizing the damaged image of each banking institution.

The banking sector is one of the most important sectors since it controls the economic health of countries. Because it plays such an important role, it also has the possibility of positively or negatively affecting the inserted society. With the crisis and all the known scandals in this sector, the reputation has been extremely damaged, deeply affecting the confidence of the population. Therefore the success of CSR initiatives can be less visible than in other industries being harder to create customer awareness and feeling of belief (Pomering & Dolnicar, 2009). People tend to give more importance to bad indicators because working properly would be the expected thing. With the analysis of the answers to the open questions this is quite clear, the respondents were extremely harsh in their criticism and showed to be thoroughly aware of the problems of banking, contrary to the question of the most responsible, being more by perception and general.

In 2018 Financial services were considered to be the industry in which the population least trusts in a total of 25 countries (Edelman, 2019). Trust and reputation go hand in hand, and it is impossible to have a positive reputation when trust is inexistent. Because it is an industry with a very high percentage of distrust, the population does not believe that banks put ethical concerns before profit or that they are willing not to maximize profit in order not to negatively impact society. Although more and more the visions of good management are changing and there is no longer much belief in profit maximization, the population believes that banks words and their actions are not synchronized (Paulet, Parnaudeau, & Relano, 2015). The literature is in line with the data since for the questions related to ethics, the respondents showed a total disagreement that the Portuguese banks put ethical concerns before economic ones or that they take them into account when taking economic decisions.

Although banks are increasingly adopting green initiatives, such as abandoning paper or reducing energy, the population does not believe that the efforts made are sufficient. With the emergence of new banks (ethical banks) with different structures, traditional banks are considered outdated and that they do not keep pace with the rapid need for change. For this reason, ethical banks have a financial performance three times higher than traditional banks and are considered much more beneficial to society (Cavallito, Isonio, & Meggiolaro, 2018). Existing initiatives by banks to act in a more environmentally responsible manner are still considered insufficient, falling short of consumer expectations. For this reason, 46% of respondents do not believe that banks make a real effort to improve the environment.

Consumers are aware of some CSR initiatives and therefore believe that banks contribute to the welfare of society. While it is not clear which motivations drive them to create these initiatives, their importance in society is not in question. This topic was the only one with a positive perception by respondents, admitting that banks' initiatives have a positive impact (not only by having an economic role in society).

The evolution of Portuguese banks was considered negative by respondents, although data for the first quarter of 2019 show a more resilient situation of the banking sector compared to the pre-crisis period. The level of efficiency, liquidity, profitability, solvency and asset quality has undergone a significant positive change in a general panorama, reaching in 2018 the same dimension that would have existed in 2008. In the period from 2009-2013 there was a contraction in PIB that required six years of growth to match the pre-crisis period (APB, 2019). This means that Portugal has stagnated for ten years falling behind other countries in terms of development.

In the perception of the respondents, the bank that had the most significant positive evolution, was Santander. This is in line with the real situation as in 2018 it showed a profit of 470 million euros representing a 12% growth compared to the previous year. A larger market share was also captured, an increase in deposits and greater customer satisfaction (Banco Santander Totta, 2018). Santander has become the largest private bank in Portugal with the best results in terms of assets and credit. Furthermore, it is the bank that has contributed most to society with an investment of over 32.5 million euros in the last five years, three thousand seven hundred scholarships and university awards and social support to over thirty-three thousand people. Santander is the bank that supports society the most and presents the best results in economic and responsible terms (Santander, 2018). Their efforts and results are acknowledged by the respondents, since this bank was always ranked in the best positions of the studied dimensions and also in the overall index. The CSR society & environment component is a good predictor of the bank's perceived evolution and performance. This means that the more respondents believe the banking industry is socially responsible, the better they perceive Santander. The various initiatives they pursue have shown to have an impact, translating into an attention and appreciation of its initiatives and performance, not considering it a toxic bank but one that makes society undeniably better.

BPI was the second and last bank with a positive evolution in the respondents' perception. In 2018 the bank decided to strengthen its existing position with regard to social responsibility. It

joined forces with the La Caixa foundation and had an investment of 15 million euros with the intention of tripling it by 2021. The bank made its strategic plan to "create value with values" by accepting the fundamental importance of social responsibility, believing it to be a differentiating factor (BPI, 2019b). In 2018, BPI presented a net profit growth of 28.5% in relation to the previous year, of 218 million euros. It was nominated by Euromoney magazine as the "best bank in Portugal" in 2018, however, this year overtaken by Santander (Euromoney, 2019). BPI was recognized in several categories as a bank of consumer confidence, being voted for the six consecutive years as the most trusted banking brand in the country and acknowledged by several awards as a revolutionary bank in the digital area (BPI, 2019a).

With respect to results, BPI has never oscillated much from the position of the dimensions studied, never occupying the worst place. Although being third in the overall performance ranking, it is the second bank that most impressed the respondents in terms of its evolution. The CSR component - Society & Environment - proved to be a good predictor of perceived evolution, meaning that the more respondents believe in active banking operation in CSR projects, the better they perceive Santander's evolution. Although the bank was only the third most voted as the most responsible bank, in the reverse question, it was the least voted as the least responsible bank, meaning that the respondents do not have a negative understanding of it. In conclusion, the continued and growing adoption of measures by BPI proved to be fruitful as respondents consider the bank to have an active and important role.

CGD creates different and contradictory feelings to the respondents, especially because it is the State bank. Being considered by many to be the most socially responsible, it is considered by several to be the worst. This dichotomy has been verified in several measures throughout the results. Because it is the State bank, some respondents believe it has less focus on profit and a bigger responsibility to society, others argue that it does not meet expectations or obligations, presenting weak results with measures that are not favorable to society but rather to very specific groups.

Although CGD shows a firmer position in numbers than in previous years, the scandal of unsecured credits and exorbitant salaries for positions linked to political favors have tarnished its public image. On levels of social responsibility, CGD has voluntarily made its mission far superior to legal obligations, its contributions on an environmental and social level (CGD, 2018).

CGD's image has undergone a major change with its recapitalization that was only concluded in 2018 and with the public character of its management of the period 2000-2015 recently developed and shared by EY (CGD, 2019). Despite all the changes and scandals associated with CGD, the CSR component - Marketing & Outreach - proves to be a good predictor of its performance. This means that despite all the sudden changes the bank has undergone, respondents continue to believe in their state vision of benefiting and working for the benefit of society. The CSR component - Ethics - has also proved to be a good predictor of evolution perceptions. The more respondents believe that banks prioritize or take ethical principles into account when making economic decisions the better they perceive CGD evolution. This perception of the ethical principles and the altruism of its mission is related to the bank's status and the wide spread of its initiatives, corroborated by the open-ended questions.

The mistrust of NB is understandable given all the history that led to its creation. A bank created out of necessity, the result of the bankruptcy of BES and the intervention of Banco de Portugal. NB was considered the bank with the worst performance, evolution and socially responsible for the respondents. All these results were expected giving the panorama of past events still very fresh in the minds of all Portuguese, making it almost impossible to disassociate what happened from the perception of their performance. As for the bank's financial health, in November of this year it showed a 46% increase in losses to 572 million euros. However, it has been able to yield deposits from clients and, in 2018, showed 28 million euros, enough to continue to be a reference bank in Portugal - but very far from the results of its predecessor BES (Novo Banco, 2018). The financial results of NB compared to BES, agglomerating with all the uncertainty is aligned with the respondent's perceptions. NB being clear about the initiatives it supports and its targets for 2020, the consequences of these initiatives and measures are neither clear nor publicized creating difficulty for consumers to gain awareness. NB had the worst evolution and performance perceptions of all five studied banks, often by absolute majority. Respondents do not trust the bank's motivations, classifying it as toxic and the cause of great destruction. It is not surprising that respondents consider its CSR initiatives to only being an attempt to improve communication and image.

Millennium BCP was considered by the respondents as having a slightly negative evolution, not matching the real values, since this year it presented the best result in terms of profit in the last twelve years, reaching a net profit of more than 270 million euros. The bank decreased its bad loans, increased the number of customers and employees, as well as the financial margin and banking product (Millennium BCP, 2018). The numbers do not match the perception of the

respondents, but this can also be formed around its experience with customer support, innovation and social responsibility, etc. Regarding social responsibility, BCP was the only Portuguese bank recognized by RobecoSAM as part of the "Sustainable yearbook", gaining a place in the list of the 2800 most sustainable companies in the world (RobecoSAM AG, 2018). The bank has very ambitious goals in its social responsibility report, with a significant impact in supporting voluntary work by employees and reducing inequalities in the working environment. As these initiatives are more business-oriented they have a less significant disclosure and can lead to a misinformation of consumers if they do not consult the reports.

Consumers are increasingly attached to the social contribution of businesses, which is often a decisive factor in the purchase of a product or service (Ellen et al., 2006). Not having CSR initiatives is not an option for companies anymore, but having them is no longer an asset in the customers' view. The population already expects a minimum ethical requirement and companies that are only dedicated to fulfilling these requirements are not seen in a good light, often being excluded from their choices (Deng & Xu, 2017).

There is a direct link between CSR and performance. The acceptance of companies' CSR initiatives as beneficial to society shapes the perception of customers by creating a more enticing and positive perspective. This position is desired by companies, and the adoption of CSR initiatives is a strategic necessity to gain competitive advantage (Luqman, Azam, & Aamir, 2018). Companies that adopt CSR initiatives as a core part of their management, using a large part of their resources to do so, are recognized with a higher performance partly by consumer acceptance and choice but also by employee motivation and satisfaction, in turn leading to better and faster performance (Beliveau, Cottrill, & O'Neill, 1994). This correlation between current CSR and performance is not distinct from perceptions, once with the analysis of respondents' responses it is eminent that the perception of good CSR is a predictor of performance. This means that the more respondents believe that banks acts and that their initiatives have an impact, the better they evaluate banking performance.

The three CSR predictors studied - society and environment, ethics, and marketing - all show to be good predictors of different banks, both in terms of performance and evolution. CSR initiatives are fundamental to the positive perception of banking performance. The more respondents believe that banks contribute to society through their initiatives and the reasons behind them are to give back to the society, the better they perceive its performance. Although the perception of performance may be far removed from current performance, there is a link

between the perception of positive performance and the acceptance of the company, meaning that if respondents believe in positive performance, they are more willing to believe in it and to put their assets in it, i.e. being a first step in restructuring trust.

Although Portuguese banks are financially in better shape with healthier results, this is not the perception customers have. Banks are paying dearly for the repercussions of the banking crisis with a complete breach of confidence that is difficult to recover. There is an urgent need to regain the confidence of the population, and a proven effective way of doing this is through the adoption of more CSR initiatives. These initiatives cause greater consumer satisfaction which is transformed into a better perception of their performance and evolution creating a competitive advantage by attracting more customers and retaining the old ones. By adopting more CSR policies, companies would not only impose benefits for society and the environment, but also for themselves.

The rate of loyalty to banks is high but if the banks continue to fail to be reliable they will lose their customers to other entities in the long run. Using CSR strategies with a clear, underlying brand mission and values, banks would be repositioning themselves in the hearts and minds of consumers, following the evolution pattern with a chance of performance improvement.

Conclusions

This study aimed to analyze the perception and trust of the Portuguese in Banking. The results were very conclusive. There is a deep dissatisfaction in banking institutions and the problems of trust revealed by the crisis have not yet been overcome.

Although the population surveyed did not consider that they had a high level of knowledge about CSR, they revealed awareness in the open questions of banks' initiatives and which actions had the greatest impact on society. It is clear that nowadays the population is more informed and more committed to social problems, expecting from the organizations to have an active role in generating a solution for those.

While Portuguese banks already have entire departments of CSR and quite positive results, they could benefit from these initiatives to change the paradigm of customer distrust through better communication.

Limitations and further research

Limitations

Although this research has brought important findings, some limitations were encountered along the way. Since this research was conducted within the framework of a master's dissertation, time and resources played an important role.

Perceptions are very subjective and difficult to measure; every respondent can have a different perception of CSR and Bank experience. Concerning our chosen measures of the variables (i.e. perceptions of CSR initiatives, performance and evolution), another constraint of our study is that the results are not representative for actual CSR contribution, overall performance or actual evolution. Meaning, two respondents may have the exact same experience but completely different perceptions of it.

A non-probability sample technique was chosen, mainly due time constrains, therefore conclusions and findings may be used as a direction pointer but ultimately, they are not representative for the total population.

Moreover, once the literature assessment of the present dissertation was conducted mainly using foreign authors, it was necessary to generate several similarity assumptions, that are not proven to be representative of the Portuguese population.

Further research

Even though multiple limitations were found, this study has vast possibilities for improvements and future research.

This study is based solely on understanding the perceptions of a single group of stakeholders in one industry: the customers in banking. It would be important to continue to develop this topic by studying the same phenomenon in other groups and different industries, which would certainly add value and hypothesis for comparing the different expectations and perceptions. This would help the different banks to understand how they are perceived and work to modify their engagement with the different stakeholders, and would allow a comparison between several industries.

From the beginning the idea was to study the Portuguese banking industry, more specifically the biggest banks but reading through the comments left in the survey, is notorious the interest to see the same study replicated taking in consideration new banking platforms, such as Revolut or N26. Also, it would be interesting to add more banks to the comparison, trying to measure whether their size has an impact on their perception.

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Appendix

Section I

Survey English version

Thank you for participating in this survey! This survey is part of a master research project from Católica Lisbon School of Business and Economics. Our objective is to study the Portuguese consumers perceptions of banks corporate social responsibility.

Your responses to this survey will be used only in the context of this research, will not be shared or used in a manner that would allow your identification. Your participation is extremely important for the quality of this project. We kindly ask you to answer as honestly as possible. The survey is organized in 7 different blocks and will take approximately 6 minutes.

Thank you for taking the time to fill out our survey!

[Demographics – 6 Items]

- 1- How old are you?

- 2- Gender:
 - Male
 - Female
 - Other

- 3- Where are you from:
 - Portugal
 - Other

- 4- Which of the following best describes the area you live in?
 - Urban
 - Rural
 - Suburban

- 5- What is your current occupation?
 - Student
 - Working
 - Unemployed
 - Disabled (not able to work)
 - Retired

- 6- What is your level of education?
 - Less than a high school diploma,
 - High school degree or equivalent
 - some college, no degree,
 - Bachelor's degree,

- Master's enrollment,
- Master's degree,
- Doctorate,
- Other, please specify

[Perceived CSR Performance of Portuguese Banks – 13 Items]

We are interested in studying how Portuguese consumers perceive Portuguese banks corporate social responsibility.

1- To which degree do you consider yourself knowledgeable of corporate social responsibility?

- High
- Moderate
- Low
- None

We kindly ask you to read this short text that provides examples of Corporate Social Responsibility practice to assure that all our respondents have a similar background when answering this survey.

“Corporate Social Responsibility encompasses many actions of a company regarding society:

- reducing carbon emissions and other actions with a positive impact on climate change;
- improve and create labor policies and embrace fair trade to improve all stakeholders' experiences;
- philanthropic actions, charity and volunteer efforts;
- changing corporate policies in a way that the society would benefit and making social and environmentally conscious investments.

2- After this short description, to which degree do you consider yourself knowledgeable of corporate social responsibility?

- High
- Moderate
- Low
- None

Please answer the following questions using the “Strongly disagree - Strongly agree” scale to indicate the extent of your agreement with the following statements:

3- Portuguese banks participate in activities which aim to protect and improve the quality of the natural environment.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly Agree

4- Portuguese banks make investments to create a better life for future generations.

- Strongly disagree

- Disagree
- Neither agree nor disagree
- Agree
- Strongly Agree

5- Portuguese banks implement special programs to minimize its negative impact on the natural environment.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly Agree

6- Portuguese banks targets sustainable growth which considers future generations.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly Agree

7- Portuguese banks contribute to campaigns and projects that promote the well-being of the society.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly Agree

8- Portuguese banks encourage its employees to participate in volunteer work.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly Agree

9- Portuguese banks prioritize ethical concerns over economic performance.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly Agree

10- Portuguese banks ensure that the respect of ethical principles has priority over economic performance

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly Agree

11- Portuguese banks play a role in our society that goes beyond the mere generation of profits

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly Agree

12- Portuguese banks are taking advantage of social causes to help their own business.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly Agree

13- Portuguese banks participate in some initiatives only to get publicity.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly Agree

[Personal Finance – 5 items]

1- Do you have a bank account in a Portuguese bank?

- Yes
- No

2- For how long do you have a bank account?

3- In which bank do you have an account? You can choose multiple answers.

- BPI;
- Novo Banco;
- Millennium BCP;
- Santander;
- Caixa Geral de Depósitos;
- Others, please specify

4- To which degree do you consider yourself dependent on your bank?

- To a great extent
- Somewhat

- Very Little
- Not at All

5- Do you currently hold any of these types of products (personally or jointly)?
(multiple choice)

- A Pension Fund
- An investment account
- A mortgage
- A bank loan secured on property
- An unsecured bank loan
- A credit card
- An Insurance

[Banks Perceptions' – 12 items]

1- Which of the following banks do you consider to be the **most socially responsible**.

- BPI;
- Novo Banco;
- Millennium BCP;
- Santander;
- Caixa Geral de Depósitos;

a) Please justify your choice. (open question)

2- Which of the following banks do you consider to be the **least socially responsible**.

- BPI;
- Novo Banco;
- Millennium BCP;
- Santander;
- Caixa Geral de Depósitos;

b) Please justify your choice. (open question)

3- Which of the following banks do you consider that knows the **most about its clients and their financial needs**.

- BPI;
- Novo Banco;
- Millennium BCP;
- Santander;
- Caixa Geral de Depósitos;

4- Which of the following banks do you consider that knows the **least about its clients and their financial needs**.

- BPI;
- Novo Banco;
- Millennium BCP;
- Santander;

Caixa Geral de Depósitos;

5- Which of the following banks do you consider the most **ethic**.

BPI;

Novo Banco;

Millennium BCP;

Santander;

Caixa Geral de Depósitos;

6- Which of the following banks do you consider the **least ethic**.

BPI;

Novo Banco;

Millennium BCP;

Santander;

Caixa Geral de Depósitos;

7- Which of the following banks do you consider the **riskiest**.

BPI;

Novo Banco;

Millennium BCP;

Santander;

Caixa Geral de Depósitos;

8- Which of the following banks do you consider the **least risky**.

BPI;

Novo Banco;

Millennium BCP;

Santander;

Caixa Geral de Depósitos;

9- Which of the following banks do you consider the **most trust worthy**.

BPI;

Novo Banco;

Millennium BCP;

Santander;

Caixa Geral de Depósitos;

10- Which of the following banks do you consider the **least trust worthy**.

BPI;

Novo Banco;

Millennium BCP;

Santander;

Caixa Geral de Depósitos;

[Bank Evolution – 5 items]

Please answer the following questions using the “Much better – Much worse” scale to indicate your opinion about the different banks’ changes:

1- In the last ten years your opinion on Bank Caixa Geral de Depósitos has changed to:

- Much better
- Somewhat better
- Stayed the same
- Somewhat worse
- Much worse

2- In the last ten years your opinion on Bank Millennium BCP has changed to:

- Much better
- Somewhat better
- Stayed the same
- Somewhat worse
- Much worse

3- In the last ten years your opinion on Bank BPI has changed to:

- Much better
- Somewhat better
- Stayed the same
- Somewhat worse
- Much worse

4- In the last ten years your opinion on Bank Novo Banco has changed to:

- Much better
- Somewhat better
- Stayed the same
- Somewhat worse
- Much worse

5- In the last ten years your opinion on Santander has changed to:

- Much better
- Somewhat better
- Stayed the same
- Somewhat worse
- Much worse

[Other demographics – 4 items]

We are already in the last step of our survey.

1- In politics people sometimes talk of left and right. Where would you place yourself on a scale from 0 to 10, where 0 means the left and 10 means the right?

2- Please select the sentence that describes better your financial situation:

- My Current income allows you to live comfortably

- My Current income gives for living
- It's hard to live with my current income
- It is very difficult to live with my current income

3- What is your household monthly income? (ESS monthly Showcard for Portugal)

- Less than 413€
- Between 414 and 600€
- Between 601 and 767€
- Between 768 and 950€
- Between 951 and 1158€
- Between 1159 and 1375€
- Between 1376 and 1642€
- Between 1643 and 2038€
- Between 2039 and 3083€
- More than 3083€

4- To what extent do you contribute to your household income?

- To a Great Extent
- Somewhat
- Very Little
- Not at All

[Level of confidence – 1 item]

1- How confident are you with the answers given in this survey?

- High
- Moderate
- Low
- None

Any additional comments you would like to add to this survey

Thank you again for participating in this study. All the information provided by you will be handled confidentially. If you have any further questions, please do not hesitate to contact us.

E-mail: ncarolinabcbpimenta@gmail.com

Section II

Appendix Table 1 - Nationality

Nationality	%
Portuguese	96.3%
Other	3.7%

Appendix Table 2 - Gender

Gender	%
Female	47.8%
Male	51.4%
Other	0.7%

Appendix Table 3 - Age

Age	%
18-29	26%
30-40	21%
41-50	13%
51-60	25%
61-89	15%

Appendix Table 4 - Area of residence

Area of residence	%
Urban Area	80.7%
Rural Area	2.1%
Suburban Area	15.2%

Appendix Table 5 - Current occupation

Occupation	%
Student	13.4%
Working	74.1%
Unemployed	3.4%
Disabled	0.3%
Retired	8.8%

Appendix Table 6 - Highest level of education

Level of education	%
Less than high school	0.3%
High school degree	11.7%
Some college, no degree	10.7%
Bachelor's degree	34.1%
Master's enrollment	6.2%
Master's degree	31.0%
Doctorate	2.4%
Other	3.4%

Appendix Table 7 - Financial situation

Select the sentence that better describes your financial situation			
	Frequency	%	Cumulative %
My current income allows me to live comfortably	136	46.9%	46.9%
My current income allows be to live	126	43.4%	90.3%
It's hard to live with my current income	20	6.9%	97.2%

It's very difficult to live with my current income	8	2.8%	100%
Total	290	100%	

Appendix Table 8 - Level of contribution

Level of contribution to the household's monthly income			
	Frequency	%	Cumulative %
I'm the most contributing member	138	47.6%	47.6%
I contribute the same as another member	69	23.8%	71%
I'm the least contributing member	83	28.6%	100%
Total	290	100%	

Appendix Table 9 - Household monthly income

Household monthly income			
	Frequency	%	Cumulative %
Less than 413€	0	0	0%
Between 414€ and 600€	5	1.7%	1.7%
Between 601€ and 767€	2	0.7%	2.4%
Between 768€ and 950€	11	3.8%	6.2%
Between 951€ and 1158€	19	6.6%	12.8%
Between 1159€ and 1375€	23	7.9%	20.7%
Between 1376€ and 1642€	24	8.3%	29%
Between 1643€ and 2038€	43	14.8%	43.8%
Between 2039€ and 3083€	56	19.3%	63.1%
More than 3083€	107	36.9%	100%
Total	290	100%	

Appendix Table 10 - Time to complete the survey

Time to complete the survey	%
Until 5 minutes	12.8%
5-10 min	43.1%
10-15 min	21.3%
15-20 min	9.4%
20+ min	13.4%

Appendix Table 11 - Perceived CSR knowledge

Perceived CSR knowledge	Frequency before text	%	Frequency after text	%
High	54	18.6%	77	22.6%
Moderate	134	46.2%	168	57.9%
Low	89	30.7%	44	15.2%
None	13	4.5%	1	0.3%

Appendix Table 12 - Measurement framework

Construct	Operationalization	Scale	No of items	Literature	
Socio-Demographics	Age	Number	6	(European Social Survey, 2018)	
	Gender	Multiple choice		Adaptation from (OECD, 2011)	
	Nationality				
	Area of living				
	Current occupation				(Husted & Allen, 2007)
	Level of education				(INE, 2018)
	Knowledgeable of CSR	4-point Likert scale			

Perceived CSR	Activities to improve the environment	5-point Likert scale	13	(Garcia de los Salmones et al., 2009)
	minimize impact on the environment			(Turker, 2009)
	investments to future generations			
	Sustainable growth			
	Promote well-being of the society			
	Volunteer work			
	Prioritize ethical concerns			
	Role beyond generation of profit			
	Advantage of social causes			
	Publicity			
Personal Financial	have a bank account	Multiple choice	5	
	For how long	Number		
	In which bank	Multiple choice		
	Level of dependency			
	Types of products			
Banks Perceptions	Most socially responsible	Multiple choice	12	Adapted from (Marin et al., 2009)
	Justify previous choice	Open		
	Least socially responsible	Multiple choice		
	Justify previous choice	Open		
	Knows the most about clients and their needs			Adapted from

	Knows the least about clients and their needs	Multiple choice		(Becker-Olsen et al., 2011)
	Most ethical			(Ricks, 2005)
	Least ethical			
	Riskiest			
	Least risky			
	Most trust-worthy			
	Least Trust-worthy			
Bank Evolution	In the last ten years your opinion on Bank X has changed to	5-point Likert scale	5	
Other demographics	Political placement	0-10 scale	4	Breyer, B. (2015) (Schwartz et al., 2015)
	Financial situation	Multiple choice		(OECD, 2011)
	Household income			(European Social Survey, 2018)
	Level of contribution			
Confidence with survey	Confidence with the answers	Multiple choice	1	(Foddy, 1994)

Appendix Table 13 - Justifications for the most CSR bank choice

Justifications for the most socially responsible			
N°	Code	Explanation	Example
1	I don't know	Corresponds to all respondents who said they did not have a reason for their choice.	"I have no knowledge in the matter."
2	Not valid	Corresponds to all respondents who submitted a blank or unstructured response.	"..."
3	Sponsorships/Outreach	Corresponds to all respondents who chose advertising campaigns as the way they learn about the initiatives.	"Choice influenced by institutional marketing"

4	Loans and interests	Corresponds to all respondents who stated that they chose the bank over particular rate advantages or loans to customers.	"I think it's the bank with the highest lending responsibility and the lowest credit default rate."
5	Security/stability	Corresponds to all respondents who chose the bank for security and stability reasons.	"historically the bank that has been transmitting the most values, and compliance with laws"
6	Corporate initiatives	Corresponds to all respondents who reported specific bank changes as justification.	"Pioneer in paper disposal using digital correspondence. Employee and family support programs."
7	Projects/Policies	Corresponds to all respondents who have enumerated specific initiatives as well as changes in internal policies.	"The bank made an investment of 7 million euros in various sustainability initiatives"
8	HR and incentives	Corresponds to all respondents who justified their choice based on knowledge of their human resources management.	"Concerns with the balance of the personal and working life of its employees."
9	Government	Corresponds to all respondents who justified their choice based on links to the Portuguese Government.	"Being a public bank, I consider this responsibility mandatory."
10	Customer service	Corresponds to all respondents who justified their choice based on prime customer service.	"For their concern with their customers and fast service at branches."
11	My bank	Corresponds to all respondents who justified their choice as the bank in which they hold an account.	"Because it is my bank"

Appendix Table 14 - Number of justifications by coding for most CSR bank

Number of justifications by coding for most CSR choice						
Nº	BPI	CGD	Millennium	Novo Banco	Santander	Sum
1	10	18	6	3	9	46
2	7	4	1		5	17

3	13	4	10	1	8	36
4	3	7	2		3	15
5	10	1			2	13
6	10	2			2	14
7	7	10	9	5	19	50
8	2	2			4	8
9		57				57
10		5	1	1	5	12
11		1	13	2	6	22
Total	62	111	42	12	63	290

Appendix Table 15 - Justifications for the least CSR bank choice

Justifications for the least socially responsible			
Nº	Code	Explanation	Example
1	I don't know	Corresponds to all respondents who said they did not have a reason for their choice.	" I don't have enough knowledge"
2	Not valid	Corresponds to all respondents who submitted a blank or unstructured response.	"Dhjdojje"
3	Lack of control	Corresponds to all respondents who justified their choice because of the disorganization and lack of control of the bank	"Mismanagement led us all to contribute to their recovery."
4	Deceiving culture	Corresponds to all respondents who believe the chosen bank tricks their clients.	"Policies that try to confuse and mislead customers."
5	Foreign capital	Corresponds to all respondents who believe that a bank with foreign capitals doesn't care about it impact in Portugal.	"It is a bank dominated by foreign capital, so there is less interest in sustainability in Portugal."
6	Customer service	Corresponds to all respondents who justified their choice based on bad customer service.	"Incompetent and inconsequential in customer relations."

7	Focus on profit	Corresponds to all respondents who believed the chosen bank only focus on the profit.	"Very focused on the profitability of the activity in Portugal."
8	Government	Corresponds to all respondents who justified their choice based on links to the Portuguese Government.	"Being the state bank should behave more responsibly, leading by example, so doesn't happen."
9	Dimension	Corresponds to all respondents who justified their choice by the size of the bank.	"It's too big and powerful to be responsible."
10	HR	Corresponds to all respondents that have inside information about the human resources of the bank.	" Direct knowledge of unbelievable HR policies."
11	Lack of initiatives	Corresponds to all respondents who justified the choice with the lack of initiatives of the bank.	" I do not know of any social responsibility activity of this bank."
12	Scandals	Corresponds to all respondents that mentioned a scandal to justify their choice.	"I chose NB because is still very much linked to the corruption scandal."

Appendix Table 16 - Number of justifications by coding for least CSR bank

Number of justifications by coding for least CSR choice						
Nº	BPI	CGD	Millennium	Novo Banco	Santander	Sum
1	4	11	7	22	15	59
2		7	7	20	7	41
3	2	2	2	2		8
4	1	6	1	6		14
5	1	1			8	10
6	1	2	2	8	3	16
7	2	8	2	9	1	22
8		14		2		16
9	2			4	1	7
10		3	1	1		5

11		6	4	19	2	31
12				61		61
Total	13	60	26	154	37	290

Appendix Table 17 - Most and least focus on its client's banks

Most focus on its clients			Least focus on its clients		
Bank	Frequency	%	Bank	Frequency	%
BPI	59	20.3%	BPI	21	7.2%
CGD	48	16.6%	CGD	109	37.6%
Millennium	72	24.8%	Millennium	33	11.4%
Novo Banco	21	7.2%	Novo Banco	94	32.4%
Santander	90	31%	Santander	33	11.4%
Total	290	100%	Total	290	100%

Appendix Table 18 - Most and least ethical banks

Most ethic			Least ethic		
Bank	Frequency	%	Bank	Frequency	%
BPI	73	25.2%	BPI	31	7.2%
CGD	81	27.9%	CGD	63	21.7%
Millennium	40	13.8%	Millennium	27	9.3%
Novo Banco	16	5.5%	Novo Banco	150	51.7%
Santander	80	27.6%	Santander	29	10%
Total	290	100%	Total	290	100%

Appendix Table 19 - Riskiest and least risky banks

Riskiest			Least risky		
Bank	Frequency	%	Bank	Frequency	%

BPI	12	4.1%	BPI	30	10.3%
CGD	16	5.5%	CGD	154	53.1%
Millennium	19	6.6%	Millennium	20	6.9%
Novo Banco	232	80%	Novo Banco	5	1.7%
Santander	11	3.8%	Santander	81	27.9%
Total	290	100%	Total	290	100%

Appendix Table 20 - Most and least trustworthy banks

Most trustworthy			Least trustworthy		
Bank	Frequency	%	Bank	Frequency	%
BPI	47	16.2%	BPI	15	5.2%
CGD	117	40.3%	CGD	38	13.1%
Millennium	34	11.7%	Millennium	18	6.2%
Novo Banco	4	1.4%	Novo Banco	207	71.4%
Santander	88	30.3%	Santander	12	4.1%
Total	290	100%	Total	290	100%

Appendix Table 21 - Evolution of bank performance

	BPI		CGD		Millennium		Novo Banco		Santander	
	F	%	F	%	F	%	F	%	F	%
Much better	22	7.6%	9	3.1%	16	5.5%	5	1.7%	21	7.2%
Somehow better	57	19.7%	41	14.1%	59	20.3%	19	6.6%	77	26.6%
Stayed the same	139	47.9%	80	27.6%	105	36.2%	54	18.6%	138	47.6%
Somehow worse	48	16.6%	91	31.4%	76	26.2%	77	26.6%	37	12.8%
Much worse	24	8.3%	69	23.8%	34	11.7%	135	46.6%	17	5.9%

Total	290	100%	290	100%	290	100%	290	100%	290	100%
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Appendix Table 22 - Total Variance explained

Total variance explained				
Component	Total	% of Variance	Cumulative %	Cronbach Alpha*
1	4.47	40.6%	40.6%	0.869
2	1.68	15.24%	55.88%	0.443
3	0.97	8.80%	64.69%	0.485
*For factor 2 and 3 bivariate correlations were computed				

Appendix Table 23 - Protect and improve the environment

Portuguese banks participate in activities which aim to protect and improve the quality of the natural environment			
	Frequency	%	Cumulative %
Strongly disagree	26	9%	9%
Disagree	106	36.6%	45.5%
Neither agree nor disagree	94	32.4%	77.9%
Agree	60	20.7%	98.6%
Strongly agree	2	1.4%	100%
Total	290	100%	

Appendix Table 24 - Minimize the negative impact on the environment

Portuguese banks implement special programs to minimize its negative impact on the environment			
	Frequency	%	Cumulative %
Strongly disagree	26	9%	9%
Disagree	108	37.2%	46.2%
Neither agree nor disagree	92	31.7%	77.9%
Agree	60	20.7%	98.6%

Strongly agree	4	1.4%	100%
Total	290	100%	

Appendix Table 25 - Investments to create a better future

Portuguese banks make investments to create better life for future generations			
	Frequency	%	Cumulative %
Strongly disagree	45	15.5%	15.5%
Disagree	134	16.6%	61.7%
Neither agree nor disagree	62	21.4%	83.1%
Agree	48	16.6%	99.7%
Strongly agree	1	0.3%	100%
Total	290	100%	

Appendix Table 26 - Sustainable growth

Portuguese banks targets sustainable growth which considers future generations			
	Frequency	%	Cumulative %
Strongly disagree	33	11.4%	11.4%
Disagree	132	45.5%	56.9%
Neither agree nor disagree	75	25.9%	82.8%
Agree	48	16.6%	99.3%
Strongly agree	2	0.7%	100%
Total	290	100%	

Appendix Table 27 - Promote the well-being of the society

Portuguese banks contribute to campaigns and projects that promote the well-being of the society			
	Frequency	%	Cumulative %
Strongly disagree	23	7.9%	7.9%
Disagree	80	27.6%	35.5%

Neither agree nor disagree	74	25.5%	61%
Agree	106	36.6%	97.6%
Strongly agree	7	2.4%	100%
Total	290	100%	

Appendix Table 28 - Role beyond the mere generation of profits

Portuguese banks play a role in our society that goes beyond the mere generation of profits			
	Frequency	%	Cumulative %
Strongly disagree	46	15.9%	15.9%
Disagree	100	34.5%	50.3%
Neither agree nor disagree	49	16.9%	67.2%
Agree	78	26.9%	94.1%
Strongly agree	17	5.9%	100%
Total	290	100%	

Appendix Table 29 - Encourage volunteer work

Portuguese banks encourage its employees to participate in volunteer work			
	Frequency	%	Cumulative %
Strongly disagree	13	4.5%	4.5%
Disagree	50	17.2%	21.7%
Neither agree nor disagree	149	51.4%	73.1%
Agree	59	20.3%	93.4%
Strongly agree	19	6.6%	100%
Total	290	100%	

Appendix Table 30 - Respect of the ethical principles has priority

Portuguese banks ensure that the respect of ethical principles has priority over economic performance			
	Frequency	%	Cumulative %

Strongly disagree	71	24.5%	24.5%
Disagree	122	42.1%	66.6%
Neither agree nor disagree	62	21.4%	87.9%
Agree	33	11.4%	99.3%
Strongly agree	2	0.7%	100%
Total	290	100%	

Appendix Table 31 - Ethical concerns over economic performance

Portuguese banks prioritize ethical concerns over economic performance			
	Frequency	%	Cumulative %
Strongly disagree	73	25.5%	25.5%
Disagree	130	44.8%	70.3%
Neither agree nor disagree	60	20.7%	91%
Agree	23	7.9%	99%
Strongly agree	3	1%	100%
Total	290	100%	

Appendix Table 32 - Taking advantage of social causes

Portuguese banks are taking advantage of social causes to help their own business			
	Frequency	%	Cumulative %
Strongly disagree	3	1%	1%
Disagree	28	9.7%	10.7%
Neither agree nor disagree	68	23.4%	34.1%
Agree	147	50.7%	84.8%
Strongly agree	44	15.2%	100%
Total	290	100%	

Appendix Table 33 - Participate only to get publicity

Portuguese banks participate in some initiatives only to get publicity
--

	Frequency	%	Cumulative %
Strongly disagree	3	1%	1%
Disagree	17	5.9%	6.9%
Neither agree nor disagree	38	13.1%	20%
Agree	168	57.9%	77.9%
Strongly agree	64	22.1%	100%
Total	290	100%	

Appendix Table 34 - Number of bank accounts

# of bank accounts	Frequency	%
0	5	1.7%
1	158	54.5%
2	93	32.1%
3	26	9%
4	6	2.1%
5	2	0.7%
Total	290	100%

Appendix Table 35 - Respondents Banks

Respondents banks	Frequency
BPI	53
CGD	105
Millennium BCP	94
Novo Banco	44
Santander	73
Other	87

Appendix Table 36 - Level of dependency

Level of dependency with the bank

	Frequency	%	Cumulative %
Very dependent	53	18.6%	18.6%
Somehow dependent	113	39.6%	58.2%
Almost dependent	79	27.7%	86%
Not dependent at all	40	14%	100%
Total	285	100%	

Appendix Table 37 - Number of products

# of products	Frequency	%
0	48	16.6%
1	69	23.8%
2	69	23.8%
3	54	18.6%
4	36	12.4%
5	10	3.4%
6	4	1.4%
Total	290	100%

Appendix Table 38 - Regression evolution

Evolution	Global	BPI	CGD	BCP	NB	Santander
IV	SB	SB	SB	SB	SB	SB
Client' bank		0.133*	0.202*	0.307*	0.165*	0.135*
Political preference		0.140*				
# Banks				-0.146*	-0.158*	
# Products						-0.174*
# Years with account	-0.121*					
Society & environment	0.123*	0.132*				0-155
Marketing	0.142*		0.127*	0.113*		
Ethics			0.120*			
Adjusted R2	0.577	0.066	0.078	0.101	0.038	0.074
*Statistically significant at p< 0.05 ** Statistically significant at p<0.1						

Appendix Table 39 – Regression Performance

Performance IV	BPI SB	CGD SB	BCP SB	NB SB	Santander SB
Client' bank	0.366*	0.316*	0.455*	0.200*	0.338*
# Banks			-0.185*		0.150*
Dependency					-0.096**
# Years with account				0.105**	
Society & environment					0.102**
Marketing		0.102**		-0.136*	
Adjusted R2	0.134	0.108	0.170	0.070	0.074
*Statistically significant at $p < 0.05$ ** Statistically significant at $p < 0.1$					