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I. Title page
II. Abstract (150-250 words)
III. Keywords (3-5)
IV. Introduction
V. Literature Review
VI. Methodology
VII. Results and Discussion
VIII. Conclusion and Recommendations
IX. References (APA 7th Edition)
X. Appendices (if necessary)
XI. Author Biographies (optional)

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CASH FLOW MANAGEMENT AND FINANCIAL PERFORMANCE OF LISTED FINANCIAL SERVICE FIRMS IN NIGERIA

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ABSTRACT

Cash in organizations always take two directions, inŒow and outŒow, these dimension result in cash Œow. The ÿnancial manager of the ÿrm takes it a priority to ensure cash outŒow does not outweigh the cash inŒow, which is another term refer to as cash management. This study examined the e ect of cash Œow management and ÿnancial performance of listed ÿnancial service ÿrms in Nigeria, a target population of 46 quoted ÿnancial service ÿrms in Nigeria as at 31st December 2022, in which 7 quoted ÿnancial service ÿrms were selected using Yamane taro formular and simple random sampling techniques based on their complete annual account report in the ÿnancial statement over the period of the study. The study cover a period of 10 years from 2012 to 2022. The Stata Version 14.2 was uses and the estimation techniques are OLS ordinary least square and diagnostic test, the data obtain were analysed using descriptive statistics, multiple regression and correlation co-e cient. The study uses return on asset, return on equity, earning per share as dependent variables and operating cash Œow, investing cash Œow and ÿnancing cash Œow as independent variables. It is found that operating cash flow has a significantly positive effect on the financial performance of listed financial service firms while cash flow has a significant negative impact on earnings per share but a positive impact on return on asset and return on equity. The study recommend that the sampled ÿnancial service ÿrms in Nigeria should follow the steps of pecking order theory in management of their cash flow, thus reducing or minimizing the issuing of share and concentrate on financing their firms with their retained earnings and cash flow from financing activities should be maintained as it is proven to have a significant negative effect on the performance of listed financial service firms in Nigeria.

Keywords: Cash flow, Management, Financial Performance, Listed Financial Service Firms, Nigeria.

1.0 Introduction

Most business transaction are associated with inflow and outflow which is realized through cash receipts, income (revenue) among others .Cash flow management is the process of understanding and optimizing the amount of cash moving into and out of the organisation. Financial performance is regarded as indicators that show the overall health of an entity, It indicate the extent to which strategies and policies of managers have accomplished (Aslehat and Al – Nimer, 2017). Cash flow is integral to the financial health status of firms. Proper cash flow management in firms help the manager to control spending with respect to the specified budget, minimum borrowing and maximum the opportunity cost of the firm resources (Bariet el, 2019).The international accounting standard (IAS) No . 7 regulate the cash flow statement preparation to show the cash generated and as well as how they are utilized in an accounting year (Soet, Muturi, Oluchi, 2018). It provides information used in evaluating the profitability of a company to adequately generate cash and cash equivalent. The basis component of statement of cash flows are cash flow from operating activities, cash flow from investing activities and cash flow from financing activities as stated in the international accounting standard. These component are required to be used effectively in managing the cash flow. Financial performance can be measure using either return on investment (ROI). Residual income (RI), earning per share (EPS), dividend yield (DY), return on asset (ROA), return on equity (ROE), (Udisifan et al, 2021). These measure portray how efficient management utilize their available resources to generate income.

Cash management implies a firm ability to allocate it funds efficiently in an effort to cover operating expenses, make payment to shareholders and maintain adequate reserves.

Cash flow from operation (CFO) indicates the amount of money a firm generated from its ongoing activities in the area of providing services to its customer. There are two method for depicting cash from operation activities, such as direct and indirect method. The direct method track all transactions in a period on a cash basis and uses actual cash inflows and outflows on the cash flow statement. The indirect method begins with net income from the income statement then add back non - cash items to arrive at a cash basis figure. Cash flow from investing (CFI) it is figure that represent how much cash has been generated or spend from investment related activities in a specified time period. Investing activities are the acquisition or disposal of long term asset.

Cash flow from financing (CFF) is a section of a firm cash flow statement which show the net flow of cash that are used to fund the company financing activities which include transactions. Cash flow from financing activities provides investors with insight into how well a firm structure is managed. Cash flow is one of the financial tools used to gauge firms financial performance. It shows the firms available cash after taking into consideration how much has been on development and recurrent expenditure (frank & james, 2014). A firms shareholders can use cash to asses a firms financial soundness and strength. Appah 2018, stated that cash is the life hood of any corporate entity because it is needed to acquire assets used in the generation of goods and services provided by the entity for determination of profit in order to maximize the wealth of shareholders. Financial service firms are companies which manages, invests, exchange or holds money on behalf of clients. These may include deposit money banks, investment banks, insurance companies, brokerage firms and planning firms,

In this study, financial performance will be measured as return on equity (ROE), return on asset (ROA), and earning per share (EPS) and having independent variable of operating cash flow financing cash flow and investing cash flow. Earnings per Share (EPS) is considered one of most widely accepted factors to determine share prices and firm value. Individual investors take their individual investment decision based on the Earning per share (EPS).

The term – earning per share (EPS) represents portion of a company's earnings, net of taxes and preferred stock dividends that are allocated to each share of common stock. As good as earning per share has been proven to be, it also has its limitation. Earnings per share can be calculated simply by dividing net income earned in each reporting period by the total number of shares outstanding during the same time frame. Because the number of shares outstanding can fluctuate, a weighted average is typically used. Earnings per share represents the portion of a company's earnings, net of taxes and preferred stock dividends that is allocated to each share of common stock.

Return on asset is an essential indicator in determining the performance of financial service firms. a company with a lower return on asset might appear alarming compared to an unrelated company higher return on asset with fewer assets and similar profit. Companies with low return on asset usually have more assets involved in generating their profits, companies with a high return on asset usually have fewer assets involved in generating their profits. While return on equity is measured by dividing net profit over shareholders equity which indicates how well a bank can utilize equity investments to earn profit for the shareholders.
.This study examine the effect of cash flow management on the performance of listed financial service firms in Nigeria.

2.0 Literature Review

2.1 The Concept of Cash Flow Management

Nyabwanga et al. (2012), efficient cash flow management entails the determination of the optimal cash to hold by considering the trade-off between the opportunity cost of holding too much and the trading cost of holding too little. It is the planning and controlling processes of the cash position maintained by on entity in almost all entities, cash flow management philosophies are usually in line with that of liquidity or working capital management (Odala & Achoki, 2016), cash flow management policies may be formulated to link short time financial plans with long term strategies for the long survival of entities. It is fundamentally the optimization of cash resources to achieve both short and long run objectives of entities. In this study operating cash flow, financial cash flow and investing cash flow are the indicators to measure cash flow management. Each of the variable or factor in the ratios give the next between cash flow management & financial performance, hence can be used to explain on entity's sustainability in the short & long run.

2.1.1 Operating cash flow

Operating cash flow is the cash generated from the day to day activities of a business, that is the flow of cash made available from the core operations of a business entity.

Operating cash flow may be seen as a more accurate measure of how much a company has generated. Operating cash flow system is said to be the amount of money paid for the acquisition of merchandise tax settlements payment to vendors, payment of wages & other operation expenditures (Gorden, Henry Jorenson & Lithicum, 2017)

2.1.2 Financing Cash flow

Tailard (2012) described financing activities as the process of procuring capital to finance start up or expansion or any other engagement the company may need that necessitate additional funding from what would be internal or external sources. cash flow from financing activities includes proceed of cash from issued shares & loan barrowing.

Cash payment for the finance activities includes the following; money spent to repay the principal loan amounts, redemption amounts paid for ordinary and preference shares.

2.1.3 Investing Cash Flows

Cash inflow are associated with the sale of long term assets such as buildings on the other hand, cash out flows occur through long term asset purchases (Cinca, Molinero & larraz 2015) Adegbie & fakile (2018) explain cash flows from investing activities are cash inflows and outflows associated with the purchase and the disposal of productive facilities used by the company and investments in the security of the other companies. Example of investing cash flows are payments to acquire property, plants and equipment, loans by the reporting entity and payment to acquire debt instruments of other entities excluding payments for the acquisition or disposal or a movement in liquid resources.

2.2 Concept of financial performance

Kenton (2021) assert that financial performance is a subjective measure of how well a firm can use it asset from its primary mode of business and generate revenue. In the view of Verma (2021) financial programme is the process of measuring the result of a firm policy and operation in monetary terms. It is used to measure a firm overall financial health over a given period of time and use it to compare similar firms across the same industry. Financial performance is also perceived to be growth or declined in accounting attributes Dogarawa & Maude 2018). The concept is often used to explain the progress attained from the strategies and policies circulated by top management of companies decline in financial performance process could mean that the strategies formulated management may not have accomplished the purpose targeted (Hossain & Ali 2012 , Enekwe, Agu & Enziedo 2014).

Measurement of financial performance in terms of profitability may be achieved using Ratio or indicators which include gross profit ratio, operating profit ratio, profit before tax ratio, net profit ratio, return on asset (Ghodrati & Abyak, 2014 : Gadzo & Asiamah 2018). In this study financial performance is measured by the profitability ratios (return on Asset, return on equity and earning per share).

2.2.1 Return on Asset.

Return on asset is an essential indicator / ratio normally employed in determining the performance of financial service firms. The higher the ratio the better the profitability of the banks. (Harry 2015) it is expressed by dividing profit before tax by total asset

2.2.2 Return on Equity

Return on Equity is a profitability ratio measure by dividing net profit over shareholders equity. It indicates how well a firm can utilizes equity investments to earn profit for the shareholders (Olabisi 2019)

2.2.3 Earning per share

Earnings per share is a ratio that reflects the company ability to generate profits for each outstanding share (Darnadji & Fakhurudin 2012) according to them earning per share is calculated as net profit divided by number of common shares outstanding. Earnings per share is considered one of the most widely accepted factors to determine share prices and firm value. Individual investors take their individual investment decision based on the earning per share. The term earning per share (EPS) represent the portion of a company earnings, net of taxes and preferred stock dividend that are allocated to each share of common stock.

2.3 Review of empirical study

Previous studies has been conducted on cash flow management and performance of several industrial sectors in Nigeria and other countries, some of which includes:

Elahi, Ahmad Saleem & Shamsulhaq (2021) examined the impact of operating cash flows on financial stability of commercial banks evidence from Pakistan. Panel data of 20 commercial bank listed on PSA 2011 to 2019, ordinary least square technique, random and fixed effect models, was used, the study shows that operating cash flows and net interest margin significantly and positively influence banks financial stability. It is recommend financial stability, banks should become more cost effective and enhance liquidity levels by lowering lending activities.

Murkor Aburd, Willy, and oluoch (2018) examined the effect of financing cash flow management on financial performance of mutual funds in Kenyan. Descriptive statistics, inferential statistics, regression technique, hausaman specification test. Results shows that financing cash flow management had significant and positive effect on return on asset and insignificant and positive effect on return on equity. The study recommends that manager should come up with a compulsory cash flow policy and dividend policy such as investment policy and dividend policy.

Odo John,Ohazuluike Theophilus (2021) examined effect of cash flow of financial performance on food and beverages firm in Nigeria. Ex-post facto research design, random panel regression, model and descriptive statistics. The result shows that cash firm's investment activities significantly affect profit for the year of food and beverage firms in Nigeria. The study recommended that food and beverages firms in Nigeria should pay out dividend should pay out dividends as at when due and timely too as it was found out that dividend paid has significant effect on net profit margin. Ogbeide and Akanji (2017). Examined the relationship between cash flow and financial performance of insurance: evidence from a developing economy. Times series data for the period of 2009 to 2014, descriptive and inferential statistics was used. The findings revealed that cash flow from operating activities was observed to significantly increase financial performance of insurance companies in Nigeria. It is recommends that managers in insurance firm should regularly change the extent at which cash flow position as well as financial crisis.

Alslehat and Al-Nimer (2017) examined the relationship between cash flow management and the financial performance of Jordanian insurance companies. Twenty-three Jordanian insurance companies were used for five years. The study revealed that the net cash from investing activities was found to have a significant impact on the financial performance.

Liman and mohammed (2018) examined the impact between operating cash flow and corporate financial performance of listed conglomerate companies in Nigeria over a period of 10 years (2005 to 2014). The data were analysis as well as regressions techniques to determine the variation in financial performance due to the variation in operating cash flow. The results revealed a positive and insignificant impact between cash flow from operating activities and financial performance of the listed conglomerate companies in Nigeria.

Ebimobowei et al (2021) investigated the effect of cash flow accounting on the corporate financial performance of listed consumer goods campanies in Nigeria for the period 2015 to 2019. The ex-post facto and correlational research design was utilized for the study. A population of twenty-six and a sample size of twenty-three firms were used in the study while descriptive, correlational and panel ordinary least squares were used for data analysis. The study revealed a positive and significant relationship between operating cash flow, financing cash flow and firm size to profit after tax of listed consumer goods manufacturing companies while investing activities and financial leverage revealed a negative and significant relationship.

Nangih al (2020) investigated the effect of cash flow management and the financial performance of quoted oil and gas firms in Nigeria. The judgemental research design was utilized while data were obtained from the annual report of five selected listed firms for the period 2013 to 2018. The data thus collected were analysed with correlation and multiple regression techniques. The study revealed that cash flow operating and investing cash flows had negative and insignificant relationship with profitability while cash flow from financing activities had a positive and significant influence on firm performance in the oil and gas sector. Egwu et al (2021) investigated exploration of cash flow management for enterprise's business performance Nigeria. The survey research design was utilized for the study. Data gathered were analysed using the descriptive method and regression analysis. The study revealed that cash flow management influences the fulfilment of financial obligations and that cash flow management strategies influence the performance of enterprises in Abuja. The study concluded that cash flow is critical to the success of enterprises.

2.4 Theoretical framework

Theories underpinned the cash flow management and performance of firms. Some of which include:

2.4.1 Agency theory

The agency theory formulated by Jensen and Meckling (1976) explains the relationship between agent (management) and the principal (shareholder). It is expected that the agent act in a manner beneficial to the owners of the entity for the fact that managers known as agents, are appointed by shareholders, and are expected to run and manage operation of entities on behalf of their owners profitability. This simply means that all the decision making, strategies formulation and implementation are entrusted to the agents who are managers of companies. The responsibility for ensuring that both profitability and shareholders wealth maximization are on the shoulders of the managers. Agency theory predicts that firms with higher free cash flow results to increase in firm's cash holdings.

2.4.2 Free cash flow theory

The proponent of the free cash flow theory is Jensen (1986), this theory viewed that dangerously high debt levels will increase value, despite that the threat of financial distress, when a firm's operating cash flow significantly exceeds its profitable investment opportunities. The free cash flow model implies that for an over investor, an increases in leverage Should lead to a reduction in unprofitable investment spending. Additional leverage does not Significantly affect the overall level of internal funds but rather tightens the control and improve the efficiency of investment. this theory present debt primarily as a measure of control and not as a source of funds, as debt acts to restrict managers ability to pursue unprofitable profitable projects that do not increase investor wealth.

2.4.3 Pecking order theory

Pecking order theory was first suggested by Donaldson in (1961) and it was modified by Stewart c .Myers and Nicolas Majluf In (1984) perking order theory states that firms prefer to finance new investment, first internally with retained earnings then With the debt and finally with an issue of new equity (Odesa & Ekezie 2015) it is argued that an optimal capital structure is difficult to define as equity appears at the top and the bottom of the "pecking order". Internal funds incur no flotation costs and require no disclosure of the firm's potential investment opportunities and gains that are expected to accrue as a result of undertaking such investments. The perking order theory is about what firm's management prefer a pecking order of alternative sources of finance that firms faces. First, firms chose internal finance that is using profits from previous years. Second, if there is no internal finance available, will firms chose to lend money from credit institutions such as banks. The study adopt pecking order theory based on the premise that it discusses the movement of cash flow in an organization. The theory assist managers to have a better understanding of their company prospects, dangers and value than outsider investors. This theory will give proper guide as how cash flow should be managed in an organization.

3.0 Methodology

The study employ ex-post factor design using panel data for the period of ten years. The population of the study consist of forty six (46) financial service firms quoted on the Nigeria stock exchange as at 31 December 2022. Taro Yamane sampling technique was used to determine the sample size of this study.

$$NY = \frac{N}{1+Ne^2}$$

N= Total number of the population
1= constant
E= to determine the level of confidence
Using 95% sure which is 0.05
Solution

$$\frac{46}{1+46 * 0.05^2}$$

$$=1 + 2.3^2$$

$$= 1 + 5.29$$

$$=6.29$$

$$= \frac{46}{6.29} = 7.31$$

This indicates that 7 firms would be considered as the sampled of the entire population, (See table 3.1 and 3.2 in appendix A). Source of data is secondary from the annual report and financial statement of the sampled firms for the period of 10years and analyses with the use of descriptive statistic, correlation and multiple regression

3.1 Variables of the study: The variables of this study are; independent variable, dependent variable and control variables.

TABLE 3.3 Variable and their measurement

ariable	Proxies	Measurement	Sources
epender	Return on	Profit afteridteadx total assets	Henry (2015) Rain (2021)
epender	Return on	Profit before t by shareshoqldeitry	Olabi (2019) Borhan, Naina (2014)
epender	Earnings pe	Net profit d comm oanreschutstar	Darnadji and (f2a0k1h2
ndepend	Operating cash flow	Logarithm of tot operating activi cash flatwemsent	Chibuike and Cele Nangih ofor and o Liman aunhdammed Amah, micheal an (2016)
ndepend	Investing ca flow	Logarithm of tot investing activit cash flatwemsent	Chibuike and Cele Amah, micheal an (2016)
ndepend	Financing flow	Logarithm of tot financing activi cash flowmesntate	Chibuike and Cele Nanhgiofor and (2016) Amah, r Ihendinihu (2016)

Source: research compilation 2021

3.2 Model specification

The model analysis for this study that will examine the effect of cash flow management and performance on listed financial service firms in Nigeria. Below is the model analysis for testing the hypothesis.(Ibe 2013).

Y = a + b1x1 + b2x2 + b3x3 + e

Where y = dependent variable (ROE, ROA, EPS)

ROEit = a + b1 OCFRit + b2 ICFRit + b3 FCFRit + eit -----------eq1

ROAit = a + b1 OCFRit + b2 ICFRit + b3 FCFRit + eit -----------eq2

EPSit = a + b1 OCFRit + b2 ICFRit + b3 FCFRit + eit -------------eq3

ROEit = Return on equity for the firm i in period t

ROAit = Return on Asset for the firm i in period t

EPSit = Earnings per share of the firm i in period t

a = constant

b1, b2, b3 = Regression coefficient

e = error term

OCFR = natural logarithm of the total value of operating cash flow statement in the annual report

FCFR= natural logarithm of the total value of financing cash flow statement in the annual report .It= firm year observation.

4.0 Results and Discussions

This section present the results and discussion of descriptive statistic, correlation matrix regression result that were obtain from the data collected from their annual report and account.

Table 4.1 shows the summary of the descriptive statistics of the study variables. The descriptive statistics include measures of central tendency such as the mean, standard deviation, minimum and maximum observations are the statistics presented in the table.

Table 4.1 descriptive result

Variables	Observation	Mean	Standard deviation	Minimum	Maximum
ROA	70	-.0088278	-222716	-1.0094	.92101
ROE	70	-.285.1756	2390.403	-19999	20.0129
EPS	70	1.014107	1.760592	-1.10242	7.60389
OCF	70	-.0269854	6.583644	-8.59916	9.03924
INV	70	-.8915104	6.248976	-9.09984	8.20459
FCF	70	-11730.22	98141.65	-821112	9.0128

Source; Stata version 14.2

Table 4.1 above state that return on asset has a negative mean value of -0.0088 and a standard deviation of 0.222 with a minimum return of -1.0094 and a maximum value of 0.92102. This signifies that the management of the sampled financial service firm did not management their asset efficiently. Return on equity has a negative mean value of -285.17 and a positive standard deviation of 2390.403 with a minimum return 0f -19999 and a maximum value of 20.01295. This signifies that the shareholders of the sampled financial services do not have higher return on their equity investment.

On the other hand, earnings per share has a mean value of 1.014 and a maximum value of -1.10242 and a maximum value of 7.60389. The earning per share navigate from negative to positive that is earning per share is negative for same firms and the maximum idea demonstrated that the earning per share is considerably above average for top firms.

operating cash flow has a negative value of -0.26% and a standard deviation of 6.58 with a minimum value of -8.599% and a maximum value of 9.039 while investing cash flow has a negative average value of -0.89% and standard deviation of 6.24 with a minimum value of -9.09% and maximum of 8-204 and lastly financing cash flow has a negative value of -11730.22 and a standard deviation of 98141.65 with a minimum return of -821112 and maximum value 9.0128

4.1 Correlation Coefficient of the Variable

Table 4.2 will provide insight of the correlation of the variable

Table 4.2 correlation Result

	ROA	ROE	EPS	OPCF	IVCF	FCF
ROA	1.0000					
ROE	-0.0426	1.0000				
EPS	0.1768	0.0687	1.0000			
OPCF	0.2111	-0.1050	0.0969	1.0000		
IVCF	0.0264	0.0714	-0.2104	-0.2976	1.0000	
FCF	-0.0370	-0.0145	0.0599	0.1010	0.1578	1.0000

Source; Stata version 14.

Operating cash flow has a positive effect of 0.2111 on return on asset, and investing cash flow has a positive impact of 0.0264 on return on asset, while financing cash flow has a negative effect of -0.0370 on return on asset. This is in line with Nangih al (2020) and the work of Liman, Mohammed (2018).

On the other hand operating cash flow has a negative effect of -0.1050 on return equity and investing cash flow has positive impact of 0.0714 on return on equity while financing cash flow has a negative effect of -0.0145 on return on equity.

Operating cash flow has a positive effect of 0.0969 on earning per share, investing cash flow has a negative impact of -0.2104 on earning per share while financing cash flow has a positive effect of 0.0599 on earning per share . This is in line with Ogbede and Akanji (2017) but contradict Odo John, Ohazuluike Theophilus (2021).

4.2 Regression Result

Multiple regression was carried out to determine the relation between independent and dependent variables as showed in the results

Table 4.3 ROA regression results

ROA	Coef	Std.Err	T	P >|t|	[95% conf.	Interval]
OPCF	.0085684	.0042831	2.00	0.050	0.0000169	.01712
IVCF	.0040815	.0045464	0.90	0.375	-.0049957	.0131586
FNCF	-1.83e-07	2.78e-07	-0.66	0.512	-7.38e-07	3.72e-07
Cons	-.0071045	.02681	-0.26	0.792	-.0606325	.0464234

Number of obs. =70, **F (3, 66)** = 1.39, **Prob > f** = 0.2533, **R – squared** = 0.0595
AdJ. R-squared = 0.0167, **Root** MSE = .22085.

The table 4.3 shows the R^2 (co-efficient of determination) of 0.0595 and AdJ R – squared of 0.0167 this determine 10% and 017% of return on asset. The multiple regression of return on asset shows that operating cash flow with a P – value of 0.050 and revealed a positive value of 2.00 and a co-effficent of 0.085684 this implies insignificant positive effect on the performance of listed financial service firms in Nigeria, This is in line with Elahi, Ahmad and Shamsulhaq (2021). Investing cash flow has a better value of 0.00408 with a P value of 0.375 and a t value of 0.90 this signifies a positive impact on the performance of listed financial service firms in Nigeria. Financing cash flow has a p-value of 0.512 and a t – value of -0.66 this implies a negative effect on performance of listed financial service firms in Nigeria. It contradict the work of Murkor Aburd, Willy and Oluoch (2018).

The model specification is showed as:
ROA = - 0.085684 OCFR + .0040815 ICFR - 1.83e-07 FCFR - .0071045.

Table 4.4 ROE regression result

ROE	Coef	Std. d	T	P > |t|	[95% conf.	Interval].
OPCF	-32.59813	47.09387	-0.69	0.491	-126.6241	61.42781
IVCF	17.84665	49.98847	0.36	0.722	-81.95855	117.6519
FNCF	-.003107	.0030543	-0.10	0.919	-.0064088	.0057873
Cons	-273.7898	294.7828	-0.93	0.356	-862.3428	314.7631

Number of obs = 70, **F (3, 66)** = 0.29, **Prob > f** = 0.8337, **R – squared** = 0.0129, **Adj R -squared** = -0.031, **Root MES** = 2428.3

The multiple regression of return on asset and operating cash flow, investing cash flow and financing cash flow. The result shows that operating cash flow has a probability of 0.491 and revealed a negative value of -0.69 it contradict the work of line with Elahi, Ahmad and Shamsulhaq (2021).

The result also shows that investing cash flow has a better value of 17.84 with p-value of 0.722 and a positive t value of 0.36 that is there is a significant impact between investing cash flow and performance of listed financial service firms in Nigeria.

The result also shows that financing cash flow with coefficient value of -.0003107 with a p value of 0.919 and a negative value of -0.10, this contradict Murkor Aburd, Willy and Oluoch (2018).

the model specification of ROA = -32.598130 OCFR + 17.84665 ICFR - 0.0003107 FCFR - 273.7898.

Table 4.5 EPS regression result

EPS	Coef.	Std. Err.	T	P > |t|	[95% conf	Interval]
OPCF	.0060526	.0339634	0.18	0.859	-.0617575	.0738627
IVCF	-.0614789	.0360509	-1.71	0.093	-.1334569	.0104992
FNCF	1.65e-06	2.20e-06	0.75	0.456	-2.75e-06	6.05e-06
Cons	.9788356	.212593	4.60	0.000	.55438	1.403291

Number of abs. = 70, **F (3,66)**= 1.25, **Prob > f =** 0.3000, **R – squared** = 0.0536, **Adj R – squared** = 0.0106, **Root MSE** = 1.7512

The table 4.5 shows the linear regression of earning per share with independent variables, this result shows that operating cash flow has a p value of 0.859 and a t - value of 0.18 and a co-efficient of .00605 has a positive effect on performance of listed financial service firms in Nigeria. This is in line with the work of Elahi, Ahmad Saleem and Shamsulhaq(2020).

Investing cash flow has a co-efficient of -.0614789 with a value of -0.093 and a t value of -1.71 this signifies a negative effect and performance of financial service firms in Nigeria. Lastly the financing cash flow has a better value of 0.75 this simply means a positive relationship with listed financial service firms in Nigeria. This is in line with the work of Murkar Aburd, Prof willy, and Dr oluch The specified model is: EPS = . 0060526 OPCF _ .06614789 ICFR + 1.65e - 06 FCFR _ .9788356.

The result shows that there is no multicolnearity problem among the independent variables with a VIF greater than 10. Breusch-pagan / cook-weisbery test for heteroskedaticity. Ho: constant variables. Variables: fitted value of profitability. Chi 2(1) = 42.12 Prob > chi 2 = 0.0000.

5.0 Conclusions and Recommendations

1. Operating cash flow has a significantly positive effect on the financial performance of listed financial service firms which simply mean that operating cash flow of organization improves the level of financial performance.

2. Investing cash flow have a negative impact on earnings per share but has a positive impact on return on asset and return on equity. This indicates that an increase in investing through continuing issuing of shares will lessen the return on the earnings of each shareholders. But on the positivity impact it signifies the management were able to manage their cash flow activities by minimizing the issuing of shares to the public.

3. Financing cash flow through correlation and multiple regression result has both negative impact on return on asset , return on equity and negative impact on earnings per share.

Based on the findings and conclusions the study recommends that:

1. The sampled financial service firms in Nigeria should put in appropriate policies that would discourage high profit taking shareholders as this will help in their investment analysis , unnecessary investment could lead to a negative investing cash flow.

2. The management should follow the pecking order theory in management of their cash flow thereby reducing or minimizing the issuing of share and concentrate on financing their firms with their retained earnings

The cash flow from financing activities should be maintained as it has proven to have a significant negative effect on the performance of listed financial service firms in Nigeria.

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Appendix A

Table 3.1 Financial service firms in Nigeria

S/N	Names of firms	Year listed	Year of incorporation
1	African Alliance Insurance	2009	1960
2	Aiico Insurance	1990	1970
3	AxaMansard Insurance plc	2009	1989
4	Consolidated Hallmark Insurance	2008	1991
5	Cornerstone Insurance plc	1997	1991
6	Coronation Insurance plc	1990	1958
7	Gold Link Insurance	2008	1993
8	Guinea Insurance plc	1990	1958
9	International Energy Insurance	2007	1969
10	Lasaco Assurance plc	1991	1979
11	Linkage assurance plc	2003	1991
12	Mutual benefit assurance plc	2002	1995
13	NEM insurance plc	1990	1970
14	Niger insurance plc	1993	1962
15	Regency assurance plc	2008	1993
16	Prestige Assurance plc	1990	1970
17	Sovereign trust Insurance plc	2006	1980
18	Staco Insurance	2007	1991
19	Standard Alliance Insurance	2003	1981
20	Sunu Assurance Nig plc	1995	1961
21	Universal Insurance plc	2009	1961
22	Varitas kapital Assurance	2009	1973
23	Abbey mortgage bank plc	2008	1991

Source (www.nse.group. 2022)

Table 3.2 Sample size of the study

S/N	Names of firms	Year listed	Year of incorporation
1	African Alliance insurance	2009	1960
2	Abbey mortgage bank plc	2008	1991
	Consolidated Hallmark Insurance	2008	1991
4	Goldlink insurance	2008	1993
5	African prudential plc (CGT)	2005	1989
6	Access bank plc	1989	1998
7	Zenith bank plc	2004	1990

Source: table 3.1