THE EFFECTS OF DIVIDEND POLICY ON FIRM VALUE FOR COMMERCIAL BANKS IN KENYA

By

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DECLARATION

I hereby declare that this research project is my original work and has never been presented to any other University for the award of degree

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This research project has been submitted for examination with my approval as university supervisor

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DEDICATION

I dedicate this project to my wonderful family comprising my wife Ruth and daughters Happiness Patience and Mary Claire.

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I would like to thanks the almighty God for His love and favor that enabled me to achieve this milestone. I would also like to sincerely thank my University supervisor Dr. Kennedy Okiro for his support and guidance. The foundation and support from my Parents George Amollo Dawo and Mary Amollo is highly appreciated. Lastly, I would like to thank my wife Ruth and daughters Mary Claire, Patience and Happiness for their encouragement, support and understanding. May God sincerely bless you abundantly.

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LIST OF ABBREVIATIONS

ANOVA- Analysis of Variance.

CBK- Central Bank of Kenya.

DPS- Dividend per Share

EBIT- Earnings Before Interest and Taxes.

EPS- Earnings per Share

MPS- Market Price per Share

MM- Miller and Modigliani.

NSE- Nairobi Stock Exchange.

P/E – Price/Earnings Ratio

ROE- Return on Equity

ABSTRACT

This Study sought to investigate the effect of dividend policy on firm value for commercial banks in Kenya. This is because firm dividend policy for a long time has been an unresolved issue eliciting a lot of attention in the corporate financial publications and although there are numerous findings on the subject; it is still an unresolved issueIt. The study was also necessitated by the research gaps in the theories of dividends and empirical findings on dividends and firm value among commercial banks in Kenya. The research study used an explanatory research design to find the influence of dividend policy on the value of a firm for quoted commercial banks in Kenya. It used quantitative methods in applying regression and correlation analysis on the secondary data of all listed commercial banks operating in Kenya. The result found out that there is a strong positive correlation between dividend payout and firm value among commercial banks in Kenya. Hence listed commercial banks in Kenya can increase their value by increasing Dividend payouts

CHAPTER ONE: INTRODUCTION

1.1Background of the Study

According to Eckbo, (2008, p. 140) modern theorem of financial economics emanated from the irrelevance proposition of Modigliani and Miller. According to Papescu and Visinescu (2011), several practitioners concur that the M&M theory is the first generally acceptable theory of payouts; hence, before M&M theory, there were no other generally acceptable theorem of dividends (Luigi & Sorin, 2011, p. 315). Firm dividend policy for a long time has been an unresolved issue eliciting a lot of attention in the corporate financial publications and although there are numerous findings on the subject; it is still an unresolved issue. Beginning with the works of John Lintner and the seminal works of Modigliani and Miller, firm policy on dividends is still an open subject. In fact, this is the case from Miller and Modigliani's irrelevance hypothesis, whereby all policies on dividends are all the same and there is none that can maximize shareholders' value in an efficient capital market.

Allen and Michaely (2003); DeAngelo and Skinner (2003) support Lintner's position on the relevance of dividends. Lintner's argument is that dividend policy depends partly on the present earnings of a company and partly on the previous year's payouts. He contends that significant shifts in earnings from current payment rates are the most crucial factors determining dividend policy of a company. Fama and Babiak (1968) agree with this position that managers add payouts only when they are sufficiently convinced that they are permanently maintainable in the future at the new level. Modigliani and Miller (1961)) argue that, in an economy devoid of taxes, transaction costs and any market impediments, payout policy is not relevant to the value of the

company. However, the clientele- effects on payouts is an illustration of circumstances that are in favour of the essence of payouts to firm value.

The patterns of firm procedure on dividend payouts are differing not just as time progresses but also in different cultures and jurisdictions, more so pitting the modern economies and developing world. Glen et al. (1995) discovered that payout procedures in developing economies are not like those in established economies. They concluded that the ratio of dividend payouts in emerging markets was just estimated to be 65% of established economies.

What might be of utmost importance to reveal here is that those doing research have just focused on big economies, with very little or no attention being given to firm payout policy in developing markets. Consequently, payout policy in developing markets is not clearly articulated in the finance journals and other literature. The payout policy in developing markets varies significantly with its form, features, and the level of market efficiency, from that of large markets. These findings therefore endeavored to explain the correlation between payout ratio and firm value for commercial banks in Kenya.

1.1.1 Dividend Policy

The topic of dividends has attracted the attention of many different writers and academicians. Bierman (2001) and Baker, et al. (2002) defined it as a distribution of firm earnings to stockholders after meeting tax and other payments on borrowed funds. A study by Olimalade, et al. (1987), it is treated as a flow of funds that is due to equity investors. The payment of dividends is normally from the earnings of the present year and occasionally from the reserves of

profits. These payments of dividends are normally paid in cash form, and this form of paying dividends is called cash dividend (Adefila, et al (2013).

In firms' perspective, choosing an optimal policy of dividends is a crucial choice that the company must make since the ability to venture in potential projects is dependent on the payment of dividends to pay to their stockholders. Hence, some crucial considerations like management environment, behavioral factors, profitability of firms, the company willingness etc. are factored in the formulation of firm dividend policies (Khan, 2012).

Lintner (1956) argues that firm dividend policy is dependent partly on the present profits of a firm and partly on the previous years' payouts. He observes that significant shifts in profits from current payout ratios are the most crucial factors influencing the payout policy of a company. Fama and Babiak (1968) concur with Lintner's position with the notion that managers make more payouts subject to reasonably being certain that the dividends can be permanently maintained at the new level in the future. Miller and Modigliani (1961)) contend that, in a capital market efficiency, policy of payout is of no consequence to firm valuation. On the other hand, the dividend clientele effect is a justification of circumstances favouring the relevance of payouts to firm value. A number of empirical findings argue that alterations in dividends send messages to the stock exchange about what lies ahead for the firm. (Eades, (1982); Kwan, 1981; A) Other study papers agree with the clientele effects of dividends. (Pettit, 1977; and Baker et al, 1985)

Dividends are measured by payout ratio, which can be found by the sum of dividend divided by net earnings of all shares. Net earnings and dividends of each stock is computed separately for

each year so as to reduce the existence of extreme values in each year that could result in very low net income or negative net income. Most of the past empirical research used percentage of dividends paid as a factor in determining payouts in lieu of dividend yield and payout per share. Rozeff, (1982); Lloyd, (1985);

1.1.2 Firm Value

Modigliani (1980) argues that firm value is the sum of its debt and equity and this value depends solely on the income streams acquired by the assets of the firm. Therefore firm value is a financial measure indicating the valuation by the market for the entire firm. It is the total of claims from all the investors i.e. both secured and unsecured creditors and both preferred and common equity holders. The value of equity is calculated by multiplying the annual net earnings by P/E ratio i.e equity value= P/E x Earnings. The P/E ratio of a stock measures the earning's multiple per stock payable on securities exchange. Given that the EPS for the last year is ksh.3 and the price per share is ksh.26, its P/E ratio will be ksh.8.66. P/E ratio is the yardstick used most commonly by the stock markets. It is a parameter relating the share price to the earnings. Fernandez, (2001)

1.1.3 Dividend Policy and Firm Value

MM's dividend irrelevance hypothesis proposes that a firm's policy on dividends does not affect the firm's value assuming there is information symmetry in the market, Stulz (2000). Hence Finance managers cannot change their firms' value by altering their policy on dividends Dhanani, (2005). The stock market perception or reality is that any alteration in a firm's policy

on dividends is of great value to the market. The valuation of a firm also considers the effect of dividend alterations on future liquidity, future payouts or earnings.

A research by Dhanani (2005) exposed the importance of dividend policy in increasing stockholder value. Firm dividend policy can have a crucial influence on the imperfections of the reality such as differences in signal flow and distortion from managers and owners; owner-manager conflicts or problems pitting managers and owners; tax effects coupled with the costs of transactions thereby increasing the value of a firm to stockholders. In a capital market setting which is not informationally efficient, dividends can affect stockholders' value by giving crucial signals to stockholders and the public or by redistributing value among stockholders (Travlos et al., 2001; Adesola&Okwong, 2009).

The policy of a company on dividends also affects its decisions on the structure of capital and investments thereby enhancing the value of the firm to stockholders (Baker et al., 2001). The value to stockholders is increased by optimal strategies on investments, with an optimal capital mix financing or structure. Policy on Dividends is therefore seen as the outcome of the two strategies of a firm since the firm must choose the division of wealth created as a result of the optimal strategies (Dhanani, 2005). This correlation between dividend payout and firm value may also be negative, in which changes in payout policy affects a company's investing decisions and capital structure decisions and eventually its value changing capabilities negatively. Aivazian et al., (2003) point that due to a lot of sensitivity of corporate investment decisions to financial limitations, the dividend decisions of a firm, which also directly influences the flow of its free cash, may also influence its investment. This is always the case whenever a firm's policy

on dividends is viewed as subsequent to the structure of capital and investing policies; moreover, internally generated cash flows from present projects are likely to be utilized to get the best capital structure for the firm and projected capital investment policies hence extra earnings are redistributed to stockholders as payouts. Dhanani (2005)

1.1.4 Commercial Banks in Kenya

In Kenya, all commercial banks operate under the Banking Act (Cap 488) under the supervision of the Central Bank of Kenya (CBK) to offer the following services to the public: accepting monetary deposits; processing loans; exchanging money from one foreign currency to another; offering safe custody services for keeping valuables; providing a mechanism through which individuals, firms and the government can make payments to each other; and providing financial and other advisory services, such as international remittances, document collection and custody services, and business finance (CBK, 2011). The licensing, supervision and regulation of all Commercial banks is done by the Central Banks of the respective territories in which they exist (Charlotte, 1999). In Kenya, the activities of all commercial banks and non-banking financial institutions are controlled by the Central Bank of Kenya (CBK), with a mandate to licenses, supervise and regulates all commercial banks and non-banking financial institutions, as stipulated in the Banking Act (Cap 488).

The financial services sector in Kenya is currently composed of 43 commercial banks and one mortgage finance company. Of the said banks, 31 are under local ownership while 12 are foreign owned. The Kenyan government owns three of Kenya's commercial banks namely KCB, NBK and consolidated bank. The rest of the local commercial banks are mainly family owned.

Currently, there are 11 commercial banks that are listed in NSE: CFC Stanbic Holdings Ltd, I&M bank Ltd, Barclays Bank Ltd, DTB Kenya Ltd, HF Co Ltd, KCB Ltd, NIC Bank Ltd, NBK Ltd, Equity Bank Ltd, Standard Chartered Bank Ltd, and The Co-operative bank of Kenya Ltd.

1.2 Research Problem

Although there are several research findings Arnott &Asness (2003); Forsio et al (2007) and Nissim&ZIV (2001) already conducted and presented regarding firm policy on dividends, it still remains an open subject which is unresolved in corporate finance. Lots of hypotheses have been put forward as justification of the influence of firm dividend policy and if it in deed impacts on firm value. A research survey by Amidu (2007) discovered that firm policy on dividends influences its measurement by its profitability. However, he never researched on firm value. The findings showed a strong direct correlation between ROA, ROE, increase in revenues and earnings and firm policy on dividends. However, these studies captured the effects of the firm payout policy on profitability and not on the value of a firm. A number of studies both theoretical and empirical (Arnot&Assness 2004) and Nssim&ZIV 2001) have been conducted regarding firm payout policy and financial performance more so in modern and developed economies. However, can these studies also hold in emerging markets?

There are several theoretical and empirical studies focusing on the effect of payout policy and firm value. Hence there exists a lot of controversy and dilemma regarding how dividends influence the stock prices and in turn the company value. In the theoretical context, there are two schools of thought that emerged with their suggestions. The first school of thought presented by Miller and Modigliani (1961) known as the “dividend irrelevance theory” argues that payout is not relevant and has no effect on the valuation of the company or value of stocks. They argued

that it is the earnings power that influences firm value given the way in which such profits are distributed to payouts and retained profits.

The next school of thought was proposed by Lintner (1956), Gordon (1962) and Walter (1963) known as the “dividend relevance theory”. They are of the view of a direct correlation involving payout policy of the firm and its value. They observed the relevance of dividends to firm valuation as measured by the prices of stocks in the market. This study therefore sought to end this controversy by empirically testing the influence of payout policy on the value of Kenyan commercial banks.

Locally, Bitok (2004) carried out a similar research on payout policy and the value of a firm for companies that are quoted on the NSE and discovered the presence of a strong relationship involving payouts and the value of the firm. Gitau (2011) examined the correlation involving dividend paid and share price for firms listed at the NSE and found a weak direct correlation between the payout ratio of dividends and market stock prices. However can these studies on all companies listed at the NSE apply to Kenyan commercial banks?

1.3 Research Objectives

To discover the influence of dividend payout on firm value for Kenyan commercial banks

1.4 Value of the Study

This research proves to be valuable to the researcher since it will help in solving the research problem at hand by establishing the influence of payout policy on the value of the firm for

Kenyan commercial banks. It will also help banks in formulating dividend payout policies that will compromise between short-term stockholder interests and future survival and continuity of the firms. Moreover, it will enable commercial banks to understand the factors that affect the value of their institutions thereby manipulating these factors for their well-being and at the same time manage their shareholder perceptions regarding dividend payout

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Firm dividend policy has attracted interest for a long time in finance journals and other literature and although there exists extensive work on the topic, it is still an unresolved issue. Beginning with the publications of John Lintner (1956), and thereafter with the input of Miller and Modigliani (1961), firm payout policy remains an open subject. This trend has not changed since Miller and Modigliani's (1961) theory of irrelevance, which postulates that all payout policies are same with no particular dividend policy adding shareholders' value in an efficient capital market.

There have been numerous researches on dividend policy for decades, with no acceptable point of convergence explaining firms' expected payout behavior ever found. Brealey and Myers (2005) explained payout policy as one of the hardest pending issues in financial economics. The explanation is in line with Black (1976) who argued that the more the payout policy is looked at, the harder it appears to be, as it has components that cannot fit together".

2.2Theoretical Literature Review

2.2.1 Dividend Irrelevance Hypothesis

The irrelevance proposition before the seminal work of Miller and Modigliani's (1961), herein referred to as MM theory of dividends, a common position was that an increase in payouts increases a company's value. This proposition emanated from what is called "bird-in-the-hand"

hypothesis. Graham and Dodd (1934), in their work, proposed that the only mission for a company to exist is to make payouts of dividends and companies paying more dividends must have an increase in the value of their stock prices (Frankfurter et al., 2002, p.202).

However, when the current period of finance began, MM illustrated that with some presumptions about market efficiency, policy on dividends would not be relevant. MM's argument was that the value of a firm is dependent on its profits that accrue from its investment policy; therefore when an investment decision is made; payout policy is inconsequential to the value of the firm. MM based their proposition on the assumption of a capital market efficiency situation which are stated as herein; Taxes on payouts and gains on capital are the same; Transactional and floatation costs are not incurred while trading in shares; Information symmetry to all market participants (information is symmetrical and has no cost); Managers and owners have no conflict of interest; All market investors do not have any control on prices.

MM presents three scenarios regarding the payment of dividends. Firstly, they assume that the firm has enough financial resources pay dividends in which case dividends are paid from the cash in their hands, the company's assets in terms of cash reduces; therefore stockholders incur losses in the nature of their claims on the reduced cash. Hence wealth is passed from a shareholder's one pocket to another. This means that there is neither net benefit nor loss and based on this assumption of capital market efficiency; the firm's valuation is still the same.

In the second scenario, MM argues that when a company floats new shares to finance the dividend payments, there are two transactions occurring; first, the present stockholders receive

payment in the form of dividends and also lose the same figure of capital reduction as there is a reduction in the value of claim on assets; the value to the stockholders thus is not changed.

Finally, they argue that the company does not make any payouts and the stockholder can sell their own shares in the stock market at market prices thereby making their own dividends and obtaining cash. Such shareholders will thus have a less number of shares. There is a transfer of shares from one person to another thus the net gain is zero and the value of the firm is not affected

2.2.2 Bird in Hand Hypothesis

This hypothesis argues that shareholders have to acquire wealth so as to consume and thus prefer liquid payouts to capital gains. It was officially proposed by Gordon (1959) and Linter (1962). Gordon (1963) argued that policy on dividends affects the value of a firm and price of stocks in the market. He asserts that stockholders always prefer dividends as they are current and secure as opposed to capital gains from questionable future investments. They argue that a big present dividend lowers risks in the future liquidity thus a big pay-out ratio brings down the cost of finance thereby adding the stock value as a result maximizing the firm's value. Gordon (1963) explains that stockholders have a preference for early resolution on unforeseen occurrences and as such will bid a more for a stock with a higher reward in the form of payout ratio.

Shefrin and Statman (1984) argue that stockholders have a preference for payouts as a self-control mechanism. With no dividends, the stockholders are likely to be tempted to sell shares and spend the proceeds on consumption. The investors might actually sell more shares than they

had originally anticipated and as such Shefrin (1984) proposes that dividends assist stockholders in pacing consumption and thereby avoiding later regret from consuming more. Shefrin and Statman (1984) further suggests that stockholders have a preference for dividends because based on mental accounting; the investors get less satisfaction from one time big gain such as a capital gain compared to a series of small gains which are represented by periodic dividend payments.

Black (1990) pointed out that stockholders have a preference for dividends because they get readily available wealth that prevents them from consuming out of their own capital. This argument was critiqued by Miller and Modigialiani (1961) in their seminal work in which they showed that dividends and capital gains can be substituted and they further suggested that investors have a prerogative of selling their stock anytime thereby making their own dividends. They argued that the risks inherent in a firm are contingent on the risks of the operating liquidity of the firm and not on the way the firm distributes its earnings.

2.2.3 Tax Preference Hypothesis

The tax-preference proposition postulates that small dividend payouts lower the cost of capital thereby increasing the share price. Put differently, paying low dividends lead to maximization of the company's value. This position is founded on the understanding that taxes on dividends are normally more than that of gains on capital. Moreover, taxes on payouts are paid up-front whereas capital gains have their taxes deferred until the security is sold. The tax preferences tend to expose stockholders who prefer firms that retain their earnings on the understanding that they will benefit from future capital gains. Hence a low amount of dividends is likely to lower equity's cost and maximize the stock price. This position almost contradicts the Bird In the Hand

proposition, and it also offers a critique to the strict nature of the Dividend Irrelevance Hypothesis. In many jurisdictions, dividends are subjected to a higher withholding tax relative to that of capital gains taxes. Hence stockholders who pay more taxes might prefer higher risk-adjusted returns before taxes. Fama and French (2001) found that firms growing at a high rate with huge investments tended to pay low dividends. An earlier study by Baker and Powell (1999) discovered the same rate of concurrence with the bird-in-the hand hypothesis the yields of dividends the rationale for a positive tax-effect proposition. Allen and Michaely (2003) summarize the economic determinants of dividends. He argues that firms should reduce dividend payouts due to the burden of high taxes on individuals.

2.2.4 Clientele Effects of Dividends Hypothesis

The main justification in their proposition MM (1961) observed the already existing payout clientele effect theory playing a role in the decisions regarding dividends under some circumstances. They argued about individual stockholders preferences for portfolios being informed by some impediments in the market such as the costs of transactions and differences in tax regimes thereby preferring a variety of gains in capital and payouts. MM pointed out that such impediments may make stockholders to prefer stocks that lower such costs. MM called the preference of stockholders to some kind of payout-making securities as “dividend clientele effect”. At the same time, MM held that even the effect of clientele might shift a firm’s policy of dividends to be attractive to some clienteles. In an efficient market every investor is “as good as another”; therefore, firm value remains the same; that is, policy on dividends is inconsequential to firm valuation.

The reality is, however, that stockholders frequently face several tax treatments capital gains as well as dividends, and also spend on costs whenever they sell stocks such as the cost of transactions and inconveniences from their changing portfolios. Given the said factors and considering different stockholders' circumstances, tax preferences and the costs of transactions may build clienteles of investors like tax reducing enhanced clientele and cost of transaction reducing built clientele respectively. The said clienteles are more likely to be enticed to stocks with payout policies best at meeting their unique circumstances. In the same way, firms may be of the tendency of enticing several clienteles by their policy on dividends. For instance, stocks invested in industries growing at a high rate that normally offer low (or no) dividends are attractive to a clientele with a preference for stock appreciation (such as capital gains) to dividends. Conversely, companies that give a significant percentage of their earnings as payouts entice a clientele with a preference for high dividends.

A study by Allen et al. (2000) discovered that the corporate shareholders category of clientele are likely be enticed to buy shares that pay dividends since they possess relative tax benefits as compared to retail stockholders. The said investors are quite often prone to regulations in organizational stuctures (like the "prudent man rule"), which, to a big extent, precludes such firms from buying securities that are either non-paying or low paying. In the same manner, well governed firms prefer to entice organizational clienteles (by rewarding them with dividends) because such institutions are more informed than individual investors. Similarly, a study by Pettit (1977) pointed out that "the preference of retail investors for security portfolios with certain features to pay dividends is known as the "dividend clientele effect''. Another probable effect of dividend clientele effect is related to risk clienteles. Big paying securities have a tendency of

attracting lower risks as compared to small paying securities; hence on the basis of the risk preference, dividends are attractive to some clientele investors.

2.2.5 The Signalling Hypothesis

From time immemorial, as a result of an existence of incomplete and inaccurate information found on records to stockholders, the payout from a stock to a stockholder often offered the rationale for the intrinsic valuation of the stock (Baskin and Miranti, 1997). According to the said perspective payouts had the role of providing a valuable instrument for managers in conveying their internal signal to the public since stockholders viewed dividends or liquidity to equity owners as a means of company valuation. Several academic as well as professionals in finance are of the same argument that dividends may have implicit signal on a company's future either in the short term or in the long term. Even M&M (1961) contended that due to market imperfections, stock value may react to changes in dividend declarations. Hence dividend declarations are a way of conveying implicit signals of the company future profits potential. The argument has now been called the "signaling hypothesis of dividends" or information content theory. On the other hand, M&M offered a critique on the possibility that this was the case by pointing that the research findings do not justify the argument that stockholders have a preference for dividends over retention of profits. Based on the signaling proposition, stockholders are likely to deduce signals of a company's future prospects by the clues emanating from payout declarations, both in the form of the growth of dividends and shifts in policy regarding payouts. However, for the theory to be true managers should have had internal signals about a company's future possibilities, with the motivation for conveying such signal to the market. Moreover, information content should convey the truth; hence companies with no future

possibilities should not be in a position to manipulate and convey wrong signals to the stock exchange by adding more payouts of dividends. The signal should be reliable to help the market in differentiating between several firms. Hence a fulfillment of these conditions would enable the stock market to respond favorably to the declarations of payout increase and unfavorably to declarations of dividend reductions (Ang, 1987, and Koch and Shenoy, 1999).

It would therefore not be surprising to discover manager's reluctance to declare a decrease in dividend payouts. Lintner (1956) pointed out that companies have a tendency of increasing dividends when their managers are of the belief that the increase in earnings is permanent. This denotes that high payout of dividends is a suggestion of the sustainability of earnings in the long run from a stock. The position is is in tandem with what has been referred to as the "dividend-smoothing hypothesis" which states that managers always endeavor to increase payouts gradually as time progresses and avoid making big lump sum additions in payouts unless the managers are certain that the high payouts can be sustained even in the near future. Lipson et al, (1998) pointed that, "managers do not initiate dividends until they are sure those dividends can be sustained by future earnings". It may also be worth noting that although changes in payouts is useful to management as a tool to pass signals of their projections about the future to the market, in some instances, dividend payments may convey ambiguous signals.

Since dividends pass crucial signals of the company's liquidity both now and in future, hence managers are under obligation to send their private signal in the stock exchange by use of dividend declarations in order to enhance information symmetry. The declaration of more dividends is perceived as positive signals by the stock exchange which then in turn begins to

increase their bids for stock prices as a consequence. In the same way, a declaration that a dividend will be reduced implies an unfavorable future prospects and will have a tendency of seeing the firm's stock price reduce Dividends are therefore a credible signaling mechanism as a result of the implicit costs involved. This is captured in Bhattacharya's (1979) model in which the cost of signaling is the cost of transactions inherent in financing externally.

2.2.6 Agency Theory

The main assumption of Modigliani and Miller's efficiency of capital markets is the existence of no conflict of interest pitting stockholders and managers. The reality, however, is a doubtful presumption given that the stockholders are separate entities from the management of the firm. In such circumstances, managers ever act as implicit agents of stockholders who are the principals. Hence the managers' motivations are not necessarily the same as the motivations of the stockholders, and managers might take actions that are prejudicial to stockholders and are costly to the interests of stockholders, such as using exorbitant emoluments or investing more in managerially rewarding but less profitable ventures. Stockholders therefore have to pay (agency) the costs necessary to monitor managers' behavior. These costs are necessary and result from the possibility of conflicting interest among owners and firm managers. Hence dividend payment is a way of acting to straighten the conflicting positions and resolve the ownership problems existing between managers and stockholders, by rationing the liquidity left at the disposal of managers (Rozeff, 1982,

Therefore, shareholders or owners can scrutinize managers cheaply (and minimize any potential problems of collective action that may arise). Hence it implies paying dividends increases the

level of management responsibility and accountability to various stakeholders thereby reducing the chances of firm managers acting selfishly.

However, Easterbrook suggested that managers are likely to be forced by an increase in dividends to take undesirable actions like an increase in debt that is likely to eventually add the level of risk in the company. Healy and Palepu (1988) discovered a direct correlation between unexpected dividend changes and future earnings which were not expected. In concurrence with this proposition, Jensen (1986) gave a justification for rewarding stockholders with payouts founded on the agency costs theory. He pointed out that companies having lots of liquidity flows grant their managers a high level of autonomy for utilizing the funds in their own selfish interests but not in the stockholders' perceived interest and are motivated to add their firm size beyond the optimal size of their firms beyond the optimal level to increase the finances within their control thereby increasing their managerial rewards, that in most cases relates to size of the firm (Gaver and Gaver, 1993). Thus, the problem of too much investment is likely to be so pronounced in a firm with surplus financial resources and managers are likely to engage in projects that are not viable. Paying dividends can reduce this overinvestment dilemma by reducing excess funds of free cash flow available to management. Adding dividends to stockholders may therefore help in reducing the excess liquidity within the control of management, thereby preventing them from investing in projects which are not viable or poor projects. Consequently, declaring high dividends will resolve the conflict of interest pitting managers and stockholders. Furthermore, Jensen has also argued saying that the use of leverage may play the same role as dividends in resolving the conflicting interests of excess liquidity by minimizing the funds under the control of management. As pointed hitherto, M&M proposed the dividend policy of a firm is not

dependent on its investment policy. On the other hand, the agency theory implies that a firm's payout policy and the investment policies are negatively correlated. This implies paying more dividends is likely to reduce this "overinvestment" problem, which will eventually increase value of the firm in the market, ceteris paribus (Lang and Litzenberger, 1989).

2.3 Determinants of Firm Value

A study Renee (2005) gives the factors influencing firm value in the banking and financial services sector as market price of the shares, firm capital structure and firm dividend payout ratio given the significant position they have in influencing the various activities and potentials of the firm for the various shareholders within the financial services sector. Paying high dividends leads to low retentions of profits gains in capital, and vice versa, thereby leaving value of stockholders' wealth unchanged. From Business Directory (2013), company valuation is the measure of the value of the company, frequently applied an option to straightforward market capitalization. Companies may have target policy of dividend payout ratio and modify their influences of firm value within the banking sector to reach this target as well as pursuing stable influences of firm value within the sector and gradually add dividends using the target dividend payout ratio as a way of controlling the firm value in line with (Brav et al., 2005).

A research conducted in the UK by Michaely and Roberts (2007) discovered that since dividends influence share prices and firm's future growth, anything that influences the payout ratio of dividends within the banking sector definitely has an influence on the firm value of banks. A critical examination and analysis of the factors influencing of a firm's value therefore forms the basis for taking appropriate action by management. This may be the rationale for Abdulrahman

(2007) arguing that firm management may need to consider various factors before taking a position on the how and when of dividend payout policy.

While some research pinpointed the probable influence of previous dividends on future earnings, increase of shareholder wealth and growth prospects for the company, others just focused on firm profitability and leverage among others as factors influencing firm value within the banking sector. According to (Mancinelli & Ozkan, 2006), no research study gives an in-depth analysis of all the factors influencing firm value within the financial services sector in the Kenyan market. A study by Huselid, et el. (1997) pointed that the key factors determining the value of a firm include assets, liquidity, relative value and intangible assets such as firm image/reputation and human capital. Firm value within the financial services sector is therefore pegged on crucial factors mentioned above which may in turn be dependent on whether the bank is local of multinational, the country of operations, the structure of capital and payout ratio of dividends just to mention a few. This therefore calls for a brief description of the Kenyan Commercial banking sector.

2.4 Empirical Review

The bird in the hand argument (1979) developed a theory of framework in which dividend payouts act as an expensive relay of information for projected future liquidity hence dividend alterations should send signals about the liquidity in future. Kale Noe (1990) relevant study concluded that the dividend policy of a firm essentially demonstrates the how stable its future earnings are. Similar earlier work already reviewed showed further that the major influences on a firm's payout policy include liquidity factors, returns from investments after tax, the liquidity

of earnings, projected earnings, previous payout practices, price levels, interest rates, legal requirement and projected growth prospects.

Benartzi et al. (1997)Nissim and Ziv(2001) agree with the information content of dividend theory which postulates that changes in dividends trigger stock returns since they signal new information about the profitability of a firm. DoronNissim Amir Ziv (2001) studied this theory and found appositive correlation between dividend changes and future earnings changes, future earnings and future abnormal earnings

Arnott&Asness (2003) the reason for the direct correlation involving dividend paid and projected profits growth is the reluctance by managers to reduce payouts; a high payout is an indication of the confidence of management in the long term sustainability and future expansion of the profits. Conversely, small payout of dividends implies that management is not confident in the stability of profits or growth of the earnings Arnott&Asness (2003). Hence they declare payouts to avoid future reductions when profits reduce.

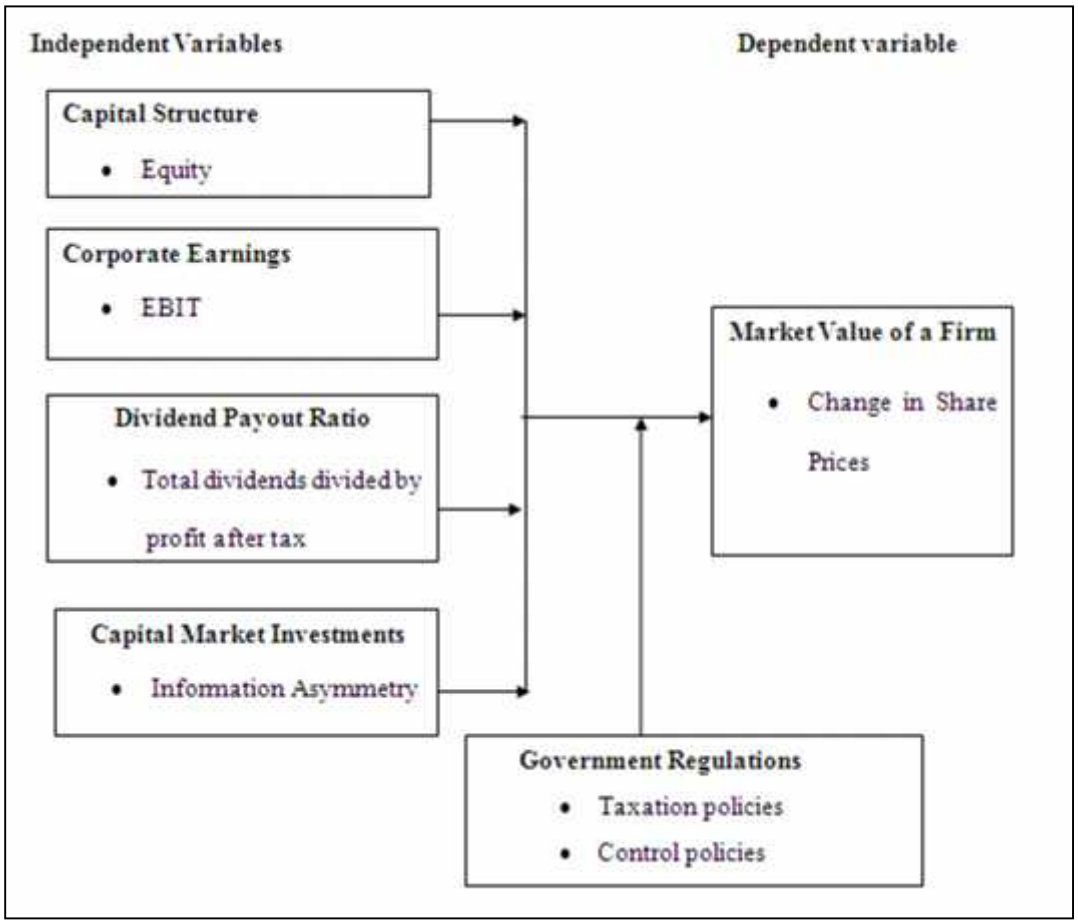
Malcom and Wurgler's study (2004) found out that firms formulate their dividend policy by considering stockholders perceptions and preferences for dividends. Some stockholders may prefer cash dividend and yet others may prefer stability of dividends and yet others would prefer capital gains earned from reinvestment of dividends payouts and hence no cash dividends. This may be justified by the bird in hand theory which contends that shareholders may deem dividends as being more current, certain and therefore less risky as compared to returns from capital gains

Amidu,(2007)&Howatt et al.,(2009)Affirm that dividend policy can reduce the problems of agency stockholders and managers thereby enhancing the value of the firm to stockholders. (Dhananai 2005) argues that dividends provide a means of solving agency problem in which managers can use extra free cash flows in pursuit of their own interest .By distributing dividends to stockholders the free cash flows are reduced and thereby denying managers the opportunity to make suboptimal investments(Bartram et al.,2009&De angelo et al.,2006)

Highly profitable companies with stale earnings are able to operate with lots of liquidity thereby distributing out more payouts Ahmed and Javid, (2009). Studies by Black and Scholes (1973) indicated that highly volatile earnings lower the likelihood the management in altering the payout yields with the help of regression model of Linter. Skinner 2008 showed that a majority of companies replace dividend with share repurchase since repurchase adjusts very fast to changes in earnings. However there exists weak correlation between dividends and earnings.

UwalowaJimoh and Anijesushola(2012) studied on the correlation involving financial performance and dividend payout ratio for listed Nigerian firms .Parameters used were ownership, firm size and d payouts.The period of data collection for the study was(2006-2010) and the main source of data from a sample of 50 firms. The study discovered a strong direct correlation between the profitability of companies and the dividend payout ratio of Nigerian firms that were studied.

2.5 Conceptual Framework



Source: Author 2016

2.6 Summary of Literature

Although there are several studies both theoretical and empirical (Arnott&Asness 2003;Forsio et al 2007 and Nissim&ZIV(2001) studies that have been conducted so far, firm policy on dividend still remains an open and inconclusive topic in business finance. There are numerous hypotheses that have been advanced to justify the reliance on payout policy of a firm and its relevance on the value of a firm. For example, the dividend-irrelevance hypothesis, with no taxes or transaction

costs, argues that a firm’s policy on dividends is not relevant to its valuation. The irrelevance of dividends hypothesis argues that dividends do not affect a firm's capital structure or share price. MM's irrelevance hypothesis argues that stockholders can influence their share return irrespective of the share's dividend. As such, the payment of dividends is not relevant to an stockholder, meaning they care less about a firm's policy on dividends when making their investing choices as they can simulate their own dividend policy.

For several years, many theories have emerged trying to explain the concept of dividends with no consensus reached. Some argue that high dividend payouts increase the value of a firm while others view that paying high dividends reduce the value of a firm. Another theoretical view asserts that dividend payment is not relevant and as such the resources spent on dividend decisions are wasted. There are several other hypotheses that attempt to justify the dividend decisions and they include information signal coming from declarations of dividends, effects of clientele and the cost of agency hypothesis. Hence firm policy on dividends still remains an open subject and an unresolved issue in corporate finance.

Corporate policy on dividends has been a subject of study for several decades, with no commonly acceptable position for firms’ expected payout behavior being reached. (Samuel & Edward, 2011). For a period of time, it has remained a puzzle and an unresolved issue in corporate finance. Therefore this study seeks to address this puzzle. Green et al. (1993) criticized the proposition of irrelevance by studying the correlation between the payouts and financing and investing decisions of in a firm. The research illustrated that firm payout policy rates are purely

determined before a firm's investing and financing decisions have been decided. Payout decisions go hand in hand together with financing and investing decisions of a firm. These findings though, oppose the position of Miller and Modigliani (1961). Partington (1983) argued that companies' application of an intended policy, companies' justification for declaring dividends, and the basis of dividends are independent of investment policy.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction:

This section details how the research was carried out i.e. it explains the design of the research used, captures the target population, the criteria of sample selection, the instruments of data capture, the procedures of collecting data and methods used to analyse and present data.

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3.1 Research Design

The research study used an explanatory research design to find the influence of payout policy on the value of a firm for quoted commercial banks in Kenya. This is because explanatory research sought to investigate the correlation involving various variables Saunders et al (2009), Robson (2002). Explanatory research is also conducted for a problem that has not been clearly defined. The design of the research was both longitudinal and cross-sectional and dealt with comparatively several variables simultaneously. Moreover, it also provided an in depth analysis of the parameters in the study thereby enabling the achievement research objectives. The study found the correlation between dividend paid and firm value for quoted commercial banks in Kenya using a linear regression and correlation analysis of published data acquired from several sources including (NSE), CBK and CMA

3.2 Target Population

Since the research took place in Kenya, it targeted a population of all the 11 banks in Kenya that were listed on the NSE as at December 2015. The study analysed data for 5 years from 2011-

2015. The research was limited to banks listed in the stock market because they pay dividends and their market value would be easier to establish using the prices of shares in the stock exchange. Moreover, data for quoted banks is easier to obtain that that from private banks since quoted banks must make public their financial statements to the regulators and the general public.

3.3 Sampling Technique

A census survey was conducted by the researcher of all commercial banks in Kenya listed at the NSE as at December 2015. The List of commercial banks that were listed over the period under review are The Co-operative bank of Kenya, Equity bank, Barclays bank Ltd, DTB Kenya Ltd, CFC Stanbic Holdings Ltd , HF Company Ltd, KCB Ltd, NBK Ltd, NIC and Standard Chartered Bank Ltd. However, I&M bank was excluded as it was not listed before 2013.

3.4 Data Collection Procedures

Secondary data was used for the purpose of achieving the research objectives. The secondary sources of data were acquired from the Central Bank of Kenya (CBK) website and the Nairobi Securities Exchange (NSE). The strength of using secondary data collection is that it saves time, money as well as minimum efforts in collecting the data. Moreover, the secondary data collection became possible through research using relevant books, annual reports and trade magazines (Sagner, 2010).

3.5 Data Analysis and Presentation

The data was put in SPSS system to enable the researcher to evaluate the significance of the correlation between dividend payout and the value of commercial banks quoted on NSE. Multiple regression and correlation was utilized to analyze the existing relationship among the independent variables; Dividend payout, EBIT, ROE and the dependent variable is Value of the Firm. Data analysis used use the following equation as requirement (Gujarat, 2003, 638,640)

$Y=\alpha +\beta_1 X_1 + \beta_2 X_2 + \beta_3 \mathbf{X_3} + e$

Where Y Is the Firm Value

α….a constant, that is the value of a firm not influenced by changes in the independent variables.

X_1DIVIDEND PAYOUT RATIO

X_2 EBIT

X_3 ROE

EBIT…Earnings before Interest and Taxes (EBIT)

EQUITY…Shareholders Funds

e…….. Error term

3.6 Test of Significance

Multiple Regression and correlation analysis was done to get the correlation coefficient, the coefficient of determination and analysis of variance (ANOVA). The coefficient of correlation(r)

was applied to establish the strength and direction of correlation involving dividend payout ratio and the value of commercial banks quoted at the NSE. The coefficient of determination (r2 measured the percentage of change in bank value that is explained by changes in dividend payout ratio. Analysis of variance was conducted at a 95% confidence level.

CHAPTER FOUR: DATA ANALYSIS

4.1 Introduction

The section outlines the outcome of the research. Data analysis entailed intensive review of secondary data sourced from the commercial banks in Kenya listed at the NSE. This section presents the outcomes for data analysis which consists of subsections of response rate, data validity, descriptive statistics, correlation analysis, analysis of regression and discussion of the research findings in a bid to discover the impact of payout policy on firm value for Kenyan commercial banks which are listed in the NSE

4.2 Response Rate

Out of the 11 listed commercial banks at the NSE, data was obtained from 10 listed commercial banks for the years 2011-2015. Data for I&M bank was not available since it was listed in 2013. This represented a response rate of 90.90%.

4.3 Dividend Payout and Firm Value

Correlations

		Dividend payout ratio	Firm Value
Dividend payout ratio	Pearson Correlation	1	.557**
	Sig. (2-tailed)		.000
	N	50	50
Firm Value	Pearson Correlation	.557**	1
	Sig. (2-tailed)	.000	
	N	50	50

The result indicates that there is a moderate direct correlation involving dividend payout and firm value(r=0.557). Given that the coefficient of determination (R^2) is 0.3102, it implies that 31.02% of changes in firm value of commercial banks in Kenya is accounted for by dividend payout. Hence a high dividend payout increases the value of commercial banks in Kenya.

4.4 Dividend Payout and EBIT

Correlations

		Dividend payout ratio	EBIT
Dividend payout ratio	Pearson Correlation	1	.497**
	Sig. (2-tailed)		.000
	N	50	50
EBIT	Pearson Correlation	.497**	1
	Sig. (2-tailed)	.000	
	N	50	50

The result shows a positive correlation between dividend payout and EBIT(r=0.497). Hence as earnings increase Dividend payouts also increase among commercial banks in Kenya. Since the coefficient of determination (R^2) is 0.2471, this implies that 24.71% of changes in dividend payout is accounted for by earnings of commercial banks in Kenya.

4.5 Firm Value and EBIT

Correlations

		Firm Value	EBIT
Firm Value	Pearson Correlation	1	.793**
	Sig. (2-tailed)		.000
	N	50	50
EBIT	Pearson Correlation	.793**	1
	Sig. (2-tailed)	.000	
	N	50	50

There is a strong direct correlation involving firm Value and EBIT($r=0.793$, $R^2=0.6288$). This implies that 62.88% of changes in firm value is accounted for by EBIT. Increasing EBIT therefore increases firm value of commercial banks in Kenya.

4.6 Dividend Payout and ROE

Correlations

		Dividend payout ratio	ROE
Dividend payout ratio	Pearson Correlation	1	.423**
	Sig. (2-tailed)		.002
	N	50	50
ROE	Pearson Correlation	.423**	1
	Sig. (2-tailed)	.002	
	N	50	50

There is a direct correlation involving dividend Payout and ROE(r=0.423, R^2=0.1789). This implies that 17.89% of dividend payout is accounted for by ROE. If commercial banks in Kenya could increase their ROE, then dividends would increase by 17.89% of that value.

4.7 Dividend payout and MPS

Correlations

		MPS	Dividend payout ratio
MPS	Pearson Correlation	1	.166
	Sig. (2-tailed)		.250
	N	50	50
Dividend payout ratio	Pearson Correlation	.166	1
	Sig. (2-tailed)	.250	
	N	50	50

There is a week direct correlation involving dividend payout and MPS. This implies that as the payout of dividends increases, the market price of the shares also increases and vice versa. Since the coefficient of determination (R^2) is 0.02756, only 2.756% of variation in MPS is explained by dividend payout.

4.8 Firm Value and MPS

Correlations

		Firm Value	MPS
Firm Value	Pearson Correlation	1	.250
	Sig. (2-tailed)		.080
	N	50	50
MPS	Pearson Correlation	.250	1
	Sig. (2-tailed)	.080	
	N	50	50

The coefficient of correlation involving firm value and MPS is 0.250(r=0.250, R^2=0.0625). This means that 6.25% of value of commercial banks in Kenya is explained by the Market price of shares. Market price per share therefore explains only a small percentage of the value of commercial banks in Kenya.

4.9 Firm Value and ROE

Correlations

		Firm Value	ROE
Firm Value	Pearson Correlation	1	.622**
	Sig. (2-tailed)		.000
	N	50	50
ROE	Pearson Correlation	.622**	1
	Sig. (2-tailed)	.000	
	N	50	50

There is a direct correlation between firm value and ROE(r=0.622, R^2 is 0.3868). This means that 38.68% of changes in firm value of commercial banks in Kenya are explained by ROE

4.10 Firm Value and EPS

Correlations

		EPS	Firm Value
EPS	Pearson Correlation	1	.121
	Sig. (2-tailed)		.401
	N	50	50
Firm Value	Pearson Correlation	.121	1
	Sig. (2-tailed)	.401	
	N	50	50

There is a direct correlation involving EPS and firm Value for Kenyan commercial banks. (r=0.121, R^2 =0.01464). Hence 1.46% of variation in Firm value is explained by EPS.

4.11 Regression Model

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-8145.408	10240.320		-.795	.430
	Dividend payout ratio	36851.781	18355.451	.196	2.008	.051
	EBIT	3.660	.715	.598	5.118	.000
	ROE	579.899	433.867	.150	1.337	.188

$Y= -8145.408+36851.781X_1+3.660X_2+ 579.899X_3+ e$

Where

Y is firm Value

X_1 is dividend payout

X_2 is EBIT

X_3 is ROE

e is the error term

Commercial banks in Kenya can use the above regression line in forecasting or predicting their value by manipulating Dividend payout ratio, EBIT and ROE.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.822[a]	.676	.655	22808.70591

Since the coefficient of determination (R^2) is 0.676, it implies that 67.6% of change in firm value is brought about by changes in dividend payout, EBIT and ROE The remaining 32.4% is explained by the error term and other variables not in the model. Hence the regression model is a good one. Hence the regression model therefore perfectly fits the variables under investigation.

4.12 Analysis of Variance

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	500153980728.880	3	16671799357.627	32.047	.000[b]
	Residual	239309049914.139	46	520237065.090		
	Total	739463030617.019	49			

The above table shows that the F-statistics is 32.047 and is significant at 0.0001. Thus the predictor variables in the study jointly influence firm value for commercial banks in Kenya. Therefore, the model was considered robust or fitting well to the empirical data of the variables.

4.13 Summary of Data Analysis

The study aimed at finding out the effects of dividends on firm value for commercial banks listed at the NSE using secondary data collected for commercial banks trading at the NSE. The study acquired an adequate response rate at 90.9%, which was considered sufficient to meet the study information needs. The study was focused on collecting data on a span of 5 years between 2011 and 2015

The validity of this data was ensured through cross checking with the data from different sources that confirmed that the collected data was similar and therefore valid as data representation from those institutions. Therefore, the collected data was found to be valid, and reliable.

A correlation analysis among the study independent variables and dependent variable indicates a strong positive correlation between value of listed commercial banks operating in Kenya and dividend payout ratio, EBIT and ROE. This is an indication that these variables have a capability of predicting the firms' value. Overall coefficient of determination in the model was 67.6% which implies that 67.6% of change in the value of commercial banks in Kenya is explained by Dividend payout, EBIT and ROE

.

Therefore, the findings imply that dividend payout ratio, EBIT, and ROE are statistically significant in explaining value of the firm for listed commercial banks in Kenya

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter outlines the conclusions based on the data analysis and discussion, policy recommendations, limitations and suggestions for additional study. The rationale for the study was to discover the impact of payout policy on the value of listed Kenyan commercial banks. A census of 11 listed commercial banks at the NSE was examined for the years 2011-2015. The model estimation is based on a multiple regression analysis of dividend policy and firm value for commercial banks in Kenya.

5.2 Conclusions

Dividend policy has a strong influence on the value of Kenyan commercial banks. This means that payout policy has an influence on share price return and in turn value thereby providing evidence supporting Gordon (1959) and Lintner (1962). Gordon (1963) points that dividend policy influences firm value and the prices of stocks in the stock market. He asserts that stockholders normally have a preference for dividend payouts which are present and risk free as opposed to capital gains from questionable future investments. A bigger current payout lowers risks inherent in the projected liquidity thus a big dividend pay-out lowers the cost of finance hence increase the stock value as a result maximizing the firm's value. Hence commercial banks in Kenya should continue paying more dividends so as to increase Value by reducing uncertainty about future cash flows.

The findings are also consistent with Black (1990) who suggested that investors prefer dividends because they provide readily available wealth that saves them from consuming out of their own capital.

The Research also provides evidence supporting Shefrin and Statman (1984) who argued that stockholders have a preference for dividends since based on mental accounting; they would derive little satisfaction from one big gain such as a capital gain compared to several small gains which are represented by periodic dividend payments.

5.3 Recommendations

The study recommends that commercial banks in Kenya should consider EBIT, ROE and dividend payout as the main drivers of their value.

Commercial Banks in Kenya should increase dividend payouts so as to increase firm value.

Commercial banks in Kenya should increase their payouts of dividends so as to influence an increase the market price per share.

Commercial banks in Kenya should also use dividend announcements as a signal of future earning power so as to send signals to the stock market about the ability to sustain such dividend payments in future. This in turn increases the stock prices in the market and the value of the banks.

5.4 Limitations of the Study

The study encountered some shortcomings as outlined below.

As the research was purely conducted on listed commercial banks in Kenya, the findings of the study are not conclusive hence only indicative and can therefore not be generalized for the entire banking sector in Kenya.

Furthermore, the data used in the study was for a period of a 5 years period. This may not be adequate enough to give an efficient model for prediction purposes.

Other crucial considerations in formulating a company's payout policy were not considered such as the firm's ownership structure, stockholder's preferences, tax preferences of stockholders, practice in the industry, stage in the growth of a firm, firm capital structure and access to capital markets

5.5 Suggestions for Further Study

The research entities were listed commercial banks in Kenya. Future studies needs to be done on other financial institutions operating in Kenya such as insurance companies and pension funds.

The study entities were firms in the banking sector in Kenya. In future, research needs to be done on entities in the industrial and other sectors as well.

The research used secondary data from the audited and published accounts of all listed commercial banks in Kenya for a period of five years covering 2011-2015. Future research studies need to cover a longer time frame for analysis in establishing the correlation between dividends paid and firm value for commercial banks in Kenya.

It would also be of paramount importance if further research could study how earnings and payout policy would be influenced by changes in tax regimes, past payout patterns, legislation, capital structure, stage of growth and liquidity.

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APPENDICES

APPENDIX I: LIST OF QUOTED COMMERCIAL BANKS

Barclays Bank of Kenya

Kenya Commercial Bank

Standard Chartered Bank

CFC Stanbic Bank

Diamond Trust Bank

National Bank of Kenya

NIC Bank

Equity Bank

Cooperative Bank of Kenya

Housing Finance

APPENDIX II: COMMERCIAL BANKS DATA 2015-2011

	BANK	ROE	EBIT	EPS	MPS	DPS	DIVIDEND PAYOU RATIO	P/E RATIO	FIRM VALUE
1.	KCB	29	23445	6.49	22.5	2	0.31	3.47	81280.82
2.	KCB	31	22363	5.63	22.5	2	0.36	4	89372.56
3.	KCB	28.4	17746	4.82	22.5	2	0.41	4.67	82839.21
4.	KCB	29.8	15756	4.11	22.5	1.9	0.46	5.47	86255.47
5.	KCB	31.18	14081.87	3.72	22.5	1.85	0.5	6.05	85172.6
6.	EQUITY	47.2	22388	4.65	24.25	2	0.43	5.22	116754.6
7.	EQUITY	49.4	20112	4.63	24.25	1.8	0.39	5.24	105338.2
8.	EQUITY	36	18233	3.41	24.25	1.5	0.44	7.11	129662.8
9.	EQUITY	37.6	16060	2.97	24.25	1.25	0.42	8.16	131129.6
10.	EQUITY	34.53	12103.51	2.64	24.25	1	0.38	9.19	111178.1
11.	COOPBANK	28.5	14073	2.31	9.75	0.8	0.35	4.22	59399.03
12.	COOPBANK	29.5	12515	1.69	9.75	0.5	0.3	5.77	72201.92
13.	COOPBANK	30	10705	2.2	9.75	0.5	0.23	4.43	47442.61
14.	COOPBANK	33.1	9574	1.84	9.75	0.5	0.27	5.3	50731.79
15.	COOPBANK	29.41	6167.77	1.54	9.75	0.4	0.26	6.33	39049.19
16.	BARCLAYS	30.4	12074	1.55	8	1	0.65	5.16	62317.42
17.	BARCLAYS	32.3	12293	1.54	8	1	0.65	5.19	63859.74
18.	BARCLAYS	36.8	11134	1.4	8	0.7	0.5	5.71	63622.86

19.	BARCLAYS	44	13020	1.61	8	1	0.62	4.97	64695.65
20.	BARCLAYS	41.11	12071	1.49	7.8	0.5	0.34	5.23	63190.47
21.	STANCHART	21.9	8974	19.97	171	17	0.85	8.56	76842.96
22.	STANCHART	35.4	14300	33.21	171	17	0.51	5.15	73631.44
23.	STANCHART	37	13316	29.42	171	14.5	0.49	5.81	77397.55
24.	STANCHART	37.6	11519	26.6	171	12.5	0.47	6.43	74050.71
25.	STANCHART	40.11	8250.84	19.28	171	11	0.57	8.87	73179.13
26.	CFCSTANBIC	25.1	7707	12.51	71	1.2	0.1	5.68	43740.77
27.	CFCSTANBIC	27.7	7391	14.38	71	0.95	0.07	4.94	36492.42
28.	CFCSTANBIC	31.3	7005	12.97	71	0.63	0.05	5.47	38346.57
29.	CFCSTANBIC	26	4712	9.9	71	0.73	0.07	7.17	33793.13
30.	CFCSTANBIC	30.82	3128.37	6.72	71	0	0	10.57	33052.72
31.	DTB	25.5	7055	19.8	130	2.5	0.13	6.57	46320.71
32.	DTB	24.5	6307	17.9	130	2.4	0.13	7.26	45805.03
33.	DTB	30	5566	4.61	130	2.1	0.46	28.2	156958.8
34.	DTB	31.4	4670	14.75	130	1.9	0.13	8.81	41159.32
35.	DTB	31.34	3248.47	11.13	130	1.7	0.15	11.68	37942.6
36.	NIC	23.7	6260	7	22	1.25	0.18	3.14	19674.29
37.	NIC	26.9	6081	7.07	22	1	0.14	3.11	18922.49
38.	NIC	29.6	5221	6.71	22	1	0.15	3.28	17118.03
39.	NIC	28.6	4311	6.03	22	1	0.17	3.65	15728.36

40.	NIC	33.95	3360.6	5.54	22	0.5	0.09	3.97	13345.34
41.	NBK	-15.4	-1684	-3.96	6	0	0	-1.52	2551.52
42.	NBK	19.2	2332	2.67	6	0	0	2.25	5240.45
43.	NBK	15	1779	2.24	6	0	0	2.68	4765.18
44.	NBK	11	1147	1.69	6	0	0	3.55	4072.19
45.	NBK	23.37	2443.85	3.19	6	0	0	1.88	4596.58
46.	HOUSINGFINANCE	19.1	1737	3.43	11.7	1.3	0.38	3.41	5925.04
47.	HOUSINGFINANCE	20.5	1285	4.21	11.7	1.5	0.36	2.78	3571.14
48.	HOUSINGFINANCE	21.4	1213	4.3	11.7	1.75	0.41	2.72	3300.49
49.	HOUSINGFINANCE	17.5	902	3.22	11.7	1.4	0.43	3.63	3277.45
50.	HOUSINGFINANCE	20.4	976	2.7	11.7	1.2	0.44	4.33	4229.33