

**THE EFFECT OF DIVIDEND POLICY ON FIRM VALUE FOR
FIRMS LISTED AT NAIROBI SECURITIES EXCHANGE**

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DECLARATION

This research project is my original work and has not been presented for an award of a degree in any other university or institution of learning.

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This research project has been presented for examination with our approval as university supervisors.

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DEDICATION

This project is dedicated to my family who has been by my side throughout my study and whose inspirations keep me going.

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LIST OF ABBREVIATIONS& ACRONYMS

ATS	Automatic Trading System
MM	Miller and Modigliani
NSE	Nairobi Securities Exchange
ROA	Return on Assets
ROE	Return on Equity

ABSTRACT

Listed organization use dividend policy to choose the amount of its income it will pay out to investors, thus, influences the valuation of a firm. For firms listed NSE, one of the necessities is that they ought to have an unmistakable future dividends policy. The majority of firms recorded at the NSE pay dividend as from the earnings. This study sought to determine the relationship between dividend policy and value of firms listed on the Nairobi Securities Exchange by answering the question, what is the determine the relationship between dividend policy and value of firms listed on the Nairobi Securities Exchange. The objective of the research is to determine the relationship between dividend policy and value of firms listed on the Nairobi Securities Exchange. The studies use a descriptive survey research design. The target population in this study constituted 65 companies listed on the NSE. The study used secondary data that was collected using data collection form. The study used multiple linear regression models that seek to establish the relationship between dividend policy and firm value of listed companies at NSE through regressing factors such as dividend payout ratio, return on assets, leverage, and company size. The study found that firm value of listed firms was significantly predicted by profitability of the firm .The findings also revealed that dividend payout ratio significantly predict value of the firm. The study revealed that there exist a moderate, significant and positive relationship between firm size and Firm Value. Results revealed that Debt/Equity Ratio predict a negatively and significant on firm value with proxy value. The results also indicated that firm size (Bsize) as a control variable predicts significant and positively firm value. The study concluded that company's profitability, dividend payout and firm size has a positive significant relation with the value of the firm. The study concluded that debt has a negative but insignificant effect on firms' value hence the conclusion that high debt levels reduce the firm's value. the study recommends that manager of listed firms should develop effective dividend payout policies to ensure that their firms pay out dividends to enhance the value of their companies. study recommends that the management of the companies listed at NSE should employ optimal debt levels to ensure that high debt levels do not increase agency cost, which may in turn affect firm value.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Most of the organizations today are for-profit organizations that operate with major objectives of maximizing the wealth of the shareholders as well as maximizing net profits (Pandey, 2001). As a result, the shareholders of an organization monitors closely to ensure that the management employed make and implement effective decisions that are driven towards achievement of the major objectives of the organization. The most important type of management decisions that affect the profitability and as a result the wealth of the shareholders is the financial decisions. In general, there are three types of financial decisions that could be implemented and have impact on the value of the firm. These are the investment decisions, financing decisions and operating decisions (Nissim & Ziv, 2001).

The investment decisions made by a firm determine the future gains and potential dividend amount of the firm. For instance, some investment decisions have been made by companies in Kenya that adversely affected the short-term profitability but resulted to long-term profitability. Such decisions have resulted to no dividends paid to the shareholders during the short-term but led to heavy dividends declared in the long run (Maina & Ishmail, 2014). However, the dividends paid to the shareholders are often determined by the dividend policy employed by a firm. The policy of dividend distribution determines the equity capital rate within the capital structure of the firms. As a result, dividend policy may affect the capital structure of a firm (Nyamasege, 2012)

Dividend policy decisions have remained a controversial issues in the introduction of irrelevance of dividend policy theory by Modigliani and Miller (MM) in the 1960s when they believed in the world of efficient market where dividend policy does not affect the wealth of the shareholders (Miller&Modigliani,1961). A company must decide what to do with the profits it has made; it could retain the profits within the company and investing viable projects or it could pay out the profits to the owners of the firm as dividends (Maina & Ishmail, 2014).

1.1.1 Dividend Policy

Toward the end of each monetary year of an open restricted organization, the top managerial staff of the general public constrained organization needs to choose whether to dividend to its investors and, provided that this is true, how much as profits. Dividends are the part of net income of an organization that the chiefs prescribe to be disseminated to the investors in the extent to their shareholdings in the organization (Sarig, 2004). Before announcing the measure of profits to be paid out, the administration of an organization needs to consider factors, for example, financing constraints, speculation shots and decisions, firm size, weight from investors and administrative administrations (Rigar & Mansouri, 2003).

The policies relating to dividend and earnings retention not only vary from industry to industry but among companies within a given industry and within a company from time to time (Kioko, 2006). The dividend policy involves some legal as well as financial aspects. As a result, it is difficult to determine a general dividend policy which can be followed by different concerns because most dividend policy decisions are tailored to meet special circumstances of shareholders of a firm. The legal aspects of the dividend

policy restricts dividends to be only paid out from the earnings and not capital. The legal restrictions provide that dividends can only be paid out of current profits or past profits. Additionally, legal restrictions provide that dividends can be paid only when the balance sheet of the company shows positive retained earnings. A dividend policy decision is also affected by the desire and type of shareholders. For instance, shareholders in higher age brackets would have a greater preference on current income and stability in dividends over long-term capital gain. On the other hand, wealthy investor in high income tax bracket may not benefit in high current income. Other factors such as future financial requirements, taxation policy and liquidity resources also affect the type of dividend policy (Kioko, 2006).

1.1.2 Firm Value

Different researchers have promoted the definition by holding that firm value is a total of the cases of all investors; these incorporate the loan bosses and value holders. The value fund contains individual investment funds for little organizations, while expansive organizations' value back incorporates conventional offer capital and stores. Value back is arranged into customary offer capital, held income and inclination share capital. The standard offer capital is raised from general society because of the offer of customary offers to regular investors. Held profit is isolated into income and capital stores. Income saves are undistributed profit while capital stores are raised by either offering shares at premium, production of a discounted reserve, and through revaluation of the organization's returns.

Then again, inclination share capital consolidates the attributes of value and obligation. It is an unsecured fund that builds the adapting proportion of organization (Ndeda, 2013).

Furthermore, obligation fund is a settled return back whose cost, or intrigue, is settled on the standard esteem. Obligation fund is raised through outer sources by the qualifying organizations, and is normally perfect when there is a solid value base. Obligation fund is restricted to the estimation of security and liquidity circumstance in a given nation (Pandey, 2008). The benefit of utilizing obligation back is that the enthusiasm on obligation is charge reasonable cost; in this way, it is decreased by the tax exemptions.

Various approaches exist through the firm value can be measured. For instance, the accounting net worth, or the book value, of a firm can be used as a measure of the firm value. In this case, organizations with greater net worth are considered as having a higher firm value as compared to their peers with less net worth. However, using the book value to measure the firm value suffers variance problems that result from the idiosyncrasies in accounting. Additionally, the firm value can be determined through the market value of all the outstanding shares. A company that has a relatively larger market value of outstanding shares is considered to have a higher firm value. Besides, the firm value can be measured through the calculation of the capitalized value of its projected performance. The measurement of firm value also involves deductive judgment through the use of Tobin's q which measures the value of capital relative to its replacement cost. According to Tobin, the Tobin's q values that are above unity implies the capability of the management to effectively manage the resources; hence, a high firm value (Tobin, 1971).

1.1.3 Dividend Policy and Value of the Firm

A few scholars have contended that the dividend policy utilized by a firm fundamentally influences the capacity of a firm to fundraise, and also its esteem. The fledgling close by scholars recommend that a relationship exists between the estimation of a firm and the

profit arrangement. The fowl close by hypothesis holds that present profits are less dangerous than future profits or capital increases since they are increasingly sure. Subsequently, investors favor profits to capital increases (Amidu,2007). Since profits are seen as less hazardous when contrasted with capital additions, firms should set a high profit payout proportion and give a high profit respect expand stock cost. The organization hypothesis holds that profit strategy is controlled by office costs that emerge from the difference of possession and control. A profit approach that out comes in the lessening off money streams accessible for the directors would guarantee that the chiefs boost the abundance of investors as opposed to utilizing the assets for their private advantages (DeAngelo*etal*.2006).

An examination by Dhanani (2005) demonstrated that profit strategy is huge in expanding investor esteem, subsequently, the estimation of the firm. The profit strategy utilized by a firm can impact different blemishes that incorporate data asymmetry amongst administrators and investors, organization issues amongst supervisors and investors, and additionally expenses and exchange costs which influence the company's an incentive to the investors. Another examination by Baker (2001) uncovered that profit approach can impact the association's capital structure or venture choices, in this manner improving estimation of the firm.

1.1.4 Firms listed in the Nairobi Securities Exchange

The Nairobi Securities Exchange (NSE) was developed in 1954 as a deliberate firm of dealers and today is a standout amongst the most dynamic markets in Africa. It was in the past known as Nairobi Stock Exchange, which was then changed to Nairobi Securities Exchange Limited in July 2011. The NSE has an assumed a part in expanding financial

specialist certainty by modernizing its foundation. In 2006, the NSE introduced the automated exchanging framework which has brought about high trading volumes with the everyday show turnovers surpassing Ksh110 billion in some days. The usage of the ATS accommodated longer exchanging hours, expanded exchanging productivity and value disclosure.

As at June 2017, NSE had 65 recorded organizations with 12 segments in particular; rural, business and administrations, media communications and innovation, car and adornments, saving money, fabricating and partnered, development and unified, vitality and oil, protection ,venture, speculation administrations and development endeavor showcase portion (NSE, 2016)..

For firms listed NSE, one of the necessities is that they ought to have an unmistakable future dividends policy. This makes dividend framework an essential factor deserving of administration consideration. In Kenya dividend are exhausted at 5% as a last assessment for people while capital increases impose are charge excluded (Income Tax Act, 2012). Organizations that address the above prerequisite and the issues of their financial specialists will probably have the capacity to build a higher offer cost premium and hence an expanded financial performance. The majority of firms recorded at the NSE pay dividend as from the earnings. Most firms recorded at the NSE have plainly characterized profit strategies that are in accordance with the general dividend embraced in the business.

1.2 Research Problem

Listed organization use dividend policy to choose the amount of its income it will pay out to investors, thus, influences the valuation of a firm. The kind of dividend policy

embraced by a firm has more profit to share investors. Accordingly, the manager an issue in receiving a payment of dividend arrangement that meets the investors' expectations. This has happened because of the requirement for managers to fulfill the fleeting needs of the investors and also development of the association. For example, there may countless that is made of resigned people or weaker segment of the general public that need to get consistent wage. This would drive the organization to embrace a normal profit strategy (Desai, Foley & Hines, 2001).

The estimation of an association is measured by the decision of the administration type of riches to be held. On the off chance that the firm earnings of firm is great there will be practically zero difference between the managers and the investors (Ghosh &Subrata, 2006). As per Maina (2002), there exists a relationship amongst dividend and venture decision since both go after inside sourced subsidizes and given that assets acquired by obligation are extremely costly and not accessible to all organizations. Arnott and Asness (2003) the positive correlation between current dividend payout and future income development depends on the free income hypothesis. Low profit bringing about low development might be because of problematic speculation and not as much as perfect activities by chiefs with abundance free money streams available to them. Amidu (2007) found that profit strategy influences firm execution particularly the firm esteem measured by the arrival on resources. The outcomes demonstrated a positive and huge correlation between return on resources, return on value, development in deals and profit approach.

Numerous analysts have attempted to reveal issues with respect to the profit flow and determinants of profit strategy yet regardless we don't have a satisfactory clarification for the watched profit conduct of firms. For example, a few researchers have contended that

investors who might want to put resources into the future will incline toward profits to be held by the organization and be reinvested. In such conditions, the organization may embrace a no profit strategy. Thus, the profit strategy influences the held income which therefore influence the capital pick up of a firm. In any case, the profit immateriality recommendation proposes that the profit approach of a firm has no impact on the estimation of a firm in an impeccable and finish showcase.

In regard to this, the budgetary supervisors cannot adjust the value of a firm by changing their profit approach. In spite of this, a few investigations have appeared there exists a positive correlation between profit arrangement and budgetary execution. For example, an investigation by Pettit (1972) contended that dividend framework changes are decidedly connected with stock returns in the days encompassing the profit approach change declaration.

Local studies have focus on dividend policy and investment decisions and profitability of firm. Njoroge (2001) examined considered the correlation between dividend framework and firm profitability for listed organization in Nairobi Securities exchange recorded at the NSE and found that there existed a significant and positive relationship between dividend payout and firm earnings. A study by Wairimu (2002) examined the relationship between dividend and investment decisions among the listed firms in NSE in Kenya and revealed that investment decisions are influenced by competitive investment choices in light of the fact that the two investment and dividend decisions consider the assets, accessibility of the assets and cost and obligation of the firm. Kioko (2006) examined the relationship between dividend policy change and future earning so firm listed at NSE in Kenya. The study found that change in dividend payout rate influence

earning change, there existed a positive correlation between the dividend policy change and future profit earnings. Most of the studies focus on different sector industries. This study ought to determine the relationship between dividend policy and value of firms listed on the Nairobi Securities Exchange by answering the question, what is the relationship between dividend policy and value of firms listed on the Nairobi Securities Exchange?

1.3 Research Objective

The objective of the research is to determine the relationship between dividend policy and value of firms listed on the Nairobi Securities Exchange.

1.4 Value of the Study

The study findings would be of significant use to investors in making decisions on whether to give preference to dividends or capital gain as a way of enhancing wealth. As a result, the findings would be significant in resolving the agency conflicts between the management and the shareholders. The information provided would be useful to the management board of the firms in dividend-decision making with reference to shareholder wealth maximization. The findings will also be of importance to the shareholders as they shall inform them of effective dividend policies that maximize their wealth.

The study findings would also be useful to the government policy makers in understanding the behavior of dividend policies on value of the companies that shall enable them come up with appropriate policies that encourage market growth. The study is also of value for future empirical and conceptual review to researchers. This helps in

refining and validating findings especially when significant number of experiences is collected and studied. The study also forms a basis for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter is organized into four parts. Section 2.2 discusses the theoretical literature specifically discussing the theories the study is based on. Section 2.3 discusses determinants firm value and 2.4 details empirical literature on the dividend policy and seeks to establish the effect of dividend policy on firm value on listed firms in Kenya. Lastly, section 2.5 presents a summary of the literature review.

2.2 Theoretical Review

The theoretical frameworks used to explain the relationship between dividend policy and firm value are varied just as the subject of the study is. There are ranges of theories offered either in support of or against dividend policy.

2.2.1 Bird-in-the-Hand Theory

The bird in-the-hand hypothesis was proposed and developed by Gordon (1962) . He contends that outside investors lean toward a higher dividend framework. They incline toward a dividend today to a profoundly unverifiable capital increase up from a faulty future investment decision. As per this theory, since investors are hazard disinclined, they like to get profits in the present era rather than sitting tight for the future capital increment that are more uncertain.

This model has been criticized short on the off chance that it is set in an entire and ideal market with financial specialists who carry on as indicated by thoughts of normal conduct (Miller & Modigliani, 1961; Bhattacharya, 1979). As per the assumption of perfect market, the investors settle on most certain choices in view of the information accessible by individual of public domain. Thus, financial specialists may contradict the bird in-the-hand theory if the future venture openings are seen to result to tremendous capital picks up that would therefore result to greater wealth maximization. This theory support the study in that the theory provide the premise of finding out the relationship between the dividend payout proportion and excess of the investors

2.2.2 Information Signaling Theory

As indicated by the information signaling hypothesis, firms, in spite of the distortion of venture choices to capital earnings, may pay dividend to flag their future earnings. The instinct fundamental this content it depends on the information asymmetry between the insiders and the outsiders. The insiders especially form top managers are accepted to have private data about the present and future fortunes of a firm that isn't accessible to the outsider. Thus, supervisors are thought to have the motivation to convey this information to the market simply like money related foundations in Kenyan are to impart borrowers' data to different banking institutions (Baker&Weigand,2015)

Mill operator and Rock (1985) contended that information asymmetries amongst firms and outside investors may incorporate a signaling part of profits. They demonstrate that dividends installments impart private information to people in general in a completely noteworthy way. The most imperative component in data signaling hypothesis is that organizations need to payout dividend frequently. A declaration of dividend increment is

taken as good news and as needs be the offer cost responds positively, and the other way around. This theory is critical in support of the study as better performing firms rely on quality of the information provided to investors. The quality firms can spend signs to the market through profits and low quality firms cannot copy these due to the dissipative signaling costs that incorporate exchange cost of outside financing and risk of penalty on tax.

2.2.3 Agency Theory

The theory of agency theory was proposed and developed by Berle and Means (1932) . The theory contended that there is a relationship between ownership and governance in large firms and that increase in size of the organization led to decrease in owners' equity. This specific circumstance gives a stage to supervisors to seek after their own motive as opposed to increasing earnings to the investors. In principle, investors of an organization are the main proprietors and the obligation of best administration ought to be exclusively to guarantee that the premiums of the shareholders are met. This characterizes the obligation of top manager as to deal with the organization such that profits to investors are boosted subsequently expanding the benefit figures and cash flow (Elliot, 2002).

Notwithstanding, Jensen and Meckling (2006) clarified that managers generally run the firm to augment comes back to the investors. They expressed that an agency relationship is an agreement under which at least one people relates with another (operator) to carry out responsibility in management on their behalf which includes designating some basic leadership expertise to the agent. The issue is that the enthusiasm of directors and shareholder is not generally the same and for this situation, the manager who is capable of running the firm has a tendency to accomplish his own objectives as opposed to

earning the returns to the shareholder. This theory support the study in that the manager is assumed to utilize the its role in increasing earnings to the shareholders increase cash flow and inhibit manager acting in self interest .

2.2.4 Tax Differential Dividend Theory

Tax collection is one of the basic factors that influence firm value and future expected profit. For instance, discounted after tax fund flow can be utilized as a determinant for the market estimation of a firm. In this regard, differential tax treatment of capital increase in respect to the profits can impact the after tax earnings of financial specialists and thusly influence the ability of speculators to get profits. Financial analysts have inferred that individual venture choices and corporate divided choices are both influenced by charges (Stiglitz&Rosengard,2015).

Brennan (1970) was the principal analyst who explored the relationship between dividends yields and hazard balanced earning with respect to taxation. He demonstrated that use of CAPM approach, the pre excess return on a security has a positive and directly related with dividends earnings and systematic risk of the security. Subsequently, the tax risk that face investors is compensated through improved pre-tax earnings. The theory informed the study in that the dividends payouts are expected to have a significant and positive relationship with the expected financial returns in a company.

2.3 Determinants of Firm Value

The determinants of firm value discussed in this study are profitability, investment opportunities, financial leverage and liquidity.

2.3.1 Profitability

A firm that has generally stable income is regularly ready to predict its future return on investment. Thusly, the organizations with stable profit will probably have higher esteems than the organizations with fluctuating income (Brav *et al.* 2005). According to the creators, one of the fundamental components deciding profit choice is security of future income and a supportable change in profit. Aivazian and Booth (2003) ponder comes about demonstrate that profit payout has negative association with hazard. Their investigation comes about additionally recommend that gainful firms with less fluctuation in benefit increment the firm esteem. Also, they contended that under the flagging hypothesis, profit changes are identified with association's future income changes not the past data prompting immaterial in connection.

Profitability ratio measure the ability of a company to make profits in relation to sales, total assets and equity (Sartono, 2008). Consequently, the profitability ratio is considered by the potential shareholders since it relates with share price, as well as the future dividends. Thus, a company that projects high profitability is considered to be o high value (Ogiela & Ogiela, 2014).

2.3.2 Investment Opportunities

Both remaining hypothesis and office cost hypothesis have diverse clarification towards development openings. Under remaining hypothesis, organizations with high development openings tend to pay bring down profits since they may utilize the accessible assets to fund the ventures with positive NPV. Firms tend to utilize interior subsidizing sources to fund speculation ventures in the event that it had substantial development openings and expansive venture ventures. For such a firm, the market cost

of its offers will be low and would pay less profits, to lessen its reliance on expensive outside financing. This infers, given speculation openings, a firm with higher income or profit tends to pay higher profits (Deshmukh, 2005).

Firms with moderate development and less venture open doors are exceptionally esteemed pay higher profits to keep administrators from over-contributing organization money. All things considered, a profit here would assume a motivator part, by expelling assets from the firm and diminishing the office expenses of free money streams (Waswa, 2013). Amidu and Abor (2006) examine comes about show that there is noteworthy negative connection between firm development and profit payout. Gul (1999) contemplate discoveries additionally demonstrates critical negative connection between development openings and profit yields implying that high development firms have low profit yields contrasted with low development firms.

2.3.3 Financial Leverage

Zeng (2003) demonstrated that if money related use is utilized as one marker without bounds default and decidedly identified with the cost of dividend costs, paying profits may build the budgetary failures for a firm with a high use proportion. His investigation demonstrated that use is conversely identified with dividends payout. Fenn and Liang (2001) investigated the relationship between dividend requirement and company's payout proportion. Nash et al (2003) examine additionally increase the contention because of the incorporation of obligation agreements to limit dividends installments by the shareholders.

Another examination by Waswa (2013) found out that an exceedingly levered firm is relied upon to return more to reinforce its firm value. Very levered firms have more obligation and intrigue commitments to meet in this way would be humble esteemed and have a high likelihood of paying a low profit. For example, profoundly utilized firms pay a low payout proportion since they are checked by obligation holders who discounted administration ability of paying dividends

2.3.4 Liquidity

The company's liquidity alludes to its straightforwardness with which it meets its financial commitments with the fluid resources accessible to them when they fall due. The more present resources a firm has, the more fluid it is. Liquidity position is a critical determinant firm value. Firms that are cash flow are very valued when contrasted with the organizations that have liquidity issues. Installments of dividends depend more on firm's earnings which mirror the organization's capacity to dividend payment. A weak liquidity position implies less profit because of deficiency of money (Waswa, 2013).

Cheung, Chung, and Fung (2015) led an examination to decide the impacts of stock liquidity on firm esteem and corporate administration They used the Real Estate Investment Trust (REIT) industry where they established that stock liquidity has a casual and positive effect on firm value (Cheung, Chung, & Fung, 2015). This was attributed to the finding that high stock liquidity facilitates institutional ownership through better corporate governance, thus improving the firm value (Cheung, Chung, & Fung, 2015).

2.4 Empirical Studies

Amidu (2007) In an investigation that looks at whether dividends policy impacts on firm execution in Ghana Stock Exchange, Amidu(2007) found that dividends policy influences firm value particularly the benefit measured by the return on resources. The outcomes demonstrated a great relationship between return on firm assets, ROA, increase in sales and dividend policy. This demonstrated that when a firm has an approach to dividend payout, its earnings and subsequently firm value is related. The outcomes additionally demonstrated a measurably critical correlation between firm value and dividend payout proportion.

Fersio et al. (2004) assessed the relationship between dividends and firm value decisions. They rather trust that significant reinvestment of held income instead of dividends payout would increase firm performance in terms of dividends and return on assets in the future. Fersio *et. al.* (2004) a certain profit superfluity recommendations by Modigliani and Miller (1961), where it was increased that the estimation of a firm depends entirely on its acquiring power and not on the way in which its profits are part amongst profits and retained profit.

Julio and Ikenberry (2005) examined the relationship between dividend payout policy and firm values in organization in USA. The study revealed that there existed a small significant relationship between dividends increase and increment firm earnings. They additionally revealed that a more critical growth propensity for substantial firms paying dividends since 1999. This bounce back in dividends payout is somewhat represented by the 2003 Bush Tax Cut, and incompletely because of the regular development of IPO firms that presented its financial reports in 1990s. They presumed that recorded firms

ought to consider dividends arrangement as appreciation of firm value in the future investment decisions.

Grullon, Michaely, Benartzi and Thaler (2005) determined the relationship between change in dividends and future earnings in listed companies. The study adopted an econometrics approach model to examine the relationship between variable predispositions. With this approach the association between dividends policy and future income earnings. The study found no significant confirmation of the existing relationship is discovered supporting dividends approach that goes for expanding profits flag better prospects for future firm earnings. The study failed to relates dividend payout framework and firm values for listed companies in developing countries such as Kenya.

Highly profitable companies with stale earnings are able to operate with lots of liquidity thereby distributing out more payouts (Ahmed &Javid, 2008). The scholars further argued 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 no significant correlation between dividends and earnings.

Uwuigbe, Jafaru, and Ajayi (2012) studied on the correlation involving financial performance and dividend payout ratio for listed Nigerian firms .Parameters used were ownership, firm size and dividend 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 (Uwuigbe, Jafaru, & Ajayi, 2012).

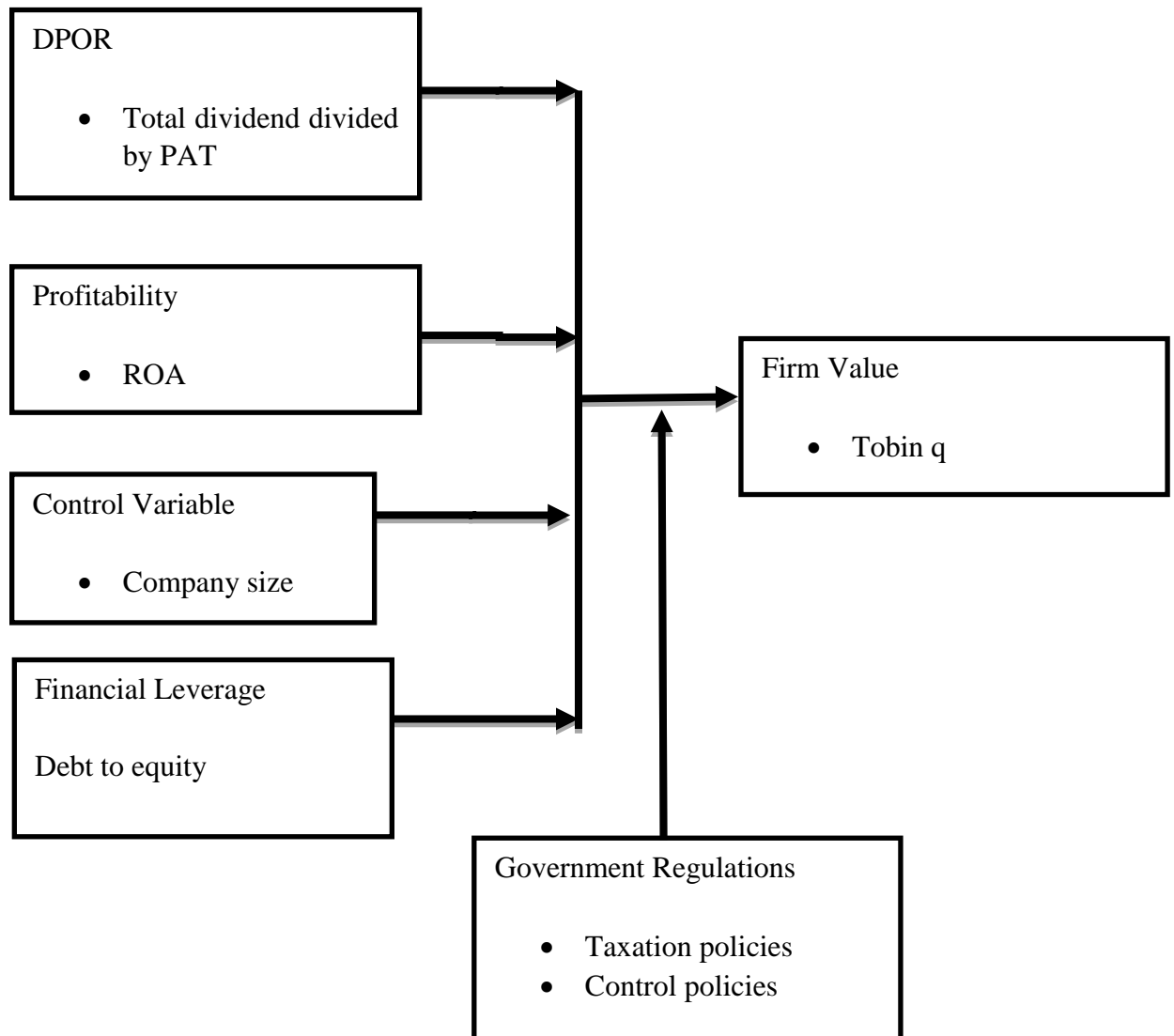
Locally, Njoroge (2001) examined the correlation between dividend framework and firm profitability for listed organization in Nairobi Securities exchange recorded at the NSE and found that there existed a significant and positive relationship between's dividend payout and firm earnings. Wairimu (2002) examined the relationship between dividend and investment decisions among the listed firms in NSE in Kenya. She inferred that in Kenya, investment decisions are influenced by competitive investment choices in light of the fact that the two investment and dividend decisions consider the assets, accessibility of the assets and cost and obligation of the firm.

Tiriongo (2004) led an investigation on dividends arrangement practices for the organizations listed at NSE in Kenya. He inferred that there was a positive association between dividend payout and firm performance and value of the firm. Malombe (2011) determined the relationship dividends approaches on the profitability of SACCOs with Fosasin Kenya and discovered that there is a positive but insignificant correlation between dividend approach and financial earnings of SACCOs with Fosasin Kenya. Kioko (2006) examined the relationship between dividend policy change and future earnings of firm listed at NSE in Kenya. The study found that change in dividend payout rate influence earning change, there existed a positive correlation between the dividend policy change and future profit earnings. The study further found that the expected relationship between earning period and financial performance EPS improve firm value.

2.5 Conceptual Framework

Independent Variable

Dependent Variable



Source: Researcher 2017

2.6 Summary of Literature Review

There are several theoretical and empirical studies that have been advanced in explaining the effect of dividend policy on value of firms. As discussed, there are theories that

support that dividend policy has a significant effect on the value of firms and these theories include tax differential theory, bird-in-the-hand theory, and information signaling theory and agency theory. However, some scholars have refuted the relevance of dividend and have thus developed the dividend irrelevance theory. There are also varied empirical studies that have been carried out both locally and internationally in support of or against dividend policy as a factor that affects the performance of firms.

Empirical studies by Amidu (2007), Julio and Ikenberry (2005), Nissim and Ziv (2001), Kioko (2006), Murekefu and Ouma (2012) have supported a positive correlation between dividend policy and value of firms. On the otherhand, empirical studies by Modigliani and Miller (1961), Lintner (1996) and Fersio et al. have concluded that there is no significant relationship between dividend policy and firm value. Several determinants of firm value such as dividend payout, profitability, investment opportunities, financial leverage and liquidity have also been developed by the scholars in enriching the financial literature on dividend policies. This study will therefore contribute to the existing empirical studies on the effect of dividend policy on value of firms by studying companies listed on the NSE

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The study use research methodology that the study used in seeking to achieve the objective of the study. For the purpose of this study, the study adopt research design, population of interest, data collection sheet and data analysis techniques.

3.2 Research Design

The study uses a descriptive survey research design. These designs help in collection of quantitative data that help in answering the research question or testing the study hypothesis. The selection of the research design was deemed fit as it was suitable in determining the whether there exist a significant relationship between dividend policy and firm value.

3.3 Population

The target population in this study constituted 65 companies listed on the NSE (CMA, 2016).

3.4 Data Collection

The study used secondary data that was collected using data collection form. The study utilized secondary data on total value of outstanding shares, total assets, net comprehensive income, total liabilities, dividend per share and earning per share that was extracted from the Annual Statement of Financial Position and Income Statements of

individual firms listed at the NSE. The total assets and net comprehensive income was used to calculate the ROA, the annual dividend per share and earnings per share was used to calculate the dividend payout ratio that is used as a proxy to dividend policy. The control variable, size of the firm was arrived at by calculating the natural logarithm of the total assets. The data was obtained from the website of different companies as well as CMA library for the period of five years as from 1st January 2012 to 31st December 2016.

3.5 Data Analysis

The study used multiple linear regression models that seek to establish the relationship between dividend policy and firm value of listed companies at NSE through regressing factors such as dividend payout ratio, return on assets, leverage, and company size.

The regression model that was employed is:

$$\text{Tobin's } q = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Tobin's q = represents the firm value, which is calculated by dividing the total market value of a firm plus its liabilities by the total asset value (or book value) plus liabilities of the firm.

X_1 = is ROA the independent variable which represents the profitability of a firm, calculated by dividing profit after tax by the average total assets employed.

X_2 = is dividends paid to shareholder relative to the amount of total net income of a company.

X_3 = represents leverage, which is the ratio of total debt to total capital of a firm.

X_4 = is the size of the firm, used as a control variable. Calculated by finding the natural logarithm of the total assets.

α = is a constant that represents firm value when the independent variables are excluded.

$\beta_1, \beta_2, \beta_3$ and β_4 = represent regression coefficients for DPOR, ROA, LEV, and SIZE respectively.

ϵ = the error term reflecting the other factors influencing firm value not captured by the model.

The data was subjected to ANOVA to test the goodness of fit and t-statistic to test the direction of the model to establish whether the group of variables identified above can predict the dependent variable (Firm Value). The R^2 coefficient of determination and the test of significance were computed to examine the extent to which the independent variables can explain the variation in the dependent variable at 95% confident limit

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATIONS

4.1 Introduction

This chapter presents the results of the study based on the data secondary data collected from financial reports of the companies. The study examine the the effect of dividend policy on firm value for firms listed at Nairobi securities exchange in Kenya.

4.2 Data Collection and Analysis

The study sought to collect and analysis consolidated data from the 60 firms listed at Nairobi security exchange in Kenya. Data collection was based on the study variables where dependent variable is firm value measured by ratio of total market value of equity over book value of equity, profitability of the firms measures using ROA, dividends paid to shareholder relative to the amount of total net income of a company, Dividend Payout Ratio (DPR), LEVERAGE- the Debit –equity ratio that is ratio of total debt to total capital of a firm and company (Firm) Size (FS). The study period was 1st January 2012 to 31st December 2016.

4.2 Descriptive Statistics Analysis

Table 4. 1: Descriptive Statistics Analysis

Year	Minimum	Maximum	Mean	Std Deviation
TobinQ	0.563	362.000	31.6592	51.904
ROA	0.2687	.4593	0.39625	0.2437
Divident payout Ratio(DPR)	- 28.401	98.649	25.7333	21.905
LEVERAGE (Debit/Equity Ratio)	0.5962	1.6257	0.9648	0.0329
Firm Size (Bsize)	7.0955	24.6024	17.8529	3.1748

Source: Research Data

The analyzed results presented in Table 4.1 indicate the mean Firm value of the selected listed company is 31.6592 with a Minimum Mean 0.563 and Maximum Mean of 362.000. Descriptive results in firm profitability indicated that the mean ROA was 0.39625, with a Maximum Mean of .4593 and Minimum Mean of 0.2687. The findings also indicated that mean dividend payout was 25.7333 with a Maximum Mean of 98.649 and a Minimum Mean of -28.401 showing some companies earnings were negative with a standard deviation of 21.905 depicting that some companies firms paid a dividend payout ratio of close to 100% paid from retained earnings of the companies. The Debit -Equity ratio results indicated that the firms had a mean value of 0.9648, with a Minimum mean of 0.5962 and a maximum of 0.5962 with a standard deviation of 0.0329. Indicating that some companies failed to pay dividend with majority paying cash dividends. The results on firm size, the study found that the mean size of listed firms is 17.8529 which lied between a maximum of 24.6024 and 7.0955 with standard deviation of 3.1748.

4.3 Diagnostic Statistics

Table 4. 2: Diagnostic Tests

Indicators	collinearity		Normality Test
	Tolerance	VIF	KURT
ROA	2.079	5.571	6.403
Dividend payout Ratio(DPR)	1.580	3.690	-2.908
LEVERAGE (Debit/Equity Ratio)	2.244	5.001	1.703
Firm Size (Bsize)	1.603	3.975	4.572

The diagnostic results in Table 4.2 shown in table on collinearity, the results indicate Tolerance for the Independent variables had a Tolerance Value greater than 1 , for profitability(ROA) was 2.079), Dividend payout Ratio(DPR) Tolerance of 1.480, LEVERAGE (Debit/Equity Ratio) had 2.244 and firm size(Bsize) is 1.603. The VIF for independent variables for Profitability (ROA) is 5.571, Dividend payout Ratio(DPR) is 3.690, Debit/Equity Ratio is 5.001 and firm size is 3.975 There was no multicollinearity that existed among the variables as Tolerance was $>.1$ and VIF <10 or an average much greater than 1.

Kurtosis test was done to test normality of data distribution. The results show that ROA had Kurt of 6.403 indicating a relatively peaked data distribution among all firm, Dividend payout Ratio(DPR) has KURT of -2.908 was relatively flatter distribution, leverage (Debit/Equity Ratio) had KURT of -2.834, and firm size has KURT of 1.703 indicating a relatively flatter distribution among all the firms. This implied that the data exhibited platy-kurtic distribution hence data not normally distributed among the listed firms.

4.3 Correlation Analysis

Table 4. 3: Correlation between Dividend policy and Firm value of Listed Companies

		Tobin Q	ROA	Dividend payout Ratio(DPR)	Debit/Equity Ratio	Bsize
	Pearson Correlation	1				
TobinQ	Sig. (2-tailed)	0.000				
	N	60				
ROA	Pearson Correlation	.756**	1			
	Sig. (2-tailed)	.000	0.0015			
	N	60	60			
Dividend payout Ratio(DPR)	Pearson Correlation	.719*	.502	1		
	Sig. (2-tailed)	.0023	.142			
	N	60	60	60		
Debit/Equity Ratio	Pearson Correlation	-.709*	.309	0.477	1	
	N	60	60	60	60	
	Sig (2-tailed)	0.001	0.025	.476	0.638	
Bsize	Pearson Correlation	-.583*	.655	0.411	0.345	1
	Sig. (2-tailed)	0.0011	0.548	.601	.446	.511
	N	60	60	60	60	60

** - Correlation is significant at the 0.01 (2 tailed)

* - Correlation is significant at the 0.05 (2 tailed)

The correlation between dividend policy and firm value both in direction either positive or negative and strength of association were determined using Pearson Product Moment correlation coefficient. This would help in evaluating whether there exists any relationship the study variables before further inferential, regression analysis. The criterion employed was that Correlation Coefficient of 0.7 and above was strong, 0.4-and less than 0.7 was assigned moderate 0 and less than 0.4 weak. The correlation coefficient was also used to test whether there existed were if the correlation coefficient if more than 0.9 ($r > 0.9$) there exist high multicollinearity which may led to unreliable regression model (Mirie, 2014).

The correlation results in Table 4.3 shows that there is a strong, significant and positive correlation between profitability and firm value Tobin Q $r=0.756$, $PV=0.000<0.01$), there is a strong , significant and positive correlation between dividend and firm value, Tobin Q where $r=0.719$, $PV=0.0012<0.05$, leverage (Debit/Equity Ratio) has a strong significant and negative correlation with Firm value ,Tobin Q, $r=0.-0.709$, $PV=0.001<0.05$ and that there exist a moderate , significant and positive relationship between firm size and Firm Value (Tobin Q as $r=-0.583$, $PV=0.011<0.05$).

4.4 Regression Model Summary

In order to establish the relationships and effects of internet banking and financial performance in banks in Kenya.

Table 4. 4: Regression Analysis Results

Regression		Model Summary: Dependent variable ROA			
R		0.857			
R Square		0.734			
Adjusted R Square		0.725			
Std Error		0.038			
Goodness of Fit					
	Degree of freedom	Sum of Squares	Mean Square		
Regression	4	496.36	109.24		
Residual	55	22907.5	416.5		
Total	59	23343.46	59.312		
Calculated F		19.316			
Significance F		0.0011			
Output of Regression – Co-efficient					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	38.309	4.302		8.905	.001
ROA	1.027	.478	1.004	2.149	.0000
Dividend payout Ratio(DPR)	0.6168	.131	.6053	4.709	.0012

Debit/Equity Ratio	-0.2757	0.051	-0.342	5.406	0.011
Bsize	1.4845	0.543	1.365	2.753	0.019

The study multiple regression model had an adjusted $R^2 = 0.725$ and standard error of 0.038 which denote that the mean deviation of ROA predicted resultant regression model at 95% confidence level. Dividend policy account for 72.5%% variance in firm value in listed companies. The finding in table 4. Indicate that the variable had a significant goodness of fit between variable as F- calculated, 19.316

The results in Table show that firm value of listed firms was significantly predicted by profitability of the firm (ROA) ($\beta = 1.027$, $P=0.001 < 0.05$, $t=2.149$). This implied that an increase in profitability of the firm firm value increase by regression factor 1.027.

The results indicated that dividend payout ratio significantly predict value of the firm ($\beta = 0.6168$, $P= 0.0012 < 0.05$, $t=4.709$), Debit/Equity Ratio predict a negatively and significant on firm value with proxy value Tobin Q value ($\beta_3 = -0.2757$, $P=0.011 < 0.05$, $t=5.306$) and firm size (Bsize) predict significant and positively firm value ($\beta_4=1.4845$, $P=0.019 < 0.05$, $t=2.753$).

4. Discussion of the Findings

The descriptive results indicated that firm values were positive indicating the firm profitability, dividend payout, firm size influence firm value to a great extent as firm profitability had a mean ROA was 0.39625, dividend payout with a mean of 25.7333 showing most companies earnings were paying a dividend payout ratio of close to 100% paid from retained earnings of the companies The Debit -Equity ratio results indicated that the firms had a mean value of 0.9648, indicating that some companies failed to pay dividend with majority paying cash dividends.

The correlation results indicated that there exist a strong, significant and positive correlation between profitability and firm value Tobin Q ($r=0.756$, $PV=0.000<0.01$), there is a strong , significant and positive correlation between dividend and firm value, Tobin Q where $r=0.719$, $PV=0.0012<0.05$, leverage (Debit/Equity Ratio) has a strong significant and negative correlation with Firm value ,Tobin Q, $r=0.-0.709$, $PV=0.001<0.05$ and that there exist a moderate , significant and positive relationship between firm size and Firm Value (Tobin Q as $r=-0.583$, $PV=0.011<0.05$. The finding concurred with In Kenya, Aroni, Namusonge and Sakwa (2014) found that dividend payout had a significant influence on decisions to invest in shares. The findings concurred with Fersio et al. (2004) who revealed that there is a significant reinvestment of held income instead of dividends payout would increase firm performance in terms of dividends and return on assets in the future.

The study found that firm value of listed firms was significantly predicted by profitability of the firm (ROA) ($\beta = 1.027$, $P=0.001<0.05$, $t=2.149$) and that increase in profitability of the firm value increase by regression factor 1.027.

The findings also revealed that dividend payout ratio significantly predict value of the firm ($\beta = 0.6168$, $P=0.0012<0.05$, $t=4.709$). The results were supported by Julio and Ikenberry (2005) whose findings revealed that there existed a small significant relationship between dividends increase and increment firm earnings

Regression results on Debit/Equity Ratio predict a negatively and significant on firm value with proxy value Tobin Q value ($\beta_3 = -0.2757$, $P=0.011<0.05$, $t=5.306$) therefore increase in debit ratio decrease firm value. The results also indicated that firm size (Bsize) predict significant and positively firm value ($\beta_4=1.4845$, $P=0.019<0.05$, $t=2.753$). As per the study

findings the above finding support the dividend relevance theories which are advanced by Gordon (1962), Lintner (1963), Ross (1977) and other scholars who suggest that a firm's dividend policy is relevant and affects the firm's value. As such, Emeni and Ogbulu (2015) on the other hand found that cash dividends do not have a significant relation with the market value of firms but Priya & Nimalathan (2013) revealed that cash dividend announcements convey valuable information, which investors or shareholders do not have.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

Chapter five presents the summary of findings of this research based on research objective to determine the effect of dividend policy on firm value of companies listed Nairobi Securities Exchange. The chapter also present conclusions, recommendations, limitations of the study and suggestion of areas for further research.

5.2 Summary of Key Findings

The aim of this research was to explore effect of dividend policy on value of firms listed at NSE. The study considered value of firm proxies using TobinQ as dependent variable while dividend payout ratio, timing of dividend payment and the mode of dividend payment as the independent variables while debt and size of the firm were incorporated as control variables.

The study revealed that firm values were positive indicating the firm profitability, dividend payout, firm size influence firm value as firm profitability had a mean ROA was 0.39625, dividend payout with a mean of 25.7333 showing most companies earnings were paying a dividend payout ratio of close to 100% paid from retained earnings of the companies. The Debit -Equity ratio results indicated that the firms had a mean value of 0.9648, indicating that some companies failed to pay dividend with majority paying cash dividends. The established that the firm value of the quoted companies at NSE increases as there is increase in dividends payment, that with increase in debts the firms implemented dividend policy. This demonstrated that

dividend policy was a significant determinant of the firm values and increase in firm financial performance measures in ROA, leverage, increase in companies asset base increases firm value.

The study established that there exist a strong, significant and positive correlation between profitability and firm value Tobin Q ($r=0.756$, $PV=0.000<0.01$), Correlation results also revealed that there is a strong, significant and positive correlation between dividend and firm value, TobinQ. The study found that firm value of listed firms was significantly predicted by profitability of the firm (ROA) ($\beta = 1.027$, $P=0.001<0.05$, $t=2.149$) and that increase in profitability of the firm value increase by regression factor 1.027.

Findings established that leverage (Debit/Equity Ratio) has a strong significant and negative correlation with Firm value, Tobin Q, $r=0.0709$, $PV=0.001<0.05$ and that there exist a moderate, significant and positive relationship between firm size and Firm Value (Tobin Q as $r=0.583$, $PV=0.011<0.05$. This clearly indicated that dividend payout policy had a significant influence on decisions to invest in shares and that reinvestment of held retained earnings would increase firm performance in terms of dividends and return on assets in the future.

The findings also revealed that dividend payout ratio significantly predict value of the firm ($\beta=0.6168$, $P=0.0012<0.05$, $t=4.709$). The results were supported by Julio and Ikenberry (2005) whose findings revealed that there existed a small significant relationship between dividends increase and increment firm earnings. Murekefu & Ouma(2012) in their study on the relationship between dividend payout and firm performance for firms listed at the NSE done for an year period from 2002 to 2010 established that there exists a strong

relationship between dividend policy and firm performance. They therefore concluded that dividend policy is relevant and therefore affects firm performance. They also found out that revenue and total assets are also among the factors that affect firm performance and that cash dividends was the most commonly used form of dividends among listed companies in Kenya.

Regression results on Debit/Equity Ratio predict a negatively and significant on firm value with proxy value Tobin Q value ($\beta_3 = -0.2757$) therefore increase in debit ratio decrease firm value. The results also indicated that firm size (Bsize) predict significant and positively firm value ($\beta_4 = 1.4845$, $P = 0.019$). The results confirm that firm' dividend policy is relevant and affects the firm's value.

The study there indicated that shareholders have preference choice for dividend payout which are regarded as risk free as opposed to the capital increase from the future investments which the management may engage and which could be of the interest to the management. An increase in payout ratio decrease the risks inherent in the projected liquidity therefore a huge dividend payout ratio lower the cost of funds , increasing value of the share price and increase the value of the firm. The companies listed as NSE need to continue implementing dividend policy by increasing dividend payout ratio as this lower risks on future cash flow and improve level of firm value.

5.3 Conclusions

The study has established that dividend payout significantly and positively influences value of a firm. The study concluded that company's profitability, dividend payout and firm size has a positive significant relation with the value of the firm. This is because the

study concluded that there existed a positive and significant relationship between company profitability measured in term of return on assets and dividend payout ratio. The firm size in assets predict positively and significantly firm dividend payout ratio indicating that large companies are in a better position of accessing to capital market and easily increase funds at a lower cost compared to small companies.

The study concluded that strong and good dividend policies predict increase in profitability of companies and that increase in return on assets would increase volume of investments in listed companies. The study concluded that increase in firm size in terms of asset base have a positive effects on dividend policy and companies would be in a better position of increasing capital funds through increase in selling of share.

First, Organizations should ensure that they have a good and robust dividend policy in place. This will enhance their profitability and attract investments to the organizations. Secondly, directors of corporate organizations should be made to update the records of shareholders including their next-of kin to avoid a deliberate diversion or undue retention of unclaimed dividend warrants. Due procedures for the recognition and utilization of profit arising from investment of unclaimed dividend should be effected and properly accounted for. Thirdly, a more stringent level condition should be established to compel directors to only invest in profitable ventures, report the utilization of retention earnings through not estothec counts. Lastly, Government should setup a body that will help to manage unclaimed dividends and also ensure that situations that give rise to such are minimized. Based on this finding, the study concludes that dividend policy is relevant and affects value of firm positively such that an increase in dividends increases the firm's value and vice versa. The study also concludes that firm size enhances firms'

values since large firms enjoys economies of large-scale production and may attract good management. The study concluded that firm profitability had a significant confirmation of the existing relationship with dividends approach that goes for expanding profits flag better prospects for future firm earnings. The study concluded that debt has a negative but insignificant effect on firms' value hence the conclusion that high debt levels reduce the firm's value.

The study concluded that increase companies' size in assets as this put the companies in a better position of implementing dividend payout policy. The dividend payout depended on earnings on asserts in the company and the companies should strive to improving cash flow. Low payment of dividend is an indicator the companies are not growing in assets an indicator of suboptimal investment in assets. Increase in dividend payout has an effects of enabling management to pay dividends from the retained earnings as the company increase earnings from optimal investing in more assets. In conclusion, the listed companies should increase dividend payout, increase optimal investment in higher earning projects and increase optimal investment in shares and assets to increase growth. The payment of dividend raise more funds through insurance of shares, increase management accountability and transparent reducing conflicts of interest and increase optimal investments and increase dividend payout and the company reduce free cash flow , minimize conflicts of interests and improve company growth.

The study concluded that dividend policy predicted positively financial performance; profitability measured through return on assets (ROA) and had a significant relationship with the company's size in assets. Improvement in growth and implementation of dividend policy by paying dividend to shareholders. Increase in payment of dividends

increase company profitability. The increase in companies' funds through sales of shares and improve investments in assets to increase future company growth and real earnings per share.

5.4 Recommendations

The study found out the dividend policy affect the firm's value hence payment of dividends is relevant. Based on this, the study recommends that manager of listed firms should develop effective dividend payout policies to ensure that their firms pay out dividends to enhance the value of their companies. The study also recommends that authority organs and regulatory and policy making organizations like the Capital Markets Authority of Kenya and NSE should come up with effective policies that should engage in dividend payout by listed firms so to increase firm value

The study also recommend that firm listed at NSE should thrive on improving the profitability level and also increase the asset base as this would improve firm value. Based on this finding, the study recommends that managers of listed firms should come up with effective policies that would improve level of earnings. The study revealed that debt had a negative influence on firm value. Therefore the study recommends that the management of the companies listed at NSE should employ optimal debt levels to ensure that high debt levels do not increase agency cost, which may in turn affect firm value.

The study recommends that management in the listed companies strive to formulate measures that would increase companies' size in assets as this put the companies in a better position of implementing dividend payout policy. The dividend payout depended on earnings on asserts in the company and the companies should strive to improving cash

flow. Low payment of dividend is an indicator the companies are not growing in assets an indicator of suboptimal investment in assets. Increase in dividend payout would enamel management to pay dividends from the retained earnings as the company increase earnings from optimal investing in more assets .Payment of low dividends indicates that management invest in suboptimal asset investments and in low ideal programmes with limited growth limiting companies increase in returns on assets thereby increasing firm value. The payment of dividend would require management to raise more fund s through insurance of shares, increase management accountability and transparent reducing conflicts of interest and increase optimal investments. The management should implement dividend policy to reduce free cash flow, minimize conflicts of interests and improve company growth.

The findings revealed that dividend policy predict positively financial performance especially profitability measured through return on assets (ROA) and had a significant relationship with the company's size in assets. The management should focus on improving increase in growth and implementation of dividend policy by paying dividend to shareholders. Increase in payment of dividends increase company firm value . The management should fosters raising funds through sales of shares and improve investments in assets to increase future company growth and real earnings per share.

5.5 Limitations of the Study

The objective of this was to explore the relationship between dividend policies on the firms' value of listed firms at Nairobi Securities Exchange. Therefore, the findings of this study are limited to firms listed at the NSE and could not be generalized to other forms operation in the economy. The study also failed to focus on companies on the specific

sector such as agricultural sector, banking sector, manufacturing sectors for distinct findings of dividend policy and firm values among the companies in different sectors.

The study focused on firms that are listed in Nairobi Securities Exchange. This implies that the findings could not be generalized to private firms not list. The companies did a survey of the entire firm listed at NSE. More studies could be undertaken to examine the effects of dividend policies on firm valued for specific firms in different sector of the economy. The study was limited to 5 years which is a short period to observe changes in variables over time.

The other limitation was that the study did not focus on unlisted companies. The study was restricted to companies listed to Nairobi Securities Exchange. The trend and the relationship between the variables focusing on unlisted companies could provide a different result. The study requires to be done focusing on a large sample to provide a broad base general finding to inform the existing theory and practices.

The study used The study also used secondary data collected from the financial reports of the companies listed at Nairobi Securities Exchange which involved ratios, which may be historical in nature hence may not be reflective of the current situation.

5.6 Areas For further Research

These studies examine the relationship between divided policy and firm value for companies listed at NSE. This study considers all the firms in all the sectors. A further study should be carried out to determine the effects of dividend policy on firm value for firms in different sectors of the economy such as manufacturing companies, agricultural firms and energy firms.

A further study should be carried out to determine the relationship between dividend yields and dividend per share and firm values. The study recommend that further research should be carried out with timing of dividend payment and the mode of dividend payment being independent variable and firm value as dependent variables for different firm listed in NSE.

The current study focus on determining the effects of dividend policy on firm value performance of companies listed at Nairobi Security Exchange. The study focus on firm value as a measures as a ratio of total market value to liabilities. The study recommends that a further study should be carried out to determine the relationship between firm value and dividend policy of companies not listed at NSE. This would enable more generalized finding on influence of dividend policy on firm value.

The study recommend that firm values is affected by determinants such as firm profitability, firm size measured in assets, dividend paid to shareholder amount total net income of the company and company leverage. The study recommend that other factors that influence dividend policy should be investigated such as dividend payout ratio, dividend payout timing and profitability measured in return on equity and how it impact on firm value.

A further study should be carried out to examine the relationship between dividend policy and firm value for different companies listed and unlisted based on a longer period of time. This study only took into consideration of five years from 1st January 2012 to 31st December 2016. A further study should be carried to consider a longer period such as 10 years or 15 years.

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APPENDICES

Appendix I: Firms Listed on the Nairobi Securities Exchange

1. Barclays Bank Ltd
2. CFC Stanbic Holdings Ltd
3. I&M Holdings Ltd
4. Diamond Trust Bank Kenya Ltd
5. HF Group Ltd
6. KCB Group Ltd
7. National Bank of Kenya Ltd
8. NIC Bank Ltd
9. Standard Chartered Bank Ltd
10. Equity Group Holdings
11. The Co-operative Bank of Kenya
12. Jubilee Holdings Ltd
13. Pan Africa Insurance Holdings
14. Kenya Re-Insurance Corporation Ltd
15. Liberty Kenya Holdings Ltd
16. Britam Holdings Ltd
17. CIC Insurance Group Ltd
18. Olympia Capital Holdings Ltd
19. Centum Investment Co Ltd
20. Trans-Century Ltd
21. Home Afrika Ltd
22. Kurwitu Ventures
23. Nairobi Securities Exchange

24. StanlibFahari I-REIT
25. Eaagads Aims
26. Kakuzi
27. Kapchoria Tea Aims
28. Car & Gen
29. Marshalls
30. Sameer
31. Atlas Dev. & Supp. Services Ltd GEMS
32. Deacons East Africa
33. Express
34. Hutchings Biemer
35. Kenya Airways
36. Longhorn Publishers
37. Nation Media
38. Standard Group
39. TPS EA
40. Uchumi
41. WPP Scangroup
42. Arm Cement Ltd
43. Bamburi
44. Crown Berger
45. EA Cables
46. EAPC
47. Kengen
48. Kenol Kobil
49. Kenya Power
50. Total

- 51. Umeme
 - A. Baumann Aims
- 52. BOC Gases
- 53. BAT Kenya
- 54. Carbacid
- 55. EABL
- 56. Eveready EA
- 57. Flame Tree Holdings GEMS
- 58. K. Orchards AIMS
- 59. Mumias
- 60. Unga
- 61. Safaricom
- 62. Limuru Tea AIMS
- 63. Sasini
- 64. Williamson Tea AIMS
- 65. Source: NSE website

APPENDIX II: DATA COLLECTION FORM

COMPANY	DPS	DIVIDEND PAY OUT RATIO	ROA	FIRM VALUE	FIRM SIZE
Barclays Bank Ltd					
CFC Stanbic Holdings Ltd					
I&M Holdings Ltd					
Diamond Trust Bank Kenya Ltd					
HF Group Ltd					
KCB Group Ltd					
National Bank of Kenya Ltd					
NIC Bank Ltd					
Standard Chartered Bank Ltd					
Equity Group Holdings					
The Co-operative Bank of Kenya					
Jubilee Holdings Ltd					
Pan Africa Insurance Holdings					
Kenya Re-Insurance Corporation Ltd					
Liberty Kenya Holdings Ltd					
Britam Holdings Ltd					
CIC Insurance Group Ltd					
Olympia Capital Holdings Ltd					
Centum Investment Co Ltd					
Trans-Century Ltd					
Home Afrika Ltd					
Kurwitu Ventures					
Nairobi Securities Exchange					
Stanlib Fahari I-REIT Eaagads Aims					
Kakuzi					
Kapchoria Tea Aims					
Car & Gen					
Marshalls					
Sameer					
Atlas Dev. & Supp. Services Ltd GEMS					
Deacons East Africa					
Express					

Hutchings Biemer					
Kenya Airways					
Longhorn Publishers					
Nation Media					
Standard Group					
TPS EA					
Uchumi					
WPP Scangroup					
Arm Cement Ltd					
Bamburi					
Crown Berger					
EA Cables					
EAPC					
Kengen					
KenolKobil					
Kenya Power					
Total					
Umeme					
A. Baumann Aims					
BOC gases					
BAT Kenya					
Carbacid					
EABL					
Eveready EA					
Flame Tree Holdings					
GEMS					
K. Orchards AIMS					
Mumias					
Unga					
Limuru Tea AIMS					
Sasini					
Safaricom					
Williamson Tea AIMS					

Firm	Year	Firm value	Total dividends	Final dividend	debt ratio	Firm size
Barclays Bank Ltd	2016	5.00	301,391	301,391	0.472	17.34
	2015	5.00	297,794	297,794	0.565	16.44
	2014	5.00	297,165	247,638	0.548	16.47
	2013	5.00	198,110	198,110	0.556	16.25
	2012	5.00	173,346	173,346	0.518	15.92
CFC Stanbic Holdings Ltd	2016	5.00	4,718	4,356	0.00	18.27
	2015	5.00	4,356	3,993	0.00	17.40
	2014	5.00	3,267	2,178	0.026	17.34
	2013	5.00	726	726	0.024	17.44
	2012	5.00	3,086	2,094	0.042	17.40
I&M Holdings Ltd	2016	0.50	5,432	2,716	0.00	12.94
	2015	0.50	4,345	1,086	0.00	12.33
	2014	0.50	3,802	2,716	0.00	12.24
	2013	0.50	5,431	3,802	0.00	12.13
	2012	0.50	7,061	6,382	0.00	12.03
Diamond Trust Bank Kenya Ltd	2016	10.00	4,600,000	4,050,000	0.075	17.53
	2015	10.00	3,900,000	3,550,000	0.083	17.35
	2014	10.00	3,350,000	2,900,000	0.043	17.37
	2013	10.00	2,900,000	2,700,000	0.048	17.23
	2012	10.00	2,700,000	1,250,000	0.076	16.82

HF Group Ltd	2016	5.00	101,532	58,576	0.00	14.66
	2015	5.00	101,532	42,596	0.00	14.06
	2014	5.00	59,553	50,766	0.00	14.03
	2013	5.00	110,319	39,051	0.00	14.07
	2012	5.00	93,772	39,051	0.00	14.00
KCB Group Ltd	2016	10.00	581,500	108,637	0.008	18.17
	2015	10.00	581,525	108,662	0.003	18.10
	2014	10.00	472,863	189,145	0.002	17.85
	2013	10.00	472,863	94,573	0.002	17.66
	2012	10.00	283,718	13,860	0.003	17.39
National Bank of Kenya Ltd	2016	5.00	0.00	0.00	0.051	15.27
	2015	5.00	24,062	24,062	0.654	15.14
	2014	5.00	26,736	26,736	0.524	15.21
	2013	5.00	18,381	18,381	0.500	15.22
	2012	5.00	18,724	18,724	0.604	15.14
NIC Bank Ltd	2016	5.00	178,397	76,456	0.00	14.30
	2015	5.00	101,941	101,941	0.00	13.63
	2014	5.00	101,941	67,961	0.00	13.77
	2013	5.00	101,941	101,941	0.00	13.73
	2012	5.00	101,941	101,941	0.00	13.26
Standard Chartered Bank Ltd	2016	0.50	0.00	0.00	0.138	18.10
	2015	0.50	0.00	0.00	0.142	17.20
	2014	0.50	0.00	0.00	0.222	16.76

	2013	0.50	0.00	0.00	0.252	16.63
	2012	0.50	0.00	0.00	0.342	16.33
Equity Group Holdings	2016	5.00	213,475	205,600	0.020	19.16
	2015	5.00	205,567	197,660	0.023	19.01
	2014	5.00	376,000	249,000	0.023	19.01
	2013	5.00	849,942	600,889	0.029	18.78
	2012	5.00	0.00	0.00	0.028	18.83
The Co-operative Bank of Kenya	2016	1.00	0.00	0.00	0.626	15.72
	2015	1.00	70,000	70,000	0.177	16.98
	2014	1.00	217,966	217,966	0.247	16.65
	2013	1.00	196,165	196,165	0.299	16.46
	2012	1.00	0.00	0.00	0.378	16.22
Jubilee Holdings Ltd	2016	1.00	3,911,453	3,911,453	0.012	19.65
	2015	1.00	2,444,658	2,444,658	0.015	19.47
	2014	1.00	2,095,422	2,095,422	0.018	19.26
	2013	1.00	1,396,948	1,396,948	0.021	19.12
	2012	1.00	1,396,948	1,396,948	0.025	18.94
Pan Africa Insurance Holdings	2016	5.00	42,708,600	24,913,350	0.926	15.33
	2015	5.00	41,522,250	24,221,313	0.069	15.61
	2014	5.00	29,659,000	17,301,083	0.064	15.46
	2013	5.00	29,685,750	17,316,688	0.068	15.30
	2012	5.00	29,685,750	17,316,688	0.066	14.13

Kenya Re-Insurance Corporation Ltd	2016	4.00	605,275	378,297	0.096	19.42
	2015	4.00	581,064	363,165	0.058	19.17
	2014	4.00	462,210	288,881	0.074	18.93
	2013	4.00	418,190	261,369	0.091	18.72
	2012	4.00	332,596	207,873	0.114	18.50
Liberty Kenya Holdings Ltd	2016	1.25	0.00	0.00	0.00	12.04
	2015	1.25	0.00	0.00	0.00	11.47
	2014	1.25	0.00	0.00	0.00	11.13
	2013	1.25	20,098	20,098	0.00	11.96
	2012	1.25	20,098	20,098	0.00	12.13
Britam Holdings Ltd	2016	0.50	253,125	151,875	0.437	15.75
	2015	0.50	32,015	16,008	0.428	15.44
	2014	0.50	151,875	75,938	0.490	15.32
	2013	0.50	101,250	50,625	0.323	15.27
	2012	0.50	126,563	63,282	0.399	15.42
CIC Insurance Group Ltd	2016	2.00	4,349	4,349	0.526	18.29
	2015	2.00	4,349	4,349	0.554	17.93
	2014	2.00	4,375	3,182	0.430	17.89
	2013	2.00	7,047	5,638	0.459	17.83
	2012	2.00	5,711	4,569	0.104	17.62
Olympia Capital	2016	5.00	0.00	0.00	0.168	16.34

Holdings Ltd						
	2015	5.00	0.00	0.00	0.165	16.02
	2014	5.00	0.00	0.00	0.171	16.04
	2013	5.00	0.00	0.00	0.256	15.96
	2012	5.00	117,000	117,000	0.272	16.14
Centum Investment Co Ltd	2016	0.50	7,547,350	7,547,350	0.098	19.65
	2015	0.50	6,664,999	6,664,999	0.086	19.66
	2014	0.50	16,246	16,246	0.00	19.44
	2013	0.50	20,777	20,777	0.00	19.31
	2012	0.50	17,265	17,265	0.00	19.10
Trans-Century Ltd	2016	1.00	0.00	0.00	0.023	14.23
	2015	1.00	0.00	0.00	0.416	14.01
	2014	1.00	0.00	0.00	0.250	14.17
	2013	1.00	0.00	0.00	2.248	14.13
	2012	1.00	0.00	0.00	5.092	14.13
Home Afrika Ltd	2016	5.00	0.00	0.00	0.241	12.18
	2015	5.00	0.00	0.00	0.239	12.06
	2014	5.00	0.00	0.00	0.131	12.87
	2013	5.00	0.00	0.00	0.200	12.35
	2012	5.00	0.00	0.00	0.435	13.02
Nairobi Securities Exchange	2016	5.00	242,624	193,947	0.141	17.95

Nairobi Securities Exchange						
	2015	5.00	231,070	184,711	0.213	17.86
	2014	5.00	231,070	183,360	0.255	17.67
	2013	5.00	161,240	137,128	0.295	17.53
	2012	5.00	161,298	161,298	0.380	17.28
StanlibFahari I-REIT						
Eaagads Aims	2016	1.00	0.00	0.00	0.125	21.81
	2015	1.00	0.00	0.00	0.112	20.92
	2014	1.00	0.00	0.00	0.162	20.55
	2013	1.00	0.00	0.00	1.213	18.54
	2012	1.00	0.00	0.00	1.329	18.45
Kakuzi	2016	1.00	1,296,110	1,296,110	0.055	18.92
	2015	1.00	1,008,086	1,008,086	0.080	18.56
	2014	1.00	748,863	748,863	0.065	18.77
	2013	1.00	747,425	747,425	0.080	18.79
	2012	1.00	527,213	527,213	0.107	18.50
Kapchoria Tea Aims	2016	5.00	494,133	463,250	0.00	18.23
	2015	5.00	449,212	421,136	0.018	18.13
	2014	5.00	359,370	336,909	0.022	17.93
	2013	5.00	245,025	210,021	0.027	17.67
	2012	5.00	133,975	114,836	0.033	17.45
Car & Gen	2016	5.00	98,000	98,000	0.00	15.27
	2015	5.00	0.00	0.00	0.00	14.34

	2014	5.00	73,500	73,500	0.00	14.14
	2013	5.00	73,500	73,500	0.00	14.53
	2012	5.00	73,500	73,500	0.00	14.68
Marshall's	2016	5.00	19,560	19,560	0.00	14.66
	2015	5.00	19,560	19,560	0.00	13.99
	2014	5.00	20,755	20,755	0.00	15.07
	2013	5.00	19,970	19,970	0.041	15.10
	2012	5.00	14,660	14,660	0.055	14.04
Sameer	2016	1.00	6,050	6,050	0.038	19.96
	2015	1.00	6,050	6,050	0.024	20.01
	2014	1.00	5,969	5,969	0.018	19.78
	2013	1.00	5,644	5,644	0.023	19.72
	2012	1.00	5,492	5,492	0.026	19.62
Atlas Dev. & Supp. Services Ltd GEMS	2016	2.50	1,428,935	1,428,935	0.310	16.48
	2015	2.50	879,344	879,344	0.342	19.65
	2014	2.50	1,319,017	1,319,017	0.429	16.62
	2013	2.50	1,319,017	1,319,017	0.424	16.59
	2012	2.50	1,099,000	1,099,000	0.416	16.48
Deacons East Africa	2016	0.05	367,940	128,779	0.544	16.67
	2015	0.05	294,352	103,023	0.439	18.33
	2014	0.05	147,176	51,512	0.547	18.51
	2013	0.05	0.00	0.00	0.508	19.08
	2012	0.05	7,441	2,604	0.411	19.22
Express	2016	5.00	55,000	55,000	0.090	17.95

Hutchings Biemer						
	2015	5.00	55,000	55,000	0.167	17.33
	2014	5.00	55,000	55,000	0.597	18.07
	2013	5.00	55,000	55,000	0.508	18.05
	2012	5.00	55,000	55,000	0.490	18.07
Kenya Airways	2016	2.50	525,000	525,000	0.386	17.63
	2015	2.50	489,964	489,964	0.379	17.29
	2014	2.50	419,959	419,959	0.385	17.13
	2013	2.50	280,000	280,000	0.397	16.96
	2012	2.50	210,000	210,000	0.396	16.77
Longhorn Publishers	2016	1.50	1,271,035	1,271,035	0.360	19.43
	2015	1.50	585,440	195,147	0.319	17.95
	2014	1.50	0.00	0.00	0.260	17.68
	2013	1.50	425,184	425,184	0.207	17.62
	2012	1.50	1,020,607	1,020,607	0.205	17.60
Nation Media	2016	5.00	0.00	0.00	0.611	18.85
	2015	5.00	0.00	0.00	0.599	18.48
	2014	5.00	0.00	0.00	0.505	18.41
	2013	5.00	374,000	374,000	0.347	18.50
	2012	5.00	693,000	693,000	0.323	18.27
Standard Group	2016	1.00	0.00	0.00	0.00	17.36
	2015	1.00	515,270	515,270	0.497	17.30
	2014	1.00	100,000	100,000	0.508	17.26
	2013	1.00	206,108	206,108	0.468	17.13

	2012	1.00	0.00	0.00	0.423	16.99
TPS EA Uchumi	2016	20.00	0.00	0.00	0.00	11.66
	2015	20.00	1,200	1,200	0.00	11.43
	2014	20.00	9,000	9,000	0.00	11.55
	2013	20.00	9,000	9,000	0.00	11.66
	2012	20.00	9,000	9,000	0.00	11.54
WPP Scangroup	2016	10.00	117,000	70,200	0.060	13.44
	2015	10.00	117,000	117,000	0.00	14.15
	2014	10.00	46,800	46,800	0.00	13.85
	2013	10.00	0.00	0.00	0.029	13.56
	2012	10.00	0.00	0.00	0.041	13.91
Arm Cement Ltd	2016	5.00	0.00	0.00	0.00	12.43
	2015	5.00	0.00	0.00	0.369	12.31
	2014	5.00	0.00	0.00	0.380	12.35
	2013	5.00	0.00	0.00	0.399	12.36
	2012	5.00	0.00	0.00	0.465	12.48
Bamburi	2016	2.00	0.00	0.00	0.237	16.77
	2015	2.00	0.00	0.00	0.244	16.39
	2014	2.00	765,000	765,000	0.220	16.30
	2013	2.00	765,000	765,000	0.090	16.56
	2012	2.00	765,000	765,000	0.130	16.58
Crown Berger	2016	5.00	0.00	0.00	0.00	18.81
	2015	5.00	0.00	0.00	0.088	18.63

	2014	5.00	28,629	28,629	0.115	18.34
	2013	5.00	21,728	21,728	0.249	18.02
	2012	5.00	10,515	10,515	0.265	18.04
EA Cables	2016	4.00	74,000	74,000	0.00	18.63
	2015	4.00	73,958	73,958	0.179	13.62
	2014	4.00	49,000	49,000	0.262	13.34
	2013	4.00	24,500	24,500	0.342	12.86
	2012	4.00	0.00	0.00	0.00	12.73
EAPC	2016	2.50	1,414	1,414	0.039	16.33
	2015	2.50	1,414	1,414	0.006	16.41
	2014	2.50	1,414	1,414	0.008	16.41
	2013	2.50	1,178	1,178	0.010	16.33
	2012	2.50	1,021	1,021	0.017	16.24
Kengen	2016	5.00	830,342	670,358	0.093	18.93
	2015	5.00	639,946	639,946	0.154	18.80
	2014	5.00	407,238	407,238	0.029	18.61
	2013	5.00	100,675	100,675	0.026	18.50
	2012	5.00	182,749	182,749	0.107	18.18
KenolKobil	2016	5.00	5,224	5,224	0.051	13.92
	2015	5.00	25,462	15,462	0.074	13.12
	2014	5.00	8,819	500	0.057	13.62
	2013	5.00	9,319	999	0.046	13.56
	2012	5.00	0.00	0.00	0.074	13.41
Kenya Power	2016	5.00	0.00	0.00	0.385	17.12
	2015	5.00	432,000	432,000	0.379	17.29

	2014	5.00	228,000	228,000	0.385	17.13
	2013	5.00	192,000	192,000	0.397	16.96
	2012	5.00	144,000	144,000	0.396	16.77
Total	2016	5.00	0.00	0.00	0.001	14.97
	2015	5.00	0.00	0.00	0.009	14.81
	2014	5.00	0.00	0.00	0.021	14.76
	2013	5.00	66,000	66,000	0.064	14.76
	2012	5.00	48,000	48,000	0.120	14.56
Umeme	2016	0.05	25,641,874	25,641,874	0.067	18.87
	2015	0.05	18,830,751	18,830,751	0.094	18.79
	2014	0.05	12,400,000	12,400,000	0.157	18.64
	2013	0.05	8,800,000	8,800,000	0.157	18.49
	2012	0.05	8,800,000	8,800,000	0.133	18.37
BAT Kenya	2016	5.00	0.00	0.00	0.145	15.14
	2015	5.00	85,803	85,803	0.158	15.14
	2014	5.00	85,803	85,803	0.156	15.21
	2013	5.00	69,586	69,586	0.141	15.22
	2012	5.00	55,668	55,668	0.144	15.14
Carbacid	2016	1.00	57,104	57,104	0.004	16.69
	2015	1.00	315,009	315,009	0.00	14.83
	2014	1.00	57,014	0.00	0.019	14.85
	2013	1.00	57,014	57,014	0.006	14.84
	2012	1.00	114,028	114,028	0.020	14.80
EABL	2016	1.00	151,546	151,546	0.014	16.34
	2015	1.00	0.00	0.00	0.00	14.83

	2014	1.00	14,024	14,024	0.019	14.85
	2013	1.00	9,772	9,772	0.006	14.84
	2012	1.00	199,352	199,352	0.020	14.80
Eveready EA	2016	5.00	3,949,184	3,949,184	0.00	19.27
	2015	5.00	3,949,184	3,949,184	0.00	19.22
	2014	5.00	4,650,813	4,650,813	0.00	19.21
	2013	5.00	4,032,494	4,032,494	0.00	19.09
	2012	5.00	3,157,848	3,157,848	0.00	18.92
Flame Tree Holdings GEMS	2016	5.00	0.00	0.00	0.258	15.29
	2015	5.00	0.00	0.00	0.253	15.38
	2014	5.00	37,107	37,107	0.257	15.39
	2013	5.00	0.00	0.00	0.189	15.10
	2012	5.00	0.00	0.00	0.230	14.97
K. Orchards AIMS	2016	5.00	440,680	440,680	0.228	19.15
	2015	5.00	375,932	375,932	0.226	18.96
	2014	5.00	377,725	377,725	0.062	18.86
	2013	5.00	125,893	125,893	0.126	18.60
	2012	5.00	313,599	313,599	0.168	18.48
Mumias	2016	1.00	44,554	44,554	0.153	15.69
	2015	1.00	245,935	245,935	0.142	15.66
	2014	1.00	192,674	192,674	0.108	15.73
	2013	1.00	192,674	192,674	0.156	15.49
	2012	1.00	192,674	192,674	0.162	15.51
Unga	2016	35.00	1,538,394	1,538,394	0.084	16.47

	2015	35.00	994,385	994,385	0.080	16.14
	2014	35.00	200,068	200,068	0.236	16.28
	2013	35.00	149,859	149,859	0.244	16.42
	2012	35.00	160,498	160,498	0.221	16.19
Limuru Tea AIMS	2016	5.00	19,627	19,627	0.135	15.63
	2015	5.00	0.00	0.00	0.350	16.49
	2014	5.00	79,627	79,627	0.321	16.47
	2013	5.00	0.00	0.00	0.411	16.44
	2012	5.00	0.00	0.00	0.565	16.19
Sasini	2016	5.00	15	15	0.023	16.63
	2015	5.00	56,780	56,780	0.022	16.65
	2014	5.00	56,780	56,780	0.020	16.53
	2013	5.00	56,780	56,780	0.000	16.59
	2012	5.00	56,780	56,780	0.000	16.40
Safaricom	2016	0.50	49,204	27,425	0.357	14.15
	2015	0.50	42,546	23,714	0.354	14.01
	2014	0.50	37,349	37,349	0.251	13.70
	2013	0.50	0.00	0.00	0.281	13.54
	2012	0.50	0.00	0.00	0.281	13.54
Williamson Tea AIMS	2016	5.00	58,987	58,987	0.015	16.04
	2015	5.00	61,294	61,294	0.022	15.96
	2014	5.00	68,533	68,533	0.116	15.90
	2013	5.00	503,488	65,672	0.135	15.80
	2012	5.00	68,533	68,533	0.161	15.61

Firm 60	2016	100.00	0.00	0.00	0.00	18.72
	2015	100.00	0.00	0.00	0.00	18.53
	2014	100.00	0.00	0.00	0.00	18.49
	2013	100.00	0.00	0.00	0.00	15.17
	2012	100.00	0.00	0.00	0.00	15.29

ROA for 2016-2012

Period	ROA
2016	0.418
2015	0.376
2014	0.409
2013	0.351
2012	0.371