

# **Differences between dividend policies of foreign owned firms and locally owned firms listed at the Nairobi Stock Exchange**

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**A Management Research Project submitted in partial fulfillment of the requirements for the degree of Masters in Business Administration, MBA, at the School of Business, University of Nairobi**

**October 2006**

**DECLARATION**

This MBA Research Project is my original work and has not been submitted for examination in any other university.

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## DEDICATION

This research project is dedicated to the memory of my late brothers, Sami Sithole Onyango Odak (RIP) and Jacob Mahon Odhiambo Odak (RIP). I can still hear you say, 'Somehow, you've got to *move on!*'

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## **LIST OF ABBREVIATIONS**

<b>AIS</b>	<b>Alternative Investment Segment</b>
<b>CI</b>	<b>Confidence Interval</b>
<b>Class 0</b>	<b>Foreign Owned Firms</b>
<b>Class 1</b>	<b>Locally owned Firms</b>
<b>DF</b>	<b>Degrees of Freedom</b>
<b>DFI</b>	<b>Direct Foreign Investment</b>
<b>DPR</b>	<b>Dividend Payout Ratio</b>
<b>DV</b>	<b>Dividend Yield</b>
<b>FC</b>	<b>Foreign owned Company</b>
<b>LC</b>	<b>Locally owned Company</b>
<b>MIMS</b>	<b>Main Investment Segment</b>
<b>MM</b>	<b>Modigliani and Miller</b>
<b>MNC</b>	<b>Multinational Corporation</b>
<b>NPV</b>	<b>Net Present Value</b>
<b>NSE</b>	<b>Nairobi Stock Exchange</b>
<b>ODA</b>	<b>Official Development Assistance</b>
<b>StDev</b>	<b>Standard Deviation</b>
<b>UK</b>	<b>United Kingdom</b>
<b>US</b>	<b>United States</b>

## **LIST OF APPENDICES**

Appendix 1: Data for Analysis-Dividend Yield/Dividend Payout Ratio....	47
Appendix 2: T-test results.....	51
Appendix 3: Dividend payout rankings.....	56
Appendix 4: Dividend Yield rankings.....	63
Appendix 5: Histogram presentations.....	70
Appendix 6: Descriptive statistics results.....	72
Appendix 7: Foreign Ownership percentages.....	86

**LIST OF TABLES**

Table 1: Dividend Yield/Payout Ratio Mean summary.....25  
Table 2: Dividend Yield/Payout Ratio Standard Deviation summary.....26  
Table 3: Top 5 and Bottom 5 Dividend Payout summary.....27  
Table 4: Top 5 and Bottom 5 Dividend Yield summary.....31  
Table 5: Dividend Yield/payout ratio statistical summary.....35  
Table 6: 95% CI for difference.....37

# TABLE OF CONTENTS

<b>1.0 INTRODUCTION.....</b>	<b>1</b>
1.1 BACKGROUND.....	1
1.2 STATEMENT OF THE PROBLEM.....	6
1.3 OBJECTIVES OF THE STUDY.....	8
1.4 IMPORTANCE OF THE STUDY.....	9
<b>2.0 LITERATURE REVIEW.....</b>	<b>10</b>
2.1 THEORETICAL FRAMEWORK.....	10
2.1.1 Dividend Relevance Theories.....	10
2.1.2 Dividend Irrelevance Theories.....	10
2.1.3 Types of Dividend payments.....	11
2.1.4 Determinants of Dividend Policies.....	11
2.1.5 Dividends and Agency Problems.....	13
2.1.6 Multinational Firm.....	14
2.2 EMPIRICAL FRAMEWORK.....	15
2.2.1 Earlier Research on Dividend Policies.....	15
2.2.2 Dividend Policies at the Nairobi Stock Exchange.....	16
2.2.3 Dividend Policies of Multinational Firms.....	17
<b>3.0 RESEARCH METHODOLOGY.....</b>	<b>21</b>
3.1 INTRODUCTION.....	21
3.2 POPULATION AND SAMPLE.....	21
3.3 DATA COLLECTION.....	21
3.4 SCOPE OF THE STUDY.....	22
3.5 DATA PRESENTATION.....	22
3.6 DATA ANALYSIS.....	22
3.6.1 Content Analysis.....	22
3.6.2 Descriptive Statistics.....	23
3.6.3 T-Test.....	23
<b>4.0 DATA ANALYSIS AND PRESENTATION.....</b>	<b>25</b>
4.1 DESCRIPTIVE STATISTICS.....	25
4.1.1 Mean.....	25
4.1.2 Variability in Dividend Yield and Dividend Payout Ratio.....	26
4.2 RESULTS FROM CONTENT ANALYSIS.....	26
4.2.1 Dividend Payout Ratio.....	27
4.2.2 Dividend Yield.....	31
4.3 RESULTS OF THE T-TEST.....	35
4.3.1 Dividend Yield and Dividend Payout Ratio t-test results.....	35
4.3.2 Test of Difference for Dividend Yield and Dividend Payout Ratio.....	37
4.4 SUMMARY OF FINDINGS AND INTERPRETATION.....	38
4.4.1 Dividend Payout Ratio for Foreign Firms.....	38
4.4.2 Dividend Payout Ratio for Local Firms.....	38
4.4.3 Summary and Conclusion on Dividend Yield.....	38
4.4.4 Summary and Conclusion on Dividend Payout Ratio.....	39
<b>5.0 FINDINGS AND CONCLUSION.....</b>	<b>41</b>
5.1 CONCLUSION FROM THE STUDY.....	41
5.2 FURTHER RESEARCH.....	42
5.3 LIMITATIONS OF STUDY.....	42
<b>6.0 BIBLIOGRAPHY.....</b>	<b>43</b>



## **ABSTRACT**

Compared to the local firms, multinational firms usually have a high dividend payout and predictable policies.

This paper assesses the need to analyze the effect of dividend policies of multinational firms on the overall economic goals of a country, and the need to swap development aid/development finance with profit retention policies. From the Year 1999 to 2005 at the Nairobi Stock Exchange, the researcher selected all firms that actively traded during that period and categorized them into two categories: those with over 51% foreign ownership, known as Foreign owned firms (or Multinationals) and those with less than 51% foreign ownership as Local Firms.

In carrying out the analyses of the differences in the means of the two categories, it was found out that there is a difference in dividend payout policies, but not very significant. According to the content analysis, the investment in the MNCs also gives higher dividend yield, which could even be up to 120%. There could also be a high dividend payout ratio among the multinational firms of 4.72 for multinational firms this has lead to probability of higher dividend repatriation from the country.

Further analysis, using t-statistics, conclude that there is no significant difference, while other analyses indicate there could be a difference, albeit minor.

## **1.0 INTRODUCTION**

### **1.1 Background**

Three types of corporate financial decisions have long been of interest to financial economists. The three decisions are in relation to leverage, dividends and risk. Since Myers' seminal work on underinvestment, the role of dividend policy is enabling a firm to, as Radner and Shepp (1996) noted, "take the money and run," has generated much research. Many issues in relation to dividends are explained. Zweibel (1996), Fan and Sundaresan (1997) and Paul (1997) have considered optimal dynamic dividend policies for levered firms, with all of these recent papers but Zweibel's addressing the agency problem of dividends. In addition, the willingness of firms, as discovered by DeAngelo and DeAngelo (1990), to cut dividends even when far from the force of a binding covenant, has yet to be explained. Added to this list is the controversial issue of repatriations of profits by multinational firms.

Corporate dividends policy remains a controversial issue in modern corporate finance. Since the seminal work by Modigliani and Miller (1961), a plethora of research has been undertaken on dividend policy and practices of firms. However, considerably less research has been undertaken to identify the determinants of capital structure for multinational corporations (MNCs).

The comparative advantage theory of Adams Smith and David Ricardo suggests that everyone stand to gain if each nation specializes in production of goods that it produces relatively most efficiently and should import those goods that other countries produce relatively most efficiently. This is the free trade argument theory. The original assumption in this theory is that although the products could move internationally, the factors of production were fixed. Land, labour and capital were considered immobile. Furthermore, other factors such as managerial skills and research and development

capabilities were considered attributes of specific countries. The existence of multinationals and the mobility of labour and capital by such firms negate this theory.

Multinational firms assume cross-country mobility of most important factors of production. It assumes that capital can be raised anywhere by anybody and invested anywhere as long as the economics is right and improves the life of citizens across nations. For example, capital raised in Canada by a UK company can be invested in Kenya in the most efficient manner.

Payment of dividends is the distribution of income generated by a firm to its shareholders. At the level of multinationals, Disbursement of dividends is probably the most common method by which corporations cause funds to be transferred from affiliate to parent. It is indeed the most simple and the most in keeping with traditional concepts of corporate ownership. In 1980 foreign affiliates of U.S. corporations paid dividends equal to almost 41 percent of earnings, about the same as the average of the prior three years. The payout from developing countries was 39.0 percent, about the same as in the previous three years, (Eitman and Stonehill, 1983).

However, the amount of earnings whether at domestic or multinational level is controversial. Scholars have attempted to resolve this mystery. Professor Fisher Black (1976, pg.5-8) observed that, 'The harder we look at the dividend picture, the more it seems like a puzzle with pieces that just don't fit together.' The controversy has covered several issues: one of them is the impact of dividends on the value of the firm. Miller and Modigliani (1961) assertion is that the dividend a corporation pays do not affect the value of its shares or the returns of investors, because the higher the dividend, the less the investor receives in capital appreciation, no matter how the corporation's business decisions turn out. Other issues about dividend policies relate to informational content of dividend announcements 'Many practitioners believe that dividends are important, both for their informational content and because external equity capital is more expensive than retained equity,' (Ross, 1995, pg 193-211).

Ross et al, (1995) remarked that 'In part, all discussions of dividend are plagued by the "two-handed lawyer" problem... a lawyer who says, 'on the one hand I recommend you to do so and so because of the following reasons, but on the other hand I recommend that you don't do it because of these other reasons.' In summary, the concern is why firms pay dividends or what motivates various firms to pay dividends. The related issue is identification of factors that firms consider before deciding on whether to pay dividends or not. Lintner (1956) indicates that 'firms select target payout ratios to which they gradually adjust actual dividend payments over time. Karanja (1987) indicates that, there are many reasons why firms should pay dividends. One of the reasons is lack of investment opportunities, which promises adequate return. Firm costs positions was the most important consideration when paying dividends.

### **1.1.1 Multinational Firm**

Multinational Corporations (MNCs) are firms doing business in more than one country. Often 30% or more of sales and profits are carried on outside national borders. Broadly there are four (4) basic forms of multinational corporations: *exporter* (produces domestically and ship overseas); *licensing agreement* (exporter licenses technology to independent local producer); *joint Venture* (domestic corporation and foreign corporation work together); and *fully owned foreign subsidiary* (foreign company owns local producer).

Most developing economies rely heavily on donor funds for economic development (2002 World Bank report). In the same vein, a number of multi national firms operating in these countries continue to draw high profits and repatriate dividends to their home countries, mostly in developed economies. Such firms take advantage of lower profit repatriation taxes in the developing economies.

Risk management justifies the existence of multinational firms. Given that a multinational firm can operate in many countries using different currencies, they can minimize fluctuations in returns, maintain or improve their competitive positions when

foreign exchange rate fluctuates, marginalize the impact of political interference and minimize their cost of capital. They can also derive the benefits of diversification.

A multinational corporation is a firm that owns and manages economic units in two or more countries. Multinational firm has a strong economic and business rationale. Most frequently it entails foreign direct investment by a corporation and the ownership of those economic units. The operations of a multinational firm, including ownership, management, production, and sales activities and they extend over several national boundaries.

Direct Foreign Investment allows multinational firms to settle in countries with low taxes. That is why a number of Multinationals have been present in Kenya. Development economists who argue that investment in less developed countries (LDCs) could be stimulated by injections of cash from overseas. The logic of this new development theory is simple: investments are determined by savings-and savings are determined by per capita income. The poor experience a low –level equilibrium trap’ where higher income does not lead to increased saving but only results in higher population growth. Erixon (2005).

The host country view multinationals as agents of technology transfer and agent of economic development. However, multinational firms only invest in those countries where they can earn a rate of return high enough to compensate them for the perceived level of risk.

The sources of returns for multination firm include economies of scale, managerial, and technological expertise. Their research and development capacity far out match that of local firms. That research capability enables them to identify and implement market opportunities in host country.

The normal goal of a firm is to maximize shareholder wealth. However the multinational firm must ensure that other stakeholders receive adequate benefits with an acceptable

level of risk. Such interest groups include host country governments, employees, creditors, suppliers and management.

Multinational firms are the major firms in Kenya at the present. For example, the bulk of Kenya's wealth is in foreign hands, as per journalist Kamau Ngotho (*Sunday Standard* April 7, 2005). He indicated that most of the big capitalization firms at the NSE are foreign owned- Unilever Tea (88 percent owned by British Brooke Bond Group), Barclays Bank (68 percent owned by London's Barclays Bank plc), Standard Chartered Bank (81 percent by Standard Bank Africa, wholly owned by the British), East African Breweries (63.5 percent by Guinness plc, through Diageo Kenya Ltd and Diageo Netherlands B.V). These are just some of the examples of major multinationals and corresponding foreign ownership. This implies that on average, if Kenya were a cake to be shared out, Kenyans would only lay a claim to around 30 per cent of the country's total wealth. The rest would go to foreigners He further says that Shareholding in the richest 20 companies at the Nairobi Stock Exchange is foreign. This means there are a number of multinational firms operating in the country with only a small percentage of local shareholding.

However criticisms are leveled against multinationals. The multinational firms can engage in transfer pricing, and other devices for reporting most of their profits in low tax countries even though the profits were earned in high tax counties (Desai, 2004). In any case, Africa needs an extra US\$ 25 billion a year until 2015. On a global scale, an additional US\$75 billion of official development assistance (ODA) annually will be required, (Erixon, 2005). Such funds could be sourced by reducing dividends payable to parent company. However, there could be an argument that what is needed is a big push in public investment to produce a rapid step increase in Africa's underlying productivity, both in rural and urban; and this will enable them achieve the Millennium Development Goals, the internationally agreed targets for poverty reduction.

### **1.1.2 Dividend Policy of Multinational Firms**

Dividend policy is one component of an overall financial policy that includes decisions regarding net borrowing, capital expenditures, and other sources and uses of funds. Dividend payments from foreign subsidiaries represent the primary means of transferring funds to the parent company. Many factors determine the dividend payments that are made back to the parent firm, including tax effects, exchange risk, the availability of funds, the financing requirements of foreign subsidiary, and the existence of exchange controls (Eitman and Stonehill, 1983). Some of the factors such as tax on dividends remitted to parent company and exchange risk (relating to dividend remittances) might not impact on dividend policy of local firms.

Desai et al (2004) argue that repatriations by foreign affiliates are little affected by the dividend payouts of their parent companies or parental exposure to public capital markets, suggesting that repatriation policy is not driven by the need to have cash on hand to pay dividends to shareholders. While Glen et al (1995) found out that dividend policies in emerging markets differed from those in developed markets. Further, he found out that firms in emerging capital markets face more financial constraints and limited resources to finance investment opportunities, which may result in more reliance on retained earnings and accordingly lower profit ratios. Glen et al (1995) concludes that the evidence presented here provides insight into the dividend policies of emerging markets, but it also illustrates the complexity of these issues and leaves many unanswered questions.

A better understanding of dividend behaviour in these countries will require much additional research, both at the aggregate and firm level.

### **1.2 Statement of the Problem**

The assumption in this study is that financial managers of multinational firms must perceive and exploit imperfections in world financial markets, i.e. there will be no justification of existence of multinationals if product, factor, and financial markets in foreign countries were identical to domestic markets. In which case, the task of their

financial managers in multinational firms would be indistinguishable from the tasks performed by domestic managers. One such a task is the decision on the amount of earnings of the affiliate to be distributed as dividend. It is mentioned above that in 1980 foreign affiliates of U.S. corporations paid dividends equal to almost 41 percent of earnings, about the same as the average of the prior three years. The payout from developing countries was 39.0 percent, about the same as in the previous three years, (Eitman and Stonehill, 1983). In 1999, a year in which U.S. corporations listed in Compustat had an after-tax earnings of \$516 billion and paid \$ 198 billion in dividends to common shareholders, the affiliates of U.S. multinational firm had an after-tax earnings of \$182 billion and repatriated \$97 billion to the U.S as dividends. (Grullon and Michaely-2002) as quoted in Desai (2004).

Local governments claim is that multi national firms have more liberal dividend payout policies, to finance expansion programs in home countries, thus 'milking developing economies dry', see, Mason (1974). For example, in 1970, 63 percent of world exports of crude petroleum originated from undeveloped world, but production was under the complete control of the multinational companies based in the developed world. The only benefits derived from the production and export of their petroleum was taxes accruing to the government in form of per barrel payments made by the companies. In fact, the entire industry was controlled by seven major western companies- 5 American and 2 British (Adams, 1993). It is not just the British and American firms ruling the world: Bombardier, a well known Canadian firm earned 94 percent of its 2002 revenues outside of Canada ([www.wrenresearch.com.au](http://www.wrenresearch.com.au), 2004). The assumption by the developing countries is that a lower dividend payout policy among multinational firms could assist spur economic growth as opposed to development aid.

Multinational corporations control considerable amounts of wealth and, if dividend decision is relevant to firm value, then understanding the dividend policy and practice for MNCs is important. This paper adds to the body of knowledge on dividend policy by providing important evidence on the policy of sample of multinational and domestic corporations in Kenya. In addition, by looking at the dividend policies of multinational firms, one can discern the repatriation policies of these from local firms. It could also be a pointer to capital flight from developing to the developed nations.



Multinational firms must live within the host country economic, political, social and religious constraints imposed on free implementation of their goods. Thus maximizing the value of multinational firms for the benefit of their shareholders or even for the benefit of some other interest groups, may conflict with the rights of national sovereignty, which nearly always override the rights of individual firms, multinational or domestic. In a number of cases, a source of conflict is the amount of earnings or income of a multinational firm to be repatriated from host country to the parent company.

Previous researches done at the Nairobi Stock Exchange- Karanja (1987) and Tirongo (2004) analysed the factors affecting dividend policies of firms listed at the market. Farida (1993) covered the parameters which were important in the determination of dividends by publicly quoted companies. These researches did not provide information on any possible differences between dividend policies of local and foreign owned firms. Outside the country, Desai (2004) was analysing dividend policy inside the multinational firm while Hines and Glenn (1990) looked at the dividend repatriations by US Multinationals.

Finance literature tells us that financial policies of multinational firms differ from those of domestic firms, indicating there should be visible differences in dividend policies and practices. The research question then is: Do multinational firms have dividend policies which are different from those of local firms?

### **1.3 Objectives of the Study**

1. The study seeks to determine the difference between dividend policies of locally owned firms and foreign owned firms (multinationals).
2. The study further seeks to establish whether the foreign owned firms have higher dividend yields than locally owned firms.

**Hypothesis:** Foreign owned firms have higher dividend payout policies than the locally owned firms.

#### **1.4 Importance of the Study**

The potential audiences to this study include:

**Researchers and policy makers** in the areas of development finance, development economics e.t.c., to make appropriate legislative framework for spurring economic growth using information on differences in dividend policies of companies, if any.

**Investors:** The study will help investor to be at a position to make decision on which company to invest if the said investor prefers dividends payment to capital gain. Those who buy to hold will definitely prefer companies with stable dividend policies.

**Financial analysts:** they would have more information and advice their clients accordingly

**Academicians:** The study would add to the body of knowledge in the Finance discipline and form a basis for further research.

**Government:** The study would help government make favorable policy decision, which would further deepen the capital market.

## **2.0 LITERATURE REVIEW**

### **2.1 THEORETICAL FRAMEWORK**

A company that pays no dividends is demonstrating confidence that it has attractive investment opportunities that might be missed if it paid dividends. The decision to pay or not to pay dividends affects the overall industry a firm operates in.

Dividend can be defined as per share payment designated by a company's board of directors to distribute among shareholders. For preferred shares, it is generally a fixed amount and for common shares, the dividend varies with the fortunes of the company and the amount of cash at hand. It can be defined as the rate of return that investors earn for investing in the stocks of the issuing company.

#### **2.1.1 Dividend Relevance Theories**

Bird in hand theory of Myron Gordon and John Lintner (1963) imply that shareholders are risk averse and therefore would prefer to receive dividend payment rather than capital payments in future. Tax differential theory-Litzenberger and Ramasawamy (1979) suggests that investors prefer one dividend policy other than another because of tax effect; while dividend signaling theory proposed by Stephen Ross, (1977) suggest signals that are acted upon by investors. Clientele effect theory of Richardson Pettit, (1977) and Elton and Gruber (1970), assumes that investors may develop with distinct preferences for dividend or non-dividend paying stocks. For example, low earners will prefer higher dividend to meet their consumption needs while the high income earners will prefer less dividend so as to avoid tax payments. Positive effects theory of Shefrin and Statman suggests that some investors are reluctant to sell their shares because they will regret if stock prices rise. The relevance of dividend theories proposition is that a firm's dividend policy could be observed to have an effect on its share price.

#### **2.1.2 Dividend Irrelevance Theories**

Modigliani and Miller dividend irrelevance theory (1961) implies that the dividend policy decision is irrelevant, that is dividend policy has no impact on the shareholders wealth. However, MM argument is based on a number of key assumptions, some not attainable in

the real world. The assumptions includes, that included: no corporation or personal taxes on income; no stock floatation or taxation costs; the firm's investment policy is independent of its dividend policy; the market is efficient and therefore investors have the same set of information regarding future investment opportunities. MM argued that under a set of assumption if a firm pays higher dividend then it must sell more stock to new investors and hence the value of the company given up to the new investors is exactly equal to the dividend payout.

From Modigliani and Miller analysis, emerged the residual theory, that suggest that the management can distribute all or part of earnings or retain them from residual earnings that are earnings left over after all suitable investment opportunities have been financed. With the residual earnings, the primary concern of firm's management is investment. Dividend policy becomes irrelevant; it is treated as a passive rather than active decision. Fama (1977) and Miller (1986) have also brought forward strong evidence suggesting no relationship between dividends and investments and firm value.

### **2.1.3 Types of Dividend payments**

There are several types of cash dividends: regular cash dividends. Declared and paid on a regular basis, quarterly, semi-annually, or yearly. Extra dividends/Bonus dividends- paid in addition to regular cash dividends. Special dividends- cash payments associated with singular events. They may result from asset sales, mergers and acquisitions or settlement of legal claims.

### **2.1.4 Determinants of Dividend Policies**

Firms should pay cash dividends if they are unable to invest earnings in zero or positive net present value. Cash dividends provide information about the fundamental economic health of the company

There are some guidelines though, when deciding on which dividend policy to pursue, Robbins and Stobaugh (1973)

*2.1.4.1 Investment opportunities:* Firms facing many investment opportunities are likely to have no or low dividends. Funds are needed to undertake the investments and

stockholders are unlikely to be too concerned with managers investing merely to 'grow the firm'. Firms in mature industries with limited investment opportunities are likely to pay out a high percentage of earnings as cash dividends.

*2.1.4.2 Liquidity:* Dividends are paid with cash. Firms with large free cash flows are more likely to pay cash dividends than firms with little free cash flow. Profitable firms and firms in mature industries are most likely to have the cash necessary to make dividend payments.

*2.1.4.3 Cash flow stability:* The more stable the firm's cash flow, the better able is it to maintain a 'high' constant shilling dividend relative to its expected per share earnings. Other things being equal, high dividend payout ratios are likely to be found in stable industries with predictable cash flows e.g public utilities.

*2.1.4.4 Corporate control:* owner managers wishing to regain control of the company are unlikely to pay high cash dividends. Instead, the earnings will be reinvested in the firm and used to support additional debt financing.

*2.1.4.5 Taxes:* Firms controlled by individuals facing high marginal tax rates are likely to use stock repurchases instead of dividends as a way of distributing cash to shareholders.

*2.1.4.6 Contractual restrictions:* Creditors may restrict cash dividend payments through debt covenants in order to protect their creditor status. These covenants may appear as direct restrictions on cash dividend payments or indirect restrictions operating through minimum working capital requirements and minimum levels of retained earnings.

*2.1.4.7 Anti-takeover strategies:* Firms with large free cash flows may adopt high payout strategies to discourage outside takeover attempts. By distributing cash to shareholders, management keeps existing shareholders happy and reduces the ability of other competing management control teams to finance the company's takeover with the company's own cash balances.

#### 2.1.4.8 Other restrictions

There are some restrictions though. *Capital impairment restrictions*- prohibit companies from paying dividends out of legally defined capital. This varies from country to country, it may be the par value of company's common stock or it may also include other capital accounts such as retained earnings. *Earnings restrictions*: prohibit cash dividend payments unless the firm has accumulated a defined level of retained earnings. This restriction protects the creditors from stockholders paying themselves cash dividends before the company has generated any earnings. *Insolvency restrictions*: prohibit companies with liabilities greater than assets from paying dividends. These restrictions, like others, are defined by financial statement values. It is important to have a generally accepted set of accounting rules for enforcing these laws, Kaen (1995)

### 2.1.5 Dividends and Agency Problems

Lintner (1956), relying on interviews with corporate executives concluded that firms select target payout ratios to which they gradually adjust actual dividend payments over time. Lintner (1956), empirical analysis of aggregate U.S. dividend behavior was inconsistent implied by the Miller and Modigliani (1961). Easterbrook (1984) and Jensen (1986) emphasize that consistent dividend payments can mitigate agency conflicts by distributing investment returns and thereby reducing the scope for managerial misallocation and appropriation of corporate resources. The conclusion is that dividend practices could impact on the value of the firm.

Control problems appear to exist inside firms and are hypothesized to influence financial policies and capital budgeting. Intra-firm influence activities carry implications for optimal capital structures, dividend policy and other financial policies, (Bagwell and Zechner, 1993).

Scharfstein and Stein (2000) note that efforts to mitigate rent-seeking by divisional managers can lead to inefficient capital allocation in a multi-divisional firm. The scope

and magnitude of such intra firm problems are suggested, in part, by the findings of Lang and Stulz (1994) and Berger and Ofek (1995) who document that diversified conglomerates trade at a discount to a comparable portfolio of specialized firms. These problems have analogues inside multinational firms. For example, foreign managers might choose to reinvest funds in foreign affiliates despite expected returns that are required returns. The incentive to such investments is that they enhance managerial mobility and opportunities within the firm or in the broader labor market. The appetite for more overt perquisites by foreign managers may likewise require disciplining mechanisms within the firm. Under such conditions, consistent dividend policies may serve to monitor foreign managers and encourage value maximization on their part.

### **2.1.6 Multinational Firm**

Ever since World War I and the Russian Revolution, host countries have shown willingness to seize the assets of multinationals even without compensating the investors. Realising the danger of expropriation, many multinationals have hedged their direct foreign investments in a way analogous to hedging in foreign exchange markets (Lindert, 1987). If political change brings expropriation, the parents can tell the host country creditors to try and collect their repayments from their own governments. This hedging against expropriation seems to be one reason why parent firms increasingly concentrate on investing less tangible, more removable assets in their foreign subsidiaries

Zhanje, (2001) suggest that the availability of financial capital is a prerequisite for the development and transformation of any nation's economy hence African countries have invested in developing domestic capital markets as institutions for mobilizing external capital inflow and domestic savings.

Since the Marshall plan that was aimed at speeding economic recovery of war-torn Europe after 1945, transfer of funds to these nations gave rise to a certain degree of optimism. It became common belief that similar inflows of capital and other resources from developed countries, LDCs, of the world. (Wamuthenya, 1998)

## **2.2 EMPIRICAL FRAMEWORK**

### **2.2.1 Earlier Research on Dividend Policies**

Although dividend payments from affiliates to parent firms are defined similarly to dividend payments from firms to diffuse common shareholders, important features distinguish these flows. Multinational firms can transfer resources between affiliates and parent companies using any of a number of payments, including dividends, interest, and royalties. Since some of the alternatives to dividends are not subject to the potential tax penalties as dividends, it seems unlikely that firms would elect to make regularised internal dividend payments. Dividend remittances from foreign affiliates exhibit patterns similar to those described by Lintner (1956).

Given that the parent company is not usually characterised by diffuse ownership, signalling theories carry fewer implications for dividend policy inside the firm. Signalling explanations typically focus on the way in which dividend announcements impact the share valuation in public markets where investors have large numbers of alternative investment opportunities, Desai (2004). It is possible that foreign affiliates with attractive investment opportunities finance new capital expenditures largely by reducing or omitting dividends to parent companies. It would be a mistake to attribute managerial control, signalling, or any other dividend-specific motive to pattern of estimated coefficients.

Highly levered parent companies with profitable domestic investment opportunities draw more heavily on the resources of their foreign affiliates, but this financing mechanism does not explain the regularization of dividend policy more generally. While inside firm dividend policy is responsive to tax factors, the similarity of dividend policy across entities facing distinctive tax treatments indicates that tax motivations alone cannot explain the observed patterns of behaviour. Analysis of explicitly tax penalised behaviour and regularised dividend policies suggest that shared ownership of foreign affiliates contributes substantially to routinisation of dividend policy inside the firm. Desai (2004)



In the Lintner model, tax and non-tax variables determine target payout ratios as well as rates at which actual dividends adjust to desired dividends. It is possible to measure the extent to which factors that are liable to affect dividend policy- informational problems between firms and diffuse shareholders in public capital markets, domestic investment needs, tax motivations, and control problems- are in fact associated with dividend policy inside firms.

The second possibilities are driven by tax avoidance.

Given that neither tax considerations nor capital requirements inside firms explain dividend repatriation patterns, the evidence suggests that puzzling aspects of the dividend policies used by firms in remitting profits to diffuse common shareholders also appear inside the firm, (Desai, 2004). The Lintner model of dividend payouts became the most commonly applied specification of the determinants of dividend payments to common shareholders. The model is one which firm reconcile potentially conflicting goals of choosing dividends that are appropriate for current conditions while maintaining dividends close to their historic levels. The Lintner model is consistent with the following firm objectives:

- a). Companies tend to set long-run target dividends-to-earnings ratios according to the amount of positive net-present-value (NPV) projects the have available and
- b). Earnings increases are not always sustainable. As a result, dividend policy is not changed until managers can see that new earnings levels are sustainable.

### **2.2.2 Dividend Policies at the Nairobi Stock Exchange**

Abdul (1993) had used regression analysis and found out that the need for investments was not a conclusive variable/factor in the determination of dividend policy. Kamere (1987) observed that investment projects are usually financed by debt and internally generated funds. Njoroge (2000) says that managers treat dividend payment decision as a residue decision. ... “Out of the fear of investors, managers could decide to payout

dividends even when by doing so they will not necessarily be considering the wealth of the firm, but that of shareholders”.

### **2.2.3 Dividend Policies of Multinational Firms**

The dividend policy inside a multinational firm is influenced by the parent firm. They are also driven by tax considerations- especially tax avoidance.

Current dividends by affiliates rise by roughly 40 cents with every additional dollar of their after tax profits. Further analysis suggests that this regularized pattern is not an artefact of other regularised investment or financing decision, Desai (2004)

There are several possible explanations of the regularisation of dividend remittances. One, dividend policy inside multinational firm could be influenced by parental financing concerns. In efforts to signal profitability, a company might need to draw on funds from foreign affiliates, thereby triggering repatriations, Desai (2004)

The evidence indicates that the firms with significant domestic financial requirements- either to pay dividends to common shareholders or to pursue domestic investment opportunities in the face of high leverage- repatriate foreign profits to meet these needs, but such behaviour does not fully account for the future repatriation policies.’ Desai (2004)

Multinational firms are faced with major decisions as regards dividend policies to adopt: the evidence of impact of taxation on dividend remittances by multinational firms. The second issue studies of the behaviors of domestic companies paying dividend to shareholders, who tend to focus on non-tax factors.

‘Repatriation by foreign affiliates are little affected by the dividend payouts of their parent companies or parental exposure to public capital markets, suggesting that repatriation policy is not driven by the need to have cash on hand to pay dividends to shareholders.’ Desai (2004)

Dividend repatriations represent sizeable financial flows. In 1999, a year in which U.S. corporations listed in Compustat had an after-tax earnings of \$516 billion and paid \$ 198 billion in dividends to common shareholders, the affiliates of U.S. multinational firm had an after-tax earnings of \$182 billion and repatriated \$97 billion to the U.S as dividends. (Grullon and Michaely-2002), quoted in Desai (2004).

Dividends intimated here are payments made to multinational parents declared out of the current and prior period income of foreign subsidiaries, and they accounted for separately from other types of capital movements, such as the repatriation of invested equity.’ Desai (2004)

#### *2.2.3.1 Foreign Exchange Risk and Dividends*

The exchange rate is the price of one currency in terms of another. Many factors influence exchange rates. These include: supply of and demand for each currency; inflation; interest rates; balance of payments; government policies; a pronounced and extended stock market rally in a country; significant drop in demand for a country’s principal exports; political turmoil in a country and widespread labor strikes in a country. Foreign Exchange Risk refers to the risk involved in fluctuating exchange rates. Two types of foreign risks exist, translation exposure and transaction exposure. Translation exposure (An MNC’s foreign assets and liabilities, which are denominated in foreign currency units, are exposed to losses and gains due to changing exchange rates). Transaction exposure refers to foreign exchange gains and losses resulting from international transactions. Foreign exchange risk affects importers, exporters, and investors, Lindert (1987)

To the extent that the possibility of foreign exchange loss is anticipated most multinational firms try to speed up the transfer of funds to the parent company through dividends (Eitman and Stonehill, 1983). This is a strategy of moving from weak currencies to strong currencies. Chow and Chen (1998), shows that the level of cash dividends has a positive impact on foreign risk exposure.

#### *2.2.3.2 Taxation and Dividends*

Locally, tax considerations have obvious potential to influence dividend payments to common shareholders since dividends trigger tax obligations that might otherwise be

deferred or avoided. Likewise, tax considerations influence the choice of dividend payouts by foreign affiliates, Desai (2004). Host country tax laws influence the decision when the act of remitting affects the total tax levy. This is the situation in Germany, which tax retained earnings at one rate while taxing distributed earnings at a lower rate. Other countries that levy withholding taxes on dividend paid to foreign parent firms. Parent country taxes also influence the decision, especially when they are higher than taxes in the foreign country and the eventual aim of the firm is to reinvest funds (Eitman and Stonehill, 1983 pp 566). The evidence indicates that firms pursue dividend payout policies designed in part to minimize tax obligations. However, as with dividend payouts between firms and shareholders, tax minimization cannot explain much of observed dividend policies inside firms.

#### *2.2.3.3 Availability of Funds*

Another factor cited is the availability of internally generated funds. Some affiliates must borrow to continue an established dividend policy (Robbins and Stobaugh, 1972)

#### *2.2.3.4 Age and size of Affiliates*

Robbins and Stobaugh (1972), in their survey of multinational firm financial practices, found that the age and size of a business has a bearing on affiliate dividend practice. Older affiliates provide a greater share of their earnings to the parent, presumably because as the affiliate matures, it has lessened reinvestment opportunities while, at the same time, marginal returns elsewhere in the world in newer locations are greater. Robbins and Stobaugh quote U.S. government statistics that show that the combination of dividends from foreign subsidiaries and income earned by foreign branches was 38% of combined earnings of all subsidiaries and branches less than nine years in age was 73%. Data were for the year 1966.

With regard to size, Robbins and Stobaugh (1972) found that small firms are less likely to have established any underlying principles for determining dividend policy. They tend to “play it by ear”. Medium-sized firms were found to be flexible, using dividend policy as one of several techniques for moving funds throughout the system for use by the parent or for redistribution to other affiliates. Large firms, Robbins and Stobaugh found, tend to

introduce a rule-of-thumb guideline for all affiliates within the corporate network. Actual dividend payments might vary from this established guideline because of factors unique to each situation.

#### *2.2.3.5 Joint Venture Partners*

Existence of joint-venture partners or local minority interests is also an important factor influencing dividend policy. Optimal positioning of funds internationally cannot dominate the valid claims of local stockholders for dividends. Local stockholders do not necessarily benefit from the world's perspective of the multinational parent. Robbins and Stobaugh (1972) found evidence that local stock ownership leads to more stable dividend payments regardless of earnings. Firms hesitate to reduce dividends when earnings falter, but they also hesitate to increase dividends following a spurt in earnings. It might be difficult to reduce dividends later should earnings be lower.

#### *2.2.3.6 Political Risk*

To reduce exposure, those parent firms that regard foreign investments as more risky than home country investments sometimes require foreign affiliates to remit all locally generated funds in excess of stipulated working capital requirements and possible planned capital expansions within the next 6 to 12 months. One manager cited in the Zenoff study required remittance of from 90% to 100% of earnings in each year "in order to minimize the possibilities of exchange loss and any uncertainty about how much control we have over these funds." Note, however, that such policies are not universal. In some cases, to enhance the financial self-reliance of affiliates, parent firms abstain from demanding remittances. In most cases, neither of these extremes is followed. Instead the normal corporate response to potential government restrictions is to establish and maintain a relatively constant dividend payout ratio so as to be able to demonstrate conclusively that an established policy is in effect. Host governments are more likely to accept the idea of regular dividend payments. A stable payout ratio provides a framework based on precedent against which to judge whether a particular dividend is "normal" or is an attempt to flee from the currency to the detriment of host country foreign exchange reserves.

## **3.0 RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter outlines the methodology, which was used in carrying out the study. Aspects covered include research design, population and sampling design, data collection methods and data analysis methods. A significant difference could suggest that foreign ownership influence the dividend payout policies undertaken by a firm.

### **3.2 Population and Sample**

The population of this study was Public Companies incorporated in Kenya and consistently listed on the Nairobi Stock Exchange's both Main Investment Segment (MIMS) and Alternative Investment Segment (AIS).

The major variables in this study are derived from financial statement information, specifically relating to dividend payment and ordinary share prices over the period of this study. This is for both dividend-paying and non-dividend paying companies.

### **3.3 Data Collection**

The study relied on secondary data. This include accounting data, share prices, dividend pay out ratio, dividend yield of companies quoted at NSE on a yearly basis from NSE Year books-1999 to 2005, business magazines, books, journals and from various published and unpublished material, and companies annual reports.

### **3.4 Scope of the Study**

The research population covered the period between 1999 and 2005, a period of 7 years. This is because the researcher considered the period to be adequate for any meaningful study to be carried out in assessing the relationships between dividend policies and practices, and foreign ownership of a company.

### **3.5 Data Presentation**

The data collected was presented in form of histograms as well as tables.

### **3.6 Data Analysis**

#### **3.6.1 Content Analysis**

The firms selected were divided into two categories; foreign owned (1), those having 51 % or more foreign ownership and control, and locally owned (0), those with 50.9 % or less in foreign ownership and control, Companies Act, Cap 487.

After the classification of the companies, a raking was done to determine which companies had the highest Dividend Payout Ratio and those that had the highest Dividend Yield.

For the analysis of the rankings of the Dividend Payout Ratio and Dividend Yield, the best 5 stocks are selected and the worst 5 stocks are also considered. This information was then analysed to determine whether it is the Local Firms or Foreign Firms that have a high or low Dividend Payout Ratio and Dividend Yield.

### 3.6.2 Descriptive Statistics

The data was analysed for its accuracy and completeness, measuring descriptive statistics and relationships. These will be dealt with in detail in Chapter 4. The statistical measures included the mean and standard deviation

**Mean.** This was used to measure the estimator of the central tendency of the average dividend yield and dividend payout ratio.

**Standard Deviation:** This was used to measure of the mean distance of predictor values in a data set from their mean. It will determine to what extent the variations in dividend policy predictors- dividend yield and payout ratio- are in various firms.

### 3.6.3 T-Test

The researcher performed an independent two-sample t-test. This t-test form assumes that the variances of both ranges of data are unequal; it is referred to as a heteroscedastic t-test. Using a confidence level of 95%, the difference between two population means when the population standard deviations which are unknown, was established. The distribution was assumed to be normal.

The hypothesis was

$H_0: m_1 - m_2 \neq d_0$  versus  $H_1: m_1 - m_2 = d_0$

Where  $m_1$  is the population mean of foreign owned firms and  $m_2$  is the population mean of locally owned firms, while  $d_0$  is the hypothesized difference between the two population means. The default is zero, or that the two population means are equal.

Using Minitab statistical package, the calculation of the test statistic,  $t$ , is by

$$t = ((m_1 - m_2) - d_0) / s$$



The sample standard deviation,  $s$ , of 1 - 2 depends upon the variance assumption.  $d_0$  is the hypothesized difference between the two population means.

The test statistic degrees of freedom are  $(n_1 + n_2 - 2)$ .

The t-Test analysis tools test the means of different types of populations.

Using the Confidence Interval of 95%, the differences between the population means of the foreign owned firms were tested against those locally owned. When the interval range includes zero, then there is no significant difference. When the interval range does not include zero, then there is a significant difference.

## 4.0 DATA ANALYSIS AND PRESENTATION

This chapter presents the findings of the research. The section analyse descriptive statistics of the population mean and standard deviation of the dividend payout ratio and dividend yield of both local and multinational firms.

### 4.1 Descriptive Statistics

#### 4.1.1 Mean

The mean would measure the average dividend yield and dividend payout ratio for each of the years- 1999 to 2005. The Dividend Yield average for 1999 for local firms was 5%, while that of foreign firms was 4%. In the year 2005, the dividend yield average for local firms was 5%, while that of foreign firms was 13%.

The dividend payout ratio average for 1999 for local firms was 53% while that of foreign firms was 54%. In the year 2005, the DPR was 92% while foreign firms, it was 94%.

Table 1: Summary of Dividend Yield and Dividend Payout Ratio Means

Year	Dividend Yield			Dividend Payout Ratio		
	Foreign	Local	Overall	Foreign	Local	Overall
1999	5%	4%	4%	54%	53%	53%
2000	6%	5%	5%	56%	30%	39%
2001	6%	5%	6%	44%	44%	44%
2002	6%	5%	5%	36%	31%	33%
2003	4%	4%	4%	71%	54%	60%
2004	4%	4%	4%	54%	36%	42%
2005	13%	5%	8%	94%	92%	93%

From the results in Table 1 above, it would show that the mean for the dividend yield for foreign firms is generally higher (5% in 1999, 6% in 2000, 6% in 2001, 6% in 2002, 4% in 2003, 4% in 2004 and 13% in 2005). This means that in every single year, the dividend yield for foreign firms were higher than those of local firms. This could have been a result of depressed market prices for the foreign firms, while they continued to give out dividends.

In dividend payout ratio, there was a close relationship between those of the multinational firms (MNCs)/ foreign firms and those of Local Firms. From the table above, the means of the two populations were very close, and that those of foreign firms tended to be generally higher than those of local firms. The year 2001 had no differences in the mean (0), while the year 2000 had the widest differences in the means (26%).

#### 4.1.2 Variability in Dividend Yield and Dividend Payout Ratio

Table 2: Standard Deviation of Dividend Yield and Dividend Payout Ratio

Year	Dividend Yield			Dividend Payout Ratio		
	Foreign	Local	Overall	Foreign	Local	Overall
1999	0.06	0.06	0.06	0.44	1.15	1.21
2000	0.07	0.05	0.06	0.52	0.32	0.41
2001	0.07	0.05	0.06	0.81	0.45	0.60
2002	0.06	0.05	0.05	0.91	0.57	0.70
2003	0.05	0.05	0.05	1.11	0.70	0.86
2004	0.04	0.04	0.04	0.48	0.49	0.49
2005	0.28	0.07	0.18	1.35	2.65	2.26

The standard deviation results show that there is a generally higher Standard Deviation for dividend yield for foreign firms than those of local firms. The years 1999, 2003 and 2004 had a zero difference, while 2005 had the biggest difference of 0.21. This would indicate that the dividend yield for foreign firms was very unpredictable.

In dividend payout ratios, the local firms have higher standard deviation than those of foreign firms.

#### 4.2 Results from Content Analysis

In analysing the results of each company for each year under study, the top 5 and bottom 5 companies were selected for both dividend yield and dividend payout ratio for local and foreign firms. These results would indicate the best companies in paying out dividends and also those that provide the highest return.

### 4.2.1 Dividend Payout Ratio

During the period 1999 to 2005, different companies had different Dividend Payout Ratios. In this analysis, the focus was on the highest DPR stocks for each year as well as the Lowest DPR Stocks for each year. This is to assess whether it is the local firms or the foreign firms that have predictable dividend policies.

The results are indicated in Table 3 below:

**Table 3: Dividend Payout Top 5 and Bottom 5 companies**

Ownership		1999	MPS	EPS	DPS	DPR
<b>Highest DPR</b>						
LC	Jubilee Insurance Co.Ltd		23.00	0.15	1.25	8.33
FC	British American Tobacco K Ltd		75.00	5.63	7.50	1.33
FC	Standard Chartered Bank Ltd		54.00	8.50	10.50	1.24
FC	Bamburi Cement Ltd		26.00	0.70	0.65	0.93
FC	Athi River Mining Ltd		5.75	0.75	0.65	0.87
Average			36.75	3.15	4.11	2.54
<b>Lowest DPR</b>						
LC	National Bank of Kenya Ltd		5.00	11.00	0.00	0.00
LC	Kenya Power & Lighting Ltd		84.00	39.36	0.00	0.00
LC	Kenya Commercial Bank. Ltd		30.00	3.45	0.00	0.00
LC	Eaagads		26.00	1.00	0.00	0.00
LC	Hutchings Biemer Ltd (s)		0.00	0.00	0.00	0.00
Average			29.00	10.96	0.00	0.00

Ownership		2000	MPS	EPS	DPS	DPR
<b>Highest DPR</b>						
FC	British American Tobacco K Ltd		60.50	5.83	7.90	1.36
FC	Standard Chartered Bank Ltd		49.50	8.80	11.00	1.25
LC	Firestone (EA) Ltd		11.50	1.05	1.00	0.95
FC	Crown Berger Ltd		10.00	2.13	2.00	0.94
FC	Bamburi Cement Ltd		34.00	0.80	0.75	0.94
Average			33.10	3.72	4.53	1.09
<b>Lowest DPR</b>						
LC	Eaagads		25.00	-1.33	0.00	-
LC	Kenya Orchards Ltd		5.00	-0.02	0.00	-
LC	Hutchings Biemer Ltd (s)					-
LC	Kenya Power & Lighting Ltd		51.50	-40.33	2.00	(0.05)
FC	Kakuzi Ltd		55.00	-1.44	0.40	(0.28)
Average			27.30	-8.62	0.48	-0.07

Ownership		2001	MPS	EPS	DPS	DPR
<b>Highest DPR</b>						
FC	Sasini Tea & Coffee Ltd		19.80	0.40	1.00	2.50
LC	Kapchorua Tea Co. Ltd		140.00	1.60	2.50	1.56
LC	E.A Cables Ltd		9.20	0.79	1.10	1.39
FC	British American Tobacco K Ltd		49.00	6.04	7.90	1.31
LC	Uchumi Supermarkets Ltd.		45.50	1.49	1.60	1.07
Average			52.70	2.06	2.82	1.57
<b>Lowest DPR</b>						
LC	Kenya Power and Lighting Co		29.25	-36.36	0.00	-
LC	Kenya Commercial Bank. Ltd		16.35	1.31	0.00	-
LC	Kenya Orchards Ltd		5.30	0.00	0.00	-
LC	Hutchings Biemer Ltd (s)		0.00	0.00	0.00	-
FC	A. Baumann & Co, Ltd		6.95	-0.67	1.00	(1.49)
Average			11.57	-7.14	0.20	-0.30

Ownership		2002	MPS	EPS	DPS	DPR
<b>Highest DPR</b>						
LC	City Trust Ltd		17.50	1.28	2.00	1.56
LC	Firestone (EA) Ltd		8.70	0.83	1.00	1.20
LC	E.A Portland Cement Ltd		12.50	1.37	1.50	1.09
FC	British American Tobacco K Ltd		54.00	8.23	9.00	1.09
LC	Eaagads		19.00	0.48	0.50	1.04
Average			22.34	2.44	2.80	1.20
<b>Lowest DPR</b>						
LC	Hutchings Biemer Ltd (s)		0.00	0.00	0.00	-
LC	Kapchorua Tea Co. Ltd		137.00	-3.54	0.50	(0.14)
LC	Williamson Tea Kenya Ltd		51.00	-3.07	0.50	(0.16)
LC	E.A Cables Ltd		9.20	-0.29	0.50	(1.72)
FC	Sasini Tea & Coffee Ltd		13.20	-0.18	0.50	(2.78)
Average			42.08	-1.42	0.40	-0.96

Ownership		2003	MPS	EPS	DPS	DPR
<b>Highest DPR</b>						
FC	Brooke Bond		66.00	1.27	6.00	4.72
LC	Carbacid Investments Ltd		105.00	7.81	23.10	2.96
LC	E.A Cables Ltd		13.65	0.46	1.00	2.17
LC	Tourism Promotion Services (Serena)		27.25	0.65	1.10	1.69
LC	City Trust Ltd		21.00	1.66	2.25	1.36
Average			46.58	2.37	6.69	2.58
<b>Lowest DPR</b>						
LC	Kenya Power and Lighting Co		32.00	-38.56	0.00	-
LC	Eaagads		15.95	-0.53	0.00	-
LC	Uchumi Supermarkets Ltd.		31.75	-3.28	0.00	-
LC	Kenya Orchards Ltd		5.30	-0.89	0.00	-
LC	Hutchings Biemer Ltd (s)		0.00	0.00	0.00	-
Average			17.00	-8.65	0.00	0.00

Ownership	2004	MPS	EPS	DPS	DPR
<b>Highest DPR</b>					
LC	City Trust Ltd	30.00	2.64	6.25	2.37
FC	British American Tobacco K Ltd	200.00	12.10	16.50	1.36
FC	Bamburi Cement Ltd	95.00	4.73	6.12	1.29
FC	Unilever Tea Kenya	90.50	7.39	8.00	1.08
LC	Firestone (EA) Ltd	12.50	0.99	1.00	1.01
<b>Lowest DPR</b>					
LC	Eaagads	17.00	-0.18	0.00	-
LC	Uchumi Supermarkets Ltd.	17.50	-11.65	0.00	-
LC	Kenya Orchards Ltd	3.80	-1.24	0.00	-
LC	Hutchings Biemer Ltd (s)	0.00	0.00	0.00	-
LC	E.A Portland Cement Ltd	47.50	-2.99	1.75	(0.59)

Ownership	2005	MPS	EPS	DPS	DPR
<b>Highest DPR</b>					
LC	E.A Portland Cement Ltd	110.00	0.25	3.75	15.00
FC	Kenya Orchards Ltd	5.00	1.03	6.00	5.83
LC	City Trust Ltd	56.00	3.64	7.25	1.99
FC	Athi River Mining Ltd	39.50	7.25	11.05	1.52
FC	BOC Kenya Ltd	160.00	12.35	16.70	1.35
FC	Nation Media Group Ltd	190.00	5.11	6.50	1.27
<b>Lowest DPR</b>					
LC	National Bank of Kenya Ltd	28.75	3.50	0.00	-
LC	Kenya Power and Lighting Co	138.00	7.79	0.00	-
LC	Standard Newspapers Group Ltd	40.00	1.00	0.00	-
LC	Eaagads	17.00	0.18	0.00	-
LC	Uchumi Supermarkets Ltd.	14.25	13.65	0.00	-

Code: LC- Local Companies, FC- Foreign Companies

In the Year 1999, the companies that had the highest DPR were 4 foreign ( British American Tobacco (K), Standard Chartered Bank, Bamburi Cement and Athi River Cement), while there was only one Local firm in the top 5, that is Jubilee Insurance at a DPR of 8.33. Among the lowest DPR Companies were all Local firms. In fact most of the local firms in the bottom section did not declare any dividends, resulting into a DPR of 0.00.

These companies included Eaagads, Kenya Commercial Bank, Kenya Power and Lighting and National Bank of Kenya. Apart from Eaagads, the rest were government of Kenya parastatals.

In the Year 2000, the trend was the same as the previous year: One local company- Firestone- in the top 5 for DPR. The rest were foreign, and these were British American Tobacco (K) Ltd, Standard Chartered Bank, Crown Berger and Bamburi Cement with a DPR of 0.94.

The lower end had 4 local firms- Eaagads, Kenya Orchards, Hutchings Biemer and Kenya Power and Lighting Company. There was one foreign company at this end- Kakuzi Ltd.

For the Year 2001, the situation between local and foreign owned firms' DPR began to change, with three local firms getting into the top 5. These were Kapchorua Tea, East African Cables and Uchumi Supermarkets. Foreign Companies in top 5 were Sasini Tea (with DPR of 2.50) and British American Tobacco (K) with a DPR of 1.31.

On the Lower end, there were 4 local firms- Kenya Power and Lighting, Kenya Commercial Bank, Kenya Orchards, Hutchings Biermer, with one foreign firm- A. Baumann and Co., with a DPR of -1.49

In the Year 2002, there was only one foreign company in the top 5 of the DRP- British American Tobacco. The rest were local- City Trust, Firestone EA, East African Portland Cement and Eaagads. In the same year, the lowest DPR Stocks were all local except for Sasini Tea with a DPR of -2.78, the lowest ever.

For 2003, only one foreign company made it to the top 5- Brooke Bond, leading the pack with a DPR of 4.72. On the lower end were all Kenyan firms with zero DPR.

In 2004, the foreign companies bounced back with 3 in the top 5. These were Unilever Tea Kenya, Bamburi Cement Ltd and British American Tobacco. The local firms were City Trust (with a DPR of 2.37) and Firestone, with a DPR of 1.01.

The lowest DPR Companies were all local firms, with East African Portland Cement trailing with a DPR of -0.59

In the final year of analysis, 2005, in the top 5, were 3 foreign companies, while local firms had 2- East African Portland Cement (with the highest ever recorded DPR of 15) and City Trust. In the lowest DPR, all stocks were local.

#### 4.2.2 Dividend Yield

The results of the individual stocks for the Dividend Yield are summarized in Table 4:

**Table 4 Dividend Yield Top 5 and Bottom 5 Companies**  
1999

Ownership		MPS	EPS	DPS	Dividend Yield
<b>Highest DY</b>					
LC	ICDC Investments	9.00	5.52	2.50	0.28
FC	Standard Chartered Bank Ltd	54.00	8.50	10.50	0.19
FC	Crown Berger Ltd	9.70	2.11	1.50	0.15
FC	Athi River Mining Ltd	5.75	0.75	0.65	0.11
LC	East African Breweries	65.00	12.75	7.25	0.11
<b>Lowest DY</b>					
LC	Kapchorua Tea Co. Ltd	0.00	0.00	0.00	0.00
LC	CMC Holdings Ltd.	16.00	0.00	0.00	0.00
LC	Eaagads	26.00	1.00	0.00	0.00
LC	Kenya Orchards Ltd	0.00	3.50	1.50	0.00
	Hutchings Biemer Ltd (s)	0.00	0.00	0.00	0.00

2000

Ownership		MPS	EPS	DPS	Dividend Yield
<b>Highest DY</b>					
FC	Standard Chartered Bank Ltd	49.50	8.80	11.00	0.22
FC	Crown Berger Ltd	10.00	2.13	2.00	0.20
LC	Kenya Airways Ltd	7.50	6.03	1.25	0.17
FC	British American Tobacco K Ltd	60.50	5.83	7.90	0.13
FC	Barclays Bank (K) Ltd.	75.00	11.20	10.00	0.13
<b>Lowest DY</b>					
LC	Mumias Sugar	0.00	0.00	0.00	-
LC	Kenya Commercial Bank. Ltd	25.50	-4.14	0.00	-
LC	Eaagads	25.00	-1.33	0.00	-



## 2001

Ownership		MPS	EPS	DPS	Dividend Yield
<b>Highest DY</b>					
FC	Barclays Bank (K) Ltd.	72.00	16.00	14.00	19%
FC	Standard Chartered Bank Ltd	47.00	9.07	8.25	18%
LC	Kenya Airways Ltd	7.55	2.94	1.25	17%
FC	British American Tobacco K Ltd	49.00	6.04	7.90	16%
FC	A. Baumann & Co, Ltd	6.95	-0.67	1.00	14%
<b>Lowest DY</b>					
LC	Unga Group Ltd.	7.75	-2.20	0.00	0%
LC	National Bank of Kenya Ltd	2.90	1.49	0.00	0%
LC	Kenya Power and Lighting Co	29.25	-36.36	0.00	0%
LC	Kenya Commercial Bank. Ltd	16.35	1.31	0.00	0%
LC	Kenya Orchards Ltd	5.30	0.00	0.00	0%

## 2002

Ownership		MPS	EPS	DPS	Dividend Yield
<b>Highest DY</b>					
FC	British American Tobacco K Ltd	54.00	8.23	9.00	0.17
FC	BOC Kenya Ltd	26.75	5.40	4.35	0.16
LC	East African Breweries	82.50	21.28	11.50	0.14
FC	Standard Chartered Bank Ltd	62.00	8.92	8.25	0.13
LC	E.A Portland Cement Ltd	12.50	1.37	1.50	0.12
<b>Lowest DY</b>					
LC	Unga Group Ltd.	4.10	-1.07	0.00	-
LC	National Bank of Kenya Ltd	3.65	0.99	0.00	-
LC	Kenya Power and Lighting Co	8.65	-23.75	0.00	-
LC	Kenya Commercial Bank. Ltd	17.00	-20.06	0.00	-
LC	Kenya Orchards Ltd	5.30	0.07	0.00	-

## 2003

Ownership		MPS	EPS	DPS	Dividend Yield
<b>Highest DY</b>					
LC	Carbacid Investments Ltd	105.00	7.81	23.10	0.22
FC	Crown Berger Ltd	7.00	2.57	1.50	0.21
LC	City Trust Ltd	21.00	1.66	2.25	0.11
FC	Brooke Bond	66.00	1.27	6.00	0.09
LC	Kenya Airways Ltd	5.75	0.87	0.50	0.09
<b>Lowest DY</b>					
LC	Mumias Sugar Co.Ltd	3.40	-0.42	0.00	-
LC	Kenya Power and Lighting Co	32.00	-38.56	0.00	-
LC	Eaagads	15.95	-0.53	0.00	-
LC	Uchumi Supermarkets Ltd.	31.75	-3.28	0.00	-
LC	Kenya Orchards Ltd	5.30	-0.89	0.00	-

2004

Ownership		MPS	EPS	DPS	Dividend Yield
<b>Highest DY</b>					
LC	City Trust Ltd	30.00	2.64	6.25	0.21
FC	Sasini Tea & Coffee Ltd	20.50	20.29	2.50	0.12
LC	Mumias Sugar Co.Ltd	9.05	1.55	1.10	0.12
FC	Unilever Tea Kenya	90.50	7.39	8.00	0.09
LC	Rea Vipingo Ltd	9.50	2.14	0.80	0.08
<b>Lowest DY</b>					
LC	National Bank of Kenya Ltd	18.90	1.91	0.00	-
LC	Kenya Power and Lighting Co	88.50	5.79	0.00	-
LC	Eaagads	17.00	-0.18	0.00	-
LC	Uchumi Supermarkets Ltd.	17.50	-11.65	0.00	-
LC	Kenya Orchards Ltd	3.80	-1.24	0.00	-

2005

Ownership		MPS	EPS	DPS	Dividend Yield
<b>Highest DY</b>					
FC	Kenya Orchards Ltd	5.00	1.03	6.00	1.20
LC	Housing Finance	13.95	5.41	4.50	0.32
FC	Athi River Mining Ltd	39.50	7.25	11.05	0.28
LC	East African Breweries	135.00	45.03	31.00	0.23
FC	Sasini Tea & Coffee Ltd	26.75	20.13	3.50	0.13
<b>Lowest DY</b>					
LC	National Bank of Kenya Ltd	28.75	3.50	0.00	-
LC	Kenya Power and Lighting Co	138.00	7.79	0.00	-
LC	Standard Newspapers Group Ltd	40.00	1.00	0.00	-
LC	Eaagads	17.00	0.18	0.00	-
LC	Uchumi Supermarkets Ltd.	14.25	13.65	0.00	-

From the analysis of the dividend yield above, in 1999, there were 3 foreign firms in the top 5. These were: Standard Chartered Bank, Crown Berger and Athi River Mining. The Local firms included ICDC Investments (highest DY at 28%) and East African Breweries. The dividend yield was lowest with all local firms at 0%, since no local firm declared dividends that year.

In the Year 2000, Standard Chartered (foreign company), topped the chart with 22% DY. There were 3 other foreign firms. Only one local firm made it to the top 5- Kenya Airways with a DY of 17%.

In the lowest DY, all companies were local, with a DY of 0%, a result of no dividend paid that year.

For the Year 2001, there were 4 foreign firms in the top 5- Barclays Bank (highest at 19%), Standard Chartered Bank, British American Tobacco (K) Ltd and A. Baumann. (at 14%). The only local firm was Kenya Airways at a DY of 17%. On the other end were all Local firms with 0% DY.

In the year 2002, the number of local firms increased to 2 in the top 5 DY. These companies were East African Breweries and East African Portland Cement Ltd. It should be noted that from the statistics obtained from the NSE, these two companies, though having foreign appearance, were actually having less than 51% foreign ownership in the years under study, hence classified as local. The foreign firms in the top 5 for 2002 were British American Tobacco (highest DY AT 17%), BOC Kenya Ltd and Standard Chartered Bank.

The lower end had all local firms with a DY of 0%.

For the Year 2003, local firms had 3 in the top 5. These were Carbacid (highest at 22%), City Trust and Kenya Airways Ltd. The foreign firms were Crown Berger (at 21%) and Brooke Bond, later renamed Unilever Tea (at 9%). The lowest DY firms were all local with 0% DY.

In the Year 2004, the two foreign companies that made it to the top 5 were Sasini Tea and Coffee, and Unilever Tea Kenya (previously Brooke Bond). The local firms were City Trust Limited, with a DY of 21%, Mumias Sugar at 12% and Rea Vipingo at 8%. On the lowest DYs, there were all local firms with a DY of 0% each.

In the final year, 2005, Kenya Orchards, a foreign firm led the pack with the highest ever Dividend Yield of 120%. Other foreign firms in the top 5 were Athi River Mining (at 28%) and Sasini Tea and Coffee (at 13%). The local firms had Housing Finance at 32% and East African Breweries at 23%. The lowest DY had all local firms with a DY of 0% for each company.

### 4.3 Results of the test of differences (T-Test)

#### 4.3.1 Dividend Yield and Dividend Payout Ratio t-test results

Table 5: Dividend Yield and Dividend Payout Ratios Statistical Summary

<b>Dividend Yield</b>							
	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Estimate for diff	-0.0184	-0.0186	-0.0097	-0.0088	-0.0033	-0.001	-0.08
T-Value	-1.03	-0.97	-0.51	-0.53	-0.22	-0.09	-1.09
P-Value	0.309	0.34	0.616	0.599	0.829	0.932	0.293
DF-DY	32	23	26	28	29	38	17

<b>Dividend Payout Ratios</b>							
	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Estimate for diff	-0.049	-0.257	0.003	-0.046	-0.163	-0.176	-0.02
T-Value	-0.17	-1.87	0.03	-0.19	-0.55	-1.21	-0.04
P-Value	0.869	0.075	0.98	0.852	0.588	0.236	0.968
DF-DPR	36	22	21	23	23	33	45

##### 4.3.1.1 Dividend Yield

For the year 1999, the results indicate that the mean for foreign firms (Class 1) is higher with 0.0557 against the mean for local firms (Class 0) with a mean of 0.0372

In the results for 2000, the mean for foreign firms is higher (0.0645) than the mean for local firms (0.0459).

For the Year 2001, the mean for the foreign firms was still higher, with a mean of 0.0636, against a mean of 0.0539 for local firms.

The 2002 results showed that the mean for foreign firms was higher, but only slightly, of 0.0088.

In 2003, the foreign firms had a higher mean compared to the local firms. This was higher by 0.0033.

For 2004, the foreign firms had a higher mean of 0.0403, compared to that of local firms of 0.0393.

In 2005, the foreign firms had a higher mean of 0.127, compared to that of local firms at 0.0508.

#### **4.3.1.2 Dividend Payout Ratio**

For the Year 1999, the results indicate that the foreign firms had a higher mean of 0.563 against that of local firms at 0.51, with a difference of 0.049.

These results for the Year 2000 indicate that there is a difference between the means of foreign owned firms and locally owned firms by 0.257, with foreign owned firms having a higher mean.

For the Year 2001, the mean for the locally owned firms were higher than the foreign owned ones by 0.005.

In the Year 2002, the dividend payout ratio mean for foreign owned firms were higher than the locally owned firms by 0.046.

For the Year 2003, the foreign owned firms had a mean of 0.71, compared to 0.543 for the locally owned firms, having a difference of 0.163.

The Year 2004 had foreign owned firms having a higher mean of 0.536 compared to the locally owned firms with a mean of 0.360, a difference of 0.176.

The means for the year 2005 saw the foreign owned firms have a higher mean of 0.94 compared to a mean of 0.92 for local firms. This was a difference of 0.024.

### 4.3.2 Test of Difference for Dividend Yield and Dividend Payout Ratio

**Table 6:** 95% CI test for difference

	Dividend Yield		Dividend Payout Ratios	
	Low	High	Low	High
1999	-0.0548	0.0179	-0.644	0.564
2000	-0.0582	0.0209	-0.542	0.028
2001	-0.0489	0.0295	-0.439	0.449
2002	-0.0424	0.0249	-0.549	0.458
2003	-0.0344	0.0277	-0.775	0.45
2004	-0.0249	0.0228	-0.472	0.121
2005	-0.224	0.0718	-1.187	1.14

For the 95% Confidence Interval, test for the difference between the two population means, in Dividend Yield there was a low of -0.0548 and a high of 0.0179 in 1999. In 2005, there was a low of -0.224 and a high of 0.0718.

For the Dividend Payout Ratios, there was a low of -0.644 and a high of 0.564 in 1999. In 2005, low was -1.187 and had a high of 1.14

#### 4.3.2.1 Dividend Yield

For the Dividend Yield, The T-Value has had a negative of below 0, but not more than -2 throughout: -1.03 in 1999, -0.97 in 2000, -0.51 in 2001, 0.22 in 2003, -0.09 in 2004 and -1.09 in 2005.

The P-Values for Dividend Yield were 0.309 in 1999, moving to 0.34 in 2000, then to 0.616 in 2001, then to 0.599 in 2002, then to 0.829. In 2004, the value was 0.932 and finally 0.293 in 2005.

#### 4.3.2.2 Dividend Payout Ratio

For the Dividend Payout Ratio, the T-Value was also negative in all the years except in 2001, in the range of 0.03 and -1.87. In 1999, the value was -0.17, then in 2000, the value moved to -1.87, then 0.03 in 2001, -0.19 in 2002, -0.55 in 2003, -1.21 in 2004 and to -0.04 in 2005.

On the other hand, the P-Values for Dividend Payout Ratio were 1999: 0.869, 2000: 0.075, 2001:0.98, 2002:0.852, 2003:0.588, 2004: 0.236 and 2005:0.968

#### **4.4 Summary of Findings and Interpretation**

##### **4.4.1 Dividend Payout Ratio for Foreign Firms**

Dividend payout ratio is the indicator of the kind of dividend policies a firm undertakes. In the analysis above, the DPR, the foreign firms had a high of 94% in 2005, with a low of 36% in 2002. This was generally because of improved economy (in 2005 as compared to 2002). This made most companies generate higher profits.

In further analysis foreign firms had 4 out of 5 top positions in 1999, 2000, 3 positions in 2004 and 2005, 2 positions out of 5 in 2001 and one position in 2002, 2003.

Though Local firms had a lion's share of the companies with low DPR, the foreign firms had their share too. For example, in 2000, Kakuzi had the worst DPR at -0.28, A.Baumann had the worst DPR in 2001 with -1.49, and Sasini Tea had the worst in 2002 with 2.78. In each of these cases, the companies were the only ones from foreign firms in the last 5 companies in terms of DPR.

##### **4.4.2 Dividend Payout Ratio for Local Firms**

For local firms, there was a high Dividend Payout Ratio of 92% in 2005 and a low of 30% in 2000. In all the years (1999-2005), the Local firms recorded a lower DPR compared to the foreign firms.

##### **4.4.3 Summary and Conclusion on Dividend Yield**

From the results of the Dividend Yield, the degrees of freedom, used in getting the t-statistic for the Year 1999 were 32. It was 23 in 2000, 26 in 2001, 28 in 2002, 29 in 2003, 38 in 2004 and 17 in 2005.

The t-values were negative through all the years. At 95 % Confidence interval, the difference between the Foreign firms and local firms were at -0.0548 and 0.0179 in 1999, -0.0582 and 0.0209 in 2000, -0.0489 and 0.0295 in 2001, -0.0424 and 0.0249 in 2002, -0.0344 and 0.0277 in 2003, -0.0249 and 0.0228 in 2004, -0.224 and 0.0718. Since the range for all the results covers zero (0), the result suggests that there is no significant

difference between the dividend yields of foreign firms as compared to the local firms. The result would have been different if the range did not cover zero. But for the values of p: 0.309 in 1999, 0.34 in 2000, 0.616 in 2001, 0.599 in 2002, 0.829 in 2003, 0.932 in 2004 and 0.293 in 2005 intimate a minimal relationship between the dividend yields of the two classifications- foreign owned and local owned firms.

In the earlier analysis, the lowest Dividend Yield was of 0%, experience mainly by the local firms. The highest DY was recorded by Kenya Orchards, a foreign company at 120% in 2005. In the seven years, Foreign Companies comprised the top 5 DY companies as follows: 1999-3 or 60%, 2000-4 or 80%, 2001-4- 80%, 2002-3 or 60%, 2003-2 or 40%, 2004 -2 or 40% and 2005- 3 or 60%.

It should be noted that Foreign Companies did not occupy the top 5 slots by more than 50% for just 2 years- in 2003 and 2004. Also, there was no Foreign Company in the bottom five with DY of 0% in all the 7 years

This signifies a generally higher dividend yield among Multinational firms. Since dividend yield measures the percentage gain of dividends over the market price, the FC stocks provided a much better return than those of Local Companies.

#### **4.4.4 Summary and Conclusion on Dividend Payout Ratio**

The dividend payout ratio measures the extent to which the company earnings are distributed to the shareholders through dividends. It is also a pointer to the repatriation of dividends abroad.

From the t-test results obtained above, it can be noted that the degrees of freedom used to calculate the t-test were: 36 for 1999, 22 for 2000, 21 for 2001, 23 for 2002, 23 for 2003, 33 for 2004 and 43 for 2005.

The range for the 95% Confidence Interval difference for Dividend Payout Ratio was -0.644 and 0.564 in 1999, -0.542 and 0.028 in 2000, -0.439 and 0.449 in 2001, -0.539 and 0.458 in 2002, 0.775 and 0.45 in 2003, -0.472 and 0.121 in 2004 and -1.187 and 1.14 in 2005. The data indicates that in all the observations, the range touches zero (0), thereby concluding that there is no significant difference between the DPR of local firms and those which are foreign owned.

From the analysis above, it can be said that generally there was more dividend paid out to



shareholders in foreign firms than those of local firms. This mostly occurred through the bearish years of 1999 to 2002. In 2003 to 2005 bullish years, there was no major difference between the dividend payout ratios of the local firms and the foreign firms.

In the final analysis, the highest DPR was by East African Portland Cement, a local firm, in 2005, which posted a DPR of 15.00. The lowest was recorded by Sasini Tea and Coffee, which had a DPR of -2.78 in 2002. It should also be noted that Eaagads moved from bottom 5 (in 1999 with DPR of 0.00) to top 5 (in 2002, with DPR of 1.04).

East African Portland Cement had the biggest gain, having moved from the last in 2004 with DPR of -0.59 to be the first in 2005 with a DPR of 15.00

## **5.0 FINDINGS AND CONCLUSION**

### **5.1 Conclusion from the Study**

After carefully analyzing and interpreting the findings of the research, the following conclusions can be reached:

From the study and examination it was found out that there is a suggestion of some differences in the dividend policies of the foreign firms and those of local firms. A general trend was reported, that a higher dividend yield was experienced in most of the foreign firms. In fact, there were no foreign firms in the lower end of the dividend yield. This can lead to a conclusion that foreign firms have higher dividend yield than those locally owned, and thus give higher returns to investors. This would also signify higher returns to the foreign owners who could repatriate the profits to their home countries.

On the issue of dividend payout ratio, mixed results were achieved: The Foreign firms did not have an outright advantage over the locally owned firms. The major difference was experienced in the bearish years of 1999 to 2002. During this period, the foreign firms had a higher dividend payout ratio compared to those locally owned firms. In the subsequent periods- 2003 to 2005, there was no clear indication of the major difference between the two classifications.

Using Minitab to calculate t-statistics however, the t-values remained low, and at 95% Confidence Interval for the dividend yield and dividend payout ratio, the differences between local and foreign firms remained insignificant. This leads to a conclusion that there is no major difference between the dividend policies of locally owned firms and those which are foreign owned. The hypothesis was thus proved wrong.

This conclusion would further indicate that though there could be a few high performing foreign firms in terms of dividend policies; this was not the general trend in that classification. This would mean that foreign firms pursue their own dividend policies, driven by other requirements such as finance needs at home, levels of profits in the current or prior period etc, and not necessarily because they are foreign owned or belong to a specific sector.

## **5.2 Further Research**

The research in itself is not conclusive in the areas of foreign ownership influence on the corporate finance decisions of a company. Further research can be carried out in the following areas:

1. The influences of other variables in determination of optimum dividend policy.
2. An analysis across markets, i.e. the study concentrated on the Nairobi Stock Exchange. Further research could do a cross-market analysis to verify the results, for example, comparing Johannesburg Stock Exchange, JSE results with other developing markets with a heavy presence of multinational firms.
3. This study was done during the period when the Kenyan economy was already liberalized (this began in 1992). Research can be done to establish the influence of multinational firms in a firm's dividend policy in a non liberalized market. This has not yet been researched on, hence open for further research.

## **5.3 Limitations of Study**

1. Only firms listed at the Nairobi Stock Exchange are researched on; the behaviour of firms listed elsewhere on other boards could be different.
2. Research covered the period 1999-2005, whereas the market was liberalised in Kenya in 1992, with exchange control act repealed in 1995. These periods are important, yet could not be covered.
3. The bias by use of only listed firms. The results could be different if non listed firms with substantial foreign/local ownerships were to be considered. This means that the sample is not fairly representative of the wider multinational firms operating in a country.
4. The study covered totally two different periods in the NSE life history: 1999-2002, one of the worst bear run years, and 2003-2005, one of the best Bull Run years. This produced mixed results.

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**Appendix 1: Dividend Yield, Dividend Payout Ratio:  
1999-2000**

DY	DPR	Class	DY 1	DPR 1	Class 1
0.108824	0.840909	1	0.133333	0.892857	1
0.077778	0.689655	1	0.061856	0.652884	1
0.023077	0.348837	1	0.084615	0.930311	1
0	0	1	0	0	1
0.05102	0.75	1	0.06993	0.892857	1
0	0	1	0	0	1
0.194444	1.235294	1	0.222222	1.25	1
0.003333	0.225564	1	0.007273	-0.277778	1
0	0	1	0	0	1
0.046512	0.810811	1	0.082558	0.926893	1
0.034642	0.547445	1	0.057554	0.687285	1
0	0	1	0	0	1
0.154639	0.7109	1	0.2	0.938967	1
0.025	0.928571	1	0.022059	0.9375	1
0.1	1.332149	1	0.130579	1.35506	1
0.013889	0.290698	1	0.025362	0.307018	1
0.113043	0.866667	1	0	0	1
0	0	0	0	0	0
0.045	0.63	0	0.066667	0.416149	0
0.111538	0.568627	0	0.114504	0.580945	0
0.0625	0.606061	0	0.06962	0.511628	0
0.039231	0.272727	0	0.056122	0.281474	0
0	0	0	0	0	0
0.054348	8.333333	0	0.094595	0.806452	0
0	0	0	0	0	0
0.028947	0.122222	0	0	0	0
0.035461	0.5	0	0.086957	0.952381	0
0.032468	0.049213	0	0.166667	0.207297	0
0.052083	0.384615	0	0.069091	0.844444	0
0	0	0	0	0	0
0	0	0	0.118919	0.733333	0
0.025652	0.59	0	0.042857	0.291262	0
0.093284	0.416667	0	0.074074	0.39604	0
0.075	0.6	0	0.1	0.746269	0
0	0	0	0	0	0
0	0	0	0	0	0
0.1	0.784314	0	0.101408	0.474934	0
0	0	0	0	0	0
0	0	0	0.038835	-0.049591	0
0	0	0	0	0	0
0.016667	0.171429	0	0.016667	0.657895	0
0	0	0	0.028736	0.279955	0
0.277778	0.452899	0	0.046875	0.148515	0
0	0	0	0.060606	0.506757	0
0.066667	0.524109	0	0	0	0
0	0.428571	0	0.070175	0.562852	0
0	0	0	0	0	0
			0	0	0



**Dividend Yield/Dividend Payout Ratio: 2001-2002**

DY 2	DPR 2	Class 2	DY 3	DPR 3	Class 3
0.194444	0.875	1	0.089109	0.9375	1
0.027778	0.437637	1	0.046296	0.984252	1
0	0	1	0.007614	0.867052	1
0	0	1	0.074725	0.735931	1
0.143885	-1.492537	1	0	0	1
0	0	1	0	0	1
0.175532	0.909592	1	0.133065	0.924888	1
0	0	1	0	0	1
0	0	1	0	0	1
0.118333	0.924479	1	0.162617	0.805556	1
0.050505	2.5	1	0.037879	-2.777778	1
0	0	1	0	0	1
0.055556	0.555556	1	0.1	0.462963	1
0.067066	0.557214	1	0.08	1.035503	1
0.161224	1.307947	1	0.166667	1.09356	1
0.036994	0.333333	1	0.029762	0.331126	1
0.05	0.5	1	0.085106	0.645161	1
0	0	0	0	0	0
0.074444	0.567797	0	0.072826	0.462069	0
0.113208	0.604839	0	0.139394	0.540414	0
0.064706	0.44	0	0.057895	0.40146	0
0.078571	0.692695	0	0.062585	0.466531	0
0	0	0	0	0	0
0.112903	0.519288	0	0.112903	0.382932	0
0	0	0	0.098039	0.609756	0
0	0	0	0	0	0
0.142857	0.980392	0	0.114943	1.204819	0
0.165563	0.42517	0	0.076433	0.319149	0
0	0	0	0	0	0
0.090909	0.122249	0	0.12	1.094891	0
0.119565	1.392405	0	0.054348	-1.724138	0
0.044444	0.784314	0	0.06	0.631579	0
0.109489	0.201559	0	0.117284	0.216895	0
0.123457	0.896861	0	0.114286	1.5625	0
0	0	0	0	0	0
0	0	0	0	0	0
0.066372	1.090116	0	0.101523	0.719424	0
0.111811	0.747368	0	0.04	0.769231	0
0	0	0	0	0	0
0	0	0	0	0	0
0.017857	1.5625	0	0.00365	-0.141243	0
0.05	0.321337	0	0.009804	-0.162866	0
0.083333	0.209497	0	0.057971	0.158983	0
0.042553	0.597015	0	0.105263	0.446429	0
0.02439	0.446429	0	0.026316	1.041667	0
0.035165	1.073826	0	0.03012	0.60241	0
0	0	0	0	0	0
0	0	0	0	0	0

### Dividend Yield/Dividend Payout Ratio: 2003-2004

DY 4	DPR 4	Class 4	DY 5	DPR 5	Class 5
0.05	0.848485	1	0.07	0.773481	1
0.090909	4.724409	1	0.088398	1.082544	1
0.0625	0.745712	1	0.042254	0.931677	1
0.062893	0.806452	1	0.026455	0.748503	1
0	0	1	0	0	1
0	0	1	0	0	1
0.044503	0.753546	1	0.053279	0.964392	1
0	0	1	0.025	0.234192	1
0	0	1	0	0	1
0.043719	0.556266	1	0.032847	0.54878	1
0	0	1	0.121951	0.123213	1
0	0	1	0	0	1
0.214286	0.583658	1	0.042254	0.547445	1
0.022222	0.952381	1	0.064421	1.293869	1
0.04529	1.096491	1	0.0825	1.363636	1
0.026178	0.443656	1	0.035294	0.500417	1
0.023529	0.480769	1	0	0	1
0	0	0	0.047619	0.512821	0
0.025455	0.337349	0	0.014483	0.27907	0
0.066372	1.090116	0	0.040449	0.513552	0
0.040367	1.692308	0	0.02328	0.326409	0
0.22	2.957746	0	0.034483	0.500626	0
0	0	0	0	0	0
0.045	0.380711	0	0.043103	0.325521	0
0.07767	0.8	0	0.084211	0.373832	0
0.055833	0.246324	0	0.044667	0.408537	0
0.042017	0.892857	0	0.08	1.010101	0
0.086957	0.574713	0	0.078125	0.265957	0
0	0	0	0	0	0
0.037838	0.697211	0	0.036842	-0.585284	0
0.07326	2.173913	0	0.068627	0.572831	0
0.025	0.5	0	0.025	0.424242	0
0.038603	0.225806	0	0.039604	0.240385	0
0.107143	1.355422	0	0.208333	2.367424	0
0	0	0	0	0	0
0	0	0	0	0	0
0.049451	0.765306	0	0.048	0.757098	0
0	0	0	0.121547	0.709677	0
0	0	0	0	0	0
0.018519	0.307692	0	0.03125	0.507614	0
0.027372	0.421348	0	0.0375	0.379555	0
0.053571	0.510204	0	0.046875	0.408497	0
0.014706	0.137174	0	0.018182	0.184502	0
0.043137	0.761246	0	0.044776	0.683371	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

## Dividend Yield/Dividend Payout Ratio-2005

DY 6	DPR 6	Class 6
0.070722	0.925373	1
0.066298	0.938967	1
1.2	5.825243	1
0.067073	0.735294	1
0	0	1
0.04611	0.958084	1
0.048561	0.90604	1
0.011606	0.170213	1
0	0	1
0.104375	1.352227	1
0.130841	0.17387	1
0	0	1
0.057143	0.536193	1
0.013214	0.11058	1
0.027696	0.633408	1
0.034211	1.272016	1
0.279747	1.524138	1
0.0375	0.214286	0
0.016667	0.311721	0
0.22963	0.68843	0
0.04321	0.518519	0
0.034672	0.568862	0
0	0	0
0.060241	0.515464	0
0.033735	0.35	0
0.054348	0.22242	0
0.05814	1.25	0
0.015244	0.14881	0
0.322581	0.831793	0
0.034091	15	0
0.04562	0.641026	0
0.031008	0.377358	0
0.048148	0.526316	0
0.129464	1.991758	0
0	0	0
0	0	0
0.04902	0.748503	0
0.088571	0.78481	0
0	0	0
0.035398	0.273973	0
0.039524	0.448649	0
0	0	0
0.013333	0.413793	0
0.068966	0.909091	0
0	0	0

**Appendix 2: T-test results**  
**1999 Results: Two Sample T**

Class	N	Mean	StDev	SE Mean
0	30	0.0372	0.0569	0.010
1	17	0.0557	0.0597	0.014

Difference =  $\mu(0) - \mu(1)$

Estimate for difference: -0.0184

95% CI for difference: (-0.0548, 0.0179)

T-Test of difference = 0 (vs not =): T-Value = -1.03 P-Value = 0.309 DF = 32

The results above indicate that the mean for foreign firms (Class 1) is higher with 0.0557 against the mean for local firms (Class 0) with a mean of 0.0372

**2000 Results: Two Sample T**

Class_1	N	Mean	StDev	SE Mean
0	31	0.0459	0.0463	0.0083
1	17	0.0645	0.0710	0.017

Difference =  $\mu(0) - \mu(1)$

Estimate for difference: -0.0186

95% CI for difference: (-0.0582, 0.0209)

T-Test of difference = 0 (vs not =): T-Value = -0.97 P-Value = 0.340 DF = 23

In the results for 2000, the mean for foreign firms is higher (0.0645) than the mean for local firms (0.0459)

**2001 Results: Two Sample T**

Class_2	N	Mean	StDev	SE Mean
0	31	0.0539	0.0520	0.0093
1	17	0.0636	0.0686	0.017

Difference =  $\mu(0) - \mu(1)$

Estimate for difference: -0.0097

95% CI for difference: (-0.0489, 0.0295)

T-Test of difference = 0 (vs not =): T-Value = -0.51 P-Value = 0.616 DF = 26

For the Year 2001, the mean for the foreign firms was still higher, with a mean of 0.0636, against a mean of 0.0539 for local firms.

### 2002 Results: Two sample T

Class_3	N	Mean	StDev	SE Mean
0	31	0.0508	0.0480	0.0086
1	17	0.0596	0.0577	0.014

Difference =  $\mu(0) - \mu(1)$

Estimate for difference: -0.0088

95% CI for difference: (-0.0424, 0.0249)

T-Test of difference = 0 (vs not =): T-Value = -0.53 P-Value = 0.599 DF = 28

The 2002 results showed that the mean for foreign firms was higher, but only slightly, of 0.0088

### 2003 Results: Two sample T

Class_4	N	Mean	StDev	SE Mean
0	31	0.0370	0.0454	0.0082
1	17	0.0404	0.0528	0.013

Difference =  $\mu(0) - \mu(1)$

Estimate for difference: -0.0033

95% CI for difference: (-0.0344, 0.0277)

T-Test of difference = 0 (vs not =): T-Value = -0.22 P-Value = 0.829 DF = 29

The foreign firms had a higher mean compared to the local firms. This was higher by 0.0033

### 2004 Results: Two sample T

Class_5	N	Mean	StDev	SE Mean
0	31	0.0393	0.0437	0.0078
1	17	0.0403	0.0363	0.0088

Difference =  $\mu(0) - \mu(1)$

Estimate for difference: -0.0010

95% CI for difference: (-0.0249, 0.0228)

T-Test of difference = 0 (vs not =): T-Value = -0.09 P-Value = 0.932 DF = 38

The foreign firms had a higher mean of 0.0403, compared to that of local firms of 0.0393

### 2005 Results: Two Sample T

Class_6	N	Mean	StDev	SE Mean
0	31	0.0508	0.0678	0.012
1	17	0.127	0.285	0.069

Difference =  $\mu(0) - \mu(1)$

Estimate for difference: -0.0761

95% CI for difference: (-0.2240, 0.0718)

T-Test of difference = 0 (vs not =): T-Value = -1.09 P-Value = 0.293 DF = 17

The foreign firms had a higher mean of 0.127, compared to that of local firms at 0.0508

### Dividend Payout Results

#### 1999 Results: Two Sample T

Class	N	Mean	StDev	SE Mean
0	30	0.51	1.50	0.27
1	17	0.563	0.432	0.10

Difference =  $\mu(0) - \mu(1)$

Estimate for difference: -0.049

95% CI for difference: (-0.644, 0.546)

T-Test of difference = 0 (vs not =): T-Value = -0.17 P-Value = 0.869 DF = 36

The results indicate that the foreign firms had a higher mean of 0.563 against that of local firms at 0.51, with a difference of 0.049

#### 2000 Results: Two Sample T

Class_1	N	Mean	StDev	SE Mean
0	31	0.302	0.317	0.057
1	17	0.558	0.515	0.12

Difference =  $\mu(0) - \mu(1)$

Estimate for difference: -0.257

95% CI for difference: (-0.542, 0.028)

T-Test of difference = 0 (vs not =): T-Value = -1.87 P-Value = 0.075 DF = 22

These results for the Year 2000 indicate that there is a difference between the means of foreign owned firms and locally owned firms by 0.257, with foreign owned firms having a higher mean.

### 2001 Results: Two Sample T

Class_2	N	Mean	StDev	SE Mean
0	31	0.441	0.455	0.082
1	17	0.436	0.813	0.20

Difference =  $\mu(0) - \mu(1)$

Estimate for difference: 0.005

95% CI for difference: (-0.439, 0.449)

T-Test of difference = 0 (vs not =): T-Value = 0.03 P-Value = 0.980 DF = 21

For the Year 2001, the mean for the locally owned firms were higher than the foreign owned ones by 0.005

### 2002 Results: Two sample T

Class_3	N	Mean	StDev	SE Mean
0	31	0.310	0.574	0.10
1	17	0.356	0.909	0.22

Difference =  $\mu(0) - \mu(1)$

Estimate for difference: -0.046

95% CI for difference: (-0.549, 0.458)

T-Test of difference = 0 (vs not =): T-Value = -0.19 P-Value = 0.852 DF = 23

In the Year 2002, the dividend payout ratio mean for foreign owned firms were higher than the locally owned firms by 0.046

### 2003 Results: Two sample T

Class_4	N	Mean	StDev	SE Mean
0	31	0.543	0.703	0.13
1	17	0.71	1.11	0.27

Difference =  $\mu(0) - \mu(1)$

Estimate for difference: -0.163

95% CI for difference: (-0.775, 0.450)

T-Test of difference = 0 (vs not =): T-Value = -0.55 P-Value = 0.588 DF = 23

For the Year 2003, the foreign owned firms had a mean of 0.71, compared to 0.543 for the locally owned firms, having a difference of 0.163

### 2004 Results: Two sample T

Class_5	N	Mean	StDev	SE Mean
0	31	0.360	0.487	0.087
1	17	0.536	0.481	0.12

Difference =  $\mu(0) - \mu(1)$

Estimate for difference: -0.176

95% CI for difference: (-0.472, 0.121)

T-Test of difference = 0 (vs not =): T-Value = -1.21 P-Value = 0.236 DF = 33

The Year 2004 had foreign owned firms having a higher mean of 0.536 compared to the locally owned firms with a mean of 0.360, a difference of 0.176

### 2005 Results: Two sample T

Class_6	N	Mean	StDev	SE Mean
0	31	0.92	2.65	0.48
1	17	0.94	1.35	0.33

Difference =  $\mu(0) - \mu(1)$

Estimate for difference: -0.024

95% CI for difference: (-1.187, 1.140)

T-Test of difference = 0 (vs not =): T-Value = -0.04 P-Value = 0.968 DF = 45

The means for the year 2005 saw the foreign owned firms have a higher mean of 0.94 compared to a mean of 0.92 for local firms. This was a difference of 0.024



### Appendix 3: Dividend Payout Rankings

	1999	MPS	EPS	DPS	Dividend Payout Ratio
Jubilee Insurance Co.Ltd		23.00	0.15	1.25	8.33
British American Tobacco K Ltd		75.00	5.63	7.50	1.33
Standard Chartered Bank Ltd		54.00	8.50	10.50	1.24
Bamburi Cement Ltd		26.00	0.70	0.65	0.93
Athi River Mining Ltd		5.75	0.75	0.65	0.87
Barclays Bank (K) Ltd.		85.00	11.00	9.25	0.84
BOC Kenya Ltd		64.50	3.70	3.00	0.81
NIC Bank Ltd		20.00	2.55	2.00	0.78
A. Baumann & Co, Ltd		14.70	1.00	0.75	0.75
Crown Berger Ltd		9.70	2.11	1.50	0.71
Brooke Bond		90.00	10.15	7.00	0.69
CFC Bank Ltd.		14.00	1.00	0.63	0.63
Tourism Promotion Services (Serena)		16.00	1.65	1.00	0.61
City Trust Ltd		20.00	2.50	1.50	0.60
Diamond Trust Bank of Kenya Ltd		23.00	1.00	0.59	0.59
East African Breweries		65.00	12.75	7.25	0.57
Sasini Tea & Coffee Ltd		43.30	2.74	1.50	0.55
Uchumi Supermarkets Ltd.		37.50	4.77	2.50	0.52
Firestone (EA) Ltd		14.10	1.00	0.50	0.50
ICDC Investments		9.00	5.52	2.50	0.45
Kenya Orchards Ltd		0.00	3.50	1.50	0.43
Housing Finance		48.00	6.50	2.50	0.38
Limuru Tea Co. Ltd		650.00	43.00	15.00	0.35
Nation Media Group Ltd		90.00	4.30	1.25	0.29
Carbacid Investments Ltd		65.00	9.35	2.55	0.27
Kakuzi Ltd		90.00	1.33	0.30	0.23
Williamson Tea Kenya Ltd		90.00	8.75	1.50	0.17
Kenya Airways Ltd		7.70	5.08	0.25	0.05
Kenya Oil Co. Ltd		67.00	15.00	6.25	0.00
Car & General (K) Ltd.		19.00	4.50	0.55	0.00
Total Kenya Ltd.		48.00	3.55	0.00	0.00
Standard Newspapers Group Ltd		10.00	7.00	0.00	0.00
Marshalls (EA) Ltd		5.25	5.24	0.00	0.00
Pan Africa Insurance Holdings Ltd		25.00	1.00	0.00	0.00
Rea Vipingo Ltd		4.65	0.47	0.00	0.00
E.A Portland Cement Ltd		84.00	40.13	0.00	0.00
E.A Cables Ltd		9.25	4.34	0.00	0.00
Unga Group Ltd.		23.00	8.75	0.00	0.00
National Bank of Kenya Ltd		5.00	11.00	0.00	0.00
Kenya Power & Lighting Ltd		84.00	39.36	0.00	0.00
Kenya Commercial Bank. Ltd		30.00	3.45	0.00	0.00
Eaagads		26.00	1.00	0.00	0.00
Hutchings Biemer Ltd (s)		0.00	0.00	0.00	0.00
Express Kenya Ltd		1.14	0.00	0.00	#DIV/0!
Olympia Capital Holdings		0.00	0.00	0.00	#DIV/0!
Kapchorua Tea Co. Ltd		0.00	0.00	0.00	#DIV/0!
CMC Holdings Ltd.		16.00	0.00	0.00	#DIV/0!

### Dividend Payout Rankings- Cont

	2000	MPS	EPS	DPS	Dividend Payout Ratio
British American Tobacco K Ltd	60.50	5.83	7.90		1.36
Standard Chartered Bank Ltd	49.50	8.80	11.00		1.25
Firestone (EA) Ltd	11.50	1.05	1.00		0.95
Crown Berger Ltd	10.00	2.13	2.00		0.94
Bamburi Cement Ltd	34.00	0.80	0.75		0.94
Limuru Tea Co. Ltd	650.00	59.12	55.00		0.93
BOC Kenya Ltd	43.00	3.83	3.55		0.93
Barclays Bank (K) Ltd.	75.00	11.20	10.00		0.89
A. Baumann & Co, Ltd	14.30	1.12	1.00		0.89
Housing Finance	5.50	0.45	0.38		0.84
Jubilee Insurance Co.Ltd	18.50	2.17	1.75		0.81
City Trust Ltd	20.00	2.68	2.00		0.75
E.A Cables Ltd	9.25	1.50	1.10		0.73
Sasini Tea & Coffee Ltd	34.75	2.91	2.00		0.69
Kapchorua Tea Co. Ltd	150.00	3.80	2.50		0.66
Brooke Bond	97.00	9.19	6.00		0.65
East African Breweries	65.50	12.91	7.50		0.58
Uchumi Supermarkets Ltd.	42.75	5.33	3.00		0.56
Tourism Promotion Services (Serena)	15.80	2.15	1.10		0.51
ICDC Investments	49.50	5.92	3.00		0.51
NIC Bank Ltd	17.75	3.79	1.80		0.47
CFC Bank Ltd.	10.05	1.61	0.67		0.42
Kenya Oil Co. Ltd	81.00	15.15	6.00		0.40
Nation Media Group Ltd	69.00	5.70	1.75		0.31
Diamond Trust Bank of Kenya Ltd	14.00	2.06	0.60		0.29
Williamson Tea Kenya Ltd	87.00	8.93	2.50		0.28
Kenya Airways Ltd	7.50	6.03	1.25		0.21
CMC Holdings Ltd.	16.00	5.05	0.75		0.15
Carbacid Investments Ltd	49.00	9.77	2.75		-
Total Kenya Ltd.	55.00	3.69	0.00		-
Standard Newspapers Group Ltd	7.40	-7.33	0.00		-
Express Kenya Ltd	16.75	-1.24	0.00		-
Marshalls (EA) Ltd	17.50	-7.24	0.00		-
Athi River Mining Ltd	4.00	0.40	0.00		-
Pan Africa Insurance Holdings Ltd	11.00	-1.36	0.00		-
Olympia Capital Holdings	0.00	0.00	0.00		-
Rea Vipingo Ltd	3.70	-0.57	0.00		-
Car & General (K) Ltd.	19.00	-0.19	0.00		-
E.A Portland Cement Ltd	12.40	-4.66	0.00		-
Unga Group Ltd.	15.40	-9.81	0.00		-
National Bank of Kenya Ltd	3.15	-11.03	0.00		-
Kenya Commercial Bank. Ltd	25.50	-4.14	0.00		-
Eaagads	25.00	-1.33	0.00		-
Kenya Orchards Ltd	5.00	-0.02	0.00		-
Hutchings Biemer Ltd (s)					-
Kenya Power & Lighting Ltd	51.50	-40.33	2.00		(0.05)
Kakuzi Ltd	55.00	-1.44	0.40		(0.28)
Mumias Sugar	0.00	0.00	0.00		#DIV/0!

### Dividend Payout Rankings- Cont

	2001	MPS	EPS	DPS	Dividend Payout Ratio
Sasini Tea & Coffee Ltd		19.80	0.40	1.00	2.50
Kapchorua Tea Co. Ltd		140.00	1.60	2.50	1.56
E A Cables Ltd		9.20	0.79	1.10	1.39
British American Tobacco K Ltd		49.00	6.04	7.90	1.31
Uchumi Supermarkets Ltd.		45.50	1.49	1.60	1.07
Firestone (EA) Ltd		7.00	1.02	1.00	0.98
BOC Kenya Ltd		30.00	3.84	3.55	0.92
Standard Chartered Bank Ltd		47.00	9.07	8.25	0.91
City Trust Ltd		16.20	2.23	2.00	0.90
Barclays Bank (K) Ltd.		72.00	16.00	14.00	0.88
Marshalls (EA) Ltd		6.05	-21.45	0.00	0.56
Diamond Trust Bank of Kenya Ltd		9.00	0.51	0.40	0.78
Mumias Sugar Co. Ltd		6.35	0.95	0.71	0.75
Carbacid Investments Ltd		35.00	3.97	2.75	0.69
East African Breweries		79.50	14.88	9.00	0.60
ICDC Investments		47.00	3.35	2.00	0.60
CFC Bank Ltd.		9.00	1.18	0.67	0.57
Bamburi Cement Ltd		16.70	2.01	1.12	0.56
Crown Berger Ltd		9.00	0.90	0.50	0.56
Jubilee Insurance Co. Ltd		15.50	3.37	1.75	0.52
NIC Bank Ltd		15.00	3.12	1.60	0.51
Eaagads		20.50	1.12	0.50	0.45
Tourism Promotion Services (Serena)		17.00	2.50	1.10	0.44
Brooke Bond		72.00	4.57	2.00	0.44
Kenya Airways Ltd		7.55	2.94	1.25	0.43
Nation Media Group Ltd		43.25	4.80	1.60	0.33
Williamson Tea Kenya Ltd		100.00	15.56	5.00	0.32
CMC Holdings Ltd.		9.00	3.58	0.75	0.21
Kenya Oil Co. Ltd		68.50	37.21	7.50	0.20
E A Portland Cement Ltd		11.00	8.18	1.00	0.12
Athi River Mining Ltd		4.00	0.40	0.20	-
Limuru Tea Co. Ltd		394.00	-4.97	0.00	-
Total Kenya Ltd.		19.00	-2.23	0.00	-
Standard Newspapers Group Ltd		5.50	4.90	0.00	-
Kakuzi Ltd		36.00	-2.31	0.00	-
Express Kenya Ltd		18.65	-6.55	0.00	-
Pan Africa Insurance Holdings Ltd		13.10	3.41	0.00	-
Rea Vipingo Ltd		2.90	0.07	0.00	-
Car & General (K) Ltd.		10.00	-0.26	0.00	-
Housing Finance		6.00	-1.62	0.00	-
Unga Group Ltd.		7.75	-2.20	0.00	-
National Bank of Kenya Ltd		2.90	1.49	0.00	-
Kenya Power and Lighting Co		29.25	-36.36	0.00	-
Kenya Commercial Bank. Ltd		16.35	1.31	0.00	-
Kenya Orchards Ltd		5.30	0.00	0.00	-
Hutchings Biemer Ltd (s)		0.00	0.00	0.00	-
A. Baumann & Co, Ltd		6.95	-0.67	1.00	(1.49)
Olympia Capital Holdings		0.00	0.00	0.00	#DIV/0!

## Dividend Payout Rankings Cont

	2002 MPS	EPS	DPS	Dividend Payout Ratio
City Trust Ltd	17.50	1.28	2.00	1.56
Firestone (EA) Ltd	8.70	0.83	1.00	1.20
E A Portland Cement Ltd	12.50	1.37	1.50	1.09
British American Tobacco K Ltd	54.00	8.23	9.00	1.09
Eaagads	19.00	0.48	0.50	1.04
Bamburi Cement Ltd	43.75	3.38	3.50	1.04
Brooke Bond	54.00	2.54	2.50	0.98
Barclays Bank (K) Ltd.	101.00	9.60	9.00	0.94
Standard Chartered Bank Ltd	62.00	8.92	8.25	0.92
Limuru Tea Co. Ltd	394.00	3.46	3.00	0.87
BOC Kenya Ltd	26.75	5.40	4.35	0.81
Mumias Sugar Co.Ltd	2.50	0.13	0.10	0.77
Total Kenya Ltd.	22.75	2.31	1.70	0.74
NIC Bank Ltd	19.70	2.78	2.00	0.72
Athi River Mining Ltd	4.70	0.62	0.40	0.65
Diamond Trust Bank of Kenya Ltd	10.00	0.95	0.60	0.63
Rea Vipingo Ltd	2.55	0.41	0.25	0.61
Uchumi Supermarkets Ltd.	16.60	0.83	0.50	0.60
East African Breweries	82.50	21.28	11.50	0.54
Carbacid Investments Ltd	36.75	4.93	2.30	0.47
Crown Berger Ltd	5.00	1.08	0.50	0.46
CFC Bank Ltd.	9.20	1.45	0.67	0.46
ICDC Investments	19.00	4.48	2.00	0.45
Jubilee Insurance Co.Ltd	15.50	4.57	1.75	0.38
Nation Media Group Ltd	84.00	7.55	2.50	0.33
Kenya Airways Ltd	7.85	1.88	0.60	0.32
Kenya Oil Co. Ltd	81.00	43.80	9.50	0.22
CMC Holdings Ltd.	17.25	6.29	1.00	0.16
Tourism Promotion Services (Serena)	19.00	2.74	1.10	-
A. Baumann & Co, Ltd	9.00	-12.52	0.00	-
Standard Newspapers Group Ltd	9.40	-0.94	0.00	-
Kakuzi Ltd	14.65	0.39	0.00	-
Express Kenya Ltd	6.80	-11.67	0.00	-
Marshalls (EA) Ltd	18.30	2.03	0.00	-
Pan Africa Insurance Holdings Ltd	7.00	-0.33	0.00	-
Car & General (K) Ltd.	10.00	0.33	0.00	-
Housing Finance	5.20	0.49	0.00	-
Unga Group Ltd.	4.10	-1.07	0.00	-
National Bank of Kenya Ltd	3.65	0.99	0.00	-
Kenya Power and Lighting Co	8.65	-23.75	0.00	-
Kenya Commercial Bank. Ltd	17.00	-20.06	0.00	-
Kenya Orchards Ltd	5.30	0.07	0.00	-
Hutchings Biemer Ltd (s)	0.00	0.00	0.00	-
Kapchorua Tea Co. Ltd	137.00	-3.54	0.50	(0.14)
Williamson Tea Kenya Ltd	51.00	-3.07	0.50	(0.16)
E. A Cables Ltd	9.20	-0.29	0.50	(1.72)
Sasini Tea & Coffee Ltd	13.20	-0.18	0.50	(2.78)
Olympia Capital Holdings	0.00	0.00	0.00	#DIV/0!

## Dividend Payout Rankings Cont

	2003	MPS	EPS	DPS	Dividend Payout Ratio
Brooke Bond		66.00	1.27	6.00	4.72
Carbacid Investments Ltd		105.00	7.81	23.10	2.96
E A Cables Ltd		13.65	0.46	1.00	2.17
Tourism Promotion Services (Serena)		27.25	0.65	1.10	1.69
City Trust Ltd		21.00	1.66	2.25	1.36
British American Tobacco K Ltd		276.00	11.40	12.50	1.10
East African Breweries		226.00	13.76	15.00	1.09
Bamburi Cement Ltd		126.00	2.94	2.80	0.95
Firestone (EA) Ltd		11.90	0.56	0.50	0.89
Barclays Bank (K) Ltd.		280.00	16.50	14.00	0.85
Total Kenya Ltd.		39.75	3.10	2.50	0.81
Rea Vipingo Ltd		5.15	0.50	0.40	0.80
NIC Bank Ltd		45.50	2.94	2.25	0.77
ICDC Investments		51.00	2.89	2.20	0.76
Standard Chartered Bank Ltd		191.00	11.28	8.50	0.75
Limuru Tea Co. Ltd		160.00	13.41	10.00	0.75
Crown Berger Ltd		7.00	2.57	1.50	0.58
Kenya Airways Ltd		5.75	0.87	0.50	0.57
BOC Kenya Ltd		99.50	7.82	4.35	0.56
Williamson Tea Kenya Ltd		70.00	7.35	3.75	0.51
Diamond Trust Bank of Kenya Ltd		28.00	1.40	0.70	0.50
Athi River Mining Ltd		21.25	1.04	0.50	0.48
Nation Media Group Ltd		191.00	11.27	5.00	0.44
Kapchorua Tea Co. Ltd		137.00	8.90	3.75	0.42
Jubilee Insurance Co.Ltd		50.00	5.91	2.25	0.38
CFC Bank Ltd.		33.00	2.49	0.84	0.34
Kenya Commercial Bank. Ltd		54.00	3.25	1.00	0.31
Car & General (K) Ltd.		12.00	2.72	0.67	0.25
Kenya Oil Co. Ltd		272.00	46.50	10.50	0.23
CMC Holdings Ltd.		68.00	7.29	1.00	0.14
E.A Portland Cement Ltd		46.25	2.51	1.75	-
A. Baumann & Co. Ltd		5.50	-0.63	0.00	-
Standard Newspapers Group Ltd		39.75	-0.76	0.00	-
Kakuzi Ltd		14.65	-0.60	0.00	-
Express Kenya Ltd		9.00	-14.20	0.00	-
Sasini Tea & Coffee Ltd		17.30	-177.00	0.00	-
Marshalls (EA) Ltd		18.30	1.53	0.00	-
Pan Africa Insurance Holdings Ltd		23.50	-0.49	0.00	-
Housing Finance		12.05	0.45	0.00	-
Unga Group Ltd.		12.05	-0.43	0.00	-
National Bank of Kenya Ltd		13.35	2.02	0.00	-
Mumias Sugar Co.Ltd		3.40	-0.42	0.00	-
Kenya Power and Lighting Co		32.00	-38.56	0.00	-
Eaagads		15.95	-0.53	0.00	-
Uchumi Supermarkets Ltd.		31.75	-3.28	0.00	-
Kenya Orchards Ltd		5.30	-0.89	0.00	-
Hutchings Biemer Ltd (s)		0.00	0.00	0.00	-
Olympia Capital Holdings		0.00	0.00	0.00	#DIV/0!

## Dividend Payout Rankings Cont

	2004	MPS	EPS	DPS	Dividend Payout Ratio
City Trust Ltd		30.00	2.64	6.25	2.37
British American Tobacco K Ltd		200.00	12.10	16.50	1.36
Bamburi Cement Ltd		95.00	4.73	6.12	1.29
Unilever Tea Kenya		90.50	7.39	8.00	1.08
Firestone (EA) Ltd		12.50	0.99	1.00	1.01
Standard Chartered Bank Ltd		122.00	6.74	6.50	0.96
Limuru Tea Co. Ltd		355.00	16.10	15.00	0.93
Barclays Bank (K) Ltd.		200.00	18.10	14.00	0.77
NIC Bank Ltd		50.00	3.17	2.40	0.76
Total Kenya Ltd.		94.50	3.34	2.50	0.75
Mumias Sugar Co.Ltd		9.05	1.55	1.10	0.71
ICDC Investments		67.00	4.39	3.00	0.68
E.A Cables Ltd		51.00	6.11	3.50	0.57
BOC Kenya Ltd		137.00	8.20	4.50	0.55
Crown Berger Ltd		35.50	2.74	1.50	0.55
East African Breweries		445.00	35.05	18.00	0.51
Pan Africa Insurance Holdings Ltd		21.00	1.95	1.00	0.51
Kenya Commercial Bank. Ltd		64.00	3.94	2.00	0.51
Carbacid Investments Ltd		116.00	7.99	4.00	0.50
Nation Media Group Ltd		170.00	11.99	6.00	0.50
Diamond Trust Bank of Kenya Ltd		28.00	1.65	0.70	0.42
Car & General (K) Ltd.		15.00	1.64	0.67	0.41
Williamson Tea Kenya Ltd		80.00	9.18	3.75	0.41
Rea Vipingo Ltd		9.50	2.14	0.80	0.37
Tourism Promotion Services (Serena)		47.25	3.37	1.10	0.33
Jubilee Insurance Co.Ltd		58.00	7.68	2.50	0.33
CFC Bank Ltd.		58.00	3.01	0.84	0.28
Kenya Airways Ltd		9.60	2.82	0.75	0.27
Kenya Oil Co. Ltd		50.50	8.32	2.00	0.24
Kakuzi Ltd		40.00	4.27	1.00	0.23
CMC Holdings Ltd.		55.00	5.42	1.00	0.18
Sasini Tea & Coffee Ltd		20.50	20.29	2.50	0.12
Kapchorua Tea Co. Ltd		100.00	9.88	3.75	-
A. Baumann & Co, Ltd		8.25	-2.75	0.00	-
Standard Newspapers Group Ltd		43.50	1.19	0.00	-
Express Kenya Ltd		7.80	0.14	0.00	-
Marshalls (EA) Ltd		23.50	1.55	0.00	-
Athi River Mining Ltd		15.00	1.26	0.00	-
Housing Finance		8.50	0.52	0.00	-
Unga Group Ltd.		14.50	-1.62	0.00	-
National Bank of Kenya Ltd		18.90	1.91	0.00	-
Kenya Power and Lighting Co		88.50	5.79	0.00	-
Eaagads		17.00	-0.18	0.00	-
Uchumi Supermarkets Ltd		17.50	-11.65	0.00	-
Kenya Orchards Ltd		3.80	-1.24	0.00	-
Hutchings Biemer Ltd (s)		0.00	0.00	0.00	-
E.A Portland Cement Ltd		47.50	-2.99	1.75	(0.59)
Olympia Capital Holdings		0.00	0.00	0.00	#DIV/0!

## Dividend Payout Rankings Cont

	2005	MPS	EPS	DPS	Dividend Payout Ratio
E.A Portland Cement Ltd		110.00	0.25	3.75	15.00
Kenya Orchards Ltd		5.00	1.03	6.00	5.83
City Trust Ltd		56.00	3.64	7.25	1.99
Athi River Mining Ltd		39.50	7.25	11.05	1.52
BOC Kenya Ltd		160.00	12.35	16.70	1.35
Nation Media Group Ltd		190.00	5.11	6.50	1.27
Firestone (EA) Ltd		21.50	1.00	1.25	1.25
Limuru Tea Co. Ltd		347.00	16.70	16.00	0.96
Unilever Tea		90.50	6.39	6.00	0.94
Barclays Bank (K) Ltd.		263.00	20.10	18.60	0.93
ICDC Investments		72.50	5.50	5.00	0.91
Standard Chartered Bank Ltd		139.00	7.45	6.75	0.91
Housing Finance		13.95	5.41	4.50	0.83
Mumias Sugar Co.Ltd		35.00	3.95	3.10	0.78
NIC Bank Ltd		51.00	3.34	2.50	0.75
Total Kenya Ltd.		41.00	3.74	2.75	0.74
East African Breweries		135.00	45.03	31.00	0.69
E.A Cables Ltd		137.00	9.75	6.25	0.64
British American Tobacco K Ltd		204.00	8.92	5.65	0.63
Kapchorua Tea Co. Ltd		154.00	11.28	6.85	0.61
Carbacid Investments Ltd		137.00	8.35	4.75	0.57
Crown Berger Ltd		35.00	3.73	2.00	0.54
Kenya Oil Co. Ltd		135.00	12.35	6.50	0.53
Tourism Promotion Services (Serena)		81.00	6.75	3.50	0.52
Jubilee Insurance Co.Ltd		83.00	9.70	5.00	0.52
Williamson Tea Kenya Ltd		105.00	9.25	4.15	0.45
CMC Holdings Ltd.		54.00	1.74	0.72	0.41
Diamond Trust Bank of Kenya Ltd		32.25	2.65	1.00	0.38
Rea Vipingo Ltd		20.75	2.00	0.70	0.35
CFC Bank Ltd.		75.00	4.01	1.25	0.31
Kenya Commercial Bank. Ltd		113.00	14.60	4.00	0.27
Car & General (K) Ltd.		23.00	5.62	1.25	0.22
Hutchings Biemer Ltd (s)		20.25	3.92	0.85	0.22
Pan Africa Insurance Holdings Ltd		40.00	7.00	1.50	0.21
Sasini Tea & Coffee Ltd		26.75	20.6	3.50	0.17
Kakuzi Ltd		48.25	3.29	0.56	0.17
Kenya Airways Ltd		82.00	4.40	1.25	0.15
Bamburi Cement Ltd		140.00	16.73	1.85	0.11
A. Baumann & Co. Ltd		13.15	0.75	0.00	-
Express Kenya Ltd		13.80	0.16	0.00	-
Marshalls (EA) Ltd		24.0	2.55	0.00	-
Olympia Capital Holdings		7.00	1.00	0.00	-
Unga Group Ltd.		19.00	1.32	0.00	-
National Bank of Kenya Ltd		28.75	3.50	0.00	-
Kenya Power and Lighting Co		138.00	7.79	0.00	-
Standard Newspapers Group Ltd		40.00	1.00	0.00	-
Eaagads		17.00	0.18	0.00	-
Uchumi Supermarkets Ltd.		14.25	13.65	0.00	-

#### Appendix 4: Dividend Yield Rankings

	1999 MPS	EPS	DPS	Dividend Yield
ICDC Investments	9.00	5.52	2.50	0.28
Standard Chartered Bank Ltd	54.00	8.50	10.50	0.19
Crown Berger Ltd	9.70	2.11	1.50	0.15
Athi River Mining Ltd	5.75	0.75	0.65	0.11
East African Breweries	65.00	12.75	7.25	0.11
Barclays Bank (K) Ltd	85.00	11.00	9.25	0.11
British American Tobacco K Ltd	75.00	5.63	7.50	0.10
NIC Bank Ltd	20.00	2.55	2.00	0.10
Kenya Oil Co. Ltd	67.00	15.00	6.25	0.09
Brooke Bond	90.00	10.15	7.00	0.08
City Trust Ltd	20.00	2.50	1.50	0.08
Uchumi Supermarkets Ltd.	37.50	4.77	2.50	0.07
Tourism Promotion Services (Serena)	16.00	1.65	1.00	0.06
Jubilee Insurance Co. Ltd	23.00	0.15	1.25	0.05
Housing Finance	48.00	6.50	2.50	0.05
A. Baumann & Co. Ltd	14.70	1.00	0.75	0.05
BOC Kenya Ltd	64.50	3.70	3.00	0.05
CFC Bank Ltd.	14.00	1.00	0.63	0.05
Carbacid Investments Ltd	65.00	9.35	2.55	0.04
Firestone (EA) Ltd	14.10	1.00	0.50	0.04
Sasini Tea & Coffee Ltd	43.30	2.74	1.50	0.03
Kenya Airways Ltd	7.70	5.08	0.25	0.03
Car & General (K) Ltd.	19.00	4.50	0.55	0.03
Diamond Trust Bank of Kenya Ltd	23.00	1.00	0.59	0.03
Bamburi Cement Ltd	26.00	0.70	0.65	0.03
Limuru Tea Co. Ltd	650.00	43.00	15.00	0.02
Williamson Tea Kenya Ltd	90.00	8.75	1.50	0.02
Nation Media Group Ltd	90.00	4.30	1.25	0.01
Kakuzi Ltd	90.00	1.33	0.30	0.00
Total Kenya Ltd.	48.00	3.55	0.00	0.00
Standard Newspapers Group Ltd	10.00	7.00	0.00	0.00
Express Kenya Ltd	1.14	0.00	0.00	0.00
Marshalls (EA) Ltd	5.25	5.24	0.00	0.00
Pan Africa Insurance Holdings Ltd	25.00	1.00	0.00	0.00
Olympia Capital Holdings	0.00	0.00	0.00	0.00
Rea Vipingo Ltd	4.65	0.47	0.00	0.00
E A Portland Cement Ltd	84.00	40.13	0.00	0.00
E A Cables Ltd	9.25	4.34	0.00	0.00
Unga Group Ltd.	23.00	8.75	0.00	0.00
National Bank of Kenya Ltd	5.00	11.00	0.00	0.00
Kenya Power & Lighting Ltd	84.00	39.36	0.00	0.00
Kenya Commercial Bank. Ltd	30.00	3.45	0.00	0.00
Kapchorua Tea Co. Ltd	0.00	0.00	0.00	0.00
CMC Holdings Ltd.	16.00	0.00	0.00	0.00
Eaagads	26.00	1.00	0.00	0.00
Kenya Orchards Ltd	0.00	3.50	1.50	0.00
Hutchings Biemer Ltd (s)	0.00	0.00	0.00	0.00



## Dividend Yield Rankings Cont

	2000	MPS	EPS	DPS	Dividend Yield
Standard Chartered Bank Ltd		49.50	8.80	11.00	0.22
Crown Berger Ltd		10.00	2.13	2.00	0.20
Kenya Airways Ltd		7.50	6.03	1.25	0.17
British American Tobacco K Ltd		60.50	5.83	7.90	0.13
Barclays Bank (K) Ltd.		75.00	11.20	10.00	0.13
E.A Cables Ltd		9.25	1.50	1.10	0.12
East African Breweries		65.50	12.91	7.50	0.11
NIC Bank Ltd		17.75	3.79	1.80	0.10
City Trust Ltd		20.00	2.68	2.00	0.10
Jubilee Insurance Co. Ltd		18.50	2.17	1.75	0.09
Firestone (EA) Ltd		11.50	1.05	1.00	0.09
Limuru Tea Co. Ltd		650.00	59.12	55.00	0.08
BOC Kenya Ltd		43.00	3.83	3.55	0.08
Kenya Oil Co. Ltd		81.00	15.15	6.00	0.07
Uchumi Supermarkets Ltd.		42.75	5.33	3.00	0.07
A. Baumann & Co, Ltd		14.30	1.12	1.00	0.07
Tourism Promotion Services (Serena)		15.80	2.15	1.10	0.07
Housing Finance		5.50	0.45	0.38	0.07
CFC Bank Ltd.		10.05	1.61	0.67	0.07
Brooke Bond		97.00	9.19	6.00	0.06
ICDC Investments		49.50	5.92	3.00	0.06
Sasini Tea & Coffee Ltd		34.75	2.91	2.00	0.06
Carbacid Investments Ltd		49.00	9.77	2.75	0.06
CMC Holdings Ltd.		16.00	5.05	0.75	0.05
Diamond Trust Bank of Kenya Ltd		14.00	2.06	0.60	0.04
Kenya Power & Lighting Ltd		51.50	-40.33	2.00	0.04
Williamson Tea Kenya Ltd		87.00	8.93	2.50	0.03
Nation Media Group Ltd		69.00	5.70	1.75	0.03
Bambuni Cement Ltd		34.00	0.80	0.75	0.02
Kapchorua Tea Co. Ltd		150.00	3.80	2.50	0.02
Kakuzi Ltd		55.00	-1.44	0.40	0.01
Total Kenya Ltd		55.00	3.69	0.00	-
Standard Newspapers Group Ltd		7.40	-7.33	0.00	-
Express Kenya Ltd		16.75	-1.24	0.00	-
Marshalls (EA) Ltd		17.50	-7.24	0.00	-
Athi River Mining Ltd		4.00	0.40	0.00	-
Pan Africa Insurance Holdings Ltd		11.00	-1.36	0.00	-
Olympia Capital Holdings		0.00	0.00	0.00	-
Rea Vipingo Ltd		3.70	-0.57	0.00	-
Car & General (K) Ltd.		19.00	-0.19	0.00	-
E A Portland Cement Ltd		12.40	-4.66	0.00	-
Unga Group Ltd.		15.40	-9.81	0.00	-
National Bank of Kenya Ltd		3.15	-11.03	0.00	-
Mumias Sugar		0.00	0.00	0.00	-
Kenya Commercial Bank. Ltd		25.50	-4.14	0.00	-
Eaagads		25.00	-1.33	0.00	-
Kenya Orchards Ltd		5.00	-0.02	0.00	-
Hutchings Biemer Ltd (s)					-

## Dividend Yield Rankings Cont

	2001	MPS	EPS	DPS	Dividend Yield
Barclays Bank (K) Ltd.		72.00	16.00	14.00	19%
Standard Chartered Bank Ltd		47.00	9.07	8.25	18%
Kenya Airways Ltd		7.55	2.94	1.25	17%
British American Tobacco K Ltd		49.00	6.04	7.90	16%
A. Baumann & Co, Ltd		6.95	-0.67	1.00	14%
Firestone (EA) Ltd		7.00	1.02	1.00	14%
City Trust Ltd		16.20	2.23	2.00	12%
E.A Cables Ltd		9.20	0.79	1.10	12%
BOC Kenya Ltd		30.00	3.84	3.55	12%
East African Breweries		79.50	14.88	9.00	11%
Jubilee Insurance Co.Ltd		15.50	3.37	1.75	11%
Mumias Sugar Co.Ltd		6.35	0.95	0.71	11%
Kenya Oil Co. Ltd		68.50	37.21	7.50	11%
E.A Portland Cement Ltd		11.00	8.18	1.00	9%
CMC Holdings Ltd.		9.00	3.58	0.75	8%
Carbacid Investments Ltd		35.00	3.97	2.75	8%
CFC Bank Ltd.		9.00	1.18	0.67	7%
Bambuni Cement Ltd		16.70	2.01	1.12	7%
NIC Bank Ltd		15.00	3.12	1.60	4%
Tourism Promotion Services (Serena)		17.00	2.50	1.10	6%
Crown Berger Ltd		9.00	0.90	0.50	6%
Sasini Tea & Coffee Ltd		19.80	0.40	1.00	5%
Athi River Mining Ltd		4.00	0.40	0.20	5%
Williamson Tea Kenya Ltd		100.00	15.56	5.00	5%
Diamond Trust Bank of Kenya Ltd		9.00	0.51	0.40	4%
ICDC Investments		47.00	3.35	2.00	4%
Nation Media Group Ltd		43.25	4.80	1.60	4%
Uchumi Supermarkets Ltd.		45.50	1.49	1.60	4%
Brooke Bond		72.00	4.57	2.00	3%
Eaagads		20.50	1.12	0.50	2%
Kapchorua Tea Co. Ltd		140.00	1.60	2.50	2%
Limuru Tea Co. Ltd		394.00	-4.97	0.00	0%
Total Kenya Ltd.		19.00	-2.23	0.00	0%
Standard Newspapers Group Ltd		5.50	4.90	0.00	0%
Kakuzi Ltd		36.00	-2.31	0.00	0%
Express Kenya Ltd		18.65	-6.55	0.00	0%
Marshalls (EA) Ltd		6.05	-21.45	0.00	0%
Pan Africa Insurance Holdings Ltd		13.10	3.41	0.00	0%
Olympia Capital Holdings		0.00	0.00	0.00	0%
Rea Vipingo Ltd		2.90	0.07	0.00	0%
Car & General (K) Ltd.		10.00	-0.26	0.00	0%
Housing Finance		6.00	-1.62	0.00	0%
Unga Group Ltd.		7.75	-2.20	0.00	0%
National Bank of Kenya Ltd		2.90	1.49	0.00	0%
Kenya Power and Lighting Co		29.25	-36.36	0.00	0%
Kenya Commercial Bank. Ltd		16.35	1.31	0.00	0%
Kenya Orchards Ltd		5.30	0.00	0.00	0%
Hutchings Biemer Ltd (s)		0.00	0.00	0.00	0%

## Dividend Yield Rankings Cont

	2002	MPS	EPS	DPS	Dividend Yield
British American Tobacco K Ltd		54.00	8.23	9.00	0.17
BOC Kenya Ltd		26.75	5.40	4.35	0.16
East African Breweries		82.50	21.28	11.50	0.14
Standard Chartered Bank Ltd		62.00	8.92	8.25	0.13
E A Portland Cement Ltd		12.50	1.37	1.50	0.12
Kenya Oil Co. Ltd		81.00	43.80	9.50	0.12
Firestone (EA) Ltd		8.70	0.83	1.00	0.11
City Trust Ltd		17.50	1.28	2.00	0.11
Jubilee Insurance Co.Ltd		15.50	4.57	1.75	0.11
ICDC Investments		19.00	4.48	2.00	0.11
NIC Bank Ltd		19.70	2.78	2.00	0.10
Crown Berger Ltd		5.00	1.08	0.50	0.10
Rea Vipingo Ltd		2.55	0.41	0.25	0.10
Barclays Bank (K) Ltd.		101.00	9.60	9.00	0.09
Athi River Mining Ltd		4.70	0.62	0.40	0.09
Bamburi Cement Ltd		43.75	3.38	3.50	0.08
Kenya Airways Ltd		7.85	1.88	0.60	0.08
Total Kenya Ltd.		22.75	2.31	1.70	0.07
CFC Bank Ltd.		9.20	1.45	0.67	0.07
Carbacid Investments Ltd		36.75	4.93	2.30	0.06
Diamond Trust Bank of Kenya Ltd		10.00	0.95	0.60	0.06
CMC Holdings Ltd.		17.25	6.29	1.00	0.06
Tourism Promotion Services (Serena)		19.00	2.74	1.10	0.06
E.A Cables Ltd		9.20	-0.29	0.50	0.05
Brooke Bond		54.00	2.54	2.50	0.05
Mumias Sugar Co.Ltd		2.50	0.13	0.10	0.04
Sasini Tea & Coffee Ltd		13.20	-0.18	0.50	0.04
Uchumi Supermarkets Ltd.		16.60	0.83	0.50	0.03
Nation Media Group Ltd		84.00	7.55	2.50	0.03
Eaagads		19.00	0.48	0.50	0.03
Williamson Tea Kenya Ltd		51.00	-3.07	0.50	0.01
Limuru Tea Co. Ltd		394.00	3.46	3.00	0.01
Kapchorua Tea Co. Ltd		137.00	-3.54	0.50	0.00
A. Baumann & Co, Ltd		9.00	-12.52	0.00	-
Standard Newspapers Group Ltd		9.40	-0.94	0.00	-
Kakuzi Ltd		14.65	0.39	0.00	-
Express Kenya Ltd		6.80	-11.67	0.00	-
Marshalls (EA) Ltd		18.30	2.03	0.00	-
Pan Africa Insurance Holdings Ltd		7.00	-0.33	0.00	-
Olympia Capital Holdings		0.00	0.00	0.00	-
Car & General (K) Ltd.		10.00	0.33	0.00	-
Housing Finance		5.20	0.49	0.00	-
Unga Group Ltd.		4.10	-1.07	0.00	-
National Bank of Kenya Ltd		3.65	0.99	0.00	-
Kenya Power and Lighting Co		8.65	-23.75	0.00	-
Kenya Commercial Bank. Ltd		17.00	-20.06	0.00	-
Kenya Orchards Ltd		5.30	0.07	0.00	-
Hutchings Biemer Ltd (s)		0.00	0.00	0.00	-

## Dividend Yield Rankings Cont

	2003 MPS	EPS	DPS	Dividend Yield
Carbacid Investments Ltd	105.00	7.81	23.10	0.22
Crown Berger Ltd	7.00	2.57	1.50	0.21
City Trust Ltd	21.00	1.66	2.25	0.11
Brooke Bond	66.00	1.27	6.00	0.09
Kenya Airways Ltd	5.75	0.87	0.50	0.09
Rea Vipingo Ltd	5.15	0.50	0.40	0.08
E.A Cables Ltd	13.65	0.46	1.00	0.07
East African Breweries	226.00	13.76	15.00	0.07
Total Kenya Ltd.	39.75	3.10	2.50	0.06
Limuru Tea Co. Ltd	160.00	13.41	10.00	0.06
Car & General (K) Ltd.	12.00	2.72	0.67	0.06
Williamson Tea Kenya Ltd	70.00	7.35	3.75	0.05
NIC Bank Ltd	45.50	2.94	2.25	0.05
British American Tobacco K Ltd	276.00	11.40	12.50	0.05
Jubilee Insurance Co.Ltd	50.00	5.91	2.25	0.05
Barclays Bank (K) Ltd.	280.00	16.50	14.00	0.05
Standard Chartered Bank Ltd	191.00	11.28	8.50	0.04
BOC Kenya Ltd	99.50	7.82	4.35	0.04
ICDC Investments	51.00	2.89	2.20	0.04
Firestone (EA) Ltd	11.90	0.56	0.50	0.04
Tourism Promotion Services (Serena)	27.25	0.65	1.10	0.04
Kenya Oil Co. Ltd	272.00	46.50	10.50	0.04
E.A Portland Cement Ltd	46.25	2.51	1.75	0.04
Kapchorua Tea Co. Ltd	137.00	8.90	3.75	0.03
Nation Media Group Ltd	191.00	11.27	5.00	0.03
CFC Bank Ltd.	33.00	2.49	0.84	0.03
Diamond Trust Bank of Kenya Ltd	28.00	1.40	0.70	0.03
Athi River Mining Ltd	21.25	1.04	0.50	0.02
Bamburi Cement Ltd	126.00	2.94	2.80	0.02
Kenya Commercial Bank. Ltd	54.00	3.25	1.00	0.02
CMC Holdings Ltd.	68.00	7.29	1.00	0.01
A. Baumann & Co, Ltd	5.50	-0.63	0.00	-
Standard Newspapers Group Ltd	39.75	-0.76	0.00	-
Kakuzi Ltd	14.65	-0.60	0.00	-
Express Kenya Ltd	9.00	-14.20	0.00	-
Sasini Tea & Coffee Ltd	17.30	-177.00	0.00	-
Marshalls (EA) Ltd	18.30	1.53	0.00	-
Pan Africa Insurance Holdings Ltd	23.50	-0.49	0.00	-
Olympia Capital Holdings	0.00	0.00	0.00	-
Housing Finance	12.05	0.45	0.00	-
Unga Group Ltd.	12.05	-0.43	0.00	-
National Bank of Kenya Ltd	13.35	2.02	0.00	-
Mumias Sugar Co.Ltd	3.40	-0.42	0.00	-
Kenya Power and Lighting Co	32.00	-38.56	0.00	-
Eaagads	15.95	-0.53	0.00	-
Uchumi Supermarkets Ltd.	31.75	-3.28	0.00	-
Kenya Orchards Ltd	5.30	-0.89	0.00	-
Hutchings Biemer Ltd (s)	0.00	0.00	0.00	-

## Dividend Yield Rankings Cont

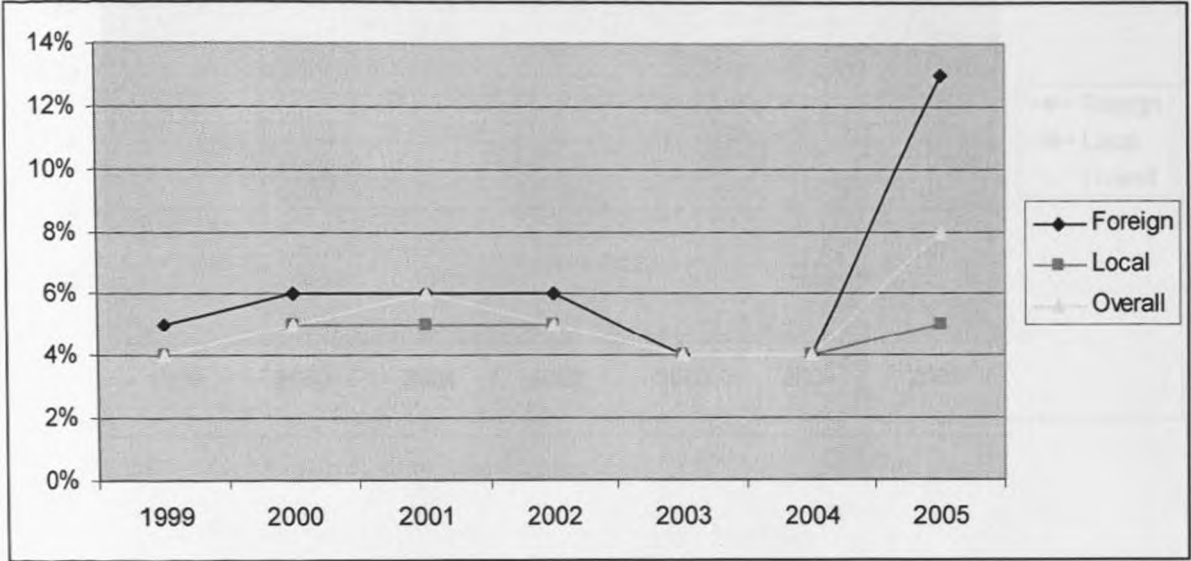
	2004 MPS	EPS	DPS	Dividend Yield
City Trust Ltd	30.00	2.64	6.25	0.21
Sasini Tea & Coffee Ltd	20.50	20.29	2.50	0.12
Mumias Sugar Co.Ltd	9.05	1.55	1.10	0.12
Unilever Tea Kenya	90.50	7.39	8.00	0.09
Rea Vipingo Ltd	9.50	2.14	0.80	0.08
British American Tobacco K Ltd	200.00	12.10	16.50	0.08
Firestone (EA) Ltd	12.50	0.99	1.00	0.08
Kenya Airways Ltd	9.60	2.82	0.75	0.08
E.A Cables Ltd	51.00	6.11	3.50	0.07
Barclays Bank (K) Ltd.	200.00	18.10	14.00	0.07
Bamburi Cement Ltd	95.00	4.73	6.12	0.06
Standard Chartered Bank Ltd	122.00	6.74	6.50	0.05
NIC Bank Ltd	50.00	3.17	2.40	0.05
Pan Africa Insurance Holdings Ltd	21.00	1.95	1.00	0.05
Williamson Tea Kenya Ltd	80.00	9.18	3.75	0.05
ICDC Investments	67.00	4.39	3.00	0.04
Car & General (K) Ltd.	15.00	1.64	0.67	0.04
Jubilee Insurance Co.Ltd	58.00	7.68	2.50	0.04
Limuru Tea Co. Ltd	355.00	16.10	15.00	0.04
Crown Berger Ltd	35.50	2.74	1.50	0.04
East African Breweries	445.00	35.05	18.00	0.04
Kenya Oil Co. Ltd	50.50	8.32	2.00	0.04
Kapchorua Tea Co. Ltd	100.00	9.88	3.75	0.04
E.A Portland Cement Ltd	47.50	-2.99	1.75	0.04
Nation Media Group Ltd	170.00	11.99	6.00	0.04
Carbacid Investments Ltd	116.00	7.99	4.00	0.03
BOC Kenya Ltd	137.00	8.20	4.50	0.03
Kenya Commercial Bank. Ltd	64.00	3.94	2.00	0.03
Total Kenya Ltd.	94.50	3.34	2.50	0.03
Kakuzi Ltd	40.00	4.27	1.00	0.03
Diamond Trust Bank of Kenya Ltd	28.00	1.65	0.70	0.03
Tourism Promotion Services (Serena)	47.25	3.37	1.10	0.02
CMC Holdings Ltd.	55.00	5.42	1.00	0.02
CFC Bank Ltd.	58.00	3.01	0.84	0.01
A. Baumann & Co, Ltd	8.25	-2.75	0.00	-
Standard Newspapers Group Ltd	43.50	1.19	0.00	-
Express Kenya Ltd	7.80	0.14	0.00	-
Marshalls (EA) Ltd	23.50	1.55	0.00	-
Athi River Mining Ltd	15.00	1.26	0.00	-
Olympia Capital Holdings	0.00	0.00	0.00	-
Housing Finance	8.50	0.52	0.00	-
Unga Group Ltd.	14.50	-1.62	0.00	-
National Bank of Kenya Ltd	18.90	1.91	0.00	-
Kenya Power and Lighting Co	88.50	5.79	0.00	-
Eaagads	17.00	-0.18	0.00	-
Uchumi Supermarkets Ltd.	17.50	-11.65	0.00	-
Kenya Orchards Ltd	3.80	-1.24	0.00	-
Hutchings Biemer Ltd (s)	0.00	0.00	0.00	-

## Dividend Yield Rankings Cont

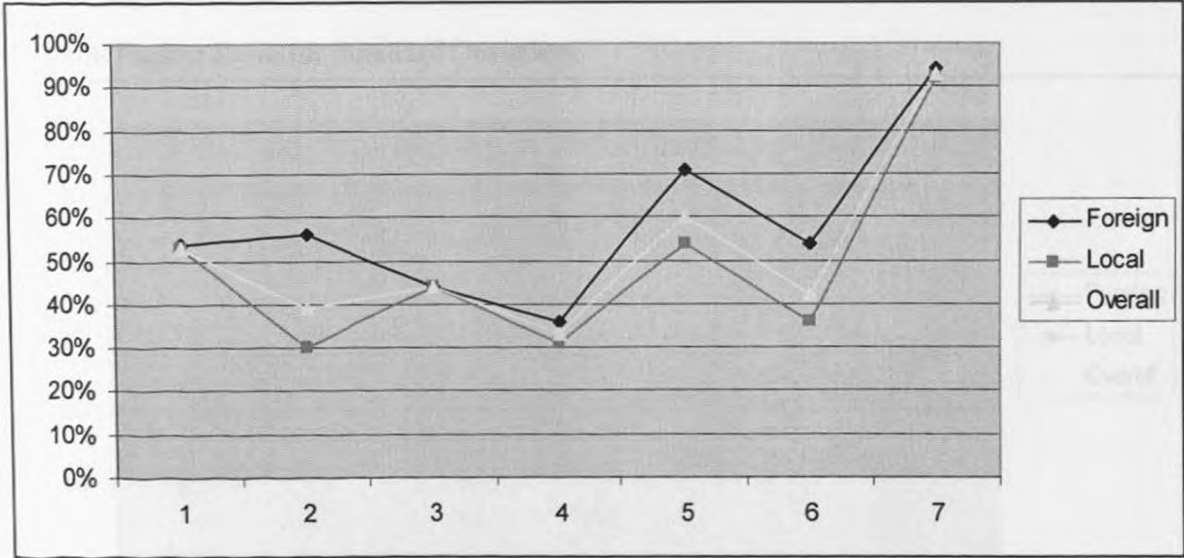
	2005	MPS	EPS	DPS	Dividend Yield
Kenya Orchards Ltd		5.00	1.03	6.00	1.20
Housing Finance		13.95	5.41	4.50	0.32
Athi River Mining Ltd		39.50	7.25	11.05	0.28
East African Breweries		135.00	45.03	31.00	0.23
Sasini Tea & Coffee Ltd		26.75	20.13	3.50	0.13
City Trust Ltd		56.00	3.64	7.25	0.13
BOC Kenya Ltd		160.00	12.35	16.70	0.10
Mumias Sugar Co.Ltd		35.00	3.95	3.10	0.09
Barclays Bank (K) Ltd.		263.00	20.10	18.60	0.07
ICDC Investments		72.50	5.50	5.00	0.07
Total Kenya Ltd.		41.00	3.74	2.75	0.07
Unilever Tea		90.50	6.39	6.00	0.07
Jubilee Insurance Co.Ltd		83.00	9.70	5.00	0.06
Firestone (EA) Ltd		21.50	1.00	1.25	0.06
Crown Berger Ltd		35.00	3.73	2.00	0.06
Car & General (K) Ltd.		23.00	5.62	1.25	0.05
NIC Bank Ltd		51.00	3.34	2.50	0.05
Standard Chartered Bank Ltd		139.00	7.45	6.75	0.05
Kenya Oil Co. Ltd		135.00	12.35	6.50	0.05
Limuru Tea Co. Ltd		347.00	16.70	16.00	0.05
E. A Cables Ltd		137.00	9.75	6.25	0.05
Kapchorua Tea Co. Ltd		154.00	11.28	6.85	0.04
Tourism Promotion Services (Serena)		81.00	6.75	3.50	0.04
Hutchings Biemer Ltd (s)		20.25	3.92	0.85	0.04
Williamson Tea Kenya Ltd		105.00	9.25	4.15	0.04
Pan Africa Insurance Holdings Ltd		40.00	7.00	1.50	0.04
Kenya Commercial Bank. Ltd		113.00	14.60	4.00	0.04
Carbacid Investments Ltd		137.00	8.35	4.75	0.03
Nation Media Group Ltd		190.00	5.11	6.50	0.03
E. A Portland Cement Ltd		110.00	0.25	3.75	0.03
Rea Vipingo Ltd		20.75	2.00	0.70	0.03
Diamond Trust Bank of Kenya Ltd		32.25	2.65	1.00	0.03
British American Tobacco K Ltd		204.00	8.92	5.65	0.03
CFC Bank Ltd.		75.00	4.01	1.25	0.02
Kenya Airways Ltd		82.00	8.40	1.25	0.02
CMC Holdings Ltd.		54.00	1.74	0.72	0.01
Bamburi Cement Ltd		140.00	16.73	1.85	0.01
Kakuzi Ltd		48.25	3.29	0.56	0.01
A. Baumann & Co, Ltd		13.15	0.75	0.00	-
Express Kenya Ltd		13.80	0.16	0.00	-
Marshalls (EA) Ltd		24.50	2.55	0.00	-
Olympia Capital Holdings		16.00	1.00	0.00	-
Unga Group Ltd.		19.00	1.32	0.00	-
National Bank of Kenya Ltd		28.75	3.50	0.00	-
Kenya Power and Lighting Co		138.00	7.79	0.00	-
Standard Newspapers Group Ltd		40.00	1.00	0.00	-
Eaagads		17.00	0.18	0.00	-
Uchumi Supermarkets Ltd.		14.25	13.65	0.00	-

**Appendix 5: Histogram presentation:**

Dividend Yield Mean:

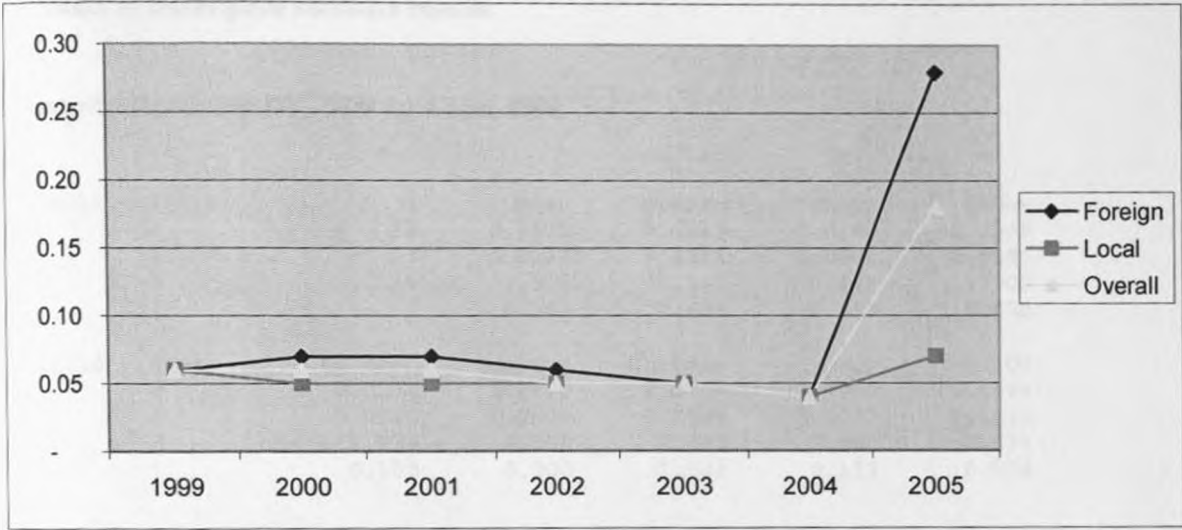


Dividend Payout mean:

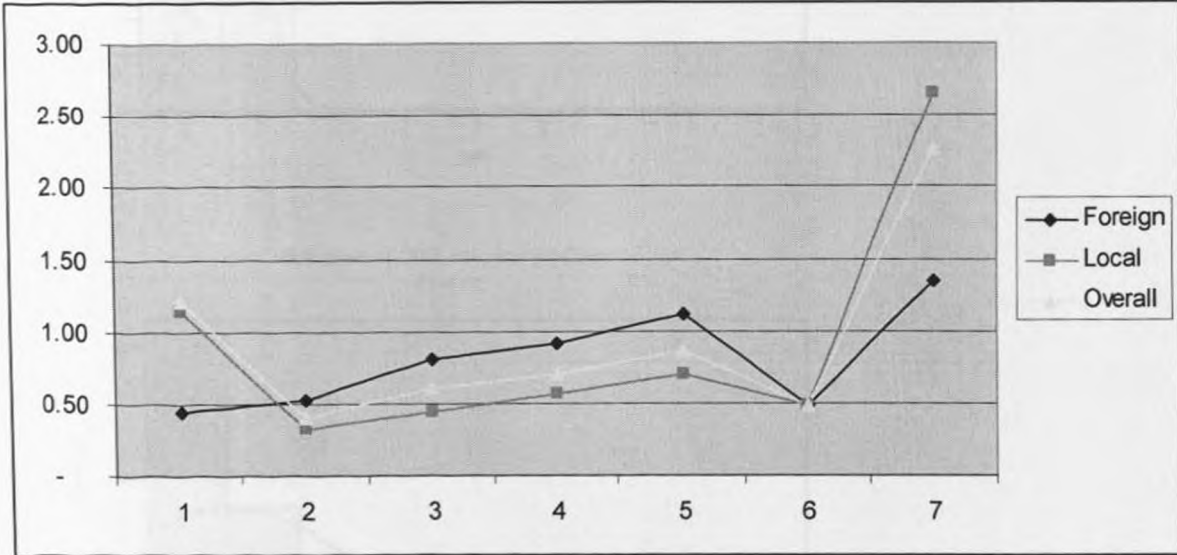


**Histogram presentation:**

Dividend Yield Standard Deviation



Dividend Payout Ratio for Standard Deviation:





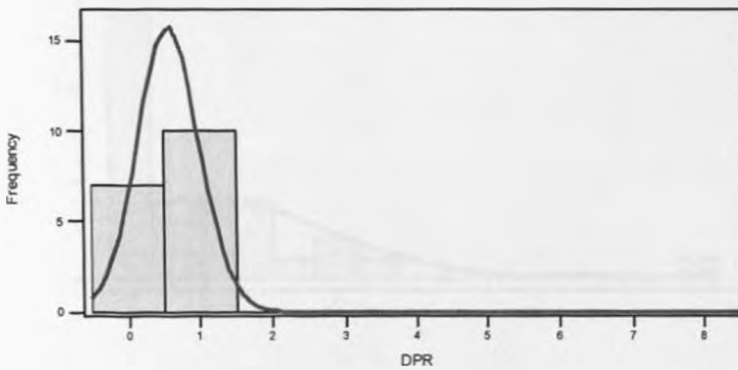
## Appendix 6: Descriptive statistics results

### Descriptive Statistics: DY, DPR by Class, 1999

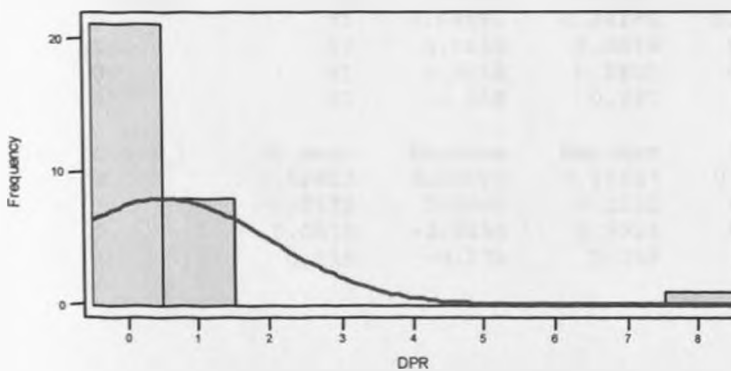
Variable	Class	N	Mean	Median	TrMean	StDev
DY	0	30	0.0372	0.0212	0.0280	0.0569
	1	17	0.0557	0.0346	0.0501	0.0597
DPR	0	30	0.514	0.147	0.243	1.500
	1	17	0.563	0.690	0.550	0.432

Variable	Class	SE Mean	Minimum	Maximum	Q1	Q3
DY	0	0.0104	0.0000	0.2778	0.0000	0.0564
	1	0.0145	0.0000	0.1944	0.0017	0.1044
DPR	0	0.274	0.000	8.333	0.000	0.535
	1	0.105	0.000	1.332	0.113	0.854

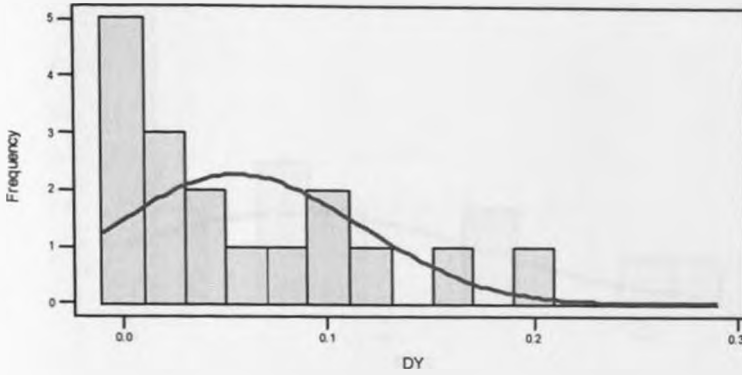
Histogram of DPR, with Normal Curve  
(Class = 1)



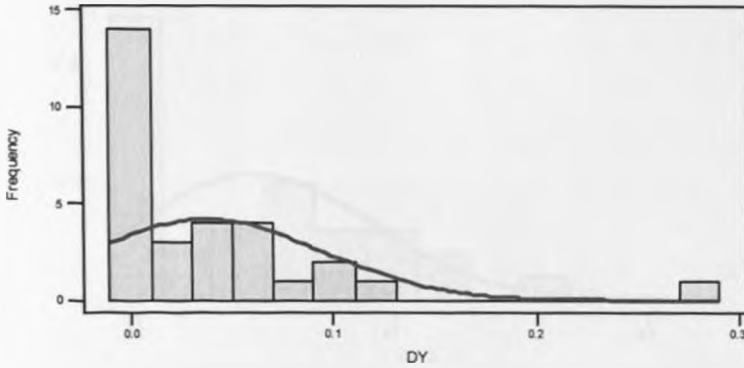
Histogram of DPR, with Normal Curve  
(Class = 0)



Histogram of DY, with Normal Curve  
(Class = 1)



Histogram of DY, with Normal Curve  
(Class = 0)



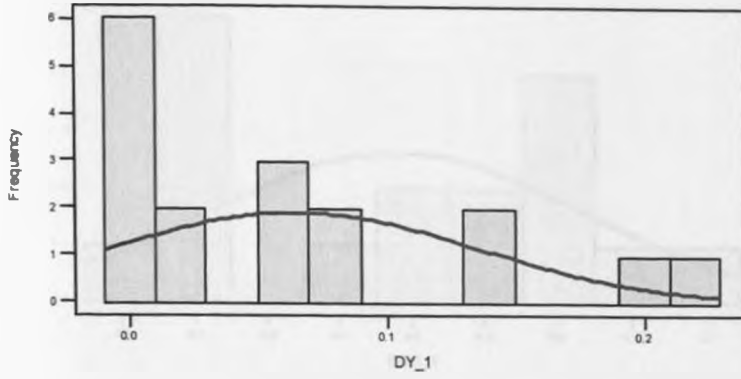
**Descriptive Statistics: DY, DPR by Class, 2000**

Variable	Class_1	N	Mean	Median	TrMean	StDev
DY_1	0	31	0.04592	0.04286	0.04214	0.04634
	1	17	0.0645	0.0576	0.0583	0.0710
DPR_1	0	31	0.3016	0.2800	0.2815	0.3171
	1	17	0.558	0.687	0.561	0.515

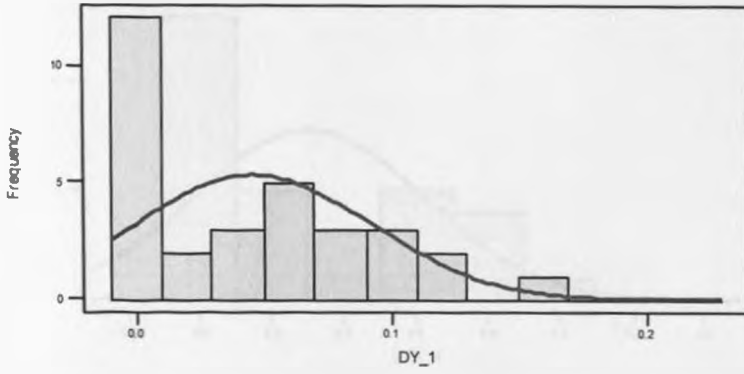
  

Variable	Class_1	SE Mean	Minimum	Maximum	Q1	Q3
DY_1	0	0.00832	0.00000	0.16667	0.00000	0.07407
	1	0.0172	0.0000	0.2222	0.0000	0.1076
DPR_1	0	0.0570	-0.0496	0.9524	0.0000	0.5629
	1	0.125	-0.278	1.355	0.000	0.934

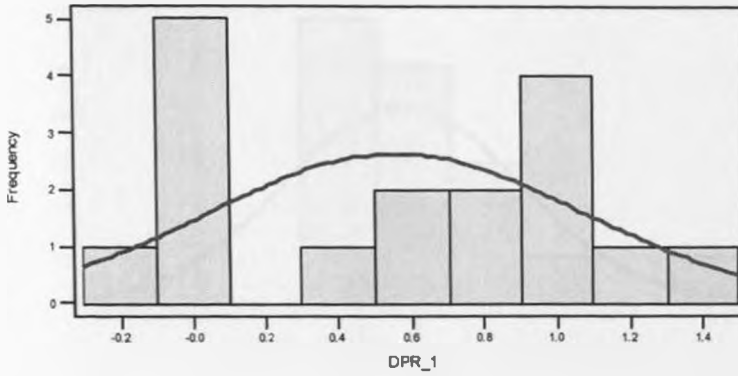
Histogram of DY\_1, with Normal Curve  
(Class\_1 = 1)



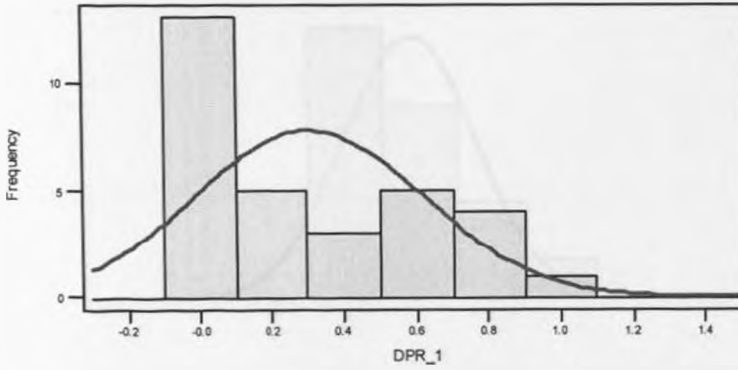
Histogram of DY\_1, with Normal Curve  
(Class\_1 = 0)



Histogram of DPR\_1, with Normal Curve  
(Class\_1 = 1)



Histogram of DPR\_1, with Normal Curve  
(Class\_1 = 0)

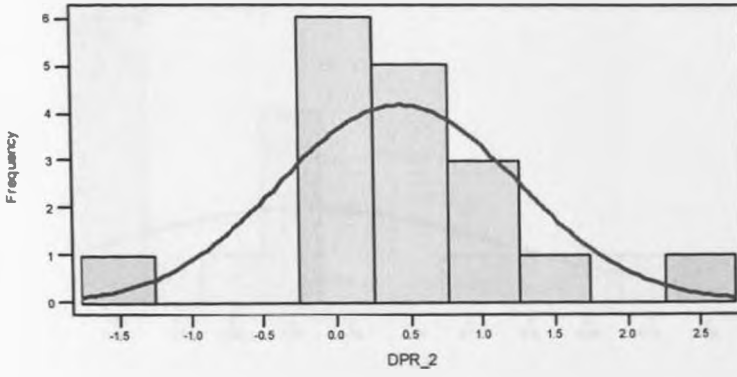


**Descriptive Statistics: DY, DPR, by Class, 2001**

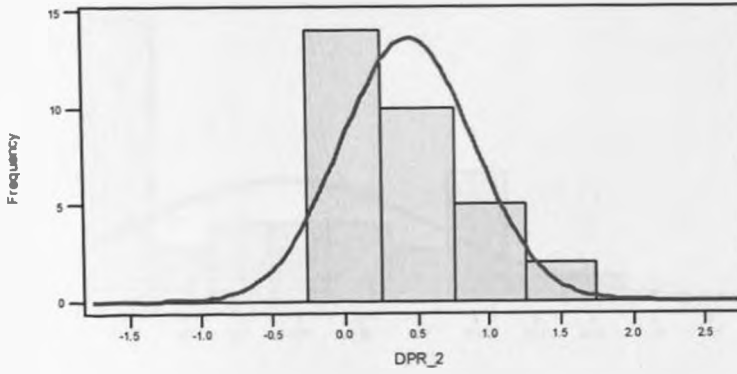
Variable	Class_2	N	Mean	Median	TrMean	StDev
DY_2	0	31	0.05392	0.04444	0.05049	0.05203
	1	17	0.0636	0.0500	0.0591	0.0686
DPR_2	0	31	0.4412	0.4252	0.3971	0.4545
	1	17	0.436	0.438	0.427	0.813

Variable	Class_2	SE Mean	Minimum	Maximum	Q1	Q3
DY_2	0	0.00935	0.00000	0.16556	0.00000	0.10949
	1	0.0166	0.0000	0.1944	0.0000	0.1311
DPR_2	0	0.0816	0.0000	1.5625	0.0000	0.7474
	1	0.197	-1.493	2.500	0.000	0.892

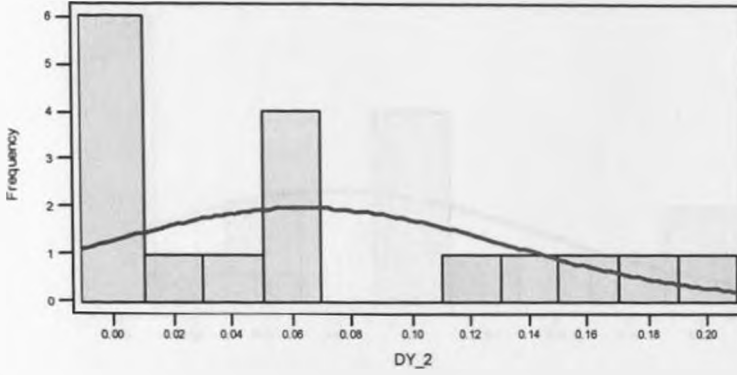
Histogram of DPR\_2, with Normal Curve  
(Class\_2 = 1)



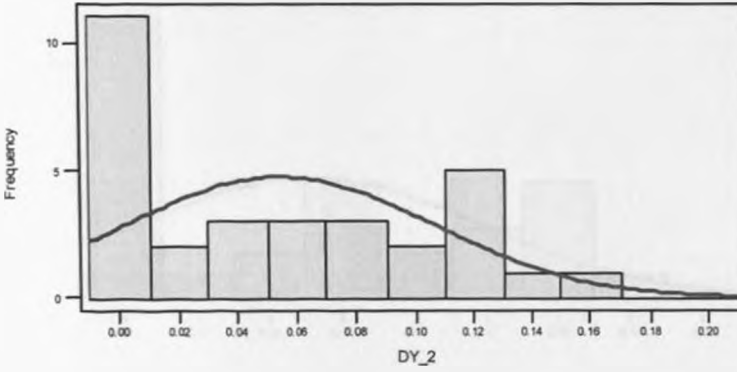
Histogram of DPR\_2, with Normal Curve  
(Class\_2 = 0)



Histogram of DY\_2, with Normal Curve  
(Class\_2 = 1)



Histogram of DY\_2, with Normal Curve  
(Class\_2 = 0)

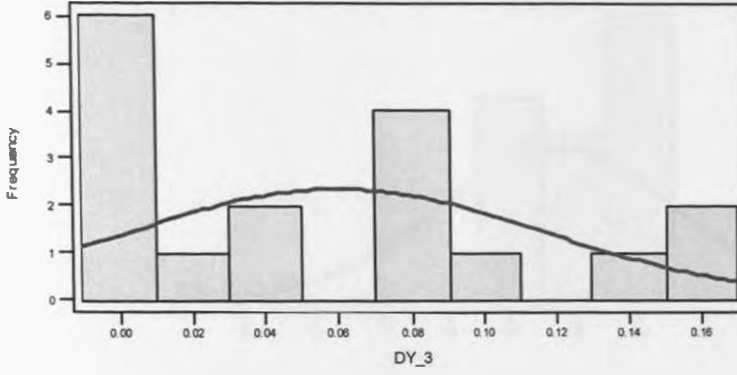


**Descriptive Statistics: DY, DPR by Class, 2002**

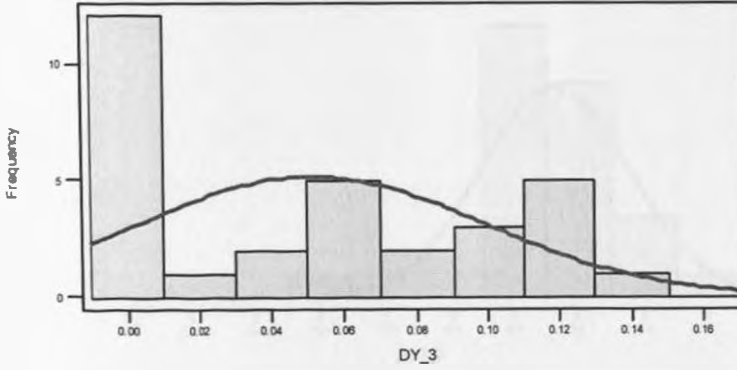
Variable	Class_3	N	Mean	Median	TrMean	StDev
DY_3	0	31	0.05083	0.05435	0.04875	0.04802
	1	17	0.0596	0.0463	0.0564	0.0577
DPR_3	0	31	0.310	0.319	0.323	0.574
	1	17	0.356	0.645	0.515	0.909

Variable	Class_3	SE Mean	Minimum	Maximum	Q1	Q3
DY_3	0	0.00862	0.00000	0.13939	0.00000	0.10152
	1	0.0140	0.0000	0.1667	0.0000	0.0946
DPR_3	0	0.103	-1.724	1.563	0.000	0.610
	1	0.220	-2.778	1.094	0.000	0.931

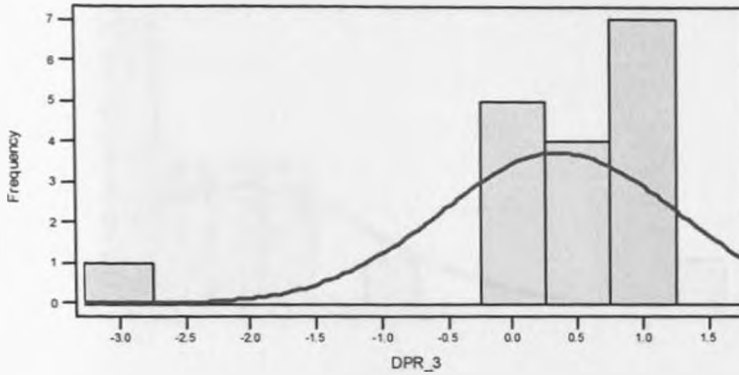
Histogram of DY\_3, with Normal Curve  
(Class\_3 = 1)



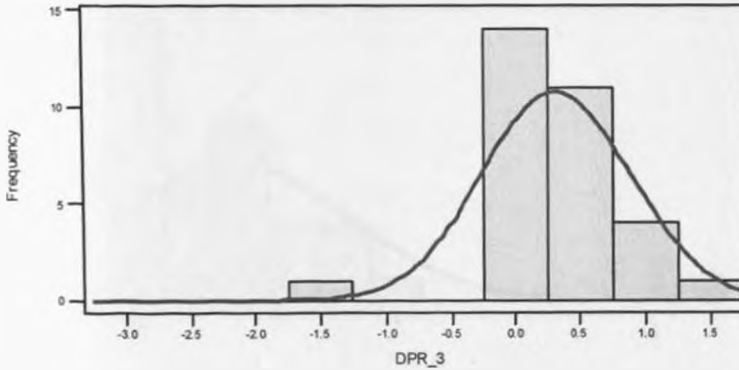
Histogram of DY\_3, with Normal Curve  
(Class\_3 = 0)



Histogram of DPR\_3, with Normal Curve  
(Class\_3 = 1)



Histogram of DPR\_3, with Normal Curve  
(Class\_3 = 0)



**Descriptive Statistics: DY, DPR by Class, 2003**

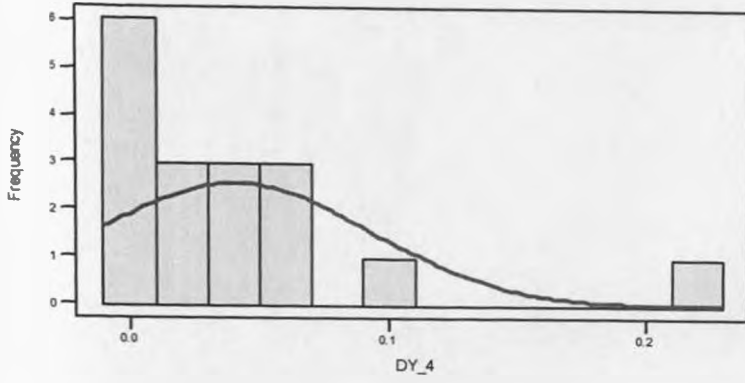
Variable	Class_4	N	Mean	Median	TrMean	StDev
DY_4	0	31	0.03704	0.02737	0.03041	0.04543
	1	17	0.0404	0.0262	0.0314	0.0528
DPR_4	0	31	0.543	0.337	0.433	0.703
	1	17	0.705	0.556	0.484	1.105

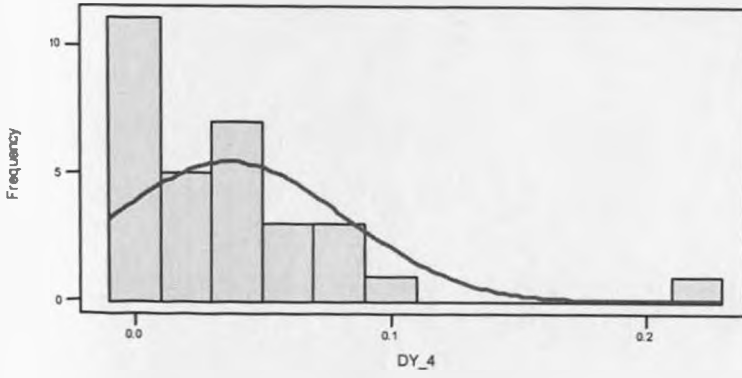
Variable	Class_4	SE Mean	Minimum	Maximum	Q1	Q3
DY_4	0	0.00816	0.00000	0.22000	0.00000	0.05357
	1	0.0128	0.0000	0.2143	0.0000	0.0563
DPR_4	0	0.126	0.000	2.958	0.000	0.765
	1	0.268	0.000	4.724	0.000	0.827



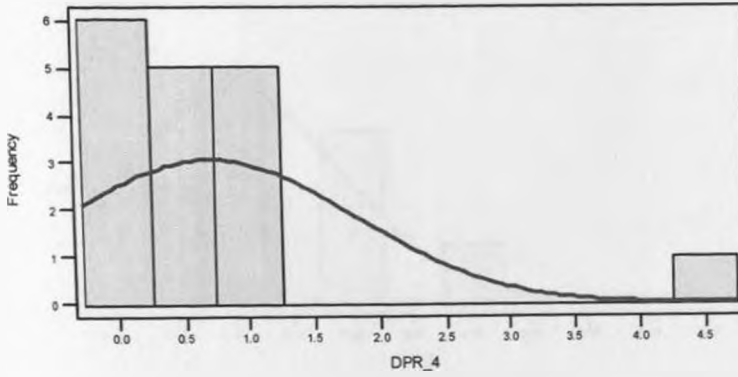
Histogram of DY\_4, with Normal Curve  
(Class\_4 = 1)



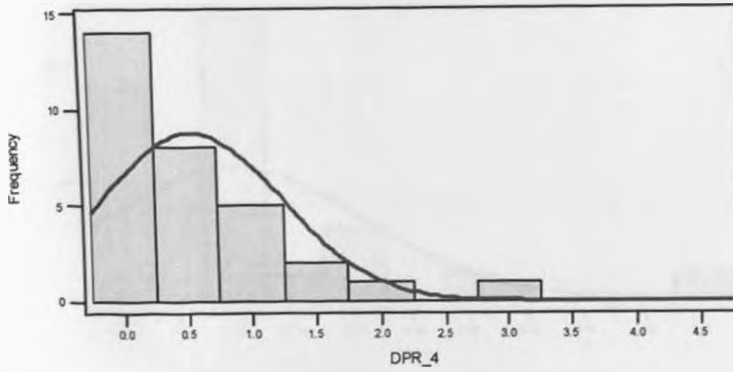
Histogram of DY\_4, with Normal Curve  
(Class\_4 = 0)



Histogram of DPR\_4, with Normal Curve  
(Class\_4 = 1)



Histogram of DPR\_4, with Normal Curve  
(Class\_4 = 0)



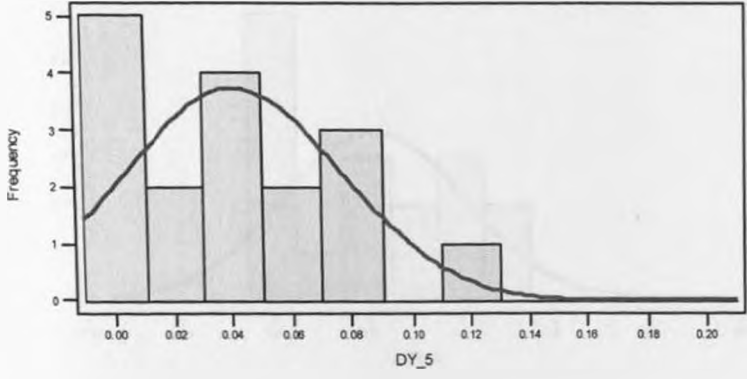
**Descriptive Statistics: DY, DPR by Class, 2004**

Variable	Class_5	N	Mean	Median	TrMean	StDev
DY_5	0	31	0.03926	0.03684	0.03285	0.04366
	1	17	0.04027	0.03529	0.03751	0.03625
DPR_5	0	31	0.3602	0.3264	0.3102	0.4866
	1	17	0.536	0.547	0.517	0.481

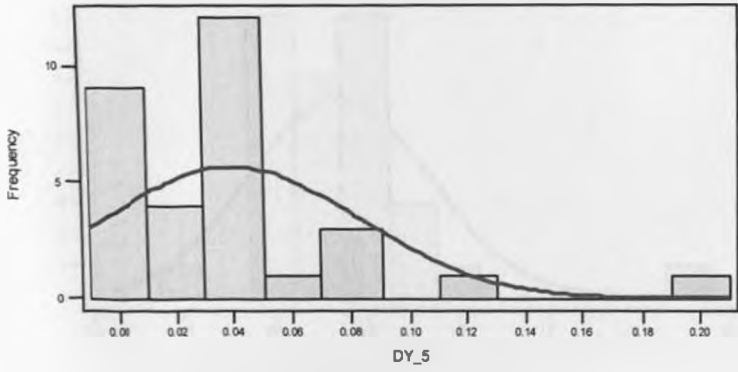
  

Variable	Class_5	SE Mean	Minimum	Maximum	Q1	Q3
DY_5	0	0.00784	0.00000	0.20833	0.00000	0.04762
	1	0.00879	0.00000	0.12195	0.00000	0.06721
DPR_5	0	0.0874	-0.5853	2.3674	0.0000	0.5128
	1	0.117	0.000	1.364	0.000	0.948

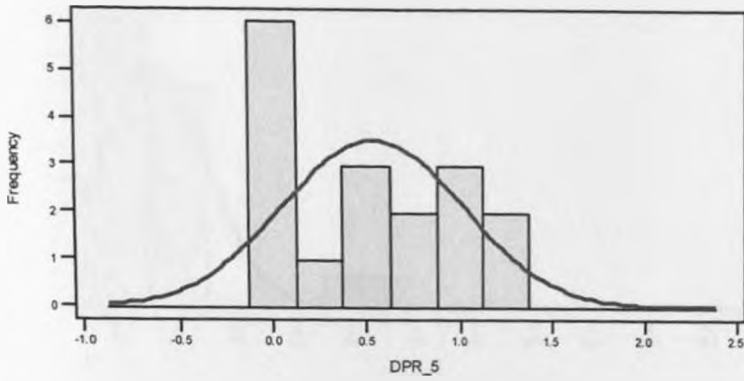
Histogram of DY\_5, with Normal Curve  
(Class\_5 = 1)



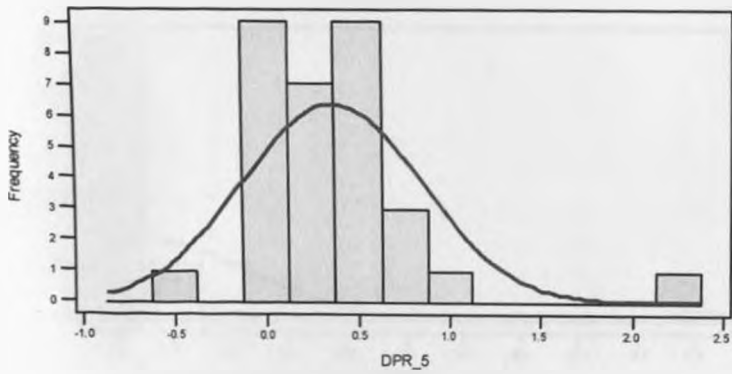
Histogram of DY\_5, with Normal Curve  
(Class\_5 = 0)



Histogram of DPR\_5, with Normal Curve  
(Class\_5 = 1)



Histogram of DPR\_5, with Normal Curve  
(Class\_5 = 0)

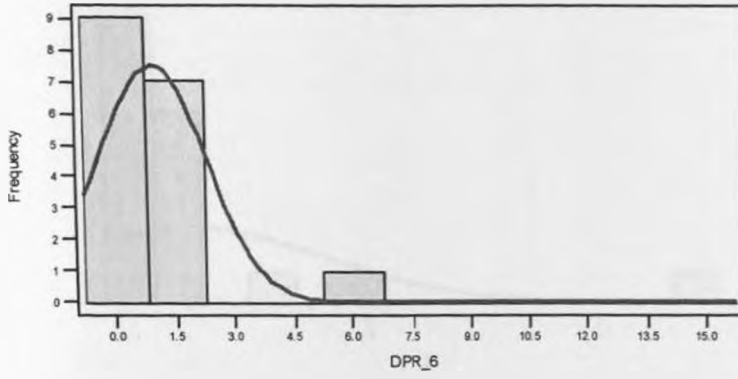


**Descriptive Statistics: DY, DPR by Class, 2005**

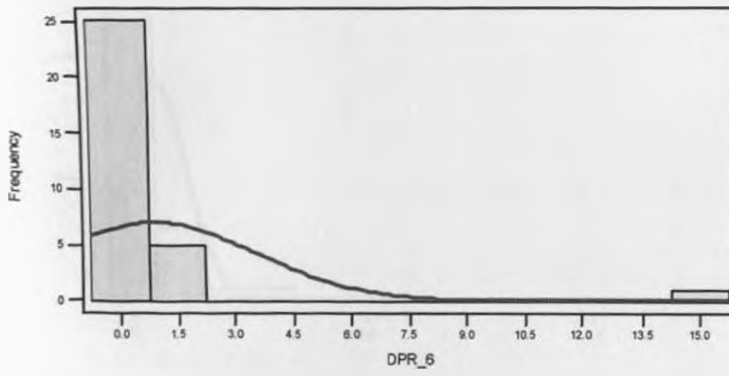
Variable	Class_6	N	Mean	Median	TrMean	StDev
DY_6	0	31	0.0508	0.0375	0.0379	0.0678
	1	17	0.1269	0.0486	0.0638	0.2846
DPR_6	0	31	0.921	0.414	0.428	2.647
	1	17	0.945	0.735	0.682	1.353

Variable	Class_6	SE Mean	Minimum	Maximum	Q1	Q3
DY_6	0	0.0122	0.0000	0.3226	0.0133	0.0543
	1	0.0690	0.0000	1.2000	0.0124	0.0875
DPR_6	0	0.476	0.000	15.000	0.149	0.688
	1	0.328	0.000	5.825	0.140	1.115

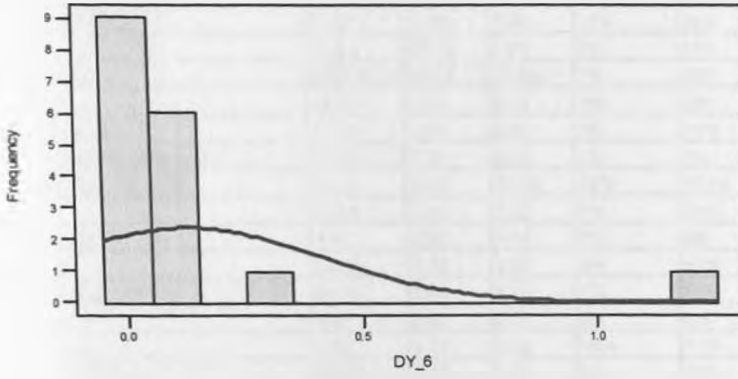
Histogram of DPR\_6, with Normal Curve  
(Class\_6 = 1)



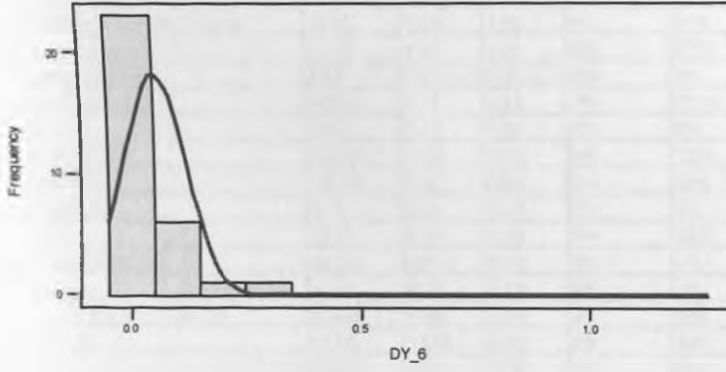
Histogram of DPR\_6, with Normal Curve  
(Class\_6 = 0)



Histogram of DY\_6, with Normal Curve  
(Class\_6 = 1)



Histogram of DY\_6, with Normal Curve  
(Class\_6 = 0)



## Appendix 7: Foreign Ownership Percentages

	1999	EPS	DPS	Div Yield	Div p.ratio	F. OWNERSHIP
Barclays Bank (K) Ltd.	85.00	11.00	9.25	11%	84%	90.50
Brooke Bond	90.00	10.15	7.00	8%	69%	88.20
Limuru Tea Co. Ltd	650.00	43.00	15.00	2%	35%	88.20
Total Kenya Ltd.	48.00	3.55	0.00	0%	0%	78.29
A. Baumann & Co, Ltd	14.70	1.00	0.75	5%	75%	78.00
Standard Newspapers Group Ltd	10.00	7.00	0.00	0%	0%	78.00
Standard Chartered Bank Ltd	54.00	8.50	10.50	18%	124%	73.81
Kakuzi Ltd	90.00	1.33	0.30	0%	23%	68.30
Express Kenya Ltd	1.14	0.00	0.00	0%	0%	67.14
BOC Kenya Ltd	64.50	3.70	3.00	5%	81%	66.40
Sasini Tea & Coffee Ltd	43.30	2.74	1.50	3%	55%	65.50
Marshalls (EA) Ltd	5.25	5.24	0.00	0%	0%	65.00
Crown Berger Ltd	9.70	2.11	1.50	15%	71%	63.77
Bamburi Cement Ltd	26.00	0.70	0.65	3%	93%	60.00
British American Tobacco K Ltd	75.00	5.63	7.50	10%	133%	60.00
Nation Media Group Ltd	90.00	4.30	1.25	1%	29%	51.00
Athi River Mining Ltd	5.75	0.75	0.65	11%	87%	51.00
Pan Africa Insurance Holdings Ltd	25.00	1.00	0.00	0%	0%	46.00
CFC Bank Ltd	14.00	1.00	0.63	5%	63%	45.67
East African Breweries	65.00	12.75	7.25	11%	57%	42.50
Tourism Promotion Services (Serena)	16.00	1.65	1.00	6%	61%	41.50
Carbacid Investments Ltd	65.00	9.35	2.55	4%	27%	38.70
Olympia Capital Holdings	0.00	0.00	0.00	0%	0%	38.06
Jubilee Insurance Co Ltd	23.00	0.15	1.25	5%	833%	37.98
Rea Vipingo Ltd	4.65	0.47	0.00	0%	0%	36.50
Car & General (K) Ltd	19.00	4.50	0.55	3%	12%	35.50
Firestone (EA) Ltd	14.10	1.00	0.50	4%	50%	35.10
Kenya Airways Ltd	7.70	5.08	0.25	3%	5%	31.70
Housing Finance	48.00	6.50	2.50	5%	38%	30.48
E A Portland Cement Ltd	84.00	40.13	0.00	0%	0%	29.30
E A Cables Ltd	9.25	4.34	0.00	0%	0%	24.40
Diamond Trust Bank of Kenya Ltd	23.00	1.00	0.59	3%	59%	22.75
Kenya Oil Co. Ltd	67.00	15.00	6.25	9%	42%	15.40
City Trust Ltd	20.00	2.50	1.50	8%	60%	7.24
Unga Group Ltd	23.00	8.75	0.00	0%	0%	1.78
National Bank of Kenya Ltd	5.00	11.00	0.00	0%	0%	1.00
NIC Bank Ltd	20.00	2.55	2.00	10%	78%	0.78
Kenya Power & Lighting Ltd	84.00	39.36	0.00	0%	0%	0.50
Kenya Commercial Bank. Ltd	30.00	3.45	0.00	0%	0%	0.45
Kapchorua Tea Co. Ltd	0.00	0.00	0.00	0%	0%	0.45
Williamson Tea Kenya Ltd	90.00	8.75	1.50	2%	17%	0.45
CMC Holdings Ltd.	16.00	0.00	0.00	0%	0%	0.35
ICDC Investments	9.00	5.52	2.50	28%	45%	0.35
Eaagads	26.00	1.00	0.00	0%	0%	0.35
Uchumi Supermarkets Ltd	37.50	4.77	2.50	7%	52%	0.00
Kenya Orchards Ltd	0.00	3.50	1.50	0%	43%	0.00
Hutchings Biemer Ltd (s)	0.00	0.00	0.00	0%	0%	

### Mean

Multinational Firms	5%	54%
Local Firms	4%	53%
Overall	4%	53%

### Standard Deviation

Multinational Firms	0.06	0.44
Local Firms	0.06	1.48
Overall	0.06	1.21

	2000	MPS	EPS	DPS	Div Yield	Dividend Payout Ratio	F. OWNERSHIP
Barclays Bank (K) Ltd.		75.00	11.20	10.00	13%	89%	90.50
Brooke Bond		97.00	9.19	6.00	6%	65%	88.20
Limuru Tea Co. Ltd		650.00	59.12	55.00	8%	93%	88.20
Total Kenya Ltd.		55.00	3.69	0.00	0%	0%	78.29
A. Baumann & Co, Ltd		14.30	1.12	1.00	7%	89%	78.00
Standard Newspapers Group Ltd		7.40	-7.33	0.00	0%	0%	78.00
Standard Chartered Bank Ltd		49.50	8.80	11.00	22%	125%	73.81
Kakuzi Ltd		55.00	-1.44	0.40	1%	-28%	68.30
Express Kenya Ltd		16.75	-1.24	0.00	0%	0%	67.14
BOC Kenya Ltd		43.00	3.83	3.55	8%	93%	66.40
Sasini Tea & Coffee Ltd		34.75	2.91	2.00	6%	69%	65.50
Marshalls (EA) Ltd		17.50	-7.24	0.00	0%	0%	65.00
Crown Berger Ltd		10.00	2.13	2.00	20%	94%	63.77
Bamburi Cement Ltd		34.00	0.80	0.75	2%	94%	60.00
British American Tobacco K Ltd		60.50	5.83	7.90	13%	136%	60.00
Nation Media Group Ltd		69.00	5.70	1.75	3%	31%	51.00
Athi River Mining Ltd		4.00	0.40	0.00	0%	0%	51.00
Pan Africa Insurance Holdings Ltd		11.00	-1.36	0.00	0%	0%	46.00
CFC Bank Ltd.		10.05	1.61	0.67	7%	42%	45.67
East African Breweries		65.50	12.91	7.50	11%	58%	42.50
Tourism Promotion Services (Serena)		15.80	2.15	1.10	7%	51%	41.50
Carbacid Investments Ltd		49.00	9.77	2.75	6%	28%	38.70
Olympia Capital Holdings		0.00	0.00	0.00	0%	0%	38.06
Jubilee Insurance Co.Ltd		18.50	2.17	1.75	9%	81%	37.98
Rea Vipingo Ltd		3.70	-0.57	0.00	0%	0%	36.50
Car & General (K) Ltd.		19.00	-0.19	0.00	0%	0%	35.50
Firestone (EA) Ltd		11.50	1.05	1.00	9%	95%	35.10
Kenya Airways Ltd		7.50	6.03	1.25	17%	21%	31.70
Housing Finance		5.50	0.45	0.38	7%	84%	30.48
E A Portland Cement Ltd		12.40	-4.66	0.00	0%	0%	29.30
E.A Cables Ltd		9.25	1.50	1.10	12%	73%	24.40
Diamond Trust Bank of Kenya Ltd		14.00	2.06	0.60	4%	29%	22.75
Kenya Oil Co. Ltd		81.00	15.15	6.00	7%	40%	15.40
City Trust Ltd		20.00	2.68	2.00	10%	75%	7.24
Unga Group Ltd.		15.40	-9.81	0.00	0%	0%	1.78
National Bank of Kenya Ltd		3.15	-11.03	0.00	0%	0%	1.00
NIC Bank Ltd		17.75	3.79	1.80	10%	47%	0.78
Mumias Sugar		0.00	0.00	0.00	0%	0%	0.50
Kenya Power & Lighting Ltd		51.50	-40.33	2.00	4%	-5%	0.50
Kenya Commercial Bank. Ltd		25.50	-4.14	0.00	0%	0%	0.45
Kapchorua Tea Co. Ltd		150.00	3.80	2.50	2%	66%	0.45
Williamson Tea Kenya Ltd		87.00	8.93	2.50	3%	28%	0.45
CMC Holdings Ltd.		16.00	5.05	0.75	5%	15%	0.35
ICDC Investments		49.50	5.92	3.00	6%	51%	0.35
Eaagads		25.00	-1.33	0.00	0%	0%	0.35
Uchumi Supermarkets Ltd.		42.75	5.33	3.00	7%	56%	0.00
Kenya Orchards Ltd		5.00	-0.02	0.00	0%	0%	0.00
Hutchings Biemer Ltd (s)					0%	0%	

**Mean**

Multinational Firms	6%	56%
Local Firms	5%	30%
Overall	5%	39%

**Standard Deviation**

Multinational Firms	0.07	0.52
Local Firms	0.05	0.32
Overall	0.06	0.41



2001	MPS	EPS	DPS	Div Yield	Dividend Payout Ratio	FOREIGN
Barclays Bank (K) Ltd.	72.00	16.00	14.00	19%	88%	90.50
Brooke Bond	72.00	4.57	2.00	3%	44%	88.20
Limuru Tea Co. Ltd	394.00	-4.97	0.00	0%	0%	88.20
Total Kenya Ltd.	19.00	-2.23	0.00	0%	0%	78.29
A. Baumann & Co, Ltd	6.95	-0.67	1.00	14%	-149%	78.00
Standard Newspapers Group Ltd	5.50	4.90	0.00	0%	0%	78.00
Standard Chartered Bank Ltd	47.00	9.07	8.25	18%	91%	73.81
Kakuzi Ltd	36.00	-2.31	0.00	0%	0%	68.30
Express Kenya Ltd	18.65	-6.55	0.00	0%	0%	67.14
BOC Kenya Ltd	30.00	3.84	3.55	12%	92%	66.40
Sasini Tea & Coffee Ltd	19.80	0.40	1.00	5%	250%	65.50
Marshalls (EA) Ltd	6.05	-21.45	0.00	0%	0%	65.00
Crown Berger Ltd	9.00	0.90	0.50	6%	56%	63.77
Bamburi Cement Ltd	16.70	2.01	1.12	7%	56%	60.00
British American Tobacco K Ltd	49.00	6.04	7.90	16%	131%	60.00
Nation Media Group Ltd	43.25	4.80	1.60	4%	33%	51.00
Athi River Mining Ltd	4.00	0.40	0.20	5%	50%	51.00
Pan Africa Insurance Holdings Ltd	13.10	3.41	0.00	0%	0%	46.00
CFC Bank Ltd.	9.00	1.18	0.67	7%	57%	45.67
East African Breweries	79.50	14.88	9.00	11%	60%	42.50
Tourism Promotion Services (Serena)	17.00	2.50	1.10	6%	44%	41.50
Carbacid Investments Ltd	35.00	3.97	2.75	8%	69%	38.70
Olympia Capital Holdings	0.00	0.00	0.00	0%	0%	38.06
Jubilee Insurance Co.Ltd	15.50	3.37	1.75	11%	52%	37.98
Rea Vipingo Ltd	2.90	0.07	0.00	0%	0%	36.50
Car & General (K) Ltd.	10.00	-0.26	0.00	0%	0%	35.50
Firestone (EA) Ltd	7.00	1.02	1.00	14%	98%	35.10
Kenya Airways Ltd	7.55	2.94	1.25	17%	43%	31.70
Housing Finance	6.00	-1.62	0.00	0%	0%	30.48
E.A Portland Cement Ltd	11.00	8.18	1.00	9%	12%	29.30
E.A Cables Ltd	9.20	0.79	1.10	12%	139%	24.40
Diamond Trust Bank of Kenya Ltd	9.00	0.51	0.40	4%	78%	22.75
Kenya Oil Co. Ltd	68.50	37.21	7.50	11%	20%	15.40
City Trust Ltd	16.20	2.23	2.00	12%	90%	7.24
Unga Group Ltd.	7.75	-2.20	0.00	0%	0%	1.78
National Bank of Kenya Ltd	2.90	1.49	0.00	0%	0%	1.00
NIC Bank Ltd	15.00	3.12	1.60	7%	109%	0.78
Mumias Sugar Co.Ltd	6.35	0.95	0.71	11%	75%	0.50
Kenya Power and Lighting Co	29.25	-36.36	0.00	0%	0%	0.50
Kenya Commercial Bank. Ltd	16.35	1.31	0.00	0%	0%	0.45
Kapchorua Tea Co. Ltd	140.00	1.60	2.50	2%	156%	0.45
Williamson Tea Kenya Ltd	100.00	15.56	5.00	5%	32%	0.45
CMC Holdings Ltd.	9.00	3.58	0.75	8%	21%	0.35
ICDC Investments	47.00	3.35	2.00	4%	60%	0.35
Eaagads	20.50	1.12	0.50	2%	45%	0.35
Uchumi Supermarkets Ltd.	45.50	1.49	1.60	4%	107%	0.00
Kenya Orchards Ltd	5.30	0.00	0.00	0%	0%	0.00
Hutchings Biemer Ltd (s)	0.00	0.00	0.00	0%	0%	

#### Mean

Multinational Firms	6%	44%
Local Firms	5%	44%
Overall	6%	44%

#### Standard Deviation

Multinational Firms	0.07	0.81
Local Firms	0.05	0.45
Overall	0.06	0.60

	2002	MPS	EPS	DPS	Dividend Yield	Dividend Payout Ratio	FOREIGN ownership
Barclays Bank (K) Ltd.		101.00	9.60	3.00	9%	94%	90.50
Brooke Bond		54.00	2.54	2.50	5%	98%	88.20
Limuru Tea Co. Ltd		394.00	3.46	3.00	1%	87%	88.20
Total Kenya Ltd.		22.75	2.31	1.70	7%	74%	78.29
A. Baumann & Co, Ltd		9.00	-12.52	0.00	0%	0%	78.00
Standard Newspapers Group Ltd		9.40	-0.94	0.00	0%	0%	78.00
Standard Chartered Bank Ltd		52.00	8.92	8.25	13%	92%	73.81
Kakuzi Ltd		14.65	0.39	0.00	0%	0%	68.30
Express Kenya Ltd		5.80	-11.67	0.00	0%	0%	67.14
BOC Kenya Ltd		26.75	5.40	4.35	16%	81%	66.40
Sasini Tea & Coffee Ltd		13.20	-0.18	0.50	4%	-278%	65.50
Marshalls (EA) Ltd		18.30	2.03	0.00	0%	0%	65.00
Crown Berger Ltd		5.00	1.08	0.50	10%	46%	63.77
Bamburi Cement Ltd		43.75	3.38	3.50	8%	104%	60.00
British American Tobacco K Ltd		54.00	8.23	9.00	17%	109%	60.00
Nation Media Group Ltd		84.00	7.55	2.50	3%	33%	51.00
Athi River Mining Ltd		4.70	0.62	0.40	9%	65%	51.00
Pan Africa Insurance Holdings Ltd		7.00	-0.33	0.00	0%	0%	46.00
CFC Bank Ltd.		9.20	1.45	0.67	7%	46%	45.67
East African Breweries		82.50	21.28	11.50	14%	54%	42.50
Tourism Promotion Services (Serena)		19.00	2.74	1.10	6%	40%	41.50
Carbacid Investments Ltd		36.75	4.93	2.30	6%	47%	38.70
Olympia Capital Holdings		0.00	0.00	0.00	0%	0%	38.06
Jubilee Insurance Co.Ltd		15.50	4.57	1.75	11%	38%	37.98
Rea Vipingo Ltd		2.55	0.41	0.25	10%	61%	36.50
Car & General (K) Ltd.		10.00	0.33	0.00	0%	0%	35.50
Firestone (EA) Ltd		8.70	0.83	1.00	11%	120%	35.10
Kenya Airways Ltd		7.85	1.88	0.60	8%	32%	31.70
Housing Finance		5.20	0.49	0.00	0%	0%	30.48
E A Portland Cement Ltd		12.50	1.37	1.50	12%	109%	29.30
E A Cables Ltd		9.20	-0.29	0.50	5%	-172%	24.40
Diamond Trust Bank of Kenya Ltd		10.00	0.95	0.60	6%	63%	22.75
Kenya Oil Co. Ltd		81.00	43.80	9.50	12%	22%	15.40
City Trust Ltd		17.50	1.28	2.00	11%	156%	7.24
Unga Group Ltd.		4.10	-1.07	0.00	0%	0%	1.78
National Bank of Kenya Ltd		3.65	0.99	0.00	0%	0%	1.00
NIC Bank Ltd		19.70	2.78	2.00	10%	72%	0.78
Mumias Sugar Co.Ltd		2.50	0.13	0.10	4%	77%	0.50
Kenya Power and Lighting Co		8.65	-23.75	0.00	0%	0%	0.50
Kenya Commercial Bank Ltd		17.00	-20.06	0.00	0%	0%	0.45
Kapchorua Tea Co. Ltd		137.00	-3.54	0.50	0%	-14%	0.45
Williamson Tea Kenya Ltd		51.00	-3.07	0.50	1%	-16%	0.45
CMC Holdings Ltd.		17.25	6.29	1.00	6%	16%	0.35
ICDC Investments		19.00	4.48	2.00	11%	45%	0.35
Eaagads		19.00	0.48	0.50	3%	104%	0.35
Uchumi Supermarkets Ltd.		16.60	0.83	0.50	3%	60%	0.00
Kenya Orchards Ltd		5.30	0.07	0.00	0%	0%	0.00
Hutchings Biemer Ltd (s)		0.00	0.00	0.00	0%	0%	

#### Mean

Multinational Firms	6%	36%
Local Firms	5%	31%
Overall	5%	33%

#### Standard Deviation

Multinational Firms	0.06	0.91
Local Firms	0.05	0.57
Overall	0.05	0.70

	2003	MPS	EPS	DPS	Dividend Yield	Dividend Payout Ratio	FOREIGN Ownership
Barclays Bank (K) Ltd.		280.00	16.50	14.00	5%	85%	90.50
Brooke Bond		66.00	1.27	5.00	9%	472%	88.20
Limuru Tea Co. Ltd		160.00	13.41	10.00	6%	75%	88.20
Total Kenya Ltd.		39.75	3.10	2.50	6%	81%	78.29
A. Baumann & Co, Ltd		5.50	-0.63	0.00	0%	0%	78.00
Standard Newspapers Group Ltd		39.75	-0.76	0.00	0%	0%	78.00
Standard Chartered Bank Ltd		191.00	11.28	8.50	4%	75%	73.81
Kakuzi Ltd		14.65	-0.60	0.00	0%	0%	68.30
Express Kenya Ltd		9.00	-14.20	0.00	0%	0%	67.14
BOC Kenya Ltd		99.50	7.82	4.35	4%	56%	66.40
Sasini Tea & Coffee Ltd		17.30	-177.00	0.00	0%	0%	65.50
Marshalls (EA) Ltd		18.30	1.53	0.00	0%	0%	65.00
Crown Berger Ltd		7.00	2.57	1.50	21%	58%	63.77
Bamburi Cement Ltd		126.00	2.94	2.80	2%	95%	60.00
British American Tobacco K Ltd		276.00	11.40	12.50	5%	110%	60.00
Nation Media Group Ltd		191.00	11.27	5.00	3%	44%	51.00
Athi River Mining Ltd		21.25	1.04	0.50	2%	48%	51.00
Pan Africa Insurance Holdings Ltd		23.50	-0.49	0.00	0%	0%	46.00
CFC Bank Ltd.		33.00	2.49	0.84	3%	34%	45.67
East African Breweries		226.00	13.76	15.00	7%	109%	42.50
Tourism Promotion Services (Serena)		27.25	0.65	1.10	4%	169%	41.50
Carbacid Investments Ltd		105.00	7.81	23.10	22%	296%	38.70
Olympia Capital Holdings		0.00	0.00	0.00	0%	0%	38.06
Jubilee Insurance Co.Ltd		50.00	5.91	2.25	5%	38%	37.98
Rea Vipingo Ltd		5.15	0.50	0.40	8%	80%	36.50
Car & General (K) Ltd.		12.00	2.72	0.67	6%	25%	35.50
Firestone (EA) Ltd		11.90	0.56	0.50	4%	89%	35.10
Kenya Airways Ltd		5.75	0.87	0.50	9%	57%	31.70
Housing Finance		12.05	0.45	0.00	0%	0%	30.48
E A Portland Cement Ltd		46.25	2.51	1.75	4%	70%	29.30
E.A Cables Ltd		13.65	0.46	1.00	7%	217%	24.40
Diamond Trust Bank of Kenya Ltd		28.00	1.40	0.70	3%	50%	22.75
Kenya Oil Co. Ltd		272.00	46.50	10.50	4%	23%	15.40
City Trust Ltd		21.00	1.66	2.25	11%	136%	7.24
Unga Group Ltd.		12.05	-0.43	0.00	0%	0%	1.78
National Bank of Kenya Ltd		13.35	2.02	0.00	0%	0%	1.00
NIC Bank Ltd		45.50	2.94	2.25	5%	77%	0.78
Mumias Sugar Co.Ltd		3.40	-0.42	0.00	0%	0%	0.50
Kenya Power and Lighting Co		32.00	-38.56	0.00	0%	0%	0.50
Kenya Commercial Bank. Ltd		54.00	3.25	1.00	2%	31%	0.45
Kapchorua Tea Co. Ltd		137.00	8.90	3.75	3%	42%	0.45
Williamson Tea Kenya Ltd		70.00	7.35	3.75	5%	51%	0.45
CMC Holdings Ltd.		68.00	7.29	1.00	1%	14%	0.35
ICDC Investments		51.00	2.89	2.20	4%	76%	0.35
Eaagads		15.95	-0.53	0.00	0%	0%	0.35
Uchumi Supermarkets Ltd.		31.75	-3.28	0.00	0%	0%	0.00
Kenya Orchards Ltd		5.30	-0.89	0.00	0%	0%	0.00
Hutchings Biemer Ltd (s)		0.00	0.00	0.00	0%	0%	0.00

#### Mean

Multinational Firms	4%	71%
Local Firms	4%	54%
Overall	4%	60%

#### Standard Deviation

Multinational Firms	0.05	1.11
Local Firms	0.05	0.70
Overall	0.05	0.86

	2004	MPS	EPS	DPS	Dividend Yield	Dividend Payout Ratio	FOREIGN Ownership
Barclays Bank (K) Ltd.		200.00	18.10	14.00	7%	77%	90.50
Unilever Tea Kenya		90.50	7.39	8.00	9%	108%	88.20
Limuru Tea Co. Ltd		355.00	16.10	15.00	4%	93%	88.20
Total Kenya Ltd.		94.50	3.34	2.50	3%	75%	78.29
A. Baumann & Co. Ltd		3.25	-2.75	0.00	0%	0%	78.00
Standard Newspapers Group Ltd		43.50	1.19	0.00	0%	0%	78.00
Standard Chartered Bank Ltd		122.00	6.74	6.50	5%	96%	73.81
Kakuzi Ltd		40.00	4.27	1.00	3%	23%	68.30
Express Kenya Ltd		7.80	0.14	0.00	0%	0%	67.14
BOC Kenya Ltd		137.00	8.20	4.50	3%	55%	66.40
Sasini Tea & Coffee Ltd		20.50	20.29	2.50	12%	12%	65.50
Marshalls (EA) Ltd		23.50	1.55	0.00	0%	0%	65.00
Crown Berger Ltd		35.50	2.74	1.50	4%	55%	63.77
Bamburi Cement Ltd		95.00	4.73	6.12	6%	129%	60.00
British American Tobacco K Ltd		200.00	12.10	16.50	8%	136%	60.00
Nation Media Group Ltd		170.00	11.99	6.00	4%	50%	51.00
Athi River Mining Ltd		15.00	1.26	0.00	0%	0%	51.00
Pan Africa Insurance Holdings Ltd		21.00	1.95	1.00	5%	51%	46.00
CFC Bank Ltd.		58.00	3.01	0.84	1%	28%	45.67
East African Breweries		445.00	35.05	18.00	4%	51%	42.50
Tourism Promotion Services (Serena)		47.25	3.37	1.10	2%	33%	41.50
Carbacid Investments Ltd		116.00	7.99	4.00	3%	50%	38.70
Olympia Capital Holdings		0.00	0.00	0.00	0%	0%	38.06
Jubilee Insurance Co. Ltd		58.00	7.68	2.50	4%	33%	37.98
Rea Vipingo Ltd		9.50	2.14	0.80	8%	37%	36.50
Car & General (K) Ltd.		15.00	1.64	0.67	4%	41%	35.50
Firestone (EA) Ltd		12.50	0.99	1.00	8%	101%	35.10
Kenya Airways Ltd		9.60	2.82	0.75	8%	27%	31.70
Housing Finance		8.50	0.52	0.00	0%	0%	30.48
E. A Portland Cement Ltd		47.50	-2.99	1.75	4%	-59%	29.30
E.A Cables Ltd		51.00	6.11	3.50	7%	57%	24.40
Diamond Trust Bank of Kenya Ltd		28.00	1.65	0.70	3%	42%	22.75
Kenya Oil Co. Ltd		50.50	8.32	2.00	4%	24%	15.40
City Trust Ltd		30.00	2.64	6.25	21%	237%	7.24
Unga Group Ltd.		14.50	-1.62	0.00	0%	0%	1.78
National Bank of Kenya Ltd		18.90	1.91	0.00	0%	0%	1.00
NIC Bank Ltd		50.00	3.17	2.40	5%	76%	0.78
Mumias Sugar Co. Ltd		9.05	1.55	1.10	12%	71%	0.50
Kenya Power and Lighting Co		88.50	5.79	0.00	0%	0%	0.50
Kenya Commercial Bank. Ltd		64.00	3.94	2.00	3%	51%	0.45
Kapchorua Tea Co. Ltd		100.00	9.88	3.75	4%	38%	0.45
Williamson Tea Kenya Ltd		80.00	9.18	3.75	5%	41%	0.45
CMC Holdings Ltd.		55.00	5.42	1.00	2%	18%	0.35
ICDC Investments		67.00	4.39	3.00	4%	68%	0.35
Eaagads		17.00	-0.18	0.00	0%	0%	0.35
Uchumi Supermarkets Ltd.		17.50	-11.65	0.00	0%	0%	0.00
Kenya Orchards Ltd		3.80	-1.24	0.00	0%	0%	0.00
Hutchings Biemer Ltd (s)		0.00	0.00	0.00	0%	0%	

#### Mean

Multinational Firms	4%	54%
Local Firms	4%	36%
Overall	4%	42%

#### Standard Deviation

Multinational Firms	0.04	0.48
Local Firms	0.04	0.49
Overall	0.04	0.49

	2005	MPS	EPS	DPS	Dividend Yield	Dividend Payout Ratio	FOREIGN OWNERSHIP
Barclays Bank (K) Ltd.		263.00	20.10	18.60	7%	93%	90.50
Unilever Tea		90.50	6.39	6.00	7%	94%	88.20
Kenya Orchards Ltd		5.00	1.03	6.00	120%	583%	88.20
Total Kenya Ltd.		41.00	3.74	2.75	7%	74%	78.29
A. Baumann & Co, Ltd		13.15	0.75	0.00	0%	0%	78.00
Limuru Tea Co. Ltd		347.00	16.70	16.00	5%	96%	78.00
Standard Chartered Bank Ltd		139.00	7.45	6.75	5%	91%	73.81
Kakuzi Ltd		48.25	3.29	0.56	1%	17%	68.30
Express Kenya Ltd		13.80	0.16	0.00	0%	0%	67.14
BOC Kenya Ltd		160.00	12.35	16.70	10%	135%	66.40
Sasini Tea & Coffee Ltd		26.75	20.13	3.50	13%	17%	65.50
Marshalls (EA) Ltd		24.50	2.55	0.00	0%	0%	65.00
Crown Berger Ltd		35.00	3.73	2.00	6%	54%	63.77
Bamburi Cement Ltd		140.00	16.73	1.85	1%	11%	60.00
British American Tobacco K Ltd		204.00	8.92	5.65	3%	63%	60.00
Nation Media Group Ltd		190.00	5.11	6.50	3%	127%	51.00
Athi River Mining Ltd		39.50	7.25	11.05	28%	152%	51.00
Pan Africa Insurance Holdings Ltd		40.00	7.00	1.50	4%	21%	46.00
CFC Bank Ltd.		75.00	4.01	1.25	2%	31%	45.67
East African Breweries		135.00	45.03	31.00	23%	69%	42.50
Tourism Promotion Services (Serena)		81.00	6.75	3.50	4%	52%	41.50
Carbacid Investments Ltd		137.00	8.35	4.75	3%	57%	38.70
Olympia Capital Holdings		16.00	1.00	0.00	0%	0%	38.06
Jubilee Insurance Co.Ltd		83.00	9.70	5.00	6%	52%	37.98
Rea Vipingo Ltd		20.75	2.00	0.70	3%	35%	36.50
Car & General (K) Ltd.		23.00	5.62	1.25	5%	22%	35.50
Firestone (EA) Ltd		21.50	1.00	1.25	6%	125%	35.10
Kenya Airways Ltd		82.00	8.40	1.25	2%	15%	31.70
Housing Finance		13.95	5.41	4.50	32%	83%	30.48
E.A Portland Cement Ltd		110.00	0.25	3.75	3%	1500%	29.30
E.A Cables Ltd		137.00	9.75	6.25	5%	64%	24.40
Diamond Trust Bank of Kenya Ltd		32.25	2.65	1.00	3%	38%	22.75
Kenya Oil Co. Ltd		135.00	12.35	6.50	5%	53%	15.40
City Trust Ltd		56.00	3.64	7.25	13%	199%	7.24
Unga Group Ltd.		19.00	1.32	0.00	0%	0%	1.78
National Bank of Kenya Ltd		28.75	3.50	0.00	0%	0%	1.00
NIC Bank Ltd		51.00	3.34	2.50	5%	75%	0.78
Mumias Sugar Co.Ltd		35.00	3.95	3.10	9%	78%	0.50
Kenya Power and Lighting Co		138.00	7.79	0.00	0%	0%	0.50
Kenya Commercial Bank. Ltd		113.00	14.60	4.00	4%	27%	0.45
Williamson Tea Kenya Ltd		105.00	9.25	4.15	4%	45%	0.45
Standard Newspapers Group Ltd		40.00	1.00	0.00	0%	0%	0.45
CMC Holdings Ltd.		54.00	1.74	0.72	1%	41%	0.35
ICDC Investments		72.50	5.50	5.00	7%	91%	0.35
Eaagads		17.00	0.18	0.00	0%	0%	0.35
Uchumi Supermarkets Ltd.		14.25	13.65	0.00	0%	0%	0.00
Kapchorua Tea Co. Ltd		154.00	11.28	6.85	4%	61%	0.00
Hutchings Biemer Ltd (s)		20.25	3.92	0.85	4%	22%	0.00

#### Mean

Multinational Firms	13%	94%
Local Firms	5%	92%
Overall	8%	93%

#### Standard Deviation

Multinational Firms	0.28	1.35
Local Firms	0.07	2.65
Overall	0.18	2.26