AN ANALYSIS OF FIRMS OWNERSHIP STRUCTURE BEFORE AND AFTER LISTING AT NAIROBI SECURITIES EXCHANGE

BY

Kirui Fredrick Kipkemoi

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The main objective of this study was to find out the ownership trend of listed by firms at the Nairobi securities exchange before and after listing considering the ownership structure. Specifically, this study examined the ownership structure before a company decides to list at the NSE and after the listing the changes in the ownership structure.

The study adopted a mixture of comparative and trend analysis of the shareholding of the selected companies that listed between 2006 and 2012. For the purpose of the study the shareholding was categorised into majority shareholder whose proportion was more than 15%, the institutional investors and the other public investors (minority shareholders).

The averages of the shareholding of each of the companies were used to establish the proportion of ownership by the different categories of post listing shareholders. The study population consisted of 12 firms that registered in the period of study 2006 to 2012. Secondary data was collected using documentary information from the institution financial statements from each of the sampled firm’s accounts and the IPO prospectus. Both comparative and trend analysis (frequencies, percentages, and mean) data was analysed using Ms excel to come up with the averages and the trend of the ownership. Graphs was used to plot the trend of the shareholding of the firms before and after the listing to depict the changes of the combined averages of shareholding.

The study found out that the firms majority shareholders despite listing and allowing the share to trade they still retained the majority stake in all the companies sampled.