Семинар
«Дивидендная политика на развивающихся рынках капитала»
Семинар для студентов и преподавателей магистерской программы по финансам (Менеджмент в финансовых институтах и финансовые рынки) университета ESSCO (Высшая школа коммерции) г Анже (Angers) (Франция)

Теплова Т.В., эксперт ЛАФР, доклад:
Обзор дивидендной практики на российском рынке и детерминанты дивидендных выплат
62 largest Russian dividend payers are observed

These companies are grouped by industries

For each industry values of payout ratio and dividend yield in 2010 fiscal year are presented in comparison with figures of the world companies

Data about dividends, payout ratio and dividend yield are presented for each company individually for the period 2005-2010

Determinants of dividend policy of Russian public companies: Motivation

Rating agencies pay attention to dividend shares (for example, S&P Dividend aristocrats index series).

There are mutual funds that are focused on investing in dividend shares.

A variety of researches were devoted to dividend payments in the developed markets. Nevertheless several new approaches to identifying the determinants of dividend policy were proposed in the last decade.

Dividends were paid per 22 out of 30 shares which were constituents of MICEX index for the fiscal 2009.

Since the dividend policy of Russian companies is studied to a much lesser extent, this study attempts to reveal factors that determine it.

Hypotheses

1) Managers of Russian companies perceive existing investors’ sentiments via dividend premium and use this information when they make a decision to pay dividends or not.
2) Russian companies follow Lintner model when determining an amount of a dividend. Namely, they increase dividend payments with an increase in earnings per share, but use some adjustment coefficient to smooth a dividend path.

3) Quantitative indicators of dividend policy of Russian companies depend on:
   - firm’s financial indicators (size, profitability, investment opportunities, debt ratio, tangibility of assets, earned/contributed capital mix)
   - macroeconomic factors (interest rate, real GDP growth rate)
   - firm’s shareholding structure (share of the state, share of the majority shareholder)
   - the dividend premium in the market

Methods of empirical testing

- Hypothesis 1. The following model is tested using OLS:
  \[ \text{Initiate}_t = \alpha_0 + \alpha_1 \text{P}^{D-ND}_t + \varepsilon_t \]
  
  \[ \text{P}^{D-ND} = \ln\left( \frac{\sum MV_i}{\sum BV_i} \right) - \ln\left( \frac{\sum MV_i}{\sum BV_i} \right) \]

- Hypothesis 2. The following model is tested for each firm separately (as in original Lintner model): \[ \text{Div}_t = \alpha + \beta \text{EPS}_t + \gamma \text{Div}_{t-1} + \varepsilon_t \]
  Also it is tested on the whole sample using panel data analysis (this method is used in some recent studies due to short time series).

- Hypothesis 3. A variety of models with different dependent and explanatory variables are tested. Close attention is paid to excluding of unusual observations. Dependent variables are dividend payout ratio, ratio of dividends to retained earnings, ratio of dividends to free cash flow.

Period is 1999-2010 fiscal years. Sample consists only of Russian public corporations. Only common shares are taken into account.

- Hypothesis 1. 594 companies are observed. Information about whether companies paid dividends or not in given year was collected manually. Other financial data was obtained from Bloomberg.

- Hypothesis 2 and 3. Initial sample consists of 56 largest companies, which usually paid dividends in the observation period. Because some figures are missing and some observations have unusual values of variables final sample is reduced to 300 observation for Hypothesis 2 and from 62 to 107 observations for Hypothesis 3. Financial data was obtained from Bloomberg, macroeconomic data was obtained from IFS.
**List of explanatory variables used for testing Hypothesis 3.**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Calculation of the variable</th>
<th>Predicted sign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>$\ln(\text{total assets})$, $\ln(\text{sales})$, Percentile rank of market capitalization</td>
<td>+, +</td>
</tr>
<tr>
<td>Investment opportunities</td>
<td>Market-to-book ratio, Assets growth rate, Price-to-earnings ratio</td>
<td>-</td>
</tr>
<tr>
<td>Profitability</td>
<td>Return on assets, Return on equity, Profit margin</td>
<td>+, +, +</td>
</tr>
<tr>
<td>Debt ratio</td>
<td>Long-term debt / (market capitalization + long-term debt + short-term debt) (1)</td>
<td>+/-</td>
</tr>
<tr>
<td>Tangibility of assets</td>
<td>Ratio of tangible assets to total assets</td>
<td>+/-</td>
</tr>
<tr>
<td>Earning/contributed capital mix</td>
<td>Retained earnings/total assets, Retained earnings/total common equity</td>
<td>+, +</td>
</tr>
<tr>
<td>Shareholding structure</td>
<td>Share of the majority shareholder, Share of the state</td>
<td>+/-</td>
</tr>
<tr>
<td>Macroeconomic factors</td>
<td>Refinancing rate, Real GDP growth rate, 2008 year, dummy variable, 2009 year, dummy variable</td>
<td>+, +, +</td>
</tr>
<tr>
<td>Dividend premium</td>
<td>Dividend premium is calculated using weighting by book value</td>
<td>+</td>
</tr>
</tbody>
</table>

**Results**

- Hypothesis 1 is rejected for any method of calculation of variables. So, managers of Russian companies don’t cater to investors. Probably it can be explained by the existing civil law legal system (as proposed in Ferris, Jayaraman, Sabherwal, 2009).
- Hypothesis 2 was generally rejected too, because dividend of only 4 companies could be clearly explained by Lintner model. These companies are: MMC Norilsk Nickel, Mobile TeleSystems, Tatneft, North-West Telecom (from 01.04.2011 part of Rostelecom).
- When testing Hypothesis 3 negative influence of the share of the state in the company was revealed at 1% significance level using all dependent variables. Other explanatory variables seem to be either not significant at all, or weakly significant only in some models.

- So, it can be argued, that dividend policy of most Russian public companies is quite unstable and doesn’t depend on factors which influence dividend policy in the developed markets.