

## **Abstract**

This bachelor thesis complements the existing research on implications of various ownership structures on dividend policy. It extends the literature focused on state ownership and its impact on dividend amount paid out to shareholders for testing such relationship in the environment of EU listed stock market and EU government agencies, scope so far lacking in the scientific literature. Moreover, it provides new way of testing agency theory of dividends by adopting Herfindahl's index as proxy of ownership concentration. Therefore, interaction between shareholders is accounted for as opposed to the commonly used proxy largest shareholder. As a result, this thesis helps to explain relations between various ownership structure characteristics and dividend policies. Primary econometric methods, panel data estimation methods, of this thesis found significantly positive relationship between state owned enterprises and the amount of profit distributed among shareholders. Compared to existing research on emerging economy of China, less evidence is found. Therefore, I argue that tunnelling tendencies in EU are substantially lower due to level of market development and minority investor protection in EU. The results also back up the agency theory, however, its influence is found to be lower than proposed by past studies.

## **Keywords**

Dividend policy, Dividends, State-owned enterprise, Ownership concentration, Ownership structure, Shareholder, Listed company