

## ABSTRACT

The dividend payout decision is a crucial aspect for listed financial and non-financial institutions at stock exchanges, as it directly impacts their shareholders' wealth and market perception. This study intended to examine the determinants of dividend payout decision of a financial and non-financial institutions listed at the Dar es Salaam Stock Exchange (DSE) in Tanzania. The research utilized a quantitative approach and employed panel data for the period from 2016 to 2022. The data were obtained from financial statements and annual reports that potentially influenced dividend payout decisions on institutions under this study. A panel regression models and correlation analysis were used to investigate the relationships between the determinants and dividend payout decisions. The results revealed that, there was a positive and significant relationship between dividend payout of financial and non-financial institution as dependent variables and the independent variable namely profitability, the significance and direction of this determinant influenced dividend payout decision. However, the institution size and liquidity exhibited a weak and insignificant association with dividend payout decisions. The study concluded that, profitability (Return on equity) is the key determinant of dividend payout decision of financial and non-financial institutions listed at DSE. The study recommends that investors should invest in the financial and non-financial institutions which generate high profitability; these institutions have great chance of paying sufficient dividends. Moreover, the management of the institutions listed at DSE is also advised to establish mechanisms for profits generation in order to improve dividend payout and attract more investors.