

# DANMARKS NATIONALBANK

31 MAY 2018

SECURITIES, APRIL 2018

## Large dividend payments to banks' shareholders

Danish listed banks have paid out kr. 11.5 billion in dividends in the first four months of the year. This is more or less the same as for the corresponding period last year. The dividends relate to the financial year 2017 and are typically paid out in relation to the general assemblies in March and April 2018.

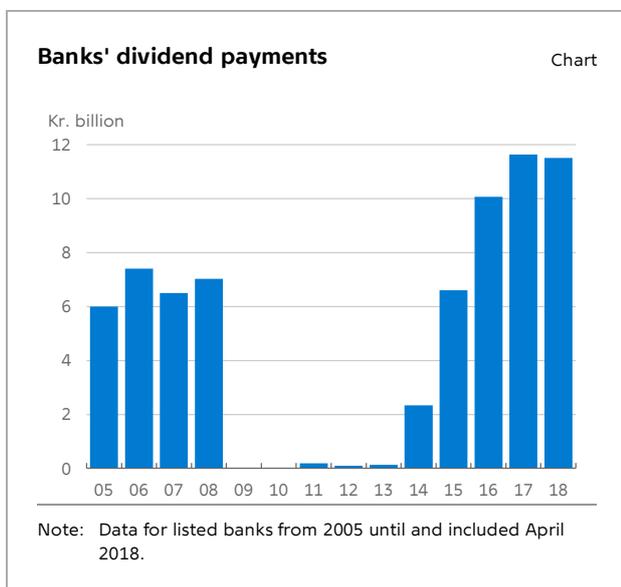
The banks did not pay out dividends in the first year following the financial crisis but the payments have since risen markedly and are now significantly over the level before the crisis. For listed banks as a whole, the dividend payments this year correspond to 40 per cent of their profit after tax.<sup>1</sup>

The individual banks' dividend payments are widely dispersed. A little less than half of the banks did not pay out dividends. For those who paid out dividend, payments share of profit after tax was between 8 and 53 per cent. Especially the large banks paid a large share of their profits in dividends.

In addition to dividends, banks also have the possibility of making payouts as capital gains by repurchasing own shares. The repurchases are spread more over the year compared to dividend payments. Based on the banks' announcements regarding repurchase in relation to the general assemblies in 2018, they will be at the same level as last year i.e. kr. 11.8 billion.

The banks' dividend payments and repurchases thus are about the same as last year, namely 87 per cent of profits after tax. The part of profits which is not paid out to the shareholders cushions the banks against losses when the business cycle conditions deteriorate.

Dividend payments from other listed companies than banks were kr. 34.1 billion in the first four months. A few larger companies have stated to pay out dividends quarterly and biannually. However, the major part is still paid out in the period January-April.



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<sup>1</sup> Profit after tax for the financial year 2017.