

# DANMARKS NATIONALBANK

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## PORTFOLIO INVESTMENTS, MARCH 2021

# Record-breaking dividends sent abroad

Foreign investors are fond of Danish shares, and Danish listed companies paid dividends in March like never before. This meant record-breaking dividends for the foreign shareholders who owned Danish shares amounting to kr. 2,081 billion in March.

Since March 2018, foreign investors have bought Danish shares for a total value of kr. 61 billion,<sup>1</sup> which increases their ownership share of the Danish stock market from 52 per cent to 54 per cent. Viewed in isolation, the increased ownership share leaves a bigger piece of the Danish dividend pie for foreign investors in March.

**Foreign investors receive a record amount in March**  
March is traditionally the dividend payment month of the largest Danish companies. This year, total divi-

idend payments were kr. 33.4 billion in March, exceeding the previous record from March 2018<sup>2</sup> of kr. 33.2 billion. Foreign investors' share of dividends thus amounts to kr. 17.71 billion this year, while in 2018 they ended at kr. 17.70 billion.

Dividends for 2021 will be based on earnings in 2020, a year otherwise characterised by covid-19.

### Non-financial corporations are driving the record

The high dividend payments in March are primarily driven by non-financial corporations, while Danish banks continue to pay very limited dividends.

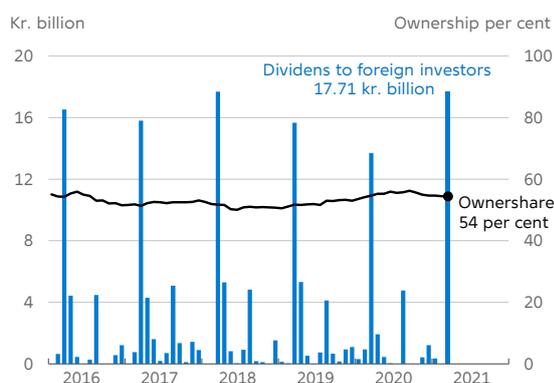
With a total of kr. 7.9 billion, foreign investors have received the largest dividends from the Novo Nordisk share, of which they own a total of 73 per cent. Other companies such as Carlsberg (kr. 1.8 billion), Ørsted (kr. 1.8 billion), Maersk (kr. 1.3 billion) and DSV Panalpina (kr. 0.7 billion) also contribute to the record, having never sent as many dividends abroad as they did in March.

### Share repurchases as an alternative to dividends

Instead of paying dividends, companies can remunerate shareholders by buying back their own shares. Viewed in isolation, the acquisition provides shareholders with a share price gain by reducing the number of shares and thereby increasing earnings and the value per share. Exchange rate gains are treated differently from dividends for tax purposes, which helps companies attract different types of investors.

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### Foreign investors receive record-breaking dividends in March 2021



Note: Ownership share is calculated as the foreign share of all Danish issued shares adjusted for price changes.

<sup>1</sup> The sum is excluding the delisting of TDC in May 2018 for kr. 37 billion.  
<sup>2</sup> The historical comparison is exclusive of extraordinary dividends.