

# DANMARKS NATIONALBANK

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## PORTFOLIO INVESTMENTS, MARCH 2022

# Large dividend payments to foreign investors

Foreign investors received historically large dividend payments in March of kr. 31 billion from Danish listed companies. In March alone, dividend payments were on a par with the total annual dividends in previous years (see chart). Dividend payments are made mainly in March, but dividends are also paid out in other months. Since 2015, dividend payments to foreign investors in other months have been kr. 10-17 billion.

The large dividend payments in March to foreign investors are mainly due to the fact that more has been paid out than in previous years, but also that foreign ownership has increased. At the end of the month, foreign investors owned Danish listed shares for kr. 2,444 billion, which corresponds to 56 per cent of the Danish stock market.

### Dividend month for large Danish companies

March is traditionally the month in which Danish companies pay out the largest dividends. In March, dividends for a total of kr. 77 billion were paid out to Danish and foreign investors, which is a record high. The large payments come after many Danish companies had large profits in 2021.

### Large companies are driving the record

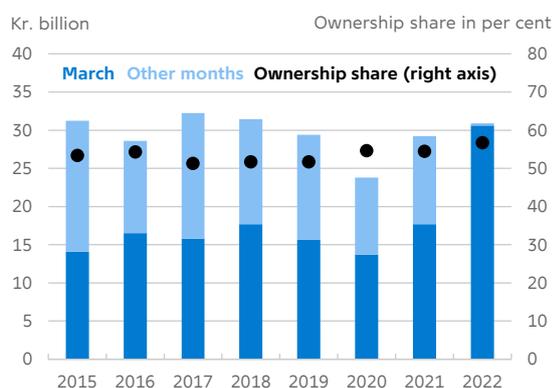
The high dividend payments mainly come from large non-financial corporations. In March, foreign investors received the most dividends from A.P. Møller – Mærsk (kr. 12.5 billion), of which they own a total of 26 per cent. Last year, Mærsk recorded the largest profit in the history of Denmark of kr. 118 billion. In addition to Mærsk, foreign investors received the most in dividends from Novo Nordisk (kr. 9.3 billion), Topdanmark (kr. 2.3 billion), Carlsberg (kr. 1.9 billion) and Pandora (kr. 1.2 billion).

### Share buy-backs as an alternative to dividends

Instead of paying dividends, companies can pay out profits to investors by buying up their own shares and cancelling them. Seen in isolation, the buy-back gives investors a capital gain because it reduces the number of outstanding shares and thus increases earnings and value per share. Share buy-backs may take place over a longer period of time. In 2021, Danish companies made share buy-backs for a total of kr. 62 billion.

Capital gains are taxed differently from dividends, which helps to attract different types of investors. Dividends are taxed on payout, while capital gains are only taxed on a sale.

### Historically large dividend payments to foreign investors in March 2022



Note: For 2022, Other months only cover January and February, where almost no dividends have been paid out. The foreign ownership share is calculated at the end of March each year. Find the chart data here ([link](#)).

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