

DANMARKS NATIONALBANK

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Record-breaking firm dividends despite corona

Notwithstanding the banks, Danish listed firms paid out almost kr. 38 billion worth of dividends to their shareholders during the first four months of 2021. That is a new record. Banks' dividends were still limited compared to the years before 2020.

Most dividends were paid out in March and April

The vast majority of the dividends were paid out in March and April, where Danish companies typically hold their general meetings. Here, the dividend amount is decided, i.a. based on last year's results. Hence, the months from January to April are often called the dividend season. Some firms also pay div-

idends outside the dividend season. For instance, Novo Nordisk normally pays dividends twice a year.

Several large firms, including Novo Nordisk, Ørsted and A. P. Møller - Mærsk, increased their dividend payments compared to last year. Mærsk more than doubled its dividends compared to last year. This is due to the results for 2020, where the fourth quarter, in particular, exceeded the company's expectations.

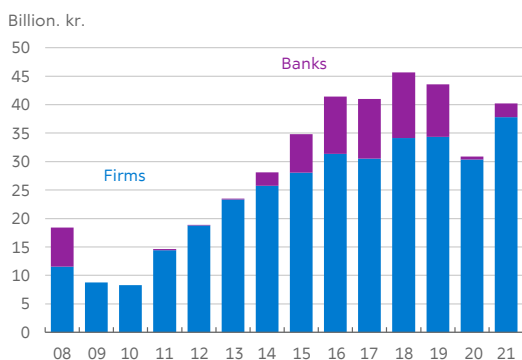
Alternatively, companies can remunerate their shareholders by buying back shares and subsequently cancelling them. Buy-back programmes are typically decided at the general meeting, but it differs when programmes enter into force and expire.¹ So far this year, firms have bought back shares for a total of just over kr. 12.7 billion. This is on a par with the buy-backs in recent years' dividend seasons.

Banks are restrictive once again this year

In line with the Danish Financial Supervisory Authority's recommendation on capital preservation, dividends from Danish listed banks have been modest so far in 2021.² Total dividends amounted to kr. 2.5 billion, i.e. an increase of kr. 2 billion compared to the 2020 dividend season. However, the payments are considerably lower than in the dividend seasons 2015-2019, where dividends were between kr. 6.7 and 11.5 billion per year. In the years 2009-2013, following the financial crisis, there were hardly any dividend payments from the banks.

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Modest dividend payments from banks, but large payments from other firms



Note: Dividend payments since 2008 for the period januar until april. "Firms" include all listed firms except banks. A. P. Møller Mærsk's extraordinary dividend payment in 2015 is excluded.

¹ Thus, share buy-backs in January-April do not necessarily reflect the full buy-back programme decided at the general meeting.

² See the press release of 18 December 2020 from the Danish FSA (link).