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Marketing communication

CAPITAL GROUP™

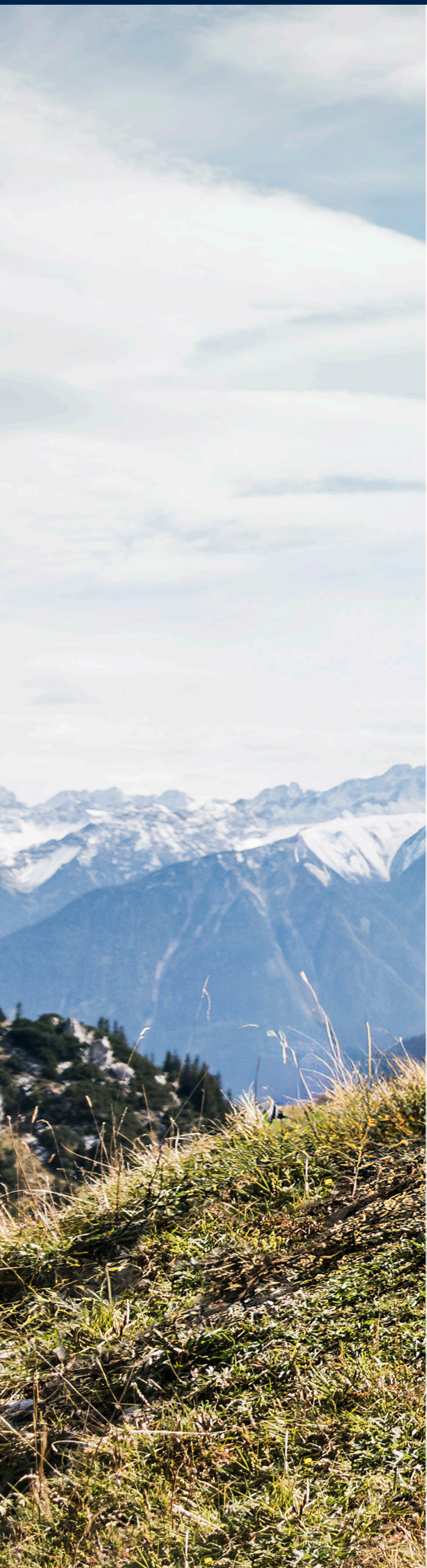
Capital Group Global Equity Study

Dividend Watch

Edition 1 – September 2025

Contents

Introduction



About the study

The Capital Group Global Equity Study is a comprehensive exploration of the world's major equity markets, examining how companies generate, grow, and return value to shareholders.

Central to this study is the Dividend Watch, one of the most thorough analyses of company dividends worldwide. It cuts through short-term market noise to focus on the fundamentals – where capital is being generated, how it's being returned, what that tells us about long-term corporate strength and why it matters to investors. The Dividend Watch covers the last 15 years, and our first edition looks in detail at the latest developments in the first half of 2025.

We present a topline value for dividends paid in any period and show how this has changed year-on-year, but we also calculate the crucial core dividend growth rate, which adjusts for one-off special dividends, exchange rates and other minor factors. The core dividend growth rate is the most helpful to follow in order to discern the true trends in dividends.

The findings show that growth trends can diverge significantly from one market to another or across different sectors, highlighting the value of taking a diversified approach to income investing. We show how adopting different dividend policies influences payouts around the world. We reveal where the big drivers of growth are coming from today, and use the data to provide a forecast so investors know what they might expect in the months ahead.

The Dividend Watch is just one part of our Global Equity Study series that will analyse a range of data metrics for the world's largest companies, including the profits and cash they make as they develop and grow, how they are valued and how they return the cash they make to shareholders via dividends and share buybacks, which we will publish regularly throughout the year.

About Capital Group

Capital Group is one of the oldest and largest investment management companies in the world, managing multi-asset, equity and fixed income investment strategies for different types of investors. Since 1931, Capital Group has been singularly focused on delivering superior, consistent results for long-term investors using high conviction portfolios, rigorous research and individual accountability. Today, Capital Group works with financial intermediaries and institutions to manage more than $3 trillion in long-term assets for investors around the world.

Methodology

The Dividend Watch will be published every quarter and looks at the dividends the world's largest 1,600 companies pay to their shareholders. These companies represent around 85% of global market capitalisation as at 31 March 2025. To complete the picture, we top up the figures to 100% by making a few simple assumptions.

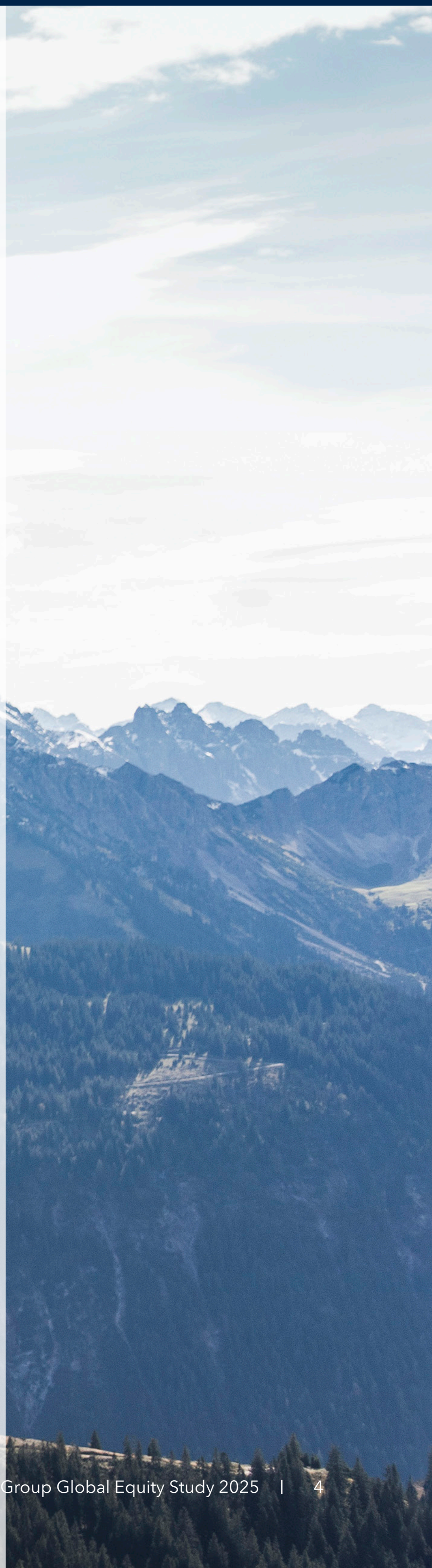
Dividend payments of the world's largest 1,600 companies by market capitalisation was analysed (as at 31 March 2025) using data supplied by Exchange Data International, supplemented by insight from company sources such as annual reports and results announcements and FactSet. FX data is also sourced from FactSet.

Historical data for this same list of companies was compiled back to 2010. In the study, we calculated the topline total paid. Core dividend growth rates were derived by adjusting the topline total for constant exchange rates and by stripping out special dividends and the effect of calendar changes.

Throughout the document, dividend growth has been calculated in US dollars and is illustrated using indexed charts rebased to 100 in Q4 2010, allowing for easy comparison of relative changes over time.

(More detail on the core dividend growth rate and how it is calculated are shown in the appendix.) Future editions will also adjust for changes in the top 1,600 list, rebalanced annually.

$ refers to US dollars throughout the report unless otherwise indicated.



Dividends
A core element of investment returns

History shows that dividends have contributed two-fifths of the return on US stocks over the last 25 years, with a similar showing in Europe. In the UK, it has been more than two thirds. They are one of the most tangible ways companies share their success with investors, and in an environment dominated by geopolitical uncertainty, tariff tensions and alternating phases of volatility, companies that pay dividends and show they can grow them sustainably over time offer stability to portfolios.

Dividends can also reflect financial discipline. As Paul Benjamin, Principal Investment Officer of the American Balanced strategy, observes, “Dividend streams can be a strong indicator of a company’s financial health and stability. Firms that consistently pay and grow their dividends typically show solid earnings, healthy cash flow, and disciplined management. By tracking dividend trends, investors can better understand companies’ performance and resilience to economic challenges.”

Recent data shows some notable changes. For example, several of the big technology stocks that had never paid dividends began to distribute in 2024 – and are now among the largest payers in the world. And Japan, a longtime low-dividend market, has become one of the world’s key drivers of dividend growth this year.

Key highlights

Overview

- Global dividends rose strongly in H1 2025, up 7.7% year-on-year on a topline basis to a record $1.14 trillion
- H1 core dividend growth – stripping out the one-offs, FX and other minor factors – was 6.2% year-on-year, broadly consistent across Q1 and Q2
- Globally, 86% of companies increased dividends or held them steady in H1, with median core dividend growth at company level standing at 6.1% year-on-year
- In H2 2025, the seasonal mix favours parts of the world where dividend growth is slower at present, namely the UK, China and Australia

Sector trends

- Financials led: The sector saw dividend payouts increase in H1 by 9.2% year-on-year on a core basis, reaching a record $299 billion, with strength across all regions; banks drove around half of the increase
- Insurance and general financials saw even faster dividend growth in H1
- Other strong sectors: transport (shipping, airports), machinery (especially aerospace and defence) and software
- Auto manufacturers cut dividends by $5.4 billion year-on-year; mining & chemicals was lower too

Regions and markets

- Record topline totals in the US, Canada, Japan, parts of Europe, and some emerging and Pacific markets
- Japan's core dividend growth of 13.8% year-on-year was a key H1 driver – strong earnings and a cultural shift to shareholder returns explain surging payouts
- Europe saw core dividend growth of 5.6% year-on-year in H1, with notable growth in Spain and Denmark; Italy, Germany France and the Netherlands lagged
- H2 seasonal mix favours slower-growing regions but Japan, Spain, Taiwan and Singapore remain bright spots
- Elsewhere, weak spots included Australia, Brazil, China and the UK

Overview

Global dividends reached

$1.14 trillion

in just six months
– nearly matching the
full-year total for 2017

Global dividends rose strongly in the first half of the year, up 7.7% year-on-year on a topline basis to a record $1.14 trillion, almost as much in six months as in the whole of 2017. The H1 topline total was boosted by the weak dollar as dividends in Japan and Europe, in particular, were translated at much more favourable exchange rates, and by a switch to twice-yearly dividends among a number of Chinese companies, which will have a reverse effect in H2.

Even adjusting for these flattering effects, as well as stripping out one-off special dividends, core dividend growth was an encouraging 6.2% year-on-year (see appendix: 'Calculating the core dividend growth rate'). It was strongest in Japan, where payouts rose at more than twice the pace of the wider world, reflecting profits at all-time highs as well as a material shift in recognition of shareholders as an important stakeholder in a company (see 'regions and markets' section for more local detail).

Q2 is Europe's key dividend season and growth was slower this year after booming over the last four years. Core dividend growth in H1 of 5.6% year-on-year was below that of the rest of the world – cuts from European car manufacturers, in particular, knocked growth in the region back by one-third in the first half of the year. In the UK, cuts from Vodafone and in the mining sector kept core dividend growth well below that of the wider world, extending a prolonged period during which UK dividends have lagged behind.

Comparing long-term dividend growth by region

	2020	2021		2022		2023		2024		24H1	25H1	
	$bn	$bn	%	$bn	%	$bn	%	$bn	%	$bn	$bn	%
US	491.9	521.5	6.0	577.1	10.7	610.7	5.8	670.6	9.8	335.4	349.9	4.3
Canada	46.6	53.0	13.9	62.4	17.6	62.8	0.7	65.3	4.0	32.5	33.9	4.3
Europe ex-UK	165.3	238.0	44.0	267.1	12.2	308.8	15.6	334.0	8.2	262.2	285.7	8.9
UK	59.4	85.4	43.7	87.9	3.0	88.3	0.4	92.4	4.7	53.3	52.7	-1.0
Japan	80.6	88.2	9.4	90.5	2.6	87.4	-3.4	96.6	10.5	44.2	54.9	24.2
Pacific Ex China, Hong Kong & Japan	69.1	107.4	55.3	116.2	8.2	110.8	-4.7	111.9	1.0	43.5	47.5	9.2
China, Hong Kong	104.6	129.8	24.1	151.1	16.3	154.6	2.4	179.2	15.9	72.0	79.9	10.9
Emerging Markets	74.0	116.3	57.1	136.0	17.0	136.0	0.0	147.5	8.4	80.1	90.1	12.4
Global	**1091.6**	**1339.7**	**22.7**	**1488.4**	**11.1**	**1559.4**	**4.8**	**1697.5**	**8.9**	**923.4**	**994.6**	**7.7**
Companies outside top 1600	163.7	201.0	22.7	223.3	11.1	233.9	4.8	254.6	8.9	138.5	149.2	7.7
Total	**1255.3**	**1540.7**	**22.7**	**1711.6**	**11.1**	**1793.4**	**4.8**	**1952.1**	**8.9**	**1061.9**	**1143.8**	**7.7**

86% of companies raised or maintained payouts in H1 – a signal of resilience amid divergent economic conditions

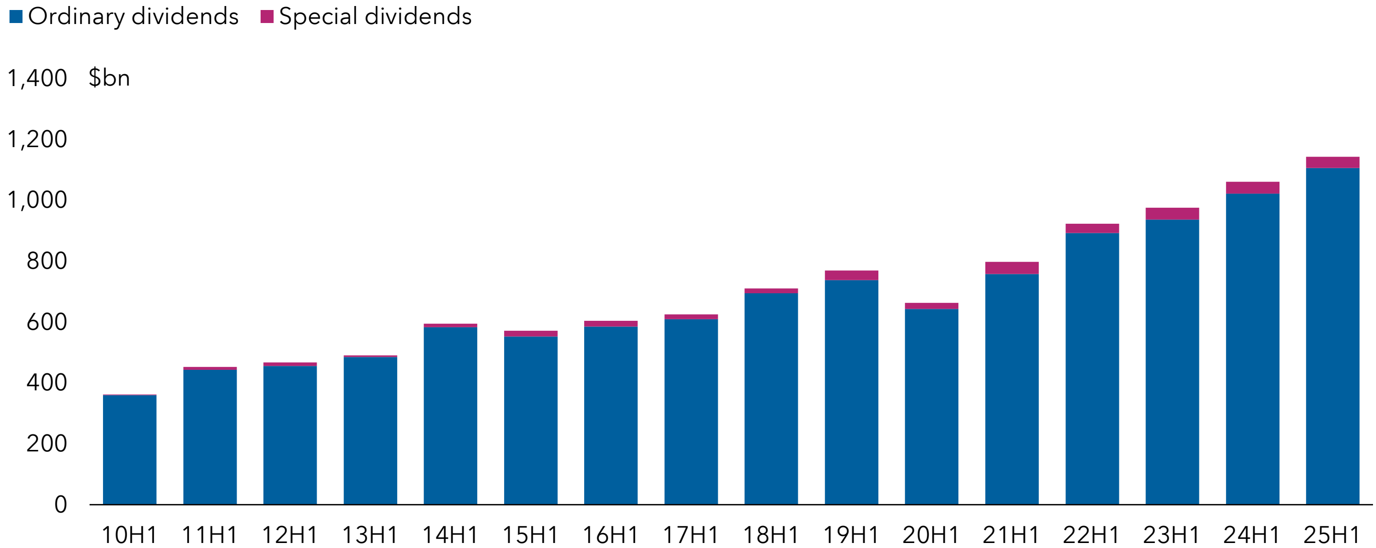
The US made the strongest contribution to the $71.3 billion year-on-year increase in global H1 payouts, simply owing to its sheer size. Its core dividend growth rate of 6.1% was in line with the global average, though lower one-offs held back the topline increase.

Topline totals reached records in the US, Canada, Japan, much of Europe, and some emerging and Pacific markets, though there was notable weakness in Australia, Brazil, Italy, China and the UK.

Globally, 86% of companies increased dividends or held them steady and median core dividend growth at company level was 6.1% year-on-year.

For the rest of 2025, seasonal patterns favour slower growing parts of the world, and although current trends will see a further boost to the topline total from a weak dollar, special dividends are likely to be lower year-on-year than they were in H1.

2025 dividend growth reflects resilience



Sector trends

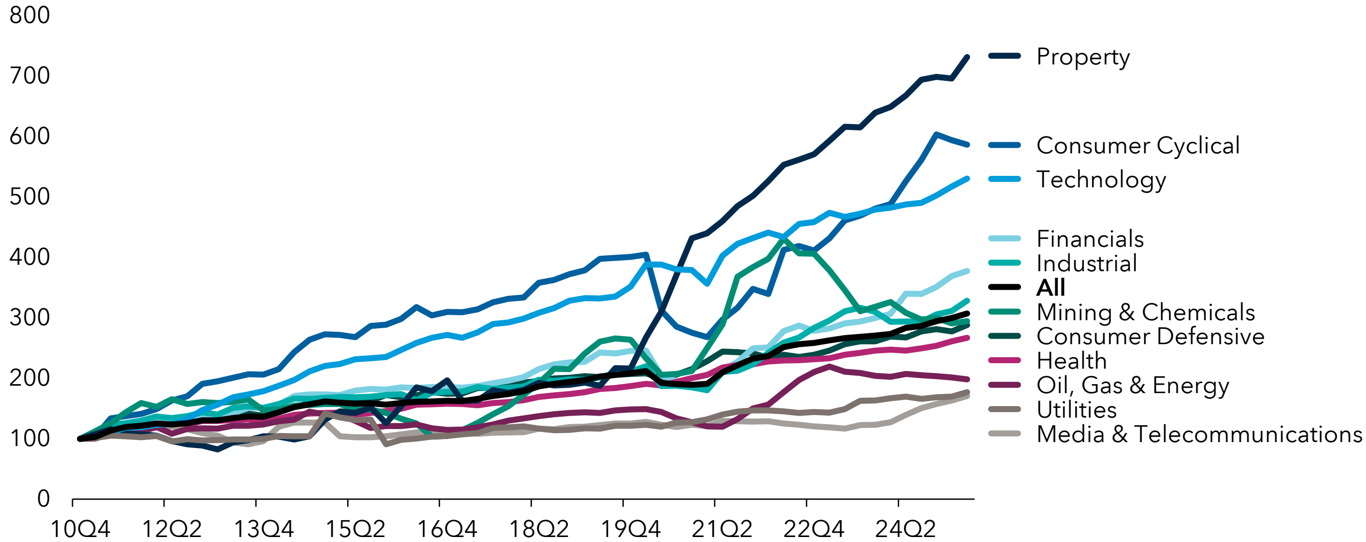
Financials drove **two-fifths** of H1 growth – and paid a record $299 billion

A combination of its large size and favourable economic conditions meant the financial sector contributed two-fifths of global dividend growth in the first half of the year, increasing payouts by 9.2% year-on-year on a core basis to a record $299 billion.

Banks were responsible for just under half the wider financial sector's increase. The top 13 banking contributors to H1 dividend growth came from different markets, indicating broad-based global strength – Mitsubishi UFJ in Japan, JPMorgan Chase in the US, and DBS Group in Singapore made the largest increases. The biggest single payer was China Construction Bank at $13.4 billion, down fractionally year-on-year. Elsewhere in the sector, the smaller general financials sub-sector saw payouts rise 16.9%, more than twice as fast as the banks, though the lines between the two are a little blurred.

The insurance sub-sector was also strong, with payouts up 11.1%, led by European insurers in particular (most notably Münchener Rückversicherung and Allianz). Across the whole financials group, 85% of companies either increased payouts or held them steady, in line with the all-sector average.

Dividend breakdown by sector
Rebased to 100 as at Q4 2010



Dividend cuts from auto manufacturers and miners weighed heavily on growth, reflecting pressure on margins

Other sub-sectors to see robust growth included transport, in particular shipping and airports, machinery, particularly aerospace and defence groups, and software, led by Microsoft and Indian IT consulting group Wipro.

Steep dividend cuts from auto manufacturers were the main cause of a 4.4% year-on-year decline in the consumer cyclical sector's dividends on a core basis, reflecting a need by internal combustion engine producers around the world to preserve cash in the face of tariff wars and the electric vehicle challenge. Vehicle manufacturers distributed $5.4 billion less in H1 2025 compared to H1 2024, knocking eight percentage points off the consumer cyclicals' dividend growth rate. The largest cuts were made by Stellantis, Mercedes Benz and BMW.

The mining & chemicals sector also made a significant negative impact, led by Fortescue, BHP and BASF. But there was a wide dispersion within the sector. For example, Chinese aluminium producer China Hongqiao and Peruvian Southern Copper both made large increases as favourable market conditions boosted their margins and therefore the cash they could distribute to shareholders.

Ordinary and special dividends, $bn

	24H1 Ordinary	24H1 Special	24H1 Total	25H1 Ordinary	25H1 Special	25H1 Total
Consumer Cyclical	69.7	4.3	73.9	68.5	1.7	70.3
Consumer Defensive	85.3	7.1	92.4	94.7	1.6	96.3
Financials	255.1	10.1	265.3	285.2	13.8	299.0
Health	79.3	0.0	79.3	86.6	0.0	86.6
Industrial	89.8	4.3	94.1	101.2	5.1	106.3
Media & Telecommunications	49.4	1.3	50.7	56.2	2.7	58.9
Mining & Chemicals	48.6	0.2	48.8	46.5	0.9	47.4
Oil, Gas & Energy	66.0	5.1	71.1	64.7	2.0	66.7
Property	28.7	0.2	28.8	30.9	0.6	31.5
Technology	75.6	0.8	76.4	82.4	3.0	85.4
Utilities	41.6	0.9	42.5	45.6	0.9	46.4
All	**$1,022.4**	**$39.4**	**$1,061.9**	**$1,106.8**	**$37.0**	**$1,143.8**

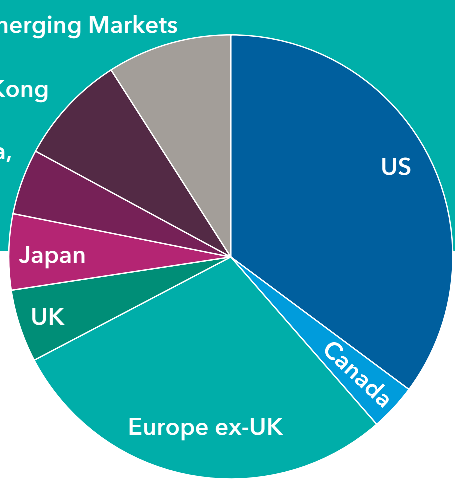
Top payers, $bn

	H1 2024
China Construction Bank Corp.	13.5
HSBC Holdings plc	11.7
Microsoft Corporation	11.1
Nestle SA	8.8
Novartis AG	8.6
Costco Wholesale Corp	7.6
Apple Inc	7.5
Exxon Mobil Corp.	7.5
JPMorgan Chase & Co.	6.3
Petroleo Brasileiro S.A. Petrobras	6.3
Mercedes-Benz Group AG	6.1
Chevron Corp.	6.0
Johnson & Johnson	5.9
Allianz SE	5.8
BNP Paribas	5.6
Verizon Communications Inc	5.6
Abbvie Inc	5.5
Kweichow Moutai Co Ltd	5.3
PepsiCo Inc	5.3
Taiwan Semiconductor Manufacturing	5.3
Top 20	**$145.6**
Top 20 as % of topline total	**13.7%**

	H1 2025
China Construction Bank Corp.	13.4
Microsoft Corporation	12.3
Nestle SA	9.7
Novartis AG	8.7
Exxon Mobil Corp.	8.6
HSBC Holdings plc	8.2
Apple Inc	7.6
JPMorgan Chase & Co.	7.4
Taiwan Semiconductor Manufacturing	6.7
Allianz SE	6.6
BNP Paribas	6.1
Johnson & Johnson	6.1
Chevron Corp.	6.0
Abbvie Inc	5.8
Verizon Communications Inc	5.7
PepsiCo Inc	5.7
Broadcom Inc	5.5
Toyota Motor Corporation	5.5
Walmart Inc	5.4
Axa	5.4
Top 20	**$146.6**
Top 20 as % of topline total	**12.8%**

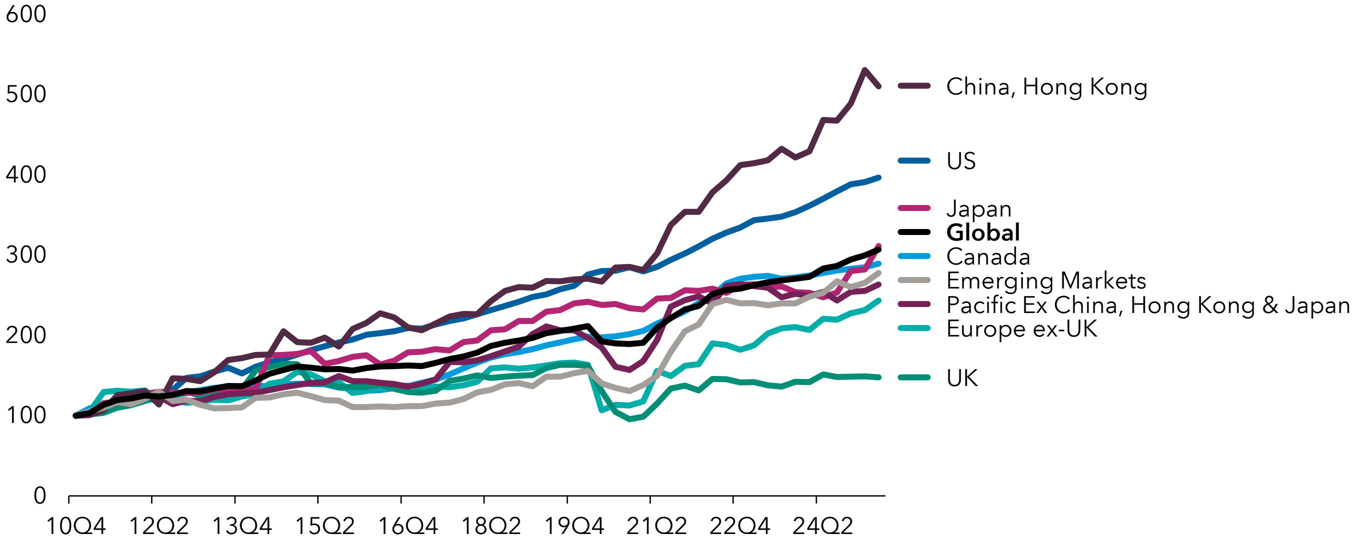
Regions and markets

Dividends by region – H1 2025



Comparing long-term dividend growth by region

Rebased to 100 as at Q4 2010



H1 dividends, $bn

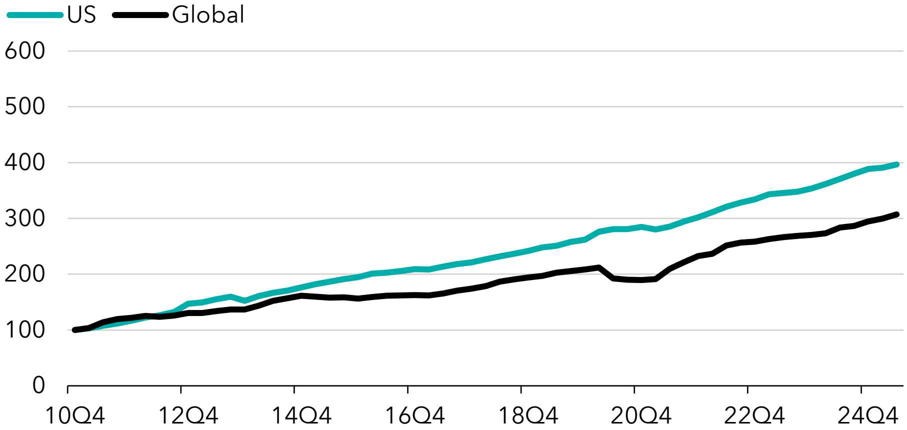
	24H1 Ordinary	24H1 Special	24H1 Total	25H1 Ordinary	25h1 Special	25H1 Total
US	323.0	12.4	335.4	342.6	7.2	349.9
Canada	32.1	0.4	32.5	33.7	0.2	33.9
Europe ex-UK	252.1	10.1	262.2	275.4	10.3	285.7
UK	49.1	4.1	53.3	52.3	0.4	52.7
Japan	44.0	0.2	44.2	54.4	0.6	54.9
Pacific Ex China, Hong Kong & Japan	42.7	0.8	43.5	44.1	3.5	47.5
China, Hong Kong	68.9	3.2	72.0	78.4	1.5	79.9
Emerging Markets	77.2	3.0	80.1	81.5	8.6	90.1
Global	**$1,022.4**	**$39.4**	**$1,061.9**	**$1,106.8**	**$37.0**	**$1,143.8**

United States

H1 total paid	**$349.9bn**
H1 core dividend growth	**6.1%**
Q2 core dividend growth	**6.0%**

US companies delivered a record **$349.9 billion in dividends** – with broad-based growth and 92% maintaining or increasing payouts

Dividends
Rebased to 100 as at Q4 2010



US companies paid their shareholders a record $349.9 billion in dividends in the first six months of 2025, up 4.3% year-on-year on a topline basis. The core dividend growth rate was significantly stronger, however, as the value of one-off special dividends was $5.2 billion lower than in the first half of 2024. Core dividend growth of 6.1% year-on-year was ahead of the global average and was similar in both the first and second quarters.

The biggest increases came from companies in a diverse range of sectors, reflecting broad-based earnings growth over the last year. Alphabet made a disproportionate impact, boosting the H1 US growth rate by 1.1 percentage points, because it only paid one dividend in H1 2024 (its first ever) but paid two in H1 2025. Alphabet's enormously cash-generative business means it will number among the world's top 20 largest payers this year, distributing more than $10 billion to its shareholders (and tens of billions more in share buybacks). Microsoft, JPMorgan Chase and Exxon also numbered among the five companies making the strongest H1 contribution to US dividend growth. The biggest negative impact came from Intel, which suspended payouts in late 2024 as part of a cost-cutting and strategic re-focus exercise amid mounting losses.

Some 92% of US companies increased dividends or held them steady, and median (or typical) growth at company level in H1 was 5.4% year-on-year, in line with the long-run average.

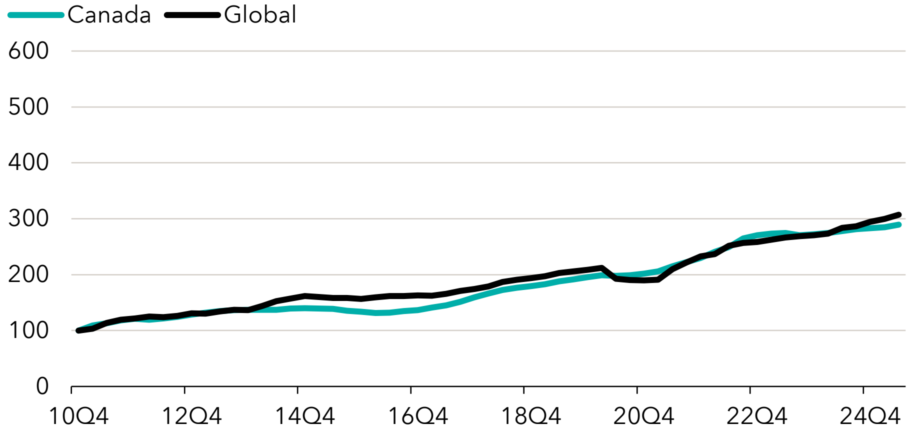
US dividends are the least seasonal of any major market, with most companies setting a quarterly payment for the year. They also tend to be less variable than the other major markets as US companies mostly follow a progressive dividend policy (which aims to hold or grow a payout over time), rather than setting a payout ratio on variable profits as is common in Europe and Asia.

Canada

H1 total paid	**$33.9bn**
H1 core dividend growth	**8.7%**
Q2 core dividend growth	**8.8%**

Dividends

Rebased to 100 as at Q4 2010



Canadian dividend growth has been strong in recent years, outperforming the global average by 24 percentage points over the last decade. Canadian companies paid their shareholders a record $33.9 billion in the first half of 2025, up 4.3% year-on-year on a topline basis. The core dividend growth rate was considerably stronger at 8.7%, however, mainly because the Canadian dollar was weaker compared to the same period in 2024.

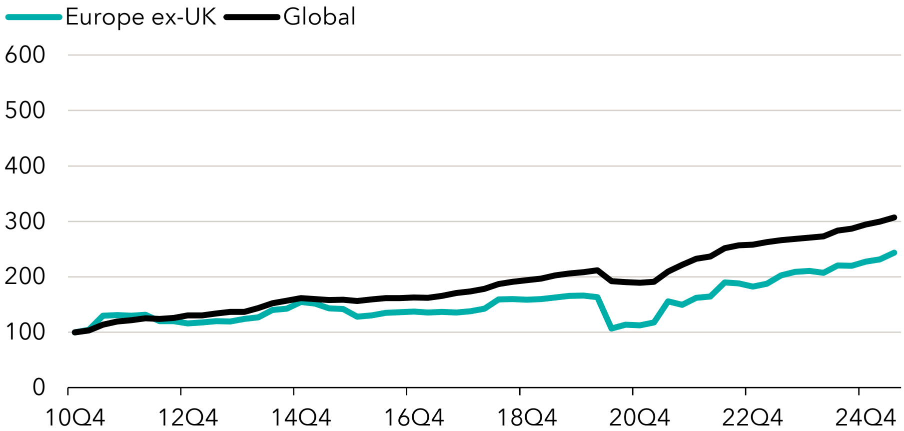
The biggest contribution to growth in the first half came from Brookfield Asset Management following the reorganisation of its capital structure with Brookfield Corporation. Other than this, energy and bank stocks led the dividend growth tables, following the pattern of recent years. There were no significant cuts in dividends by Canadian companies, though TC Energy reduced its payout by 12% year-on-year following the spin-off of its US pipeline assets.

Europe ex-UK

H1 total paid	**$285.7bn / €255.4bn**
H1 core dividend growth	**5.6%**
Q2 core dividend growth	**4.0%**

European dividend **growth slowed to 5.6%** on a core basis – with standout performance in Spain and Denmark offset by weakness in Italy and Germany

Dividends
Rebased to 100 as at Q4 2010



The second quarter marks the seasonal dividend high point in Europe, where many companies make a single annual payment. Payouts were 4.0% higher year-on-year on a core basis, lagging behind growth in most other regions, but stronger exchange rates meant the topline total was 8.0% higher, at a record $234.8 billion (€207.8 billion). Even without the FX boost, European dividends are at record highs.

Over the first half of 2025, core dividend growth of 5.6% year-on-year was also slightly behind the global average. Danish Ozempic producer Novo Nordisk led the region, committing to the capital discipline of returning surplus cash to shareholders and more than doubling its dividend. Moller Maersk, also in Denmark, made the second-largest contribution to H1 growth in the region thanks to a profit boost from higher shipping rates. The biggest negative impact was from Stellantis in Italy, which made a steep cut to its payout compared with H1 2024, knocking 1.2 percentage points off the region's H1 2025 growth rate.

Across the region in H1, nine companies in 10 increased payouts or held them steady year-on-year.

European dividends have been strong over the last two years as companies bounced back from the pandemic and financial conditions favoured the banks. It may take until 2026 for economic growth to meaningfully pick up in Europe, given uncertainty around tariffs. But a regulatory environment that is more pro-investment could mark a decisive break with the past and boost longer-term dividend growth too.

Germany

H1 total paid	**$54.9bn / €49.1bn**
H1 core dividend growth	**2.9%**
Q2 core dividend growth	**2.2%**

German dividends also reached a new record in H1 2025, of US$54.9 billion, but the 2.9% core increase compared with H1 2024 was well below the European and global average owing to steep cuts from BMW, Mercedes-Benz and BASF. Between them, these three cuts knocked $3.9 billion off the H1 2025 total, reducing the core dividend growth rate by 7.5 percentage points. BASF will keep its dividend at this lower level for four years while it restructures and cuts costs in the face of weak global demand for its products. The car manufacturers are also battling weaker sales and margin compression, leaving less cash for dividends. Mercedes-Benz, while cutting its dividend, has nevertheless increased its share buyback programme for 2025 to a level that will offset much of the reduction in its dividend.

With median dividend growth of 10%, however, German companies are for the most part distributing significantly more cash to shareholders compared to H1 2024. Leading the way is Münchener Rückversichererung, whose 2024 results delivered solid profitability, improved combined ratios and healthy investment returns.

Switzerland

H1 total paid	**$46.2bn / CHF39.0bn**
H1 core dividend growth	**4.5%**
Q2 core dividend growth	**5.1%**

Swiss dividends have long been characterised by slow, steady growth, but in H1 2025 a core uptick of 4.5% year-on-year was double the average pace of recent years. UBS single-handedly contributed more than one-third of the growth in Swiss payouts, increasing its dividend by 29% year-on-year on the back of strong growth across its core business segments and following its integration of Credit Suisse. Zurich Insurance also made a significant positive impact following record profits in 2024. Across the wider market, most Swiss companies delivered solid single-digit increases and there was only one significant cut, from transport group Kuehne & Nagel, whose profits declined for a second consecutive year.

Italy

H1 total paid	**$24.1bn / €21.4bn**
H1 core dividend growth	**-3.4%**
Q2 core dividend growth	**-3.8%**

Italian dividends fell 3.4% year-on-year on a core basis in the first half of 2025, owing mainly to a steep cut from Stellantis, which in common with many car makers is experiencing significant profit pressure. The cut from Stellantis was enough to knock 1.2 percentage points off European dividend growth in H1.

Some 90% of Italian companies in our index increased dividends year-on-year or held them steady, however, led by banks and insurance companies.

The longer view is also positive. Italian dividends doubled on a core basis between 2019 and 2024 (despite 2020's pandemic-induced disruption), having previously been stuck at low levels ever since the global financial and euro crises. A return to health in the banking sector has been the key driver of this significant recent outperformance compared to the region and wider world.

Spain

H1 total paid	**$16.7bn / €15.0bn**
H1 core dividend growth	**12.7%**
Q2 core dividend growth	**9.3%**

Spanish dividends rose to a record $16.7 billion in the first half of 2025, up 12.7% year-on-year on a core basis. More than a quarter of the growth came from Banco de Sabadell, quadrupling its payout from H1 2024 to €670 million ($725 million) as part of its defence against a hostile takeover attempt by BBVA. The dividend move aims to boost shareholder loyalty, strengthen the case for independence and reduce the bank's attractiveness as a target. Spanish airport operator Aena also made a significant contribution as Spain's tourism boom pushed revenues and profits higher. Infrastructure company Redeia made the only notable cut, as the regulator reduced its permitted profits levels and the company chose to preserve cash for capital spending on grid and telecom projects rather than handing it to shareholders. It is, however, one of the smallest payers, so the impact was minimal.

Netherlands

H1 total paid	**$12.1bn / €10.3bn**
H1 core dividend growth	**3.0%**
Q2 core dividend growth	**3.0%**

Dutch payouts climbed 3.0% year-on-year on a core basis to a new record of $12.1 billion in H1 2025. The figures were complicated by ING's decision to cut its ordinary dividend but pay a one-off special too (we strip one-offs out of our core dividend growth rate). As the largest payer in the Netherlands, accounting for one-fifth of the total last year, ING's decisions make a significant impact on the growth rate for the market. ING targets total cash distribution of 50% of its profit in the form of dividends and share buybacks, and the special dividend helped the bank balance between the two forms of shareholder remuneration. ING's special dividend, if it had been part of the ordinary payout, would have boosted the Netherlands' core dividend growth rate to 7.6%. The only notable cut was from ABN Amro, whose lower profits drove a lower dividend as it too targets a 50% payout ratio.

Elsewhere, CVC Capital Partners (a private capital fund manager that debuted on the Amsterdam market in 2024) paid its inaugural dividend, providing a 2.2 percentage point boost to Dutch dividend growth year-on-year.

France

H1 total paid	**$69.5bn / €61.6bn**
H1 core dividend growth	**4.0%**
Q2 core dividend growth	**4.5%**

French dividends rose to a new record of $69.5 billion in the first half of the year. The 4.0% year-on-year core increase lagged behind the wider region and the global total, but it follows three years during which France has enjoyed particularly rapid growth. The biggest negative impact came from Kering, the luxury goods company, where weakness in its flagship brand Gucci has weighed on sales and profits. It cut its final dividend for H1 2025 by three-fifths to €4 per share ($4.55), the lowest level since 2018, which reduced French growth in H1 by 1.7 percentage points year-on-year.

Some 95% of French companies have increased their dividends or held them steady so far in 2025, however, well ahead of the global average. Safran, the aerospace and defence contractor, made the strongest contribution to growth, increasing its payout by one-third year-on-year thanks to a surge in revenues (up by one-fifth last year) and profits (up by half).

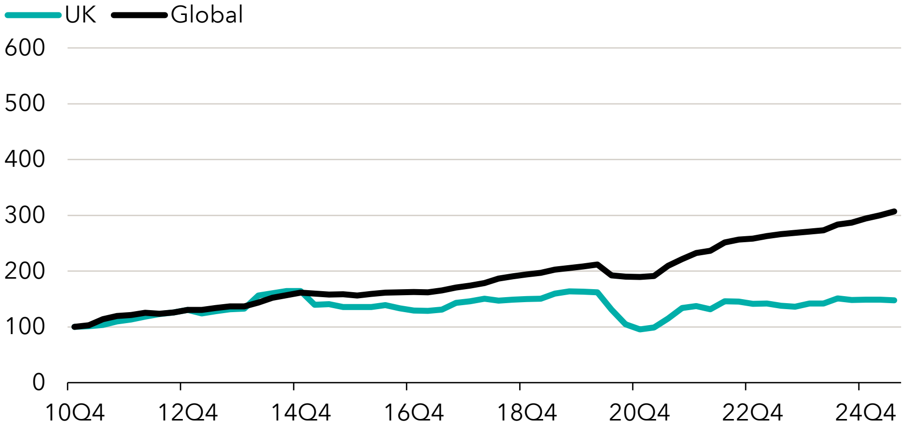
Across the rest of Europe, Belgium, Denmark and Sweden all showed rapid growth, while Norway, Austria and Portugal lagged behind.

United Kingdom

H1 total paid	**$52.7bn / £40.0bn**
H1 core dividend growth	**3.8%**
Q2 core dividend growth	**5.4%**

UK dividends continued to lag the global average, with **core dividend growth of just 3.8%** and ongoing pressure from Vodafone and the mining sector

Dividends
Rebased to 100 as at Q4 2010



UK dividends were lower year-on-year in the first half of 2025 because 2024 was flattered by HSBC distributing as a special payment the proceeds of the sale of its Canadian business. Core dividend growth was 3.8%, placing it in the slow lane along with some of its larger European neighbours. The biggest negative impact came from Vodafone, which has cut its dividend sharply (down $690 million on a constant-currency basis) as debt and capex have strained cash to the point previous payouts were unsustainable. A cut from Rio Tinto also made a significant impact, reflecting falling iron-ore earnings. Low single-digit per-share increases from Shell, BP and British American Tobacco, three of the largest payers, did not translate into growth in the total distributed, a side-effect of share-buyback programmes that mean fewer shares in issue ranking for a dividend. On the positive side, Rolls-Royce restarted its dividend for the first time since it cancelled all distributions at the onset of the pandemic. This was big enough to offset the cut from Vodafone.

Aside from Rolls-Royce, the UK's banks (with the exception of Barclays) and AstraZeneca drove growth in the first half, with mining providing the biggest drag. Despite the overall slow growth rate, 92% of British companies either increased dividends or held them steady year-on-year in H1.

Over the longer term, UK dividend growth has lagged far behind other regions. A reset by the oil majors in 2020 after years of overdistribution is a big part of the story, while the banks dragged on dividend growth during the long years of near-zero interest rates following the global financial crisis. Meanwhile, a heavy weighting in mining companies on the UK market introduces dividend volatility as the sector ties its payouts more closely to its cyclical profits. A slump in mining dividends over the last three years has hit growth by about 3 percentage points each year. More recently, a pivot towards share buybacks has diverted significant volumes of cash into stock purchases that would formerly have been distributed as dividends.

Japan

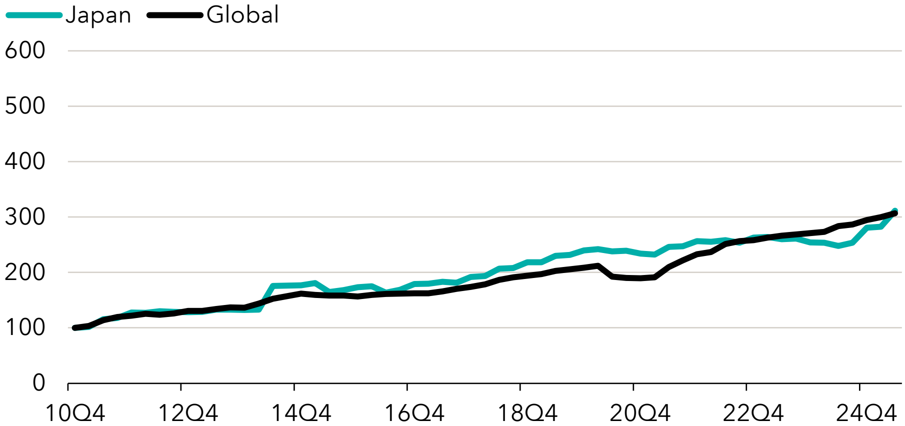
H1 total paid **$54.9bn / ¥7.98tn**

H1 core dividend growth **13.8%**

Q2 core dividend growth **14.0%**

Japan led global dividend growth in H1: a **core increase of 13.8%** – underpinned by record profits and a shift in corporate culture

Dividends
Rebased to 100 as at Q4 2010



Japanese dividends have been growing rapidly in recent years, up by two-thirds on a core basis between 2019 and 2024, compared to just one-third in the previous nine years. This reflects a material shift in recognition of shareholders as an important stakeholder in a company.

The trend has continued in 2025. Payouts jumped 13.8% year-on-year on a core basis in the first half of 2025 to a record $54.9 billion (JPY 7.98 trillion). The topline USD growth rate was even higher (24.2%) thanks to the strength of the Japanese yen.

The biggest contribution to growth came from Mitsubishi UFJ, one of the top five banks in the world by total assets, but last year only the 19th largest dividend payer in the sector. It is likely to number among the top eight this year.

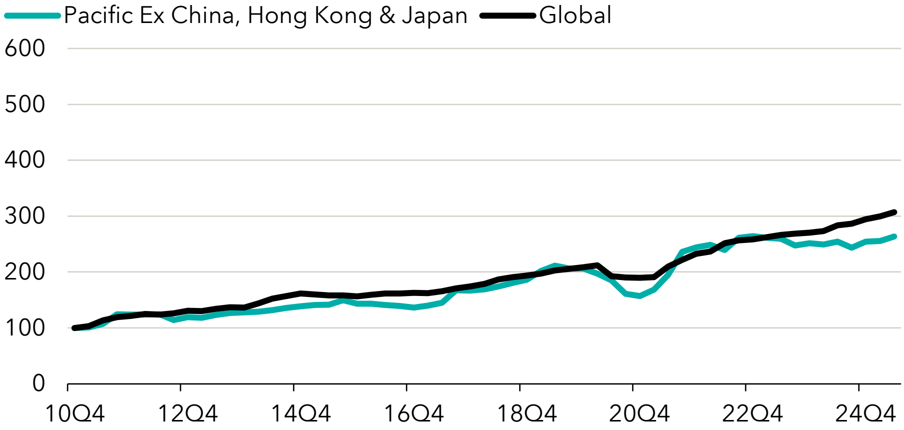
Dividend policies that link payouts to profits dominate in Japan. Nintendo, for example, cut its dividend by one-third, reflecting a squeeze in its revenues and profit margin, and caused the largest drag on growth in H1. The prevalence of this sort of dividend policy explains why a relatively low 80% of Japanese companies either increased dividends or held them steady year-on-year in H1 – but this obviously indicates broad-based profit growth across the market and is therefore not a negative indicator compared to markets where progressive policies are more common.

Beyond 2025, Japan's medium-term prospects look bright. As the US steps back from unfettered free trade, Japan is well positioned to emerge as a global leader. Over 87% of Japan's trade is now with markets where it either has in place or is negotiating an economic partnership or free trade agreement. Japanese equities offer a compelling mix of low valuations, strong balance sheets, and structural reform momentum. These factors provide a buffer against global shocks and support long-term profitability and therefore dividend growth too.

Pacific ex China, Hong Kong, and Japan

H1 total paid	**$47.5bn**
H1 core dividend growth	**5.2%**
Q2 core dividend growth	**12.3%**

Dividends
Rebased to 100 as at Q4 2010



The region's dividends grew 5.2% year-on-year on a core basis in the first half of 2025, lagging slightly behind the wider world. The $47.5 billion total was nevertheless 9.2% higher year-on-year as large special dividends, particularly in Australia, more than offset negative exchange-rate effects. Excluding one-offs, Australian payouts fell sharply, but the impact was more than offset by strong growth in Taiwan, Korea and Singapore.

Australia

H1 total paid	**$18.5bn / A$29.3bn**
H1 core dividend growth	**-10.6%**
Q2 core dividend growth	**2.5%**

The sharp core decline in Australian dividends in H1 was driven by the mining sector, where cuts from BHP, Fortescue and Rio Tinto totalling $2.4 billion and due mainly to lower commodity prices, reduced the growth rate by 13 percentage points year-on-year. These were compounded by reductions from Woodside Energy and Santos. Across the wider market most companies made double-digit or high single-digit increases, but because the Australian stock market is unusually concentrated among a few large mining, energy and financial companies, it is hard for the second tier to make much impact.

A very large special dividend from Suncorp, distributing the proceeds from its sale of Suncorp Bank to ANZ, helped prevent a larger decline at the topline level. Topline payouts fell 2.3% in US dollar terms year-on-year but rose 1.0% in Australian dollar terms.

Singapore

H1 total paid	**$8.2bn**
H1 core dividend growth	**13.1%**
Q2 core dividend growth	**13.4%**

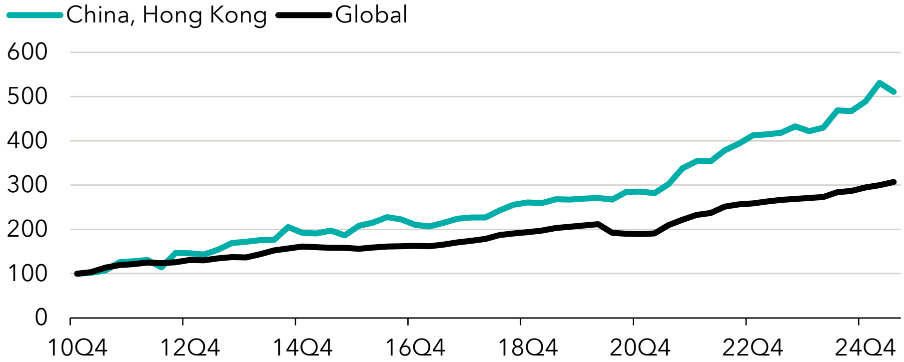
Singapore banks' solid earnings growth means they have built strong capital buffers that have enabled them to return more capital to investors via dividends and share buybacks. The biggest contribution to growth came from DBS, which hiked its payout by a quarter year-on-year. Special dividends from United Overseas Bank and Oversea-Chinese Banking Corp topped up the topline growth rate to 29.7% (along with an exchange-rate boost from the strong Singapore dollar). Only Wilmar International, a food producer, made a cut, reflecting lower profits from its palm oil division.

In the wider region, Taiwan's payouts were boosted by a substantial increase from TSMC, while in Korea a number of companies restarted dividends alongside solid growth from dividend stalwarts such as SK Hynix.

China and Hong Kong

H1 total paid	$79.9bn
H1 core dividend growth	2.0%
Q2 core dividend growth	3.6%

Dividends
Rebased to 100 as at Q4 2010



Chinese and Hong Kong payouts totalled $79.9 billion in the first half. This looked like a record, but a calendar shift is seeing a considerable number of Chinese companies split their traditional single annual payment into a final and an interim. This boosted the H1 topline total by $8 billion, or 11 percentage points, year-on-year, and will mostly unwind over the rest of the year. This means the topline growth rate of 10.9% is misleading.

The core dividend growth rate of 2.0% reflected Hong Kong dividends rising 5.4% (slightly slower than the global average) and Chinese payouts inching ahead just 1.4%.

In Hong Kong, the first payment since the onset of the pandemic from Sands China, the resort company, accounted for almost half the increase. Food company WH Group also made a significant contribution (and declared a special dividend on top) as widening margins led to a sharp increase in profit. There were two notable cuts in Hong Kong, including by CK Hutchison.

In China, one-third of companies paying in the first half made a cut, helping explain why the total paid barely increased year-on-year. The largest of these came from Ping An Bank as part of a broader de-risking and prudent capital management strategy, amid softer earnings growth. The bank has reset its dividend policy to target a lower payout ratio in future. Digital services group Tencent made the strongest positive contribution, increasing its distribution by $1.2 billion year-on-year and overtaking brewer Kweichow Moutai to become the second-largest H1 payer after China Construction Bank.

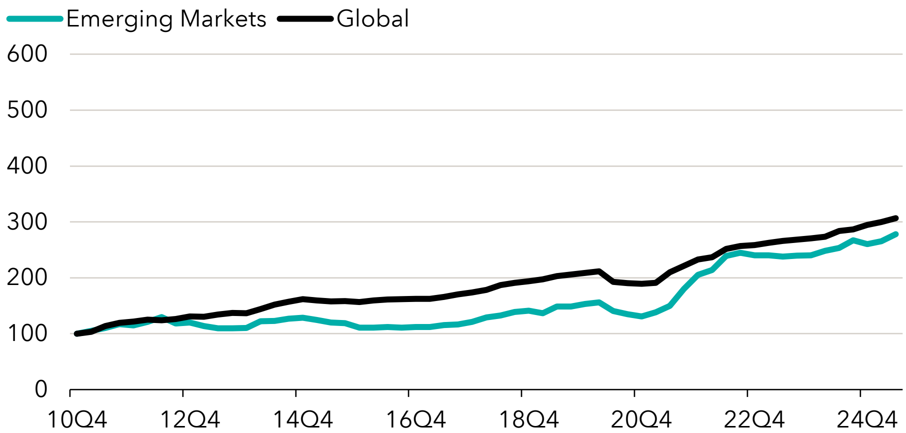
A relatively low 69% of companies in the region increased dividends or held them steady year-on-year. This reflects the prevalence of dividend policies targeting a proportion of profits against a backdrop of weak earnings in China and Hong Kong in 2024.

China is accelerating its strategic pivot to boost domestic consumption and is targeting innovation too. World-class innovation is not solely the domain of the US tech giants – Tencent, for example, this year said it would integrate DeepSeek's AI model into WeChat's search function. There is a rich ecosystem of innovative companies beyond the Magnificent 7 – and the US more broadly. Moreover, often these companies trade at more compelling valuations and they are starting to become significant dividend payers too.

Emerging markets

H1 total paid	**$90.1bn**
H1 core dividend growth	**9.2%**
Q2 core dividend growth	**9.3%**

Dividends
Rebased to 100 as at Q4 2010



Emerging market dividends are typically more volatile than in other parts of the world. This is largely a function of the diverse economic models and stages of development in the group, a widely varying industry mix from one market to another, a high proportion of cyclical industries (like energy and resources), and a preference for payout ratio dividend policies. The dividend calendar also moves around much more in large emerging markets like Brazil, plus we frequently see large one-off special dividends. All this can make quarterly figures jump around quite a lot.

Over the last 10 years, emerging market dividends have grown 132% in topline US dollar terms, outstripping the 85% global average, though this followed a period of much slower growth in emerging markets between 2010 and 2015.

In the first half of 2025, payouts rose by one-eighth year-on-year to a record $90.1 billion, boosted by one-off special dividends that more than offset weaker exchange rates. Core dividend growth was also strong, however, at 9.2%.

Half the growth in H1 came from emerging market banks, notably in Indonesia and Mexico. The latter was noteworthy mainly because Grupo Financiero Inbursa finally restarted dividends paused at the onset of the pandemic. The resumption reflects the bank's renewed confidence in its capital strength and earnings capacity. A quarter of growth came from property in the UAE. Chilean utility Enel and the country's banks also made a significant contribution. The biggest negative impact came from Brazil, driven mainly by lower dividends from oil producer Petrobras.

Looking forward

2025 set to be a record year for dividends

2025 is shaping up to be another good year for global dividends with a very strong first half

2025 is shaping up to be another good year for global dividends, after a very strong first half. In the second half, the US, where payouts are very evenly spread from one quarter to another, looks set to continue the current encouraging trend. The data also suggests there is scope for continued strength across the market in Japan, among Spanish utilities, Taiwanese technology and shipping and Singapore's banks, to name a few bright spots.

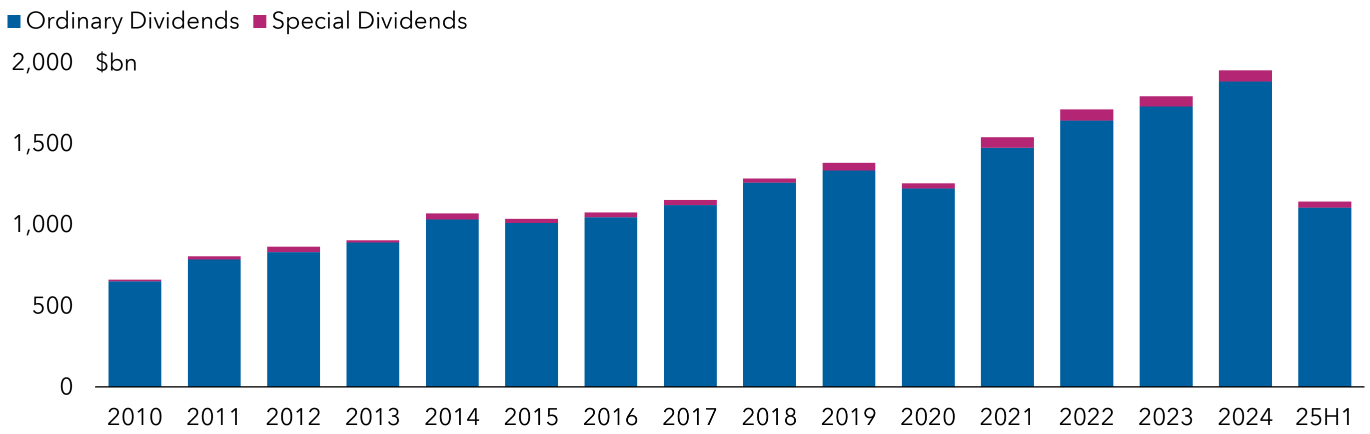
One-off special dividends have been flat at very high levels over the last four years, but they were a little lower in the first half of 2025. They are unpredictable by their nature, but the long-run average suggests that they will be lower in the second half year-on-year, holding back headline growth.

In the second half of the year, the seasonal mix also favours parts of the world where dividend growth is slower at present, namely the UK, China and Australia, so it is reasonable to expect dividend growth in the second half to be slower than in H1.

Separately, if the US dollar holds steady at current levels throughout H2 there will be a continued FX boost to the topline total for the rest of the year.

Dividends are set to remain a key element of investing. Grant Cambridge, Principal Investment Officer of the Investment Company of America strategy, concludes, "Companies with a growing stream of income compounding over long periods of time have real benefits, and these are often not clear to short-term investors. Over the long term, we see that returns of dividend-paying companies are attractive, and exhibit lower volatility. A company is often tested in a variety of economic conditions, including major market events such as the global financial crisis and more recently the pandemic. Companies that can grow their dividends with persistency over the long term remain compelling investments."

2025 dividend growth reflects resilience



Appendix
Calculating the core dividend growth rate

The topline total paid is certainly real to investors, but it is influenced by a number of factors that can mask the core dividend growth trend. One-off special dividends (paid, for example, when a company disposes of a large asset), the ebb and flow of exchange rates and calendar effects (when companies change the timing of their distributions) can all significantly boost or drag on the topline growth rate.

Region topline vs. core dividend growth, H1 2025

	Topline growth (USD unadjusted)	Core dividend growth	FX gain/loss in topline growth rate	Other adjustments
US	4.3%	6.1%	0.0%	-1.8%
Canada	4.3%	8.7%	-3.5%	-0.9%
Europe ex-UK	8.9%	5.6%	4.6%	-1.3%
UK	-1.0%	3.8%	2.4%	-7.2%
Japan	24.2%	13.8%	9.8%	0.6%
Pacific Ex China, Hong Kong & Japan	9.2%	5.2%	-1.8%	5.8%
China, Hong Kong	10.9%	2.0%	0.2%	8.7%
Emerging Markets	12.4%	9.2%	-2.7%	6.0%
Global	**7.7%**	**6.2%**	**1.5%**	**0.0%**

Sector topline vs. core dividend growth, H1 2025

	Topline growth (USD unadjusted)	Core dividend growth	FX gain/loss in topline growth rate	Other adjustments
Consumer Cyclical	-5.0%	-4.4%	2.8%	-3.4%
Consumer Defensive	4.2%	5.5%	2.0%	-3.4%
Financials	12.7%	9.2%	2.0%	1.5%
Health	9.2%	8.0%	1.1%	0.0%
Industrial	13.0%	10.0%	2.8%	0.1%
Media & Telecommunications	16.0%	12.1%	1.6%	2.3%
Mining & Chemicals	-3.0%	-4.7%	0.3%	1.5%
Oil, Gas & Energy	-6.1%	-1.3%	-0.6%	-4.2%
Property	9.2%	7.4%	0.9%	1.0%
Technology	11.7%	9.0%	-0.1%	2.8%
Utilities	9.3%	7.5%	0.5%	1.3%
All	**7.7%**	**6.2%**	**1.5%**	**0.0%**

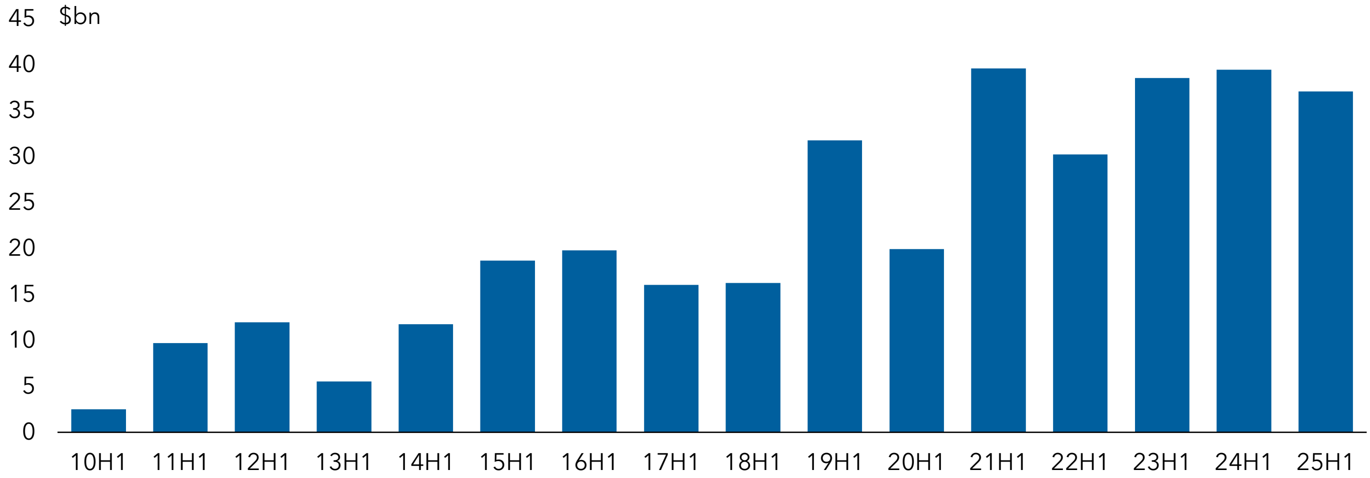
Our core dividend growth rate strips all this noise away and is the more meaningful number when looking at the trend.

Exchange rates were the most notable factor in H1 2025 as the dollar had its worst start to the year since the 1970s and saw 1.5% added to the topline total as dividends declared in other currencies were translated more favourably. The effect was strongest in Europe, Japan and the UK, though a weaker Canadian dollar and many emerging market currencies partially offset this effect.

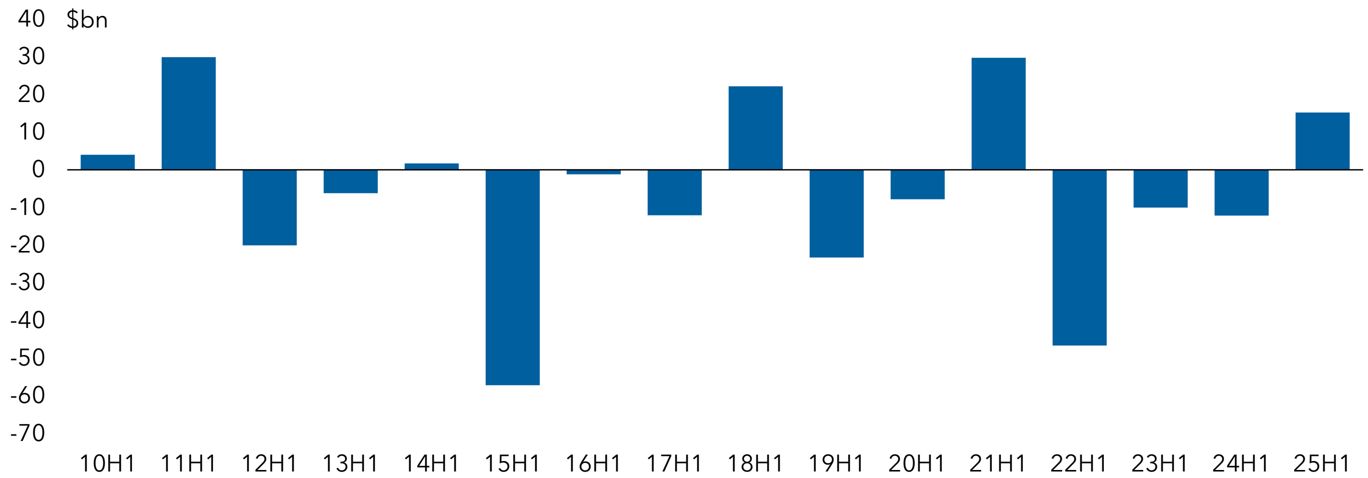
In the first half of 2025, special dividends were a touch lower at the global level, but only reduced the topline year-on-year change by 0.2 percentage points. Their effect was more noticeable in certain parts of the world, boosting the topline total significantly in Australia, Hong Kong and Denmark, for example, but noticeably dragging it lower in the UK and Norway.

Calendar effects are usually fairly minor, but some companies in China have split their single annual Q3 dividend into two for the first time. Along with some opposite calendar changes elsewhere, this boosted topline H1 growth and offset the lower special dividends at the global level, though the impact was significant in China in particular. We expect this feature to reverse in the second half of 2025.

Special dividends



Exchange rate impact



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