



## Non-residents held more shares in French CAC 40 companies in 2021

For the first time in eight years, non-residents increased their share of ownership in French CAC 40 companies. At end-2021, they owned 40.5% of the total market capitalisation, i.e. EUR 866 billion out of EUR 2,137 billion. This rise can be attributed to net share purchases, at a record high since 2014, amounting to EUR 13.3 billion, predominantly in companies operating in the oil, gas and consumer services sectors. It was also attributable to the scope effects of the study, associated with the relocation of certain custodians in France.

However, residents were net sellers of French CAC 40 shares to the tune of EUR 6.9 billion.

International investors are primarily located in the euro area (44.2%), whose share rose particularly in Luxembourg (15.8%) and the United States (35.1%).

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F21, F23, F36,  
G15, G34

**40.5%**

share capital of French CAC 40 companies held by non-residents at end-2021

**13.3 billion euros**

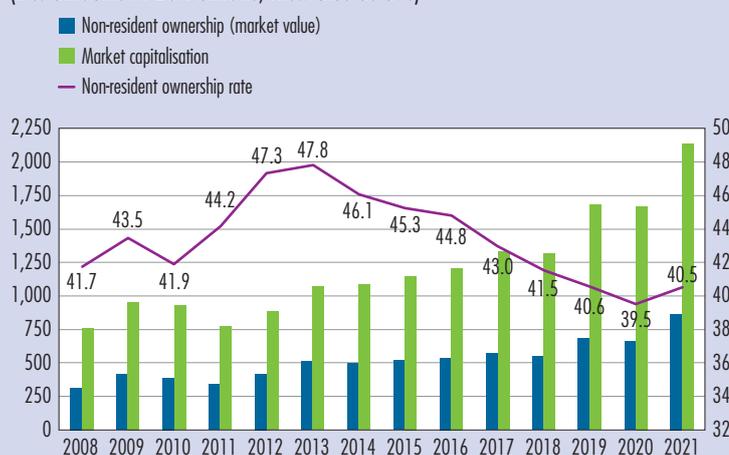
net purchases of French CAC 40 shares by non-residents in 2021

**12 out of 35**

French CAC 40 companies majority-owned by non-residents

### Non-resident ownership of French CAC 40 companies

(lhs: amounts in EUR billions; rhs: rates as a %)



Sources: Banque de France (balance of payments) and Euronext.



### 1 Non-residents invested more in French shares in 2021

#### Non-resident investors preferred listed French shares

At end-2021, non-residents owned 40.5% of the share capital of the 35 resident companies listed in the CAC 40,<sup>1</sup> up 1 percentage point on the previous year

(see Chart 1). This makes 2021 the first year to record an increase in non-resident equity ownership since 2013.

Non-resident investments primarily consisted of portfolio investments (90.8%). Direct investments made up 9.2% of the total, down by slightly more than 1 percentage point (-1.1) from 2020, when they hit a peak since 2008 at 10.3% (see Chart 2).<sup>2</sup>

#### C1 Non-resident ownership of French CAC 40 companies

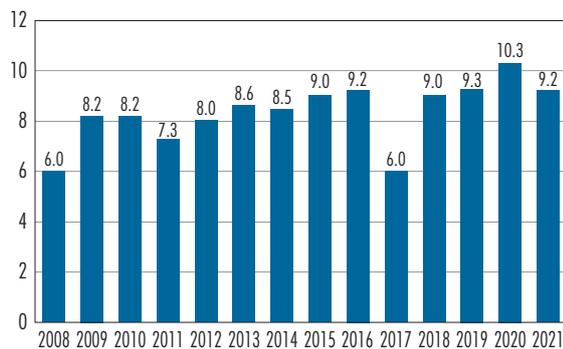
(lhs: amounts in EUR billions; rhs: rates as a %)



Sources: Banque de France (balance of payments) and Euronext.

#### C2 Share of non-resident direct investments in the capital of French CAC 40 companies

(%)



Source: Banque de France (balance of payments).

Non-resident ownership of French non-CAC 40 listed companies rose by 0.8 percentage point between 2020 and 2021, continuing the recovery underway since 2018. For all French shares listed on Euronext, the non-resident ownership rate rose by 1.1 percentage point to 37.6% (see Chart 3 below).

#### One-third of French CAC 40 companies are majority-owned by non-residents

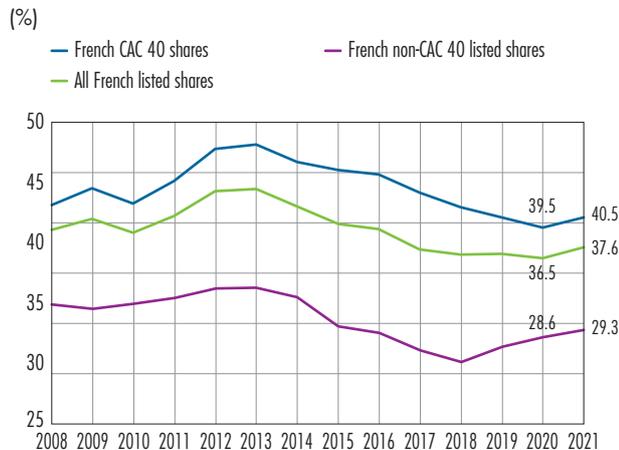
At 31 December 2021, 12 out of the 35 French CAC 40 companies were majority-owned by non-residents. Among the 23 others, 7 were less than 30%-owned by non-residents and 16 between 30% and 50% owned

<sup>1</sup> Five CAC 40 companies were excluded from the scope of this study because their headquarters were located outside France at end-2021 (Airbus, ArcelorMittal, STMicroelectronics, Eurofins Scientific and Stellantis; see Appendix 1). Non-resident ownership rates were calculated on the basis of the composition of the index and the place of residence of companies at 31 December 2021. The impact of these changes in scope is described in Appendix 2.

<sup>2</sup> "Portfolio investments" refers to individual holdings accounting for less than 10% of the shares in a company. Above this threshold, these holdings are treated as "direct investments" for balance of payments purposes. A company may be majority-owned by non-residents without these holdings constituting direct investments, provided that individually they do not exceed the 10% threshold.



### C3 Changes in non-residents' holdings of listed French shares

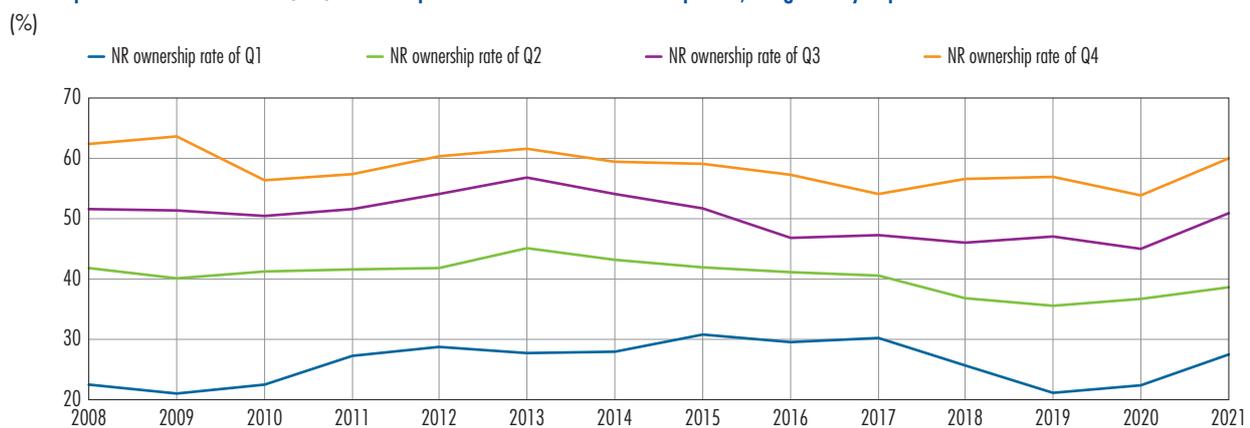


Sources: Banque de France (balance of payments) and European Central Bank (quarterly sector accounts, securities issues statistics).

by non-residents. The number of French companies with international investors holding more than 50% of their capital has increased since 2017 (see Table 1).

The dispersion of non-resident ownership rates of French CAC 40 companies increased in 2021 (see Chart 4). Non-resident ownership rates increased in all quartiles of the distribution. In particular, companies with the highest non-resident ownership rate (last quartile) saw a 6.1 percentage point gain. Companies in the second quartile posted a more modest increase (1.9 percentage points).

### C4 Dispersion of non-resident (NR) ownership rates of French CAC 40 companies, weighted by capitalisation



Sources: Banque de France (balance of payments) and Euronext.

Note: The ownership rates of French CAC 40 stocks are calculated by quartile (Q), from the 25% of firms with the lowest foreign ownership rates (Q1) to the 25% with the highest foreign ownership rates (Q4). Q3 corresponds to the median.

### T1 Breakdown of French CAC 40 companies according to share of capital held by non-residents and presence of direct investments

(units)

Share of capital held by non-residents	Number of companies													
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
0-30%	6	3	7	5	4	2	3	2	3	2	7	8	9	7
30-50%	15	18	15	17	15	15	15	20	21	24	20	19	18	16
More than 50%	15	15	15	15	16	19	18	14	11	8	9	9	10	12
<b>Total</b>	<b>36</b>	<b>36</b>	<b>37</b>	<b>37</b>	<b>35</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>35</b>	<b>34</b>	<b>36</b>	<b>36</b>	<b>37</b>	<b>35</b>
<i>o/w at least one non-resident shareholder owns more than 10% of the share capital</i>	7	8	7	7	7	7	8	8	9	6	6	7	7	5

Source: Banque de France (balance of payments).



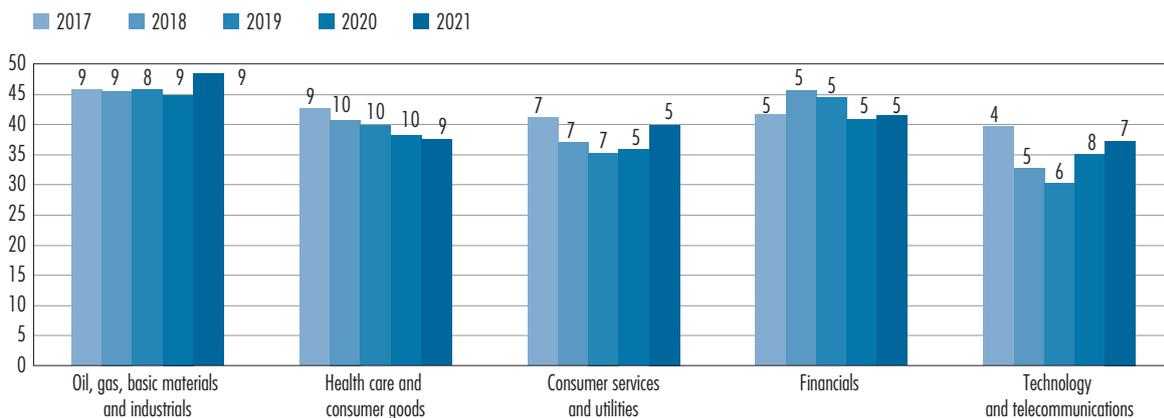
### Non-residents predominantly invested in consumer services and commodities sectors

In 2021, the “consumer services and utilities” sector recorded the highest increase in the non-resident ownership rate, i.e. 4.1 percentage points compared to 2020. This sector was followed closely by “oil, gas, basic materials and industrials” with a 3.5 percentage point rise. Conversely, the non-resident ownership of the “health care and consumer goods” sector fell slightly by 0.8 percentage point (see Chart 5).

### Proportionally, non-residents invested more in other European countries

At end-2021, non-residents held 37.6% of all French listed shares, representing a slight increase of 1.1 percentage points compared to 2020. It nevertheless remained one of the lowest rates among major European countries (see Chart 6), which altogether made little change in their ownership rates between 2020 and 2021, with the exception of the Netherlands and Belgium, respectively showing a gain of 1.3 percentage points and a decline of 2.2 percentage points. In volume terms, France has the highest ratio of market capitalisation of listed shares to GDP of all European countries, behind the Netherlands (respectively 118% and 177% of GDP in 2021).

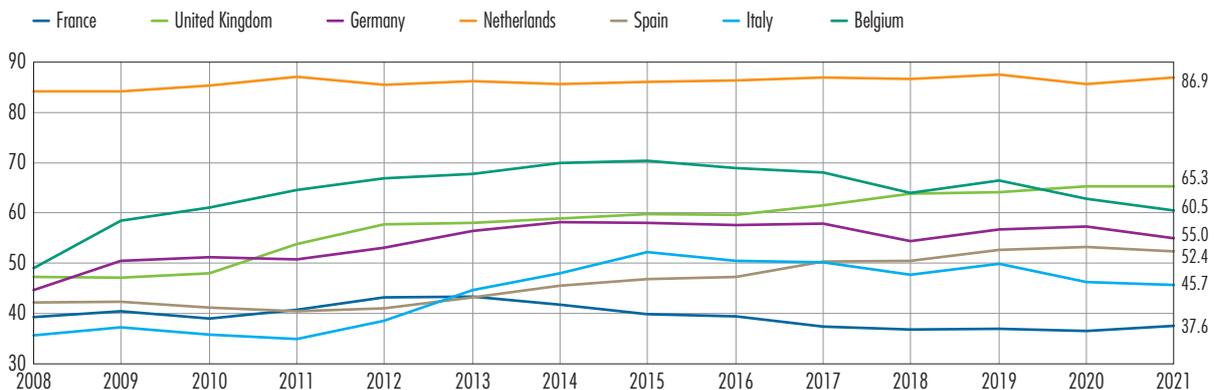
### C5 Non-resident ownership rates of French CAC 40 companies, by sector (%)



Source: Banque de France (balance of payments).

Note: According to the Industry Classification Benchmark (ICB) used by Euronext. The labels at the top of each bar indicate the number of companies in each sector per year.

### C6 International comparison of non-resident ownership rates in total listed shares (%)



Source: European Central Bank (quarterly sector accounts: securities issues statistics).



## 2 The increase in the non-resident ownership rate can be attributed to significant net purchases by international investors in 2021

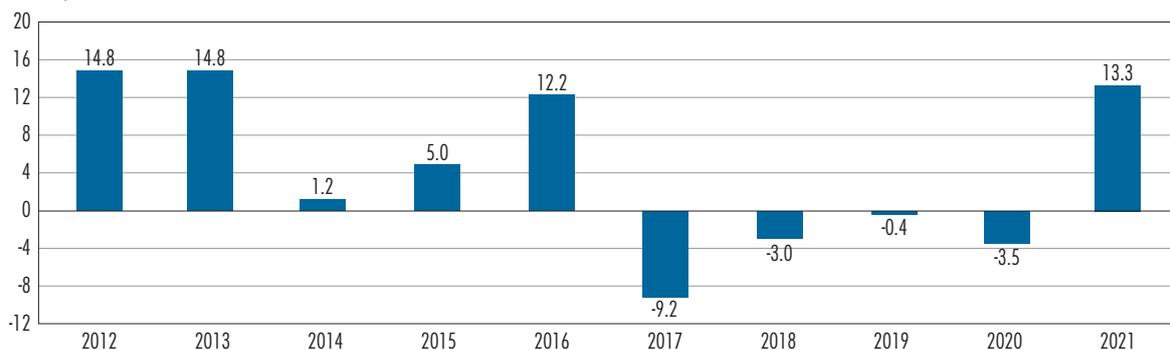
### Non-residents were net buyers of French CAC 40 shares in 2021 for the first time since 2016

In 2021, net non-resident purchases of French CAC 40 shares amounted to EUR 13.3 billion, after four consecutive years of net sales (see Chart 7). These purchases peaked in 2021, hitting their highest level since 2014. In contrast, residents sold EUR 6.9 billion in French CAC 40 shares.<sup>3</sup>

Purchases in 2021 were largely focused on companies operating in the “oil, gas, basic materials and industrials” sector (see Chart 8). International investors bought EUR 12.7 billion in the sector over the course of the year. They also purchased shares in French CAC 40 companies in the “consumer services and utilities” sector (EUR 1.8 billion) and in the “financials” (EUR 1.0 billion) sector. They were net sellers, however, of shares in the “health care and consumer goods” (EUR -1.4 billion) and “technology and telecommunications” (EUR -0.8 billion) sectors.

### C7 Net flows of non-resident purchases of French CAC 40 shares

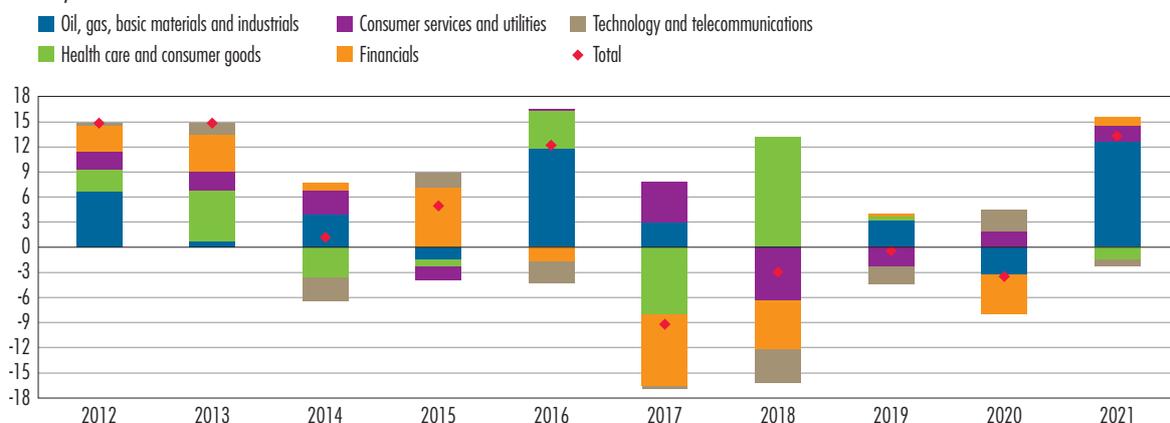
(EUR billions)



Source: Banque de France (balance of payments).  
Note: Amounts priced at start of period.

### C8 Breakdown of net purchases by non-residents of French CAC 40 shares, by sector

(EUR billions)



Source: Banque de France (balance of payments).

Note: Priced at the start of the period (excluding valuation effect) and according to the Industry Classification Benchmark (ICB) used by Euronext.

<sup>3</sup> The difference between net sales and purchases corresponded to a net issuance of EUR 6.4 billion in 2021 (see Appendix 2, Table A2). A listed company may raise capital by issuing new shares. Conversely, it may buy back its own shares. These changes in the number of shares outstanding produce an imbalance between net purchases and net sales.



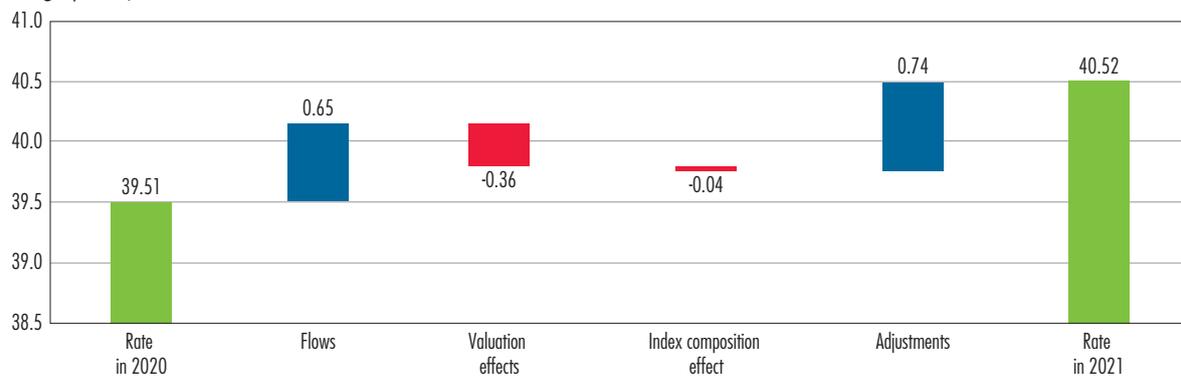
### Negative valuation effects mitigated the rise in non-resident ownership of French CAC 40 companies

The non-resident ownership rate for a given year is the ratio between the stock of shares issued by French CAC 40 companies held by non-residents and the market capitalisation for that year. This rate varies depending not only on net acquisitions, but also on valuation effects and adjustments (see Chart 9).

Between 2020 and 2021, net purchases boosted the ownership rate by 0.65 percentage point. Adjustments, i.e. relocations of certain securities custody accounts to France over the course of the year,<sup>4</sup> also significantly fuelled this rise (0.74 percentage point). However, valuation effects stemming from changes in the prices of French CAC 40 shares owned by non-residents had an adverse impact on the ownership rate, which came out at -0.36 percentage point.

#### C9 Breakdown of changes in non-resident ownership rates between 2020 and 2021

(percentage points)



Source: Banque de France (balance of payments).

Notes: The rate in 2020 (and 2021) is the ratio between the stock of shares issued by French CAC 40 companies held by non-residents and the market capitalisation for the year in question. Flows comprise purchases/sales and issues of securities, excluding price effects, between 2020 and 2021. Valuation effects reflect the valuation of stock held by non-residents and valuation effects related to flows. Adjustments consist of other effects, excluding valuation effects and flows.

<sup>4</sup> Equities previously held outside the euro area and now held in France. These holdings are thus included in the data collection scope used in this study, without this transfer resulting in purchase flows or valuation effects.



### 3 The share of euro area investors continued to rise in 2021

The annual International Monetary Fund (IMF) Coordinated Portfolio Investment Survey (CPIS),<sup>5</sup> to which the Banque de France contributes, provides a detailed breakdown by country of holdings of French listed shares and investment fund shares.<sup>6</sup> At end-2021,

44.2% of French shares and units of French investment funds owned outside France were held in the euro area. Between 2020 and 2021, the euro area ownership rate thus inched up by 0.3 percentage point, nearly returning to 2018 levels (44.5%). The share held by the United States also picked up from 33.3% to 35.1% over the period. Conversely, the share held by the United Kingdom has fallen since 2015.

#### T2 Geographical origin of non-resident holders of French listed shares and French investment fund shares

(%)

	Year-end ownership rates <sup>a)</sup>									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 <sup>b)</sup>
<b>Euro area</b>	41.0	40.5	41.3	41.9	44.4	44.6	44.5	43.3	43.9	44.2
<i>o/w: Luxembourg<sup>c)</sup></i>	11.9	12.4	12.8	13.5	13.8	14.0	15.1	14.8	15.1	15.8
<i>Germany</i>	7.8	7.6	7.5	7.8	7.7	7.7	7.5	8.1	8.7	8.6
<i>Italy</i>	6.2	6.4	6.7	6.2	7.0	6.9	6.2	5.0	4.7	4.7
<i>Belgium</i>	4.6	4.0	4.0	3.9	4.9	4.9	4.6	4.9	4.5	4.3
<b>United States</b>	34.2	34.3	33.3	33.3	32.9	32.3	32.1	33.7	33.3	35.1
Norway	4.0	3.6	3.5	2.9	2.9	2.7	2.8	3.1	3.3	3.0
Canada	3.0	2.9	2.7	2.6	2.8	2.8	2.8	2.9	2.8	3.0
United Kingdom	7.3	8.9	8.8	8.1	6.6	7.6	6.7	5.5	4.3	2.9
Japan	2.8	2.3	2.9	3.0	2.7	2.5	2.5	2.6	2.6	2.4
Switzerland	3.0	2.8	2.8	2.5	2.3	2.2	2.1	2.1	2.2	2.1
Other <sup>d)</sup>	4.7	4.7	4.5	5.7	5.5	5.3	6.5	6.7	7.6	7.3
Total	100	100	100	100	100	100	100	100	100	100

Sources: International Monetary Fund (Coordinated Portfolio Investment Survey – CPIS) and Banque de France (balance of payments).

a) All holding sectors, including investment funds.

b) Projection based on relative weights of non-residents in H1 2021, due to data collection times.

c) For Luxembourg, holdings by investment funds, whose units may themselves be held by non-Luxembourg entities, including French residents.

d) The main countries in the “Other” category are Australia (1.2%) and Sweden (1.0%).

<sup>5</sup> The IMF’s CPIS provides portfolio investment positions for nearly 80 countries by type of security (shares and investment funds, short-term and long-term debt securities) and by country of counterparty. Data and explanations of the CPIS are available on the IMF website: *IMF Data – Access to macroeconomic & financial data*.

<sup>6</sup> An investment fund allows investors to purchase a portfolio of securities. The place of residence and the nationality of the investors holding investment fund shares are different from the nationality of the investment fund.



## Appendix 1

### Sources and data revision

TA1 List of the 35 resident companies in the CAC 40 at 31 December 2021 and taken into account in the article

Air Liquide	Crédit Agricole	Legrand	Renault	Thales
Alstom	Danone	L'Oréal	Safran	TotalEnergies
Axa	Dassault Systèmes	LVMH	Saint-Gobain	Unibail-Rodamco-Westfield
BNP Paribas	Engie	Michelin	Sanofi	Veolia
Bouygues	EssilorLuxottica	Orange	Schneider Electric	Vinci
Capgemini	Hermès International	Pernod Ricard	Société générale	Vivendi
Carrefour	Kering	Publicis Groupe	Teleperformance	Worldline

Source: Euronext.

Note: CAC 40 companies whose registered offices are located outside France (Airbus, ArcelorMittal, Eurofins Scientific, Stellantis and STMicroelectronics) are excluded from the scope of the study.

## 1 Composition of the CAC 40 in 2021 and scope of the study

For a company to be included in the scope of the study, it must be listed in the CAC 40 and the registered offices of its parent company must be located in France. In 2021, Atos and Groupe PSA became Eurofins Scientific and Stellantis, respectively. They are not included in the scope of this study because their registered office was not established in France at the time this article was written.

## 2 Revisions to data

Data on French assets and liabilities positions for the last three years are revised when the Banque de France

publishes its annual report on the French balance of payments and international investment position.<sup>1</sup> The figures published in this article take account of these corrections.

Revisions to security holdings stem from additional data collected from securities custodians, the integration of additional foreign direct investments or corrections to the valuation of certain securities. However, stock market capitalisation data, produced by Euronext, are not revised.

Non-resident holdings of CAC 40 shares in 2020 were revised downwards compared with data published the previous year, from EUR 667 billion to EUR 660 billion, bringing the ownership rate down from 39.9% to 39.5%.

<sup>1</sup> The French balance of payments and international investment position, Annual Report 2021, available on the Banque de France website: *France's balance of payments and international investment position: annual data* | Banque de France ([banque-france.fr](http://banque-france.fr)). Other documents on this topic are available on the Banque de France website, in the balance of payments section: *Balance of payments* | Banque de France ([banque-france.fr](http://banque-france.fr)).



### TA2 Revisions to 2019 and 2020 data

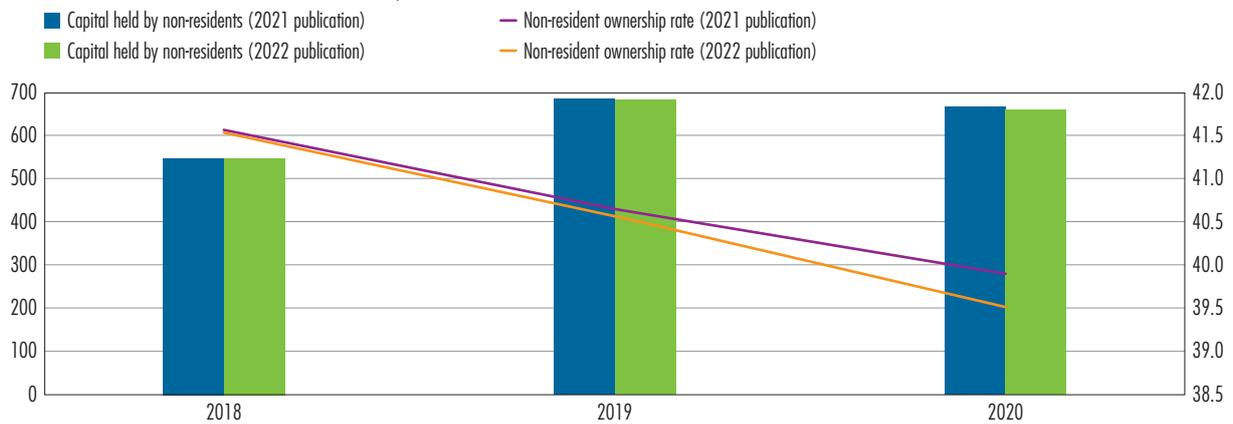
(amounts in EUR billions, rates as a %)

	2021 publication		2022 publication	
	2019	2020	2019	2020
Capital held by non-residents	684	667	683	660
Market capitalisation	1,684	1,672	1,684	1,672
Non-resident ownership rate	40.6	39.9	40.6	39.5

Sources: Banque de France (balance of payments) and Euronext.

### Revisions to data since 2018

(lhs: amounts in EUR billions; rhs: rates as a %)



Source: Banque de France (balance of payments).



## Appendix 2

### Breakdown of flow/stock effects

The breakdown of flow/stock effects makes it possible to determine the change in the value of financial outstandings between two dates that is due to financial transactions carried out over the period, and the change that is due to existing stocks, i.e. variations in exchange rates and in the prices of assets.

The stock at end-2021 consists of the stock at end-2020 plus any transaction flows over 2021, to which are added fluctuations in stock market prices, any other adjustments and changes in the composition of the CAC 40 index. Table TA1 below quantifies these different elements in order to show how they affected the change in outstandings between 2020 and 2021.

The main notations used in this appendix are:

$S_i^{(j)}$	Stock of CAC 40 shares held by non-residents at the end of year $i$ , estimated at market value at the end of year $j$ .
$C_i^{(j)}$	Market capitalisation of CAC 40 shares at the end of year $i$ , estimated at market value at the end of year $j$ .
$CS_i^{(j)}$	Impact of the change in the composition of the CAC 40 over year $i$ on the stock of shares held by non-residents, calculated at market value of year $j$ .
$CC_i^{(j)}$	Impact of the change in the composition of the CAC 40 over year $i$ on the stock market capitalisation of the CAC 40, at market value for year $j$ .
$F_R^{i(j)}$	Net flow of purchases/sales of CAC 40 shares by French residents (R) in year $i$ calculated at market value at the start of year $j$ .
$F_{NR}^{i(j)}$	Net flow of purchases/sales of CAC 40 shares by non-residents (NR) in year $i$ , calculated at market value at the start of year $j$ .

**TA1 Non-resident ownership of French CAC 40 shares**  
(EUR billions)

	2020 stock	Change in the composition of the CAC 40 index	Net non-resident flows in 2021	Adjustments	2021 stock
	$S_{20}^{(20)}$	+ $CS_{21}^{(20)}$	+ $F_{NR,21}^{(20)}$		= $S_{21}^{(20)}$
Change in stock in 2021 excluding price variations	660.5	-11.7	13.3	0.0	662.1
	$V_{S_{20}}^{(20)}$	+ $V_{CS_{21}}^{(20)}$	+ $V_{F_{NR,21}}^{(20)}$		= $V_{S_{21}}^{(20)}$
Change in prices in 2021	185.3	1.5	0.9	0.0	187.8
	$S_{20}^{(21)}$	+ $CS_{21}^{(21)}$	+ $F_{NR,21}^{(21)}$		= $S_{21}^{(21)}$
Change in stock in 2019 including price variations	845.8	-10.2	14.3	15.9	865.7

**TA2 Total market capitalisation of French CAC 40 companies**  
(EUR billions)

	2020 capitalisation	Change in the composition of the CAC 40 index	Net resident flows in 2021	Net non-resident flows in 2021	2021 capitalisation
	$C_{20}^{(20)}$	+ $CC_{21}^{(20)}$	+ $F_R,21^{(20)}$	+ $F_{NR,21}^{(20)}$	= $C_{21}^{(20)}$
Change in market capitalisation in 2021 excluding price variations	1,671.6	-28.2	-6.9	13.3	1,649.8
	$V_{C_{20}}^{(20)}$	+ $V_{CC_{21}}^{(20)}$	+ $V_{F_R,21}^{(20)}$	+ $V_{F_{NR,21}}^{(20)}$	= $V_{C_{21}}^{(20)}$
Change in prices in 2021	481.5	4.1	0.4	0.9	487.0
	$C_{20}^{(21)}$	+ $CC_{21}^{(21)}$	+ $F_R,21^{(21)}$	+ $F_{NR,21}^{(21)}$	= $C_{21}^{(21)}$
Change in market capitalisation in 2021 including price variations	2,153.1	-24.1	-6.5	14.3	2,136.8



**TA3 Measurement of the respective contributions of composition, flow, valuation and adjustment effects**

(rate as a %, change in percentage points)

Non-resident ownership rate in 2020	39.51
+ Valuation of stock held by non-residents (NR)	-0.23
+ Change in index composition excl. valuation	-0.04
+ Valuation associated with change in index composition	
+ Flows excl. valuation	+0.65
+ Valuation associated with flows	-0.13
+ Adjustments	+0.74
= Non-resident ownership rate in 2021 <sup>a)</sup>	40.52

(%)

Composition	Price	Non-resident (NR) flows	Adjustments	Calculation formula	Non-resident ownership rate	
Constant	Constant	Excl. NR flows	Excl. adjustments	$S20^{(20)} / C20^{(20)}$	39.51	R1
Modified	Constant	Excl. NR flows	Excl. adjustments	$[S20^{(20)} + CS21^{(20)}] / [C20^{(20)} + CC21^{(20)}]$	39.48	R2
Modified	Current	Excl. NR flows	Excl. adjustments	$[S20^{(21)} + CS21^{(21)}] / [C20^{(21)} + CC21^{(21)}]$	39.25	R3
Modified	Constant	Incl. NR flows	Excl. adjustments	$[S21^{(20)}] / [C21^{(20)}]$	40.13	R4
Modified	Current	Incl. NR flows	Excl. adjustments	$[S20^{(21)} + CS21^{(21)} + F_{NR}21^{(21)}] / [C21^{(21)}]$	39.77	R5
Modified	Current	Incl. NR flows	Incl. adjustments	$[S21^{(21)}] / [C21^{(21)}]$	40.52	R6

a) Because the figures are rounded, the sum of the components may not correspond to the final ownership rate indicated.

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