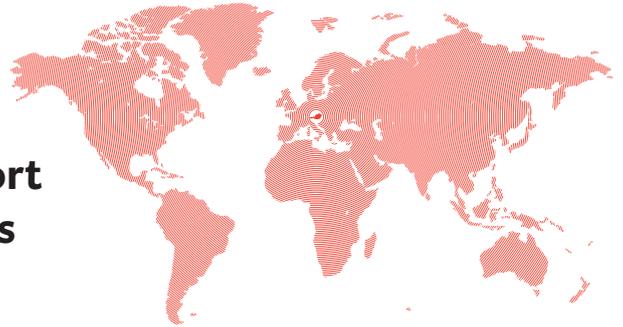


Oberbank

Economic and Banking Report

Global Financial Institutions



France

Economic situation

> GDP 2021: +5.5 %

Although France can boast a very high vaccination rate at the end of March 2022 with around 80 % of second Covid 19 vaccinations, the pandemic hit the country hard. The disrupted international supply chains and the lack of regional supply chains had a significant negative impact on the economy of the Grande Nation, especially the electronics, wood, steel and aluminium production sectors suffered from the pandemic. By responding quickly and massively with economic aid, France was able to overcome the economic dangers. Notwithstanding that the French economy, as the second largest EU economy, experienced a **recession of 8.3% in 2020**, it was able to suc-

cessfully catch up and achieve **economic growth of 5.5%** from 2020 to 2021. Thus, from the French government's perspective, 2022 is the time to close the rescue umbrellas and rely on **recovery and resilience plans**. In the future, special attention will be paid to ecological aspects. Therefore, a large part of the funding will go to environmental protection, bio-diversity or even green infrastructure and mobility. Technological independence, digitalisation and culture will also be promoted. Great importance is also attached to youth education. The funding provided will strengthen regionalism, and yet the region is to be reindustrialised.

Building plan in the areas of resilience; ecological and digital transformation to strengthen the economy

In addition to the domestic economy, **relations with the USA** also play an important role for France. These are key to the EU's economic success, as **bilateral relations** have **strengthened** since US President Joe Biden was sworn in. Disputes over state aid in the aeronautics sector (Boeing vs. Airbus), in the steel/aluminium sector and the US countermeasures to the EU digital tax on US tech giants have been resolved.

Political developments

The year 2022 has begun for France with the EU Presidency, and with it Emmanuel Macron presides over the Council of Ministers of the EU. France's wish for the EU Presidency is a united and economically sovereign Europe. For this, the three pillars of a new start, sovereignty and belonging are presented. Important agenda items of the Council of Europe meetings are the war in Ukraine, security and defence, energy, economic issues, Covid-19 and external relations.

In the run-off elections on 24 April 2022, the incumbent President of the Republic could prevail over Marine Le Pen. Polls before the election already showed that Macron would be ahead of Le Pen. According to the polls, the reasons for his election victory are his commitment to Ukraine and the migration policy linked to it.

Summary:

- Second largest EU economy
- 2021: Economic growth of 5.5
2020: 8.3 % recession
- 1st half of 2022: EU presidency
- Trend towards regionalisation

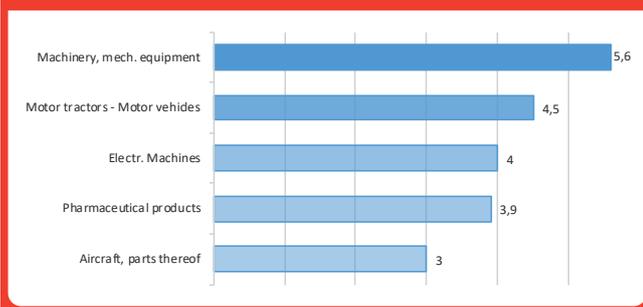
Key economic figures	2020	2021*	2022*
Nominal GDP in billion euros	2,301	2,455	2,587
Gross domestic product/capita at purchasing power parity in USD	48,183	51,444	54,533
Population in millions	67.1	67.2	-
Real economic growth in %	-8.3	5.5	4.8
Inflation rate in %	0.5	1.6	1.3
Unemployment rate in %	7.4	8.4	8.2
Exchange rate 1 EUR = in USD	1.14	1.2	1.17
Goods exports of the country in billion USD	504.7	643.4	673.8
Goods imports of the country in billion USD	572.4	712.9	748.6
Trade deficit in billion USD	67.7	69.5	74.8

Source: WKO, Wirtschaftsbericht, October 2021 *forecast

Exports/Imports

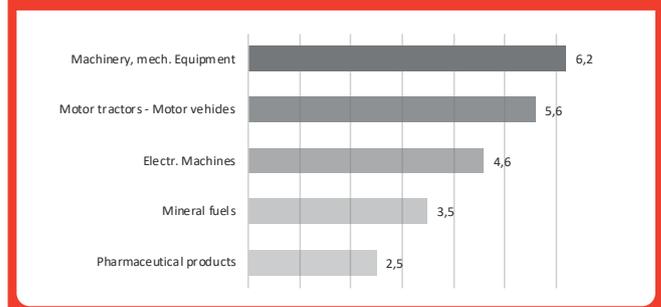
France's most important import and export country is Germany. It is ahead of China, the USA and other European countries. Among the top 25 countries from which France imports are the Czech Republic, Austria and Slovakia.

Top 5 export goods



Source: WKO Länderprofil 2021; 2020, in %

Top 5 import goods



Economic relations with Austria and the Oberbank regions

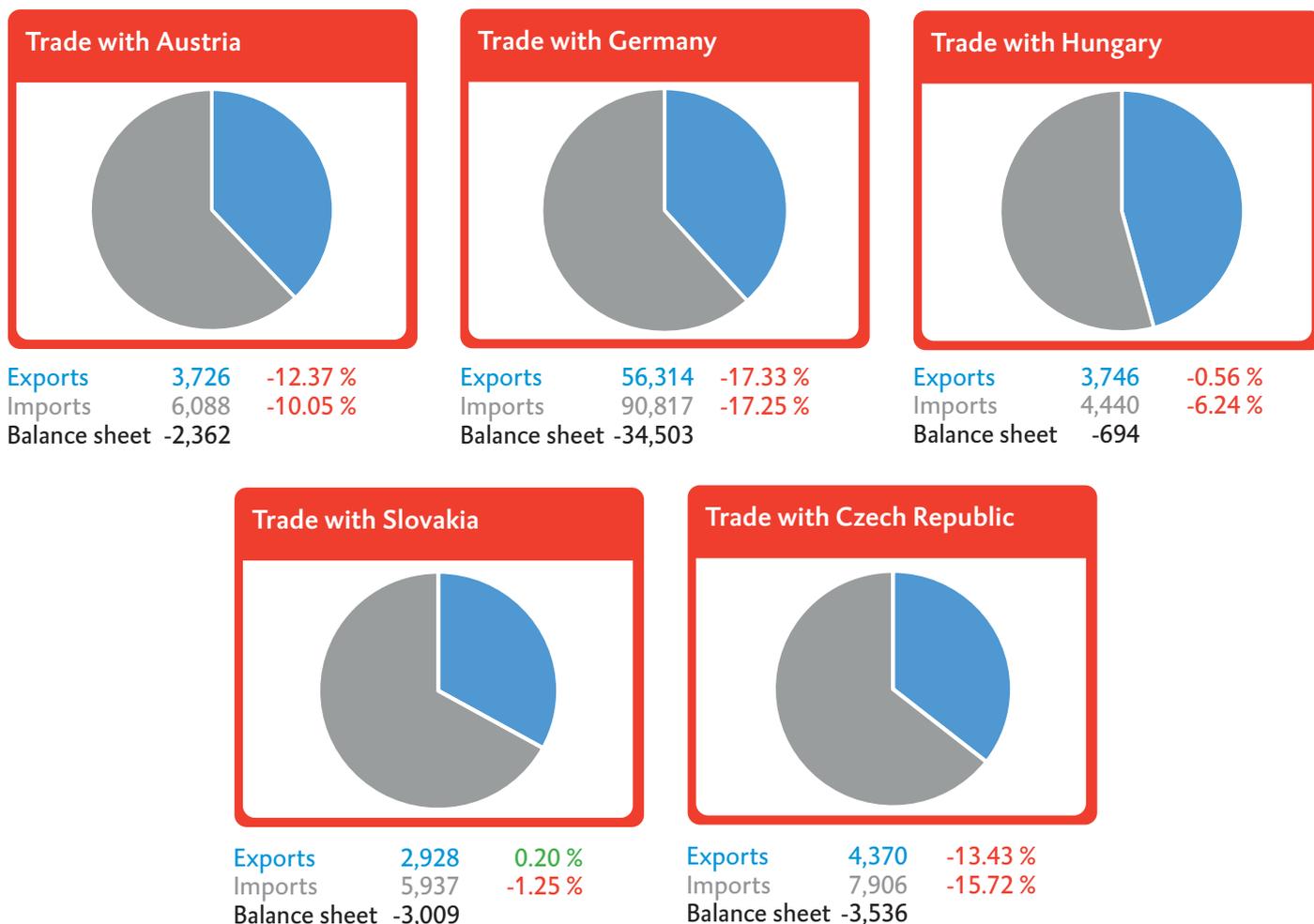
The high export surpluses in the Oberbank regions are particularly striking. Strong export opportunities exist in the construction infrastructure sector and in large-scale tourism projects, in the railway sector and in the innovation

and food sector, where organic food stands out in particular.

Furthermore, it can be seen that with over 460 branches, many Austrian companies are represented in France.

Especially during the pandemic, the great importance of France for Austria as an export market was evident, as many pharmaceutical products, especially penicillin, are exported to France.

France's foreign trade



2020, change YOY, in EUR million
 Imports, Exports and balance sheet from France's perspective; own presentation
 Source: Trademap

Assessment of the business environment

Rule of Law Index (World Justice Project) 2021	Rank 23 of 128 countries
Corruption Perceptions Index 2021	Rank 22 of 198 countries
Global Competitiveness Index 2019	Rank 15 of 141 countries
Climate Change Performance Index 2022	Rank 17 of 64 countries
Global Innovation Index 2021	Rank 11 of 132 countries
Most important goods export market AT/DE 2020	Rank 5/Rank 3

Current rankings of the Oberbank regions in the Global Competitiveness Ranking:

Germany	7
Austria	21
Czech Republic	32
Hungary	47
Slovakia	4

In the general business environment, France can prove itself in the top ranks. Especially for France, Germany is the most important trading partner - For the Oberbank regions, France is an im-

portant export market (ranks 3-6). It is striking that France can boast a place in the top third in the Climate Change Performance Index, but cuts a poor figure in comparison to other European

countries. France shows itself to be an attractive trading partner with potential for improvement, especially in the area of environmental protection.

Rating France

> Investment Grade

Agency	Rating	Outlook	Date
Fitch	AA	negative	18.02.2022
S&P	AA	stable	21.10.2016
Moody's	Aa2	stable	21.02.2020

Source: FitchRatings

France has been given a double A rating by the three rating agencies Fitch, S&P and Moody's. The only difference in Fitch's latest 2022 rating is a negative outlook instead of a stable outlook. The negative outlook reflects uncertainty

about the development of government debt and the direction of economic policy after the presidential and parliamentary elections. The agency justifies its overall decision with a large, prospe-

rous and diversified economy with strong and effective institutions and macro-financial stability.

Double A rating with stable or negative outlook for the country

Financial Centre France

> Stock market developments in light of the Covid 19 pandemic

In August 2021, the French stock market index CAC40 was able to make up points and, at over 6,900 points, new highs were recorded since the year 2000. The reasons for the structural change in the French economy can be found in re-industrialisation and the

service sector. Since Brexit, it has become apparent that many stock market transactions have been carried out on the Paris stock exchange. Furthermore, many financial institutions moved their EU headquarters from London to Paris.

Since the UK's exit from the EU, trading transactions can no longer be carried out unhindered at the previously most important financial centre in London. Currently, there is a struggle between Frankfurt and Paris to succeed London as the financial centre of Europe.

The largest banks in France

Place	Bank	Total Assets
1	BNP Paribas SA	3,053,363
2	Crédit Agricole SA	2,406,211
3	Société Générale	1,793,806
4	BPCE	1,774,563
5	Banque Fédérative du Crédit Mutuel	769,625
6.	Crédit Agricole Corporate and Investment Bank CACIB	728,699
7	Natixis	607,755
8	Crédit Industriel et Commercial	434,671
9	La Banque Postale	304,782*
10	HSBC Continental Europe	290,919

Total assets as of 31.12.2020 in USD million; *31.12.2019
Source: Bankers Almanac, download on 13.04.2022

Oberbank-Expertise

Banks shaded in grey:

Oberbank has an active relationship with these relationship banks (SWIFT/RMA) and is thus able to provide documentary transactions for customers. Payment transactions are also possible with all banks in France via our clearing bank partners.

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GFI-Status: May 2022

Oberbank AG, legal form: public limited company, registered office: Linz, company register no. FN 79063 w, Linz Regional Court, DVR: 0019020.

Oberbank AG, German branch, registered office: Munich, registration number: HRB 122267, Munich Local Court, branch managers and permanent representatives: Robert Dempf, Bernd Grum, Stefan Ziegler, Manuel Leitner.

Oberbank AG, head office: Linz, Austria, legal form: public limited company, company register number: FN 79063 w, Linz Regional Court, Management Board: Chairman CEO Dr. Franz Gasselsberger, MBA, Management Board Director Mag. Dr. Josef Weißl, MBA, Management Board Director Mag. Florian Hagenauer, MBA, Management Board Director Martin Seiter, MBA, Supervisory Board Chairman: Dr. Andreas König.