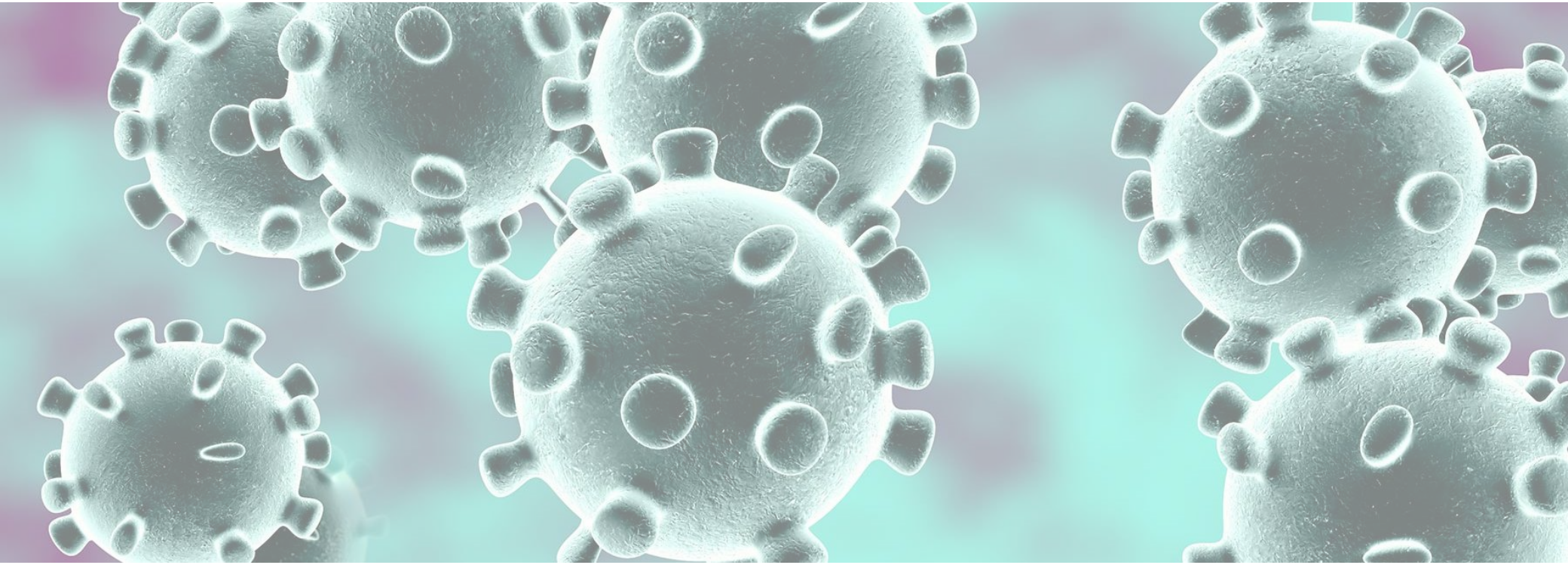
Deloitte.

Financial Advisory



Deloitte Economics' Coronavirus Impact Monitor

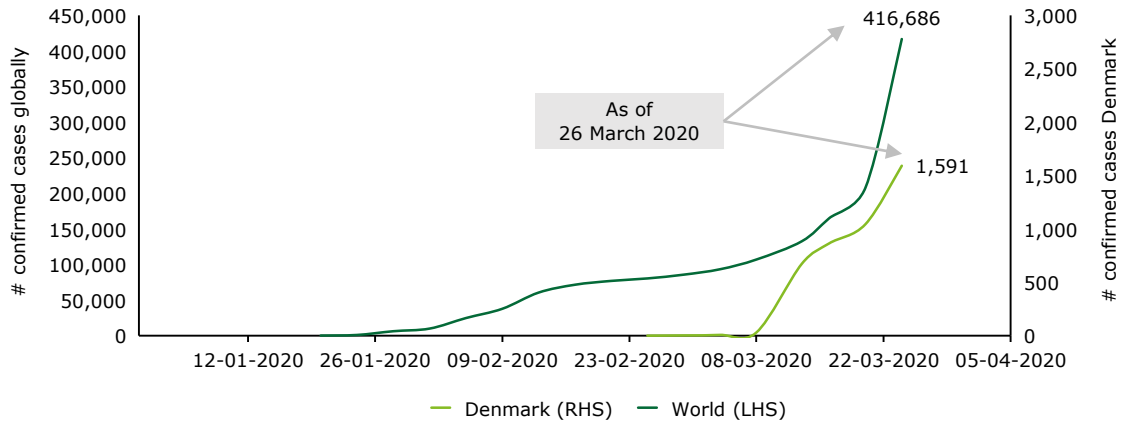
Will strong government support prevent a severe economic downturn?

3rd edition, 26 March 2020

The number of COVID-19 respirator patients projected to stay below capacity levels

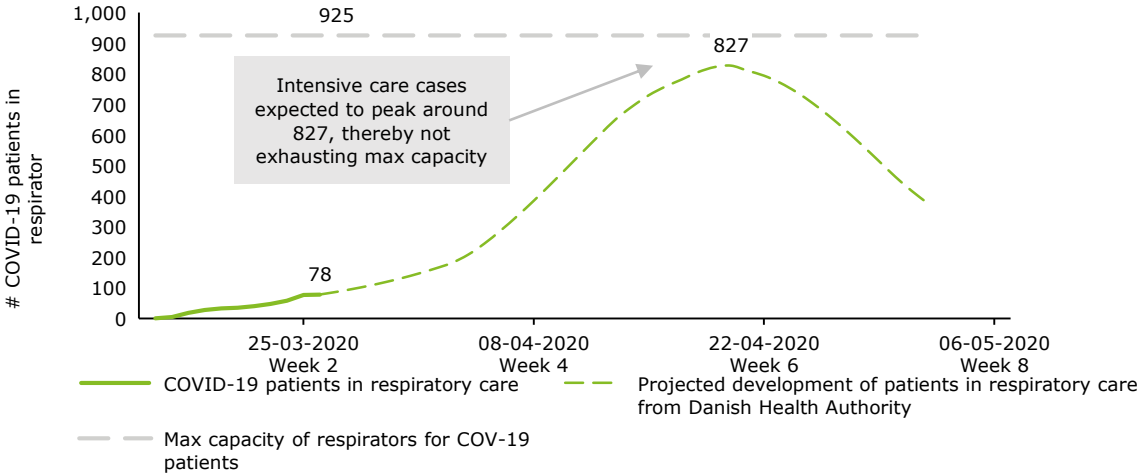
- Between 20 January 2020 and today, 26 March 2020, the number of global confirmed COVID-19 cases has risen from seven to about 417k.
- In Denmark, the number of confirmed cases has risen rapidly within the past three weeks, from only eight on 4 March 2020 to 1,591 on 26 March 2020. However, as COVID-19 testing in Denmark has been sharply reduced, the actual number of cases is almost surely underestimated.

Confirmed COVID-19 cases: World and Denmark



- The bottom chart shows that the number of COVID-19 intensive care patients in respirator rose to 78 as of 26 March 2020. The government is monitoring this closely, as it is committed to preventing a situation where there is insufficient capacity of respirators. 925 respirators are available for COVID-19 patients.
- The chart also shows a projection of COVID-19 patients in need of respiratory care from the Danish Health Authority. The projection is based on Italian data and suggests a peak in intensive care patients of around 827 in week 6. The number of intensive care patients is therefore not expected to breach capacity of respirators according to the Danish Health Authority.

COVID-19 patients in respirator and respirator capacity in Denmark

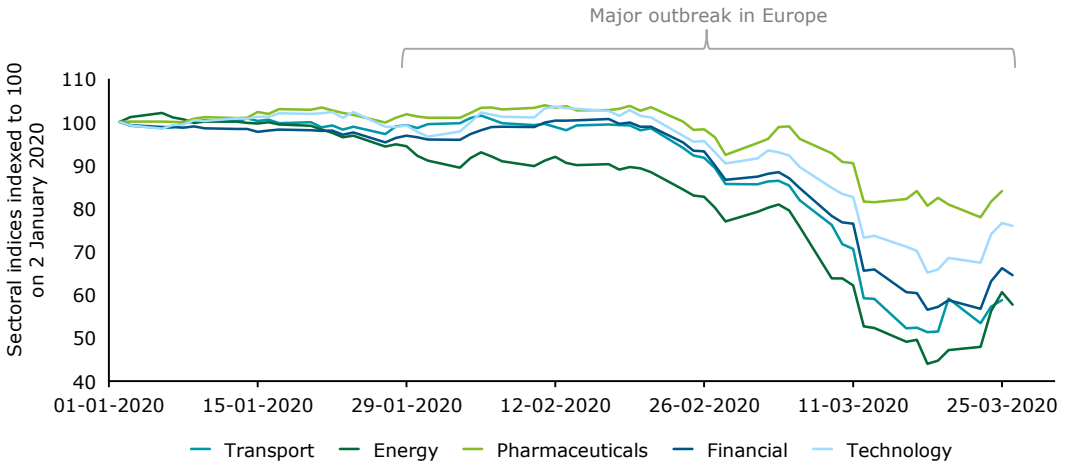


Note: Projection of COVID-19 patients in respirator from the Danish Health Authority. The projection is based on Italian experience/data.
Sources: Number of infected people taken from WHO; Number of people in respiratory care: Danish Health Authority (Sundhedsstyrelsen)

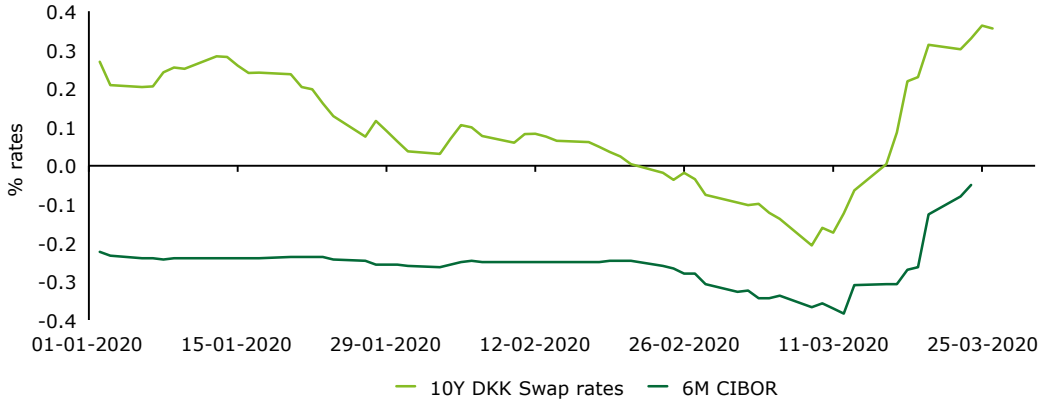
European equity markets suffering major losses from the outbreak of COVID-19

- European equity indices have suffered material losses following the COVID-19 outbreak in Europe.
- Especially the Transport industry, including airlines, was severely affected by the spread of the virus and related travel bans. The EURO STOXX Transport index has been down by some 42% since the end of January 2020, driven by a material decline in volumes.
- The European energy sector, including oil and gas companies, has lost more than 40% since the end of January 2020. Declining energy prices have applied downward pressure on energy equities.
- Financials, including banks, have also experienced value destruction. Market concerns about increased credit losses and funding squeeze are likely drivers.
- Other industries such as Pharmaceuticals and Technology have held up relatively well, as the sectors are less exposed to a contraction in consumer spending.
- The outlook for increased public expenditure and central bank interventions to ease liquidity strains appears to have applied upward pressure on interest rates during the past two weeks. The Danish Central Bank also hiked the policy rate by 15bp on 19 March 2020, applying upward pressure on interest rates.
- Equity market volatility remains elevated at levels not experienced since the global financial crisis (see appendix).

Equity markets: Sectoral indices in Europe



Interest rates: 10Y Interest rate (swap) and 6M interest rates (CIBOR)

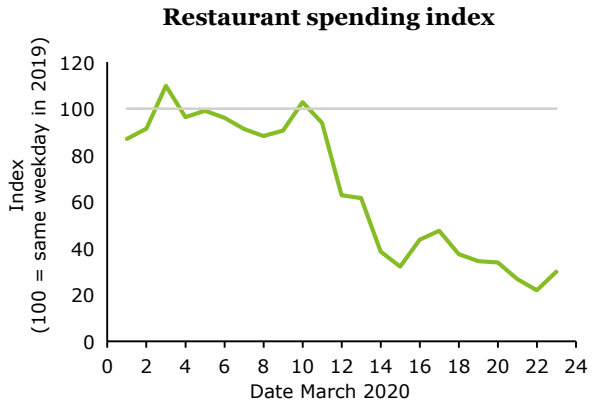


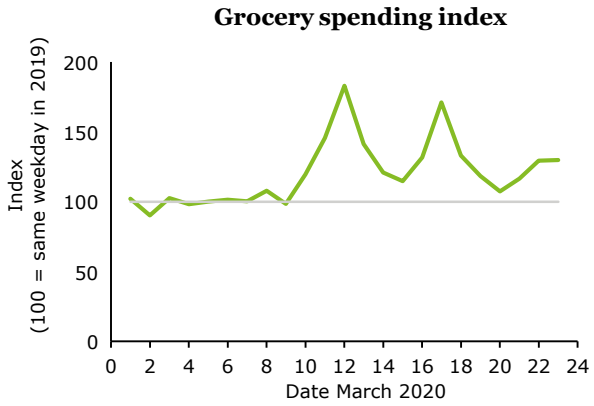
Note: 1) All indices are on a European basis: EURO STOXX Transport, Energy, Pharmaceutical, Financials and Technology index.
Source: Thomson Reuters Eikon

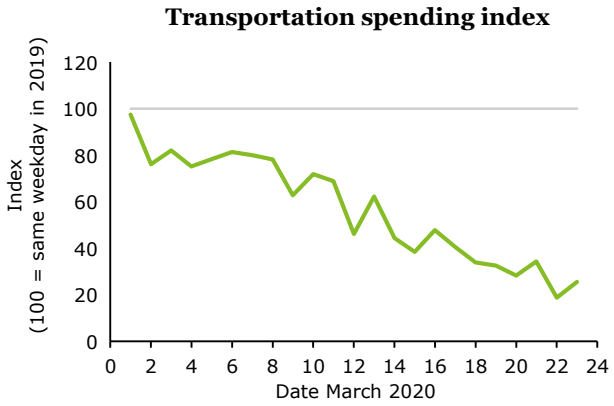
Consumer spending is falling, unemployment is rising, and business sentiment points to sharp contraction in economic growth

- This crisis has pushed the global and Danish economies into unchartered territory:
  - Consumer spending appears to be in a sharp contraction (see charts below). Spending on restaurants is down by almost 80%, as most restaurants are open only to a limited extent. Transportation spending continues to slide, as most workplaces and shops close down. Grocery spending almost doubled on 12 and 17 March 2020, likely reflecting material stock builds. Since then, grocery spending appears to have stabilised at a level of around 25% above spending levels last year.
  - Almost 30,000 Danes have lost their jobs since 11 March 2002, when the country was locked down. This corresponds to an increase in the unemployment rate of about one percentage point.
  - A preliminary read on business sentiment across the euro area deteriorated sharply in March 2020 (see chart in appendix). This deterioration points to a sharp contraction in GDP of almost 2%, deeper than the contraction experienced during the global financial crisis.
  - M&A activity in Denmark during Q1 2020 is on track to reach the lowest level observed since 2014 (see appendix). However, M&A activity has been sliding lower during 2019; the low level of M&A activity is not only driven by the Corona outbreak.

Dramatic slowdown in consumer spending patterns in Denmark





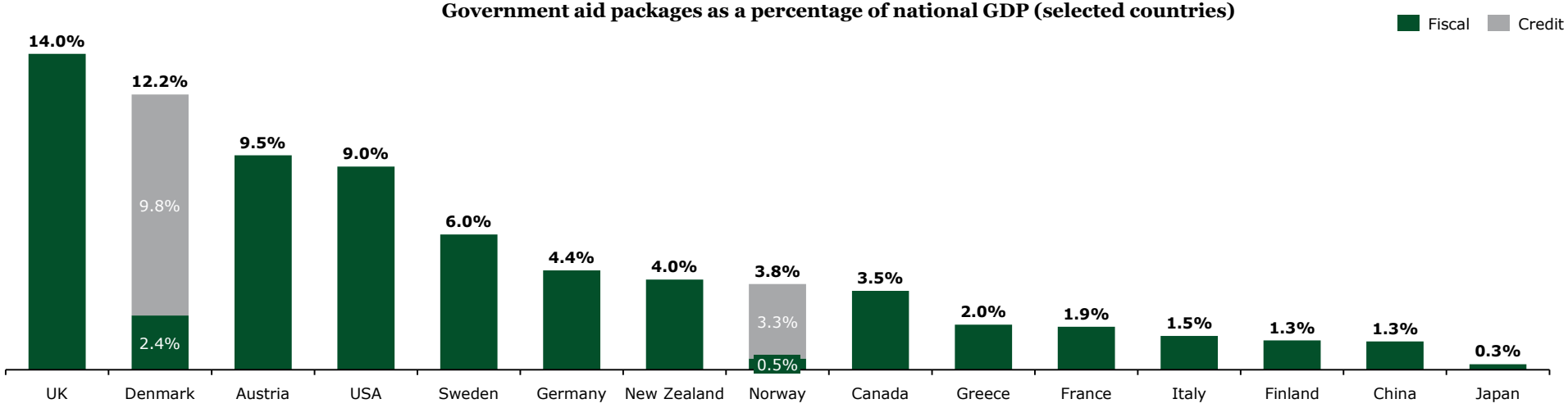


Note: Based on transactions with cards and MobilePay, Danske Bank has compiled detailed consumer spending data.
Sources: Danske Bank, Deloitte analysis

Governments all over the world have introduced large aid packages

- Governments all over the world have introduced large aid packages to ease the severe consequences of the COVID-19 pandemic and the extraordinary measures taken by governments to avoid the virus to spread, which in practice have led to a lockdown of major parts of the economies.
- In most countries, the total size of the aid packages is over 2% of GDP.
- The aid packages typically include measures such as postponement of tax and VAT payments, compensation to employee retention, compensation for reduced turnover and state-guaranteed loans (see appendix).
- Denmark is among the countries, which have introduced the largest aid packages compared to GDP.

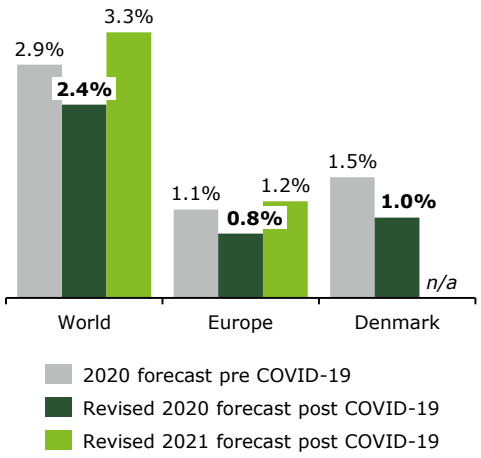
Government aid packages as a percentage of national GDP (selected countries)



Severe slowdown of the world economy throughout 2020

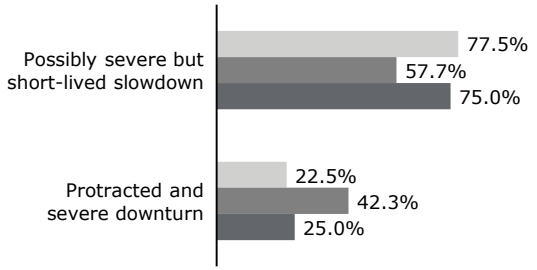
- The disruption of the global supply and demand chain, and financial markets translates into an adjustment of economic growth projections worldwide:
  - According to the OECD, the global economy in 2020 is expected to grow by 2.4% instead of the initially estimated 2.9%, while European growth slows down from 1.1% to 0.8%.
  - In Denmark, bank estimates from Nordea Markets project a decrease in economic growth rates from 1.5% to 1.0% or even 0.5% in the worst-case scenario.
- Nevertheless, projections for 2021 for global and European economic growth by the OECD remain optimistic and are subject to an upward adjustment to 3.3% and 1.2%, respectively, in response to the slowdown in 2020. *Please note that the OECD has not updated its projections since our last report as of 19 March 2020.*
- Deloitte's latest survey among 3,000 colleagues and clients from all over the world on 26 March 2020 reveals an increase in the proportion of respondents, who believe that the economy will recover already by the end of 2020 compared to the previous survey of 19 March 2020. In the same period, the belief in the policy tools available has increased significantly. The positive development is observed after a significant drop in the expectations for the economy from 12 March to 19 March 2020.

Economic growth projections

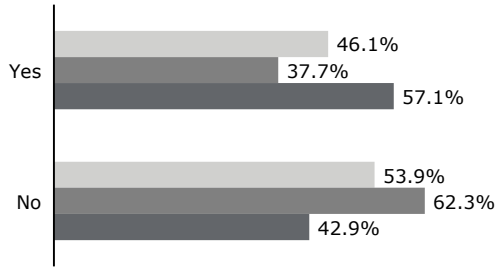


Results of Deloitte surveys

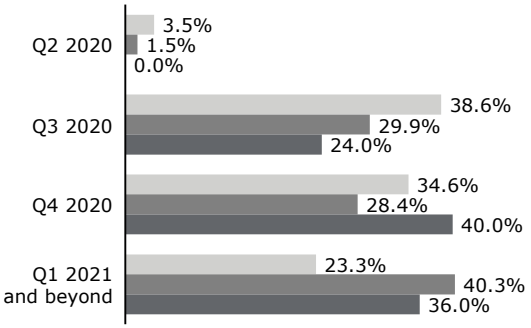
What will be the ultimate impact on economic growth of COVID-19?



Do policymakers have sufficient policy tools to cushion the economy from the COVID-19 shock?



When do you think activity will rebound in your economy?



Survey results on March 12, 2020 | Survey results on March 19, 2020 | Survey results on March 26, 2020

1) Deloitte surveys conducted on 12, 19 and 26 March 2020, involving about 3,000 colleagues and clients from all over the world.

Deloitte surveys, OECD Economic outlook (November 2019) and Coronavirus update (March 2020) for global and EU figures; Nordea Markets estimates for Denmark

Deloitte Economics' view on the short-term outlook across selected sectors in Denmark

Transport
- High short-term impact due to limitations on travel and supply chain disruptions. Spending on transportation down by almost 80%.

Consumer
- With less consumers in stores and store lockdowns, traditional retail sales of nonessential consumer goods have faced a significant sales decline.

Financial Services
- Changes in regulations may have prepared the Financial Services industry to withstand the economic shock created by COVID-19. The short to medium-term impact on the industry will be significant (see appendix).

Energy & Resources
- Prices and demand for crude oil have decreased, and Danish energy and utility companies are taking steps to ensure the security of supply on the Danish market.

Technology, Media & Telco (TMT)
- TMT sectors have held up relatively well. Challenges due to supply chain disruptions for some companies (see appendix).

Real Estate
- Sectors such as Retail, Leisure, Hospitality, and Transportation are especially hit by the COVID-19 outbreak. This will affect investors and their view on risks. However, demand for properties suited for logistics will increase (see appendix).

Life Science & Health Care (LSHC)
- Limited impact so far. Potential upside in scenario with increased spending on vaccinations.

Industry
- High short-term impact due to supply chain disruptions. Priority is to reduce operating costs and review spending (see appendix).

Sector	Denmark	
	Short-term	Outlook
Transport	High impact	Slow recovery
Consumer	High impact	Moderate recovery
Financial Services	High impact	Moderate recovery
Energy & Resources	High impact	Moderate recovery
Technology, Media & Telco	Moderate impact	Moderate recovery
Real Estate	High impact	Moderate recovery
Life Science & Health Care	Neutral/Low impact	Growth opportunities
Industry	High impact	Moderate recovery

Sources: Deloitte analysis, Dansk Erhverv

Key messages

The COVID-19 health crisis has hit the Danish economy with major drops in economic activity and increased unemployment

- The number of confirmed COVID-19 cases has risen rapidly within the past three weeks, from only eight on 4 March 2020 to 1,591 on 26 March 2020. However, as COVID-19 testing in Denmark has been sharply reduced, the actual number of cases may be underestimated.
- COVID-19 has caused severe damage on the world economy. The equity markets have suffered major losses, and equity market volatility has spiked to levels not experienced since the global financial crisis. Supply chain disruptions and negative demand shocks have spread from China to the rest of the world.
- In Denmark, especially the transport sector and hotels and restaurants have experienced a major decrease in revenue. Spending on restaurants is down by almost 80%. Transportation spending continues to slide, as most workplaces and shops close down. Grocery spending, in contrast, has increased significantly during the last two weeks, but now appears to have stabilised at a level around 25% above spending levels last year.
- As the Danish government enforces extraordinary measures to prevent a wider spread of COVID-19 across the population, companies across all sectors experience severe consequences of the COVID-19 pandemic. Almost 30,000 Danes have lost their jobs since 11 March 2020, when the country was locked down.
- According to a Global Deloitte Economics survey among 3,000 colleagues and clients from all over the world on 26 March 2020, expectations are that the economic slowdown will be deep and last to the end of 2020. However, compared to the previous survey on 19 March 2020, an increased optimism is observed, both in terms of the time for the activity in the economies to rebound and the belief in the policy tools available.
- Governments all over the world, including Denmark, are introducing major aid packages to help companies and employees through the health crisis. This will ease the severe and long-lasting impact of COVID-19 on the world economy. But the question is how much?
- Deloitte Economics will continue monitoring the impact of the Coronavirus in Denmark and globally.

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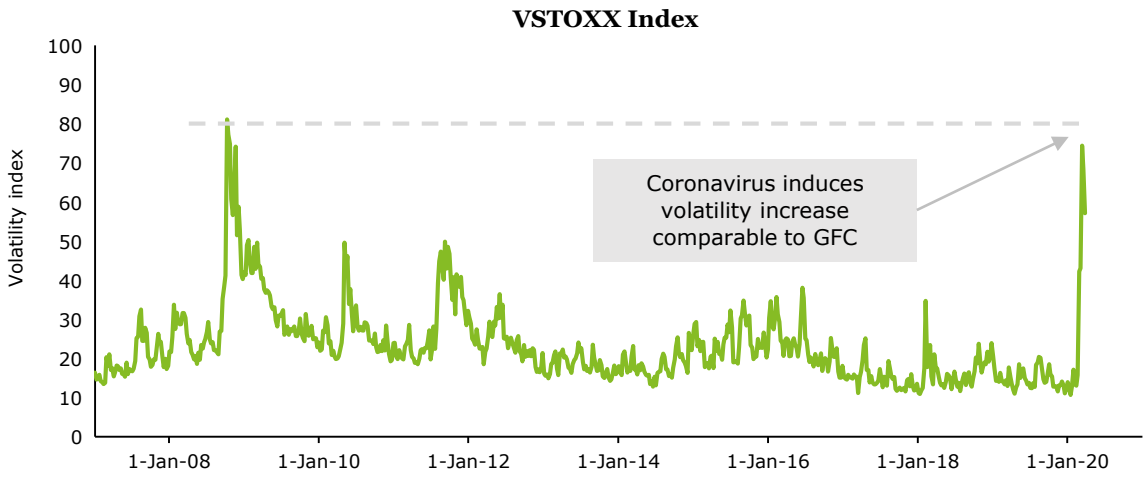
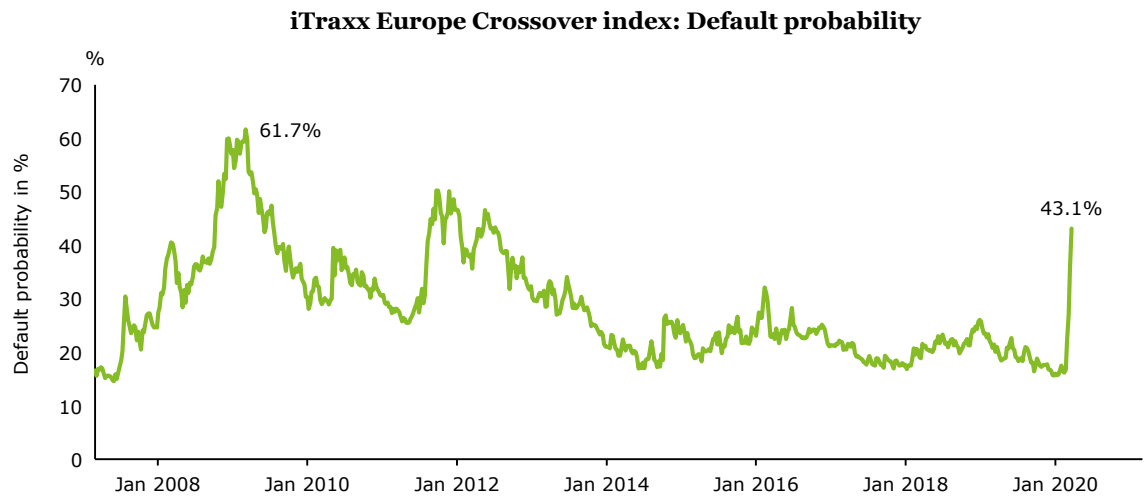
Appendix

Equity market volatility at highest level since the global financial crisis

- The VSTOXX Index measures 30-day implied volatility of the EURO STOXX 50 equity index and reflects investors' uncertainty about future equity market moves.
- As shown, the Coronavirus induced an increase in volatility to a level comparable to that experienced during the global financial crisis in 2008, underlining investors' recession fears.



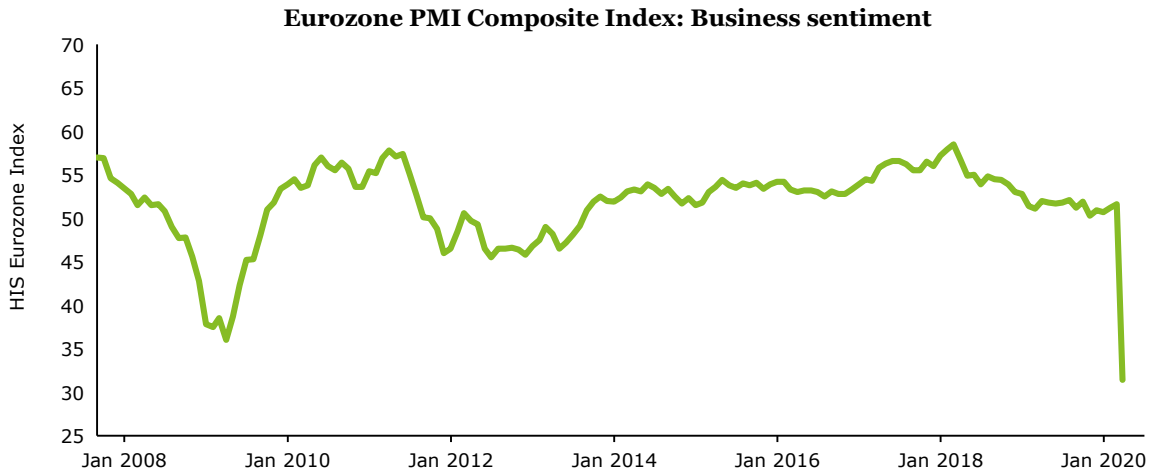
- The chart opposite shows the development in the implied default probabilities based on the 5Y iTraxx European Crossover spread of Credit Default Swaps and an assumed recovery rate of 40%. It measures default probabilities on a portfolio of sub-investment grade corporate debt in Europe.
- With a current default probability of about 43%, we are at the highest level since the European debt crisis, but still below peak financial crisis levels.
- As the index reflects cost of debt, any refinancing will be costly for leveraged companies, even though interest rates are close to record low.



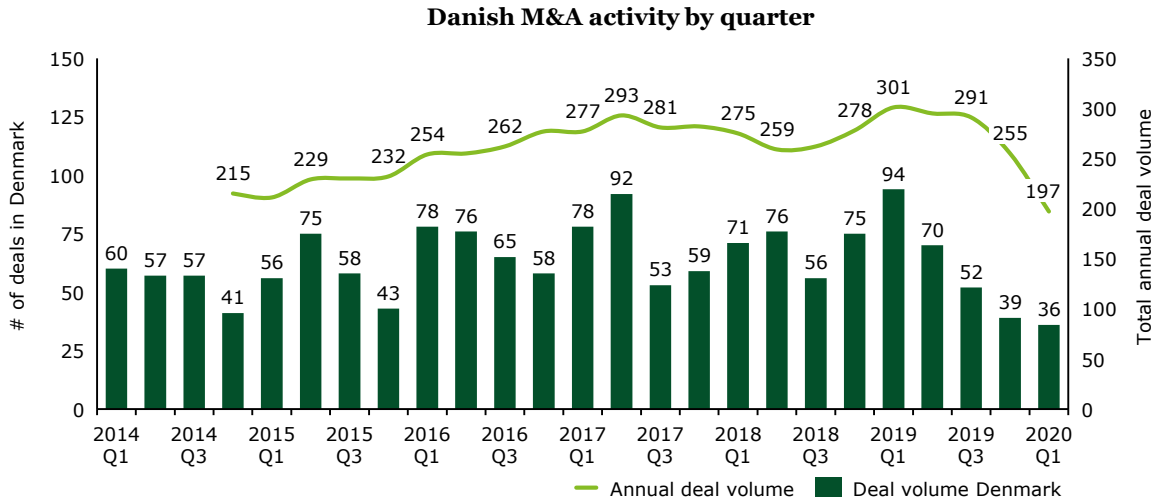
Note: 1) VSTOXX as volatility index of EURO STOXX; 2) Default probability calculated based on 5Y iTraxx European Crossover CDS and a recovery rate of 40%.
Source: Thomson Reuters Eikon

Coronavirus outbreak has taken its toll on business sentiment and M&A activity

- Due to the coronavirus outbreak, the Eurozone economy suffered an unprecedented collapse in business activity in March 2020, as the coronavirus outbreak intensified.
- There is usually a relatively good link between economic growth and this measure of business sentiment: the reading is indicative of GDP slumping at a quarterly rate of around 2%



- M&A activity in Denmark declined in 2019.
- Activity in Q1 2020 is on track to reach the lowest activity level observed since 2014.



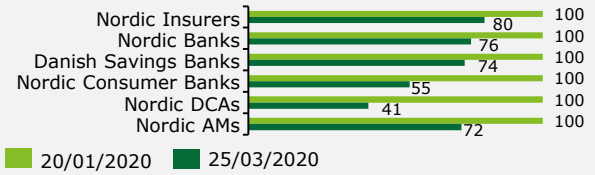
Note: 1) IHS Markit Eurozone PMI Composite Output Index; 2) Cut-off date for M&A activity in Q1 2020 is 25 March 2020; 3) Annual deal volume is calculated based on a four-quarter rolling window.
Sources: Thomson Reuters Eikon, Mergermarket

Industry | Financial Services (1/2)

Industry impact

Since the GFC in 2008, regulators have focused efforts on shoring up the solvency of financial institutions. In particular changes in Basel, Solvency and Accounting regulations may have prepared the financial services industry to withstand the economic shock created by COVID-19. While the industry may be more resilient, the short- to medium-term impact on the industry will be significant. The immediate impact of the crisis on market capitalisation of FS segments is stark.

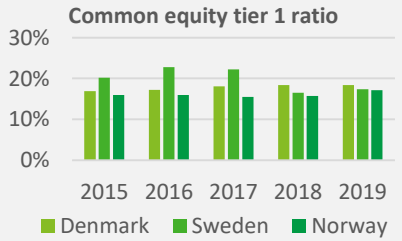
Market cap. across the financial industry before and after "Corona"[1]

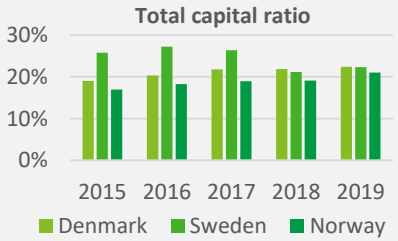


Highlights from the industry

Banking

- The continued low-base rate environment and continuing increases in the cost base of banks (primarily IT and compliance) have left some small players with limited headroom to withstand a vast increase in loan losses.
- Government support has been authorised to compensate small businesses for loss of revenue and fixed cost expenses along with other initiatives in order to withstand the anticipated increase in non-performing loan stock.
- The duration of the economic slowdown from social distancing measures places an increased risk on loan losses and associated capital resources.

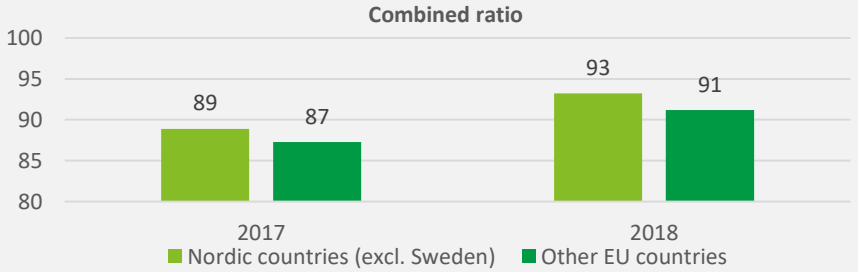




Source: Annual reports from the largest banks in Denmark, Sweden, and Norway

Insurance

- Claim rates for both Life and P&C insurers may increase placing strains on: 1) claims handling resources; and 2) technical reserves. The decline in equity markets will adversely affect pension providers who continue to pay out on guaranteed pension products.
- The medium-term implication on customers is an increase in premiums paid for coverage.
- Based on recent combined ratios, any under-reserved insurers may find trading difficult.



Source: OEDC Global Insurance Statistics (data for 2019 is not yet available)

1) Index 100 = 20 January 2020

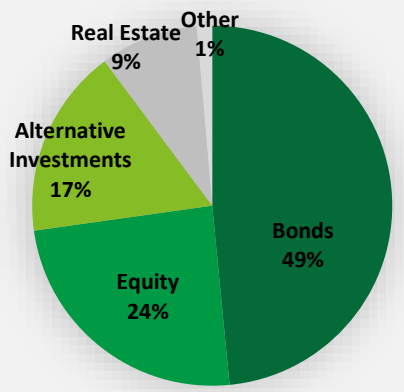
Industry | Financial Services (2/2)

Highlights from the industry

Asset Management

- The industry will suffer an immediate top-line shock as a result of the decline in equity markets. In addition, investor sentiment may lead to a reallocation of funds to "safer" asset classes, which may further affect some market participants.
- Market perception of both fee levels and relative "safety" will be important in the short term as will be solid investment strategies.
- Danish pension funds hold their largest positions in fixed income, and the introduction of economic stimulus packages by major economies seems to have slowed the drop in equities and other markets for the time being. This strengthens the overall prospect of markets recovering in the second half of 2020.

Average asset allocation among Danish pension funds



Sources: Pension fund home pages

Debt collection platforms

- Debt collection income may be affected by: a) a slowdown of collections; and b) the downward revaluation of owned debt portfolios. In addition, current funding structures and relevant bank covenant may be placed under pressure.
- However, there is an opportunity as a result of the anticipated increase in non-performing loans from other financial service players alongside consumer facing corporates.

Economic outlook

The longevity of the COVID-19 crisis is unknown. The financial services industry faces a range of eventual implications, including both market consolidation and corporate failures. Regardless, it is likely financial service players will need to reshape their cost bases and strategies due to the impact of a decrease in top-line revenue and the implication of the crisis on the underwriting of both insurers and lenders.

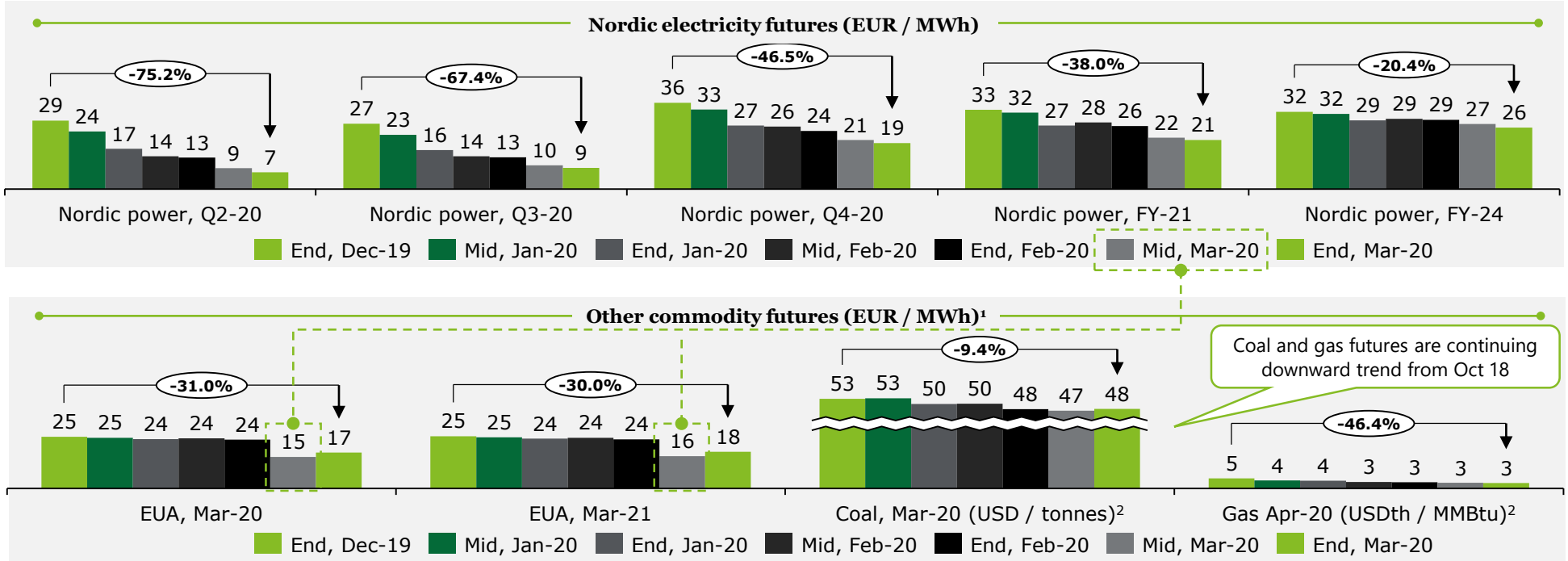
1) Index 100 = 20 January 2020

Industry | Energy & Resources

Industry impact

- Like all other industries the effects of the COVID-19 crisis are showing in the energy sector. Prices and demand for crude oil has decreased and Danish energy and utility companies are taking steps to ensure the security of supply on the Danish market. Prices for Nordic electricity futures have declined across maturities, however we see the largest declines in **short-term** prices indicating **robustness on the longer term**.
- Gas and coal prices continues the downward trend from the peak in 2018 pressuring power prices, and prices for European Union Allowances (EUA) have decreased significantly in mid March, which have led to larger decreases in power price futures

Highlights from the industry



Note: 1) In EUR / MWh unless otherwise stated; 2) For delivery in the Netherlands

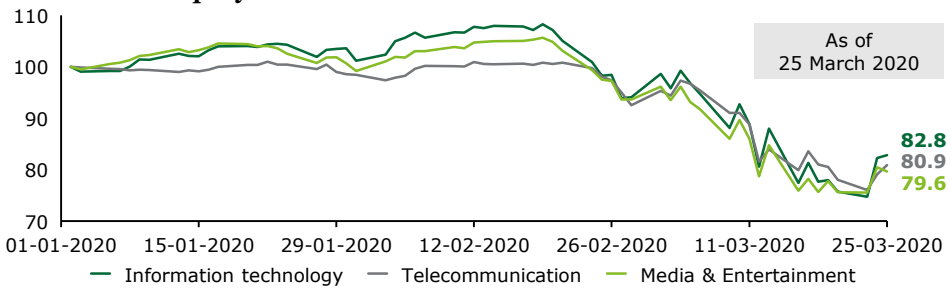
Source: Nasdaq Commodities, CME Group, Deloitte

Industry | Technology, Media & Telco

Industry impact

- The TMT sector has held up relatively well, as it is less exposed to a near-term contraction in consumer spending.
- However, the TMT sector is still facing severe challenges, with many companies being affected by supply chain disruption, manufacturing and demand issues.

Equity markets: S&P Global 1200 sectoral indices



Highlights from the industry

Challenged sectors

- Sector: IT Consulting and Services
- Trend: Impact on existing projects due to travel restrictions, challenging the time and materials model, and impact on future sales
- Examples: DXC Technology Company, Capgemini, Atos, Cognizant Technology Solutions Corporation
- Other challenged sectors: Media & Entertainment, Semiconductors & Equipment

Neutral/Uncertain sectors

- Sector: Enterprise software
- Trend: Demand for new solutions to weaken, as businesses are disrupted, but companies may stick with current solution to recover and grow
- Examples: SAP, Oracle Corporation, Microsoft, Salesforce.com
- Other sub-sectors: Technology Hardware, Entertainment production (e.g., movies)

Potential winning sectors

- Sector: Communication software & infra.
- Trend: Societal shift to online channels, as social distancing has increased, creating new forms of communications
- Examples: Zoom Video Communications, Microsoft (Teams), Slack Technologies
- Other sub-sectors: Cyber security, Cloud infrastructure, Home Entertainment, Video Games

Economic outlook

- Forrester has revised its IT spending forecast downward. With a best-case scenario the global tech market growth slowing to ~2% in 2020. If a full-fledged recession hits, there is a 50% probability that global tech markets will decline by 2% or more in 2020.
- Software spending is the subsector expected to show the highest growth, while computer equipment, and IT consulting and systems integration services spending are expected to show weaker growth (slight decline).

Source: S&P Capital IQ, Forrester Research (March 2020), RBC Capital Markets (March 2020)

Industry | Real Estate shares prices and interest rates have stabilised (for now ...)

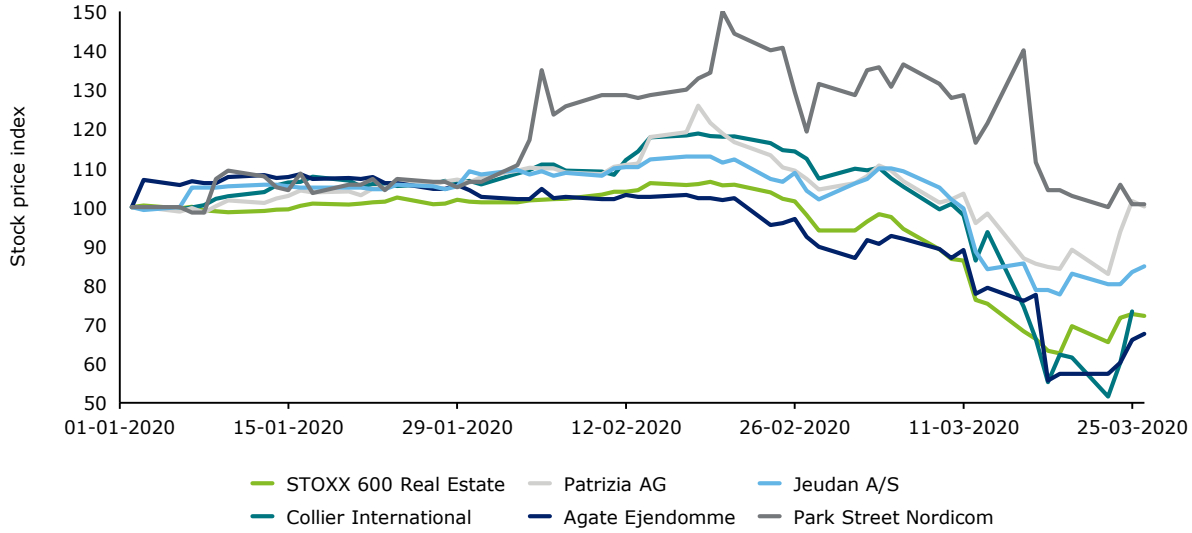
Industry impact

- Sectors such as Retail, Leisure, Hospitality, and Transportation are especially hit by the COVID-19 outbreak.
- However, demand for properties suited for logistics will increase, as online trading will be boosted by the crisis.
- Mortgage bond interest rates have stabilised during the last week.
- We expect the slowdown of trades with residential and commercial properties to continue for a while.
- Ongoing development projects will continue, but currently less appetite for new projects among investors.

Real Estate outlook

- Remote working to become a more permanent feature of our lives.
- With more online grocery shopping, it will affect how retailers operate, with a higher demand for warehousing space.
- With disruption of supply chains, businesses will shift towards reshoring or near-shoring.

STOXX 600 Real Estate index and selected company indexes



Long maturity mortgage bond interest rates (RD, 30 Yrs, 1.5%)

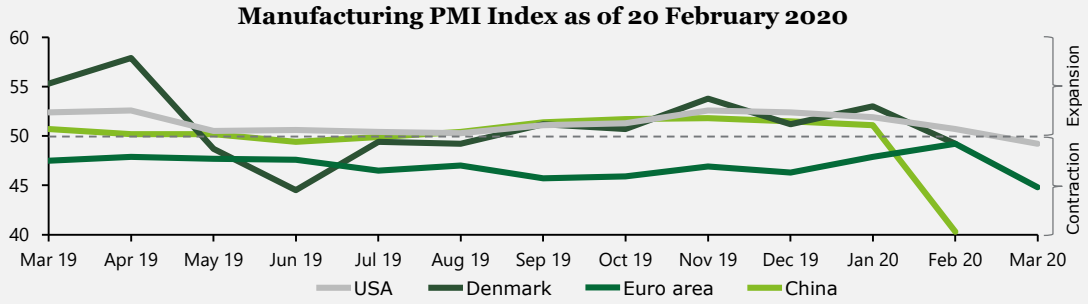
Sources: Realkredit Danmark, Thomson Reuters Eikon, Capital IQ

Industry | Industrials

Industry impact

- Global manufacturing contracted during February 2020, as COVID-19 disrupted supply chains and hit demand.
- Coronavirus continues to be a critical supply chain risk for many European companies, as closed factories and transport restrictions increase average delivery times.
- Factory jobs have been cut globally at the fastest rate since August 2009, as companies scale back production capacity in line with falling demand and reduced supply.
- Chinese factories are reopening and are gradually restoring production levels.

Efforts to contain COVID-19 affect short-term manufacturing output and demand



The manufacturing PMI index is a weighted average of five survey variables:
New orders, output, employment, suppliers' delivery times, and inventories of purchased inputs

- The Chinese Manufacturing PMI declined at record pace, with a drop of 10.8 points in February 2020, as factories shut down in an effort to contain COVID-19.
- With factories reopening, China's supply is getting closer to restoring demanded production levels.
- Several Danish companies, including Danfoss, Vestas, and Rockwool, have reopened their Chinese factories.
- Preliminary March PMI figures for the euro area and the US indicate that the shutdown of factories is starting to hit industrial manufacturing in these areas too.

Economic outlook

- Top priorities for industrials are to reduce operating costs, review spend, ensure that financing remains viable and secure a continued supply.
- Supply from China is gradually increasing, with production facilities coming back on-line, minimising the supply chain risks for European companies.
- Many European factories will remain shutdown or running at less capacity until the COVID-19 spread in Europe has stabilised.

Sources IHS Markit, Caixin, DILF

Aid packages

Country	Size of aid	Type of aid	Target groups
Austria	• EUR 38bn (9.5% of GDP)	• Liquidity measures • Loan guarantees • Tax deferrals • Labour subsidies for companies that have to reduce working hours • Aid for one-person and family-owned enterprises, tourism and cultural sectors • Safety net for small businesses	• SMEs • Family-owned companies • One-person enterprises
Canada	• About CAD 82bn (c. 3.5% of GDP)	• Direct support • Deferral of tax payments from firms and individuals • Liquidity support for businesses	• Consumers • Corporates • Employees
China	• About CNY 1.25trn (1.25% of GDP)	• Tax relief	• Corporates
Colombia	• N/A	• Loans payments will be delayed and distributed in several smaller payments over the next months (this is a measure supposed to help small and middle size companies) • Extra guarantees from Central Government (through a Special Fund) to support extra loans needed by small/medium-sized companies	• SMEs

Aid packages

Country	Size of aid	Type of aid	Target groups
Denmark	• Fiscal: DKK 56bn (2.4% of GDP) • Credit: Up to DKK 225bn (9.8% of GDP)	• Release of countercyclical buffer • Government guarantee for some corporate debt • Salary compensation scheme running for three months covering up to 75% of an employee's salary (max DKK 23k per month). Have to warn lay-offs of more than 30% or 50 employees and agree not to lay-off employees while receiving compensation • Compensation of fixed costs • Aid to Scandinavian Airline System • Aid to retailers etc. which have been forced to close stores at least until 30 March 2020 • Postponed three months' VAT payments for large companies with revenue of more than DKK 50m. Forecast suggests that liquidity is boosted by DKK 35bn • Compensating for cancellation of large events • Postponed labour market contributions and payroll forecast to improve liquidity by DKK 90bn • Corporation tax deferred	• Self-employed • Certain sectors • Employers facing shortage of orders and fewer customers • Applicable for all companies, but target companies which have a revenue decline more than 40% • Airlines • Retailers • Large companies • Events
Finland	• EUR 3bn (1.3% per GDP)	• EUR 27m in extra spending on health care and EUR 73m to stave off acute corporate funding pressures • Deferred corporate tax payments • State Pension Fund will buy EUR 1bn of commercial paper • The government will increase capacity to guarantee loans to SMEs • Business Finland will provide emergency aid to companies in worst affected industries	• Corporates • SMEs

Aid packages

Country	Size of aid	Type of aid	Target groups
France	• EUR 45bn (1.9% of GDP)	• EUR 1bn solidarity fund to help affected businesses • Extended deadlines for social security and tax payments, credit guarantees and sick-leave payments for caring for children • Short-time working scheme, under which the state will cover entirety of lost salaries • Small companies can have utility (water, rent etc.) bills suspended and suspension of their taxes and social charges. EUR 1,500 subsidy for all SMEs and freelancers	• Affected businesses • SMEs • Freelancers
Germany	• About EUR 150bn (4.4% of GDP), but implicitly open-ended	• Solidarity fund • Liquidity measures for affected companies (credit & state guarantees for EUR 93bn, but up to EUR 500bn) • Easier access to short-term work compensation • Deferred tax payments for companies • Small companies and self-employed persons (e.g., artists) are to receive direct grants of up to EUR 15,000 over three months	• Affected companies • SMEs • Self-employed persons
Italy	• EUR 26bn (1.5% of GDP)	• Help for workers facing temporary layoffs • Boosting guarantee fund for SME loans • Moratorium for business and personal mortgage repayments • One-off payment of EUR 500 for self-employed and cash bonus for Italians still working, financial support to families • Some regions offer suspension for up to six months of certain loans • Establishment of a guarantee fund for loans to support working capital and a fund for the granting of repayable loans • Funds for redundancy programmes	• SMEs • Corporates • Employees • Self-employed

Aid packages

Country	Size of aid	Type of aid	Target groups
Japan	• About USD 12.6bn	• Credit lines for SMEs (particularly tourism) • Compensation for freelancers, self-employed, non-regular workers, and parents burdened by school closures	• SMEs • Freelancers • Self-employed • Non-regular workers and parents burdened by school closures
New Zealand	• Fiscal relief of NZ$12.1bn, worth 4% of GDP	• Wage subsidies • Permanent lift in welfare payments • Reintroducing depreciation deductions • Lifting the threshold for payment of provisional tax • Initial USD 500m boost for health services • USD 5.1bn for wage subsidies (capped at USD 150k per business for a total of 12 weeks, which can show a 30% month-on-month decline in revenue, cf. 2019) • USD 2.8bn income support measures, including an immediate increase in current weekly benefits • USD 2.8bn changes to business tax rules to free up cash flow (e.g., accelerated depreciation) • USD 126m in COVID-19 leave and self-isolation support • USD 100m for workforce redeployment • USD 600m airline/aviation support package (noting Air NZ is 52% government owned) • The aid adds to existing (from Dec) infrastructure package of same size	• Corporates • Employees • Airlines

Aid packages

Country	Size of aid	Type of aid	Target groups
Norway	• Fiscal: Open-ended but scheduled NOK 16.5bn (0.5% of GDP) • Credit: NOK 100bn (3.3% of GDP)	• Government loan guarantee specifically aimed at SMEs (NOK 50bn) and reintroduction of Government Bond Fund (NOK 50bn) • Corporate deficits can be written off against tax on surpluses from previous years • Postponement of wealth tax for owners of corporates now running deficits • Temporary tax relief for airlines, drop in both passenger tariffs and airport tariffs • Reduction of employee tax by 4ppt for two months • Other benefits (government pays for the first 20 days for temporary lay-offs) • Allows SMEs to take loans up to NOK 50m with term up to three years. The state will guarantee for 90% of the loan value • SME package available to those funded through ordinary banks (not alternative lending)	• SMEs • Employees • Self-employed • Freelancers • Corporates • Airlines
Portugal	• EUR 9.2bn (4.3% of GDP)	• Credit lines for affected businesses and tax deferrals • Possible moratorium on capital and interest payments	• Corporates
Spain	• About EUR 117bn in public investments • Private investments are set to add EUR 83bn	• State guarantees • Direct aid to firms affected by the lockdown • Private investment • Deferred tax payments for SMEs • Suspension of mortgage payments	• Corporates • CMEs

Aid packages

Country	Size of aid	Type of aid	Target groups
Sweden	• SEK 300bn (6% of GDP)	• State guarantees • Government facilitates increased lending to Swedish companies, especially SMEs • Businesses will be offered the opportunity to have tax payments for January to March 2020 repaid. Repaid taxes can be kept for one year	• Corporates • SMEs • Airlines
Switzerland	• About CHF 10bn	• Aid package aimed at helping companies where CHF 8bn is earmarked to fund the imposition of short-time work at firms; other tranches for hardship loans and to support specific sectors • Special guarantee scheme to support SMEs in liquidity difficulties due to COVID-19	• Corporates • SMEs
The Netherlands	• About EUR 10bn to EUR 20bn (roughly 2%-3% of national debt) • If necessary, additional funds up to EUR 90bn can be released	• Extension of subsidising working hours reduction • Extra income support for freelancers • Easing deferral of payment for taxes and fines • Extension of government guaranteed company-financing • Interest discount on microcredits for SME and starters • Temporary guarantees for food- and agricultural companies • Temporary stop on local taxes (municipalities) • Compensation scheme for specific sectors • Revision of tax applications for 2020 • Small businesses can get a EUR 4k allowance directly • Self-employed can claim a minimum three-month allowance	• Employers • Employees • Freelancers • Self-employed • Corporates • SMEs • Specific sectors (e.g., food- and agricultural companies)

Aid packages

Country	Size of aid	Type of aid	Target groups
United Kingdom	• GBP 312bn (14% of GDP)	• Government-backed loans and guarantees • CBILS (Corona Business Interruption Loan Scheme) of up to GBP 5m to help firms manage cash flows. Terms from three months to 10 years for term loans and asset finance. The loans are interest-free first year	• Corporates • SMEs
United States of America	• USD 2,000bn (about 9% of GDP)	• Emergency spending package • USD 500bn for large corporations • USD 367bn loan programme for small businesses • USD 150bn for assistance to state and local governments • USD 340bn supplemental package to combat the outbreak of COVID-19, including USD 117bn for hospitals, USD 45bn for FEMA's disaster relief fund and USD 11bn for vaccines, therapeutics and other medical needs	• Large corporations • SMEs

Deloitte.