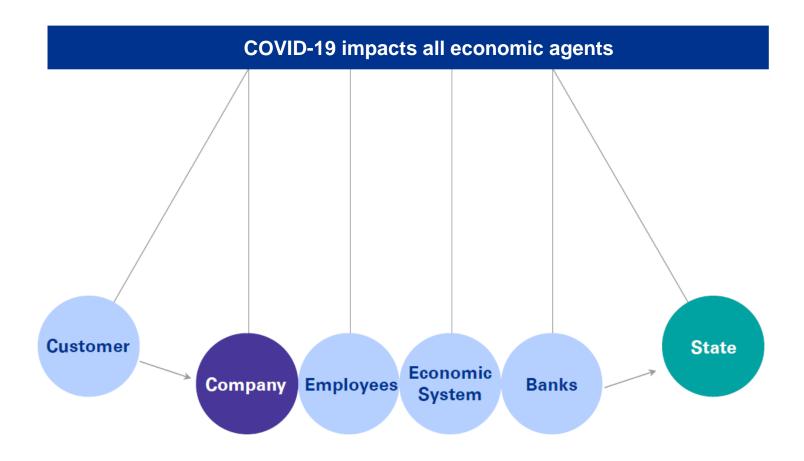
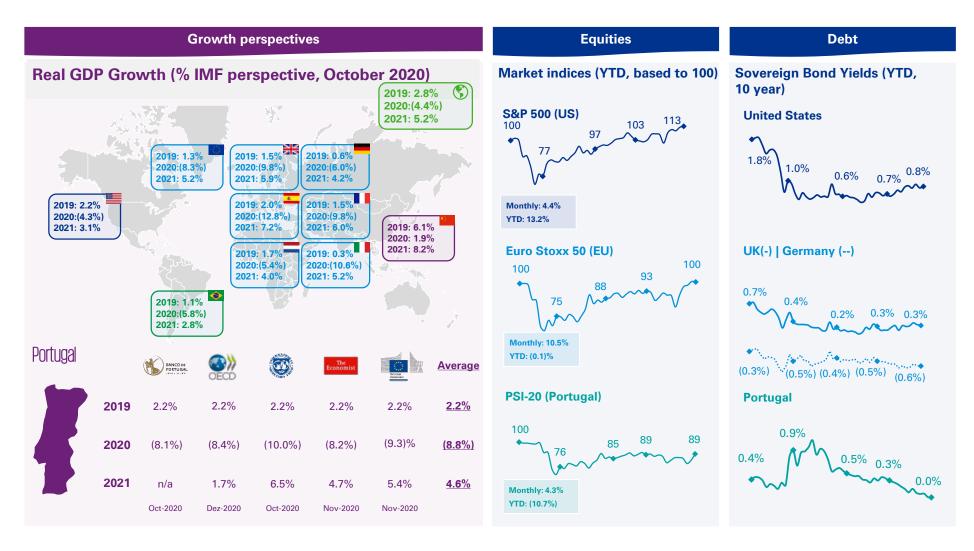


## COVID-19 is still on the rise. While the health crisis ensues, the full extent of economic and social outcomes is still uncertain.





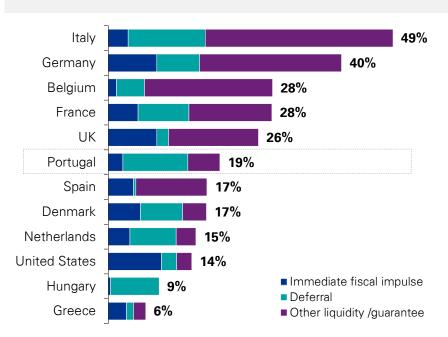
#### The pandemic has been severely disruptive on a truly global scale...





#### ...thus prompting a range of public support measures...

Discretionary 2020 fiscal measures adopted in response to coronavirus by 18 November 2020\*, % of 2019 GDP



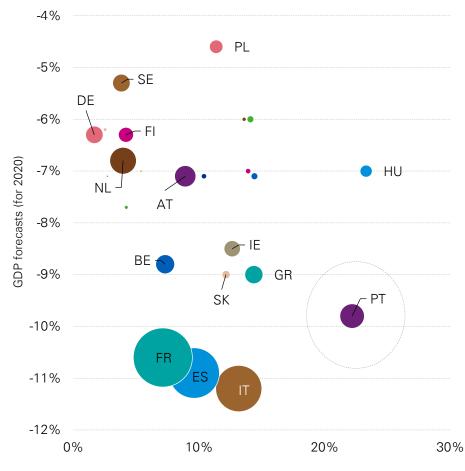
Immediate fiscal impulse: government spending (eg keeping people employed, subsidizing SMEs, public investment) and foregone revenues (eg cancellation of certain taxes).

**Deferrals:** deferral of certain payments (eg taxes, social security contributions, moratoria).

Other liquidity/guarantee: export guarantees, liquidity assistance, credit lines through national development banks

Sources: Bruegel, European Banking Authority and KPMG analysis

Total volumes of loans granted moratoria (bubble size, €bn), % of loans granted moratoria and GDP forecasts (for 2020)



Loans granted moratoria as a percentage of total loans to HHs and NFCs



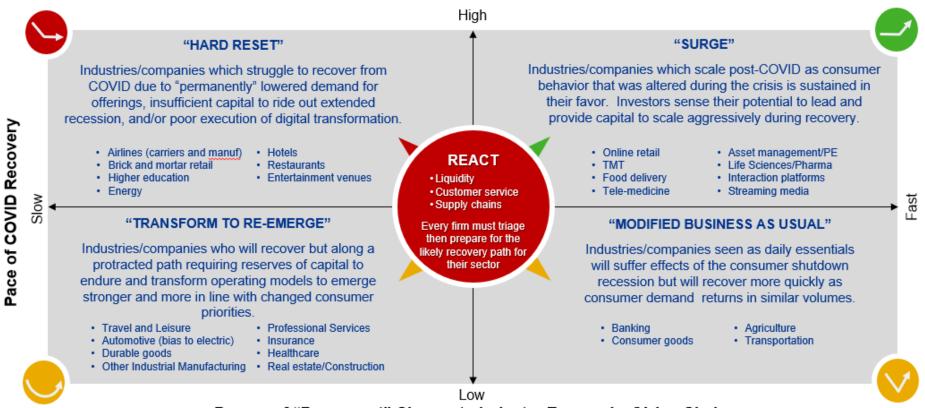
### ....however its effects have been asymmetric in nature...

Water transport   50.9   (15.5)   (12.1)	1 Services & retail turnover (YoY, %∆)		Q1	Q2	Q3	2 Industry turnover (YoY, %∆)	Q1	Q2	Q3
Air transport  Air transport  Air transport  Air transport  W/h. and support activities for transportation  (7.0) (39.6) (24.5)  Postal and courier activities  1.4 (4.6) 2.1  Textiles  (7.2) (31.9) 1.6  Accommodation  (24.2) (92.8) (67.6)  Poblishing activities  (13.8) (62.6) (36.1)  Publishing activities  (3.8) (19.9) 3.7  Publishing activities  (3.8) (19.9) 3.7  Wood & related products (exc. furniture)  (5.7) (22.9) (14.2)  Video, TV programme production & related  (20.5) (56.0) (46.5)  Programming and broadcasting activities  (3.5) (19.5) 4.4  Printing and reproduction of recorded media  (1.4) (33.7) (11.4  Telecommunications  Computer programming, consultancy & related  1.3 3.0 7.4  Pharma products & preparations  Information service activities  (5.3) (14.4) (17.6)  Architectural and engineering activities  (5.3) (14.4) (17.6)  Active transport  (4.6) (32.7) (37.2)  Metal products (exc. machinery and eq.)  Travel agency, tour operator & related activities  (4.6) (32.7) (37.2)  Metal products (exc. machinery and eq.)  Travel agency, tour operator & related activities  (4.0) (38.6) (26.3)  Office adm., support & other business support  5.2 (21.0) (10.3)  Air transport  Food products  Wearing apparel  Heather and related products  (3.5) (3.1) (3.2) (		Land transport and transport via pipelines	(0.6)	(30.5)	(17.2)	Mining of metal ores	(18.4)	(16.9)	(17.3)
W/h. and support activities for transportation   (7.0)   (39.6)   (24.5)     Beverages   (0.8)   (26.3)   (5.0)	i a	Water transport	50.9	(15.5)	(12.1)	Other mining and quarrying <sup>1</sup>	6.3	(1.4.)	8.3
Postal and courier activities	4. 4	Air transport	(4.5)	(84.9)	(73.8)	Food products	5.2	(7.7)	(4.0)
Accommodation (24.2) (92.8) (67.6) Wearing apparel (9.9) (27.9) (19.4) Food and beverage service activities (13.8) (62.6) (36.1) Publishing activities (3.8) (19.9) 3.7 Video, TV programme production & related (20.5) (56.0) (46.5) Programming and broadcasting activities (3.5) (19.5) 4.4 Programming and broadcasting activities (3.5) (19.5) 4.4 Printing and reproduction of recorded media (1.4) (33.7) (11.4) Computer programming, consultancy & related 1.3 3.0 7.4 Information service activities (5.3) (14.4) (17.6) Activitectural and engineering activities (5.3) (14.4) (17.6) Advertising and market research (0.2) (42.7) (17.3) Advertising and market research (0.2) (42.7) (17.3) Employment activities (4.6) (32.7) (37.2) Employment activities (10.3) (91.5) (88.6) Security and investigation activities (10.3) (91.5) (88.6) Office adm., support & other business support 5.2 (21.0) (10.3)  Other manufacturing (17.2) (38.3) (17.7)		W/h. and support activities for transportation	(7.0)	(39.6)	(24.5)	Beverages	(8.0)	(26.3)	(5.0)
Food and beverage service activities (13.8) (62.6) (36.1) Leather and related products (3.5) (32.1) (9.7) (22.9) (14.2) (14.2) (14.2) (15.5) (15.6) (15.9) (		Postal and courier activities	1.4	(4.6)	2.1	Textiles	(7.2)	(31.9)	1.6
Publishing activities  (3.8) (19.9) 3.7  Wood & related products (exc. furniture)  (5.7) (22.9) (14.2  Programme production & related  (20.5) (56.0) (46.5)  Programming and broadcasting activities  (3.5) (19.5) 4.4  Printing and reproduction of recorded media  (1.4) (33.7) (11.4  Telecommunications  Computer programming, consultancy & related  1.3 3.0 7.4  Pharma products & preparations  Information service activities  9.0 6.5 10.0  Architectural and engineering activities  (5.3) (14.4) (17.6)  Advertising and market research  Other prof., scientific & technical activities  (4.6) (32.7) (37.2)  Employment activities  (4.0) (38.6) (26.3)  Security and investigation activities  0.0 (11.0) (6.3)  Services to buildings and landscape activities  1.2 (21.0) (10.3)  Other manufacturing  (17.2) (38.3) (17.7)		Accommodation	(24.2)	(92.8)	(67.6)	Wearing apparel	(9.9)	(27.9)	(19.4)
Video, TV programme production & related  (20.5) (56.0) (46.5)  Paper and paper products  (5.0) (21.9) (13.4  Printing and reproduction of recorded media  (1.4) (33.7) (11.4  Telecommunications  5.7 3.6 8.5  Chemicals & chemical products  (3.2) (22.6) (8.4)  Computer programming, consultancy & related  1.3 3.0 7.4  Pharma products & preparations  16.6 10.4 16.1  Architectural and engineering activities  9.0 6.5 10.0  Architectural and engineering activities  (5.3) (14.4) (17.6)  Advertising and market research  (0.2) (42.7) (17.3)  Employment activities  (4.6) (32.7) (37.2)  Metal products (exc. machinery and eq.)  Travel agency, tour operator & related activities  (4.0) (38.6) (26.3)  Security and investigation activities  (10.3) (91.5) (88.6)  Services to buildings and landscape activities  (1.4) (33.7) (11.4  Printing and reproduction of recorded media  (1.4) (33.7) (11.4  Printing and reproducts  (3.2) (22.6) (8.4)  Pharma products & chemical products  (4.6) (27.3) (4.6)  Other non-metallic mineral products  (8.3) (24.9) 0.4  Metal products (exc. machinery and eq.)  (11.8) (21.4) (1.5)  Computer, electronic & optical products  (2.4) (28.7) 14.9  Motor vehicles, trailers and semi-trailers  (12.0) (51.9) (4.3)  Printing and reproduction of recorded media  (1.4) (33.7) (11.4  Printing and reproducts  (3.2) (22.6) (8.4)  Pharma products & chemical products  (4.6) (27.3) (4.6)  Other non-metallic mineral products  (8.3) (24.9) 0.4  Metal products (exc. machinery and eq.)  (11.8) (21.4) (1.5)  Motor vehicles, trailers and semi-trailers  (12.0) (51.9) (4.3)  Printing and reproduction of recorded media  (1.4) (33.7) (11.4  Printing and reproduction of recorded media  (1.4) (33.7) (11.4  Printing and reproducts  (4.6) (3.2) (22.6) (8.4)  Pharma products & chemical products  (4.6) (27.3) (4.6)  Pharma products & chemical products  (4.6) (27.3) (4.6)  Pharma products & chemical products  (5.3) (24.9) (4.6)  Pharma products & chemical products  (6.6) (27.9) (4.6)  Pharma products & chemical products  (6.6) (27.9) (4.6)	人里之	Food and beverage service activities	(13.8)	(62.6)	(36.1)	Leather and related products	(3.5)	(32.1)	(9.7)
Programming and broadcasting activities  (3.5) (19.5) 4.4  Printing and reproduction of recorded media  (1.4) (33.7) (11.4  Telecommunications  Computer programming, consultancy & related  1.3 3.0 7.4  Pharma products & preparations  16.6 10.4 16.1  Rubber and plastic products  (4.6) (27.3) (4.6)  Architectural and engineering activities  Advertising and market research  Other prof., scientific & technical activities  (4.6) (32.7) (37.2)  Employment activities  (4.0) (38.6) (26.3)  Travel agency, tour operator & related activities  (10.3) (91.5) (88.6)  Security and investigation activities  (3.2) (22.6) (8.4)  Pharma products & preparations  (4.6) (27.3) (4.6)  Other non-metallic mineral products  (8.3) (24.9) 0.4  Metal products (exc. machinery and eq.)  Computer, electronic & optical products  (2.4) (28.7) 14.9  Machinery & equipment n.e.c.  (3.6) (22.0) 6.2  Machinery & equipment n.e.c.  (3.6) (22.0) 6.2  Motor vehicles, trailers and semi-trailers  (12.0) (51.9) (4.3)  Office adm., support & other business support  5.2 (21.0) (10.3)  Other manufacturing  (17.2) (38.3) (17.7)		Publishing activities	(3.8)	(19.9)	3.7	Wood & related products (exc. furniture)	(5.7)	(22.9)	(14.2)
Telecommunications  5.7 3.6 8.5 Chemicals & chemical products  Computer programming, consultancy & related  1.3 3.0 7.4 Pharma products & preparations  16.6 10.4 16.1 Information service activities  9.0 6.5 10.0 Rubber and plastic products  Architectural and engineering activities  (5.3) (14.4) (17.6) Other non-metallic mineral products  1.8 (7.2) 7.4 Advertising and market research  Other prof., scientific & technical activities  (4.6) (32.7) (37.2) Metal products (exc. machinery and eq.)  Employment activities  (4.0) (38.6) (26.3) Computer, electronic & optical products  Travel agency, tour operator & related activities  (10.3) (91.5) (88.6) Machinery & equipment n.e.c.  Security and investigation activities  0.0 (11.0) (6.3) Motor vehicles, trailers and semi-trailers  (12.0) (51.9) (4.3)  Office adm., support & other business support  5.2 (21.0) (10.3) Other manufacturing  (17.2) (38.3) (17.7)		Video, TV programme production & related	(20.5)	(56.0)	(46.5)	Paper and paper products	(5.0)	(21.9)	(13.4)
Computer programming, consultancy & related  1.3 3.0 7.4 Pharma products & preparations  Information service activities  9.0 6.5 10.0 Rubber and plastic products  4.6) (27.3) (4.6)  Architectural and engineering activities  (5.3) (14.4) (17.6) Other non-metallic mineral products  1.8 (7.2) 7.4  Advertising and market research  (0.2) (42.7) (17.3) Basic metals  (8.3) (24.9) 0.4  Other prof., scientific & technical activities  (4.6) (32.7) (37.2) Metal products (exc. machinery and eq.)  Employment activities  (4.0) (38.6) (26.3) Computer, electronic & optical products  (2.4) (28.7) 14.9  Travel agency, tour operator & related activities  (10.3) (91.5) (88.6) Machinery & equipment n.e.c.  Security and investigation activities  0.0 (11.0) (6.3) Motor vehicles, trailers and semi-trailers  (12.0) (51.9) (4.3)  Office adm., support & other business support  5.2 (21.0) (10.3) Other manufacturing  (17.2) (38.3) (17.7)		Programming and broadcasting activities	(3.5)	(19.5)	4.4	Printing and reproduction of recorded media	(1.4)	(33.7)	(11.4)
Information service activities  9.0 6.5 10.0  Architectural and engineering activities  (5.3) (14.4) (17.6)  Advertising and market research  (0.2) (42.7) (17.3)  Employment activities  (4.6) (27.3) (4.6)  Other prof., scientific & technical activities  (4.6) (32.7) (37.2)  Employment activities  (4.0) (38.6) (26.3)  Travel agency, tour operator & related activities  (10.3) (91.5) (88.6)  Security and investigation activities  (10.4) (11.0) (6.3)  Services to buildings and landscape activities  (10.5) (11.0) (6.3)  Other non-metallic mineral products  (8.3) (24.9) 0.4  Metal products (exc. machinery and eq.)  (11.8) (21.4) (1.5)  Computer, electronic & optical products  (2.4) (28.7) 14.9  Machinery & equipment n.e.c.  (3.6) (22.0) (6.2  Motor vehicles, trailers and semi-trailers  (12.0) (51.9) (4.3)  Office adm., support & other business support  5.2 (21.0) (10.3)  Other manufacturing  (17.2) (38.3) (17.7)		Telecommunications	5.7	3.6	8.5	Chemicals & chemical products	(3.2)	(22.6)	(8.4)
Architectural and engineering activities (5.3) (14.4) (17.6) Other non-metallic mineral products 1.8 (7.2) 7.4  Advertising and market research (0.2) (42.7) (17.3) Basic metals (8.3) (24.9) 0.4  Other prof., scientific & technical activities (4.6) (32.7) (37.2) Metal products (exc. machinery and eq.) (11.8) (21.4) (1.5)  Employment activities (4.0) (38.6) (26.3) Computer, electronic & optical products (2.4) (28.7) 14.9  Travel agency, tour operator & related activities (10.3) (91.5) (88.6) Machinery & equipment n.e.c. (3.6) (22.0) 6.2  Security and investigation activities 0.0 (11.0) (6.3) Motor vehicles, trailers and semi-trailers (12.0) (51.9) (4.3)  Services to buildings and landscape activities 13.2 1.3 14.0 Furniture (5.3) (30.1) 1.6  Office adm., support & other business support 5.2 (21.0) (10.3) Other manufacturing (17.2) (38.3) (17.7)		Computer programming, consultancy & related	1.3	3.0	7.4	Pharma products & preparations	16.6	10.4	16.1
Advertising and market research  Other prof., scientific & technical activities  (4.6) (32.7) (37.2)  Employment activities  (4.0) (38.6) (26.3)  Travel agency, tour operator & related activities  (10.3) (91.5) (88.6)  Security and investigation activities  Office adm., support & other business support  (8.3) (24.9) (0.4  (11.8) (21.4) (1.5)  Computer, electronic & optical products  (2.4) (28.7) (14.9)  Machinery & equipment n.e.c.  (3.6) (22.0) (6.2)  Motor vehicles, trailers and semi-trailers  (12.0) (51.9) (4.3)  Other manufacturing  Other manufacturing  (17.2) (38.3) (17.7)		Information service activities	9.0	6.5	10.0	Rubber and plastic products	(4.6)	(27.3)	(4.6)
Other prof., scientific & technical activities (4.6) (32.7) (37.2) Metal products (exc. machinery and eq.) (11.8) (21.4) (1.5)   Employment activities (4.0) (38.6) (26.3) Computer, electronic & optical products (2.4) (28.7) 14.9   Travel agency, tour operator & related activities (10.3) (91.5) (88.6) Machinery & equipment n.e.c. (3.6) (22.0) 6.2   Security and investigation activities 0.0 (11.0) (6.3) Motor vehicles, trailers and semi-trailers (12.0) (51.9) (4.3)   Services to buildings and landscape activities 13.2 1.3 14.0 Furniture (5.3) (30.1) 1.6   Office adm., support & other business support 5.2 (21.0) (10.3) Other manufacturing (17.2) (38.3) (17.7)		Architectural and engineering activities	(5.3)	(14.4)	(17.6)	Other non-metallic mineral products	1.8	(7.2)	7.4
Employment activities  (4.0) (38.6) (26.3)  Computer, electronic & optical products  (2.4) (28.7) 14.9  Machinery & equipment n.e.c.  (3.6) (22.0) 6.2  Motor vehicles, trailers and semi-trailers  (5.3) (30.1) 1.6  Office adm., support & other business support  (4.0) (38.6) (26.3)  Computer, electronic & optical products  (2.4) (28.7) 14.9  Machinery & equipment n.e.c.  (3.6) (22.0) 6.2  Motor vehicles, trailers and semi-trailers  (5.3) (30.1) 1.6  Other manufacturing  (17.2) (38.3) (17.7)		Advertising and market research	(0.2)	(42.7)	(17.3)	Basic metals	(8.3)	(24.9)	0.4
Travel agency, tour operator & related activities (10.3) (91.5) (88.6) Machinery & equipment n.e.c. (3.6) (22.0) 6.2  Security and investigation activities 0.0 (11.0) (6.3) Motor vehicles, trailers and semi-trailers (12.0) (51.9) (4.3)  Services to buildings and landscape activities 13.2 1.3 14.0 Furniture (5.3) (30.1) 1.6  Office adm., support & other business support 5.2 (21.0) (10.3) Other manufacturing (17.2) (38.3)		Other prof., scientific & technical activities	(4.6)	(32.7)	(37.2)	Metal products (exc. machinery and eq.)	(11.8)	(21.4)	(1.5)
Security and investigation activities  0.0 (11.0) (6.3)  Motor vehicles, trailers and semi-trailers  (12.0) (51.9) (4.3)  Services to buildings and landscape activities  13.2 1.3 14.0  Office adm., support & other business support  5.2 (21.0) (10.3)  Motor vehicles, trailers and semi-trailers  (12.0) (51.9) (4.3)  Furniture  Other manufacturing  (17.2) (38.3) (17.7)	1377	Employment activities	(4.0)	(38.6)	(26.3)	Computer, electronic & optical products	(2.4)	(28.7)	14.9
Services to buildings and landscape activities 13.2 1.3 14.0 Furniture (5.3) (30.1) 1.6  Office adm., support & other business support 5.2 (21.0) (10.3) Other manufacturing (17.2) (38.3) (17.7)		Travel agency, tour operator & related activities	(10.3)	(91.5)	(88.6)	Machinery & equipment n.e.c.	(3.6)	(22.0)	6.2
Office adm., support & other business support 5.2 (21.0) (10.3) Other manufacturing (17.2) (38.3)		Security and investigation activities	0.0	(11.0)	(6.3)	Motor vehicles, trailers and semi-trailers	(12.0)	(51.9)	(4.3)
	14	Services to buildings and landscape activities	13.2	1.3	14.0	Furniture	(5.3)	(30.1)	1.6
Parail trade (ave. mater vehicles and fuel) 2.2 (11.0) (2.0)	D	Office adm., support & other business support	5.2	(21.0)	(10.3)	Other manufacturing	(17.2)	(38.3)	(17.7)
netall trade (exc. motor venicles and rue) 5.2 (11.8) (2.7) (24.7) (24.7)		Retail trade (exc. motor vehicles and fuel)	3.2	(11.9)	(2.9)	Repair and installation of machinery & eq.	(9.7)	(24.7)	(22.7)

Notes: 1) July and August only. Sources: Eurostat and KPMG analysis



#### ....both in terms of length and recovery period for different industries...



Degree of "Permanent" Change to Industry Economics/Value Chain



#### Companies must adapt to the "new normal", adjusting their business...



Perform strategic gap analysis to the "new normal"

Business Impact Governance & Operations

Financial & External factor



Leverage on public stimulus



Targeted public support

ESG



### Organic/Digital transformation



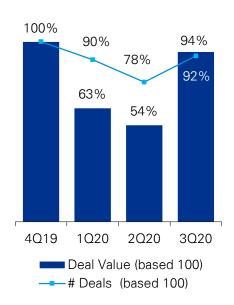
Source: KPMG 2020 CEO Outlook



#### ...to take advantage of new opportunities and manage new risks.

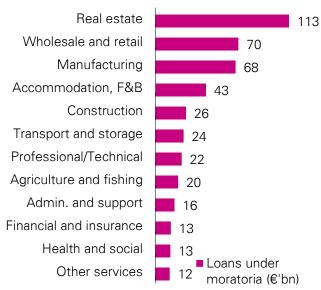


## M&A activities to enhance strategy



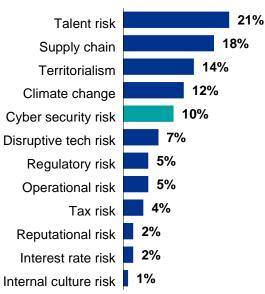


## Restructuring post-moratoria





## Cyber security is a real risk (top 5)



Source: KPMG analysis

Source: European Banking Authority, dados agregados da União Europeia

Source: KPMG 2020 CEO Outlook





# Thank you

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