

RECOVERY RISK SHOULD BE INTEGRATED INTO RISK SCENARIOS

COVID-19: W-shape of economic recovery



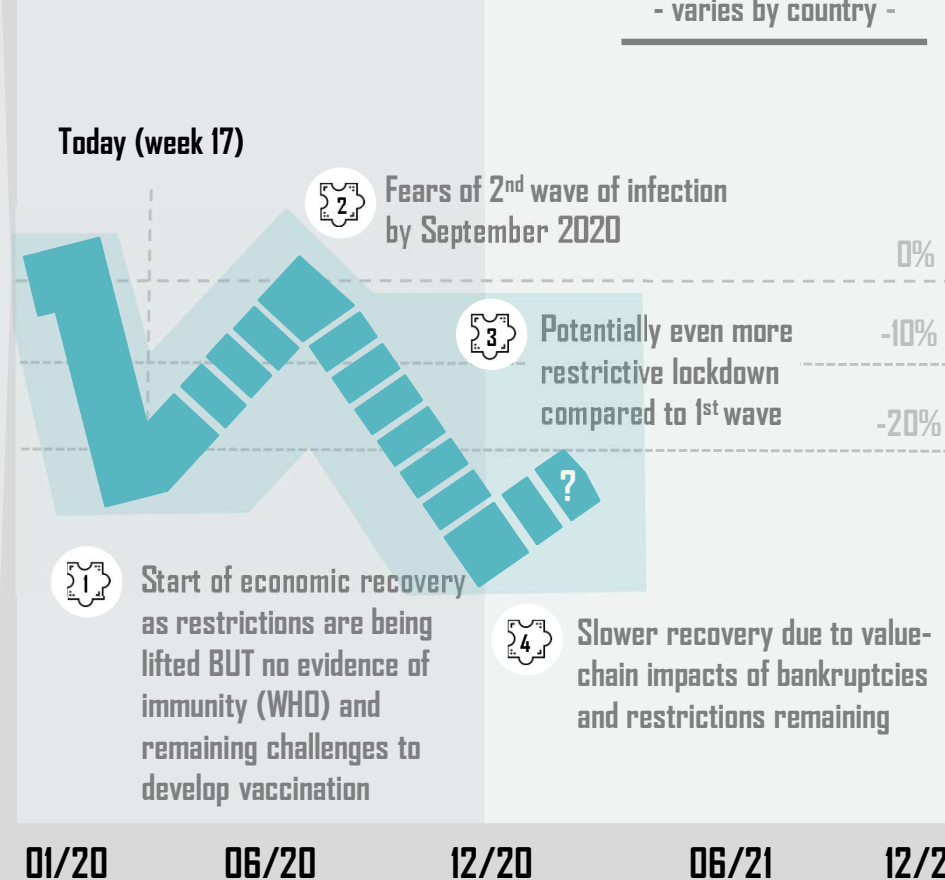
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Current recovery scenarios ...

- **Widely discussed scenarios of economic recovery**
 - V-shape: quick recovery
 - U-shape: slow recovery
 - L-shape: no recovery to previous levels
- **Potential setback** not reflected in scenarios yet
- **Increasing evidence of recovery hurdles**

... fall short of evolving evidence of recovery hurdles ...

COVID-19 GDP impact est.¹



... that need to be reflected in economic and companies risk scenarios

Key questions

- 1 Speed of recovery?
- 2 Start and peak of 2nd COVID-19 wave? 3rd wave to be expected?
- 3 Severity of lockdown measures and associated economic impact?
- 4 Speed of recovery and hurdles to overcome as a precondition (e.g. rebuilding of infrastructure and supply chains)?

¹ Range of select European countries: Italy, Spain, Germany (indicative)