

# The Big Picture

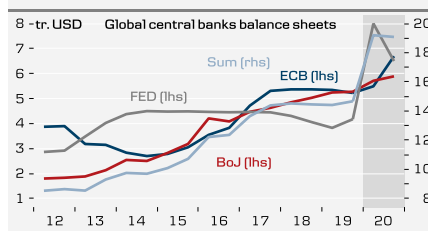
## Global fiscal and monetary responses to COVID-19

- Big news came out of the US where the Fed threw everything it has at the market.** It changed its QE programme from a fixed size to an open-ended programme and pledged to buy as much as needed to ensure transmission of monetary policy. The Fed also announced three new facilities. Two of them are aimed at big corporations by buying both new bond and loan issuance (Primary Market Corporate Credit Facility (PMCCF)) and buying outstanding corporate bonds (Secondary Market Corporate Credit Facility (SMCCF)). The third facility is the Term Asset-Backed Securities Loan Facility (TALF), which will facilitate asset-backed securities like auto loans, student loans, equipment loans etc. In total, this should provide USD300bn of liquidity (see also *Fed Monitor: Overview of Fed policy actions*).
- On the fiscal policy side, the US Senate approved the USD2,000bn spending package.** The deal includes: USD500bn in direct payments to Americans; USD500bn for large companies, including more money into the Exchange Stabilization Fund, which can be used as guarantees in the Fed's various credit facilities; USD350bn for loans to small businesses; USD350bn worth of tax cuts mainly by cutting payroll taxes; higher unemployment benefits and USD150bn of funding for hospitals (see also *Research US - Overview of state policy actions*).
- Euro area countries have now committed to fiscal easing in the magnitude of 2.5% of GDP on average.** Added to that, liquidity and credit measures of 11.5% of GDP are made available to help struggling companies. For the first time since 2013, Germany will take on new debt of EUR156bn, as parliament approved a EUR750bn crisis package and temporarily suspended the infamous 'debt break'. The package comprises direct cash handouts to SMEs of EUR50bn and a stabilisation fund for loans to struggling businesses and direct stakes in companies. To finance the extra spending, Germany intends to increase its issuance of government bonds and bills by EUR32.5bn in Q2 and by EUR87bn in H2 20 (see *here*).
- Eurozone finance ministers seemed to edge closer to an agreement to harness the ESM to help countries fund large-scale fiscal easing,** however disagreement still reigns whether this should take the form of enhanced condition credit lines (ECCL) available to all countries in the volume of 2% of GDP, or the introduction of common debt instrument (so-called coronbonds/eurobonds) issued by the ESM. The latter still faces stiff opposition from The Netherlands, plus German economy minister Altmaier has dismissed the idea. In that light, we think that if coronabonds should ever see the light of day (and if not now when otherwise?), it would be a story for Q3 at the earliest. At the same time, with the launch of the ECB's Pandemic Emergency Purchase Programme (PEPP), ESM credit lines have become less relevant in our view.
- The long-awaited details of the ECB's PEPP were also finally released.** It was quite a game changer, as the ECB essentially can use the full flexibility of the purchases as it sees fit. Most surprising was the scrapping of ISIN/issuer limits as well as the inclusion of bills as short as 70d in the programme.

### Other readings

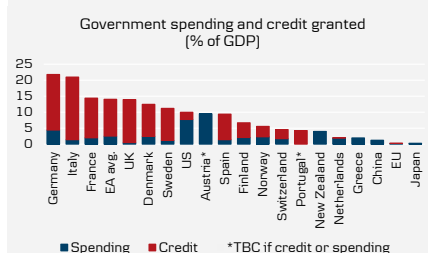
- Research COVID-19 - Closer to the peak of bad news*
- Flash Comment - Europe's economy in freefall*
- Macro US: Sharp GDP contraction but we still expect a rebound in H2*

### Global central banks embarking on big balance sheet expansion



Source: Macrobond Financial, Danske Bank

### Sizable fiscal easing is on its way



Source: Various central banks and Danske Bank

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Global fiscal policy responses to COVID-19			
Country	Measures	Size	Funding
<b>EUROPE</b>			
<b>EU</b>	<ul style="list-style-type: none"> <li>General escape clause for fiscal rules</li> <li>Maximum flexibility on state aid rules</li> <li>'Corona Response Investment Initiative' to support health care efforts, SMEs &amp; vulnerable sectors</li> <li>Stepped up EIB lending to SMEs</li> </ul>	<p>EUR 62bn (0.4% of GDP)</p>	EIB, EU budget & structural funds
<b>Italy</b>	<ul style="list-style-type: none"> <li>Help for workers facing temporary layoffs</li> <li>Guarantee fund for SME loans</li> <li>Moratorium for business and personal mortgage repayments</li> <li>One-off payment of EUR500 for self-employed and cash bonus for Italians still working, financial support to families</li> </ul>	<p>EUR 375bn (2% of GDP)</p>	Government debt
<b>Germany</b>	<ul style="list-style-type: none"> <li>Direct cash handouts for self-employed and SMEs (EUR50bn)</li> <li>Liquidity measures for affected companies (KfW credit &amp; state guarantees incl. equity stakes)</li> <li>Easier access to short-term work compensation ('Kurzarbeit')</li> <li>Easier access to unemployment benefits and protection of tenants</li> <li>Deferred tax payments for companies</li> </ul>	<p>EUR 750bn (22% of GDP)</p>	EUR 26bn (0.7% of GDP) reserves in Federal Employment Agency + government debt
<b>France</b>	<ul style="list-style-type: none"> <li>EUR 4bn package for start-ups</li> <li>Extended deadlines for social security and tax payments and sick leave payments for caring for children</li> <li>Short-time working scheme, under which state will cover entirety of lost salaries</li> <li>EUR 300bn for credit guarantees</li> <li>Cash handouts of EUR 1500 for affected SMEs</li> </ul>	<p>EUR 349bn (14% of GDP)</p>	Government debt
<b>Spain</b>	<ul style="list-style-type: none"> <li>Public guarantees (EUR 100bn) and deferred tax payments for SMEs</li> <li>Moratorium on mortgage payments</li> <li>Specific measures for tourism &amp; transport sectors</li> <li>Rebates on social security for fixed contracts for February-June</li> </ul>	<p>EUR 117bn (9.4% of GDP)</p>	Government debt
<b>Netherlands</b>	<ul style="list-style-type: none"> <li>Delayed tax payment and temporary arrangement for compensation of labour costs</li> <li>(Benefit) assistance scheme for self-employed</li> <li>Credit guarantee scheme</li> <li>EUR4000 compensation for firms heavily affected</li> <li>Child day-care compensation</li> </ul>	<p>EUR 16bn (2% of GDP)</p>	Government debt
<b>Austria</b>	<ul style="list-style-type: none"> <li>Liquidity measures and loan guarantees as well as tax deferrals</li> <li>Labour subsidies for companies that have to reduce working hours</li> <li>Aid for one-person and family-owned enterprises, tourism and cultural sectors</li> </ul>	<p>EUR 38bn (9.5% of GDP)</p>	Government debt
<b>Portugal</b>	<ul style="list-style-type: none"> <li>Credit lines for affected businesses and tax deferrals</li> <li>Possible moratorium on capital and interest payments</li> </ul>	<p>EUR 9.2bn (4.3% of GDP)</p>	Government debt
<b>Greece</b>	<ul style="list-style-type: none"> <li>Suspended tax and social security payments for 4 months for all businesses directly affected by coronavirus outbreak (on precondition that companies don't cut staff)</li> <li>EUR800 bonus for employees unable to work due to outbreak</li> <li>Sales tax cut to 6% from 24% for products needed to prevent coronavirus transmission</li> <li>Businesses and workers directly hit by outbreak will be allowed to pay only 60% of their rent in March and April</li> <li>State to pay all outstanding obligations to citizens</li> </ul>	<p>EUR3.8bn (2.0% of GDP)</p>	Government account + EU Corona Response Investment Fund
<b>UK</b>	<ul style="list-style-type: none"> <li>GBP3K cash grant for SMEs</li> <li>State pays for 14 sick days</li> <li>Coronavirus Business Interruption Loan Scheme</li> <li>Business rates will be abolished for smaller firms</li> <li>Government-backed loans and guarantees (GBP300bn)</li> </ul>	<p>GBP 312bn (14% of GDP)</p>	Government debt
<b>Denmark</b>	<ul style="list-style-type: none"> <li>Schemes where government pays up to 90% of wage for 3 months for workers who are sent home, covers income for self-employed, helps to cover fixed costs</li> <li>Extend deadlines for payroll taxes and VAT</li> <li>Local governments will move future investments to 2020</li> <li>Public sector will pay suppliers and contractors earlier</li> <li>Government payment for sick leave from day 1</li> <li>Government guarantee for some corporate debt and airlines</li> <li>Schemes where government pays up to 90% of wage for 3 months for workers who are sent home, covers income for self-employed, helps to cover fixed costs</li> <li>Slightly easier access to reduced work time support</li> </ul>	<p>Fiscal: DKK 58bn (2.5% of GDP)</p> <p>Credit: Up to DKK 231bn (10% of GDP)</p>	Government account and new debt

Source: Various government sources, Danske Bank

Global fiscal policy responses to COVID-19			
Country	Measures	Size	Funding
<b>EUROPE</b>			
Sweden	<ul style="list-style-type: none"> <li>Businesses will be offered the opportunity to have tax payments for the period January to March repaid. Repaid taxes can be kept for a period of a year (SEK 300bn)</li> <li>Government takes on sick leave expenses for 2 months April-May (SEK 2bn per month)</li> <li>Shortened work-week where employers costs are reduced by up to 50% while employees keep 90% of wages (SEK 20bn)</li> <li>Municipalities and regions will be compensated for extraordinary costs due to coronavirus (SEK 1bn)</li> </ul>	Credit: SEK 565 bn  (10% of GDP)	Government debt
	<ul style="list-style-type: none"> <li>Government offers credit guarantees worth a maximum SEK5bn to airlines.</li> </ul>	(12% of GDP)	
	<ul style="list-style-type: none"> <li>Extra support to different Health Agencies (SEK 66m)</li> </ul>		
	<ul style="list-style-type: none"> <li>Increased loan facilities and credit guarantees for Swedish businesses</li> </ul>		
	<ul style="list-style-type: none"> <li>Temporary reduction of employers' social security contributions and individual contributions (33bn)</li> </ul>		
	<ul style="list-style-type: none"> <li>SME that pay annual VAT can postpone 2019 VAT also 4 months, fully used 7bn</li> </ul>		
	<ul style="list-style-type: none"> <li>Possible to apply for return of 2019 taxes</li> </ul>		
	<ul style="list-style-type: none"> <li>Temporary discount for rental costs (5bn)</li> </ul>		
	<ul style="list-style-type: none"> <li>Setting up a intensive care fund for SME's of SEK 100 bn</li> </ul>		
	Norway	<ul style="list-style-type: none"> <li>Government pays for the first 20 days for temporary lay-offs; employer period for sick pay and car allowance is reduced to 3 days; income guarantee of 80% of (last 3 years) income for self-employed &amp; freelancers; sickness benefits &amp; care allowance for self-employed &amp; freelancers</li> </ul>	
<ul style="list-style-type: none"> <li>Corporate deficits can be written off against tax on surpluses from previous years</li> </ul>		(2.3% of GDP)	
<ul style="list-style-type: none"> <li>Postponement of wealth tax for owners of corporates now running deficits</li> </ul>			
<ul style="list-style-type: none"> <li>Temporary tax relief for airlines, drop in both passenger tariffs and airport tariffs</li> </ul>		Credit: NOK 100.5bn	
<ul style="list-style-type: none"> <li>Government loan guarantee specifically aimed at SMEs (NOK50bn) and reintroduction of Government Bond Fund (NOK50bn)</li> </ul>		(3.3% of GDP)	
<ul style="list-style-type: none"> <li>Reduction of employee's tax by 4 pp. for 2 months</li> </ul>			
<ul style="list-style-type: none"> <li>VAT reduction (lower bar) reduced from 12% to 8% from January 1.</li> </ul>			
Finland	<ul style="list-style-type: none"> <li>A additional budget worth EUR 400 million to business aid and healthcare</li> </ul>	EUR 16bn	Government debt
	<ul style="list-style-type: none"> <li>Deferred corporate tax and pension payments (temporary, worth 3-4 billion)</li> </ul>	(6.7% per GDP)	
	<ul style="list-style-type: none"> <li>Finnvera gets EUR 10 billion additional loan guarantee limit to help businesses</li> </ul>		
	<ul style="list-style-type: none"> <li>Business Finland will provide emergency aid to companies in worst affected industries</li> <li>State Pension Fund will buy EUR 1bn of commercial paper</li> </ul>		
Switzerland	<ul style="list-style-type: none"> <li>Short-time work scheme</li> </ul>	CHF32bn	Government debt
	<ul style="list-style-type: none"> <li>A additional stimulus including liquidity support + loan guarantees (CHF20bn)</li> </ul>	(4.6% of GDP)	
	<ul style="list-style-type: none"> <li>Hardship loans and to support specific sectors</li> </ul>		
<b>ASIA</b>			
China	<ul style="list-style-type: none"> <li>Exemption from social security payments for up to five months (0.7% of GDP).</li> <li>Postponement of Housing Provision Fund payments for companies affected by COVID-19 worth CNY350bn (0.35% of GDP)</li> <li>Reduction in VAT for SMEs'</li> <li>Special-purpose bond issuance quota lifted and front loaded (for infrastructure projects)</li> </ul>	Est. CNY 125 trn (125% of GDP)	Government debt and special-purpose bonds
New Zealand	<ul style="list-style-type: none"> <li>Wage subsidies, permanent lift in welfare payments</li> </ul>	NZD 12.1bn	Government debt
	<ul style="list-style-type: none"> <li>Reintroducing depreciation deductions</li> </ul>	(4% of GDP)	
	<ul style="list-style-type: none"> <li>Lifting the threshold for payment of provisional tax</li> </ul>		
	<ul style="list-style-type: none"> <li>Note: adds to existing (from Dec) infrastructure package of same size</li> </ul>		
Japan	<ul style="list-style-type: none"> <li>Credit lines for SMEs (particularly to tourism)</li> </ul>	0.3% of GDP	Budget reserve
	<ul style="list-style-type: none"> <li>Compensation for freelancers, self-employed, non-regular workers &amp; parents burdened by school closures</li> </ul>		
<b>AMERICA</b>			
US	<ul style="list-style-type: none"> <li>Loan guarantees and assistance for large companies (USD 500bn)</li> </ul>	USD2200bn	Government debt
	<ul style="list-style-type: none"> <li>Aid for SMEs (USD 350bn)</li> </ul>	(10% of GDP)	
	<ul style="list-style-type: none"> <li>Unemployment insurance extension for 4M, bolstered by USD 600/week</li> </ul>		
	<ul style="list-style-type: none"> <li>More health care spending (USD 50bn)</li> </ul>		
	<ul style="list-style-type: none"> <li>Direct payments to lower and middle-income Americans of USD 1200 per adult and USD500 for every child</li> </ul>		

Source: Various government sources, Danske Bank

Global monetary policy responses to coronavirus								
Country	Date	Measures	Rate changes	QE (in national currency)	Liquidity	Initial market impact	Comment	Bank regulation
<b>ECB</b>	25-mar	PEPP modalities					Maturity: 70d to 3y ISIN/ ISSUER limits do NOT apply A flexible approach to the capital key ECB still keeps the pari passu as in the other APP Bonds will be made available for repo and sec lending There are no monthly purchase guidelines, so expect front loading	
<b>Fed</b>	23-mar	Credit programmes and QE		Open-ended, unlimited, flexible QE	Primary Market Corporate Credit Facility buying new bon and loan issuance Secondary Market Corporate Credit Facility buying outstanding corporate bonds Term Asset-Backed Securities Loan Facility to enable issuance of ABS backed by student loans, ato loans etc. A Main Street Business Lending Program on its way More attractive pricing of the CPFF including more eligible assets	Positive		Technical change to the "total loss absorbing capacity" buffer requirements
<b>Norges Bank</b>	20-mar	Rate cut F-loans to banks (liquidity)	-25bp/modest easing bias	No QE but NOK50bn credit fund set up funded by the government (oil money)	Unlimited 3M F-loans to banks (1M, 3M, 6M and 12M). Interest rate is policy rate for up to 3M +25bp for 6M, +30bp for 12M.  USD liquidity from central bank.	Lower Nibor fixings	More likely that we see more liquidity and credit measures than more rate cuts in our view.	Counter-cyclical buffer lowered from 2.5% to 10% FSA asking MoF to adopt regulation requiring banks and insurance undertakings not to pay dividends until further notice. MoF have increased the quote of mortgages to 20% that may deviate from the amortisation
<b>BoJ</b>	19-mar	JGB purchase		Unscheduled JPY 1 trillion JGB purchase			Initially dampened increase in 10-year yields	
<b>Nationalbanken</b>	19-mar	Rate hike 3m repo	+15bp in certificates of deposit rate					
<b>BoE</b>	19-mar		-15bp down to 0.1%	GBP 200bn				
<b>SNB</b>	19-mar	Stronger language on CHF valuation.	no chg (but exemption thresholds raised on sight deposits)	Balance sheet to be more actively used to stem CHF appreciation	No new measures but SNB takes part in G6 USD swap lines. Extends USD swap lines to other central banks outside G6 including Scandi central banks Launches Money Market Mutual Fund Liquidity Facility (MMMLF)	Broadly CHF neutral	Balance-sheet expansion rather than rate cuts to safeguard policy transmission mechanism	Considering lower countercyclical capital buffer
<b>Fed</b>	19-mar							
<b>Nationalbanken</b>	18-mar	Lending facility	Lending facility at	-0.50%	Extraordinary lending facility will be launched. The lending facility makes it possible for monetary policy counterparts to take 1-week loans against collateral with an interest rate of -0.50%.  USD liquidity from central bank.	Cap on OIS rates and Cibo r fixings		Counter-cyclical buffer lowered to zero
<b>ECB</b>	18-mar	QE (PEPP)	no change	EUR 750bn in APP asset classes. Also including GR (no non-investment grade) Commercial paper Collateral easing		Strong spread tightening and yields lower	A bold and sizeable move by the ECB to contain the credit risk.	
<b>BoJ</b>	17-mar	USD funding	no change		USD 30 billion 3-month dollar operation	USD/JPY basis swap eased	Part of agreement between global central banks to offer three-month credit to ease funding constraints	
<b>BoC</b>	17-mar	Rate cut	-100 bp		Various liquidity measures including CAD 500M/week asset purchases, a standing liquidity facility, eased collateral terms and extended term repo operations.	Lower fixings, weaker CAD		
<b>Fed</b>	17-mar				Launches Primary Dealer Credit Facility (PDCF) & Commercial Paper Funding Facility (CPFF) Encourages banks to use capital and liquidity buffers and use the Fed's discount window			

Source: Various financial supervisory sources, Danske Bank

Global monetary policy responses to coronavirus									
Country	Date	Measures	Rate changes	QE (in national currency)	Liquidity	Initial market impact	Comment	Bank regulation	
<b>Riksbank</b>	16-mar	QE  Long-term repo operations Lowered O/N lending rate  Eased collateral rules for covered bonds	O/N rate lowered from 75 bp above repo rate to 20 bp above.	Expanded QE with up to SEK300bn during 2020, which will include SGB's, municipal bond and covered bonds. -6% of GDP	SEK500bn (10 % of GDP) 2y loans to banks for on-lending to NFC's at the repo rate. 20 % must be onward lending. If not, a 20 bp charge is applied. Normal collateral applies. Unlimited amount of weekly 3m loans at 20 bp above repo rate. The amount of covered bonds allowed as collateral is raised from 60 % to	Covered bonds tightening significantly  Likely to ease Stibor pressure	SEK300bn in QE means that the QE portfolio will almost double in size. RB also keeping the door open to buy corporate bonds if needed.  Liquidity measures will ease upward pressure on Stibor.  The RB continues to state that it can use all tools at its disposal (we expect eventual cut).	Counter-cyclical buffer lowered to zero. FSA have announced that amortisation requirement may be suspended for borrowers facing loss of income. Temporary relaxation of LCR requirements for individual and total currencies.	
<b>BoE</b>	16-mar	Rate cut, liquidity, countercyclical capital buffer cut	-50bp	Unchanged	New term funding scheme, countercyclical capital buffer down to 0%	GBP negative			
<b>BoJ</b>	16-mar	QE and liquidity	no change	Double cap for pace of ETF pickups to ¥12trillion/year. Also double cap for pace of real estate trust funds and set aside 2 trillion yen for additional purchases of commercial paper and corporate bonds	New loan programme to extend zero-rate loans to financial institutions	Net slightly disappointing. Stock market disappointed as BoJ gives no guarantees. USD/JPY decrease as rate cut was priced in	Much as expected, although four days early. BoJ said rate cut still on the table, but will likely do more harm than good. Still plenty of flexibility to increase JGB purchases within signalled annual pace		
<b>South Korea</b>	16-mar	Rate cut	-50bp						
<b>Fed</b>	16-mar	Rate cut, QE, USD liquidity, 0% reserve requirement ratio	-100bp	USD500bn in Treasuries, USD200bn in MBS, -3.2% of GDP		Negative Monday morning	Fed went all in in a surprise move on Sunday by emptying the conventional toolbox		
<b>RBNZ</b>	16-mar	Rate cut	-75bp			Positive - initial market impact	Significant fiscal package: 4% of GDP + 4% infrastructure (from Dec). Also 75bp cut. Clear guidance that next is QE		
<b>Riksbank</b>	13-mar	Long-term repo operations (2Y)	no change	N/A	2Y loans against collateral totalling SEK500bn for liquidity support. Priced at repo rate given that 20% of the volume is lent out to non-financial companies. If not, 20bp is added to the repo rate	No direct market impact	In the press conference, RB said that it is prepared to use all tools available, including buying municipal, covered and corporate bonds.		
<b>PBOC</b>	13-mar	Liquidity, RRR rate cut			Offers discount to bank reserve requirement by 0.5 to 2 percentage points for qualified banks. Can release CNY550bn to banking system.				
<b>ECB</b>	12-mar	QE  LTRO and TLTROs	no change	EUR 120bn envelope additional by year-end.  Additional EUR 120bn of QE, favouring private programmes. Flexible implementation  -1% of GDP	Bring financing at depo rate (fixed rate full allotment) until June  TLTRO TLTRO at MRO-25 to depo-25bp subject to 0% lending growth. Strip off 10% eligibility rule. Lifting of pool eligibility from 30% to 50%. Dual rates	Large impact - as disappointment of no cut	Underwhelming package, in particular in terms of QE size		
<b>Fed</b>	12-mar	Buying further out the US yield curve (reserve management purchases) Longer-term repo operations			Offering a total of USD1000bn in one-month and three-month repo operations on a weekly basis	Positive intraday announcement	Fear of lack of liquidity and oversubscribed repo operations made the Fed go all in on liquidity		
<b>Fed</b>	09-mar	Increased the amount offered in repo operations			Overnight repo at least USD 150bn (from USD 100bn) Two-week repo at least USD 45bn (from USD 20bn)		Due to fear of lack of liquidity and oversubscribed repo operations		
<b>Fed</b>	03-mar	Rate cut	-50bp				Emergency rate cut due to major sell-off and increased market pressure		

Source: Various financial supervisory sources, Danske Bank

## European bank regulation responses to COVID-19

Country	Date	Measure
Norway	25-mar	N-FSA asking MoF to adopt regulation requiring banks and insurance undertakings not to pay dividends until further notice.
Denmark	24-mar	Common statement from government and banking association saying banks will reassess already planned dividends and buyback plans. Further initiatives include increased lending facilities and credit lines for corporates and a grace period for certain loan types.
Sweden	24-mar	S-FSA urges banks to change dividend proposals and not pay out and dividends in relation to upcoming AGMs.
ECB / SSM	20-mar	Further flexibility to banks on classification of non-performing loans allowing banks to benefit from guarantees and moratoriums put in place by public authorities. Banks encouraged to avoid excessive pro-cyclical effects on provisioning when applying IFRS9.
United Kingdom	20-mar	Cancellation of 2020 annual stress test. Moratorium on mortgages to not automatically trigger additional provisions. Acknowledgment of banks taking into account temporary nature of current crisis and significant support measures when calculating IFRS9 provisioning.
Denmark	19-mar	D-FSA states that financial institutions may apply to make use of LCR buffers. D-FSA instruction states that forbearance to clients as a result of the COVID-19 situation will not automatically increase provisioning needs.
France	18-mar	Counter-cyclical buffer rate lowered from 0.25% (due to reach 0.5%) to 0.0%.
Germany	18-mar	Counter-cyclical buffer rate lowered from 0.25% to 0.0%.
Iceland	18-mar	Counter-cyclical buffer rate lowered from 2.0% to 0.0%.
Ireland	18-mar	Counter-cyclical buffer rate lowered from 1.0% to 0.0%.
Finland	17-mar	Systemic risk buffer removed, bank-specific requirements lowered, resulting in 1pp lower buffer requirements.
Netherlands	17-mar	Systemic risk buffer lowered, mortgage risk weight floor postponed
Sweden	16-mar	Temporary relaxation of LCR requirements for individual and total currencies. Breaches should be reported to S-FSA.
Sweden	13-mar	Counter-cyclical buffer rate lowered from 2.5% to 0.0%.
Norway	13-mar	Counter-cyclical buffer rate lowered from 2.5% to 1.0%.
Norway	13-mar	Temporary relaxation of LCR requirements. Breaches should be reported to N-FSA.
EBA	12-mar	Postponement of EU-wide stress test to 2021. Call for competent authorities to make use of flexibility embedded in current regulation (where appropriate).
ECB / SSM	12-mar	Banks temporarily allowed to operate with capital below levels defined by Pillar 2 Guidance and Capital Conservation Buffer. Temporary relaxation of LCR requirements. Easing of requirements on composition of capital for Pillar 2 Requirement brought forward.
Denmark	12-mar	Counter-cyclical buffer rate lowered from 1.0% (due to reach 2.0%) to 0.0%.
Belgium	11-mar	Counter-cyclical buffer rate lowered from 0.5% to 0.0%.
United Kingdom	11-mar	Counter-cyclical buffer rate lowered from 1.0% (due to reach 2.0%) to 0.0%, LCR buffers can be drawn upon.

Source: Various financial supervisory sources, Danske Bank

## Disclosures

This research report has been prepared by Danske Bank A/S ('Danske Bank'). The authors of this research report are Aila Mihr, Senior Analyst, Piet Haines Christiansen, Chief Strategist, and Sverre Holbek, Senior Analyst.

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**Report completed:** 26 March 2020, 16:31 CET

**Report first disseminated:** 27 March 2020, 06:00 CET