

US could take equity shares in coronavirus-hit airlines: officials

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● The massive financial rescue plan passed by the US Congress designates \$50 billion for the airline industry

AFP | Washington

The US government could take equity shares in airlines and other troubled but vital American corporations as it moves to stabilize an economy amid the new coronavirus pandemic, top US officials said yesterday.

White House economics adviser Larry Kudlow said the government should get a stake in companies that receive direct cash grants from the federal government.

"I think in return for direct cash grants, which is what the airlines have asked for, I see no reason why the American taxpayer shouldn't get a piece," he said on "Fox News Sunday."

Treasury Secretary Steven Mnuchin, speaking on CBS's "Face the Nation" talk show, also said the government could take equity positions in return for infusions of taxpayer money.

"As the president said, we'll



US Treasury Secretary Steven Mnuchin

look at each one of these situations," he said.

"Some of them are very good companies that just need liquidity and will get loans. Some of these companies may need more significant help and we may be taking warrants or equity as well as that."

"The president wants to make sure the American taxpayers are compensated. This is not a bailout."

Mnuchin said any such transactions would take the form of warrants, a type of security that gives its holder the right to buy or sell an asset at a certain price up to a certain date determined when it is emitted. Warrants can thus be converted into shares.

The massive financial rescue plan passed by the US Congress designates \$50 billion for the airline industry.

Half that sum would take the form of loan guarantees, and the rest direct cash payments.

Invoking their importance to the economy and the social risks if they fail, Boeing and the US airlines have demanded an unprecedented government bailout.

Govts, central banks must boost efforts to cope with crisis - BIS chief

Reuters | London

Governments and central banks need to step up efforts urgently to support their economies in the face of the coronavirus crisis, the head of the Bank for International Settlements said yesterday.

General Manager Agustín Carstens, who heads the BIS - an umbrella group for the world's central banks - wrote an opinion piece yesterday saying "urgent" solutions beyond those used during the 2008 financial crisis were needed.

Rules brought in after the 2008 crash were designed to prevent banks overextending themselves, but the worry now is that they are not stepping in and lending when the capital markets have slammed shut for many firms.

"To give viable businesses a lifeline to tide them over the economic sudden stop wrought



Bank of Mexico Governor Agustín Carstens gestures during the delivery quarterly report from the Bank of Mexico in Mexico City, Mexico

by Covid-19, a solution is needed to complete the last mile from potential lenders to those firms at the edge of the precipice," Carstens said.

Major central banks have rushed to pour trillions of dollars worth of emergency funding into the global banking system but that money needed to reach those who need it, Carstens said.

A first step towards bridging what he called "the last mile" would be for banks to use their capital buffers while "a global freeze on bank dividends and share buybacks," was also needed. A second step he recommended would be government-guaranteed loans by banks to small and medium firms, equal to the amount of taxes each paid last year, although

it should only go to those that were profitable last year to limit scope for corruption.

These "tax deferral loans" could be securitised and re-financed by the central bank, with any losses to be borne by governments.

Finally he said, these principles must "go global", building on central bank dollar swap lines to channel liquidity toward preventing global supply chains from unravelling.

Government-guaranteed loans by banks to finance receivables, such as invoices for exports, could also be securitised and financed by a central bank facility.

"For central bank liquidity to reach the far corners of the financial system, it must directly target individuals and businesses that need it most. Otherwise, central bank actions may be just pushing on a string," Carstens said.

Outrage in Germany as Adidas, H&M stop rent payments

Frankfurt am Main

Global retailers including Adidas and H&M sparked outrage in Germany yesterday after announcing they planned to stop paying rent on stores that have been forced to close over the coronavirus outbreak.

Finance Minister Olaf Scholz urged leading companies to refrain from taking rash action that could hurt property owners.

"It's irritating when large companies simply announce a halt on paying rent," Scholz told the Bild daily, urging retailers to reach out to landlords to find solutions.

"Now is the time to work together," he said.

The retailers' move comes after the German government unveiled a major rescue package to protect companies and jobs from the economic impact of the pandemic.

It includes a provision that temporarily shields tenants from being kicked out of their homes or business properties if they experience financial hardship over the coronavirus measures.

But Justice Minister Christine Lambrecht warned company bosses not to take advantage. "It is indecent and unacceptable if financially strong firms now just stop paying their rents," she said in Berlin on Saturday.

German sportswear maker Adidas, which made a net profit of nearly two billion euros (\$2.2 billion) in 2019, has been hard hit by a slump in Chi-



nese sales and massive store closures.

The Bavarian company, one of Germany's best-known brands, told DPA news agency that it was "temporarily suspending rental payments, just like many other companies".

German Transport Minister Andreas Scheuer told Bild he was "disappointed by Adidas", pointing out that many small, private landlords would be left out of pocket.

Swedish clothing giant H&M said it too would not be paying rent on its roughly 460 closed stores in Germany, telling DPA that it had informed landlords and hoped to find "a mutually acceptable solution" soon.

German shoe store chain Deichmann intends to suspend rent and service charges from April for the duration of the government-ordered closures.

A spokesman for the Eszen-based company told DPA that it expected those with political responsibility "to compensate for the lost rental income of the affected parties".

Other German media outlets reported that electronics retailers Saturn and MediaMarkt as well as Adidas rival Puma also planned to halt their rent payments for now.

AMERICAN LIFE INSURANCE COMPANY BAHRAIN BRANCH

Statement of financial position At 31 December 2019

	2019 BD	2018 BD
ASSETS		
Property and equipment	6,307	7,882
Right-of-use asset	2,848	-
Loans to policyholders	1,127,532	1,130,097
Investment securities:		
Available-for-sale	40,709,326	37,043,851
At fair value through profit or loss	26,443,130	25,668,807
Reinsurance contract assets	221,576	371,328
Premium debtors and other receivables	781,335	973,963
Cash and bank balances	1,286,964	5,382,514
Total assets	70,579,018	70,578,442
HEAD OFFICE EQUITY AND LIABILITIES		
Head Office equity		
Head Office account	8,911,552	7,127,027
Available-for-sale fair value reserve	1,328,695	(527,606)
Total Head Office equity	10,240,247	6,599,421
LIABILITIES		
Provision for employees' end of service indemnity	10,684	29,870
Insurance contract liabilities	55,151,966	60,659,021
Due to policyholders	3,015,940	978,211
Accounts payable	2,157,298	2,311,919
Lease liability	2,883	-
Total liabilities	60,338,771	63,979,021
Total Head Office equity and liabilities	70,579,018	70,578,442

Country Manager
Fadi Abou Ghali

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MetLife, Inc. (NYSE: MET), through its subsidiaries and affiliates ("MetLife"), is one of the world's leading financial services companies, providing insurance, annuities, employee benefits and asset management to help its individual and institutional customers navigate their changing world. Founded in 1868, MetLife has operations in more than 40 countries and holds leading market positions in the United States, Japan, Latin America, Asia, Europe and the Middle East.

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Statement of income For the year ended 31 December 2019

	2019 BD	2018 BD
Income		
Gross insurance premium	12,707,323	12,913,571
Insurance premium ceded to reinsurers	(2,349,779)	(2,295,962)
Net insurance premium	10,357,544	10,618,609
Interest and other investment income	1,736,912	1,750,257
Commission income	288,672	286,723
Allowance for doubtful debts no longer required		
written back	48,254	36,150
Net income	12,431,382	12,689,739
Expenses		
Insurance claims and loss adjustment expenses	(3,392,536)	(3,540,919)
Insurance claims and loss adjustment expenses recovered from reinsurers	1,227,659	1,438,099
Insurance benefits	(5,668,834)	(5,433,839)
Expenses for the acquisition of insurance and investment contracts	(437,154)	(716,101)
Other operating expenses	(1,077,470)	(1,128,051)
	(9,348,335)	(9,378,811)
Profit for the year	3,083,047	3,310,928

Statement of comprehensive income For the year ended 31 December 2019

	2019 BD	2018 BD
Profit for the year	3,083,047	3,310,928
Other comprehensive income/(loss):		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Net changes in the fair value of available-for-sale investment securities	1,856,301	(1,278,731)
Total other comprehensive income / (loss) for the year	1,856,301	(1,278,731)
Total comprehensive income for the year	4,939,348	2,032,197

Auditors
Deloitte & Touche (M.E.)

American Life Insurance Company

P.O.Box 20281, Bldg 452A, Road No. 1010, Block 410, Sanabis, Kingdom of Bahrain
Tel: +973 17 556608 - Fax: +973 17 311229