



OFFSHORE

ENERGY. COMMITTED.



ANNUAL REPORT 2019

4 FINANCIAL STATEMENTS 2019

The contractual maturity of the trade payables is as follows:

Trade and other payables (contractual maturity of the trade payables)

	31 December 2019	31 December 2018
Within 1 month	136	134
Between 1 and 3 months	6	6
Between 3 months and 1 year	0	0
More than one year	0	(0)
Total	142	140

4.3.28 COMMITMENTS AND CONTINGENCIES

PARENT COMPANY GUARANTEES

SBM Offshore N.V., as the parent company, is committed to fulfill various types of obligations arising from customer contracts, such as full performance and warranty obligations.

In the past, the parent company has issued guarantees for contractual obligations in respect of several Group companies, including equity-accounted joint ventures, with respect to long-term lease and operate contracts. The few remaining guarantees still active as of December 31, 2019 relate to the Deep Panuke MOPU unit, *Thunder Hawk* semi-submersible platform and FPSO *Saxi*, and have all been signed prior to 2010.

BANK GUARANTEES

As of December 31, 2019, the Company has provided bank guarantees to unrelated third parties for an amount of US\$572 million (2018: US\$358 million). No liability is expected to arise under these guarantees.

The Company holds in its favor US\$481 million of bank guarantees from unrelated third parties. No withdrawal under these guarantees is expected to occur.

COMMITMENTS

As at December 31, 2019, the remaining contractual commitments for acquisition of intangible assets, property, plant and equipment and investment in leases amounted to US\$639 million (December 31, 2018: US\$135 million). Investment commitments have increased principally due to the construction of the FPSO *Liza Unity*, FPSO *Segetiba*, and the initial limited scope commenced for FPSO *Prosperity*, which is subject to necessary government approvals and project sanction.

CONTINGENT LIABILITY

The Company has no significant contingent liabilities or assets to be disclosed for the year ended December 31, 2019.

4.3.29 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

This note presents information about the Company's exposure to risk resulting from its use of financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further qualitative disclosures are included throughout these consolidated financial statements.

ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The Company uses the following fair value hierarchy for financial instruments that are measured at fair value in the statement of financial position, which require disclosure of fair value measurements by level:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.