



OFFSHORE

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ANNUAL REPORT 2018

Please refer to note 4.3.1 Financial Highlights for the impact of Shell exercising the purchase option on the finance lease contract of the *Turritella* (FPSO) in 2017.

4.3.16 OTHER FINANCIAL ASSETS

The breakdown of the non-current portion of other financial assets is as follows:

	31 December 2018	31 December 2017
Non-current portion of other receivables	79	124
Non-current portion of loans to joint ventures and associates	133	77
Total	211	201

The decrease in the non-current portion of other receivables and the increase in the non-current portion of loans to joint ventures and associates are both mainly explained by a new loan between the Company and one of its joint ventures. This loan to the joint venture was used to repay the Company's outstanding non-current other receivables.

The maximum exposure to credit risk at the reporting date is the carrying amount of the interest-bearing loans taking into account the risk of recoverability (for expected credit losses refer to note 4.3.8 Net Impairment Gains/(Losses) on Financial and Contract Assets and note 4.3.29 Financial Instruments – Fair Values and Risk Management). The Company does not hold any collateral as security.

LOANS TO JOINT VENTURES AND ASSOCIATES

	Notes	31 December 2018	31 December 2017
Current portion of loans to joint ventures and associates	4.3.19	101	33
Non-current portion of loans to joint ventures and associates		133	77
Total	4.3.33	234	110

The increase in the current portion of loans to joint ventures and associates addresses the temporary working capital needs of some of joint ventures, mostly located in Angola.

The carrying amount of funding loans is reduced by an amount of US\$ 168 million as of December 31, 2018 (December 31, 2017: US\$ 166 million) due to cumulative losses and impairment charges recognized in two joint ventures.

The maximum exposure to credit risk at the reporting date is the carrying amount of the loans to joint ventures and associates, taking into account the risk of recoverability. The Company does not hold any collateral as security.

4.3.17 DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax assets and liabilities and associated offsets are summarized as follows:

Deferred tax positions (summary)

	31 December 2018			31 December 2017		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property, plant and equipment	-	26	(26)	-	16	(16)
Tax losses	11	-	11	12	-	12
Other	15	10	5	15	-	15
Book value at 31 December	26	36	(10)	27	16	11