CBQ Finance Limited

FINANCIAL STATEMENTS

31 DECEMBER 2018

EY
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF CBQ FINANCE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CBQ Finance Limited (the "Company"), which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Company as at 31 December 2017 were audited by another auditor, whose reports dated 25 January 2018, expressed an unmodified audit opinion.

Responsibilities of Board of Directors for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF CBQ FINANCE LIMITED (CONTINUED)

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

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Ernst & Young
Doha – State of Qatar
Date - 4 February 2019

STATEMENT OF FINANCIAL POSITION
As at 31 December — **In USD'000**

	Note	2018	2017
ASSETS			
Non-current asset			
Loans to parent company	4	**1,682,434**	2,089,616
Current assets			
Loans to parent company	4	1,502,833	29,988
Due from parent company		28,239	6,893
Cash and cash equivalents		1	1
		1,531,073	36,882
TOTAL ASSETS		**3,213,507**	2,126,498
EQUITY AND LIABILITIES			
EQUITY			
Share capital	5	1	1
Total equity		**1**	1
LIABILITIES			
Non-current liability			
Debt issued	6	**1,682,434**	2,089,616
Current liability			
Debt issued	6	1,502,833	29,988
Interest payable		28,239	6,893
		1,531,072	36,881
Total liabilities		**3,213,506**	2,126,497
TOTAL EQUITY AND LIABILITIES		**3,213,507**	2,126,498

On behalf of the Board of Directors, these financial statements have been approved on 4 February 2019 by the following:

Joseph Abraham
Chairman

Rehan Ahmed Khan
Director

The attached notes 1 to 9 form an integral part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

	Note	***2018*** ***USD'000***	*2017* *USD'000*
Finance income		**116,166**	100,450
Finance cost	7	**(116,166)**	(100,450)
NET FINANCE INCOME		**-**	-
PROFIT FOR THE YEAR		**-**	-
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-**	-

The attached notes 1 to 9 form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Share capital USD'000	*Total USD'000*
Balance as at 1 January 2017	1	1
Profit for the year	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-
Balance as at 31 December 2017	1	1
Balance as at 1 January 2018	**1**	1
Profit for the year	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-
Balance as at 31 December 2018	**1**	1

The attached notes 1 to 9 form an integral part of these financial statements

STATEMENT OF CASH FLOWS
For the year ended 31 December

	Note	**2018** **USD'000**	2017 USD'000
OPERATING ACTIVITIES			
Profit for the year		**-**	-
Adjustments for:			
Amortization of finance cost	7	**4,037**	4,820
Operating profit before working capital changes		**4,037**	4,820
Working capital changes:			
Net changes in loans to parent company		**(1,065,662)**	465,314
Amount due from parent company		**(21,346)**	3,560
Interest payable		**21,346**	(3,560)
Net changes in debt securities		**1,061,625**	(470,134)
Net cash from operating activities		**-**	-
NET CHANGE IN CASH AND CASH EQUIVALENTS		**-**	-
Cash and cash equivalent at 1 January		**1**	1
CASH AND CASH EQUIVALENT AT 31 December		**1**	1

The attached notes 1 to 9 form an integral part of these financial statements

1 CORPORATE INFORMATION

CBQ Finance Limited (the "Company") is an exempt company with limited liability incorporated in Bermuda under the Companies Act 1981 on 5 November 2009 (with registration number is 43669). The registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

The Company is a fully owned subsidiary of The Commercial Bank (P.S.Q.C.) (the "parent company"), a Qatari Shareholding Company listed on the Qatar Exchange.

The Company is organized as a special purpose entity and consequently will not have any employees or own any physical assets. The Company has been established to raise capital for the parent company by issuing debt instruments.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and are presented in United States Dollars (USD), rounded to the nearest thousand, which is the presentation and functional currency of the Company.

Statement of compliance
The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS).

2.2 Accounting policies and disclosures

New standards and amendments to the standards
The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS recently issued by the IASB and International Financial Reporting Interpretations Committee ("IFRIC") interpretations.

The Company has adopted the following new and amended International Accounting Standards/International Financial Reporting Standards as of 1 January 2018:

- IFRS 15 – Revenue from Contracts with Customers (Effective 1 January 2018)
- IFRS 9 – Financial Instruments (Effective 1 January 2018)
- Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions (Effective 1 January 2018)

The application of these amendments and interpretations at the Company level had no material impact on the disclosures in the Company's financial statements

Standards issued but not yet effective
A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2018, and earlier application is permitted; however; the Company has not early applied the following new or amended standards in preparing these financial statements:

- IFRS 16 – Leases (Effective 1 January 2019)
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Company does not expect to have a material impact on its financial statements from adoption of these standards.

2.3 Adoption of standards effective from 1 January 2018

IFRS 9 – Financial Instruments

The Company has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2018. As permitted by the transitional provisions of IFRS 9, the Company elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Adoption of standards effective from 1 January 2018 (continued)

IFRS 9 – Financial Instruments (continued)
The adoption of IFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as "IFRS 7 – Financial Instruments: Disclosures".

Classification of financial assets and financial liabilities

Financial assets
IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost (AC), fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FTVPL). IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The standard eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

Impairment of financial assets
IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk (SICR);
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL

On initial application of IFRS 9, the management assessed the impact on impairment on dues from parent to be immaterial.

Financial liabilities
There were no changes to the classification and measurement of financial liabilities.

IFRS 15 – Revenue from Contracts with Customers
The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and service and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard permits either a full retrospective or a modified restrospective approach for the adoption.

Based on the initial assessment by the management, there is no material impact of adopting IFRS 15.

2.4 Summary of significant accounting policies

a) Financial instruments – initial recognition and subsequent measurement

i) Non-derivative financial instruments

Initial recognition and measurement
On initial recognition, a financial asset is classified as measure at: amortised cost, FVOCI or FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

b) Financial instruments – initial recognition and subsequent measurement (continued)

i) Non-derivative financial instruments (continued)

Initial recognition and measurement (continued)
A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measure at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Derecognition
Financial assets are derecognised when the contractual right to receive cash flows from the assets have expired, or when the Company has transferred the contractual right to receive cash flows of the financial assets.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to repurchase transactions as the Company retains all or substantially all the risks and rewards of ownership of such assets.

ii) Non-derivative financial liabilities

The Company has classified and measure its financial liabilities at amortised cost. The financial liabilities include debt securities issued by the Company, which are initially recognised at fair value. Subsequent to initial recognition, all financial liabilities are measure at amortised cost.

Initial recognition
All financial liabilities are recognised on the trade date, which is the date that the Company becomes a party to the contractual provision of the instrument.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

b) Cash and cash equivalents

Cash and cash equivalents include unrestricted balances held with banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

c) Finance income and expense

Finance income and expense is recognised using the effective interest method, taking account of the principal outstanding and the rate applicable.

3 FINANCIAL RISK MANAGEMENT

a) Introduction and overview

Financial instruments
Financial instruments cover all financial assets and liabilities of the Company. The accounting policies used to recognise and measure the financial instruments are disclosed in note 2 of the financial statements.

Risk management
Risk is inherent in the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit, liquidity, market, including non-trading and operational risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. They are monitored through the Company's strategic planning process.

b) Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge a financial obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on bank balance, loans to parent company and due from parent company. The maximum exposure to credit risk is the carrying amount as at the reporting date.

The Company has policies and procedures in place to limit the amount of credit exposure to any counterparty. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with individual counterparties and continually assessing the creditworthiness of counterparties.

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements
The table below shows the maximum exposure to credit risk for the components of the statement of financial position. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting and collateral agreements.

	31 December 2018 USD'000	*31 December 2017 USD'000*
Cash and cash equivalents	**1**	1
Loans to parent company	**3,185,267**	2,119,604
Due from parent company	**28,239**	6,893
Total credit risk exposure	**3,213,507**	2,126,498

b) Liquidity risk
Liquidity risk is the risk that the Company will be unable to meet its funding requirements. Liquidity risk can be caused by market disruptions or a credit downgrade which may cause certain sources of funding to dry up immediately. To guard against this risk, the management has diversified funding sources and assets are managed with liquidity in mind.

3 FINANCIAL RISK MANAGEMENT

b) Liquidity risk (continued)

The Company's management monitors the maturity profile on an overall basis with ongoing liquidity monitoring by the parent's treasury.

The below table shows the maturities of financial liabilities of the Company:

2018

	Within one year USD'000	***1 to 3 years USD'000***	***More than 3 years USD'000***	***Total USD'000***
Debt securities	**1,558,091**	**1,150,866**	**715,751**	**3,424,708**
Interest payable	**28,239**	**-**	**-**	**28,239**
	1,586,330	**1,150,866**	**715,751**	**3,452,947**

2017

	Within one year USD'000	*1 to 3 years USD'000*	*More than 3 years USD'000*	*Total USD'000*
Debt securities	28,603	1,468,969	835,313	2,332,884
Interest payable	6,893	-	-	6,893
	35,496	1,468,969	835,313	2,339,777

c) Operational risk

Operational risk is the risk of direct or indirect loss due to an event or action causing failure of technology, process infrastructure, personnel, and other risks having an operational risk impact. The Company seeks to minimise actual or potential losses from operational risks failure through a framework of policies and procedures that identify, assess, control, manage, and report those risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes.

d) Market risks

The Company takes exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Company separates exposures to market risk into either trading or non-trading portfolios and by product type.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to currency risk on its CHF bonds to a change in 0.25 basis points amounting to QR 11.028 million (2017: QR 0.625 million)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates might affect the value of financial instruments or the future profitability of the Company. The Company is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off balance sheet instruments that mature or reprice in a given period. The Company manages this risk by matching the repricing of assets and liabilities through risk management strategies.

The Company is not exposed to interest rate risk on its interest bearing assets and liabilities as the loans to parent company and debt securities are on fixed rate basis.

Equity price risk

The Company does not have any equity price risk as the Company does not hold any equity investments.

4 LOANS TO PARENT COMPANY

	31 December 2018 USD'000	*31 December 2017 USD'000*
Loan (i)	**600,000**	600,000
Loan (ii)	**750,000**	750,000
Loan (iii)	**750,000**	750,000
Loan (iv)	**-**	29,995
Loan (v)	**155,000**	-
Loan (vi)	**500,000**	-
Loan (vii)	**340,603**	-
Loan (viii)	**101,672**	-
	3,197,275	2,129,995
Less: Deferred financing costs	**(12,008)**	(10,384)
	3,185,267	2,119,611
Receivable within one year shown under current assets	**(1,502,833)**	(29,995)
	1,682,434	2,089,616

Notes:
The loans were granted to the parent company using the proceeds of the following debt issued by the Company:

(i) This loan represents the proceeds from the issue of USD 600 million Subordinated Notes due on 24 November 2019 and carries a fixed interest rate of 7.5% per annum;

(ii) This loan represents the proceeds from the issue of USD 750 million EMTN Notes Programme due on 24 June 2019 and carries a fixed interest rate of 2.875% per annum;

(iii) This loan represents the proceeds from the issue of USD 750 million EMTN Notes Programme due on 13 June 2021 and carries a fixed interest rate of 3.25% per annum;

(iv) This loan represents the proceeds from the issue of EUR 25 million EMTN Notes programme which matured on the due date 7 November 2018 and has been fully repaid;

(v) This loan represents the proceeds from the issue of USD 155 million EMTN Notes Programme due on 25 April 2019 and carries a fixed interest rate of 3.25% per annum;

(vi) This loan represents the proceeds from the issue of USD 500 miillion EMTN Notes programme due on 24 May 2023 and carries a fixed interest rate of 5.00% per annum;

(vii) This loan represents the proceeds from the issue of CHF 335 miillion EMTN Notes programme due on 22 March 2021 and carries a fixed interest rate of 0.697% per annum; and

(viii) This loan represents the proceeds from the issue of CHF 100 miillion EMTN Notes programme due on 17 October 2022 and carries a fixed interest rate of 1.115% per annum;

5 SHARE CAPITAL

The authorised, issued and paid up share capital of the Company is comprised of 1,000 common shares of USD 1 each.

6 DEBT SECURITIES ISSUED

	31 December 2018 USD'000	*31 December 2017 USD'000*
Subordinated Notes due on 18 November 2019 (i)	**598,774**	597,476
EMTN Programme – unsecured notes (ii)	**2,586,493**	1,522,128
	3,185,267	2,119,604

Movements in debt issued are analysed as follows:

	31 December 2018 USD'000	*31 December 2017 USD'000*
Balance at beginning of the year	**2,119,604**	2,584,918
Additions	**1,090,229**	29,866
Repayment	**(28,603)**	(500,000)
Amortisation of financing cost (Note 7)	**4,037**	4,820
	3,185,267	2,119,604
Maturing within one year shown under current liabilities	**(1,502,833)**	(29,988)
	1,682,434	2,089,616

The table below shows the maturity profile of debt issued:

	31 December 2018 USD'000	*31 December 2017 USD'000*
Up to 1 year	**1,502,833**	29,988
Between 1 and 3 years	**1,085,684**	1,345,358
Over 3 years	**596,750**	744,258
Total	**3,185,267**	2,119,604

Notes:

(i) Subordinated Notes:

On 18 November 2009, the Company completed the issuance of USD 600 million ten-year Subordinated Notes paying a fixed coupon of 7.50% per annum. Interest is payable semi-annually in arrears and the principal is payable in full at maturity of ten years. The estimated fair value of the Subordinated Notes as at 31 December 2018 was USD 615 million (31 December 2017: USD 647 million). These notes will mature on 18 November 2019. The above debt instruments have been irrevocably guaranteed by the ultimate parent company and are listed and traded on the London Stock Exchange.

(ii) EMTN Programme – senior unsecured notes:

a) On 24 June 2014, the Company completed an issuance of USD 750 million five years unsecured fixed rate notes under its renewal EMTN Programme. The notes carry a fixed coupon of 2.875% per annum with interest payable semi-annually and are listed on the Irish Stock Exchange. These notes will mature on 24 June 2019. Estimated fair value of the EMTN notes as of 31 December 2018 was USD 746 million (31 December 2017: USD 747 million).

b) On 13 June 2016, the Company completed an issuance of USD 750 million five years unsecured fixed rate notes under its renewal EMTN Programme. The notes carry a fixed coupon of 3.25% per annum with interest payable semi-annually and are listed on the Irish Stock Exchange. These notes will mature on 13 June 2021. Estimated fair value of the EMTN notes as of 31 December 2018 was USD 729 million (31 December 2017: USD 744 million).

6 DEBT ISSUED (CONTINUED)

(iii) EMTN Programme – senior unsecured notes: (continued)

c) On 14 November 2017, the Company completed an issuance of EUR 25 million one year unsecured fixed rate notes under its renewal EMTN Programme. The notes carry a fixed rate of 0.12% per annum with interest payable at maturity. These notes matured on 7 November 2018 and have been fully paid.

d) On 11 April 2018, the Company completed an issuance of USD 155 million one year unsecured fixed rate notes under its renewal EMTN Programme. The notes carry a fixed coupon of 3.25% per annum with interest payable at maturity. These notes will mature on 24 April 2019. Estimated fair value of the EMTN notes as of 31 December 2018 was USD 154 million.

e) On 24 May 2018, the Company completed an issuance of USD 500 million five years unsecured fixed rate notes under its renewal EMTN Programme. The notes carry a fixed coupon of 5.00% per annum with interest payable semi-annually and are listed on the Irish Stock Exchange. These notes will mature on 24 May 2023. Estimated fair value of the EMTN notes as of 31 December 2018 was USD 504 million.

f) On 22 March 2018, the Company completed an issuance of CHF 335 million three years unsecured fixed rate notes under its renewal EMTN Programme. The notes carry a fixed coupon of 0.707% per annum with interest payable annually and are listed on the SIX Swiss Exchange AG, Zurich . These notes will mature on 22 March 2021. The fair value of the CHF denominated Bonds as at 31 December 2018 was USD 338 million.

g) On 17 October 2018, the Company completed an issuance of CHF 100 million four years unsecured fixed rate notes under its renewal EMTN Programme. The notes carry a fixed coupon of 1.125% per annum with interest payable annually and are listed on the SIX Swiss Exchange AG, Zurich. These notes will mature on 17 October 2022. The fair value of the CHF denominated Bonds as at 31 December 2018 was USD 101 million.

7 FINANCE COST

	31 December 2018 USD'000	*31 December 2017 USD'000*
Interest expense	**112,129**	95,630
Amortisation of financing costs (Note 6)	**4,037**	4,820
	116,166	100,450

8 RELATED PARTIES

Related party transactions
Transactions with related party included in the statement of comprehensive income are as follows:

	31 December 2018 USD'000	*31 December 2017 USD'000*
Finance income	**116,166**	100,450

Balances with related party included in the statement of financial position are as follows:

	31 December 2018 USD'000	*31 December 2017 USD'000*
Loans to parent company	**3,185,267**	2,119,604
Amounts due from parent company	**28,239**	6,893

9 SIGNIFICANT ASSUMPTIONS, ESTIMATIONS AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and certain disclosures at the end of the reporting year. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future years. In the process of applying the Company's accounting policies, management has made the judgments, estimates and assumptions, which have the most significant effect on the amounts recognized in the financial statements.

Impairment of receivables
An estimate of the collectible amount of receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amount which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due.

Going concern
The Company’s management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.