



# Financial report

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Een Nederlandstalige versie van de geconsolideerde jaarrekening zal beschikbaar worden gesteld op de website van de Vennootschap [www.euronav.com](http://www.euronav.com). Een papieren versie van de geconsolideerde jaarrekening in het Nederlands is tevens verkrijgbaar op eenvoudig verzoek.



## Consolidated statement of financial position

(in thousands of USD)

	Note	December 31, 2016	December 31, 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Vessels	8	2,383,163	2,288,036
Assets under construction	8	86,136	93,890
Other tangible assets	8	777	1,048
Prepayments	8	-	2
Intangible assets	-	156	238
Receivables	10	183,914	259,908
Investments in equity accounted investees	25	18,413	21,637
Deferred tax assets	9	964	935
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,673,523</b>	<b>2,665,694</b>
<b>Current assets</b>			
Trade and other receivables	11	166,342	219,080
Current tax assets	-	357	114
Cash and cash equivalents	12	206,689	131,663
Non-current assets held for sale	3	-	24,195
<b>TOTAL CURRENT ASSETS</b>		<b>373,388</b>	<b>375,052</b>
<b>TOTAL ASSETS</b>		<b>3,046,911</b>	<b>3,040,746</b>



## Consolidated statement of financial position (continued)

(in thousands of USD)

	Note	December 31, 2016	December 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	-	173,046	173,046
Share premium	-	1,215,227	1,215,227
Translation reserve	-	120	(50)
Treasury shares	13	(16,102)	(12,283)
Retained earnings	-	515,665	529,809
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>1,887,956</b>	<b>1,905,749</b>
<b>Non-current liabilities</b>			
Bank loans	15	966,443	952,426
Other payables	17	533	590
Employee benefits	16	2,846	2,038
Provisions	-	38	436
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>969,860</b>	<b>955,490</b>
<b>Current liabilities</b>			
Trade and other payables	17	69,859	79,078
Current tax liabilities	-	-	1
Bank loans	15	119,119	100,022
Provisions	-	117	406
<b>TOTAL CURRENT LIABILITIES</b>		<b>189,095</b>	<b>179,507</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,046,911</b>	<b>3,040,746</b>

The accompanying notes on pages 92 to 171 are an integral part of these consolidated financial statements.

## Consolidated statement of profit or loss

(in thousands of USD except per share amounts)

		2016	2015	2014
	Note	Jan. 1 - Dec. 31, 2016	Jan. 1 - Dec. 31, 2015	Jan. 1 - Dec. 31, 2014
<b>Shipping income</b>				
Revenue	4	684,265	846,507	473,985
Gains on disposal of vessels / other tangible assets	8	50,397	13,302	13,122
Other operating income	-	6,996	7,426	11,411
<b>TOTAL SHIPPING INCOME</b>		<b>741,658</b>	<b>867,235</b>	<b>498,518</b>
<b>Operating expenses</b>				
Voyage expenses and commissions	5	(59,560)	(71,237)	(118,303)
Vessel operating expenses	5	(160,199)	(153,718)	(124,089)
Charter hire expenses	5	(17,713)	(25,849)	(35,664)
Loss on disposal of vessels / other tangible assets	8	(2)	(8,002)	-
Impairment on non-current assets held for sale	3	-	-	(7,416)
Loss on disposal of investments in equity accounted investees	24	(24,150)	-	-
Depreciation tangible assets	8	(227,664)	(210,156)	(160,934)
Depreciation intangible assets	-	(99)	(50)	(20)
General and administrative expenses	5	(44,051)	(46,251)	(40,565)
<b>TOTAL OPERATING EXPENSES</b>		<b>(533,438)</b>	<b>(515,263)</b>	<b>(486,991)</b>
<b>RESULT FROM OPERATING ACTIVITIES</b>		<b>208,220</b>	<b>351,972</b>	<b>11,527</b>
Finance income	6	6,855	3,312	2,617
Finance expenses	6	(51,695)	(50,942)	(95,970)
<b>NET FINANCE EXPENSES</b>		<b>(44,840)</b>	<b>(47,630)</b>	<b>(93,353)</b>
Share of profit (loss) of equity accounted investees (net of income tax)	25	40,495	51,592	30,286
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<b>203,875</b>	<b>355,934</b>	<b>(51,540)</b>
Income tax benefit (expense)	7	174	(5,633)	5,743
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>204,049</b>	<b>350,301</b>	<b>(45,797)</b>
<b>Attributable to:</b>				
Owners of the company	-	204,049	350,301	(45,797)
Basic earnings per share	14	1.29	2.25	(0.39)
Diluted earnings per share	14	1.29	2.22	(0.39)
Weighted average number of shares (basic)	14	158,262,268	155,872,171	116,539,018
Weighted average number of shares (diluted)	14	158,429,057	157,529,562	116,539,018

The accompanying notes on pages 92 to 171 are an integral part of these consolidated financial statements.

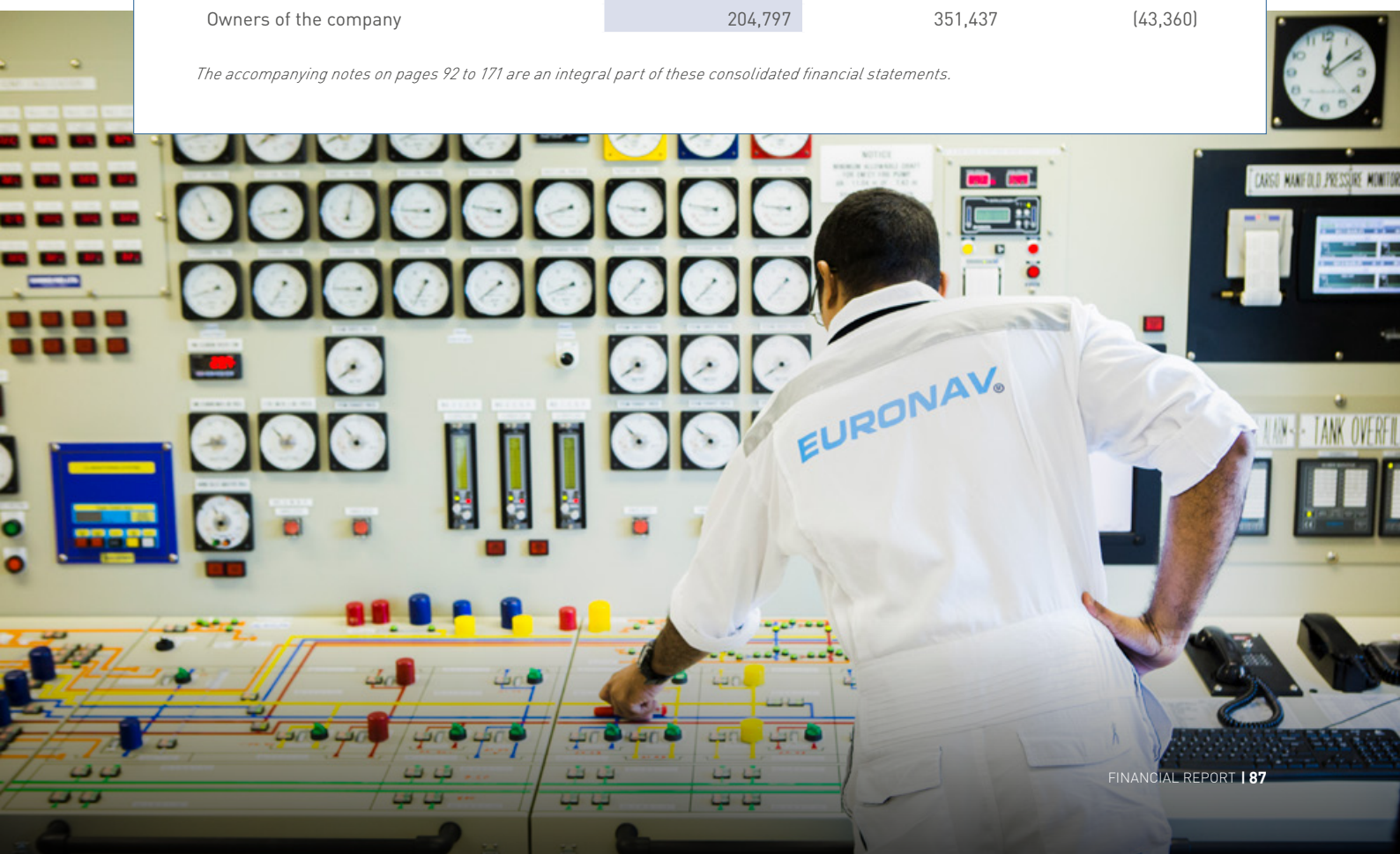


## Consolidated statement of comprehensive income

(in thousands of USD)

	Note	2016 Jan. 1 - Dec. 31, 2016	2015 Jan. 1 - Dec. 31, 2015	2014 Jan. 1 - Dec. 31, 2014
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>204,049</b>	<b>350,301</b>	<b>(45,797)</b>
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>				
<i>Items that will never be reclassified to profit or loss:</i>				
Remeasurements of the defined benefit liability (asset)	16	(646)	(44)	(393)
<i>Items that are or may be reclassified to profit or loss:</i>				
Foreign currency translation differences	6	170	(429)	(567)
Cash flow hedges - effective portion of changes in fair value	18	-	-	1,291
Equity-accounted investees - share of other comprehensive income	25	1,224	1,610	2,106
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>		<b>748</b>	<b>1,136</b>	<b>2,437</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>204,797</b>	<b>351,437</b>	<b>(43,360)</b>
<b>Attributable to:</b>				
Owners of the company		204,797	351,437	(43,360)

The accompanying notes on pages 92 to 171 are an integral part of these consolidated financial statements.



## Consolidated statement of changes in equity

(in thousands of USD)

	Note	Share capital	Share premium	Translation reserve	Hedging reserve	Treasury shares	Retained earnings	Capital and reserves	Other equity interest	Total equity
<b>BALANCE AT JANUARY 1, 2014</b>		<b>58,937</b>	<b>365,574</b>	<b>946</b>	<b>(1,291)</b>	<b>(46,062)</b>	<b>422,886</b>	<b>800,990</b>	-	<b>800,990</b>
Profit (loss) for the period	-	-	-	-	-	-	(45,797)	(45,797)	-	(45,797)
Total other comprehensive income	-	-	-	(567)	1,291	-	1,713	2,437	-	2,437
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>	<b>(567)</b>	<b>1,291</b>	<b>-</b>	<b>(44,084)</b>	<b>(43,360)</b>	<b>-</b>	<b>(43,360)</b>
<b>Transactions with owners of the Company</b>										
Issue of ordinary shares	13	53,119	421,881	-	-	-	(12,694)	462,306	-	462,306
Issue and conversion convertible Notes	13	20,103	89,597	-	-	-	(7,422)	102,278	-	102,278
Issue and conversion perpetual convertible preferred equity	13	10,282	64,718	-	-	-	(3,500)	71,500	75,000	146,500
Equity-settled share-based payment	22	-	-	-	-	-	3,994	3,994	-	3,994
<b>TOTAL TRANSACTIONS WITH OWNERS</b>		<b>83,504</b>	<b>576,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,622)</b>	<b>640,078</b>	<b>75,000</b>	<b>715,078</b>
<b>BALANCE AT DECEMBER 31, 2014</b>		<b>142,441</b>	<b>941,770</b>	<b>379</b>	<b>-</b>	<b>(46,062)</b>	<b>359,180</b>	<b>1,397,708</b>	<b>75,000</b>	<b>1,472,708</b>
<b>BALANCE AT JANUARY 1, 2015</b>		<b>142,441</b>	<b>941,770</b>	<b>379</b>	<b>-</b>	<b>(46,062)</b>	<b>359,180</b>	<b>1,397,708</b>	<b>75,000</b>	<b>1,472,708</b>
Profit (loss) for the period	-	-	-	-	-	-	350,301	350,301	-	350,301
Total other comprehensive income	-	-	-	(429)	-	-	1,565	1,136	-	1,136
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>	<b>(429)</b>	<b>-</b>	<b>-</b>	<b>351,866</b>	<b>351,437</b>	<b>-</b>	<b>351,437</b>
<b>Transactions with owners of the Company</b>										
Issue of ordinary shares	13	20,324	208,738	-	-	-	(19,357)	209,705	-	209,705
Conversion perpetual convertible preferred equity	13	10,281	64,719	-	-	-	-	75,000	(75,000)	-
Dividends to equity holders	-	-	-	-	-	-	(138,001)	(138,001)	-	(138,001)
Treasury shares sold	13	-	-	-	-	33,779	(25,516)	8,263	-	8,263
Equity-settled share-based payment	22	-	-	-	-	-	1,637	1,637	-	1,637
<b>TOTAL TRANSACTIONS WITH OWNERS</b>		<b>30,605</b>	<b>273,457</b>	<b>-</b>	<b>-</b>	<b>33,779</b>	<b>(181,237)</b>	<b>156,604</b>	<b>(75,000)</b>	<b>81,604</b>
<b>BALANCE AT DECEMBER 31, 2015</b>		<b>173,046</b>	<b>1,215,227</b>	<b>(50)</b>	<b>-</b>	<b>(12,283)</b>	<b>529,809</b>	<b>1,905,749</b>	<b>-</b>	<b>1,905,749</b>

## Consolidated statement of changes in equity (continued)

(in thousands of USD)

	Note	Share capital	Share premium	Translation reserve	Hedging reserve	Treasury shares	Retained earnings	Capital and reserves	Other equity interest	Total equity
<b>BALANCE AT JANUARY 1, 2016</b>		173,046	1,215,227	(50)	-	(12,283)	529,809	1,905,749	-	1,905,749
Profit (loss) for the period	-	-	-	-	-	-	204,049	204,049	-	204,049
Total other comprehensive income	-	-	-	(170)	-	-	578	748	-	748
<b>TOTAL COMPREHENSIVE INCOME</b>		-	-	(170)	-	-	204,627	204,797	-	204,797
<b>Transactions with owners of the Company</b>										
Dividends to equity holders	-	-	-	-	-	-	(216,838)	(216,838)	-	(216,838)
Treasury shares acquired	13	-	-	-	-	(6,889)	-	(6,889)	-	(6,889)
Treasury shares sold	13	-	-	-	-	3,070	(2,339)	731	-	731
Equity-settled share-based payment	22	-	-	-	-	-	406	406	-	406
<b>TOTAL TRANSACTIONS WITH OWNERS</b>		-	-	-	-	(3,819)	(218,771)	(222,590)	-	(222,590)
<b>BALANCE AT DECEMBER 31, 2016</b>		173,046	1,215,227	120	-	(16,102)	515,665	1,887,956	-	1,887,956

The accompanying notes on pages 92 to 171 are an integral part of these consolidated financial statements.



## Consolidated statement of cash flows

(in thousands of USD)

		2016	2015	2014
	Note	Jan. 1 - Dec. 31, 2016	Jan. 1 - Dec. 31, 2015	Jan. 1 - Dec. 31, 2014
<b>Cash flows from operating activities</b>				
Profit (loss) for the period	-	204,049	350,301	(45,797)
<b>Adjustments for:</b>		<b>205,457</b>	<b>208,305</b>	<b>217,410</b>
Depreciation of tangible assets	8	227,664	210,156	160,934
Depreciation of intangible assets	-	99	50	20
Impairment on non-current assets held for sale	3	-	-	7,416
Loss (gain) on disposal of investments in equity accounted investees	24	24,150	-	-
Provisions	-	(603)	91	840
Tax (benefits)/expenses	7	(174)	5,633	(5,743)
Share of profit of equity-accounted investees, net of tax	25	(40,495)	(51,592)	(30,286)
Net finance expense	6	44,839	47,630	93,353
(Gain)/loss on disposal of assets	8	(50,395)	(5,300)	(13,118)
Equity-settled share-based payment transactions	5	406	1,637	3,994
Amortization of deferred capital gain	-	(34)	-	-
<b>Changes in working capital requirements</b>		<b>38,487</b>	<b>(57,692)</b>	<b>(112,280)</b>
Change in cash guarantees	-	107	1	(658)
Change in trade receivables	11	(755)	12,330	(23,755)
Change in accrued income	11	21,049	(13,175)	(8,577)
Change in deferred charges	11	239	11,090	(2,124)
Change in other receivables	10-11	35,905	(34,654)	(64,299)
Change in trade payables	17	(6,817)	1,190	(10,512)
Change in accrued payroll	17	(138)	255	166
Change in accrued expenses	17	(7,547)	(1,649)	9,581
Change in deferred income	17	(3,591)	6,612	(2,016)
Change in other payables	17	(226)	(39,800)	(10,171)
Change in provisions for employee benefits	16	261	108	85
Income taxes paid during the period	-	(100)	(109)	67
Interest paid	6-18	(33,378)	(50,810)	(54,449)
Interest received	6-11	209	262	421
Dividends received from equity-accounted investees	25	23,478	275	9,410
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>		<b>438,202</b>	<b>450,532</b>	<b>14,782</b>
Acquisition of vessels	8	(342,502)	(351,596)	(1,053,939)
Proceeds from the sale of vessels	8	223,016	112,890	123,609
Acquisition of other tangible assets and prepayments	8	(178)	(8,289)	(123,188)
Acquisition of intangible assets	-	(18)	(258)	(19)
Proceeds from the sale of other (in) tangible assets	-	38	95	22
Loans from (to) related parties	25	22,047	39,785	29,508
Proceeds from capital decreases in joint ventures	25	3,737	1,500	1,000
Acquisition of subsidiaries, net of cash acquired	24	(6,755)	-	-
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>		<b>(100,615)</b>	<b>(205,873)</b>	<b>(1,023,007)</b>



## Consolidated statement of cash flows (continued)

(in thousands of USD)

		2016	2015	2014
	Note	Jan. 1 - Dec. 31, 2016	Jan. 1 - Dec. 31, 2015	Jan. 1 - Dec. 31, 2014
Proceeds from issue of share capital	13	-	229,063	475,000
Transaction costs related to issue of share capital	13	-	(19,357)	(12,694)
Proceeds from issue of perpetual convertible preferred equity	13	-	-	150,000
Transaction costs related to issue perpetual convertible preferred equity	13	-	-	(3,500)
(Purchase of) Proceeds from sale of treasury shares	13	(6,157)	8,263	-
Proceeds from new borrowings	15	740,286	931,270	1,395,392
Repayment of borrowings	15	(774,015)	(1,367,871)	(799,891)
Transaction costs related to issue of loans and borrowings	15	(4,436)	(8,680)	(15,284)
Dividends paid	-	(216,838)	(138,003)	(2)
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>		<b>(261,160)</b>	<b>(365,315)</b>	<b>1,189,021</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>76,427</b>	<b>(120,656)</b>	<b>180,796</b>
Net cash and cash equivalents at the beginning of the period	12	131,663	254,086	74,309
Effect of changes in exchange rates	-	(1,401)	(1,767)	(1,019)
<b>NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>12</b>	<b>206,689</b>	<b>131,663</b>	<b>254,086</b>

The accompanying notes on pages 92 to 171 are an integral part of these consolidated financial statements.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

- Note 1** - Significant accounting policies
- Note 2** - Segment reporting
- Note 3** - Assets and liabilities held for sale and discontinued operations
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## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

### 1. Reporting Entity

Euronav N.V. (the "Company") is a company domiciled in Belgium. The address of the Company's registered office is De Gerlachekaai 20, 2000 Antwerpen, Belgium. The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and joint ventures.

Euronav NV is a fully-integrated provider of international maritime shipping and offshore services engaged in the transportation and storage of crude oil. The Company was

incorporated under the laws of Belgium on June 26, 2003, and grew out of three companies that had a strong presence in the shipping industry; Compagnie Maritime Belge NV, or CMB, formed in 1895, Compagnie Nationale de Navigation SA, or CNN, formed in 1938, and Ceres Hellenic formed in 1950. The Company started doing business under the name "Euronav" in 1989 when it was initially formed as the international tanker subsidiary of CNN.

Euronav NV charters its vessels to leading international energy companies. The Company pursues a chartering strategy of primarily employing its vessels on the spot market, including through the Tankers International (TI) Pool and also under fixed-rate contracts and long-term time charters, which typically include a profit sharing component.

A spot market voyage charter is a contract to carry a specific cargo from a load port to a discharge port for an agreed freight per ton of cargo or a specified total amount. Under spot market voyage charters, the Company pays voyage expenses such as port, canal and bunker costs. Spot charter rates have historically been volatile and fluctuate due to seasonal changes, as well as general supply and demand dynamics in the crude oil marine transportation sector. Although the revenues generated by the Company in the spot market are less predictable, the Company believes their exposure to this market provides them with the opportunity to capture better profit margins during periods when vessel demand exceeds supply leading to improvements in tanker charter rates. The Company principally employs and commercially manages their VLCCs through the TI Pool, a leading spot market-oriented VLCC pool in which other shipowners with vessels of similar size and quality participate along with the Company. The Company participated in the formation of the TI Pool in 2000 to allow themselves and other TI Pool participants, consisting of third-party owners and operators of similarly sized vessels, to gain economies of scale, obtain increased cargo flow of information, logistical efficiency and greater vessel utilization.

Time charters provide the Company with a fixed and stable cash flow for a known period of time. Time charters may help the Company mitigate, in part, their exposure to the spot market, which tends to be volatile in nature, being seasonal and generally weaker in the second and third quarters of the year due to refinery shutdowns and related maintenance during the warmer summer months. The Group may, when the cycle matures or otherwise, opportunistically employ more of their vessels under time charter contracts as the available rates for time charters improve. The Group may also enter into time charter contracts with profit sharing arrangements, which the Company believes will enable them to benefit if the spot market increases above a base charter rate as calculated either by sharing sub charter profits of the charterer or by



reference to a market index and in accordance with a formula provided in the applicable charter contract.

The Group currently deploys their two FSOs as floating storage units under service contracts with Maersk Oil, in the offshore services sector.

## 2. Basis of preparation

### *(a) Statement of compliance*

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and as adopted by the European Union on December 31, 2016.

All accounting policies have been consistently applied for all periods presented in the consolidated financial statements, unless disclosed otherwise.

The consolidated financial statements were authorised for issue by the Board of Directors on March 14, 2017.

### *(b) Basis of measurement*

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Derivative financial instruments are measured at fair value

### *(c) Functional and presentation currency*

The consolidated financial statements are presented in USD, which is the Company's functional and presentation currency. All financial information presented in USD has been rounded to the nearest thousand except when otherwise indicated.

### *(d) Use of estimates and judgements*

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which are the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statement is included in the following note:

- Note 8 – Impairment

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following note:

- Note 8 – Impairment test: key assumptions underlying the recoverable amount

#### Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO. The valuation team regularly reviews significant unobservable inputs and valuations adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### (e) Changes in accounting policies

Except for the changes below, the accounting policies adopted in the preparation of the consolidated financial statements for the year ended December 31, 2016 are consistent with those applied in the preparation of the consolidated financial statements for the year ended December 31, 2015. The Group has adopted the following new standards, interpretations and amendments to standards, including any consequential amendments to other standards, with a date of initial application of January 1, 2016:

- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities – Applying the Consolidation Exception
- Amendments to IAS 1: Disclosure Initiative
- Annual Improvements to IFRSs 2012-2014 cycle
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations

The adoption of these standards, interpretations and amendments to standards did not have a material impact on the Group's consolidated financial statements.

#### (f) Basis of Consolidation

##### (i) Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

For acquisitions on or after January 1, 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.
- When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss. Transaction costs, other than those associated with the issue of debt



or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

**(ii) Non-controlling interests**

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

**(iii) Subsidiaries**

Subsidiaries are those entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the control commences until the date on which control ceases.

**(iv) Loss of control**

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any noncontrolling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

**(v) Interests in equity-accounted investees**

The Group's interests in equity-accounted investees comprise interest in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income (OCI) of equity-accounted investees, until the date on which significant influence or joint control ceases.

Interests in associates and joint ventures include any long-term interests that, in substance, form part of the Group's investment in those associates or joint ventures and include unsecured shareholder loans for which settlement is neither planned nor likely to occur in the foreseeable future, which, therefore, are an extension of the Group's investment in those associates and joint ventures. The Group's share of losses that exceeds its investment is applied to the carrying amount of those loans. After the Group's interest is reduced to zero, a liability is recognized to the extent that the Group has a legal or constructive obligation to fund the associates' or joint ventures' operations or has made payments on their behalf.

**(vi) Transactions eliminated on consolidation**

Intragroup balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in



preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### *(g) Foreign currency*

##### *(i) Foreign currency transactions*

Transactions in foreign currencies are translated to USD at the foreign exchange rate applicable at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to USD at the foreign exchange rate applicable at that date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

##### *(ii) Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to USD at exchange rates at the reporting date. The income and expenses of foreign operations are translated to USD at rates approximating the exchange rates at the dates of the transactions.

Foreign currency differences are recognised directly in equity (Translation reserve). When a foreign operation is disposed of, in part or in full, the relevant amount in the translation reserve is transferred to profit or loss.

#### *(h) Financial Instruments*

##### *(i) Non-derivative financial assets*

The group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit and loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group 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.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, cash and cash equivalents, held-to-maturity financial assets and available-for-sale financial assets. The Company determines the classification of its investments at initial recognition and reevaluates this designation at every reporting date.

##### *Financial assets at fair value through profit or loss*

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's treasury policy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date.

##### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

##### *Held-to-maturity financial assets*

If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable

transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Held-to-maturity financial assets comprise debentures.

#### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in OCI and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

They are included in non-current assets unless the Company intends to dispose of the investment within 12 months of the balance sheet date.

#### **(ii) Non-derivative financial liabilities**

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

#### **(iii) Share capital**

##### **Ordinary share capital**

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

#### **Repurchase of share capital**

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

#### **(iv) Derivative financial instruments**

The Group from time to time may enter into derivative financial instruments to hedge its exposure to market fluctuations, foreign exchange and interest rate risks arising from operational, financing and investment activities.

On initial designation of the derivative as hedging instrument, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are expensed as incurred. Subsequent to initial recognition, all derivatives are remeasured to fair value, and changes therein are accounted for as follows:

##### **Cash flow hedges**

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in OCI and presented in the hedging reserve in equity.

The amount recognised in OCI is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same line item in the statement of profit or loss as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

#### **Other non-trading derivatives**

When a derivative financial instrument is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss.

#### **(v) Compound financial instruments**

Compound financial instruments issued by the Group comprise Notes denominated in USD that can be converted to ordinary shares at the option of the holder, when the number of shares is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity component in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit and loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised.

#### **(i) Goodwill and intangible assets**

##### **(i) Goodwill**

Goodwill that arises on the acquisition of subsidiaries is presented as an intangible asset. For the measurement of goodwill at initial recognition, see accounting policy (f). After initial recognition goodwill is measured at cost less accumulated impairment losses (refer to accounting policy (k)). In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity accounted investee as a whole.

##### **(ii) Intangible assets**

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses (see accounting policy k). The cost of an intangible asset acquired in a separate acquisition is the cash paid or the fair value of any other consideration given. The cost of an internally generated intangible asset includes the directly attributable expenditure of preparing the asset for its intended use.

##### **(iii) Subsequent expenditure**

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and its cost can be measured reliably. All other expenditure is expensed as incurred.

##### **(iv) Amortisation**

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible assets from the date they are available for use. The estimated useful lives are as follows:

- Software: 3 - 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### **(j) Vessels, property, plant and equipment**

##### **(i) Owned assets**

Vessels and items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (refer to accounting policy (k)). Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of selfconstructed assets includes the following:

- The cost of materials and direct labour;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;
- When the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- Capitalised borrowing costs.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment (refer to accounting policy (j) viii).

Gains and losses on disposal of a vessel or of another item of property, plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of the vessel or the item of property, plant and equipment and are recognised in profit or loss.



For the sale of vessels or other items of property, plant and equipment, transfer of risk and rewards usually occurs upon delivery of the vessel to the new owner.

***(ii) Leased assets***

Leases in terms of which the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses (refer accounting policy (k)). Lease payments are accounted for as described in accounting policy (q). Other leases are operating leases and are not recognised in the Group's statement of financial position.

***(iii) Investment property***

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and impairment losses (refer to accounting policy (k)). As such, the accounting policies as described in note (j) Vessels, property, plant and equipment apply.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

***(iv) Assets under construction***

Assets under construction, especially newbuilding vessels, are accounted for in accordance with the stage of completion of the newbuilding contract. Typical stages of completion are the milestones that are usually part of a newbuilding contract: signing or receipt of refund guarantee, steel cutting, keel laying, launching and delivery. All stages of completion are guaranteed by a refund guarantee provided by the shipyard.

***(v) Subsequent expenditure***

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other expenditure is recognised in the consolidated statement of profit or loss as an expense as incurred.

***(vi) Borrowing costs***

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

***(vii) Depreciation***

Depreciation is charged to the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of vessels and items of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Vessels and items of property, plant and equipment are depreciated from the date that they are available for use. Internally constructed assets are depreciated, from the date that the assets are completed and ready for use.

The estimated useful lives of significant items of property, plant and equipment are as follows:

- tankers 20 years
- FSO/FpSO/FPSO 25 years
- buildings 33 years
- plant and equipment 5 - 20 years
- fixtures and fittings 5 - 10 years
- other tangible assets 3 - 20 years
- dry-docking 3 - 5 years

Vessels are estimated to have a zero residual value. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

***(viii) Dry-docking – component approach***

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment. Costs associated with routine repairs and maintenance are expensed as incurred including routine maintenance performed whilst the vessel is in dry-dock. After each dry-dock, all the components installed (as replacements or as additional components) during the dry-dock are classified in two categories (according to their estimated lifetime and their respective cost).

When the useful life is higher than 1 year, the components will be amortized over their estimated useful life (3-5 years).

***(k) Impairment***

***(i) Non-derivative financial assets***

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment.

#### **Financial assets measured at amortised cost**

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity financial assets) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity financial assets. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### **Available-for-sale financial assets**

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss.

Changes in cumulative impairment losses attributable to the application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in OCI.

#### **Equity-accounted investees**

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

#### **(ii) Non-financial assets**

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (refer to accounting policy (s)), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Future cash flows are based on current market conditions, historical trends as well as future expectations. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU's. Goodwill acquired in a business combination is allocated to groups of CGU's that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGU's), and then to reduce the carrying amounts of the other assets in the CGU (group of CGU's) on a pro rata basis.

An impairment loss recognised for goodwill shall not be reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



#### *(l) Assets held for sale*

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets or disposal group are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets or investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

#### *(m) Employee benefits*

##### *(i) Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the

end of the period in which the employees render the services are discounted to their present value.

##### *(ii) Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return of plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined plan when the settlement occurs.





***(iii) Other long term employee benefits***

The Group's net obligation in respect of long-term employee benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. Remeasurements are recognised in profit or loss in the period in which they arise.

***(iv) Termination benefits***

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility or withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

***(v) Short-term employee benefit***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

***(vi) Share-based payment transactions***

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of the amount payable to beneficiaries in respect of "phantom stock unit" grants, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities over the period during which the beneficiaries become unconditionally entitled to payment.



The amount is remeasured at each reporting date at settlement based on the fair value of the phantom stock units. Any changes in the liability are recognized in profit or loss.

#### ***(n) Provisions***

A provision is recognised when the Group has a legal or constructive obligation that can be estimated reliably, as result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### ***Restructuring***

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

#### ***Onerous contracts***

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

#### ***(o) Revenue***

##### ***(i) Pool Revenues***

Aggregated revenue recognized on a daily basis from vessels operating on voyage charters in the spot market and on Contract of Affreightment ("COA") within the pool is converted into an aggregated net revenue amount by subtracting aggregated voyage expenses (such as fuel and port charges) from gross voyage revenue. These aggregated net revenues are combined with aggregate time charter revenues to determine aggregate pool Time Charter Equivalent revenue ("TCE"). Aggregate pool TCE revenue is then allocated to pool partners in accordance with the allocated pool points earned for each vessel that recognizes each vessel's earnings capacity based on its cargo, capacity, speed and fuel consumption performance and actual on hire days. The TCE revenue earned by our vessels operated in the pools is equal to the pool point rating of the vessels multiplied by time on hire, as reported by the pool manager.

##### ***(ii) Time - and Bareboat charters***

Revenues from time charters and bareboat charters are accounted for as operating leases and are recognized on a straight line basis over the periods of such charters, as service is performed.

The Group does not recognize time charter revenues during periods that vessels are offhire.

##### ***(iii) Spot voyages***

Within the shipping industry, there are two methods used to account for voyage revenues: rateably over the estimated length of each voyage and completed voyage.

The recognition of voyage revenues rateably on a daily basis over the estimated length of each voyage is the most prevalent method of accounting for voyage revenues and the method used by the Group and the pools in which we participate. Under each method, voyages may be calculated on either a load-to-load or discharge-to-discharge basis. In applying its revenue recognition method, management believes that the discharge-to-discharge basis of calculating voyages more accurately estimates voyage results than the load-to-load basis. Since, at the time of discharge, management generally knows the next load port and expected discharge port, the discharge-to-discharge calculation of voyage revenues can be estimated with a greater degree of accuracy. Euronav does not begin recognizing voyage revenue until a charter has been agreed to by both the Group and the customer, even if the vessel has discharged its cargo and is sailing to the anticipated load port on its next voyage because it is only at this time the charter rate is determinable for the specified load and discharge ports and collectability is reasonably assured.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due and associated costs.

##### ***(p) Gain and losses on disposal of vessels***

In view of their importance the Group reports capital gains and losses on the sale of vessels as a separate line item in the consolidated statement of profit or loss. For the sale of vessels, transfer of risks and awards usually occurs upon delivery of the vessel to the new owner.

##### ***(q) Leases***

###### ***Lease payments***

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant period rate of interest on the remaining balance of the liability.

##### ***(r) Finance income and finance cost***

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, dividends on redeemable preference shares, interest receivable on

funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the consolidated statement of profit or loss (refer to accounting policy (h)).

Interest income is recognised in the consolidated statement of profit or loss as it accrues, taking into account the effective yield on the asset. Dividend income is recognised in the consolidated statement of profit or loss on the date that the dividend is declared.

The interest expense component of finance lease payments is recognised in the consolidated statement of profit or loss using the effective interest rate method.

#### *(s) Income tax*

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax recognised, is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In application of an IFRIC agenda decision on IAS 12 Income taxes, tonnage tax is not accounted for as income taxes in accordance with IAS 12 and is not presented as part of income tax expense in the income statement but is shown as an administrative expense under the heading Other operating expenses.

#### *(t) Segment reporting*

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group distinguishes two segments: the operation of crude oil tankers on the international markets and the floating storage and offloading operations (FSO/FpSO). The Group's internal organisational and management structure does not distinguish any geographical segments.

#### *(u) Discontinued operations*

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is represented as if the operation had been discontinued from the start of the comparative period.

#### *(v) New standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2016, and have not been applied in preparing these consolidated financial statements:

**IFRS 15 Revenue from Contracts with Customers** establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Barter Transactions Involving Advertising Services. IFRS 15 is effective for the annual reports beginning on or after January 1, 2018, with early adoption permitted, and has been endorsed by the EU. Clarifications to IFRS 15 Revenue from Contracts with Customers (issued on April 12, 2016) have not yet been endorsed by the EU.

The standard establishes a five-step model that will apply to revenue earned from a contract with a customer. The standard's requirements will also apply to the sale of some non-financial assets that are not part of the entity's ordinary activities (e.g., sales of property or plant and equipment). Extensive disclosures will be required, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgments and estimates.

The guidance permits two methods of adoption: retrospectively to each prior reporting period presented (full retrospective method), or the cumulative effect of initially applying the guidance recognized at the date of initial application (the cumulative catch-up transition method). The Group currently anticipates adopting the standard using the cumulative catch-up transition method. The new standard will be effective for us beginning January 1, 2018.

The Group is undertaking a comprehensive approach to assess the impact of the guidance on its business by reviewing the current accounting policies and practices to identify any potential differences that may result from applying the new requirements to the consolidated financial statements.

Part of the Group's revenue is generated from time charters, where revenue is recognized on an accrual basis and is recorded over the term of the charter as the service is provided. We do not believe the new guidance will have any impact on this aspect of the Group's revenue. For spot charters, we recognize revenue on a discharge-to-discharge basis in determining the percentage of completion for all voyage charters. We are in the process of assessing whether and to which extent the new guidance will have an impact on this aspect of the Group's revenue.

The Group is consulting with other shipping companies on business assumptions, processes, systems and controls to fully determine revenue recognition and disclosure under the new standard. The Group's initial assessment may change as the Company continues to review the new guidance.

**IFRS 16 Leases** published on January 13, 2016 makes a distinction between a service contract and a lease based on whether the contract conveys the right to control the use of an identified asset and introduces a single, on-balance lease sheet accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. For lessors, there is little change to the existing accounting in IAS 17 Leases.

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16. This new standard has not yet been

endorsed by the EU. No quantitative or qualitative assessment of the impact of IFRS 16 has been made to date, but the Group expects that the most significant impact will be that the Group will recognize new assets and liabilities for its operating leases as lessee. In addition, the nature and recognition of expenses related to those leases will change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. Reference is made to note 19 which includes the Group's minimum lease commitments under operating leases as lessee as at December 31, 2016.

**IFRS 9 Financial Instruments** published in July 2014 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements, which align hedge accounting more closely with risk management. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. This new standard has been endorsed by the EU. The Group does not plan to early adopt this standard. The Group is undertaking a comprehensive approach to assess the impact of the guidance on its business by reviewing the current accounting policies and practices to identify any potential differences that may result from applying the new requirements to the consolidated financial statements.

**The disclosure initiative (Amendments to IAS 7)** requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted. These amendments have not yet been endorsed by the EU. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

**Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)** clarifies the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. Further, the amendments provide guidance on estimating probable future taxable profits when assessing the recognition of deferred tax assets when there are insufficient taxable temporary differences relating to the same taxation authority and the same taxable entity. The amendments are effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted. The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU.



**Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)** issued on June 20, 2016 covers three accounting areas: the measurement of cash-settled share-based payments; the classification of share-based payments settled net of tax withholdings; and the accounting for a modification of a share-based payment from cash-settled to equity-settled. The amendments are effective for annual periods commencing on or after January 1, 2018. As a practical simplification, the amendments can be applied prospectively so that prior periods do not have to be restated. Retrospective, or early, application is permitted if companies have the required information. The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU.

**Transfers of property assets to/from, investment property (Amendments to IAS 40)** issued on December 8, 2016, clarifies that a property asset is transferred to, or from, investment property when and only when there is an actual change in use. A change in management intention alone does not support a transfer. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU.

**IFRIC 22 Foreign currency transactions and Advance consideration** issued on December 8, 2016, clarifies the transaction date to be used to determine the exchange rate for translating foreign currency transactions involving an advance payment or receipt. The interpretation is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU.

**Annual improvements to IFRSs 2014-2016 Cycle**, issued on December 8, 2016, cover the following minor amendments:

- **IFRS 1 First-time Adoption of IFRS:** Outdated exemptions for first-time adopters of IFRS are removed (effective for annual periods beginning on or after January 1, 2018);
- **IFRS 12 Disclosure of Interests in Other Entities:** Also applies to interests that are classified as held for sale or distribution (effective for annual periods beginning on or after January 1, 2017) and
- **IAS 28 Investments in Associates and Joint Ventures:** A venture capital organisation, or other qualifying entity, may elect to measure its investments in an associate or joint venture at fair value (effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted).

The amendments are not expected to have a material impact on the Group's consolidated financial statements. These amendments have not yet been endorsed by the EU.

## NOTE 2 - SEGMENT REPORTING

The Group distinguishes two operating segments: the operation of crude oil tankers on the international markets (Tankers) and the floating production, storage and offloading operations (FSO/FpSO). These two divisions operate in completely different markets, where in the latter the assets are tailor made or converted for specific long term projects. The tanker market requires a different marketing strategy as this is considered a very volatile market, contract duration is often less than two years and the assets are to a big extent standardized. The segment profit or loss figures and key assets as set out below are presented to the executive committee on at least a quarterly basis to help the key decision makers in evaluating the respective segments. The Chief Operating Decision Maker (CODM) also receives the information per segment based on proportionate consolidation for the joint ventures and not by applying equity accounting. The reconciliation between the figures of all segments combined on the one hand and with the consolidated statements of financial position and profit or loss on the other hand is presented in a separate column Equity-accounted investees.

The Group has two clients in the Tankers segment that represented 10% each of the Tankers segment total revenue in 2016 (2015 and 2014: one client which represented 11%). All the other clients represent less than 10% of total revenues of the Tankers segment.

The Group did not identify any relevant geographic areas.





## Consolidated statement of financial position

(in thousands of USD)

	DECEMBER 31, 2016				DECEMBER 31, 2015			
	TANKERS	FSO	LESS: EQUITY- ACCOUNTED INVESTEES	TOTAL	TANKERS	FSO	LESS: EQUITY- ACCOUNTED INVESTEES	TOTAL
<b>ASSETS</b>								
Vessels	2,383,163	186,170	(186,170)	<b>2,383,163</b>	2,448,192	204,241	(364,397)	<b>2,288,036</b>
Assets under construction	86,136	-	-	<b>86,136</b>	93,890	-	-	<b>93,890</b>
Other tangible assets	777	-	-	<b>777</b>	1,048	-	-	<b>1,048</b>
Prepayments	-	-	-	<b>-</b>	2	-	-	<b>2</b>
Intangible assets	156	-	-	<b>156</b>	238	-	-	<b>238</b>
Receivables	204,079	9,414	(29,579)	<b>183,914</b>	222,692	7,371	29,845	<b>259,908</b>
Investments in equity accounted investees	1,546	-	16,867	<b>18,413</b>	1,211	-	20,426	<b>21,637</b>
Deferred tax assets	964	-	-	<b>964</b>	935	182	(182)	<b>935</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,676,821</b>	<b>195,584</b>	<b>(198,882)</b>	<b>2,673,523</b>	<b>2,768,208</b>	<b>211,794</b>	<b>(314,308)</b>	<b>2,665,694</b>
<b>TOTAL CURRENT ASSETS</b>	<b>375,037</b>	<b>43,048</b>	<b>(44,697)</b>	<b>373,388</b>	<b>389,368</b>	<b>26,944</b>	<b>(41,260)</b>	<b>375,052</b>
<b>TOTAL ASSETS</b>	<b>3,051,858</b>	<b>238,632</b>	<b>(243,579)</b>	<b>3,046,911</b>	<b>3,157,576</b>	<b>238,738</b>	<b>(355,568)</b>	<b>3,040,746</b>
<b>EQUITY AND LIABILITIES</b>								
<b>TOTAL EQUITY</b>	<b>1,892,836</b>	<b>(4,879)</b>	<b>(1)</b>	<b>1,887,956</b>	<b>1,946,288</b>	<b>(40,540)</b>	<b>1</b>	<b>1,905,749</b>
Bank and other loans	966,443	203,512	(203,512)	<b>966,443</b>	1,018,013	259,684	(325,271)	<b>952,426</b>
Convertible and other Notes	-	-	-	<b>-</b>	-	-	-	<b>-</b>
Other payables	533	1,118	(1,118)	<b>533</b>	590	3,600	(3,600)	<b>590</b>
Deferred tax liabilities	-	-	-	<b>-</b>	-	-	-	<b>-</b>
Employee benefits	2,846	-	-	<b>2,846</b>	2,038	-	-	<b>2,038</b>
Amounts due to equity-accounted joint ventures	-	-	-	<b>-</b>	-	-	-	<b>-</b>
Provisions	38	-	-	<b>38</b>	436	-	-	<b>436</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>969,860</b>	<b>204,630</b>	<b>(204,630)</b>	<b>969,860</b>	<b>1,021,077</b>	<b>263,284</b>	<b>(328,871)</b>	<b>955,490</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>189,162</b>	<b>38,881</b>	<b>(38,948)</b>	<b>189,095</b>	<b>190,211</b>	<b>15,994</b>	<b>(26,698)</b>	<b>179,507</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,051,858</b>	<b>238,632</b>	<b>(243,579)</b>	<b>3,046,911</b>	<b>3,157,576</b>	<b>238,738</b>	<b>(355,568)</b>	<b>3,040,746</b>

## NOTE 2 - SEGMENT REPORTING (CONTINUED)

### Consolidated statement of profit or loss

(in thousands of USD)

	2016			TOTAL
	TANKERS	FSO	LESS: EQUITY-ACCOUNTED INVESTEEES	
<b>Shipping income</b>				
Revenue	704,766	65,125	(85,626)	684,265
Gains on disposal of vessels / other tangible assets	50,397	-	-	50,397
Other operating income	6,765	327	(96)	6,996
<b>TOTAL SHIPPING INCOME</b>	<b>761,928</b>	<b>65,452</b>	<b>(85,722)</b>	<b>741,658</b>
<b>Operating expenses</b>				
Voyage expenses and commissions	(63,305)	(476)	4,221	(59,560)
Vessel operating expenses	(164,478)	(9,679)	13,958	(160,199)
Charter hire expenses	(17,713)	-	-	(17,713)
Losses on disposal of vessels / other tangible assets	(1)	-	(1)	(2)
Impairment on non-current assets held for sale	-	-	-	-
Loss on disposal of investments in equity accounted investees	(24,150)	-	-	(24,150)
Depreciation tangible assets	(233,368)	(18,071)	23,775	(227,664)
Depreciation intangible assets	(99)	-	-	(99)
General and administrative expenses	(44,152)	(80)	181	(44,051)
<b>TOTAL OPERATING EXPENSES</b>	<b>(547,266)</b>	<b>(28,306)</b>	<b>42,134</b>	<b>(533,438)</b>
<b>RESULT FROM OPERATING ACTIVITIES</b>	<b>214,662</b>	<b>37,146</b>	<b>(43,588)</b>	<b>208,220</b>
Finance income	6,864	57	(66)	6,855
Finance expenses	(52,420)	(2,552)	3,277	51,695
<b>NET FINANCE EXPENSES</b>	<b>(45,556)</b>	<b>(2,495)</b>	<b>3,211</b>	<b>(44,840)</b>
Share of profit (loss) of equity accounted investees (net of income tax)	334	-	40,161	40,495
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>	<b>169,440</b>	<b>34,651</b>	<b>(216)</b>	<b>203,875</b>
Income tax expense	174	(216)	216	174
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>169,614</b>	<b>34,435</b>	<b>-</b>	<b>204,049</b>
<b>Attributable to:</b>				
Owners of the Company	169,614	34,435	-	204,049



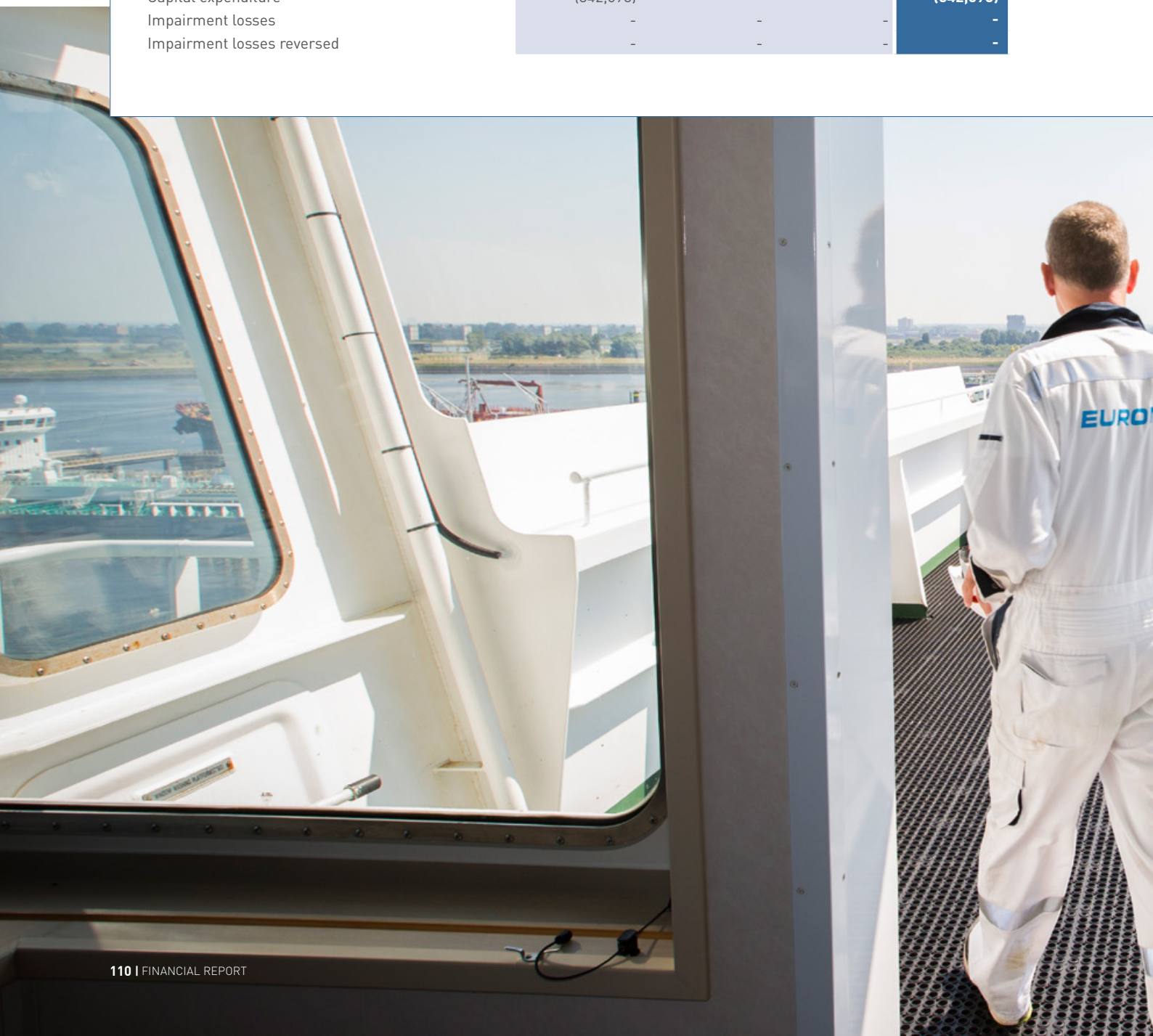
2015				2014			
TANKERS	FSO	LESS: EQUITY- ACCOUNTED INVESTEES	TOTAL	TANKERS	FSO	LESS: EQUITY- ACCOUNTED INVESTEES	TOTAL
898,495	64,504	(116,492)	846,507	510,973	64,178	(101,166)	473,985
13,302	-	-	13,302	15,315	-	(2,193)	13,122
6,798	808	(180)	7,426	11,685	323	(597)	11,411
<b>918,595</b>	<b>65,312</b>	<b>(116,672)</b>	<b>867,235</b>	<b>537,973</b>	<b>64,501</b>	<b>(103,956)</b>	<b>498,518</b>
(83,896)	(473)	13,132	(71,237)	(136,135)	(471)	18,303	(118,303)
(160,894)	(10,074)	17,250	(153,718)	(131,676)	(11,636)	19,223	(124,089)
(25,849)	-	-	(25,849)	(35,664)	-	-	(35,664)
(8,002)	-	-	(8,002)	-	-	-	-
-	-	-	-	(7,416)	-	-	(7,416)
(221,399)	(18,071)	29,314	(210,156)	(171,920)	(18,071)	29,057	(160,934)
(50)	-	-	(50)	(20)	-	-	(20)
(46,433)	(283)	465	(46,251)	(40,735)	(184)	354	(40,565)
<b>(546,523)</b>	<b>(28,901)</b>	<b>60,161</b>	<b>(515,263)</b>	<b>(523,566)</b>	<b>(30,362)</b>	<b>66,937</b>	<b>(486,991)</b>
<b>372,072</b>	<b>36,411</b>	<b>(56,511)</b>	<b>351,972</b>	<b>14,407</b>	<b>34,139</b>	<b>(37,019)</b>	<b>11,527</b>
3,313	22	(23)	3,312	2,625	28	(36)	2,617
(52,590)	(3,663)	5,311	(50,942)	(98,642)	(4,714)	7,386	(95,970)
<b>(49,277)</b>	<b>(3,641)</b>	<b>5,288</b>	<b>(47,630)</b>	<b>(96,017)</b>	<b>(4,686)</b>	<b>7,350</b>	<b>(93,353)</b>
185	-	51,407	51,592	617	-	29,669	30,286
<b>322,980</b>	<b>32,770</b>	<b>184</b>	<b>355,934</b>	<b>(80,993)</b>	<b>29,453</b>	<b>-</b>	<b>(51,540)</b>
(5,633)	184	(184)	(5,633)	5,743	-	-	5,743
<b>317,347</b>	<b>32,954</b>	<b>-</b>	<b>350,301</b>	<b>(75,250)</b>	<b>29,453</b>	<b>-</b>	<b>(45,797)</b>
317,347	32,954	-	350,301	(75,250)	29,453	-	(45,797)

## NOTE 2 - SEGMENT REPORTING (CONTINUED)

### Consolidated statement of cash flows

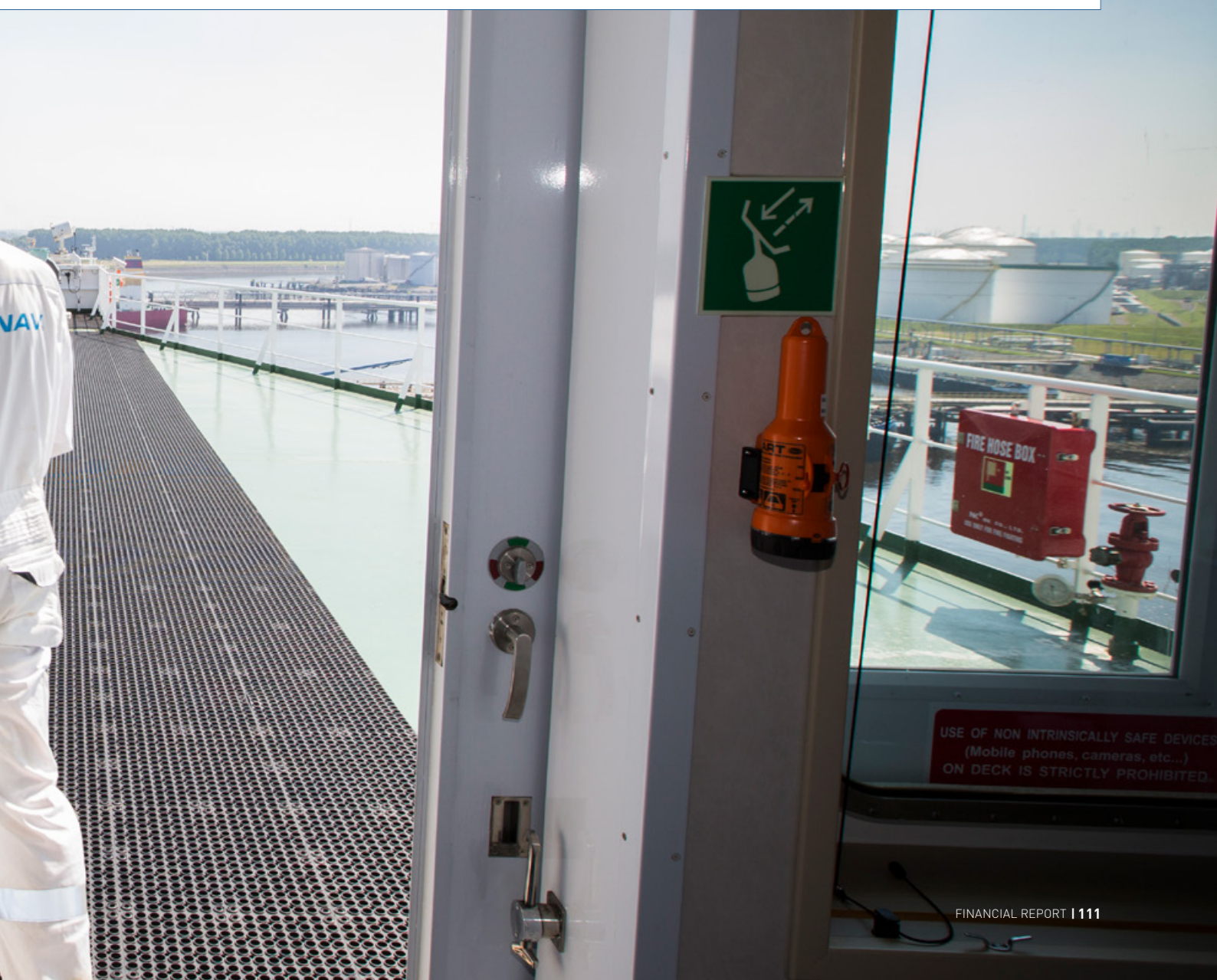
(in thousands of USD)

	2016			
	TANKERS	FSO	LESS: EQUITY-ACCOUNTED INVESTEEES	TOTAL
Net cash from operating activities	427,926	49,013	(38,737)	438,202
Net cash from (used in) investing activities	(90,891)	-	(9,724)	(100,615)
Net cash from (used in) financing activities	(264,714)	(32,929)	36,483	(261,160)
Capital expenditure	(342,698)	-	-	(342,698)
Impairment losses	-	-	-	-
Impairment losses reversed	-	-	-	-





2015				2014			
TANKERS	FSO	LESS: EQUITY-ACCOUNTED INVESTEES	TOTAL	TANKERS	FSO	LESS: EQUITY-ACCOUNTED INVESTEES	TOTAL
505,821	58,747	(114,036)	450,532	19,978	40,013	(45,209)	14,782
(248,770)	-	42,897	(205,873)	(1,007,928)	-	(15,079)	(1,023,007)
(350,429)	(20,557)	5,671	(365,315)	1,168,516	(55,552)	76,057	1,189,021
(361,754)	-	1,611	(360,143)	(1,178,051)	-	905	(1,177,146)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-





## NOTE 3 - ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

### Assets held for sale

The assets held for sale can be detailed as follows:

(in thousands of USD)

	2016	2015	2014
Vessels	-	24,195	89,000
Of which in tankers segment	-	24,195	89,000
Of which in FSO segment	-	-	-

(in thousands of USD)

	(ESTIMATED) SALE PRICE	BOOK VALUE	ASSET HELD FOR SALE	(EXPECTED) GAIN	(EXPECTED) LOSS
<b>AT JANUARY 1, 2014</b>	-	-	<b>21,510</b>	-	-
<b>Assets transferred to assets held for sale</b>					
<i>Olympia</i>	89,000	91,560	89,000	-	(2,560)
<i>Antarctica</i>	89,000	93,856	89,000	-	(4,856)
<b>Assets sold from assets held for sale</b>					
<i>Luxembourg</i>	27,900	21,510	(21,510)	6,390	-
<i>Olympia</i>	91,380	89,000	(89,000)	2,380	-
<b>AT DECEMBER 31, 2014</b>	-	-	<b>89,000</b>	<b>8,770</b>	<b>(7,416)</b>
<b>AT JANUARY 1, 2015</b>	-	-	<b>89,000</b>	-	-
<b>Assets transferred to assets held for sale</b>					
<i>Famenne</i>	38,016	24,195	24,195	13,821	-
<b>Assets sold from assets held for sale</b>					
<i>Antarctica</i>	91,065	89,000	(89,000)	2,065	-
<b>AT DECEMBER 31, 2015</b>	-	-	<b>24,195</b>	<b>15,886</b>	-
<b>AT JANUARY 1, 2016</b>	-	-	<b>24,195</b>	-	-
<b>Assets sold from assets held for sale</b>					
<i>Famenne</i>	38,016	24,195	(24,195)	13,821	-
<b>AT DECEMBER 31, 2016</b>	-	-	-	<b>13,821</b>	-

On January 15, 2016, the Company sold the VLCC *Famenne* (2001 - 298,412 dwt), for USD 38.4 million. This vessel was accounted for as a non-current asset held for sale as at December 31, 2015, and had a carrying value of USD 24.2 million as of the prior year-end. The vessel was delivered to its new owner on March 9, 2016. Taking into account USD 0.4

million of costs to sell (sales commissions), the gain on the sale of this vessel amounted to USD 13.8 million. This gain has been recorded upon delivery of the vessel and is therefore reflected in the consolidated statement of profit or loss for the twelve months ended December 31, 2016.

### Discontinued operations

As per December 31, 2016, December 31, 2015 and per December 31, 2014 the Group had no operations that meet the criteria of a discontinued operation.

## NOTE 4 - REVENUE

<i>(in thousands of USD)</i>				
	NOTE	2016	2015	2014
Pool revenue	-	340,217	455,617	149,624
Spot voyages	-	203,821	264,799	192,243
Time charters	19	140,227	126,091	132,118
<b>TOTAL REVENUE</b>		<b>684,265</b>	<b>846,507</b>	<b>473,985</b>

For the accounting treatment of revenue, we refer to the accounting policies (o) - Revenue.

The decrease in revenue is mostly related to the decrease in pool and spot voyage revenue which is due to lower freight market conditions. This decrease was partially offset by higher revenue from time charters due to an increase in the fleet size.



## NOTE 5 - EXPENSES FOR SHIPPING ACTIVITIES AND OTHER EXPENSES FROM OPERATING ACTIVITIES

### Voyage expenses and commissions

(in thousands of USD)

	NOTE	2016	2015	2014
Voyage related expense	-	(52,836)	(62,787)	(111,238)
Commissions paid	-	(6,724)	(8,450)	(7,065)
<b>TOTAL VOYAGE EXPENSES AND COMMISSIONS</b>		<b>(59,560)</b>	<b>(71,237)</b>	<b>(118,303)</b>

The majority of voyage expenses are bunkers, port costs and agent fees paid to operate the vessels on the spot market. These expenses decreased in 2016 compared to 2015 because a higher number of vessels were on time charter contract in 2016. For vessels under a time charter contract, voyage expenses are paid by the charterer and for vessels operated in a pool, voyage expenses are paid by the Pool.

### Vessel operating expenses

(in thousands of USD)

	NOTE	2016	2015	2014
Operating expenses	-	(148,554)	(142,035)	(112,834)
Insurance	-	(11,645)	(11,683)	(11,255)
<b>TOTAL VESSEL OPERATING EXPENSES</b>		<b>(160,199)</b>	<b>(153,718)</b>	<b>(124,089)</b>

The operating expenses relate mainly to the crewing, technical and other costs to operate tankers. In 2016 these expenses increased compared to 2015, which is mainly related to a higher number of vessels operated by the Group following the delivery of the vessels acquired in 2015 and 2016.

### Charter hire expenses

(in thousands of USD)

	NOTE	2016	2015	2014
Charter hire	19	(16,921)	(25,849)	(32,080)
Bare boat hire	19	(792)	-	(3,584)
<b>TOTAL CHARTER HIRE EXPENSES</b>		<b>(17,713)</b>	<b>(25,849)</b>	<b>(35,664)</b>

The decrease in charter hire is mainly due to the redelivery of the two chartered-in vessels VLCC *KHK Vision* and the Suezmax *Suez Hans*, to their owners on October 27, 2016 and November 27, 2016 respectively.

The bareboat charter-hire expenses in 2016 are entirely attributable to the sale and leaseback agreement of four VLCCs (*Nautilus*, *Navarin*, *Neptun* and *Nucleus*), under a five-year bareboat contract.

### General and administrative expenses

(in thousands of USD)

	NOTE	2016	2015	2014
Wages and salaries	-	(12,754)	(12,554)	(10,840)
Social security costs	-	(2,532)	(2,379)	(2,495)
Provision for employee benefits	16	(261)	(108)	(85)
Equity-settled share-based payments	22	(406)	(1,637)	(3,994)
Other employee benefits	-	(3,178)	(3,715)	(3,075)
<b>EMPLOYEE BENEFITS</b>		<b>(19,131)</b>	<b>(20,392)</b>	<b>(20,489)</b>
Administrative expenses	-	(25,510)	(25,749)	(19,228)
Claims	-	(13)	(19)	(8)
Provisions	-	603	(91)	(840)
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>		<b>(44,051)</b>	<b>(46,251)</b>	<b>(40,565)</b>
Average number of full time equivalents (shore staff)		139.44	132.20	113.32



The general and administrative expenses which include amongst others: shore staff wages, director fees, office rental, consulting and audit fees and Tonnage Tax, decreased in 2016 compared to 2015. This decrease was mainly due to a decrease in equity-settled share-based payments, a decrease in director fees and a decrease in administrative expenses relating to the Tankers International Pool.

On the other hand, consulting, audit and other fees increased due to the implementation and audit of an enhanced framework of internal controls. Mortgages and registration fees increased due to the sale of certain vessels between Group companies in the course of 2016.

## NOTE 6 - NET FINANCE EXPENSE

### Recognized in profit or loss

(in thousands of USD)

	2016	2015	2014
Interest income	217	208	487
Foreign exchange gains	6,638	3,103	2,131
<b>FINANCE INCOME</b>	<b>6,855</b>	<b>3,312</b>	<b>2,617</b>
Interest expense on financial liabilities measured at amortized cost	(39,007)	(38,246)	(57,948)
Fair value adjustment on interest rate swaps	-	-	-
Amortization other Notes	-	(4,127)	(31,878)
Other financial charges	(4,577)	(4,355)	(3,829)
Foreign exchange losses	(8,111)	(4,214)	(2,315)
<b>FINANCE EXPENSE</b>	<b>(51,695)</b>	<b>(50,942)</b>	<b>(95,970)</b>
<b>NET FINANCE EXPENSE RECOGNIZED IN PROFIT OR LOSS</b>	<b>(44,840)</b>	<b>(47,630)</b>	<b>(93,353)</b>

Net finance expenses decreased slightly in 2016 compared to 2015, which is primarily related to the amortization other Notes which amounted zero in 2016 due to the repayment of the USD 235.5 million bond in the first quarter of 2015. As the bond was issued below par and in accordance with IFRS, the Group amortized USD 4.1 million in the first quarter of 2015. Further, the Group incurred lower interest expenses in 2016 compared to 2015 following the redemption in 2015 of convertible Notes

and bonds as discussed in Note 15. On the other hand, the Group recognized USD 5.5 million of unamortized transaction costs in the consolidated statement of profit or loss upon the refinancing in 2016 of the March 25, 2014 senior secured credit facility, as discussed in Note 15.



The finance income and expenses on the previous page include the following in respect of assets (liabilities) not at fair value through profit or loss:

	2016	2015	2014
Total interest income on financial assets	217	208	487
Total interest expense on financial liabilities	(39,007)	(42,372)	(89,826)
Total other financial charges	(4,577)	(4,355)	(3,829)

### Recognized directly in equity

(in thousands of USD)

	2016	2015	2014
Foreign currency translation differences for foreign operations	170	(429)	(567)
Cash flow hedges - effective portion of changes in fair value	-	-	1,291
Cash flow hedges - reclassified to profit or loss	-	-	-

### NET FINANCE EXPENSE RECOGNIZED DIRECTLY IN EQUITY

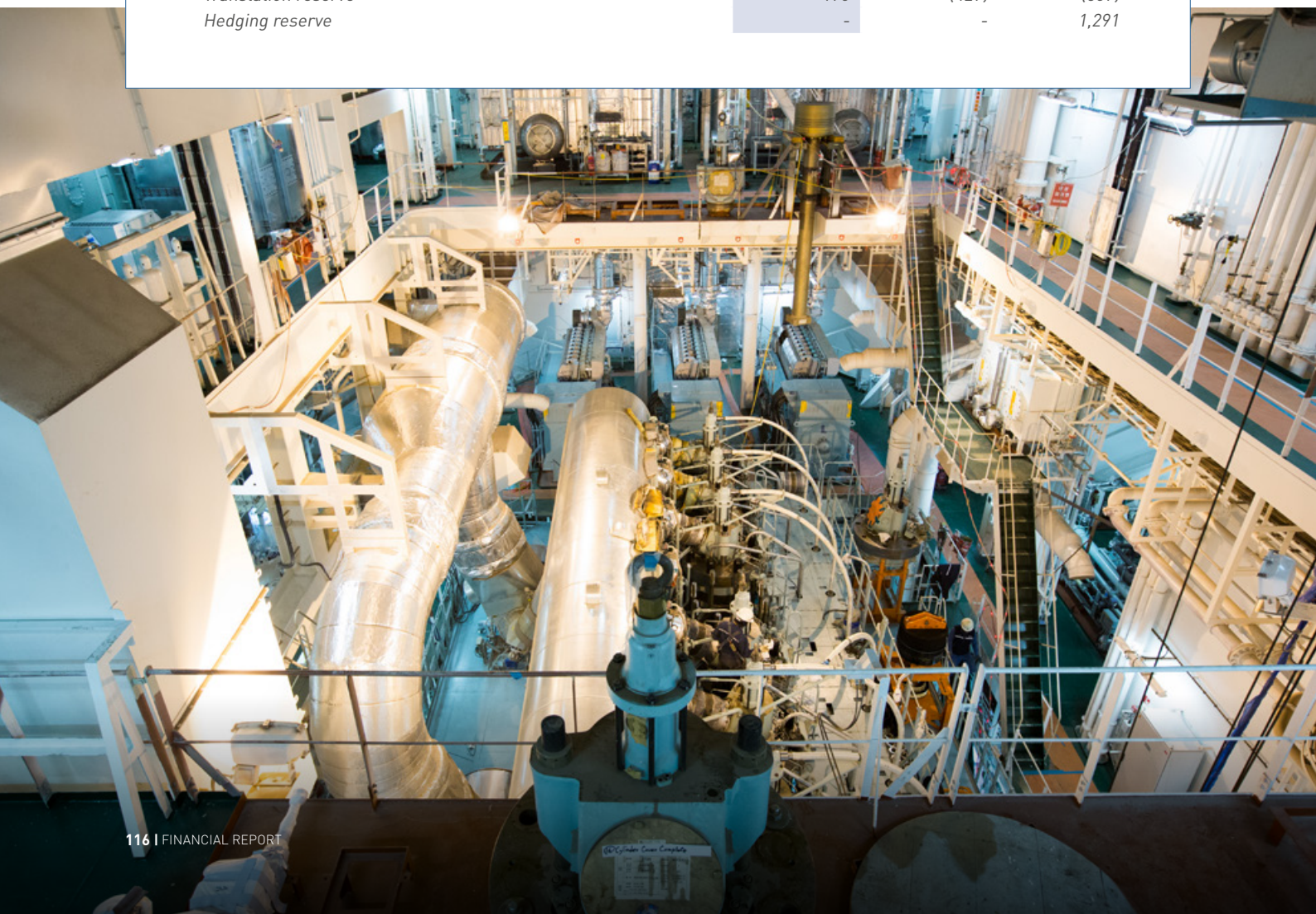
Attributable to:

Owners of the Company	170	(429)	724
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### NET FINANCE EXPENSE RECOGNIZED DIRECTLY IN EQUITY

Recognized in:

Translation reserve	170	(429)	(567)
Hedging reserve	-	-	1,291



## NOTE 7 - INCOME TAX BENEFIT (EXPENSE)

(in thousands of USD)

	2016	2015	2014
<b>Current tax</b>			
Current period	60	(98)	(9)
<b>TOTAL CURRENT TAX</b>	<b>60</b>	<b>(98)</b>	<b>(9)</b>
<b>Deferred tax</b>			
Recognition of unused tax losses / (use of tax losses)	220	(5,450)	5,507
Other	(106)	(85)	245
<b>TOTAL DEFERRED TAX</b>	<b>114</b>	<b>(5,535)</b>	<b>5,752</b>
<b>TOTAL TAX BENEFIT/(EXPENSE)</b>	<b>174</b>	<b>(5,633)</b>	<b>5,743</b>

### Reconciliation of effective tax

	2016	2015	2014
Profit (loss) before tax	203,875	355,934	(51,540)
Tax at domestic rate	(33.99)% (69,297)	(33.99%) (120,982)	(33.99%) 17,518
Effects on tax of:			
Tax exempt profit / loss	(8,090)	(144)	3,039
Tax adjustments for previous years	70	17	-
Loss for which no DTA (°) has been recognized	-	(4,811)	(17,926)
Use of previously unrecognized tax losses	1,118	15,668	-
Non-deductible expenses	(1,718)	(5,225)	(193)
Tonnage Tax regime	64,637	91,334	(6,590)
Effect of share of profit of equity- accounted investees	13,761	17,536	10,294
Effects of tax regimes in foreign jurisdictions	(307)	974	(400)
<b>TOTAL TAXES</b>	<b>0,09% 174</b>	<b>(1.58%) (5,633)</b>	<b>(11.14%) 5,743</b>

In application of an IFRIC agenda decision on 'IAS 12 Income taxes', tonnage tax is not accounted for as income taxes in accordance with IAS 12 and is not presented as part of income tax expense in the consolidated statement of profit or loss but has been shown as an administrative expense under the heading General and administrative expenses (see Note 5).

° DTA = Deferred Tax Asset



## NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

(in thousands of USD)

	NOTE	VESSELS	VESSELS UNDER CONSTRUCTION	OTHER TANGIBLE ASSETS	PRE- PAYMENTS	TOTAL PPE
<b>AT JANUARY 1, 2014</b>						
Cost	-	2,424,978	-	2,487	10,000	<b>2,437,465</b>
Depreciation & impairment losses	-	(990,178)	-	(1,854)	-	<b>(992,032)</b>
<b>NET CARRYING AMOUNT</b>		<b>1,434,800</b>	<b>-</b>	<b>633</b>	<b>10,000</b>	<b>1,445,433</b>
Acquisitions	-	1,053,939	-	987	122,201	<b>1,177,127</b>
Disposals and cancellations	-	-	-	(2)	-	<b>(2)</b>
Depreciation charges	-	(160,590)	-	(344)	-	<b>(160,934)</b>
Transfer to assets held for sale	-	(185,415)	-	-	-	<b>(185,415)</b>
Transfers	-	115,600	-	-	(115,600)	<b>-</b>
Translation differences	-	-	-	(48)	-	<b>(48)</b>
<b>BALANCE AT DECEMBER 31, 2014</b>		<b>2,258,334</b>	<b>-</b>	<b>1,226</b>	<b>16,601</b>	<b>2,276,161</b>
<b>AT JANUARY 1, 2015</b>						
Cost	-	3,342,607	-	2,997	16,601	<b>3,362,205</b>
Depreciation & impairment losses	-	(1,084,273)	-	(1,771)	-	<b>(1,086,044)</b>
<b>NET CARRYING AMOUNT</b>		<b>2,258,334</b>	<b>-</b>	<b>1,226</b>	<b>16,601</b>	<b>2,276,161</b>
Acquisitions	-	257,706	93,890	288	8,001	<b>359,885</b>
Disposals and cancellations	-	(10,681)	-	(3)	(8,000)	<b>(18,684)</b>
Depreciation charges	-	(209,728)	-	(428)	-	<b>(210,156)</b>
Transfer to assets held for sale	-	(24,195)	-	-	-	<b>(24,195)</b>
Transfers	-	16,600	-	-	(16,600)	<b>-</b>
Translation differences	-	-	-	(35)	-	<b>(35)</b>
<b>BALANCE AT DECEMBER 31, 2015</b>		<b>2,288,036</b>	<b>93,890</b>	<b>1,048</b>	<b>2</b>	<b>2,382,976</b>





(in thousands of USD)

	NOTE	VESSELS	VESSELS UNDER CONSTRUCTION	OTHER TANGIBLE ASSETS	PRE- PAYMENTS	TOTAL PPE
<b>AT JANUARY 1, 2016</b>						
Cost	-	3,477,605	93,890	2,482	2	<b>3,573,979</b>
Depreciation & impairment losses	-	(1,189,569)	-	(1,434)	-	<b>(1,191,003)</b>
<b>NET CARRYING AMOUNT</b>		<b>2,288,036</b>	<b>93,890</b>	<b>1,048</b>	<b>2</b>	<b>2,382,976</b>
Acquisitions	-	250,912	86,944	175	3	<b>338,034</b>
Acquisitions through business combinations	24	120,280	-	-	-	<b>120,280</b>
Disposals and cancellations	-	(143,457)	-	(7)	-	<b>(143,464)</b>
Depreciation charges	-	(227,306)	-	(358)	-	<b>(227,664)</b>
Transfer to assets held for sale	-	-	-	-	-	<b>-</b>
Transfers	-	94,698	(94,698)	5	(5)	<b>-</b>
Translation differences	-	-	-	(86)	-	<b>(86)</b>
<b>BALANCE AT DECEMBER 31, 2016</b>		<b>2,383,163</b>	<b>86,136</b>	<b>777</b>	<b>-</b>	<b>2,470,076</b>
<b>AT DECEMBER 31, 2016</b>						
Cost	-	3,748,135	86,136	2,373	-	<b>3,836,644</b>
Depreciation & impairment losses	-	(1,364,972)	-	(1,596)	-	<b>(1,366,568)</b>
<b>NET CARRYING AMOUNT</b>		<b>2,383,163</b>	<b>86,136</b>	<b>777</b>	<b>-</b>	<b>2,470,076</b>

On January 26, March 24, and May 13, 2016, Euronav took delivery of the second, third and fourth vessel of the four VLCCs which were acquired as resales of existing newbuilding contracts as announced on June 16, 2015: VLCC *Alice* (2016 - 299,320 dwt), VLCC *Alex* (2016 - 299,445 dwt) and VLCC *Anne* (2016 - 299,533 dwt).

On August 16, 2016, the Group entered into a binding agreement for the acquisition through resale of two VLCCs which were completing construction at Hyundai Heavy Industries for an

aggregate purchase price of USD 169 million or USD 84.5 million per unit. The first vessel, the *Ardeche*, was delivered on January 12, 2017. The second vessel, the *Aquitaine*, was delivered on January 20, 2017 (see Note 29).

On November 23, 2016 the Group took delivery of the *V.K. Eddie* (2005 - 305,261 dwt), which it purchased from its joint venture Seven Seas Shipping Ltd (Note 25) for USD 39.0 million. In the Group's consolidated financial statements, 50% of the USD 9.3 million gain recognized on this transaction by Seven Seas Shipping Ltd was eliminated.

## NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

In 2016, the *Cap Guillaume*, *Cap Phillipe*, *Maria*, *Sandra*, *Artois*, *Cap Diamant*, *Cap Charles*, *Cap Victor*, *Ingrid* and *Nautilus* have been dry-docked. The cost of planned repairs and maintenance is capitalised and included under the heading acquisitions.

### Disposal of assets - Gains/Losses

(in thousands of USD)

	NOTE	ACQUISITIONS	SALE PRICE	BOOK VALUE	GAIN	DEFERRED GAIN	LOSS
<i>Luxembourg</i> - Sale	3	-	27,900	21,510	6,390	-	-
<i>Olympia</i> - Transfer to assets held for sale	3	-	89,000	91,560	-	-	(2,560)
<i>Olympia</i> - Sale	3	-	91,380	89,000	2,380	-	-
<i>Antarctica</i> - Transfer to assets held for sale	3	-	89,000	93,856	-	-	(4,856)
<i>Cap Isabella</i> - Sale	-	-	4,329	-	4,329	-	-
Other	-	-	-	-	23	-	-
<b>AT DECEMBER 31, 2014</b>					<b>13,122</b>	<b>-</b>	<b>(7,416)</b>

		ACQUISITIONS	SALE PRICE	BOOK VALUE	GAIN	DEFERRED GAIN	LOSS
<i>Antarctica</i> - Sale	3	-	91,065	89,000	2,065	-	-
<i>Cap Laurent</i> - Sale	-	-	21,825	10,682	11,143	-	-
Other	-	-	-	-	94	-	(8,002)

<b>AT DECEMBER 31, 2015</b>					<b>13,302</b>	<b>-</b>	<b>(8,002)</b>
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		ACQUISITIONS	SALE PRICE	BOOK VALUE	GAIN	DEFERRED GAIN	LOSS
<i>Famenne</i> - Sale	3	-	38,016	24,195	13,821	-	-
<i>Nautilus</i> - Sale	-	-	43,250	32,208	11,042	(500)	-
<i>Navarin</i> - Sale	-	-	47,250	36,739	10,511	(1,500)	-
<i>Neptun</i> - Sale	-	-	47,250	37,534	9,716	(1,500)	-
<i>Nucleus</i> - Sale	-	-	47,250	36,974	10,276	(1,500)	-
Other	-	-	-	-	32	-	(2)
<b>AT DECEMBER 31, 2016</b>					<b>55,397</b>	<b>(5,000)</b>	<b>(2)</b>

On January 15, 2016, the Company sold the VLCC *Famenne* (2001 - 298,412 dwt), for a net sale price of USD 38.0 million. The capital gain on that sale of USD 13.8 million was recorded in the first quarter of 2016. The vessel was delivered to its new owner on March 9, 2016.

On December 16, 2016, the Company entered into a five-year sale and leaseback agreement for four VLCCs. The four VLCCs are the *Nautilus* (2006 - 307,284 dwt), the *Navarin* (2007 - 307,284 dwt), the *Neptun* (2007 - 307,284 dwt) and *Nucleus* (2007 - 307,284 dwt). The transaction assumed a net en-bloc sale price of USD 185 million and produced a capital gain of USD 41.5 million which was recorded in the fourth quarter of 2016. However, because there was a total difference of USD 5.0 million between the fair value of the assets (USD 181 million) and the sale price (USD 186 million), this excess has been amortized over the period for which the asset is expected to be used, in this case, the duration of the lease, i.e. 5 years.

## Impairment

### Tankers

Euronav defines its cash generating unit as a single vessel, unless such vessel is operated in a pool, in which case such vessel, together with the other vessels in the pool, are collectively treated as a cash generating unit.

The Group has performed an impairment test for tankers whereby the carrying amount of an asset or CGU is compared to its recoverable amount, which is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the following assumptions were used:

- 10 year historical average spot freight rates are used as forecast charter rates
- Weighted Average Cost of Capital ('WACC') of 6.43% (2015: 6.01% and 2014: 5.72%)
- 20 year useful life with residual value equal to zero

Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are subject to judgment. The impairment test did not result in a requirement to record an impairment loss in 2016. Even with an increase of the WACC of 3%, there was no need to record an impairment loss in 2016.

Recognizing that the transportation of crude oil and petroleum products is cyclical and subject to significant volatility based on factors beyond Euronav's control, Euronav believes the use of estimates based on the 10-year historical average rates calculated as of the reporting date to be reasonable as historically it is, and continues to be, the most appropriate reflection of a typical shipping cycle. When using 5-year historical charter rates in this impairment analysis, the

impairment analysis indicates that no impairment is required for the tanker fleet (2015: USD 123.3 million and 2014: USD 952.0 million), and when using 1-year historical charter rates in this impairment analysis, the impairment analysis indicates that no impairment is required for the tanker fleet (2015: no impairment and 2014: USD 103.7 million).

### FSO

For FSOs the impairment assessment has been based on a value in use calculation to estimate the recoverable amount from the vessel. This method is chosen as there is no efficient market for transactions of FSO vessels as each vessel is often purposely built for specific circumstances. In assessing value in use, the following assumptions were used:

- Weighted Average Cost of Capital ('WACC') of 6.43% (2015: 6.01% and 2014: 5.72%)
- 25-year useful life with residual value equal to zero

This assessment did not result in a requirement to record an impairment loss in 2016. Even with an increase of the WACC of 3%, there was no need to record an impairment loss in 2016. The value in use calculation for FSOs is based on the remaining useful life of the vessels as of the reporting date, and is based on fixed daily rates as well as management's best estimate of daily rates for future periods. The FSO Asia and the FSO Africa are on a timecharter contract to Maersk Oil Qatar until July 22, 2017 and September 22, 2017, respectively.

On December 22, 2016, the Group announced that the joint venture with International Seaways ("INSW", see Note 25) has received a letter of award in relation to a contract for five years for the service of the FSO Africa and FSO Asia in direct continuation of the current contractual service. The letter of award was received from North Oil Company, the future operator of the Al Shaheen oil field, whose shareholders are Qatar Petroleum Oil & Gas Limited and Total E&P Golfe Limited. This award is subject to successful negotiation and documentation of the services contracts. The intent is that the new contracts for these custom-made 3 million barrels capacity units that have been serving the Al Shaheen field without interruption since 2010 will have a duration of five years starting at the expiry of the existing contracts with Maersk Oil Qatar. The existing contracts will remain in force until expiry in the third quarter of 2017. If negotiations and documentation are successfully concluded, the new contracts are expected over their full duration to generate revenues for the joint venture in excess of USD 360 million, excluding reimbursement for agreed operating expenses which will be dealt with on an open book basis. The signing of definitive services contracts remain subject to the resolution of substantive business terms and conditions and no assurance can be given that such resolution will be achieved.



### Security

All tankers financed are subject to a mortgage to secure bank loans (see Note 15).

### Vessels on order or under construction

The group has 4 vessels under construction as at December 31, 2016 for an aggregate amount of USD 86.1 million (2015: USD 93.9 million and 2014: 0). The amounts presented within "Vessels under construction" relate to the two VLCCs which were delivered on January 12 and January 20, 2017 from

Hyundai Heavy Industries, as discussed above and two Ice Class Suezmax vessels from Hyundai Heavy Industries to be delivered in early 2018.

### Capital commitment

As at December 31, 2016 the Group's total capital commitment amounts to USD 208.8 million (2015: USD 195.9 million). These can be detailed as follows:

(in thousands of USD)

#### AS AT DECEMBER 31, 2015 PAYMENTS SCHEDULED FOR

	TOTAL	2016	2017	2018
Commitments in respect of VLCCs	195,910	195,910	-	-
Commitments in respect of Suezmaxes	-	-	-	-
Commitments in respect of FSOs	-	-	-	-
<b>TOTAL</b>	<b>195,910</b>	<b>195,910</b>	<b>-</b>	<b>-</b>

(in thousands of USD)

#### AS AT DECEMBER 31, 2016 PAYMENTS SCHEDULED FOR

	TOTAL	2017	2018	2019
Commitments in respect of VLCCs	97,035	97,035	-	-
Commitments in respect of Suezmaxes	111,793	24,843	86,950	-
Commitments in respect of FSOs	-	-	-	-
<b>TOTAL</b>	<b>208,828</b>	<b>121,878</b>	<b>86,950</b>	<b>-</b>

At December 31, 2016, Euronav held the option to purchase an additional two Ice Class Suezmax vessels from Hyundai Heavy Industries (HHI), but Euronav had not yet exercised this option. The option expires on May 3, 2017.



## NOTE 9 - DEFERRED TAX ASSETS AND LIABILITIES

### Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

<i>(in thousands of USD)</i>	ASSETS	LIABILITIES	NET
Provisions	169	-	169
Employee benefits	23	-	23
Unused tax losses & tax credits	743	-	743
	935	-	935
Offset	-	-	
<b>BALANCE AT DECEMBER 31, 2015</b>	<b>935</b>	<b>-</b>	
Provisions	31	-	31
Employee benefits	37	-	37
Unused tax losses & tax credits	896	-	896
	964	-	964
Offset	-	-	
<b>BALANCE AT DECEMBER 31, 2016</b>	<b>964</b>	<b>-</b>	

### Unrecognized deferred tax assets and liabilities

Deferred tax assets and liabilities have not been recognized in respect of the following items:

<i>(in thousands of USD)</i>	DECEMBER 31, 2016		DECEMBER 31, 2015	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Deductible temporary differences	280	-	275	-
Taxable temporary differences	7	(25,213)	-	(21,220)
Tax losses & tax credits	105,731	-	109,797	-
	106,018	(25,213)	110,072	(21,220)
Offset	(25,213)	25,213	(21,220)	21,220
<b>TOTAL</b>	<b>80,805</b>	<b>-</b>	<b>88,852</b>	<b>-</b>

The unrecognized deferred tax assets in respect of tax losses and tax credits are entirely related to tax losses carried forward, investment deduction allowances and excess dividend received deduction. These unrecognized tax losses and tax credits have no expiration date.

A deferred tax asset ('DTA') is recognized for unused tax losses and tax credits carried forward, to the extent that it is probable that future taxable profits will be available. The Group considers future taxable profits as probable when it is more likely than not that taxable profits will be generated in the foreseeable future. When determining whether probable future taxable profits are available, the probability threshold is applied to portions of the total amount of unused tax losses or tax credits, rather than to the entire amount.

Given the nature of the tonnage tax regime, the Group has a substantial amount of unused tax losses and tax credits for which no future taxable profits are probable and therefore no DTA has been recognized.

The unrecognized tax liabilities in respect of taxable temporary differences relate primarily to tax liabilities in respect of non distributed reserves of the Group that will be taxed when distributed. No deferred tax liability has been recognized because the Group controls whether the liability will be incurred and management is satisfied that the liability will not be incurred in the foreseeable future. In addition, no deferred tax liabilities have been recognized for temporary differences related to vessels for which the Group expects that the reversal of these differences will not have a tax effect.

## Movement in deferred tax balances during the year

(in thousands of USD)

	BALANCE AT JAN 1, 2014	RECOGNIZED IN INCOME	RECOGNIZED IN EQUITY	TRANSLATION DIFFERENCES	BALANCE AT DEC 31, 2014
Provisions	-	238	-	-	238
Employee benefits	52	7	-	(7)	52
Unused tax losses & tax credits	828	5,507	-	(89)	6,246
<b>TOTAL</b>	<b>880</b>	<b>5,752</b>	<b>-</b>	<b>(96)</b>	<b>6,536</b>
	BALANCE AT JAN 1, 2015	RECOGNIZED IN INCOME	RECOGNIZED IN EQUITY	TRANSLATION DIFFERENCES	BALANCE AT DEC 31, 2015
Provisions	238	(61)	-	(8)	169
Employee benefits	52	(24)	-	(5)	23
Unused tax losses & tax credits	6,246	(5,450)	-	(53)	743
<b>TOTAL</b>	<b>6,536</b>	<b>(5,535)</b>	<b>-</b>	<b>(66)</b>	<b>935</b>
	BALANCE AT JAN 1, 2016	RECOGNIZED IN INCOME	RECOGNIZED IN EQUITY	TRANSLATION DIFFERENCES	BALANCE AT DEC 31, 2016
Provisions	169	(121)	-	(17)	31
Employee benefits	23	15	-	(1)	37
Unused tax losses & tax credits	743	220	-	(67)	896
<b>TOTAL</b>	<b>935</b>	<b>114</b>	<b>-</b>	<b>(85)</b>	<b>964</b>





## NOTE 10 - NON-CURRENT RECEIVABLES

(in thousands of USD)

	DECEMBER 31, 2016	DECEMBER 31, 2015
Shareholders loans to joint ventures	183,348	259,229
Other non-current receivables	565	678
Investment	1	1
<b>TOTAL NON-CURRENT RECEIVABLES</b>	<b>183,914</b>	<b>259,908</b>

The shareholders loans to joint ventures as of December 31, 2016 and December 31, 2015 did not bear interest. Please refer to Note 25 for more information on the Shareholders loans to joint ventures.

### The maturity date of the non-current receivables is as follows:

(in thousands of USD)

	DECEMBER 31, 2016	DECEMBER 31, 2015
Receivable:		
Between one and two years	-	-
Between two and three years	-	-
Between three and four years	-	-
Between four and five years	-	-
More than five years	183,914	259,908
<b>TOTAL NON-CURRENT RECEIVABLES</b>	<b>183,914</b>	<b>259,908</b>



## NOTE 11 - TRADE AND OTHER RECEIVABLES - CURRENT

<i>(in thousands of USD)</i>		DECEMBER 31, 2016	DECEMBER 31, 2015
Trade receivables		38,695	35,740
Accrued income		10,966	31,515
Accrued interest		33	25
Deferred charges		21,149	20,402
Other receivables		95,499	131,398
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>		<b>166,342</b>	<b>219,080</b>

The decrease in other receivables relates to income to be received by the Group from the Tankers International Pool. These amounts decreased in 2016 due to overall declining freight market conditions.

For currency and credit risk, we refer to Note 18.





## NOTE 12 - CASH AND CASH EQUIVALENTS

<i>(in thousands of USD)</i>		
	<b>DECEMBER 31, 2016</b>	<b>DECEMBER 31, 2015</b>
Bank deposits	104,500	59,205
Cash at bank and in hand	102,189	72,458
<b>TOTAL</b>	<b>206,689</b>	<b>131,663</b>
Of which restricted cash	146	124
Less:		
Bank overdrafts used for cash management purposes	-	-
<b>NET CASH AND CASH EQUIVALENTS</b>	<b>206,689</b>	<b>131,663</b>

The bank deposits as at December 31, 2016 had an average maturity of 10 days (2015: 24 days).



## NOTE 13 - EQUITY

### Number of shares issued

(in shares)

	DECEMBER 31, 2016	DECEMBER 31, 2015	DECEMBER 31, 2014
On issue at January 1	159,208,949	131,050,666	54,223,817
Conversion convertible bonds	-	-	18,495,656
Conversion perpetual convertible preferred equity	-	9,459,283	9,459,286
Capital increases	-	18,699,000	48,871,907
<b>ON ISSUE AT DECEMBER 31 - FULLY PAID</b>	<b>159,208,949</b>	<b>159,208,949</b>	<b>131,050,666</b>

On January 20, 2015 the Group announced the commencement of its underwritten initial public offering (IPO) in the United States of 13,550,000 ordinary shares. On January 19, 2015 the closing price of the Company's ordinary shares on Euronext Brussels was USD 12.94 per share (based upon the Bloomberg Composite Rate of EUR 0.8604 per USD 1.00 in effect on that date). The Company received approval to list its ordinary shares on the New York Stock Exchange (the "NYSE") under the symbol "EURN". On January 28, 2015 the Group announced the closing of its IPO of 18,699,000 common shares at a public offering price of USD 12.25 per share for gross proceeds of USD 229,062,750. This included the exercise in full by the underwriters of their overallotment option. The transaction costs related to this public offering for a total amount of USD 19.4 million were recognized directly in retained earnings.

At December 31, 2016 and December 31, 2015 the share capital is represented by 159,208,949 shares. The shares have no par value.

At December 31, 2016, the authorised share capital not issued amounts to USD 150,000,000 (2015: USD 150,000,000 and 2014: USD 61,525,678) or the equivalent of 138,005,652 shares (2015: 138,005,652 shares and 2014: 56,605,942 shares).

The holders of ordinary shares are entitled to receive dividends when declared and are entitled to one vote per share at the shareholders' meetings of the Group.

### Conversion of perpetual convertible preferred equity

Following its IPO, the Group exercised its right to request the conversion of the remaining 30 outstanding perpetual convertible preferred equity securities and issued such notice on January 30, 2015. The aggregate principal amount of USD 75,000,000 was converted to Euronav's share capital through a contribution in kind on February 6, 2015 against the issuance of 9,459,283 shares. These shares are listed on both Euronext Brussels and the NYSE.

### Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

### Hedging reserve

The Group, in connection to the USD 300 million facility raised in April 2009 entered in several Interest Rate Swap (IRSs) instruments for a combined notional value of USD 300 million. These IRSs have been used to hedge the risk related to the fluctuation of the Libor rate and qualified for hedging instruments in a cash flow hedge relationship under IAS 39. These instruments have been measured at their fair value; effective changes in fair value have been recognised in equity and the ineffective portion has been recognised in profit or loss. These IRSs had a duration of 5 years matching the repayment profile of that facility and matured on April 2, 2014.

### Treasury shares

As of December 31, 2016 Euronav owned 1,042,415 of its own shares, compared to 466,667 of shares owned on December 31, 2015. In the twelve months period ended December 31, 2016, Euronav bought back 692,415 shares at an aggregate cost of USD 6.9 million and delivered 116,667 shares upon the exercise of share options. These 116,667 treasury shares had an aggregate weighted average cost of USD 3.1 million and Euronav recognized a loss of USD 2.3 million in retained earnings upon the delivery of these treasury shares to the share option holders. The total net proceeds amounted to USD 0.8 million.

### Dividends

On May 12, 2016, the Annual Shareholders' meeting approved an additional gross dividend in the amount of USD 0.82 per share to all shareholders. The dividend to holders of Euronav shares trading on Euronext Brussels was paid in EUR at the USD/EUR exchange rate of the record date.



During its meeting of August 24, 2016, the Board of Directors of Euronav approved an interim dividend for the first semester 2016 of USD 0.55 per share. The interim dividend of USD 0.55 per share was payable as from September 30, 2016. The interim dividend to holders of Euronext shares was paid in EUR at the USD/EUR exchange rate of the record date.

On March 14, 2017, the Board of Directors decided to propose to the Annual Shareholders' meeting to be held on May 11, 2017, to approve a full year dividend of USD 0.77 per share. Taking into account the interim dividend approved in August in the amount of USD 0.55 per share, the expected dividend payable after the AGM should be USD 0.22 per share. The total final USD 0.77 dividend per share complies with the Group's policy to return 80% of the net profits to shareholders excluding exceptional items such as gains on the disposal of vessels.

The total amount of dividends paid in 2016 was USD 216.8 million.

#### Share-based payment arrangements

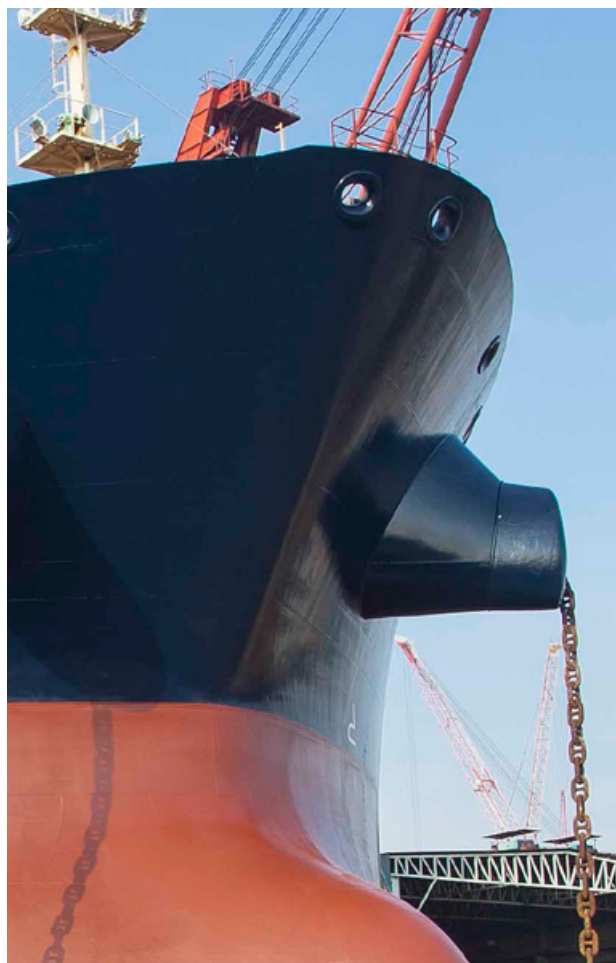
On December 16, 2013, the Group established a share option program that entitles key management personnel to purchase existing shares in the Company. Under the program, holders of vested options are entitled to purchase shares at the market price of the shares at the grant date. Currently this program is limited to key management personnel. In March 2016, the holders exercised 166,667 options and a corresponding number of treasury shares were sold. The key terms and conditions did not change after December 31, 2013. The compensation expense related to this share option program was recognized in prior periods and therefore, this program did not have any impact on the consolidated statement of profit or loss for 2016.

#### Long-term incentive plan 2015

The Group's Board of Directors implemented in 2015 a long term incentive plan ('LTIP') for key management personnel. Under the terms of this LTIP, the beneficiaries will obtain 40% of their respective LTIP in the form of Euronav stock options, with vesting over three years and 60% in the form of restricted stock units ('RSU's'), with cliff vesting on the third anniversary. In total 236,590 options and 65,433 RSU's were granted on February 12, 2015. Vested stock options may be exercised until 13 years after the grant date. The stock options have an exercise price of EUR 10.0475 and are equity-settled. All of the stock options and RSUs granted on February 12, 2015 remained outstanding as of December 31, 2016. The fair value of the stock options was measured using the Black Scholes formula. The fair value of the RSUs was measured with reference to the Euronav share price at the grant date. The total employee benefit expense recognized in the consolidated statement of profit or loss during 2016 with respect to the LTIP was USD 0.4 million.

#### Long-term incentive plan 2016

The Group's Board of Directors implemented in 2016 an additional long-term incentive plan for key management personnel. Under the terms of this LTIP, key management personnel is eligible to receive phantom stock unit grants. Each phantom stock unit grants the holder a conditional right to receive an amount of cash equal to the fair market value of one share of the company on the settlement date. The phantom stock units will mature one-third each year on the second, third and fourth anniversary of the award. In total a number of 54,616 phantom stocks were granted on February 2, 2016 and all remain outstanding as of December 31, 2016. The LTIP 2016 qualifies as a cash-settled share-based payment transaction. The Company recognizes a liability in respect of its obligations under the LTIP 2016, measured based on the Company's share price at the reporting date, and taking into account the extent to which the services have been rendered to date. The compensation expense recognized in the consolidated statement of profit or loss during 2016 was USD 0.2 million.



## NOTE 14 - EARNINGS PER SHARE

### Basic earnings per share

The calculation of basic earnings per share at December 31, 2016 was based on a result attributable to ordinary shares of USD 204,049,212 (December 31, 2015: USD 350,300,535 and December 31, 2014: USD [45,795,933]) and a weighted average

number of ordinary shares outstanding during the period ended December 31, 2016 of 158,262,268 (December 31, 2015: 155,872,171 and December 31, 2014: 116,539,018), calculated as follows:

### Result attributable to ordinary shares

(in thousands of USD except share and per share information)

	2016	2015	2014
Result for the period	204,049	350,301	(45,797)
Weighted average	158,262,268	155,872,171	116,539,018
Basic earnings per share (in USD)	1.29	2.25	[0.39]

### Weighted average number of ordinary shares

(in shares)

	SHARES ISSUED	TREASURY SHARES	SHARES OUTSTANDING	WEIGHTED NUMBER OF SHARES
<b>ON ISSUE AT JANUARY 1, 2014</b>	<b>54,223,817</b>	<b>1,750,000</b>	<b>52,473,817</b>	<b>52,473,817</b>
Issuance of shares	76,826,849	-	76,826,849	64,065,200
Purchases of treasury shares	-	-	-	-
Withdrawal of treasury shares	-	-	-	-
Sales of treasury shares	-	-	-	-
<b>ON ISSUE AT DECEMBER 31, 2014</b>	<b>131,050,666</b>	<b>1,750,000</b>	<b>129,300,666</b>	<b>116,539,017</b>
<b>ON ISSUE AT JANUARY 1, 2015</b>	<b>131,050,666</b>	<b>1,750,000</b>	<b>129,300,666</b>	<b>129,300,666</b>
Issuance of shares	28,158,283	-	28,158,283	25,842,099
Purchases of treasury shares	-	-	-	-
Withdrawal of treasury shares	-	-	-	-
Sales of treasury shares	-	(1,283,333)	1,283,333	729,406
<b>ON ISSUE AT DECEMBER 31, 2015</b>	<b>159,208,949</b>	<b>466,667</b>	<b>158,742,282</b>	<b>155,872,171</b>
<b>ON ISSUE AT JANUARY 1, 2016</b>	<b>159,208,949</b>	<b>466,667</b>	<b>158,742,282</b>	<b>158,742,282</b>
Issuance of shares	-	-	-	-
Purchases of treasury shares	-	692,415	(692,415)	(575,005)
Withdrawal of treasury shares	-	-	-	-
Sales of treasury shares	-	(116,667)	116,667	94,991
<b>ON ISSUE AT DECEMBER 31, 2016</b>	<b>159,208,949</b>	<b>1,042,415</b>	<b>158,166,534</b>	<b>158,262,268</b>



### Diluted earnings per share

For the twelve months ended December 31, 2016, the diluted earnings per share (in USD) amount to 1.29 [2015: 2.22 and 2014: (0.39)]. At December 31, 2014, 250 convertible Notes and 30 PCPs were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive (earnings per share would increase). At December 31, 2016 and December 31, 2015, no instruments were excluded from the calculation of the diluted weighted average number of shares.

### Weighted average number of ordinary shares (diluted)

The table below shows the potential weighted number of shares that could be created if all stock options, restricted stock units, convertible notes and PCPs were to be converted into ordinary shares.

(in shares)	2016	2015	2014
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING (BASIC)</b>	<b>158,262,268</b>	<b>155,872,171</b>	<b>116,539,017</b>
Effect of potential conversion of convertible Notes	-	88,689	1,079,047
Effect of potential conversion of PCPs	-	932,971	9,459,283
Effect of share-based payment arrangements	166,789	635,731	1,750,000
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (DILUTED)</b>	<b>158,429,057</b>	<b>157,529,562</b>	<b>128,827,347</b>

On January 31, 2015, the last 250 remaining outstanding Notes due in January 2015, were redeemed at par.

On February 6, 2015, the remaining 30 perpetual convertible preferred equity instruments were converted as well.

After all the conversions of the convertible Notes and the PCPs, there are no more remaining outstanding instruments at December 31, 2015 and December 31, 2016 which can give rise to dilution, except for the share-based payment arrangements.

## NOTE 15 - INTEREST-BEARING LOANS AND BORROWINGS

<i>(in thousands of USD)</i>	NOTE	BANK LOANS	CONVERTIBLE AND OTHER NOTES	TOTAL
More than five years	-	371,595	-	371,595
Between one and five years	-	716,431	231,373	947,804
<b>More than one year</b>	-	<b>1,088,026</b>	<b>231,373</b>	<b>1,319,399</b>
Less than one year	-	146,303	23,124	169,427
<b>AT JANUARY 1, 2015</b>		<b>1,234,329</b>	<b>254,497</b>	<b>1,488,826</b>
New loans	-	931,270	-	931,270
Scheduled repayments	-	(109,719)	(23,200)	(132,919)
Early repayments	-	(999,451)	(235,500)	(1,234,951)
Other changes	-	(3,981)	4,203	222
<b>BALANCE AT DECEMBER 31, 2015</b>		<b>1,052,448</b>	<b>-</b>	<b>1,052,448</b>
More than five years	-	147,174	-	147,174
Between one and five years	-	805,252	-	805,252
<b>More than one year</b>	-	<b>952,426</b>	<b>-</b>	<b>952,426</b>
Less than one year	-	100,022	-	100,022
<b>BALANCE AT DECEMBER 31, 2015</b>		<b>1,052,448</b>	<b>-</b>	<b>1,052,448</b>
More than five years	-	147,174	-	147,174
Between one and five years	-	805,252	-	805,252
<b>More than one year</b>	-	<b>952,426</b>	<b>-</b>	<b>952,426</b>
Less than one year	-	100,022	-	100,022
<b>AT JANUARY 1, 2016</b>		<b>1,052,448</b>	<b>-</b>	<b>1,052,448</b>
New loans	-	740,286	-	740,286
Scheduled repayments	-	(60,015)	-	(60,015)
Early repayments	-	(714,000)	-	(714,000)
Acquisitions through business combinations	24	61,065	-	61,065
Other changes	-	5,778	-	5,778
<b>BALANCE AT DECEMBER 31, 2016</b>		<b>1,085,562</b>	<b>-</b>	<b>1,085,562</b>
More than five years	-	330,491	-	330,491
Between one and five years	-	635,952	-	635,952
<b>More than one year</b>	-	<b>966,443</b>	<b>-</b>	<b>966,443</b>
Less than one year	-	119,119	-	119,119
<b>BALANCE AT DECEMBER 31, 2016</b>		<b>1,085,562</b>	<b>-</b>	<b>1,085,562</b>





### Bank Loans

On June 22, 2011, the Group entered into a USD 750.0 million secured loan facility with a syndicate of banks and Nordea Bank Norge SA as Agent and Security Trustee. This facility was comprised of a USD 500.0 million term loan facility and a USD 250.0 million revolving credit facility, and had a term of six years. The main purpose of this facility was to repay and retire the USD 1,600 million facility signed in April 2005. This facility was secured by 22 of the Group's wholly-owned vessels. The term loan was repayable in 11 instalments of consecutive 6-month intervals, with the final repayment due at maturity in 2017. Each revolving advance was repayable in full on the last day of its applicable interest period. This facility, as amended, bore interest at LIBOR plus a margin of 3.0% per annum plus applicable mandatory costs. On September 1, 2015, the Group repaid this loan in full using a portion of the borrowings under the USD 750.0 million senior secured amortizing revolving credit facility concluded on August 19, 2015.

On December 23, 2011, the Group entered into a USD 65.0 million secured term loan facility with DNB Bank ASA and Skandinaviska Enskilda Banken AB (publ) to finance the acquisition of Alsace, which was mortgaged under the loan. This facility was repayable over a term of seven years in ten installments at successive six month intervals, each

in the amount of USD 2.15 million together with a balloon installment of USD 43.5 million payable with (and forming part of) the tenth and final repayment on February 23, 2017. The interest rate was LIBOR plus a margin of 2.95% per annum plus applicable mandatory costs. This USD 65.0 million loan facility was repaid in full on September 1, 2015 using a portion of the borrowing under the USD 750.0 million senior secured amortizing revolving credit facility concluded on August 19, 2015.

On March 25, 2014, the Group entered into a USD 500.0 million senior secured credit facility with DNB Bank ASA, Nordea Bank Norge ASA, and Skandinaviska Enskilda Banken AB (publ). This facility bore interest at LIBOR plus a margin of 2.75% per annum and was repayable over a term of six years with maturity in 2020 and was secured by the fifteen (15) Very Large Crude Carriers (VLCC) from Maersk Tankers Singapore Pte Ltd. The proceeds of the facility were drawn and used to partially finance the purchase price of the Maersk Acquisition Vessels. This USD 500.0 million loan facility was repaid in full on December 21, 2016 using a portion of the borrowing under the USD 409.5 million senior secured amortizing revolving credit facility concluded on December 16, 2016.

On October 13, 2014, the Group entered into a USD 340.0 million senior secured credit facility with a syndicate of banks and ING Bank N.V. as Agent and Security Trustee. Borrowings under this facility have been used to partially finance the acquisition of the four (4) modern Japanese built VLCC vessels ('the VLCC Acquisition Vessels') from Maersk Tankers Singapore Pte Ltd and to repay USD 153.1 million of outstanding debt and retire the Group's USD 300.0 million Secured Loan Facility dated April 3, 2009. This facility is comprised of (i) a USD 148.0 million non-amortising revolving credit facility and (ii) a USD 192.0 million term loan facility. This facility has a term of 7 years and bears interest at LIBOR plus a margin of 2.25% per annum. This credit facility is secured by eight of our wholly-owned vessels, the *Fraternity*, *Felicity*, *Cap Felix*, *Cap Theodora* and, upon their respective deliveries, the VLCC Acquisition Vessels. On October 22, 2014 a first drawdown under this facility was made to repay the USD 300 million secured loan facility, followed by additional drawdowns on December 22, 2014 and December 23, 2014 for an amount of 60.3 million and 50.3 million following the delivery of the Hojo and Hakone respectively. On March 3, 2015 and April 13, 2015 additional drawdowns of 53.4 million and 50.4 million were made following the delivery of the Hirado and Hakata respectively. As of December 31, 2016 and December 31, 2015, the outstanding balances on this facility were USD 207.3 million and USD 175.5 million, respectively.

On August 19, 2015, the Group entered into a USD 750.0 million senior secured amortizing revolving credit facility with a syndicate of banks led by DNB Bank ASA and Nordea Bank Norge ASA. The facility will be available for the purpose of (i) refinancing 21 vessels; (ii) financing four newbuilding

VLCCs vessels as well as (iii) Euronav's general corporate and working capital purposes. The credit facility will mature on July 1, 2022 and carries a rate of LIBOR plus a margin of 195 bps. As of December 31, 2016 and December 31, 2015, the outstanding balances under this facility were USD 612.1 million and USD 467.5 million, respectively.

On November 9, 2015, the Group entered into a USD 60.0 million unsecured revolving credit facility with KBC NV, acting as Bookrunning Mandated Lead Arranger and as Agent. As of December 31, 2016 and December 31, 2015, there were no outstanding balances under this facility.

On June 2, 2016, the Group entered into a share swap and claim transfer agreement (see Note 24) whereby as of that date, Fiorano Shipholding Ltd and Larvotto Shipholding Ltd were fully consolidated and all assets acquired and liabilities assumed were recognized. Their respective loans are related to, and are secured by, the vessels owned by Fiorano and Larvotto. As of December 31, 2016, the outstanding balance on these facilities was USD 57.0 million in total.

On December 16, 2016, the Group entered into a USD 409.5 million senior secured amortizing revolving credit facility for the purpose of refinancing 11 vessels as well as Euronav's general corporate purposes. The credit facility was used to refinance the USD 500 million senior secured credit facility dated March 25, 2014 and will mature on January 31, 2023, carrying a rate of LIBOR plus a margin of 2.25%. As of December 31, 2016, the outstanding balance on this facility was USD 222.0 million. The credit facility is secured by the aforementioned 11 vessels.



### Undrawn borrowing facilities

At December 31, 2016, Euronav and its fully-owned subsidiaries have undrawn credit line facilities amounting to USD 355.8 million (2015: USD 291.1 million).

### Terms and debt repayment schedule

The terms and conditions of outstanding loans were as follows:

<i>(in thousands of USD)</i>				DECEMBER 31, 2016			DECEMBER 31, 2015		
	CURR.	NOMINAL INTEREST RATE	YEAR OF MAT.	FACILITY SIZE	DRAWN	CARRYING VALUE	FACILITY SIZE	DRAWN	CARRYING VALUE
Secured vessels loan 192M	USD	libor +2.25%	2021	143,571	143,571	141,501	175,476	175,476	172,778
Secured vessels Revolving loan 148M*	USD	libor +2.25%	2021	147,559	63,700	63,700	147,559	-	-
Secured vessels loan 500M	USD	libor +2.75%	2020	-	-	-	428,000	428,000	420,320
Secured vessels Revolving loan 750M*	USD	libor +1.95%	2022	636,536	612,050	605,806	551,023	467,500	459,350
Secured vessels Revolving loan 409.5M*	USD	libor +2.25%	2023	409,500	222,036	217,600	-	-	-
Secured vessels loan 76M	USD	libor +1.225%	2020	27,813	27,813	27,813	-	-	-
Secured vessels loan 67.5M	USD	libor +1.5%	2020	29,143	29,143	29,143	-	-	-
Unsecured bank facility 60M	USD	libor +2.25%	2020	60,000	-	-	60,000	-	-
<b>TOTAL INTEREST-BEARING BANK LOANS</b>				<b>1,454,121</b>	<b>1,098,312</b>	<b>1,085,562</b>	<b>1,362,058</b>	<b>1,070,976</b>	<b>1,052,448</b>

The facility size of the vessel loans can be reduced if the value of the collateralized vessels falls under a certain percentage of the outstanding amount under that loan.

\* The total amount available under the Revolving Credit Facility depends on the total value of the fleet of tankers securing the facility.

### Convertible and other notes

On September 24, 2009, the Group issued USD 150.0 million fixed rate senior unsecured convertible Notes, due 2015. The Notes were issued at 100 per cent of their principal amount and bore interest at a rate of 6.5% per annum, payable semi-annually in arrears. The initial conversion price was EUR 16,283,750 (or USD 23,168,520 at EUR/USD exchange rate of 1,4228) per share and was set at a premium of 25% to the volume weighted average price of Euronav's ordinary shares on Euronext Brussels on September 3, 2009.

In the course of the first quarter 2012, the Group repurchased 68 Notes of its USD 150 million fixed rate senior unsecured Notes, due 2015. In 2013, the Group offered to exchange the Notes against a new Note which bore the same interest rate of 6.5% but which would mature in 2018 and would have a lower conversion price of EUR 5.65. The exchange offer resulted in USD 125.0 million of Notes (face value) being exchanged for new Notes, including the 68 Notes acquired by the Group in 2012.

In the second quarter of 2013, the Group bought back an additional 5 of its Notes due in 2015, while selling in the third quarter of 2013 the 68 Notes due in 2018 it held after the above exchange.

During the period from November 12, 2013 through April 22, 2014, the Group issued an aggregate of 20,969,473 existing

ordinary shares upon conversion of USD 124.9 million in aggregate principal amount of 1,249 Convertible Notes due 2018 at the holders' option.

On February 20, 2014, the Group exercised its right to redeem all of the remaining Convertible Notes due in 2018. On April 9, 2014, the Group redeemed the last convertible note due 2018.

On January 31, 2015, the Group redeemed the 250 remaining outstanding fixed rate unsecured convertible Notes due 2015 with a face value of USD 100,000 each, at par.

On February 4, 2014, the Group issued USD 235.5 million 7-year bonds. These bonds were issued at 85 per cent of their principal amount and bore interest at a rate of 5.95% per annum for the first year, payable semi-annually in arrears. The interest rate would increase to 8.5% per annum for the second and third year and would increase again to 10.20% per annum from year four until maturity. The bonds were at any time redeemable by Euronav at par. These bonds were fully repaid on February 19, 2015 using the proceeds of the initial public offering in the US. Of the on issue discount (USD 35.3 million) and the transaction costs (USD 0.7 million), USD 31.9 million was recognized in finance expenses in 2014 and USD 4.1 million was recognized in finance expenses in 2015 (see Note 6). These amounts are also reflected under the heading 'Other changes' in the first table of this footnote.

### Convertible and other notes carrying amount

(in thousands of USD)

	2016	2015
Carrying amount of liability at the beginning of the period	-	23,124
Amortization of transaction costs	-	76
Redemption of convertible Notes	-	(23,200)
<b>CARRYING AMOUNT OF LIABILITY AT THE END OF THE PERIOD</b>	<b>-</b>	<b>-</b>

### Transaction and other financial costs

The heading 'Other changes' in the first table of this footnote, reflects the recognition of directly attributable transaction costs as a deduction from the fair value of the corresponding liability, and the subsequent amortization of such costs.

In 2016, the Group recognized USD 10.2 million of amortisation of financing costs, including USD 5.5 million of remaining unamortised financing cost upon the refinancing of the USD 500 million senior secured credit facility dated March 25, 2014.

The Group recognized USD 4.4 million of directly attributable transaction costs as a deduction from the fair value of the USD 409.5 million senior secured amortising revolving credit facility concluded on December 16, 2016.

In 2016, finance expenses of the Group were in line with 2015. In 2015, the Group noted a decrease in finance expenses (2015: USD -50.9 million, 2014: USD -96.0 million) mainly due to the repayment of the convertible Notes and the USD 235.5 million 7-year bonds.



## NOTE 16 - EMPLOYEE BENEFITS

The amounts recognized in the balance sheet are as follows:

(in thousands of USD)

	DECEMBER 31, 2016	DECEMBER 31, 2015	DECEMBER 31, 2014
<b>NET LIABILITY AT BEGINNING OF PERIOD</b>	<b>(2,038)</b>	<b>(2,108)</b>	<b>(1,900)</b>
Recognized in profit or loss	(261)	(108)	(85)
Recognized in other comprehensive income	(646)	(44)	(393)
Foreign currency translation differences	99	222	270
<b>NET LIABILITY AT END OF PERIOD</b>	<b>(2,846)</b>	<b>(2,038)</b>	<b>(2,108)</b>
Present value of funded obligations	(2,846)	(852)	(1,525)
Fair value of plan assets	2,292	539	1,145
	(554)	(313)	(380)
Present value of unfunded obligations	(2,292)	(1,725)	(1,728)
<b>NET LIABILITY</b>	<b>(2,846)</b>	<b>(2,038)</b>	<b>(2,108)</b>
Amounts in the balance sheet:			
Liabilities	(2,846)	(2,038)	(2,108)
Assets	-	-	-
<b>NET LIABILITY</b>	<b>(2,846)</b>	<b>(2,038)</b>	<b>(2,108)</b>

### Liability for defined benefit obligations

The Group makes contributions to three defined benefit plans that provide pension benefits for employees upon retirement.

One plan - the Belgian plan - is fully insured through an insurance company. The second and third - French and Greek plan - are uninsured and unfunded.

The Group expects to contribute the following amount to its defined benefit pension plans in 2017: USD 238,788.

## NOTE 17 - TRADE AND OTHER PAYABLES

(in thousands of USD)

	DECEMBER 31, 2016	DECEMBER 31, 2015
Advances received on contracts in progress, between 1 and 5 years	533	590
<b>TOTAL NON-CURRENT OTHER PAYABLES</b>	<b>533</b>	<b>590</b>
Trade payables	18,107	23,034
Accrued payroll	2,581	2,719
Dividends payable	7	7
Accrued expenses	29,245	35,189
Accrued interest	1,150	1,043
Deferred income	13,746	16,860
Other payables	5,023	226
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>69,859</b>	<b>79,078</b>

The decrease in accrued expenses is related to less accruals of spot related voyage expenses and less profit split of the VLCC *KHK Vision* due to declining market conditions and the redelivery on October 27, 2016.

The increase in other payables is related to the deferred gain of USD 5.0 million which was the difference between the fair value and the sale price of the four VLCCs of the sale and leaseback (see Note 8). This excess was deferred and will be amortized over the duration of the lease, i.e. 5 years.

## NOTE 18 - FINANCIAL INSTRUMENTS - MARKET AND OTHER RISKS

### Carrying amounts and fair values

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, such as trade and other receivables and payables.

		CARRYING AMOUNT			FAIR VALUE				
(in thousands of USD)	NOTE	LOANS AND RECEIVABLES	OTHER FINANCIAL LIABILITIES	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	
DECEMBER 31, 2015									
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE									
Non-current receivables	10	259,908	-	259,908	-	-	256,522	256,522	
Trade and other receivables *	11	198,678	-	198,678	-	-	-	-	
Cash and cash equivalents	12	131,663	-	131,663	-	-	-	-	
		590,249	-	590,249	-	-	256,522	256,522	
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE									
Secured bank loans	15	-	1,052,448	1,052,448	-	1,070,976	-	1,070,976	
Unsecured bank loans	15	-	-	-	-	-	-	-	
Trade and other payables *	17	-	62,218	62,218	-	-	-	-	
Advances received on contracts	17	-	590	590	-	-	-	-	
		-	1,115,256	1,115,256	-	1,070,976	-	1,070,976	
DECEMBER 31, 2016									
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE									
Non-current receivables	10	183,914	-	183,914	-	-	178,216	178,216	
Trade and other receivables *	11	145,193	-	145,193	-	-	-	-	
Cash and cash equivalents	12	206,689	-	206,689	-	-	-	-	
		535,796	-	535,796	-	-	178,216	178,216	
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE									
Secured bank loans	15	-	1,085,562	1,085,562	-	1,092,023	-	1,092,023	
Unsecured bank loans	15	-	-	-	-	-	-	-	
Trade and other payables *	17	-	56,113	56,113	-	-	-	-	
Advances received on contracts	17	-	533	533	-	-	-	-	
		-	1,142,208	1,142,208	-	1,092,023	-	1,092,023	

\* Deferred charges (see Note 11) and deferred income (see Note 17), which are not financial assets (liabilities) are not included.

## Measurement of fair values

### Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

#### Financial instruments not measured at fair value

Type	Valuation Techniques	Significant unobservable inputs
Non-current receivables (consisting of shareholders' loans)	Discounted cash flow	Discount rate
Other financial liabilities (consisting of secured and unsecured bank loans)	Discounted cash flow	Not applicable

### Transfers between Level 1, 2 and 3

There were no transfers between these levels in 2015 and 2016.

### Financial risk management

In the course of its normal business, the Group is exposed to the following risks:

- Credit risk
- Liquidity risk
- Market risk (Tanker market risk, interest rate risk and currency risk)

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit and Risk Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc review of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

### Credit risk

#### Trade and other receivables

The Group has a formal credit policy. Credit evaluations - when necessary - are performed on an ongoing basis. At the balance sheet date there were no significant concentrations of credit risk. In particular, the two clients representing 10% each of the Tankers segment's total revenue in 2016 (see Note 2) only represented 3.4% of the total trade and other receivables at December 31, 2016 (2015: one client representing 2%). The maximum exposure to credit risk is represented by the carrying amount of each financial asset.







The ageing of trade and other receivables is as follows:

<i>(in thousands of USD)</i>		2016	2015
Not past due		155,950	206,771
Past due 0-30 days		1,261	5,569
Past due 31-365 days		7,666	4,216
More than one year		1,465	2,524
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>		<b>166,342</b>	<b>219,080</b>

Non current receivables mainly consist of shareholder's loans to joint ventures (see Note 10). As at December 31, 2016 and December 31, 2015, these receivables had no maturity date and were not impaired.

Past due amounts are not impaired as collection is still considered to be likely and management is confident the outstanding amounts can be recovered. As at December 31, 2016, 55.72% (2015: 58.32%) of the total trade and other receivables relate to TI Pool which are paid after completion of the voyages but which only deals with oil majors, national oil companies and other actors of the oil industry whose credit worthiness is very high. Amounts not past due are also with customers with very high credit worthiness and are therefore not impaired.

#### Cash and cash equivalents

The Group held cash and cash equivalents of USD 206.7 million at December 31, 2016 (2015: USD 131.7 million). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated A- to AA+, based on rating agency S&P (see Note 12).

#### Derivatives

Derivatives are entered into with banks and financial institution counterparties, which are rated A- to AA+, based on rating agency S&P.

#### Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries and joint ventures. At December 31, 2016, the Group has issued a guarantee to certain banks in respect of credit facilities granted to 2 joint ventures (see Note 25).

#### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The sources of financing are diversified and the bulk of the loans are irrevocable, long-term and maturities are spread over different years.



The following are the remaining contractual maturities of financial liabilities:

#### Contractual cash flows December 31, 2015

(in thousands of USD)

	NOTE	CARRYING AMOUNT	TOTAL	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS
<b>NON-DERIVATIVE FINANCIAL LIABILITIES</b>						
Bank loans	15	1,052,448	<b>1,174,016</b>	108,395	906,286	159,335
Current trade and other payables *	17	62,218	<b>62,218</b>	62,218	-	-
Non-current other payables	17	-	-	-	-	-
		<b>1,114,666</b>	<b>1,236,234</b>	<b>170,613</b>	<b>906,286</b>	<b>159,335</b>
<b>DERIVATIVE FINANCIAL LIABILITIES</b>						
Interest rate swaps	17	-	-	-	-	-
Forward exchange contracts	17	-	-	-	-	-
		-	-	-	-	-

#### Contractual cash flows December 31, 2016

(in thousands of USD)

		CARRYING AMOUNT	TOTAL	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS
<b>NON-DERIVATIVE FINANCIAL LIABILITIES</b>						
Bank loans	15	1,085,562	<b>1,218,702</b>	150,630	718,950	349,122
Current trade and other payables *	17	56,113	<b>56,113</b>	56,113	-	-
Non-current other payables	17	-	-	-	-	-
		<b>1,141,675</b>	<b>1,274,815</b>	<b>206,743</b>	<b>718,950</b>	<b>349,122</b>
<b>DERIVATIVE FINANCIAL LIABILITIES</b>						
Interest rate swaps	17	-	-	-	-	-
Forward exchange contracts	17	-	-	-	-	-
		-	-	-	-	-

\* Deferred income (see Note 17), which are not financial liabilities, are not included.

The Group has secured bank loans that contain loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. For more details on these covenants, please see "capital management" below.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. It is not expected that the cash flows included in the table above (the maturity analysis) could occur significantly earlier, or at significantly different amounts than stated above.

Every increase (decrease) of 1,000 USD on a spot tanker freight market (VLCC and Suezmax) per day would have increased (decreased) profit or loss by the amounts shown below:

2016 PROFIT OR LOSS		2015 PROFIT OR LOSS		2014 PROFIT OR LOSS	
1,000 USD INCREASE	1,000 USD DECREASE	1,000 USD INCREASE	1,000 USD DECREASE	1,000 USD INCREASE	1,000 USD DECREASE
14,140	(14,140)	12,972	(12,972)	9,941	(9,941)

### Interest rate risk

In the past, the Group hedged part of its exposure to changes in interest rates on borrowings. All borrowings contracted for the financing of vessels are on the basis of a floating interest rate, increased by a margin. On a regular basis, the Group uses

various interest rate related derivatives (interest rate swaps, caps and floors) to achieve an appropriate mix of fixed and floating rate exposure as defined by the Group. On December 31, 2016, the Group has no such instruments in place.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

<i>(in thousands of USD)</i>		
<b>FIXED RATE INSTRUMENTS</b>		
Financial assets	-	-
Financial liabilities	-	-
	-	-
<b>VARIABLE RATE INSTRUMENTS</b>		
Financial liabilities	1,085,562	1,052,448
	<b>1,085,562</b>	<b>1,052,448</b>

### Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss nor equity as of that date.

### Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.



	PROFIT OR LOSS		EQUITY	
	50 BP	50 BP	50 BP	50 BP
<i>(effect in thousands of USD)</i>				
<b>DECEMBER 31, 2014</b>	<b>INCREASE</b>	<b>DECREASE</b>	<b>INCREASE</b>	<b>DECREASE</b>
Variable rate instruments	(4,257)	4,257	-	-
Interest rate swaps	-	-	-	-
<b>CASH FLOW SENSITIVITY (NET)</b>	<b>(4,257)</b>	<b>4,257</b>	<b>-</b>	<b>-</b>
<b>DECEMBER 31, 2015</b>				
Variable rate instruments	(5,670)	5,670	-	-
Interest rate swaps	-	-	-	-
<b>CASH FLOW SENSITIVITY (NET)</b>	<b>(5,670)</b>	<b>5,670</b>	<b>-</b>	<b>-</b>
<b>DECEMBER 31, 2016</b>				
Variable rate instruments	(5,315)	5,315	-	-
Interest rate swaps	-	-	-	-
<b>CASH FLOW SENSITIVITY (NET)</b>	<b>(5,315)</b>	<b>5,315</b>	<b>-</b>	<b>-</b>

### Currency risk

The Group's exposure to currency risk is related to its operating expenses expressed in Euros.

In 2016 about 17.4% (2015: 17.4% and 2014: 13.5%) of the Group's total operating expenses were incurred in Euros.

Revenue and the financial instruments are expressed in USD only.





<i>(in thousands of EUR/USD)</i>	DECEMBER 31, 2016		DECEMBER 31, 2015		DECEMBER 31, 2014	
	EUR	USD	EUR	USD	EUR	USD
Trade payables	(8,725)	(9,383)	(9,913)	(13,121)	(8,646)	(13,198)
Operating expenses	(92,608)	(440,830)	(89,457)	(425,806)	(65,691)	(421,300)

For the average and closing rates applied during the year, we refer to Note 27.

In the past, Euronav had entered into an agreement with a third party financial advisor with the aim to manage the risk from adverse movements in EUR/USD exchange rates. The program used a financial trading strategy called Currency Overlay Management Strategy which managed the equivalent of EUR 40.0 million exposures on a yearly basis. The currency overlay manager conducted foreign-exchange hedging by selectively placing and removing hedges to achieve the objectives set by us. On July 29, 2016, Euronav terminated this agreement.

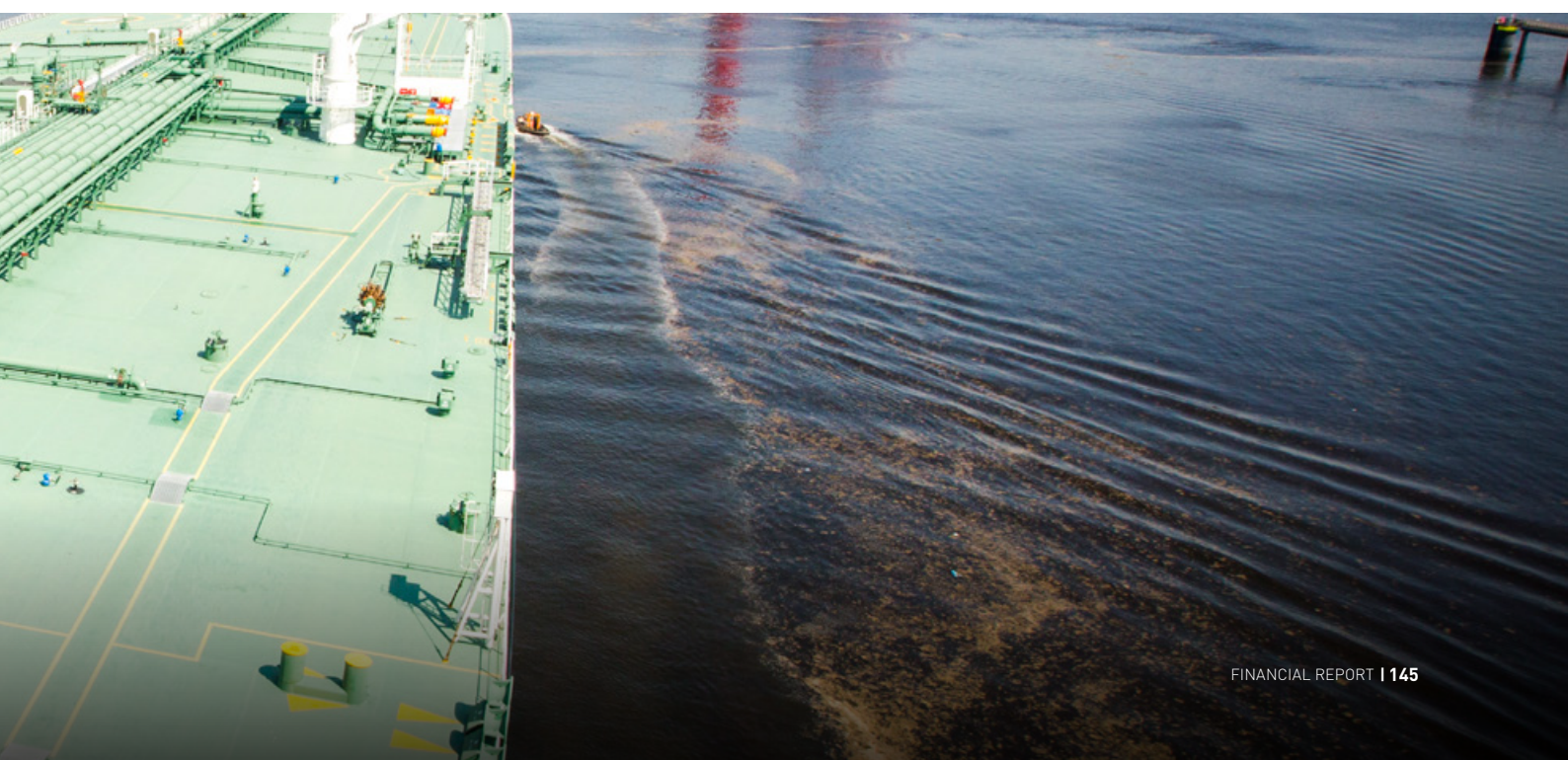
The net impact of this program on the Group's consolidated statement of profit or loss for the year ending December 31, 2016 was a loss of USD 0.9 million (2015: loss of USD 1.0 million and 2014: loss of USD 0.1 million).

### Sensitivity analysis

A 10 percent strengthening of the EUR against the USD at December 31, would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>(in thousands of USD)</i>	2016	2015	2014
Equity	532	473	662
Profit or loss	(10,025)	(9,565)	(9,124)

A 10 percent weakening of the EUR against the USD at December 31, would have had the equal but opposite effect to the amounts shown above, on the basis that all the other variables remain constant.



### Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owned by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

### Capital management

Euronav is continuously optimizing its capital structure (mix between debt and equity). The main objective is to maximise shareholder value while keeping the desired financial flexibility to execute the strategic projects. Some of the Group's other key drivers when making capital structure decisions are pay-out restrictions and the maintenance of the strong financial health of the Group. Besides the statutory minimum equity funding requirements that apply to the Group's subsidiaries in the various countries, the Group is also subject to covenants in relation to some of its senior secured credit facilities:

- an amount of current assets that, on a consolidated basis, exceeds current liabilities. Current assets may include undrawn amount of any committed revolving credit facilities and credit lines having a maturity of more than one year;
- an aggregate amount of cash, cash equivalents and available aggregate undrawn amounts of any committed loan of at least USD 50.0 million or 5% of the Group's total indebtedness (excluding guarantees), depending on the applicable loan facility, whichever is greater;
- an amount of cash of at least USD 30.0 million; and
- a ratio of Stockholders' Equity to Total Assets of at least 30%.

Further, the Group's loan facilities generally include an asset protection clause whereby the fair market value of collateral vessels should be at least 125% of the aggregate principal amount outstanding under the respective loan.

The credit facilities discussed above also contain restrictions and undertakings which may limit the Group and the Group's subsidiaries' ability to, among other things:

- effect changes in management of the Group's vessels;
- transfer or sell or otherwise dispose of all or a substantial portion of the Group's assets;
- declare and pay dividends, (with respect to each of the Group's joint ventures, other than Seven Seas Shipping Limited, no dividend may be distributed before its loan agreement, as applicable, is repaid in full); and
- incur additional indebtedness.

A violation of any of these financial covenants or operating restrictions contained in the credit facilities may constitute an event of default under these credit facilities, which, unless cured within the grace period set forth under the applicable credit facility, if applicable, or waived or modified by the Group's lenders, provides them with the right to, among other things, require the Group to post additional collateral, enhance equity and liquidity, increase interest payments, pay down indebtedness to a level where the Group is in compliance with loan covenants, sell vessels in the fleet, reclassify indebtedness as current liabilities and accelerate indebtedness and foreclose liens on the vessels and the other assets securing the credit facilities, which would impair the Group's ability to continue to conduct business.

Furthermore, certain of our credit facilities contain a cross-default provision that may be triggered by a default under one of our other credit facilities, or those of our 50%-owned joint ventures. A cross-default provision means that a default on one loan would result in a default on certain other loans. Because of the presence of cross-default provisions in certain of our credit facilities, the refusal of any one lender under our credit facilities to grant or extend a waiver could result in certain of our indebtedness being accelerated, even if our other lenders under our credit facilities have waived covenant defaults under the respective credit facilities. If our secured indebtedness is accelerated in full or in part, it would be very difficult in the current financing environment for us to refinance our debt or obtain additional financing and we could lose our vessels and other assets securing our credit facilities if our lenders foreclose their liens, which would adversely affect our ability to conduct our business.

As of December 31, 2016, December 31, 2015 and December 31, 2014, the Group was in compliance with all of the covenants contained in the debt agreements.

With respect to the quantitative covenants as of December 31, 2016, as described above:

1. current assets on a consolidated basis exceeded current liabilities by USD 540.1 million
2. aggregated cash was USD 562.5 million
3. cash was USD 206.7 million
4. ratio of Stockholders' Equity to Total Assets was 62%

Notwithstanding our Board of Directors' primary obligation to act in the best interest of the Company and in doing so always to consider alternatives for use of cash that might otherwise be distributed as dividends, such as the purchase by us of our own shares, the accelerated amortization of debt or the acquisition of vessels which we consider at that time to be accretive to shareholders' value, the Board has adopted the following current dividend payment policy: the Company intends to distribute to our shareholders 80% of our annual net consolidated profit excluding exceptional items (such as gains on the disposal of vessels).

## NOTE 19 - OPERATING LEASES

### Leases as lessee

#### Future minimum lease payments

The Group leases in some of its vessels under time charter and bare boat agreements (operating leases). The future minimum lease payments with an average duration of 5 years under non-cancellable leases are as follows:

<i>(in thousands of USD)</i>	DECEMBER 31, 2016	DECEMBER 31, 2015
Less than 1 year	(32,120)	(15,012)
Between 1 and 5 years	(127,644)	-
More than 5 years	-	-
<b>TOTAL FUTURE LEASE PAYMENTS</b>	<b>(159,764)</b>	<b>(15,012)</b>

Options to extend the charter period, if any, have not been taken into account when calculating the future minimum lease payments.

As discussed in Note 8, the Group entered into a five-year leaseback agreement for four VLCCs on December 16, 2016. The sale of the vessels occurred on December 22, 2016 and the charter period has a duration of five years, therefore ending on December 22, 2021. Under these leaseback agreements, there is a sellers credit of USD 4.5 million of the sale price that becomes immediately due and payable by the owners upon sale of the vessel during the charter period and shall be paid out of the sales proceeds. It also becomes due to the extent of 50% of the (positive) difference between the fair market value of the vessels at the end of the leaseback agreements

and USD 17.5 million (for the oldest VLCC) or USD 19.5 million (for the other vessels). Furthermore, the Group provides a residual guarantee to the owners in the aggregate amount of up to USD 20.0 million in total at the time of redelivery of the four vessels. The parties also agreed a profit split: if the vessel is sold at charter expiry, they shall share the net proceeds of the sale, 75% for owners and 25% for charterers, between USD 26.5 million and USD 32.5 million (for the oldest VLCC) or between USD 28.5 million and USD 34.5 million (for the other vessels).

The Group analysed the classification of the leaseback agreements based on the primary lease classification criteria and the supplemental indicators in IAS 17, and determined that these agreements qualified as operating leases.

Non-cancellable operating lease rentals for office space and company cars with an average duration of 3 years are payable as follows:

<i>(in thousands of USD)</i>	DECEMBER 31, 2016	DECEMBER 31, 2015
Less than 1 year	(2,297)	(2,448)
Between 1 and 5 years	(5,070)	(6,826)
More than 5 years	(1,183)	(2,665)
<b>TOTAL NON-CANCELLABLE OPERATING LEASE RENTALS</b>	<b>(8,550)</b>	<b>(11,939)</b>

### Amounts recognized in profit and loss

(in thousands of USD)

	2016	2015	2014
Bareboat charter	(792)	-	(3,584)
Time charter	(16,921)	(25,849)	(32,080)
Office rental	(2,219)	(2,581)	(1,579)
<b>TOTAL RECOGNIZED IN PROFIT AND LOSS</b>	<b>(19,932)</b>	<b>(28,430)</b>	<b>(37,243)</b>

### Leases as lessor

#### Future minimum lease receivables

The Group leases out some of its vessels under time charter agreements (operating leases). The future minimum lease receivables with an average duration of 11 months under non-cancellable leases are as follows:

(in thousands of USD)

	DECEMBER 31, 2016	DECEMBER 31, 2015
Less than 1 year	150,450	217,480
Between 1 and 5 years	35,083	168,416
More than 5 years	-	-
<b>TOTAL FUTURE LEASE RECEIVABLES</b>	<b>185,534</b>	<b>385,896</b>

The amounts shown in the table above include the Group's share of operating leases of joint ventures.

On some of the abovementioned vessels the Group has granted the option to extend the charter period. These option periods have not been taken into account when calculating the future minimum lease receivables.

At December 31, 2016, Euronav and its subsidiaries, without joint ventures, have future minimum lease receivables less than one year of USD 108.5 million (2015: USD 152.1 million) and future minimum lease receivables between 1 and 5 years of USD 35.1 million (2015: USD 126.5 million).

Non-cancellable operating lease rentals for office space with an average duration of 4 years are receivable as follows:

(in thousands of USD)

	DECEMBER 31, 2016	DECEMBER 31, 2015
Less than 1 year	806	948
Between 1 and 5 years	2,644	3,360
More than 5 years	878	1,854
<b>TOTAL FUTURE LEASE RECEIVABLES</b>	<b>4,328</b>	<b>6,162</b>





The operating lease rentals receivable on the previous page relate entirely to the Group's leased offices for Euronav UK. Euronav UK has sublet part of the office space to six different subtenants, of which four starting in 2014, one in 2015 and one in 2016.

#### Amounts recognized in profit and loss

(in thousands of USD)

	2016	2015	2014
Bareboat charter	-	-	-
Time charter	140,227	126,091	132,118
Office rental	878	879	337
<b>TOTAL RECOGNIZED IN PROFIT AND LOSS</b>	<b>141,105</b>	<b>126,970</b>	<b>132,455</b>

## NOTE 20 - PROVISIONS AND CONTINGENCIES

The Group is involved in a number of disputes in connection with its day-to-day activities, both as claimant and defendant. Such disputes and the associated expenses of legal representation are covered by insurance. Moreover, they are not of a magnitude that lies outside the ordinary, and their scope is not of such a nature that they could jeopardise the Group's financial position.

## NOTE 21 - RELATED PARTIES

### Identity of related parties

The Group has a related party relationship with its subsidiaries (see Note 23) and equity-accounted investees (see Note 25) and with its directors and executive officers (see Note 22).

### Transactions with key management personnel

The total amount of the remuneration paid to all non-executive directors for their services as members of the board and committees (if applicable) is as follows:

<i>(in thousands of EUR)</i>	2016	2015	2014
<b>TOTAL REMUNERATION</b>	<b>1,145</b>	<b>1,591</b>	<b>1,401</b>

The Nominating and Remuneration Committee annually reviews the remuneration of the members of the Executive Committee. The remuneration (excluding the CEO) consists of a fixed and a variable component and can be summarised as follows:

<i>(in thousands of EUR)</i>	2016	2015	2014
<b>TOTAL FIXED REMUNERATION</b>	<b>1,175</b>	<b>1,176</b>	<b>1,068</b>
of which			
Cost of pension	35	35	32
Other benefits	57	57	55
<b>TOTAL VARIABLE REMUNERATION</b>	<b>1,079</b>	<b>2,508</b>	<b>3,530</b>
of which			
Share-based payments	388	1,126	2,796

All amounts mentioned refer to the Executive Committee in its official composition throughout 2016.

The remuneration of the CEO can be summarised as follows:

<i>(in thousands of GBP)</i>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>TOTAL FIXED REMUNERATION</b>	<b>394</b>	<b>394</b>	<b>375</b>
of which			
Cost of pension	-	-	13
Other benefits	11	11	11
<b>TOTAL VARIABLE REMUNERATION</b>	<b>437</b>	<b>863</b>	<b>1,020</b>
of which			
Share-based payments	171	333	725

Within the framework of a stock option plan, the Board of Directors has granted on December 16, 2013 options on its 1,750,000 treasury shares to the members of the Executive Committee for no consideration but with conditions (see Note 22). 525,000 options were granted to the CEO and 1,225,000 options were granted to the other members of the Executive Committee. The exercise price of the options is EUR 5.7705. All of the beneficiaries have accepted the options granted to them. In 2015 1,283,333 options were exercised. In 2016 the Company bought back 692,415 shares and delivered 116,667 shares upon the exercise of share options. At the date of this report, all of the remaining options are vested. In addition, the Board of Directors has granted on February 12, 2015, 236,590 options and 65,433 restricted stock units within the framework of a long term incentive plan. Vested stock options may be exercised until 13 years after the grant date. On February 2, 2016, the Board of Directors granted 54,616 phantom stock units within the framework of an additional long term incentive plan. Each unit gives a conditional right to receive an amount of cash equal to the fair market value of one share of the company on the settlement date. The phantom stock units will mature one-third each year on the second, third and fourth anniversary of the award (see Note 22).

#### Relationship with CMB

In 2004, Euronav split from Compagnie Maritime Belge (CMB). CMB renders some administrative and general services to Euronav. In 2016 CMB invoiced a total amount of USD 17,731 (2015: USD 0 and 2014: USD 17,745).

#### Relationship with Saverco

Saverco, an entity having significant influence over Euronav through its 10.69% shareholding and a common board member, has rendered in the past travel services to Euronav on a transactional basis. In 2016, Saverco invoiced a total amount of USD 0 (2015: 0 and 2014: USD 15,828).

#### Properties

The Group leases office space in Belgium from Reslea N.V., an entity jointly controlled by CMB and Exmar. Under this lease, the Group paid an annual rent of USD 175,572 in 2016 (2015: USD 178,104 and 2014: USD 207,738). This lease expires on August 31, 2021.

The Group leases office space, through our subsidiary Euronav Ship Management Hellas, in Piraeus, Greece, from Nea Dimitra Ktimatiki Kai Emporik S.A., an entity controlled by Ceres Shipping. Mr. Livanos, a former member of our board acting as permanent representative of TankLog until his resignation on December 3, 2015, is the Chairman and sole shareholder of Ceres Shipping. Under this lease, the Group paid an annual rent of USD 199,873 in 2016 (2015: USD 184,791 and 2014: USD 198,822). This lease expires on December 31, 2017.

The Group subleases office space in its new London, United Kingdom office, through its subsidiary Euronav (UK) Agencies Limited, pursuant to sublease agreements, dated September 25, 2014, with GasLog Services UK Limited and Unisea Maritime Limited, both parties related to Peter Livanos. Under these subleases, the Company received in 2016 a rent of USD

443,643 (2015: USD 495,507 and 2014: USD 169,052). This sublease expires on April 27, 2023.

The Company also subleases office space in its new London, United Kingdom office, through its subsidiary Euronav (UK) Agencies Limited, pursuant to a sublease agreement, dated 25 September 2014, with Tankers (UK) Agencies Limited, a wholly-owned subsidiary of Tankers International LLC, of which the Group owns 40 per cent of the outstanding interests. Under this sublease, the Company received in 2016 a rent of USD 232,882 (2015: USD 260,108 and 2014: USD 88,738). This sublease expires on April 27, 2023.

### Registration Rights

On January 28, 2015, the Group entered into a registration rights agreement with companies affiliated with our former Chairman, Peter Livanos, or the Ceres Shareholders, and companies affiliated with our former Vice Chairman, Marc Saverys, or the Saverco Shareholders.

Pursuant to the registration rights agreement, each of the Ceres Shareholders as a group and the Saverco Shareholders as a group will be able to piggyback on the others' demand registration. The Ceres Shareholders and the Saverco Shareholders are only treated as having made their request if the registration statement for such shareholder group's shares is declared effective. Once we are eligible to do so, commencing 12 calendar months after the Ordinary Shares have been registered under the Exchange Act, the Ceres Shareholders and the Saverco Shareholders may require us to file shelf registration statements permitting sales by them of ordinary shares into the market from time to time over an extended period. The Ceres Shareholders and the Saverco Shareholders can also exercise piggyback registration rights to participate in certain registrations of ordinary shares by us. All expenses relating to the registrations, including the participation of our executive management team in two marketed roadshows and a reasonable number of marketing calls in connection with one-day or overnight transactions, will be borne by us. The registration rights agreement also contains provisions relating to indemnification and contribution. There are no specified financial remedies for non-compliance with the registration rights agreement. At December 31, 2016, no rights were exercised by any of the parties under the registration rights agreement.

### Transactions with subsidiaries and joint ventures

On March 15, 2013, the Group sold the Suezmax Cap Isabella (2013 – 157,258 dwt) to Belle Shipholdings Ltd Peter Livanos, at that time the vice-chairman of the Board of Directors of the Group directly or indirectly holds an important participation in Belle Shipholdings Ltd Peter Livanos, as the permanent representative of Tanklog Holdings Ltd, notified Euronav's Board of Directors which met on March 14, 2013, that pursuant

to the provisions of the Belgian Code of Companies relating to the existence of conflicts of interest, he had a direct or indirect patrimonial interest that conflicts with the interests of the Company in respect of this sale and therefore, did not participate in the deliberation or the vote that authorised the Group to sell the Cap Isabella on the basis of current market values.

The *Cap Isabella* was a newbuilding from Samsung Heavy Industries. The Group chartered the ship back on bareboat for a fixed period of 2 years with 3 options in favour of the charterer to extend for a further year. In case of a sale by the new owner during the bareboat charter contract, the Group would also share in any surplus if the vessel value exceeded a certain threshold. The net selling price of the vessel was USD 52.9 million.

On July 31, 2014, the *Cap Isabella* was in its turn sold by its owner, Belle Shipholdings Ltd, a company related to Euronav, to a third-party and was delivered to its new owner on October 8, 2014. As the original sale and lease back agreement between the Group and Belle Shipholdings Ltd included a profit sharing mechanism for a future sale, a capital gain on disposal of assets was recorded in the fourth quarter of 2014 for a total amount of USD 4.3 million (see Note 8).

The Group has supplied funds in the form of shareholder's advances to some of its joint ventures at pre-agreed conditions which are always similar for the other party involved in the joint venture in question (see below and Note 25).

On May 20, 2016, the Group announced that it had agreed with Bretta Tanker Holdings Inc. ("Bretta") to terminate its Suezmax joint ventures and to enter into a share swap and claims transfer agreement. The joint ventures covered four Suezmax vessels: the *Captain Michael* (2012 – 157,648 dwt), the *Maria* (2012 – 157,523 dwt), the *Eugenie* (2010 – 157,672 dwt) and the *Devon* (2011 – 157,642 dwt). Euronav assumed full ownership of the two companies owning the two youngest vessels, the *Captain Michael* and the *Maria*, and Bretta assumed full ownership of the two companies owning the *Eugenie* and the *Devon* (see Note 24).

Balances and transactions between the Group and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of outstanding balances and transactions between the Group and its joint ventures are disclosed below:



## AS OF END FOR THE YEAR ENDED DECEMBER 31, 2015

<i>(in thousands of USD)</i>	TRADE RECEIVABLES	TRADE PAYABLES	SHAREHOLDERS LOAN	TURNOVER	DIVIDEND INCOME
TI Africa Ltd	366	-	149,615	360	-
TI Asia Ltd	247	-	72,397	360	-
Fiorano Shipholding Ltd	110	32	28,141	687	-
Fontvieille Shipholding Ltd	176	30	23,507	753	-
Larvotto Shipholding Ltd	770	21	26,141	653	-
Moneghetti Shipholding Ltd	2,114	44	17,949	609	-
Great Hope Enterprises Ltd	-	-	-	-	275
Kingswood Co. Ltd	-	-	-	-	-
<b>TOTAL</b>	<b>3,783</b>	<b>127</b>	<b>317,749</b>	<b>3,423</b>	<b>275</b>

## AS OF END FOR THE YEAR ENDED DECEMBER 31, 2016

<i>(in thousands of USD)</i>	TRADE RECEIVABLES	TRADE PAYABLES	SHAREHOLDERS LOAN	TURNOVER	DIVIDEND INCOME
TI Africa Ltd	241	-	137,615	360	-
TI Asia Ltd	303	-	65,897	360	-
Fiorano Shipholding Ltd	-	-	-	265	-
Fontvieille Shipholding Ltd	-	-	-	249	-
Larvotto Shipholding Ltd	-	-	-	275	-
Moneghetti Shipholding Ltd	-	-	-	287	-
Great Hope Enterprises Ltd	-	-	-	-	28
Kingswood Co. Ltd	-	-	-	-	23,450
<b>TOTAL</b>	<b>544</b>	<b>-</b>	<b>203,512</b>	<b>1,795</b>	<b>23,478</b>

### Guarantees

The Group has provided guarantees to financial institutions that have provided credit facilities to its joint ventures. As of December 31, 2016 USD 75.3 million (2015: USD 251.6 million) was outstanding under the joint venture loan agreements, of which the Group has guaranteed USD 37.7 million (2015: USD 125.8 million) (see Note 25).

## NOTE 22 - SHARE-BASED PAYMENT ARRANGEMENTS

### Description of share-based payment arrangements:

At December 31, 2016, the Group had the following share-based payment arrangements:

#### Share option programs (Equity-settled)

On December 16, 2013, the Group established a share option program that entitles key management personnel to purchase existing shares in the Company. Under the program, holders of vested options are entitled to purchase shares at the market price of the shares at the grant date. Currently, this program is limited to key management personnel.

The Group intends to use its treasury shares to settle its obligations under this program. The key terms and conditions related to the grants under these programs are as follows:

GRANT DATE/EMPLOYEES ENTITLED	NUMBER OF INSTRUMENTS	VESTING CONDITIONS	CONTRACTUAL LIFE OF OPTIONS
<b>Options granted to key management personnel</b>			
December 16, 2013 ("Tranche 1")	583,000	Share price to be at least EUR 7.5	5 years
December 16, 2013 ("Tranche 2")	583,000	Share price to be at least EUR 8.66	5 years
December 16, 2013 ("Tranche 3")	583,000	Share price to be at least EUR 11.54 and US listing	5 years
<b>TOTAL SHARE OPTIONS</b>	<b>1,750,000</b>		

In addition, 50% of the options can only be exercised at the earliest if the shares of the Group are admitted for listing in a recognised US listing exchange platform (the "listing event"). The other 50% can only be exercised one year after the listing event. If the Group's shares had not been listed on a US listing exchange, then only 2/3 of the shares would be exercisable and would have to meet the first 2 vesting conditions listed above.

#### Long-term incentive plan 2015 (Equity-settled)

The Group's Board of Directors implemented in 2015 a long-term incentive plan ('LTIP') for key management personnel. Under the terms of this LTIP, the beneficiaries will obtain 40% of their respective LTIP in the form of Euronav stock options, with vesting over three years at anniversary date and 60% in the form of restricted stock units ('RSU's'), with cliff vesting on the third anniversary. In total 236,590 options and 65,433 RSU's were granted on February 12, 2015. Vested stock options may be exercised until 13 years after the grant date.

The inputs used in measurement of the fair values at grant date for the equity-settled share option programs were as follows:

#### Long-term incentive plan 2016 (Cash-settled)

The Group's Board of Directors implemented in 2016 an additional long-term incentive plan for key management personnel. Under the terms of this LTIP, the beneficiaries will obtain their respective LTIP in cash, based on the volume weighted average price of the shares on Euronext Brussels over the 3 last business days of the relevant vesting period. The phantom stock units will mature one-third each year on the second, third and fourth anniversary of the award. In total a number of 54,616 phantom stocks were granted on February 2, 2016.

#### Measurement of Fair Value

The fair value of the employee share options under the 2013 program and the 2015 LTIP has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the transactions were not taken into account in measuring fair value.

	SHARE OPTION PROGRAM 2013			LTIP 2015		
	TRANCHE 1	TRANCHE 2	TRANCHE 3	TRANCHE 1	TRANCHE 2	TRANCHE 3
(Figures in EUR)						
Fair value at grant date	2.270	2.260	2.120	1.853	1.853	1.853
Share price at grant date	6.070	6.070	6.070	10.050	10.050	10.050
Exercise price	5.770	5.770	5.770	10.0475	10.0475	10.0475
Expected volatility (weighted average)	40%	40%	40%	39.63%	39.63%	39.63%
Expected life (days) (weighted average)	303	467	730	365	730	1,095
Expected dividends	-	-	-	8%	8%	8%
Risk-free interest rate	1%	1%	1%	0.66%	0.66%	0.66%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical periods commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour using a Monte Carlo simulation.

The fair value of the RSUs under the 2015 LTIP was measured with reference to the Euronav share price at the grant date. All of the RSUs granted on February 12, 2015 remained outstanding as of December 31, 2016 and had not yet vested.

The liability in respect of its obligations under the LTIP 2016 is measured based on the Company's share price at the reporting

date and taking into account the extent to which the services have been rendered to date. All of the phantom stocks granted on February 2, 2016 remained outstanding as of December 31, 2016. The Company's share price was EUR 10,613 at the grant date of the LTIP 2016, and was EUR 7.579 as at December 31, 2016.

#### Expenses recognized in profit or loss

For details on related employee benefits expense, see Note 5.

The expense related to the LTIP 2016 (USD 175,000) is included in the provision for employee benefits.

#### Reconciliation of outstanding share options

The number and weighted-average exercise prices of options under the 2013 program and the 2015 LTIP are as follows:

(Figures in EUR)	2016		2015	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at January 1	703,257	7.209	1,750,000	5.770
Forfeited during the year	-	-	-	-
Exercised during the year	(116,667)	5.770	(1,283,333)	5.770
Granted during the year	-	-	236,590	10.0475
<b>OUTSTANDING AT DECEMBER 31</b>	<b>586,590</b>	<b>7.495</b>	<b>703,257</b>	<b>7.209</b>
Vested at December 31	428,863	-	466,667	-

In May 2015, the holders exercised 2/3 of the share options under the 2013 program which resulted in the sale of 1,166,666 treasury shares. In December 2015, an additional 116,667 of share options were exercised under the 2013 program, resulting in the sale of a corresponding number of treasury shares. In February 2015, 236,590 share options were granted related to the 2015 long-term incentive plan.

In 2016 the Company bought back 692,415 shares and delivered 116,667 shares upon the exercise of share options under the 2013 program.

The weighted-average share price at the date of exercise for the share options exercised in 2016 was EUR 8.99 (2015: EUR 11.65).



## NOTE 23 - GROUP ENTITIES

	COUNTRY OF INCORPORATION	CONSOLIDATION METHOD	OWNERSHIP INTEREST		
			DECEMBER 31, 2016	DECEMBER 31, 2015	DECEMBER 31, 2014
PARENT					
Euronav NV	Belgium	full	100.00%	100.00%	100.00%
SUBSIDIARIES					
Euronav Tankers NV	Belgium	full	100.00%	100.00%	100.00%
Euronav Shipping NV	Belgium	full	100.00%	100.00%	100.00%
Euronav (UK) Agencies Ltd	UK	full	100.00%	100.00%	100.00%
Euronav Luxembourg SA	Luxembourg	full	100.00%	100.00%	100.00%
Euronav SAS	France	full	100.00%	100.00%	100.00%
Euronav Ship Management SAS	France	full	100.00%	100.00%	100.00%
Euronav Ship Management Ltd	Liberia	full	100.00%	100.00%	100.00%
Euronav Ship Management Hellas (branch office)					
Euronav Hong Kong	Hong Kong	full	100.00%	100.00%	100.00%
Euro-Ocean Ship Management (Cyprus) Ltd	Cyprus	full	100.00%	100.00%	100.00%
Euronav Singapore	Singapore	full	100.00%	100.00%	NA
Fiorano Shipholding Ltd	Hong Kong	full	100.00%	NA	NA
Larvotto Shipholding Ltd	Hong Kong	full	100.00%	NA	NA
JOINT VENTURES					
Africa Conversion Corp.	Marshall Islands	equity	NA	NA	50.00%
Asia Conversion Corp.	Marshall Islands	equity	NA	NA	50.00%
Fiorano Shipholding Ltd	Hong Kong	equity	NA	50.00%	50.00%
Fontvieille Shipholding Ltd	Hong Kong	equity	NA	50.00%	50.00%
Great Hope Enterprises Ltd	Hong Kong	equity	NA	50.00%	50.00%
Kingswood Co. Ltd	Marshall Islands	equity	50.00%	50.00%	50.00%
Larvotto Shipholding Ltd	Hong Kong	equity	NA	50.00%	50.00%
Moneghetti Shipholding Ltd	Hong Kong	equity	NA	50.00%	50.00%
Seven Seas Shipping Ltd	Marshall Islands	equity	50.00%	50.00%	50.00%
TI Africa Ltd	Hong Kong	equity	50.00%	50.00%	50.00%
TI Asia Ltd	Hong Kong	equity	50.00%	50.00%	50.00%
ASSOCIATES					
Tankers International LLC	Marshall Islands	equity	40.00%	40.00%	40.00%
VLCC Chartering Ltd	Marshall Islands	equity	20.00%	20.00%	20.00%



Although the Group is the owner of 72% (2015: 63%) of the vessels participating in Tankers International Pool operated by Tankers International LLC, the Group has no majority of voting rights as this is based on the actual shares owned by the Group, which is only 40 percent. Therefore Tankers International LLC is accounted for as an associate.

In 2015 two joint ventures, Asia Conversion Corporation and Africa Conversion Corporation, were dissolved.

In 2016, the Group transferred its equity interests in Moneghetti Shipholding Ltd and Fontvieille Shipholding Ltd and acquired Bretta Tanker Holdings' equity interests in Fiorano Shipholding Ltd and Larvotto Shipholding Ltd. As a result, the Group's equity interest in Fiorano Shipholding Ltd and Larvotto Shipholding Ltd increased from 50% to 100% (see Note 24). In 2016 one joint venture, Great Hope Enterprises Ltd has been dissolved.

## NOTE 24 - BUSINESS COMBINATIONS

On May 20, 2016, the Group announced the termination of the joint ventures with Bretta Tanker Holdings, Inc. covering four Suezmax vessels. Euronav assumed full ownership of the companies owning the two youngest vessels, the *Captain Michael* (2012 - 157,648 dwt) and the *Maria* (2012 - 157,523 dwt) on June 2, 2016.

On June 2, 2016, the Group entered into a share swap and claim transfer agreement whereby:

- The Group transferred its equity interests in Moneghetti Shipholding Ltd (hereafter 'Moneghetti') and Fontvieille Shipholding Ltd (hereafter 'Fontvieille') and acquired Bretta Tanker Holdings' equity interests in Fiorano Shipholding Ltd (hereafter 'Fiorano') and Larvotto Shipholding Ltd (hereafter 'Larvotto'); and
- The Group transferred its claims arising from the shareholder loans to Moneghetti and Fontvieille and acquired Bretta Tanker Holdings' claims arising from the shareholder loans to Fiorano and Larvotto.

As a result, the Group's equity interest in both Fiorano and Larvotto increased from 50% to 100% giving the Group control of both companies. The Group no longer has an equity interest in Moneghetti and Fontvieille. Before the swap agreement, the Group accounted for the four entities using the equity method. Following the acquisition, Fiorano and Larvotto are fully consolidated as of June 2, 2016.

With this transaction, the Group has become the full owner of the two youngest vessels, the *Captain Michael* and the *Maria*, while Bretta has become the full owner of the *Devon* and the *Eugenie*.

(in thousands of USD)

### FAIR VALUE AT ACQUISITION

Cash	15,110
Shares in Fontvieille and Moneghetti	(21,498)
Shareholders' loan receivable	39,973

<b>TOTAL CONSIDERATION TRANSFERRED</b>	<b>33,585</b>
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### Contribution to revenue and profit/loss

Since their acquisition by the Group on June 2, 2016, the 2 acquired companies contributed revenue of USD 4.8 million and a profit of USD 0.1 million to the Group's consolidated results. If the acquisition had occurred on January 1, 2016, management estimates that the Group's consolidated revenue would have been USD 698.3 million and consolidated profit for the twelve month period ended December 31, 2016, would have been USD 205.1 million. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2016.

### Acquisition related costs

The Group did not incur any material acquisition-related costs for the business combination, and these costs were expensed as incurred.

### Step acquisition

The transaction resulted in a loss of USD 24.2 million. This loss has been recognized in the consolidated statement of profit or loss under the heading 'Loss on disposal of investments in equity accounted investees'. In accordance with IFRS 3 (Business Combinations), Euronav accounted for this transaction as a step acquisition and therefore had to re-measure at the acquisition date to fair value Euronav's

non-controlling equity interest in the two joint ventures it acquired (loss of USD 13.5 million) as well as to measure at fair value the consideration transferred, including Euronav's interest in the other two joint ventures (loss of USD 10.7 million). At acquisition date, the fair value of the Group's non-controlling interest in the two acquired joint ventures amounted to USD (18.6) million.

#### Identifiable assets acquired and liabilities assumed

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

(in thousands of USD)

	NOTE	FAIR VALUE AT ACQUISITION DATE
<b>Options granted to key management personnel</b>		
Property, plant and equipment	8	120,280
Trade receivables	-	3,685
Cash and cash equivalents	-	8,355
Loans and borrowings	15	(61,065)
Trade and other payables	-	(4,086)
<b>TOTAL IDENTIFIABLE NET ASSETS ACQUIRED</b>		<b>67,169</b>

#### Measurement of fair values ASSETS ACQUIRED

#### VALUATION TECHNIQUES

Property, plant and equipment

The price was agreed among parties by reference to valuation reports by brokers

#### Goodwill

The transaction did not give rise to the recognition of any goodwill:

(in thousands of USD)

	FAIR VALUE AT ACQUISITION
Consideration transferred	33,585
Fair value of pre-existing interests in Larvotto and Fiorano	(18,633)
Fair value of identifiable net assets	(67,169)
Fair value of shareholders' loan liabilities versus Bretta Tanker Holdings, transferred to Euronav	52,217
<b>GOODWILL</b>	<b>-</b>



## NOTE 25 - EQUITY-ACCOUNTED INVESTEEES

<i>(in thousands of USD)</i>		DECEMBER 31, 2016	DECEMBER 31, 2015
<b>Assets</b>			
Interest in joint ventures		16,867	20,425
Interest in associates		1,546	1,212
<b>TOTAL ASSETS</b>		<b>18,413</b>	<b>21,637</b>
<b>Liabilities</b>			
Interest in joint ventures		-	-
Interest in associates		-	-
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>-</b>

<b>Associates</b>			
<i>(in thousands of USD)</i>		DECEMBER 31, 2016	DECEMBER 31, 2015
Carrying amount of interest at the beginning of the period		1,212	1,027
Group's share of profit (loss) for the period		334	185
Group's share of other comprehensive income		-	-
<b>CARRYING AMOUNT OF INTEREST AT THE END OF THE PERIOD</b>		<b>1,546</b>	<b>1,212</b>

The Group distinguishes the following associates:

ASSOCIATE	SEGMENT	DESCRIPTION
Tankers International LLC	Tankers	The manager of the Tankers International Pool who commercially manages the majority of the Group's VLCCs
VLCC Chartering Ltd	Tankers	Chartering joint venture which provides customers with a unique access to the combined fleets of Frontline and Tankers International Pool

## Joint Ventures

The following table contains a roll forward of the balance sheet amounts with respect to the Group's joint ventures:

	ASSET		LIABILITY	
	INVESTMENTS IN EQUITY ACCOUNTED INVESTEES	SHAREHOLDERS LOANS	INVESTMENTS IN EQUITY ACCOUNTED INVESTEES	SHAREHOLDERS LOANS
(in thousands of USD)				
Gross balance	(110,702)	392,922	(5,880)	-
Offset investment with shareholders loan	133,406	(133,406)	-	-
<b>BALANCE AT JANUARY 1, 2014</b>	<b>22,704</b>	<b>259,516</b>	<b>(5,880)</b>	<b>-</b>
Group's share of profit (loss) for the period	29,668	-	-	-
Group's share of other comprehensive income	2,106	-	-	-
Capital increase/(decrease) in joint ventures	(1,000)	-	-	-
Dividends received from joint ventures	(9,410)	-	-	-
Movement shareholders loans to joint ventures	-	(29,508)	-	-
Gross balance	(89,338)	363,414	(5,880)	-
Offset investment with shareholders loan	105,643	(105,643)	-	-
<b>BALANCE AT DECEMBER 31, 2014</b>	<b>16,305</b>	<b>257,771</b>	<b>(5,880)</b>	<b>-</b>
Group's share of profit (loss) for the period	51,407	-	-	-
Group's share of other comprehensive income	1,610	-	-	-
Capital increase/(decrease) in joint ventures	(1,500)	-	5,880	-
Dividends received from joint ventures	(275)	-	-	-
Movement shareholders loans to joint ventures	-	(45,665)	-	-
Gross balance	(38,095)	317,749	-	-
Offset investment with shareholders loan	58,520	(58,520)	-	-
<b>BALANCE AT DECEMBER 31, 2015</b>	<b>20,425</b>	<b>259,229</b>	<b>-</b>	<b>-</b>
Group's share of profit (loss) for the period	40,161	-	-	-
Group's share of other comprehensive income	1,224	-	-	-
Group's share on upstream transactions	4,646	-	-	-
Capital increase/(decrease) in joint ventures	(3,737)	-	-	-
Dividends received from joint ventures	(23,478)	-	-	-
Movement shareholders loans to joint ventures	-	(18,499)	-	-
Business combinations	15,981	(95,738)	-	-
Gross balance	(3,298)	203,512	-	-
Offset investment with shareholders loan	20,165	(20,165)	-	-
<b>BALANCE AT DECEMBER 31, 2016</b>	<b>16,867</b>	<b>183,348</b>	<b>-</b>	<b>-</b>



The Group's share on upstream transactions relates to the buy-out of the joint venture partner to obtain full control of the VLCC *V.K. Eddie*. On November 23, 2016, the Group purchased the VLCC *V.K. Eddie* from its 50% joint venture Seven Seas Shipping Ltd. In the Group's consolidated financial statements, 50% of the gain recognized on this transaction by Seven Seas Shipping Ltd was eliminated.

The decrease in the balance of shareholders' loans to joint ventures since December 31, 2015 is primarily due to the disposal of two joint ventures and the acquisition of two other joint ventures on June 2, 2016, as set out in Note 24, resulting in the settlement or consolidation, respectively, of the Group's shareholders' loan balances versus these entities. For more details, we refer to the table summarizing the financial information of the Groups' joint ventures further below.

JOINT VENTURE	SEGMENT	DESCRIPTION
Great Hope Enterprises Ltd	Tankers	No operating activities, liquidated in 2016
Kingswood Co. Ltd	Tankers	Holding company; parent of Seven Seas Shipping Ltd and to be liquidated in the future
Seven Seas Shipping Ltd	Tankers	Formerly owner of 1 VLCC bought in 2016 by Euronav
Fiorano Shipholding Ltd	Tankers	Single ship company, owner of 1 Suezmax, acquired Bretta's equity interest in 2016
Larvotto Shipholding Ltd	Tankers	Single ship company, owner of 1 Suezmax, acquired Bretta's equity interest in 2016
Fontvieille Shipholding Ltd	Tankers	Single ship company, owner of 1 Suezmax, sold our equity interest to Bretta in 2016
Moneghetti Shipholding Ltd	Tankers	Single ship company, owner of 1 Suezmax, sold our equity interest to Bretta in 2016
TI Africa Ltd	FSO	Operator and owner of a single floating storage and offloading facility (FSO Africa) *
TI Asia Ltd	FSO	Operator and owner of a single floating storage and offloading facility (FSO Asia) *
Africa Conversion Corp	FSO	No operating activities, liquidated in 2015
Asia Conversion Corp	FSO	No operating activities, liquidated in 2015

\* Both FSO Asia and FSO Africa are on a time charter contract to Maersk Oil Qatar (MOQ), the current operator of the Al Shaheen oil field until mid 2017, and a LOA has been signed with NOC, the new operator of the Al Shaheen field.



The following table contains summarised financial information for all of the Group's joint ventures:

	ASSET				
<i>(in thousands of USD)</i>	GREAT HOPE ENTERPRISES LTD	KINGSWOOD CO. LTD	SEVEN SEAS SHIPPING LTD	FIORANO SHIPHOLDING LTD	FONTVIEILLE SHIPHOLDING LTD
<b>AT DECEMBER 31, 2014</b>					
Percentage ownership interest	50%	50%	50%	50%	50%
<b>NON-CURRENT ASSETS</b>	<b>-</b>	<b>204</b>	<b>34,786</b>	<b>82,883</b>	<b>70,670</b>
of which Vessel	-	-	34,786	82,883	70,670
<b>CURRENT ASSETS</b>	<b>763</b>	<b>810</b>	<b>7,473</b>	<b>5,445</b>	<b>6,719</b>
of which cash and cash equivalents	278	-	3,245	711	1,136
<b>NON-CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>6,704</b>	<b>84,894</b>	<b>90,054</b>
of which bank loans	-	-	6,500	32,063	34,470
<b>CURRENT LIABILITIES</b>	<b>130</b>	<b>2</b>	<b>4,591</b>	<b>15,341</b>	<b>7,773</b>
of which bank loans	-	-	4,333	4,250	4,000
<b>NET ASSETS (100%)</b>	<b>633</b>	<b>1,012</b>	<b>30,964</b>	<b>(11,907)</b>	<b>(20,438)</b>
Group's share of net assets	317	506	15,482	(5,954)	(10,219)
Shareholders' loans to joint venture	-	-	-	26,416	27,792
<b>NET CARRYING AMOUNT OF INTEREST IN JOINT VENTURE</b>	<b>317</b>	<b>506</b>	<b>15,482</b>	<b>-</b>	<b>-</b>
<b>REMAINING SHAREHOLDERS LOAN TO JOINT VENTURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,462</b>	<b>17,573</b>
Revenue	113	-	10,228	17,017	15,706
Depreciations and amortization	-	-	(3,360)	(4,852)	(4,603)
Interest Expense	(257)	-	(162)	(1,093)	(1,100)
Income tax expense	-	-	-	-	-
Profit (loss) for the period (100%)	4,510	7	3,504	(1,453)	(2,852)
Other comprehensive income (100%)	-	-	-	-	-
<b>GROUP'S SHARE OF PROFIT (LOSS) FOR THE PERIOD</b>	<b>2,255</b>	<b>4</b>	<b>1,752</b>	<b>(727)</b>	<b>(1,426)</b>
<b>GROUP'S SHARE OF OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

ASSET					LIABILITY		
LARVOTTO SHIPHOLDING LTD	MONEGHETTI SHIPHOLDING LTD	TI AFRICA LTD	TI ASIA LTD	TOTAL	AFRICA CONVERSION CORP	ASIA CONVERSION CORP	TOTAL
50%	50%	50%	50%		50%	50%	
<b>77,805</b>	<b>73,433</b>	<b>231,370</b>	<b>224,460</b>	<b>795,611</b>	-	-	-
77,805	73,433	226,239	218,385	<b>784,201</b>	-	-	-
<b>6,087</b>	<b>3,786</b>	<b>39,864</b>	<b>64,441</b>	<b>135,388</b>	-	-	-
1,633	1,218	22,017	31,098	<b>61,336</b>	-	-	-
<b>81,494</b>	<b>86,997</b>	<b>351,057</b>	<b>297,510</b>	<b>998,710</b>	-	-	-
33,113	47,750	-	104,200	<b>258,096</b>	-	-	-
<b>16,097</b>	<b>5,251</b>	<b>32,351</b>	<b>29,426</b>	<b>110,962</b>	<b>6,880</b>	<b>4,880</b>	<b>11,760</b>
3,970	4,000	13,750	27,446	<b>61,749</b>	-	-	-
<b>(13,699)</b>	<b>(15,029)</b>	<b>(112,174)</b>	<b>(38,035)</b>	<b>(178,673)</b>	<b>(6,880)</b>	<b>(4,880)</b>	<b>(11,760)</b>
(6,850)	(7,515)	(56,087)	(19,018)	<b>(89,338)</b>	(3,440)	(2,440)	<b>(5,880)</b>
24,191	19,623	172,055	93,337	<b>363,414</b>	-	-	-
-	-	-	-	<b>16,305</b>	<b>(3,440)</b>	<b>(2,440)</b>	<b>(5,880)</b>
<b>17,342</b>	<b>12,109</b>	<b>115,968</b>	<b>74,319</b>	<b>257,773</b>	-	-	-
17,092	16,047	62,261	64,096	<b>202,560</b>	-	-	-
(4,571)	(4,586)	(18,209)	(17,933)	<b>(58,114)</b>	-	-	-
(1,263)	(1,469)	(1,963)	(7,458)	<b>(14,765)</b>	-	-	-
-	-	-	-	-	-	-	-
(1,481)	(1,805)	31,204	27,702	<b>59,336</b>	-	-	-
-	-	-	4,212	<b>4,212</b>	-	-	-
<b>(741)</b>	<b>(903)</b>	<b>15,602</b>	<b>13,851</b>	<b>29,668</b>	-	-	-
-	-	-	<b>2,106</b>	<b>2,106</b>	-	-	-

(in thousands of USD)

	ASSET				
	GREAT HOPE ENTERPRISES LTD	KINGSWOOD CO. LTD	SEVEN SEAS SHIPPING LTD	FIORANO SHIPHOLDING LTD	FONTVIEILLE SHIPHOLDING LTD
<b>AT DECEMBER 31, 2015</b>					
Percentage ownership interest	50%	50%	50%	50%	50%
<b>NON-CURRENT ASSETS</b>	<b>-</b>	<b>520</b>	<b>33,052</b>	<b>78,031</b>	<b>65,837</b>
of which Vessel	-	-	33,052	78,031	65,837
<b>CURRENT ASSETS</b>	<b>102</b>	<b>489</b>	<b>7,463</b>	<b>6,498</b>	<b>4,195</b>
of which cash and cash equivalents	59	-	1,528	552	186
<b>NON-CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>521</b>	<b>84,094</b>	<b>77,485</b>
of which bank loans	-	-	-	27,813	30,470
<b>CURRENT LIABILITIES</b>	<b>15</b>	<b>2</b>	<b>239</b>	<b>5,981</b>	<b>6,656</b>
of which bank loans	-	-	-	4,250	4,000
<b>NET ASSETS (100%)</b>	<b>87</b>	<b>1,007</b>	<b>39,755</b>	<b>(5,546)</b>	<b>(14,109)</b>
Group's share of net assets	43	504	19,878	(2,773)	(7,054)
Shareholders loans to joint venture	-	-	-	28,141	23,507
<b>NET CARRYING AMOUNT OF INTEREST IN JOINT VENTURE</b>	<b>43</b>	<b>504</b>	<b>19,878</b>	<b>-</b>	<b>-</b>
<b>REMAINING SHAREHOLDERS LOAN TO JOINT VENTURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,368</b>	<b>16,453</b>
Revenue	1	-	18,701	21,050	21,509
Depreciations and amortization	-	-	(3,601)	(4,852)	(4,832)
Interest Expense	-	-	(102)	(530)	(851)
Income tax expense	-	-	-	-	-
Profit (loss) for the period (100%)	3	(4)	11,791	6,361	6,330
Other comprehensive income (100%)	-	-	-	-	-
<b>GROUP'S SHARE OF PROFIT (LOSS) FOR THE PERIOD</b>	<b>2</b>	<b>(2)</b>	<b>5,895</b>	<b>3,181</b>	<b>3,165</b>
<b>GROUP'S SHARE OF OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



ASSET					LIABILITY		
LARVOTTO SHIPHOLDING LTD	MONEGHETTI SHIPHOLDING LTD	TI AFRICA LTD	TI ASIA LTD	TOTAL	AFRICA CONVERSION CORP	ASIA CONVERSION CORP	TOTAL
50%	50%	50%	50%		50%	50%	
<b>73,234</b>	<b>70,159</b>	<b>215,184</b>	<b>208,405</b>	<b>744,422</b>	-	-	-
73,234	70,159	208,030	200,452	<b>728,794</b>	-	-	-
<b>7,873</b>	<b>7,219</b>	<b>12,144</b>	<b>41,744</b>	<b>87,727</b>	-	-	-
1,578	4,891	880	30,465	<b>40,139</b>	-	-	-
<b>81,424</b>	<b>79,647</b>	<b>303,018</b>	<b>223,552</b>	<b>849,740</b>	-	-	-
29,143	43,750	-	75,343	<b>206,518</b>	-	-	-
<b>6,621</b>	<b>7,099</b>	<b>1,155</b>	<b>30,832</b>	<b>58,601</b>	-	-	-
3,970	4,000	-	28,858	<b>45,078</b>	-	-	-
<b>(6,939)</b>	<b>(9,368)</b>	<b>(76,844)</b>	<b>(4,236)</b>	<b>(76,192)</b>	-	-	-
(3,469)	(4,684)	(38,422)	(2,118)	<b>(38,096)</b>	-	-	-
26,141	17,949	149,615	72,397	<b>317,749</b>	-	-	-
-	-	-	-	<b>20,425</b>	-	-	-
<b>22,672</b>	<b>13,265</b>	<b>111,193</b>	<b>70,279</b>	<b>259,229</b>	-	-	-
22,837	21,317	64,627	64,382	<b>234,425</b>	-	-	-
(4,571)	(4,630)	(18,209)	(17,933)	<b>(58,628)</b>	-	-	-
(644)	(1,170)	(1,220)	(6,106)	<b>(10,623)</b>	-	-	-
-	-	259	106	<b>365</b>	-	-	-
6,762	5,661	35,329	30,580	<b>102,814</b>	-	-	-
-	-	-	3,220	<b>3,220</b>	-	-	-
<b>3,381</b>	<b>2,831</b>	<b>17,664</b>	<b>15,290</b>	<b>51,407</b>	-	-	-
-	-	-	<b>1,610</b>	<b>1,610</b>	-	-	-

(in thousands of USD)

	ASSET				
	GREAT HOPE ENTERPRISES LTD	KINGSWOOD CO. LTD	SEVEN SEAS SHIPPING LTD	FIORANO SHIPHOLDING LTD	FONTVIEILLE SHIPHOLDING LTD
<b>AT DECEMBER 31, 2016</b>					
Percentage ownership interest	50%	50%	50%	50%	50%
<b>NON-CURRENT ASSETS</b>	-	946	-	-	-
of which Vessel	-	-	-	-	-
<b>CURRENT ASSETS</b>	-	76	3,221	-	-
of which cash and cash equivalents	-	-	555	-	-
<b>NON-CURRENT LIABILITIES</b>	-	-	964	-	-
of which bank loans	-	-	-	-	-
<b>CURRENT LIABILITIES</b>	-	2	132	-	-
of which bank loans	-	-	-	-	-
<b>NET ASSETS (100%)</b>	-	1,020	2,143	-	-
Group's share of net assets	-	510	1,072	-	-
Shareholders loans to joint venture	-	-	-	-	-
<b>NET CARRYING AMOUNT OF INTEREST IN JOINT VENTURE</b>	-	510	1,072	-	-
<b>REMAINING SHAREHOLDERS LOAN TO JOINT VENTURE</b>	-	-	-	-	-
Revenue	-	-	13,646	7,182	6,404
Depreciations and amortization	-	-	(3,344)	(2,047)	(2,037)
Interest Expense	-	-	(3)	(223)	(337)
Income tax expense	-	-	-	-	-
Profit (loss) for the period (100%)	(32)	12	7,469	1,146	500
Other comprehensive income (100%)	-	-	-	-	-
<b>GROUP'S SHARE OF PROFIT (LOSS) FOR THE PERIOD</b>	(16)	6	3,735	573	250
<b>GROUP'S SHARE OF OTHER COMPREHENSIVE INCOME</b>	-	-	-	-	-

ASSET					LIABILITY		
LARVOTTO SHIPHOLDING LTD	MONEGHETTI SHIPHOLDING LTD	TI AFRICA LTD	TI ASIA LTD	TOTAL	AFRICA CONVERSION CORP	ASIA CONVERSION CORP	TOTAL
50%	50%	50%	50%		50%	50%	
-	-	198,826	192,344	392,116	-	-	-
-	-	189,821	182,519	372,341	-	-	-
-	-	38,206	47,889	89,392	-	-	-
-	-	26,928	36,591	64,074	-	-	-
-	-	276,498	132,763	410,207	-	-	-
-	-	-	-	-	-	-	-
-	-	863	76,899	77,896	-	-	-
-	-	-	75,343	75,343	-	-	-
-	-	(40,329)	30,751	(6,595)	-	-	-
-	-	(20,164)	15,285	(3,298)	-	-	-
-	-	137,615	65,897	203,512	-	-	-
-	-	-	15,285	16,867	-	-	-
-	-	117,451	65,897	183,348	-	-	-
6,901	7,471	65,188	65,063	171,854	-	-	-
(1,929)	(2,049)	(18,209)	(17,933)	(47,548)	-	-	-
(288)	(537)	(400)	(4,703)	(6,532)	-	-	-
-	-	(326)	(106)	(432)	-	-	-
1,082	1,270	36,515	23,359	80,322	-	-	-
-	-	-	2,448	2,448	-	-	-
541	635	18,257	16,180	40,161	-	-	-
-	-	-	1,224	1,224	-	-	-

## NOTE 25 - EQUITY-ACCOUNTED INVESTEEES

### Loans and borrowings

In October 2008, *TI Asia* Ltd and *TI Africa* Ltd concluded a USD 500 million senior secured credit facility. The facility consists of a term loan of USD 180 million which was used to finance the acquisition of two ULCC vessels, the *TI Asia* and the *TI Africa* respectively from Euronav and OSG and a project finance loan of USD 320 million which has been used to finance the conversion of the above mentioned vessels into FSO. The tranche related to FSO Asia matures in 2017 and has a rate of Libor plus a margin of 1.15%. The tranche related to FSO Africa was matured in August 2013 with a balloon of USD 45.0 million and had a rate of Libor plus a margin of 2.25%. In 2013, the Africa Tranche was extended until 2015 and on August 28, 2015, it was fully repaid. The total amount drawn under this facility (Euronav share) on December 31, 2016 was USD 37.7 million (2015: USD 52.1 million and 2014: USD 72.7 million).

In the course of 2008, the joint venture companies Fiorano Shipholding Ltd, Fontvieille Shipholding Ltd, Larvotto Shipholding Ltd and Moneghetti Shipholding Ltd concluded pre and post-delivery senior secured credit facilities to build a total of 4 Suezmax Vessels.

All bank loans in the joint ventures are secured by the underlying vessel or FSO.

The following table summarises the terms and debt repayment profile of the bank loans held by the joint ventures:

				DECEMBER 31, 2016		
				FACILITY SIZE	DRAWN	CARRYING VALUE
<i>(in thousands of USD)</i>						
TI Asia Ltd *	USD	libor +1.15%	2017	75,343	75,343	75,343
Moneghetti Shipholding Ltd *	USD	libor +2.75%	2021	-	-	-
Fontvieille Shipholding Ltd *	USD	libor +2.75%	2020	-	-	-
Larvotto Shipholding Ltd *	USD	libor +1.50%	2020	-	-	-
Fiorano Shipholding Ltd *	USD	libor +1.225%	2020	-	-	-
<b>TOTAL INTEREST-BEARING BANK LOANS</b>				<b>75,343</b>	<b>75,343</b>	<b>75,343</b>

\* The mentioned secured bank loans are subject to loan covenants such as an Asset Protection clause. A future breach of covenants might require the joint venture to repay (all or part of) the loan earlier than expected.



### Loan covenant

The OSG's (Overseas Shipholding Group) Chapter 11 filing in 2012 has had no impact on the continued operations of the FSO joint ventures, including the ability of the joint venture to continue to perform its obligations under the existing charters as well as its ability to continue to service its outstanding debt obligations and maintain continued compliance with the covenants under such debt agreements. OSG emerged from Chapter 11 in August 2014. OSG has now been split into OSG and International Seaways Inc (INSW). INSW is our current JV partner in the FSOs.

As at December 31, 2016, all joint ventures were in compliance with the covenants, as applicable, of their respective loans.

DECEMBER 31, 2015		
FACILITY SIZE	DRAWN	CARRYING VALUE
104,200	104,200	104,200
47,750	47,750	47,750
34,470	34,470	34,470
33,113	33,113	33,113
32,063	32,063	32,063
<b>251,595</b>	<b>251,595</b>	<b>251,595</b>

### Interest rate swaps

Two of the Group's JV companies in connection to the FSO conversion project of the *TI Asia* and *TI Africa* have also entered in two Interest Rate Swap instruments for a combined notional value of USD 480 million (Euronav's share amounts to 50%). These IRSs are used to hedge the risk related to any fluctuation of the Libor rate and have a duration of eight years starting respectively in July 2009 and September 2009 for *FSO Asia* and *FSO Africa*.

Following the restructuring of the service contract related to the *FSO Africa* on January 22, 2010 and the consecutive reduction of financing, the hedge related to that tranche lost its qualification as hedging instrument in a cash flow hedge relationship under IAS 39. As such the cash flows from this, IRS are expected to occur and affect profit or loss of the joint venture as from 2010 through 2017. Fair value at December 31, 2016: USD -1.3 million (2015: -3.8 million and 2014: USD -7.0 million).

However, the hedge related to the financing of *FSO Asia* still qualifies fully as a hedging instrument in a cash flow hedge relationship under IAS 39. This instrument is measured at fair value; effective changes in fair value are recognised in equity of the joint venture and the ineffective portion is recorded in profit or loss of the joint venture. Fair value at December 31, 2016: USD -1.4 million (2015: USD -3.4 million and 2014: USD -6.6 million).

### Vessels

On January 2, 2014, Great Hope Enterprise Ltd delivered the VLCC *Ardenne Venture* (2004 - 318,658 dwt) to its new owners after the sale announced on November 14, 2013 for USD 41.7 million. The Group's share in the capital gain amounted to USD 2.2 million and was recognised in the first quarter of 2014.

On June 2, 2016, the Group entered into a share swap and claim transfer agreement (see Note 24). As a result, the Group became the full owner of the two youngest vessels, the *Captain Michael* (2012 - 157,648 dwt) and the *Maria* (2012 - 157,523 dwt), while Bretta became the full owner of the *Devon* and the *Eugenie*.

On November 23, 2016, Seven Seas Shipping Ltd delivered the VLCC *V.K. Eddie* (2005 - 305,261 dwt) to its new owners after the sale announced on November 2, 2016 for USD 39.0 million. Seven Seas Shipping Ltd recognized a gain of USD 9.3 million on this transaction in the last quarter of 2016. In the Group's consolidated financial statements, 50% of this gain was eliminated.

There were no capital commitments as per December 31, 2016, December 31, 2015 and December 31, 2014.

## Cash and cash equivalents

<i>(in thousands of USD)</i>	2016	2015
Cash and cash equivalents of the joint ventures	64,074	40,139
<b>Group's share of cash and cash equivalents</b>	<b>32,037</b>	<b>20,069</b>
<i>of which restricted cash</i>	6,789	9,022

## NOTE 26 - SUBSIDIARIES

The Group holds 100% of the voting rights in all of its subsidiaries (see Note 23).

In 2016 the Group entered into a share swap and claim transfer agreement whereby the Group's equity interest in both Fiorano Shipholding Ltd and Larvotto Shipholding Ltd increased from 50% to 100%.

In 2015 one new wholly owned subsidiary, Euronav Singapore Pte Ltd, incorporated in the second quarter of 2015, was included in the consolidation scope. In 2014 two wholly owned subsidiaries, Euronav Shipping NV and Euronav Tankers NV, incorporated in the first quarter of 2014, were added to the consolidation scope. These two subsidiaries became the owner and operator of (part of) the vessels acquired from Maersk in 2014 (see Note 24).

## NOTE 27 - MAJOR EXCHANGE RATES

The following major exchange rates have been used in preparing the consolidated financial statements:

1 XXX = X.XXXX USD	CLOSING RATES			AVERAGE RATES		
	DECEMBER 31, 2016	DECEMBER 31, 2015	DECEMBER 31, 2014	2016	2015	2014
EUR	1.0541	1.0887	1.2141	1.1061	1.1154	1.3349
GBP	1.2312	1.4833	1.5587	1.3662	1.5315	1.6521

## NOTE 28 - AUDIT FEES

The audit fees for the Group amounted to USD 1.0 million (2015: USD 0.7 million and 2014: USD 0.5 million). During the year the statutory auditor and persons professionally related to him performed additional audit related services amounting to USD 0.0 million (2015: USD 0.2 million and 2014: USD 1.5 million) and tax services for fees of USD 0.0 million (2015: USD 0.0 million and 2014: 0.1 million). The 2015 and 2014 audit related services mainly related to the Group's series of capital transactions, including the Group's US listing.

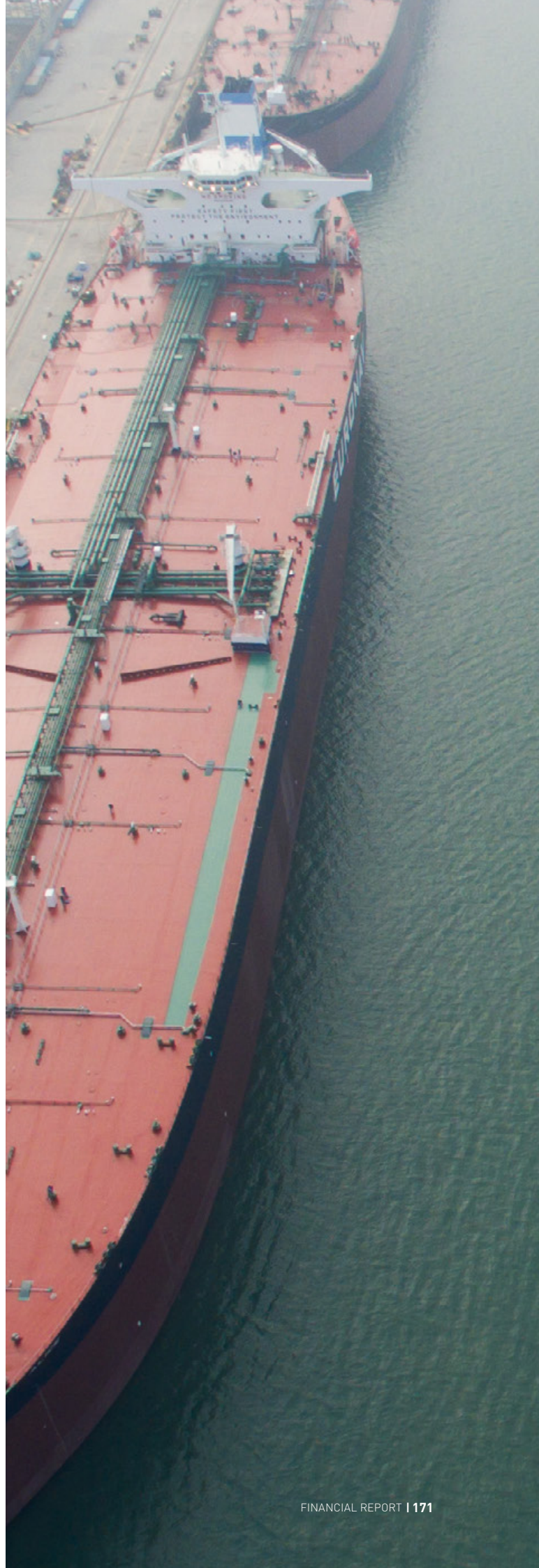
## NOTE 29 - SUBSEQUENT EVENTS

On January 12, 2017, and January 20, 2017, Euronav took delivery of the VLCCs the *Ardeche* (2017 – 298,642 dwt) and the *Aquitaine* (2017 – 298,768 dwt) respectively.

On January 30, 2017, the Group signed a loan agreement with DnB Bank for an amount of USD 110.0 million facility with the purpose of financing the two VLCCs, as mentioned above.

## NOTE 30 - STATEMENT ON THE TRUE AND FAIR VIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE FAIR OVERVIEW OF THE MANAGEMENT REPORT

The Board of Directors, represented by Carl Steen, its Chairman, and the executive committee, represented by Patrick Rodgers, the CEO and Hugo De Stoop, the CFO hereby confirm that, to the best of their knowledge, the consolidated financial statements for the year ended December 31, 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the entities included in the consolidation as a whole, and that the management report includes a fair overview of the important events that have occurred during the financial year and of the major transactions with the related parties, and their impact on the consolidated financial statements, together with a description of the principal risks and uncertainties they are exposed to.



# STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF EURONAV NV AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our report on the consolidated financial statements as of and for the year ended December 31, 2016, as defined below, as well as our report on other legal and regulatory requirements.

## **Report on the consolidated financial statements - Unqualified opinion**

We have audited the consolidated financial statements of Euronav NV ("the Company") and its subsidiaries (jointly "the Group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to USD '000 3.046.911 and the consolidated statement of profit or loss shows a profit for the year of USD '000 204.049.

## ***Board of directors' responsibility for the preparation of the consolidated financial statements***

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## ***Statutory auditor's responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs) as adopted in Belgium. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Company's preparation and fair presentation of

the consolidated financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from the Company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

## ***Unqualified opinion***

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and consolidated financial position as at December 31, 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

## **Report on other legal and regulatory requirements**

The board of directors is responsible for the preparation and the content of the annual report on the consolidated financial statements.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not modify the scope of our opinion on the consolidated financial statements:

- The annual report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, March 14, 2017  
KPMG Bedrijfsrevisoren / Réviseurs d'Entreprises  
Statutory Auditor  
represented by

Götwin Jackers  
Bedrijfsrevisor / Réviseur d'Entreprises





## STATUTORY FINANCIAL STATEMENTS EURONAV NV

For the period ending on 31/12/2016

### ASSETS

(in USD)

#### FIXED ASSETS

Intangible assets

Tangible assets

Financial assets

#### CURRENT ASSETS

Amounts receivable after one year

Amounts receivable within one year

Investments

Cash at bank and in hand

Deferred charges and accrued income

#### TOTAL ASSETS

### LIABILITIES

in USD

#### CAPITAL AND RESERVES

Capital

Share premium account

Reserves

Profit carried forward

#### PROVISIONS FOR LIABILITIES AND CHARGES

Provisions and deferred taxes

#### CREDITORS

Amounts payable after one year

Amounts payable within one year

Accrued charges and deferred income

#### TOTAL LIABILITIES

DECEMBER 31, 2016

DECEMBER 31, 2015

2,439,610,624

147,151

1,794,657,956

644,805,516

270,371,167

-

126,712,521

58,317,989

68,793,482

16,547,175

2,709,981,791

1,707,121,377

173,046,122

1,215,227,175

119,195,927

199,652,153

1,621,834

1,621,834

1,001,238,580

834,515,103

142,408,234

24,315,242

2,709,981,791

2,219,814,604

236,021

1,516,093,550

703,485,032

316,162,143

-

160,019,351

63,946,720

45,894,010

46,302,062

2,535,976,746

1,717,774,802

173,046,122

1,215,227,175

111,297,384

218,204,121

4,376,042

4,376,042

813,825,902

611,070,981

171,230,667

31,524,255

2,535,976,746

For the period ending on 31/12/2016

# INCOME STATEMENT OF EURONAV NV

(in USD)

Operating income  
Operating charges

## Operating result

Financial income  
Financial charges

## Profit for the year before taxes

Income taxes

## RESULT FOR THE YEAR

## RESULT FOR THE YEAR AVAILABLE FOR APPROPRIATION

## APPROPRIATION ACCOUNT

(in USD)

Result to be appropriated  
Transfer to capital and reserves  
Profit carried forward  
Distribution of result

## DECEMBER 31, 2016

## DECEMBER 31, 2015

669,498,406  
(526,102,646)

143,395,760

12,922,237  
41,474,177

114,843,820

(2,906,354)

111,937,466

111,937,466

330,141,587

7,898,543

199,652,153

122,590,891

762,117,923  
(507,556,612)

254,561,311

9,861,392  
(47,968,251)

216,454,452

(3,032,281)

213,422,172

213,422,172

458,136,116

10,671,109

218,204,121

229,260,887

