

Slavneft Group

Consolidated Interim Condensed Financial Statements
(unaudited)

*as of and for the three and the six months ended
30 June 2019*

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(UNAUDITED)**

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Report on Review of Interim Financial Information

To the shareholders and the Board of Directors of
Public Joint Stock Oil and Gas Company Slavneft

Introduction

We have reviewed the accompanying consolidated interim condensed financial statements of Public Joint Stock Oil and Gas Company Slavneft and its subsidiaries, which comprise the consolidated interim statement of financial position as at 30 June 2019, the consolidated interim statement of comprehensive income for the three-month and six-month periods then ended, consolidated interim statement of changes in shareholder's equity and consolidated interim statement of cash flows for the six-month period then ended and other explanatory notes (interim financial information). Management of Public Joint Stock Oil and Gas Company Slavneft is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Совершенство бизнеса,
улучшаем мир

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

K.I. Petrov
Partner
Ernst & Young LLC

31 July 2019

Details of the entity

Name: Public Joint Stock Oil and Gas Company Slavneft
Record made in the State Register of Legal Entities on 30 July 2002, State Registration Number 1027739026270.
Address: Russia 125047, Moscow, 4th Lesnoy side-street, 4.

Details of the auditor

Name: Ernst & Young LLC
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.
Ernst & Young LLC is a member of Self-regulated organization of auditors "Russian Union of auditors" (Association) ("SRO RUA"). Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 11603050648.

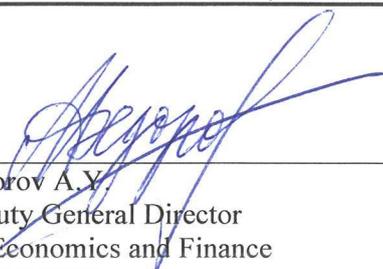
Slavneft Group
Consolidated Interim Statement of Financial Position (unaudited)
(in millions of Russian Roubles)

	Notes	30 June 2019	31 December 2018
Assets			
Non-current assets			
Property, plant and equipment	4	386,431	365,499
Deferred tax assets		11,341	11,586
Right-of-use assets	5	3,501	–
Other non-current assets	6	2,498	2,796
Total non-current assets		403,771	379,881
Current assets			
Inventories	7	13,132	8,397
Accounts receivable and prepayments	8	82,760	79,469
Income tax receivables		1,360	1,130
Cash and cash equivalents	9	10,628	3,448
Other current assets		42	61
Total current assets		107,922	92,505
Total assets		511,693	472,386
Equity			
Ordinary share capital		70	70
Treasury shares		(50)	–
Retained earnings		83,850	73,378
Additional paid-in capital		54,812	54,812
Total equity attributable to SLAVNEFT'S shareholders		138,682	128,260
Non-controlling interest	25	118,347	112,995
Total equity		257,029	241,255
Liabilities			
Non-current liabilities			
Non-current debt	10	117,261	126,151
Deferred tax liabilities		21,838	20,630
Decommissioning and environmental liabilities	11	20,429	19,870
Lease liability	5	1,623	–
Other non-current liabilities		2,074	1,969
Total non-current liabilities		163,225	168,620
Current liabilities			
Current debt and current portion of non-current debt	10	26,150	1,991
Trade payables	12	27,672	29,402
Advances received		189	216
Dividends payable	24	7	4
Taxes payable	13	31,489	27,486
Other current liabilities	14	5,932	3,412
Total current liabilities		91,439	62,511
Total liabilities		254,664	231,131
Total equity and liabilities		511,693	472,386


 Osipov M.L.
 General Director

SLAVNEFT

31 July 2019


 Fedorov A.Y.
 Deputy General Director
 for Economics and Finance
 SLAVNEFT

The accompanying notes are an integral part of these consolidated interim condensed financial statements (unaudited).

Slavneft Group
Consolidated Interim Statement of Comprehensive Income (unaudited)
(in millions of Russian Roubles)

	Notes	Three months ended 30 June 2019	Six months ended 30 June 2019	Three months ended 30 June 2018	Six months ended 30 June 2018
Revenue	16, 20	77,275	157,300	82,667	148,009
Production expenses		(11,252)	(21,886)	(10,748)	(22,246)
Selling, general and administrative expenses		(1,583)	(3,115)	(1,508)	(2,894)
Cost of other sales		(646)	(1,081)	(1,046)	(1,621)
Taxes other than income tax	17	(44,673)	(87,905)	(43,099)	(76,674)
Depreciation, depletion and amortization	4, 5, 6	(9,415)	(17,740)	(9,409)	(18,756)
Exploration expenses		(154)	(349)	(145)	(338)
Impairment and gain/(loss) on disposal of assets		(1,428)	(1,313)	(830)	(900)
Total operating expenses and costs		(69,151)	(133,389)	(66,785)	(123,429)
Other operating income		141	466	259	598
Operating profit		8,265	24,377	16,141	25,178
Finance income	18	251	341	108	227
Finance expenses	18	(2,703)	(5,004)	(2,182)	(4,470)
Foreign exchange gain/(loss)		11	38	(337)	(346)
Profit before income tax		5,824	19,752	13,730	20,589
Income tax expense	15	(1,171)	(3,925)	(2,746)	(4,105)
Profit for the year attributable to:		4,653	15,827	10,984	16,484
- SLAVNEFT'S shareholders		3,184	10,472	7,191	10,495
- Non-controlling interest	25	1,469	5,355	3,793	5,989
Total comprehensive income attributable to:		4,653	15,827	10,984	16,484
- SLAVNEFT'S shareholders		3,184	10,472	7,191	10,495
- Non-controlling interest	25	1,469	5,355	3,793	5,989
Earnings per share attributable to SLAVNEFT'S shareholders					
Basic earnings per share (in Russian Roubles)		0.67	2.20	1.51	2.21
Weighted average number of shares outstanding (million)		4,752	4,752	4,754	4,754

The accompanying notes are an integral part of these consolidated interim condensed financial statements (unaudited).

Slavneft Group
Consolidated Interim Statement of Changes in Shareholder's Equity (unaudited)
(in millions of Russian Roubles)

	Equity attributable to Group shareholders				Total	Non-controlling interest	Total equity
	Ordinary share capital	Treasury shares	Additional paid-in capital	Retained earnings			
At 1 January 2018 (before adoption of IFRS 9)	70	–	54,812	53,635	108,517	101,402	209,919
The effect of the first application of IFRS 9 <i>Financial Instruments</i>	–	–	–	(32)	(32)	(1)	(33)
At 1 January 2018 (after adoption of IFRS 9)	70	–	54,812	53,603	108,485	101,401	209,886
Profit for the period	–	–	–	10,495	10,495	5,989	16,484
Total comprehensive income	–	–	–	10,463	10,463	5,988	16,451
Dividends	–	–	–	–	–	(3)	(3)
At 30 June 2018	70	–	54,812	64,098	118,980	107,387	226,367
At 1 January 2019	70	–	54,812	73,378	128,260	112,995	241,255
Profit for the period	–	–	–	10,472	10,472	5,355	15,827
Total comprehensive income	–	–	–	10,472	10,472	5,355	15,827
Dividends	–	–	–	–	–	(3)	(3)
Treasury shares	–	(50)	–	–	(50)	–	(50)
At 30 June 2019	70	(50)	54,812	83,850	138,682	118,347	257,029

The accompanying notes are an integral part of these consolidated interim condensed financial statements (unaudited).

Slavneft Group
Consolidated Interim Statement of Cash Flows (unaudited)
(in millions of Russian Roubles)

	Notes	Six months ended 30 June 2019	Six months ended 30 June 2018
Cash flows from operating activities			
Profit for the period		15,827	16,484
Adjustments to reconcile profit for the year to net cash provided by operating activities			
Depreciation, depletion and amortization	4, 5, 6	17,740	18,756
Impairment and (gain)/loss on disposal of assets		1,313	900
Finance income	18	(341)	(227)
Finance expenses	18	5,004	4,470
Foreign exchange (gain)/loss		(38)	346
Income tax expense	15	3,925	4,105
Change in provisions		235	774
Other		(76)	35
Cash flows from operating activities before working capital changes		43,589	45,643
Working capital changes			
Increase in accounts receivable and prepayments		(7,580)	(17,804)
Pension paid		(186)	(154)
Increase in inventories		(4,493)	(876)
Decrease/(increase) in other current and non-current assets		17	(175)
Decrease in accounts payable		(3,094)	(1,308)
Increase/(decrease) in other current liabilities		591	(193)
Increase in taxes payable		3,967	6,501
Income tax paid		(2,666)	(3,407)
Net cash from operating activities		30,145	28,227
Investing activities			
Proceeds from sale of property, plant and equipment		98	210
Purchases of property, plant and equipment		(32,671)	(32,265)
Interest received		339	225
Decrease in other non-current assets		296	3
Net cash used in investing activities		(31,938)	(31,827)
Financing activities			
Proceeds from current debt		700	15,609
Proceeds from non-current debt		28,288	29,281
Repayments of current debt		(700)	(12,395)
Repayments of non-current debt		(13,032)	(26,910)
Payment of lease liability	5	(576)	–
Payments for treasury shares		(50)	–
Interest paid		(5,696)	(4,159)
Net cash used in financing activities		8,934	1,426
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		39	(78)
Net decrease in cash and cash equivalents		7,180	(2,252)
Cash and cash equivalents at the beginning of the period	9	3,448	4,153
Cash and cash equivalents at the end of the period	9	10,628	1,901

The accompanying notes are an integral part of these consolidated interim condensed financial statements (unaudited).

Slavneft Group

Notes to the Consolidated Interim Condensed Financial Statements (unaudited)

(in million of Russian Roubles, unless noted otherwise)

NOTE 1. GENERAL INFORMATION

Public Joint Stock Oil and Gas Company Slavneft (SLAVNEFT, the “Company”) and its subsidiaries (jointly referred to as the “Group”) are engaged in oil exploration, development, production, refining and sales in the Russian Federation.

The Company was established as an open joint-stock company in August 1994 in accordance with Decree of the Government of the Russian Federation # 305, issued 8 April 1994, Decree of the Council of Ministers of the Republic of Belarus # 589-r, issued 15 June 1994, and the Charter agreement dated 27 June 1994. Under the provisions of the decrees and the Charter agreement, the Russian Federation transferred to the Company 60.5% of voting shares of OAO SN-MNG, currently the principal oil producing subsidiary of the Group, and 50.7% of voting shares of OAO Megionneftegazgeologiya, the Republic of Belarus transferred to the Company 17.6% of OAO Mozyrsky NPZ and another 15% of OAO Mozyrsky NPZ was transferred to the Company by a number of individuals in exchange for the Company’s shares. Upon formation of the Company, 86.3% of its share capital was owned by the Russian Federation, 7.2% by the Republic of Belarus and 6.5% by a number of individuals.

The authorized capital of the Company is 4,754,238,000 common shares with a par value of 0.001 Russian Rouble per share. The carrying value of share capital as at 30 June 2019 and 31 December 2018 differs from its historic value due to the effect of hyperinflation in the Russian Federation until 31 December 2002.

In a series of transactions through January 2003, including participation in privatization auctions in the Russian Federation and the Republic of Belarus, 99% of the Company’s shares were ultimately acquired by OAO Siberian Oil Company (currently known as PJSC Gazprom Neft) and TNK-BP (subsequently acquired by Rosneft Oil Company). PJSC Gazprom Neft and Rosneft Oil Company (the “Primary Shareholders”) are the shareholders and jointly control the Group through Invest Oil LLC, which owns 86.53% in Slavneft, and its other subsidiaries.

On 17 July 2018 OAO NGK Slavneft was renamed into Public Joint Stock Oil and Gas Company Slavneft. The Company’s name was changed so that it conforms with Chapter Four of the Civil Code of the Russian Federation.

Registered address and place of business

The Company’s registered address is 125047, Moscow, 4th Lesnoy side-street, the Russian Federation. The Group’s principal place of business is the Russian Federation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Consolidated Interim Condensed Financial Statements have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. IAS 34 for interim financial reporting does not require all disclosures that would be necessarily required by International Financial Reporting Standards (hereinafter – “IFRS”).

The Group maintains its books and records in accordance with accounting and taxation principles and practices mandated by legislation in the countries in which it operates (primarily the Russian Federation). The accompanying Consolidated Interim Condensed Financial Statements were primarily derived from the Group’s statutory books and records with adjustments and reclassifications made to present it in accordance with IFRS.

The Group does not disclose information which would substantially duplicate the disclosures contained in its Consolidated Financial Statements for 2018, such as significant accounting policies, significant estimates and judgements or disclosures of financial line items, which have not changed significantly in amount or composition. Management of the Group believes that the disclosures in these Consolidated Interim Condensed Financial Statements are adequate to make the information presented not misleading if this Consolidated Interim Condensed Financial Statements are read in conjunction with the Group’s Consolidated Financial Statements for 2018.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The results reported in this Consolidated Interim Condensed Financial Statements for the six months ended 30 June 2019 and 30 June 2018 are not necessarily indicative of the results expected for the full year.

Basis of measurement

These Consolidated Interim Condensed Financial Statements have been prepared on a historical cost basis.

Functional and presentation currency

The functional currency of each of the Group’s consolidated entities is the currency of the primary economic environment in which the entity operates. In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates* the Group’s management has analyzed several factors that influence the choice of functional currency and, based on this analysis, has determined the functional currency for each entity of the Group. For the majority of the entities the functional currency is the local currency of the entity. These Consolidated Interim Condensed Financial Statements is presented in Russian Roubles, and all values are rounded to the nearest million, except when otherwise indicated.

Foreign currency translation

Monetary assets and liabilities which are held by the Group entities and denominated in foreign currencies at the reporting date are translated into Russian Roubles (hereinafter – “RR”) at the official exchange rates of the Central Bank of the Russian Federation (hereinafter – “CBR”) at that date. Non-monetary assets and liabilities are translated at historical rates. Revenues, expenses and cash flows are translated into the functional currency at average rates for the period or exchange rates prevailing on the transaction dates where practicable. Gains and losses resulting from re-measurement into the functional currency are included in the Consolidated Interim Statement of Comprehensive Income.

The following exchange rates determined by the Central Bank of the Russian Federation have been applied at 30 June 2019 and 31 December 2018 and for the six months ended 30 June 2019 and 30 June 2018 (in RR):

	30 June 2019	31 December 2018	Average rates for the three months ended 30 June		Average rates for the six months ended 30 June	
			2019	2018	2019	2018
Exchange rate of one currency unit to Russian Roubles						
- US Dollar (“USD”)	63.0756	69.4706	64.5584	61.7998	65.3384	59.3536
- Euro (“EUR”)	71.8179	79.4605	72.5210	73.7505	73.8389	71.8223

Going concern

The Group’s management prepared these Consolidated Interim Condensed Financial Statements on a going concern basis. In making this judgement management considered the Group’s financial position, current intentions, profitability of operations and access to financial resources, and analyzed the impact of the situation in the financial markets on the operations of the Group.

Changes in accounting policies, estimates and judgements

The accounting policies, estimates and judgements applied by the Group in these Consolidated Interim Condensed Financial Statements are the same as those applied by the Group in its Consolidated Financial Statements as at and for the year ended 31 December 2018.

NOTE 3. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

The accounting policies applied by the Group in these Consolidated Interim Condensed Financial Statements are the same as those applied by the Group in its Consolidated Financial Statements for the year ended 31 December 2018, except that the Group has adopted those new and amended Standards that are mandatory for financial annual periods beginning on 1 January 2019:

Standards	Effective for annual periods beginning on or after
IFRS 16 <i>Leases</i>	1 January 2019
IFRS 9 (Amended) <i>Financial Instruments</i>	1 January 2019
IAS 19 (Amended) <i>Employee Benefits</i>	1 January 2019
IFRIC 23 (Amended) <i>Uncertainty over income tax treatments</i>	1 January 2019

IFRS 16 Leases. The new standard, issued in 2016, replaces the previous leases standard, IAS 17 *Leases*, and the related interpretations; eliminates the classification of leases as either operating leases or financial leases and establishes a single guide for lessee accounting model.

The Group applied the standard using modified retrospective approach which presumes recognition of cumulative effect of initial application at the date of the initial application i.e. 1 January 2019.

The Group elected to use the following transition practical expedients at the date of initial application: applied the new standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application; applied a flat discount rate to a portfolio of lease agreements with similar characteristics; eliminated initial direct costs from right-of-use asset valuation at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option and lease contracts for which the underlying asset is of low value (less than RR 300 thousand).

The Group reflected in the current period the effect of the application of IFRS 16 *Leases* as of 1 January 2019 as a one-time increase in non-current assets and financial liabilities.

The application of the remaining standards and interpretations did not have a significant impact on the Group's financial position or results of operations.

A number of new standards and amendments to standards were not yet effective on 1 January 2019, and have not been applied in these Consolidated Financial Statements.

Standards	Effective for annual periods beginning on or after
Revised version of Conceptual Framework for Financial Reporting	1 January 2020
IFRS 3 (Amended) <i>Business Combinations</i>	1 January 2020
IAS 1 (Amended) <i>Presentation of Financial Statements</i>	1 January 2020
IAS 8 (Amended) <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2020
IFRS 17 <i>Insurance Contracts</i>	1 January 2021

Currently the Group does not expect these new standards and interpretations to have a material impact on the consolidated financial statements.

Slavneft Group
Notes to the Consolidated Interim Condensed Financial Statements (unaudited)
(in million of Russian Roubles, unless noted otherwise)
NOTE 4. PROPERTY, PLANT AND EQUIPMENT

	Oil and gas properties	Oil refining property	Other	Construction in progress	Total
Cost					
As of 1 January 2019	459,735	99,099	30,814	79,018	668,666
Additions	519	–	–	41,026	41,545
Transfers	26,547	1,582	2,736	(30,865)	–
Change in decommissioning liabilities	(398)	–	–	–	(398)
Disposals	(1,526)	(196)	(334)	(1,415)	(3,471)
As of 30 June 2019	484,877	100,485	33,216	87,764	706,342
Accumulated depreciation, depletion, amortization and impairment					
As of 1 January 2019	(245,190)	(42,729)	(14,549)	(699)	(303,167)
Depreciation, depletion and amortization	(13,066)	(3,315)	(822)	–	(17,203)
Impairment	(1,289)	–	(5)	(137)	(1,431)
Disposal of impairment	226	–	4	62	292
Disposals	1,267	184	147	–	1,598
As of 30 June 2019	(258,052)	(45,860)	(15,225)	(774)	(319,911)
Net book value					
as of 1 January 2019	214,545	56,370	16,265	78,319	365,499
as of 30 June 2019	226,825	54,625	17,991	86,990	386,431
Cost					
As of 1 January 2018	423,666	98,243	26,996	50,725	599,630
Additions	290	–	–	36,950	37,240
Transfers	15,677	584	2,149	(18,410)	–
Change in decommissioning liabilities	(396)	–	–	–	(396)
Disposals	(2,077)	(605)	(556)	(231)	(3,469)
As of 30 June 2018	437,160	98,222	28,589	69,034	633,005
Accumulated depreciation, depletion, amortization and impairment					
As of 1 January 2018	(216,416)	(36,928)	(13,697)	(485)	(267,526)
Depreciation, depletion and amortization	(14,856)	(3,243)	(648)	–	(18,747)
Impairment	(99)	–	(6)	(166)	(271)
Disposal of impairment	23	–	25	2	50
Disposals	1,420	409	227	–	2,056
As of 30 June 2018	(229,928)	(39,762)	(14,099)	(649)	(284,438)
Net book value					
as of 1 January 2018	207,250	61,315	13,299	50,240	332,104
as of 30 June 2018	207,232	58,460	14,490	68,385	348,567

During the six months ended 30 June 2019, borrowing costs of RR 2,410 million were capitalized (during the six months ended 30 June 2018 – RR 1,779 million).

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITY****Right-of-use assets**

The table below presents movements in right-of-use assets:

	Three months ended 30 June 2019	Six months ended 30 June 2019
Right-of-use assets, opening balance	883	–
Recognition of assets	3,034	4,013
Depreciation	(416)	(512)
Right-of-use assets, closing balance	3,501	3,501

Lease liability

The table below presents movements in lease liability:

	Three months ended 30 June 2019	Six months ended 30 June 2019
Lease liability, opening balance	884	–
Recognition of liability	2,855	3,834
Interest	62	80
Payment of lease liability	(463)	(576)
Lease liability, closing balance	3,338	3,338

NOTE 6. OTHER NON-CURRENT ASSETS

	30 June 2019	31 December 2018
Intangible assets	2,442	2,694
Other non-current financial assets	13	13
Other non-current non-financial assets	43	89
Total other non-current assets	2,498	2,796

Intangible assets, including software, trademarks and other, are stated net of accumulated amortization in the amount of RR 141 million and RR 116 million as of 30 June 2019 and 31 December 2018, respectively. For the six months ended 30 June 2019, accumulated amortization accrued in the amount of RR 25 million (for the six months ended 30 June 2018 – RR 9 million).

NOTE 7. INVENTORIES

	30 June 2019	31 December 2018
Crude oil	7,784	4,355
Materials and supplies	3,849	2,793
Petroleum products	723	662
Other	799	614
Allowance for inventory impairment	(23)	(27)
Total inventories	13,132	8,397

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 8. ACCOUNTS RECEIVABLE AND PREPAYMENTS**

	30 June 2019	31 December 2018
Trade receivables	78,950	75,174
Other accounts receivable	1,672	1,652
Allowance for expected credit losses	(150)	(275)
Trade and other receivables, net	80,472	76,551
Advances to suppliers and prepayments	1,480	1,849
VAT recoverable	808	1,069
Tax prepayments and advances issued	2,288	2,918
Total trade and other receivables, net	82,760	79,469

NOTE 9. CASH AND CASH EQUIVALENTS

	30 June 2019	31 December 2018
Cash held in banks – Russian Roubles	34	33
Cash held in banks – foreign currencies	193	272
Deposits – Russian Roubles	10,315	3,037
Deposits – foreign currencies	86	106
Total cash and cash equivalents	10,628	3,448

NOTE 10. NON-CURRENT AND CURRENT DEBT

	30 June 2019	31 December 2018
Non-current loans – Russian Roubles	133,403	128,142
Bonds – Russian Roubles	10,000	–
Less current portion	(26,142)	(1,991)
Total non-current debt	117,261	126,151

Loan agreements contain a number of restrictive financial and other covenants that the Company or its subsidiaries as the borrower are obliged to fulfill. These covenants include maintaining certain financial ratios. As of 30 June 2019 and 31 December 2018, the Group complied with all restrictive financial and other covenants contained in the loan agreements.

In March 2019 the Company placed ten-year bonds (001P-02 series) with the total par value of RR 10,000 million. The bonds bear interest of 8.65% per annum with quarterly coupon payments. The bonds provide for an offer (the right of holders to present bonds for redemption) after four years from the date of placement.

Current debt and current portion of non-current debt

	30 June 2019	31 December 2018
Current loans – Russian Roubles	8	–
Current portion of non-current loans – Russian Roubles	26,142	1,991
Total current debt and current portion of non-current debt	26,150	1,991

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 11. DECOMMISSIONING AND ENVIRONMENTAL LIABILITIES****Decommissioning liabilities**

The table below presents movements in decommissioning provision:

	Three months ended 30 June 2019	Six months ended 30 June 2019	Three months ended 30 June 2018	Six months ended 30 June 2018
Decommissioning provisions, opening balance	19,462	19,212	19,336	19,056
Recognition of liabilities	190	267	177	269
Disposal	(34)	(46)	(14)	(21)
Change in estimates	(199)	(398)	(198)	(396)
Unwinding of discount	392	776	389	782
Decommissioning provisions, closing balance	19,811	19,811	19,690	19,690

Environmental liabilities

The table below presents movements in environmental provision:

	Three months ended 30 June 2019	Six months ended 30 June 2019	Three months ended 30 June 2018	Six months ended 30 June 2018
Environmental provision, opening balance (including current portion)	1,524	1,416	1,182	1,070
Recognition of liabilities	278	539	186	297
Disposal	(286)	(449)	(27)	(37)
Change in estimates	–	–	(11)	(11)
Unwinding of discount	19	29	9	20
Environmental provision, closing balance	1,535	1,535	1,339	1,339
Less current portion	(917)	(917)	(563)	(563)
Environmental provision, closing balance (non-current portion)	618	618	776	776

NOTE 12. TRADE PAYABLES

	30 June 2019	31 December 2018
Payables to suppliers and contractors	14,409	15,452
Payables for purchased non-current assets	13,263	13,950
Total trade payables	27,672	29,402

NOTE 13. TAXES PAYABLE

	30 June 2019	31 December 2018
Mineral extraction tax	13,139	11,540
Value added tax	12,455	10,625
Excise	4,048	3,569
Property tax	936	924
Social payments	726	664
Personal income tax	106	118
Income tax	67	33
Other	12	13
Total taxes payable	31,489	27,486

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 14. OTHER CURRENT LIABILITIES**

	30 June 2019	31 December 2018
Lease liabilities (current portion)	1,715	–
Accrual for bonus payments	1,305	692
Environmental liabilities (current portion)	917	758
Accrual for vacation payments	852	720
Wages and salaries	508	568
Factoring liabilities	422	537
Accrued liabilities	23	37
Other	190	100
Total other current liabilities	5,932	3,412

NOTE 15. INCOME TAX

The Group calculates the income tax expense for the period based on the tax rate that will be applied to the expected total profit for the year. The main components of income tax expense in the Consolidated Interim Statement of Comprehensive Income were as follows:

	Three months ended 30 June 2019	Six months ended 30 June 2019	Three months ended 30 June 2018	Six months ended 30 June 2018
Current income tax expense	546	2,566	2,266	3,542
Deferred tax expense	621	1,453	265	487
Income tax adjustments for previous periods	4	(94)	215	76
Total income tax expense	1,171	3,925	2,746	4,105

NOTE 16. REVENUE

	Three months ended 30 June 2019	Six months ended 30 June 2019	Three months ended 30 June 2018	Six months ended 30 June 2018
Crude oil	69,655	140,571	74,070	131,361
Processing services	6,231	14,252	7,133	13,904
Other sales	1,296	2,280	1,370	2,559
Associated gas	94	197	94	185
Total revenue	77,275	157,300	82,667	148,009

NOTE 17. TAXES OTHER THAN INCOME TAX

	Three months ended 30 June 2019	Six months ended 30 June 2019	Three months ended 30 June 2018	Six months ended 30 June 2018
Mineral extraction tax	42,778	84,040	40,977	72,633
Property tax	954	1,953	1,229	2,275
Social payments	927	1,868	833	1,699
Other	14	44	60	67
Total taxes other than income tax	44,673	87,905	43,099	76,674

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 18. FINANCE INCOME AND EXPENSES**

	Three months ended 30 June 2019	Six months ended 30 June 2019	Three months ended 30 June 2018	Six months ended 30 June 2018
Interest income	251	339	108	225
Other income	–	2	–	2
Total finance income	251	341	108	227
Interest expenses	(1,725)	(3,298)	(1,160)	(2,467)
Unwinding of discount on decommissioning and environmental liabilities	(411)	(805)	(463)	(971)
Fees for factoring services	(444)	(701)	(398)	(802)
Expenses on pension liabilities	(45)	(90)	(48)	(96)
Interest expense on the lease liability	(62)	(80)	–	–
Bank commissions and charges	(16)	(30)	(113)	(130)
Other	–	–	–	(4)
Total finance expenses	(2,703)	(5,004)	(2,182)	(4,470)

NOTE 19. RELATED PARTY TRANSACTIONS

For the purpose of these Consolidated Interim Condensed Financial Statements, parties are generally considered to be related if one party has the ability to control the other party or one party can exercise significant influence over the other party in making financial and operational decisions. Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms as transactions between unrelated parties.

The Group's principal related parties for the six months ended 30 June 2019 were the Primary Shareholders (Note 1) and their group subsidiaries (Rosneft Group and Gazprom Neft Group).

Remuneration of key management personnel of the Group (members of the Board of Directors and the Management Board of SLAVNEFT, OAO SN-MNG, and PJSC Slavneft-YANOS) was as follows:

	Three months ended 30 June 2019	Six months ended 30 June 2019	Three months ended 30 June 2018	Six months ended 30 June 2018
Short-term employee benefits	32	69	41	75
Total	32	69	41	75

Sales (including other sales) to related parties were as follows:

Customer	Description	Three months ended 30 June 2019	Six months ended 30 June 2019	Three months ended 30 June 2018	Six months ended 30 June 2018
Entities of Rosneft Group	Crude oil	34,449	69,793	37,017	65,568
Entities of Gazprom Neft Group	Crude oil	35,194	70,538	37,017	65,568
Entities of Rosneft Group	Processing services	3,115	7,126	3,567	6,952
Entities of Gazprom Neft Group	Processing services	3,115	7,126	3,567	6,952
Other	Other	869	1,416	1,088	1,618
Total		76,742	155,999	82,256	146,658

For the six months ended 30 June 2019, the Group incurred operating expenses with related parties representing purchases in the amount of RR 960 million (for the six months ended 30 June 2018 – RR 231 million).

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 19. RELATED PARTY TRANSACTIONS (CONTINUED)**

Receivables from related parties were as follows:

	30 June 2019	31 December 2018
Entities of Rosneft Group	41,698	37,884
Entities of Gazprom Neft Group	36,772	37,035
Other	–	8
Total	78,470	74,927

Accounts payable to related parties were as follows:

	30 June 2019	31 December 2018
Entities of Gazprom Neft Group	1,664	1,675
Entities of Rosneft Group	756	883
Other	1	–
Total	2,421	2,558

Dividends payable to Shareholders were as follows:

	30 June 2019	31 December 2018
Entities of Gazprom Neft Group	2,5	2
Entities of Rosneft Group	2,5	2
Total	5	4

NOTE 20. SEGMENT INFORMATION

The Group determines its operating segments based on the nature of their operations. The performance of these operating segments is assessed by management on a regular basis. The exploration, production and oil field services segment is engaged in field exploration and the production of crude oil and natural gas, activities involved in field development, the maintenance of infrastructure and the functioning of the first two segments. The refining, distribution and services segment is engaged in processing crude oil and other hydrocarbons into petroleum products, as well as in the purchase, sale and transportation of crude oil and petroleum products and provides other refining related services. Substantially all of the Group's operations and assets are located in the Russian Federation.

Segment performance is evaluated based on revenues and operating income, which are measured on the same basis as in the consolidated financial statements.

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 20. SEGMENT INFORMATION (CONTINUED)**

The performance of the operating segments for the six months ended 30 June 2019 and 30 June 2018 is shown below:

Six months ended 30 June 2019	Exploration, production and oil field services	Refining, distribution and services	Adjustments	Consolidated
Revenue from sales				
External customers	142,988	14,312	–	157,300
Inter-segment	2	–	(2)	–
Total revenue from sales	142,990	14,312	(2)	157,300
Costs and expenses				
Costs and expenses other than depreciation, depletion and amortization and impairment of assets	(107,142)	(7,437)	361	(114,218)
Depreciation, depletion and amortization	(14,331)	(3,409)	–	(17,740)
Impairment of property, plant and equipment and construction in progress	(1,431)	–	–	(1,431)
Total costs and expenses	(122,904)	(10,846)	361	(133,389)
Other operating income	409	416	(359)	466
Operating income	20,495	3,882	–	24,377
Finance income	285	719	(663)	341
Finance expenses	(5,259)	(408)	663	(5,004)
Foreign exchange differences	79	(41)	–	38
Income before income tax	15,600	4,152	–	19,752
Income tax expense	(2,908)	(1,017)	–	(3,925)
Net income	12,692	3,135	–	15,827

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 20. SEGMENT INFORMATION (CONTINUED)**

Six months ended 30 June 2018	Exploration, production and oil field services	Refining, distribution and services	Adjustments	Consolidated
Revenue from sales				
External customers	134,025	13,984	–	148,009
Inter-segment	2	–	(2)	–
Total revenue from sales	134,027	13,984	(2)	148,009
Costs and expenses				
Costs and expenses other than depreciation, depletion and amortization and impairment of assets	(98,086)	(6,564)	248	(104,402)
Depreciation, depletion and amortization	(15,503)	(3,253)	–	(18,756)
Impairment of property, plant and equipment and construction in progress	(154)	(117)	–	(271)
Total costs and expenses	(113,743)	(9,934)	248	(123,429)
Other operating income	534	311	(247)	598
Operating income	20,818	4,361	(1)	25,178
Finance income	145	183	(101)	227
Finance expenses	(4,315)	(250)	95	(4,470)
Foreign exchange differences	(290)	(56)	–	(346)
Income before income tax	16,358	4,238	(7)	20,589
Income tax expense	(3,133)	(972)	–	(4,105)
Net income	13,225	3,266	(7)	16,484

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 20. SEGMENT INFORMATION (CONTINUED)**

The performance of the operating segments for the three months ended 30 June 2019 and 30 June 2018 is shown below:

Three months ended 30 June 2019	Exploration, production and oil field services	Refining, distribution and services	Adjustments	Consolidated
Revenue from sales				
External customers	71,012	6,263	–	77,275
Inter-segment	1	–	(1)	–
Total revenue from sales	71,013	6,263	(1)	77,275
Costs and expenses				
Costs and expenses other than depreciation, depletion and amortization and impairment of assets	(54,382)	(4,118)	189	(58,311)
Depreciation, depletion and amortization	(7,719)	(1,696)	–	(9,415)
Impairment of property, plant and equipment and construction in progress	(1,425)	–	–	(1,425)
Total costs and expenses	(63,526)	(5,814)	189	(69,151)
Other operating income	104	225	(188)	141
Operating income	7,591	674	–	8,265
Finance income	225	400	(374)	251
Finance expenses	(2,857)	(215)	369	(2,703)
Foreign exchange differences	23	(12)	–	11
Income before income tax	4,982	847	(5)	5,824
Income tax expense	(951)	(220)	–	(1,171)
Net income	4,031	627	(5)	4,653

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 20. SEGMENT INFORMATION (CONTINUED)**

Three months ended 30 June 2018	Exploration, production and oil field services	Refining, distribution and services	Adjustments	Consolidated
Revenue from sales				
External customers	75,498	7,169	–	82,667
Inter-segment	1	–	(1)	–
Total revenue from sales	75,499	7,169	(1)	82,667
Costs and expenses				
Costs and expenses other than depreciation, depletion and amortization and impairment of assets	(54,279)	(3,132)	125	(57,286)
Depreciation, depletion and amortization	(7,857)	(1,552)	–	(9,409)
Impairment of property, plant and equipment and construction in progress	(90)	–	–	(90)
Total costs and expenses	(62,226)	(4,684)	125	(66,785)
Other operating income	234	150	(125)	259
Operating income	13,507	2,635	(1)	16,141
Finance income	71	115	(78)	108
Finance expenses	(2,135)	(125)	78	(2,182)
Foreign exchange differences	(319)	(18)	–	(337)
Income before income tax	11,124	2,607	(1)	13,730
Income tax expense	(2,157)	(589)	–	(2,746)
Net income	8,967	2,018	(1)	10,984

NOTE 21. CONTINGENCIES AND COMMITMENTS**Capital expenditure commitments**

The Group has approved contractual capital expenditure commitments for construction and fixed assets acquisition as of 30 June 2019 in the amount of RR 47,891 million (31 December 2018 – RR 43,562 million).

Litigation

The Group has a number of claims and litigation relating to regular business activities and insignificant fiscal claims. The Group's management believes that none of these claims, individually or in aggregate, will have a material adverse impact on the Group.

Taxation contingencies in the Russian Federation

Russian tax and customs legislation is subject to varying interpretations and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activities of the Group may be challenged by the tax authorities.

Currently, the Russian tax authorities are taking a more assertive position in their interpretation of the legislation and assessments and, as a result, it is possible that transactions and activities that have not been challenged in the past may be challenged. It is therefore possible that significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

NOTE 21. CONTINGENCIES AND COMMITMENTS (CONTINUED)

Management believes that it has paid or accrued all taxes that are applicable. Where uncertainty exists, the Group has accrued tax liabilities based on management's best estimate of the probable outflow of resources embodying economic benefits that will be required to settle such liabilities.

Amended Russian transfer pricing legislation took effect from 1 January 2012. The new transfer pricing rules appear to be more technically elaborate and, to a certain extent, better aligned with the international transfer pricing principles developed by the Organization for Economic Cooperation and Development. The new legislation provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), provided that the transaction price is not arm's length. The Group's management has implemented internal procedures to be in compliance with the new transfer pricing legislation. The Group's management believes that its pricing methodology is in compliance with transfer pricing legislation and that applied intra-Group prices are arm's length.

Given that the practice of implementation of the new Russian transfer pricing rules has not yet developed, the impact of any challenge to the Group's transfer prices cannot be reliably estimated; however, it may be significant for the financial conditions and the overall operations of the Group.

Operating environment

Russia continues economic reforms and the development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Russian economy is largely dependent upon these reforms and developments and the effectiveness of the economic, financial and monetary measures taken by the Government.

The sanctions imposed on Russia by some countries have had a negative impact on the Russian economy. Interest rates of borrowings in Russian Roubles remain high. The combination of these factors has led to a decrease in the availability of capital and increase in its value, as well as to an increase in uncertainty about future economic growth, which may adversely affect the financial position, results of operations and business prospects. Management is taking necessary measures to ensure the sustainability of the Group's operations.

In the normal course of business the Group is exposed to the following financial risks: market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Group has introduced a risk management system and developed a number of procedures to measure, assess and monitor risks and select the relevant risk management techniques.

Risk management is carried out by the Management Board on a regular basis. The Company's Management Board and the Management Boards of subsidiaries jointly with the Boards of Directors provide principles for overall risk management, as well as policies covering specific areas, such as foreign currency risk and interest rate risk.

NOTE 22. FINANCIAL RISK MANAGEMENT

Market risk

The Group is exposed to market price movements relating to changes in commodity prices such as crude oil, foreign currency exchange rates, interest rates, stock prices and other indices that could affect the value of the Group's financial assets, liabilities or expected future cash flows. The measures taken by the Group's management to optimize revenues and expenses help to reduce the impact of this risk.

Foreign currency risk

The Company undertakes transactions denominated in foreign currencies and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and euro. Foreign exchange risk arises from assets, liabilities, commercial transactions and financing denominated in foreign currencies.

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 22. FINANCIAL RISK MANAGEMENT (CONTINUED)**

The carrying amounts of the Group's financial instruments by currencies they are denominated are as follows:

	30 June 2019					Total
	RUR	USD	EUR	BYR	Subtotal for foreign currency	
Current assets						
Trade and other receivables	80,471	–	1	–	1	80,472
Cash and cash equivalents	10,349	169	21	89	279	10,628
Other current assets	42	–	–	–	–	42
Non-current liabilities						
Non-current debt	(117,261)	–	–	–	–	(117,261)
Current liabilities						
Current debt	(26,150)	–	–	–	–	(26,150)
Trade accounts payable	(27,101)	(50)	(521)	–	(571)	(27,672)
Total, net	(79,650)	119	(499)	89	(291)	(79,941)

	31 December 2018					Total
	RUR	USD	EUR	BYR	Subtotal for foreign currency	
Current assets						
Trade and other receivables	76,276	–	274	1	275	76,551
Cash and cash equivalents	3,070	226	46	106	378	3,448
Other current assets	61	–	–	–	–	61
Non-current liabilities						
Non-current debt	(126,151)	–	–	–	–	(126,151)
Current liabilities						
Current debt	(1,991)	–	–	–	–	(1,991)
Trade accounts payable	(28,650)	(37)	(699)	(16)	(752)	(29,402)
Total, net	(77,385)	189	(379)	91	(99)	(77,484)

The impact of the 20% appreciation/(depreciation) of the Russian ruble against foreign currencies on the Company's income before income tax would be the following:

	Six months ended 30 June 2019			Six months ended 30 June 2018		
	EUR	USD	BYR	EUR	USD	BYR
Effect on profit before tax	+/-100	+/-24	+/-18	+/-43	+/-627	+/-2

Commodity price risk

The Group's overall commercial trading strategy in crude oil and related products is centrally managed. Changes in commodity prices could negatively or positively affect the Group's results of operations. The Group sells substantially all its crude oil and related products to the Primary Shareholders.

Interest rate risk

Loans and borrowings raised at variable interest rates expose the Company to interest rate risk arising from the possible movement of variable elements of the overall interest rate.

Slavneft Group

Notes to the Consolidated Interim Condensed Financial Statements (unaudited)

(in million of Russian Roubles, unless noted otherwise)

NOTE 22. FINANCIAL RISK MANAGEMENT (CONTINUED)

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

	<u>30 June 2019</u>	<u>31 December 2018</u>
Bank deposits	10,401	3,143
Non-current debt	(73,361)	(51,493)
Fixed rate financial instruments (net)	(62,960)	(48,350)
Non-current debt	(43,900)	(74,658)
Current portion of non-current debt	(26,100)	(1,954)
Variable rate financial instruments	(70,000)	(76,612)

The Group's management analyzes its interest rate exposure, including by performing scenario analysis to measure the impact of an interest rate shift on annual income before income tax.

The table below summarizes the impact of a potential increase or decrease on the Company's profit before tax, as applied to the variable element of interest rates on loans and borrowings. The increase/decrease is based on management estimates of potential interest rate movements.

A 5 percentage points increase in interest rates at the reporting date would have the following effect on profit before tax:

	<u>Six months ended</u> <u>30 June 2019</u>	<u>Six months ended</u> <u>30 June 2018</u>
Effect on profit before tax	(1,904)	(2,067)

The sensitivity analysis is limited to variable rate loans and borrowings and is conducted with all other variables held constant. The analysis is prepared with the assumption that the amount of variable rate liability outstanding at the reporting date was outstanding for the whole year. The interest rate on variable rate loans and borrowings will effectively change throughout the year in response to fluctuations in market interest rates.

The impact measured through the sensitivity analysis does not take into account other potential changes in economic conditions that may accompany the relevant changes in market interest rates.

Credit risk

Credit risk is the risk that a counterparty may default or not meet its obligations to the Group on a timely basis, leading to a financial loss to the Group.

The Group is dependent on a limited number of customers, the top trade debtors of which are entities under the control of the Primary Shareholders. Therefore the probability of repayment of non-discounted debts of buyers and customers as of 30 June 2019 is not considered as a significant risk, as the debtors (Primary Shareholders and other companies) in the past have not violated the terms of the arranged agreements.

The carrying amount of financial assets represents the maximum credit risk exposure.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle its financial liabilities as they fall due. Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding with committed credit facilities and the ability to close out market positions.

As of 30 June 2019 net current liability position of the Group totally was RR 16,483 million (31 December 2018 – RR 29,994 million). Positive cash flow from operations for the six months ended 30 June 2019 was RR 30,145 million (for the six months ended 30 June 2018 – RR 28,227 million). As of 30 June 2019, the Group had an equity to total asset ratio of 50% (31 December 2018 – 51%).

NOTE 22. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's Management ensures flexibility in funding by maintaining availability of credit line facilities. The unused portion of committed credit lines as of 30 June 2019 was RR 18,422 million (31 December 2018 – RR 28,662 million).

The Group's Management expects that the major sources of the Group's liquidity in 2019 will be cash generated from operations and additional financing for investments in order to refinance the existing loans and to optimize finance costs.

NOTE 23. FAIR VALUE FOR FINANCIAL INSTRUMENTS

Fair value measurement

There were no transfers between the levels of the fair value hierarchy during the six months ended 30 June 2019. There are no significant assets or liabilities measured at fair value categorized within Level 1 and Level 3 of the fair value hierarchy. Borrowings are within Level 2 of the fair value hierarchy.

Cash and cash equivalents, short-term bank deposits, accounts receivable and accounts payable

The carrying amounts of these items are a reasonable approximation of their fair value.

Current and non-current debt

Loans under bank arrangements have variable and fixed interest rates that reflect currently available terms and conditions for similar debt.

The fair value differs from its carrying value for current debts and amounts to RR 22,713 million as at 30 June 2019 (31 December 2018 – RR 11,844 million) and for non-current debt amounts to RR 120,016 million as at 30 June 2019 (31 December 2018 – RR 115,297 million).

NOTE 24. DIVIDENDS

The Company has not declared and has not paid dividends during the six months ended 30 June 2019 until the date of issuance of these Consolidated Interim Condensed Financial Statements. The Company has not declared and has not paid dividends during the six months ended 30 June 2018.

Slavneft Group
Notes to the Consolidated Interim Condensed Financial Statements (unaudited)
(in million of Russian Roubles, unless noted otherwise)
NOTE 25. NON-CONTROLLING INTEREST

The table below presents information regarding non-controlling interest (hereinafter – “NCI”) as of 30 June 2019 and as of 31 December 2018, and for the six months ended 30 June 2019 and 30 June 2018.

Subsidiaries	Core activity	30 June 2019		Six months ended 30 June 2019	
		NCI share, %	NCI in net assets	NCI in net profit	NCI in net comprehensive income
OAo SN-MNG	Oil and gas development and production	43.58%	71,502	3,206	3,206
PJSC Slavneft-YANOS	Petroleum refining	60.17%	41,425	1,876	1,876
OAo ONGG	Oil and gas development and production	19.76%	3,666	220	220
OOO MUBR	Exploratory drilling	43.58%	1,294	(4)	(4)
OAo SN-MNGG	Oil and gas development and production	5.28%	75	11	11
OOO MEN	Electrical maintenance	43.58%	177	19	19
OOO Megion Geologiya	Field survey and exploration	11.87%	(1)	5	5
Other	–	–	209	22	22
Total			118,347	5,355	5,355

Subsidiaries	Core activity	31 December 2018		Six months ended 30 June 2018	
		NCI share, %	NCI in net assets	NCI in net profit	NCI in net comprehensive income
OAo SN-MNG	Oil and gas development and production	43.58%	68,296	3,613	3,613
PJSC Slavneft-YANOS	Petroleum refining	60.17%	39,552	1,928	1,928
OAo ONGG	Oil and gas development and production	19.76%	3,446	399	399
OOO MUBR	Exploratory drilling	43.58%	1,298	(17)	(17)
OAo SN-MNGG	Oil and gas development and production	5.28%	64	(3)	(3)
OOO MEN	Electrical maintenance	43.58%	158	–	–
OOO Megion Geologiya	Field survey and exploration	11.87%	(6)	21	21
Other	–	–	187	48	48
Total			112,995	5,989	5,989

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 25. NON-CONTROLLING INTEREST (CONTINUED)**

The following table summarizes information relating to the Group's significant subsidiaries. The carrying amounts of non-controlling interests of all other subsidiaries are not significant individually.

Subsidiaries	30 June 2019				Six months ended 30 June 2019		Total comprehensive income
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit	
OAo SN-MNG	88,582	202,112	(39,320)	(79,859)	94,615	7,965	7,965
PJSC Slavneft-YANOS	18,620	93,874	(13,140)	(30,517)	14,296	3,118	3,118
OAo ONGG	13,586	46,883	(22,945)	(19,229)	24,528	1,033	1,033
Total	120,788	342,869	(75,405)	(129,605)	133,439	12,116	12,116

Subsidiaries	31 December 2018				Six months ended 30 June 2018		Total comprehensive income
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit	
OAo SN-MNG	76,147	200,618	(35,465)	(77,751)	87,652	8,776	8,776
PJSC Slavneft-YANOS	17,334	84,720	(10,148)	(26,184)	13,942	3,205	3,205
OAo ONGG	14,121	45,973	(21,843)	(20,988)	25,914	1,949	1,949
Total	107,602	331,311	(67,456)	(124,923)	127,508	13,930	13,930

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 26. PRINCIPAL SUBSIDIARIES**

The most significant subsidiaries of the Group and the ownership interest are presented below:

Subsidiaries	Core activity	30 June 2019		31 December 2018	
		Ownership	Voting rights	Ownership	Voting rights
OAo SN-MNGG	Oil and gas development and production	94.72%	94.72%	94.72%	94.72%
OAo SN-MNG	Oil and gas development and production	56.42%	56.42%	56.42%	56.42%
OAo ONGG	Oil and gas development and production	80.24%	80.24%	80.24%	80.24%
OOO Slavneft'-Nizhnevartovsk	Oil and gas development and production	100%	100%	100%	100%
OOO Slavneft'-Krasnoyarskneftegaz	Field survey and exploration	100%	100%	100%	100%
PJSC Slavneft-YANOS	Petroleum refining	39.83%	51.46%	39.83%	51.46%

NOTE 27. EVENTS AFTER THE REPORTING PERIOD

There were no significant subsequent events which have or may have an impact on the Group's financial position, cash flows or operating results which took place during the period between the reporting date and the date of signing of the Group's Consolidated Interim Condensed Financial Statements prepared in accordance with IFRS.