

RN Bank

INVESTOR PRESENTATION

JUNE 01, 2020

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RN BANK AT A GLANCE

- JSC "RN Bank" is a Bank of Alliance Renault-Nissan-Mitsubishi * formed in 2013 (hereinafter - the Bank)
- Bank's vision is to be a profitable captive bank of the Alliance in Russia delivering customer-centric solutions driven by innovations
- The Bank finances retail customers for purchase of Alliance brands' vehicles, official dealer network and offer related financial services
- The Bank has executed seven bond placements totaling RUB 40 bln, six of which are within the bonds program framework **. Half of the gross amount raised on the capital market in 2019

* The Bank, established in 1989, became a part of the Renault-Nissan Alliance in 2013 after the purchase of 60% of shares from UniCredit financial Group (The Renault-Nissan Alliance was founded on March 27, 1999, Mitsubishi motors joined it in 2016 forming the Renault-Nissan-Mitsubishi Alliance)

** Total nominal value of all issues under the bond program – up to 100 billion rubles

*** Hereinafter, financial figures are presented in accordance with the audited financial statements for the year ended 31 December 2019 prepared in accordance with IFRS, unless otherwise stated

**** According to the accounting (financial) statements for the year ended 31 December 2019 prepared in accordance with the RAP (Russian accounting principles)

Key metrics ***:

107,3 RUB bln

TOTAL ASSETS

1/3 SHARE OF ALLIANCE NEW
CAR SALES WITH BANK'S LOAN

4,0 RUB bln

PROFIT BEFORE INCOME TAX

15,4%

CAPITAL ADEQUACY (N 1.0) ****

BB+

STABLE

S&P Global
Ratings

AAA(RU)

STABLE

AKPA

MAIN STRENGTHS



Shareholders' support

- **High level of shareholders' support** for the Bank, including access to stable funding sources

4 Brands

- Russia is **one of the key markets for the Alliance ***, represented by various car brands from economy to premium class **. High sales growth potential due to low vehicles per capita ratio and strong economy car segment of the Alliance brands

Effective business model

- An operating model is built in line with the **best practices** for captive banks: strong brand relations, excellent marketing proposals
- **Conservative risk management approach**
- **Optimized cost structure**

Sustainable financial results

- **Profitability:** profit before income tax amounted to 4.0 billion rubles
- **Low NPL ***** level: 1.1% of the total loan portfolio
- **High security level:** provisions for possible losses exceed the amount of NPL more than 3 times
- **Diversification of sources of income:** additional fee and commission income from financial services

* Russia is the 2nd market worldwide in terms of number of cars sold for the Groupe Renault, behind the home market - France

** Alliance brands in Russia: Renault, Nissan, Infiniti, Lada and Mitsubishi, the latter of which is currently not financed by the Bank

*** Non-performing loans (NPL) – impaired loans

SHAREHOLDERS



RENAULT NISSAN MITSUBISHI

30%



- Finance Alliance brands in the 36 countries:
Renault, Dacia, RSM, Alpine
Nissan, Infiniti, Datsun
Mitsubishi
- Sales and marketing experience, strong brand relationship
- Solid experience of captive banks development

30%



- The sixth largest car manufacturer in Japan
- Cars production plant in St. Petersburg
- Good market positioning in Russia with an accent on medium and premium segments

40%



- Successful Pan European Commercial Bank
- 13 core markets & 31 countries presence in total
- Developed banking business in Russia (JSC UniCredit Bank ranks 9th by assets and 9th by equity **)
- Local funding in rubles from JSC UniCredit Bank

* UniCredit international banking Group participates in The Bank's capital through JSC UniCredit Bank. For the purpose of local legislation the Bank is treated as a group member having a status of associated company

** According to the results of the Interfax-100 Ranking for Q1 2020

KEY PERFORMANCE INDICATORS



*

58,1 EUR bln
TOTAL ASSETS

16,9 %
CAPITAL ADEQUACY

1,3 EUR bln
PROFIT BEFORE TAXES



**

4,9 mln vehicles
SALES

83,0 EUR bln
NET REVENUE

0,4 EUR bln
PROFIT BEFORE TAXES



856 EUR bln
TOTAL ASSETS

13,2 %
CAPITAL ADEQUACY

3,1 EUR bln
PROFIT BEFORE TAXES

* Financial statements of RCI Banque for the full year 2019 (<https://www.rcibs.com/en/finance>)

** Nissan Motor Co Ltd financial statements for the fiscal year 2019-2020 (<https://www.nissan-global.com/EN/IR/FINANCIAL/>)
Indicators converted from JPY to EUR

*** Financial statements of UniCredit S.p.A. for the full year 2019 (<https://www.unicreditgroup.eu/en/investors/financial-reports.html>)

RATINGS *

	<u>STANDARD</u> & <u>POOR'S</u>	MOODY'S	FitchRatings	AKPA
	BBB NEGATIVE	Baa1 NEGATIVE	—	—
	BBB NEGATIVE	Baa3 NEGATIVE	—	—
	BBB / BBB- NEGATIVE	Baa1 / — STABLE / —	BBB- STABLE	— / AAA(RU) — / STABLE
	BB+ STABLE ^{***}	—	—	AAA (RU) STABLE ^{****}

* Data as of 01.06.2020

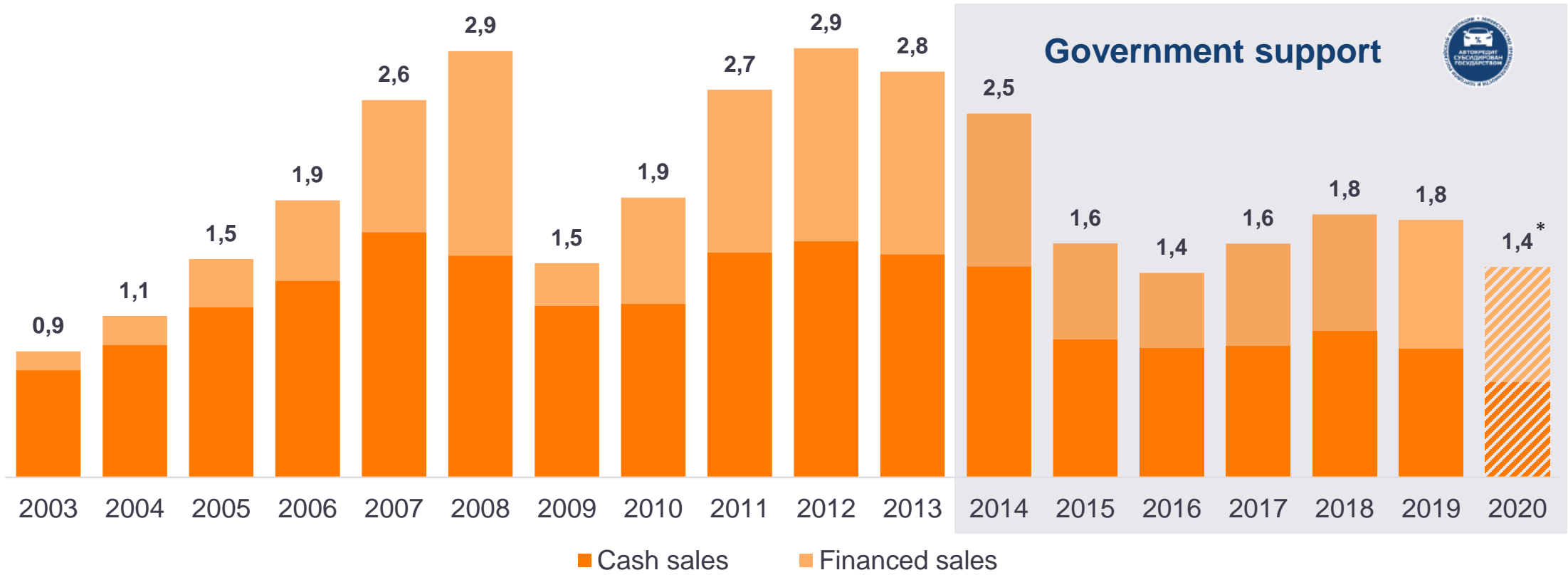
** UniCredit S.p.A. / AO UniCredit Bank ratings

*** Confirmed 22.04.2020

**** Confirmed 21.02.2020

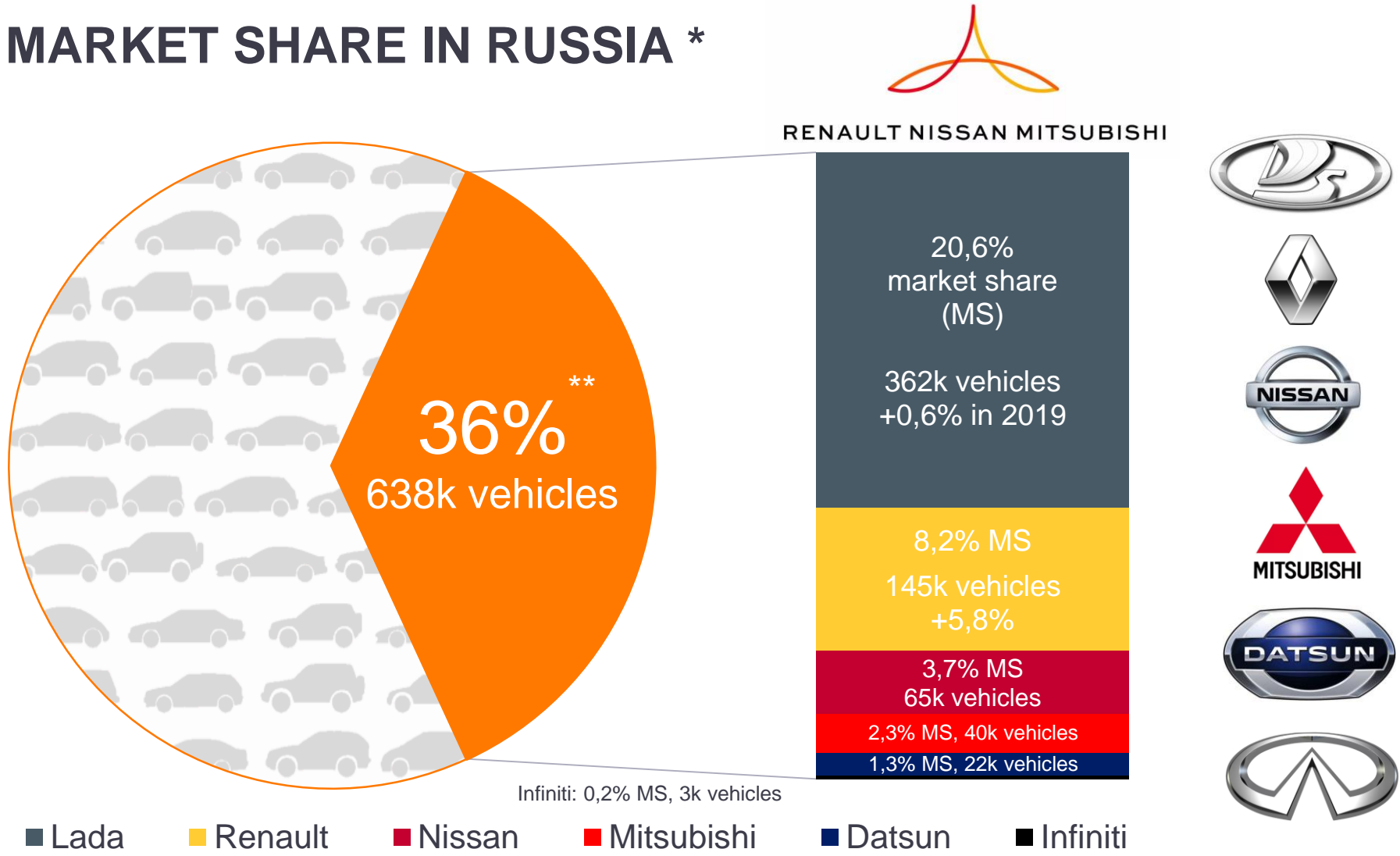
TOTAL AUTOMOTIVE INDUSTRY SALES VOLUMES

Total new car sales in Russia
(mln vehicles)



* Current visibility

ALLIANCE MARKET SHARE IN RUSSIA *

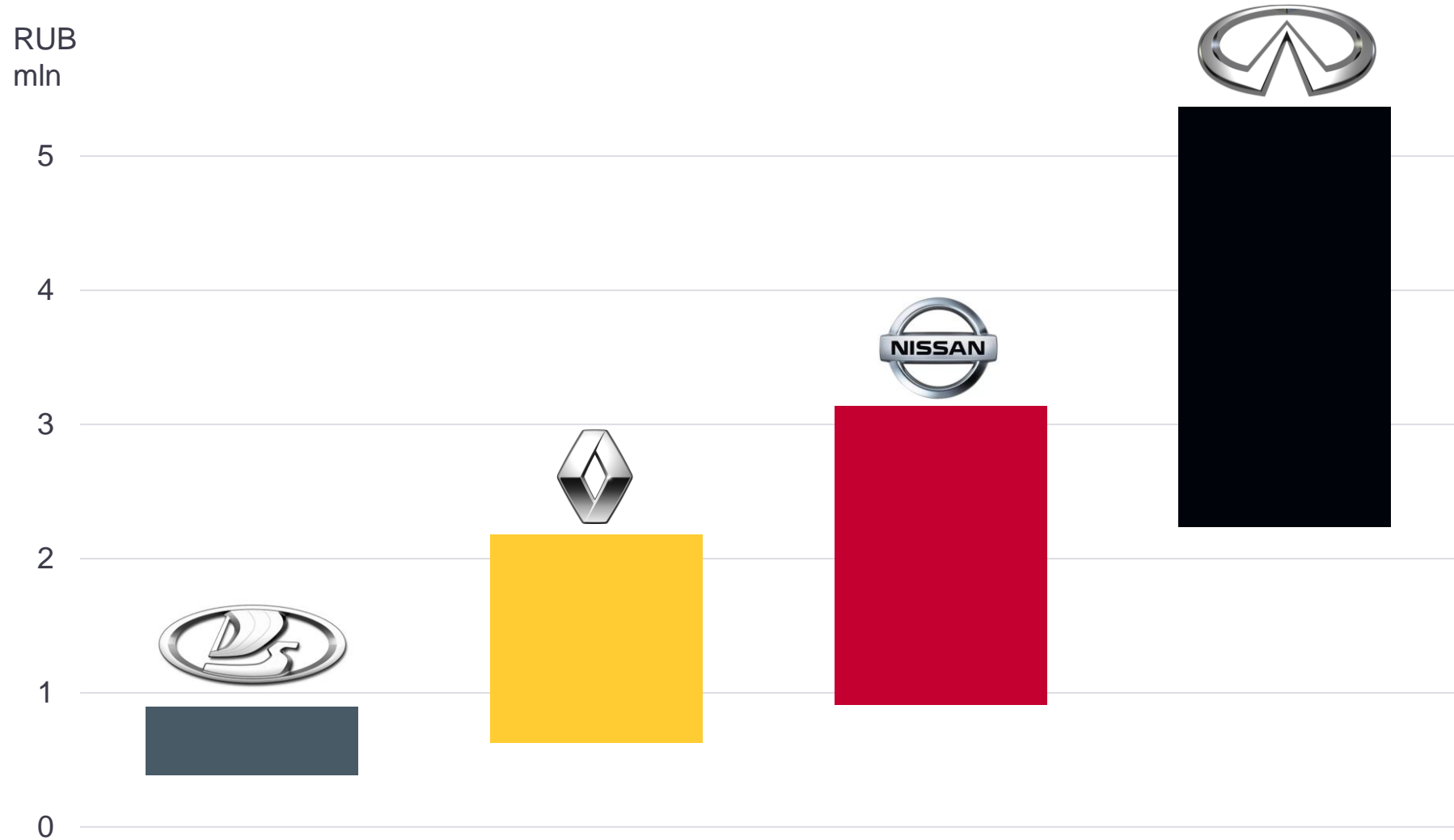


* Under the Alliance's automotive brands Renault, Nissan, Infiniti & Lada are meant further in the presentation. Datsun sales stops by the end of 2020 as a part of optimization process (its share within retail and dealer financing portfolios of the Bank will be substituted by other brands of Alliance)

** Car sales statistics in Russia for 2019, AEB (Association of European business)

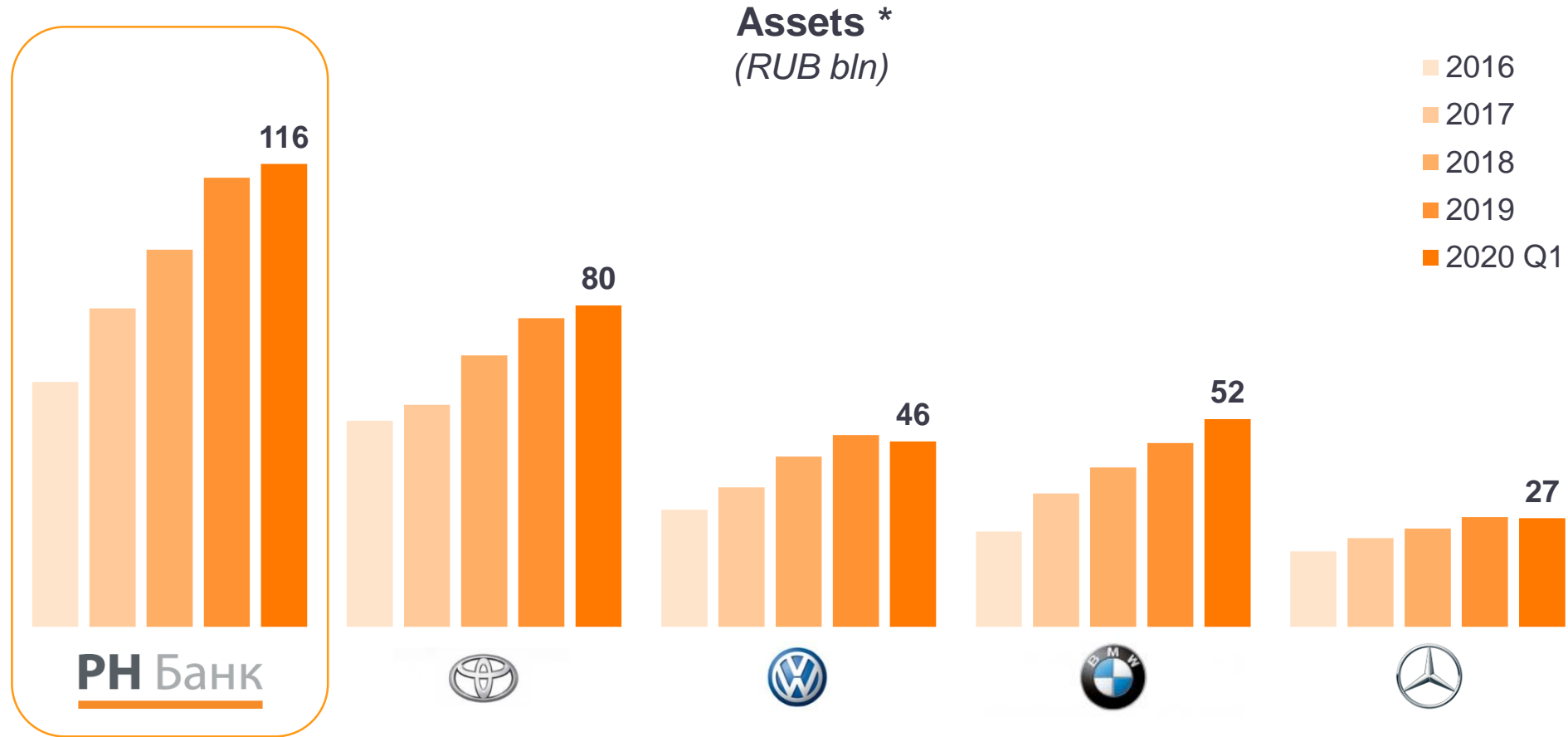
PRODUCT PRICING COVERAGE *

CAR PRICE SEGMENT



* Data as of 01.06.2020

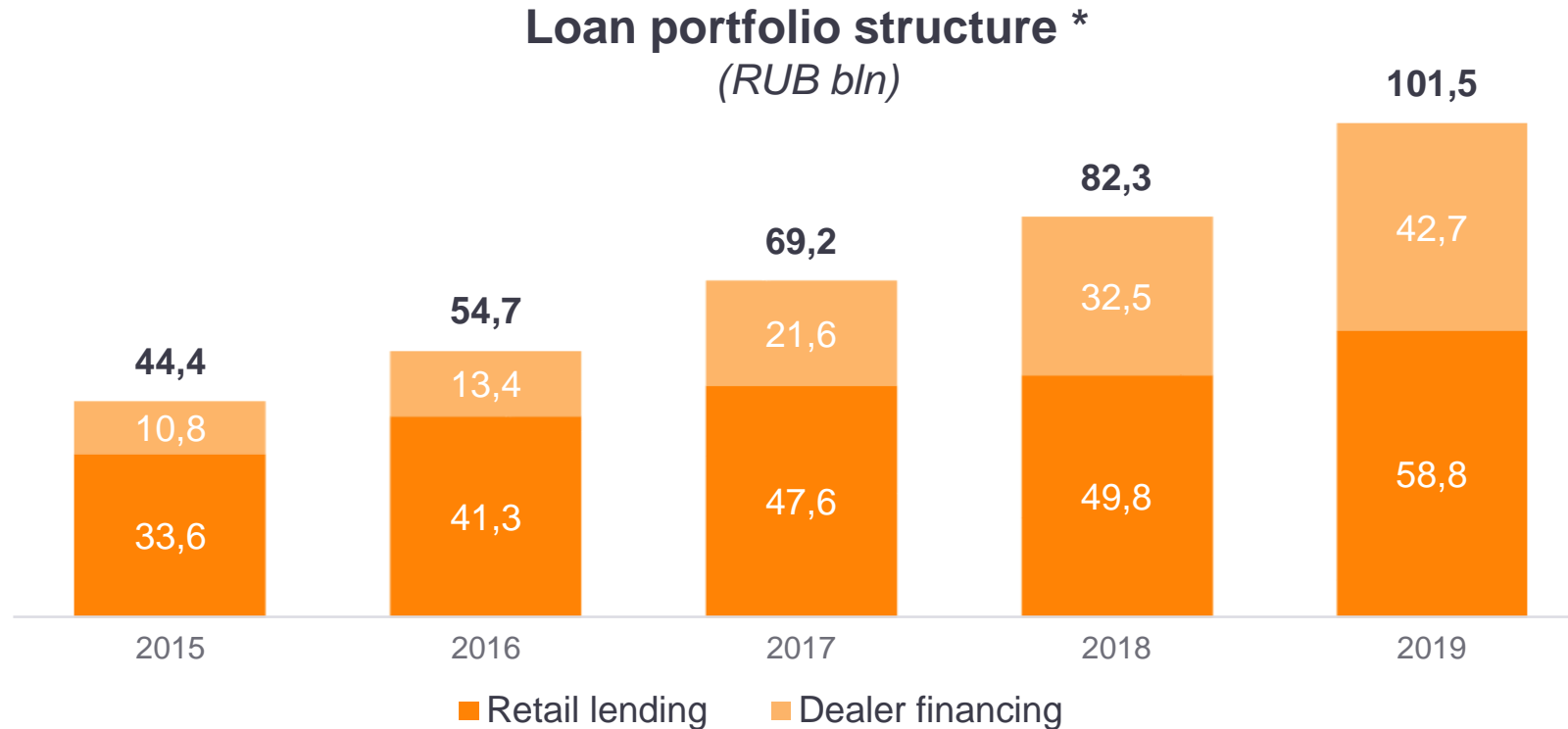
#1 AUTOMOTIVE CAPTIVE BANK IN RUSSIA



RN Bank ranks **55th** in terms of assets and **42nd** in terms of profit as of Q1 2020

* The calculation of indicators was performed in accordance with the original methodology of Interfax-Center for Economic Analysis for the quarterly published Ranking "Interfax-100"

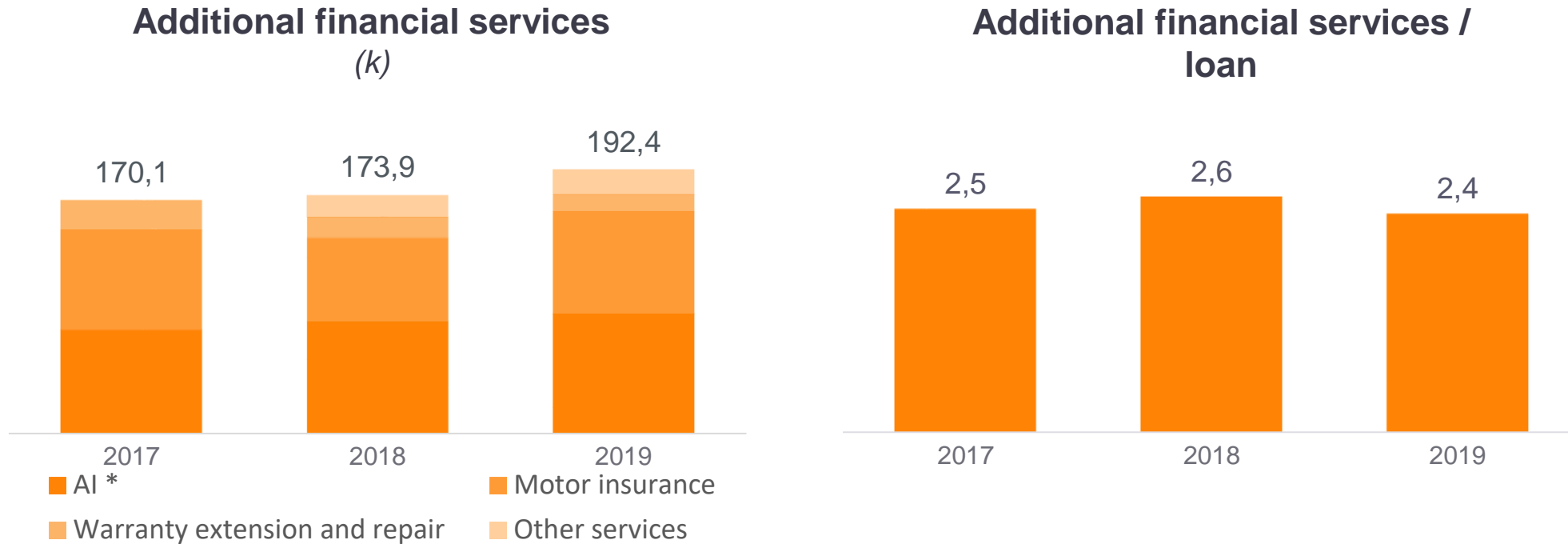
BUSINESS LINES: RETAIL LOANS AND DEALER FINANCING



Highly diversified loan portfolio:
 over 130K retail loans – loans for new / used cars & financial services
 dealer financing – vehicle based financing of dealers' stock and spare parts

* Loans portfolio before provisions

FINANCIAL SERVICES



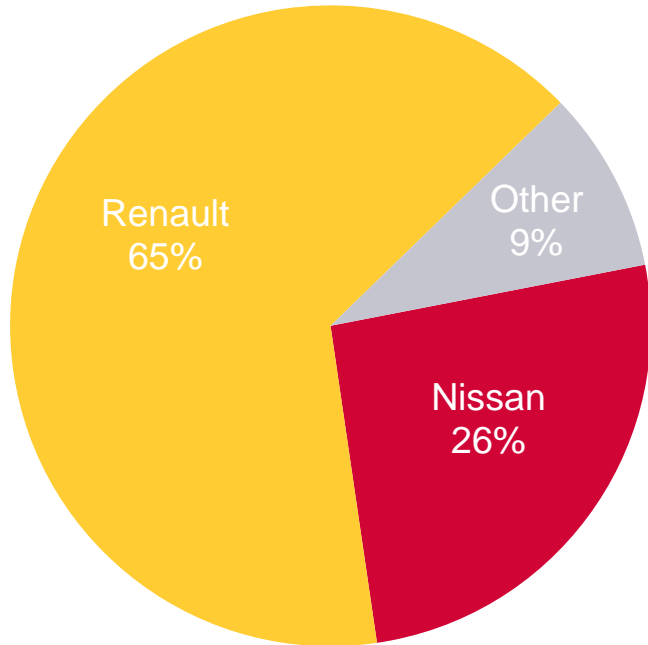
The Bank strategy aims to proceed developing the business line of supplementary financial services. Being one of the key areas, it allows:

- to diversify the income structure
- increase customer loyalty to Alliance brands and dealer network sales (including spare parts, etc.)

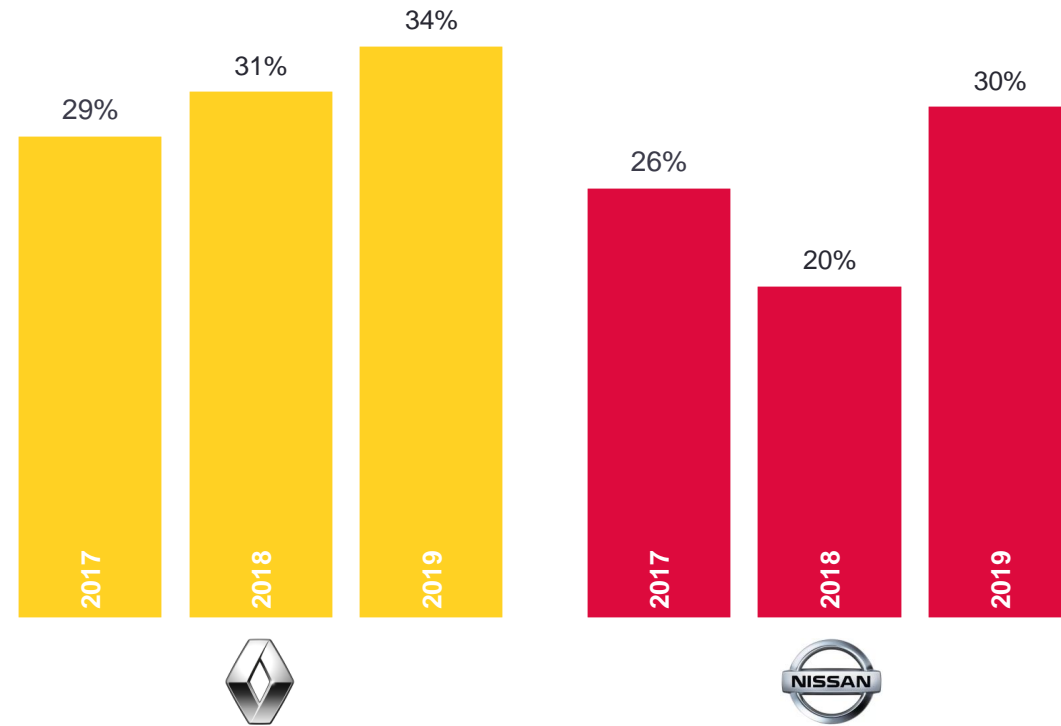
* AI – extended accident and sickness insurance, also covering the risks of disability and involuntary loss of employment

RETAIL FINANCING

Portfolio (# of active loans)



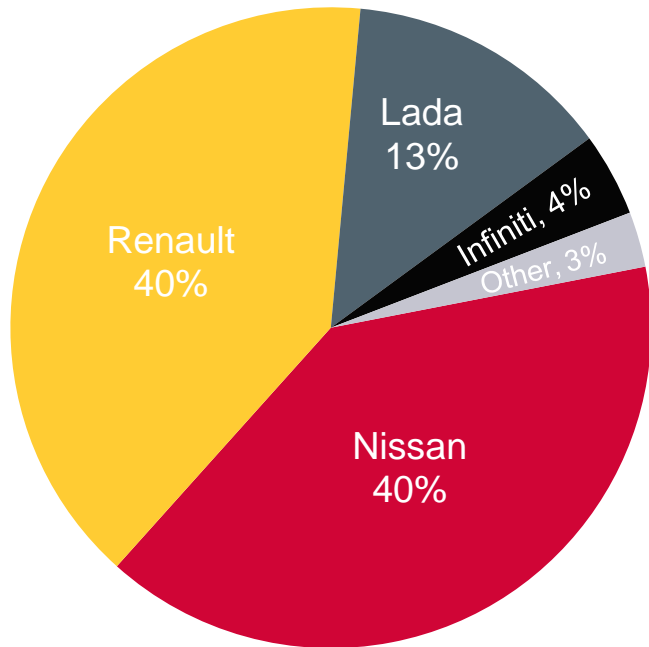
Penetration by brand



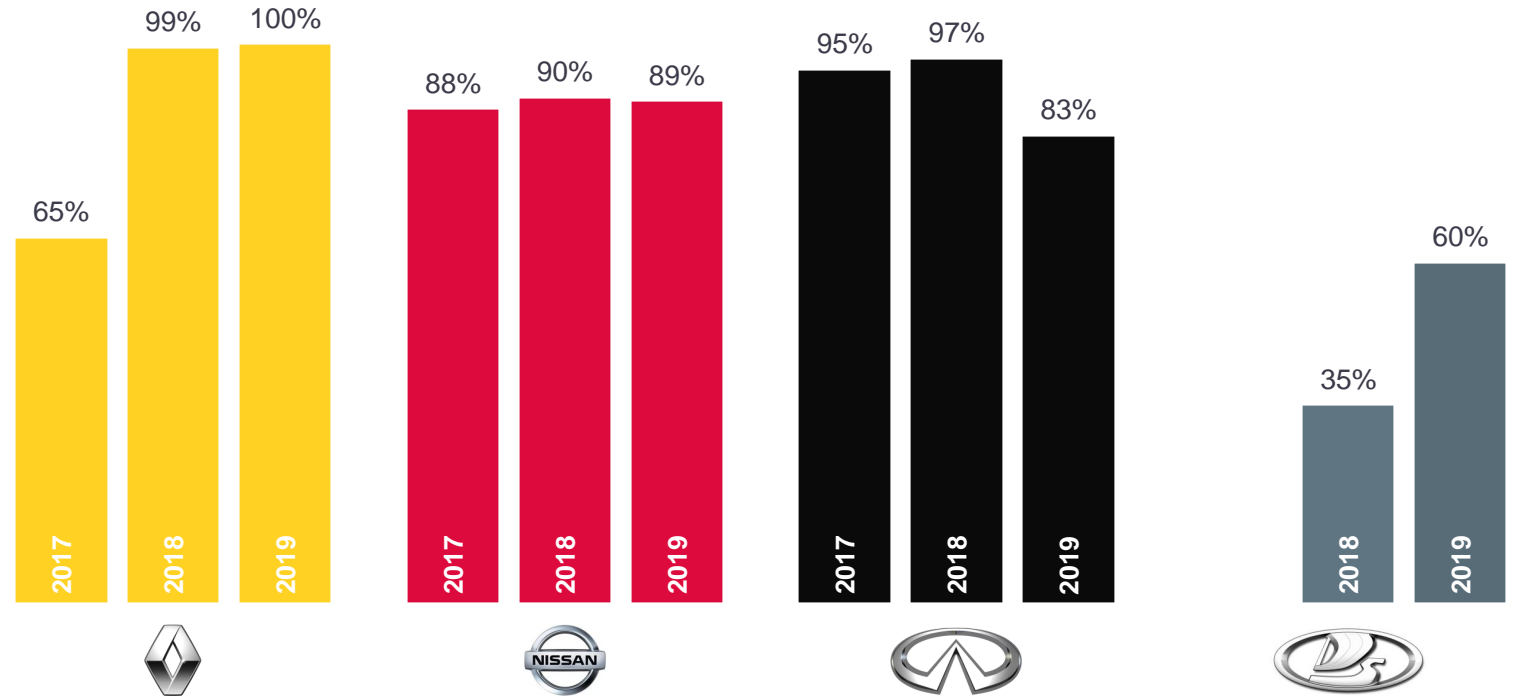
- 79,1 thousand cars (+19,2% for 12M YoY) were financed by the Bank in 2019 (including used cars financing having approximate share of 6%)
- LADA pilot retail financing was launched in Q3 2019

DEALER FINANCING

Corporate portfolio split by brands

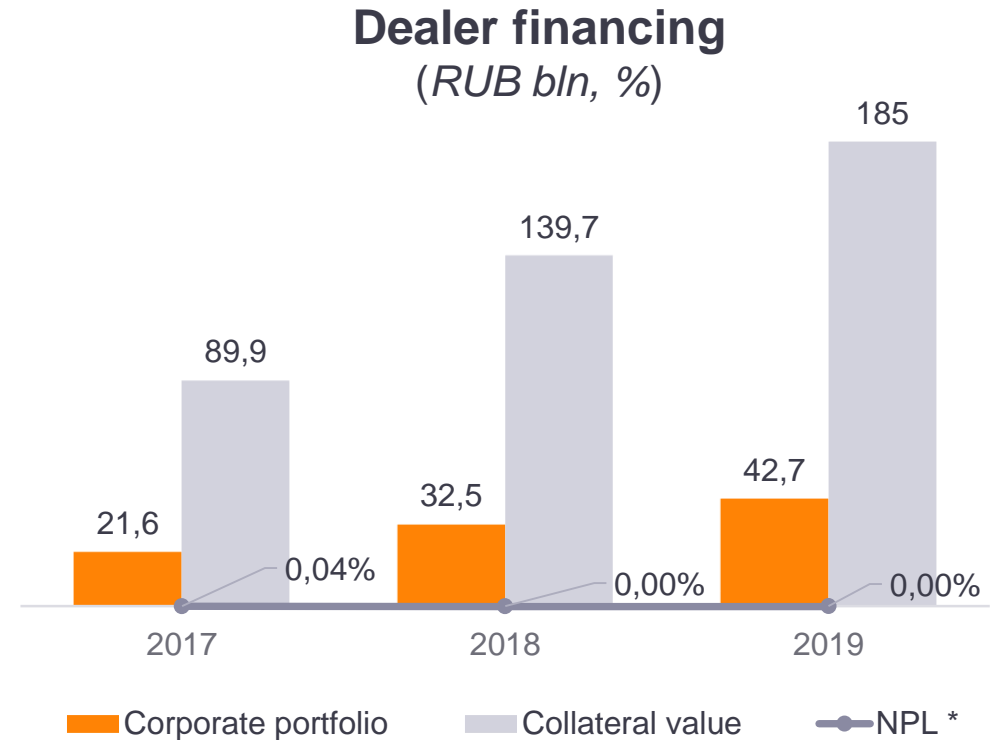
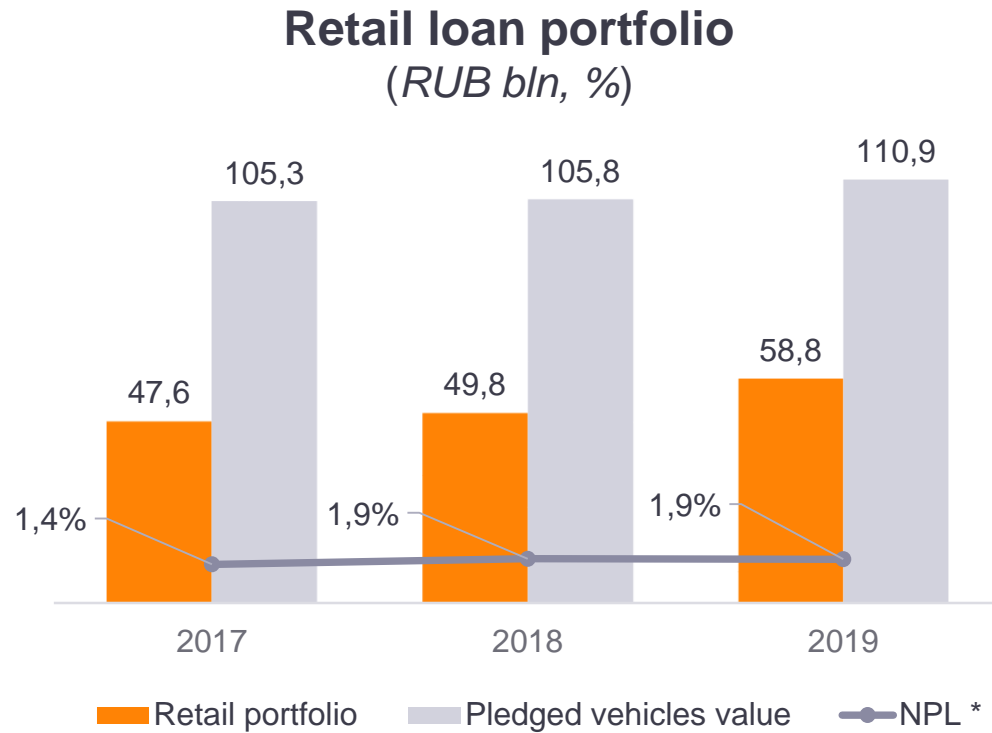


Share of financing in Alliance brands' sales



- Bank's dealer financing business is executed via the factoring scheme
- The Bank finances dealers for purchase of vehicles (95%) and spare parts (5%)
- The average term of financing is 24-37 days

LOAN PORTFOLIO QUALITY

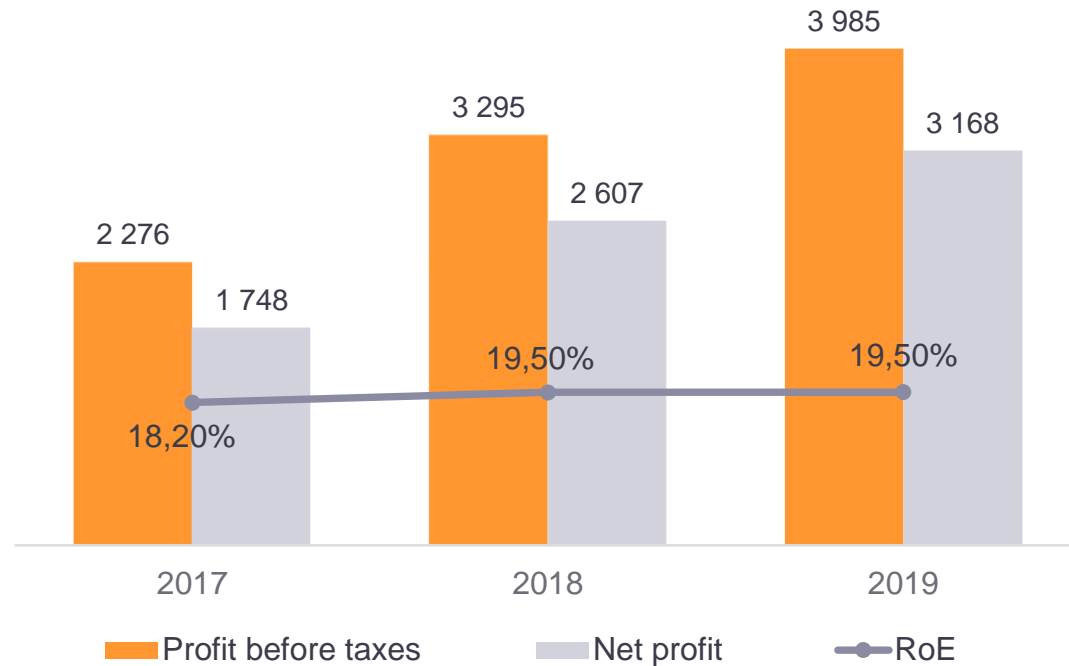


- The retail portfolio is more than twice secured by pledged cars
- The dealer finance portfolio is secured by cars' collateral, bank guarantees, sureties and security deposits

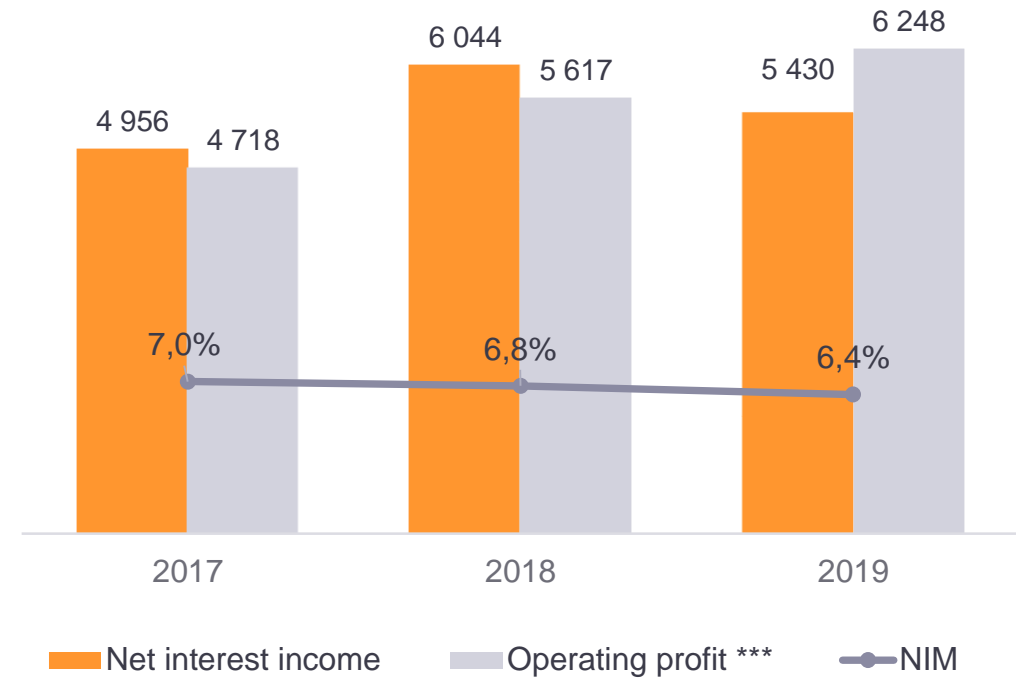
* Non-performing loans (NPL) – impaired loans

PROFITABILITY DYNAMICS

Profit and RoE *
(RUB mln, %)



Profit structure and NIM **
(RUB mln, %)



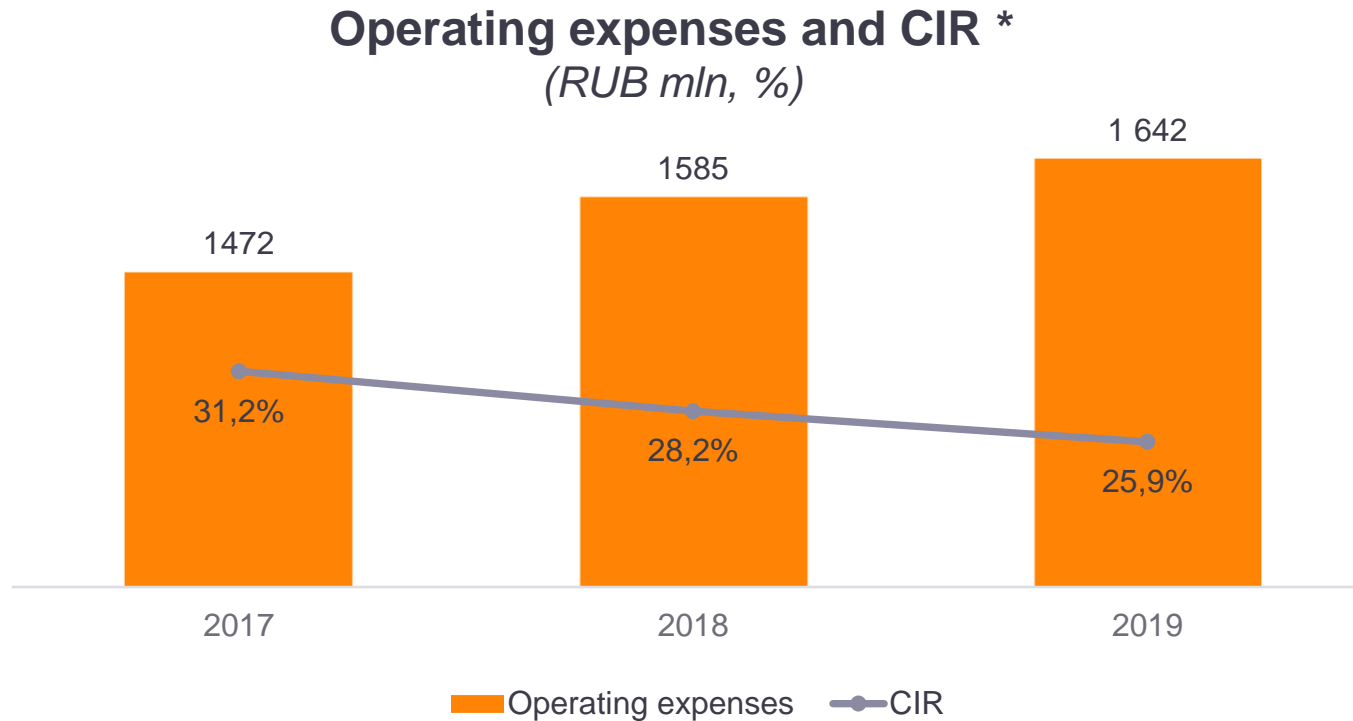
- The Bank demonstrates stable profit growth

* Return on Equity (ROE) – return on equity ratio

** Net interest margin (NIM) – net interest margin, the ratio of interest income to the average value of interest-bearing assets

*** Operating profit – net operating profit before reserves and operating expenses

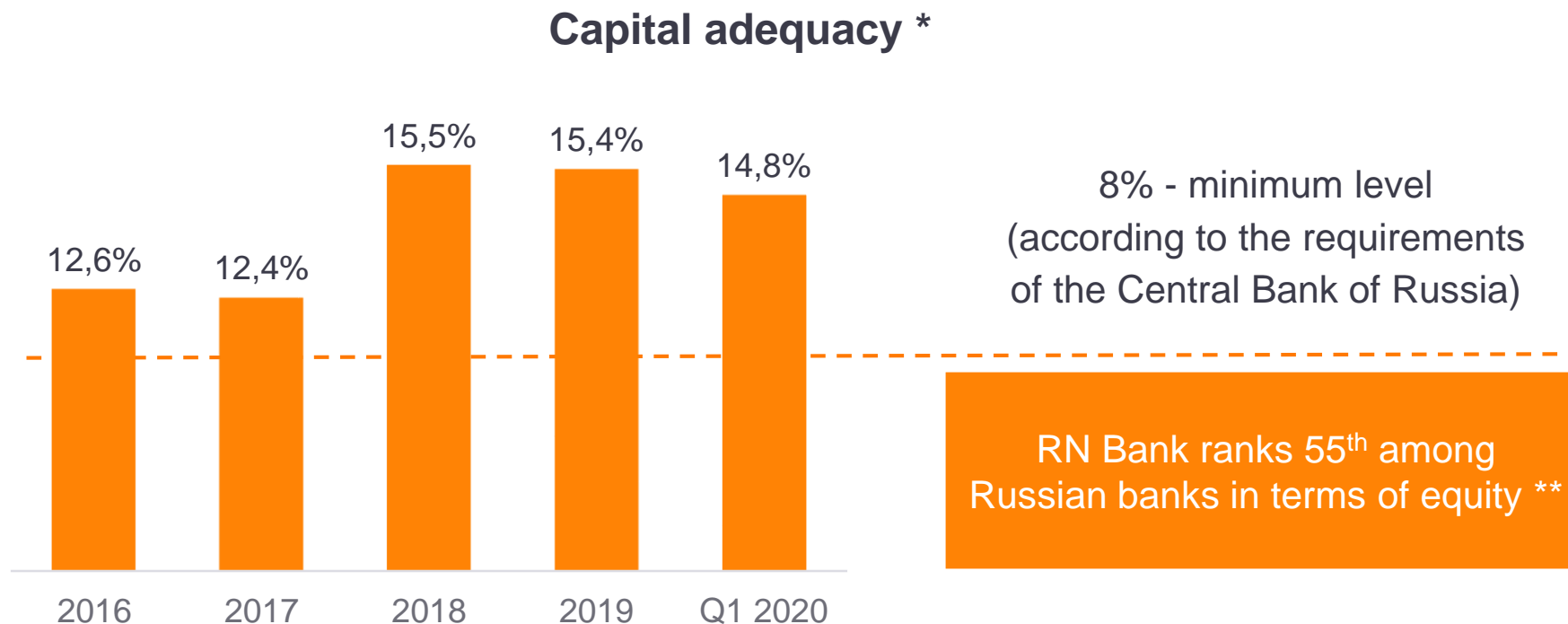
OPERATING EXPENSES



- The operational efficiency of the Bank increases steadily
- The average staff headcount for 12 months of 2019 is 208 employees (6,7% increase 12M YoY)

* Cost to Income Ratio (CIR) – the ratio of operating expenses (OPEX) to operating income (PL before taxes + OPEX + provisions) based on IFRS figures.

HIGH CAPITAL ADEQUACY RATIO



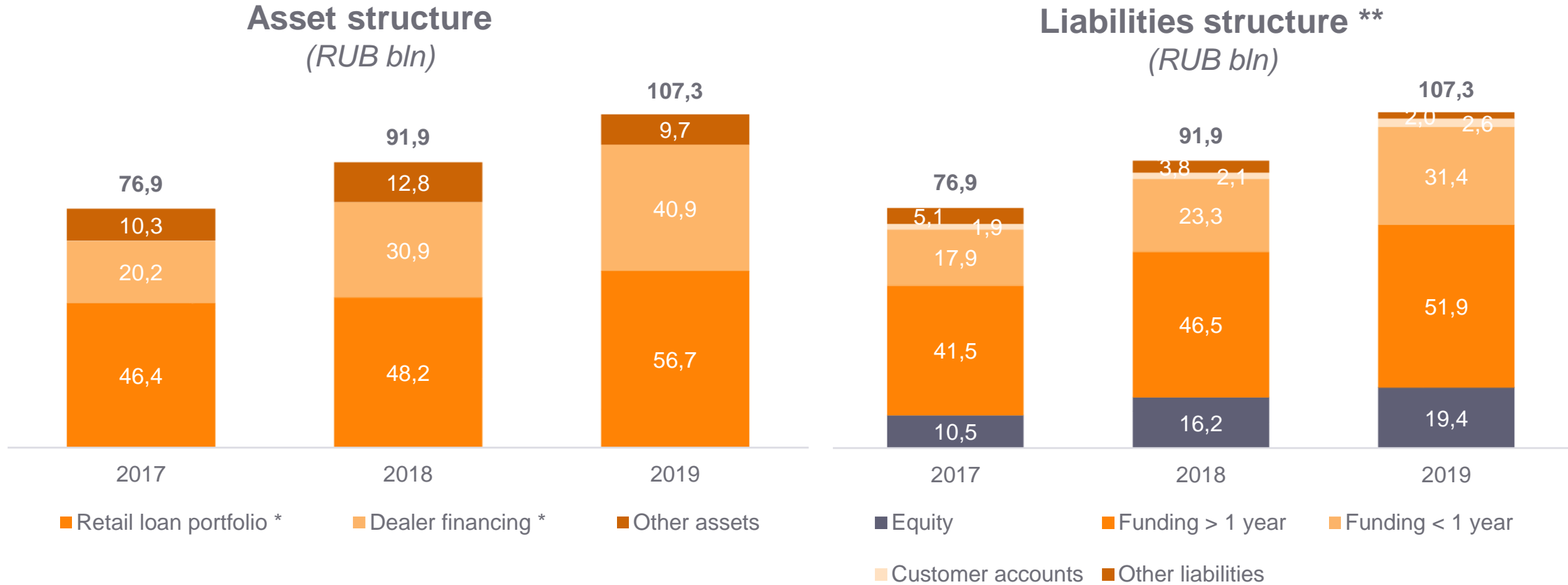
- The Bank's equity was increased by shareholders by RUB 3 billion in Q2 2018 to support further business development. The distribution of the additional issue of ordinary shares was done via closed subscription basis ***
- The capital adequacy ratio exceeds the minimum level set by the Central Bank of Russia significantly

* Capital adequacy ratio N1.0

** According to the results of the Interfax-100 Ranking for Q1 2020

*** The proportion of shareholders presence in the Bank's equity remained unchanged

STRUCTURE OF ASSETS AND LIABILITIES



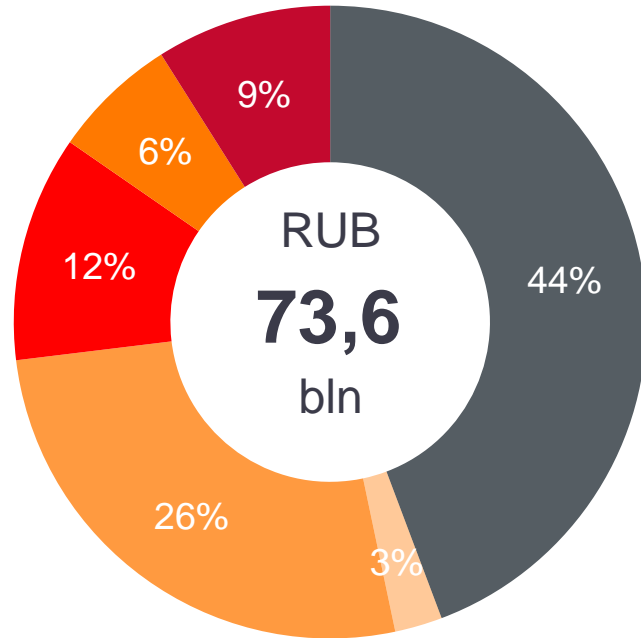
- The share of commercial assets – 91%
- Equity and long-term funding covers 100% of the retail loans' portfolio

* After provisions

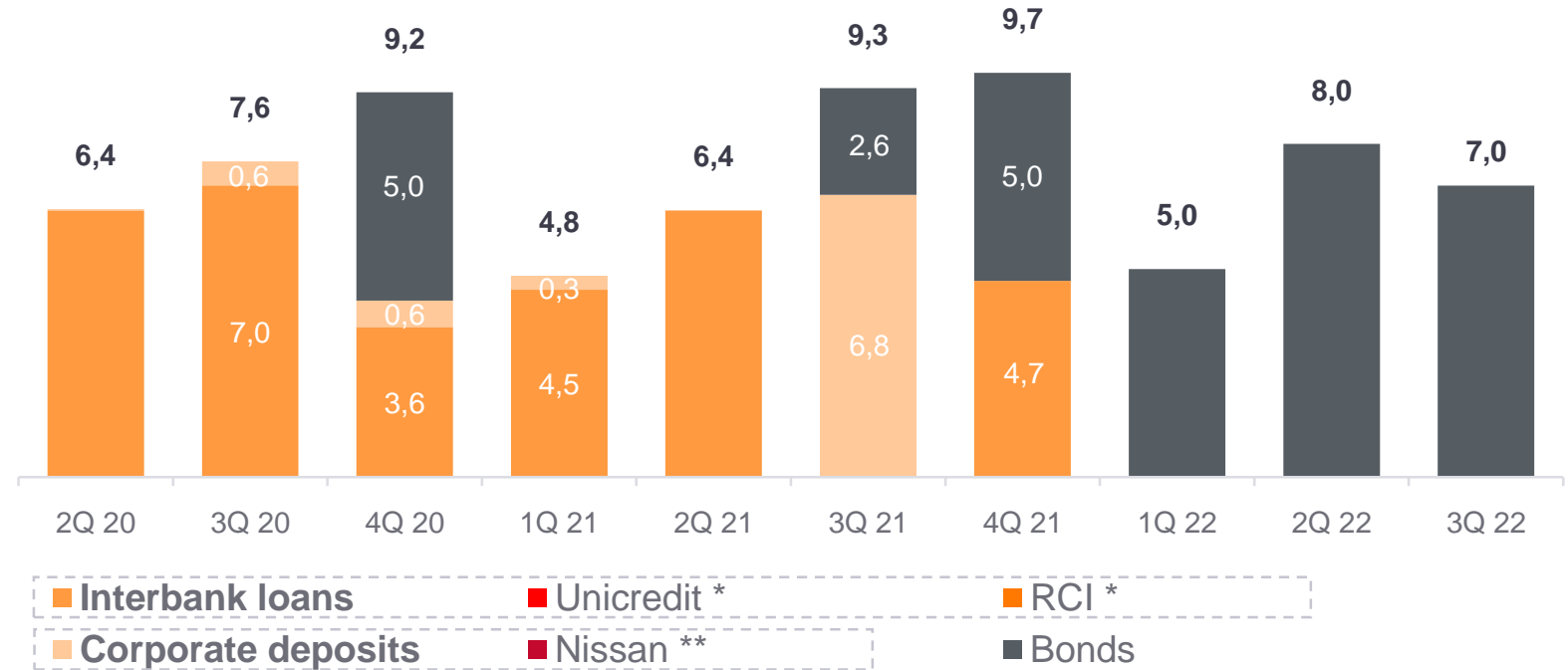
** Data presented in line with the contractual tenor of liabilities as of the date of taking

FUNDING STRUCTURE AS OF JUNE 01, 2020

Funding structure



Financial liabilities repayment schedule
(RUB bln)



- Funding provided by shareholders accounts for 27% in the structure of financial liabilities and is represented by long-term credit lines
- The amount of the Bank's projected cumulative inflow covers its maturing financial liabilities at all time intervals (based on the current balance sheet structure)

* Intercompany bank loans are reflected within Interbank loans in the repayment schedule
 ** Intercompany deposits are reflected within Corporate deposits in the repayment schedule

DEBT CAPITAL MARKET

Bonds issued:

ID	Type	Volume, RUB k	Placement date	Maturity date	Coupon rate	Coupon period
№ 1: RU000A0JWMJ5	Classic	5 000 000	05.07.2016	09.07.2021	6,45% *	183 days
№ 2: RU000A0JXNV6	Stock-exchange	5 000 000	14.04.2017	16.04.2020	9,45%	
№ 3: RU000A0ZYCQ3		5 000 000	12.10.2017	14.10.2020	8,45%	
№ 4: RU000A0ZZUK5		5 000 000	20.11.2018	22.11.2021	9,25%	
№ 5: RU000A1003Q0		5 000 000	14.02.2019	16.02.2022	9,15%	
№ 6: RU000A100A90		8 000 000	23.04.2019	25.04.2022	8,90%	
№ 7: RU000A100UU0		7 000 000	24.09.2019	26.09.2022	7,65%	

- The Bank registered bond program with a maximum total volume of RUB 100 bln in March 2017. In the framework of the program Bank plans to issue bonds on a regular basis
- Six bond issues are traded on MOEX within the 2nd listing level as of the date of the presentation

* In December 2019, the rate for 8-10 coupon periods was determined. In January 2020, an offer was made during which a part of the bond issue was redeemed by the Bank. The nominal value of the debut issue in circulation is 2.6 billion rubles

THANK YOU FOR YOUR ATTENTION

Disclaimer

The presentation has been prepared to provide information about RN Bank; Information has been obtained from sources believed to be reliable. None warrant its completeness or accuracy.

The presentation may contain forward-looking statements, in particular statements regarding Bank's plans, strategies, prospects and expectations regarding its business. Be aware that these statements and any other forward-looking statements in the presentation, only reflect our expectation and are not guarantees of performance near and in the future.

These statements involve risks, uncertainties and assumptions about events or conditions and is intended only to illustrate hypothetical results under those assumptions. Actual events or conditions are unlikely to be consistent with, and may differ materially from, those assumed. In addition not all relevant events or conditions may have been considered in developing such assumptions. Accordingly, actual results will vary and the variations may be material.

The information reflected in the Presentation is based on the indications contained in the Bank's annual / semi-annual financial statements, taking into account possible differences arising due to rounding of the data used.