Quarterly Earnings Report

March 2018

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I. Executive Summary

- **ROAE*:**

  1Q18: 9.9% / 1Q17: 8.2%

- **ROAA**:**

  1Q18: 2.5% / 1Q17: 2.3%

- **Equity:**

  1Q18: MCh$ 267,615 / Δ⁻: 0.7% YTD

- **Gross Margin:**

  1Q18: MCh$ 16,037 / 1Q17: MCh$ 13,162
  Δ⁺: 21.8% YoY

- **Net Profit:**

  1Q18: MCh$ 5,370 / 1Q17: MCh$ 4,226
  Δ⁺: 27.1% YoY

- **Net Portfolio:**

  1Q18: MCh$ 966,572 / Δ⁺: 3.2% YTD

- **NPLs > 90 days:**

  1Q18: 3.9% / 1Q17: 4.8%

* ROAE: Return on average equity
** ROAA: Return on average assets

Profit after taxes in the first quarter of 2018 grew 27.1% YoY, totaling Ch$ 5,370 million, triggered by revenue increase (+37.5% YoY) driving operating margin to upsurge 21.8% YoY.

Total net loan portfolio at period-end March 2018 once again reached a record, totaling Ch$ 966,572 million, up Ch$ 29,756 million (+3.2% YTD) boosted by the performance of the **auto-financing division, which amounted to Ch$ 314,225 million** (↑Ch$ 11,498 million / +3.8% YTD), offsetting the seasonality effect on the **factoring business, which traditionally experiences lower activity in the first quarter of the year, which fell back to Ch$ 282,481 million** (↓Ch$ 21,219 million / -7.0% YTD), producing a slight decrease in the **enterprises division portfolio which closed the period with net loans of Ch$ 593,657 million** (↓Ch$ 1,657 million / +0.3% YTD).

Significant improvements were observed in terms of risk, compared to the previous year, with **NPLs over 90 days declining 90 bps to 3.9%,** while NPLs over 30 days declined 150 pbs and totaled 7.1% during the first quarter of the year. **Non-performing loans over 90 days of the enterprises division decreased 110 bps to 3.5%** (1Q17: 4.6%) driven by improvements in factoring (1Q17: 5.5% vs. 1Q18: 3.0%) and leasing (1Q17: 7.9% vs. 1Q18: 6.9%), which more than compensated the increase in corporate lending (1Q17: 1.8% vs. 1Q18: 2.5%). Meanwhile, **NPLs over 90 days in the auto-financing division registered a slight growth of 20 bps**, from 5.4% in 1Q17 to 5.6% between January and March, 2018, reflecting the highest levels of risk registered in the country.

Liquidity index at period-end March 2018 reached 1.76 times, higher than the levels registered in 1Q17 (1.70x) and 4Q17 (1.71x), while **cash totaled Ch$ 64,298 million** versus Ch$ 84,636 million at the end of the previous year and $ 22,200 in March 2017 and the Company's **leverage closed at 3.43 times** (1Q17: 2.76x and 4Q17: 3.35x).

In January 1, 2018, thus complying with the norm, Tanner Servicios Financieros S.A. implemented the **IFRS 9 accounting standard** into its financial statements, which implicates the usage of **expected loss models for provision calculations** of all the Company's products. Additionally, during March 2018, **144-A international bond (US$ 250 million) was fully paid** and a new **20-year maturity bond was placed in the local market with a spread of 125 basis points**.

II. Consolidated Income Analysis

The following table show the consolidated income of Tanner Servicios Financieros S.A. and Subsidiaries. All figures are stated in Chilean Pesos (Ch$) and reported in accordance with International Financial Reporting Standards (IFRS).

INCOME STATEMENT MCh$	01-01-2018 03-31-2018	01-01-2017 03-31-2017	Δ $	Δ %
Revenue from ordinary activities	44,745	32,543	12,202	37.5%
Sales cost	(28,708)	(19,381)	(9,327)	48.1%
Gross profit	16,037	13,162	2,875	21.8%
Other revenue, by function	60	911	(851)	-93.4%
Administrative expenses	(10,029)	(9,441)	(588)	6.2%
Other profits (losses)	-	0	(0)	-100.0%
Operating margin	6,069	4,633	1,436	31.0%
Financial revenue	(1)	63	(64)	-101.4%
Financial costs	(72)	(44)	(28)	63.1%
Foreign exchange differences	(2)	6	(8)	-144.8%
Income by adjustment units	7	29	(22)	-74.5%
Profit (losses) before taxes	6,001	4,687	1,314	28.0%
Revenue (expense) from profit taxes	(631)	(461)	(170)	36.8%
Profit (losses)	5,370	4,226	1,144	27.1%
Profit (losses) attributable to controller's property owners	5,288	4,088	1,200	29.3%
Profit (losses) attributable to non-controller shares	82	137	(56)	-40.5%

Table 1: Consolidated Income Statement

The Company's **net profit in the first quarter of 2018 increased 27.1% YoY** (↑Ch$ 1,144 million), totaling Ch$ 5,370 million, versus Ch$ 4,226 million in 1Q17. **Gross margin reached Ch$ 16,037 million**, up 21.8% YoY (↑Ch$ 2,875 million).

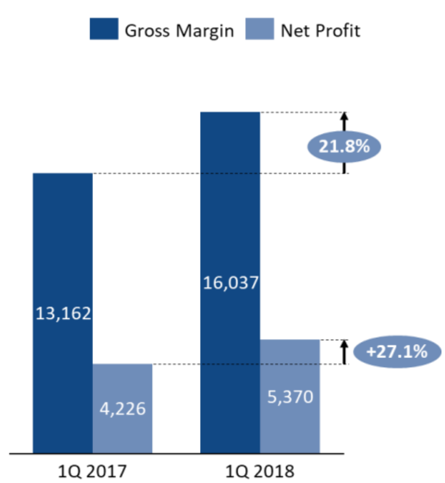

Chart 1: Consolidated Net Profit and Gross Margin (MCh$)

Consolidated revenues reached Ch$ 44,745 million in the period between January and March 2018, up 37.5% YoY (↑Ch$ 12,202 million), in line with increases in: (i) other revenues[1] (↑Ch$ 5,368 million / +65.8% YoY), mainly because of a larger volume that have been intermediated in Tanner Investments and *Tanner Corredora de Seguros*, (ii) interests (↑Ch$ 2,172 million / +10.6% YoY) and (iii) price differences (↑Ch$ 1,749 million / +31.9% YoY).

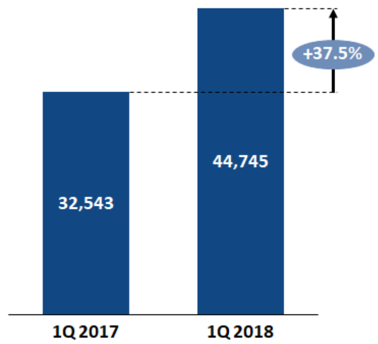

Chart 2: Consolidated Revenues (MCh$)

Consolidated cost of sales at period-end March 2018, reached Ch$ 28,708 million (↑Ch$ 9,327 million / +48.1% YoY), mainly derived from rises in: (i) other costs[2] (↑Ch$ 4,241 million / +128.4% YoY) aligned to an increased volume intermediated in Tanner Investments and *Tanner Corredora de Seguros,* (ii) commissions expenses (↑Ch$ 1,259 million / +34.4% YoY), (iii) constitution of provisions (↑Ch$ 952 million / +14.4% YoY) and (iv) interest expenses (↑Ch$ 942 million / +11.8% YoY), partially offset by lower readjustments over liabilities (↓Ch$ 1,934 million / -90.2% YoY).

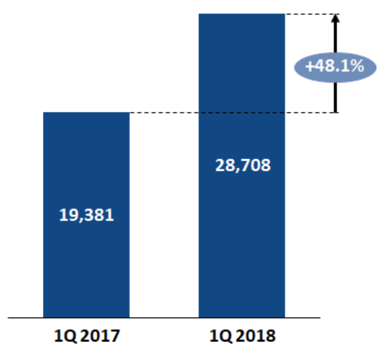

Chart 3: Consolidated Cost of Sales (MCh$)

[1] Other revenues: comprises late commercial payments, recoveries and brokerage fees from Tanner Investments and *Tanner Corredora de Seguros* (Insurance Broker).
[2] Other costs: comprises mainly brokerage costs.

SG&A expenses (including depreciation) showed an increase in 1Q18, reaching Ch$ 10,029 million (+6.2% YoY), mainly as a consequence of stock growth, which resulted in greater variable compensation and marketing expenses. Human labor – which represents 67.8% of administrative expenses – totaled Ch$ 6,796 million, reflecting a slight increase of Ch$ 152 million (+2.3% YoY), while general expenses reached Ch$ 436 million (+15.6% YoY).

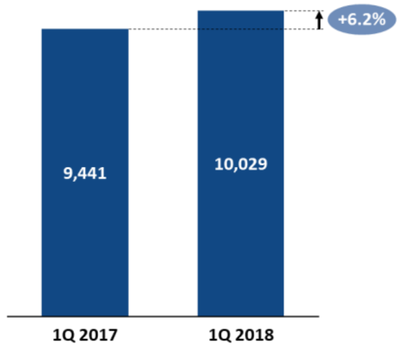

Chart 4: Consolidated SG&A Expenses (MCh$)

III. Main Indicators

	Indicator	Definition	Unit	03-31-2018	12-31-2017	03-31-2017
Liquidity and Solvency	Current Ratio	*Current Assets/Current Liabilities*	*times*	1.76	1.71	1.70
	Current Liabilities to Equity	*Current liabilities/Equity*	*times*	1.56	1.64	1.38
	Immediate Liquidity	*Cash and cash equivalent/Current Liabilities*	*times*	0.15	0.19	0.06
	Stable Funding Ratio	*(Non-current liabilities + Equity)/(Non-current loans + others non-liquid assets)*	*%*	1.70	1.77	1.69
	Debt to Equity	*Total liabilities/Equity*	*times*	3.43	3.35	2.76
	Capitalization	*Equity/Assets*	*times*	0.23	0.23	0.27
	Razón de Endeudamiento Total	*Pasivos/Activos*	*veces*	0.77	0.77	0.73
	Short Term Debt Ratio	*Current liabilities/Total liabilities*	*%*	45.5%	49.1%	50.2%
	Long Term Debt Ratio	*Non-current liabilities/Total liabilities*	*%*	54.5%	50.9%	49.8%
	Short Term Bank Debt	*Current bank liabilities/Current liabilities*	*%*	33.6%	31.6%	17.7%
	Long Term Bank Debt	*Non-current bank liabilities/Non-current liabilities*	*%*	17.5%	16.2%	15.5%
	Working Capital	*Current assets - Current liabilities*	*MCh$*	316,833	315,998	247,983
	Interest Coverage Ratio	*(Profit before taxes + Financial expenditure)/Financial expenditure*	*times*	1.16	1.75	1.53
Profitability	Return on Equity	*Annualized profit/Equity*	*%*	9.9%	9.4%	8.2%
	Return on Assets	*Annualized profit/Assets*	*%*	2.2%	2.2%	2.2%
	Return on Average Equity	*Annualized profit/ Average Equity*	*%*	10.1%	9.7%	8.5%
	Return on Average Assets	*Annualized profit/ Average Assets*	*%*	2.5%	2.3%	2.3%
	Gross Profit Margin	*Gross profit/Revenue from ordinary activities*	*%*	35.8%	41.7%	40.4%
	Operating Profit Margin	*Operating Profit/Revenue from ordinary activities*	*%*	13.6%	18.2%	14.2%
	Net Income Margin	*Net income/Revenue from ordinary activities*	*%*	12.0%	16.6%	13.0%
	Earnings Per Share (EPS)	*Net income/number of shares*	*$*	4,430	20,888	3,486
	Efficiency of Expenditure	*SG&A Expenses/Gross profit*	*%*	62.5%	60.2%	71.7%
Assets Quality	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	*%*	7.1%	6.9%	8.4%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	*%*	3.9%	4.1%	4.8%
		Non-Performing loans >90 days/Equity	*%*	14.7%	14.5%	15.2%
	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	*%*	15.4%	15.6%	19.9%
		Non-Performing loans/Equity	*%*	57.6%	55.7%	63.1%
	Provisions	*Provisions/(Loans + Provisions)*	*%*	3.4%	2.5%	3.2%
		Provisions/Non-performing loans	*%*	22.2%	16.2%	15.9%
		Provisions/Non-performing loans >90 days	*%*	87.0%	62.2%	66.3%
	Write-offs	*Write-offs/(Loans + Provisions)*	*%*	0.6%	2.4%	0.5%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	*%*	3.0%	2.5%	3.3%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	*%*	2.5%	2.3%	3.2%

Table 2: Main Indicators

As of March 31, 2018, in terms of liquidity and leverage, a healthy and robust position is maintained, reflecting the strength of Tanner and its ability to meet its immediate and longer-term commitments. An example of the aforementioned is the payment during the month of March of the international bond 144-A issued in 2013 for US$ 250 million ($ 150,488 million). At a general level, total liabilities increased Ch$ 16,326 million (+1.8% YTD) from December 2017, reaching Ch$ 918,691 million, while assets expanded 1.2% YTD (↑Ch$ 14,460 million), closing the period with Ch$ 1,186,306 million in total. Equity decreased Ch$ 1,866 million (-0.7% YTD), totaling $ 267,615 million, impacted by the adoption of the IFRS 9 accounting standard. This change meant an adjustment in provisions as well as other items that comprise financial statements of January 1, 2018, whose net effect of Ch$ 5,925 million was registered – according to the requirements of International Financial Reporting Standards – against retained earnings in equity.

Efficiency indicators improved significantly when compared to the same previous period, although in relation to the end of December 2017, showed a slightly decrease reflecting the seasonality of the Tanner business, mainly in the Enterprises Division.

Finally, asset quality indicators reflect the improvements in admission, control and collections policies that Tanner has been developing since 2015 to reduce NPLs levels.

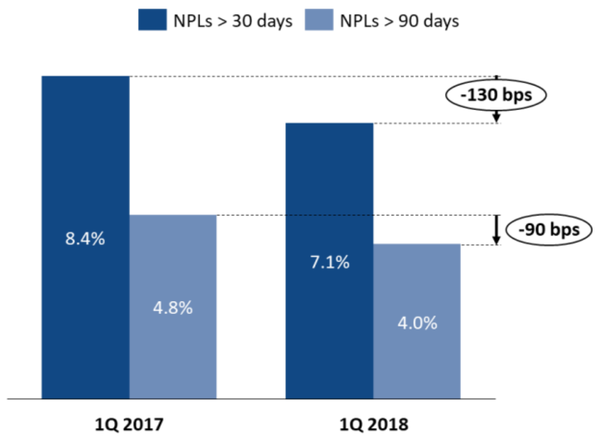

Chart 5: Consolidated NPLs

IV. Business Divisions Results

Tanner is organized in three divisions – Enterprises[3], Auto-Financing and Investments[4], complemented by the subsidiary *Tanner Corredora de Seguros*. For the purpose of this analysis, the results are classified in Enterprises, Auto-Financing and Subsidiaries, which comprises Tanner Investments and *Tanner Corredora de Seguros*. These three divisions represent 48.5%, 30.1% and 16.6% of the consolidated gross margin of the Company for the first quarter of 2018. Additionally, revenues and costs generated by the Treasury area are shown below.

Business Division		01.01.2018 / 03.31.2018 MCh$	01.01.2017 / 03.31.2017 MCh$	Δ $	Δ %
ENTERPRISES DIVISION	REVENUE	16,759	15,192	1,568	10.3%
	COSTS	8,982	8,696	285	3.3%
	GROSS PROFIT	7,778	6,495	1,282	19.7%
i. FACTORING	REVENUE	10,081	8,117	1,964	24.2%
	COSTS	4,447	4,030	417	10.3%
	GROSS PROFIT	5,634	4,087	1,547	37.8%
ii. LEASING	REVENUE	2,726	3,145	-419	-13.3%
	COSTS	2,006	2,573	-567	-22.0%
	GROSS PROFIT	719	572	147	25.7%
iii. CORPORATE LOANS	REVENUE	3,952	3,929	23	0.6%
	COSTS	2,528	2,093	435	20.8%
	GROSS PROFIT	1,425	1,836	-411	-22.4%
AUTO-FINANCING DIVISION	REVENUE	19,239	15,611	3,628	23.2%
	COSTS	14,405	10,948	3,457	31.6%
	GROSS PROFIT	4,835	4,664	171	3.7%
SUBISIDIARIES	REVENUE	8,137	3,204	4,933	153.9%
	COSTS	5,475	1,322	4,153	314.2%
	GROSS PROFIT	2,662	1,882	779	41.4%
TREASURY	REVENUE	610	-1,464	2,074	-141.7%
	COSTS	-153	-1,584	1,431	-90.3%
	GROSS PROFIT	763	121	642	531.7%
Tanner	REVENUE	44,745	32,543	12,202	37.5%
	COSTS	28,708	19,381	9,327	48.1%
	GROSS PROFIT	16,037	13,162	2,875	21.8%

Table 3: Business Divisions Results

[3] Enterprises Division: Includes Factoring, Leasing and Corporate Lending.
[4] Investments Division: Includes *Tanner Corredores de Bolsa, Tanner Investments, Tanner Corredores de Bolsa de Productos S.A.* and *Tanner Asset Management Administradora General de Fondos S.A.*

Gross margin in 1Q18 reached Ch$ 16,037 million (↑Ch$ 2,875 million / +21.8% YoY), in line with an increase in revenues (↑Ch$ 12,202 million / +35.5% YoY) offsetting the growth in costs (↑Ch$ 9,327 million / +48.1% YoY). Gross margin breakdown by division/product, is as follows:

ENTERPRISES DIVISION

Ch$ 7,778 million, rising 19.7% YoY (↓Ch$ 1,282 million), derived from an increase in revenues (↑Ch$ 1,568 million / +10.3% YoY) that offset growth in costs (↑Ch$ 285 million / 3.3% YoY).

i. FACTORING

Ch$ 5,634 million, up 37.8% YoY (↑Ch$ 1,547 million), because revenue increment (Ch$ 1,964 million / +24.4% YoY) compensates the upturn in costs (↑Ch$ 417 million / +10.3% YoY).

ii. LEASING

Ch$ 719 million, increasing 25.7% YoY (↑Ch$ 147 million), in line with lower costs (↓Ch$ 567 million / -22.0% YoY) offsetting decreased revenue (↓Ch$ 419 million / -13.3% YoY).

iii. CORPORATE LENDING

Ch$ 1,425 million, down 22.4% YoY (↓Ch$ 411 million), due to a combined effect of virtually flat revenue (↑Ch$ 23 million / +0.6% YoY) and higher costs (↑Ch$ 435 million / +20.8% YoY).

AUTO-FINANCING DIVISION

Ch$ 4,835 million, growing 3.7% YoY (↑Ch$ 171 million), because revenue growth (↑Ch$ 3,628 million / +23.2% YoY) fully reimburses the upturn in costs (↑Ch$ 3,457 million / +31.6% YoY).

SUBSIDIARIES

Ch$ 2,662 million, rising 41.4% YoY (↑Ch$ 779 million), in line with an expansion in revenues of Ch$ 4,933 million (+153.9% YoY), compensating the growth in costs (↑Ch$ 4,153 million / +341.2% YoY).

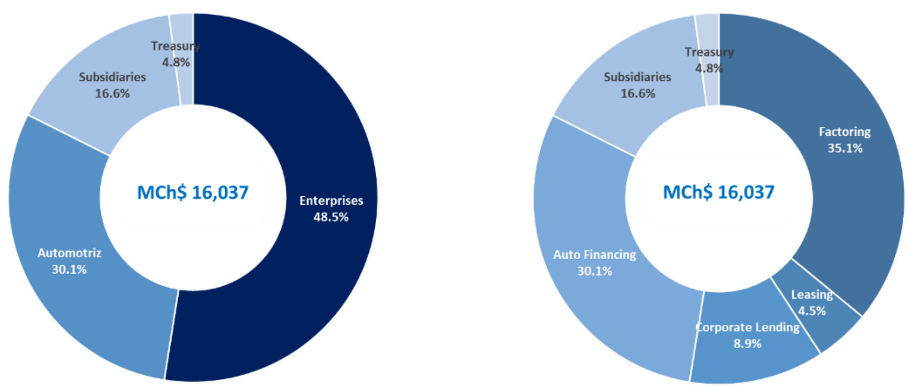

Chart 6: Gross Margin Breakdown by Division

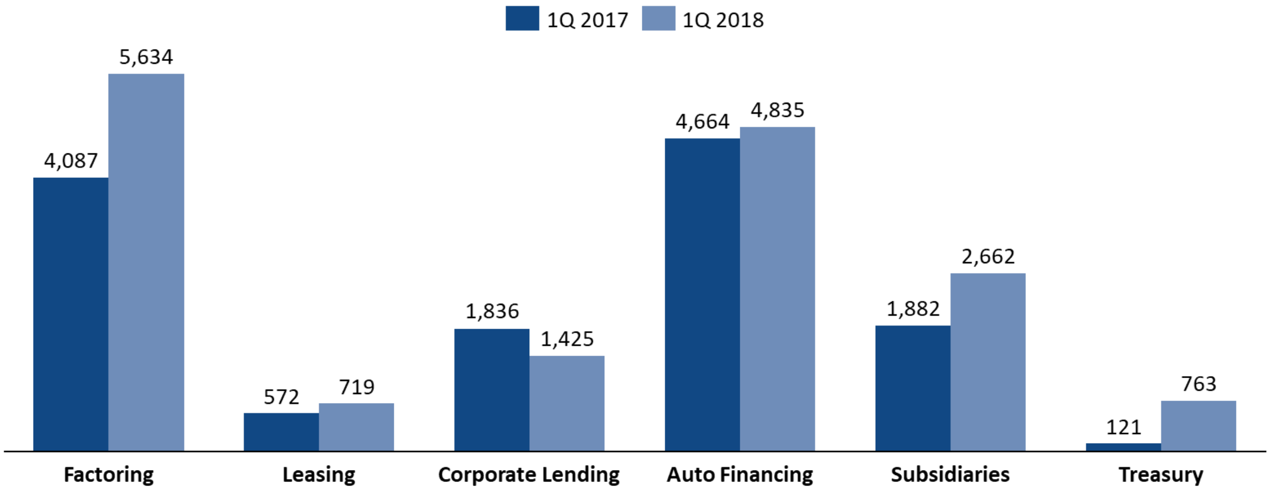

Chart 7: Gross Margin Breakdown by Line of Business

Consolidated revenue totaled Ch$ 44,745 million (↑Ch$ 12,202 million), with a rise of 37.5% YoY, explained by revenue of:

ENTERPRISES DIVISION

Ch$ 16,759 million (↑Ch$ 1,568 million / +10.3% YoY)
Driver**:** Increase in price differences derived from the factoring business, which represents 60.2% of the division's revenues.

i. FACTORING

Ch$ 10,081 million (↑Ch$ 1,964 million / +24.2% YoY)
Driver: Growth in price differences.

ii. LEASING

Ch$ 2,726 million (↓Ch$ 419 million / -13.3% YoY);
Driver: Decrease in interests received as a result of the change of focus in the unit, which seeks to increase its profitability by concentrating on real estate businesses.

iii. CORPORATE LENDING

Ch$ 3,952 million (↑Ch$ 23 million / +0.6% YoY)
Driver: Neutral effect of higher commissions offset by lower interests.

AUTO-FINANCING DIVISION

Ch$ 19,239 million (↑Ch$ 3,628 million / +23.2% YoY)
Driver: Higher volume, concordant with larger sales on new and used cars, according to ANAC[5] and CAVEM[6].

SUBSIDIARIES

Ch$ 8,137 million (↑Ch$ 4,933 million / +153.9% YoY)
Driver**:** Increased volume intermediated.

[5] ANAC: Asociación Nacional Automotriz de Chile A.G.
[6] CAVEM: Cámara Nacional de Comercio Automotriz de Chile

Consolidated costs totaled Ch$ 28,708 million, increasing Ch$ 9,327 million (+48.1% YoY), explained by costs of:

ENTERPRISES DIVISION

Ch$ 8,982 million (↑Ch$ 285 million / +3.3% YoY)
Driver: Slight growth of interest expenses related with funding costs.

i. FACTORING

Ch$ 4,447 million (↑Ch$ 417 million / +10.3% YoY)
Driver: Higher interest expenses related with funding costs partially offset by decreased provisions and write-offs.

ii. LEASING

Ch$ 2,006 million (↓Ch$ 567 million / +22.0% YoY)
Driver: Reduction in provisions and write-offs, coupled with lower interest expenses.

iii. CORPORATE LENDING

Ch$ 2,528 million (↑Ch$ 3,457 million / +31.6% YoY)
Driver: Larger provisions and write-offs.

AUTO-FINANCING DIVISION

Ch$ 14,405 million (↑Ch$ 3,457 million / +31.6% YoY)
Driver: Higher interest expenses and commissions due to an increase in the stock, plus and upsurge of provisions and write-offs.

SUBISIDIARIES

Ch$ 5,475 million (↑Ch$ 4,153 million / +314.2% YoY)
Driver: Increased intermediated volume.

V. Business Divisions Portfolio Quality

	Indicator	Definition	Unit	03-31-2018	12-31-2017	03-31-2017
ENTERPRISES DIVISION	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	12.5%	13.0%	18.5%
		Non-Performing loans/Equity	%	28.5%	29.4%	38.2%
	Provisions	*Provisions/(Loans + Provisions)*	%	2.9%	2.1%	2.9%
		Provisions/Non-performing loans	%	22.8%	16.1%	15.7%
		Provisions/Non-performing loans >90 days	%	80.7%	58.2%	62.3%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	2.1%	1.6%	2.6%
	Non-Performing Loans over 30 (	*Non-performing loans >30 days/(Loans + Provisions)*	%	5.4%	4.9%	7.0%
	Non-Performing Loans over 90 (	*Non-performing loans >90 days/(Loans + Provisions)*	%	3.5%	3.6%	4.6%
		Non-Performing loans >90 days/Equity	%	8.1%	8.2%	9.6%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	2.6%	2.4%	4.0%
		Securitized portfolio/Equity	%	5.9%	5.5%	8.3%
	Clients	*Number of clients*	#	4,369	4,871	4,800
	Efficiency	*SG&A Expenses/Gross profit*	%	65.8%	60.1%	73.8%
i. FACTORING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	11.6%	12.2%	17.2%
		Non-Performing loans/Equity	%	12.6%	14.0%	14.9%
	Provisions	*Provisions/(Loans + Provisions)*	%	2.7%	1.8%	3.5%
		Provisions/Non-performing loans	%	22.9%	14.4%	20.3%
		Provisions/Non-performing loans >90 days	%	87.9%	59.8%	63.2%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	2.2%	1.4%	3.1%
	Non-Performing Loans over 30 (	*Non-performing loans >30 days/(Loans + Provisions)*	%	4.1%	3.4%	7.4%
	Non-Performing Loans over 90 (	*Non-performing loans >90 days/(Loans + Provisions)*	%	3.0%	2.9%	5.5%
		Non-Performing loans >90 days/Equity	%	3.3%	3.4%	4.8%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	2.1%	2.0%	1.5%
		Securitized portfolio/Equity	%	2.3%	2.3%	1.3%
	Clients	*Number of clients*	#	2,922	3,177	2,586
	Efficiency	*SG&A Expenses/Gross profit*	%	53.8%	51.7%	62.3%
ii. LEASING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	27.2%	27.9%	31.4%
		Non-Performing loans/Equity	%	11.0%	10.8%	13.5%
	Provisions	*Provisions/(Loans + Provisions)*	%	5.2%	3.6%	4.2%
		Provisions/Non-performing loans	%	19.0%	12.9%	13.3%
		Provisions/Non-performing loans >90 days	%	75.3%	45.0%	52.9%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	2.1%	2.6%	3.7%
	Non-Performing Loans over 30 (	*Non-performing loans >30 days/(Loans + Provisions)*	%	13.0%	13.4%	13.7%
	Non-Performing Loans over 90 (	*Non-performing loans >90 days/(Loans + Provisions)*	%	6.9%	8.0%	7.9%
		Non-Performing loans >90 days/Equity	%	2.8%	3.1%	3.4%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	4.2%	3.8%	9.8%
		Securitized portfolio/Equity	%	1.7%	1.5%	4.2%
	Clients	*Number of clients*	#	801	857	1,012
	Efficiency	*SG&A Expenses/Gross profit*	%	98.9%	94.4%	106.7%
iii. CORPORATE LENDING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	6.2%	6.4%	12.6%
		Non-Performing loans/Equity	%	4.9%	4.6%	9.7%
	Provisions	*Provisions/(Loans + Provisions)*	%	1.9%	1.9%	1.5%
		Provisions/Non-performing loans	%	31.3%	29.0%	11.8%
		Provisions/Non-performing loans >90 days	%	76.6%	79.6%	81.9%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	1.9%	1.6%	1.3%
	Non-Performing Loans over 30 (	*Non-performing loans >30 days/(Loans + Provisions)*	%	3.3%	2.8%	2.8%
	Non-Performing Loans over 90 (	*Non-performing loans >90 days/(Loans + Provisions)*	%	2.5%	2.3%	1.8%
		Non-Performing loans >90 days/Equity	%	2.0%	1.7%	1.4%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	2.4%	2.4%	3.7%
		Securitized portfolio/Equity	%	1.9%	1.7%	2.8%
	Clients	*Number of clients*	#	646	837	1,202
	Efficiency	*SG&A Expenses/Gross profit*	%	96.4%	72.2%	89.3%
AUTO FINANCING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	23.8%	22.5%	24.2%
		Non-Performing loans/Equity	%	29.4%	26.3%	24.9%
	Provisions	*Provisions/(Loans + Provisions)*	%	5.1%	3.7%	4.0%
		Provisions/Non-performing loans	%	21.3%	16.3%	16.4%
		Provisions/Non-performing loans >90 days	%	90.4%	67.2%	73.2%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	5.3%	4.5%	4.9%
	Non-Performing Loans over 30 (	*Non-performing loans >30 days/(Loans + Provisions)*	%	11.7%	11.5%	11.7%
	Non-Performing Loans over 90 (	*Non-performing loans >90 days/(Loans + Provisions)*	%	5.6%	5.5%	5.4%
		Non-Performing loans >90 days/Equity	%	6.9%	6.4%	5.6%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	2.8%	2.4%	1.9%
		Securitized portfolio/Equity	%	3.4%	2.7%	1.9%
	Clients	*Number of clients*	#	59,813	57,293	50,075
	Efficiency	*SG&A Expenses/Gross profit*	%	73.5%	70.1%	76.0%

Table 4: Business Divisions Main Indicators

On January 1, 2018, Tanner Servicios Financieros S.A. adopted IFRS 9 Accounting Standards, which regarding the measurement of deterioration, assumes the adoption of expected loss models that allows to generate a provision differentiated by the real risk of the factoring, leasing, corporate lending and auto-financing. Thus, the effect of this change meant an adjustment in the stock of the uncollectibles for $ 8,235 million[7], which, added to effects in other items of the financial statements, was recorded against results accumulated in the Equity for $ 5,925 million.

ENTERPRISES DIVISION

Portfolio quality improved with respect to 1Q17, reflected in the decline of both NPLs > 30/90 days plus an improvement in the provision index which improved due to the implementation of IFRS 9.

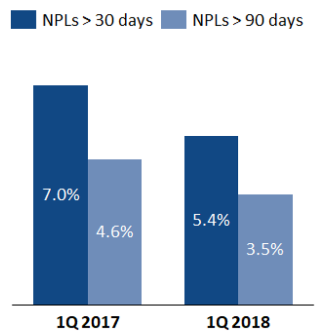

Chart 8: NPLs – Enterprises Division

i. FACTORING

Non-performing portfolio improved with respect to same previous period, reflected in the decrease of both NPLs > 30 days, NPLs > 90 days and the stock of provisions.

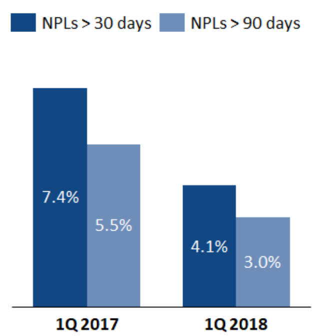

Chart 9: NPLs – Factoring Business

ii. LEASING

Portfolio quality indicators advanced, especially in terms of NPLs > 30 days and NPLs > 90 days, with the stock of provisions increased as a result of IFRS 9 adoption.

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[7] The Ch$ 8,235 million adjustment related with IFRS 9 is broken down as follows:
Enterprises Division = Ch$ 4,354 million
- Factoring = Ch$ 2,102 million
- Leasing = Ch$ 1,719 million
- Corporate Lending = $ 533 million

Auto-Financing Division = Ch$ 3,881 million

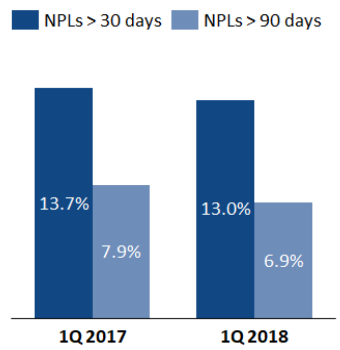

Chart 10: NPLs – Leasing Business

iii. CORPORATE LENDING

Portfolio quality indicators deteriorate in relation to previously observed levels, despite when compared to December 2017, remains virtually unchanged due to a longer maturity of the portfolio.

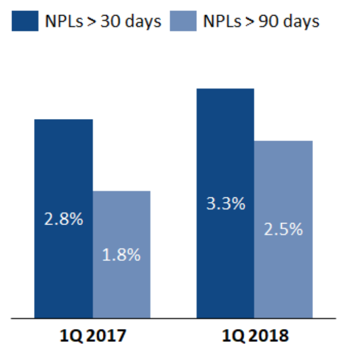

Chart 11: NPLs – Corporate Lending Business

AUTO-FINANCING DIVISION

NPLs > 30 days remains flat year-on-year, but NPLs > 90 days slightly expanded, reflecting both the growth of stock – given that this product provisions from the beginning of the facility – and the economic environment in the country, which results in a slight deterioration in the quality of the portfolio of this division.

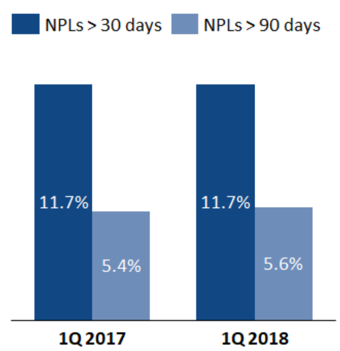

Chart 12: NPLs – Auto-Financing Division

VI. Balance Sheet

Assets (MCh$)	03-31-2018	12-31-2017	Δ $	Δ %
Current Assets				
Cash and cash equivalent	64,298	84,636	(20,338)	-24.0%
Other current financial assets	48,959	49,120	(161)	-0.3%
Other current non-financial assets	1,567	1,547	20	1.3%
Trade receivables and other current accounts receivable, net	598,200	602,984	(4,783)	-0.8%
Current accounts receivable from related parties	401	452	(51)	-11.3%
Current tax assets	13,373	13,839	(465)	-3.4%
Non-current assets held for sale	7,747	6,216	1,531	24.6%
Total Current Assets	**734,546**	**758,793**	**(24,247)**	**-3.2%**
Non-Current Assets				
Other non-current financial assets	25,326	22,286	3,041	13.6%
Other non-current non-financial assets	5,834	6,217	(383)	-6.2%
Trade receivables and other non-current accounts receivable, net	368,372	333,832	34,540	10.3%
Non-current accounts receivable from related parties	611	611	-	0.0%
Investments in companies	3,802	3,509	293	8.4%
Intangible assets other than goodwill	1,764	1,764	-	0.0%
Goodwill	3,411	3,341	70	2.1%
Property, plant and equipment	3,230	3,146	85	2.7%
Deferred tax assets	39,410	38,347	1,062	2.8%
Total Non-Current Assets	**451,760**	**413,052**	**38,708**	**9.4%**
Total Activos	**1,186,306**	**1,171,846**	**14,460**	**1.2%**

Liabilities (MCh$)	03-31-2018	12-31-2017	Δ $	Δ %
Current Liabilities				
Other current financial liabilities	310,030	364,875	(54,846)	-15.0%
Trade payables and other current accounts payables	97,740	70,655	27,085	38.3%
Other short-term provisions	1,029	1,658	(629)	-37.9%
Current tax liabilities	8,906	5,598	3,308	59.1%
Other current non-financial liabilities	9	9	-	0.0%
Total Current Liabilities	**417,713**	**442,796**	**(25,082)**	**-5.7%**
Non-Current Liabilities				
Other non-current financial liabilities	495,986	451,114	44,872	9.9%
Non-current accounts payable	-	-	-	-
Deferred tax liabilities	4,993	8,456	(3,463)	-41.0%
Total Non-Current Liabilities	**500,978**	**459,570**	**41,409**	**9.0%**
Total Liabilities	**918,691**	**902,365**	**16,326**	**1.8%**
Equity	**267,615**	**269,481**	(1,866)	-0.7%
Total Equity and Liabilities	**1,186,306**	**1,171,846**	**14,460**	**1.2%**

Table 5: Consolidated Balance Sheet

a. Loan Portfolio [8]

Total gross loan portfolio at March 2018 reached Ch$ 1,000,777 million (↑Ch$ 39,646 million / +4.1% YTD) versus Ch$ 961,131 million in December 2017, while provisions totaled Ch$ 34,205 million, increasing to Ch$ 9,889 million (+40.7% YTD), of which $ 8,235 million are related to the provisions adjustments made with the adoption of IFRS 9. Consequently, **total net loan portfolio amounted to Ch$ 966,572 million**, an increase of Ch$ 29,752 million (+3.2% YTD) from Ch$ 936,816 million by the end of 2017, driving the Company to once again beat its record of total loan portfolio.

Net loan portfolio at period-end March 2018:

1. **Enterprises Division: Ch$ 593,657 million** | -0.3% YTD | ↓Ch$ 1,657 million;
    a. **Factoring: Ch$ 282,471 million** |-7.0% YTD | ↓Ch$ 21,229 million;
    b. **Leasing: Ch$ 102,509 million** | +1.6% YTD | ↑Ch$ 1,609 million;
    c. **Corporate Lending: Ch$ 208,678 million** | +9.4% YTD | ↑Ch$ 17,962 million; and,
2. **Auto-Financing Division: Ch$ 314,225 million** | +3.8% YTD | ↑Ch$ 11,498 million.

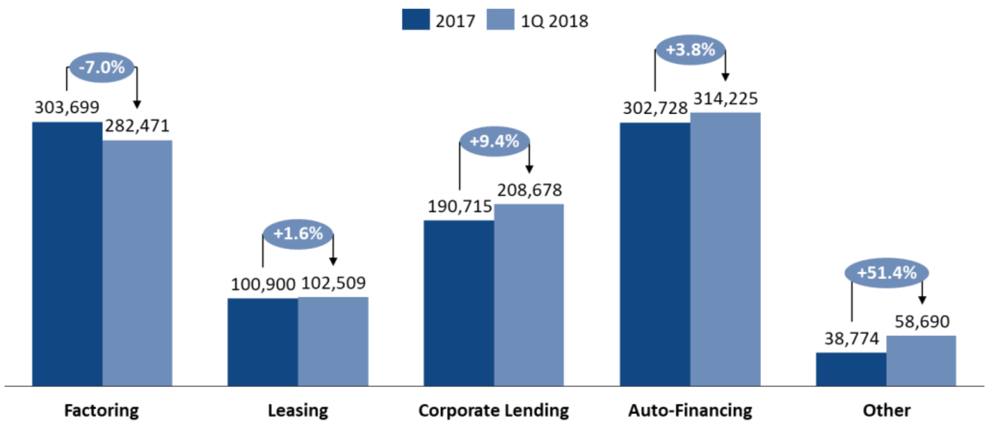

Chart 13: Net Loan Portfolio Breakdown by Line of Business

The portfolio has continue concentrating in the Company's strategic businesses – factoring and auto-financing – which in 1Q18 represent 29.2% (1Q17: 27.3% and 2017: 32.4%) and 32.5% (1Q17: 32.2% and 2017: 32.3%) of net loan portfolio, respectively.

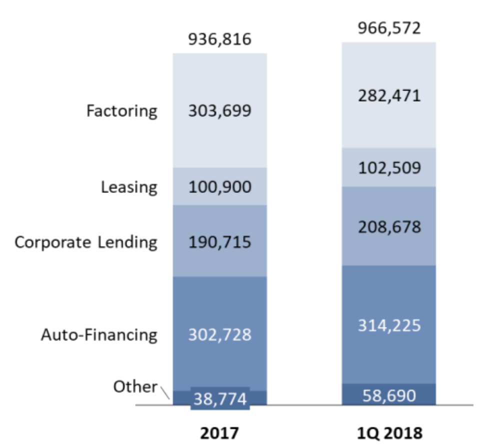

Chart 14: Net Loan Portfolio Breakdown

[8] Gross loans minus provisions.

b. Funding Sources

Financial liabilities as of March 31, 2018 totaled Ch$ 806,015 million, compared with $ 815,989 million in December 2017 (↓Ch$ 9,974 million / -1.2% YTD), decreasing mainly as a consequence of an important reduction in obligations related with bonds (↓Ch$ 68,370 million / -13.8% YTD) in line with the repayment of the 144-A international bond (US$ 250 million) issued in 2013, although there are increases in obligations related with: (i) commercial paper (↑Ch$ 42,299 million / +66.8% YoY) and (ii) banks and financial institutions (↑Ch$ 13,774 million / +6.4% YTD).

In terms of the liabilities structure, 53.1% (Ch$ 428,314 million) corresponds to local and international bonds, 28.3% (Ch$ 228,206 million) to bank loans and credit lines, and 13.1% (Ch$ 105,635 million) to commercial paper. Additionally, Ch$ 43,859 million (5.4%) are related to other financial obligations, corresponding to repos and forwards.

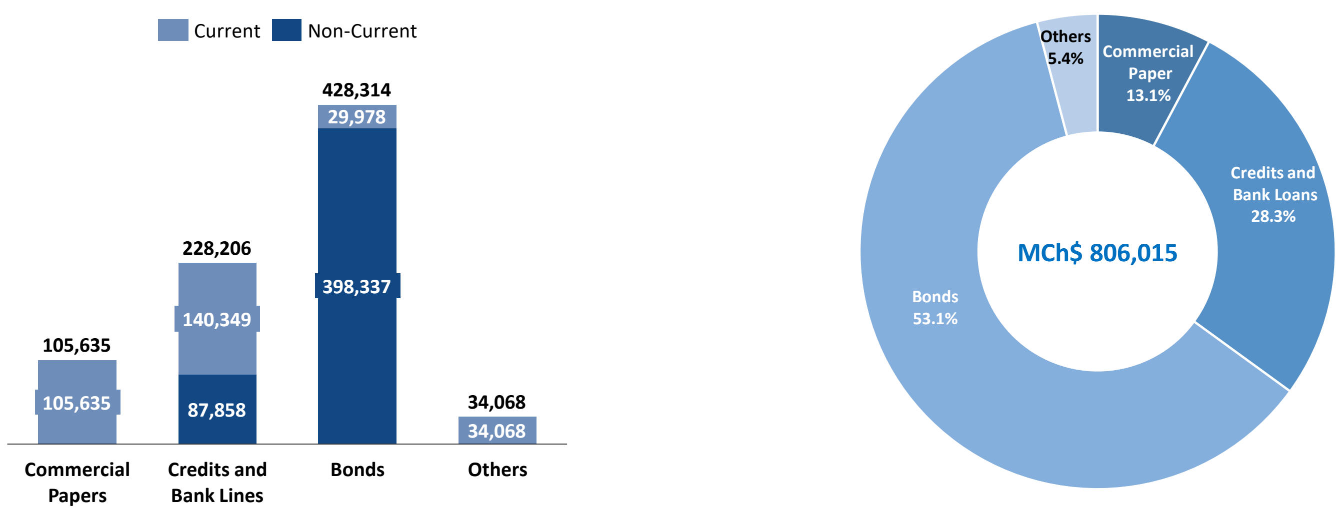

Chart 15: Sources of Funding Breakdown

VII. Cash Flow Statement

MCh$	03-31-2018	03-31-2017	Δ $
Cash flow provided by (used in) operating activities	(27,644)	19,593	(47,238)
Cash flow provided by (used in) investing activities	(5,020)	(10,384)	5,364
Cash flow provided by (used in) financing activities	12,352	(18,647)	30,999
Effect of changes in exchange rates	(25)	6	(31)
Net increase (decrease) in cash and cash equivalent	(20,338)	(9,432)	(10,905)
Cash and Cash Equivalent, Initial Balance	84,636	31,632	53,004
Cash and Cash Equivalent, Final Balance	64,298	22,200	42,098

Table 6: Cash Flow Statement

During the first quarter of 2018, cash flow of **operating activities totaled Ch$ -27,644 million** versus Ch$ 19,593 million recorded in the same previous period because, despite collections increased by Ch$ 54,912 million, cash disbursement connected with the business grew up Ch$ 100,868 million.

Cash flow stemming from **investing activities reached Ch$ -5,020 million**, Ch$ 5,364 million less than the Ch$ -10,384 million of 1Q17, mainly due to the liquidity management carried out by the Company.

Financing activities cash flow amounts to Ch$ 12,352 million between January and March 2018, varying Ch$ 30,999 million when compared to Ch$ -18,647 million in 1Q17, mainly due to higher issuances of financial instruments and loans that more than compensate the repayments from borrowings made in the quarter.

Cash and cash equivalents at period-end March 2018 totaled Ch$ 64,298 million, increasing Ch$ 42,098 million YoY.

VIII. Risk Analysis

a. *Credit Risk*

Credit risk is the probability of financial loss to the Company when a client or counterparty in a financial instrument does not comply with its contractual obligations. This risk is inherent to the Company's business activity.

Tanner manages credit risk by line of business (i.e. independently for factoring, corporate lending, auto-financing and leasing operations) based on its clients' expected revenues, available financial information, and their payment track record, if any. This analysis also includes macroeconomic expectations and specific data of the sector where the client is involved. In terms of factoring, it also includes debtor-specific information.

Other important and complementary aspects of credit risk evaluations are the quality and quantity of guarantees required. One of the Company's policies has been to have solid collateral that represent a second source of payment for client obligations in the event of defaults. Therefore, several conditions have been set forth for each business line:

FACTORING

A framework agreement is signed by every client to support future operations. Most credit lines include liability of the assignor for the insolvency of the assigned debtor. Operations without liability are generally covered by a credit insurance policy and/or specific collateral.

LEASING

Leasing operations are guaranteed by the leased asset. Insurance policies are required for all assets, to cover any claim that may lead to a loss in value.

CORPORATE LENDING

Mortgages and/or stocks may be required. However, in some cases guarantors are liable for the loan in an event of default; generally, these are partners of or investors in the borrower.

AUTO-FINANCING

Car loans are guaranteed by the assets associated with the financing and includes a credit profile analysis of the client. There are two types of guarantees in this case: real (vehicle pledges) and personal (securities and co-signers).

Complying with the new accounting norm, Tanner Servicios Financieros S.A. implemented new models of deterioration under the IFRS 9 standards, where one of the main changes refers to the utilization of expected loss models instead of previous models of incurred loss. These models are adjusted according to the historic behavior of clients and also considers a forward looking glance, taking in account the following regulatory requirements:

a. Risk profile for each product
b. Default probability of 12 months and total life expectancy of the asset
c. Loss due to default during total life expectancy
d. Total prepayment rates
e. Credit exposure at time of default
f. Economic cycle default probability adjustment (forward looking)

The basic features of provision policies, by product, are:

FACTORING

Provisions calculations considers a segmentation by sub-product and risk profiles:

i. Invoices: four risk profiles that consider internal behavior variables and variables captured in admission. The influencing variables are the following: (i) current days of delinquency, (ii) maximum days of delinquency in the past three months and (iii) the number of debtors associated to the client.
ii. Checks: five risk profiles that consider internal behavior variables. The influencing variable is the number of debtors associated to the client.
iii. Returned Checks, Renegotiated and Others: five risk profiles that consider internal behavior variables. The influencing variable is the current days of delinquency.

** The write-off policy has as maximum term of 540 days past due.*

LEASING

Provisions calculations considers a segmentation by sub-product and risk profiles:

i. Real Estate Leasing: five risk profiles that consider internal behavior variables. The influencing variable is the current days of delinquency.
ii. Leasing Vendor: five risk profiles that consider internal behavior variables. The influencing variable is the current days of delinquency.
iii. Machinery and Equipment Leasing: five risk profiles that consider internal behavior variables. The influencing variables are the following: (i) current days of delinquency and (ii) maximum days of delinquency in the past three months.

** The write-off policy has as maximum term of 540 days past due, except for real estate leasing.*

CORPORATE LENDING

Provisions calculations considers eight risk profiles with internal behavior variables. The influencing variables are the following: (i) current days of delinquency and (ii) residual term.

** The write-off policy has as maximum term of 540 days past due.*

AUTO-FINANCING

Provisions calculations considers a segmentation by sub-product and risk profiles:

i. Amicar: seven risk profiles that consider internal behavior variables. The influencing variables are the following: (i) current days of delinquency, (ii) maximum days of delinquency in the past three months, (iii) gender and (iv) marital status.

ii. Dealers and Direct: six risk profiles that consider internal behavior and demographic variables. The influencing variables are the following: (i) current days of delinquency, (ii) maximum days of delinquency in the past three months, (iii) gender and (iv) marital status.

iii. Renegotiated: five risk profiles that consider internal behavior and demographic variables. The influencing variables are the following: (i) current days of delinquency, (ii) maximum days of delinquency in the past three months, (iii) loan to value amount (LTV), (iv) current outstanding balance / maximum outstanding balance in the past three months and (v) marital status.

** The write-off policy has as maximum term of 420 days past due.*

	03.31.2018				
Concept	**Gross Portfolio Ch$k**		**Provisions Ch$k**	**Net Portfolio Ch$k**	**Provisions Index**
Factoring	290,185,063	-	7,714,123	282,480,694	2.65%
Leasing	108,098,673	-	4,143,069	102,508,779	5.17%
Corporate Loans	212,820,639	-	16,757,500	208,667,816	1.95%
Automobile Loans	330,982,651	-	5,589,894	314,225,151	5.06%
Others	58,689,600		-	58,689,600	0.00%
Total	**1,000,776,626**	**-**	**34,204,586**	**966,572,040**	**3.42%**

	31.12.2017				
Concept	**Gross Portfolio Ch$k**		**Provisions Ch$k**	**Net Portfolio Ch$k**	**Provisions Index**
Factoring	309,109,335	-	5,409,895	303,699,440	1.75%
Leasing	104,675,527	-	3,775,690	100,899,837	3.61%
Corporate Loans	194,325,618	-	3,610,217	190,715,401	1.86%
Automobile Loans	314,247,010	-	11,519,426	302,727,584	3.67%
Others	38,773,567		-	38,773,567	0.00%
Total	**961,131,057**	**-**	**24,315,228**	**936,815,829**	**2.53%**

Table 7: Portfolio, Provisions and Risk Index

Additionally, the Company has a credit quality follow-up process, to identify potential changes in counterparty payment capacity on early stages, to evaluate potential losses resulting from the risks it is exposed to and adopts corrective measures, allowing the recovery of those credits that have entered a state of default.

b. Liquidity Risk

This is defined as the inability of the Company to meet its payment obligations as they are due, without incurring in large losses or being prevented from providing normal loan transactions to its clients. It arises from a cash flow mismatch, where cash flow payments fall due before the receipt of cash flow due on investments of loans. Another source of non-compliance is when customers fail to pay their commitments as they fall due.

The Company has a daily cash flow management process that includes a simulation of all assets and liabilities, in order to anticipate cash needs. Additionally, the Asset and Liabilities Committee (ALCO) meets monthly to review projections and defines an action plan based on the Company´s forecasts and market conditions.

The Company manages its liquidity risk at a consolidated level. Tanner's main source of liquidity is cash flows from operating activities (collections). As of March 31, 2018, the Company, on a consolidated level, had Ch$ 64,298 million of cash on hand, versus Ch$ 84,636 million in 2017.

Indirect subsidiary *Tanner Corredores de Bolsa* is subject to requirements set forth by the SVS and must comply with regulations with respect the General Liquidity Index and the Intermediation Liquidity Index. In line with the requirements of the SVS, the subsidiary has complied permanently with the mentioned indicators.

c. Market Risk

Market risk is defined as the exposure to financial loss due to adverse movements in market variables, such as interest rates, currencies, inflation, among others, which the Company has not duly hedged, thus affecting the value of any operation recorded in the balance sheet.

i. Price Risk

The Company is exposed to price risk by owning financial instruments whose valuation depends directly on the value that the market gives to these types of operations and present a certain volatility that is measured by historical VaR[9].

At period-end March 2018, investments in corporate bonds – valued at market prices – reached MUS$ 13,734. At that date, the average duration of the portfolio was 2.76 years, sensitivity measured by DV01[10] was US$ 3,630 and parametric VaR[9], with a 1-day horizon was US$ 22,673, with a 99% confidence level.

[9] VaR: Value at Risk – corresponds to the maximum expected loss considering a history horizon of 1 year with a confidence level of 99%.
[10] DV01: Dollar value of .01 – corresponds to the approximate change in the price of an instrument for a one bp change in yield (0.01%) and is calculated as a market value per modified duration of 0.01%.

ii. Interest Rate Risk

It is defined as the risk the Company is exposed to because of having financial operations whose valuation is subject, among other factors, to movements on the intertemporal structure of the interest rate.

The following tables show how the value of the bonds portfolio changes, in percentage terms, when there are changes in interest rates:

Decreases:

Negative Delta (bps)	-25	-50	-75	-100	-125	-150	-175	-200
Net Portfolio Variation	0.09%	0.18%	0.27%	0.36%	0.45%	0.54%	0.63%	0.73%

Increases:

Positive Delta (bps)	25	50	75	100	125	150	175	200
Net Portfolio Variation	(0.09%)	(0.17%)	(0.26%)	(0.34%)	(0.42%)	(0.51%)	(0.59%)	(0.67%)

Table 8: Sensitivity to Variations in the Interest Rate

The Company keeps a derivative instrument portfolio of: (i) trading derivatives – whose maturity structure is very short term, and, therefore, have an associated interest rate risk with low impact on results – and (ii) hedging derivatives – aims to mitigate the rate (Libor) and currency risks of financial liabilities, keeping a limited exposure and low impact to income.

Exposure	31.03.2018							
	Trading Derivatives				Hedging Derivatives			
	UF$k	CLP$k	USD$k	CHF$k	UF$k	CLP$k	USD$k	CHF$k
Up to 1 year	-	101,321,203	53,437,294	44,200,446	3,775,036	85,615,259	73,762,964	2,303,893
1 to 3 years	-	-	-	-	99,971,903	165,218,357	49,550,858	118,241,614
3 years and over	-	-	-	-	32,215,332	45,731,777	15,255,311	-
Total	**-**	**75,568,035**	**75,006,785**	**-**	**155,749,303**	**261,974,294**	**33,768,296**	**108,541,880**

Sens. +1pb	31.03.2018							
	Trading Derivatives				Hedging Derivatives			
	UF$k	CLP$k	USD$k	CHF$k	UF$k	CLP$k	USD$k	CHF$k
Up to 1 year	-	4,127	(2,314)	118	191	10,068	4,886	77
1 to 3 years	-	-	-	-	41,694	190,235	42,193	4,382
3 years and over	-	-	-	-	22,748	90,360	20,919	-
Total	**-**	**3,770**	**(1,254)**	**-**	**(64,693)**	**262,908**	**63,061**	**18,617**

Table 9: Exposure and Sensitivity by Currency

iii. Foreign Exchange

It is defined as the exposure to potential loss caused by changes in the value of assets and liabilities subject to exchange rate revaluation. The Company, because of their business activities and financing needs, holds a mismatch in US Dollars that is daily managed and mitigated mainly through instruments deriving from negotiation and hedging. In addition, it has operations in Swiss Francs whose currency risk is fully hedged.

As internal mitigation policy, the mismatch in US Dollars may not exceed the equivalent to 2.5% of equity. As of March 31, 2018, the Company presented an exposure in US Dollars of US$ 186k, equivalent to 0.04% of equity, versus US$ 4,562k million in 1Q17. The sensitivity analysis to currency risk is calculated daily, considering as main variable the exposure in US Dollars of mismatch held and the estimated variation of the Observed US Dollar.

US$ Mismatch (US$k)	
Assets	184,350
Liabilities	(283,976)
Derivative Instruments	99,811
Total Mismatch	**185**

Table 10: US Dollar Mismatch

iv. Indexation Risk

Corresponds to the exposure of assets and liabilities linked to *Unidades de Fomento* ("UF") and can generate loss when exposed to changes. The Company, because of activities inherent to the business and its financing needs, holds assets and liabilities in UF, and the related mismatch is managed in a daily basis and mitigated through hedging derivatives.

As internal policy of risk mitigation, mismatch in UF may not exceed the equivalent to 30% of equity. As of March 31, 2018, mismatch in UF amounted to UF 2,636k, equivalent to 26.6% of equity (1Q17: UF 2,325k). As for currency risk, the sensitivity analysis of indexation risk is calculated in a daily basis, considering as main variable the mismatch held in CLF and the future variations estimated in the UF value.

UF Mismatch (Ufk)	
Assets	8,037
Liabilities	(10,122)
Derivative Instruments	4,721
Total Mismatch	**2,636**

Table 11: UF Mismatch

For additional information regarding this section, please refer to Note 4 of the Company's Financial Statements as of March 31, 2018.