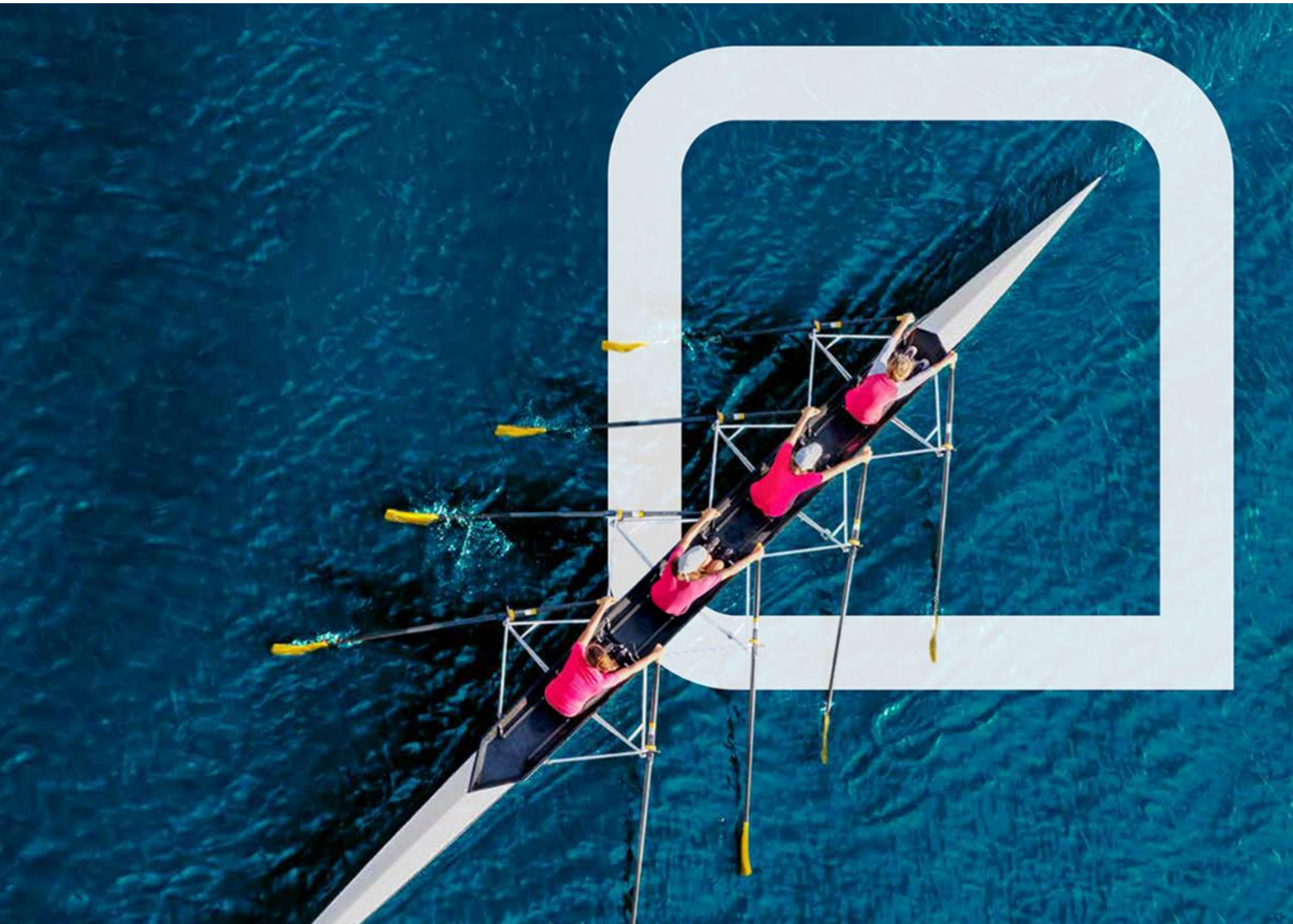
Quarterly Earnings Report

March 2019



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I. Executive Summary

- **ROAE[*]:**

  1Q19: 10.8% / 1Q18: 10.1%

- **ROAA[**]:**

  1Q19: 2.2% / 1Q18: 2.3%

- **Equity:**

  1Q19: MCh$ 287,964 / Δ⁺: 1.7% YTD

- **Net Profit:**

  1Q19: MCh$ 6,352 / 1Q18: MCh$ 5,370 Δ⁺: 18.3% YoY

- **Net Portfolio:**

  1Q19: MCh$ 1,130,426 / Δ⁻: 4.4 % YTD

- **NPLs > 90 days:**

  1Q19: 2.5% / 1Q18: 3.9%

[*] ROAE: Return LTM on average equity.
[**] ROAA: Return LTM on average assets.

Profit after taxes during the first quarter of 2019 increased 18.3% YoY thus totaling Ch$ 6,352 million, triggered by an operating margin upsurge of 28.4% YoY during the first quarter.

Total net loan portfolio reached Ch$ 1,130,426 million, down Ch$ 52,155 million (-4.4% YTD) caused by the performance of the **enterprise division portfolio that closed the period with net loans of Ch$ 691,477 million** (↓Ch$ 78,586 million / -10.2% YTD), mainly coming from factoring which totaled Ch$ 372,609 million (↓Ch$ 72,329 million / -16.3% YTD), corporate lending which reached Ch$ 226,568 million (↓Ch$ 19,501 million / -7.9% YoY); counteracted by an increase in the **auto-financing division, which ended the period with a net loan portfolio amounting to Ch$ 370,530 million** (↑Ch$ 10,713 million / +3.0% YTD).

In terms of risk management, significant improvements were observed, compared to the previous year, with **NPLs over 90 days declining 139 bps to 2.5%** (2018: 3.9%), while NPLs over 30 days declined 158 bps, reaching 5.5% (2018: 7.1%). **Non-performing loans over 90 days of the enterprise division decreased 191 bps to 1.6%** (1Q18: 3.5%) driven by improvements of 160 bps in factoring (1Q18: 3.0% vs. 1Q19: 1.4%), 349 bps in leasing (1Q18: 6.9% vs. 1Q19: 3.4%), and 130 bps in corporate lending (1Q18: 2.5% vs. 1Q19: 1.2%). Meanwhile, **NPLs over 90 days in the auto-financing division registered a reduction of 95 bps totaling 4.7%** (1Q18: 5.6%).

Liquidity index at period-end March 2019 reached 1.46 times, above the levels registered in Dec-18 (1.33x), while **cash totaled Ch$ 23,888 million** versus Ch$ 25,474 million at the end of 2017. On the other hand, the Company's **leverage closed at 3.75 times** (Dec-18: 4.04x).

During this period Tanner **issued 3 AB series Bonds on the local market for a total of UF 2,000,000**. Additionally, in March the placement of a bond in the swiss market was agreed upon**, for a total of CHF 125,000,000 maturing within 2 years & 8 months, at an interest rate of 1.0%**. The emission and disbursement took place during the month of April of the current year.

II. Consolidated Income Analysis

The following table shows 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$	01-01-2019 03-31-2019	01-01-2018 03-31-2018	Δ $	Δ %
Revenue from ordinary activities	76,146	44,745	31,401	70.2%
Sales cost	(57,858)	(28,708)	(29,149)	101.5%
Gross profit	18,289	16,037	2,252	14.0%
Other revenue, by function	268	60	208	344.9%
Administrative expenses	(10,766)	(10,029)	(737)	7.4%
Other profits (losses)	-	-	-	0.0%
Operating margin	7,791	6,069	1,722	28.4%
Financial revenue	17	(1)	17	1982.8%
Financial costs	(91)	(72)	(19)	26.3%
Foreign exchange differences	20	(2)	22	894.7%
Income by adjustment units	1	7	(7)	-87.4%
Profit (losses) before taxes	7,737	6,001	1,736	28.9%
Revenue (expense) from profit taxes	(1,385)	(631)	(755)	119.6%
Profit (losses)	6,352	5,370	982	18.3%
Profit (losses) attributable to controller's property owners	6,274	5,288	986	18.7%
Profit (losses) attributable to non-controller shares	77	82	(5)	-5.6%

Table 1: Consolidated Income Statement

The Company's **net profit during the period increased 18.3% YoY** (↑Ch$ 982 million), totaling Ch$ 6,352 million versus Ch$ 5,370 million in 2018. **Gross margin in 1Q19 reached Ch$ 18,289 million (↑Ch$ 2,252 million / +14.0% YoY).**

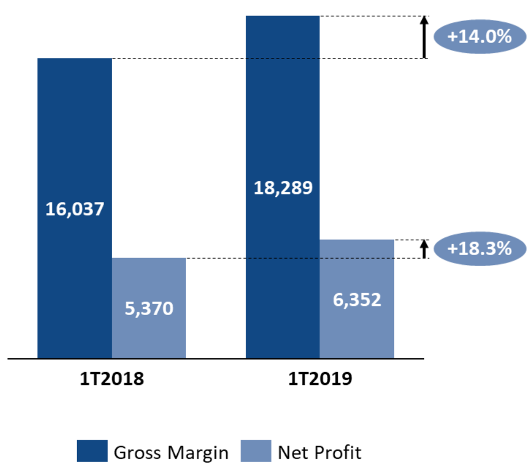


Chart 1: Consolidated Net Profit and Gross Margin (MCh$)

Consolidated revenues totaled Ch$ 76,146 million at the end of the first quarter of 2019, growing 70.2% YoY (↑Ch$ 31,401 million), in line with increases in (i) other revenues[1] (1Q19: ↑Ch$ 20,151 million / +149.0% YoY) due to an increase in the brokerage volume of Tanner Investments and *Tanner Corredora de Seguros*, (ii) income from readjustments (1Q19: ↑Ch$ 6,647 million / +4122.3% YoY), (iii) income due to price differences (1Q19: ↑Ch$ 2,809 / +38.8% YoY), (iv) income from interest (1Q19: ↑Ch$ 2,142 / +9.4% YoY), which additionally are counteracted by lower commissions (1Q19: $ 790 million vs. 1Q18: $ 1,139 million).

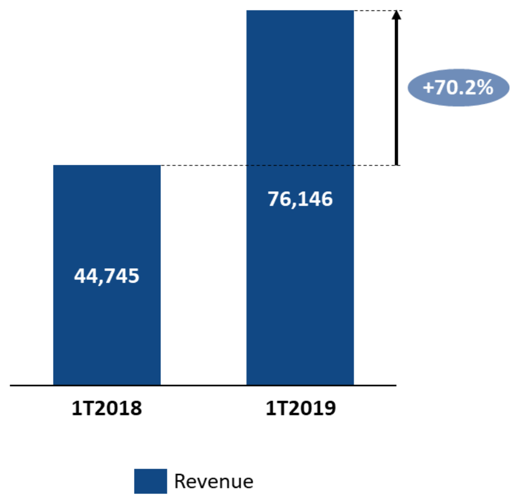


Chart 2: Consolidated Revenues (MCh$)

Consolidated expenses reached Ch$ 57,858 million (↑Ch$ 29,149 million / +101.5% YoY), mainly derived from rises of: (i) other costs[2] (1Q19: ↑Ch$ 19,702 million / +261.2% YoY) aligned to an increased volume intermediated in Tanner Investments and *Tanner Corredora de Seguros,* (ii) passive readjustments (1Q19: ↑Ch$ 7,025 million / +3349.9% YoY), (iii) interest expenses (1Q19: ↑Ch$ 1,928 million / +21.6% YoY), together with higher commissions (1Q19: ↑Ch$ 706 million / +14.4% YoY).

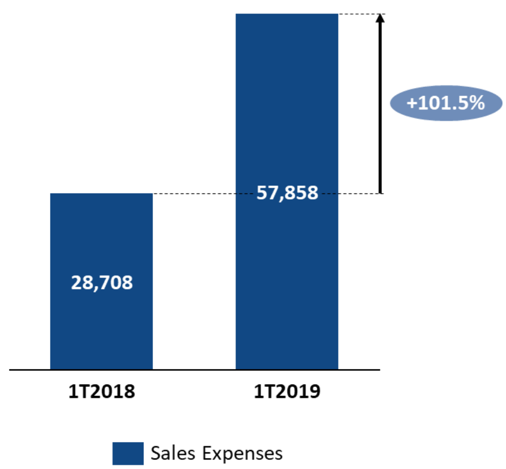


Chart 3: Consolidated Expenses (MCh$)

[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) reached Ch$ 10,766 million, increasing 7.4% YoY, mainly as a consequence of higher depreciation and amortization costs. General expenses reached Ch$ 3,586 million (+10.9% YoY), while Human labor which represents around 50% of administrative expenses totaled Ch$ 7,180 million during the period (+5.7% YoY), mainly due to increase in remunerations (1Q19: ↑$ 394 million / +6.5% YoY).

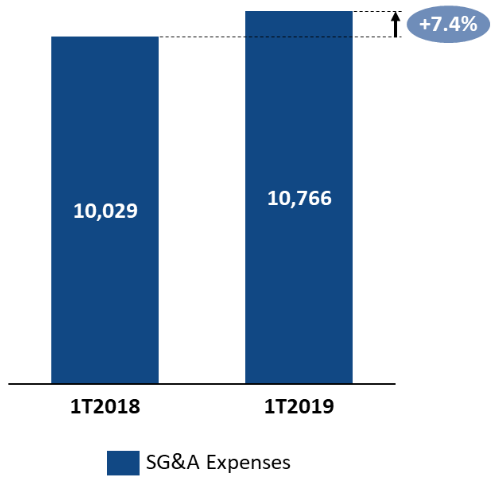


Chart 4: Consolidated SG&A Expenses (MCh$)

III. Main Indicators

	Indicator	Definition	Unit	3-31-2019	12-31-2018
Liquidity and Solvency	Current Ratio	*Current Assets/Current Liabilities*	times	1.46	1.33
	Current Liabilities to Equity	*Current liabilities/Equity*	times	2.02	2.45
	Immediate Liquidity	*Cash and cash equivalent/Current Liabilities*	times	0.04	0.04
	Stable Funding Ratio	*(Non-current liabilities + Equity)/(Non-current loans + others non-liquid assets)*	times	1.51	1.45
	Debt to Equity	*Total liabilities/Equity*	times	3.75	4.04
	Capitalization	*Equity/Assets*	%	21.07%	19.83%
	Total Debt ratio	*Liabilities/Assets*	times	0.79	0.80
	Short Term Debt Ratio	*Current liabilities/Total liabilities*	%	53.9%	60.7%
	Long Term Debt Ratio	*Non-current liabilities/Total liabilities*	%	46.1%	39.3%
	Short Term Bank Debt	*Current bank liabilities/Current liabilities*	%	34.0%	36.9%
	Long Term Bank Debt	*Non-current bank liabilities/Non-current liabilities*	%	17.5%	22.4%
	Working Capital	*Current assets - Current liabilities*	MCh$	265,215	228,743
	Interest Coverage Ratio	*(Profit before taxes + Financial expenditure)/Financial expenditure*	times	1.2	1.8
Profitability	Return on Average Equity	*Annualized profit/ Average Equity*	%	10.8%	10.8%
	Return on Average Assets	*Annualized profit/ Average Assets*	%	2.2%	2.3%
	Gross Profit Margin	*Gross profit/Revenue from ordinary activities*	%	24.0%	39.2%
	Operating Profit Margin	*Operating Profit/Revenue from ordinary activities*	%	10.2%	17.5%
	Net Income Margin	*Net income/Revenue from ordinary activities*	%	8.3%	15.3%
	Earnings Per Share (EPS)	*Net income/number of shares*	$	5,176	24,227
	Efficiency of Expenditure	*SG&A Expenses/Gross profit*	%	58.9%	58.2%
Asset Quality	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	5.5%	4.9%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	2.54%	2.28%
		Non-Performing loans >90 days/Equity	%	10.2%	9.7%
	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	13.0%	11.7%
		Non-Performing loans/Equity	%	52.3%	49.9%
	Provisions	*Provisions/(Loans + Provisions)*	%	2.4%	2.2%
		Provisions/Non-performing loans	%	18.3%	18.9%
		Provisions/Non-performing loans >90 days	%	93.6%	97.0%
	Write-offs	*Write-offs/(Loans + Provisions)*	%	0.6%	2.8%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	2.5%	2.3%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	3.1%	2.5%

Table 2: Main Indicators

As of March 31, 2019, in terms of liquidity and leverage, the Company maintained a healthy and robust position, reflecting the strength of Tanner and its ability to meet its immediate and long-term commitments. On a general scale, liabilities saw a decrease of Ch$ 65,538 million (-5.7% YoY) compared to December 2018, totaling Ch$ 1,078,862 million. On the other hand, assets also saw a contraction of Ch$ 60,720 million (-4.3% YoY), closing the quarter at Ch$ 1,336,826 million. In terms of equity, a rise of Ch$ 4,818 million (+1.7% YoY) is appreciated, thus closing the fourth quarter at Ch$ 287,964 million.

Efficiency indicators improved significantly when compared year-over-year, in line with the Company's goals over the past couple of years. Finally, asset quality indicators reflect the improvements in admission, control and collections policies that Tanner has been developing since 2015 to reduce NPLs levels.

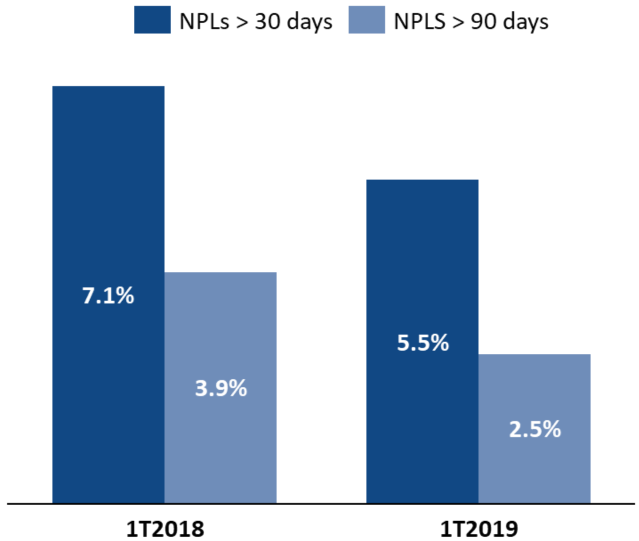


Chart 5: Consolidated NPLs

IV. Results by Division

Tanner is organized in three divisions – Enterprise [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 57.0%, 21.7% and 19.9% respectively by March 31 2019, additionally, revenues and costs generated by the Treasury unit are shown below.

Business Division		01.01.2019 to 03.31.2019 MCh$	01.01.2018 to 03.31.2018 MCh$	Δ $	Δ %
ENTERPRISE DIVISION	REVENUE	19,649	16,759	2,890	17.2%
	COSTS	9,222	8,982	241	2.7%
	GROSS PROFIT	10,426	7,778	2,649	34.1%
i. FACTORING	REVENUE	13,456	10,081	3,375	33.5%
	COSTS	5,568	4,447	1,121	25.2%
	GROSS PROFIT	7,887	5,634	2,254	40.0%
ii. LEASING	REVENUE	2,072	2,726	(654)	-24.0%
	COSTS	1,520	2,006	(486)	-24.2%
	GROSS PROFIT	552	719	(168)	-23.3%
iii. CORPORATE LOANS	REVENUE	4,121	3,952	168	4.3%
	COSTS	2,133	2,528	(394)	-15.6%
	GROSS PROFIT	1,987	1,425	563	39.5%
AUTO-FINANCING DIVISION	REVENUE	21,029	19,239	1,790	9.3%
	COSTS	17,062	14,405	2,657	18.4%
	GROSS PROFIT	3,967	4,835	(868)	-17.9%
SUBISIDIARIES	REVENUE	28,256	8,137	20,119	247.3%
	COSTS	24,622	5,475	19,147	349.7%
	GROSS PROFIT	3,634	2,662	972	36.5%
TREASURY	REVENUE	7,213	610	6,603	1082.4%
	COSTS	6,951	(153)	7,104	-4644.1%
	GROSS PROFIT	261	763	(502)	-65.7%
Tanner	REVENUE	76,146	44,745	31,401	70.2%
	COSTS	57,858	28,708	29,149	101.5%
	GROSS PROFIT	18,289	16,037	2,252	14.0%

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.*

Consolidated gross margin during the first quarter of 2019 reached Ch$ 18,289 million (↑Ch$ 2,252 million / +14.0% YoY), with an increase in revenues (↑Ch$ 31,401 million / +70.2% YoY) offsetting the growth in costs (↑Ch$ 29,149 million / +101.5% YoY). Gross margin breakdown by division/product, is as follows:

ENTERPRISE DIVISION

1Q19: Ch$ 10,426 million, rising 34.1% YoY (↑Ch$ 2,649 million), derived from a significant increase in revenues (↑Ch$ 2,890 million / +17.2% YoY) with an increase in division expenses (↑Ch$ 241 million / 2.7% YoY).

i. FACTORING

1Q19: Ch$ 7,887 million, growing 40.0% YoY (↑Ch$ 2,254 million), due to an increase of Ch$ 3,375 million (+33.5% YoY) in revenues and a rise of 25.2% YoY (↑Ch$ 1,121 million) in costs.

ii. LEASING

1Q19: Ch$ 552 million decreasing 23.3% YoY (↓Ch$ 168 million), with a 24.0% income reduction (↓Ch$ 654 million), and lower costs (↓Ch$ 486 million / -24.2% YoY).

iii. CORPORATE LENDING

1Q19: Ch$ 1,987 million, up 39.5% YoY (↑Ch$ 563 million), due to an increase in revenues (↑Ch$ 168 million / +4.3% YoY) and lower costs (↓Ch$ 394 million / -15.6% YoY).

AUTO-FINANCING DIVISION

1Q19: Ch$ 3,967 million, a contraction of 17.9% YoY (↓Ch$ 868 million), deri ved from a smaller increment in revenues (↑Ch$ 1,790 million / +9.3% YoY) than in costs (↑Ch$ 2,657 million / 18.4% YoY).

SUBSIDIARIES

1Q19: Ch$ 3,634 million, up 36.5% YoY (↑Ch$ 972 million), due to an increase of Ch$ 20,119 million (+247.3% YoY) in revenues that offset higher costs of (↑Ch$ 19,147 million / + 349.7% YoY).

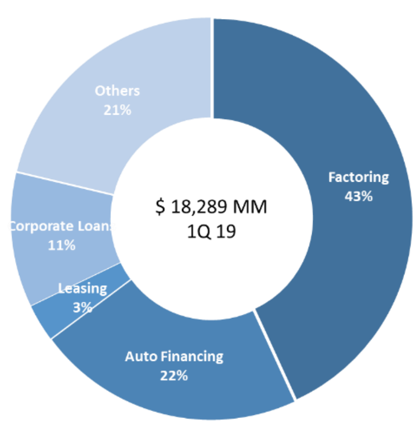


Chart 6: Gross Margin Breakdown by Line of Business

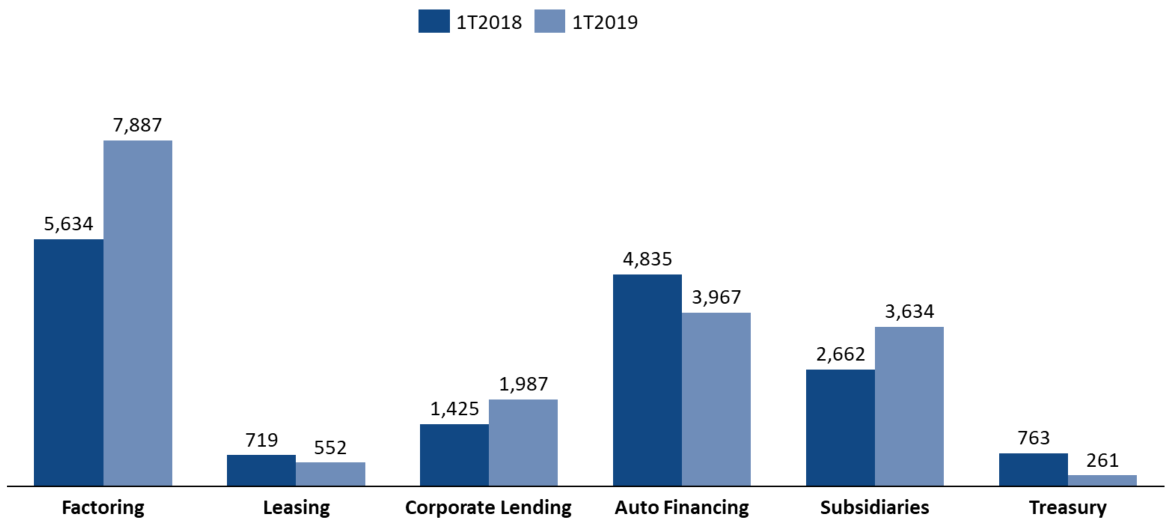


Chart 7: Gross Margin Breakdown by Line of Business on December 2018

Consolidated revenue totaled Ch$ 76,146 million for the year 2018, with a rise of 70.2% YoY (↑Ch$ 31,401 million), explained by a revenue of:

ENTERPRISE DIVISION

Tanner Empresas

1Q19: Ch$ 19,649 million (↑Ch$ 2,890 million / +17.2% YoY);
<u>Driver</u>**:** Increase in price differences derived from the factoring business, which represents 68.5% of the division's revenue.

i. FACTORING

1Q19: Ch$ 13,456 million (↑Ch$ 3,375 million / +33.5% YoY);
<u>Driver:</u> Growth in price differences.

ii. LEASING

1Q19: Ch$ 2,072 million (↓Ch$ 654 million / -24.0% YoY);
<u>Driver:</u> A result of the change in product focus, which seeks to increase its profitability by concentrating on real estate businesses.

iii. CORPORATE LENDING

1Q19: Ch$ 4,121 million (↑Ch$ 168 million / +4.3% YoY);
<u>Driver:</u> Increased due to a contraction in commissions.

AUTO-FINANCING DIVISION

Tanner Automotriz

1Q19: Ch$ 21,029 million (↑Ch$ 1,790 million / +9.3% YoY);
<u>Driver:</u> Higher volume, concordant with larger sales on new and used cars, which leads to increases in interests, late payments and recoveries.

SUBSIDIARIES

1Q19: Ch$ 28,256 million (↑Ch$ 20,119 million / +247.3% YoY);
<u>Driver</u>**:** Intermediated volume increase.

Consolidated costs totaled Ch$ 57,858 million 1Q19, expanding Ch$ 29,149 million (+101.5% YoY), explained by the costs of:

ENTERPRISE DIVISION

1Q19: Ch$ 9,222 million (↑ Ch$ 241 million / +2.7%)
Driver: An increase in costs due to higher interests.

i. FACTORING

1Q19: Ch$ 5,568 million (↑Ch$ 1,121 million / +25.2% YoY);
Driver: Increase in interests related with funding costs related to the product.

ii. LEASING

1Q19: $ 1,520 million (↓$ 486 million / -24.2% YoY);
Driver: Reduction in provisions and write-offs, coupled with lower loan volumes.

iii. CORPORATE LENDING

1Q19: $ 2,133 million (↓$ 394 million / -15.6% YoY);
Driver: Larger provisions, write-offs and interest expenses, in line with an increase in stock.

AUTO-FINANCING DIVISION

1Q19: $ 17,062 million (↑$ 2,657 million / +18.4% YoY);
Driver: Higher interest expenses and commissions due to an increase in the stock, plus an upsurge of provisions and write-offs.

SUBISIDIARIES

1Q19: $ 24,622 million (↑$ 19,147 million / +349.7% YoY);
Driver: Increased cost, caused by an increase in intermediated volume.

V. Portfolio Quality

	Indicator	Definition	Unit	03-31-2019	12-31-2018
ENTERPRISE DIVISION	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	10.0%	8.3%
Tanner Empresas		*Non-Performing loans/Equity*	%	24.5%	22.8%
	Provisions	*Provisions/(Loans + Provisions)*	%	1.6%	1.4%
		Provisions/Non-performing loans	%	15.9%	17.4%
		Provisions/Non-performing loans >90 days	%	98.0%	101.5%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	1.2%	1.3%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	3.1%	2.4%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	1.6%	1.4%
		Non-Performing loans >90 days/Equity	%	4.0%	3.9%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	3.6%	2.5%
		Securitized portfolio/Equity	%	8.7%	7.0%
	Clients	*Number of clients*	#	4,106	4,419
	Efficiency	*SG&A Expenses/Gross profit*	%	52.1%	57.4%
i. FACTORING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	8.8%	8.1%
		Non-Performing loans/Equity	%	11.5%	12.9%
	Provisions	*Provisions/(Loans + Provisions)*	%	1.3%	1.0%
		Provisions/Non-performing loans	%	14.7%	12.9%
		Provisions/Non-performing loans >90 days	%	90.5%	98.5%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	1.6%	1.3%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	2.7%	2.1%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	1.4%	1.1%
		Non-Performing loans >90 days/Equity	%	1.9%	1.7%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	1.4%	1.4%
		Securitized portfolio/Equity	%	1.9%	2.2%
	Clients	*Number of clients*	#	2,915	3,281
	Efficiency	*SG&A Expenses/Gross profit*	%	44.0%	53.3%
ii. LEASING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	19.7%	18.4%
		Non-Performing loans/Equity	%	6.5%	5.3%
	Provisions	*Provisions/(Loans + Provisions)*	%	2.7%	2.8%
		Provisions/Non-performing loans	%	13.9%	15.4%
		Provisions/Non-performing loans >90 days	%	80.7%	86.7%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	1.6%	1.0%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	7.2%	6.9%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	3.4%	3.3%
		Non-Performing loans >90 days/Equity	%	1.1%	0.9%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	12.5%	9.5%
		Securitized portfolio/Equity	%	4.1%	2.7%
	Clients	*Number of clients*	#	676	560
	Efficiency	*SG&A Expenses/Gross profit*	%	96.6%	102.1%
iii. CORPORATE LENDING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	8.1%	5.2%
		Non-Performing loans/Equity	%	6.5%	4.6%
	Provisions	*Provisions/(Loans + Provisions)*	%	1.6%	1.7%
		Provisions/Non-performing loans	%	20.1%	32.5%
		Provisions/Non-performing loans >90 days	%	75.4%	104.2%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	0.4%	1.4%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	2.2%	1.6%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	1.2%	1.5%
		Non-Performing loans >90 days/Equity	%	1.0%	1.3%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	3.4%	2.3%
		Securitized portfolio/Equity	%	2.7%	2.0%
	Clients	*Number of clients*	#	578	578
	Efficiency	*SG&A Expenses/Gross profit*	%	71.8%	57.9%
AUTO FINANCING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	20.7%	20.5%
Tanner Automotriz		*Non-Performing loans/Equity*	%	27.8%	27.1%
	Provisions	*Provisions/(Loans + Provisions)*	%	4.2%	4.1%
		Provisions/Non-performing loans	%	20.4%	20.2%
		Provisions/Non-performing loans >90 days	%	90.8%	94.0%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	5.4%	4.6%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	10.8%	10.7%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	4.7%	4.4%
		Non-Performing loans >90 days/Equity	%	6.3%	5.8%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	2.8%	2.9%
		Securitized portfolio/Equity	%	3.8%	3.8%
	Clients	*Number of clients*	#	69,989	67,577
	Efficiency	*SG&A Expenses/Gross profit*	%	98.3%	68.7%

Table 4: Business Division Main Indicators

ENTERPRISE DIVISION

Portfolio quality advanced with respect to the same period in 2018, this is seen reflected by the decline of both NPLs > 30/90 days plus an improvement in the provision coverage ratio due to the implementation of IFRS 9.

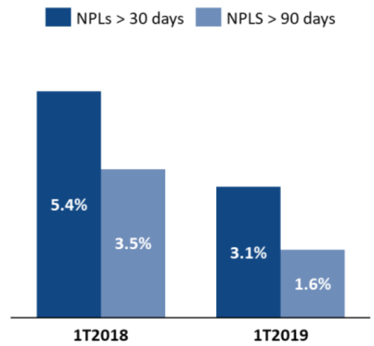


Chart 8: NPLs – Enterprise Division

i. FACTORING

Loan portfolio quality improved significantly with respect to same previous period, reflected in the contraction of both NPLs > 30/90 days.

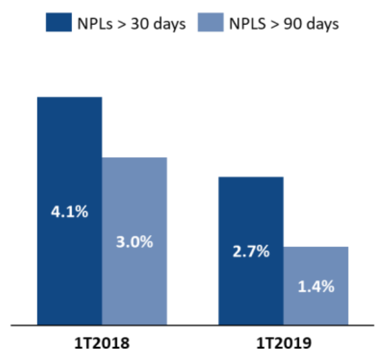


Chart 9: NPLs – Factoring Business

ii. LEASING

Portfolio quality indicators improved, mainly in terms of NPLs > 30/90 days, with the stock of provisions increasing as a result of IFRS 9 adoption.

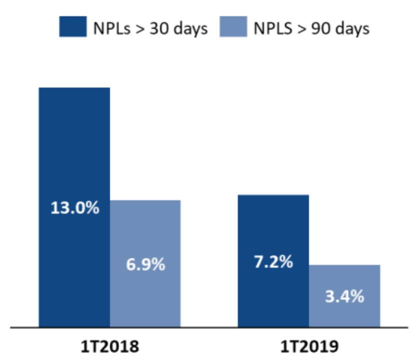


Chart 10: NPLs – Leasing Business

iii. CORPORATE LENDING

Portfolio quality indicators improve year-over-year reaching a similar level compared to factoring.

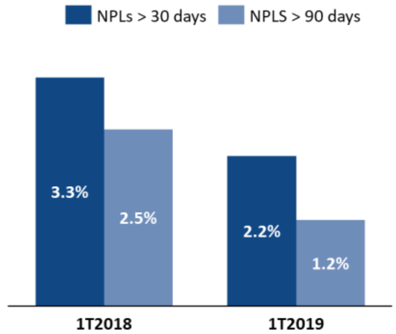


Chart 11: NPLs – Corporate Lending Business

AUTO-FINANCING DIVISION

Both NPLs > 30/90 days improved YoY, reflecting growth of stock, and a healthier portfolio for this division.

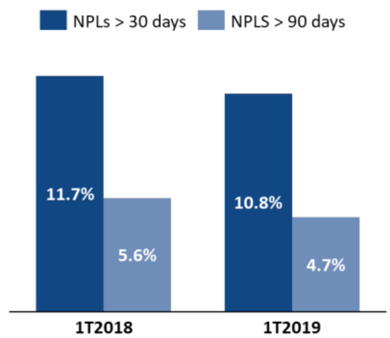


Chart 12: NPLs – Auto-Financing Division

VI. Balance Sheet

Assets (MCh$)	03-31-2019	12-31-2018	Δ $	Δ %
Current Assets				
Cash and cash equivalent	23,888	25,474	(1,586)	-6.2%
Other current financial assets	93,821	104,324	(10,504)	-10.1%
Other current non-financial assets	1,812	1,765	47	2.6%
Trade receivables and other current accounts receivable, net	705,508	770,975	(65,467)	-8.5%
Current accounts receivable from related parties	425	458	(34)	-7.3%
Current tax assets	12,364	12,851	(487)	-3.8%
Non-current assets held for sale	8,390	7,968	422	5.3%
Total Current Assets	**846,207**	**923,816**	**(77,608)**	**-8.4%**
Non-Current Assets				
Other non-current financial assets	30,789	37,555	(6,766)	-18.0%
Other non-current non-financial assets	5,655	2,822	2,833	100.4%
Trade receivables and other non-current accounts receivable, ne	424,918	411,606	13,312	3.2%
Non-current accounts receivable from related parties	681	681	-	0.0%
Intangible assets other than goodwill	5,802	5,520	282	5.1%
Goodwill	1,764	1,764	-	0.0%
Property, plant and equipment	11,086	3,189	7,897	247.7%
Property Investments	9,251	9,316	(65)	-0.7%
Deferred tax assets	30,672	31,278	(606)	-1.9%
Total Non-Current Assets	**520,619**	**503,730**	**16,888**	**3.4%**
Total Assets	**1,366,826**	**1,427,546**	**(60,720)**	**-4.3%**

Liabilities (MCh$)	03-31-2019	12-31-2018	Δ $	Δ %
Current Liabilities				
Other current financial liabilities	469,331	597,596	(128,264)	-21.5%
Trade payables and other current accounts payables	106,041	90,908	15,133	16.6%
Other short-term provisions	538	306	232	75.8%
Short-term employee benefits provisions	4,020	3,957	62	1.6%
Current tax liabilities	1,063	2,306	(1,243)	-53.9%
Other current non-financial liabilities	-		-	0.0%
Total Current Liabilities	**580,993**	**695,073**	**(114,080)**	**-16.4%**
Non-Current Liabilities				
Other non-current financial liabilities	497,756	449,213	48,543	10.8%
Non-current accounts payable	-	-	-	-
Deferred tax liabilities	-	-	-	-
Non-current employee benefits provisions	113	113	-	0.0%
Total Non-Current Liabilities	**497,870**	**449,327**	**48,543**	**10.8%**
Total Liabilities	**1,078,862**	**1,144,400**	**(65,538)**	**-5.7%**
Equity	287,964	283,146	4,818	1.7%
Total Equity and Liabilities	**1,366,826**	**1,427,546**	**(60,720)**	**-4.3%**

Table 5: Consolidated Balance Sheet

a. Loan Portfolio [5]

Total gross loan portfolio at March 31, 2019, reached Ch$ 1,157,977 million (↓Ch$ 51,360 million / -4.3% YTD) versus Ch$ 1,209,339 million in December 2018, while provisions totaled Ch$ 27,551 million, increasing Ch$ 795 million (+3.0% YoY). Consequently, **total net loan portfolio amounted to Ch$ 1,130,426 million, decreasing 4.4% YoY** (↓Ch$ 52,155 million) from Ch$ 1,182,581 million by the end of 2018.

Net loan portfolio at period-end March 31, 2019:

1. **Enterprise Division: Ch$ 691,477 million** | -10.2% YTD | ↓Ch$ 78,586 million;
    a. **Factoring: Ch$ 372,609 million** |-16.3% YTD | ↓Ch$ 72,329 million;
    b. **Leasing: Ch$ 92,300 million** | +16.8% YTD | ↑Ch$ 13,244 million;
    c. **Corporate Lending: Ch$ 226,568 million** | -7.9% YTD | ↓Ch$ 19,501 million;
2. **Auto-Financing Division: Ch$ 370,530 million** | +3.0% YTD | ↑Ch$ 10,713 million.

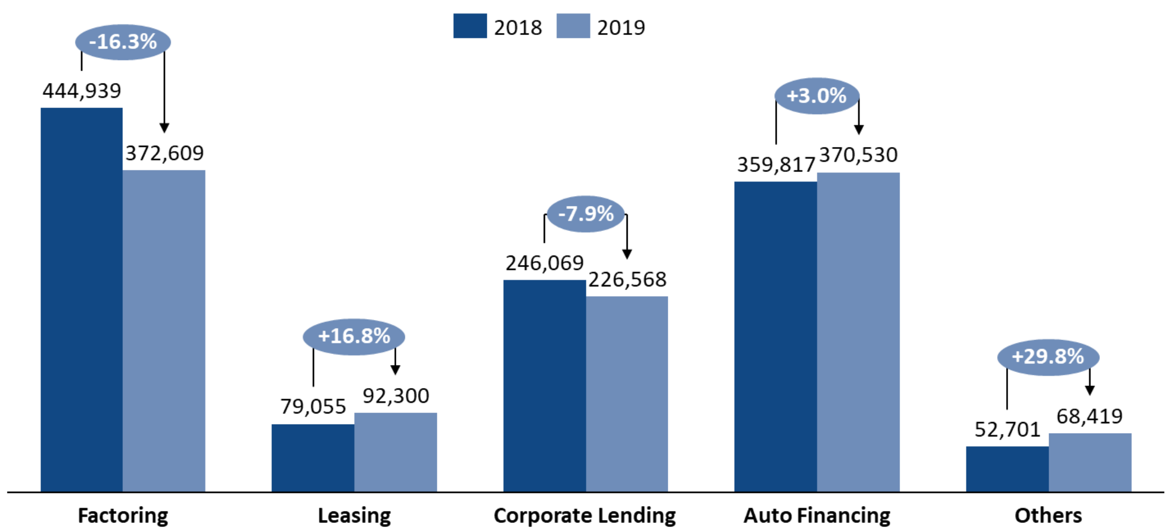


Chart 13: Net Loan Portfolio Breakdown by Line of Business

In 2019, the portfolio continues to concentrate in the Company's strategic businesses – factoring and auto-financing – which represent 33.0% (Dec-2018: 37.6%) and 32.8% (Dec-2017: 30.4%) of net loan portfolio, respectively.

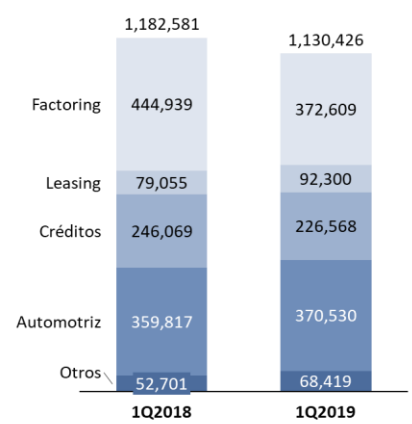


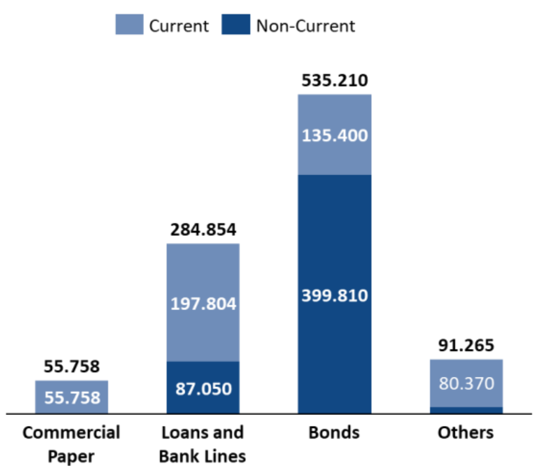
Chart 14: Net Loan Portfolio Breakdown

[5] Gross loans minus provisions.

b. Funding Sources

As of March 31, 2019, financial liabilities totaled Ch$ 967,088 million versus $ 1,046,809 million in December 2018 (↓Ch$ 79,722 million / -7.6% YTD), due to increments associated with the following liabilities: (i) banks and financial institutions (↓Ch$ 72,349 million/ +20.3% YoY) and (ii) commercial paper (↓Ch$ 52,881 million / -48.7% YoY) and (iii) bonds (↑Ch$ 24,310 million / +4.8% YoY) and (iv) other derivatives and repos (↑Ch$ 21,198 million / +30.3% YoY).

In terms of liability structure, 55.3% (Ch$ 535,210 million) correspond to local and international bonds, 29.5% (Ch$ 284854 million) to bank loans and credit lines, and 5.8% (Ch$ 55,758 million) to commercial paper. Additionally Ch$ 91,265 million (9.4%) are related to other financial obligations, which correspond to repos and financial derivatives.



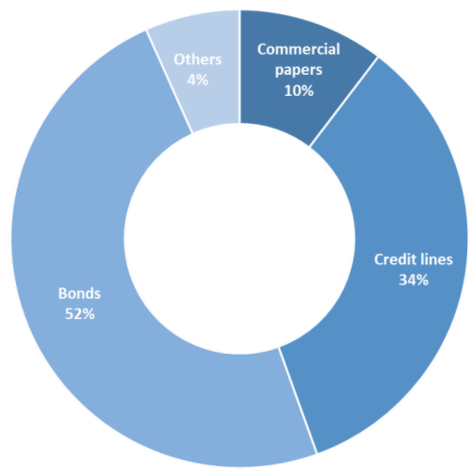


Chart 15: Breakdown of Funding Sources

VII. Cash Flow Statement

MCh$	03-31-2019	03-31-2018	Δ $
Cash flow provided by (used in) operating activities	59,565	(27,644)	87,209
Cash flow provided by (used in) investing activities	62,877	(5,020)	67,897
Cash flow provided by (used in) financing activities	(124,029)	12,352	(136,381)
Effect of changes in exchange rates	2	(25)	27
Net increase (decrease) in cash and cash equivalent	(1,586)	(20,338)	18,752
Cash and Cash Equivalent, Initial Balance	25,474	84,636	(59,162)
Cash and Cash Equivalent, Final Balance	23,888	64,298	(40,410)

Table 6: Cash Flow Statement

During the first quarter of 2019, cash flow of **operating activities totaled Ch$ 59,565 million** versus Ch$ -27,644 million recorded during the first quarter of 2018, an increase of Ch$ 87,209 million attributable to a rise in collections & payments.

Cash flow stemming from **investing activities reached Ch$ 62,877 million**, a rise of Ch$ 67,897 million more than the Ch$ -5,020 million corresponding to 1Q18, mainly because of a Ch$ 109,713 million difference between payments to acquire equity or debt instruments from other entities.

Financing activities cash flow amounts to Ch$ -124,029 million in 2019, versus Ch$ 12,352 million during 1Q18, mainly due to a drop in payments for other equity shares and amounts coming from loans.

Finally, **cash and cash equivalents by March 31, 2019, totaled Ch$ 23,888 million,** diminishing in Ch$ 40,410 million when compared to the same period of the previous year.

VIII. Risk Analysis

a. Credit Risk

Credit risk is the probability a company faces of financial loss when a client or counterparty of 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 366 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 541 days past due, except for real estate leasing and leasing vendor (901 days).

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 541 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 366 days past due.

Concept	3.31.2019			
	Gross Portfolio Ch$k	Provisions Ch$k	Net Portfolio Ch$k	Provisions Index
Factoring	377,460,903	(4,851,585)	372,609,318	1.29%
Leasing	94,889,460	(2,589,709)	92,299,751	2.73%
Corporate Loans	230,319,636	(3,752,066)	226,567,570	1.63%
Automobile Loans	386,887,577	(16,357,452)	370,530,125	4.23%
Others	68,419,447	-	68,419,447	0.00%
Total	**1,157,977,023**	**(27,550,812)**	**1,130,426,211**	**2.38%**

Concept	12.31.2018			
	Gross Portfolio Ch$k	Provisions Ch$k	Net Portfolio Ch$k	Provisions Index
Factoring	449,641,169	(4,702,600)	444,938,569	1.05%
Leasing	81,373,247	(2,317,836)	246,068,521	2.85%
Corporate Loans	250,298,645	(4,230,124)	359,817,375	1.69%
Automobile Loans	375,322,842	(15,505,467)	79,055,411	4.13%
Others	52,701,034	-	52,701,034	0.00%
Total	**1,209,336,937**	**(26,756,027)**	**1,182,580,910**	**2.21%**

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.

In terms of provisions for a renegotiated loan, these are calculated based on an expected loss model for every product, where the non-payment and new loan conditions are the primary variables to consider. The condition of renegotiation is considered by an additional weight in the risk model.

In the factoring business, renegotiations are less frequent, since these operations, which differ from leasing and auto loans, provide liquidity over client account receivables. In the event of a renegotiation, these are approved by Risk Management and clients are required to pay a percentage of the debt and an addition of a guarantee.

The following table shows the percentage of renegotiations by product of the Company's portfolio:

Concept	03.31.2019				
	Total Portfolio Ch$ Th	Renegotiation Ch$ Th	Provision Ch$ Th	Renegotiation by product %	Total portfolio renegotiation %
Factoring	377,460,903	5,366,060	(4,851,585)	1.42%	0.46%
Corporate Lending	230,319,636	7,729,479	(3,752,066)	3.36%	0.67%
Auto Financing	386,887,577	10,994,113	(16,357,452)	2.84%	0.95%
Leasing	94,889,460	11,859,513	(2,589,709)	12.50%	1.02%
Others	68,419,447	-	-	-	-
Total	**1,157,977,023**	**35,949,165**	**(27,550,812)**		**3.10%**

Concept	12.31.2018				
	Total Portfolio Ch$ Th	Renegotiation Ch$ Th	Provision Ch$ Th	Renegotiation by product %	Total portfolio renegotiation %
Factoring	449,641,169	6,227,926	(4,702,600)	1.39%	0.51%
Corporate Lending	250,298,645	5,718,313	(4,230,124)	2.28%	0.47%
Auto Financing	375,322,842	10,855,930	(15,505,467)	2.89%	0.90%
Leasing	81,373,247	7,753,475	(2,317,836)	9.53%	0.64%
Others	52,701,034	-	-	-	-
Total	**1,209,336,937**	**30,555,644**	**(26,756,027)**		**2.53%**

Table 8: Portfolio, Provisions and Renegotations

The augment of renegotiations, associated to leasing, are due to warehouse real estate businesses that were postponed due to a lower activity levels over the last years. This operation was pre paid during the April of the current year.

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, 2019, the Company, on a consolidated level, totaled Ch$ 23,888 million of cash on hand, versus Ch$ 25,473 million in December 2018.

Indirect subsidiary *Tanner Corredores de Bolsa* is subject to requirements set forth by the CMF (former SVS) and must comply with regulations with respect the General Liquidity Index and the Intermediation Liquidity Index. In line with the requirements of the CMF, 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[6].

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:

[6] VaR: Value at Risk – corresponds to the maximum expected loss considering a history horizon of 1 year with a confidence level of 99%.

Decreases:

Negative Delta (bps)	-25	-50	-75	-100	-125	-150	-175	-200
Net Portfolio Variation	0.07%	0.14%	0.20%	0.27%	0.34%	0.41%	0.48%	0.56%

Increases:

Positive Delta (bps)	25	50	75	100	125	150	175	200
Net Portfolio Variation	-0.07%	-0.13%	-0.20%	-0.26%	-0.33%	-0.90%	-0.46%	-0.52%

Table 9: 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	03.31.2019							
	Trading Derivatives				Hedging Derivatives			
	UF$K	CLP$K	USD$K	CHF$K	UF$K	CLP$K	USD$K	CHF$K
Up to 1 year	-	(47,139,942)	48,596,461	-	53,912,270	(182,821,993)	126,719,880	-
1 to 3 years	-	-	-	-	121,084,622	(174,909,189)	59,172,041	-
3 years and over	-	-	-	-	-	-	-	-
Total	**-**	**(47,139,942)**	**48,596,461**	**-**	**174,996,892**	**(357,731,182)**	**185,891,921**	**-**

Sens. +1bps	03.31.2019							
	Trading Derivatives				Hedging Derivatives			
	UF$K	CLP$K	USD$K	CHF$K	UF$K	CLP$K	USD$K	CHF$K
Up to 1 year	-	950	(978)	-	(2,665)	6,698	(3,919)	-
1 to 3 years	-	-	-	-	(20,074)	29,393	(10,709)	-
3 years and over	-	-	-	-	-	-	-	-
Total	**-**	**950**	**(978)**	**-**	**(22,739)**	**36,091**	**(14,628)**	**-**

Table 10: 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 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 presents an exposure in US Dollars of US$ -3,989K, equivalent to 0.94% of equity, versus US$ -5,623K, corresponding to 1.38% of equity in December 2018. The sensitivity analysis to currency risk is calculated daily, considering as the main variable the exposure in US Dollars of mismatch held and the estimated variation of the Observed US Dollar.

US$ Mismatch (US$K)	03.31.2019	12.31.2018
Assets	229,962	269,335
Liabilities	(332,833)	(390,432)
Derivative Instrument	98,882	115,474
Total Mismatch	**(3,989)**	**(5,623)**

Table 11: 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, whose related mismatch is managed on 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 December 31, 2018, mismatch in UF amounted to UF 2,039K, equivalent to 19.52% of equity (2017: UF 1,986K corresponding to 19.34% of equity). As for currency risk, the sensitivity analysis of indexation risk is calculated on a daily basis, considering as the main variable the mismatch held in CLF and the future variations estimated in the UF value.

UF Mismatch (UFK)	03.31.2019	12.31.2018
Assets	7,853	7,737
Liabilities	(13,782)	(12,717)
Derivative Instrument	7,968	6,966
Total Mismatch	**2,039**	**1,986**

Table 12: UF Mismatch

For additional information regarding this section, please refer to Note 4 of the Company's Financial Statements as of March 31, 2019.