

Corporate Results Presentation **2019**

Tanner

SEP | 2019

Index

- **Tanner at a Glance**
- Our Business Lines
- Pillars



» Tanner is a non-bank financial institution from Chile with over 25 years of experience and a leading position within the auto financing and factoring industries.

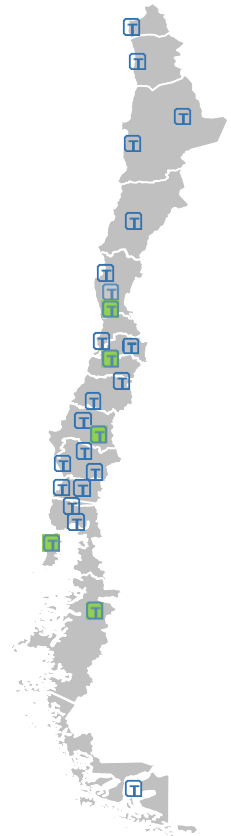
» Stands on highly diversified, strategically built loan and funding portfolios:

- No business line represents more than 36% of total gross loans.
- Loans distributed across 17+ industries.
- Top five customers represent less than 13% of our loan portfolio.
- No single creditor represents more than 5% of our funding.

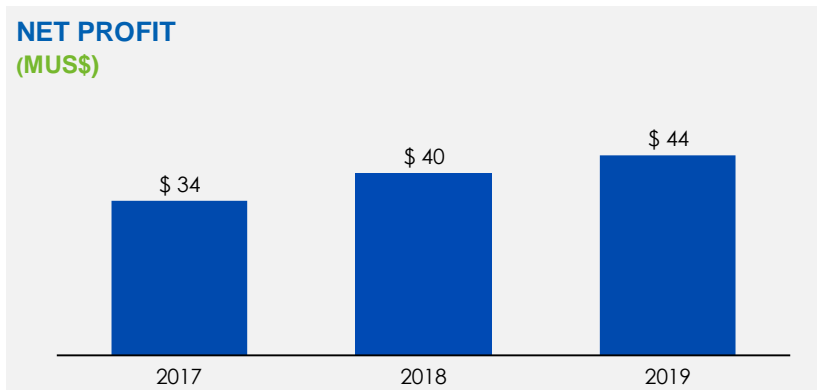
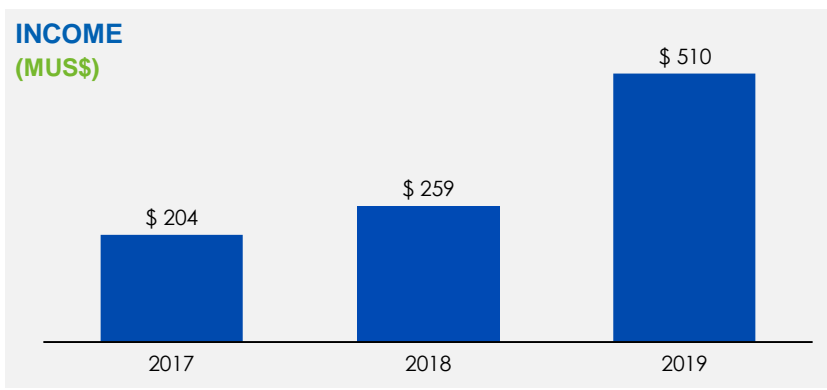
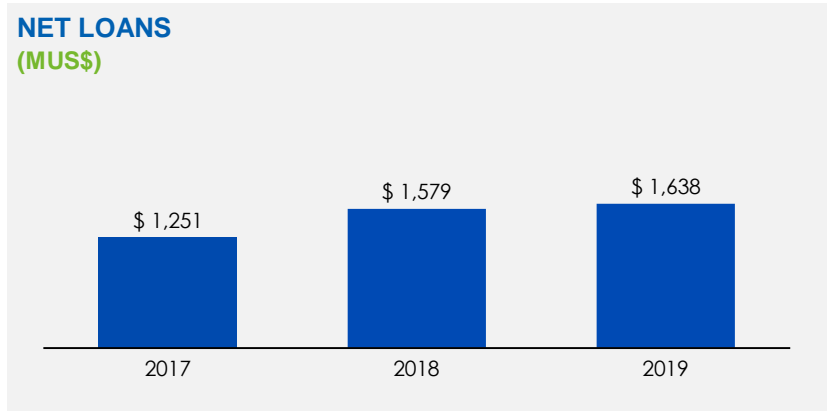
» Our business model is based on operational excellency, offering timely services enabled by vanguard technological developments.

» Highest standards of corporate governance, with a premier management team and board, supported by experienced shareholders.

» One of Chile's highest ROAA across the finance industry



Physical Branch
 Virtual Branch



Intl. Rating

S&P Global Ratings

Local Rating

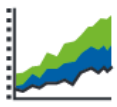
FellerRate
Clasificadora de Riesgo



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Solid growth during the first nine months, maintaining risk within expected levels.

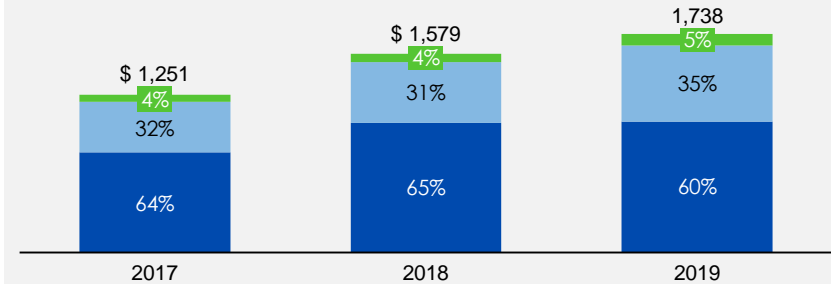
HIGHLIGHTS

- Tanner grew in profits 9,6% YoY and 10,1% YoY in net loans.
- NPL's over 90 days reached 2,7% (2,3% in 2018).
- During December a strategic alliance was agreed upon with Nissan SpA, placing all inventory financing needs with us and starting January 2020 the financing of all automotive loans sold to brand customers.

NET LOANS DISTRIBUTION

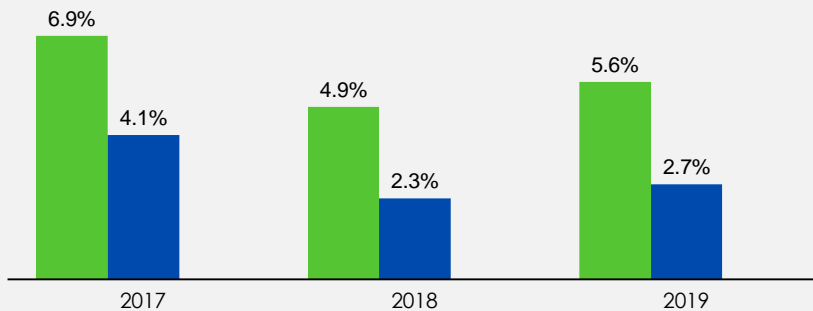
(MUS\$)

Others Corporate
Auto Lending



NON PERFORMING LOANS (1)

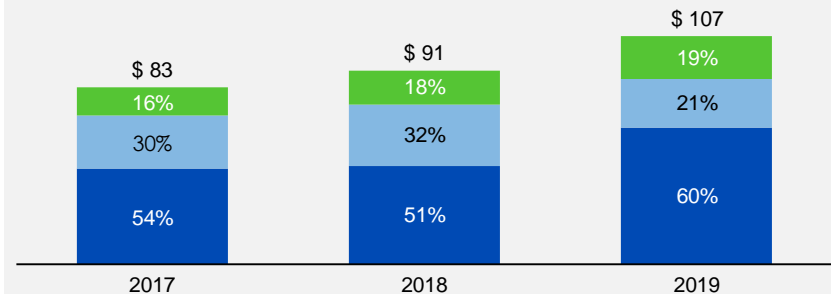
NPLs > 30 days Serie
NPLs > 90 days



GROSS MARGIN DISTRIBUTION

(MUS\$)

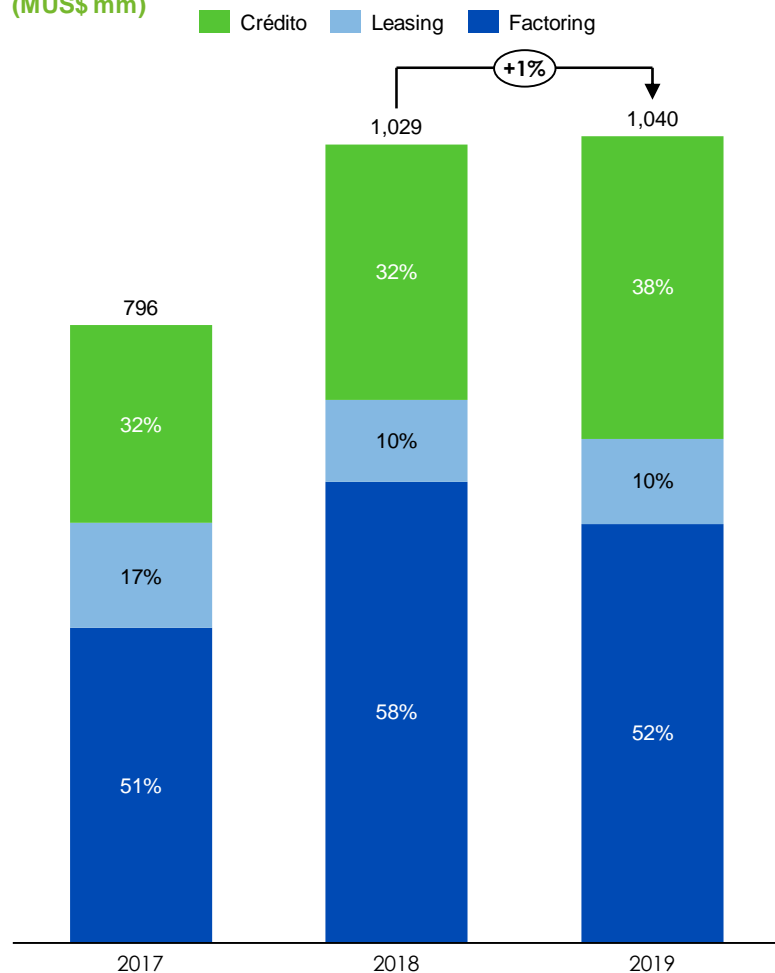
Others Corporate
Auto Lending



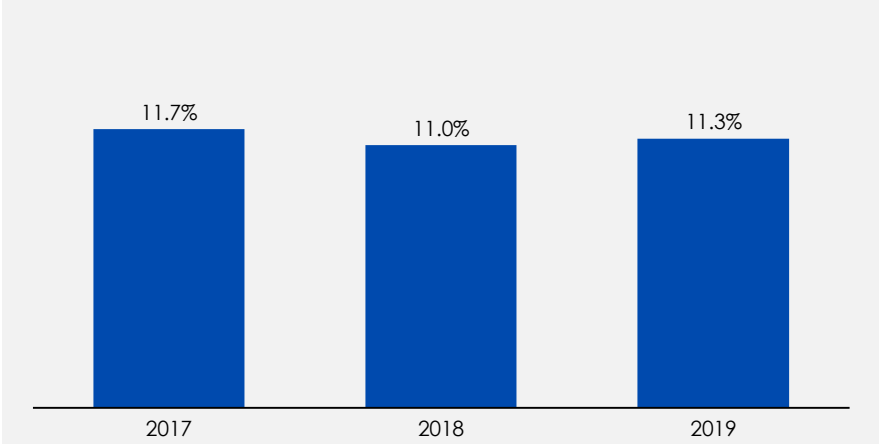


NET LOANS

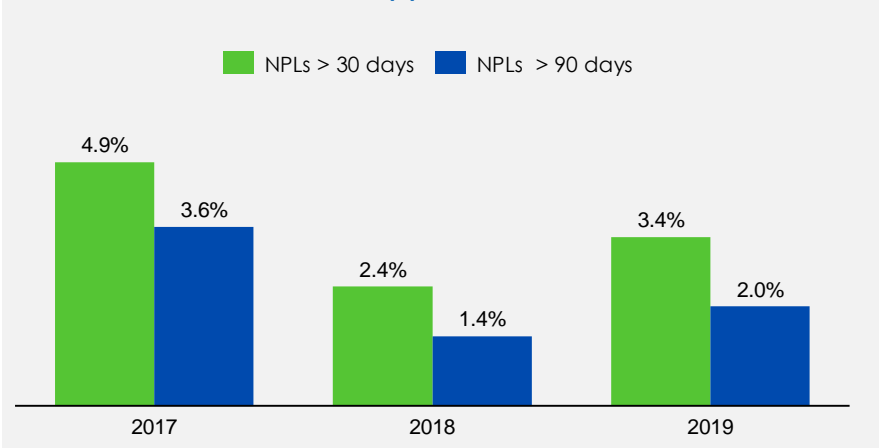
(MUS\$ mm)



YIELD (1)

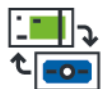


NON PERFORMING LOANS (2)



(1) Yield = LTM Income / Average Net Loans

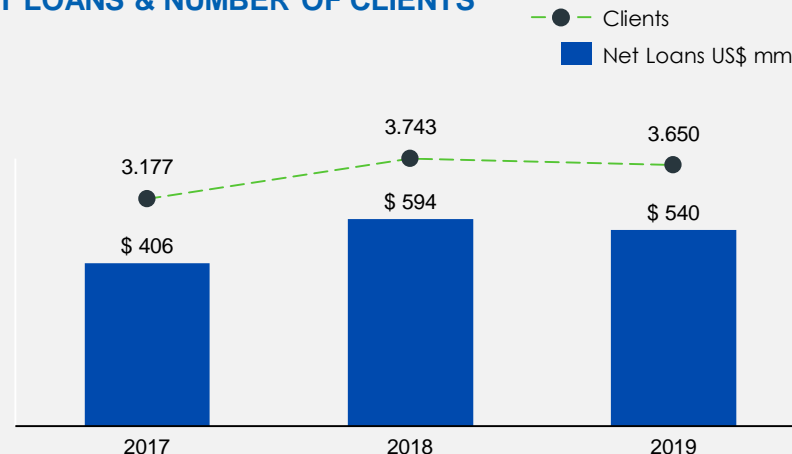
(2) NPL'S = Non performing loans / (Loan Stock + Provisions)



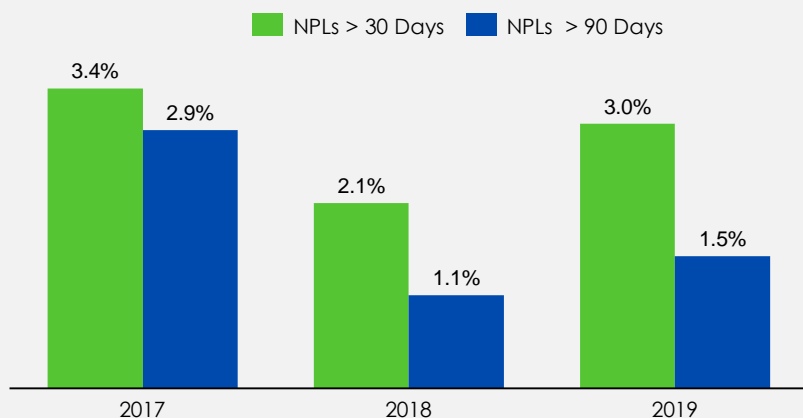
HIGHLIGHTS

- Tanners targeted segment are SME's as our factoring services aim to offer affordable funding alternatives that differ from the conventional products offered by banks.
- Income is obtained from interests charged as well as from fees discounted from the invoices original value.
- Tanner offers the following services:
 - Invoices:** they add up to over 62% of total factoring volume. **Confirming** represents approximately 2%.
 - Checks and Promissory Notes:** they represent around 20% and 3% of total Factoring volume.

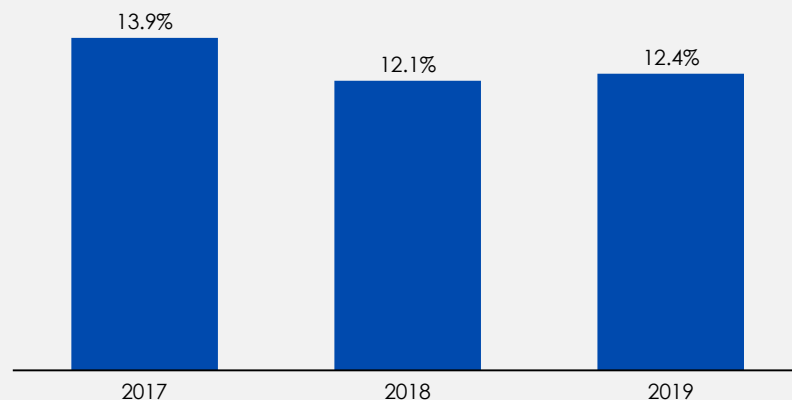
NET LOANS & NUMBER OF CLIENTS



NON PERFORMING LOANS (1)



YIELD (2)

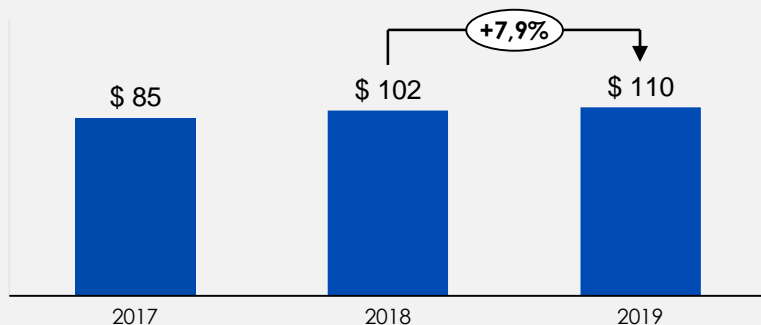


(1) $NPL'S > 90 \text{ Days} = \frac{NPL's > 90 \text{ Days}}{\text{Loan stock} + \text{Provisions}}$

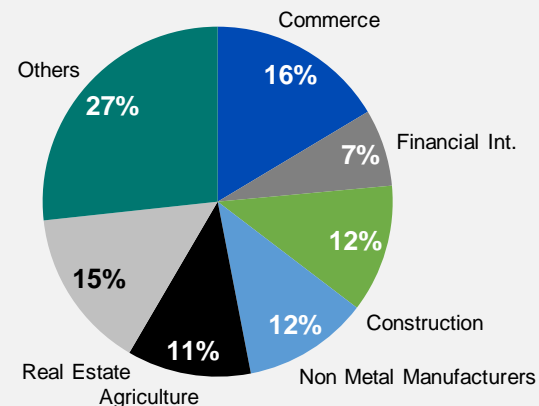
(2) $\text{Yield} = \frac{\text{Revenue LTM}}{\text{Average Net Loans}}$



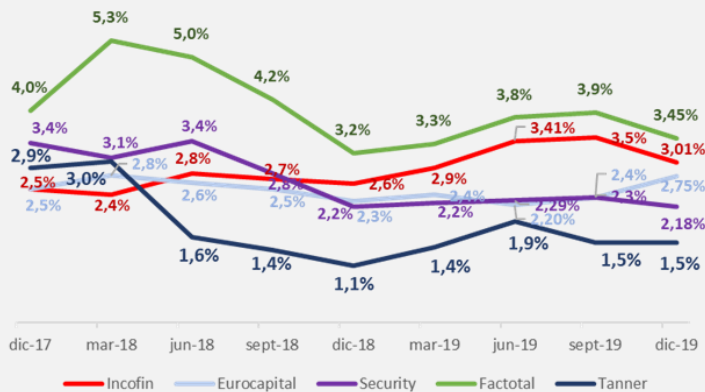
GROSS PROFIT (MUS\$)



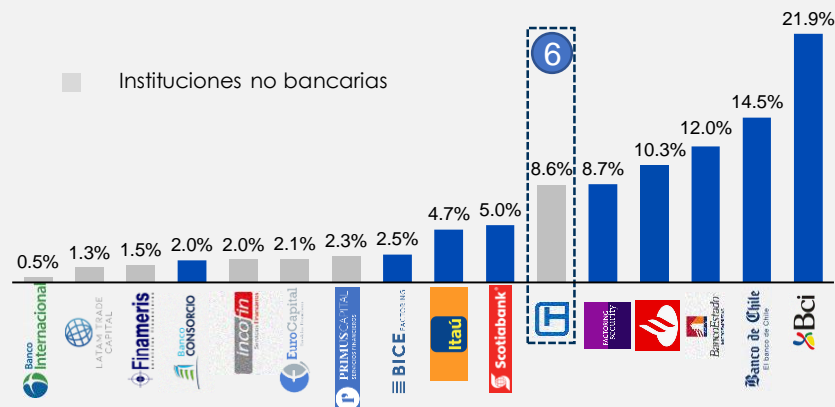
LOAN PORTFOLIO INDUSTRY DISTRIBUTION



NON PERFORMING LOANS (1)



LARGEST NON BANK FACTORING IN THE SYSTEM (MARKET SHARE AS % OF GROSS LOANS)

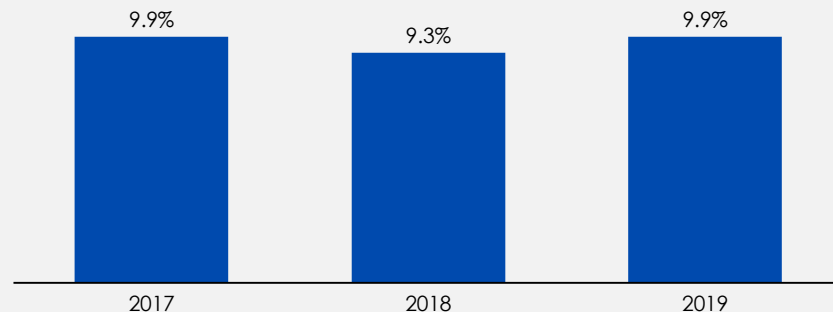




HIGHLIGHTS

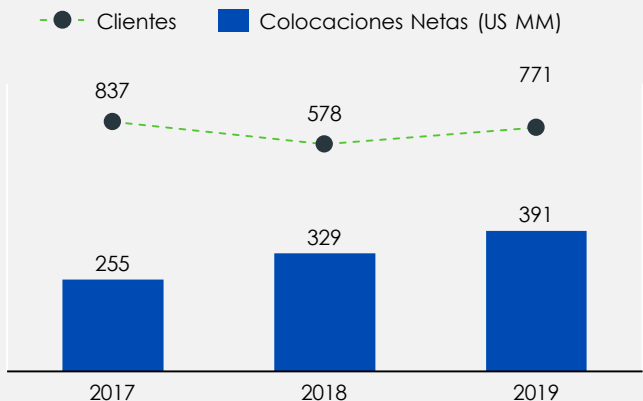
- This division's primary objective is to diversify the loan portfolio .
- Most of Tanner's customers are part of the Factoring client base.
- During the year 2018 Tanner stopped granting leasing operations for assets other than real estate, focusing on safer assets.

YIELD (1)



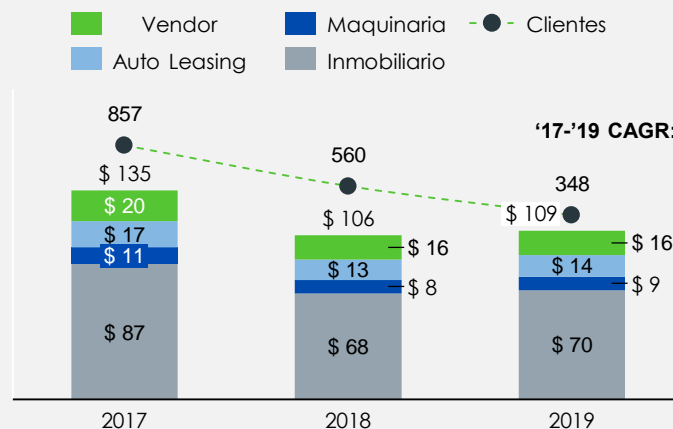
CORPORATE LENDING: NET LOANS & CLIENT

'17-'19 CAGR: 23,9%



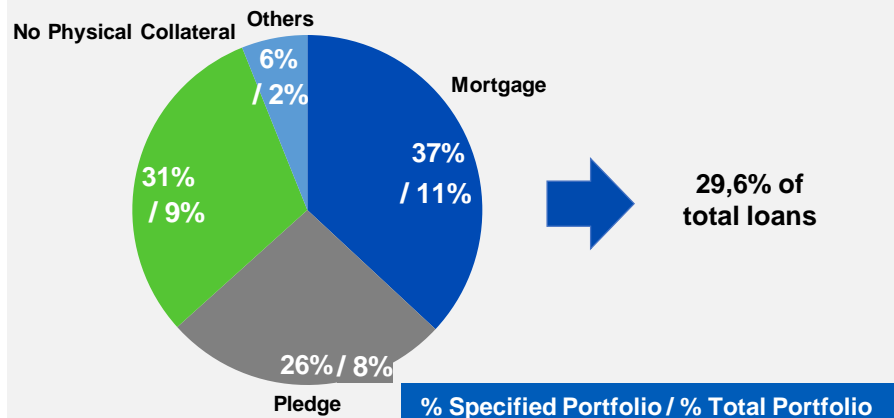
LEASING: NET LOANS & CLIENT

'17-'19 CAGR: -10,4%



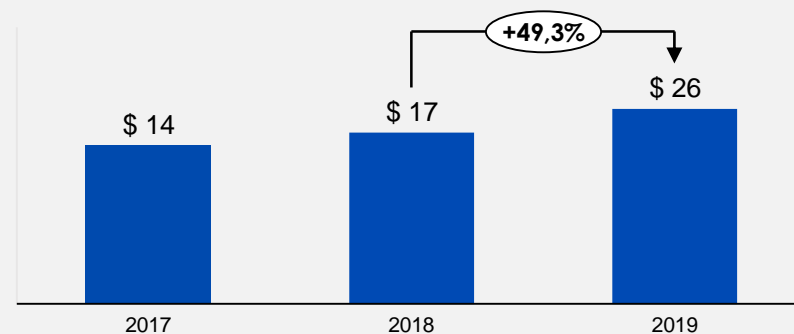


CORPORATE LENDING & LEASING COLLATERALS

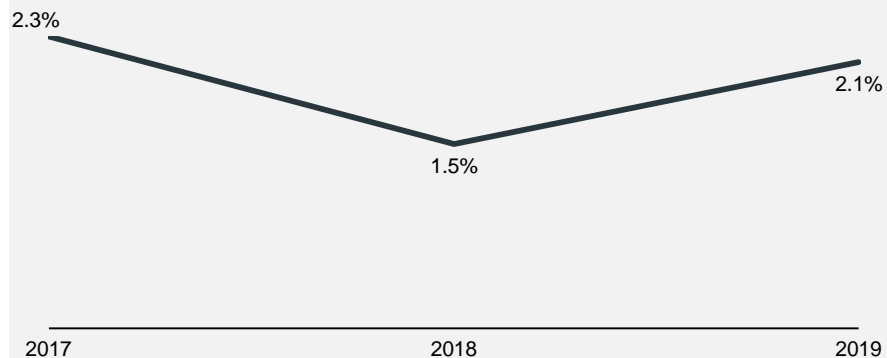


GROSS MARGIN CORPORATE LENDING + LEASING

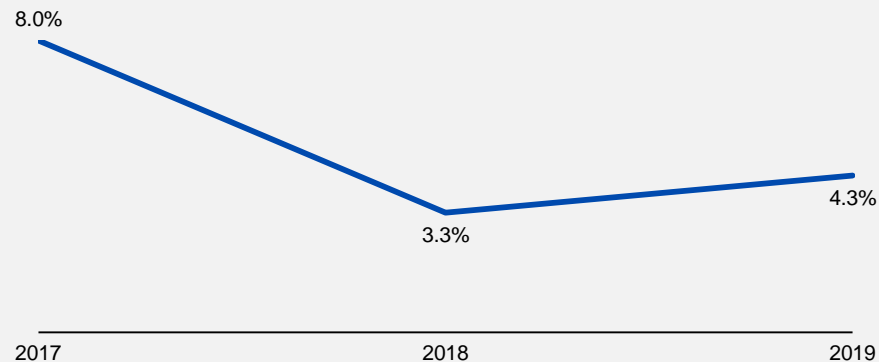
(MUS\$)



CORPORATE LOANS: NPL'S > 90 DAYS (1)



LEASING: NPL'S > 90 DAYS (1)



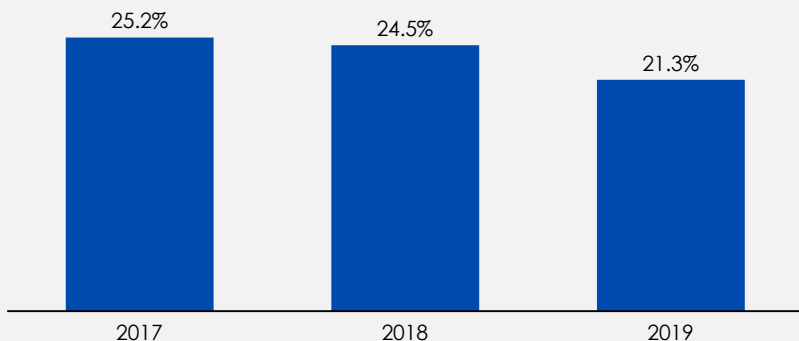
(1) NPL'S > 90 Days = NPL's > 90 Days / (Loan stock + Provisions)



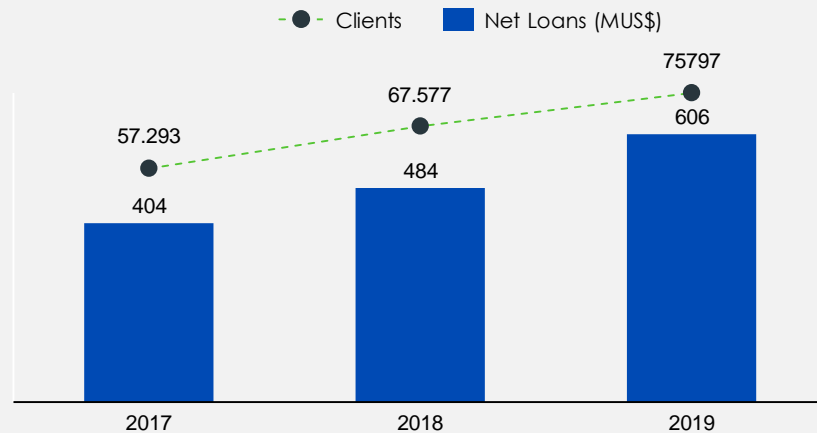
HIGHLIGHTS

- This product has an attractive risk to return profile, with the vehicle as guarantee and sizeable down payments.
- Tanner has diversified into three sales channels:
 - 1) AMICAR
 - 2) Dealers
 - 3) Direct.
- Portfolio is comprised of 67.4% new cars / 32.6% used.
- Tanner increasing its market share with the better behaved new cars.
- Cross-selling of insurance with Tanner Corredora de Seguros.

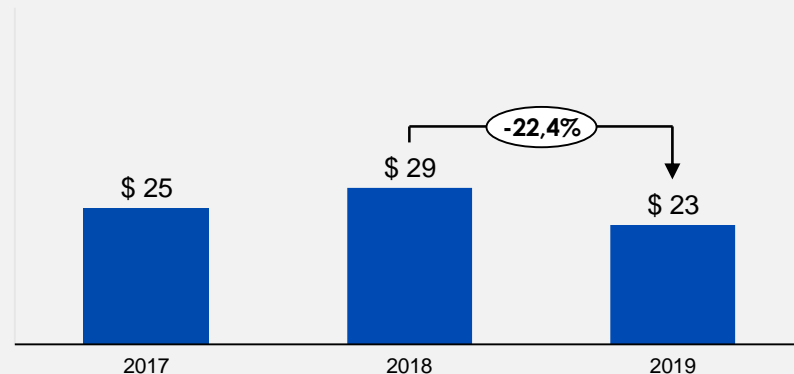
YIELD(1)



NET LOANS AND # OF CLIENTS



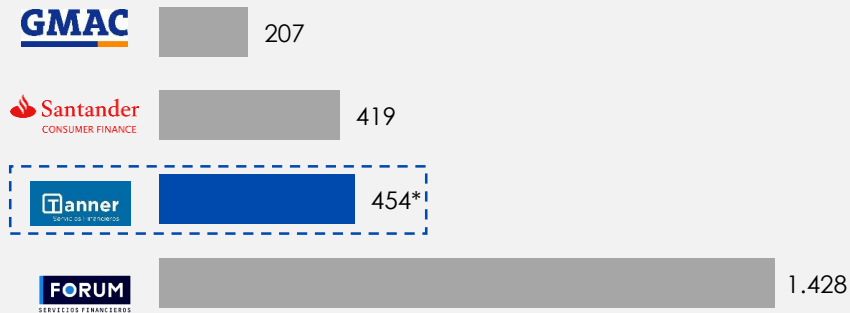
GROSS MARGIN (MUS\$)



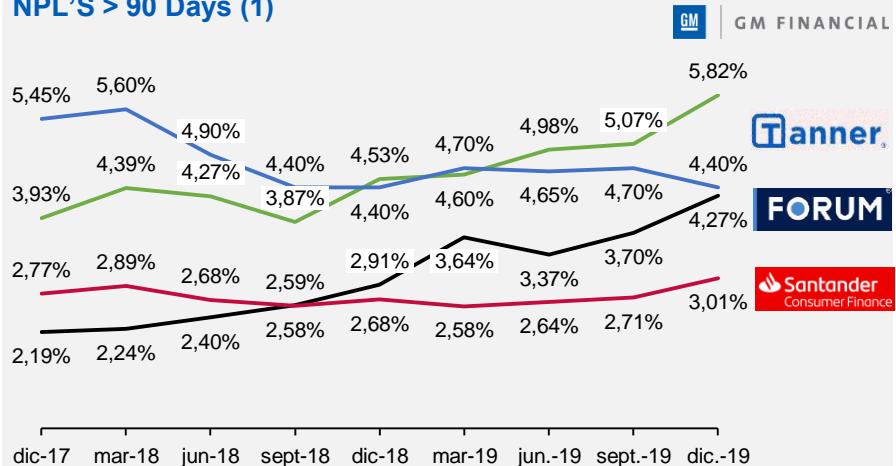
(1) Yield = LTM Income / Average Net Loans



STRONG PRESENCE IN THE AUTO FINANCING INDUSTRY (GROSS LOANS 3Q 2019)

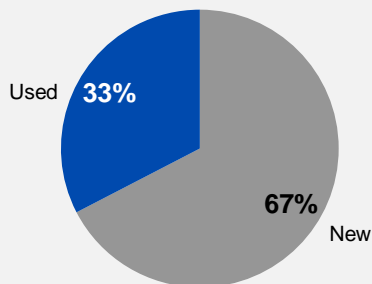


NPL'S > 90 Days (1)

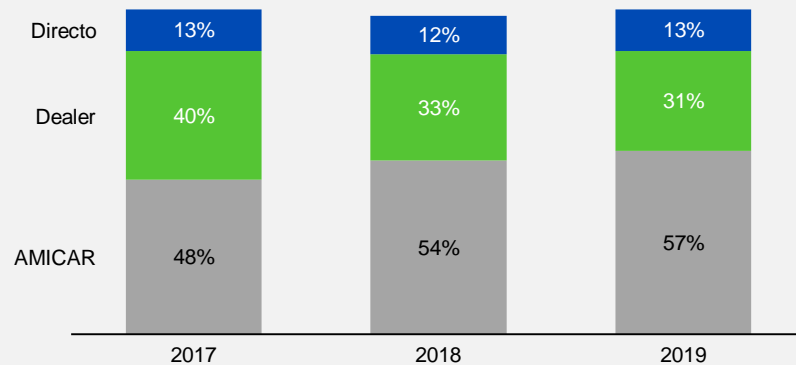


PORTFOLIO DISTRIBUTIONS

By car condition



DISTRIBUTION BY SALES CHANNEL



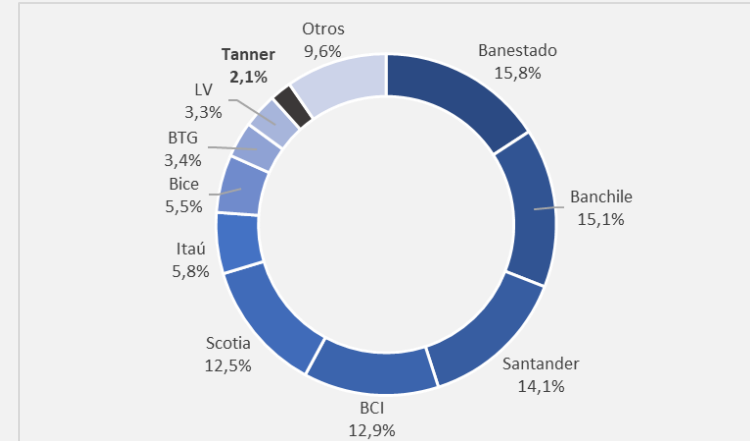
(1) NPL'S = Non performing loans / (Loan Stock + Provisions)



HIGHLIGHTS

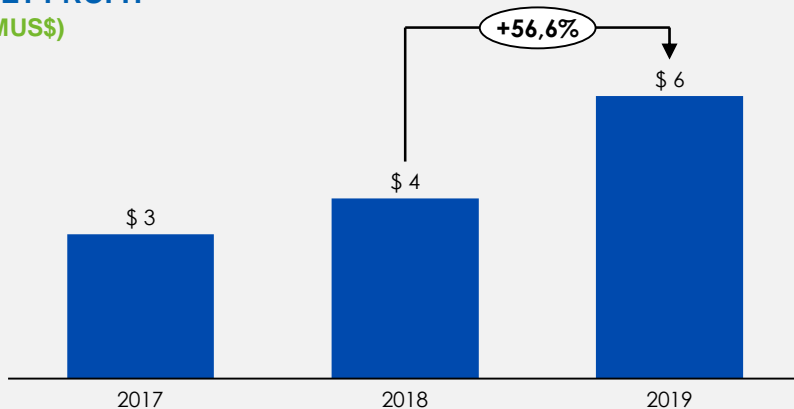
- Tanner Investments, acquired in 2009, is the most recent division within Tanner Servicios Financieros
- Through its three vehicles it offers several investment alternatives to its individual and institutional clients:
 - Tanner Corredores de Bolsa: Offers brokerage services.
 - Asset Management (TAM): Third party fund distribution.
 - Asesorías e Inversiones (TAI): Strategic advisory services.
- Has over US\$ 420 million AuM and over 2000 clients.

STOCK BROKER RANKING 2019

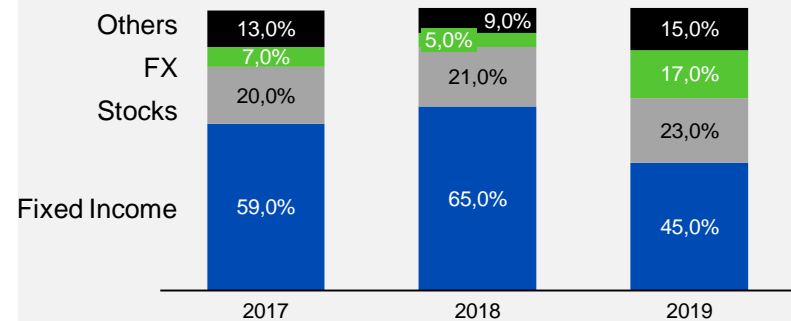


NET PROFIT

(MUS\$)



INCOME DISTRIBUTION



A photograph of rowers in a boat, showing their legs and hands on the oars. The image is partially obscured by a white circular graphic element.

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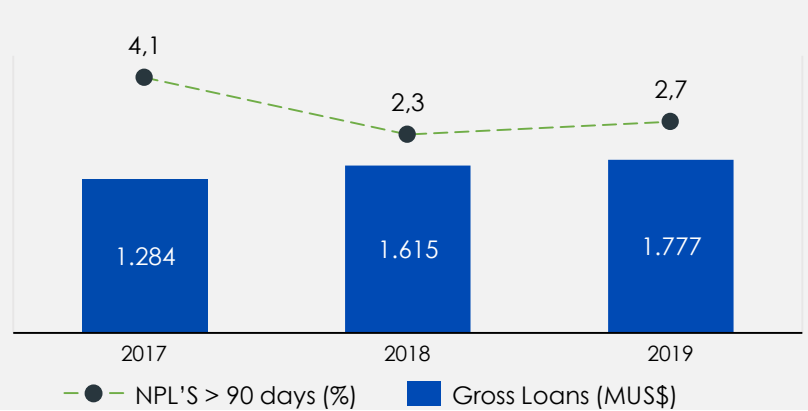
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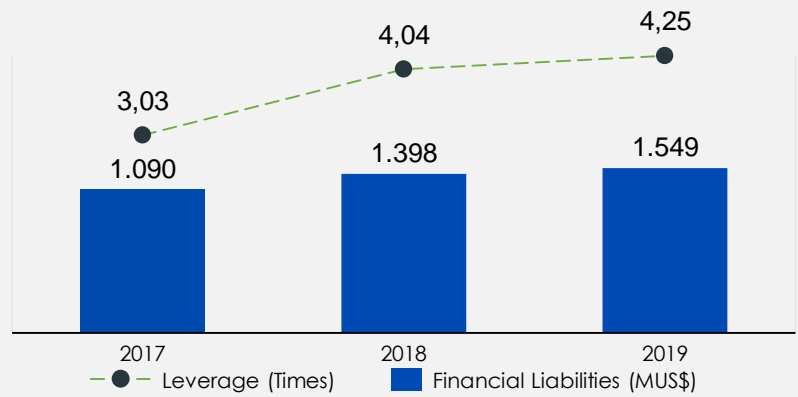


Superior financial performance with a robust capital structure and ample access to diverse sources of funding.

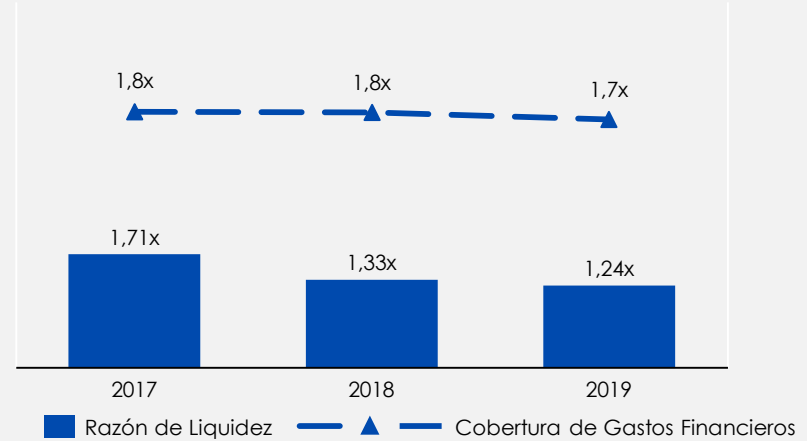
GROSS LOANS VS NPL'S > 90 DAYS



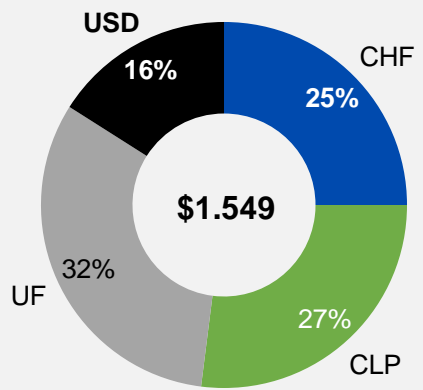
FINANCIAL LIABILITIES VS LEVERAGE



LIQUIDITY (1) & INTEREST COVERAGE RATIO (2)



FINANCIAL LIABILITY DISTRIBUTION BY CURRENCY



(1) Liquidity ratio = Current assets / Current liabilities
 (2) Interest Coverage Ratio = (Profit before taxes + Financial expenditure) / Financial expenditure

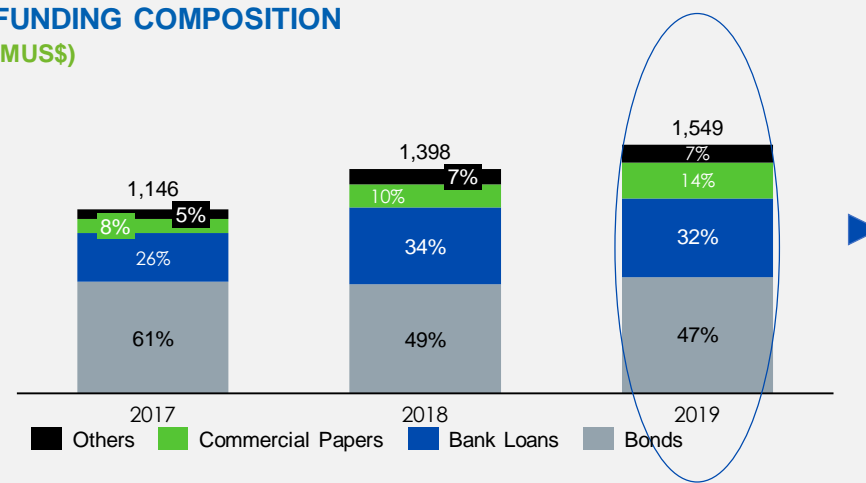


Superior financial performance with a robust capital structure and ample access to diverse sources of funding. 

Debt Profile & Balance sheet

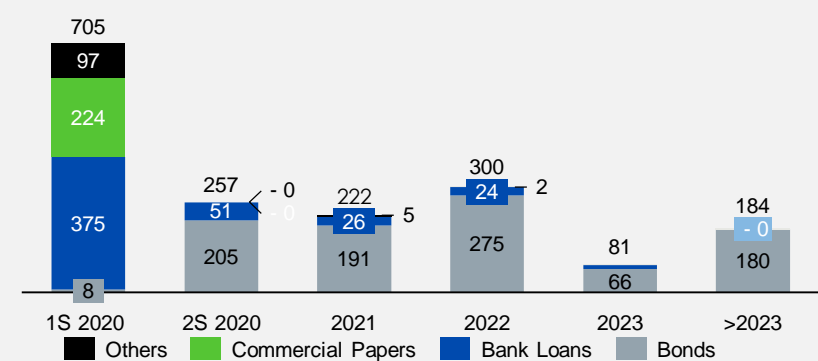
FUNDING COMPOSITION

(MUS\$)

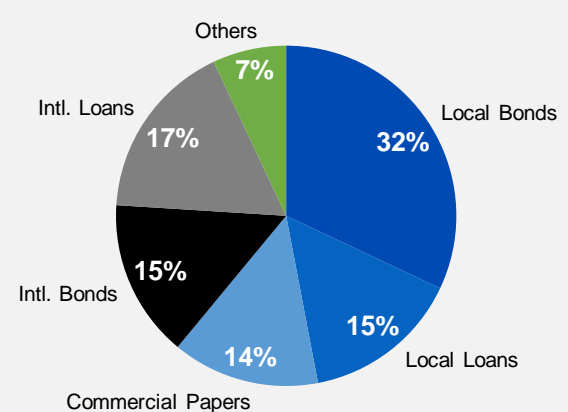


LIABILITY EXPIRATION PROFILE

(MUS\$)



FUNDING DISTRIBUTION



BALANCE STRUCTURE AND HEDGES

- Assets average duration: 0,86 years.
- Liabilities average duration: 1,90 years.

Item	CLP	USD	CHF	UF	TOTAL
Activos	1.562	331	0	257	2.151
Pasivos + Patrimonio	1.023	382	232	513	2.151
Diferencial por moneda	539	(51)	(232)	(256)	-
Coberturas	(647)	52	232	362	-
Exposición Neta	(108)	2	-	106	-



Tanner®

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ANNEX

Assets (Th US\$)	31-12-2019	12-31-2018	Δ \$	Δ %
Current Assets				
Cash and cash equivalent	71.667	34.022	37.645	110,6%
Other current financial assets	126.633	139.333	(12.701)	-9,1%
Other current non-financial assets	2.307	2.358	(51)	-2,2%
Trade receivables and other current accounts receivable, net	1.195.313	1.029.696	165.616	16,1%
Current accounts receivable from related parties	509	612	(103)	-16,8%
Current tax assets	24.360	17.163	7.196	41,9%
Non-current assets held for sale	14.049	10.643	3.406	32,0%
Total Current Assets	1.434.837	1.233.827	201.010	16,3%
Non-Current Assets				
Other non-current financial assets	83.414	50.158	33.256	66,3%
Other non-current non-financial assets	6.195	3.769	2.426	64,4%
Trade receivables and other non-current accounts receivable, net	543.881	549.732	(5.851)	-1,1%
Non-current accounts receivable from related parties	706	910	(204)	-22,5%
Intangible assets other than goodwill	9.027	7.372	1.655	22,4%
Goodwill	2.355	2.355	-	0,0%
Property, plant and equipment	15.535	4.259	11.276	264,8%
Property Investments	15.200	12.442	2.757	22,2%
Deferred tax assets	40.022	41.774	(1.752)	-4,2%
Total Non-Current Assets	716.334	672.771	43.563	6,5%
Total Assets	2.151.171	1.906.598	244.573	12,8%
Liabilities (Th US\$)	31-12-2019	12-31-2018	Δ \$	Δ %
Current Liabilities				
Other current financial liabilities	961.670	798.135	163.534	20,5%
Trade payables and other current accounts payables	188.945	121.415	67.530	55,6%
Other short-term provisions	706	409	297	72,6%
Short-term employee benefits provisions	1.641	5.286	(3.645)	-69,0%
Current tax liabilities	908	3.079	(2.171)	-70,5%
Other current non-financial liabilities	-	-	-	0,0%
Total Current Liabilities	1.153.869	928.324	225.545	24,3%
Non-Current Liabilities				
Other non-current financial liabilities	586.952	599.959	(13.007)	-2,2%
Non-current accounts payable	-	-	-	-
Deferred tax liabilities	-	-	-	-
Non-current employee benefits provisions	259	152	107	70,9%
Total Non-Current Liabilities	587.211	600.111	(12.899)	-2,1%
Total Liabilities	1.741.080	1.528.434	212.646	13,9%
Equity	410.091	378.164	31.927	8,4%
Total Equity and Liabilities	2.151.171	1.906.598	244.573	12,8%

INCOME STATEMENT Th US\$	01-01-2019 12-31-2019	01-01-2018 Δ \$ 12-31-2018	Δ %		07-01-2018 09-30-2018	07-01-2017 Δ \$ 09-30-2017		Δ %
Revenue from ordinary activities	510.482	258.935	251.548	97,1%	194.829	75.309	119.520	158,7%
Sales cost	(400.814)	(157.336)	(243.478)	154,8%	(170.256)	(47.438)	(122.818)	258,9%
Gross profit	109.668	101.598	8.070	7,9%	24.574	27.872	(3.298)	-11,8%
Other revenue, by function	3.425	3.002	423	14,1%	1.148	1.548	(400)	-25,9%
Administrative expenses	(61.504)	(59.144)	(2.361)	4,0%	(15.328)	(15.884)	556	-3,5%
Other profits (losses)	-	(36)	36	0,0%	-	(20)	20	0,0%
Operating margin	51.589	45.420	6.168	13,6%	10.394	13.516	(3.122)	-23,1%
Financial revenue	244	136	108	79,6%	159	106	52	49,4%
Financial costs	(537)	(399)	(138)	34,7%	(87)	(91)	(30)	24,7%
Foreign exchange differences	782	15	767	5235,6%	(187)	(21)	405	227,6%
Income by adjustment units	69	115	(46)	-39,7%	17	98	(76)	-104,9%
Profit (losses) before taxes	52.147	45.287	6.860	15,1%	10.983	13.753	(2.770)	-20,1%
Revenue (expense) from profit taxes	(8.610)	(5.570)	(3.041)	54,6%	(1.283)	(1.698)	415	-24,5%
Profit (losses)	43.536	39.717	3.819	9,6%	9.700	12.055	(2.355)	-19,5%
Profit (losses) attributable to controller's property owners	42.804	39.221	3.583	9,1%	9.599	11.936	(2.338)	-19,6%
Profit (losses) attributable to non-controller shares	732	496	236	47,6%	102	119	(17)	-14,4%