



Tanner.

CORPORATE RESULTS 1Q2020



MAY | 2020

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- **Tanner at a Glance**
- Corporate Results
- Balance Sheet
- Covid-19

» 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.

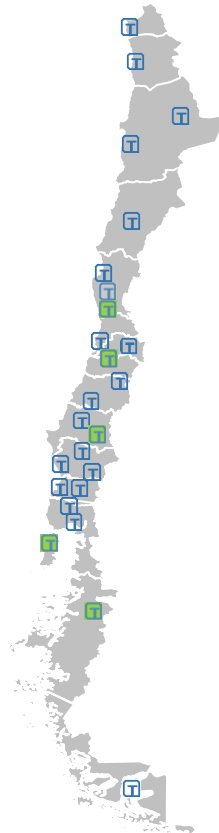
» Stands on highly diversified, strategically built loan and funding portfolios:

- No business line represents more than 38% of total gross loans.
- Loans distributed across 17+ industries.
- Top five customers represent less than 9% 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.

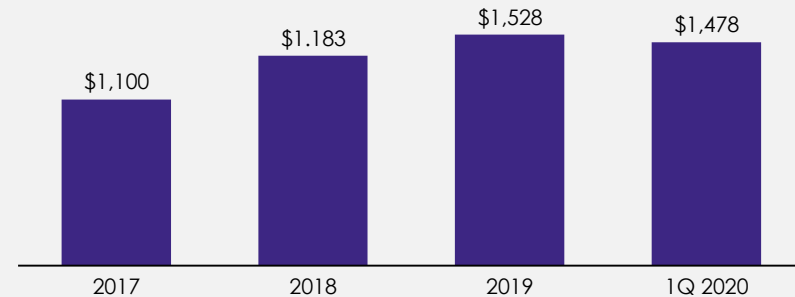
» One of Chile's highest ROAA across the finance industry



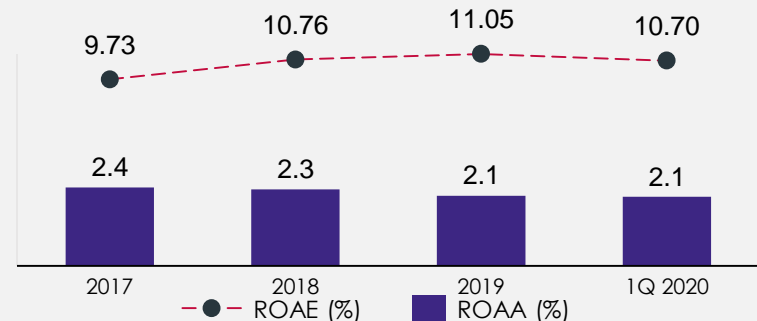
Physical Branch
 Virtual Branch

NET LOANS (MUS\$)

'17-'1Q20 CAGR: 14.0%

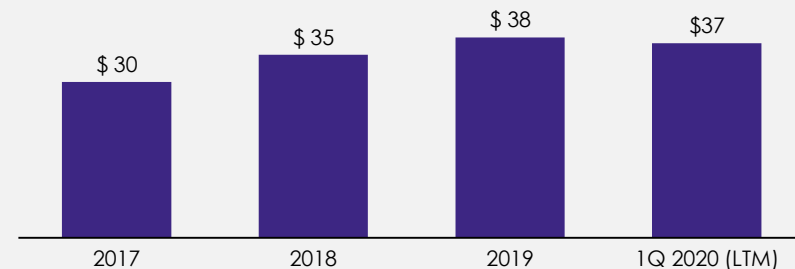


PROFITABILITY (1)(2)



NET PROFIT (MUS\$)

'17-'1Q20 CAGR: 10.4%



Intl.
Rating

BBB-

S&P Global
Ratings

FitchRatings

Local
Rating

AA-

FellerRate
Clasificadora
de Riesgo

Humphreys
ELASIFICADORA DE RIESGO

(1) ROAE = Net Profit LTM / Average Equity

(2) ROAA = Net Profit LTM / Average Assets

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Slight contraction of our net loans, maintaining risk within expected levels.

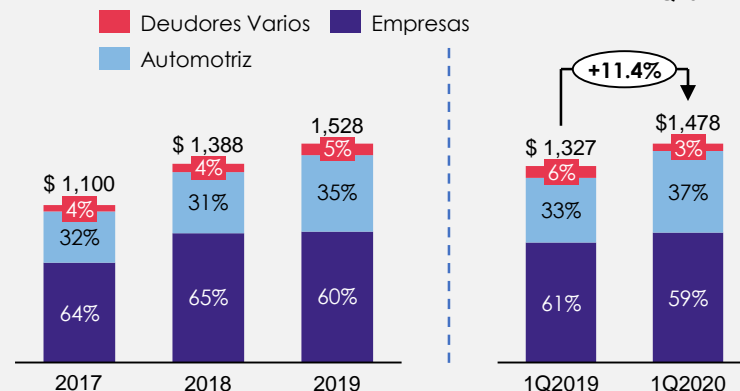
HIGHLIGHTS

- Tanner fell in profits 15,2% YoY and 3,3% YoY in net loans.
- NPL's over 90 days reached 3,1% (2,5% in 1Q2019).
- During January 2020, the placement of a bond in Switzerland was agreed upon for CHF 200 million with a yield of 0,588%, the disbursement took place during February. Additionally US\$ 88 million in commercial papers were placed during the first quarter.

NET LOANS DISTRIBUTION

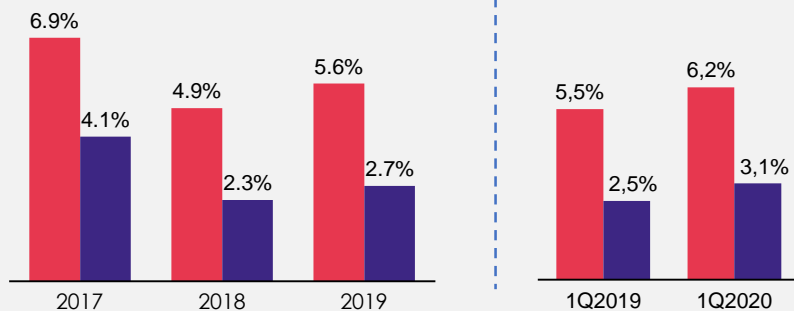
(MUS\$)

'17-'1Q20 CAGR: 14.1%



NON PERFORMING LOANS (1)

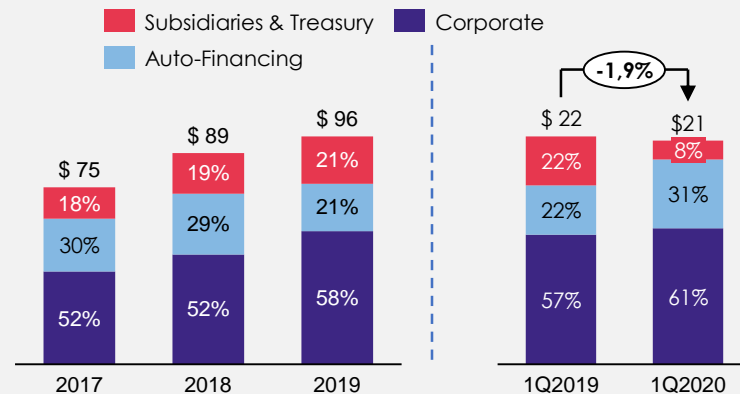
■ NPLs > 30 Days ■ NPLs > 90 Days



GROSS MARGIN DISTRIBUTION (2)

(MUS\$)

'17-'1Q20 CAGR: 11.7%



(1) Mora = Non performing loans / (Loans + Provisions)

(2) Gross Margin considers portfolio deterioration.

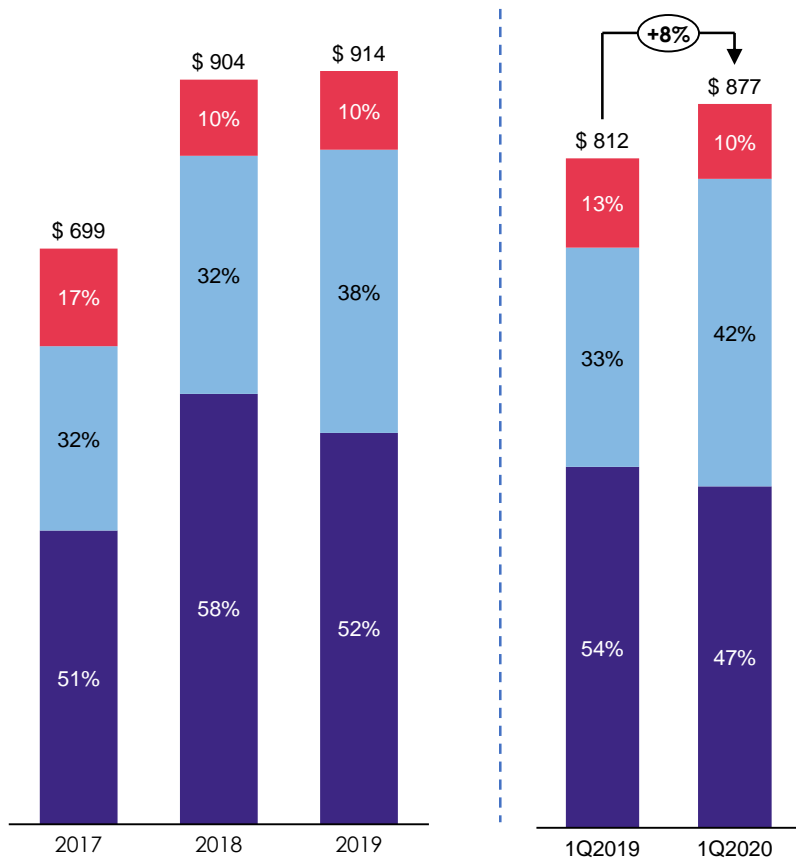


NET LOANS

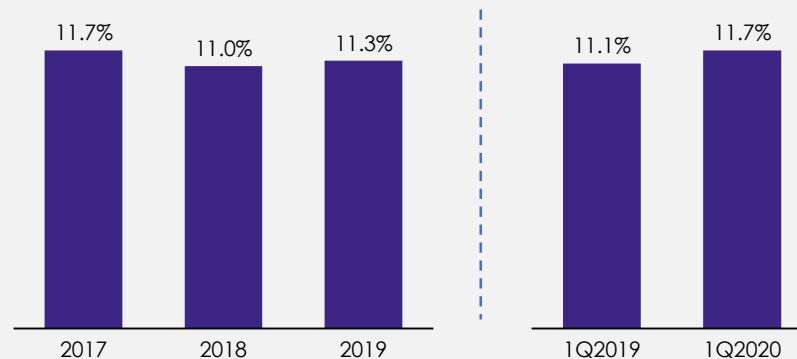
(MUS\$)

'17-'1Q20 CAGR: 10.6%

Leasing Crédito Factoring

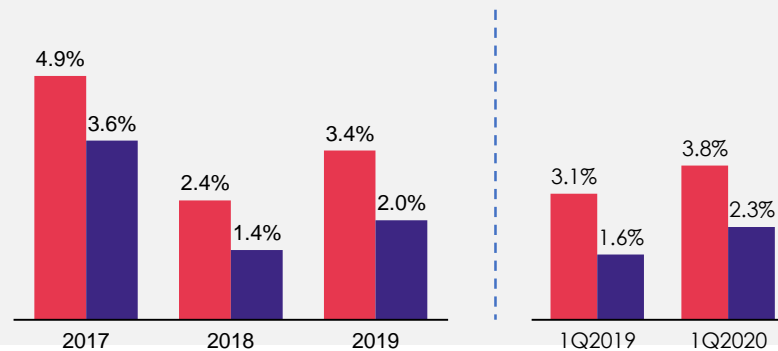


YIELD(1)



NON PERFORMING LOANS(2)

NPLs > 30 días NPLs > 90 días



(1) Yield = LTM Income / Average Net Loans

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

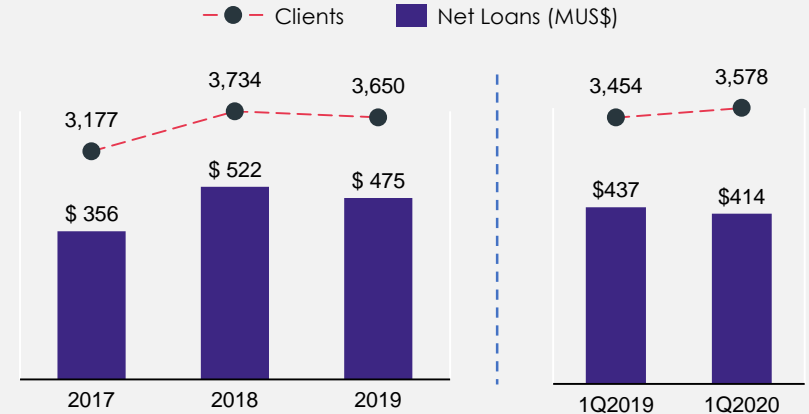


HIGHLIGHTS

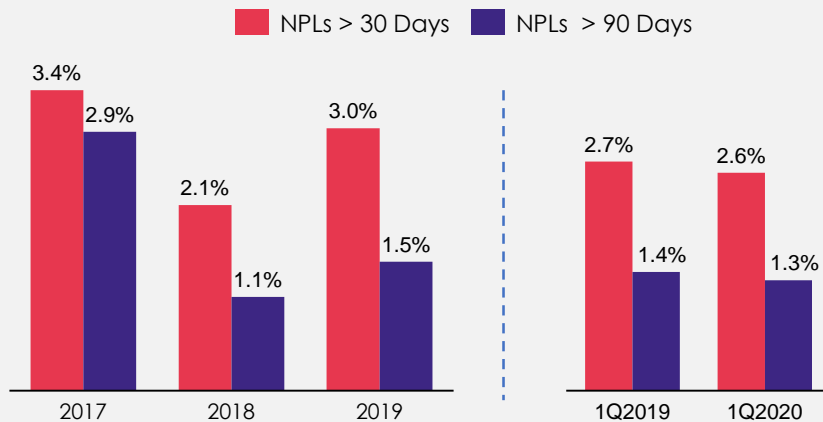
- Lower NPL's product of strict origination policies implemented.
- Lower placements compared to 4Q2019 due to the product's stational demand.
- Increasing volume levels are expected, but not stock levels due to a new prompt payment law coming in effect.
- Product composition:
 - **Invoices**: they add up to over 68% of total factoring volume.
 - **Confirming** represents approximately 3%.
 - **Checks and Promissory Notes**: they represent around 19% and 2% of total Factoring volume.

NET LOANS AND NUMBER OF CLIENTS

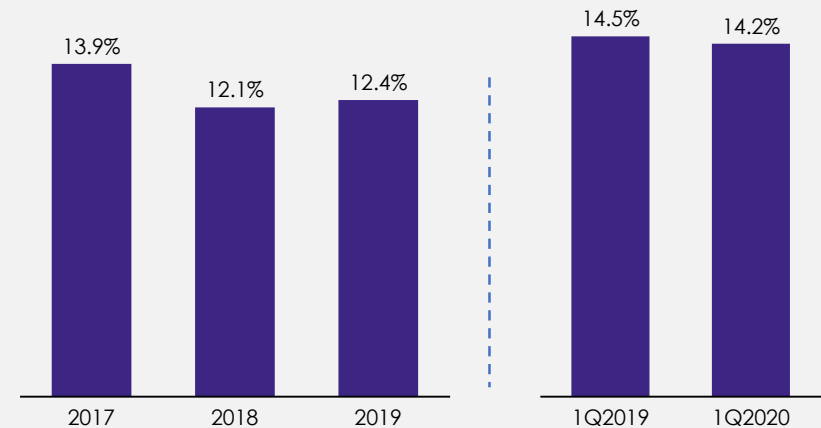
'17-'1Q20 CAGR: 6.9%



NON PERFORMING LOANS (1)



YIELD (2)



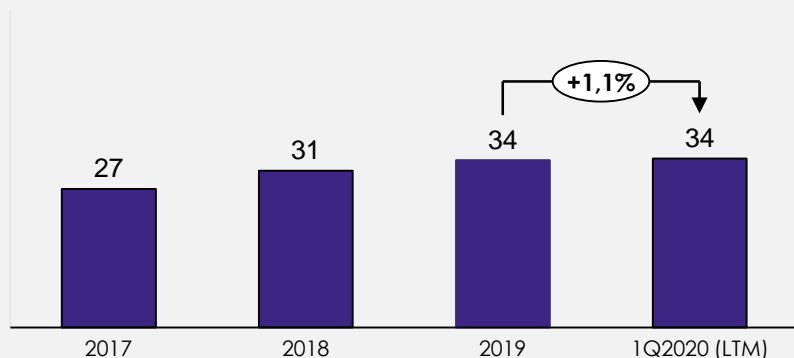
(1) NPL'S = Non performing loans / (Loan Stock + Provisions)

(2) Yield = LTM Income / Average Net Loans

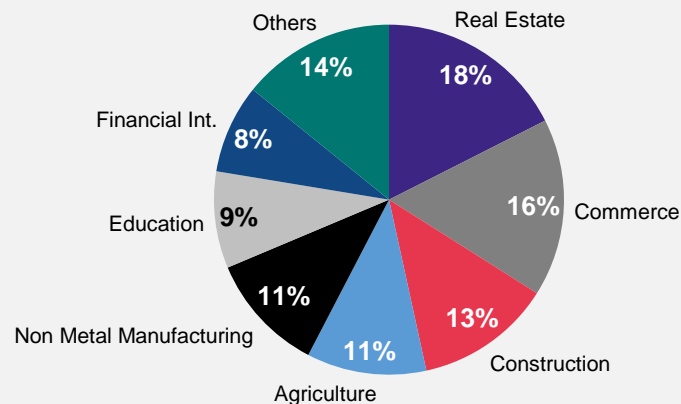


GROSS MARGIN (1)

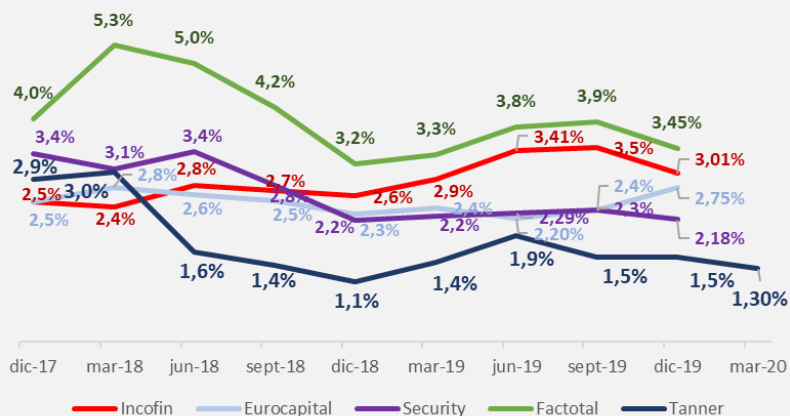
'17-'1Q20 CAGR: 10.3%



LOAN PORTFOLIO INDUSTRY DISTRIBUTION (2)

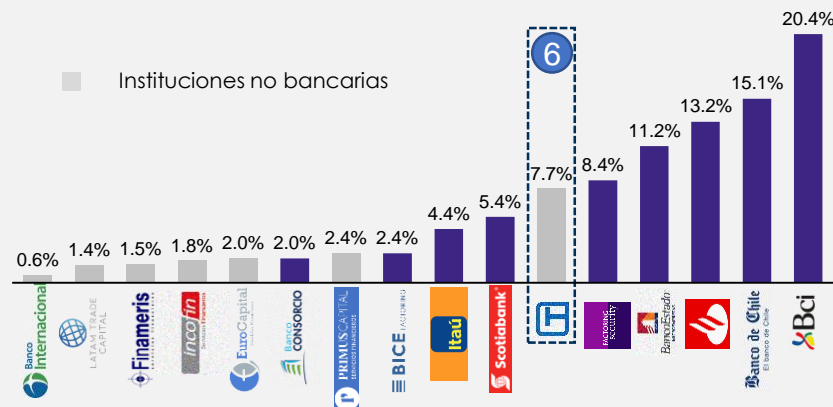


NON PERFORMING LOANS (3)



LARGEST NON BANK FACTORING IN THE SYSTEM

(Market share as % of gross loans)



(1) Gross Margin considers portfolio risk charge
(2) Based on SII's classifications.

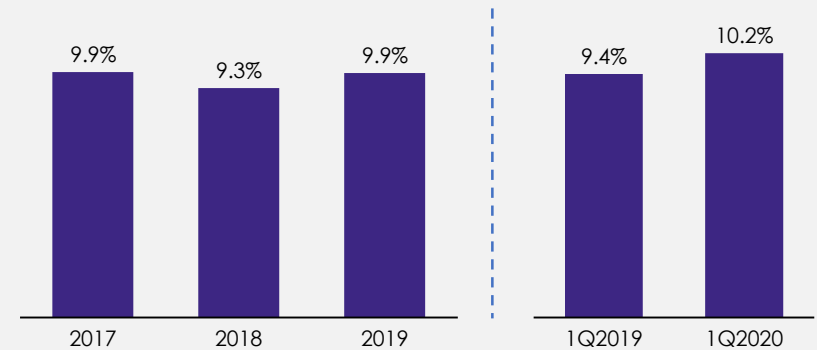
(3) NPL'S = Non performing loans / (Loan Stock + Provisions)



HIGHLIGHTS

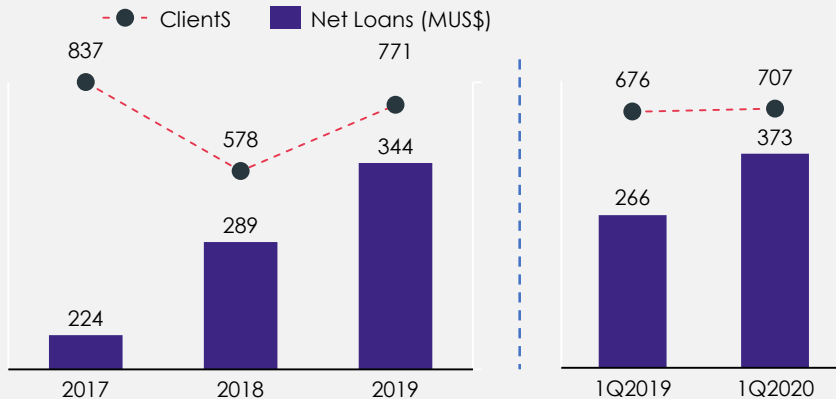
- This division's primary objective is to diversify the loan portfolio with collateralized loans of longer duration.
- Aimed at increasing cross selling, increasing our Factoring customer base fidelity.
- Decreasing Leasing placements as strategy turns exclusively to real estate leases.
- Higher gross margins due to increasing commissions (Corporate lending) and interest (leasing).

YIELD (1)



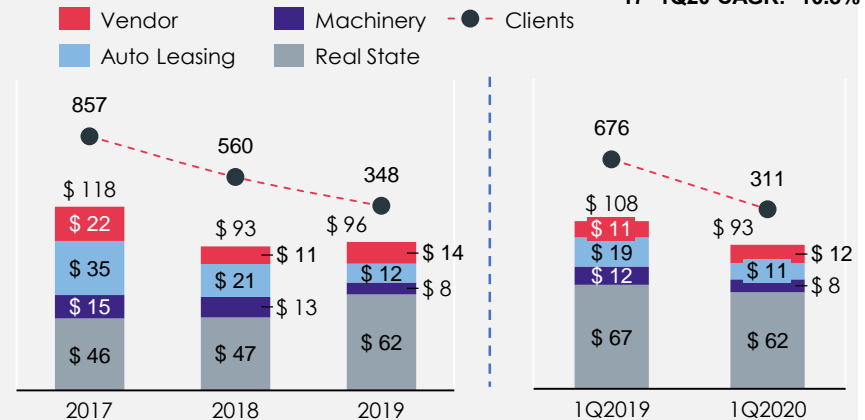
CORPORATE LENDING: NET LOANS AND NUMBER OF CLIENTS

'17-'1Q20 CAGR: 25.4%



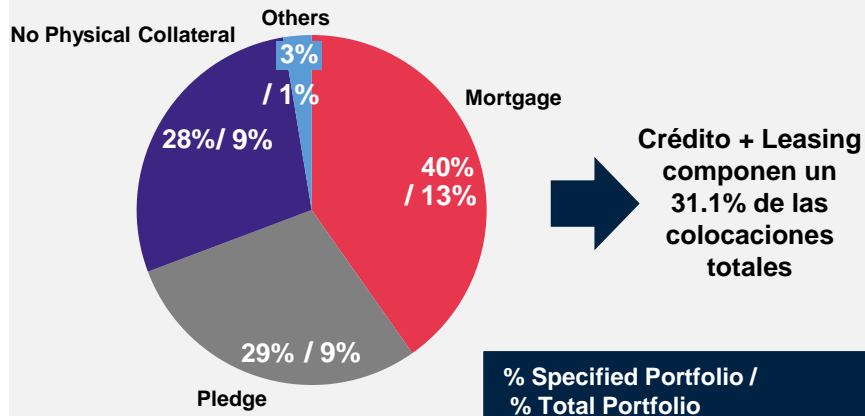
LEASING: NET LOANS AND NUMBER OF CLIENTS

'17-'1Q20 CAGR: -10.3%





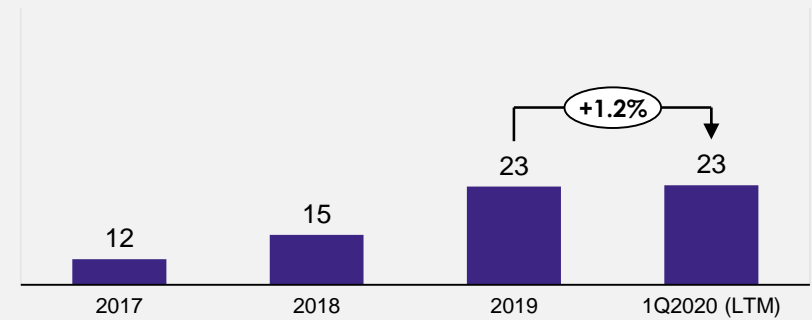
CORPORATE LENDING & LEASING COLLATERALS



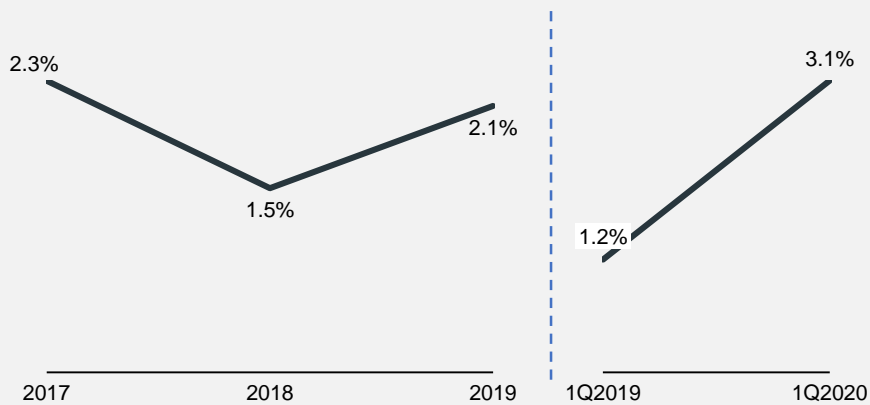
GROSS MARGIN CORPORATE LENDING + LEASING

(MUS\$)

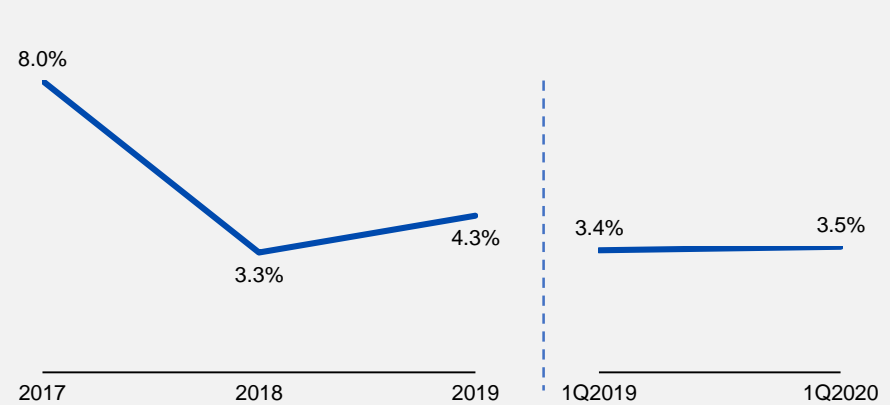
'17-'1T20 CAGR: 31.5%



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)



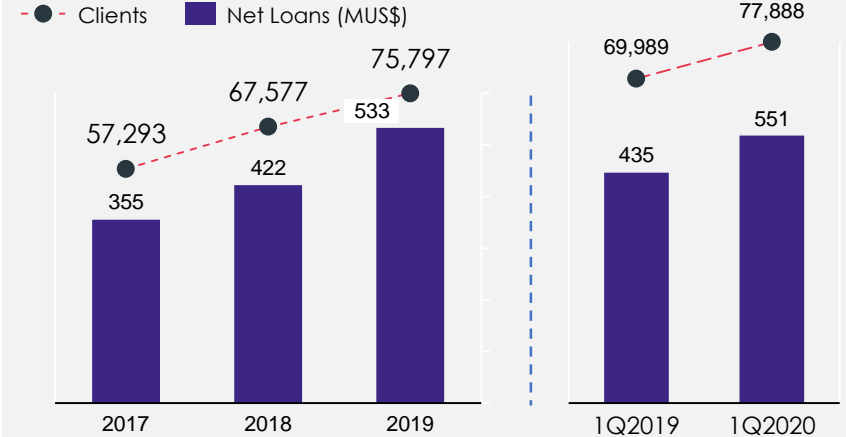
Auto Financing

HIGHLIGHTS

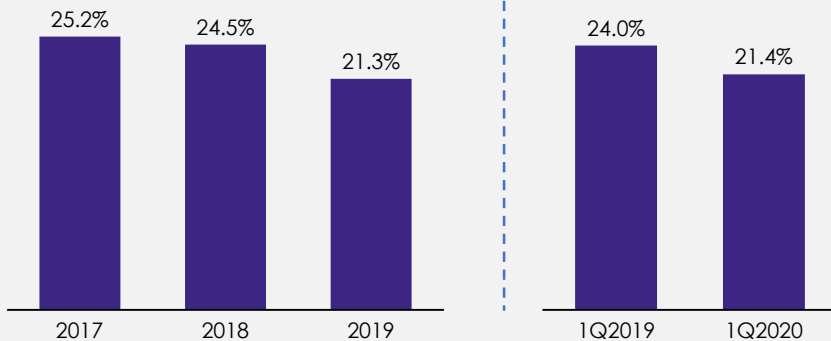
- This product has an attractive risk to return profile, with the vehicle as guarantee and sizeable down payments.
- Tanner has diversified into three sales channels:
 - 1) AMICAR
 - 2) Dealers
 - 3) Direct.
- We expect to increase our share in the new vehicles market given the better payment behavior, driven by our recent agreement with Nissan Chile.
- Cross-selling with Tanner Corredora de Seguros.

NET LOANS AND NUMBER OF CLIENTS

'17-'1Q20 CAGR: 21.5%

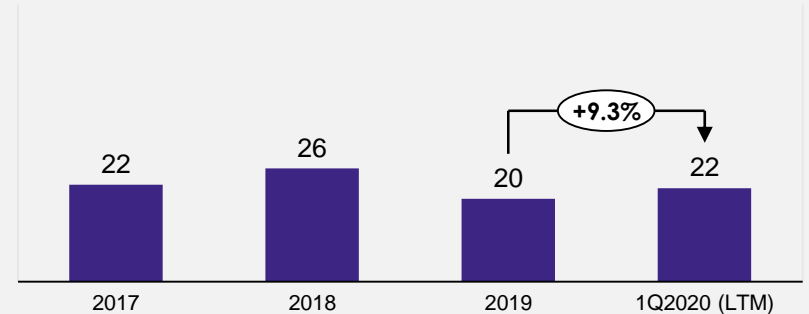


YIELD (1)



GROSS MARGIN (2) (MUS\$)

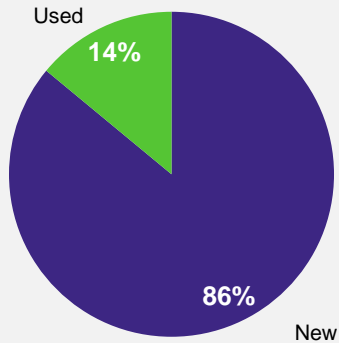
'17-'1Q20 CAGR: -1.2%



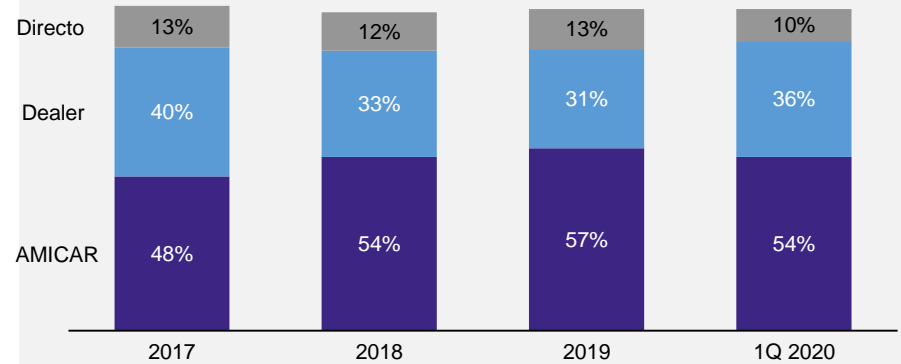
(1) Yield = LTM Income / Average Net Loans
(2) Gross Margin considers portfolio risk charge



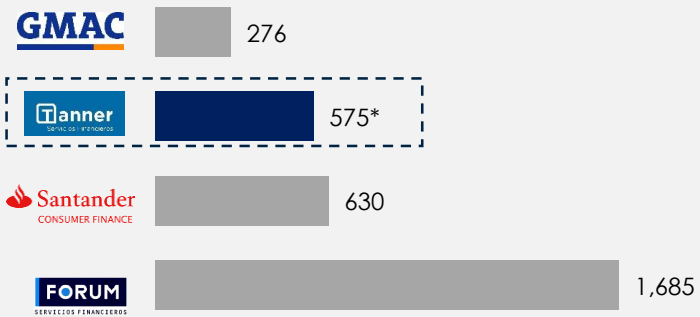
PORTFOLIO DISTRIBUTION



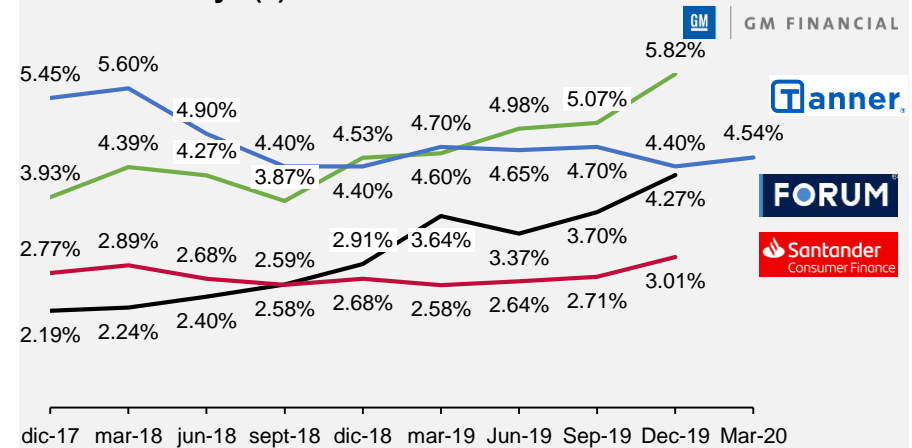
DISTRIBUTION BY SALES CHANNEL



STRONG PRESENCE IN THE AUTO FINANCING INDUSTRY (GROSS LOANS 4Q 2019)



NPL's > 90 Days (1)



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

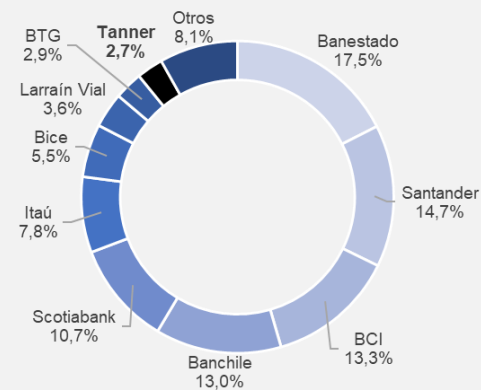
*Tanner's NPL's displayed to 1Q 2020



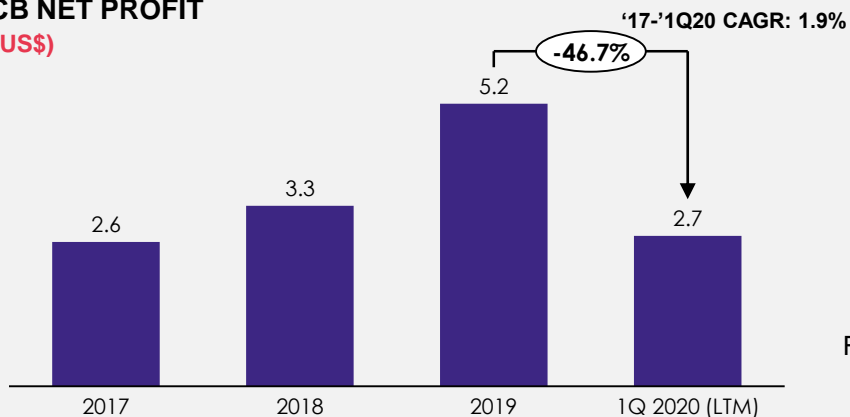
HIGHLIGHTS

- 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.
- TCB reports losses for 1Q 2020, mainly due to the spread deterioration in several fixed income instruments held within the portfolio.

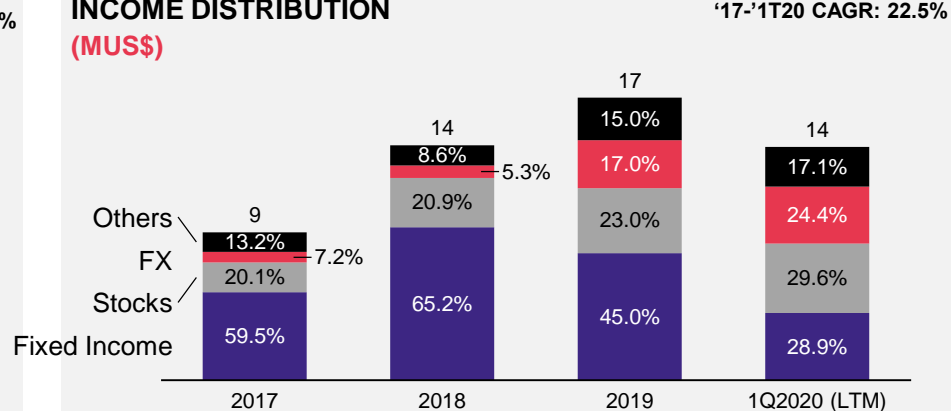
BROKERAGE RANKING 1Q 2020*



TCB NET PROFIT (MUS\$)



INCOME DISTRIBUTION (MUS\$)



(*) According to brokerage amounts published by Bolsa de Comercio de Santiago

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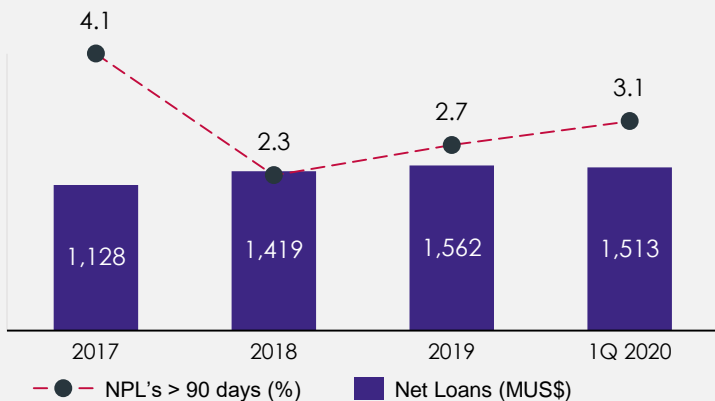
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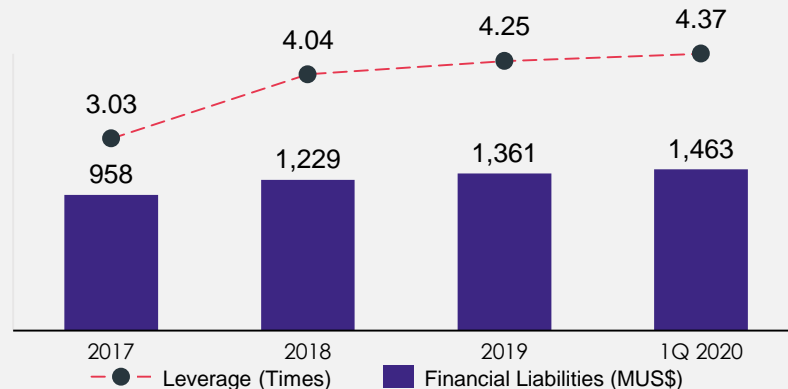


Balance Sheet

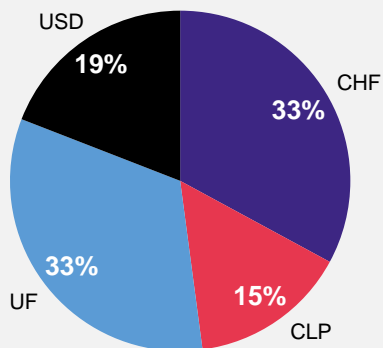
GROSS LOANS VS NPL's > 90 DAYS



FINANCIAL LIABILITIES VS LEVERAGE



FINANCIAL LIABILITIES BY CURRENCY



BALANCE SHEET STRUCTURE AND HEDGES

- Average asset duration: 0.97 years.
- Average liability duration: 2.03 years.

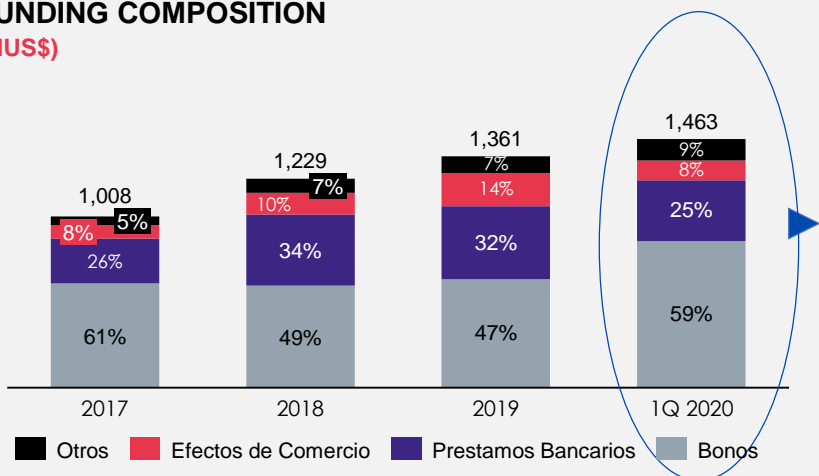
Item (MUS\$)	CLP	USD	CHF	UF	Others	Total
Assets	1,288	370	-	243	-	1,900
Liabilities + Equity	675	345	440	440	-	1,900
Differential by Currency	614	25	(440)	(198)	-	-
Hedge	(729)	(16)	440	305	-	-
Net Exposure	(116)	8	-	108	-	-



Debt Profile & Balance Sheet

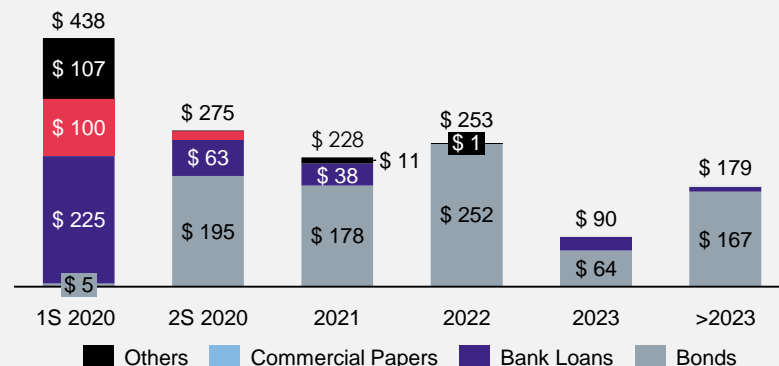
FUNDING COMPOSITION

(MUS\$)



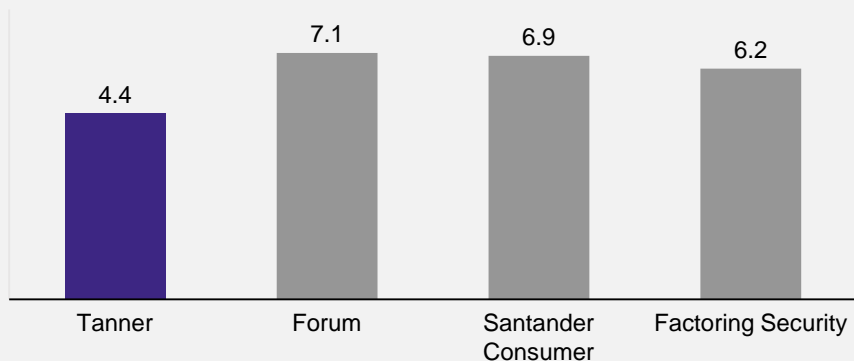
LIABILITY EXPIRATION PROFILE

(MUS\$)

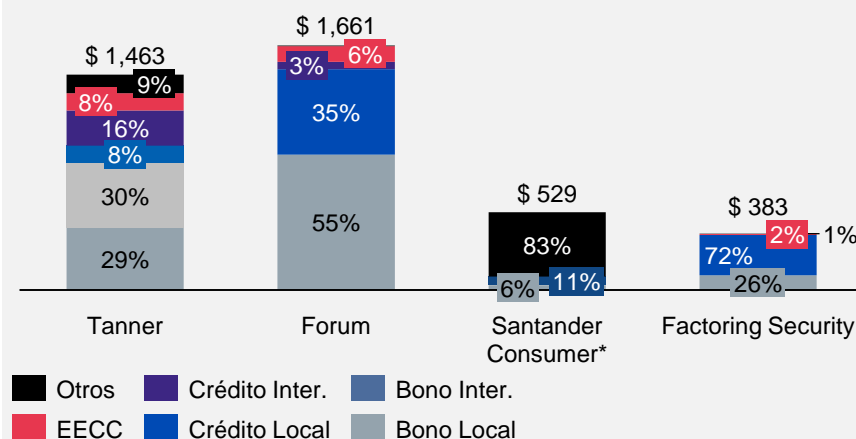


INDUSTRY LEVERAGE MAR-20

Leverage (Times)



DISTRIBUCIÓN DEL FINANCIAMIENTO (MUS\$)



(*) Tanner information by March 2020.

(**) Santander Consumer others refers to liabilities with related entities.

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Our People

- With approximately 90% of our staff working remotely from home, the company has been operating normally whilst maintaining our employees safety without all tasks fulfilled.
- New communication mechanisms with our teams have been established.

The Good Clients

- Clients have been segmented by risk, duration and profitability.
- Main clients are closely followed to determine custom fit strategies.
- Focus on collections for higher risk clients and refinancing for good clients in risk due to the current contingency.

Liquidity

- Minimum cash levels established.
- Close daily monitoring of collections.
- Constant coordination with asset side.
- Picking up of financing alternatives that were on hold.

Rentabilidad

- Daily review of spreads.
- Exhaustive control over cost of funds.
- Administrative expenses control: HR (-12% of spending), administration, etc.



► **Contact information:**

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ANNEX

Balance Sheet

Assets (Th US\$)	31-03-2020	12-31-2018	Δ \$	Δ %
Current Assets				
Cash and cash equivalent	59,306	62,979	(3,673)	-5.8%
Other current financial assets	162,413	111,281	51,132	45.9%
Other current non-financial assets	2,268	2,027	241	11.9%
Trade receivables and other current accounts receivable, net	993,507	1,050,407	(56,901)	-5.4%
Current accounts receivable from related parties	447	447	-	0.0%
Current tax assets	18,796	21,407	(2,610)	-12.2%
Non-current assets held for sale	11,038	12,346	(1,307)	-10.6%
Total Current Assets	1,247,776	1,260,895	(13,119)	-1.0%
Non-Current Assets				
Other non-current financial assets	80,938	73,302	7,636	10.4%
Other non-current non-financial assets	8,545	5,444	3,102	57.0%
Trade receivables and other non-current accounts receivable, net	484,363	477,947	6,415	1.3%
Non-current accounts receivable from related parties	620	620	-	0.0%
Intangible assets other than goodwill	8,123	7,932	190	2.4%
Goodwill	2,070	2,070	-	0.0%
Property, plant and equipment	13,682	13,652	30	0.2%
Property Investments	13,963	13,357	606	4.5%
Deferred tax assets	40,136	35,170	4,966	14.1%
Total Non-Current Assets	652,439	629,494	22,945	3.6%
Total Assets	1,900,215	1,890,389	9,826	0.5%
Liabilities (Th US\$)	31-03-2020	12-31-2018	Δ \$	Δ %
Current Liabilities				
Other current financial liabilities	731,239	845,088	(113,849)	-13.5%
Trade payables and other current accounts payables	80,461	166,039	(85,578)	-51.5%
Other short-term provisions	742	620	122	19.7%
Short-term employee benefits provisions	977	1,442	(465)	-32.3%
Current tax liabilities	698	798	(101)	-12.6%
Other current non-financial liabilities	-	-	-	0.0%
Total Current Liabilities	814,116	1,013,988	(199,872)	-19.7%
Non-Current Liabilities				
Other non-current financial liabilities	731,846	515,797	216,048	41.9%
Non-current employee benefits provisions	228	228	-	0.0%
Total Non-Current Liabilities	732,073	516,025	216,048	41.9%
Total Liabilities	1,546,189	1,530,013	16,177	1.1%
Equity	354,026	360,376	(6,350)	-1.8%
Total Equity and Liabilities	1,900,215	1,890,389	9,826	0.5%



Income Statement

INCOME STATEMENT Th US\$	01-01-2019 03-31-2020	01-01-2019 Δ \$ 03-31-2019	Δ %
Revenue from ordinary activities	75,366	55,112	20,254 36.8%
Sales cost	(43,571)	(25,314)	(18,257) 72.1%
Gross profit	31,794	29,798	1,996 6.7%
Other revenue, by function	112	315	(202) -64.3%
Administrative expenses	(14,656)	(12,726)	(1,930) 15.2%
Other profits (losses)	-	-	- 0.0%
Operating margin	6,632	9,144	(2,512) -27.5%
Financial revenue	49	19	30 152.2%
Financial costs	(195)	(107)	(88) 82.2%
Foreign exchange differences	106	23	82 354.2%
Income by adjustment units	75	1	74 6723.2%
Profit (losses) before taxes	6,667	9,081	(2,413) -26.6%
Revenue (expense) from profit taxes	(349)	(1,626)	1,277 -78.5%
Profit (losses)	6,318	7,455	(1,137) -15.2%
Profit (losses) attributable to controller's property owners	6,484	7,364	(880) -11.9%
Profit (losses) attributable to non-controller shares	(166)	91	(257) -283.1%