Quarterly Earnings Report

March 2020

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I. Executive Summary

Tanner

❖ **ROAE*:**

1Q20: 10.7% / 1Q19: 11.1%

❖ **ROAA**:**

1Q20: 2.1% / 1Q19: 2.4%

❖ **Equity:**

1Q20: MCh$ 301,641 / Δ⁻: 1.8% YTD

❖ **Net Profit:**

1Q20: MCh$ 5,383 / 1Q19: MCh$ 6,352 Δ⁻: 15.2% YoY

❖ **Net Portfolio:**

1Q20: MCh$ 1,259,189 / Δ⁻: 3.3 % YTD

❖ **NPLs > 90 days:**

1Q20: 3.1% / 1Q19: 2.5%

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

Profit after taxes during the first quarter of 2020 decreased 15.2% YoY thus totaling Ch$ 5,383 million, triggered by an operating margin reduction of 27.5% YoY during the first quarter.

Total net loan portfolio reached Ch$ 1,259,189 million, down Ch$ 43,015 million (-3.3% YTD) caused by the performance of the **enterprise division portfolio that closed the period with net loans of Ch$ 747,478 million** (↓Ch$ 31,400 million / -4.0% YTD), mainly coming from Factoring which totaled Ch$ 352,638 million (↓Ch$ 51,888 million / -12.8% YTD) and Leasing which totaled $ 77,226 million (↓Ch$ 4,244 million / -5.2% YTD); both were counteracted by an increase in Corporate Lending which reached Ch$ 317,614 million (↑Ch$ 24,712 million / +8.4% YoY), and **Auto-Financing division, which ended the period with a net loan portfolio amounting to Ch$ 469,225 million** (↑Ch$ 15,123 million / +3.3% YTD).

In terms of risk management, **NPLs over 90 days increased 52 bps to 3.1%** (1Q19: 2.5%), while NPLs over 30 days increased 71 bps, reaching 6.2% (1Q19: 5.5%). **Non-performing loans over 90 days of the enterprise division increased 66 bps to 2.3%** (1Q19: 1.6%) driven by deterioration of 183 bps in corporate lending (1Q19: 1.2% vs. 1Q20: 3.1%), 15 bps in leasing (1Q19: 3.4% vs. 1Q20: 3.5%), and counteracted by improvements of 12 bps in factoring (1Q19: 1.4% vs. 1Q20: 1.3%). Meanwhile, **NPLs over 90 days in the auto-financing division registered a reduction of 11 bps totaling 4.5%** (1Q19: 4.7%).

Liquidity index at period-end March 2020 reached 1.53 times, above the levels registered in Dec-19 (1.24x), while **cash totaled Ch$ 50,531 million** versus Ch$ 53,660 million at the end of 2019. On the other hand, the Company's **leverage closed at 4.37 times** (Dec-19: 4.25x).

During this period, Tanner issued **a bond in the swiss market for a total of CHF 200,000,000 maturing within 2 years & 9 months, at a yield of 0.588%**. The emission and disbursement took place during the month of February of this 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$	01-01-2020 03-31-2020	01-01-2019 03-31-2019	Δ $	Δ %
Revenue from ordinary activities	64,214	46,957	17,257	36.8%
Sales cost	(37,124)	(21,568)	(15,556)	72.1%
Gross profit	27,090	25,389	1,701	6.7%
Impairment losses	(9,047)	(7,023)	(2,024)	28.8%
Other revenue, by function	96	268	(173)	-64.3%
Administrative expenses	(12,487)	(10,843)	(1,644)	15.2%
Other profits (losses)	-	-	-	0.0%
Operating margin	5,651	7,791	(2,140)	-27.5%
Financial revenue	42	17	25	152.2%
Financial costs	(166)	(91)	(75)	82.2%
Foreign exchange differences	90	20	70	354.2%
Income by adjustment units	64	1	63	6723.2%
Profit (losses) before taxes	5,681	7,737	(2,056)	-26.6%
Revenue (expense) from profit taxes	(298)	(1,385)	1,088	-78.5%
Profit (losses)	5,383	6,352	(968)	-15.2%
Profit (losses) attributable to controller's property owners	5,525	6,274	(750)	-11.9%
Profit (losses) attributable to non-controller shares	(141)	77	(219)	-283.1%

Table 1: Consolidated Income Statement

The Company's **net profit during the period decreased 15.2% YoY** (↓Ch$ 968 million), totaling Ch$ 5,383 million versus Ch$ 6,352 million in 2019. **Gross margin in 1Q20 reached Ch$ 27,090 million (↑Ch$ 1,701 million / +6.7% YoY).**

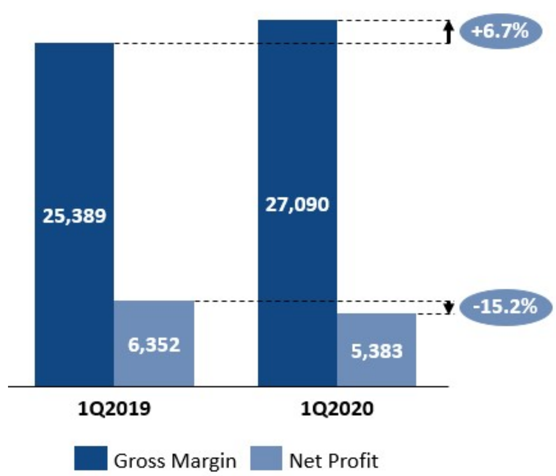

Chart 1: Consolidated Net Profit and Gross Margin (MCh$)

Consolidated revenues totaled Ch$ 64,214 million at the end of the first quarter of 2020, growing 36.8% YoY (↑Ch$ 17,257 million), in line with increases in (i) income from readjustments (1Q20: ↑Ch$ 12,678 million / +826.8% YoY) (ii) income from interest (1Q20: ↑Ch$ 3,772 / +15.2% YoY), (iii) income from commissions (1Q20: ↑Ch$ 855 / +108.2% YoY) and (iv) other revenues[1] (1Q20: ↑Ch$ 328 million / +3.4% YoY), which were counteracted by lower price differences (1Q20: ↓$ 375 million / -3.7% YoY).

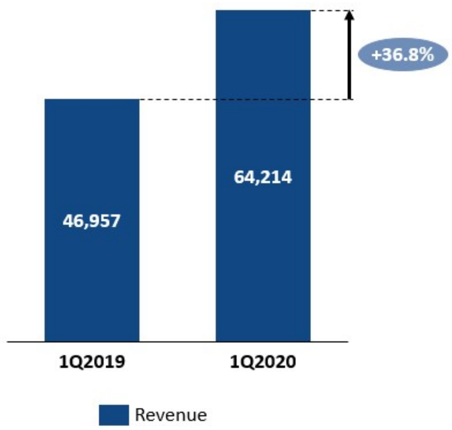

Chart 2: Consolidated Revenues (MCh$)

Consolidated expenses reached Ch$ 37,124 million (↑Ch$ 15,556 million / +72.1% YoY), mainly driven from increases in: (i) passive readjustments (1Q20: ↑Ch$ 11,326 million / +735.3% YoY), (ii) other costs[2] (1Q20: ↑Ch$ 3,119 million / +87.4% YoY), (iii) higher commissions (1Q20: ↑Ch$ 789 million / +14.0% YoY), (iv) interest expenses (1Q20: ↑Ch$ 321 million / +3.0% YoY).

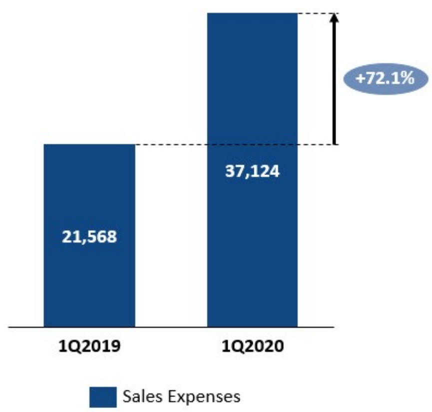

Chart 3: Consolidated Sales Expenses (MCh$)

SG&A expenses (including depreciation) reached Ch$ 12,487 million, increasing 15.2% YoY, mainly as a consequence of higher remunerations. Human labor which represents around 64% of administrative expenses totaled Ch$ 8,045 million during the period (+12.0% YoY). General expenses reached Ch$ 4,442 million (+21.3% YoY), while.

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[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.

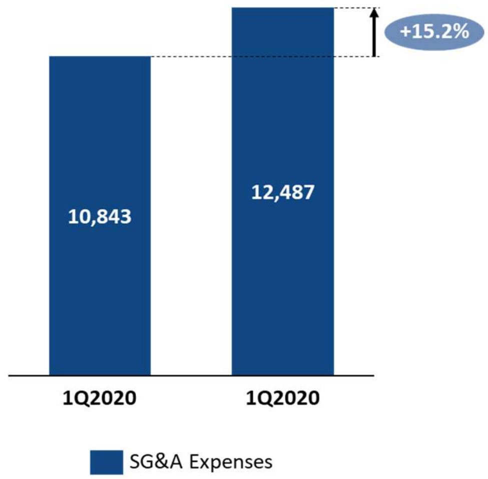


Chart 4: Consolidated SG&A Expenses (MCh$)

III. Main Indicators

	Indicator	Definition	Unit	3-31-2020	12-31-2019	3-31-2019
Liquidity and Solvency	Current Ratio	*Current Assets/Current Liabilities*	*times*	1.5	1.2	1.5
	Current Liabilities to Equity	*Current liabilities/Equity*	*times*	2.3	2.8	2.0
	Immediate Liquidity	*Cash and cash equivalent/Current Liabilities*	*times*	0.1	0.1	0.0
	Stable Funding Ratio	*(Non-current liabilities + Equity)/(Non-current loans + others non-liquid assets)*	*times*	1.7	1.4	1.5
	Debt to Equity	*Total liabilities/Equity*	*times*	4.4	4.2	3.7
	Capitalization	*Equity/Assets*	*%*	18.6%	19.1%	21.1%
	Total Debt ratio	*Liabilities/Assets*	*times*	0.8	0.8	0.8
	Short Term Debt Ratio	*Current liabilities/Total liabilities*	*%*	52.7%	66.3%	53.9%
	Long Term Debt Ratio	*Non-current liabilities/Total liabilities*	*%*	47.3%	33.7%	46.1%
	Short Term Bank Debt	*Current bank liabilities/Current liabilities*	*%*	36.9%	37.0%	34.0%
	Long Term Bank Debt	*Non-current bank liabilities/Non-current liabilities*	*%*	8.0%	10.5%	17.5%
	Working Capital	*Current assets - Current liabilities*	*MCh$*	369,492	210,372	265,215
	Interest Coverage Ratio	*(Profit before taxes + Financial expenditure)/Financial expenditure*	*times*	1.1	1.7	1.6
Profitability	Return on Average Equity	*Annualized profit/ Average Equity*	*%*	10.7%	11.0%	11.1%
	Return on Average Assets	*Annualized profit/ Average Assets*	*%*	2.1%	2.1%	2.4%
	Gross Profit Margin	*Gross profit/Revenue from ordinary activities*	*%*	42.2%	21.5%	54.1%
	Operating Profit Margin	*Operating Profit/Revenue from ordinary activities*	*%*	8.8%	10.1%	16.6%
	Net Income Margin	*Net income/Revenue from ordinary activities*	*%*	8.4%	8.5%	13.5%
	Earnings Per Share (EPS)	*Net income/number of shares*	*$*	4,441	26,893	12,154
	Efficiency of Expenditure	*SG&A Expenses/Gross profit*	*%*	35.5%	56.1%	28.6%
Asset Quality	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	*%*	6.2%	5.6%	5.5%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	*%*	3.1%	2.7%	2.5%
		Non-Performing loans >90 days/Equity	*%*	13.1%	11.9%	10.2%
	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	*%*	13.6%	11.4%	13.0%
		Non-Performing loans/Equity	*%*	58.3%	49.3%	52.3%
	Provisions	*Provisions/(Loans + Provisions)*	*%*	2.3%	2.1%	2.4%
		Provisions/Non-performing loans	*%*	17.2%	18.8%	18.3%
		Provisions/Non-performing loans >90 days	*%*	76.6%	78.0%	93.6%
	Write-offs	*Write-offs (LTM)/(Loans + Provisions)*	*%*	2.2%	2.1%	2.9%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	*%*	2.7%	2.3%	2.5%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	*%*	3.2%	2.3%	3.1%

Table 2: Main Indicators

As of March 31, 2020, 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 an increase of Ch$ 13,783 million (+1.1% YTD) compared to December 2019, totaling Ch$ 1,317,400 million. On the other hand, assets slightly rose Ch$ 8,372 million (0.5% YTD), closing the quarter at Ch$ 1,619,041 million. In terms of equity, a fall of Ch$ 5,411 million (-1.8% YTD) is observed, thus closing the first quarter at Ch$ 301,641 million.

Efficiency indicators have remained stable compared year-over-year, in line with the Company's goals over the past couple of years despite fluctuation due to the recent health crisis developing.

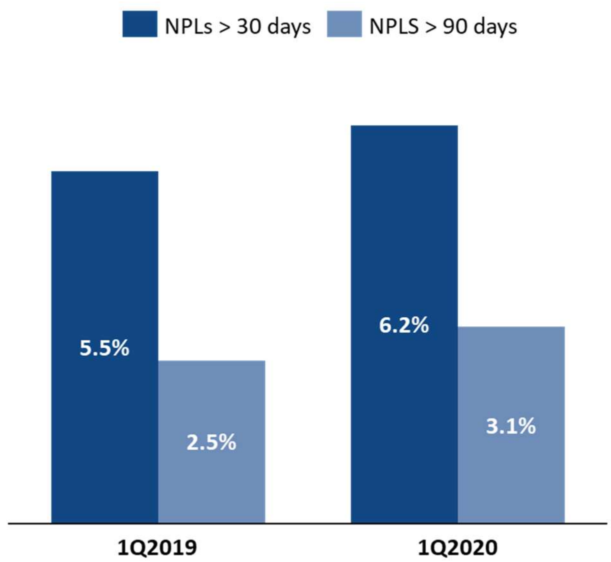


Chart 5: Consolidated NPLs

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 48.8%, 42.6% and 0.7% respectively by March 31 2020. Additionally, revenues and costs generated by the Treasury unit are shown below.

Business Division		01.01.2020 to 03.31.2020 MCh$	01.01.2019 to 03.31.2019 MCh$	Δ $	Δ %
ENTERPRISE DIVISION (Tanner Empresas)	REVENUE	20,660	19,523	1,137	5.8%
	COSTS	7,429	7,018	411	5.9%
	GROSS PROFIT	13,230	12,504	726	5.8%
i. FACTORING	REVENUE	12,743	13,351	(609)	-4.6%
	COSTS	4,047	4,080	(33)	-0.8%
	GROSS PROFIT	8,696	9,271	(576)	-6.2%
ii. LEASING	REVENUE	2,203	2,051	153	7.4%
	COSTS	1,444	1,037	407	39.2%
	GROSS PROFIT	759	1,013	(254)	-25.1%
iii. CORPORATE LOANS	REVENUE	5,714	4,121	1,593	38.7%
	COSTS	1,938	1,901	37	1.9%
	GROSS PROFIT	3,776	2,220	1,556	70.1%
AUTO-FINANCING DIVISION (Tanner Automotriz)	REVENUE	23,365	20,396	2,969	14.6%
	COSTS	11,812	11,414	398	3.5%
	GROSS PROFIT	11,553	8,982	2,571	28.6%
SUBISIDIARIES	REVENUE	4,951	5,095	(143)	-2.8%
	COSTS	4,753	1,461	3,292	225.3%
	GROSS PROFIT	198	3,633	(3,435)	-94.5%
TREASURY	REVENUE	15,237	1,943	13,294	684.2%
	COSTS	13,129	1,675	11,455	684.0%
	GROSS PROFIT	2,108	268	1,839	685.2%
Tanner	REVENUE	64,214	46,957	17,257	36.8%
	COSTS	37,124	21,568	15,556	72.1%
	GROSS PROFIT	27,090	25,389	1,701	6.7%

Table 3: Business Divisions Results

Consolidated gross margin during the first quarter of 2020 reached Ch$ 27,090 million (↑Ch$ 1,701 million / 6.7% YoY), with an increase in revenues (↑Ch$ 17,257 million / +36.8% YoY) offsetting the

[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.*

growth in costs (↑Ch$ 15,556 million / +72.1% YoY). Gross margin breakdown by division/product, is as follows:

ENTERPRISE DIVISION

1Q20: Ch$ 13,230 million, rising 5.8% YoY (↑Ch$ 726 million), derived from a significant increase in revenues (↑Ch$ 1,137 million / +5.8% YoY) with an increase in division expenses (↑Ch$ 411 million / 5.9% YoY).

i. FACTORING

1Q20: Ch$ 8,696 million, falling 6.2% YoY (↓Ch$ 576 million), due to a decrease of Ch$ 609 million (-4.6% YoY) in revenues and a fall of -0.8% YoY (↓Ch$ 33 million) in costs.

ii. LEASING

1Q20: Ch$ 759 million decreasing 25.1% YoY (↓Ch$ 254 million), with a 7.4% increase in income (↑Ch$ 153 million), and higher costs (↑Ch$ 407 million / 39.2% YoY).

iii. CORPORATE LENDING

1Q20: Ch$ 3,776 million, up 70.1% YoY (↑Ch$ 1,556 million), due to an increase in revenues (↑Ch$ 1,593 million / +38.7% YoY) and higher costs (↑Ch$ 37 million / +1.9% YoY).

AUTO-FINANCING DIVISION

1Q20: Ch$ 11,553 million, a rise of 28.6% YoY (↑Ch$ 2,571 million), derived from an increment in revenues (↑Ch$ 2,969 million / +14.6% YoY) larger than in costs (↑Ch$ 398 million / +3.5% YoY).

SUBSIDIARIES

1Q20: Ch$ 198 million, down 94.5% YoY (↓Ch$ 3,435 million), due to a decrease of Ch$ 143 million (-2.8% YoY) in revenues and higher costs (↑Ch$ 3,292 million / + 225.3% YoY).

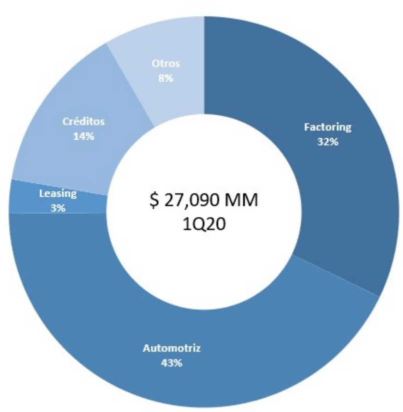


Chart 6: Gross Margin Breakdown by Line of Business

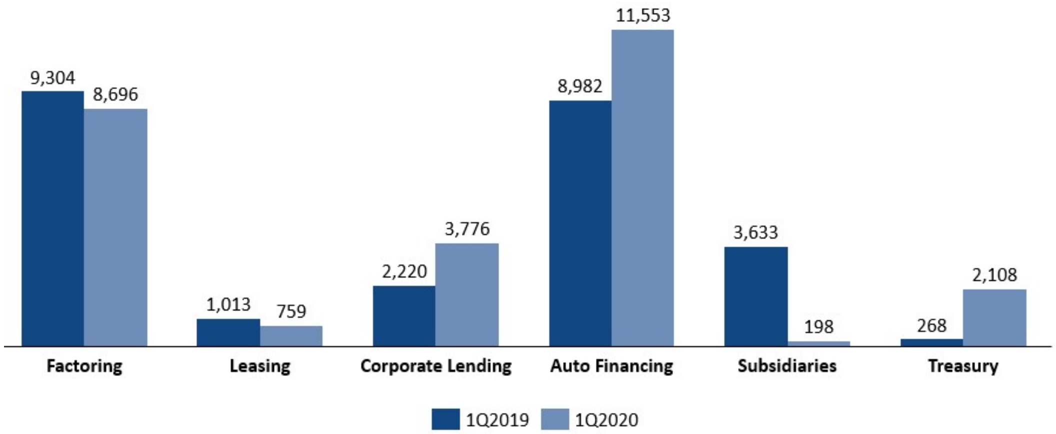


Chart 7: Gross Margin Breakdown by Line of Business on March 2020

Consolidated revenue totaled Ch$ 64,214 million for the first quarter of 2020, with a rise of 36.8% YoY (↑Ch$ 17,257 million), explained by a revenue of:

ENTERPRISE DIVISION

1Q20: Ch$ 20,660 million (↑Ch$ 1,137 million / +5.8% YoY);
Driver: Higher income from interests in the corporate lending business line representing 27,7% of the divisions income.

i. FACTORING

1Q20: Ch$ 12,743 million (↓Ch$ 690 million / -4.6% YoY);
Driver: Lower price differences.

ii. LEASING

1Q20: Ch$ 2,203 million (↑Ch$ 153 million / +7.4% YoY);
Driver: Higher income from commissions.

iii. CORPORATE LENDING

1Q20: Ch$ 5,714 million (↑Ch$ 1,593 million / +38.7% YoY);
Driver: Higher income from interests.

AUTO-FINANCING DIVISION

1Q20: Ch$ 23,365 million (↑Ch$ 2,969 million / +14.6% YoY);
Driver: Higher volume, due to our recently launched alliance with Nissan.

SUBSIDIARIES

1Q20: Ch$ 4,951 million (↓Ch$ 143 million / -2.8% YoY);
Driver: Lower revenues at Tanner Corredores de Bolsa.

Consolidated costs totaled Ch$ 37,124 million 1Q20, expanding Ch$ 15,556 million (+72.1% YoY), explained by the costs of:

ENTERPRISE DIVISION

1Q20: Ch$ 7,429 million (↑ Ch$ 411 million / +5.9%)
Driver: Considerable rise in other costs

i. FACTORING

1Q20: Ch$ 4,047 million (↓Ch$ 33 million / -0.8% YoY);
Driver: Lower interests expenses.

ii. LEASING

1Q20: $ 1,444 million (↑$ 407 million / +39.2% YoY);
Driver: Higher interest expenses.

iii. CORPORATE LENDING

1Q20: $ 1,938 million (↑$ 37 million / 1.9% YoY);
Driver: Higher interest expenses.

AUTO-FINANCING DIVISION

1Q20: $ 11,812 million (↑$ 398 million / +3.5% YoY);
Driver: Higher interests / commissions in line with greater net loans.

SUBISIDIARIES

1Q20: $ 4,753 million (↑$ 3,292 million / +225.3% YoY);
Driver: Higher costs at Tanner Corredores de Bolsa.

V. Portfolio Quality

	Indicator	Definition	Unit	03-31-2020	12-31-2019	03-31-2019
ENTERPRISE DIVISION	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	10.2%	8.0%	10.0%
		Non-Performing loans/Equity	%	25.7%	20.6%	24.5%
	Provisions	*Provisions/(Loans + Provisions)*	%	1.3%	1.2%	1.6%
		Provisions/Non-performing loans	%	12.6%	15.0%	15.9%
		Provisions/Non-performing loans >90 days	%	56.6%	60.5%	98.0%
Tanner Empresas	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	1.4%	1.2%	1.2%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	3.8%	3.4%	3.1%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	2.3%	2.0%	1.6%
		Non-Performing loans >90 days/Equity	%	5.7%	5.1%	4.0%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	3.7%	2.2%	3.6%
		Securitized portfolio/Equity	%	9.3%	5.7%	8.7%
	Clients	*Number of clients*	#	4,596	4,769	4,106
	Efficiency	*SG&A Expenses/Gross profit*	%	20.5%	48.6%	52.1%
i. FACTORING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	9.4%	9.0%	8.8%
		Non-Performing loans/Equity	%	11.1%	12.0%	11.5%
	Provisions	*Provisions/(Loans + Provisions)*	%	1.1%	1.2%	1.3%
		Provisions/Non-performing loans	%	11.7%	13.4%	14.7%
		Provisions/Non-performing loans >90 days	%	85.0%	82.7%	90.5%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	1.0%	1.7%	1.6%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	2.6%	3.0%	2.7%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	1.3%	1.5%	1.4%
		Non-Performing loans >90 days/Equity	%	1.5%	1.9%	1.9%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	0.8%	0.5%	1.4%
		Securitized portfolio/Equity	%	1.0%	0.7%	1.9%
	Clients	*Number of clients*	#	3,578	3,650	2,915
	Efficiency	*SG&A Expenses/Gross profit*	%	10.8%	51.0%	44.0%
ii. LEASING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	28.1%	11.4%	19.7%
		Non-Performing loans/Equity	%	7.3%	3.1%	6.5%
	Provisions	*Provisions/(Loans + Provisions)*	%	1.6%	1.3%	2.7%
		Provisions/Non-performing loans	%	5.5%	11.2%	13.9%
		Provisions/Non-performing loans >90 days	%	43.9%	29.8%	80.7%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	2.0%	-0.6%	1.6%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	9.5%	5.9%	7.2%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	3.5%	4.3%	3.4%
		Non-Performing loans >90 days/Equity	%	0.9%	1.1%	1.1%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	19.1%	7.4%	12.5%
		Securitized portfolio/Equity	%	5.0%	2.0%	4.1%
	Clients	*Number of clients*	#	311	348	676
	Efficiency	*SG&A Expenses/Gross profit*	%	52.3%	78.0%	96.6%
iii. CORPORATE LENDING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	6.8%	5.8%	8.1%
		Non-Performing loans/Equity	%	7.3%	5.6%	6.5%
	Provisions	*Provisions/(Loans + Provisions)*	%	1.4%	1.2%	1.6%
		Provisions/Non-performing loans	%	21.1%	20.5%	20.1%
		Provisions/Non-performing loans >90 days	%	38.4%	36.1%	75.4%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	1.7%	0.9%	0.4%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	3.7%	3.3%	2.2%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	3.1%	2.1%	1.2%
		Non-Performing loans >90 days/Equity	%	3.3%	2.0%	1.0%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	3.2%	3.1%	3.4%
		Securitized portfolio/Equity	%	3.4%	3.0%	2.7%
	Clients	*Number of clients*	#	707	771	578
	Efficiency	*SG&A Expenses/Gross profit*	%	36.4%	38.1%	71.8%
AUTO FINANCING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	20.1%	18.6%	20.7%
		Non-Performing loans/Equity	%	32.6%	28.7%	27.8%
	Provisions	*Provisions/(Loans + Provisions)*	%	4.2%	4.0%	4.2%
		Provisions/Non-performing loans	%	20.9%	21.6%	20.4%
		Provisions/Non-performing loans >90 days	%	92.3%	91.2%	90.8%
Tanner Automotriz	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	5.0%	4.4%	5.4%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	10.5%	10.2%	10.8%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	4.5%	4.4%	4.6554%
		Non-Performing loans >90 days/Equity	%	7.4%	6.8%	6.3%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	2.7%	2.7%	2.8%
		Securitized portfolio/Equity	%	4.5%	4.2%	3.8%
	Clients	*Number of clients*	#	77,888	75,797	69,989
	Efficiency	*SG&A Expenses/Gross profit*	%	52.9%	97.7%	98.3%

Table 4: Business Division Main Indicators

ENTERPRISE DIVISION

Tanner Empresas

Portfolio quality slightly deteriorated with respect to the same period in 2019, reflected in slight increases of both NPL's over 30/90 days.

Tanner

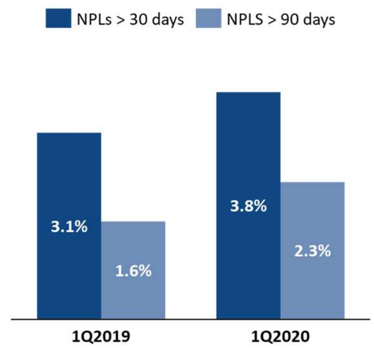


Chart 8: NPLs – Enterprise Division

i. FACTORING

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

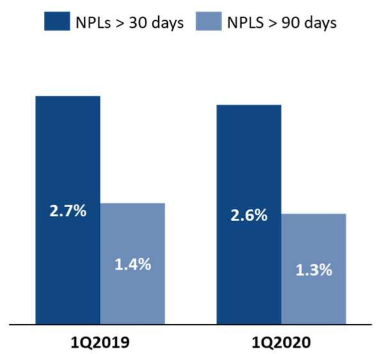


Chart 9: NPLs – Factoring Business

ii. LEASING

Portfolio quality indicators slightly deteriorated, in terms of both NPLs > 30/90 days.

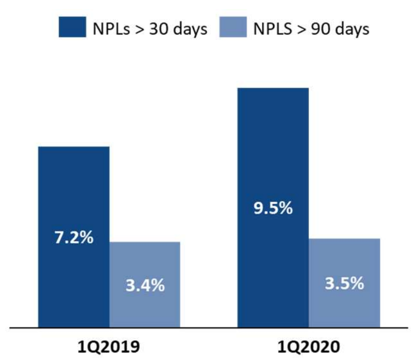


Chart 10: NPLs – Leasing Business

iii. CORPORATE LENDING

Portfolio quality indicators also saw deterioration comparing year-over-year in both NPL's over 30 and over 90 days.

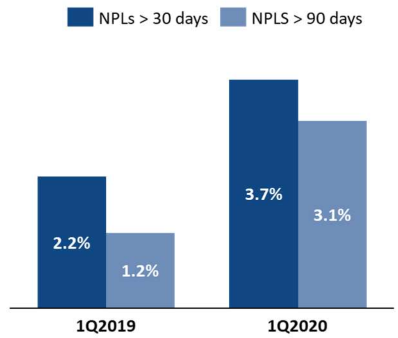


Chart 11: NPLs – Corporate Lending Business

AUTO-FINANCING DIVISION

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

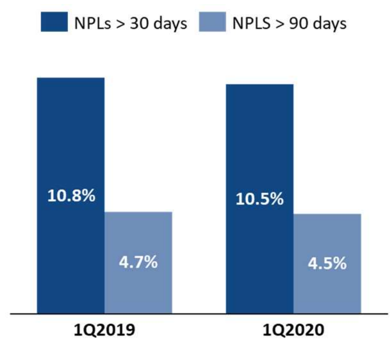


Chart 12: NPLs – Auto-Financing Division

VI. Balance Sheet

Assets (MCh$)	03-31-2020	12-31-2019	Δ $	Δ %
Current Assets				
Cash and cash equivalent	50,531	53,660	(3,129)	-5.8%
Other current financial assets	138,381	94,815	43,566	45.9%
Other current non-financial assets	1,932	1,727	205	11.9%
Trade receivables and other current accounts receivable, net	846,497	894,979	(48,481)	-5.4%
Current accounts receivable from related parties	381	381	-	0.0%
Current tax assets	16,015	18,239	(2,224)	-12.2%
Non-current assets held for sale	9,405	10,519	(1,114)	-10.6%
Total Current Assets	**1,063,143**	**1,074,320**	**(11,177)**	**-1.0%**
Non-Current Assets				
Other non-current financial assets	68,962	62,456	6,506	10.4%
Other non-current non-financial assets	7,281	4,638	2,643	57.0%
Trade receivables and other non-current accounts receivable, net	412,692	407,225	5,466	1.3%
Non-current accounts receivable from related parties	528	528	-	0.0%
Intangible assets other than goodwill	6,921	6,759	162	2.4%
Goodwill	1,764	1,764	-	0.0%
Property, plant and equipment	11,657	11,632	26	0.2%
Property Investments	11,897	11,381	516	4.5%
Deferred tax assets	34,197	29,966	4,232	14.1%
Total Non-Current Assets	**555,898**	**536,348**	**19,550**	**3.6%**
Total Assets	**1,619,041**	**1,610,668**	**8,372**	**0.5%**

Liabilities (MCh$)	03-31-2020	12-31-2019	Δ $	Δ %
Current Liabilities				
Other current financial liabilities	623,037	720,041	(97,003)	-13.5%
Trade payables and other current accounts payables	68,555	141,470	(72,915)	-51.5%
Other short-term provisions	632	528	104	19.7%
Short-term employee benefits provisions	832	1,228	(396)	-32.3%
Current tax liabilities	594	680	(86)	-12.6%
Other current non-financial liabilities	-		-	0.0%
Total Current Liabilities	**693,651**	**863,948**	**(170,297)**	**-19.7%**
Non-Current Liabilities				
Other non-current financial liabilities	623,554	439,475	184,080	41.9%
Non-current employee benefits provisions	194	194	-	0.0%
Total Non-Current Liabilities	**623,748**	**439,669**	**184,080**	**41.9%**
Total Liabilities	**1,317,400**	**1,303,617**	**13,783**	**1.1%**
Equity	301,641	307,052	(5,411)	-1.8%
Total Equity and Liabilities	**1,619,041**	**1,610,668**	**8,372**	**0.5%**

Table 5: Consolidated Balance Sheet

a. Loan Portfolio [5]

Total gross loan portfolio at March 31, 2020, reached Ch$ 1,289,482 million (↓Ch$ 41,224 million / -3.1% YTD) versus Ch$ 1,330,706 million in December 2019, while provisions totaled Ch$ 30,293 million, increasing Ch$ 1,791 million (+6.3% YTD). Consequently, **total net loan portfolio amounted to Ch$ 1,259,189 million, decreasing 3.3% YoY** (↓Ch$ 43,015 million) from Ch$ 1,302,204 million by the end of 2019.

Net loan portfolio at period-end March 31, 2020:

1. **Enterprise Division: Ch$ 747,478 million** | -4.0% YTD | ↓Ch$ 31,400 million;
    a. **Factoring: Ch$ 352,638 million** |-12.8% YTD | ↓Ch$ -51,888 million;
    b. **Leasing: Ch$ 77,226 million** | -5.2% YTD | ↓Ch$ 4,224 million;
    c. **Corporate Lending: Ch$ 317,614 million** | +8.4% YTD | ↑Ch$ 24,712 million;
2. **Auto-Financing Division: Ch$ 469,225 million** | +3.3% YTD | ↑Ch$ 15,123 million.

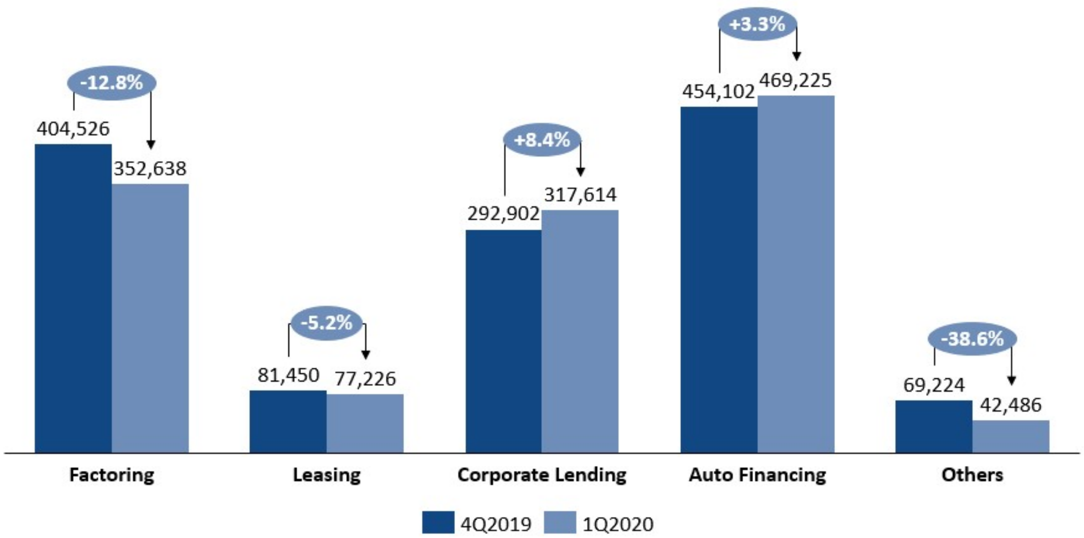


Chart 13: Net Loan Portfolio Breakdown by Line of Business

In 2020, the portfolio continues to concentrate in the Company's strategic businesses – Factoring and Auto-Financing – which represent 28.0% and 37.3% of the net loan portfolio, respectively.

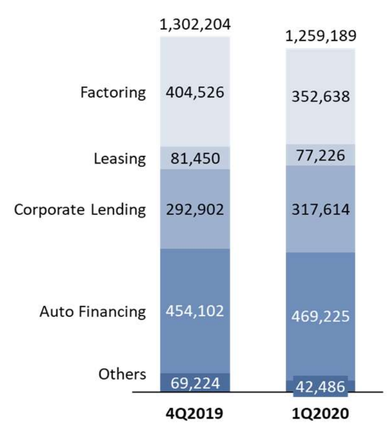


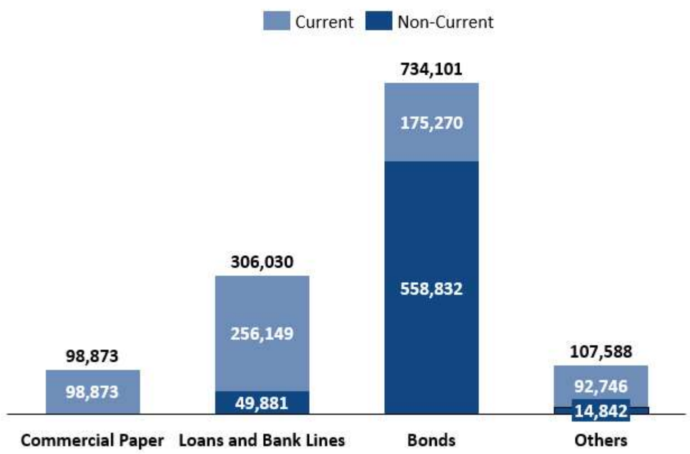
Chart 14: Net Loan Portfolio Breakdown

[5] Gross loans minus provisions.

b. Funding Sources

As of March 31, 2020, financial liabilities totaled Ch$ 1,246,592 million versus $ 1,159,515 million in December 2019 (↑Ch$ 87,077 million / +7.5% YTD), due to increments associated with the following liabilities: (i) bonds (↑Ch$ 190,611 million / +35.1% YoY) and (ii) other derivatives and repos (↑Ch$ 24,589 million / +2.1% YoY), both offset by (iii) banks and financial institutions (↓Ch$ 59,482 million/ -16.3% YoY) and (iv) commercial paper (↓Ch$ 68,642 million / -41.0% YoY).

In terms of liability structure, 58.9% (Ch$ 734,101 million) correspond to local and international bonds, 24.5% (Ch$ 306,030 million) to bank loans and credit lines, and 7.9% (Ch$ 98,873 million) to commercial paper. Additionally, Ch$ 107,588 million (8.6%) are related to other financial obligations, which correspond to repos and financial derivatives.



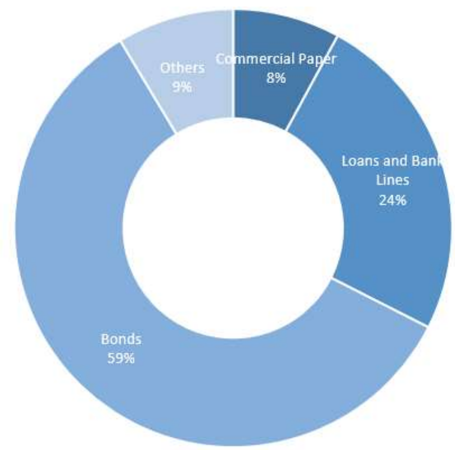


Chart 15: Breakdown of Funding Sources

VII. Cash Flow Statement

MCh$	03-31-2020	03-31-2019	Δ $
Cash flow provided by (used in) operating activities	(79,580)	59,565	(139,145)
Cash flow provided by (used in) investing activities	91,324	62,877	28,447
Cash flow provided by (used in) financing activities	(15,554)	(124,029)	108,475
Effect of changes in exchange rates	681	2	679
Net increase (decrease) in cash and cash equivalent	(3,129)	(1,586)	(1,544)
Cash and Cash Equivalent, Initial Balance	53,660	25,474	28,186
Cash and Cash Equivalent, Final Balance	50,531	23,888	26,643

Table 6: Cash Flow Statement

During the first quarter of 2020, cash flow of **operating activities totaled Ch$ -79,580 million** versus Ch$ 59,565 million recorded during the first quarter of 2019, an increase of Ch$ 324,087 million attributable to a rise in payments.

Cash flow stemming from **investing activities reached Ch$ 91,324 million**, a rise of Ch$ 28,447 million more than the Ch$ 62,877 million corresponding to 1Q19, mainly because of a Ch$ 333,492 million difference between payments to acquire equity or debt instruments from other entities.

Financing activities cash flow amounts to Ch$ -15,554 million in 2020, versus Ch$ -124,029 million during 1Q19, mainly due to the increase in amounts from the issuance of other equity instruments.

Finally, **cash and cash equivalents by March 31, 2020, totaled Ch$ 50,531 million,** increasing in Ch$ 26,643 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 consider 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: three risk profiles that consider internal behavior variables and variables captured in admission. The influencing variables are the following: (i) current days of delinquency, (ii) debtor classification.
ii. Checks: two risk profiles that consider internal behavior variables. The influencing variable is the current days of delinquency.
iii. Returned Checks, Renegotiated and Others: two risk profiles that consider internal behavior variables. The influencing variables are: (i) current days of delinquency, (ii) Group or type.

The write-off policy has as maximum term of 366 days past due.

LEASING

Provisions calculations considers five profiles based on a segmentation by sub-product and risk profiles. The influencing variables are: (i) current days of delinquency, (ii) sub product (Real estate, Vendor, Machinery and vehicle leasing) and (iii) renegotiation.

The write-off policy has as maximum term of 366 days past due, except for real estate leasing and leasing vendor in which case the maximum term is extended to 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, (ii) residual term and (iii) renegotiation.

The write-off policy has as maximum term of 541 days past due, in case a mortgage has been put up as collateral the maximum term Is extended to 901 days past due.

AUTO-FINANCING

Provisions calculations considers a segmentation by sales channel and risk profiles based on internal behavior. Sales channel segmentation is as follows: (i) First options, (ii) Dealers and Direct (iii) Renegotiated.

Each segment is subdivided into risk profiles according to their internal behavior “score” which considers the following variables: (i) maximum days of delinquency in the past three months, (ii) past three months unpaid balance ratio, (iii) Loan to value and (iv) segment.

The write-off policy has as maximum term of 366 days past due.

Concept	03.31.2020			
	Gross Portfolio Ch$k	Provisions Ch$k	Net Portfolio Ch$k	Provisions Index
Factoring	356,567,470	(3,929,128)	352,638,342	1.10%
Leasing	78,443,502	(1,217,480)	77,226,022	1.55%
Corporate Loans	322,243,145	(4,629,175)	317,613,970	1.44%
Automobile Loans	489,741,788	(20,516,827)	469,224,961	4.19%
Others	42,485,777	-	42,485,777	0.00%
Total	**1,289,481,682**	**(30,292,610)**	**1,259,189,072**	**2.35%**

Concept	12.31.2019			
	Gross Portfolio Ch$k	Provisions Ch$k	Net Portfolio Ch$k	Provisions Index
Factoring	409,461,714	(4,935,678)	404,526,036	1.21%
Leasing	82,501,245	(1,051,432)	292,902,192	1.27%
Corporate Loans	296,432,919	(3,530,727)	454,101,922	1.19%
Automobile Loans	473,086,185	(18,984,263)	81,449,812	4.01%
Others	69,224,061	-	69,224,061	0.00%
Total	**1,330,706,123**	**(28,502,100)**	**1,302,204,023**	**2.14%**

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	03.31.2020				
	Total Portfolio Th Ch$	Renegotiation Th Ch$	Provision Ch$ Th	Renegotiation by product %	Total portfolio renegotiation %
Factoring	356,567,470	2,879,478	(3,929,128)	0.81%	0.22%
Corporate Lending	322,243,145	10,185,194	(4,629,175)	3.16%	0.79%
Auto Financing	489,741,788	13,456,289	(20,516,827)	2.75%	1.04%
Leasing (*)	78,443,502	14,997,337	(1,217,480)	19.12%	1.16%
Others	42,485,777	-	-	-	-
Total	**1,289,481,682**	**41,518,298**	**(30,292,610)**		**3.22%**

(*) Mainly related to real estate backed leases.

Concept	12.31.2019				
	Total Portfolio Th Ch$	Renegotiation Th Ch$	Provision Th Ch$	Renegotiation by product %	Total portfolio renegotiation %
Factoring	409,461,713	2,065,500	(4,935,678)	0.50%	0.16%
Corporate Lending	296,432,919	9,183,347	(3,530,727)	3.10%	0.69%
Auto Financing	473,086,185	12,774,134	(18,984,263)	2.70%	0.96%
Leasing	82,501,245	6,134,445	(1,051,432)	7.44%	0.46%
Others	69,224,061	-	-	-	-
Total	**1,330,706,123**	**30,157,426**	**(28,502,100)**		**2.27%**

Table 8: Portfolio, Provisions and Renegotations

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, 2020, the Company, on a consolidated level, totaled Ch$ 50,531 million of cash on hand, versus Ch$ 53,660 million in December 2019.

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:

Decreases:

Negative Delta (bps)	-25	-50	-75	-100	-125	-150	-175	-200
Net Portfolio Variation	0.55%	1.10%	1.65%	2.20%	2.75%	3.30%	3.85%	4.40%

Increases:

Positive Delta (bps)	25	50	75	100	125	150	175	200
Net Portfolio Variation	-0.55%	-1.10%	-1.65%	-2.20%	-2.75%	-3.30%	-3.85%	-4.40%

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

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	03.31.2020							
	Trading Derivatives				Hedging Derivatives			
	UF$K	CLP$K	USD$K	CHF$K	UF$K	CLP$K	USD$K	CHF$K
Up to 1 year	(40,145,017)	(132,055,296)	176,466,724	-	90,980,554	(213,541,623)	53,437,395	90,883,230
1 to 3 years	-	-	-	-	109,244,562	(130,028,909)	(269,759,372)	295,238,753
3 years and over	-	-	-	-	121,351,008	(109,599,954)	(104,754)	-
Total	**(40,145,017)**	**(132,055,296)**	**176,466,724**	**-**	**321,576,125**	**(453,170,486)**	**(216,426,731)**	**386,121,982**

Sens. +1bps	03.31.2020							
	Trading Derivatives				Hedging Derivatives			
	UF$K	CLP$K	USD$K	CHF$K	UF$K	CLP$K	USD$K	CHF$K
Up to 1 year	514	1,013	(1,502)	-	(3,865)	7,229	(789)	(5,654)
1 to 3 years	-	-	-	-	(18,801)	21,367	43,167	(66,670)
3 years and over	-	-	-	-	(46,524)	40,864	41	-
Total	**514**	**1,013**	**(1,502)**	**-**	**(69,190)**	**69,460**	**42,418**	**(72,324)**

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 of March 31, 2019, the Company presents an exposure in US Dollars of US$ 8,459K, equivalent to 2.39% of equity, versus US$ 1,627K, corresponding to 0.39% of equity in December 2019. 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)	03.31.2020	12.31.2019
Assets	369,869	331,187
Liabilities	(345,223)	(381,989)
Derivative Instruments	- 16,187	52,429
Total Mismatch	**8,459**	**1,627**

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 of March 31, 2020, mismatch in UF amounted to UF 3,200K, equivalent to 30.34% of equity (2019: UF 2,814K corresponding to 25.94% 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)	03.31.2020	12.31.2019
Assets	7,224	6,803
Liabilities	(13,124)	(13,564)
Derivative Instruments	9,100	9,575
Total Mismatch	**3,200**	**2,814**

Table 12: UF Mismatch

B. Effects of the developing Covid-19 pandemic

The World Health Organization declared Covid-19 a pandemic affecting international public health, this presents risks both globally and locally, and its impacts will be felt in markets around the world including ours. Firstly, our company has taken adequate measures to ensure the health of all our employees, setting several internal policies to be strictly followed whilst maintaining continuity in our operations. Our tactics have been effective allowing all debt obligations to be paid in time.

As to the mentioned impacts, our future projections and observed behavior from the past days, we expect the crisis to deteriorate in greater and lesser ways some of our organizations specific business lines, and thus have implemented several measures to mitigate unwanted effects and improve our capacity to react.

We monitor the pandemic and its development day by day as to make good decisions, always prioritizing our team's wellbeing as well as the payment of all financial obligations.

For additional information regarding this section, please refer to Note 4 of the Company's Financial Statements as of March 31, 2020.