



Tanner.

CORPORATE RESULTS 1H2020



SEPTEMBER | 2020

Index

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

Note: CLP figures converted to US\$ at the rate of \$821.23, the *dolar observado* or observed exchange rate as of July 1, 2020.

» Tanner is a non-bank financial institution from Chile with over 27 years of experience and a leading position within the auto financing and factoring industries.

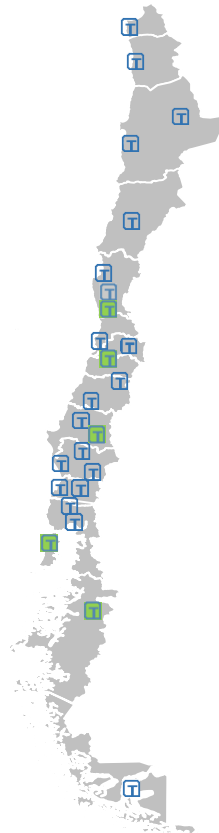
» Stands on highly diversified, strategically built loan and funding portfolios:

- No business line represents more than 41% of total gross loans.
- Loans distributed across 17+ industries.
- Top five customers represent less than 12% 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.

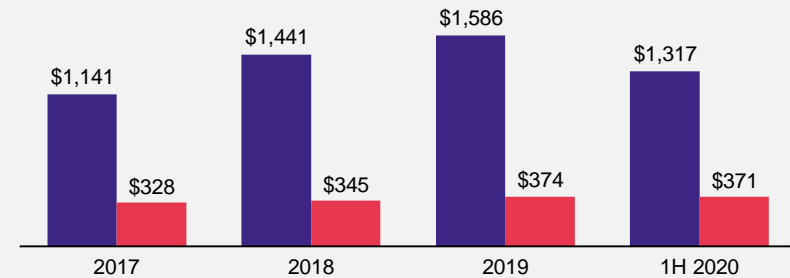
» One of Chile's highest ROAA across the finance industry



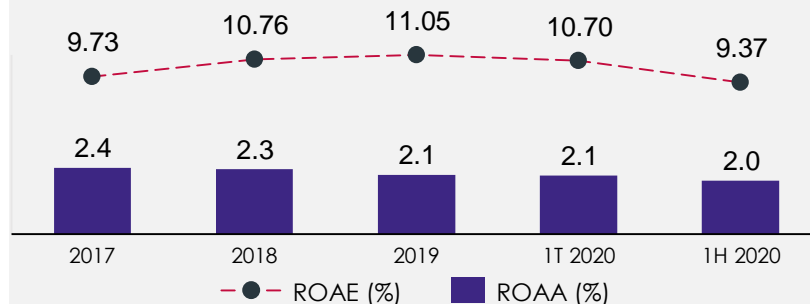
Physical Branch
 Virtual Branch

NET LOANS & EQUITY (MUS\$)

Net Loans '17-'1H20 CAGR: 5.9%
Equity '17-'1H20 CAGR: 5.1%

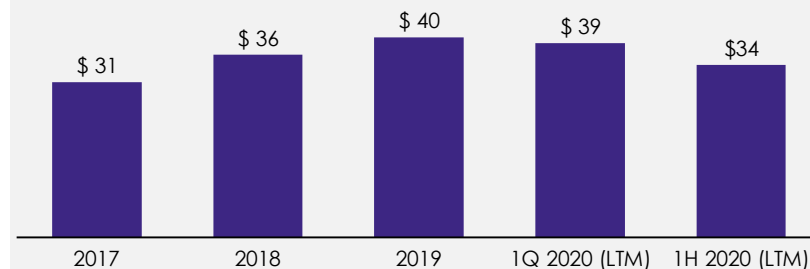


PROFITABILITY (1)(2)



NET PROFIT (MUS\$)

'17-'1H20 CAGR: 4.2%



Intl.
Rating

BBB-

S&P Global
Ratings

FitchRatings

Local
Rating

AA-

FellerRate
Clasificadora
de Riesgo



Humphreys
CLASIFICADORA DE RIESGO

(1) ROAE = Net Profit LTM / Average Equity

(2) ROAA = Net Profit LTM / Average Assets

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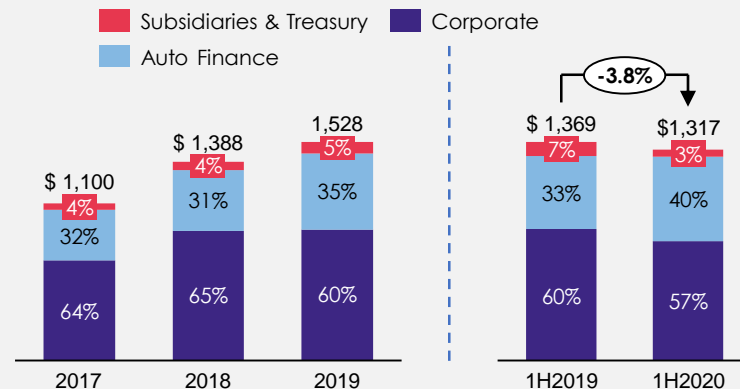
HIGHLIGHTS

- Tanner fell in profits 30,1% YoY and 16,9% YoY in net loans.
- NPL's over 90 days reached 3,7% (2,7% in 1H 2019).
- During the first half of 2020 Tanner placed US\$169 million in commercial papers and US\$ 79 million in the second quarter.
- During July Tanner subscribed a 3 year loan for US\$ 50 million with Cargill Trade & Capital Markets.

NET LOANS DISTRIBUTION

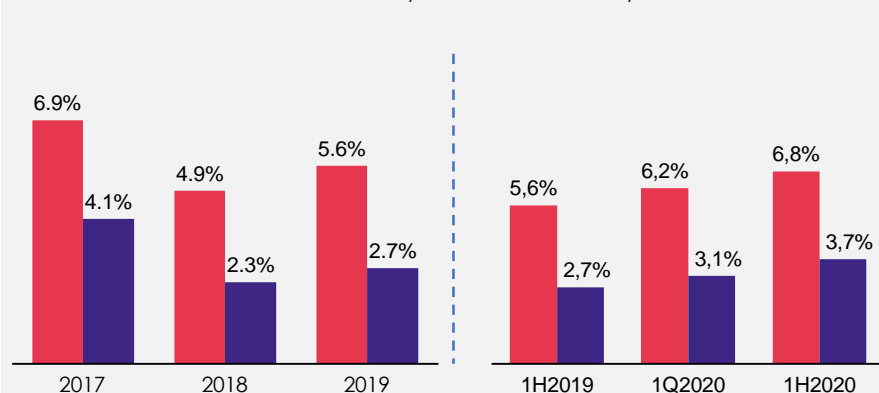
(MUS\$)

'17-'1H20 CAGR: 5.9%



NON PERFORMING LOANS (1)

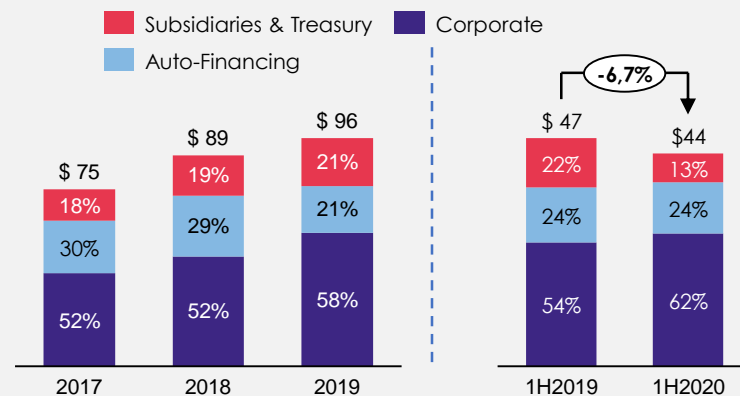
■ NPLs > 30 Days ■ NPLs > 90 Days



GROSS MARGIN DISTRIBUTION (2)

(MUS\$)

'17-'1H20 CAGR: 9.3%



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

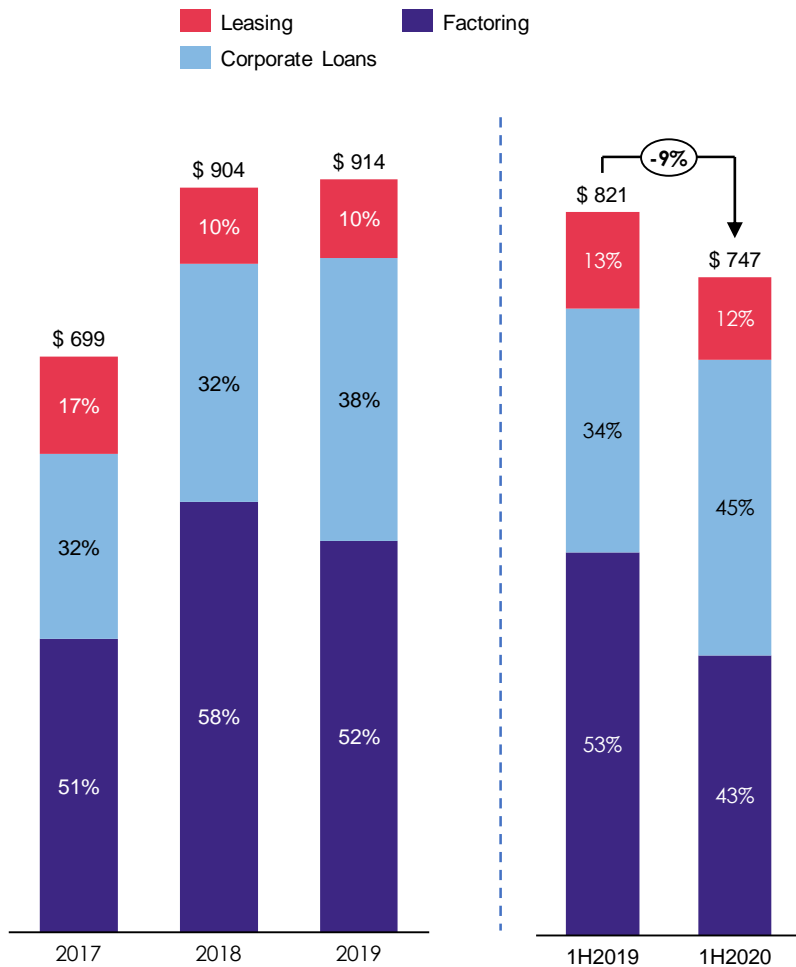
(2) Gross Margin considers portfolio deterioration.



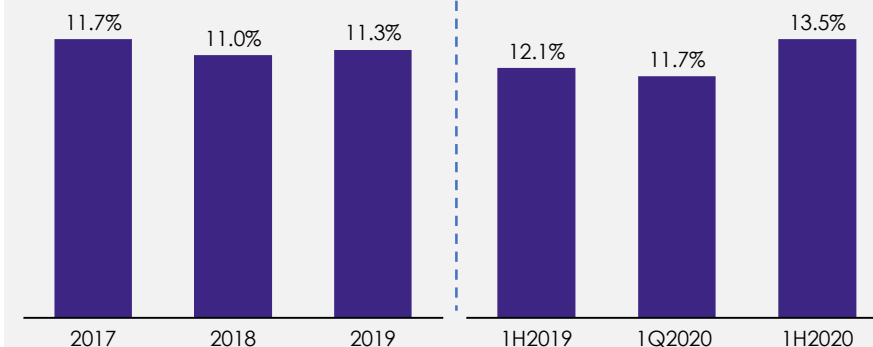
NET LOANS

(MUS\$)

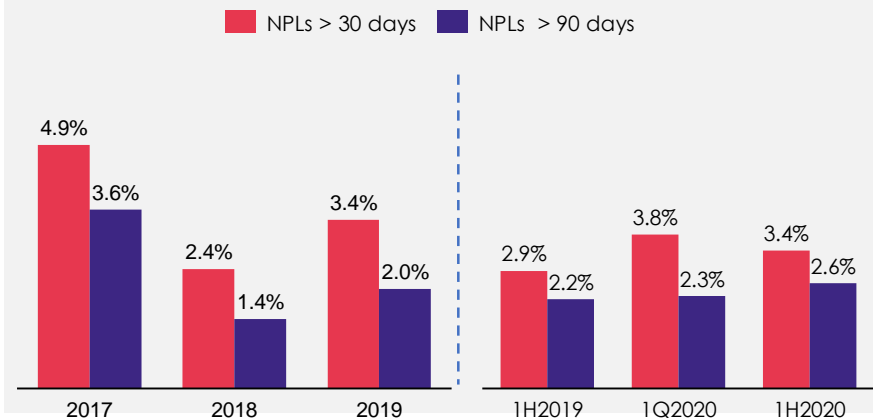
'17-'1H20 CAGR: 1.2%



YIELD(1)



NON PERFORMING LOANS (2)



(1) Yield = LTM Income / Average Net Loans

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

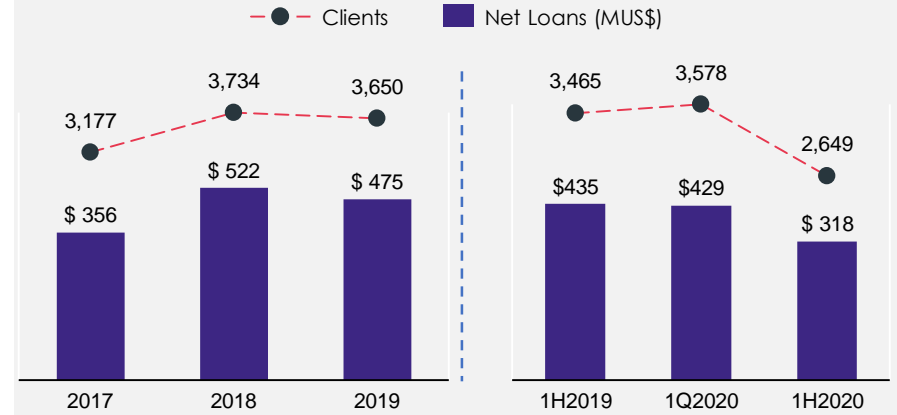


HIGHLIGHTS

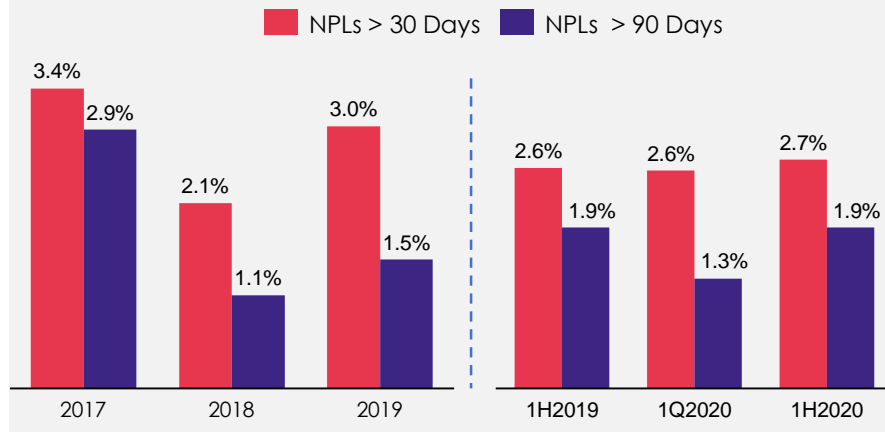
- Non performing loans remain under 2%.
- Lower placements during the first half of 2020 compared to December 2019 due to product seasonality and lower activity caused by Covid-19
- Product composition:
 - **Invoices**: they add up to over 63.8% of total factoring volume.
 - **Confirming** represents approximately 5.7%.
 - **Checks and Promissory Notes**: they represent around 17.4% and 3.6% of total Factoring volume.

NET LOANS AND NUMBER OF CLIENTS

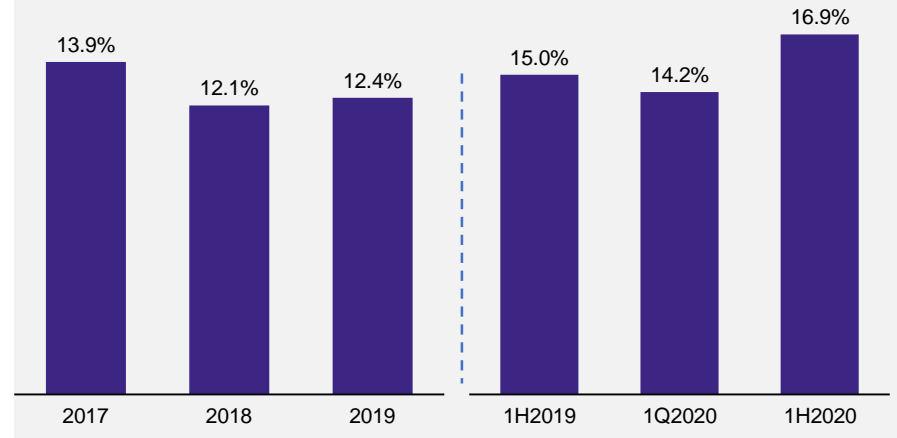
'17-'1H20 CAGR: -5.9%



NON PERFORMING LOANS (1)



YIELD (2)



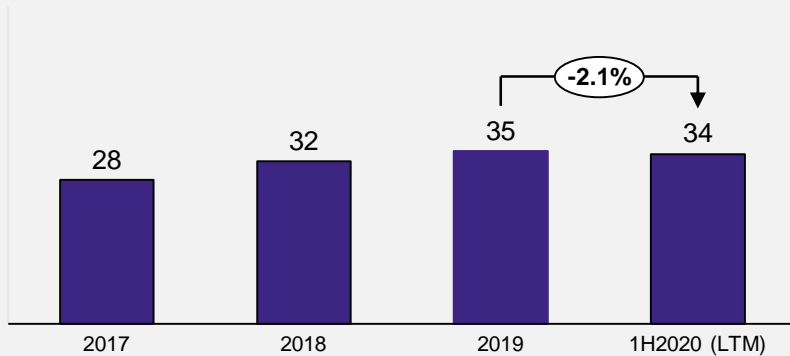
(1) NPL'S = Non performing loans / (Loan Stock + Provisions)

(2) Yield = LTM Income / Average Net Loans

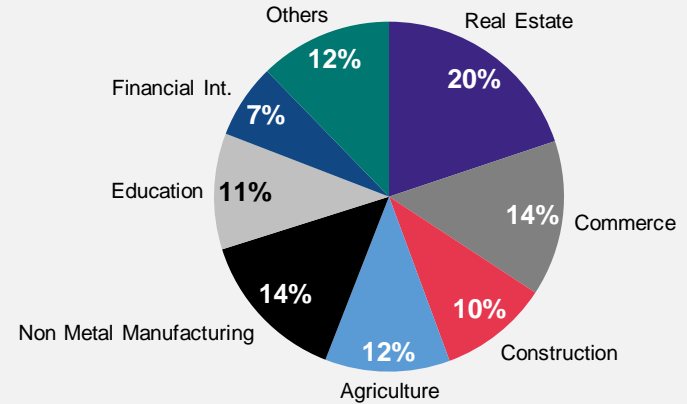


GROSS MARGIN MUS\$ (1)

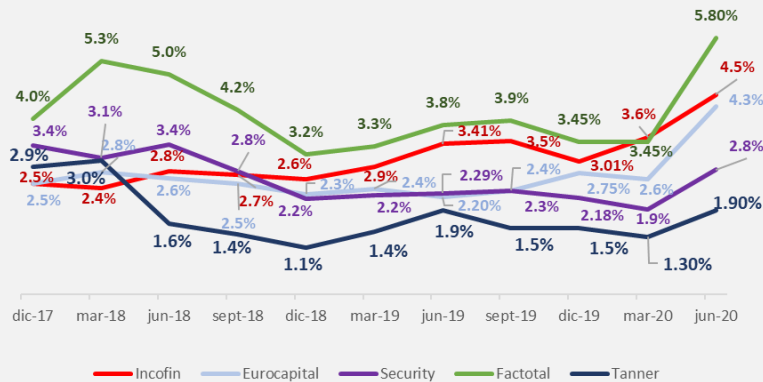
'17-'19Q20 CAGR: 7.8%



LOAN PORTFOLIO INDUSTRY DISTRIBUTION (2)

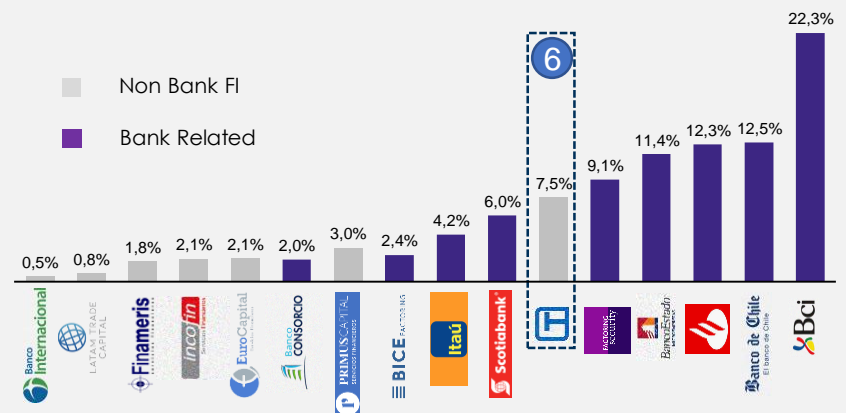


NON PERFORMING LOANS (3)



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.

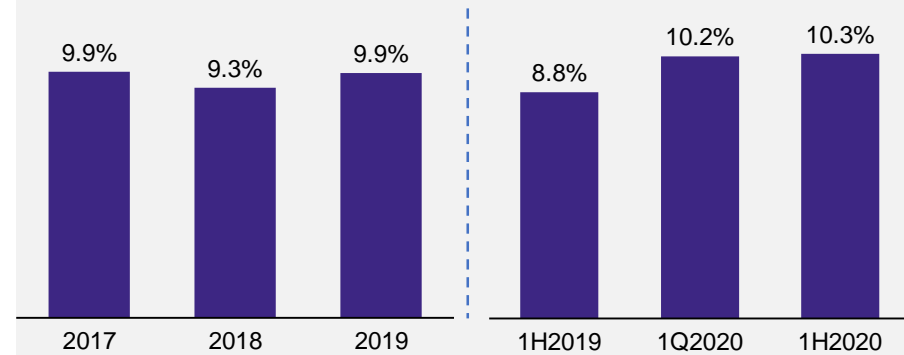
(3) NPL'S = Non performing loans / (Loan Stock + Provisions)



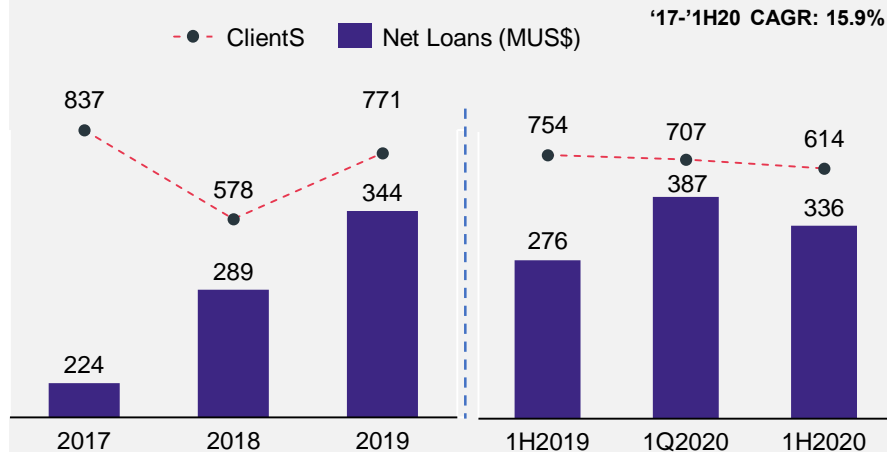
HIGHLIGHTS

- This division's primary objective is to diversify the loan portfolio with collateralized loans of longer duration than factoring, offering further funding alternatives to our clients.
- Decreasing placements in Corporate Loans compared to the first quarter, Leasing placements also decrease as strategy turns exclusively to real estate leases.
- Nonperforming loans in Leasing maintain within expected levels with a slight increase, while Corporate Loans show a slight improvement.

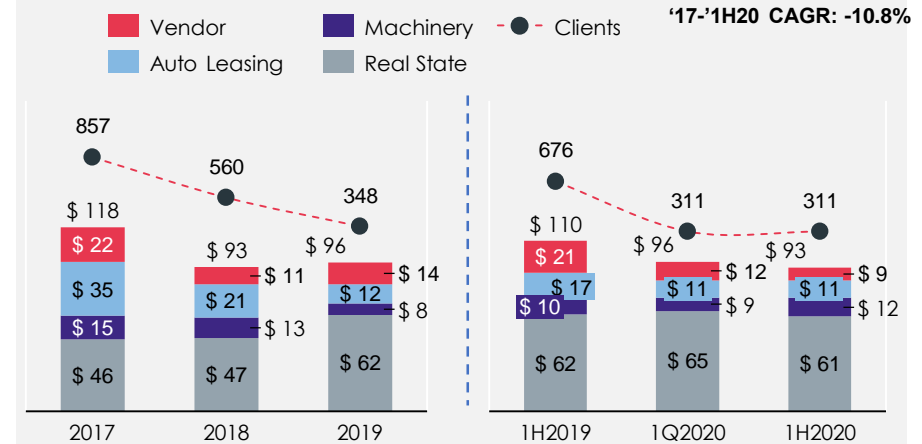
YIELD (1)



CORPORATE LENDING: NET LOANS AND NUMBER OF CLIENTS



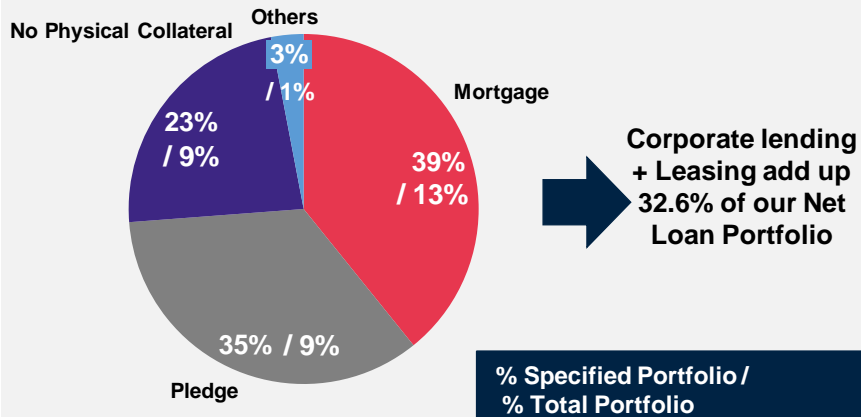
LEASING: NET LOANS AND NUMBER OF CLIENTS



(1) Yield = LTM Income / Average Net Loans



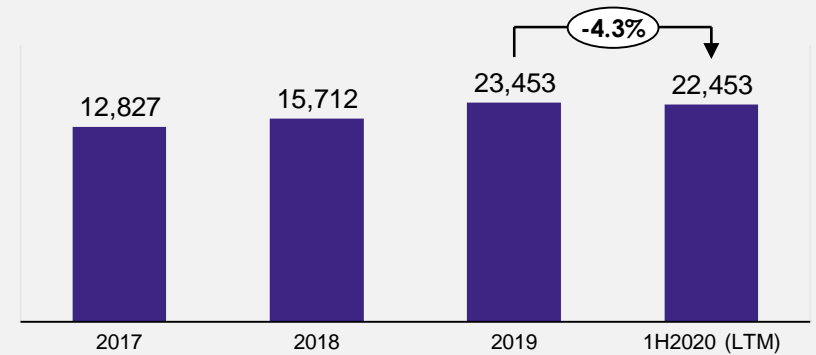
CORPORATE LENDING & LEASING COLLATERALS



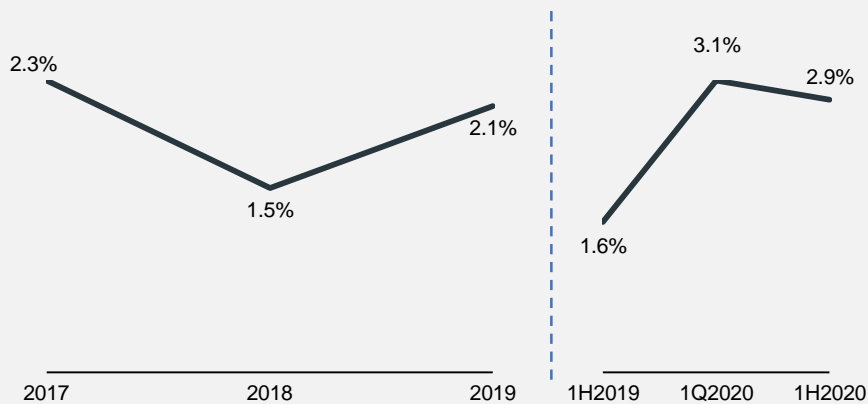
GROSS MARGIN CORPORATE LENDING + LEASING

(MUS\$)

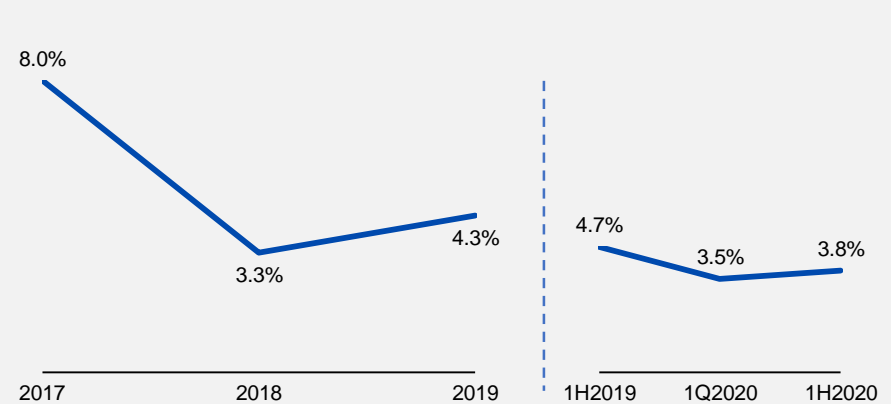
'17-'1H20 CAGR: 25.1%



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)

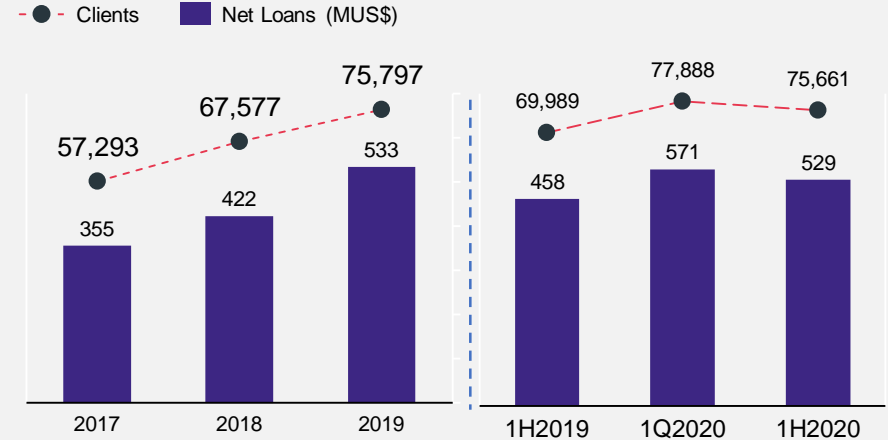


HIGHLIGHTS

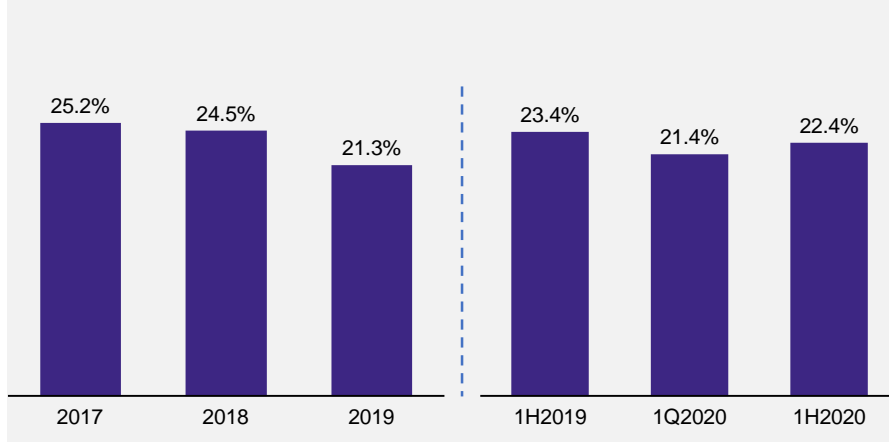
- Tanner has diversified into three sales channels:
 - 1) AMICAR
 - 2) Dealers
 - 3) Direct.
- During the second quarter of 2020 we observe lower activity in the automotive industry.
- Our recent agreement with CrediNissan boosts the portfolio while improving its risk profile
- The current portfolio composition is 87% new cars / 13% used.

NET LOANS AND NUMBER OF CLIENTS

'17-'1H20 CAGR: 15.6%



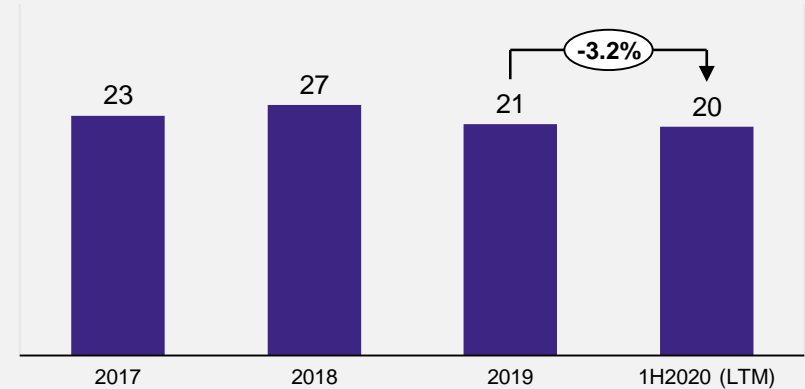
YIELD (1)



GROSS MARGIN (2)

(MUS\$)

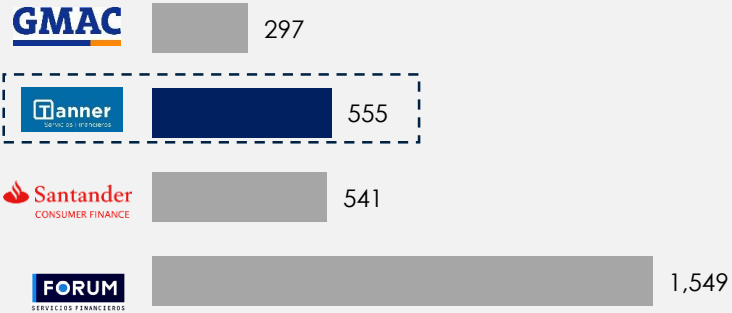
'17-'1H20 CAGR: -5.8%



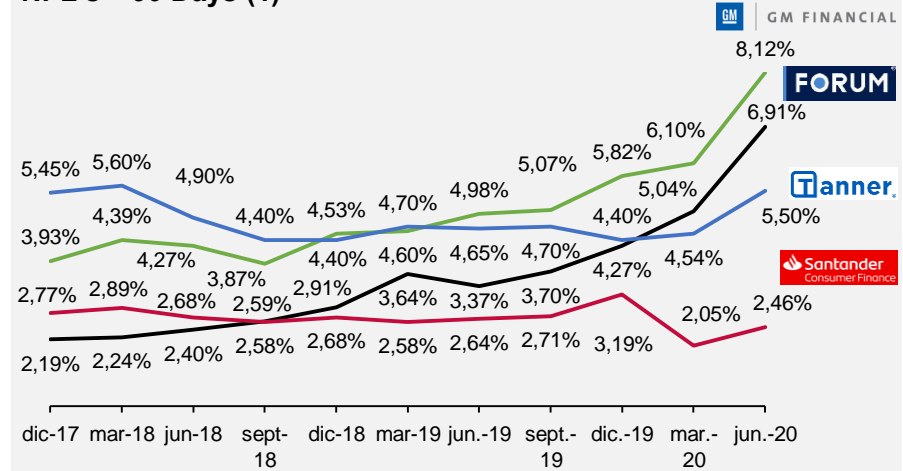
(1) Yield = LTM Income / Average Net Loans
(2) Gross Margin considers portfolio risk charge



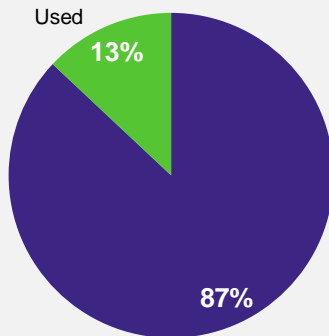
STRONG PRESENCE IN THE AUTO FINANCING INDUSTRY (GROSS LOANS 1H 2020)



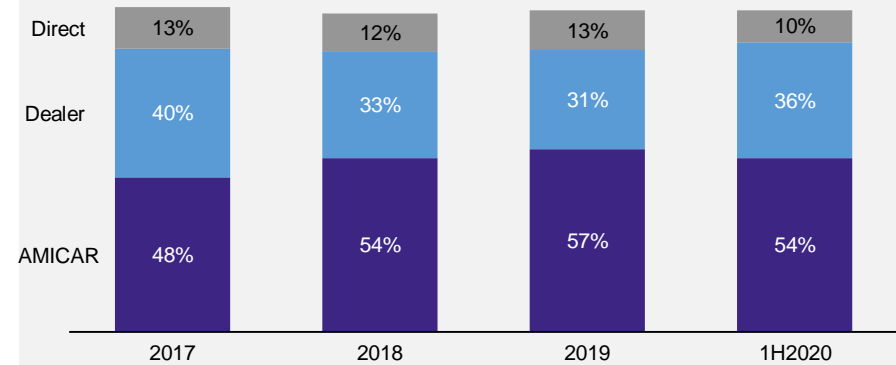
NPL's > 90 Days (1)



PORTFOLIO DISTRIBUTION



DISTRIBUTION BY SALES CHANNEL

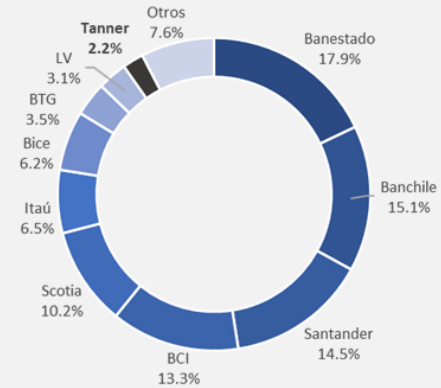




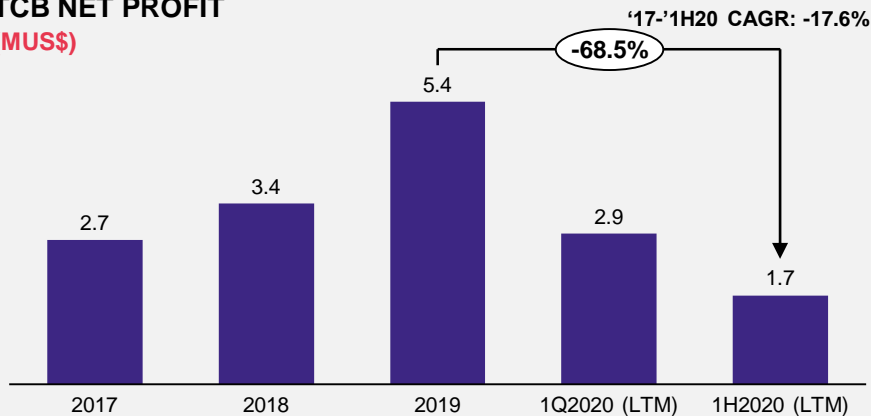
HIGHLIGHTS

- This division had a lower result during the first half of 2020 due to a fall in Net Profit of our subsidiary Tanner Corredores de Bolsa.
- We can observe the consolidation of the FX intermediation business.
- Tanner Investments has US\$456 million AuM and 1,696 clients

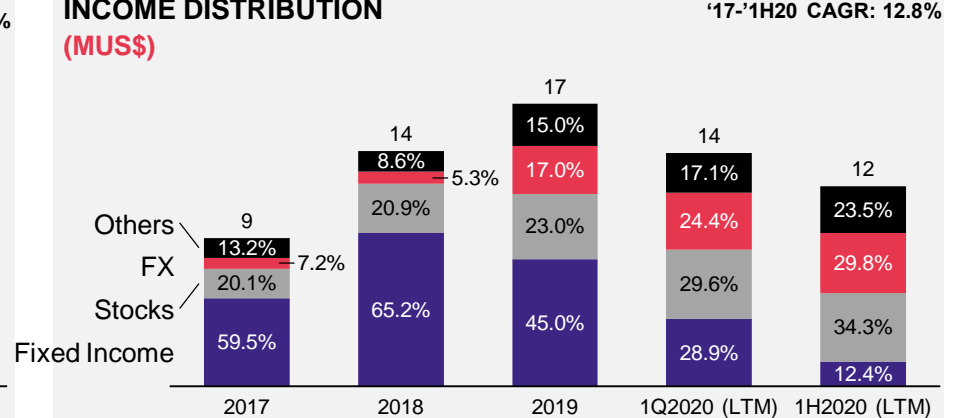
BROKERAGE RANKING 1H 2020*



TCB NET PROFIT (MUS\$)



INCOME DISTRIBUTION (MUS\$)



A high-angle, top-down photograph of a warehouse floor. A worker wearing a bright yellow safety vest and a blue hard hat is operating a black pallet jack. The worker is positioned in the lower-left quadrant of the frame, moving towards the center. The floor is made of large, light-colored concrete tiles. Several wooden pallets are visible, some of which are stacked with cardboard boxes. The boxes are brown and some have yellow tape. The overall scene is a typical industrial warehouse environment.

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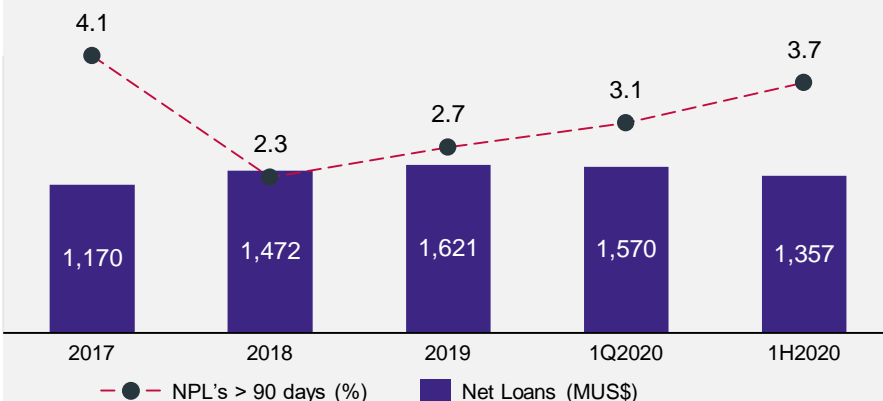
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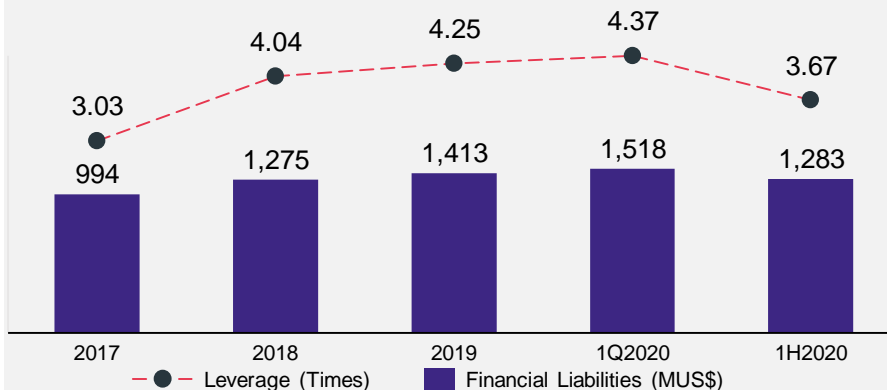


Balance Sheet

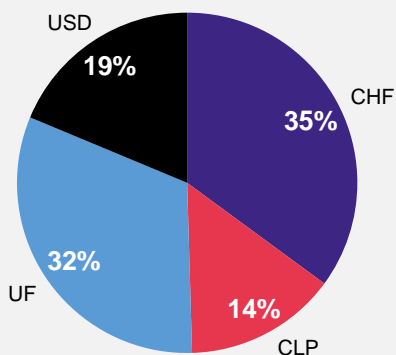
GROSS LOANS VS NPL's > 90 DAYS



FINANCIAL LIABILITIES VS LEVERAGE



FINANCIAL LIABILITIES BY CURRENCY



BALANCE SHEET STRUCTURE AND HEDGES

- Average asset duration: 0.93 years.
- Average liability duration: 2.25 years.

Item (MUS\$)	CLP	USD	CHF	UF	Others	Total
Assets	1,243	233	0	254	0	1,730
Liabilities + Equity	624	249	450	407	0	1,730
Differential by currency	620	-16	-450	-154	0	-
Net Exposure	-141	-2	-	143	0	-

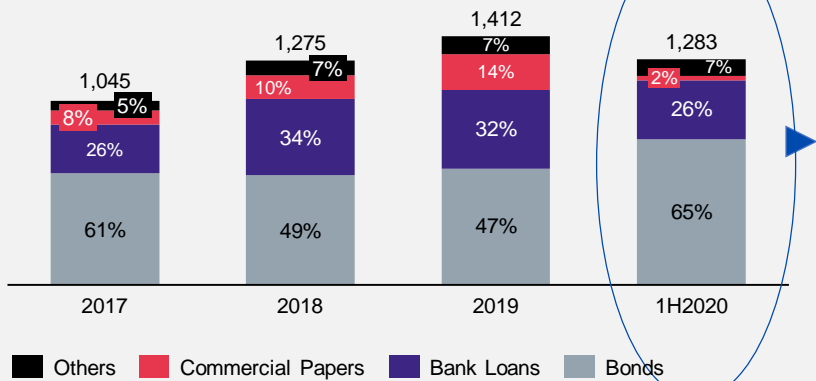


Balance Sheet

Debt Profile & Balance Sheet

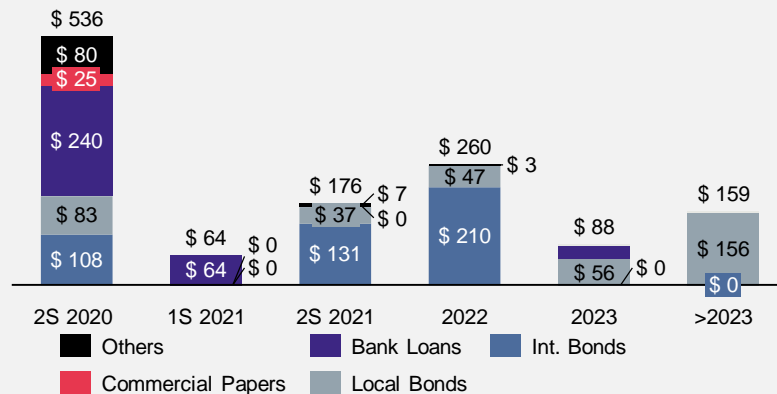
FUNDING COMPOSITION

(MUS\$)



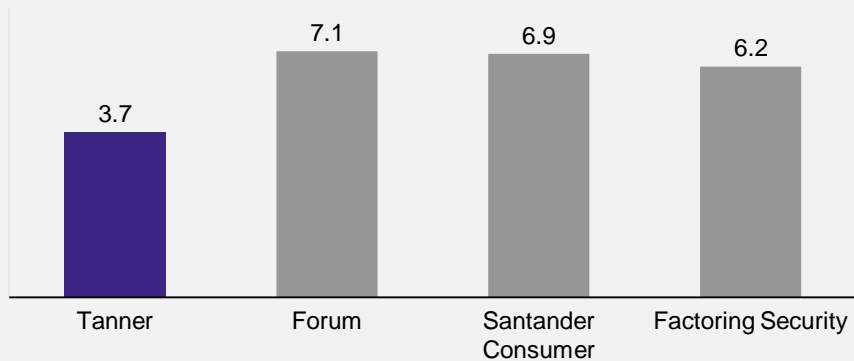
LIABILITY EXPIRATION PROFILE

(MUS\$)

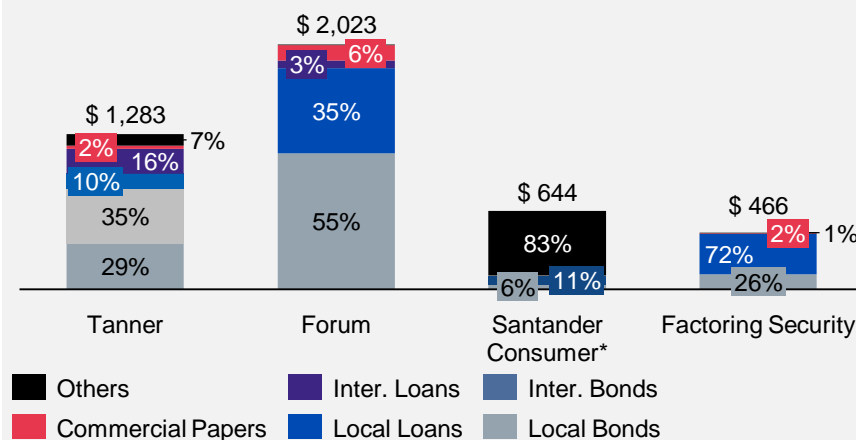


INDUSTRY LEVERAGE*

■ Leverage (Times)



DISTRIBUCIÓN DEL FINANCIAMIENTO* (MUS\$)



(*) Tanner information by June 2020 / Competitors by March 2020
 (**) Santander Consumer others refers to liabilities with related entities.



► **Contact information:**

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ANNEX

Balance Sheet

Assets (Th US\$)	06-30-2020	12-31-2019	Δ \$	Δ %
Current Assets				
Cash and cash equivalent	126,176	65,341	60,834	93.1%
Other current financial assets	88,252	115,455	(27,203)	-23.6%
Other current non-financial assets	1,896	2,103	(208)	-9.9%
Trade receivables and other current accounts receivable, net	877,945	1,089,803	(211,858)	-19.4%
Current accounts receivable from related parties	4,207	464	3,743	806.7%
Current tax assets	15,714	22,209	(6,496)	-29.2%
Non-current assets held for sale	13,138	12,809	329	2.6%
Total Current Assets	1,127,326	1,308,184	(180,858)	-13.8%
Non-Current Assets				
Other non-current financial assets	74,173	76,051	(1,878)	-2.5%
Other non-current non-financial assets	6,970	5,648	1,322	23.4%
Trade receivables and other non-current accounts receivable, net	439,541	495,873	(56,331)	-11.4%
Non-current accounts receivable from related parties	461	643	(183)	-28.4%
Intangible assets other than goodwill	8,403	8,230	174	2.1%
Goodwill	1,997	2,147	(151)	-7.0%
Property, plant and equipment	13,735	14,164	(429)	-3.0%
Property Investments	15,677	13,858	1,819	13.1%
Deferred tax assets	41,651	36,489	5,162	14.1%
Total Non-Current Assets	602,608	653,103	(50,495)	-7.7%
Total Assets	1,729,934	1,961,287	(231,354)	-11.8%
Liabilities (Th US\$)	06-30-2020	12-31-2019	Δ \$	Δ %
Current Liabilities				
Other current financial liabilities	593,321	876,783	(283,462)	-32.3%
Trade payables and other current accounts payables	74,553	172,266	(97,714)	-56.7%
Other short-term provisions	943	643	300	46.6%
Short-term employee benefits provisions	560	1,496	(936)	-62.6%
Current tax liabilities	117	828	(711)	-85.8%
Other current non-financial liabilities	-	-	-	0.0%
Total Current Liabilities	669,494	1,052,017	(382,523)	-36.4%
Non-Current Liabilities				
Other non-current financial liabilities	689,606	535,142	154,464	28.9%
Non-current employee benefits provisions	254	236	18	7.5%
Total Non-Current Liabilities	689,860	535,378	154,482	28.9%
Total Liabilities	1,359,354	1,587,395	(228,041)	-14.4%
Equity	370,579	373,892	(3,313)	-0.9%
Total Equity and Liabilities	1,729,934	1,961,287	(231,354)	-11.8%



Income Statement

INCOME STATEMENT Th US\$	01-01-2020	01-01-2019	Δ \$		Δ %		04-01-2020	04-01-2019	Δ \$		Δ %	
	06-30-2020	06-30-2019					06-30-2020	06-30-2019				
Revenue from ordinary activities	121,212	113,173	8,039	7.1%			43,020	55,994	(12,974)	-23.2%		
Sales cost	(56,757)	(49,921)	(6,836)	13.7%			(11,552)	(23,658)	12,106	-51.2%		
Gross profit	64,455	63,251	1,204	1.9%			31,468	32,336	(868)	-2.7%		
Impairment Losses	(20,172)	(15,781)	(4,391)	27.8%			(9,155)	(7,229)	(1,926)	26.6%		
Other revenue, by function	186	1,442	(1,256)	-87.1%			69	1,115	(1,046)	-93.8%		
Administrative expenses	(29,324)	(27,102)	(2,223)	8.2%			(14,119)	(13,899)	(220)	1.6%		
Other profits (losses)	(180)	-	(180)	0.0%			(180)	-	(180)	0.0%		
Operating margin	14,965	21,811	(6,846)	-31.4%			8,084	12,324	(4,240)	-34.4%		
Financial revenue	3	56	(53)	-94.9%			(48)	36	(84)	-233.2%		
Financial costs	(333)	(258)	(75)	29.2%			(130)	(147)	16	-11.0%		
Foreign exchange differences	87	57	31	53.9%			(22)	33	(55)	-168.7%		
Income by adjustment units	109	9	100	1083.0%			30	8	22	278.7%		
Profit (losses) before taxes	14,831	21,675	(6,844)	-31.6%			7,914	12,254	(4,341)	-35.4%		
Revenue (expense) from profit taxes	(2,102)	(3,453)	1,350	-39.1%			(1,740)	(1,766)	26	-1.5%		
Profit (losses)	12,729	18,223	(5,494)	-30.1%			6,174	10,488	(4,315)	-41.1%		
Profit (losses) attributable to controller's property owners	12,856	17,936	(5,080)	-28.3%			6,129	10,296	(4,167)	-40.5%		
Profit (losses) attributable to non-controller shares	(128)	286	(414)	-144.6%			44	192	(148)	-76.9%		