Quarterly Earnings Report

March 2021

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I. Executive Summary

Tanner

❖ **ROAE*:**

1Q21: 9.9% / 1Q20: 10.7%

❖ **ROAA**:**

1Q21: 2.0% / 1Q20: 2.1%

❖ **Equity:**

1Q21: Ch$326,658 million / Δ+: 2.8% YTD

❖ **Net Profit:**

1Q21: Ch$9,096 million / 1Q20: Ch$5,383 million
Δ+: 69.0% YoY

❖ **Net Loan Portfolio:**

1Q21: Ch$1,132,470 million / Δ+: 0.7% YTD

❖ **NPLs > 90 days:**

1Q21: 2.8% / 1Q20: 3.1%

* ROAE: return on average equity LTM
** ROAA: return on average assets LTM

Profit after tax in 1Q2021 was Ch$9,096 million, an increase of 69.0% YoY, in line with operating income increasing 82.4% YoY to Ch$10,308 million.

The net loan portfolio was Ch$1,132,470 million, **increasing Ch$7,461 million (+0.7% YTD)**, due to an increase in the **auto financing division, with net loans of Ch$497,590 million up on those at year-end 2020** (↑Ch$31,070 million / +6.7% YTD). The **corporate division posted net loans of Ch$605,615 million** (↓Ch$30,384 million / -4.8% YTD), with a slight increase in corporate loans (↑Ch$6,624 million / +2.6% YTD) amounting to Ch$256,946 million, which was offset more by lower net loans of factoring, which amounted to Ch$284,031 million (↓Ch$30,388 million / -9.7% YTD), and of leasing, which reached Ch$64,638 million (↓Ch$6,620 million / -9.3% YTD).

There was lower risk YoY, leading to **non-performing loans (NPLs) over 90 days decreasing 25 bps to 2.8% (1Q20: 3.1%).** Likewise, NPLs over 30 days dropped 87 basis points to 5.3% (1Q20: 6.2%). That was mainly driven by the **auto financing division, with a large improvement of 195 basis points of NPLs** over 90 days **of 2.6%** (1Q20: 4.5%). The corporate division performance worsened, with **NPLs over 90 days increasing 85 basis points to 3.1%** (1Q20: 2.3%), due to higher loan delinquency of 345 basis points (1Q20: 3.1% vs. 1Q21: 6.5%), which was not offset by **a drop of 89 bps in factoring and 213 bps in leasing to 0.4% and 1.4%, respectively.**

The liquidity index at the close of 1Q21 was 1.60 times, above the levels at the close of 2020 (1.49x), while **ready cash amounted to Ch$131,201 million** versus Ch$120,080 million at the end of the previous year. On the other hand, the company's **leverage was 3.55 times** (December 2020: 3.61x).

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 the International Financial Reporting Standards (IFRS).

CONSOLIDATED INCOME STATEMENT (Ch$ million)	01-01-2021 31-03-2021	01-01-2020 31-03-2020	Δ Ch$	Δ %
Current revenue	44,992	64,214	(19,222)	-29.9%
Sales cost	(18,397)	(37,124)	18,727	-50.4%
Gross margin	26,595	27,090	(495)	-1.8%
Impairment losses	(3,693)	(9,047)	5,355	-59.2%
Other revenue by function	-	-	-	-
Administrative expenses	(12,500)	(12,487)	(13)	0.1%
Other profits (losses)	(93)	96	(189)	-197%
Operating margin	10,308	5,651	4,658	82.4%
Finance income	-	42	(42)	-100.0%
Finance costs	(94)	(166)	73	-43.6%
Foreign exchange differences	77	90	(13)	-14.0%
Gain from indexation units	44	64	(20)	-31.5%
Profit (loss) before tax	10,336	5,681	4,655	82.0%
Income tax (expense) revenue	(1,240)	(298)	(943)	316.8%
Profit (loss)	9,096	5,383	3,713	69.0%
Profit (loss) attributable to owners of the parent	9,048	5,525	3,523	63.8%
Profit (loss) attributable to non-controlling interests	48	(141)	189	-133.9%

Table 1: Consolidated Income Statement

The company's **net profit in 2021 increased 69.0% YoY** (↑Ch$3,713 million) to Ch$9,096 million against Ch$5,383 million in 2020. **The gross margin in 1Q21 was Ch$26,595 million**, Ch$495 million down YoY.

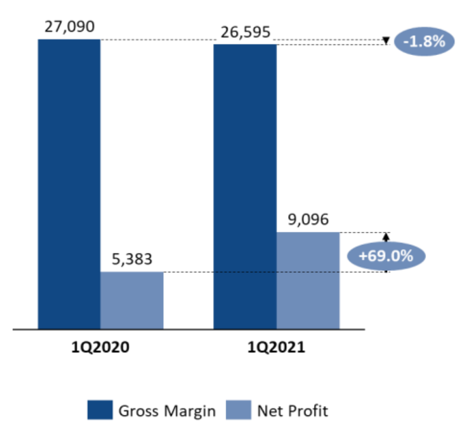

Chart 1: Consolidated Net Profit and Gross Margin

Consolidated revenue amounted to Ch$44,992 million in 1Q21, decreasing 29.9% YoY , in line with lower: (i) income from readjustments (1Q21: ↓Ch$9,043 million / -63.6% YoY), (ii) income from interest (1Q21: ↓Ch$3,774 million / -13.2% YoY), (iii) price differences (1Q21: ↓Ch$3,512 million / -36.3% YoY) and (iv) other income (1Q21: ↓Ch$3,132 million / -30.6% YoY). These were offset by higher fee income (1Q21: ↑Ch$ 660 million / +40.1% YoY).

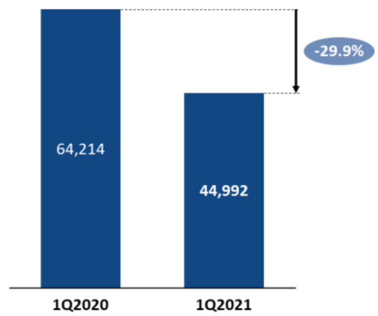

Chart 2: Consolidated Revenue

The consolidated cost of sales in 1Q21 was Ch$18,397 million (-50.4% YoY), mainly due to decreases in: (i) liability readjustments (1Q21: ↓Ch$15,116 million / -93.9% YoY), (ii) interest expenses (1Q21: ↓Ch$2,500 million / -21.1% YoY), (iii) other costs (1Q21: ↓Ch$387 million / -13.3% YoY), and (iv) fee expenses (1Q21: ↓Ch$304 million / -4.7% YoY).

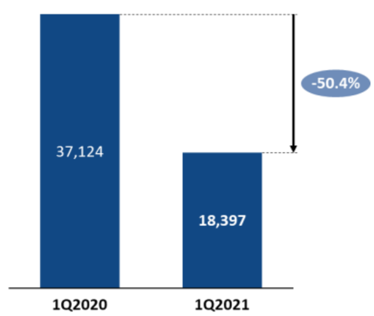

Chart 3: Sales Cost

SG&A expenses (including depreciation) were Ch$12,500 million in 1Q21, increasing 0.1% YoY, mainly due to higher remuneration expenses. Moreover, the labour expense, which accounts for around 67% of the SG&A expenses, amounted to Ch$8,375 million in the quarter (+4.1% YoY). General administrative expenses dropped 7.1% YoY to Ch$4,125 million.

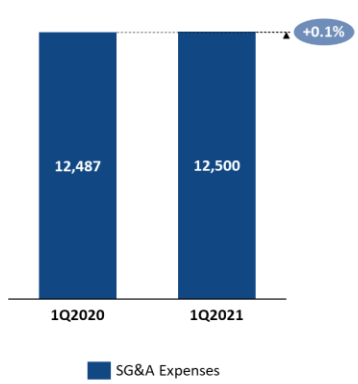

Chart 4: SG&A Expenses

III. Main Indicators

	Indicator	Definition	Unit	31-03-2021	31-12-2020	31-03-2020
Liquidity and Solvency	Current Ratio	*Current Assets/Current Liabilities*	*times*	1.6	1.5	1.5
	Current Liabilities to Equity	*Current liabilities/Equity*	*times*	1.9	2.0	2.3
	Immediate Liquidity	*Cash and cash equivalent/Current Liabilities*	*times*	0.2	0.2	0.1
	Stable Funding Ratio	*(Non-current liabilities + Equity)/(Current assets)*	*times*	1.7	1.6	1.7
	Leverage Ratio	*Total liabilities/Equity*	*times*	3.6	3.6	4.4
	Capitalization	*Equity/Assets*	*%*	22.0%	21.7%	18.6%
	Total Leverage ratio	*Liabilities/Assets*	*times*	0.8	0.8	0.8
	Short Term Debt Ratio	*Current liabilities/Total liabilities*	*%*	52.3%	55.5%	52.7%
	Long Term Debt Ratio	*Non-current liabilities/Total liabilities*	*%*	47.7%	44.5%	47.3%
	Short Term Bank Debt	*Current bank liabilities/Current liabilities*	*%*	23.0%	20.9%	36.9%
	Long Term Bank Debt	*Non-current bank liabilities/Non-current liabilities*	*%*	22.3%	25.4%	8.0%
	Working Capital	*Current assets - Current liabilities*	*MCh$*	365,407	315,064	369,492
	Financial Expenditure Ratio	*(Profit before taxes + Financial expenditure)/Financial expenditure*	*times*	2.1	1.7	1.5
Profitability	Return on Average Equity	*Annualized profit/ Average Equity*	*%*	9.9%	8.8%	10.7%
	Return on Average Assets	*Annualized profit/ Average Assets*	*%*	2.0%	1.8%	2.1%
	Gross Profit Margin	*Gross profit/Current Revenue*	*%*	50.9%	40.7%	28.1%
	Operating Margin	*Operating Margin/Revenue from ordinary activities*	*%*	22.9%	16.6%	8.8%
	Net Income Margin	*Net income/Current Revenue*	*%*	20.2%	13.9%	8.4%
	Earnings Per Share (EPS)	*Net income/number of shares*	*$*	7,504	22,696	4,441
	Efficiency of Expenditure	*SG&A Expenses/Gross Margin (*)*	*%*	54.6%	57.3%	69.2%
Asset Quality	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	*%*	5.3%	5.7%	6.2%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	*%*	2.8%	2.3%	3.1%
		Non-Performing loans >90 days/Equity	*%*	9.9%	8.3%	13.1%
	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	*%*	11.4%	10.9%	13.6%
		Non-Performing loans/Equity	*%*	40.1%	39.2%	58.3%
	Provisions	*Provisions/(Loans + Provisions)*	*%*	1.7%	2.0%	2.3%
		Provisions/Non-performing loans	*%*	15.2%	18.3%	17.2%
		Provisions/Non-performing loans >90 days	*%*	64.0%	86.8%	76.6%
	Write-offs	*Write-offs/(Loans + Provisions)*	*%*	2.7%	2.7%	2.2%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	*%*	1.7%	2.2%	2.7%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	*%*	3.8%	3.4%	3.2%

(*) Gross margin considers impairment.

Table 2: Main Indicators

As of 31 March 2021, in terms of liquidity and leverage the company has a healthy and robust position, reflecting the strength of Tanner and its ability to meet its immediate and long-term commitments. At a general level, total liabilities increased Ch$12,664 million (+1.1% YTD) compared to December 2020 and amounted to Ch$1,160,717 million, while assets rose 1.5% (↑Ch$21,579 million) in 1Q21 to Ch$1,487,375 million. Equity increased Ch$8,915 million (+2.8% YTD) amounting to Ch$326,658 million.

The asset quality indicators, reflected by NPLs > 30 days and NPLs > 90 days, improved YoY. This was driven by a conservative risk policy, which the company has maintained in the social crisis and throughout the sanitary crisis.

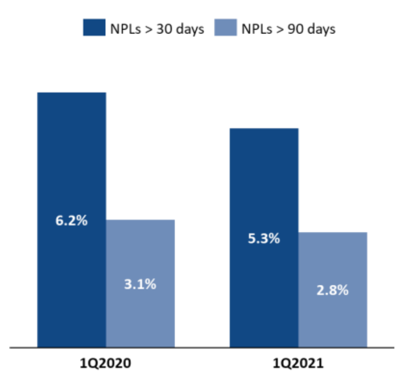

Chart 5: Consolidated NPLs

IV. Business Division Results

Tanner is organised in three divisions: Corporate[1], Auto Financing[2] and Treasury & Investments[3]. The results of these three divisions, which accounted for 39.7%, 43.6% and 16.7% of the consolidated gross margin in 1Q21, respectively, are shown below.

Business Division		01.01.2021 to 31.03.2021 Ch$ million	01.01.2020 to 31.03.2020 Ch$ million	Δ Ch$	Δ %
CORPORATE DIVISION	REVENUE	14,612	20,660	(6,048)	-29.3%
Tanner Empresas	COSTS	4,053	6,892	(2,840)	-41.2%
	GROSS MARGIN	10,559	13,768	(3,208)	-23.3%
i. FACTORING	REVENUE	7,518	12,743	(5,225)	-41.0%
	COSTS	1,717	3,762	(2,046)	-54.4%
	GROSS MARGIN	5,801	8,981	(3,179)	-35.4%
ii. LEASING	REVENUE	1,522	2,203	(681)	-30.9%
	COSTS	514	900	(386)	-42.9%
	GROSS MARGIN	1,008	1,303	(295)	-22.6%
iii. CORPORATE LOANS	REVENUE	5,572	5,714	(142)	-2.5%
	COSTS	1,821	2,230	(409)	-18.3%
	GROSS PROFIT	3,750	3,484	267	7.6%
AUTO FINANCING DIVISION	REVENUE	22,695	24,463	(1,768)	-7.2%
Tanner Automotriz	COSTS	11,093	11,895	(802)	-6.7%
	GROSS MARGIN	11,601	12,567	(966)	-7.7%
TREASURY & INVESTMENTS DIVISION	REVENUE	8,322	19,378	(11,056)	-57.1%
	COSTS	3,888	18,623	(14,736)	-79.1%
	GROSS MARGIN	4,434	755	3,680	487.6%
ADJUSTMENTS BETWEEN SEGMENTS	REVENUE	(636)	(287)	(349)	121.6%
	COSTS	(636)	(287)	(349)	121.6%
Tanner	REVENUE	44,992	64,214	(19,222)	-29.9%
	COSTS	18,397	37,124	(18,727)	-50.4%
	GROSS MARGIN	26,595	27,090	(495)	-1.8%

Table 3: Business Division Results

[1] Corporate Division: this includes Factoring, Leasing and Corporate Loans.
[2] This includes auto financing and Tanner Corredora de Seguros Ltda.
[3] Treasury and Investments Division: this includes Treasury and the subsidiaries Tanner Corredores de Bolsa and Tanner Asset Management Administradora General de Fondos S.A.

The consolidated gross margin in 1Q21 was Ch$26,595 million (↓Ch$495 million / -1.8% YoY), due to a decrease in revenue (↓Ch$19,222 million / -29.9% YoY) and lower costs (↓Ch$18,727 million / -50.4% YoY). The gross margin breakdown by division/product was as follows:

CORPORATE DIVISION

1Q21: Ch$10,559 million, down 23.3% YoY (↓Ch$3,208 million), on account of a decrease of Ch$6,048 million (-29.3% YoY) in revenue and 41.2% YoY (↓Ch$2,840 million) in the costs of the division.

i. FACTORING

1Q21: Ch$5,801 million, down 35.4% YoY (↓Ch$3,179 million), with decreases of 41.0% YoY (↓Ch$5,225 million) in revenue and 54.4% YoY (↓Ch$2,046 million) in costs.

ii. LEASING

1Q21: Ch$1,008 million, down 22.6% YoY (↓Ch$295 million), due to a decrease in revenue (↓Ch$681 million / -30.9% YoY) and in costs of 42.8% YoY (↓Ch$386 million).

iii. CORPORATE LOANS

1Q21: Ch$3,750 million, up 7.6% YoY (↑Ch$266 million), due to a lower decrease in revenue (↓Ch$142 million / -2.5% YoY) than that of costs (↓Ch$409 million / -18.3% YoY).

AUTO FINANCING DIVISION

1Q21: Ch$11,601 million, down 7.7% YoY (↓Ch$966 million), with a drop in revenue (↓Ch$1,768 million / -7.2% YoY), and in costs (↓Ch$802 million / -6.7% YoY).

TREASURY & INVESTMENTS DIVISION

1Q21: Ch$4,434 million, up 487.6% YoY (↑Ch$3,680 million), with a lower decrease in revenue (↓Ch$11,056 million / -57.1% YoY) than that of costs (↓Ch$14,736 million / -79.1% YoY).

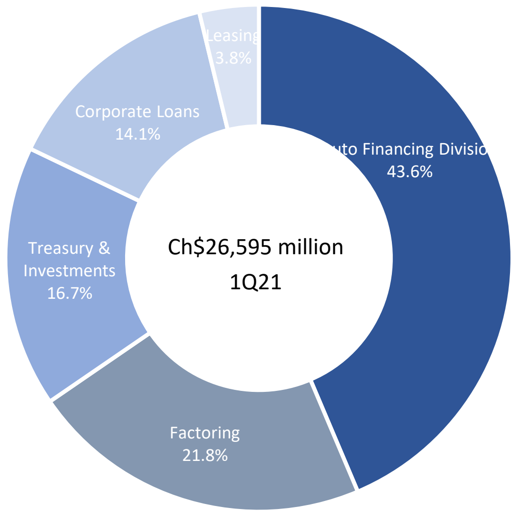

Chart 6: Gross Margin Breakdown by Division

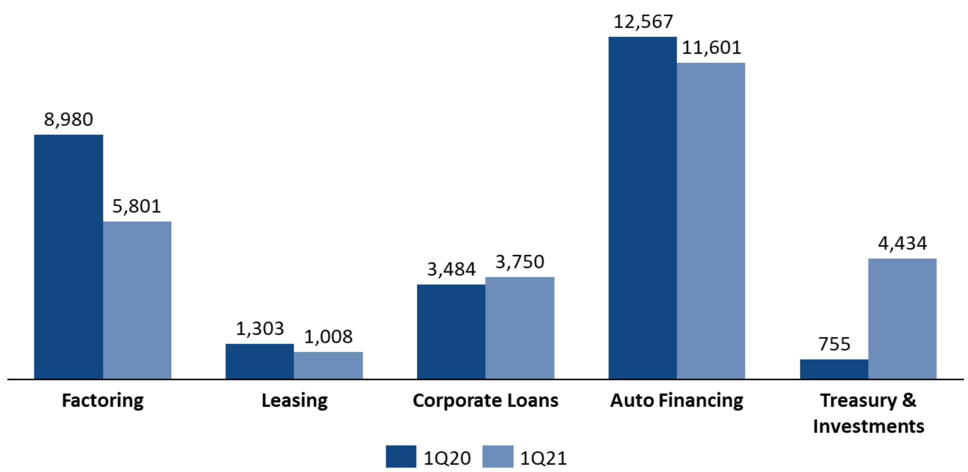

Chart 7: Gross Margin Breakdown by Line of Business 1Q2021

The company's consolidated revenue was Ch$44,992 million in 1Q21, decreasing 29.9% YoY (↓Ch$19,222 million), explained by the following revenue:

CORPORATE DIVISION	**1Q21:** Ch$14,612 million (↓Ch$6,048 million / -29.3% YoY). Driver**:** Lower revenue due to price differences arising from factoring which accounts for 51.5% of the division's revenue.
i. FACTORING	**1Q21:** Ch$7,518 million (↓Ch$5,225 million / -41.0% YoY). Driver: Lower price differences.
ii. LEASING	**1Q21:** Ch$1,522 million (↓Ch$681 million / -30.9% YoY). Driver: Lower interest received.
iii. CORPORATE LOANS	**1Q21:** Ch$5,572 million (↓Ch$142 million / -2.5% YoY). Driver: Lower interest received.
AUTO FINANCING DIVISION	**1Q21:** Ch$22,695 million (↓Ch$1,768 million / -7.2% YoY). Driver: Lower interest received.
TREASURY & INVESTMENTS DIVISION	**1Q21:** Ch$8,322 million (↓Ch$11,056 million / -57.1% YoY). Driver**:** Lower revenue from balance sheet readjustments.

Consolidated costs amounted to Ch$18,397 million in 1Q21, decreasing Ch$18,727 million (-50.4% YoY), explained by the following costs:

CORPORATE DIVISION	**1Q21:** Ch$4,053 million (↓Ch$2,840 million / -41.2% YoY). Driver: Lower interest-related costs from a decrease in the division's loans.
i. FACTORING	**1Q21:** Ch$1,717 million (↓Ch$2,046 million / -54.4% YoY). Driver: Lower cost of interest related to this product from a drop in loans.
ii. LEASING	**1Q21:** Ch$514 million (↓Ch$386 million / -42.8% YoY). Driver: Lower other costs.
iii. CORPORATE LOANS	**1Q21:** Ch$1,821 million (↓Ch$409 million / -18.3% YoY). Driver: Lower interest expenses, due to a decrease in the portfolio in 2020.
AUTO FINANCING DIVISION	**1Q21:** Ch$11,093 million (↓Ch$802 million / -6.7% YoY). Driver: Higher interest expenses.
TREASURY & INVESTMENTS DIVISION	**1Q21:** Ch$3,888 million (↓Ch$14,736 million / -79.1% YoY). Driver: Lower cost related to liability readjustments.

V. Business Division Portfolio Quality

	Indicator	Definition	Unit	31-03-2021	31-12-2020	31-03-2020
CORPORATE DIVISION	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	11.6%	9.9%	10.2%
		Non-Performing loans/Equity	%	21.7%	20.1%	25.7%
	Provisions	*Provisions/(Loans + Provisions)*	%	1.2%	1.4%	1.3%
		Provisions/Non-performing loans	%	9.9%	13.9%	12.6%
		Provisions/Non-performing loans >90 days	%	36.8%	67.8%	56.6%
	Provisions and Write-offs	*Provisions and write-offs/(Loans + Provisions)*	%	0.7%	1.5%	1.4%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	5.3%	5.7%	3.8%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	3.1%	2.0%	2.3%
		Non-Performing loans >90 days/Equity	%	5.9%	4.1%	5.7%
	Restructured Porfolio	*Restructured portfolio/(Loans + Provisions)*	%	4.5%	3.5%	3.7%
		Restructured portfolio/Equity	%	8.4%	7.1%	9.3%
	Clients	*Number of clients*	#	2,582	2,606	4,596
	Expenditure Efficiency	*SG&A expenses/Gross margin (*)*	%	55.9%	67.6%	56.1%
i. FACTORING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	6.3%	5.3%	9.4%
		Non-Performing loans/Equity	%	5.5%	5.3%	11.1%
	Provisions	*Provisions/(Loans + Provisions)*	%	0.3%	0.7%	1.1%
		Provisions/Non-performing loans	%	5.2%	13.3%	11.7%
		Provisions/Non-performing loans >90 days	%	81.3%	90.7%	85.0%
	Provisions and Write-offs	*Provisions and write-offs/(Loans + Provisions)*	%	0.0%	1.0%	1.0%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	0.8%	0.9%	2.6%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	0.4%	0.8%	1.3%
		Non-Performing loans >90 days/Equity	%	0.4%	0.8%	1.5%
	Restructured Porfolio	*Restructured portfolio/(Loans + Provisions)*	%	0.2%	0.3%	0.8%
		Restructured portfolio/Equity	%	0.2%	0.3%	1.0%
	Clients	*Number of clients*	#	1,845	1,822	3,578
	Expenditure Efficiency	*SG&A expenses/Gross margin (*)*	%	54.6%	58.8%	48.3%
ii. LEASING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	9.1%	4.2%	28.1%
		Non-Performing loans/Equity	%	1.8%	1.0%	7.3%
	Provisions	*Provisions/(Loans + Provisions)*	%	1.3%	1.2%	1.6%
		Provisions/Non-performing loans	%	13.8%	28.7%	5.5%
		Provisions/Non-performing loans >90 days	%	89.9%	111.0%	43.9%
	Provisions and Write-offs	*Provisions and write-offs/(Loans + Provisions)*	%	0.5%	2.5%	2.0%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	3.5%	2.1%	9.5%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	1.4%	1.1%	3.5%
		Non-Performing loans >90 days/Equity	%	0.3%	0.2%	0.9%
	Restructured Porfolio	*Restructured portfolio/(Loans + Provisions)*	%	12.9%	12.8%	19.1%
		Restructured portfolio/Equity	%	2.6%	2.9%	5.0%
	Clients	*Number of clients*	#	195	217	311
	Expenditure Efficiency	*SG&A expenses/Gross margin (*)*	%	41.8%	202.6%	63.2%
iii. CORPORATE LOANS	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	17.9%	17.2%	6.8%
		Non-Performing loans/Equity	%	14.4%	13.9%	7.3%
	Provisions	*Provisions/(Loans + Provisions)*	%	2.0%	2.2%	1.4%
		Provisions/Non-performing loans	%	11.3%	13.1%	21.1%
		Provisions/Non-performing loans >90 days	%	19.0%	17.7%	38.4%
	Provisions and Write-offs	*Provisions and write-offs/(Loans + Provisions)*	%	1.5%	1.9%	1.7%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	10.6%	12.7%	3.7%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	6.5%	3.8%	3.1%
		Non-Performing loans >90 days/Equity	%	5.2%	3.1%	3.3%
	Restructured Porfolio	*Restructured portfolio/(Loans + Provisions)*	%	7.0%	4.8%	3.2%
		Restructured portfolio/Equity	%	5.6%	3.9%	3.4%
	Clients	*Number of clients*	#	542	567	707
	Expenditure Efficiency	*SG&A expenses/Gross margin (*)*	%	62.3%	70.5%	84.1%
AUTO FINANCING DIVISION	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	11.8%	12.6%	20.1%
		Non-Performing loans/Equity	%	18.4%	19.1%	32.6%
	Provisions	*Provisions/(Loans + Provisions)*	%	2.50%	2.90%	4.2%
		Provisions/Non-performing loans	%	21.3%	23.0%	20.9%
		Provisions/Non-performing loans >90 days	%	96.6%	104.0%	92.3%
	Provisions and Write-offs	*Provisions and write-offs/(Loans + Provisions)*	%	3.0%	3.2%	5.0%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	5.7%	6.0%	10.5%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	2.6%	2.8%	4.5%
		Non-Performing loans >90 days/Equity	%	4.0%	4.2%	7.4%
	Restructured Porfolio	*Restructured portfolio/(Loans + Provisions)*	%	3.0%	3.3%	2.7%
		Restructured portfolio/Equity	%	4.8%	5.0%	4.5%
	Clients	*Number of clients*	#	80,818	79,240	77,888
	Expenditure Efficiency	*SG&A expenses/Gross margin (*)*	%	56.6%	74.9%	69.2%
TREASURY & INVESTMENTS DIVISION	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	0.7%	24.0%	51.4%
		Non-Performing loans/Equity	%	0.1%	1.5%	10.9%
	Provisions	*Provisions/(Loans + Provisions)*	%	0.1%	0.1%	0.1%
		Provisions/Non-performing loans	%	12.0%	0.5%	0.1%
		Provisions/Non-performing loans >90 days	%	41.9%	51.3%	220.0%
	Provisions and Write-offs	*Provisions and write-offs/(Loans + Provisions)*	%	0.1%	0.1%	0.3%
	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	%	0.3%	0.3%	1.6%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	%	0.2%	0.2%	0.0%
		Non-Performing loans >90 days/Equity	%	0.0%	0.0%	0.0%
	Restructured Porfolio	*Restructured portfolio/(Loans + Provisions)*	%	2.6%	4.1%	0.0%
		Restructured portfolio/Equity	%	0.2%	0.3%	0.0%
	Clients	*Number of clients*	#	1,727	1,721	1,708

(*) Gross margin considers impairment loss.

Table 4: Business Division Main Indicators

CORPORATE DIVISION

Tanner Empresas

The portfolio quality declined YoY, reflected by an increase in NPLs > 30 days and NPLs > 90 days.

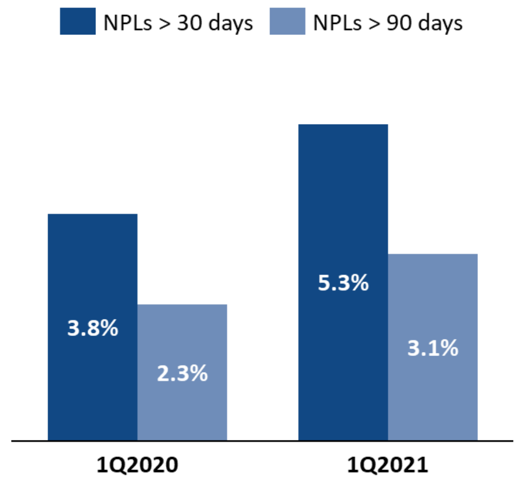

Chart 8: NPLs – Corporate Division

i. FACTORING

Loan portfolio quality improved considerably on the previous year, reflected by a decrease of NPLs > 30/90 days.

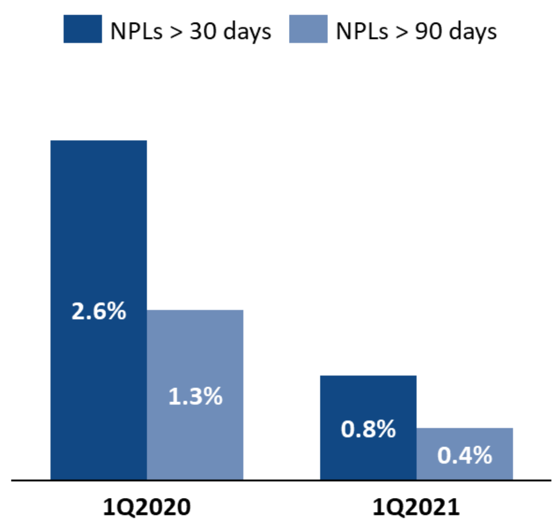

Chart 9: NPLs – Factoring Business

ii. LEASING

The portfolio quality indicators improved YoY, especially in terms of NPLs > 30 days and NPLs > 90 days.

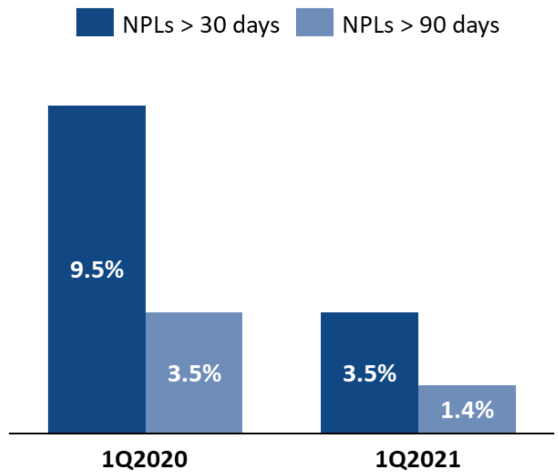

Chart 10: NPLs – Leasing Business

iii. CORPORATE LOANS

The portfolio quality indicators deteriorated YoY for NPLs > 30 days and NPLs > 90 days, however mainly for loans with real collateral.

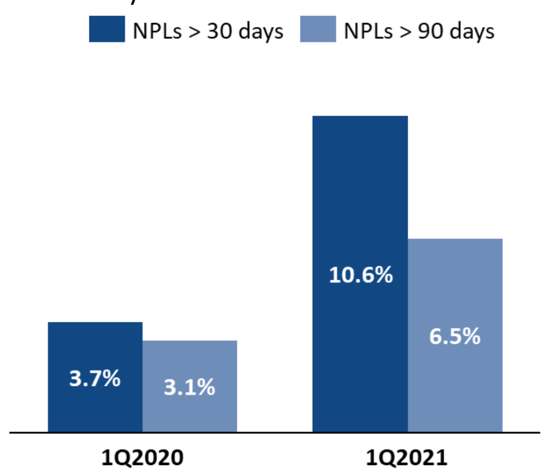

Chart 11: NPLs – Corporate Loan Business

AUTO FINANCING DIVISION

Both NPLs > 30 days and NPLs > 90 days improved YoY , due to a better composition of the portfolio.

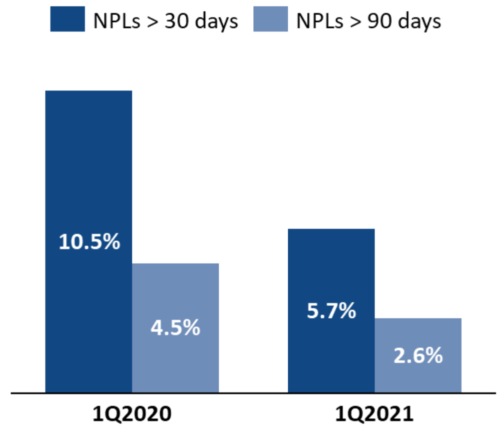

Chart 12: NPLs – Auto Financing Division

TREASURY & INVESTMENTS DIVISION

The portfolio quality remained favourable despite an increase in NPLs > 90 days.

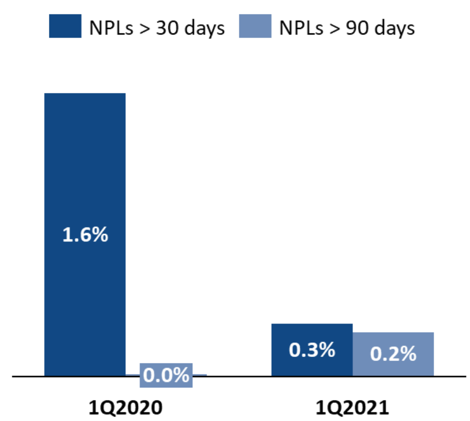

Chart 13: NPLs – Treasury & Investments Division

VI. Balance Sheet

Assets (Ch$ million)	31-03-2021	31-12-2020	Δ Ch$	Δ %
Current Assets				
Cash and cash equivalents	131,201	120,080	11,121	9.3%
Other current financial assets	89,488	79,934	9,553	12.0%
Other current non-financial assets	2,895	3,058	(162)	-5.3%
Trade receivables and other current accounts receivable	728,517	733,205	(4,688)	-0.6%
Accounts receivable from related parties	4,980	4,902	77	1.6%
Current tax assets	6,488	6,645	(157)	-2.4%
Non-current assets or asset groups for disposal classified as held-for-sale	13,052	4,798	8,254	172.0%
Total Current Assets	**976,621**	**952,623**	**23,998**	**2.5%**
Non-Current Assets				
Other non-current financial assets	50,450	55,033	(4,583)	-8.3%
Other non-current non-financial assets	7,591	5,181	2,409	46.5%
Trade receivables and other non-current accounts receivable	403,953	391,805	12,148	3.1%
Non-current accounts receivable from related parties	252	34	218	647.4%
Intangible assets other than goodwill	6,319	6,637	(318)	-4.8%
Goodwill	1,640	1,640	-	0.0%
Property, plant and equipment	9,977	10,308	(331)	-3.2%
Property Investments	-	11,318	(11,318)	-100.0%
Deferred tax assets	30,573	31,218	(645)	-2.1%
Total Non-Current Assets	**510,755**	**513,174**	**(2,419)**	**-0.5%**
Total Assets	**1,487,375**	**1,465,796**	**21,579**	**1.5%**

Liabilities (Ch$ million)	31-03-2021	31-12-2020	Δ Ch$	Δ %
Current Liabilities				
Other current financial liabilities	489,768	516,389	(26,621)	-5.2%
Trade payables and other current accounts payable	111,282	116,449	(5,166)	-4.4%
Other short-term provisions	851	508	342	67.3%
Current provisions for employee benefits	3,710	3,262	448	13.7%
Current tax liabilities	922	950	(28)	-2.9%
Other current non-financial liabilities	-	-	-	-
Total Current Liabilities	**606,533**	**637,558**	**(31,025)**	**-4.9%**
Non-Current Liabilities				
Other non-current financial liabilities	553,903	510,195	43,708	8.6%
Non-current provisions for employee benefits	281	300	(19)	-6.3%
Total Non-Current Liabilities	**554,184**	**510,495**	**43,689**	**8.6%**
Total Liabilities	**1,160,717**	**1,148,053**	**12,664**	**1.1%**
Equity	326,658	317,743	8,915	2.8%
Total Equity and Liabilities	**1,487,375**	**1,465,796**	**21,579**	**1.5%**

Table 5: Consolidated Balance Sheet

a. Net Loan Portfolio[4]

The total gross loan portfolio in 1Q21 was Ch$1,152,318 million (↑Ch$4,501 million / +0.4% YTD) versus Ch$1,147,816 million in December 2020, while provisions were Ch$19,847 million, decreasing Ch$2,960 million (-13.0% YTD). Hence, **the total net loan portfolio amounted to Ch$1,132,470 million**, an increase of Ch$7,461 million (0.7% YoY) on the Ch$1,125,010 million at December 2020.

Net loan portfolio in 1Q2021:

1. **Corporate Division: Ch$605,615 million** | -4.8 YTD | ↓Ch$30,384 million.
   a. **Factoring: Ch$284,031 million** | -9.7% YTD | ↓Ch$30,388 million.
   b. **Leasing: Ch$64,638 million** | -9.3% YTD | ↓Ch$6,620 million.
   c. **Corporate Loans: Ch$256,946 million** | +2.6% YTD | ↑Ch$6,624 million.
2. **Auto Financing Division: Ch$497,590 million** | +6.7% YTD | ↑Ch$31,070 million.
3. **Treasury and Investments Division: Ch$26,910 million** | +33.2% YTD | ↑Ch$6,709 million.

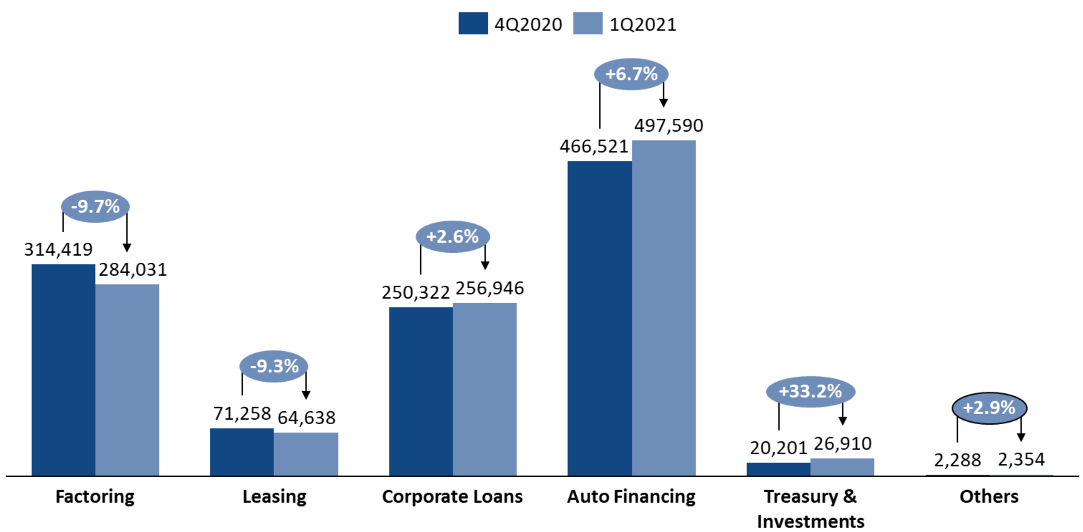

Chart 14: Net Loan Portfolio Breakdown by Line of Business

The portfolio has shifted to a greater concentration on the company's strategic businesses, such as factoring and auto financing. At the close of 1Q21, these accounted for 25.1% and 43.9% of the net loan portfolio, respectively.

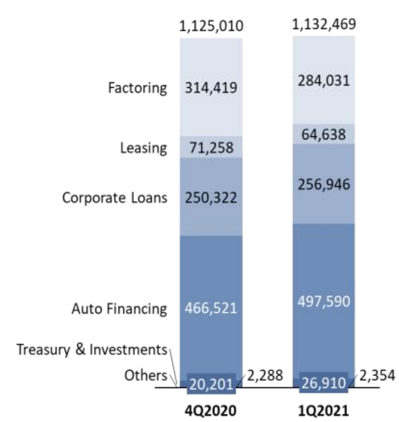

Chart 15: Net Loan Portfolio Breakdown

[4] Gross loans minus provisions.

b. Funding Sources

The company's financial liabilities in 1Q21 were Ch$1,043,671 million, compared with Ch$1,026,584 million in December 2020 (↑Ch$17,087 million / +1.7% YTD), due to higher bond-related obligations (↑Ch$36,164 million / +7.0% YTD) and commercial papers (↑Ch$1,058 million / +0.6% YTD). These were continued obligations with banks and financial institutions (↑Ch$22 million / 0.0% YTD) and a decrease in other financial liabilities (↓Ch$20,158 million / -27.1% YTD).

In terms of the liability structure, 53.2% (Ch$554,730 million) corresponded to local and international bonds, 25.2% (Ch$263,244 million) to bank loans and credit lines, and 16.4% (Ch$171,598 million) to commercial papers. The remaining Ch$54,099 million (5.2%) was related to other financial obligations of repos and forwards.

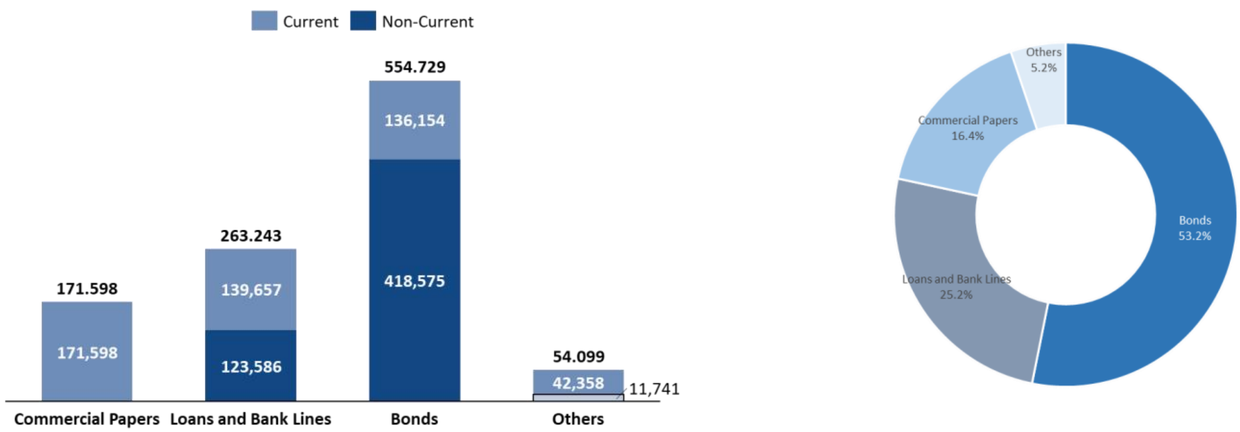

Chart 16: Breakdown of Funding Sources

VII. Cash Flow Statement

Ch$ million	31/03/2021	31/03/2020	Δ Ch$
Cash flow from operating activities	34,392	(79,294)	113,686
Cash flow from investing activities	(15,700)	91,324	(107,024)
Cash flow from financing activities	(7,293)	(15,840)	8,547
Effect of changes in exchange rates	(277)	681	(958)
Cash flow in the period	11,121	(3,129)	14,251
Cash and cash equivalents, initial balance	120,080	53,660	66,420
Cash and cash equivalents, final balance	131,201	50,531	80,670

Table 6: Cash Flow Statement

In 1Q21, the cash flow from **operating activities was Ch$34,392 million** against -Ch$79,294 million YoY, because payments to suppliers decreased by Ch$332,377 million.

The cash flow from **investing activities amounted to -Ch$15,700 million**, dropping Ch$107,024 million on the Ch$91,324 million at the close of the first quarter of 2020, mainly due to a Ch$404,337 million difference regarding other charges for selling equity or debt instruments of other entities.

The cash flow from financing activities amounted to -Ch$7,293 million, against -Ch$15,840 million YoY, mainly because of a lower flow related to repayments from borrowings made.

Finally, **cash and cash equivalents in 1Q21 were Ch$131,201 million,** increasing Ch$80,670 million on the same period of the previous year.

VIII. Risk Analysis

a. Credit Risk

Credit risk is the possibility or probability of financial loss the company faces 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 or products with specific credit policies and based on a prior analysis of its clients' expected revenue, the financial information available and their payment track record, along with other commercial information, if any. This analysis also includes macroeconomic expectations and those of the sector in which the client operates (as a general case). In terms of factoring, it also includes debtor-specific information.

Another important and complementary aspect of credit risk assessment is the quality and quantity of the guarantees required. One of the company's policies is to have sound collateral that is a second source of payment for its clients' obligations in the event of default.

FACTORING

A framework agreement is signed by every client to support future operations. Most credit lines include the liability of the assignor for the insolvency of the assigned debtor. Operations without any liability are generally covered by a credit insurance policy and/or specific collateral.

LEASING

Leasing operations are guaranteed by the leased assets. Insurance policies are required for all assets to cover any claim that may lead to a loss in value.

CORPORATE LOANS

Depending on the case, mortgages and/or stock pledges may be required. However, there is the possibility of defining a guarantor, that is liable for the loan and is generally one of the partners of the borrower.

AUTO FINANCING

Car loans are guaranteed by the assets associated with the financing and there are two types of guarantees in this case: real (vehicle pledges) and personal (securities and co-signers).

TREASURY & INVESTMENTS

Additionally, debtors of the Treasury & Investments division are mainly from the subsidiary Tanner Corredores de Bolsa S.A. and are classified as intermediation debtors on its individual balance sheet. Provisions for these kinds of borrowers are determined based on an expected loss model in accordance with what is established in IFRS 9.

Moreover, the company undertakes a credit quality follow-up process, whose aim is the early detection of possible changes in the payment capacity of counterparties and to recover past due or delinquent loans, enabling the company to assess the potential loss from the risks and take corrective action.

Pursuant to the new accounting standard, Tanner Servicios Financieros S.A. has implemented new impairment models according to the IFRS 9 standard, and one of the main changes is the use of expected loss models to replace the former incurred loss models. These models are in line with the historical performance of clients and also consider a forward-looking vision, taking into account the following regulatory requirements:

a. Risk profile for each product.
b. Probability of default in 12 months and throughout the life of the asset.
c. Loss due to default throughout the life of the asset.
d. Total prepayment rates.
e. Credit exposure at the time of default.
f. Adjustment of the default probability to the economic cycle (forward-looking)

The basic features of provision policies by business line are:

FACTORING

Provision calculations consider segmentation by sub-product and risk profiles:

i. Electronic invoices: three risk profiles that consider internal performance variables and variables captured on admission. The influential variables are the following: (i) days of current delinquency, (ii) debtor classification.
ii. Normal and NSF cheques: two risk profiles that consider internal performance variables. The influential variable is the number of days of current delinquency.
iii. Others: two risk profiles that consider internal performance variables. The influential variables are: (i) days of current delinquency, (ii) group or type.

The write-off policy envisages a maximum term of 366 days of delinquency.

LEASING

Provision calculations consider five risk profiles segmented by sub-product and risk profiles. The most influential variables are the following: (i) days of current delinquency, (ii) sub-product (real estate or vendor product and machinery or vehicle), and (iii) renegotiation.

The write-off policy envisages a maximum term of 541 days of delinquency, except for real estate and vendor leasing which are 901 days of delinquency.

CORPORATE LOANS

Provision calculations consider eight risk profiles with internal performance variables. The influential variables are the following: (i) days of current delinquency, (ii) residual term and (iii) renegotiation.

The write-off policy envisages a maximum term of 541 days of delinquency, except for a mortgage that has been put up as collateral which Is 901 days of delinquency.

AUTO FINANCING

Provision calculations consider segmentation by sales channel and performance score. Sales channel segmentation is as follows: (i) first options, (ii) dealers and direct, (iii) renegotiated and (iv) Credinissan.

Each segment is subdivided into risk profiles according to their performance score, which in turn considers the following variables:

i. Maximum delinquency in the past three months: maximum delinquency recorded by the operation between the current month and the two prior months.
ii. Unpaid balance ratio in the past three months: unpaid balance of the current month divided by the maximum unpaid balance recorded by the operation between the current month and the two prior months.
iii. Loan to value (LTV) or unpaid balance of the original value of the collateral for the loan.
iv. Segment: this identifies whether the operation arose through the sales channel, first options, rest of the dealers and direct, or whether it is a renegotiation of another loan.

The write-off policy envisages a maximum term of 366 days of delinquency.

TREASURY & INVESTMENTS

Provision calculations for the intermediation business consider eight risk profiles with internal performance variables. The most influential variables are: (i) days of current delinquency, (ii) residual term and (iii) renegotiation.

The write-off policy envisages a maximum term of 366 days of delinquency.

Business Line	31.03.2020 Gross Portfolio Ch$ million	Provisions Ch$ million	Net Portfolio Ch$million	Provision Index
Factoring	284,970	(939)	284,031	0.33%
Leasing	65,464	(825)	64,638	1.26%
Corporate Loans	262,240	(5,294)	256,945	2.02%
Auto Financing	510,353	(12,763)	497,590	2.50%
Treasury & Investments	26,934	(24)	26,910	0.09%
Others	2,354	-	2,354	0.00%
Total	**1,152,318**	**(19,847)**	**1,132,470**	**1.72%**

Business Line	31.12.2020 Gross Portfolio Ch$ million	Provisions Ch$ million	Net Portfolio Ch$million	Provision Index
Factoring	316,661	(2,242)	314,419	0.71%
Leasing	72,129	(871)	71,258	1.21%
Corporate Loans	256,069	(5,747)	250,322	2.24%
Auto Financing	480,440	(13,920)	466,520	2.90%
Treasury & Investments	20,226	(26)	20,201	0.13%
Others	2,288	-	2,288	0.00%
Total	**1,147,816**	**(22,807)**	**1,125,010**	**1.99%**

Table 7: Loan Portfolio, Provisions and Risk Index

Impaired loans for which there is renegotiation are those for which the corresponding financial commitments have been restructured and where the company has assessed the likelihood of recovering these loans as sufficiently high. In all cases of renegotiation, there is always the express consent of the debtor. In the case of customer insolvency, there is also the option of returning the good in applicable cases.

In terms of provisions for a renegotiated loan, these are calculated based on an expected loss model for every product, where delinquency and new loan conditions are the primary variables to be considered. The renegotiation condition is considered with additional weighting in the risk factor calculation model.

In the factoring business renegotiations are less frequent, since these operations, which differ from leasing and auto loans that are essentially loan operations, provide liquidity of client account receivables. In the event of a renegotiation, these are approved by Risk Management and clients might be required to pay a percentage of the debt and eventually provide collateral.

For auto loans and leasing operations there is a policy to renegotiate cases of customers who are in arrears. All renegotiation requests were approved by the Risk Area and had to meet at least the following conditions: (a) the client must have at least 25% of the instalments paid, (b) must pay an amount depending on the progress of the credit in the operation, and (c) must prove source of income. Auto financing products are limited to one renegotiation.

For the purposes of estimating impairment and calculating provisions for these kinds of placements, each risk profile of the renegotiated segment incorporates a "Probability of Default" for the entire life of the loans, and these are significantly higher compared to the other segments associated with each product. The company, adopting a conservative provision estimate policy , has decided not to incorporate a credit cure process. This means that during the year the loan was kept in the renegotiated segment, even though there has been an improvement of the impairment estimate.

In other words, loans associated with the renegotiated segment will not be measured again in any other segment, the asset will be maintained in accordance with the current “Default Probabilities” associated with each profile according to each stage of the renegotiated model.

The following table shows the carrying value of renegotiations by business line and the percentage of the total portfolio :

Business Line	31.03.2021				
	Total Portfolio Ch$ million	Renegotiation Ch$ million	Provisions Ch$ million	Renegotitation by product %	Renegotiation by total portfolio %
Factoring	284,970	620	(939)	0.22%	0.05%
Corporate Loans	262,240	18,414	(5,294)	7.02%	1.60%
Auto Financing	510,353	15,519	(12,763)	3.04%	1.35%
Leasing (*)	65,464	8,436	(826)	12.89%	0.73%
Treasury & Investments	26,934	696	(24)	2.58%	0.06%
Other Receivables	2,354	-	-	-	-
Total	1,152,318	43,686	(19,847)		3.79%

Business Line	31.12.2020				
	Total Portfolio Ch$ million	Renegotiation Ch$ million	Provisions Ch$ million	Renegotitation by product %	Renegotiation by total portfolio %
Factoring	31,666	1,009	(2,242)	0.32%	0.09%
Corporate Loans	256,070	12,382	(5,747)	4.84%	1.08%
Auto Financing	480,441	15,881	(13,919)	3.31%	1.38%
Leasing (*)	72,129	9,244	(871)	12.82%	0.81%
Treasury & Investments	20,227	831	(26)	3.44%	0.06%
Other Receivables	2,288	-	-	-	-
Total	1,147,816	39,348	(22,807)		3.42%

**These are mainly mortgage-secured leases.*

Table 8: Renegotiated Loan Portfolio

b. Liquidity Risk

This is defined as the inability of the company to meet its payment obligations as they are due, without incurring large losses or being prevented from providing normal loan transactions to its clients. It arises from a cash flow mismatch, which occurs when cash flows of liability payments are higher than the receipt of cash flows from investments or loans. The fact that customers fail to pay their loan commitments on the dates that they fall due could also generate a liquidity risk.

The main financing sources of Tanner Servicios Financieros S.A. are bonds (local and international) which have a defined payment schedule, unsecured bank lines of credit which are mainly short-term and renewed regularly, and commercial papers.

The company has a daily cash flow management system that includes a simulation of all maturities of assets and liabilities in order to anticipate cash needs. Additionally, there is a higher body, the Assets and Liabilities Committee (ALCO), which convenes monthly to review the forecasts and market conditions, and it defines action plans based on these.

The company manages its liquidity risk at a consolidated level and its main source of liquidity is cash flows from operating activities (collection). The company had Ch$131,201 million of consolidated cash on hand in 1Q21 against Ch$120,080 million as of 31 December 2020.

The indirect subsidiary Tanner Corredores de Bolsa S.A. is subject to regulatory liquidity indicators called the general liquidity index and the intermediation liquidity index. In line with the requirements of the Financial Market Commission (CMF, according to the Spanish acronym), the subsidiary has permanently complied with the mentioned indicators.

c. *Market Risk*

Market risk is construed as the exposure to changes in market variables, such as price, interest rates, currencies, indexation, among others, which affect the value of the company's financial operations.

The company maintains a mismatch of readjustable operations in UF such that in the event of a 1% decrease in inflation, a loss of Ch$859 million was generated in 1Q21(Ch$1,058 million at 31 December, 2020).

In turn, the company maintains a mismatch in currency operations such that a 1% decrease of the USD-CLP parity caused a loss of Ch$13 million in 1Q21 and a gain of Ch$13 million as of 31 December 2020.

On the other hand, the company has a portfolio of fixed-income instruments of the domestic and international markets amounting to Ch$92,421 million (Ch$73,455 million as of 31 December2020), with a DV01[5] sensitivity of Ch$23 million (Ch$20 million as of 31 December 2020) which, according to the historical VaR[6] methodology of the risk-free rate at 1 day with a confidence interval of 99%, generated an interest rate risk exposure of Ch$253 million in 1Q21 (Ch$307 million as of 31 December 2020).

[5] Dollar value of .01: this is the market value x the modified duration x 1 basis point.
[6] Value at Risk: this is the maximum expected loss considering a history timeline of 1 year with a confidence level of 99%.

The following tables show how the value of the bond portfolio changes in percentage terms when there are changes in interest rates:

For interest rate decreases:

Negative Delta (bps)	-25	-50	-75	-100	-125	-150	-175	-200
Net Portfolio Variation	0.59%	1.18%	1.78%	2.37%	2.96%	3.55%	4.15%	4.74%

For interest rate increases:

Positive Delta (bps)	25	50	75	100	125	150	175	200
Net Portfolio Variation	-0.59%	-1.18%	-1.78%	-2.37%	-2.96%	-3.55%	-4.15%	-4.74%

Table 9: Sensitivity to Interest Rate Variations

The company has a derivative instrument portfolio of: (i) trading derivatives, whose maturity structure is very short-term, and they therefore have an associated interest rate risk with a low impact on income, and (ii) hedging derivatives which protect most of those liabilities structured in foreign currency and at a variable rate (LIBOR), maintaining limited exposure to interest rate risk and a low impact on income.

Exposure	31-03-2021							
	Trading Derivatives				Hedging Derivatives			
	UF´000	CLP´000	US$´000	CHF´000	UF´000	CLP´000	US$´000	CHF´000
Up to 1 year	-	(213,336,183)	211,430,007	94,390	48,674,097	(114,185,312)	(36,928,126)	98,116,984
1 to 3 years	-	-	-	-	124,636,743	(133,493,333)	(137,554,595)	156,051,739
More than 3 years	-	-	-	-	61,313,504	(53,416,463)	210,878	-
Total	**-**	**(213,336,183)**	**211,430,007**	**94,390**	**234,624,344**	**(301,095,108)**	**(174,271,843)**	**254,168,723**

Sens. +1bps	31-03-2021							
	Trading Derivatives				Hedging Derivatives			
	UF´000	CLP´000	US$´000	CHF´000	UF´000	CLP´000	US$´000	CHF´000
Up to 1 year	-	1,554	(1,554)	-	(6,662)	(1,320)	2,958	(1,634)
1 to 3 years	-	-	-	-	(25,136)	(21,544)	22,091	2,742
More than 3 years	-	-	-	-	-	19,895	16,794	(27,762)
Total	**-**	**1,554**	**(1,554)**	**-**	**(31,798)**	**(42,759)**	**41,843**	**(26,654)**

Table 10: Exposure and Sensitivity by Currency

d. Effects of the COVID-19 pandemic

After COVID-19 was declared a global pandemic by the World Health Organisation last March, it has had a large impact on the Chilean and global economy, because of the measures adopted to mitigate the spreading of the virus. Due to this, the Chilean government and the rest of the economies worldwide have taken measures to reduce the economic and sanitary fallout of the situation, applicable to companies and natural persons (and in both cases there are customers of the company).

Tanner has adopted measures to protect its employees and to make sure there is compliance with the obligations and the operation, without there being any drop in productivity, compliance and our hallmark service quality.

The action taken includes the following:

- Implementation of remote working: many company employees have adopted remote working, for which the company has undertaken initiatives to bolster the technological infrastructure, modify work contracts established by law for this case, and various activities driven by the Human Resources Management. The aim of these measures, among others, is to maintain the "company culture" and improve the communication channels. Moreover, protection measures have been taken for all those employees who, according to the nature of their work, must work in person at the offices of the company and without endangering their health.

- Liquidity control: the company has liquidity forecast models for different stress scenarios due to volatility of the financial market. Likewise, it has bolstered the communication with creditors, credit rating agencies, among other interested agents, with the aim of providing reliable and timely information needed for decision-making.

- Greater control of loans and collection: with the aim of controlling the risk of the loan portfolio, the control and follow-up of current customers have been boosted to provide tailor-made solutions if their current and future payment capacity is affected by the present economic crisis. Moreover, there is permanent follow-up of the collection of portfolios and of the new loans that arise to manage the right cash flow.

Notwithstanding all the internal measures already put in place, the impact of the pandemic on the future financial results of the company still depends on the development, duration and scale of the pandemic regarding the Chilean economy. The company also believes that the outcome will depend on the measures and action taken by customers, employees, leaders, suppliers and different agents related to Tanner, and also the economic and sanitary measures embraced by the Chilean authorities.

For further details regarding this section, please see Note 4 of the company's financial statements as of the first quarter 2021.