

**Tanner Servicios Financieros S.A.**



# Corporate Presentation

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September 2022



Corporate Presentation  
September 2022



## Agenda

### 01 OVERVIEW

- Tanner at a glance

### 02 FINANCIAL RESULTS

- Financial Results
- Corporate Division: Factoring, Corporate Loans & Leasing
- Auto Financing Division
- Treasury & Investments Division

### 03 APPENDICES

- Income Statement
- Balance Sheet





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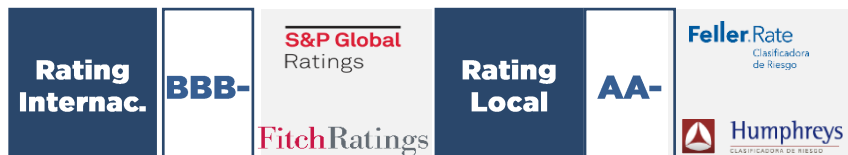
### 03 APPENDICES

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## Almost 30 years of history support our business model

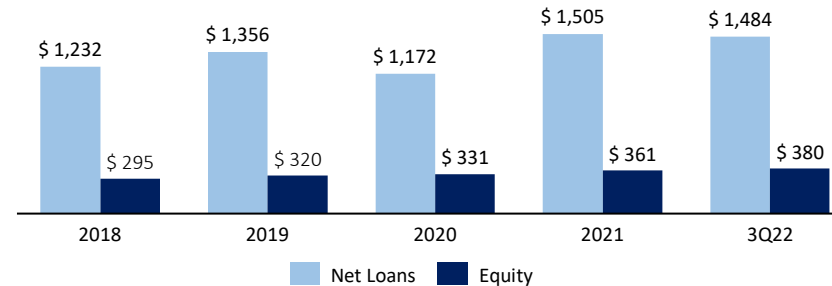
### HIGHLIGHTS:

- There is evidence of an increase in risk, as we have previously anticipated, in line with the expected “post pandemic”.
- As compensation, we have focused on increasing the spread, in order to maintain profitability, despite a higher risk charge.
- We have strengthened admission controls, focusing on CORE products.
- Risk by product\*:
  - ✓ Factoring: In line with expectations.
  - ✓ Corporate Loans: Non-performing loans have increased, but with strong collaterals.
  - ✓ Auto Financing: Same tendency as the rest of the retail portfolios in the financial sector.
- All of the above in line with our LP strategy.
- We managed to finance 100% of our operation, evidencing the success of our liability management strategy.
- On November 7th, the Swiss Bond of CHF200 million was paid.
- Risk ratings are maintained:



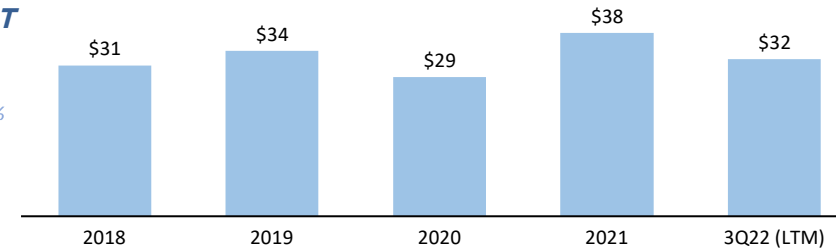
### NET LOANS (US\$MM)

'18-'3Q22 CAGR: 5.1%  
'18-'3Q22 CAGR: 7.0%

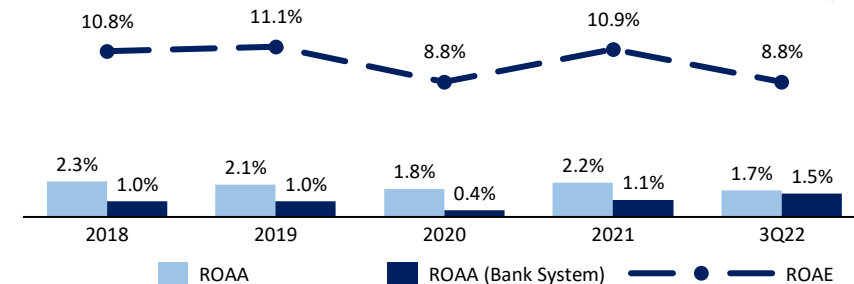


### NET PROFIT (US\$MM)

'18-'3Q22 CAGR: 1.2%



### PROFITABILITY (1)(2)



PHYSICAL BRANCHES

VIRTUAL BRANCHES(3)



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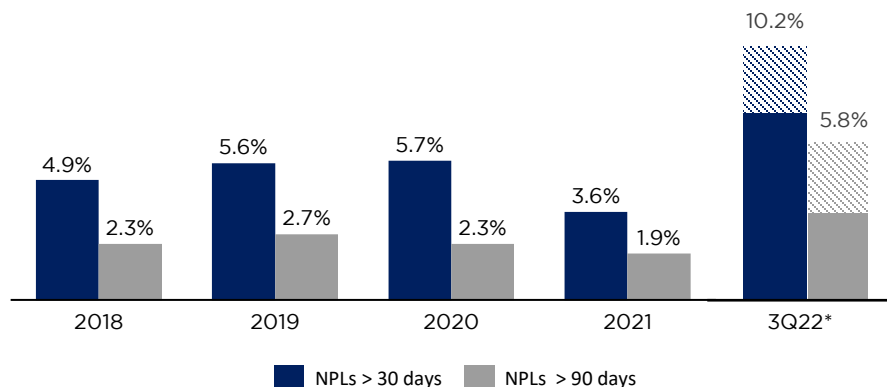
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Net Profit reached US\$27 million, with net loans at high levels

## HIGHLIGHTS

- Net profit during 9M2022 decreased by 16.5% YoY, reaching MMUS\$27, with a ROAE of 8.8%.
- NPLs over 90 days increased 393 pbs compared to 4Q21, derived from an increase in factoring, corporate loans and auto financing.
- Net loans remain at high levels, supported by an active and diversified financing strategy.
- As for new financial liabilities, during 9M22 were issued local bonds, amounting to MMUS\$131, commercial papers, amounting to MMUS\$570, and two new credits with DEG and OPEC were disbursed, amounting to MMUS\$20 each. In addition, in august was closed an IDB-Bladex syndicated loan for MMUS\$168.

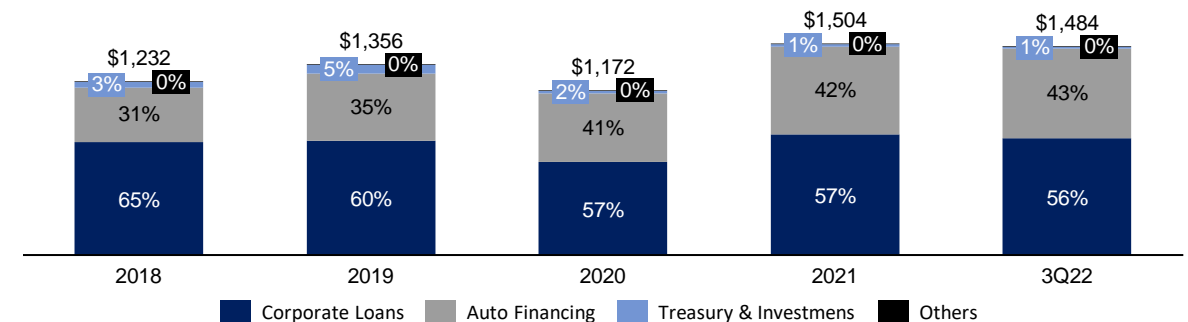
## NON-PERFORMING LOANS (1)



## DISTRIBUTION OF NET LOANS

(US\$MM)

'18- '3Q22 CAGR: 5.1%

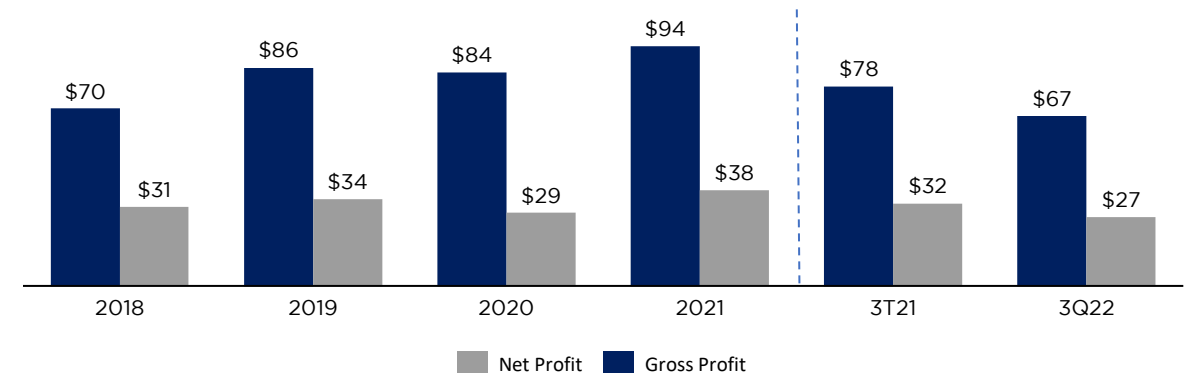


## NET PROFIT AND GROSS PROFIT (2)

(US\$MM)

'18- '3Q22 CAGR: 4.6%\*\*

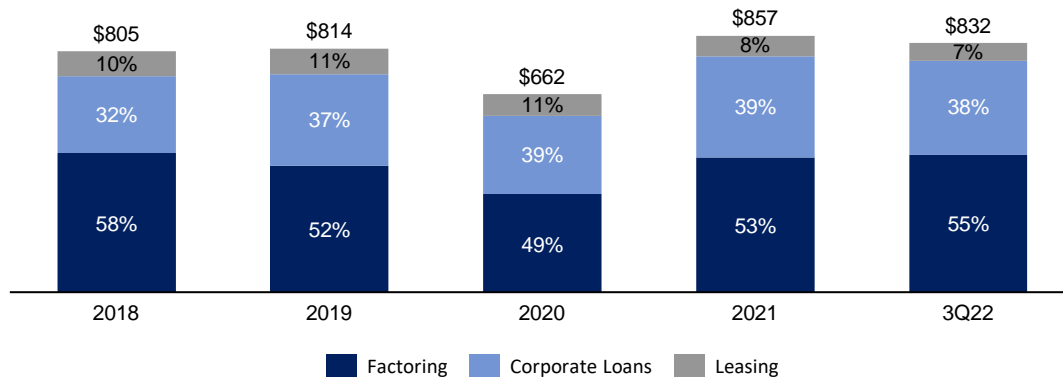
'18- '3Q22 CAGR: 1.2%\*\*



Net loans remain at high levels and yield increases, offsetting the higher costs for risk and financing

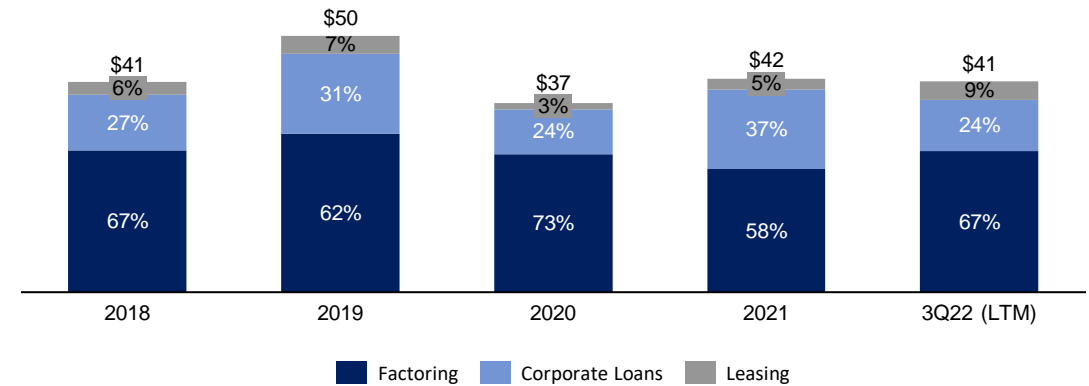
## ► DISTRIBUTION OF NET LOANS (US\$MM)

'18- '3Q22 CAGR: 0.9%

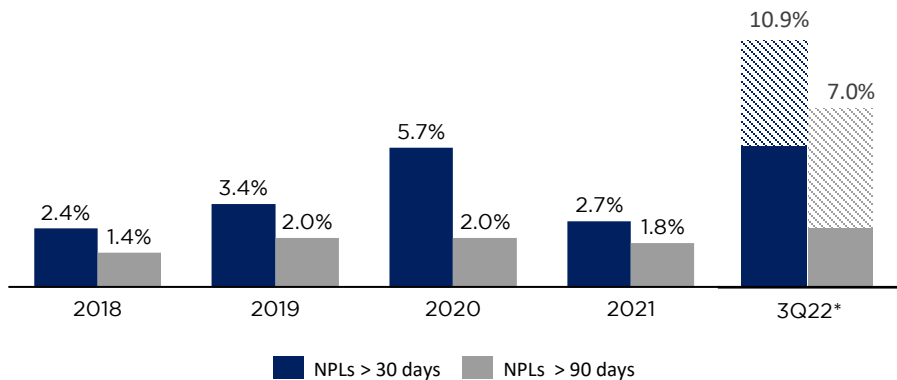


## ► DISTRIBUTION OF GROSS PROFIT (1) (US\$MM)

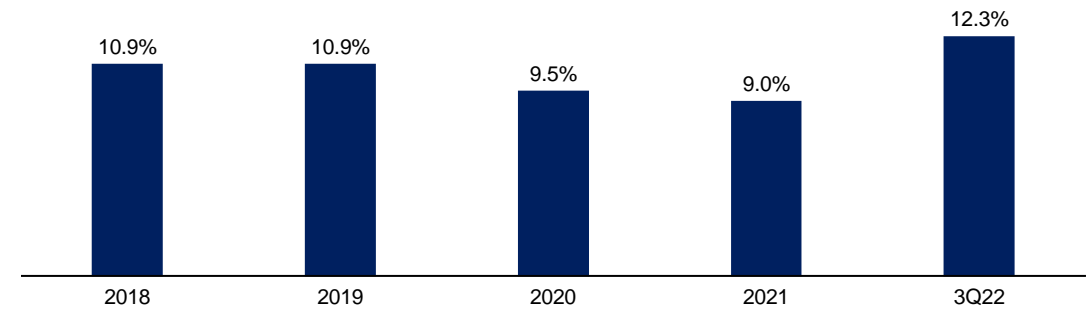
'18- '3Q22 CAGR: 0.1%



## ► NON-PERFORMING LOANS (2)



## ► YIELD (3)



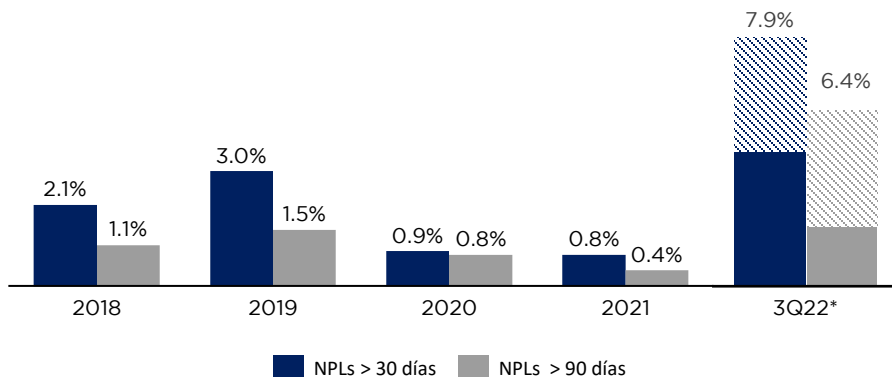


Record in number of clients, together with an increase in yield

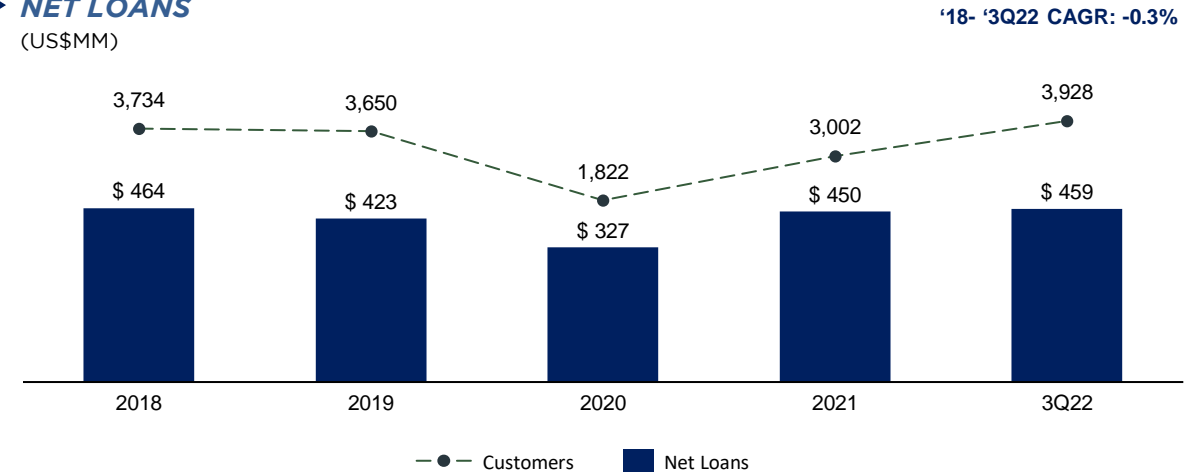
## HIGHLIGHTS

- As of 3Q22, a record number of clients was reached, resulting in a significant capture of customers compared to the members of ACHEF.
- NPLs increased, in line with our expectations.
- Net loans close to all-time highs, above budget, with a focus on increasing the number of customers.
- Yield increases, in a context of higher cost of funding.
- Factoring volume is comprised as follows :
  - ✓ **Invoices:** 62.9%.
  - ✓ **Confirming:** 13.6%.
  - ✓ **Checks & Promissory Notes:** 12.3% y 11.1%, respectively.

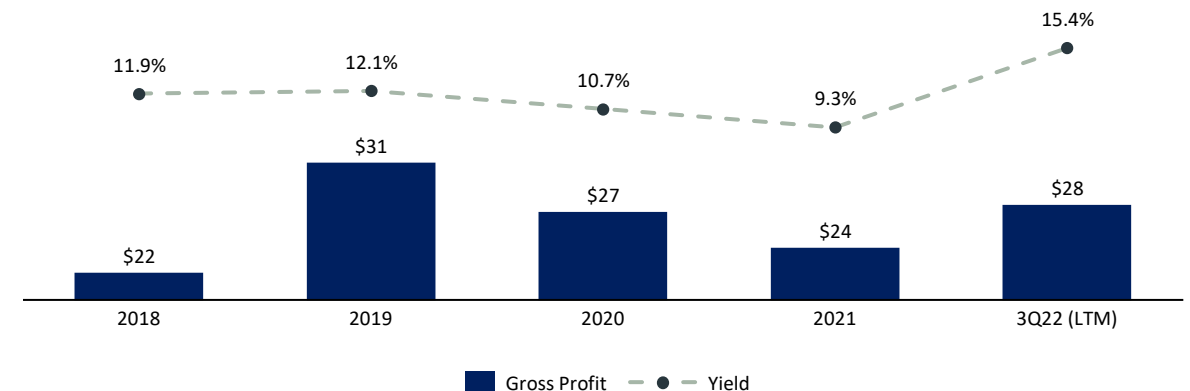
## NON-PERFORMING LOANS (1)



## NET LOANS (US\$MM)



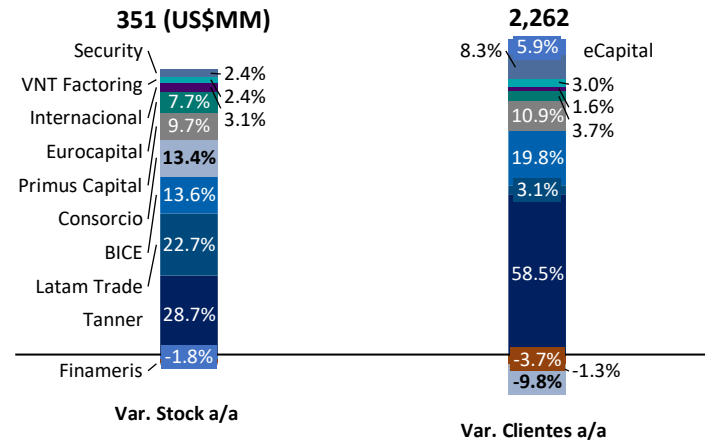
## GROSS PROFIT (2) AND YIELD (3) (US\$MM)



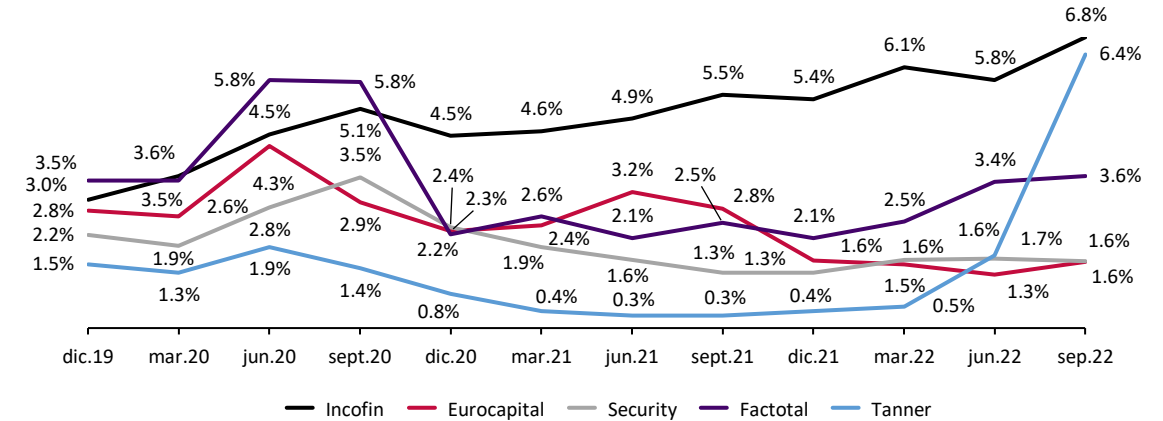


4<sup>th</sup> Financial Institution with the largest market share and 1<sup>st</sup> of the NBFIs

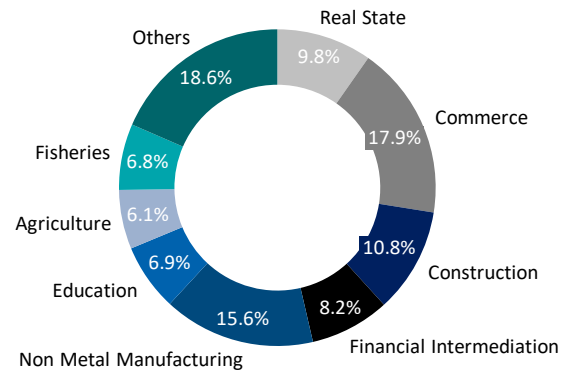
## PARTICIPATION OF VARIATION IN STOCK AND CUSTOMERS ACHEF (VAR YoY) (1)



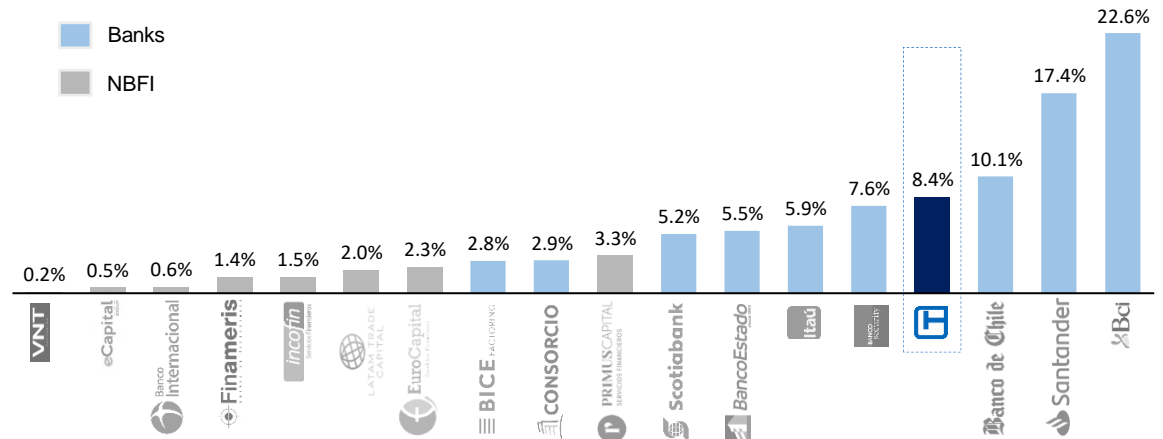
## NON-PERFORMING LOANS (2)



## LOAN PORTFOLIO INDUSTRY DISTRIBUTION (3)



## MARKET SHARE (1)

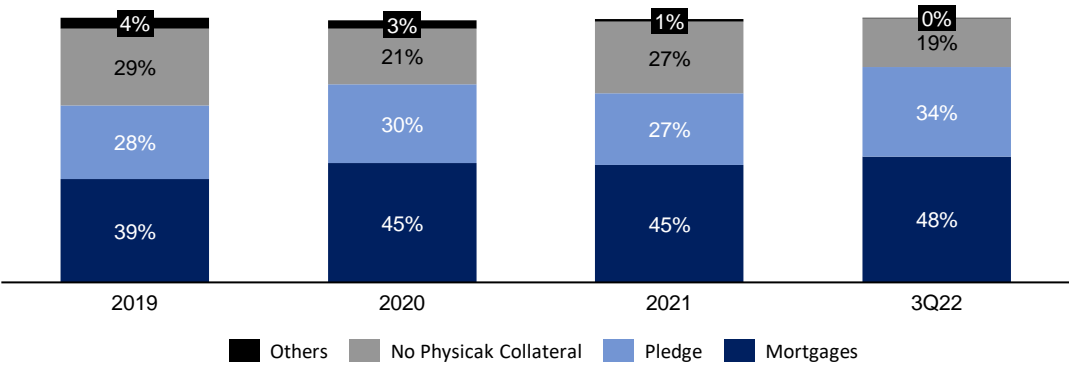


## Continuous strengthening of collateral coverage during 2022

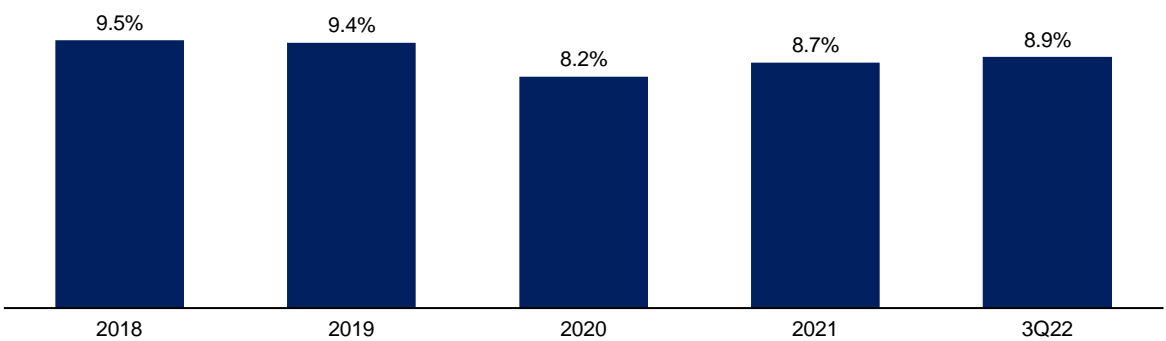
### HIGHLIGHTS

- Net Loans decreased 7.4% YTD, in line with the focus on CORE businesses and balance sheet management.
- Discounting the “Montserrat case”, NPLs > 90 days reached 2.8% as of september 2022 from 2.2% as of june 2022.
- Leasing maintains its NPL > 90 days in a low range, in line with the strategy of focusing on the real estate industry, which remains core of the business.

### EVOLUTION OF THE COMPOSITION OF CORPORATE LOANS & LEASING COLLATERALS

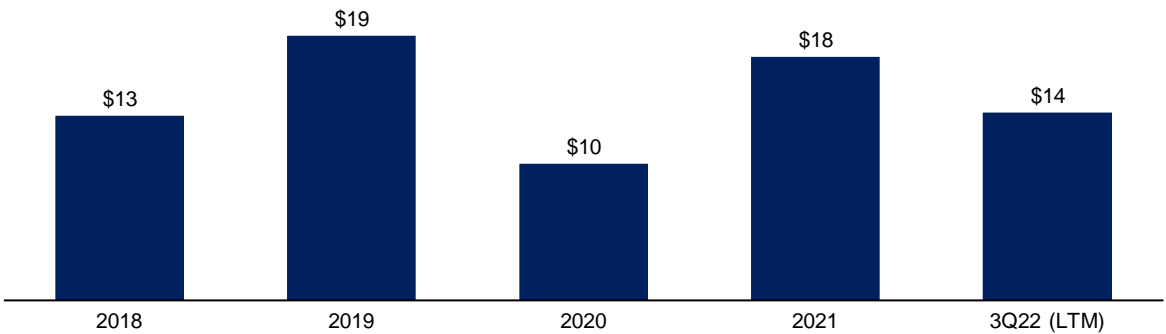


### YIELD (1)



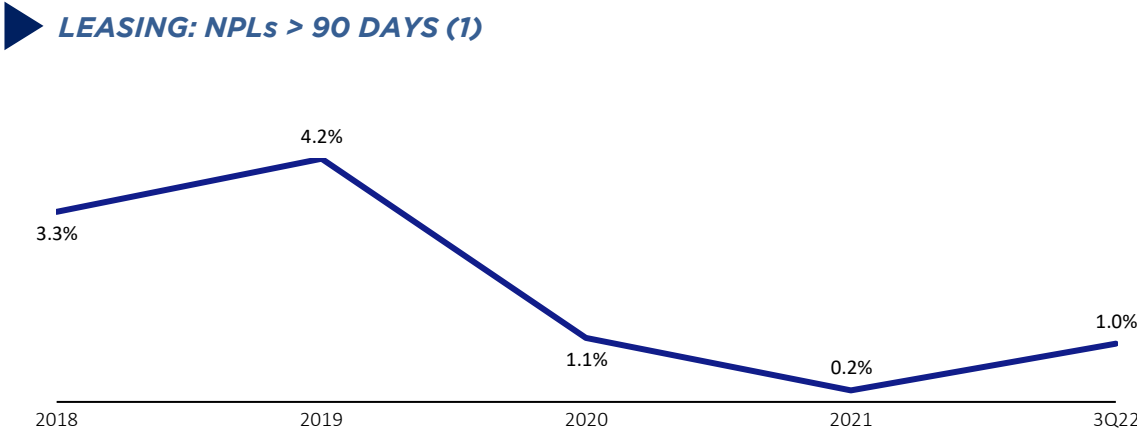
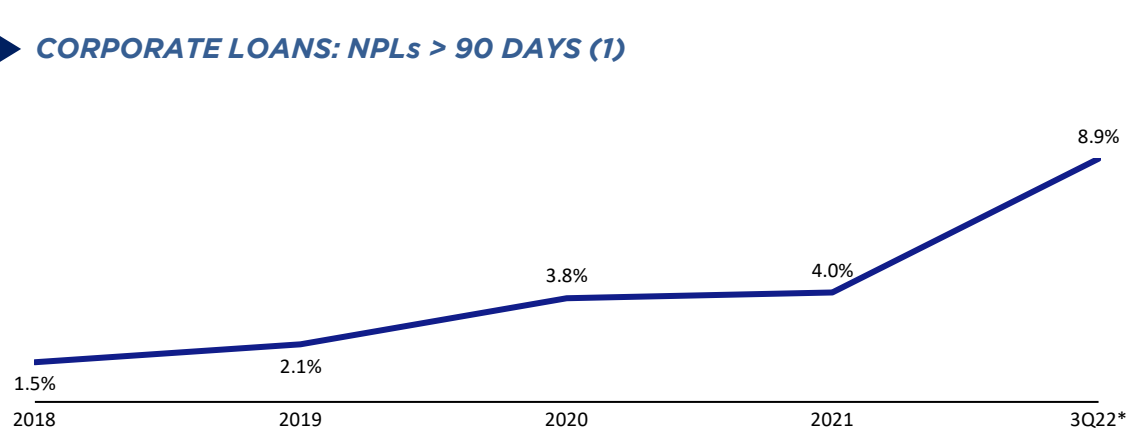
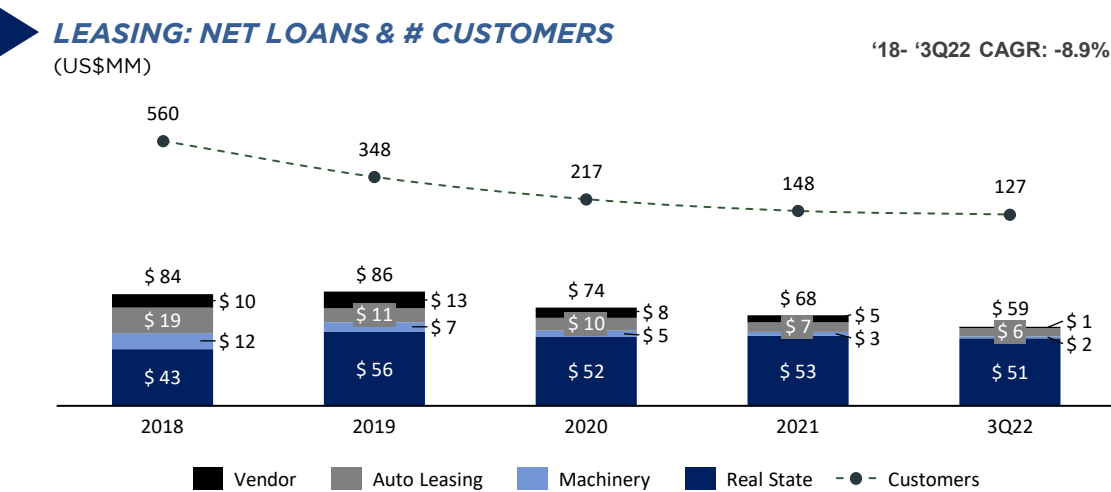
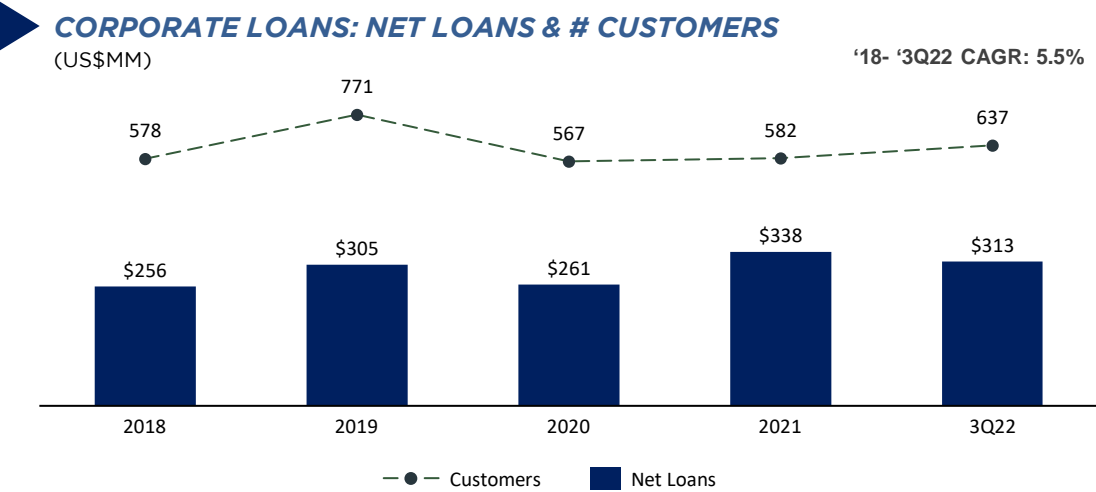
### GROSS PROFIT CORPORATE LOANS + LEASING (2) (US\$MM)

'18- '3Q22 CAGR: 0.5%



(1) Yield = Income LTM / Average Net loans (2) Gross Profit considers impairment losses

Continuous strengthening of collateral coverage during 2022



(1) NPLs = Non Performing Loans/(Loan Stock + Provisions) (\*) NPLs > 90 days = 2.8%, if the Montserrat case is not considered, resolved during 4Q

The relationship with Nissan is consolidated through the creation of the first auto financing company for Nissan vehicles in South America, which began operations in August 2022

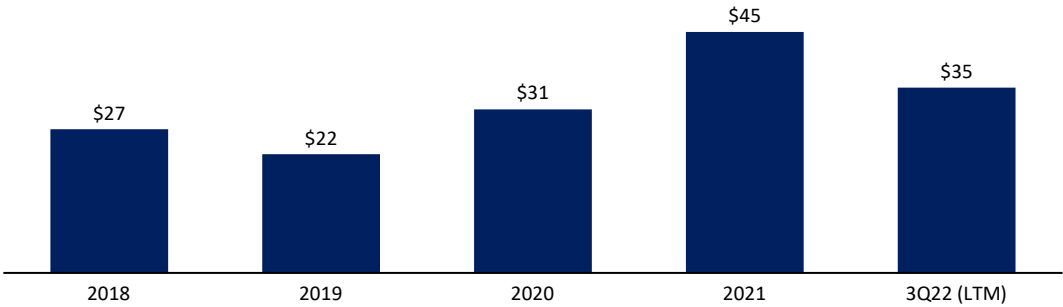
## HIGHLIGHTS

- In April 2022, an agreement was signed with Nissan for the creation of the first auto financing company for Nissan vehicles in South America.
- Tanner operates through 4 channels:
  - 1) AMICAR
  - 2) Dealers and Brands
  - 3) Direct
  - 4) Heavy Vehicles
- Increase in net loans of 1.7% YTD, focusing on yield rather than volume, in a context of increased risk.

## GROSS PROFIT (1)

(US\$MM)

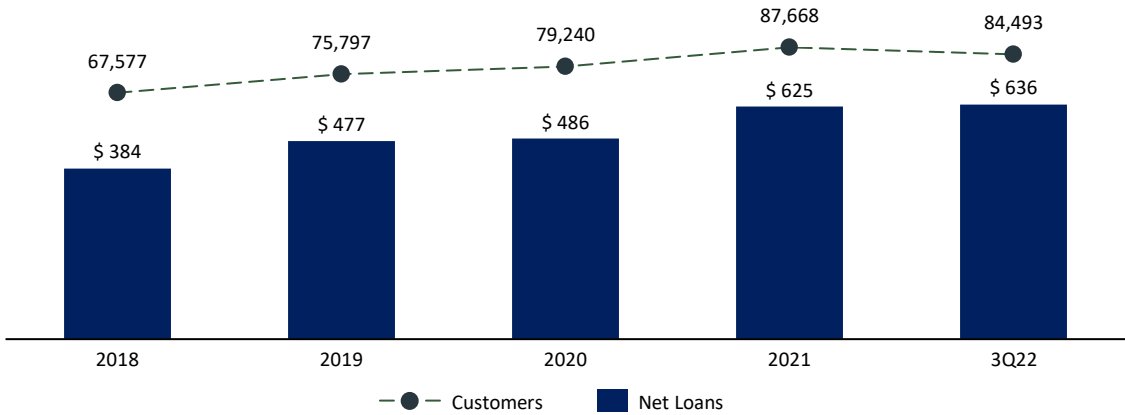
'18- '3Q22 CAGR: 7.0%



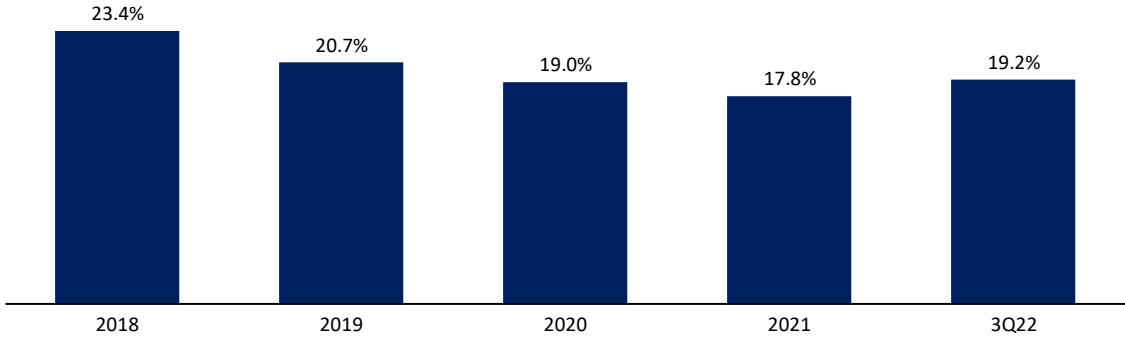
## NET LOANS

(US\$MM)

'18- '3Q22 CAGR: 14.4%



## YIELD (2)



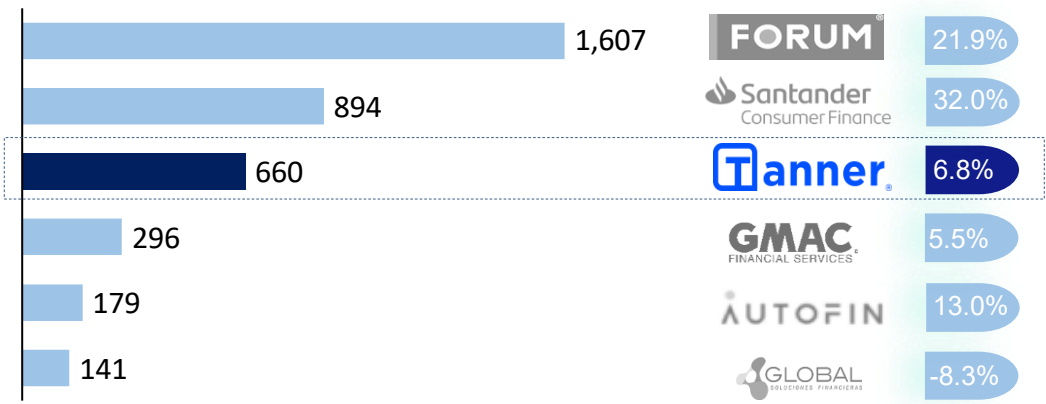
(1) Gross Profit considers impairment losses (2) Yield = Income LTM / Average Net loans



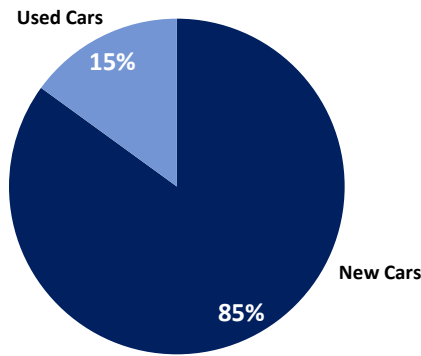
Important presence in the industry

## MARKET SHARE IN THE AUTO FINANCING INDUSTRY (1)

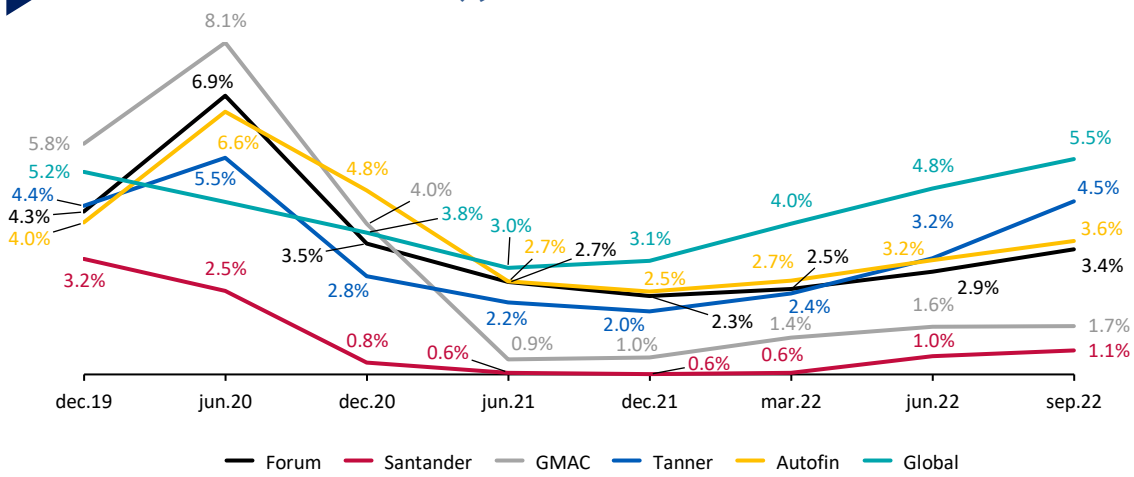
Gross Loans- US\$MM and VaR. YoY



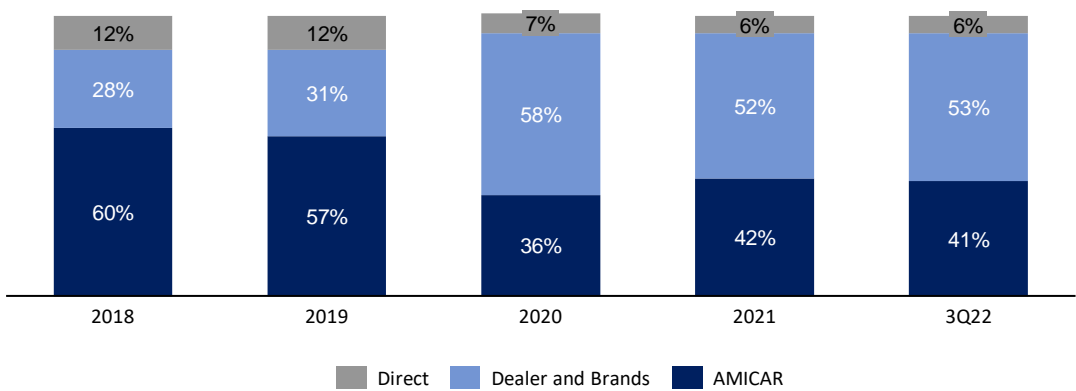
## PORTFOLIO DISTRIBUTION



## NON-PERFORMING LOANS (1)



## DISTRIBUTION BY CHANNEL



(1) NPLs = Non Performing Loans / (Loan Stock + Provisions)

Our direct contact to the capital market

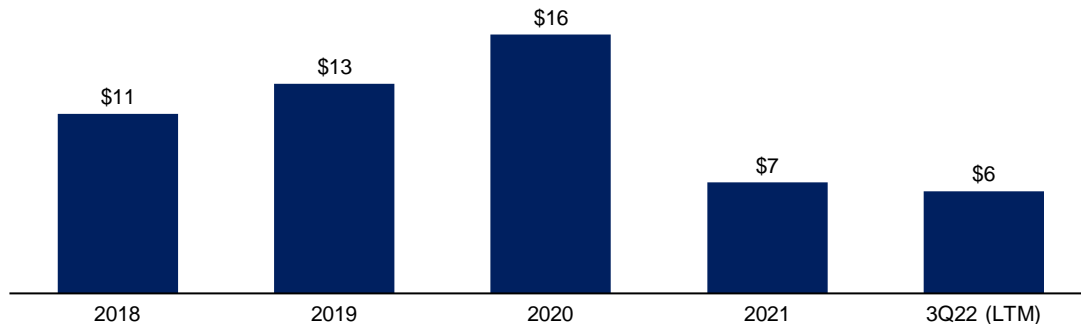
## HIGHLIGHTS

- This division consolidates the Tanner Servicios Financieros Treasury Management and Tanner Corredores de Bolsa.
- Net Profit of TCB increased by 79.0% a/a, reaching US\$3.9 million, where there is evidence of an improvement in Local Fixed Income.
- During 9M22, TCB managed to position itself as the top non-banking stockbroker in the fixed income and financial intermediation instrument market, according to amounts traded on the Santiago Stock Exchange.

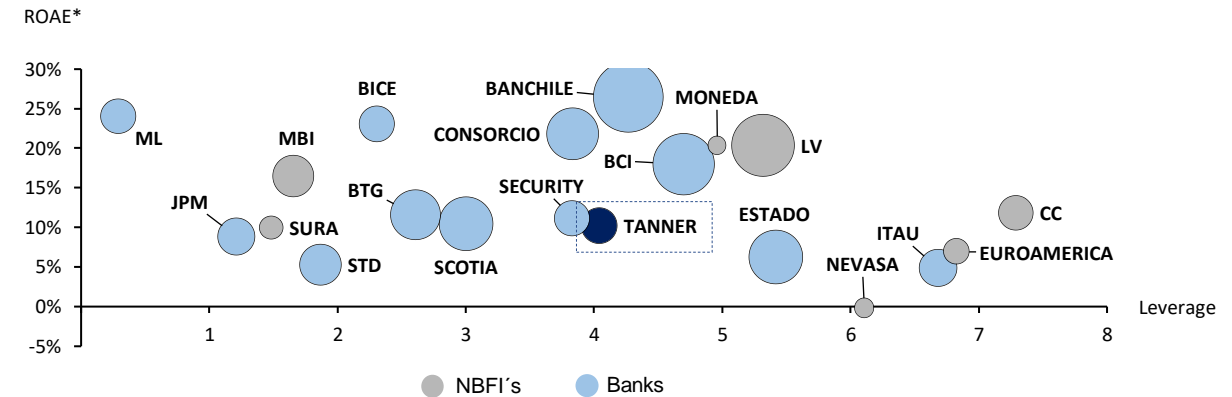
## GROSS PROFIT TREASURY AND INVESTMENTS DIVISION (2)

(US\$MM)

'18- '3Q22 CAGR: -13.9%



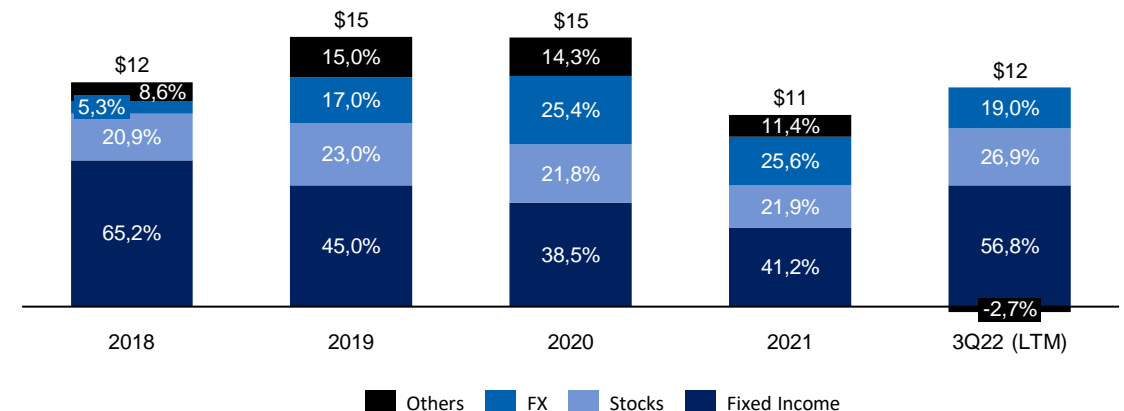
## ROAE (\*) VS LEVERAGE - BROKERAGE (1)



## INCOME DISTRIBUTION TCB

(US\$MM)

'18- '3Q22 CAGR: -1.4%

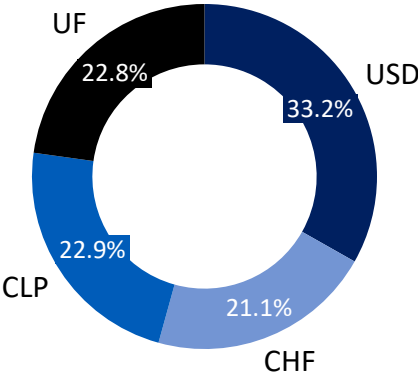


On November 7th we paid our Swiss Bond of CHF200 million

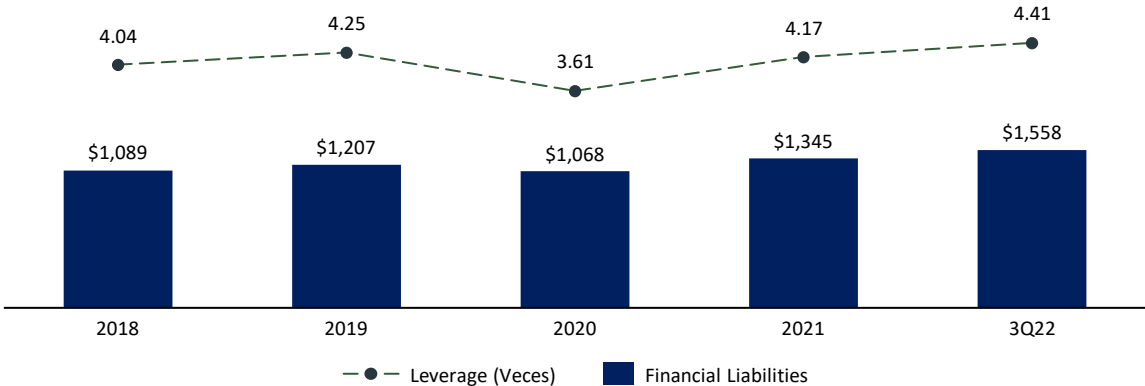
### HIGHLIGHTS

- Completed our financing for 2022, considering the maturity of our Swiss bond, which was paid on November 7th, and our budgeted business growth.
- As for new liabilities, during 9M22 were issued local bonds, amounting to MMUS\$131, commercial papers, amounting to MMUS\$570, and two new credits with DEG and OPEC were disbursed, amounting to MMUS\$20 million each. In addition, in august Tanner closed an IDB-Bladex syndicated loan for US\$168 million.
- Low leverage and focus on diversifying sources of financing.
- The difference in the average duration between assets and liabilities is more than 1 year.

### FINANCIAL LIABILITIES BY CURRENCY



### FINANCIAL LIABILITIES AND LEVERAGE (US\$MM)



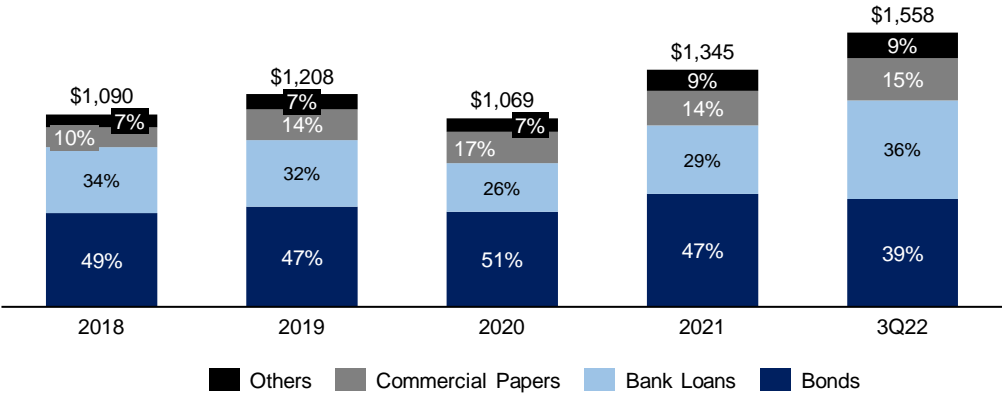
### BALANCE SHEET STRUCTURE AND HEDGING (US\$MM)

- Average asset duration: 0.7 years.
- Average liability duration: 1.9 years.

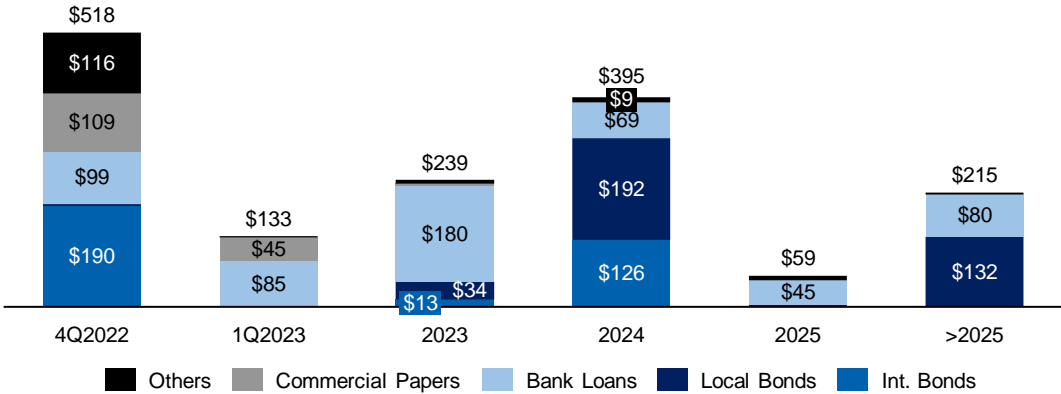
Item (MM\$)	CLP	USD	EUR	CHF	UF	Others	Total
Assets	1,244	431	0	-	379	-	2,055
Liabilities + Equity	844	527	0	329	355	-	2,055
Hedges	-645	128	-	329	188	-	-
Net Exposure	-245	32	0	-	212	-	-

## Low leverage and diversified funding sources

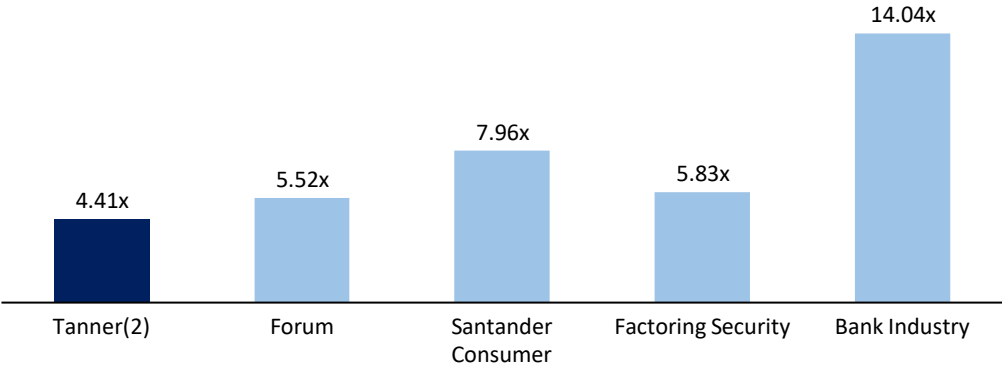
**FUNDING COMPOSITION**  
(US\$MM)



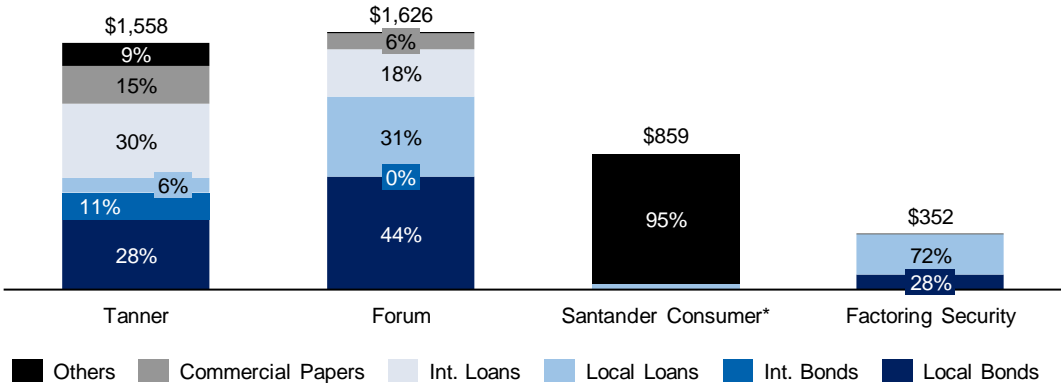
**LIABILITY MATURITY PROFILE**  
(US\$MM)



**INDUSTRY LEVERAGE RATIO (1)**



**FUNDING DIVERSIFICATION**  
(US\$MM)



(1) Tanner’s net leverage reaches 4.2x (\*) 96% of “Others” of Santander Consumer refers to liabilities with related entities





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CONSOLIDATED STATEMENTS OF INCOME BY FUNCTION	Note	01.01.2022 to 30.09.2022 (MUS\$)	01.01.2021 to 30.09.2021 (MUS\$)	Δ \$	Δ %	01.07.2022 to 30.09.2022 (MUS\$)	01.07.2021 to 30.09.2021 (MUS\$)	Δ \$	Δ %
<b>Profit</b>									
Revenue	28	208,779	143,507	65,273	45.5%	74,463	49,340	25,123	50.9%
Cost of sales	28	(110,905)	(56,523)	(54,382)	96.2%	(42,450)	(20,555)	(21,895)	106.5%
<b>Gross Profit</b>		97,874	86,984	10,891	12.5%	32,013	28,785	3,228	11.2%
<b>Other operating Items</b>									
Impairment losses	29	(31,245)	(8,710)	(22,535)	258.7%	(12,759)	(2,279)	(10,480)	459.8%
Administrative expenses	28	(44,060)	(40,399)	(3,661)	9.1%	(14,546)	(13,359)	(1,188)	8.9%
Other gains (losses)	30	7	(522)	529	-101.3%	(29)	(210)	182	-86.4%
Share in the losses of associates and joint ventures accounted for using the equity method	15	(200)	-	(200)	-	(200)	-	(200)	-
Finance costs		(410)	(289)	(121)	41.9%	(148)	(101)	(48)	47.1%
Foreign exchange differences	6	496	397	99	25.0%	(156)	413	(569)	-137.7%
Gain from indexation units		259	71	189	266.5%	71	36	35	96.7%
<b>Profit before tax</b>		22,721	37,532	(14,811)	-39.5%	4,245	13,285	(9,040)	-68.0%
Income tax	16	4,198	(5,300)	9,498	-179.2%	2,186	(2,324)	4,510	-194.1%
Profit from continuing operations		26,919	32,232	(5,313)	-16.5%	6,432	10,961	(4,530)	-41.3%
<b>Profit for the year</b>		26,919	32,232	(5,313)	-16.5%	6,432	10,961	(4,530)	-41.3%
<b>Profit (loss) attributable to:</b>									
Owners of the parent		26,797	32,166	(5,369)	-16.7%	6,433	10,968	(4,535)	-41.3%
Non-controlling interests	23	122	66	56	84.0%	(1)	(7)	6	-84.6%
<b>Profit for the year</b>		26,919	32,232	(5,313)	-16.5%	6,432	10,961	(4,530)	-41.3%

Assets	Note	30.09.2022 (MUS\$)	31.12.2021 (MUS\$)	Δ \$	Δ %
<b>Current assets</b>					
Cash and cash equivalents	7	46,317	60,311	(13,994)	-23.2%
Other current financial assets	8	267,495	134,917	132,578	98.3%
Other current non-financial assets	9	43,063	2,093	40,970	1957.2%
Trade receivables and other current accounts receivable, net	10	1,024,409	1,014,836	9,572	0.9%
Receivables due from related parties, current	12	10,309	6,085	4,223	69.4%
Current tax assets	16	26,165	12,724	13,440	105.6%
<b>Total current assets other than assets or asset groups for disposal classified as held-for-sale or held for distribution to the owners</b>		1,417,758	1,230,968	186,790	15.2%
Non-current assets or asset groups for disposal classified as held-for-sale	13	12,712	10,249	2,463	24.0%
<b>Total current assets</b>		1,430,470	1,241,217	189,253	15.2%
<b>Non-current assets</b>					
Other non-current financial assets	8	102,371	76,822	25,548	33.3%
Other non-current non-financial assets	9	4,872	7,604	(2,731)	-35.9%
Trade and other receivables, non-current	10	459,665	489,519	(29,854)	-6.1%
Trade receivables due from related parties, non-current	12	157	210	(52)	-25.0%
Investment accounted for using the equity method	15				
Intangible assets other than goodwill	17	5,126	5,429	(303)	-5.6%
Goodwill	18	1,708	1,708	-	0.0%
Property, plant and equipment	14	9,225	9,282	(57)	-0.6%
Deferred tax assets	16	29,456	35,770	(6,314)	-17.7%
<b>Total non-current assets</b>		624,357	626,345	(1,988)	-0.3%
<b>TOTAL ASSETS</b>		2,054,827	1,867,562	187,265	10.0%



Liabilities and Equity	Nota	30.09.2022 (MUS\$)	31.12.2021 (MUS\$)	Δ \$	Δ %
<b>Current liabilities</b>					
Other current financial liabilities	19	829,987	782,014	47,973	6.1%
Trade and other payables, current	21	104,549	151,397	(46,849)	-30.9%
Accounts payable to related parties	12	4,315	-	4,315	-
Current tax liabilities	16	4,298	5,190	(892)	-17.2%
Current provisions for employee benefits	22	3,703	4,051	(347)	-8.6%
<b>Total current liabilities</b>		946,851	942,652	4,199	0.4%
<b>Non-current liabilities</b>					
Other non-current financial liabilities	20	727,516	563,093	164,422	29.2%
Non-current provisions for employee benefits	22	312	285	27	9.5%
<b>Total non-current liabilities</b>		727,828	563,378	164,450	29.2%
<b>TOTAL LIABILITIES</b>		1,674,679	1,506,031	168,648	11.2%
<b>EQUITY</b>					
Share capital	23	203,307	203,307	-	0.0%
Retained earnings	23	177,460	158,703	18,757	11.8%
Other reserves	23	(1,702)	(1,483)	(218)	14.7%
<b>Total equity attributable to the owners of the Parent</b>		379,066	360,527	18,539	5.1%
Non-controlling interests	24	1,082	1,004	78	7.8%
<b>TOTL EQUITY</b>		380,148	361,531	18,617	5.1%
<b>TOTAL LIABILITIES AND EQUITY</b>		2,054,827	1,867,562	187,265	10.0%





Corporate Presentation  
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## Contact

TANNER

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# Corporate Presentation

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September 2022