



1Q 2019 Results Presentation

As of march 2019

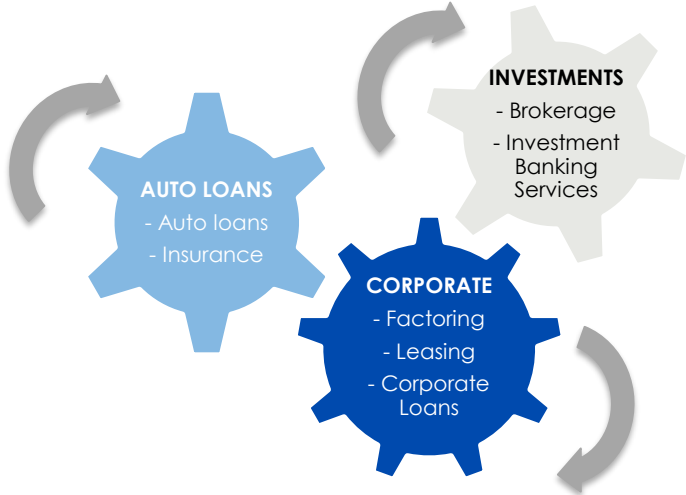




A Glimpse of Tanner

Established over 25 years ago, Tanner Servicios Financieros S.A. is currently one of the largest non-bank credit institutions in Chile and has a leadership position with small-and medium-sized companies.

- Credit rating: “BBB-” international, “AA-” local.
- Highly diversified portfolio and funding sources:
 - Loans allocated across +16 industries.
 - Top five customers account for less than 10% of total portfolio.
 - No single creditor represents more than 6% of total liabilities.
- Broad network of +900 employees and 20 branches throughout the country.
- Organized into 3 main divisions, comprised of:



FINANCIAL INDICATORS

March 2019

TOTAL ASSETS	\$ 2,014
NET LOANS OUTSTANDING ¹	\$ 1,666
EQUITY	\$ 424
NET PROFIT	\$ 9.4
ROAE ²	10.8%
ROAA ³	2.2%
EQUITY TO ASSETS	21.1%
NPLs ⁴ > 90 DAYS	2.5%

Source: Tanner.

- 1) Net loans defined as gross loan portfolio – provisions.
- 2) ROAE calculated as Net Profit LTM / Total Average Equity
- 3) ROAA calculated as Net Profit LTM / Total Average Assets
- 4) NPLs defined as Non-Performing loans



OUR MODEL...

...ALLOWS US TO

OPERATIONAL EXCELLENCE

CLIENTS UNDERSERVED BY
COMMERCIAL BANKS

CONSERVATIVE BALANCE SHEET:

- ✓ LOW LEVERAGE
- ✓ ACTIVE LIQUIDITY MANAGEMENT
(DURATION / FUNDING / CREDIT RATINGS)

SPEED IS OF THE ESSENCE

- APPROVAL <30 MINUTES
- 24/7 AVAILABILITY

HIGHLY COMMITTED SHAREHOLDERS

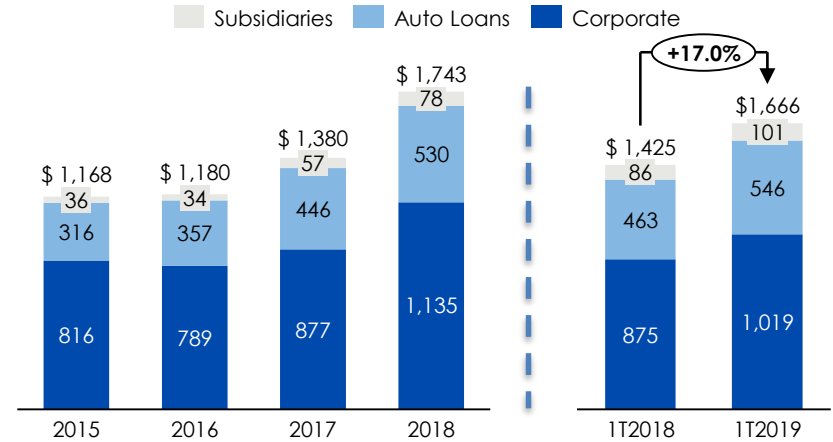
- ✓ **LEAD** THE INDUSTRIES IN WHICH WE OPERATE
- ✓ ACHIEVE A **>90% SECURED PORTFOLIO**
- ✓ ESTABLISH A **LOW RISK, RESILIENT** BUSINESS MODEL
- ✓ ACHIEVE HIGH **PROFITABILITY** AND **GROWTH**



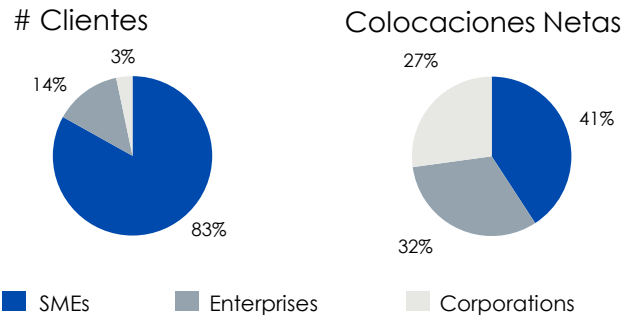
COMPANY HIGHLIGHTS

- **Net profit growth of 18.3% YoY.**
- **NPL > 90 days** drops 139 bps **to 2.5%.**
- Local market bond issuances of UF 2 million (~US 80 million) during 1Q 2019, as a total outstanding of UF 19,4 million (~US 786 million).

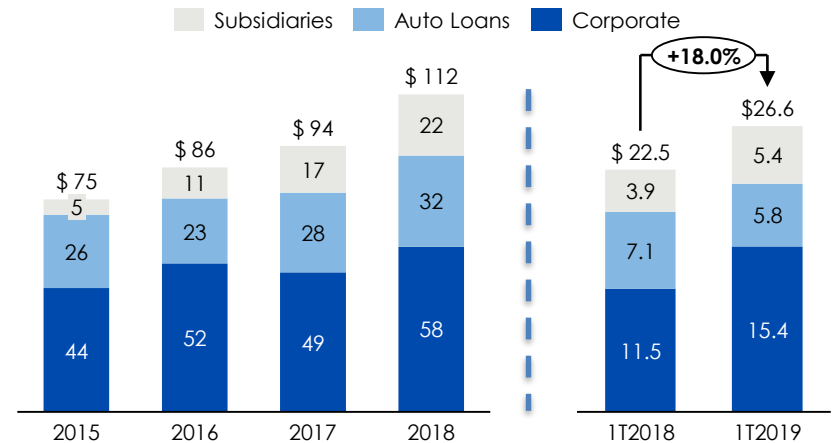
NET LOAN PORTFOLIO BREAKDOWN⁽¹⁾



LOANS BREAKDOWN⁽²⁾



GROSS MARGIN BREAKDOWN⁽³⁾



Source: Tanner Financial Statements.
Net loan portfolio defined as gross loan portfolio – provisions.

2) Liabilities in terms of net principal outstanding.
3) Gross Margin defined as revenues - costs for each business line.

March 2019 figures



	1Q 2018	1Q 2019	Δ YoY	
Net Loan Portfolio⁽¹⁾	\$1,425	\$1,666	+17.0%	
Corporate Division	\$875	\$1,019	+16.5%	
i.Factoring	\$416	\$549	+31.9%	
ii.Leasing (*)	\$151	\$136	-10.0%	
iii.Corporate Loans	\$314	\$339	+8.2%	
Auto-Financing Division	\$463	\$546	+17.9%	
NPLs > 90 Days⁽²⁾	3.9%	2.5%	-139 bps	
Corporate Division	3.5%	1.6%	-191 bps	
i.Factoring	3.0%	1.4%	-160 bps	
ii.Leasing	6.9%	3.4%	-349 bps	
iii.Corporate Loans	2.5%	1.2%	-130 bps	
Auto-Financing Division	5.6%	4.7%	-94 bps	
Income	\$66	\$112	+70.2%	
Gross Margin	\$24	\$27	+14.0%	
Net Profit	\$8	\$9	+18.3%	
ROAA⁽³⁾	2.5%	2.2%	-26 bps	
ROAE⁽⁴⁾	10.1%	10.8%	+65 bps	

Source: Tanner.

- 1) Net loan portfolio defined as gross loan portfolio – provisions.
- 2) NPLs > 90 days defined as non-performing loans > 90 days/ gross loans.
- 3) ROAA calculated as net profit LTM / total average equity.
- 4) ROAE calculated as net profit LTM / total average assets.

(*) The variation in leasing net loans, is mainly due to the new strategy of the division, which consist in focusing on non - auto leasing deals.

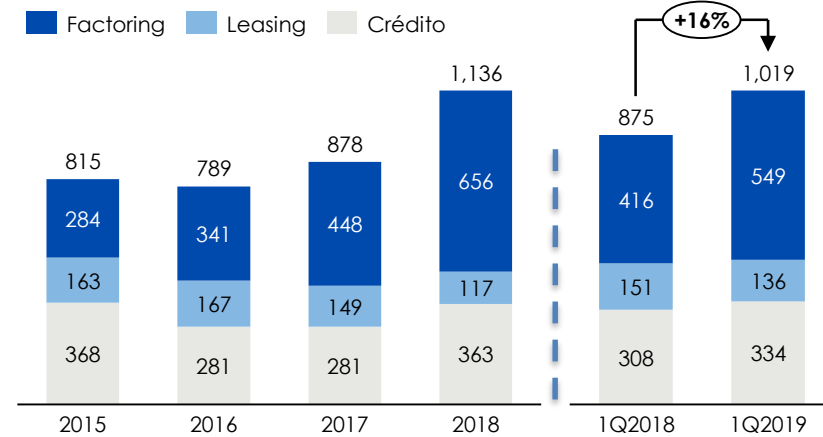


I. Corporate Division

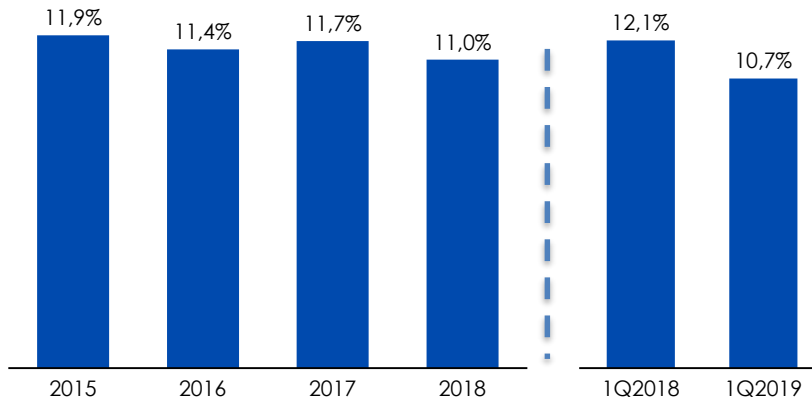
FUNDAMENTALS

- **Comprised of 3 businesses:**
 - Factoring: #1 non-bank competitor, >20 years of experience, operated solely as a factoring company until 2004.
 - Corporate lending.
 - Leasing.
- One-stop-shop and cross-selling opportunities.
- **Diversified portfolio, focused on industries with strong fundamentals.**

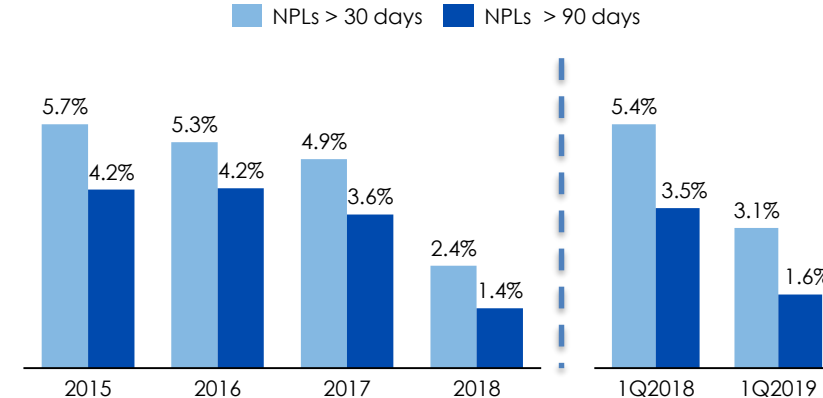
CORPORATE NET LOAN PORTFOLIO BREAKDOWN⁽¹⁾



YIELD⁽²⁾



NPLs⁽³⁾



Source: Tanner.

1) Net loan portfolio defined as gross loan portfolio – provisions.

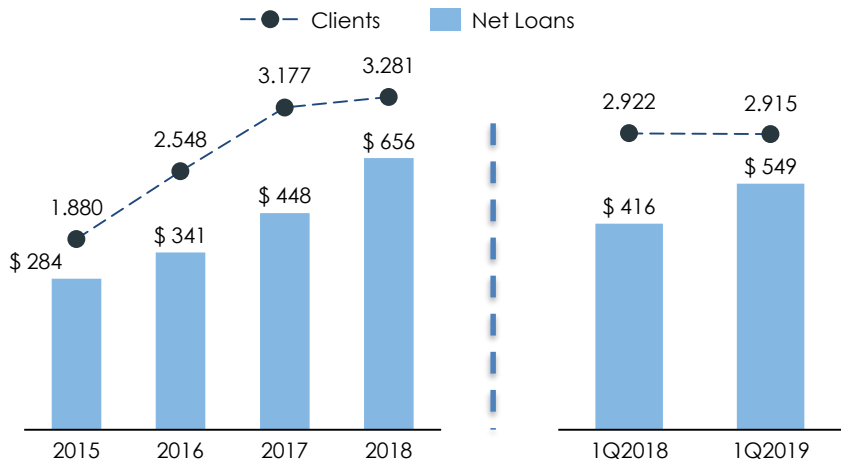
2) Yield defined as annualized revenue / average net loan portfolio.

3) Non Performing Loans >30/90 days defined as non-performing loans > 30/90 days / gross loan portfolio.

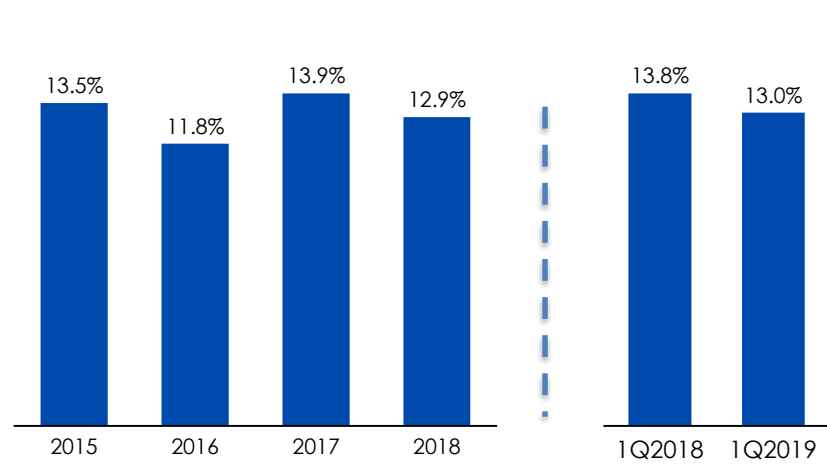


(i) Factoring

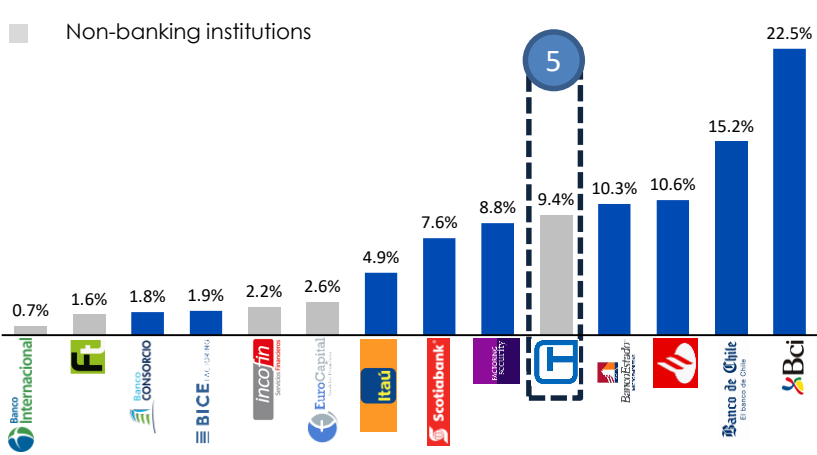
NET LOANS⁽¹⁾ and # CLIENTS



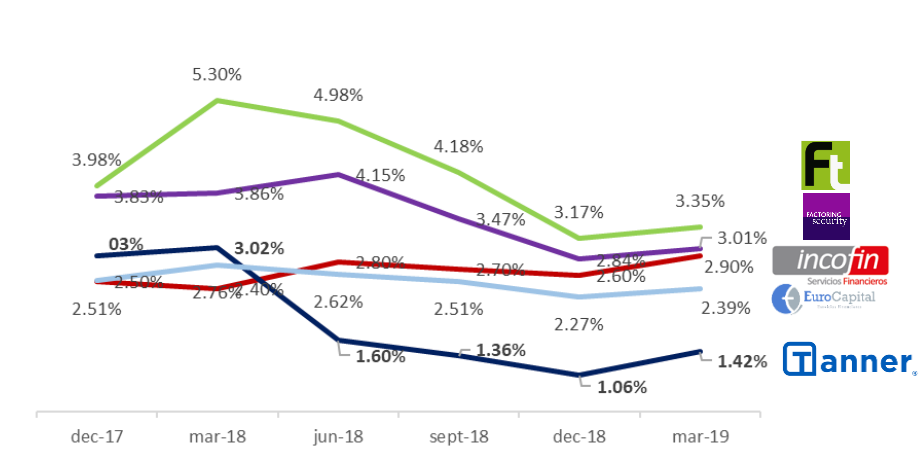
YIELD⁽²⁾



FACTORING MARKET SHARE



NPLs > 90 DAYS⁽³⁾ – FACTORING



Source Tanner.

1) Net loans defined as gross loans – provisions.

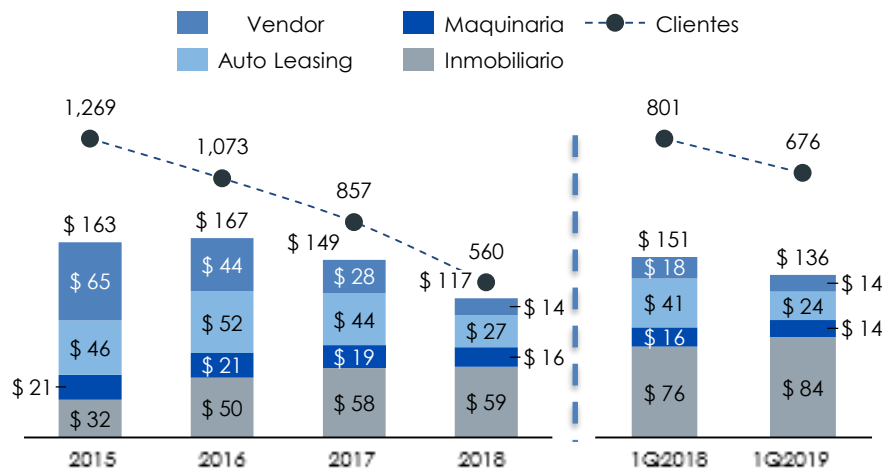
2) Yield defined as annualized income / average net loans.

3) NPLs > 90 days defined as non-performing loans > 90 days / gross loan portfolio.

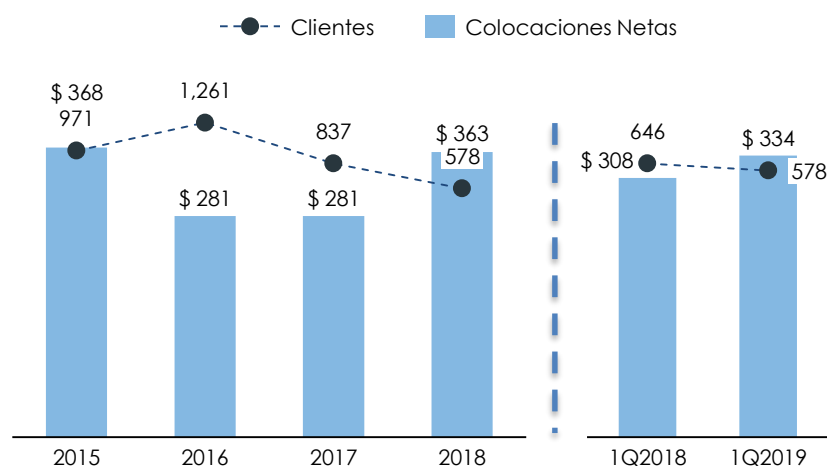


(ii) Corporate Loans and Leasing

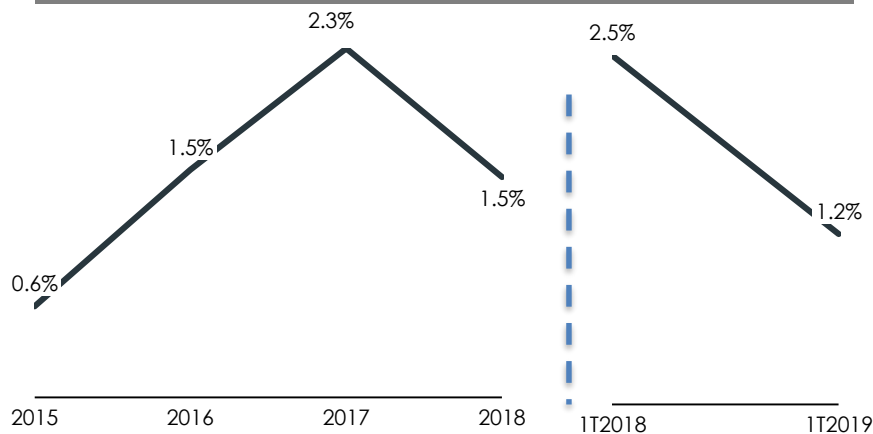
LEASING NET LOAN PORTFOLIO⁽¹⁾ AND # CLIENTS



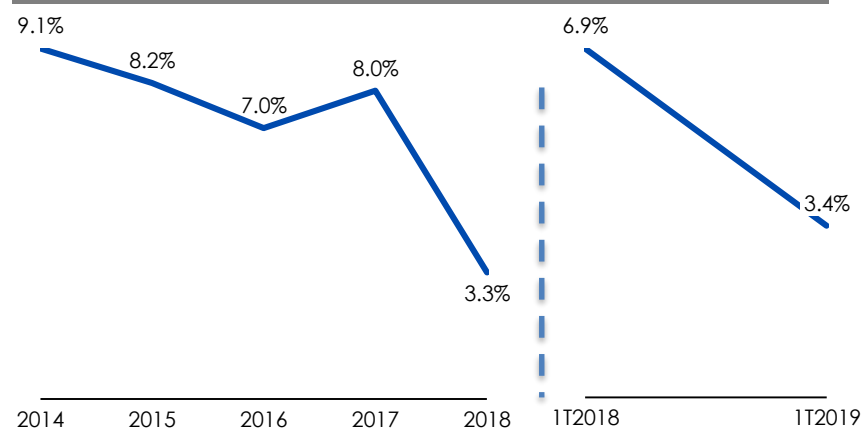
CORPORATE NET LOAN PORTFOLIO⁽¹⁾ AND # CLIENTS



LEASING - NPLs > 90 DAYS⁽²⁾



CORPORATE - NPLs > 90 DAYS⁽²⁾



Source: Tanner. .

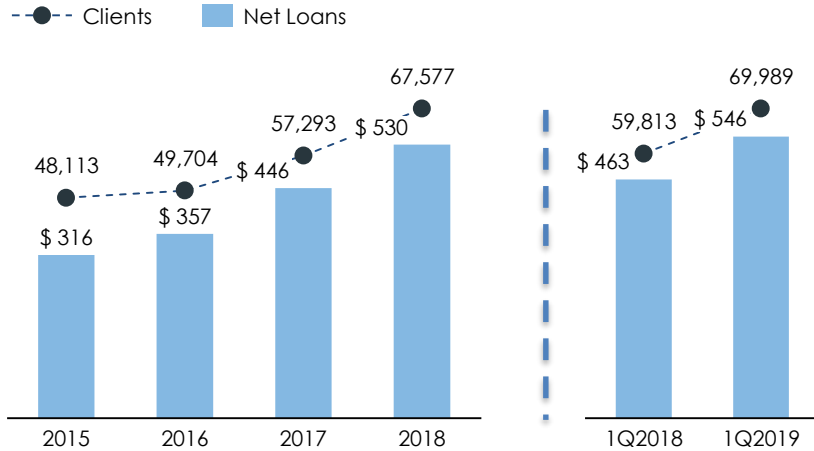
1) Net loans defined as gross loans – provisions.

2) NPLs > 90 days defined as non-performing loans / gross loan portfolio.

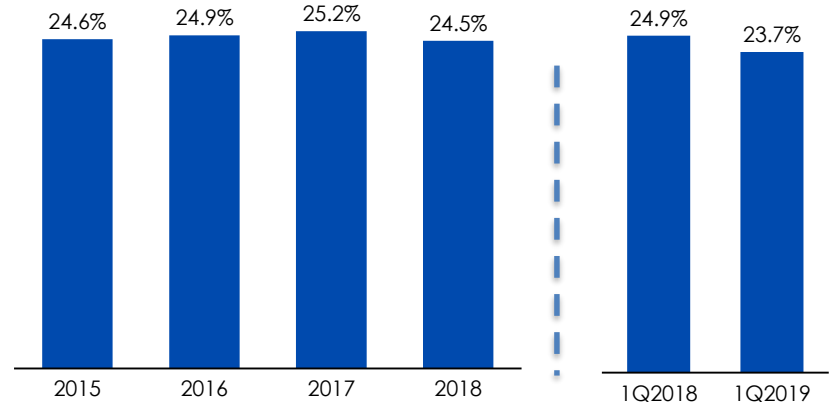


II. Auto Financing Division

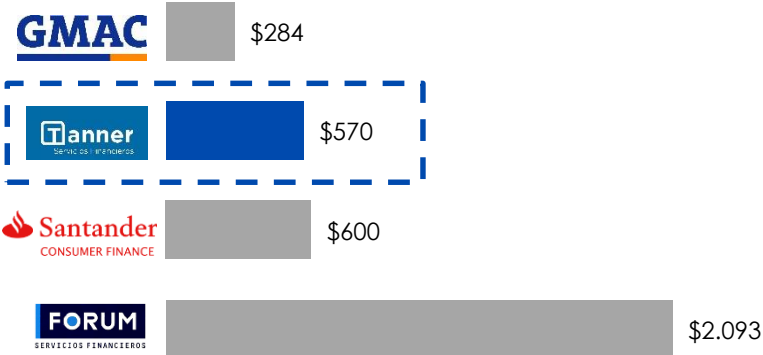
NET LOAN PORTFOLIO⁽¹⁾ AND # CLIENTS



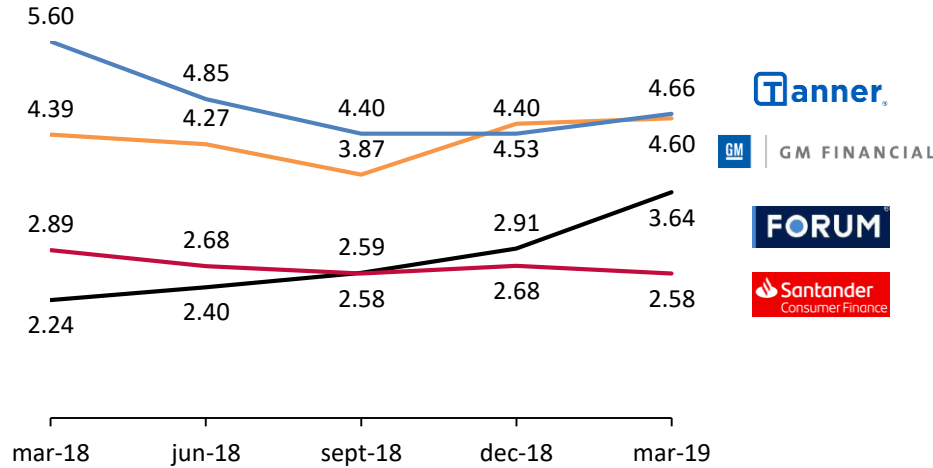
YIELD⁽²⁾



GROSS LOANS BY INSTITUTION 1Q 2019



NPLs > 90 DAYS⁽³⁾ – AUTO FINANCING



Source: Tanner, ANAC, CAVEM, CMF with information dated December 31, 2018.

1) Net Loan Portfolio defined as gross loans – provisions

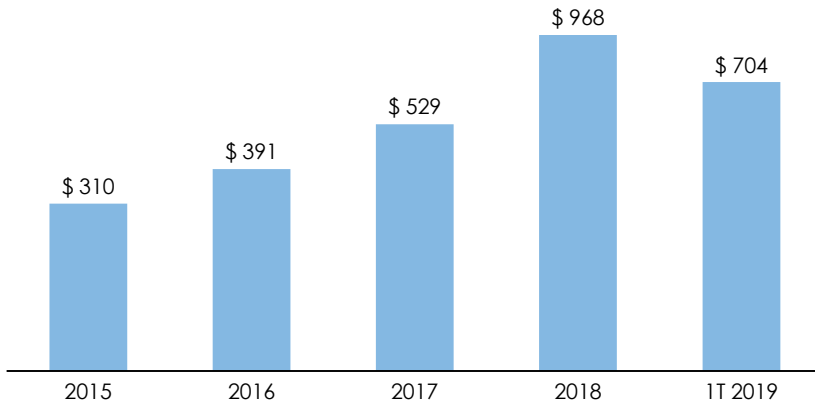
2) Yield defined as annualized income / average gross loan portfolio.

3) NPLs defined as non-performing loans > 90 days / gross loan portfolio.

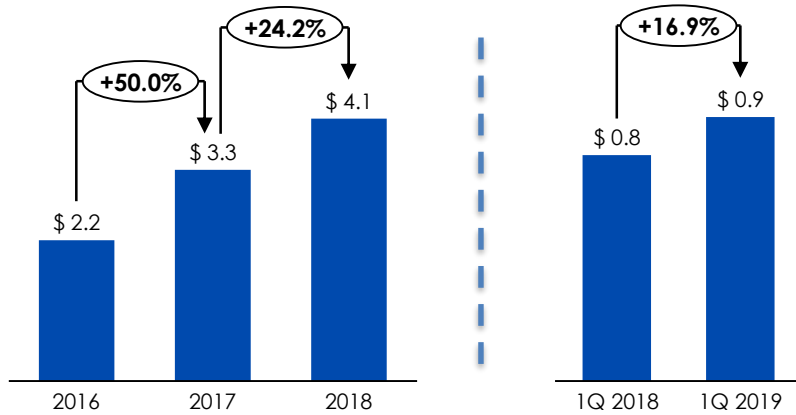


III. Tanner Investments

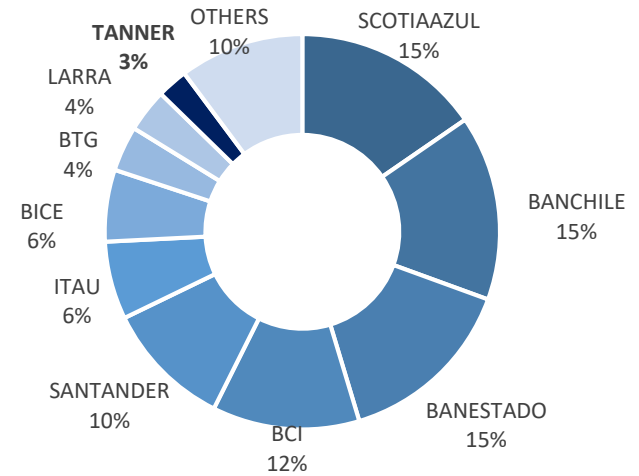
AUM



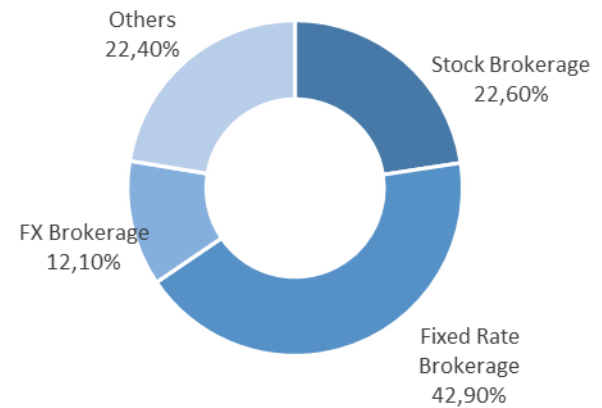
NET PROFIT



TCB MARKET SHARE



INCOME DISTRIBUTION



Source: Tanner. CMF with information dated December 31, 2018.

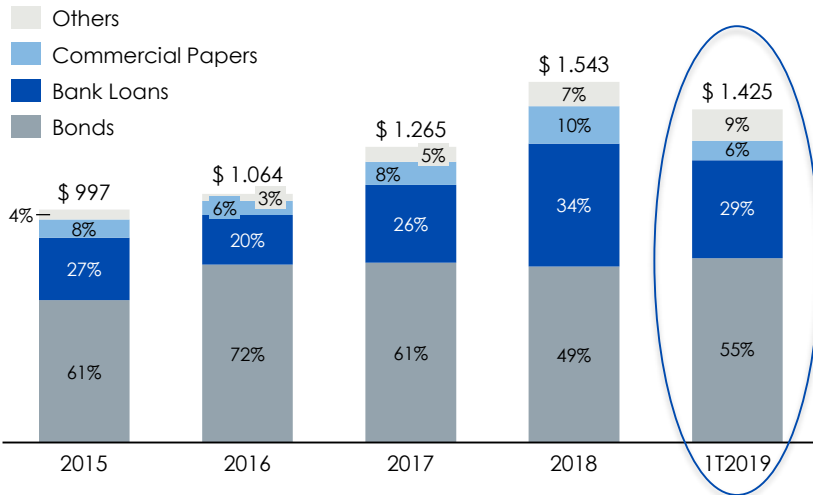
1)ROAE defined as Net Income / Total Average Equity.

2)ROAA defined as Net Income / Total Average Assets.

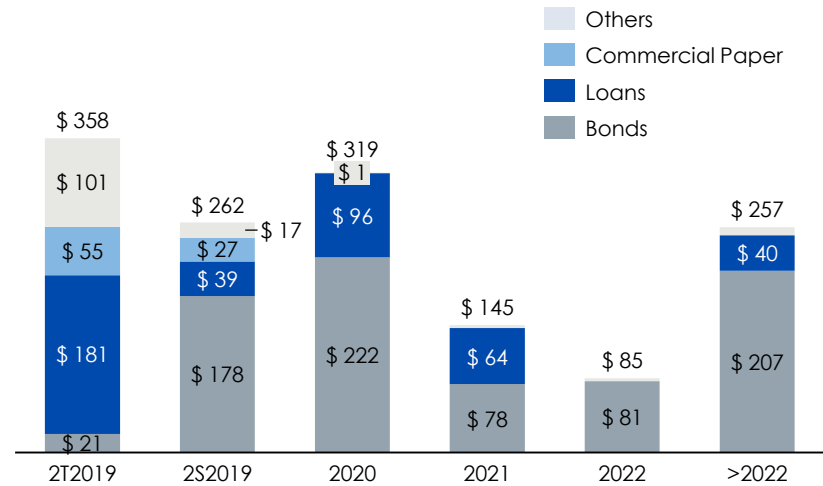
Liability Management



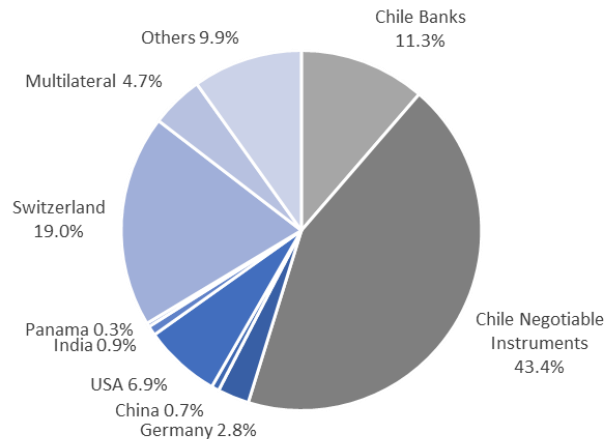
FUNDING BREAKDOWN



BALANCED MATURITY PROFILE



GEOGRAPHIC DIVERSIFICATION



LIQUIDITY BALANCE SHEET AND HEDGING

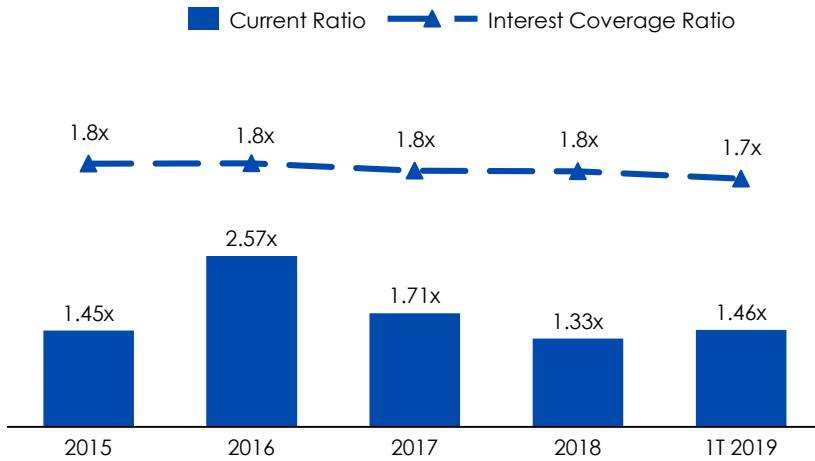
- The average duration of the assets, as of December 2018, was 0.87 years.
- The financial liabilities registered an average duration of 2.50 years

	CLP	USD	EUR	CHF	UF	TOTAL
Total Assets	\$ 1,465	\$ 230	\$ 0.3	\$ 0	\$ 319	\$ 2,014
Total Liabilities + Equity	\$ 870	\$ 333	\$ 0	\$ 252	\$ 560	\$ 2,014
Currency Net Position	\$ 596	-\$ 103	\$ 0.3	-\$ 252	-\$ 241	\$ 0
Hedge	-\$ 675	\$ 99	\$ 0	\$ 252	\$ 324	\$ 0
Net Exposure	-\$ 79	-\$ 4	\$ 0.3	\$ 0	\$ 83	\$ 0

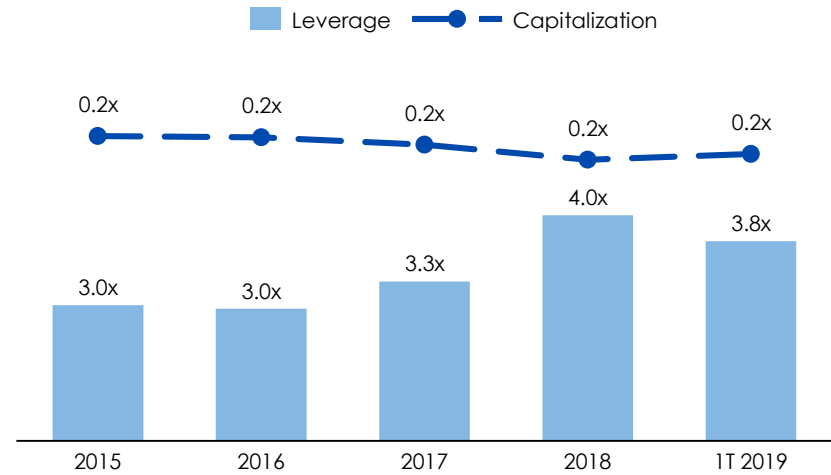


Key Financial Metrics

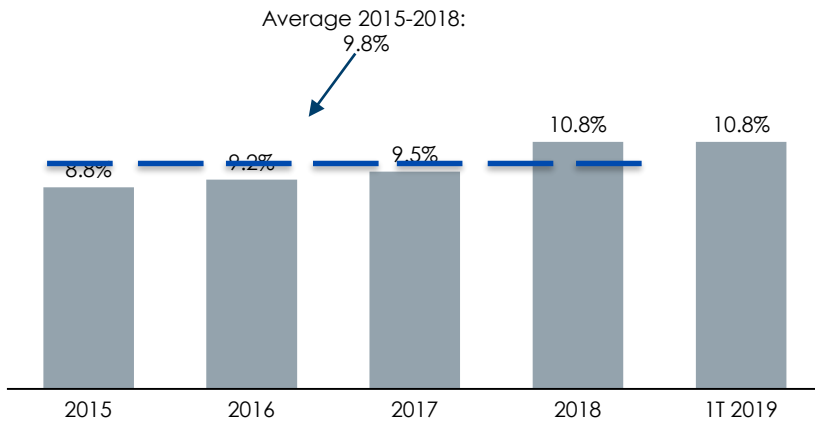
LIQUIDITY⁽¹⁾ AND INTEREST COVERAGE⁽²⁾



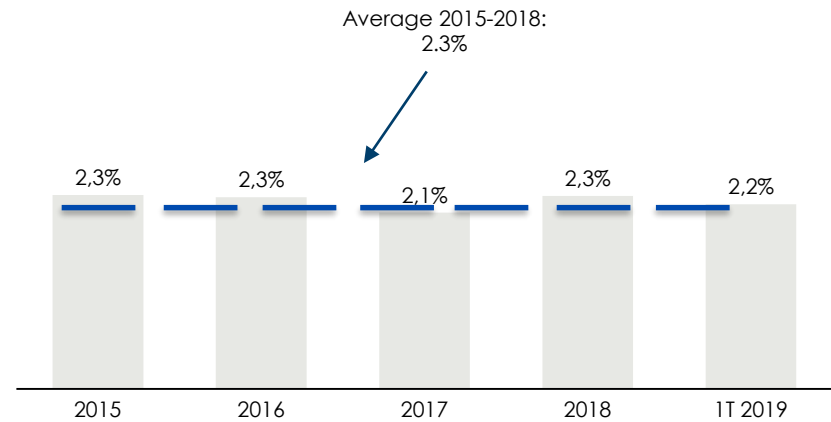
LEVERAGE⁽³⁾ AND CAPITALIZATION⁽⁴⁾



ROAE⁽⁵⁾



ROAA⁽⁶⁾



Source: Tanner

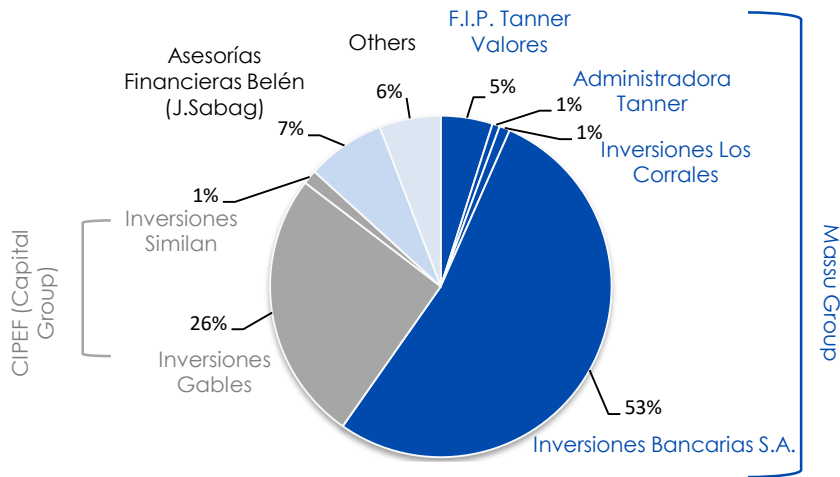
- 1) Current Ratio defined as Current Assets / Current Liabilities.
- 2) Interest Hedge Ratio defined as (Profit Before Tax + Financial Expenses) / Financial Expenses.
- 3) Leverage defined as Total Liabilities / Total Equity.

- 4) Capitalization defined as Equity / Total Assets
- 5) ROAE defined as Net Income / Total Average Equity.
- 6) ROAA defined as Net Income / Total Average Assets.

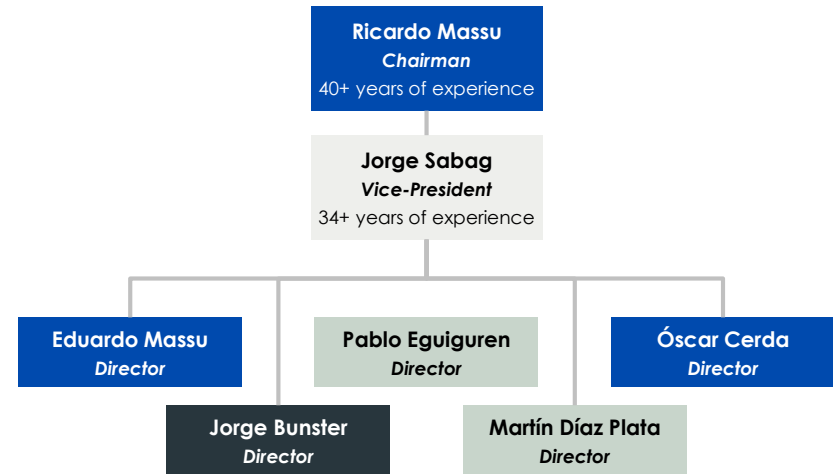
Shareholders



SHAREHOLDER COMPOSITION



BOARD MEMBERS



MAIN SHAREHOLDER PROFILE

Massu Group

- Controlled by Mr. Ricardo Massu, founder and Chairman of the Board.
- Massu Group has a 100% shareholding interest in Inversiones Bancarias S.A.

Capital Group

- **Capital International Private Equity Fund (CIPEF) is the global private equity arm of Capital Group, an ~US\$ 1.8 trillion in AUM independent fund manager with >80 years of experience.**
- **Focused on emerging markets, has invested >US\$ 4.5bn in 82 companies across 25 countries and 35 industries.**

Asesorías Financieras Belén

- Controlled by Mr. Jorge Sabag, current Vice Chairman of the Board.



APPENDIX

Balance Sheet (1/2)



Assets (Th US\$)	03-31-2019	12-31-2018	Δ \$	Δ %
Current Assets				
Cash and cash equivalent	35.206	37.543	(2.337)	-28,7%
Other current financial assets	138.271	153.751	(15.480)	43,8%
Other current non-financial assets	2.670	2.602	69	20,2%
Trade receivables and other current accounts receivable, net	1.039.759	1.136.243	(96.484)	13,1%
Current accounts receivable from related parties	626	675	(49)	-9,5%
Current tax assets	18.222	18.939	(717)	37,0%
Non-current assets held for sale	12.365	11.744	621	100,4%
Total Current Assets	1.247.119	1.361.496	(114.377)	11,4%
Non-Current Assets				
Other non-current financial assets	45.377	55.348	(9.972)	48,4%
Other non-current non-financial assets	8.334	4.159	4.176	-44,1%
Trade receivables and other non-current accounts receivable, net	626.234	606.614	19.620	25,1%
Non-current accounts receivable from related parties	1.004	1.004	-	-16,2%
Intangible assets other than goodwill	8.551	8.135	416	38,6%
Goodwill	2.599	2.599	-	0,0%
Property, plant and equipment	16.338	4.700	11.638	-1,2%
Property Investments	13.634	13.730	(96)	1,5%
Deferred tax assets	45.204	46.097	(892)	8,6%
Total Non-Current Assets	767.274	742.385	24.890	23,6%
Total Assets	2.014.393	2.103.881	(89.488)	15,7%

Source: Tanner.

Note: All figures converted from CLP to USD at the March 31, 2019 exchange rate of 678.53 CLP/USD.

Balance Sheet (2/2)



Liabilities (Th US\$)	03-31-2019	12-31-2018	Δ \$	Δ %
Current Liabilities				
Other current financial liabilities	691.689	880.721	(189.033)	3,2%
Trade payables and other current accounts payables	156.281	133.978	22.303	31,9%
Other short-term provisions	793	451	342	29,5%
Short-term employee benefits provisions		5.832		
Current tax liabilities	5.924	3.398	92	518,5%
Other current non-financial liabilities	1.566	-	(1.832)	-100,0%
Total Current Liabilities	856.252	1.024.381	(168.129)	8,8%
Non-Current Liabilities				
Other non-current financial liabilities	733.580	662.039	71.541	29,5%
Non-current employee benefits provisions	167	167		
Total Non-Current Liabilities	733.747	662.206	71.541	29,5%
Total Liabilities	1.589.999	1.686.587	(96.588)	19,3%
Equity	424.394	417.294	7.100	3,6%
Total Equity and Liabilities	2.014.393	2.103.881	(89.488)	15,7%

Source: Tanner.

Note: All figures converted from CLP to USD at the March 31, 2019 exchange rate of 678.53 CLP/USD.

Income Statement



INCOME STATEMENT Th US\$	01-01-2019	01-01-2018	Δ \$	Δ %
	03-31-2019	03-31-2018		
Revenue from ordinary activities	112.223	65.945	46.278	70,2%
Sales cost	(85.269)	(42.310)	(42.960)	101,5%
Gross profit	26.953	23.635	3.318	14,0%
Other revenue, by function	395	89	307	344,9%
Administrative expenses	(15.867)	(14.780)	(1.087)	7,4%
Other profits (losses)	-	-	-	0,0%
Operating margin	11.482	8.944	2.538	28,4%
Financial revenue	24	(1)	26	1982,8%
Financial costs	(134)	(106)	(28)	26,3%
Foreign exchange differences	29	(4)	33	894,7%
Income by adjustment units	1	11	(10)	-87,4%
Profit (losses) before taxes	11.403	8.843	2.559	28,9%
Revenue (expense) from profit taxes	(2.042)	(930)	(1.112)	119,6%
Profit (losses)	9.361	7.914	1.447	18,3%
Profit (losses) attributable to controller's property owners	9.247	7.793	1.454	18,7%
Profit (losses) attributable to non-controller shares	114	121	(7)	-5,6%

Source: Tanner.

Note: All figures converted from CLP to USD at the March 31, 2019 exchange rate of 678.53 CLP/USD.



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