



# TANNER SERVICIOS FINANCIEROS S.A.

**CORPORATE PRESENTATION | MARCH 23**

# TANNER SERVICIOS FINANCIEROS S.A. CORPORATE PRESENTATION

## AGENDA

### 1. OVERVIEW

1. Tanner at a glance

### 2. FINANCIAL RESULTS

1. Financial Results
2. Corporate Division: Factoring, Corporate Loans & Leasing
3. Auto Financing Division
4. Investments Division

### 3. APPENDIX

1. Income Statement
2. Balance Sheet

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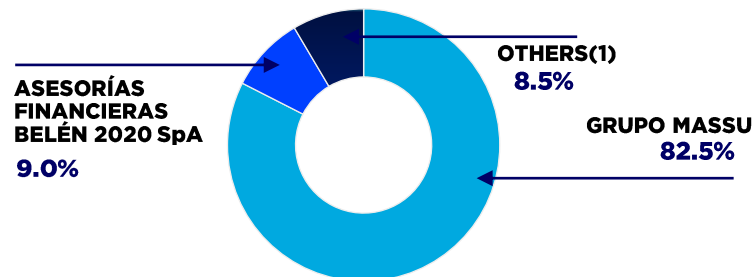
1. Income Statement
2. Balance Sheet

The process of applying for a Banking License has been initiated before the CMF

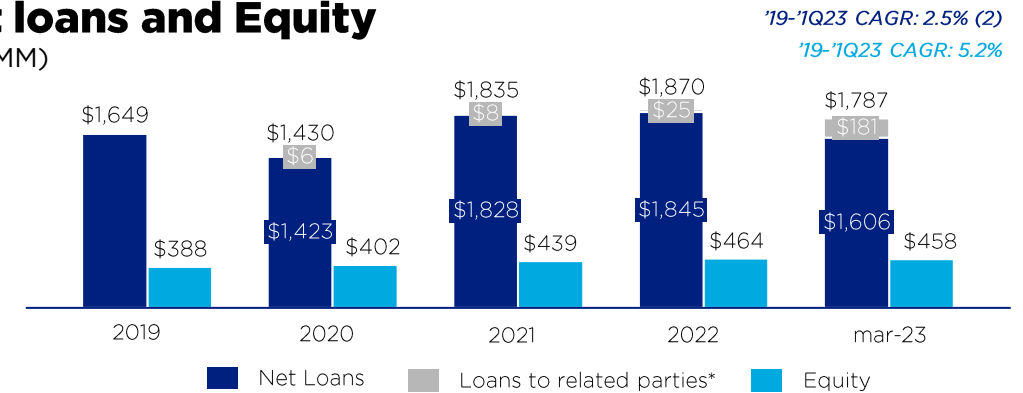
## Highlights:

- ✓ On May 17<sup>th</sup>, we commenced the process of applying for a Banking License to establish a subsidiary bank of Tanner.
- ✓ We are seeking to capitalize on new financing opportunities, by being able to access new markets and investors.
- ✓ We aim to bolster our position and secure sustainable long-term success.
- ✓ Due to the current local situation and increased industry-level risks, we will continue to manage our balance sheet conservatively. The year 2023 will serve as a transitional period towards the establishment of the Bank.
- ✓ Examples of these measures include stricter customer admission requirements, strengthening of collection processes, reduced ticket sizes, emphasis on collateralization, and limited appetite for growth in the Auto-financing portfolio
- ✓ We maintain a leverage ratio of 4x.
- ✓ We continue to implement our ESG initiatives with a focus on SMEs, electromobility, cybersecurity and digitalization, and compliance.

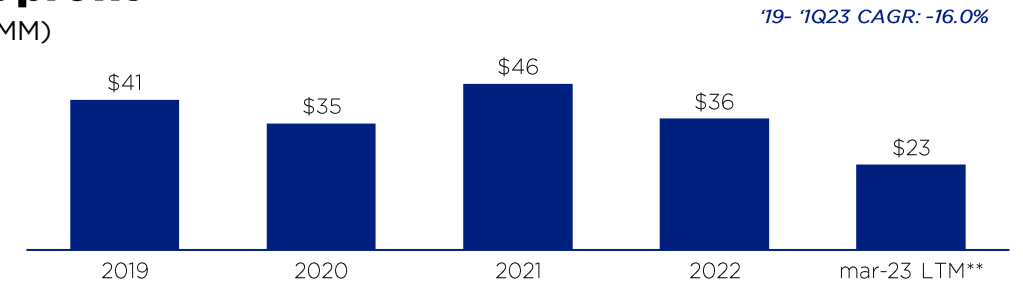
## Ownership Structure



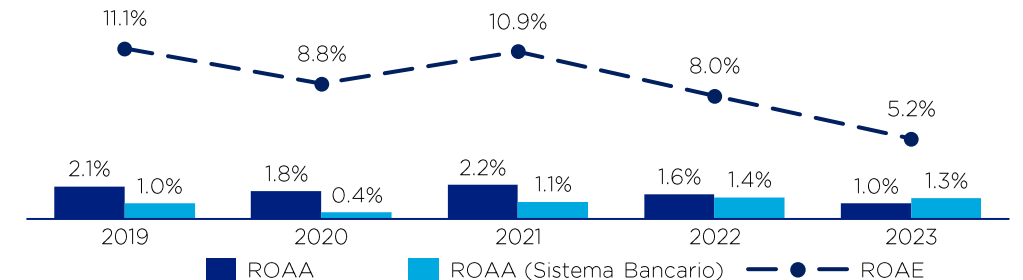
## Net loans and Equity (US\$MM)



## Net profit (US\$MM)



## Profitability (3)(4)





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# FINANCIAL RESULTS 1Q23

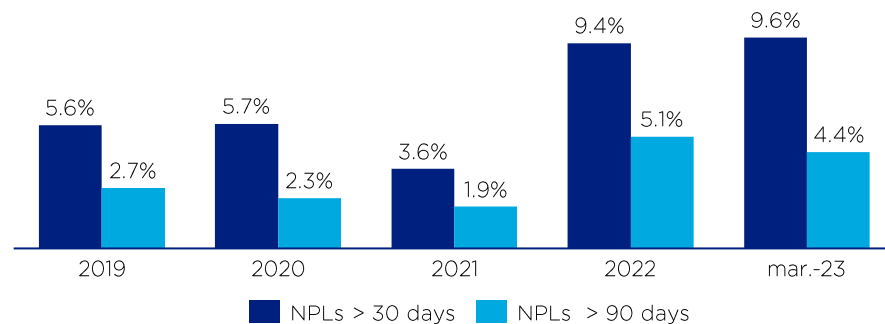


Net profit surged to US\$1.75 million amidst a backdrop of heightened risk

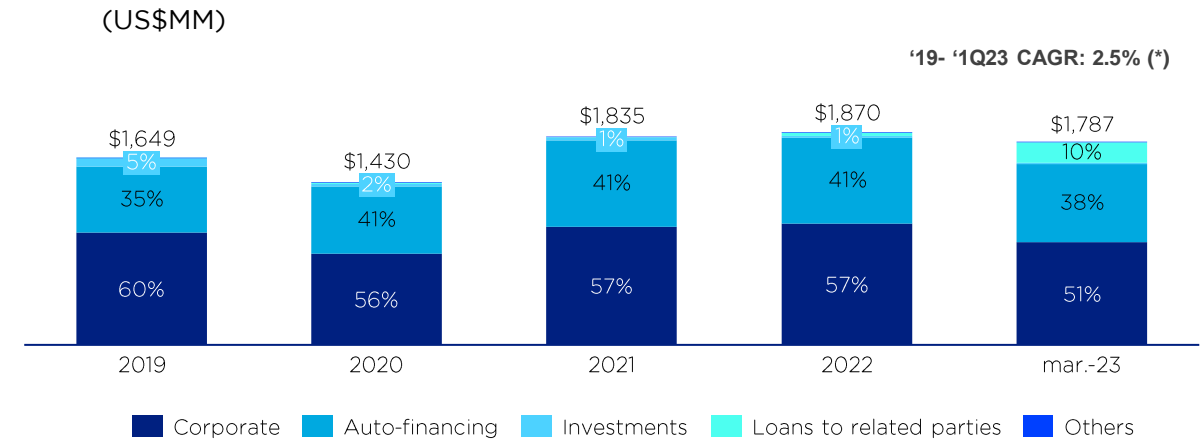
## • Highlights

- ✓ During 1Q23, gross profit experienced a decline of 11.5% YoY, amounting to US\$35 million. Impairment losses increased, primarily driven by a surge in the Auto-financing Division (+131,9% YoY). Consequently, net profits decreased by 87.8% YoY, reaching US\$1.75 million.
- ✓ ROAE of 5.2% and ROAA de 1.0%.
- ✓ NPLs > 90 days decreased by 72 bps compared to 4Q22, mainly driven by a 500 bps reduction in NPLs > 90 days for corporate loans.
- ✓ Net loans decreased by 4.4%\* YTD, driven by seasonality in factoring and slower growth in the Auto-financing Division. However, the latter is offset by loans to Nissan Tanner Financial Services (NTFS).
- ✓ During 1Q23, commercial papers were placed for an amount of US\$336 million.

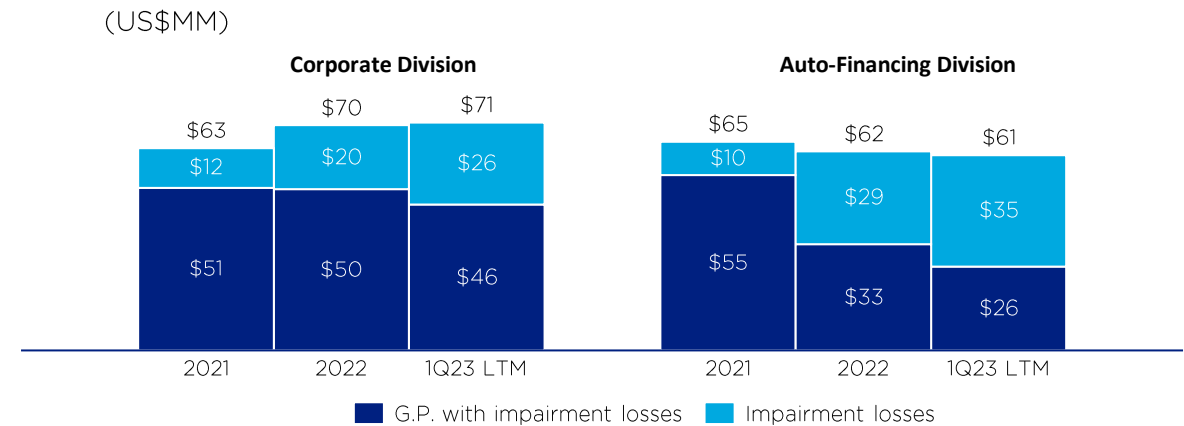
## • Non- Performing Loans (1)



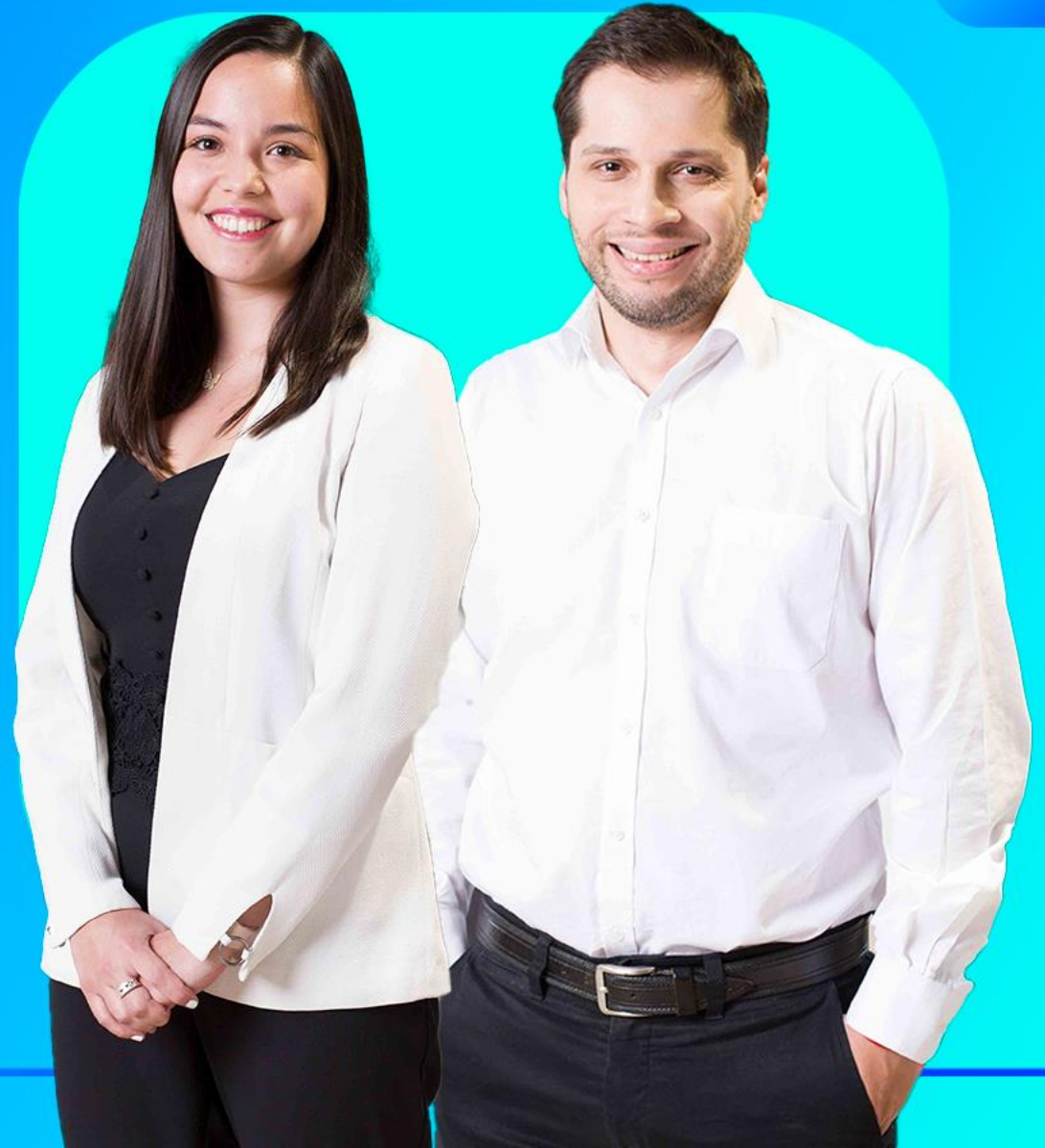
## • Distribution of Net Loans (US\$MM)



## • Gross Profit by Division (US\$MM)



Tanner<sup>®</sup>  
Empresas



# FINANCIAL RESULTS 1Q23 | CORPORATE DIVISION



Focus on return and risk: increase in the number of clients, reduced ticket sizes, and heightened collateralization

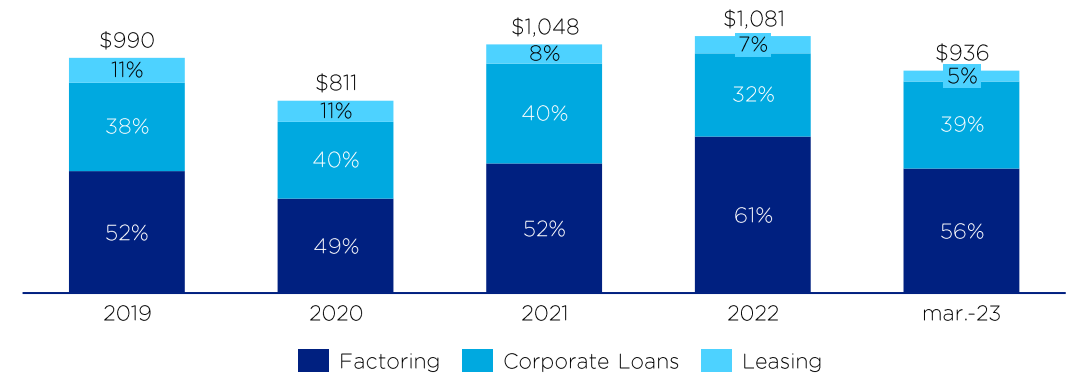
## • Highlights

- ✓ The number of clients in the division increased by 52.1% YoY, reaching 5,398 unique clients, primarily driven by significant customer acquisition in the factoring product.
- ✓ NPLs > 90 days decreased by 172 bps, primarily due to a decrease in NPLs for corporate loans.
- ✓ Net loans of the division decreased due to the seasonality of factoring and higher loan requirements.
- ✓ Within the increased credit requirements, there is a demand for additional collateral and a decrease in loan terms.

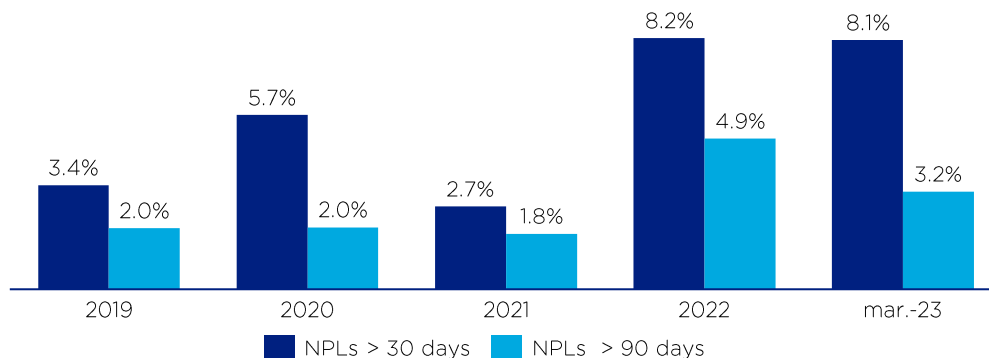
## • Distribution of Net Loans (2)

(US\$MM)

'19- '1Q23 CAGR: -1.7%



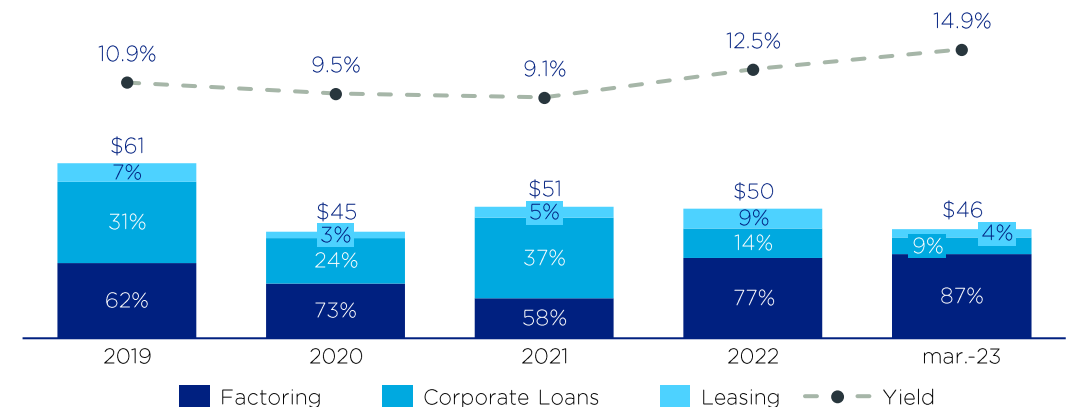
## • Non- Performing Loans (1)



## • Gross Profit (3) and Yield (4)

(US\$MM)

'19- '1Q23 CAGR: -8.6%





# FINANCIAL RESULTS 1Q23 | FACTORING



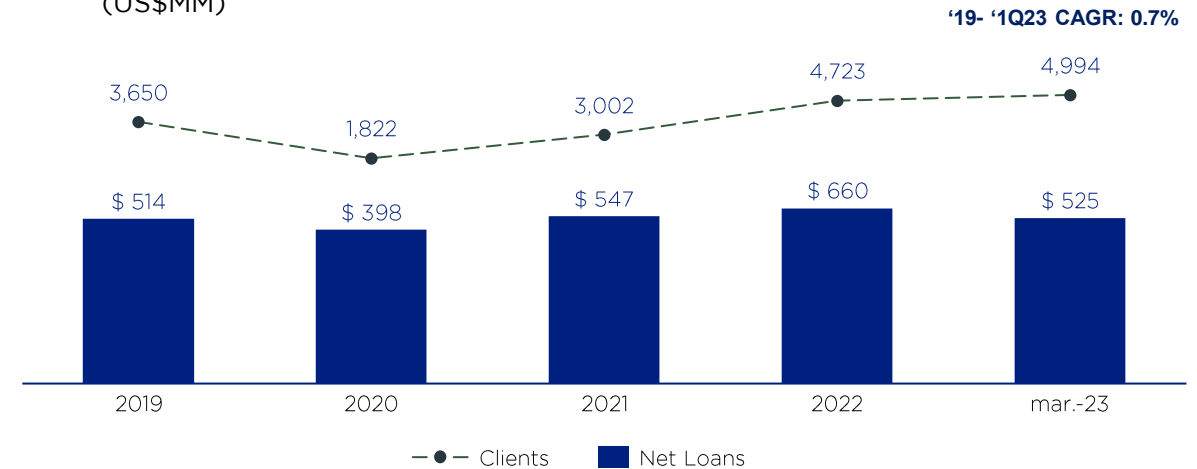
Nearly 5,000 active customers and an increase in yield

## • Highlights

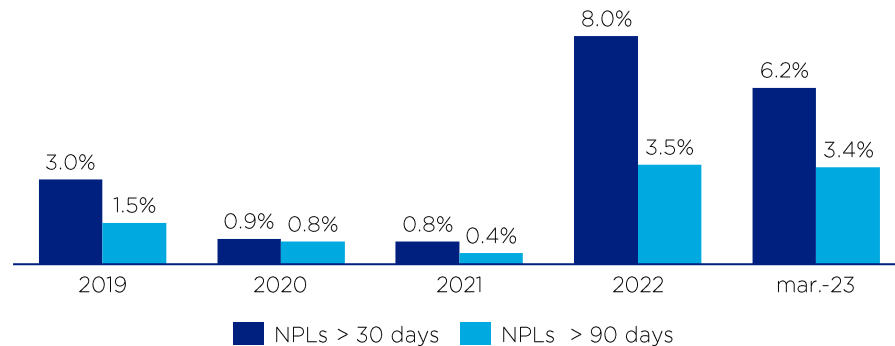
- ✓ NPLs > 90 days decreased by 3 bps compared to Dec-22.
- ✓ The decline in net loans relative to 4Q22 can be attributed primarily to the seasonality of the product.
- ✓ Significant increase in yield, amidst higher financing costs.
- ✓ Gross margin with impairment losses increases, despite higher risk.
- ✓ Factoring volume is comprised as follows:
  - ✓ **Invoices:** 66.8%.
  - ✓ **Confirming:** 7.1%.
  - ✓ **Checks and Promissory Notes:** 12.6% & 13.5%, respectively.

## • Net Loans

(US\$MM)

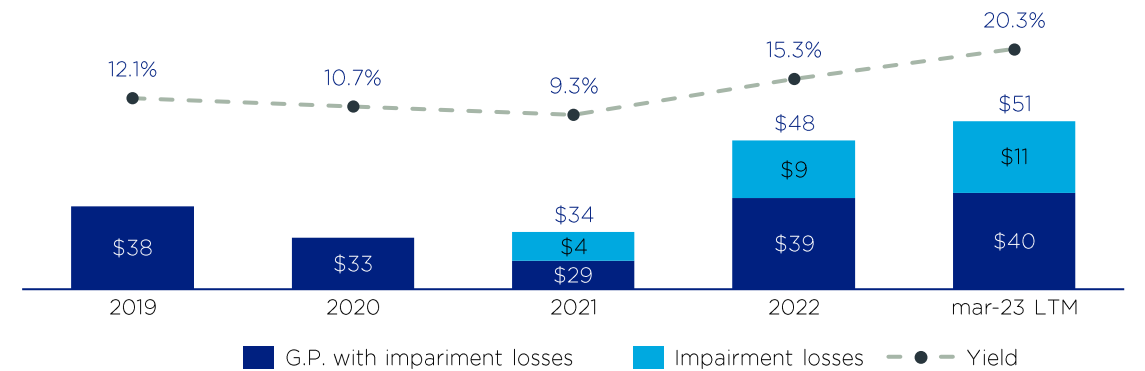


## • Non-performing Loans (1)



## • Gross Profit & Yield (2)

(US\$MM)

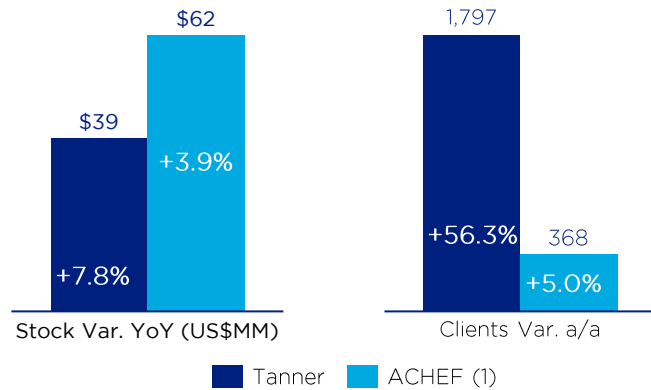


# FINANCIAL RESULTS 1Q23 | FACTORING

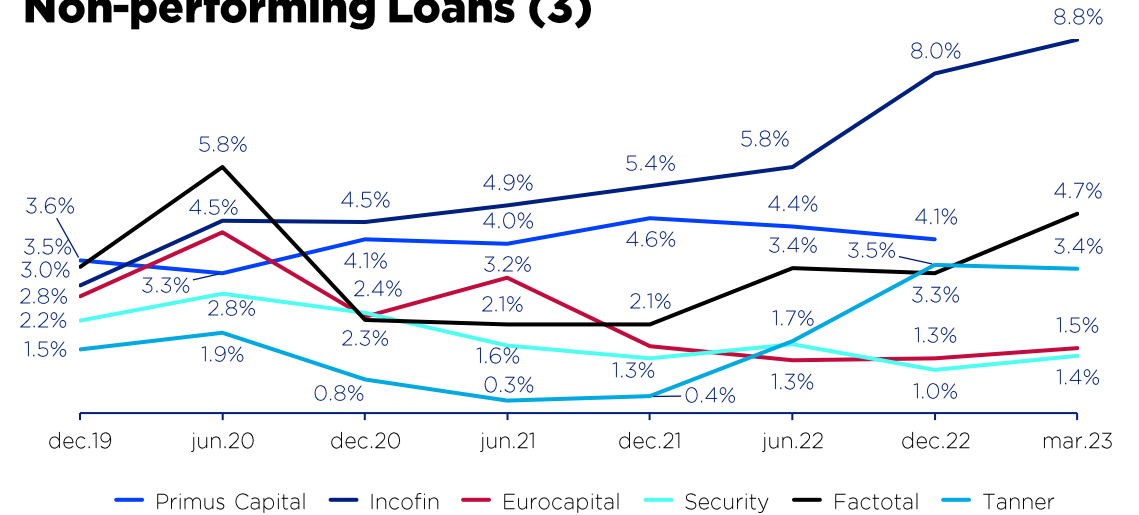


4th Financial Institution with the largest market share and 1st of the NBFIs

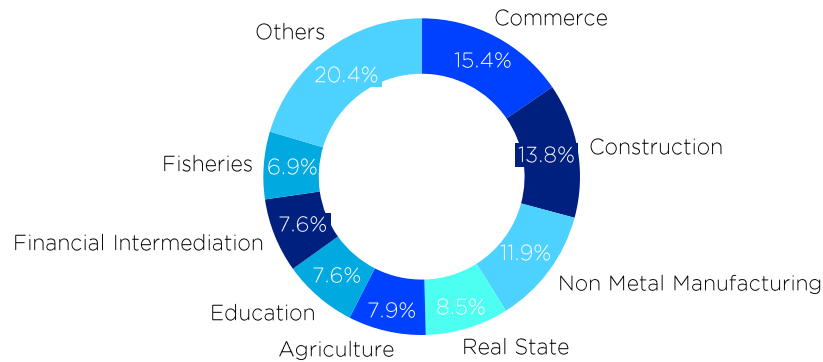
## Tanner's growth in customers and stock vs the Industry (1)



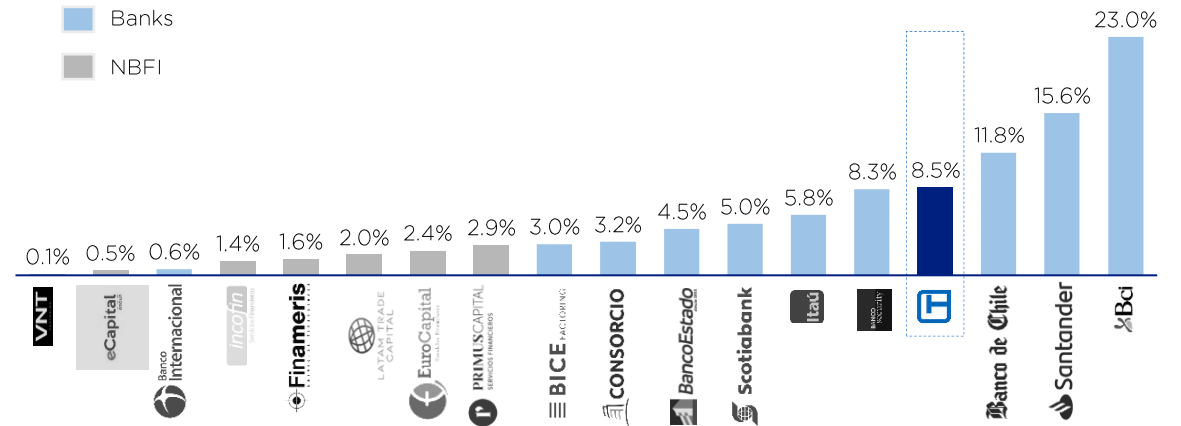
## Non-performing Loans (3)



## Loan Portfolio Industry Breakdown (2)



## Market Share (1)



# FINANCIAL RESULTS 1Q23 | CORPORATE LOANS & LEASING

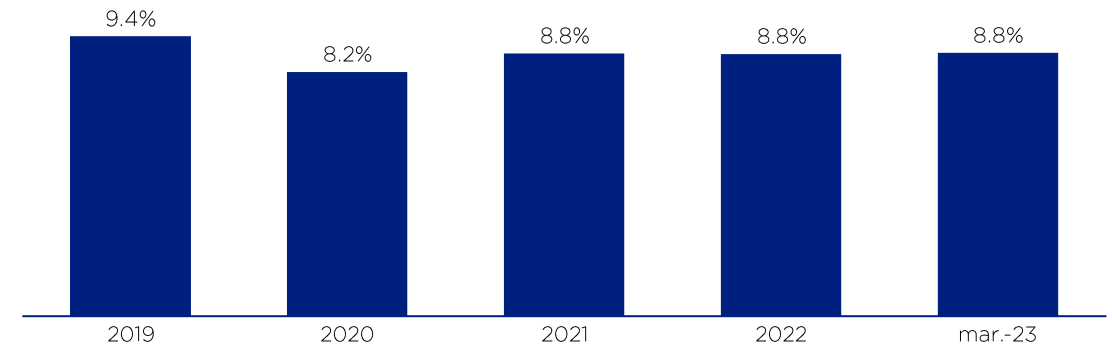


Continued emphasis on risk management and strengthening of collateral coverage

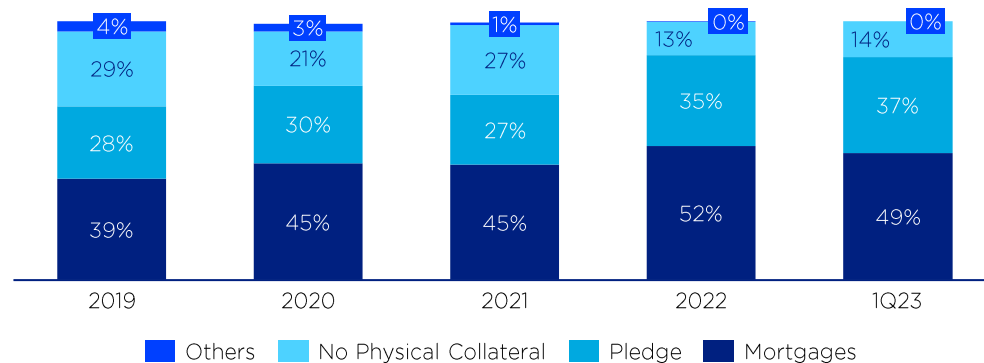
## • Highlights

- ✓ Aligned with a more conservative balance sheet management, net loans of corporate loans\* remained at similar levels as observed in 4Q22 (-0.2% YTD).
- ✓ The upward trend in return demonstrates the prioritization it has received since mid-2022, exceeding the emphasis on stock size.
- ✓ NPLs > 90 days in corporate loans experienced a decline of 500 bps, accompanied by a strengthening in the establishment of real collateral, whereas the decrease in leasing was 80 bps.

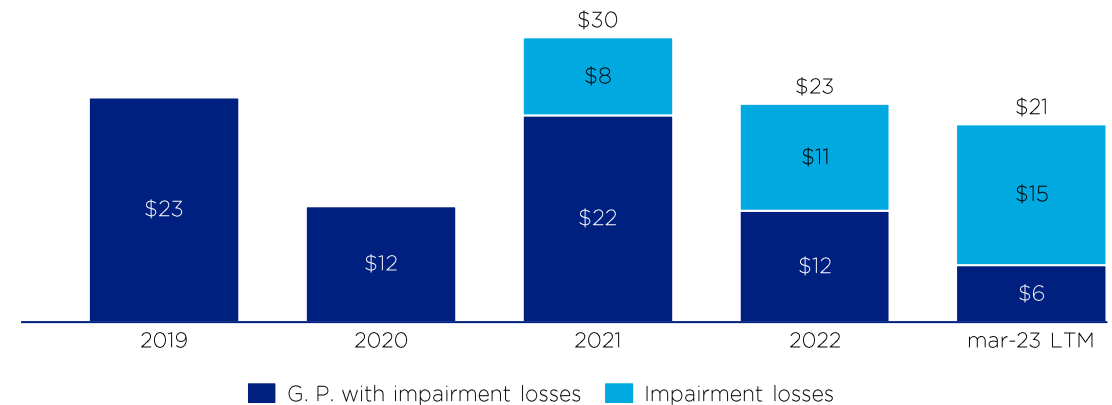
## • Yield (1)



## • Evolution of the Composition of Corporate Loans & Leasing Collaterals



## • Gross Profit Corporate Loans + Leasing (US\$MM)

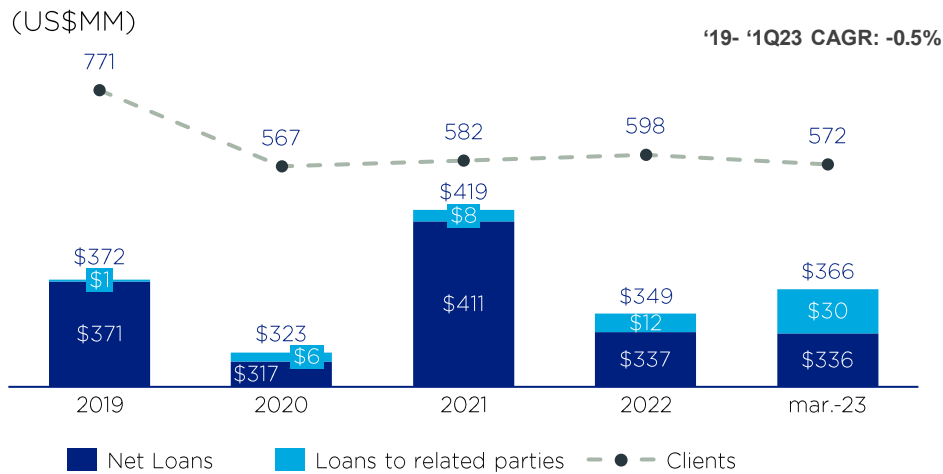


# FINANCIAL RESULTS 1Q23 | CORPORATE LOANS & LEASING

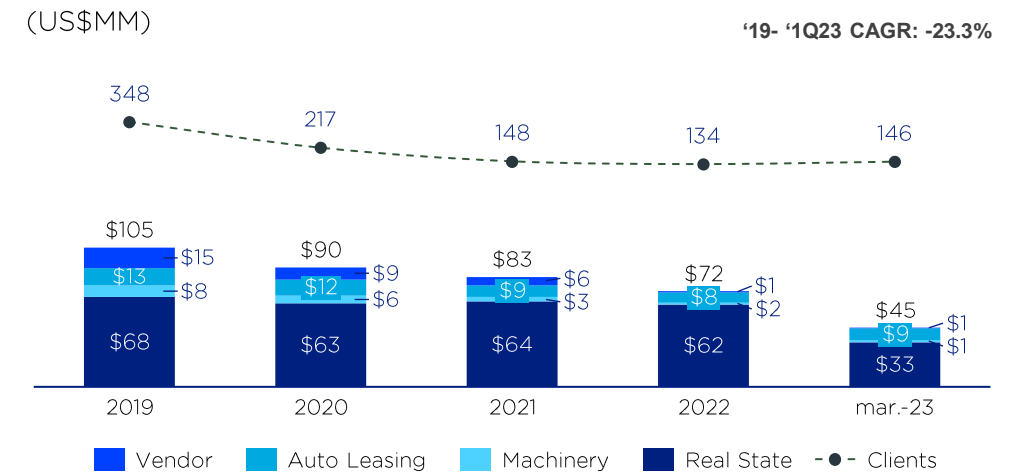


Continued emphasis on risk management and strengthening of collateral coverage

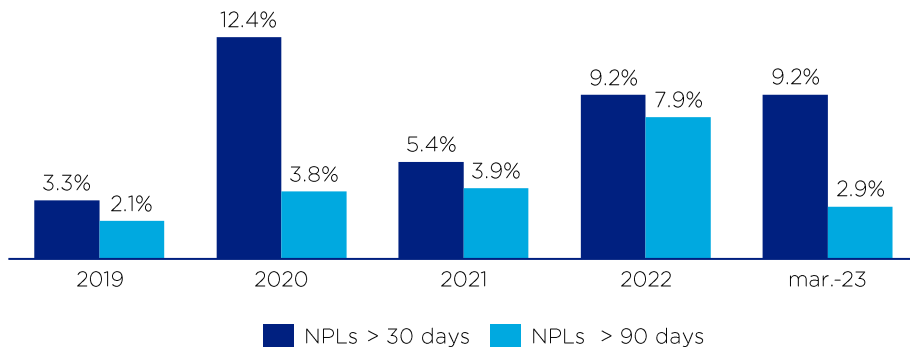
## • Corporate Loans: Net Loans & # Customers



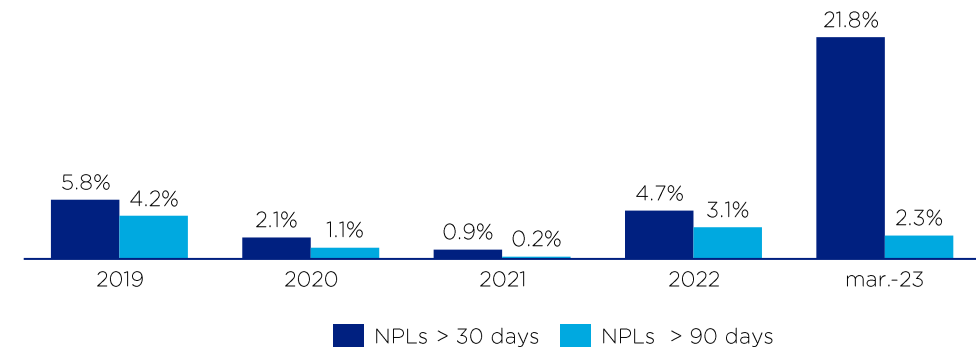
## • Leasing: Net Loans & # Customers



## • Corporate Loans: NPLs > 90 Days (1)



## • Leasing: NPLs > 90 Days (1)



The logo for Tanner Automotriz, featuring a stylized 'T' inside a rounded square followed by the word 'anner' and 'Automotriz' below it.

**Tanner**<sup>®</sup>  
Automotriz





# FINANCIAL RESULTS 1Q23 | AUTOFINANCING DIVISION

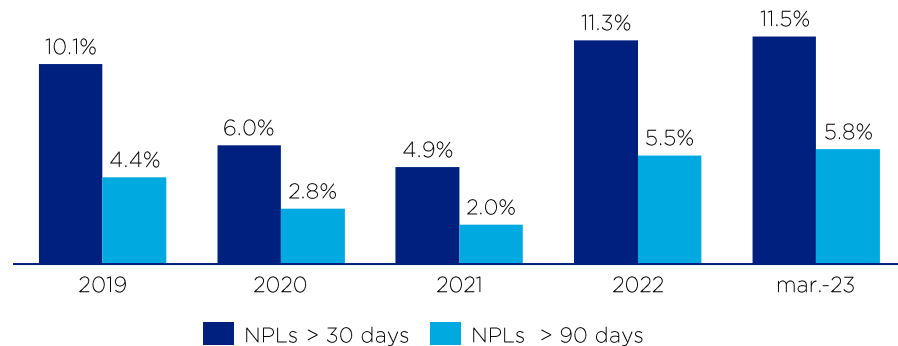


The consolidation of NTFS continues, and the emphasis is on risk management over the increase in stock

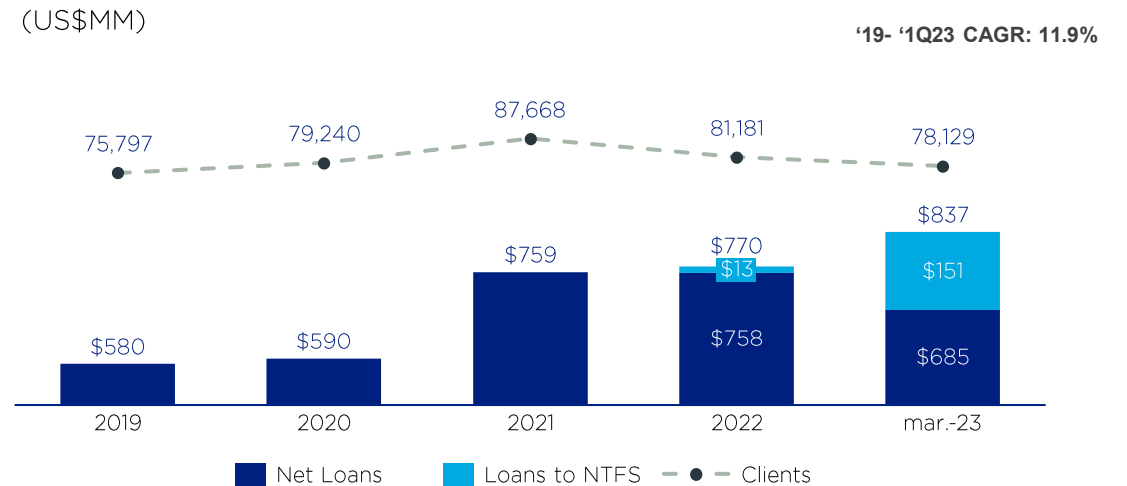
## • Highlights

- ✓ The process of offloading Nissan loans at Tanner remains ongoing. In other words, pre-NTFS Nissan loans proceed through their regular course until maturity at Tanner, while post-NTFS loans are consolidated within the latter.
- ✓ Following the success with NTFS, various alliances are being strengthened:
  - Partnership with the brand BYD for fleet financing and electric vehicles.
  - Consolidation of the JV with Tattersall.
  - Launch of a self-service platform in Alliance with Cloudcar and Automotora Monza.
- ✓ Throughout 2022 and 1Q23, we enhanced the option of repurchasing vehicles acquired by customers with payment difficulties and strengthened our collection team.

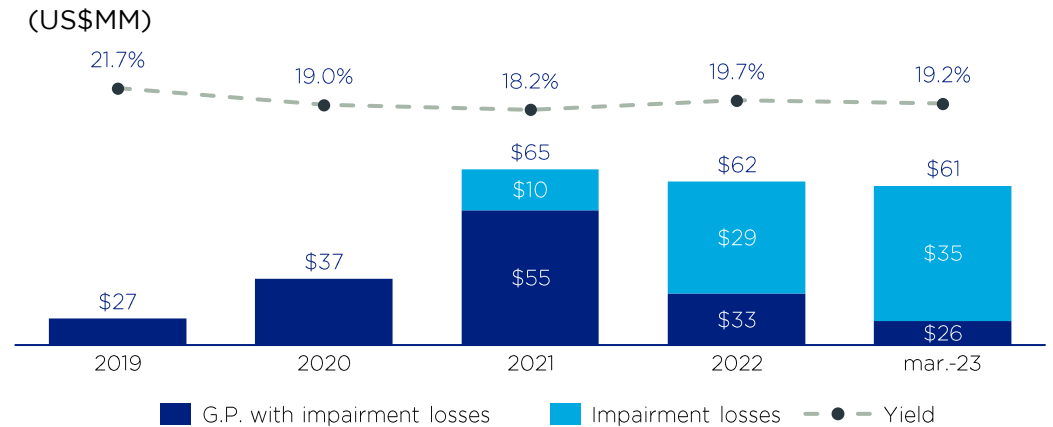
## • Non-performing Loans (1)



## • Net Loans (2)



## • Gross Profit and Yield (3)



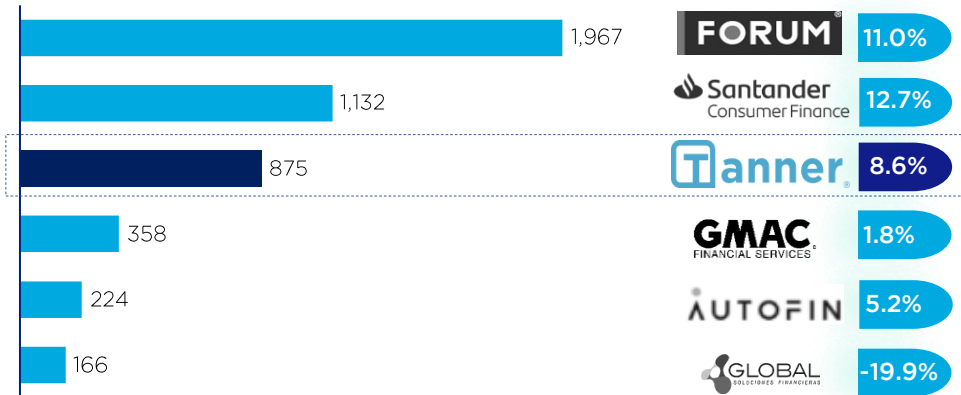
# FINANCIAL RESULTS 1Q23 | AUTOFINANCING DIVISION



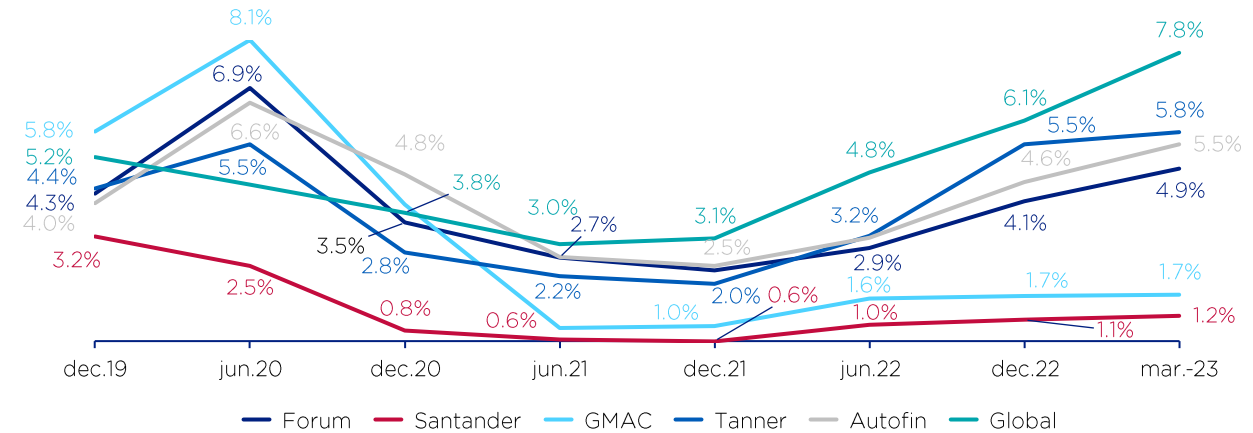
The consolidation of NTFS continues, and the emphasis is on risk management over the increase in stock

## Market share in the Auto Financing Industry (1)

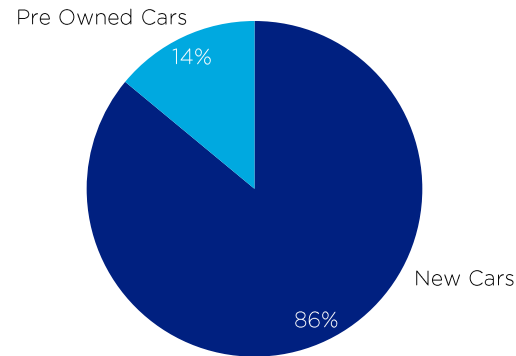
Gross Loans - US\$MM y VaR. YoY



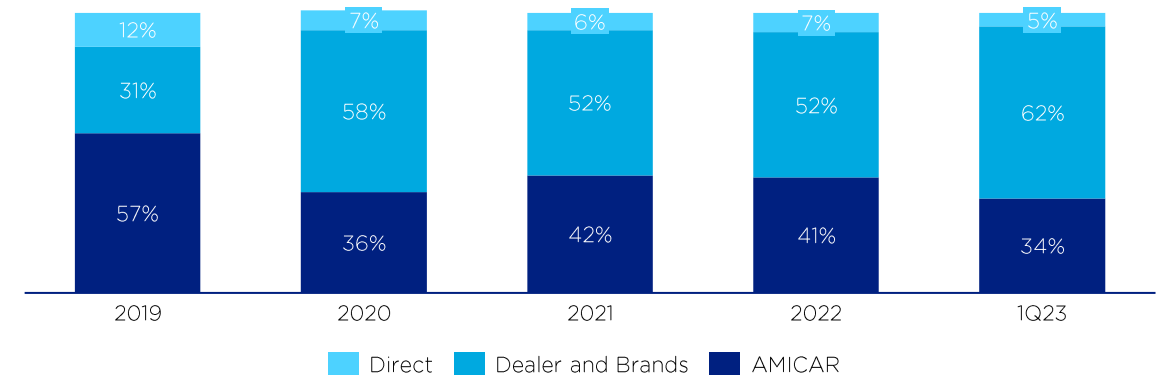
## Non-performing Loans (2)



## Portfolio Breakdown



## Distribution By Channel (1)



The logo for Tanner Investments, consisting of a stylized 'T' in a rounded square, followed by the word 'anner' in a bold sans-serif font, and 'Investments' in a lighter sans-serif font below it, with a registered trademark symbol (®) to the right of 'anner'.

# FINANCIAL RESULTS 1Q23 | INVESTMENTS DIVISION

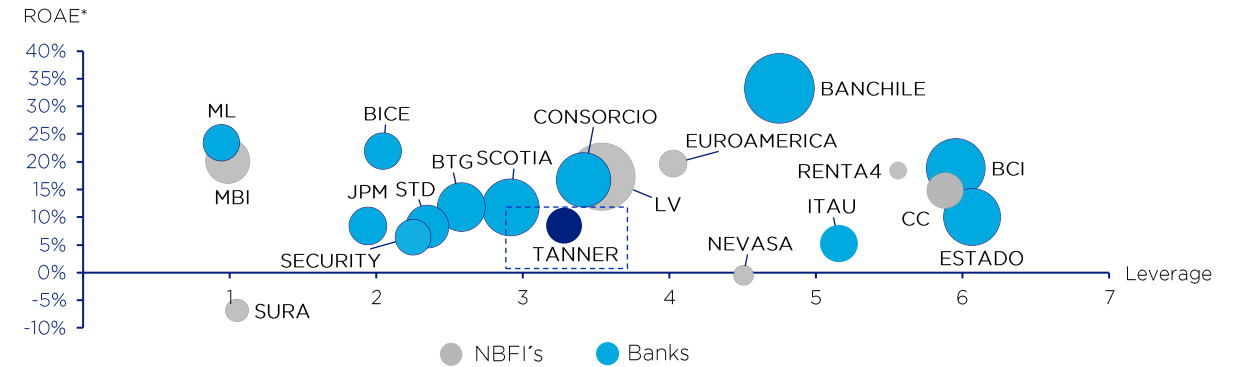


Our direct contact to the capital market

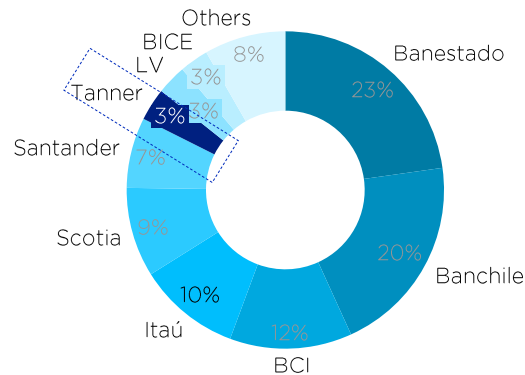
## • Highlights

- ✓ This division consolidates Tanner Servicios Financieros Treasury Management and Tanner Corredores de Bolsa (TCB).
- ✓ Net profit of TCB reached US\$20 thousand, with a ROAE of 8.5%.
- ✓ In 1Q23, TCB successfully positioned itself again as the leading non-banking stockbroker in the fixed income and financial intermediation instrument market, based on the amounts traded on the Santiago Stock Exchange.

## • ROAE (1) VS Leverage - Brokerage (\*)



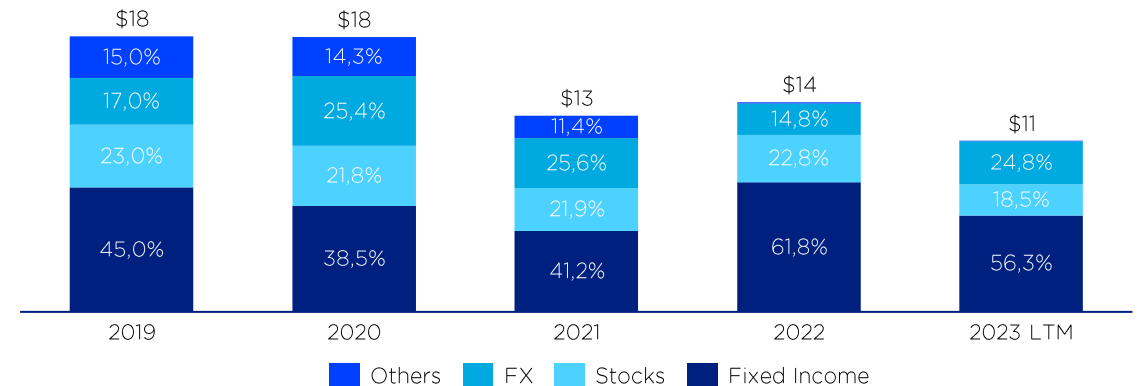
## • Market share of traded volumes in fixed income



## • Income Distribution TCB

(US\$MM)

'19- '1Q23 CAGR: -13.7%





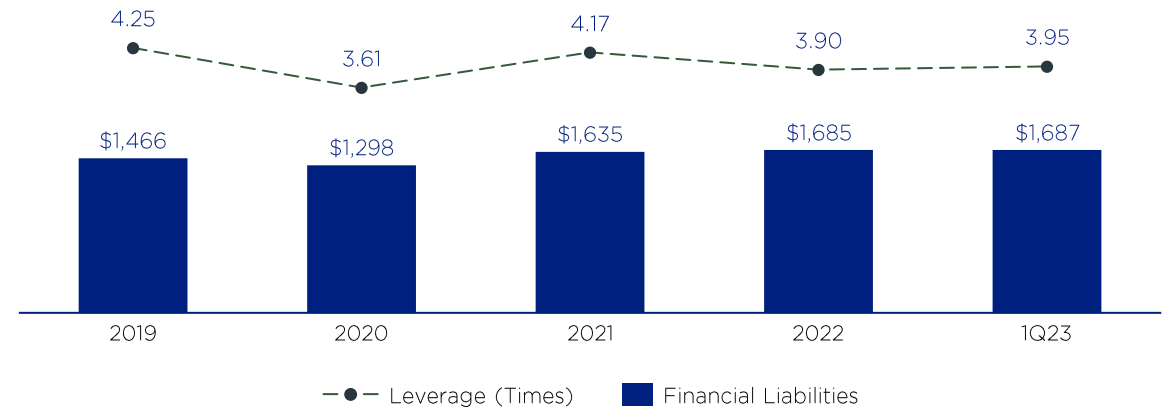
Low leverage and diversified sources of financing

## • Highlights

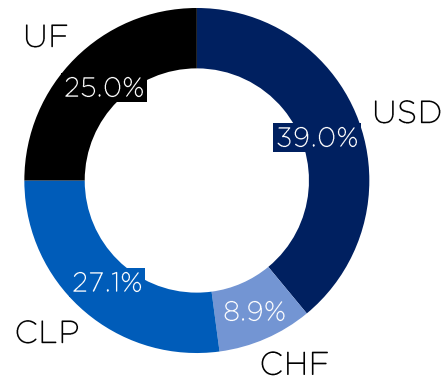
- ✓ A leverage lower than four times is maintained, with an emphasis on diversifying sources of financing.
- ✓ A difference of more than six months in average duration between assets and liabilities is maintained.
- ✓ During 1Q23, commercial papers were placed for an amount of US\$336 million.
- ✓ There are no significant maturities for this year.

## • Financial liabilities and Leverage

(US\$MM)



## • Financial liabilities by currency



## • Balance sheet and Hedging

(US\$MM)

- Average asset duration: 1.2 years
- Average liability duration: 2.0 years

Item	CLP	USD	EUR	CHF	UF	Others	Total
Assets	1,517	335	-	-	413	-	2,266
Liabilities + Equity	1,026	666	-	151	423	-	2,266
Differential by Currency	491	-331	-	-151	-10	-	-
Hedges	-737	339	-	151	247	-	-
Net Exposure	-246	8	-	1	237	-	-

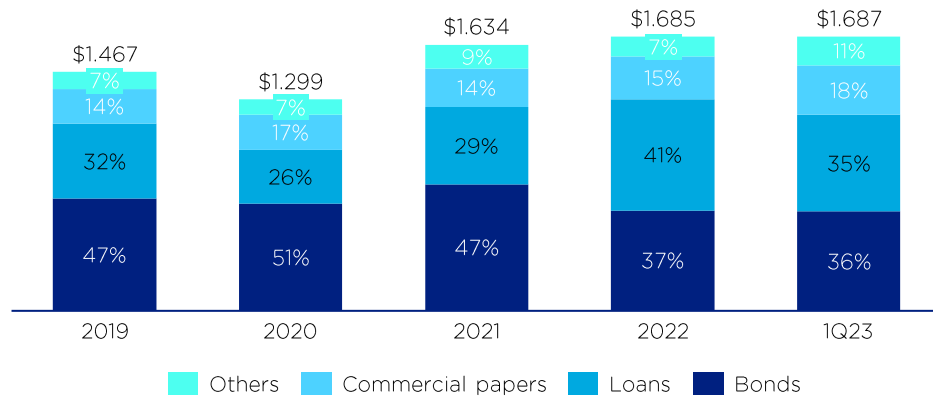


# FINANCIAL RESULTS 1Q23 | LIABILITY MANAGEMENT

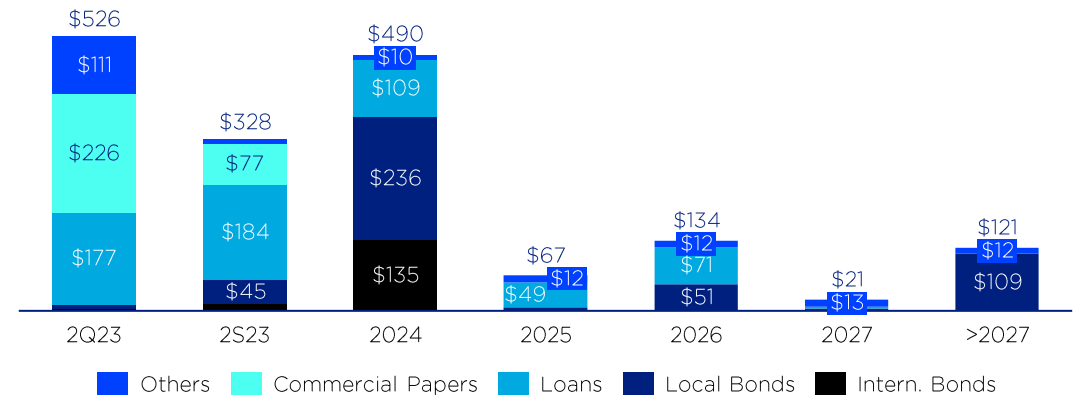


Low leverage and diversified sources of financing

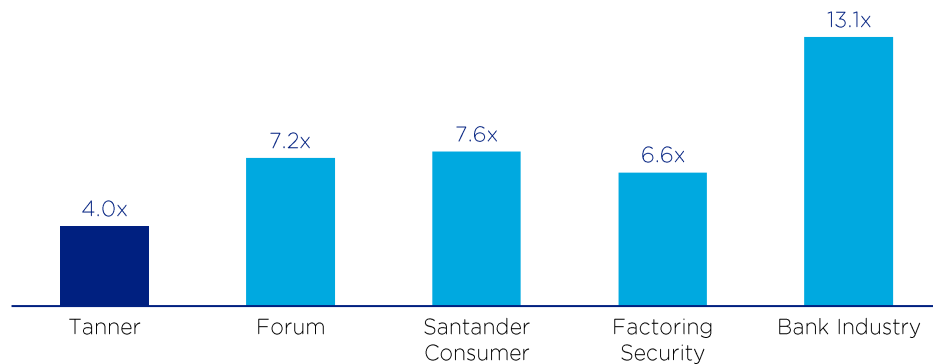
## Funding Composition (US\$MM)



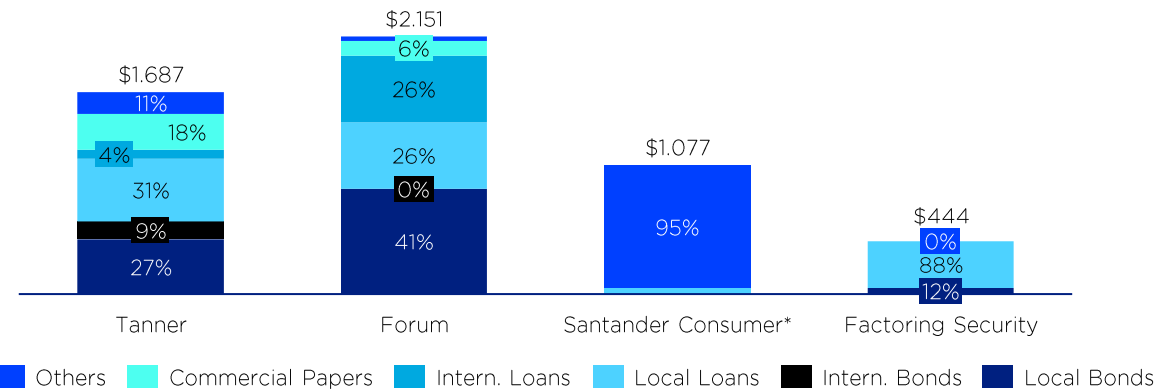
## Liability Maturity Profile (2) (US\$MM)



## Industry Leverage Ratio (1)



## Funding Diversification (US\$MM)



(1) Tanner's net leverage reaches 3.8x (2) According to contractual maturities (\*) 98% of "Others" of Santander Consumer refers to liabilities with related entities

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# APPENDIX | INCOME STATEMENT



CONSOLIDATED STATEMENTS OF INCOME BY FUNCTION	Note	01.01.2023 to 31.03.2023 (MUS\$)	01.01.2022 to 31.03.2022 (MUS\$)	Δ \$	Δ %
<b>Profit</b>					
Revenue	28	85,628	74,373	11,255	15.1%
Cost of sales	28	(51,060)	(35,299)	(15,761)	44.6%
<b>Gross Profit</b>		34,568	39,074	(4,506)	-11.5%
<b>Other operating Items</b>					
Impairment losses	29	(16,635)	(7,129)	(9,506)	133.3%
Administrative expenses	28	(17,448)	(16,379)	(1,069)	6.5%
Other gains (losses)	30	(2)	(95)	93	-98.0%
Share in the losses of associates and joint ventures accounted for using the equity method	15	49	-	49	-
Finance costs		(166)	(148)	(18)	12.1%
Foreign exchange differences	6	(290)	(437)	148	-33.8%
Gain from indexation units		15	304	(288)	-94.9%
<b>Profit before tax</b>		92	15,190	(15,098)	-99.4%
Income tax	16	1,659	(799)	2,458	-307.6%
Profit from continuing operations		1,751	14,390	(12,640)	-87.8%
<b>Profit for the year</b>		1,751	14,390	(12,640)	-87.8%
<b>Profit (loss) attributable to:</b>					
Owners of the parent		1,749	14,352	(12,603)	-87.8%
Non-controlling interests	23	2	38	(37)	-95.5%
<b>Profit for the year</b>		1,751	14,390	(12,640)	-87.8%

# APPENDIX | BALANCE SHEET



Assets	Note	31.03.2023 (MUS\$)	31.12.2022 (MUS\$)	Δ \$	Δ %
<b>Current assets</b>					
Cash and cash equivalents	7	55,521	44,756	10,764	24.1%
Other current financial assets	8	119,089	74,690	44,398	59.4%
Other current non-financial assets	9	57,024	63,247	(6,223)	-9.8%
Trade receivables and other current accounts receivable, net	10	1,116,012	1,318,839	(202,828)	-15.4%
Receivables due from related parties, current	12	162,259	24,812	137,447	554.0%
Current tax assets	16	31,901	38,671	(6,769)	-17.5%
<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>		<b>1,541,805</b>	<b>1,565,016</b>	<b>(23,211)</b>	<b>-1.5%</b>
Non-current assets or asset groups for disposal classified as held-for-sale	13	46,031	15,146	30,885	203.9%
<b>Total current assets</b>		<b>1,587,836</b>	<b>1,580,161</b>	<b>7,674</b>	<b>0.5%</b>
<b>Non-current assets</b>					
Other non-current financial assets	8	88,862	89,073	(211)	-0.2%
Other non-current non-financial assets	9	10,590	9,669	921	9.5%
Trade and other receivables, non-current	10	490,013	526,411	(36,399)	-6.9%
Trade receivables due from related parties, non-current	12	18,833	191	18,642	9744.6%
Investment accounted for using the equity method	15	14,509	-	14,509	-
Intangible assets other than goodwill	17	5,725	5,780	(55)	-1.0%
Goodwill	18	2,075	2,075	-	0.0%
Property, plant and equipment	14	10,196	10,752	(556)	-5.2%
Deferred tax assets	16	37,352	35,297	2,055	5.8%
<b>Total non-current assets</b>		<b>678,154</b>	<b>693,708</b>	<b>(15,554)</b>	<b>-2.2%</b>
<b>TOTAL ASSETS</b>		<b>2,265,990</b>	<b>2,273,869</b>	<b>(7,880)</b>	<b>-0.3%</b>

Liabilities and Equity	Nota	31.03.2023 (MUS\$)	31.12.2022 (MUS\$)	Δ \$	Δ %
<b>Current liabilities</b>					
Other current financial liabilities	19	1,068,163	1,036,590	31,573	3.0%
Trade and other payables, current	21	102,666	113,448	(10,782)	-9.5%
Accounts payable to related parties	12	15,980	7,566	8,414	-
Current tax liabilities	16	1,656	1,500	155	10.3%
Current provisions for employee benefits	22	854	1,629	(775)	-47.6%
<b>Total current liabilities</b>		<b>1,189,318</b>	<b>1,160,733</b>	<b>28,585</b>	<b>2.5%</b>
<b>Non-current liabilities</b>					
Other non-current financial liabilities	20	618,448	648,561	(30,113)	-4.6%
Non-current provisions for employee benefits	22	637	625	12	1.9%
<b>Total non-current liabilities</b>		<b>619,085</b>	<b>649,186</b>	<b>(30,101)</b>	<b>-4.6%</b>
<b>TOTAL LIABILITIES</b>		<b>1,808,403</b>	<b>1,809,920</b>	<b>(1,516)</b>	<b>-0.1%</b>
<b>EQUITY</b>					
Share capital	23	246,991	246,991	-	0.0%
Retained earnings	23	211,991	217,952	(5,961)	-2.7%
Other reserves	23	(2,698)	(2,316)	(382)	16.5%
<b>Total equity attributable to the owners of the Parent</b>		<b>456,283</b>	<b>462,626</b>	<b>(6,343)</b>	<b>-1.4%</b>
Non-controlling interests	24	1,303	1,324	(20)	-1.5%
<b>TOTL EQUITY</b>		<b>457,586</b>	<b>463,950</b>	<b>(6,363)</b>	<b>-1.4%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,265,990</b>	<b>2,273,869</b>	<b>(7,880)</b>	<b>-0.3%</b>





# TANNER SERVICIOS FINANCIEROS S.A.

**CORPORATE PRESENTATION** | MARCH 23

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