



RESULTS PRESENTATION 4Q23

TANNER SERVICIOS FINANCIEROS | FEBRUARY | 2024

Source: Tanner, Financial Market Commission (CMF), Achef.

Figures in CLP have been converted to US\$, at an exchange rate of \$877.12, corresponding to the observed dollar rate on January 2, 2024.

The exchange rate applied to convert UF figures into CLP was \$36,789.36.

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Bank

- ✓ On January 26, the Financial Markets Commission (CMF) granted a provisional license for the establishment of Tanner Banco Digital.
- ✓ By April 30, we will have addressed all operational gaps associated with the banking subsidiary and will be prepared for the review by the Financial Markets Commission (CMF) to secure the operational license.
- ✓ Our growth strategy following the acquisition of the operational license will be aligned with the risk dynamics within the industry and regulatory frameworks.



Results

- ✓ Net income at the close of 2023 aligned with forecast.
- ✓ All maturities for the second quarter of 2024 have been proactively covered.
- ✓ A cautious approach towards risk will be maintained for a substantial part of 2024, emphasizing conservative asset management and sustainable growth.
- ✓ Throughout 2024, a significant portion of the expenses associated with the banking subsidiary will be incurred.




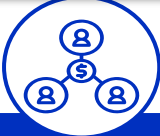

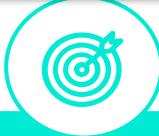
Ratings

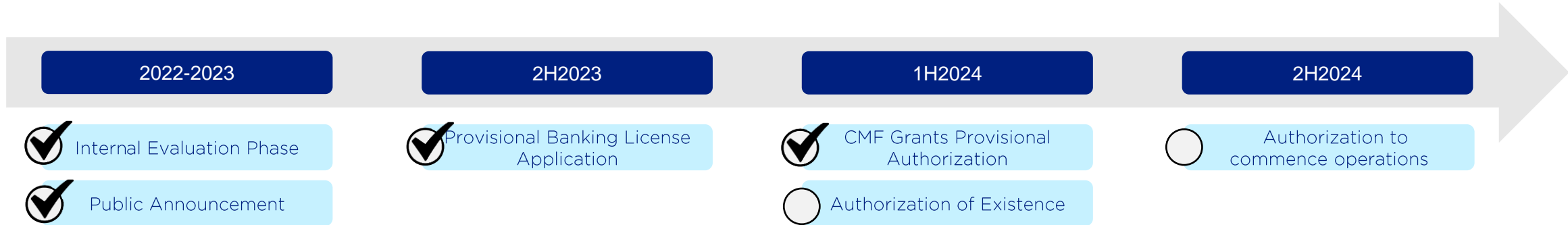
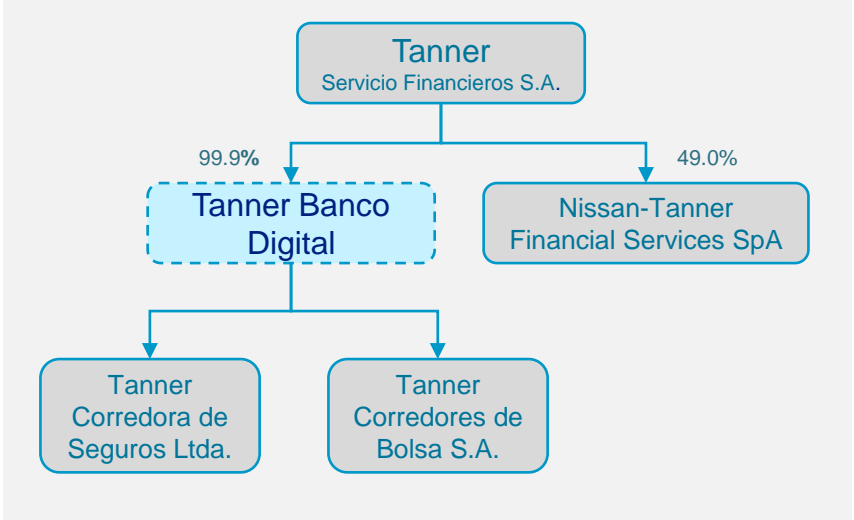
- ✓ Risk ratings were maintained throughout the entire period.


Tanner Banco Digital



The initial stage of the transition involves the run-off of the Corporate Division's portfolio and its re-origination within the Bank, along with the Treasury department's operations aligned with banking regulations

 Growth Opportunities	 Funding	 Primary Costs	 Goal
<ul style="list-style-type: none"> In a regulated environment, Tanner can grow while marginally increasing leverage (Tanner: 3.8x vs Banking Industry average: 11.6x). 	<ul style="list-style-type: none"> Lower funding costs Expanded access to capital markets Access to Central Bank as lender of last resort 	<ul style="list-style-type: none"> One-Time: additional provisions, write-offs, capex, etc. Ongoing: new employee recruitment 	<ul style="list-style-type: none"> Secure a leading role in Chile's factoring market, a key aspect of our strategy Preserve agility Enhance profitability for shareholders



 In Jan-24, a significant milestone is reached as the CMF grants Tanner provisional authorization to establish Tanner Digital Bank

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Tanner in Figures (Dec-23)

	Total Assets	US\$1,971 Mn
	Net Loans ⁽¹⁾	US\$1,545 Mn
	Equity	US\$414 Mn
	Leverage	3.8x
	ROAA	0.1%
	ROAE	0.6%
	Customers	75,838
	Employees	970

Two main business



Corporate Loans

- ✓ Factoring
- ✓ Corporate Loans & Leasing
- ✓ Comex

Factoring⁽²⁾:
#5 in the Industry
(8.4% of Market Share)

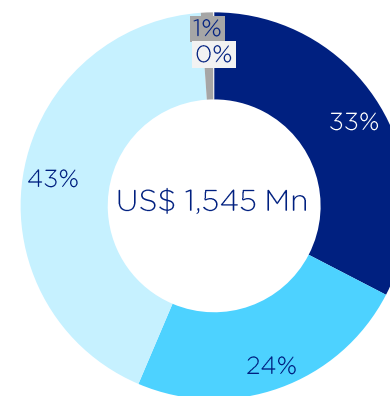


Auto Financing Loans

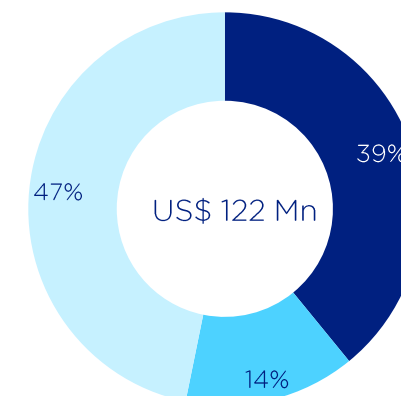
- ✓ Auto Loans
- ✓ Insurance

#3 in the Industry⁽²⁾
(15.1% of Market Share)

Total Net Loans (Dec-23)



Total Gross Profit (Dec-23)



International Rating

FitchRatings | BBB- / Stable

S&P Global Ratings | BBB- / Negative

Local Rating

Feller.Rate | AA- / Stable

Humphreys | AA- / Stable
CLASIFICADORA DE RIESGO

■ Factoring ■ Loans + Leasing ■ Auto Financing ■ Finance ■ Others

Tanner concludes 2023 in line with its projections

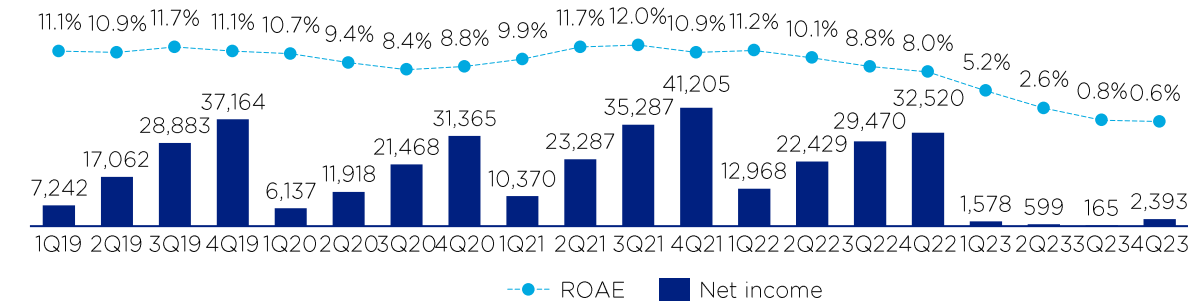


Highlights

- Net income reached US\$2.4 million by the end of 2023, primarily due to:
 - The implementation of rigorous admission policies aimed at risk mitigation, leading to lower growth and reduced transaction volumes.
 - An increase in impairment losses due to heightened risks in the auto financing division, a consequence of the economic cycle impacting the retail segment.
- Provisions have held steady compared to 2022, in response to increased collateral stringency and write-off of impaired cases, thereby enhancing the credit quality of the portfolio
- A conservative leverage ratio of 3.8x is maintained

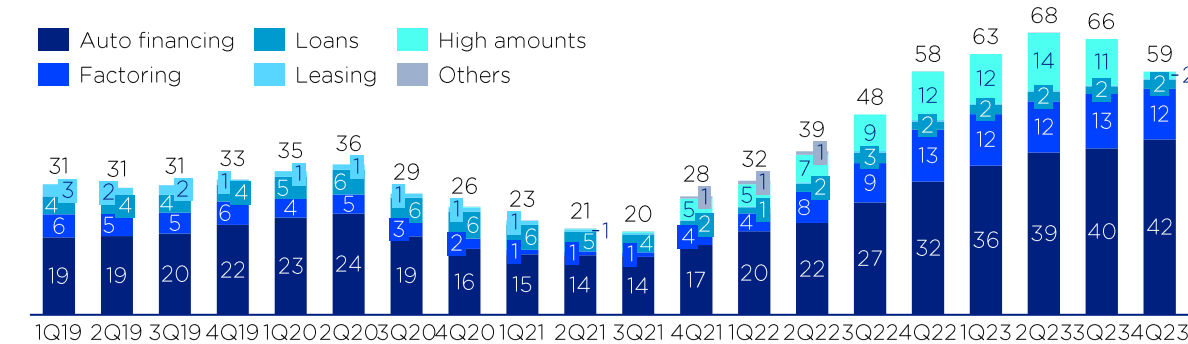
Accumulated Net Income & ROAE (1)

(US\$ M)

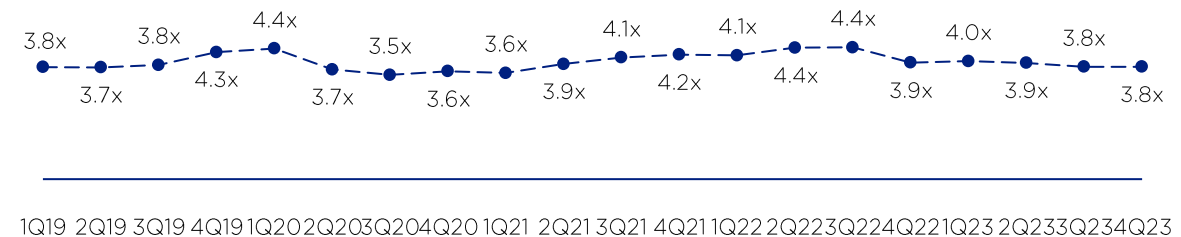


Provisions

(US\$ Mn)



Leverage



(1) ROAE = LTM Net Income / Average Equity

Risk mitigation strategies continue impacting stock performance

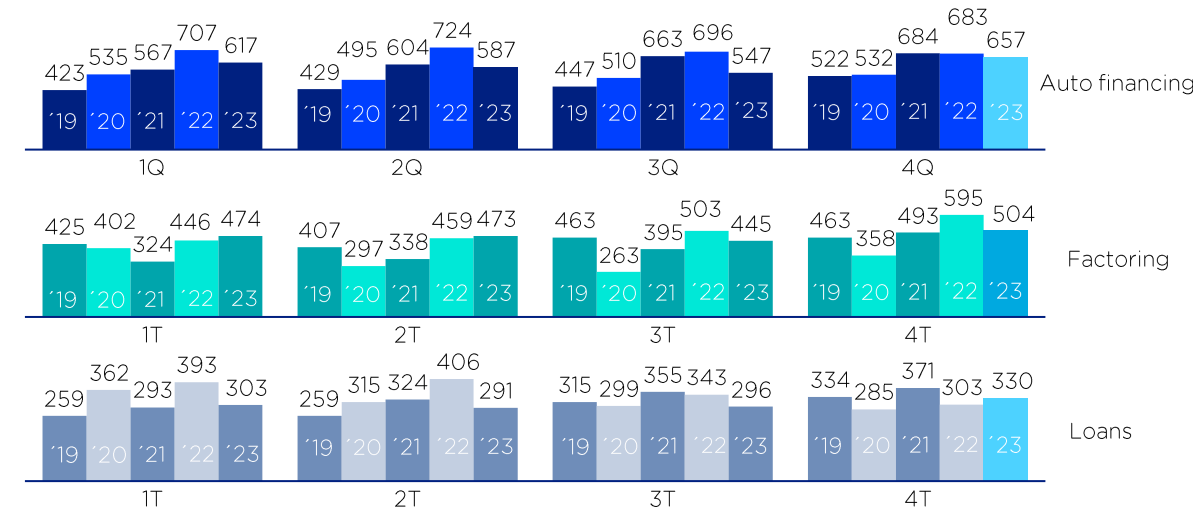


Highlights

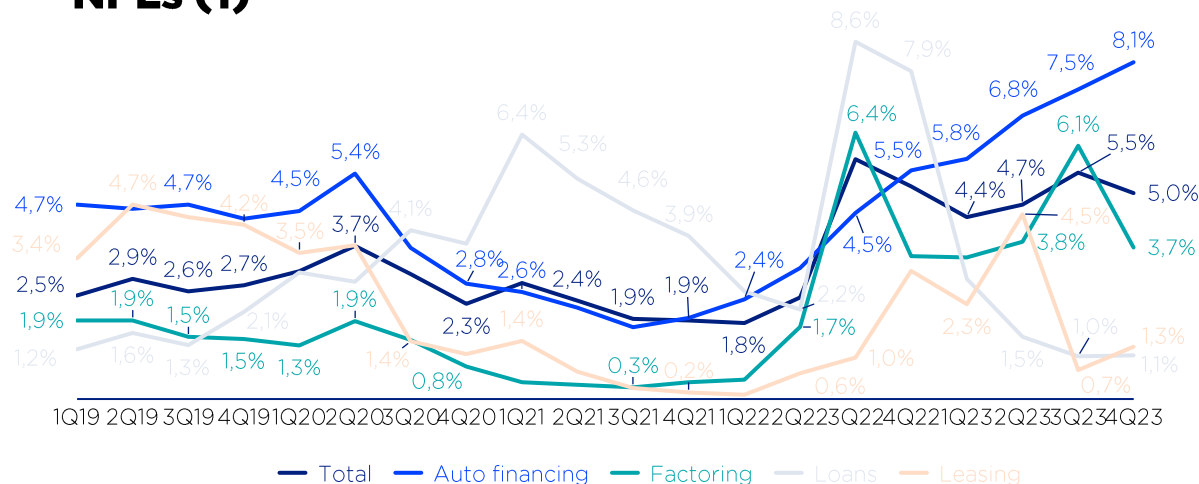
- Net loans decrease by 8.4% YoY, due to a restrictive credit granting strategy in response to heightened market risk factors.
- Factoring concludes 2023 with a record high of active customers.
- NPLs decrease by 13 basis points YTD, despite a lower stock.

Net loans by Businesses

(US\$ Mn)

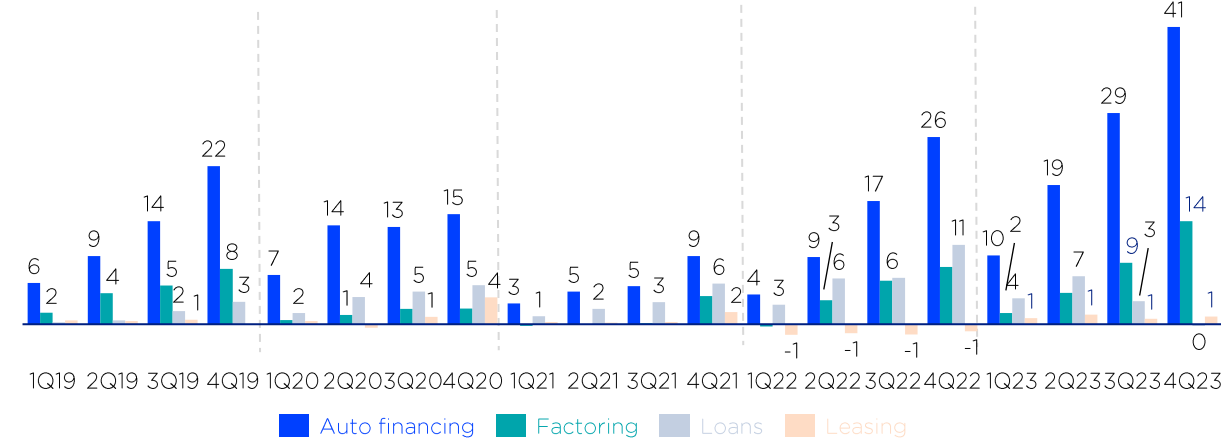


NPLs (1)



Accumulated impairment losses

(US\$ Mn)



(1) NPLs = Non Performing Loans / (Net Loans + Provisions + Loans to related parties (mainly to NTFS))

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CORPORATE
Division

Factoring: Portfolio atomization continues

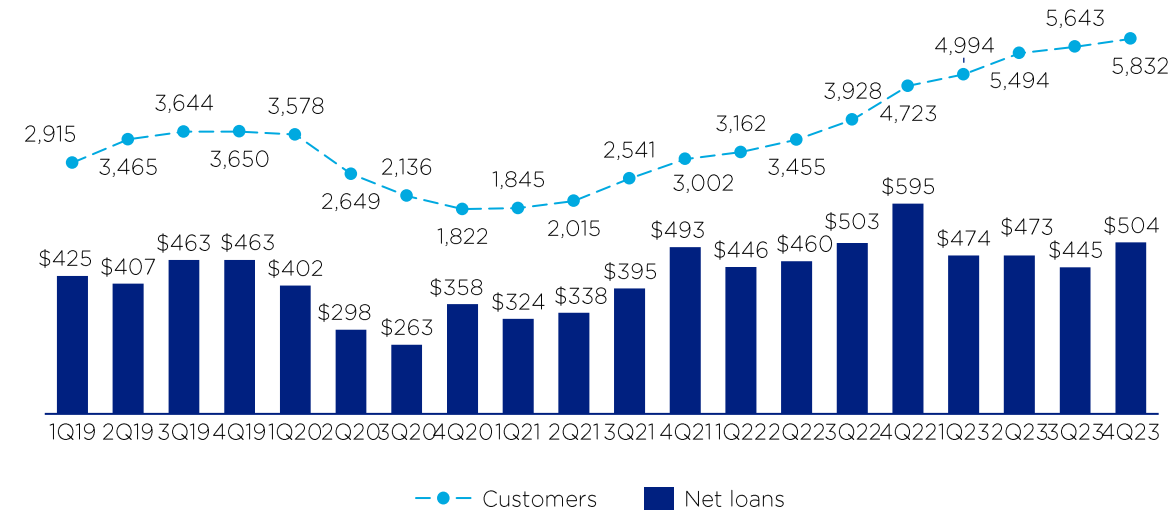


Highlights

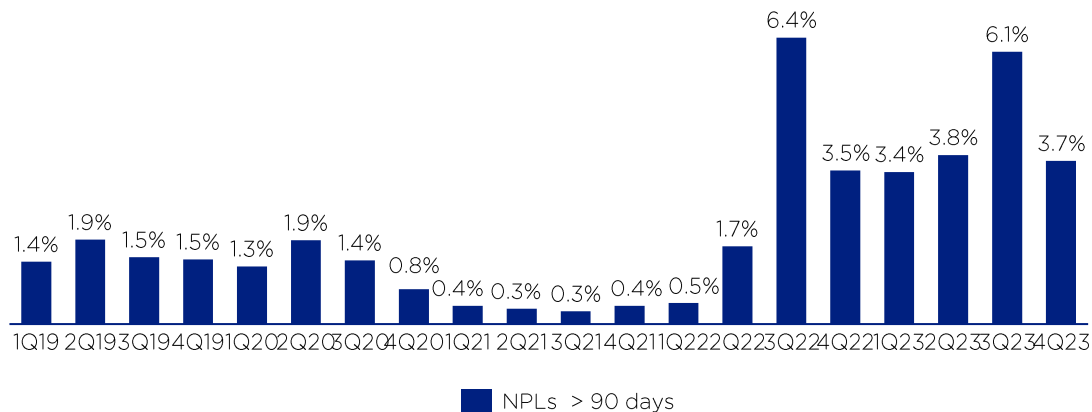
- 5,832 active customers are reached, representing a 23% YoY increase, driven by the portfolio atomization strategy.
- Quarterly stock increase is lower compared to the same periods in the past, driven by risk mitigation strategies, which is consistent with a conservative growth approach, prioritizing sustainable profitability.
- NPLs have reverted to the 2Q23 level, as a result of write-offs of impaired high amount customers.

Net loans & # Customers

(US\$ Mn)



NPLs (1)



Accumulated impairment losses & Yield (2)

(US\$ Mn)

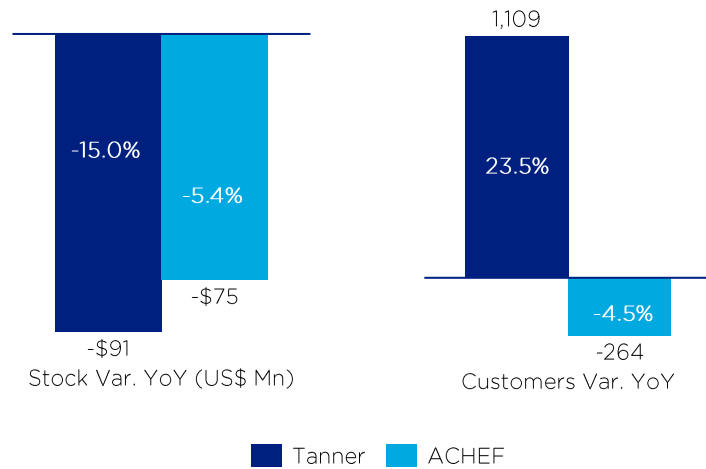


(1) NPLs = Non Performing Loans / (Net Loans + Provisions) (2) Yield = Income LTM/(Average net loans)

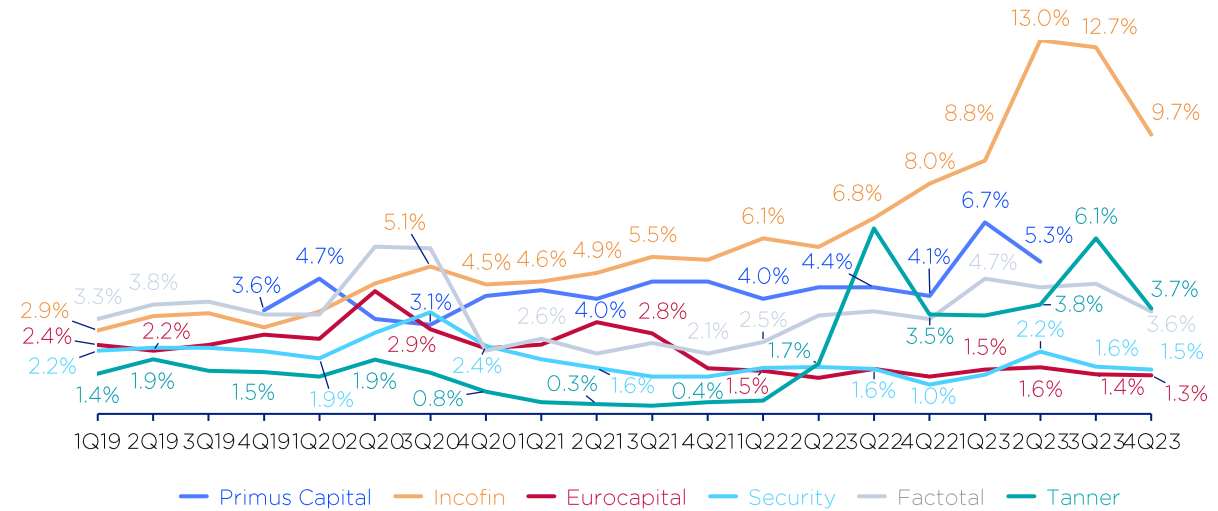
Factoring: A significant player in the industry



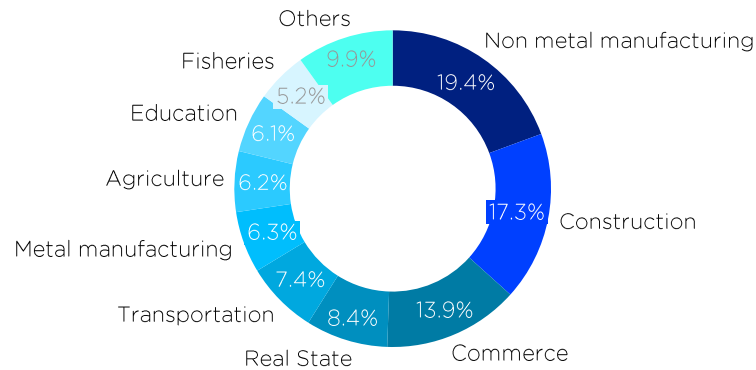
Tanner's growth in customer and stock vs the industry (1)



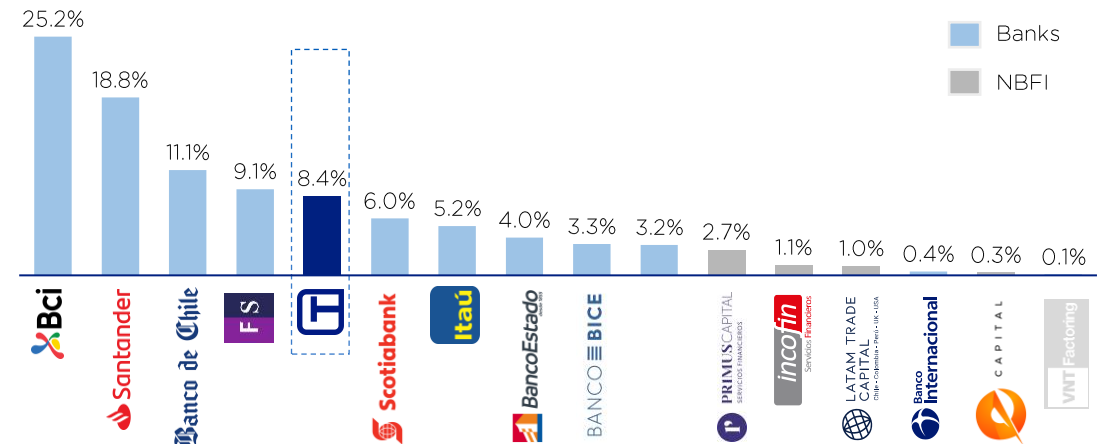
NPLs (3)



Loan Portfolio Industry Breakdown (2)



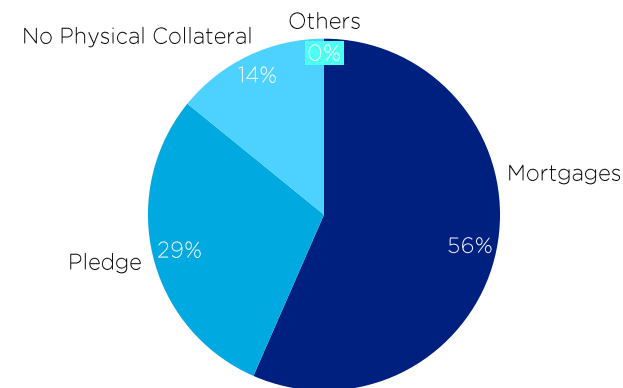
Market share (1)



Loans & Leasing Highlights

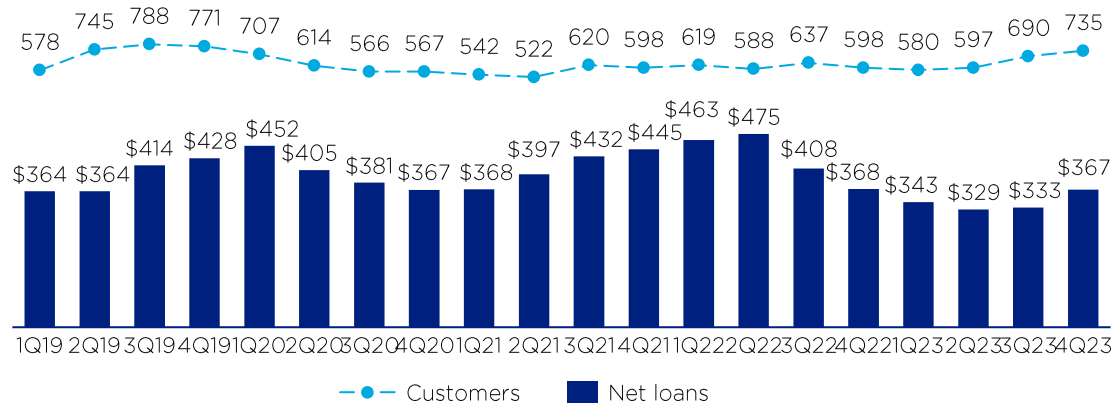
- NPLs at minimum levels.
- Impairment losses for loans decrease by 102% YoY.
- The risk mitigation strategies continue, including the strengthening of collaterals and portfolio diversification.

Composition of corporate loans & leasing collaterals

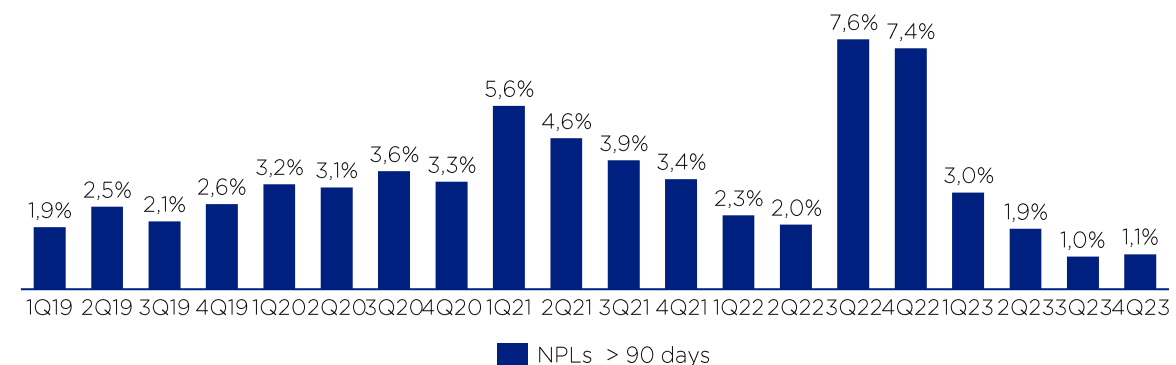


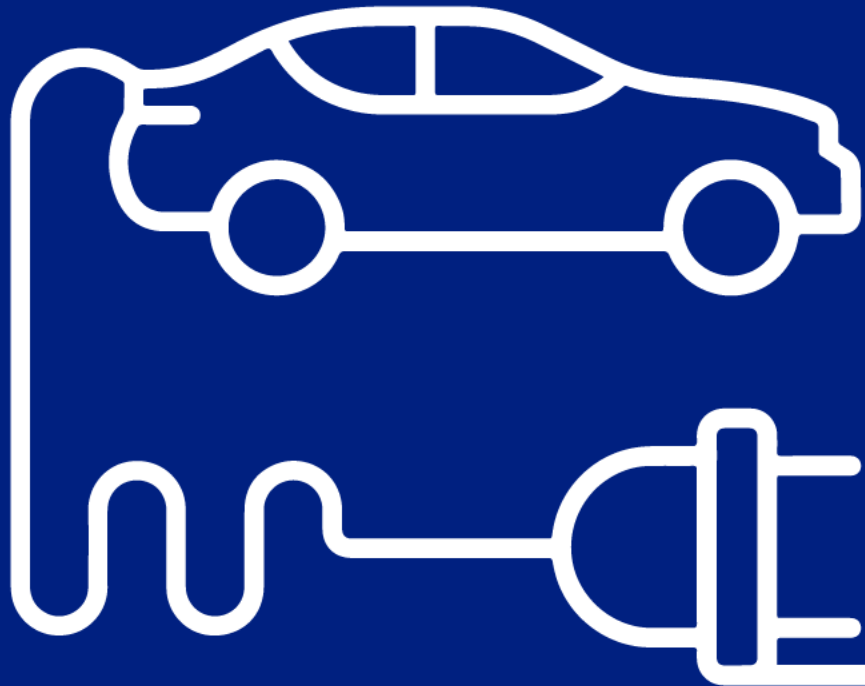
Net loans (1) & # Customers (2)

(US\$ Mn)



NPLs (3)





AUTO FINANCING

Division

Continuous evaluation of risk mitigation measures

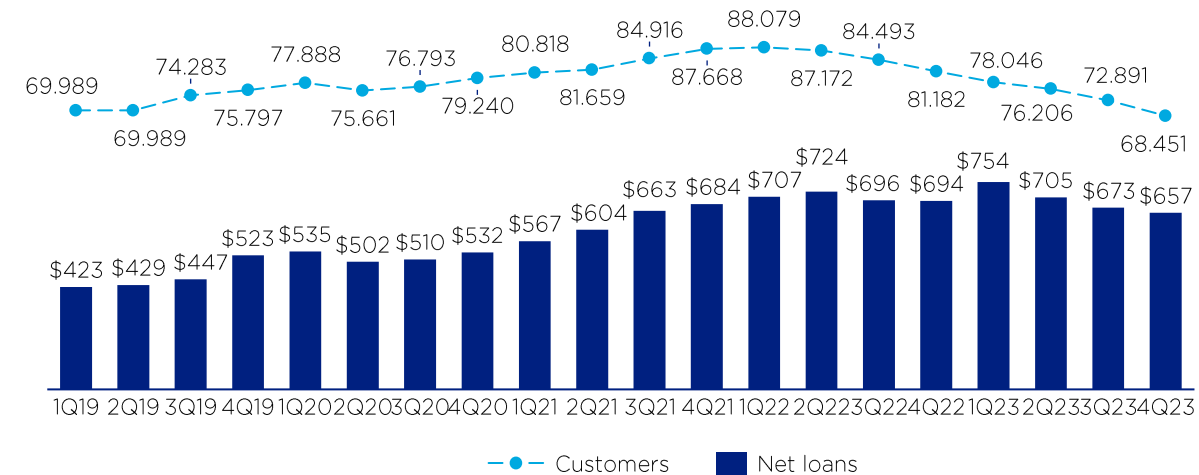


Highlights

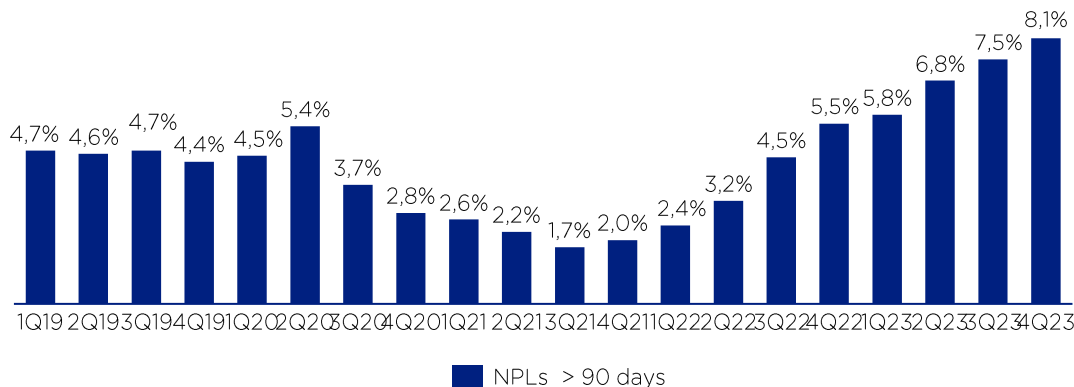
- The origination policy adjustments implemented during 3Q were maintained.
- These measures continue to impact net stock and insurance revenues.
- NPLs stand at 8.1%, with 66% of the delinquent balance attributed to loans originated prior to the policy adjustments implemented in 3Q23.

Net loans (2) & # Customers

(US\$ Mn)

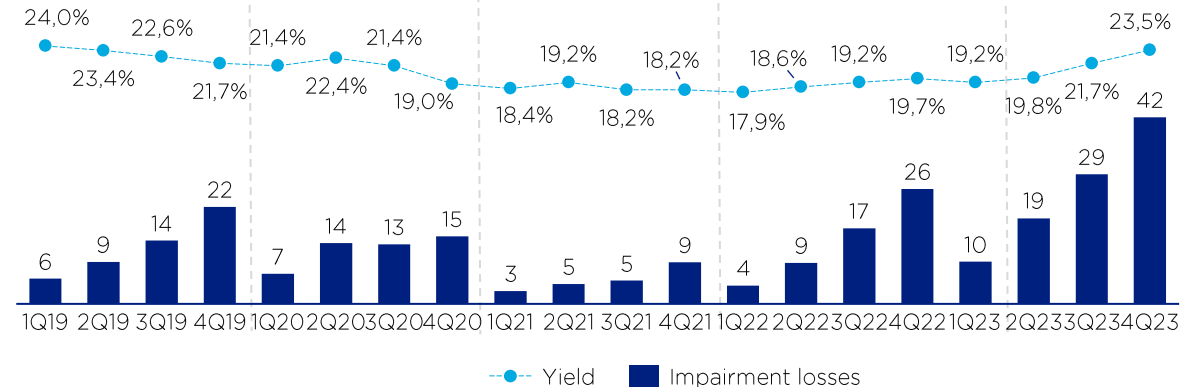


NPLs (1)



Accumulated impairment losses & Yield (3)

(US\$ Mn)

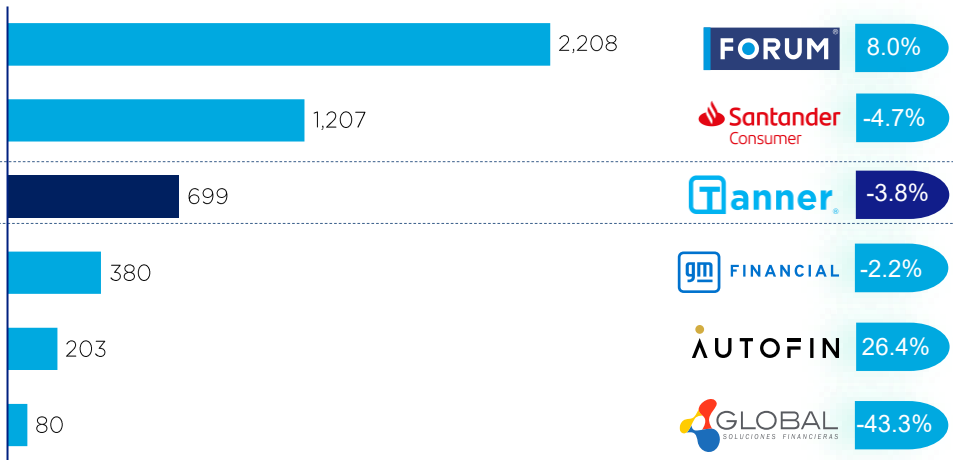


Tanner remains as the third leader in the industry

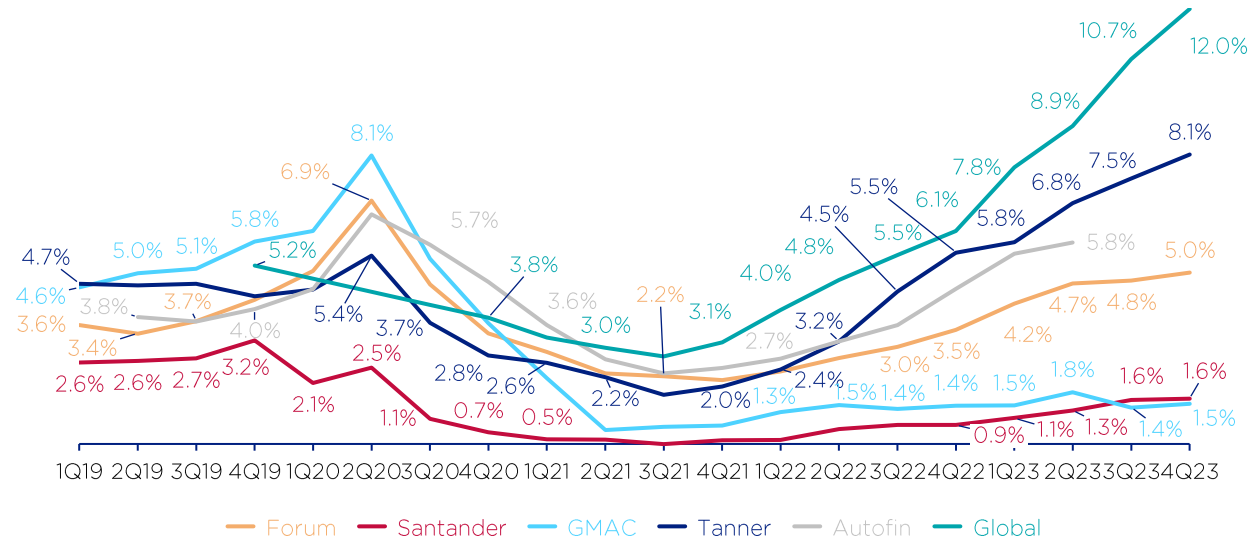


Market share in the Auto Financing Industry

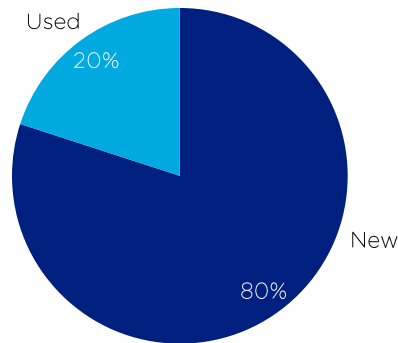
(1) Gross Loans – US\$ Mn and VaR. YoY



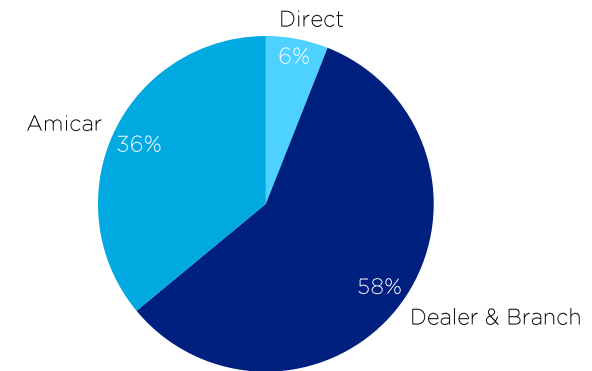
NPLs (2)



Portfolio breakdown



Distribution by channel



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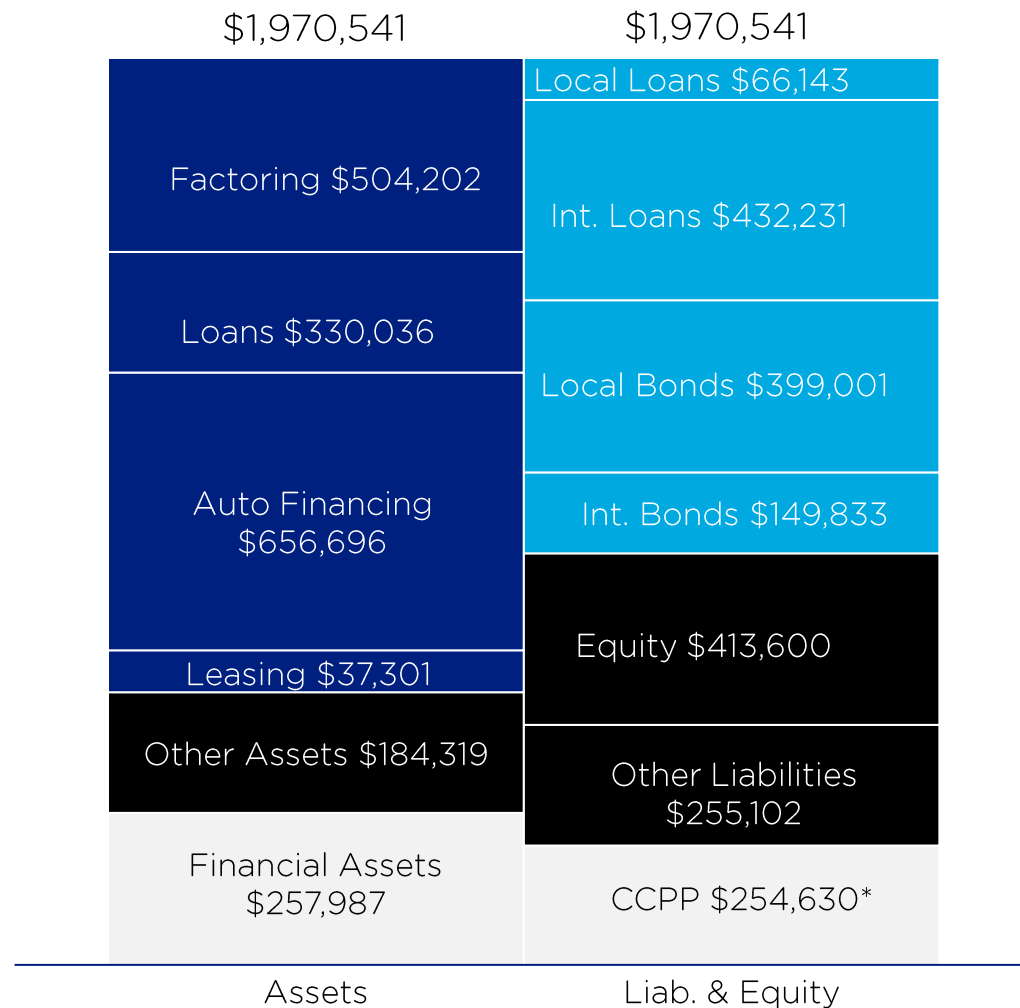
FINANCE
Division

Liquidity Management Aligned with Banking Standards



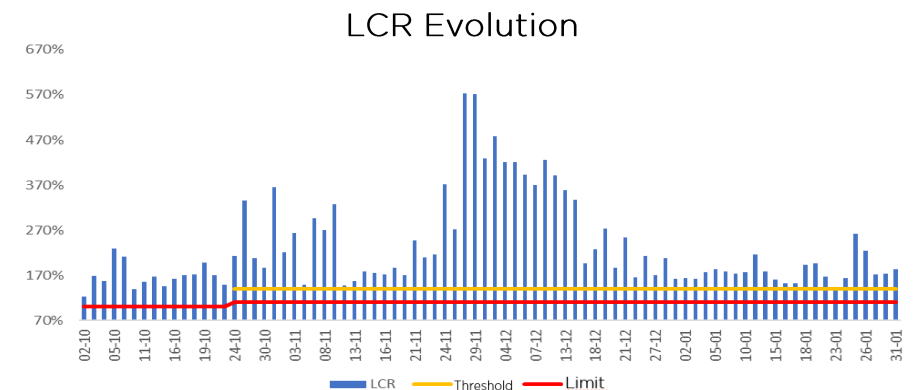
Balance Sheet Structure

(US\$ Mn)



Highlights

- We have initiated the active management of the Net Stable Funding Ratio (NSFR), which stands at 104% as of January 2024.
- Actively managing LCR (151% as of Jan-24) with an internal limit well above banking regulations.
- There was an increase in financial assets as a result of implementing a liquidity portfolio (ALAC), constituting approximately 10% of total assets.
- Higher diversification of both short and long-term investors
- There has been an adjustment of spreads of our commercial papers relative to the rates of bank term deposits



From Commercial Papers to Bank Deposits



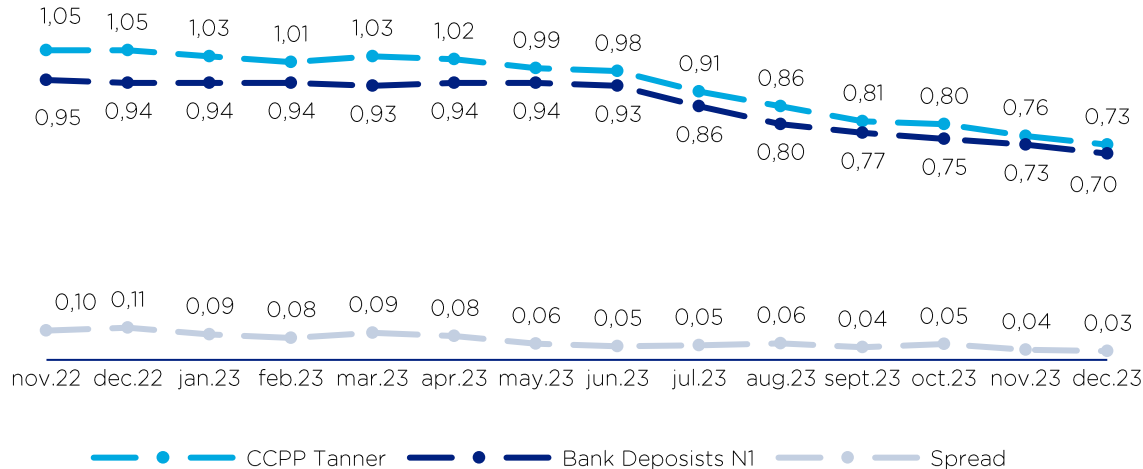
Commercial Paper Stock

	Amount CLP (US\$MM)	%	Amount US\$ (US\$MM)	%	Total Amount (US\$MM)	%
Total MMFF	178	90%	67	99%	236	85%
Total PFA	1	1%			1	1%
Total Other	18	9%	0.4	1%	42	14%
TOTAL	197	100%	68	100%	245.425	100%

Issuance of Commercial Papers CLP

	Sep-23	Oct-23	Nov-23	Dec-23
CCPP CLP				
Monthly Average Rate	0.83%	0.81%	0.76%	0.73%
Spread vs N1	0.043	0.054	0.035	0.030
Average Maturity (days)	122	118	96	82

Commercial Papers vs Bank Deposits



Issuance of Commercial Papers USD

	Sep-23	Oct-23	Nov-23	Dec-23
CCPP USD				
Monthly Average Rate	6.87%	6.94%	6.78%	6.42%
Tasa Sintética	0.83%	0.83%	0.77%	0.70%
Average Maturity (days)	74	84	50	54

- The spread over market Bank Deposits has substantially decreased, reducing the main source of short-term funding costs
- Investor diversification has increased

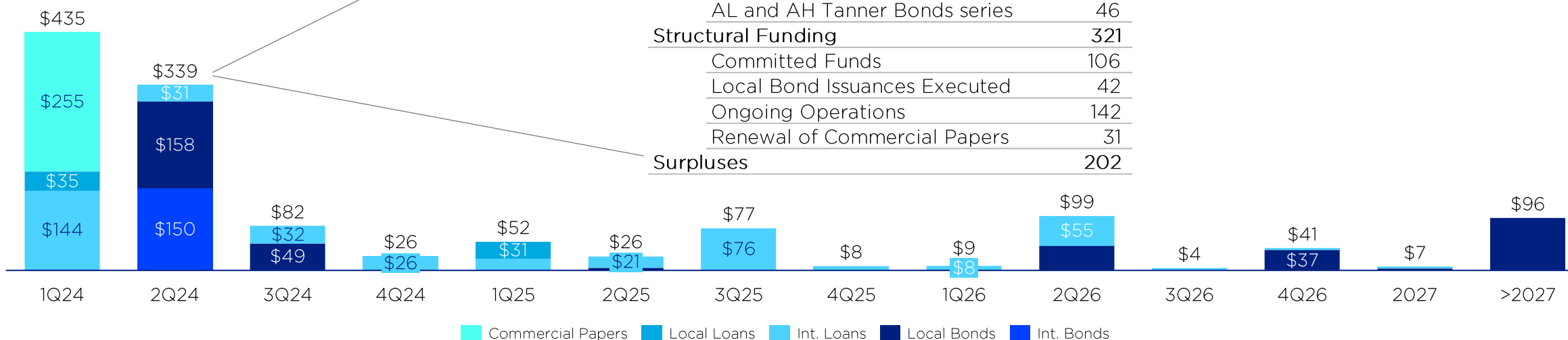
2Q Maturities Covered



- Maturity management commenced in 2023 with the issuance of bonds in the local market for US\$42 million
- A liquidity portfolio was implemented for an amount around US\$148 million as of the end of January 2024
- We have experienced an increase in available lines (trade/WK, derivatives, syndicated loans, etc.), as well as the opening of new lines with banks that do not work with NBFIs
- Due to regulatory constraints on debt repurchase in TSF, we have invested a significant amount in Tanner bonds through our subsidiaries, both locally and in Switzerland, totaling around US\$72 million
- Funds committed amount to US\$106 million with disbursements scheduled for April 2024, and ongoing operations amounting to US\$142 million

Liability Maturity Profile

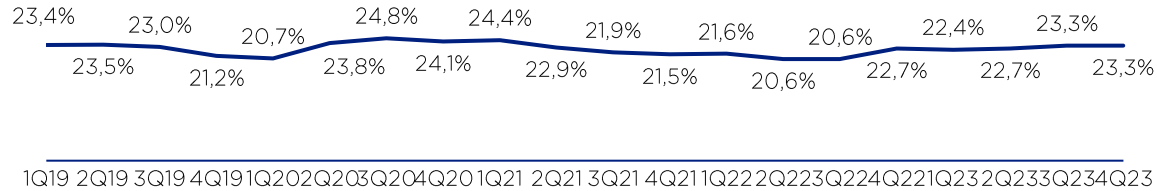
(US\$ Mn)



Strong Capitalization & Low Leverage



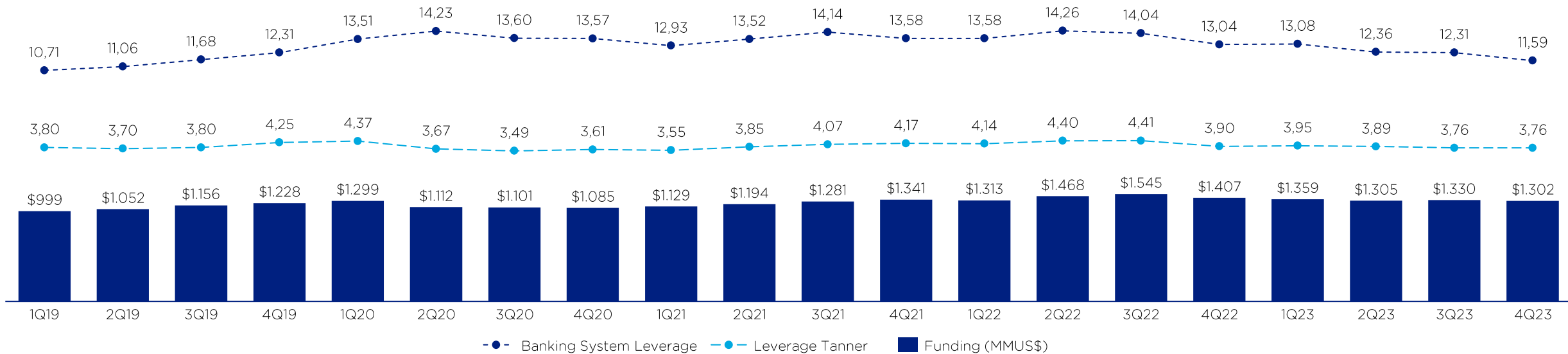
Core Capital Ratio Evolution (1)



Highlights

- Robust capitalization
- Moderate levels of leverage relative to non-banking financial entities
- Significantly lower leverage compared to banks

Financial Liabilities & Leverage





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Financial Information



Consolidated Statements (US\$ M)	12M23	12M22	Δ \$	Δ %	4Q23	4Q22	Δ \$	Δ %
Revenue	307,041	301,881	5,160	1.7%	72,661	73,317	(656)	-0.9%
Cost of sales	(185,079)	(162,179)	(22,900)	14.1%	(39,873)	(40,764)	891	-2.2%
Gross Profit	121,962	139,702	(17,740)	-12.7%	32,788	32,553	235	0.7%
Administrative expenses	(68,417)	(63,395)	(5,022)	7.9%	(18,056)	(15,160)	(2,896)	19.1%
Other gains (losses)	474	249	225	90.4%	131	242	(111)	-45.8%
Impairment losses	(58,981)	(50,396)	(8,585)	17.0%	(15,264)	(16,190)	925	-5.7%
Share in the losses of associates and joint ventures accounted for using the equity method	511	(81)	592	-727.0%	157	138	19	13.7%
Finance costs	(924)	(684)	(239)	34.9%	(243)	(236)	(7)	3.1%
Foreign exchange differences	(310)	202	(511)	-253.4%	(297)	(342)	45	-13.2%
Gain from indexation units	26	337	(311)	-92.3%	(15)	53	(68)	-128.1%
Profit before tax	(5,658)	25,933	(31,591)	-121.8%	(799)	1,059	(1,857)	-175.5%
Income tax	8,051	6,587	1,464	22.2%	3,026	1,991	1,035	52.0%
Profit from continuing operations	2,393	32,520	(30,127)	-92.6%	2,228	3,050	(822)	-27.0%
Profit for the year	2,393	32,520	(30,127)	-92.6%	2,228	3,050	(822)	-27.0%
Profit (loss) attributable to:								
Owners of the parent	2,440	32,377	(29,937)	-92.5%	2,233	3,041	(808)	-26.6%
Non-controlling interests	(47)	143	(190)	-133.3%	(6)	9	(15)	-161.1%
Profit for the year	2,393	32,520	(30,127)	-92.6%	2,228	3,050	(822)	-27.0%

Assets(US\$ M)	dec-23	dec-22	Δ \$	Δ %
Cash and cash equivalents	31,168	40,332	(9,164)	-22.7%
Other current financial assets	132,178	67,307	64,872	96.4%
Other current non-financial assets	22,333	56,994	(34,661)	-60.8%
Trade receivables and other current accounts receivable, net	1,043,049	1,188,462	(145,413)	-12.2%
Receivables due from related parties, current	118,646	22,359	96,287	430.6%
Current tax assets	22,403	34,848	(12,445)	-35.7%
Non-current assets or asset groups for disposal classified as held-for-sale	38,937	13,648	25,288	185.3%
Total current assets	1,408,714	1,423,950	(15,237)	-1.1%
Other non-current financial assets	94,640	80,268	14,373	17.9%
Other non-current non-financial assets	16,787	8,713	8,074	92.7%
Trade and other receivables, non-current	316,402	474,372	(157,970)	-33.3%
Trade receivables due from related parties, non-current	67,129	172	66,956	38839.1%
Investment accounted for using the equity method	13,541	13,030	511	3.9%
Intangible assets other than goodwill	5,984	5,209	775	14.9%
Goodwill	1,870	1,870	-	0.0%
Property, plant and equipment	7,651	9,689	(2,038)	-21.0%
Deferred tax assets	37,825	31,808	6,017	18.9%
Total non-current assets	561,827	625,130	(63,302)	-10.1%
TOTAL ASSETS	1,970,541	2,049,080	(78,539)	-3.8%

Liabilities (US\$ M)	dec-23	dec-22	Δ \$	Δ %
Other current financial liabilities	953.469	934.115	19.353	2,1%
Trade and other payables, current	118.983	102.233	16.750	16,4%
Accounts payable to related parties	52.999	6.818	46.182	677,4%
Current tax liabilities	925	1.352	(427)	-31,6%
Current provisions for employee benefits	1.029	1.468	(439)	-29,9%
Total current liabilities	1.127.405	1.045.986	81.419	7,8%
Other non-current financial liabilities	428.480	584.446	(155.966)	-26,7%
Non-current provisions for employee benefits	1.056	563	492	87,4%
Total non-current liabilities	429.536	585.009	(155.474)	-26,6%
TOTAL LIABILITIES	1.556.941	1.630.995	(74.055)	-4,5%
Equity (US\$ M)				
Share capital	222.767	222.574	193	0,1%
Retained earnings	194.058	196.406	(2.348)	-1,2%
Other reserves	(3.561)	(2.087)	(1.474)	70,6%
Total equity attributable to the owners of the Parent	413.264	416.892	(3.628)	-0,9%
Non-controlling interests	337	1.193	(856)	-71,8%
TOTAL EQUITY	413.600	418.085	(4.485)	-1,1%
TOTAL LIABILITIES AND EQUITY	1.970.541	2.049.080	(78.539)	-3,8%

TANNER CONTACT

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