

Tanner® **CORPORATE PRESENTATION**

TANNER SERVICIOS FINANCIEROS | OCTOBER | 2024

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

Figures in CLP have been converted to US\$, at an exchange rate of \$944.34, corresponding to the observed dollar rate on July 1, 2024.

TANNER SERVICIOS FINANCIEROS S.A. CORPORATE PRESENTATION

AGENDA

- 1. MILESTONES**
- 2. OWNERSHIP STRUCTURE & GOVERNANCE**
- 3. BUSINESS AND FINANCIAL HIGHLIGHTS**
- 4. BALANCE SHEET MANAGEMENT**
- 5. BANK: BUSINESS TRANSITION ROADMAP**

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FROM NBFI TO LAUNCHING A FULLY FLEDGED BANK



BIFACTORING S.A.

The Massu and Said groups- main shareholders of former Banco BHIF (later BBVA)- created Bifactoring S.A.

1993

BI Factoring
Servicios Financieros



1999

FACTORLINE S.A.

- Change of name from Bifactoring S.A. to Factorline S.A.

AUTO FINANCING

The Auto Financing Division was established

2004

IFC AS SHAREHOLDER

IFC, subsidiary of the World Bank, was incorporated acquired a 17.6% stake, via a capital increase.

2007

BROKERAGE

Acquisition Of Tanner & Cia. Corredores De Bolsa.

2010



Change of name from Factorline S.A. to Tanner Servicios Financieros S.A.

2011

INVESTMENT GRADE

- Investment grade by S&P and Fitch
- The Massu Group acquires the stake of IFC

2012

CAPITAL GROUP AS SHAREHOLDER

- Capital Group acquires a 27% stake of Tanner
- US\$250 Mn 144A/RegS bond is issued in the international markets.



2013

SWITZERLAND

- First Chilean NBFI to issue a bond in Switzerland (CHF 150 Mn)
- Tanner secures US\$84 mn loan from the IFC to boost SME loan growth

2016

SUSTAINABLE FUNDING

- First sustainable bond (US\$ 42 Mn) is issued in the local market

2022



NISSAN-TANNER FINANCIAL SERVICES

"NTFS" is established as a JV between Tanner and Nissan, Japan

2023

Capital Group finalizes its ten-year investment period as a shareholder

2024

PROGRESS IN THE CREATION OF THE BANK, IFC REJOINS AS SHAREHOLDER

- The CMF¹ Grants Tanner a Provisional Banking License and Authorization of Existence to Establish its Banking Subsidiary.
- IFC Becomes a Shareholder in Tanner Servicios Financieros with a US\$20 Million Capital Investment and a 3-Year Convertible Loan of US\$20 Million.



(1) CMF: Financial Market Commission

TANNER SERVICIOS FINANCIEROS S.A. CORPORATE PRESENTATION

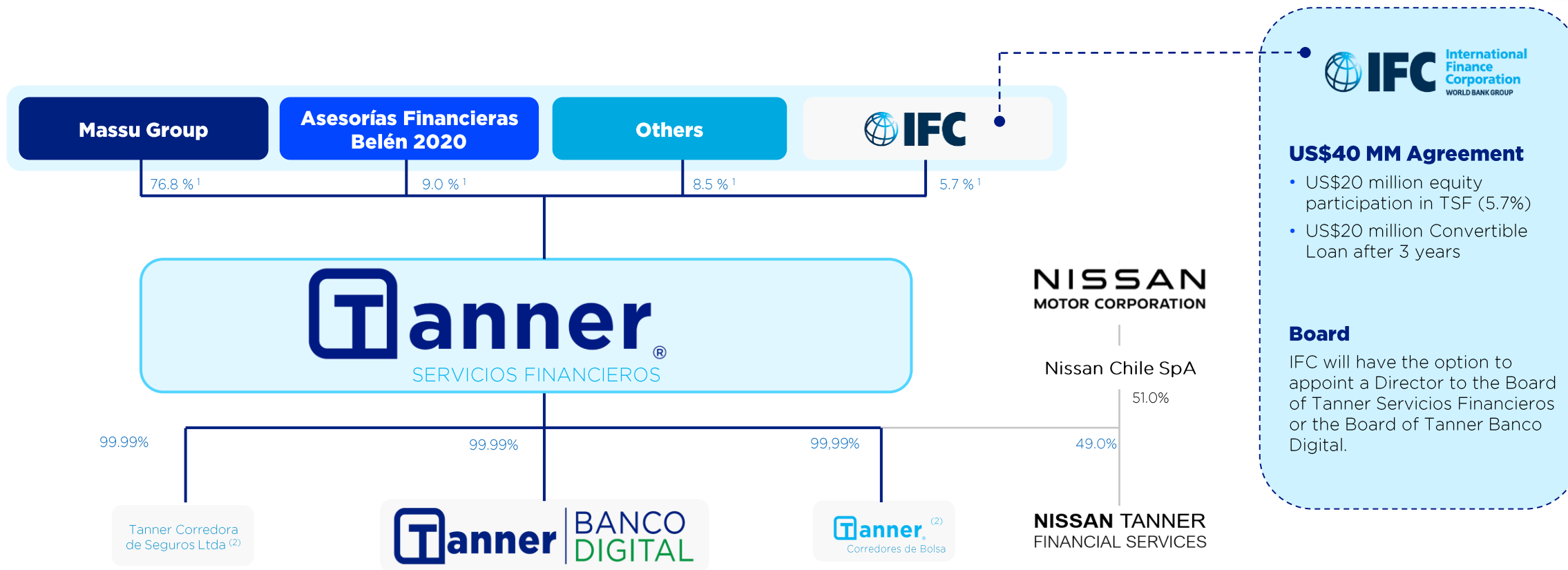
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FURTHER STRENGTHENED OWNERSHIP STRUCTURE



Ownership Structure of Tanner Servicios Financieros (TSF)



(1) Percentage of ownership to be confirmed (2) This subsidiary will be transferred to the bank in a second stage

GOVERNANCE - PEPARING FOR THE LAUNCH OF THE BANK



Former Board of Directors of Tanner Servicios Financieros

Ricardo Massu
President

Jorge Sabag
Vice-president

Fernando Zavala
Director

Eduardo Massu
Director

Matias Acevedo
Director

Bárbara Vidaurre
Director

Carmen Román
Director

The banking regulator CMF requires a separate Board of Directors for the Banking Subsidiary.

Current Board of Tanner Banco Digital¹

Ricardo Massu
President



Jorge Sabag
Vice-president



Eduardo Massu
Director



Matias Acevedo
Director



Carmen Román
Director



Current Board of Tanner Servicios Financieros¹

Fernando Zavala
President



IFC
Director



Bárbara Vidaurre
Director



Felipe Massu
Director



(1) IFC will have the option to appoint a Director to Tanner Servicios Financieros or to the Board of Directors of the subsidiary Tanner Banco Digital.

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Company Overview

Tanner in Numbers	1S23	1S24	Δ%
Total Assets (US\$ Mn)	1,867	1,855	-0.6%
Net Loans (US\$ Mn) ¹	1,438	1,144	-20.4%
Equity (US\$ Mn)	381	384	-0.8%
Leverage	3.9x	3.8x	
Net Income (US\$ th)	556	1,154	107.6%
ROAA	0.5%	0.15%	-38 bps
ROAE	2.6%	0.74%	-176 bps
Customers	76,207	66,863	-6.2%

Business Units

Corporate Division

- Factoring
- Corporate Loans & Leasing
- Trade Finance

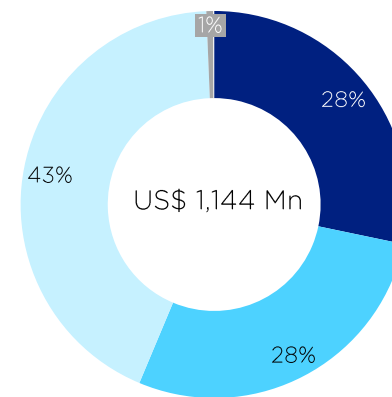
Auto Financing Division

- Auto Loans
- Insurance

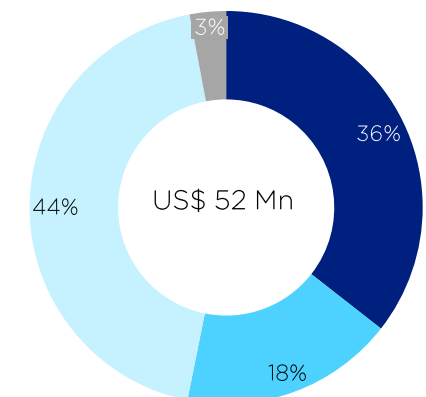
Finance Division

- Liquidity Management
- FX: Spot & Forward
- Investments

Total Net Loans¹ (June-24)



Total Gross Profit (June-24)



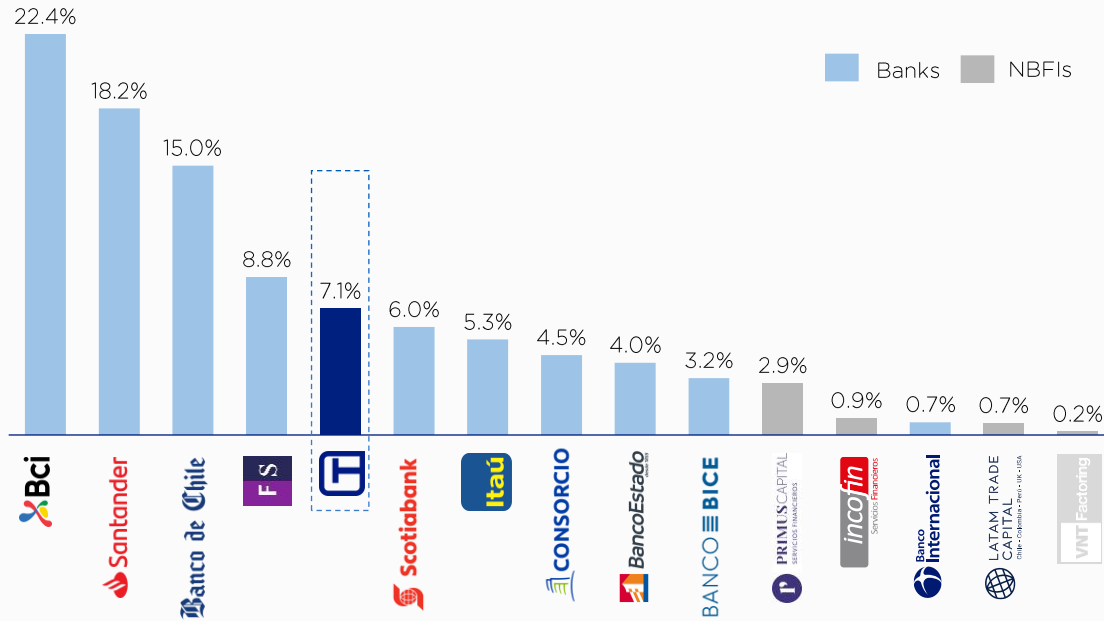
■ Factoring ■ Loans + Leasing ■ Auto Financing ■ Finance ■ Others

RELEVANT PLAYER IN NICHE MARKETS



Factoring (1)

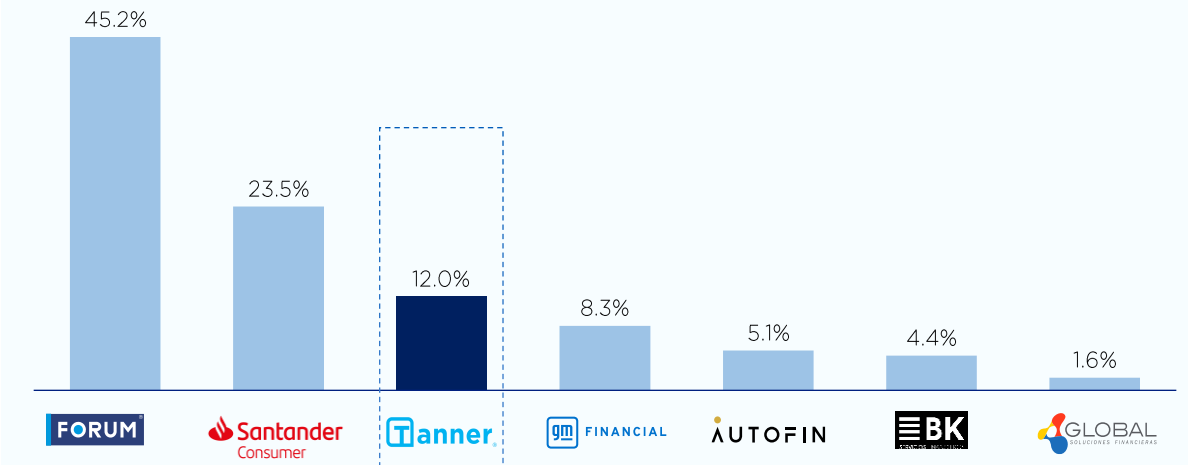
Gross Loans Market Share



- Competitive strategy based on speed and agility with a “phygital” customer experience
- Fully developed digital ecosystem
- Coverage with more than 20 offices countrywide
- Secured Loans, Trade Finance, Leasing and FX as complementary products

Auto Financing Loans (2)

Gross Loans Market Share



- Focus on retail segments on a multibrand basis
- Countrywide coverage with more than 400 dealer relationships and digital channels
- Insurance brokerage firm providing complementary products
- Electromobility strategy to capture market trends

NET LOANS BY BUSINESS DIVISION



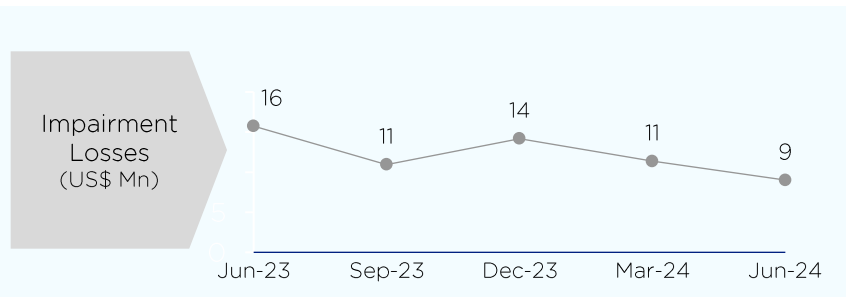
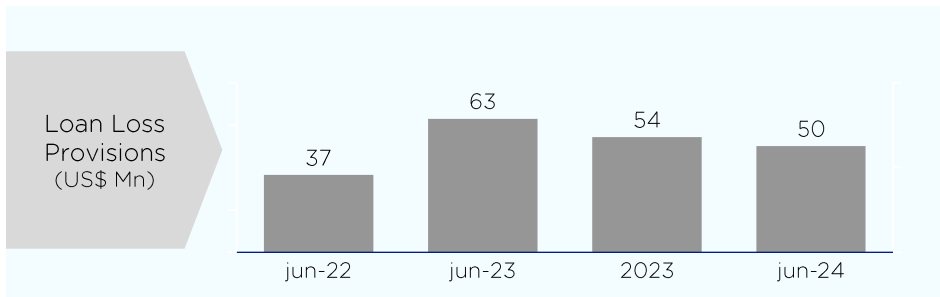
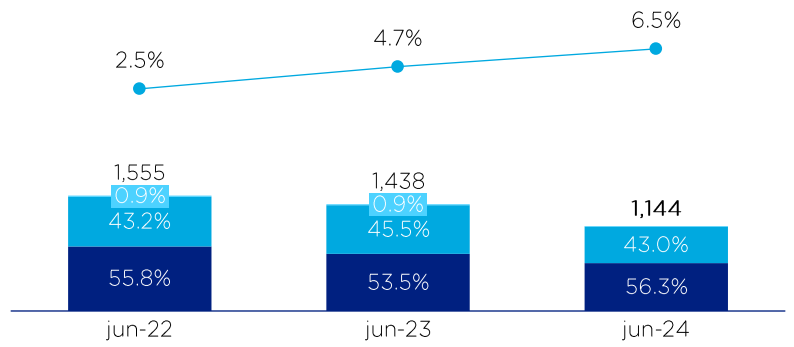
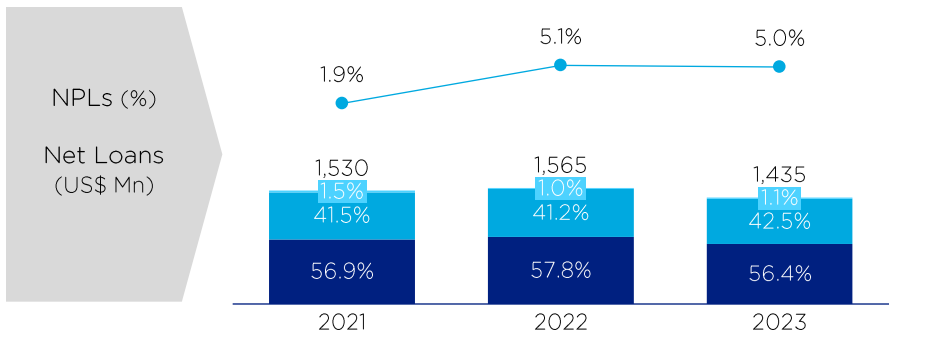
CORPORATE DIVISION

Factoring	Loans	Leasing
<ul style="list-style-type: none"> 1.4 month of avg. portfolio duration 5,252 customers 	<ul style="list-style-type: none"> 4.4 month of avg. portfolio duration 889 customers 	<ul style="list-style-type: none"> 91.5 month of avg. portfolio duration 207 customers
Core Business	Complementary Businesses of Factoring	



AUTO FINANCING

Loans
<ul style="list-style-type: none"> 40.4 month of avg. portfolio duration 59,816 customers

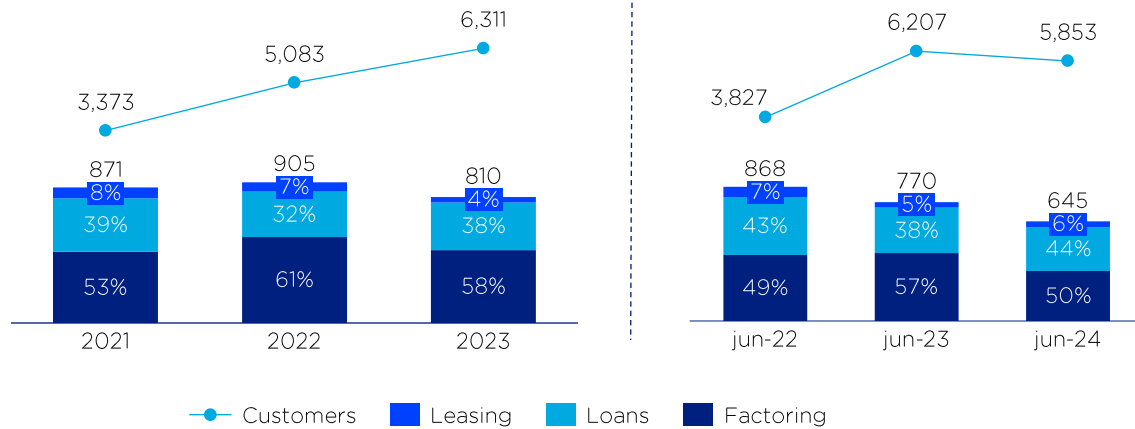


- Business volume affected by higher quality requirements with stricter collateral requirements, shorter maturities, and a strategy of reduced concentration in large exposures.
- Although NPLs as percentage of the total loans has increased mainly due to a smaller loan portfolio, the stock of LLP has decreased in the 3 previous quarters.
- Lower loan loss provisions reflect a major portfolio optimization since 2023 in the Corporate Division, and a positive evolution of the auto financing portfolio risk.

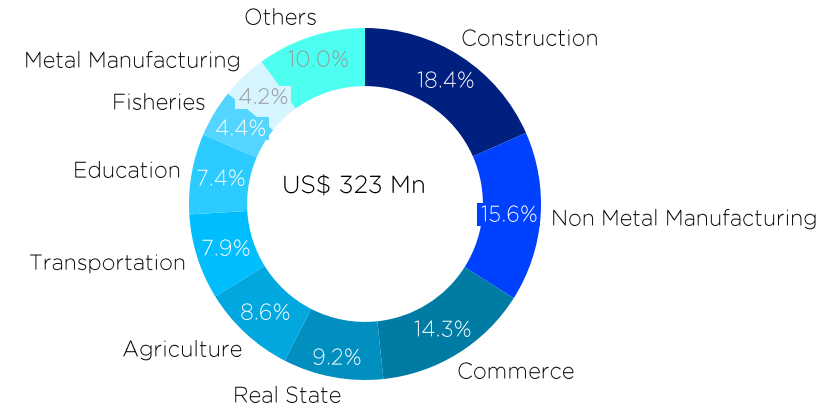
CORPORATE DIVISION: FOCUS ON DIVERSIFICATION



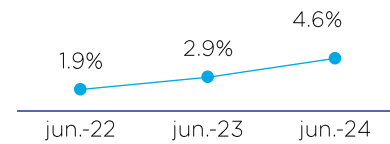
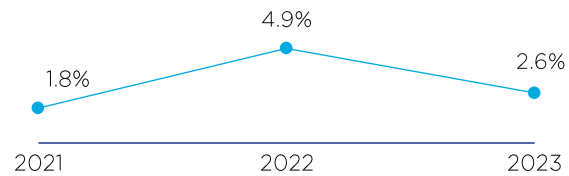
Number of Customers & Net Loans by Business Lines (US\$ Mn)



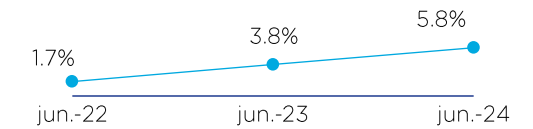
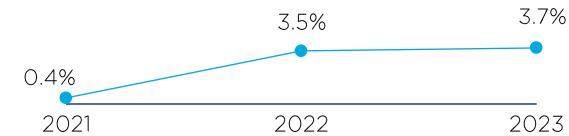
Factoring Portfolio: Industry Breakdown



Corporate Division¹: NPL > 90 days



Factoring: NPL > 90 days



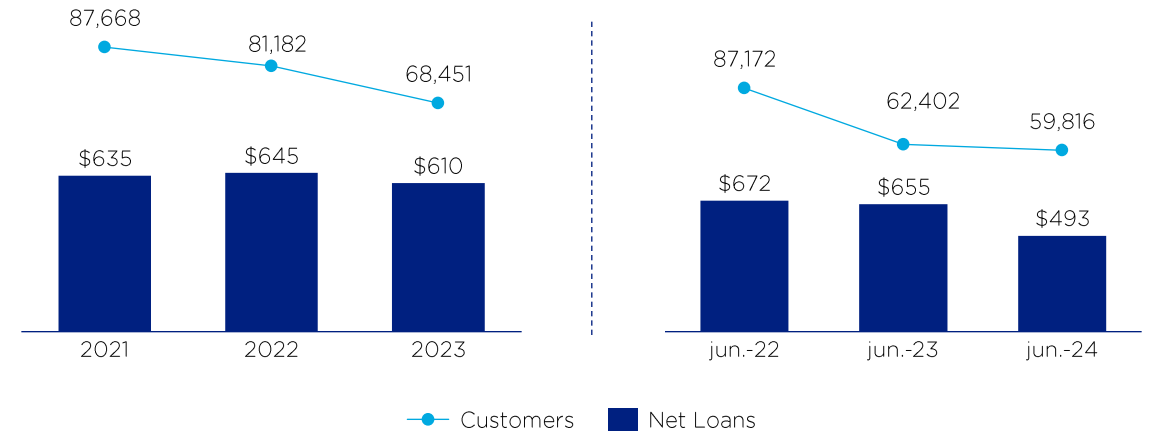
AUTO FINANCING DIVISION: NON PERFORMING LOANS CONTAINED



Highlights

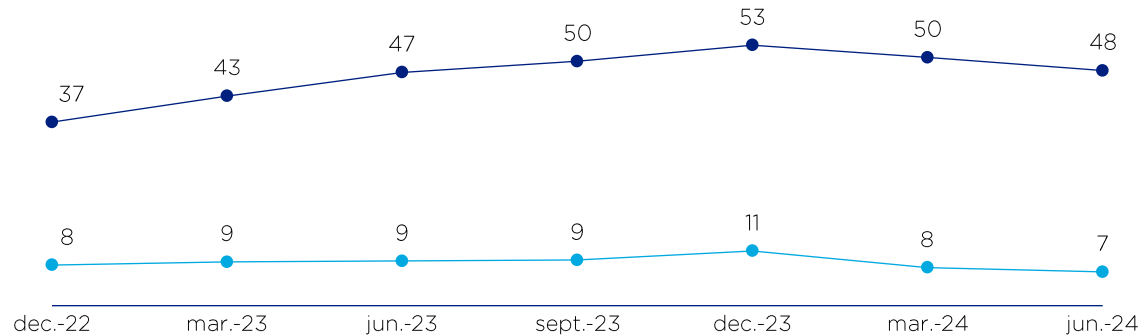
- In 2022, Tanner began implementing gradual adjustments to loan origination, increasing risk enhancement requirements with customers.
- These risk mitigation measures have impacted the growth of the loan portfolio.
- As of Q4 2023, the performance and quality of newly originated loans have continued to improve.
- Q2 2024 shows a 10% YTD decrease of the stock of Non-Performing Loans over 90 days, along with a reduction in impairment losses, continuing the downward trend.

Number of Customers & Net Loans (US\$ Mn)



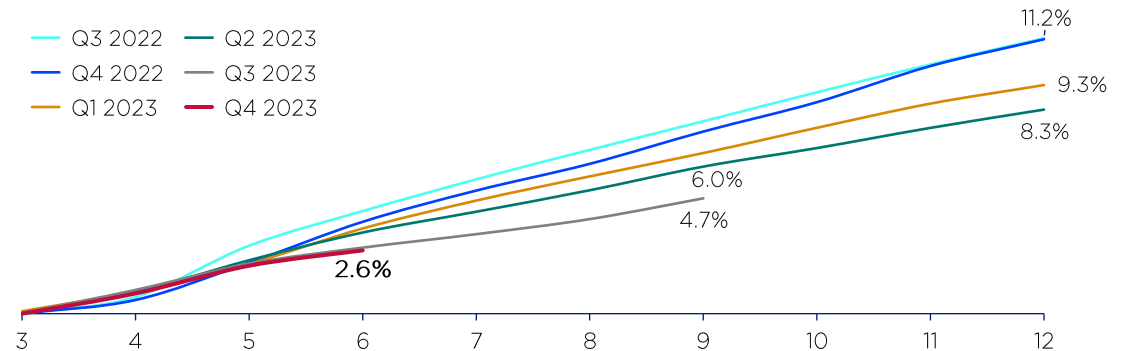
Non-performing Stock & Impairment Losses (US\$ Mn)

- Non-performing stock over 90 days
- Impairment Losses



Non-Performing Loans over 90 days by Origination Date (%)

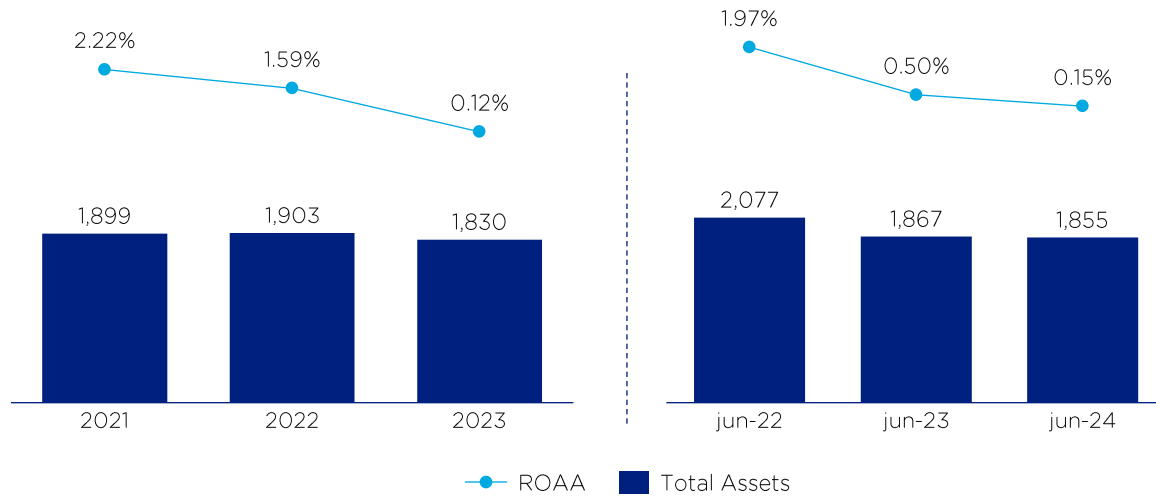
Percentage of the volume originated in a given quarter that became non-performing for over 90 days, 3 months or more after the close of the corresponding quarter.



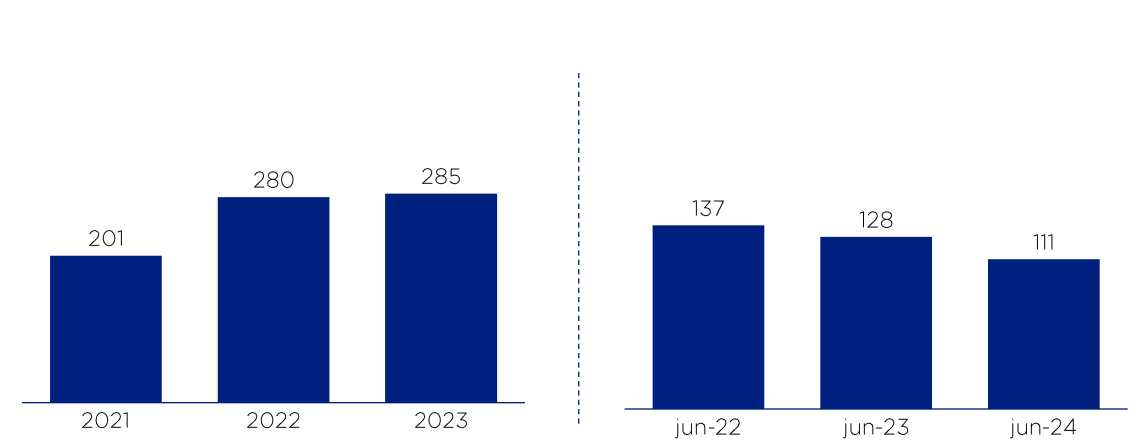
PROFITABILITY: PREPARING FOR THE TURNAROUND



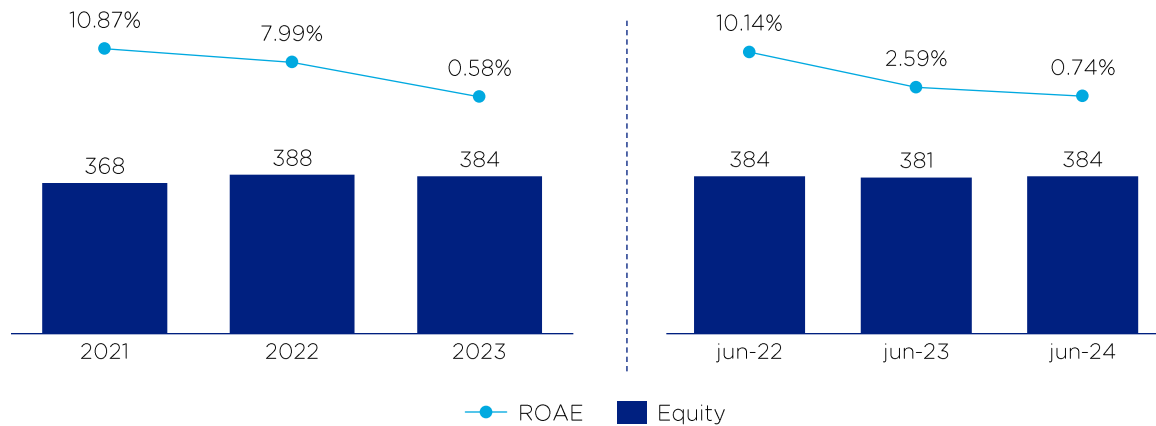
Total Assets and ROAA (US\$ Mn)



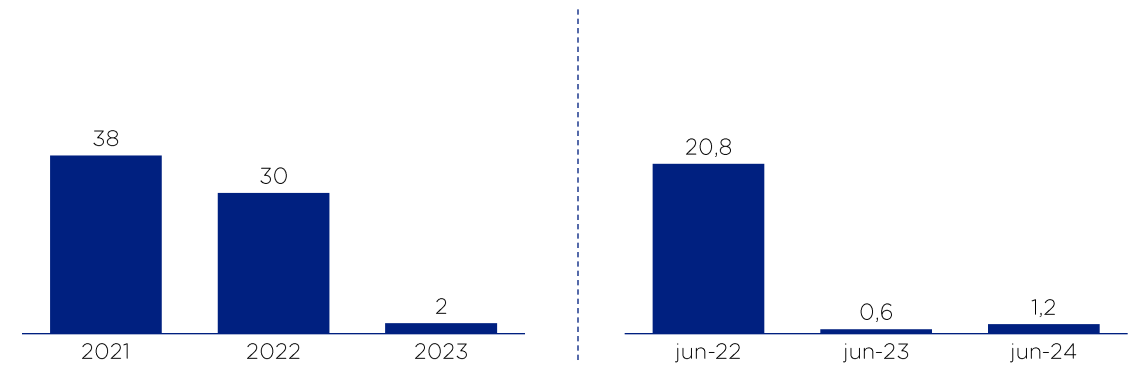
Revenue (US\$ Mn)



Equity & ROAE (US\$ Mn)



Net Income (US\$ Mn)

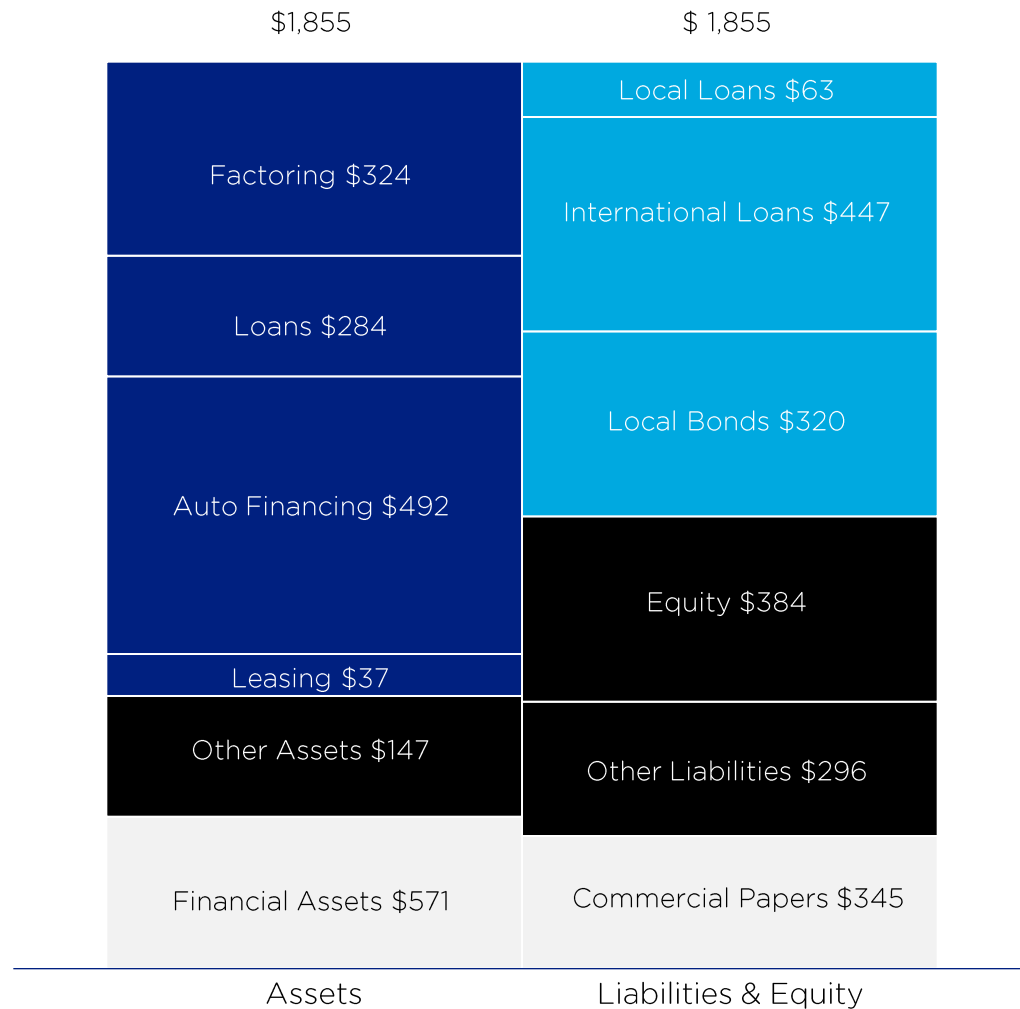


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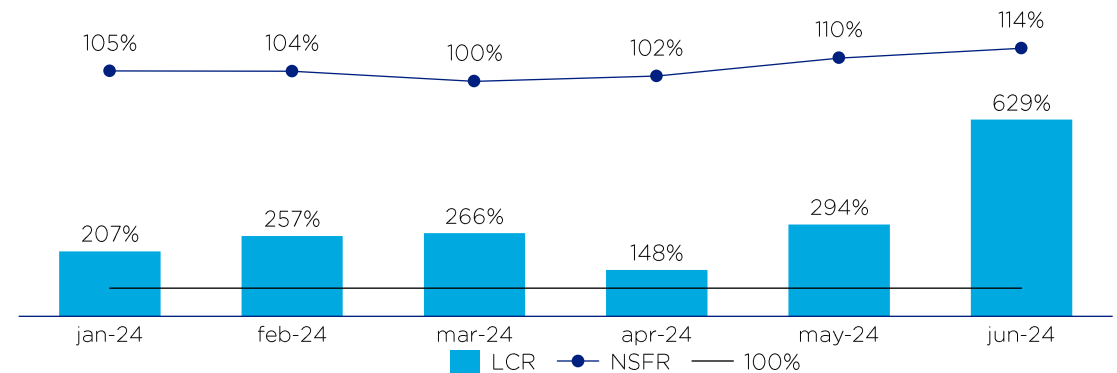
Balance Sheet Structure as of June 30, 2024 (US\$ Mn)



Highlights

- Long-term funding costs continue to decrease, reducing spreads over BTU by more than 120 basis points.
- In 2Q 2024, the company repaid its fifth Swiss bond (CHF 125 million) and two local bonds (CLP 126 billion).
- Raised US\$ 150 million through an international 3-year syndicated term loan.
- Active management of the Net Stable Funding Ratio (NSFR) since early 2024, consistently maintaining levels above 100%.
- The LCR reached 629% at the end of 2Q 2024

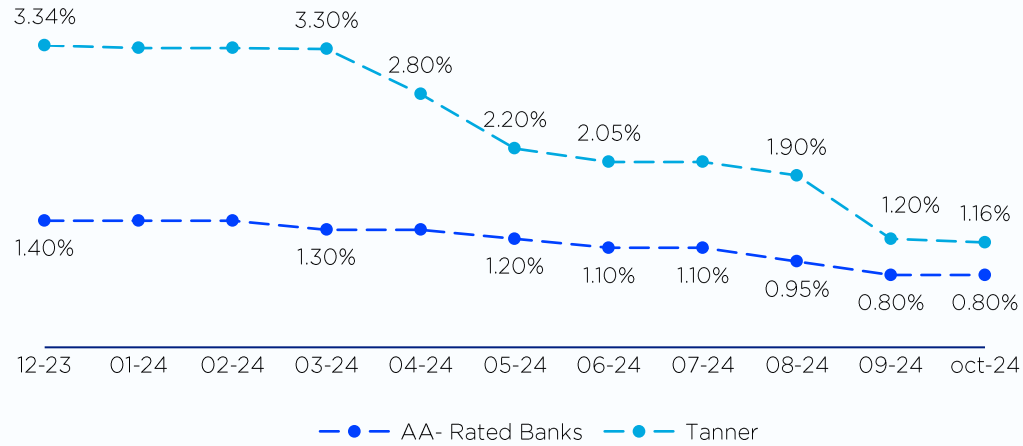
LCR & NSFR Evolution



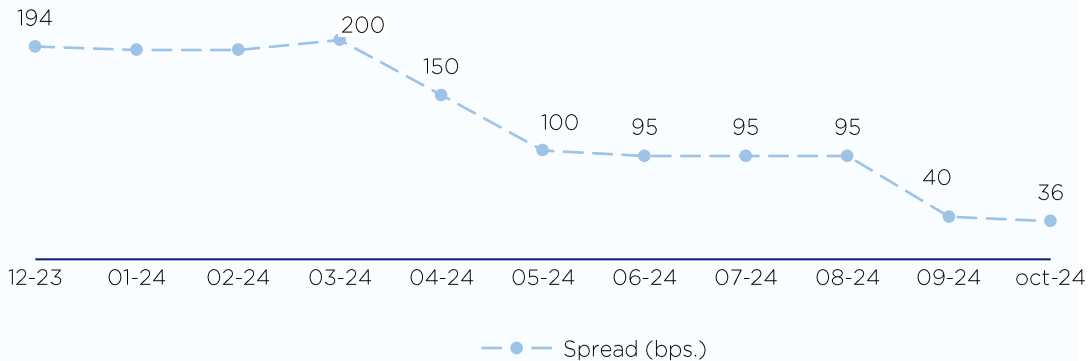
LOWER FUNDING COSTS: MARKET ANTICIPATES THE BANK SUBSIDIARY



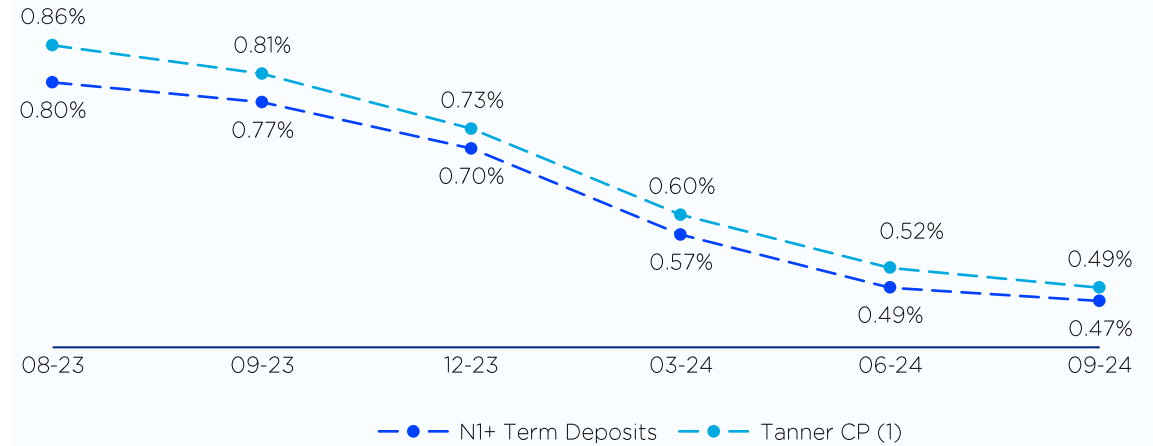
Spread of Local TSF Bonds vs. AA- Rated Bank Bonds



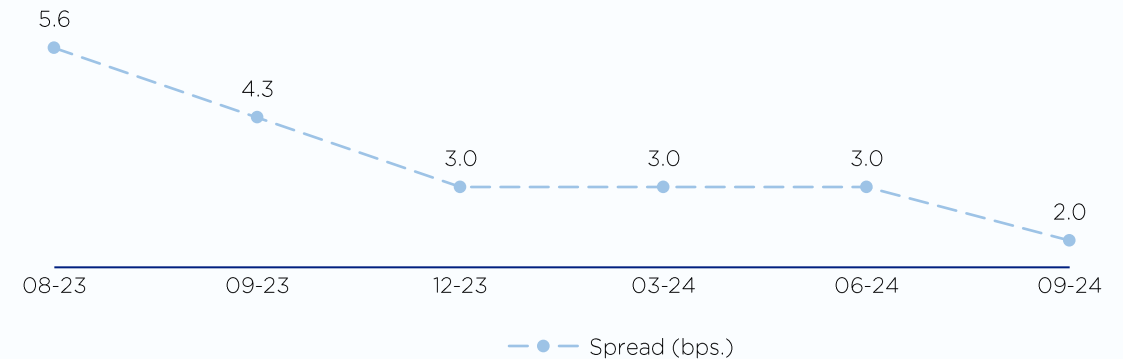
- Spreads in the local market are decreasing across both short and long terms
- Narrowing the gap vs. local AA- rated bank bonds



Spread of TSF Commercial Papers vs. N1+ Rated Term Deposits



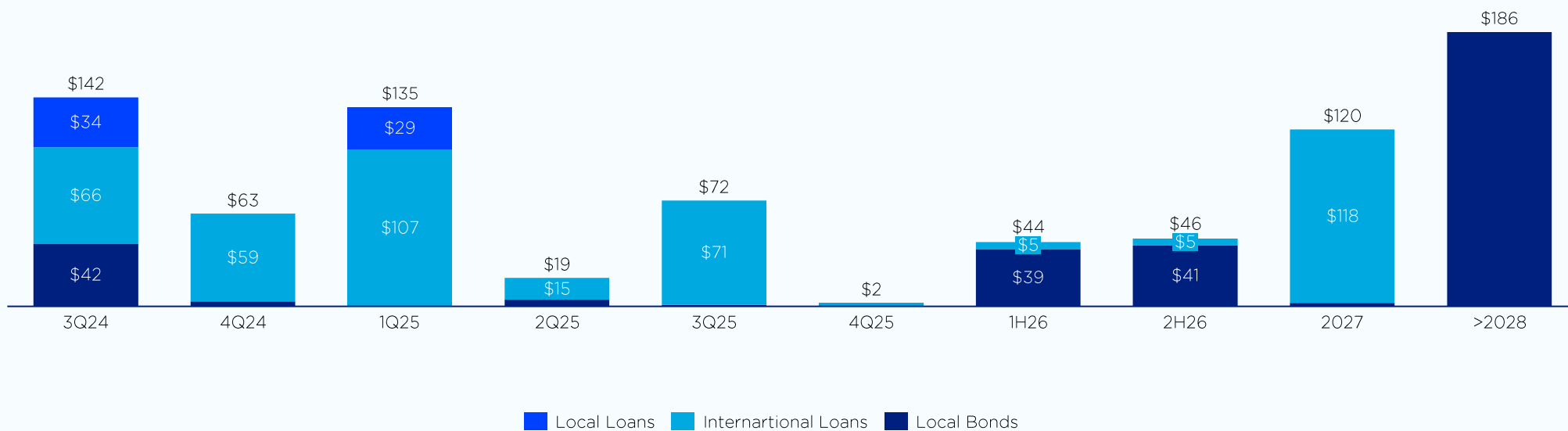
- Improvement in commercial paper spreads over term deposits, increasing both volumes and number of investors



MATURITY PROFILE NOW STRATEGICALLY DISTRIBUTED



Maturity Profile¹ (June-24) (US\$ Mn)



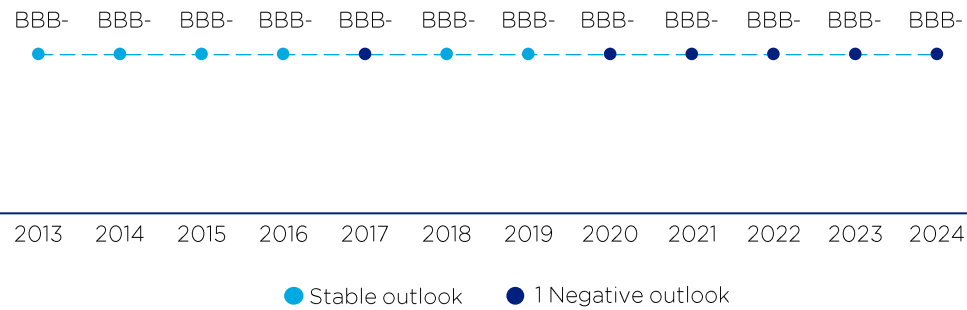
In 2Q24, Tanner repaid the maturity of its fifth Swiss bond, a CHF125 million issuance, and two local bonds totaling CLP 126 billion (USD 133 million).

INVESTMENT GRADE ALREADY OVER A DECADE

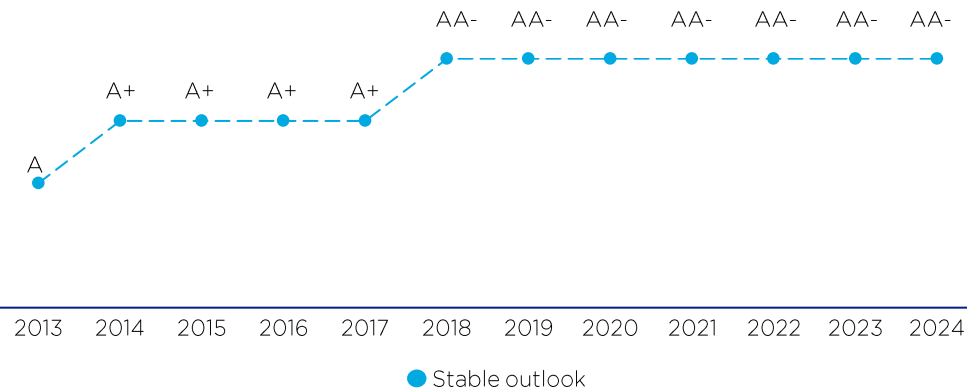


Investment Grade since 2013

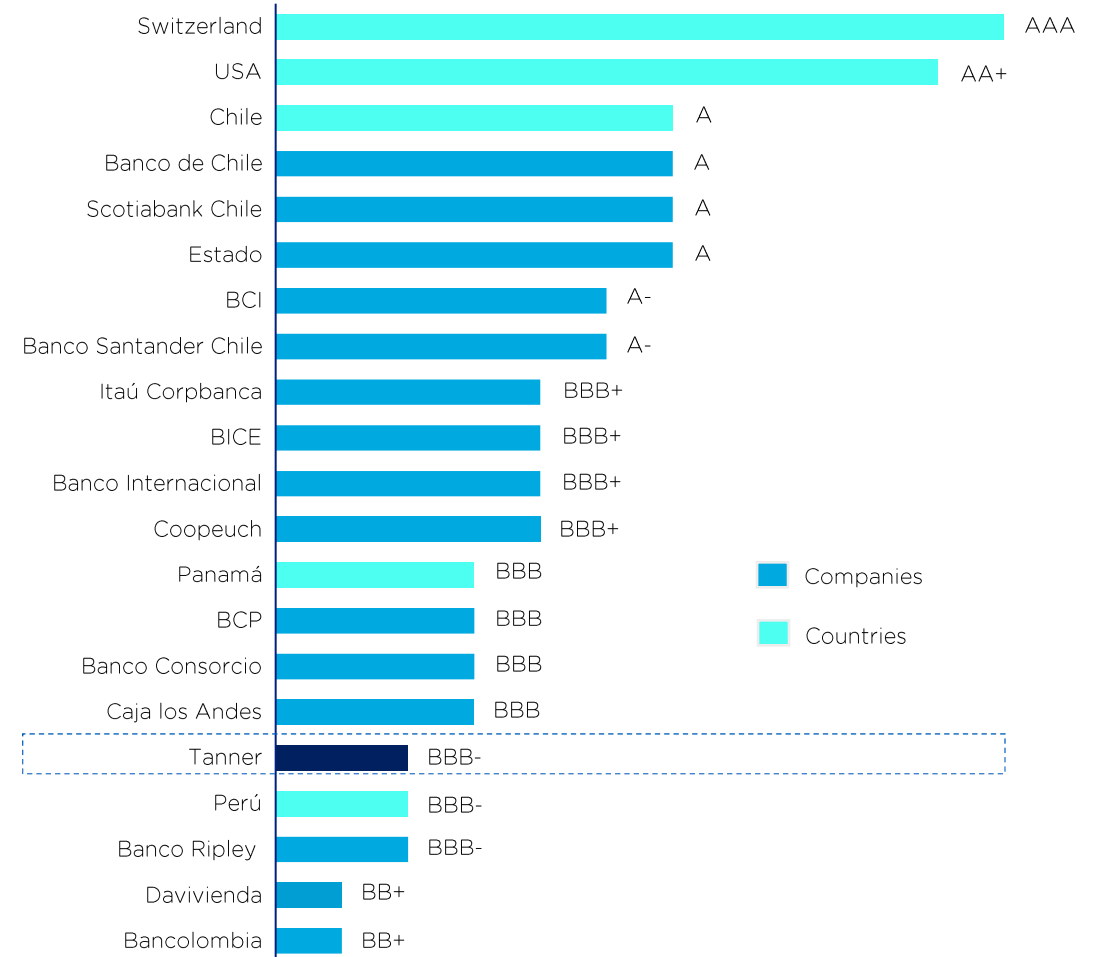
Tanner maintained its BBB- rating since its first issuance in the Swiss Capital Market



Consistently Improving Local Credit Risk Rating



S&P: International Ratings



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Growth Opportunities

- In a regulated environment, Tanner can grow while marginally increasing leverage (Tanner: 3.8x vs. Banking Ind. avg.: 11.6x)



Funding

- Lower funding costs
- Expanded access to capital markets
- Access to Central Bank as lender of last resort



Primary Costs

- One-Time: additional provisions, technology expenses, etc.
- Ongoing: new employee recruitment



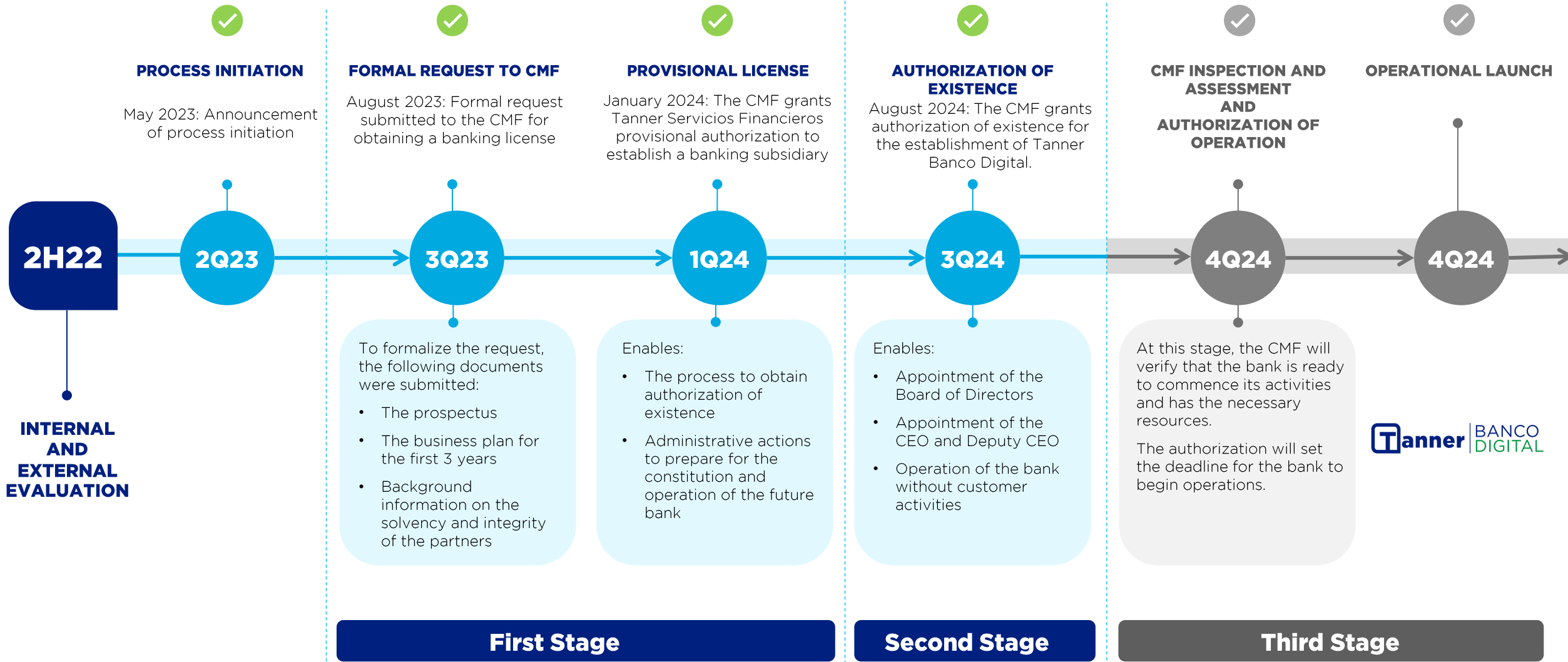
Goal

- Secure a leading role in Chile's factoring market, a key aspect of our strategy
- Preserve agility
- Enhance profitability for shareholders

TANNER BANCO DIGITAL SOON TO LAUNCH OPERATIONS



The approval process for establishing the banking subsidiary before the CMF ⁽¹⁾ is divided into three stages:

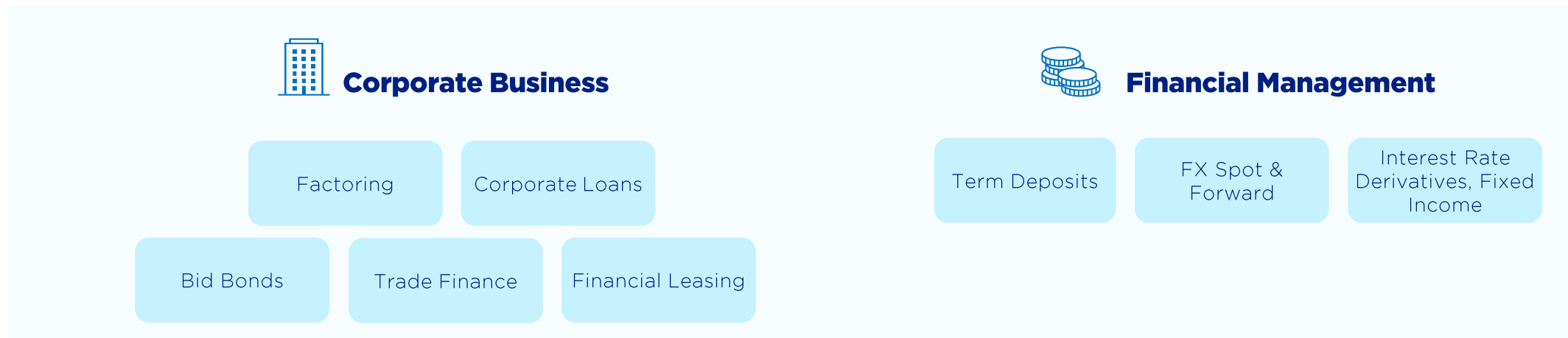


(1) CMF: Financial Market Commission

BUSINESS TRANSITION IN TWO STAGES

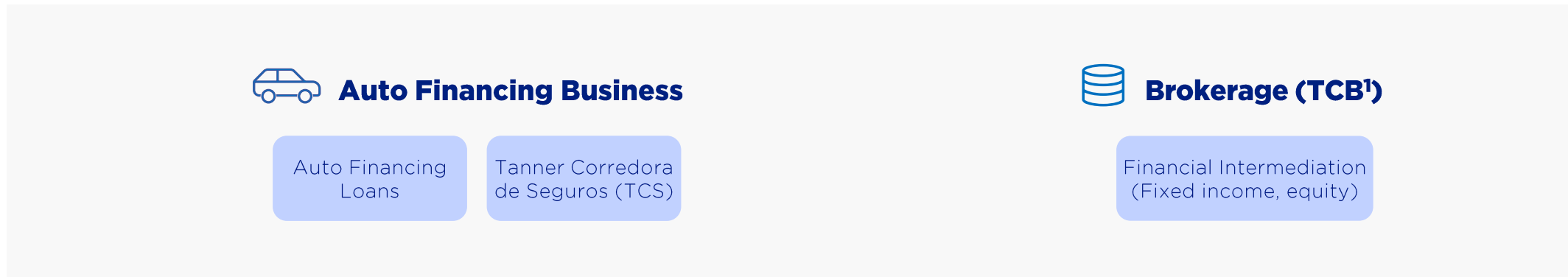
1 FIRST STAGE

Run-off of the Corporate Division's portfolio in Tanner Servicios Financieros, and its reorigination in the Bank



2 SECOND STAGE

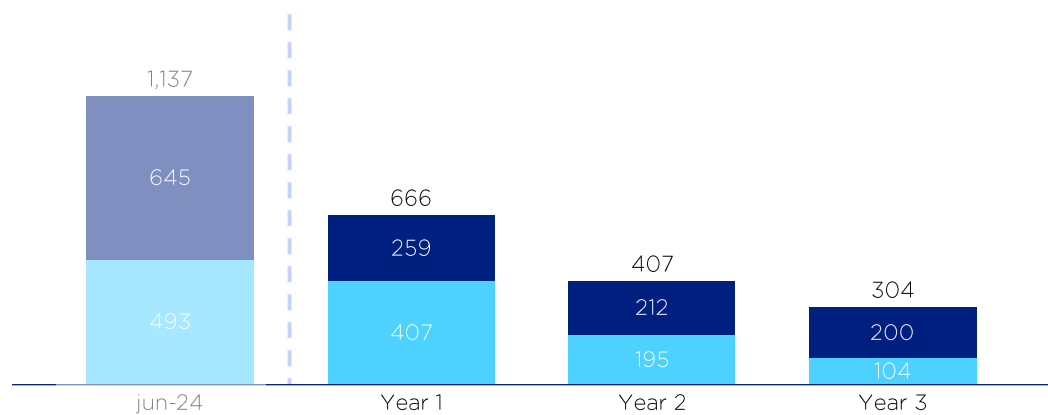
Run-off of the Auto Financing Division's portfolio in Tanner Servicios Financieros, and its reorigination in the Bank



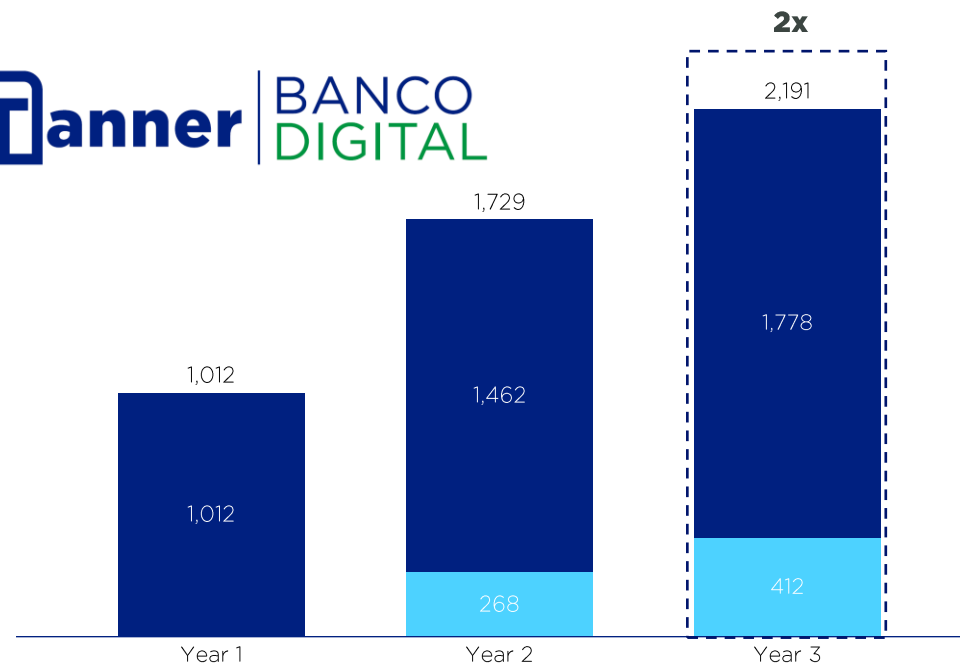
BANK - DOUBLING THE PORTFOLIO 3 YEARS AFTER LAUNCH



Forecast Tanner Servicios Financieros¹ (w/out Bank) US\$ MM



Forecast Tanner Banco Digital¹ US\$ MM



■ Factoring & SME ■ Auto Financing

(1) This forecast does not represent a commitment and are subject to the bank's operational launch and market conditions (2) SME considers loans and leasing

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TANNER CONTACT

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