OFFERING MEMORANDUM

US$250,000,000

Tanner Servicios Financieros S.A.

(incorporated under the laws of the Republic of Chile)

4.375% Senior Notes due 2018

We are offering US$250,000,000 aggregate principal amount of 4.375% Senior Notes due 2018. We will pay interest on the notes at a fixed rate of 4.375% per year, payable semi-annually in arrears on September 13 and March 13 of each year, beginning on September 13, 2013. The notes will mature on March 13, 2018.

We may redeem the notes, in whole but not in part, at any time by paying the greater of the outstanding principal amount of the notes and the "make-whole" amount, plus, in each case, accrued and unpaid interest. We may also redeem the notes, in whole but not in part, at any time in the event of certain changes in tax laws at a price equal to the outstanding principal amount of the notes plus accrued unpaid interest and any additional amounts. If a change of control as described in this offering memorandum under the heading "Description of the Notes—Change of Control Offer" occurs, we will be required to offer to purchase the notes from the holders.

The notes will be unsecured senior obligations and will rank equally with our unsecured senior indebtedness. Certain of our current and future subsidiaries will guarantee the notes on a senior unsecured basis. The notes will be effectively subordinated to all of our and our subsidiary guarantors' secured indebtedness to the extent of the assets securing such indebtedness. The notes will also be structurally subordinated to all indebtedness and other liabilities of our subsidiaries that do not guarantee the notes.

No public market currently exists for the notes. Application has been made to have this offering memorandum approved by the Irish Stock Exchange and the notes admitted to the Official List of the Irish Stock Exchange for trading on the Global Exchange Market. However, we cannot assure you that such listing application will be approved.

Investing in the notes involves risks, see ''Risk Factors'' section beginning on page 12 of this offering memorandum.

Price per note: 99.446% plus accrued interest, if any, from March 13, 2013.

The notes have not been registered under the U.S. Securities Act of 1933, any state securities laws or the securities laws of any other jurisdiction. Unless they are registered, the notes may be offered only in transactions that are exempt from registration under the Securities Act, any state securities laws, or the securities laws of any other jurisdiction. Accordingly, we are offering the notes in the United States only to qualified institutional buyers in compliance with Rule 144A under the Securities Act and outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act. For further details about eligible offerees and resale restrictions, see "Transfer Restrictions."

The notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme, on or about March 13, 2013.

BofA Merrill Lynch

The date of this offering memorandum is March 6, 2013.

You should only rely on the information contained in this offering memorandum. We are responsible for the information contained in this offering memorandum. To the best of our knowledge (having taken all reasonable care to ensure that such is the case) the information contained in this offering memorandum is true and accurate in all material respects and there are no other facts, the omission of which makes this offering memorandum misleading in any material respect.

Neither we nor the initial purchaser have authorized anyone to provide any information other than that contained in this offering memorandum and we take no responsibility for any other information that others may give you. If any person provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this offering memorandum is accurate as of the date on the front cover of this offering memorandum only. Our business, properties, results of operations or financial condition may have changed since that date. Neither the delivery of this offering memorandum nor any sale of notes hereunder will under any circumstances imply that the information herein is correct as of any date subsequent to the date on the front cover of this offering memorandum.

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Unless otherwise indicated or the context otherwise requires, all references in this offering memorandum to "Tanner" or the "Company," "we," "our," "ours," "us" or similar terms refer to Tanner Servicios Financieros S.A., together with its subsidiaries.

NOTE TO INVESTORS

This offering memorandum has been prepared by us solely for use in connection with the proposed offering of the notes. We and the initial purchaser reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the notes offered by this offering memorandum. This offering memorandum is personal to you and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the notes. Distribution of this offering memorandum by you to any person other than those persons retained to advise you is unauthorized, and any disclosure of any of the contents of this offering memorandum without our prior written consent is prohibited.

The distribution of this offering memorandum and the offering and sale of the notes in certain jurisdictions may be restricted by law. You must (1) comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this offering memorandum and the purchase, offer or sale of the notes, and (2) obtain any required consent, approval or permission for the purchase, offer or sale by you of the notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales, and neither we nor the initial purchaser nor its agents have any responsibility therefor. See "Transfer Restrictions" for information concerning some of the transfer restrictions applicable to the notes. Neither we nor the initial purchaser are making an offer to sell the notes in any jurisdiction except where such an offer or sale is permitted. No one has taken any action that would permit a public offering to occur in any jurisdiction.

You acknowledge that:

- you have been afforded an opportunity to request from us, and to review, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering memorandum;

- you have not relied on the initial purchaser or its agents or any person affiliated with the initial purchaser or its agents in connection with your investigation of the accuracy of such information or your investment decision; and

- no person has been authorized to give any information or to make any representation concerning us or the notes other than those as set forth in this offering memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by us, the initial purchaser or its agents.

This offering memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such references. Copies of the indenture governing the notes referred to herein will be made available to prospective investors upon request to us or the initial purchaser, and at the office of the Irish paying agent.

In making an investment decision, you must rely on your own examination of our business and the terms of this offering, including the merits and risks involved. You should not construe anything in this offering memorandum as legal, business or tax advice. None of us, the initial purchaser or any of our or its representatives is making any representation to you regarding the legality of an investment by you under applicable legal investment or similar laws. You should consult with your own advisors as needed to make your investment decision and to determine whether you are legally permitted to purchase the securities under applicable legal investment or similar laws or regulations.

None of the U.S. Securities and Exchange Commission (the "SEC") or any federal or state securities commission or regulatory authority has approved or disapproved of the notes. Furthermore, none of the foregoing authorities have passed upon or endorsed the merits of this offering, or confirmed the accuracy or determined the adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

Any tax disclosure included herein was written in connection with the promotion or marketing of the notes, and it cannot be used by any holder for the purpose of avoiding penalties that may be asserted against the holder under the Internal Revenue Code of 1986, as amended. Holders should seek their own advice based on their particular circumstances from an independent tax advisor.

This offering memorandum may only be used for the purpose for which it has been published. The initial purchaser is not making any representation or warranty as to the accuracy or completeness of the information contained in this offering memorandum, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation, whether as to the past or the future. The initial purchaser has not independently verified any of such information and assumes no responsibility for the accuracy or completeness of the information contained in this offering memorandum.

The notes will not be registered under the *Ley de Mercado de Valores No. 18,045* (the "Securities Market Law"), as amended, of Chile with the *Superintendencia de Valores y Seguros* (the Chilean Securities and Insurance Commission or "SVS"), and, accordingly, may not be offered to persons in Chile except in circumstances that do not constitute a public offering under Chilean law.

See "Risk Factors," following the "Summary," for a description of certain risk factors relating to an investment in the notes, including information about our business. You should consult with your own advisors as to legal, tax, business, financial and related aspects of a purchase of the notes.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT, OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

We are a corporation (*sociedad anónima*) organized under the laws of Chile with Chilean Identification Number (*Rol Único Tributario*) 96667560-8. Substantially all our directors and officers and certain experts named herein reside outside the United States (principally in Chile). All or substantially all our assets and the assets of these persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or such persons or to enforce against us or them in U.S. courts judgments predicated upon the civil liability provisions of the laws of jurisdictions other than Chile, including any judgment predicated upon the civil liability provisions of the federal securities laws of the United States.

We have been advised by Larrain Rencoret & Urzua Abogados, our external Chilean counsel, that no treaty exists between the United States and Chile for the reciprocal enforcement of foreign judgments. Chilean courts would enforce judgments rendered by U.S. courts by virtue of the legal principles of reciprocity and comity, subject to review in Chile of any such U.S. judgment in order to ascertain whether certain basic principles of due process and public policy have been respected, without retrial or review of the merits of the subject matter. If a U.S. court grants a final judgment, enforceability of this judgment in Chile will be subject to obtaining the relevant exequatur (i.e., recognition and enforcement of the foreign judgment) according to Chilean civil procedure law in force at that time and satisfying certain legal requirements. Currently, the most important of these requirements are:

- the existence of reciprocity, absent which the foreign judgment may not be enforced in Chile;
- the absence of any conflict between the foreign judgment and Chilean law (excluding for this purpose the laws of civil procedure) and public policy;
- the absence of a conflicting judgment by a Chilean court relating to the same parties and arising from the same facts and circumstances;
- the observance of all applicable laws to serve process on the defendant and protect the defendant´s right to defense; and
- the absence of any further means for appeal or review of the judgment in the jurisdiction where judgment was rendered.

We have been advised by Larrain Rencoret & Urzua Abogados, that there is doubt as to the enforceability, in original actions in Chilean courts, of liabilities predicated solely on the U.S. federal securities laws and as to the enforceability in Chilean courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of the U.S. federal securities laws.

We will appoint CT Corporation System located at 111 Eighth Avenue, 13th Floor, New York, New York 10011, as agent to receive service of process under the indenture governing the notes, including with respect to any action brought against us in the United States District Court for the Southern District of New York under the federal securities laws of the United States or of any State of the United States or any action brought against us in the Supreme Court of the State of New York in the County of New York under the securities laws of the State of New York.

AVAILABLE INFORMATION

While any notes remain outstanding, we will make available, upon request, to any holder and any prospective purchaser of notes the information required pursuant to Rule 144(A)(d)(4)(i) under the Securities Act, during any period in which we are not subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

We have applied to have this offering memorandum approved by the Irish Stock Exchange and the notes admitted to the Official List of the Irish Stock Exchange for trading on the Global Exchange Market. See "Listing and General Information." We will comply with any undertakings given or undertaken by us from time to time to the Irish Stock Exchange in connection with the notes, and we will furnish to them all such information as the rules of the Irish Stock Exchange may require in connection with the listing of the notes.

You may obtain copies, without charge, of the indenture that governs the notes by requesting them in writing or by telephone at the address and phone number below.

Tanner Servicios Financieros S.A.
Huerfanos 863 – Piso 3
Santiago, Chile
Attention: Department of Investor Relations
Telephone: (562) 2674-7500

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Currency

In this offering memorandum, references to "US$," "U.S. dollars" and "dollars" are to United States dollars, and references to "Chilean pesos," "pesos" or "Ch$" are to Chilean pesos.

The term "Chile" refers to the Republic of Chile. The terms "Chilean government" or the "government" refer to the federal government of Chile, and the term "Chilean Central Bank" refers to the *Banco Central de Chile*. References to "UF" are to *Unidades de Fomento*. The UF is an inflation-indexed Chilean monetary unit with a value in Chilean pesos that is adjusted daily to reflect changes in the official Consumer Price Index ("CPI") of the *Instituto Nacional de Estadísticas* (the "Chilean National Institute of Statistics"). The UF is revalued in monthly cycles. Each day in the period beginning on the tenth day of the current month through the ninth day of the succeeding month, the nominal peso value of the UF is indexed up (or down in the event of deflation) in order to reflect a proportionate amount of the change in the Chilean consumer price index during the prior calendar month. As of December 31, 2012, UF1.00 was equivalent to US$47.6 and Ch$22,840.75, in each case based on the observed exchange rate reported by the Chilean Central Bank. See "Exchange Rates—Chile."

This offering memorandum contains translations of certain Chilean peso amounts into U.S. dollars at specified rates solely for the convenience of the reader. These translations should not be construed as representations that the Chilean peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rates indicated, at any particular rate or at all. Unless otherwise indicated, the exchange rate used in converting Chilean pesos into U.S. dollars for amounts presented as of and for the year ended December 31, 2012 is based on the observed exchange rate (*dólar observado*) reported by the Chilean Central Bank of Chile (the "Chilean Central Bank") for December 28, 2012 (the latest available date, as December 31, 2012 was a banking holiday in Chile), which was Ch$479.96 per US$1.00. The rates reported by the Chilean Central Bank for December 28, 2012 are based upon the observed exchange rate published by the Chilean Central Bank on the first business day following the respective period. The Federal Reserve Bank of New York does not report a noon buying rate for pesos. See "Exchange Rates" for additional information regarding rates of exchange.

Adoption of IFRS and Financial Information

On August 28, 2007, the SVS announced the adoption in Chile of the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (the "IASB"), beginning on January 1, 2009. References in this offering memorandum to IFRS mean IFRS as issued by the IASB. Chilean companies registered with the SVS were assigned different transition periods at the end of which they would be required to report their financial information in accordance with IFRS. We prepared our financial statements in accordance with generally accepted accounting principles in Chile ("Chilean GAAP") up to December 31, 2009. As a consequence of the above, we prepared our financial statements as of and for the years ended 2009 (the transition year) and 2010 (the conversion year) under IFRS. Additionally, SVS regulations now require us to report quarterly and annual financial statements under IFRS. IFRS differs in certain significant respects from Chilean GAAP.

The financial information included herein has been derived from our audited consolidated financial statements as of and for the years ended December 31, 2010, 2011 and 2012 together with the notes thereto, prepared in accordance with IFRS, which we refer to in this offering memorandum as our "Audited Consolidated Financial Statements."

Our Audited Consolidated Financial Statements have been audited by Deloitte Auditores y Consultores Limitada ("Deloitte"), our independent auditors. The report of Deloitte on our Audited Consolidated Financial Statements appears elsewhere in this offering memorandum.

Unless otherwise noted, all financial data presented herein is stated in nominal Chilean pesos.

Rounding. Certain figures included in this offering memorandum have been rounded for ease of presentation. Percentage figures included in this offering memorandum have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, certain percentage amounts in this offering memorandum may vary from those obtained by performing the same calculations using the figures in our consolidated financial statements. Certain other amounts that appear in this offering memorandum may not sum due to rounding.

Certain Terms Related to our Loan Portfolio

In this offering memorandum, we make reference to the following terms:

- "loans" is defined as the total amount of domestic factoring, international factoring, auto financing and leasing loans.
- "total loans" is defined as total performing loans and total non-performing loans.
- "net loans" is defined as loans, net of allowances.
- "non-performing loans" is defined as past-due loans from our domestic factoring, international factoring, auto financing and leasing loans calculated as of the first day such loans become past-due.
- "price differentials" is defined as the difference between the face amount and the discount purchase price paid by us for the accounts receivable that we purchase under our factoring segment.
- "loan volume" is defined as total disbursements, including factoring receivables, made by us to clients during the period indicated.

Industry and Market Data

Market data and other statistical information (other than in respect of our financial results and performance) used throughout this offering memorandum are based on independent industry publications, government publications, reports by market research firms or other published independent sources. This information is provided based on information obtained from independent sources that we believe to be reliable, such as the *Asociación Chilena de Factoring* (Chilean Factoring Association), the *Banco Central de Chile* (Chilean Central Bank), the *Instituto Nacional de Estadísticas* (Chilean National Institute of Statistics), and the *Camara Nacional de Comercio Automotriz de Chile* (Chilean National Chamber of Automotive Commerce). As a general rule, government and industry publications, including those referred to in this offering memorandum, state that the information presented therein was obtained from sources that they believe to be reliable; however, they do not guarantee their accuracy and completeness. Although we have no reasons to believe that the information or reports are inaccurate in any material respect, we have not carried out an independent analysis of our competitive position, market share, market size, market growth or other data provided by third parties or extracted from industry publications.

Neither we nor the initial purchaser make any representation regarding the accuracy of this information. We confirm that the information included in this offering memorandum that has been sourced from a third party or extracted from industry publications, has been accurately reproduced and as far as we are aware and we are able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading. Some data are also based on our estimates, which are derived from our review of internal surveys, as well as independent sources. You should not place undue reliance on estimates as they are inherently uncertain.

Trademarks

We own or have rights to use the trademarks, service marks and trade names that we use in conjunction with the operation of our business. Some of the more important trademarks that we own or have rights to use that appear in this offering memorandum include: *Tanner*® and *Factorline*®, each of which may be registered or trademarked in Chile or any other jurisdictions. Solely for convenience, we may refer to our trademarks, service marks and trade names in this offering memorandum without the TM and ® symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent permitted under applicable law, our rights to our trademarks, service marks and trade names. Each trademark, trade name or service mark of any other company appearing in this offering memorandum is, to our knowledge, owned by such other company.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum includes forward-looking statements, principally under the captions "Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." We have based these forward-looking statements largely on our current beliefs, expectations and projections about future events and financial trends affecting our business. Many important factors, in addition to those discussed elsewhere in this offering memorandum, could cause our actual results to differ substantially from those anticipated in our forward-looking statements, including, among other things:

- changes in general economic, business or political or other conditions in Chile or elsewhere in Latin America;
- changes in capital markets in general that may affect policies or attitudes towards investing in Chile or securities issued by companies in Chile;
- the ability or willingness of borrowers to meet their payment obligations;
- the monetary and interest rate policies of the Chilean Central Bank;
- high levels of inflation or deflation;
- movements in foreign exchange rates;
- unanticipated increases in financing and other costs or our inability to obtain additional debt or equity financing on attractive terms;
- any failure or weakness in our operating controls or procedures;
- changes in, or failure to comply with, applicable regulations, or changes in taxes;
- changes in consumer spending and saving habits;
- loss of market share or changes in competition and pricing environments in the segments in which we operate;
- difficulties in successfully integrating recent and future acquisitions into our operations;
- our inability to hedge certain economic risks;
- changes in labor relations;
- successful implementation of new technologies;
- trends affecting our financial condition and results of operation; and
- the factors discussed under "Risk Factors" in this offering memorandum.

The words "believe," "may," "will," "aim," "estimate," "continue," "anticipate," "intend," "expect," "forecast" and similar words are intended to identify forward-looking statements. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities and the effects of future regulation and competition. Forward-looking statements speak only as of the date they were made, and we undertake no obligation, other than as required by applicable law, to update publicly or to revise any forward-looking statements after we distribute this offering memorandum because of new information, future events or other factors. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this offering memorandum might not occur and are not guarantees of future performance. Because of these uncertainties, you should not make any investment decision based on these estimates and forward-looking statements.

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SUMMARY

This summary highlights information contained elsewhere in this offering memorandum. Because this is only a summary of this offering memorandum, we urge you to read carefully this entire offering memorandum before investing in the notes, including "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Audited Consolidated Financial Statements and related notes beginning on page F-1.

Overview

We are a leading Chilean non-banking financial institution, offering a variety of products and services through our principal business lines: domestic factoring, international factoring, auto financing and leasing. Our business lines focus on providing medium- and small-sized companies with sources of secured financing to meet their working capital needs as well as secured lending for individuals purchasing new or used vehicles. We reach our customers across Chile through our sales force and 34 branches, which cover Arica in the far north of the country to Punta Arenas at the southern tip, and through our online platform.

Through our domestic factoring business line, we provide liquidity and financing solutions to our customers by purchasing their accounts receivable. Our international factoring business line provides financing and other services to Chilean exporters and importers, including international factoring services and letters of credit. For the years ended December 31, 2012 and 2011, our factoring revenue was Ch$37,065 million (US$77.2 million) and Ch$29,730 million (US$61.9 million), respectively.

Through our auto financing business line, we finance the acquisition of vehicles through three different distribution channels, with products tailored to the customers' financing needs. For the years ended December 31, 2012 and 2011, our auto financing revenue was Ch$40,338 million (US$84.4 million) and Ch$29,116 million (US$60.6 million), respectively.

Our leasing business line offers financial leasing to customers in the construction, transportation, mining and real estate industries, among others. For the years ended December 31, 2012 and 2011, our leasing revenue was Ch$6,544 million (US$13.6 million) and Ch$4,540 million (US$9.5 million), respectively.

In addition to our principal business lines, we also offer stock, commodities and insurance brokerage services which complement our core lending business. For the years ended December 31, 2012 and 2011, our brokerage services revenue was Ch$6,753 million (US$14.1 million) and Ch$3,808 million (US$7.9 million), respectively.

As of and for the years ended December 31, 2012 and 2011, we had total assets of Ch$548,589 million (US$1,142.9 million) and Ch$430,214 million (US$896.4 million), and total net income of Ch$19,937 million (US$41.5 million) and Ch$14,448 million (US$30.1 million), respectively. For the years ended December 31, 2012 and 2011, we had gross profit of Ch$45,476 million (US$94.7 million) and Ch$35,488 million (US$73.9 million), respectively. As of December 31, 2012, our businesses had net loans (which includes factoring receivables) with a value of Ch$433,927 million (US$904.1 million), which was comprised 46.9% by factoring, 40.5% by auto loans and 12.6% by leasing. As of December 31, 2012, we had total shareholders' equity of Ch$100,663 million (US$209.7 million).

Approximately 90% of our capital stock is held by (i) Inversiones Bancarias S.A. (71.0%), (ii) Asesorías Financieras Belén Ltda (10.2%) and (iii) FSA Fondo de Inversión Privada (9.0%), investment companies controlled by Grupo Massu (controlled by Ricardo Massu, our current Vice Chairman), Jorge Sabag (our current Chairman) and Francisco Schulz (our former Chief Executive Officer), respectively. Our other minority shareholders are mainly comprised of current and former members of our management team.

Our Competitive Strengths

We believe that the following key strengths give us an advantage over our competitors and position us to grow our market share in the Chilean financial industry:

- *Leading Competitor in the Financial Non-Banking Industry*. We are a market leader in the Chilean financial non-banking industry and an active participant in the financial industry. We believe our position in the Chilean market has assisted us in achieving higher and more stable profits than our competitors. We believe our businesses are complementary to each other, which, combined with our network of 34 branches, affords us a significant competitive advantage over our competitors. Each of our business lines has access to a diverse pool of potential customers of our other business lines, including our factoring, leasing and auto financing businesses, located throughout Chile. We believe that this access provides us with significant opportunities to increase our number of clients by offering our different products, lowering the cost of customer acquisition and improving our profitability through integration. For the year ended December 31, 2012, 21.2% of our factoring customers used one or more of our products from our other business lines. We intend to enhance our marketing efforts to better tailor our financial products and related marketing strategies to existing customers.

- *Solid Business Model Based on Diversification with a Focus on Secured Lending*. We believe our business model enables us to effectively manage our exposure to credit risk and market volatility through diversification and secured lending. We offer a range of financing products, to a broad and diversified client base, which operate in different industries in Chile. We believe this diversification across products, clients and industries has enabled us to achieve balanced and stable results and to reduce the effect of any volatility in any one business line. In addition, we offer a range of financing products secured by an asset or other collateral. As of December 31, 2012, approximately 85% of our net loans were secured.

- *Access to Diversified Sources of Funding*. We fund the growth of our operations, particularly our loan portfolio, through lines of credit received from Chilean and international banks (with no single creditor representing more than 4% of our total liabilities as of December 31, 2012), as well as debt issuances through the domestic capital markets. Consequently, we believe we do not depend significantly on any single financial institution or financing source to fund our operations. As of December 31, 2012, 41.2% of our total indebtedness consisted of long-term debt with an average life of 3.2 years, all of which was unsecured, and 62.9% of our total indebtedness was peso-denominated, 16.3% was US dollar denominated and 20.8% was UF denominated. As a result of this offering, we will gain access to an additional source of funding.

- *Market Knowledge, Experienced Management Team and Board and Shareholder Support*. We believe that our 20 years of experience in the factoring industry, Gestora Tanner SpA's more than 80 years of experience in the stock brokerage industry and our management's experience in auto financing and leasing, provide us with extensive knowledge and understanding of the products and services to best serve our diverse customer base. Our Board of Directors and management team have broad experience in the financial services industry, having held former positions with regulatory agencies and banking institutions as well as factoring, leasing, insurance and other lending institutions. We also benefit from the support and experience of our controlling shareholder, Grupo Massu. We believe our management team, Board of Directors and shareholders and their knowledge, experience and support are key differentiating advantages of our company.

- *Efficient Credit and Operational Risk Processes*. We have implemented administrative procedures that expedite the credit approval process and optimize documentation requirements in connection with financing requests. We believe we have implemented a sound risk management system with rigorous policies, processes and procedures that allow us to efficiently assess credit and operational risks and respond to potential problems in a timely manner. In addition, we continuously invest in information technology improvements. We believe our focus on credit and operational risk controls allows us to measure the risks associated with each of our businesses.

- *Adherence to Governance and Industry Best Practices*. We believe that our adherence to key Chilean banking and regulated financial institution regulations distinguishes us from our non-banking competitors and fosters a high degree of trust among our customers and investors. We voluntarily adhere to our industry's best practices with respect to corporate governance and have created an audit committee with independent directors and a finance committee with economics experts. In addition, we issue securities through public offerings in Chile under the supervision of the SVS, which requires us to comply with governance, reporting and other regulations.

Our History

We were originally incorporated in 1993 as Bifactoring S.A., a Chilean affiliate of Banco BHIF (currently Banco BBVA) and later changed our name to Factorline S.A. in 1999. Since 2002, we have been an entity that is registered and supervised by the SVS, which enables us to offer our securities through the Chilean capital markets. We were the first company to issue commercial paper in the Chilean capital markets. We operated exclusively as a factoring company until 2004. Since 2004, we have diversified the products and services we offer by launching our auto financing division in 2004, commodities brokerage business in 2005, leasing division in 2008, stock brokerage and corporate finance services in 2010 through the acquisition of Gestora Tanner SpA, a company with 80 years of history and insurance brokerage business in 2011. In December 2011, in order to further promote our competitive market position and our strategy as a provider of a well-diversified range of financial products and services, we rebranded our business to Tanner Servicios Financieros, leveraging the strong Tanner brand recognition among existing and potential clients.

Our Market

As reported by the Central Bank of Chile, GDP grew 6.1% in 2010, 6.0% in 2011, and is estimated to have grown 5.6% in 2012. Domestic demand has been underpinning Chile's strong recovery since the global financial crisis in 2008 and 2009. Domestic demand increased 14.8% in 2010, 9.4% in 2011 and is estimated to have increased 7.1% in 2012. According to the Central Bank of Chile's national accounts, investment has played a key role in this positive economic development, with investment growth of 14.3% in 2010, 17.6% in 2011 and 9.9% estimated in 2012. Current international economic conditions have affected the Chilean economy. The expanding monetary policy in the developed markets such as the United States, however, has contributed to a substantial increase in foreign direct investments in the country. Foreign direct investments reached a historical record of US$28,152 million for the year ended December 31, 2012, an increase of 62.7% from the previous year. This increase in foreign direct investments together with consumption, supported economic growth. Private consumption expansion has been substantially attributed to durable goods, and is estimated to have increased by 6.6% in 2012.

Chile maintains the highest credit rating in Latin America, currently rated AA- by Standard & Poor's Financial Services LLC, ("S&P"), Aa3 by Moody's Investors Service, Inc. ("Moody's) and A+ by Fitch, Inc. ("Fitch"), as of December 31, 2012. However, such ratings are limited in scope and only reflect the view of the applicable rating agency at the time such rating is issued.

Our Business Strategy

Our business strategy is to leverage our competitive strengths and operating efficiency, in order to increase our profitability and the market share of the products we offer. We plan to pursue our business strategy by focusing on the following:

Maintaining our Leading Position in the Chilean Financial Services Market. We believe that the Chilean financial industry offers attractive growth potential. We intend to continue to capitalize on our strong brand name recognition and leading market position in Chile to grow our business. We plan to continue to expand our secured lending business by increasing our participation on the underserved medium- and small-sized companies' segment. In our factoring business line, we intend to increase our market share by expanding our sales force in our branch network throughout Chile. We plan to continue capturing additional market share in our auto financing segment by offering acquisition financing for a wide range of vehicles for individual and corporate consumers through a variety of products with different rate structures at competitive prices.

Actively Pursuing Cross-Selling Opportunities. We intend to increase our market share and profitability by cross-selling our current products and services. We believe that our existing customer base represents a significant opportunity to sell additional financial products and services. We intend to focus our cross selling on the medium- and small-sized company segment and provide factoring, auto financing, leasing and other brokerage services.

Maintaining Customer Loyalty and Develop New Products and Services. We aim to maintain customer loyalty by continuing to deepen our existing relationships with individual and corporate clients and provide best-in-class customer service. We also intend to focus additional resources on under-served segments by tailoring financial products to the needs of existing and potential clients. We aim to reach new clients by taking advantage of our branch network throughout Chile. We also seek to become an exclusive provider of auto financing products for a particular vehicle brand. We also intend to further develop our leasing products relating to real estate assets.

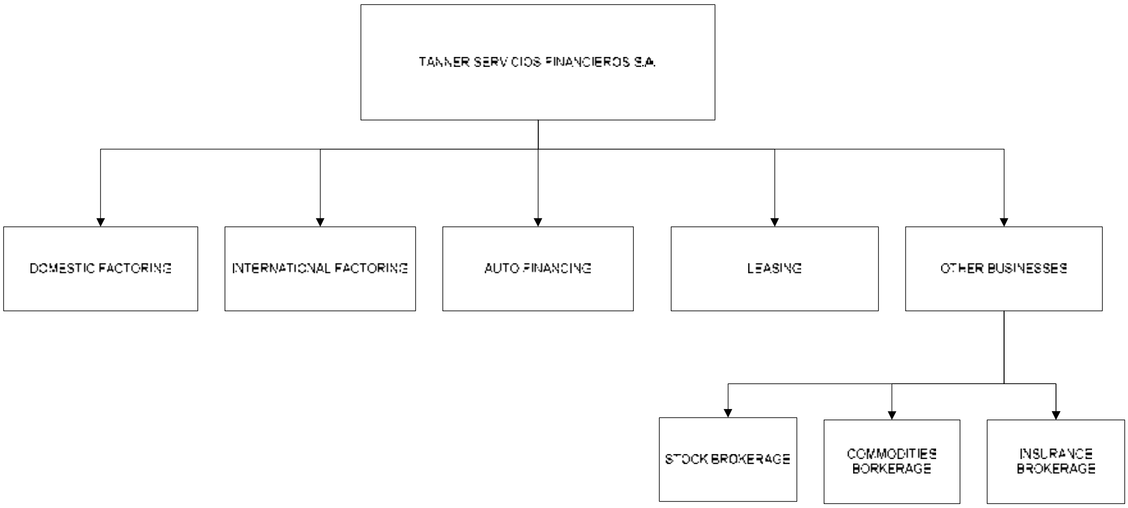
Focusing on Improving Operating Efficiencies. We are committed to maintaining our cost discipline and improving our operating efficiency and profitability. We believe an adequate management of our administrative expenses will allow us to increase our competitiveness in the market. We also continue to implement technological solutions aimed at identifying means of improving our pricing processes and assessing the profitability of our business segments. Through these initiatives, we intend to continue to improve our efficiency.

Maintaining an Adequate Balance between our Short Term and Long Term Portfolio. We intend to grow our business while keeping a balance between our short term and long term loan portfolio. We believe this strategy allows us to benefit from the high liquidity provided by our short term portfolio in the factoring business while we continue to focus on developing our long term portfolio in our leasing and auto financing businesses at attractive rates. Accordingly, we intend to continue to diversify our sources of funding, which will allows us to support our business plan.

Continue Developing our Complementary Businesses. We intend to continue developing our brokerage businesses in order to offer our customers a wider array of financial products. Through an experienced team of professionals, information technology and human resources, we intend for our stock brokerage business to be among the top Chilean stock brokers within the next couple of years. We intend to leverage our leading position in the auto financing segment to increase our sales of auto related insurance products at our insurance brokerage business. At our commodities brokerage business, we are focused on maintaining a leadership position in a segment that we believe has significant growth prospects.

Our Lines of Business

The following chart presents our principal operating divisions as of the date of this offering memorandum.



We were established on April 6, 1993 as a corporation (sociedad anónima) organized under the laws of Chile. Our registered office is located at Huérfanos 863 - Piso 3, Santiago – Chile telephone number: (56 - 2) 2674 7500, website: (www.tanner.cl). The information on our website is not incorporated into this offering memorandum.

THE OFFERING

The following summary highlights selected information regarding the terms of the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the notes, you should read the entire offering memorandum carefully, including "Description of the Notes."

Issuer..	Tanner Servicios Financieros S.A.
Securities Offered	US$250,000,000 aggregate principal amount of 4.375% Senior Notes due 2018.
Maturity Date..	The notes will mature on March 13, 2018.
Interest...	The notes will bear interest at a fixed rate of 4.375% per year, payable semi-annually in arrears on September 13 and March 13 of each year, beginning on September 13, 2013.
Issue Price...	99.446% of the principal amount of the notes, plus accrued interest, if any, from March 13, 2013.
Subsidiary Guarantees	The notes will initially be guaranteed by our subsidiary Tanner Leasing S.A. Approval of this offering memorandum by the Irish Stock Exchange will be based on the Subsidiary Guarantees granted on the day of such approval.
Ranking	The notes will be our unsecured senior obligations and will rank equally with our unsecured senior indebtedness. The notes will be effectively subordinated to all of our secured indebtedness to the extent of the assets securing such indebtedness, and certain other obligations that are granted preferential treatment under Chilean law, such as labor and tax claims. The notes will also be effectively subordinated to all indebtedness and other liabilities of our subsidiaries that do not guarantee the notes. As of December 31, 2012, we had total consolidated indebtedness of Ch$344,386 million (US$717.5 million), none of which was secured indebtedness and Ch$2,323 million (US$4.8 million) was indebtedness owed by subsidiaries (other than Tanner Leasing S.A.).
Additional Amounts	Subject to certain exceptions, all payments in respect of the notes will be made without any withholding or deduction for any taxes of Chile or any jurisdiction in which we are organized or otherwise resident for tax purposes, or any jurisdiction through which payments in respect of the notes are made, or, in each case, any political subdivision thereof or any authority or agency therein or thereof having the power to tax, unless such withholding or deduction is required by law. Under current Chilean tax law and regulations, payments of interest to holders of the notes that are not residents of Chile for purposes of Chilean taxation will generally be subject to Chilean withholding tax at a rate of 4.0%. We will pay such additional amounts as will result in receipt by the holders of notes of such amounts as would have been received by them had no such withholding or deduction for taxes been required, subject to

certain exceptions. See "Description of the Notes—Additional Amounts" and "Taxation—Chilean Taxation."

Optional Make-Whole Redemption .... We may redeem the notes, in whole but not in part, at any time by paying the greater of the principal amount of the notes and the "make-whole" amount, plus, in each case, accrued and unpaid interest. See "Description of the Notes—Optional Redemption— Make-Whole Redemption."

Optional Tax Redemption................................. We may also redeem the notes, in whole but not in part, at any time in the event of certain changes in tax laws at a price equal to the outstanding principal amount of the notes plus accrued and unpaid interest and any additional amounts. See "Description of the Notes—Optional Redemption—Tax Redemption."

Change of Control .... Upon the occurrence of a Change of Control (as defined in "Description of the Notes—Certain Definitions"), we will be required to offer to purchase the notes at 101% of the principal amount of the notes, plus accrued and unpaid interest to the purchase date. See "Description of the Notes—Repurchase at the Option of the Holders—Change of Control."

Events of Default.. For a discussion of certain events of default that will permit acceleration of the principal of the notes plus accrued and unpaid interest, if any, and any other amounts due with respect to the notes, see "Description of the Notes—Events of Default."

Form and Denomination .... The notes will be issued only in registered form, without interest coupons, in the form of beneficial interests in respect of one or more global notes in minimum denominations of US$50,000 and integral multiples of US$1,000 in excess thereof. Beneficial interest in the global notes will be shown on, and transfers will be effected only through, the book-entry records maintained by The Depository Trust Company ("DTC") and its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream"). The notes will not be issued in definitive form except under certain limited circumstances. See "Description of the Notes—Form of the Notes."

Transfer Restrictions... The notes have not been registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction. As a result, the notes are subject to limitations on transferability and resale. For more information see "Transfer Restrictions."

Use of Proceeds .... We will use the net proceeds from this offering to repay certain of our outstanding indebtedness and for our general corporate purposes.

Listing and Trading... We have applied to have this offering memorandum approved by the Irish Stock Exchange and the notes admitted to the Official List of the Irish Stock Exchange for trading on the Global Exchange Market. However, the notes are a new issue of securities and there is no established trading market for the

	notes. Accordingly, we cannot assure you that a trading market for the notes will develop, or if it develops, that it will be maintained.
Governing Law	The indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York.
Trustee, Registrar, Transfer Agent and Paying Agent	The Bank of New York Mellon
Irish Listing Agent and Paying Agent	The Bank of New York Mellon SA/NV Dublin Branch.
Risk Factors	Investing in the notes involves substantial risks and uncertainties. See "Risk Factors" and other information included in this offering memorandum for a discussion of factors you should carefully consider before deciding to invest in the notes.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The following tables set forth our summary historical consolidated financial data and certain operating data as of and for each of the periods indicated. This information is qualified in its entirety by, and should be read in conjunction with, our Audited Consolidated Financial Statements, including the notes thereto, and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Presentation of Financial and Other Information" included elsewhere in this offering memorandum. The summary consolidated financial information as of December 31, 2012, 2011 and 2010 and for each of the years ended on such dates has been derived from our Audited Consolidated Financial Statements, which have been audited by Deloitte, independent auditors. The report of Deloitte on our Audited Consolidated Financial Statements appears elsewhere in this offering memorandum.

We make no representation that the Chilean peso or the U.S. dollar amounts referred to herein actually represent, could have been or could be converted into U.S. dollars or Chilean pesos, as the case may be, at the rates indicated, at any particular rate or at all.

	For the year ended December 31,			
	2010	**2011**	**2012**	**2012**
	(in Ch$ millions)			**(in US$ millions)[1]**
INCOME STATEMENT DATA				
Revenue	45,808	67,194	90,700	189.0
Cost of sales	(20,755)	(31,706)	(45,224)	(94.2)
Gross profit	25,053	35,488	45,476	94.7
Other income	183	547	492	1.0
Administrative expense	(12,456)	(18,417)	(22,653)	(47.2)
Other gains (losses)[2]	—	(141)	0.6	—
Financial income[3]	51	157	504	1.1
Financial costs[3]	—	(60)	(60)	(0.1)
Share profit (loss) of associates and joint ventures accounted for using equity method	(1)	—	(10)	—
Exchange differences	—	(294)	(161)	(0.3)
Result from indexation	(1)	154	104	0.2
Gains (losses) arising from difference between previous carrying amounts and fair value of financial assets reclassified as measured at fair value	—	66	—	—
Profit (loss) before taxes	12,829	17,500	23,692	49.4
Tax income (expense)	(2,027)	(3,052)	(3,755)	(7.8)
Profit (loss) attributable to owners of parent	10,772	14,335	19,503	40.6
Profit (loss) attributable to non-controlling interests	30	113	434	0.9
Net income	10,803	14,448	19,937	41.5

(1) Chilean peso amounts have been translated into U.S. dollars at an exchange rate of Ch$ 479.96 per US$1.00, the *dolar observado* or observed exchange rate as of December 28, 2012 (the latest available date, as December 31, 2012, was a banking holiday in Chile). See "Exchange Rates."

(2) Includes investments in time deposits, mutual fund deposits and derivatives.

(3) Includes temporary variable or fixed interest rate investments as well as financial expenses as a result of such investments. Our financial income (expense) is not deemed to be income earned or expense incurred during our ordinary course of business.

	As of December 31,			
	2010	2011	2012	2012
	(in Ch$ millions)			(in US$ millions)[1]
BALANCE SHEET DATA				
Total current assets	211,524	308,304	384,842	801.8
Cash and cash equivalents	7,240	9,046	16,243	33.8
Other current financial assets	1,259	14,309	19,326	40.3
Other current non-financial assets	883	1,082	4,239	8.8
Trade and other accounts receivable[2]	198,361	276,468	336,699	701.5
Accounts receivable from related companies	874	888	1,274	2.7
Current tax assets	2,908	6,512	7,061	14.7
Total non-current assets	76,920	121,909	163,748	341.2
Other non-current financial assets	—	—	490	1.0
Other non-current non-financial assets	197	2,028	2,164	4.5
Trade and other non-current accounts receivable[2]	68,018	107,884	138,930	289.5
Accounts receivable from related companies	234	1,664	3,899	8.1
Investments accounted for using equity method	1,910	50	40	0.1
Intangible assets other than goodwill	57	195	144	0.3
Goodwill	459	1,274	1,303	2.7
Property, plant and equipment	1,483	2,299	4,981	10.4
Deferred tax assets	4,561	6,516	11,796	24.6
Total assets	288,444	430,214	548,589	1,143.0
Other current financial liabilities	123,252	188,543	202,571	422.1
Trade and other payables	23,269	41,345	87,933	183.2
Accounts payable to related companies	—	4,281	—	—
Other short term provisions	1,406	1,784	2,834	5.9
Current tax liabilities	2,907	3,386	8,074	16.8
Other current non financial liabilities	141	266	—	—
Total current liabilities	150,975	239,605	301,413	628.0
Total non-current liabilities	92,081	123,963	146,514	305.3
Other non-current financial liabilities	89,661	120,129	141,814	295.5
Trade and other non-current payables	621	515	396	0.8
Deferred tax liabilities	1,800	3,319	4,304	9.0
Total liabilities	243,056	363,568	447,927	933.3
Non-controlling interests	185	1,409	2,747	5.7
Shareholders' equity	45,388	66,645	100,663	209.7
Total liability and shareholders' equity	288,444	430,214	548,589	1,143.0

(1) Chilean peso amounts have been translated into U.S. dollars at an exchange rate of Ch$ 479.96 per US$1.00, the *dolar observado* or observed exchange rate as of December 28, 2012 (the latest available date, as December 31, 2012, was a banking holiday in Chile). See "Exchange Rates."

(2) Includes factoring receivables, leases and auto financing loans.

	As of and for the year ended December 31,		
	2010	2011	2012
SELECTED FINANCIAL RATIOS AND OPERATING INDICATORS			
Profitability and Efficiency			
Return on average shareholders' equity(1)…....... .	28.0%	26.0%	23.9%
Return on average total assets(2)..........................	4.4%	4.0%	4.0%
Profit Margin(3)	23.5%	21.3%	21.5%
Efficiency Ratio(4)	37.4%	41.7%	37.5%
Interest income as a percentage of net loans(5).....	17.8%	17.1%	18.2%
Interest expense as a percentage of net loans(6)....	3.4%	4.7%	4.8%
Return on average net loans(7).............................	11.2%	10.7%	10.1%
Capitalization and Balance Sheet Structure			
Debt to Equity Ratio(8)	5.4x	5.5x	4.4x
Capitalization Ratio(9)	15.7%	15.5%	18.3%
Credit Quality Ratios			
Non-performing loans as a percentage of total loans(10)			
Over 30-days	2.4%	2.3%	2.6%
Over 90-days	0.9%	0.8%	1.0%
Allowance for loan losses as a percentage of total loans(11)	3.4%	3.0%	3.7%
Allowance for loan losses as a percentage of non-performing loans(12)	140.4%	131.0%	143.3%
Provision for loan losses as a percentage of total loans(13)	2.5%	1.9%	2.9%
Write-offs as a percentage of total loans(14)	2.3%	1.7%	1.8%
Write-offs as a percentage of non-performing loans(15)	94.7%	75.7%	68.4%
Operating Indicators			
Total clients	23,674	34,015	42,674
Gross factoring volume (in Ch$ millions)(16)	895,371	1,035,902	1,100,983

(1) Calculated as net income for the period divided by average shareholders' equity for the period. Average shareholders' equity calculated as the average of shareholders' equity at the beginning and end of the period.
(2) Calculated as net income for the period divided by average total assets for the period. Average total assets calculated as the average of total assets at the beginning and end of the period.
(3) Calculated as net income divided by revenues for the period.
(4) Calculated as administrative expenses for the period divided by gross profit before write-offs and allowances for the period.
(5) Calculated as interest income plus price differences for the factoring segment for the period divided by average net loans for the period. Average net loans calculated as the average of net loans at the beginning and end of the period.
(6) Calculated as interest expense for the period divided by average net loans for the period. Average net loans calculated as the average of net loans at the beginning and end of the period.
(7) Calculated as gross profit for the factoring, auto financing and leasing divisions for the period divided by average net loans for the period. Average net loans calculated as the average of net loans at the beginning and end of the period.
(8) Calculated as total liabilities divided by total equity at the end of the period.
(9) Calculated as total equity at the end of the period divided by total assets at the end of the period.
(10) Calculated as non-performing loans divided by total loans.
(11) Calculated as allowance for loan losses divided by total loans at the end of the period.
(12) Calculated as allowance for loan losses divided by non-performing loans at the end of the period.
(13) Calculated as provision for loan losses for the period divided by non-performing loans at the end of the period.
(14) Calculated as write-offs for the period divided by total loans at the end of the period.
(15) Calculated as write-offs for the period divided by non-performing loans at the end of the period.
(16) Corresponds to annual disbursements under the factoring segment.

RISK FACTORS

You should carefully consider the risks and uncertainties described below and the other information in this offering memorandum before making an investment in the notes. The risks described below are not the only ones facing our company or investments in Chile. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. This offering memorandum also contains forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements." Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain factors, including the risks facing our company described below and elsewhere in this offering memorandum.

Risks Related to Our Business and Our Industries

Changes in economic conditions could materially and adversely affect demand for our financing products.

Demand for our financing products depends on economic conditions, including growth rates, inflation, unemployment, cost of energy and other necessities, availability of consumer credit, interest rates, consumer confidence, debt levels, retail trends, and foreign currency exchange rates. These economic conditions are beyond our control. In addition, our ability to receive payments on our loans in full and on time is also heavily dependent on the financial condition of our customers, which is in turn heavily dependent on economic conditions. Worsening economic conditions could negatively impact the financial condition of existing and potential customers, particularly medium and small-sized companies, which could in turn increase the share of our existing non-performing loans, thereby reducing the profitability of our financing products.

In particular, we believe that vehicle sales, and hence our results in the auto financing and leasing business lines, are strongly influenced by economic conditions in the markets in which we operate, including inflation, recession or economic slowdown, consumer confidence, interest rates, the level of personal discretionary spending, credit availability and employment/unemployment rates. Historically, sales of motor vehicles and other heavy equipments have been cyclical, fluctuating with general economic cycles. The automotive industry may experience sustained periods of decline in vehicle sales in the future, which in turn could adversely affect the demand for our auto financing and leasing products. The occurrence of any of these events may materially adversely affect our business, financial condition and results of operations.

Competition from other financial institutions may adversely affect our profitability and position.

We face competition from banking institutions and their affiliates in each of our business lines. We expect competition will continue to increase as we continue expanding our operations in Chile. Institutions with which we may compete may have significantly greater assets and capital, and other resources. Increased competition in our markets may result in an adverse effect on our business, financial condition and results of operations.

Customer uncertainties related to our business may result in the loss of or decreased business.

Our business depends upon our customers believing that we will be able to provide them with funding on a timely basis through a wide range of quality products. Many of our customers rely upon our funding to provide them with the working capital necessary to operate their business or to fund capital improvements that allow them to maintain or expand their business. In many instances, these funding requirements are time sensitive. If our customers are uncertain as to our ability to continue to provide them with funding on a timely basis or to provide the same breadth and quality of products, we may be unable to attract new customers and we may experience lower business or a loss of business with our existing customers.

We may not be able to effectively control the level of non-performing or poor credit quality loans and our allowances for non-performing loans may not be adequate to cover actual losses.

As a financial services provider, we face the risk of non-performing or poor credit quality loans. Whether as a result of growth in our loan portfolio or other factors beyond our control (such as a weakening of the global or

Chilean economy, other macroeconomic and political events affecting Chile, events affecting specific industries or natural disasters), we may not be able to effectively control the level of non-performing loans in our total loan portfolio. In addition, our allowances for non-performing loans may not be adequate to cover an increase in the amount of non-performing loans or any future deterioration in the overall credit quality of our loan portfolio. If the quality of our loan portfolio deteriorates we may be required to increase our allowances, which may adversely affect our financial condition and results of operations. Moreover, there is no precise method for predicting loan and credit losses and we cannot assure you that our monitoring and risk management procedures will efficiently predict such losses or that our allowances are sufficient to cover actual losses. In addition, we are not required to employ, and do not employ, the same procedures for measuring risks and establishing allowances, as is employed by commercial banking institutions in Chile. Our methodology for measuring loan and credit risk and establishing allowances is based, in large part, on historical experience, and therefore these methods may not be able to accurately estimate future risk exposures, which could be significantly greater than indicated by measures based on historical data. Our own methodology for measuring loan and credit risk and establishing allowances is currently reviewed by the SVS, but not by the SBIF. We cannot assure you that in the future, the SVS or the SBIF, as regulating agencies, will not require us to increase our allowances. If we are unable to control the level of our non-performing or poor credit quality loans, our business, financial condition and results of operations could be materially and adversely affected.

Imbalances in the interest rates, exchange rate and maturity between our loan portfolio and our sources of funds could adversely affect us and our capacity to expand our business.

We are exposed to interest rate, exchange rate and maturity mismatches between our loans and sources of funding. Our loan portfolio consists entirely of loans bearing interest at fixed rates, and the yield from our loans depends on our ability to balance our cost of funding with the interest rates we charge to our customers. An increase in interest rates, or general uncertainty about changes in interest rates, could affect demand for credit, and thus demand for our direct and indirect financing products. In addition, an increase in market interest rates in Chile could increase our cost of funding under circumstances in which we could not timely and fully increase the interest rates we charge to our customers. Such a situation could reduce the net interest income we earn on our loan portfolio, which in turn could have a material adverse effect on our business, financial condition and results of operations. Any mismatch between the maturity of our loan portfolio and our sources of funds could magnify the effect of any imbalance in interest rates and could present a liquidity risk if we fail to obtain funding on an ongoing basis. An increase in our total cost of funds for any of these reasons could result in an increase in the interest rates on our loans, which could, as a result, affect our ability to attract new customers. A decrease in the growth of our loan portfolio could materially adversely affect our business, financial condition and results of operations. In addition, upon consummation of this offering, we will significantly increase the amount of our financial debt that is denominated in U.S. dollars. As a result, fluctuations in the Chilean peso or the UF against the U.S. dollar exchange rate may have a material adverse effect on our business, financial condition and results of operations.

We may not be able to obtain the capital we need to fund and expand our business.

We have been funding the growth of our business through internally generated cash from our operations, publicly issued debt securities, external lines of credit from several sources, such as local and international financial institutions and capital increases. Adverse financial conditions, including crises, could limit our access to new or sustained funding. Any decrease in the availability of one or more of our funding sources could have an adverse effect on our business, financial condition and results of operations.

We may also require additional capital in the future in order to grow our loan portfolio, remain competitive or enter into new businesses. In addition, we may need to raise additional capital to increase our equity base in the event that we experience large, unexpected losses in our loan portfolio. Our ability to obtain additional capital is subject to a variety of uncertainties, including:

- our financial condition, results of operations, and cash flows;
- general market conditions for capital-raising activities by commercial banks and other financial institutions; and
- economic, political, and other conditions in Chile and elsewhere.

We may not be able to obtain additional capital in a timely manner, on acceptable terms or at all, which could have an adverse effect on our business, financial condition and results of operations. Our credit ratings are an important component of our liquidity profile and downgrades in our credit ratings could increase the cost of future borrowings, as well as negatively impact our ability to renew maturing debt. Our future ability to access financial markets in order to obtain required funding on acceptable terms will also depend to a large degree on prevailing capital and financial market conditions over which we have no control, and accordingly we cannot assure you that we will be able to do so. Our failure to generate sufficient cash flows from operations or to obtain external financing could have a material adverse effect on our business, financial condition and results of operations.

Attempts by us to offer and market new products and services may not be successful.

As part of our business strategy, we plan to develop and introduce new products and services. However, we cannot guarantee new products and services will be successful once they are offered to our customers. We may not be able to adequately anticipate our customers' needs or desires, and these may also change over time, which would risk rendering certain of our products and services obsolete. In the event that our competitors are better able to anticipate market trends, our market share could decrease. Moreover, we may incur substantial costs to expand our range of products and services and may face difficulties in achieving profitability from such products and services. There can be no assurance as to the effect of expanding our range of products and services.

Our debt agreements contain restrictions that may limit flexibility in operating our business, and in the event of a default, all of our borrowings may become immediately due and payable.

The terms of our financial indebtedness impose, and the terms of our future financial indebtedness may impose operating and other restrictions on us. The agreements governing our credit facilities and local bond issuances contain restrictive covenants and a requirement that we comply with a number of financial covenants, including maintaining certain ratios of total debt to equity, total liabilities to net worth, net financial debt to equity, as well as the maintenance of minimum levels of total assets, and unencumbered assets and equity. Our ability to comply with these ratios may be affected by events beyond our control. These restrictions and financial ratios could limit our ability to plan for or react to market conditions, otherwise restrict our activities or business plans and adversely affect our ability to finance ongoing operations or strategic investments or to engage in other business activities that would be in our interest.

A significant portion of our financial indebtedness is also subject to cross default provisions. Our breach of any of these restrictive covenants or our inability to comply with the financial maintenance ratios would result in a default under the other applicable debt instruments. If any such default occurs, the lenders may elect to declare all outstanding borrowings, together with accrued interest and other fees, to be immediately due and payable. If we are unable to repay outstanding borrowings when due, the lenders will have the right to exercise their rights and remedies against us, and we cannot assure you that our assets would be sufficient to repay in full our obligations.

We have a significant amount of indebtedness, the majority of which is short-term indebtedness. Our indebtedness may impair our operating and financial flexibility and could adversely affect our business, financial condition and results of operations.

As of December 31, 2012, we had total outstanding indebtedness (including accrued interest) of Ch$344,386 million (US$717.5 million). Of this amount, Ch$202,571 million (US$422.1 million), or 58.8%, consisted of indebtedness with maturities of one year or less or indebtedness that otherwise becomes due within one year, which we classify as short-term indebtedness. The remaining Ch$141,814 million (US$295.4 million), or 41.2%, of our total outstanding indebtedness consisted of indebtedness with maturities greater than one year that becomes due more than one year after December 31, 2012, which we classify as long-term indebtedness. Accordingly, our capacity to continue funding our operations will depend on the collection of our loan portfolio. This capacity will also depend on our ability to refinance or restructure our short term indebtedness and the prevailing liquidity conditions of the financial market. Our indebtedness could have important consequences, including the following:

- it may be difficult for us to satisfy our obligations under our existing credit facilities and other indebtedness and commitments;

- we may not have sufficient resources to repay our short-term indebtedness as it becomes due or sufficient time to finance the repayment thereof;

- we are required to use a portion of our cash flow from operations to pay interest on our current and future indebtedness, which may require us to reduce funds available for other purposes;

- we may have a limited ability to obtain additional financing, if needed, to fund additional projects, working capital requirements, capital expenditures, debt service, general corporate or other obligations; and

- we may be placed at a competitive disadvantage to our competitors.

If we are unable to comply with the provisions of our debt instruments and are unable to obtain a waiver or amendment, the indebtedness outstanding under such debt instruments could be accelerated. Acceleration of these debt instruments would have a material adverse effect on our business and financial condition and may affect our viability as a going concern. In addition, the short-term nature of our indebtedness substantially affects our ability to operate and requires that we expend significant resources in refinancing efforts. If we are not able to refinance our short-term indebtedness, our indebtedness under the notes is unlikely to be repaid.

The value of collateral under our leases and other financing contracts may be inadequate, and the value of the collateral may be less than initially estimated.

We generally require a lien on assets securing our leases and other financing contracts. The value of such collateral may be adversely affected by a number of conditions such as damage, loss, devaluation, oversupply or reduced demand for such asset. There can be no assurance that the value of such collateral will not decline. There can also be no assurance that the assumptions relied on by appraisers assessing the value of such collateral are accurate measures of the market and thus the value of such collateral may be evaluated inaccurately. Consequently, the price at which we are able to sell any collateral in the event of an attachment or foreclosure may be lower than the valuation of such collateral and this may have a material adverse effect on our results of operations and financial condition.

We require a lien on the assets securing our leases and other financing products, and upon default under the terms of the contract, would be entitled to the collateral. As is common in our line of business, our inability to bring an enforcement action on the collateral securing our contracts may have a material adverse effect on our results of operations and financial condition.

Our business is highly dependent on proper functioning and improvement of information technology systems.

Our business is highly dependent on our ability to timely collect and process a large amount of information related to the existing customer base, including transaction processes that may increase in complexity with increasing volume in our business. The proper functioning of financial control, accounting or other data collection and processing systems is critical to our businesses and to our ability to compete effectively. A partial or a complete failure of any of these primary systems could materially and adversely affect our decision-making process, our risk management and internal control systems as well as our ability to respond on a timely basis to changing market conditions. Such failures could be caused by, among other things, software bugs, computer virus attacks or conversion errors due to system upgrading. Any security breach caused by unauthorized access to information or systems, intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, could have a material adverse effect on our business, results of operations and financial condition. In addition, we may experience difficulties in upgrading, developing and expanding our information technology systems quickly enough to accommodate our growing customer base. If we cannot maintain an effective data collection and management system, or if we cannot upgrade that system as necessary to meet the changing circumstances of our business, then our business, financial condition and results of operations could be adversely affected.

We may experience operational problems or errors.

We, like all financial institutions, are exposed to many types of operational risks, including the risk of fraud by employees and outsiders, failure to obtain proper authorizations, failure to properly document transactions, equipment failures and errors by employees. Although we maintain a system of operational controls, there can be no assurances that operational problems or errors will not occur and that their occurrence will not have a material adverse impact on our business, financial condition and results of operations.

We are dependent on key personnel.

Our operation and growth have depended significantly upon the efforts, relationships, reputation and experience of our board of directors, senior management and other key personnel. The loss of their services, or our inability to attract and retain qualified management personnel to replace them, could have a material adverse effect on our business, financial condition and results of operations.

If we do not effectively manage our large and growing workforce, our results of operations could be adversely affected.

Our business is dependent on our ability to attract, train and retain a growing number of qualified team members. With over 950 employees, our workforce costs represent our largest operating expense. Our ability to meet our labor needs while controlling our costs is subject to external factors such as unemployment levels, prevailing wage rates, health care and other benefit costs and changing demographics. If we are unable to attract and retain adequate numbers of qualified team members, our operations, client service levels and support functions could suffer. Those factors, together with increasing wage and benefit costs, could adversely affect our results of operations.

Our controlling shareholders are able to exercise significant control over our company which could result in conflicts of interest.

We are currently controlled by Grupo Massu, which currently has a 71% ownership stake in us, through Inversiones Bancarias, S.A. Our controlling shareholders are in a position to direct our management and to determine the result of substantially all matters to be decided by majority vote of our shareholders, including the election of a majority of the members of our board of directors, determining the amount of dividends distributed by us (subject to the legally mandated minimum of 30.0% of net profits set forth in Article 79 of the Chilean Corporations Law), adopting certain amendments to our bylaws, enforcing or waiving our rights under existing agreements, and entering into certain agreements with entities affiliated with us. As a result, circumstances may occur in which our controlling shareholders' interests could be in conflict with your interests as noteholders.

Our risk management systems and policies may not be effective in mitigating our risk exposure, and we may be exposed to unidentified or unanticipated risks, which may materially and adversely affect our results of operations and financial condition.

Our risk management systems, hedging strategies, insurance policies and other risk management techniques may not be effective in mitigating our risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risk are based upon historical market behavior or past events. As a result, these methods may not be able to accurately estimate future risk exposures, which could be significantly greater than indicated by measures based on historical data. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information in all cases may not be accurate, complete, up-to-date or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to record properly and verify a large number of transactions and events. Such policies and procedures instituted by us may not be fully effective. Any failure of our risk management procedures or any failure to identify any applicable risks may have a material adverse effect on our results of operations and financial condition.

Our controls and procedures may fail or be circumvented.

Controls and procedures, particularly those relating to collections and cash management, are important for finance companies. Any system of controls, however well-designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of our controls and procedures, or failure to comply with regulations related to controls and procedures, could have a material adverse effect on our business and financial performance.

Risks Related to Chile

Our growth and profitability depend on the level of economic activity in Chile.

All of our loans are to borrowers doing business in Chile. Accordingly, the recoverability of these loans, our ability to increase the amount of loans outstanding and our results of operations and financial condition in general, are dependent to a significant extent on the level of economic activity in Chile. The Chilean economy has been influenced, to varying degrees, by economic conditions in other emerging market countries. Changes in Chilean economic growth or developments in or affecting the Chilean economy, including consequences of economic difficulties in emerging and developed markets, including some of our neighbor countries, or a deceleration in the economic growth of Asian or other developed nations to which Chile exports a majority of its goods, could materially and adversely affect our business, financial condition or results of operations.

According to data published by the Central Bank, the Chilean economy grew by 6.1%, grew by 6.0% and grew by 5.6% in 2010, 2011 and 2012, respectively. Historically, lower economic growth has adversely affected the overall asset quality of the Chilean financial system and our loan portfolio.

Our results of operations and financial condition could also be affected by changes in economic or other policies of the Chilean government, which has exercised and continues to exercise a substantial influence over many aspects of the private sector, or other political or economic developments in Chile.

Starting in September 2008, the economic and financial crisis in the United States and Europe sparked a series of financial institution failures throughout the globe. This resulted in a liquidity crisis and a reduction in growth of the global economy as financial institutions tightened risk policies and reduced lending to banks, corporations and individuals. Consequently, Chile was affected by a strong decrease in growth during the fourth quarter of 2008 and in 2009 as its trading partners entered into recession affecting local corporate sales, employment levels, plans for investment and the price of exports. Global financial or economic downturns, whether as a result of the ongoing sovereign debt crisis in Europe, the slow recovery in the United States, a slowdown in the growth of emerging markets, or otherwise, could affect the Chilean economy and have a material adverse effect on our financial condition, results of operations and the market value of our securities.

The Chilean economy is influenced by developments in other Latin American and emerging market countries.

The Chilean economy has been influenced, to varying degrees, by economic conditions in other emerging market countries. Changes in Chilean economic growth in the future or future developments in or affecting the Chilean economy, including consequences of economic difficulties in Brazil, and other emerging markets or a deceleration in the economic growth of Asian or other developed nations to which Chile exports a majority of its goods, could materially and adversely affect our business, financial condition and results of operations.

We are exposed to risks related to the weakness and volatility of the economic and political situation in Latin America. Crises and political uncertainties in other Latin American countries could have an adverse effect on Chile, the market value of our securities or have a materially adverse affect our business, financial condition and results of operations.

Developments and the perception of risks in other countries, especially emerging market countries, may affect the Chilean economy, our business and the market price of Chilean securities. Furthermore, although economic conditions are different in each country, investors' reactions to developments in one country may affect the securities of issuers in other countries, including Chile.

Economic and political problems encountered by other countries may materially adversely affect the Chilean economy, have a material adverse effect on our business, financial condition, results of operations and the market value of our securities.

Inflation may adversely affect the Chilean economy and have an adverse effect on us.

Although Chilean inflation has been relatively stable in recent years, Chile has experienced higher levels of inflation in the past decades. High levels of inflation in Chile could adversely affect the Chilean economy and have a material adverse effect our business, financial condition and results of operations and, indirectly, the value of our securities. The following table shows the annual rate of inflation (as measured by changes in the Chilean Consumer Price Index, or CPI, and as reported by the Chilean National Institute of Statistics, for the periods indicated).

Year	**Inflation (CPI) (in percentages)**
2006	2.6%
2007	7.8%
2008	7.1%
2009	-1.4%
2010	3.0%
2011	4.4%
2012	1.5%

Source: Chilean National Institute of Statistics.

There can be no assurance that our business, financial condition and results of operations, will not be materially adversely affected by inflation, or that Chilean inflation will not increase significantly from its current level.

Currency devaluations and foreign exchange fluctuations may materially adversely affect us.

The Chilean peso has been subject to large devaluations and appreciations in the past and could be subject to significant fluctuations in the future. The main driver of exchange rate volatility in recent years was the significant devaluations in other Latin American countries, mainly Brazil and Argentina, as well as general uncertainty and trade imbalances in the global markets. In 2007, the Chilean peso appreciation was driven by an improvement in Chilean economic indicators and record commodities prices, together with a weak performance of the U.S. dollar. More recently, the peso has been subject to large fluctuations. Between December 31, 2011 and December 31, 2012, the value of the U.S. dollar relative to the Chilean peso decreased by approximately 10.25%, as compared to the 8.35% increase in value recorded in the period from December 31, 2010 to December 31, 2011. The value of the Chilean peso against the U.S. dollar may continue to fluctuate significantly in the future.

If the Chilean peso's value declines against the dollar, we will need more Chilean pesos to repay the same amount of dollar-denominated debt. As a result, fluctuations in the Chilean peso to U.S. dollar exchange rate may affect our business, financial condition and results of operations. The remainder and majority of our interest-bearing debt is primarily UF- or Chilean peso-denominated and therefore not subject to exchange rate risk. Our hedging policy against foreign exchange fluctuations is disclosed in "Management's Discussion and Analysis of Results of Operations— Quantitative and Qualitative Disclosure About Market Risk—Foreign Currency Risk." We cannot assure you that our hedging policies will avoid future losses related to exchange rate variations.

Any significant currency devaluations or foreign exchange fluctuations in the future may adversely affect the performance of the Chilean economy and have a material adverse effect on us.

New regulation of the financial services industry in Chile could increase our costs and result in lower profits.

As a result of the recent financial crisis, there has been a significant increase in government regulation and oversight of the financial services industry in many countries. Such regulation may also be increased in Chile, including the imposition of capital requirements, heightened disclosure standards and restrictions on certain types of transaction structures, and may affect not only the banking sector but also the non-banking financial industry. We currently have our own methodology for measuring loan risk and establishing allowances, which is not reviewed by the SBIF. If new regulations applicable to non-bank financial institutions such as our company are enacted, we may be required to establish additional allowances, restrict the type or volume of transactions we enter into, or set limits on or require the modification of rates or fees that we charge on certain loans or other products, any of which could lower the return on our investments, assets and equity. We may also face increased compliance costs and limitations on our ability to pursue certain business opportunities.

A worsening of labor relations in Chile could impact our business.

As of December 31, 2012, on a consolidated basis we had 985 employees, none of which were unionized. We have traditionally enjoyed good relations with our employees; however, we cannot assure you that in the future, any disputes with our employees, or a strengthening of cross-industry labor movements, will not result in increased employee or labor costs that could materially and adversely affect our business, financial condition or results of operations.

Increases in the corporate tax rate in Chile may have a material adverse effect on us.

As a result of the February 2010 earthquake and tsunami in Chile, the Chilean government raised the corporate income tax rate in order to pay for reconstruction. Such legislation increased the general corporate tax rate from 17.0% to 20.0% for income accrued in the 2011 commercial year (*año comercial*), which was declared and paid in the 2012 tax year (*año tributario*). On September 27, 2012, Law No. 20,630 introduced new amendments to existing tax legislation. Among the amendments introduced, the corporate income tax was permanently maintained at 20% effective as of the 2013 tax year. There is no assurance that the corporate income tax rate will not be raised in the future, which could result in a material adverse effect on us.

Any downgrading of Chile's debt credit rating for domestic and international debt by international credit rating agencies may also affect our ratings, our business, our financial performance, stockholders' equity and the value of our securities.

Any adverse revisions to Chile's credit ratings for domestic and international debt by international rating agencies may adversely affect our ratings, and, as a result, our cost of funding, including interest rates paid on our deposits and securities. If this were to happen, it could have a material adverse effect on our business, financial performance, stockholders' equity and the value of our securities.

The occurrence of natural disasters in the regions where we operate could impair our ability to conduct business effectively and could impact our results of operations.

We are exposed to the risk of natural disasters in the regions where we operate. Chile lies on the Nazca tectonic plate, one of the world's most seismically active regions. Chile has been adversely affected by powerful earthquakes in the past, including an 8.0 magnitude earthquake that struck Santiago in 1985 and a 9.5 magnitude earthquake in 1960 that was the largest earthquake ever recorded. In addition, on February 27, 2010, an 8.8 magnitude earthquake struck central Chile, followed by a tsunami. The earthquake epicenter was located 200 miles southwest of Santiago and 70 miles north of Concepción, Chile's second largest city.

In the event of a natural disaster, unanticipated problems with our disaster recovery systems could have a material adverse impact on our ability to conduct business in the affected region, particularly if those problems affect our computer-based data processing, transmission, storage and retrieval systems and destroy valuable data. In addition, if a significant number of our local employees and managers were unavailable in the event of a disaster, our ability to effectively conduct business could be severely compromised. A natural disaster could damage some of our branches, force us to close damaged facilities or locations, increase recovery costs as well as cause economic damage to our clients. A natural disaster or other catastrophic event could have a material adverse effect on local businesses in the affected region and could result in substantial volatility or adverse effects on our business, financial condition and results of operations.

Risks Related to the Notes

The notes and the subsidiary guarantees will be junior to our and our subsidiary guarantors' secured debt obligations and to certain obligations granted preferential treatment under Chilean law.

The notes and the subsidiary guarantees will constitute our and our subsidiary guarantors' respective unsecured senior obligations. Although the holders of the notes will have a direct claim on our and our subsidiary guarantors' assets, the notes and the guarantees will be effectively subordinated to any of our or our subsidiary guarantors' secured indebtedness to the extent of the assets securing such debt. The notes and the subsidiary guarantees will also be effectively subordinated to all of the indebtedness and other liabilities (including trade payables) of our subsidiaries that do not guarantee the notes. In addition, under Chilean law, the notes and the subsidiary guarantees are subordinated to certain obligations granted preferential treatment under Chilean law, including labor and tax claims.

As of December 31, 2012, we had a total consolidated indebtedness of Ch$344,386 million (US$717.5 million), none of which was secured indebtedness and Ch$2,323 million (US$4.8 million) was indebtedness owed by our subsidiaries (other than Tanner Leasing S.A., excluding intercompany indebtedness).

As a result, holders of notes may be unable to recover amounts due under the notes, in whole or in part.

We cannot assure you that a judgment of a U.S. court for liabilities under U.S. securities laws would be enforceable in Chile, or that an original action can be brought in Chile against us for liabilities under the U.S. securities laws.

We are organized under Chilean law. All of our directors and officers reside in Chile and all or a significant portion of our or their assets are located in Chile. As a result, it may not be possible for investors to effect service of process within the United States or other jurisdictions outside of Chile upon such persons, or to enforce against them, or us, judgments predicated upon the civil liabilities provisions of the U.S. securities laws or the laws of such other jurisdiction. For more information, see "Enforceability of Civil Liabilities."

A downgrade, suspension or withdrawal of the rating assigned by any rating agency to us or to the notes could cause the liquidity or market value of the notes to decline.

We and the notes have been rated by internationally recognized statistical ratings organizations. Such ratings are limited in scope and do not address all material risks relating to an investment in the notes, but rather reflect only the views of the rating agencies at the time the ratings are issues. Any rating so assigned may be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse change to our business, so warrant. Any lowering or withdrawal of a rating by a rating agency could reduce the liquidity or market value of the notes. Our credit rating from each rating agency should be evaluated independently of ratings by any other rating agencies.

We may be unable to satisfy the notes purchase obligations upon a Change of Control.

Upon the occurrence of a Change of Control (as defined in "Description of the Notes—Covenants"), each holder of the notes may require us to purchase all or a portion of such holder's notes at a purchase price equal to 101% of the aggregate principal amount of such notes plus accrued and unpaid interest to the date of purchase. In such event, we may not have the financial resources sufficient to purchase all of the notes and our other indebtedness that might become payable upon the occurrence of a Change of Control.

Fraudulent transfer laws may permit a court to void the subsidiary guarantees and, if that occurs, you may not receive any payments on the notes.

Fraudulent transfer and conveyance statutes may apply to the issuance of the subsidiary guarantees. Under fraudulent transfer or conveyance laws, which may vary from jurisdiction to jurisdiction, subsidiary guarantees could be voided as a fraudulent transfer or conveyance if (1) the subsidiary guarantor issued its subsidiary guarantees with the intent of hindering, delaying or defrauding creditors or (2) the subsidiary guarantor received less than reasonably equivalent value or fair consideration in return for issuing its subsidiary guarantees and, in the case of (2) only and with respect to certain jurisdictions only, one of the following is also true at the time thereof:

- the issuance of the subsidiary guarantees left the subsidiary guarantors with an unreasonably small amount of capital to carry on the business;

- the subsidiary guarantor intended to, or believed that it would, incur debts beyond the subsidiary guarantor's ability to pay as they mature; or

- the subsidiary guarantor was a defendant in an action for money damages, or there was a judgment for money damages docketed against the subsidiary guarantor—but only if after final judgment, the judgment is unsatisfied.

If a court were to find that the issuance of the subsidiary guarantees was a fraudulent transfer or conveyance, the court could void the payment obligations under the subsidiary guarantees or subordinate the subsidiary guarantees to the subsidiary guarantor's existing and future indebtedness, or require the holders of the notes to repay any amounts received with respect to such subsidiary guarantees. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any payment on the guarantees. Further, the voidance of the guarantees could result in an event of default with respect to our and our subsidiaries' other debt that could result in acceleration of such debt.

We cannot be certain as to the standards a court would use to determine whether or not any of our subsidiary guarantors were solvent at the relevant time or, regardless of the standard that a court uses, that the issuance of subsidiary guarantees would not be subordinated to our or any of our subsidiary guarantors' other debt.

The notes constitute a new issue of securities for which there is no existing market, and we cannot assure you that you will be able to sell your notes in the future.

The notes constitute a new issue of securities for which there is no existing market, and we cannot assure you that in the future a market for the notes will develop or that you will be able to sell any notes you have purchased or that any such notes may be sold for any particular price. Although application has been made to have this offering memorandum approved by the Irish Stock Exchange and the notes admitted to the Official List of the Irish Stock Exchange for trading on the Global Exchange Market, we cannot assure you that an active market for the notes will develop.

The initial purchaser has advised us that it intends to make a market in the notes, but it is not obligated to do so and may discontinue any market making in the notes, in its sole discretion. If the initial purchaser does not facilitate trading in the notes for any reason, we cannot assure you that another firm or person will do so. In addition, trading or resale of the notes may be negatively affected by other factors described in this offering memorandum or the market for securities of Chilean issuers generally. As a result, we cannot assure you as to the liquidity of any trading market for the notes. In the event that a liquid market for the notes is not established and maintained, you may be required to bear the financial risk of your investment in the notes.

The notes are subject to transfer restrictions.

The notes have not been registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction. As a result, the notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Such exemption include offers and sales that occur outside the United States in compliance with Regulation S in accordance with any applicable securities laws of any other jurisdiction and sales to qualified institutional buyers as defined under Rule 144A. Due to these transfer restrictions, you may be required to bear the risk of your investment for an indefinite period of time. For a discussion of certain restrictions on resale and transfer, see “Transfer Restrictions” in this offering memorandum.

EXCHANGE RATES

Chile has two currency markets, the *Mercado Cambiario Formal* (Formal Exchange Market) and the *Mercado Cambiario Informal* (Informal Exchange Market). The Formal Exchange Market is comprised of banks and other entities authorized by the Chilean Central Bank. The Informal Exchange Market is comprised of entities that are not expressly authorized to operate in the Formal Exchange Market, such as certain foreign exchange houses and travel agencies, among others. The Chilean Central Bank is empowered to determine that certain purchases and sales of foreign currencies be carried out on the Formal Exchange Market.

Both the Formal and Informal Exchange Markets are driven by market forces. Current regulations require that the Chilean Central Bank be informed of certain transactions and that such transactions are effected through the Formal Exchange Market.

The *dólar observado* (observed exchange rate), which is reported by the Chilean Central Bank and published daily in the *Diario Oficial* (Chilean official gazette), is computed by taking the weighted average exchange rates of the previous business day's transactions on the Formal Exchange Market. The Chilean Central Bank has the power to intervene in the exchange market by buying or selling foreign currency on the Formal Exchange Market to attempt to maintain the exchange rates within a desired range. Although the Chilean Central Bank is not required to follow any exchange rate, it generally uses spot rates for its transactions. Other banks generally carry out authorized transactions at spot rates also.

The Informal Exchange Market reflects transactions carried out at an informal exchange rate (the "Informal Exchange Rate"). There are no limits imposed on the extent to which the rate of exchange in the Informal Exchange Market can fluctuate above or below the observed exchange rate. In recent years, the difference between the observed exchange rate and the Informal Exchange Rate has not been significant.

As of December 31, 2012, the observed exchange rate was Ch$479.96 per US$1.00.

The following table sets forth the annual high, low, average and period-end observed exchange rate for U.S. dollars for the periods indicated, as reported by the Chilean Central Bank.

	Observed exchange rates (Ch$ per US$1.00[1])			
	High[2]	**Low[2]**	**Average[3]**	**Close[4]**
Year ended December 31,				
2008	676.75	431.22	521.79	636.45
2009	643.87	491.09	559.67	507.10
2010	549.17	468.37	510.38	468.01
2011	533.74	455.91	484.50	521.46
2012				
Month end				
August 2012	485.52	474.72	480.99	481.17
September 2012	481.11	469.65	474.97	470.48
October 2012	481.98	471.54	475.36	480.03
November 2012	484.48	476.20	480.57	479.42
December 2012	481.28	474.36	477.13	478.60
January 2013	479.96	470.67	472.67	471.40
February 2013 (as of February 21, 2013)	473.23	470.67	472.02	472.83

Source: Chilean Central Bank

(1) Nominal figures (*i.e.*, not adjusted for inflation).
(2) Exchange rates are the actual high and low, on a day to day basis, for each period.
(3) The annual average exchange rate is calculated as the average of the exchange rates on the last day of each month during the period. The monthly average rate is calculated on a day to day basis for each month.

(4) Month-end amounts as published by the Chilean Central Bank. For purposes of this offering memorandum Chilean peso amounts have been translated into U.S. dollars at an exchange rate of Ch$479.96 per US$1.00, the *dolar observado* or observed exchange rate as of December 28, 2012 (the latest available date, as December 31, 2012, was a banking holiday in Chile).

We make no representation that the Chilean peso or the U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Chilean pesos, as the case may be, at the rates indicated, at any particular rate or at all. The Federal Reserve Bank of New York does not report a noon buying rate for Chilean pesos.

EXCHANGE CONTROLS

The Chilean Central Bank is the entity responsible for monetary policies and exchange controls in Chile. Chilean issuers are authorized to offer securities internationally provided they comply with, among other things, the provisions of Chapter XIV of the Compendium of Foreign Exchange Regulations of the Chilean Central Bank (the "Chilean Central Bank Compendium").

Pursuant to the provisions of Chapter XIV of the Chilean Central Bank Compendium, it is not necessary to seek the Chilean Central Bank's prior approval in order to issue the notes. The Chilean Central Bank only requires that (i) the remittance of funds obtained from the sale of the notes into Chile be made through the Formal Exchange Market and disclosed to the Chilean Central Bank as described below; and (ii) all remittances of funds to make payments under the notes made from Chile be made through the Formal Exchange Market and disclosed to the Chilean Central Bank as described below.

The proceeds of the sale of the notes may be brought into Chile or held abroad. If we remit the funds obtained from the sale of the notes into Chile, such remittance must be made through the Formal Exchange Market and we must deliver to the Department of Statistics Information of the Chilean Central Bank directly or through an entity participating in the Formal Exchange Market an annex providing information about the transaction, together with a letter instructing such entity to deliver us the foreign currency or the Chilean peso equivalent thereof. If we do not remit the funds obtained from the sale of the notes into Chile, we have to provide the same information to the Department of Statistics Information of the Chilean Central Bank directly or through an entity of the Formal Exchange Market, within the first 10 days of the month following the date on which we received the funds. The regulations require that the information provided describe the financial terms and conditions of the securities offered, related guarantees and the schedule of payments.

All payments in connection with the notes made from Chile must be made through the Formal Exchange Market. Pursuant to Chapter XIV of the Chilean Central Bank Compendium, no prior authorization from the Chilean Central Bank is required for such payments in U.S. dollars. The participant of the Formal Exchange Market involved in the transfer must provide certain information to the Chilean Central Bank on the banking business day following the day of payment. In the event payments are made outside Chile using foreign currency held abroad, we must provide the relevant information to the Chilean Central Bank directly or through an entity of the Formal Exchange Market within the first 10 days of the month following the date on which the payment was made.

Under Chapter XIV of the Chilean Central Bank Compendium, payments and remittances of funds from Chile are governed by the rules in effect at the time the payment or remittance is made. Therefore, any change made to Chilean laws and regulations after the date hereof will affect foreign investors who have acquired the notes. We cannot assure you that further Chilean Central Bank regulations or legislative changes to the current foreign exchange control regime in Chile will not restrict or prevent us from acquiring U.S. dollars or that further restrictions applicable to us will not affect our ability to remit U.S. dollars for payment of interest or principal on the notes.

The above is a summary of the Chilean Central Bank's regulations with respect to the issuance of debt securities, including the notes, as in force and effect as of the date of this offering memorandum. We cannot assure you that restrictions will not be imposed in the future, nor can there be any assessment of the duration or impact of such restrictions if imposed. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of Chapter XIV of the Chilean Central Bank Compendium, a copy of which is available from us upon request at the address provided under the caption "Additional Information."

USE OF PROCEEDS

We will receive gross proceeds of US$248.6 million from the sale of the notes in this offering. We intend to apply the gross proceeds of this offering, after deducting commissions and estimated expenses, to repay certain of our outstanding indebtedness and for general corporate purposes.

For additional information with respect to our outstanding indebtedness, see "Capitalization" and Managements' Discussion and Analysis of Financial Condition and Results of Operations —Liquidity and Capital Resources—Indebtedness."

CAPITALIZATION

The table below sets forth our consolidated debt and capitalization (defined as short-term and long-term debt and shareholders' equity) as of December 31, 2012, derived from our Audited Consolidated Financial Statements:

- on an actual basis; and
- as adjusted to give effect to the issuance of the notes offered hereby, and the application of the gross proceeds therefrom.

You should read this table in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Selected Consolidated Financial and Other Information" and our Audited Consolidated Financial Statements and the related notes included elsewhere in this offering memorandum.

	As of December 31, 2012			
	Actual	As Adjusted	Actual	As Adjusted
	(in Ch$ nominal millions)		(in US$ millions)[1]	
Short-term debt:				
Bank debt[2]	121,861	69,065	253.9	143.9
Bonds	29,890	29,890	62.3	62.3
Other financial liabilities	50,821	50,821	105.9	105.9
Total short-term debt	202,571	149,775	422.1	312.1
Long-term debt:				
Bank debt	14,444	14,444	30.1	30.1
Bonds	127,370	247,360	265.4	515.4
Other financial liabilities	—	—	—	—
Total long-term debt	141,814	261,804	295.5	545.5
Shareholders' equity:				
Shares, without (nominal) par value and issuing premiums	84,211	84,211	175.5	175.5
Reserves	53	53	0.1	0.1
Retained earnings	13,652	13,652	28.4	28.4
Non-controlling interest	2,747	2,747	5.7	5.7
Total shareholders' equity	100,663	100,663	209.7	209.7
Total capitalization	445,048	512,242	927.3	1,067.3

(1) Chilean peso amounts have been translated into U.S. dollars at an exchange rate of Ch$479.96 per US$1.00, the *dolar observado* or observed exchange rate as of December 28, 2012 (the latest available date, as December 31, 2012, was a banking holiday in Chile). See "Exchange Rates."

(2) The "As Adjusted" column reflects a payment of US$110 million of short term debt, with the remaining net proceeds maintained in cash and cash equivalents, to be used for general corporate purposes. See "Use of Proceeds".

SELECTED CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The following tables set forth our selected consolidated financial data and certain operating data as of and for each of the periods indicated. The consolidated financial information as of and for the years ended December 31, 2012, 2011 and 2010 has been derived from our Audited Consolidated Financial Statements contained elsewhere in this offering memorandum. The selected consolidated financial information as of December 31, 2012, 2011 and 2010 and for each of the years ended on such dates has been derived from our Audited Consolidated Financial Statements, which have been audited by Deloitte Auditores y Consultores Limitada, independent auditors. The report of Deloitte Auditores y Consultores Limitada on our Audited Consolidated Financial Statements appears elsewhere in this offering memorandum.

We make no representation that the Chilean peso or the U.S. dollar amounts referred to herein actually represent, could have been or could be converted into U.S. dollars or Chilean pesos, as the case may be, at the rates indicated, at any particular rate or at all.

	For the year ended December 31,			
	2010	**2011**	**2012**	**2012**
	(in Ch$ millions)			**(in US$ millions)[1]**
INCOME STATEMENT DATA				
Revenue	45,808	67,194	90,700	189.0
Cost of sales	(20,755)	(31,706)	(45,224)	(94.2)
Gross profit	25,053	35,488	45,476	94.7
Other income	183	547	492	1.0
Administrative expense	(12,456)	(18,417)	(22,653)	(47.2)
Other gains (losses)[2]	—	(141)	0.6	—
Financial income[3]	51	157	504	1.1
Financial costs[3]	—	(60)	(60)	(0.1)
Share profit (loss) of associates and joint ventures accounted for using equity method	(1)	—	(10)	—
Exchange differences	—	(294)	(161)	(0.3)
Result from indexation	(1)	154	104	0.2
Gains (losses) arising from difference between previous carrying amounts and fair value of financial assets reclassified as measured at fair value	—	66	—	—
Profit (loss) before taxes	12,829	17,500	23,692	49.4
Tax income (expense)	(2,027)	(3,052)	(3,755)	(7.8)
Profit (loss) attributable to owners of parent	10,772	14,335	19,503	40.6
Profit (loss) attributable to non-controlling interests	30	113	434	0.9
Net income	10,803	14,448	19,937	41.5

(1) Chilean peso amounts have been translated into U.S. dollars at an exchange rate of Ch$ 479.96 per US$1.00, the *dolar observado* or observed exchange rate as of December 28, 2012 (the latest available date, as December 31, 2012, was a banking holiday in Chile). See "Exchange Rates."

(2) Includes investments in time deposits, mutual fund deposits and derivatives.

(3) Includes temporary variable or fixed interest rate investments as well as financial expenses as a result of such investments. Our financial income (expense) is not deemed to be income earned or expense incurred during our ordinary course of business.

	As of December 31,			
	2010	2011	2012	2012
	(in Ch$ millions)			(in US$ millions)[(1)]
BALANCE SHEET DATA				
Total current assets	211,524	308,304	384,842	801.8
Cash and cash equivalents	7,240	9,046	16,243	33.8
Other current financial assets	1,259	14,309	19,326	40.3
Other current non-financial assets	883	1,082	4,239	8.8
Trade and other accounts receivable[(2)]	198,361	276,468	336,699	701.5
Accounts receivable from related companies	874	888	1,274	2.7
Current tax assets	2,908	6,512	7,061	14.7
Total non-current assets	76,920	121,909	163,748	341.2
Other non-current financial assets	—	—	490	1.0
Other non-current non-financial assets	197	2,028	2,164	4.5
Trade and other non-current accounts receivable[(2)]	68,018	107,884	138,930	289.5
Accounts receivable from related companies	234	1,664	3,899	8.1
Investments accounted for using equity method	1,910	50	40	0.1
Intangible assets other than goodwill	57	195	144	0.3
Goodwill	459	1,274	1,303	2.7
Property, plant and equipment	1,483	2,299	4,981	10.4
Deferred tax assets	4,561	6,516	11,796	24.6
Total assets	288,444	430,214	548,589	1,143.0
Other current financial liabilities	123,252	188,543	202,571	422.1
Trade and other payables	23,269	41,345	87,933	183.2
Accounts payable to related companies	—	4,281	—	—
Other short term provisions	1,406	1,784	2,834	5.9
Current tax liabilities	2,907	3,386	8,074	16.8
Other current non financial liabilities	141	266	—	—
Total current liabilities	150,975	239,605	301,413	628.0
Total non-current liabilities	92,081	123,963	146,514	305.3
Other non-current financial liabilities	89,661	120,129	141,814	295.5
Trade and other non-current payables	621	515	396	0.8
Deferred tax liabilities	1,800	3,319	4,304	9.0
Total liabilities	243,056	363,568	447,927	933.3
Non-controlling interests	185	1,409	2,747	5.7
Shareholders' equity	45,388	66,645	100,663	209.7
Total liability and shareholders' equity	288,444	430,214	548,589	1,143.0

(1) Chilean peso amounts have been translated into U.S. dollars at an exchange rate of Ch$ 479.96 per US$1.00, the *dolar observado* or observed exchange rate as of December 28, 2012 (the latest available date, as December 31, 2012, was a banking holiday in Chile). See "Exchange Rates."

(2) Includes factoring receivables, leases and auto financing loans.

	As of and for the year ended December 31,		
	2010	2011	2012
SELECTED FINANCIAL RATIOS AND OPERATING INDICATORS			
Profitability and Efficiency			
Return on average shareholders' equity[(1)]…....... .	28.0%	26.0%	23.9%
Return on average total assets[(2)].........................	4.4%	4.0%	4.0%
Profit Margin[(3)]	23.5%	21.3%	21.5%
Efficiency Ratio[(4)]	37.4%	41.7%	37.5%
Interest income as a percentage of net loans[(5)].....	17.8%	17.1%	18.2%
Interest expense as a percentage of net loans[(6)]....	3.4%	4.7%	4.8%
Return on average net loans[(7)]............................	11.2%	10.7%	10.1%
Capitalization and Balance Sheet Structure			
Debt to Equity Ratio[(8)]	5.4x	5.5x	4.4x
Capitalization Ratio[(9)]	15.7%	15.5%	18.3%
Credit Quality Ratios			
Non-performing loans as a percentage of total loans[(10)]			
Over 30-days	2.4%	2.3%	2.6%
Over 90-days	0.9%	0.8%	1.0%
Allowance for loan losses as a percentage of total loans[(11)]	3.4%	3.0%	3.7%
Allowance for loan losses as a percentage of non-performing loans[(12)]	140.4%	131.0%	143.3%
Provision for loan losses as a percentage of total loans[(13)]	2.5%	1.9%	2.9%
Write-offs as a percentage of total loans[(14)]	2.3%	1.7%	1.8%
Write-offs as a percentage of non-performing loans[(15)]	94.7%	75.7%	68.4%
Operating Indicators			
Total clients	23,674	34,015	42,674
Gross factoring volume (in Ch$ millions)[(16)]	895,371	1,035,902	1,100,983

(1) Calculated as net income for the period divided by average shareholders' equity for the period. Average shareholders' equity calculated as the average of shareholders' equity at the beginning and end of the period.
(2) Calculated as net income for the period divided by average total assets for the period. Average total assets calculated as the average of total assets at the beginning and end of the period.
(3) Calculated as net income divided by revenues for the period.
(4) Calculated as administrative expenses for the period divided by gross profit before write-offs and allowances for the period.
(5) Calculated as interest income plus price differences for the factoring segment for the period divided by average net loans for the period. Average net loans calculated as the average of net loans at the beginning and end of the period.
(6) Calculated as interest expense for the period divided by average net loans for the period. Average net loans calculated as the average of net loans at the beginning and end of the period.
(7) Calculated as gross profit for the factoring, auto financing and leasing divisions for the period divided by average net loans for the period. Average net loans calculated as the average of net loans at the beginning and end of the period.
(8) Calculated as total liabilities divided by total equity at the end of the period.
(9) Calculated as total equity at the end of the period divided by total assets at the end of the period.
(10) Calculated as non-performing loans divided by total loans.
(11) Calculated as allowance for loan losses divided by total loans at the end of the period.
(12) Calculated as allowance for loan losses divided by non-performing loans at the end of the period.
(13) Calculated as provision for loan losses for the period divided by non-performing loans at the end of the period.
(14) Calculated as write-offs for the period divided by total loans at the end of the period.
(15) Calculated as write-offs for the period divided by non-performing loans at the end of the period.
(16) Corresponds to annual disbursements under the factoring segment.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our Audited Consolidated Financial Statements and the notes thereto, as well as the section entitled "Presentation of Financial and Other Information" included elsewhere in this offering memorandum. The financial data presented herein as of and for the years ended December 31, 2012, 2011 and 2010 is stated in nominal Chilean pesos and has been prepared in accordance with IFRS. The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including, without limitation, those set forth in "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" and the matters set forth in this offering memorandum generally.

Overview

We are a leading Chilean non-banking financial institution, offering a variety of products and services through our principal business lines: domestic factoring, international factoring, auto financing and leasing. Our business lines focus on providing medium- and small-sized companies with sources of secured financing to meet their working capital needs as well as secured lending for individuals purchasing new or used vehicles. We reach our customers across Chile through our sales force and 34 branches, which cover Arica in the far north of the country to Punta Arenas at the southern tip, and through our online platform.

Through our domestic factoring business line, we provide liquidity and financing solutions to our customers by purchasing their accounts receivable. Our international factoring business line provides financing and other services to Chilean exporters and importers, including international factoring services and letters of credit. For the years ended December 31, 2012 and 2011, our factoring revenue was Ch$37,065 million (US$77.2 million) and Ch$29,730 million (US$61.9 million), respectively.

Through our auto financing business line, we finance the acquisition of vehicles through three different distribution channels, with products tailored to the customers' financing needs. For the years ended December 31, 2012 and 2011, our auto financing revenue was Ch$40,338 million (US$84.4 million) and Ch$29,116 million (US$60.6 million), respectively.

Our leasing business line offers financial leasing to customers in the construction, transportation, mining and real estate industries, among others. For the years ended December 31, 2012 and 2011, our leasing revenue was Ch$6,544 million (US$13.6 million) and Ch$4,540 million (US$9.5 million), respectively.

In addition to our principal business lines, we also offer stock, commodities and insurance brokerage services which complement our core lending business. For the years ended December 31, 2012 and 2011, our brokerage services revenue was Ch$6,753 million (US$14.1 million) and Ch$3,808 million (US$7.9 million), respectively.

As of and for the years ended December 31, 2012 and 2011, we had total assets of Ch$548,589 million (US$1,142.9 million) and Ch$430,214 million (US$896.4 million), and total net income of Ch$19,937 million (US$41.5 million) and Ch$14,448 million (US$30.1 million), respectively. For the years ended December 31, 2012 and 2011, we had gross profit of Ch$45,476 million (US$94.7 million) and Ch$35,488 million (US$73.9 million), respectively. As of December 31, 2012, our businesses had net loans (which includes factoring receivables) with a value of Ch$433,927 million (US$904.1 million), which was comprised 46.9% by factoring, 40.5% by auto loans and 12.6% by leasing. As of December 31, 2012, we had total shareholders' equity of Ch$100,663 million (US$209.7 million).

Factors Affecting Our Results of Operations

Our results of operations have been influenced and will continue to be influenced by the following factors:

Chilean Economy

As reported by the Central Bank of Chile, GDP grew 6.1% in 2010, 6.0% in 2011, and is estimated to have grown 5.6% in 2012. Domestic demand has been underpinning Chile's strong recovery since the global financial crisis in 2008 and 2009. Domestic demand increased 14.8% in 2010, 9.4% in 2011 and is estimated to have increased 7.1% in 2012. According to the Central Bank of Chile's national accounts, investment has played a key role in this positive economic development, with investment growth of 14.3% in 2010, 17.6% in 2011 and 9.9% estimated in 2012. Current international economic conditions have affected the Chilean economy. The expanding monetary policy in the developed markets such as the United States, however, has contributed to a substantial increase in foreign direct investments in the country. Foreign direct investments reached a historical record of US$28,152 million for the year ended December 31, 2012, an increase of 62.7% from the previous year. This increase in foreign direct investments together with consumption, supported economic growth. Private consumption expansion has been substantially attributed to durable goods, and is estimated to have increased by 6.6% in 2012.

Chile maintains the highest credit rating in Latin America, currently rated AA- by S&P, Aa3 by Moody's and A+ by Fitch, as of December 31, 2012. However, such ratings are limited in scope and only reflect the view of the applicable rating agency at the time such rating is issued. Credit ratings are subject to periodic review and we cannot assure you that the current ratings will not be revised or lowered in the future. In addition, future economic, social and political developments in Chile, over which we have no control, could have a material adverse effect on us, including impairing our business, financial condition or results of operations. See "Risk Factors—Risks Relating to Chile."

Inflation

In general, an increase in inflation results in a decrease in demand for our products. In addition, certain of our assets and liabilities are revalued on an annual basis to account for inflation in Chile, based on inflation and purchasing power figures from the *Instituto Nacional de Estadisticas* (National Statistics Institute). As of December 31, 2012 and 2011, respectively, Ch$71,700 million and Ch$36,800 million, or 20.8% and 12.0% of our total indebtedness was denominated in UF, which is indexed to inflation.

Chile has experienced significant fluctuations in inflation in the past. The rate of inflation in Chile was low between 2003 and 2006, increasing 1.1% in 2003, 2.4% in 2004, 3.7% in 2005 and 2.6% in 2006. However, from December 1, 2007 to November 30, 2008 inflation increased significantly to 8.9%. From December 1, 2008 to November 30, 2009, Chile experienced deflation of 2.3%, in part due to the contraction of the economy related to the global economic crisis. Inflation for the year ended December 31, 2012 was 1.5%.

Foreign Exchange Rates

Chile has a floating exchange rate. As of December 31, 2011 and 2012, respectively, 16.3% and 13.7% of our indebtedness were denominated in U.S. dollars, and therefore changes in the value of the Chilean peso against the U.S. dollar affect the amount of Chilean pesos we pay our creditors. Accordingly, a fluctuation in the value of the Chilean peso against the U.S. dollar affects the Chilean peso values at which our results of operations, assets, liabilities and cash flows are recorded.

The Chilean peso has been subject to significant fluctuation in the past and may be subject to significant fluctuations in the future. In 2003, the Chilean peso experienced a 16.6% appreciation, from Ch$722.48 per US$1.00 in January 2003 to Ch$602.90 per US$1.00 in December 2003. From 2004 through March 2008, the peso continued to appreciate, peaking at Ch$452.20 per US$1.00 during March 2008. However, from March 2008 to December 2008, the Chilean peso depreciated 46.6%, to Ch$649.32 per US$1.00, in the context of rising inflation and the global economic crisis. In 2009, the Chilean peso appreciated 20.3%, to Ch$507.10 per US$1.00, in 2010 it appreciated 7.7% to Ch$468.01 per US$1.00 and in 2011 it depreciated 11.4% to Ch$521.46 per US$1.00. For the year ended December 31, 2012, the Chilean peso appreciated 8.0% to Ch$479.96 per US$1.00.

Funding Sources

We seek to maintain adequate and diverse sources of funding that will secure funds for our operations. Our sources of funding vary in term, currency and creditor. As of December 31, 2012, our principal sources of funding were bank debt, commercial paper and local bonds, which amounted to 39.6%, 14.1% and 45.7%, of our indebtedness, respectively. Typically, the sources of funding we use are related with the products that require financing in terms of currency and term.

Loan Portfolio

Our operating income and profitability is largely dependent upon our loan portfolio size and the number of transactions in which we enter. Growth in our total loan portfolio is a primary driver of growth in net profit. Historically, our factoring operations have been the primary source of total loans, and over the last three years ended December 31, 2010, 2011 and 2012 contributed 57.8%, 52.3% and 46.9%, respectively, to our total loans. As of December 31, 2010, 2011 and 2012, 36.3%, 37.3% and 40.5%, respectively, of our total loans were contributed by our auto financing operations. As of December 31, 2010, 2011 and 2012, 5.9%, 10.4% and 12.6%, respectively, of our total loans were derived from our leasing operations.

Average Interest Rate

The following table provides the average interest rate charged by our factoring, auto financing and leasing segments for the periods indicated:

For the year ended December, 31	Factoring(1)	Auto financing(2)	Leasing(3)
2010	11.6%	15.5%	UF+10.1%
2011	11.9%	15.7%	UF+11.6%
2012	13.0%	16.0%	UF+12.4%

(1) Annual average interest rate for our factoring products.
(2) Interest rate for our auto financing segments is calculated by subtracting commissions from the gross interest rate.
(3) Annual average interest rate for our leasing products.

For the year ended December 31, 2012, we decided to increase the interest rates charged to our factoring customers, which contributed to a reduction in volume growth. For the year ended December 31, 2012, our auto financing interest rates charged remained stable. For the year ended December 31, 2012, our leasing interest rates increased due to our creation of additional incentives for our sales force linked to the interest rate charged to clients.

Loan Quality

We prepare our financial statements in accordance with IFRS and assess our overdue accounts receivable on an individual basis and our current accounts receivable on a collective basis. Based on our assessment, we set aside provisions for both our performing and non-performing loans. We monitor our non-performing loans closely and record a write-off if we determine there is little likelihood of continued payment. For more information on our policies on loan quality, see "Critical Accounting Policies — Allowances" and "Business — Risk Management ".

The following table sets forth the allowances for our factoring, auto financing and leasing segments for the periods indicated:

	As of December 31,		
	2010	**2011**	**2012**
		(in Ch$ millions)	
Factoring	5,868	6,115	7,526
Auto Financing	2,658	4,431	6,836
Leasing	697	771	2,389
Total	**9,223**	**11,317**	**16,747**

Collateral

The collateral value of underlying assets quality also affects our operating income. Increases in auto financing and lease financing result in an increase in the underlying loan quality of our portfolio, as the underlying assets have a good recovery rate and in the event of default, most, if not all, of the asset's market value can be recovered.

Critical Accounting Policies

A summary of our significant accounting policies is included in note 2 to our Audited Consolidated Financial Statements included elsewhere in this offering memorandum. The following policies are the accounting policies that we believe are the most important to the portrayal of our financial condition and results of operations and require management's most difficult, subjective or complex judgments.

Allowance for Loan Losses

We establish an allowance for loan losses for our trade and other receivables based on estimated incurred losses caused by our defaulting customers. We perform ongoing customer credit evaluations and adjust credit limits based on our review of their payment history and creditworthiness. We base our allowance on customers' loan portfolio likelihood of loss and our review of expected collection trends.

Changes in the provisions recorded are recognized as profit or loss for each period where changes are introduced. We believe that our policy for recording provisions for doubtful accounts is a critical accounting estimate due to the uncertainty of the collection of these receivables.

Impairment of Assets

When evaluating impairment, if applicable, we apply the following criteria:

Financial Assets (other than trade and other receivables)

Financial assets are impaired if there is objective evidence that a loss-causing event has occurred after initial recognition of the asset and that event has had an impact on the asset's estimated future cash flows which may be reliably estimated. An impairment loss involving financial assets recorded at amortized cost is calculated as the difference between the carrying value of the asset and the present value of the estimated cash flows, discounted at the effective interest rate. An impairment loss involving a financial asset available for sale is calculated with reference to its fair value. Individually significant financial assets are examined to determine any impairment. Other non-current financial assets are assessed in groups sharing similar credit risk characteristics. All impairment losses are recognized in profit or loss. Any losses accumulated in equity relating to financial assets available for sale are transferred to profit and loss followed by impairment indicators. An impairment loss is only reversed if it can be objectively related to an event occurring after it was recognized. The reversal of financial assets recorded at amortized cost and fixed income securities available for sale is recognized in profit and loss. The reversal of variable income securities is recognized directly in equity.

Non-Financial Assets

At the end of each reporting period, we assess whether there are any impairment indicators of non-financial assets. If such indicators exist, or when annual impairment testing is required for an asset, the recoverable amount of the asset is estimated. The recoverable amount of an asset is the higher of fair value less the costs to sell the asset and value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are clearly independent from those of other assets or groups of assets, in which case, the recoverable amount will be measured at a group level over the cash generating unit's assets. In assessing value in use, the estimated future cash flows are discounted at their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

A previously recognized impairment loss is only reversed if there has been a change in the estimates used to determine the recoverable amount of the asset, since the impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Useful life of property, plant and equipment

In preparing our consolidated financial statements under IFRS certain estimates and assumptions regarding the useful lives of our property, plant and equipment could affect the reported amounts of such assets, as well as reported amounts of expenses at the end of each reporting period. The factors used to determine the useful lives include:

- estimated service life of the asset; and
- estimated technological life of the asset.

Property, plant and equipment are depreciated using the straight line method by distributing the purchasing cost of the assets minus their estimated residual value over the estimated useful life of the asset. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The table below shows the useful lives of our main property, plant and equipment with:

Useful life	**Years**
Buildings	30
Leased assets	37
Information technology equipment	3
Fixtures and equipment	5
Leasehold improvements	7

The estimate useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in accounted for on a prospective basis. Depreciation begins when the assets are in a condition to be used.

Operating Segments

For purposes of our Audited Consolidated Financial Statements, IFRS 8 "Operating Segments" requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating officer in deciding how to allocate resources and in assessing performance.

For management purposes, as of December 31, 2010, 2011 and 2012 and for each of the years ended December 31, 2010, 2011 and 2012, we were organized into the following four segments:

- "domestic and international factoring";
- "auto financing";
- "leasing"; and
- "Others," which includes the results of our brokerage businesses (Tanner Corredores de Bolsa de Productos S.A, Tanner Corredora de Seguros Ltda, and Gestora Tanner SpA y Filiales.

Results of Operations

General

The following is a brief description of our results of operation for the periods indicated.

Revenue. Our revenue includes:

- revenue from factoring, which includes: (i) amounts earned by us resulting from the difference between the face amount and the discount purchase price paid by us for the accounts receivable that we purchase under our factoring segment (the "price differential"), (ii) interest earned as a result of delayed payments by the accounts receivable debtor, (iii) readjustments in connection with inflation indexation of receivables denominated in UF, (iv) commissions earned from a fixed fee charged to clients for each factoring transaction (including fees charged to open or renew an existing factoring credit line), and (iv) other income from payment of provisioned loans and expenses incurred in factoring transactions which are charged to the client;
- revenue from auto financing, which includes: (i) interest earned, (ii) commissions earned from a fixed fee charged to clients per transaction, and (iii) other income from payment of provisioned loans and insurance covering our auto financing loans;
- revenue leasing, which includes: (i) interest earned, (ii) readjustments in connection with inflation indexation of loans denominated in UF, (iii) commissions earned from a fixed fee charged to clients per transaction, and (iv) other income from insurance covering our leasing loans; and
- revenue from other businesses, which includes: commissions earned by our stock broker as a result of trades performed and intermediation commission earned by our commodities and insurance broker subsidiaries.

Cost of sales. Our cost of sales include:

- cost of sales from factoring, which includes: (i) interest expense, (ii) commissions payable to our international factoring counterparties per transactions, and (iii) allowances and write-offs;

- cost of sales from auto financing, which includes: (i) interest expense, (ii) commissions payable from our distributions channels, and (iii) allowances and write-offs;

- cost of sales from leasing, which includes: (i) interest expense, and (ii) allowances and write-offs; and

- cost of sales from other businesses, which includes costs from investments in securities.

Administrative expenses. Our administrative expenses are composed of salaries, third party advisor and consulting services, leases and insurance, overhead, depreciation and amortization and other expenses.

Financial income (expense). Includes all financial income generated by temporary variable or fixed interest rate investments made with excess cash obtained from operating activities as well as financial expenses as a result of investing such excess cash. Our financial income (expense) is not deemed to be income earned or expense incurred during our ordinary course of business.

The following table sets forth, for the periods indicated, our results of operations:

	Year ended December 31,				
	2010	**2011**	**%**	**2012**	**%**
INCOME STATEMENT	**(in Ch$ millions)**			**(in Ch$ millions)**	
Revenue	**45,808**	**67,194**	**46.7**	**90,700**	**35.0**
Cost of Sales	(20,755)	(31,706)	52.8	(45,224)	42.6
Gross profit	**25,053**	**35,488**	**41.7**	**45,476**	**28.1**
Other Income	183	547	198.9	492	(10.1)
Administrative Expenses	(12,456)	(18,417)	47.9	(22,653)	23.0
Other gains (losses)[(1)]	—	(141)	—	—	—
Financial income	51	157	207.8	504	221.0
Financial costs	—	(60)	—	(60)	—
Share of profit (loss) of associations and joint ventures accounted for using equity method	(1)	—	—	(10)	—
Exchange differences	—	(294)	—	(161)	(45.2)
Result from indexation	(1)	154	15,500.0	104	(32.5)
Gains (losses) arising from difference between previous carrying amounts and fair value of financial assets reclassified as measured at fair value	—	66	—	—	—
Profit (loss) before tax	**12,829**	**17,500**	**36.4**	**23,692**	**35.4**
Tax income (expense)	(2,027)	(3,052)	50.6	(3,755)	23.0
Net income	**10,802**	**14,448**	**33.8**	**19,937**	**38.0**

(1) Includes investments in time deposits, mutual fund deposits and derivatives.

Year Ended December 31, 2012 Compared to the Year Ended December 31, 2011

Revenue

Revenue from ordinary activities increased 35.0% or Ch$23,506 million to Ch$90,700 million for the year ended December 31, 2012 from Ch$67,194 million for the same period in 2011, as a result of an increase in our loan portfolio and interest income due under our auto financing segment and income from the difference between the face amount and the discount purchase price of the accounts receivable purchased under our factoring segments.

Interest income under our auto financing segment increased 36.2% or Ch$9,846 million to Ch$37,020 million for the year ended December 31, 2012, from Ch$27,174 million for the same period in 2011. Income from the difference between the face amount and the discount purchase price of the accounts receivable purchased under our factoring segment increased 25.1% or Ch$4,627 million to Ch$23,066 million for the year ended December 31, 2012 from Ch$18,439 million for the same period in 2011.

The table below sets forth a breakdown of our revenue by segment for the periods indicated.

	Year ended December 31,			
	2011		2012	
	(in Ch$ millions)	(%)	(in Ch$ millions)	(%)
Factoring	29,730	44.2	37,065	40.9
Leasing	4,541	6.8	6,544	7.2
Auto Financing	29,116	43.3	40,338	44.5
Other	3,808	5.7	6,754	7.4
Total	**67,194**	**100.0**	**90,700**	**100.0**

Factoring

Revenue from ordinary activities from our factoring segment increased 24.7%, or Ch$7,335 million, to Ch$37,065 million for the year ended December 31, 2012 from Ch$29,730 million for the same period in 2011, was primarily due to (i) an increase in our factoring loans and (ii) an increase in interest earned from payments made by our clients as a result of delayed payments by the accounts receivable debtor.

We increased our factoring loans by 5.1%, or Ch$9,887 million, to Ch$203,516 million for the year ended December 31, 2012 from Ch$193,629 million for the same period in 2011. Income earned from the price differentials increased by Ch$4,627 million, or 25.1% to Ch$23,066 million for the year ended December 31, 2012, from Ch$18,439 million for the same period in 2011, partially offset by the effects of increased competition in the factoring industry, which caused downward pressure on price differentials, thereby leading to a lesser increase in price differentials than otherwise would have occurred. Interest earned from payments made by our clients as a result of delayed payments by the accounts receivable debtor increased by Ch$2,369 million, or 39.9% to Ch$8,306 million for the year ended December 31, 2012, from Ch$5,937 million for the same period in 2011.

Auto Financing

Revenue from ordinary activities from our auto financing business increased 38.5%, or Ch$11,222 million, to Ch$40,338 million for the year ended December 31, 2012 from Ch$29,116 million for the same period in 2011, primarily due to an increase in interest earned from our auto financing loan portfolio of 36.2% or Ch$ 9,846 million, to Ch$37,020 million for the year ended December 31, 2012 from Ch$27,174 million for the same period in 2011, resulting from an increase in the size of our auto financing portfolio.

Leasing

Revenue from ordinary activities from our leasing business increased 44.1%, or Ch$2,003 million, to Ch$6,544 million for the year ended December 31, 2012 from Ch$ 4,541 million for the same period in 2011, primarily due to an 87.5%, or Ch$2,231 million increase in leasing portfolio readjustments made as a result of indexation, to Ch$4,783 million for the year ended December 31, 2012 from Ch$2,552 million for the same period in 2011.

Other

Revenue from ordinary activities from our other businesses increased 77.4%, or Ch$2,946 million, to Ch$6,754 million for the year ended December 31, 2012 from Ch$3,808 million for the same period in 2011, primarily due to an increase in commissions earned by an increase in activity by our stock broker subsidiary.

Cost of Sales

Cost of sales increased 42.6%, or Ch$13,518 million to Ch$45,224 million for the year ended December 31, 2012 from Ch$31,706 million for the same period in 2011, primarily due to (i) an increase in interest expense resulting from higher levels of debt necessary to support our increase in assets, associated with the growth of our factoring, leasing, auto financing and other businesses and (ii) increase in commissions payable to automobile dealerships where we offer our auto financing products.

Factoring

Cost of sales in our factoring business increased 55.7%, or Ch$5,557 million, to Ch$15,539 million for the year ended December 31, 2012 from Ch$9,982 million for the same period in 2011, primarily due to (i) an increase in interest expense and (ii) an increase in write-offs and allowances due an increase in volume, as well as a more conservative approach for provisioning.

Our interest expense increased 54.1% or Ch$3,041 million to Ch$8,668 million for the year ended December 31, 2012, from Ch 5,627 million for the same period in 2011, due to an increase in our levels of debt necessary to support our increase in our total loan portfolio. Our write-offs and allowances increased 54.8% or Ch$2,354 million to Ch$ 6,649 million for the year ended December 31, 2012 from Ch$4,295 million for the same period in 2011, also due to an increase in our total loan portfolio.

Auto Financing

Cost of sales in our auto financing business increased 45.5%, or Ch$7,346 million, to Ch$23,500 million for the year ended December 31, 2012 from Ch$16,154 million for the same period in 2011, primarily due to (i) an increase in commissions payable for the transactions made under our auto financing segment and (ii) an increase in write-offs and allowances due a more conservative approach for provisioning.

Our commissions payable for the transactions performed under our auto financing segment increased 49.8% or Ch$2,973 million to Ch$8,948 million for the year ended December 31,2012 from Ch$5,975 million for the same period in 2011, due to increased sales through our Amicar distribution channel, which charges higher commissions relative to other channels for auto financing products sold. See “Business – Auto Financing”. Our write-offs and allowances increased 69.7%, or Ch$2,590 million, for the year ended December 31, 2012 to Ch$6,303 million from Ch$3,713 million for the same period in 2011.

Leasing

Cost of sales in our leasing business increased 27.3%, or Ch$ 934 million, to Ch$ 4,355 million for the year ended December 31, 2012 from Ch$ 3,421 million for the same period in 2011, primarily due to an extraordinary increase in write-offs and allowances of 226.2% or Ch$1,407 million to Ch$ 2,029 million for the year ended December 31, 2012 from Ch$ 622 million for the same period in 2011 as a result of necessary write-offs made because of our relatively recent involvement in the leasing segment and an increase in allowances due to natural aging of our leasing portfolio.

Other

Costs of sales in our other businesses increased 37.3%, or Ch$449 million, to Ch$1,654 million for the year ended December 31, 2012 from Ch$1,205 million for the same period in 2011, primarily due to variable incentive payments paid to our executives, directly linked to an increase in activity, as well as allowances created as a result of investing in non-performing accounts receivable.

Gross profit

Our gross profit increased 28.1% or Ch$9,988 million, to Ch$45,476 million for the year ended December 31, 2012 from Ch$35,488 million for the same period in 2011, primarily due to the factors described above. Due to a slightly higher increase in cost of sales relative to our revenue, our gross margin (calculated as gross profit as a percentage of revenue) decreased to 50.1% for the year ended December 31, 2012 from 52.8% for the same period in 2011.

Factoring

Gross profit from our factoring business increased 5.9%, or Ch$1,197 million, to Ch$21,526 million for the year ended December 31, 2012 from Ch$20,329 million for the same period in 2011. Our gross margin decreased to 58.1% for the year ended December 31, 2012 from 68.4% for the same period in 2011.

Auto Financing

Gross profit from our auto financing business increased 36.0%, or Ch$4,458 million, to Ch$16,838 million for the year ended December 31, 2012 from Ch$12,380 million for the same period in 2011. Our gross margin decreased to 41.7% for the year ended December 31, 2012 from 42.5% for the same period in 2011.

Leasing

Gross profit from our leasing business increased 95.4%, or Ch$ 1,069 million, to Ch$ 2,189 million for the year ended December 31, 2012 from Ch$ 1,120 million for the same period in 2011. Our gross margin increased to 33.5% for the year ended December 31, 2012 from 24.7% for the same period in 2011.

Other

Gross profit from our other businesses increased 95.9%, or Ch$2,497 million, to Ch$5,099 million for the year ended December 31, 2012 from Ch$2,603 million for the same period in 2011 primarily due to an increase in revenue from our insurance broker, commodities broker and stock broker subsidiaries' commissions earned. Our gross margin increased to 75.5% for the year ended December 31, 2012 from 68.3% for the same period in 2011.

Other Income

Our other income for the year ended December 31, 2012 decreased by 10.1% to Ch$492 million compared to Ch$547 million for the same period in 2011, primarily due to non-operating income obtained from office space leasing and asset sales.

Administrative Expenses

Our administrative expenses for the year ended December 31, 2012 increased by 23.0% to Ch$22,653 million compared to Ch$18,417 million for the same period in 2011, principally driven by a 52.8% increase in our personnel expenses primarily due to an increase in the number of our employees, managers and executives. As a percentage of revenue, our administrative expenses, for the year ended December 31, 2012 and 2011, were 25.0% and 27.4%, respectively.

Financial Income

Financial income for the year ended December 31, 2012, was Ch$504 million, an increase of Ch$347 million from 2011, explained by the increase of investments in time deposits, mutual fund investments and derivatives.

Financial Costs

Financial costs in 2012 amounted to Ch$60.4 million, an increase of Ch$0.8 million over those of 2011, explained mainly by other non-operational financial costs, including an increase in financial expense due to an increase in short term at our stock broker subsidiary.

Tax Income (Expense)

For the year ended December 31, 2012, we had a tax expense of Ch$3,755 million, compared to Ch$3,052 million for the same period in 2011, primarily due to an increase in our taxable income.

Net Income

As a result of the above factors, our net income increased 38.0% or Ch$5,489 million, to Ch$19,937 million for the year ended December 31, 2012 from Ch$14,448 million for the same period in 2011. Our net income (as a percentage of revenue) increased to 22.0% for the year ended December 31, 2012 from 21.5% for the same period in 2011.

Year Ended December 31, 2011 Compared to the Year Ended December 31, 2010

Revenue

Revenue from ordinary activities increased 46.7% or Ch$21,386 million to Ch$67,194 million for the year ended December 31, 2011 from Ch$45,808 million for the same period in 2010, as a result of an increase in our loan portfolio and interest income in our auto financing business and income from the difference between the face amount and the discount purchase price of the accounts receivable purchased under our factoring segments.

Interest income under our auto financing segment increased 42.2% or Ch$8,063 million to Ch$27,174 million for the year ended December 31, 2011 from Ch$19,111 million for the same period in 2010. For the year ended December 31, 2011, income from the difference between the face amount and the discount purchase price of the accounts receivable purchased increased 29.9% or Ch$4,242 million to Ch$18,439 million from Ch$14,197 million for the same period in 2010.

The table below sets forth a breakdown of our revenue by segment for the periods indicated.

	Year ended December 31,			
	2010		**2011**	
	(in Ch$ millions)	**(%)**	**(in Ch$ millions)**	**(%)**
Factoring[(1)]	23,406	51.1	29,730	44.2
Leasing[(2)]	1,633	3.6	4,541	6.8
Auto Financing[(3)]	20,277	44.3	29,116	43.3
Other[(4)]	492	1.0	3,808	5.7
Total	**45,808**	**100.0**	**67,194**	**100.0**

The increases in revenue for the year ended December 31, 2011 of Ch$21,386 million, resulted from the following factors

Factoring

Revenue from ordinary activities from our factoring business increased 27.0%, or Ch$6,324 million, to Ch$29,730 million for the year ended December 31, 2011 from Ch$23,406 million for the same period in 2010, due to (i) an increase in factoring loans, (ii) an increase in income from price differentials and (iii) an increase in interest earned from payments made by our clients as a result of delayed payments by the accounts receivable debtor.

For the year ended December 31, 2011 our factoring loans increased 26.9%, or Ch$41,129 to Ch$193,629 million from Ch$152,501 million for the same period in 2010. Income from price differentials increased 29.9% or Ch$4,242 million to $18,439 million for the year ended December 31, 2011, from Ch$14,197 million for the same period in 2010, partially offset by the effects of increased competition in the factoring industry, which caused downward pressure on price differentials, thereby leading to a lesser increase in price differentials than otherwise would have occurred. Interest earned from payments made by our clients as a result of delayed payments by the accounts receivable debtor increased 17.6% or Ch$888 million to Ch$5,937 million for the year ended December 31, 2011 from Ch$5,049 million for the same period in 2011.

Auto Financing

Revenue from ordinary activities from our auto financing business increased 43.6%, or Ch$8,839 million, to Ch$29,116 million for the year ended December 31, 2011 from Ch$20,277 for the same period in 2010, primarily due to an increase in interest earned under our auto financing loans of 42.2% or Ch$8,063 million, to Ch$27,174 million for the year ended December 31, 2011 from Ch$19,111 million for the same period in 2010.

Leasing

Revenue from ordinary activities from our leasing business increased 178.1%, or Ch$2,908 million, to Ch$4,541 million for the year ended December 31, 2011 from Ch$1,633 million for the same period in 2010, primarily due to (i) leasing portfolio readjustments as a result of increased volume of operations, and (ii) an increase in commissions charged as a result of increased volume of operations.

Our leasing portfolio readjustments increased 275% or Ch$904 million to Ch$1,233 million for the year ended December 31, 2011 from Ch$329 million for the same period in 2010. Our commissions charged increased 129.1% or Ch$1,438 million, to Ch$2,552 million for the year ended December 31, 2011 from Ch$1,114 million for the same period in 2010.

Other

Revenue from ordinary activities from our other businesses increased 674.0%, or Ch$3,316 million, to Ch$3,808 million for the year ended December 31, 2011 from Ch$492 million for the same period in 2010, primarily due to an increase in revenue accounting for the first full year of operations of our subsidiaries Tanner Corredora de Seguros Ltda. and Tanner Corredores de Bolsa S.A.

Cost of Sales

Our cost of sales increased 52.8%, or Ch$10,951 million to Ch$31,706 million for the year ended December 31, 2011 from Ch$20,755 million for the same period in 2010, primarily due to an increase in our levels of debt necessary to support our increase in assets and costs associated with the growth of our factoring, leasing, auto financing and other businesses and an increase in commissions payable to automobile dealerships where we offer our auto financing products.

Factoring

Costs of sales in our factoring business increased 6.4%, or Ch$599 million, to Ch$9,982 million for the year ended December 31, 2011 from Ch$9,383 million for the same period in 2010, due to an increase of 65.8% or Ch$2,234 million, to Ch$5,627 million for the year ended December 31, 2011 from Ch$3,393 million for the same period in 2010 in interest expense under debt used to finance our factoring business, partially offset by an increase in commissions earned and a decrease in allowances and write-offs.

Auto Financing

Costs of sales in our auto financing business increased 65.4%, or Ch$6,389 million, to Ch$16,154 million for the year ended December 31, 2011 from Ch$9,765 million for the same period in 2010, primarily due to (i) an increase of interest expense under our debt used to finance our auto financing operations, and (ii) an increase in commissions payable to auto dealerships for transactions made under our auto financing segment.

Our interest payments made under our debt used to finance our auto financing operations increased 99.4% or Ch$3,223 million to Ch$6,465 million for the year ended December 31, 2011 from Ch$3,242 million for the same period in 2010. Commissions payable for transactions made under our auto financing segment increased 43.1% or Ch$1,799 million to Ch$5,975 million for the year ended December 31, 2011 from Ch$4,176 million for the same period in 2010.

Leasing

Costs of sales in our leasing business increased 155.5%, or Ch$2,082 million, to Ch$3,421 million for the year ended December 31, 2011 from Ch$1,339 for the same period in 2010, due to an increase of 209.2% or Ch$1,893 million, to Ch$2,798 million for the year ended December 31, 2011, from Ch$905 million for the same period in 2010 in interest expense under our debt used to finance our leasing operations together with an increase in the cost of funding due to adjustments made as a result of indexation of leases denominated in UF.

Other

Costs of sales in our other businesses increased 349.6%, or Ch$938 million, to Ch$1,205 million for the year ended December 31, 2011 from Ch$268 million for the same period in 2010, primarily due to variable incentive payments paid to our executives, directly linked to an increase in activity and allowances created as a result of investing in non-performing accounts receivable.

Gross profit

Our gross profit increased 41.7% or Ch$10,435 million, to Ch$35,488 million for the year ended December 31, 2011 from Ch$25,053 million for the same period in 2010, due to the factors described above. Due to slightly higher increase in cost of sales relative to our revenue, our gross profit (calculated as gross profit as a percentage of revenue) decreased to 52.8% for the year ended December 31, 2011 from 54.7% for the same period in 2010.

The increase in gross profit for the year ended December 31, 2011 of Ch$10.435 million was a result of the following factors:

Factoring

Gross profit from our factoring business increased 45.0%, or Ch$6,306 million, to Ch$20,329 million for the year ended December 31, 2011 from Ch$14,023 million for the same period in 2010. Our gross margin decreased to 68.4% for the year ended December 31, 2011 from 59.9% for the same period in 2010.

Auto Financing

Gross profit from our auto financing business increased 17.8%, or Ch$1,868 million, to Ch$12,380 million for the year ended December 31, 2011 from Ch$10,512 million for the same period in 2010. Our gross margin decreased to 42.5% for the year ended December 31, 2011 from 51.8% for the same period in 2010.

Leasing

Gross profit from our leasing business increased 279.7%, or Ch$825 million, to Ch$1,120 million for the year ended December 31, 2011 from our loss of Ch$295 million for the same period in 2010. Our gross margin increased to 24.7% for the year ended December 31, 2011 from a loss of 18.1% for the same period in 2010.

Other

Gross profit from our other businesses increased 640.6%, or Ch$1,435 million, to Ch$1,659 million for the year ended December 31, 2011 from our loss of Ch$224 million for the same period in 2010. Our gross margin increased to 43.6% for the year ended December 31, 2011 from a loss of negative 45.5% for the same period in 2010.

Other Income

Our other income for the year ended December 31, 2011 increased by 198.9% to Ch$547 million compared to Ch$183 million for the same period in 2010, primarily due to non-operating income obtained from office space leasing and asset sales.

Administrative Expenses

Our administrative expenses for the year ended December 31, 2011 increased by 47.9% or Ch$5,960 million to Ch$18,417 million compared to Ch$12,456 million for the same period in 2010 primarily due to an increase of 44.0% or Ch$5,961 million in expenses incurred as a result of (i) an increase in personnel from 727 for the year ended December 31, 2011 to 819 for the year ended December 31, 2012 and (ii) an increase in compensation to retain key managers and officers.

As a percentage of revenue, our administrative expenses remained unchanged for the year ended December 31, 2011 and 2010, at 27.4% for both periods.

Other Gains (Losses)

Our other losses increased to Ch$141 million for the year ended December 31, 2011 primarily due to our acquisition of Gestora Tanner SpA.

Financial Income

Financial income was Ch$157 million, an increase of Ch$51 million from that obtained in 2010, primarily due to an increase in time deposits, mutual funds investments and derivatives.

Financial Costs

Financial costs for the year ended December 31, 2011, amounted to Ch$59 million, explained mainly by other non-operational financial costs.

Tax Income (Expense)

For the year ended December 31, 2011, we had a tax expense of Ch$3,052 million, compared to a tax expense of Ch$2,027 million for the same period in 2010. This increase of Ch$1,025 million primarily reflected by (i) higher taxable income of Ch$17,500 million for the year ended December 31, 2011, compared to Ch$ 12,829 million for the same period in 2010, (ii) a higher income tax rate in Chile of 20% in 2011 (up from 17% in 2010), which was increased to fund reconstruction initiatives related to the 2010 earthquake and tsunami, and (iii) higher deferred tax expenses.

Net Income

As a result of the above factors, our net income increased 33.7% or Ch$3,645 million, to Ch$14,448 million for the year ended December 31, 2011 from Ch$10,803 million for the same period in 2010. Our net income (as a percentage of revenue) decreased to 21.5% for the year ended December 31, 2011 from 23.6% for the same period in 2010.

Liquidity and Capital Resources

General

Our principal sources of liquidity have historically been:

- operating cash flows (including loan collections);
- cash from borrowings and financing arrangements; and
- capital increases by our shareholders.

Our principal cash requirements or uses (other than in connection with our operating activities) have historically been:

- operating activities (or financing of our main business lines)
- servicing our debt;
- capital expenditures; and
- payments of dividends

Our cash from operations, current financing initiatives and cash and cash equivalents were sufficient to satisfy our operating activities and debt service during the year ended December 31, 2012. We believe that our cash from operations, current financing initiatives (including this offering) and cash and cash equivalents are sufficient to fund our operating activities and debt service obligations in 2013.

Loan Portfolio

Total loan amounts set forth in this section include the total principal amount of performing and nonperforming loans outstanding at the date presented. The terms "total loans" and "total loan portfolio" include total performing loans plus total non-performing loans. The terms "net total loans" and "net total loan portfolio" refer to net total performing loans (defined as current loans net of allowances) plus net non-performing loans (defined as past due loans net of allowances).

As of December 31, 2010, 2011 and 2012 our loan portfolio amounted to Ch$272,950 million, Ch$381,806 million and Ch$450,673 million, an increase of 39.9% and 18.0%, respectively, compared to the preceding period. This increase was mainly due to business expansion in the auto financing and leasing businesses and our cross-selling efforts.

The following table presents the total loans, performing loans, non-performing loans, allowances and net loans for our factoring, auto financing and leasing businesses for the periods indicated:

	As of December 31, 2010 (in Ch$ millions)				
	Total Loans	Performing loans	Non-Performing loans	Allowances	Net Loans
Factoring	158,368	142,256	16,112	5,868	152,501
Auto financing	98,275	96,652	1,622	2,658	95,616
Leasing	16,307	15,623	684	697	15,610
Total	**272,950**	**254,531**	**18,418**	**9,223**	**263,727**

	As of December 31, 2011 (in Ch$ millions)				
	Total Loans	Performing loans	Non-Performing loans	Allowances	Net Loans
Factoring	199,744	179,792	19,952	6,115	193,629
Auto financing	142,763	140,209	2,553	4,431	138,332
Leasing	39,299	38,489	810	771	38,528
Total	**381,806**	**358,491**	**23,315**	**11,317**	**370,489**

	As of December 31, 2012 (in Ch$ millions)				
	Total Loans	Performing loans	Non-Performing loans	Allowances	Net Loans
Factoring	211,037	191,088	19,950	7,522	203,516
Auto financing	182,739	178,909	3,831	6,836	175,904
Leasing	56,897	54,741	2,156	2,389	54,507
Total	**450,673**	**424,737**	**25,936**	**16,747**	**433,927**

For additional information on our loan portfolio, see note 4 to our Audited Consolidated Financial Statements included elsewhere in this offering memorandum.

Performing Loans

Total performing loans increased 40.8% in 2011 and 18.5% in 2012.

Performing factoring loans totaled Ch$191,088 million as of December 31, 2012, reflecting an increase of Ch$11,296 million, or 6.3%, compared to December 31, 2011. Performing factoring loans totaled Ch$179,792 million as of December 31, 2011, reflecting an increase of Ch$37,536 million, or 26.4%, compared to December 31, 2010. Factoring loans outstanding as a percentage of our total loan portfolio were 45.0% as of December 31, 2012, 50.2% as of December 31, 2011 and 55.9% as of December 31, 2010.

Performing auto financing loans totaled Ch$178,909 million as of December 31, 2012, reflecting an increase of Ch$38,699 million, or 27.6%, compared to December 31, 2011. Performing auto financing loans totaled Ch$140,209 million as of December 31, 2011, reflecting an increase of Ch$43,557 million, or 45.1%, compared to December 31, 2010. Auto financing loans outstanding as a percentage of our total loan portfolio were 42.1% as of December 31, 2012, 39.1% as of December 31, 2011 and 38.0% as of December 31, 2010.

Performing leases totaled Ch$54,741 million as of December 31, 2012, reflecting an increase of Ch$16,252 million, or 42.2%, compared to December 31, 2011. Performing leases totaled Ch$38,489 million as of December 31, 2011, reflecting an increase of Ch$22,866 million, or 146.4%, compared to December 31, 2010.. Leases outstanding as a percentage of our total loan portfolio were 12.9% as of December 31, 2012, 10.7% as of December 31, 2011 and 6.1% as of December 31, 2010.

Non-Performing Loan Portfolio

As of December 31, 2012, the total amount of non-performing loans was Ch$25,936 million, which represented 5.8% of total loans. The total amount of non-performing loans increased by Ch$2,621 million, or 11.2%, during 2012. This increase was mainly the result of an increase in the size of our loan portfolio.

As of December 31, 2011, the total amount of non-performing loans was Ch$23,315 million, which represented 6.1% of total loans. The total amount of non-performing loans increased by Ch$4,897, or 26.6%, during 2011. This increase was mainly the result of an increase in the size of our loan portfolio.

As of December 31, 2010, the total amount of non-performing loans was Ch$18,418 million, which represented 6.7% of total loans.

The following table sets forth our non-performing loans (including non-performing interest) by product at the dated indicated:

	As of December 31,		
	2010	2011	2012
		(in Ch$ millions)	
Factoring	16,112	19,952	19,950
Auto Financing	1,622	2,553	3,831
Leasing	684	810	2,156
Total non-performing loans(1)	18,418	23,315	25,936
Allowance for loan losses(1)	9,223	11,317	16,747

(1) Does not include loans for our stock brokerage, commodities brokerage and insurance brokerage subsidiaries.

The following table presents the past-due loan portfolios of our factoring, auto financing and leasing segments for the periods indicated:

	Factoring past-due portfolio as of December 31			
	Days	2012 (in Ch$ millions)	2011 (in Ch$ millions)	2010 (in Ch$ millions)
Past due	1-30	14,247	14,675	11,851
Past due	31-60	2,171	2,963	2,810
Past due	61-90	1,242	624	245
Past due	>90	2,290	1,691	1,206

	Auto financing loan past-due installments as of December 31			
	Days	2012 (in Ch$ millions)	2011 (in Ch$ millions)	2010 (in Ch$ millions)
Past due	1-30	940	655	434
Past due	31-60	787	510	263
Past due	61-90	409	157	79
Past due	>90	1,693	1,231	846

	Leasing past-due installments as of December 31			
	Days	2012 (in Ch$ millions)	2011 (in Ch$ millions)	2010 (in Ch$ millions)
Past due	1-30	950	358	250
Past due	31-60	325	110	93
Past due	61-90	154	68	43
Past due	>90	727	274	297

Maturity Composition of the loan portfolio

The following table sets forth the maturity profile of our loan portfolio.

	As of December 31,					
	2010		2011		2012	
	Loan Amount	% of Portfolio[2]	Loan Amount	% of Portfolio[2]	Loan Amount	% of Portfolio[2]
			(in Ch$ millions)			
Due within 90 days	139,917	54.9%	163,252	44.7%	166,915	39.9%
Between 91 and 180 days	37,390	14.7%	59,495	16.3%	70,978	17.0%
Over 180 days	77,519	30.4%	142,165	39.0%	179,986	43.1%
Total performing loan portfolio[1]	254,504	100.0%	359,172	100.0%	417,180	100.0%
Non-performing loans	18,418	7.2%	23,315	6.4%	25,936	6.2%

(1) Maturity composition is based on the period remaining to the maturity of the loans.
(2) Percentage of portfolio equals the relevant loan amount by period divided by the sum of the total loans for each period.

Loan Portfolio Breakdown by Clients

The following table sets forth the number of clients that have loans outstanding under our factoring, auto financing and leasing segments:

	As of December 31,		
	2010	2011	2012
Factoring	3,753	4,247	4,216
Auto financing	20,049	29,731	38,160
Leasing	416	811	1,191

Policy for Allowances for Loan Losses:

Our allowances are based on payment arrears for each of our products. We have created tables including percentages and payment arrears days for this purpose which are applied as payment arrears periods increase. When special situations including impairment are recognized, we provide for extraordinary allowances in such cases.

	As of and for the year ended December 31,		
	2010	2011	2012
	(in Ch$ millions)		
Allowance for loan losses			
Allowance for factoring	5,868	6,115	7,522
Allowance for auto financing	2,658	4,431	6,836
Allowance for leasing	697	771	2,389
Total allowance for loan losses	**9,223**	**11,317**	**16,747**

In determining the recoverability of a receivable, we consider any change in credit quality of the receivable from the date the loan was initially granted to the end of the applicable reporting period. We believe the concentration of risk in our loan portfolios is reduced due to the fact that our customer base is large and diverse.

Allowance for Factoring Portfolio

Accounts Receivable: This allowance is calculated as of the 31st day following default under the loan. We apply a percentage to the unpaid balance of the principal of all unpaid amounts, as follows:

Days Past Due	Percentage
30 to 45	10%
46 to 60	30%
61 to 90	60%
91 and more	85%

Checks: For returned checks, we apply an allowance of 30% of past-due balance on the check. We apply an allowance of 80% of the balance of a check, when such check is past-due for 90 days or more. Returned checks are sent to judicial collection after 90 days from the date on which they were returned.

As of December 31, 2012, the factoring portfolio includes a voluntary (counter-cyclical) allowance which amounted to 0.5% or Ch$1,098 million of the loans in the entire portfolio.

The possibility that a debtor may find itself in financial problems, files for bankruptcy or initiates a restructuring proceeding and a payment default occurs or excessive past-due payments are considered as indicators that the account receivable could be impaired. As a result, we may establish additional voluntary allowances as appropriate.

Allowance for Auto Financing Portfolio

Short-Term Allowance: This allowance is calculated on the first day the borrower is in default under the loan. We apply an increasing rate on the unpaid balance of the principal of past-due installments depending on the number of days the loan is delinquent, as follows:

Days Past Due	Percentage
1 to 30	1%
31 to 60	5%
61 to 120	30%
121 to 365	70%
366 and more	80%

Allowance for Lease Portfolio

For the calculation of allowances for our leasing portfolio, we first classify loans in accordance with the type of asset leased: real estate, vehicles or machinery and equipment. We then apply the corresponding allowance calculation set forth above in "– Past Due Portfolio," on the first day following default for assets classified as vehicles or machinery and equipment and on the 31st day following default for assets classified as real estate.

We apply a percentage on the unpaid balance of the principal of the past-due installments depending on the number of days payment is delinquent, is as follows:

Real Estate		Vehicles		Machinery and Equipment	
Days Past Due	**Percentage**	**Days Past Due**	**Percentage**	**Days Past Due**	**Percentage**
31 to 90	1%	1 to 30	1%	1 to 30	1%
91 to 210	5%	31 to 60	5%	31 to 60	5%
211 and more	20%	61 to 120	25%	61 to 90	30%
		121 to 180	40%	91 to 120	40%
		181 to 210	50%	121 to 150	50%
		210 and more	70%	151 to 180	60%
				181 to 210	70%
				211 and more	85%

Renegotiation Policies

Renegotiations under our auto financing products are approved by our risk manager and are made pursuant to delivery of a cash payment and new or additional guarantees. Loans granted under our auto financing segment must have past-due installments in order to be renegotiated. Renegotiations for our factoring products is not common. Our leases are renegotiated when they are past-due and are dealt with on a case-by-case basis. Our total renegotiations currently may not exceed 3.7% of total loans, pursuant to internal control policies.

In order to renegotiate its auto loans with us, a client must present updated information as would be required for the application of a new loan, in order to re-evaluate payment conditions and interest rate which fit the customer's financing capacity. Any renegotiation transaction must be evaluated and authorized by our Chairman, CEO or Risk Manager. Any customer with four or more past-due installments who provides evidence of ten previous paid installments may be eligible for renegotiation by paying at least one installment within the renegotiation month and evidencing that he has the necessary resources to support payments under the renegotiation. Renegotiated loans are usually documented by means of a new loan which tracks the original loan amount.

The following table presents the renegotiations of our factoring, auto financing and leasing loan portfolio for the periods indicated:

	As of December 31, 2012			
	Total Portfolio (in Ch$ millions)	**Renegotiated (in Ch$ millions)**	**Renegotiated as a % of product portfolio**	**Renegotiated as a % of total portfolio**
Factoring	203,516	2,069	1.02%	0.48%
Auto financing	175,904	6,190	3.52%	1.43%
Leasing	54,507	2,833	5.20%	0.65%

	As of December 31, 2011			
	Total Portfolio (in Ch$ millions)	**Renegotiated (in Ch$ millions)**	**Renegotiated as a % of product portfolio**	**Renegotiated as a % of total portfolio**
Factoring	193,629	2,038	1.05%	0.55%

Auto financing	138,332	5,377	3.89%	1.45%
Leasing	38,528	974	2.53%	0.26%

	As of December 31, 2010			
	Total Portfolio (in Ch$ millions)	Renegotiated (in Ch$ millions)	Renegotiated as a % of product portfolio	Renegotiated as a % of total portfolio
Factoring	152,501	1,839	1.21%	0.70%
Auto financing	95,616	3,775	3.95%	1.43%
Leasing	15,610	—	—	—

*Allowance for Renegotiations***:** For restructured loans that are duly paid, we establish an allowance of 1% and the rates in the following table are applied if the renegotiated loan enters into default:

Days Past Due	Percentage
to date	1%
1 to 30	5%
31 to 60	30%
61 to 120	70%
121 or more	80%

Analysis of Cash Flows

The following table summarizes our generation and use of cash for the periods presented:

	Year Ended December 31,		
	2010	2011	2012
		(in Ch$ millions)	
Net cash provided (used) by operating activities	(69,977)	(88,668)	(44,077)
Net cash provided (used) by investing activities	5,086	(5,392)	(6,359)
Net cash provided (used) by financing activities	66,869	95,866	57,634
Total	**1,978**	**1,806**	**7,198**

Cash flows for the year ended December 31, 2012 compared to the year ended December 30, 2011

Taking into account our cash flows from operations, cash flows from financing activities and cash flows from investing activities, we had a net cash inflow of Ch$7,198 million for the year ended December 31, 2012, compared to a net cash inflow of Ch$1,806 million for the year ended December 31, 2011.

Operating Activities. Our net cash used by operating activities decreased to Ch$44,077 million for the year ended December 31, 2012, from Ch$88,668 million for the year ended December 31, 2011. This change was primarily due to an increase of Ch$104,172 million in accounts payable, mainly derived from transactions completed by our stock broker subsidiary.

Investing Activities. Our net cash used in investing activities increased for the year ended December 31, 2012, to Ch$6,359 million from Ch$5,392 million for the year ended December 31, 2011. This change was primarily due to cash outflows of Ch$3,339 resulting from fixed assets investments, mainly office space expansion.

Financing Activities. Our net cash flows provided by financing activities decreased for the year ended December 31, 2012, to Ch$57,634 million from Ch$95,866 million for the year ended December 31, 2011. This change was primarily due to a net increase in shareholders' equity.

Cash flows for the year ended December 31, 2011 compared to the year ended December 31, 2010

Taking into account our cash flows from operations, cash flows from financing activities and cash flows from investing activities, we had a net cash inflow of Ch$1,806 million for the year ended December 31, 2011, compared to a net cash inflow of Ch$1,978 million for the year ended December 31, 2010.

Operating Activities. Our net cash used in operating activities increased to Ch$88,668 million for the year ended December 31, 2011, from Ch$69,977 million for the year ended December 31, 2010. This change was primarily due to an increase of Ch$98,559 million in trade and other non-current receivables and commercial debtors.

Investing Activities. Our net cash provided (used) by investing activities decreased for the year ended December 31, 2011 to cash used Ch$5,392 million from cash provided Ch$5,086 million for the year ended December 31, 2010. This change was primarily due to cash outflows of Ch$4,890 resulting from the increased investments in fixed assets and information technology, for the year ended December 31, 2011.

Financing Activities. Our net cash flows provided by financing activities increased for the year ended December 31, 2011, to Ch$95,866 million from Ch$66,869 million for the year ended December 31, 2010. This change was primarily due to an increase in additional long term indebtedness of Ch$945,332 million.

Indebtedness

As of December 31, 2012, our total consolidated short-term debt was Ch$202,571 million, and our total consolidated long-term debt was Ch$141,814 million. Our total debt includes both fixed-rate and variable-rate debt. As of December 31, 2012, 16.2% of our debt was denominated in U.S. dollars, 20.8% in UF and 62.9% in Chilean pesos.

The following table summarizes our short term indebtedness for the periods presented:

	As of December 31,		
	2010	**2011**	**2012**
		(in Ch$ millions)	
Bank debt and debt with other financial institutions	77,641	106,302	121,861
Commercial Paper	44,174	52,411	48,498
Local bonds	1,437	22,031	29,890
Other financial obligations(1)	—	7,800	2,323
Total	**123,252**	**188,543**	**202,571**

(1) Includes financial obligations of our stock broker subsidiary.

We expect to repay a portion of our existing short-term debt (including interest payable) with the proceeds of the notes. See "Use of Proceeds". As of December 31, 2012, our material short term debt consisted of the following:

	As of December 31, 2012			
	Amount Outstanding (in millions of Ch$)	**Amount Outstanding (in millions of US$)(1)**	**Interest Rate**	**Currency**
Bank Debt				
BCI	14,193	29.6	11.65%	Ch$
Scotiabank	13,650	28.4	11.20%	Ch$
Itaú	10,275	21.4	8.43%	Ch$
BBVA	9,189	19.1	7.54%	Ch$

Chile	8,603	17.9	7.06%	Ch$
Santander Chile	7,808	16.3	6.40%	Ch$
CII	7,222	15.0	5.92%	US$
Security	6,910	14.4	5.67%	Ch$
Sub total Banks	**70,940**	**149.8**		
Bonds				
Series C	13,387	27.9	7.00%	Ch$
Series B	10,459	21.8	7.07%	Ch$
Sub total Bonds	**23,845**	**49.7**		
Commercial Paper				
L-093	3,472	7.2	6.72%	Ch$
L-025	2,985	6.2	6.36%	Ch$
L-019	2,974	6.2	6.32%	Ch$
L-022	2,970	6.2	6.36%	Ch$
L-025	2,953	6.2	6.76%	Ch$
L-031	2,944	6.1	6.96%	Ch$
L-093	2,938	6.1	7.20%	Ch$
L-022	2,464	5.1	6.72%	Ch$
Sub total Commercial Paper	**23,700**	**49.4**		
Total	**118,485**	**248.9**		

(1) Chilean peso amounts have been translated into U.S. dollars at an exchange rate of Ch$ 479.96 per US$1.00, the *dolar observado* or observed exchange rate as of December 28, 2012 (the latest available date, as December 31, 2012, was a banking holiday in Chile). See "Exchange Rates."

As of December 31, 2012, our principal long term bank credit facilities and bonds (including interest payable) consisted of the following:

	As of December 31, 2012				
	Currency	**Interest Rate Structure**	**Amount Outstanding (in US$ millions)(1)**	**Maturity Date**	**Amount Outstanding (in US$ millions)**
Banks:					
DEG.................	USD	Libor 180+2.50%	21.0	15-Mar-2017	10,079
Deutsche Bank	USD	Libor 180+0.45%	9.1	18-July-2014	4,365
Sub total Banks			**30.1**		**14,444**
Bonds:					
Series B	Ch$	7.0%	20.8	01-Mar-2014	9,996
Series C	Ch$	7.1%	13.7	15-June-2014	6,562
Series E............	Ch$	7.0%	41.8	15-Aug-2015	20,048
Series F	Ch$	6.0%	16.5	15-Nov-2014	7,925
Series I.............	UF	UF + 3.9%	75.9	01-April-2021	36,414
Series G	Ch$	7.5%	25.8	01-April-2016	12,366
Series O	UF	UF+ 4.9%	71.0	10-Oct-2017	34,060
Sub total Bonds			**265.4**		**127,370**
Total Long Term Debt			**295.5**		**141,814**

(1) Chilean peso amounts have been translated into U.S. dollars at an exchange rate of Ch$ 479.96 per US$1.00, the *dolar observado* or observed exchange rate as of December 28, 2012 (the latest available date, as December 31, 2012, was a banking holiday in Chile). See "Exchange Rates."

Covenants

Our commercial paper, loan agreements and outstanding bonds contain a number of covenants requiring us to comply with certain financial ratios and other tests. As of December 31, 2012, the main restrictive financial covenants under these loan agreements and bonds require us to maintain:

- a current assets to current liabilities at minimum of 1x;
- total equity to total assets at a minimum of 11%;
- minimum total equity equal to or greater than Ch$60,000 million; and
- total liabilities to total equity not to exceed 7.5x.

As of the date of this offering memorandum, we are in compliance with all of our loan, debt and commercial paper instruments covenants.

Derivative Contracts.

As of the date of this offering memorandum, we do not have any derivative contracts except for those entered into by our brokerage subsidiary in its ordinary course of business. For additional information on our derivative contracts, see note 8 to our Audited Consolidated Financial Statements included elsewhere in this offering memorandum.

Off-Balance Sheet Arrangements

We currently do not have any off-balance sheet arrangements to finance our operations.

Tabular Disclosure of Contractual Obligations

The table below is a summary of our contractual obligations and other commitments as of December31, 2012:

	Payments due in period				
	Total	**Less than 1 year**	**1 to 3 years**	**3-5 years**	**Less than 1 year and More than 5 years**
			(in Ch$ millions)		
Obligation					
Long term debt obligations	142	—	70	50	21
Short term debt obligations	203	203	—	—	—
Other Liabilities(1)	104	99	5	—	—
TOTAL	**448**	**301**	**75**	**450**	**21**

(1) Includes taxes payable, commercial paper, other accounts payable and allowances.

The amounts shown in the table above represent existing contractual obligations only. Our actual expenditures for certain of the items and periods are likely to substantially exceed the amounts shown above. We have contingent liabilities from indirect loans such as hedges on our import factoring which are insured up to 80% by a local insurance company.

Qualitative and Quantitative Disclosure About Market Risk

Market risk generally represents the risk that losses may occur in the values of financial instruments2 as a result of movements in interest rates or foreign currency exchange rates. We are exposed to changes in financial market conditions in the normal course of business due to our use of certain financial instruments as well as transactions incurred in foreign currencies. We continually assess our exposure to market risk that arises in connection with our operations and financial activities.

Credit Risk

Credit risk is the possibility of a loss arising from a credit event, such as deterioration in the financial condition of a borrower, which causes an asset to lose value. The purpose of credit risk management is to mitigate and optimize the risk, keeping credit risk exposure within a permissible level relative to capital, to maintain the soundness of assets and to ensure returns commensurate with risk. Our current credit policy sets forth uniform and basic operating concepts, code of conduct and standards for credit operations. By giving our employees extensive credit training, we aim to achieve a high standard of credit risk management, and create a better credit management culture within Tanner.

We have developed and refined our own proprietary underwriting standards and credit review system. In addition to relying on quantitative measures, we also rely on qualitative measures that allow us to make use of our knowledge and experience in evaluating credit risk on a case-by-case basis. We believe our risk analysis systems allow us to make better credit decisions when evaluating credit applications from customers with limited credit histories or who work in the informal economy. We believe that our business model limits our credit exposure to credit risk.

As part of our ongoing process to monitor risks, we monitor the credit collection process, which is the most important element in our credit process. We analyze, evaluate and monitor every loan. Special attention is paid to non-performing loans, and stricter measures are used to monitor these loans. – See “Policy for Allowances for Loan Losses”

Inflation Risk

Historically, inflation in Chile has led to higher interest rates, depreciation of the peso and substantial government controls over exchange rates and prices. Even though a moderate inflation increase affects our financing cost, this increase is immediately passed through to our clients through increases in interest rates, although we may be unable to pass on the full cost to our clients without reducing our volumes. If the rate of inflation increases substantially or becomes uncertain and unpredictable, our business, financial condition and results of operations could be adversely affected. High inflation can adversely affect consumer purchasing power and, thus, the demand for the products we offer.

Exchange Rate Risk

We are, and following the issuance and sale of the notes offered hereby, will be exposed to foreign currency exchange rate risk so long as the notes offered hereby remain outstanding and at any other time when we hold an open position in a foreign currency other than pesos. Peso exchange rates have been subject to significant fluctuations in the past. Because of the significant historical volatility in peso exchange rates, the risks associated with such positions may be greater with respect to Chile than with respect to certain other countries. We currently expect to enter into hedging arrangements to reduce our exposure to currency risk with respect to the notes under the offering.

Market Risk

We monitor exposure to market risk by analyzing the impact of potential interest rate and foreign exchange rate changes on financial performance. Our finance committee constantly monitors our exposure to market risk and recommends necessary measures to be taken monthly in order to reduce any risk. We seek to adjust any variation in our liabilities caused by potential interest rate and foreign exchange to be reflected in our assets. We consider factors such as the economy, other business developments that could affect net income, management actions that could affect net income, or management actions that could be taken to change our risk profile. Accordingly, we can give no assurance that actual results would not differ materially from the estimated outcomes of any measures taken by our finance committee. Further, such measures do not represent our current view of expected future interest rate movements.

BUSINESS

Overview

We are a leading Chilean non-banking financial institution, offering a variety of products and services through our principal business lines: domestic factoring, international factoring, auto financing and leasing. Our business lines focus on providing medium- and small-sized companies with sources of secured financing to meet their working capital needs as well as secured lending for individuals purchasing new or used vehicles. We reach our customers across Chile through our sales force and 34 branches, which cover Arica in the far north of the country to Punta Arenas at the southern tip, and through our online platform.

Through our domestic factoring business line, we provide liquidity and financing solutions to our customers by purchasing their accounts receivable. Our international factoring business line provides financing and other services to Chilean exporters and importers, including international factoring services and letters of credit. For the years ended December 31, 2012 and 2011, our factoring revenue was Ch$37,065 million (US$77.2 million) and Ch$29,730 million (US$61.9 million), respectively.

Through our auto financing business line, we finance the acquisition of vehicles through three different distribution channels, with products tailored to the customers' financing needs. For the years ended December 31, 2012 and 2011, our auto financing revenue was Ch$40,338 million (US$84.4 million) and Ch$29,116 million (US$60.6 million), respectively.

Our leasing business line offers financial leasing to customers in the construction, transportation, mining and real estate industries, among others. For the years ended December 31, 2012 and 2011, our leasing revenue was Ch$6,544 million (US$13.6 million) and Ch$4,540 million (US$9.5 million), respectively.

In addition to our principal business lines, we also offer stock, commodities and insurance brokerage services which complement our core lending business. For the years ended December 31, 2012 and 2011, our brokerage services revenue was Ch$6,753 million (US$14.1 million) and Ch$3,808 million (US$7.9 million), respectively.

As of and for the years ended December 31, 2012 and 2011, we had total assets of Ch$548,589 million (US$1,142.9 million) and Ch$430,214 million (US$896.4 million), and total net income of Ch$19,937 million (US$41.5 million) and Ch$14,448 million (US$30.1 million), respectively. For the years ended December 31, 2012 and 2011, we had gross profit of Ch$45,476 million (US$94.7 million) and Ch$35,488 million (US$73.9 million), respectively. As of December 31, 2012, our businesses had net loans (which includes factoring receivables) with a value of Ch$433,927 million (US$904.1 million), which was comprised 46.9% by factoring, 40.5% by auto loans and 12.6% by leasing. As of December 31, 2012, we had total shareholders' equity of Ch$100,663 million (US$209.7 million).

Approximately 90% of our capital stock is held by (i) Inversiones Bancarias S.A. (71.0%), (ii) Asesorías Financieras Belén Ltda (10.2%) and (iii) FSA Fondo de Inversión Privada (9.0%), investment companies controlled by Grupo Massu (controlled by Ricardo Massu, our current Vice Chairman), Jorge Sabag (our current Chairman) and Francisco Schulz (our former Chief Executive Officer), respectively. Our other minority shareholders are mainly comprised of current and former members of our management team.

Our Competitive Strengths

We believe that the following key strengths give us an advantage over our competitors and position us to grow our market share in the Chilean financial industry:

- *Leading Competitor in the Financial Non-Banking Industry*. We are a market leader in the Chilean financial non-banking industry and an active participant in the financial industry. We believe our position in the Chilean market has assisted us in achieving higher and more stable profits than our competitors. We believe our businesses are complementary to each other, which, combined with our network of 34 branches, affords us a significant competitive advantage over our competitors. Each of our business lines has access to a diverse pool of potential customers of our other business lines, including our factoring, leasing and auto financing businesses, located throughout Chile. We believe that this access provides us with significant opportunities to increase our number of clients by offering our different products, lowering the cost of customer acquisition and improving our profitability through integration. For the year ended December 31, 2012, 21.2% of our factoring customers used one or more of our products from our other business lines. We intend to enhance our marketing efforts to better tailor our financial products and related marketing strategies to existing customers.

- *Solid Business Model Based on Diversification with a Focus on Secured Lending*. We believe our business model enables us to effectively manage our exposure to credit risk and market volatility through diversification and secured lending. We offer a range of financing products, to a broad and diversified client base, which operate in different industries in Chile. We believe this diversification across products, clients and industries has enabled us to achieve balanced and stable results and to reduce the effect of any volatility in any one business line. In addition, we offer a range of financing products secured by an asset or other collateral. As of December 31, 2012, approximately 85% of our net loans were secured.

- *Access to Diversified Sources of Funding*. We fund the growth of our operations, particularly our loan portfolio, through lines of credit received from Chilean and international banks (with no single creditor representing more than 4% of our total liabilities as of December 31, 2012), as well as debt issuances through the domestic capital markets. Consequently, we believe we do not depend significantly on any single financial institution or financing source to fund our operations. As of December 31, 2012, 41.2% of our total indebtedness consisted of long-term debt with an average life of 3.2 years, all of which was unsecured, and 62.9% of our total indebtedness was peso-denominated, 16.3% was US dollar denominated and 20.8% was UF denominated. As a result of this offering, we will gain access to an additional source of funding.

- *Market Knowledge, Experienced Management Team and Board and Shareholder Support*. We believe that our 20 years of experience in the factoring industry, Gestora Tanner SpA's more than 80 years of experience in the stock brokerage industry and our management's experience in auto financing and leasing, provide us with extensive knowledge and understanding of the products and services to best serve our diverse customer base. Our Board of Directors and management team have broad experience in the financial services industry, having held former positions with regulatory agencies and banking institutions as well as factoring, leasing, insurance and other lending institutions. We also benefit from the support and experience of our controlling shareholder, Grupo Massu. We believe our management team, Board of Directors and shareholders and their knowledge, experience and support are key differentiating advantages of our company.

- *Efficient Credit and Operational Risk Processes*. We have implemented administrative procedures that expedite the credit approval process and optimize documentation requirements in connection with financing requests. We believe we have implemented a sound risk management system with rigorous policies, processes and procedures that allow us to efficiently assess credit and operational risks and respond to potential problems in a timely manner. In addition, we continuously invest in information technology improvements. We believe our focus on credit and operational risk controls allows us to measure the risks associated with each of our businesses.

- *Adherence to Governance and Industry Best Practices*. We believe that our adherence to key Chilean banking and regulated financial institution regulations distinguishes us from our non-banking competitors and fosters a high degree of trust among our customers and investors. We voluntarily adhere to our industry's best practices with respect to corporate governance and have created an audit committee with independent directors and a finance committee with economics experts. In addition, we issue securities through public offerings in Chile under the supervision of the SVS, which requires us to comply with governance, reporting and other regulations.

Our History

We were originally incorporated in 1993 as Bifactoring S.A., a Chilean affiliate of Banco BHIF (currently Banco BBVA) and later changed our name to Factorline S.A. in 1999. Since 2002, we have been an entity that is registered and supervised by the SVS, which enables us to offer our securities through the Chilean capital markets. We were the first company to issue commercial paper in the Chilean capital markets. We operated exclusively as a factoring company until 2004. Since 2004, we have diversified the products and services we offer by launching our auto financing division in 2004, commodities brokerage business in 2005, leasing division in 2008, stock brokerage and corporate finance services in 2010 through the acquisition of Gestora Tanner SpA, a company with 80 years of history and insurance brokerage business in 2011. In December 2011, in order to further promote our competitive market position and our strategy as a provider of a well-diversified range of financial products and services, we rebranded our business to Tanner Servicios Financieros, leveraging the strong Tanner brand recognition among existing and potential clients.

Our Market

As reported by the Central Bank of Chile, GDP grew 6.1% in 2010, 6.0% in 2011, and is estimated to have grown 5.6% in 2012. Domestic demand has been underpinning Chile's strong recovery since the global financial crisis in 2008 and 2009. Domestic demand increased 14.8% in 2010, 9.4% in 2011 and is estimated to have increased 7.1% in 2012. According to the Central Bank of Chile's national accounts, investment has played a key role in this positive economic development, with investment growth of 14.3% in 2010, 17.6% in 2011 and 9.9% estimated in 2012. Current international economic conditions have affected the Chilean economy. The expanding monetary policy in the developed markets such as the United States, however, has contributed to a substantial increase in foreign direct investments in the country. Foreign direct investments reached a historical record of US$28,152 million for the year ended December 31, 2012, an increase of 62.7% from the previous year. This increase in foreign direct investments together with consumption, supported economic growth. Private consumption expansion has been substantially attributed to durable goods, and is estimated to have increased by 6.6% in 2012.

Chile maintains the highest credit rating in Latin America, currently rated AA- by Standard & Poor's Financial Services LLC, ("S&P"), Aa3 by Moody's Investors Service, Inc. ("Moody's) and A+ by Fitch, Inc. ("Fitch), as of December 31, 2012. However, such ratings are limited in scope and only reflect the view of the applicable rating agency at the time such rating is issued.

Our Business Strategy

Our business strategy is to leverage our competitive strengths and operating efficiency, in order to increase our profitability and the market share of the products we offer. We plan to pursue our business strategy by focusing on the following:

Maintaining our Leading Position in the Chilean Financial Services Market. We believe that the Chilean financial industry offers attractive growth potential. We intend to continue to capitalize on our strong brand name recognition and leading market position in Chile to grow our business. We plan to continue to expand our secured lending business by increasing our participation on the underserved medium- and small-sized companies' segment. In our factoring business line, we intend to increase our market share by expanding our sales force in our branch network throughout Chile. We plan to continue capturing additional market share in our auto financing segment by offering acquisition financing for a wide range of vehicles for individual and corporate consumers through a variety of products with different rate structures at competitive prices.

Actively Pursuing Cross-Selling Opportunities. We intend to increase our market share and profitability by cross-selling our current products and services. We believe that our existing customer base represents a significant opportunity to sell additional financial products and services. We intend to focus our cross selling on the medium- and small-sized company segment and provide factoring, auto financing, leasing and other brokerage services.

Maintaining Customer Loyalty and Develop New Products and Services. We aim to maintain customer loyalty by continuing to deepen our existing relationships with individual and corporate clients and provide best-in-class customer service. We also intend to focus additional resources on under-served segments by tailoring financial products to the needs of existing and potential clients. We aim to reach new clients by taking advantage of our branch network throughout Chile. We also seek to become an exclusive provider of auto financing products for a particular vehicle brand. We also intend to further develop our leasing products relating to real estate assets.

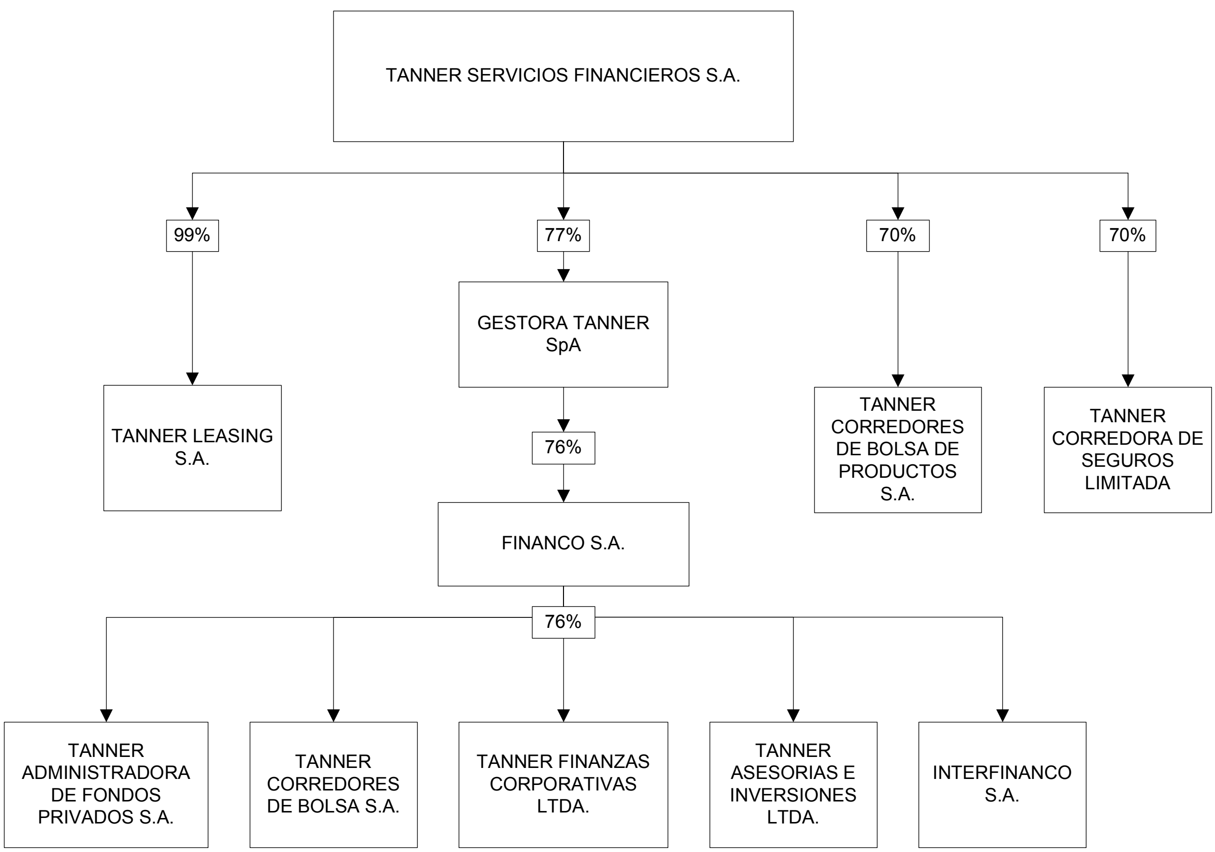
Focusing on Improving Operating Efficiencies. We are committed to maintaining our cost discipline and improving our operating efficiency and profitability. We believe an adequate management of our administrative expenses will allow us to increase our competitiveness in the market. We also continue to implement technological solutions aimed at identifying means of improving our pricing processes and assessing the profitability of our business segments. Through these initiatives, we intend to continue to improve our efficiency.

Maintaining an Adequate Balance between our Short Term and Long Term Portfolio. We intend to grow our business while keeping a balance between our short term and long term loan portfolio. We believe this strategy allows us to benefit from the high liquidity provided by our short term portfolio in the factoring business while we continue to focus on developing our long term portfolio in our leasing and auto financing businesses at attractive rates. Accordingly, we intend to continue to diversify our sources of funding, which will allows us to support our business plan.

Continue Developing our Complementary Businesses. We intend to continue developing our brokerage businesses in order to offer our customers a wider array of financial products. Through an experienced team of professionals, information technology and human resources, we intend for our stock brokerage business to be among the top Chilean stock brokers within the next couple of years. We intend to leverage our leading position in the auto financing segment to increase our sales of auto related insurance products at our insurance brokerage business. At our commodities brokerage business, we are focused on maintaining a leadership position in a segment that we believe has significant growth prospects.

Business Lines

We operate through our beneficial ownership in the following subsidiaries:



The following are our direct and indirect subsidiaries as of December 31, 2012:

Subsidiary	Equity Interest
Tanner Leasing S.A.[(1)]	99.99%
Tanner Corredores de Bolsa de Productos S.A.[(2)]	70%
Tanner Corredora de Seguros Limitada.[(3)]	70%
Gestora Tanner SpA[(4)]	77%
Financo S.A.[(5)]	76%
Tanner Corredores de Bolsa S.A.[(5)]	76%
Tanner Finanzas Corporativas Limitada[(5)]	76%
Tanner Asesorías e Inversiones Limitada[(5)]	76%
Tanner Administradora de Fondos Privados S.A.[(5)]	76%
Interfinanco S.A.[(5)]	76%

(1) The remaining 0.01% is directly owned by Mr. Jorge Sabag.
(2) The remaining 30% is indirectly owned by Mr. Cesar Barros.
(3) The remaining 30% is indirectly owned by Mr. Fernando Tafra.
(4) The remaining 23% is directly owned by 76226908-2 Inversiones LAM SpA, Inversiones Bancarias S.A. and Alfredo Ossa, 21.0%, 0.2% and 1.8%, respectively.
(5) The remaining 24% is indirectly owned by 76226908-2 Inversiones LAM SpA, Inversiones Bancarias S.A. and Alfredo Ossa.

We conduct certain components of our businesses indirectly through subsidiaries, as set forth below:

Business Line	Subsidiary
Leasing	Tanner Leasing S.A.
Commodities Broker	Tanner Corredores de Bolsa de Productos S.A.
Insurance Broker	Tanner Corredora de Seguros S.A.
Stock Broker	Tanner Corredores de Bolsa S.A.

Factoring

Industry Overview

Factoring was introduced in Chile during the 1980s. The first factoring companies in Chile were incorporated by former shareholders of Chilean banking institutions. These factoring companies were later incorporated into banking institutions. Although there is no governmental entity currently charged with supervising non-bank factoring companies, the principal Chilean factoring companies have elected to be supervised by the SVS as debt issuers in the local capital markets.

In Chile, the factoring industry is highly fragmented. We believe that there are more than 200 companies that provide factoring financing; however, the main market leaders in the factoring industry are the members of the the *Asociación Chilena de Factoring* (Chilean Factoring Association or "ACHEF"), formed in 1994 in order to provide its members with information on the Chilean factoring industry. Demand for factoring services in Chile has grown significantly since 2006, driven by the strong economic growth in the country, including in recent years after recovering from a period of decreased growth during the global financial crisis in 2008 and 2009. According to the ACHEF the annual compounded growth rate for the factoring industry was 10.5% between 2006 and 2012 in terms of total loans.

The following table sets forth factoring loans and clients in Chile as of and for the years ended December 31, 2009, 2010, 2011 and 2012:

As of and for the year ended December 31,	Loan (Ch$ millions)	Number of Clients
2009	1,427,566	14,670
2010	1,946,846	16,509
2011	2,429,313	18,322
2012	2,638,085	19,546

Source: ACHEF

As of December 31, 2011, Chile had the second largest factoring industry in Latin America in terms of aggregate volume, according to the Factors Chain International ("FCI") annual report.

In our opinion, Chile has been the pioneer in developing the factoring industry throughout Latin America. The factoring industry in Chile is different from that of other countries. In Chile, factoring is undertaken through over short term contracts (as opposed to long term contracts whereby the factoring company commits to purchase future accounts receivable from the client). Chilean factoring companies only purchase current or short term accounts receivable from clients, which allows the client to seek better factoring products offered in the Chilean market for their additional factoring needs.

On December 15, 2004, the Chilean government enacted Law 19.983 which gave factoring companies the right to bring suit and attach assets against the buyer of the original invoice without having to join the party who had assigned such invoice through the factoring transaction. Chilean congress enacted Law 19.983 to grant small- and medium-sized companies with access to a different source of funding to allow them to meet their working capital needs.

Along with Incofin we are the only non-banking factoring companies that are members of the ACHEF. As of December 31, 2012, including banking institutions, according to ACHEF we are the second largest provider of factoring services based on number of clients, fourth based on the volume of transactions and third in market share within the medium- and small-sized company segment.

The following three tables set forth the market share of the factoring services market in Chile by volume (defined as the total disbursements made by us to clients during the period specified, including disbursements no longer outstanding), loan (defined as the outstanding amount as of the period specified) and number of clients as of the period specified:

	For the year ended December 31,					
	2010	2010	2011	2011	2012	2012
	Volume (in Ch$ millions)	Ranking	Volume (in Ch$ millions)	Ranking	Volume (in Ch$ millions)	Ranking
Gross Factoring Volume (not net of allowances)						
Banco BCI[(1)]	1,804,640	1	2,257,337	2	2,632,425	2
Tanner Servicios Financieros	**895,371**	**4**	**1,035,902**	**4**	**1,100,983**	**5**
Banco Chile[(1)]	1,635,187	2	2,405,307	1	2,649,557	1
Banco Santander[(1)]	1,575,803	3	2,109,916	3	1,664,307	3
Security Factoring	628,551	5	796,429		995,061	
Incofin	127,319		145,522		194,363	
Banco Bice[(1)]	167,364		303,100		336,453	

	For the year ended December 31,					
	2010	2010	2011	2011	2012	2012
	Volume (in Ch$ millions)	Ranking	Volume (in Ch$ millions)	Ranking	Volume (in Ch$ millions)	Ranking
Gross Factoring Volume (not net of allowances)						
Banco BBVA[(1)]	535,919		888,781	5	1,211,033	4
Banco Corpbanca	266,401		466,962		514,316	
Banco Itaú	332,476		418,003		526,321	
Banco Internacional	368,278		370,275		240,398	
Banco Scotiabank	86,145		146,787		199,248	
Banco Consorcio	62,345		148,467		224,441	
Rabobank	147,455		112,035		51,966	
Total	**8,633,254**		**11,604,823**		**12,540,872**	

Source: ACHEF

(1) Corresponds to a commercial banking institution that conducts factoring activities directly and indirectly through a non-banking affiliate. Amounts reflect both the bank and non-bank activities.

	As of and for the year ended December 31,					
	2010	2010	2011	2011	2012	2012
	Loan (in Ch$ millions)	Ranking	Loan (in Ch$ millions)	Ranking	Loan (in Ch$ millions)	Ranking
Gross Factoring Loan						
Banco BCI[(1)]	399,037	2	552,693	2	573,892	2
Tanner Servicios Financieros	**158,401**	**5**	**199,591**	**5**	**211,037**	**5**
Banco Chile[(1)]	481,983	1	593,903	1	610,164	1
Banco Santander[(1)]	234,304	3	239,055	4	320,528	3
Security Factoring	134,285		167,794		196,390	
Incofin	23,041		27,185		40,539	
Banco Bice[(1)]	28,384		41,917		60,026	
Banco BBVA[(1)]	186,763	4	271,571	3	306,150	4
Banco Corpbanca	67,191		95,589		88,185	
Banco Itaú	68,774		77,782		97,957	
Banco Internacional	87,890		65,018		37,437	
Banco Scotiabank	23,969		27,568		39,658	
Banco Consorcio	24,188		42,462		56,122	
Rabobank	28,636		27,185		0	
Total	**1,946,846**		**2,429,313**		**2,638,085**	

Source: ACHEF

(1) Corresponds to a commercial banking institution that conducts factoring activities directly and indirectly through a non-banking affiliate. Amounts reflect both the bank and non-bank activities.

	As of and for the year ended December 31,					
	2010	2010	2011	2011	2012	2012
	Clients	Ranking	Clients	Ranking	Clients	Ranking
Number of Facotring Clients						
Banco BCI[(1)]	4,871	1	5,397	1	5,756	1
Tanner Servicios Financieros	**3,753**	**2**	**4,247**	**2**	**4,216**	**2**
Banco Chile[(1)]	2,656	3	2,609	3	2,897	3
Banco Santander[(1)]	2,048	4	2,031	4	1,731	4
Security Factoring	990	5	1,304	5	1,683	5
Incofin	392		531		909	
Banco Bice[(1)]	248		377		592	
Banco BBVA[(1)]	262		399		439	
Banco Corpbanca	332		333		406	
Banco Itaú	391		353		363	
Banco Internacional	348		324		205	
Banco Scotiabank	108		160		197	
Banco Consorcio	103		124		144	
Rabobank	67		43		8	
Total	**16,569**		**18,232**		**19,546**	

Source: ACHEF

(1) Corresponds to a commercial banking institution that conducts factoring activities directly and indirectly through a non-banking affiliate. Amounts reflect both the bank and non-bank activities.

Business Overview

Our factoring segment consists of two divisions: domestic and international. Domestic factoring accounted for Ch$154,709 million or 73.3% of total loans and international factoring for Ch$56,328 or 26.7% of total loans as of December 31, 2012.

The following table sets forth the number of our factoring clients, average loans and net loans for the periods indicated:

As of and for the year ended December 31,	Clients (thousands)	Average loans (in Ch$ millions)	Net loans (in Ch$ millions)
2010	3.8	40.6	158,401
2011	4.2	45.6	199,591
2012	4.2	48.3	211,037

The following table sets forth the composition by industry of our factoring clients for the periods indicated:

Industry	For the year ended December 31,					
	2007	2008	2009	2010	2011	2012
Agriculture, Fishing and Agro-production	18%	24%	22%	22%	23%	25%
Wholesale	15%	13%	13%	13%	16%	11%
Retail	8%	7%	5%	4%	4%	4%
Electricity, Water and Gas	0%	0%	0%	0%	0%	0%
Financial Services, Insurance and Real Estate Companies	5%	2%	2%	5%	4%	4%
Mining and Extraction	1%	1%	1%	1%	1%	1%
Metallurgic Manufacturing	5%	5%	4%	5%	5%	5%
Non-Metallurgic Manufacturing	17%	15%	14%	15%	17%	18%

Infrastructure and Construction	8%	10%	19%	15%	12%	13%
Services...	19%	19%	16%	17%	14%	15%
Transport, Communications and Storage.......	4%	4%	4%	4%	4%	4%
Total...	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

The number of our clients for the year ended December 31, 2011 increased 13.2%, from the number of clients for the same period of 2010. The number of our clients for the year ended December 31, 2012 and 2011, remained unchanged.

Domestic Factoring. Through our domestic factoring business, we acquire accounts receivable from companies in Chile (primarily invoices, bills or checks) at a discount to the face value. We typically provide financing to our clients through the factoring of accounts receivable owed to clients by their respective customers. The assignment of accounts receivable by a client to a factoring entity is traditionally known as "factoring" and results in payment by the client of a factoring commission that is commensurate with the underlying degree of credit risk and recourse, and which is generally a percentage of the factored receivables or sales volume. We may advance funds to our clients, typically in an amount ranging between 80% and 100% (with an average of 92.9% for the year ended December 31, 2012) of eligible accounts receivable, charging interest on the advance (in addition to any factoring fees), and satisfying the advance by the collection of factored accounts receivable. We often integrate our clients' operating systems with our operating systems to facilitate the factoring relationship. We also can arrange for letters of credit, collateralized by accounts receivable and other assets, to be opened for the benefit of our clients' suppliers. A significant portion of our domestic factoring transactions is performed in Chilean pesos and the average maturity for domestic factoring products is 2.2 months as of December 31, 2012.

International Factoring. We began to offer export financial services in 1996 and two years later commenced development of our import financing business. Our international factoring business loan portfolio is comprised by 84.0% exports and 16.0% imports as of December 31, 2012; however, we expect the businesses to reach an equilibrium as our import business continues to develop. Our international factoring business is mostly performed in US dollars and the average maturity for our international factoring products is 3.6 months.

As of December 31, 2012, in the international factoring business, we offer export and import financial services to exporters and importers though:

(i) International factoring services through Factors Chain International ("FCI")

FCI is a global network of leading banks and factoring companies, created to facilitate international trade through factoring and related financial services of which we have been a member since 1999. Currently FCI's network is comprised by 264 members in 72 countries actively engaged in more than 80% of the world's cross-border factoring volume, according to the 2011 FCI annual report. As of December 31, 2012, we were the largest provider of export factoring services in Chile based on volume and the second largest import factoring services provider in Chile based on volume as reported by FCI in December, 2012. We are among the principal financiers in the Chilean international factoring industry, and our primary competitors in this market are BCI Factoring, Banchile Factoring and Factoring Security.

Export Financing through FCI

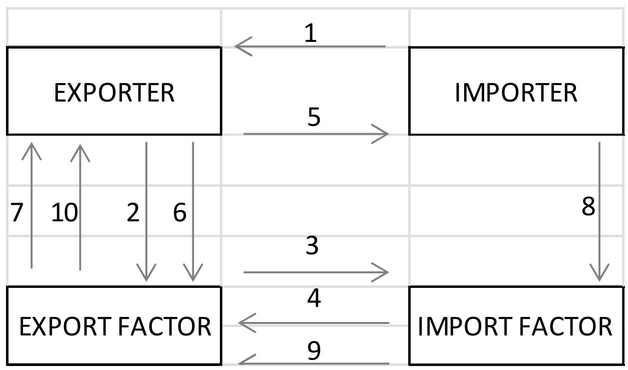
We offer three types of services to exporters (1) financing, (2) insurance and (3) collection. With the support of our services, our exporting clients are able to expand their sales abroad by offering competitive terms and conditions, grant deferred payment, are fully covered against credit losses and avoid delays. The credit loss coverage is mainly provided to our clients by members of FCI located in the country of the exports' ultimate destination and is available to our clients based on our membership in FCI. In some cases and depending on the type of client, product and market we use credit insurance to protect against purchasers' payment default.

Import Financing through FCI

Depending upon the clients business structure and characteristics of the importer, we offer the following products: 1) insurance against Chilean importers payment default for FCI members from the country of export, which coverage is obtained through a local credit insurer; 2) direct import financing granted to the importer, which operates by granting our importing client with a revolving line of credit; and, 3) opening of letter of credit to facilitate our client to import from suppliers abroad.

Through our financing services our importing clients are able to expand their purchasing power without using existing lines of credit and purchase goods without incurring on delays.

The following chart and description below summarizes a customary FCI exporter and importer transaction:



(1) Exporting company receives purchase order.
(2) Exporting company sends importing company's information to exporting company for credit approval.
(3) Export factoring company performs creditworthiness check on the importing company through an FCI partner;
(4) Import factoring company performs a credit worthiness analysis of the importer and approves the credit line;
(5) Exporting company makes shipment of goods to the importer;
(6) Exporting company submits invoice details and supporting documents to export factoring company;
(7) Export factoring company makes cash advance up to 80% of factored invoices;
(8) Import factoring company collects on the accounts receivable;
(9) Import factoring company remits funds to export factoring company;
(10) Export factoring company remits 20% of the remaining balance to the exporting company's account minus any charges.

(ii) Non-FCI international factoring. These transactions include domestic factoring activities denominated in dollars and international factoring transactions with companies in countries that do not have FCI counterparts. Default risk under this segment is hedged by insurance contracted through local insurance companies.

(iii) Letters of credit through the Society for Worldwide Interbank Financial Telecommunication ("SWIFT"). SWIFT is a member-owned organization comprised of more than 10,000 banking and non-banking organizations, securities institutions and corporate customers in 212 countries. SWIFT is the channel through which the international financial industry consummates transactions. We became a member of SWIFT so that we could offer Chilean importers open letters of credit to be delivered to suppliers abroad.

Auto Financing

Industry Overview

Demand for new and used vehicles in Chile has grown significantly since 2001, as Chile has experienced significant economic growth, translating into an increase in disposable income. We believe that given the relatively low automobile usage rate in Chile (5.7 persons per vehicle) compared with countries with similar levels of economic development (4.8 persons per vehicle in Argentina, 3.9 persons per vehicle in Mexico and 1.1 persons per vehicle in the United States), in each case as of 2008, and recent high levels of economic growth, employment and investment in roads infrastructure, there is a strong market for vehicle sales in Chile. In addition, we believe that the combination of (i) the prohibition under Chilean law on the import of used vehicles, and (ii) the otherwise generally open free trade market in Chile, has contributed to development of its automotive sector. The market for new vehicles is concentrated in ten brands which account for 70% of the market share. The ten most common brands of new vehicles sold in Chile are Chevrolet, Hyundai, Nissan, Kia, Toyota, Suzuki, Ford, Peugeot, Great Wall and Ssangyong, with the remaining 30% represented by 50 other vehicle manufacturers.

The Chilean auto industry has shown strong growth during 2012, particularly in the small vehicle segment. According to the *Camara Nacional de Comercio Automotriz de Chile* (Chilean National Chamber of Automotive Commerce or "CAVEM") the automobile industry registered sales for 340,216 new small vehicles and 740,067 used small vehicles, which compared to 2011, increased 1.8% and 0.5%, respectively. Sales for new and used trucks decreased 2.2% for the year ended December 31, 2012, compared the same period in 2011.

The following table shows the evolution of the number of new and used vehicles and trucks sold in Chile for the periods indicated:

	For the year ended December 31,		
	2010	**2011**	**2012**
Vehicle Class			
New vehicles	276,608	334,261	340,216
Used vehicles	610,415	736,587	740,067
New trucks	12,806	21,956	9,409
Used trucks	24,870	30,364	41,751

Source: CAVEM

We believe that the majority of vehicle purchases in Chile involve some type of financing. We also believe that based on the current auto financing market, the majority of our competitors are associated with exclusive dealers, financing companies or financial institutions.

Our principal competitors in the auto financing segment are:

1) FORUM: company dedicated to auto financing, affiliate of BBVA.
2) GMAC/MAF/MARUBENI: companies dedicated to offer auto financing, through exclusive auto brands such as Chevrolet, Toyota, Nissan, respectively.
3) Santander: associated with the importer SK BERGE though a joint venture.

Business Overview

Our auto financing business accounted for 37% of our loans for the year ended December 31, 2012. We will seek to increase our market share in the auto financing industry by offering to finance the acquisition of a wide range of vehicles through a variety of products with different rate structures and prices. We believe we are prepared to expand our client base by providing auto financing options tailored to meet our clients' needs. A significant portion of our auto financing transactions are performed in Chilean pesos for the years ended December 31, 2010, 2011 and 2012, our auto financing transactions had an average maturity of 41, 39 and 40 months, respectively.

Distribution Channels

We provide acquisition financing for all sizes of vehicles through three distribution channels: Amicar S.A. ("Amicar"), dealer and direct sales, which account for 30%, 53% and 17% of our 2012 volumes, respectively.

- *Amicar*: Amicar is an auto financing intermediary formed by two of the largest automobile importers in Chile (Derco and Automotores Gildemeister). According to CAVEM, Derco and Automotores

Gildemeister currently represent 17 brands and account for nearly 30% of the automobile sales market in Chile. As members of Amicar, we gain access to customers that have requested auto financing through Amicar and are able to gain clients by approving loans that comply with our automobile credit standards. Amicar uploads credit applications at its various points of sale to a web portal where companies providing auto financing may review and approve the applications virtually. The company that provides the most attractive price and is the first to approve the application is entitled to finance the purchase of the automobile.

- *Dealer*: Sales are performed by our sales representatives working at different automobile dealership facilities. Our sales representatives aim to form alliances with automobile dealerships in order to reach individual customers and satisfy their financing needs while helping dealerships increase sales. As of December 31, 2012 our dealer distribution channel consisted of 89 executives that provide services to a total of 445 dealers.

- *Direct Sales*: We also sell our auto financing products through our representatives who reach the client directly and not through a car dealership or Amicar. Direct sales representatives are focused on attracting customers who are looking to finance vehicles in the transportation industry. We are able to offer our products in person and online and have a dedicated staff of 55 individuals as of December 31, 2012, to satisfy customer needs and assist them in the credit approval process.

Products

We attempt to accommodate the financing needs of our clients for the purchase of vehicles by offering the following products:

- *Fixed fee financing*: We provide financing for up to 100% of the value of the vehicle for a term of 12 to 60 months. The approval process for this type of financing takes approximately 30 minutes and provides for monthly installments. This product is targeted at purchasers of new or used vehicles for personal or commercial use.

- *"Tanner Opción Inteligente"*: We provide financing for up to 80% of the value of vehicles for a term of 25 to 37 months with monthly installments. The approval process for this type of financing takes approximately 30 minutes. Under this product our customers can purchase new or used (under three years old) vehicles for personal and commercial use. Upon maturity, the client is given the option of paying a lump sum and keeping the vehicle, or alternatively, to renew the financing.

The following table sets forth the number of our auto financing clients, average loans and net loans for the periods indicated:

As of and for the year ended December 31,	Clients (thousands)	Average loans (in Ch$ millions)	Net loans (in Ch$ millions)
2010	20.0	4.8	95,616
2011	29.7	4.7	138,332
2012	38.2	4.6	175,904

Growth in our auto financing business line was primarily due to the development of our distribution channels. For the year ended December 31, 2012 our number of clients increased 28.4% from the same period in 2011. For the year ended December 31, 2011 our number of clients increased 48.3% from the same period in 2010.

Leasing

Industry Overview

The leasing industry in Chile is principally undertaken by specialized companies that tend to be bank affiliates. These leasing companies have organized themselves through the *Asociación de Empresas de Leasing de Chile*

(Chilean Leasing Company Association or "ACHEL"). We are not a member of this association because we are not affiliated with a bank. For the year ended December 31, 2012, ACHEL members held leases valued at Ch$5,604,864 million.

Our leasing products are targeted at supporting the capital financing needs of our small- and medium-sized company clients. Our leases allow our clients to invest, grow, expand and renew their assets. Our leases outline the terms under which our customers agree to lease an asset or property from us (with substantially all of the economic benefits and risks of ownership) for a specified number of months or years. Upon termination of the lease, our customers have the option to acquire the leased asset (through payment of the purchase option price) or return the asset. We intend to grow our leasing business through cross-selling efforts of our existing factoring customer base.

Business Overview

Tanner Leasing S.A. was created in 2007 in response to demand by existing medium- and small-sized company clients for capital leasing products for fixed assets. The leasing segment plays an important role in our diversification strategy, as the segment focuses on different business flows and investments with a longer duration than those in the factoring portfolio. This segment accounted for 11.5% of our loans for the year ended December 31, 2012. The majority of our leasing transactions are performed in UFs.

The following table sets forth the number of our leasing clients, average leases and net leases for the periods indicated:

As of and for the year ended December 31,	**Clients (in thousands)**	**Average leases (in Ch$ millions)**	**Net leases (in Ch$ millions)**
2010	0.4	37.5	15,610
2011	0.8	47.5	38,528
2012	1.2	45.8	54,507

For the year ended December 31, 2012 our number of clients increased 46.9% from the same period in 2011. For the year ended December 31, 2011 our number of clients increased 95.0% from the same period in 2010.

We offer financial leasing as opposed to operational leasing. A financial lease is an agreement through which the owner of the asset (lessor), permits a third party (lessee), to use its property with substantially all of the economic benefits and risks of ownership assumed by the lessee. Operational leases, on the other hand, are agreements through which the owner retains beneficial ownership of the asset, collects rental payments, recognizes depreciation on the asset, and retains the risks of ownership, including obsolescence. Our leasing products grant our clients with an option to purchase the asset upon the termination of their lease contract.

Our principal customers are medium- and small-sized companies that are primarily dedicated to construction, transportation and mining. The term of our lease products ranges from 12 to 60 months for non-real estate assets (vehicles, machinery and equipment) with an average maturity of 37 months, and 12 to 120 months for real estate assets (leasebacks) with an average maturity of 74 months.

The following table sets forth our leasing products portfolio, for the periods indicated:

	As of December 31,		
	2010	**2011**	**2012**
Type of Asset			
Vehicles	8,556	23,927	27,061
Machinery and Equipment	3,675	10,102	22,381
Real Estate	3,378	4,500	5,068
Total	**15,609**	**38,529**	**54,510**

We believe we are among the principal financiers in the Chilean leasing industry, and our primary competitors in this market are mainly banking institutions or their affiliates. The remaining competitors in the Chilean leasing market are comprised of a number of other financial non-banking institutions, none of which, we believe, has a significant individual market share.

Other Businesses

In order to expand our financial product offering, we also operate brokerage service businesses. Our brokerage subsidiaries are (1) *Corredores de Bolsa de Comercio S.A.* (Stock Broker or "CDB"), which is a securities broker and asset manager that offers a variety of products such as fixed income, variable income, mutual and investment funds, foreign exchange and corporate money management as well as financial advisory services, (2) *Tanner Corredores de Bolsa de Productos S.A.* (Commodities Broker or "CBP"), which engages in factoring brokerage services and inventory financing, and (3) *Corredora de Seguros Ltda* (Insurance Broker or "CDS") which performs insurance brokerage transactions. These other businesses constituted 6.3% of our net income or Ch$1,499 million for the year ended December 31, 2012.

Stock Broker

CDB is an active participant in the *Bolsa de Comercio de Santiago* (Santiago's Stock Exchange or "BCS") which was founded in 1893. A variety of securities are traded on the BCS including fixed income instruments, money market instruments and investment funds, among others. In Chile there are thirty stock brokers (of which fifteen are bank affiliates). For the year ended December 31, 2012, a total of Ch$53,255,154 million or US$110,957.4 million was traded on the BCS. Currently, there are more than 250 companies listed on BCS.

CDB (formerly Tanner & Cia. Corredores de Bolsa) was incorporated in 1924 pursuant to Law 18.045. CDB is supervised by the SVS. CDB manages the assets of families, corporations, foundations and high net-worth individuals by structuring an investment plan based on the investment profile and needs of each client. We advise our clients on a diverse range of investments.

In 2012 CDB ranked as the ninth largest securities broker in terms of trades, with Ch$462,608 million or US$963.8 million in total traded volume. For the year ended December 31, 2012, CDB also performed transactions for Ch$311,990 million (US$650.0 million) in the electronic stock exchange.

Commodities Broker

The *Bolsa de Productos de Chile* (Chile's Commodities Exchange or "BdeP") was founded in 2004, and is supervised by the SVS. Through the BdeP we are able to trade receivables, products and commodities under a transactional platform with advanced technological standards which provide for efficient and transparent trading transactions. In Chile there are ten registered commodities brokers, nine of which are active and traded Ch$381,165 million or US$794.2 million for the year ended December 31, 2012.

CBP was incorporated in 2005 pursuant to Law 19.220 and Law 18.046. Our commodities broker has been supervised by SVS since such date, and was the first Chilean commodities broker to register under the BdeP. As of December 31 2012, the total amount of trades performed by CBP amounted to Ch$56,480 million (US$117.7 million), which ranked CBP as the leading Chilean financial products broker in terms of net income and the second largest in terms of trade volume. We believe that there is still significant growth potential in the financial product trade industry.

Insurance Broker

For the year ended December 31, 2012, the premium income of the Chilean insurance market amounted to Ch$5,481,780 million (US$11,421.3 million), which is distributed among life insurance and property and casualty insurance ("P&C"). The *Asociación de Aseguradores de Chile A.G.* (Chilean association of insurance agencies states that the distribution of insurance products is mainly controlled by brokers which represent 71% or Ch$ 3,892,064 million of the total Chilean insurance business income. Currently in Chile there are (i) twelve brokers that are part of a financial institution and account for 16% of the insurance market share, (ii) seven brokers which are part of retail companies and account for 6% of the insurance market share, (iii) thirty medium- to large-size traditional brokerage firms that are affiliated with global insurance companies which account for 14% of the insurance market share, and (iv) more than 1,000 small sized brokers and agents.

CDS was incorporated in March 2011 pursuant to Law DFL 251 and is an entity supervised by the SVS. We offer credit life and P&C insurance policies directly to customers from our auto financing business segment and medium- and small-sized companies that are clients of the factoring and leasing businesses. For the year ended December 31, 2012, we sold 23,038 insurance policies, amounting to Ch$4,884 million (US$10.2 million) in total premiums paid.

Risk Management

Our risk exposure is classified into credit risk, commercial risk, operational risk and default risk. Credit risk can affect the performance of both our loan and investment portfolio. Commercial risk is related to the quality and solvency of our clients and debtors. Operational risk arises from the potential loss caused by failures or deficiencies in information systems and internal controls, or errors while processing transactions. Default risk is related to our clients' payment capabilities. We consider risk management an essential activity that requires continuous improvement and adjustment according to our operations. Our credit and operational risk controls were developed with the assistance of PricewaterhouseCoopers.

Credit Application and Approval Processes

Our application and approval processes have been designed to minimize operating costs and time as well as to effectively manage risk. These processes leverage an advanced technology platform in which we have invested heavily over the past years.

Factoring and Leasing

The application and approval processes for the products of our factoring and leasing business lines are similar. Applications are evaluated by the credit risk office, and depending on the amount being financed, the application may be approved by our credit risk office, our credit committee or our board of directors. Once financing is approved, our clients must sign a master agreement with our general financing terms and conditions.

The approval process set forth below is necessary to authorize any credit line under our factoring and leasing business lines:

- For a credit line of up to Ch$35 million we need the approval from one of the following: Chairman of the Board, Chief Executive Officer, Risk Manager, Risk Assistant Manager or Junior Manager.

- For a credit line of up to Ch$50 million we need the approval from one of the following: Chairman of the Board, Chief Executive Officer, Risk Manager, Risk Assistant Manager or Junior Manager..

- For a credit line between Ch$50 million and Ch$80 million we need the approval from one of the following: Chairman of the Board, Chief Executive Officer, Risk Manager, Risk Assistant Manager or two Senior Risk Analysts.

- For a credit line between Ch$80 million and Ch$200 million we need committee approval and the approval from two of the following: Chairman of the Board, Chief Executive Officer, Risk Manager and an Assistant Risk Manager.

- For a credit line in excess of Ch$200 million and up to an amount equal to 2.5% of our total assets, we need committee approval, three members' of the Board of Directors unanimous consent and the approval from two of the following: Chairman of the Board, Chief Executive Officer and/or a Risk Manager.

- For a credit line in excess of 2.5% of our total assets, we need committee approval, four members' of the Board of Directors unanimous consent and the approval from two of the following: Chairman of the Board, Chief Executive Officer and/or Risk Manager.

In order to renew a credit line, the approval process must undergo the same authorizations, except for the following:

- For a credit line of up to Ch$80 million we need the approval from the following: a risk supervisor or a high level employee with sufficient authority or the two senior risk analysts.

- For a credit line between Ch$80 million and Ch$100 million: we need sole approval from the Chairman of the Board, Chief Executive Officer, Risk Manger or two Risk Senior Analyst.

During the disbursement application phase, we employ a scoring system for leasing and factoring applications which is evaluated periodically against our credit policies and business objectives. The scoring methodology assigns specific weights to key variables such as financial evaluation and customer productivity, and then converts these variables into a rating, which allows us to approve or reject loan disbursement applications more accurately. All documentation received from an applicant is digitalized through devices located at the offices where the application is filed and sent to our operations center for uploading into our computing CORE system. This allows our sales force to focus on their core objective, which is to attract new clients, reducing the time to approve loan disbursement applications and minimizing errors in data inputting.

As of December 31, 2012, we employed 10 people to input factoring applications. We process approximately 45,000 applications per year through our system and reject approximately 10%. As of December 31, 2012, there were three individuals, responsible for inputting all leasing application information into our system. We process approximately 2,300 leasing applications per year through our system and reject approximately 62%. On average, clients from our factoring and leasing businesses use approximately 55% of their available credit.

Once the information is inputted into our system, it is analyzed based on the size of the financing and processed through a scoring system pursuant to which each application is assigned to one of the following five risk categories.

- Level 5 to level 3: disbursement applications given this score are reviewed by examiners from the credit risk office, for financing that goes up to Ch$50 million.

- Level 2: disbursement applications given this score are reviewed by the managerial staff, a credit risk sub-manager, a credit risk supervisor and senior analysts, for financing that ranges from Ch$50 million to Ch$80 million.

- Level 1: disbursement applications given this score are reviewed by the same reviewers as Level 2 plus one director, for financing that goes over Ch$80 million.

If an application falls within our financing guidelines, the application is treated as approved by the Automatic Approval of Operations rule ("AAO Rule"). Applications are rejected by the AAO Rule when they exceed certain financing thresholds or the maximum term. Rejected applications are only reconsidered by the risk committee. Our risk committee meets in monthly sessions to approve commercial lines.

Auto Financing

Auto financing applications are entered into our *Sistema de Evaluación de Crédito Automotriz* (Automotive Credit Evaluation System or "SECA") whereby our clients' personal, public and credit score information is input by an auto financing specialist. The SECA system will then approve or reject the credit application automatically.

As of December 31, 2012, we employed twenty credit evaluation specialists and ten credit confirmation specialists, responsible for inputting and validating all auto financing application information into our system. We process approximately 15,000 applications per month through our system and reject approximately 57% from the applications we receive through our dealer, Amicar and direct sales distribution channels.

Collections

We have a sophisticated web-based IT platform that allows us to constantly monitor our loan portfolio performance both on an aggregate and individual level. We actively monitor performance trends to manage risk and endeavor to take preemptive actions when required. See "—Information Technology."

Factoring

We have similar collection processes for different products offered under our factoring business line. When we analyze potential factoring transactions, we compile a file for each client and their corresponding debtor. The information in our invoice factoring files allows us to assess debtor default risk. Within our default risk analysis we partially rely on information we gather from third party sources such as DICOM. DICOM is a non-related entity that registers individual and company payment and credit behavior in order to determine credit risk.

We begin our invoice collection process 15 days after the factoring transaction has been consummated, by analyzing our invoice factoring file. We have a specialized team of collection agents, who are in charge of follow-up with debtors on a case-by-case basis. In the event we have not been able to collect an invoice or check on maturity and up to 90 days after the invoice or check is past-due, our team of collection agents will follow-up with delinquent debtors. Our debtors are contacted by mobile phone text messages, telephone calls, regular mail or email and/or in-person visits to their home or place of employment. In addition, our collection agents provide our debtors with a payment schedule and are put on notice that upon a continuing default we will notify DICOM. Allowances for losses are calculated as soon as an invoice or check is past-due. See "– Allowance for Loan Losses".

Auto Financing

Our collection process under our auto financing business begins five days after a loan becomes past-due. The collection method we employ for past-due auto financing payments depends on the number of days the loan remains past-due.

The following is a description of our collection methods which may be carried out simultaneously:

- If the loan remains past-due for more than five days our collection agents send our customers mobile phone text message reminders or perform in-person visits to their home or place of employment.
- If the loan remains past-due for more than seven days our collection agents contact our clients and their guarantors by email or mail.
- If the loan remains past-due for more than fifteen days we register such loan with the *Sistema Nacional de Comunicaciones Financieras S.A.* (National System of Financial Communications).

Allowances for losses are calculated as soon as a loan or check is past-due. See "– Allowance for Loan Losses".

Leasing

Our collection agents contact our clients through mobile phone text messages, telephone calls, regular mail or email, as soon as a lease becomes past-due. Only under certain circumstances and if the client is in the Santiago metropolitan area will our collections supervisor and/or the head of collections perform in-person visits to our client's home or place of employment. In certain instances at the sole discretion of our head of collections, judicial actions for collections are initiated prior to 90 days after a lease becomes past due. Allowances for losses are calculated soon as a lease is past-due. See "– Allowance for Loan Losses".

Credit Risk

Credit risk is the possibility of a loss arising from a credit event, such as deterioration in the financial condition of a borrower, which causes an asset to lose value. The purpose of credit risk management is to mitigate risk, keeping credit risk exposure within a permissible level relative to assets, to maintain the soundness of assets and to ensure returns commensurate with risk. Our current credit policy sets forth uniform and basic operating concepts, code of conduct and standards for credit operations. By giving our employees extensive credit training, we aim to achieve a high standard of credit risk management, and create a better credit management culture within our company.

In addition to relying on quantitative measures, we also rely on qualitative measures, such as, conditions of the economic sector in which the company operates or commercial relations with similar or related companies, which allows us to make use of our knowledge and experience in evaluating credit risk on a case-by-case basis. We believe our risk analysis systems allow us to make better credit decisions when evaluating applications from customers with limited credit histories or who work in the informal economy. We believe that our business model limits our credit exposure to credit risk.

Operational Risk

Operational risk is defined as the possibility of loss caused by internal or external failures due to insufficiencies in processes, people or systems. In order to address the risk type as well as internal control, we have developed an operating risk management model, methodology and framework based on Basel II, COSO II (Committee of Sponsoring Organizations of the Treadway Commission and, Enterprise Risk Management (ERM) which allows us to identify, analyze, quantify and prioritize possible loss events, as well as establish the proper actions to mitigate, transfer or assume operating risks, and monitor, control and register them in a standardized manner.

Employees and Labor Relations

As of December 31, 2012, we had a total of 985 employees. None of our employees are represented by unions nor are we obligated to enter into collective bargaining agreements with our employees. We have 57 employees that are members of intercompany unions; however such membership does not obligate us to enter into collective bargaining.

The following table sets forth the number of full-time employees and a breakdown of employees by main category of activity as of the end of each year in the three year period ended December 31, 2012:

	As of December 31,					
	2010		2011		2012	
	Employees	%	Employees	%	Employees	%
Total number of employees	**727**	**100.0%**	**884**	**100.0%**	**985**	**100.0%**
Category of activity						
Regional managers, service officer managers, coordinators and sales personnel..	25	3.4%	36	4.1%	55	5.6%
Recruiting and service office administration staff.............................	165	22.7%	236	26.7%	279	28.3%
Headquarters personnel	537	73.9%	612	69.2%	651	66.1%

Of these employees, 183 were employed by our factoring segment, 177 were employed by our auto financing segment, 13 were employed by our leasing segment, and the rest were employed by our administrative area, back office area and broker affiliates. Our employees receive benefits and salaries established by their employment agreements in accordance with our own policies, benefits provided by Chilean law (including disability insurance) and certain additional benefits provided by us.

Training of Personnel

We consider the training of our staff a high priority to ensure high levels of customer service. We recognize that the success of our operations ultimately depends in large measure on the level of service provided by our personnel. Each new employee receives copies of our operating manuals and regulations, which are available at all times at our website.

In January, 2013, we provided a training and induction program for our commercial executives to better qualify them to sell our products and promote cross-selling. Sales personnel are provided continuous ongoing education regarding our initiatives, products and services.

Customer Service and Support

Our customer service team is comprised of three units that help measure our clients' satisfaction. Our customer service team also conducts regular follow-up communications, to verify our responsiveness to clients' needs and their stated requirements.

As of December 31, 2012, our *Unidad Atención de Requerimientos Tanner* (Customer Service Unit) had two agents assigned to personally respond to client inquiries and claims. We also have five agents assigned to manage different customer service requests.

As of December 31, 2012, our *Centro Atención Integral Telefónica* (Customer Service Hotline or "CAIT") had four agents and one group leader assigned to respond to clients' needs such as inquires involving prepayments, legal issues and funds transfers.

Information Technology

As of December 31, 2012, our information technology department had approximately 35 employees. Our information technology department's responsibilities include the development and maintenance of our proprietary information systems and infrastructure, administration and control of our databases and providing technical support to our labor force in connection with our systems. Our systems are subject to security and quality control standards that are in line with industry practices and are continuously monitored through internal control procedures and internal and external audits.

Business Intelligence. We have a unique business intelligence system which provides us online access to a wide range of financial and operational information relating to our loans and our borrowers, including our clients' credit records. This information allows us to efficiently manage and monitor client contact, payment information, the status of collection processes and a variety of other key metrics and statistics about clients' credit history with us. This system has been developed for the administration and management of information and is used by our managers and sub-managers.

We believe that our information technology system enables us to quickly and efficiently (i) make adjustments to credit policies; (ii) track and analyze the credit behavior of our customers, (iii) make informed decisions about new products to market and develop such products, and (iv) optimize loan approval and collection.

Back Office. Our offices are equipped with information technology to quickly transfer to our operations center clients' information in connection with the loan approval process. We also have a robust back office to input client information in the system. We believe the sophistication of our systems in responding to our needs and specific goals, differentiates us from most of our competitors. We maintain an electronic record of all of our loans in our information management system, which are updated each time a borrower makes a payment. We have an on-site information management center, as well as an off-site data center. Our on-site information management center processes every day operations and our off-site data center works as a back-up system in the event of a contingency. All of our systems are subject to security and quality control standards that are in line with industry practices. As of the date of this offering memorandum, we have not encountered any contingency.

We have developed advanced information technology systems and software relating to our information and risk management policies, which have helped us to better serve our customers, support our growth strategy, enhance the quality and development of our products and services and successfully reduce the cost and time associated with loan approvals, monitoring and collection practices. For example, one system we have developed in the auto financing business permits us to receive loan applications through the internet and approve or reject such applications within an average of approximately 30 minutes. We believe that our operating efficiency, information management and technology systems are more competitive that those found in traditional financial institutions, and have differentiated us from our competitors.

During 2012, we invested approximately Ch$500 million in technology improvements which consisted on equipment, software, back-up installations and better technologies.

Properties and Leases

We own the premises where our executive offices and main operation center is located in Santiago. We also have service offices located throughout Chile comprising an aggregate of 4,100 square meters as of December 31, 2012, all of which we occupy under lease.

Intellectual Property

We own and use various trademarks and logos in our business, the most important being *Tanner*, and *Factorline*, which are registered in Chile. We believe that our trademarks, trade names and service marks are valuable assets to us which successfully differentiate us from our competitors. We actively protect our intellectual property rights.

Insurance

We maintain insurance policies that are customary for companies operating in our industry, including insurance such as casualty and D&O insurance, among others. In addition to professional liability insurance, we maintain insurance policies covering our fixed assets, equipment and leased properties and that protect us in the event of natural disasters or third party injury. We believe our insurance policies are adequate to meet our needs.

Legal Proceedings

We are from time to time involved in certain legal proceedings that are incidental to the normal course of our business. As of the date of this offering memorandum, we do not believe that we are involved in any legal proceedings the outcome of which, if decided adversely to us, would have a material adverse effect on our business, financial condition, cash flows or results of operations.

MANAGEMENT

Board of Directors

We are managed by our Board of Directors which, in accordance with our bylaws, which may consist of up to seven directors who are elected at the annual ordinary shareholders' meeting. The entire Board of Directors is elected every three years. If a vacancy occurs, the Board of Directors may appoint a substitute director to fill the vacancy until the next scheduled ordinary meeting of shareholders, at which time the entire Board of Directors will be elected or re-elected. There are regularly scheduled monthly meetings of our Board of Directors. Extraordinary meetings are convened when called by the Chairman of the Board or requested by one or more Directors. Our Board of Directors is responsible, among other things, for the overall supervision and administration of our business activities, for the appointment and removal of our Executive Officers, for reviewing our financial statements and for approving our budget.

Unless otherwise indicated, the current business addresses for our directors and senior management (including the members of our supervisory committee) is Huérfanos Nº 863, third floor, Santiago, Chile.

Powers and Duties

Under Chilean Corporations Law, directors are responsible for the diligent and prudent performance of their duties as prudent business people. Directors are jointly and severally liable to us, our shareholders and third parties for any improper performance of their duties, any infringement of laws, our bylaws or regulations, if any, as well as for any damages resulting from fraud, willful misconduct or gross negligence. Under Chilean Corporations Law, our Directors are prohibited from engaging in activities in competition with us without the express authorization of our shareholders. Agreements entered into between our Directors and us must be previously approved by the Board and be carried out on an arm's-length basis. See "Related Party Transactions." Directors must inform the board of any conflict of interest that might exist in a specific transaction, and refrain from voting on any such matters. Directors will not be liable if, notwithstanding their presence at a meeting at which a resolution was adopted or their knowledge of such resolution, a written record exists of their opposition to such decision and the Chairman must give notice to the next shareholders' meeting. We may file legal actions against our Directors if requested to do so by the majority of shareholders. If any such legal actions are not filed within six months of a shareholders' resolution approving such legal actions, any shareholder may bring such legal actions on behalf and for the benefit of us.

Our current Board of Directors was elected on March 4, 2011, and their tenure will end upon the election of new members at the annual shareholders meeting to be held in 2014. The following are the current members of the Board of Directors and their respective positions:

Name	Position	Age	Years at Tanner(1)
Jorge Sabag Sabag.	Chairman of the Board	56	10
Ricardo Massu M.	Director and Vice-Chairman	60	19
Eduardo Massu M.	Director	68	17
Francisco Javier Armanet R.	Director(2)	49	3
Fernando Tafra S.	Director	59	2
Guillermo Larrain R.	Director(2)(3)	48	2 months

(1) Years working at Tanner, including in other positions.
(2) Independent Director.
(3) Elected on November 27 2012.

The following biographies provide certain information about the members of our Board of Directors:

Jorge Sabag Sabag. Mr. Sabag is our Chairman of the Board. He has served on our Board since January, 2002. Mr. Sabag has worked for the Altas Cumbres Group, including Banco del Trabajo in Peru where he served as Chief Executive Officer and Director. He was also the Chairman of the Board of Banco Centro Mundo in Ecuador, Chairman of the Board of Banco de Antigua in Guatemala, Chairman of the Board of Banco Altas Cumbres in the Dominican Republic, Chairman of the Board of Financiera Miravalles in Costa Rica and Finance Senior Vice President, Commercial Senior Vice President and Chief Executive Officer of Financiera Condell in Chile. Mr. Sabag has a degree in Commercial Engineering from the *Pontificia Universidad Católica de Chile*, and a degree in Management and Accounting from the *Pontificia Universidad Católica de Chile*.

Ricardo Massu M. Mr. Massu has been a member of our Board of Directors since 1993 and was appointed as our Vice-Chairman in April 2009. Mr. Massu has more than 37 years of experience in the financial services industry in Chile and in England, including serving as Vice-Chairman and Director of BBVA (formerly Banco BHIF) for more than 20 years. Mr. Massu has a degree in Commercial Engineering and a Masters Degree in Business Administration from *Babson College*.

Eduardo Massu M. Mr. Massu has been a member of our Board of Directors since the year 1995. Mr. Massu was a Director of BBVA Corredores de Bolsa and BBVA (formerly Banco BHIF). He has also served as Chairman of the Board of Directors of the Chilean Textile Institute. Mr. Massu has a degree in Management and a Masters in Business Administration and International Finance from *Boston University*.

Francisco Javier Armanet R. Mr. Armanet has been a member of our Board of Directors since March, 2010. He was one of the founders and a Director of The Global Leadership Institute and a leadership professor at the Universidad de Chile and Universidad Católica. He has also serves as vice-chairman and Director of Banco Paris, and Director of Cencosud, Rosen, Odis, Almagener and Fundación Luz. Mr. Armanet was the Chief Executive Officer of Banchile Corredores de Bolsa. He has a degree in Commercial Engineering from *Universidad de Chile* and a Masters Degree in Business Administration from *Massachusetts Institute of Technology*.

Fernando Tafra S. Mr. Tafra has been a member of our Board of Directors since March, 2011. He is a founder and Director of Tanner Corredora de Seguros Ltda. He was a Director of BBVA Stock Brokerage (formerly Banco BHIF Stock Brokerage), founder and Director of BBVA Corredora Técnica de Seguros Ltda. and Ohio National (formerly BHIF Life Insurance) and BBVA Vida. Mr. Tafra has a degree in Commercial Engineering from *Universidad Adolfo Ibañez*.

Guillermo Larrain R. Mr. Larrain has been a member of our Board of Directors since November, 2012. Mr. Larrain was the Economic Policy Coordinator at the Chilean Ministry of Finance, Pension Fund Manager Superintendent, Securities and Insurance Superintendent, Counselor to the Sistema de Empresas Públicas, Director of Bandesarollo Administradora General de Fondos and senior advisor of the Social Security and Financial Reform of the Armenian Government. He was a shareholder and Director of Southern Cone Innovación Financiera Economista. Mr. Larrain has a degree in Commercial Engineering and Masters Degree in Economics from the *Pontificia Universidad Católica de Chile* and a PHD in Economics from the *Ecole des Hautes Etudes de Sciences Sociales* (EHESS) in Paris, France.

Executive Officers

Our executive officers are appointed by our Board of Directors and hold office at the discretion of the Board. The following are our current executive officers:

Name	Position	Age	Years[(1)]
Sergio Contardo P.	Chief Executive Officer	58	15
Francisco José Ojeda Y.	Chief Planning and Financial Officer	36	2
Javier Alfonso Gómez M.	Commercial Manager	52	17
Julio Alfredo Nielsen S.	International Factoring Manager	49	16
Rodrigo Lozano B.	Risks Manager	44	15

Name	Position	Age	Years[(1)]
Luis Alberto Durand C.	Operations and Information Technology Manager	56	2
Cristian Ruiz-Tagle H.	Senior Manager Automobile business unit	50	6
Ana María Lizárraga C.	Automobile Credit and Collection Manager	58	7
María Rosario Donado V.	Customer Service Manager	41	6 months
Sergio Rodriguez P.	Comptroller	68	6

(1) Including years in other positions at Tanner.

Brief biographical information of the members of our senior management is set forth below:

Sergio Contardo P. Mr. Contardo is our Chief Executive Officer. He has worked with us for 15 years. He is a Director of Tanner Corredores de Bolsa de Productos S.A. and Tanner Corredores de Bolsa S.A. Mr. Contardo was the Stock Operating Manager of CITICORP Corredores de Bolsa, Investment Manager of Insurance Company Vida Continental and Chief Executive Officer of Ineralia Leasing and Factoring. Mr. Contardo has a degree in Commercial Engineering and Accounting from *Universidad de Chile* and a Masters Degree in Business Administration from *IDE Cesem – Instituto de Directivos de Empresa* in Spain.

Francisco José Ojeda Y. Mr. Ojeda is the Chief Planning and Financial Officer of Tanner Servicios Financieros S.A. He started working with us in May, 2010 and has more than 14 years of experience in the financial services industry. Mr. Ojeda has a degree in Commercial Engineering from *Pontificia Universidad Católica de Chile* and a Masters Degree in Business Administration from ESE Business School*, Universidad de los Andes*.

Javier Alfonso Gómez M. Mr. Gómez is our Commercial Manager. He has worked with us for 17 years. Mr. Gómez has a degree in Finance and Management from *Universidad Alberto Hurtado*.

Julio Alfredo Nielsen S. Mr. Nielsen is our International Factoring Manager. He has worked with us for 16 years. Mr. Nielsen is the Chairman of the Marketing Manager Committee of Factors Chain International. He has a degree in Industrial and Civil Engineering from *Universidad de Chile*.

Rodrigo Lozano B. Mr. Lozano is our Risks Manager. He has worked with us for 15 years. He has a degree in Business Management and Administration from *Universidad Alberto Hurtado*.

Luis Alberto Durand C. Mr. Durand is our Operations and Information Technology Manager. He has worked with us for 2 years. Mr. Durand has more than 25 years of experience in the financial services industry and was previously the Risk Manager for Banco Santander. He has a degree in Computer Engineering from *Universidad de Viña del Mar* and a Masters Degree in Business Administration from *Universidad de Chile*.

Cristian Ruiz-Tagle H. Mr. Ruiz-Tagle is the Automotive Credit Manager of Tanner Servicios Financieros S.A. and has been working with us for 6 years. He has more than 20 years experience in the automotive business. He has a degree in Selling Administration and Marketing from the Business School of *Universidad de Chile*.

Ana María Lizárraga C. Mrs. Lizárraga is the Automotive Credit and Collection Manager. She has been working with us for 7 years and has more than 25 years of experience in the financial services industry. She has a degree in Marketing from *Guillermo Subercaseux*.

María Rosario Donado V. Mrs. Donado is the Customer Care Manager of Tanner Servicios Financieros S.A. and has been working with us since June, 2012. He has more than 10 years of experience in the Financial services industry. Mrs. Donado has a degree in Administration from the *Universidad Autónoma de Colombia,* a Diploma in Client Management and Control from *Universidad de Chile* and a Diploma in Strategic Customer Care and Call Center Management from *Universidad Central de Chile*.

Sergio Rodriguez P. Mr. Rodriguez is the Comptroller of Tanner Servicios Financieros S.A. and has been working with us for 6 years. He has more than 30 years of experience in the financial services industry and was the Chief Executive Officer and President of the Board of Directors of Factoring Serbanco S.A. in Lima, Peru; Project Director of La Previsora Bank in Guayaquil, Ecuador; Chief Executive Officer of Financiera Condell; Director of the Chilean Bank and Financial Institutions and President of the Chilean Financial Corporations Corporation. Mr. Rodriguez has a degree in Accounting from *Universidad de Santiago de Chile*.

Audit Committee

We maintain an audit committee which is comprised of seven members (four Directors, our Chief Executive Officer, Comptroller and our General Counsel). Our audit committee meets once a month. Our audit committee's primary responsibility is to support the Board of Directors in assessing internal control, which includes the supervision of related party transactions and the reports delivered by both external and internal auditors. Our audit committee is also responsible for receiving communications and recommendations from Chilean regulatory entities and for recommending measures to be taken by management in its response to such communications and recommendations.

Compensation

For the year ended December 31, 2012, we did not pay fees to our Directors and no amounts were set aside or accrued by us to provide pension, retirement or similar benefits for our Directors and executive officers. We engaged in transactions with companies controlled by certain of our Directors in accordance with the applicable requirements of the Chilean Corporations Law. For the year ended December 31, 2012, we paid our senior management and committee members an aggregate of Ch$818 million. We do not have stock option plans; however, some executives have been offered and are authorized to acquire our shares at their own expense.

Conflicts of Interest

As of the date of this memorandum, there are no conflicts or potential conflicts of interest between any duties to Tanner of the persons referred to in this section.

PRINCIPAL SHAREHOLDERS

Our only outstanding voting securities are shares of common stock of a single series, without nominal (par) value. As of the date of this offering memorandum, Grupo Massu indirectly owns 71.0% of our total capital stock. We are currently controlled by Grupo Massu. As a result of Grupo Massu's ownership stake in us, it is in a position to cause the election of a majority of the members of our management and to determine substantially all matters to be decided by a vote of shareholders, provided that the only measures regulating such control, are statutory controls.

The following table presents the beneficial ownership of our capital stock, as of December 31, 2012.

Shareholders	Number of Shares of Common Stock	Percentage Beneficial Ownership
Inversiones Bancarias S.A. (1)	628,522	71.0%
Asesorías Financieras Belén Ltda (2)	90,503	10.2%
FSA Fondo de Inversión Privado (3)	79,905	9.0%
Inversora Quillota Dos S.A.	34,564	3.9%
Inversiones Río Abril Limitada	19,383	2.2%
Asesorías e Inversiones Cau Cau Ltda.	9,000	1.0%
Asesorías e Inversiones Gómez Perfetti Ltda.	*	*
Inversiones y Asesorías Rochri Ltda.	*	*
Xaga Asesorías e Inversiones Ltda.	*	*
E. Bertelsen Asesorías S.A.	*	*
Inversiones Anita e Hijos Ltda.	*	*
Ruiz-Tagle y Cáceres Ltda.	*	*
Inversiones Durand y Quiroga Limitada	*	*
Asesorías e Inversiones O y B Limitada	*	*
Claudia Noemi Prieto Contreras (4)	*	*
Daniela Andrea Zamorano Alvarez (4)	*	*
Humberto Enrique Fuentes Zamora (4)	*	*
Oscar Alejandro Espinoza Muñoz (4)	*	*
Teodoro Segundo Valderrama Ramirez (4)	*	*
Alejandro Eduardo Alfaro Valenzuela(4)	*	*
Marily Ester Cerda Fernandez(4)	*	*
Jose Pablo Rodríguez Larenas(4)	*	*
María de la Luz Risso Gonzalez(4)	*	*
Sergio Antonio Acevedo Sttamer(4)	*	*
Total	**884,854**	**100%**

* Represents beneficial ownership of less than one percent of ordinary shares outstanding.

(1) Controlled by Grupo Massu, represented by Mr. Ricardo Massu, who directly holds 100% interest in Inversiones Bancarias S.A.

(2) Controlled by Mr. Jorge Sabag who directly holds an 87% interest in Asesorías Financieras Belén Ltda.

(3) Controlled by Mr. Francisco Schulz and his family who indirectly hold 100% interest in FSA Fondo de Inversión Privado.

(4) All of these shareholders are part of the Tanner's management.

RELATED PARTY TRANSACTIONS

In the ordinary course of our business, we engage in a variety of transactions with certain of our affiliates and related parties. Article 89 of the Chilean Corporations Law, requires that our transactions with related parties be on terms similar to those customarily prevailing in the market. Directors and executive officers of companies that violate Article 89 are personally liable for losses resulting from such violations.

In addition, Article 44 of the Chilean Corporations Law provides that any transaction in which a director or certain officers have a personal interest or are acting on behalf of an interested third party may be implemented only after the transaction is approved by the board of directors and only if the approved transaction is carried out on terms similar to those customarily prevailing in the market. Pursuant to Article 44, a company may not enter into a transaction involving material amounts in which one or more of its directors has a direct or indirect interest unless (i) such transaction has received the prior approval of the company's board of directors and (ii) the terms of such transaction are consistent with the terms of arms-length basis transactions of a similar type prevailing in the market. However, these dispositions will not be applicable if the transaction has been approved or ratified by an extraordinary shareholders' meeting with a quorum of 2/3 of the shareholders with voting rights.

The board of directors' will address the issue excluding those directors that are involved in the transaction. The decisions of the board will be documented in the board minutes and disclosed at the following shareholders' meeting.

> For purposes of this regulation, the amount of a proposed transaction is material if (1) it exceeds 1% of the company's net worth (provided that it also exceeds UF 2,000) or (2) it exceeds UF 20,000. For this calculation, all similar transactions carried out within a consecutive 12-month period between the same parties, or for the same subject matter, shall be deemed as a single transaction).

Transactions that do not meet the foregoing requirements are valid and enforceable; however, the corporation and its shareholders shall have a cause of action to sue for reimbursement on behalf of the corporation, for a total of the benefits reported to the interested party, in addition to indemnification for the damages caused. In such proceedings, the defendant shall prove that the transaction met the legal requirements.

We believe that we have complied and are in compliance in all material respects with the requirements of the relevant provisions of the Chilean Corporations Law governing related party transactions with respect to all of our transactions with related parties.

For additional information about certain transactions with related parties and affiliates, see note 11 to our Audited Consolidated Financial Statements included elsewhere in this offering memorandum.

DESCRIPTION OF THE NOTES

We will issue the notes pursuant to an indenture to be entered into by us, the Subsidiary Guarantors and The Bank of New York Mellon, as trustee. We will, under the indenture, appoint a registrar, paying agents and transfer agents, which are identified on the inside back cover page of this offering memorandum. A copy of the indenture will be available for inspection during normal business hours at the Corporate Trust Office of the trustee. You should refer to the indenture for a complete description of the terms and conditions of the notes and the indenture, including our obligations and your rights.

You will find the definitions of capitalized terms used in this section under "—Definitions." For purposes of this section of this offering memorandum, references to "Tanner" refer only to Tanner Servicios Financieros S.A. and not to its Subsidiaries.

General

The notes:

- will be senior unsecured obligations of Tanner;
- will initially be limited to an aggregate principal amount of US$250 million;
- will mature on March 13, 2018;
- will not be subject to redemption prior to maturity at the option of Tanner except as described under "—Optional Redemption—Make-Whole Redemption" and "—Tax Redemption";
- will be issued in minimum denominations of US$50,000 and integral multiples of US$1,000 in excess thereof; and
- will be represented by registered notes in global form and may be exchanged for notes in certificated form only in limited circumstances.

Interest on the notes:

- will accrue on their outstanding principal amount at the rate of 4.375% per year;
- will accrue from the date of issuance or from the most recent interest payment date;
- will be payable in cash semi-annually in arrears on September 13 and March 13 of each year, beginning on September 13, 2013;
- will be payable to the holders of record on September 1 and March 1 immediately preceding the related interest payment dates (whether or not a business day); and
- will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Tanner may from time to time, without notice or consent of the holders of the notes, create and issue an unlimited principal amount of additional notes having the same terms and conditions (except for issue date, issue price and, if applicable, the first payment date) as, and forming a single series with, the notes initially issued in this offering.

Guarantees

Tanner Leasing S.A. (the "Initial Subsidiary Guarantor") will initially guarantee the notes and Tanner's obligations under the indenture. The Subsidiary Guarantors will, jointly and severally, irrevocably and unconditionally guarantee, on a senior unsecured basis, the payment of the obligations of Tanner under the notes and all payment obligations under the indenture.

Tanner and the Initial Subsidiary Guarantor collectively represented 92.1% of Tanner's consolidated net income for 2012 and 91.0% of Tanner's consolidated total assets as of December 31, 2012.

Any entity that makes a payment under its subsidiary guarantee will be entitled upon payment in full of all obligations that are guaranteed under the indenture to a contribution from each other Subsidiary Guarantor in an amount equal to such other Subsidiary Guarantor's *pro rata* portion of such payment based on the respective net assets of all the Subsidiary Guarantors at the time of such payment, determined in accordance with IFRS.

The obligations of each Subsidiary Guarantor under its subsidiary guarantee will be limited as necessary to prevent that guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable law. If a subsidiary guarantee was rendered voidable, it could be subordinated by a court to all other Indebtedness (including subsidiary guarantees and other contingent liabilities) of the Subsidiary Guarantor, and, depending on the amount of such Indebtedness, a Subsidiary Guarantor's liability on its subsidiary guarantee could be reduced to zero. See "Risk factors—Risks Relating to the Notes— Fraudulent transfer laws may permit a court to void the subsidiary guarantees and, if that occurs, you may not receive any payments on the notes."

The indenture will provide that each subsidiary guarantee by a Subsidiary Guarantor will be automatically and unconditionally released and discharged upon:

(1) (a) any sale, assignment, transfer, conveyance, exchange or other disposition (by merger, consolidation or otherwise) of the Capital Stock of a Subsidiary Guarantor after which the applicable Subsidiary Guarantor is no longer a Subsidiary *provided* that all the obligations of such Subsidiary Guarantor under Tanner's and its Subsidiaries' all other Indebtedness terminate upon consummation of such transaction;

(b) in the case of a Subsidiary Guarantor that is not the Initial Subsidiary Guarantor, the release or discharge of such Subsidiary Guarantor from its subsidiary guarantee of Tanner's and the Subsidiary Guarantor's Indebtedness that resulted in the obligation of such Subsidiary Guarantor to guarantee the notes, if such Subsidiary Guarantor would not then otherwise be required to guarantee the notes pursuant to the indenture; or

(c) the exercise of its legal defeasance option by Tanner or its covenant defeasance option as described under "—Defeasance", or the discharge of its obligations under the indenture in accordance with the terms of the indenture; and

(2) such Subsidiary Guarantor delivering to the trustee an Officers' Certificate and an opinion of counsel, each stating that all conditions precedent provided for in the indenture relating to such transaction and/or release have been complied with.

Ranking

The notes and the subsidiary guarantees will constitute Tanner's and the Subsidiary Guarantors' direct, unsecured and senior obligations. The obligations of Tanner under the notes and each Subsidiary Guarantor under the subsidiary guarantees will at all times rank at least *pari passu* in right of payment to all other existing and future unsecured and unsubordinated obligations of Tanner or such Subsidiary Guarantor, respectively. The notes and the subsidiary guarantees will be effectively subordinated to (i) all of Tanner's and the applicable Subsidiary Guarantor's existing and future secured indebtedness to the extent of the assets securing such indebtedness, (ii) certain obligations that in the event of Tanner's or such Subsidiary Guarantor's insolvency are granted preferential treatment under Chilean law, and (iii) all of the existing and future liabilities of Tanner's or such Subsidiary Guarantor's subsidiaries that do not guarantee the notes.

Optional Redemption

The notes will not be redeemable at the option of Tanner prior to maturity, except as described below.

Make-Whole Redemption

The notes will be redeemable at the option of Tanner, in whole but not in part, at any time at a redemption price equal to the greater of (1) 100% of the outstanding principal amount of the notes, and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable

Treasury Rate plus 50 basis points, in each case plus accrued and unpaid interest to the date of redemption and any Additional Amounts (as defined under "—Additional Amounts").

For purposes of the above:

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes.

"Comparable Treasury Price" means, with respect to the redemption date, (1) the average of five Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers reasonably designated by Tanner.

"Reference Treasury Dealer" means Merrill Lynch, Pierce, Fenner & Smith Incorporated or its affiliates which are primary United States government securities dealers and not less than four other leading primary United States government securities dealers in New York City reasonably designated by Tanner; *provided* that if any of the former cease to be a primary United States government securities dealer in New York City (a "Primary Treasury Dealer"), Tanner will substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and a redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at or about 3:30 p.m., New York City time, on the third business day preceding such redemption date.

"Treasury Rate" means, with respect to a redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

Tax Redemption

The notes will be redeemable at the option of Tanner, in whole but not in part, at 100% of their outstanding principal amount thereof plus accrued and unpaid interest to the date of redemption and any Additional Amounts payable with respect thereto, only if: (1) on the next interest payment date Tanner would, for reasons outside of its control, be obligated to pay Additional Amounts in excess of the Additional Amounts that Tanner would pay if interest payments in respect of the notes were subject to deduction or withholding at a rate of 4.0% (determined without regard to any interest, fees, penalties or other additions to tax), as a result of any change in, or amendment to, the laws or regulations of any Taxing Jurisdiction, or any change in, or a pronouncement by competent authorities of the relevant Taxing Jurisdiction with respect to, the official application or official interpretation of such laws or regulations (including, without limitation, any change in the rate or the basis of any tax), which change, amendment or pronouncement occurs after the later of the date of the indenture and the date the taxing jurisdiction became a taxing jurisdiction; and (2) such obligation cannot be avoided by Tanner taking reasonable measures available to it; *provided* that for this purpose reasonable measures shall not include any change in Tanner's jurisdiction of organization or location of principal executive office. For the avoidance of doubt, reasonable measures may include a change in the jurisdiction of the paying agents, *provided* that such change shall not require us to incur material additional costs or legal or regulatory burdens.

No such notice of redemption will be given earlier than 60 days prior to the earliest date on which Tanner would be obligated to pay such Additional Amounts if a payment in respect of the notes were then due.

Prior to the publication or mailing of any notice of redemption of the notes as described below, Tanner must deliver to the trustee an officers' certificate confirming that it is entitled to exercise such right of redemption. Tanner will also deliver an opinion of legal counsel of recognized standing stating that Tanner would be obligated to pay Additional Amounts described in (1) above due to the changes in tax laws or regulations or changes in, or pronouncements with respect to, the official application or official interpretation of such laws or regulations. The trustee will accept this officers' certificate and opinion of legal counsel as sufficient evidence of the satisfaction of the conditions precedent set forth in clauses (1) and (2) above, in which event it will be conclusive and binding on the holders.

Redemption Procedures

Tanner will mail, or cause to be mailed, a notice of redemption to each holder (which, in the case of global notes, will be DTC) by first-class mail, postage prepaid, at least 30 days and not more than 60 days prior to the redemption date, to the address of each holder as it appears on the register maintained by the registrar. A notice of redemption will be irrevocable.

In addition, so long as the notes are listed on the Irish Stock Exchange and the rules of the exchange so require, a notice of redemption will also be published in a daily newspaper of general circulation in Ireland. If publication in Ireland is impracticable, the issuer will make the publication in a widely circulated newspaper in New York, New York, USA.

Unless Tanner defaults in the payment of the redemption price, interest will cease to accrue on the notes on and after the redemption date.

Open Market Purchases

Tanner or any of its affiliates may at any time purchase notes in the open market or otherwise at any price. Any such notes purchased by Tanner or any of its Subsidiaries may not be reissued or resold except in accordance with applicable securities and other laws.

Repurchase at the Option of the Holders

Change of Control

If a Change of Control occurs, unless Tanner has exercised its right to redeem all of the notes as described under "—Optional Redemption," Tanner will make an offer to purchase all of the notes (the "Change of Control Offer") at a purchase price in cash equal to 101% of the principal amount of the notes plus accrued and unpaid interest, if any, to the date of purchase and any Additional Amounts (the "Change of Control Payment").

Within 30 days following any Change of Control occurs, unless Tanner has exercised its right to redeem all of the notes as described under "—Optional Redemption," Tanner will mail a notice of such Change of Control Offer to each holder or otherwise give notice in accordance with the applicable procedures of DTC, with a copy to the trustee stating:

(1) that a Change of Control Offer is being made and that all notes properly tendered pursuant to such Change of Control Offer will be accepted for purchase by Tanner at a purchase price in cash equal to 101% of the principal amount of such notes plus accrued and unpaid interest, if any, to the date of purchase;

(2) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Change of Control Payment Date"); and

(3) the procedures determined by Tanner, consistent with the indenture, that a holder must follow in order to have its notes repurchased.

On the Change of Control Payment Date, Tanner will, to the extent lawful:

(1) accept for payment all notes or portions of notes (of US$50,000 or larger integral multiples of US$1,000 in excess thereof) properly tendered pursuant to the Change of Control Offer;

(2) deposit with the paying agents an amount equal to the Change of Control Payment in respect of all notes or portions of notes so tendered; and

(3) deliver or cause to be delivered to the trustee for cancellation the notes so accepted together with an officers' certificate stating the aggregate principal amount of notes or portions of notes being purchased by Tanner in accordance with the terms of this covenant.

The paying agents will promptly mail to each holder of notes so tendered the Change of Control Payment for such notes, and, if only a portion of the notes is purchased pursuant to a Change of Control Offer, the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new note equal in principal amount to any unpurchased portion of the notes surrendered upon cancellation of the original note (or appropriate adjustments to the amount and beneficial interest in a global note will be made, as appropriate); *provided* that each such new note will be in a principal amount of US$50,000 or integral multiples of US$1,000 in excess thereof.

If the Change of Control Payment Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest to the Change of Control Payment Date will be paid on the relevant interest payment date to the Person in whose name a note is registered at the close of business on such record date.

The Change of Control provisions described above will be applicable whether or not any other provisions of the indenture are applicable. Except as described above with respect to a Change of Control, the indenture does not contain provisions that permit the holders to require that Tanner repurchases or redeems the notes in the event of a takeover, recapitalization, leveraged buyout or similar transaction.

Tanner's future indebtedness may contain prohibitions on the occurrence of events that would constitute a Change of Control or require that Tanner's indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of their right to require Tanner to repurchase the notes upon the occurrence of a Change of Control could cause a default under other future indebtedness even if the Change of Control itself does not.

If a Change of Control Offer occurs, Tanner may not have available funds sufficient to make the Change of Control Payment for all the notes that might be delivered by holders seeking to accept the Change of Control Offer. In the event Tanner is required to purchase outstanding notes pursuant to a Change of Control Offer, Tanner expects it would seek third-party financing to the extent it does not have available funds to meet its purchase obligations and any other obligations it may have. However, Tanner cannot assure you that it would be able to obtain necessary financing, and the terms of the indenture may restrict its ability to obtain such financing.

Tanner will not be required to make a Change of Control Offer upon the occurrence of a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a Change of Control Offer made by Tanner and purchases all notes validly tendered and not withdrawn under such Change of Control Offer or (2) notice of redemption has been given with respect to all of the notes pursuant to the indenture prior to the related Change of Control as described above under "—Optional Redemption," unless and until there is a default in payment of the applicable redemption price.

Tanner will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws or regulations in connection with the repurchase of notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the indenture, Tanner will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations described in the indenture by virtue of the conflict.

The Change of Control provisions described above may deter certain mergers, tender offers and other takeover attempts involving Tanner by increasing the capital required to effectuate such transactions. The definition of

"Change of Control" includes a disposition of all or substantially all of Tanner's property and assets taken as a whole to any Person. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of our property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a holder may require us to make an offer to repurchase the notes as described above.

Payments

Tanner will make all payments on the notes exclusively in the currency of the United States as at the time of payment will be legal tender for the payment of public and private debts.

Tanner will make payments of principal, premium, if any, and interest on the notes to the paying agents. The trustee will initially act as a paying agent with respect to the notes.

Tanner will pay interest on the outstanding principal amount of the notes to the Persons in whose name the notes are registered on the relevant record date (which, in the case of global notes, will be DTC) and will pay principal and premium, if any, on the notes to the Persons in whose name the notes are registered at the close of business on the fifteenth day before the due date for payment (which, in the case of global notes, will be DTC). Payments of principal, premium, if any, and interest in respect of each note will be made by the paying agents by U.S. dollar check drawn on a bank in New York City and mailed to the Person entitled thereto at its registered address. Upon written notice from a holder to the specified office of any paying agent not less than 15 days before the due date for any payment in respect of a note, such payment may be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in New York City. Tanner will make payments of principal and premium, if any, upon surrender of the relevant notes at the specified office of the trustee or any of the paying agents.

Under the terms of the indenture, payment by Tanner of any amount payable under the notes to the paying agents in accordance with the indenture will satisfy the obligation of Tanner to make such payment; *provided* that the liability of any paying agent will not exceed any amounts paid to it by Tanner, or held by it, on behalf of the holders under the indenture. Tanner has agreed in the indenture to indemnify the holders in the event that there is subsequent failure by the trustee or any paying agent to pay any amount due in respect of the notes in accordance with the indenture as will result in the receipt by the holders of such amounts as would have been received by them had no such failure occurred.

All payments will be subject in all cases to any applicable tax or other laws and regulations, but without prejudice to the provisions of "—Additional Amounts". No fees or expenses will be charged to the holders in respect of such payments.

Subject to applicable law, the trustee and the other paying agents will pay to Tanner upon request any monies held by them for the payment of principal, premium, if any, or interest that remains unclaimed for two years, and, thereafter, holders entitled to such monies must look to Tanner for payment as general creditors. After the return of such monies by the trustee or the other paying agents to Tanner, neither the trustee nor the other paying agents will be liable to the holders in respect of such monies.

Form, Denomination and Title

The notes will be issued in fully registered form without coupons attached in minimum denominations of US$50,000 and integral multiples of US$1,000 in excess thereof.

Notes sold in offshore transactions in reliance on Regulation S will be represented by one or more permanent global notes in fully registered form without coupons deposited with a custodian for and registered in the name of a nominee of DTC. Notes sold in reliance on Rule 144A will be represented by one or more permanent global notes in fully registered form without coupons deposited with a custodian for and registered in the name of a nominee of DTC. Beneficial interests in the global notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, including Euroclear and Clearstream. Except in certain limited circumstances, definitive registered notes will not be issued in exchange for beneficial interests in the global notes. See "Form of the Notes—Global Notes."

Title to the notes will pass by registration in the register. The holder of any note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, writing on, or theft or loss of, the definitive note issued in respect of it) and no Person will be liable for so treating the holder.

Transfer of Notes

Notes may be transferred in whole or in part in an authorized denomination upon the surrender of the note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the registrar or any transfer agent. Transfer of beneficial interests in the global notes will be effected only through records maintained by DTC and its participants. See "Form of the Notes." Notes will be subject to certain restrictions on transfer as more fully set out in the indenture. See "Transfer Restrictions."

The trustee will initially act as the registrar and as a transfer agent with respect to the notes. So long as the notes are listed on the Irish Stock Exchange for trading on the Global Exchange Market, Tanner will also maintain a transfer agent in Ireland.

Transfer will be effected without charge by or on behalf of Tanner, the registrar or the transfer agents, but upon payment, or the giving of such indemnity as the registrar or the relevant transfer agent may require, in respect of any tax or other governmental charges which may be imposed in relation to it.

Tanner is not required to transfer or exchange any note selected for redemption. No holder may require the transfer of a note to be registered during the period of 15 days ending on the due date for any payment of principal, premium, if any, or interest on that note.

Additional Amounts

All payments in respect of the notes (including any payments made pursuant to a subsidiary guarantee) will be made free and clear of and without any withholding or deduction for or on account of any present or future Taxes, unless the withholding or deduction of such Taxes is required by law or the official interpretation thereof, or by the administration thereof. If the applicable withholding agent is so required by any law of any Taxing Jurisdiction to withhold or deduct any Taxes from or in respect of any sum payable under the notes, Tanner or the applicable Subsidiary Guarantor, as the case may be, will (a) pay such additional amounts ("Additional Amounts") as may be necessary in order that the net amounts receivable by holders of any notes after such withholding or deduction (including any withholding or deduction in respect of such payment of Additional Amounts) equal the respective amounts which would have been receivable by such holders in the absence of such withholding or deduction, (b) make such withholding or deduction, and (c) pay the full amount withheld or deducted to the relevant taxing or other governmental authority in accordance with applicable law, except that no such Additional Amounts will be payable in respect of any note:

(1) to the extent that such Taxes are imposed or levied by reason of such holder or the beneficial owner (or, if the holder or beneficial owner is an estate, nominee, trust, partnership, corporation or other business entity, by reason of a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the holder or beneficial owner) having some present or former connection with the Taxing Jurisdiction other than the mere holding (or beneficial ownership) of such note or receiving principal or interest payments on the notes or enforcing its rights thereunder (including but not limited to citizenship, nationality, residence, domicile, or existence of a business, permanent establishment, a dependent agent, a place of business or a place of management present or deemed present in the Taxing Jurisdiction);

(2) to the extent that any Tax is imposed other than by deduction or withholding from payments of principal, premium, if any, or interest on the notes;

(3) in respect of any Taxes that would not have been so deducted or withheld but for the failure by the holder (or beneficial owner) to comply with any certification, identification or other reporting requirement concerning such holder's (or beneficial owner's) nationality, residence, identity or connection with the Taxing Jurisdiction if (A) compliance is required by applicable law, regulation, administrative practice or treaty as a precondition to exemption from or reduction of Taxes, (B) such obligation to provide such certification, documentation or information would not require such holder (or beneficial owner) to provide any more onerous information, documents, or other evidence than would be required to be provided had such holder (or beneficial owner) been required to provide the U.S. Internal Revenue Service Forms W-8BEN, W-8ECI, W-8EXP and/or W-8IMY that (x) imposes on such person any material unreimbursed cost or expense or (y) requires the disclosure of any material nonpublic information to any unrelated person and (C) Tanner has given the holders (or beneficial owners) notice that they will be required to comply with such requirement at least 30 calendar days prior to the relevant interest payment date;

(4) in the event that the holder fails to surrender (where surrender is required) its note for payment within 30 days after Tanner has made available a payment of principal or interest, *provided* that Tanner will pay Additional Amounts to which a holder would have been entitled had the note been surrendered on the last day of such 30-day period;

(5) to the extent that such Taxes are estate, inheritance, gift, personal property, value added, excise, transfer, use or sales or any similar Taxes;

(6) in respect of any payment to a holder of a note that is a fiduciary or partnership (including an entity treated as a partnership for applicable Tax purposes) or any Person other than the sole beneficial owner of such payment or note, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment or note would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such note;

(7) where such Taxes are imposed on a payment and are required to be made pursuant to European Union Council Directive 2003/48/EC or any other Directive on the taxation of savings income implementing the conclusions of the ECOFIN council meeting of 26 and 27 November 2000, or any law implementing or complying with, or introduced in order to conform to, any such Directive;

(8) to or on behalf of a holder who would have been able to avoid such withholding or deduction of Taxes by presenting the relevant note to another paying agent in a member state of the European Union;

(9) any Taxes imposed under FATCA; or

(10) any combination of items (1) through (9) above.

Tanner or the applicable Subsidiary Guarantor will provide the trustee with the official acknowledgment of the relevant Taxing Jurisdiction (or, if such acknowledgment is not available, other reasonable documentation) evidencing any payment of any Taxes in respect of which Tanner or a Subsidiary Guarantor has paid any Additional Amounts. Copies of such documentation will be made available to the holders of the notes or the paying agents, as applicable, upon request therefor.

In addition, Tanner will pay any stamp, issue, excise, property, registration, documentary or other similar Taxes and duties, including interest and penalties, imposed by a Taxing Jurisdiction in respect of the creation, issue, delivery, registration and offering of the notes, the execution of the notes, the subsidiary guarantees, the indenture or any other related document or instrument, or the receipt of any payments with respect to the notes (other than Taxes or similar levies resulting from the transfer or exchange of notes). Tanner and each Subsidiary Guarantor will also pay and indemnify the trustee and the holders from and against all court Taxes or other Taxes and duties, including interest and penalties, imposed by a Taxing Jurisdiction and paid by any of them in any jurisdiction in connection with any action permitted to be taken by the trustee and the holders to enforce the obligations of Tanner under the notes or the indenture.

All references in this offering memorandum to principal, premium, if any, and interest on the notes will include any Additional Amounts payable in respect of such principal, premium, if any, and interest. Refunds, if any, of Taxes actually received by any holder (or beneficial owner) with respect to which we pay Additional Amounts will be for our account.

The preceding provisions will survive any termination, defeasance or discharge of the indenture and shall apply *mutatis mutandis* to any jurisdiction in which any successor person to us or any Subsidiary Guarantor is organized, incorporated or otherwise resident for tax purposes and any political subdivision or taxing authority or agency thereof or therein.

Covenants

The indenture contains the following covenants:

Limitation on Liens

Tanner will not, and will not permit any of its Subsidiaries to, directly or indirectly, Incur or suffer to exist any Lien (other than Permitted Liens) upon any of its property or assets (including Capital Stock of Subsidiaries), whether owned on the Issue Date or acquired after that date, or any proceeds therefrom, to secure any Indebtedness or trade payables unless contemporaneously therewith effective provision is made to secure the notes and all other amounts due under the indenture, equally and ratably with such Indebtedness or other obligation (or, in the event that such Indebtedness is subordinated in right of payment to the notes, prior to such Indebtedness or other obligation) with a Lien on the same properties and assets securing such Indebtedness or other obligation for so long as such Indebtedness or other obligation is secured by such Lien.

Limitation on Affiliate Transactions

(1) Tanner will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or asset or the rendering of any service) with any of its Affiliates (an "Affiliate Transaction"), unless:

(a) the terms of such Affiliate Transaction are no less favorable to Tanner or such Subsidiary, as the case may be, than those that could reasonably be expected to have been obtained by Tanner or such Subsidiary in a comparable transaction at the time of such transaction on an arms' length basis with a Person that is not an Affiliate of Tanner;

(b) in the event such Affiliate Transaction involves an aggregate consideration in excess of US$10.0 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors of Tanner and by a majority of the members of such Board of Directors having no personal stake in such transaction, if any (and such majority or majorities, as the case may be, determines that such Affiliate Transaction satisfies the criteria in clause (a) above); and

(c) in the event such Affiliate Transaction involves an aggregate consideration in excess of US$30.0 million, Tanner has received a written opinion from an Independent Financial Advisor stating that such Affiliate Transaction is not materially less favorable than those that could reasonably be expected to have been obtained by Tanner or such Subsidiary in a comparable transaction at the time of such transaction on an arms' length basis with a Person that is not an Affiliate of Tanner.

(2) Paragraph (1) above will not apply to:

(a) Affiliate Transactions with or among Tanner and any Subsidiary Guarantor or between or among Subsidiary Guarantors;

(b) reasonable fees and compensation paid to, and any indemnity provided on behalf of, officers, directors or employees of Tanner or any Subsidiary as determined in good faith by Tanner's Board of Directors or senior management;

(c) Affiliate Transactions undertaken pursuant to any contractual obligations or rights in existence on the Issue Date and any amendment, modification or replacement of such agreement (so long as such amendment, modification or replacement is not materially more disadvantageous to Tanner and its Subsidiaries or the holders of the notes, taken as a whole, than the original agreement as in effect on the Issue Date);

(d) loans and advances to officers, directors and employees of Tanner or any Subsidiary for travel, entertainment, moving and other relocation expenses, in each case made in the ordinary course of business and not exceeding US$2.0 million outstanding at any one time;

(e) any employment agreement, employee benefit plan, officer or director indemnification agreement or any similar arrangement entered into by Tanner or any of its Subsidiaries in the ordinary course of business consistent with past practice and payments pursuant thereto; and

(f) any issuance of Capital Stock (other than Disqualified Stock) of Tanner to its Affiliates or to any director, officer or employee of Tanner, and the granting and performance of registration rights in respect thereof.

Limitation on Consolidation, Merger or Transfer of Assets

Tanner will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (if not Tanner) is a Person organized and existing under the laws of Chile, and expressly assumes, by a supplemental indenture to the indenture, executed and delivered to the trustee, all the obligations of Tanner under the indenture and the notes;

(2) immediately prior to such transaction and immediately after giving effect to such transaction, no Default or Event of Default will have occurred and be continuing; and

(3) Tanner delivers to the trustee an officers' certificate and an opinion of legal counsel of recognized standing, each stating that such consolidation, merger or transfer and such supplemental indenture, if any, comply with the indenture.

The trustee will be entitled to rely exclusively on and will accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set forth in this covenant, in which event it will be conclusive and binding on the holders.

Reporting Requirements

So long as any notes are outstanding, Tanner will furnish or cause to be furnished to the trustee:

(1) within 90 days following the end of each fiscal year, its audited consolidated income statements, balance sheets, statements of shareholders equity and cash flow statements and the related notes thereto on a consolidated basis for the two most recent fiscal years in accordance with IFRS, together with an audit report thereon by its independent auditors, and together with a discussion and analysis similar to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this offering memorandum for such fiscal years;

(2) within 75 days following the end of the six-month period ending on June 30 of each fiscal years, its semi-annual reports containing unaudited consolidated balance sheets, statements of income and the

related notes thereto on a consolidated basis (including limited review of external auditors), for the six-month period then ended and the corresponding six-month period in the prior fiscal year and prepared in accordance with IFRS, together with a discussion and analysis similar to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this offering memorandum for such six-month period; and

(3) within 60 days following the end of each of the two fiscal quarters ending on March 31 and September 30 of each fiscal years, its quarterly reports containing unaudited consolidated balance sheets, statements of income and the related notes thereto on a consolidated basis, in each case for the quarterly period then ended and the corresponding quarterly period in the prior fiscal year and prepared in accordance with IFRS, together with a discussion and analysis similar to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this offering memorandum for such quarterly period.

In addition, Tanner will furnish to the holders and to prospective investors, upon the requests of such holders, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the notes are not freely transferable under the Exchange Act by Persons who are not "affiliates" under the Securities Act.

If and so long as the notes are listed on the Irish Stock Exchange and for trading on the Global Exchange Market, copies of such reports furnished to the trustee will also be made available to the paying agent in Ireland.

The information required to be furnished pursuant to this section shall be furnished in the English language. Tanner may fulfill these reporting obligations by posting on its public website the information required thereby and providing copies of the same to the trustee.

Future Guarantors

Tanner will cause each Subsidiary (1) that Incurs Indebtedness in respect of which Tanner (a) provides any Guarantee or credit support of any kind, or (b) provides any Lien upon any of its property or assets (including Capital Stock of its Subsidiaries) to secure payment obligations, or (2) that (a) provides any Guarantee or credit support of any kind or (b) provides any Lien upon any of its properties or assets (including Capital Stock of its Subsidiaries) to secure payment obligations in respect of any Indebtedness of Tanner, in each case to execute and deliver to the trustee, promptly and in any event within 30 days thereafter, a supplemental indenture to the indenture pursuant to which such Subsidiary will irrevocably and unconditionally Guarantee, on a joint and several basis, the full and prompt payment of the principal of, premium, if any, and interest in respect of the notes on an unsecured, senior basis and all other obligations under the indenture.

The obligations of each Subsidiary Guarantor will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Subsidiary Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Subsidiary Guarantor in respect of the obligations of such other Subsidiary Guarantor under its subsidiary guarantee or pursuant to its contribution obligations under the indenture, result in the obligations of such Subsidiary Guarantor under its subsidiary guarantee not constituting a fraudulent conveyance or fraudulent transfer under applicable law.

Each subsidiary guarantee shall be released in accordance with the provisions of the indenture described under "—Guarantees."

Events of Default

An "Event of Default" occurs if:

(1) Tanner or any of its Subsidiary Guarantors default in any payment of interest (including any related Additional Amounts) on any note or subsidiary guarantee when the same becomes due and payable, and such default continues for a period of 30 days;

(2) Tanner or any of the Subsidiary Guarantors default in any payment of principal (including premium, if any, and any related Additional Amounts) of any note or subsidiary guarantee when they become due and payable upon its Stated Maturity, upon redemption, or otherwise;

(3) Tanner fails to comply with its obligations under "—Repurchase at the Option of the Holders—Change of Control" or "—Covenants—Limitation on Consolidation, Merger or Transfer of Assets;"

(4) Tanner or any of the Subsidiary Guarantors fail to comply with any of their covenants or agreements in the notes, the subsidiary guarantees or the indenture (other than those referred to in clauses (1), (2) and (3) above), and such failure continues for 60 days after the notice specified below;

(5) Tanner or any Subsidiary defaults with respect to any of its Indebtedness (whether such Indebtedness now exists or is created after the date of the indenture), which default (a) is caused by failure to pay principal of or premium, if any, or interest on such Indebtedness after giving effect to any grace period provided in such Indebtedness on the date of such default ("Payment Default") or (b) results in the acceleration of such Indebtedness prior to its express maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, totals US$10.0 million (or the equivalent thereof at the time of determination) or more in the aggregate;

(6) one or more final judgments or decrees for the payment of money of US$10.0 million (or the equivalent thereof at the time of determination) or more in the aggregate are rendered against Tanner or any Subsidiary and are not paid (whether in full or in installments in accordance with the terms of the judgment) or otherwise discharged and, in the case of each such judgment or decree, either (a) an enforcement proceeding has been commenced by any creditor upon such judgment or decree and is not dismissed within 30 days following commencement of such enforcement proceedings or (b) there is a period of 60 days following such judgment during which such judgment or decree is not discharged, waived or the execution thereof stayed;

(7) any Chilean government or governmental authority condemns, nationalizes, seizes, or otherwise expropriates all or any substantial portion of Tanner's consolidated assets or property or Tanner's or any Significant Subsidiary's Capital Stock, or assumes custody or control of such consolidated assets or property or of Tanner's or any Significant Subsidiary's business or operations or Capital Stock, or takes any action that would prevent Tanner or any Significant Subsidiary or their respective officers from carrying on a substantial portion of Tanner's or such Significant Subsidiary's business or operations for a period longer than 60 days and the result of any such action materially prejudices Tanner's or the Subsidiary Guarantors' ability to perform their obligations under the notes, the subsidiary guarantees and the indenture;

(8) Tanner or any Significant Subsidiary or, any Chilean government or governmental authority, declares a general suspension of payment or a moratorium on the payment of Tanner's or any Significant Subsidiary's debt;

(9) a resolution is passed or adopted by the Board of Directors or shareholders of Tanner or any of its Significant Subsidiaries or by any Chilean governmental authority, or a judgment of a court of competent jurisdiction is made, that Tanner or any of its Significant Subsidiaries be wound up or dissolved (otherwise than for the purposes of, or pursuant to, or in connection with, a consolidation or merger or other transaction in accordance with the terms of the indenture described in "—Covenants— Limitation on Consolidation, Merger or Transfer of Assets");

(10) a resolution by any Chilean governmental authority is issued with respect to Tanner or any of its Significant Subsidiaries ordering intervention and such resolution continues undischarged for a period of 45 days; any proceeding is instituted by or against Tanner or any of its Significant Subsidiaries seeking to adjudicate Tanner or any of its Significant Subsidiaries bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of any Indebtedness under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry

of an order for relief or the appointment of a receiver, trustee or other similar official for Tanner or any of its Significant Subsidiaries or for any substantial part of Tanner's or any of its Significant Subsidiaries' property and, in the case of any of the foregoing actions instituted against Tanner or any of its Significant Subsidiaries, such proceeding or action is not dismissed or discharged and remains in effect for 45 days; or Tanner or any of its Significant Subsidiaries takes corporate action to authorize any of the actions set forth above in this clause (10); or

(11) any material provision of the indenture, the notes or the subsidiary guarantees cease to be in full force and effect or binding and enforceable against Tanner or any Subsidiary Guarantor, it becomes unlawful for Tanner or such Subsidiary Guarantor to perform any material obligation under indenture, the notes or the subsidiary guarantees, or Tanner or any Subsidiary Guarantor contests the enforceability of any of the indenture, the notes or the subsidiary guarantees or denies that Tanner or any Subsidiary Guarantor has liability under the indenture, the notes or the subsidiary guarantees.

A Default under clause (4) above will not constitute an Event of Default until the trustee or the holders of at least 25% in principal amount of the notes outstanding notify Tanner of the Default and Tanner or the Subsidiary Guarantors do not cure such Default within the time specified after receipt of such notice.

If an Event of Default (other than an Event of Default specified in clauses (7), (8), (9) and (10) above) occurs and is continuing, the trustee or the holders of not less than 25% in principal amount of the notes then outstanding may declare all unpaid principal of and accrued interest on all notes to be due and payable immediately, by a notice in writing to Tanner, and upon any such declaration such amounts will become due and payable immediately. If an Event of Default specified in clauses (7), (8), (9) or (10) above occurs and is continuing, then the principal of and accrued interest on all notes will become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder.

Subject to the provisions of the indenture relating to the duties of the trustee in case an Event of Default will occur and be continuing, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders, unless such holders will have offered to the trustee indemnity and/or security satisfactory to the trustee in its sole discretion. Subject to such provision for the indemnification of the trustee and certain other conditions set forth in the indenture, the holders of a majority in aggregate principal amount of the outstanding notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee.

Defeasance

Tanner may at any time terminate all of its obligations with respect to the notes ("defeasance"), except for certain obligations, including those regarding any trust established for a defeasance and obligations to register the transfer or exchange of the notes, to replace mutilated, destroyed, lost or stolen notes and to maintain agencies in respect of notes. Tanner may at any time terminate its obligations under certain covenants set forth in the indenture, and any omission to comply with such obligations will not constitute a Default or an Event of Default with respect to the notes issued under the indenture ("covenant defeasance"). In order to exercise either defeasance or covenant defeasance, Tanner must irrevocably deposit in trust, for the benefit of the holders of the notes, with the trustee money or U.S. government obligations, or a combination thereof, in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants expressed in a written certificate delivered to the trustee, without consideration of any reinvestment, to pay the principal of, the premium, if any, and interest on the notes to redemption or maturity and comply with certain other conditions, including the delivery of an opinion of counsel as to certain tax matters.

Amendment, Supplement, Waiver

Subject to certain exceptions, the notes, the subsidiary guarantees and the indenture may be amended or supplemented with the written consent of the holders of at least a majority in principal amount of the notes then outstanding, and any Default or Event of Default and its consequences may be waived with the consent of the holders of at least a majority in principal amount of the notes then outstanding. However, without the consent of each holder of an outstanding note affected thereby, no amendment may:

(1) reduce the rate of or extend the time for payment of interest on any note;

(2) reduce the principal of or change the Stated Maturity of any note;

(3) reduce the amount payable upon the redemption or repurchase of any note or change the time at which any note may be redeemed;

(4) change the currency for payment of principal of, premium, if any, or interest on, any note;

(5) impair the right to institute suit for the enforcement of any payment on or with respect to any note;

(6) waive a Default or Event of Default in the payment of principal of, premium, if any, and interest on the notes;

(7) modify the subsidiary guarantees in any manner adverse to the holders;

(8) reduce the principal amount of notes whose holders must consent to any amendment, supplement or waiver; or

(9) make any change in the amendment or waiver provisions which require each holder's consent.

The holders of the notes will receive prior notice as described under "—Notices" of any proposed amendment to the notes, the subsidiary guarantees or the indenture described in this paragraph. After an amendment described in the preceding paragraph becomes effective, Tanner is required to mail to the holders a notice briefly describing such amendment. However, the failure to give such notice to all holders of the notes, or any defect therein, will not impair or affect the validity of the amendment.

The consent of the holders of the notes is not necessary to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

Tanner, the Subsidiary Guarantors and the trustee may, without notice to or the consent or vote of any holder of the notes, amend or supplement the notes, the subsidiary guarantees or the indenture for the following purposes:

(1) to cure any ambiguity, omission, defect or inconsistency (including, without limitation, any inconsistency between the text of the notes, the subsidiary guarantees or the indenture and the description of the indenture and the notes contained in this offering memorandum), unless there is an adverse effect on holders;

(2) to comply with the covenant described under "—Covenants—Limitation on Consolidation, Merger or Transfer of Assets";

(3) add Subsidiary Guarantors with respect to the notes or release a Subsidiary Guarantor from its obligations under its subsidiary guarantee in accordance with the applicable provisions of the indenture;

(4) to add collateral with respect to the notes and the subsidiary guarantees;

(5) to add to the covenants of Tanner for the benefit of holders of the notes;

(6) to surrender any right conferred by the indenture upon Tanner and the Subsidiary Guarantors;

(7) to evidence and provide for the acceptance of an appointment by a successor trustee;

(8) to provide for the issuance of additional notes; or

(9) to make any other change that does not materially and adversely affect the rights of any holder of the notes.

Any notes owned by Tanner or any of its Affiliates will be disregarded for purposes of determining whether holders of the requisite principal amount of notes outstanding have given any request, demand, authorization, direction, consent or waiver under the indenture.

Notices

For so long as notes in global form are outstanding, notices to be given to holders will be given to DTC, in accordance with its applicable policies as in effect from time to time. If notes are issued in individual definitive form, notices to be given to holders will be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to holders of the notes at their registered addresses as they appear in the trustee's records. In addition, as long as the notes are listed on the Global Exchange Market of the Irish Stock Exchange and its rules so require, the issuer will also give notices to holders by publication in a daily newspaper of general circulation in Ireland. If publication in Ireland is impracticable, the issuer will make the publication in a widely circulated newspaper in New York, New York, USA. Any such notice will be deemed to have been delivered on the date of first publication.

Trustee

The Bank of New York Mellon is the trustee under the indenture.

The indenture contains provisions for the indemnification of the trustee and for its relief from responsibility. The obligations of the trustee to any holder are subject to such immunities and rights as are set forth in the indenture.

Except during the continuance of an Event of Default, the trustee need perform only those duties that are specifically set forth in the indenture and no others, and no implied covenants or obligations will be read into the indenture against the trustee. In case an Event of Default has occurred and is continuing, the trustee shall exercise those rights and powers vested in it by the indenture, and use the same degree of care and skill in their exercise, as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs. No provision of the indenture will require the trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder, or in the exercise of its rights or powers, unless it receives indemnity and/or security satisfactory to the trustee in its sole discretion against any loss, liability or expense.

Tanner and its Affiliates may from time to time enter into normal banking and trustee relationships with the trustee and its Affiliates.

The trustee may hold notes in its own name.

Registrar and Paying Agents

The trustee will initially act as registrar for the notes. The trustee will also act as transfer agent and paying agent for the notes. Tanner has the right at any time to change or terminate the appointment of the registrar, any paying agents or any transfer agents and to appoint a successor registrar or additional or successor paying agents or transfer agents in respect of the notes. Registration of transfers of the notes will be effected without charge, but upon payment (with the giving of such indemnity as Tanner or the Trustee may require) in respect of any tax or other governmental charges that may be imposed in relation to it. Tanner will not be required to register or cause to be registered the transfer of notes after all the notes have been called for redemption.

For so long as the notes are listed on the Irish Stock Exchange for trading on the Global Exchange Market, Tanner will maintain a paying agent in Ireland. Tanner has initially appointed The Bank of New York Mellon SA/NV Dublin Branch as Irish paying agent. To the extent that the Irish paying agent is obliged to withhold or deduct tax on payments of interest or similar income, Tanner will, to the extent permitted by law, ensure that it maintains an additional paying agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive on the taxation of savings implementing the conclusions of the European Council of Economic and Finance Ministers (ECOFIN) meeting of 26 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Governing Law, Submission to Jurisdiction and Claims

The notes, the subsidiary guarantees and the indenture will be governed by, and construed in accordance with, the laws of the State of New York.

Tanner and the Subsidiary Guarantors will irrevocably submit to venue in and the jurisdiction of the U.S. federal and New York state courts located in the Borough of Manhattan, New York City for purposes of all legal actions and proceedings instituted in connection with the notes, the subsidiary guarantees and the indenture. Tanner and the Subsidiary Guarantors have appointed CT Corporation as their authorized agent upon which process may be served in any such action.

According to the laws of the State of New York, claims against Tanner and the Subsidiary Guarantors for the payment of principal of and premium, if any, and interest on the notes and the subsidiary guarantees must be made within six years from the due date for payment thereof.

Waiver of Immunities

To the extent that Tanner or any Subsidiary Guarantor may claim for itself or its assets immunity from a suit, execution, attachment, whether in aid of execution, before judgment or otherwise, or other legal process in connection with the notes, the subsidiary guarantees or the indenture and to the extent that in any jurisdiction there may be immunity attributable to Tanner or any Subsidiary Guarantor or its assets, whether or not claimed, Tanner and the Subsidiary Guarantors will for the benefit of the holders irrevocably waive and agree not to claim such immunity to full extent permitted by law.

Currency Indemnity

U.S. dollars are the sole currency of account and payment for all sums payable by Tanner and the Subsidiary Guarantors under or in connection with the notes, including damages. Any amount received or recovered in a currency other than dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of Tanner or any Subsidiary Guarantor or otherwise) by the trustee or any holder of a note in respect of any sum expressed to be due to it from Tanner or any Subsidiary Guarantor will only constitute a discharge of Tanner and such Subsidiary Guarantor to the extent of the dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that dollar amount is less than the dollar amount expressed to be due to the recipient under any note, Tanner and the Subsidiary Guarantors will indemnify the trustee or such holder against any loss sustained by it as a result. In any event, Tanner and the Subsidiary Guarantors will indemnify the recipient against the cost of making any such purchase.

For the purposes of the preceding paragraph, it will be sufficient for the trustee or the holder of a note to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the other obligations of Tanner and the Subsidiary Guarantors, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the trustee or any holder of a note and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any note.

Definitions

The following is a summary of certain defined terms used in the indenture. Reference is made to the indenture for the full definition of all such terms.

"Acquired Indebtedness" means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Subsidiary or at the time it merges, consolidates or amalgamates with Tanner or any of its Subsidiaries or is assumed in connection with the acquisition of assets from such Person; *provided* that such Indebtedness is not incurred in connection with, or in anticipation or contemplation of such merger, consolidation, amalgamation or acquisition. Such Indebtedness will be deemed to have been Incurred at the time such Person becomes a Subsidiary or at the time it merges, consolidates or amalgamates with Tanner or a Subsidiary or at the time such Indebtedness is assumed in connection with the acquisition of assets from such Person.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means possession, directly or indirectly, of the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"*Board of Directors*" means with respect to any Person, the board of directors or similar governing body of such Person serving a similar function or any duly authorized committee thereof.

"*Capital Stock*" means:

(1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person;

(2) with respect to any Person that is not a corporation, any and all partnership or other equity or ownership interests of such Person; and

(3) any warrants, rights or options to purchase any of the instruments or interests referred to in clause (1) or (2) above.

"*Capitalized Lease Obligations*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with IFRS. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Change of Control*" means the occurrence of one or more of the following events:

(1) the Massu Family ceases to be the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50.0% of the Voting Stock of Tanner;

(2) individuals appointed, directly or indirectly, by the Massu Family cease for any reason to constitute a majority of the Board of Directors of Tanner;

(3) the sale, conveyance, assignment, transfer, lease or other disposition of all or substantially all of the assets of Tanner, determined on a consolidated basis, to any "person" or "group" (as defined in Sections 13(d) and 14(d) under the Exchange Act) other than the Massu Family, whether or not otherwise in compliance with the indenture; or

(4) the approval by the holders of the Capital Stock of Tanner of any plan or proposal for the liquidation or dissolution of Tanner, whether or not otherwise in compliance with the indenture.

"*Commodity Agreement*" means any commodity futures contract, commodity swap, commodity option or other similar agreement or arrangement entered into by Tanner or any Subsidiary designed to protect Tanner or any of its Subsidiaries against fluctuations in the price of commodities actually used in the ordinary course of the business of Tanner and the Subsidiaries.

"*Common Stock*" of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common equity interests, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common equity interests.

"*Consolidated Net Tangible Assets*" means, for any Person at any time, the consolidated total assets of such Person and its Subsidiaries, less (i) all indebtedness of such Person and its Subsidiaries required to be reflected in the consolidated financial statements of such Person, and (ii) all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, trade names, copyrights and all other items which would be treated as intangibles on the consolidated financial statements of such Person, in each case prepared in accordance with IFRS as set forth on the consolidated balance sheet as of the most recent fiscal quarter for which a balance sheet has been provided to holders.

"*Corporate Trust Office*" means the principal office of the trustee which on the date hereof is at 101 Barclay Street, Floor 4E, New York, N.Y., 10286.

"*Currency Agreement*" means, in respect of a Person, any foreign exchange contract, currency swap agreement, futures contract, option contract or other similar agreement as to which such Person is a party or a beneficiary.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock of such Person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;

(2) is convertible into or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at our option or at the option of a Subsidiary (it being understood that upon such conversion or exchange it shall be an Incurrence of such Indebtedness or Disqualified Stock)); or

(3) is redeemable at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the date that is 91 days after the earlier of the final maturity date of the notes or the date the notes are no longer outstanding; *provided* that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided, further*, that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require Tanner or its Subsidiaries to repurchase such Capital Stock upon the occurrence of a change of control (defined in a substantially identical manner to the corresponding definition in the indenture) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or exchangeable or for which it is redeemable) provide that Tanner or its Subsidiaries, as applicable, are not required to repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or exchangeable or for which it is redeemable) pursuant to such provision prior to compliance by Tanner or the Subsidiary Guarantors with the provisions of the indenture with respect thereto.

"*Fair Market Value*" means, with respect to any asset or liability, the fair market value of such asset or liability as determined by Tanner's senior management in good faith; *provided* that if the fair market value exceeds US$10.0 million, such determination shall be made by the Board of Directors of Tanner or an authorized committee thereof in good faith (including as to the value of all non-cash assets and liabilities).

"*FATCA*" means (a) Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended as of the date hereof (including regulations and official guidance thereunder), (b) any successor version thereof that is substantially comparable and not materially more onerous to comply with, (c) any agreement entered into pursuant to Section 1471 (b) of the Code or (d) any law, regulation, rule or practice implementing an intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

"*Guarantee*" means any obligation contingent or otherwise of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or

(2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Agreement.

"holder" means the Person in whose name a note is registered in the register.

"IFRS" means International Financial Reporting Standards, as issued by the International Accounting Standards Board.

"*Incur*" means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion, exchange or otherwise), assume, Guarantee or otherwise become liable in respect of such Indebtedness or other obligation on the balance sheet of such Person (and "Incurrence," "Incurred" and "Incurring" will have meanings correlative to the preceding).

"*Indebtedness*" means, with respect to any Person (without duplication):

(1) the principal amount (or, if less, the accreted value) of all obligations of such Person for borrowed money;

(2) the principal amount (or, if less, the accreted value) of all obligations of such Person evidenced by bonds, debentures or other similar instruments;

(3) all Capitalized Lease Obligations of such Person;

(4) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by 30 days or more or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted);

(5) all letters of credit, banker's acceptances or similar credit transactions, including reimbursement obligations in respect thereof;

(6) Guarantees and other contingent obligations of such Person in respect of Indebtedness;

(7) all Indebtedness of any other Person which is secured by any Lien on any property or asset of such Person, the amount of such Indebtedness being deemed to be the lesser of the Fair Market Value of such property or asset or the amount of the Indebtedness so secured;

(8) all obligations under Hedging Obligations of such Person;

(9) to the extent not otherwise included in this definition, all liabilities required to be recorded on the consolidated balance sheet of such Person in accordance with IFRS in connection with a sale or other disposition of securitized receivables or other accounts receivables and related assets, including, without limitation, in connection with any securitization; and

(10) all Disqualified Capital Stock issued by such Person.

"*Independent Financial Advisor*" means an accounting, appraisal, investment banking firm or consultant to Persons engaged in similar businesses of internationally recognized standing that is, in our good faith judgment, qualified to perform the task for which it has been engaged.

"*Interest Rate Agreement*" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, derivative instrument or other similar agreement or arrangement as to which such Person is party or a beneficiary and/or other types of hedging agreements designed solely to hedge interest risk of such Person.

"*Issue Date*" means March 13, 2013.

"*Lien*" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest, preference, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"*Massu Family*" means (i) Ricardo Massu; and (ii) any spouse, parent, brother (by birth or adoption), lineal descendants, ancestors, heirs, executors, administrators, testamentary trustees, legatees, legitimarios (as such term is defined under Chilean law) or beneficiaries of any of the Person set forth in clause (i) or of any spouse of such Person.

"*Permitted Business*" means the business or businesses conducted by Tanner and its Subsidiaries as of the Issue Date and any business related, ancillary or complementary thereto or otherwise arising out of those activities.

"*Permitted Liens*" means, with respect to any Person:

(1) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law incurred in the ordinary course of business for sums not yet delinquent or being contested in good faith;

(2) Liens Incurred or deposits made in the ordinary course of business (x) in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business consistent with past practice in connection therewith, or (y) to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(3) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(4) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(5) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of Tanner or a Subsidiary, including rights of offset and set-off;

(6) Liens securing Hedging Obligations that relate to Indebtedness that are secured by the same assets as secure such Indebtedness;

(7) Liens existing on the Issue Date and Liens to secure any Refinancing Indebtedness which is Incurred to Refinance any Indebtedness which has been secured by a Lien incurred pursuant to clauses (7), (8) and (9) of this definition of "Permitted Liens"; *provided* that such new Liens:

(a) are no less favorable to the holders of notes and are not more favorable to the lienholders with respect to such Liens than the Liens in respect of the Indebtedness being Refinanced, and

(b) do not extend to any property or assets other than the property or assets securing the Indebtedness Refinanced by such Refinancing Indebtedness;

(8) Liens securing Acquired Indebtedness not incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation; *provided* that;

(a) such Liens secured such Acquired Indebtedness at the time of and prior to the Incurrence of such Acquired Indebtedness by Tanner or a Subsidiary and were not granted in connection with, or in contemplation of, the Incurrence of such Acquired Indebtedness by Tanner or a Subsidiary, and

(b) such Liens do not extend to or cover any property of Tanner or any Subsidiary other than the property that secured the Acquired Indebtedness prior to the time such Indebtedness became Acquired Indebtedness of Tanner or a Subsidiary and are no more favorable to the lienholders than the Liens securing the Acquired Indebtedness prior to the Incurrence of such Acquired Indebtedness by Tanner or a Subsidiary;

(9) purchase money Liens securing Purchase Money Indebtedness or Capitalized Lease Obligations Incurred to finance the acquisition or leasing of property of Tanner or a Subsidiary used in a Permitted Business; *provided* that:

(a) the related Purchase Money Indebtedness does not exceed the cost of such property and shall not be secured by any property of Tanner or any Subsidiary other than the property so acquired, and

(b) the Lien securing such Indebtedness will be created within 365 days of such acquisition;

(10) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(11) Liens encumbering customary initial deposits and margin deposits, and other Liens that are customary in the industry and incurred in the ordinary course of business securing Indebtedness under Hedging Obligations and forward contracts, options, futures contracts, futures options or similar

agreements or arrangements designed to protect Tanner and its Subsidiaries from fluctuations in interest rates;

(12) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided* that any reserve or other appropriate provision as is required in conformity with IFRS has been made therefor;

(13) licenses of intellectual property in the ordinary course of business;

(14) Liens to secure a defeasance trust to the extent such defeasance is otherwise permitted pursuant to the terms of the indenture;

(15) judgment Liens not giving rise to an Event of Default so long as any appropriate legal proceedings that may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such legal proceedings may be initiated shall not have expired;

(16) Liens on Loan Receivables, other receivables, net interest margin securities or similar or related assets of Tanner or any Subsidiary Incurred in connection with any Loan- Related Securitization or any debt facility entered into for the purpose of financing or refinancing the purchase or origination or financing the pooling of Loan Receivables or other receivables, net interest margin securities or similar or related assets by Tanner or a Subsidiary; and

(17) Liens securing an amount of Indebtedness outstanding at any one time not to exceed 10% of the Consolidated Net Tangible Assets of Tanner and its Subsidiaries at any time.

"*Person*" means any individual, corporation, limited partnership, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*" of any Person means any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends, distributions or redemptions or upon liquidation.

"Purchase Money Indebtedness" means Indebtedness Incurred for the purpose of financing all or any part of the purchase price, or other cost of construction or improvement of any property; *provided* that the aggregate principal amount of such Indebtedness does not exceed the lesser of the Fair Market Value of such property or such purchase price or cost, including any Refinancing Indebtedness that does not increase the aggregate principal amount (or accreted amount, if less) thereof as of the date of the Refinancing.

"Refinance" means, in respect of any Indebtedness, to issue any Indebtedness in exchange for or to refinance, replace, defease or refund such Indebtedness in whole or in part. "Refinanced" and "Refinancing" will have correlative meanings.

"*Refinancing Indebtedness*" means Indebtedness of Tanner or any Subsidiary issued to Refinance any other Indebtedness of Tanner or a Subsidiary so long as:

(1) the aggregate principal amount (or initial accreted value, if applicable) of such new Indebtedness as of the date of such proposed Refinancing does not exceed the aggregate principal amount (or initial accreted value, if applicable) of the Indebtedness being Refinanced (plus the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness and the amount of reasonable expenses incurred by Tanner in connection with such Refinancing);

(2) such new Indebtedness has:

(a) a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced, and

(b) a final maturity that is equal to or later than the final maturity of the Indebtedness being Refinanced; and

(3) if the Indebtedness being Refinanced is:

(a) Indebtedness of Tanner, then such Refinancing Indebtedness will be Indebtedness of Tanner, and

(b) subordinated Indebtedness, then such Refinancing Indebtedness shall be subordinate to the notes, at least to the same extent and in the same manner as the Indebtedness being Refinanced.

"*Significant Subsidiary*" means any Subsidiary that would be a "significant subsidiary" of Tanner within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC. For purposes of the section of this Description of the Notes entitled "Events of Default", any reference to "Significant Subsidiary" refers to any Significant Subsidiary or any group of Restricted Subsidiaries that, taken together (as of the date of Tanner's and its Subsidiaries' latest audited consolidated financial statements), would constitute a Significant Subsidiary.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which any principal of such security is due and payable, including pursuant to any mandatory redemption or purchase provision (but excluding any provision providing for the purchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"*Subsidiary*" means, with respect to any Person, any other Person of which such Person owns, directly or indirectly, more than 50.0% of the voting power of the other Person's outstanding Voting Stock.

"*Subsidiary Guarantor*" means the Initial Subsidiary Guarantor and any other Subsidiary that provides a subsidiary guarantee; *provided* that upon release or discharge of such Subsidiary from its subsidiary guarantee in accordance with the indenture, such Subsidiary ceases to be a Subsidiary Guarantor.

"*Taxes*" mean all taxes, withholdings, duties, assessments or governmental charges in the nature of a tax including related penalties, interest and other liabilities) imposed or levied by or on behalf of Chile or any jurisdiction in which Tanner or a Subsidiary Guarantor is organized or otherwise resident for tax purposes or through which payments are made in respect of the notes or a subsidiary guarantee, as applicable, or, in the event that Tanner appoints additional paying agents, the jurisdiction of any such additional paying agents or, in each case, any political subdivision thereof or any authority or agency therein or thereof having power to tax (each, a "Taxing Jurisdiction").

"*Voting Stock*" of a Person means securities of all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of members of the Board of Directors (or equivalent governing body), managers or trustees, as applicable, of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years (calculated to the nearest one-twelfth) obtained by dividing:

(1) the then outstanding aggregate principal amount or liquidation preference, as the case may be, of such Indebtedness into

(2) the sum of the products obtained by multiplying:

(a) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal or liquidation preference, as the case may be, including payment at final maturity, in respect thereof, by

(b) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

Form of the Notes

Notes sold pursuant to Regulation S will be represented by a global note in fully registered form without interest coupons (the "Regulation S Global Note") and will be registered in the name of a nominee of The Depository Trust Company ("DTC") and deposited with a custodian for DTC. Notes sold pursuant to Rule 144A will be represented by a global note in fully registered form without interest coupons (the "Rule 144A Global Note" and, together with the Regulation S Global Note, the "global notes") and will be deposited with a custodian for DTC and registered in the name of a nominee of DTC.

The notes are being offered and sold in this initial offering in the United States solely to "qualified institutional buyers" under Rule 144A under the Securities Act and in offshore transactions to persons other than U.S. persons, as defined in Regulation S under the Securities Act, in reliance on Regulation S. Following this offering, the notes may be sold:

- to qualified institutional buyers under Rule 144A;
- to non-U.S. persons outside the United States pursuant to Regulation S; and
- under other exemptions from, or in transactions not subject to, the registration requirements of the Securities Act, as described under "Transfer Restrictions."

Prior to the 40th day after the date of original issuance of the notes, any resale or transfer of beneficial interests in the Regulation S Global Note to U.S. persons will not be permitted unless such resale or transfer is made pursuant to Rule 144A or Regulation S.

Exchanges between the Global Notes

Transfers by an owner of a beneficial interest in a Regulation S Global Note to a transferee, who takes delivery of that interest through a note offered and sold in the United States to qualified institutional buyers pursuant to Rule 144A Global Note, will be made only in accordance with applicable procedures and upon receipt by the trustee of a written certification from the transferee of the beneficial interest in the form provided in the indenture to the effect that the transfer is being made to a qualified institutional buyer within the meaning of Rule 144A in a transaction completing the requirements of Rule 144A transfers by an owner of a beneficial interest in a Rule 144A Global Note to a transferee who takes delivery of the interest through a Regulation S Global Note will be made only upon receipt by the trustee of a certification from the transferor that the transfer is being made outside the United States to a non-U.S. person in accordance with Regulation S.

Any beneficial interest in one of the global notes that is transferred to a person who takes delivery in the form of an interest in another global note will, upon transfer, cease to be an interest in that global note and become an interest in the other global note and, accordingly, will then be subject to any transfer restrictions and other procedures applicable to beneficial interests in the other global note.

Global Notes

Upon receipt of the Regulation S Global Note and the Rule 144A Global Note, DTC will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such global note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the initial purchasers. Ownership of beneficial interests in a global note will be limited to persons who have accounts with DTC ("DTC Participants") or persons who hold interests through DTC Participants. Ownership of beneficial interests in the global notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to interests of persons other than DTC Participants).

So long as DTC, or its nominee, is the registered owner or holder of a global note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such global note for all purposes under the indenture and the notes. Except as described in "Certificated Notes", owners of beneficial interests in a global note will not be entitled to have any portions of such global note registered in their names, will not receive or be entitled to receive physical delivery of notes in certificated form and will not be considered the owners or holders of the global note (or any notes represented thereby) under the indenture or the notes. In addition, no beneficial owner of an interest in a global note will be able to transfer that interest except in accordance with DTC's applicable procedures (in addition to those under the indenture referred to herein and, if applicable, those of Euroclear Bank S.A./N.V., as operator of Euroclear System ("Euroclear") and Clearstream Banking, sociétè anonyme ("Clearstream").

Investors may hold interests in the Regulation S Global Note through Euroclear or Clearstream, if they are participants in such systems. Euroclear and Clearstream will hold interests in the Regulation S Global Note on behalf of their account holders through customers' securities accounts in their respective names on the books of their respective depositaries, which, in turn, will hold such interests in the Regulation S Global Note in customers' securities accounts in the depositaries' names on the books of DTC. Investors may hold their interests in the Rule 144A Global Note directly through DTC, if they are DTC Participants, or indirectly through organizations which are DTC Participants, including Euroclear and Clearstream.

Payments of the principal of and interest on global notes will be made to DTC or its nominee as the registered owner thereof. Neither Tanner nor any initial purchaser will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Tanner anticipates that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a global note representing any notes held by its nominee, will immediately credit DTC Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global note as shown on the records of DTC or its nominee. Tanner also expects that payments by DTC Participants to owners of beneficial interests in such global note held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC Participants.

Transfers between DTC Participants will be effected in accordance with DTC's procedures, and will be settled in same-day funds. The laws of some jurisdictions require that certain persons take physical delivery of securities in certificated form. Consequently, the ability to transfer beneficial interests in a global note to such persons may be limited. Because DTC can only act on behalf of DTC Participants, who in turn act on behalf of indirect participants and certain banks, the ability of a person having a beneficial interest in a global note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificated note in respect of such interest. Transfers between accountholders in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions available to the notes described above, crossmarket transfers between DTC participants, on the one hand, and directly or indirectly through Euroclear or Clearstream account holders, on the other hand, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the Regulation S Global Note in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Euroclear and Clearstream account holders may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream account holder purchasing an interest in a global note from a DTC Participant will be credited during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date and such credit of any transactions in interests in a global note settled during such processing day will be reported to the relevant Euroclear or Clearstream accountholder on such day. Cash received in Euroclear or Clearstream as a result of sales of interests in a global note by or through a Euroclear or Clearstream account holder to a DTC Participant will be received for value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

DTC has advised that it will take any action permitted to be taken by a holder of notes (including the presentation of notes for exchange as described below) only at the direction of one or more DTC Participants to whose account or accounts with DTC interests in the global notes are credited and only in respect of such portion of the aggregate principal amount of the notes as to which such DTC Participant or DTC Participants has or have given such direction. However, in the limited circumstances described above, DTC will exchange the global notes for certificated notes (in the case of notes represented by the Rule 144A Global Note, bearing a restrictive legend), which will be distributed to its participants. Holders of indirect interests in the global notes through DTC Participants have no direct rights to enforce such interests while the notes are in global form.

The giving of notices and other communications by DTC to DTC Participants, by DTC Participants to persons who hold accounts with them and by such persons to holders of beneficial interests in a global note will be governed by arrangements between them, subject to any statutory or regulatory requirements as may exist from time to time.

DTC has advised as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the Uniform Commercial Code and a “Clearing Agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for DTC Participants and to facilitate the clearance and settlement of securities transactions between DTC Participants through electronic book-entry changes in accounts of DTC Participants, thereby eliminating the need for physical movement of certificates. DTC Participants include security brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (“indirect participants”).

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in the Regulation S Global Note and in the Rule 144A Global Note among participants and accountholders of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither Tanner nor the initial purchaser will have any responsibility for the performance of DTC, Euroclear or Clearstream or their respective participants, indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Certificated Notes

If (1) DTC or any successor to DTC is at any time unwilling or unable to continue as a depositary for a global note and a successor depositary is not appointed by us within 90 days, (2) any of the notes has become immediately due and payable in accordance with “Description of the Notes—Events of Default” or (3) if Tanner, at its sole discretion, determines that the global notes will be exchangeable for certificated notes and Tanner notifies the trustee thereof, Tanner will issue certificated notes in registered form in exchange for the Regulation S Global Note and the Rule 144A Global Note, as the case may be. Upon receipt of such notice from DTC or a paying agent, as the case may be, Tanner will use its best efforts to make arrangements with DTC for the exchange of interests in the global notes for certificated notes and cause the requested certificated notes to be executed and delivered to the registrar in sufficient quantities and authenticated by the registrar for delivery to holders. Persons exchanging interests in a global note for certificated notes will be required to provide the registrar with (a) written instruction and other information required by Tanner and the registrar to complete, execute and deliver such certificated notes and (b) certification that such interest is being transferred in compliance with the Securities Act. In all cases, certificated notes delivered in exchange for any global note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by DTC.

Certificated notes will not be eligible for clearing and settlement through the DTC, Euroclear or Clearstream.

TAXATION

General

The following discussion summarizes certain Chilean tax and United States federal income tax consequences to beneficial owners arising from the purchase, ownership and disposition of the notes. The summary does not purport to be a comprehensive description of all potential Chilean tax and United States federal income tax considerations that may be relevant to a decision to purchase, own or dispose of the notes and is not intended as tax advice to any particular investor. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Chile and the United States. There is currently no applicable income tax treaty in effect between the United States and Chile. However, the United States and Chile have recently signed an income tax treaty that will enter into force once the treaty is ratified by both countries. There can be no assurance that the treaty will be ratified by either country. The following summary assumes that there is no applicable income tax treaty in effect between the United States and Chile.

Prospective purchasers of the notes should consult their own tax advisors as to the Chilean, United States or other tax consequences of the purchase, ownership and disposition of the notes, including, in particular, the application of the tax considerations discussed below to their particular situations, as well as the application of state, local, foreign or other tax laws.

Chilean Taxation

The following is a general summary of the principal consequences under Chilean tax law with respect to an investment in the notes made by a Foreign Holder (as defined below). It is based on the tax laws of Chile as in effect on the date of this offering memorandum, as well as regulations, rulings and decisions of Chile available on or before such date and now in effect. All of the foregoing is subject to change. Under Chilean law, provisions contained in statutes such as tax rates applicable to foreign investors, the computation of taxable income for Chilean purposes and the manner in which Chilean taxes are imposed and collected may be amended only by another law. In addition, the Chilean tax authorities enact rulings and regulations of either general or specific application and interpret the provisions of Chilean tax law. Chilean tax law may not be applied retroactively against taxpayers who act in good faith relying on such rulings, regulations or interpretations, but Chilean tax authorities may change their rulings, regulations or interpretations prospectively. For purposes of this summary, the term "Foreign Holder" means either (i) in the case of an individual, a person who is not resident or domiciled in Chile (for purposes of Chilean taxation, (a) an individual holder is resident in Chile if he or she has remained in Chile for more than six months in one calendar year, or a total of more than six months in two consecutive fiscal years and (b) an individual is domiciled in Chile if he or she resides in Chile with the actual or presumptive intent of staying in Chile (such intention to be evidenced by circumstances such as the acceptance of employment in Chile or the relocation of one's family to Chile)); or (ii) in the case of a legal entity, a legal entity that is not organized under the laws of Chile, unless the notes are assigned to a branch or a permanent establishment of such entity in Chile.

Under the *Ley de Impuesto a la Renta* (the "Income Tax Law"), payments of interest or premium, if any, made to a Foreign Holder in respect of the notes will generally be subject to a Chilean withholding tax currently at the rate of 4%. However, the same interest and premium that qualify for this 4% withholding tax is subject to a special additional tax equal to the difference between the withholding tax paid and a 35% tax rate to the extent paid to entities deemed to be related to us, as described below, on the portion of our indebtedness considered to be excessive. Our indebtedness will be considered to be excessive ("Excessive Indebtedness") if, in the commercial year in which the notes are issued, we have indebtedness with entities deemed to be related to us qualifying for the 4% withholding tax rate that exceeds three times our "net worth," as calculated for Chilean tax purposes. Consequently, such qualifying interest or premium paid to entities deemed to be related to us with respect to debt that exceeds the Excessive Indebtedness ratio will be subject to a 35% tax rate (4% withholding tax plus the difference between the withholding tax paid and a 35% rate).

Under the Excessive Indebtedness rules, a lender or creditor, such as a holder of the notes, will be deemed to be related to the payor or debtor, if: (i) the lender or creditor is incorporated, domiciled or resident in a tax haven (qualified as such by the Chilean Ministry of Finance, based on the list of harmful preferential tax regimes and tax havens published by the Organization for Economic Co-Operation and Development) at the time of granting the loan; (ii) the lender or debtor, directly or indirectly, owns or participates in 10% or more of the capital or the profits of the other or if the lender and debtor have a common partner or shareholder which, directly or indirectly, owns or participates in 10% or more of the capital or the profits of both; or (iii) the debt is guaranteed directly or indirectly in cash or in any financial instruments or securities evidencing payment obligations (excluding any financial instruments or securities evidencing obligations of the borrower with any of its related entities) by a third party, for the amount effectively guaranteed. The debtor will be required to issue a sworn statement in this regard in the form set forth by the Chilean tax authorities.

We have agreed, subject to specific exceptions and limitations, to pay to the Foreign Holders of the notes Additional Amounts in respect of the 4% tax described above in order that the interest and premium, if any, the Foreign Holder receives, net of such taxes, equals the amount which would have been received by such Foreign Holder in the absence of such taxes. If we pay Additional Amounts in respect of such Chilean withholding taxes, any refunds of such Additional Amounts will be for our account. See “Description of the Notes—Additional Amounts.”

Under existing Chilean law and regulations, a Foreign Holder will not be subject to any Chilean taxes in respect of payments of principal made by us with respect to the notes.

The Income Tax Law provides that a Foreign Holder is subject to income tax on his Chilean source income. For this purpose, Chilean source income means earnings from activities performed in Chile or from the sale, disposition or other transactions in connection with assets or goods located in Chile. As of this date, there are no rulings from the Chilean tax authorities under which the capital gain earned by a Foreign Holder on the sale or other disposition of a note issued abroad by a Chilean company may be considered Chilean source income. Therefore, any capital gains realized on the sale or other disposition by a Foreign Holder of the notes generally will not be subject to any Chilean taxes provided that such sales or other dispositions occur outside of Chile and are made to another Foreign Holder (except that any premium payable on redemption of the notes will be treated as interest and subject to the Chilean interest withholding tax, as described above). Any other payment to be made by us (other than interest and principal on the notes and except for certain special exceptions granted by Chilean law) will be subject to a 35% withholding tax.

A Foreign Holder will not be liable for estate, gift, inheritance or similar taxes with respect to its holdings unless notes held by a Foreign Holder are either located in Chile at the time of such Foreign Holder’s death, or, if the notes are not located in Chile at the time of a Foreign Holder’s death, if such notes were purchased or acquired with cash obtained from Chilean sources. A Foreign Holder will not be liable for Chilean stamp, registration or similar taxes.

The issuance of the notes is subject to stamp tax at a rate of 0.4% of the aggregate principal amount of the notes, which will be payable by us. If the stamp tax is not paid when due, Chilean Tax Law requires payment of the tax due plus adjustments and 1.5% interest per each month or portion thereof. In addition, until such tax (and any penalty) is paid, Chilean courts will not enforce any action based on the notes. We have agreed to promptly pay such tax when due. See “Description of the Notes—Additional Amounts.”

Certain United States Federal Income Tax Considerations

This disclosure is limited to the U.S. federal tax issues addressed herein. Additional U.S. federal tax issues may exist that are not addressed in this disclosure and that could affect the U.S. federal tax treatment of the notes. This tax disclosure was written in connection with the promotion or marketing of the notes, and it cannot be used by any holder for the purpose of avoiding penalties that may be asserted against the holder under the Internal Revenue Code of 1986, as amended (the “Code”). Holders should seek their own advice based on their particular circumstances from an independent tax advisor.

The following is a description of certain U.S. federal income tax consequences to U.S. Holders (as defined below) of acquiring, owning and disposing of notes, but it does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular person’s decision to acquire the notes. This discussion applies only to initial U.S. Holders that (i) purchase notes at the “issue price,” which will equal the first price to the public (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the notes is sold for money and (ii) hold these notes as capital assets for U.S. federal income tax purposes. This discussion does not describe all of the U.S. federal income tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including alternative minimum tax consequences and tax consequences applicable to U.S. Holders subject to special rules, such as certain financial institutions, insurance companies, dealers or traders in securities who use a mark to market method of tax accounting, regulated investment companies, real estate investment trusts, persons holding notes as part of a hedging transaction, straddle, wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to the notes, persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar, certain U.S. expatriates, entities classified as partnerships for U.S. federal income tax purposes, tax-exempt entities or persons holding notes in connection with a trade or business conducted outside of the United States. This discussion does not describe any U.S. federal tax consequences (such as the estate and gift tax) other than U.S. federal income tax consequences nor does it describe any state, local or non-U.S. tax consequences.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds the notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding notes and partners therein should consult their tax advisors as to the particular U.S. federal income tax consequences of acquiring, owning and disposing of the notes.

This discussion is based on the Code, administrative pronouncements, judicial decisions, and U.S. Treasury regulations, all as of the date hereof, any of which is subject to change, possibly with retroactive effect. Prospective investors should consult their tax advisors regarding the U.S. federal income tax consequences of an investment in the notes, as well as tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

As used herein, a "U.S. Holder" is a holder that is a beneficial owner of a note and is, for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust if it (a) is subject to the primary supervision of a court within the United States and one or more United States persons (as defined under the Code) have the authority to control all substantial decisions of the trust or (b) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

Stated Interest. Generally, stated interest paid on a note (including any Additional Amounts and any taxes withheld on payments of stated interest) will be taxable to a U.S. Holder as ordinary income at the time it accrues (or is received or withheld) in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

Interest income with respect to a note will constitute foreign source income for U.S. federal income tax purposes, which is relevant in calculating a U.S. Holder's foreign tax credit limitation. The limitation on foreign taxes eligible for credit is calculated separately with respect to two specific classes of income. For this purpose, interest income on the notes will constitute "passive category income" for most U.S. Holders.

Subject to applicable restrictions and conditions (including a minimum holding period requirement), a U.S. Holder generally will be entitled to a foreign tax credit in respect of any Chilean income taxes withheld from interest income on a note. Alternatively, the U.S. Holder may deduct such taxes in computing its taxable income, provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued in the taxable year. The rules governing foreign tax credits and the deduction of foreign income taxes are complex, and we urge U.S. Holders to consult their tax advisors regarding the availability of foreign tax credits or deductions in their particular circumstances.

Sale, Retirement or Other Taxable Disposition of the Notes. Upon the sale, retirement or other taxable disposition of a note (which could include a deemed disposition upon a consolidation, merger or other event affecting the Company), a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, retirement or taxable disposition and the U.S. Holder's tax basis in the note. For these purposes, the amount realized does not include any amount attributable to accrued interest, which is subject to tax as described above under "— Stated Interest." A U.S. Holder's tax basis in a note will generally equal the cost of such note to the U.S. Holder. Gain or loss realized on the sale, retirement or other taxable disposition of a note will generally be capital gain or loss and will be long-term capital gain or loss if, at the time of the sale, retirement or taxable disposition, the note has been held for more than one year. The deductibility of capital losses is subject to limitations.

If any foreign income tax is withheld on the sale, retirement or other taxable disposition of a note, the amount realized by a U.S. Holder will include the gross amount of the proceeds before deduction of such tax. Any capital gain or loss will generally be U.S. source for purposes of computing a U.S. Holder's foreign tax credit limitation. Consequently, the U.S. Holder may not be able to benefit from the foreign tax credit for any tax withheld on the taxable disposition of a note unless the U.S. Holder can apply the credit against U.S. federal income tax payable on other income from foreign sources. Alternatively, the U.S. Holder may deduct the foreign income tax, provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued in the taxable year.

Information Reporting and Backup Withholding. Payments of interest (including Additional Amounts) and proceeds from the sale, retirement or other taxable disposition of a note that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is furnished to the Internal Revenue Service in a timely manner.

Medicare Tax on Investment Income. U.S. federal income tax law imposes a 3.8% tax with respect to certain individuals, trusts and estates on the lesser of (i) modified adjusted gross income in excess of certain thresholds and (ii) net investment income (or undistributed net investment income in the case of trusts and estates). For these purposes, net investment income will generally include any interest paid to a U.S. Holder with respect to the notes and any gain realized on the sale, retirement or other taxable disposition of a note.

PLAN OF DISTRIBUTION

Merrill Lynch, Pierce, Fenner & Smith Incorporated is acting as the initial purchaser in this offering. Subject to the terms and conditions set forth in a purchase agreement between us and the initial purchaser, we have agreed to sell to the initial purchaser, and the initial purchaser has agreed to purchase from us, all of the principal amount of notes.

Subject to the terms and conditions set forth in the purchase agreement, the initial purchaser has agreed to purchase all of the notes sold under the purchase agreement if any of these notes are purchased.

We have agreed to indemnify the initial purchaser and its controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments the initial purchaser may be required to make in respect of those liabilities.

The initial purchaser is offering the notes, subject to prior sale, when, as and if issued to and accepted by it, subject to approval of legal matters by its counsel, including the validity of the notes, and other conditions contained in the purchase agreement, such as the receipt by the initial purchaser of officer's certificates and legal opinions. The initial purchaser reserves the right to withdraw, cancel or modify offers to potential investors and to reject orders in whole or in part.

The initial purchaser has advised us that it proposes initially to offer the notes at the offering price set forth on the cover page of this offering memorandum. After the initial offering, the offering price or any other term of the offering may be changed. The initial purchaser may offer and sell notes through certain of its affiliates.

Notes Are Not Being Registered

The notes have not been registered under the Securities Act or any state securities laws or the securities laws of any other jurisdiction. The initial purchaser proposes to offer the notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws or the securities laws of other jurisdiction, including sales pursuant to Rule 144A and Regulation S. The initial purchaser will not offer or sell the notes except to persons it reasonably believes to be qualified institutional buyers or pursuant to offers and sales to non-U.S. persons that occur outside of the United States within the meaning of Regulation S. In addition, until 40 days following the commencement of this offering, an offer or sale of notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. Each purchaser of the notes will be deemed to have made acknowledgments, representations and agreements as described under "Transfer Restrictions."

New Issue of Notes

We have applied to have this offering memorandum approved by the Irish Stock Exchange and the notes admitted to the Official List of the Irish Stock Exchange for trading on the Global Exchange Market. However, the notes are a new issue of securities and there is no established trading market for the notes. Accordingly, we cannot assure you that a trading market for the notes will develop, or if it develops, that it will be maintained. We have been advised by the initial purchaser that it intends to make a market in the notes, after completion of this offering. However, the initial purchaser is under no obligation to establish a trading market for the notes so it may discontinue any market-making activities at any time without notice. We cannot assure the liquidity of the trading market for the notes. If an active trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Settlement

We expect that delivery of the notes will be made to investors on or about March 13, 2013, which will be the fifth business day following the date of this offering memorandum (such settlement being referred to as “T+5”). Under Rule 15c6-1 under the Securities Exchange Act of 1934, trades in the secondary market are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes prior to the delivery of the notes hereunder will be required, by virtue of the fact that the notes initially settle in T+5, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes prior to their date of delivery hereunder should consult their advisors.

No Sales of Similar Securities

We have agreed that we will not, for a period of 120 days after the date of this offering memorandum, without first obtaining the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated, directly or indirectly, issue, sell, offer to contract or grant any option to sell, pledge, transfer or otherwise dispose of, any debt securities or securities exchangeable for or convertible into debt securities in any jurisdiction outside of Chile, except for the notes sold to the initial purchaser pursuant to the purchase agreement.

Short Positions

In connection with the offering, the initial purchaser may purchase and sell the notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the initial purchaser of a greater principal amount of notes than it is required to purchase in the offering. The initial purchaser must close out any short position by purchasing notes in the open market. A short position is more likely to be created if the initial purchaser is concerned that there may be downward pressure on the price of the notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, the initial purchaser purchases to cover short sales may have the effect of raising or maintaining the market price of the notes or preventing or retarding a decline in the market price of the notes. As a result, the price of the notes may be higher than the price that might otherwise exist in the open market.

Neither we nor the initial purchaser make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor the initial purchaser make any representation that the initial purchaser will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Other Relationships

The initial purchaser and its affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. It has received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of its business activities, the initial purchaser and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The initial purchaser or its affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, the initial purchaser and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of the notes offered hereby. The initial purchaser and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Sales Outside the United States

Neither we nor the initial purchaser are making an offer to sell, or seeking offers to buy, the notes in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the notes or possess or distribute this offering memorandum, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the notes under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither we nor the initial purchaser will have any responsibility therefor.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") no offer of notes may be made to the public in that Relevant Member State other than:

A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

B. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the initial purchaser; or

C. in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of notes shall require the Company or the initial purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

This offering memorandum has been prepared on the basis that any offer of notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make an offer in that Relevant Member State of notes which are the subject of the offering contemplated in this offering memorandum may only do so in circumstances in which no obligation arises for the Company or the initial purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the initial purchaser has authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for the Company or the initial purchaser to publish a prospectus for such offer.

For the purpose of the above provisions, the expression "an offer to the public" in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within

Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Chile

The notes will not be registered under Law 18,045, as amended, of Chile with the SVS and, accordingly, the notes cannot and will not be offered or sold to persons in Chile except in circumstances which have not resulted and will not result in a public offering under Chilean law, and in compliance with *Norma De Carácter General* (Rule) No. 336, dated June 27, 2012, issued by the SVS.

Colombia

The notes will not be authorized by the Superintendencia Financiera de Colombia (Colombian Superintendency of Finance) and will not be registered with the Registro Nacional de Valores y Emisores (Colombian National Registry of Securities and Issuers), and, accordingly, the notes will not be offered or sold to persons in Colombia except in circumstances which do not result in a public offering under Colombian law.

Peru

The notes and the information contained in this offering memorandum have not been and will not be registered with or approved by the Peruvian Superintendencia del Mercado de Valores (Capital Markets Superintendency) or the Lima Stock Exchange. Accordingly, the notes cannot be offered or sold in Peru, except if such offering is considered a private offering under the securities laws and regulations of Peru. The Peruvian securities market law establishes, among others, that any particular offer may qualify as private if it is directed exclusively to institutional investors. The notes have been registered with the Superintendencia de Banca, Seguros y AFPs (Superintendency of Banks, Insurance and Private Pension Fund Administration).

Switzerland

The notes may not be and will not be publicly offered, distributed or redistributed on a professional basis in or from Switzerland, and neither this offering memorandum nor any other solicitation for investments in the notes may be communicated or distributed in Switzerland in any way that could constitute a public offering within the meaning of Articles 1156 or 652a of the Swiss Code of Obligations or of Article 2 of the Federal Act on Investment Funds of March 18, 1994. This offering memorandum may not be copied, reproduced, distributed or passed on to others without the initial purchasers' prior written consent. This offering memorandum is not a prospectus within the meaning of Articles 1156 and 652a of the Swiss Code of Obligations or a listing prospectus according to article 32 of the Listing Rules of the Swiss exchange and may not comply with the information standards required thereunder. We will not apply for a listing of our notes on any Swiss stock exchange or other Swiss regulated market, and this offering circular may not comply with the information required under the relevant listing rules. The notes have not been and will not be registered with the Swiss Federal Banking Commission and have not been and will not be authorized under the Federal Act on Investment Funds of March 18, 1994. The investor protection afforded to acquirers of investment fund certificates by the Federal Act on Investment Funds of March 18, 1994 does not extend to acquirers of the notes.

TRANSFER RESTRICTIONS

The notes have not been and will not be registered under the Securities Act or any U.S. state securities laws, and the notes may not be offered or sold except pursuant to an effective registration statement or in transactions exempt from, or not subject to, registration under the Securities Act and the securities laws of any other jurisdiction. Accordingly, the notes are being offered and sold only:

- in the United States, to qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A under the Securities Act; and

- outside of the United States, to certain persons, other than U.S. persons, in offshore transactions meeting the requirements of Rule 903 of Regulation S under the Securities Act.

Purchasers' Representations and Restrictions on Resale and Transfer

Each purchaser of notes (other than the initial purchaser in connection with the initial issuance and sale of notes) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

1. it is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made pursuant to Rule 144A or (b) a non-U.S. person that is outside the United States;

2. it acknowledges that the notes have not been registered under the Securities Act or with any securities regulatory authority of any U.S. state and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

3. it understands and agrees that notes initially offered in the United States to qualified institutional buyers will be represented by a global note and that notes offered outside the United States pursuant to Regulation S will also be represented by a global note;

4. it will not resell or otherwise transfer any of such notes except (a) to us, (b) within the United States to a qualified institutional buyer in a transaction complying with Rule 144A under the Securities Act, (c) outside the United States in compliance with Rule 903 or 904 of Regulation S under the Securities Act, (d) pursuant to another exemption from registration under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act;

5. it agrees that it will give to each person to whom it transfers the notes notice of any restrictions on transfer of such notes;

6. it acknowledges that prior to any proposed transfer of notes (other than pursuant to an effective registration statement or in respect of notes sold or transferred either pursuant to (a) Rule 144A or (b) Regulation S) the holder of such notes may be required to provide certifications relating to the manner of such transfer as provided in the indenture;

7. it acknowledges that the trustee, registrar or transfer agent for the notes will not be required to accept for registration transfer of any notes acquired by it, except upon presentation of evidence satisfactory to us and the trustee, registrar or transfer agent that the restrictions set forth herein have been complied with;

8. it acknowledges that we, the initial purchaser and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its

purchase of the notes are no longer accurate, it will promptly notify us and the initial purchaser; and

9. if it is acquiring the notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account.

Legends

The following is the form of restrictive legend which will appear on the face of the Rule 144A Global Note, and which will be used to notify transferees of the foregoing restrictions on transfer:

"This Note has not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state U.S. securities laws. The holder hereof, by purchasing this Note, agrees for the benefit of Tanner Servicios Financieros S.A. (the "Company") that this Note or any interest or participation herein may be offered, resold, pledged or otherwise transferred only (1) to the Company, (2) so long as this Note is eligible for resale pursuant to Rule 144A under the Securities Act ("Rule 144A"), to a person who the seller reasonably believes is a "qualified institutional buyer" (as defined in Rule 144A) in accordance with Rule 144A, (3) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (4) pursuant to an exemption from registration under the Securities Act (if available) or (5) pursuant to an effective registration statement under the Securities Act, and in each of such cases in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction. The holder hereof, by purchasing this Note, represents and agrees that it shall notify any purchaser of this Note from it of the resale restrictions referred to above.

This Legend May Only Be Removed At The Option Of The Issuer."

The following is the form of restrictive legend which will appear on the face of the Regulation S Global Note and which will be used to notify transferees of the foregoing restrictions on transfer:

"This Note has not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any U.S. state securities laws. The holder hereof, by purchasing this Note, agrees that neither this Note nor any interest or participation herein may be offered, resold, pledged or otherwise transferred in the absence of such registration unless such transaction is exempt from, or not subject to, such registration and in accordance with any applicable securities laws of any other applicable jurisdiction."

For further discussion of the requirements (including the presentation of transfer certificates) under the indenture to effect exchanges or transfers of interest in global notes and certificated notes, see "Description of the Notes".

Other Jurisdictions

The distribution of this offering memorandum and the offer and sale or resale of the notes may be restricted by law in certain jurisdictions. Persons into whose possession this offering memorandum comes are required by us and the initial purchaser to inform themselves about and to observe any such restrictions.

LISTING AND GENERAL INFORMATION

1. The notes have been accepted for clearance and settlement through DTC, Euroclear and Clearstream. The CUSIP and ISIN numbers for the notes are as follows:

	Restricted Global Note	Regulation S Global Note
CUSIP	875840AA8	P89708AA2
ISIN	US875840AA80	USP89708AA25

2. Copies of our audited consolidated annual financial statements at and for the years ended December 31, 2010, 2011 and 2012, our future audited consolidated annual financial statements, and our future unaudited consolidated quarterly financial statements, if any, and copies of our articles of association and our *estatutos*, or by-laws, as well as the indenture (including forms of notes), will be available in electronic form, free of charge and for the lifetime of the notes at the offices of the paying agent and any other paying agent, including the Irish listing agent.

3. Except as disclosed in this offering memorandum, there has been no material adverse change or significant change in our financial position since December 31, 2012, the date of the latest financial statements included in this offering memorandum.

4. Except as disclosed in this offering memorandum, we are not or have not been involved in any governmental, litigation or arbitration proceedings during the 12-month period immediately preceding the date of this offering memorandum relating to claims or amounts that are material in the context of this offering, nor so far as we are aware is any such litigation or arbitration threatened.

5. We have applied to have this offering memorandum approved by the Irish Stock Exchange and the notes admitted to the Official List of the Irish Stock Exchange for trading on the Global Exchange Market. Total expenses related to the admission to trading amounted $4,940 euros.

6. The issuance of the notes was authorized by our board of directors on January 31, 2013.

7. Deloitte Auditores y Consultores Limitada, the Chilean member of Deloitte Touche Tohmatsu Limited, independent auditors and a member of the Association of Public Accountants of Chile (*Colegio de Contadores de Chile*) has agreed to the inclusion of its report in this offering memorandum in the form and context in which it is included.

VALIDITY OF THE SECURITIES

The validity of the notes offered and sold in this offering will be passed upon for us by Dechert LLP, New York, New York. Certain matters of U.S. law will be passed upon for the initial purchaser by Simpson Thacher & Bartlett LLP, New York, New York. Certain matters of Chilean law will be passed upon for us by Larrain Rencoret & Urzua Abogados, and for the initial purchaser by Philippi Yrarrazaval Pulido & Brunner, Santiago de Chile.

INDEPENDENT ACCOUNTANTS

Our consolidated audited financial statements as of December 31, 2012, 2011 and 2010 and for the years ended December 31, 2012, 2011 and 2010, included elsewhere in this offering memorandum, have been audited by Deloitte Auditores y Consultores Limitada, as stated in their report included elsewhere in this offering memorandum.

INDEX TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TANNER SERVICIOS FINANCIEROS S.A. AND ITS SUBSIDIARIES

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Tanner Servicios Financieros S.A.

We have audited the accompanying consolidated financial statements of Tanner Servicios Financieros S.A. and its subsidiaries, which comprise the consolidated statements of financial positions as of December 31, 2012, 2011 and 2010, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tanner Servicios Financieros S.A. and its subsidiaries as of December 31, 2012, 2011 and 2010, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

Other matters

Our audits also comprehended the translation of the Chilean peso amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 2aa). The translation of the financial statement amounts into U.S. dollar and the translation of the financial statements into English have been made solely for the convenience of readers.

Deloitte

January 31, 2013
Santiago, Chile

TANNER SERVICIOS FINANCIEROS S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
For the years ended December 31, 2012, 2011 and 2010

ASSETS	Note No.	As of December 31, 2012 ThUS$ Note 2(aa)	2012 ThCh$	2011 ThCh$	2010 ThCh$
CURRENT ASSETS:					
Cash and cash equivalents	7	33,843	16,243,475	9,045,734	7,239,856
Other current financial assets	8	40,266	19,325,871	14,309,090	1,258,701
Other current non-financial assets	16	8,832	4,238,862	1,082,003	882,546
Trade and other current receivables	10	701,514	336,698,636	276,467,613	198,360,643
Accounts receivable from related companies, current	11	2,653	1,273,505	887,576	874,456
Current tax assets	13	14,712	7,061,365	6,512,292	2,908,257
TOTAL CURRENT ASSETS		801,820	384,841,714	308,304,308	211,524,459
NON CURRENT ASSETS:					
Other non-current financial assets		1,021	490,169	-	-
Other non-current non-financial assets	9	4,510	2,164,485	2,028,131	196,985
Trade and other non-current receivables	10	289,463	138,930,449	107,883,682	68,018,245
Accounts receivable from related companies, non-current	11	8,125	3,899,468	1,663,567	234,293
Investments accounted for using equity method	14	82	39,537	49,911	1,909,931
Intangible assets other than goodwill	-	300	143,892	194,687	57,045
Goodwill	15	2,715	1,303,165	1,274,073	458,765
Property, plant, and equipment	12	10,378	4,980,849	2,299,228	1,483,247
Deferred tax assets	13	24,576	11,795,605	6,516,158	4,561,257
TOTAL NON-CURRENT ASSETS		341,170	163,747,619	121,909,437	76,919,768
TOTAL ASSETS		**1,142,990**	**548,589,333**	**430,213,745**	**288,444,227**

TANNER SERVICIOS FINANCIEROS S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
For the years ended December 31, 2012, 2011 and 2010

EQUITY AND LIABILITIES		**As of December 31,**			
	Note	**2012**		**2011**	**2010**
	No.	**ThUS$**	**ThCh$**	**ThCh$**	**ThCh$**
		Note 2(aa)			
CURRENT LIABILITIES					
Other current financial liabilities	17	422,059	202,571,438	188,543,440	123,252,322
Trade and other payables	19	183,209	87,932,714	41,345,000	23,269,336
Accounts payable to related companies	11	-	-	4,280,712	-
Other short-term provisions	20	5,904	2,833,872	1,784,088	1,405,776
Current tax liabiliies	13	16,823	8,074,491	3,385,540	2,907,026
Other current non-financial liabilities	-	-	-	266,412	140,513
TOTAL CURRENT LIABILITIES		627,995	301,412,515	239,605,192	150,974,973
NON-CURRENT LIABILITIES					
Other non-current financial liabilities	18	295,471	141,814,295	120,129,119	89,661,072
Trade and other non-current payables	-	825	395,724	514,909	620,521
Deferred tax liabilities	13	8,968	4,304,237	3,319,341	1,799,540
TOTAL NON-CURRENT LIABILITIES		305,264	146,514,256	123,963,369	92,081,133
EQUITY					
Issued capital	22	175,455	84,211,414	55,149,032	37,609,894
Retained earnings	22	28,444	13,651,866	10,034,636	7,540,672
Other reserves	22	110	52,730	52,730	52,730
Total equity attributable to owners of parent		204,009	97,916,010	65,236,398	45,203,296
Non-controlling interests	21	5,722	2,746,552	1,408,786	184,825
TOTAL EQUITY		209,731	100,662,562	66,645,184	45,388,121
TOTAL LIABILITIES AND EQUITY		**1,142,990**	**548,589,333**	**430,213,745**	**288,444,227**

TANNER SERVICIOS FINANCIEROS S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the periods from January 1 to December 31, 2012, 2011 and 2010

	Note	For the years ended December 31,			
		2012		2011	2010
	No.	ThUS$	ThCh$	ThCh$	ThCh$
		Note 2(aa)			
Revenue	27	188,975	90,700,386	67,194,068	45,807,722
Cost of sales	27	(94,225)	(45,224,120)	(31,705,682)	(20,754,518)
Gross profit		**94,750**	**45,476,266**	**35,488,386**	**25,053,204**
OTHER OPERATIONAL ITEMS:					
Other income		1,024	491,531	547,301	182,562
Administrative expenses	27	(47,197)	(22,652,794)	(18,417,339)	(12,455,623)
Other gains (losses)		1	599	(141,000)	-
Financial income		1,051	504,218	156,719	51,069
Financial costs		(126)	(60,423)	(59,659)	-
Share of profit (loss) of associates and joint ventures accounted for using equity method	14	(22)	(10,374)	(169)	(1,138)
Exchange differences		(335)	(161,041)	(294,241)	-
Result from indexation		216	103,898	153,758	(882)
Gains (losses) arising from difference between previous carrying amount and fair value of financial assets reclassified as measured at fair value		-	-	66,258	-
PROFIT (LOSS) BEFORE TAX		**49,362**	**23,691,880**	**17,500,014**	**12,829,192**
Tax income (expense)	13	(7,824)	(3,755,136)	(3,052,197)	(2,026,623)
Profit (loss) from continuing operations		**41,538**	**19,936,744**	**14,447,817**	**10,802,569**
Profit (loss) from discountinued operations		-	-	-	-
PROFIT (LOSS)		**41,538**	**19,936,744**	**14,447,817**	**10,802,569**
PROFIT (LOSS) ATTRIBUTABLE TO:					
Profit (loss) attributable to owners of parent		40,634	19,502,665	14,335,194	10,772,388
Profit (loss) attributable to non-controlling interests	21	904	434,079	112,623	30,181
PROFIT		**41,538**	**19,936,744**	**14,447,817**	**10,802,569**
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME		**41,538**	**19,936,744**	**14,447,817**	**10,802,569**
COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Comprehensive income attributable to owners of parent		40,634	19,502,665	14,335,194	10,772,388
Comprehensive income attributable to non-controlling interests		904	434,079	112,623	30,181
EARNINGS PER SHARE					
Basic earnings per share					
Basic earnings (losses) per share from continuing operations		46	22,040.55	18,987.01	15,959.09
Basic earnings (losses) per share from discontinued operations		-	-	-	-
Total basic earnings (losses) per share		-		18,987.01	15,959.09
Diluted earnings per share:					
Diluted earnings (losses) per share from continuing operations		46	22,040.55	18,987.01	15,959.09
Diluted earnings (losses) per share from disontinued operations		-	-	-	-
Total diluted earnings (losses) per share		46	22,040.55	18,987.01	15,959.09

TANNER SERVICIOS FINANCIEROS S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the periods from January 1 to December 31, 2012, 2011 and 2010

	Issued capital ThCh$	Other equity interest ThCh$	Other reserves ThCh$	Retained earnings ThCh$	Equity attributable to owners of parent ThCh$	Non-controlling interests ThCh$	Total equity ThCh$
Beginning balance as of 01/01/2012	55,149,032	-	52,730	10,034,636	65,236,398	1,408,786	66,645,184
Changes in equity							
Comprehensive income							
Profit (loss)		-	-	19,502,665	19,502,665	434,079	19,936,744
Other comprehensive income		-	-	-			-
Comprehensive income	-	-	-	19,502,665	19,502,665	434,079	19,936,744
Issue of equity	19,030,689	-	-	-	19,030,689	-	19,030,689
Dividends		-	-	(4,303,500)	(4,303,500)	-	(4,303,500)
Increase (decrease) through other contributions by the owners		-	-	4,300,558	4,300,558	-	4,300,558
Decrease (increase) through other distributions to the owners		-	-	(5,850,800)	(5,850,800)	-	(5,850,800)
Increase (decrease) through transfers and other changes	10,031,693	-	-	(10,031,693)	-	-	-
Increase (decrease) through treasury share transactions		-	-	-	-	-	-
Increase (decrease) for changes in participation of subsidiaries that do not result in the loss of control				-	-	903,687	903,687
Total changes in equity	29,062,382	-	-	3,617,230	32,679,612	1,337,766	34,017,378
Closing balance as of 12/31/2012	**84,211,414**	**-**	**52,730**	**13,651,866**	**97,916,010**	**2,746,552**	**100,662,562**

	Issued capital ThCh$	Other equity interest ThCh$	Other reserves ThCh$	Retained earnings ThCh$	Equity attributable to owners of parent ThCh$	Non-controlling interests ThCh$	Total equity ThCh$
Beginning balance as of 01/01/2011	37,609,894	-	52,730	7,540,672	45,203,296	184,825	45,388,121
Changes in equity							
Comprehensive income							
Profit (loss)	-	-	-	14,335,194	14,335,194	112,623	14,447,817
Other comprehensive income	-	-	-	-	-	-	-
Comprehensive income	-	-	52,730	14,335,194	14,335,194	112,623	14,447,817
Issue of equity	10,000,000	-	-	-	10,000,000	-	10,000,000
Dividends	-	-	-	(3,233,250)	(3,233,250)	-	(3,233,250)
Increase (decrease) through other contributions by the owners	-	-	-	3,231,716	3,231,716	-	3,231,716
Decrease (increase) through other distributions to the owners	-	-	-	(4,300,558)	(4,300,558)	-	(4,300,558)
Increase (decrease) through transfers and other changes	7,539,138	-	-	(7,539,138)		1,111,338	1,111,338
Increase (decrease) through treasury share transactions	-	-	-	-	-	-	-
Increase (decrease) for changes in participation of subsidiaries that do not result in the loss of control							-
Total changes in equity	17,539,138	-	-	2,493,964	20,033,102	1,223,961	21,257,063
Closing balance as of 12/31/2011	**55,149,032**	**-**	**52,730**	**10,034,636**	**65,236,398**	**1,408,786**	**66,645,184**

	Issued capital ThCh$	Other equity interest ThCh$	Other reserves ThCh$	Retained earnings ThCh$	Equity attributable to owners of parent ThCh$	Non-controlling interests ThCh$	Total equity ThCh$
Beginning balance as of 01/01/2010	23,617,057	528,086	703,817	6,926,437	31,775,397	154,640	31,930,037
Changes in equity							
Comprehensive income							
Profit (loss)	-	-	-	10,772,388	10,772,388	30,181	10,802,569
Other comprehensive income	-	-	-	-	-	-	-
Comprehensive income	-	528,086	703,817	10,772,388	10,772,388	30,181	10,802,569
Issue of equity	10,000,000	-	-	-	10,000,000	-	10,000,000
Dividends	-	-	-	(6,580,000)	(6,580,000)	-	(6,580,000)
Increase (decrease) through other contributions by the owners	-	-	-	2,469,107	2,469,107	-	2,469,107
Decrease (increase) through other distributions to the owners	-	-	-	(3,231,716)	(3,231,716)	-	(3,231,716)
Increase (decrease) through transfers and other changes	3,992,837	(528,086)	(651,087)	(2,815,544)	(1,880)	4	(1,876)
Increase (decrease) through treasury share transactions	-	-	-	-	-	-	-
Increase (decrease) for changes in participation of subsidiaries that do not result in the loss of control							-
Total changes in equity	13,992,837	(528,086)	(651,087)	614,235	13,427,899	30,185	13,458,084
Closing balance as of 12/31/2010	**37,609,894**	**-**	**52,730**	**7,540,672**	**45,203,296**	**184,825**	**45,388,121**

TANNER SERVICIOS FINANCIEROS S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the periods from January 1 to December 31, 2012, 2011 and 2010

	Note No.	2012 ThUS$ Note 2(aa)	2012 ThCh$	2011 ThCh$	2010 ThCh$
Cash flows from (used in) operating activities					
Profit		41,538	19,936,744	14,447,817	10,802,569
Adjustments to reconcile profit (loss)					
Adjustments for decrease (increase) in trade accounts receivable		(217,042)	(104,171,561)	(98,558,802)	(90,913,289)
Adjustments for decrease (increase) in other operating receivables		(42,488)	(20,392,581)	(24,540,348)	(5,914,313)
Adjustments for increase (decrease) in trade accounts payable		97,066	46,587,714	8,912,194	8,828,692
Adjustments for increase (decrease) of other operating payables		-	-	9,478	-
Adjustments for depreciation and amortization expenses		888	426,289	324,545	245,786
Adjustments for impairment loss (reversals of impairment loss) recognized in profit or loss		-	-	243,906	-
Adjustment for provisions		31,579	15,156,792	8,630,763	8,324,079
Adjustment for losses (gains) of unrealized foreign exchange losses		-	-	513,146	-
Adjustments for non-controlling interests	14	22	10,374	169	1,138
Other adjustments for non-cash items		(98)	(46,901)	400,674	882
Other adjustments for which cash effects are investing or financing cash flows		-	-	-	-
Total adjustments to reconcile profit (loss)		(130,073)	(62,429,874)	(104,064,275)	(79,427,025)
Income tax refund (paid)		(3,299)	(1,583,474)	948,633	(1,352,952)
Net cash flows from (used in) operating activities		(91,834)	(44,076,604)	(88,667,825)	(69,977,408)
Cash flows from (used in) investing activities					
Purchase of property, plant, and equipment	12	(6,292)	(3,019,739)	(584,306)	(224,453)
Proceeds from sale of other long-term assets					
Purchase of other long-term assets		(6,958)	(3,339,426)	(4,890,197)	5,060,833
Other inflows (outflows) of cash		-	-	82,045	250,050
Net cash flows from (used in) investing activities		(13,249)	(6,359,165)	(5,392,458)	5,086,430
Cash flows from (used in) financing activities					
Proceeds from issuing shares		39,651	19,030,689	10,000,000	10,000,000
Proceeds from long-term borrowings		2,872,411	1,378,642,363	945,332,059	479,713,097
Repayment of borrowings		(2,782,957)	(1,335,708,058)	(859,968,935)	(416,263,709)
Dividends paid	22	(8,966)	(4,303,500)	(3,233,250)	(6,580,000)
Other inflows (outflows) of cash		(58)	(27,984)	3,736,287	-
Net cash flow from (used in) financing activities		120,080	57,633,510	95,866,161	66,869,388
Net increase (decrease) in cash and cash equivalents, before the effect of the exchange rate changes		14,997	7,197,741	1,805,878	1,978,410
Effects of exchange rate changes on cash and cash equivalents				-	-
Net increase (decrease) in cash and cash equivalents		14,997	7,197,741	1,805,878	1,978,410
Cash and cash equivalent at beginning of the period		18,847	9,045,734	7,239,856	5,261,446
Cash and cash equivalents at end of the period	7	33,843	16,243,475	9,045,734	7,239,856

TANNER SERVICIOS FINANCIEROS S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of Chilean pesos - ThCh$)

1. CORPORATE INFORMATION AND GENERAL CONSIDERATIONS

Tanner Servicios Financieros S.A. (formerly Factorline S.A.; "the Company," "Tanner", or "the Group") was incorporated as a closely held corporation (under the name of Bifactoring S.A.) by public deed dated April 6, 1993 registered by the Notary Mr. Jose Musalem Saffie, an extract summary of which was published in the Official Gazette of the Republic of Chile on April 24, 1993. The Company had indefinite duration and operated under the taxpayer number 96.667.560-8. During 2011, Factorline S.A. changed its corporate name to Tanner Servicios Financieros S.A., by public deed dated December 21, 2011. The Company's registered office address is 863 Huerfanos Street, 3rd floor, Santiago, Chile.

The Company is subject to the provisions of Law 18,046 and is registered under No. 777 in the Securities Registry of the Superintendency of Securities and Insurance. Therefore, the Company is regulated by this regulatory body.

The Company´s corporate purpose is to purchase or finance, with or without responsibility, accounts receivable from any kind of company or natural person ("factoring"), grant financing of accounts receivable with collateral, or simply administer accounts receivable. Additionally, Tanner Servicios Financieros S.A. provides funding for the acquisition of vehicles and other purposes, in addition the Company provides services through its subsidiaries, which include Tanner Leasing S.A., Tanner Corredores de Bolsa de Valores S.A., Tanner Corredores de Bolsa de Productos S.A. and Tanner Corredores de Seguros Ltda.

The legal domicile of the Company is Huérfanos 863, 3rd floor, Santiago de Chile, and their webpage is www.tanner.cl.

Number of shareholders

Series	Number of subscribed shareholders	Number of paid shares	Numbers of shares with voting rights
Single	884,854	884,854	884,854

Equity

Series	Subscribed equity ThCh$	Paid-in-capital ThCh$
Single	84,211,414	84,211,414

Shareholders

Shareholder	Number of paid shares	Ownership percentage
Inversiones Bancarias S.A.	628,522	71.0312%
Asesorías Financieras Belén Ltda.	90,503	10.2280%
FSA Fondo de Inversión Privado	79,905	9.0303%
Inversora Quillota Dos S.A.	34,564	3.9062%
Inversiones Río Abril Limitada	19,383	2.1905%
Asesorías e Inversiones Cau Cau Ltda.	9,000	1.0171%
Asesorías e Inversiones Gómez Perfetti Ltda.	4,776	0.5398%
Inversiones y Asesorías Rochri Ltda.	4,776	0.5398%
Xaga Asesorías e Inversiones Ltda.	4,535	0.5125%
E. Bertelsen Asesorías S.A.	2,026	0.2290%
Inversiones Anita e Hijos Ltda.	1,909	0.2157%
Ruiz - Tagle y Cáceres Ltda.	1,909	0.2157%
Inversiones Durand y Quiroga Limitada	900	0.1017%
Asesorías e Inversiones O y B Ltda.	546	0.0617%
Claudia Noemi Prieto Contreras	200	0.0226%
Daniela Andrea Zamorano Alvarez	200	0.0226%
Humberto Enrique Fuentes Zamora	200	0.0226%
Oscar Alejandro Espinoza Muñoz	200	0.0226%
Teodoro Segundo Valderrama Ramirez	200	0.0226%
Alejandro Eduardo Alfaro Valenzuela	150	0.0170%
Marily Ester Cerda Fernandez	150	0.0170%
José Pablo Rodriguez Larenas	100	0.0113%
María de la Luz Risso Gonzalez	100	0.0113%
Sergio Antonio Acevedo Sttamer	100	0.0113%
Total	**884,854**	**100.0000%**

2. SUMMARY OF THE MAIN ACCOUNTING POLICIES

The following are the main accounting policies adopted by the Company in preparing these consolidated financial statements.

a. Basis of preparation - The Company's consolidated financial statements for the years ended December 31, 2012, 2011 and 2010, have been prepared in accordance with IFRS as issued by the International Accounting Standard Board (IASB).

The Company maintains its accounting records and prepares its consolidated financial statements in Chilean pesos as this is the Company's functional and presentation currency.

These consolidated financial statements cover the following periods:

- Statements of Financial Position as of December 31, 2012, 2011 and 2010.
- Statements of Changes in Equity for the years ended December 31, 2012, 2011 and 2010.
- Statements of Comprehensive Income for the years ended December 31, 2012, 2011 and 2010.
- Statements of Cash Flows for the years ended December 31, 2012, 2011 and 2010

The preparation of these consolidated financial statements requires the use of certain accounting estimates and judgments. It also requires Company management to use its judgment in the process of applying accounting policies. In Note 5 "Responsibility for the information and estimates and judgments used", we disclose information surrounding areas that involve a higher degree of judgment, complexity, or where the estimates are significant to the accounts disclosed.

At the closing date of these financial statements, no significant uncertainties exist over the events and conditions herein that could generate a significant doubt over the possibility that the Company could continue as a going concern in accordance with IFRS.

b. Recent accounting pronouncements effective in the current year:

i) Application

The financial statements of Tanner Servicios Financieros S.A. and subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) and represent the full adoption, without reservations, of the aforementioned international standards.

These Consolidated Statements of Financial Position reflect the financial position, of Tanner Servicios Financieros S.A. and subsidiaries at December 31, 2012, 2011 and 2010 and the comprehensive operating income, changes in net equity and cash flows for the periods ended December 31, 2012, 2011, and 2010. Such financial statements were approved by the Board of Directors in their meeting on January 31, 2013.

These financial consolidated financial statements have been prepared generally under the historic cost method.

ii) The following new and revised Standards and Interpretations have been adopted in these consolidated financial statements.

Amendments to IFRS	**Effective date**
IAS 12, *Income Taxes: Deferred Tax: Recovery of Underlying Assets*	Annual periods beginning on or after January 1, 2012
IFRS 1 (Revised), *First-time Adoption of International Reporting Standards – (i) Replacement of 'Fixed Dates' for First-time Adopters – (ii) Severe Hyperinflation*	Annual periods beginning on or after July 1, 2011
IFRS 7, *Financial Instruments: Disclosures – Transfers of Financial Assets*	Annual periods beginning on or after July 1, 2011

The application of these accounting pronouncements has had no significant effect for the Company. All other accounting policies applied in 2012 have not changed from those used in 2011.

ii) The following new Standards and Interpretations have been issued by the IASB but their application date is not yet effective:

New Standards, Interpretations and Amendments	**Effective date**
IFRS 9, *Financial Instruments – Classification and Measurement*	Annual periods beginning on or after January 1, 2015.
IFRS 10, *Consolidated Financial Statements*	Annual periods beginning on or after January 1, 2013
IFRS 11, *Joint Arrangements*	Annual periods beginning on or after January 1, 2013
IFRS 12, *Disclosure of Interests in Other Entities*	Annual periods beginning on or after January 1, 2013
IAS 27 (2011), *Separate Financial Statements*	Annual periods beginning on or after January 1, 2013
IAS 28 (2011), *Investments in Associates and Joint Ventures*	Annual periods beginning on or after January 1, 2013
IFRS 13, *Fair Value Measurements*	Annual periods beginning on or after January 1, 2013

Amendments to Standards	**Effective date:**
IAS 1, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*	Annual periods beginning on or after July 1, 2012
IAS 19, *Employee benefits (2011)*	Annual periods beginning on or after January 1, 2013
IAS 32, *Financial instruments: presentation – Clarified requirements for offsetting of financial assets and financial liabilities and amends disclosures*	Annual periods beginning on or after January 1, 2014
IFRS 7, *Disclosures – Offsetting Financial Assets and Financial Liabilities*	Annual periods beginning on or after January 2014
IFRS 10, IFRS 11, and IFRS 12, *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*	Annual periods beginning on or after January 1, 2013
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	Annual periods beginning on or after January 1, 2014

New Interpretations	**Effective date**
IFRIC 20, *Stripping costs in the production phase of a surface mine*	Annual periods beginning on or after January 1, 2013

The Company's management believes that the future adoption of the Standards and Interpretations described above will not have a significant impact on the Group's consolidated financial statements.

c. Basis of consolidation - The consolidated financial statements incorporate the financial statements of the Parent Company and companies controlled by the Company. Control is achieved when the Parent Company has the power to govern the financial and operating policies of an entity and therefore benefits from their activities.

The following are entities in which the Company holds direct or indirect interest, and therefore were included in the consolidated financial statements:

Taxpayer Number	COMPANY NAME	COUNTRY OF ORIGIN	FUNCTIONAL CURRENCY	OWNERSHIP PERCENTAGE 31.12.2012			31.12.2011			31.12.2010		
				DIRECT	INDIRECT	TOTAL	DIRECT	INDIRECT	TOTAL	DIRECT	INDIRECT	TOTAL
96912590-0	Tanner Leasing S.A.	Chile	Pesos	99.9900%	-	99.9900%	99.9900%	-	99.9900%	99.9900%	-	99.9900%
76313350-8	Tanner Corredora de Bolsa de Productos S.A.	Chile	Pesos	70.0000%	-	70.0000%	70.0000%	-	70.0000%	70.0000%	-	70.0000%
76027088-1	Factorline Chile Agencia de Valores S.A. (*)	Chile	Pesos	-	-	0.0000%	60.0000%	-	60.0000%	60.0000%	-	60.0000%
76133889-7	Tanner Corredora de Seguros Ltda. (***)	Chile	Pesos	70.0000%	-	70.0000%	70.0000%	-	70.0000%	-	-	-
93966000-3	Gestora Tanner SpA (**)	Chile	Pesos	77.2285%	-	77.2285%	86.9648%	-	86.9648%	27.3736%	-	27.3736%
91711000-k	Financo S.A. (**)	Chile	Pesos	3.6439%	72.6157%	76.2596%	3.6439%	81.7705%	85.4144%	-	-	-
76036041-4	Capitales Unidos S.A. (**)	Chile	Pesos	-	76.2606%	76.2606%	-	85.4159%	85.4159%	-	-	-
76029825-5	Tanner Finanzas Corporativas Ltda. (**)	Chile	Pesos	-	76.2603%	76.2603%	-	85.4155%	85.4155%	-	-	-
80962600-8	Tanner Corredores de Bolsa S.A. (**)	Chile	Pesos	-	76.2740%	76.2740%	-	85.4375%	85.4375%	-	-	-
76895320-1	Tanner Asesorías e Inversiones Ltda. (**)	Chile	Pesos	-	76.2693%	76.2693%	-	85.4299%	85.4299%	-	-	-
0-E	Interfinanco S.A. (**)	Uruguay	Pesos	-	76.2606%	76.2606%	-	85.4159%	85.4159%	-	-	-

(*) During March 2012, Factorline Chile Agencia de Valores S.A. was merged by absortion by Tanner Servicios Financieros S.A.

(**) In August of 2011, Tanner Servicios Financieros S.A. increased its ownership in Gestora Tanner SpA to 86.9648% at which date it became part of its consolidation. In February 2012, the Company increased its ownership in Gestora Tanner SpA to 88.2276% through the acquisition of 28,200 new shares. In November 2012, Gestora Tanner SpA increased its capital to ThCh$1,807,913 through the issuance of 607,191 new shares resulting in a total of ThCh$8,379,450 as of December 31, 2012 divided into 2,840,263 shares. Tanner Servicios Financieros S.A. did not participate in this capital increase; as such, the Company's ownership as of December 31, 2012 was 2,193,492 shares equivalent to a 77.2285% participation in the subsidiary.

The subsidiary Gestora Tanner SpA was incorporated in August 2011, and through this subsidiary the Company has control of Tanner Corredora de Bolsa S.A., Capitales Unidos S.A., Finanzas Corporativas Ltda., Tanner Corredores de Bolsa S.A., Tanner Asesorías e Inversiones Ltda. and Interfinanco S.A.; as well has control for Financo S.A.

The entities Capitales Unidos S.A., Tanner Finanzas Corporativas Ltda., Tanner Corredores de Bolsa S.A., Tanner Asesorías and Inversiones Ltda. E Interfinacnco S.A., are subsidiaries of Financo S.A. which is a subsidiary of Gestora Tanner SpA. As such, the indirect participation that Tanner Servicios Financieros S.A. has in these entities proportionally decreased as a result of the aforementioned decrease in participation in Gestora Tanner SpA.

(***)The subsidiary Tanner Corredora de Seguros Limitada was established by a document of public deed on January 27, 2011.

A subsidiary is consolidated from the date in which control is transferred to the Group and is excluded from consolidation on the date that the aforementioned control ceases.

To account for the acquisition of a subsidiary by the Group, the acquisition method is used.

The acquisition cost is the fair value of the assets and equity given and of liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and identifiable liabilities and contingencies assumed in a business combination are initially measured at fair value at the acquisition date. The excess of acquisition cost over the fair value of the Group's share of identifiable net assets acquired, if any, is recognized as goodwill. If the cost of acquisition is less than the fair value of net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

The amount paid for the investment in its indirect subsidiary Tanner Corredores de Bolsa S.A. did not differ from the fair value determined at December 31, 2011.

Transactions and balances between Tanner Servicios Financieros S.A. and subsidiaries have been eliminated for consolidation purposes, and the non-controlling interests corresponding to the percentage of minority shareholders in subsidiaries which directly or indirectly is not owned by the Company has been recognized. Such non-controlling interest is shown separately in the consolidated equity, profit or loss and comprehensive income for all years presented of Tanner Servicios Financieros S.A.

d. Investments in associates accounted for using the equity method - Interests in associates over which the Company has significant influence and that are neither a subsidiary nor an interest in a joint venture are recorded using the equity method. In general, significant influence is considered subsidiaries over which the Company maintains over 20% ownership.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

e. Goodwill - Goodwill represents the excess of acquisition cost over the fair value of the identifiable net assets of the acquired subsidiary/associate at the date of acquisition. Goodwill related to acquisitions of associates is included in the carrying amount of the investments and is tested for impairment. Goodwill recognized separately is tested for impairment annually and is measured at cost less accumulated impairment losses.

Gains and losses on the sale of an entity include the carrying amount of goodwill related to the entity sold.

The goodwill is allocated to cash generating units for the purpose of impairment testing. It is distributed among those cash-generating units or groups of cash generating units expected to benefit from the business combination from which the goodwill arose.

The negative goodwill from the acquisition of an investment or business combination, is credited directly to the consolidated comprehensive income statements.

f. Use of estimates and judgments:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. These estimates were determined, based on the best information available, and it corresponds to the following matters:

1. The measurement of goodwill
2. Useful lives of property, plant and equipment and intangible assets;
3. Income taxes and deferred taxes;
4. Provisions;
5. Commitments and contingencies;
6. Allowances for loan losses;
7. Impairment of certain assets;
8. Fair value of financial assets and liabilities.

As of December 31, 2012, there have been no significant changes in the estimates made at the end of 2011, other than those indicated in the Consolidated Financial Statements.

g. Basis of conversion and functional and presentation currency - The amounts included in the financial statements of Tanner Servicios Financieros S. A. and subsidiaries are measured using the currency of the primary economic environment in which the entity operates (i.e. the Functional currency).

The Company’s functional currency is the Chilean Peso.

The presentation currency of the financial statements is the Chilean Peso.

The assets and liabilities denominated in U.S. dollars, euros and UF (index linked unit of account) have been converted into Chilean pesos at exchange rates prevailing at the closing date of the consolidated financial statements in accordance with the following translation rates:

	12.31.2012
	$
U.S. dollar	479.96
Euros	634.45
Unidades de Fomento (UF)	22,840.75

h. Functional and presentation currency and conditions of hyperinflation - The amoutns included in the financial statements of Tanner Servicios Financieros and subsidiaries are valued using the currency of the principal economic environment in which the Company operates (functional currency).

The Company's functional currency and all of its subsidiaries, according to an analysis performed under International Accounting Standard Number 21 (IAS 21) is the Chilean Peso. This currency was not hyperinflationary during the reporting period in consideration of all factors presented in IAS 29.

The presentation currency is the Chilean Peso.

i. Property, plant and equipment - Fixed assets acquired are used in the Group's line of business. They are initially recorded at acquisition cost. The subsequent measurement of those assets is done in accordance with IAS 16 Property, Plant and Equipment ("IAS 16") by taking acquisition cost less accumulated depreciation and accumulated impairment losses in value, if any. The remaining fixed assets, both in their initial recognition and in their subsequent measurement, are valued at acquisition cost less depreciation and impairment losses. Depreciation calculated on a straight time basis, considering the fixed assets useful life and residual value.

Estimated useful lives assigned to items of property, plant and equipment are as follows:

Property, plant & equipment	**Useful life (years)**
IT equipment	3
Leasehold improvements	7
Fixtures and equipment	5
Leased assets	37
Buildings	30
Machinery and equipment	10

j. Valuation and update - The fixed assets included in property, plant and equipment are recognized at acquisition cost less depreciation and accumulated impairment losses, if any.

The initial cost of property, plant and equipment includes expenditures directly attributable to the acquisition of fixed assets.

Subsequent costs are included in the initial asset value or recognized as a separate asset, only when it is probable that future economic benefits associated with fixed assets will flow to the Company and the cost of the item can be measured reliably. The value of the component replaced is written off the books.

Repairs and maintenance to fixed assets is charged to the profit for the year in which incurred.

k. Depreciation method - Depreciation of fixed assets is calculated using the straight-line method. The residual value and remaining useful life of fixed assets are reviewed, and adjusted if necessary, at each balance sheet date.

When the carrying value of an asset exceeds its estimated recoverable amount, its value is reduced immediately to its recoverable amount, charged to the income statement (unless it can be offset by an earlier positive revaluation charged to equity).

Gains and losses from sales of fixed assets are calculated by comparing the proceeds of the sale with the carrying amount and are included in the income statement.

l. Intangible assets - Costs related to internal development or maintenance of software are expensed when incurred.

Costs directly related to the acquisition of unique and identifiable computer programs controlled by the Company, and that are likely to generate economic benefits that outweigh the costs for more than a year, are recognized as intangible assets. The acquisition costs related to software recognized as intangible assets are estimated to be amortized over a period of 3 years and are amortized on a straight-line basis.

m. Impairment losses of non-financial assets - Non-financial assets subject to amortization are subject to testing for impairment whenever any event or change, internal or external, in the circumstances of the Company indicates that the carrying amount may not be recoverable. An impairment loss is the excess of the asset´s carrying amount over its recoverable amount. The recoverable amount is the higher of the fair value of an asset less costs to sell and its value in use. For the purposes of assessing impairment losses, non-financial assets are grouped at the lowest level for which cash flows are identifiable separately (i.e. cash-generating units).

Non-financial assets that have suffered an impairment loss are subject to review on each statement of financial position date should loss reversals occur.

n. Financial assets - The Group classifies its financial assets in the following categories:

- Financial assets at fair value through profit or loss.
- Loans and receivables.
- Financial assets held to maturity.
- Financial assets available for sale.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition.

i. Financial assets at fair value with changes in profit or loss.

Financial assets at fair value through profit or loss are financial assets held for trading.

A financial asset is classified in this category if acquired principally for the purpose of being sold in the short term. Derivatives are also classified as acquired for trading, unless they are designated as hedges. Assets in this category are classified as current assets.

ii. Loans and receivables

Initially they are recorded at fair value and subsequently at amortized cost, corresponding this mainly to cash provided, less principal repayments, plus accrued interest receivable in the case of loans, and present value of the service rendered in the case of accounts receivable. They are included in current assets, except for maturities over 12 months from the balance sheet date, which are classified as non-current. Loans and receivables are included in "Other financial assets", as well as Time Deposits with maturities exceeding 90 days. Time deposits with maturities less than 90 days, are classified under the heading "Cash Equivalent".

All purchases and sales of trading securities that must be delivered within the time limit set by regulations or market conventions such as repurchase agreements, are recognized on trade date, which is the date of the purchase commitment or sale of the asset.

Financial assets and liabilities are offset, i.e. presented on a net basis on the statement of financial position, only when dependent entities have a legally enforceable right to offset the amounts recognized in those instruments, and the intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

iii. Financial assets held to maturity

Financial assets held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company's management has the intention and ability to hold to maturity.

If the Company sold a significant amount of financial assets held to maturity, the entire category would be reclassified as available for sale.

These financial assets held to maturity are included in non-current assets, except those with maturities less than 12 months from the balance sheet date which are classified as current assets.

iv. Impairment of financial assets and effective interest rate

The Company assesses, at each balance sheet date, whether there is objective evidence that a financial asset or group of financial assets may have suffered impairment losses.

In applying the effective interest rate for valuing financial assets classified as “loans and receivables”, the Company has considered the materiality and significance of the amounts involved.

v. Financial assets available for sale

Financial assets available for sale are non-derivatives that are designated in this category or not classified in any other category. They are included in non-current assets unless management intends to dispose of the investment within 12 months after the balance sheet date.

o. Derivative contracts - Derivative contracts entered into by the Company are recognized initially at fair value on the date the derivative contract was made and are subsequently remeasured at fair value. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Company designates certain derivatives as:

- Fair value hedges of recognized liabilities (fair value hedge);
- Hedges of a specific risk associated with a recognized liability or a highly probable forecast transaction (cash flow hedge); or
- Hedges to protect against exchange rate fluctuations.

The Company documents, at the start of the transaction, the relationship between the hedging instruments and the hedged items, as well as its objectives for risk management and strategy to handle various hedging transactions. The Company also documents its assessment, both initially and on an ongoing basis, whether the derivatives used in hedging transactions are highly effective in offsetting changes in fair value or in cash flows of hedged items.

The total fair value of hedging derivatives is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months. Unrealized gains and losses are recognized in the period in which contracts are made or no longer fulfill the purpose for which they were entered into.

The Company applies the valuation and recording provisions of IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"), for such financial instruments:

i. Fair value hedges

The changes in fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, along with any changes in fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss related to the effective portion of interest swaps ("swaps") to cover loans at fixed rates is recognized in profit or loss as "financial costs". The gain or loss relating to the ineffective portion is recognized on the income statement as "other gains and (losses)". The changes in fair value of hedged loans at fixed rate, attributable to interest rate risk are recognized in profit or loss as "financial costs".

If the hedge no longer meets the criteria for recognition through hedge accounting treatment, the adjustment in the carrying value of the hedged item for which the method of the effective interest rate is used, is amortized in profit or loss in the remaining period to maturity.

At the closing of these consolidated financial statements, the Company has no such hedging instruments.

ii. Cash flow hedges

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in equity. The gain or loss on the ineffective portion is recognized immediately in the income statement under "other gains and (losses)". Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects the income statement (for example, when the forecast hedged sale occurs or the hedged cash flow is performed). However, when the hedged forecasted transaction results in the recognition of a nonfinancial asset (e.g. inventory or property, plant and equipment), gains or losses previously recognized in equity are transferred from equity and included as part of the asset's initial cost.

When a hedging instrument expires or is sold, or when it no longer meets the criteria to be recognized via hedge accounting, any cumulative gain or loss in equity at that time remains in equity and is recognized when the forecasted transaction affects the income statement.

When a forecasted transaction is no longer expected to occur, the cumulative gain or loss in equity is immediately transferred to the income statement in the item (e.g. "other gains and (losses)").

At the closing of these consolidated financial statements, the Company has no such hedging instruments.

iii. Derivatives at fair value through profit or loss

Certain derivative instruments do not qualify for hedge accounting treatment and are recorded at fair value through profit and loss. Any change in fair value of these derivatives is recognized immediately in the income statement under “Revenues”.

At the end of each reporting period, the Company has forward contracts that fall in this category, whose changes in fair value recognized through profit or loss as of December 31, 2012, 2011 and 2010 were ThCh$15,204, ThCh$129,945 and ThCh$63,007, respectively.

p. Trade and other receivables - Trade accounts receivable are recognized initially at fair value and subsequently measured at amortized cost using effective interest method less impairment losses.

Accounts receivable related to trading transactions are financial assets with fixed or determinable payments that are not quoted in an active market and are payable by a third party in exchange for cash funding directly to a third party.

A provision for impairment losses on trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts owed under the original terms of receivables.

The existence of significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganization and the lack or excessive arrears in payments are considered indicators that the receivable might be deteriorated.

q. Cash and cash equivalents - Cash and cash equivalents include cash on hand and balances in bank accounts held by the Company. Additionally, fixed term investments and mutual funds with an expiration date no greater than three months after the date of acquisition are included in the line item.

r. Trade and other payables - Suppliers or trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

s. Income tax and deferred taxes:

i. Income tax - The income tax expense is calculated based on income before taxes, increased or decreased, as appropriate, for the differences arising from adjustments to comply with existing tax regulations.

ii. **Deferred taxes -** Deferred taxes are recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probably that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

t. **Provisions -** Provisions are recognized when the Company has (a) a present obligation, legal or constructive, as a result of past events; (b) an outflow of resources will probably be required to settle the obligation, and (c) the amount can be reliably measured.The provision of employee vacations is recognized on an accrual basis, in relation to legal or contractual benefits agreed upon with the employees.

u. **Dividends -** The distribution of dividends to shareholders is recognized as a liability at each year-end on financial statements. The dividend policy is to distribute at least 30% of net income as provided in Law No. 18,046, with the final dividend to be distributed in each period, agreed upon in the Annual Shareholder Meeting.

v. Revenue recognition – Revenue is recognized on an accrual basis. The Company's revenue, in the case of factoring operations, is composed of price differentials and adjustments, which are accrued on purchases of portfolios generated by each of the operations and are credited to the income statement under the price differentials and adjustments earned and accrued account. In the case of credit operations, they are primarily composed of the interest accrued in the respective promissory notes.

In subsidiary Tanner Leasing S.A., revenue is composed of commissions generated by the collection of factoring transactions and of adjustments and interest accrued on leasing operations.

In subsidiary Tanner Corredores de Bolsa de Producto S.A., revenue is composed of brokerage commissions on intermediation transactions, which are recognized on an accrual basis once the service has been rendered.

The revenues of the indirect subsidiary, Tanner Corredores de Bolsa S.A., are determined at the fair value of the services rendered in the ordinary course of Tanner Corredores de Bolsa S.A.'s business and are recorded when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to Tanner Corredores de Bolsa S.A.. The management of Tanner Corredores de Bolsa S.A. recognizes as income for the year the off-stock exchange brokerage commissions, financial consulting and other operating income on an accrual basis.

w. Leases – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

v.1) The Group as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

v.2) The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating leases are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expenses on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

x. Other Financial Liabilities (Bonds payable) - These obligations, represented by negotiable instruments, are measured at amortized cost using the effective interest rate method. They are presented within the line item "Other financial liabilities".

y. Environment - Disbursements related to environmental remediation, if any, are recognized in income to the extent they are incurred.

z. Segment Information: The operating segments are defined as components of a business about which financial statement information is available and is evaluated continuously by the main corporate body that makes decisions about resource allocation and performance assessment. The Company has defined a single segment, which includes within itself a group of segments differentiated by the characteristics of each business, such as Factoring, Loans for Buying Cars, and Leasing.

aa. Convenience translation - The U.S. dollar amounts disclosed for all periods presented in the accompanying financial statements are presented solely for the convenience of the reader. The exchange rate used in the convenience translation corresponds to the closing exchange rate of Ch$479.96 per US$1.00 as of December 31, 2012. This translation should not be construed as representing that the Chilean peso amounts actually represent or have been, or could be, converted into U.S. dollars at such a rate or at any other rate.

3. ACCOUNTING CHANGES

During the year ended at December 31, 2012, there were no accounting changes that could affect the presentation of the consolidated financial statements.

4. FINANCIAL RISK MANAGEMENT

Introduction:

Management of the Company's risks is based on specialization, business knowledge and the experience of its teams, which allows the Company to have professionals dedicated specifically to each one of the different types of risks. The Company's policy is to maintain an integrated view of risk management focused on the future as well is the projected economic environment, and based on the measurement of the risk-return relationship of all its products, including the Company and its subsidiaries.

Credit policies and processes recognize the singularities of different markets and segments, and give special treatment to each of them. The integrated information generated for risk analysis is key to developing a strategic plan to determine a desired level of risk for each business line, aligning strategies with established risk level, communicating to commercial areas the desired risk levels in the organization, developing models, processes and tools for risk assessment, measurement and control in different business lines and areas, communicative to the Board the characteristics and evolution of risk, proposing action plans in case of relevant departures from risk indicators, and ensuring compliance with standards and regulations.

(a) Risk Management Structure

Managing Credit and Market Risk are included in the different levels of the Company, with a structure that recognizes risk relevance and the various areas of risk. The current levels are:

(i) Board of Directors

The Board of Directors of Tanner Servicios Financieros S.A. is responsible for approving policies and establishing the structure for properly managing the risks that the Company has. For this reason, it is constantly informed of the evolution of such risks, participating through its Credit, Portfolio and Audit Committees, which review the status of credit and market risks. The Board also participates actively in each committee, remaining informed of the status of the portfolio and participating in strategic decisions that must impact on portfolio performance on a constant basis.

Risk management policies are established in order to identify and analyze the risks to which the Company is exposed, set appropriate risk limits and controls, and monitor risks and adherence to limits. Policies and risk management systems are regularly reviewed with the purpose of reflecting changes in market conditions and Company activities.

(ii) Committee on Finance and Financial Risk (CAPA)

The committee reviews on a monthly basis the evolution and current status of financial positions and market, price and liquidity risks. It reviews in particular the estimation of results of financial positions, in order to measure the business risk-return relationship, and the evolution and outlook of use of capital. Knowing the current status of market risks allows it to predict with certain reliability potential future losses in the event of adverse changes in key market variables or in the event of a liquidity shortage.

(iii) Credit Committees

The Company has a governance structure for credit decision making which requires that any credit proposal from customers must be approved by a committee. As a general rule, the committee is composed of at least three executives, and at least one of these executives should hold the power to approve limits. There are several attributions which are differentiated by segments, and these are applied according to exposure, risk rating, transfers of receivable to court collection, uncollectibility declaration, credit write-off, etc. The highest committee is the Directors Credit Committee, which reviews and approves the main exposures of credit lines of the Company customers.

(iv) Audit Committee

We maintain an Audit committee which is comprised of six members (Four Directors, our Chief Executive Officer and our General Counsel). Our audit committee meets once aper month. Our audit committee's primary responsibility is to support the Board of Directors in assessing internal control, which includes the supervision of related party transactions and the reports delivered by both external and internal auditors.

Our audit committee is also responsible for receiving communications a recommendations from Chilean regulatory entities and for recommending measures to be taken by management in its response to such communications and recommendations

(v) Treasury

Treasury is responsible for managing price risks (interest rates, exchange rates) within the limits approved by the Board of Directors. Additionally, Treasury is responsible for ensuring that the Company maintains an adequate level of liquidity aligned with market conditions and the needs of different business units.

(vi) Strategic Plan for Operational Risk

Formally part of the work performed during the development of the Strategic Plan for Operation Risk of 2011, which was presented and accepted by the Board of Directors in March of 2011, the Strategic Plan for Operational Risk of 2012 for each business line (Domestic Factoring, International Factoring, Automobile Loans, Leasing, Product Brokerage, and Stock Brokerage (new for 2012)) principally focused on the mitigating actions for the risks identified in the matrices of Operational Risks created in 2011, prioritizing those that are most critical.

In addition to the above, this plan considers:

1. The formal creation of the department of Operational Risk, with a person in charge, in order to identify, measure, evaluate and manage the Company's operational risks.

2. The creation of the Operational Risk Committee and Statutes, where monthly status is evaluated.

3. The formal creation of the Department of Manuals and Procedures.

Further, the plan includes the following developments:

- Development of profiling of users who use the intranet in order to regulate internal information (Information Security). Currently, the Company has created unique profiles for 57% of users, or 574 of 985 people.

- Based on previous work performed, tutorial videos shall be published on the intranet. Such videos provide guidance on how to introduce new users to the different systems for each business line or area of the Company and formally establish the execution of different processes. Fifty-four video tutorials have been created to date.

- Furthermore, eighteen manuals differentiated into policies, standards of doing business, procedures and guides have been created or updated. Similar to the video tutorials, these can be accessed through the intranet based on the profile created for each user based on their function.

- Finally, the Operational Risk are is lending assistance to Tanner Corredora de Bolsa with SVS Circular 2054 wherein during the first phase, they are identifying and evaluating the Operational Risks based on the COSO II ERM methodology (Committee of Sponsoring Organizations of the Treadway Commission) as is required with the aforementioned circular.

(b) Internal Audit

The entire Company's risk management processes are constantly audited by the Internal Audit Department, which reviews the sufficiency of procedures and its compliance. The Internal Audit staff analyzes the results of all assessment with management and reports its findings and recommendations to the Board of Directors through the Audit Committee.

(c) Measurement Methodology

With regard to credit risk, provisions level and portfolio cost are basic measurements to determine the credit quality of our portfolio.

Monitoring and risks controls are conducted primarily on the basis of limits set by the Board. These limits reflect the Company's business and market strategy, as well as the risk level that the Company is willing to accept, with additional emphasis on specific industries.

Credit Risk

Credit risk is the likelihood of financial loss that the Company is exposed to in the event that a customer or counterparty of a financial instrument fails to meet its contractual obligations. The credit risk arises primarily from current trade and other receivables, and from Non-current fees receivable and Other current non-financial assets.

This risk is managed by business lines, taking into consideration the economic expectations of the current macroeconomic environment and the projections for markets and segments, giving to each one an appropriate credit treatment and using risk limits that are going to be accepted.

The credit risk of the indirect subsidiary Tanner Corredores de Bolsa S.A., corresponds to if the counterparty to a contract fails to fulfill its contractual obligations, causing an economic loss. Tanner Corredores de Bolsa S.A.'s risk concentration is not significant due to the fact that its portfolio of customers have very good credit quality. Tanner Corredores de Bolsa S.A.'s main customers are solvent companies. To mitigate this risk there are collection procedures for controlling terms and amounts for each client. To reduce the effects of credit risk, Tanner Corredores de Bolsa S.A. applies a series of internal risk policies that vary by type of customer and by product.

The limits are determined by an analysis of the financial information, risk rating, nature of exposure, degree of documentation, guarantees, market and industry conditions and other factors. Additionally the process of monitoring credit quality includes early identification of possible changes in counterparties' ability to pay, willing to the Company to assess the potential loss resulting from the risks and take corrective action.

(a) Credit approval

Credit analysis and approval is performed under a differentiated approach according to each market segment.

Additionally the Company has developed a comprehensive level of evaluation for selecting clients, and has a significant ability to discriminate between potencial customers from different sectors of the economy.

(b) Control and Follow-Up

Ongoing control and follow-up of credit risk is the basis for proactive portfolio management and allows the Company to recognize risk, identifying business opportunities and detect potential impairment in a timely manner.

The control and monitoring for Companies is focused on a number of reviews, a list of some examples are as follow:

- Structured procedures for portfolios, review according to impact of macroeconomic fluctuations on specific sectors, defining action plans on a case by case basis.

- Permanent monitoring system to detect customers with a potential risks, in conjunction with the commercial areas in establishing specific action plans.

- Management of past-due receivables, with information from predictive indicators of risk level, as well as management of differentiated strategies for early collection.

- Follow-up of conditions, restrictions and covenants imposed by the credit committee on a major or complex operation.

- Procedures for monitoring Companies' credit behavior variables and financial figures.

- Strategies for risk segmentation in collection processes and policies, achieving progress and better integration of processes of credit-granting and monitoring, aligned by a common view of customers' economic sectors.

Loan Portfolio

The following table presents the loan portfolio by type of loan and the risk index as of December 31, 2012, 2011 and 2010.

	As of Dec. 31, 2012		
	Balance ThCh$	Provisions ThCh$	Risk index
Factoring operations	203,515,715	7,521,520	3.70%
Automotive loan operations	175,903,633	6,835,672	3.89%
Lease contracts	54,507,369	2,389,435	4.38%
Total	433,926,717	16,746,627	3.86%

	As of Dec. 31, 2011		
	Balance ThCh$	Provisions ThCh$	Risk index
Factoring operations	193,629,211	6,114,732	3.16%
Automotive loan operations	138,331,639	4,430,937	3.20%
Lease contracts	38,528,042	771,281	2.00%
Total	370,488,892	11,316,950	3.05%

	As of Dec. 31, 2010		
	Balance ThCh$	Provisions ThCh$	Risk index
Factoring operations	152,500,580	5,867,628	3.85%
Automotive loan operations	95,616,430	2,658,346	2.78%
Lease contracts	15,609,511	697,047	4.47%
Total	263,726,521	9,223,021	3.50%

As of December 31, 2012, the risk index of the portfolio increased to 3.86% in comparison to December 31, 2011 of 3.05%. The factoring portfolio increased 0.54 basis point from 3.16% as of December 31, 2011 to 3.70% as of December 31, 2012. The automobile loan portfolio increased 0.69% in comparison to December 31, 2011, from 3.2% to 3.89% as of December 31, 2012. The lease contract portfolio increased 2.38% from 2.00% as of December 31, 2011 to 4.38% as of December 31, 2012.

In 2011, the risk rate of the portfolio decreased from 3.5% in December 2010 to 3.1% in December 2011. The factoring portfolio decreased by a 0.69% decrease from 3.85% in December 2010 to 3.16% in December 2011. In contrast, the risk of the automobile loan portfolio increased by 0.42%, from 2.78% in December 2010 to 3.2% in December 2011.

Additionally, the lease contract portfolio decreased by 2.46%, from 4.47% in December 2010 to 2% in December 2011.

Guarantees and other credit improvements

The amount and type of required guarantees depends on the evaluation of the counterparty's credit risk.

Management is responsible for implementing acceptable guarantees under statutory regulations, and according to internal policies' guidelines and parameters.

In the case of factoring, most credit lines have guarantees. For each type of client there is a contract that supports the transaction. If the client fails to fulfill its obligations, the Company can enforce this contract in the courts of law.

For lease transactions, the assets are insured. If the client fails to fulfill its obligations, the contract is not renewed.

Auto loans are guaranteed by the car involved in the contract. There are two types of guarantees: tangible guarantees and cosigners.

Credit quality type of assets

The Company determines the credit quality of financial assets by using internal ratings. The rating process is linked to the processes of approval and monitoring, and is conducted according to the categories of risk established by current regulations, which is constantly updated according to the favorable or unfavorable evolution of clients and their environment, considering aspects of commercial behavior and payment, as well as financial information.

In addition, the Company performs focused reviews of entities involved in specific economic sectors that are affected by either macroeconomic variables or variables typical of the economic sector in which they operate. As a result, the Company can establish the necessary and sufficient level of provisions to cover losses in the event that the credits granted cannot be recovered in a timely manner.

The following are the carrying amounts of impaired loans by business line. For the Automotive and Leasing portfolios, the past-due installments are shown.

	Days	Factoring 12-31-2012 ThCh$	Automotive 12-31-2012 ThCh$	Leasing 12-31-2012 ThCh$	Total 12-31-2012 ThCh$
Arrears	1 - 30	14,246,798	-	-	14,246,798
Past-due	1 - 30	-	939,567	949,835	1,889,402
Past-due	31 - 60	2,171,155	788,659	324,885	3,284,699
Past-due	61 - 90	1,241,851	409,456	154,074	1,805,381
Past-due	91-120	564,773	197,006	123,703	885,482
Past-due	121-150	261,795	151,226	102,258	515,279
Past-due	151-180	477,223	134,797	87,254	699,274
Past-due	181-210	248,637	127,580	75,385	451,602
Past-due	211-250	259,005	173,219	103,490	535,714
Past-due	>250 days	478,341	908,993	234,970	1,622,304
Total		**19,949,578**	**3,830,503**	**2,155,854**	**25,935,935**

	Days	Factoring 12-31-2011 ThCh$	Automotive 12-31-2011 ThCh$	Leasing 12-31-2011 ThCh$	Total 12-31-2011 ThCh$
Arrears	1 - 30	14,674,526	-	-	14,674,526
Past-due	1 - 30	-	655,217	358,313	1,013,530
Past-due	31 - 60	2,963,080	510,402	110,088	3,583,570
Past-due	61 - 90	623,565	156,895	67,947	848,407
Past-due	91-120	425,126	76,708	32,426	534,260
Past-due	121-150	177,031	78,780	28,049	283,860
Past-due	151-180	212,477	56,356	23,233	292,066
Past-due	181-210	150,762	82,006	20,572	253,340
Past-due	211-250	164,606	90,928	30,045	285,579
Past-due	>250 days	560,744	845,863	139,478	1,546,085
Total		**19,951,915**	**2,553,155**	**810,151**	**23,315,221**

	Days	Factoring 12-31-2010 ThCh$	Automotive 12-31-2010 ThCh$	Leasing 12-31-2010 ThCh$	Total 12-31-2010 ThCh$
Arrears	1-30 days	11,850,827	-	-	11,850,827
Past-due	1-30 days	-	433,686	250,391	684,077
Past-due	31-60 days	2,810,413	263,124	93,203	3,166,740
Past-due	61-90 days	244,990	79,187	42,845	367,022
Past-due	91-120 days	197,607	51,025	297,440	546,072
Past-due	121-150 days	107,104	35,794	-	142,898
Past-due	151-180 days	127,153	53,800	-	180,953
Past-due	181-210 days	178,352	47,700	-	226,052
Past-due	211-250 days	132,339	65,185	-	197,524
Past-due	>250 days	463,057	592,866	-	1,055,923
Total		**16,111,842**	**1,622,367**	**683,879**	**18,418,088**

The following are the provisions established to cover portfolio impairment.

Allowance for loan losses	12.31.2012	12.31.2011	12.31.2010
	ThCh$	ThCh$	ThCh$
Factoring provision	7,521,520	6,114,732	5,867,628
Automobile credit provision	6,835,672	4,430,937	2,658,346
Lease provision	2,389,435	771,281	697,047
Total allowance for loan losses	**16,746,627**	**11,316,950**	**9,223,021**

Impairment assessment

The Company has defined commercial impairment as the first day an item becomes past-due, and provisions are calculated beginning day 1 going forward, in accordance with a model for calculating provisions for leasing vehicles, leasing machines and equipment and the automobile loans. On the other hand, for factoring and real-estate leases, impairment is defined as 30 days after an item becomes past-due. As such, provisions are calculated beginning day 31 going forward, in accordance with the model for calculation which has been consistently applied since the creation of the Company.

The following table presents the factoring portfolio broken out by economic sector showing the Company's concentration of credit risk as of December 31, 2012, 2011 and 2010.

	12/31/12	12/31/11	12/31/10
Economic activity sector	%	%	%
Agriculture, forestry, fishing, farming	24.91%	22.74%	22.97%
Wholesale commerce	10.91%	15.48%	12.57%
Retail commerce	4.39%	4.34%	3.98%
Electricity, water y gas	0.04%	0.13%	0.10%
Financial establishments, insurance, real estate	3.78%	4.01%	5.09%
Exploitation of mines and quarries	0.80%	1.11%	0.85%
Metalic manufacturing industry	4.55%	4.97%	4.45%
Non-metalic manufacturing industry	18.31%	17.02%	14.47%
Roads and construction	12.83%	12.37%	14.74%
Services	15.40%	13.91%	16.63%
Transportation, storage and communications	4.08%	3.92%	4.12%
Others without specification	0.00%	0.00%	0.03%
Totals	**100.00%**	**100.00%**	**100.00%**

The following tables show the exposure for credit risk by credit quality corresponding to December 31, 2012, 2011 and 2010 by product line:

Credit Quality of Automobile Loans

Classification	Days Past-due
A	Current
B	1 to 30
B-	31 to 60
C	61 to 120
D	121 to 365
D-	366 or more

	12/31/2012		12/31/2011		12/31/2010	
Classification	Amount ThCh$	%	Amount ThCh$	%	Amount ThCh$	%
A	135,017,901	73.89%	109,917,844	76.99%	73,775,391	78.07%
B	26,079,305	14.27%	19,715,158	13.81%	13,201,073	13.97%
B-	11,384,672	6.23%	7,446,145	5.22%	3,792,049	4.01%
C	4,893,374	2.68%	1,373,517	0.96%	774,697	0.82%
D	4,331,310	2.37%	533,789	0.37%	421,389	0.45%
D-	1,032,743	0.57%	3,776,123	2.65%	2,535,581	2.68%
Totals	**182,739,305**	**100.00%**	**142,762,576**	**100.00%**	**94,500,180**	**100.00%**

Credit Quality of Leasing

The following tables show the exposure for credit risk for leasing separated into 3 types of goods as of December 31, 2011 and 2010.

Real Estate	
Classification	Days Past-due
A	0 to 30
B	31 to 90
B-	91 to 210
C	211 or more

Vehicles	
Classification	Days Past-due
A	Current
B	1 to 30
B-	31 to 60
C	61 to 120
D	121 to 180
E	181 to 210
F	211 or more

Machines & Equipment	
Classification	Days Past-due
A	Current
B	1 to 30
B-	31 to 60
C	61 to 90
C1	91 to 120
D	121 to 150
D1	151 to 180
E	181 to 210
F	211 or more

Real Estate Leasing						
	12/31/2012		12/31/2011		12/31/2010	
Classification	Amount ThCh$	%	Amount ThCh$	%	Amount ThCh$	%
A	4,335,011	83.94%	4,033,656	88.40%	3,014,817	87.91%
B	219,497	4.25%	222,382	4.87%	63,363	1.85%
B-	166,469	3.22%	-	0.00%	129,991	3.79%
C	443,426	8.59%	307,160	6.73%	221,372	6.45%
Totals	**5,164,403**	**100.00%**	**4,563,198**	**100.00%**	**3,429,543**	**100.00%**

Vehicle Leasing						
	12/31/2012		12/31/2011		12/31/2010	
Classification	Amount ThCh$	%	Amount ThCh$	%	Amount ThCh$	%
A	15,431,929	54.40%	17,945,957	73.69%	5,514,226	62.48%
B	8,475,464	29.87%	5,235,897	21.50%	2,051,054	23.24%
B-	2,015,124	7.10%	490,788	2.02%	618,465	7.01%
C	797,641	2.81%	202,498	0.83%	174,560	1.98%
D	713,931	2.52%	109,216	0.45%	9,765	0.11%
E	84,652	0.30%	13,850	0.06%	43,164	0.49%
F	851,215	3.00%	354,988	1.46%	414,545	4.70%
Totals	**28,369,956**	**100.00%**	**24,353,194**	**100.00%**	**8,825,779**	**100.00%**

Machines & Equipment Leasing						
	12/31/2012		12/31/2011		12/31/2010	
Classification	Amount ThCh$	%	Amount ThCh$	%	Amount ThCh$	%
A	14,851,692	63.57%	7,695,547	74.12%	2,628,541	67.22%
B	5,944,998	25.45%	2,057,376	19.81%	933,954	23.89%
B-	1,383,401	5.92%	188,621	1.82%	57,786	1.48%
C	111,416	0.48%	145,344	1.40%	-	0.00%
C1	139,092	0.60%	79,927	0.77%	31,027	0.79%
D	50,641	0.22%	13,494	0.13%	-	0.00%
D1	28,398	0.12%	36,947	0.36%	23,279	0.60%
E	22,439	0.10%	-	0.00%	26,370	0.67%
F	830,368	3.55%	165,675	1.60%	209,212	5.35%
Totals	**23,362,445**	**100.00%**	**10,382,931**	**100.00%**	**3,910,169**	**100.00%**

Renegotiated

The impaired loans that are presented as renegotiated loans in the balance sheet are those in which the related financial commitments have been renegotiated and where the Company considered the probability of recovery of the loans as sufficiently high.

The following table shows the carrying amount by business lines and the percentage over the total net portfolio, the terms of which have been renegotiated:

	12.31.2012			
Detail	**Total Portfolio ThCh$**	**Renegotiated ThCh$**	**% Renegotiated as % of product portfolio**	**% Renegotiated as % of total portfolio**
Factoring transactions	203,515,715	2,069,414	1.02%	0.48%
Automobile transactions	175,903,633	6,189,690	3.52%	1.43%
Lease transactions	54,507,369	2,832,989	5.20%	0.65%
Total renegotiated assets	**433,926,717**	**11,092,093**		

	12.31.2011			
Detail	**Total Portfolio ThCh$**	**Renegotiated ThCh$**	**% Renegotiated as % of product portfolio**	**% Renegotiated as % of total portfolio**
Factoring transactions	193,629,211	2,038,045	1.05%	0.55%
Automobile transactions	138,331,639	5,377,448	3.89%	1.45%
Lease transactions	38,528,042	973,946	2.53%	0.26%
Total renegotiated assets	**370,488,892**	**8,389,439**		

	12.31.2010			
Detail	**Total Portfolio ThCh$**	**Renegotiated ThCh$**	**% Renegotiated as % of product portfolio**	**% Renegotiated as % of total portfolio**
Factoring transactions	152,500,580	1,839,492	1.21%	0.70%
Automobile transactions	95,616,430	3,774,596	3.95%	1.43%
Lease transactions	15,609,511	-	0.00%	0.00%
Total renegotiated assets	**263,726,521**	**5,614,088**		

Renegotiation Policies

In factoring operations renegotiations are unusual as, contrary to lease and automobile loan transactions that are basically credit transactions, factoring operations represent the granting of liquidity on trade receivables. In the event of renegotiations, these are approved by Collection Management and cash payment of a portion of the debt and security guarantees are required.

For automobile loans, there is a policy applied in order to renegotiate clients that have past due installments. The following minimum conditions should be met in order to renegotiate them: (a) the client should have paid at least 10 installments, (b) the client should have paid an installment during the last 30 days, and (c) the client should substantiate that he or she is working. There is a maximum of renegotiations, which may not exceed 3.7% of traded volume and may only be renegotiated once.

For leases, there is a policy to renegotiate clients that have past due installments by filing their updated information and evaluating the best option for the clients.

In case of an insolvent client, he or she may return the asset.

The respective Business Manager is the person who approves credit renegotiations.

Liquidity Risk

Liquidity Risk is the risk of potential losses that the Company may have in the event of strain on liquidity in the financial markets. This strain may occur due to a decrease in available funds that adversely affect the Company's funding ability or due to the closure of the local capital market.

Liquidity Risk is defined as the company's inability to repay its liabilities as they become payable on demand, without having great losses or being unable to continue with its regular credit transactions with its clients. Liquidity Risk results from cash flows mismatches, that is, when cash flows of payments for liabilities mature before the receipt of cash flows from investments or loans. Another source of default is the instance that clients do not pay their commitments on the dates on which the loans fall due.

The Company manages liquidity risk at a consolidated level. The main source of liquidity is cash flows from operating activities (collection). The Company also has cash and cash equivalents to repay its short and long term liabilities. The Company has an average daily collection of ThCh$4,481 as of December 31, 2012 (approximately ThCh$3,900 as of December 31, 2011 and ThCh$3,200 as of December 31, 2010) and consolidated cash over ThCh$16,250 as of December 31, 2012 (approximately ThCh$9,000 as of December 31, 2011 and ThCh$7,200 as of December 31, 2010).

Tanner's main sources of financing are bonds that have a defined schedule of payments, bank credit lines that are susceptible to being reduced in the short term and commercial papers that are renewed in the short term.

The Company has a daily cash flow management system that follows up and controls liquidity risk. The projection of cash flows involves simulating all maturities of assets and liabilities in order to anticipate cash needs. Once a month the Asset and Liability Committee (CAPA) reviews projections and defines actions based on the Company's projections and market conditions.

As of December 2012, 2011 and 2010 the maturity profile by contract maturity was as follows:

Maturity Band	Dec 31, 2012 Ch$	Equity %	Dec 31, 2011 Ch$	Equity %	Dec 31, 2010 Ch$	Equity %
Band 1:1 to 30 days	30,111	31%	(17,240)	-26%	(3,966)	-9%
Band 2: 31 to 60 days	13,358	14%	15,874	24%	14,436	32%
Band 3: 61 to 90 days	6,680	7%	8,571	13%	2,016	5%
Band 4: 91 to 180 days	10,989	11%	25,314	39%	23,227	51%

For the indirect subsidiary Tanner Corredores de Bolsa S.A., liquidity risk is associated with the ability to amortize or refinance financial commitments at reasonable market prices and its ability to execute its business plans with stable sources of financing. This company has a liquidity ratio of 1.12 times on its liabilities payable on demand in less than seven days. It should be noted that the current regulations require a minimum ratio of 1.00 for this risk.

A detail of the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay are presented in Note 17 and Note 18.

Market Risk

Market Risk refers to the potential loss that the Company could suffer due to adverse changes in the levels of market variables (such as exchange rate, stock price, interest rates, etc.) or due to liquidity shortages.

The target market for the factoring industry is primarily small and medium enterprises, which are estimated at figures close to 100,000 companies. However, factoring companies associated in the Chilean Association of Factoring Companies ("ACHEF") together serve about 19,500 customers, many of which are repeat customers, so there is an enormous potential for new entrants to join the industry without causing significant damage to the Company´s business.

The company's main risk is portfolio risk, i.e. the risk of acquiring non-existent accounts receivable or engaging with insolvent parties, and to which the client is not able to respond. However, the creation of a law on invoices in 2005, which makes them enforceable, and requires a number of formalities by the debtor, has meant a significant risk reduction in the transaction of such instruments.

Regarding automobile loans, auto sales have been growing at very high rates and a significant part is made via financing arrangements.

On the automobile loan side, the main threat is unemployment, since these loans are made to individuals. However, those loans are at fairly low levels and changes are not foreseen in the medium term.

The control and evaluation system is based on four key factors:

a) Financial evaluation and client productive capacity when awarding the line of credit and the subsequent renewals.

b) Ongoing monitoring of the client in terms of: financial behavior, sales behavior, execution of contracts, productive capacity and negative events in Dicom, Sinacofi, Siisa.

c) Automated analysis of each operation that is filed within the line of credit given to the client, describing the type of operation, anticipated payment percentages, the type of document, ratification of documents and quality of the debtor.

d) Ongoing monitoring of payment performance of debtors, which is recorded in our database.

Globally, concentration controls per economic activity areas, customers and debtors help reduce the exposure to risk in risky sectors, customers and/or borrowers.

In the indirect subsidiary Tanner Corredores de Bolsa S.A., the risk comes from fluctuations in market variables such as interest rates, exchange rates, and product prices, among others, that it may cause economic losses due to devaluation of cash flows or assets or the valuation of liabilities due to the denomination of these liabilities in those variables.

Competition

The factoring industry in Chile has been in existence for over 25 years and is still in full growth phase. The industry's major enterprises have been grouped in the ACHEF, whose 14 member companies all relate to the major banks operating in Chile ACHEF collects and consolidates information on the market and its associates.

The company's market share among ACHEF factoring companies, at December 2012 was 8.8% of loan volume and 21.6% in number of customers, thereby maintaining the fourth place in market participation and second in customer volume, respectively.

Sensitivity Analysis

Currency Risk

Inflation

Inflation is defined as the change in the value of assets and liabilities due to changes indexed to the unidad de fomento (UF). This risk results from having open exposures (mismatch) that result from having assets indexed to UF that are being financed with liabilities that are not indexed to the UF, or vice versa.

The Company has loans indexed to UF, mainly leases, and liabilities indexed to UF that are mainly bonds issued.

US Dollar

US dollar risk is defined as the change in the value of assets and liabilities due to changes in the exchange rate in relation to the Chilean peso. This risk results from having open exposures (mismatch) that result in having assets denominated in a certain currency that are being financed with liabilities in another currency, or vice versa.

The Company has factoring operations in US dollars and liabilities with foreign banks in US dollars.

CAPA analyzes currency mismatches on a monthly basis. The Company monitors that transactions in US dollars are matched. In contrast, UF mismatches ratio may be recorded as a one-time entry in equity.

As of December 2012, 2011 and 2010, the currency mismatch structure in the balance sheet was as follows:

Maturity Band	Dec 2012 Ch$	% of Capital	Dec 2011 Ch$	% of Capital	Dec 2010 Ch$	% of Capital
Gap in UF	(13,609)	-13.52%	(221)	-0.33%	15,963	35.17%
Gap in US dollars	604	0.60%	484	0.73%	19	0.04%

As of December 2012 a 1% increase (decrease) in the average inflation rate will have greater (lower) income equivalent to 0.13% of equity. A 1% depreciation of Chilean peso will result in greater (lower) income equivalent to 0.006% of equity.

Interest Rate Risk

Interest rate risk is defined as the risk that Tanner has due to its exposure when a change in interest rate results in a change in the value of assets and liabilities. Changes in interest rate may be parallel changes in the structure curve of interest rate or a change in its form.

The table below shows exposure between asset inflows as of December 31, 2012 resulting from the receipt of payments of the principal or interest and outflows related to disbursements to repay liabilities. Such exposure amounts are multiplied by the weighting factor that measures the economic effect of the respective discrepancy. As shown below, the maximum exposure is equivalent to 7.1% of equity.

Maturity (months)	0-180 d ThCh$	180 - 360 d ThCh$	1 - 3 y ThCh$	3 - 5 y ThCh$	5 -10 y ThCh$	> 10 y ThCh$	Total ThCh$
Assets	242,990	44,496	113,304	20,465	1,708	13	422,976
Liabilities	154,635	38,369	8,730	12,959	21,215	-	235,908
Repricing exposure	88,355	6,127	104,575	7,506	(19,507)	13	187,069
Weighting factor	1%	3.5%	8%	13%	18%	20%	
Change in the economic value							
Repricing exposure times weighting factor	884	214	8,366	976	(3,511)	3	6,932
Shareholders' equity	97,916						
Change in economic value (equity %)	7.08%						

The following table shows a maximum exposure as of December 31, 2011 of 3.5% of equity.

Maturity (months)	0-180 d ThCh$	180 - 360 d ThCh$	1 - 3 y ThCh$	3 - 5 y ThCh$	5 -10 y ThCh$	> 10 y ThCh$	Total ThCh$
Assets	223,805	35,154	88,666	16,806	1,494	45	365,970
Liabilities	159,833	20,231	57,729	27,557	26,606	-	291,956
Repricing exposure	63,972	14,923	30,937	(10,750)	(25,111)	45	74,016
Weighting factor	1%	3.5%	8%	13%	18%	20%	
Change in the economic value							
Repricing exposure times weighting factor	640	522	2,475	(1,398)	(4,520)	9	(2,272)
Shareholders' equity	65,236						
Change in economic value (equity %)	-3.48%						

The following table shows a maximum exposure as of December 31, 2010 of 5.3% of equity.

Maturity (months)	0-180 d ThCh$	180 - 360 d ThCh$	1 - 3 y ThCh$	3 - 5 y ThCh$	5 -10 y ThCh$	> 10 y ThCh$	Total ThCh$
Assets	172,676	23,394	54,630	10,623	1,268	74	262,665
Liabilities	111,487	11,765	45,079	44,582			212,913
Repricing exposure	61,189	11,629	9,551	(33,959)	1,268	74	49,752
Weighting factor	1%	3.50%	8%	13%	18%	20%	
Change in the Economic Value							
Repricing exposure times weighting factor	612	407	764	(4,415)	228	15	(2,389)
Shareholders' equity	45,203						
Change in economic value (equity %)	-5.28%						

Operational Risk

The Company initiated the Operational Risk project in 2011 in order to mitigate operational risks and improve the most relevant macroprocesses. The project additionally included the identification of critical processes, detecting and valuation of inherent and residual risks of the significant processes. The project was conducted under the COSO II ERM framework (Committee of Sponsoring Organizations of the Treadway Commision).

With the object of mitigating the most significant risks, the Company developed a strategic plan for Operational Risk in 2012 which includes the implementation of a series of measures which allow for the management of risks in accordance with the definitions established by management.

Operational risk is defined as the "Risk of loss resulting from inadequate or failed internal processes, personnel and internal systems or because of external events." This definition includes legal risk but excludes strategic and reputational risk.

In March of this year, a Strategic Plan for Operational Risk was developed and approved by management with the goal of implementing a series of measures to mitigate residual risks and the most relevant risks in the critical processes of each business line based on the work performed as part of the Strategic Plan for Operational Risk of 2011.

5. RESPONSIBILITY FOR THE INFORMATION, ESTIMATES AND ACCOUNTING CRITERIA

The Group's Board of Directors is responsible for the information contained in these consolidated financial statements. The Board expressly states that the accounting principles and criteria contained in IFRS have been fully applied.

In preparing the consolidated financial statements estimates were made by Group management, to quantify some of the assets, liabilities, revenues, expenses and commitments reported herein.

The main estimates relate primarily to:

Useful lives and estimated residual values

The valuation of investments in property, plant and equipment considers estimating both the residual values and useful lives used for the calculation of depreciation for each asset. These estimates consider operating, technological and alternative uses of assets.

Deferred taxes

The parent and its subsidiaries account for deferred tax assets considering the possible recovery of such assets, based on the existence of deferred tax liabilities with similar usage terms and of the possibility of generating sufficient future taxable profits. This is based on internal projections made by management from the most recent or updated information available.

The actual results and tax payments or receipts may differ from the estimates made by the Company as a result of unanticipated future legal changes.

Accounts Payable Provisions

Because of the uncertainties inherent in accounting estimates recorded at the end of each year, payments or disbursements may differ from the amounts previously recognized as a liability.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of goodwill as of December 31, 2012 was ThCh$1,303,165 (December 31, 2011: ThCh$1,274,073, and December 31, 2010: ThCh$458,765). Details of the impairment loss calculation are set out in note 15.

Valuation of financial instruments

The Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 10 provides detailed information about the key assumptions used in the determination of the fair value of financial instruments, as well as the detailed sensitivity analysis for these assumptions.

The directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of instruments.

Provisions for Credit Risk

The company has established a policy for the portfolios for leasing vehicles, leasing machinery and equipment and automobiles that commercial arrears begins counting from the first day of late payment on the loan. In contrast, for real estate leasing and factoring, past-due loans begin counting after 30 days of late payment; therefore, provisions are calculated from day 31 onwards which has been consistently applied since the establishment of the company.

6. SEGMENT INFORMATION

Operating segments are defined as the components of a company for which financial statement information is available and is evaluated continuously by a chief operating decision maker, that makes the decisions about resource allocation and performance evaluation. The Company operates as a single segment, which in turn incorporates within itself a group of financial products differentiated by the characteristics of each business, which is where the investments, such as Factoring, Automobile Loans and Leasing are. In accordance with IFRS 8 Operating Segments ("IFRS 8"), the Company discloses information about operating segment results, based on the information that management uses internally.

Information about geographical areas: The Company's has 30 branches within Chile, but a geographical segmentation is not considered because the CEO and the Board evaluate operating performance as a whole. The branch network allows for greater diversification by industry (mining, trade, fishing, salmon, etc.).

In accordance with the IFRS 8 operating segment definition, the Company's has a single operating segment based on its only corporate purpose which is that of providing financial services. The Company operates in the market through three main product business lines:

Factoring - Both nationally and internationally, representing 42.79% of the stock of loans at December 31, 2012 (50.38% and 57.25% of the loan portfolio at December 31, 2011 and 2010, respectively). International factoring is a subdivision of the factoring business line.

Automobile loans - Provides vehicle financing for individuals or corporations. At December 31, 2012, it reached 36.98% of the loan portfolio (35.99% and 35.89% of the loan portfolio at December 31, 2011, and 2010, respectively).

Leasing - Primarily carries out real estate leaseback transactions and leasing of construction, transportation and industrial equipment among others. At December 31, 2012, this line of business constitutes 11.46% of the loan portfolio (10.02% and 5.86% of the loan portfolio as of December 31, 2011, and 2010, respectively).

Others - Corresponds to activities developed by other companies controlled by Tanner Servicios Financieros, where they obtain results by company on an individual basis, managed in relation to the aforementioned segments. The companies whose activities are included in this item are:

- Tanner Corredora de Bolsa de Productos S.A.
- Tanner Corredora de Seguros Ltda.
- Factorline Chile Agencia de Valores S.A.
- Gestora Tanner SpA y Filiales

The following tables present the results of the periods ended December 31, 2012, 2011 and 2010 for each business line previously described within the Company's one segment.

	As of December 31, 2012					
	Factoring ThCh$	Automobile Loans ThCh$	Leasing ThCh$	Subtotal Products ThCh$	Others ThCh$	Total ThCh$
Net income for interest and adjustments	22,776,721	28,771,668	3,214,463	54,762,852	-	54,762,852
Net income (expense) for commissions	2,642,141	(8,522,583)	665,698	(5,214,744)	4,923,358	(291,386)
Other operational income	2,756,320	2,892,213	337,059	5,985,592	-	5,985,592
Provisions for Credit Risk	(6,648,973)	(6,303,129)	(2,028,690)	(14,980,792)	-	(14,980,792)
Total Gross Income	**21,526,209**	**16,838,169**	**2,188,530**	**40,552,908**	**4,923,358**	**45,476,266**
Administrative expenses	(10,182,068)	(7,964,587)	(1,035,192)	(19,181,847)	(3,470,947)	(22,652,794)
Other operating income (expense), net	436,271	341,258	44,355	821,884	217,939	1,039,823
Exchange differences	-	-	-	-	(161,041)	(161,041)
Income from investments in companies	-	-	-	-	(10,374)	(10,374)
Earnings before income taxes	11,780,412	9,214,840	1,197,693	**22,192,945**	**1,498,935**	**23,691,880**
Income tax expense	-	-	-	-	-	(3,755,136)
Earnings after taxes						**19,936,744**
Assets	245,329,223	191,900,327	24,958,135	462,187,685	67,544,678	529,732,363
Current and deffered tax assets	-	-	-	-		18,856,970
Total assets						**548,589,333**
Liabilities	(201,338,963)	(157,490,462)	(20,482,864)	(379,312,289)	(56,235,754)	(435,548,043)
Current and deferred tax liabilities	-	-	-	-		(12,378,728)
Total liabilities						**(447,926,771)**

			As of December 31, 2011			
		Automobile		Subtotal		
	Factoring	Loans	Leasing	Products	Others	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Net income for interest and adjustments	18,931,212	20,708,758	986,357	40,626,327	-	40,626,327
Net income (expense) for commissions	2,531,999	(5,701,300)	453,970	(2,715,331)	1,658,511	(1,056,820)
Other operational income	2,579,530	1,667,911	302,200	4,549,641	-	4,549,641
Provisions for Credit Risk	(3,713,470)	(4,295,154)	(622,138)	(8,630,762)	-	(8,630,762)
Total Gross Income	**20,329,271**	**12,380,215**	**1,120,389**	**33,829,875**	**1,658,511**	**35,488,386**
Administrative expenses	(9,279,539)	(5,583,572)	(578,940)	(15,442,051)	(2,975,288)	(18,417,339)
Other operating income (expense), net	355,662	214,005	22,189	591,856	131,521	723,377
Exchange differences	-	-	-	-	(294,241)	(294,241)
Income from investments in companies	-	-	-	-	(169)	(169)
Earnings before income taxes	11,405,394	7,010,648	563,638	**18,979,680**	**(1,479,666)**	**17,500,014**
Income tax expense	-	-	-	-	-	(3,052,197)
Earnings after taxes						**14,447,817**
Assets	208,457,518	163,058,706	21,207,057	392,723,281	24,462,014	417,185,295
Current and deffered tax assets						13,028,450
Total assets						**430,213,745**
Liabilities	(180,901,774)	(141,504,175)	(18,403,722)	(340,809,671)	(16,054,009)	(356,863,680)
Current and deferred tax liabilities						(6,704,881)
Total liabilities						**(363,568,561)**

			As of December 31, 2010			
		Automobile		Subtotal		
	Factoring	Loans	Leasing	Products	Others	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Net income for interest and adjustments	15,884,034	15,868,429	537,411	32,289,874	-	32,289,874
Net income (expense) for commissions	1,564,918	(4,146,437)	133,765	(2,447,754)	224,170	(2,223,584)
Other operational income	2,073,536	1,137,114	57,344	3,267,994	-	3,267,994
Provisions for Credit Risk	(5,499,661)	(2,347,445)	(433,974)	(8,281,080)	-	(8,281,080)
Total Gross Income	**14,022,827**	**10,511,661**	**294,546**	**24,829,034**	**224,170**	**25,053,204**
Administrative expenses	(6,971,549)	(5,225,947)	(146,436)	(12,343,932)	(111,691)	(12,455,623)
Other operating income (expense), net	125,461	94,046	2,635	222,142	11,489	233,631
Exchange differences	(3,908)	1,682	-	(2,226)	1,344	(882)
Income from investments in companies	-	-	-	-	(1,138)	(1,138)
Earnings before income taxes	7,172,831	5,381,442	150,745	**12,705,018**	**124,174**	**12,829,192**
Income tax expense	-	-	-	-	-	(2,026,623)
Earnings after taxes						**10,802,569**
Assets	126,095,857	120,491,596	33,625,562	280,213,015	761,698	280,974,713
Current and deffered tax assets						7,469,514
Total assets						**288,444,227**
Liabilities	(107,176,471)	(102,413,072)	(28,580,392)	(238,169,935)	(179,605)	(238,349,540)
Current and deferred tax liabilities						(4,706,566)
Total liabilities						**(243,056,106)**

Accordingly, for purposes of the application of IFRS 8, all of the aforementioned businesses are defined as a single operating segment for the Company.

Trade and other receivables, Net	12.31.2012 ThCh$	Balance at 12.31.2011 ThCh$	12.31.2010 ThCh$
Receivables for factoring transactions	203,515,715	193,629,211	152,500,580
Automobile loan transactions	175,903,633	138,331,639	95,616,430
Leases contracts	54,507,369	38,528,042	15,609,511
Other debtors	41,702,368	13,862,403	2,652,367
Trade and other receivables, Net	**475,629,085**	**384,351,295**	**266,378,888**

Percentage per product	12.31.2012	Percentages 12.31.2011	12.31.2010
Receivables for factoring transactions	42.79%	50.38%	57.25%
Automobile loan transactions	36.98%	35.99%	35.89%
Lease contracts	11.46%	10.02%	5.86%
Other debtors	8.77%	3.61%	1.00%
Total	**100%**	**100%**	**100%**

The Company's stock of consolidated loans net of provisions was ThCh$475,629,085 as of December 31, 2012, ThCh$384,351,295 as of December 31, 2011, and ThCh$266,378,888 as of December 31, 2010.

The loans are diversified in different sectors of the economy in order to minimize risk levels. The main economic sectors with which transactions are being made are: agriculture-forestry-fisheries, road construction, services, and non-metal manufacturing industries.

See Note 10 for additional information surrounding the existing portfolio of each of the three main lines of business existing stocks as of December 31, 2012, 2011 and 2010.

Customers

The number of active customers as of December 31, 2012 was 42,674, which includes factoring, leasing and automotive clients. The number of active factoring clients was 4,219 and accounts for 21.6% of the ACHEF factoring clients. Tanner Corredores de Bolsa de Valores S.A. has 1,216 non-related customers and 31 related customers.

As of December 31, 2012, the Company does not have a significant concentration in its customer base. The percentage of operations of the five main customers is equal to 7.85%.

Suppliers

Tanner Servicios Financieros S.A. has approximately 70 suppliers. Major suppliers include computing and communications services.

Gross Profit

Below is the Gross Profit achieved by product:

Operating margin per product	12-31-2012	Balances at 12-31-2011	12-31-2010
	ThCh$	ThCh$	ThCh$
Operating margin for factoring	21,526,209	19,747,587	14,828,405
Operating margin for automobile credits	16,838,169	12,961,899	8,809,760
Operating margin for leases	2,188,530	1,120,389	1,194,378
Other income	4,923,358	1,658,511	220,661
Total	**45,476,266**	**35,488,386**	**25,053,204**

7. CASH AND CASH EQUIVALENTS

a) The composition of this item at December 31, 2012, 2011 and 2010 is as follows:

Types of cash and cash equivalents	12.31.2012	Balances as of 12.31.2011	12-31-2010
	ThCh$	ThCh$	ThCh$
Cash	1,685,188	651,643	462,595
Banks	14,127,881	8,186,411	6,777,261
Demand Deposits	86,879	-	-
Mutual Funds	343,527	207,680	-
Cash and cash equivalents	**16,243,475**	**9,045,734**	**7,239,856**

b) The composition by currency at December 31, 2012, 2011 and 2010 is as follows:

Information for cash and cash equivalents by currency	Currency	12.31.2012	Balances as of 12.31.2011	12-31-2010
		ThCh$	ThCh$	ThCh$
Cash	Chilean pesos	1,685,188	651,643	462,595
Banks	Chilean pesos	8,711,631	6,251,894	6,358,479
Banks	US dollars	5,416,250	1,934,517	418,782
Demand Deposits	US dollars	86,879	-	-
Mutual Funds	Chilean pesos	7,555	-	-
Mutual Funds	US dollars	335,972	207,680	-
Cash and cash equivalents		**16,243,475**	**9,045,734**	**7,239,856**

There are no significant restrictions related to the availability and usage of cash.

c) The detail of demand deposits and mutual funds at December 31, 2012, 2011 and 2010 is as follows:

Demand Deposits				12.31.2012	12.31.2011	12.31.2010
			Debtor	Up to 90 days	Up to 90 days	Up to 90 days
Creditor	Description	Debtor	Country	ThCh$	ThCh$	ThCh$
Tanner Servicios Financieros S.A.	Renewable Monthly	Banco Santander	Chile	86,879	-	-
Total				**86,879**	**-**	**-**

Mutual Funds				12.31.2012	12.31.2011	12.31.2010
			Debtor	Up to 90 days	Up to 90 days	Up to 90 days
Creditor	Type of Fund	Debtor	Country	ThCh$	ThCh$	ThCh$
Tanner Servicios Financieros S.A.	Over Night	Wachovia	USA	335,972	207,680	-
Gestora Tanner SpA	Progression - A	Principal Adm. General de Fondos S.A.	Chile	1,106	-	-
Gestora Tanner SpA	Vision - 2	Principal Adm. General de Fondos S.A.	Chile	6,449	-	-
Total				**343,527**	**207,680**	**-**

8. OTHER CURRENT FINANCIAL ASSETS

The detail of this item at December 31, 2012, 2011 and 2010 is as follows:

Other Current Financial Assets	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Investments through Commodity Exchange, net	5,333,361	5,547,263	-
Rights on simultaneous operations	4,152,074	2,275,764	-
Stock options	3,919,809	212,883	-
Promissory Notes	2,555,856	-	-
Rights on securities for sales under agreements	2,412,992	4,129,321	-
Rights on forward contracts	117,586	1,383,032	-
Rights on repurchases	-	87,909	-
Other	834,193	672,918	1,258,701
Total	**19,325,871**	**14,309,090**	**1,258,701**

9. OTHER NON-CURRENT NON-FINANCIAL ASSETS

The detail of this item at December 31, 2012, 2011 and 2010 is as follows:

Other Non-Current Non-Financial Assets	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Shares in the Santiago Stock Exchange (*)	1,982,362	1,982,362	-
Shares in the electronic stock exchange (**)	125,000		
Guarantees provided	39,775	33,401	111,260
Others	17,348	12,368	85,725
Total	**2,164,485**	**2,028,131**	**196,985**

(*) Corresponds to a share in the Santiago Stock Exchange owned by the indirect subsidiary Tanner Corredores de Bolsa S.A., which is stated at market value (latest transaction made).

(**) Corresponds to a share in the electronic stock exchange owned by the indirect subsidiary Tanner Corredores de Bolsa, which was acquired in April of 2012 and is valued at market value.

10. TRADE AND OTHER RECEIVABLES

Under this item, Tanner Servicios Financieros S.A. and subsidiaries include the documents related to factoring transactions, most of them with guarantee, both under current and non-current assets, which are initially recognized at fair value and subsequently at amortized cost according to the effective interest method, net of allowance for credit losses.

The provision for impairment losses is determined when there is objective evidence that the Company will not be able to collect all amounts owed under the original terms of receivables. Significant financial difficulties of the debtor, the likelihood that the debtor or client will enter bankruptcy or a financial reorganization process, and excessive arrears in payments, are elements that are considered in determining which accounts receivable have been impaired.

Trade and other receivables balances as of December 31, 2012, 2011 and 2010, are made up of the following:

(a)Trade and Other Receivables, Current and Non-Current

		Balances at	
Trade and Other Receivables, Net , Current	**12.31.2012 ThCh$**	**12.31.2011 ThCh$**	**12.31.2010 ThCh$**
Factoring receivables	206,542,619	196,174,776	157,123,596
Automobile credit transactions	83,156,438	62,691,702	42,296,442
Leases (net)	22,043,838	15,055,682	5,511,259
Provision for impairment loss	(16,746,627)	(11,316,950)	(9,223,021)
Other debtors	41,702,368	13,862,403	2,652,367
Trade and Other Receivables, Net , Current	**336,698,636**	**276,467,613**	**198,360,643**

		Balances at	
Trade and Other Receivables, Net , Non-Current	**12.31.2012 ThCh$**	**12.31.2011 ThCLP$**	**12.31.2010 ThCLP$**
Factoring receivables	4,494,616	3,569,167	1,244,612
Automobile credit transactions	99,582,867	80,070,874	55,978,334
Leases (net)	34,852,966	24,243,641	10,795,299
Trade and Other Receivables, Net , Non-Current	**138,930,449**	**107,883,682**	**68,018,245**
Total	**475,629,085**	**384,351,295**	**266,378,888**

Tanner
Servicios Financieros

(a.1) Factoring operations in accordance with their nature, current and non-current:

Factoring receivables	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Local factoring receivables	154,709,210	156,166,741	138,437,345
International factoring receivables	56,328,025	43,577,202	19,930,863
Factoring receivables	211,037,235	199,743,943	158,368,208
Provision for impairment loss of factoring transactions	(7,521,520)	(6,114,732)	(5,867,628)
Factoring receivables (net)	**203,515,715**	**193,629,211**	**152,500,580**

(a.2) Factoring operations by current and non-current documents:

Factoring receivables	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Invoices	130,437,248	117,609,211	93,943,973
Notes	6,565,097	6,566,465	4,040,658
Checks	37,416,384	44,517,089	34,395,935
Promissory notes	22,316,354	19,675,015	20,660,211
Other notes	14,302,152	11,376,163	5,327,431
Factoring receivables	211,037,235	199,743,943	158,368,208
Provision for impairment loss of factoring transactions	(7,521,520)	(6,114,732)	(5,867,628)
Factoring receivables (net)	**203,515,715**	**193,629,211**	**152,500,580**

(a.3) Factoring operations by current and non-current currencies:

Factoring receivables	12.31.2012			
	Chilean pesos ThCh$	US dollars ThCh$	UF ThCh$	Total ThCh$
Invoices	75,853,647	54,435,785	147,816	130,437,248
Notes	5,314,722	-	1,250,375	6,565,097
Checks	36,474,276	421,409	520,699	37,416,384
Promissory notes	20,268,504	-	2,047,850	22,316,354
Other notes	12,204,390	1,470,831	626,931	14,302,152
Factoring receivables	**150,115,539**	**56,328,025**	**4,593,671**	**211,037,235**
Provision for impairment loss of factoring transactions				(7,521,520)
Factoring receivables (net)	**150,115,539**	**56,328,025**	**4,593,671**	**203,515,715**

Factoring receivables	12.31.2011			
	Chilean pesos ThCh$	US dollars ThCh$	UF ThCh$	Total ThCh$
Invoices	76,330,183	40,753,731	525,297	117,609,211
Notes	5,364,479	637,451	564,535	6,566,465
Checks	43,265,049	639,497	612,543	44,517,089
Promissory notes	17,024,393	-	2,650,622	19,675,015
Other notes	9,829,640	1,546,523	-	11,376,163
Factoring receivables	**151,813,744**	**43,577,202**	**4,352,997**	**199,743,943**
Provision for impairment loss of factoring transactions				(6,114,732)
Factoring receivables (net)	**151,813,744**	**43,577,202**	**4,352,997**	**193,629,211**

Factoring receivables	12.31.2010			
	Chilean pesos ThCh$	US dollars ThCh$	UF ThCh$	Total ThCh$
Invoices	74,523,016	18,970,267	450,690	93,943,973
Notes	2,144,007	491,008	1,405,643	4,040,658
Checks	34,043,623	352,312	-	34,395,935
Promissory notes	20,236,185	-	424,026	20,660,211
Other notes	5,210,155	117,276	-	5,327,431
Factoring receivables	**136,156,986**	**19,930,863**	**2,280,359**	**158,368,208**
Provision for impairment loss of factoring transactions				(5,867,628)
Factoring receivables (net)	**136,156,986**	**19,930,863**	**2,280,359**	**152,500,580**

(a.4) Detail of current and non-current leasing operations:

The following is a detail of leasing receivables at the end of each year, classified by original currency and maturities:

Detail	Currency	0 - 1 year ThCh$	12.31.2012 1 - 5 years ThCh$	More than 5 years ThCh$	Total ThCh$
Minimum payments to be received from leasing, gross	U.F.	26,510,590	36,385,323	1,958,965	64,854,878
Minimum payments to be received from leasing, gross	CLP	971,829	1,166,005	-	2,137,834
Minimum payments to be received from leasing, gross	US dollar	439,553	1,040,126	11,835	1,491,514
Minimum payments to be recieved from leasing, gross		**27,921,972**	**38,591,454**	**1,970,800**	**68,484,226**
Minimum payments to be received from leasing, interest	U.F.	(5,558,075)	(5,192,830)	(211,461)	(10,962,366)
Minimum payments to be received from leasing, interest	CLP	(221,808)	(167,501)	-	(389,309)
Minimum payments to be received from leasing, interest	US dollar	(98,251)	(137,407)	(89)	(235,747)
Minimum payments to be recieved from leasing, current value		**22,043,838**	**33,093,716**	**1,759,250**	**56,896,804**

Detail	Currency	0 - 1 year ThCh$	12.31.2011 1 - 5 years ThCh$	More than 5 years ThCh$	Total ThCh$
Minimum payments to be received from leasing, gross	U.F.	17,508,439	24,569,929	1,640,161	43,718,529
Minimum payments to be received from leasing, gross	CLP	531,136	1,025,604	-	1,556,740
Minimum payments to be received from leasing, gross	US dollar	588,524	716,080	-	1,304,604
Minimum payments to be received from leasing, gross		**18,628,099**	**26,311,613**	**1,640,161**	**46,579,873**
Minimum payments to be received from leasing, interest	U.F.	(3,356,264)	(3,303,258)	(170,836)	(6,830,358)
Minimum payments to be received from leasing, interest	CLP	(137,035)	(147,287)	-	(284,322)
Minimum payments to be received from leasing, interest	US dollar	(79,118)	(86,752)	-	(165,870)
Minimum payments to be received from leasing, current value		**15,055,682**	**22,774,316**	**1,469,325**	**39,299,323**

Detail	Currency	ThCh$	12.31.2010 1 - 5 years ThCh$	More than 5 years ThCh$	Total ThCh$
Minimum payments to be received from leasing, gross	U.F.	5,029,649	12,300,988	-	17,330,637
Minimum payments to be received from leasing, gross	CLP	236,776	445,471	-	682,247
Minimum payments to be received from leasing, gross	US dollar	534,003	981,003	-	1,515,006
Minimum payments to be recieved from leasing, gross		**5,800,428**	**13,727,462**	**-**	**19,527,890**
Minimum payments to be received from leasing, interest	U.F.	(137,110)	(2,759,642)	-	(2,896,752)
Minimum payments to be received from leasing, interest	CLP	(55,404)	(50,800)	-	(106,204)
Minimum payments to be received from leasing, interest	US dollar	(96,655)	(121,721)	-	(218,376)
Minimum payments to be recieved from leasing, current value		**5,511,259**	**10,795,299**	**-**	**16,306,558**

(a.5) Detail of receivables associated with automobile loans:

The following is a detail of receivables associated with automobile loans by original currency and maturities:

	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Automobile credit receivables, current	83,156,438	62,691,702	42,296,442
Automobile credit receivables, non-current	99,582,867	80,070,874	55,978,334
Automobile credit receivables	**182,739,305**	**142,762,576**	**98,274,776**
Provision for impairment loss	(6,835,672)	(4,430,937)	(2,658,346)
Automobile credit receivables, net	**175,903,633**	**138,331,639**	**95,616,430**

(a.6) Detail of other debtors:

The detail at December 31, 2012 2011 and 2010 is as follows:

Other Debtors	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Simultaneous operation debtors	15,910,560	6,084,548	-
Accounts receivable (net)	23,120,073	2,389,602	1,361,753
Shares for simultaneous operations	-	2,272,347	-
Advances to suppliers	1,746,449	1,650,948	204,485
Other sundry debtors for transactions with Tanner Corredores de Bolsa S.A.	144,499	958,478	-
Staff advances and loans	379,077	451,673	342,273
Other Debtors	401,710	54,807	743,857
Total Other Debtors	**41,702,368**	**13,862,403**	**2,652,368**

(b) Past-Due Portfolio:

The Company considers that its default results from the first day in arrears once the notes were past-due. Therefore, provisions are calculated from day one and on in accordance with a calculation structure for its leases for vehicles, machinery and equipment, and automobile portfolio. In contrast, for factoring and real estate leases, default is considered after 30 days when notes have expired. Therefore, provisions are calculated from day 31 and on in accordance with the calculation structure, which has been consistently applied since the Company's incorporation.

		Factoring past-due Portfolio		
		12-31-2012	12-31-2011	12-31-2010
	Days	ThCh$	ThCh$	TCh$
Past-due	1 - 30	14,246,798	14,674,524	11,850,827
Past-due	31 - 60	2,171,155	2,963,080	2,810,413
Past-due	61 - 90	1,241,851	623,565	244,990
Past-due	91-120	564,773	425,126	197,607
Past-due	121-150	261,795	177,031	107,104
Past-due	151-180	477,223	212,477	127,153
Past-due	181-210	248,637	150,762	178,352
Past-due	211-250	259,005	164,606	132,339
Past-due	>250	478,341	560,744	463,057
Total		**19,949,578**	**19,951,915**	**16,111,842**

		Automobile Loan past-due Portfolio					
		Unpaid	Past due	Unpaid	Past due	Unpaid	Past due
		12-31-2012		12-31-2011		12-31-2010	
	Days	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Past-due	1 - 30	26,079,305	939,567	19,715,158	655,217	13,201,073	433,686
Past-due	31 - 60	11,384,671	788,659	7,446,145	510,402	3,811,789	263,124
Past-due	61 - 90	3,554,503	409,456	1,373,517	156,895	783,741	79,187
Past-due	91-120	1,338,871	197,006	533,789	76,708	424,388	51,025
Past-due	121-150	846,799	151,226	511,557	78,780	205,855	35,794
Past-due	151-180	666,243	134,797	307,279	56,356	307,512	53,800
Past-due	181-210	642,614	127,580	353,790	82,006	226,285	47,700
Past-due	211-250	620,443	173,219	345,692	90,928	255,894	65,185
Past-due	>250	2,587,955	908,993	2,257,805	845,863	1,576,531	592,866
Total		**47,721,404**	**3,830,503**	**32,844,732**	**2,553,155**	**20,793,068**	**1,622,367**

		Leasing Default Portfolio					
		Unpaid	Past due	Unpaid	Past due	Unpaid	Past due
		12-31-2012		12-31-2011		12-31-2010	
	Days	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Past-due	1 - 30	15,484,288	949,835	7,817,545	358,313	3,197,129	250,391
Past-due	31 - 60	3,582,514	324,885	838,133	110,088	721,003	93,203
Past-due	61 - 90	600,212	154,074	327,697	67,947	150,578	42,845
Past-due	91-120	523,908	123,703	163,729	32,426	117,788	297,440
Past-due	121-150	264,686	102,258	44,854	28,049	-	-
Past-due	151-180	751,276	87,254	114,803	23,233	114,948	-
Past-due	181-210	113,118	75,385	13,850	20,572	111,326	-
Past-due	211-250	851,716	103,490	143,802	30,045	68,582	-
Past-due	>250	1,245,540	234,970	684,020	139,478	776,547	-
Total		**23,417,258**	**2,155,854**	**10,148,433**	**810,151**	**5,257,901**	**683,879**

		Total Past Due Portfolio					
		Unpaid	Past due	Unpaid	Past due	Unpaid	Past due
		12-31-2012		12-31-2011		12-31-2010	
	Days	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Past-due	1 - 30	14,246,798	-	14,674,524	-	11,850,827	-
Past-due	1 - 30	41,563,593	1,889,402	27,532,703	1,013,530	16,398,202	684,077
Past-due	31 - 60	17,138,340	1,113,544	11,247,358	620,490	7,343,205	356,327
Past-due	61 - 90	5,396,566	563,530	2,324,779	224,842	1,179,309	122,032
Past-due	91-120	2,427,552	320,709	1,122,644	109,134	739,783	348,465
Past-due	121-150	1,373,280	253,484	733,442	106,829	312,959	35,794
Past-due	151-180	1,894,742	222,051	634,559	79,589	549,613	53,800
Past-due	181-210	1,004,369	202,965	518,402	102,578	515,963	47,700
Past-due	211-250	1,731,164	276,709	654,100	120,973	456,815	65,185
Past-due	>250	4,311,836	1,143,963	3,502,569	985,341	2,816,135	592,866
Total		**91,088,240**	**5,986,357**	**62,945,080**	**3,363,306**	**42,162,811**	**2,306,246**

For the presentation of the values in the previous tables, the impaired portfolio is defined as follows:

Factoring: Includes the total of the principal and interest that at the closing date of these financial statements are overdue, including late payments.

As of December 31, 2012, 71.41% of the overdue factoring balance corresponds to items aged in the 1 to 30 day category (73.55% as of December 31, 2011), which is common in the factoring business.

The relevant impaired portfolio in the Factoring business segment relates to items aged over 90 days, as it is uncommon that these will be collected.

Automobile Loans and Leasing: For these products, the impaired portfolio is defined as the entire balance of a loan that has one or more late payment.

(c) Policy for Allowance for Loan Losses:

The Company's allowances are based on payment arrears of each product. The Company has established tables including percentages and payment arrears days for this purpose. These are applied as payment arrears periods increase. When special situations including impairment indication are recognized, the Company establishes extraordinary allowances for those cases.

Allowance for loan losses	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Allowance for factoring	7,521,520	6,114,732	5,867,628
Allowance for automobile credit	6,835,672	4,430,937	2,658,346
Allowance for lease	2,389,435	771,281	697,047
Total allowance for loan losses	16,746,627	11,316,950	9,223,021

Movement in the allowance for loan losses

	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Balance at beginning of the year	11,316,950	9,223,021	7,163,563
Additions to provisions	13,062,578	7,278,681	6,707,348
Decrease in provisions	(7,632,901)	(5,184,752)	(4,647,890)
Balance at end of the year	**16,746,627**	**11,316,950**	**9,223,021**

In determining the recoverability of a trade receivable, the Company considers any change in credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. When there is knowledge of special situations in which there is an indicator of impairment, the Company records extraordinary provisions to cover the risk.

a) Allowance for Lease Portfolio:

For the calculation of this allowance, first the Company classifies accounts receivable in accordance with the type of asset that was leased. This classification is Real Estate, Vehicles, and Machinery and Equipment.

This allowance is applied to the past-due portfolio that is considered as such from day one of a past-due installment for Accounts Receivable resulting from assets classified as Vehicles, Machinery and Equipment, and from 30 days for assets classified as Real Estate. The Company applies a percentage on the unpaid balance of the principal of the past-due installments in segments depending on the payment arrears days as follows:

REAL ESTATE		CARS		MACHINERY AND EQUIPMENT	
Past due days	Percentage	Past due days	Percentage	Past due days	Percentage
31 to 90	1%	1 to 30	1%	1 to 30	1%
91 to 210	5%	31 to 60	5%	31 to 60	5%
211 and more	20%	61 to 120	25%	61 to 90	30%
		121 to 180	40%	91 to 120	40%
		181 to 210	50%	121 to 150	50%
		210 and more	70%	151 to 180	60%
				181 to 210	70%
				211 and more	85%

b) Allowance for Automobile Loan Portfolio:

b.1) Short-Term Provision: This provision is applied to the past-due portfolio, which is considered as such from day one of a past-due installment. The Company applies a percentage on the unpaid balance of the principal of the past-due installments in segments depending on the payment arrears days as follows:

Past due days	Percentage
1 to 30	1%
31 to 60	5%
61 to 120	30%
121 to 365	70%
366 and more	80%

b.2) Allowance for Renegotiations: The Company applies a percentage on the unpaid balance of the principal of the past-due installments in segments depending on the payment arrears days. For restructured loans that are duly paid, the Company establishes an allowance of 1% and the following table is applied as the default increases:

Past due days	Percentage
Current portfolio	1%
1 to 30	5%
31 to 60	30%
61 to 120	70%
121 to 365	80%
366 and more	80%

c) **Allowance for Factoring Portfolio:**

c.1) Invoices: This allowance is applied to the past-due portfolio which is considered as such from day 30 in arrears. The Company applies a percentage on the unpaid balance, depending on the payment arrears days, not only for a particular past-due invoice of that debtor, but for all invoices that that debtor has with that client, classifying them in the segment with the greatest default, as follows:

Past due days	Percentage
30 to 45	10%
46 to 60	30%
61 to 90	60%
91 and more	85%

c.2) Checks: For returned checks, the Company calculates a provision of 30% of their balance. For returned checks sent to legal collection, the Company calculates a provision of 80% of their balance. Returned checks are sent to legal collection after 90 days from the date they were returned.

Note: The existence of the debtor's significant financial problems, the probability that the debtor goes bankrupt or performs a financial restructuring and the absence of payment or excessive past-due payments are considered as indicators that the account receivable could be impaired. As a result, the Company may establish additional voluntary provisions as appropriate.

Policy for write-offs for each business line

a) Factoring write-offs: The policy for write-offs is a maximum of 540 days past-due.

b) Automobile loan write-offs: Automobile loans are written off after 450 days.

c) Leasing write-offs: Leasing products are written off after 540 days.

Stratification of the portfolio

The following table shows the stratification of the portfolio for each type of loan corresponding the periods ended December 31, 2012, 2011 and 2010.

a) Factoring Portfolio

	As of December 31, 2012 Unsecured Factoring Portfolio			
Aging	# of non-negotiated clients	Gross amount of non-negotiated portfolio ThCh$	# of renegotiated clients	Gross amount of renegotiated portfolio ThCh$
Current	2,639	189,343,531	27	1,744,126
1-30 days	911	14,176,196	10	70,602
31-60 days	317	2,117,515	16	53,640
61-90 days	151	1,199,014	10	42,837
91-120 days	118	532,785	12	31,988
121-150 days	78	236,808	7	24,987
151-180 days	63	453,601	8	23,622
181-210 days	51	229,520	7	19,117
211-250 days	44	225,611	6	33,394
>250 days	152	453,240	5	25,101
Totals	**4,524**	**208,967,821**	**108**	**2,069,414**

	As of December 31, 2012 Nonsecured Factoring Portfolio		As of December 31, 2012 Secured Factoring Portfolio	
	# of Clients	Portfolio Amount ThCh$	# of Clients	Portfolio Amount ThCh$
Documents payable protested	651	3,915,358	-	-
Documents in judicial collections	286	3,924,635	-	-

Provision			
Non-negotiated Portfolio ThCh$	Renegotiated Portfolio ThCh$	Write-offs during the period ThCh$	Recoveries during the period ThCh$
6,841,019	680,501	3,575,037	681,510

Aging	# of non-negotiated clients	Gross amount of non-negotiated portfolio ThCh$	# of renegotiated clients	Gross amount of renegotiated portfolio ThCh$
	As of December 31, 2011 Unsecured Factoring Portfolio			
Current	2,642	177,933,050	23	1,858,978
1-30 days	1,031	14,513,367	16	161,159
31-60 days	445	2,954,022	9	9,056
61-90 days	183	621,065	3	2,500
91-120 days	146	422,686	2	2,440
121-150 days	91	174,591	2	2,440
151-180 days	86	211,005	2	1,472
181-210 days	73	150,762	-	-
211-250 days	72	164,606	-	-
>250 days	131	560,744	-	-
Totales	**4,900**	**197,705,898**	**57**	**2,038,045**

	As of December 31, 2011 Nonsecured Factoring Portfolio		As of December 31, 2011 Secured Factoring Portfolio	
	# of Clients	Portfolio Amount ThCh$	# of Clients	Portfolio Amount ThCh$
Documents payable protested	459	2,309,939	-	-
Documents in judicial collections	156	1,011,961	-	-

Provision Non-negotiated Portfolio ThCh$	Provision Renegotiated Portfolio ThCh$	Write-offs during the period ThCh$	Recoveries during the period ThCh$
6,065,612	49,120	341,709	63,749

Aging	As of December 31, 2010 Unsecured Factoring Portfolio # of non-negotiated clients	Gross amount of non-negotiated portfolio ThCh$	# of renegotiated clients	Gross amount of renegotiated portfolio ThCh$
Current	2,419	142,256,366	-	-
1-30 days	905	11,226,152	613	624,675
31-60 days	368	2,073,536	639	736,877
61-90 days	124	97,216	79	147,774
91-120 days	107	86,035	38	111,572
121-150 days	85	86,211	13	20,893
151-180 days	76	99,375	13	27,778
181-210 days	66	167,584	7	10,768
211-250 days	54	116,695	12	15,644
>250 days	213	319,546	64	143,511
Totales	**4,417**	**156,528,716**	**1,478**	**1,839,492**

	As of December 31, 2010 Nonsecured Factoring Portfolio		As of December 31, 2010 Secured Factoring Portfolio	
	# of Clients	Portfolio Amount ThCh$	# of Clients	Portfolio Amount ThCh$
Documents payable protested	389	1,923,485	-	-
Documents in judicial collections	363	4,076,998	-	-

Provision Non-negotiated Portfolio ThCh$	Renegotiated Portfolio ThCh$	Write-offs during the period ThCh$	Recoveries during the period ThCh$
5,867,628	-	4,524,053	239,985

b) Automobile Portfolio

	As of December 31, 2012 Unsecured Automobile Portfolio			
Aging	# of non-negotiated clients	Gross amount of non-negotiated ThCh$	# of renegotiated clients	Gross amount of renegotiated portfolio ThCh$
Current	26,978	133,077,670	571	1,940,231
1-30 days	5,645	24,507,460	479	1,571,845
31-60 days	2,633	10,321,429	336	1,063,242
61-90 days	1,007	3,086,017	151	468,486
91-120 days	346	1,177,114	60	161,757
121-150 days	224	712,159	47	134,640
151-180 days	161	538,890	35	127,353
181-210 days	135	523,064	35	119,550
211-250 days	135	475,771	39	144,672
>250 days	590	2,130,041	131	457,914
Totals	**37,854**	**176,549,615**	**1,884**	**6,189,690**

	As of December 31, 2012 Nonsecured Automobile Portfolio		As of December 31, 2012 Secured Automobile Portfolio	
	# of Clients	Portfolio Amount ThCh$	# of Clients	Portfolio Amount ThCh$
Documents payable protested	241	142,385	-	-
Documents in judicial collections	33	27,110	-	-

Provision Non-negotiated Portfolio ThCh$	Renegotiated Portfolio ThCh$	Write-offs during the period ThCh$	Recoveries during the period ThCh$
5,190,232	1,645,440	4,031,694	314,222

Aging	As of December 31, 2011 Unsecured Automobile Portfolio # of non-negotiated clients	Gross amount of non-negotiated portfolio ThCh$	# of renegotiated clients	Gross amount of renegotiated portfolio ThCh$
Current	22,149	107,996,225	452	1,921,619
1-30 days	4,286	18,502,949	313	1,212,209
31-60 days	1,844	6,485,088	282	961,057
61-90 days	421	1,097,602	89	275,915
91-120 days	145	444,045	40	89,744
121-150 days	111	394,431	41	117,126
151-180 days	64	216,823	29	90,456
181-210 days	78	258,243	24	95,547
211-250 days	80	258,921	25	86,771
>250 days	459	1,730,801	126	527,004
Totales	**29,637**	**137,385,128**	**1,421**	**5,377,448**

	As of December 31, 2011 Nonsecured Automobile Portfolio		Secured Automobile Portfolio	
	# of Clients	Portfolio Amount ThCh$	# of Clients	Portfolio Amount ThCh$
Documents payable protested	224	100,450	-	-
Documents in judicial collections	26	16,899	-	-

Provision			
Non-negotiated Portfolio ThCh$	Renegotiated Portfolio ThCh$	Write-offs during the period ThCh$	Recoveries during the period ThCh$
3,619,232	811,705	1,940,879	170,044

Aging	As of December 31, 2010 Unsecured Automobile Portfolio # of non-negotiated clients	Gross amount of non-negotiated portfolio ThCh$	# of renegotiated clients	Gross amount of renegotiated portfolio ThCh$
Current	15,198	76,326,048	265	1,155,660
1-30 days	3,098	12,255,168	237	945,905
31-60 days	977	3,131,289	168	680,500
61-90 days	206	608,345	50	175,396
91-120 days	89	303,813	22	120,575
121-150 days	58	173,529	9	32,326
151-180 days	58	203,935	17	103,577
181-210 days	56	192,507	9	33,778
211-250 days	50	183,175	18	72,719
>250 days	299	1,122,371	91	454,160
Totales	**20,089**	**94,500,180**	**886**	**3,774,596**

	As of December 31, 2010 Nonsecured Automobile Portfolio		As of December 31, 2010 Secured Automobile Portfolio	
	# of Clients	Portfolio Amount ThCh$	# of Clients	Portfolio Amount ThCh$
Documents payable protested	231	136,364	-	-
Documents in judicial collections	170	117,721	-	-

Provision Non-negotiated Portfolio ThCh$	Renegotiated Portfolio ThCh$	Write-offs during the period ThCh$	Recoveries during the period ThCh$
1,835,478	822,867	1,697,568	45,836

c) Leasing Portfolio

Aging	As of December 31, 2012 Unsecured Leasing Portfolio # of non-negotiated clients	Gross amount of non-negotiated portfolio ThCh$	# of renegotiated clients	Gross amount of renegotiated portfolio ThCh$
Current	886	32,049,623	15	1,429,923
1-30 days	508	15,059,646	12	424,642
31-60 days	127	3,031,460	4	551,054
61-90 days	34	555,382	1	44,830
91-120 days	24	506,963	1	16,945
121-150 days	14	247,087	1	17,599
151-180 days	16	751,276	-	-
181-210 days	5	113,118	-	-
211-250 days	16	605,176	4	246,540
>250 days	57	1,144,084	5	101,456
Totals	**1,687**	**54,063,815**	**43**	**2,832,989**

	As of December 31, 2012 Nonsecured Leasing Portfolio		As of December 31, 2012 Secured Leasing Portfolio	
	# of Clients	Portfolio Amount ThCh$	# of Clients	Portfolio Amount ThCh$
Documents payable protested	48	260,793	-	-
Documents in judicial collections	32	1,179,636	-	-

Provision			
Non-negotiated Portfolio ThCh$	Renegotiated Portfolio ThCh$	Write-offs during the period ThCh$	Recoveries during the period ThCh$
2,111,301	278,134	389,880	35,519

Aging	As of December 31, 2011 Unsecured Leasing Portfolio # of non-negotiated clients	Gross amount of non-negotiated portfolio ThCh$	# of renegotiated clients	Gross amount of renegotiated portfolio ThCh$
Current	825	28,701,667	2	449,223
1-30 days	240	7,675,089	2	142,456
31-60 days	31	685,245	3	152,888
61-90 days	20	321,316	1	6,381
91-120 days	8	137,143	1	26,586
121-150 days	4	44,854	-	-
151-180 days	6	112,742	1	2,061
181-210 days	2	13,850	-	-
211-250 days	9	143,802	-	-
>250 days	21	489,669	4	194,351
Totals	**1,166**	**38,325,377**	**14**	**973,946**

	As of December 31, 2011 Nonsecured Leasing Portfolio		As of December 31, 2011 Secured Leasing Portfolio	
	# of Clients	Portfolio Amount ThCh$	# of Clients	Portfolio Amount ThCh$
Documents payable protested	47	154,664	-	-
Documents in judicial collections	48	1,382,306	-	-

Provision		Write-offs	Recoveries
Non-negotiated Portfolio ThCh$	Renegotiated Portfolio ThCh$	Write-offs during the period	Recoveries during the period
680,103	91,179	547,904	-

Aging	As of December 31, 2010 Unsecured Leasing Portfolio # of non-negotiated clients	Gross amount of non-negotiated ThCh$	# of renegotiated clients	Gross amount of renegotiated portfolio ThCh$
Current	337	11,048,657	-	-
1-30 days	115	3,197,129	-	-
31-60 days	27	721,003	-	-
61-90 days	5	150,578	-	-
91-120 days	6	117,788	-	-
121-150 days	-	-	-	-
151-180 days	3	114,948	-	-
181-210 days	5	111,326	-	-
211-250 days	4	68,582	-	-
>250 days	31	776,547	-	-
Totales	**533**	**16,306,558**		**-**

	As of December 31, 2010 Nonsecured Factoring Portfolio		As of December 31, 2010 Secured Factoring Portfolio	
	# of Clients	Portfolio ThCh$	# of Clients	Portfolio Amount ThCh$
Documents payable protested	32	79,026	-	-
Documents in judicial collections	10	243,206	-	-

Provision Non-negotiated ThCh$	Provision Renegotiated Portfolio ThCh$	Write-offs during the period ThCh$	Recoveries during the period ThCh$
697,047	-	-	

d) Total Portfolio

Aging	As of December 31, 2012 Total Unsecured Portfolio # of non-negotiated clients	Gross amount of non-negotiated portfolio ThCh$	# of renegotiated clients	Gross amount of renegotiated portfolio ThCh$
Current	30,503	354,470,824	613	5,114,280
1-30 days	7,064	53,743,302	501	2,067,089
31-60 days	3,077	15,470,404	356	1,667,936
61-90 days	1,192	4,840,413	162	556,153
91-120 days	488	2,216,862	73	210,690
121-150 days	316	1,196,054	55	177,226
151-180 days	240	1,743,767	43	150,975
181-210 days	191	865,702	42	138,667
211-250 days	195	1,306,558	49	424,606
>250 days	799	3,727,365	141	584,471
Totales	**44,065**	**439,581,251**	**2,035**	**11,092,093**

	As of December 31, 2012 Nonsecured Total Portfolio		As of December 31, 2012 Secured Total Portfolio	
	# of Clients	Portfolio Amount ThCh$	# of Clients	Portfolio Amount ThCh$
Documents payable protested	940	4,318,536	-	-
Documents in judicial collections	351	5,131,381	-	-

Provision			
Non-negotiated Portfolio ThCh$	Renegotiated Portfolio ThCh$	Write-offs during the period ThCh$	Recoveries during the period ThCh$
14,142,552	2,604,075	7,996,611	1,031,251

	As of December 31, 2011 Total Unsecured Portfolio			
Aging	# of non-negotiated clients	Gross amount of non-negotiated portfolio ThCh$	# of renegotiated clients	Gross amount of renegotiated portfolio ThCh$
Current	25,616	314,630,942	477	4,229,820
1-30 days	5,557	40,691,405	331	1,515,824
31-60 days	2,320	10,124,355	294	1,123,001
61-90 days	624	2,039,983	93	284,796
91-120 days	299	1,003,874	43	118,770
121-150 days	206	613,876	43	119,566
151-180 days	156	540,570	32	93,989
181-210 days	153	422,855	24	95,547
211-250 days	161	567,329	25	86,771
>250 days	611	2,781,214	130	721,355
Totals	**35,703**	**373,416,403**	**1,492**	**8,389,439**

	As of December 31, 2011 Total Nonsecured Portfolio		As of December 31, 2011 Total Secured Portfolio	
	# of Clients	Portfolio Amount ThCh$	# of Clients	Portfolio Amount ThCh$
Documents payable protested	730	2,565,053	-	-
Documents in judicial collections	230	2,411,166	-	-

Provision			
Non-negotiated Portfolio ThCh$	Renegotiated Portfolio ThCh$	Write-offs during the period ThCh$	Recoveries during the period ThCh$
10,364,947	952,004	6,536,833	647,997

Aging	As of December 31, 2010 Total Unsecured Portfolio # of non-negotiated clients	Gross amount of non-negotiated portfolio ThCh$	# of renegotiated clients	Gross amount of renegotiated portfolio ThCh$
Current	17,954	229,631,071	265	1,155,660
1-30 days	4,118	26,678,449	850	1,570,580
31-60 days	1,372	5,925,828	807	1,417,377
61-90 days	335	856,139	129	323,170
91-120 days	202	507,636	60	232,147
121-150 days	143	259,740	22	53,219
151-180 days	137	418,258	30	131,355
181-210 days	127	471,417	16	44,546
211-250 days	108	368,452	30	88,363
>250 days	543	2,218,464	155	597,671
Totals	**25,039**	**267,335,454**	**2,364**	**5,614,088**

	As of December 31, 2010 Nonsecured Factoring Portfolio		As of December 31, 2010 Secured Factoring Portfolio	
	# of Clients	Portfolio Amount ThCh$	# of Clients	Portfolio Amount ThCh$
Documents payable protested	652	2,138,875	-	-
Documents in judicial collections	543	4,437,925	-	-

Provision Non-negotiated Portfolio ThCh$	Renegotiated Portfolio ThCh$	Write-offs during the period ThCh$	Recoveries during the period ThCh$
8,400,153	822,867	6,221,621	285,821

Credit Risk

Credit risk is the likelihood of financial loss that the Company is exposed to in the event that a customer or counterparty of a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Current trade and other receivables, and from Non-current fees receivable.

This risk is managed by business lines, on the basis of the economic expectations of the current macroeconomic environment and the projections for markets and segments, giving each one an appropriate credit treatment and using risk limits that are going to be accepted.

In the case of factoring, the main risk lies in the portfolio, i.e. the purchase of non-existent receivables or payer insolvency, in which case the customer cannot pay either. In order to prevent this type of risk, a control system has been established based on continuous evaluation of the client both upon granting the credit line and upon its renewals, follow-up as to client repayment behavior and its debtors, evaluation by the committee of each operation according to a classification of certain preset parameters, and a review of credit concentrations as regards economic sector, economic group, and debtors. Ever since past-due invoices can be collected through the courts, invoice risk has declined.

For leasing transactions, the main risk is non-payment by the lessor. The Committee conducts a thorough evaluation based on both the lessor's legal entity Company standards and policies.

For car-buying credits, customers are mostly individuals. For this reason, the main risk is that they lose their jobs, and therefore, in periods of high unemployment more safeguards are taken when evaluating customers and loan percentages are diminished.

Guarantees and credit improvements

Management is responsible for implementing acceptable guarantees under statutory regulations, and according to internal policies' guidelines and parameters.

In the case of factoring, most of the lines have guarantees. For each type of client there is a contract that guarantees the document. If the client fails to fulfill its obligations, one can enforce this guarantee in the courts of law.

In leasing transactions, assets are recognized and insured. If the client fails to fulfill its obligations, the contract is not renewed and is terminated instead.

Loans for buying cars are guaranteed by the car involved in the contract. There are two types of guarantees: a tangible guarantee and cosigner.

Credit quality by type of asset

The Company determines the credit quality of financial assets by using internal ratings. The rating process is linked to the processes of approval and monitoring, and is conducted according to the categories of risk established by current regulations, which is constantly updated according to the favorable or unfavorable evolution of clients and their environment, considering aspects of commercial behavior and payment, as well as financial information.

In addition, the Company makes focused reviews of companies involved in specific economic sectors that are affected by either macroeconomic variables or variables typical of the economic sector in which they operate. This way the Company can timely establish the necessary and sufficient level of provisions to cover losses in the event that the credits granted can not be recovered.

11. ACCOUNTS RECEIVABLE FROM RELATED ENTITIES

The balance of the short-term and long-term receivable from related companies is composed of:

- A loan granted to Company executives to purchase shares, which was novated to companies belonging to the same executives, under the original conditions. It is paid in six annual successive installments, the first one due on April 30, 2006, without adjustment and with an annual interest rate of 6.72%. These conditions correspond to those prevailing at that date for the majority of the personnel loans.

- A loan to companies belonging to company executives, paid in five successive annual installments, the first one due on April 21, 2010, without adjustment and with a nominal annual interest rate of 7.88%. These conditions correspond to those prevailing at that date for the majority of the personnel loans.

- A loan to the companies belonging to company executives, paid in one annual installment, without adjustment and with a nominal annual interest rate of 7.38%. A loan was also granted to Inversora Quillota Dos S.A. and to E. Bertelsen Asesorías S.A.. They are paid in one installment due on March 30, 2013, without adjustment and with a nominal annual interest rate of 7.38%.

- In 2011 the Company issued a new loan to the companies belonging to Company executives and shareholders. This loan will be paid in annual installments with maturities from March 2012 to March 2017, subject to no indexation at an average nominal interest rate of 8.18% a year.

- In October 2012, the Company issued a new loan to companies belonging to Company executives, shareholders and certain natural persons. This loan will be paid in annual installments with maturities from March 2013 to March 2018, subject to no indexation at an average nominal interest rate of 8.40% a year.

The amounts transacted, shown in the table of related party transactions, are:

- Fees and credit committee advisory services, consultancy, and leasing of offices. These are paid monthly without interest rate and adjusted in UF.

- Those outstanding at year-end relate primarily to transactions in the Company's line of business are paid in the short term and do not bear interest.

- At year-end, there are no bad debt provisions on outstanding related party receivable balances.

- All balances outstanding at the end of the reported periods are up to date.

As of December 31, 2012, no balances are due to Related Parties. The balance of the short-term account payable to related companies consists of loans granted to Financo S.A. (a subsidiary of Gestora Tanner SpA) by the minority shareholders of Gestora Tanner SpA, Inmobiliaria y Constructora Inta S.A. and Inverta S.A.. In addition at December 31, 2011, the parent company Tanner Servicios Financieros S.A. has a balance payable arising from a mercantile current account with the shareholder Inversiones Bancarias S.A.

Tanner Servicios Financieros S.A. is controlled by Inversiones Bancarias S.A. (Note 1).

Significant transactions undertaken with related parties are as follows:

a. Accounts receivable from related companies:

Taxpayer #	Company	Country of origin	Nature of relationship	Currency	Current 12.31.2012 ThCh$	Current 12.31.2011 ThCh$	Current 12.31.2010 ThCh$	Non-current 12.31.2012 ThCh$	Non-current 12.31.2011 ThCh$	Non-current 12.31.2010 ThCh$
76475300-3	Asesorías e Inversiones Cau Cau Ltda.	Chile	Shareholder	Chilean pesos	145,100	141,316	152,125	230,789	115,143	55,942
76477320-9	Asesorías e Inversiones Gómez Perfetti Ltda.	Chile	Shareholder	Chilean pesos	70,541	71,685	77,407	115,637	68,635	32,525
76477310-1	Xaga Asesorías e Inversiones Ltda.	Chile	Shareholder	Chilean pesos	79,913	83,732	78,159	119,331	66,136	34,565
76477270-9	Inversiones y Asesorías Rochri Ltda.	Chile	Shareholder	Chilean pesos	82,503	71,685	77,407	155,351	68,635	32,525
76066686-6	Inversiones Anita e Hijos Ltda.	Chile	Shareholder	Chilean pesos	43,470	37,252	36,079	61,657	47,308	39,368
76053093-K	Ruiz Tagle y Cáceres Ltda.	Chile	Shareholder	Chilean pesos	43,840	37,252	36,079	72,183	47,308	39,368
96501470-5	E. Bertelsen Asesorias S.A.	Chile	Shareholder	Chilean pesos	29,449	23,820	23,013	20,002	24,334	-
76010029-3	Inversora Quillota Dos S.A.	Chile	Shareholder	Chilean pesos	501,766	405,869	394,187	341,670	414,462	-
76082829-7	Inversiones FSA Ltda.	Chile	Shareholder	Chilean pesos	-	14,965	-	-	811,606	-
76226908-2	Inversiones LAM Spa	Chile	Shareholder of Subsidiary	Chilean pesos	61,320	-	-	1,750,894	-	-
10601248-2	Humberto Fuentes Z.	Chile	Shareholder	Chilean pesos	1,016	-	-	28,838	-	-
10934852-K	Claudia Prieto C.	Chile	Shareholder	Chilean pesos	1,016	-	-	28,838	-	-
11551622-1	Alejandro Alfaro V.	Chile	Shareholder	Chilean pesos	571	-	-	16,222	-	-
12182702-6	Oscar Epinoza M.	Chile	Shareholder	Chilean pesos	1,016	-	-	28,838	-	-
14412979-2	Daniela Zamorano A.	Chile	Shareholder	Chilean pesos	1,016	-	-	28,838	-	-
6624594-2	María de la Luz Risso	Chile	Shareholder	Chilean pesos	378	-	-	10,730	-	-
6689116-K	Teodoro Valderrama R.	Chile	Shareholder	Chilean pesos	1,016	-	-	28,838	-	-
6825767-0	Marily Cerda F.	Chile	Shareholder	Chilean pesos	761	-	-	21,507	-	-
76127468-6	FSA Fondo de Inversión Privado	Chile	Shareholder	Chilean pesos	202,612	-	-	663,251	-	-
76210607-8	Inversiones Durand y Quiroga Ltda.	Chile	Shareholder	Chilean pesos	2,539	-	-	72,093	-	-
76353360-3	Asesorías e Inversiones O y B Ltda.	Chile	Shareholder	Chilean pesos	2,773	-	-	78,726	-	-
8996682-5	Sergio Acevedo S.	Chile	Shareholder	Chilean pesos	381	-	-	10,815	-	-
9496662-0	José Rodriguez L.	Chile	Shareholder	Chilean pesos	508	-	-	14,420	-	-
	Total				**1,273,505**	**887,576**	**874,456**	**3,899,468**	**1,663,567**	**234,293**

b. Accounts payable to related companies

Taxpayer #	Company	Country of origin	Nature of relationship	Currency	Current 12.31.2012 ThCh$	Current 12.31.2011 ThCh$	Current 12-31-2010 ThCh$	Non-current 12.31.2012 ThCh$	Non-current 12.31.2011 ThCh$	Non-current 12-31-2010 ThCh$
99546550-7	Inversiones Bancarias S.A.	Chile	Shareholder	Chilean pesos	-	4,000,000	-	-	-	-
96636140-9	Inmobiliaria y Constructora Inta S.A.	Chile	Minority shareholder of subsidiary	Chilean pesos	-	103,114	-	-		
93966000-3	Inverta S.A.		Minority shareholder of subsidiary	Chilean pesos	-	177,598	-	-	-	-
	Total				**-**	**4,280,712**	**-**	**-**	**-**	**-**

c. Transactions:

Company	Taxpayer Num	Country of origin	Nature of relationship	Currency	Description of transaction	12.31.2012 Amount ThCh$	12.31.2012 Effect (Charge) Credit ThCh$	12.31.2011 Amount ThCh$	12.31.2011 Effect (Charge) Credit ThCh$	12.31.2010 Amount ThCh$	12.31.2010 Effect (Charge) Credit ThCh$
Eduardo Massú	4465911-5	Chile	Director	UF	Credit Committee Fees	16,995	(16,995)	13,125	(13,125)	12,714	(12,714)
E. Bertelsen Asesorías S.A.	96501470-5	Chile	Shareholder	UF	Risk assessment consulting services	-	-	4,300	(4,300)	25,430	(25,430)
				Chilean pesos	Loans	-	-	24,334	-	-	-
				Chilean pesos	Accrual of interest	4,034	4,034	1,862	1,862	244	244
				Chilean pesos	Loan amortization	2,509	-	1,480	-	-	-
Invesa S.A.	96562900-9	Chile	Common director	UF	Credit Committee Consulting Services	-	-	-	-	4,181	(4,181)
BSM S.A.	96850100-3	Chile	Common director	UF	Credit Committee Consulting Services	-	-	1,699	(1,699)	12,649	(12,649)
Asesoria E Inversiones Armanet	77077990-1	Chile	Common director	UF	Credit Committee Consulting Services	29,429	(29,429)	26,254	(26,254)	19,471	(19,471)
Triple K Consultores Ltda.	76082796-7	Chile	Common director	UF	Credit Committee Consulting Services	13,503	(13,503)	22,014	(22,014)	-	-
Pablo Guidotti	77077990-2	Chile	Common director	UF	Foreign Trade Consulting Services	2,898	(2,898)	17,472	(17,472)	1,852	(1,852)
Inversiones y Rentas Springhill S.A.	96662230-K	Chile	Common director	Chilean pesos	Risk assessment consulting services	29,377	(29,377)	21,940	(21,940)	-	-
Guillermo Larrain Rios	9057005-6	Chile	Common director	UF	Credit Committee Consulting Services	5,710	(5,710)	-	-		
Asesorías e Inversiones Cau Cau Ltda.	76475300-3	Chile	Shareholder	Chilean pesos	Loans	147,440	-	90,543	-	100,251	-
				Chilean pesos	Loan amortization	22,782	-	55,594	-	51,809	-
				Chilean pesos	Accrual of interest	19,998	19,998	10,656	10,656	9,672	9,672
Asesorías e Inversiones Gómez Perfetti Ltda.	76477320-9	Chile	Shareholder	Chilean pesos	Loans	107,779	-	48,554	-	53,699	-
				Chilean pesos	Loan amortization	20,585	-	25,666	-	24,137	-
				Chilean pesos	Accrual of interest	8,653	8,653	5,850	5,850	5,419	5,419
Xaga Asesorías e Inversiones Ltda.	76477310-1	Chile	Shareholder	Chilean pesos	Loans	72,246	-	48,554	-	53,699	-
				Chilean pesos	Loan amortization	24,030	-	17,321	-	23,137	-
				Chilean pesos	Accrual of interest	11,049	11,049	6,285	6,285	6,139	6,139
Inversiones y Asesorías Rochri Ltda.	76477270-9	Chile	Shareholder	Chilean pesos	Loans	107,779	-	48,554	-	53,699	-
				Chilean pesos	Loan amortization	20,585	-	25,678	-	24,137	-
				Chilean pesos	Accrual of interest	11,760	11,760	5,850	5,850	5,419	5,419
Inversiones Anita e Hijos Ltda.	7330916-6	Chile	Shareholder	Chilean pesos	Loans	32,290	-	19,354	-	21,445	-
				Chilean pesos	Loan amortization	17,426	-	14,755	-	14,100	-
				Chilean pesos	Accrual of interest	5,996	5,996	3,835	3,835	4,978	4,978
Ruiz Tagle y Cáceres Ltda.	76053093-K	Chile	Shareholder	Chilean pesos	Loans	43,053	-	19,354	-	21,445	-
				Chilean pesos	Loan amortization	17,426	-	14,755	-	14,100	-
				Chilean pesos	Accrual of interest	6,192	6,192	3,835	3,835	4,978	4,978
Inversora Quillota Dos S.A.	76010029-3	Chile	Shareholder	Chilean pesos	Loans	-	-	414,462	-	387,954	-
				Chilean pesos	Loan amortization	42,747	-	25,219	-	216,988	-
				Chilean pesos	Accrual of interest	68,381	68,381	31,720	31,720	23,249	23,249
Inversiones FSA Ltda.	76082829-7	Chile	Shareholder	Chilean pesos	Loans	-	-	811,607	-	-	-
				Chilean pesos	Loan amortization	29,929	-	-	-	-	-
				Chilean pesos	Accrual of interest	17,267	17,267	14,965	14,965	-	-
Inversiones Durand y Quiroga Ltda.	76210607-8	Chile	Shareholder	Chilean pesos	Loans	73,721	-	-	-	-	-
				Chilean pesos	Accrual of interest	1,340	1,340	-	-	-	-
Asesorías e Inversiones O y B Ltda.	76353360-3	Chile	Shareholder	Chilean pesos	Loans	80,503	-	-	-	-	-
				Chilean pesos	Accrual of interest	1,464	1,464	-	-	-	-
Alejandro Alfaro V.	11551622-1	Chile	Shareholder	Chilean pesos	Loans	16,588	-	-	-	-	-
				Chilean pesos	Accrual of interest	302	302	-	-	-	-
Claudia Prieto C.	10934852-K	Chile	Shareholder	Chilean pesos	Loans	29,488	-	-	-	-	-
				Chilean pesos	Accrual of interest	536	536	-	-	-	-
Daniela Zamorano A.	14412979-2	Chile	Shareholder	Chilean pesos	Loans	29,489	-	-	-	-	-
				Chilean pesos	Accrual of interest	536	536	-	-	-	-
Humberto Fuentes Z.	10601248-2	Chile	Shareholder	Chilean pesos	Loans	29,489	-	-	-	-	-
				Chilean pesos	Accrual of interest	536	536	-	-	-	-
José Rodriguez L.	9496662-0	Chile	Shareholder	Chilean pesos	Loans	14,745	-	-	-	-	-
				Chilean pesos	Accrual of interest	268	268	-	-	-	-
María de la Luz Risso	6624594-2	Chile	Shareholder	Chilean pesos	Loans	10,972	-	-	-	-	-
				Chilean pesos	Accrual of interest	199	199	-	-	-	-
Marily Cerda F.	6825767-0	Chile	Shareholder	Chilean pesos	Loans	22,117	-	-	-	-	-
				Chilean pesos	Accrual of interest	409	409	-	-	-	-
Oscar Epinoza M.	12182702-6	Chile	Shareholder	Chilean pesos	Loans	29,489	-	-	-	-	-
				Chilean pesos	Accrual of interest	536	536	-	-	-	-
Sergio Acevedo S.	8996682-5	Chile	Shareholder	Chilean pesos	Loans	11,059	-	-	-	-	-
				Chilean pesos	Accrual of interest	201	201	-	-	-	-
Teodoro Valderrama R.	6689116-K	Chile	Shareholder	Chilean pesos	Loans	29,489	-	-	-	-	-
				Chilean pesos	Accrual of interest	536	536	-	-	-	-
FSA Fondo de Inversión Privado	76127468-6	Chile	Shareholder	Chilean pesos	Loans	811,656	-	-	-	-	-
				Chilean pesos	Accrual of interest	54,207	54,207	-	-	-	-
Inversiones LAM Spa	76226908-2	Chile	Shareholder	Chilean pesos	Loans	1,786,684	-	-	-	-	-
				Chilean pesos	Accrual of interest	25,530	25,530	-	-	-	-

Note: The controllers of the related parties to Tanner Servicios Financieros correspond to natural persons who are owners of the same; therefore, no immediate control exists.

d. Company Board and Management

The Board of Directors is comprised of the following members:

1) Jorge Sabag Sabag
2) Ricardo Massu Massu
3) Eduardo Massu Massu
4) Francisco Armanet Rodríguez
5) Fernando Tafra Sturiza
6) Guillermo Larraín Rios

The organizational structure includes an Executive President, a General Manager, a Commercial Manager, an International Manager, a Risk Manager, a Collection Manager, an Operations and Technology Manager, an Automobile Business Manager, an Automobile Loan Collection Manager, a Manager of Planning and Finance, a Customer Service Manager and a Controller.

Board Remuneration

Company bylaws provide that Board members are not paid for attending meetings.

Controlling Shareholder

The controlling shareholder of Tanner Servicios Financieros S.A. is Inversiones Bancarias S.A. with a 71.0312% interest. Inversiones Bancarias S.A. does not submit financial statements to the Superintendency of Securities and Insurances since is not registered in the Securities Registry of that agency.

12. PROPERTY, PLANT AND EQUIPMENT

The composition of items in this group and the related accumulated depreciation, at year end is follows:

	Gross Balance	Amortization and Accumulated Impairment	Net Balance
	12.31.2012	12.31.2012	12.31.2012
	Th$	Th$	Th$
Land and Building	3,353,716	(163,109)	3,190,607
Technology Equipment	1,412,940	(1,122,583)	290,357
Assets given in leasing	1,351,872	(344,566)	1,007,306
Other fixed assets	1,789,086	(1,296,507)	492,579
Total	**7,907,614**	(2,926,765)	**4,980,849**

	Gross Balance	Amortization and Accumulated Impairment	Net Balance
	12.31.2011	12.31.2011	12.31.2011
	Th$	Th$	Th$
Land and Building	817,512	(133,438)	684,074
Technology Equipment	1,191,547	(968,286)	223,261
Assets given in leasing	1,338,842	(293,598)	1,045,244
Other fixed assets	1,515,986	(1,169,337)	346,649
Total	**4,863,887**	(2,564,659)	**2,299,228**

	Gross Balance	Amortization and Accumulated Impairment	Net Balance
	12.31.2010	12.31.2010	12.31.2010
	Th$	Th$	Th$
Land and building	-	-	-
Technology equipment	793,333	(648,290)	145,043
Asset given in leasing	1,284,356	(214,907)	1,069,449
Other fixed assets	1,271,589	(1,002,834)	268,755
Totals	**3,349,278**	(1,866,031)	**1,483,247**

	Useful life (years)	
	Minimum	Maximum
Land and building	38	38
Technology equipment	1	7
Asset given in leasing	1	31
Other fixed assets	1	7

The detail and changes in fixed assets at December 31, 2012, 2011 and 2010 are as follows:

Gross	Land and buildings	Technology Equipment	Leased Assets	Other PP&E	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Balance 01.01.2012	817,512	1,191,547	1,338,842	1,515,986	4,863,887
Purchases	2,536,204	221,393	13,030	249,112	3,019,739
Retirements/Disposals	-	-	-	-	-
Others	-	-	-	23,988	23,988
Balance at 12.31.2012	**3,353,716**	**1,412,940**	**1,351,872**	**1,789,086**	**7,907,614**

Depreciation	Land and buildings	Technology Equipment	Leased Assets	Other PP&E	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Balance 01.01.2012	(133,438)	(968,286)	(293,598)	(1,169,337)	(2,564,659)
Depreciation	(29,671)	(154,297)	(50,968)	(139,133)	(374,069)
Disposals and sales for the year	-	-	-	-	-
Others	-	-	-	11,963	11,963
Balance at 12.31.2012	**(163,109)**	**(1,122,583)**	**(344,566)**	**(1,296,507)**	**(2,926,765)**
Net Property, Plant and Equipment	**3,190,607**	**290,357**	**1,007,306**	**492,579**	**4,980,849**

Gross	Land and buildings	Technology Equipment	Leased Assets	Other PP&E	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Balance 01.01.2011	-	793,333	1,284,356	1,271,589	3,349,278
Purchases	150,000	177,310	53,194	203,802	584,306
Retirements/Disposals	-	-	-	-	-
Purchase of assets for consolidation (*)	667,512	227,963	-	254,574	1,150,049
Others	-	(7,059)	1,292	(213,979)	(219,746)
Balance at 12.31.2011	**817,512**	**1,191,547**	**1,338,842**	**1,515,986**	**4,863,887**

Depreciation	Land and buildings	Technology Equipment	Leased Assets	Other PP&E	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Balance 01.01.2011	-	(648,290)	(214,907)	(1,002,834)	(1,866,031)
Depreciation	(17,802)	(93,711)	(34,709)	(125,844)	(272,066)
Disposals and sales for the year	-	-	2,974	-	2,974
Purchase of assets for consolidation (*)	(115,636)	(225,667)	-	(207,221)	(548,524)
Others	-	(618)	(46,956)	166,562	118,988
Balance at 12.31.2011	**(133,438)**	**(968,286)**	**(293,598)**	**(1,169,337)**	**(2,564,659)**
Net Property, Plant and Equipment	**684,074**	**223,261**	**1,045,244**	**346,649**	**2,299,228**

(*) As a result of the purchase of an interest in Gestora Tanner SpA the assets of this company and of its subsidiaries have been included.

Gross	Land and buildings	Technology Equipmen	Leased Assets	Other PP&E	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Balance 01.01.2010	-	686,478	1,275,008	1,163,339	3,124,825
Purchases	-	106,855	9,348	108,250	224,453
Retirements/Disposals	-	-	-	-	-
Others	-	-	-	-	-
Balance 12.31.2010	-	**793,333**	**1,284,356**	**1,271,589**	**3,349,278**

(c) Depreciation	Land and buildings	Technology Equipmen	Leased Assets	Other PP&E	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Balance 01.01.2010	-	(561,568)	(215,327)	(915,381)	(1,692,276)
Depreciation	-	(86,722)	(31,834)	(87,453)	(206,009)
Disposals and sales for the year	-	-	-	-	-
Others	-	-	32,254	-	32,254
Balance 12.31.2010	-	**(648,290)**	**(214,907)**	**(1,002,834)**	**(1,866,031)**
Net Property, Plant and Equipment	-	**145,043**	**1,069,449**	**268,755**	**1,483,247**

13. INCOME TAX AND DEFERRED TAXES

a. Income tax expenses

The income tax provision recorded by the Group for the periods reported is presented as detailed below:

Current tax assets

		Balance	
	12.31.2012	**12.31.2011**	**12.31.2010**
	ThCh$	**ThCh$**	**ThCh$**
Sence credit	96,549	71,502	57,308
Monthly provisional payments	4,852,501	4,639,727	2,532,010
Net VAT credit surplus	2,112,315	1,801,063	318,939
Current tax assets	**7,061,365**	**6,512,292**	**2,908,257**

Current tax liabilities

		Balance	
	12.31.2012	**12.31.2011**	**12.31.2010**
	ThCh$	**ThCh$**	**ThCh$**
Income tax provision	(8,074,491)	(3,385,540)	(2,907,026)
Current tax liabilities	**(8,074,491)**	**(3,385,540)**	**(2,907,026)**

b. Deferred taxes

Deferred taxes established under the policies described in Note 2 ii) are detailed in the following table:

Item	Balance 12.31.2012 Assets ThCh$	12.31.2012 Liabilities ThCh$	12.31.2011 Assets ThCh$	12.31.2011 Liabilities ThCh$	12.31.2010 Assets ThCh$	12.31.2010 Liabilities Th$
Allowance for loan losses	3,460,000	-	2,236,332	-	4,374,856	-
Financial write-offs	5,264,254	-	3,387,820	-	-	-
Vacation provision	149,771	-	122,648	-	89,490	-
Leased assets	2,563,555	1,229,027	579,271	845,309	-	158,597
Commission deferred assets	-	3,052,992	-	2,474,032	-	1,640,943
Other events	358,025	22,218	190,087	-	96,911	-
Total deferred taxes	**11,795,605**	**4,304,237**	**6,516,158**	**3,319,341**	**4,561,257**	**1,799,540**

c. (Expense) benefit from income tax by current and deferred portion

Item	Balance 12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Tax expenses	(8,074,491)	(3,385,540)	(2,907,026)
Effect for deferred tax assets or liabilities	4,294,551	333,343	880,403
Others	24,804		
Income tax expense	**(3,755,136)**	**(3,052,197)**	**(2,026,623)**

d. Reconciliation between the income tax resulting from applying current taxes and consolidated tax expenses

	Balance 12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Income for the year before tax	23,691,880	17,500,014	12,829,192
Tax expenses at the legal tax rate	(4,738,376)	(3,500,003)	(2,180,963)
Other increase (decrease) charge for taxes	983,240	447,806	154,340
Income tax expense	**(3,755,136)**	**(3,052,197)**	**(2,026,623)**

On July 29, 2010, Law Number 20.455, “Modification of Various Legal Bodies to Obtain Resources Directed Toward Financing the Reconstruction of the Country,” which was officially published on July 31, 2010. This law, among other things, established a temporary increase of the income tax rate for the fiscal years 2012 and 2011 (18.5% and 20%, respectively), returning to 17% in 2013.

On September 24, 2012, Law Number 20.630, “Perfecting tax legislation and financing of educational reform,” was enacted which was officially published on September 27, 2012. This law, among other aspects, established an income tax rate of 20%, eliminating the temporary rate established in Law Number 20.455. The resulting effect of the change in tax rate is ThCh$95,905, recorded within the line item “Other increase (decrease) charge for taxes.”

14. INVESTMENTS IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

Investments accounted for using the equity method relate to:

Investment in Bolsa de Productos de Chile, Bolsa de Productos Agropecuarios S.A.

Subsidiary Tanner Corredores de Bolsa de Productos S.A., has one share on the Chilean Commodity Exchange, Agricultural Commodity Exchange (*Bolsa de Productos de Chile*, *Bolsa de Productos Agropecuarios S.A.*), which presents its financial statements in accordance with Chile GAAP.

The company Bolsa de Productos de Chile, Bolsa de Productos Agropecuarios S.A. has a total of twenty shareholders, each with a 5% stake. Our subsidiary Tanner Corredores de Bolsa de Productos S.A. has significant influence over this company because our shareholder César Barros (30% of Tanner Corredores de Bolsa de Productos S.A.) is the Chairman of the Agricultural Commodity Exchange (Bolsa de Productos Agropecuarios S.A.) and therefore has the power to participate in the financial and operating policy decisions of the entity.

(a) The following table sets forth a summary of investments accounted for using the equity method:

Taxpayer number	Company	Ownership percentage	Company's equity			Net income for the year			Equity in income			Book value of investment		
			12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
99575550-5	Bolsa de Productos de Chile	5.0000%	790,743	998,217	1,006,502	(207,474)	(3,385)	(22,757)	(10,374)	(169)	(1,138)	39,537	49,911	50,325
93966000-3	Gestora Tanner SpA (*)	27.3736%	-	-	6,793,429	-	-	-	-	-	-	-	-	1,859,606
	Total								**(10,374)**	**(169)**	**(1,138)**	**39,537**	**49,911**	**1,909,931**

(*) Gestora Tanner SpA is consolidated in 2011. See note nota 2 (c).

(a) The following table sets forth a summary of financial information of the companies accounted for using the equity method:

Company:	**Gestora Tanner SpA (*)**		
Ownership %:	**27.3936%**		

Financial Situation	**2012 ThCh$**	**2011 ThCh$**	**2010 ThCh$**
Current assets	-	-	4,739,729
Non-current assets	-	-	2,053,700
Current liabilities	-	-	-
Non-current liabilities	-	-	-
Shareholders' equity	-	-	6,793,429
Income of the Company			
Operating income	-	-	247,315
Net income (loss)	-	-	252,071

(*) Gestora Tanner SpA is consolidated in 2011. See Note 2 (c).

Financial situation	**2012 ThCh$**	**2011 ThCh$**	**2010 ThCh$**
Current assets	518,335	705,584	846,941
Non-current assets	333,370	340,941	228,501
Current liabilities	60,962	48,308	73,841
Non-current liabilities	-	-	-
Shareholders' equity	790,743	998,217	1,001,601
Income of the Company	**ThCh$**	**ThCh$**	**ThCh$**
Operating income	(266,675)	(56,354)	(3,341)
Net income (loss)	(207,474)	(3,385)	(2,555)

15. GOODWILL

An acquired entity's assets and liabilities are provisionally measured at the date when the Company assumes control of that entity; such measurements are revised within one year from the date of acquisition. Until the fair value of assets and liabilities is finally determined, the difference between acquisition price and book value of the acquired entity is recorded provisionally as goodwill.

In the event that the final determination of goodwill is made in the financial statements of the year following the acquisition of the controlling participation, the acquired entity's assets and liabilities presented in the comparative period are modified to incorporate the value of assets and liabilities acquired and of the final goodwill from the acquisition date of the participation.

Due to Tanner Servicios Financieros S.A., investment in Gestora Tanner SpA during 2010, goodwill in the amount of ThCh$126,059 arose.

In the reported periods, subsidiary Tanner Corredores de Bolsa de Productos S.A., has goodwill due to the investment it has in the Commodity Exchange in Chile, Agricultural Commodity Exchange (Bolsa de Productos de Chile, Bolsa de Productos Agropecuarios S.A.) (one share).

		Goodwill		
Taxpayer number	Company	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
99575550-5	Bolsa de Productos de Chile, Bolsa de Productos Agropecuarios S.A.	54,428	54,428	54,428
93966000-3	Gestora Tanner SpA (*)	126,059	96,967	404,337
91711000-k	Financo S.A. (**)	1,087,815	1,087,815	-
80962600-8	Tanner Corredora de Bolsa S.A. (***)	34,863	34,863	-
	Total	**1,303,165**	**1,274,073**	**458,765**

(*) The goodwill in the subsidiary Gestora Tanner SpA arises from the purchase of assets by Tanner Servicios Financieros (formerly, Factorline S.A.) in 2010, which was adjusted in the year 2011, after the audited financial statements of the company (Gestora Tanner SpA) at December 31, 2010 became available.

(**)The goodwill arises from the purchase of shares by Gestora Tanner SpA in its subsidiary Financo S.A., which in turn owns 98.51% of Tanner Corredores de Bolsa S.A.

(***)The goodwill arises from the purchase of shares by Gestora Tanner SpA in its subsidiary Tanner Corredores de Bolsa S.A.

The Company determined that the amount paid for the investment in the indirect subsidiary Tanner Corredores de Bolsa S.A. does not differ from the fair value of the investment determined at December 31, 2011.

16. OTHER NON-FINANCIAL ASSETS, CURRENT

Other non-financial assets, current is composed of:

Details	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Intermediation debtors (4)	3,169,065	550,352	140,512
Deferred assets (1)	528,582	248,173	177,175
Assets received in settlement of loans	463,145	64,876	33,896
Stamp tax (3)	29,346	47,035	64,722
Refundable taxes	41,741	32,732	17,935
Investments in products owned (2)	-	-	329,699
Other assets	6,983	138,835	118,607
Total	**4,238,862**	**1,082,003**	**882,546**

(1) Corresponds to prepaid expenses that are accrued over the term during which the benefit is received.
(2) Corresponds to operations performed by the subsidiary Tanner Corredores de Bolsa de Productos S.A. on its own account.

(3) Corresponds to the stamp tax on the placement of commercial paper amortized over the term of the line.
(4) Corresponds to balances receivable for brokerage by the subsidiary Tanner Corredores de Bolsa de Productos S.A.

17. OTHER CURRENT FINANCIAL LIABILITIES

To manage the liquidity risk inherent in financial liabilities, the Company's policy is to not assume financial liabilities (e.g. bank loans and commercial paper) with maturities within a week that exceed the following values:

- Commercial paper maturities should not exceed $3,500 million approx. per week.
- Bank loan maturities should not exceed $15,000 million approx. per week, nor can exceed $5,000 million daily. The average amount collected daily by the company is $3,900 million.

This allows the Company to meet its financial commitments without relying on a renewal, a new loan or a new issuance of commercial paper, and meet them comfortably with its existing resources, having resources to continue operating normally, as occurred in the financial crisis of September 2008.

Other current financial liabilities are made up of the following:

Details	As of December 31,		
	2012	2011	2010
	ThCh$	ThCh$	ThCh$
Obligations to banks and financial institutions	121,860,772	106,301,579	77,640,616
Promissory notes and debentures	48,498,265	52,410,860	44,174,346
Bonds and debentures	29,889,882	22,030,960	1,437,360
Other debentures	2,322,519	7,800,041	-
Total	**202,571,438**	**188,543,440**	**123,252,322**

Other current financial liabilities determined in accordance with contractual undiscounted cash flows are as follows:

Details	As of December 31,		
	2012	2011	2010
	ThCh$	ThCh$	ThCh$
Obligations to banks and financial institutions	123,498,996	106,661,664	77,890,140
Promissory notes and debentures	49,000,000	53,000,000	44,500,000
Bonds and debentures	36,179,363	28,045,390	6,009,560
Other debentures	2,322,519	7,800,041	-
Total	**211,000,878**	**195,507,095**	**128,399,700**

SVS Circular No. 595 states that, in the case of consolidated financial statements the RUT (Tax Identification) and country of the debtor should be indicated. In this case, all current financial liabilities existing at the closing of the reported periods relate to obligations of the Parent, taxpayer number 96,667,560-8, home country Chile.

The balance of other current financial liabilities determined in accordance with contractual undiscounted cash flows are presented in Appendix A to the financial statements.

Tanner Servicios Financieros

a. Obligations to banks and financial institutions, current

The following tables set forth are the balances as of December 2012:

									US dollars 12.31.2012		UF 12.31.2012		Chilean pesos 12.31.2012		
Debtor Taxpayer Number	Debtor company name	Country	Credito Taxpayer N°	Bank	Country	Type of amortization	nominal rate	effective rate	Up to 90 days ThCh$	More than 90 days to 1 ThCh$	Up to 90 days ThCh$	More than 90 days to 1 ThCh$	Up to 90 days ThCh$	More than 90 days to 1 ThCh$	Total ThCh$
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97006000-6	BCI	Chile	Single	7.068%	7.068%	-	-	602	532,888	13,659,467	-	14,192,957
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97018000-1	Scotiabank	Chile	Single	6.975%	6.975%	-	-	-	-	13,649,622	-	13,649,622
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97041000-7	Itaú	Chile	Single	7.225%	7.225%	-	-	-	-	1,712,395	8,563,052	10,275,447
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97032000-8	BBVA	Chile	Single	7.050%	7.050%	-	-	-	-	1,447,106	7,741,695	9,188,801
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97004000-5	Chile	Chile	Single	7.020%	7.020%	-	-	-	-	8,603,278	-	8,603,278
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97015000-5	Santander Chile	Chile	Single	6.687%	6.687%	-	-	-	-	7,807,855	-	7,807,855
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	CII	USA	See note	2.438%	2.438%	7,221,823	-	-	-	-	-	7,221,823
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97053000-2	Security	Chile	Single	7.308%	7.308%	960,160	-	-	-	1,144,188	4,805,663	6,910,011
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	WACHOVIA	USA	Single	2.329%	2.329%	5,498,262	-	-	-	-	-	5,498,262
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97011000-3	Internacional	Chile	Single	6.930%	6.930%	-	-	-	-	5,035,985	-	5,035,985
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97952000-K	Penta	Chile	Single	1.524%	1.524%	4,800,860	-	-	-	-	-	4,800,860
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	79005000-2	BICE	Chile	Single	7.224%	7.224%	-	-	-	-	-	3,626,201	3,626,201
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	BLADEX	USA	Single	3.239%	3.239%	3,363,799	-	-	-	-	-	3,363,799
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	DEG	Germany	Single	3.073%	3.073%	2,998,912	-	-	-	-	-	2,998,912
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97042000-2	HSBC	Chile	Single	6.480%	6.480%	2,400,584	-	-	-	503,060	-	2,903,644
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	IDB	USA	Single	3.210%	3.210%	2,903,216	-	-	-	-	-	2,903,216
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	Banco Mercantil	USA	Single	1.386%	1.386%	2,439,240	-	-	-	-	-	2,439,240
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	BAC Florida Bank	USA	Single	3.000%	3.000%	2,402,600	-	-	-	-	-	2,402,600
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	DB Uruguay	Uruguay	Single	3.250%	3.250%	-	1,448,849	-	-	-	-	1,448,849
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	99500410-0	Banco Consorcio	Chile	Single	7.080%	7.080%	-	-	-	-	1,179,402	-	1,179,402
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	60706000-6	IFC	Chile	Single	0.000%	0.000%	-	-	-	-	-	1,017,073	1,017,073
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	Deutsche Bank	USA	Single	1.052%	1.052%	28,059	4,364,876	-	-	-	-	4,392,935
			Totals						**35,017,515**	**5,813,725**	**602**	**532,888**	**54,742,358**	**25,753,684**	**121,860,772**

The following table presents the amounts as of December 2012 determined in accordance with contractual undiscounted cash flows:

Debtor Taxpayer Number	Debtor company name	Country	Credito Taxpayer N°	Bank	Country	Type of amortization	nominal rate	effective rate	US dollars 12.31.2012 Up to 90 days ThCh$	More than 90 days to 1 ThCh$	UF 12.31.2012 Up to 90 days ThCh$	More than 90 days to 1 ThCh$	Chilean pesos 12.31.2012 Up to 90 days ThCh$	More than 90 days to 1 ThCh$	Total ThCh$
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97006000-6	BCI	Chile	Single	7.068%	7.068%	13,801,058	-	202,654	337,757	-	-	14,341,469
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97018000-1	Scotiabank	Chile	Single	6.975%	6.975%	-	-	-	-	13,730,914	-	13,730,914
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97041000-7	Itaú	Chile	Single	7.225%	7.225%	-	-	-	-	1,718,225	8,879,145	10,597,370
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97032000-8	BBVA	Chile	Single	7.050%	7.050%	-	-	-	-	9,454,564	-	9,454,564
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97004000-5	Chile	Chile	Single	7.020%	7.020%	-	-	-	-	8,757,368	-	8,757,368
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97015000-5	Santander Chile	Chile	Single	6.687%	6.687%	-	-	-	-	7,844,708	-	7,844,708
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	CII	USA	See note	2.438%	2.438%	7,244,263	-	-	-	-	-	7,244,263
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97053000-2	Security	Chile	Single	7.308%	7.308%	961,160	-	-	-	1,147,047	4,998,222	7,106,429
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	WACHOVIA	USA	Single	2.329%	2.329%	5,518,184	-	-	-	-	-	5,518,184
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97011000-3	Internacional	Chile	Single	6.930%	6.930%	-	-	-	-	5,069,645	-	5,069,645
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97952000-K	Penta	Chile	Single	1.524%	1.524%	-	4,805,655	-	-	-	-	4,805,655
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	79005000-2	BICE	Chile	Single	7.224%	7.224%	-	-	-	-	-	3,757,033	3,757,033
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	BLADEX	USA	Single	3.239%	3.239%	965,373	2,414,243	-	-	-	-	3,379,616
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	DEG	Germany	Single	3.073%	3.073%	3,081,316	-	-	-	-	-	3,081,316
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97042000-2	HSBC	Chile	Single	6.480%	6.480%	2,402,740	-	-	-	508,100	-	2,910,840
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	IDB	USA	Single	3.210%	3.210%	2,914,923	-	-	-	-	-	2,914,923
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	Banco Mercantil	USA	Single	1.386%	1.386%	2,443,581	-	-	-	-	-	2,443,581
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	BAC Florida Bank	USA	Single	3.000%	3.000%	2,405,400	-	-	-	-	-	2,405,400
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	DB Uruguay	Uruguay	Single	3.250%	3.250%	-	-	-	-	-	1,463,408	1,463,408
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	99500410-0	Banco Consorcio	Chile	Single	7.080%	7.080%	-	-	-	-	1,190,710	-	1,190,710
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	60706000-6	IFC	Chile	Single	0.000%	0.000%	-	-	-	-	-	1,037,650	1,037,650
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	Deutsche Bank	USA	Single	1.052%	1.052%	32,650	4,411,300	-	-	-	-	4,443,950
			Totals						**41,770,648**	**11,631,198**	**202,654**	**337,757**	**49,421,281**	**20,135,458**	**123,498,996**

Tanner Servicios Financieros

The following tables set forth are the balances as of December 2011:

									US dollars 12.31.2011		UF 12.31.2011		Chilean pesos 12.31.2011		
Debtor Taxpayer Number	Debtor company name	Country	Credito Taxpayer N°	Bank	Country	Type of amortization	nominal rate	effective rate	Up to 90 days ThCh$	More than 90 days to 1 ThCh$	Up to 90 days ThCh$	More than 90 days to 1 ThCh$	Up to 90 days ThCh$	More than 90 days to 1 ThCh$	Total ThCh$
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97018000-1	Scotiabank	Chile	Single	7.300%	7.300%	3,117,219	-	-	-	12,386,204	-	15,503,423
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97032000-8	BBVA	Chile	Single	7.900%	7.900%	-	-	-	-	10,980,028	-	10,980,028
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97041000-7	Itaú	Chile	Single	6.920%	6.920%	-	-	-	-	9,992,055	-	9,992,055
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97004000-5	Chile	Chile	Single	6.880%	6.880%	-	-	-	-	9,851,552	-	9,851,552
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97006000-6	BCI	Chile	Single	7.030%	7.030%	-	-	187,863	1,089,805	7,026,697	-	8,304,365
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	CII	USA	See note	2.500%	2.500%	7,804,464	-	-	-	-	-	7,804,464
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97023000-9	Corpbanca	Chile	Single	6.960%	6.960%	5,531,200	-	-	-	904,524	-	6,435,724
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	BLADEX	USA	Single	2.750%	2.750%	5,478,395	779,859	-	-	-	-	6,258,254
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97053000-2	Security	Chile	Single	7.280%	7.280%	1,994,461	-	-	-	3,983,838	-	5,978,299
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	IDB	USA	Single	2.560%	2.560%	5,724,103	-	-	-	-	-	5,724,103
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	WACHOVIA	USA	Single	1.990%	1.990%	5,202,783.00	-	-	-	-	-	5,202,783
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	79005000-2	BICE	Chile	Single	8.270%	8.270%	-	-	-	-	3,306,428	-	3,306,428
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97042000-2	HSBC	Chile	Single	7.140%	7.140%	1,288,345	-	-	-	1,705,920	-	2,994,265
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97011000-3	Internacional	Chile	Single	6.750%	6.750%	-		-	-	2,612,817	-	2,612,817
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	BAC Florida Bank	USA	Single	2.643%	2.643%	2,599,448	-	-	-	-	-	2,599,448
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	Mercantil	USA	Single	1.450%	1.450%	2,598,345	-	-	-	-	-	2,598,345
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	Bank of America	USA	Single	2.324%	2.324%	155,226.00	-	-	-	-	-	155,226
			Totals						**41,493,989**	**779,859**	**187,863**	**1,089,805**	**62,750,063**	**-**	**106,301,579**

The following table presents the amounts as of December 2011 determined in accordance with contractual undiscounted cash flows:

									US dollars 12.31.2011		UF 12.31.2011		Chilean pesos 12.31.2011		
Debtor Taxpayer Number	Debtor company name	Country	Credito Taxpayer N°	Bank	Country	Type of amortization	nominal rate	effective rate	Up to 90 days ThCh$	More than 90 days to 1 ThCh$	Up to 90 days ThCh$	More than 90 days to 1 ThCh$	Up to 90 days ThCh$	More than 90 days to 1 ThCh$	Total ThCh$
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97018000-1	Scotiabank	Chile	Single	7.300%	7.300%	3,124,058	-	-	-	12,420,680	-	15,544,738
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97032000-8	BBVA	Chile	Single	7.900%	7.900%	-	-	-	-	11,005,366	-	11,005,366
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97041000-7	Itaú	Chile	Single	6.920%	6.920%	-	-	-	-	10,019,213	-	10,019,213
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97004000-5	Chile	Chile	Single	6.880%	6.880%	-	-	-	-	9,906,679	-	9,906,679
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97006000-6	BCI	Chile	Single	7.030%	7.030%	-	-	197,803	1,120,886	7,048,380	-	8,367,069
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	CII	USA	See note	2.500%	2.500%	7,837,757	-	-	-	-	-	7,837,757
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97023000-9	Corpbanca	Chile	Single	6.960%	6.960%	5,542,812	-	-	-	905,394	-	6,448,206
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	BLADEX	USA	Single	2.750%	2.750%	5,497,058	787,868	-	-	-	-	6,284,926
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97053000-2	Security	Chile	Single	7.280%	7.280%	1,997,092	-	-	-	3,996,428	-	5,993,520
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	IDB	USA	Single	2.560%	2.560%	5,738,522	-	-	-	-	-	5,738,522
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	WACHOVIA	USA	Single	1.990%	1.990%	5,214,013	-	-	-	-	-	5,214,013
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	79005000-2	BICE	Chile	Single	8.270%	8.270%	-	-	-	-	3,322,820	-	3,322,820
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97042000-2	HSBC	Chile	Single	7.140%	7.140%	1,289,238	-	-	-	1,709,944	-	2,999,182
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97011000-3	Internacional	Chile	Single	6.750%	6.750%	-	-	-	-	2,615,037	-	2,615,037
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	BAC Florida Bank	USA	Single	2.643%	2.643%	2,608,548	-	-	-	-	-	2,608,548
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	Mercantil	USA	Single	1.450%	1.450%	2,600,021	-	-	-	-	-	2,600,021
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	Bank of America	USA	Single	2.324%	2.324%	156,047	-	-	-	-	-	156,047
			Totals						**41,605,166**	**787,868**	**197,803**	**1,120,886**	**62,949,941**	**-**	**106,661,664**

The following tables set forth are the balances as of December 2010:

Debtor Taxpayer Number	Debtor company name	Country	Credito Taxpayer N°	Bank	Country	Type of amortization	nominal rate	effective rate	US dollars 12.31.2010 Up to 90 days ThCh$	US dollars 12.31.2010 More than 90 days to 1 ThCh$	UF 12.31.2010 Up to 90 days ThCh$	UF 12.31.2010 More than 90 days to 1 ThCh$	Chilean pesos 12.31.2010 Up to 90 days ThCh$	Chilean pesos 12.31.2010 More than 90 days to 1 ThCh$	Total ThCh$
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97004000-5	Chile	Chile	Single	4.191%	4.191%	-	-	20,172	-	13,264,811	-	13,284,983
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97018000-1	Scotiabank	Chile	Single	4.325%	4.325%	-	-	-	-	8,976,051	-	8,976,051
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97032000-8	BBVA	Chile	Single	3.862%	3.862%	-	-	-	-	8,620,555	-	8,620,555
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97015000-5	Santander Chile	Chile	Single	4.123%	4.123%	-	-	-	-	7,305,429	-	7,305,429
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	CII	USA	Sea Note	2.213%	2.213%	7,035,078	-	-	-	-	-	7,035,078
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	IFC	USA	Single	4.228%	4.288%	7,030,452	-	-	-	-	-	7,030,452
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97053000-2	Security	Chile	Single	4.080%	4.080%	-	-	-	-	6,108,704	-	6,108,704
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97023000-9	Corpbanca	Chile	Single	4.154%	4.154%	-	-	-	-	5,008,490	-	5,008,490
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97006000-6	BCI	Chile	Single	5.124%	5.124%	-	-	-	-	-	3,218,923	3,218,923
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97042000-2	HSBC	Chile	Single	4.110%	4.110%	-	-	-	-	3,004,665	-	3,004,665
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	97041000-7	Itaú	Chile	Single	4.350%	4.350%	-	-	-	-	2,702,809	-	2,702,809
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	BLADEX	USA	Single	1.672%	1.672%	821,453	936,815	-	-	-	-	1,758,268
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	IDB	USA	Single	1.786%	1.786%	1,406,363	-	-	-	-	-	1,406,363
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	0-E	WACHOVIA	USA	Single	1.783%	1.783%	1,178,500	-	-	-	-	-	1,178,500
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	79005000-2	BICE	Chile	Single	4.404%	4.404%	-	-	-	-	1,001,346	-	1,001,346
			Totals						**17,471,846**	**936,815**	**20,172**	**-**	**55,992,860**	**3,218,923**	**77,640,616**

The following table presents the amounts as of December 2010 determined in accordance with contractual undiscounted cash flows:

Debtor Taxpayer Number	Debtor company name	Country	Credito Taxpayer N°	Bank	Country	Type of amortization	nominal rate	effective rate	US dollars 12.31.2010 Up to 90 days ThCh$	US dollars 12.31.2010 days to 1 year ThCh$	UF 12.31.2010 Up to 90 days ThCh$	UF 12.31.2010 90 days to 1 year ThCh$	Chilean pesos 12.31.2010 Up to 90 days ThCh$	Chilean pesos 12.31.2010 days to 1 year ThCh$	Total ThCh$
96.667.560-8	Tanner Servicios Finacieros S..	Chile	97006000-6	BCI	Chile	Single	7.030%	7.030%	-	-	-	-	-	3,295,685	3,295,685
96.667.560-8	Tanner Servicios Finacieros S..	Chile	97018000-1	Scotiabank	Chile	Single	7.300%	7.300%	-	-	-	-	8,992,420	-	8,992,420
96.667.560-8	Tanner Servicios Finacieros S..	Chile	97041000-7	Itaú	Chile	Single	6.920%	6.920%	-	-	-	-	2,706,678	-	2,706,678
96.667.560-8	Tanner Servicios Finacieros S..	Chile	97032000-8	BBVA	Chile	Single	7.900%	7.900%	-	-	-	-	8,628,477	-	8,628,477
96.667.560-8	Tanner Servicios Finacieros S..	Chile	97004000-5	Chile	Chile	See Note	6.880%	6.880%	-	-	-	20,603	13,294,261	-	13,314,864
96.667.560-8	Tanner Servicios Finacieros S..	Chile	97015000-5	Santander Chile	Chile	Single	6.687%	6.687%	-	-	-	-	7,313,414	-	7,313,414
96.667.560-8	Tanner Servicios Finacieros S..	Chile	0-E	CII	EEUU	Single	2.500%	2.500%	-	7,055,223	-	-	-	-	7,055,223
96.667.560-8	Tanner Servicios Finacieros S..	Chile	97053000-2	Security	Chile	Single	7.280%	7.280%	-	-	-	-	6,119,323	-	6,119,323
96.667.560-8	Tanner Servicios Finacieros S..	Chile	0-E	WACHOVIA	EEUU	Single	1.990%	1.990%	1,181,473	-	-	-	-	-	1,181,473
96.667.560-8	Tanner Servicios Finacieros S..	Chile	97023000-9	Corpbanca	Chile	Single	6.960%	6.960%	-	-	-	-	5,017,415	-	5,017,415
96.667.560-8	Tanner Servicios Finacieros S..	Chile	79005000-2	BICE	Chile	Single	8.270%	8.270%	-	-	-	-	1,003,425	-	1,003,425
96.667.560-8	Tanner Servicios Finacieros S..	Chile	0-E	BLADEX	EEUU	Single	2.750%	2.750%	824,041	941,894	-	-	-	-	1,765,935
96.667.560-8	Tanner Servicios Finacieros S..	Chile	0-E	IFC	EEUU	Single	6.280%	6.280%	7,078,101	-	-	-	-	-	7,078,101
96.667.560-8	Tanner Servicios Finacieros S..	Chile	97042000-2	HSBC	Chile	Single	7.140%	7.140%	3,007,617	-	-	-	-	-	3,007,617
96.667.560-8	Tanner Servicios Finacieros S..	Chile	0-E	IDB	EEUU	Single	2.560%	2.560%	1,410,090	-	-	-	-	-	1,410,090
			Totals						**13,501,322**	**7,997,117**	**-**	**20,603**	**53,075,413**	**3,295,685**	**77,890,140**

Note: The obligations with CII consist of credits associated to a line of financing that is annually renewable. The next date of renewal is November of 2013.

b. Current Bonds and Debentures (Promissory Notes)

i) Carrying amount

Country	Registration number	Currency	Type of amortization	Annual effective rate	Annual nominal rate	Nominal value ThCh$	Maturity of promissory note	Carrying Amount 12.31.2012 Up to 90 days ThCh$	Carrying Amount 12.31.2012 More than 90 days to 1 year ThCh$	Carrying Amount 12.31.2011 Up to 90 days ThCh$	Carrying Amount 12.31.2011 More than 90 days to 1 year ThCh$	Carrying Amount 12.31.2010 Up to 90 days ThCh$	Carrying Amount 12.31.2010 More than 90 days to 1 year ThCh$	Carrying Amount Totals 12.31.2012 ThCh$	Carrying Amount Totals 12.31.2011 ThCh$	Carrying Amount Totals 12.31.2010 ThCh$
Chile	L-001	Chilean pesos	Single	3.90%	0.00%	500,000	04/01/2011	-	-	-	-	499,789	-	-	-	499,789
Chile	L-001	Chilean pesos	Single	4.92%	0.00%	500,000	25/01/2011	-	-	-	-	498,322	-	-	-	498,322
Chile	L-001	Chilean pesos	Single	5.04%	0.00%	500,000	25/01/2011	-	-	-	-	498,272	-	-	-	498,272
Chile	L-001	Chilean pesos	Single	5.64%	0.00%	500,000	22/02/2011	-	-	-	-	495,933	-	-	-	495,933
Chile	L-001	Chilean pesos	Single	4.72%	0.00%	1,000,000	22/02/2011	-	-	-	-	993,174	-	-	-	993,174
Chile	L-001	Chilean pesos	Single	4.74%	0.00%	1,000,000	01/03/2011	-	-	-	-	992,172	-	-	-	992,172
Chile	L-001	Chilean pesos	Single	4.80%	0.00%	500,000	08/03/2011	-	-	-	-	495,590	-	-	-	495,590
Chile	L-001	Chilean pesos	Single	5.40%	0.00%	500,000	08/03/2011	-	-	-	-	495,043	-	-	-	495,043
Chile	L-001	Chilean pesos	Single	5.76%	0.00%	2,000,000	29/03/2011	-	-	-	-	1,972,240	-	-	-	1,972,240
Chile	L-001	Chilean pesos	Single	6.48%	0.00%	1,000,000	03/01/2012	-	-	999,470	-	-	-	-	999,470	-
Chile	L-001	Chilean pesos	Single	7.02%	0.00%	2,000,000	20-03-2012	-	-	1,969,812	-	-	-	-	1,969,812	-
Chile	L-001	Chilean pesos	Single	7.92%	0.00%	1,500,000	03-04-2012	-	-	-	1,469,719	-	-	-	1,469,719	-
Chile	L-001	Chilean pesos	Single	8.76%	0.00%	1,000,000	13-03-2012	-	-	982,568	-	-	-	-	982,568	-
Chile	L-001	Chilean pesos	Single	7.80%	0.00%	600,000	20-03-2012	-	-	589,814	-	-	-	-	589,814	-
Chile	L-001	Chilean pesos	Single	8.76%	0.00%	400,000	20-03-2012	-	-	392,371	-	-	-	-	392,371	-
Chile	L-001	Chilean pesos	Single	7.92%	0.00%	500,000	27-03-2012	-	-	490,644	-	-	-	-	490,644	-
Chile	L-014	Chilean pesos	Single	5.40%	0.00%	2,000,000	15/03/2011	-	-	-	-	1,980,508	-	-	-	1,980,508
Chile	L-014	Chilean pesos	Single	6.44%	0.00%	2,000,000	03-01-2013	1,998,940	-	-	-	-	-	1,998,940	-	-
Chile	L-014	Chilean pesos	Single	6.48%	0.00%	1,000,000	15-01-2013	997,347	-	-	-	-	-	997,347	-	-
Chile	L-014	Chilean pesos	Single	6.66%	0.00%	500,000	19-03-2013	492,919	-	-	-	-	-	492,919	-	-
Chile	L-014	Chilean pesos	Single	6.36%	0.00%	500,000	05-02-2013	496,863	-	-	-	-	-	496,863	-	-
Chile	L-014	Chilean pesos	Single	6.24%	0.00%	1,000,000	17-01-2012	-	-	997,085	-	-	-	-	997,085	-
Chile	L-014	Chilean pesos	Single	6.24%	0.00%	1,000,000	10-01-2012	-	-	998,283	-	-	-	-	998,283	-
Chile	L-014	Chilean pesos	Single	6.44%	0.00%	2,000,000	10-04-2012	-	-	-	1,952,060	-	-	-	1,952,060	-
Chile	L-019	Chilean pesos	Single	3.80%	0.00%	1,000,000	04/01/2011	-	-	-	-	999,587	-		-	999,587
Chile	L-019	Chilean pesos	Single	4.80%	0.00%	500,000	01/02/2011	-	-	-	-	497,903	-		-	497,903
Chile	L-019	Chilean pesos	Single	5.21%	0.00%	2,500,000	08/02/2011	-	-	-	-	2,486,254	-		-	2,486,254
Chile	L-019	Chilean pesos	Single	5.22%	0.00%	500,000	22/02/2011	-	-	-	-	496,218	-		-	496,218
Chile	L-019	Chilean pesos	Single	5.40%	0.00%	500,000	08/03/2011	-	-	-	-	495,043	-		-	495,043
Chile	L-019	Chilean pesos	Single	5.28%	0.00%	2,000,000	22/03/2011	-	-	-	-	1,976,577	-		-	1,976,577
Chile	L-019	Chilean pesos	Single	6.48%	0.00%	500,000	15-01-2013	498,673	-	-	-	-	-	498,673	-	-
Chile	L-019	Chilean pesos	Single	6.60%	0.00%	500,000	22-01-2013	498,021	-	-	-	-	-	498,021	-	-
Chile	L-019	Chilean pesos	Single	6.72%	0.00%	500,000	29-01-2013	497,345	-	-	-	-	-	497,345	-	-
Chile	L-019	Chilean pesos	Single	6.32%	0.00%	3,000,000	19-02-2013	2,973,967	-	-	-	-	-	2,973,967	-	-
Chile	L-019	Chilean pesos	Single	6.48%	0.00%	1,000,000	05-03-2013	988,694	-	-	-	-	-	988,694	-	-
Chile	L-019	Chilean pesos	Single	6.36%	0.00%	1,000,000	05-02-2013	993,725	-	-	-	-	-	993,725	-	-
Chile	L-019	Chilean pesos	Single	6.72%	0.00%	500,000	19-03-2013	492,869	-	-	-	-	-	492,869	-	-
Chile	L-019	Chilean pesos	Single	6.48%	0.00%	1,500,000	03-01-2012	-	-	1,499,206	-	-	-	-	1,499,206	-
Chile	L-019	Chilean pesos	Single	6.56%	0.00%	2,500,000	31-01-2012	-	-	2,486,117	-	-	-	-	2,486,117	-
Chile	L-019	Chilean pesos	Single	6.84%	0.00%	500,000	21-02-2012	-	-	495,172	-	-	-	-	495,172	-
Chile	L-019	Chilean pesos	Single	6.48%	0.00%	500,000	31-01-2012	-	-	497,248	-	-	-	-	497,248	-
Chile	L-019	Chilean pesos	Single	7.44%	0.00%	1,000,000	07-02-2012	-	-	992,268	-	-	-	-	992,268	-
Chile	L-019	Chilean pesos	Single	7.44%	0.00%	1,000,000	14-02-2012	-	-	990,857	-	-	-	-	990,857	-
Chile	L-022	Chilean pesos	Single	5.04%	0.00%	1,000,000	18/01/2011	-	-	-	-	997,509	-	-	-	997,509
Chile	L-022	Chilean pesos	Single	4.80%	0.00%	2,000,000	01/02/2011	-	-	-	-	1,991,613	-	-	-	1,991,613
Chile	L-022	Chilean pesos	Single	4.80%	0.00%	1,000,000	08/02/2011	-	-	-	-	994,858	-	-	-	994,858
Chile	L-022	Chilean pesos	Single	4.88%	0.00%	1,000,000	15/02/2011	-	-	-	-	993,806	-	-	-	993,806
Chile	L-022	Chilean pesos	Single	5.76%	0.00%	500,000	29/03/2011	-	-	-	-	493,060	-	-	-	493,060
Chile	L-022	Chilean pesos	Single	5.76%	0.00%	1,000,000	29/03/2011	-	-	-	-	986,118	-	-	-	986,118
Chile	L-022	Chilean pesos	Single	5.40%	0.00%	500,000	23/08/2011	-	-	-	-	-	483,496	-	-	483,496
Chile	L-022	Chilean pesos	Single	5.40%	0.00%	1,500,000	23/08/2011	-	-	-	-	-	1,450,454	-	-	1,450,454
Chile	L-022	Chilean pesos	Single	6.48%	0.00%	500,000	03-01-2013	499,735	-	-	-	-	-	499,735	-	-
Chile	L-022	Chilean pesos	Single	6.56%	0.00%	1,500,000	22-01-2013	1,494,063	-	-	-	-	-	1,494,063	-	-
Chile	L-022	Chilean pesos	Single	6.36%	0.00%	3,000,000	26-02-2013	2,970,340	-	-	-	-	-	2,970,340	-	-
Chile	L-022	Chilean pesos	Single	6.48%	0.00%	500,000	05-03-2013	494,347	-	-	-	-	-	494,347	-	-
Chile	L-022	Chilean pesos	Single	6.72%	0.00%	2,500,000	19-03-2013	2,464,345	-	-	-	-	-	2,464,345	-	-
Chile	L-022	Chilean pesos	Single	6.99%	0.00%	2,000,000	02-04-2013	-	1,964,947	-	-	-	-	1,964,947	-	-
Chile	L-022	Chilean pesos	Single	6.48%	0.00%	2,500,000	10-01-2012	-	-	2,495,593	-	-	-	-	2,495,593	-
Chile	L-022	Chilean pesos	Single	6.60%	0.00%	2,500,000	07-02-2012	-	-	2,482,998	-	-	-	-	2,482,998	-
Chile	L-022	Chilean pesos	Single	6.96%	0.00%	500,000	21-02-2012	-	-	495,106	-	-	-	-	495,106	-
Chile	L-022	Chilean pesos	Single	6.92%	0.00%	1,500,000	21-02-2012	-	-	1,485,326	-	-	-	-	1,485,326	-
Chile	L-022	Chilean pesos	Single	7.38%	0.00%	500,000	21-02-2012	-	-	494,768	-	-	-	-	494,768	-
Chile	L-022	Chilean pesos	Single	7.92%	0.00%	1,000,000	28-02-2012	-	-	987,231	-	-	-	-	987,231	-
Chile	L-022	Chilean pesos	Single	7.32%	0.00%	1,000,000	06-03-2012	-	-	986,821	-	-	-	-	986,821	-
Chile	L-022	Chilean pesos	Single	8.76%	0.00%	500,000	10-04-2012	-	-	-	488,015	-	-	-	488,015	-
	Subtotal							**18,852,193**	**1,964,947**	**23,808,758**	**3,909,794**	**22,329,589**	**1,933,950**	**20,817,140**	**27,718,552**	**24,263,539**

Tanner
Servicios Financieros

Countr	Registration number	Currency	Type of amortization	Annual effective rate	Annual nominal rate	Nominal value	Maturity of promissory note	Carrying Amount 12.31.2012		Carrying Amount 12.31.2011		Carrying Amount 12.31.2010		Carrying Amount Totals		
								Up to 90 days	More than 90 days to 1 year	Up to 90 days	More than 90 days to 1 year	Up to 90 days	More than 90 days to 1 year	12.31.2012	12.31.2011	12.31.2010
						ThCh$		ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Subtotal (continuation)								**18,852,193**	**1,964,947**	**23,808,758**	**3,909,794**	**22,329,589**	**1,933,950**	**20,817,140**	**27,718,552**	**24,263,539**
Chile	L-025	Chilean pesos	Single	4.44%	0.00%	500,000	04/01/2011	-	-	-	-	499,755	-	-	-	499,755
Chile	L-025	Chilean pesos	Single	4.08%	0.00%	2,000,000	11/01/2011	-	-	-	-	1,997,557	-	-	-	1,997,557
Chile	L-025	Chilean pesos	Single	4.68%	0.00%	500,000	11/01/2011	-	-	-	-	499,289	-	-	-	499,289
Chile	L-025	Chilean pesos	Single	4.20%	0.00%	2,000,000	18/01/2011	-	-	-	-	1,995,884	-	-	-	1,995,884
Chile	L-025	Chilean pesos	Single	4.92%	0.00%	2,000,000	25/01/2011	-	-	-	-	1,993,289	-	-	-	1,993,289
Chile	L-025	Chilean pesos	Single	6.48%	0.00%	500,000	03-01-2013	499,735	-	-	-	-	-	499,735	-	-
Chile	L-025	Chilean pesos	Single	6.48%	0.00%	500,000	15-01-2013	498,675	-	-	-	-	-	498,675	-	-
Chile	L-025	Chilean pesos	Single	6.36%	0.00%	3,000,000	29-01-2013	2,984,855	-	-	-	-	-	2,984,855	-	-
Chile	L-025	Chilean pesos	Single	6.36%	0.00%	500,000	26-02-2013	495,057	-	-	-	-	-	495,057	-	-
Chile	L-025	Chilean pesos	Single	6.42%	0.00%	500,000	05-03-2013	494,367	-	-	-	-	-	494,367	-	-
Chile	L-025	Chilean pesos	Single	6.36%	0.00%	1,000,000	05-02-2013	993,725	-	-	-	-	-	993,725	-	-
Chile	L-025	Chilean pesos	Single	6.72%	0.00%	500,000	26-03-2013	492,239	-	-	-	-	-	492,239	-	-
Chile	L-025	Chilean pesos	Single	6.76%	0.00%	3,000,000	26-03-2013	2,953,049	-	-	-	-	-	2,953,049	-	-
Chile	L-025	Chilean pesos	Single	6.84%	0.00%	500,000	02-04-2013	-	491,453	-	-	-	-	491,453	-	-
Chile	L-025	Chilean pesos	Single	6.48%	0.00%	2,500,000	17-01-2012	-	-	2,492,510	-	-	-	-	2,492,510	-
Chile	L-025	Chilean pesos	Single	6.48%	0.00%	2,500,000	24-01-2012	-	-	2,489,440	-	-	-	-	2,489,440	-
Chile	L-025	Chilean pesos	Single	6.66%	0.00%	2,000,000	28-02-2012	-	-	1,978,814	-	-	-	-	1,978,814	-
Chile	L-025	Chilean pesos	Single	6.48%	0.00%	1,000,000	24-01-2012	-	-	995,734	-	-	-	-	995,734	-
Chile	L-025	Chilean pesos	Single	6.48%	0.00%	500,000	31-01-2012	-	-	497,248	-	-	-	-	497,248	-
Chile	L-025	Chilean pesos	Single	7.38%	0.00%	500,000	21-02-2012	-	-	494,768	-	-	-	-	494,768	-
Chile	L-025	Chilean pesos	Single	8.76%	0.00%	1,000,000	10-04-2012	-	-	-	976,030	-	-	-	976,030	-
Chile	L-031	Chilean pesos	Single	3.84%	0.00%	500,000	04/01/2011	-	-	-	-	499,790	-	-	-	499,790
Chile	L-031	Chilean pesos	Single	4.16%	0.00%	1,000,000	04/01/2011	-	-	-	-	999,541	-	-	-	999,541
Chile	L-031	Chilean pesos	Single	4.48%	0.00%	1,000,000	11/01/2011	-	-	-	-	998,652	-	-	-	998,652
Chile	L-031	Chilean pesos	Single	4.80%	0.00%	500,000	18/01/2011	-	-	-	-	498,809	-	-	-	498,809
Chile	L-031	Chilean pesos	Single	4.74%	0.00%	500,000	25/01/2011	-	-	-	-	498,371	-	-	-	498,371
Chile	L-031	Chilean pesos	Single	4.74%	0.00%	1,000,000	01/02/2011	-	-	-	-	995,834	-	-	-	995,834
Chile	L-031	Chilean pesos	Single	4.87%	0.00%	2,500,000	15/02/2011	-	-	-	-	2,484,896	-	-	-	2,484,896
Chile	L-031	Chilean pesos	Single	5.64%	0.00%	1,500,000	22/02/2011	-	-	-	-	1,487,799	-	-	-	1,487,799
Chile	L-031	Chilean pesos	Single	4.78%	0.00%	2,500,000	01/03/2011	-	-	-	-	2,480,488	-	-	-	2,480,488
Chile	L-031	Chilean pesos	Single	5.40%	0.00%	500,000	08/03/2011	-	-	-	-	495,043	-	-	-	495,043
Chile	L-031	Chilean pesos	Single	5.16%	0.00%	1,500,000	08/03/2011	-	-	-	-	1,485,810	-	-	-	1,485,810
Chile	L-031	Chilean pesos	Single	6.42%	0.00%	500,000	03-01-2013	499,737	-	-	-	-	-	499,737	-	-
Chile	L-031	Chilean pesos	Single	6.56%	0.00%	1,500,000	15-01-2013	1,495,952	-	-	-	-	-	1,495,952	-	-
Chile	L-031	Chilean pesos	Single	6.64%	0.00%	1,500,000	22-01-2013	1,493,999	-	-	-	-	-	1,493,999	-	-
Chile	L-031	Chilean pesos	Single	6.54%	0.00%	500,000	19-02-2013	495,519	-	-	-	-	-	495,519	-	-
Chile	L-031	Chilean pesos	Single	6.48%	0.00%	1,500,000	05-03-2013	1,483,041	-	-	-	-	-	1,483,041	-	-
Chile	L-031	Chilean pesos	Single	6.36%	0.00%	1,000,000	05-02-2013	993,725	-	-	-	-	-	993,725	-	-
Chile	L-031	Chilean pesos	Single	7.20%	0.00%	1,000,000	02-04-2013	-	982,003	-	-	-	-	982,003	-	-
Chile	L-031	Chilean pesos	Single	7.20%	0.00%	500,000	09-04-2013	-	490,330	-	-	-	-	490,330	-	-
Chile	L-031	Chilean pesos	Single	6.96%	0.00%	3,000,000	09-04-2013	-	2,943,513	-	-	-	-	2,943,513	-	-
Chile	L-031	Chilean pesos	Single	7.02%	0.00%	500,000	16-04-2013	-	489,849	-	-	-	-	489,849	-	-
Chile	L-031	Chilean pesos	Single	6.66%	0.00%	2,500,000	14-02-2012	-	-	2,479,706	-	-	-	-	2,479,706	-
Chile	L-031	Chilean pesos	Single	6.72%	0.00%	500,000	28-02-2012	-	-	494,645	-	-	-	-	494,645	-
Chile	L-031	Chilean pesos	Single	7.02%	0.00%	2,500,000	06-03-2012	-	-	2,468,710	-	-	-	-	2,468,710	-
Chile	L-031	Chilean pesos	Single	7.08%	0.00%	500,000	20-03-2012	-	-	492,375	-	-	-	-	492,375	-
Chile	L-031	Chilean pesos	Single	7.02%	0.00%	2,500,000	27-03-2012	-	-	2,458,933	-	-	-	-	2,458,933	-
Chile	L-031	Chilean pesos	Single	7.92%	0.00%	500,000	27-03-2012	-	-	490,644	-	-	-	-	490,644	-
Chile	L-031	Chilean pesos	Single	7.92%	0.00%	1,000,000	03-04-2012	-	-	-	979,813	-	-	-	979,813	-
Chile	L-031	Chilean pesos	Single	8.76%	0.00%	1,000,000	03-04-2012	-	-	-	977,665	-	-	-	977,665	-
Chile	L-031	Chilean pesos	Single	8.76%	0.00%	1,500,000	17-04-2012	-	-	-	1,461,617	-	-	-	1,461,617	-
Chile	L-031	Chilean pesos	Single	7.32%	0.00%	2,500,000	13-03-2012	-	-	2,463,656	-	-	-	-	2,463,656	-
Chile	L-093	Chilean pesos	Single	6.72%	0.00%	3,500,000	12-02-2013	3,472,339	-	-	-	-	-	3,472,339	-	-
Chile	L-093	Chilean pesos	Single	7.20%	0.00%	3,000,000	16-04-2013	-	2,937,963	-	-	-	-	2,937,963	-	-
Subtotal								**19,346,014**	**8,335,111**	**20,297,183**	**4,395,125**	**19,910,807**	**-**	**27,681,125**	**24,692,308**	**19,910,807**
Totales								**38,198,207**	**10,300,058**	**44,105,941**	**8,304,919**	**42,240,396**	**1,933,950**	**48,498,265**	**52,410,860**	**44,174,346**

ii) At value of undiscounted cash flows:

Country	Registration number	Currency	Type of amortization	Annual effective rate	Annual nominal rate	Nominal value ThCh$	Maturity of promissory note	Undiscounted Cash Flows 12.31.2012 Up to 90 days ThCh$	Undiscounted Cash Flows 12.31.2012 More than 90 days to 1 year ThCh$	Undiscounted Cash Flows 12.31.2011 Up to 90 days ThCh$	Undiscounted Cash Flows 12.31.2011 More than 90 days to 1 year ThCh$	Undiscounted Cash Flows 12.31.2010 Up to 90 days ThCh$	Undiscounted Cash Flows 12.31.2010 More than 90 days to 1 year ThCh$	Undiscounted Cash Flows Totals Up to 90 days ThCh$	Undiscounted Cash Flows Totals More than 90 days to 1 ThCh$
Chile	L-001	Chilean pesos	Single	3.90%	3.90%	500,000	04/01/2011	-	-	-	-	500,000	-	500,000	-
Chile	L-001	Chilean pesos	Single	4.92%	4.92%	500,000	25/01/2011	-	-	-	-	500,000	-	500,000	-
Chile	L-001	Chilean pesos	Single	5.04%	5.04%	500,000	25/01/2011	-	-	-	-	500,000	-	500,000	-
Chile	L-001	Chilean pesos	Single	5.64%	5.64%	500,000	22/02/2011	-	-	-	-	500,000	-	500,000	-
Chile	L-001	Chilean pesos	Single	4.72%	4.72%	1,000,000	22/02/2011	-	-	-	-	1,000,000	-	1,000,000	-
Chile	L-001	Chilean pesos	Single	4.74%	4.74%	1,000,000	01/03/2011	-	-	-	-	1,000,000	-	1,000,000	-
Chile	L-001	Chilean pesos	Single	4.80%	4.80%	500,000	08/03/2011	-	-	-	-	500,000	-	500,000	-
Chile	L-001	Chilean pesos	Single	5.40%	5.40%	500,000	08/03/2011	-	-	-	-	500,000	-	500,000	-
Chile	L-001	Chilean pesos	Single	5.76%	5.76%	2,000,000	29/03/2011	-	-	-	-	2,000,000	-	2,000,000	-
Chile	L-001	Chilean pesos	Single	6.48%	0.00%	1,000,000	03/01/2012	-	-	1,000,000	-	-	-	1,000,000	-
Chile	L-001	Chilean pesos	Single	7.02%	0.00%	2,000,000	20-03-2012	-	-	2,000,000	-	-	-	2,000,000	-
Chile	L-001	Chilean pesos	Single	7.92%	0.00%	1,500,000	03-04-2012	-	-	-	1,500,000	-	-	-	1,500,000
Chile	L-001	Chilean pesos	Single	8.76%	0.00%	1,000,000	13-03-2012	-	-	1,000,000	-	-	-	1,000,000	-
Chile	L-001	Chilean pesos	Single	7.80%	0.00%	600,000	20-03-2012	-	-	600,000	-	-	-	600,000	-
Chile	L-001	Chilean pesos	Single	8.76%	0.00%	400,000	20-03-2012	-	-	400,000	-	-	-	400,000	-
Chile	L-001	Chilean pesos	Single	7.92%	0.00%	500,000	27-03-2012	-	-	500,000	-	-	-	500,000	-
Chile	L-001	Chilean pesos	Single	5.40%	5.40%	2,000,000	15/03/2011		-	-	2,000,000	-	-	-	2,000,000
Chile	L-014	Chilean pesos	Single	6.44%	0.00%	2,000,000	03-01-2013	200,000	-	-	-	-	-	200,000	-
Chile	L-014	Chilean pesos	Single	6.48%	0.00%	1,000,000	15-01-2013	100,000	-	-	-	-	-	100,000	-
Chile	L-014	Chilean pesos	Single	6.66%	0.00%	500,000	19-03-2013	500,000	-	-	-	-	-	500,000	-
Chile	L-014	Chilean pesos	Single	6.36%	0.00%	500,000	05-02-2013	500,000	-	-	-	-	-	500,000	-
Chile	L-014	Chilean pesos	Single	6.24%	0.00%	1,000,000	17-01-2012	-	-	1,000,000	-	-	-	1,000,000	-
Chile	L-014	Chilean pesos	Single	6.24%	0.00%	1,000,000	10-01-2012	-	-	1,000,000	-	-	-	1,000,000	-
Chile	L-014	Chilean pesos	Single	6.44%	0.00%	2,000,000	10-04-2012	-	-	-	-	2,000,000	-	2,000,000	-
Chile	L-019	Chilean pesos	Single	3.80%	3.80%	1,000,000	04/01/2011	-	-	-	-	1,000,000	-	1,000,000	-
Chile	L-019	Chilean pesos	Single	4.80%	4.80%	500,000	01/02/2011	-	-	-	-	500,000	-	500,000	-
Chile	L-019	Chilean pesos	Single	5.21%	5.21%	2,500,000	08/02/2011	-	-	-	-	2,500,000	-	2,500,000	-
Chile	L-019	Chilean pesos	Single	5.22%	5.22%	500,000	22/02/2011	-	-	-	-	500,000	-	500,000	-
Chile	L-019	Chilean pesos	Single	5.40%	5.40%	500,000	08/03/2011	-	-	-	-	500,000	-	500,000	-
Chile	L-019	Chilean pesos	Single	5.28%	5.28%	2,000,000	22/03/2011	-	-	-	-	2,000,000	-	2,000,000	-
Chile	L-019	Chilean pesos	Single	6.48%	0.00%	500,000	15-01-2013	500,000	-	-	-	-	-	500,000	-
Chile	L-019	Chilean pesos	Single	6.60%	0.00%	500,000	22-01-2013	500,000	-	-	-	-	-	500,000	-
Chile	L-019	Chilean pesos	Single	6.72%	0.00%	500,000	29-01-2013	500,000	-	-	-	-	-	500,000	-
Chile	L-019	Chilean pesos	Single	6.32%	0.00%	3,000,000	19-02-2013	3,000,000	-	-	-	-	-	3,000,000	-
Chile	L-019	Chilean pesos	Single	6.48%	0.00%	1,000,000	05-03-2013	1,000,000	-	-	-	-	-	1,000,000	-
Chile	L-019	Chilean pesos	Single	6.36%	0.00%	1,000,000	05-02-2013	1,000,000	-	-	-	-	-	1,000,000	-
Chile	L-019	Chilean pesos	Single	6.72%	0.00%	500,000	19-03-2013	500,000	-	-	-	-	-	500,000	-
Chile	L-019	Chilean pesos	Single	6.48%	0.00%	1,500,000	03-01-2012	-	-	1,500,000	-	-	-	1,500,000	-
Chile	L-019	Chilean pesos	Single	6.56%	0.00%	2,500,000	31-01-2012	-	-	2,500,000	-	-	-	2,500,000	-
Chile	L-019	Chilean pesos	Single	6.84%	0.00%	500,000	21-02-2012	-	-	500,000	-	-	-	500,000	-
Chile	L-019	Chilean pesos	Single	6.48%	0.00%	500,000	31-01-2012	-	-	500,000	-	-	-	500,000	-
Chile	L-019	Chilean pesos	Single	7.44%	0.00%	1,000,000	07-02-2012	-	-	1,000,000	-	-	-	1,000,000	-
Chile	L-019	Chilean pesos	Single	7.44%	0.00%	1,000,000	14-02-2012	-	-	1,000,000	-	-	-	1,000,000	-
Chile	L-022	Chilean pesos	Single	5.04%	5.04%	1,000,000	18/01/2011		-	-	-	1,000,000	-	1,000,000	-
Chile	L-022	Chilean pesos	Single	4.80%	4.80%	2,000,000	01/02/2011		-	-	-	2,000,000	-	2,000,000	-
Chile	L-022	Chilean pesos	Single	4.80%	4.80%	1,000,000	08/02/2011		-	-	-	1,000,000	-	1,000,000	-
Chile	L-022	Chilean pesos	Single	4.88%	4.88%	1,000,000	15/02/2011		-	-	-	1,000,000	-	1,000,000	-
Chile	L-022	Chilean pesos	Single	5.76%	5.76%	500,000	29/03/2011		-	-	-	500,000	-	500,000	-
Chile	L-022	Chilean pesos	Single	5.76%	5.76%	1,000,000	29/03/2011		-	-	-	1,000,000	-	1,000,000	-
Chile	L-022	Chilean pesos	Single	5.40%	5.40%	500,000	23/08/2011		-	-	-	-	500,000	-	500,000
Chile	L-022	Chilean pesos	Single	5.40%	5.40%	1,500,000	23/08/2011		-	-	-	-	1,500,000	-	1,500,000
Chile	L-022	Chilean pesos	Single	6.48%	0.00%	500,000	03-01-2013	500,000	-	-	-	-	-	500,000	-
Chile	L-022	Chilean pesos	Single	6.56%	0.00%	1,500,000	22-01-2013	1,500,000	-	-	-	-	-	1,500,000	-
Chile	L-022	Chilean pesos	Single	6.36%	0.00%	3,000,000	26-02-2013	3,000,000	-	-	-	-	-	3,000,000	-
Chile	L-022	Chilean pesos	Single	6.48%	0.00%	500,000	05-03-2013	500,000	-	-	-	-	-	500,000	-
Chile	L-022	Chilean pesos	Single	6.72%	0.00%	2,500,000	19-03-2013	2,500,000	-	-	-	-	-	2,500,000	-
Chile	L-022	Chilean pesos	Single	6.99%	0.00%	2,000,000	02-04-2013	-	2,000,000	-	-	-	-	-	2,000,000
Chile	L-022	Chilean pesos	Single	6.48%	0.00%	2,500,000	10-01-2012	-	-	2,500,000	-	-	-	2,500,000	-
Chile	L-022	Chilean pesos	Single	6.60%	0.00%	2,500,000	07-02-2012	-	-	2,500,000	-	-	-	2,500,000	-
Chile	L-022	Chilean pesos	Single	6.96%	0.00%	500,000	21-02-2012	-	-	500,000	-	-	-	500,000	-
Chile	L-022	Chilean pesos	Single	6.92%	0.00%	1,500,000	21-02-2012	-	-	1,500,000	-	-	-	1,500,000	-
Chile	L-022	Chilean pesos	Single	7.38%	0.00%	500,000	21-02-2012	-	-	500,000	-	-	-	500,000	-
Chile	L-022	Chilean pesos	Single	7.92%	0.00%	1,000,000	28-02-2012	-	-	1,000,000	-	-	-	1,000,000	-
Chile	L-022	Chilean pesos	Single	7.32%	0.00%	1,000,000	06-03-2012	-	-	1,000,000	-	-	-	1,000,000	-
Chile	L-022	Chilean pesos	Single	8.76%	0.00%	500,000	10-04-2012	-	-	-	500,000	-	-	-	500,000
	Subtotal	Chilean pesos	Single					16,300,000	2,000,000	24,000,000	4,000,000	15,500,000	2,000,000	55,800,000	8,000,000

Country	Registration number	Currency	Type of amortization	Annual effective rate	Annual nominal rate	Nominal value	Maturity of promissory note	Undiscounted Cash Flows 12.31.2012		Undiscounted Cash Flows 12.31.2011		Undiscounted Cash Flows 12.31.2010		Undiscounted Cash Flows Totals	
						ThCh$		Up to 90 days ThCh$	More than 90 days to 1 year ThCh$	Up to 90 days ThCh$	More than 90 days to 1 year ThCh$	Up to 90 days ThCh$	More than 90 days to 1 year ThCh$	Up to 90 days ThCh$	More than 90 days to 1 ThCh$
Subtotal (continuaci		Chilean pesos	Single					**16,300,000**	**2,000,000**	**24,000,000**	**4,000,000**	**15,500,000**	**2,000,000**	**55,800,000**	**8,000,000**
Chile	L-025	Chilean pesos	Single	4.44%	4.44%	500,000	04/01/2011	-	-			500,000	-	500,000	-
Chile	L-025	Chilean pesos	Single	4.08%	4.08%	2,000,000	11/01/2011	-	-			2,000,000	-	2,000,000	-
Chile	L-025	Chilean pesos	Single	4.68%	4.68%	500,000	11/01/2011	-	-			500,000	-	500,000	-
Chile	L-025	Chilean pesos	Single	4.20%	4.20%	2,000,000	18/01/2011	-	-			2,000,000	-	2,000,000	-
Chile	L-025	Chilean pesos	Single	4.92%	4.92%	2,000,000	25/01/2011	-	-			2,000,000	-	2,000,000	-
Chile	L-025	Chilean pesos	Single	6.48%	0.00%	500,000	03-01-2013	500,000	-	-	-	-	-	500,000	-
Chile	L-025	Chilean pesos	Single	6.48%	0.00%	500,000	15-01-2013	500,000	-	-	-	-	-	500,000	-
Chile	L-025	Chilean pesos	Single	6.36%	0.00%	3,000,000	29-01-2013	3,000,000	-	-	-	-	-	3,000,000	-
Chile	L-025	Chilean pesos	Single	6.36%	0.00%	500,000	26-02-2013	500,000	-	-	-	-	-	500,000	-
Chile	L-025	Chilean pesos	Single	6.42%	0.00%	500,000	05-03-2013	500,000	-	-	-	-	-	500,000	-
Chile	L-025	Chilean pesos	Single	6.36%	0.00%	1,000,000	05-02-2013	1,000,000	-	-	-	-	-	1,000,000	-
Chile	L-025	Chilean pesos	Single	6.72%	0.00%	500,000	26-03-2013	500,000	-	-	-	-	-	500,000	-
Chile	L-025	Chilean pesos	Single	6.76%	0.00%	3,000,000	26-03-2013	3,000,000	-	-	-	-	-	3,000,000	-
Chile	L-025	Chilean pesos	Single	6.84%	0.00%	500,000	02-04-2013	-	500,000	-	-	-	-	-	500,000
Chile	L-025	Chilean pesos	Single	6.48%	0.00%	2,500,000	17-01-2012	-	-	2,500,000	-	-	-	2,500,000	-
Chile	L-025	Chilean pesos	Single	6.48%	0.00%	2,500,000	24-01-2012	-	-	2,500,000	-	-	-	2,500,000	-
Chile	L-025	Chilean pesos	Single	6.66%	0.00%	2,000,000	28-02-2012	-	-	2,000,000	-	-	-	2,000,000	-
Chile	L-025	Chilean pesos	Single	6.48%	0.00%	1,000,000	24-01-2012	-	-	1,000,000	-	-	-	1,000,000	-
Chile	L-025	Chilean pesos	Single	6.48%	0.00%	500,000	31-01-2012	-	-	500,000	-	-	-	500,000	-
Chile	L-025	Chilean pesos	Single	7.38%	0.00%	500,000	21-02-2012	-	-	500,000	-	-	-	500,000	-
Chile	L-025	Chilean pesos	Single	8.76%	0.00%	1,000,000	10-04-2012	-	-	-	1,000,000	-	-	-	1,000,000
Chile	L-031	Chilean pesos	Single	3.84%	3.84%	500,000	04/01/2011	-	-			500,000	-	500,000	-
Chile	L-031	Chilean pesos	Single	4.16%	4.16%	1,000,000	04/01/2011	-	-			1,000,000	-	1,000,000	-
Chile	L-031	Chilean pesos	Single	4.48%	4.48%	1,000,000	11/01/2011	-	-			1,000,000	-	1,000,000	-
Chile	L-031	Chilean pesos	Single	4.80%	4.80%	500,000	18/01/2011	-	-			500,000	-	500,000	-
Chile	L-031	Chilean pesos	Single	4.74%	4.74%	500,000	25/01/2011	-	-			500,000	-	500,000	-
Chile	L-031	Chilean pesos	Single	4.74%	4.74%	1,000,000	01/02/2011	-	-			1,000,000	-	1,000,000	-
Chile	L-031	Chilean pesos	Single	4.87%	4.87%	2,500,000	15/02/2011	-	-			2,500,000	-	2,500,000	-
Chile	L-031	Chilean pesos	Single	5.64%	5.64%	1,500,000	22/02/2011	-	-			1,500,000	-	1,500,000	-
Chile	L-031	Chilean pesos	Single	4.78%	4.78%	2,500,000	01/03/2011	-	-			2,500,000	-	2,500,000	-
Chile	L-031	Chilean pesos	Single	5.40%	5.40%	500,000	08/03/2011	-	-			500,000	-	500,000	-
Chile	L-031	Chilean pesos	Single	5.16%	5.16%	1,500,000	08/03/2011	-	-			1,500,000	-	1,500,000	-
Chile	L-031	Chilean pesos	Single	6.42%	0.00%	500,000	03-01-2013	500,000	-	-	-	-	-	500,000	-
Chile	L-031	Chilean pesos	Single	6.56%	0.00%	1,500,000	15-01-2013	1,500,000	-	-	-	-	-	1,500,000	-
Chile	L-031	Chilean pesos	Single	6.64%	0.00%	1,500,000	22-01-2013	1,500,000	-	-	-	-	-	1,500,000	-
Chile	L-031	Chilean pesos	Single	6.54%	0.00%	500,000	19-02-2013	500,000	-	-	-	-	-	500,000	-
Chile	L-031	Chilean pesos	Single	6.48%	0.00%	1,500,000	05-03-2013	1,500,000	-	-	-	-	-	1,500,000	-
Chile	L-031	Chilean pesos	Single	6.36%	0.00%	1,000,000	05-02-2013	1,000,000	-	-	-	-	-	1,000,000	-
Chile	L-031	Chilean pesos	Single	7.20%	0.00%	1,000,000	02-04-2013	-	1,000,000	-	-	-	-	-	1,000,000
Chile	L-031	Chilean pesos	Single	7.20%	0.00%	500,000	09-04-2013	-	500,000	-	-	-	-	-	500,000
Chile	L-031	Chilean pesos	Single	6.96%	0.00%	3,000,000	09-04-2013	-	3,000,000	-	-	-	-	-	3,000,000
Chile	L-031	Chilean pesos	Single	7.02%	0.00%	500,000	16-04-2013	-	500,000	-	-	-	-	-	500,000
Chile	L-031	Chilean pesos	Single	6.66%	0.00%	2,500,000	14-02-2012	-	-	2,500,000	-	-	-	2,500,000	-
Chile	L-031	Chilean pesos	Single	6.72%	0.00%	500,000	28-02-2012	-	-	500,000	-	-	-	500,000	-
Chile	L-031	Chilean pesos	Single	7.02%	0.00%	2,500,000	06-03-2012	-	-	2,500,000	-	-	-	2,500,000	-
Chile	L-031	Chilean pesos	Single	7.08%	0.00%	500,000	20-03-2012	-	-	500,000	-	-	-	500,000	-
Chile	L-031	Chilean pesos	Single	7.02%	0.00%	2,500,000	27-03-2012	-	-	2,500,000	-	-	-	2,500,000	-
Chile	L-031	Chilean pesos	Single	7.92%	0.00%	500,000	27-03-2012	-	-	500,000	-	-	-	500,000	-
Chile	L-031	Chilean pesos	Single	7.92%	0.00%	1,000,000	03-04-2012	-	-	-	1,000,000	-	-	-	1,000,000
Chile	L-031	Chilean pesos	Single	8.76%	0.00%	1,000,000	03-04-2012	-	-	-	1,000,000	-	-	-	1,000,000
Chile	L-031	Chilean pesos	Single	8.76%	0.00%	1,500,000	17-04-2012	-	-	-	1,500,000	-	-	-	1,500,000
Chile	L-031	Chilean pesos	Single	7.32%	0.00%	2,500,000	13-03-2012	-	-	2,500,000	-	-	-	2,500,000	-
Chile	L-093	Chilean pesos	Single	6.72%	0.00%	3,500,000	12-02-2013	3,500,000	-	-	-	-	-	3,500,000	-
Chile	L-093	Chilean pesos	Single	7.20%	0.00%	3,000,000	16-04-2013		3,000,000	-	-	-	-	-	3,000,000
	Subtotal							**19,500,000**	**8,500,000**	**20,500,000**	**4,500,000**	**20,000,000**	**-**	**60,000,000**	**13,000,000**
Totales								**35,800,000**	**10,500,000**	**44,500,000**	**8,500,000**	**35,500,000**	**2,000,000**	**115,800,000**	**21,000,000**

c. Current Bonds and Debentures

As of December 31, 2012, the detail is as follows:

i) At carrying amount:

								Carrying amount 12.31.2012		12.31.2012
Country	Registration	Series	Nominal ThCh$	Currency	Annual effective rate	Annual nominal rate	Maturity date	Up to 90 days ThCh$	More than 90 days to 1 year ThCh$	Total ThCh$
Chile	548	Series B	20,000,000	Chilean pesos	7.000%	6.500%	01.09.2013	458,773	10,000,000	10,458,773
Chile	625	Series C	20,000,000	Chilean pesos	7.070%	6.350%	15.12.2013	53,313	13,333,333	13,386,646
Chile	625	Series E	20,000,000	Chilean pesos	7.000%	6.350%	15.08.2013	516,120	-	516,120
Chile	625	Series F	10,000,000	Chilean pesos	5.960%	5.430%	15.11.2013	2,077,550	-	2,077,550
Chile	656	Series I	1,600,000	UF	3.900%	3.900%	01.10.2013	343,982	-	343,982
Chile	656	Series G	15,000,000	Chilean pesos	7.510%	7.000%	01.10.2013	258,060	2,500,000	2,758,060
Chile	656	Series O	1,500,000	UF	4.900%	4.700%	10.10.2013	348,751	-	348,751
Total								**4,056,549**	**25,833,333**	**29,889,882**

ii) At value of undiscounted cash flows:

								Carrying amount 12.31.2012		12.31.2012
Country	Registration	Series	Nominal ThCh$	Currency	Annual effective rate	Annual nominal rate	Maturity date	Up to 90 days ThCh$	More than 90 days to 1 year ThCh$	Total ThCh$
Chile	548	Series B	20,000,000	Chilean pesos	7.000%	6.500%	01.09.2013	688,160	10,688,160	11,376,320
Chile	625	Series C	20,000,000	Chilean pesos	7.070%	6.350%	15.12.2013	-	14,399,600	14,399,600
Chile	625	Series E	20,000,000	Chilean pesos	7.000%	6.350%	15.08.2013	688,160	688,160	1,376,320
Chile	625	Series F	10,000,000	Chilean pesos	5.960%	5.430%	15.11.2013	2,155,100	372,240	2,527,340
Chile	656	Series I	1,600,000	UF	3.900%	3.900%	01.10.2013	-	1,375,770	1,375,770
Chile	656	Series G	15,000,000	Chilean pesos	7.510%	7.000%	01.10.2013	-	3,532,241	3,532,241
Chile	656	Series O	1,500,000	UF	4.900%	4.700%	10.10.2013	-	1,591,772	1,591,772
Total								**3,531,420**	**32,647,943**	**36,179,363**

As of December 31, 2011, the detail is as follows:

i) At carrying amount:

								Carrying amount 12.31.2011		12.31.2011
Country	Registration	Series	Nominal ThCLP$	Currency	Annual effective rate	Annual nominal rate	Maturity date	Up to 90 days ThCh$	days to 1 year ThCh$	Total ThCh$
Chile	509	Series A	20,000,000	Chilean pesos	7.150%	6.900%	01.10.2012	331,395	20,000,000	20,331,395
Chile	548	Series B	20,000,000	Chilean pesos	7.000%	7.000%	01.09.2012	458,773	-	458,773
Chile	625	Series C	20,000,000	Chilean pesos	7.070%	6.500%	15.12.2012	53,313	-	53,313
Chile	625	Series E	20,000,000	Chilean pesos	6.880%	7.000%	15.08.2012	516,120	-	516,120
Chile	625	Series F	10,000,000	Chilean pesos	6.940%	6.350%	15.08.2012	77,550	-	77,550
Chile	656	Series I	1,600,000	UF	3.900%	3.800%	01.10.2012	335,749	-	335,749
Chile	656	Series G	15,000,000	Chilean pesos	7.510%	7.000%	15.08.2012	258,060	-	258,060
Total								**2,030,960**	**20,000,000**	**22,030,960**

ii) At value of undiscounted cash flows:

								Carrying amount		
								12.31.2011		12.31.2011
Country	Registration	Series	Nominal ThCLP$	Currency	Annual effective rate	Annual nominal rate	Maturity date	Up to 90 days ThCh$	days to 1 year ThCh$	Total ThCh$
Chile	509	Series A	20,000,000	Chilean pesos	7.150%	6.900%	01.10.2012	-	21,017,750	21,017,750
Chile	548	Series B	20,000,000	Chilean pesos	7.000%	7.000%	01.09.2012	688,160	688,160	1,376,320
Chile	625	Series C	20,000,000	Chilean pesos	7.070%	6.500%	15.12.2012	-	1,279,520	1,279,520
Chile	625	Series E	20,000,000	Chilean pesos	6.880%	7.000%	15.08.2012	688,160	688,160	1,376,320
Chile	625	Series F	10,000,000	Chilean pesos	6.940%	6.350%	15.08.2012	155,100	465,300	620,400
Chile	656	Series I	1,600,000	UF	3.900%	3.800%	01.10.2012		1,342,839	1,342,839
Chile	656	Series G	15,000,000	Chilean pesos	7.510%	7.000%	15.08.2012		1,032,241	1,032,241
	Total							**1,531,420**	**26,513,970**	**28,045,390**

As of December 31, 2010, the detail is as follows:

i) At carrying amount:

								Carrying amount		
								12.31.2010		12.31.2010
Country	Registration	Series	Nominal amount ThCLP$	Currency	Annual effective rate	Annual nominal rate	Maturity date	Up to 90 days ThCh$	days to 1 year ThCh$	Total ThCh$
Chile	509	Series A	20,000,000	Chilean pesos	7.150%	6.900%	01.10.2012	339,250	-	339,250
Chile	548	Series B	20,000,000	Chilean pesos	7.000%	7.000%	01.09.2012	458,773	-	458,773
Chile	625	Series C	20,000,000	Chilean pesos	7.070%	6.500%	15.12.2012	53,313	-	53,313
Chile	625	Series E	20,000,000	Chilean pesos	6.880%	7.000%	15.08.2012	508,474	-	508,474
Chile	625	Series F	10,000,000	Chilean pesos	6.940%	6.350%	15.08.2012	77,550	-	77,550
	Total							**1,437,360**	**-**	**1,437,360**

ii) At value of undiscounted cash flows:

								Carrying amount		
								12.31.2010		12.31.2010
Country	Registration	Series	Nominal amount ThCLP$	Currency	Annual effective rate	Annual nominal rate	Maturity date	Up to 90 days ThCh$	More than 90 days to 1 year ThCh$	Total ThCh$
Chile	509	Series A	20,000,000	Chilean pesos	7.150%	6.900%	01.10.2012	-	1,357,000	1,357,000
Chile	548	Series B	20,000,000	Chilean pesos	7.000%	7.000%	01.09.2012	688,160	688,160	1,376,320
Chile	625	Series C	20,000,000	Chilean pesos	7.070%	6.500%	15.12.2012	-	1,279,520	1,279,520
Chile	625	Series E	20,000,000	Chilean pesos	6.880%	7.000%	15.08.2012	688,160	688,160	1,376,320
Chile	625	Series F	10,000,000	Chilean pesos	6.940%	6.350%	15.08.2012	155,100	465,300	620,400
	Total							**1,531,420**	**4,478,140**	**6,009,560**

d. Other financial liabilities:

The balance of other financial liabilities as of December 31, 2012, 2011 and 2010 is as follows:

Details	Balance		
	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Liabilities for sales under agreements	2,232,350	4,126,561	-
Liabilities for simultaneous operations	-	2,272,347	-
Liabilities for repurchases	-	87,912	-
Liabilities for forward contracts	90,169	1,313,221	-
Total	**2,322,519**	**7,800,041**	**-**

For these financial obligations, the detail of contractual undiscounted cash flows is equal to the carrying amount.

d.1 Liabilities for forward contracts

As of December 31, 2012, the company holds the following obligations for forward contracts for foreign currency at fair value:

Debtor	Country	12.31.2012		12.31.2011		12.31.2010	
		Up to 90 days ThCh$	90 days to 1 year ThCh$	Up to 90 days ThCh$	90 days to 1 year ThCh$	Up to 90 days ThCh$	90 days to 1 year ThCh$
Tanner Corredora de Bolsa S.A.	Chile	90,169	-	1,296,750	-	-	-
Tanner Servicios Financieros S.A.	Chile	-		16,471	-	-	-
Total		**90,169**	**-**	**1,313,221**	**-**	**-**	**-**

d.2 Obligations for Purchase Agreements

As of December 31, 2012 and December 31, 2010, the Company does not hold any obligations for purchase agreements. At December 31, 2011, the Company held the following obligations for purchase agreements:

Debtor	Country	Issuer	Country	Type of Instrument	Nominal Rate	Effective Annual Rate	31.12.2011 Up to 90 days ThCh$
Tanner Corredora de Bolsa S.A.	Chile	Tanner Servicios Fina	Chile	Promissory Note	6.00%	6.00%	87,912
Total							**87,912**

d.3 Other obligations for purchase agreements

As of December 31, 2012 and 2011 the Company holds the following obligations:

									December 31, 2012		
Debtor Tax Payer #	Debtor Name	Country	Issuer Tax Payer #	Issuing Entity	Country	Type of Instrument	Nominal Rate	Effective Annual Rate	Up to 90 days ThCh$	>90 days to 1 year ThCh$	Total ThCh$
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	96667560-8	Tanner Servicios Financieros S.A.	Chile	PAGARE NR	5.71%	5.71%	168,421	-	168,421
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	96667560-8	Tanner Servicios Financieros S.A.	Chile	BFLIN-F	5.52%	5.52%	109,059	-	109,059
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97006000-6	BCI	Chile	PAGARE NR	4.60%	4.60%	47,916	-	47,916
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97006000-6	BCI	Chile	BCIK450704	5.52%	5.52%	34,516	-	34,516
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97023000-9	Corpbanca	Chile	PAGARE NR	4.27%	4.27%	489,120	-	489,120
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97023000-9	Corpbanca	Chile	COR23M0106	5.20%	5.20%	11,281	-	11,281
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97941000-7	Itaú	Chile	PAGARE NR	3.20%	3.20%	198,868	-	198,868
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97030000-7	Banco Estado	Chile	PAGARE NR	3.33%	3.33%	75,467	-	75,467
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97030000-7	Banco Estado	Chile	EST2170110	5.20%	5.20%	13,745	-	13,745
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97011000-3	Banco Internacional	Chile	PAGARE NR	4.01%	4.01%	57,961	-	57,961
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97004000-5	Banco de Chile	Chile	PAGARE NR	4.59%	4.59%	141,244	-	141,244
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97053000-2	Security	Chile	PAGARE NR	4.55%	4.55%	93,469	-	93,469
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97018000-1	Scotiabank	Chile	PAGARE NR	4.10%	4.10%	413,299	-	413,299
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97952000-K	Banco Penta	Chile	PAGARE NR	1.80%	1.80%	41,649	-	41,649
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	99500410-0	Banco Consorcio	Chile	PAGARE NR	4.25%	4.25%	142,819	-	142,819
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97080000-K	Bice	Chile	PAGARE NR	3.33%	3.33%	82,392	-	82,392
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97947000-2	Banco Ripley	Chile	PAGARE NR	5.01%	5.01%	101,473	-	101,473
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97947000-2	Banco Santander	Chile	STD6500101	5.52%	5.52%	9,651	-	9,651
				Totals					**2,232,350**	**-**	**2,232,350**

									December 31, 2011		
Debtor Tax Payer #	Debtor Name	Country	Issuer Tax Payer #	Issuing Entity	Country	Type of Instrument	Nominal Rate	Effective Annual Rate	Up to 90 days ThCh$	>90 days to 1 year ThCh$	Total ThCh$
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	96667560-8	Tanner Servicios Financieros S.A.	Chile	PAGARE NR	3.40%	3.40%	853,642	-	853,642
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97006000-6	BCI	Chile	PAGARE NR	4.30%	4.30%	37,124	-	37,124
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97023000-9	Corpbanca	Chile	COR73M0306	3.89%	3.89%	302,367	-	302,367
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97941000-7	Itaú	Chile	BOT42A0406	4.98%	4.98%	29,747	-	29,747
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97941000-7	Itaú	Chile	PAGARE NR	4.98%	4.98%	8,491	-	8,491
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97941000-7	Itaú	Chile	PAGARE NR	4.92%	4.92%	10	-	10
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97030000-7	Banco Estado	Chile	PAGARE NR	3.78%	3.78%	327,207	-	327,207
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97030000-7	Banco Estado	Chile	BESTJ10708	4.15%	4.15%	604,149	-	604,149
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97004000-5	Banco de Chile	Chile	CHI3290104	3.30%	3.30%	223,421	-	223,421
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97004000-5	Banco de Chile	Chile	PAGARE NR	3.37%	3.37%	1,095,267	-	1,095,267
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97004000-5	Banco de Chile	Chile	PAGARE NR	3.43%	3.43%	12,895	-	12,895
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97053000-2	Security	Chile	PAGARE NR	2.88%	2.88%	40,525	-	40,525
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97053000-2	Security	Chile	SEC37D0107	4.30%	4.30%	82,726	-	82,726
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97018000-1	Scotiabank	Chile	DES4080804	4.56%	4.56%	21,312	-	21,312
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97952000-K	Banco Penta	Chile	PAGARE NR	3.90%	3.90%	26,970	-	26,970
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97018000-1	Scotiabank	Chile	PAGARE NR	4.41%	4.41%	250,954	-	250,954
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97032000-8	BBVA	Chile	PAGARE NR	2.38%	2.38%	64,782	-	64,782
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97080000-K	Bice	Chile	PAGARE NR	3.52%	3.52%	57,426	-	57,426
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97947000-2	Banco Santander	Chile	PAGARE NR	3.00%	3.00%	55,875	-	55,875
80.962.600-8	Tanner Corredoras de Bolsa S.A.	Chile	97947000-2	Banco Santander	Chile	STDJC1102	4.92%	4.92%	31671	-	31,671
				Totals					**4,126,561**	**-**	**4,126,561**

The Company did not hold any other obligations for purchase agreements as of December 31, 2010.

d.4 Joint operations

As of December 31, 2012 and December 31, 2010 the Company does not hold any joint operations. At December 31, 2011, the Company held the following obligations for joint operations:

							December 31, 2011		
Debtor Tax Payer #	Debtor Name	Country	Issuer Tax Payer #	Client	Country	Type of Instrument	Up to 90 days ThCh$	>90 days to 1 year ThCh$	Total ThCh$
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	13671266-7	LOPEZ CORONA GISELA MARLE	Chile	NORTEGRAN	3,450	-	3,450
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	2594122-5	POZO ROA GONZALO	Chile	CENCOSUD	8,423	-	8,423
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	2594122-5	POZO ROA GONZALO	Chile	LAN	4,386	-	4,386
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	3157373-4	RODRIGUEZ GOMEZ LEOPOLDO	Chile	ALMENDRAL	7,792	-	7,792
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	5034106-2	ARRIAGADA OJEDA ANDRES	Chile	CEMENTOS	4,585	-	4,585
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	5034106-2	ARRIAGADA OJEDA ANDRES	Chile	CENCOSUD	18,341	-	18,341
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	5034106-2	ARRIAGADA OJEDA ANDRES	Chile	ENERSIS	3,266	-	3,266
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	5066202-0	VALDES BUDGE ANTONIO	Chile	BANMEDICA	119,952	-	119,952
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	5066202-0	VALDES BUDGE ANTONIO	Chile	BANVIDA	57,825	-	57,825
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	5066202-0	VALDES BUDGE ANTONIO	Chile	FALABELLA	3,841	-	3,841
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	5066202-0	VALDES BUDGE ANTONIO	Chile	LAN	2,774	-	2,774
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	6304143-2	VILLARROEL SOMOZA LUIS ED	Chile	SK	6,345	-	6,345
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	77253700-K	INVERSIONES VALLENAR LTDA	Chile	ANTARCHILE	8,669	-	8,669
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	77253700-K	INVERSIONES VALLENAR LTDA	Chile	LAN	21,054	-	21,054
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	77593130-2	INVERSIONES VALLENAR LTDA	Chile	MOLYMET	4,307	-	4,307
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	79732120-6	INMOBILIARIA Y COMERCIAL	Chile	CENCOSUD	54,279	-	54,279
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	79732120-6	INMOBILIARIA Y COMERCIAL	Chile	ECL	11,644	-	11,644
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	79732120-6	INMOBILIARIA Y COMERCIAL	Chile	FALABELLA	234,850	-	234,850
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	79732120-6	INMOBILIARIA Y COMERCIAL	Chile	HABITAT	173,531	-	173,531
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	79974670-0	INMOBILIARIA LA CUMBRE S.A.	Chile	CENCOSUD	8,880	-	8,880
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	80537000-9	LARRA	Chile	CENCOSUD	51,381	-	51,381
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	80537000-9	LARRA	Chile	LAN	41,496	-	41,496
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	84177300-4	CELFIN	Chile	LAN	72,867	-	72,867
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	85544000-8	UGARTE	Chile	CAP	21,341	-	21,341
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	96519800-8	BCI	Chile	BCI	3,317	-	3,317
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	96519800-8	BCI	Chile	GENER	196,682	-	196,682
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	69899230-9	EUROAMER	Chile	CAP	12,426	-	12,426
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	69899230-9	EUROAMER	Chile	CMPC	215,340	-	215,340
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	69899230-9	EUROAMER	Chile	FALABELLA	899,303	-	899,303
				Totals			**2,272,347**	**-**	**2,272,347**

18. OTHER NON-CURRENT FINANCIAL LIABILITIES

Breakdown of Other non-current liabilities is as follows:

i) Carrying amount:

Details	Balances		
	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Obligations with banks	14,444,037	-	-
Bonds and debentures	127,370,258	120,129,119	89,661,072
Total	**141,814,295**	**120,129,119**	**89,661,072**

ii) Undiscounted cash flows:

Details	Balances		
	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Obligations with banks	15,201,423	-	-
Bonds and debentures	145,167,517	138,460,735	109,426,290
Total	**160,368,940**	**138,460,735**	**109,426,290**

SVS Circular No. 595 states that, in the case of consolidated financial statements the taxpayer number and country of the debtor should be indicated. In this case, all non-current financial liabilities existing at the closing of the reported periods relate to obligations of the Company, tax payer number 96.667.560-8, home country Chile.

(a) Obligations with banks and financial institutions

i) Carrying amount

Tax Payer Number	Name of debtor entity	Country	Bank or financial institution	Creditor Country	Moneda	Type of amortization	Nominal Rate %	Accounting value 12.31.2012 More than 1 to 3 years ThCh$	12.31.2012 More than 3 to 5 years ThCh$	12.31.2011 More than 1 to 3 years ThCh$	12.31.2011 More than 3 to 5 years ThCh$	12.31.2010 More than 1 to 3 years ThCh$	12.31.2010 More than 3 to 5 years ThCh$	Accounting value 12.31.2012 Total ThCh$	12.31.2011 Total ThCh$	12.31.2010 Total ThCh$
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	DEG - DEUTSCHE INVESTITIONS - UND ENTWICKLUNSGESELLSCHAFT MBH	Germany	Dollars	Installments	3.09%	8,639,280	1,439,881	-	-	-	-	10,079,161	-	-
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	Deutsche Bank	United States	Dollars	Installments	1.05%	4,364,876	-	-	-	-	-	4,364,876	-	-
Totales								**13,004,156**	**1,439,881**	**-**	**-**	**-**	**-**	**14,444,037**	**-**	**-**

ii) Undiscounted cash flows:

Tax Payer Number	Name of debtor entity	Country	Bank or financial institution	Creditor Country	Moneda	Type of amortization	Nominal Rate %	Accounting value 12.31.2012 More than 1 to 3 years ThCh$	12.31.2012 More than 3 to 5 years ThCh$	12.31.2011 More than 1 to 3 years ThCh$	12.31.2011 More than 3 to 5 years ThCh$	12.31.2010 More than 1 to 3 years ThCh$	12.31.2010 More than 3 to 5 years ThCh$	Accounting value 12.31.2012 Total ThCh$	12.31.2011 Total ThCh$	12.31.2010 Total ThCh$
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	DEG - DEUTSCHE INVESTITIONS - UND ENTWICKLUNSGESELLSCHAFT MBH	Germany	Dollars	Installments	3.09%	6,255,924	4,455,124	-	-	-	-	10,711,048	-	-
96.667.560-8	Tanner Servicios Finacieros S.A.	Chile	Deutsche Bank	Germany	Dollars	Installments	1.05%	4,490,375	-	-	-	-	-	4,490,375	-	-
Totales								**10,746,299**	**4,455,124**	**-**	**-**	**-**	**-**	**15,201,423**	**-**	**-**

(b) Bonds, non-current portion

As of December 31, 2012, the detail is as follows:

i) Carrying amount:

					Annual			12.31.2012			Accounting value 12.31.2012
Country	Registration number	Series	Nominal amount ThCh$	Currency	effective rate	nominal rate	Final term	More than 1 year to 3 years ThCh$	More than 3 years to 5 years ThCh$	More than 5 years ThCh$	Total ThCh$
Chile	548	Series B	20,000,000	Chilean pesos	7.000%	7.000%	01.03.2014	9,996,285	-	-	9,996,285
Chile	625	Series C	20,000,000	Chilean pesos	7.070%	6.500%	15.06.2014	6,561,575	-	-	6,561,575
Chile	625	Series E	20,000,000	Chilean pesos	6.880%	7.000%	15.08.2015	20,048,151	-	-	20,048,151
Chile	625	Series F	10,000,000	Chilean pesos	6.940%	6.350%	15.11.2014	7,924,584	-	-	7,924,584
Chile	656	Series I	1,600,000	UF	3.900%	3.800%	01.04.2021	2,913,787	12,181,733	21,318,034	36,413,554
Chile	656	Series G	15,000,000	Chilean pesos	7.510%	7.000%	01.04.2016	9,866,380	2,500,000	-	12,366,380
Chile	656	Series O	1,500,000	UF	4.900%	4.700%	10.10.2017	-	34,059,729	-	34,059,729
Total							**Total**	**57,310,762**	**48,741,462**	**21,318,034**	**127,370,258**

ii) Undiscounted cash flows:

					Annual			12.31.2012			Accounting value 12.31.2012
Country	Registration number	Series	Nominal amount ThCh$	Currency	effective rate	nominal rate	Final term	More than 1 year to 3 ThCh$	More than 3 years to 5 ThCh$	More than 5 years ThCh$	Total ThCh$
Chile	548	Series B	20,000,000	Chilean pesos	7.000%	7.000%	01.03.2014	10,344,080	-	-	10,344,080
Chile	625	Series C	20,000,000	Chilean pesos	7.070%	6.500%	15.06.2014	6,879,920	-	-	6,879,920
Chile	625	Series E	20,000,000	Chilean pesos	6.880%	7.000%	15.08.2015	22,408,560	-	-	22,408,560
Chile	625	Series F	10,000,000	Chilean pesos	6.940%	6.350%	15.11.2014	8,434,280	-	-	8,434,280
Chile	656	Series I	1,600,000	UF	3.900%	3.800%	01.04.2021	5,796,973	14,360,035	22,923,098	43,080,106
Chile	656	Series G	15,000,000	Chilean pesos	7.510%	7.000%	01.04.2016	11,204,282	2,586,020	-	13,790,302
Chile	656	Series O	1,500,000	UF	4.900%	4.700%	10.10.2017	3,183,543	37,046,726	-	40,230,269
Total							**Total**	**68,251,638**	**53,992,781**	**22,923,098**	**145,167,517**

As of December 31, 2011, the detail is as follows:

i) Carrying amount:

								Accounting value			
					Annual			12.31.2011			12.31.2011
Country	Registration number	Series	Nominal amount ThCh$	Currency	effective rate	nominal rate	Final term	More than 1 year to 3 ThCh$	More than 3 years to 5 ThCh$	More than 5 years ThCh$	Total ThCh$
Chile	548	Series B	20,000,000	Chilean pesos	7.000%	7.000%	01.03.2014	19,993,086	-	-	19,993,086
Chile	625	Series C	20,000,000	Chilean pesos	7.070%	6.500%	15.06.2014	19,822,473	-	-	19,822,473
Chile	625	Series E	20,000,000	Chilean pesos	6.880%	7.000%	15.08.2015	-	20,081,340	-	20,081,340
Chile	625	Series F	10,000,000	Chilean pesos	6.940%	6.350%	15.11.2014	9,884,230	-	-	9,884,230
Chile	656	Series I	1,600,000	UF	3.900%	3.800%	01.04.2021	-	8,843,793	26,679,017	35,522,810
Chile	656	Series G	15,000,000	Chilean pesos	7.510%	7.000%	01.04.2016	7,412,590	7,412,590	-	14,825,180
	Total						**Total**	**57,112,379**	**36,337,723**	**26,679,017**	**120,129,119**

ii) Undiscounted cash flows:

								Accounting value			
					Annual			12.31.2011			12.31.2011
Country	Registration number	Series	Nominal amount ThCh$	Currency	effective rate	nominal rate	Final term	More than 1 year to 3 ThCh$	More than 3 years to 5 ThCh$	More than 5 years ThCh$	Total ThCh$
Chile	548	Series B	20,000,000	Chilean pesos	7.000%	7.000%	01.03.2014	21,720,400	-	-	21,720,400
Chile	625	Series C	20,000,000	Chilean pesos	7.070%	6.500%	15.06.2014	21,279,520	-	-	21,279,520
Chile	625	Series E	20,000,000	Chilean pesos	6.880%	7.000%	15.08.2015	2,752,640	21,032,240	-	23,784,880
Chile	625	Series F	10,000,000	Chilean pesos	6.940%	6.350%	15.11.2014	10,961,620	-	-	10,961,620
Chile	656	Series I	1,600,000	UF	3.900%	3.800%	01.04.2021	2,685,678	11,435,435	29,270,659	43,391,772
Chile	656	Series G	15,000,000	Chilean pesos	7.510%	7.000%	01.04.2016	9,306,422	8,016,121	-	17,322,543
	Total						**Total**	**68,706,280**	**40,483,796**	**29,270,659**	**138,460,735**

As of December 31, 2010, the detail is as follows:

i) Carrying amount:

					Annual			Accounting value			
								12.31.2010			12.31.2010
Country	Registration number	Series	Nominal amount ThCh$	Currency	effective rate	nominal rate	Final term	More than 1 year to 3 ThCh$	More than 3 years to 5 ThCh$	More than 5 years ThCh$	Total ThCh$
Chile	509	Series A	20,000,000	Chilean pesos	7.150%	6.900%	01.10.2012	19,962,518	-	-	19,962,518
Chile	548	Series B	20,000,000	Chilean pesos	7.000%	7.000%	01.03.2014	-	19,989,894	-	19,989,894
Chile	625	Series C	20,000,000	Chilean pesos	7.070%	6.500%	15.06.2014	-	19,750,235	-	19,750,235
Chile	625	Series E	20,000,000	Chilean pesos	6.880%	7.000%	15.08.2015	-	20,114,438	-	20,114,438
Chile	625	Series F	10,000,000	Chilean pesos	6.940%	6.350%	15.11.2014	-	9,843,987	-	9,843,987
	Total						**Total**	**19,962,518**	**69,698,554**	**-**	**89,661,072**

ii) Undiscounted cash flows:

					Annual			Undiscounted Cash Flows			
								12.31.2010			12.31.2010
Country	Registration number	Series	Nominal amount ThCh$	Currency	effective rate	nominal rate	Final term	More than 1 year to 3 ThCh$	More than 3 years to 5 ThCh$	More than 5 years ThCh$	Total ThCh$
Chile	509	Series A	20,000,000	Chilean pesos	7.150%	6.900%	01.10.2012	21,017,750	-	-	21,017,750
Chile	548	Series B	20,000,000	Chilean pesos	7.000%	7.000%	01.03.2014	12,752,640	10,344,080	-	23,096,720
Chile	625	Series C	20,000,000	Chilean pesos	7.070%	6.500%	15.06.2014	15,679,120	6,879,920	-	22,559,040
Chile	625	Series E	20,000,000	Chilean pesos	6.880%	7.000%	15.08.2015	2,752,640	22,408,560	-	25,161,200
Chile	625	Series F	10,000,000	Chilean pesos	6.940%	6.350%	15.11.2014	3,147,740	8,434,280	-	11,582,020
	Total						**Total**	**55,349,890**	**48,066,840**	**-**	**103,416,730**

Series A: Half-yearly interest and amortization in 2 half-yearly installments from 01.04.2012.
Series B: Half-yearly interest and amortization in 2 half-yearly installments from 01.09.2013.
Series C: Half-yearly interest and amortization in 3 half-yearly installments from 15.06.2013.
Series E: Half-yearly interest and amortization in 2 half-yearly installments from 15.02.2015.
Series F: Half-yearly interest and amortization in 3 half-yearly installments from 15.02.2013.
Series I: Half-yearly interest and amortization in 12 half-yearly installments from 01.10.2015.
Series G: Half-yearly interest and amortization in 6 half-yearly installments from 01.10.2013.
Series O: Half-yearly interest and amortization in 2 half-yearly installments from 10.04.2017.

19. TRADE AND OTHER PAYABLES

This item includes the concepts detailed below:

Detail	12.31.2012 ThCh$	12.31.2011 ThCh$	12.31.2010 ThCh$
Various import creditors (1)	1,285,159	2,522,899	2,285,783
Various FCI creditors (1)	2,144,127	2,323,531	272,524
Various factoring operations creditors (2)	4,890,197	3,169,264	3,813,141
Various leasing creditors (3)	1,131,053	2,068,589	1,429,099
Surplus to be returned (4)	1,162,229	1,053,620	891,091
Credit operations, amount to be withdrawn (5)	5,141,650	4,838,813	4,285,653
Advance to clients (6)	4,889,904	5,732,483	2,982,728
Invoice receivable from purchase of assets under leasing	3,994,856	2,189,255	-
Funds advanced to CBP clients	3,576,053	26,848	-
Investment in other companies to be paid	-	-	2,349,668
Operations Intermediation	44,928,199	8,268,802	-
Other documents payable Gestora Tanner SpA (9)	4,328,173	-	-
Other documents payable (7)	1,645,334	2,456,227	653,005
Minimum dividend	5,967,899	4,300,558	3,231,716
Others (8)	2,847,881	2,394,111	1,074,928
Total	**87,932,714**	**41,345,000**	**23,269,336**

(1) Various payables for Imports and Various FCI payables correspond to liabilities arising from international factoring operations conducted by the Parent.
(2) Various payables for factoring transactions correspond to liabilities arising from local factoring operations conducted by the Parent.
(3) Various payables for Leasing correspond to liabilities arising from leasing operations conducted by Sociedad Tanner S.A.
(4) Surplus to refund associated with notes. They correspond to amounts released by factoring operations that are available to be used or withdrawn by customers.
(5) Amounts that can be withdrawn associated with Credit Operations. These are approved loans yet to be taken by customers.
(6) Client advances. These correspond to amounts deposited in favor of Tanner Servicios Financieros S.A. to pay documents that are in process of collection.
(7) Other notes payable. These involve mainly payments to suppliers and withholdings required by social security regulations.
(8) Other. These are other accounts payable not classified under previous items.
(9) These correspond to trade payables of Tanner Corredores de Bolsa S.A., a subsidiary of Gestora Tanner SpA, arising from transaction of the normal course of business.

20. OTHER SHORT-TERM PROVISIONS

(a) The detail of other short-term provisions is as follows:

	As of December 31,		
	2012	2011	2010
Detail	**ThCh$**	**ThCh$**	**ThCh$**
Vacation provision	747,255	623,750	490,711
Expense provisions with invoices receivable	1,559,651	672,030	641,160
MPP payable	490,123	485,674	273,476
Other provisions	36,843	2,634	429
Total	**2,833,872**	**1,784,088**	**1,405,776**

(b) Changes in short-term provisions are as follows:

2012	Vacation provision ThCh$	pense provisio invoices recei\ ThCh$	MPP payable ThCh$	Other provisions ThCh$	Total ThCh$
Initial balance 01.01.2012	623,750	672,030	485,674	2,634	**1,784,088**
Increases	926,006	3,717,687	4,799,962	2,009,276	**11,452,931**
Decreases	(802,501)	(2,830,066)	(4,795,513)	(1,975,067)	**(10,403,147)**
Final balance at 12.31.2012	**747,255**	**1,559,651**	**490,123**	**36,843**	**2,833,872**

2011	Vacation provision ThCh$	pense provisio invoices recei\ ThCh$	MPP payable ThCh$	Other provisions ThCh$	Total ThCh$
Initial balance 01.01.2011	490,711	641,160	273,476	429	**1,405,776**
Increases	615,190	1,963,487	4,483,500	23,545	**7,085,722**
Decreases	(482,151)	(1,932,617)	(4,271,302)	(21,340)	**(6,707,410)**
Final balance at 12.31.2011	**623,750**	**672,030**	**485,674**	**2,634**	**1,784,088**

2010	Vacation provision ThCh$	pense provisio invoices recei\ ThCh$	MPP payable ThCh$	Other provisions ThCh$	Total ThCh$
Initial balance 01.01.2010	388,781	414,061	117,413	-	**920,255**
Increases	451,567	1,860,287	2,652,837	429	**4,965,120**
Decreases	(349,637)	(1,633,188)	(2,496,774)	-	**(4,479,599)**
Final balance 12.31.2010	**490,711**	**641,160**	**273,476**	**429**	**1,405,776**

21. NON-CONTROLLING INTERESTS

The following is a detail of non-controlling interests at December 31, 2012, 2011 and 2010:

Taxpayer N°	12.31.2012	Equity ThCh$	Income ThCh$	Direct ownership %	Indirect ownership %	Investment carrying amount ThCh$	Non controlling interests ThCh$	Investment profits (loss) ThCh$	Non controlling interests results ThCh$
96912590-0	Tanner Leasing S.A.	9,438,397	4,141,767	99.99%	0.00%	9,437,453	944	4,141,353	414
76313350-8	Tanner Corredores de Bolsa de Productos S.A.	933,698	390,330	70.00%	0.00%	653,589	280,109	273,231	117,099
76133889-7	Tanner Corredores de Seguros Ltda.	724,673	614,673	70.00%	0.00%	507,271	217,402	430,271	184,402
93966000-3	Gestora Tanner SpA y Filiales	9,311,308	547,742	77.23%	0.00%	7,399,201	2,248,097	440,318	132,164
Total		**20,408,076**	**5,694,512**			**17,997,514**	**2,746,552**	**5,285,173**	**434,079**

Taxpayer N°	12.31.2011	Equity ThCh$	Income ThCh$	Direct ownership %	Indirect ownership %	Investment carrying amount ThCh$	Non controlling interests ThCh$	Investment profits (loss) ThCh$	Non controlling interests results ThCh$
96912590-0	Tanner Leasing S.A.	5,296,630	2,808,585	99.99%	0.00%	5,296,100	530	2,808,304	281
76313350-8	Tanner Corredores de Bolsa de Productos S.A.	753,747	310,914	70.00%	0.00%	527,623	226,124	217,640	93,274
76027088-1	Factorline Chile Agencia de Valores S.A.	133,532	4,217	60.00%	0.00%	80,119	53,413	2,530	1,687
76133889-7	Tanner Corredores de Seguros Ltda.	338,878	228,878	70.00%	0.00%	237,214	101,663	160,214	68,664
93966000-3	Gestora Tanner SpA y Filiales	6,955,653	(340,987)	86.96%	0.00%	6,239,881	1,027,056	(305,962)	(51,283)
Total		**13,478,440**	**3,011,607**			**12,380,938**	**1,408,786**	**2,882,726**	**112,623**

Taxpayer N°	12.31.2010	Equity ThCh$	Income ThCh$	Direct ownership %	Indirect ownership %	Investment carrying amount ThCh$	Non controlling interests ThCh$	Investment profits (loss) ThCh$	Non controlling interests results ThCh$
96912590-0	Tanner Leasing S.A.	2,488,045	1,119,975	99.99%	0.00%	2,487,796	249	1,119,863	112
76313350-8	Tanner Corredores de Bolsa de Productos S.A.	442,833	100,321	70.00%	0.00%	309,983	132,850	70,225	30,097
76027088-1	Factorline Chile Agencia de Valores S.A.	129,313	(70)	60.00%	0.00%	77,588	51,726	(42)	(28)
Total		**3,060,191**	**1,220,226**	**-**	**-**	**2,875,367**	**184,825**	**1,190,046**	**30,181**

The Company Tanner Leasing S.A., formerly Servicios Factorline S.A., changed its corporate name in December 2011.

The Company Tanner Corredores de Bolsa de Productos S.A., formerly Factorline Corredores de Bolsa de Productos S.A., changed its corporate name in December 2011.

The Company Tanner Corredores de Seguros Ltda., formerly Factorline Corredores de Seguros Ltda., changed its corporate name in December 2011.

22. EQUITY

The main objective of managing shareholders' equity is to maintain an adequate credit risk profile and healthy capital ratios that would allow the company to gain access to capital markets in order to pursue both its medium- and long-term goals and, at the same time, maximize the return to shareholders.

The Company's issued share capital, is represented by common shares issued, which are recorded at the amount received, net of direct issuing costs.

The Company directs its resources to its lines of business and not to investments outside the principal objective of the Company.

The Company currently only has shares issued of a single series.

The authorized, subscribed and paid issued capital amounted to ThCh$84,211,414 and is represented by 884,854 shares for the year ended December 31, 2012; ThCh$55,149,032 and represented by 755,000 shares for the year ended December 31, 2011; ThCh$37,609,894 and represented by 675,000 shares for the year ended December 31, 2010 of the same series with no par value.

Further, the Company has established requirements for the recording of provision for minimum dividends related to the legal obligation established by Chilean Ley de Sociedades Anónimas, Law N°18,026, Article 79 which requires distribution of at least 30% of liquid income each period. In accordance with this law, the Company records such dividends as a provision with a charge to accumulated earnings in equity at the end of each period covered by the Company's financial statements.

Distribution of dividends

The General Ordinary Shareholders Meeting held on March 5, 2012 agreed to distribute, by charging the 2011 profits, a dividend of $5,700 per share, which represents ThCh$4,303,500 and which was paid on March 5, 2012.

The General Ordinary Shareholders Meeting held on March 4, 2011 agreed to distribute, by charging the 2010 profits, a dividend of $4,790 per share, which represents ThCh$3,233,250 and which was paid on March 4, 2011.

Provision for minimum dividend:

According to Note 2 (u) the Company establishes a provision amounting to 30% of the income for the period as minimum dividend, which amounts to ThCh$4,300,558 for the period ended December 31, 2011 and ThCh$3,231,716 for the year ended December 31, 2010. The minimum dividend provision is presented under "Trade and other accounts payable."

Other Reserves:

The item Other Reserves comprises the item Reserve for Negative Goodwill, coming from the proportional recognition of the equity increase in subsidiary Factorline Corredores de Bolsa de Productos S.A. due to a share that it has in the Bolsa de Productos de Chile S.A. (Chilean Commodity Exchange) and because of the impact on the Company's equity in the transition to IFRS.

Capital increase:

2012 Period
The Extraordinary Shareholders Meeting held on March 9, 2012 agreed to increase the capital through capitalization of earnings from the period ended December 31, 2011 in the amount of ThCh$10,031,693 without the necessity of issuing shares. As a result, the capital balance is ThCh$65,180,725 divided into 755,000 shares without par value which are fully paid and subscribed.

On October 23, 2012, the first stage of the increase in capital agreed upon in the Extraordinary Shareholders Meeting held on July 31, 2012. The increase in capital amounted to Ch$19,030,688,513 comprised of 129,854 shares. As a result, total equity as of December 31, 2012 equals ThCh$84,211,414 comprised of 884,854 shares.

2011 Period
The Extraordinary Shareholders Meeting held on September 27, 2011 agreed to issue 80,000 shares at a price of $125,000 each to be subscribed and paid in no later than October 28, 2011 by the current shareholders pro rata of their shareholding. This way, the second part of the capital increase approved at the Extraordinary General Shareholders Meeting held on September 9, 2010 was completed.

In addition, it was agreed to increase the capital through the capitalization, without issuing payment-free shares, of the profits arising in the year ended December 31, 2010, which amounted to ThCh$7,539,138. As a result, the paid-in capital rose to ThCh$55,149,032 divided into 755,000 no-par value shares, which are fully subscribed and paid in.

23. COVENANTS COMPLIANCE

As of December 31, 2012, the Company has six lines of commercial paper approved by the SVS (line 001, line 014, line 019, line 022, line 025 and line 031), dated October 21 2002, December 9, 2003; February 2, 2005; August 29, 2006; June 11, 2007 and July 17, 2008, respectively. Also the Company has made seven bond issues; five of them in Chilean pesos, totaling ThCh$86,094,126 and two issues for UF 3,100,000 which is equivalent to ThCh$71,166,014.

Commercial Paper:

According to the terms established in the respective prospectuses, the Company must comply with certain indices, which must be reported quarterly on the financial statements under IFRS. The indices to report are the current state of compliance with the provisions in numerals 5.5.1 (Limits on indices and/or relationships), 5.5.2 (obligations, restrictions and prohibitions), 5.5.3 (Maintenance, replacement or renewal of assets) and 5.5.6 (effects of mergers, divisions or other) of the respective prospectuses, which will be reported through the issuance of a certificate issued by the Company's legal representative, certifying to his best knowledge and understanding the state of compliance as described above and therefore, such certificate is inserted in this note:

"Sergio Galo Contardo Perez, General Manager and Legal Representative of Tanner Servicios Financieros S.A. certifies that to his best knowledge and understanding, the Company that he represents, to date fully complies with all obligations, restrictions, prohibitions and other commitments under the terms and conditions specified by the Superintendency of Securities and Insurance for the registration of commercial paper lines, and that, in line with the above, has to this date the following limits on indices and/or financial relationships".

Limits in indexes			Limit			12.31.2012		12.31.2011		12.31.2010
Total equity/	Total assets		Minimum 10%			18.35%		15.49%		15.74%
Current assets/	Current liabilities		Minimum 1,00			1.28		1.29		1.4
Equity	Minimum	ThCh$	21,000,000	(1)	ThCh$	100,662,562	ThCh$	66,645,184	ThCh$	45,388,121

Total equity (in millions of pesos) is ThCh$100,662,562, Minimum $21,000 million for all commercial paper, except for line 093, which has a minimum equity limit of $60,000 million pesos.

Bonds:

Because of the bond issuance contracts entered into, the Company must meet the following limits on its financial indicators:

Indicator	ThCh$	Factor 12.31.2012	Limit
1. Current liabilities	447,926,771	4.45	< 7,5 times (a)
Equity	100,662,562		
2. Assets	548,589,333	1.23	> 0,75 times (b)
Current liabilities not guaranteed	447,926,771		

3. Total equity ThCh$100,662,562 Minimum $21,000 million for all lines of credit with the exception of the BTANN-N, for which the required minimum equity is ThCh$60,000,000 (c).

a) Corresponds to the level of indebtedness, measured on the consolidated financial statements, in which the ratio of Liabilities over Total Equity does not exceed the level of seven point five times. Also added to Liabilities, will be the obligations assumed by the issuer in its capacity as guarantor, bailsman (simple and/or supportive) and those in which it responds directly or indirectly for the obligations of third parties. Liabilities will mean the addition of accounts "Total Current Liabilities" and "Total non-current liabilities" of the issuer's consolidated financial statements.

b) As per the Consolidated Financial Statements, keeping assets free of any pledge, mortgage or other lien in an amount at least equal to zero point seventy-five times the Liabilities of the issuer.

c) As per the Consolidated Financial Statements, maintain a minimum Equity of twenty-one thousand million pesos for all lines, except for, line 756 for which minimum equity required to is sixty thousand million pesos.

Covenants of Banco CII

IDB Indexes

These are the IDB factors as of December 31, 2011 and 2010.

IDB indexes	Limit	Dec-2012	Dec-2011	Dec-2010
Past due portfolio (>90 days)/Total portfolio	<= 3,0%	1.09%	1.06%	1.25%
Shareholders' equity/Total assets	min 11%	17.1%	15.5%	14.9%
Past due portfolio (>90 days)+Assets in payment-Provision Assets in payment-portfolio provision/Shareholders' equity	<= 0	12.4%	-14.5%	-15.7%
Shareholders' equity (ThCh$)	>= 12.000	78,372	53,253	35,329
CII loan/Shareholders' equity US$	<= 33%	9.5	13.7	14.9
10 major clients: <= 20% of total		11.1	13.7	15.6
10 major debtors: <= 18% of total		5.6	7.2	10.0

Notes: Figures based on moving average of the last 12 months.

24. CONTINGENCIES AND RESTRICTIONS

Direct Guarantees

On September 24, 2012, the Company became guarantor and joint debtor of its subsidiary Tanner Corredores de Bolsa S.A. in order to secure an overnight line of credit with Corpbanca bank for a total amount of ThCh$2,500,000 and to secure treasury transactions for an amount up to US$2 million. The guarantee is for a 14-month period.

As of December 31, 2011 and 2010, there are no direct guarantees.

Indirect Guarantees

As of December 31, 2012, 2011 and 2010, there are no indirect guarantees.

Lawsuits and other legal actions

Trial No. 1

Title: Galaico Chilena de Conservas S.A. vs. Factorline S.A.(1)
Court: 19th Civil Court of Santiago
Case Number: 24.329-2009
Subject: Payment of damages
Amount: Ch$450,000,000
Start: August 25, 2009 (served to Tanner Servicios Financieros on October 9, 2009).

A lawsuit was filed seeking payment of damages. Tanner Servicios Financieros S.A. filed dilatory pleas against the plaintiff's lawsuit, which were rejected by the court on January 4, 2010. On January 15, 2010 Tanner Servicios Financieros S.A. filed a reply to the lawsuit together with an appeal against the resolution which rejected the dilatory pleas, but the appeal was rejected.

The court considered that the defendant had answered the lawsuit and served the plaintiff for the latter to make the "replica" filing, but the deadline expired and not replica was filed. On September 16, 2010, the court summoned the parties to a reconciliation hearing on the 6th business day after this summons was served, but no hearing took place. Currently the deadline for submitting evidence has expired, but the expert report requested by Tanner Servicios Financieros S.A. to prove that the facts discussed in the trial have no relationship with the financial loss suffered by the plaintiff is still pending. In November 2011 the amount requested by the court was deposited to pay the fees of the expert requested by Tanner Servicios Financieros S.A. Court is waiting for expert to accept position and submit his report.

Trial No. 2

Title: Ortuzar vs. Factorline S.A.(now Tanner Servicios Financieros S.A.)
Court: 2nd Civil Court of Rancagua
Case Number: 9857-201
Subject: Payment of damages
Amount: Ch$ 17,284,000.
Start: August 13, 2012

The actor in the process withdrea a check on behalf of a client, who invoiced the Company. When presented for collection, he was rejected for lack of funds and was reported to the respective commercial registers. The demand argues that Tanner would have not delivered any financing for the purchase of the check, and that therefore demands should paid due to be prejudice against publishing business history without just reason.

The period of discussion ended, an audience of reconciliation was offered to both parties without success, and the case is in the period of waiting for a resolution, evidence and notification.

Trial No. 3

Title: Fuenzalida Heloa vs. Tanner Servicios Financieros S.A.
Court: 2nd Civil Court of Santiago
Case Number: 0-4141-2012
Ruc: 12-4-0040177-0
Subject: Payment of damages for differences in base pay, time off and holidays
Amount: Ch$ 70,749,230.
Start: December 20, 2012

The defendant who is a representative of the Sindicato Inter Empresas DH S.A., Rendic Hermanos, Atento Chile, and others, filed a lawsuit against Tanner Servicios Financieros S.A. in representation of 16 executive workers of automobile sales in while the allege that Tanner owes the workers remunerations for miscalculation of base pay, application of vacation, and as a result, the loss of a holiday.

This demand was recently communicated to Tanner on December 20, 2012 with the first hearing to be held on January 25, 2013.

Other contingencies

There are no other at December 31, 2012, 2011 or 2010 to report.

Restrictions

As of December 31, 2012, 2011 and 2010 there are no restrictions to report.

25. THIRD PARTY GUARANTEES

As of December 31, 2012, 2011 and 2010, the main guarantees received from third parties are:

1) Ship mortgage on motorship for UF13,910

2) Ship mortgage on motorship for UF16,160

3) Warrants for cardboard paper for US$1,508,000.00

4) Support Paper Warrants for US$543,030.80

5) Warrants for fertilizers and fungicides for $225,010,000

6) Warrants for tomato sauce for US$449,060.00

7) Warrants for vehicles for $294,480,000

8) Warrants for polyethylene pellets for $937,560,000

9) Mortgage on property located at Lote Nº 1 calle Juan Antonio Ríos Nº 1,950, Coquimbo, for up to $529,831,387.

10) Mortgage on property in Argomedo 639, Osorno, valued at $437,861,600.

11) Mortgage on property in the Pan de Azúcar area, Coquimbo Region, for $180,000,000.

12) Mortgage on property located on Colo Colo Street N° 816, Ñuñoa for $172,930,000.

There are personal guarantees given to the Company to secure the obligations and transactions with customers related to the products offered by the Company. Such guarantees are stated in the corresponding contract arrangements, as well as directly in the promissory notes or other separate instruments.

As of December 31, 2012, 2011 and 2010, the Company has no other guarantees with third parties.

26. FOREIGN CURRENCY ASSETS AND LIABILITIES

The following is the balance by currency as of December 31, 2012, 2011 and 2010:

Classified Consolidated Statement of Financial Position December 31, 2011 (thousands of pesos)	**Pesos ThCh$**	**December 31, 2012 Dollars ThCh$**	**UF ThCh$**	**Total ThCh$**
Statement of Financial Position				
Assets				
Current assets				
Cash and Cash Equivalents	10,404,374	5,839,101	-	16,243,475
Other current financial assets	19,169,089	156,782	-	19,325,871
Othercurrent non-financial assets	4,238,862	-	-	4,238,862
Commercial debtors and other current accounts receivable	256,389,228	56,678,306	23,631,102	336,698,636
Related-party accounts receivable, current	1,273,505	-	-	1,273,505
Current tax assets	7,061,365	-	-	7,061,365
Total current assets	298,536,423	62,674,189	23,631,102	384,841,714
Non-current assets				
Other non-current financial assets	-	490,169	-	490,169
Other non-financial non-current assets	2,164,485	-	-	2,164,485
Non-current rights receivable	103,160,902	914,466	34,855,081	138,930,449
Related party accounts receivable, non-current	3,899,468	-	-	3,899,468
Equity method investments	39,537	-	-	39,537
Intangible assets other than goodwill	143,892	-	-	143,892
Goodwill	1,303,165	-	-	1,303,165
Property, plant and equipment	4,980,849	-	-	4,980,849
Deferred tax assets	11,795,605	-	-	11,795,605
Total non-current assets	127,487,903	1,404,635	34,855,081	163,747,619
Total assets	**426,024,326**	**64,078,824**	**58,486,183**	**548,589,333**
Liabilities				
Current liabilities				
Other current liabilities	159,862,259	41,482,956	1,226,223	202,571,438
Commercial and other accounts payable	80,384,781	7,547,933	-	87,932,714
Other short-term provisions	2,833,872	-	-	2,833,872
Current tax liabilities	8,074,491	-	-	8,074,491
Otros pasivos no financieros corrientes	-	-	-	-
Total current liabilities	251,155,403	49,030,889	1,226,223	301,412,515
Non-current liabilities				
Other non-current financial liabilities	56,896,975	14,444,037	70,473,283	141,814,295
Non-current liabilities	-	-	395,724	395,724
Deferred tax liabilities	4,304,237	-	-	4,304,237
Total non-current liabilities	61,201,212	14,444,037	70,869,007	146,514,256
Total liabilities	**312,356,615**	**63,474,926**	**72,095,230**	**447,926,771**
Exchange differences	**113,667,711**	**603,898**	**(13,609,047)**	

	December 31, 2011			
	Chilean pesos	US dollars	UF	Total
Balance sheet	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Assets				
Current assets				
Cash and cash equivalent	6,903,537	2,142,197	-	9,045,734
Other current financial assets	10,561,501	2,088,132	1,659,457	14,309,090
Other non-financial assets, current	1,082,003	-	-	1,082,003
Trade debtors and other accounts receivable, current	215,520,047	44,635,816	16,311,750	276,467,613
Accounts receivable from related companies, current	887,576	-	-	887,576
Current tax assets	6,512,292	-	-	6,512,292
Total current assets	241,466,956	48,866,145	17,971,207	308,304,308
Non-current assets				
Other non-current non-financial assets	2,028,131	-	-	2,028,131
Trade and other non-current receivables	88,128,292	629,329	19,126,061	107,883,682
Accounts receivable from related companies, non-current	1,663,567	-	-	1,663,567
Investments accounted for using equity method	49,911	-	-	49,911
Intangible assets other than goodwill	194,687	-	-	194,687
Goodwill	1,274,073	-	-	1,274,073
Property, plant, and equipment	2,299,228	-	-	2,299,228
Deferred tax assets	6,516,158	-	-	6,516,158
Total non-current assets	102,154,047	629,329	19,126,061	121,909,437
Total assets	**343,621,003**	**49,495,474**	**37,097,268**	**430,213,745**

Liabilties				
Current liabilities				
Other current financial liabilities	144,991,924	42,273,848	1,277,668	188,543,440
Trade and other payables	34,603,940	6,738,081	2,979	41,345,000
Accounts payable to related companies	4,280,712	-	-	4,280,712
Other short-term provisions	1,784,088	-	-	1,784,088
Current tax liabiliies	3,385,540	-	-	3,385,540
Other current non-financial liabilities	266,412	-	-	266,412
Total current liabilities	189,312,616	49,011,929	1,280,647	239,605,192
Non-current liabilities				
Other non-current financial liabilities	84,606,309	-	35,522,810	120,129,119
Trade and other non-current payables	-	-	514,909	514,909
Deferred tax liabilities	3,319,341	-	-	3,319,341
Total non-current liabilities	87,925,650	-	36,037,719	123,963,369
Total liabilities	**277,238,266**	**49,011,929**	**37,318,366**	**363,568,561**
Differential from currencies	**66,382,737**	**483,545**	**(221,098)**	

	December 31, 2010			
	Chilean pesos	US dollars	UF	Total
Balance sheet	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Assets				
Current assets				
Cash and cash equivalent	6,821,074	418,782	-	7,239,856
Other current financial assets	837,492	421,209	-	1,258,701
Other non-financial assets, current	882,546	-	-	882,546
Trade debtors and other accounts receivable, current	172,888,710	20,194,333	5,277,600	198,360,643
Accounts receivable from related companies, current	874,456	-	-	874,456
Current tax assets	2,908,257	-	-	2,908,257
Total current assets	185,212,535	21,034,324	5,277,600	211,524,459
Non-current assets				
Other non-current non-financial assets	196,985	-	-	196,985
Trade and other non-current receivables	56,577,753	-	11,440,492	68,018,245
Accounts receivable from related companies, non-current	234,293	-	-	234,293
Investments accounted for using equity method	1,909,931	-	-	1,909,931
Intangible assets other than goodwill	57,045	-	-	57,045
Goodwill	458,765	-	-	458,765
Property, plant, and equipment	1,483,247	-	-	1,483,247
Deferred tax assets	4,561,257	-	-	4,561,257
Total non-current assets	65,479,276	-	11,440,492	76,919,768
Total assets	**250,691,811**	**21,034,324**	**16,718,092**	**288,444,227**

Liabilties				
Current liabilities				
Other current financial liabilities	104,823,489	18,408,661	20,172	123,252,322
Trade and other payables	20,544,488	2,606,937	117,911	23,269,336
Accounts payable to related companies	1,405,776	-	-	1,405,776
Other short-term provisions	2,907,026	-	-	2,907,026
Current tax liabiliies	140,513	-	-	140,513
Other current non-financial liabilities				
Total current liabilities	129,821,292	21,015,598	138,083	150,974,973
Non-current liabilities				
Other non-current financial liabilities	89,661,072	-	-	89,661,072
Trade and other non-current payables	3,857	-	616,664	620,521
Deferred tax liabilities	1,799,540	-	-	1,799,540
Total non-current liabilities	91,464,469	-	616,664	92,081,133
Total liabilities	**221,285,761**	**21,015,598**	**754,747**	**243,056,106**
Differential from currencies	**29,406,050**	**18,726**	**15,963,345**	

27. COMPOSITION OF REVENUES, COSTS OF SALES AND ADMINISTRATIVE EXPENSES

a) Revenue

The detail of revenue from ordinary activities for the years ended December 31, 2012, 2011 and 2010 is as follows:

		For the years ended December 31,		
		2012	2011	2010
	Product	ThCh$	ThCh$	ThCh$
Interest	Factoring	8,305,581	5,937,040	5,048,624
Interest	Automotive	37,020,435	27,173,815	19,110,514
Interest	Leasing	4,783,484	2,551,847	1,113,601
Readjustments	Factoring	73,663	182,713	31,596
Reajustes	Leasing	757,275	1,232,921	328,578
Commissions	Factoring	2,863,181	2,591,847	2,055,579
Commissions	Automotive	425,732	274,120	29,076
Commissions	Leasing	665,698	453,970	133,765
Price differences	Factoring	23,065,976	18,438,507	14,196,693
Other income	Factoring	2,756,320	2,579,530	2,073,536
Other income	Automotive	2,892,213	1,667,911	1,137,114
Other income	Leasing	337,059	302,200	57,344
Other income (*)		6,753,769	3,807,647	491,702
Total		**90,700,386**	**67,194,068**	**45,807,722**

(*) Includes income of the subsidiaries Tanner Corredores de Bolsa de Productos S.A., Tanner Corredores de Seguros Ltda. and Tanner Corredores de Bolsa S.A., which is mainly brokerage fees and consulting and advisory services.

b) Cost of sales

Breakdown of cost of sales for the years ended December 31, 2012, 2011 and 2010, is as follows:

		For the years ended December 31,		
		2012	2011	2010
	Product	ThCh$	ThCh$	ThCh$
Interest	Automotive	8,248,767	6,465,057	3,242,085
Interest	Factoring	8,668,499	5,627,048	3,392,879
Interest	Leasing	2,326,296	2,798,411	904,768
Commissions	Automotive	8,948,315	5,975,420	4,175,513
Commissions	Factoring	221,040	59,848	490,661
Write-offs and provisions	Automotive	6,303,129	3,713,470	2,347,445
Write-offs and provisions	Factoring	6,648,973	4,295,154	5,499,661
Write-offs and provisions	Leasing	2,028,690	622,138	433,974
Other costs	Others	1,654,411	1,205,136	267,532
Impairment of financial investments (*)	Others	176,000	944,000	-
Total		**45,224,120**	**31,705,682**	**20,754,518**

(*) Corresponds to the impairment allowance from certain investments in securities made through the commodity exchange called Bolsa de Productos de Chile.

c) Administrative expenses

The breakdown of administration expenses for the years ended December 31, 2012, 2011 and 2010, is as follows:

	For the years ended December 31,		
	2012	2011	2010
	ThCh$	ThCh$	ThCh$
Personnel expenses	15,344,008	12,803,293	8,698,715
Services from third parties	1,271,985	1,006,975	577,161
Advisories and consulting	816,432	660,386	261,476
Leases and insurances	521,388	461,502	374,910
Overhead	3,023,223	2,450,371	1,974,116
Depreciation and amortization	426,289	324,545	245,786
Other expenses	1,249,469	710,267	323,459
Total	**22,652,794**	**18,417,339**	**12,455,623**

28. EARNINGS PER SHARE

a) The detail of earnings per share as of December 31, 2012, 2011 and 2010 is as follows:

		Year ended	
	12.31.2012	**12.31.2011**	**12.31.2010**
	ThCh$	**ThCh$**	**ThCh$**
Basic earnings per share			
From continuing operations	22,040.55	18,987.01	15,959.09
From discontinued operations	-	-	-
Total basic earnings per share	22,040.55	18,987.01	15,959.09
Diluted earnings per share			
From continuing operations	22,040.55	18,987.01	15,959.09
From discontinued operations	-	-	-
Total basic earnings per share	22,040.55	18,987.01	15,959.09

29. ENVIRONMENT

Due to the nature of the Parent Company and its Subsidiaries, they are not affected by expenses for environmental remediation.

30. COMPENSATION TO BOARD OF DIRECTORS

For all periods presented, the Company's Board of Directors has not received any compensation.

31. SANCTIONS

During the periods reported, neither the Company nor its board members and officers have been sanctioned by the SVS or other regulatory body.

32. DIRECT CONSOLIDATED STATEMENT OF CASHFLOWS

In accordance with SVS's Circular 2058 dated February 3, 2012 the Company will be required to prepare the cash flow statement using the direct method for the period ended as of March 31, 2013.

Nevertheless, the companies that prepare de cash flow statement using the indirect method shall include in its financial statements as of December 31, 2012 a pro-forma statement of cash flow, non-comparative, using the direct method.

Direct Statement of Cash Flows	**ThCh$ 01.01.2012 12.31.2012**
Receivables from sales of goods and rendering of services	1,090,544,964
Other receivables for operating activities	683,295
Payments to suppliers for good and services	(1,198,618,362)
Payment of employees	(15,593,552)
Net cash flows from (used in) operating activities	**(122,983,655)**
Interest paid, classified as operating activities	(18,114,559)
Interest received, classified as operating activies	63,161,495
Income taxes paid (received), classified as operating activities	(1,702,878)
Other receipts (payments) of cash, classified as operating activities	35,562,993
Cash flows from (used in) operating activities	**(44,076,604)**
Purchases of Property, Plant and Equipment, classified as investing activities	(3,019,739)
Other payments to acquire equity and debt instruments from other entities, classified as investing activities	(3,339,426)
Cash flows from (used in) investing activities	**(6,359,165)**
Proceeds from long-term debt	1,378,642,363
Proceeds from debt, classified as financing activities	**1,378,642,363**
Repayment of borrowings, classified as financing activities	(1,335,708,058)
Dividends paid, classified as financing activities	(4,303,500)
Other receipts (payments) of cash, classified as financing activities	19,002,705
Cash flows from (used in) financing activities	**57,633,510**
Increase (decrease) in cash and cash equivalents, before the effect of the exchange rate	**7,197,741**
Effects of exchange rate differences on cash and cash equivalents	-
Increase (decrease) in cash and cash equivalents	**7,197,741**
Cash and cash equivalents at beginning of the period	9,045,734
Cash and cash equivalents at end of the period	**16,243,475**

33. SUBSEQUENT EVENTS

Between January 1, 2013 and the date of issue of these consolidated financial statements (January 31, 2013), there have been no significant events that might affect their presentation.

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Huerfanos 863 – Piso 3
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TRUSTEE, PAYING AGENT, TRANSFER AGENT AND REGISTRAR
The Bank of New York Mellon
101 Barclay Street, Floor 4E
New York, New York 10286
U.S.A.

IRISH LISTING AGENT AND PAYING AGENT
The Bank of New York Mellon SA/NV Dublin Branch
Hanover Building, Windmill Lane
Dublin 2
Ireland

US$250,000,000

Tanner
Servicios Financieros

4.375% Senior Notes due 2018

OFFERING MEMORANDUM

BofA Merrill Lynch

March 6, 2013