

ANNUAL REPORT 2016



COMPANY INFORMATION

Corporate Name:	Tanner Servicios Financieros S.A.
Trade Name:	Tanner, Tanner S.A.
Legal Address:	Huérfanos 863 – piso 10, Santiago de Chile
Taxpayer ID Number:	96.667.560-8
Type of Entity:	Corporation
Securities Registry:	Nº 777
Website:	www.tanner.cl
External Auditors:	PricewaterhouseCoopers Consultores, Auditores y Compañía Limitada.
Local Risk Rating Agencies:	Fitch Chile Clasificadora de Riesgo Ltda. Clasificadora de Riesgo Humphreys Limitada.
International Risk Rating Agencies:	Fitch Ratings. Standard & Poor´s Rating Services.

Tanner Servicios Financieros S.A., formerly Factorline S.A., was incorporated by public instrument on April 6. An abstract of this deed of incorporation was recorded in the Santiago Commerce Registry in 1993 on page 7,816, number 6,488 and published in the Official Gazette on April 24, 1993.

It was registered in the Securities Registry of the Chilean Superintendency of Securities and Insurance under No. 777 on August 27, 2002.



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OUR
COMPANY





Letter from the Chairman

2016 was a good year for the Company. The changes implemented have started to yield results, allowing us to strengthen our position as the market leader in Chile's non-bank lending market.

We reached Ch\$1,020,368 million in total assets with Ch\$800,821 million in loans, after accomplishing significant growth in our core businesses of factoring (which grew 19.5% YoY) and auto lending (which grew 12.9% YoY). We generated net income of Ch\$22,347 million, up Ch\$2,034 million or 10.0% YoY, and our return on equity was 9.2%, an improvement over the 8.8% recorded in 2015. This last figure is particularly noteworthy since the Chilean banking industry had a historically low ROE in 2016 driven by sluggish economic growth and drops in productivity, savings and investments. In light of these achievements, rating agencies

confirmed our international risk rating at "BBB-", thus conserving our status as the only non-bank financial institution with an investment grade rating in Latin America.

In 2016 we expanded our customer base to 53,427 customers, concentrating mainly on the most resilient industries to reduce our exposure to the more cyclical sectors. Along with strengthening our risk control functions and implementing stricter loan underwriting and monitoring policies, we were able to reduce our non-performing loan ratio from 4.8% in 2015 to 4.3% in 2016. These efforts will continue in 2017.

In terms of the diversification of our funding, I would like to highlight our CHF 150 million bond placement, which makes us the first Chilean company (other than banks or state-owned enterprises)

to issue bonds in Switzerland. We also issued a local bond in a deal led solely by Tanner Corredores de Bolsa S.A. (part of Tanner Investments) and secured additional funding from several international entities.

The success we had in 2016 was, first and foremost, a function of the commitment of the skilled and motivated associates that make up the Tanner team, as well as the Company's efforts to build a merit-based culture focused on teamwork and exceptional service.

I would like to take this opportunity to thank Óscar Cerda, CEO of the organization since late 2015, who led the Company's efforts to improve portfolio quality, profitability and distribution of the portfolio. Óscar stepped down from his position in January 2017 to serve on Tanner's Board. Antonio Turner,

who has been with the organization for more than two years, has been appointed as the new CEO of Tanner. They both continue to enjoy the Board's full commitment and support; many thanks and best wishes to both of them.

With a robust strategy centered on our competitive advantages, we will continue to expand our core businesses of factoring and auto lending. We will continue to focus on improving our efficiency by continuing to demonstrate the passion that we are known for, while placing our shareholders, creditors, customers, associates and investors at the heart of what we do.

Sincerely,

Ricardo Massu
Chairman of the Board

2016 Highlights

Successful implementation of SAP software to optimize different processes and free up key resources.

Local four-year bond issuance for UF 2 million with Tanner Corredores de Bolsa S.A. as placement agent.

Renewal of line of credit US\$40 million with DEG, a subsidiary of the German development bank KfW.

Bond issuance for CHF150 million, making us the first Chilean company (other than banks or state-owned enterprises) to issue a financial instrument in Switzerland.

New syndicated loan for US\$84 million

in two tranches:

US\$50 million agreed with IFC – a member of the World Bank Group.

US\$34 million through a syndicated loan from several entities, including the State Bank of India.

Ch\$22,347 million net income, a YoY increase of **10%**.

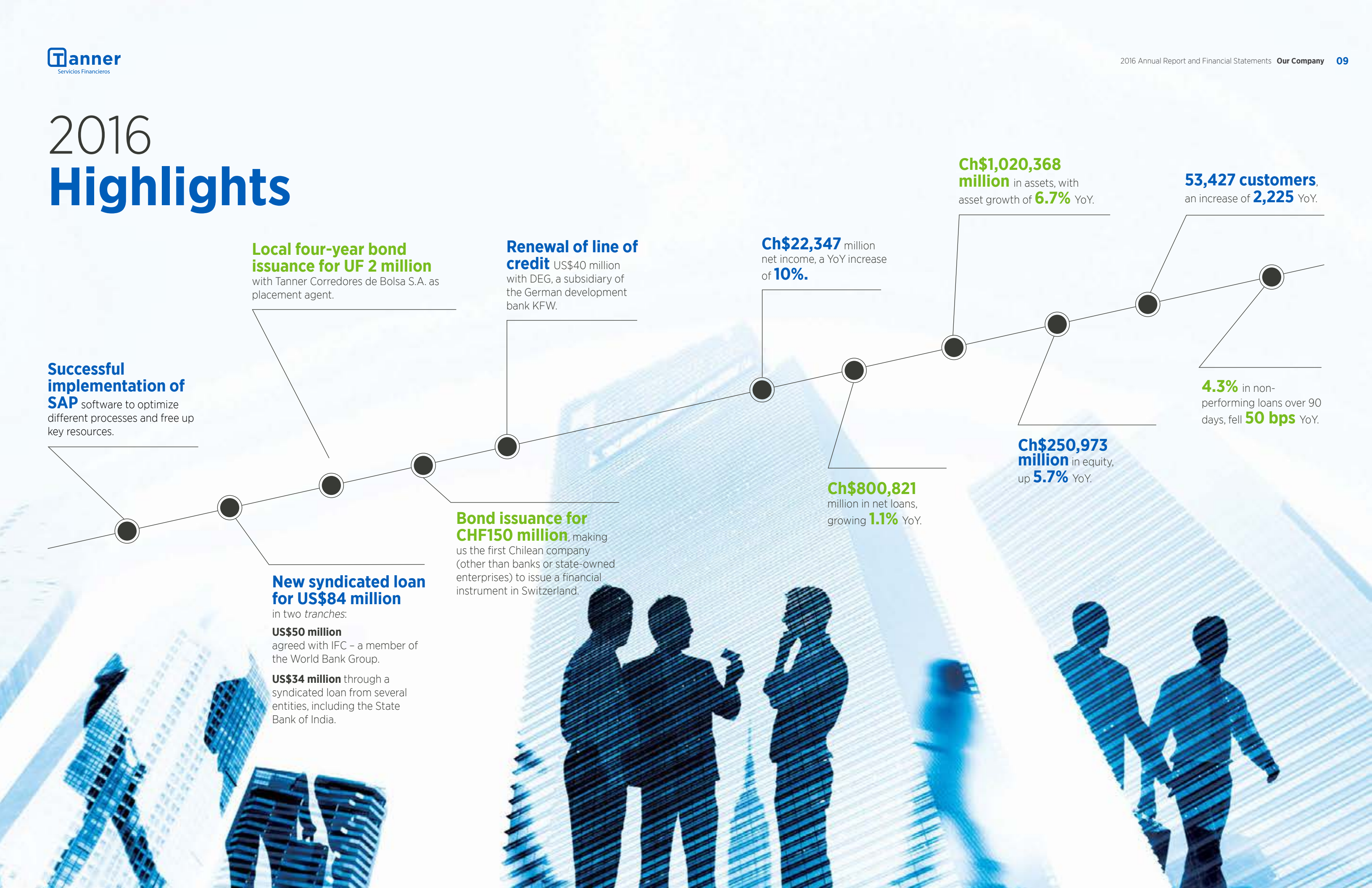
Ch\$800,821 million in net loans, growing **1.1%** YoY.

Ch\$1,020,368 million in assets, with asset growth of **6.7%** YoY.

Ch\$250,973 million in equity, up **5.7%** YoY.

53,427 customers, an increase of **2,225** YoY.

4.3% in non-performing loans over 90 days, fell **50 bps** YoY.



Financial Results

RESULTS FOR THE YEAR

Consolidated figures in MCh\$

	2012	2013	2014	2015	2016
Gross profit (gross margin)	45,476	55,990	58,140	50,928	61,493
Sales and administrative expenses	-22,652	-28,466	-31,713	-36,019	-38,110
Other income (expenses) ⁽¹⁾	868	2,083	1,703	5,720	1,529
Profit before tax	23,692	29,607	28,130	20,629	24,912
Profit for the year	19,937	24,551	26,089	20,313	22,347

YEAR-END BALANCE

	2012	2013	2014	2015	2016
Loans ⁽²⁾	492,376	593,893	719,622	820,342	824,188
Gross loan volume	1,143,304	1,427,395	1,693,014	1,711,213	1,538,060
Total assets	548,589	719,947	803,679	956,505	1,020,368
Equity	100,663	206,869	223,160	237,379	250,973
Number of customers	42,674	50,588	53,561	51,202	53,427
Number of associates	985	1,161	1,124	985	998

RATIOS

	2012	2013	2014	2015	2016
Default ⁽³⁾ > 30 days / Loans	7.8%	10.1%	10.1%	7.4%	6.9%
Default > 90 days / Loans	2.8%	5.1%	5.7%	4.8%	4.3%
ROE ⁽⁴⁾	19.8%	11.9%	11.7%	8.6%	8.9%
ROA ⁽⁵⁾	3.6%	3.4%	3.2%	2.1%	2.2%

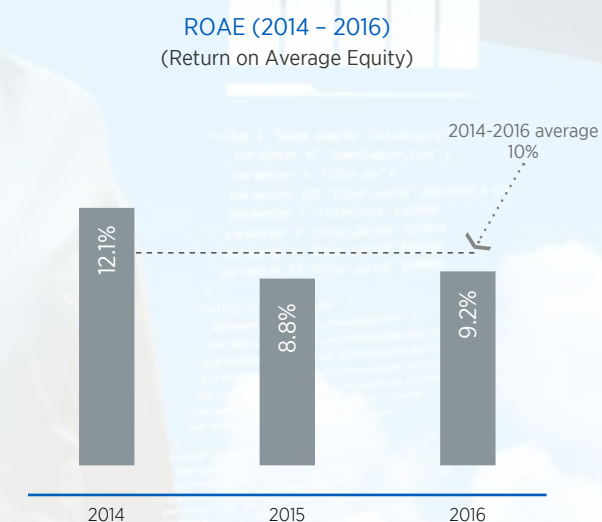
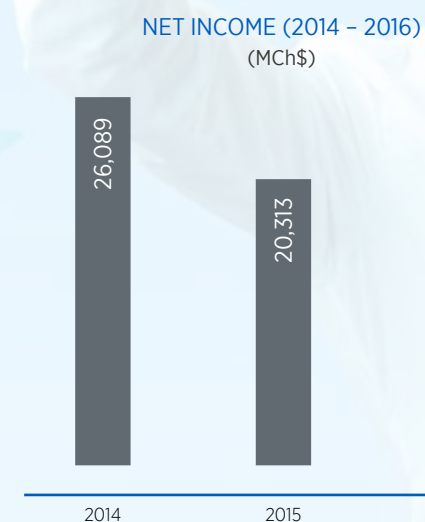
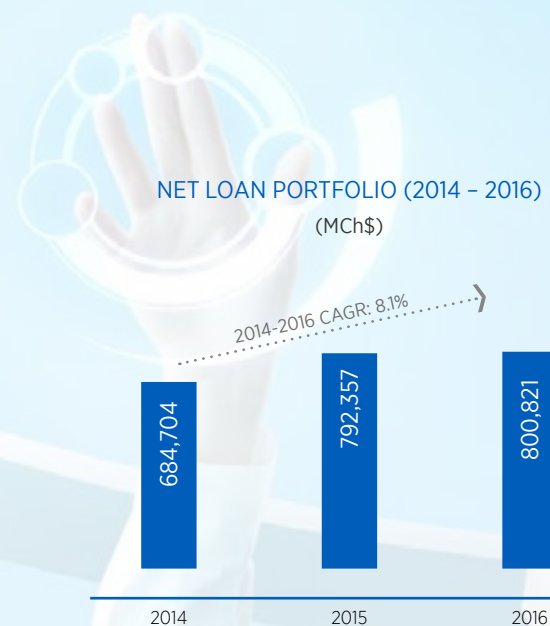
(1) Profit before tax + Sales and administrative expenses – Gross profit (gross margin).

(2) Gross loans (factoring, corporate lending, auto lending, leasing and other).

(3) Default calculated on outstanding balance. Includes Pescanova.

(4) ROE: Profit / Total Equity.

(5) ROA: Profit / Total Assets.



Our History

In 1993, the main shareholders of what was then Banco BHIF, the Massu and Said groups, anticipated the potential of the factoring product in our country and decided to create Bifactoring S.A. In 1996, this entity also began to offer international factoring services to complement its domestic factoring offering and participated in the creation of the Chilean Factoring Association (Asociación Chilena de Empresas de Factoring, “ACHEF”), of which it continues to be a member.

In 1999, the Company’s name was changed to Factorline S.A. In 2002 Factorline S.A. was registered in the Securities Registry of the Superintendency of Securities and Insurance (Superintendencia de Valores y Seguros, “SVS”), and began to comply with the standards and procedures required for publicly-held corporations. In October 2002, the Company became the first Chilean company to register commercial paper for Ch\$7,000 million.

In order to continue with its evolution, in 2004, the Company entered into its first

funding agreement with an international organization, the Inter-American Development Bank through the Inter-American Investment Corporation (“IIC”). Later on, in 2005, the Company created its Auto Financing Division and the first commodities brokerage firm in Chile. In 2007, the Company formed its Leasing Division and placed its first bond issuance in the local market. That same year, the Massu Group acquired the interest held by the Said family and became the Company’s controlling shareholder; simultaneously, the International Finance Corporation¹ (“IFC”) acquired a stake in the Corporation.

In 2010, the Company acquired Gestora Tanner SpA in order to continue expanding its service offering. The subsidiary was the original owner of Tanner & Cía. Corredores de Bolsa, which was founded in 1924 and has been a member of the Santiago Stock Exchange since its inception. In 2011, the Company formed its insurance brokerage subsidiary as a complement to its auto financing and other business units. Later

that year, taking advantage of Tanner’s track record and brand recognition as one of Chile’s most traditional brokerage firms, Factorline S.A. changed its name to Tanner Servicios Financieros S.A.

In early 2013, the organization received an international investment grade rating from Standard & Poor’s and Fitch Ratings (“BBB-”) when it placed a US\$250 million international bond. At the end of that year, the Company raised US\$200 million of equity from Capital Group in exchange for a 27% stake in the Company. Capital Group is a global asset manager with over US\$1,400 billion in assets under management.

In 2015, Tanner placed a 21-year bond with a 10-year grace period (W series), which was the longest-term financial instrument ever placed on the local market by a non-bank financial institution. Tanner achieved another milestone in 2016 by becoming the first Chilean company (other than banks or state-owned enterprises) to issue bonds on the Swiss market.

1993 - 2001

Tanner Servicios Financieros S.A., known back then as Bifactoring S.A., was established in April 1993 by the main shareholders of what was then Banco BHIF (Said and Massu groups).

In 1996, Bifactoring was admitted to Factors Chain International (“FCI”), the largest global association of factoring companies (247 members in 66 countries), and in 1999 the Company became a “Full Member” of FCI.

On December 30, 1999, the Company’s name was changed from Bifactoring S.A. to Factorline S.A.

2002 - 2010

In June 2002, it was registered in the Securities Registry of the Superintendency of Securities and Insurance (Superintendencia de Valores y Seguros, “SVS”) and began to comply with standards and procedures required for publicly-held corporations.

In October of that year, Tanner Servicios Financieros S.A. became the first Chilean company to register a line of commercial paper for Ch\$7,000 million, under the new provisions of the Capital Markets Law and SVS regulations.

In order to diversify its product portfolio, the Auto Financing Division was created in 2004 to finance vehicle purchases by individuals and companies.

In May 2004, the Company entered into a foreign currency funding agreement with the Inter-American Investment Corporation (“IIC”) of the Inter-American Development Bank (“IADB”).

Continuing with its product portfolio diversification strategy, in November 2005, the Company registered Tanner Corredores de Bolsa de Productos S.A., a subsidiary of Tanner Servicios Financieros S.A., with the SVS, making it the first commodity broker in Chile.

In March 2007, the Said family sold its interest in the Company to the Massu family through Inversiones Bancarias S.A. In addition,

a capital increase was approved through which the International Finance Corporation (“IFC”), a member of the World Bank Group, purchased a stake in the Company.

In August of that same year, the Company completed its first bond issuance on the local market for Ch\$20.0 billion and in November it created its Leasing Division, which targets the SME segment.

In December 2010, Gestora Tanner SpA was acquired, making the Company the new owner of Tanner Corredores de Bolsa S.A. In early 2011, the subsidiary Tanner Corredora de Seguros Limitada began operating.

2011 - 2016

In December 2011, the Company’s name was changed from Factorline S.A. to Tanner Servicios Financieros S.A.

The Massu family increased its stake from 55.66% to 70.61% in 2012 by acquiring 85% of the shares held by the IFC.

In 2012, the Company was given an international investment grade rating by Standard & Poor’s and Fitch Ratings (“BBB-”).

In March 2013, Tanner Servicios Financieros S.A. placed a five-year international bond for US\$250 million and in October of that same year, the Company completed a capital raise of US\$200 million through which Capital Group purchased a stake in the Firm.

In August 2015, the Company placed 21-year bonds with a 10-year grace period (W series), which was the longest-term instrument ever placed on the local market by a non-bank financial institution.

In May 2016, the Company secured a loan from the IFC (World Bank) for US\$84 million and in December 2016, it secured another loan from DEG for US\$40 million. In addition, in October 2016, a three-year bond was placed for CHF 150,000,000, which was subscribed by more than 50 investors and made Tanner the first Chilean company (other than banks and state-owned enterprises) to place a bond on the Swiss market.

1. IFC sold its interest in 2012.

Risk Rating

Tanner once again obtained an international rating of “BBB-”, with a stable outlook from the rating agencies Standard & Poor’s² and Fitch Ratings, being the only non-bank financial institution in Latin America with an investment grade rating. This exceptional rating for an entity like Tanner gives the Company access to financial markets with more attractive spreads and conditions, which backs the Company’s robust financial position. This rating is based on the Company’s solid capitalization levels, diversified funding sources, excellent liquidity and market risk management capabilities.

Tanner has local risk ratings from Humphreys and Fitch Ratings, which assigned Tanner’s instruments an “A+” rating with a stable outlook.

2. On January 27, 2017, Standard & Poor’s revised the Company’s outlook to “negative” together with another 12 Chilean financial institutions as a result of the downgrading of Chile’s sovereign debt, which impacts the risk to which they are exposed.

INTERNATIONAL

S&P’s

Long-term foreign currency	BBB-
Long-term local currency	BBB-
Outlook	Stable

Fitch Ratings

Long-term foreign currency	BBB-
Short-term foreign currency	F3
Long-term local currency	BBB-
Short-term local currency	F3
Outlook	Stable

LOCAL

Humphreys

Commercial paper	N1 /A+
Bonds	A+
Outlook	Stable

Fitch Ratings

Commercial paper	N1 /A+
Bonds	A+
Outlook	Stable

Relevant Facts

CHANGES IN MANAGEMENT

At the meeting held on December 27, 2016, the Company’s Board appointed Mr. Antonio Turner Fabres as Chief Executive Officer as of January 31, 2017. Mr. Óscar became a Member of the Board.

CHANGES IN THE BOARD OF DIRECTORS

On September 27, 2016, the Board accepted the resignation of Mr. Leandro Cuccioli, who left his position at Capital Group, and appointed Mr. Pablo Eguiguren Bravo to replace him.

BOND PLACEMENT

On October 12, 2016, the Company placed four-year bonds on the local market for UF 2 million.

On October 19, 2016, the Company placed three-year bonds on the Swiss market for CHF 150 million (-US\$ 150 million). This is the first issuance by a Chilean company other than banks or state-owned enterprises on the Swiss market.

CORPORATE GOVERNANCE



Ownership

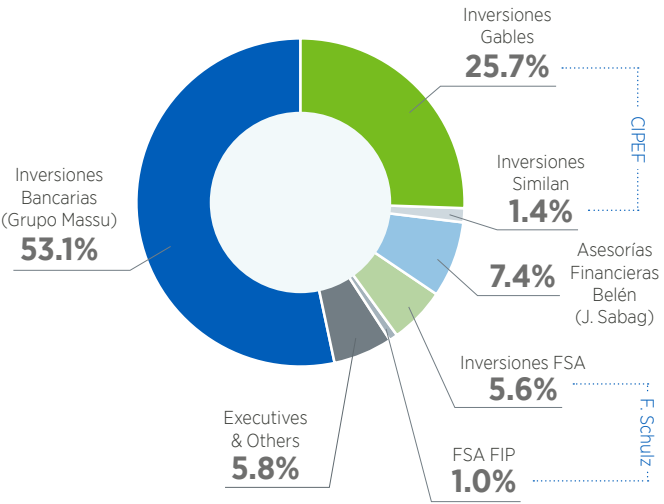
As of December 31, 2016, the Company’s capital is Ch\$195,223,800,036, divided into 1,212,129 shares with no par value, fully subscribed and paid. These shares are divided into a Common Series of 294,951 shares; preferential Series A of 32,324 shares and preferential Series B of 884,854 shares. All shares have full political and economic rights.

The Series A shares carry the obligation of being exchanged in full for common shares on March 31, 2018, for: (i) 32,324 Common Series shares if as of December 31, 2017, retained earnings per share is less than Ch\$177,835; (ii) 15,944 Common Series shares if retained earnings per share is equal to or greater than Ch\$177,835 but less than Ch\$194,002; and (iii) one Common Series share if retained earnings per share is equal to or greater than Ch\$194,002.

The Series B shares have the special right of receiving, on a prorated basis, a dividend of up to Ch\$4,000 million no later than June 30, 2017, if appropriate. This dividend is related to recovering past-due loans from Pescanova S.A. and its related companies. If the amount recovered exceeds US\$22 million less Ch\$4,000 million, the entire excess recovered will be distributed as a special dividend to the Series B shareholders.

The 12 largest shareholders of Tanner Servicios Financieros S.A. are:

SHAREHOLDER	TAXPAYER ID NUMBER	RELATED TO	No. OF SHARES	OWNERSHIP INTEREST
INVERSIONES BANCARIAS S.A.	99.546.550-7	Grupo Massu	643,770 Class B	53.1107%
INVERSIONES GABLES S.L.U.	59.196.270-1	Capital Group	280,203 Common and 30,708 Class A	25.6500%
INVERSIONES SIMILAN S.L.U.	59.196.260-4	Capital Group	14,748 Common and 1,616 Class A	1.3500%
ASESORÍAS FINANCIERAS BELÉN LIMITADA	77.719.080-6	Jorge Sabag S.	90,303 Class B	7.4499%
INVERSIONES FSA LIMITADA	79.082.829-7	Francisco Schulz A.	67,673 Class B	5.5830%
FSA FONDO DE INVERSIÓN PRIVADO	76.127.468-6	Francisco Schulz A.	12,232 Class B	1.0091%
INVERSORA QUILLOTA DOS S.A.	76.010.029-3	Ernesto Bertelsen R.	30,902 Class B	2.5494%
INVERSIONES RIO ABRIL LIMITADA	77.569.400-9	Mauricio González S.	22,783 Class B	1.8796%
ASESORÍAS E INVERSIONES CAU CAU LIMITADA	76.475.300-3	Sergio Contardo P.	4,994 Class B	0.4120%
ASESORÍAS E INVERSIONES GÓMEZ PERFETTI LIMITADA	76.477.320-9	Javier Gómez M.	3,000 Class B	0.2475%
INVERSIONES Y ASESORÍAS ROCHRI LIMITADA	76.477.270-9	Rodrigo Lozano B.	3,000 Class B	0.2475%
XAGA ASESORÍAS E INVERSIONES LIMITADA	76.477.310-1	Julio Nielsen S.	3,000 Class B	0.2475%
Otros			3,197	0.2638%
TOTAL			1,212,129	100.00%



The legal entity that controls the Company, as defined in Title XV of Law No. 18,045, is Inversiones Bancarias S.A. with 643,770 shares, which represents 53.1107% ownership.

Currently, no individuals are direct controllers of the Company.

Inversiones Bancarias S.A. is wholly and jointly owned by Messrs. Ricardo Massu Massu, Chilean National ID No. 6.420.113-1, Eduardo Massu Massu, Chilean National ID No. 4.465.911-5, and Julio Massu Massu, Chilean National ID No. 3.454.690-8, through legal entities engaged in investments.

The controller, Inversiones Bancarias S.A., does not have and has not formalized a joint action agreement with any other shareholder to manage the Company.

Board of Directors



1. **Ricardo Massu M.**
Chairman
6.420.113-1
BS in Finance, MBA
2. **Jorge Sabag S.**
Vice Chairman
6.735.614-4
Business Administration
3. **Eduardo Massu M.**
Director
4.465.911-5
Business Administration, MBA
4. **Jorge Bunster B.**
Director
6.066.143-K
Business Administration, MBA
5. **Fernando Tafra S.**
Director
4.778.406-9
Business Administration
6. **Martín Díaz-Plata**
Director
British passport / 720111843
Finance and International Relations, MBA
7. **Pablo Eguiguren B.**
Director
7.011.397-K
Business Administration
8. **Fernando Zavala C.**
Board Advisor
7.054.226-9
Business Administration
9. **Óscar Cerda U.**
Board Advisor
6.941.260-2
Business Administration
10. **Mario Espinoza F.**
General Counsel and Secretary
9.092.010-3
Lawyer

Tanner’s Board of Directors, the Company’s highest corporate governance authority, is comprised of seven directors, of which one is independent and two are representatives of Capital Group. The Board’s responsibilities include: designing the Company’s strategic guidelines and ensuring compliance; appointing senior management; ensuring that committees perform their duties and approving the organization’s internal control policies and mechanisms.

On September 27, 2016, the Board accepted the resignation of Mr. Leandro Cuccioli, who left his position at Capital Group, and appointed Mr. Pablo Eguiguren Bravo to replace him.

As agreed at the Company’s annual general meeting, the amounts paid to directors in 2015 and 2016 as allowances and other compensation are detailed as follows:

Ricardo Massu M., allowances of Ch\$80.0 million (Ch\$50.2 million in 2015) for board (Ch\$62.5 million) and credit committee (Ch\$17.5 million).

Jorge Sabag S., allowances of Ch\$78.1 million (Ch\$76.4 million in 2015) for board (Ch\$62.5 million) and credit committee (Ch\$15.6 million) meetings.

Fernando Tafrá S., allowances of Ch\$69.0 million (Ch\$55.7 million in 2015) for board (Ch\$33.8 million), credit committee (Ch\$16.2 million) and audit committee (Ch\$19.0 million) meetings.

Eduardo Massu M., allowances of Ch\$43.0 million (Ch\$48.8 million in 2015) for board (Ch\$22.3 million) and credit committee (Ch\$20.7 million) meetings.

Jorge Bunster B., allowances of Ch\$59.9 million (Ch\$45.3 million in 2015) for board (Ch\$33.8 million), credit committee (Ch\$15.0 million) and audit committee (Ch\$11.1 million) meetings.

Pablo Eguiguren B., allowances of Ch\$13.1 million (Ch\$0 million in 2015) for board (Ch\$9.6 million) and audit committee (Ch\$3.5 million) meetings.

During the year 2016, the Company did not pay any compensation to Messrs. Martín Díaz-Plata and Leandro Cuccioli in their roles as directors because they expressly and irrevocably waived their rights to their respective allowances. In 2016, consulting and audit expenses totaled Ch\$157.7 million.

(In millions of Chilean pesos)	Board Allowances	Credit Committee	Audit Committee	Total
Ricardo Massu M.	62.5	17.5	-	80.0
Jorge Sabag S.	62.5	15.6	-	78.1
Fernando Tafrá S.	33.8	16.2	19.0	69.0
Eduardo Massu M.	22.3	20.7	-	43.0
Jorge Bunster	33.8	15.0	11.1	59.9
Pablo Eguiguren B.	9.6	-	3.5	13.1
TOTAL	224.5	85.0	33.6	343.1

Management



Juan Carlos Truffello V.
Risk and Normalization Manager
1 year, 9 months with the Company
7.627.454-1
Industrial Engineer



Tatiana Larrabe A.
Human Resources Manager
1 year, 1 month with the Company
12.637.040-7
Business Administration



Julián Quiroga S.
Operations and IT Manager
1 year, 3 months with the Company
15.256.295-0
Industrial Engineering, MBA



Rolf Galarce S.
Controller
6 months with the Company
12.830.792-3
Public Accountant



Antonio Turner F.
Chief Executive Officer
2 years with the Company
13.668.525-2
Business Administration, MBA



Marcos Castro V.
Commercial Division Manager
6 months with the Company
9.227.958-8
Business Administration, MBA



José Manuel González A.
CFO and Automotive Division Manager (Interim)
1 year, 6 months with the Company
15.384.771-1
Industrial Engineering, MBA



Jorge Oliva M.
Chief Executive Officer, Tanner Investments
2 years with the Company
15.726.205-K
Business Administration, MBA

Ch\$3,935 million in compensation was paid to the senior executives of Tanner Servicios Financieros S.A., in 2016.

During the year, Ch\$754 million in severance payments were made.

PERSONNEL AS OF DECEMBER 31, 2016	TANNER SERVICIOS FINANCIEROS S.A.	CONSOLIDATED
Executives	49	68
Department Heads	77	83
Professionals	213	264
Supervisors	51	53
Technical/Administrative Personnel	479	530
Total	869	998

On December 27, 2016, the Board appointed Mr. Antonio Turner F. as the new CEO effective January 31, 2017, following the resignation of Mr. Óscar Cerda U., which was accepted by the Board. Mr. Cerda will remain involved in the Company by serving on the Board and the Audit and Credit committees.

Corporate Governance Bodies

The Company provides an opportunity for long-term collaboration among its stakeholders, who directly and indirectly influence its ability to achieve its objectives. An appropriate corporate governance system acts to prevent and resolve conflicts of interest, working to ensure that these objectives are met in a transparent way.

Corporate governance is the set of relations, standards, processes and institutional practices in exercising authority and control that contribute to the sustainable creation of value, providing a framework of transparency, ethics and corporate responsibility, aligning interests and promoting the rights of all shareholders and stakeholders that participate directly or indirectly in the Company.

The Company's diverse stakeholders and the focus of its actions with them are detailed as follows:

1. **Shareholders:** create value and make their investment profitable.
2. **Associates:** promote a pleasant work environment and respect their needs and rights.
3. **Customers:** provide the most appropriate solutions and forge long-term relationships.
4. **Creditors:** generate lasting relationships built on trust and maintain diverse sources of stable, ongoing funding.
5. **Intermediaries:** establish a collaborative, long-term relationship to better reach customers.
6. **Government:** respect and collaborate at all times and adhere to current laws.
7. **Competitors:** respect free competition.



SHAREHOLDERS' MEETINGS

Shareholders' meetings are the highest level of corporate governance. Their main functions are to elect the board of directors; appoint external auditors and risk rating agencies; approve the annual report, annual financial statements, profit distributions and capital increases and set compensation for the board and committees.

BOARD OF DIRECTORS

The Board of Tanner Servicios Financieros S.A. is responsible for approving policies and defining the structure for properly managing the diverse risks faced by the organization. To accomplish this, it is continually briefed on developments in the diverse risk areas through several committees: Credit, Audit, Assets and Liabilities (ALCO), Compliance, Operational Risk, Information Security and Products.

Risk management policies are established with the objective of identifying and analyzing the risks faced by the Company, setting adequate risk limits and controls and monitoring risks and compliance with the predetermined limits. Risk management policies and systems are revised regularly so that they reflect changes in market conditions and the Company's activities. The Board, through its management standards and procedures, aims to develop a disciplined and constructive control environment in which all associates understand their roles and obligations.

CREDIT COMMITTEE

The Company has a governance structure for credit decisions to ensure that all customer loan applications are approved at a certain level with the proper authority. Each level is differentiated by segment and based on exposure, risk ratings, statements of uncollectability and loan charge-offs, etc. The highest level is the Directors' Credit Committee, which reviews and approves the main exposures of each business line, by customer, on a monthly basis.

The Company manages comprehensive risk matrices for each business line and has a Comprehensive Risk Management Policy to properly identify, analyze, evaluate, treat and monitor risks, based on set guidelines and the individual needs of each business in accordance with its particular objectives and regulatory requirements.

ASSET-LIABILITY COMMITTEE (ALCO)

All directors and the CEO serve on this committee. The committee can request the attendance of other managers responsible for establishing and supervising compliance of financial risk policies, mainly for liquidity and market risk, in line with Board guidelines and SVS regulatory requirements.

This committee meets monthly to review developments and the current status of financial positions and liquidity, market, price, interest rate, currency and indexation risk, and enables the Company to forecast, with an appropriate level of confidence, potential future situations that may benefit or affect the Company and take the corresponding actions.

AUDIT COMMITTEE

The members of the Audit Committee include three directors, the CEO, the General Counsel and the Controller. They report directly to the Board on the effectiveness and reliability of internal control systems and procedures, both at parent and subsidiary level.

The committee's duties include analyzing the results of audits and interim reviews by external auditors and analyzing the quarterly and annual financial statements, including those that are audited by external auditors. It is also briefed on compliance with institutional policies on the observance of laws, regulations and internal standards that must be met and approves and verifies compliance with the annual program prepared by the Company's internal auditing department.

COMPLIANCE COMMITTEE

The members of the Compliance Committee are two directors, the CEO, the General Counsel and the Controller. They define and coordinate policies and procedures on the topics of asset laundering and terrorism financing prevention. In addition, they are briefed on and analyze and adopt the appropriate actions in response to cases reported by the Compliance Officer.

The policies and procedures established for preventing asset laundering and terrorism financing are defined in a handbook prepared by the Company that meets two objectives:

1. Complying with laws and regulations governing such matters; and
2. Providing the organization's members, at all levels, with policies, procedures and information to manage commercial activities and operations while mitigating risk arising from funds from illegal activity that are made licit through Tanner Servicios Financieros S.A. or any of its subsidiaries.

OPERATIONAL RISK COMMITTEE

The Operational Risk Committee is comprised of the Operations and IT Manager, the Risk Manager, the General Counsel, the Information Security Officer and the Head of Operational Risk. It is charged

with prioritizing and facilitating the proper resources to mitigate key operating risks; ensuring implementation of management models; establishing risk tolerance and aversion levels; and ensuring compliance with programs, policies and procedures regarding information security, business continuity and operational risk. At committee meetings, members are briefed on the main risk events that have occurred during the period and measures or action plans to mitigate their impact, along with the results of prior commitments.

In the particular case of the brokerage firm (Corredora de Bolsa de Valores), given the complexity of its products, a separate committee known as the Comprehensive Risk Management Committee operates exclusively for the subsidiary.

INFORMATION SECURITY COMMITTEE

The Information Security Committee is made up of the same managers and department heads as the Operational Risk Committee and its purpose is to provide high-level supervision for those risks that may affect information resources. To accomplish this, it develops strategies and control mechanisms to ensure confidentiality, integrity, availability, legality and reliability. It also looks to promote dissemination and support information security throughout the entire organization and to maintain the Information Security Policy up to date.

STRATEGY AND **MANAGEMENT**



Products

Tanner is one of the leading non-bank financial institutions in Chile with over 23 years of experience delivering financial services. Throughout its time in business, the Company has managed to build a broad customer service network with 34 branches across the country to help develop small and medium-sized businesses (SMEs). Tanner's strengths include its highly diversified portfolio and sound financial position, an diverse funding sources and proactive and effective risk management. It also has experienced leadership and committed shareholders that strive to uphold the highest corporate governance standards. These strengths have afforded the Company an international risk rating of "BBB-", and a local rating of A+, thus making it the only non-bank financial entity with an investment grade rating in Latin America.

THE COMPANY'S PRIMARY SUBSIDIARIES ARE:

TANNER CORREDORES DE BOLSA

With more than 90 years of experience in the securities market, Tanner Corredores de Bolsa brokers equities, fixed-income instruments and mutual funds. It also advises corporate clients through its Corporate Finance Division.

TANNER CORREDORA DE SEGUROS

This subsidiary began operating in March 2011, with the objective of brokering insurance products, mainly general and life insurance, to complement the Company's product offering.

TANNER CORREDORES DE BOLSA DE PRODUCTOS

Since 2005, this subsidiary provides suppliers with access to advances on large receivables and also finances commodity inventories registered with the Chilean Commodities Exchange (such as corn, wheat and livestock, among other products). Through this subsidiary, clients can also invest in commodities-liked invoices and securities that are traded on the Commodities Exchange.



- Domestic and international.
No. 1 non-bank financial institution by volume.
- New or used vehicles for personal or commercial use.
Leader in auto lending business for over 12 years.
- Equipment, machinery, vehicles or real estate.
- Working capital financing.
- Brokerage services.
Equities, fixed-income instruments and commodities.

FACTORING

Targeting mainly small and medium-sized businesses that can transform their accounts receivables into liquid resources, providing an additional financing alternative for working capital.

AUTO FINANCING

Granting auto loans to individuals and companies looking to finance vehicle purchases, offering a variety of products and terms to meet their specific needs.

LEASING

Financing acquisitions of capital assets, including real estate, equipment, machinery and vehicles, which enables customers to grow and upgrade their assets.

CORPORATE LENDING

Granting working capital loans to factoring clients in order to finance their growth. This segment also includes the Preferential Capital and Mortgage Lending areas. However, as a result of Chile's recent tax reform, they cannot operate through lease backs.

INVESTMENTS

Serving customers based on their specific needs, offering customized investment alternatives, personal property or real estate investment management services, several types of private funds and financial advisory services. We have a strong transactional platform for institutional and corporate clients.

Strategic Pillars

VISION

“To be the best financial services company in Latin America”. To be a leader in comprehensive financial services solutions in Chile and abroad, diversifying our business, providing customers with high-value services and high-quality products.

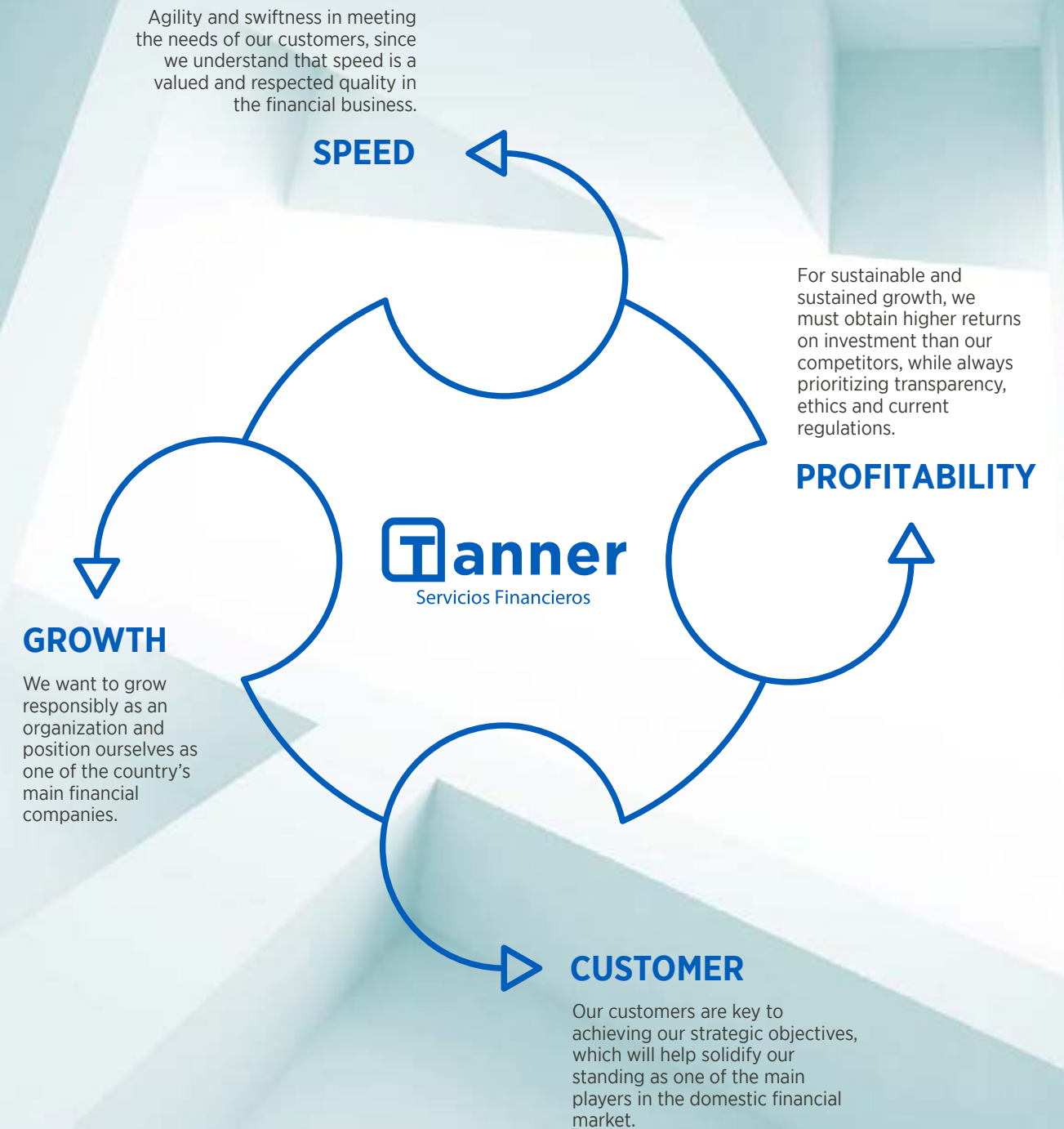
MISSION

“Making your dreams of growth come true”. Providing the best advice and service to meet customer requirements through in-depth knowledge of their needs.

VALUES

Our values represent the beliefs and actions of our Company. We put them into practice on a daily basis at work and in other facets of our lives:

- 1. Transparency:** We act with honesty and integrity at all times. We conduct business in a clear and measurable manner.
- 2. Meritocracy:** We value the capacities of each person and do not discriminate. We make decisions based on merit and good performance.
- 3. Excellence:** We exceed expectations and strive to improve each day, convinced that there is always room for improvement. We do our job well and on time.
- 4. Teamwork:** We build relationships based on trust, empathy and respect, working collaboratively to achieve common goals.
- 5. Passion:** We strive to work with intensity and determination, facing challenges with joy, enthusiasm and optimism in order to achieve ambitious goals.



Global economic growth projections began to improve in 2016. The U.S. economy showed signs of recovery during the second half of the year, while Europe maintained stable growth and fears of abrupt slowdown in China dwindled.

Global conditions in 2016 were also characterized by the global strengthening of the dollar in response to expectations of increased economic growth in the U.S., which led to a hike in domestic and international interest rates. The international stage was not free of financial volatility. Negative market reactions to the Brexit triumph and banking problems in Europe merit a special mention,

even though they have not yet impacted global economic activity.

The IMF projected global GDP growth of 3.1% in 2016, rising to 3.4% in 2017. However, expectations of more expansive fiscal policies could lead to greater global economic growth in 2017.

In that context, during 2016, Chile reported its lowest growth figures since 2009, with GDP expansion forecasted at 1.5%. The Chilean economy weakened during the year, posting its lowest growth figures in the fourth quarter. This can be explained by a new drop in investment even though increased private

consumption and non-mining exports slightly offset that reduction. Unemployment rates remained surprisingly low with considerable job creation from self-employment.

Inflation closed the year at 2.7%, falling faster than expected by the market. A considerable part of this reduction is explained by the appreciation of the exchange rate, which closed the year at Ch\$670, aided by recovering copper prices. In these conditions of low growth and converging inflation, the Chilean Central Bank held its monetary policy rate unchanged, despite a clearly expansionary message in late 2016 that projected future cuts in the first half of 2017.

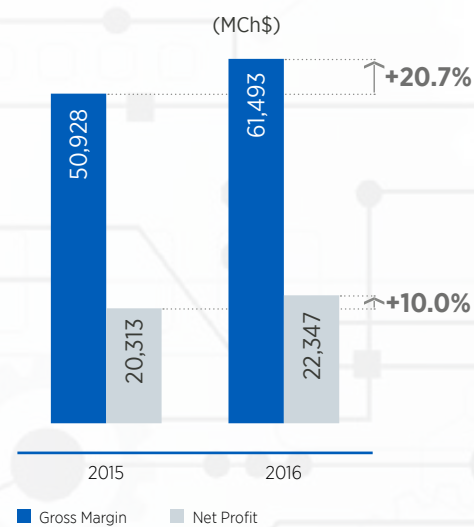
Government debt has risen continuously in recent years, which, together with the country's sluggish growth, led risk rating agencies Fitch and S&P's to issue a negative outlook for Chile's sovereign debt. This outlook could lead to a downgrade in rating over the next 12-18 months and changes in local interest rates if Chile's economy does not recover or if government debt continues to expand at the same rate. However, the Chilean government's budget contemplates a limited increase in fiscal spending for 2017, which could enable it to gradually reduce the structural deficit.

Economic Environment

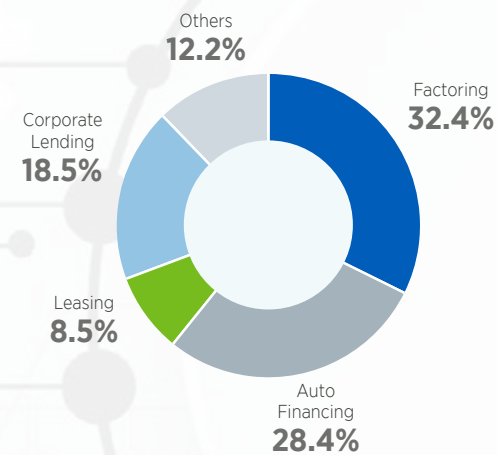
Performance

The Company generated profit after taxes of Ch\$22,347 million for the year ended December 31, 2016, which represented an increase of 10.0% over 2015 results. The positive fluctuation was primarily driven by a 20.7% YoY growth in the gross profit, which was a function of shifts in the portfolio composition (in favor of more profitable products) and reduced risk expenses.

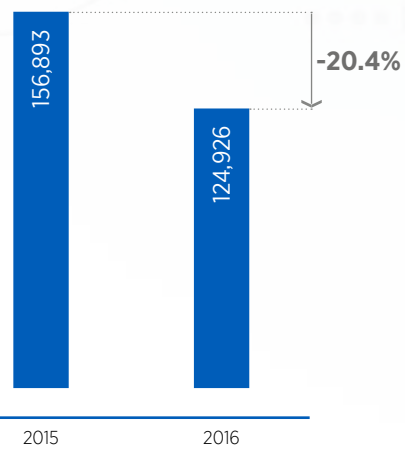
GROSS MARGIN AND PROFIT AFTER TAX



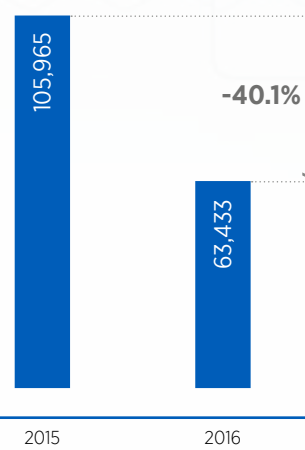
DISTRIBUTION OF GROSS MARGIN BY PRODUCT



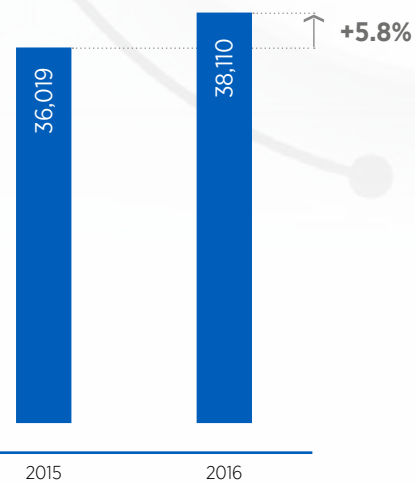
REVENUES



COST OF SALES



ADMINISTRATIVE EXPENSES

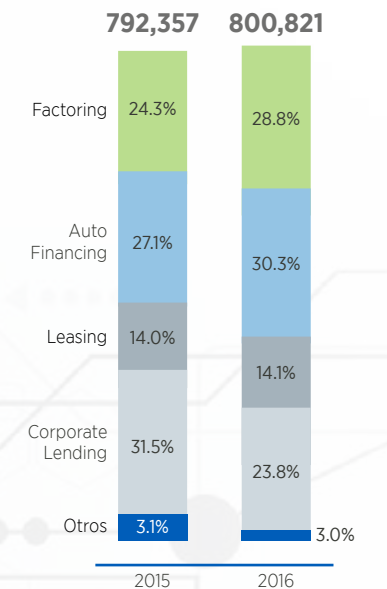


The gross loan portfolio in 2016 reached Ch\$824,188 million (+0.47% YoY), while provisions totaled Ch\$23,367 million, decreasing 16.5% with respect to the prior year. Total net loans as of year-end 2016 was Ch\$800,821 million, rising 17.0% and 1.1% with respect to December 2014 and 2015, respectively.

Tanner Servicios Financieros S.A. continued to concentrate on the business lines that are better aligned with the Company's value proposition – factoring and auto financing – which represented 28.8% and 30.3% of the net loan portfolio, respectively, as of year-end 2016.

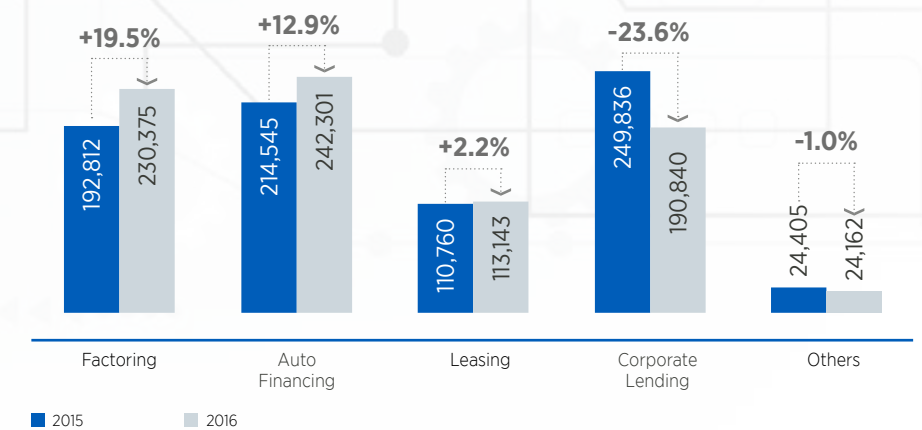
NET LOAN PORTFOLIO

(MCh\$)



NET PORTFOLIO BY LINE OF BUSINESS³

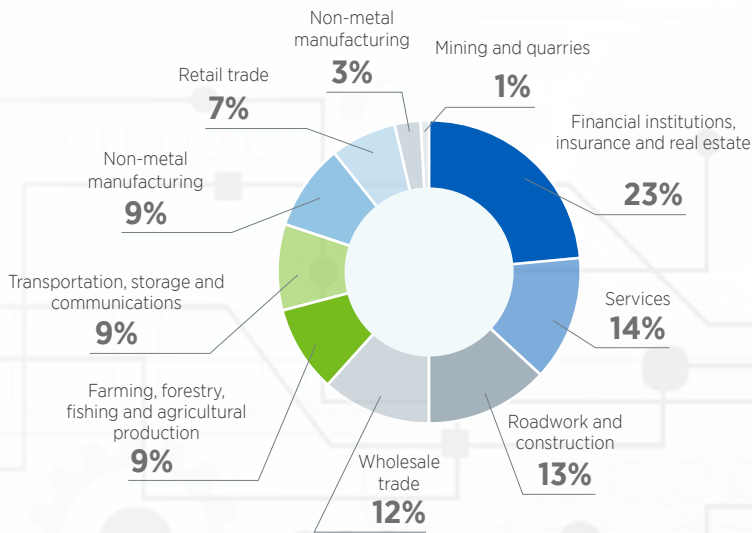
(MCh\$)



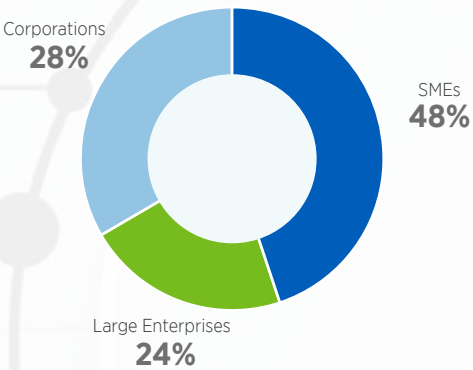
3. Other receivables correspond to brokerage activities by the securities, commodities and insurance brokerage subsidiaries.

Recent strategic initiatives have been accompanied by efforts to significantly diversify the portfolio by economic sector and customer type, as well as to reduce the concentration of its major customers.

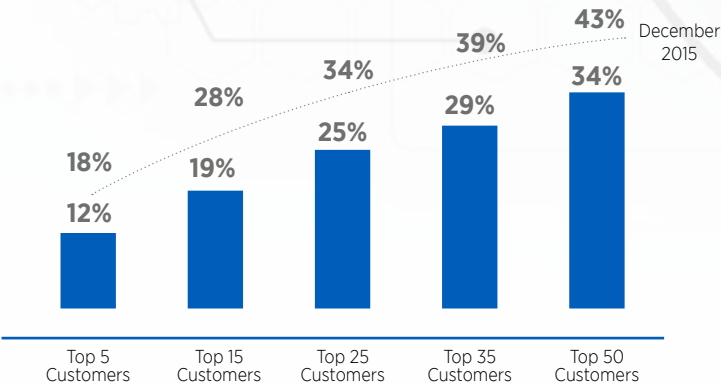
DISTRIBUTION BY ECONOMIC SECTOR⁴



DISTRIBUTION BY TYPE OF CUSTOMER

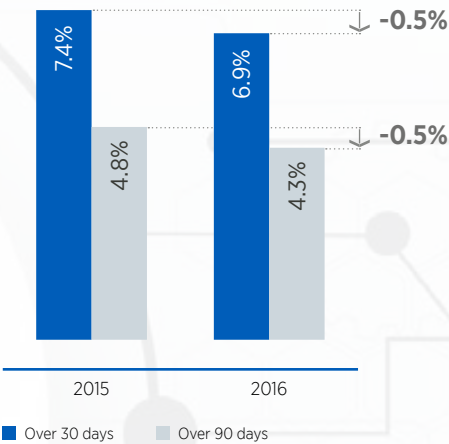


CONCENTRATION OF MAJOR CUSTOMERS



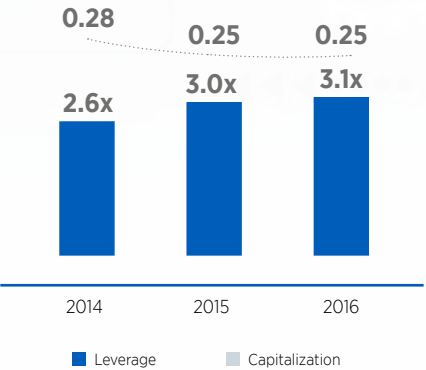
Asset quality improvements are the result of the actions taken since 2015 to strengthen Tanner's loan approval, control and collection policies with the objective of reducing default levels, which peaked in the January-June 2015 period.

CONSOLIDATED NPL RATIO



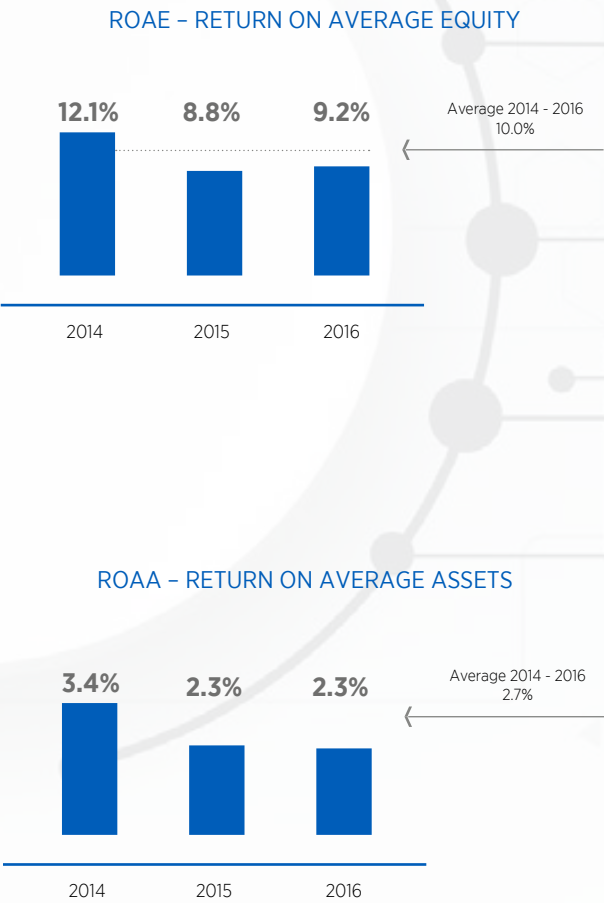
As of December 31, 2016, the Company had improved its liquidity and solvency indicators as compared to 2015, mainly as a result of the decrease in current liabilities after securing longer-term funding. The bonds issued during the last quarter of the year allowed the Company to reduce its reliance on short-term bank credit lines. Another contributing factor was the rise in current assets due to the growth in factored receivables and financial assets.

LEVERAGE AND CAPITALIZATION



4. Excludes net loans from the auto lending division.

Despite Chile's economic slowdown, which has impacted all financial institutions in the country, the Company's profitability improved in 2016 relative to 2015, driven by higher net income generation. Profitability hasn't reached the 2014 level given the challenging market environment, however, we believe that the measures implemented by Tanner have positioned the Company favorably to continue to improve its profitability levels going forward.



Tanner Servicios Financieros S.A. has three major divisions: Commercial, which includes factoring, leasing and corporate lending; Tanner Investments, which includes the brokerage firm, the private fund manager and the advisory and investments areas; and Auto Financing, which also includes the insurance brokerage subsidiary.

Commercial **Division**



Factoring is a method of financing whereby companies (or “customers”) transfer their receivables to a factoring company, which becomes the new creditor of the transferred document. The factoring company pays the customer a percentage of the invoice value, less a price difference at the time the receivable is purchased. Upon expiration of the invoice, the factoring entity receives payment from the debtor of the receivable and gives the customer the remaining percentage.

Thus, factoring is a financing alternative to traditional bank debt for working capital needs. This product is mainly targeted towards small and medium-sized businesses and it allows them to transform their receivables into immediate cash resources that do not impact the customer's leverage ratios.

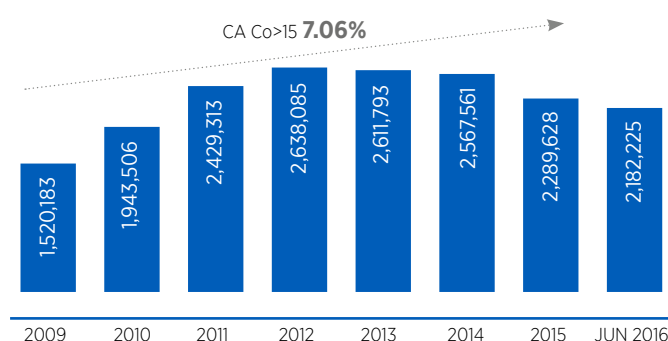
While the factoring industry is relatively old in developed countries, in Chile it only dates back to the early 1980s. At that time, the first factoring companies in Chile were formed by shareholders of financial institutions. When SVS regulations allowed banks to conduct factoring activities, the majority of these factoring companies became bank subsidiaries.

Once the law No. 19,983 went into effect in April 2005 and tax regulations made it mandatory for companies (around 500,000 taxpayers) to use electronic invoicing starting in 2014, the factoring industry gained momentum in Chile. The law No. 19,983 introduced a regulatory framework for factoring activities and made invoices legally enforceable.

The factoring industry is highly competitive and dominated by banking entities. Until June 30, 2016, the Chilean Factoring Association (“ACHEF”), which brings together the 12 largest industry players, reported in its monthly report⁵ business volumes of Ch\$6,380,274 million and total factored receivables of Ch\$2,182,225 million.

ACHEF FACTORING LOAN PORTFOLIO

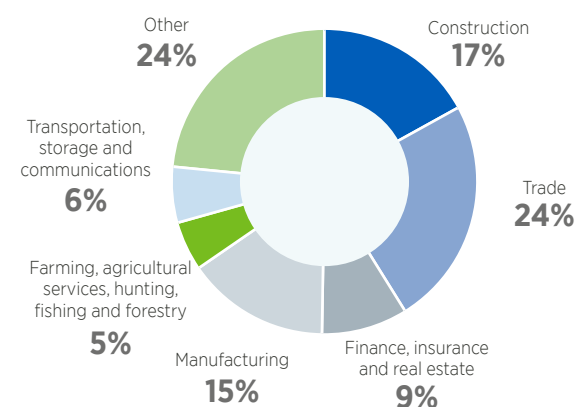
(As of June 30, 2016)
(In MCh\$).



Source: Chilean Factoring Association (ACHEF) As of June 30, 2016.

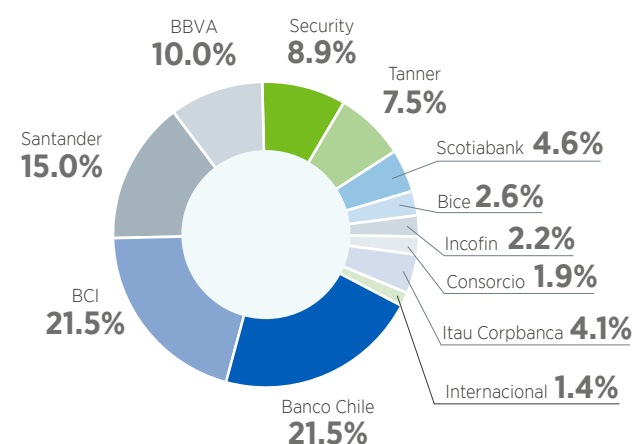
ACHEF FACTORING LOAN PORTFOLIO DISTRIBUTION BY ECONOMIC SECTOR

(As of June 30, 2016)



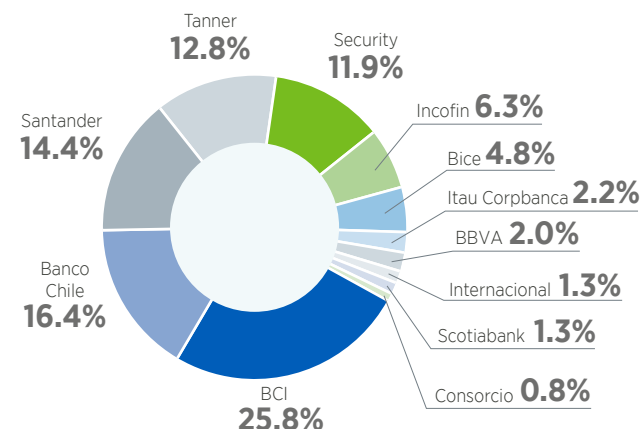
ACHEF MARKET SHARE BY VOLUME

(As of June 30, 2016)



ACHEF MARKET SHARE BY NUMBER OF CUSTOMERS

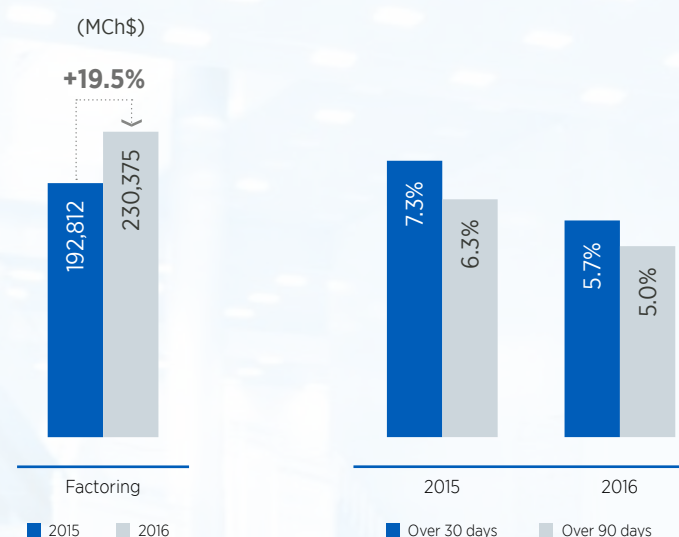
(As of June 30, 2016)



5. The most recent report available from the ACHEF is from the end of the first half of 2016. After that date, this report was no longer published.

Tanner Servicios Financieros S.A. reported a 19.5% increase in its factoring portfolio in 2016, equivalent to a rise of Ch\$37,563 million, to reach Ch\$230,375 million (Ch\$192,812 million in 2015). The Company also reported significant portfolio quality improvements relative to 2015, reflected in developments in asset quality and NPL ratios.

FACTORING PORTFOLIO AND NPL RATIOS



Factoring revenue totaled Ch\$29,402 million, down 4.6% or Ch\$1,416 million relative to 2015, as a result of a reduction in other income due to fewer recoveries of written-down loans; the revenue increase from price increases was insufficient to offset this reduction. Expenses totaled Ch\$9,500 million, down Ch\$2,358 million or -19.9%, explained by a decrease in write-offs and provisions, which more than offset increased interest expenses driven by an overall higher cost of funding. As a result, the reported gross profit of Ch\$19,902 million for the year, represented a YoY increase of Ch\$942 million or +5.0%.



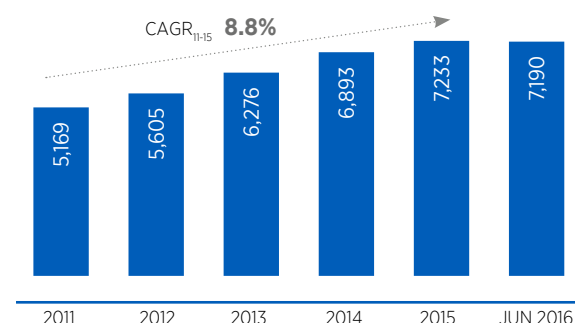
LEASING

Leases are a financial solution to address the financing needs of companies for the purchase of capital assets. This solution allows leasing clients to invest, grow, expand and upgrade assets while taking advantage of important financial and tax benefits. It consists of a lease agreement for a predetermined length of time over which the lessee pays monthly rental payments that in aggregate amortize the value of the assets. At the end of the contract, the lessee can purchase the asset by exercising a purchase option.

The leasing business in Chile is dominated by banking entities. Until June 30, 2016, the Chilean Leasing Association (“ACHEL”), which brings together the 10 largest industry players, reported in its monthly report⁶ business volumes of Ch\$6,380,274 million and total leasing loans of Ch\$2,182,225 million.

ACHEL LEASING LOAN PORTFOLIO

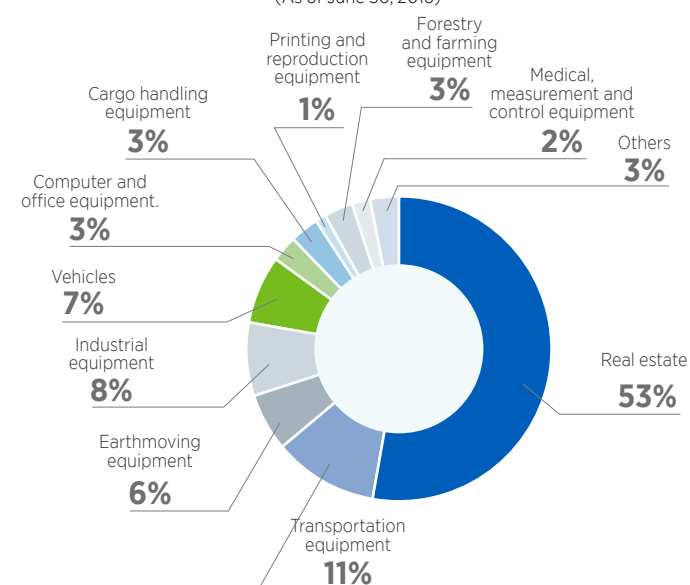
(As of June 30, 2016)
(In MCh\$)



Source: ACHEL (Lease Agreements, Including Memorandum Accounts) June 2016

ACHEL LEASING LOAN PORTFOLIO DISTRIBUTION BY TYPE OF GOOD

(As of June 30, 2016)

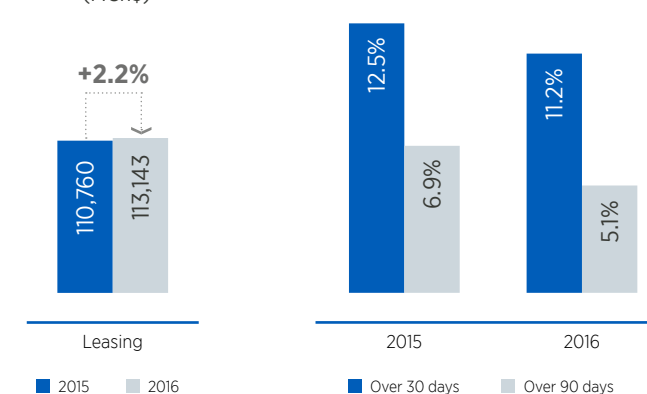


*Calculation excludes Banco Estado and Forum.

Despite the contraction of the overall industry’s leasing portfolio, Tanner closed 2016 with a leasing portfolio of Ch\$113,143 million, which represented a 2.2% or Ch\$2,383 million increase relative to the 2015 year-end balance of Ch\$110,760. In 2016, the Leasing division showed improvements in its asset quality and NPL ratios as a result of a stricter approval policy instituted in 2014.

LEASING PORTFOLIO AND NPL RATIOS

(MCh\$)



Leasing revenue during 2016 totaled Ch\$13,831 million, reflecting a YoY improvement of 11.1% or Ch\$1,382 million, driven mainly by higher recoveries of written-off loans. Costs contracted by Ch\$617 million (-6.7%) to Ch\$8,574 million as a result of lower write-offs and provisions, which led to a gross profit of Ch\$5,257 million, a 61.3% or Ch\$1,999 million YoY improvement.

6. The most recent report available from the ACHEL is from the end of the first half of 2016. After that date, this report was no longer published.



CORPORATE LENDING

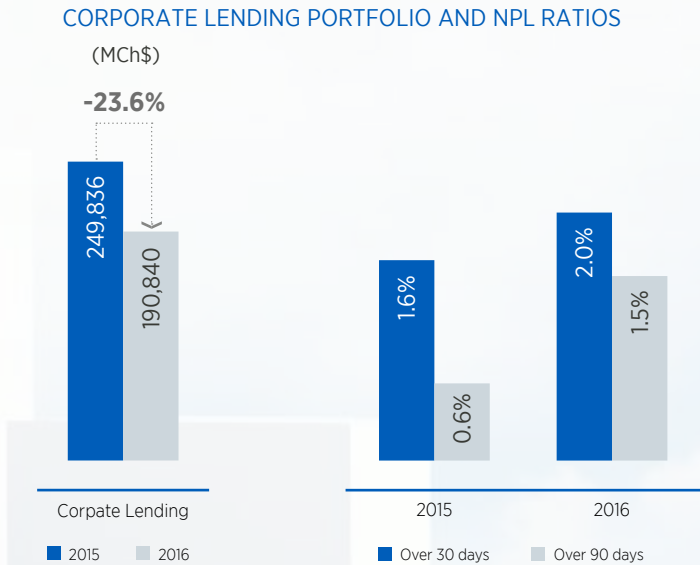
The Chilean banking industry has experienced increased competition in recent years, triggering a wave of consolidation and driving banks to focus on cutting costs and improving efficiency in order to be more competitive.

According to the Superintendency of Banks and Financial Institutions (Superintendencia de Bancos e Instituciones Financieras, “SBIF”), as of December 2016, the Chilean banking sector had total loans of Ch\$149,556,407 million and deposits of Ch\$123,511,802 million. The sector is made up of 23 banks, including local and foreign private banks and one state-owned bank, Banco Estado. The latter is the fifth largest commercial bank in the country (measured in terms of loans) and operates within the same legal and regulatory framework as privately-owned banks.

Commercial loans have historically grown in parallel with the country’s GDP. Today, commercial loans are Chile’s most important financial intermediation product, representing 59.0% of total loans issued by banks as of December 31, 2016, for a total of Ch\$88,294,810 million.

The commercial loan product within Tanner is intended to complement the Company’s factoring product by providing its factoring customers with access to small working capital loans to finance their growth.

Total loans for the corporate lending segment, which was formed in 2014, fell Ch\$58,996 million (-23.6%) during 2016 to Ch\$190,840 million, reflecting the Company’s intention to focus its resources on its core businesses (factoring and auto financing). NPL ratios in this segment increased relative to 2015, due to a more mature portfolio and a decrease in the stock of corporate loans, which had practically no defaults.



This segment posted total revenue of Ch\$18,743 million, increasing 16.2% over 2015, driven by an increase in loan rates and a greater stock of average loans. Conversely, costs fell Ch\$7,371 million (-14.7%) due to reduced write-offs and provisions, which led to a reported gross profit of Ch\$11,372 million, up 52.0% YoY.

Tanner Investments

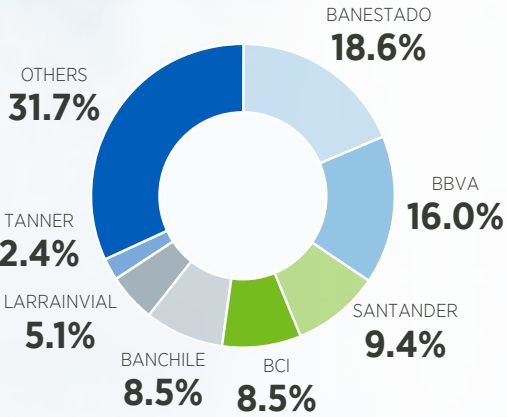
Tanner Investments – with close to Ch\$250,000 million in assets under management and almost 2,500 customers in 2016 – provides brokerage and asset management services through three entities:

- **Tanner Corredores de Bolsa (TCB)**, which offers brokerage services for fixed- and variable-income instruments, mutual funds, currency and derivatives.
- **Tanner Administradora de Fondos Privados (TAF)**, which offers investment management services for assets (real estate and other property) and funds, aiming to maximize returns based on each customer’s risk profile.
- **Tanner Asesorías e Inversiones (TAI)**, which offers strategic advisory services on matters such as transaction structuring, M&A and financing solutions.

The most active business area within Tanner Investments is Tanner Corredores de Bolsa. During 2016, the total trading value of all instruments traded by the brokerage subsidiary, including all markets⁷, was Ch\$19,595,963 million, up 215% from the Ch\$6,227,285 million recorded in 2015. This moved the Company up five spots to the 13th place in the ranking of stock brokers prepared by the Santiago Stock Exchange.

As of December 31, 2016, 26 brokers operated on the Santiago Stock Exchange. The chart below details each broker’s percentage of total trading value:

MARKET SHARE BY TOTAL TRADING VALUE
(CUMULATIVE FOR 2016)
(BOLSA DE SANTIAGO)



During 2016, Tanner Investments reported revenue of Ch\$9,095 million, rising 500% YoY, mainly explained by revenue generated by the brokerage subsidiary, which improvement was driven by the higher value of fixed-income instruments traded during the period. This increase in commercial activity was accompanied by a limited increase in expenses, resulting in a profit of Ch\$1,473 million for the year ended December 2016, which represents a significant improvement relative to 2015 when it generated a loss of Ch\$-1,953 million.

7. Figures include equities, investment fund units, fixed-income and money market instruments and foreign currency. Source: Santiago Stock Exchange.

Auto Financing **Division**



In Chile, demand for new and used vehicles has been on the rise during the last decade, due largely – but not exclusively – to the country’s development and growth, which has translated into increased household incomes, lower and stable unemployment rates, and public spending on road infrastructure. As a result, the country currently has a motorization rate⁸ of 4.3 persons per vehicle, which is in line with countries in similar development stages.

Based on our estimates, in Chile, 80% of the value of a vehicle is typically financed with some type of financial product, including: (i) consumer loans from banks or other financial institutions, (ii) agreements with distributors or dealers, or (iii) agreements with institutions specialized in automotive financing, such as Tanner Servicios Financieros S.A.

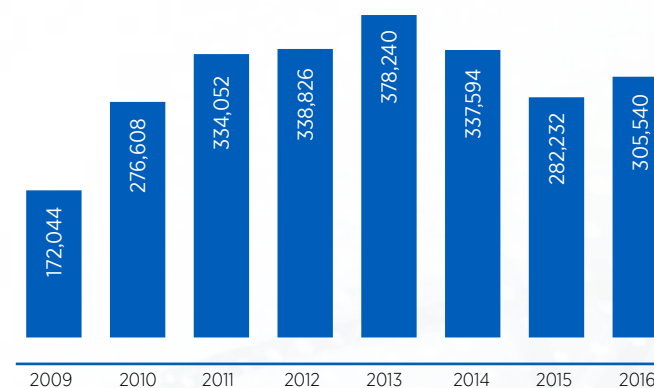
Tanner sources its customers through three sales channels:

- **Amicar:** This is an electronic platform where finance companies can participate in auctions and directly bid for specific loans. It is utilized at more than 110 dealer branches throughout Chile, accounting for 35% of the auto loans issued and representing brands such as Hyundai, Suzuki, Mazda and Renault.
- **Dealers:** Tanner has an agreement with dealers to advertise in their showrooms.
- **Direct sales:** This is managed by the Company’s executives, who directly contact individuals that need to finance a vehicle purchase.

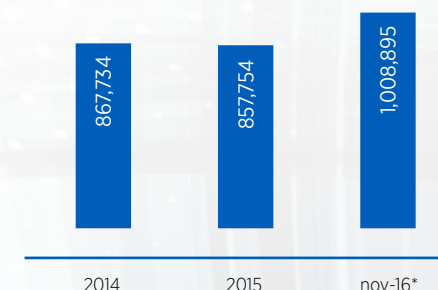
As of December 2016, the Chilean market for new vehicles, based on the Chilean National Automotive Association (Asociación Nacional Automotriz de Chile A.G., “ANAC”) figures, had sales of 305,540 units, versus 282,232 in 2015, which represents an increase of 8.3% YoY. Similarly, used vehicle sales over the last twelve months, as reported by the Chilean Chamber of Automotive Commerce (Cámara Nacional de Comercio Automotriz de Chile A.G., “CAVEM”) as of November 2016, totaled 1,008,895 units, growing 22.1% with respect to the same period in 2015. This positive trend should continue between 2017 and 2020 as a result of the recently approved Santiago Decontamination Plan. This plan aims to reduce fine particulate matter emissions by 60% in 10 years through measures such as restrictions usage of cars manufactured before September 2011; this program is expected to impact approximately one million vehicles that are currently in circulation and could lead to a large-scale replacement of older vehicles.

8. Source: Chilean National Automotive Association (Asociación Nacional Automotriz de Chile A.G., “ANAC”), January 2017.

NEW VEHICLE SALES (ANAC)



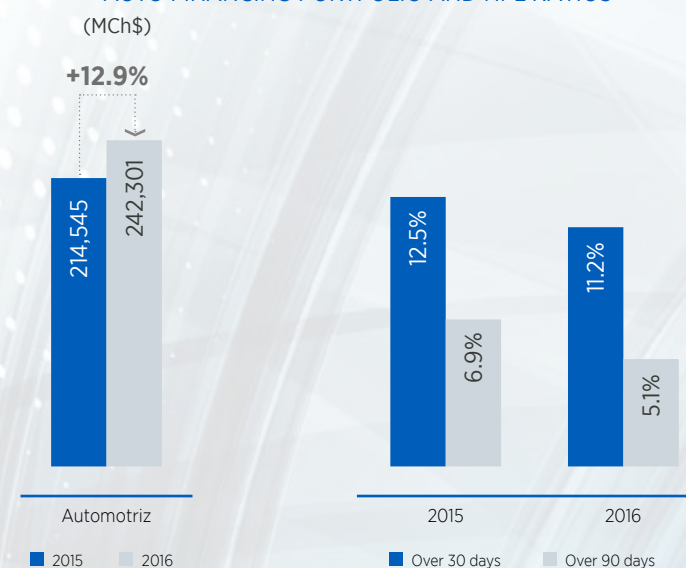
USED VEHICLE SALES (CAVEM)



* Data corresponds to used vehicle sales for the last twelve months measured as of November 2016.

Tanner’s auto loan portfolio grew from Ch\$214,545 million in 2015 to Ch\$242,301 million in 2016, up 12.9% or Ch\$27,756 million YoY, while portfolio quality improved significantly driven by enhancements made to the loan approval and monitoring processes.

AUTO FINANCING PORTFOLIO AND NPL RATIOS



The division generated revenue of Ch\$56,955 million, growing 7.2% or Ch\$3,843 million relative to 2015, driven by higher loan volumes that resulted from increased new and used cars sales (based on reports from ANAC and CAVEM). Costs increased by 10.9% or Ch\$3,896 million to Ch\$39,501 million in 2016, which led to a slight YoY gross profit contraction of 0.3% (Ch\$53 million).

Financing and Investment Policies

Throughout Tanner's history, the Company has been recognized for its sound financial position, which has been the result of a continual quest to diversify its funding sources and seek sustained and balanced growth with effective risk management.

As part of Tanner's financing policy, the Company aims to maintain a liquidity level that allows it to withstand potential unforeseen scenarios of financial distress. This policy also establishes the matching principles that guide the Company's asset and liability management, and its exposure limits to different currencies and financial instruments. Tanner's financing policy includes specific guidelines for structuring its liabilities, which are formulated based on an analysis of the market, maturities and concentration.

In terms of its investment policy, Tanner is always looking for the best investment alternatives that allow it to obtain the maximum risk-adjusted return on surplus resources, while maintaining sufficient cash to cover short-term cash needs. To accomplish this, the Company conservatively invests in instruments created by its commodities brokerage subsidiary, mutual funds and repo agreements with banks, which enable it to earn returns on surplus liquidity.

As of December 31, 2016, the Company's financial debt totaled Ch\$706,626 million, which is comprised of Ch\$38,931 million in commercial paper, Ch\$137,361 million in loans from domestic and foreign institutions, Ch\$511,586 million in bonds and Ch\$18,849 million in other instruments. Cash and cash equivalents totaled Ch\$31,629 million, resulting in net financial debt of Ch\$674,997 million.

For Tanner, 2016 was an active period for debt issuances. The Company took advantage of the positive market conditions to complete two bond offerings under very favorable terms. The first placement was on the local market for 2 million Unidades de Fomento*, while the second took place on the Swiss market for 150 million Swiss francs. The Company also secured two loans from foreign entities for a total of US\$124 million.

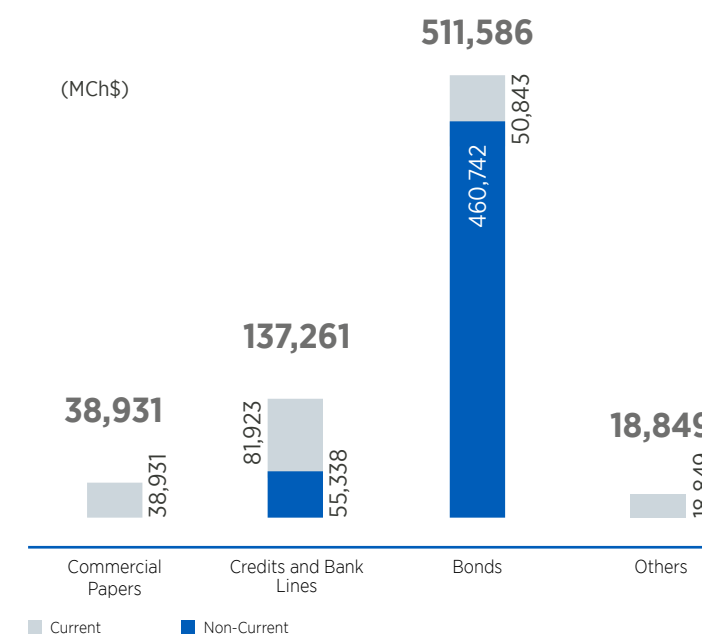
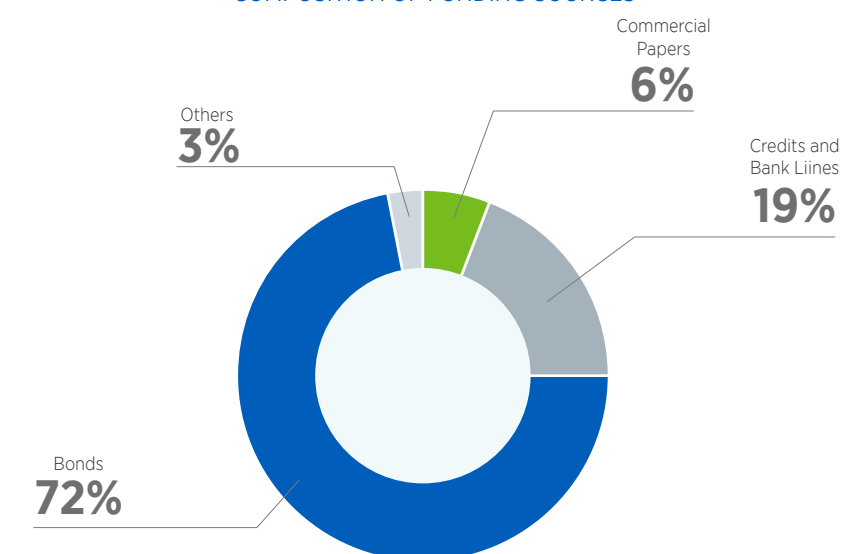
Thanks to the aforementioned debt issuances, the Company ended 2016 with a diversified funding structure conformed by: eight bond issuances outstanding on the local market and two on international markets (one in the United States and the other in Switzerland); credit facilities from Chilean and foreign banks; and long-term loans from leading international institutions.

The Company is continuously taking positions in financial derivatives, such as forwards and swaps, in order to properly hedge the impact of potential variations in exchange rates, inflation and/or interest rates.

It also has lines of commercial paper approved by the SVS for a total of Ch\$ 100.000 million. The Company is always looking to renew previously placed maturities in order to optimize its financing structure. The lines of credit correspond to working capital lines that are renewed periodically; most of these lines are for 360-day terms.

* UF: Unidades de Fomento, chilean inflation adjusted currency.

COMPOSITION OF FUNDING SOURCES





Risk Management

The Company's risk management function has been built over the years by bringing together specialized knowledge of risk management in financial institutions, business know-how and the experience of its teams. Despite the fact that Tanner has professionals specifically dedicated to each different risk area, the Company's policy is to use an integrated approach for managing risks and returns at the parent company, as well as at its subsidiaries.

The Company's loan approval policies and processes are tailored to each market and business segment by taking into consideration their characteristics and inherent risks. The Company's strategy incorporates the risk tolerance of each business line and aligns all commercial areas using models, processes, and tools for assessing, measuring, and controlling risk. The Board is continuously made aware of how risks are evolving and what the proposed action plans are to address important deviations in risk indicators and to enforce compliance of risk standards and regulations.

MAIN RISKS AFFECTING THE COMPANY

CREDIT RISK

Credit risk represents the probability of economic and/or financial loss faced by the Company if a customer or counterparty of a financial instrument does not comply with its contractual obligations. Such risk is inherent to the Company's lines of business.

Tanner Servicios Financieros S.A. manages its credit risk independently by each business line – factoring, auto financing, corporate lending, and leasing – based on each customer's expected income, available financial information and credit history, if any. This analysis also includes macroeconomic expectations and forecasts for the sector in which the customer operates and, for factoring, it also considers the financial position and outlook of the debtor.

The Company proactively monitors credit quality in order to identify in advance any possible changes in a counterparty's payment capacity and take preventative or corrective actions, as needed.

Tanner employs a differentiated approach to its loan analysis and approval processes, which are tailored to each market segment and type of business. The Company has built a robust customer approval process and has developed significant internal capabilities to assess the risk profile of its customers, which enables it to minimize the inherent risks to which the Company is exposed.

On-going control and monitoring of credit risk is the basis for proactive portfolio management and allows Tanner to identify potential sources of risk before an actual impairment takes place. To accomplish this, the Company uses a set of reviews and processes, including:

- Structured portfolio reviews examining the impact of macroeconomic changes on specific economic sectors, based on which Tanner defines case-by-case action plans.
- On-going surveillance system to detect in advance any customers that might pose potential risks, based on which specific action plans for these customers are formulated in conjunction with the commercial areas.
- Management of delinquent customers supported with predictive risk level indicators, monitoring, action plans for the more systemically important customers, and differentiated strategies for early collections.
- Monitoring conditions, restrictions and covenants imposed by the Credit Committee for all important or complex transactions.
- Risk segmentation strategies for collection processes and policies to better integrate the loan approval and monitoring processes.

Another important aspect of the credit risk assessment is the quality and quantity of guarantees required. One of the Company's policies has been to use sound guarantees as a second source of payment in the event of default. A series of conditions have been defined by the Company for each type of business:

- **Factoring**

For each customer, a master agreement is signed in order to lay the groundwork for subsequent factoring transactions. The majority of the approved lines are structured as recourse factoring agreements, which means that Tanner's customer is ultimately responsible for the obligation in the event of debtor insolvency; approved non-recourse factoring transactions are generally covered by credit insurance and/or specific guarantees.

- **Auto Financing**

This type of loan is guaranteed with the assets financed using two types of guarantees: real (vehicle pledges) and personal (sureties and co-signers).

- **Leasing**

Operations are guaranteed with the leased assets, which require insurance policies to cover any incidents that may lead to a loss in value.

- **Lending:**

Depending on each case, mortgages and/or share pledges are required. However, a co-signer can also be designated for the loan, generally consisting of any of the partners of the debtor company.

The Company determines the credit quality of financial assets using internal ratings systems. The rating process is linked to the Company's approval and monitoring processes and is carried out in accordance with risk categories established by current regulations (automotive and leasing). Credit quality is continuously updated based on the evolution of customers and their environments, considering aspects such as commercial and payment behavior, as well as current financial information.

The Company also reviews customers within particular industries that could be (potentially) affected by macroeconomic or sector-specific variables. Such reviews allow Tanner to opportunely establish any necessary provisions that are sufficient to cover losses from potentially uncollectable loans.

At the indirect subsidiary Tanner Corredora de Bolsa S.A., credit risk stems from the risk

that the counterparty to a contract defaults on its contractual obligations, leading to an economic loss. In order to control this risk, Tanner has collection procedures that enable it to control the terms and exposure amounts of each customer. In order to reduce the effects of credit risk, the brokerage subsidiary uses a series of internal risk policies that vary by customer type and product.

FINANCIAL RISKS

LIQUIDITY RISK

Liquidity risk is defined as the Company's inability to comply with its obligations without incurring large losses or discontinuing normal lending operations with its customers. It arises from mismatched cash flows, which occur when the cash outflows to pay for liabilities are greater than inflows from investments or loans. Liquidity risk could also be generated by a customer not paying amounts owed at or before the committed loan maturity dates.

Tanner manages liquidity risk on a consolidated level. Its main generator of solvency are cash flows from operating activities (collections), in addition to a series of diversified funding sources such as bonds – both local and international – with a defined payment schedule; unsecured bank lines of credit, mainly short-term and regularly renewed; and commercial paper.

The Company has a daily cash flow management system that includes a simulation of all asset and liability maturities in order to anticipate cash needs. There is also a higher monitoring body within Tanner, the Asset and Liability Committee (ALCO), which meets on a monthly basis to review market conditions and expectations, and to define actions accordingly.

The indirect subsidiary Tanner Corredores de Bolsa S.A., is subject to regulatory liquidity indicators known as the General Liquidity Index (Índice de Liquidez General) and the Brokerage Liquidity Index (Índice de Liquidez por Intermediación). In accordance with SVS requirements, the subsidiary has always complied with these indicators.

MARKET RISK

Market risk is defined as exposure to economic losses arising from adverse movements in market factors such as price, interest rate, currency, indexation, among others, that can affect the value of any recorded transaction that has not been duly hedged.

Price Risk

This is defined as the risk when selling a debt instrument (for example bonds) of receiving a lower amount than what was originally invested, as a consequence of the instrument's profitability being lower than that required by the market at the time of the sale. For financial instruments, the price risk is directly related to interest rate risk.

The Company has investments in ETFs⁹ and corporate bonds with VaR¹⁰s that are insignificant with respect to the Company's equity.

Interest Rate Risk

Interest rate risk is defined as the risk to which an organization is exposed as a result of engaging in financial transactions whose value is subject to, among other factors, movements in interest rates over time.

The Company has a portfolio of trading and hedging derivative instruments used to mitigate the risk of interest rate and currency fluctuations. The portfolio of trading derivatives, given its very short-term maturity structure, has a low interest rate risk with marginal impacts on profitability. Hedging derivatives are intended to hedge a large portion of liabilities structured in foreign currency and/or with variable rates (Libor), thus limiting the exposure to this risk.

Currency Risk

Currency risk is defined as exposure to potential losses from changes in the value of assets and liabilities due to changes in exchange rates. The Company, as a result of its business activities and its need for a diversified funding structure, has a currency mismatch between its assets and liabilities that is managed on a daily basis and mitigated by using derivative instruments. Tanner also has obligations in Swiss francs, with its corresponding currency risk being completely hedged. As an internal risk mitigation policy, the mismatch in foreign currency cannot exceed the equivalent of 2.5% of equity. This limit has never been surpassed by Tanner.

Indexation Risk

Indexation risk is the exposure of assets and liabilities denominated in Unidades de Fomento ("UF") that could generate losses as a result of changes in the value of the UF. The Company, because of its business activities and its need for diversified funding, maintains assets and liabilities in UF. Mismatches are managed on a daily basis and fluctuations are mitigated using derivative instruments. As an internal risk mitigation policy, the mismatch in UF cannot exceed the equivalent of 30% of equity. This limit has not been surpassed.

OPERATIONAL RISK

The Basel Committee on Banking Supervision defines operational risk as the "the risk of a change in value caused by the fact that actual losses, incurred for inadequate or failed internal processes, people and systems, or from external events, differ from the expected losses." This definition includes legal risks but excludes strategic and reputational risks.

Therefore, the Company has mapped out all of its processes throughout the entire organization and identified those considered critical. Furthermore, the Company has generated a matrix of inherent and residual risk for each of its business lines, identifying critical points and mitigating controls.

9. ETF: Exchange-Traded Funds – These are financial instruments that replicate a given stock or fixed-income index.

10. VaR: Value at Risk – This is the maximum expected loss considering a historical horizon of one year at 99% confidence.

SHAREHOLDER **INFORMATION**



Distributable Profit

As of December 31, 2016, the Company's capital consisted of **1,212,129** subscribed and paid shares.

Distributable profit for 2016 amounts to **Ch\$22,347 million**

Dividends Paid

In 2013, 2014 and 2015, the Company paid the following dividends, shown at their historical values, and charged to profit for the year indicated.

YEAR	TYPE OF DIVIDEND	NUMBER OF SHARES	DIVIDEND PER SHARE (CH\$)	PAYMENT DATE
2015	Final	1,212,129	4,966	March 2016
2014	Final	1,212,129	6,392	March 2015
2013	Final	1,212,129	2,694	March 2014

Dividend Policy

The Company's dividend policy consists of distributing at least 30% of net profit each year.

Share Transactions

During 2016, the following share transactions were recorded.

SALES	RELATIONSHIP	PURCHASES	RELATIONSHIP	NUMBER OF SHARES	UNIT PRICE (Ch\$/share)	AMOUNT (in MCH\$)
Ruiz Tagle y Cáceres Limitada	Shareholder	Inversiones Bancarias S.A.	Shareholder	1,200	293,245	351.8
Daniela Zamorano Álvarez	Shareholder	Inversiones Bancarias S.A.	Shareholder	200	195,497	39.1
Óscar Espinoza Muñoz	Shareholder	Inversiones Bancarias S.A.	Shareholder	200	243,371	48.8

PEOPLE MANAGEMENT



At Tanner we strive to be the best financial services company in Latin America, which also entails being the best place to work for by providing our employees with opportunities to develop both personally and professionally.

As a result, the People Management Team in 2016 led diverse programs designed to attract, retain and develop individuals who work for the Company. We have implemented a number of initiatives in order to continue to align our people with our organizational culture, which foundations are set based on our core values – Transparency, Excellence, Meritocracy, Teamwork and Passion. The initiatives have been centered on the following areas:

CULTURE PLAN

Because we know that how we do things makes a difference, in 2016 we organized diverse initiatives to directly involve our associates in efforts to bring our corporate values to life. In order to promote a culture of recognition within the Company, we carried out a Recognition Plan to distinguish a series of associates for embodying our corporate values on a daily basis.

RECRUITING AND SELECTION:

Creation of a **Trainee Program** to recruit recent graduates and help them learn more about the entire organization before placing them in a particular unit.

PERFORMANCE MANAGEMENT

Semi-annual implementation of a **Skill Evaluation Model** for skills considered critical to the Organization. It is aligned with the business strategy and performance level of associates in order to generate action plans that reinforce achievements and generate improvements. In this area, training initiatives were developed for department heads on topics like evaluations and effective feedback.

CLIMATE MANAGEMENT

Annual implementation of an **Organizational Climate Measurement** to gather accurate information regarding our associates’ perception of important organizational variables and to generate action plans that help us advance on the path to becoming the best place to work. In 2016, 89% of associates participated and the general perception exceeded the prior year’s measurement.

“CRECE” TRAINING PROGRAM

Focused on making skill development plans available to associates in order to address business challenges. Topics included regulatory and technical matters and soft skills. One milestone in 2016 was the new **Commercial Training Program**, created in conjunction with specialists from the different business areas and taught by internal lecturers. 40% of the organization participated in the program.

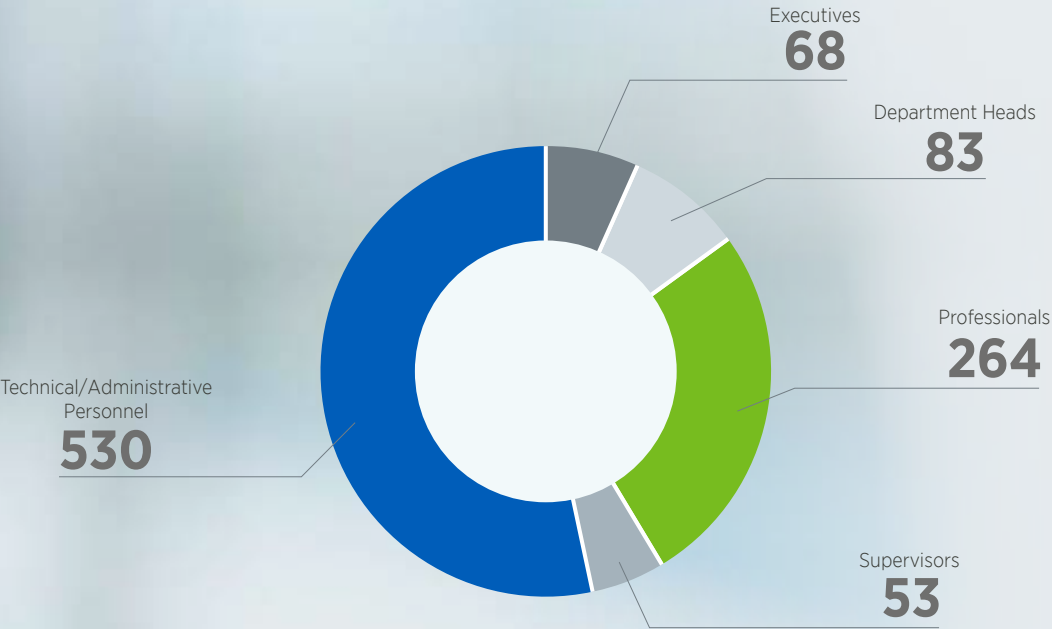
INTERNAL COMMUNICATIONS

This program is designed to deliver timely and effective information to associates, encouraging strategic alignment and strengthening of the organizational culture. In 2016, the **Corporate Intranet** was updated to make it more user-friendly and easier to navigate. New services were also added to enhance associates’ experiences and interactions with the site.

Furthermore, in order to contribute to the quality of life and wellbeing of Tanner’s employees, during the year we carried out several actions through the **“Vive” Program**, providing an array of benefits and discounts, financial support and recreational and sporting activities to support the culture that we want to foster within our Company.

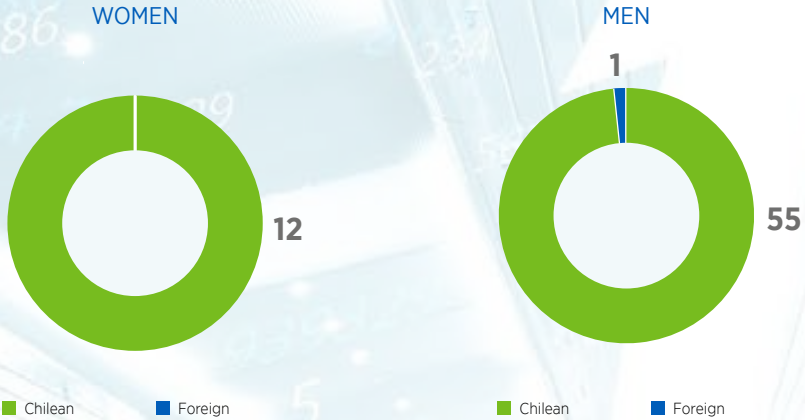
Diversity in the Organization

EMPLOYEE DISTRIBUTION

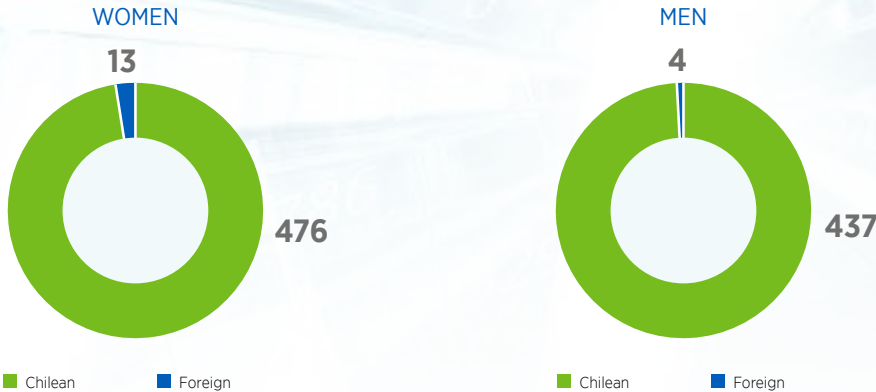


ASSOCIATES BY NATIONALITY

• EXECUTIVES

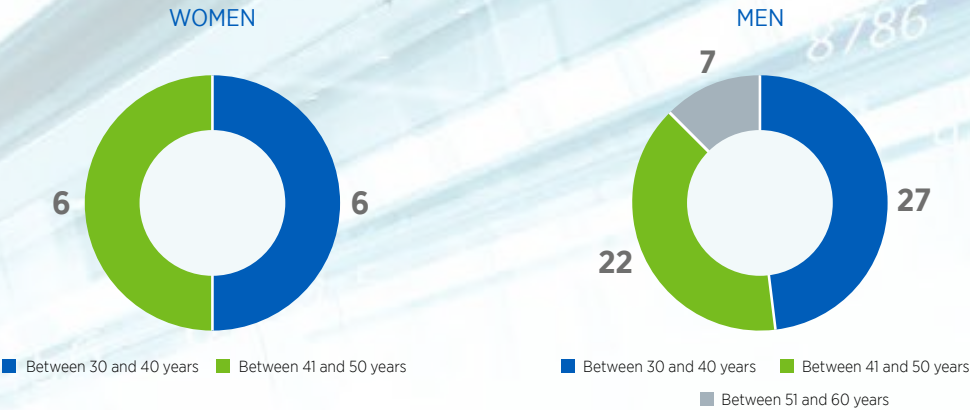


• ORGANIZATION

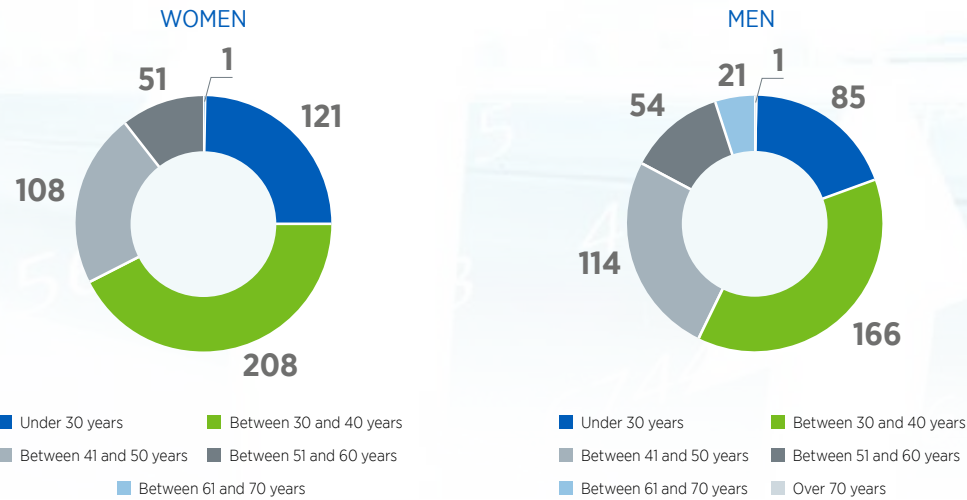


ASSOCIATES BY AGE

• EXECUTIVES

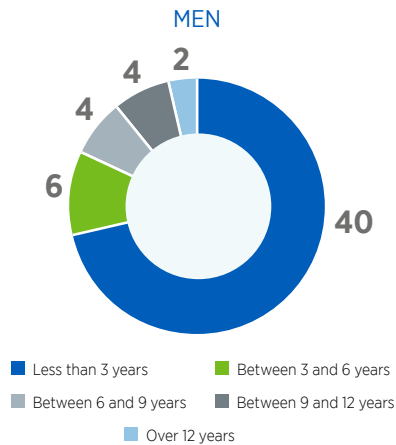
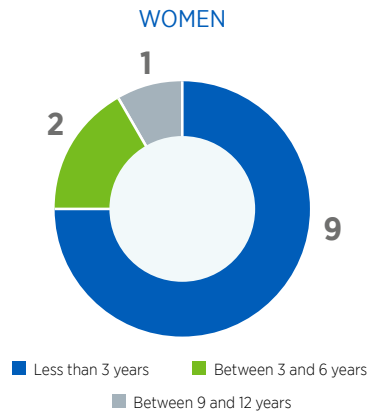


• ORGANIZATION

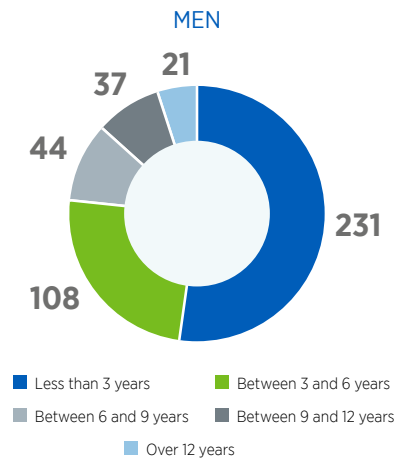
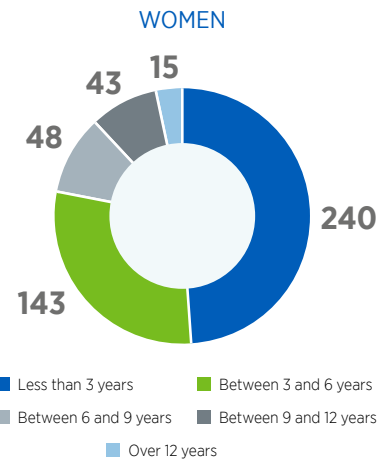


ASSOCIATES BY YEARS OF SERVICE

• EXECUTIVES



• ORGANIZATION



SALARY GAP

	WOMEN*	MEN
Managers	72%	100%
Deputy Managers	95%	100%
Department Heads	100%	100%
Analysts	95%	100%
Administrative Personnel	97%	100%

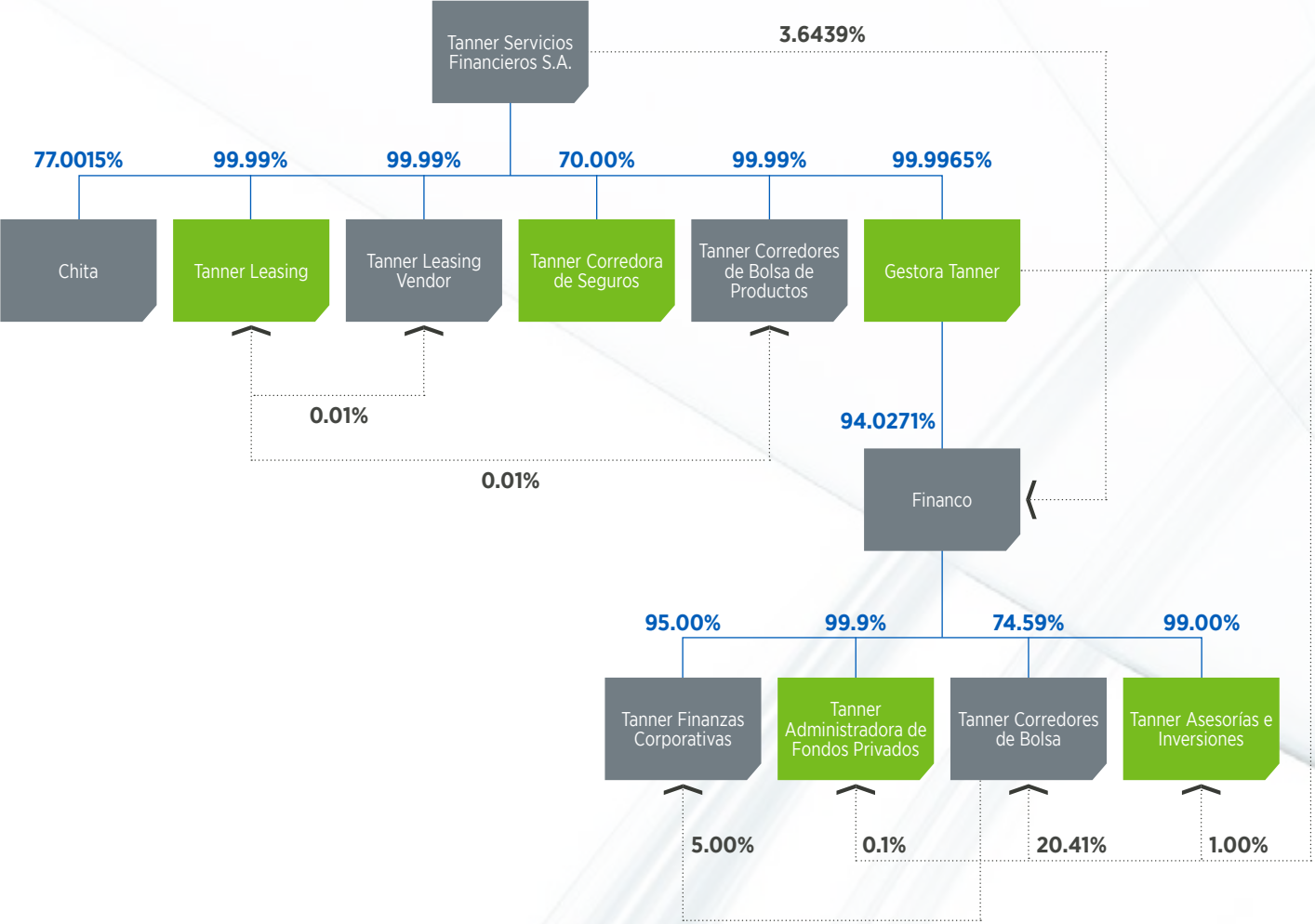
* The column on the left shows the percentage of gross wages for women versus men for the same job.

Corporate Social Responsibility and Sustainable Development

	BOARD MEMBERS	EXECUTIVES	DEPARTMENT HEADS	PROFESSIONALS	SUPERVISORS	TECHNICAL/ADMINISTRATIVE PERSONNEL
GENDER						
Male	7	56	59	146	20	216
Female	0	12	24	118	33	314
TOTAL	7	68	83	264	53	530
NATIONALITY						
Chilean	6	67	83	256	53	521
Foreign	1	1	0	8	0	9
TOTAL	7	68	83	264	53	530
AGE						
Under 30 years	0	0	10	54	7	135
Between 30 and 40 years	0	33	29	120	21	204
Between 41 and 50 years	0	28	28	61	16	117
Between 51 and 60 years	3	7	13	25	7	60
Between 61 and 70 years	3	0	3	4	2	13
Over 70 years	1	0	0	0	0	1
TOTAL	7	68	83	264	53	530
YEARS OF SERVICE						
Less than 3 years	2	49	38	171	13	249
Between 3 and 6 years	2	8	20	47	18	166
Between 6 and 9 years	0	4	6	15	5	66
Between 9 and 12 years	0	5	12	18	12	38
Over 12 years	3	2	7	13	5	11
TOTAL	7	68	83	264	53	530



INFORMATION ON SUBSIDIARIES



Tanner Leasing S.A.

CORPORATE NAME

Tanner Leasing S.A.

CORPORATE PURPOSE

This subsidiary's primary line of business involves providing legal and/or out-of-court collections services for any type of loans or obligations on its own behalf or on behalf of third parties, and also providing data processing, storage and transmission services. Leasing was added in 2007.

GENERAL INFORMATION

Incorporated by public instrument on August 6, 1999. An abstract was registered in the Santiago Commerce Registry for 1999 on page 20,362, number 16,198 and published in the Official Gazette on August 27, 1999.

BUSINESS RELATIONSHIPS WITH THE SUBSIDIARY

Leasing operations are carried out through Tanner Leasing S.A. Also, the company is in charge of providing normal, legal and out-of-court collections services for notes acquired by Tanner Servicios Financieros S.A. In factoring contracts between Tanner Servicios Financieros S.A. and its customers, the customers provide the Company with a power of attorney to collect on their receivables either directly or through a third party. Consequently, Tanner Servicios Financieros S.A. authorizes Tanner Leasing to perform its collections services.

AGREEMENTS AND CONTRACTS WITH THE SUBSIDIARY

There is a contract between Tanner Servicios Financieros S.A. and Tanner Leasing S.A. signed in June 2000, by which Tanner Leasing S.A. is commissioned to perform collections for the entire portfolio of Tanner Servicios Financieros S.A. as well as to provide additional services.

EQUITY

Ch\$27,286 million

SUBSCRIBED AND PAID-IN CAPITAL

Ch\$13,6 million

INTEREST HELD BY PARENT COMPANY

99.99%

INVESTMENT AS A PERCENTAGE OF PARENT COMPANY'S ASSETS

2.7%

CHAIRMAN

Ricardo Massu M.
(Chairman, Tanner Servicios Financieros S.A.)

VICE CHAIRMAN

Jorge Sabag S.
(Vice Chairman, Tanner Servicios Financieros S.A.)

DIRECTOR

Eduardo Massu M.
(Director, Tanner Servicios Financieros S.A.)

DIRECTOR

Fernando Tafra S.
(Director, Tanner Servicios Financieros S.A.)

DIRECTOR

Jorge Bunster B.
(Director, Tanner Servicios Financieros S.A.)

DIRECTOR

Martín Díaz-Plata.
(Director, Tanner Servicios Financieros S.A.)

DIRECTOR

Pablo Eguiguren B.
(Director, Tanner Servicios Financieros S.A.)

CHIEF EXECUTIVE OFFICER

Antonio Turner F.
(CEO, Tanner Servicios Financieros S.A.)

Tanner Corredores de Bolsa de Productos S.A.

CORPORATE NAME

Tanner Corredores de Bolsa de Productos S.A.

CORPORATE PURPOSE

This subsidiary's primary line of business is to provide commodities brokerage services on the Commodities Exchange, including purchasing and selling commodities on its own behalf, and carrying out other activities considered complementary to the commodity brokerage transactions that are expressly authorized by the Superintendency of Securities and Insurance, as well as agreements and contracts that are necessary or appropriate for these specific purposes.

GENERAL INFORMATION

Incorporated by public instrument on June 29, 2005. An abstract was registered in the Santiago Commerce Registry for 2005 on page 22,762, number 16,548 and published in the Official Gazette on July 16, 2005.

BUSINESS RELATIONSHIPS WITH THE SUBSIDIARY

Tanner Servicios Financieros S.A. is a client of Tanner Corredores de Bolsa de Productos S.A.

AGREEMENTS AND CONTRACTS WITH THE SUBSIDIARY

There is a contract by which Tanner Servicios Financieros S.A. leases office space to Tanner Corredores de Bolsa de Productos S.A.

EQUITY

Ch\$1,315 million

SUBSCRIBED AND PAID-IN CAPITAL

Ch\$902 million

INTEREST HELD BY PARENT COMPANY

99.99%

INVESTMENT AS A PERCENTAGE OF PARENT COMPANY'S ASSETS

0.1%

PRESIDENTE

Jorge Sabag S.
(Vice Chairman, Tanner Servicios Financieros S.A.)

DIRECTOR

Antonio Turner F.
(CEO, Tanner Servicios Financieros S.A.)

DIRECTOR

Marcos Castro V.
(Commercial Division Manager, Tanner Servicios Financieros S.A.)

CHIEF EXECUTIVE OFFICER

Julián Rodríguez S. (Interim)
(Factoring Manager, Tanner Servicios Financieros S.A.)

Tanner Corredora de Seguros Limitada

CORPORATE NAME

Tanner Corredora de Seguros Ltda.

CORPORATE PURPOSE

This subsidiary's main line of business is insurance brokerage.

GENERAL INFORMATION

Incorporated by public instrument on January 27, 2011. An abstract was registered in the Santiago Commerce Registry for 2011 on page 6,948, number 5,251 and published in the Official Gazette on February 5, 2011.

BUSINESS RELATIONSHIPS WITH THE SUBSIDIARY

Contracting insurance policies for the parent company's customer portfolio and its own assets.

AGREEMENTS AND CONTRACTS WITH THE SUBSIDIARY

Lease agreements.

EQUITY

Ch\$1,629 million

SUBSCRIBED AND PAID-IN CAPITAL

Ch\$1,140 million

INTEREST HELD BY PARENT COMPANY

70.00%

INVESTMENT AS A PERCENTAGE OF PARENT COMPANY'S ASSETS

0.2%

Tanner Leasing Vendor Limitada

CORPORATE PURPOSE

Carrying out all types of leasing business; purchase, sale, import and export of all types of personal property and real estate; signing lease agreements on those assets as lessor or lessee and providing any type of related complementary service.

GENERAL INFORMATION

Incorporated by public instrument on May 12, 1998, signed before Santiago notary Mrs. María Gloria Acharán Toledo. An abstract was registered in the Santiago Commerce Registry for 1998 on page 10,683, number 8,663 and published in the Official Gazette on May 16, 1998.

EQUITY

Ch\$26,456 million

SUBSCRIBED AND PAID-IN CAPITAL

Ch\$4,513 million

INTEREST HELD BY
PARENT COMPANY

99.99%

INVESTMENT AS A PERCENTAGE OF
PARENT COMPANY'S ASSETS

2.6%

Gestora Tanner SpA

CORPORATE PURPOSE

This subsidiary's corporate purpose involves: a) making investments in all types of personal property or real estate, tangible or intangible, equities, bonds, debentures, shares or rights of companies and any type of securities with the power to manage those investments; b) participating as a partner or shareholder in all types of companies, both in Chile and abroad and c) providing all types of economic, financial, or investment advice on its own account or on behalf of third parties.

GENERAL INFORMATION

Incorporated by public instrument on December 31, 2008. An abstract was registered in the Santiago Commerce Registry for 2009 on page 3672, number 2426 and published in the Official Gazette on January 27, 2009.

BUSINESS RELATIONSHIPS
WITH THE SUBSIDIARY

Tanner Servicios Financieros S.A. is a client of Gestora Tanner SpA.

AGREEMENTS AND CONTRACTS
WITH THE ASSOCIATE

None.

EQUITY

Ch\$8,226 million

SUBSCRIBED AND PAID-IN CAPITAL

Ch\$8,386 million

INTEREST HELD BY
PARENT COMPANY

99.99%

INVESTMENT AS A PERCENTAGE OF
PARENT COMPANY'S ASSETS

0.8%

CHAIRMAN

Ricardo Massu M.
(Chairman, Tanner Servicios Financieros S.A.)

DIRECTOR

Jorge Sabag S.
(Vice Chairman, Tanner Servicios Financieros S.A.)

DIRECTOR

Eduardo Massu M.
(Director, Tanner Servicios Financieros S.A.)

CHIEF EXECUTIVE OFFICER

Jorge Sabag S.
(Vice Chairman, Tanner Servicios Financieros S.A.)

Chita SpA

CORPORATE PURPOSE

This subsidiary’s corporate purpose involves factoring activities, which include buying and selling, assigning, discounting and managing collections for loans originated from the sale of goods or provision of services, which are documented in electronic invoices and traded through technological platforms. This subsidiary is also intended to engage, generally, in any other activity or business agreed by its partners.

GENERAL INFORMATION

The subsidiary was incorporated by public instrument on August 25, 2016, signed before Santiago notary María Soledad Santos Muñoz. An abstract of this deed of incorporation was recorded in the Santiago Commerce Registry in 2016 on page 65,491, number 35,387 and published in the Official Gazette on September 3, 2016.

**BUSINESS RELATIONSHIPS
WITH THE SUBSIDIARY**

None.

**AGREEMENTS AND CONTRACTS
WITH THE ASSOCIATE**

Given the date of incorporation of this subsidiary, no contracts have yet been signed with the parent company.

EQUITY

Ch\$332 million

SUBSCRIBED AND PAID-IN CAPITAL

Ch\$332 million

**INTEREST HELD BY
PARENT COMPANY**

77.0015%

**INVESTMENT AS A PERCENTAGE OF
PARENT COMPANY’S ASSETS**

0.03%

CHAIRMAN

Christian Real B.

DIRECTOR

Óscar Alberto Cerda U.
(Advisor, Tanner Servicios Financieros S.A.)

DIRECTOR

Antonio Turner F.
(CEO, Tanner Servicios Financieros S.A.)

DIRECTOR

José Manuel González A.
(CFO and Automotive Division Manager / Interim)

DIRECTOR

Juan Carlos Truffello V.
(Risk and Normalization Manager, Tanner Servicios Financieros S.A.)

CHIEF EXECUTIVE OFFICER

Felipe Morel Pirazzoli

Statement of Responsibility

The undersigned Directors and Chief Executive Officer declare themselves responsible for the veracity of the information contained in this Annual Report for the fiscal year ended December 31, 2016, in conformity with the information they have had in their power.

RICARDO MASSU M.

Chairman
6.420.113-1

JORGE SABAG S.

Vice Chairman
6.735.614-4

EDUARDO MASSU M.

Director
4.465.911-5

FERNANDO TAFRA S.

Director
4.778.406-9

JORGE BUNSTER B.

Director
6.066.143-K

PABLO EGUIGUREN B

Director
7.011.397-K

MARTÍN DÍAZ-PLATA

Director
Pasaporte Británico
720111843

ANTONIO TURNER F.

Chief Executive Officer
13.668.525-2

This statement of responsibility was signed by the Board of Directors. Copies of this document containing their signatures are stored in the Chief Executive Officer’s office.



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Financial **Statements** **2016**



Tanner Servicios Financieros S.A.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2016 and 2015.

Content

- Independent auditor's report
- Consolidated classified statement of financial position
- Consolidated statement of income by function
- Consolidated statement of comprehensive income
- Consolidated statement of changes in equity
- Consolidated statement of direct cash flows

Ch\$	=	Chilean pesos
US\$	=	US Dollars
CHF	=	Swiss Francs
CLF	=	UF, an inflation indexed currency based on the Chilean peso
€	=	Euros
ThCh\$	=	Thousands of Chilean pesos
ThUS\$	=	Thousands of US Dollars
ThCHF	=	Thousands of Swiss Francs
MCh\$	=	Millions of Chilean pesos
MCLF	=	Millions of UF
IAS	=	International Accounting Standards
IFRS	=	International Financial Reporting Standards
IFRIC	=	International Financial Reporting Standards Committee

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Independent Auditors' Report

Santiago, February 14, 2017

**Dear Shareholders and Directors
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 position as of December 31, 2016 and 2015, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and the corresponding notes to these consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal control relevant for 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 auditors' 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 the internal control relevant for the preparation and fair presentation of the consolidated financial statements of the entity in order to design auditing 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 obtained is sufficient and appropriate to provide a basis for our opinion.



Santiago, February 14, 2017
Tanner Servicios Financieros S.A.

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 subsidiaries as of December 31, 2016 and 2015, and the results of its operations and cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Roberto J. Villanueva B.

CONSOLIDATED CLASSIFIED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2016 AND 2015

(Denominated in ThCh\$)

ASSETS	Note	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Current Assets			
Cash and cash equivalents	7	31,629,256	31,785,000
Other financial assets, current	8	44,477,753	29,142,604
Other non-financial assets, current	9	2,002,176	1,840,737
Net trade receivables and other accounts receivable, current	10	542,955,783	450,347,583
Accounts receivable from related companies, current	12	340,993	365,490
Current tax assets	15	15,187,323	17,353,843
Total current assets other than assets or groups of assets classified as held for sale or distribution among the owners		636,593,284	530,835,257
Noncurrent assets or groups of assets classified as held for sale	13	2,260,078	509,650
Total Current Assets		638,853,362	531,344,907
Non-Current Assets			
Other financial assets, non-current	8	75,152,488	36,998,378
Other non-financial assets, non-current	9	4,808,153	915,745
Trade receivables and other accounts receivable, non-current	10	257,865,028	342,009,203
Accounts receivable from related companies, non-current	12	13,364	51,669
Intangible assets other than goodwill	16	1,853,094	538,998
Goodwill	17	1,763,525	1,763,525
Property, plant and equipment	14	4,545,434	4,270,675
Deferred tax assets	15	35,513,697	38,612,076
Total Non-Current Assets		381,514,783	425,160,269
TOTAL ASSETS		1,020,368,145	956,505,176

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements.

CONSOLIDATED CLASSIFIED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2016 AND 2015

(Denominated in ThCh\$)

LIABILITIES AND NET EQUITY	Note	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Current Liabilities			
Other financial liabilities, current	18	190,546,403	281,277,125
Trade creditors & other accounts payable, current	20	50,915,731	56,129,528
Other short term provisions	21	2,539,829	1,114,242
Current tax liabilities	15	3,457,490	7,076,561
Other non-financial liabilities, current		11,752	16,248
Total Current Liabilities		247,471,205	345,613,704
Non-Current Liabilities			
Other financial liabilities, non-current	19	516,079,917	361,650,956
Accounts payable, non-current	22	-	718,360
Deferred tax liabilities	15	5,843,870	11,143,598
Total Non-Current Liabilities		521,923,787	373,512,914
TOTAL LIABILITIES		769,394,992	719,126,618

EQUITY			
Issued capital	23	195,223,800	195,223,800
Retained earnings	23	51,639,149	36,355,158
Other reserves	23	3,094,970	5,389,191
Equity attributable to owners of the parent company		249,957,919	236,968,149
Non-controlling interests	24	1,015,234	410,409
TOTAL EQUITY		250,973,153	237,378,558
Total Liabilities and Equity		1,020,368,145	956,505,176

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(Denominated in ThCh\$)

CONSOLIDATED STATEMENT OF INCOME BY FUNCTION	Note	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Net income			
Revenue from ordinary activities	28	124,925,819	156,892,734
Cost of sales	28	(63,432,913)	(105,965,010)
Gross margin		61,492,906	50,927,724
Other Operational Costs			
Other income, by function		1,258,274	5,481,333
Administration expenses	28	(38,109,760)	(36,018,901)
Other gains (losses)		816	(5,408)
Financial income		300,384	14,328
Financial costs		(148,316)	(191,504)
Exchange Differences		(16,920)	44,155
Indexation adjustments		134,479	377,102
Net Income (Loss) before Tax		24,911,863	20,628,829
Income tax expense	15	(2,564,775)	(315,339)
Net income (loss) from continued operations		22,347,088	20,313,490
NET INCOME (LOSS)		22,347,088	20,313,490
Net Income (Loss) Attributable to:			
Net income (loss) attributable to owners of the parent company		21,835,790	20,061,232
Net income (loss) attributable to non-controlling interests	24	511,298	252,258
NET INCOME		22,347,088	20,313,490

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(Denominated in ThCh\$)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	01.01.2016 to 12.31.2016 ThCh\$	01.01.2015 to 12.31.2015 ThCh\$
NET INCOME (LOSS) FOR THE PERIOD	22,347,088	20,313,490
Cash flow hedges (1)	(3,018,709)	1,775,721
Income tax on cash flow hedges in comprehensive income (1)	724,488	(399,535)
Total other comprehensive income and expenses for the period	(2,294,221)	1,376,186
Comprehensive income and expenses for the period	20,052,867	21,689,676
Comprehensive income and expenses attributable to:		
Owners of the parent company	19,594,061	21,420,328
Non-controlling interests	458,806	269,348
Comprehensive income and expenses for the period	20,052,867	21,689,676

- (1) These items will be reclassified to the income for the period once settled.
(2) Net income for the year if no other income or expense had been recorded directly against equity.

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016

(Denominated in ThCh\$)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Share capital	Other reserves				Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
	ThCh\$	Hedge reserves	Fair value held for sale reserves	Other reserves	Total other reserves	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Initial balance 01.01.2016	195,223,800	963,105	(105,481)	4,531,567	5,389,191	36,355,158	236,968,149	410,409	237,378,558
Increase (decrease) for changes in accounting policies	-	-	-	-	-	-	-	-	-
Increase (decrease) for corrections	-	-	-	-	-	-	-	-	-
Initial balance restated	195,223,800	963,105	(105,481)	4,531,567	5,389,191	36,355,158	236,968,149	410,409	237,378,558
Changes in equity	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-	-	-	-
Net income (loss)	-	-	-	-	-	21,835,790	21,835,790	511,298	22,347,088
Other comprehensive income	-	(2,761,845)	467,624	-	(2,294,221)	-	(2,294,221)	-	(2,294,221)
Comprehensive income	-	(2,761,845)	467,624	-	(2,294,221)	21,835,790	19,541,569	511,298	20,052,867
Equity issued	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(6,019,433)	(6,019,433)	-	(6,019,433)
Increase (decrease) for other contributions from the owners	-	-	-	-	-	6,018,370	6,018,370	-	6,018,370
Decrease (increase) for other distributions to the owners	-	-	-	-	-	(6,550,736)	(6,550,736)	-	(6,550,736)
Increase (decrease) for transfers and other changes	-	-	-	-	-	-	-	-	-
Increase (decrease) for transactions with own shares	-	-	-	-	-	-	-	-	-
Increase (decrease) for changes in the participation in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	93,527	93,527
Total changes in equity	-	(2,761,845)	467,624	-	(2,294,221)	15,283,991	12,989,770	604,825	13,594,595
Closing balance 12.31.2016	195,223,800	(1,798,740)	362,143	4,531,567	3,094,970	51,639,149	249,957,919	1,015,234	250,973,153

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

(Denominated in ThCh\$)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Share capital	Other reserves				Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
	ThCh\$	Hedge reserves	Fair value held for sale reserves	Other reserves	Total other reserves	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Initial balance 01.01.2015	195,223,800	(598,649)	-	5,460,280	4,861,631	22,482,930	222,568,361	592,051	223,160,412
Increase (decrease) for changes in accounting policies	-	-	-	-	-	-	-	-	-
Increase (decrease) for corrections	-	-	-	-	-	-	-	-	-
Initial balance restated	195,223,800	(598,649)	-	5,460,280	4,861,631	22,482,930	222,568,361	592,051	223,160,412
Changes in equity	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-	-	-	-
Net income (loss)	-	-	-	-	-	20,061,232	20,061,232	252,258	20,313,490
Other comprehensive income	-	1,561,754	(185,568)	-	1,376,186	-	1,376,186	-	1,376,186
Comprehensive income	-	1,561,754	(185,568)	-	1,376,186	20,061,232	21,437,418	252,258	21,689,676
Equity issued	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(7,747,929)	(7,747,929)	-	(7,747,929)
Increase (decrease) for other contributions from the owners	-	-	-	-	-	7,747,123	7,747,123	-	7,747,123
Decrease (increase) for other distributions to the owners	-	-	-	-	-	(6,018,370)	(6,018,370)	-	(6,018,370)
Increase (decrease) for transfers and other changes	-	-	80,087	(1,116,395)	(1,036,308)	(58,781)	(1,095,089)	-	(1,095,089)
Increase (decrease) for changes in the participation in subsidiaries that do not result in loss of control	-	-	-	187,682	187,682	(111,047)	76,635	(433,900)	(357,265)
Total changes in equity	-	1,561,754	(105,481)	(928,713)	527,560	13,872,228	14,399,788	(181,642)	14,218,146
Closing balance 12.31.2015	195,223,800	963,105	(105,481)	4,531,567	5,389,191	36,355,158	236,968,149	410,409	237,378,558

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT, DIRECT
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(Denominated in ThCh\$)

CONSOLIDATED CASH FLOW STATEMENT	01.01.2016 to 12.31.2016 ThCh\$	01.01.2015 to 12.31.2015 ThCh\$
Cash flow receipts from (payments for) operating activities		
Receipts		
Receipts from the sale of goods & provision of services	1,536,013,811	1,677,626,480
Other receipts from operating activities	-	-
Payments		
Payments to suppliers for goods and services	(19,073,181)	(17,239,670)
Payments to and on behalf of employees	(17,724,037)	(17,609,652)
Other payments for operating activities	(1,515,880)	(3,106,280)
Net cash receipts from (payments for) operating activities	1,497,700,713	1,639,670,878
Dividends paid	-	-
Dividends received	-	-
Interest received	459,739	18,479
Income taxes paid (refunded)	(14,207,034)	(16,304,149)
Other cash receipts (payments)	(1,541,334,818)	(1,716,138,982)
Cash flow receipts from (payments for) operating activities	(57,381,400)	(92,753,774)
Cash flow receipts from (payments for) investing activities		
Receipts from the sale of property, plant and equipment	8,656,206	1,115
Purchases of property, plant and equipment	(1,410,327)	(421,937)
Receipts from the sale of intangible assets	-	61,607
Purchases of intangible assets	(635,208)	(510,873)
Receipts from the sale of other long-term assets	-	-
Payments related to futures, forward, options and swap contracts	(3,324,794)	(3,196,917)
Dividends received	146,398	123,394
Other cash receipts (payments)	(8,034,433)	(15,141,437)
Cash flow receipts from (payments for) investing activities	(4,602,158)	(19,085,048)
Cash flow receipts from (payments for) financing activities		
Receipts for changes in the participation in subsidiaries that do not result in loss of control	315,440	-
Receipts from loans	958,989,300	1,293,990,455
Loan repayments	(874,922,873)	(1,190,069,425)
Dividends paid	(6,261,756)	(7,977,067)
Interest paid	(24,503,909)	(23,449,213)
Other cash receipts (payments)	8,457,174	47,614,675
Cash flow receipts from (payments for) financing activities	62,073,376	120,109,425
Increase (decrease) in cash & cash equivalents before exchange variance effects	89,818	8,270,603
Exchange variance effects on cash and cash equivalents	(245,562)	658,524
Net increase (decrease) in cash and cash equivalents	(155,744)	8,929,127
Cash and cash equivalents at the beginning of the period	31,785,000	22,855,873
Cash and cash equivalents at the end of the period	31,629,256	31,785,000

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements.

NOTE 1

COMPANY INFORMATION

Tanner Servicios Financieros S.A. was incorporated in Chile in 1993 as a closely-held business under the name of Biofactoring S.A. In 1999, its corporate name was changed to Factorline S.A. and in 2011 to Tanner Servicios Financieros S.A.

The Company is subject to Law 18,046 and is registered under number 777 in the Securities Registry of the Superintendent of Securities and Insurance (SVS), who regulate this industry. For taxation purposes, its tax ID No. is 96.667.550-8 in Chile.

The Company’s legal domicile is Huérfanos 863, 10th floor, Santiago de Chile and its website is www.tanner.cl.

The main purpose of the Company is the purchase, financing or factoring, with or without responsibility, of accounts receivable for any company or natural person (“factoring”). Tanner Servicios Financieros S.A. provides various kinds of loans, such as financing for the purchase of vehicles and general purposes, in addition to services offered through its subsidiaries and associates, which include Tanner Leasing S.A., Chita SpA., Tanner Corredores de Bolsa de Productos S.A., Tanner Corredora de Seguros Ltda., Tanner Leasing Vendor Ltda., and Gestora Tanner SpA together with its subsidiaries Financo S.A, Tanner Administradora de Fondos Privados S.A., Tanner Finanzas Corporativas Ltda., Tanner Asesorías e Inversiones Ltda., and Tanner Corredores de Bolsa S.A.

NOTE 2

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are described below.

Presentation Basis and Period:

The consolidated financial statements of Tanner Servicios Financieros S.A. and subsidiaries as of December 31, 2016, have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB), and standards and instructions of the Chilean Superintendency of Securities and Insurance (SVS), which have been uniformly applied throughout the periods presented.

These consolidated financial statements are presented in thousands of Chilean pesos, which is the Company’s functional currency and presentation currency.

a. Accounting period

These consolidated financial statements cover the following periods:

- Consolidated statement of financial position as of December 31, 2016 and 2015.
- Consolidated statement of comprehensive income by function, for the years ended December 31, 2016 and 2015.
- Consolidated statement of changes in equity for the years ended December 31, 2016 and 2015.
- Consolidated statement of cash flows, direct method, for the years ended December 31, 2016 and 2015.

b. Basis of preparation

I. Application

These consolidated financial statements of Tanner Servicios Financieros S.A. and subsidiaries, for the year ended December 31, 2016, have been prepared under the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The consolidated statement of financial position reflects faithfully the financial position of Tanner Servicios Financieros S.A. and subsidiaries as of December 31, 2016 and 2015, and the comprehensive operating income, changes in equity and cash flows for the years ended December 31, 2016 and 2015. These financial statements were approved by the board at extraordinary session held on February 14, 2017.

These consolidated financial statements have been prepared under the historical cost approach amended by the revaluation of specific assets and liabilities (including hedging instruments) to their fair value.

Retrospective application of the International Financial Reporting Standards (IFRS).

On October 17, 2014, the SVS issued Official Memorandum N° 856, instructing regulatory entities to record against equity those differences in deferred tax assets and liabilities arising as a direct effect of increase on the corporate tax rate introduced by Law 20,780. Such accounting treatment differs from that established by the International Accounting Standard No. 12 (IAS 12) and, consequently, it represented a change in the framework for preparation and presentation of financial information applied to that date.

Considering that the fact stated in the preceding paragraph represented a specific and temporary deviation from IFRS, from 2016 onwards and as established in paragraph 4A of IFRS 1, the Company has decided to apply said standards retrospectively (in accordance with IAS 8 “Accounting policies, changes in accounting estimates and errors”) as it had never ceased to apply those standards.

Given that the information described in the preceding paragraph does not change any of the accounts shown in the statements of financial position as of December 31, 2016, 2015 nor 2014, as described in paragraph 40 of IAS 1 “Presentation of financial statements”, the presentation of the statement of financial position as of January 1, 2015 (third column) is not necessary.

II. New accounting pronouncements issued by the IASB.

As of the date these consolidated financial statements were issued, new standards, amendments, improvements and interpretations to the standards have been issued, which have not come into force and which the Company has not adopted early or which have not been appropriately applied.

These standards and interpretations are mandatory from the following dates:

STANDARDS AND INTERPRETATIONS	Mandatory for years starting on
<i>IFRS 9 "Financial Instruments"</i> . Issued in July 2014. The IASB has published the full version of IFRS 9, which replaces application guidance on IAS 39. This final version includes requirements relating to the classification and measurement of financial assets and liabilities and a model of expected credit losses that replaces the current impairment loss model. The part relating to hedge accounting, which is part of the final version of IFRS 9 had already been published in November 2013. Early adoption is permitted.	01.01.2018
<i>IFRS 15 "Revenue from Contracts with Customers"</i> . Issued in May 2014. It establishes the principles applicable to information disclosures in financial statements in relation to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Therefore, the basic principle is that an entity recognizes the revenue arising from the transfer of goods or services committed to customers for an amount that reflects the consideration that the entity expects to receive in exchange for these goods or services. It replaces IAS 11 Construction Contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programs; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers; and SIC 31 Revenue – Barter Transactions Involving Advertising Services. Early adoption is permitted.	01.01.2018
<i>IFRS 16 "Leases"</i> . Published in January 2016. Establishes the standards to recognize, measure, present and disclose leases. IFRS 16 replaces IAS 17 and introduces a unique lessee accounting model that requires a lessee to recognize the assets and liabilities of all rental contracts with a term of over 12 months, unless the underlying asset is of low value. The aim is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents the transactions. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, and early application is permitted for entities that apply IFRS 15 or before the date that IFRS 16 is initially applied.	01.01.2019
<i>IFRIC 22 "Transactions in Foreign Currency and Advance Payments"</i> . Issued in December 2016. This Interpretation applies to a foreign currency transaction (or part of it) when an entity recognizes a non-financial asset or liability that arises from the payment or collection of an advance payment before the entity recognizes the related asset, expense or income (or part of it). The interpretation provides a guide for when a single payment / receipt is made, as well as for situations involving multiple payments / receipts. Its purpose is to reduce practical diversity.	01.01.2018

AMENDMENTS AND IMPROVEMENTS	Mandatory for years starting on
<i>Amendments to IAS 7 "Statement of Cash Flow".</i> Issued in February 2016. The amendment introduces additional disclosure that enables users of financial statements to evaluate changes in obligations from financing activities.	01.01.2017
<i>Amendment to IAS 12 "Income Tax".</i> Issued in February 2016. The amendment clarifies how to account for deferred tax assets relating to debt instruments valued at fair value.	01.01.2017
<i>Amendment to IFRS 2 "Share-based Payments".</i> Issued in June 2016. The amendment clarifies the measurement of share-based payments settled in cash and the accounting of changes to such payments when they are settled with equity instruments. Additionally, it introduces an exception to the principles of IFRS 2 that will require accounting for these awards as if they were fully settled as equity instruments, when the employer is obliged to withhold tax related to share-based payments.	01.01.2018
<i>Amendment to IFRS 15 "Revenue from Contracts with Customers".</i> Issued in April 2016. The amendment introduces clarifications to the guide that identifies performance obligations in contracts with customers, accounting for intellectual property licenses and the evaluation of principal versus agent (gross versus net income presentation). It includes new and amended illustrative examples as a guide, as well as practical examples related to the transition to the new revenue standard.	01.01.2018
<i>Amendment to IFRS 4 Insurance Contracts", with regard to applying IFRS 9 "Financial Instruments".</i> Issued in September 2016. The amendment introduces two approaches: (1) Overlay approach, which gives all companies that emit insurance contracts the option to recognize in other comprehensive income, instead of gains and losses the volatility that could arise when IFRS 9 is applied under the new insurance contracts standard; and (2) Temporary waiver of IFRS 9, that enables companies whose business is predominantly related to insurance, to optionally waive IFRS 9 until 2021, and continue applying IAS 39 until then.	01.01.2018
<i>Amendment to IAS 40 "Investment properties",</i> relating to investment property transfers. Issued in December 2016. The amendment clarifies that there must be a change in use to transfer to or from an investment property. To conclude, a change in use of a property must by supported by an evaluation and evidence to ensure that the property change complies with the definition.	01.01.2018
<i>Amendment to IFRS 1 "First-time adoption of IFRS"</i> regarding suspending short-term exceptions for first time adopters with respect to the IFRS 7, IAS 19 and IFRS 10. Issued in December 2016.	01.01.2018
<i>Amendment to IFRS 12 "Disclosures of Interests in Other Entities".</i> Issued in December 2016. The amendment clarifies the scope of this standard. The entity shall apply this amendment for annual periods beginning on or after January 1, 2017.	01.01.2018
<i>Amendment to IAS 28 "Investments in associates and joint ventures",</i> relating to measuring the associate or joint venture at fair value. Issued in December 2016.	01.01.2018

The Company’s management believes that the adoption of the above standards, amendments and interpretations will have no significant impact on the company’s consolidated financial statements. The impact of IFRS 9 and IFRS 16 is being analysed by the Company.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of Tanner Servicios Financieros S.A. and the controlled companies (its subsidiaries). As described in IFRS 10, to obtain control of a Company, the following requirements must be met:

- It can direct the investee
- It is exposed, or has rights, to variable returns from its involvement with the investee.
- It can use its power over the investee to influence its performance.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Company applies the acquisition method to account for the acquisition of a subsidiary. In general, the acquisition cost is the fair value of both the assets and equity amounts delivered and the liabilities incurred on the transaction date, plus the costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, regardless of the scope of non-controlling interests. The excess of the acquisition cost over the fair value of the Company’s share in the net identifiable assets acquired, if any, is recognized as goodwill. If the Acquisition cost is lower than the fair value of the net assets of the subsidiary acquired, if any, the difference is directly recognized in the income statement.

Transactions and significant intercompany balances originated in operations between Tanner Servicios Financieros S.A. and subsidiaries and between the latter have been eliminated in the consolidation process. Also, the non-controlling interest corresponding to the third-party ownership interest in the subsidiaries has been shown, of which the Company, directly or indirectly, is not owner. It is shown separately in the consolidated equity of Tanner Servicios Financieros S.A.

The entities in which the Company has direct and indirect interest and form part of the consolidation of the financial statements are detailed below:

Chilean ID Number	Company	Country of Origin	Currency	Ownership Interest					
				12.31.2016			12.31.2015		
				Direct	Indirect	Total	Direct	Indirect	Total
96,912,590-0	Tanner Leasing S.A.	Chile	Ch\$	99.990%	-	99.990%	99.990%	-	99.990%
77,164,280-2	Tanner Leasing Vendor Ltda.	Chile	Ch\$	99.990%	0.010%	100.000%	99.990%	0.010%	100.000%
76,313,350-8	Tanner Corredores de Bolsa de Productos S.A.	Chile	Ch\$	99.990%	0.010%	100.000%	99.990%	0.010%	100.000%
76,133,889-7	Tanner Corredora de Seguros Ltda.	Chile	Ch\$	70.000%	-	70.000%	70.000%	-	70.000%
93,966,000-3	Gestora Tanner SpA.	Chile	Ch\$	99.996%	-	99.996%	99.996%	-	99.996%
91,711,000-k	Financo S.A.	Chile	Ch\$	3.644%	94.027%	97.671%	3.644%	94.027%	97.671%
76,036,041-4	Tanner Administradora de Fondos Privados S.A.	Chile	Ch\$	-	97.673%	97.673%	-	97.673%	97.673%
76,029,825-5	Tanner Finanzas Corporativas Ltda.	Chile	Ch\$	-	97.698%	97.698%	-	97.698%	97.698%
80,962,600-8	Tanner Corredores de Bolsa S.A.	Chile	Ch\$	-	93.201%	93.201%	-	98.201%	98.201%
76,895,320-1	Tanner Asesorías e Inversiones Ltda.	Chile	Ch\$	-	97.694%	97.694%	-	97.694%	97.694%
76,596,744-9	Chita SpA.	Chile	Ch\$	77.002%	-	77.002%	-	-	-
Foreign	Interfinanco S.A. (*)	Uruguay	Ch\$	-	97.673%	97.673%	-	97.673%	97.673%

(*) Company in process of dissolution.

The companies Tanner Administradora de Fondos Privados S.A., Tanner Finanzas Corporativas Ltda., Tanner Corredores de Bolsa S.A., Tanner Asesorías e Inversiones Ltda. and Interfinanco S.A., are subsidiaries of Financo S.A. and this, in turn, is a subsidiary of Gestora Tanner SpA.

d. Investments in companies

The share of related companies over which the Company exerts a significant influence are recorded using the equity method. In general, significant influence is presumed when the Company has a share greater than 20% and lower than 50%.

This method consists of record in the books the share that an investor has over another company. The valuation of the investments in made by adjusting the carrying amount of the asset to the proportion held by the investor over the investee's equity. Should the resulting amount be negative, the investment is recorded with a value of zero. Once the investor has reduced the value of its investment to zero, it will have in mind the additional losses through the recognition of a liability, provided it has incurred legal obligations or made payments on behalf of the associate. Should the associate obtain profits subsequently, the investor will continue recognizing its share in those profits when its interest equals the respective interest in unrecognized losses.

The dividends received from these companies are recorded by reducing the value of the interest, and the income, which corresponds to the Company in conformity with its share, is recorded as "Share or profit (loss) of associates accounted for using the equity method".

The Company does not have currently investments of this kind.

e. Goodwill

Goodwill is the excess acquisition cost over the fair value of the Company's share of the net identifiable assets at the acquired subsidiary/ associate on the acquisition date. Goodwill separately recognized is tested for impairment annually and is valued at cost less accumulated impairment losses.

Gains and losses from the sale of an entity includes the book value of goodwill that relates to the entity sold.

Goodwill is assigned to cash-generating units, when testing for impairment. It will be distributed across those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination that created the goodwill.

Goodwill from the acquisition of an investment or business combination is taken directly to the consolidated statement of comprehensive income.

Goodwill as of December 31, 2016 and 2015 is detailed in Note 17 of these consolidated financial statements.

f. Estimates and judgments

The preparation of the 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. Basically the estimates depend on the best information available, and refer to:

- Impairment losses on specific assets (Note 8)
- The fair value of financial assets and liabilities (Note 8 and Note 10)
- Provision for credit risk (Note 10)
- The useful lives of fixed and intangible assets. (Note 14 and Note 16)
- Income tax and deferred taxes, the latter being based on estimate (Note 15)
- The valuation of goodwill (Note 17)
- Provisions (Note 21)
- Contingencies and restrictions (Note 26)

During the year ended December 31, 2016 there have been no significant changes in the estimates made at the end of 2015, other than those indicated in these consolidated financial statements.

g. Currency translation

Assets and liabilities in US dollars, euros, Swiss francs and in UF have been translated into Chilean pesos at the exchange rates on these financial statements were closed, as detailed below:

DETAIL	12.31.2016 Ch\$	12.31.2015 Ch\$
US dollar (observed rate)	669.47	710.16
Euro	705.60	774.61
Swiss Franc	657.83	717.19
Unidad de Fomento	26,347.98	25,629.09

h. Functional and presentation currency and hyperinflationary conditions

The transactions included in the financial statements of Tanner Servicios Financieros S.A. and subsidiaries are valued using the currency of the primary financial environment in which the Company operates, which is its functional currency.

The functional currency of the Company and all its subsidiaries, according to International Accounting Standard 21 (IAS 21) is the Chilean peso. This was not a hyperinflationary currency during the reporting period, according to International Accounting Standard 29 (IAS 29).

i. Property, plant and equipment

Acquired fixed assets are used in the Company’s business, and are initially recognized at cost. Subsequent measurement is in accordance with IAS 16 using their cost less accumulated depreciation and any accumulated impairment losses, if any. The remaining fixed assets are initially and subsequently valued at their historical cost less depreciation and impairment losses. Depreciation is applied in a straight line over the useful life of that asset category.

DETAIL	Useful life or depreciation rate (in years)	
	Minimum	Maximum
Buildings	38	38
Technological equipment	1	7
Leased goods	1	31
Other fixed assets	1	7

I. Valuation and revaluation

The fixed assets included in properties, plant and equipment are recognized at their original cost less depreciation and accumulated impairment losses, if any.

The initial cost of property, plant and equipment includes the expenses directly attributable to their acquisition.

The cost of any subsequent components are added to the initial value of the asset or are recognized as a separate assets, only when it is probable that future financial benefits arising from these components will flow to the Company, and the cost of those components can be reliably determined. The value of removed components is expensed for accounting purposes. Repairs and maintenance of fixed assets are expensed when they occur.

II. Impairment losses of non-financial assets

Non-financial assets subject to amortization are tested for impairment whenever any event or change in circumstances indicate that the book value may not be recoverable.

An impairment loss is recognized for the excess of the carrying amount over its recoverable amount.

An impairment loss in relation to goodwill is not reversed. Impairment losses recognized in prior years are evaluated on each date o presentation seeking any evidence that the loss has been reduced or disappeared. An impairment loss is reversed if a change has occurred in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss has been recognized.

The recoverable amount is the higher of the fair value of an assets less costs to sell and their value in use.

For the purpose of evaluating impairment losses, non-financial assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

j. Depreciation method

The depreciation of fixed assets shall be calculated using the straight line method. The residual value and the remaining useful lives of fixed assets are reviewed, and adjusted if necessary, at each financial close. When the value of a fixed asset is greater than its estimated recoverable amount, its value is reduced immediately to its recoverable amount and expensed, unless it can be offset against a previous positive revaluation, in which case it is taken to equity.

Gains and losses on the sale of fixed assets are calculated by comparing the proceeds to the book value and are taken to the net income statement.

k. Intangible assets

Any software development or maintenance costs are expensed when they are incurred.

Costs directly associated with the unique and identifiable acquisition of software programs controlled by the Company that are likely to generate financial benefits that exceed their costs for more than a year, are recognized as intangible assets.

The cost of software acquisitions recognized as intangible assets are amortized over a period of 3 years.

I. Financial assets and liabilities

The Company classifies its financial assets into categories depending on the purpose for which they were acquired, which is determined at the time of initial recognition:

I. Instrument held for trading (at fair value through profit or loss).

Financial assets acquired principally for the purpose of benefiting in the short term from the changes in their prices. This category includes the portfolio of held-for-trading financial instruments and derivatives contracts not considered to be hedging.

II. Available-for-sale investment instruments.

Securities representative of debt not classified as “investment held to maturity”, “credit investments” or “held for trading”. Available-for-sale investment instruments are recognized at fair value according to market prices or valuations obtained from the use of internal models, as appropriate. Unrealized profits or losses arising from the change in the fair value are credited or debited against “Financial assets at fair value” within Other comprehensive income in equity. When these investments area disposed of or impaired, the amount of the adjustments at fair value accumulated in Other comprehensive income is taken to the Consolidated statement of income.

III. Held-to-maturity investment instruments.

Securities representative of debt which are traded in an active market, which have an accurate maturity date and give place to payments on both fixed or pre-determinable date and amounts and over which there is an intention and proven ability of hold them to maturity. Held-to-maturity investments are recorded at cost plus accrued interests and adjustments, less the impairment provisions when the amount recorded is higher than the present value of the estimated future cash flows.

IV. Credit investments (loans and receivables from customers).

They correspond to the financing granted to third parties, according to its nature, regardless of the borrower's nature and the form of financing granted. It includes loans, receivables from customers, bank deposits and even the lease operations in which Tanner acts as lessor.

Impairment of financial assets

A financial assets is assessed on each reporting period to determine whether there is objective evidence of impairment. A financial asset is impaired if there is objective evidence that one or more events have had a negative future effect.

An impairment loss in relation to a financial assets recorded at amortized costs is calculated as the difference between the carrying amount of the asset ant the current value of the estimated cash flows discounted at the effective interest rate.

An impairment loss in relation to an available-for-sale financial assets is calculated by reference to its fair value.

Every impairment loss is recognized in the income statement. Any accumulated loss in relation to an available-for-sale-financial asset previously recognized in equity is taken to the income statement.

The reversal of an impairment loss occurs only if it can be objectively related to an event occurred after it was recognized. In the case of financial assets recorded at amortized cost and for those available-for-sale that are sales securities, the reversal is recognized in the income statement.

For purposes of presentation, the Company classifies its financial liabilities under the following categories:

- **Other current financial liabilities:** This item includes the short-term portion of the Company's financial liabilities, which comprise the national and international loans, corporate bonds and negotiable instruments. They are all recorded at amortized costs and the effective interest rate is applied.
- **Other non-current financial liabilities:** This item includes the long-term portion of the Company's financial obligations, which comprise the national and international loans, corporate bond and commercial paper issuance. They are all recorded at amortized costs and the effective interest rate is applied.
- **Trade and other current payables:** This item includes the payables relating to the factoring business, such as miscellaneous creditors, refundable surpluses, customer advances, among others. These liabilities are initially recognized at fair value and then are presented at amortized cost using the effective interest rate method.
- **Other financial liabilities:** This item includes other short-term provisions, current tax liabilities and deferred tax liabilities.

m. Derivative contracts

Derivative contracts are initially recognized at fair value on the date they are agreed by the Company and subsequently they are recognized at fair value. The recognition of the resulting gain or loss depends on whether it is a hedging instrument and, if so, the nature of the underlying item.

At the beginning of the transaction, the Company will document the relationship between hedge instruments and hedged items, and their risk management objectives and the strategy to manage several hedging transactions. The Company also documents its assessment at the outset and on a continual basis of whether the derivatives used in hedge transactions are highly effective in offsetting the changes in fair value or cash flows of hedged items.

The fair value of a hedging instrument is classified as a non-current asset or liability if the hedged item matures over 12 months later, and as a current asset or liability if the hedged item matures in less than 12 months. The un-realized result is recognized in the period that the contracts mature or fail to fulfill the purpose for which they were agreed. The Company values and records these financial instruments according to IAS 39.

Derivative contracts can be offset, that is, they can be presented in the consolidated statement of financial position at their net amount, only when the dependent entities have both the right, legally enforceable to offset the recognized amounts in the mentioned instruments, and an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

The Company designates certain derivatives such as:

1. Fair value hedges.
2. Cash flow hedges.

I. Fair value hedges

Changes in the fair value of derivatives that are designated as fair value hedges are recorded in the net income statement, along with any change in the fair value of the hedged item attributable to the hedged risk. At the closing date of these consolidated financial statements, the Company does not have this kind of hedging instruments.

II. Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated as cash flow hedges are recognized in equity through the other comprehensive income statement. The gain or loss on the ineffective portion is recognized immediately in the net income statement as "Other net gains/(losses)". The accumulated amounts in net equity are reclassified to the net income statement in the periods in which the hedged item affects net income, for example, when the hedged forecast sale takes place or the hedged cash flow takes place. However, when the hedged forecast transaction results in the recognition of a non-financial asset, the gains or losses previously recognized in equity are transferred to the initial cost of the asset.

When a hedging instrument expires, is sold, or fails to comply with the criteria to be recognized through hedge accounting, any accumulated gain or loss in equity at that date remains in equity and is recognized when the forecast transaction affects the income statement.

When the forecast transaction is no longer expected to occur, the cumulative gain or loss in equity is immediately transferred to the net income statement as "Other net gains (losses)".

At the close of these consolidated financial statements the Company holds swap contracts totaling the total nominal amount of ThCh\$ 6,099,141 maturing in March 2018.

This amount is recorded in the item "Other financial assets, non-current" (Note 8b).

n. Income tax and deferred taxes

The income tax expense of the year or period includes the current income tax and the deferred tax. The tax is recognized in the consolidated statement of income by function, except for the case of items directly recorded in equity, in the consolidated statement of comprehensive income or arising from a business combination. The charge from current income tax is calculated based on the tax laws in force as of the date of the consolidated financial statements. Deferred taxes are calculated according to the balance method, over the differences arising from the tax bases of assets and liabilities, and their carrying amounts in the consolidated financial statements. However, deferred taxes arising from the initial recognition of an asset or liability in a transaction other than a business combination that does not affect the accounting result or the tax base at the time of recognition are not recognized. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted as of the closing date of the consolidated financial statements and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized to the extent that future tax profits are expected to arise against which to offset temporary differences.

o. Provisions

Provisions are recognized when the Company has (a) a current legal or constructive obligation, as a result of past events; (b) it is likely that a payment shall be required to settle the obligation, and (c) the amount has been estimated reliably. Provision for administrative expenses is recognized on an accrual basis, provision of bonuses payable to employees is determined at December 31 each year on an accrual basis based on variables selected by Management, eg. budget compliance, performance evaluation, etc., which are regularly analyzed.

p. Dividends

The distribution of dividends to shareholders is recognized as a liability at the close of each year in the consolidated financial statements. The dividend policy is to distribute at least 30% of net income as a minimum dividend, in accordance with Law No. 18,046. This shall be the final dividend to be distributed for each period, and approved at an Ordinary Shareholders' Meeting.

q. Revenue recognition

Revenue is recognized when the gross income of economic benefits arising from the Company's main activities takes place, on accrual basis.

The factoring operations are valued for the Company's disbursed amounts in exchange for the invoices or other loan securities that the assignor assigns to the Company. Revenue is recognized on accrual basis and comprises: the price differences between the disbursed amounts and the actual value of loans, which are amortized on a straight-line basis over the period between the document's assignment date by the assignor and its maturity date; the price differences as a result of longer maturities; the indexation adjustments; and collection fees.

Revenue from loans comprises: interest at the effective rate which is recognized on accrual basis according to the development table for each transaction; indexation adjustments; and fees, which are recognized when earned.

The effective interest rate method is used for automotive financing, and revenue corresponds to the interest accrued on such transactions according to the development table of each transaction and are recognized in the income statement on accrual basis.

Revenue for the subsidiaries Tanner Leasing S.A. and Tanner Leasing Vendor Ltda., comprises indexation adjustments and interest at effective rates on leasing transactions. This revenue is recognized on accrual basis during the term of each contract.

The subsidiary Chita SpA generates factoring (e-factoring) transactions and its revenue is recognized on an accrual basis. It consists of: the price differences between the amounts paid and the real value of the loans which are amortized in a linear manner over the period between the document assignment date and its maturity date, for the price differences by maturity term, for indexation and for collection commissions.

Revenue for the subsidiary Tanner Corredores de Bolsa de Productos S.A. is composed of fees on brokering transactions, which are recognized on an accrual basis once the service has been provided.

Revenue for the subsidiary Tanner Corredora de Seguros Ltda. is composed of fees on advice provided to their customers and production incentives, which are charged directly to insurance companies. These fees are recognized on an accrual basis and oart of then is deferred on a straight-line basis within the prevailing term of the policies. Production incentives are bi-annual or annual and are recorded at the end of such periods.

Revenue for the indirect subsidiary Tanner Corredores de Bolsa S.A. is composed of the fair value of consideration receivable for ordinary brokerage services provided, and are recorded when the amount is reliably known and it is likely that future financial benefits will flow to the subsidiary. The subsidiary's management recognizes as revenue for the period brokerage fees, financial consultancy and other operating revenue, on an accrual basis.

Revenue for treasury mainly comprises the indexation adjustments and exchange differences of products, as well as revenue from investment instruments, chiefly fixed-income instrument, which are classified in three categories, 1) Instruments held for trading, whose variations in the market value of each instruments has a direct impact on income, ii) Available-for-sale instruments, which are accrued at purchase rate in the income statement, the instruments valuation is performed together with that, and their differences are reflected in equity and iii) Instruments held to maturity, which are accrued at purchase rate, with a direct impact on income. No market valuation of these instruments is made.

Revenue from collection expenses, interests and indexation adjustments on overdues is recognized in the income statement when received.

r. Leases

Leases are classified as finance leases when the lease terms transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

I. The Company as lessor

Amounts due from lessees under finance leases are recognized as amounts receivable on the net investment of the Group with respect to leases. Finance lease revenue is distributed across accounting periods in order to reflect a constant rate of return on the net investment of the Group with respect to leases.

Operating lease revenue is recognized using the straight-line method over the corresponding lease period. Initial direct costs incurred to negotiate and agree on an operating lease are added to the book value of the leased asset and recognized using the straight-line depreciation method over the term of the lease.

The lease contracts are detailed in Note 10 (d), and the related revenue is detailed in Note 28 (a).

II. The Company as lessee

Assets held under finance leases are initially recognized as Group assets at their fair value at the date the lease begins, or if this is lower, the net present value of 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 distributed between financial expenses and the reduction of finance lease obligations, in order to achieve a constant interest rate on the remaining liability. Financial costs are immediately expensed, unless they can be directly attributable to assets, in which case they are capitalized in accordance with general Group policy on financial costs for loans. Contingent lease payments are recognized as an expense in the periods in which they are incurred.

Operating lease payments are recognized as an expense using the straight-line method over the lease term, except when another systematic basis is more representative of the pattern of financial benefits arising from the leased asset. Contingent lease payments on operating leases are recognized as an expense in the periods in which they are incurred.

Incentives received under operating leases are recognized as liabilities. The incentive benefit is recognized by reducing the leasing expense on a straight line basis, except when another systematic basis is more representative of the timing of financial benefits arising from the leased asset. Opening minimun future lease payments and revenue are detailed in Note 10(d).

s. Environment

Expenditure relating to the environment is expensed as it occurs. Due to the nature of the corporate purpose of the Parent Company and its subsidiaries, such expenditure does not represent a significant item.

t. Segment Information

Operating segments are defined as those company components for which separate financial information is available and continuously evaluated by the Board, who uses it to allocate resources and evaluate performance. The Company operates with five segments: factoring, loans, automotive financing, leasing and treasury, in addition to one service unit represented by the subsidiaries.

NOTE 3

ACCOUNTING CHANGES

During the year ended December 31, 2016, there have been no significant accounting changes in comparison to the previous year, which affect the presentation of the consolidated financial statements.

NOTE 4

RISK MANAGEMENT

Risk management relies on the expertise, the business knowledge and the experience of the Company’s teams. It has dedicated professionals to measure and control each type of risk. The policy is to maintain an integrated vision of risk management based on a risk-return measurement for all products. This vision includes the Company and its subsidiaries.

a. Risk management structure

Company risk management is found at various organizational levels, with a structure that recognizes the importance and the variety of risk. The levels currently are:

I. Board

The Board of Tanner Servicios Financieros S.A. is responsible for approving policies and establishing the structure to correctly manage the various risks facing the organization. Its members participate in various committees and are constantly informed of risk developments and their main measurement metrics.

Risk management policies have been established with the aim of identifying and analyzing the risks faced by the Company, and setting limits and controls to monitor compliance. These policies and risk-management systems are regularly reviewed based on background information, the perception of Chile’s economic situation and internal Company analysis.

II. Financial Risk Committee

This committee is composed of all directors, plus the CEO and they are responsible for setting and supervising the compliance with finance risk policies, related to market and liquidity risk, under the guidelines established by the Board of Directors and the regulatory requirements of the Superintendency of Securities and Insurance.

III. Credit Committee

The Company has a governing structure defined by lending decisions, in such a way that any proposal must be approved by a Committee with sufficient authority. The highest authority rests with the Director’s Credit Committee that approves the main lines of credit for the Company’s customers.

IV. Compliance Committee

The Compliance Committee defines policies and procedures on matters relating to the prevention of money laundering and financing terrorism. Additionally, it investigates and actions the cases reported by the Compliance Officer.

The Company's Prevention of Money Laundering and Financing Terrorism Manual contains the relevant policies and procedures and serves two purposes:

1. To comply with the laws and regulations that govern this material and
2. To provide employees at all levels with policies, procedures and information to correctly manage the business. It will mitigate the risk associated with funds from illicit activities being transformed into legal funds, through Tanner S.A. or in all its subsidiaries.

V. Audit Committee

The Audit Committee is composed of three directors, the CEO, the lawyer and the comptroller of the Company, who report directly to the Board of Directors of the parent company and report the effectiveness and reliability of internal control systems and procedures within Group companies. It analyzes the results of audits and reviews performed by internal and external auditors. It examines and approves the audited quarterly and annual Financial Statements, which include those audited by the external audit company. It ensures that Company policies cover the laws, regulations, and internal standards that the Company must fulfill. It verifies compliance with the annual internal audit program.

VI. Operational Risk Committee

The Operational Risk Committee is composed of the Technology and Operations Management, Risk Management, the lawyer, security officer, and the leadership of operational risk. The Operational Risk Committee aims to prioritize and provide the necessary resources to mitigate major operational risks, to ensure that its management model is correctly applied, to establish tolerance limits and risk aversion limits, and to ensure that the programs, policies and procedures relating to Information Security, Business Continuity and Operational Risk are correctly applied.

The Tanner stockbroking business operates very sophisticated products, so has established a Comprehensive Risk Management Committee which meets on their premises.

At Committee meetings, the Operational Risk Manager reports the main risk events detected during the period and the measures designed to mitigate their impact, together with the final outcome regarding previous events.

VII. Information Protection Committee

The Information Security Committee is composed by the same management and leaderships of the Operational Risk Committee and it aims to provide high-level supervision to those risks that may affect the information resources. For this purpose, strategies and control mechanisms are developed, which allow to ensure confidentiality, completeness, availability, legality and reliability. It also aims to promote diffusion and support to the information security through communications sent to all the organization and under the Information Security Policy in force.

VIII. Product Committee

The product committee is composed by CEO, lawyer, Planning and Management Control Manager, Risk Manager, Operations and Technology Manager. They will determine the feasibility of the incorporation of a new product and/or modification of an existing product (given that it present significant changes), which are presented by Commercial Management. This committee is informed of the new products, also assessing the commercial and economic feasibility, legal aspects, regulations (accounting – tax), which, if approved, will ensure compliance with policies and procedures that best allow to mitigate the main operational risk events.

b. The Company's principal risk exposures

I. Credit risk

Credit risk is the probability of financial loss to the Company when a customer or counterparty in a financial instrument does not comply with its contractual obligations. This risk is inherent to the Company's business activity.

This risk is managed by lines of business or products, through specific credit policies and according to the previous analysis to the expected income of customers, financial information available and their payment history, along with other commercial background, if any. The expectations within the current macroeconomic environment and the expectations of the sector in which both the customer (as a general case) and the debtor operate, in the case of factoring, are also considered.

Another important and complementary aspect in the evaluation of the credit risk is the quality and amount of guarantees required. In this regard, one of the Company's policies is to have solid guarantees that constitute a second payment source of the customers' obligations, in case of eventual non-payment.

In the case of factoring, the main lines are responsibility of the assignor in dealing with the insolvency of the debt assignee. There is a framework agreements for each customer signed by public deed, which supports the subsequent operations. Those operations without responsibility are covered a credit insurance and/or specific guarantees.

In some cases loans to companies require mortgages and / or pledges over shares. However, there is the possibility of defining a guarantor for the loan, which is generally one of the company's shareholders.

Leasing transactions are guaranteed by the leased asset. For these assets, insurance policies are required to cover any damage that may cause impairment.

Automobile loans are guaranteed by assets relating to the financing, and a credit analysis of the customer's profile. There are two types of guarantees for such case: securities on real estate (pledge of vehicles) and on personal property (surety bonds and joint and several guarantees)

In addition, the Company monitors credit quality, aiming to achieve an early identification of possible changes in the payment capacity of the counterparties, and recover those loans in arrears or overdue loans. This enables the Company to assess the potential loss from these risks and take corrective action.

The size of provisions and the cost of portfolios are basic measures that indicate the credit quality of our portfolio.

1. Loan portfolios, provisions and risk indices :

Loan portfolios, provisions and risk indices as of December 31, 2016 and 2015 are shown below:

ACCOUNTS RECEIVABLE	12.31.2016			
	Gross Portfolio ThCh\$	Provisions ThCh\$	Net portfolio ThCh\$	Risk Index
Factoring	237,442,731	(7,067,824)	230,374,907	2.98%
Loans	193,126,132	(2,286,550)	190,839,582	1.18%
Automotive finance	252,116,666	(9,815,176)	242,301,490	3.89%
Leasing contracts	117,340,086	(4,197,331)	113,142,755	3.58%
Sundry debtors	24,162,077	-	24,162,077	-
Total	824,187,692	(23,366,881)	800,820,811	2.84%

ACCOUNTS RECEIVABLE	12.31.2015			
	Gross Portfolio ThCh\$	Provisions ThCh\$	Net portfolio ThCh\$	Risk Index
Factoring	204,419,983	(11,608,437)	192,811,546	5.68%
Loans	251,886,801	(2,050,992)	249,835,809	0.81%
Automotive finance	223,893,599	(9,348,809)	214,544,790	4.18%
Leasing contracts	115,736,988	(4,976,873)	110,760,115	4.30%
Sundry Debtors	24,404,526	-	24,404,526	-
Total	820,341,897	(27,985,111)	792,356,786	3.41%

The credit risk at indirect subsidiary Tanner Corredores de Bolsa S.A. consists in the counterparty of a contract failing to comply with its contractual obligations, causing a financial loss. In order to control this risk, the Company applies collection procedures that allow to control terms and amounts for each customer. To reduce the effects of the credit risk, the subsidiary applies a number of internal risk policies which vary according to the type of customer and the product.

2. Risk concentration by economic sector

The breakdown of product portfolios by economic sector, and by debtor for automotive loans, are presented below, showing the credit risk concentrations as of December 31, 2016 and 2015:

FACTORING	12.31.2016	12.31.2015
Economic activity sector	%	%
Roads and construction	18.68%	13.86%
Wholesale trade	17.36%	11.28%
Services	15.30%	13.04%
Non-metallic manufacturing industry	14.64%	16.60%
Agriculture, forestry, fisheries, agricultural production	13.26%	27.38%
Retail trade	9.19%	8.50%
Transport, storage and communications	4.44%	2.58%
Metallic manufacturing industry	3.43%	3.26%
Financial, insurance, real estate companies	2.84%	2.50%
Mining and quarrying	0.73%	0.95%
Electricity, water and gas	0.13%	0.05%
Others	0.00%	0.00%
Total	100%	100%

LOANS	12.31.2016	12.31.2015
Economic activity sector	%	%
Financial, insurance, real estate companies	51.61%	58.24%
Services	12.12%	10.22%
Wholesale trade	7.73%	4.86%
Non-metallic manufacturing industry	7.40%	6.56%
Agriculture, forestry, fisheries, agricultural production	6.99%	8.12%
Roads and construction	5.60%	4.31%
Retail trade	4.35%	4.68%
Transport, storage and communications	2.28%	1.16%
Metallic manufacturing industry	1.74%	1.51%
Mining and quarrying	0.16%	0.28%
Electricity, water and gas	0.02%	0.06%
Others	0.00%	0.00%
Total	100%	100%

LEASING	12.31.2016	12.31.2015
Economic activity sector	%	%
Transport, storage and communications	29.81%	27.43%
Financial, insurance, real estate companies	22.42%	19.17%
Roads and construction	13.18%	13.78%
Wholesale trade	11.36%	13.05%
Services	6.59%	8.56%
Agriculture, forestry, fisheries, agricultural production	4.75%	6.84%
Metallic manufacturing industry	2.72%	4.81%
Retail trade	6.86%	2.39%
Mining and quarrying	1.00%	1.43%
Non-metallic manufacturing industry	1.05%	1.34%
Electricity, water and gas	0.19%	0.92%
Others	0.07%	0.28%
Total	100%	100%

AUTOMOTIVE	12.31.2016	12.31.2015
Economic activity sector	%	%
Legal entities	7.67%	8.99%
Individuals	92.33%	91.01%
Total	100%	100%

3. Risk concentration by geographic zone

The product portfolio by geographic zone, showing the credit risk concentrations as of December 31, 2016 and 2015 are as follows:

FACTORING	12.31.2016	12.31.2015
Region	%	%
Metropolitan Region	64.19%	72.93%
Biobío Region	7.27%	7.26%
Los Lagos Region	5.95%	5.34%
Valparaíso Region	4.15%	3.33%
Maule Region	3.60%	2.17%
Liberator General Bernardo O'Higgins Region	3.17%	1.83%
La Araucanía Region	2.33%	1.38%
Tarapacá Region	2.11%	0.53%
Antofagasta Region	2.05%	0.62%
Coquimbo Region	1.86%	0.82%
Magallanes Region and the Chilean Antarctic	1.14%	2.04%
Los Ríos Region	1.06%	0.84%
Atacama Region	0.64%	0.38%
Arica and Parinacota Region	0.48%	0.53%
Aysén Region	0.00%	0.00%
Total	100%	100%

LOANS	12.31.2016	12.31.2015
Region	%	%
Metropolitan Region	79.23%	86.14%
Biobío Region	10.08%	8.85%
Tarapacá Region	3.96%	0.52%
Valparaíso Region	1.49%	0.99%
Maule Region	0.87%	0.68%
Antofagasta Region	0.87%	0.40%
Arica and Parinacota Region	0.68%	0.42%
Los Ríos Region	0.56%	0.19%
Coquimbo Region	0.52%	0.53%
La Araucanía Region	0.47%	0.58%
Los Lagos Region	0.40%	0.22%
Liberator General Bernardo O'Higgins Region	0.39%	0.18%
Atacama Region	0.37%	0.21%
Magallanes Region and the Chilean Antarctic	0.11%	0.09%
Aysén Region	0.00%	0.00%
Total	100%	100%

LEASING	12.31.2016	12.31.2015
Region	%	%
Metropolitan Region	91.69%	88.32%
Biobío Region	4.85%	4.31%
Valparaíso Region	2.30%	3.85%
La Araucanía Region	0.23%	0.66%
Los Ríos Region	0.20%	0.29%
Maule Region	0.20%	0.38%
Tarapacá Region	0.14%	0.29%
Los Lagos Region	0.11%	0.46%
Arica and Parinacota Region	0.11%	0.12%
Antofagasta Region	0.10%	0.50%
Liberator General Bernardo O'Higgins Region	0.06%	0.21%
Atacama Region	0.01%	0.05%
Magallanes Region and the Chilean Antarctic	0.00%	0.18%
Coquimbo Region	0.00%	0.38%
Aysén Region	0.00%	0.00%
Total	100%	100%

AUTOMOTIVE	12.31.2016	12.31.2015
Region	%	%
Metropolitan Region	48.40%	47.81%
Valparaíso Region	8.36%	8.26%
Biobío Region	8.19%	8.01%
Antofagasta Region	5.87%	6.47%
Coquimbo Region	5.51%	6.09%
Los Lagos Region	4.46%	4.33%
La Araucanía Region	3.75%	3.19%
Liberator General Bernardo O'Higgins Region	3.66%	3.27%
Atacama Region	3.42%	4.01%
Maule Region	2.62%	2.51%
Magallanes Region and the Chilean Antarctic	1.78%	1.94%
Los Ríos Region	1.74%	1.71%
Tarapacá Region	1.19%	1.40%
Aysén Region	0.59%	0.54%
Arica and Parinacota Region	0.46%	0.46%
Total	100%	100%

4. Credit quality by asset category

The Company determines the credit quality of its financial assets, and consequently the provision level and corresponding write-offs, by using the delinquency criterion for its products, except for automobile loans, which delivers a default likelihood for each credit considering the payment history of the credits grated by the Company. This likelihood allows to determine the loss expected for each credit and therefore the value to be provisioned.

5. Renegotiations

The delinquent loans that are presented as renegotiated in the balance sheet, are those in which the corresponding financial commitments have been restructured and where Company assessed the likelihood of recovery from these loans as sufficiently high. In case of customer insolvency, the return of the asset can also be selected, where applicable.

For the case of renegotiations provisions, they are calculated based on the delinquency matrix of each product, considering the changes in the new credit condition, except for the case of automotive products in which the renegotiation condition includes an additional weighing in the risk factor determination model.

Renegotiations are unusual for factoring transactions, because they provide liquidity on the basis of customer's receivables. Unlike automotive financing and leasing, which are in essence lending transactions. When renegotiations occur, these are approved by Risk Manager and partial debt payment is required and further guarantees.

Customers with automotive loan installments overdue can renegotiate them. Any renegotiation must comply with the following conditions: (a) the customer must have paid at least 25% of the installments, (b) the customer must pay an amount depending on the loan progress in the operation, and (c) the customer must prove that he is still employed. Automotive loans can only be renegotiated once.

The following table shows the book value of loans by business and the percentage of the total portfolio, whose terms have been renegotiated:

DETAIL	12.31.2016				
	Total portfolio ThCh\$	Renegotiated ThCh\$	Provision ThCh\$	Renegotiated by product %	Renegotiated by total portfolio %
Factoring	237,442,731	2,418,002	(7,067,824)	1.02%	0.29%
Loans	193,126,132	7,422,265	(2,286,550)	3.84%	0.90%
Automotive finance	252,116,666	4,791,162	(9,815,176)	1.90%	0.58%
Leasing	117,340,086	10,106,308	(4,197,331)	8.61%	1.23%
Sundry debtors	24,162,077	-	-	-	-
Total assets / renegotiated assets	824,187,692	24,737,737	(23,366,881)	-	3.00%

DETAIL	12.31.2015				
	Total portfolio ThCh\$	Renegotiated ThCh\$	Provision ThCh\$	Renegotiated by product %	Renegotiated by total portfolio %
Factoring	204,419,983	3,004,665	(11,608,437)	1.47%	0.37%
Loans	251,886,801	6,469,660	(2,050,992)	2.57%	0.79%
Automotive finance	223,893,599	6,225,885	(9,348,809)	2.78%	0.76%
Leasing	115,736,988	6,803,198	(4,976,873)	5.88%	0.83%
Sundry debtors	24,404,526	-	-	-	-
Total assets / renegotiated assets	820,341,897	22,503,408	(27,985,111)	-	2.74%

II. Financial Risks

1. Liquidity risk

This is defined as the inability of the Company to meet its payment obligations as they fall due, without incurring large losses or being prevented from providing normal loan transactions to its customers. It arises from a cash flow mismatch, where cash flow payments fall due before the receipt of cash flow due on investments or loans. Another source of non-compliance is when customers fail to pay their commitments as they fall due.

The major sources of funding for Tanner Servicios Financieros S.A. are national and international bonds that have a defined payment schedule, unguaranteed mainly short-term and regularly renewed banking credit lines, and negotiable instruments.

The Company manages cash flow on a daily basis, and thereby monitors liquidity risk. This cash-flow projection requires simulating all the maturities of assets and liabilities, to anticipate cash requirements. The Assets and Liabilities Committee reviews these projections, and agrees action plans based on Company projections and market conditions.

The Company manages liquidity risk at a consolidated level, as its main source of funds come from its operational activities. The Company has consolidated available cash amounting to MCh\$ 31,629 as of December 31, 2016 (MCh\$ 31,785 as of December 31, 2015).

Indirect subsidiary Tanner Corredores de Bolsa S.A. is subject to regulatory liquidity ratios called: general liquidity ratio and brokerage liquidity ratio. In line with the requirements of SVS, the subsidiary has complied permanently with the mentioned indicators.

As of December 31, 2016 and 2015, the maturity structure by contractual term is shown below:

Due dates at book value

RANGE	12.31.2016		12.31.2015	
	MCh\$	% Capital	MCh\$	% Capital
Band 1: 1 to 7 days	67,070	26.72%	52,108	21.95%
Band 2: 7 to 15 days	23,227	9.25%	15,202	6.40%
Band 3: 15 to 30 days	38,907	15.50%	39,216	16.52%
Band 4: 30 to 90 days	147,345	58.71%	45,938	19.35%
Band 4: 90 to 365 days	151,966	60.55%	77,534	32.66%

BANDS AS OF 12.31.2016	Band 1 MCh\$	Band 2 MCh\$	Band 3 MCh\$	Band 4 MCh\$	Band 5 MCh\$
Assets	89,076	46,169	83,298	163,713	236,806
Available funds	31,629	-	-	-	-
Placements	33,049	31,613	82,392	163,023	232,879
Other current financial assets	24,398	14,556	906	690	3,927
BANDS AS OF 12.31.2016	Band 1 MCh\$	Band 2 MCh\$	Band 3 MCh\$	Band 4 MCh\$	Band 5 MCh\$
Liabilities	22,006	22,942	44,391	16,368	84,840
Obligations with banks and financial institutions	22,006	19,945	19,556	-	20,417
Obligations with the public (negotiable instruments)	-	2,997	5,986	13,098	16,850
Obligations with the public (bonds)	-	-	-	3,270	47,573
Other financial obligations	-	-	18,849	-	-
Bands	67,070	23,227	38,907	147,345	151,966
% of Equity	26.72%	9.25%	15.50%	58.71%	60.55%

BANDS AS OF 12.31.2015	Band 1 MCh\$	Band 2 MCh\$	Band 3 MCh\$	Band 4 MCh\$	Band 5 MCh\$
Assets	79,482	37,855	57,546	165,527	170,866
Available funds	31,785	-	-	-	-
Placements	36,199	35,832	52,184	162,741	163,392
Other current financial assets	11,498	2,023	5,362	2,786	7,474
BANDS AS OF 12.31.2015	Band 1 MCh\$	Band 2 MCh\$	Band 3 MCh\$	Band 4 MCh\$	Band 5 MCh\$
Liabilities	27,374	22,653	18,330	119,589	93,333
Obligations with banks and financial institutions	22,376	17,660	13,145	102,408	14,377
Obligations with the public (negotiable instruments)	4,998	4,993	5,185	14,039	20,603
Obligations with the public (bonds)	-	-	-	3,142	30,810
Other financial obligations	-	-	-	-	27,543
Bands	52,108	15,202	39,216	45,938	77,533
% of Capital	22.0%	6.4%	16.5%	19.4%	32.7%

Due dates at undiscounted values

RANGE	12.31.2016		12.31.2015	
	MCh\$	% Capital	MCh\$	% Capital
Band 1: 1 to 7 days	67,046	34.34%	51,884	26.58%
Band 2: 7 to 15 days	23,200	11.88%	15,012	7.69%
Band 3: 15 to 30 days	38,836	19.89%	39,049	20.00%
Band 4: 30 to 90 days	145,130	74.34%	45,083	23.09%
Band 4: 90 to 365 days	136,772	70.06%	70,366	36.04%

BANDS AS OF 12.31.2016	Band 1 MCh\$	Band 2 MCh\$	Band 3 MCh\$	Band 4 MCh\$	Band 5 MCh\$
Assets	89,076	46,169	83,298	163,713	236,806
Available funds	31,629	-	-	-	-
Placements	33,049	31,613	82,392	163,023	232,879
Other current financial assets	24,398	14,556	906	690	3,927

BANDS AS OF 12.31.2016	Band 1 MCh\$	Band 2 MCh\$	Band 3 MCh\$	Band 4 MCh\$	Band 5 MCh\$
Liabilities	22,030	22,969	44,462	18,583	100,034
Obligations with banks and financial institutions	22,030	19,969	19,613	-	22,804
Obligations with the public (negotiable instruments)	-	3,000	6,000	13,180	18,999
Obligations with the public (bonds)	-	-	-	5,403	58,231
Other financial obligations	-	-	18,849	-	-

Bands	67,046	23,200	38,836	145,130	136,772
% of Capital	34.34%	11.88%	19.89%	74.34%	70.06%

BANDS AS OF 12.31.2015	Band 1 MCh\$	Band 2 MCh\$	Band 3 MCh\$	Band 4 MCh\$	Band 5 MCh\$
Assets	79,482	37,855	57,546	165,526	170,866
Available funds	31,785	-	-	-	-
Placements	36,199	35,832	52,184	162,740	163,392
Other current financial assets	11,498	2,023	5,362	2,786	7,474

BANDS AS OF 12.31.2015	Band 1 MCh\$	Band 2 MCh\$	Band 3 MCh\$	Band 4 MCh\$	Band 5 MCh\$
Liabilities	27,598	22,843	18,497	120,442	100,500
Obligations with banks and financial institutions	22,513	17,763	13,222	103,004	14,453
Obligations with the public (negotiable instruments)	5,085	5,080	5,275	14,282	20,962
Obligations with the public (bonds)	-	-	-	3,156	30,950
Other financial obligations	-	-	-	-	34,135

Bands	51,884	15,012	39,049	45,084	70,366
% of Capital	26.6%	7.7%	20.0%	23.1%	36.0%

2. Market risk

Market risk is defined as the exposure to financial loss due to adverse movements in market variables, such as stock prices, interest rates, currencies, indexation, among others, thus affecting the value of any operation recorded in the balance sheet.

3. Price risk

At the end of December 2016, the Company has investments in ETF¹ of ThUS\$ 17,334. Price risk is measured by historical VaR². At December 31, 2016, the 1-day VaR was 0.57% of the position in these financial instruments. The Value at Risk, under the methodology used, is the maximum expected loss considering a time horizon of 1 year and a confidence level of 99%.

In addition, Tanner Servicios Financieros has investments in corporate bonds of ThUS\$ 22,617, valued at market prices, which it intends to hold to maturity. As of December 31, 2016, the parametric 1-day portfolio VaR is 0.18% of the position, with 99% confidence.

1 ETF: Exchange Traded Funds - are funds that simulate a particular stock or fixed income index.

2 VaR: Value at Risk - is the maximum expected loss considering a time horizon of 1 year and a confidence level of 99%.

4. Interest rate risk

It is defined as the risk to which the Company is exposed as a result of having financial operations whose valuation is subject, among other factors, to movements on the intertemporal structure of the interest rate.

The Company has a portfolio of trading and hedging derivative instruments used to mitigate rate and currency risks on financial liabilities. The portfolio of trading derivatives, given its very short-term maturity structure, has an interest rate risk with a low impact on results. On the other hand, hedging derivatives cover a large part of those liabilities structured in foreign currency and variable rate (LIBOR rate), and have a fairly limited risk exposure and with a low impact on results.

EXPOSURE	12.31.2016							
	Trading derivatives				Hedging instruments			
	CLF ThCh\$	US\$ ThCh\$	US\$ ThCh\$	CHF ThCh\$	CLF ThCh\$	US\$ ThCh\$	US\$ ThCh\$	CHF ThCh\$
Up to 1 year	-	75,568,035	75,006,785	-	56,887,965	84,396,064	19,563,736	2,130,392
1 to 3 years	-	-	-	-	18,864,901	103,826,351	13,908,564	106,411,488
Over 3 years	-	-	-	-	79,996,437	73,751,879	295,996	-
Total	-	75,568,035	75,006,785	-	155,749,303	261,974,294	33,768,296	108,541,880

SENSITIVITY +1pb	12.31.2016							
	Trading derivatives				Hedging instruments			
	CLF ThCh\$	Ch\$ ThCh\$	US\$ ThCh\$	CHF ThCh\$	CLF ThCh\$	Ch\$ ThCh\$	US\$ ThCh\$	CHF ThCh\$
Up to 1 year	-	3,770	1,254	-	5,008	19,280	1,011	140
1 to 3 years	-	-	-	-	7,433	93,114	64,407	18,477
Over 3 years	-	-	-	-	52,252	150,514	335	-
Total	-	3,770	1,254	-	64,693	262,908	65,753	18,617

EXPOSURE	12.31.2015							
	Trading derivatives				Hedging instruments			
	CLF ThCh\$	Ch\$ ThCh\$	US\$ ThCh\$	CHF ThCh\$	CLF ThCh\$	Ch\$ ThCh\$	US\$ ThCh\$	CHF ThCh\$
Up to 1 year	-	46,189,243	46,512,299	-	886,026	3,356,648	1,547,959	-
1 to 3 years	-	-	-	-	39,331,242	62,911,868	36,844,236	-
Over 3 years	-	-	-	-	-	-	-	-
Total	-	46,189,243	46,512,299	-	40,217,268	66,268,516	38,392,195	-

SENSITIVITY +1pb	12.31.2015							
	Trading derivatives				Hedging instruments			
	CLF ThCh\$	Ch\$ ThCh\$	US\$ ThCh\$	CHF ThCh\$	CLF ThCh\$	Ch\$ ThCh\$	US\$ ThCh\$	CHF ThCh\$
Hasta 1 año	-	417	436	-	70	193	71	-
1 año a 3 años	-	-	-	-	5,994	10,831	8,003	-
mayor a 3 años	-	-	-	-	-	-	-	-
Total	-	417	436	-	6,064	11,024	8,074	-

5. Currency risk

It is defined as the exposure to potential loss caused by changes in the value of assets and liabilities subject to exchange rate revaluation. The Company has a mismatch in US dollars, as a result of its diversified business activities and financing needs, which is managed daily and mitigated mainly through negotiation and hedging derivative instruments. It also has transactions in Swiss Francs that are fully hedged.

Its internal mitigation policy is to limit the mismatch in US\$ to 2.5% of equity. As of December 31, 2016, the Company has an exposure in US\$ of approximately ThUS\$ 500, which represents 0.1% of equity. The sensitivity analysis to currency risk is calculated on a daily basis considering as main variable the exposure in US\$ of mismatch held and the estimated variation of the observed US\$ exchange rate.

US\$ MISMATCH (THUS\$)	
Assets	257,186
Liabilities	(382,259)
Derivative instruments	125,549
Mismatch 12.31.2016	476

6 Indexation risk

It is the exposure of assets and liabilities in UF that may cause losses resulting from changes in the value of the UF. The Company has assets and liabilities in UF, as a result of activities inherent to its business and financing needs, and the mismatch is managed in a daily basis and mitigated using hedging instruments.

Its internal risk mitigation policy limits any mismatch in UF to 30% of equity. As of December 31, 2016, mismatch in UF amounted to approximately MCLF 2.0 equivalent to 22.3% of equity. As with the currency risk, the sensitivity analysis of indexation risk is calculated on a daily basis considering as main variable the mismatch held in UF and the future estimated variations in the value of the UF.

UF MISMATCH (THUF)	
Assets	6,659
Liabilities	(10,044)
Derivative instruments	5,500
Mismatch 12.31.2016	2,115

As of December 31, 2016 and 2015, the structure of currency mismatch is as follows:

TEMPORARY BAND	12.31.2016		12.31.2015	
	MCh\$	% of Equity	MCh\$	% of Equity
GAP in UF	55,739	22.21%	32,972	13.89%
GAP in US\$	319	0.13%	(959)	0.40%
GAP in EURO	12	0.00%	33	0.01%
GAP in CHF	-	-	-	-

* Risk of indexation adjustment expressed in MCh\$, considering the value of UF and USD, as of December 31, 2016 (Note 2 g).

NOTE 5

RESPONSIBILITY FOR THE INFORMATION AND ESTIMATES

The information contained in these consolidated financial statements is the responsibility of the Group’s Board of Directors who confirm that all principles and accounting criteria included in IFRS have been fully applied.

The preparation of these consolidated financial statements includes judgments and estimates made by Group Management, to quantify some assets, liabilities, revenues, expenses and commitments that are included.

These estimates basically refer to losses from risks or allowance for doubtful accounts that are recorded as describes in Notes 2 l) and 2 o).

NOTE 6

FINANCIAL INFORMATION BY OPERATING SEGMENTS

Tanner Servicios Financieros S.A. has only one operational segment, as its sole business is providing financial services, according to the operational segment definitions in IFRS 8. The Company has five principal products: Factoring, Loans, Automotive Finance, Leasing and Treasury and a line of service.

I. Segments

- **Factoring:** financing national and international customers. This is 28.8% of the total loan portfolio as of December 31, 2016 (24.3% as of December 31, 2015). International factoring is a sub-division of the factoring line of business.
- **Loans:** mainly financing businesses. This is 23.8% of the total loan portfolio as of December 31, 2016 (31.5% as of December 31, 2015).
- **Automotive Financing:** mainly financing vehicles for people or legal entities. This is 30.3% of the total loan portfolio as of December 31, 2016 (27.1% as of December 31, 2015).
- **Leasing:** mainly financing the leaseback of real estate, leasing of earth moving equipment, transport and industrial equipment, etc. This is 14.1% of the total loan portfolio as of December 31, 2016 (14.0% as of December 31, 2015).
- **Treasury:** Its main activity is managing a financial position. Its second function is maintaining an optimal funding position, consisting in obtaining from the market the funds required by the Company for its normal functioning, at the lowest cost possible, and similarly placing the surplus at the best market return according to the funds availability term.
- **Sundry receivables:** it is composed mainly of floor planning loans, which represents 3% as of December 31, 2016 (3.1% as of December 2015).

II. Other services:

- **Subsidiaries:** Within the lines of service are the subsidiaries that correspond to other companies controlled by Tanner Servicios Financieros, who generate results by individual company, and whose management is related to the segments mentioned above. The companies included under this segment are:
 - a. Tanner Corredores de Bolsa de Productos S.A.
 - b. Tanner Corredora de Seguros Ltda.
 - c. Gestora Tanner SpA and subsidiaries.
- **Others:** Unusual, infrequent results.

The following tables present the results for the years ended December 31, 2016 and 2015:

2016

PRODUCTS	12.31.2016								
	Factoring ThCh\$	Loans ThCh\$	Automotive finance ThCh\$	Leasing ThCh\$	Treasury ThCh\$	Subtotal Products ThCh\$	Subsidiaries ThCh\$	Others ThCh\$	Total ThCh\$
Net interest and indexation income	12,779,517	9,852,137	38,798,155	5,693,172	2,540,299	69,663,280	-	-	69,663,280
Net income (expense) from commissions	1,366,297	1,482,512	(13,502,922)	608,681	-	(10,045,432)	6,356,838	-	(3,688,594)
Other operating income	7,316,499	272,643	6,853,325	1,513,011	(1,389,306)	14,566,172	-	-	14,566,172
Provisions for loan losses	(1,560,518)	(235,558)	(14,694,235)	(2,557,641)	-	(19,047,952)	-	-	(19,047,952)
Total Gross Margin	19,901,795	11,371,734	17,454,323	5,257,223	1,150,993	55,136,068	6,356,838	-	61,492,906
Administration expenses	(11,416,336)	(4,938,195)	(12,999,183)	(4,233,831)	(240,402)	(33,827,947)	(4,281,813)	-	(38,109,760)
Other net operating income (expense)	524,154	299,498	459,695	138,460	30,314	1,452,121	93,516	-	1,545,637
Exchange differences	-	-	-	(7,192)	-	(7,192)	(9,728)	-	(16,920)
Income from investments in companies	-	-	-	-	-	-	-	-	-
Net income before tax	9,009,613	6,733,037	4,914,835	1,154,660	940,905	22,753,050	2,158,813	-	24,911,863
Income tax	-	-	-	-	-	-	-	(2,564,775)	(2,564,775)
Net income after tax	9,009,613	6,733,037	4,914,835	1,154,660	940,905	22,753,050	2,158,813	(2,564,775)	22,347,088
Assets (net of provisions)	230,374,903	190,839,582	242,301,490	113,142,755	88,108,921	864,767,651	44,937,863	59,961,611	969,667,125
Current and deferred tax	-	-	-	-	-	-	-	50,701,020	50,701,020
Total Assets	230,374,903	190,839,582	242,301,490	113,142,755	88,108,921	864,767,651	44,937,863	110,662,631	1,020,368,145
Liabilities	(195,438,830)	(161,898,992)	(205,556,765)	(95,984,794)	(74,747,312)	(733,626,693)	(26,466,939)	-	(760,093,632)
Current and deferred tax	-	-	-	-	-	-	-	(9,301,360)	(9,301,360)
Total Liabilities	(195,438,830)	(161,898,992)	(205,556,765)	(95,984,794)	(74,747,312)	(733,626,693)	(26,466,939)	(9,301,360)	(769,394,992)

2015

PRODUCTS	12.31.2015								
	Factoring ThCh\$	Loans ThCh\$	Automotive Finance ThCh\$	Leasing ThCh\$	Treasury ThCh\$	Subtotal Products ThCh\$	Subsidiaries ThCh\$	Others ThCh\$	Total ThCh\$
Net interest and indexation income	13,497,727	7,604,145	38,938,060	5,756,601	684,948	66,481,481	-	-	66,481,481
Net income (expense) for commissions	1,442,533	1,929,384	(11,678,282)	634,846	-	(7,671,519)	3,025,618	-	(4,645,901)
Other operating income	9,067,595	951	4,008,281	451,516	-	13,528,343	-	-	13,528,343
Provisions for loan losses	(5,047,794)	(2,050,992)	(13,760,851)	(3,584,616)	8,054	(24,436,199)	-	-	(24,436,199)
Total Gross Margin	18,960,061	7,483,488	17,507,208	3,258,347	693,002	47,902,106	3,025,618	-	50,927,724
Administration expenses	(11,723,325)	(5,357,922)	(11,750,826)	(3,430,608)	(164,620)	(32,427,301)	(3,591,600)	-	(36,018,901)
Other net operational income (expense) (*)	196,939	75,617	147,735	28,076	6,356	454,723	159,368	5,061,760	5,675,851
Exchange differences	-	-	-	-	-	-	44,155	-	44,155
Income from investments in companies	-	-	-	-	-	-	-	-	-
Net income before tax	7,433,675	2,201,183	5,904,117	(144,185)	534,738	15,929,528	(362,459)	5,061,760	20,628,829
Income tax	-	-	-	-	-	-	-	(315,339)	(315,339)
Net income after tax	7,433,675	2,201,183	5,904,117	(144,185)	534,738	15,929,528	(362,459)	4,746,421	20,313,490
Assets (net of provisions)	192,811,547	246,301,236	214,544,790	114,294,688	66,140,982	834,093,243	34,340,777	32,105,237	900,539,257
Current and deferred tax	-	-	-	-	-	-	-	55,965,919	55,965,919
Total Assets	192,811,547	246,301,236	214,544,790	114,294,688	66,140,982	834,093,243	34,340,777	88,071,156	956,505,176
Liabilities	(156,727,814)	(200,207,171)	(174,393,788)	(92,904,999)	(53,763,023)	(677,996,795)	(22,909,664)	-	(700,906,459)
Current and deferred tax	-	-	-	-	-	-	-	(18,220,159)	(18,220,159)
Total Liabilities	(156,727,814)	(200,207,171)	(174,393,788)	(92,904,999)	(53,763,023)	(677,996,795)	(22,909,664)	(18,220,159)	(719,126,618)

(*) These are mostly sales of property, plant and equipment.

Customers

The number of active customers as of December 31, 2016 was 53,427 and for December 31, 2015 was 51,202, including factoring, automotive finance and leasing.

As of December 31, 2016, the Company had no significant concentration of customers, the percentage lent to the five largest customers did not exceed 10.05% of the total portfolio, 17.0% for December 2015.

Suppliers

Tanner Servicios Financieros S.A. has approximately 208 suppliers. The main ones being computing, communication and general service suppliers.

Gross margin

Below is the operating margin by product:

BELOW IS THE OPERATING MARGIN BY PRODUCT	Accumulated	
	01.01.2016 to 12. 31.2016 ThCh\$	01.01.2015 to 12. 31.2015 ThCh\$
Operating margin for Factoring	19,901,795	18,960,061
Operating margin for Loans	11,371,734	7,483,488
Operating margin for Automotive	17,454,323	17,507,208
Operating margin for Leasing	5,257,223	3,258,347
Operating margin for Treasury	1,150,993	693,002
Other income	6,356,838	3,025,618
Total	61,492,906	50,927,724

Cash and cash equivalent by segment

As of December 31, 2016 and 2015, cash flows by segment are detailed as follows:

CASH FLOW BY OPERATING SEGMENT	For the years ended December 31	
	2016 ThCh\$	2015 ThCh\$
Cash flow receipts from (payments for) operating activities	(57,381,400)	(92,753,774)
Factoring segment	(8,151,354)	(14,099,430)
Loan segment	(6,752,477)	(18,010,887)
Automotive segment	(8,573,352)	(15,688,683)
Leasing segment	(4,003,329)	(8,357,850)
Treasury segment	(3,117,557)	(4,836,589)
Others (1)	(26,783,331)	(31,760,335)
Cash flow receipts from (payments for) investing activities	(4,602,158)	(19,085,048)
Factoring segment	-	-
Loan segment	-	-
Automotive segment	-	-
Leasing segment	-	-
Treasury segment	3,432,275	(3,943,611)
Others (1)	(8,034,433)	(15,141,437)
Cash flow receipts from (payments for) financing activities	62,073,376	120,109,425
Factoring segment	-	-
Loan segment	-	-
Automotive segment	-	-
Leasing segment	-	-
Treasury segment	53,616,202	72,494,750
Others (1)	8,457,174	47,614,675

(1) Other includes Corporate Support Units and Services, given that cash flows are managed by Tanner Servicios Financieros S.A.

NOTE 7

CASH AND CASH EQUIVALENTS

These are cash, current accounts and fixed funds.

a. Cash and cash equivalents as of December 31, 2016 and December 31, 2015 were as follows:

CASH & CASH EQUIVALENTS	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Cash in hand	285,105	571,167
Bank balances	21,057,251	30,984,925
Time deposits	9,969,697	228,908
Mutual funds	317,203	-
Cash and cash equivalents	31,629,256	31,785,000

b. Cash and cash equivalents by currency as of December 31, 2016 and December 31, 2015 were as follows:

DETAIL	Currency	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Cash in hand	Ch\$	28,123	540,976
Cash in hand	US\$	256,179	19,075
Cash in hand	Euro	803	11,116
Bank balances	Ch\$	15,422,117	13,592,483
Bank balances	US\$	5,629,319	17,370,615
Bank balances	Euro	5,815	21,827
Time deposits	Ch\$	3,156,987	100,022
Time deposits	US\$	6,812,710	128,886
Mutual funds	Ch\$	317,203	-
Cash and cash equivalents		31,629,256	31,785,000

c. Time deposits shown in letter (b) as of December 31, 2016 and 2015 were as follows:

TERM DEPOSITS					Debtor Country	Currency	12.31.2016 Up to 90 days ThCh\$	12.31.2015 Up to 90 days ThCh\$
Creditor ID number	Creditor Name	Detail	Debtor ID number	Debtor Name				
96,667,560-8	Tanner Servicios Financieros S.A.	Renewable monthly	76,362,099-9	BTG Pactual Chile S.A.	Chile	US\$	6,812,710	-
96,667,560-8	Tanner Servicios Financieros S.A.	Renewable monthly	97,015,000-5	Banco Santander	Chile	US\$	-	128,886
96,667,560-8	Tanner Servicios Financieros S.A.	Renewable monthly	99,500,410-0	Banco Consorcio	Chile	Ch\$	-	100,022
96,667,560-8	Tanner Servicios Financieros S.A.	Renewable monthly	97,004,000-5	Banco de Chile	Chile	Ch\$	3,156,987	-
Total							9,969,697	228,908

d. Mutual funds shown in letter (b) as of December 31, 2016 and 2015 were as follows:

INVESTMENTS IN MUTUAL FUNDS					Debtor Country	Currency	12.31.2016 Up to 90 days ThCh\$	12.31.2015 Up to 90 days ThCh\$
Creditor ID number	Creditor Name	Fund	Debtor ID number	Debtor Name				
96,667,560-8	Tanner Servicios Financieros S.A.	Renewable monthly	97,032,000-8	BBVA Mutual Funds	Chile	Ch\$	317,203	-
							317,203	-

NOTE 8

OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

a. **Other current financial assets**

This item comprises the investments in corporate bonds and fixed-income instruments which must be adjusted to fair value, together with derivative financial instrument contracts with positive fair values. Also, it includes the investments in corporate bonds held for sale, which are initially recognized at cost, which includes transaction costs that are subsequently adjusted to fair value with a charge or credit to “Financial assets at fair value through equity” within Other comprehensive income.

As of December 31, 2016 and 2015 other current financial assets were as follows:

DETAIL	12.31.2016			
	Held for Sale ThCh\$	Held to Maturity ThCh\$	Trading ThCh\$	Total ThCh\$
Instruments issued by Chilean Institutions				
Bonds from Chilean banks	-	-	-	-
Deposit promissory notes from Chilean banks	3,900,946	-	-	3,900,946
Forwards	86,941	-	-	86,941
Repurchase Investments	-	-	-	-
Rights over document sales with covenants	-	15,100,726	-	15,100,726
Investments in corporate instruments	22,642,669	794,139	29,239	23,466,047
Other instruments issued abroad	1,923,093	-	-	1,923,093
State instruments				
Other State instruments	-	-	-	-
Total	28,553,649	15,894,865	29,239	44,477,753

DETAIL	12.31.2015			
	Held for Sale ThCh\$	Held to Maturity ThCh\$	Trading ThCh\$	Total ThCh\$
Instruments issued by Chilean Institutions				
Bonds from Chilean banks	-	-	-	-
Deposit promissory notes from Chilean banks	-	1,930,697	-	1,930,697
Forwards	-	335,307	-	335,307
Repurchase Investments	-	-	-	-
Rights over document sales with covenants	-	25,654,860	-	25,654,860
Investments in corporate instruments	1,221,740	-	-	1,221,740
Other instruments issued abroad	-	-	-	-
State instruments				
Other State instruments	-	-	-	-
Total	1,221,740	27,920,864	-	29,142,604

b. Other non-current financial assets

This item comprises the investments in corporate bonds held to maturity, which are recorded at cost plus accrued interests and indexation, less provisions for impairment provisions made when the amount recorded exceeds the present value of estimated future cash flows.

As of December 31, 2016 and 2015 other non-current financial assets were as follows:

OTHER NON-CURRENT FINANCIAL ASSETS	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Investments in US\$ Bonds	19,311,510	21,560,876
Swap contracts (*)	6,099,141	12,991,760
Pershing US\$ assets	26,922,470	-
RFI assets	20,569,554	-
Stock Exchange share (**)	2,008,933	2,182,362
Electronic Exchange share (***)	102,500	125,000
Chile Commodities Exchange share, Bolsa de Productos Agropecuarios S.A.	138,380	138,380
Totales	75,152,488	36,998,378

(*) Hedges against liabilities risk arising from issuance of bonds in foreign currency.

(**) Corresponds to a share in the Santiago Stock Exchange held by the subsidiary Tanner Corredores de Bolsa S.A.

(***) Corresponds to a share in the Electronic Stock Exchange held by the subsidiary Tanner Corredores de Bolsa S.A.

c. Fair value of financial assets and liabilities

The Company classifies its financial instruments in the following levels:

Level 1: Prices observable in active markets for the same instrument or specific transaction to be valued.

Level 2: There are no quoted prices for the specific instrument, or the observable prices are sporadic. Instruments under this classification and valued according to observable factors; ie. quoted prices for similar instruments in active markets.

Transactions are valued by calculating the fair value (Mark to Market).

Transactions are valued using discount rates in CLP, CLF and US, which are obtained from Bloomberg. The US\$ exchange rate is the “observed” rate published by the Chilean Central Bank.

DETAIL	Level 1		Level 2	
	12.31.2016 ThCh\$	12.31.2015 ThCh\$	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Derivative contracts				
Forwards	-	-	-	-
Net Swap Contracts	-	-	6,099,142	794,269
Others	-	-	-	-
Investment Instruments				
Investments in US\$ Bonds	-	-	46,736,082	21,560,876
Promissory notes with banks and financial institutions	-	-	-	-
Investment in shares	2,249,813	2,445,742	-	-

NOTE 9

OTHER NON-FINANCIAL ASSETS, CURRENT AND NON-CURRENT

1. As of December 31, 2016 and 2015 other current non-financial assets were as follows:

OTHER CURRENT NON-FINANCIAL ASSETS	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Deferred assets (*)	1,309,411	391,692
Sub-leased equipment (**)	677,200	1,436,719
Others	15,565	12,326
Total	2,002,176	1,840,737

(*) Expenses incurred by HR management, bonuses, project development (SAP), others.

(**) Equipment lease through operating lease business.

2. As of December 31, 2016 and 2015 other non-current non-financial assets were as follows:

OTROS ACTIVOS NO FINANCIEROS NO CORRIENTES	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Contratos de arriendo	-	718,360
Garantías entregadas(*)	4,799,362	166,253
Otros	8,791	31,132
Total	4,808,153	915,745

(*) Corredores de Bolsa guarantees to operate.

NOTE 10

TRADE AND OTHER RECEIVABLES

These are documents relating to factoring, loans, automotive finance, leasing contracts which are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method, which are denominated in pesos according to the indexation unit of the agreed currency prevailing at each year-end, net of interests to be accrued. The costs for fees to dealers are included, which form part of the effective interest rate of the automotive loans granted, less the provision for impairment loss.

The accounts receivable arising from brokerage are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are originated from the cash financing directly to a third party.

Indications that the account receivable is impaired are evidence that the trade debtor is in significant financial difficulties, the likelihood that the debtor will become bankrupt or will initiate a financial reorganization, and excessive arrears in payments.

The accounting of renegotiated trade debtors is kept in the debtor original accounts, the differentiation or mark is make in the application that contain them. As to the provision, there are no accounting changes, the value of provisions being recorded in the portfolio provision usual accounts.

As of December 31, 2016 and 2015 trade and other receivables were as follows:

a. Trade and other receivables, current and non-current:

Tanner Servicios Financieros consolidated loan portfolio net of provisions reached ThCh\$ 800,820,811 as of December 31, 2016 and ThCh\$ 792,356,786 as of December 31, 2015.

TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE, CURRENT	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Factoring	226,175,613	191,200,649
Loans	145,485,184	95,193,010
Automotive Finance	105,613,541	98,926,707
Leasing contracts	41,519,367	40,622,691
Sundry debtors	24,162,078	24,404,526
Total	542,955,783	450,347,583
TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE, NON-CURRENT	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Factoring	4,199,293	1,610,897
Loans	45,354,398	154,642,799
Automotive Finance	136,687,949	115,618,083
Leasing contracts	71,623,388	70,137,424
Total	257,865,028	342,009,203
Total net assets	800,820,811	792,356,786

DETAIL	12.31.2016				
	Current Portfolio ThCh\$	Non-current Portfolio ThCh\$	Total Gross Portfolio ThCh\$	Provision ThCh\$	Total Net Portfolio ThCh\$
Factoring	233,243,437	4,199,294	237,442,731	(7,067,824)	230,374,907
Loans	147,771,735	45,354,397	193,126,132	(2,286,550)	190,839,582
Automotive Finance	115,428,717	136,687,949	252,116,666	(9,815,176)	242,301,490
Leasing contracts	45,716,698	71,623,388	117,340,086	(4,197,331)	113,142,755
Sundry debtors	24,162,077	-	24,162,077	-	24,162,077
Trade receivables and other accounts receivable, current and non-current	566,322,664	257,865,028	824,187,692	(23,366,881)	800,820,811

DETAIL	12.31.2015				
	Current Portfolio ThCh\$	Non-current Portfolio ThCh\$	Total Gross Portfolio ThCh\$	Provision ThCh\$	Total Net Portfolio ThCh\$
Factoring	202,809,086	1,610,897	204,419,983	(11,608,437)	192,811,546
Loans	97,244,002	154,642,799	251,886,801	(2,050,992)	249,835,809
Automotive Finance	108,275,516	115,618,083	223,893,599	(9,348,809)	214,544,790
Leasing contracts	45,599,564	70,137,424	115,736,988	(4,976,873)	110,760,115
Sundry debtors	24,404,526	-	24,404,526	-	24,404,526
Trade receivables and other accounts receivable, current and non-current	478,332,694	342,009,203	820,341,897	(27,985,111)	792,356,786

As of December 31, 2016 and 2015, sundry debtors are detailed as follows:

SUNDRY DEBTORS	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Accounts receivable (net) (1)	12,811,469	12,597,512
Floor Planning (2)	5,129,913	3,881,920
Rights over simultaneous transactions	2,355,845	2,794,328
Suppliers advances	1,735,977	1,214,726
Brokerage receivables	1,232,413	1,415,075
Electronic factoring	684,846	-
Cash advances and loans to staff	102,880	110,598
Other debtors	99,113	781,936
Own portfolio receivables	9,621	1,608,431
Total	24,162,077	24,404,526

- (1) Mainly advances on real estate leasing contracts at the subsidiary Tanner Leasing S.A., accounts receivable from insurance companies at the subsidiary Tanner Corredora de Seguros Ltda., accounts receivable on operations at the subsidiary Tanner Leasing Vendor Ltda., and accounts receivable on operations at the subsidiary Tanner Corredores de Bolsa S.A.
(2) Purchase of vehicles under resale agreements.
(3) Document financing transactions (electronic factoring) at the subsidiary Chita SpA.

b. Overdue installments

The value of overdue installments are unpaid principal and interest due that are part of the installment. In the case of factoring operations, the value of the overdue installment corresponds to the unpaid debt.

INSTALLMENTS OVERDUE	Range in days	Factoring 12.31.2016 ThCh\$	Loans 12.31.2016 ThCh\$	Automotive 12.31.2016 ThCh\$	Leasing 12.31.2016 ThCh\$	Total 12.31.2016 ThCh\$
Overdue	1-30 days	23,802,036	1,620,349	2,563,319	878,327	28,864,031
Overdue	31-60 days	1,017,127	275,541	1,101,272	322,123	2,716,063
Overdue	61-90 days	519,439	184,928	633,108	207,402	1,544,877
Overdue	91-120 days	661,454	128,775	470,404	208,497	1,469,130
Overdue	121-150 days	379,337	400,931	361,839	171,481	1,313,588
Overdue	151-180 days	390,676	214,866	31,558	166,842	803,942
Overdue	181-210 days	327,566	115,419	276,591	1,565,023	2,284,599
Overdue	211-250 days	303,103	273,882	274,903	502,832	1,354,720
Overdue	> 250 days	9,885,925	1,081,874	602,189	1,064,378	12,634,366
Total		37,286,663	4,296,565	6,315,183	5,086,905	52,985,316

INSTALLMENTS OVERDUE	Range in days	Factoring 12.31.2015 ThCh\$	Loans 12.31.2015 ThCh\$	Automotive 12.31.2015 ThCh\$	Leasing 12.31.2015 ThCh\$	Total 12.31.2015 ThCh\$
Overdue	1-30 days	19,231,035	3,287,102	2,410,312	1,226,853	26,155,302
Overdue	31-60 days	1,497,072	578,636	1,087,683	567,307	3,730,698
Overdue	61-90 days	547,121	132,920	676,213	405,450	1,761,704
Overdue	91-120 days	366,368	519,957	614,609	374,800	1,875,734
Overdue	121-150 days	543,788	74,713	516,779	305,785	1,441,065
Overdue	151-180 days	211,952	72,181	491,203	288,508	1,063,844
Overdue	181-210 days	300,477	71,122	432,860	239,630	1,044,089
Overdue	211-250 days	574,003	66,702	460,758	305,992	1,407,455
Overdue	> 250 days	10,813,545	162,513	1,068,545	1,333,996	13,378,599
Total		34,085,361	4,965,846	7,758,962	5,048,321	51,858,490

As of December 31, 2016, as much as 63.84% of the overdue Factoring installments were in the range 1-30 days (56.42% as of December 31, 2015), which is expected.

c. Portfolio composition

The portfolio composition by each type of product as of December 31, 2016 and 2015, is shown below. For these purposes, the values included in each overdue range, includes the unpaid balance of operations, in addition to interest and overdue principal.

1. Factoring portfolio

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2016				
Overdue ranges	Number of customers in non-renegotiated portfolio	Gross value of non-renegotiated portfolio	Number of customers in renegotiated portfolio	Gross value of renegotiated portfolio
Not overdue	2,095	198,047,122	19	2,108,946
1-30 days	717	23,723,903	14	78,133
31-60 days	253	997,551	9	19,576
61-90 days	110	513,889	6	5,550
91-120 days	82	655,907	4	5,547
121-150 days	78	373,790	4	5,547
151-180 days	66	385,130	4	5,546
181-210 days	45	320,213	7	7,353
211-250 days	47	289,538	7	13,565
> 250 days	165	9,717,686	14	168,239
Total	3,658	235,024,729	88	2,418,002

PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2016				
Provision for non-renegotiated portfolio	Provision for renegotiated portfolio	Total Provision	Write offs in the period	Recoveries in the period
6,867,697	200,127	7,067,824	6,101,131	1,294,368

REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2016		
	Number of Docs.	Portfolio Value ThCh\$
Collectable documents rejected	355	3,000,262
Collectable documents in judicial collection(*)	216	10,051,508

(*) Only includes court cases within the current portfolio.

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2015				
Overdue ranges	Number of customers in non-renegotiated portfolio	Gross value of non-renegotiated portfolio	Number of customers in renegotiated portfolio	Gross value of renegotiated portfolio
Not overdue	1,367	168,087,158	17	2,247,464
1-30 days	383	19,188,142	15	42,893
31-60 days	164	1,455,675	16	41,397
61-90 days	79	482,212	14	64,909
91-120 days	73	348,281	15	18,087
121-150 days	63	505,294	13	38,494
151-180 days	53	188,188	11	23,764
181-210 days	66	276,956	9	23,521
211-250 days	68	454,356	12	119,647
> 250 days	235	10,429,056	24	384,489
Total	2,551	201,415,318	146	3,004,665

PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2015				
Provision for non-renegotiated portfolio	Provision for renegotiated portfolio	Total Provision	Write offs in the period	Recoveries in the period
11,163,426	445,011	11,608,437	7,532,323	2,153,881

REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2015		
	Number of Docs.	Portfolio Value ThCh\$
Collectable documents rejected	365	3,990,906
Collectable documents in judicial collection(*)	348	12,863,991

(*) Only includes court cases within the current portfolio.

2. Loan portfolio

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2016				
Overdue ranges	Number of customers in non-renegotiated portfolio	Gross value of non-renegotiated portfolio	Number of customers in renegotiated portfolio	Gross value of renegotiated portfolio
Not overdue	740	171,266,258	18	6,224,778
1-30 days	314	11,173,105	7	574,768
31-60 days	43	407,657	3	234,631
61-90 days	22	311,954	2	24,382
91-120 days	26	188,644	1	110,699
121-150 days	12	338,764	-	-
151-180 days	15	292,773	1	17,262
181-210 days	11	142,417	-	-
211-250 days	14	211,750	-	-
> 250 days	63	1,370,545	10	235,745
Total	1,260	185,703,867	42	7,422,265
PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2016				
Provision for non-renegotiated portfolio	Provision for renegotiated portfolio	Total Provision	Write offs in the period	Recoveries in the period
1,989,366	297,184	2,286,550	-	-
REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2016				
			Number of customers	Portfolio Value ThCh\$
Collectable documents rejected			-	-
Collectable documents in judicial collection(*)			147	2,642,036

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2015				
Overdue ranges	Number of customers in non-renegotiated portfolio	Gross value of non-renegotiated portfolio	Number of customers in renegotiated portfolio	Gross value of renegotiated portfolio
Not overdue	588	235,734,432	9	5,479,215
1-30 days	212	6,290,543	6	286,693
31-60 days	40	1,989,951	3	17,230
61-90 days	22	407,794	2	97,213
91-120 days	11	405,370	3	358,822
121-150 days	3	22,084	2	57,290
151-180 days	4	7,335	-	-
181-210 days	3	89,153	-	-
211-250 days	4	16,591	1	169,165
> 250 days	7	454,247	1	3,673
Total	894	245,417,500	27	6,469,301
PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2015				
Provision for non-renegotiated portfolio	Provision for renegotiated portfolio	Total Provision	Write offs in the period	Recoveries in the period
1,873,992	177,000	2,050,992	-	-
REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2015				
			Number of customers	Portfolio Value ThCh\$
Collectable documents rejected			-	-
Collectable documents in judicial collection(*)			31	956,496

(*) Only includes court cases within the current portfolio.

3. Automotive Portfolio

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2016				
Overdue ranges	Number of customers in non-renegotiated portfolio	Gross value of non-renegotiated portfolio	Number of customers in renegotiated portfolio	Gross value of renegotiated portfolio
Not overdue	35,881	190,237,697	494	1,771,718
1-30 days	7,119	30,939,666	316	985,863
31-60 days	2,818	10,269,151	196	704,190
61-90 days	1,075	4,113,804	87	352,562
91-120 days	612	2,182,991	63	161,201
121-150 days	431	1,611,391	38	100,949
151-180 days	326	1,304,435	38	100,630
181-210 days	296	964,012	26	82,040
211-250 days	289	1,127,795	32	120,625
> 250 days	1,176	4,574,562	119	411,384
Total	50,023	247,325,504	1,409	4,791,162
PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2016				
Provision for non-renegotiated portfolio	Provision for renegotiated portfolio	Total Provision	Write offs in the period	Recoveries in the period
9,096,541	718,635	9,815,176	14,227,868	3,404,424
REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2016				
			Number of customers	Portfolio Value ThCh\$
Collectable documents rejected			25	18,728
Collectable documents in judicial collection(*)			3,104	13,914,682

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2015				
Overdue ranges	Number of customers in non-renegotiated portfolio	Gross value of non-renegotiated portfolio	Number of customers in renegotiated portfolio	Gross value of renegotiated portfolio
Not overdue	32,822	163,758,089	647	2,269,051
1-30 days	7,237	28,860,924	291	989,703
31-60 days	2,261	8,729,325	198	611,431
61-90 days	761	2,930,992	93	305,931
91-120 days	443	1,588,869	60	195,725
121-150 days	337	1,244,809	55	182,468
151-180 days	268	991,069	41	123,721
181-210 days	286	1,122,332	44	259,954
211-250 days	434	1,762,468	52	166,396
> 250 days	1,907	6,678,837	267	1,121,505
Total	46,756	217,667,714	1,748	6,225,885
PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2015				
Provision for non-renegotiated portfolio	Provision for renegotiated portfolio	Total Provision	Write offs in the period	Recoveries in the period
8,450,942	897,867	9,348,809	13,097,330	1,859,274
REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2015				
			Number of customers	Portfolio Value ThCh\$
Collectable documents rejected			212	133,639
Collectable documents in judicial collection(*)			3,889	14,530,082

(*) Only includes court cases within the current portfolio.

4. Leasing Portfolio

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2016				
Overdue ranges	Number of customers in non-renegotiated portfolio	Gross value of non-renegotiated portfolio	Number of customers in renegotiated portfolio	Gross value of renegotiated portfolio
Not overdue	581	84,197,186	53	5,290,363
1-30 days	203	12,232,782	24	3,955,140
31-60 days	59	1,940,599	5	359,518
61-90 days	22	1,029,476	3	82,060
91-120 days	18	838,338	2	47,858
121-150 days	11	191,621	2	234,390
151-180 days	12	576,769	-	-
181-210 days	9	490,934	-	-
211-250 days	16	772,264	-	-
> 250 days	103	4,963,809	4	136,979
Total	1,034	107,233,778	93	10,106,308
PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2016				
Provision for non-renegotiated portfolio	Provision for renegotiated portfolio	Total Provision	Write offs in the period	Recoveries in the period
3,889,764	307,567	4,197,331	3,337,183	653,337
REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2016				
			Number of customers	Portfolio Value ThCh\$
Collectable documents rejected			-	-
Collectable documents in judicial collection(*)			176	8,570,959

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2015				
Overdue ranges	Number of customers in non-renegotiated portfolio	Gross value of non-renegotiated portfolio	Number of customers in renegotiated portfolio	Gross value of renegotiated portfolio
Not overdue	677	81,023,599	34	3,537,308
1-30 days	226	14,779,554	14	2,658,020
31-60 days	88	2,515,819	4	212,212
61-90 days	36	1,420,430	1	48,742
91-120 days	41	874,726	1	6,272
121-150 days	25	1,588,195	1	3,267
151-180 days	21	812,999	-	-
181-210 days	16	421,572	-	-
211-250 days	25	521,470	-	-
> 250 days	126	4,975,426	6	337,377
Total	1,281	108,933,790	61	6,803,198
PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2015				
Provision for non-renegotiated portfolio	Provision for renegotiated portfolio	Total Provision	Write offs in the period	Recoveries in the period
4,797,648	179,225	4,976,873	3,839,652	313,809
REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2015				
			Number of customers	Portfolio Value ThCh\$
Collectable documents rejected			-	-
Collectable documents in judicial collection(*)			168	8,977,529

(*) Only includes court cases within the current portfolio.

5. Total Portfolio

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2016				
Overdue ranges	Number of customers in non-renegotiated portfolio	Gross value of non-renegotiated portfolio	Number of customers in renegotiated portfolio	Gross value of renegotiated portfolio
Not overdue	39,297	643,748,263	584	15,395,805
1-30 days	8,353	78,069,456	361	5,593,904
31-60 days	3,173	13,614,958	213	1,317,915
61-90 days	1,229	5,969,123	98	464,554
91-120 days	738	3,865,880	70	325,305
121-150 days	532	2,515,566	44	340,886
151-180 days	419	2,559,107	43	123,438
181-210 days	361	1,917,576	33	89,393
211-250 days	366	2,401,347	39	134,190
> 250 days	1,507	20,626,602	147	952,347
Total	55,975	775,287,878	1,632	24,737,737
PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2016				
Provision for non-renegotiated portfolio	Provision for renegotiated portfolio	Total Provision	Write offs in the period	Recoveries in the period
21,843,368	1,523,513	23,366,881	23,666,182	5,352,129
REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2016				
			Number of customers	Portfolio Value ThCh\$
Collectable documents rejected			380	3,018,990
Collectable documents in judicial collection(*)			3,643	35,179,185

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2015				
Overdue ranges	Number of customers in non-renegotiated portfolio	Gross value of non-renegotiated portfolio	Number of customers in renegotiated portfolio	Gross value of renegotiated portfolio
Not overdue	35,454	648,603,278	707	13,533,038
1-30 days	8,058	69,119,163	326	3,977,309
31-60 days	2,553	14,690,770	221	882,270
61-90 days	898	5,241,428	110	516,795
91-120 days	568	3,217,246	79	578,906
121-150 days	428	3,360,382	71	281,519
151-180 days	346	1,999,591	52	147,485
181-210 days	371	1,910,013	53	283,475
211-250 days	531	2,754,885	65	455,208
> 250 days	2,275	22,537,566	298	1,847,044
Total	51,482	773,434,322	1,982	22,503,049
PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2015				
Provision for non-renegotiated portfolio	Provision for renegotiated portfolio	Total Provision	Write offs in the period	Recoveries in the period
26,286,008	1,699,103	27,985,111	24,469,305	4,326,964
REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2015				
			Number of customers	Portfolio Value ThCh\$
Collectable documents rejected			577	4,124,545
Collectable documents in judicial collection(*)			4,436	37,328,098

(*) Only includes court cases within the current portfolio.

d. Provisions for doubtful accounts

The provisions as of December 31, 2016 and 2015 are as follows:

DETAIL	12.31.2016				
	Factoring ThCh\$	Loans ThCh\$	Automotive ThCh\$	Leasing ThCh\$	Total ThCh\$
Opening balance	11,608,437	2,050,992	9,348,809	4,976,873	27,985,111
Written off	(6,101,131)	-	(14,227,868)	(3,337,183)	(23,666,182)
Released	(3,797,154)	(969,186)	(613,854)	(1,014,907)	(6,395,101)
New	5,357,672	1,204,744	15,308,089	3,572,548	25,443,053
Closing balance	7,067,824	2,286,550	9,815,176	4,197,331	23,366,881

DETAIL	12.31.2015				
	Factoring ThCh\$	Loans ThCh\$	Automotive ThCh\$	Leasing ThCh\$	Total ThCh\$
Opening balance	14,092,966	-	8,685,288	5,231,909	28,010,163
Written off	(7,532,323)	-	(13,097,330)	(3,839,652)	(24,469,305)
Release	(4,847,801)	-	(1,419,403)	(1,847,855)	(8,115,059)
New	9,895,595	2,050,992	15,180,254	5,432,471	32,559,312
Closing balance	11,608,437	2,050,992	9,348,809	4,976,873	27,985,111

I. Product provision criteria

Unrecoverable receivables provision policy:

Company provisions are based on the overdue amounts for each product. Tables have been established with overdue percentages and days, which are applied as the days overdue increase

1. Factoring and rejected checks portfolio:

This provision applies to the default portfolio. This is defined as 30 days overdue. A percentage of the balance due is applied, depending on the days overdue. It covers not only the overdue invoice of that particular debtor, but to all the invoices due from that debtor. They are classified by age as follows:

FACTORING*	
Days overdue	%
31 - 45	10%
46 - 60	30%
61 - 150	40%
151 - 300	50%
301 or more	60%

(*) Including rejected checks.

RENEGOTIATIONS	
Days overdue	%
1 - 15	15%
16 - 30	45%
31 - 60	55%
61 - 120	80%
121 or more	85%

2. Loan portfolio:

Similar to the factoring portfolio, this provision applies to the overdue portfolio, which is defined as 30 days overdue. A percentage is applied to the balance due, depending on the days overdue. The provisions for overdue loans without a guarantee are as follows. Where there is a mortgage guarantee, the provision is the same as for real estate leasing.

LOANS	
Overdue days	%
16 to 30	1%
31 to 45	15%
46 to 60	25%
61 to 90	40%
91 to 120	65%
121 to 150	75%
151 to 180	80%
over 181	85%

3. Automotive finance portfolio:

The Risk Department constantly evaluates the automotive loans portfolio, in order to create sufficient provisions to cover potential irrecoverable losses on its loans.

The provision calculation for the automotive business considers the use of variables that include the following areas:

- Demographic: captured in the initial evaluation of the operation. Age, branch area, etc.
- Product conditions: captured in the operation origin.
Traditional sale channel (Amicar, Dealer) or companies, Pac credit, new or used type vehicle, agreed down payment, agreed installments, granted amount, etc.
- Internal behavior: information regarding the way in which the customer pays the operation in force payment history, recovery history, delinquency, payment amount, paid installments, installments under collection procedures, normal or renegotiated credits, etc.

Additionally, the Company's Risk Department reviews potential changes in new loan recipients, related for instance to modifications in the risk policy or in the creation of new products. This enables the Company to anticipate potential re-calibrations of the provision factors and comply with the minimum assumptions of the model.

4. Leasing portfolio:

Leasing accounts receivable are initially classified by asset category: Real estate, vehicles, machinery and equipment.

For assets classified as vehicles, machinery and equipment, leasing accounts are considered overdue from the first day's delay after a document matures, and 30 days after for those classified as real estate. The provision is a percentage of the total outstanding balance, depending on the days overdue as follows:

Real Estate		Machinery, equipment and vehicles	
Overdue days	%	Overdue days	%
31 to 90	1%	16 to 30	2%
91 to 210	5%	31 to 45	10%
over 211	15%	46 to 60	12%
		151 to 180	80%
		over 181	85%

5. Floor planning contracts:

Tanner Servicios Financieros S.A. constantly assesses the floor planning portfolio and monitors Tanner’s business units. A significant and recurrent impairment warning will allow the assets belonging to the agreement to be withdrawn and the contract will not be non-renewed, subject to a risk assessment of such agreements and the credit facility. Currently, the floor planning portfolio does not appear to contain evidence of impairment for non-compliance of obligations, therefore, it has been determined not to constitute a provision given the product nature and related guarantees.

Write-off policy for each business segment

- **Factoring write-offs:** write-off policy considers a maximum of 540 days overdue.
- **Loan write-offs:** write-off policy considers a maximum of 540 days overdue.
- **Automotive write-offs:** write-off policy considers a maximum of 420 days overdue.
- **Leasing write-offs:** write-off policy considers a maximum of 540 days overdue, with the exception of real estate leases.

e. Detail of leasing operations, current and non-current

Leasing receivables classified by original currency and maturity are as follows:

DETAIL	Currency	12.31.2016 ThCh\$			
		0 - 1 years	1 - 5 years	Over 5 years	Total
Minimum leasing receivables, gross	UF	38,378,844	62,292,000	10,761,206	111,432,050
Minimum leasing receivables, gross	Ch\$	14,295,954	13,328,887	1,254,951	28,879,792
Minimum leasing receivables, gross	US\$	946,215	302,148	-	1,248,363
Minimum leasing receivables, gross		53,621,013	75,923,035	12,016,157	141,560,205
Minimum leasing receivables, interest	UF	(7,182,718)	(8,985,556)	(3,060,907)	(19,229,181)
Minimum leasing receivables, interest	Ch\$	(2,139,420)	(1,683,422)	(1,099,006)	(4,921,848)
Minimum leasing receivables, interest	US\$	(52,241)	(16,849)	-	(69,090)
Minimum leasing receivables, present value		(9,374,379)	(10,685,827)	(4,159,913)	(24,220,119)
Impairment provision					(4,197,331)
Minimum leasing receivables, net present value					113,142,755

DETAIL	Currency	12.31.2015 ThCh\$			
		0 - 1 years	1 - 5 years	Over 5 years	Total
Minimum leasing receivables, gross	UF	40,694,925	49,795,914	5,046,039	95,536,878
Minimum leasing receivables, gross	Ch\$	13,229,386	25,326,460	-	38,555,846
Minimum leasing receivables, gross	US\$	1,296,702	1,166,243	-	2,462,945
Minimum leasing receivables, gross		55,221,013	76,288,617	5,046,039	136,555,669
Minimum leasing receivables, interest	UF	(6,088,433)	(6,987,746)	(833,320)	(13,909,499)
Minimum leasing receivables, interest	Ch\$	(2,444,820)	(4,247,601)	-	(6,692,421)
Minimum leasing receivables, interest	US\$	(141,833)	(74,928)	-	(216,761)
Minimum leasing receivables, present value		(8,675,086)	(11,310,275)	(833,320)	(20,818,681)
Impairment provision					(4,976,873)
Minimum leasing receivables, net present value					110,760,115

NOTE 11

FOREIGN CURRENCY ASSETS AND LIABILITIES

The following is the balance by currency as of December 31, 2016 and 2015:

CONSOLIDATED CLASSIFIED FINANCIAL POSITION STATEMENT	DECEMBER 31, 2016					
	Ch\$ ThCh\$	US\$ ThCh\$	EUR ThCh\$	CHF ThCh\$	UF ThCh\$	Total ThCh\$
Current assets						
Cash and cash equivalents	18,924,427	12,698,211	6,618	-	-	31,629,256
Other financial assets, current	43,921,028	507,611	-	-	49,114	44,477,753
Other non-financial assets, current	2,002,176	-	-	-	-	2,002,176
Trade debtors and other accounts receivable, current	374,180,905	72,452,467	-	-	96,322,411	542,955,783
Accounts receivable from related companies, current	340,993	-	-	-	-	340,993
Current tax assets	15,187,323	-	-	-	-	15,187,323
Non-current assets or disposal groups held for sale	2,260,078	-	-	-	-	2,260,078
Total current assets	456,816,930	85,658,289	6,618	-	96,371,525	638,853,362
Non-current Assets						
Other financial assets, non-current	8,348,955	66,803,533	-	-	-	75,152,488
Other non-financial assets, non-current	1,229,148	3,579,005	-	-	-	4,808,153
Trade debtors and other accounts receivable, non-current	162,632,527	16,142,724	-	-	79,089,777	257,865,028
Accounts receivable from related companies, non-current	13,364	-	-	-	-	13,364
Investments accounted for using the equity method	-	-	-	-	-	-
Intangible assets other than goodwill	1,853,094	-	-	-	-	1,853,094
Goodwill	1,763,525	-	-	-	-	1,763,525
Property, plant and equipment	4,545,434	-	-	-	-	4,545,434
Deferred tax assets	35,513,697	-	-	-	-	35,513,697
Total Non-Current Assets	215,899,744	86,525,262	-	-	79,089,777	381,514,783
Total assets	672,716,674	172,183,551	6,618	-	175,461,302	1,020,368,145
Current liabilities						
Other financial liabilities, current	96,616,390	25,003,996	-	274,510	68,651,507	190,546,403
Trade and other accounts payable	41,906,390	8,923,426	-	-	85,915	50,915,731
Other short term provisions	2,539,829	-	-	-	-	2,539,829
Current tax liabilities	3,457,490	-	-	-	-	3,457,490
Other non-financial liabilities, current	11,752	-	-	-	-	11,752
Total current liabilities	144,531,851	33,927,422	-	274,510	68,737,422	247,471,205
Non-current liabilities						
Other financial liabilities, non-current	-	221,983,564	-	98,197,573	195,898,780	516,079,917
Accounts payable, non-current	-	-	-	-	-	-
Deferred tax liabilities	5,843,870	-	-	-	-	5,843,870
Total non-current liabilities	5,843,870	221,983,564	-	98,197,573	195,898,780	521,923,787
Total Liabilities	150,375,721	255,910,986	-	98,472,083	264,636,202	769,394,992
Total Equity	250,973,153	-	-	-	-	250,973,153
Currency differentials	271,367,800	(83,727,435)	6,618	(98,472,083)	(89,174,900)	-
Hedges	(327,437,563)	84,051,590		98,472,083	144,913,890	-
Net exposure	(56,069,763)	324,155	6,618	-	55,738,990	-

(*) Hedge instruments to comply with risk policies established by the Company, which are monitored by the Financial Risk Committee (CAPA).

2015

CONSOLIDATED CLASSIFIED FINANCIAL POSITION STATEMENT	DECEMBER 31, 2015				
	Ch\$ ThCh\$	US\$ ThCh\$	EUR ThCh\$	UF ThCh\$	Total ThCh\$
Current assets					
Cash and Cash Equivalents	14,233,481	17,518,576	32,943	-	31,785,000
Other financial assets, current	27,589,395	1,100,044	-	453,165	29,142,604
Other non-financial assets, current	1,840,737	-	-	-	1,840,737
Trade debtors and other accounts receivable, current	299,175,334	93,029,877	-	58,142,372	450,347,583
Accounts receivable from related companies, current	365,490	-	-	-	365,490
Current tax assets	17,353,843	-	-	-	17,353,843
Non-current assets or disposal groups held for sale	509,650	-	-	-	509,650
Total current assets	361,067,930	111,648,497	32,943	58,595,537	531,344,907
Non-current Assets					
Other financial assets, non-current	12,195,845	24,802,533	-	-	36,998,378
Other non-financial assets, non-current	915,745	-	-	-	915,745
Trade debtors and other accounts receivable, non-current	169,488,632	44,383,930	-	128,136,641	342,009,203
Accounts receivable from related companies, non-current	51,669	-	-	-	51,669
Investments accounted for using the equity method	-	-	-	-	-
Intangible assets other than goodwill	538,999	-	-	-	538,999
Goodwill	1,763,524	-	-	-	1,763,524
Property, plant and equipment	4,270,675	-	-	-	4,270,675
Deferred tax assets	38,612,076	-	-	-	38,612,076
Total Non-Current Assets	227,837,165	69,186,463	-	128,136,641	425,160,269
Total assets	588,905,095	180,834,960	32,943	186,732,178	956,505,176
Current liabilities					
Other financial liabilities, current	204,619,024	67,837,647	-	8,820,454	281,277,125
Trade and other accounts payable	38,394,081	17,735,377	-	70	56,129,528
Accounts payable to related companies, current	-	-	-	-	-
Other short term provisions	1,114,242	-	-	-	1,114,242
Current tax liabilities	7,076,561	-	-	-	7,076,561
Other non-financial liabilities, current	16,248	-	-	-	16,248
Total current liabilities	251,220,156	85,573,024	-	8,820,524	345,613,704
Non-current liabilities					
Other financial liabilities, non-current	-	178,268,138	-	183,382,818	361,650,956
Accounts payable, non-current	718,360	-	-	-	718,360
Deferred tax liabilities	11,143,598	-	-	-	11,143,598
Total non-current liabilities	11,861,958	178,268,138	-	183,382,818	373,512,914
Total Liabilities	263,082,114	263,841,162	-	192,203,342	719,126,618
Total Equity	237,378,558	-	-	-	237,378,558
Currency differentials	88,444,423	(83,006,202)	32,943	(5,471,164)	-
Hedges	(120,491,018)	82,047,383	-	38,443,635	-
Net exposure	(32,046,595)	(958,819)	32,943	32,972,471	-

(*) Hedge instruments to comply with risk policies established by the Company, which are monitored by the Financial Risk Committee (CAPA).

NOTE 12

ACCOUNTS RECEIVABLE FROM AND PAYABLE TO RELATED ENTITIES

The balance of the short-term and long-term accounts receivable from related companies is composed of:

- In 2011 the Company granted loans to the companies belonging to Company executives and shareholders. These are payable in annual installments with maturities from March 2012 to March 2017, without indexation and with an average annual nominal interest rate of 8.18%.
- In October 2012 the Company granted loans to the companies belonging to Company executives and shareholders. These loans are payable in annual installments with maturities from March 2013 to March 2018, with no indexation and with an average annual nominal interest rate of 8.40%.
- Bullet credits were renewed in March 2014. These loans were granted in 2010 to companies belonging to Company executives and shareholders, without indexation adjustment and with an annual nominal interest rate of 7.63%.
- The conditions of the interest rate of these credits correspond to those prevailing at that date for personal loans generally.
- The amounts in the table of related party receivables were Board fees and Credit Committee advisory services. These are paid monthly without interest and adjusted in UF.
- Balances outstanding at the period-end relate mainly to Company’s business operations and are payable in the short term and accrue no interest, for instance transfers to trade current account, which are cancelled within the same month.
- At the year ends, there were no provisions for doubtful accounts for related party receivables.
- There were no overdue balances at the end of each reporting period.

As of December 31, 2016 and 2015 there are no balances payable to related entities.

Significant balances and transactions undertaken with related parties are as follows:

a. Accounts receivable from related companies:

Chilean ID number	Company Name	Country	Relationship	Currency	Current		Non-Current	
					12.31.2016 ThCh\$	12.31.2015 ThCh\$	12.31.2016 ThCh\$	12.31.2015 ThCh\$
76,066,686-6	Inversiones Anita e Hijos Ltda.	Chile	Holding Co Shareholder	Ch\$	34,546	36,120	6,522	16,356
96,501,470-5	E. Bertelsen Asesorias S.A.	Chile	Holding Co Shareholder	Ch\$	16,361	16,521	-	-
76,010,029-3	Inversora Quillota Dos S.A.	Chile	Holding Co Shareholder	Ch\$	278,765	281,497	-	-
76,276,892-5	Inversiones Alevi Ltda.	Chile	Holding Co Shareholder	Ch\$	11,321	11,070	6,842	13,721
12,182,702-6	Óscar Espinoza M.	Chile	Holding Co Shareholder	Ch\$	-	8,556	-	9,597
14,412,979-2	Daniela Zamorano A.	Chile	Holding Co Shareholder	Ch\$	-	11,726	-	11,995
Total					340,993	365,490	13,364	51,669

These loans were granted to companies belonging to Company executives and shareholders, with the shareholding as a guarantee.

b. Transactions with related companies and people:

Chilean ID Number	Company Name	Country	Relationship	Currency	Transaction description	12.31.2016 ThCh\$	12.31.2015 ThCh\$
4.465.911-5	Eduardo Massu Massu	Chile	Director	UF	Directors fees	43,023	43,801
9.358.741-3	Francisco Armanet Rodriguez	Chile	Director	UF	Directors fees	-	4,910
4.778.406-9	Fernando Tafra Sturiza	Chile	Director	UF	Directors fees	68,955	55,651
6.420.113-1	Ricardo Massu Massu	Chile	Director	UF	Directors fees	80,036	50,241
6.735.614-4	Jorge Sabag Sabag	Chile	Director	UF	Directors fees	78,138	76,406
6.066.143-K	Jorge Bunster Betteley	Chile	Director	UF	Directors fees	59,863	45,304
7.011.397-k	Pablo Miguel Eguiguren Bravo	Chile	Director	UF	Directors fees	13,146	-
77.077.990-1	Asesoría E Inversiones Armanet	Chile	Director in common	UF	Consultancy	-	2,456
89.576.300-4	Sociedad de Inversiones Rio Side Ltda.	Chile	Director in common	UF	Consultancy	-	2,463
76.276.892-5	Inversiones Alevi Ltda.	Chile	Holding Co Shareholder	Ch\$	Loans	19,171	24,791
12.182.702-6	Óscar Alejandro Espinoza M.	Chile	Holding Co Shareholder	Ch\$	Loans	-	18,153
14.412.979-2	Daniela Andrea Zamorano A.	Chile	Holding Co Shareholder	Ch\$	Loans	-	23,721
76.010.029-3	Inversora Quillota Dos S.A.	Chile	Holding Co Shareholder	Ch\$	Loans	278,765	281,497
76.066.686-6	Inversiones Anita e Hijos	Chile	Holding Co Shareholder	Ch\$	Loans	42,191	52,475
96.501.470-5	E Bertelsen Asesorías S.A.	Chile	Holding Co Shareholder	Ch\$	Loans	16,361	16,521
Total						699,649	698,390

Note: The controllers of companies related to the Company are individuals who are shareholders in them. There is therefore no immediate controller.

c. The Company’s Board and Management

As of December 31, 2016, the Board was as follows:

1. Jorge Bunster Betteley
2. Martín Díaz Plata
3. Pablo Eguiguren Bravo
4. Eduardo Massu Massu
5. Ricardo Massu Massu
6. Jorge Sabag Sabag
7. Fernando Tafra Sturiza

The organizational structure includes the CEO, Comptroller, Lawyer, Corporate Commercial Manager, Commercial Factoring Manager, Commercial Leasing Manager, Automotive Business Manager, Business and Products Intelligence Manager, Planning and Management Control Manager, Operations and Technology Manager, Administration and Procurement Manager, Risk Manager and HR Manager.

Board Remuneration

At an Extraordinary Shareholders' Meeting held on April 2, 2013, it was agreed that the directors of the parent company will be paid for their functions and that their remuneration shall be agreed annually at the Ordinary Shareholders' Meeting (see Note 31).

Controlling Entity

The controller of Tanner Servicios Financieros S. A. is Inversiones Bancarias S.A. with 53.1107% of the Company. This company does not report financial statements to the Superintendent of Securities and Insurance as it is not registered in the Superintendent's securities register.

Senior Management Remuneration

As of December 31, 2016 an, 2015, the Company paid its executives as follows:

DETAIL	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Management Remuneration	3,934,650	3,623,840
Total	3,934,650	3,623,840

NOTE 13

NON-CURRENT ASSETS OR DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

As of December 31, 2016 and 2015, the detail of non-current assets classified as held for sale are detailed as follows:

INVENTORY	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Goods received in payment	2,260,078	509,650
Total	2,260,078	509,650

Note: Goods received in payment is recorded net of impairment losses.

NOTE 14

PROPERTY, PLANT AND EQUIPMENT

The composition of the items included in this group and the respective accumulated depreciation, at each period-end, is as follows:

PROPERTY, PLANT AND EQUIPMENT, GROSS	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Buildings	154,514	154,514
Technological equipment	3,234,536	2,415,300
Leased goods	3,095,610	3,095,611
Office furniture	858,142	813,455
Office equipment	575,646	553,909
Other assets	195,189	195,189
Remodeling	2,117,462	1,416,674
Total	10,231,099	8,644,652

ACCUMULATED DEPRECIATION AND IMPAIRMENT	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Buildings	37,083	18,542
Technological equipment	1,856,703	1,539,305
Leased goods	1,149,755	871,481
Office furniture	626,366	531,328
Office equipment	475,864	414,845
Other assets	176,633	170,360
Remodeling	1,363,261	828,116
Total	5,685,665	4,373,977

PROPERTY, PLANT AND EQUIPMENT, NET	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Buildings	117,431	135,972
Technological equipment	1,377,833	875,995
Leased goods	1,945,855	2,224,130
Office furniture	231,776	282,127
Office equipment	99,782	139,064
Other Assets	18,556	24,829
Remodeling	754,201	588,558
Total	4,545,434	4,270,675

As of December 31, 2016 and 2015, the composition and movement of property plant and equipment is as follows:

2016

AS OF DECEMBER 31, 2016	Buildings ThCh\$	Technological equipment ThCh\$	Leased goods ThCh\$	Office furniture ThCh\$	Office equipment ThCh\$	Remodeling ThCh\$	Other assets ThCh\$	Total ThCh\$
Gross balance as of 01.01.2016	154,514	2,415,300	3,095,611	813,455	553,909	1,416,674	195,189	8,644,652
Acquisitions	-	819,236	-	44,687	21,736	700,789	-	1,586,448
Disposals / Withdrawals / Reclassifications	-	-	-	-	-	-	-	-
Gross balance as of 12.31.2016	154,514	3,234,536	3,095,611	858,142	575,645	2,117,463	195,189	10,231,100
Depreciation balance as of 01.01.2016	(18,542)	(1,539,305)	(871,481)	(531,328)	(414,845)	(828,116)	(170,360)	(4,373,977)
Depreciation	(18,541)	(317,398)	(278,275)	(95,038)	(61,018)	(535,146)	(6,273)	(1,311,690)
Disposals / Sales	-	-	-	-	-	-	-	-
Depreciation balance as of 12.31.2016	(37,083)	(1,856,703)	(1,149,756)	(626,366)	(475,863)	(1,363,262)	(176,633)	(5,685,667)
Net balance as of 12.31.2016	117,431	1,377,833	1,945,855	231,776	99,782	754,201	18,556	4,545,434

2015

AS OF DECEMBER 31, 2015	Buildings ThCh\$	Technological equipment ThCh\$	Leased goods ThCh\$	Office furniture ThCh\$	Office equipment ThCh\$	Remodeling ThCh\$	Other assets ThCh\$	Total ThCh\$
Gross balance as of 01.01.2015	2,957,790	2,046,776	1,328,494	747,526	3,607,502	1,606,997	237,019	12,532,104
Acquisitions	154,514	627,690	-	72,815	42,017	29,137	16,980	943,153
Disposals / Withdrawals / Reclassifications	(2,957,790)	(259,166)	1,767,117	(6,886)	(3,095,610)	(219,460)	(58,810)	(4,830,605)
Gross balance as of 12.31.2015	154,514	2,415,300	3,095,611	813,455	553,909	1,416,674	195,189	8,644,652
Depreciation balance as of 01.01.2015	(198,131)	(1,577,090)	(393,316)	(448,391)	(944,248)	(834,895)	(161,829)	(4,557,900)
Depreciation	(114,590)	(225,672)	(311,557)	(82,937)	(63,803)	(216,836)	(8,531)	(1,023,926)
Disposals / Sales	294,179	263,457	(166,608)	-	593,206	223,615	-	1,207,849
Depreciation Balance as of 12.31.2015	(18,542)	(1,539,305)	(871,481)	(531,328)	(414,845)	(828,116)	(170,360)	(4,373,977)
Net balance as of 12.31.2015	135,972	875,995	2,224,130	282,127	139,064	588,558	24,829	4,270,675

NOTE 15

INCOME TAX AND DEFERRED TAX AND CURRENT TAX

a. Current tax

The income tax for the consolidated group is detailed as follows:

DETAIL	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Summary of current tax liabilities (assets)		
Current tax (assets)	(15,187,323)	(17,353,843)
Current tax liabilities	3,457,490	7,076,561
Total taxes payable (recoverable)	(11,729,833)	(10,277,282)
Detail of current tax liabilities (assets) (net)		
Plus:		
Income tax provision	3,449,829	7,076,561
Tax provision on disallowable expenses	7,661	-
Less:		
Training credits	(143,341)	(134,877)
Provisional payments in advance	(9,101,131)	(13,643,306)
VAT recoverable	(832,042)	(2,524,442)
Income tax recoverable	(5,110,809)	(1,051,218)
Total taxes payable (recoverable)	(11,729,833)	(10,277,282)

b. Tax income (expense), current and deferred taxes

DETAIL	01.01.2016 to 12.31.2016 ThCh\$	01.01.2015 to 12.31.2015 ThCh\$
Income tax expense		
Current year tax	(3,464,666)	(7,094,660)
Deferred tax credit (charge)		
Effect of deferred tax on assets or liabilities	1,168,591	7,218,340
Subtotal	(2,296,075)	123,680
Tax on disallowable expenditure	(10,137)	-
Others	(258,563)	(439,019)
Net charge for income tax	(2,564,775)	(315,339)

c. Deferred tax

Deferred taxes are calculated according to the policies described in Note 2 n), are detailed below:

DETAIL	12.31.2016 ThCh\$	12. 31.2015 ThCh\$
Deferred tax assets		
Unrecoverable receivables provision	5,779,707	7,173,239
Financial write-offs	18,344,713	13,839,412
Vacation provision	225,921	184,114
Leased goods	10,281,193	8,900,378
(Leasing liabilities 2015) (*)	-	6,820,302
Other provisions	508,521	492,106
Comprehensive income FV TBCP	52,901	-
Other events	320,741	1,202,525
Total deferred tax assets	35,513,697	38,612,076

DETAIL	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Deferred tax liabilities		
Advance commissions	5,278,334	4,265,749
Software assets	239,845	52,891
Other events	325,691	4,656
(Leasing liabilities 2015) (*)	-	6,820,302
Total deferred tax liabilities	5,843,870	11,143,598

(*) Effect of leased assets is presented as net amount from year 2016 onwards.

d. Reconciliation between income tax from applying current tax rates and the consolidated tax expense

DETAIL	01.01.2016 12.31.2016 ThCh\$	01.01.2015 12.31.2015 ThCh\$
Net income for the year before tax	24,911,863	20,628,829
Income tax expense using the statutory rate	(5,978,847)	(4,640,832)
Permanent differences for inflation adjustments to taxable equity	2,320,425	2,538,354
Deferred tax rate adjustment	684,164	1,467,269
Prior year taxes	409,938	(439,020)
Other increases (reductions) in tax expense	(455)	758,890
Income tax expense	(2,564,775)	(315,339)

Law 20,780 was published in the Official Gazette on September 29, 2014. This introduces several changes to the tax system ("Tax Reform"), which has the following effects:

It introduced a progressive increase in the corporate income tax rate for 2014, 2015, 2016, 2017 and 2018 and onwards, changing it to 21.0%, 22.5%, 24.0%, 25.5% and 27.0%, respectively, if the Partially Integrated Regime is applied. If the taxpayer chooses the Attributable Income Regime, the tax rate increases to 21.0%, 22.5%, 24.0% and 25.0% for 2014, 2015, 2016 and 2017, respectively.

Law 20,899 was published in the Official Gazette on February 8, 2016, establishing that those companies in which at least one of its shareholders or partners is subject to the corporate tax, will be obliged to opt for the "Partially Integrated Regime". Consequently, Tanner Servicios Financieros S.A. will opt for said regime, the same as all the group companies.

NOTE 16

INTANGIBLE ASSETS OTHER THAN GOODWILL

As of December 31, 2016 and 2015, the balances and movements on intangible assets are detailed as follows:

DETAIL	Software ThCh\$	Trademarks ThCh\$	Total ThCh\$
Balance as of 01.01.2016	1,285,380	51,475	1,336,855
Additions	1,541,334	-	1,541,334
Disposals / Withdrawals / Reclassifications	-	-	-
Balance as of 12.31.2016	2,826,714	51,475	2,878,189
AMORTIZATION	Software ThCh\$	Trademarks ThCh\$	Total ThCh\$
Balance as of 01.01.2016	(797,857)	-	(797,857)
Amortization for the year	(227,238)	-	(227,238)
Balance as of 12. 31.2016	(1,025,095)	-	(1,025,095)
Total	1,801,619	51,475	1,853,094

DETAIL	Software ThCh\$	Trademarks ThCh\$	Total ThCh\$
Balance as of 01.01.2015	919,860	51,475	971,335
Additions	365,520	-	365,520
Disposals / Withdrawals / Reclassifications	-	-	-
Balance as of 12.31.2015	1,285,380	51,475	1,336,855
AMORTIZATION	Software ThCh\$	Trademarks ThCh\$	Total ThCh\$
Balance as of 01.01.2015	(650,223)	-	(650,223)
Amortization for the year	(147,634)	-	(147,634)
Balance as of 12.31.2015	(797,857)	-	(797,857)
Total	487,523	51,475	538,998

Intangible software assets are amortized over the period in which they are expected to generate income (average useful life of three years), as described in Note 2k, and charged against amortization expenses under cost of sales in the income statement. The remaining identifiable intangible assets have indefinite useful lives.

As of December 31, 2016, additions are the purchase of software for the year, consisting of computing system implementations, purchases of new licenses and renewals of other current licenses, totaling ThCh\$ 1,541,334.

NOTE 17

GOODWILL

Acquired assets and liabilities are valued on a provisional basis on the date of taking over control of the company. These valuations are reviewed within a maximum period of one year from the acquisition date. Until the final fair value of acquired assets and liabilities is determined, the difference between the purchase price and the book value of the acquired company is registered on a provisional basis as goodwill.

If the final value of goodwill is reported in the financial statements of the year after acquisition, the financial statements for the previous year used for comparison purposes must be restated to incorporate the final value of the acquired assets and liabilities and the final goodwill as at the acquisition date.

As of December 31, 2016 and 2015, the goodwill by each CGU was as follows:

Chilean ID Number	CASH GENERATING UNIT	Goodwill	
		12.31.2016 ThCh\$	12.31.2015 ThCh\$
93,966,000-3	Gestora Tanner SpA	495,549	495,549
76,313,350-8	Tanner Corredores de Bolsa de Productos S.A.	123,697	123,697
91,711,000-k	Financo S.A.	1,109,416	1,109,416
80,962,600-8	Tanner Corredores de Bolsa S.A.	34,863	34,863
Total		1,763,525	1,763,525

The goodwill allocated to CGUs is tested for impairment annually, or more frequently, if there is evidence that any of the CGUs may be impaired. In determining the value in use, the Company has used cash flows projections over a 6-year target period, based on the budgets and projections reviewed by management for equal period and with an average growth rate of 3%. The discount rate reflects the market evaluation regarding the specific risks of the CGUs. The discount rate used is 11.8%.

NOTE 18

OTHER FINANCIAL LIABILITIES, CURRENT

Other current financial liabilities at fair value, are detailed as follows:

OTHER CURRENT FINANCIAL LIABILITIES AT FAIR VALUE	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Obligations with banks and financial institutions	81,923,108	169,965,084
Obligations with the public (promissory notes)	38,931,179	49,817,878
Obligations with the public (bonds)	50,843,255	33,951,512
Other financial obligations	18,848,861	27,542,651
Total	190,546,403	281,277,125

Other current financial liabilities valued as undiscounted contractual flows are detailed as follows:

OTHER CURRENT FINANCIAL LIABILITIES VALUED AS UNDISCOUNTED CONTRACTUAL FLOWS	12.31.2016 ThCh\$	12. 31.2015 ThCh\$
Obligations with banks and financial institutions	84,416,838	170,955,414
Obligations with the public (promissory notes)	41,179,020	50,684,475
Obligations with the public (bonds)	63,634,075	34,105,933
Other financial obligations	18,848,861	34,135,326
Total	208,078,794	289,881,148

a. Current obligations with banks and financial institutions

Accounting balances as of December 31, 2016 are shown below:

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Repayments	Currency	Maturity	Book value 12.31.2016			Total book value ThCh\$
									0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$	
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.04.2017	1,504,330	-	-	1,504,330
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.04.2017	2,507,234	-	-	2,507,234
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.03.2017	3,008,376	-	-	3,008,376
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.05.2017	3,008,376	-	-	3,008,376
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.03.2017	2,506,976	-	-	2,506,976
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.05.2017	1,504,176	-	-	1,504,176
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.03.2017	902,496	-	-	902,496
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.18.2017	5,013,456	-	-	5,013,456
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	At maturity	Ch\$	01.04.2017	2,005,726	-	-	2,005,726
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	At maturity	Ch\$	01.11.2017	4,412,120	-	-	4,412,120
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	At maturity	Ch\$	01.11.2017	1,002,736	-	-	1,002,736
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	At maturity	Ch\$	01.12.2017	2,506,876	-	-	2,506,876
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	At maturity	Ch\$	01.10.2017	3,005,814	-	-	3,005,814
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	At maturity	Ch\$	01.10.2017	3,005,814	-	-	3,005,814
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	At maturity	Ch\$	01.10.2017	3,005,814	-	-	3,005,814
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	At maturity	Ch\$	01.10.2017	3,005,814	-	-	3,005,814
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,032,000-8	BBVA	Chile	At maturity	Ch\$	01.17.2017	5,009,892	-	-	5,009,892
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,032,000-8	BBVA	Chile	At maturity	Ch\$	01.25.2017	5,001,142	-	-	5,001,142
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,032,000-8	BBVA	Chile	At maturity	Ch\$	01.25.2017	2,500,559	-	-	2,500,559
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	99,500,410-0	Banco Consorcio	Chile	At maturity	Ch\$	01.05.2017	5,000,531	-	-	5,000,531
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	CAF	Venezuela	At maturity	US\$	06.12.2017	-	6,700,754	-	6,700,754
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	217110109	CII	EEUU	At maturity	US\$	05.06.2016	58,021	13,389,433	-	13,447,454
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	DEG	Alemania	Repayment at each installment	US\$	03.16.2017	2,030,700	-	-	2,030,700
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	IFC	EEUU	Semi-annually, with a three-year grace period	US\$	05.15.2021	-	200,932	-	200,932
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	IFC	EEUU	At maturity	US\$	05.15.2019	-	125,010	-	125,010
Total									61,506,979	20,416,129	-	81,923,108

Note: the table below shows the average annual interest rate per banking institution.

CURRENT LOAN RATES 12.31.2016			
Creditor Name	Currency	Annual nominal rate	Annual effective rate
National	Ch\$	4.10%	4.10%
International	US\$	4.10%	4.10%

As of December 31, 2016, balances valued as undiscounted flows are shown below:

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Repayments	Currency	Maturity	NOMINAL VALUES 12.31.2016			Total nominal values ThCh\$
									0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$	
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.04.2017	1,505,024	-	-	1,505,024
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.04.2017	2,508,375	-	-	2,508,375
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.03.2017	3,009,408	-	-	3,009,408
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.05.2017	3,010,080	-	-	3,010,080
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.03.2017	2,507,840	-	-	2,507,840
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.05.2017	1,505,040	-	-	1,505,040
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.03.2017	902,822	-	-	902,822
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	At maturity	Ch\$	01.18.2017	5,023,590	-	-	5,023,590
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	At maturity	Ch\$	01.04.2017	2,006,670	-	-	2,006,670
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	At maturity	Ch\$	01.11.2017	4,417,710	-	-	4,417,710
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	At maturity	Ch\$	01.11.2017	1,004,025	-	-	1,004,025
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	At maturity	Ch\$	01.12.2017	2,510,350	-	-	2,510,350
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	At maturity	Ch\$	01.10.2017	3,009,272	-	-	3,009,272
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	At maturity	Ch\$	01.10.2017	3,009,272	-	-	3,009,272
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	At maturity	Ch\$	01.10.2017	3,009,272	-	-	3,009,272
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,032,000-8	BBVA	Chile	At maturity	Ch\$	01.17.2017	5,019,833	-	-	5,019,833
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,032,000-8	BBVA	Chile	At maturity	Ch\$	01.25.2017	5,015,750	-	-	5,015,750
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,032,000-8	BBVA	Chile	At maturity	Ch\$	01.25.2017	2,507,875	-	-	2,507,875
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	99,500,410-0	Banco Consorcio	Chile	At maturity	Ch\$	01.05.2017	5,003,333	-	-	5,003,333
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	CAF	Venezuela	At maturity	US\$	06.12.2017	-	6,754,912	-	6,754,912
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	217110109	CII	EEUU	At maturity	US\$	06.05.2016	71,172	13,463,771	-	13,534,943
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	DEG	Alemania	Repayment at each installment	US\$	03.16.2017	2,046,415	-	-	2,046,415
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	IFC	EEUU	Semi-annually, with a three-year grace period	US\$	05.15.2021	-	790,493	803,595	1,594,088
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	IFC	EEUU	At maturity	US\$	05.15.2019	-	491,758	499,909	991,667
Total									61,612,400	21,500,934	1,303,504	84,416,838

Accounting balances as of December 31, 2015 are shown below.

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Repayments	Currency	Maturity	BOOK VALUE 12.31.2015			Total book value ThCh\$
									0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$	
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,032,000-8	BBVA	Chile	At maturity	Ch\$	04.08.2016	-	3,092,655	-	3,092,655
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	Single	Ch\$	04.08.2016	-	4,124,835	-	4,124,835
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	Single	Ch\$	01.05.2016	4,077,000	-	-	4,077,000
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,032,000-8	BBVA	Chile	Single	Ch\$	01.07.2016	2,536,267	-	-	2,536,267
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,032,000-8	BBVA	Chile	Single	Ch\$	01.11.2016	4,055,387	-	-	4,055,387
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,032,000-8	BBVA	Chile	Single	Ch\$	01.11.2016	8,106,640	-	-	8,106,640
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,951,000-4	HSBC	Chile	Single	Ch\$	01.19.2016	3,025,959	-	-	3,025,959
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	Single	Ch\$	01.04.2016	5,033,133	-	-	5,033,133
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,004,000-5	Banco de Chile	Chile	Single	Ch\$	02.08.2016	2,518,330	-	-	2,518,330
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	99,500,410-0	Banco Consorcio	Chile	Single	Ch\$	01.11.2016	3,485,487	-	-	3,485,487
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,023,000-9	Corpbanca	Chile	Single	Ch\$	02.09.2016	5,741,800	-	-	5,741,800
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	76,645,030-K	Banco Itaú	Chile	Single	Ch\$	03.08.2016	10,577,981	-	-	10,577,981
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	Single	Ch\$	02.18.2016	5,033,140	-	-	5,033,140
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	Single	Ch\$	03.09.2016	4,429,163	-	-	4,429,163
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,004,000-5	Banco de Chile	Chile	Single	Ch\$	03.01.2016	5,037,403	-	-	5,037,403
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	Single	Ch\$	03.10.2016	2,012,903	-	-	2,012,903
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	76,645,030-K	Banco Itaú	Chile	Single	Ch\$	01.19.2016	1,338,748	-	-	1,338,748
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,080,000-K	Banco Bice	Chile	Single	Ch\$	02.16.2016	1,006,510	-	-	1,006,510
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,023,000-9	Corpbanca	Chile	Single	Ch\$	01.20.2016	5,636,385	-	-	5,636,385
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	99,500,410-0	Banco Consorcio	Chile	Single	Ch\$	02.23.2016	2,485,249	-	-	2,485,249
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,023,000-9	Corpbanca	Chile	Single	Ch\$	01.20.2016	1,006,497	-	-	1,006,497
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	76,645,030-K	Banco Itaú	Chile	Single	Ch\$	02.02.2016	2,012,900	-	-	2,012,900
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	76,645,030-K	Banco Itaú	Chile	Single	Ch\$	02.02.2016	3,522,575	-	-	3,522,575
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	Single	Ch\$	03.17.2016	502,929	-	-	502,929
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	99,500,410-0	Banco Consorcio	Chile	Single	Ch\$	01.14.2016	2,012,180	-	-	2,012,180
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	Single	Ch\$	03.02.2016	5,023,460	-	-	5,023,460
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	Single	Ch\$	03.22.2016	2,713,154	-	-	2,713,154
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	Single	Ch\$	05.23.2016	-	2,512,810	-	2,512,810
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,023,000-9	Corpbanca	Chile	Single	Ch\$	02.11.2016	603,171	-	-	603,171
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	Single	Ch\$	03.22.2016	2,810,636	-	-	2,810,636
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	99,500,410-0	Banco Consorcio	Chile	Single	Ch\$	02.24.2016	5,028,711	-	-	5,028,711
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	Repayment	Ch\$	02.22.2016	2,491,199	2,515,778	-	5,006,977
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	Single	US\$	01.20.2016	2,137,295	-	-	2,137,295
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	Single	US\$	03.21.2016	2,134,564	-	-	2,134,564
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	Single	US\$	02.04.2016	3,557,088	-	-	3,557,088
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	EEUU	Single	US\$	01.05.2016	10,729,344	-	-	10,729,344
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	EEUU	Single	US\$	02.25.2016	3,061,248	-	-	3,061,248
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BAC Florida	EEUU	Single	US\$	02.22.2016	5,683,805	-	-	5,683,805
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	EEUU	Single	US\$	03.23.2016	6,399,931	-	-	6,399,931
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	EEUU	Single	US\$	03.23.2016	7,822,138	-	-	7,822,138
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	DEG	Alemania	Single	US\$	03.16.2017	2,188,244	-	2,130,480	4,318,724
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	217110109	CII	EEUU	Single	US\$	11.15.2015	8,009,972	-	-	8,009,972
Total									155,588,526	12,246,078	2,130,480	169,965,084

Note: the table below shows the average annual interest rate per banking institution.

CURRENT LOAN RATES 12.31.2015			
Creditor Name	Currency	Annual nominal rate	Annual effective rate
National	Ch\$	4.88%	4.88%
National	US\$	0.72%	0.72%
International	US\$	1.89%	1.89%

As of December 31, 2015, balances valued as undiscounted flows are shown belows:

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Repayments	Currency	Maturity	NOMINAL VALUES 12.31.2015			Total nominal values ThCh\$
									0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$	
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,032,000-8	BBVA	Chile	Single	Ch\$	04-08-2016	-	3,127,798	-	3,127,798
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	Single	Ch\$	04-08-2016	-	4,172,368	-	4,172,368
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	Single	Ch\$	01-05-2016	4,079,200	-	-	4,079,200
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,032,000-8	BBVA	Chile	Single	Ch\$	01-07-2016	2,538,133	-	-	2,538,133
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,032,000-8	BBVA	Chile	Single	Ch\$	01-11-2016	4,059,933	-	-	4,059,933
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,032,000-8	BBVA	Chile	Single	Ch\$	01-11-2016	8,115,733	-	-	8,115,733
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,951,000-4	HSBC	Chile	Single	Ch\$	01-19-2016	3,032,715	-	-	3,032,715
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	Single	Ch\$	01-04-2016	5,035,500	-	-	5,035,500
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,004,000-5	Banco de Chile	Chile	Single	Ch\$	02-08-2016	2,532,078	-	-	2,532,078
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	99,500,410-0	Banco Consorcio	Chile	Single	Ch\$	01-11-2016	3,490,984	-	-	3,490,984
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,023,000-9	Corpbanca	Chile	Single	Ch\$	02-09-2016	5,775,240	-	-	5,775,240
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	76,645,030-K	Banco Itaú	Chile	Single	Ch\$	03-08-2016	10,686,200	-	-	10,686,200
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	Single	Ch\$	02-18-2016	5,066,281	-	-	5,066,281
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	Single	Ch\$	03-09-2016	4,470,230	-	-	4,470,230
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,004,000-5	Banco de Chile	Chile	Single	Ch\$	03-01-2016	5,083,967	-	-	5,083,967
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	Single	Ch\$	03-10-2016	2,031,337	-	-	2,031,337
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	76,645,030-K	Banco Itaú	Chile	Single	Ch\$	01-19-2016	1,342,442	-	-	1,342,442
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,080,000-K	Banco Bice	Chile	Single	Ch\$	02-16-2016	1,013,309	-	-	1,013,309
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,023,000-9	Corpbanca	Chile	Single	Ch\$	01-20-2016	5,652,924	-	-	5,652,924
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	99,500,410-0	Banco Consorcio	Chile	Single	Ch\$	02-23-2016	2,506,645	-	-	2,506,645
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,023,000-9	Corpbanca	Chile	Single	Ch\$	01-20-2016	1,009,451	-	-	1,009,451
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	76,645,030-K	Banco Itaú	Chile	Single	Ch\$	02-02-2016	2,022,800	-	-	2,022,800
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	76,645,030-K	Banco Itaú	Chile	Single	Ch\$	02-02-2016	3,539,900	-	-	3,539,900
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	Single	Ch\$	03-17-2016	508,298	-	-	508,298
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	99,500,410-0	Banco Consorcio	Chile	Single	Ch\$	01-14-2016	2,016,394	-	-	2,016,394
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	Single	Ch\$	03-02-2016	5,063,863	-	-	5,063,863
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	Single	Ch\$	03-22-2016	2,743,117	-	-	2,743,117
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	Single	Ch\$	05-23-2016	-	2,564,050	-	2,564,050
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,023,000-9	Corpbanca	Chile	Single	Ch\$	02-11-2016	606,976	-	-	606,976
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,018,000-1	Scotiabank	Chile	Single	Ch\$	03-22-2016	2,841,785	-	-	2,841,785
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	99,500,410-0	Banco Consorcio	Chile	Single	Ch\$	02-24-2016	5,075,156	-	-	5,075,156
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	Single	Ch\$	02-22-2016	2,537,567	2,537,567	-	5,075,134
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	Single	US\$	01-20-2016	2,138,147	-	-	2,138,147
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,006,000-6	Banco crédito e Inversiones	Chile	Single	US\$	03-21-2016	2,137,839	-	-	2,137,839
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	97,030,000-7	Banco Estado	Chile	Single	US\$	02-04-2016	3,559,677	-	-	3,559,677
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	EEUU	Single	US\$	01-05-2016	10,732,737	-	-	10,732,737
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	EEUU	Single	US\$	02-25-2016	3,067,864	-	-	3,067,864
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BAC Florida	EEUU	Single	US\$	02-22-2016	5,710,002	-	-	5,710,002
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	EEUU	Single	US\$	03-23-2016	6,422,665	-	-	6,422,665
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	EEUU	Single	US\$	03-23-2016	7,849,924	-	-	7,849,924
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	DEG	Alemania	Single	US\$	03-16-2017	2,229,272	-	2,196,701	4,425,973
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	217110109	CII	EEUU	Single	US\$	11-15-2015	8,030,645	-	-	8,030,645
Total									156,356,930	12,401,783	2,196,701	170,955,414

b. Current obligations with the public (promissory notes)

1. At book value and undiscounted flows as of December 31, 2016 and 2015:

2016

Country	Registration No.	Currency	Repayments	Annual effective rate	Annual nominal rate	Nominal value ThCh\$	Promissory note maturity	BOOK VALUE				UNDISCOUNTED FLOWS			
								12.31.2016			Total ThCh\$	12.31.2016			Total nominal values ThCh\$
								0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$		0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$	
Chile	Line 107	Ch\$	Single	4.68%	4.68%	3,000,000	01.10.2017	2,996,714	-	-	2,996,714	3,000,000	-	-	3,000,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	2,500,000	01.17.2017	2,495,051	-	-	2,495,051	2,500,000	-	-	2,500,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	100,000	01.17.2017	99,959	-	-	99,959	100,000	-	-	100,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	160,000	01.17.2017	159,836	-	-	159,836	160,000	-	-	160,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	100,000	01.17.2017	99,959	-	-	99,959	100,000	-	-	100,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	100,000	01.17.2017	99,959	-	-	99,959	100,000	-	-	100,000
Chile	Line 107	Ch\$	Single	4.56%	4.56%	40,000	01.17.2017	40,084	-	-	40,084	40,000	-	-	40,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	1,200,000	01.24.2017	1,196,631	-	-	1,196,631	1,200,000	-	-	1,200,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	170,000	01.24.2017	169,663	-	-	169,663	170,000	-	-	170,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	300,000	01.24.2017	299,280	-	-	299,280	300,000	-	-	300,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	120,000	01.24.2017	119,810	-	-	119,810	120,000	-	-	120,000
Chile	Line 107	Ch\$	Single	4.56%	4.56%	90,000	01.24.2017	89,905	-	-	89,905	90,000	-	-	90,000
Chile	Line 107	Ch\$	Single	4.56%	4.56%	120,000	01.24.2017	119,818	-	-	119,818	120,000	-	-	120,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	500,000	01.31.2017	498,242	-	-	498,242	500,000	-	-	500,000
Chile	Line 107	Ch\$	Single	4.56%	4.56%	500,000	01.31.2017	498,289	-	-	498,289	500,000	-	-	500,000
Chile	Line 107	Ch\$	Single	4.56%	4.56%	500,000	02.14.2017	497,419	-	-	497,419	500,000	-	-	500,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	500,000	02.14.2017	497,347	-	-	497,347	500,000	-	-	500,000
Chile	Line 107	Ch\$	Single	4.56%	4.56%	2,000,000	02.14.2017	1,989,181	-	-	1,989,181	2,000,000	-	-	2,000,000
Chile	Line 107	Ch\$	Single	4.56%	4.56%	1,000,000	02.21.2017	993,805	-	-	993,805	1,000,000	-	-	1,000,000
Chile	Line 107	Ch\$	Single	4.56%	4.56%	1,713,000	02.21.2017	1,702,260	-	-	1,702,260	1,713,000	-	-	1,713,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	110,000	02.21.2017	109,481	-	-	109,481	110,000	-	-	110,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	50,000	02.21.2017	49,854	-	-	49,854	50,000	-	-	50,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	127,000	02.21.2017	126,375	-	-	126,375	127,000	-	-	127,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	850,000	02.28.2017	844,165	-	-	844,165	850,000	-	-	850,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	930,000	03.07.2017	922,814	-	-	922,814	930,000	-	-	930,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	270,000	03.07.2017	268,029	-	-	268,029	270,000	-	-	270,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	300,000	03.07.2017	297,792	-	-	297,792	300,000	-	-	300,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	25,000	03.07.2017	24,966	-	-	24,966	25,000	-	-	25,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	150,000	03.14.2017	148,851	-	-	148,851	150,000	-	-	150,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	275,000	03.14.2017	272,756	-	-	272,756	275,000	-	-	275,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	100,000	03.14.2017	99,288	-	-	99,288	100,000	-	-	100,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	8,102	03.14.2017	8,195	-	-	8,195	8,102	-	-	8,102
Chile	Line 107	Ch\$	Single	4.44%	4.44%	50,000	03.14.2017	49,726	-	-	49,726	50,000	-	-	50,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	560,000	03.14.2017	555,257	-	-	555,257	560,000	-	-	560,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	1,214	03.14.2017	1,367	-	-	1,367	1,214	-	-	1,214
Chile	Line 107	Ch\$	Single	4.44%	4.44%	14,745	03.14.2017	14,780	-	-	14,780	14,745	-	-	14,745
Chile	Line 107	Ch\$	Single	4.44%	4.44%	30,000	03.14.2017	29,901	-	-	29,901	30,000	-	-	30,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	65,000	03.14.2017	64,594	-	-	64,594	65,000	-	-	65,000
Chile	Line 107	Ch\$	Single	4.44%	4.44%	60,000	03.14.2017	59,637	-	-	59,637	60,000	-	-	60,000
Chile	Line 107	UF	Single	4.04%	4.04%	1,317,396	02.07.2017	1,312,104	-	-	1,312,104	1,317,396	-	-	1,317,396
Chile	Line 107	UF	Single	4.05%	4.05%	2,173,600	02.07.2017	2,157,738	-	-	2,157,738	2,173,600	-	-	2,173,600
Chile	Line 107	UF	Single	4.00%	4.00%	2,524,267	05.02.2017	-	2,508,930	-	2,508,930	-	2,524,266	-	2,524,266
Chile	Line 107	UF	Single	3.80%	3.80%	429,074	05.02.2017	-	423,800	-	423,800	-	429,074	-	429,074
Chile	Line 107	UF	Single	3.81%	3.81%	429,074	05.02.2017	-	423,787	-	423,787	-	429,074	-	429,074
Chile	Line 107	UF	Single	3.80%	3.80%	1,446,399	05.02.2017	-	1,71,756	-	171,756	-	1,446,399	-	1,446,399
Chile	Line 107	UF	Single	3.80%	3.80%	138,455	05.02.2017	-	136,753	-	136,753	-	138,455	-	138,455
Chile	Line 107	UF	Single	3.80%	3.80%	2,236,282	05.02.2017	-	1,578,565	-	1,578,565	-	2,236,282	-	2,236,282
Chile	Line 107	UF	Single	3.50%	3.50%	4,019,204	05.16.2017	-	3,968,216	-	3,968,216	-	4,019,204	-	4,019,204
Chile	Line 107	UF	Single	3.50%	3.50%	2,461,723	05.16.2017	-	2,435,158	-	2,435,158	-	2,461,723	-	2,461,723
Chile	Line 107	UF	Single	3.05%	3.05%	5,314,486	06.13.2017	-	5,203,332	-	5,203,332	-	5,314,486	-	5,314,486
Total								22,080,882	16,850,297	-	38,931,179	22,180,057	18,998,963	-	41,179,020

2015

Country	Registration No.	Currency	Repayments	Annual effective rate	Annual nominal rate	Nominal value ThCh\$	Promissory note maturity	BOOK VALUE				UNDISCOUNTED FLOWS			
								12.31.2015			Total ThCh\$	12.31.2015			Total ThCh\$
								0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$		0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$	
Chile	Line 107	Ch\$	Single	4.56%	4.56%	2.000.000	01-05-2016	1,999,002	-	-	1,999,002	2,000,000	-	-	2,000,000
Chile	Line 107	Ch\$	Single	4.56%	4.56%	3.000.000	01-05-2016	2,998,501	-	-	2,998,501	3,000,000	-	-	3,000,000
Chile	Line 107	Ch\$	Single	4.56%	4.56%	1.500.000	01-12-2016	1,497,939	-	-	1,497,939	1,500,000	-	-	1,500,000
Chile	Line 107	Ch\$	Single	4.56%	4.56%	500.000	01-12-2016	499,313	-	-	499,313	500,000	-	-	500,000
Chile	Line 107	Ch\$	Single	4.56%	4.56%	1.000.000	01-12-2016	998,626	-	-	998,626	1,000,000	-	-	1,000,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	250.000	01-12-2016	249,647	-	-	249,647	250,000	-	-	250,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	1.000.000	01-12-2016	998,588	-	-	998,588	1,000,000	-	-	1,000,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	750.000	01-12-2016	748,941	-	-	748,941	750,000	-	-	750,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	3.200.000	01-19-2016	3,191,293	-	-	3,191,293	3,200,535	-	-	3,200,535
Chile	Line 107	Ch\$	Single	4.68%	4.68%	1.000.000	01-26-2016	996,793	-	-	996,793	1,000,000	-	-	1,000,000
Chile	Line 107	Ch\$	Single	4.80%	4.80%	1.000.000	01-26-2016	996,709	-	-	996,709	1,000,000	-	-	1,000,000
Chile	Line 107	Ch\$	Single	4.80%	4.80%	4.000.000	02-02-2016	3,983,169	-	-	3,983,169	4,000,000	-	-	4,000,000
Chile	Line 107	Ch\$	Single	4.80%	4.80%	1.000.000	02-02-2016	995,791	-	-	995,791	1,000,000	-	-	1,000,000
Chile	Line 107	Ch\$	Single	4.92%	4.92%	2.500.000	02-09-2016	2,486,853	-	-	2,486,853	2,500,000	-	-	2,500,000
Chile	Line 107	Ch\$	Single	5.04%	5.04%	1.500.000	02-09-2016	1,491,917	-	-	1,491,917	1,500,000	-	-	1,500,000
Chile	Line 107	Ch\$	Single	6.60%	6.60%	1.000.000	03-08-2016	987,979	-	-	987,979	1,000,000	-	-	1,000,000
Chile	Line 107	Ch\$	Single	6.60%	6.60%	987.712	03-08-2016	976,226	-	-	976,226	1,031,790	-	-	1,031,790
Chile	Line 107	Ch\$	Single	7.20%	7.20%	2.200.000	03-15-2016	2,132,397	-	-	2,132,397	2,201,699	-	-	2,201,699
Chile	Line 107	Ch\$	Single	7.20%	7.20%	1.000.000	03-15-2016	985,564	-	-	985,564	1,000,000	-	-	1,000,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	2.800.000	05-10-2016	-	2,754,938	-	2,754,938	-	2,803,481	-	2,803,481
Chile	Line 107	Ch\$	Single	4.80%	4.80%	600.000	05-10-2016	-	590,054	-	590,054	-	600,000	-	600,000
Chile	Line 107	Ch\$	Single	4.80%	4.80%	500.000	05-10-2016	-	491,710	-	491,710	-	500,000	-	500,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	600.000	05-10-2016	-	590,289	-	590,289	-	600,000	-	600,000
Chile	Line 107	Ch\$	Single	4.68%	4.68%	300.000	05-10-2016	-	295,145	-	295,145	-	300,000	-	300,000
Chile	Line 107	Ch\$	Single	4.74%	4.74%	2.500.000	06-07-2016	-	2,463,083	-	2,463,083	-	2,562,442	-	2,562,442
Chile	Line 107	Ch\$	Single	4.68%	4.68%	1.500.000	06-14-2016	-	1,474,624	-	1,474,624	-	1,525,954	-	1,525,954
Chile	Line 107	Ch\$	Single	4.80%	4.80%	500.000	06-14-2016	-	530,160	-	530,160	-	582,754	-	582,754
Chile	Line 107	Ch\$	Single	5.16%	5.16%	5.000.000	07-05-2016	-	-	4,873,068	4,873,068	-	-	5,000,000	5,000,000
Chile	Line 107	Ch\$	Single	5.04%	5.04%	1.700.000	08-02-2016	-	-	1,690,150	1,690,150	-	-	1,775,820	1,775,820
Chile	Line 107	Ch\$	Single	5.16%	5.16%	5.000.000	08-09-2016	-	-	4,849,409	4,849,409	-	-	5,000,000	5,000,000
Total								29,215,248	9,190,003	11,412,627	49,817,878	29,434,024	9,474,631	11,775,820	50,684,475

c. Current obligations with the public (bonds)

These are as follows as of December 31, 2016 and 2015:

2016

Country	Registration No.	Series	Nominal Amount	Currency	Repayment	Annual effective rate	Annual nominal rate	Final maturity	BOOK VALUE 12.31.2016				UNDISCOUNTED FLOWS 12.31.2016			
									0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$	Total ThCh\$	0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$	Total ThCh\$
Chile	656	Series I	1.600.000	UF	Semi-annually, with a four year grace period	3.670%	3.800%	04-01-2021	-	3,770,292	3,466,112	7,236,404	-	4,061,245	3,995,119	8,056,364
Chile	709	Series N	1.500.000	UF	Semi-annually, with a four year grace period	4.890%	4.700%	10-10-2017	-	20,090,429	19,667,082	39,757,511	-	20,585,186	20,126,133	40,711,319
Chile	709	Series P	1.470.000	UF	Semi-annually, with a four year grace period	3.530%	3.700%	04-01-2019	-	268,999	-	268,999	-	616,122	710,025	1,326,147
Chile	625	Series S	1.000.000	UF	Semi-annually, with a four year grace period	3.150%	2.900%	12-15-2019	-	35,824	-	35,824	-	379,315	379,315	758,630
Chile	817	Series U	1.000.000	UF	At maturity	2.450%	2.500%	08-01-2020	184,316	-	-	184,316	233,414	-	327,317	560,731
Chile	817	Series W	1.000.000	UF	Semi-annually, with a ten year grace period	3.950%	3.800%	08-01-2036	327,649	-	-	327,649	402,041	-	495,944	897,985
Chile	817	Series X	2.000.000	UF	At maturity	3.490%	3.750%	09-10-2020	520,664	-	-	520,664	932,004	-	978,956	1,910,960
EEUU	-	-	250.000.000	US\$	At maturity	4.500%	4.375%	03-13-2018	2,237,378	-	-	2,237,378	3,656,528	-	3,649,242	7,305,770
Suiza	-	-	150.000.000	CHF	At maturity	2.125%	2.125%	11-15-2019	-	-	274,510	274,510	-	-	2,106,169	2,106,169
Total									3,270,007	24,165,544	23,407,704	50,843,255	5,223,987	25,641,868	32,768,220	63,634,075

2015

Country	Registration No.	Series	Nominal Amount	Currency	Repayment	Annual effective rate	Annual nominal rate	Final maturity	BOOK VALUE 12.31.2015				UNDISCOUNTED FLOWS 12.31.2015			
									0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$	Total ThCh\$	0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$	Total ThCh\$
Chile	656	Series G	15,000,000	ThCh\$	At maturity	7.510%	7.000%	04-01-2016	-	2,537,960	-	2,537,960	-	2,500,000	-	2,500,000
Chile	548	Series Q	20,000,000	ThCh\$	At maturity	4.620%	4.750%	11-10-2016	-	177,606	20,000,000	20,177,606	-	-	20,000,000	20,000,000
Chile	656	Series I	1,600,000	UF	Semi-annually, with a four year grace period	3.670%	3.800%	04-01-2021	-	3,810,682	3,417,212	7,227,894	-	3,417,212	3,417,212	6,834,424
Chile	656	Series N	1,500,000	UF	Semi-annually, with a four year grace period	4.890%	4.700%	10-10-2017	-	434,244	-	434,244	-	-	-	-
Chile	709	Series P	1,470,000	UF	Semi-annually, with a four year grace period	3.530%	3.700%	04-01-2019	-	375,448	-	375,448	-	-	-	-
Chile	625	Series S	1,000,000	UF	Semi-annually, with a four year grace period	3.150%	2.900%	12-15-2019	-	57,294	-	57,294	-	-	-	-
Chile	817	Series U	1,000,000	UF	At maturity	2.450%	2.500%	08-01-2020	293,076	-	-	293,076	340,834	-	-	340,834
Chile	817	Series W	1,000,000	UF	Semi-annually, with a ten year grace period	3.950%	3.800%	08-01-2036	432,498	-	-	432,498	504,860	-	-	504,860
EEUU	-	-	250,000,000	US\$	At maturity	4.500%	4.375%	03-13-2018	2,415,492	-	-	2,415,492	3,925,815	-	-	3,925,815
Total									3,141,066	7,393,234	23,417,212	33,951,512	4,771,509	5,917,212	23,417,212	34,105,933

d. Other financial obligations

These are as follows as of December 31, 2016 and 2015:

OTHER FINANCIAL OBLIGATIONS		12.31.2016 ThCh\$	12.31.2015 ThCh\$
Obligations with Covenants		18,848,861	27,542,651
Total		18,848,861	27,542,651

1. Obligations from forwards

As of the date of the financial statements, the Company does not have any such financial obligations.

2. Obligations from sales with Repurchase Agreements - Repo

Debtor ID number	Debtor Name	Debtor Country	12.31.2016				12.31.2015			
			0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$	Total ThCh\$	0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$	Total ThCh\$
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	261,767	-	-	261,767	-	11,568,047	-	11,568,047
80,962,600-8	Tanner Corredores de Bolsa S.A.	Chile	18,587,094	-	-	18,587,094	15,974,604	-	-	15,974,604
Total			18,848,861	-	-	18,848,861	15,974,604	11,568,047	-	27,542,651

Assets transferred are investment bonds in US\$, issued in international markets, which are provided under custody only, preventing the creditor from using them in any transaction.

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Repayments	Currency	Nominal rate	Annual effective rate	Maturity	12.31.2016			Total ThCh\$
											0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$	
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Societe Generale	USA	Single	US\$	1.49%	1.49%	12-04-2016	261,767	-	-	261,767
Total											261,767	-	-	261,767

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Repayments	Currency	Nominal rate	Annual effective rate	Maturity	12.31.2015			Total ThCh\$
											0 - 3 months ThCh\$	3 - 6 months ThCh\$	6 - 12 months ThCh\$	
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Societe Generale	USA	Single	US\$	1.49%	1.49%	12-04-2016	-	11,568,047	-	11,568,047
Total											-	11,568,047	-	11,568,047

Tanner Corredores de Bolsa S.A. acts as broker for obligations with covenants.

NOTE 19

OTHER FINANCIAL LIABILITIES, NON-CURRENT

Other non-current financial liabilities are as follows:

1. At book value

OTHER NON-CURRENT FINANCIAL LIABILITIES	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Obligations with banks and financial institutions	55,337,571	2,130,480
Obligations with the public (bonds)	460,742,346	359,520,476
Total	516,079,917	361,650,956

2. Valued as undiscounted flows

OTHER NON-CURRENT FINANCIAL LIABILITIES	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Obligations with banks and financial institutions	64,688,398	3,045,864
Obligations with the public (bonds)	495,045,146	361,300,575
Total	559,733,544	364,346,439

Consolidated financial statements should indicate the name, ID and country of the debtor entity, as required by Official Bulletin No. 595 issued by the Superintendent of Securities and Insurance. In this case all non-current financial liabilities at the close of the periods are obligations of the parent company, Tanner Servicios Financieros S.A., Chilean ID 96,667,560-8, a Chilean company.

a. Non-current obligations with banks and financial institutions:

1. At book value as of December 31, 2016 and 2015

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Repayments	Currency	Maturity	BOOK VALUE							
									12.31.2016				12.31.2015			
									1 - 3 years ThCh\$	3 - 5 years ThCh\$	Over 5 years ThCh\$	Total ThCh\$	1 - 3 years ThCh\$	3 - 5 years ThCh\$	Over 5 years ThCh\$	Total ThCh\$
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	IFC	USA	Repayment	US\$	05.15.2021	8,569,273	24,493,233	-	33,062,506	-	-	-	-
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	IFC	USA	Repayment	US\$	05.15.2019	22,275,065	-	-	22,275,065	-	-	-	-
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	DEG	Germany	Single	US\$	03.16.2017	-	-	-	-	2,130,480	-	-	2,130,480
Total									30,844,338	24,493,233	-	55,337,571	2,130,480	-	-	2,130,480

2. At undiscounted flow value as of December 31, 2016 and 2015

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Repayments	Currency	Maturity	NOMINAL VALUES							
									12.31.2016				12.31.2015			
									1 - 3 years ThCh\$	3 - 5 years ThCh\$	Over 5 years ThCh\$	Total ThCh\$	1 - 3 years ThCh\$	3 - 5 years ThCh\$	Over 5 years ThCh\$	Total ThCh\$
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	IFC	Foreign	Repayment	US\$	05.15.2021	13,150,636	26,300,690	-	39,451,326	-	-	-	-
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	IFC	Foreign	Repayment	US\$	05.15.2019	25,237,072	-	-	25,237,072	-	-	-	-
96,667,560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	DEG	Foreign	Single	US\$	03.16.2017	-	-	-	-	3,045,864	-	-	3,045,864
Total									38,387,708	26,300,690	-	64,688,398	3,045,864	-	-	3,045,864

b. Current obligations with the public (bonds) as of December 31, 2016:

1. At book value as of December 31, 2016 and 2015:

2016

Country	Registration No.	Series	Nominal Amount	Currency	Repayment	Annual effective rate	Annual nominal rate	Final maturity	BOOK VALUES 12.31.2016			
									1 - 3 years ThCh\$	3 - 5 years ThCh\$	Over 5 years ThCh\$	Total ThCh\$
Chile	656	Series I	1,600,000	UF	Semi-annually, with a four year grace period	3.670%	3.800%	04-01-2021	14,121,915	10,608,850	-	24,730,765
Chile	709	Series P	1,470,000	UF	Semi-annually, with a four year grace period	3.530%	3.700%	04-01-2019	38,870,848	-	-	38,870,848
Chile	625	Series S	1,000,000	UF	Semi-annually, with a four year grace period	3.150%	2.900%	12-15-2019	26,487,297	-	-	26,487,297
Chile	817	Series U	1,000,000	UF	At maturity	2.450%	2.500%	08-01-2020	-	26,487,297	-	26,487,297
Chile	817	Series W	1,000,000	UF	Semi-annually, with a ten year grace period	3.950%	3.800%	08-01-2036	-	-	26,487,297	26,487,297
Chile	817	Series X	2,000,000	UF	At maturity	3.490%	3.750%	09-10-2020	-	52,835,277	-	52,835,277
USA	-	-	250,000,000	US\$	At maturity	4.500%	4.375%	03-13-2018	166,645,992	-	-	166,645,992
Switzerland	-	-	150,000,000	CHF	At maturity	2.125%	2.125%	11-15-2019	98,197,573	-	-	98,197,573
Total									344,323,625	89,931,424	26,487,297	460,742,346

2015

Country	Registration No.	Series	Nominal Amount	Currency	Repayment	Annual effective rate	Annual nominal rate	Final maturity	FLOWS AT BOOK VALUE 12.31.2015			
									1 - 3 years ThCh\$	3 - 5 years ThCh\$	Over 5 years ThCh\$	Total ThCh\$
Chile	656	Series G	15,000,000	ThCh\$	At maturity	7.510%	7.000%	04.01.2016	-	-	-	-
Chile	548	Series Q	20,000,000	ThCh\$	Al vencimiento	4.620%	4.750%	11.10.2016	-	-	-	-
Chile	656	Series I	1,600,000	UF	Semi-annually, with a four year grace period	3.670%	3.900%	04.01.2021	13,668,848	13,668,848	333,409	27,671,105
Chile	656	Series N	1,500,000	UF	Semi-annually, with a four year grace period	4.890%	4.700%	10.10.2017	38,368,649	-	-	38,368,649
Chile	709	Series P	1,470,000	UF	Semi-annually, with a four year grace period	3.530%	3.700%	04.01.2019	18,837,421	19,024,211	-	37,861,632
Chile	625	Series S	1,000,000	UF	At maturity	3.150%	2.900%	12.15.2019	-	25,484,483	-	25,484,483
Chile	817	Series U	1,000,000	UF	At maturity	2.450%	2.500%	08.01.2020	-	24,968,640	-	24,968,640
Chile	817	Series W	1,000,000	UF	Semi-annually, with a ten year grace period	3.950%	3.800%	08.01.2036	-	-	26,028,309	26,028,309
USA	-	-	250,000,000	US\$	At maturity	4.500%	4.375%	03.13.2018	179,137,658	-	-	179,137,658
Total									250,012,576	83,146,182	26,361,718	359,520,476

2. At undiscounted flow value as of December 31, 2016 and 2015:

2016

Country	Registration No.	Series	Nominal Amount	Currency	Repayment	Annual effective rate	Annual nominal rate	Final maturity	UNDISCOUNTED FLOWS 31.12.2016			
									1 - 3 years ThCh\$	3 - 5 years ThCh\$	Over 5 years ThCh\$	Total ThCh\$
Chile	656	Series I	1,600,000	UF	Semi-annually, with a four year grace period	3.670%	3.800%	04-01-2021	15,576,684	11,005,606	-	26,582,290
Chile	709	Series P	1,470,000	UF	Semi-annually, with a four year grace period	3.530%	3.700%	04-01-2019	40,645,911	-	-	40,645,911
Chile	625	Series S	1,000,000	UF	Semi-annually, with a four year grace period	3.150%	2.900%	12-15-2019	27,814,901	-	-	27,814,901
Chile	817	Series U	1,000,000	UF	At maturity	2.450%	2.500%	08-01-2020	1,378,925	27,072,272	-	28,451,197
Chile	817	Series W	1,000,000	UF	Semi-annually, with a ten year grace period	3.950%	3.800%	08-01-2036	1,983,776	1,983,776	36,158,206	40,125,758
Chile	817	Series X	2,000,000	UF	At maturity	3.490%	3.750%	09-10-2020	3,915,824	54,793,189	-	58,709,013
USA	-	-	250,000,000	US\$	At maturity	4.500%	4.375%	03-13-2018	170,295,234	-	-	170,295,234
Switzerland	-	-	150,000,000	CHF	At maturity	2.125%	2.125%	11-15-2019	102,420,842	-	-	102,420,842
Total									364,032,097	94,854,843	36,158,206	495,045,146

2015

Country	Registration No.	Series	Nominal Amount	Currency	Repayment	Annual effective rate	Annual nominal rate	Final maturity	UNDISCOUNTED FLOWS 12.31.2015			
									1 - 3 years ThCh\$	3 - 5 years ThCh\$	Over 5 years ThCh\$	Total ThCh\$
Chile	656	Series G	15,000,000	ThCh\$	At maturity	7.510%	7.000%	04.01.2016	-	-	-	-
Chile	548	Series Q	20,000,000	ThCh\$	Semi-annually, with a four year grace period	4.620%	4.750%	11.10.2016	-	-	-	-
Chile	656	Series I	1,600,000	UF	Semi-annually, with a four year grace period	3.670%	3.900%	04.01.2021	13,668,848	13,668,848	3,417,212	30,754,908
Chile	656	Series N	1,500,000	UF	Semi-annually, with a four year grace period	4.890%	4.700%	10.10.2017	38,443,635	-	-	38,443,635
Chile	709	Series P	1,470,000	UF	Semi-annually, with a four year grace period	3.530%	3.700%	04.01.2019	18,837,381	18,837,381	-	37,674,762
Chile	625	Series S	1,000,000	UF	At maturity	3.150%	2.900%	12.15.2019	-	25,629,090	-	25,629,090
Chile	817	Series U	1,000,000	UF	At maturity	2.450%	2.500%	08.01.2020	-	25,629,090	-	25,629,090
Chile	817	Series W	1,000,000	UF	Semi-annually, with a ten year grace period	3.950%	3.800%	08.01.2036	-	-	25,629,090	25,629,090
USA	-	-	250,000,000	US\$	At maturity	4.500%	4.375%	03.13.2018	177,540,000	-	-	177,540,000
Total									248,489,864	83,764,409	29,046,302	361,300,575

NOTE 20

TRADE CREDITORS AND OTHER CURRENT PAYABLES

These are as follows:

DETAIL	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Advance payments from customers (6)	8,027,415	7,164,122
FCI creditors (1)	7,454,916	14,143,808
Minimum dividend	6,550,736	6,018,370
Loans approved awaiting drawdown (5)	6,081,626	6,878,061
Brokerage creditors at Tanner Corredores de Bolsa S.A.	3,472,440	4,758,805
Other documents payable (7)	3,303,292	2,815,711
Leasing creditors (3)	2,650,239	423,165
Invoices receivable for leased asset purchases	2,159,740	870,069
Automotive creditors (8)	1,960,631	2,310,204
Factoring creditors (2)	1,657,821	1,253,878
Other Stock Exchange payables	1,421,344	16,675
Stock Exchange documents payable	1,380,312	1,233,827
Surpluses on the return of documents (4)	1,088,562	736,516
Taxes payable	1,069,626	1,907,996
Vacation provision	883,688	764,167
Others (9)	435,008	479,219
TLV payables	355,365	763,904
Unearned HP sub lease	345,239	1,436,719
Obligations on covenants at Tanner Corredores de Bolsa S.A.	319,007	116,515
Deferred liabilities	169,508	177,737
Import creditors (1)	84,093	1,749,121
CBP Brokerage creditors	45,123	110,939
Total	50,915,731	56,129,528

- (1) Import creditors and FCI creditors that arise from international factoring transactions performed by the parent company.
- (2) Factoring creditors that arise from national factoring transactions at the parent company.
- (3) Leasing creditors that arise from leasing transactions by Tanner Leasing S.A.
- (4) Surpluses on the return of documents released by factoring transactions, and available to be withdrawn by customers.
- (5) Loans approved awaiting drawdown.
- (6) Advance payments from customers deposited in favor of Tanner Servicios Financieros S.A. against documents that are subject to collection processes.
- (7) Other documents payable, mostly suppliers and payroll deductions.
- (8) Automotive creditors that arise from automotive financing transactions at Tanner Servicios Financieros S.A.
- (9) Others are liabilities arising from exchange rate differences payable on Tanner Leasing S.A. transactions, stamp duty on loan transactions, and expired checks, among others.

NOTE 21

OTHER CURRENT PROVISIONS

a. Other current provisions are as follows:

OTHER CURRENT PROVISIONS	Currency	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Expense provision (*)	Ch\$	1,517,621	575,303
Other provisions	Ch\$	1,022,208	538,939
Total		2,539,829	1,114,242

(*) Provisions of advanced payments for the period, whose documentation has not been received yet.

b. The changes in short-term provisions are as follows:

DETAIL	Expense provision ThCh\$	Other provisions ThCh\$	Total ThCh\$
Opening balance 01.01.2016	575,303	538,939	1,114,242
Increases	5,419,416	2,195,389	7,614,805
Decreases	(4,477,098)	(1,712,120)	(6,189,218)
Closing balance 12.31.2016	1,517,621	1,022,208	2,539,829

DETAIL	Expense provision ThCh\$	Other provisions ThCh\$	Total ThCh\$
Opening balance 01.01.2015	352,851	88,483	441,334
Increases	3,311,659	2,184,667	5,496,326
Decreases	(3,089,207)	(1,734,211)	(4,823,418)
Closing balance 12.31.2015	575,303	538,939	1,114,242

NOTE 22

ACCOUNTS PAYABLE, NON-CURRENT

As of December 31, 2016 and 2015, these were as follows:

DETAIL	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Rights on sub-leased equipment contracts	-	718,360
Total	-	718,360

NOTE 23

EQUITY

The main objective of capital management is to maintain an adequate credit risk profile and healthy capital ratios that secure access to capital markets. This is required to meet the medium and long-term objectives of the Company and maximize the return for shareholders.

The Company allocates resources to its principal businesses and does not invest outside these.

As of December 31, 2016 and 2015, the total subscribed and paid shares are 1,212,129, which are divided into 294,951 Ordinary Shares, 32,324 series-A preferred shares and 884,854 series-B preferred shares. All shares have full political and economic rights. Series-A shares are subject to the obligation of being totally exchanged for ordinary shares on March 31, 2018 for (i) 32,324 Ordinary shares, if as of December 31, 2017 the accumulated earnings per share from 2013 to 2017, is lower than Ch\$ 177,835; (ii) for 15,944 ordinary shares if such earnings are equal or higher than Ch\$ 177,835 but lower than Ch\$ 194,002; and (iii) per one ordinary share if such earning per share is equal or higher than Ch\$ 194,002. Series-B shares have the special right to receive, on a proportional basis, an eventual dividend of up to a maximum of Ch\$ 4,000 million no later than June 30, 2017, if appropriate. This dividend is related to the income of recoveries from matured loans that the Company holds against Pescanova S.A., provided the recovery of such loans exceeds US\$ 22 million less the sum of Ch\$ 4,000 million. Every sum in excess that is recovered will be distributed as dividend to the Series-B shareholders.

SERIES	Number of shares subscribed	Number of shares paid	Number of shares with voting rights
Series A	32,324	32,324	32,324
Series B	884,854	884,854	884,854
Ordinary Series	294,951	294,951	294,951
Total	1,212,129	1,212,129	1,212,129

a. Accionistas

Al 31 de diciembre de 2016, el capital suscrito y pagado asciende a M\$ 195.223.800 y está representado por 1.212.129 acciones sin valor nominal.

SERIES	Capital Subscribed ThCh\$	Capital Paid ThCh\$
Series A	5,206,058	5,206,058
Series B	142,513,347	142,513,347
Ordinary series	47,504,395	47,504,395
Total	195,223,800	195,223,800

SHAREHOLDER	Chilean ID Number	Related to	Number of Shares	Shares	Interest %
Inversiones Bancarias S.A.	99,546,550-7	Grupo Massu	643,770	643,370 Series B Preference Shares	53.1107%
Inversiones Gables S.L.U.	59,196,270-1	Capital Group	310,911	280,203 Ordinary Shares and 30,708 Series A Preference Shares	25.6500%
Inversiones Similan S.L.U	59,196,260-4	Capital Group	16,364	14,748 Ordinary Shares and 1,616 Series A Preference Shares	1.3500%
Asesorías Financieras Belén Ltda.	77,719,080-6	Jorge Sabag S.	90,303	90,303 Series B Preference Shares	7.4499%
Inversiones FSA Ltda.	76,082,829-7	Francisco Schulz A.	67,673	67,673 Series B Preference Shares	5.5830%
FSA Fondo de Inversión Privado.	76,127,468-6	Francisco Schulz A.	12,232	12,232 Series B Preference Shares	1.0091%
Inversora Quillota dos S.A.	76,010,029-3	Ernesto Bertelsen R.	30,902	30,902 Series B Preference Shares	2.5494%
Inversiones Río Abril SpA.	77,569,400-9	Mauricio González S.	22,783	22,783 Series B Preference Shares	1.8796%
Asesorías e Inversiones Cau Cau Ltda.	76,475,300-3	Sergio Contardo P.	4,994	4,994 Series B Preference Shares	0.4120%
Asesorías e Inversiones Gomez Perfetti Ltda.	76,477,320-9	Javier Gómez M.	3,000	3,000 Series B Preference Shares	0.2475%
Inversiones y Asesoráas Rochri Ltda.	76,477,270-9	Rodrigo Lozano B.	3,000	3,000 Series B Preference Shares	0.2475%
Xaga Asesorías e Inversiones Ltda.	76,477,310-1	Julio Nielsen S.	3,000	3,000 Series B Preference Shares	0.2475%
Inversiones Anita e Hijos Ltda.	76,066,686-6	Ana María Lizárraga C.	1,909	1,909 Series B Preference Shares	0.1575%
Inversiones Durand y Quiroga Ltda.	76,210,607-8	Luis Durand C.	400	400 Series B Preference Shares	0.0330%
E. Bertelsen Asesorías S.A.	96,501,470-5	Ernesto Bertelsen R.	688	688 Series B Preference Shares	0.0568%
Inversiones Alevi SpA.	76,276,892-5	Claudia Prieto C.	200	200 Series B Preference Shares	0.0165%
			294,951 Ordinary Shares		
			32,324 Series A Preference Shares		
			884,854 Series B Preference Shares		
Total			1,212,129		100.0000%

b. Retained earnings

As of December 31, 2016 and 2015, these were as follows:

RETAINED EARNINGS	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Retained earnings from prior years	36,355,158	22,482,930
Increase (decrease) for corrections	-	(58,782)
Net income for the period	21,835,790	20,061,232
Minimum dividend provision 30%	(6,550,736)	(6,018,369)
Subsidiary increase (decrease) from investment available for sale and negotiable instruments	-	-
Additional minimum dividend provision	-	-
Increase (decrease) for other contributions from the owners	(1,063)	(806)
Conversion to IFRS at Tanner Corredora de Seguros Ltda.	-	(111,047)
Total	51,639,149	36,355,158

c. Dividend distribution

At the Ordinary Shareholders' Meeting dated March 8, 2016, it was agreed to distribute a dividend from net income for 2015 amounting to Ch\$ 4,966 per share, totaling ThCh\$ 6,019,433.

d. Minimum dividend provision

As stated in Note 2 (p) the Company provides 30% of net income each year as a minimum dividend, which was ThCh\$ 6,550,736 for the year ended December 31, 2016.

e. Other reserves

Other reserves were as follows:

Other reserves	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Opening balance	5,389,191	4,861,631
Investments available for sale adjustment	467,624	(105,480)
Cash flow hedges adjustment	(2,761,845)	1,561,753
Stock Exchange Share fair value adjustment	-	187,682
Capital increase value adjustment	-	(1,116,395)
Total	3,094,970	5,389,191

Share premium reserve, arising from the equity increase in the subsidiary Tanner Corredores de Bolsa de Productos S.A. on one share in Bolsa de Productos de Chile S.A., and from the impact on equity of the transition to IFRS.

Share premium on capital increase, arising from the surplus value obtained when settling the currencies corresponding to capital increase approved in an Extraordinary Shareholders' Meeting dated October 29, 2013. At that time, the ThUS\$ 200,000 increase was fixed at the exchange rate observed at the same date that the Extraordinary Meeting, which turned out to be different to the exchange rate observed at the moment of the mentioned settlement. As a result, a difference arose in favor of the investors that was recorded as a reserve corresponding to equity.

Dividend reserve fund, for the payment of potential dividends due on the series B preferred shares, which arise from accumulated un-capitalized earnings to December 31, 2012.

Hedge reserve, arises from the application of hedge accounting of financial liabilities used as such. The reserve is reversed at the end of the effectiveness of the contracts or when the operation does not longer qualify as hedge accounting, whichever comes first. Balances are presented net of deferred tax.

NOTE 24

NON-CONTROLLING INTERESTS

As of December 31, 2016 and 2015, non-controlling interests were as follows:

Chilean ID Number	Company	DECEMBER 31, 2016							
		Equity ThCh\$	Net Income ThCh\$	Direct participation ThCh\$	Indirect participation ThCh\$	Investment Value ThCh\$	Minority Interest Equity ThCh\$	Investment Net Income ThCh\$	Minority Interest Net Income ThCh\$
96,912,590-0	Tanner Leasing S.A.	27,285,981	8,789,537	99.9900%	0.00%	27,283,252	2,729	8,788,658	879
77,164,280-2	Tanner Leasing Vendor Ltda.	26,455,697	1,387,551	99.9900%	0.01%	26,453,051	2,646	1,387,535	16
76,313,350-8	Tanner Corredores de Bolsa de Productos S.A.	1,315,046	4,509	99.9900%	0.01%	1,314,914	132	4,511	(2)
76,133,889-7	Tanner Corredora de Seguros Ltda.	1,628,695	1,368,337	70.0000%	0.00%	1,140,087	488,608	957,836	410,501
93,966,000-3	Gestora Tanner SpA and subsidiaries	7,496,134	1,329,504	99.9965%	0.00%	7,495,870	491,119	1,329,457	68,603
76,596,744-9	Chita SpA.	331,500	(32,844)	77.0015%	0.00%	301,500	30,000	(29,872)	31,301
Total		64,513,053	12,846,594			63,988,674	1,015,234	12,438,125	511,298

Chilean ID Number	Company	DECEMBER 31, 2015							
		Equity ThCh\$	Net Income ThCh\$	Direct participation ThCh\$	Indirect participation ThCh\$	Investment Value ThCh\$	Minority Interest Equity ThCh\$	Investment Net Income ThCh\$	Interés Minoritario Resultados M\$
96,912,590-0	Tanner Leasing S.A.	18,657,234	1,994,077	99.990%	0.00%	18,655,368	1,866	1,993,878	200
77,164,280-2	Tanner Leasing Vendor Ltda.	25,068,146	3,648,317	99.990%	0.01%	25,068,093	-	3,648,264	-
76,313,350-8	Tanner Corredores de Bolsa de Productos S.A.	1,994,879	407,183	99.990%	0.01%	1,994,879	-	407,183	-
76,133,889-7	Tanner Corredora de Seguros Ltda.	1,068,084	957,728	70.000%	0.00%	747,659	320,425	670,410	287,318
93,966,000-3	Gestora Tanner SpA and subsidiaries	6,344,034	(1,953,021)	99.996%	0.00%	6,343,811	88,118	(1,952,952)	(35,259)
Total		53,132,377	5,054,284			52,809,810	410,409	4,766,783	252,258

NOTE 25

COMPLIANCE NOTE

As of December 31, 2016, the Company has one line of negotiable instruments approved by the Superintendent of Securities and Insurance (line 107 dated 02/19/2015). In addition, it has issued nine bonds, seven were issued on the domestic market all in UF, amounting to ThCh\$ 244,230,148. It also issued two international bonds in the United States of America and Switzerland amounting to ThCh\$ 267,355,453.

a. Negotiable instruments

The Company must comply with certain indicators, according to the terms established in the respective prospectuses, which must be reported quarterly in the financial statements under IFRS. The reported indicators are described in paragraphs 5.5.1 (limits to indices and ratios), 5.5.2 (obligations, limitations 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. They are reported by the Company's legal representative who certifies to the best of his knowledge the status of the above indicators, which has been copied here.

NEGOTIABLE INSTRUMENTS	Límite	12.31.2016	12.31.2015
Total Equity / Total assets	Minimum 10%	24.6%	24.8%
Current Assets / Current Liabilities	Minimum 0.75	2.58	1.54
Minimum Equity	Minimum THCh\$ 60,000	250,973	237,379

b. Bonds

The bond contracts require the Company to comply with the following limits to its financial indicators:

Lines 625 and 656 Bonds	Limit	12.31.2016	12.31.2015
Total Liabilities / Equity	Maximum 7.5 times	3.1x	3.0x
Unencumbered Assets / Unguaranteed Liabilities	Minimum 0.75	1.33	1.33
Total Equity	Minimum ThCh\$21,000	250,973	237,379

Line 709 Bonds	Limit	12.31.2016	12.31.2015
Total Liabilities / Equity	Maximum 7.5 times	3.1x	3.0x
Unencumbered Assets / Unguaranteed Liabilities	Minimum 0.75	1.33	1.33
Total Equity	Minimum ThCh\$60,000	250,973	237,379

Line 817 Bonds	Limit	12.31.2016	12.31.2015
Total Liabilities / Equity	Maximum 7.5 times	3.1x	3.0x
Unencumbered Assets / Unguaranteed Liabilities	Minimum 1	1.33	1.33
Total Equity	Minimum ThCh\$ 60,000	250,973	237,379

1. Total Liabilities means total current and non-current liabilities in the consolidated financial statements.
2. Assets free of any pledge, mortgage or other encumbrance.

c. Covenants with Corporación Interamericana de Inversiones (CII)

In August 2016, the contract with Banco Interamericano de Desarrollo (BID) was renewed, defining new covenants, which are described below with their respective indices:

BID INDICES	Definitions	Limit	12.31.2016	12.31.2015*
Overdue Portfolio Ratio	Overdue Loans (Over 90 days overdue) / Total Loan Portfolio	<= 5%	3.6%	-
Leverage Ratio	Total Liabilities / Equity	<=7.5 times	3.1x	-
Equity Exposure Ratio	(Overdue portfolio + Renegotiated portfolio - Provisions + Repossessions - Guaranteed overdue loans) / Equity	<=15%	3.4%	-
Liquidity Ratio	Liquid assets receivable in less than 90 days / Liabilities payable in less than 90 days	Minimum 1	2.7x	-

(*) There were no prevailing commitments as of December 31, 2015.

d. DEG Covenants

DEG ratios as of December 31, 2016 and 2015 were as follows:

DEG INDICES	Definitions	Limit	12.31.2016	12.31.2015
Solvency Ratio	Total Equity / Total assets	>=11%	24.6%	24.9%
Exposure Ratio to the ten largest customers	Due from the ten largest customers / Total loans	<=30%	16.2%	21.6%
Exposure Ratio to the twenty largest customers	Due from the twenty largest customers / Total loans	<=35%	21.1%	27.7%
Exposure Ratio to the ten largest customers	Due from the ten largest customers / Total Equity	<=200%	53.3%	76.0%
Loan Exposure Ratio	(Loans over 90 days overdue - Provisions) / Total Equity	<=15%	5.0%	6.2%
(*) Largest Customer Exposure Ratio	Due from the largest Group-wide customer / Total Equity	<=25%	18.6%	21.4%
Related Company Lending Ratio	Receivables from related companies / Total Equity	<=15%	0.1%	0.2%
Sector Exposure Ratio	Due from the Largest Economic Sector (Factoring and Leasing) / Total Receivables (Factoring and Leasing)	<=30%	16.9%	20.2%
Aggregate Foreign Currency Position	(Assets in foreign currency - Liabilities in foreign currency) / Total Equity	=-25%<= x <=25%	0.1%	0.4%
Individual US\$ position	(Assets in US\$ - Liabilities in US\$) / Total Equity	=-25%<= x <=25%	0.1%	0.4%
Individual Euro position	(Assets in € - Liabilities in €) / Total Equity	=-25%<= x <=25%	0.0%	0.0%
Individual CHF position	(Assets in CHF - Liabilities in CHF) / Total Equity	=-25%<= x <=25%	0.0%	-
Liquidity Ratio	Liquid assets receivable in less than 90 days / Liabilities payable in less than 90 days	>= 1	2.7x	1.4x
Net Stable Financing Ratio	(Non-current Liabilities + Equity) / Non-current Assets	>= 1	2.0x	1.4x
Leverage Ratio	Total Liabilities / Equity	<= 7.5 times	3.1x	3.0x

(*) On February 11, 2016 DEG granted an extension of the limit which was set at 25%.

e. IFC Covenants

IFC ratios as of December 31, 2016 and 2015 were as follows:

IFC INDICES	Definitions	Limit	12.31.2016	12.31.2015*
Equity / Total Assets	Total Equity / Total Assets	> 17%	24.6%	-
Related Company Exposure Ratio	Receivables from related companies - Guarantees) / Capital	< 5%	0.0%	-
Loan Exposure Ratio	(Portfolio over 90 days overdue + Portfolio under 90 days overdue, but doubtful + Renegotiated portfolio + Repossessions - Provisions) / Capital	< 20%	10.2%	-
Economic Group Exposure Ratio	Due from the largest Economic Group / Capital	< 15%	7.0%	-
Large Customers Exposure Ratio	Due from Largest Customers (> 10% of Equity) / Capital	< 400%	21.4%	-
Sector Exposure Ratio	Due from the Largest Economic Sector / Total loans	< 30%	15.6%	-
Property, Plant and Equipment and Investments in Companies Ratio	(Property, Plant and Equipment + Investments in Companies) / Capital	< 35%	2.1%	-
Aggregate Foreign Currency Position	(Assets in foreign currency - liabilities in foreign currency) / Capital	< 25%	0.2%	-
Individual foreign currency position				
US\$	(Assets in US\$ - Liabilities in US\$) / Capital	< 10%	0.1%	-
Euro	(Assets in € - Liabilities in €) / Capital	< 10%	0.0%	-
CHF	(Assets in CHF - Liabilities in CHF) / Capital	< 10%	0.0%	-
Interest Rate Risk Ratio	(Assets - Liabilities) x Adjustment Factor / Capital			
0 to 180 days	Assets and liabilities that mature in under 180 days	-10% <= x <= 10%	1.1%	-
180 to 365 days	Assets and liabilities that mature between 180 and 365 days	-10% <= x <= 10%	1.7%	-
1 to 3 years	Assets and liabilities that mature between 1 and 3 years	-10% <= x <= 10%	-5.0%	-
3 to 5 years	Assets and liabilities that mature between 3 and 5 years	-10% <= x <= 10%	-3.4%	-
5 to 10 years	Assets and liabilities that mature between 5 and 10 years	-10% <= x <= 10%	3.4%	-
>10 years	Assets and liabilities that mature between in over 10 years	-10% <= x <= 10%	-1.8%	-
Aggregate Interest Rate Risk Ratio	(Assets - Liabilities) x Adjustment Factor / Capital	-20% <= x <= 20%	-3.9%	-
Foreign Currency Maturity Ratio				
US\$	(Assets in US\$ that mature in < 60 days - Liabilities in US\$ that mature in < 60 days) / Capital	> -150%	15.0%	-
Euro	(Assets in € that mature in < 60 days - Liabilities in € that mature in < 60 days) / Capital	> -150%	0.0%	-
CHF	(Assets in CHF that mature in < 60 days - Liabilities in CHF that mature in < 60 days) / Capital	> -150%	-0.1%	-
Liquidity Ratio	Liquid assets that mature in < 90 days / Liabilities that mature in < 90 days	> 100%	265.0%	-

(*) There were no commitments as of December 31, 2015.

NOTE 26

CONTINGENCIES AND RESTRICTIONS

a. Direct guarantees

As of December 31, 2016 and 2015, there were no direct guarantees.

b. Indirect guarantees

As of December 31, 2016 and 2015, there were the following indirect guarantees:

- Surety bond and joint and several guarantee in favor of Banco de Crédito e Inversiones for guaranteeing an overdraft line of credit of Ch\$ 2,500,000,000 granted to Tanner Corredores de Bolsa S.A. in October 2015.
- Surety bond and joint and several guarantee in favor of Banco Security for guaranteeing a overdraft line of credit of Ch\$ 2,400,000,000 granted to Tanner Corredores de Bolsa S.A. in February 2016.

c. Court cases and other legal actions

CASE NUMBER 1

File : LG Electronics Inc. Chile versus Lira López José Miguel et. Al (Tanner).

Court : 24th Civil Court at Santiago.

Register : C-12146-2015

Description : Nullity of Damages.

Amount : Indeterminate

Started : May 20, 2015

Complaint filed by a Tanner customer (LG), requesting that every legal proceedings specified in the complaint are declared void or null, among them, credit operations with Tanner, which were executed and are currently in arrears and under collection procedures. It is alleged that the operations are tainted by a defect of annulment or nullity, based on the alleged fraud and lack of authority by its own representative and proxy who signed such operations.

Status as of December 31, 2016: Discussion and evidence period completed. The parties were summoned to hear judgment, awaiting judgment.

CASE NUMBER 2

File : Soto Correa Carlos versus Tanner Servicios Financieros S.A.

Court : 2nd Civil Court at Arica.

Register : C-2095-2015

Description : Nullity of Acknowledgment of Debt and Mortgage.

Amount : Indeterminate, without estimating exposure for Tanner

Started : July 17, 2015 (notified to Tanner on May 27, 2015)

Complaint filed by Carlos Hernando Soto Correa, in his capacity of injured shareholder of Inversiones Soto Correa S.A., and jointly against Sociedad Constructora and Inmobiliaria Andalien S.A, and also against Sociedad de Inversiones Soto Correa S.A.C.

His complaint is based on the fact that Jorge Soto Correa, the general manager company of which the plaintiff forms part, signed on December 22, 2011, an agreement of Acknowledgment of Debt and Mortgage, whereby he acknowledged to owe the sum of Ch\$ 293,510,764.-, relating to the obligations of Sociedad Constructora e Inmobiliaria Andalien S.A. overdue to date, and set up a second mortgage in favor of Tanner for the payment of the debt; all the foregoing allegedly without the authority to do so.

Status as of 31 December 2016: Trial concluded at first instance with a judgment in favor of Tanner and ordering the plaintiff to pay the costs. Counterparty appealed within the deadline, and this appeal resolution is pending.

CASE NUMBER 3

File : Constructora Engelbert Risser E.I.R.L. versus Navarrete Mario et al. (Tanner).

Court : Court of First Instance at Villa Alemana

Register : C-3056-2013

Description : a) Declaration of absolute simulation and nullity of agreement; b) Damages

Amount : Indeterminate

Started : November 25, 2013 (notified to Tanner on August 7, 2015)

Complaint filed by the abovementioned building company, which acts as debtor of an invoice of MCh\$5 operated through factoring by the customer Inversiones Nuevo Continente S.A. The invoice was properly accepted and ceded. The plaintiff alleges to have never accepted any such invoice, denying to owe such amount and that it would be a fraud by the customer, being acquainted with this situation only through its inclusion on DICOM (Chilean commercial register for delinquent debtors) and legal action by Tanner. It requests that the absolute simulation of the credit assignment agreement is declared by the court, and that the participants (including Tanner) are sentenced to pay damages.

Status as of December 31, 2016: In discussion period. Dilatory exceptions were filed. The answer to the complaint currently filed. Notwithstanding the foregoing, all the parties to the proceedings have not been notified yet. Inactivity in the proceedings since February, 2016. On October 2016, a request to abandon the proceedings was filed, the resolution of said request is pending.

CASE NUMBER 4

File : Carvajal con Tanner Servicios Financieros S.A.

Court : 21st Civil Court at Santiago

Register : C-18307-2016

Description : Compensation for damages

Amount : Indeterminate

Started : July 26, 2016 (notified to Tanner on September 12, 2016)

Demand filed by Mr. Mauricio Carvajal Flores, who wrote checks for the benefit of a Tanner customer, who factorized them to the Company. When these were presented for collection, they were rejected with a non-payment order and said rejection was reported to the respective commercial registers. Defendant argues that he had provided the checks only as collateral for the Tanner customer. Therefore, the collection and rejection caused material and psychological damage.

Status as of December 31, 2016: Demand was notified on 9-12-2016, delaying exceptions were filed. The trial has just started its discussion period. The resolution of delaying exceptions is pending.

***** Note: It should be mentioned that the lawsuits described above and started before December 21, 2011, were filed against Factorline S.A., today Tanner Servicios Financieros S.A., and that the change of corporate name has no interference on the identity of the defendant, since it is the same juridical person.**

d. Other contingencies

As of December 31, 2016 there were no other contingencies to report.

e. Restrictions

As of December 31, 2016 there were no restrictions to report.

NOTE 27

GUARANTEES FROM THIRD PARTIES

As of December 31, 2016 and 2015, the guarantees from third parties were as follows:

GUARANTEES	12.31.2016 ThCh\$	12.31.2015 ThCh\$
Pledges	252,116,666	223,893,599
Mortgages	5,854,796	5,959,880
Total	257,971,462	229,853,479

NOTE 28

COMPOSITION OF RESULTS

a. Revenue

Revenue for the years ended December 31, 2016 and 2015 was as follows:

PRODUCT		01.01.2016 to 12.31.2016 ThCh\$	01.01.2015 to 12.31.2015 ThCh\$
Factoring	Interest	-	-
Factoring	Commissions	1,460,715	1,618,632
Factoring	Price differences	20,345,204	19,185,829
Factoring	Other revenue	7,596,005	10,013,409
Total Factoring		29,401,924	30,817,870
Loans	Interest	16,835,848	14,193,863
Loans	Commissions	1,634,512	1,929,384
Loans	Other revenue	272,643	951
Total Lending		18,743,003	16,124,198
Automotive	Interest	49,273,722	48,659,172
Automotive	Commissions	-	-
Automotive	Other revenue	7,681,236	4,452,916
Total Automotive		56,954,958	53,112,088
Leasing	Interest	9,767,004	9,299,213
Leasing	Commissions	608,681	634,846
Leasing	Other revenue	3,455,238	2,514,983
Total Leasing		13,830,923	12,449,042
Treasury	Inflation adjustments	(6,955,836)	39,100,985
Treasury	Interest	1,954,533	1,460,665
Treasury	Other revenue	(367,974)	8,637
Total Treasury		(5,369,277)	40,570,287
Others (*)	Other revenue	11,364,288	3,819,249
Total Others (*)		11,364,288	3,819,249
Grand Total		124,925,819	156,892,734

(*) Revenue from the subsidiaries Tanner Corredores de Bolsa de Productos S.A., Tanner Corredora de Seguros Ltda. and Tanner Corredores de Bolsa S.A. are included, which are mainly fees from brokerage, advisory and consulting services.

b. Cost of sales

Cost of sales for the years ended December 31, 2016 and 2015 was as follows:

PRODUCT		01.01.2016 to 12.31.2016 ThCh\$	01.01.2015 to 12.31.2015 ThCh\$
Factoring	Interest	7,565,687	5,688,102
Factoring	Commissions	94,418	176,099
Factoring	Write offs and provisions	1,560,518	5,047,794
Factoring	Other costs	279,506	945,814
Total Factoring		9,500,129	11,857,809
Loans	Interest	6,983,711	6,589,718
Loans	Commissions	152,000	-
Loans	Write offs and provisions	235,558	2,050,992
Loans	Other costs	-	-
Total Lending		7,371,269	8,640,710
Automotive	Interest	10,475,567	9,721,112
Automotive	Commissions	13,502,922	11,678,282
Automotive	Write offs and provisions	14,694,235	13,760,851
Automotive	Other costs	827,911	444,635
Total Automotriz		39,500,635	35,604,880
Leasing	Interest	4,073,832	3,542,612
Leasing	Commissions	-	-
Leasing	Write offs and provisions	2,557,641	3,584,616
Leasing	Other costs	1,942,227	2,063,467
Total Leasing		8,573,700	9,190,695
Treasury	Inflation adjustments	(7,541,602)	39,876,702
Treasury	Other costs	1,021,332	583
Total Treasury		(6,520,270)	39,877,285
Others (*)	Other costs	5,007,450	793,631
Total Others (*)		5,007,450	793,631
Grand Total		63,432,913	105,965,010

(*) Costs from the subsidiaries Tanner Corredores de Bolsa de Productos S.A., Tanner Corredora de Seguros Ltda. and Tanner Corredores de Bolsa S.A. are included.

c. Administrative expenses

Administrative expenses for the years ended December 31, 2016 and 2015 were as follows:

PRODUCT	01.01.2016 to 12.31.2016 ThCh\$	01.01.2015 to 12.31.2015 ThCh\$
Remuneration and personnel costs	24,085,316	23,958,814
Remuneration	20,852,841	19,258,886
Compensation	754,582	2,271,927
Benefits	1,668,755	1,673,008
Organizational development	412,322	418,526
Vacation provision	298,917	314,311
Others	97,899	22,156
General administrative expenses	14,024,444	12,060,087
Billing and collection services	3,458,633	2,244,006
Rental, lighting, heating and other utilities	1,991,659	1,371,608
IT and communications expenses	1,760,804	1,347,814
Depreciation and amortization	1,260,557	878,080
Court and notary expenses	943,360	569,926
External advisory and professional services	838,396	1,360,865
Municipal licenses and property taxes	765,688	760,798
Non-recoverable taxes	684,577	504,364
Other general administrative expenses	636,372	720,905
Board expenses	335,261	282,385
Staff travel and entertainment expenses	275,150	217,844
Advertising	270,963	254,755
Financial information service	201,432	308,592
Insurance premiums	195,448	393,327
Maintenance and repair of property, plant and equipment	186,866	243,866
Mail and courier services	132,247	145,489
Office supplies	79,243	62,209
Fines, interest and other leasing and automotive expenses	7,788	393,254
Total	38,109,760	36,018,901

NOTE 29

EARNINGS PER SHARE

Earnings per share for the years ended December 31, 2016 and 2015 were as follows:

DETAIL	ACCUMULATED	
	01.01.2016 12.31.2016 ThCh\$	01.01.2015 12.31.2015 ThCh\$
Basic earnings per share		
Basic earnings (loss) per share on continuing operations	18,014,42	16,550,41
Basic earnings (loss) per share on discontinued operations	-	-
Total basic earnings per share	18,014,42	16,550,41
Diluted earnings per share		
Diluted earnings (loss) per share on continuing operations	18,014,42	16,550,41
Diluted earnings (loss) per share on discontinued operations	-	-
Total diluted earnings per share	18,014,42	16,550,41

NOTE 30

THE ENVIRONMENT

Due to the nature of the business of the parent company and its subsidiaries, expense for environment protection and preservation do not represent a significant item for the Company.

NOTE 31

REMUNERATION OF THE BOARD

At the Extraordinary Shareholders' Meeting held on April 2, 2013, the Company's status was amended by agreeing that the Directors should be remunerated. This amendment established the remuneration, which is fixed annually at the Ordinary Shareholders' Meeting. Accordingly, at the Ordinary Shareholders' Meetings held in 2014, 2015, 2016, the remuneration of the Board was agreed.

Director's remuneration for 2016 was established at an Ordinary Shareholders' Meeting and amounts to UF 100 per month. The Chairman's and Vice Chairman's remuneration is UF 200 per month. Also the Directors that are members of the Credit and Audit Committee receive remuneration of UF 50 per month. There is no remuneration for the directors at subsidiaries.

NOTE 32

PENALTIES

The parent company, its subsidiaries, its directors and executive officers have not been sanctioned by the Chilean Superintendency of Securities and Insurance or any other regulatory agency during the periods reported.

NOTE 33

SIGNIFICANT EVENTS

On February 9, 2016, a share purchase agreement was signed between Financo S.A. and Mr. Luis Flores Cuevas. Under this agreement, Financo S.A. sold, assigned and transferred to the buyer 163,556 of its shares in Tanner Corredores de Bolsa S.A. owned by Financo S.A.

At an Extraordinary Board Meeting held on August 9, 2016, the Board accepted the resignation of the CEO at the subsidiary Tanner Corredores de Bolsa de Producto S.A., Mrs. Daniela Zamorano Alvarez. Mr. Julián Rodríguez Sáez was appointed as interim CEO.

On September 23, 2016, the Board of Tanner Corredores de Bolsa de Productos S.A. agreed to appoint Mr. Marcos Castro Vega as Director to replace Mr. Julián Rodríguez Sáez.

On September 27, 2016, Mr. Leandro Cuccioli (Director) presented his resignation. Mr. Pablo Eguiguren Bravois was appointed to replace him.

On October 12, 2016, Tanner Servicios Financieros S.A., placed a bond in the local market for UF 2,000,000 from the X Series under code BTANN-X charged to the N° 817 25-year bond line with a 4 year term.

On October 19, 2016, Tanner Servicios Financieros S.A., placed a bond in foreign markets (Switzerland) for 150,000,000 Swiss Francs. The CHF 150,000,000 bond series with 3 years term, a bullet repayment, and with interest due annually from November 15, 2017.

On December 20, 2016, an Extraordinary Shareholders Meeting was held in which it was agreed to extend the term of validity until June 30, 2017 of the preference for Series B shares, to receive a potential dividend of ThCh\$ 4,000,000, if applicable.

On December 27, 2016, the Board of Directors appointed Mr. Antonio Turner Fabres as the new CEO, who will begin with effect from January 31, 2017, due to the resignation as CEO of Mr. Oscar Cerda Urrutia, which was accepted by the Board. Mr. Cerda will continue to be part of the Company, joining the Board and the Credit and Audit Committees.

NOTE 34

SUBSEQUENT EVENTS

There are no events after the date of presentation and approval of these consolidated financial statements.