ANNUAL REPORT 2017

Tanner®

COMPANY INFORMATION

Corporate Name:	Tanner Servicios Financieros S.A.
Trade Name:	Tanner, Tanner S.A.
Legal Address:	Huérfanos 863 – 10th floor, Santiago, 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 Securities and Insurance Superintendence, today Financial Market Commission, under No. 777 on August 27, 2002.

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ANNUAL REPORT 2017

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OUR COMPANY

LETTER FROM THE **CHAIRMAN**

As we celebrate our 25th anniversary, we continue to look towards the future with optimism. We start 2018 with a new organizational structure – Enterprises, Auto-Financing and Tanner Investments divisions – so that we can serve our customers with agility and customized solutions. Today we have a dedicated and committed team, which enabled us to achieve well-balanced loan book of Ch$ 961,131 million (~US$ 1,563 million) in 2017, with a 26% increase in Factoring and 25% increase in the Auto-Financing business.

In a year characterized by low economic growth driven by reduced investment and the deterioration of the country's sovereign credit rating, not only did we manage to keep our international rating of "BBB-" ratified by the rating agencies – maintaining our investment grade – but we were also proud to achieve a profit of Ch$ 25,319 million (~US$ 41 million), increasing 13% compared to the previous year, and a return on equity of 9.7%, better than the 9.2% of the previous year.

We were also able to venture into the Swiss market for the second year in a row, placing a 3-year bond for 100 million Swiss francs (~US$ 100 million), with a spread of 178.8 basis points, almost 100 points lower than the spread obtained in 2016, mainly due to the increased participation of institutional investors. Meanwhile, we made a successful placement in the local market of UF 1.5 million (~US$ 65 million), with a 4-year term and 186-point spread, which is less than the 258 points of a similar bond issued in 2016, with Tanner Investments Division as the sole advisor and bookrunner.

The aforementioned was possible, in part, due to our commitment to continue to invest in our technological capabilities. We are committed in placing the customer at the forefront of our organization through the delivery of innovative solutions and our efforts to continually adapt to an ever-evolving market reality. In 2017, with that same intense desire, we focused on our core business, implementing a private customer site for Factoring, which, among other functionalities, enables invoices to be entered online with a 24/7 approval operation. We also implemented the commercial CRM, which provides complete business intelligence information for the commercial area. Meanwhile, we also developed a new integrated credit management system for the Auto-Financing Division and made available a private site to our customers which allows them to pay installments online and view their current debt conditions.

We continue to move forward, not only by improving the quality of our products by delivering a pleasant, agile experience to our customers, but also by maximizing the profitability of our business through a series of initiatives to boost the Company's productivity. This allows us to develop the talent that ultimately defines Tanner as an organization, in a cultural environment where meritocracy prevails.

I would also like to highlight the work of our Board of Directors, which I currently lead, since our Board has been instrumental in Tanner's accomplishments over the past 24 years and I am certain that it will continue to steer the Company towards the path of success. In particular, I would like to celebrate the Board's constant focus on strengthening our corporate governance by always keeping in mind the five pillars that support the governance function: Profitability, Equity Protection, Transparency, Participation and Sustainability.

The future looks very promising for the achievement of our core objective to create value for our shareholders, creditors, customers, employees, investors and society.

Kind regards,

Ricardo Massu,
Chairman of the Board

Letter from the **CEO**

All of us who work at Tanner are aware of the role we play in the Chilean society. We play an instrumental role in the SMEs economy, in promoting greater social mobility and increasing our customers' profitability. That is why our team's challenge is to be a constant contribution. Our efforts are focused on three core areas: to create value to our customers, to maximize profitability for our shareholders and to make Tanner a great place to work.

At Tanner, we are aware that our customers are our raison d'être. We must fulfill their current needs and develop innovative solutions that enable them to grow and to make their dreams come true.

SMEs, which are responsible for employing over 65% of the Chilean labor force, face major challenges every day, be it to grow their business or to make it sustainable. In our Company, we are devoted to overcome these challenges. We know that SMEs require rapid solutions to allow them to meet their obligations, but at the same time they need to understand their needs and capabilities and trust those capabilities in order to achieve the growth they desire. In parallel, we are committed to providing leading companies with agile and flexible financing solutions supported by good collateral.

To this end, we launched our new website in 2017, enabling factoring operations to be performed entirely online, and also made progress with the launch of innovative products, such as Real Estate Mezzanine Loans, which gives our customers access to the financing that they need.

At Tanner, we know that a car is much more than just a vehicle. It is an experience, a way of exploring the world, a means to save time, a way of creating opportunities, of experiencing independence and sharing with our loved ones. Therefore, in 2017, we set out to make considerable improvements in our level of service, implementing a new system that not only focuses on the end customer, but also includes a management module for the dealers. This, along with the implementation of various improvements and constant monitoring of NPS – a tool which measures customer loyalty –, will allow us to become the industry leader in service quality.

In the investment business, we have the objective to be the best advisors for our customers, enhancing a culture that seeks primarily to maximize the expected results. Listening to customer needs has been vital to expand our product list. That is why in 2017 we created Tanner Asset Management to offer alternative asset funds to our customers. In connection with this effort, we organized numerous seminars for our customers, providing them with relevant information for sound decision making as it relates to their investment goals.

We ended 2017 with an increase in profit of 13.3%, boosted by a very good fourth quarter. During 2018, we hope to continue harvesting the rewards of the technology investments that have been made and to also increase our productivity indicators. We are convinced that we will be more efficient in managing our balance sheet after the expiration of the 144-A bond in March of this year.

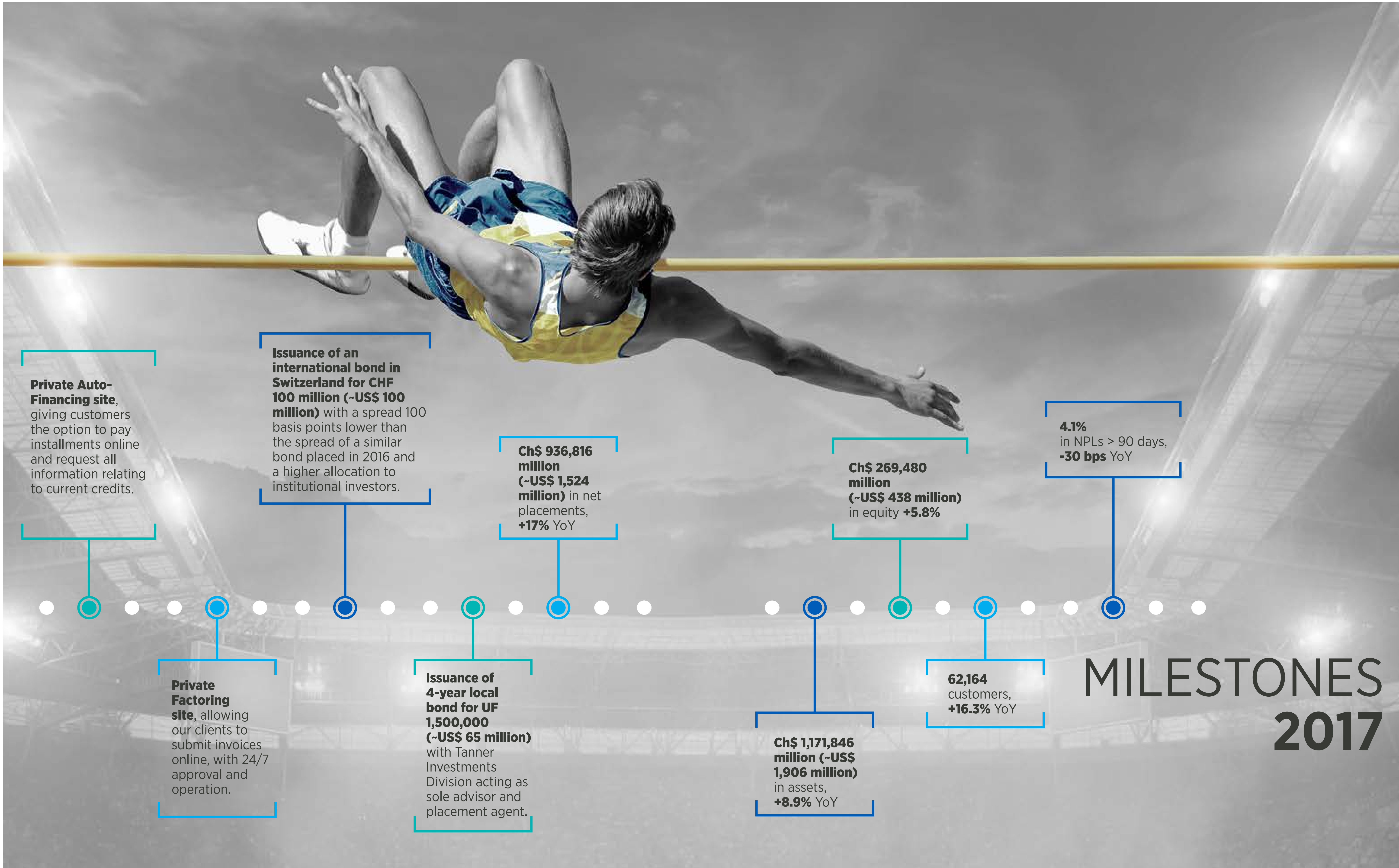
Businesses, especially service businesses like ours, are built on the basis of their corporate culture. Every single staff member promotes the Tanner culture, with a commitment to delivering high quality services to our customers, with a unique agility.

Every day, our employees have more tools to develop as individuals. We have implemented successful leadership and internal mobility programs, which reinforce our stamp of meritocracy. We are proud of our good results when it comes to working environment, psychosocial health and accident rates, as well as the number of athletes involved in activities sponsored by Tanner, which demonstrates that we have made real progress with our people.

We expect 2018 to be a year in which we bear the fruits of our investments in culture, innovation and technology, and also a year in which our profitability indicators will continue to improve.

Antonio Turner,
CEO

MILESTONES 2017



Private Auto-Financing site, giving customers the option to pay installments online and request all information relating to current credits.

Private Factoring site, allowing our clients to submit invoices online, with 24/7 approval and operation.

Issuance of an international bond in Switzerland for CHF 100 million (~US$ 100 million) with a spread 100 basis points lower than the spread of a similar bond placed in 2016 and a higher allocation to institutional investors.

Issuance of 4-year local bond for UF 1,500,000 (~US$ 65 million) with Tanner Investments Division acting as sole advisor and placement agent.

Ch$ 936,816 million (~US$ 1,524 million) in net placements, **+17%** YoY

Ch$ 1,171,846 million (~US$ 1,906 million) in assets, **+8.9%** YoY

Ch$ 269,480 million (~US$ 438 million) in equity **+5.8%**

62,164 customers, **+16.3%** YoY

4.1% in NPLs > 90 days, **-30 bps** YoY

Tanner

FINANCIAL **RESULTS**

Consolidated figures in US$ million*

RESULTS OF THE YEAR	2014	2015	2016	2017
Gross profit (gross margin)	94.5	82.8	95.2	103.6
Sales and administrative expenses	51.5	58.5	58.2	62.3
Other income (expenses)	2.8	9.3	3.5	4.1
Profit before tax	45.7	33.5	40.5	45.3
Net profit	42.4	33.0	36.3	41.2

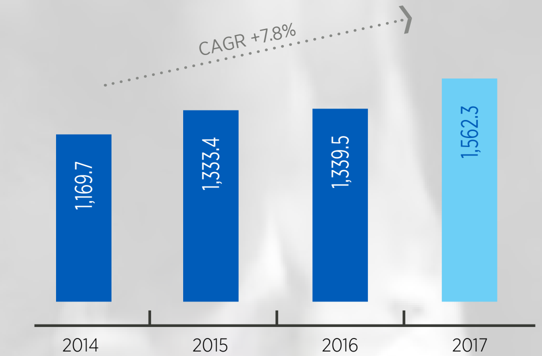
YEAR-END BALANCE	2014	2015	2016	2017
Loans	1,169.7	1,333.4	1,339.5	1,562.3
Number of customers	53,561	51,202	53,427	62,164
Number of associates	1,124	985	998	971
Total Assets	1,306.3	1,554.7	1,627.2	1,904.8
Equity	362.7	385.8	407.9	438.0

RATIOS	2014	2015	2016	2017
NPLs(1) > 30 days / Loans	10.1%	7.4%	6.9%	6.9%
NPLs(1) > 90 days / Loans	5.7%	4.8%	4.4%	4.1%
ROAE(2)	12.1%	8.8%	9.2%	9.7%
ROAA(3)	3.4%	2.3%	2.3%	2.3%

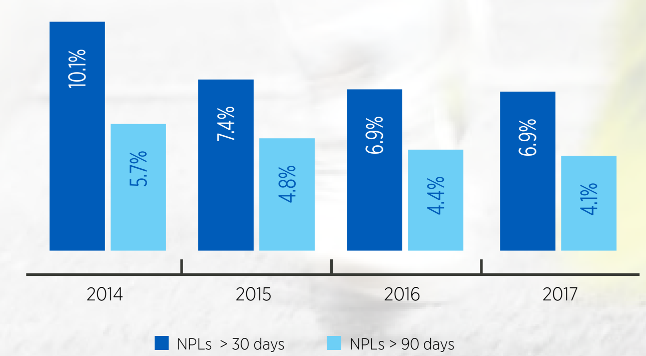
(1) Non-performing loans calculated on outstanding balance. Includes Pescanova.
(2) ROAE: Profit / Total Equity
(3) ROAA: Profit / Total Assets

* All figures converted from CLP to USD at the December 31, 2017 exchange rate of 614.75 CLP/USD.

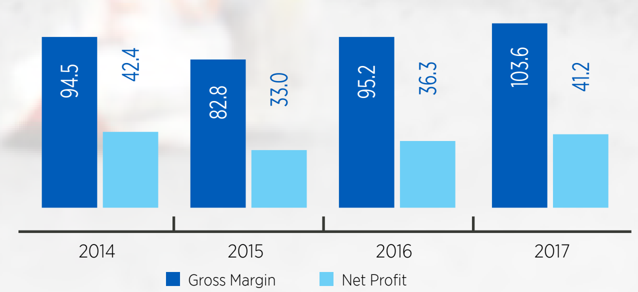
GROSS LOAN PORTFOLIO
(US$ MM)



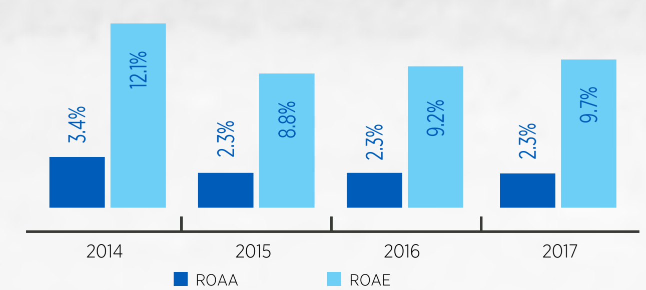
NPLs RATIO EVOLUTION



GROSS MARGIN & NET PROFIT EVOLUTION
(US$ MM)



ROAA³ & ROAE² EVOLUTION



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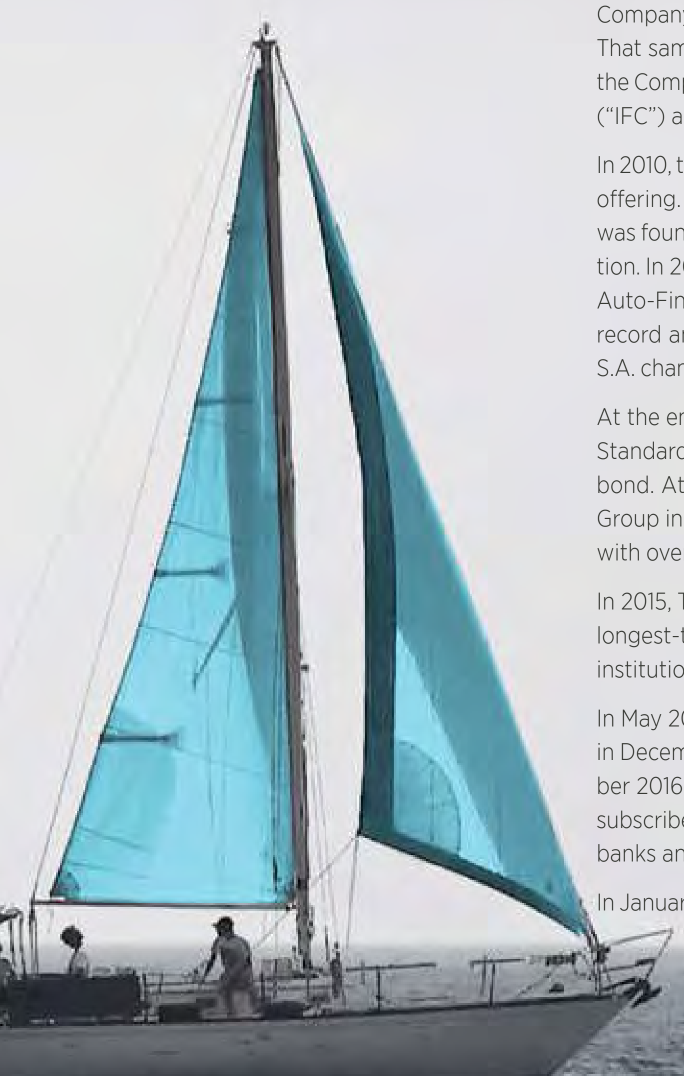
OUR HISTORY



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 Securities and Insurance Superintendence (Superintendencia de Valores y Seguros, "SVS"), now the Financial Market Commission (Comisión para el Mercado Financiero, "CMF"), 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 a commercial paper for Ch$ 7,000 million (-US$ 11 million).

In 2004, to achieve greater development, the Company obtained 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 Corporation ("IFC") acquired a 17% stake.

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.

At the end of 2012, 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 managed assets.

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-banking 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 (-US$ 150 million), 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.

In January 2017, the subsidiary Tanner Asset Management Administradora General de Fondos S.A. commenced operations, with the purpose of distributing third-party funds. Later that year, the Company issued a 3-year bond in Switzerland for CHF 100 million and completed the first U.S. dollar-denominated commercial paper issuance in the domestic market.

1993 – 2001

Tanner Servicios Financieros S.A., previously known 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, the Company was registered in the Securities Registry of the Securities and Insurance Superintendence, now Financial Market Commission, and began to comply with standards and procedures required for publicly-held corporations.

In October of that year, Tanner became the first Chilean company to register a line of commercial papers for Ch$ 7,000 million (-US$ 11 million), under the new provisions of the Capital Markets Law and CMF regulations.

In order to diversify the Company's product portfolio, the Auto-Financing Division was created in 2005 to finance vehicle purchases by individuals and companies.

In May 2004, Tanner Servicios Financieros S.A. entered 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 CMF, 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 shareholding interest in the Company.

In August of that same year, the Company completed its first bond issuance on the local market for Ch$ 20,000 million (-US$ 33 million) 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 – 2017

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 27% 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-banking 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(-US$ 150 million), which was acquired 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.

In January 2017, the subsidiary Tanner Asset Management began operating, with the purpose of distributing third-party funds to complement the Company's listed products. In September, a 4-year bond was placed in the local market for UF 1.5 million (-US$ 65 million), and in October, a 3-year bond was placed in Switzerland for CHF 100 million. Additionally, in 2017, the Company also completed the first issuance of U.S. dollar-denominated commercial paper in the local market, after the approval of a US$ 80 million line.

RISK **RATING**

Tanner's rating was ratified "BBB-" in 2017 by Fitch Ratings and Standard & Poor's1, maintaining our investment grade, a distinctive position among non-banking financial institutions in Latin America. 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.

LOCAL

Fitch Ratings	
Short term	N_1/A+
Long term	A+
Outlook	Stable

Humphreys	
Short term	N_1/A+
Long term	A+
Outlook	Stable

INTERNATIONAL

Fitch Ratings	
Long-term foreign currency	BBB-
Short-term foreign currency	F_3
Long-term local currency	BBB-
Short-term local currency	F_3
Outlook	Stable

S&P's [1]	
Long-term foreign currency	BBB-
Long-term local currency	BBB-
Outlook	Negative

(1) On July 14, 2017, the Rating Agency S&P's revised the Company's Outlook to "Negative", along with 9 other local financial institutions, due to the decay of the Chilean Sovereign Bond, which impacts on the risk to which those companies are exposed.

RELEVANT **FACTS**

CHANGES IN THE BOARD OF DIRECTORS:

On March 7, 2017, in the Ordinary Shareholder Meeting, Ricardo Massu Massu, Eduardo Massu Massu, Jorge Sabag Sabag, Martín Díaz-Plata, Jorge Bunster Betteley, Pablo Eguiguren Bravo and Óscar Cerda Urrutia were elected as directors.

BONDS PLACEMENT:

On September 7, 2017, the Company issued a 4-year bond in the local market for UF 1.5 million (-US$ 65 million). On November 10, 2017, the Company issued a 3-year bond in the Swiss market for CHF 100 million (-US$ 100 million).

CORPORATE GOVERNANCE

OWNERSHIP

As of December 31, 2017, the Company's capital is Ch$ 195,224 million (~US$ 318 million) 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.

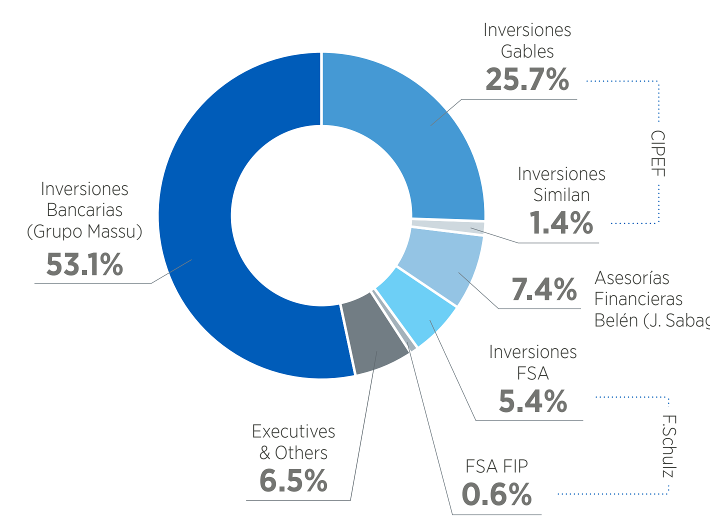
The Series A shares carry the obligation of being exchanged in full for common shares on March 31, 2018, for: (i) 32,324 Common Series shares if as of December 31, 2017, retained earnings per share is less than Ch$ 177,835 (~US$ 289); (ii) 15,944 Common Series shares if retained earnings per share is equal to or greater than Ch$ 177,835 (~US$ 289) but less than Ch$ 194,002 (~US$ 316); and (iii) one Common Series share if retained earnings per share is equal to or greater than Ch$ 194,002 (~US$ 316).

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 December 31, 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 minus Ch$ 4,000 million (~US 0.65 million), the entire excess recovered will be distributed as a special dividend to the Series B shareholders. The recovery of these loans turned out to be higher than the defined threshold, so in line with the agreement, the total sum to be paid out as a dividend was set at Ch$ 1,890,985,282 (~US$ 3.1 million). Accordingly, the Board agreed in a meeting held on October 10, 2017 to pay a dividend of Ch$ 2,137.0591 (~US 3.48) per share.

As indicated in the preceding paragraphs, on December 31, 2017 the preference expired on Series A and B shares, which will be exchanged for ordinary shares at a rate of one to one. Consequently, the share capital is divided into 1,212,129 ordinary shares of the same series, with no par value.

THE 12 LARGEST SHAREHOLDERS OF TANNER SERVICIOS FINANCIEROS S.A. ARE:

SHAREHOLDER	TAXPLAYER ID NUMBER	RELATED TO	No. OF SHARES	OWNERSHIP INTEREST
INVERSIONES BANCARIAS S.A.	99.546.550-7	Grupo Massu	643,970	53.1272%
INVERSIONES GABLES S.L.U.	59.196.270-1	Capital Group	310,911	25.6500%
INVERSIONES SIMILAN S.L.U.	59.196.260-4	Capital Group	16,364	1.3500%
ASESORÍAS FINANCIERAS BELÉN LIMITADA	77.719.080-6	Jorge Sabag S.	90,303	7.4499%
INVERSIONES FSA LIMITADA	76.082.829-7	Francisco Schulz A.	65,560	5.4087%
FSA FONDO DE INVERSIÓN PRIVADO	76.127.468-6	Francisco Schulz A.	6,759	0.5576%
INVERSORA QUILLOTA DOS S.A.	76.010.029-3	Ernesto Bertelsen R.	30,902	2.5494%
INVERSIONES RÍO ABRIL SpA	77.569.400-9	Mauricio González S.	22,783	1.8796%
TANNER VALORES FONDO DE INVERSIÓN PRIVADO	76.807.658-8		7,586	0.6258%
ASESORÍAS E INVERSIONES CAU CAU LIMITADA	76.475.300-3	Sergio Contardo P.	5,394	0.4450%
ASESORÍAS E INVERSIONES GÓMEZ PERFETTI LIMITADA	76.477.320-9	Javier Gómez M.	3,000	0.2475%
INVERSIONES Y ASESORÍAS ROCHRI LIMITADA	76.477.270-9	Rodrigo Lozano B.	3,000	0.2475%
OTHERS			5,597	0.4617%
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 643,970 shares, which represents 53.1272% 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 2 3 4 5 6 7 8 9 10

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. **Óscar Cerda U.**
Director
6.941.260-2
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. **Fernando Tafra S.**
Board Advisor
4.778.406-9
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.

As agreed at the Company's annual general meeting, the amounts paid to directors in 2016 and 2017 as allowances and other compensation are detailed as follows:

- Ricardo Massu M., allowances of Ch$ 78 million (~US$ 120,881), Ch$ 80 million (~US$ 130,134) in 2016, for Board and Credit Committee.
- Jorge Sabag S., allowances of Ch$ 94 million (~US$ 152,908), Ch$ 78 million (~US$ 120,811) in 2016, for Board, Credit Committee and Commercial Committee meetings.
- Óscar Cerda U., allowances of Ch$ 74 million (~US$ 120,374), Ch$ 0 million in 2016, for Board, Credit Committee, Audit Committee and Commercial Committee meetings.
- Eduardo Massu M., allowances of Ch$ 61 million (~US$ 99,227), Ch$ 43 million (~US$ 69,947) in 2016, for Board and Credit Committee meetings.
- Jorge Bunster B., allowances of Ch$ 39 million (~US$ 63,440), Ch$ 60 million (~US$ 97,601) in 2016, for Board, Credit Committee and Audit Committee meetings.
- Pablo Eguiguren B., allowances of Ch$ 48 million (~US$ 78,801), Ch$ 13 million (~US$ 21,147) in 2016, for Board and Audit Committee meetings.

During the year 2017, Tanner Servicios Financieros S.A. did not pay any compensation to Mr. Martín Díaz-Plata in his role as Director because he expressly and irrevocably waived his rights to his respective allowances.

In 2017, there were no consulting and audit expenses.

MANAGEMENT

Antonio Turner F.
Chief Executive Officer
13.668.525-2
Business Administration, MBA

José Manuel González A.
Auto-Financing Division Manager
15.384.771-1
Industrial Engineering, MBA

Pablo Diez T.
Chief Financial Officer
12.852.447-9
Business Administration

Gustavo Inostroza A.
Chief Treasury Officer
15.385.538-2
Business Administration, Msc in Finance, MBA (c)

Juan Carlos Truffello V.
Risk and Normalization Manager
7.627.454-1
Industrial Engineer

Catalina Steinmeyer E.
HR Manager
10.887.183-0
Psychologist

Julián Quiroga S.
IT Manager, Commercial Division Manager (i)
15.256.295-0
Industrial Engineering, MBA

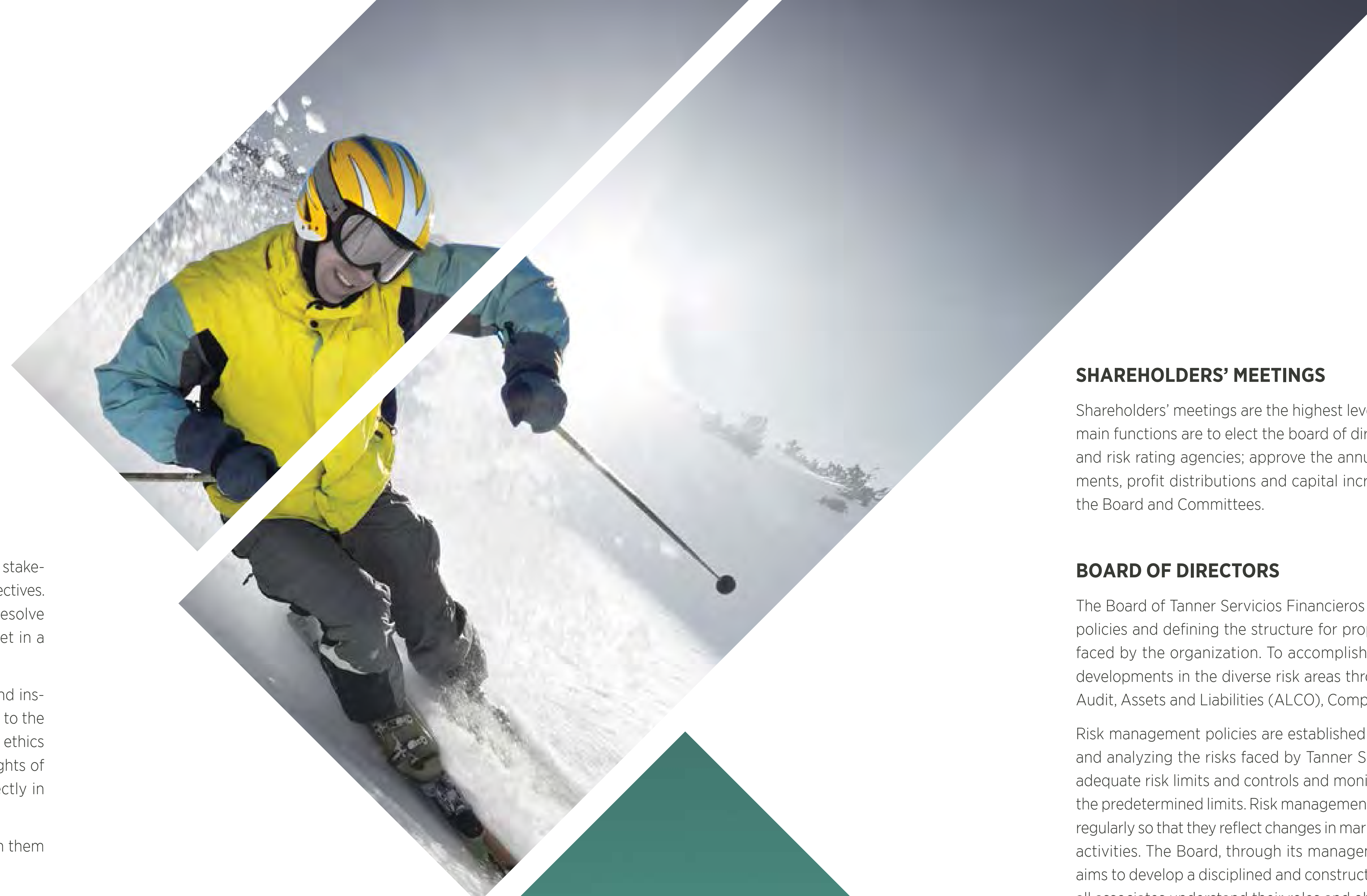
Luis Flores C.
Executive Director, Tanner Investments Division
9.389.707-2
Information Systems and Management Control Engineer

Rossana Vallejo D.
Controller
12.218.731-4
Business Administration

The compensation paid to the principal executives who comprise the senior management of Tanner Servicios Financieros S.A. in 2017 totaled Ch$ 4,159 million (~US$ 6.7 million).
During the financial year, severance payments reached Ch$ 1,047 million (~US$ 1.7 million).

Personnel as of December 31, 2017	Tanner Servicios Financieros S.A.	Consolidated
Administrative Personnel	187	201
Executives	43	59
Managers	80	87
Professionals	255	301
Supervisors	42	43
Technical Personnel	269	280
Total	876	971

CORPORATE **GOVERNANCE BODIES**



Tanner 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: To create value and make their investment profitable.
2. Board of directors: To define, approve and monitor the principal guidelines and ensure compliance with applicable laws.
3. Associates: To promote a pleasant work environment and respect their needs and rights.
4. Customers: To provide the most appropriate solutions and forge long-term relationships.
5. Creditors: To generate lasting relationships built on trust and maintain diverse sources of stable, ongoing funding.
6. Intermediaries: To establish a collaborative, long-term relationship to better reach customers.
7. Government: To respect and collaborate at all times and adhere to current laws.
8. Competitors: To 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 and Commercial.

Risk management policies are established with the objective of identifying and analyzing the risks faced by Tanner Servicios Financieros S.A., 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.

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.

CREDIT COMMITTEE

Tanner Servicios Financieros S.A. 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 matrix 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, the CEO and Treasury Manager 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 regulatory requirements issued by the Financial Market Comission.

This Committee meets monthly to review developments and the current status of financial positions and liquidity, market, prices, interest rates, currency and indexation risks, and enables Tanner Servicios Financieros S.A. to forecast, with an appropriate level of confidence, potential future situations that may benefit or affect the Company and take the corresponding actions.

COMPLIANCE COMMITTEE

The members of the Compliance Committee are two Directors, the CEO, the General Counsel, the Controller and the Compliance Officer. They define and coordinate policies and procedures on the topics of asset laundering, terrorism financing prevention, bribery and the acceptance of stolen goods. 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:

- Complying with laws and regulations governing such matters; and

- Providing the organization's members, at all levels, with policies, procedures and information to manage commercial activities and operations while mitigating risks arising from funds originated from illegal activity that are intended to make licit through Tanner Servicios Financieros S.A. or any of its subsidiaries.

PRODUCT COMMITTEE

The Product Committee is formed by the CEO, General Counsel, Finance Manager, Risk Manager, IT Manager and Division Managers. It is their responsibility to determine the feasibility of introducing a new product and/or amending existing products (as long as there are significant changes involved), which are proposed by Divisional Management. This committee considers new products, evaluating not only the commercial and economic feasibility, but also the legal and regulatory aspects (including accounting and tax). If approved, the committee must make sure that the products comply with the relevant internal and corporate policies and procedures in order to mitigate the key operational risks.

COMMERCIAL COMMITTEE

The Commercial Committee is comprised of two Directors, the CEO, Risk Managers, managers from the Enterprises Division, in addition to executives of the teams that are presenting the opportunity. It is their responsibility to track the sales pipeline, support the commercial area in developing more sophisticated sales proposals, approve operations and review credit proposals that will be presented to the Board of Directors for final consideration. This Committee meets three times per week.

COMPLIANCE

The Compliance Subdivision is the unit responsible for detecting, monitoring and reporting unusual or suspicious transactions that might be linked to possible cases of asset laundering, terrorism financing, bribery and receiving stolen goods. This area forms part of the General Counsel's office, although it reports directly to the Compliance Committee. With its focus being mainly preventive, this unit is also charged with ensuring compliance with the FATCA (Foreign Account Tax Compliance) law at the holding level, as well as the application of the Compliance Program.

The Manager of the Compliance Subdivision also acts as the "Head of Prevention", a role that takes the lead on the Crime Prevention Model and is framed in the application of Law 20,393 on Criminal Liability of Legal Entities. As part of these responsibilities, the Compliance Subdivision seeks to permanently strengthen the procedures and technological tools which make it possible to track the transactions, products and services offered by Tanner Servicios Financieros S.A. and its subsidiaries.

NEW REGULATIONS

During 2017, the Subdivision initiated the process of implementing the CRS (Common Reporting Standards) regulations, which will take effect in 2018 and which require Chile as a country that has signed this agreement to share tax information with 100 other countries on foreign residents in Chile and Chileans who have commercial activities abroad. The obligations contained in these regulations, signed by our country under the OECD umbrella, will channel Chilean companies through the Domestic Tax Service (Servicio de Impuestos Internos, "SII"). Similarly, the necessary adjustments have been made for the implementation of Circular No. 57 of the Financial Analysis Unit (Unidad de Análisis Financiero, "UAF"), to identify natural people who have the status of Final Beneficiary and/or Effective Controller of Legal Entities.

ENVIRONMENTAL AND SOCIAL POLICY

In line with our commitments to our external creditors, this policy has been fully implemented, undertaking a commitment to develop a culture of Environmental and Social Responsibility. This fits with the concern of Tanner Servicios Financieros S.A. for preserving the environment and demonstrating social responsibility, which today is one of the main challenges for the sustainable development of humanity and the continuation of economic and business models.

TRAINING

During 2017, the Compliance Subdivision delivered its annual training plan, which included the following activities:

- Face-to-face presentations: organized throughout the year in line with a planned schedule and to meet the specific requirements of some areas.

- e-learning courses: training in asset laundering prevention and criminal liability of legal entities, which are mandatory for all employees once a year.

STRATEGY AND MANAGEMENT

Tanner

PRODUCTS

Tanner Servicios Financieros S.A. is one of the leading non-banking financial institutions in Chile with over 24 years of experience delivering financial services. Since the beginning, the Company has managed to build a broad customer service network with 28 branches across the country to help develop small and medium-sized businesses (SMEs). Our strengths include its highly diversified portfolio and sound financial position, 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 Tanner Servicios Financieros S.A. an international risk rating of "BBB-", and a local rating of A+, thus inserting us inside a select group of non-banking financial entities with an investment grade rating in Latin America.

Our main business lines are Factoring (domestic and international) and Auto-Financing. We also offer Corporate Lending and Leasing products, and we offer complementary intermediation services for fixed income, stocks, insurance and commodities, as well as financial advice to companies. Accordingly, we are organized into three main divisions, as shown:

Tanner

ENTERPRISES DIVISION

AUTO FINANCING DIVISION

INVESTMENTS DIVISION

ENTERPRISES DIVISION

FACTORING

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

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, because of Chile's recent tax reform, they cannot operate through leasebacks.

LEASING

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

AUTO-FINANCING DIVISION

Granting auto loans to individuals and companies looking to finance vehicle purchases, offering a variety of products and terms to meet their specific needs. Within this division there is also an Insurance Brokerage subsidiary, which advises our customers on insurance matters.

INVESTMENTS DIVISION

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 robust platform and a consolidated team with experience and market knowledge to support institutional customers, companies and family offices.

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 Tanner. 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 to achieve ambitious goals.

01 CUSTOMER

Our customers are key to achieving our strategic objectives, which will help solidify our standing as one of the main players in the domestic financial market.

02 SPEED

Agility and swiftness in meeting the needs of our customers, since we understand that speed is a valued and respected quality in the financial business.

03 PROFITABILITY

For sustainable and sustained growth, we must obtain higher returns on investment than our competitors, while always prioritizing transparency, ethics and current regulations.

04 GROWTH

We want to grow responsibly as an organization and position ourselves as one of the country's main financial services companies.

ECONOMIC **ENVIRONMENT**

The International Monetary Fund has consistently raised its global growth forecasts for 2017 and 2018, which now stand at 3.6% and 3.7% respectively, with economic activity increasing in a generalized, synchronized way. This improvement in the cycle allows for the withdrawal of the monetary stimulus, which began in late 2015 and delivered three increases in rates in the US over the past year – to continue during 2018. Along with the tax reforms driven by President Trump, this should boost rates around the world.

In Europe, the economic recovery has been very encouraging, which, together with the containment of political risks following the victories of Macron in France and Merkel in Germany, has elevated the activity and confidence indexes to historic highs.

The emerging world also looks promising. The IMF growth forecast for this region is 4.6% for 2017 and 4.9% for 2018 (having grown 4.3% in 2016). Highlights include the end of the 2016 recession in Latin America, driven by higher activity in Brazil, and robust growth in emerging Asia, driven by China and India.

In Chile we had a reasonably busy year, characterized by low activity, dragged down by reduced investment and a worsening of the quality of sovereign credit, which caused a reduction in our risk rating for the first time since the country came under the magnifying glass of the rating agencies. Nevertheless, during the second half of the year we saw better growth prospects across our business partners, supported by upward corrections in the Central Bank's latest reports. This resulted in the price of copper rising above US$ 3.0 per pound, ending 2017 at US$ 3.3 per pound, and the exchange rate falling to Ch$ 615 (~US$ 1), a drop of approximately 8% during the past year.

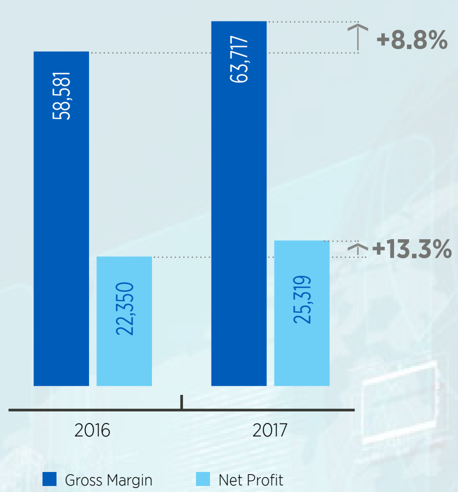
The Inflation rate was 2.3% in 2017, close to the lower limit of the Central Bank's tolerance range. This figure was severely impacted by low inflation on consumer goods, and the appreciation of the Chilean Peso. However, no reductions are expected in the monetary policy rate (MPR) for 2018 since, according to the Central Bank, activity this year will be in the range of 2.5-3.5%, which would push inflation towards its target. According to surveys, this could take the MPR to 2.75% by year-end (from the current 2.5%).

In March 2018, President Sebastián Piñera starts his second term and will face serious economic challenges after a four-year period with average annual growth of 1.8%, well below Chile's estimated potential output (approximately 2.5%). He will have the difficult task of achieving consensus to implement his program, which contemplates the reintegration of the tax system, the establishment of a productivity agenda, a pension reform and the convergence of structural income and expenditure to stabilize public debt.

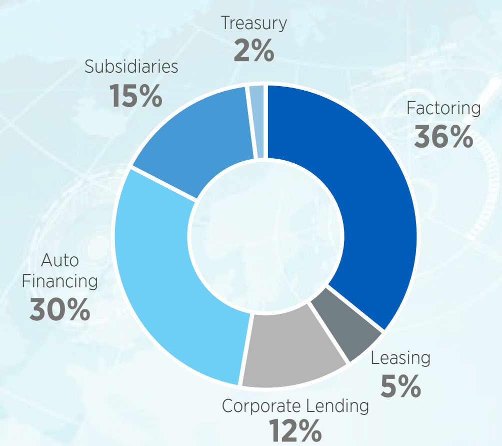
PERFORMANCE

Tanner Servicios Financieros S.A. generated profit after taxes of Ch$ 25,319 million (~US$ 41 million) for the year ended December 31, 2017, which represented an increase of 13.3% over 2016 results. The positive fluctuation was primarily driven by an 8.8% 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.

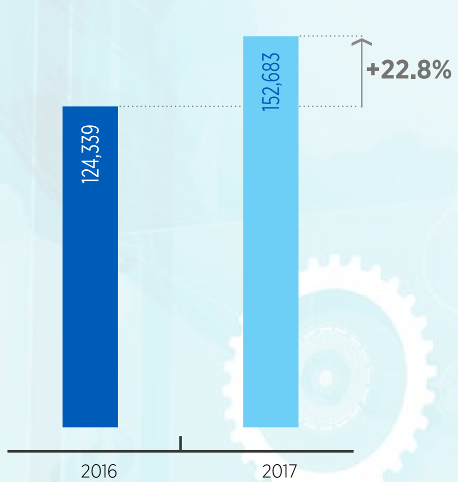
GROSS MARGIN & NET PROFIT EVOLUTION
(MM Ch$)



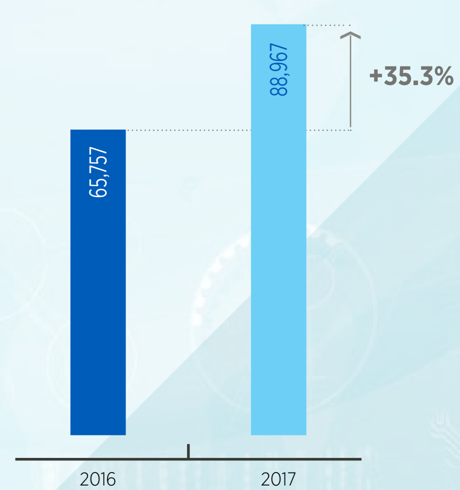
DISTRIBUTION OF GROSS MARGIN BY PRODUCT



CONSOLIDATED INCOME EVOLUTION
(MM Ch$)



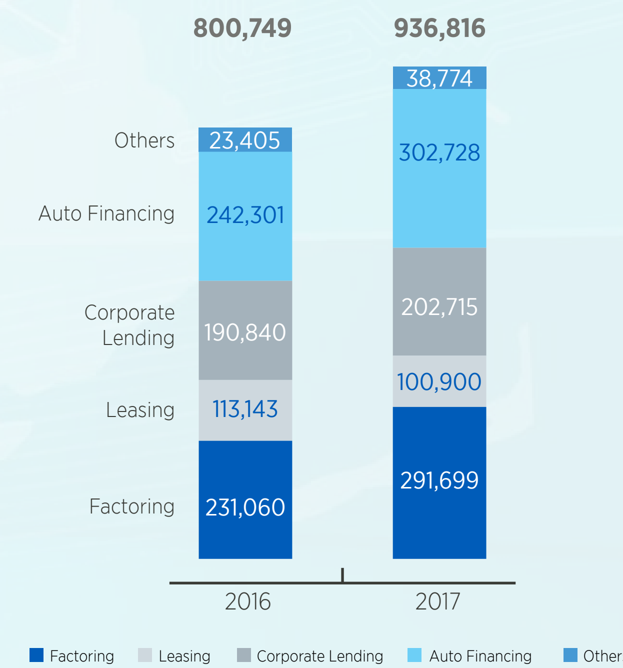
COST OF SALES EVOLUTION
(MM Ch$)



Our gross loan portfolio in 2017 reached Ch$ 961,131 million (~US$ 1,563 million), +16.6% YoY, while provisions totaled Ch$ 24,315 million (~US$ 40 million), increasing 4.1% with respect to the prior year. Total net loans as of year-end 2017 was Ch$ 936,816 million (~US$ 1,523 million), rising 36.9% and 17.0% compared to December 2015 and 2016, respectively.

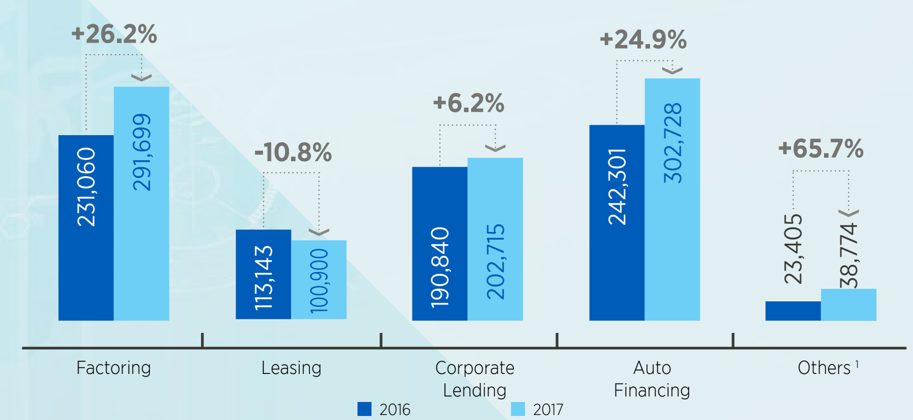
Our portfolio continues to concentrate on business lines that are better aligned with Tanner's value proposition – Factoring and Auto-Financing – which represent 31.1% and 32.3% of the net loan portfolio, respectively, as of year-end 2017.

NET PORTFOLIO BY LINE OF BUSINESS
(MM Ch$)



In 2017, important progress was made in the Factoring (+26.2% YoY) and Auto-Financing (+24.9% YoY) business lines, in conjunction with the increase of Ch$ 11,876 million (~US$ 19 million), +6.2% YoY, in Corporate Lending, which was a result of the Company's strategic decision to focus on smaller working capital loans aimed at our Factoring customers in order to provide them with a more comprehensive product offering.

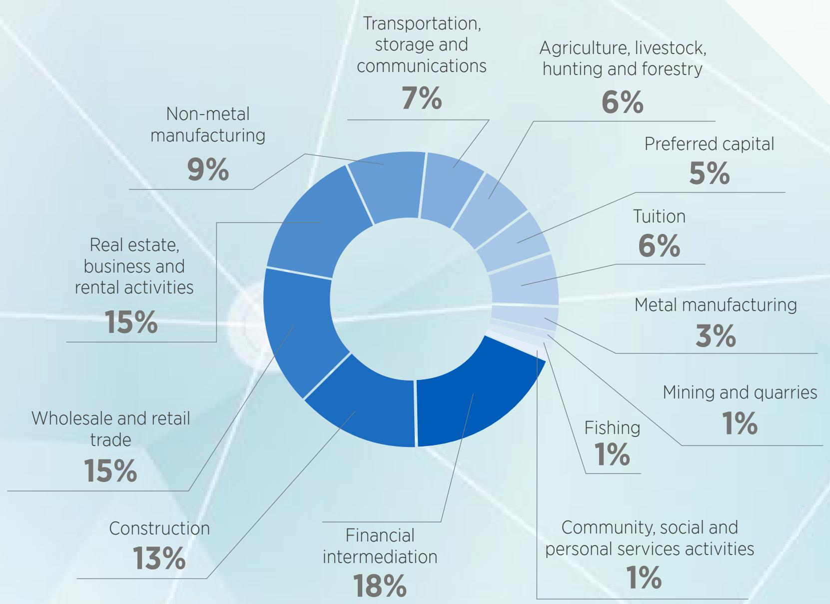
NET LOAN PORTFOLIO[1]
(MM Ch$)



(1) Other receivables correspond to brokerage activities by the securities, commodities and insurance brokerage subsidiaries.

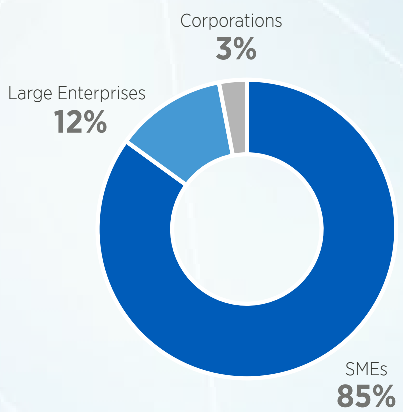
Recent strategic initiatives have been accompanied by efforts to significantly diversify the portfolio by economic sector and customer type, as well as to reduce the concentration of our major customers.

DISTRIBUTION BY ECONOMIC SECTOR[2]

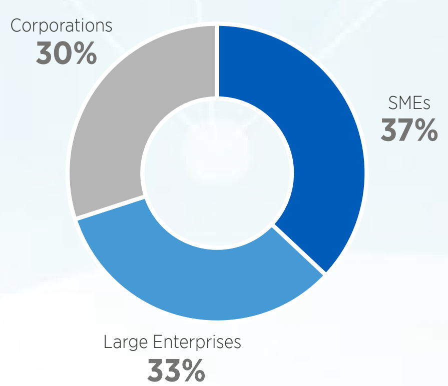


NET LOAN DISTRIBUTION BY TYPE OF CUSTOMERS

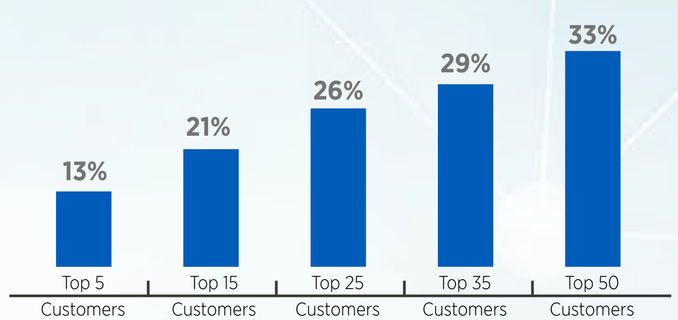
% CUSTOMERS



% LOANS

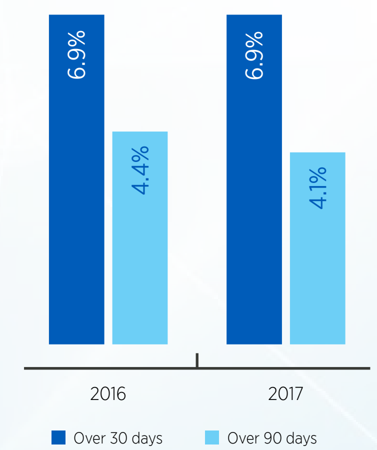


CONCENTRATION OF MAJOR CUSTOMERS



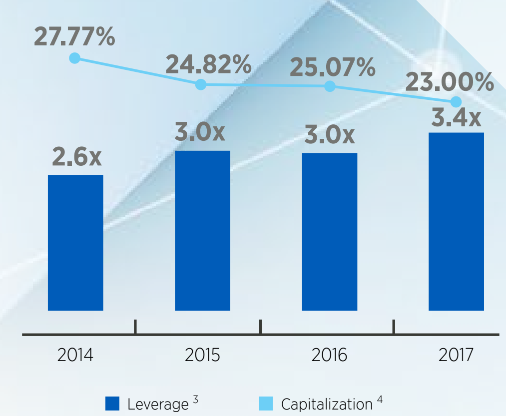
Asset quality improvements are the result of the actions taken since 2015 to strengthen Tanner's loan approval, control and collection policies with the objective of reducing NPLs levels, which peaked in the January-June 2015 period.

CONSOLIDATED NPLs RATIO



As of December 31, 2017, the Company had improved its liquidity and solvency indicators as compared to 2016, mainly because of the decrease in current liabilities after securing longer-term funding. The bonds issued during the last quarter of the year allowed us to reduce our 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.

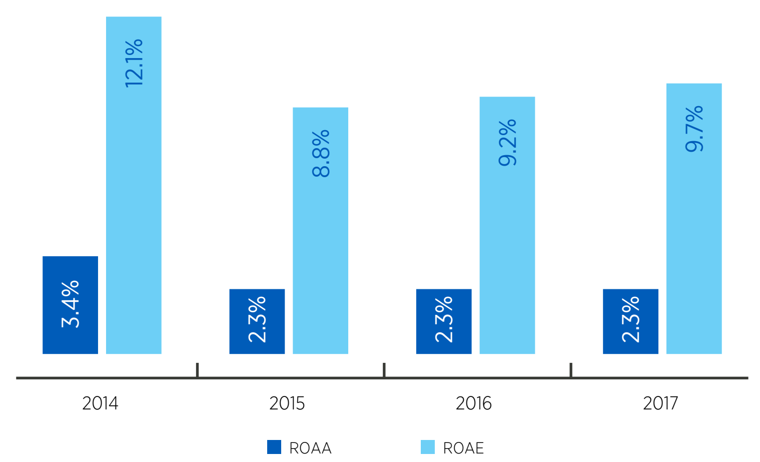
EVOLUTION OF LEVERAGE AND CAPITALIZATION LEVELS



(2) Excludes net loans from the auto lending division.
(3) Leverage: Liabilities / Equity
(4) Capitalization: Equity/ Assets

Despite Chile's economic slowdown, which has impacted all financial institutions in the country, our profitability improved in 2017 relative to 2016, 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 have positioned us favorably to continue to improve our profitability levels going forward.

ROAA - RETURN ON AVERAGE ASSETS
ROAE - RETURN ON AVERAGE EQUITY



Tanner Servicios Financieros S.A. has three major divisions: Enterprises, which includes Factoring, Leasing and Corporate Lending; Auto-Financing, which also includes the insurance brokerage subsidiary; and Tanner Investments, which includes securities brokerage business, corporate finance, fund management and commodities exchange brokerage.

ENTERPRISES DIVISION

STRATEGY

Our objective is to become the financing partner of choice of SMEs and companies that are under-served by banking institutions. Consequently, our focus and objectives are centered on improving the experience of these customers when they require financing solutions.

We want to be known for the quality of our service and for our ability to meet our customers' needs, while creating deep and lasting relationships with them. To achieve this, we are constantly innovating to create value–added financing solutions that can become tools for the enhancement our customers' businesses. We aim to make agility, security and good service the hallmark of our value proposition, since we understand that financing is vital for our customers.

Technology is a fundamental pillar of our strategy, since it is one of the main tools that will enable us to differentiate ourselves in this digital era. We want to succeed in becoming one of the country's leading fintech companies and to be recognized for the excellence of our customer experience.

PRODUCTS

We think about our customers' whole business cycle and have three core products that allow us to finance their needs in the distinct phases of their business. Through Factoring, we meet our customers' need for liquidity to meet their most pressing obligations; through Leasing, we finance their investments in movable property and real estate; and through credit we provide a solution for their working capital requirements.

Our whole offering is designed to provide our customers with agile, efficient, secure, high-quality services. Our areas are constantly innovating, looking for new services to meet the needs of those who are currently working with us and those who may do so in the future.

01. FACTORING

Factoring is a method of financing where companies (or "customers") transfer their receivables to a factoring company, which becomes the new creditor of the transferred document. The factoring entity pays the customer a percentage of the invoice value, minus the 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.

Henceforth, 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 without impacting their leverage ratios.

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

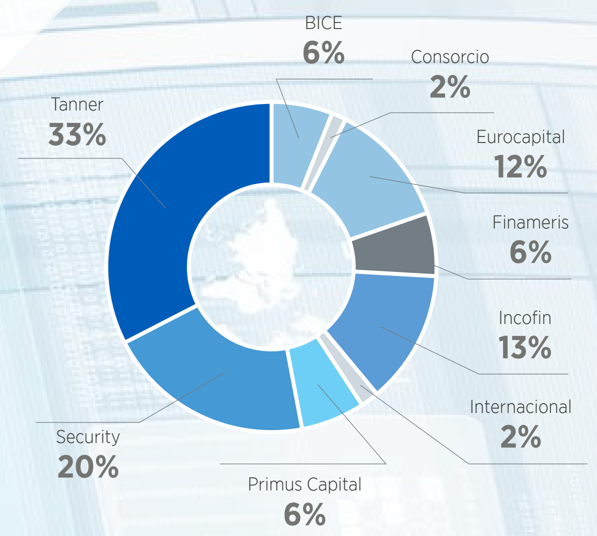
Once the law No. 19,983 went into effect in April 2005 and tax regulations made it mandatory for companies (around 500,000 taxpayers) to use electronic invoicing starting in 2014, the factoring industry gained momentum in Chile. The law No. 19,983 introduced a regulatory framework for factoring activities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

The main benefits of factoring for our customers are:

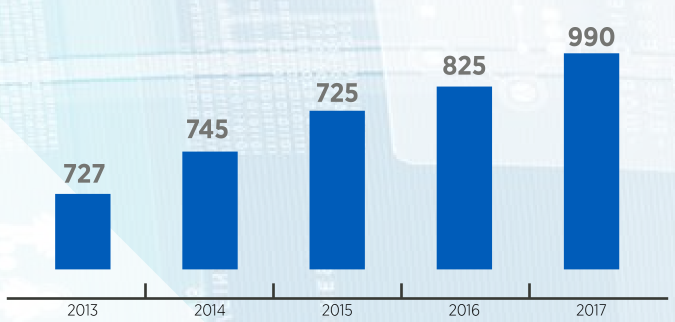
1. Rapid access to financing, backed by the invoice.
2. Exceptional cashflow.
3. Facilitates and optimizes collection procedures and subsequent payment recovery.

The stock reported by the Asociación Chilena de Factoring (Chilean Factoring Association, "ACHEF") stood at Ch$ 989,759 million (~US$ 1,610 million) at the end of 2017, an increase of 19.9% on 2016, with large companies being the main segment, at 38.4%, and SMEs being in second place, with 26.3% of the stock. The number of ACHEF customers also rose by 10.8%, reaching 8,290 in December. Tanner is the institution within this association with the most customers (33%).

ACHEF MARKET SHARE BY NUMBER OF CUSTOMERS
(December 31, 2017)

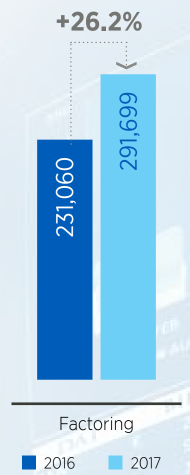


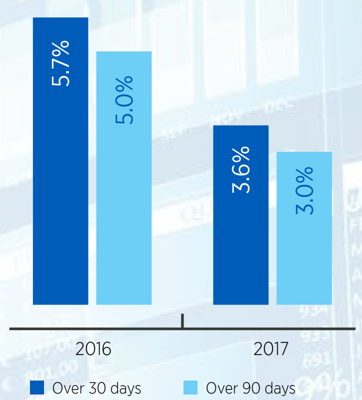
ACHEF STOCK EVOLUTION
(Bn Ch$)



Our Factoring loans increased by 26.2% during 2017, to Ch$ 291,699 million (-US$ 426 million), an increase on the Ch$ 231,060 million (~US$ 375 million) recorded in 2016, with the quality of the portfolio improving considerably compared to the previous year, as reflected in the decline in the non-performing portfolio, indicators and renegotiated portfolio.

FACTORING PORTFOLIO AND NPLs RATIOS
(MM Ch$)



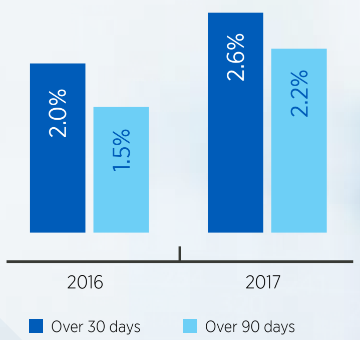


Factoring revenue totaled Ch$ 37,279 million (-US$ 60.7 million), increasing 26.8% or Ch$ 7,877 million relative to 2016. On the other hand, expenses totaled Ch$ 14,367 million (-US$ 23.4 million), up Ch$ 4,685 million (-US$ 7.6 million) or +48.4%, explained by an increase in write-offs and provisions of 168.0%. As a result, the reported gross profit of Ch$ 22,911 million for the year, represented a YoY increase of Ch$ 3,192 million or +16.2%, compared to 2016.

02. CORPORATE LENDING

These are operations aimed towards financing the working capital needs of our customers, over and above what we already finance through Factoring, with the benefit of being customized to their needs and financial capabilities, which gives them greater flexibility. Total loans for the Corporate Lending segment, which was formed in 2014, went up Ch$ 11,876 million (-US$ 19.3 million), +6.2% YoY, during 2017 to Ch$ 202,715 million (-US$ 330 million). Non-performing loans were higher than the levels seen in 2016, owing to greater maturity of the portfolio and a decrease in the stock of corporate credit, which has practically no default.

CORPORATE LENDING PORTFOLIO AND NPLs RATIOS
(MM Ch$)



Income from this segment totaled Ch$ 16,833 million (-US$ 27.4 million), dropping 10.2% compared to 2016, mainly due to lower income from interest and commissions. Meanwhile, expenses rose to Ch$ 9,328 million (-US$ 15.2 million), +26.9% YoY, due to an increase in write-offs and provisions. Consequently, gross margin was down 34.1% YoY, totaling Ch$ 7,505 million (-US$ 12.3 million).

03. LEASING

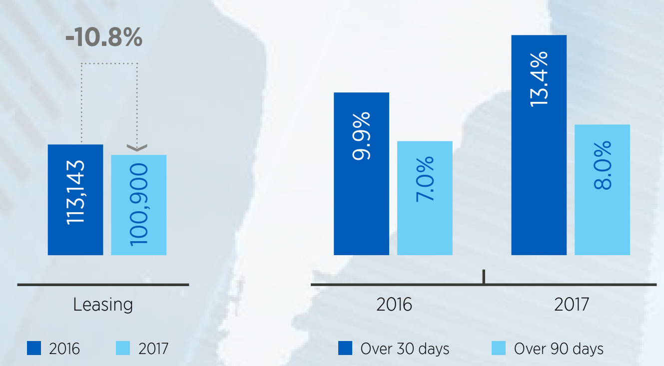
Leasing is a financial solution to address the financing needs of companies for the purchase of capital assets. This solution allows Leasing clients to invest, grow, expand and upgrade assets while taking advantage of important financial and tax benefits. It consists of a lease agreement for a predetermined 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 main benefits of leasing for our customers are:

1. Provides financing for up to 100% of the transaction.
2. Allows 100% of the fee to be counted as expenditure, which reduces the tax base.
3. Goods are insured throughout the lifetime of the contract, giving access to better premium and cover terms.
4. No interest charged on VAT, which represents financial saving.
5. Payment schedule to meet the customer's needs, with flexibility of currency and payment period.

Tanner's Leasing loans totaled Ch$ 100,900 million (~US$ 164 million) in 2017, dropping 10.8% YoY compared to the Ch$ 113,143 million (~US$ 184 million) recorded in the previous year. Despite having fewer loans, the portfolio quality of the portfolio deteriorated, especially in terms of the NPLs >30 and >90 days.

LEASING PORTFOLIO AND NPLs RATIOS
(MM Ch$)



Leasing revenue during 2017 totaled Ch$ 12,157 million (~US$ 19.8 million), reflecting a YoY decrease of 8.0%, Ch$ 1,056 million (~US$ 1.7 million). Costs increased Ch$ 390 million (~US$ 0.6 million), +4.5%, to Ch$ 9,128 million (~US$ 14.84 million) in 2017, as a result of higher write-offs, provisions and interests, which led to a gross profit of Ch$ 3,029 million (~US$ 4.9 million), a 32.3% or Ch$ 1,447 million YoY reduction.

CLIENT EXPERIENCE

In the Enterprises Division of Tanner, we are convinced that the customer must be at the heart of everything we do, and our purpose is to provide a customer experience that leads to deep and long-lasting relationships. This means working every day to meet the needs of our customers better than our competition. We are aware of our customers' continued efforts to grow and evolve, and we want to help by making their work simpler.

During 2017, we made major advances in improving the customer experience, including:

PRIVATE FACTORING SITE

Since we know that an omnichannel approach provides our customers with greater flexibility and that service via a physical branch is not always necessary, in July, we launched a new online portal that allows our clients to save time by conducting their operations online.

Submitting an invoice involves three simple steps: loading the invoice, confirming the results and transferring the documents.

Through this new development, we continue to position Tanner as a valuable business partner able to provide an agile and secure service to our customers.

DIGITAL MARKETING STRATEGY

We implemented a marketing strategy based on digital media, since we are aware of the increasing need in today's world for immediacy of communication – the main characteristic of the various digital platforms. This strategy has enabled us to be present in every single "moment of truth" in which we interact with our customers and has enabled us to manage these interactions more effectively.

Using digital marketing as a complement to traditional marketing has allowed us to benefit from greater access to real-time data, customized offerings, testing and an overall greater reach.

We are also communicating with our community through various platforms so we can disseminate information about our innovations, and communicate useful information and relevant developments. We want to become a pioneer in the development of digital communication channels with our customers and to be recognized and valued by our virtual community. With this new strategy we continue to enhance our brand by increasing its value and recognition, as well as increasing levels of satisfaction and loyalty.

IMPLEMENTATION OF NEW BUSINESS CENTERS

During 2017, we created new Business Centers aimed at generating synergies within the organization, achieving greater efficiency and enhancing our ability to offer a compelling value proposition to our customers. With these new centers, we want our employees to share their successes and best practices, enabling us to become a recognized and preferred partner. These centers also give us the chance to standardize our levels of service across the Division.

AUTO-FINANCING DIVISION

INDUSTRY INFORMATION

2017 was a very positive year for the auto industry, the best since 2013. The year began with a sales projection of 314,500[2] new light and medium-sized vehicles, which quickly had to be revised as the year ended with sales of around 360,900[3] units, an 18% increase compared to 2016. This sudden increase in the new vehicle business had a large impact on the used car industry, which dropped 2.8%[4] compared to 2016, with a total of 980,000 transactions.

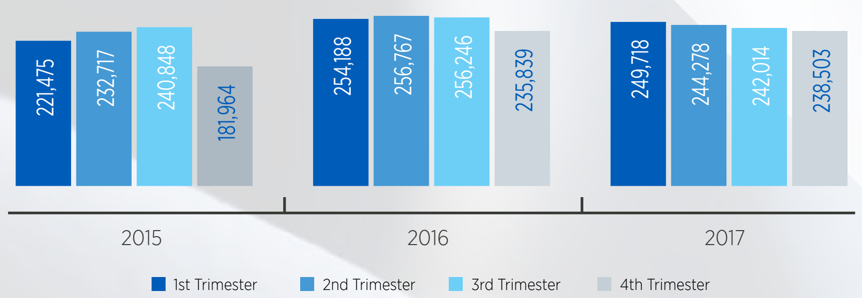
The positive year for new vehicles is explained by various factors, including:

1. The weakening of the U.S. dollar benefitted imports; the average value of the U.S. dollar in 2017 was 4% below the 2016 average.
2. Renewal of vehicle stock purchased 2 and 3 years ago under ballon loans[5], publicly advertised as "Compra Inteligente".
3. Greater restrictions on mortgage loans, with minimum down payments of 20%, released liquidity for vehicle purchases.

The sales estimates for light and medium-sized vehicles in 2018 are between 375,000 and 385,000 new units[6], figures that surpass the record sales number of 378,000 units in 2013. These positive figures are supported by higher projected economic growth, favorable exchange rate conditions, a low level of vehicle ownership compared to developed countries and low interest rates.

(2) ANAC
(3) ANAC
(4) CAVEM
(5) "Compra Inteligente" is a balloon loan which considers a 20% upfront payment, 30% amortization during the life of the loan and 50% payment in the last installment.
(6) ANAC

QUARTERLY SALES
(Units)



Source: CAVEM

YEAR	Annual Sales (Units)	Variation %
2011	334,052	21.40%
2012	338,826	1.40%
2013	378,240	11.60%
2014	337,594	-10.70%
2015	282,232	-16.40%
2016	305,540	8.30%
2017	360,900	18.10%

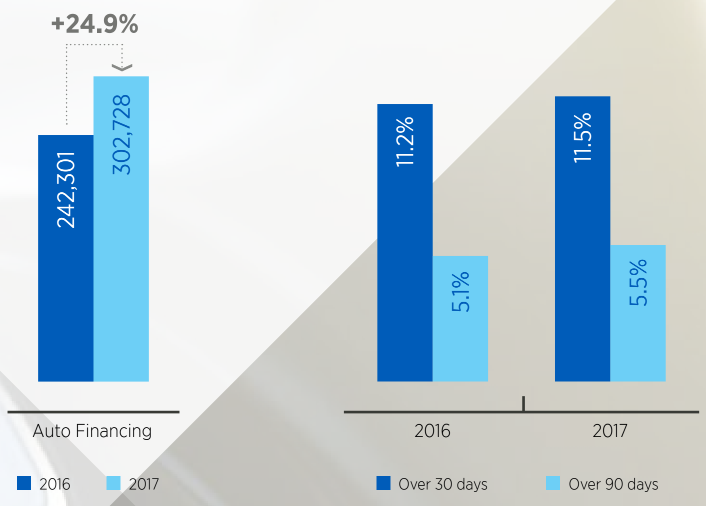
BUSINESS DESCRIPTION

Tanner sources its customers through three sales channels and a sales force of approximately 200 people:

- AMICAR is an electronic auction portal created by the auto importers Derco and AG for the marketing and financing of vehicles – in their own dealer network or other dealers that market the brands that they represent (Mazda, Suzuki, Renault, Hyundai, Mini, Mahindra and others). Sales through AMICAR accounted for a large share of the division's total sales in 2017, positioning Tanner as the second largest financing company out of the eight that participate on this platform. Sales through this channel grew by 27.5% compared to 2016.
- The dealer or traditional channel is the second most important sales contributor to the division due to Tanner's presence across the largest auto dealership networks in Chile. Sales volume through the dealer channel increased 24.9% YoY in 2017.
- The direct sales channel focuses on financing vehicle purchases between private buyers and sellers, as well as purchases that are originated via the major online vehicle marketing portals. Sales through this channel increased 9.7% compared to the previous year.

In 2017, the Company's auto loan portfolio grew 24.9% or Ch$ 60,426 million compared to 2016, reaching Ch$ 302,728 million. The cost of risk increased slightly in 2017, reflecting the higher loan volume – because this product provisions since the origination of the loan – and the Chilean economic situation.

AUTO-FINANCING PORTFOLIO AND NPLs RATIOS
(MM Ch$)



This division generated revenue of Ch$ 68,792 million (-US$ 111.9 million), growing 20.8% or Ch$ 11,837 million (-US$ 19.3 million) compared to 2016, driven by higher loan volumes that resulted from increased sales in new and used cars. On the other hand, costs increased by 20.2% YoY or Ch$ 8,350 million (-US$ 13.6 million), from Ch$ 41,391 million (-US$ 67.3 million) in 2016 to Ch$ 49,741 million (-US$ 80.9 million) in 2017, which led to a strong YoY gross profit increase of 22.4%, Ch$ 3,487 million (-US$ 5.67 million).

STRATEGY

In 2017, the profit contribution of the Auto-Financing business increased significantly, mainly driven by two factors: (i) the improvement in the risk premium charged to customers due to our enhanced ability to understand our customers' risk profile from the outset and price our loans accordingly and (ii) the increase in sales due to the higher overall interest income.

Our loan portfolio increased 24.9% vs. last year, which is explained by our efforts to increase our share in the used and new auto financing market. On the used vehicle segment, we continue to be specialists; we have enhanced our partnerships with the largest dealers that play in the "semi-new" vehicle segment, using strategies that enable us to reach a target customer within our desired risk profile. As for the new vehicles segment, we employ a number of different strategies aimed at satisfying the needs of different customer segments. Furthermore, we have been keenly focused on developing a top-quality service for both the end customer and dealer through an agile and timely credit evaluation process and excellent after-sales service.

TANNER INSURANCE BROKERAGE

Seven years ago, we decided to enter the insurance industry via the creation of our subsidiary Tanner Corredora de Seguros. The objective was to add value to our corporate and individual customers by helping them formulate strategies to mitigate their risks. Our vision is to become a leader in the insurance brokerage market through a competitive, comprehensive and reliable value proposition.

Our insurance subsidiary currently employs 19 staff members, headed by a CEO, an Operations Director and a Commercial Director.

Our strategy aims to position us as a leader in auto insurance market through continuous improvement of our coverage and services; we are also seeking to grow in new segments of the market by establishing partnerships and developing new brokerage channels.

As of September 2017, the Chilean insurance industry showed an overall decline of 1.8% compared to the same period in 2016, with a reduction in life insurance lines of 3.4% and an increase in general insurance lines of 2.1%. As for the insurance brokerage market, the insurance brokers affiliated with banking institutions grew 2.8%, with operating income growing by 4.5% YoY during this same period.

Tanner Corredora de Seguros brokered Ch$ 13,887 million (~US$ 22.6 million) in insurance premiums in 2017, which represents a 59% increase when compared to last year. Operating income during this period increased in line with insurance premiums, mainly due to better performance and higher penetration of the insurance product in our customer base.

TANNER **INVESTMENTS DIVISION**

The Tanner Investments Division was created in 2009 under the name Gestora Tanner SpA, with the objective of making investments in Chilean businesses. In April 2017, the business changed its name to Tanner Investments and a new CEO was appointed in order to consolidate the administration of the following businesses under a single management team:

01. STOCK BROKERAGE

Since 1924, Tanner Corredores de Bolsa S.A. has been an active member of the local stock market by offering its customers a world-class team of investment advisors. This trajectory in the Chilean brokerage market was consolidated over time through the creation of new business units and acquisitions. In 2010, this led Factorline, now Tanner Servicios Financieros S.A., to acquire Tanner Corredores de Bolsa.

1924 Tanner & Cía. Corredores de Bolsa is founded, laying the foundations for Tanner Corredores de Bolsa.

1961 Tanner Administradora de Fondos is formed, as the first company of its type in Chile.

1988 Tanner & Cía. Corredores de Bolsa partners with Continental Illinois Bank to enhance its stock brokerage and fund administration services.

1990 ABN AMRO Bank and Tanner come together to form ABN Tanner Bank, a commercial bank.

1996 Tanner becomes the main shareholder of the first international online transactions portal, Patagon.com

2001 Principal Tanner Administradora de Fondos Mutuos is founded, in partnership with Principal Financial Group.

2010 Tanner partners with the Factorline group, enhancing its corporate finance, asset management and stock brokerage capabilities.

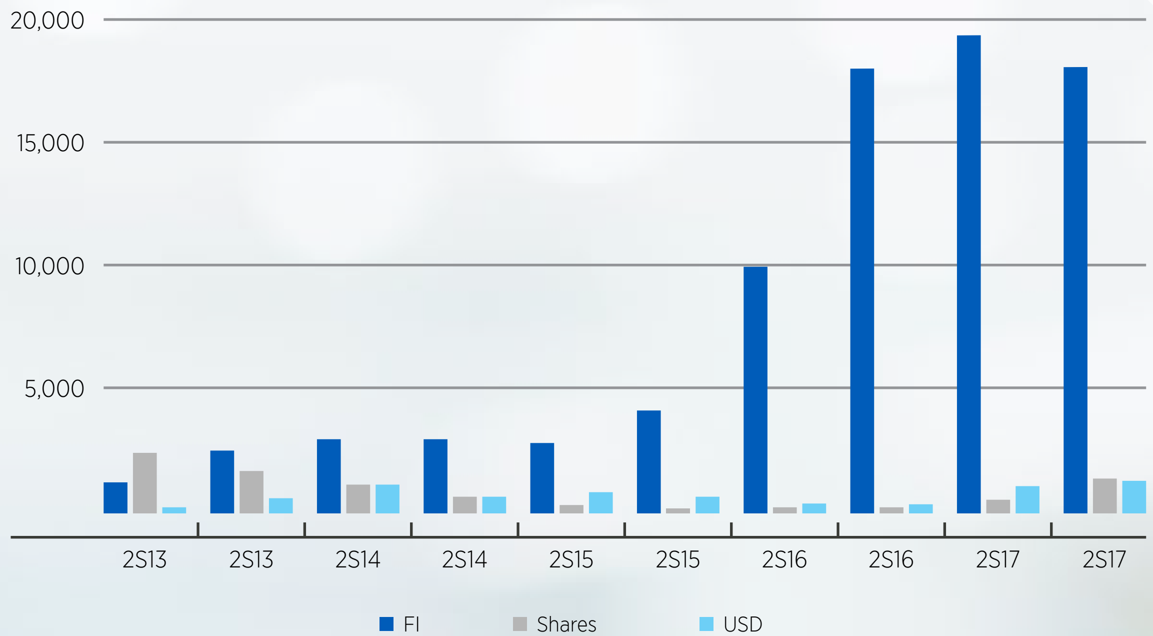
2012 Factorline, now Tanner Servicios Financieros, acquires 100% of Tanner Corredora de Bolsa. Tanner becomes a shareholder in the Electronic Stock Exchange, where it becomes an important player.

2013 The Capital Group takes a stake in Tanner Servicios Financieros.

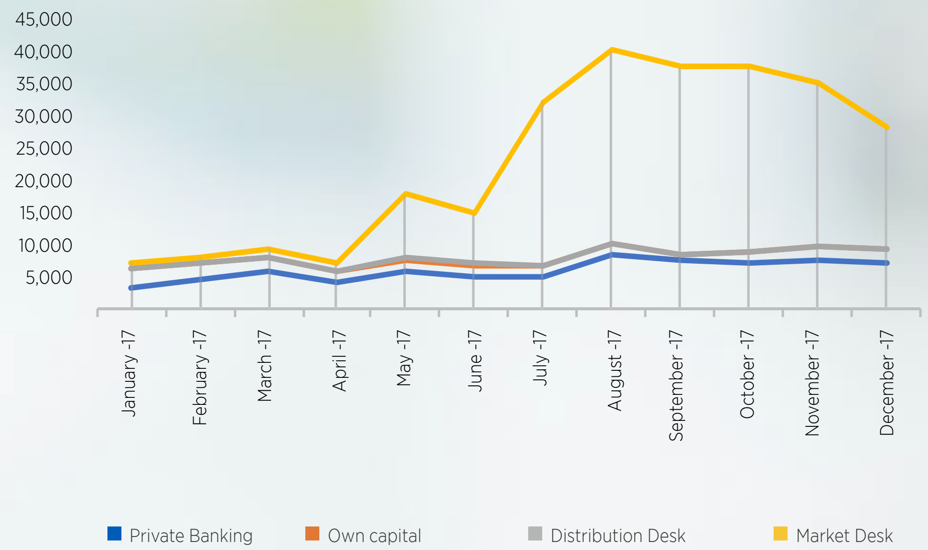
2016 New management installed and new business focus.

Since 2012, Tanner Corredores de Bolsa has been a member of the Electronic Stock Exchange of Chile, having been a member of the Santiago Stock Exchange since the Company's creation in 1924. During 2017, we consolidated our position as an important player in the fixed-income and financial brokerage market:

AMOUNTS TRADED BY MARKET
(Th US$)



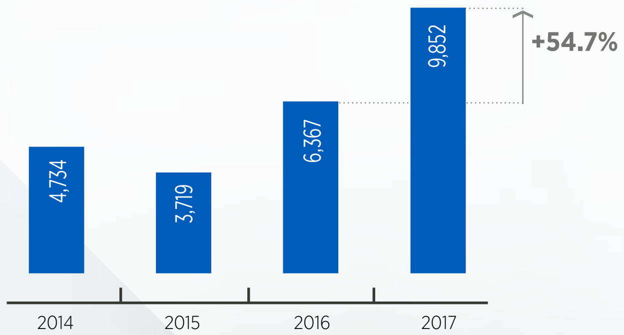
NUMBER OF OPERATIONS BY AREA 2017



Tanner Corredores de Bolsa has over 2,500 customers, with assets under management across local and international markets. Assets under management increased by 38% during 2017, which led to a proportional increase in Tanner Corredora de Bolsa's brokerage revenue.

Our customers have benefited positively from our investment recommendations, realizing high returns in local and international markets. The positive investment results have benefitted both customers that have discretionary investment portfolios with Tanner and those who follow our investment recommendations, which has allowed us to broker sizable trades in products such as stocks, bonds and currencies.

GROSS MARGIN
(MM Ch$)



The positive performance of this vehicle, combined with the responsible management of the executive team, was reflected in the US$ 5.5 million increase in the equity of this business during 2017.

02. CORPORATE FINANCE

We advise and support companies in their growth plans both through investments and financings. Our business model is supported by our analytical capabilities, market knowledge and wide customer network, which enables us to provide innovative and flexible solutions.

During 2017, we carried out major transactions in various economic sectors (Real Estate, Trade, Industrials), with the common denominator being speed of execution and value added for our customers.

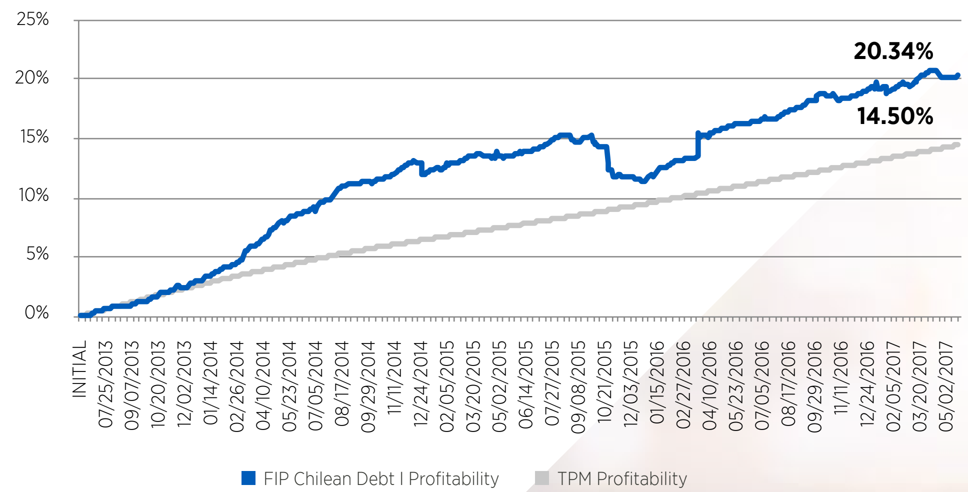
03. THIRD-PARTY FUND MANAGEMENT

a) PRIVATE FUND MANAGEMENT

Tanner Administradora de Fondos Privados S.A. aims to structure and market attractive investment vehicles for our customers, offering investors exposure to a variety of asset classes through portfolios with robust governance structures. Two private investment funds were liquidated during 2017 – Tanner Deuda Chilena I and Tanner Deuda Chilena II – which generated returns of 20.24% and 7.91% respectively, following their creation in 2013 and 2015.

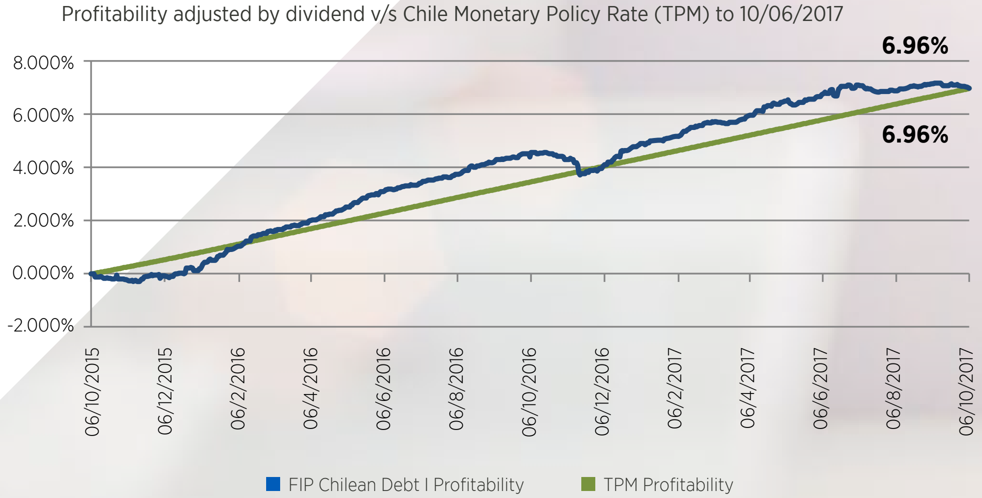
FIP TANNER CHILEAN DEBT I PROFITABILITY

Profitability adjusted by dividend v/s Chile Monetary Policy Rate (TPM) to 05/31/2017



FIP TANNER CHILEAN DEBT II PROFITABILITY

Profitability adjusted by dividend v/s Chile Monetary Policy Rate (TPM) to 10/06/2017



b) GENERAL FUND MANAGEMENT

In mid-2016, Tanner Asset Management Administradora General de Fondos S.A. (TAM) began operations as an investment vehicle with the aim of providing institutional and other qualified investors with public and private investment fund alternatives that could help them meet their profitability and diversification requirements. TAM has been primarily focused on alternative assets.

The development of TAM has been supported by Tanner, which has contributed with its experience in managing financial assets and risks.

The project was consolidated during 2017, with the investment and operations areas being strengthened in order to improve our standards and fully comply with the applicable regulations. This year, we also launched the first fund TAM ACPI Private Debt Fondo de Inversión, which was listed on the Santiago Stock Exchange.

TAM has developed partnerships with alternative asset managers in local and international markets, with the objective of launching new funds over the course of 2018.

04. COMMODITIES EXCHANGE BROKER

The Chile Commodities Exchange was founded in 2005 as a marketplace that could bring together players in the agriculture and finance industries through commodities brokers. In this environment Tanner Corredores de Bolsa de Productos was founded, positioning itself as an important industry player. This market offers short-term, fixed-income investment alternatives aimed at providing good profitability with low risk for both individual and institutional investors.

The main focus of this business currently is investing in invoices issued by suppliers of payers that are registered in the Chile Commodities Exchange, which have a predetermined value and payment date.

In mid-2017, following a change in the investment policy and management, Tanner Corredores de Bolsa de Productos regained the market position it had held during its early days, having traded over US$ 32 million during the year.

Currently, Tanner Investments Division has 57 employees, whose focus is to enhance and strengthen the investment product offering across the division. Through the integration of the different investment alternatives within the division and providing additional credit and financing alternatives, our team aims to provide our customers with integrated solutions for the management both of their assets and liabilities.

Today our primary challenge is to fully exploit the synergies that could exist between our businesses via the transformation of Tanner Investments Division's sales channels into distribution channels for a comprehensive portfolio of the best investment ideas available in the financial market.

The corporate governance of each of the companies that are regulated by entities such as the Securities and Insurance Superintendence – now known as the Financial Market Commission –, the Stock Exchanges and the Commodities Exchanges meets all the applicable standards and best practices, as set forth in the corporate guidelines of Tanner Servicios Financieros S.A.

TREASURY **MANAGEMENT**

Throughout its history, the Company has been recognized for its solid financial position, which has been the result of an ongoing quest to diversify its funding sources and seek sustained and balanced growth with effective risk management.

As part of our financing policy, Tanner Servicios Financieros S.A. aims to maintain a liquidity level that allows us 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 our exposure limits to different currencies and financial instruments. Tanner's financing policy includes specific guidelines for structuring its liabilities, which are formulated based on market analysis and balance structure (in terms of maturities and diversification).

In terms of its investment policy, Tanner is always looking for the best investment alternatives that allow us to obtain the maximum risk-adjusted return on surplus resources, while maintaining sufficient cash to cover short-term cash needs. To accomplish this, Tanner conservatively invests in mutual funds, repos, term deposits and bonds.

Given the nature of our financing strategy, during the normal course of our business we have exposure to different currencies, which are hedged to minimize the exposure of the balance sheet to market volatility, both in interest rates and currency values. Similarly, our exposure to inflation is managed in a fairly conservative manner, seeking to maintain a healthy balance in terms of our UF exposure.

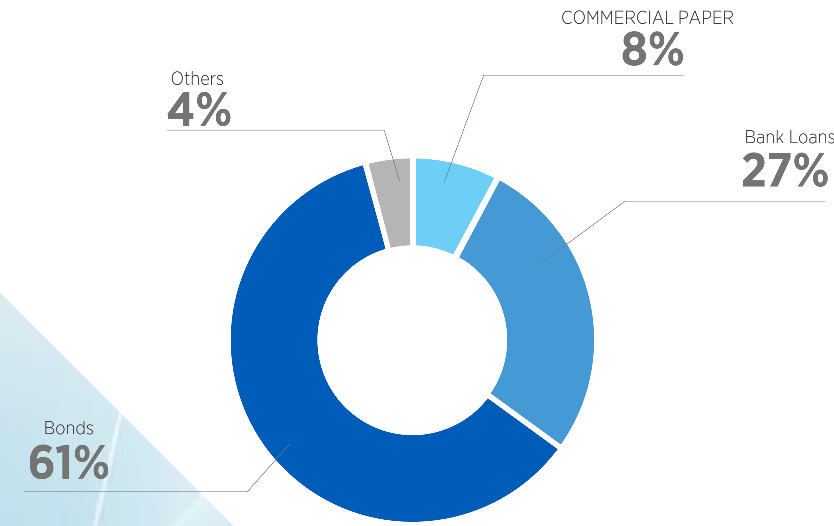
In terms of liquidity management, as of the end of 2017 we had a conservative mismatch in the duration of our assets and liabilities, whereby our financial liabilities, i.e. excluding equities, on average, had a duration that is 0.56 years higher than the average duration of our assets (average duration of our liabilities and assets is 1.61 and 1.05 years, respectively). This conservative mismatch gives us a financial buffer against movements in interest rates. It is worth noting that the average duration of our assets and liabilities is constantly under analysis with the objective of seizing every market opportunity available during periods of high and low interest rates.

As of December 31, 2017, our financial debt stood at Ch$ 815,989 million (~US$ 1,327 million), comprised of Ch$ 63,336 million (~US$ 103 million) in commercial paper, Ch$ 222,359 million (~US$ 362 million) in loans with local and international institutions, Ch$ 496,783 million (~US$ 808 million) in bonds and Ch$ 33,510 million (~US$ 54 million) in other forms of financial debt, of which 87% corresponds to debt agreements and the remaining 13% are obligations under forward contracts. Meanwhile, cash and cash equivalents reached Ch$ 84,636 million (~US$ 138 million), resulting in a net financial debt position of Ch$ 815,989 million (~US$ 1,327 million).

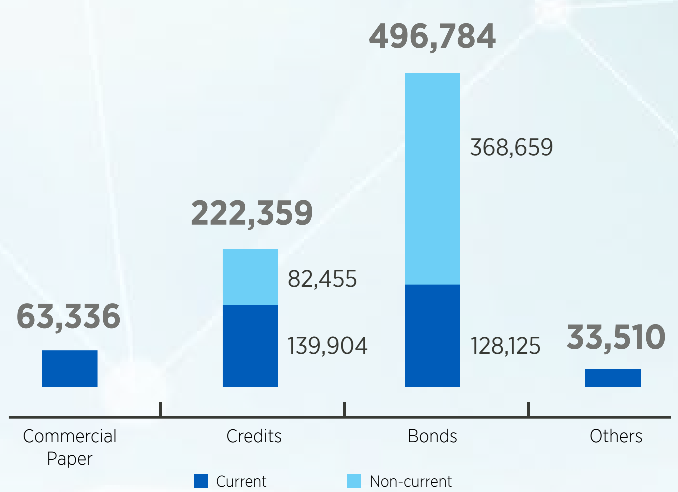
During 2017 we were an active debt issuer as we took advantage of opportunities in both local and international debt markets. In the local market, we placed a 1.5 million UF 4-year bond with a spread of 186 points, 72 points lower than a similar issuance completed in 2016, and a program of commercial paper US$-denominated (US$ 80 million) were authorized by the regulator, which made us the only active issuer of this type of instrument. Also, for the second year in a row, we issued a bond in the Swiss market with a 3-year term and a value of CHF 100 million (~US$ 100 million), managing to reduce the spread by almost 100 points, to 178 basis points, vs. last year's issuance.

Thanks to the aforementioned debt issuances, the Company ended 2017 with a diversified funding structure comprised of: seven bond issuances outstanding in the local market; three issuances in international markets, one issuance in USA (which expires in March 2018) and the other two in Switzerland (expiring in 2019 and 2020 respectively); credit facilities from Chilean and foreign banks; and long-term loans from leading international institutions.

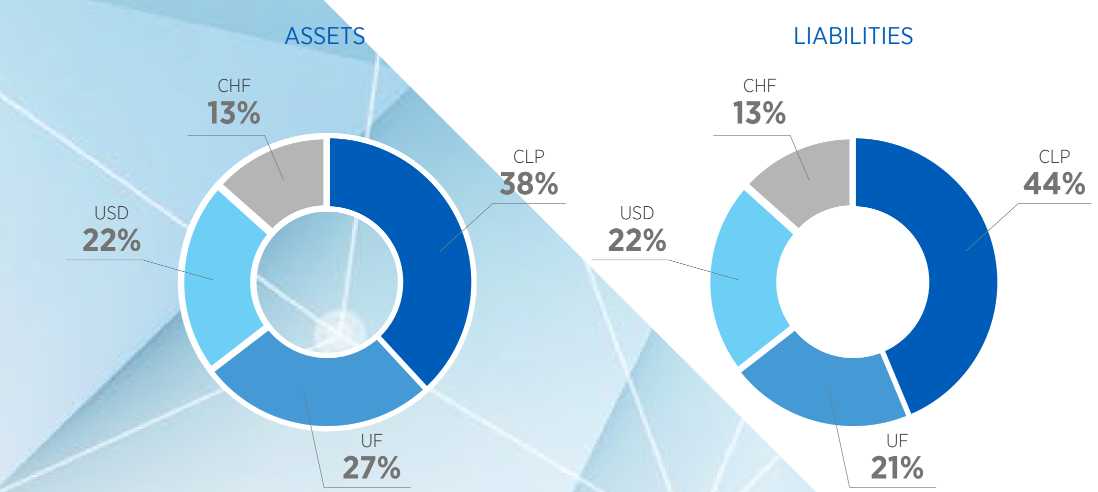
COMPOSITION OF FUNDING SOURCES



COMPOSITION OF FUNDING SOURCES
(MM Ch$)



ASSETS AND LIABILITIES BY CURRENCY*



(*) Including hedging and equity

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, even though Tanner has professionals specifically dedicated to each different risk area.

Tanner's loan approval policies and processes are tailored to each market and business segment by taking into consideration their characteristics and inherent risks. The policy is to maintain an integrated vision of risk management and return, incorporating both the Company and its subsidiaries in this analysis.

The 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

01. 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 in the Tanner's lines of business.

Tanner Servicios Financieros S.A. manages its credit risk independently by each business line – Factoring, Corporate Lending, Leasing and Auto-Financing – 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. Ongoing 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, Tanner Servicios Financieros S.A. 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.
- Ongoing 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 defaulting 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, aligned by a unified vision of the customers' economic sectors.

Another important and complementary aspect of the credit risk assessment is the quality and quantity of guarantees required. One of the Tanner'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. Most 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.
- Corporate 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.
- Leasing

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

The Company determines the credit quality of financial assets using internal ratings systems. The rating process is linked to the internal approval and monitoring processes and is carried out in accordance with risk categories established by current regulations (Auto-Financing 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.

Tanner Servicios Financieros S.A. also reviews customers within particular industries that could be (potentially) affected by macroeconomic or sector-specific variables. Such reviews allow Tanner to establish in good time any necessary provisions that are sufficient to cover losses from potentially uncollectable loans.

In Tanner Investments Division, in particular for 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. To reduce the effects of credit risk, the brokerage subsidiary uses a series of internal risk policies that vary by customer type and product.

02. FINANCIAL RISKS

A) 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.

Tanner Servicios Financieros S.A. 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 Corredora de Bolsa S.A., is subject to regulatory liquidity indicators known as the General Liquidity Index (Índice de Liquidez General) and the Intermediation Liquidity Index (Índice de Liquidez por Intermediación). In accordance with CMF requirements, the subsidiary has always complied with these indicators.

B) MARKET RISK

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

- **Price risk**

Price risk is defined as the risk incurred by variations in the value of investments, mainly in bonds and stock. It arises from the chance that the return could be less than the amount invested when the debt instrument is sold. This occurs when the return generated by the instrument is less than the return expected by the market.

The Company has investments in ETFs and corporate bonds with VaRs 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.

Tanner Servicios Financieros S.A. 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.

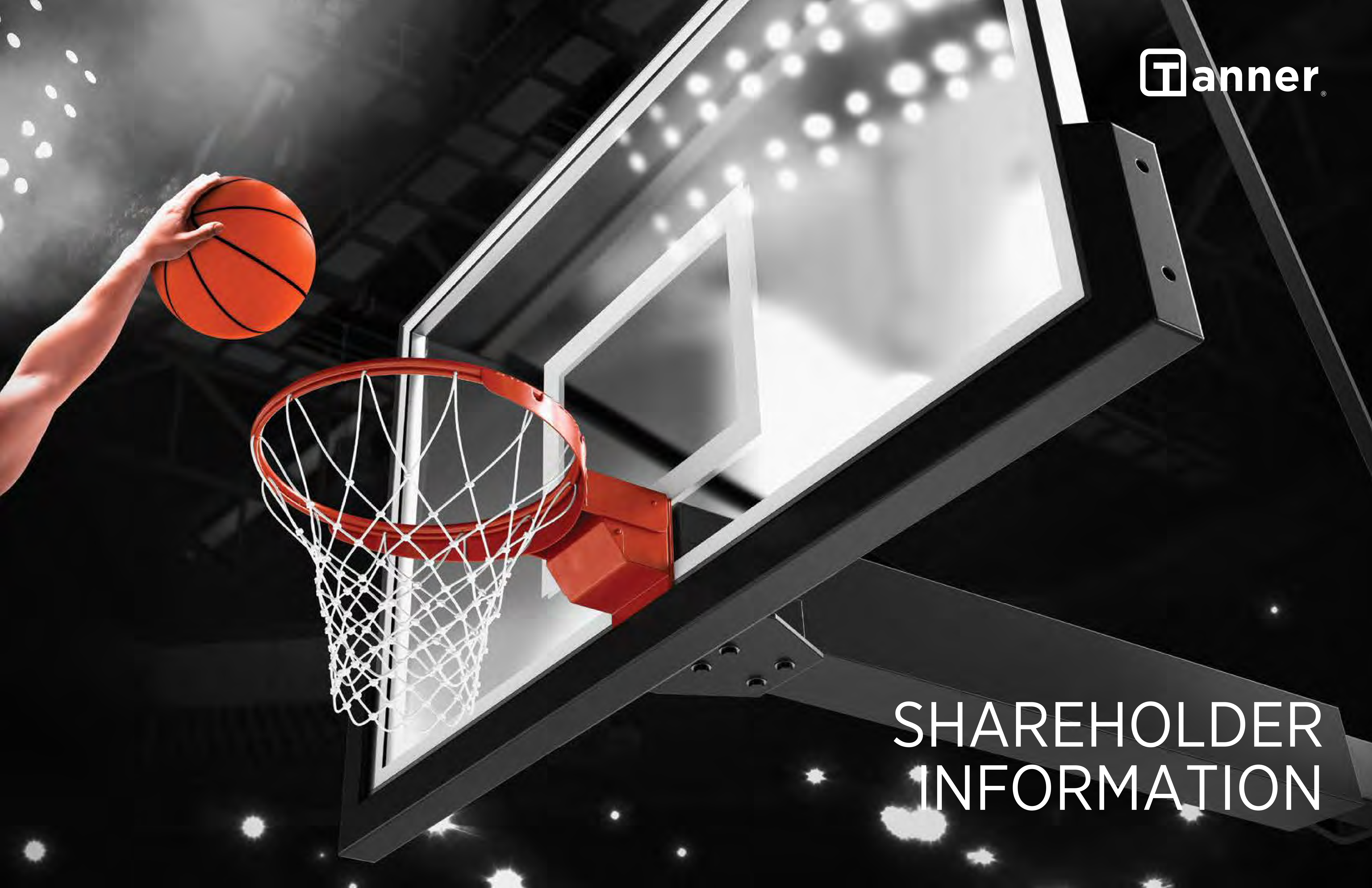
- **Indexation risk**

Indexation risk is the exposure of assets and liabilities denominated in Unidades de Fomento ("UF") that could generate losses because 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.

C) 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, Tanner Servicios Financieros S.A. has mapped out all 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.



SHAREHOLDER INFORMATION

PROFIT DISTRIBUTION

As of December 31, 2017, the Company's capital consisted of 1,212,129 subscribed and paid shares. Distributable profit for 2017 amounts to Ch$ 25,319 million (-US$ 41.2 million).

DIVIDENDS PAID

Between 2013 and 2017, Tanner Servicios Financieros S.A. paid the following dividends, shown at their historical values, and charged to profit for the year indicated.

YEAR	Type of Dividend	Nº of Shares	Dividend per Share (Ch$)	Payment Date
2017	Eventual	884,854 (Serie B)	2,137	October 2017
2016	Final	1,212,129	5,405	March 2017
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 2017, the following share transactions were recorded:

SALES	Relationship	Purchases	Relationship	Number of Shares	Unit Price (Ch$ /share)	Amount (In MCh$)
Inversiones ALVI SpA	Shareholder	Inversiones Bancarias S.A.	Shareholder	200	309,292.5	61.8
FSA Fondo de Inversión Privada	Shareholder	Tanner Valores Fondo de Inversión Privado	Shareholder	5,473	325,209.2	1,779.8
Inversiones FSA Limitada	Shareholder	Tanner Valores Fondo Inversiones Privada	Shareholder	2,113	325,209.2	687.1

HUMAN RESOURCES

We faced various challenges over the course of 2017. One of them was to respond in a more comprehensive way to the vision that inspires us at Tanner: "To be the best financial services company in Latin America". However, to accomplish such vision, it is necessary to continuously assess our management since the lessons learned from our organizational development can be used as the foundation for further growth. That is exactly what we did during 2017 by repositioning ourselves to deliver on our mission: "To be a fundamental pillar for our teams, supporting them through projects and initiatives that strengthen the performance and all-round development of our people, in a supportive working environment and with a strong working culture, which enables us to have teams that are well prepared and motivated to respond with excellence to the various challenges of the business."

The Human Resources Division was created with a clear mission, not only to attract the best talent but to bring out the best out of every one of our employees by providing them with optimal conditions for their growth and general wellbeing. This objective is absolutely aligned with Tanner's need to continually improve its agility, access and leadership in an ever-evolving market environment. This focus on developing its people has been instrumental to Tanner's positioning as one of the leading non-banking financial institutions in Chile, with over 20 years of experience in the market and its No. 1 position in Factoring for small and medium-sized enterprises.

WHAT DO WE CONTRIBUTE IN HUMAN RESOURCES?

In this challenging environment, Human Resources was restructured to have a more integral approach. This new approach aims to enable the division to be an active strategic partner, to create collaborative partnerships with the various divisions of the business, to be closer to the important players that shape Tanner as an organization and to participate in the constant fight to position ourselves as the leading non-bank financial institution.

For this reason, in 2017, we came closer to our branches and shared more with our people, getting to understand their context and their needs. We also established deeper relations with our trade union leaders -who are a fundamental pillar in our relationship with our employees- maintaining fluid relations as it is important to us to continue to be aligned and support each other.

Our relationship is based on transparency, timely communication and fostering an environment in which any topic of interest can be raised by employees. We meet on a monthly basis with union leaders and present them with our financial results, always with the objective of fostering relationships that contribute to the development and wellbeing of employees, who ultimately are our most important asset.

WE PROVIDE EXCELLENT ADVICE THROUGH THE CONSULTING MODEL

Since 2014, Human Resources has implemented the Consulting Model, which aims to be an integral partner of the business and involves delivering active and assertive advice to the business. The objective is to leverage our knowledge to work cross-functionally across all areas of human resources, so that we can proactively address all the related needs of the organization.

This year, Human Resources refreshed and reinforced this service model, focusing on strengthening the advisory and strategic relationship that businesses need in order to achieve their objectives and goals.

This model has been successful as it has brought our Human Resources team closer to the business and its people. This closeness and better understanding of the business creates the opportunity to define and build concrete action plans to promote talent and skill development. This model is better aligned with Tanner's culture and strategic objectives that will guide our Company to be the leading non-bank financial services company in Latin America.

TALENT DEVELOPMENT

In Tanner, we have built a culture based on values which are not just mere ideas. Our values have been translated into cross-functional programs and action plans that combine our core values: Teamwork, Transparency, Meritocracy, Passion and Excellence.

In this regard, Teamwork is a fundamental value of Human Resources as of all our activities require a high level of interaction and collaboration between different areas of the business. This is even more important in the context of an entity that perceives itself as booming, active, flexible, young and innovative organization, meeting the challenge that comes with having a young workforce with 51% of employees under the age of 40.

We breathe and live Transparency in all of our activities as it is an essential element in the interactions that take place in our normal course of business. This value is particularly evident in the programs we have developed for Recruitment & Selection, Internal Mobility, Performance Evaluation, Induction, Leadership & Training, Pay & Benefits and Occupational Health & Safety, among others.

Similarly, Meritocracy is at the core of every managerial decision at Tanner, which has contributed to fostering an environment for job promotions based on merit at our Company. Today we can be proud of processes such as Performance Evaluation, which has been effective in gathering the attention and commitment of both assessed individuals and evaluators. Such evaluations are the primary tools used for internal hires and job promotions throughout the organization.

We also follow best practices as it relates to Occupational Health & Safety. In 2017, we were recognized as a Low Psychosocial Risk company, after rolling out the Psychosocial Factors Survey in the Metropolitan Region. This experiment has encouraged us to extend this practice to all of our branches nationwide.

The other two values that distinguish us, which are just as important, are Passion and Excellence, which are expressed naturally through everything that we do. An example of this are the plans for Change Management, related with the implementation of a CRM (Customer Relationship Management) system in the Enterprises Division and an integrated platform in the Auto-Financing Division. Another example is Performance Management, which today includes specific Skills Evaluation by employment level, in order to continue to move towards a culture of high performance and excellence.

We encourage ongoing training through Annual Programs, Face-to-face Training, Awareness Presentations, Technical Training, Regulatory Training, Workshops on various topics, a Corporate Induction e-learning Program, and practical exercises for Factoring and Auto-Financing executives aimed at increasing efficiency, speed of adaptation and cultural integration. There is also an initiative called "Programa Crece", which provides us with human capital that is prepared and motivated to respond with excellence to the challenges of the business, and the Trainee Program, successfully implemented for the Factoring and Auto-Financing areas, which has showed very positive results.

Lastly, none of this would be possible if we did not have an excellent Pay & Benefits system, which is undoubtedly valued by all of our employees. Our employees are compensated according to market standards and the infrastructure and quality of life ensured by Tanner is adequate to their requirements.

In order to promote a healthy work-life balance, we have designed the "Programa VIVE", initiative which seeks to encourage positive lifestyles among our employees, through activities, presentations and benefits across three important areas: Health, Recreation and Finance. Tanner also has its own digital platform, launched in December 2017, that addresses our employees' topics of interest.

For all these reasons, Human Resources is a strategic partner for Tanner, which will continue to look for growth opportunities for its employees, new forms of collaboration, and continuous improvement with the objective of supporting them as we continue to work collectively to accomplish our dream: be the best financial services company in Latin America.

SOCIAL RESPONSABILITY
AND SUSTAINABLE DEVELOPMENT

GENDER	Administrative	Executives	Managers	Professionals	Supervisors	Technicians	Total
Female	130	11	31	137	21	133	463
Male	71	48	56	164	22	147	508
Total	201	59	87	301	43	280	971

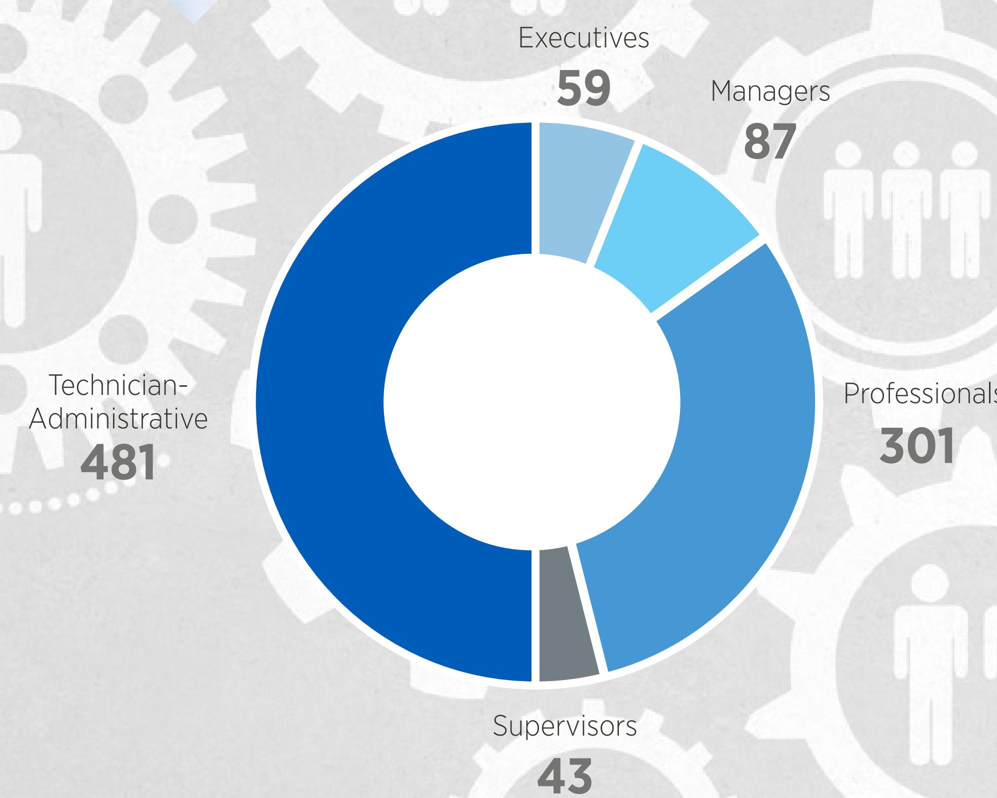
NATIONALITY	Administrative	Executives	Managers	Professionals	Supervisors	Technicians	Total
Chilean	196	58	84	295	41	263	937
Argentine		1	1	1			3
Bolivian						1	1
Colombian				1		3	4
Spanish			1				1
Mexican						1	1
Dutch				1			1
Peruvian	1			1	1		3
Venezuelan	4		1	2	1	12	20
Total	201	59	87	301	43	280	971

AGE	Administrative	Executives	Managers	Professionals	Supervisors	Technicians	Total
Under 30 years	54		6	77	7	60	204
Between 30 and 40 years	61	29	36	126	16	123	391
Between 41 and 50 years	47	23	29	72	11	58	240
Between 51 and 60 years	29	6	14	21	9	34	113
Between 61 and 70 years	9	1	2	5		5	22
Over 70 years	1						1
Total	201	59	87	301	43	280	971

YEARS OF SERVICE	Administrative	Executives	Managers	Professionals	Supervisors	Technicians	Total
Under 3 years	81	44	48	202	17	157	549
Between 3 and 6 years	90	8	19	55	16	66	254
Between 6 and 9 years	10	4	12	18	6	35	85
Between 9 and 12 years	15	2	2	13	1	20	53
Over 12 years	5	1	6	13	3	2	30
Total	201	59	87	301	43	280	971

DIVERSITY
IN THE ORGANIZATION

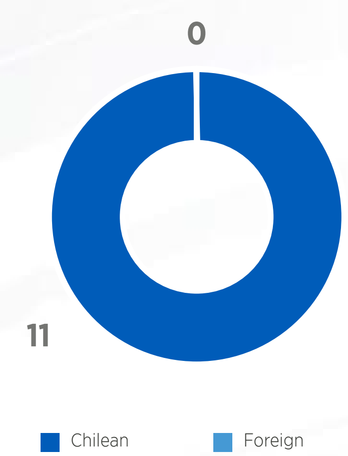
EMPLOYEE DISTRIBUTION



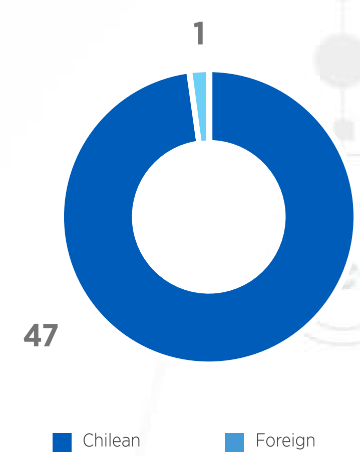
ASSOCIATES BY NATIONALITY

- **EXECUTIVES**

WOMEN

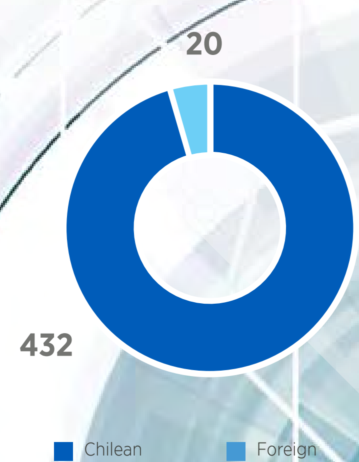


MEN



- **ORGANIZATION**

WOMEN



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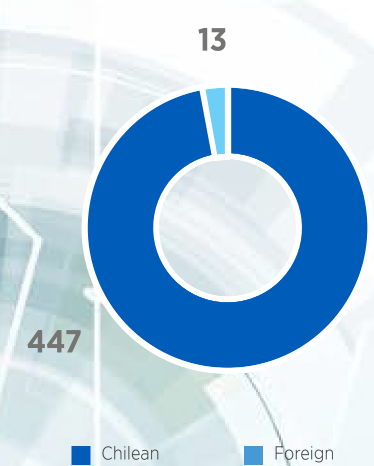
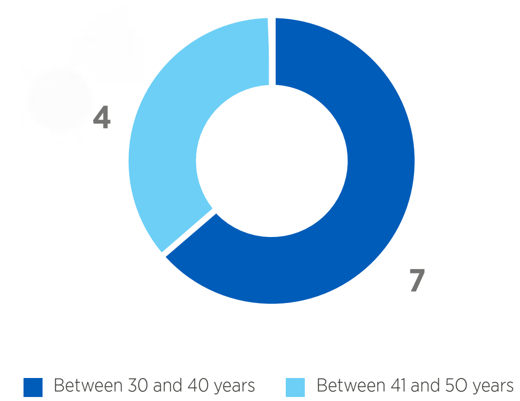


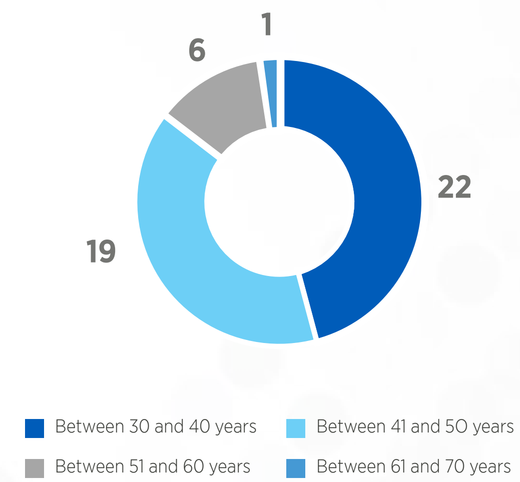
ASSOCIATES BY AGE

- **EXECUTIVES**

WOMEN

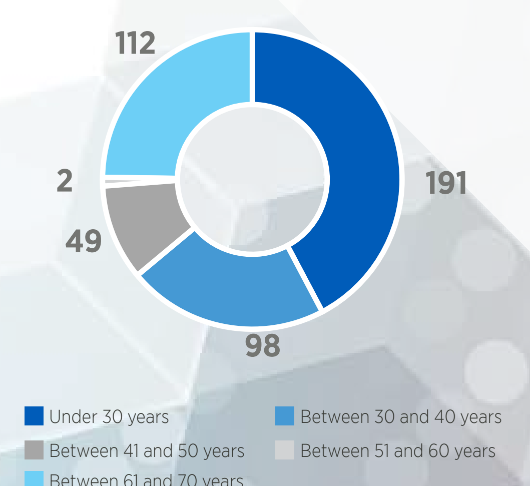


MEN

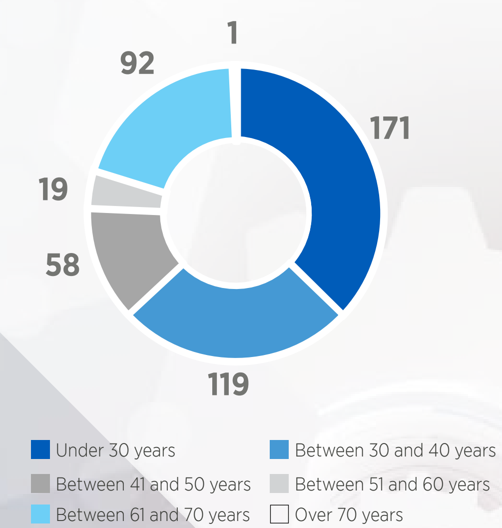


- **ORGANIZATION**

WOMEN



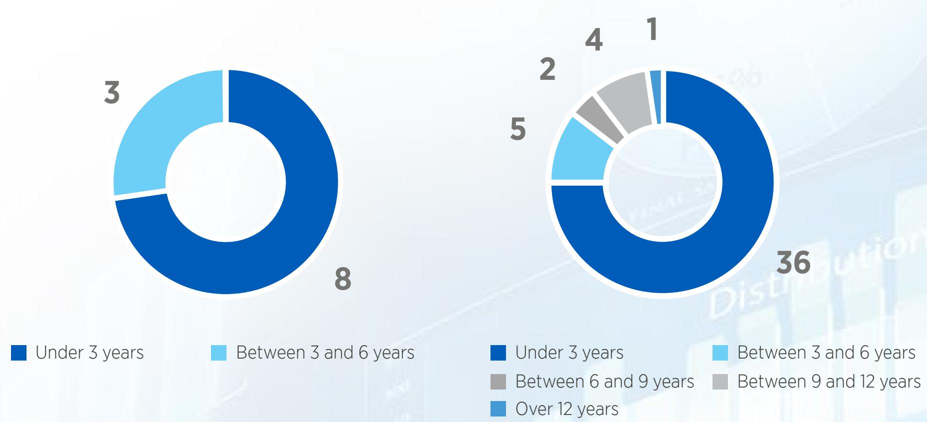
MEN



ASSOCIATES BY YEARS OF SERVICE

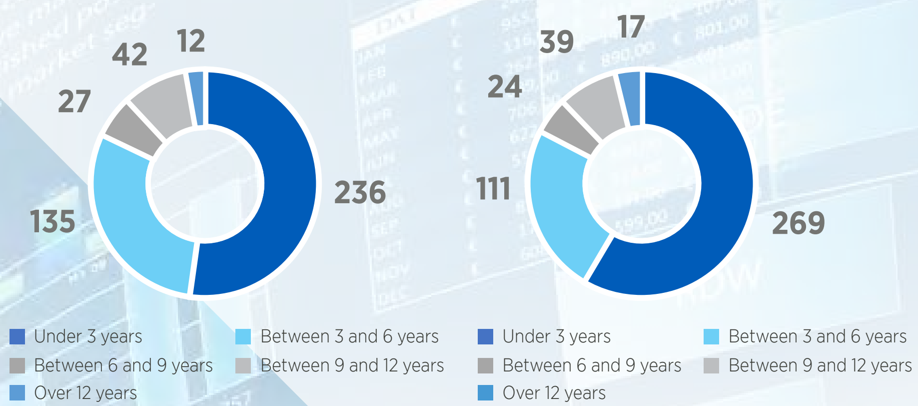
- **EXECUTIVES**

WOMEN **MEN**



- **ORGANIZATION**

WOMEN **MEN**



BOARD OF MEMBERS DISTRIBUTION

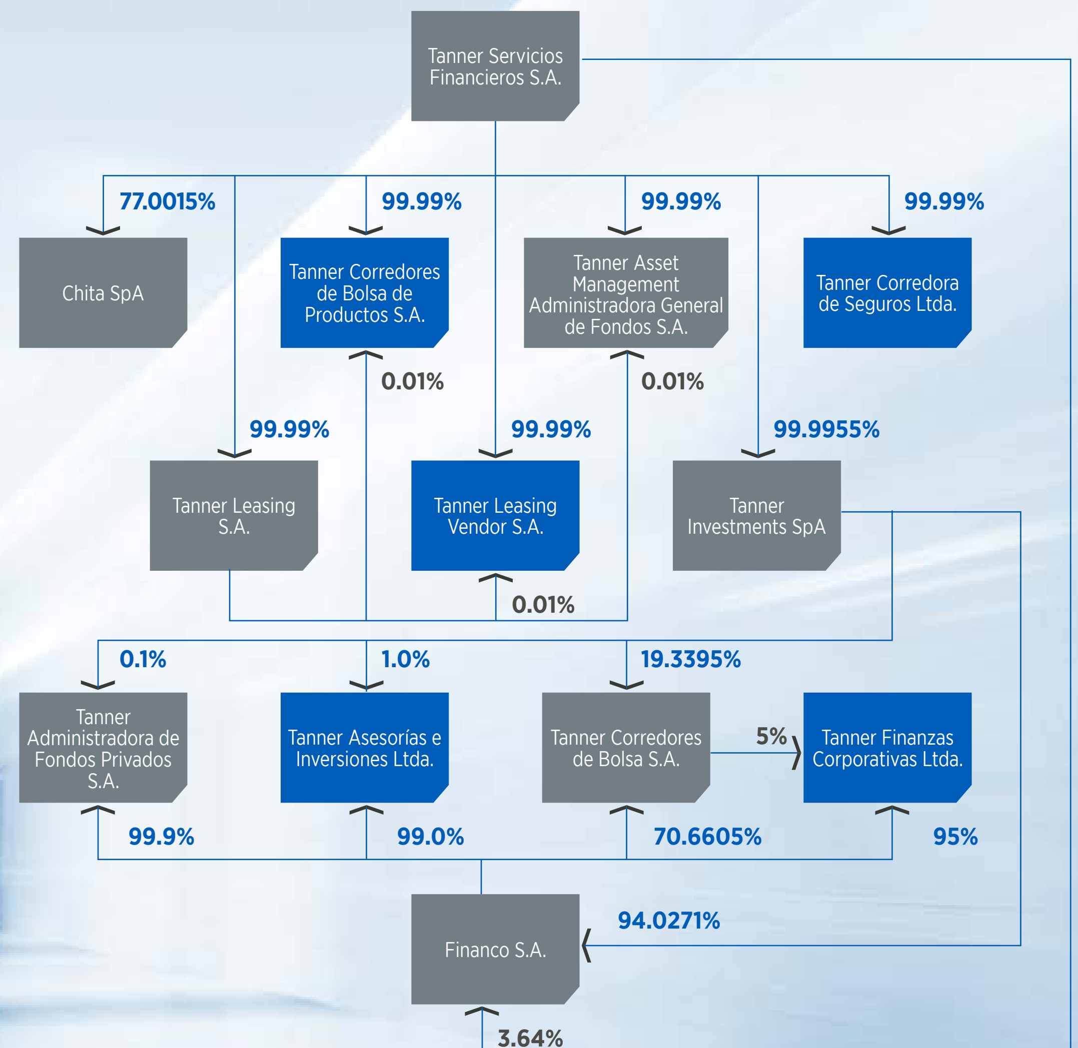
BOARD MEMBERS		
Gender	Female	0
	Male	7
	Total	7
Nationality	Chilean	6
	Foreign	1
	Total	7
Age	Between 51 and 60 years	2
	Between 61 and 70 years	4
	Over 70 years	1
	Total	7
Years of Service	Under 3 years	2
	Between 3 and 6 years	2
	Over 12 years	3
	Total	7

SALARY GAP

SALARY GAP	Women	Men
Administrative	105%	100%
Executives	79%	100%
Departments Heads	98%	100%
Professionals	91%	100%
Supervisors	85%	100%
Technicians	98%	100%

SUBSIDIARIES

CORPORATE STRUCTURE



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 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 Securities and Insurance Superintendence, 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.

EQUITY

Ch$ 1,343 million (-US$ 2.2 million)

SUBSCRIBED AND PAID-IN CAPITAL

Ch$ 1,343 million (-US$ 2.2 million)

INTEREST HELD BY PARENT COMPANY

99.99%

INVESTMENT AS A PERCENTAGE OF PARENT COMPANY'S ASSETS

0.11%

BOARD	
CHAIRMAN	Jorge Sabag S. (Vice Chairman, Tanner Servicios Financieros S.A.)
DIRECTOR	Óscar Cerda U. (Director, Tanner Servicios Financieros S.A.)
CHIEF EXECUTIVE OFFICER	Jairo Sánchez (CEO, Corredores de Bolsa de Productos)

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.

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 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.

EQUITY

Ch$ 37,908 million (~US$ 61.7 million)

SUBSCRIBED AND PAID-IN CAPITAL

Ch$ 37,904 million (~US 61.7 million)

INTEREST HELD BY PARENT COMPANY

99.99%

INVESTMENT AS A PERCENTAGE OF PARENT COMPANY'S ASSETS

3.23%

BOARD	
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	Óscar Cerda U. (Director, Tanner Servicios Financieros S.A.)
DIRECTOR	Jorge Bunster B. (Director, Tanner Servicios Financieros S.A)
DIRECTOR	Martín Diaz P. (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.)

BUSINESS RELATIONSHIPS WITH THE SUBSIDIARY

Leasing operations are carried out through Tanner Leasing S.A. The company is also 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, in 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.

TANNER CORREDORA DE SEGUROS LIMITADA

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.

EQUITY

Ch$ 442 million (~US$ 718,991)

SUBSCRIBED AND PAID-IN CAPITAL

Ch$ 442 million (~US$ 718,991)

INTEREST HELD BY PARENT COMPANY

99.99%

INVESTMENT AS A PERCENTAGE OF PARENT COMPANY'S ASSETS

0.04%

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.

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$ 27,338 million (~US$ 44.5 million)

SUBSCRIBED AND PAID-IN CAPITAL

Ch$ 27,335 million (~US$ 44.5 million)

INTEREST HELD BY PARENT COMPANY

99.99%

INVESTMENT AS A PERCENTAGE OF PARENT COMPANY'S ASSETS

2.33%

TANNER INVESTMENTS 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.

EQUITY

Ch$ 14,809 million (-US$ 24.1 million)

SUBSCRIBED AND PAID-IN CAPITAL

Ch$ 14,809 million (-US$ 24.1 million)

INTEREST HELD BY PARENT COMPANY

100%

INVESTMENT AS A PERCENTAGE OF PARENT COMPANY'S ASSETS

1.26%

BOARD	
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	Luis Flores C. (Executive Director, Tanner Investments Division)

BUSINESS RELATIONSHIPS WITH THE SUBSIDIARY

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

AGREEMENTS AND CONTRACTS WITH THE ASSOCIATE

None.

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.

EQUITY

Ch$ 138 million (-US$ 224,481)

SUBSCRIBED AND PAID-IN CAPITAL

Ch$ 106 million (-US$ 172,428)

INTEREST HELD BY PARENT COMPANY

77.0015%

INVESTMENT AS A PERCENTAGE OF PARENT COMPANY'S ASSETS

0.01%

BOARD	
CHAIRMAN	Christian Real Bernouin
DIRECTOR	Antonio Turner F. (CEO, Tanner Servicios Financieros S.A.)
DIRECTOR	José González A. (Auto-Financing Division Manager, Tanner Servicios Financieros S.A.)
DIRECTOR	Julián Quiroga S. (IT Manager, Tanner Servicios Financieros S.A.)
DIRECTOR	Juan Carlos Truffello V. (Risk Manager, Tanner Servicios Financieros S.A.)
CHIEF EXECUTIVE OFFICER	Felipe Morel P. (CEO Chita SpA)

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.

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.

1. **Ricardo Massu Massu**
   Chairman
   6.420.113-1

2. **Jorge Sabag Sabag**
   Vice Chairman
   6.735.614-4

3. **Eduardo Massu Massu**
   Director
   4.465.911-5

4. **Óscar Cerda Urrutia**
   Director
   6.941.260-2

5. **Jorge Bunster Betteley**
   Director
   6.066.143-K

6. **Pablo Eguiguren Bravo**
   Director
   7.011.397-K

7. **Martín Díaz-Plata**
   Director
   British Passport
   72.011.184-3

8. **Antonio Turner Fabres**
   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.

OFFICES AND BRANCHES

PRESENCE THROUGHOUT THE COUNTRY

METROPOLITAN **REGION**

SANTIAGO CENTRO / HEADQUARTERS
HUÉRFANOS 863 – 10TH FLOOR
FONO: (56-2) 2674 7500
COMERCIAL FACTORING Y LEASING
HUÉRFANOS 863 – 3RD FLOOR
COMERCIAL AUTOMOTRIZ
ESTADO 337 – MEZZANINE
CUSTOMER SERVICE
ESTADO 337 - MEZZANINE

QUILICURA - SANTIAGO
AV. AMÉRICO VESPUCIO 2880 OF. 407, 4TH FLOOR
TEL: (56-2) 2382 3630 - 2382 3637

CENTRO EMPRESARIAL ORIENTE
ROGER DE FLOR 2736, OF. 41, 4TH FLOOR
TEL: (56-2) 2231 3660
FAX:(56-2) 2231 0587

CENTRO EMPRESARIAL SUR
SANTA ELENA 2392 OF. 607- 608, SAN JOAQUÍN
TEL: (56-2) 2551 3508 - 2551 5889
FAX:(56-2) 2551 6041

PUDAHUEL - SANTIAGO
A. VESPUCIO ORIENTE 1309 OF. 403, 4TH FLOOR
TEL: (56-2) 2435 1685 - 2435 1686
FAX:(56-2) 2435 1687

EL GOLF - CORREDORES DE BOLSA
EL GOLF 40, OF. 902, LAS CONDES
TEL: (56-2) 2731 8900

SANTIAGO CENTRO - CORREDORES DE BOLSA
NUEVA YORK 44
TEL: (56-2) 2731 8874

NORTH

ARICA

ARTURO PRAT 391 OF. 101, 10TH FLOOR

TEL: (58) 225 3363 - 225 5779

FAX: (58) 223 0921

IQUIQUE

SAN MARTÍN 255 OF. 51-52, 5TH FLOOR

TEL: (57) 242 1326 - 241 2446

FAX: (57) 242 1318

CALAMA

CHORRILLOS 1677, OF. 301, 3RD FLOOR, TORRE 2

TEL: (55) 231 2986 - 234 7627

FAX: (55) 231 0573

ANTOFAGASTA

URIBE 636, OF. 1003, 10TH FLOOR

TEL: (22) 598 6590 - 598 6599

COPIAPÓ

CHACABUCO 687 OF 703, 7TH FLOOR

TEL: (52) 223 1340 - 223 0176

FAX (52) 223 3559

LA SERENA

LOS CARRERA 380 OF. 119, 12TH FLOOR

TEL: (51) 221 7071 -221 7074

FAX: (51) 221 7949

OVALLE

VICTORIA 381, OF. 303, 3RD FLOOR

TEL: (53) 262 7800 - 262 8872

FAX: (53) 262 9427

CENTRAL

LOS ANDES

O'HIGGINS 294 OF. 203, 2ND FLOOR

TEL: (34) 242 1005 - 242 0969

FAX: (34) 242 0974

VIÑA DEL MAR

LIBERTAD 1405 OF. 1207, 12TH FLOOR

TEL: (32) 235 8250 - 235 8255

VALPARAÍSO

PLAZA JUSTICIA 45 OF. 301, 3RD FLOOR

TEL: (32) 225 3200 - 222 0797

FAX: (32) 223 7957

RANCAGUA

CAMPOS 423 OF. 201, 2ND FLOOR

TEL: (72) 222 7801 - 222 7532

FAX: (72) 222 7795

CURICÓ

YUNGAY 663, 2ND FLOOR

TEL: (75) 232 1772 - 232 0524

FAX: (75) 232 1777

TALCA

1 SUR 690 OF. 409, EDIFICIO PLAZA TALCA

TEL: (71) 221 2931 - 221 2934

FAX: (71) 221 2819

SOUTH

CHILLÁN

ARTURO PRAT 596, 2^{ND} FLOOR

TEL: (42) 2222534 - 2230611 - 2246490

FAX:(42) 222 7062

CENTRO EMPRESARIAL BÍO BÍO

LINCOYÁN 282, 5^{TH} FLOOR

TEL: (41) 222 6400 - 224 9750

FAX: (41) 223 9408

LOS ÁNGELES

ALMAGRO 250 OF. 505, 5^{TH} FLOOR

TEL: (43) 231 5102 - 231 5132

FAX: (43) 231 3438

TEMUCO

ARTURO PRAT 847, OF. 401, 4^{TH} FLOOR

TEL: (22) 598 6560 - 598 6569

VALDIVIA

INDEPENDENCIA 491 OF. 401, 4^{TH} FLOOR, PASEO LIBERTAD BUILDING

TEL: (63) 227 8492 - 227 8493

FAX:(63) 227 8495

OSORNO

BILBAO 1129, OF. 704, 7^{TH} FLOOR

TEL: (64) 231 9800 - 231 9801

FAX:(64) 231 9802

PUERTO MONTT

ANTONIO VARAS 216, OF. 701 - 702, 7^{TH} FLOOR

TEL: (65) 227 7326 - 227 7327

FAX:(65) 228 4844

PUNTA ARENAS

LAUTARO NAVARRO 1066, OF. 306, 3^{RD} FLOOR

TEL: (61) 222 0350 - 222 0406

FAX:(61) 222 0134

FINANCIAL STATEMENTS

Tanner

Tanner Servicios Financieros S.A.

CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2017 .

(Thousands of Chilean pesos)

Content

Ch$ - **Chilean pesos**

ThCh$ - **Thousands of Chilean pesos**

ThUS$ - **Thousands of United States dollars**

UF - **UF, an inflation indexed currency based on the Chilean peso**

US$ - **US Dollars**

Contents

Independent Auditors' Report

Santiago, February 15, 2018

To the 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, 2017 and 2016, 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 15, 2018
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, 2017 and 2016, 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.
RUT: 7.060.344-6

PricewaterhouseCoopers

Tanner

CONSOLIDATED CLASSIFIED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017 AND 2016

(ThCh$)

ASSETS	Note	12.31.2017 ThCh$	12.31.2016 ThCh$
Current Assets			
Cash and cash equivalents	7	84,635,761	31,632,179
Other financial assets, current	8	49,120,292	44,477,752
Other non-financial assets, current	9	1,546,958	2,074,894
Trade and other receivables, current (net)	10	602,983,684	542,883,884
Accounts receivable from related entities, current	12	452,439	340,993
Current tax assets	16	13,838,589	16,442,893
Total current assets other than disposal groups classified as held for sale or for distribution to owners		752,577,723	637,852,595
Non-current assets or disposal groups classified as held for sale	13	6,215,614	2,260,078
Total current assets		**758,793,337**	**640,112,673**
Non-Current Assets			
Other financial assets, non-current	8	22,285,698	54,591,726
Other non-financial assets, non-current	9	6,217,175	4,799,362
Trade and other receivables, non-current	10	333,832,145	257,865,029
Related party receivables, non-current	12	611,037	13,364
Intangible assets other than goodwill	17	3,508,785	1,853,093
Goodwill	18	1,763,525	1,763,525
Property, plant and equipment	14	3,340,935	4,545,434
Investment property	15	3,145,567	-
Deferred tax assets	16	38,347,422	35,513,697
Total non-current assets		**413,052,289**	**360,945,230**
TOTAL ASSETS		**1,171,845,626**	**1,001,057,903**

The attached notes 1 to 34 form an integral part of these consolidated financial statement.

CONSOLIDATED CLASSIFIED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017 AND 2016

(ThCh$)

LIABILITIES AND EQUITY	Note	12.31.2017 ThCh$	12.31.2016 ThCh$
Current Liabilities			
Other financial liabilities, current	19	364,875,342	190,546,403
Trade and other payables, current	21	70,655,332	50,927,671
Other short-term provisions	22	1,657,799	2,540,461
Current tax liabilities	16	5,598,065	4,713,260
Other non-financial liabilities		8,977	-
Total current liabilities		**442,795,515**	**248,727,795**
Non-Current Liabilities			
Other financial liabilities, non-current	20	451,113,810	495,510,363
Accounts payable, non currrent		-	-
Deferred tax liabilities	16	8,455,779	5,843,870
Total non-current liabilities		**459,569,589**	**501,354,233**
TOTAL LIABILITIES		**902,365,104**	**750,082,028**
EQUITY			
Issued capital	23	195,223,800	195,223,800
Retained earnings	23	71,020,550	51,641,871
Other reserves	23	1,791,343	3,094,970
Total equity attributable to owners of the parent company		**268,035,693**	**249,960,641**
Non-controlling interests	24	1,444,829	1,015,234
TOTAL EQUITY		**269,480,522**	**250,975,875**
Total liabilities and equity		**1,171,845,626**	**1,001,057,903**

The attached notes 1 to 34 form an integral part of these consolidated financial statements.

Tanner

CONSOLIDATED STATEMENT OF INCOME BY FUNCTION

AS OF DECEMBER 31, 2017 AND, 2016

(ThCh$)

CONSOLIDATED STATEMENT OF INCOME BY FUNCTION	Note	01.01.2017 to 12.31.2017 ThCh$	01.01.2016 to 12.31.2016 ThCh$
Net income			
Revenue	28	152,683,469	124,338,601
Cost of sales	28	(88,966,791)	(65,757,175)
Gross Income		**63,716,678**	**58,581,426**
Other Operational Costs			
Other income, by function		2,429,069	1,874,965
Administrative expenses	28	(38,346,418)	(35,812,048)
Other gains (losses)		13,697	816
Financial income		195,350	300,384
Financial costs		(218,066)	(148,316)
Exchange differences		(39,064)	(16,920)
Indexation adjustments		148,355	134,479
Income (loss) before tax		**27,899,601**	**24,914,786**
Income tax (expense)	16	(2,580,451)	(2,564,976)
Income (loss) from continuing operations		**25,319,150**	**22,349,810**
INCOME (LOSS)		**25,319,150**	**22,349,810**
Income(loss) Attributable to:			
Income (loss) attributable to owners of the parent company		24,617,480	21,838,512
Income (loss) attributable to non-controlling interests	24	701,670	511,298
NET INCOME		**25,319,150**	**22,349,810**

The attached notes 1 to 34 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AS OF DECEMBER 31, 2017 AND, 2016

(ThCh$)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	01.01.2017 to 12.31.2017 ThCh$	01.01.2016 to 12.31.2016 ThCh$
NET INCOME FOR THE PERIOD	**25,319,150**	**22,349,810**
Hedging reserves (1)	4,124,847	(3,634,009)
Fair value held for sale reserves (1)	(505,556)	615,295
	-	-
Income taxes related to hedging reserves (1)	(1,051,835)	872,164
Income tax related to fair value held for sale reserves (1)	128,917	(147,671)
Total other comprehensive income and expenses on hedging reserves	**3,073,012**	**(2,761,845)**
Total other comprehensive income and expenses on fair value held for sale reserves	**(376,639)**	**467,624**
Comprehensive income for the period	**28,015,523**	**20,055,589**
Comprehensive income and expenses attributable to:		
Owners of the parent company (2)	27,239,128	19,596,776
Non-controlling interests	776,395	458,813
Total comprehensive income	**28,015,523**	**20,055,589**

(1) These items will be reclassified to income for the period once settled.

(2) Net income for the period if no other income or expense had been recorded against equity.

The attached notes 1 to 34 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS OF DECEMBER 31, 2017 AND 2016

(ThCh$)

Year 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Paid capital	Other reserves				Accumulated earnings (losses)	Equity attributable to owners of parent	Non-controlling interests	Total equity
		Hedge reserves	FV Reserves available for sale	Other	Total Other reserves				
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance current period 01.01.2017	195,223,800	(1,798,740)	362,143	4,531,567	3,094,970	51,641,871	249,960,641	1,015,234	250,975,875
Increase (decrease) for changes in accounting policies	-	-	-	-	-	-	-	-	-
Increase (decrease) from restatements	-	-	-	-	-	-	-	-	-
Initial balance reestated	**195,223,800**	**(1,798,740)**	**362,143**	**4,531,567**	**3,094,970**	**51,641,871**	**249,960,641**	**1,015,234**	**250,975,875**
Changes in equity									
Comprehensive income									
Income (loss)	-	-	-	-	-	24,617,480	24,617,480	701,670	25,319,150
Other comprehensive income	-	3,073,012	(376,639)	-	2,696,373	-	2,696,373	-	2,696,373
Comprehensive income	**-**	**3,073,012**	**(376,639)**	**-**	**2,696,373**	**24,617,480**	**27,313,853**	**701,670**	**28,015,523**
Equity issued	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	(1,886,906)	(1,886,906)	(6,550,737)	(8,437,643)	(1,012,469)	(9,450,112)
Increase (decrease) for other contributions from the owners	-	-	-	-	-	6,550,737	6,550,737	-	6,550,737
Decrease (increase) for other distributions to the owners	-	-	-	-	-	(7,385,244)	(7,385,244)	-	(7,385,244)
Increase (decrease) for transfers and other changes	-	-	-	(2,113,094)	(2,113,094)	2,113,094	-	-	-
Increase (decrease) for transactions with own shares in portfolio	-	-	-	-	-	-	-	-	-
Increase (decrease) for changes in the participation in subsidiaries that do not result in loss of control	-	-	-	-	-	33,349	33,349	740,394	773,743
Total changes in equity	**-**	**3,073,012**	**(376,639)**	**(4,000,000)**	**(1,303,627)**	**19,378,679**	**18,075,052**	**429,595**	**18,504,647**
Closing balance current period 12.31.2017	**195,223,800**	**1,274,272**	**(14,496)**	**531,567**	**1,791,343**	**71,020,550**	**268,035,693**	**1,444,829**	**269,480,522**

The attached notes 1 to 34 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS OF DECEMBER 31, 2017 AND 2016

(ThCh$)

Year 2016

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Paid capital	Otras reservas				Accumulated earnings (losses)	Equity attributable to owners of parent	Non-controlling interests	Total equity
		Hedge reserves	FV Reserves available for sale	Other	Total Other reserves				
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Initial balance previous period 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) from restatements	-	-	-	-	-	-	-	-	-
Initial balance reestated	**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									
Income (loss)	-	-	-	-	-	21,838,512	21,838,512	511,298	22,349,810
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)**	**21,838,512**	**19,544,291**	**511,298**	**20,055,589**
Equity issued	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(6,019,433)	(6,019,433)	-	(6,019,433)
Increase (decrease) for other contributions from the owners	-	-	-	-	-	6,018,371	6,018,371	-	6,018,371
Decrease (increase) for other distributions to the owners	-	-	-	-	-	(6,550,737)	(6,550,737)	-	(6,550,737)
Increase (decrease) for transfers and other changes	-	-	-	-	-	-	-	-	-
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)**	**15,286,713**	**12,992,492**	**604,825**	**13,597,317**
Closing balance Previous period 12.31.2016	**195,223,800**	**(1,798,740)**	**362,143**	**4,531,567**	**3,094,970**	**51,641,871**	**249,960,641**	**1,015,234**	**250,975,875**

The attached notes 1 to 34 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS, DIRECT METHOD
AS OF DECEMBER 31, 2017 AND 2016

(ThCh$)

CONSOLIDATED STATEMENT OF CASH FLOWS	01.01.2017 to 12.31.2017 ThCh$	01.01.2016 to 12.31.2016 ThCh$
Cash flows from (used in) operating activities		
Receipts		
Receipts from the sale of goods & provision of services	1,879,171,536	1,536,013,811
Payments		
Payments to suppliers for goods and services	(1,975,913,954)	(1,561,923,879)
Payments to and on behalf of employees	(22,732,634)	(17,724,037)
Other payments for operating activities	-	-
Net cash flows from (used in) operating activities	**(119,475,052)**	**(43,634,105)**
Dividends paid	-	-
Dividends received	162,753	146,398
Interests received		
Income taxes paid	(8,797,965)	(14,207,034)
Other cash receipts (payments)	(815,914)	(675,256)
Cash flows from (used in) operating activities	**(128,926,178)**	**(58,369,997)**
Cash flows from (used in) investing activities		
Cash flows for sales of equity or debt instruments of other entities	616,532,637	568,924,620
Cash flows used in acquisitions of equity or debt instruments of other entities	(654,760,529)	(534,237,393)
Proceeds from sales of property, plant and equipment	-	8,656,206
Purchase of property, plant and equipment	(932,833)	(1,410,327)
Purchase of intangible assets	(2,127,319)	(635,208)
Cash payments for future contracts, forward contracts, option contracts and swap contracts	(70,140,022)	(115,993,405)
Cash receipts from future contracts, forward contracts, option contracts and swap contracts	133,861,315	60,777,678
Interests received	124,081,990	132,207,735
Other inflows (outflows) of cash	976,258	755,232
Cash flows from (used in) investing activities	**147,491,497**	**119,045,138**
Cash flows from (used in) financing activities		
Proceed from issuing of shares	724,462	315,440
Proceeds from issuing other equity instruments	211,399,614	151,998,752
Payments of other equity instruments	(175,413,015)	(183,181,833)
Proceeds from borrowings	515,516,629	958,989,300
Repayments of borrowings	(355,731,091)	(874,922,873)
Dividendis paid	(9,450,112)	(6,261,756)
Interest paid	(152,573,341)	(107,519,430)
Cash flows from (used in) financing activities	**34,473,146**	**(60,582,400)**
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	53,038,465	92,741
Effect of exchange rate changes on cash and cash equivalents	(34,883)	(245,562)
Increase (decrease) in cash and cash equivalents	53,003,582	(152,821)
Cash and cash equivalents at beginning of period	31,632,179	31,785,000
Cash and cash equivalents at end of period	**84,635,761**	**31,632,179**

The attached notes 1 to 34 form 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 privately held company with the name Bifactoring S.A. Its name was changed to Factorline S.A. in 1999 and changed to Tanner Servicios Financieros S.A. in 2011.

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 in Spanish) currently Financial Market Commission (CMF in Spanish), who regulate this industry. The Company's Chilean identification number is 96.667.560-8.

The legal address of the Company is Huérfanos 863, Floor 10, Santiago, Chile and its website is www.tanner.cl.

The Company's main purpose is purchasing or financing with or without responsibility, of receivables from any company or natural person ("factoring"). Tanner Servicios Financieros S.A. provides several types of lending such as, financing to purchase vehicles and for general purposes, services offered through its subsidiaries, 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., Tanner Asset Management Administradora General de Fondos S.A. and Tanner Investments 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 interim 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, 2017 have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), and applied uniformly throughout the reported periods.

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

For the purposes of an adequate comparison, certain figures of the consolidated financial statements as of December 31, 2016 have been reclassified to the item they are part as of December 31, 2017.

a. Period Covered

These consolidated financial statements cover the following periods:

i. Consolidated statements of financial position as of December 31, 2017 and December 31, 2016.

ii. Interim consolidated statements of comprehensive income as of December 31, 2017 and 2016.

iii. Consolidated statement of changes in equity for the periods from January 1 to December 31, 2017 and 2016.

iv. Consolidated statements of cash flows, direct method, for the periods from January 1 to December 31, 2017 and 2016.

v. Notes to the consolidated financial statements.

b. Preparation basis

I. Application

The consolidated financial statements of Tanner Servicios Financieros S.A. and subsidiaries for the periods ended December 31, 2017 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB).

These consolidated financial statements accurately reflect the financial position of Tanner Servicios Financieros S.A. and subsidiaries as of December 31, 2017 and December 31, 2016, the comprehensive income, changes in net equity and cash flows for the periods ended December 31, 2017 and 2016.

These consolidated financial statements were approved by the Board on February 15, 2018.

These consolidated financial statements have generally been prepared using the historical cost convention as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value.

II. New accounting pronouncements issued by the IASB

Amendments, improvements and interpretations to standards have been issued at the reporting date, but have not entered into effect and which the Company has not adopted early though will adopt when required.

These interpretations and amendments are mandatory from the dates indicated:

a) Standards, interpretations and amendments that are mandatory for the first time for financial periods beginning on January 1, 2017.

STANDARDS, INTERPRETATIONS AND AMENDMENTS	Mandatory for annual periods beginning
Amendments to IAS 7 "Statement of Cash Flow" - 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
Amendment to IAS 12 "Income Tax" - 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
Amendment to IFRS 12 "Disclosures of Interests in Other Entities" - issued in December 2016. The amendment clarifies the scope of this standard. These amendments should be applied to annual periods beginning on or after January 1, 2017.	01.01.2017

The adoption of the standards, amendments and interpretations described above, do not have a significant impact on the consolidated financial statements of the Company.

b) Standards, interpretations and amendments that are not yet mandatory and which have not been adopted early.

STANDARDS AND INTERPRETATIONS	Mandatory for annual periods beginning
IFRS 9 *"Financial Instruments"* – issued in July 2014. IASB has published the complete version of IFRS 9, which replaces the application guidelines of IAS 39. This final version includes requirements related to the classification and measurement of financial assets and liabilities and a model of expected credit loss that replaces the current model of impairment loss incurred. The part related to hedge accounting included in this final version of IFRS 9 was already published in November 2013. Early adoption is permitted.	01.01.2018
IFRS 15 *"Revenue from Contracts with Customers"* – 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. The basic princple is that an entity recognizes revenue that represent the transfer of goods or services promised to customers for an amount that reflects the consideration, which the entity expects to receive in exchange for those goods or services. It replaces IAS 11 Construction Contract; 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 implementation is permitted.	01.01.2018
IFRIC 22 *"Transactions in Foreign Currency and Advanced Considerations"*. Issued in December 2016. This interpretation applies to a transaction in foreign currency (or part of it) when an entity recognizes a non-financial asset or liability arising from the payment or collection of an advanced consideration before the entity recognizes the related asset, expense or income (or the portion of these as appropriate). The interpretation provides guidance for when a single payment / receipt is made, as well as for situations in which multiple payments / receipts are made. Its purpose is to reduce diversity in practice.	01.01.2018
Amendment to IFRS 15 *"Revenue from Contracts with Customers"* – Issued in April 2016. The amendment introduces clarifications to the guidance for identification of performance obligations in contracts with customers, accounting for copyrights and evaluation of principal versus agent (gross versus net income presentation). It includes new and modified illustrative examples as guidance, as well as practical examples related to the transition to the new revenue standard.	01.01.2018
Amendment to IAS 40 *"Investment Properties"*, reltating 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 be supported by an evaluation and evidence to ensure that the property change comply with the definition.	01.01.2018
IFRS 16 *"Leases"* - issued 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 over 12 months, unless the underlying asset is of low value. 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
IFRIC 23 *"Uncertainty over Income Tax Treatments"* - issued in June 2016. This interpretation clarifies how to apply the recognition and measurement requirements of IAS 12 when there is uncertainty regarding income tax treatment.	01.01.2019

STANDARDS AND INTERPRETATIONS	Mandatory for annual periods beginning
Amendment to IFRS 10 *"Consolidated financial statements" and IAS 28 "Investments in Associates and Joint Ventures"* – issued in September 2014. The amendment addresses an inconsistency between the requirements in IFRS 10 and IAS 28, in the treatment of the sale or provision of goods between an investor and its associate or joint venture. The main consequence of these amendments is that they recognize a full gain or loss when the transaction involves a business (whether or not in a subsidiary) and a partial gain or loss when the transaction involves assets that do not constitute a business, even if these assets are in a subsidiary.	Undetermined
Amendment to IFRS 15 *"Revenue from Contracts with Customers"* – Issued in April 2016. The amendment introduces clarifications to the guidance for identification of performance obligations in contracts with customers, accounting for copyrights and evaluation of principal versus agent (gross versus net income presentation). It includes new and modified illustrative examples as guidance, as well as practical examples related to the transition to the new revenue standard.	01.01.2018
Amendment to IAS 40 *"Investment Properties"*, reltating 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 be supported by an evaluation and evidence to ensure that the property change comply with the definition.	01.01.2018
Amendment to IAS 28 *"Investments in Associates and Joint Ventures"*, in relation to the measurement of the associate or joint venture at fair value. Issued in December 2016.	01.01.2018
Amendment to IFRS 9 *"Financial Instruments"* - Issued in October 2017. The amendment allows more assets to be measured at amortized costs than in the previous version of IFRS 9, particularly certain financial assets prepaid with a negative compensation. The qualifing assets included are certain loans and debt securities, which otherwise would have been measured at fair value through profit or loss (FVTPL). For them to qualify at amortized cost, the negative compensation must be a "fair compensation for the advance termination of contract".	01.01.2019
Amendment to IAS 28 *"Investments in associates and joint ventures"* - issued in October 2017. This amendment clarifies that the companies account for long-term interests in an associate or joint business -in which the equity method is not applied- using IFRS 9. The Board has published an example illustrating how companies apply the requirements of IFRS 9 and IAS 28 to long-term interests in an associate or joint venture.	01.01.2019

Management estimates that, except for the adoption of IFRS 9, the standards, interpretations and amendments described above will not have a significant impact on the consolidated financial statements. Management believes that the adoption of IFRS 9 will have as main impacts an increase in the provisions for credit risk close to MCh$ 8,000 and a substantial improvement in the delinquency coverage ratio.

c. Basis of Consolidation

These consolidated financial statements incorporate the financial statements of Tanner Servicios Financieros S.A. and controlled companies (their subsidiaries). Control over a subsidiary is defined in IFRS 10 as follows:

i. Being able to control the company.

ii. Being exposed or entitled to variable returns on the investment.

iii. Being able to influence those returns through its control

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Subsidiaries are consolidated from the date on which control is transferred to the Company, and are excluded from consolidation from the date that control ceases.

The acquisition method is used to account for the acquisition of a subsidiary by the Company. The acquisition cost in general is the fair value of the assets and liabilities assumed on the date of exchange, plus the costs directly attributable to the acquisition. The identifiable assets, liabilities and contingencies acquired in a business combination are valued initially at their fair value on the acquisition date, regardless of the extent of minority interests. The excess of the acquisition cost the over the fair value of the Company's share of the net identifiable assets acquired is recognized as goodwill. If the acquisition cost is less than the fair value of net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Significant related company transactions and balances caused by transactions between Tanner Servicios Financieros S.A. and its subsidiaries have been eliminated in the consolidation process. The minority interest is the percentage share of third parties in subsidiaries, which the Company does not directly or indirectly own, and is shown separately in the consolidated equity of Tanner Servicios Financieros S.A.

The entities in which the Company has a direct and indirect share and are consolidated into these consolidated financial statements are listed below:

Chilean ID number	Company	Country of origin	Currency	Ownership interest					
				12.31.2017			12.31.2016		
				Direct	Indirect	Total	Direct	Indirect	Total
96.912.590-0	Tanner Leasing S.A.	Chile	CLP	99.9900%	-	99.9900%	99.9900%	-	99.9900%
77.164.280-2	Tanner Leasing Vendor Limitada	Chile	CLP	99.9900%	0.0100%	100.0000%	99.9900%	0.0100%	100.0000%
76.313.350-8	Tanner Corredora de Bolsa de Productos S.A.	Chile	CLP	99.9900%	0.0100%	100.0000%	99.9900%	0.0100%	100.0000%
76.133.889-7	Tanner Corredora de Seguros Limitada	Chile	CLP	99.9900%	0.0100%	100.0000%	70.0000%	-	70.0000%
93.966.000-3	Tanner Investments SpA	Chile	CLP	99.9974%	-	99.9974%	99.9965%	-	99.9965%
91.711.000-k	Financo S.A.	Chile	CLP	3.6439%	94.0271%	97.6710%	3.6439%	94.0271%	97.6710%
76.036.041-4	Tanner Administradora de Fondos Privados S.A.	Chile	CLP	-	97.6733%	97.6733%	-	97.6733%	97.6733%
76.029.825-5	Tanner Finanzas Corporativas Limitada	Chile	CLP	-	97.2051%	97.2051%	-	97.6976%	97.6976%
80.962.600-8	Tanner Corredores de Bolsa S.A.	Chile	CLP	-	88.8715%	88.3536%	-	93.2013%	93.2013%
76.895.320-1	Tanner Asesorías e Inversiones Limitada	Chile	CLP	-	97.2311%	97.2311%	-	97.6942%	97.6942%
76.596.744-9	Chita SpA	Chile	CLP	77.0115%	-	77.0015%	77.0115%	-	77.0115%
76.620.928-9	Tanner Asset Management Administradora General de Fondos S.A.	Chile	CLP	99.9900%	0.0100%	100.0000%	99.9900%	0.0100%	100.0000%
0-E	Interfinanco S.A. (*)	Uruguay	CLP	-	97.6733%	97.6733%	-	97.6733%	97.6733%

(*) This company is being dissolved.

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 Tanner Investments SpA.

d. Investments in associate 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% though less than 50%.

This method is to recognize in the accounts the participation that an investing company holds in another. The investment is valued by adjusting the book value of the asset to the proportion owned by the investing company of the equity of the entity owned. If the value of the investment becomes negative, it remains at zero book value. Once an investor has reduced the value of its investment to zero, additional losses will be recognized as liabilities, only to the extent that it has incurred legal obligations or made payments on behalf of the associate. If the associate subsequently earns profits, the investing company will continue to recognize their share when this exceeds the unrecognized losses.

Dividends received from such companies are recorded by reducing the value of the investment. The share of their net income, which corresponds to the Company, is recorded as "Participation in net income (loss) of associates accounted for using the equity method".

The company currently has no such investments.

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.

Negative 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, 2017 and December 31, 2016 is shown in note 18 of these consolidated financial statements.

f. Estimates and judgments

Preparing consolidated financial statements requires that the Company's management makes judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses presented. Real results could differ from these estimated amounts. Basically, the estimates depend on the best information available, and refer to:

i. Impairment losses on certain assets (Note 8).
ii. Fair value of financial assets and liabilities (Notes 8 and 10)
iii. Fair value of investment property (Note 15)
iv. Credit risk provision (Note 10)
v. Useful life of property, plant and equipment, investment property and intangible assets (Note 14, Note 15 and Note 17)
vi. Income tax and deferred tax, as the latter is based on estimates (Note 16)
vii. Goodwill valuations (Note 18)
viii. Provisions (Note 22)
ix. Contingencies and restrictions (Note 26)

During the period ended December 31, 2017 there have been no significant changes in the estimates made at the end of 2016, other than those indicated in these consolidated financial statements.

g. Conversion basis

Assets and liabilities in US dollars, Euros, Swiss Francs and UF have been translated into Chilean pesos at the exchange rates on the reporting dates, as follows:

DETAIL	12.31.2017 Ch$	12.31.2016 Ch$
US dollar (observed rate)	614.75	669.47
Euro	739.15	705.60
Swiss Franc	631.16	657.83
Unidad de Fomento	26,798.14	26,347.98

h. Functional and presentation currency and hyperinflationary conditions

The transactions included in the consolidated 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 is the Chilean peso, according to International Accounting Standard 21 (IAS 21). This was not a hyperinflationary currency during the reporting period, according to International Accounting Standard 29 (IAS 29).

i. Property, plant and equipment

Acquired assets are used by the Company's business and are initially recognized at cost. Subsequent valuation is in accordance with IAS 16 using cost less accumulated depreciation and any accumulated impairment losses, if any. Remaining items of property, plant and equipment 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.

Managements reviews the estimated useful lives of property, plant and equipment at the end of each year. During the period, Management has determined that there are no significant changes in the estimated useful lives of property, plant and equipment.

The useful lives of asset categories are as follows:

DETAIL	Useful life or depreciation rate (in years)	
	Minimum	Maximum
Buildings	38	38
Remodeling (*)	4	12
Technological equipment	1	7
Leased goods	1	31
Other property, plant and equipment	1	7

(*) The useful life corresponds to lease contract's life

I. Valuation and revaluation

Property, plant and equipment is recognized at 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. Replaced components are disposed of. Repairs and maintenance of fixed assets are expensed when they occur.

II. Impairment losses on non-financial assets

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

An impairment loss is recognized for the amount by which an asset's book value exceeds its recoverable amount.

Impairment losses on goodwill are not reversed. Impairment losses recognized in prior years are assessed at each reporting date for any indication that the loss has decreased or disappeared. An impairment loss is reversed if there has been a change in the estimations used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's book value after depreciation does not exceed its value had the loss never been recognized.

The recoverable value is the greater of the fair value of an asset less selling costs, or its value in use.

Impairment testing requires that non-financial assets are grouped into the smallest possible separately identifiable cash generating unit.

j. Depreciation method

Depreciation is calculated using the straight line method. Residual values and remaining useful lives are reviewed, and adjusted if necessary, at each reporting date. When the value of an 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 property, plant and equipment are calculated by comparing the proceeds with the book value and are taken to the net income statement.

k. Investment property

Investment property corresponds to land and buildings held by the Company in order to generate goodwill and not to be used in the normal course of business and are recorded at historic cost less any impairment loss. Investment property, excluding land, is depreciated based on the estimated useful life of those assets considering their estimated residual value.

The useful life allocated to the building is described in note 2 (i) and depreciation is calculated on a straight-line basis.

l. Intangible assets

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 to 5 years.

The expenses related to the internal development or maintenance of software are recognized as an expense when incurred.

m. 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 their initial recognition:

I. Trading instruments at fair value through profit or loss

Financial assets acquired with the purpose of benefiting from short term price variations. This group includes the trading instruments portfolio and financial derivative contracts that are not considered to be accounting hedges.

II. Investment instruments held for sale

Debt securities not classified as "investment to maturity", "credit investments" or "for trading". Investment instruments held for sale are recognized at fair value based on market prices, or valuations obtained using internal models, where appropriate. Unrealized gains or losses arising from changes in its fair value are recognized with a charge or credit to "Financial assets at fair value in equity" in other comprehensive income in equity. When these investments are sold or impaired, the adjustment to fair value accumulated in other comprehensive income is transferred to the consolidated statement of income.

III. Investment instruments held to maturity

Debt securities traded on an active market that mature on a fixed date and generate payments on fixed dates for fixed or determinable amounts, where the Company intends to hold them to maturity. Investments held to maturity are recorded at cost plus accrued interest and indexation, less impairment provisions recorded when their book value is greater than the present value of the estimated future cash flows.

Tanner

IV. Loan investments (customer loans and receivables)

Financing granted to third parties, according to their nature, whatever the nature of the borrower and the granted financing form. Includes customer loans and receivables, bank deposits and leasing transactions where Tanner acts as lessor.

Financial asset impairment

Financial assets are assessed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is impaired if there is objective evidence that one or more events have caused a negative future effect on the value of the asset.

An impairment loss for financial assets recorded at amortized cost is calculated as the difference between the asset's book value and the present value of the estimated future cash flows, discounted using the effective interest rate.

Impairment losses on financial assets held for sale are calculated by reference to their fair value.

All impairment losses are recognized in the income statement. Any cumulative loss related to financial assets held for sale previously recognized in equity is transferred to the statement of income.

An impairment loss can only be reversed if it can be related objectively to an event occurring after the impairment loss was recognized. The reversal of financial assets recorded at amortized cost and those classified as held-for-sale that are sales instruments are recorded in the statement of income.

The Company classifies its financial liabilities for presentation purposes in the following categories:

i. **Other financial liabilities, current**: These include the short-term proportion of financial obligations, covering national and international loans, corporate bond issues and Commercial paper. They all are recorded at amortized cost and the effective interest rate applies.

ii. **Other financial liabilities non-current**: These include the long-term proportion of financial obligations, covering national and international loans, corporate bond issues and the Commercial papers. They are all are recorded at amortized cost and the effective interest rate applies.

iii. **Trade and other payables, current**: These include payables associated with the factoring business, such as creditors, refundable surpluses, customer advances, among others. These obligations are initially recognized at fair value and subsequently valued at amortized cost using the effective interest rate method.

iv. **Other financial liabilities**: These include other short-term provisions, current tax and deferred tax liabilities.

n. 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 record these financial instruments according to IAS 39.

Derivative instruments are offset (i.e. are presented net in the consolidated statement of financial position) when the dependent entities have the legally enforceable right to set off the recognized amounts, as well as the intent to settle on a net basis, or to recover the asset and settle the liability simultaneously.

The Company designates derivatives 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 close of these consolidated financial statements the Company does not hold any such 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 moment remains in equity and is recognized when the forecast transaction affects the income statement.

When the forecast transaction is 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 interim consolidated financial statements, the Company has Swap contracts valued at ThCh$ 2,540,777, which mature in March 2018.

This amount is reflected as "Other financial assets, current" (Note 8a).

o. Income and deferred taxes

The tax expense on net income for the year includes current income tax and deferred tax. Tax is recognized in the consolidated statement of net income, except when it relates to items recognized directly in equity, in the consolidated statement of comprehensive income, or arises from a business combination. Current income tax is calculated on the current tax laws as of the reporting date. Deferred taxes are calculated in accordance with the liability method over the differences that arise between the tax basis of assets and liabilities and their book values in the consolidated financial statements. However, if the deferred taxes arise from the initial recognition of a liability or an asset in a transaction other than a business combination, which at the time of the transaction neither affected the accounting result nor the tax gain or loss, it is not accounted for. Deferred tax is calculated using the current tax rates and laws at the reporting date, or those about to be adopted and likely to have been implemented by the time the corresponding deferred tax asset is recovered or deferred tax liability is settled. Deferred tax assets are recognized to the extent that they are likely that future tax benefits are available with which to offset these differences.

p. Provisions

Provisions are recognized when the Company has (a) a current legal or implied 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. Administrative expenses are provided on an accrual basis. Staff bonuses are provided every December 31 on an accrual basis, based on administrative variables, for example: compliance with budget, performance evaluation, etc., and their applicability are reviewed on a regular basis.

q. 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 the Company's bylaws. This shall be the final dividend to be distributed for each period, and approved at an Ordinary Shareholders' Meeting.

r. Revenue recognition

Revenue is recognized on an accrual basis.

Factoring transactions are valued as the amounts disbursed by the Company in exchange for invoices or securities assigned to the Company. Revenue is recognized on an accrual basis, and comprises the price differential between the amount paid and the value of the loans. These are amortized on a straight-line basis over the period between the date that the document was transferred by the assignor and the date it falls due. It also comprises the price differential for extending the due date, inflation adjustments and collection commissions.

Revenue recognition on loan transactions comprises interest at the effective rate recognized on an accrual basis, according to the stage that each transaction has reached, any inflation adjustments, and accrued commissions.

Auto-financing uses the effective rate method and revenue comprises accrued interest, according to the stage that each transaction has reached. They are recognized on an accrual basis in the statement of income.

Revenue for the subsidiaries Tanner Leasing S.A. and Tanner Leasing Vendor Ltda. comprise inflation adjustments and interest at the effective rate on leasing transactions, which are recognized on an accrual basis over the term of each contract.

Revenue for the subsidiary Tanner Corredora de Bolsa de Productos S.A. is composed of commissions 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 brokerage commissions, portfolio management and claim management, which are collected directly from insurance companies. Commissions are recognized on an accrual basis, except for brokerage commissions, which are partly deferred on a straight-line basis over the terms of the policies, in line with an own model approved by the Financial Market Commission (CMF) (former SVS).

Revenue for the subsidiary Tanner Asset Management Administradora General de Fondos S.A. comprises commissions, which are collected from the corresponding investment funds. Commissions are recognized on an accrual basis.

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.

This subsidiary's management recognizes revenue as brokerage commission, financial consultancy and other operating revenue, on an accrual basis.

Treasury revenue is mainly composed of inflation adjustments and exchange differences on its products, as well as income from investment instruments, mainly fixed-income securities. These are classified into three categories: i) Trading instruments, whose variations in market value directly affect the statement of net income. ii) Instruments held for sale, which are accrued at purchase rates in the statement of net income, whereas any revaluation differences are recognized in equity. iii) Instruments held until maturity, which are accrued at purchase rates in the statement of income, which are not revalued at market rates.

Revenue from reimbursed collection costs, interest and inflation adjustments on overdue amounts are all recognized in the statement of income when they have been received.

s. Leasing

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 receivables at their net investment value to the Company. Finance lease revenue is distributed across accounting periods in order to reflect a constant rate of return on the net investment.

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.

Details of leasing contracts are presented in Note 10 (c), and Note 28 (a) provides details of leasing revenue.

II. The Company as lessee

Assets received under finance leases are initially recognized as assets at their fair value, at the beginning of the lease, or if lower, at the 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 a reduction in 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 Company 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 pattern of financial benefits arising from the leased asset. Details of future minimum payments and revenue are presented in Note 10 (e).

t. Environment

Disbursements relating to environment, if any, are recognized in the income statement as incurred.

u. Segment reporting

Operating segments are defined as those company components for which separate financial information is available and continuously evaluated by the Board, who use it to allocate resources and evaluate performance. The Company has five segments: factoring, corporate lending, auto-financing, leasing and treasury. It also has a service unit represented by its subsidiaries.

NOTE 3

CHANGES IN ACCOUNTING POLICIES

During the period ended December 31, 2017, there have been no significant accounting changes in comparison to the previous period that 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. Dedicated professionals measure and control each type of risk. The policy is to maintain a 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 lies at various organizational levels, with a structure that recognizes the importance and the variety of risk exposure. The levels currently are:

I. Board

The Board is responsible for approving policies and establishing a structure that correctly manages the various risks to which the organization is exposed. Its members participate in various committees, they are constantly informed of any risk developments and their principal indicators.

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. Policies are regularly reviewed and limits are maintained or redefined, on the basis of information that has been collected and analyzed.

II. Audit committee

The Audit Committee is composed of three Directors, a Board adviser, the CEO, the General Counsel and the Company Controller. It reports directly to the Board of the parent company and reports on the effectiveness and reliability of internal control systems at the parent company and its subsidiaries. It analyzes the results of audits and reviews perfomed by the internal and external auditors. It examines and approves the quarterly consolidated financial statements, and the annual consolidated financial statements that are subject to external audit. It ensures that Company policies cover the laws, regulations, and internal standars that the Company must fulfill. It verifies compliance with the annual internal audit program.

III. Asset and Liability Committee (ALCO)

This committee is composed of all Directors, in addition to the CEO and those responsible for establishing and monitoring compliance with financial risk policies related to market and liquidity risk, in accordance with the guidelines established by the Board and the regulatory requirements issued by the Superintendent of Securities and Insurance currently Financial Market Commision.

IV. Credit Committee

The Company has a governance structure defined by lending decisions, in such a way that any proposal must be approved by a Committee with sufficient authority. Its highest authority is the Executive Credit Committee, where Directors participate, which reviews and approves the main risk exposures by customer.

V. Compliance Committee

The Compliance Committee defines policies and procedures on matters relating to the prevention of money laundering and financing terrorism. Additionally, it becomes aware, discusses and take the relevant actions relating to the cases reported by the Compliance Officer. The committee is composed of the CEO, Compliance Officer, General counsel, Controller, and two directors of the Company.

The Prevention of Money Laundering and Financing Terrorism Manual defines 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 of funds from illicit activities being transformed into legal funds, using Tanner S.A. or any of its subsidiaries.

VI. Operational Risk Committee

The Operational Risk Committee is composed of the Operations, Technology and Management Manager, the Risk Management Manager, the General Counsel, the IT Security Officer and the Operational Risk Manager. It 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.

Tanner Corredores de Bolsa S.A. operates very sophisticated products, so has established a Comprehensive Risk Management Committee which meets on its premises.

The main risk events detected during the period and the measures designed to mitigate their impact are reported at Committee meetings by the Operational Risk Manager, together with the final outcome regarding previous events.

VII. IT Security Committee

The members of the IT Security Committee are the same as the Operational Risk Committee. The purpose of this Committee is to provide high-level monitoring of those risks that may affect IT resources, and to develop strategies and control mechanisms to ensure its confidentiality, integrity, availability, legality and reliability. In addition, it promotes IT security through communications sent to the entire organization, and keeps IT Security policy up to date.

VIII. New Products Committee

This Committee is composed of the CEO, the General Counsel, Corporate Manager for Planning and Management Control, the Risk Management Manager, and the Operations, Technology and Management Manager. They examine the feasibility of any new product, or product amendment if the change is significant, as presented by the division managements.

This Committee evaluates new products for their commercial and financial feasibility, taking into account legal, regulatory, accounting and taxation aspects. If such products are approved, they should comply with policies and procedures to mitigate the main operational risks.

b. Main Company risk exposures

I. Credit Risk

This is the possibility or probability of financial loss inherent to the Company's business, if a customer or a counterparty to a financial instrument fails to meet their contractual obligations.

This risk is managed business or product line, through specific credit policies and on the basis of the preliminary analysis of expected customer revenue, the available financial information and payment history, along with other business information, if available. It also considers expectations regarding the macroeconomic environment and that of the specific customer sector in general cases, and of the debtor in factoring cases.

Another important aspect that complements the credit risk assessment is the quality and number of required guarantees. A Company policy has been to secure sufficient solid guarantees, which form a second payment source for customer obligations, if non-compliance occurs.

In the majority of factoring cases the assignor is responsible if the assigned debtor becomes insolvent. A framework contract is legalized by public deed for each customer, which supports any subsequent transactions. Transactions without responsibility are usually covered by credit insurance or specific guarantees.

Credit granted to companies, depending on the case, require mortgages or pledged shares. However, a guarantee can also be accepted to cover such credit, which is generally provided by one of the shareholders of the debtor company.

Leasing transactions are guaranteed using the leased asset. Nevertheless, insurance is required covering these leased assets, to mitigate any risk that results in a loss of value.

Auto-financing is guaranteed by the assets associated with such financing, complimented by a credit analysis of the customer's profile. There are two types of guarantees in these cases: real (vehicle pledges) and personal (sureties and joint & several guarantees).

Additionally, the Company's credit quality monitoring process aims to provide an early indication of possible changes in the ability of counterparties to pay and recover 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 the portfolio.

1. **Corporate lending portfolios, provisions and risk indices:**

Corporate lending portfolios, provisions and risk indices as of December 31, 2017 and 2016 are as follows:

ITEM	12.31.2017			
	Gross portfolio ThCh$	Provisions ThCh$	Net portfolio ThCh$	Risk index
Factoring receivables	297,109,335	(5,409,895)	291,699,440	1.82%
Corporate Lending	206,325,618	(3,610,217)	202,715,401	1.75%
Auto-financing	314,247,010	(11,519,426)	302,727,584	3.67%
Leasing contracts	104,675,527	(3,775,690)	100,899,837	3.61%
Sundry debtors	38,773,567	-	38,773,567	0.00%
Total	**961,131,057**	**(24,315,228)**	**936,815,829**	**2.53%**

ITEM	12.31.2016			
	Gross portfolio ThCh$	Provisions ThCh$	Net portfolio ThCh$	Risk index
Factoring receivables	238,127,576	(7,067,824)	231,059,752	2.97%
Corporate Lending	193,126,133	(2,286,550)	190,839,583	1.18%
Auto-financing	252,116,666	(9,815,176)	242,301,490	3.89%
Leasing contracts	117,340,087	(4,197,331)	113,142,756	3.58%
Sundry debtors	23,405,332	-	23,405,332	0.00%
Total	**824,115,794**	**(23,366,881)**	**800,748,913**	**2.84%**

Credit risk at the indirect subsidiary Tanner Corredores de Bolsa S.A. consists in a contract counterparty failing to comply with its contractual obligations, causing a financial loss. This risk is controlled through collection procedures that control credit limits and deadlines for each customer. The effects of credit risk are reduced by applying internal risk policies that vary with the type of customer and product.

2. **Risk concentration by economic sector**

Product portfolios broken down by economic sector and by type of debtor for automotive finance are as follows, including credit risk concentrations as of December 31, 2017 and 2016:

FACTORING	12.31.2017	12.31.2016
Wholesale and retail trade; Automotive/ Household items	20.05%	26.77%
Construction	17.60%	18.79%
Real estate, company and rent activities	17.22%	10.34%
Non-metallic manufacturing industry	12.35%	14.65%
Agriculture, livestock, hunt, agricultural production	9.18%	8.61%
Financial brokerage	7.14%	2.55%
Transport, storage and communications	4.84%	4.09%
Metallic manufacturing industry	4.29%	3.66%
Education	3.16%	4.28%
Mining and quarrying	1.74%	0.73%
Fisheries	0.94%	4.00%
Community, social and personal service activities	0.68%	0.39%
Social and health services	0.34%	0.80%
Hotels and Restaurants	0.30%	0.22%
Electricity, water and gas	0.14%	0.13%
Other	0.02%	0.00%
Buildings and Condominiums management board	0.00%	0.00%
Total	**100%**	**100%**

LEASING	12.31.2017	12.31.2016
Transport, storage and communications	25.64%	24.14%
Financial brokerage	16.61%	18.01%
Real estate, company and rent activities	12.64%	11.81%
Construction	11.76%	10.97%
Wholesale and retail trade; Automotive/ Household items	11.15%	9.06%
Education	5.34%	1.36%
Agriculture, livestock, hunt, agricultural production	5.07%	12.72%
Hotels and Restaurants	2.70%	2.54%
Community, social and personal service activities	2.51%	1.63%
Metallic manufacturing industry	2.18%	3.09%
Non-metallic manufacturing industry	1.79%	1.14%
Mining and quarrying	1.58%	1.72%
Social and health services	1.02%	1.14%
Other	0.00%	0.45%
Fisheries	0.00%	0.03%
Electricity, water and gas	0.00%	0.17%
Buildings and Condominiums management board	0.00%	0.03%
Total	**100%**	**100%**

CORPORATE LENDING	12.31.2017	12.31.2016
Financial brokerage	39.52%	48.13%
Construction	16.09%	5.57%
Wholesale and retail trade; Automotive/ Household items	12.01%	12.22%
Real estate, company and rent activities	10.10%	5.53%
Education	8.73%	8.95%
Non-metallic manufacturing industry	7.95%	7.30%
Agriculture, livestock, hunt, agricultural production	1.64%	1.21%
Transport, storage and communications	1.25%	2.24%
Hotels and Restaurants	1.11%	0.30%
Metallic manufacturing industry	0.80%	1.74%
Community, social and personal service activities	0.51%	0.62%
Mining and quarrying	0.15%	0.16%
Social and health services	0.12%	0.25%
Electricity, water and gas	0.02%	0.02%
Fisheries	0.01%	5.75%
Buildings and Condominiums management board	0.00%	0.00%
Other	0.00%	0.00%
Total	**100%**	**100%**

AUTO-FINANCING	12.31.2017	12.31.2016
Legal person	5.80%	7.65%
Natural Person	94.20%	92.35%
Total	**100%**	**100%**

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3. **Risk concentration by geographic area**

Product portfolios distributed by geographic area are as follows, including credit risk concentrations as of December 31, 2017 and 2016:

FACTORING	12.31.2017	12.31.2016
Metropolitan Region	72.09%	64.19%
Bíobío Region	4.97%	7.27%
Valparaíso Region	3.63%	4.15%
Los Lagos Region	3,15%	5.95%
Liberator General Bernardo O'Higgins Region	2.92%	3.17%
Antofagasta Region	2.74%	2.05%
Maule Region	2.71%	3.60%
Coquimbo Region	1.46%	1.86%
Tarapacá Region	1.35%	2.11%
La Araucanía Region	1.32%	2.33%
Atacama Region	1.17%	0.64%
Los Ríos Region	1.15%	1.06%
Magallanes Region and the Chilean Antarctic	0.88%	1.15%
Arica and Parinacota Region	0.38%	0.48%
Aysén Region	0.08%	0.00%
Total	**100%**	**100%**

LEASING	12.31.2017	12.31.2016
Metropolitan Region	77.18%	70.03%
Valparaíso Region	5.17%	6.71%
Bíobío Region	4.69%	8.44%
Antofagasta Region	2.69%	4.02%
La Araucanía Region	1.45%	1.75%
Atacama Region	1.43%	0.86%
Los Lagos Region	1.19%	1.14%
Maule Region	1.05%	1.31%
Tarapacá Region	1.03%	1.62%
Los Ríos Region	0.94%	0.77%
Liberator General Bernardo O'Higgins Region	0.87%	0.90%
Coquimbo Region	0.86%	0.79%
Arica and Parinacota Region	0.57%	0.56%
Magallanes Region and the Chilean Antarctic	0.56%	0.74%
Aysén Region	0.33%	0.35%
Total	**100%**	**100%**

CORPORATE LENDING	12.31.2017	12.31.2016
Metropolitan Region	79.60%	79.23%
Bíobío Region	11.76%	10.08%
Tarapacá Region	3.28%	3.96%
Valparaíso Region	1.06%	1.49%
Antofagasta Region	0.64%	0.87%
Arica and Parinacota Region	0.84%	0.68%
Maule Region	0.71%	0.87%
Coquimbo Region	0.56%	0.52%
Los Ríos Region	0.35%	0.56%
Atacama Region	0.33%	0.37%
Los Lagos Region	0.24%	0.40%
La Araucanía Region	0.27%	0.47%
Liberator General Bernardo O'Higgins Region	0.23%	0.39%
Magallanes Region and the Chilean Antarctic	0.12%	0.11%
Aysén Region	0.00%	0.00%
Total	**100%**	**100%**

AUTO-FINANCING	12.31.2017	12.31.2016
Metropolitan Region	48.51%	48.40%
Valparaíso Region	8.03%	8.36%
Bíobío Region	7.98%	8.19%
Antofagasta Region	5.81%	5.87%
Coquimbo Region	5.52%	5.51%
Los Lagos Region	4.87%	4.46%
La Araucanía Region	4.18%	3.75%
Liberator General Bernardo O'Higgins Region	3.89%	3.66%
Maule Region	2.79%	2.62%
Atacama Region	2.60%	3.42%
Los Ríos Region	1.82%	1.74%
Magallanes Region and the Chilean Antarctic	1.63%	1.77%
Tarapacá Region	1.30%	1.19%
Aysén Region	0.54%	0.59%
Arica and Parinacota Region	0.53%	0.46%
Total	**100%**	**100%**

4. **Credit quality by asset category**

The Company determines the credit quality of its financial assets, and consequently its provisions and write offs, using delinquency criteria for its products. Except for automotive finance, where a statistical model based on historical payment behavior is used to predict the probability of default in each case. This default probability indicates the expected loss for each loan and therefore the provision.

5. **Renegotiations**

Delinquent loans that are subject to renegotiations, are those where the corresponding financial commitments have been restructured and the Company has assessed the likelihood of recovery from these loans as sufficiently high. If the customer becomes insolvent, he can also choose to return the asset, where applicable.

Provisions on renegotiated loans are calculated on the basis of the overdue matrix for each product, considering changes to the loan conditions. Except for auto-financing, where renegotiated loans require an additional weighting when determining the risk factor.

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

Customers with automotive loan or leasing installments overdue can renegotiate them. All renegotiation requests must be approved by the Risk Management, and must comply at least with the following conditions: (a) The customer must have paid at least a 25% of the installments, (b) must pay an amount that depends on repayment progress, and (c) must accredit their income. Auto-financing finance 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	12.31.2017				
	Total portfolio ThCh$	Renegotiated ThCh$	Provision ThCh$	Renegotiated by product %	Renegotiated by total portfolio %
Factoring	297,109,335	6,175,524	(5,409,895)	2.08%	0.64%
Corporate lending	206,325,618	4,686,313	(3,610,217)	2.27%	0.49%
Auto-financing	314,247,010	7,408,749	(11,519,426)	2.36%	0.77%
Leasing	104,675,527	4,014,806	(3,775,690)	3.84%	0.42%
Sundry debtors	38,773,567	-	-	-	-
Total assets / renegotiated assets	**961,131,057**	**22,285,392**	**(24,315,228)**		**2.32%**

DETAIL	12.31.2016				
	Total portfolio ThCh$	Renegotiated ThCh$	Provision ThCh$	Renegotiated by product %	Renegotiated by total portfolio %
Factoring	238,127,576	2,418,002	(7,067,824)	1.02%	0.29%
Corporate lending	193,126,133	7,422,265	(2,286,550)	3.84%	0.90%
Auto-financing	252,116,666	4,791,162	(9,815,176)	1.90%	0.58%
Leasing	117,340,087	10,106,308	(4,197,331)	8.61%	1.23%
Sundry debtors	23,405,332	-	-	-	-
Total assets / renegotiated assets	**824,115,794**	**24,737,737**	**(23,366,881)**		**3.00%**

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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 payments falling due are greater than receipts from investments or loans. When customers do not meet their commitments on the dates they fall due, this could also generate a liquidity risk.

The main sources of financing for Tanner Servicios Financieros S.A. are local and international bonds with a fixed repayment schedule, unguaranteed lines of bank credit, which are mainly short-term and renewed on a regular basis, and Commercial paper.

The Company's daily cash-flow forecasts simulates the maturities of all its assets and liabilities, in order to anticipate cash requirements. The Assets and Liabilities Committee reviews these forecasts, 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 is its business activities. The Company holds consolidated cash equivalent to MCh$ 84,635 as of December 31, 2017 (MCh$ 31,632 as of December 31, 2016).

The indirect subsidiary Tanner Corredores de Bolsa S.A. is subject to regulatory liquidity indicators called: general liquidity index and brokerage liquidity index. This subsidiary is in continual compliance with these requirements, in accordance with the standards issued by the SVS, currently Financial Market Commission (CMF). The maturity structure by term as of December 31, 2017 and 2016 is as follows:

a. Maturities at book value

RANGE	12.31.2017		12.31.2016	
	MCh$	% Capital	MCh$	% Equity
Band 1: 1 to 7 days	90,026	33.41%	67,145	26.75%
Band 2: 7 to 15 days	9,632	3.57%	23,215	9.25%
Band 3: 15 to 30 days	38,146	14.16%	39,119	15.59%
Band 4: 30 to 90 days	79,421	29.47%	146,930	58.54%
Band 5: 90 to 365 days	154,639	57.38%	152,039	60.58%
Total	**371,864**		**428,448**	

BANDS AS OF 12.31.2017	Band 1	Band 2	Band 3	Band 4	Band 5
	MCh$	MCh$	MCh$	MCh$	MCh$
Assets	**161,848**	**45,116**	**75,598**	**208,424**	**245,753**
Available funds	84,635	-	-	-	-
Placements	38,581	43,190	71,646	204,882	244,685
Other current financial assets	38,632	1,926	3,952	3,542	1,068
BANDS AS OF 12.31.2017	**Band 1**	**Band 2**	**Band 3**	**Band 4**	**Band 5**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Liabilities	**71,822**	**35,484**	**37,452**	**129,003**	**91,114**
Obligations with banks and financial institutions	45,047	28,094	27,384	20,510	18,869
Obligations with the public (Commercial paper)	-	6,454	5,990	6,975	43,917
Obligations with the public (bonds)	353	-	-	99,448	28,324
Other financial obligations	26,422	936	4,078	2,070	4
Bands	**90,026**	**9,632**	**38,146**	**79,421**	**154,639**
% of Equity	**33.41%**	**3.57%**	**14.16%**	**29.47%**	**57.38%**

BANDS AS OF 12.31.2016	Band 1	Band 2	Band 3	Band 4	Band 5
	MCh$	MCh$	MCh$	MCh$	MCh$
Assets	**89,151**	**46,157**	**83,510**	**163,298**	**236,878**
Available funds	31,632	-	-	-	-
Placements	33,121	31,601	82,603	162,608	232,951
Other current financial assets	24,398	14,556	907	690	3,927
BANDS AS OF 12.31.2016	**Band 1**	**Band 2**	**Band 3**	**Band 4**	**Band 5**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Liabilities	**22,006**	**22,942**	**44,391**	**16,368**	**84,839**
Obligations with banks and financial institutions	22,006	19,945	19,556	-	20,416
Obligations with the public (Commercial paper)	-	2,997	5,986	13,098	16,850
Obligations with the public (bonds)	-	-	-	3,270	47,573
Other financial obligations	-	-	18,849	-	-
Bands	**67,145**	**23,215**	**39,119**	**146,930**	**152,039**
% of Equity	**26.75%**	**9.25%**	**15.59%**	**58.54%**	**60.58%**

b. Maturities at undiscounted value

RANGE	12.31.2017		12.31.2016	
	MCh$	% Capital	MCh$	% Capital
Band 1: 1 to 7 days	90,017	33.40%	67,192	26.77%
Band 2: 7 to 15 days	9,606	3.56%	23,188	9.24%
Band 3: 15 to 30 days	38,093	14.14%	40,929	16.31%
Band 4: 30 to 90 days	77,534	28.77%	137,053	54.61%
Band 5: 90 to 365 days	143,007	53.07%	142,553	56.80%
Total	**358,257**		**410,915**	

BANDS AS OF 12.31.2017	Band 1	Band 2	Band 3	Band 4	Band 5
	MCh$	MCh$	MCh$	MCh$	MCh$
Assets	**161,849**	**45,116**	**75,598**	**208,424**	**245,753**
Available funds	84,636	-	-	-	-
Placements	38,581	43,190	71,646	204,882	244,685
Other current financial assets	38,632	1,926	3,952	3,542	1,068

BANDS AS OF 12.31.2017	Band 1	Band 2	Band 3	Band 4	Band 5
	MCh$	MCh$	MCh$	MCh$	MCh$
Liabilities	**71,832**	**35,510**	**37,505**	**130,890**	**102,746**
Obligations with banks and financial institutions	45,057	28,116	27,427	20,568	22,152
Obligations with the public (Commercial paper)	-	6,458	6,000	7,000	44,465
Obligations with the public (bonds)	353	-	-	101,251	36,125
Other financial obligations	26,422	936	4,078	2,071	4
Bands	**90,017**	**9,606**	**38,093**	**77,534**	**143,007**
% of Equity	**33.40%**	**3.56%**	**14.14%**	**28.77%**	**53.07%**

BANDS AS OF 12.31.2016	Band 1	Band 2	Band 3	Band 4	Band 5
	MCh$	MCh$	MCh$	MCh$	MCh$
Assets	**89,151**	**46,157**	**83,510**	**163,298**	**236,878**
Available funds	31,632	-	-	-	-
Placements	33,121	31,601	82,603	162,608	232,951
Other current financial assets	24,398	14,556	907	690	3,927

BANDS AS OF 12.31.2016	Band 1	Band 2	Band 3	Band 4	Band 5
	MCh$	MCh$	MCh$	MCh$	MCh$
Liabilities	**21,959**	**22,969**	**42,581**	**26,245**	**94,325**
Obligations with banks and financial institutions	21,959	19,969	17,567	3,329	21,593
Obligations with the public (Commercial paper)	-	3,000	5,000	14,180	18,999
Obligations with the public (bonds)	-	-	1,165	8,736	53,733
Other financial obligations	-	-	18,849	-	-
Bands	**67,192**	**23,188**	**40,929**	**137,053**	**142,553**
% of Equity	**26.77%**	**9.24%**	**16.31%**	**54.61%**	**56.80%**

2. Market Risk

Market risk is understood to be exposure to financial losses caused by adverse movements in market factors, particularly factors such as price, interest rate, exchange rates, indexing, among others, that affect the value of any transaction recognized in the statement of financial position.

3. Price Risk

The Company has investments in corporate bonds held for sale as of December 31, 2017 of ThUS$ 12,464. The average portfolio duration is 3.05 years. The sensitivity measured by the DV01[2] is US$ 3,644, and the portfolio VaR[1] parameter at 1 day is US$ 25,078, with 99% confidence.

1. VaR: Value at Risk - is the maximum expected loss considering a horizon of 1 year and a confidence level of 99%.
2. DV01 - is the market value of x amended duration x 1bp.

4. Interest rate risk

This is defined as the risk exposure due to financial transactions whose valuation is affected by movements in the inter-temporal structure of interest rates, among other factors.

The following tables show how the percentual value of the bond portfolio changes, as a result of changes in the interest rates.

In case of decrease in the interest rates.

Delta rates (base points)	-25	-50	-75	-100	-125	-150	-175	-200
Net portfolio variation	0.11%	0.23%	0.34%	0.46%	0.58%	0.69%	0.81%	0.94%

In case of increase in the interest rates:

Delta rates (base points)	25	50	75	100	125	150	175	200
Net portfolio variation	(0.11%)	(0.22%)	(0.33%)	(0.44%)	(0.54%)	(0.65%)	(0.75%)	(0.86%)

The Company has a portfolio of derivative trading and hedging instruments used to mitigate interest rate and exchange rate risks on financial liabilities. The portfolio of trading derivatives has a very short-term maturity structure. Therefore, its interest rate risk has a low impact on the statement of net income. Whereas, hedging derivatives cover a large proportion of the liabilities structured in foreign currencies and with variable rates (LIBOR), maintaining limited exposure to interest rate risks and with low impact on the statement of net income for such transactions.

EXPOSURE	12.31.2017							
	Trading derivatives				Hedging instruments			
	CLF ThCh$	Ch$ ThCh$	US$ ThCh$	CHF ThCh$	CLF ThCh$	Ch$ ThCh$	US$ ThCh$	CHF ThCh$
Up to 1 year	-	101,321,203	53,437,294	44,200,446	3,775,036	85,615,259	73,762,964	2,303,893
1 to 3 years	-	-	-	-	99,971,903	165,218,357	49,550,858	118,241,614
Over 3 years	-	-	-	-	32,215,332	45,731,777	15,255,311	-
Total	**-**	**101,321,203**	**53,437,294**	**44,200,446**	**135,962,271**	**296,565,393**	**138,569,133**	**120,545,507**

SENS. +1pb	12.31.2017							
	Trading derivatives				Hedging instruments			
	CLF ThCh$	Ch$ ThCh$	US$ ThCh$	CHF ThCh$	CLF ThCh$	Ch$ ThCh$	US$ ThCh$	CHF ThCh$
Up to 1 year	-	4,127	(2,314)	118	191	10,068	4,886	77
1 to 3 years	-	-	-	-	41,694	190,235	42,193	4,382
Over 3 years	-	-	-	-	22,748	90,360	20,919	-
Total	**-**	**4,127**	**(2,314)**	**118**	**64,633**	**290,663**	**67,998**	**4,459**

Note: the table shows the potential loss or gain, expressed in ThCh$, to which the trading and hedging portfolios are exposed, if interest rates rise by 1pb, according to the contracted currencies and terms on the reporting date.

EXPOSURE	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	-	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**

SENS. +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**	**63,061**	**18,617**

Note: the table shows the potential loss or gain, expressed in ThCh$, to which the trading and hedging portfolios are exposed, if interest rates rise by 1pb, according to the contracted currencies and terms on the reporting date.

5. **Currency Risk**

This is defined as the exposure to potential losses caused by changes in the value of assets and liabilities subject to revaluation using exchange rates. Due to the Company's business and its diversified financing requirements, it has a currency mismatch in US dollars, which is managed on a daily basis and is mitigated primarily through trading and hedging derivative instruments. In addition, it has transactions in Swiss Francs whose currency risk is completely covered.

The Company's internal risk mitigation policy requires that currency mismatches in USD may not exceed 2.5% of equity. The Company's currency mismatch in USD as of December 31, 2017 was ThUS$ 3,817 which represents 0.9% of equity (ThUS$ 718, which represents 0.2% of equity in 2016). Sensitivity analysis on the currency mismatch risk is calculated based on USD as the principal currency at risk, and the expected movement in the official USD exchange rate.

Mismatch USD (ThUS$)	12.31.2017	12.31.2016
Assets	266,147	226,703
Liabilities	(420,769)	(351,534)
Derivative instruments	150,805	125,549
Mismatch	**(3,817)**	**718**

6. **Indexation risk**

This is the risk exposure for assets and liabilities contracted in unidades de fomento that could generate losses as a result of changes in the value of that currency. Due to the Company's business and its financing requirements, it has assets and liabilities in UF, and this mismatch is managed on a daily basis and mitigated using hedging derivative instruments.

The Company's internal risk mitigation policy requires mismatches in UF may not exceed 30% of equity. The Company's mismatch in UF as of December 31, 2017 was ThCLF 2,447, which represents 24.3% of equity (ThCLF 1,897, which represents 19.9% of equity in 2016). Similarly to currency risk, sensitivity analysis on the indexation mismatch risk is calculated based on UF as the principal indexation risk, and expected movements in the official value of the UF:

UF Mismatch (ThUF)	12.31.2017	12.31.2016
Assets	6,789	6,659
Liabilities	(9,087)	(10,262)
Derivative instruments	4,745	5,500
Mismatch	**2,447**	**1,897**

The structure of currency mismatches as of December 31, 2017 and December 31, 2016 was as follows:

TEMPORARY BAND	12.31.2017		12.31.2016	
	MCh$	% of Equity	MCh$	% of Equity
GAP in CLF	65,587	24.34%	49,993	19.92%
GAP in USD	(2,346)	(0.87%)	481	0.19%
GAP in EUR	59	0.02%	6	0.00%
GAP in CHF	-	0.00%	-	-

* Indexation risk expressed in MCh$, considering the UF and USD values as of December 31, 2017 and December 31, 2016, according to Note 2 g)

NOTE 5

RESPONSIBILITY FOR THE INFORMATION AND ESTIMATES

The information contained in these consolidated financial statements is the responsibility of the Board, who declare that they fully comply with the principles and criteria described in the International Financial Reporting Standards (IFRS).

Certain estimates and judgements have been made by Management when preparing these financial statements, in order to quantify some assets, liabilities, income, expenses and commitments that they contain.

These estimates refer basically to the losses or estimated unrecoverable receivables that are described in Note 2 f).

NOTE 6

SEGMENT REPORTING

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 operates through five segments: Factoring, Corporate lending, Auto-financing, Leasing, Treasury and a service line.

I. **Segments**

- **Factoring**: National and international factoring represents 30.9% of the total loan portfolio as of December 31, 2017 (28.9% as of December 31, 2016). International factoring is a sub-division factoring.
- **Corporate lending**: Corporate lending mainly finance businesses and represent 21.5% of the total loan portfolio as of December 31, 2017 (23.4% as of December 31, 2016).
- **Auto-financing**: Auto-financing mainly finances vehicles for individuals or legal entities. This represents 32.7% of the total loan portfolio as of December 31, 2017 (30.6% as of December 31, 2016).
- **Leasing**: Leasing mainly finances the leaseback of real estate, leasing earth moving equipment, transport and industrial equipment, etc. This represents 10.9% of the total loan portfolio as of December 31, 2017 (14.2% as of December 31, 2016).
- **Treasury**: The main function of Treasury is to manage its financial position. Its second function is to hold an optimal financing position, in order to obtain the funds that the Company requires to operate normally, at the lowest possible cost, and deposit cash surpluses where the market offers the best returns, in accordance with the availability of funds.
- **Others**: These are mainly transactions generated by the subsidiaries Tanner Corredora de Bolsa de Productos S.A., Tanner Corredora de Seguros Ltda. Tanner Investments SpA and sporadic results.

The following tables present their results for the periods ended December 31, 2017 and 2016:

Year 2017

PRODUCTS	12.31.2017							
	Factoring	Corporate lending	Auto-financing	Leasing	Treasury	Subtotal Products	Other	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Net income from interest and indexation	15,935,467	8,798,606	44,032,434	5,239,683	1,503,180	75,509,370	-	75,509,370
Net income (expense) from fees	1,672,892	1,408,486	(16,716,084)	811,349	-	(12,823,357)	9,851,732	(2,971,625)
Other operating income	9,484,858	313,577	5,906,855	(345,022)	(134,758)	15,225,510	-	15,225,510
Provisions for loan losses	(4,181,962)	(3,015,813)	(14,171,919)	(2,676,883)	-	(24,046,577)	-	(24,046,577)
Total Gross Margin	**22,911,255**	**7,504,856**	**19,051,286**	**3,029,127**	**1,368,422**	**53,864,946**	**9,851,732**	**63,716,678**
Administrative expenses	(11,834,578)	(5,416,605)	(13,359,834)	(2,860,764)	(252,210)	(33,723,991)	(4,622,427)	(38,346,418)
Other net operational income (expense)	1,031,556	337,898	857,765	136,382	61,612	2,425,213	143,192	2,568,405
Exchange differences	(383)	-	-	-	-	(383)	(38,681)	(39,064)
Income from investments in companies	-	-	-	-	-	-	-	-
Net income before tax	**12,107,850**	**2,426,149**	**6,549,217**	**304,745**	**1,177,824**	**22,565,785**	**5,333,816**	**27,899,601**
Income tax	(1,119,862)	(224,396)	(605,741)	(28,186)	(108,938)	(2,087,123)	(493,328)	(2,580,451)
Net income after tax	**10,987,988**	**2,201,753**	**5,943,476**	**276,559**	**1,068,886**	**20,478,662**	**4,840,488**	**25,319,150**
Assets (net of provision)	291,699,440	202,715,401	302,727,584	100,899,837	24,529,170	922,571,432	197,088,183	1,119,659,615
Current and deferred taxes	-	-	-	-	-	-	52,186,011	52,186,011
Total Assets	**291,699,440**	**202,715,401**	**302,727,584**	**100,899,837**	**24,529,170**	**922,571,432**	**249,274,194**	**1,171,845,626**
Liabilities	(262,994,057)	(182,766,706)	(272,936,950)	(90,970,546)	(22,115,318)	(831,783,577)	(56,527,683)	(888,311,260)
Current and Deferred Taxes	-	-	-	-	-	-	(14,053,844)	(14,053,844)
Total Liabilities	**(262,994,057)**	**(182,766,706)**	**(272,936,950)**	**(90,970,546)**	**(22,115,318)**	**(831,783,577)**	**(70,581,527)**	**(902,365,104)**

Year 2016

PRODUCTS	12.31.2016							
	Factoring	Corporate lending	Auto-financing	Leasing	Treasury	Subtotal Products	Other	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Net income from interest and indexation	12,800,247	9,871,272	38,826,858	5,704,335	2,453,139	69,655,851	-	69,655,851
Net income (expense) from fees	1,366,297	1,482,512	(13,502,922)	608,681	-	(10,045,432)	6,367,189	(3,678,243)
Other operating income	7,113,412	272,643	4,934,470	720,551	(1,389,306)	11,651,770	-	11,651,770
Provisions for loan losses	(1,560,518)	(235,558)	(14,694,235)	(2,557,641)	-	(19,047,952)	-	(19,047,952)
Total Gross Margin	**19,719,438**	**11,390,869**	**15,564,171**	**4,475,926**	**1,063,833**	**52,214,237**	**6,367,189**	**58,581,426**
Administrative expenses	(10,316,251)	(5,313,593)	(12,617,055)	(3,425,801)	(226,696)	(31,899,396)	(3,912,652)	(35,812,048)
Other net operational income (expense)	781,318	451,326	616,679	177,344	42,151	2,068,818	93,510	2,162,328
Exchange differences	(7,192)	-	-	-	-	(7,192)	(9,728)	(16,920)
Income from investments in companies	-	-	-	-	-	-	-	-
Net income before tax	**10,177,313**	**6,528,602**	**3,563,795**	**1,227,469**	**879,288**	**22,376,467**	**2,538,319**	**24,914,786**
Income tax	(1,047,754)	(672,119)	(366,893)	(126,368)	(90,523)	(2,303,656)	(261,320)	(2,564,976)
Net income after tax	**9,129,559**	**5,856,483**	**3,196,902**	**1,101,101**	**788,765**	**20,072,811**	**2,276,999**	**22,349,810**
Assets (net of provision)	231,059,752	190,839,583	242,301,490	113,142,756	99,069,478	876,413,059	72,688,254	949,101,313
Current and deferred taxes	-	-	-	-	-	-	51,956,590	51,956,590
Total Assets	**231,059,752**	**190,839,583**	**242,301,490**	**113,142,756**	**99,069,478**	**876,413,059**	**124,644,844**	**1,001,057,903**
Liabilities	(187,998,864)	(155,274,229)	(197,145,562)	(92,057,182)	(80,606,636)	(713,082,473)	(26,442,426)	(739,524,899)
Current and Deferred Taxes	-	-	-	-	-	-	(10,557,130)	(10,557,130)
Total Liabilities	**(187,998,864)**	**(155,274,229)**	**(197,145,562)**	**(92,057,182)**	**(80,606,636)**	**(713,082,473)**	**(36,999,556)**	**(750,082,029)**

Customers

The number of active customers as of December 31, 2017 was 61,395 and as of December 31, 2016 was 53,452, including factoring, corporate lending, auto-financing, and leasing.

As of December 31, 2017, the Company had no significant concentration of customers, the percentage lent to the five largest customers was 11.9% of the total portfolio, while as of December 31, 2016 it was 11.85%.

Suppliers

Tanner Servicios Financieros S.A. has approximately 385 suppliers. The main ones being business suppliers (automotive companies and general goods) general service, computing and communications suppliers.

Gross margin

The operating margin by product is as follows:

OPERATING MARGIN BY PRODUCT	Accumulated	
	01.01.2017 to 12.31.2017 ThCh$	01.01.2016 to 12.31.2016 ThCh$
Operating margin for Factoring	22,911,255	19,719,438
Operating margin for Corporate lending	7,504,856	11,390,869
Operating margin for Auto-financing	19,051,286	15,564,171
Operating margin for Leasing	3,029,127	4,475,926
Operating margin for Treasury	1,368,422	1,063,833
Operating margin Other	9,851,732	6,367,189
Total	**63,716,678**	**58,581,426**

Cash flows by segment as of December 31, 2017 and 2016 were as follows:

CASH FLOWS BY OPERATING SEGMENTS	For the years ended December 31	
	2017 ThCh$	2016 ThCh$
Cash flows from (used in) operating activities[2]	**(128,926,178)**	**(58,369,997)**
Factoring Segment	(32,092,704)	(13,472,704)
Corporate lending Segment	(22,302,700)	(11,127,534)
Auto-financing Segment	(33,306,017)	(14,128,191)
Leasing Segment	(11,100,976)	(6,597,163)
Treasury	(2,698,693)	(5,776,574)
Other (1)	(27,425,088)	(7,267,831)
Cash flows from (used in) investing activities[3]	**147,491,497**	**119,045,138**
Factoring Segment	357,243	262,727
Corporate lending Segment	248,265	216,995
Auto-financing Segment	370,750	275,510
Leasing Segment	-	-
Treasury	146,515,239	118,289,906
Other (1)	-	-
Cash flows from (used in) financing activities[3]	**34,473,146**	**(60,582,400)**
Factoring Segment	-	-
Corporate lending Segment	-	-
Auto-financing Segment	-	-
Leasing Segment	-	-
Treasury	34,473,146	(60,582,400)
Other (1)	-	-

(1) Others include corporate support departments and service lines, as these cash flows are managed by Tanner Servicios Financieros S.A.
(2) Operating activities include cash flows from receipts and payments generated by each segment.
(3) Investing and financing activities include cash flows from managing cash flows for financing and investing activities.

NOTE 7

CASH AND CASH EQUIVALENTS

These are cash on hand, checking accounts and fixed funds.

a. Cash and cash equivalents as of December 31, 2017 and 2016 are as follows:

CASH & CASH EQUIVALENTS	12.31.2017 ThCh$	12.31.2016 ThCh$
Cash on hand	286,168	285,105
Bank balances	33,402,212	21,057,251
Time deposits	32,349,402	9,972,620
Commercial papers	18,403,195	-
Mutual funds	194,784	317,203
Cash and cash equivalents	**84,635,761**	**31,632,179**

b. As of December 31, 2017 and 2016, cash and cash equivalents by currency are as follows:

DETAIL	Currency	12.31.2017 ThCh$	12.31.2016 ThCh$
Cash on hand	CLP	84,731	28,123
Cash on hand	USD	200,606	256,179
Cash on hand	EUR	831	803
Bank balances	CLP	31,565,245	15,422,290
Bank balances	USD	1,778,919	5,629,146
Bank balances	EUR	58,048	5,815
Time deposits	CLP	4,568,351	3,159,910
Time deposits	USD	27,781,051	6,812,710
Commercial paper	USD	18,403,195	-
Mutual funds	CLP	194,784	317,203
Mutual funds	USD	-	-
Cash and cash equivalents		**84,635,761**	**31,632,179**

c. The time deposits shown under letter (b) as of December 31, 2017 and 2016 are as follows:

TIME DEPOSITS					Debtor country	Currency	12.31.2017 Up to 90 days ThCh$	12.31.2016 Up to 90 days ThCh$
Creditor ID number	Creditor	Detail	Debtor ID number	Debtor				
96.667.560-8	Tanner Servicios Finacieros S.A.	Renewable	76.362.099-9	BTG Pactual Chile S.A.	Chile	USD	-	6.812.710
96.667.560-8	Tanner Servicios Finacieros S.A.	Renewable	97.006.000-6	Banco de Crédito e Inversiones	Chile	CLP	73.202	-
96.667.560-8	Tanner Servicios Finacieros S.A.	Renewable	O-E	SMBC	Japan	USD	27.668.076	-
96.667.560-8	Tanner Servicios Finacieros S.A.	Renewable	97.030.000-7	Banco Estado	Chile	USD	-	-
96.667.560-8	Tanner Servicios Finacieros S.A.	Renewable	97.036.000-K	Banco Santander	Chile	USD	112.975	-
96.667.560-8	Tanner Servicios Finacieros S.A.	Renewable	97.004.000-5	Banco de Chile	Chile	CLP	332.240	3.159.910
96.667.560-8	Tanner Servicios Finacieros S.A.	Renewable	97.018.000-1	Scotiabank	Chile	CLP	4.162.909	-
Total							**32.349.402**	**9.972.620**

d. The Commercial paper shown under letter (b) as of December 31, 2017 and 2016 are as follows:

MARKETABLE SECURITIES					Debtor country	Currency	12.31.2017 Up to 90 days ThCh$	12.31.2016 Up to 90 days ThCh$
Creditor ID number	Creditor	Fund	Debtor ID number	Debtor				
96.667.560-8	Tanner Servicios Finacieros S.A.	At maturity	0-E	BCI Miami	Chile	USD	6,126,581	-
96.667.560-8	Tanner Servicios Finacieros S.A.	At maturity	0-E	Bank Of China	China	USD	6,132,814	-
96.667.560-8	Tanner Servicios Finacieros S.A.	At maturity	0-E	CNPC Hong Kong	China	USD	6,143,800	-
							18,403,195	**-**

e. The mutual funds listed in letter (b) as of December 31, 2017 and 2016 are as follows:

MUTUAL FUND INVESTMENTS					Debtor country	Currency	12.31.2017 Up to 90 days ThCh$	12.31.2016 Up to 90 days ThCh$
Creditor ID number	Creditor	Fund	Debtor ID number	Debtor				
76.596.744-9	Chita SpA.	Renewable	96.815.680-2	BBVA ASSET	Chile	CLP	194,784	317,203
							194,784	**317,203**

NOTE 8

OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

a. Other financial assets, current

These are investments in corporate bonds and fixed income instruments that are valued at their fair value, together with financial derivative contracts with positive fair values. It also includes investments in corporate bonds held for sale, which are recognized initially at cost, including transaction costs, which are subsequently adjusted to their fair value with a charge or credit to "Financial assets at fair value through equity" within "Other comprehensive income" in equity.

As of December 31, 2017 and 2016 other current financial assets were as follows:

DETAIL	12.31.2017			
	Available for sale ThCh$	Held to maturity ThCh$	Trading ThCh$	Total ThCh$
Instruments issued by Chilean Institutions				
Chilean bank bonds	-	238,400	-	238,400
Deposit promissory notes from Chilean banks	3,194,240	-	-	3,194,240
Forwards	-	-	-	-
Repos	-	-	-	-
Investments in public funds	-	-	-	-
Fixed income instruments	40,013,057	2,799,066	-	42,812,123
Swap contracts*	-	2,540,777	-	2,540,777
Other foreign instruments	-	198,912	-	198,912
State instruments	**-**	**-**	**-**	
Other State instruments	135,840	-	-	135,840
Total	**43,343,137**	**5,777,155**	**-**	**49,120,292**

DETAIL	12.31.2016			
	Available for sale ThCh$	Held to maturity ThCh$	Trading ThCh$	Total ThCh$
Instruments issued by Chilean Institutions				
Chilean bank bonds	-	-	-	-
Deposit promissory notes from Chilean banks	3,900,945	-	-	3,900,945
Forwards	86,941	-	-	86,941
Repos	-	-	-	-
Fixed income instruments	-	15,100,726	-	15,100,726
Investments in corporate instruments	22,140,567	1,296,241	29,239	23,466,047
Other foreign instruments	1,923,093	-	-	1,923,093
State instruments				
Other State instruments	-	-	-	-
Total	**28,051,546**	**16,396,967**	**29,239**	**44,477,752**

(*) Coverage of risks associated with liabilities from issuing bends in foreign currencies.

Tanner

b. Other financial assets, non-current

These are investments in corporate bonds held until maturity and held for sale, which are recorded at cost plus accrued interest and indexation, less any provision for impairment when their book value exceeds the present value of their estimated future cash flows.

As of December 31, 2017 and 2016 other non-current financial assets were as follows:

OTHER FINANCIAL ASSETS, NON-CURRENT	12.31.2017 ThCh$	12.31.2016 ThCh$
Available for sale-bonds	8,524,557	26,922,470
Held to maturity-bonds	5,430,368	19,311,510
Swap contracts (1)	4,895,184	6,099,141
Santiago stock exchange shares (2)	2,715,204	2,017,725
Private fund investment	479,505	-
Chile Commodities Exchange share, Bolsa de Productos Agropecuarios S.A.	138,380	138,380
Electronic stock exchange shares (3)	102,500	102,500
Total	**22,285,698**	**54,591,726**

1) Coverage of risks associated with liabilities from issuing bonds in foreign currencies.
(2) One million shares in the Bolsa de Comercio de Santiago owned by the subsidiary Tanner Corredores de Bolsa S.A.
(3) 100,000 shares in the Electronic Exchange owned by the subsidiary Tanner Corredores de Bolsa S.A.

c. Fair value of financial assets and liabilities

The Company classifies its financial instruments as follows:

Level 1: Where there are observable prices in active markets for these instruments or specific transactions.

Level 2: Where there are no market prices for these specific instruments or observable prices are sporadic, so their valuation is inferred from observable factors, such as quoted prices for similar instruments in active markets.

The valuation of financial instruments held for sale is calculated at fair value (Mark to Market). The market prices for each financial instrument are obtained from Bloomberg. Transactions in derivative financial assets are valued by building interest rate curves by currency and term, which are used to discount the future cash flows of each instrument.

DETAIL	Level 1		Level 2	
	12.31.2017 ThCh$	12.31.2016 ThCh$	12.31.2017 ThCh$	12.31.2016 ThCh$
Derivatives contracts				
Rights for forwards	-	86,941	-	-
Swap contracts (net)	-	-	7,435,961	6,099,141
Investment instruments				
Fixed income investments	42,812,123	24,092,899	-	1,296,241
Available for sale-bonds	8,524,557	26,922,470	-	-
Held to maturity-bonds	5,430,368	19,311,510	238,400	-
Promissory note with banks and financial institutions	3,194,240	3,900,945	-	-
Public fund investment	479,505	-	-	-
Investments in shares	240,880	2,258,605	2,715,204	-
Instruments issued by the Finance System	198,912	-	-	-
Other State instruments	135,840	-	-	-
Repos	-	15,100,726	-	-
Total	**61,016,425**	**91,674,096**	**10,389,565**	**7,395,382**

NOTE 9

OTHER CURRENT AND NON-CURRENT NON-FINANCIAL ASSETS

1. As of December 31, 2017 and December 31, 2016 other current non-financial assets were as follows:

OTHER NON-FINANCIAL ASSETS, CURRENT	12.31.2017 ThCh$	12.31.2016 ThCh$
Deferred assets (*)	1,465,742	1,309,411
Sub leased equipment (**)	-	677,200
Others	81,216	88,283
Total	**1,546,958**	**2,074,894**

(*) Costs incurred by the Human Resources department, expenses associated with issuing debt, standard licenses, and others.
(**) Leasing equipment for the leasing business.

2. As of December 31, 2017 and December 31, 2016 other non-current non-financial assets were as follows:

OTHER NON-FINANCIAL ASSETS, NON CURRENT	12.31.2017 ThCh$	12.31.2016 ThCh$
Collateral guarantees[1]	4,069,645	3,272,465
CCLV guarantees[2]	1,169,798	919,798
International market and derivatives guarantees[3]	817,777	306,540
Judicial arbitration guarantees[4]	-	117,428
Others[5]	159,955	183,131
Total	**6,217,175**	**4,799,362**

(1) Guarantees granted to counterparties for hedging derivatives transactions by Tanner Servicios Financieros S.A.
(2) Guarantees granted to CCLV on behalf of the subsidiary Tanner Corredores de Bolsa Valores S.A.
(3) Guarantees granted for derivative and international market transactions generated by Tanner Corredores de Bolsa S.A.
(4) Payments generated by the Pescanova arbitration case.
(5) Others, mainly real estate leasing guarantees, performance guarantees, etc.

NOTE 10

TRADE AND OTHER RECEIVABLES

Trade and other receivables arise from factoring, corporate lending, auto-financing and leasing, and are initially recognized at fair value and subsequently at amortized cost, in accordance with the effective interest rate method. They are expressed in Chilean pesos, according to their indexed value at the reporting date, net of accrued interest. They include commissions to dealers, which form part of the effective interest rate on auto-financing, less any provision for impairment losses.

Receivables generated by brokering are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are created by directly financing a third party.

Impairment losses on trade receivables are provided when there is objective evidence that the Company may not be able to collect all the amounts due in accordance with the original terms.

Indications that the 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.

Renegotiated trade receivables are recognized in the original debtor account and the differentiation is recognized in the application that contains them. The provision does not trigger any accounting amendments, and the value of provisions are recognized in the normal portfolio provision accounts.

As of December 31, 2017 and December 31, 2016, this account is as follows:

a. Current and non-current trade and other receivables:

The consolidated loan portfolio net of provisions at Tanner Servicios Financieros S.A. was ThCh$ 936,815,829 as of December 31, 2017 and ThCh$ 800,748,913 as of December 31, 2016.

NET TRADE AND OTHER RECEIVABLES, CURRENT	12.31.2017 ThCh$	12.31.2016 ThCh$
Factoring receivables	287,618,407	226,860,459
Corporate lending	103,665,436	145,485,185
Auto-financing	134,815,642	105,613,541
Leasing	38,110,632	41,519,367
Sundry receivables	38,773,567	23,405,332
Total	**602,983,684**	**542,883,884**

TRADE AND OTHER RECEIVABLES, NON-CURRENT	12.31.2017 ThCh$	12.31.2016 ThCh$
Factoring receivables	4,081,033	4,199,293
Corporate lending	99,049,965	45,354,398
Auto-financing	167,911,942	136,687,949
Leasing	62,789,205	71,623,389
Total	**333,832,145**	**257,865,029**
Total net assets	**936,815,829**	**800,748,913**

DETAIL	12.31.2017				
	Current portfolio ThCh$	Non-current portfolio ThCh$	Total gross portfolio ThCh$	Provision ThCh$	Total net portfolio ThCh$
Factoring receivables	293,028,302	4,081,033	297,109,335	(5,409,895)	291,699,440
Corporate lending	107,275,653	99,049,965	206,325,618	(3,610,217)	202,715,401
Auto-financing	146,335,068	167,911,942	314,247,010	(11,519,426)	302,727,584
Leasing	41,886,322	62,789,205	104,675,527	(3,775,690)	100,899,837
Sundry receivables	38,773,567	-	38,773,567	-	38,773,567
Total	**627,298,912**	**333,832,145**	**961,131,057**	**(24,315,228)**	**936,815,829**

DETAIL	12.31.2016				
	Current portfolio ThCh$	Non-current portfolio ThCh$	Total gross portfolio ThCh$	Provision ThCh$	Total net portfolio ThCh$
Factoring receivables	233,928,283	4,199,293	238,127,576	(7,067,824)	231,059,752
Corporate lending	147,771,735	45,354,398	193,126,133	(2,286,550)	190,839,583
Auto-financing	115,428,717	136,687,949	252,116,666	(9,815,176)	242,301,490
Leasing	45,716,698	71,623,389	117,340,087	(4,197,331)	113,142,756
Sundry receivables	23,405,332	-	23,405,332	-	23,405,332
Total	**566,250,765**	**257,865,029**	**824,115,794**	**(23,366,881)**	**800,748,913**

Sundry receivables as of December 31, 2017 and December 31, 2016 are as follows:

SUNDRY RECEIVABLES	12.31.2017 ThCh$	12.31.2016 ThCh$
Account receivable-net (1)	15,311,154	12,739,558
Receivables from simultaneous operations (2)	15,261,186	2,355,845
Brokerage receivables	3,169,266	1,232,413
Floor planning (3)	2,944,454	5,129,913
Advances to suppliers	1,321,269	1,735,977
Fixed income portfolio debtors	566,416	9,621
Other receivables	105,228	99,125
Cash advaces and loans to staff	94,594	102,880
Total	**38,773,567**	**23,405,332**

1) These are mainly advances made under real estate leasing transactions to the subsidiary Tanner Leasing S.A., receivables from insurance companies at the subsidiary Tanner Corredora de Seguros Ltda. receivables at the subsidiary Tanner Leasing Vendor Ltda., and receivables at the subsidiary Tanner Corredores de Bolsa S.A., etc.

2) Simultaneous transaction debtors and financial brokerage debtors are transactions generated by the subsidiary Tanner Corredores de Bolsa S.A., which mature in less than 90 days (on average).

3) Purchase of vehicles with resale agreement.

b. Overdue Installments

Installments overdue are unpaid capital and interest that form part of the installment. The value overdue for factoring transactions is the entire unpaid balance of the debt.

INSTALLMENTS OVERDUE	Range in days	Factoring 12.31.2017 ThCh$	Corporate lending 12.31.2017 ThCh$	Auto-financing 12.31.2017 ThCh$	Leasing 12.31.2017 ThCh$	Total 12.31.2017 ThCh$
Overdue	1-30 days	27,042,003	1,718,789	2,598,456	718,994	32,078,242
Overdue	31-60 days	1,109,824	539,364	1,241,705	447,196	3,338,089
Overdue	61-90 days	398,197	142,861	723,142	217,919	1,482,119
Overdue	91-120 days	421,923	206,530	570,289	202,447	1,401,189
Overdue	121-150 days	795,616	325,846	424,934	161,189	1,707,585
Overdue	151-180 days	430,579	306,002	324,847	138,440	1,199,868
Overdue	181-210 days	786,037	158,489	287,092	313,299	1,544,917
Overdue	211-250 days	780,842	248,760	298,556	145,117	1,473,275
Overdue	>250 days	5,828,371	1,922,979	586,323	1,571,433	9,909,106
Total		**37,593,392**	**5,569,620**	**7,055,344**	**3,916,034**	**54,134,390**

INSTALLMENTS OVERDUE	Range in days	Factoring 12.31.2016 ThCh$	Corporate lending 12.31.2016 ThCh$	Auto-financing 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	878,328	28,864,032
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	156,503	876,079
Overdue	211-250 days	303,103	273,882	274,903	502,831	1,354,719
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**	**3,678,385**	**51,576,796**

As of December 31, 2017 71.93% of the expired factoring documents were within the range 1 to 30 days overdue (63.84% as of December 31, 2016), which is normal for this product.

c. Portfolio Composition

As of December 31, 2017 and 2016 the portfolio composition by product was as follows: The values contained in each overdue range included in this table, include the interest and principal overdue, plus the unpaid balance of the transaction.

1. Factoring Portfolio

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2017

Overdue ranges	Nº of customers in non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh$	Nº of customers in negotiated portfolio	Gross renegotiated portfolio ThCh$
Not yet due	2,968	254,344,387	41	5,171,558
1-30 days	640	26,901,365	12	140,638
31-60 days	189	919,469	14	190,354
61-90 days	129	325,120	11	73,077
91-120 days	78	358,780	10	63,143
121-150 days	69	707,058	10	88,559
151-180 days	72	359,665	9	70,914
181-210 days	57	725,656	8	60,381
211-250 days	60	661,039	7	119,802
>250 days	179	5,631,272	6	197,098
Total	**4,441**	**290,933,811**	**128**	**6,175,524**

PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2017

Provision for non-renegotiated portfolio ThCh$	Provisios for renegotiated portfolio ThCh$	Total provision ThCh$	Write offs in the period ThCh$	Recoveries in the period ThCh$
4,619,062	790,833	5,409,895	5,839,891	1,798,205

REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2017

			Number of Docs.	Portfolio value ThCh$
Collectable documents contested			1,435	4,527,940
Collectable documents in judicial collection(*)			247	7,276,737

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2016

Overdue ranges	Nº of customers in non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh$	Nº of customers in negotiated portfolio	Gross renegotiated portfolio ThCh$
Not yet due	2,095	198,731,967	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**	**235,709,574**	**88**	**2,418,002**

PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2016

Provision for non-renegotiated portfolio ThCh$	Provisios for renegotiated portfolio ThCh$	Total provision ThCh$	Write offs in the period ThCh$	Recoveries in the period ThCh$
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 contested			1,329	3,261,490
Collectable documents in judicial collection (*)			216	10,051,508

(*) Only includes the judgments for this portfolio.

2. Corporate lending Portfolio

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2017

Overdue ranges	Nº of customers in non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh$	No. of customers in negotiated portfolio	Gross renegotiated portfolio ThCh$
Not yet due	368	191,517,559	22	2,362,136
1-30 days	188	5,660,330	30	1,368,344
31-60 days	33	708,566	1	4,750
61-90 days	13	83,141	7	83,918
91-120 days	12	352,723	6	242,494
121-150 days	5	64,406	3	188,200
151-180 days	9	275,670	6	125,503
181-210 days	6	155,153	1	29,596
211-250 days	11	268,364	5	27,593
>250 days	129	2,553,392	10	253,779
Total	**774**	**201,639,304**	**91**	**4,686,313**

PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2017

Provision for non-renegotiated portfolio ThCh$	Provision for renegotiated portfolio ThCh$	Total provision ThCh$	Write offs in the period ThCh$	Recoveries in the period ThCh$
2,911,995	698,222	3,610,217	1,692,146	-

REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2017

			Number of Clients	Portfolio value ThCh$
Collectable documents contested			-	-
Collectable documents in judicial collection(*)			115	2,536,161

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2016

Overdue ranges	Nº of customers in non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh$	Nº of customers in negotiated portfolio	Gross renegotiated portfolio ThCh$
Not yet due	740	171,266,258	18	6,224,778
1-30 days	314	11,173,105	7	574,768
31-60 days	43	407,658	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**	**185,703,868**	**42**	**7,422,265**

PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2016

Provision for non-renegotiated portfolio ThCh$	Provision for renegotiated portfolio ThCh$	Total provision ThCh$	Write offs in the period ThCh$	Recoveries in the period ThCh$
1,989,366	297,184	2,286,550	-	-

REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2016

			Number of Clients	Portfolio value ThCh$
Collectable documents contested			-	-
Collectable documents in judicial collection(*)			147	2,642,036

(*) Only includes the judgments for this portfolio.

3. Auto-financing Portfolio

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2017				
Overdue ranges	No.of customers in non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh$	No. of customers in negotiated portfolio	Gross renegotiated portfolio ThCh$
Not yet due	41,559	240,261,709	754	3,133,248
1-30 days	6,793	33,092,081	327	1,549,832
31-60 days	2,711	12,264,333	221	1,042,533
61-90 days	1,247	5,297,168	94	471,355
91-120 days	768	3,239,703	76	282,077
121-150 days	577	2,568,539	41	232,522
151-180 days	365	1,515,566	34	140,843
181-210 days	364	1,726,092	38	126,236
211-250 days	334	1,437,493	34	163,946
>250 days	1,267	5,435,578	102	266,157
Total	**55,985**	**306,838,262**	**1,721**	**7,408,749**

PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2017				
Provision for non-renegotiated portfolio ThCh$	Provision for renegotiated portfolio ThCh$	Total provision ThCh$	Write offs in the period ThCh$	Recoveries in the period ThCh$
10,638,112	881,314	11,519,426	12,467,669	3,286,666

REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2017				
			Number of Clients	Portfolio value ThCh$
Collectable documents contested			120	190,372
Collectable documents in judicial collection(*)			3,511	17,082,404

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2016				
Overdue ranges	No.of customers in non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh$	No. of customers in negotiated portfolio	Gross renegotiated portfolio ThCh$
Not yet due	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 ThCh$	Provision for renegotiated portfolio ThCh$	Total provision ThCh$	Write offs in the period ThCh$	Recoveries in the period ThCh$
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 Clients	Portfolio value ThCh$
Collectable documents contested			25	18,728
Collectable documents in judicial collection(*)			3,104	13,914,682

(*) Only includes the judgments for this portfolio.

4. Leasing Portfolio

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2017				
Overdue ranges	No.of customers in non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh$	No. of customers in negotiated portfolio	Gross renegotiated portfolio ThCh$
Not yet due	468	75,153,740	13	314,814
1-30 days	170	13,379,704	14	1,836,385
31-60 days	58	4,312,879	7	514,446
61-90 days	13	359,346	3	411,122
91-120 days	15	878,341	2	254,438
121-150 days	8	368,016	-	-
151-180 days	14	323,569	1	25,191
181-210 days	14	1,154,124	1	19,646
211-250 days	9	398,335	1	48,324
>250 days	78	4,332,667	9	590,440
Total	**847**	**100,660,721**	**51**	**4,014,806**

PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2017				
Provision for non-renegotiated portfolio ThCh$	Provision for renegotiated portfolio ThCh$	Total provision ThCh$	Write offs in the period ThCh$	Recoveries in the period ThCh$
3,120,212	655,478	3,775,690	3,098,524	366,247

REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2017				
			Number of Clients	Portfolio value ThCh$
Collectable documents contested			-	-
Collectable documents in judicial collection(*)			136	12,100,008

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2016				
Overdue ranges	No.of customers in non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh$	No. of customers in negotiated portfolio	Gross renegotiated portfolio ThCh$
Not yet due	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	1,029,477	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**	**107,233,779**	**93**	**10,106,308**

PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2016				
Provision for non-renegotiated portfolio ThCh$	Provision for renegotiated portfolio ThCh$	Total provision ThCh$	Write offs in the period ThCh$	Recoveries in the period ThCh$
3,889,764	307,567	4,197,331	3,337,183	653,337

REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2016				
			Number of Clients	Portfolio value ThCh$
Collectable documents contested			-	-
Collectable documents in judicial collection(*)			176	8,570,959

(*) Only includes the judgments for this portfolio.

5. Total Portfolio

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2017				
Overdue ranges	No. of customers in non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh$	No. of customers in negotiated portfolio	Gross renegotiated portfolio ThCh$
Not yet due	45,363	761,277,395	830	10,981,756
1-30 days	7,791	79,033,480	383	4,895,199
31-60 days	2,991	18,205,247	243	1,752,083
61-90 days	1,402	6,064,775	115	1,039,472
91-120 days	873	4,829,547	94	842,152
121-150 days	659	3,708,019	54	509,281
151-180 days	460	2,474,470	50	362,451
181-210 days	441	3,761,025	48	235,859
211-250 days	414	2,765,231	47	359,665
>250 days	1,653	17,952,909	127	1,307,474
Total	**62,047**	**900,072,098**	**1,991**	**22,285,392**

PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2017				
Provision for non-renegotiated portfolio ThCh$	Provision for renegotiated portfolio ThCh$	Total provision ThCh$	Write offs in the period ThCh$	Recoveries in the period ThCh$
21,289,381	3,025,847	24,315,228	23,098,231	5,451,118

REJECTS AND JUDICIAL COLLECTIONS AS OF DECEMBER 31, 2017				
			Number of Clients	Portfolio value ThCh$
Collectable documents contested			1,555	4,718,312
Collectable documents in judicial collection(*)			4,009	38,995,310

UNSECURED PORTFOLIO AS OF DECEMBER 31, 2016				
Overdue ranges	No. of customers in non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh$	No. of customers in negotiated portfolio	Gross renegotiated portfolio ThCh$
Not yet due	39,297	644,433,108	584	15,395,805
1-30 days	8,353	78,069,456	361	5,593,904
31-60 days	3,173	13,614,959	213	1,317,915
61-90 days	1,229	5,969,124	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**	**775,972,725**	**1,632**	**24,737,737**

PROVISIONS, WRITE OFFS AND RECOVERIES AS OF DECEMBER 31, 2016				
Provision for non-renegotiated portfolio ThCh$	Provision for renegotiated portfolio ThCh$	Total provision ThCh$	Write offs in the period ThCh$	Recoveries in the period ThCh$
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 Clients	Portfolio value ThCh$
Collectable documents contested			1,354	3,280,218
Collectable documents in judicial collection(*)			3,643	35,179,185

(*) Only includes the judgments for this portfolio.

d. Unrecoverable receivables provision:

The provisions as of December 31, 2017 and 2016 are as follows:

DETAIL	12.31.2017				
	Factoring ThCh$	Corporate lending ThCh$	Auto-financing(*) ThCh$	Leasing ThCh$	Total ThCh$
Opening balance	7,067,824	2,286,550	9,815,176	4,197,331	23,366,881
Written off	(5,839,891)	(1,692,146)	(12,467,669)	(3,098,524)	(23,098,230)
Released	(1,239,958)	(164,118)	-	(216,826)	(1,620,902)
New	5,421,920	3,179,931	14,171,919	2,893,709	25,667,479
Closing balance	**5,409,895**	**3,610,217**	**11,519,426**	**3,775,690**	**24,315,228**

DETAIL	12.31.2016				
	Factoring ThCh$	Corporate lending ThCh$	Auto-financing(*) 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**

* The automotive portfolio shows the net amount including the provision released and added.

I. Provision criteria by product

Unrecoverable receivables provision policy:

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

1. Factoring portfolio and protested checks:

This provision applies to the default portfolio. This is defined as over 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 to 45	10%
46 to 60	30%
61 to 150	40%
151 to 300	50%
301 and beyond	60%

(*) Includes rejected checks.

RENEGOTIATED	
Days overdue	%
1 to 15	15%
16 to 30	45%
31 to 60	55%
61 to 120	80%
121 and beyond	85%

2. Corporate lending Portfolio :

A percentage is applied to the balance due, depending on the number of days that the customer is overdue. A table of provision factors that depend on overdue range of loans without a guarantee. The real estate leasing provision applies to cases with a mortgage guarantee.

CORPORATE LENDING		REAL ESTATE	
Days overdue	%	Days overdue	%
16 to 30	1%	31 to 90	1%
31 to 45	15%	91 to 210	5%
46 to 60	25%	211 and beyond	15%
61 to 90	40%		
91 to 120	65%		
121 to 150	75%		
151 to 180	80%		
181 and beyond	85%		

3. Auto-financing portfolio:

The Risk Management department is constantly assessing its entire loan portfolio, in order to promptly establish sufficient provisions to cover unrecoverable losses on loans.

Provisions for the auto-financing business uses variables that cover the following areas:

• Demographics: captured in the initial assessment of the transaction. Age, branch, etc.

• Product conditions: captured when the transaction took place.

Traditional sales channel (amicar, dealer) or companies, loan, direct debit, new or used vehicle, agreed deposit, agreed installments, amount, etc.

• Internal behavior: Information on how the customer's current payment history, recovery history, overdue payments, payment amount, installments paid, installments in judicial collection, normal or renegotiated terms, etc.

In addition, the Risk Management department reviews possible population changes in new loans, associated for example with changes in risk policy or with new products. This helps to calibrate the provision factors and comply with the minimum assumptions of the model.

4. Leasing Portfolio:

Leasing receivables are initially classified by leased 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, and after 30 days delay for those classified as real estate. The provision is a percentage of the total outstanding balance, depending on the overdue installments in ranges, as follows:

REAL ESTATE		MACHINERY, EQUIPMENT AND VEHICLES	
Days overdue	%	Days overdue	%
31 to 90	1%	16 to 30	2%
91 to 210	5%	31 to 45	10%
211 and beyond	15%	46 to 60	12%
		61 to 90	20%
		91 to 150	35%
		151 and beyond	70%

5. Floor planning contracts:

Tanner Servicios Financieros S.A. has continually evaluated its floor planning portfolio and monitors the units that belong to Tanner and where a significant and recurrent impairment will allow the vehicles belonging to the convention to be removed and immediately non-renewed, following an evaluation of the contracts exposed to that risk and the line of credit. Currently there is no evidence that the floor planning portfolio is impaired, due to failure to meet its financial obligations. Therefore, no provision has been made, given the characteristics of this product and the associated guarantees.

Write off policy for each business segment

Tanner Servicios Financieros S.A. has a financial write off policy which considers a maximum period of 540 days overdue for the factoring, corporate lending and leasing segments (except for real estate leasing). For the auto-financing loan segment, the policy considers a maximum period of 420 days.

e. Leasing transactions, current and non-current

Leasing receivables by currency and maturity were as follows:

DETAIL	Currency	12.31.2017 ThCh$			
		0 - 1 years	1 - 5 years	Over 5 years	Total
Minimum leasing receivables, gross	UF	7,510,533	6,437,144	1,421,657	15,369,334
Minimum leasing receivables, gross	CLP	38,864,094	54,280,753	15,056,384	108,201,231
Minimum leasing receivables, gross	USD	3,856,325	1,015,545	-	4,871,870
Minimum leasing receivables, gross		**50,230,952**	**61,733,442**	**16,478,041**	**128,442,435**
Minimum leasing receivables, interest	UF	(1,086,933)	(1,143,544)	(966,174)	(3,196,651)
Minimum leasing receivables, interest	CLP	(7,043,527)	(9,638,005)	(3,593,939)	(20,275,471)
Minimum leasing receivables, interest	USD	(214,170)	(80,616)	-	(294,786)
Minimum leasing receivables, present value		**(8,344,630)**	**(10,862,165)**	**(4,560,113)**	**(23,766,908)**
Impairment loss provision					(3,775,690)
Total minimum leasing receivables, net present value					**100,899,837**

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	CLP	14,295,954	13,328,887	1,254,951	28,879,792
Minimum leasing receivables, gross	USD	946,216	302,148	-	1,248,364
Minimum leasing receivables, gross		**53,621,014**	**75,923,035**	**12,016,157**	**141,560,206**
Minimum leasing receivables, interest	UF	(7,182,718)	(8,985,556)	(3,060,907)	(19,229,181)
Minimum leasing receivables, interest	CLP	(2,139,420)	(1,683,422)	(1,099,006)	(4,921,848)
Minimum leasing receivables, interest	USD	(52,241)	(16,849)	-	(69,090)
Minimum leasing receivables, present value		**(9,374,379)**	**(10,685,827)**	**(4,159,913)**	**(24,220,119)**
Impairment loss provision					(4,197,331)
Total minimum leasing receivables, net present value					**113,142,756**

NOTE 11

ASSETS AND LIABILITIES BY CURRENCY

The balances by currency as of December 31, 2017 and 2016 were as follows:

Year 2017

STATEMENT OF FINANCIAL POSITION, CLASSIFIED (CONSOLIDATED)	DECEMBER 31, 2017					
	CLP ThCh$	USD ThCh$	EUR ThCh$	CHF ThCh$	UF ThCh$	Total ThCh$
Current assets						
Cash and cash equivalents	25,528,534	59,048,348	58,879	-	-	84,635,761
Other financial assets, current	46,692,322	2,427,970	-	-	-	49,120,292
Other non-financial assets, current	1,480,183	66,775	-	-	-	1,546,958
Trade and other accounts receivable, current	476,328,498	81,895,002	-	-	44,760,184	602,983,684
Accounts receivable from related entities, current	452,439	-	-	-	-	452,439
Current tax assets	13,838,589	-	-	-	-	13,838,589
Non-current assets or disposal groups classified as held for sale	6,215,614	-	-	-	-	6,215,614
Total current assets	**570,536,179**	**143,438,095**	**58,879**	**-**	**44,760,184**	**758,793,337**
Non-current assets						
Other financial assets, non-current	7,851,268	14,434,430	-	-	-	22,285,698
Other non-financial assets, non-current	1,400,503	4,816,672	-	-	-	6,217,175
Trade and other receivables, non-current	195,745,841	924,756	-	-	137,161,548	333,832,145
Accounts receivable from related parties, non-current	611,037	-	-	-	-	611,037
Investments accounted for using equity method	-	-	-	-	-	-
Intangible assets other than goodwill	3,508,785	-	-	-	-	3,508,785
Goodwill	1,763,525	-	-	-	-	1,763,525
Property, plant and equipment	3,340,935	-	-	-	-	3,340,935
Investment property	3,145,567	-	-	-	-	3,145,567
Deferred tax assets	38,347,422	-	-	-	-	38,347,422
Total non-current assets	**255,714,883**	**20,175,858**	**-**	**-**	**137,161,548**	**413,052,289**
Total assets	**826,251,062**	**163,613,953**	**58,879**	**-**	**181,921,732**	**1,171,845,626**
Current liabilities						
Other financial liabilities, current	153,236,391	179,307,058	-	1,422,728	30,909,165	364,875,342
Trade and other payables	65,825,963	4,829,369	-	-	-	70,655,332
Accounts payable to related parties, current	-	-	-	-	-	-
Other short-term provisions	1,657,799	-	-	-	-	1,657,799
Current tax liabilities	5,598,065	-	-	-	-	5,598,065
Other non-financial liabilities, current	8,977	-	-	-	-	8,977
Total current liabilities	**226,327,195**	**184,136,427**	**-**	**1,422,728**	**30,909,165**	**442,795,515**
Non-current liabilities						
Other financial liabilities, non-current	8,026,280	74,531,306	-	155,974,069	212,582,155	451,113,810
Accounts payable, non-current	-	-	-	-	-	-
Deferred tax liabilities	8,455,779	-	-	-	-	8,455,779
Total non-current liabilities	**16,482,059**	**74,531,306**	**-**	**155,974,069**	**212,582,155**	**459,569,589**
Total liabilities	**242,809,254**	**258,667,733**	**-**	**157,396,797**	**243,491,320**	**902,365,104**
Total equity	**269,480,522**					**269,480,522**
Currency differentials	**313,961,286**	**(95,053,780)**	**58,879**	**(157,396,797)**	**(61,569,588)**	**-**
Hedges*	**(377,243,100)**	**92,707,438**	**-**	**157,396,797**	**127,157,083**	**-**
Net exposure	**(63,281,814)**	**(2,346,342)**	**58,879**	**-**	**65,587,495**	**-**

(*) Hedging instruments to comply with risk management policies established by the Company, which are monitored by the Assets and Liabilities Committee (ALCO).

Tanner

Year 2016

STATEMENT OF FINANCIAL POSITION, CLASSIFIED (CONSOLIDATED)	DECEMBER 31, 2016					
	CLP ThCh$	USD ThCh$	EUR ThCh$	CHF ThCh$	UF ThCh$	Total ThCh$
Current assets						
Cash and cash equivalents	18,927,350	12,698,211	6,618	-	-	31,632,179
Other financial assets, current	43,921,027	507,611	-	-	49,114	44,477,752
Other non-financial assets, current	2,002,175	72,719	-	-	-	2,074,894
Trade and other accounts receivable, current	374,103,976	72,457,497	-	-	96,322,411	542,883,884
Accounts receivable from related entities, current	340,993	-	-	-	-	340,993
Current tax assets	16,442,893	-	-	-	-	16,442,893
Non-current assets or disposal groups classified as held for sale	2,260,078	-	-	-	-	2,260,078
Total current assets	**457,998,492**	**85,736,038**	**6,618**	**-**	**96,371,525**	**640,112,673**
Non-current assets						
Other financial assets, non-current	8,357,747	46,233,979	-	-	-	54,591,726
Otros activos no financieros no corrientes	1,220,357	3,579,005	-	-	-	4,799,362
Trade and other receivables, non-current	162,553,579	16,221,673	-	-	79,089,777	257,865,029
Accounts receivable from related parties, non-current	13,364	-	-	-	-	13,364
Investments accounted for using equity method	-	-	-	-	-	-
Intangible assets other than goodwill	1,853,093	-	-	-	-	1,853,093
Goodwill	1,763,525	-	-	-	-	1,763,525
Property, plant and equipment	4,545,434	-	-	-	-	4,545,434
Investment properties	-	-	-	-	-	-
Deferred tax assets	35,513,697	-	-	-	-	35,513,697
Total non-current assets	**215,820,796**	**66,034,657**	**-**	**-**	**79,089,777**	**360,945,230**
Total assets	**673,819,288**	**151,770,695**	**6,618**	**-**	**175,461,302**	**1,001,057,903**
Current liabilities						
Other financial liabilities, current	90,869,951	25,003,996	-	274,510	74,397,946	190,546,403
Trade and other payables	41,918,328	8,923,426	-	-	85,917	50,927,671
Accounts payable to related parties, current	-	-	-	-	-	-
Other short-term provisions	2,540,462	-	-	-	-	2,540,462
Current tax liabilities	4,713,260	-	-	-	-	4,713,260
Other non-financial liabilities, current	-	-	-	-	-	-
Total current liabilities	**140,042,001**	**33,927,422**	**-**	**274,510**	**74,483,863**	**248,727,796**
Non-current liabilities						
Other financial liabilities, non-current	-	201,414,010	-	98,197,573	195,898,780	495,510,363
Accounts payable, non-current	-	-	-	-	-	-
Deferred tax liabilities	5,843,870	-	-	-	-	5,843,870
Total non-current liabilities	**5,843,870**	**201,414,010**	**-**	**98,197,573**	**195,898,780**	**501,354,233**
Total liabilities	**145,885,871**	**235,341,432**	**-**	**98,472,083**	**270,382,643**	**750,082,029**
Total equity	**250,975,874**	**-**	**-**	**-**	**-**	**250,975,874**
Currency differentials	**276,957,543**	**(83,570,737)**	**6,618**	**(98,472,083)**	**(94,921,341)**	**-**
Hedges*	**(327,437,563)**	**84,051,590**	**-**	**98,472,083**	**144,913,890**	**-**
Net exposure	**(50,480,020)**	**480,853**	**6,618**	**-**	**49,992,549**	**-**

(*) Hedging instruments to comply with risk management policies established by the Company, which are monitored by the Assets and Liabilities Committee (ALCO).

NOTE 12

RELATED PARTY RECEIVABLES AND PAYABLES

Short-term and long-term receivables from related companies were as follows:

• In March 2017 the Company granted loans to minority shareholders. They will be repaid in annual installments from March 2018 until March 2022, without any inflation adjustments and with an average nominal interest rate of 9.6% per annum.

• In April 2017 the Company renewed bullet loans granted to minority shareholders that fall due in March 2018, without any inflation adjustments and with an average nominal interest rate of 7.8% per annum.

• In November 2017 the Company granted loans to minority shareholders. They will be repaid in annual installments from November 2018 until November 2022, without any inflation adjustments and with a maximum interest rate of 12% per annum.

• The amounts presented in the table of transactions with related companies and individuals are Board fees, Credit Committee fees and assessments, which are amounts paid monthly without interest.

• The outstanding balances at the end of each reporting date are normal business transactions that are paid in the short-term and do not include interest, such as commercial current account transfers, which are paid during the same month.

• There were no unrecoverable receivable provisions on these outstanding balances at the reporting dates.

• All the outstanding balances at the close of each period were not overdue.

As of December 31, 2017 and 2016 there were no payables to related entities.

Significant balances and transactions with related parties were as follows:

a. Related Company receivables:

Chilean ID number	Company	Country of origin	Relationship	Currency	Current		Non-current	
					12.31.2017 ThCh$	12.31.2016 ThCh$	12.31.2017 ThCh$	12.31.2016 ThCh$
76.066.686-6	Inversiones Anita e Hijos Ltda.	Chile	Parent shareholder	CLP	27,779	34,546	-	6,522
96.501.470-5	E. Bertelsen Asesorias S.A.	Chile	Parent shareholder	CLP	16,065	16,361	-	-
76.010.029-3	Inversora Quillota Dos S.A.	Chile	Parent shareholder	CLP	273,706	278,765	-	-
76.276.892-5	Inversiones Alevi Ltda.	Chile	Parent shareholder	CLP	-	11,321	-	6,842
9.389.707-2	Luis Patricio Flores Cuevas	Chile	Subsidiary shareholder	CLP	101,195	-	437,601	-
15.639.639-7	Sebastián Matías Zarzar Ives	Chile	Subsidiary shareholder	CLP	33,694	-	173,436	-
	Total				**452,439**	**340,993**	**611,037**	**13,364**

These loans were granted to executives and shareholders of the Company, and their shares were provided as guarantees.

b. Transactions with related companies and individuals:

Chilean ID number	Company	Country of origin	Relationship	Currency	Transaction	12.31.2017 ThCh$	12.31.2016 ThCh$
4.465.911-5	Eduardo Massu Massu	Chile	Director	UF	Remuneration for Board and Committees	61,158	43,023
4.778.406-9	Fernando Tafra Sturiza	Chile	Director	UF	Remuneration for Board and Committees	14,516	68,955
6.420.113-1	Ricardo Massu Massu	Chile	Director	UF	Remuneration for Board and Committees	78,426	80,036
6.735.614-4	Jorge Sabag Sabag	Chile	Director	UF	Remuneration for Board and Committees	94,378	78,138
6.066.143-K	Jorge Bunster Betteley	Chile	Director	UF	Remuneration for Board and Committees	38,536	59,863
7.011.397-K	Pablo Miguel Eguiguren Bravo	Chile	Director	UF	Remuneration for Board and Committees	47,822	13,146
6.941.260-2	Óscar Alberto Cerda Urrutia	Chile	Director	UF	Remuneration for Board and Committees	74,409	-
9.389.707-2	Luis Patricio Flores Cuevas	Chile	Subsidiary shareholder	CLP	Loan	538,797	200,481
15.639.639-7	Sebastián Matías Zarzar Ives	Chile	Subsidiary shareholder	CLP	Loan	207,130	-

Note: Includes participation in Audit Committees and Credit Committees.

c. The Company's Board and Management

As of December 31, 2017, the Board of Directors was as follows:

1. Jorge Bunster Betteley
2. Oscar Cerda Urrutia
3. Martín Díaz Plata
4. Pablo Eguiguren Bravo
5. Eduardo Massu Massu
6. Ricardo Massu Massu
7. Jorge Sabag Sabag

The organizational structure comprises the positions of Chief Executive Officer, Controller, General Councel, Corporate Division Manager, Auto-financing Division Manager, Finance Manager, Operations, Technology and Administration Manager, Risk and Standardization Manager, and the Talent 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 53.1272% of the Company. This company does not present financial statements to the Superintendent of Securities and Insurance, now Financial Market Commission (CMF) as it is not registered in the Superintendent's Securities Register.

Remuneration of Senior Executives

As of December 31, 2017 and 2016, the Company paid its Senior Executives as follows:

DETAIL	12.31.2017 ThCh$	12.31.2016 ThCh$
Management Remuneration (*)	4,159,293	3,934,650
Total	**4,159,293**	**3,934,650**

(*) Includes the remuneration for managers and assistant managers.

NOTE 13

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

Non-current assets held for sale as of December 31, 2017 and 2016 were as follows:

INVENTORY	12.31.2017 ThCh$	12.31.2016 ThCh$
Goods received in payment	6,215,614	2,260,078
Total	**6,215,614**	**2,260,078**

NOTE 14

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment and its accumulated depreciation at the reporting dates were as follows:

PROPERTY, PLANT AND EQUIPMENT, GROSS	12.31.2017 ThCh$	12.31.2016 ThCh$
Technological equipment	3,428,599	3,234,536
Remodeling	2,873,549	2,117,462
Office furniture	912,027	858,142
Office equipment	581,084	575,646
Leased goods(*)	418,762	3,095,610
Other property, plant and equipment	204,218	195,189
Buildings	154,514	154,514
Total	**8,572,753**	**10,231,099**

ACCUMULATED DEPRECIATION AND IMPAIRMENT PROPERTY, PLANT AND EQUIPMENT	12.31.2017 ThCh$	12.31.2016 ThCh$
Technological equipment	2,147,151	1,856,703
Remodeling	1,401,265	1,363,261
Office furniture	710,412	626,366
Office equipment	512,355	475,864
Leased goods(*)	221,038	1,149,755
Other property, plant and equipment	183,972	176,633
Buildings	55,625	37,083
Total	**5,231,818**	**5,685,665**

PROPERTY, PLANT AND EQUIPMENT, NET	12.31.2017 ThCh$	12.31.2016 ThCh$
Technological equipment	1,281,448	1,377,833
Remodeling	1,472,284	754,201
Office furniture	201,615	231,776
Office equipment	197,724	1,945,855
Leased goods(*)	98,889	117,431
Other property, plant and equipment	68,729	99,782
Buildings	20,246	18,556
Total	**3,340,935**	**4,545,434**

(*) The leasing assets recorded by the Company are operating lease contracts, which are related to subsidiary Tanner Leasing Vendor Limitada.

Movements and balances as of December 31, 2017 and 2016 were as follows:

Year 2017

AS OF DECEMBER 31, 2017	Buildings ThCh$	Technological equipment ThCh$	Leased goods ThCh$	Office furniture ThCh$	Office equipment ThCh$	Remodeling ThCh$	Other property, plant and equipment ThCh$	Total ThCh$
Opening balance as of 01.01.2017	154,514	3,234,536	3,095,610	858,142	575,646	2,117,462	195,189	10,231,099
Acquisitions	-	194,063	-	53,885	5,438	756,087	9,029	1,018,502
Disposals / Withdrawals / Reclassifications	-	-	(2,676,847)	-	-	-	-	(2,676,847)
Gross balance as of 12.31.2017	**154,514**	**3,428,599**	**418,763**	**912,027**	**581,084**	**2,873,549**	**204,218**	**8,572,754**
Depreciation balance as of 01.01.2017	(37,083)	(1,856,703)	(1,149,755)	(626,366)	(475,864)	(1,363,261)	(176,633)	(5,685,665)
Depreciation	(18,542)	(290,448)	(213,200)	(84,046)	(36,491)	(38,004)	(7,339)	(688,070)
Disposals / Sales	-	-	1,141,916	-	-	-	-	1,141,916
Depreciation balance as of 12.31.2017	**(55,625)**	**(2,147,151)**	**(221,039)**	**(710,412)**	**(512,355)**	**(1,401,265)**	**(183,972)**	**(5,231,819)**
Net value as of 12.31.2017	**98,889**	**1,281,448**	**197,724**	**201,615**	**68,729**	**1,472,284**	**20,246**	**3,340,935**

Year 2016

AS OF DECEMBER 31, 2016	Buildings ThCh$	Technological equipment ThCh$	Leased goods ThCh$	Office furniture ThCh$	Office equipment ThCh$	Remodeling ThCh$	Other property, plant and equipment ThCh$	Total ThCh$
Opening balance as of 01.01.2016	154,514	2,415,300	3,095,610	813,455	553,909	1,416,674	195,189	8,644,651
Acquisitions	-	819,236	-	44,687	21,737	700,788	-	1,586,448
Disposals / Withdrawals / Reclassifications	-	-	-	-	-	-	-	-
Gross balance as of 12.31.2016	**154,514**	**3,234,536**	**3,095,610**	**858,142**	**575,646**	**2,117,462**	**195,189**	**10,231,099**
Depreciation balance as of 01.01.2016	(18,542)	(1,539,305)	(871,480)	(531,328)	(414,846)	(828,115)	(170,360)	(4,373,976)
Depreciation	(18,541)	(317,398)	(278,275)	(95,038)	(61,018)	(535,146)	(6,273)	(1,311,689)
Disposals / Sales	-	-	-	-	-	-	-	-
Depreciation balance as of 12.31.2016	**(37,083)**	**(1,856,703)**	**(1,149,755)**	**(626,366)**	**(475,864)**	**(1,363,261)**	**(176,633)**	**(5,685,665)**
Net value as of 12.31.2016	**117,431**	**1,377,833**	**1,945,855**	**231,776**	**99,782**	**754,201**	**18,556**	**4,545,434**

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NOTE 15

INVESTMENT PROPERTIES

Investment properties include a land and building to generate goowill, which as of December 31, 2017 have not generated income from leases.

INVESTMENT PROPERTIES	Land ThCh$	Buildings ThCh$	Total ThCh$
Balance as of 01-01-2017	-	-	-
Additions	395,240	2,750,327	3,145,567
Disposals	-	-	-
Depreciation for the period	-	-	-
Book value	**395,240**	**2,750,327**	**3,145,567**

In addition, the period expenses associated with these investment properties total ThCh$ 748 million.

The fair value of investment properties at December 31, 2017 is the equivalent of their carrying amount, considering that they were entered as additions during the second half of 2017.

Management has not shown any evidence of impairment with respect to the value of investment property.

The Company does not pledge or have restrictions on investment property items.

NOTE 16

INCOME TAX, DEFERRED TAX AND CURRENT TAXES

a. Current taxes

Income tax for the consolidated group was as follows:

DETAIL	12.31.2017 ThCh$	12.31.2016 ThCh$
Summary of current tax liabilities (assets)		
Current tax (assets)	(13,838,589)	(16,442,893)
Current tax liabilities	5,598,065	4,713,260
Total	**(8,240,524)**	**(11,729,633)**
Detail of current tax liabilities (assets) (net)		
Plus:		
VAT payable	1,284,047	1,255,570
Income tax provision	4,305,843	3,449,829
Tax provision on disallowable expenses	8,176	7,861
Less:		
Employee training credit (Sence)	(140,462)	(143,341)
Monthly provisional tax payments	(5,628,847)	(9,101,131)
Net VAT recoverable	(1,579,042)	(2,087,612)
Recoverable income taxes	(6,490,239)	(5,110,809)
Total taxes payable (recoverable)	**(8,240,524)**	**(11,729,633)**

b. (Expense) income for current and deferred income tax

DETAIL	01.01.2017 to 12.31.2017 ThCh$	01.01.2016 to 12.31.2016 ThCh$
Income tax expense		
Current year tax	(4,275,939)	(3,464,666)
Deferred tax credit (charge)		
Effect of deferred tax on assets or liabilities	1,703,887	1,168,591
Subtotal	**(2,572,052)**	**(2,296,075)**
Prior year taxes	(8,399)	(268,901)
Net charge for income tax	**(2,580,451)**	**(2,564,976)**

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c. Deferred taxes

Deferred taxes were established in accordance with the policies described in Note 2 o) as follows:

DETAIL	12.31.2017 ThCh$	12.31.2016 ThCh$
Deferred tax assets		
Financial write offs	24,787,348	18,344,713
Leased goods	11,291,445	10,281,193
Unrecoverable receivables provision	6,754,436	5,779,707
Other events	1,075,568	320,741
Vacation provision	271,118	225,921
Comprehensive income	-	52,901
Other provisions	-	508,521
Tax write-offs	(5,832,493)	-
Total deferred tax assets	**38,347,422**	**35,513.697**

DETAIL	12.31.2017 ThCh$	12.31.2016 ThCh$
Deferred tax liabilities		
Advance commissions	7,186,524	5,278,334
Software assets	692,288	239,845
Other events*	576,967	325,691
Total deferred tax liabilities	**8,455,779**	**5,843,870**

* Caused mainly by deferred costs and loss of carry forwards.

d. Reconciliation between the income tax that would result from applying current taxes and the consolidated tax expense.

DETAIL	01.01.2017 to 12.31.2017 ThCh$	01.01.2016 to 12.31.2016 ThCh$
Net income for the year before tax	**27,899,601**	**24,914,786**
Tax expense using statutory rate	(7,114,398)	(5,979,549)
Other effects for permantent differences[1]	1,719,151	2,275,232
Deferred tax rate adjustment	280,909	684,164
Prior year taxes	95,402	409,938
Hedges[2]	570,181	-
Net effect Deferred tax financial/tax write-offs	1,868,386	45,193
Other increase (decrease) in statutory taxes	(82)	46
Income tax expense	**(2,580,451)**	**(2,564,976)**

(1) Price-level restatement performed on the net tax equity.

(2) According to the amendment in force in 2014 with the tax reform (Law 20.780), the valuation of hedging derivative instruments is recognized accrued and uncollected. Therefore, the effect is recognized only in current tax and not as a temporary difference of taxes.

Law 2,780 was published in the Official Bulletin on September 29, 2014. It introduced various changes to the taxation regime and amended the income tax system (the Tax Reform). 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 system is applied. If the taxpayer chooses the attributable income system, 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 Bulletin on February 8, 2016, which establishes that companies with at least one shareholder or partner who is subject to corporate income tax must use the "Partially Integrated Taxation System". Therefore, Tanner Servicios Financieros S.A. selected this taxation system as did all the companies in the group.

NOTE 17

INTANGIBLE ASSETS OTHER THAN GOODWILL

The balances and movements in intangible assets for the periods ended December 31, 2017 and 2016 were as follows:

Year 2017

DETAIL	Software ThCh$	Trademarks ThCh$	Total ThCh$
Opening balance as of 01.01.2017	**2,826,713**	**51,475**	**2,878,188**
Additions	1,959,329	-	1,959,329
Disposals/Withdrawals/Reclassifications	(10)	-	(10)
Closing balance as of 12.31.2017	**4,786,032**	**51,475**	**4,837,507**

AMORTIZATION	Software ThCh$	Trademarks ThCh$	Total ThCh$
Opening balance as of 01.01.2017	**(1,025,095)**	**-**	**(1,025,095)**
Amortization in the period	(303,627)	-	(303,627)
Closing balance as of 12.31.2017	**(1,328,722)**	**-**	**(1,328,722)**
Total	**3,457,310**	**51,475**	**3,508,785**

Year 2016

DETAIL	Software ThCh$	Trademarks ThCh$	Total ThCh$
Opening balance as of 01.01.2016	**1,285,380**	**51,475**	**1,336,855**
Additions	1,541,333	-	1,541,333
Disposals/Withdrawals/Reclassifications	-	-	-
Closing balance as of 12.31.2016	**2,826,713**	**51,475**	**2,878,188**

AMORTIZATION	Software ThCh$	Trademarks ThCh$	Total ThCh$
Opening balance as of 01.01.2016	**(797,857)**	**-**	**(797,857)**
Amortization in the period	(227,238)	-	(227,238)
Closing balance as of 12.31.2016	**(1,025,095)**	**-**	**(1,025,095)**
Total	**1,801,618**	**51,475**	**1,853,093**

The software corresponding to intangible assets is amortized in the period in which it is expected to generate income (average life of three years), as described in Note 2 l), and charged to amortization in the cost of sales in the statement of net income. The remaining identifiable intangible assets have indefinite useful lives.

The additions movement as of December 31, 2017 relates to software acquisitions during the period, which comprises implementing computer systems, acquiring new licenses and renewing current licenses, for a total of ThCh$ 1,959,329 (ThCh$ 1,541,333 in 2016).

NOTE 18

GOODWILL

Acquired assets and liabilities are valued on a provisional basis on the date the Company takes control. 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 known, 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.

The goodwill by CGU as of December 31, 2017 and 2016 was as follows:

Chilean ID Number	CASH GENERATING UNIT	Goodwill	
		12.31.2017 ThCh$	12.31.2016 ThCh$
93.966.000-3	Tanner Investments SpA.	495,555	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.	1,109,410	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 assigned to CGUs is subject to annual impairment testing, or more frequently if there are indications that some of the CGUs are impaired. Value in use has been calculated using cash flow projections over a horizon of 5 years, based on budgets and forecasts revised by Management for the same period and with an average rate of growth of 3%, and a 10% for Tanner Corredores de Bolsa. The discount rate reflects a market evaluation with respect to the specific risks attached to the CGUs. The discount rate used is 6% per annum.

NOTE 19

OTHER FINANCIAL LIABILITIES, CURRENT

Other current financial liabilities were as follows:

OTHER FINANCIAL LIABILITIES, CURRENT	12.31.2017 ThCh$	12.31.2016 ThCh$
Obligations to banks and financial institutions	139,903,801	81,923,108
Obligations to the public (promissory notes)	63,336,375	38,931,179
Obligations to the public (bonds)	128,124,756	50,843,255
Other financial obligations	33,510,410	18,848,861
Total	**364,875,342**	**190,546,403**

Other current financial liabilities valued as undiscounted contractual flows were as follows:

OTHER FINANCIAL LIABILITIES, CURRENT	12.31.2017 ThCh$	12.31.2016 ThCh$
Obligations to banks and financial institutions	144,550,323	84,416,838
Obligations to the public (promissory notes)	63,923,709	41,179,020
Obligations to the public (bonds)	137,727,931	63,634,075
Other financial obligations	33,525,354	19,011,430
Total	**379,727,317**	**208,241,363**

a. Current obligations to banks and financial institutions:

As of December 31, 2017, these were as follows:

Debtor ID number	Debtor	Creditor ID number	Creditor ID number	Creditor	Creditor Country	Repayments	Currency	Maturity	Book value 12.31.2017			Total Book value ThCh$
									0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.645.030-K	Banco Itaú	Chile	One-time	CLP	04-01-18	2,405,299	-	-	2,405,299
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.645.030-K	Banco Itaú	Chile	One-time	CLP	04-01-18	2,505,506	-	-	2,505,506
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.645.030-K	Banco Itaú	Chile	One-time	CLP	04-01-18	2,305,093	-	-	2,305,093
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	One-time	CLP	03-01-18	5,010,335	-	-	5,010,335
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	One-time	CLP	10-01-18	4,009,669	-	-	4,009,669
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	One-time	CLP	04-01-18	3,006,095	-	-	3,006,095
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	One-time	CLP	09-01-18	5,011,935	-	-	5,011,935
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.080.000-K	Banco Bice	Chile	One-time	CLP	03-01-18	3,007,271	-	-	3,007,271
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	One-time	CLP	09-01-18	2,506,135	-	-	2,506,135
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	One-time	CLP	03-01-18	5,011,371	-	-	5,011,371
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	One-time	CLP	23-01-18	3,003,245	-	-	3,003,245
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	One-time	CLP	25-01-18	2,702,585	-	-	2,702,585
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	99.500.410-0	Banco Consorcio	Chile	One-time	CLP	02-01-18	10,508,788	-	-	10,508,788
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.645.030-K	Banco Itaú	Chile	One-time	CLP	09-01-18	2,001,095	-	-	2,001,095
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	One-time	CLP	10-01-18	4,902,295	-	-	4,902,295
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	Banco crédito e Inversiones	Chile	One-time	CLP	11-01-18	3,401,335	-	-	3,401,335
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	One-time	USD	11-01-18	6,158,716	-	-	6,158,716
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	One-time	USD	03-01-18	2,152,357	-	-	2,152,357
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	Banco crédito e Inversiones	Chile	One-time	USD	17-01-18	2,769,677	-	-	2,769,677
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	Banco crédito e Inversiones	Chile	One-time	USD	03-01-18	8,930,373	-	-	8,930,373
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	One-time	USD	01-02-18	7,999,805	-	-	7,999,805
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	One-time	USD	17-01-18	12,305,191	-	-	12,305,191
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	One-time	USD	05-03-18	12,304,598	-	-	12,304,598
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	One-time	USD	23-01-18	4,611,154	-	-	4,611,154
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	One-time	USD	17-01-18	1,527,909	-	-	1,527,904
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	One-time	USD	11-04-18	-	4,731,806	-	4,731,806
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	SMBC	USA	One-time	USD	19-03-18	1,229,500	-	-	1,229,500
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	CII	USA	One-time	USD	16-04-18	54,683	12,443,284	-	12,497,967
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	DEG	Germany	Amortization	USD	15-12-21	-	67,132	-	67,132
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	USA	Amortization	USD	15-05-21	-	806,427	-	806,427
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	USA	One-time	USD	15-05-19	-	513,137	-	513,137
Total									**121,342,015**	**18,561,786**	**-**	**139,903,801**

Note: The following table shows the average annual interest rate.

CURRENT LOAN RATES 12.31.2017			
Creditor	**Currency**	**Annual nominal Rate**	**Annual efective rate**
Chilean	CLP	3.16%	3.16%
Chilean	USD	2.15%	2.15%
International	USD	1.57%	2.43%

The balances as of December 31, 2017 valued as undiscounted flows were as follows:

Debtor ID number	Debtor	Creditor ID number	Creditor ID number	Creditor	Creditor Country	Repayments	Currency	Maturity	Nominal value 12.31.2017			Total Nominal value ThCh$
									0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.645.030-K	Banco Itaú	Chile	One-time	CLP	04-01-18	2,406,094	-	-	2,406,094
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.645.030-K	Banco Itaú	Chile	One-time	CLP	04-01-18	2,506,334	-	-	2,506,334
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.645.030-K	Banco Itaú	Chile	One-time	CLP	04-01-18	2,305,854	-	-	2,305,854
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	One-time	CLP	03-01-18	5,011,535	-	-	5,011,535
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	One-time	CLP	10-01-18	4,013,402	-	-	4,013,402
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	One-time	CLP	04-01-18	3,007,055	-	-	3,007,055
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	One-time	CLP	09-01-18	5,016,285	-	-	5,016,285
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.080.000-K	Banco Bice	Chile	One-time	CLP	03-01-18	3,008,138	-	-	3,008,138
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	One-time	CLP	09-01-18	2,508,310	-	-	2,508,310
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	One-time	CLP	03-01-18	5,012,751	-	-	5,012,751
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	One-time	CLP	23-01-18	3,008,823	-	-	3,008,823
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	One-time	CLP	25-01-18	2,708,210	-	-	2,708,210
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	99.500.410-0	Banco Consorcio	Chile	One-time	CLP	02-01-18	10,510,666	-	-	10,510,666
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.645.030-K	Banco Itaú	Chile	One-time	CLP	09-01-18	2,002,463	-	-	2,002,463
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	One-time	CLP	10-01-18	4,906,215	-	-	4,906,215
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	Banco crédito e Inversiones	Chile	One-time	CLP	11-01-18	3,405,000	-	-	3,405,000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	One-time	USD	11-01-18	6,264,810	-	-	6,264,810
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	One-time	USD	03-01-18	2,255,029	-	-	2,255,029
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	Banco crédito e Inversiones	Chile	One-time	USD	17-01-18	2,875,168	-	-	2,875,168
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	Banco crédito e Inversiones	Chile	One-time	USD	03-01-18	9,034,033	-	-	9,034,033
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	One-time	USD	01-02-18	8,115,335	-	-	8,115,335
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	One-time	USD	17-01-18	12,417,790	-	-	12,417,790
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	One-time	USD	05-03-18	12,452,303	-	-	12,452,303
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	One-time	USD	23-01-18	4,720,148	-	-	4,720,148
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	One-time	USD	17-01-18	1,631,638	-	-	1,631,638
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	One-time	USD	11-04-18	-	4,865,550	-	4,865,550
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	SMBC	USA	One-time	USD	19-03-18	1,229,500	-	-	1,229,500
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	CII	USA	One-time	USD	16-04-18	65,338	12,614,014	-	12,679,352
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	DEG	Germany	Amortization	USD	15-12-21	-	526,235	533,868	1,060,103
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	USA	Amortization	USD	15-05-21	-	1,100,942	1,114,232	2,215,174
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	USA	One-time	USD	15-05-19	-	694,457	702,798	1,397,255
Total									**122,398,227**	**19,801,198**	**2,350,898**	**144,550,323**

As of December 31, 2016, these were as follows.

Debtor ID number	Debtor	Creditor ID number	Creditor ID number	Creditor	Creditor Country	Repayments	Currency	Maturity	Book value 12.31.2016 0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	Total Book value ThCh$
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	04-01-17	1,504,331	-	-	1,504,331
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	04-01-17	2,507,234	-	-	2,507,234
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	03-01-17	3,008,376	-	-	3,008,376
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	05-01-17	3,008,376	-	-	3,008,376
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	03-01-17	2,506,976	-	-	2,506,976
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	05-01-17	1,504,176	-	-	1,504,176
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	03-01-17	902,496	-	-	902,496
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	18-01-17	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	CLP	04-01-17	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	CLP	11-01-17	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	CLP	11-01-17	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	CLP	12-01-17	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	CLP	10-01-17	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	CLP	10-01-17	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	CLP	10-01-17	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	CLP	10-01-17	3,005,814	-	-	3,005,814
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	At maturity	CLP	17-01-17	5,009,892	-	-	5,009,892
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	At maturity	CLP	25-01-17	5,001,142	-	-	5,001,142
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	At maturity	CLP	25-01-17	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	CLP	05-01-17	5,000,528	-	-	5,000,528
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	CAF	Uruguay	At maturity	USD	12-06-17	-	6,700,754	-	6,700,754
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	CII	USA	At maturity	USD	17-04-17	58,021	13,389,433	-	13,447,454
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	DEG	Germany	Amortization at each ins-tallment	USD	16-03-17	2,030,700	-	-	2,030,700
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	USA	Semi-annually, with a three year grace period	USD	15-05-21	-	200,932	-	200,932
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	USA	At maturity	USD	15-05-19	-	125,012	-	125,012
Total									**61,506,977**	**20,416,131**	**-**	**81,923,108**

The balances as of December 31, 2016 valued as undiscounted flows were as follows:

Debtor ID number	Debtor	Creditor ID number	Creditor ID number	Creditor	Creditor Country	Repayments	Currency	Maturity	Nominal value 12.31.2016 0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	Total Nominal value ThCh$
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	04-01-17	1,505,024	-	-	1,505,025
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	04-01-17	2,508,375	-	-	2,508,375
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	03-01-17	3,009,408	-	-	3,009,408
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	05-01-17	3,010,080	-	-	3,010,080
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	03-01-17	2,507,840	-	-	2,507,840
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	05-01-17	1,505,040	-	-	1,505,040
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	03-01-17	902,822	-	-	902,822
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Scotiabank	Chile	At maturity	CLP	18-01-17	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	CLP	04-01-17	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	CLP	11-01-17	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	CLP	11-01-17	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	CLP	12-01-17	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	CLP	10-01-17	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	CLP	10-01-17	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	CLP	10-01-17	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	CLP	10-01-17	3,009,272	-	-	3,009,272
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	At maturity	CLP	17-01-17	5,019,833	-	-	5,019,833
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	At maturity	CLP	25-01-17	5,015,750	-	-	5,015,750
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.032.000-8	BBVA	Chile	At maturity	CLP	25-01-17	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	CLP	05-01-17	5,003,333	-	-	5,003,333
96,667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	CAF	Uruguay	At maturity	USD	12-06-17	-	6,754,912	-	6,754,912
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	CII	USA	At maturity	USD	17-04-17	71,172	13,463,771	-	13,534,943
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	DEG	Germany	Amortization at each installment	USD	16-03-17	2,046,415	-	-	2,046,415
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	USA	Semi-annually, with a three year grace period	USD	15-05-21	-	790,493	803,595	1,594,087
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	USA	At maturity	USD	15-05-19	-	491,758	499,909	991,667
Total									**61,612,400**	**21,500,934**	**1,303,504**	**84,416,838**

Note: The following table shows the average annual interest rate.

12.31.2016			
Creditor	**Currency**	**Annual nominal Rate**	**Annual efective rate**
Chilean	CLP	4.08%	4.10%
International	USD	4.09%	4.09%

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b. Current obligations to the public (promissory notes):

The balances at book value and the undiscounted cash flows as of December 31, 2017 and 2016 were as follows:

Year 2017

Country	Reg. No.	Currency	Repayments	Annual effective rate	Annual nominal rate	Nominal value ThCh$	Promissory note maturity	BOOK VALUE				UNDISCOUNTED FLOWS			
								12.31.2017			Total ThCh$	12.31.2017			Total nominal ThCh$
								0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$		0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	
Chile	Line 107	UF	Single	1,65%	1,65%	1,125,522	05-06-2018	-	1,117,654	-	1,117,654	-	1,125,522	-	1,125,522
Chile	Line 107	UF	Single	1,35%	1,35%	43,842	05-06-2018	-	43,590	-	43,590	-	43,842	-	43,842
Chile	Line 107	UF	Single	1,10%	1,10%	1,296,065	05-06-2018	-	1,289,978	-	1,289,978	-	1,296,065	-	1,296,065
Chile	Line 107	CLP	Single	3,24%	3,24%	163,000	09-01-2018	162,884	-	-	162,884	163,000	-	-	163,000
Chile	Line 107	CLP	Single	3,36%	3,36%	1,337,000	09-01-2018	1,336,011	-	-	1,336,011	1,337,000	-	-	1,337,000
Chile	Line 107	CLP	Single	3,36%	3,36%	4,000,000	06-02-2018	3,986,741	-	-	3,986,741	4,000,000	-	-	4,000,000
Chile	Line 107	CLP	Single	3,24%	3,24%	255,000	13-02-2018	254,027	-	-	254,027	255,000	-	-	255,000
Chile	Line 107	CLP	Single	3,36%	3,36%	2,745,000	13-02-2018	2,734,139	-	-	2,734,139	2,745,000	-	-	2,745,000
Chile	Line 107	CLP	Single	3,36%	3,36%	2,000,000	23-01-2018	1,995,943	-	-	1,995,943	2,000,000	-	-	2,000,000
Chile	Line 107	CLP	Single	3,36%	3,36%	2,000,000	09-01-2018	1,998,523	-	-	1,998,523	2,000,000	-	-	2,000,000
Chile	Line 107	CLP	Single	3,36%	3,36%	1,000,000	16-01-2018	998,616	-	-	998,616	1,000,000	-	-	1,000,000
Chile	Line 107	CLP	Single	3,24%	3,24%	163,000	23-01-2018	162,681	-	-	162,681	163,000	-	-	163,000
Chile	Line 107	CLP	Single	3,36%	3,36%	50,000	23-01-2018	49,899	-	-	49,899	50,000	-	-	50,000
Chile	Line 107	CLP	Single	3,36%	3,36%	500,000	09-01-2018	499,630	-	-	499,630	500,000	-	-	500,000
Chile	Line 107	CLP	Single	3,24%	3,24%	25,000	16-01-2018	24,967	-	-	24,967	25,000	-	-	25,000
Chile	Line 107	CLP	Single	3,36%	3,36%	1,975,000	16-01-2018	1,972,265	-	-	1,972,265	1,975,000	-	-	1,975,000
Chile	Line 107	CLP	Single	3,36%	3,36%	787,000	23-01-2018	785,402	-	-	785,402	787,000	-	-	787,000
Chile	Line 107	CLP	Single	3,48%	3,48%	2,000,000	03-04-2018	-	1,982,476	-	1,982,476	-	2,000,000	-	2,000,000
Chile	Line 107	CLP	Single	3,48%	3,48%	3,000,000	03-04-2018	-	2,973,711	-	2,973,711	-	3,000,000	-	3,000,000
Chile	Line 107	CLP	Single	3,48%	3,48%	4,000,000	10-04-2018	-	3,962,350	-	3,962,350	-	4,000,000	-	4,000,000
Chile	Line 107	CLP	Single	3,48%	3,48%	2,500,000	17-04-2018	-	2,474,812	-	2,474,812	-	2,500,000	-	2,500,000
Chile	Line 107	CLP	Single	3,48%	3,48%	2,000,000	24-04-2018	-	1,978,533	-	1,978,533	-	2,000,000	-	2,000,000
Chile	Line 107	CLP	Single	3,48%	3,48%	1,400,000	24-04-2018	-	1,384,959	-	1,384,959	-	1,400,000	-	1,400,000
Chile	Line 107	CLP	Single	3,48%	3,48%	125,000	08-05-2018	-	123,495	-	123,495	-	125,000	-	125,000
Chile	Line 107	CLP	Single	3,48%	3,48%	600,000	08-05-2018	-	592,764	-	592,764	-	600,000	-	600,000
Chile	Line 107	CLP	Single	3,48%	3,48%	3,000,000	08-05-2018	-	2,963,786	-	2,963,786	-	3,000,000	-	3,000,000
Chile	Line 107	CLP	Single	3,84%	3,84%	275,000	08-05-2018	-	271,326	-	271,326	-	275,000	-	275,000
Chile	Line 107	CLP	Single	3,48%	3,48%	500,000	17-04-2018	-	494,962	-	494,962	-	500,000	-	500,000
Chile	Line 107	CLP	Single	3,48%	3,48%	1,600,000	24-04-2018	-	1,582,825	-	1,582,825	-	1,600,000	-	1,600,000
Chile	Line 107	CLP	Single	3,60%	3,60%	2,600,000	12-06-2018	-	2,558,657	-	2,558,657	-	2,600,000	-	2,600,000
Chile	Line 107	CLP	Single	3,60%	3,60%	5,000,000	15-05-2018	-	4,934,049	-	4,934,049	-	5,000,000	-	5,000,000
Chile	Line 107	CLP	Single	3,60%	3,60%	1,500,000	22-05-2018	-	1,479,185	-	1,479,185	-	1,500,000	-	1,500,000
Chile	Line 107	CLP	Single	3,60%	3,60%	2,500,000	22-05-2018	-	2,465,302	-	2,465,302	-	2,500,000	-	2,500,000
Chile	Line 107	CLP	Single	3,60%	3,60%	1,100,000	05-06-2018	-	1,083,238	-	1,083,238	-	1,100,000	-	1,100,000
Chile	Line 107	CLP	Single	3,84%	3,84%	3,100,000	05-06-2018	-	3,049,596	-	3,049,596	-	3,100,000	-	3,100,000
Chile	Line 107	CLP	Single	3,84%	3,84%	1,200,000	12-06-2018	-	1,179,640	-	1,179,640	-	1,200,000	-	1,200,000
Chile	Line 107	CLP	Single	3,84%	3,84%	2,000,000	19-06-2018	-	1,964,626	-	1,964,626	-	2,000,000	-	2,000,000
Chile	Line 107	CLP	Single	3,84%	3,84%	200,000	12-06-2018	-	196,606	-	196,606	-	200,000	-	200,000
Chile	Line 107	CLP	Single	3,84%	3,84%	800,000	19-06-2018	-	785,849	-	785,849	-	800,000	-	800,000
Chile	Line 107	CLP	Single	3,84%	3,84%	800,000	05-06-2018	-	786,995	-	786,995	-	800,000	-	800,000
Chile	Line 107	CLP	Single	3,84%	3,84%	200,000	19-06-2018	-	196,458	-	196,458	-	200,000	-	200,000
Chile	Line 117	USD	Single	2,35%	2,35%	921,855	11-01-2018	921,495	-	-	921,495	921,855	-	-	921,855
Chile	Line 117	USD	Single	2,80%	2,80%	1,229,140	11-01-2018	1,228,428	-	-	1,228,428	1,229,140	-	-	1,229,140
Chile	Line 117	USD	Single	2,60%	2,60%	307,285	11-01-2018	307,302	-	-	307,302	307,285	-	-	307,285
	Total							**19,418,953**	**43,917,422**	**-**	**63,336,375**	**19,458,280**	**44,465,429**	**-**	**63,923,709**

Year 2016

Country	Reg. 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 ThCh$
								0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$		0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	
Chile	Line 107	CLP	Single	4,68%	4,68%	3,000,000	10-01-17	2,996,713	-	-	2,996,713	3,000,000	-	-	3,000,000
Chile	Line 107	CLP	Single	4,68%	4,68%	2,500,000	17-01-17	2,495,051	-	-	2,495,051	2,500,000	-	-	2,500,000
Chile	Line 107	CLP	Single	4,68%	4,68%	100,000	17-01-17	99,959	-	-	99,959	100,000	-	-	100,000
Chile	Line 107	CLP	Single	4,68%	4,68%	160,000	17-01-17	159,836	-	-	159,836	160,000	-	-	160,000
Chile	Line 107	CLP	Single	4,68%	4,68%	100,000	17-01-17	99,959	-	-	99,959	100,000	-	-	100,000
Chile	Line 107	CLP	Single	4,68%	4,68%	100,000	17-01-17	99,959	-	-	99,959	100,000	-	-	100,000
Chile	Line 107	CLP	Single	4,56%	4,56%	40,000	17-01-17	40,084	-	-	40,084	40,000	-	-	40,000
Chile	Line 107	CLP	Single	4,68%	4,68%	1,200,000	24-01-17	1,196,631	-	-	1,196,631	1,200,000	-	-	1,200,000
Chile	Line 107	CLP	Single	4,68%	4,68%	170,000	24-01-17	169,663	-	-	169,663	170,000	-	-	170,000
Chile	Line 107	CLP	Single	4,68%	4,68%	300,000	24-01-17	299,280	-	-	299,280	300,000	-	-	300,000
Chile	Line 107	CLP	Single	4,68%	4,68%	120,000	24-01-17	119,810	-	-	119,810	120,000	-	-	120,000
Chile	Line 107	CLP	Single	4,56%	4,56%	90,000	24-01-17	89,905	-	-	89,905	90,000	-	-	90,000
Chile	Line 107	CLP	Single	4,56%	4,56%	120,000	24-01-17	119,818	-	-	119,818	120,000	-	-	120,000
Chile	Line 107	CLP	Single	4,68%	4,68%	500,000	31-01-17	498,242	-	-	498,242	500,000	-	-	500,000
Chile	Line 107	CLP	Single	4,56%	4,56%	500,000	31-01-17	498,289	-	-	498,289	500,000	-	-	500,000
Chile	Line 107	CLP	Single	4,56%	4,56%	500,000	14-02-17	497,419	-	-	497,419	500,000	-	-	500,000
Chile	Line 107	CLP	Single	4,68%	4,68%	500,000	14-02-17	497,347	-	-	497,347	500,000	-	-	500,000
Chile	Line 107	CLP	Single	4,56%	4,56%	2,000,000	14-02-17	1,989,181	-	-	1,989,181	2,000,000	-	-	2,000,000
Chile	Line 107	CLP	Single	4,56%	4,56%	1,000,000	21-02-17	993,805	-	-	993,805	1,000,000	-	-	1,000,000
Chile	Line 107	CLP	Single	4,56%	4,56%	1,713,000	21-02-17	1,702,260	-	-	1,702,260	1,713,000	-	-	1,713,000
Chile	Line 107	CLP	Single	4,44%	4,44%	110,000	21-02-17	109,481	-	-	109,481	110,000	-	-	110,000
Chile	Line 107	CLP	Single	4,44%	4,44%	50,000	21-02-17	49,854	-	-	49,854	50,000	-	-	50,000
Chile	Line 107	CLP	Single	4,44%	4,44%	127,000	21-02-17	126,375	-	-	126,375	127,000	-	-	127,000
Chile	Line 107	CLP	Single	4,44%	4,44%	850,000	28-02-17	844,165	-	-	844,165	850,000	-	-	850,000
Chile	Line 107	CLP	Single	4,44%	4,44%	930,000	07-03-17	922,814	-	-	922,814	930,000	-	-	930,000
Chile	Line 107	CLP	Single	4,44%	4,44%	270,000	07-03-17	268,029	-	-	268,029	270,000	-	-	270,000
Chile	Line 107	CLP	Single	4,44%	4,44%	300,000	07-03-17	297,792	-	-	297,792	300,000	-	-	300,000
Chile	Line 107	CLP	Single	4,44%	4,44%	25,000	07-03-17	24,966	-	-	24,966	25,000	-	-	25,000
Chile	Line 107	CLP	Single	4,44%	4,44%	150,000	14-03-17	148,851	-	-	148,851	150,000	-	-	150,000
Chile	Line 107	CLP	Single	4,44%	4,44%	275,000	14-03-17	272,756	-	-	272,756	275,000	-	-	275,000
Chile	Line 107	CLP	Single	4,44%	4,44%	100,000	14-03-17	99,288	-	-	99,288	100,000	-	-	100,000
Chile	Line 107	CLP	Single	4,44%	4,44%	8,102	14-03-17	8,195	-	-	8,195	8,102	-	-	8,102
Chile	Line 107	CLP	Single	4,44%	4,44%	50,000	14-03-17	49,726	-	-	49,726	50,000	-	-	50,000
Chile	Line 107	CLP	Single	4,44%	4,44%	560,000	14-03-17	555,257	-	-	555,257	560,000	-	-	560,000
Chile	Line 107	CLP	Single	4,44%	4,44%	1,214	14-03-17	1,367	-	-	1,367	1,214	-	-	1,214
Chile	Line 107	CLP	Single	4,44%	4,44%	14,745	14-03-17	14,780	-	-	14,780	14,745	-	-	14,745
Chile	Line 107	CLP	Single	4,44%	4,44%	30,000	14-03-17	29,901	-	-	29,901	30,000	-	-	30,000
Chile	Line 107	CLP	Single	4,44%	4,44%	65,000	14-03-17	64,594	-	-	64,594	65,000	-	-	65,000
Chile	Line 107	CLP	Single	4,44%	4,44%	60,000	14-03-17	59,637	-	-	59,637	60,000	-	-	60,000
Chile	Line 107	UF	Single	4,04%	4,04%	1,317,396	07-02-17	1,312,104	-	-	1,312,104	1,317,396	-	-	1,317,396
Chile	Line 107	UF	Single	4,05%	4,05%	2,173,600	07-02-17	2,157,739	-	-	2,157,739	2,173,600	-	-	2,173,600
Chile	Line 107	UF	Single	4,00%	4,00%	2,524,267	02-05-17	-	2,508,930	-	2,508,930	-	2,524,266	-	2,524,266
Chile	Line 107	UF	Single	3,80%	3,80%	429,074	02-05-17	-	423,800	-	423,800	-	429,074	-	429,074
Chile	Line 107	UF	Single	3,81%	3,81%	429,074	02-05-17	-	423,787	-	423,787	-	429,074	-	429,074
Chile	Line 107	UF	Single	3,80%	3,80%	1,446,399	02-05-17	-	171,756	-	171,756	-	1,446,399	-	1,446,399
Chile	Line 107	UF	Single	3,80%	3,80%	138,455	02-05-17	-	136,753	-	136,753	-	138,455	-	138,455
Chile	Line 107	UF	Single	3,80%	3,80%	2,236,282	02-05-17	-	1,578,565	-	1,578,565	-	2,236,282	-	2,236,282
Chile	Line 107	UF	Single	3,50%	3,50%	4,019,204	16-05-17	-	3,968,216	-	3,968,216	-	4,019,204	-	4,019,204
Chile	Line 107	UF	Single	3,50%	3,50%	2,461,723	16-05-17	-	2,435,158	-	2,435,158	-	2,461,723	-	2,461,723
Chile	Line 107	UF	Single	3,05%	3,05%	5,314,486	13-06-17	-	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**

Tanner

c. Current obligations to the public (bonds):

The balances as of December 31, 2017 and 2016 were as follows:

Year 2017

Country	Reg. No.	Series	Nominal amount	Currency	Repayment	Annual effective rate	Annual nominal rate	Final maturity	BOOK VALUE 12.31.2017				UNDISCOUNTED FLOWS 12.31.2017			
									0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	Total ThCh$	0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	Total ThCh$
Chile	656	Serie I	1,600,000	UF	Semi-annually, with a four year grace period	3,670%	3,800%	01-04-21	-	3,820,586	3,579,960	7,400,546	-	4,050,750	3,983,494	8,034,244
Chile	709	Serie P	1,470,000	UF	Semi-annually, with a four year grace period	3,530%	3,700%	01-04-19	-	369,102	19,095,823	19,464,925	-	722,156	20,253,421	20,975,577
Chile	625	Serie S	1,000,000	UF	Semi-annually, with a four year grace period	3,150%	2,900%	15-12-19	-	36,436	-	36,436	-	385,796	385,796	771,592
Chile	817	Serie U	1,000,000	UF	At maturity	2,450%	2,500%	01-08-20	254,720	-	-	254,720	304,657	-	332,909	637,566
Chile	817	Serie W	1,000,000	UF	Semi-annually, with a ten year grace period	3,950%	3,800%	01-08-36	433,474	-	-	433,474	509,137	-	504,417	1,013,554
Chile	817	Serie X	2,000,000	UF	At maturity	3,490%	3,750%	10-09-20	515,132	-	-	515,132	885,747	-	995,681	1,881,428
Chile	518	Serie Z	1,500,000	UF	At maturity	2,740%	3,250%	05-07-21	352,709	-	-	352,709	352,709	-	647,983	1,000,692
USA	-	-	250,000,000	USD	At maturity	4,500%	4,375%	13-03-18	98,244,086	-	-	98,244,086	99,551,113	-	-	99,551,113
Switzerland	-	-	150,000,000	CHF	At maturity	2,125%	2,125%	15-11-19	-	-	1,284,155	1,284,155	-	-	2,995,361	2,995,361
Switzerland	-	-	100,000,000	CHF	At maturity	1,375%	1,375%	10-11-20	-	-	138,573	138,573	-	-	866,804	866,804
	Total								**99,800,121**	**4,226,124**	**24,098,511**	**128,124,756**	**101,603,363**	**5,158,702**	**30,965,866**	**137,727,931**

Year 2016

Country	Reg. 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 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	Total ThCh$	0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	Total ThCh$
Chile	656	Serie I	1,600,000	UF	Semi-annually, with a four year grace period	3,670%	3,800%	01-04-21	-	3,770,292	3,466,112	7,236,404	-	4,061,245	3,995,119	8,056,364
Chile	709	Serie N	1,500,000	UF	Semi-annually, with a four year grace period	4,890%	4,700%	10-10-17	-	20,090,429	19,667,082	39,757,511	-	20,585,184	20,126,133	40,711,317
Chile	709	Serie P	1,470,000	UF	Semi-annually, with a four year grace period	3,530%	3,700%	01-04-19	-	268,999	-	268,999	-	616,122	710,025	1,326,147
Chile	625	Serie S	1,000,000	UF	Semi-annually, with a four year grace period	3,150%	2,900%	15-12-19	-	35,824	-	35,824	-	379,316	379,316	758,632
Chile	817	Serie U	1,000,000	UF	At maturity	2,450%	2,500%	01-08-20	184,316	-	-	184,316	233,414	-	327,317	560,731
Chile	817	Serie W	1,000,000	UF	Semi-annually, with a ten year grace period	3,950%	3,800%	01-08-36	327,649	-	-	327,649	402,041	-	495,944	897,985
Chile	817	Serie X	2,000,000	UF	At maturity	3,490%	3,750%	10-09-20	520,664	-	-	520,664	932,004	-	978,956	1,910,960
USA	-	-	250,000,000	USD	At maturity	4,500%	4,375%	13-03-18	2,237,378	-	-	2,237,378	3,656,528	-	3,649,242	7,305,770
Switzerland	-	-	150,000,000	CHF	At maturity	2,125%	2,125%	15-11-19	-	-	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**	**25,641,867**	**32,768,221**	**63,634,075**

d. Other financial obligations

Other current financial liabilities at book value were as follows:

OTRAS OBLIGACIONES FINANCIERAS	12.31.2017 ThCh$	12.31.2016 ThCh$
Obligations for Forwards	4,366,747	-
Obligations for Repurchase agreements	29,143,663	18,848,861
Total	**33,510,410**	**18,848,861**

Other current financial liabilities valued as undiscounted contractual flows were as follows:

OTHER FINANCIAL OBLIGATIONS	12.31.2017 ThCh$	12.31.2016 ThCh$
Obligations for Forwards	4,366,747	-
Obligations for Repurchase agreements	29,158,608	19,011,430
Total	**33,525,355**	**19,011,430**

1. **Obligations from forwards are composed as follows:**

1. At book value

Debtor ID number	Debtor	Debtor country	12.31.2017				12.31.2016			
			0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	Total ThCh$	0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	Total ThCh$
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	3,713,616	-	-	3,713,616				
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	653,131	-	-	653,131	-	-	-	-
Total			**4,366,747**	**-**	**-**	**4,366,747**	**-**	**-**	**-**	**-**

2. At undiscounted flow value

Debtor ID number	Debtor	Debtor country	12.31.2017				12.31.2016			
			0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	Total ThCh$	0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	Total ThCh$
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	3,713,616	-	-	3,713,616				
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	653,131	-	-	653,131	-	-	-	-
Total			**4,366,747**	**-**	**-**	**4,366,747**	**-**	**-**	**-**	**-**

2. Obligations for Sales with Repurchase Agreements are composed as follows:

1. At book value

Debtor ID number	Debtor	Debtor country	12.31.2017				12.31.2016			
			0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	Total ThCh$	0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	Total ThCh$
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	-	-	-	-	261,767	-	-	261,767
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	29,143,663	-	-	29,143,663	18,587,094	-	-	18,587,094
Total			**29,143,663**	**-**	**-**	**29,143,663**	**18,848,861**	**-**	**-**	**18,848,861**

2. At undiscounted flow value

Debtor ID number	Debtor	Debtor country	12.31.2017				12.31.2016			
			0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	Total ThCh$	0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	Total ThCh$
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	-	-	-	-	261,767	-	-	261,767
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	29,158,608	-	-	29,158,608	18,749,663	-	-	18,749,663
Total			**29,158,608**	**-**	**-**	**29,158,608**	**19,011,430**	**-**	**-**	**19,011,430**

The transferred assets are investment bonds in US dollars issued in international markets, which are only kept in custody, so restricting the creditor from encumbering them. The underlying assets associated with obligations with sales agreements at Tanner Corredores de Bolsa S.A. are investments in company instruments, rights over sales securities with covenants and covenants with resale considered within the grouping “Other” and disclosed in Note 8a.

Debtor ID number	Debtor	Debtor country	Creditor ID nomber	Creditor	Creditor Country	Repayments	Currency	Nominal rate	Annual effective rate	Maturity	12.31.2016			Total ThCh$
											0 to 3 months ThCh$	3 to 6 months ThCh$	6 to 12 months ThCh$	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Societe Generale	USA	Single	USD	1.49%	1.49%	04-12-2016	-	261,767	-	261,767
Total											**-**	**261,767**	**-**	**261,767**

Tanner Corredores de Bolsa S.A. acts as a broker for Repos.

NOTE 20

OTHER FINANCIAL LIABILITIES, NON-CURRENT

Other non-current financial liabilities are as follows:

1. At book value

OTHER FINANCIAL LIABILITIES, NON-CURRENT	12.31.2017 ThCh$	12.31.2016 ThCh$
Obligations to banks and financial institutions	82,455,148	55,337,571
Obligations to the public (bonds)	368,658,662	440,172,792
Total	**451,113,810**	**495,510,363**

2. At undiscounted flow value

OTHER FINANCIAL LIABILITIES, NON-CURRENT	12.31.2017 ThCh$	12.31.2016 ThCh$
Obligations to banks and financial institutions	84,727,526	64,688,398
Obligations to the public (bonds)	402,167,722	474,475,592
Total	**486,895,248**	**539,163,990**

Consolidated financial statements should indicate the name, Chilean ID and country of the debtor entity, as required by Official Bulletin 595 issued by the Superintendent of Securities and Insurance, now Financial Market Commission (CMF). In this case all non-current financial liabilities at the reporting dates 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, 2017 and 2016 were as follows:

Debtor ID number	Debtor	Debtor country	Creditor ID number	Creditor	Creditor country	Repayment	Currency	Maturity	Book value							
									12.31.2017				12.31.2016			
									1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	USA	Repayment	USD	15-05-21	-	24,843,920	7,147,933	31,991,853	8,569,274	24,493,232	-	33,062,506
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	USA	Repayment	USD	15-05-19	-	22,615,388	-	22,615,388	22,275,065	-	-	22,275,065
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	DEG	Germany	Repayment	USD	15-12-21	-	19,882,643	7,965,264	27,847,907	-	-	-	-
Total									**-**	**67,341,951**	**15,113,197**	**82,455,148**	**30,844,339**	**24,493,232**	**-**	**55,337,571**

2. At undiscounted flow value as of December 31, 2017 and 2016 were as follows:

Debtor ID number	Debtor	Debtor country	Creditor ID number	Creditor	Creditor country	Repayment	Currency	Maturity	Nominal value							
									12.31.2017				12.31.2016			
									1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	USA	Repayment	USD	15-05-21	-	27,292,554	7,882,584	35,175,138	13,150,636	26,300,690	-	39,451,326
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	USA	Repayment	USD	15-05-19	-	22,413,395	-	22,413,395	25,237,072	-	-	25,237,072
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	DEG	Germany	Repayment	USD	15-12-21	-	18,712,769	8,426,224	27,138,993	-	-	-	-
Total									**-**	**68,418,718**	**16,308,808**	**84,727,526**	**38,387,708**	**26,300,690**	**-**	**64,688,398**

b. Non-current obligations to the public (bonds):

1. At book value as of December 31, 2017 and 2016 were as follows:

Country	Registration No.	Series	Nominal Amount	Currency	Amortization	Annual effective rate	Annual nominal rate	Final maturity	BOOK VALUE 12.31.2017			
									1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Totales ThCh$
Chile	656	Series I	1,600,000	UF	Semi-annually, with a four year grace period	3.670%	3.800%	01-04-21	14,171,927	3,573,085	-	17,745,012
Chile	709	Series P	1,470,000	UF	Semi-annually, with a four year grace period	3.530%	3.700%	01-04-19	19,753,526	-	-	19,753,526
Chile	625	Series S	1,000,000	UF	Semi-annually, with a four year grace period	3.150%	2.900%	15-12-19	26,765,369	-	-	26,765,369
Chile	817	Series U	1,000,000	UF	At maturity	2.450%	2.500%	01-08-20	26,824,641	-	-	26,824,641
Chile	817	Series W	1,000,000	UF	Semi-annually, with a ten year grace period	3.950%	3.800%	01-08-36	428,755	-	26,031,504	26,460,259
Chile	817	Series X	2,000,000	UF	At maturity	3.490%	3.750%	10-09-20	53,972,074	-	-	53,972,074
Chile	518	Series Z	1,500,000	UF	At maturity	2.740%	3.250%	05-07-21	647,982	40,515,731	-	41,163,713
Switzerland	-	-	150,000,000	CHF	At maturity	2.125%	2.125%	15-11-19	93,418,287	-	-	93,418,287
Switzerland	-	-	100,000,000	CHF	At maturity	1.375%	1.375%	10-11-20	62,555,781	-	-	62,555,781
Total									**298,538,342**	**44,088,816**	**26,031,504**	**368,658,662**

Country	Registration No.	Series	Nominal Amount	Currency	Amortization	Annual effective rate	Annual nominal rate	Final maturity	BOOK VALUE 12.31.2016			
									1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Totales ThCh$
Chile	656	Series I	1,600,000	UF	Semi-annually, with a four year grace period	3.670%	3.800%	01-04-21	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%	01-04-19	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%	15-12-19	26,487,297	-	-	26,487,297
Chile	817	Series U	1,000,000	UF	At maturity	2.450%	2.500%	01-08-20	-	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%	01-08-36	-	-	26,487,297	26,487,297
Chile	817	Series X	2,000,000	UF	At maturity	3.490%	3.750%	10-09-20	-	52,835,277	-	52,835,277
USA	-	-	250,000,000	USD	At maturity	4.500%	4.375%	13-03-18	146,076,438	-	-	146,076,438
Switzerland	-	-	150,000,000	CHF	At maturity	2.125%	2.125%	15-11-19	98,197,573	-	-	98,197,573
Total									**323,754,071**	**89,931,424**	**26,487,297**	**440,172,792**

2. At undiscounted flow value as of December 31, 2017 and 2016 were as follows:

Country	Registration No.	Series	Nominal Amount	Currency	Amortization	Annual effective rate	Annual nominal rate	Final maturity	UNDISCOUNTED FLOWS 12.31.2017			
									1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Totales ThCh$
Chile	656	Series I	1,600,000	UF	Semi-annually, with a four year grace period	3.670%	3.800%	01-04-21	15,747,203	3,640,341	-	19,387,544
Chile	709	Series P	1,470,000	UF	Semi-annually, with a four year grace period	3.530%	3.700%	01-04-19	21,189,814	-	-	21,189,814
Chile	625	Series S	1,000,000	UF	Semi-annually, with a four year grace period	3.150%	2.900%	15-12-19	28,079,219	-	-	28,079,219
Chile	817	Series U	1,000,000	UF	At maturity	2.450%	2.500%	01-08-20	28,539,122	-	-	28,539,122
Chile	817	Series W	1,000,000	UF	Semi-annually, with a ten year grace period	3.950%	3.800%	01-08-36	3,026,505	2,017,670	34,858,808	39,902,983
Chile	817	Series X	2,000,000	UF	At maturity	3.490%	3.750%	10-09-20	59,321,097	-	-	59,321,097
Chile	518	Series Z	1,500,000	UF	At maturity	2.740%	3.250%	05-07-21	3,887,891	41,712,329	-	45,600,220
Switzerland	-	-	150,000,000	CHF	At maturity	2.125%	2.125%	15-11-19	96,131,039	-	-	96,131,039
Switzerland	-	-	100,000,000	CHF	At maturity	1.375%	1.375%	10-11-20	64,016,684	-	-	64,016,684
Total									**319,938,574**	**47,370,340**	**34,858,808**	**402,167,722**

Country	Registration No.	Series	Nominal Amount	Currency	Amortization	Annual effective rate	Annual nominal rate	Final maturity	UNDISCOUNTED FLOWS 12.31.2016			
									1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Totales ThCh$
Chile	656	Series I	1,600,000	UF	Semi-annually, with a four year grace period	3.670%	3.800%	01-04-21	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%	01-04-19	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%	15-12-19	27,814,901	-	-	27,814,901
Chile	817	Series U	1,000,000	UF	At maturity	2.450%	2.500%	01-08-20	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%	01-08-36	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%	10-09-20	3,915,824	54,793,189	-	58,709,013
USA	-	-	250,000,000	USD	At maturity	4.500%	4.375%	13-03-18	149,725,680	-	-	149,725,680
Switzerland	-	-	150,000,000	CHF	At maturity	2.125%	2.125%	15-11-19	102,420,842	-	-	102,420,842
Total									**343,462,543**	**94,854,843**	**36,158,206**	**474,475,592**

NOTE 21

TRADE AND OTHER PAYABLES

These are as follows:

DETAIL	12.31.2017 ThCh$	12.31.2016 ThCh$
Brokerage payables TCBV	20,296,383	3,472,440
Advance from customers (1)	9,329,993	10,187,156
Amount to draw down, loans (2)	7,689,429	6,081,757
Minimum dividend	7,385,244	6,550,736
Automotive payables (3)	5,229,853	1,960,631
Factoring payables (4)	3,709,865	1,657,821
Miscellaneous payables (5)	3,218,262	7,539,010
Obligations for covenants	1,810,696	319,007
Other Stock Exchange payables	1,632,306	1,421,344
Stock Exchange documents payable	1,583,635	1,380,312
Leasing payables (6)	1,515,510	2,650,241
Other payables (7)	1,411,287	980,803
Taxes payable	1,083,544	1,069,626
Vacation provisions	1,008,426	883,688
Other (8)	959,004	446,813
Leasing suppliers	885,071	2,322,489
Refundable surpluses on documents(9)	876,178	1,088,561
Payables (10)	760,653	355,365
Deferred liabilities	269,993	169,508
Sub-leases to be accrued (11)	-	345,239
Brokerage payable TCBP	-	45,124
Total	**70,655,332**	**50,927,671**

(1) Advance payments from customers deposited in favor of Tanner Servicios Financieros S.A. against documents that are subject to collection processes.
(2) Loans approved awaiting drawdown, on automotive finance pending payment.
(3) Auto-financing creditors that arise from auto-financing transactions performed by Tanner Servicios Financieros S.A.
(4) Factoring creditors that arise from national factoring transactions performed by the parent company.
(5) Import creditors and FCI creditors that arise from international factoring transactions performed by the parent company.
(6) Leasing creditors that arise from leasing transactions by Tanner Leasing S.A.
(7) Other documents payable, mostly suppliers and payroll deductions.
(8) Other, corresponds to other payables not classified in previous items.
(9) Surpluses on the return of documents released by factoring transactions, and available to be withdrawn by customers.
(10) Payables, arising from obligations to suppliers and creditors at Tanner Leasing Vendor Ltda.
(11) Sublease to be accrued, corresponds to a brokerage contract of Hewlett Packard Equipment Lease.

NOTE 22
OTHER CURRENT PROVISIONS

a. Provisions are as follows:

OTHER CURRENT PROVISIONS	Currency	12.31.2017 ThCh$	12.31.2016 ThCh$
Expense provision (*)	CLP	267,248	1,518,254
Other provisions (**)	CLP	1,390,551	1,022,207
Total		**1,657,799**	**2,540,461**

(*) Accrued expense provisions in the period, where the documentation has not yet been received.
(**) Other provisions include management bonus, annual audit, and withholdings pending payment.

b. Movements in the obsolescence provision were as follows:

Year 2017

DETAIL	Expense provision ThCh$	Other provisions ThCh$	Total ThCh$
Opening balance 01.01.2017	1,518,254	1,022,207	2,540,461
Increases	5,194,887	3,730,247	8,925,134
Decreases	(6,445,893)	(3,361,903)	(9,807,796)
Closing balance 12.31.2017	**267,248**	**1,390,551**	**1,657,799**

Year 2016

DETAIL	Expense provision ThCh$	Other provisions ThCh$	Total ThCh$
Opening balance 01.01.2016	575,303	538,939	1,114,242
Increases	5,420,049	2,195,388	7,615,437
Decreases	(4,477,098)	(1,712,120)	(6,189,218)
Closing balance 12.31.2016	**1,518,254**	**1,022,207**	**2,540,461**

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, 2017 and 2016 the total number of subscribed and paid shares was 1,212,129, which are divided into 294,951 ordinary shares, 32,324 Series A preference shares and 884,854 Series B preference shares. All the shares enjoy full political and financial rights. The Series A preference shares are subject to the obligation to be entirely redeemed for ordinary shares on March 31, 2018 for (i) 32,324 ordinary shares, if the accumulated earnings per share as of December 31, 2017, for 2013 to 2017 is less than Ch$177,835; (ii) 15,944 ordinary shares, if the accumulated earnings per share is equal to or greater than Ch$177,835 but less than Ch$194,002; and (iii) 1 ordinary share, if the accumulated earnings per share is equal to or greater than Ch$194,002. The Series B preference shares have a special right to receive on a pro rata basis a dividend of up to Ch$4,000 million by no later than December 31, 2017, if applicable. This dividend is related to the outcome of loan recoveries against Pescanova S.A. If this recovery exceeds US$22 million less Ch$4,000 million. Any surplus amount recovered will be distributed as a dividend to the Series B preference shareholders.

As of December 31, 2017, the preference of Series A and Series B shares was extinguished, which will be exchanged for ordinary shares at a 1:1 ratio. Consequently, the share capital remains divided into 1,212,129 ordinary shares of a same class, no par value.

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. Shareholders

As of December 31, 2017, the subscribed and paid capital was ThCh$ 195,223,800 for 1,212,129 shares of no par value.

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	Type of shares			
				Ordinary shares	Preferred Class A	Preferred Class B	Ownership interest %
Inversiones Bancarias S.A.	99.546.550-7	Grupo Massu	643,970			643,970	53.1272%
Inversiones Gables S.L.U.	59.196.270-1	Capital Group	310,911	280,203	30,708		25.6500%
Inversiones Similan S.L.U.	59.196.260-4	Capital Group	16,364	14,748	1,616		1.3500%
Asesorías Financieras Belén Ltda.	77.719.080-6	Jorge Sabag S.	90,303			90,303	7.4499%
Inversiones FSA Ltda.	76.082.829-7	Francisco Schulz A.	65,560			65,560	5.4087%
FSA Fondo De Inversión Privado.	76.127.468-6	Francisco Schulz A.	6,759			6,759	0.5576%
Inversora Quillota Dos S.A.	76.010.029-3	Ernesto Bertelsen R.	30,902			30,902	2.5494%
Inversiones Rio Abril SpA	77.569.400-9	Mauricio González S.	22,783			22,783	1.8796%
Tanner Valores Fondo de Inversión	76.807.658-8	Administradora de Fondos de Inversión Amicorp S.A.	7,586			7,586	0.6258%
Asesorías e Inversiones CAU CAU Ltda.	76.475.300-3	Sergio Contardo P.	5,394			5,394	0.4450%
Asesorías e Inversiones Gómez Perfetti Ltda.	76.477.320-9	Javier Gómez M.	3,000			3,000	0.2475%
Inversiones y Asesorías Rochri Ltda.	76.477.270-9	Rodrigo Lozano B.	3,000			3,000	0.2475%
Xaga Asesorías e Inversiones Ltda.	76.477.310-1	Julio Nielsen S.	3,000			3,000	0.2475%
Inversiones Anita e Hijos Ltda.	76.066.686-6	Ana María Lizárraga C.	1,909			1,909	0.1575%
E. Bertelsen Asesorías S.A.	96.501.470-5	Ernesto Bertelsen R.	688			688	0.0568%
Total			**1,212,129**	**294,951**	**32,324**	**884,854**	**100.0000%**

b. Retained earnings

This account consists of:

RETAINED EARNINGS	12.31.2017 ThCh$	12.31.2016 ThCh$
Retained earnings from prior years	51,641,871	36,355,158
Net income for the period	24,617,480	21,838,512
Minimum dividend provision 30%	(7,385,244)	(6,550,737)
Increase (decrease) for transfers and other changes	2,113,094	-
Incerase (decrease) for changes in interest of subsidiaries	33,349	(1,062)
Total	**71,020,550**	**51,641,871**

c. Dividend distributions

At an Ordinary General Shareholders Meeting held on March 7, 2017 it was agreed to distribute a dividend from earnings for 2016 of Ch$ 5,405 per share, which totaled ThCh$ 6,550,737.

At an extraordinary shareholder meeting held by the Company on October 10, 2017, it was agreed to pay to Series B shareholders an eventual dividend of Ch$ 2,137.0591 per share, equivalent to ThCh$ 1,886,906. This dividend corresponds to the preference such shares had and that is established in the Company's Bylaws.

d. Minimum dividend provision

As stated in Note 2(q) the Company provided for the undistributed dividend of 30% of net income for the period, as a minimum dividend. As of December 31, 2017 the provision was ThCh$ 7,385,244.

e. Other reserves

This account consists of:

OTHER RESERVES	12.31.2017 ThCh$	12.31.2016 ThCh$
Hedge reserve[1]	1,354,360	(1,718,652)
Share premium on capital increase reserve[2]	291,154	4,291,154
Other reserves	240,413	240,413
Fair value on held for sale reserve	(94,584)	282,055
Total	**1,791,343**	**3,094,970**

[1]**Hedging reserve**, that arises from the application of hedge accounting to the corresponding financial liabilities. This reserve is reversed when the corresponding contracts terminate, or when the transaction ceases to qualify for hedge accounting, whichever comes first. The balances are presented net of their deferred taxes.

[2]**Capital increase premium**, from the premium obtained when liquidating the foreign currency received for the capital increase approved at the Extraordinary Shareholders' Meeting held on October 29, 2013. On that occasion, the increase of ThUS$ 200,000 was translated at the official exchange rate on the date of the Extraordinary Shareholders Meeting, which was different to the exchange rate when the amount was liquidated. This resulted in a difference in favor of the investors that was registered as a reserve and forms part of equity.

NOTE 24

NON-CONTROLLING INTERESTS

Non-controlling interests as of December 31, 2017 and 2016 were as follows:

Chilean ID Number	Company	DECEMBER 31, 2017							
		Equity ThCh$	Equity 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$
96912590-0	Tanner Leasing S.A.	37,907,592	10,540,892	99,9900%	0,01%	37,903,801	3,791	10,539,838	1,054
77164280-2	Tanner Leasing Vendor Ltda.	27,337,719	882,022	99,9900%	0,01%	27,334,985	-	881,934	-
76313350-8	Tanner Corredores de Bolsa de Productos S.A.	1,331,947	20,924	99,9900%	0,01%	1,331,814	-	20,922	-
76133889-7	Tanner Corredores de Seguros Ltda.	441,996	2,188,197	99,9900%	0,00%	441,952	-	1,631,118	556,860
93966000-3	Tanner Investments SpA y filiales (*)	13,126,316	2,021,413	99,9974%	0,00%	13,380,607	1,428,561	2,089,622	158,307
76596744-9	Chita SpA	137,868	(160,788)	90,9502%	0,00%	125,391	12,477	(146,237)	(14,551)
76620928-9	Tanner Asset Management Administradora General	317,525	(63,590)	99,9900%	0,01%	317,493	-	(63,584)	-
	Total	**80,600,963**	**15,429,070**			**80,836,043**	**1,444,829**	**14,953,613**	**701,670**

Chilean ID Number	Company	DECEMBER 31, 2016							
		Equity ThCh$	Equity 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	99,990%	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	99,990%	0,01%	26,453,051	-	1,387,412	139
76.313.350-8	Tanner Corredores de Bolsa de Productos S.A.	1,315,046	4,509	99,990%	0,01%	1,314,914	-	4,509	-
76.133.889-7	Tanner Corredores de Seguros Ltda.	1,628,695	1,368,337	70,000%	0,00%	1,140,087	488,609	957,836	410,501
93.966.000-3	Tanner Investments SpA y filiales (*)	7,544,033	1,472,611	99,996%	0,00%	7,729,081	496,868	1,369,860	102,751
76.596.744-9	Chita SpA	298,656	(32,844)	90,950%	0,00%	274,409	27,028	(29,872)	(2,972)
76.620.928-9	Tanner Asset Management Administradora General S.A.	290,299	2,722	99,990%	0,01%	290,270	-	2,722	-
	Total	**64,818,407**	**12,992,423**			**64,485,064**	**1,015,234**	**12,481,125**	**511,298**

(*) On April 28, 2017, business name of Gestora Tanner SpA is changed to Tanner Investment SpA.

NOTE 25

COMPLIANCE NOTE

The company has six lines of Commercial paper in Chilean pesos, as of December 31, 2017 approved by the Superintendent of Securities and Insurance (SVS), currently Financial Market Commission (CMF). However, at present it is only issuing instruments in Chilean pesos chargeable to Line 107 dated 02/19/2015, where the total obligations are ThCh$ 60,879,148. Furthermore, on June 16, 2017 a line of Commercial paper in dollars amounting to USD 80 million was approved by the regulatory agency and, at the 2017 year-end, the related obligations totaled ThCh 2,457,227. It also currently has ten bonds, seven issued in UF on the national market for ThCh$ 241,142,536, and three international issues - one carried out in 2013 in the United States of America and two in Switzerland in 2016 and 2017 - that jointly total ThCh$ 255,640,882. In addition, Tanner Servicios Financieros S.A. has various credit lines agreed with Chilean and foreign banks, and long-term loans with other international institutions and other financial obligations, which total ThCh$ 255,869,358.

a. Commercial paper

According to the terms set forth in the prospectus of Lines 107 and 117, the Company must comply with specific indices, which must be reported on a quarterly basis in the financial statements under IFRS, as stipulated 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) in that document.

COMMERCIAL PAPER: LINE N° 107	Limit	12.31.2017	12.31.2016
Total Equity / Total assets	Minimum 10%	23.0%	25.1%
Current Assets / Current Liabilities	Minimum 0.75	1.71	2.57
Minimum Equity	Minimum MCh$ 60,000	269,481	250,976

COMMERCIAL PAPER: LINE N° 117	Limit	12.31.2017	12.31.2016
Total Equity / Total assets	Minimum 10%	23.0%	25.1%
Current Assets / Current Liabilities	Minimum 0.75	1.71	2.57
Minimum Equity	Minimum MCh$ 60,000	269,481	250,976
Strategic Net Loans*	Minimum 75%	95.9%	97.1%

*Summation of net loans of Factoring plus net loans of Leasing plus net loans of Auto-financing plus net loans of Corporate lending divided into the total net loans of the Company.

b. Local Bonds

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

Lines N° 518, 548, 625 and 656 Bonds	Limit	12.31.2017	12.31.2016
Total Equity / Total assets	Maximum 7.5 times	3,3x	3,0x
Unencumbered Assets / Unguaranteed Liabilities	Minimum 0.75	1.30	1.33
Total Equity	Minimum MCh$ 21,000	269,481	250,976

Line 709 Bonds	Limit	12.31.2017	12.31.2016
Total Equity / Total assets	Maximum 7.5 times	3,3x	3,0x
Unencumbered Assets / Unguaranteed Liabilities	Minimum 0.75	1,30	1,33
Total Equity	Minimum MCh$ 60,000	269,481	250,976

Line 817 Bonds	Limit	12.31.2017	12.31.2016
Total Equity / Total assets	Maximum 7,5 times	3,3x	3,0x
Unencumbered Assets / Unguaranteed Liabilities	Minimum 1 time	1.30	1.33
Total Equity	Minimum MCh$ 60,000	269,481	250,976

a) Total Liabilities are calculated as "Total Liabilities" from the Company's Consolidated Financial Statements.
b) Unencumbered Assets are calculated as "Total Assets" from the Company's Consolidated Financial Statements.
c) Unguaranteed Liabilities are calculated as "Total Liabilities" from the Company's Consolidated Financial Statements.

c. Covenants with Corporación Interamericana de Inversiones (CII)

The indices required by the IIC as of December 31, 2017 and 2016, were as follows:

INDEX	Definition	Requirement	12.31.2017	12.31.2016*
NPLs	NPLs > 90 days / Total Loan Portfolio	<= 5%	4.07%	3.36%
Leverage Ratio	Total Liabilities / Total Equity	<=7,5 veces	3.3x	3.0x
Open Credit Exposure Ratio	(NPLs > 90 days + Renegotiated - Provisions + Non-current assets or disposal groups classified as held for sale - Guaranteed Overdue Loans / Total Capital	<=15%	14.72%	13.18%
Liquidity Ratio	Assets with maturities in less than 90 days / Liabilities with maturities in less than 90 days	Mínimo 1 vez	1.5x	2.7x

* Excludes Pescanova overdues according to the contract. These were no longer outstanding as of December 31, 2017 as the arbitration had been completed.

d. Covenants with Corporación Andina de Fomento (CAF)

The indices required by the ADC as of December 31, 2017 and 2016, were as follows

INDEX	Definition	Requirement	12.31.2017	12.31.2016
Delinquency Index	NPLs > 90 days / Total Gross Loan Portfolio	<= 5,5%	-	4.4%
Delinquency Coverage(2)	Provisions / NPLs > 90 days	>= 70%	-	65.2%
Leverage Ratio	Total Liabilities / Total Equity	<= 4,8 veces	-	3,0x
Related Party Exposure Ratio	Related Parties Receivables - Guarantees / Total Capital	< 0,15 veces	-	0.001x
Aggregate Large Exposure Ratio (10 Largest Clients)	10 Largest Client Exposures / Total Loans	<= 30%	-	14.7%
Debtors Exposure Ratio (10 Largest)	10 Largest Debtor Exposures / Total Loans	<= 25%	-	14.7%

(2) As of December 31, 2017 the line available with CAF is not used. Consequently, covenants for this period are not calculated.

e. Covenants with the Deutsche Investitions und Entwickcklungsgesellschaft MBH (DEG)

The indices required by the DEG as of December 31, 2017 and 2016, were as follows:

INDEX	Definition	Requirement	12.31.2017	12.31.2016
Solvency Ratio	Total Capital / Total Assets	>15%	23.0%	24.6%
Aggregate Large Exposure Ratio (10 Largest Clients)	10 Largest Client Exposures / Total Loans	<25%	17.6%	16.9%
Aggregate Large Exposure Ratio (20 Largest Clients)	20 Largest Client Exposures / Total Loans	<30%	23.5%	22.3%
Aggregate Large Exposure Ratio Ii	10 Largest Client Exposures / Total Capital	<200%	62.8%	55.5%
Open Credit Exposure Ratio	NPLs > 90 days + Restructured Assets - Loan Loss Reserve - Cash Collateral / Total Capital	<15%	12.4%	14.0%
Single Economic Client Group Exposure Ratio(1)	Single Economic Client Group Exposure / Total Capital	<20%	12.9%	18.8%
Related Party Lending Ratio	Related Parties Receivables - Guarantees / Total Capital	<15%	0.4%	0.1%
Aggregate Un-Hedged Open Foreign Currency Position	Assets in Foreign Currency - Liabilities in Foreign Currency / Total Capital	>-25%	-0.8%	0.1%
Individual Un-Hedged Open Foreign Currency Position US$	Assets in US$ - Liabilities in US$ / Total Capital	>-25%	-0.9%	0.1%
Individual Un-Hedged Open Foreign Currency Position Euro	Assets in EUR - Liabilities in EUR / Total Capital	>-25%	0.0%	0.0%
Individual Un-Hedged Open Foreign Currency Position CHF	Assets in CHF - Liabilities in CHF / Total Capital	>-25%	0.0%	0.0%
Liquidity Coverage Ratio	Receivables < 90 days / Liabilities < 90 days	> 1 vez	1.1x	2.7x
Net Stable Funding Ratio	Non-Current Liabilities + Equity / Required Stable Funding	> 1 vez	1.8x	2.0x

(1) The contract with DEG was renewed in May 2017, where new covenants were defined.

f. Covenants with International Finance Corporation (IFC)

The indices required by the IFC as of December 31, 2017 and 2016, were as follows:

INDEX	Definition	Requirement	12.31.2017	12.31.2016
Equity-To-Assets	Total Equity / Total Assets	> 17%	23.0%	24.6%
Related Party Exposure Ratio	Related Parties Receivables - Guarantees / Total Capital	< 5%	0.0%	0.0%
Open Credit Exposure Ratio	NPLs > 90 days + Renegotiated + Non-current assets or disposal groups classified as held for sale - Provisions / Total Capital	< 20%	12.2%	10.2%
Economic Group Exposure Ratio (1)	Largest Single Group Exposure / Total Capital	< 15%	14.9%	6.8%
Aggregate Large Exposure Ratio	Sum of exposures representing more than 10% of Equity / Total Capital	< 400%	28.0%	21.6%
Single Industry Exposure Ratio	Largest Industry Exposure / Total Gross Portfolio	< 30%	11.4%	15.6%
Fixed Assets Plus Equity Participations Ratio	Property, Plant and Equipment + Investments in Companies / Total Capital	< 35%	1.4%	2.1%
Aggregate Foreign Exchange Risk Ratio	Assets in Foreign Currency - Liabilities in Foreign Currency / Total Capital	< 25%	1.0%	0.2%
Single Currency Foreign Exchange Risk				
USD	Assets in US$ - Liabilities in US$ / Total Capital	< 10%	1.0%	0.1%
EURO	Assets in EUR - Liabilities in EUR / Total Capital	< 10%	0.03%	0.0%
CHF	Assets in CHF - Liabilities in CHF / Total Capital	< 10%	0.0%	0.0%
Interest Rate Risk Ratio				
0 - 180 days	Assets - liabilities with maturities in less than 180 days* Adjustment Factor / Total Capital	-10% <= x <= 10%	0.4%	1.1%
180 - 365 days	Assets - liabilities with maturities between 180 - 365 days* Adjustment Factor / Total Capital	-10% <= x <= 10%	1.8%	1.7%
1 year - 3 years	Assets - liabilities with maturities between 1 - 3 years* Adjustment Factor / Total Capital	-10% <= x <= 10%	-0.9%	-5.0%
3 years - 5 years	Assets - liabilities with maturities between 3 - 5 years* Adjustment Factor / Total Capital	-10% <= x <= 10%	-2.9%	-3.4%
5 years - 10 years	Assets - liabilities with maturities between 5 - 10 years* Adjustment Factor / Total Capital	-10% <= x <= 10%	1.7%	3.4%
> 10 years	Assets - liabilities with maturities in more than 10 years* Adjustment Factor / Total Capital	-10% <= x <= 10%	-1.9%	-1.8%
Aggregate Interest Rate Risk Ratio	Assets - liabilities*Adjustment Factor / Total Capital	-20% <= x <= 20%	-1.6%	-3.9%
Foreign Currency Maturity Gap Ratio				
USD	Assets in US$ - Liabilities in US$ with maturities in less than 60 days / Total Capital	> -150%	6.34%	15.0%
EURO	Assets in EURO - Liabilities in EURO with maturities in less than 60 days / Total Capital	> -150%	0.0%	0.0%
CHF	Assets in CHF - Liabilities in CHF with maturities in less than 60 days / Total Capital	> -150%	0.0%	-0.1%
Liquidity Ratio	Assets with maturities in less than 90 days / Liabilities with maturities in less than 90 days	> 100%	1.5x	2.7x

(1) On June 9, 2017, the IFC approved a temporary waiver regarding the "Economic Group Exposure Ratio" covenant until December 31, 2017.

NOTE 26

CONTINGENCIES AND RESTRICTIONS

a. Direct Guarantees

There were no direct guarantees as of December 31, 2017.

b. Indirect guarantees

Indirect guarantees as of December 31, 2017 were as follows:

- Joint and several guarantee granted to guarantee the overdraft on the current account with Banco de Crédito e Inversiones for MCh$ 3,500, provided to Tanner Corredores de Bolsa S.A. in March 2017.
- Joint and several guarantee granted to guarantee the overdraft on the current account with Banco Internacional for MCh$ 3,500, provided to Tanner Corredores de Bolsa S.A. in January 2017.
- Joint and several guarantee granted to guarantee the overdraft on the current account with Banco Security for MCh$ 2,400 provided to Tanner Corredores de Bolsa S.A. in February 2016.

c. Court cases and other legal actions

TRIAL NUMBER 1

File : LG Electronics Inc. Chile vs Lira López José Miguel and others (Tanner).
Court : Twenty-forth Civil Court of Santiago.
Register : C-12146-2015
Description : Nullity and compensation for damages.
Amount : Indeterminate.
Started : 05.20.2015

Lawsuit filed by a Tanner customer (LG), requesting a decree to nullify all legal proceedings identified in the demand, including loan transactions with Tanner, which were legally correct, currently are in arrears and subject to judicial proceedings. They argue that the transactions were invalid based on the alleged fraud and a lack of authority granted to their own representative and proxy that signed such transactions.

Status as of December 31, 2017: Trial concluded on August 28, 2017, with a favorable judgment for Tanner which rejected the claim in its entirety. Plaintiff filed an appeal for annulment and a remedy of appeal in form, which are currently being processed.

TRIAL NUMBER 2

File : Carvajal vs Tanner Servicios Financieros S.A.
Court : Twenty-first Civil Court of Santiago
Register : C-18307-2016
Description : Compensation for damages
Amount : Indeterminate.
Started : 07.26.2016 (Tanner notified: 09.12.2016)

Lawsuit filed by Mr. Mauricio Carvajal Flores, who issued checks on behalf of a Tanner customer, who factored these with us. When they were submitted for collection, they were rejected due to lack of funds. That rejection was reported to the respective commercial registers. The defendant argues that the checks only served as guarantees for Tanner's customer. Therefore, collecting and protesting these checks has caused financial and psychological damage.

Status as of December 31, 2017: The discussion period has concluded, and a reconciliation hearing took place without reaching any agreement. The Court issued a resolution to move to the evidence stage, though no notice has been issued yet. Awaiting expiration of the term to request abandonment of action, given the plaintiff's inactivity.

TRIAL NUMBER 3

File : "Servicio Nacional del Consumidor vs Tanner Servicios Financieros S.A.
Court : Thirteen Civil Court of Santiago
Register : C-17635-2017
Description : Class action for Nonobservance of Law N° 19,496
Amount : Indeterminate.
Started : 07.17.2017

Class action filed for alleged nonobservance by Tanner of Law N| 19,946 in relation to Law N° 20,855 which "Regulates the release of mortgages and pledges of loan guarantees", on the grounds of unilateral interpretation of the mentioned Law N° 20,855, according to which the financial institutions are obliged, with retroactive effect, to release, under their own initiative and cost, the guarantees associated with loans fully paid prior to the entry into force of said law. The foregoing is without making any distinction between general or specific guarantees, even when in fact said law expressly states the retroactive effect for specific guarantees only, and those put up in favor of these company are documents under a general guarantee clause. According to Tanner, the SENAC makes a capricious interpretation of the law against its clear text.

Status as of December 31, 2017: This complaint was notified to Tanner on August 31, 2017. The discussion period is now concluded and a judicial resolution is awaited, which orders new date and time for settlement hearing, given that the first date decreed by the court became void, considering the plaintiff did not meet the previous requirements as to the mandatory publications. The foregoing, as set forth in article 53 of Law 19,496.

d. Other contingencies

There are no other contingencies to report as of December 31, 2017.

e. Restrictions

There are no restrictions to report as of December 31, 2017.

NOTE 27

GUARANTEES FROM THIRD PARTIES

The principal guarantees from third parties as of December 31, 2017 and 2016, were as follows:

GUARANTEES	12.31.2017 ThCh$	12.31.2016 ThCh$
Pledges	314,247,010	252,116,666
Mortgages	10,929,621	5,854,796
Total	**325,176,631**	**257,971,462**

NOTE 28
DETAIL OF IMPORTANT INCOME AND EXPENDITURE

a. Revenue

Ordinary revenue for the periods ended December 31, 2017 and 2016 was as follows:

PRODUCT		01.01.2017 to 12.31.2017 ThCh$	01.01.2016 to 12.31.2016 ThCh$
Factoring	Commissions	1,775,929	1,460,715
Factoring	Price differences	25,255,478	20,345,204
Factoring	Other revenue	10,247,190	7,596,005
Total Factoring		**37,278,597**	**29,401,924**
Corporate lending	Interest	15,109,256	16,835,848
Corporate lending	Commissions	1,408,486	1,634,512
Corporate lending	Other revenue	314,810	272,643
Total Corporate lending		**16,832,552**	**18,743,003**
Auto-financing	Interest	59,303,037	49,273,722
Auto-financing	Other revenue	9,489,232	7,681,236
Auto-financing		**68,792,269**	**56,954,958**
Leasing	Interest	9,327,762	9,767,004
Leasing	Commissions	811,349	608,681
Leasing	Other revenue	2,018,362	2,838,541
Total Leasing (**)		**12,157,473**	**13,214,226**
Treasury	Readjustments	(5,184,131)	(6,903,549)
Treasury	Interest	2,002,429	1,928,801
Treasury	Other revenue	41	(367,974)
Total Treasury		**(3,181,661)**	**(5,342,722)**
Other (*)	Other revenue	20,804,239	11,367,212
Total Other (*)		**20,804,239**	**11,367,212**
Grand total		**152,683,469**	**124,338,601**

(*) Includes revenue from Tanner Corredores de Bolsa de Productos S.A., Tanner Corredora de Seguros Ltda. and Tanner Investments SpA. They are mainly brokerage commissions, advice and consultancy services.

(**) Revenue disclosed in the leasing segment includes revenue from operating lease contracts, which represents 7% of the total as of December 31, 2017 (12% as of December 31, 2016).

b. Cost of sales

Cost of sales as of December 31, 2017 and 2016, was as follows:

PRODUCT		01.01.2017 to 12.31.2017 ThCh$	01.01.2016 to 12.31.2016 ThCh$
Factoring	Interest	9,320,011	7,544,957
Factoring	Commissions	103,037	94,418
Factoring	Write offs and provisions	4,181,962	1,560,518
Factoring	Other costs	762,332	482,593
Total Factoring		**14,367,342**	**9,682,486**
Corporate lending	Interest	6,310,650	6,964,576
Corporate lending	Commissions	-	152,000
Corporate lending	Write offs and provisions	3,015,813	235,558
Corporate lending	Other costs	1,233	-
Total Corporate lending		**9,327,696**	**7,352,134**
Auto-financing	Interest	15,270,603	10,446,864
Auto-financing	Commissions	16,716,084	13,502,922
Auto-financing	Write offs and provisions	14,171,919	14,694,235
Auto-financing	Other costs	3,582,377	2,746,766
Auto-financing		**49,740,983**	**41,390,787**
Leasing	Interest	4,088,079	4,062,669
Leasing	Commissions	-	-
Leasing	Write offs and provisions	2,676,883	2,557,641
Leasing	Other costs	2,363,384	2,117,990
Total Leasing (**)		**9,128,346**	**8,738,300**
Treasury	Readjustments	(4,684,882)	(7,427,887)
Treasury	Other costs	134,799	1,021,332
Total Treasury		**(4,550,083)**	**(6,406,555)**
Other (*)	Other costs	10,952,507	5,000,023
Total Other (*)		**10,952,507**	**5,000,023**
Grand total		**88,966,791**	**65,757,175**

(*) Costs on business transactions at the subsidiaries Tanner Corredores de Bolsa de Productos S.A., Tanner Corredora de Seguros Ltda. and Tanner Investments SpA are included.

(**) Costs disclosed in the leasing segment include costs from operating lease contracts, which represent 7% of the total as of December 31, 2017 (12% as of December 31, 2016).

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c. Administrative expenses

Administrative expenses for the periods ended December 31, 2017 and 2016, were as follows:

PRODUCT	01.01.2017 to 12.31.2017 ThCh$	01.01.2016 to 12.31.2016 ThCh$
Remuneration and personnel costs	**26.276.191**	**24.085.316**
Remuneration	22,691,163	20,852,841
Severance payments	1,047,256	754,582
Benefits	1,812,599	1,668,755
Organizational development	279,752	412,322
Vacation provision	403,133	298,917
Others	42,288	97,899
General administrative expenses	**12,070,227**	**11,726,732**
Billing and collection services	1,406,861	1,160,928
IT and communications expenses	1,899,077	1,760,804
Rental, lighting, heating and other utilities	2,178,677	1,991,653
Municipal licenses and property taxes	875,526	765,688
Non-recoverable taxes	1,156,533	684,577
External advisory and professional services	724,338	838,396
Depreciation and amortization	778,501	1,260,557
Court and notary expenses	639,968	943,360
Board expenses	469,397	335,261
Travel nad subsistence	509,173	275,150
External financial information service	208,492	201,432
Insurance premiums	203,412	195,448
Advertising	231,682	270,963
Maintenance and repair of property, plant and equipment	155,763	186,866
Mail and courier services	79,248	132,247
Office supplies	59,265	79,243
Fines, interest and other leasing and automotive expenses	76,105	7,788
Other general administrative expenses	418,209	636,371
Total	**38,346,418**	**35,812,048**

NOTE 29

EARNINGS PER SHARE

Earnings per share for the periods ended December 31, 2017 and 2016, were as follows:

DETAIL	01.01.2017 to 12.31.2017 ThCh$	01.01.2016 to 12.31.2016 ThCh$
Basic earnings per share		
Basic earnings (loss) per share on continuing operations	20,309.29	18,016.66
Basic earnings (loss) per share on discontinued operations	-	-
Total basic earnings per share	**20,309.29**	**18,016.66**
Diluted earnings per share		
Diluted earnings (loss) per share on continuing operations	20,309.29	18,016.66
Diluted earnings (loss) per share on discontinued operations	-	-
Total diluted earnings per share	**20,309.29**	**18,016.66**

NOTE 30

ENVIRONMENT

As of December 31, 2017 and 2016, the Company has made no disbursements relating to the environment protection, nor are there future commitments over this matter.

NOTE 31

DIRECTORS REMUNERATION

At the Extraordinary Shareholders Meeting held on April 2, 2013, the Company's regulations were modified determining that the Directors are to be receive remuneration. This modification established the amount of remuneration, which is fixed annually at the Ordinary Shareholders Meeting. Accordingly, the Ordinary Shareholders Meetings held in 2014, 2015, 2016 and 2017 have established the Board's remuneration.

The remuneration for directors agreed at the Ordinary Shareholders Meeting held in 2017 is UF 100 a month; and UF 200 a month for the Chairman and Vice Chairman, in addition to bonuses for participating in the different committees.

NOTE 32

PENALTIES

The parent company, its subsidiaries, its Directors and Executive Officers have not been sanctioned by the Superintendent of Securities and Insurance, now Financial Market Comission (Comisión para el Mercado Financiero - CMF) or any other regulatory agency during the periods reported.

NOTE 33
MATERIAL EVENTS

On January 31, 2017, Mr. Antonio Turner Fabres was appointed CEO to replace Mr. Oscar Cerda Urrutia.

On March 7, 2017, an Ordinary Shareholders' Meeting was held, company Directors were appointed for the next 3 years, being Mr. Ricardo Massu Massu; Mr. Eduardo Massu Massu; Mr. Jorge Sabag Sabag; Mr. Martin Diaz Plata; Mr. Jorge Bunster Betteley; Mr. Pablo Eguiguren Bravo and Mr. Oscar Cerda Urrutia.

On September 7, 2017 Tanner Servicios Financieros S.A. placed a four year bullet bonds – Z series - on the local market for UF 1,500,000 at a 2.74% year rate.

On November 10, 2017, Tanner Servicios Financieros S.A. placed a three year bullet bond on the Swiss market, for UF 100,000,000 at a 1.375% annual fixed rate.

On November 17, 2017, Tanner Servicios Financieros S.A. acquired the remaining 30% of Tanner Corredora Seguros Limitada.

As of December 31, 2017, the preference of Series A and Series B shares was extinguished, which will be exchanged for ordinary shares at a 1:1 ratio. Consequently, the share capital remains divided into 1,212,129 ordinary shares of a same class, no par value.

NOTE 34
SUBSEQUENT EVENTS

The consolidated financial statements of Tanner Servicios Financieros S.A. and subsidiaries as of December 31, 2017 have been approved by the Board on February 15, 2018.

After December 31, 2017 and up to the date on which these consolidated financial statements were issued, Management is not acquainted with any further financial or other event which might significantly affect their interpretation.

Tanner

Quarterly Earnings Report

Diciembre 2017

Table of contents

I. Executive Summary

- **ROAE*:**

  2017: 9.7% / 2016: 9.2%

- **ROAA**:**

  2017: 2.3% / 2016: 2.3%

- **Equity:**

  2017: MCh$ 269,481 / Δ+: 7.4% YoY

- **Gross Margin:**

  2017: MCh$ 63,717 / 2016: MCh$ 58,581
  Δ+: 8.8% YoY

- **Net Profit:**

  2017: MCh$ 25,319 / 2016: MCh$ 22,350
  Δ+: 13.3% YoY

- **Net Portfolio**

  2017: MCh$ 936,816 / Δ+: 17.0% YoY

- **NPLs > 90 days:**

  2017: 4.1% / 2016: 4.4%

Profit after taxes in 2017 grew 13.3% YoY, totaling Ch$ 25,319 million, mainly because of revenue increase (+22.8% YoY), and partially offset by the growth in costs due to a greater volume of operations, although the operating margin registers an expansion of 12.9% YoY.

Total net loan portfolio at period-end December 2017 reached Ch$ 936,816 million, increasing Ch$ 136,067 million (+17.0% YoY) and aligned with the records reached by the **auto-financing division: Ch$ 302,728 million** (Ch$ 60,426 million / +24.9% YoY) and the **factoring business: Ch$ 291,699 million** (Ch$ 60,640 million / +26.2% YoY). All this progress also maximizes the **enterprise division: Ch$ 595,315** million (Ch$ 60,273 million / +11.3% YoY).

In terms of risk, in 2017, **NPLs over 90 days reached 4.1%, declining 30 bps YoY**, while NPLs over 30 days remain unchanged with 6.9%. **Non-performing loans of the enterprise division of 90 days declined 60 bps YoY to 3.6%** (2016: 4.2%) – with factoring descending to 3.0% in 2017, from 5.0% in 2016, in line with improvements in collection processes, which compensate the increases in leasing (2017: 8.0% vs 2016: 7.0%) and corporate lending (2017: 2.2% vs 2016: 1.5%). Meanwhile, **NPLs over 90 days in the auto-financing division registered a slight growth of 40 bps**, from 5.1% in 2016 to 5.5% in 2017, reflecting the greatest levels of default rates registered in the country.

In 2017, the **liquidity index reached 1.71 times**, lower than the levels registered in 2016 (2.57x). **Cash on hand totaled Ch$ 84,636 million** versus Ch$ 31,632 million at the end of the previous year, while the Company's **leverage closed at 3.35 times** (2016: 2.99x). The decrease in the liquidity index is due to the recognition of maturity of the international bond 144-A (US$ 250 million) in March 2018, which also justifies the high cash levels that the Company maintains. In order to comply with the payment, Tanner placed 2 bonds during the second semester: one local bond with bullet structure and a maturity of 4 years for UF 1.5 million and a spread of 186 basis points. The second bond was placed in Switzerland with bullet structure and 3 years maturity, for CHF 100 million (~US$ 100 million) with a spread of 179 basis points. These issuances hold reasonably lower spreads (72 bps and 100 bps correspondingly) than the previous in 2016.

II. Consolidated Income Analysis

The following table show the consolidated income of Tanner Servicios Financieros S.A. and Subsidiaries. All figures are stated in Chilean Pesos (Ch$) and reported in accordance with International Financial Reporting Standards (IFRS).

INCOME STATEMENT MCh$	01-01-2017 31-12-2017	01-01-2016 31-12-2016	Δ %
Revenue from ordinary activities	152,683	124,339	22.8%
Sales cost	(88,967)	(65,757)	35.3%
Gross profit	63,717	58,581	8.8%
Other revenue, by function	2,429	1,875	29.6%
Administrative Expenses	(38,346)	(35,812)	7.1%
Other profits (losses)	14	1	1578.6%
Operating Margin	27,813	24,645	12.9%
Financial revenue	195	300	-35.0%
Financial costs	(218)	(148)	47.0%
Foreign exchange differences	(39)	(17)	130.9%
Income, by adjustment units	148	134	10.3%
Profit (losses) before taxes	27,900	24,915	12.0%
(Expense) Revenue from profit taxes	(2,580)	(2,565)	0.6%
Profit (Loss)	25,319	22,350	13.3%
Profit (Loss) Attributable to controller's property owners	24,617	21,839	12.7%
Profit (Loss) Attributable to non-controller shares	702	511	37.2%

Table 1: Consolidated Income Statement

The Company's **net profit in 2017 increased 13.3% YoY** (↑Ch$ 2,969 million), totaling Ch$ 25,319 million, versus Ch$ 22,350 million in 2016. The **gross margin reached Ch$ 63,717 million in 2017**, up 8.8% YoY (↑Ch$ 5,135 million).

Chart 1: Consolidated Net Profit and Gross Margin (MCh$)

Consolidated revenues reached Ch$ 152,683 million in 2017, up 22.8% YoY (↑Ch$ 28,345 million), essentially due to the increase in other revenues[1] (↑Ch$ 13,486 million / +45.9% YoY)), mainly because of a larger volume that have been intermediated in Tanner Investments and *Tanner Corredora de Seguros* - and the growth in price differences (↑Ch$ 4,910 million / +24.1% YoY) and to higher interests (↑Ch$ 7,937 million / +10.2% YoY).

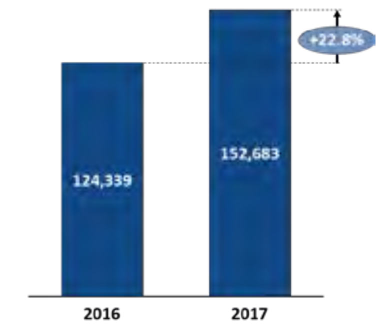

Chart 2: Consolidated Revenues (MCh$)

Consolidated cost of sales at period-end December 2017, reached Ch$ 88,967 million (↑Ch$ 23,210 million / +35.3% YoY), mainly derived from the increase in other costs[2] (↑Ch$ 6,428 million / +56.5% YoY) – aligned to: (i) an increased volume intermediated in Tanner Investments and *Tanner Corredora de Seguros* –, (ii) higher interest expenses (↑Ch$ 5,970 million / +20.6% YoY), (iii) a rise in constitution of provisions (↑Ch$ 4,999 million / +26.2% YoY) and (iv) commissions expenses (↑Ch$ 3,070 million / +22.3% YoY), partially offset by lower readjustments[2] over liabilities (↓Ch$ 2,743 million / -36,9% YoY).

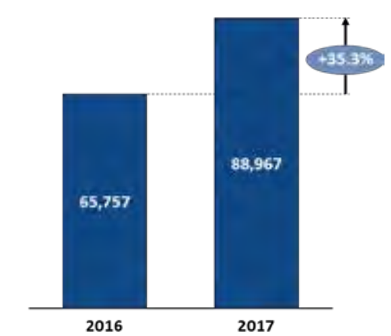

Chart 3: Consolidated Cost of Sales (MCh$)

[1] Other revenues: comprises late commercial payments, recoveries and brokerage fees from Tanner Investments and *Tanner Corredora de Seguros* (Insurance Broker).
[2] Other costs: comprises mainly brokerage costs.

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SG&A expenses (including depreciation) showed an increase in 2017, reaching Ch$ 38,346 million (+7.1% YoY), because of higher inflation, variable compensation linked the stock growth and payments associated with the efficiency process developed during the first quarter of the year. Human labor– which represents 68.5% of administrative expenses – totaled Ch$ 26,276 million, reflecting increases of Ch$ 2,191 million (+9.1% YoY). Last but not least, general expenses reached Ch$ 343 million (+2.9%).

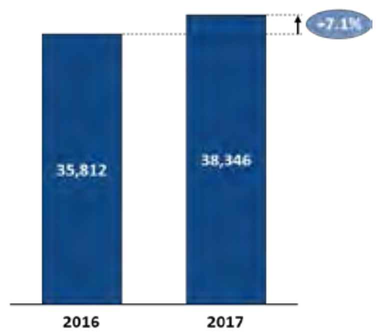

Chart 4: Consolidated SG&A Expenses (MCh$)

III. Main Indicators

	Indicator	Definition	Unit	31-12-2017	31-12-2016
Liquidity and Solvency	Current Ratio	*Current Assets/Current Liabilities*	*times*	1.71	2.57
	Current Liabilities to Equity	*Current liabilities/Equity*	*times*	1.64	0.99
	Immediate Liquidity	*Cash and cash equivalent/Current Liabilities*	*times*	0.19	0.13
	Stable Funding Ratio	*(Non-current liabilities + Equity)/(Non-current loans + others non-liquid assets)*	*%*	1.77	2.08
	Debt to Equity	*Total liabilities/Equity*	*times*	3.35	2.99
	Capitalization	*Equity/Assets*	*times*	23.00%	25.07%
	Short Term Debt Ratio	*Current liabilities/Total liabilities*	*%*	49.1%	33.2%
	Long Term Debt Ratio	*Non-current liabilities/Total liabilities*	*%*	50.9%	66.8%
	Short Term Bank Debt	*Current bank liabilities/Current liabilities*	*%*	31.6%	32.9%
	Long Term Bank Debt	*Non-current bank liabilities/Non-current liabilities*	*%*	17.9%	11.0%
	Working Capital	*Current assets - Current liabilities*	*MCh$*	315,998	391,385
	Interest Coverage Ratio	*(Profit before taxes + Financial expenditure)/Financial expenditure*	*times*	2.0	1.8
Profitability	Return on Equity	*Annualized profit/Equity*	*%*	9.4%	8.9%
	Return on Assets	*Annualized profit/Assets*	*%*	2.16%	2.23%
	Return on Average Equity	*Annualized profit/ Average Equity*	*%*	9.7%	9.2%
	Return on Average Assets	*Annualized profit/ Average Assets*	*%*	2.33%	2.28%
	Gross Profit Margin	*Gross profit/Revenue from ordinary activities*	*%*	41.7%	47.1%
	Operating Profit Margin	*Operating Profit/Revenue from ordinary activities*	*%*	18.2%	19.8%
	Net Income Margin	*Net income/Revenue from ordinary activities*	*%*	16.6%	18.0%
	Earnings Per Share (EPS)	*Net income/number of shares*	*$*	20,888	18,438
	Efficiency of Expenditure	*SG&A Expenses/Gross profit*	*%*	60.2%	61.1%
Assets Quality	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	*%*	6.9%	6.9%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	*%*	4.1%	4.4%
		Non-Performing loans >90 days/Equity	*%*	14.5%	14.3%
	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	*%*	15.6%	17.1%
		Non-Performing loans/Equity	*%*	55.7%	56.1%
	Provisions	*Provisions/(Loans + Provisions)*	*%*	2.5%	2.8%
		Provisions/Non-performing loans	*%*	16.2%	16.6%
		Provisions/Non-performing loans >90 days	*%*	62.2%	65.18%
	Write-offs	*Write-offs/(Loans + Provisions)*	*%*	2.4%	2.9%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	*%*	2.5%	2.3%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	*%*	2.3%	3.0%

Table 2: Main Indicators

At December 31, 2017, liquidity and leverage remain healthy, despite higher current liabilities due to recognition of the maturity of the 144-A bond, placed in 2013 (US$ 250 million), in less than a year (March 2018), which has driven the company onto taking a series of actions with the objective towards said amortization. Total liabilities increased Ch$ 152,283 million (+20.3% YoY) from December 2016, reaching Ch$ 902,365 million, while assets expanded 17.1% YoY (↑Ch$ 170,788 million), closing the period with Ch$ 1,171,846 million in total.

Efficiency indicators were flat when compared to December 2016, however reflecting lower profit recorded in 1Q17 because of higher constitution of provisions and increased SG&A expenses, which also impacts both gross and operating margin, partially offset by higher revenues from ordinary activities.

Finally, asset quality indicators reflect the improvements in admission, control and collections policies that Tanner has been developing since 2015 to reduce NPLs levels.

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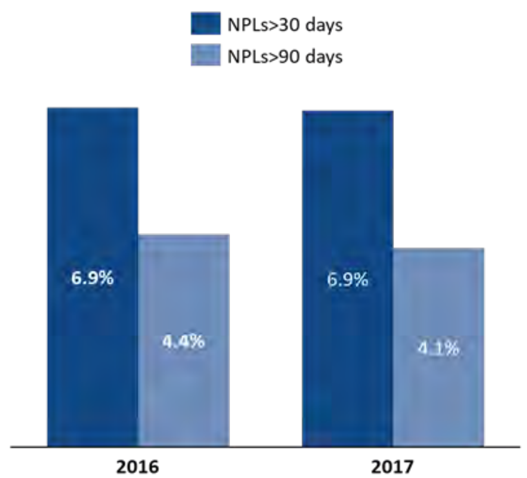

Chart 5: Consolidated NPLs

IV. Business Divisions Results

Tanner is organized in three divisions – Enterprises [3], Auto-Financing and Investments [4], complemented by the subsidiary *Tanner Corredora de Seguros*. For the purpose of this analysis, the results are classified in Enterprises, Auto-Financing and Subsidiaries, which comprises Tanner Investments and *Tanner Corredora de Seguros*. These three divisions represent 52.5%, 29.9% and 17.6% of the consolidated gross margin of the Company for 2017. Additionally, revenues and costs generated by the Treasury area are shown below.

Business Division		01.01.2017 / 31.12.2017 MCh$	01.01.2016 / 31.12.2016 MCh$	Δ $	Δ %
ENTERPRISES DIVISION	REVENUES	66,269	61,359	4,909	8.0%
	COSTS	32,823	25,773	7,050	27.4%
	GROSS PROFIT	33,445	35,586	(2,141)	-6.0%
i. FACTORING	REVENUES	37,279	29,402	7,877	26.8%
	COSTS	14,367	9,682	4,685	48.4%
	GROSS PROFIT	22,911	19,719	3,192	16.2%
ii. LEASING	REVENUES	12,157	13,214	(1,057)	-8.0%
	COSTS	9,128	8,738	390	4.5%
	GROSS PROFIT	3,029	4,476	(1,447)	-32.3%
iii. CORPORATE LOANS	REVENUES	16,833	18,743	(1,910)	-10.2%
	COSTS	9,328	7,352	1,976	26.9%
	GROSS PROFIT	7,505	11,391	(3,886)	-34.1%
AUTO-FINANCING DIVISION	REVENUES	68,792	56,955	11,837	20.8%
	COSTS	49,741	41,391	8,350	20.2%
	GROSS PROFIT	19,051	15,564	3,487	22.4%
SUBISIDIARIES*	REVENUES	20,804	11,367	9,437	83.0%
	COSTS	10,953	5,000	5,952	119.0%
	GROSS PROFIT	9,852	6,367	3,485	54.7%
TREASURY	REVENUES	(3,182)	(5,343)	2,161	-40.4%
	COSTS	(4,550)	(6,407)	1,856	-29.0%
	GROSS PROFIT	1,368	1,064	305	28.6%
Tanner	REVENUES	152,683	124,339	28,345	22.8%
	COSTS	88,967	65,757	23,210	35.3%
	GROSS PROFIT	63,717	58,581	5,135	8.8%

* Subsidiaries: comprises Tanner Investments and *Tanner Corredora de Seguros*.

Table 3: Business Divisions Results

[3] Enterprises Division: Includes Factoring, Leasing and Corporate Lending.
[4] Investments Division: Includes *Tanner Corredores de Bolsa, Tanner Investments, Tanner Corredores de Bolsa de Productos S.A.* and *Tanner Asset Management Administradora General de Fondos S.A.*

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Gross margin in 2017 reached Ch$ 63,717 million (↑Ch$ 5,135 million / +8.8% YoY), in line with an increase in revenues (↑Ch$ 28,345 million / +22.8% YoY) offsetting the growth in costs (↑Ch$ 23,210 million / +35.3% YoY). Gross margin breakdown by division/product, is as follows:

ENTERPRISES DIVISION

Ch$ 33,445 million, decreased 6.0% YoY (↓Ch$ 2,141 million), derived from an increase in revenues (↑Ch$ 4,909 million / +8.0% YoY) that offsets the growth in costs (↑Ch$ 7,050 million / 27.4% YoY).

i. FACTORING

Ch$ 22,911 million, up 16.2% YoY (↑Ch$ 3,192 million), because of revenue increment (Ch$ 7,877 million / +26.8% YoY) compensates the upturn in costs (↑Ch$ 4,685 million / +48.4% YoY).

ii. LEASING

Ch$ 3,029 million, decreasing 32.3% YoY (↓Ch$ 1,447 million), as a result of a combined effect of lower revenues (↓Ch$ 1,057 million / -8.0% YoY) and higher costs (↑Ch$ 390 million / +4.5% YoY).

iii. CORPORATE LENDING

Ch$ 7,505 million, declined 34.1% YoY (↓Ch$ 3,886 million), due to a combined effect of lower revenues (↓Ch$ 1,910 million / -10.2% YoY) and higher costs (↑Ch$ 1,976 million / +26.9% YoY).

AUTO-FINANCING DIVISION

Ch$ 19,051 million, up 22.4% YoY (↑Ch$ 3,487 million), because of revenue growth (↑Ch$ 11,837 million / +20.8% YoY) that fully satisfies the upturn in costs (↑Ch$ 8,350 million / +20.2% YoY).

SUBSIDIARIES

Ch$ 9,852 million, growing 54.7% YoY (↑Ch$ 3,485 million), in line with an expansion in revenues of Ch$ 9,437 million (+83.0% YoY), compensating the growth in costs (↑Ch$ 5,952 million / +119.0% YoY).

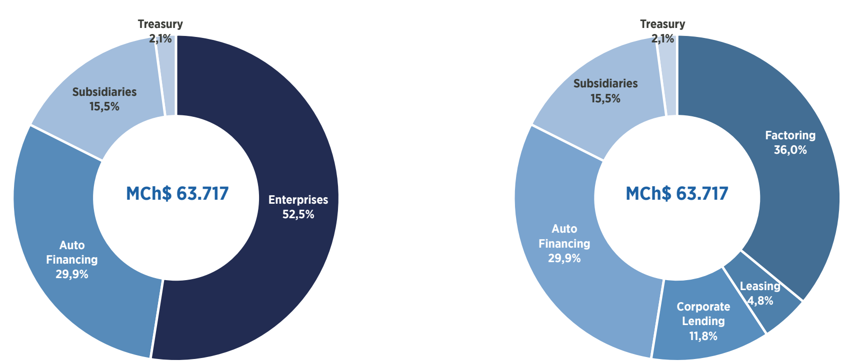

Chart 6: Gross Margin Breakdown by Division

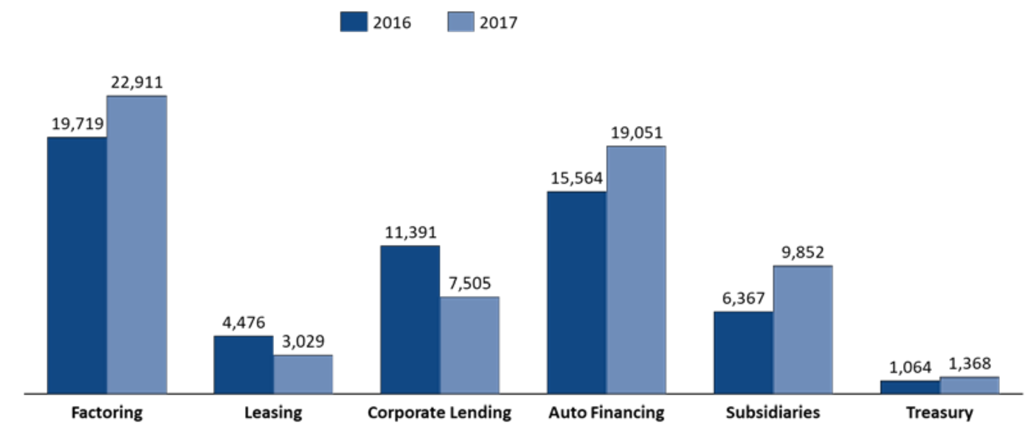

Chart 7: Gross Margin Breakdown by Line of Business

Consolidated revenues totaled Ch$ 152,683 million (↑Ch$ 28,345 million), with a rise of 22.8% YoY, these results are explained by revenues of:

ENTERPRISES DIVISION

Ch$ 66,269 million (↑Ch$ 4,909 million / +8.0% YoY)
Driver: Increase in price differences, late commercial payments and recoveries.

i. FACTORING

Ch$ 37,279 million (↑Ch$ 7,877 million / +26.8% YoY)
Driver: Growth in price differences, late commercial payments and recoveries.

ii. LEASING

Ch$ 12,157 million (↓Ch$ 1,057 million / -8.0% YoY);
Driver: Downward trend of leasing operations in the local banking industry during the last 12 months.

iii. CORPORATE LENDING

Ch$ 16,833 million (↓Ch$ 1,911 million / -10.2% YoY)
Driver: Strategy of the Company to reduce its exposure in this product, passing to little facilities of working capital aimed to factoring clients instead of big tickets, even though stock related to this product increased 6.2% YoY during 2017.

AUTO-FINANCING DIVISION

Ch$ 68,792 million (↑Ch$ 11,837 million / +20.8% YoY)
Driver: Higher volume, concordant with larger sales on new and used cars, according to ANAC[5] and CAVEM[6].

SUBSIDIARIES

Ch$ 20,804 million (↑Ch$ 9,437 million / +83.0% YoY)
Driver: Increased volume intermediated.

[5] ANAC: Asociación Nacional Automotriz de Chile A.G.
[6] CAVEM: Cámara Nacional de Comercio Automotriz de Chile

Consolidated costs totaled Ch$ 88,967 million, increasing Ch$ 23,219 million (+35.3% YoY), these figures are explained by costs of:

ENTERPRISES DIVISION

Ch$ 32,823 million (↑Ch$ 7,050 million / +27.4% YoY)
Driver: Higher provisions and write-offs, together with greater interest expenses related with funding costs due to an increased stock of loans.

i. FACTORING

Ch$ 14,367 million (↑Ch$ 4,685 million / +48.4% YoY)
Driver: Increase in provisions and write-offs, coupled with higher interest expenses related with funding costs in line with the growth registered in this product.

ii. LEASING

Ch$ 9,128 million (↑Ch$ 390 million / +4.5% YoY)
Driver: Rise in provisions and write-offs, interest expenses and other costs in a small amount.

iii. CORPORATE LENDING

Ch$ 9,328 million (↑Ch$ 1,976 million / +26.9% YoY)
Driver: Larger provisions and write-offs.

AUTO-FINANCING DIVISION

Ch$ 49,741 million (↑Ch$ 8,350 million / +20.2% YoY)
Driver: Higher interest expenses, commissions and other costs due to an increase in the stock, partially compensated by decreased provisions and write-offs.

SUBISIDIARIES

Ch$ 10,953 million (↑Ch$ 5,952 million / +119.0% YoY)
Driver: Increased intermediated volume.

V. Business Divisions Portfolio Quality

	Indicator	Definition	Unit	31/12/2017	31/12/2016
ENTERPRISES DIVISION	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	13.0%	14.7%
		Non-Performing loans/Equity	%	29.4%	32.2%
	Provisions	*Provisions/(Loans + Provisions)*	%	2.1%	2.5%
		Provisions/Non-performing loans	%	16.1%	16.8%
		Provisions/Non-performing loans >90 days	%	58.2%	58.6%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	1.6%	0.8%
	Non-Performing Loans over 30 (	*Non-performing loans >30 days/(Loans + Provisions)*	%	4.9%	5.3%
	Non-Performing Loans over 90 (	*Non-performing loans >90 days/(Loans + Provisions)*	%	3.6%	4.2%
		Non-Performing loans >90 days/Equity	%	8.2%	9.2%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	2.4%	3.6%
		Securitized portfolio/Equity	%	5.5%	7.9%
	Clients	*Number of clients*	#	4,871	4,882
	Efficiency	*SG&A Expenses/Gross profit*	%	60.1%	53.5%
i. FACTORING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	12.7%	15.7%
		Non-Performing loans/Equity	%	14.0%	14.9%
	Provisions	*Provisions/(Loans + Provisions)*	%	1.8%	3.0%
		Provisions/Non-performing loans	%	14.4%	19.0%
		Provisions/Non-performing loans >90 days	%	59.8%	59.2%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	1.4%	0.7%
	Non-Performing Loans over 30 (	*Non-performing loans >30 days/(Loans + Provisions)*	%	3.6%	5.7%
	Non-Performing Loans over 90 (	*Non-performing loans >90 days/(Loans + Provisions)*	%	3.0%	5.0%
		Non-Performing loans >90 days/Equity	%	3.4%	4.8%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	2.1%	1.0%
		Securitized portfolio/Equity	%	2.3%	1.0%
	Clients	*Number of clients*	#	3,177	2,548
	Efficiency	*SG&A Expenses/Gross profit*	%	51.7%	52.3%
ii. LEASING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	27.9%	23.7%
		Non-Performing loans/Equity	%	10.8%	11.1%
	Provisions	*Provisions/(Loans + Provisions)*	%	3.6%	3.6%
		Provisions/Non-performing loans	%	12.9%	15.1%
		Provisions/Non-performing loans >90 days	%	45.0%	50.9%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	2.6%	2.2%
	Non-Performing Loans over 30 (	*Non-performing loans >30 days/(Loans + Provisions)*	%	13.4%	9.9%
	Non-Performing Loans over 90 (	*Non-performing loans >90 days/(Loans + Provisions)*	%	8.0%	7.0%
		Non-Performing loans >90 days/Equity	%	3.1%	3.3%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	3.8%	8.6%
		Securitized portfolio/Equity	%	1.5%	4.0%
	Clients	*Number of clients*	#	857	1,073
	Efficiency	*SG&A Expenses/Gross profit*	%	94.4%	76.5%
iii. CORPORATE LENDING	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	6.0%	8.1%
		Non-Performing loans/Equity	%	4.6%	6.2%
	Provisions	*Provisions/(Loans + Provisions)*	%	1.7%	1.2%
		Provisions/Non-performing loans	%	29.0%	14.6%
		Provisions/Non-performing loans >90 days	%	79.6%	78.6%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	1.5%	0.1%
	Non-Performing Loans over 30 (	*Non-performing loans >30 days/(Loans + Provisions)*	%	2.6%	2.0%
	Non-Performing Loans over 90 (	*Non-performing loans >90 days/(Loans + Provisions)*	%	2.2%	1.5%
		Non-Performing loans >90 days/Equity	%	1.7%	1.2%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	2.3%	3.8%
		Securitized portfolio/Equity	%	1.7%	3.0%
	Clients	*Number of clients*	#	837	1,261
	Efficiency	*SG&A Expenses/Gross profit*	%	72.2%	46.6%
AUTO FINANCING DIVISION	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	%	22.5%	23.8%
		Non-Performing loans/Equity	%	26.3%	23.9%
	Provisions	*Provisions/(Loans + Provisions)*	%	3.7%	3.9%
		Provisions/Non-performing loans	%	16.3%	16.3%
		Provisions/Non-performing loans >90 days	%	67.2%	77.0%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	%	4.5%	5.8%
	Non-Performing Loans over 30 (	*Non-performing loans >30 days/(Loans + Provisions)*	%	11.5%	11.2%
	Non-Performing Loans over 90 (	*Non-performing loans >90 days/(Loans + Provisions)*	%	5.5%	5.1%
		Non-Performing loans >90 days/Equity	%	6.4%	5.1%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	%	2.4%	1.9%
		Securitized portfolio/Equity	%	2.7%	1.9%
	Clients	*Number of clients*	#	57,293	49,704
	Efficiency	*SG&A Expenses/Gross profit*	%	70.1%	81.1%

Table 4: Business Divisions Main Indicators

ENTERPRISES DIVISION

Portfolio quality improved with respect to 2016, reflected in the decline of NPLs > 90 days and the stock of provisions.

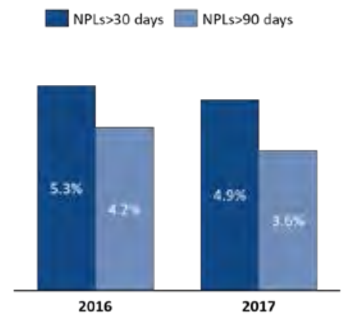

Chart 8: NPLs – Enterprises Division

i. FACTORING

Non-performing portfolio improved with respect to 2016, reflected in the decrease of both NPLs > 30 days, NPLs > 90 days and the stock of provisions.

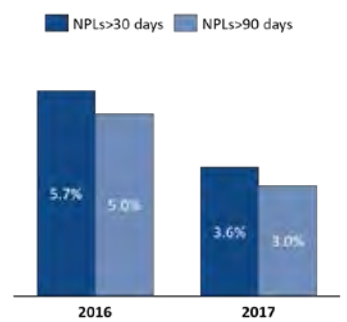

Chart 9: NPLs – Factoring Business

ii. LEASING

Portfolio quality indicators deteriorate, especially in terms of NPLs > 30 days and NPLs > 90 days, with the stock of provisions virtually unchanged, although loans were reduced in 10.8%.

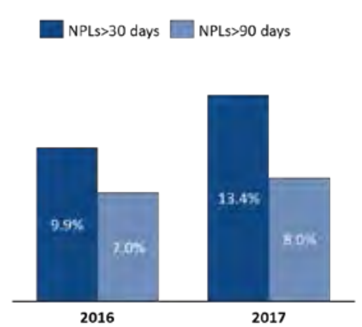

Chart 10: NPLs – Leasing Business

iii. CORPORATE LENDING

Portfolio quality indicators deteriorate in relation to previously observed levels, due to a longer maturity of the portfolio and the decrease in the stock of big corporate tickets, those which practically do not present default.

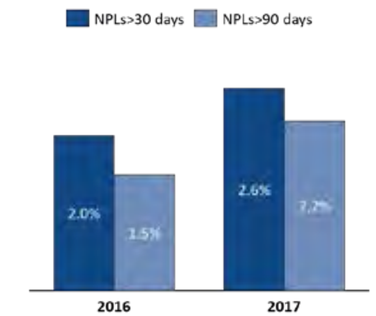

Chart 11: NPLs – Corporate Lending Business

AUTO-FINANCING DIVISION

NPLs > 30 days and NPLs > 90 days expanded, reflecting both the growth of stock – given that this product provisions from the beginning of the facility – and the economic environment in the country, which results in a slight deterioration in the quality of the portfolio of this division.

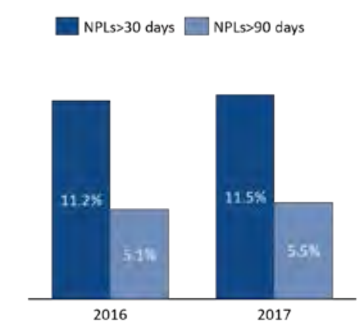

Chart 12: NPLs – Auto-Financing Division

VI. Balance Sheet

Assets (MCh$)	31/12/2017	31/12/2016	Δ $	Δ %
Current Assets				
Cash and cash equivalent	84,636	31,632	53,004	167.6%
Other current financial assets	49,120	44,478	4,643	10.4%
Other current non-financial assets	1,547	2,075	(528)	-25.4%
Trade receivables and other current accounts receivable, net	602,984	542,884	60,100	11.1%
Current accounts receivable from related parties	452	341	111	32.7%
Current tax assets	13,839	16,443	(2,604)	-15.8%
Non-current assets held for sale	6,216	2,260	3,956	175.0%
Total Current Assets	**758,793**	**640,113**	**118,681**	**18.5%**
Non-Current Assets				
Other non-current financial assets	22,286	54,592	(32,306)	-59.2%
Other non-current non-financial assets	6,217	4,799	1,418	29.5%
Trade receivables and other non-current accounts receivable, net	333,832	257,865	75,967	29.5%
Non-current accounts receivable from related parties	611	13	598	4472.3%
Investments in companies	3,509	1,853	1,656	89.3%
Intangible assets other than goodwill	1,764	1,764	-	0.0%
Goodwill	3,341	4,545	(1,204)	-26.5%
Property, plant and equipment	3,146	-	3,146	-
Deferred tax assets	38,347	35,514	2,834	8.0%
Total Non-Current Assets	**413,052**	**360,945**	**52,107**	**14.4%**
Total Assets	**1,171,846**	**1,001,058**	**170,788**	**17.1%**

Liabilities (MCh$)	31/12/2017	31/12/2016	Δ $	Δ %
Current Liabilities				
Other current financial liabilities	364,875	190,546	174,329	91.5%
Trade payables and other current accounts payables	70,655	50,928	19,728	38.7%
Other short-term provisions	1,658	2,540	(883)	-34.7%
Current tax liabilities	5,598	4,713	885	18.8%
Other current non-financial liabilities	9	-	9	-
Total Current Liabilities	**442,796**	**248,728**	**194,068**	**78.0%**
Non-Current Liabilities				
Other non-current financial liabilities	451,114	495,510	(44,397)	-9.0%
Non-current accounts payable	-	-	-	-
Deferred tax liabilities	8,456	5,844	2,612	44.7%
Total Non-Current Liabilities	**459,570**	**501,354**	**(41,785)**	**-8.3%**
Total Liabilities	**902,365**	**750,082**	**152,283**	**20.3%**
Equity	269,481	250,976	18,505	7.4%
Total Equity and Liabilities	**1,171,846**	**1,001,058**	**170,788**	**17.1%**

Table 5: Consolidated Balance Sheet

a. Loan Portfolio[7]

Total gross loan portfolio at December 2017 reached Ch$ 961,131 million (+16.6% YoY) versus Ch$ 824,116 million in 2016, while provisions totaled Ch$ 24,315 million, increasing by 4.1% YoY (↑Ch$ 948 million). Consequently, **total net loan portfolio amounted to Ch$ 936,816 million**, an increase of Ch$ 136,067 million (+17.0% YoY) from Ch$ 800,749 million.

Net loan portfolio at December 2017:

1. **Enterprises Division: Ch$ 595,315 million** |+11.8% YoY | ↑Ch$ 60,273 million;
    a. **Factoring: Ch$ 291,699 million** |+26.2% YoY | ↑Ch$ 60,640 million;
    b. **Leasing: Ch$ 100,900 million** | -10.8% YoY | ↓Ch$ 12,243 million;
    c. **Corporate Lending: Ch$ 202,715 million** | +6.2% YoY | ↑Ch$ 11,876 million; and,
2. **Auto-Financing Division: Ch$ 302,728 million** | ↑ 24.9% YoY | ↑Ch$ 60,426 million.

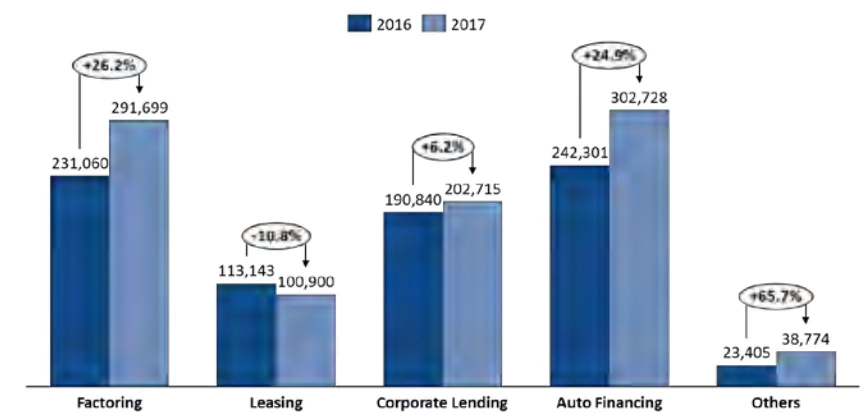

Chart 13: Net Loan Portfolio Breakdown by Line of Business

The portfolio has become more concentrated in the Company's strategic businesses of factoring and auto-financing, which represent 31.1% and 32.3% of net loan portfolio, respectively. In the long term, corporate lending business will focus on working capital facilities to factoring clients, in order to complement the supply of products.

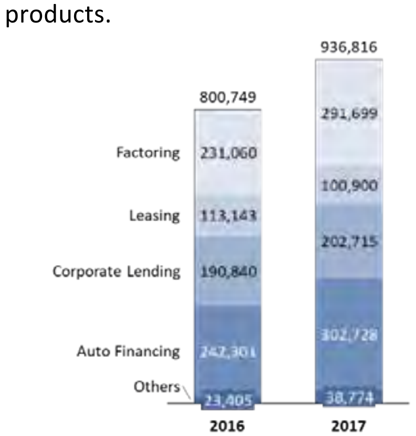

Chart 14: Net Loan Portfolio Breakdown

[7] Gross loans minus provisions.

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b. Funding Sources

Financial liabilities as of December 2017 totaled Ch$ 815,989 million, versus $ 686,057 million in December 2016 (↑Ch$ 129,932 million / +18.9% YoY). This increase is mainly because of both larger obligations with banks and financial institutions (↑Ch$ 85,098 million / +62.0% YoY), and commercial paper (↑Ch$ 24,405 million / +62,7% YoY).

It is worth noting that **current financial liabilities increased 91.5% YoY** (↑Ch$ 174,329 million) in 2017 because the debt related with the 144-A bond issued by the Company in 2013, was transferred to current liabilities, as it expires in March 2018. Therefore, **non-current financial liabilities decreased 9.0% YoY** (↓Ch$ 44,397 million).

In terms of the structure of the Company liabilities, 60.9% (Ch$ 496,783 million) corresponds to local and international bonds, 27.3% (Ch$ 222,359 million) to loans and credit lines, and 7.8% (Ch$ 63,336 million) to commercial paper. Additionally, Ch$ 33,510 million (4.1%) are related to other financial obligations, corresponding to repos and forwards.

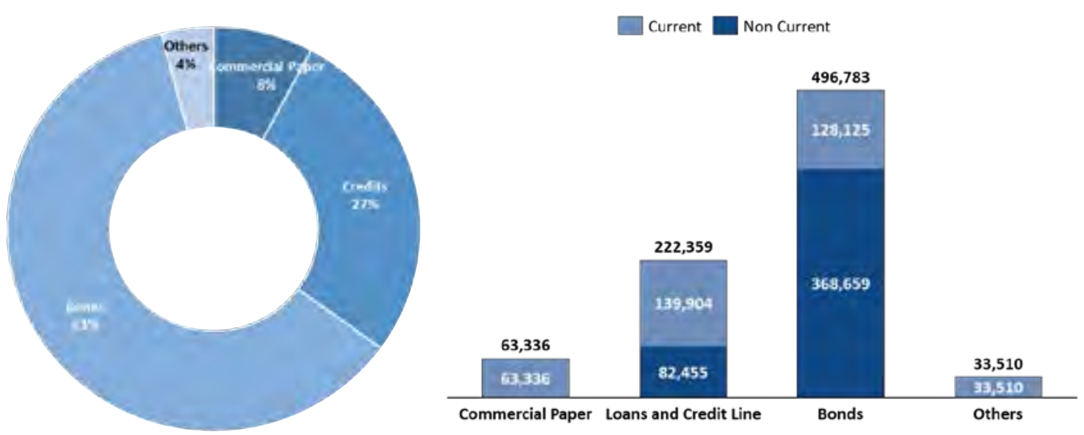

Chart 15: Sources of Funding Breakdown

VII. Cash Flow Statement

MCh$	31-12-2017	31-12-2016	Δ $
Cash flow provided by (used in) operating activities	(128,926)	(58,370)	(70,556)
Cash flow provided by (used in) investing activities	147,491	119,045	28,446
Cash flow provided by (used in) financing activities	34,473	(60,582)	95,056
Effect of changes in exchange rates	(35)	(246)	211
Net increase (decrease) in cash and cash equivalent	53,004	(153)	53,156
Cash and Cash Equivalent, Initial Balance	31,632	31,785	(153)
Cash and Cash Equivalent, Final Balance	84,636	31,632	53,004

Table 6: Cash Flow Statement

During 2017, cash flow from **operating activities totaled Ch$ -128,926 million** versus Ch$ 58,370 million recorded in 2016 because despite collections increased by Ch$ 343,158 million, cash disbursement connected with the business grew up Ch$ 413,990 million.

Cash flow stemming from **investment activities reached Ch$ 147,491 million**, Ch$ 28,446 million more than the Ch$ 119,045 million of 2016, when the company received the proceeds coming from the sale of the corporate building in 2015.

Financing activities cash flow amounts to Ch$ 34,473 million in 2017, increasing Ch$ 95,056 million when compared to Ch$ -60,582 million in 2016, mainly because proceeds and repayments from borrowings were lower.

Cash and cash equivalents at period-end December 2017 totaled Ch$ 84,635 million, increasing Ch$ 53,004 million YoY, as part of the countermeasures of acknowledging the maturity of 144-A bond (US$ 250 million) in March 2018.

VIII. Risk Analysis

a. Credit Risk

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

Tanner manages credit risk by line of business (i.e. independently for factoring, corporate lending, auto-financing and leasing operations) based on its clients' expected revenues, available financial information, and their payment track record, if any. This analysis also includes macroeconomic expectations and specific data of the sector where the client is involved. In terms of factoring, it also includes debtor-specific information.

Other important and complementary aspects of credit risk evaluations are the quality and quantity of guarantees required. One of the Company's policies has been to have solid collateral that represent a second source of payment for client obligations in the event of defaults. Therefore, several conditions have been set forth for each business line:

FACTORING A framework agreement is signed by every client to support future operations. Most credit lines include liability of the assignor for the insolvency of the assigned debtor. Operations without liability are generally covered by a credit insurance policy and/or specific collateral.

LEASING Leasing operations are guaranteed by the leased asset. Insurance policies are required for all assets, to cover any claim that may lead to a loss in value.

CORPORATE LENDING Mortgages and/or stocks may be required. However, in some cases guarantors are liable for the loan in an event of default; generally, these are partners of or investors in the borrower.

AUTO-FINANCING Car loans are guaranteed by the assets associated with the financing and includes a credit profile analysis of the client. There are two types of guarantees in this case: real (vehicle pledges) and personal (securities and co-signers).

The basic features of the provision policies, by type of business, are:

FACTORING For invoices and checks, the provision is equal to an increasing percentage – which depends on days past due – from the total amount owed by the debtor to Tanner´s client.
** The write-off policy has as maximum term of 540 days past due.*

LEASING Based on asset type (real estate, vehicle or machinery and equipment) and days of delay in payment, a percentage is applied to the outstanding principal balance.
** The write-off policy has as maximum term of 540 days past due, except for real estate leasing.*

CRÉDITOS The provision is an increasing percentage of the outstanding balance, which depends on days past due.
** The write-off policy has as maximum term of 540 days past due.*

AUTOMOTRIZ Provisions are calculated using variables such as demographic aspects, product conditions (sales channel, vehicle type and loan characteristics) and internal behavior, such as payment history, recoveries and defaults, among others.
** The write-off policy has as maximum term of 420 days past due.*

Additionally, the Company has a credit quality follow-up process, to identify potential changes in counterparty payment capacity on early stages, to evaluate potential losses resulting from the risks it is exposed to and adopts corrective measures, allowing the recovery of those credits that have entered a state of default.

b. Liquidity Risk

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

The Company has a daily cash flow management process that includes a simulation of all assets and liabilities, in order to anticipate cash needs. Additionally, the Asset and Liabilities Committee (ALCO) meets monthly to review projections and defines an action plan based on the Company´s forecasts and market conditions.

The Company manages its liquidity risk at a consolidated level. Tanner's main source of liquidity is cash flows from operating activities (collections). At the end of December 2017, the Company, on a consolidated level, had $ 84,635 million of cash on hand, versus $31,632 million in 2016.

Indirect subsidiary *Tanner Corredores de Bolsa* is subject to requirements set forth by the SVS and must comply with regulations with respect the General Liquidity Index and the Intermediation Liquidity Index. In line with the requirements of the SVS, the subsidiary has complied permanently with the mentioned indicators.

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c. Market Risk

Market risk is defined as the exposure to financial loss due to adverse movements in market variables, such as interest rates, currencies, inflation, among others, which the Company has not duly hedged, thus affecting the value of any operation recorded in the balance sheet.

i. Price Risk

The Company is exposed to price risk by owning financial instruments whose valuation depends directly on the value that the market gives to these types of operations and present a certain volatility that is measured by historical VaR[8].

At period-end December 2017, investments in corporate bonds – valued at market prices – are maintained for a total of MUS$ 12,464. At that date, the average duration of the portfolio was 3.05 years, sensitivity measured by DV01[9] was US$ 3,644 and parametric VaR[9], with a 1-day horizon was US$ 25,078, with a 99% confidence level.

ii. Interest Rate Risk

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

The following tables show how the value of the bonds portfolio changes, in percentage terms, when there are changes in interest rates:

Decreases in interest rates:

Negative Delta (bps)	-25	-50	-75	-100	-125	-150	-175	-200
Net Portfolio Variation	0.11%	0.23%	0.34%	0.46%	0.58%	0.69%	0.81%	0.94%

Increases in interest rates:

Positive Delta (bps)	25	50	75	100	125	150	175	200
Net Portfolio Variation	-0.11%	-0.22%	-0.33%	-0.44%	-0.54%	-0.65%	-0.75%	-0.86%

Table 7: Sensitivity to Variations in the Interest Rate

The Company keeps a derivative instrument portfolio of: (i) trading derivatives – whose maturity structure is very short term, and, therefore, have an associated interest rate risk with low impact on results – and (ii) hedging derivatives – aims to mitigate the rate (Libor) and currency risks of financial liabilities, keeping a limited exposure and low impact to income.

[8] VaR: Value at Risk – corresponds to the maximum expected loss considering a history horizon of 1 year with a confidence level of 99%.
[9] DV01: Dollar value of .01 – corresponds to the approximate change in the price of an instrument for a one bp change in yield (0.01%) and is calculated as a market value per modified duration of 0.01%.

Exposure	31.12.2017							
	Trading Derivatives				Hedging Derivatives			
	CLF Th$	CLP Th$	USD Th$	CHF Th$	CLF Th$	CLP Th$	USD Th$	CHF Th$
Up to 1 year	-	101,321,203	53,437,294	44,200,446	3,775,036	85,615,259	73,762,964	2,303,893
1 to 3 years	-	-	-	-	99,971,903	165,218,357	49,550,858	118,241,614
3 years and over	-	-	-	-	32,215,332	45,731,777	15,255,311	-
Total	**-**	**101,321,203**	**53,437,294**	**44,200,446**	**135,962,271**	**296,565,393**	**138,569,133**	**120,545,507**

Sens. +1pb	31.12.2017							
	Trading Derivatives				Hedging Derivatives			
	CLF Th$	CLP Th$	USD Th$	CHF Th$	CLF Th$	CLP Th$	USD Th$	CHF Th$
Up to 1 year	-	4,127	(2,314)	118	191	10,068	4,886	77
1 to 3 years	-	-	-	-	41,694	190,235	42,193	4,382
3 years and over	-	-	-	-	22,748	90,360	20,919	-
Total	**-**	**4,127**	**(2,314)**	**118**	**64,633**	**290,663**	**67,998**	**4,459**

Table 8: Exposure and Sensitivity by Currency

iii. Foreign Exchange

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, because of their business activities and financing needs, holds a mismatch in US Dollars that is daily managed and mitigated mainly through instruments deriving from negotiation and hedging. In addition, it has operations in Swiss Francs whose currency risk is fully hedged.

As internal mitigation policy, the mismatch in US Dollars may not exceed the equivalent to 2.5% of equity. As the end of 2017, the Company presented an exposure in US Dollars US$ 3,817 million equivalents to 0.9% of equity versus US$ 718 million (0.2% of equity). The sensitivity analysis to currency risk is calculated daily, considering as main variable the exposure in US Dollars of mismatch held and the estimated variation of the Observed US Dollar.

US$ Mismatch (ThUSD$)	
Assets	266,147
Liabilities	(420,769)
Derivative instruments	150,805
Total Mismatch	**(3,817)**

Table 9: US Dollar Mismatch

iv. Indexation Risk

It corresponds to the exposure of assets and liabilities linked to *Unidades de Fomento* ("UF") and can generate loss when exposed to changes. The Company, because of activities inherent to the business and its financing needs, holds assets and liabilities in UF, and the related mismatch is managed in a daily basis and mitigated through hedging derivatives.

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As internal policy of risk mitigation, mismatch in UF may not exceed the equivalent to 30% of equity. At the end of 2017, mismatch in UF amounted to CLF 2.447 million, equivalent to 24.3% of equity (2016: CLF 1.897 million / 19,9% of equity). As for currency risk, the sensitivity analysis of indexation risk is calculated in a daily basis, considering as main variable the mismatch held in CLF and the future variations estimated in the UF value.

UF Mismatch (ThCLF)	
Assets	6,789
Liabilities	(9,087)
Derivative instruments	4,745
Total Mismatch	**2,447**

Table 10: UF Mismatch

For additional information regarding this section, please refer to Note 4 of the Company's Financial Statements as of December 31, 2017.