Quarterly Earnings Report

September 2020

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I. Executive Summary

Tanner

- **ROAE*:**

  9M20: 8.4% / 9M20: 11.7%

- **ROAA**:**

  9M20: 1.8% / 9M20: 2.4%

- **Equity:**

  9M20: MCh$ 316,020 / Δ+: 2.9% YTD

- **Net Profit:**

  3Q20: MCh$ 8,377 / 3Q19: MCh$ 10,369
  Δ-: 19.2% YoY
  9M20: MCh$ 18,830 / 9M19: MCh$ 25,334
  Δ-: 25.7% YoY

- **Net Portfolio:**

  9M20: MCh$ 1,057,929 / Δ-: 18.8% YTD

- **NPLs > 90 days:**

  9M20: 3.0% / 9M19: 2.6%

* ROAE: Return LTM on average equity.
** ROAA: Return LTM on average assets.

Profit after taxes in the first nine months of 2020 reached Ch$ 18,830 million, a reduction of 25.7% YoY, driven by a decrease in operating margin of 24.5% YoY in 9M20.

Net loan portfolio at period-end September 2020 totaled Ch$ 1,057,929 million, down Ch$ 244,275 million (18.8% YTD) driven by moderate performances of: (i) the **corporate division portfolio which closed the period with net loans of Ch$ 574,207 million** (↓Ch$ 212,757 million / -27.4% YTD), mainly coming from factoring, which totaled Ch$ 231,007 million (↓Ch$ 173,519 million / -42.9% YTD), corporate lending which reached Ch$ 261,930 million (↓Ch$ 30,972 million / -10.6% YTD) and leasing that totaled Ch$ 72,184 million (↓Ch$ 9,266 million / -11.4% YTD). Additionally (ii) the **auto-financing division ended the period with net loan portfolio amounting to Ch$ 446,924 million** (↓Ch$ 7,178 million / -1.6% YTD).

In terms of risk compared to the previous year, **Tanner maintains suitable portfolio risk levels with NPLs over 30 days decreasing in 33 basis points, reaching 5.1%** (9M19: 5.4%) while NPLs over 90 days increasing 36 bps to 3.0% (9M19: 2.6%). Non-performing loans over 90 days of the corporate division increased to 2.7% (9M20: 1.8%) driven by an increase of in corporate lending (9M20: 4.1% vs. 9M19: 1.3%) counteracted by a decline of 298 bps in leasing (9M20: 1.4% vs. 9M20: 4.4%), and in factoring (9M20: 1.4% vs. 9M19: 1.5%). Meanwhile, **NPLs over 90 days in the auto-financing division decreased 105 bps totaling 3.7%** (9M19: 4.7%).

Liquidity index at period-end September 2020 reached 1.80 times, above levels registered on Dec-19 (1.24x), while **cash totaled Ch$ 152,654 million** versus Ch$ 53,660 million at the end of the previous year. On the other hand, the Company's **leverage closed at 3.49 times** (Dec-19: 4.25x).

II. Consolidated Income Analysis

The following table shows 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$	01-01-2019 09-30-2020	01-01-2019 09-30-2019	Δ $	Δ %	07-01-2020 09-30-2020	07-01-2019 09-30-2019	Δ $	Δ %
Revenue from ordinary activities	136,649	144,353	(7,704)	-5.3%	37,106	51,412	(14,306)	-27.8%
Sales cost	(59,394)	(61,106)	1,712	-2.8%	(12,784)	(20,110)	7,326	-36.4%
Gross profit	77,255	83,247	(5,992)	-7.2%	24,323	31,303	(6,980)	-22.3%
Impairment Losses	(19,000)	(19,480)	481	-2.5%	(2,434)	(6,521)	4,086	-62.7%
Other revenue, by function	(589)	1,705	(2,293)	-134.5%	(741)	521	(1,262)	-242.4%
Administrative expenses	(34,815)	(34,627)	(188)	0.5%	(10,733)	(12,371)	1,638	-13.2%
Other profits (losses)	430	-	430	0%	578	-	578	-
Operating margin	23,282	30,844	(7,562)	-24.5%	10,992	12,932	(1,940)	-15.0%
Financial revenue	2	64	(62)	-96.3%	-	18	(18)	-100.0%
Financial costs	(358)	(290)	(68)	23.3%	(85)	(79)	(6)	7.5%
Foreign exchange differences	36	149	(112)	-75.6%	(35)	102	(137)	-134.7%
Income by adjustment units	89	54	35	64.0%	0	47	(47)	-99.9%
Profit (losses) before taxes	23,052	30,821	(7,769)	-25.2%	10,873	13,020	(2,148)	-16.5%
Revenue (expense) from profit taxes	(4,222)	(5,487)	1,264	-23.0%	(2,496)	(2,651)	155	-5.9%
Profit (losses)	18,830	25,334	(6,504)	-25.7%	8,377	10,369	(1,992)	-19.2%
Profit (losses) attributable to controller's property owners	18,708	24,862	(6,154)	-24.8%	8,150	10,133	(1,982)	-19.6%
Profit (losses) attributable to non-controller shares	122	472	(350)	-74.2%	227	237	(10)	-4.2%

Table 1: Consolidated Income Statement

The Company's **net profit in the first nine months of 2020 decreased 25.7% YoY** (↓Ch$ 6,504 million), totaling Ch$ 18,830 million, versus Ch$ 25,334 million in 9M19, while in the third quarter profit decreased 19.2% YoY (↑Ch$ 3,632 million), reaching Ch$ 8,377 million (3Q19: Ch$ 10,369 million). **Gross margin in 9M20 reached Ch$ 77,255 million**, down 7.2% YoY (↓Ch$ 5,992 million) and in **3Q20 totaled Ch$ 24,323 million** (↓Ch$ 6,980 million / -22.3% YoY).

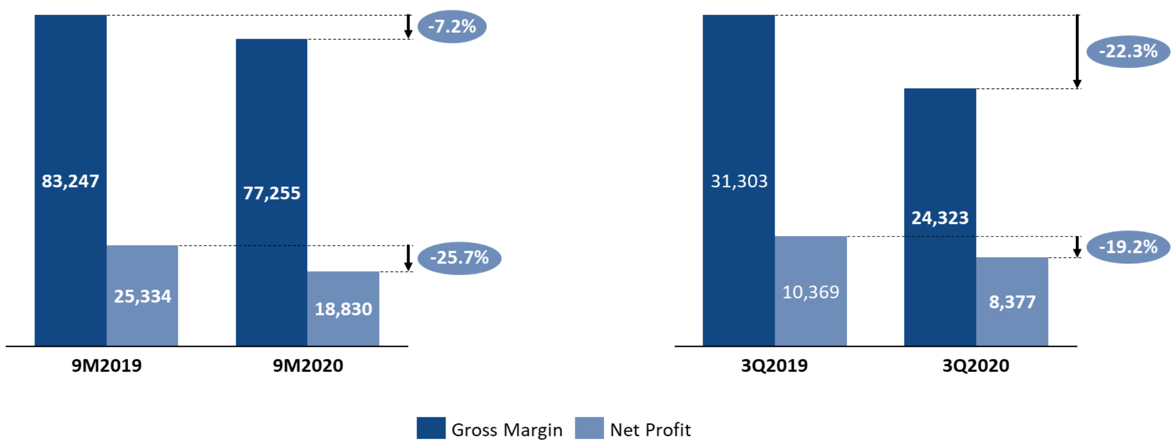


Chart 1: Consolidated Net Profit and Gross Margin (MCh$)

Consolidated revenues totaled Ch$ 136,649 million during the first nine months of 2020, decreasing 5.3% YoY (↓Ch$ 7,704 million) and $ 37,106 million (↓Ch$ 14,306 million / -27.8% YoY) 3Q20, in line with decreases in (i) price differences 9M20: ↓$ 4,695 million / -16.2% YoY and 3Q20: ↓$ 2,924 million / -60.4% YoY) (ii) other income[1] (9M20: ↓$ 3,047 million / -9.9% YoY and 3Q20: ↓$ 6,748 million / -56.6% YoY), (iii) commissions (9M20: ↓$ 2,000 million / +29.1% YoY and 3Q20: ↓$ 2,294 million / -60.4% YoY), (iv) income from interests (9M20: ↑$ 1,270 million / 1.6% YoY and 3Q20: ↓$ 2,873 million / -10.7% YoY).

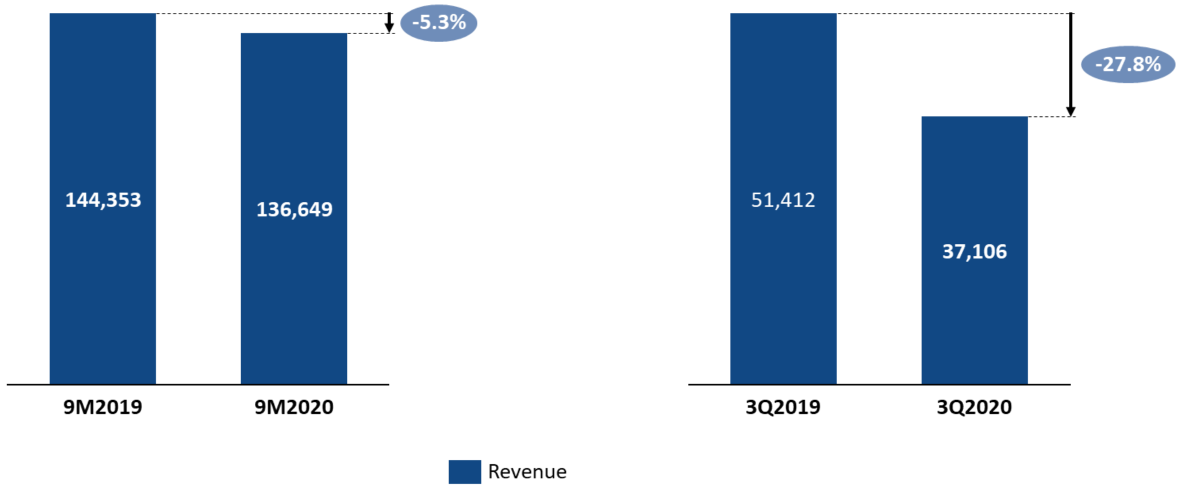


Chart 2: Consolidated Revenues (MCh$)

Consolidated cost of sales at period-end September 2020, reached Ch$ 59,394 million (↓$ 1,712 million / -2.8% YoY), while in the **third quarter costs reached Ch$ 12,784 million** (↓$ 7,326 million / -36.4% YoY) mainly derived from decreases in: (i) interest expenses (9M20: ↓$2,994 million / -9.1% and 3Q20: ↓$ 1,612 million / -14.8% YoY) (ii) considerable readjustments over liabilities (9M20: ↓$ 1,300 million / -4446,9% YoY and 3Q20: ↑$ 1,042 million / +170,3% YoY). (iii) other costs[2] (9M20: ↑$ 1,759 million / +16.9% YoY and 3Q20: ↓$ 6,686 million / -186.9% YoY) and higher (iv) commissions expenses (9M20: ↑Ch$ 823 million / +4.6% YoY and 3Q20: ↓Ch$ 70 million / -14.8% YoY).

[1] Other revenues: Correspond mainly to income from our subsidiaries Tanner Corredora de Seguros Ltda., TAM Administradora General de Fondos S.A. y Tanner Investments SpA. Within this last one results associated to the purchase and sale of foreign currencies by Tanner Corredores de Bolsa (TCVB), mainly involving commissions for brokerage and consulting fees. Additionally, these consider other income associated to Factoring, Corporate Loans, Leasing, Auto Financing and Treasury.

[2] Other costs: Correspond mainly to costs from our subsidiaries Tanner Corredora de Seguros Ltda., TAM Administradora General de Fondos S.A. y Tanner Investments SpA. Within this last one results associated to the purchase and sale of foreign currencies by TCVB, mainly involving commissions for brokerage and consulting fees. Additionally, these consider other income associated to Factoring, Corporate Loans, Leasing, Auto Financing and Treasury.

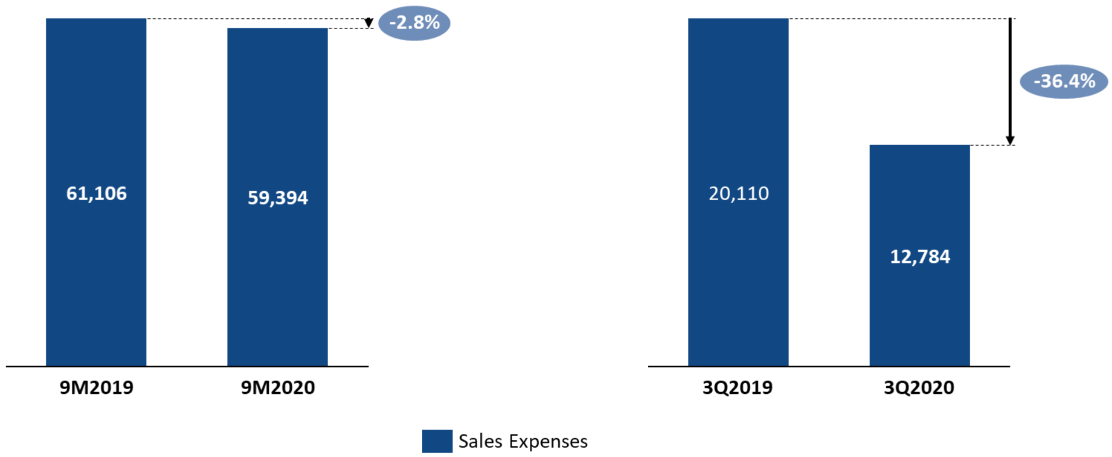


Chart 3: Consolidated Expenses (MCh$)

SG&A expenses (including depreciation) reached Ch$ 34,815 million during the first 9 months of 2019 and Ch$ 10,733 million in 3Q20, increasing 0.5% YoY and decreasing 13.2% YoY respectively, mainly as a consequence of reductions in compensation. Human labor – which represents around 64% of administrative expenses – totaled Ch$ 22,396 million in nine months and $ 6,705 million in the quarter, reflecting a decrease of Ch$ 449 million (-2.0% YoY) and Ch$ 1,523 million (-18.5% YoY) respectively, while general expenses reached Ch$ 12,419 million (↑Ch$ 637 million / 5.4% YoY) in the first nine months of the year and Ch$ 4,027 million (↓Ch$ 114 million -2.8% YoY) during the third quarter.

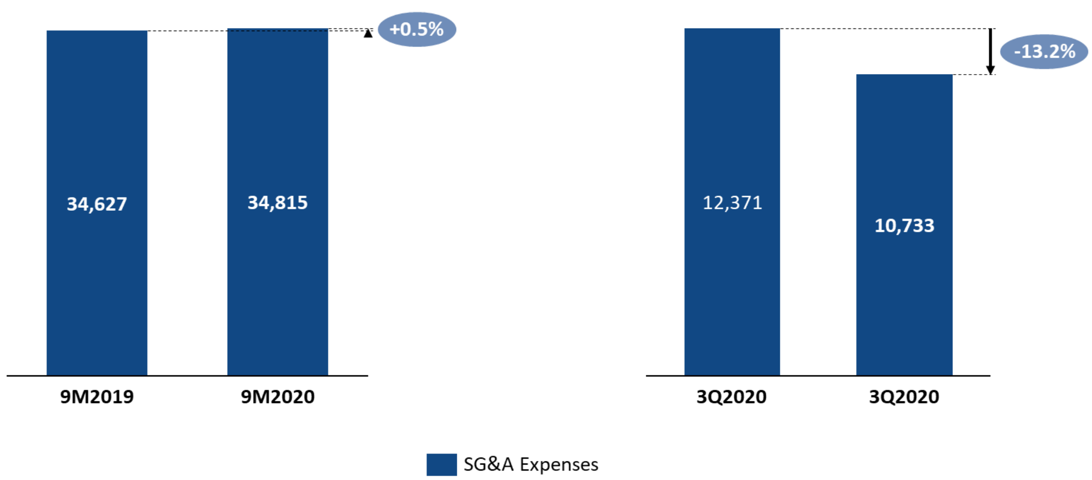


Chart 4: Consolidated SG&A Expenses (MCh$)

III. Main Indicators

	Indicator	Definition	Unit	09-30-2019	12-31-2019	09-30-2019
Liquidity and Solvency	Current Ratio	*Current Assets/Current Liabilities*	*times*	1.8	1.2	1.6
	Current Liabilities to Equity	*Current liabilities/Equity*	*times*	1.6	2.8	2.1
	Immediate Liquidity	*Cash and cash equivalent/Current Liabilities*	*times*	0.3	0.1	0.0
	Stable Funding Ratio	*(Non-current liabilities + Equity)/(Non-current loans + others non-liquid assets)*	*times*	1.8	1.4	1.7
	Debt to Equity	*Total liabilities/Equity*	*times*	3.5	4.2	3.8
	Capitalization	*Equity/Assets*	*%*	22.3%	19.1%	20.7%
	Total Debt ratio	*Liabilities/Assets*	*times*	0.8	0.8	0.8
	Short Term Debt Ratio	*Current liabilities/Total liabilities*	*%*	45.9%	66.3%	54.2%
	Long Term Debt Ratio	*Non-current liabilities/Total liabilities*	*%*	54.1%	33.7%	45.8%
	Short Term Bank Debt	*Current bank liabilities/Current liabilities*	*%*	25.7%	37.0%	32.9%
	Long Term Bank Debt	*Non-current bank liabilities/Non-current liabilities*	*%*	14.7%	10.5%	11.3%
	Working Capital	*Current assets - Current liabilities*	*MCh$*	405,096	210,372	351,916
	Interest Coverage Ratio	*(Profit before taxes + Financial expenditure)/Financial expenditure*	*times*	1.9	1.7	1.7
Profitability	Return on Average Equity	*Annualized profit/ Average Equity*	*%*	8.4%	11.0%	11.7%
	Return on Average Assets	*Annualized profit/ Average Assets*	*%*	1.8%	2.1%	2.4%
	Gross Profit Margin	*Gross profit/Revenue from ordinary activities*	*%*	42.6%	21.5%	44.2%
	Operating Profit Margin	*Operating Profit/Revenue from ordinary activities*	*%*	17.0%	10.1%	21.4%
	Net Income Margin	*Net income/Revenue from ordinary activities*	*%*	13.8%	8.5%	17.6%
	Earnings Per Share (EPS)	*Net income/number of shares*	*$*	15,535	26,893	20,901
	Efficiency of Expenditure	*SG&A Expenses/Gross profit (*)*	*%*	60.2%	56.1%	54.3%
Asset Quality	Non-Performing Loans over 30 days	*Non-performing loans >30 days/(Loans + Provisions)*	*%*	5.09%	5.63%	5.42%
	Non-Performing Loans over 90 days	*Non-performing loans >90 days/(Loans + Provisions)*	*%*	2.99%	2.75%	2.63%
		Non-Performing loans >90 days/Equity	*%*	10.2%	11.9%	10.7%
	Non-Performing Loans	*Non-Performing loans/(Loans + Provisions)*	*%*	8.8%	11.4%	11.7%
		Non-Performing loans/Equity	*%*	30.0%	49.3%	47.4%
	Provisions	*Provisions/(Loans + Provisions)*	*%*	2.4%	2.1%	2.2%
		Provisions/Non-performing loans	*%*	27.0%	18.8%	18.7%
		Provisions/Non-performing loans >90 days	*%*	79.1%	78.0%	83.1%
	Write-offs	*Write-offs/(Loans + Provisions)*	*%*	3.0%	2.1%	2.2%
	Provisions and Write-offs	*Annualized provisions and write-offs/(Loans + Provisions)*	*%*	2.7%	2.3%	2.2%
	Restructured Porfolio	*Securitized portfolio/(Loans + Provisions)*	*%*	4.4%	2.3%	2.4%

Table 2: Main Indicators

As of September 30, 2020, in terms of liquidity and leverage, the Company maintained a healthy and robust position, reflecting the strength of Tanner and its ability to meet its immediate and long-term commitments. At a general level, total liabilities decreased Ch$ 201,791 million (-15.5% YTD) since December 2019 and totaled Ch$ 1,101,826 million, while assets decreased 12.0% (↓Ch$ 192,823 million) in the first nine months of year, thus closing with Ch$ 1,417,845 million in total. Equity increased Ch$ 8,968 million (+2.9% YTD), reaching $ 316,020 million.

Regarding asset quality indicators, NPL's >90 days increased slightly while NPL's >30 days decreased slightly maintaining risk within healthy levels, in line with improvements in admission, control and collections policies that Tanner has been developing since 2015 to reduce NPLs levels.

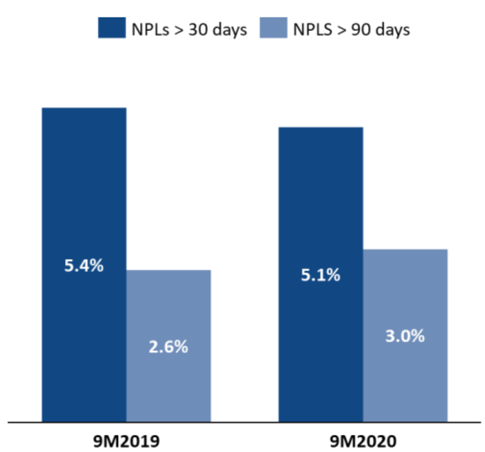


Chart 5: Consolidated NPLs

IV. Business Divisions Results

Tanner is organized in three divisions – Corporate [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 Corporate, Auto-Financing and Subsidiaries, which comprises Tanner Investments and *Tanner Corredora de Seguros*. These three divisions represent 46.0%, 38.5% and 9.8% of the first nine months gross profit respectively, and 36.2%, 36.8% and 23.8% for the third quarter of 2020. Additionally, revenues and costs generated by the Treasury unit are shown below.

Business Division		01.01.2020 to 06.30.2020 MCh$	01.01.2019 to 06.30.2019 MCh$	Δ $	Δ %	01.04.2019 to 06.30.2019 MCh$	01.04.2019 to 06.30.2019 MCh$	Δ $	Δ %
CORPORATE DIVISION	REVENUE	53,332	62,723	(9,391)	-15.0%	14,128	23,046	(8,917)	-38.7%
Tanner Empresas	COSTS	17,794	20,852	(3,058)	-14.7%	5,321	6,990	(1,669)	-23.9%
	GROSS PROFIT	35,539	41,871	(6,332)	-15.1%	8,807	16,056	(7,248)	-45.1%
i. FACTORING	REVENUE	32,045	39,337	(7,292)	-18.5%	7,874	13,151	(5,277)	-40.1%
	COSTS	9,055	12,214	(3,158)	-25.9%	2,654	4,099	(1,446)	-35.3%
	GROSS PROFIT	22,989	27,123	(4,134)	-15.2%	5,221	9,052	(3,831)	-42.3%
ii. LEASING	REVENUE	5,163	6,437	(1,274)	-19.8%	1,093	2,447	(1,354)	-55.3%
	COSTS	2,092	3,306	(1,214)	-36.7%	493	1,113	(620)	-55.7%
	GROSS PROFIT	3,071	3,131	(60)	-1.9%	600	1,333	(734)	-55.0%
iii. CORPORATE LOANS	REVENUE	16,125	16,949	(824)	-4.9%	5,161	7,448	(2,287)	-30.7%
	COSTS	6,647	5,332	1,314	24.6%	2,174	1,777	397	22.3%
	GROSS PROFIT	9,478	11,617	(2,139)	-18.4%	2,987	5,670	(2,684)	-47.3%
AUTO-FINANCING DIVISION	REVENUE	65,527	62,856	2,671	4.2%	20,821	21,679	(858)	-4.0%
Tanner Automotriz	COSTS	35,764	35,629	135	0.4%	11,881	12,086	(205)	-1.7%
	GROSS PROFIT	29,762	27,227	2,536	9.3%	8,940	9,593	(654)	-6.8%
SUBISIDIARIES	REVENUE	14,029	16,547	(2,519)	-15.2%	836	6,858	(6,022)	-87.8%
	COSTS	6,438	4,248	2,190	51.6%	(4,942)	1,564	(6,507)	-415.9%
	GROSS PROFIT	7,591	12,300	(4,709)	-38.3%	5,778	5,294	484	9.1%
TREASURY	REVENUE	3,762	2,227	1,535	68.9%	1,322	(170)	1,492	-875.9%
	COSTS	(601)	378	(979)	-259.3%	524	(530)	1,054	-198.8%
	GROSS PROFIT	4,363	1,850	2,514	135.9%	798	360	438	121.7%
Tanner	REVENUE	136,649	144,353	(7,704)	-5.3%	37,106	51,412	(14,306)	-27.8%
	COSTS	59,394	61,106	(1,712)	-2.8%	12,784	20,110	(7,326)	-36.4%
	GROSS PROFIT	77,255	83,247	(5,992)	-7.2%	24,323	31,303	(6,980)	-22.3%

Table 3: Business Divisions Results

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

Gross margin in 9M20 reached Ch$ 77,255 million (↓$ 5,992 million / -7.2% YoY), with a decrease in revenues (↓$ 7,704 million / -5.3% YoY) greater than that in costs (↓$ 1,712 million / -2.8% YoY). During **3Q20, gross margin totaled Ch$ 12,784 million** (↓$ 7,326 million / -36,4% YoY), with a decrease in revenues (↓$ 14,306 million / -27,8% YoY) greater than that in costs (↓$ 7,326 million / -36,4% YoY). Gross margin breakdown by division/product, is as follows:

CORPORATE DIVISION

Tanner Empresas

9M20: Ch$ 35,539 million, down 15.1% YoY (↓Ch$ 6,332 million), derived from a reduction in revenues (↓Ch$ 9,391 million / -14.7% YoY) and in costs (↓Ch$ 3,058 million / -14.7% YoY).

3Q20: Ch$ 8,807 million, down 45.1% YoY (↓Ch$ 3,831 million), in line with a reduction of Ch$ 8,917 million (-38.7% YoY) in revenues and in costs (↓Ch$ 1,669 million / 23.2% YoY).

i. FACTORING

9M20: Ch$ 22,989 million, down 15.1% YoY (↓Ch$ 3,831 million), due to a decrease of Ch$ 7,292 million (-18.5% YoY) in revenues and of 25.9% YoY (↓Ch$ 3,158 million) in costs.

3Q20: Ch$ 5,221 million, down 42.3% YoY (↓Ch$ 3,831 million), with decreases of 40.1% YoY (↓Ch$ 5,277 million) in revenues and 23.8% YoY (↓Ch$ 1,446 million) in costs.

ii. LEASING

9M20: Ch$ 3,071 million, down 1.9% YoY (↓Ch$ 60 million), since costs were reduced 36.7% (↓Ch$ 1,214 million), thus buffering the decrease in revenues (↓Ch$ 1,274 million / -19.8% YoY).

3Q20: Ch$ 600 million, down 55.0% YoY (↓Ch$ 734 million), due to a drop of costs of 55.3% YoY (↓Ch$ 620 million) combined with lower revenues of (↓Ch$ 1,354 million / -55.3% YoY).

iii. CORPORATE LENDING

9M20: Ch$ 9,478 million, down 18.4% YoY (↓Ch$ 2,139 million), due to a decrease in revenues (↓Ch$ 824 million / -4.9% YoY) and increasing costs of (↑Ch$ 1,314 million / +24.6% YoY).

3Q20: Ch$ 2,987 million, down 47.3% YoY (↓Ch$ 2,684 million), in line with a decrease of 30.7% YoY (↓Ch$ 2,287 million) in revenues and an increment in costs (↑Ch$ 397 million / +22.3% YoY).

AUTO-FINANCING DIVISION

Tanner Automotriz

9M20: Ch$ 29,762 million, growing 9.3% YoY (↑Ch$ 2,536 million), derived from higher revenues (↑Ch$ 2,671 million / +4.2% YoY) and higher costs (↑Ch$ 135 million / +0.4% YoY).

3Q20: Ch$ 8,940 million, down 6.8% YoY (↓Ch$ 654 million), with a decrease in revenues (↓Ch$ 858 million / -4.0% YoY), and in costs (↓Ch$ 205 million / -1.7% YoY).

SUBSIDIARIES

9M20: Ch$ 7,591 million, down 38.3% YoY (↓Ch$ 4,709 million), due to a decrease of Ch$ 2,519 million (-15.2% YoY) in revenues and higher costs (↑Ch$ 2,190 million / +51.6% YoY).

3Q20: Ch$ 5,778 growing 9.1% YoY (↑Ch$ 484 million), in line with a decrease in revenues by Ch$ 6,022 million (-87.8% YoY) and in costs (↓Ch$ 6,507 million / -415.9% YoY).

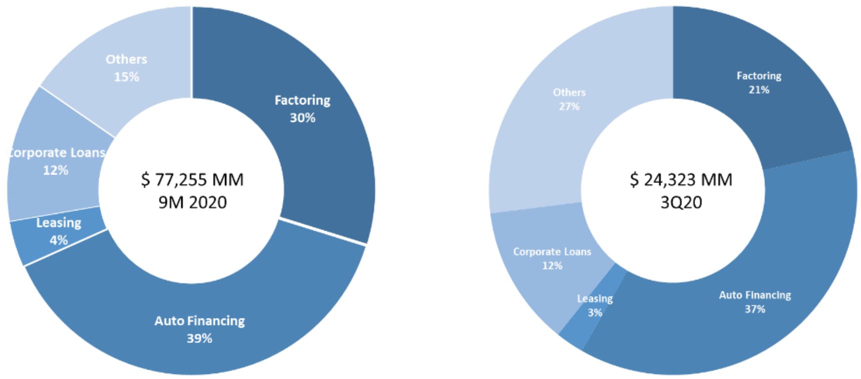


Chart 6: Gross Margin Breakdown by Division

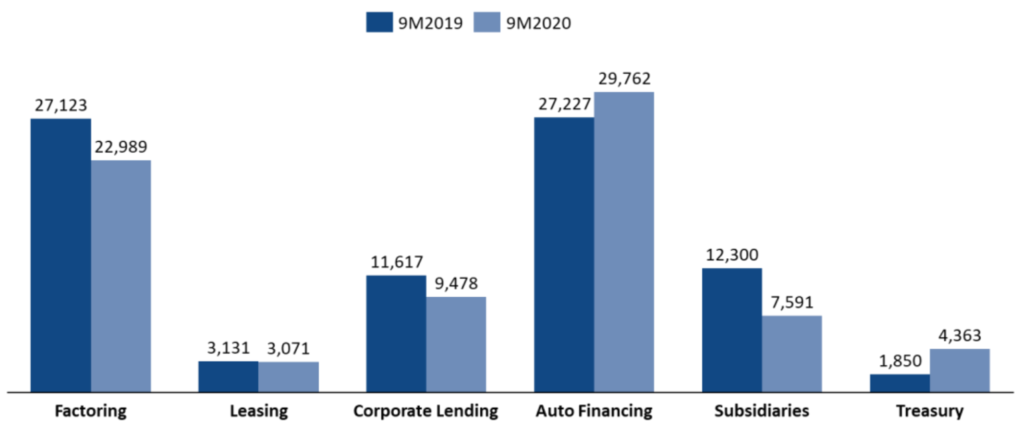


Chart 7: Gross Margin Breakdown by Line of Business First nine months of 2020

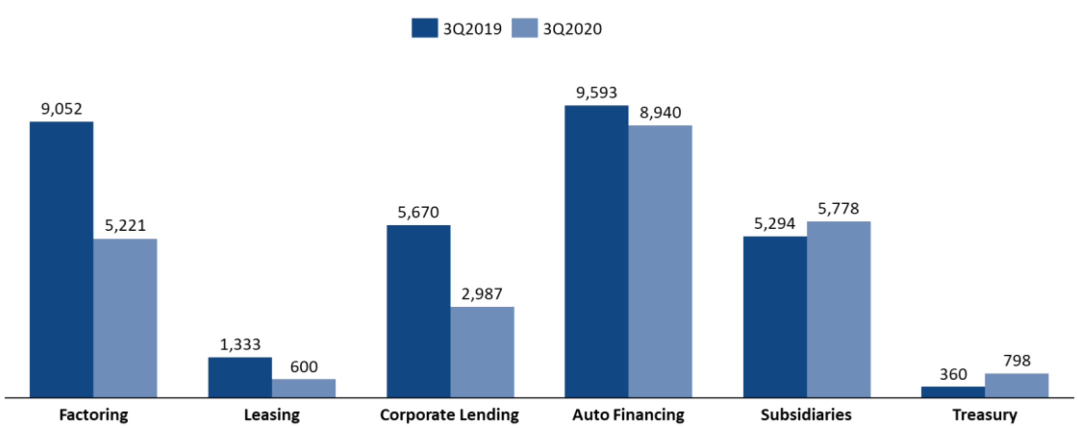


Chart 8: Gross Margin Breakdown by Line of Business Third Quarter 2020

Consolidated revenue totaled Ch$ 136,349 million on the first nine months of 2020, lower by 5.3% YoY (↓Ch$ 7,704 million), meanwhile **3Q20 totaled Ch $37,106 million,** lower by 27.8% YoY (↓Ch$ 14,306 million) explained by revenue of:

CORPORATE DIVISION

Tanner Empresas

9M20: Ch$ 53,332 million (↓$ 9,391 million / -15,0% YoY);
3Q20: Ch$ 14,128 million (↓$ 8,917 million / -38,7% YoY);
Driver: Lower price differences derived from factoring which represents 76.1% of the divisions revenues.

i. FACTORING

9M20: Ch$ 32,045 million (↓$ 7,292 million / -18,5% YoY);
3Q20: Ch$ 7,874 million (↓$ 5,277 million / -40,1% YoY);
Driver: Lower price differences.

ii. LEASING

9M20: Ch$ 5,163 million (↓$ 1,273 million / -19,8% YoY);
3Q20: Ch$ 1,093 million (↓$ 1,354 million / -55,3% YoY);
Driver: Increase in interests received as a result of the change in this unit's focus, which now seeks to increase its profitability by concentrating on real estate leases.

iii. CORPORATE LENDING

9M20: Ch$ 16,125 million (↓$ 824 million / -4,9% YoY);
3Q20: Ch$ 5,161 million (↓$ 2,287 million / -30,7% YoY);
Driver: Lower commissions for the first nine months.

AUTO-FINANCING DIVISION

Tanner Automotriz

9M20: Ch$ 65,527 million (↑$ 2,671 million / +4,2% YoY);
3Q19: Ch$ 20,821 million (↓$ 858 million / -4,0% YoY);
Driver: Lower interest income.

SUBSIDIARIES

9M19: Ch$ 14,029 million (↓$ 2,519 million / -15,2% YoY);
3Q19: Ch$ 836 million (↓$ 6,022 million / -87,8% YoY);
Driver**:** Intermediated volume decrease.

Consolidated costs totaled Ch$ 59,394 million in the first nine months of 2020 and Ch$ 12,784 million in 3Q20, contracting Ch$ 1,712 million (-2.8% YoY) and Ch$ 7,326 million (-36.4% YoY), respectively, explained by the costs of:

CORPORATE DIVISION

Tanner Empresas

9M20: Ch$ 17,794 million (↓$ 3,058 million / -14,7% YoY);
3Q20: Ch$ 5,321 million (↓$ 1,669 million / -23,9% YoY);
Driver: decreases due to interest rate related costs.

i. FACTORING

9M20: Ch$ 9,055 million (↓$ 3,158 million / -25,9% YoY);
3Q20: Ch$ 5,515 million (↑$ 1,446 million / -35,3% YoY);
Driver: Decrease in interests related to this product.

ii. LEASING

9M20: $ 2,091 million (↓$ 1,214 million / -36,7% YoY);
3Q20: $ 493 million (↓$ 620 million / -55,7% YoY);
Driver: Lower readjustments.

iii. CORPORATE LENDING

9M20: $ 6,647 million (↑$ 1,314 million / 24,6% YoY);
3Q20: $ 2,174 million (↑$ 397 million / +22,3% YoY);
Driver: Higher expenses derived from commissions

AUTO-FINANCING DIVISION

Tanner Automotriz

9M19: $ 35,764 million (↑$ 153 million / +0,4% YoY);
3Q19: $ 11,88 million (↑$ 397 million / +22,3% YoY);
Driver: Higher expenses derived from commissions

SUBISIDIARIES

9M19: $ 6,438 million (↑$ 2,190 million / +51,6% YoY);
3Q19: $ 4,942 million (↓$ 6,507 million / -415,9% YoY);
Driver: decreased intermediated volume.

V. Business Divisions Portfolio Quality

	Indicator	Definition	Unit	09-30-2020	12-31-2019	09-30-2019
ENTERPRISE DIVISION	Non-Performing Loans	Non-Performing loans/(Loans + Provisions)	%	6.7%	8.0%	7.9%
		Non-Performing loans/Equity	%	12.1%	20.6%	19.9%
	Provisions	Provisions/(Loans + Provisions)	%	1.6%	1.2%	1.3%
		Provisions/Non-performing loans	%	23.7%	15.0%	16.7%
		Provisions/Non-performing loans >90 days	%	59.0%	60.5%	74.8%
	Provisions and Write-offs	Annualized provisions and write-offs/(Loans + Provisions)	%	2.0%	1.2%	1.2%
	Non-Performing Loans over 30 days	Non-performing loans >30 days/(Loans + Provisions)	%	4.1%	3.4%	3.0%
	Non-Performing Loans over 90 days	Non-performing loans >90 days/(Loans + Provisions)	%	2.7%	2.0%	1.8%
		Non-Performing loans >90 days/Equity	%	4.9%	5.1%	4.4%
	Restructured Porfolio	Securitized portfolio/(Loans + Provisions)	%	5.3%	2.2%	2.4%
		Securitized portfolio/Equity	%	9.6%	5.7%	6.1%
	Clients	Number of clients	#	2,960	4,769	4,830
	Efficiency	SG&A Expenses/Gross profit (*)	%	57.3%	48.6%	49.9%
i. FACTORING	Non-Performing Loans	Non-Performing loans/(Loans + Provisions)	%	4.9%	9.0%	8.5%
		Non-Performing loans/Equity	%	3.6%	12.0%	11.3%
	Provisions	Provisions/(Loans + Provisions)	%	1.2%	1.2%	1.1%
		Provisions/Non-performing loans	%	24.9%	13.4%	12.8%
		Provisions/Non-performing loans >90 days	%	85.3%	82.7%	72.2%
	Provisions and Write-offs	Annualized provisions and write-offs/(Loans + Provisions)	%	1.7%	1.7%	1.5%
	Non-Performing Loans over 30 days	Non-performing loans >30 days/(Loans + Provisions)	%	1.8%	3.0%	2.6%
	Non-Performing Loans over 90 days	Non-performing loans >90 days/(Loans + Provisions)	%	1.4%	1.5%	1.5%
		Non-Performing loans >90 days/Equity	%	1.1%	1.9%	2.0%
	Restructured Porfolio	Securitized portfolio/(Loans + Provisions)	%	0.4%	0.5%	0.4%
		Securitized portfolio/Equity	%	0.3%	0.7%	0.6%
	Clients	Number of clients	#	2,136	3,650	3,644
	Efficiency	SG&A Expenses/Gross profit (*)	%	47.8%	51.0%	49.2%
ii. LEASING	Non-Performing Loans	Non-Performing loans/(Loans + Provisions)	%	4.8%	11.4%	10.7%
		Non-Performing loans/Equity	%	1.1%	3.1%	3.1%
	Provisions	Provisions/(Loans + Provisions)	%	1.2%	1.3%	2.3%
		Provisions/Non-performing loans	%	25.1%	11.2%	21.2%
		Provisions/Non-performing loans >90 days	%	86.9%	29.8%	51.8%
	Provisions and Write-offs	Annualized provisions and write-offs/(Loans + Provisions)	%	3.0%	-0.6%	0.4%
	Non-Performing Loans over 30 days	Non-performing loans >30 days/(Loans + Provisions)	%	2.1%	5.9%	5.7%
	Non-Performing Loans over 90 days	Non-performing loans >90 days/(Loans + Provisions)	%	1.4%	4.3%	4.4%
		Non-Performing loans >90 days/Equity	%	0.3%	1.1%	1.3%
	Restructured Porfolio	Securitized portfolio/(Loans + Provisions)	%	26.2%	7.4%	9.0%
		Securitized portfolio/Equity	%	6.1%	2.0%	2.6%
	Clients	Number of clients	#	258	348	398
	Efficiency	SG&A Expenses/Gross profit (*)	%	74.2%	78.0%	88.9%
iii. CORPORATE LENDING	Non-Performing Loans	Non-Performing loans/(Loans + Provisions)	%	8.7%	5.8%	6.1%
		Non-Performing loans/Equity	%	7.4%	5.6%	5.5%
	Provisions	Provisions/(Loans + Provisions)	%	2.0%	1.2%	1.4%
		Provisions/Non-performing loans	%	22.9%	20.5%	22.2%
		Provisions/Non-performing loans >90 days	%	30.5%	36.1%	50.1%
	Provisions and Write-offs	Annualized provisions and write-offs/(Loans + Provisions)	%	2.0%	0.9%	1.1%
	Non-Performing Loans over 30 days	Non-performing loans >30 days/(Loans + Provisions)	%	6.6%	3.3%	2.7%
	Non-Performing Loans over 90 days	Non-performing loans >90 days/(Loans + Provisions)	%	4.1%	2.1%	1.3%
		Non-Performing loans >90 days/Equity	%	3.5%	2.0%	1.2%
	Restructured Porfolio	Securitized portfolio/(Loans + Provisions)	%	3.8%	3.1%	3.2%
		Securitized portfolio/Equity	%	3.2%	3.0%	2.9%
	Clients	Number of clients	#	566	771	788
	Efficiency	SG&A Expenses/Gross profit (*)	%	87.4%	38.1%	41.5%
AUTO FINANCING	Non-Performing Loans	Non-Performing loans/(Loans + Provisions)	%	12.2%	18.6%	20.8%
		Non-Performing loans/Equity	%	17.9%	28.7%	27.5%
	Provisions	Provisions/(Loans + Provisions)	%	3.6%	4.0%	4.2%
		Provisions/Non-performing loans	%	29.1%	21.6%	20.2%
		Provisions/Non-performing loans >90 days	%	97.4%	91.2%	89.0%
	Provisions and Write-offs	Annualized provisions and write-offs/(Loans + Provisions)	%	3.8%	4.4%	4.6%
	Non-Performing Loans over 30 days	Non-performing loans >30 days/(Loans + Provisions)	%	6.9%	10.2%	11.0%
	Non-Performing Loans over 90 days	Non-performing loans >90 days/(Loans + Provisions)	%	3.7%	4.4%	4.7%
		Non-Performing loans >90 days/Equity	%	5.4%	6.8%	6.2%
	Restructured Porfolio	Securitized portfolio/(Loans + Provisions)	%	3.7%	2.7%	2.7%
		Securitized portfolio/Equity	%	5.4%	4.2%	3.6%
	Clients	Number of clients	#	76,793	75,797	74,283
	Efficiency	SG&A Expenses/Gross profit (*)	%	83.5%	97.7%	83.4%

Table 4: Business Divisions Main Indicators

CORPORATE DIVISION

Portfolio quality stays within stable levels compared to 9M20, reflected in the slight deterioration of both NPLs > 30 days and NPLs > 90 days.

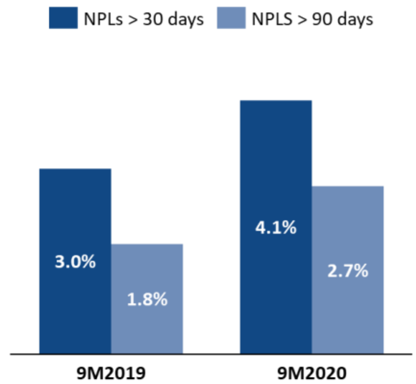


Chart 9: NPLs – Corporate Division

i. FACTORING

Loan portfolio quality slightly improves with respect to the previous year, reflected in the decrease of both NPLs > 30/90 days.

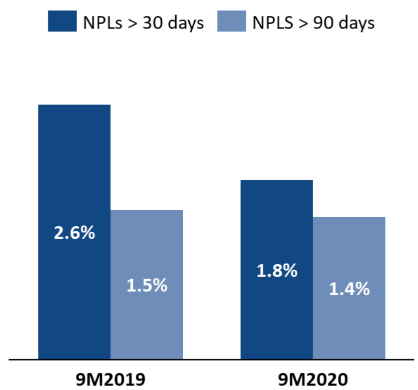


Chart 10: NPLs – Factoring Business

ii. LEASING

Portfolio quality indicators improved in terms of NPLs > 30 days and NPLs > 90 days.

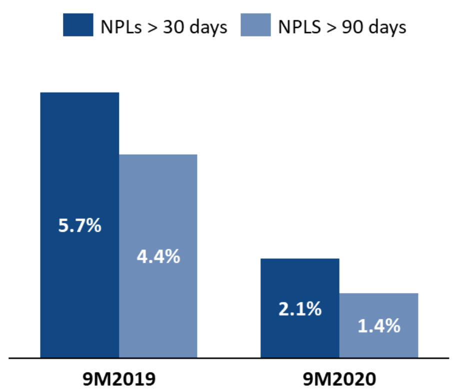


Chart 11: NPLs – Leasing Business

iii. CORPORATE LENDING

Portfolio quality indicators deteriorated in terms of both NPLs > 90 and NPLs > 30 days.

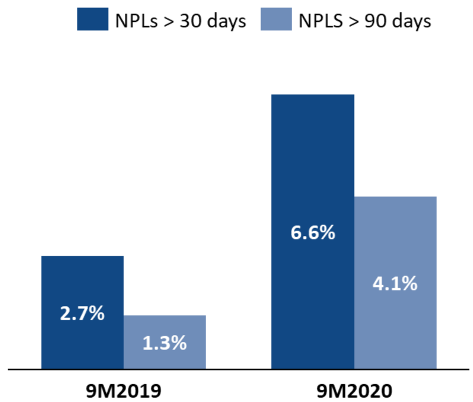


Chart 12: NPLs – Corporate Lending Business

AUTO-FINANCING DIVISION

NPLs > 30 days and NPLs > 90 days show improvements when compared to the same period of the previous year, due to the good performance of this specific portfolio.

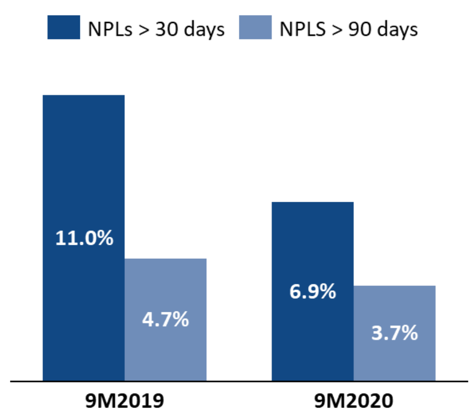


Chart 13: NPLs – Auto-Financing Division

VI. Balance Sheet

Assets (MCh$)	06-30-2020	12-31-2019	Δ $	Δ %
Current Assets				
Cash and cash equivalent	152,645	53,660	49,959	93.1%
Other current financial assets	52,411	94,815	(22,340)	-23.6%
Other current non-financial assets	3,067	1,727	(171)	-9.9%
Trade receivables and other current accounts receivable, net	678,658	894,979	(173,984)	-19.4%
Current accounts receivable from related parties	3,341	381	3,074	806.7%
Current tax assets	11,449	18,239	(5,335)	-29.2%
Non-current assets held for sale	8,752	10,519	270	2.6%
Total Current Assets	**910,322**	**1,074,320**	**(148,526)**	**-13.8%**
Non-Current Assets				
Other non-current financial assets	60,901	62,456	(1,542)	-2.5%
Other non-current non-financial assets	5,162	4,638	1,086	23.4%
Trade receivables and other non-current accounts receivable, net	379,271	407,225	(46,261)	-11.4%
Non-current accounts receivable from related parties	34	528	(150)	-28.4%
Intangible assets other than goodwill	6,810	6,759	143	2.1%
Goodwill	1,640	1,764	(124)	-7.0%
Property, plant and equipment	10,756	11,632	(352)	-3.0%
Property Investments	13,050	11,381	1,493	13.1%
Deferred tax assets	29,898	29,966	4,239	14.1%
Total Non-Current Assets	**507,523**	**536,348**	**(41,468)**	**-7.7%**
Total Assets	**1,417,845**	**1,610,668**	**(189,995)**	**-11.8%**

Liabilities (MCh$)	06-30-2020	12-31-2019	Δ $	Δ %
Current Liabilities				
Other current financial liabilities	418,012	720,041	(302,029)	-41.9%
Trade payables and other current accounts payables	85,633	141,470	(55,837)	-39.5%
Other short-term provisions	797	528	268	50.8%
Short-term employee benefits provisions	691	1,228	(538)	-43.8%
Current tax liabilities	94	680	(586)	-86.2%
Other current non-financial liabilities	-		-	0.0%
Total Current Liabilities	**505,226**	**863,948**	**(358,722)**	**-41.5%**
Non-Current Liabilities				
Other non-current financial liabilities	596,360	439,475	156,885	35.7%
Non-current employee benefits provisions	240	194	46	23.8%
Total Non-Current Liabilities	**596,600**	**439,669**	**156,931**	**35.7%**
Total Liabilities	**1,101,826**	**1,303,617**	**(201,791)**	**-15.5%**
Equity	316,020	307,052	8,968	2.9%
Total Equity and Liabilities	**1,417,845**	**1,610,668**	**(192,823)**	**-12.0%**

Table 5: Consolidated Balance Sheet

a. Loan Portfolio [5]

Total gross loan portfolio by September 2020 reached Ch$ 1,083,513 million (↓$ 247,193 millones / -18,6% YTD) versus Ch$ 1,334,706 million in December 2019, while provisions totaled Ch$ 25,585 million, decreasing Ch$ 2,918 million (-10.2% YTD). Consequently, **total net loan portfolio amounted to Ch$ 1,057,929 million**, a drop of Ch$ 244,275 million (-18.8% YTD) from Ch$ 1,302,204 million by the end of 2019.

Net loan portfolio at period-end September 2020:

1. **Corporate Division: Ch$ 565,121 million** | -27,4 YTD | ↓$ 213,757 million;
    a. **Factoring: Ch$ 231,007 million** | -42,9% YTD | ↓$ 173,519 million;
    b. **Leasing: Ch$ 72,184 million** | -11,4% YTD | ↓$ 9,266 million;
    c. **Corporate Lending: Ch$ 261,930 million** | -10,6% YTD | ↓$ 30,972 million; and,
2. **Auto-Financing Division: Ch$ 446,924 million** | -1,6% YTD | ↓$ 7,178 million.

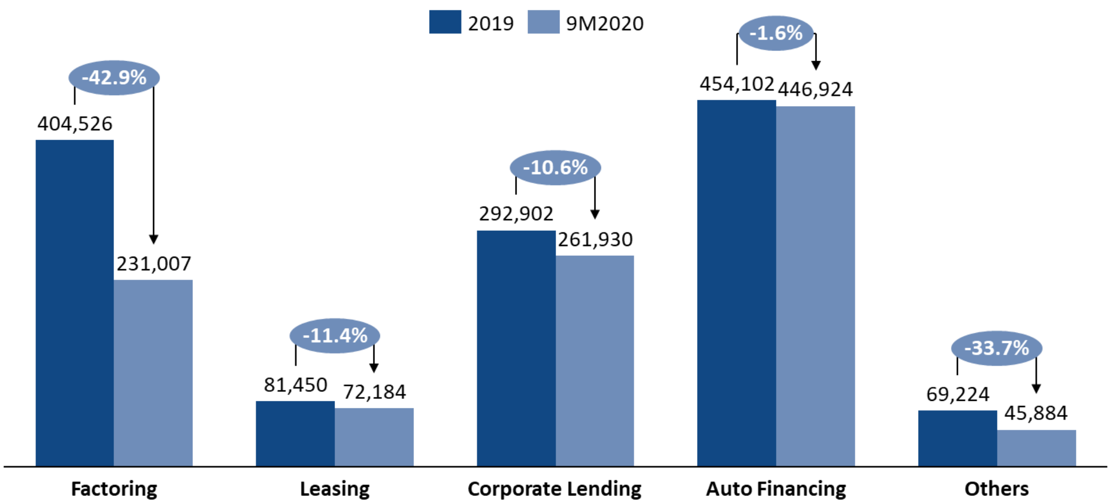


Chart 14: Net Loan Portfolio Breakdown by Line of Business

The portfolio has continued to concentrate in the Company's strategic businesses – factoring and auto-financing – however in 2020 the effects of lower economic activity have temporarily reduced our factoring portfolio. By 3Q20 these represent 21.8% and 42.2% of our net loan portfolio, respectively.

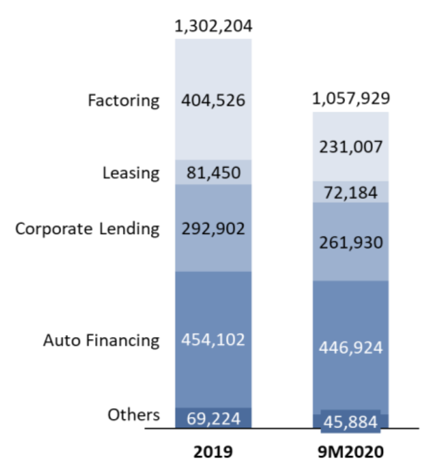


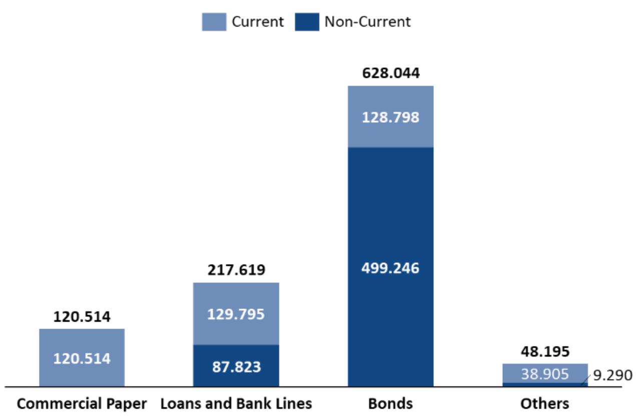
Chart 15: Net Loan Portfolio Breakdown

[5] Gross loans minus provisions.

b. Funding Sources

Financial liabilities as of September 30, 2020, totaled Ch$ 1,014,371 million, compared with Ch$ 1,159,515 million in December 2019 (↓$ 145,144 millones / -12,5% YTD), mainly due to the increase of liabilities associated to: (i) bonds (↑$ 84,554 millones / +15,6% YTD). These were offset by the decrease of those related to: (i) banks and financial institutions (↓$ 147,894 millones / -45,5% YTD) and (ii) commercial paper (↓$ 47,001 millones / -40,5% YTD).

In terms of liabilities structure, 61.9% (Ch$ 628,044 million) corresponds to local and international bonds, 21.5% (Ch$ 217,619 million) to bank loans and credit lines, and 11.9% (Ch$ 120,514 million) to commercial paper. Additionally, Ch$ 48,195 million (4.8%) are related to other financial obligations, corresponding to repos and forwards.



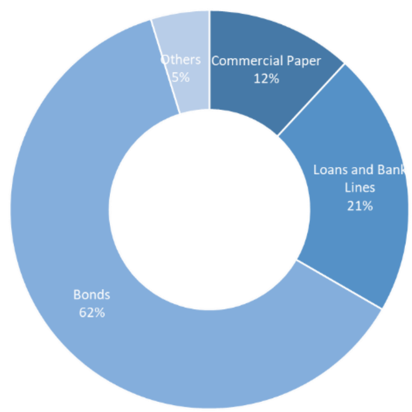


Chart 16: Sources of Funding Breakdown

VII. Cash Flow Statement

MCh$	09-30-2020	06-30-2019	Δ $
Cash flow provided by (used in) operating activities	238,811	(64,731)	303,541
Cash flow provided by (used in) investing activities	78,104	202,185	(124,080)
Cash flow provided by (used in) financing activities	(218,198)	(134,152)	(84,046)
Effect of changes in exchange rates	268	163	105
Net increase (decrease) in cash and cash equivalent	98,985	3,465	95,520
Cash and Cash Equivalent, Initial Balance	53,660	25,474	28,186
Cash and Cash Equivalent, Final Balance	152,645	28,939	123,706

Table 6: Cash Flow Statement

During the second quarter of 2019, cash flow of **operating activities totaled Ch$ 238,811 million** versus Ch$ -$64,731 million recorded in September 2019, mainly because collections increased by Ch$ 147,455 million.

Cash flow stemming from **investing activities reached Ch$ 78,104 million**, Ch$ 124,080 million less than Ch$ 202,185 million of 3Q19, mainly because of payments for $178,184 million regarding derivatives and future contracts.

Financing activities cash flow amounts to Ch$ -218,198 million between January and September 2020, versus Ch$ -134,152 million during the same previous period, due to a decrease in the repayments from borrowings made in the first nine months of the year.

Finally, **cash and cash equivalents by period-end September 2020, totaled Ch$ 152,645 million,** increasing Ch$ 123,706 million when compared to the same period of the previous year.

VIII. Risk Analysis

a. Credit Risk

Credit risk is the probability a company faces of financial loss when a client or counterparty of 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).

Complying with the new accounting norm, Tanner Servicios Financieros S.A. implemented new models of deterioration under the IFRS 9 standards, where one of the main changes refers to the utilization of expected loss models instead of previous models of incurred loss. These models are adjusted according to the historic behavior of clients and also considers a forward looking glance, taking in account the following regulatory requirements:

a. Risk profile for each product
b. Default probability of 12 months and total life expectancy of the asset
c. Loss due to default during total life expectancy

d. Total prepayment rates
e. Credit exposure at time of default
f. Economic cycle default probability adjustment (forward looking)

The basic features of provision policies, by product, are:

FACTORING

Provisions calculations considers a segmentation by sub-product and risk profiles:

i. Invoices: three risk profiles that consider internal behavior variables and variables captured in admission. The influencing variables are the following: (i) current days of delinquency, (ii) debtor classification.
ii. Checks: two risk profiles that consider internal behavior variables. The influencing variable is the current days of delinquency.
iii. Returned Checks, Renegotiated and Others: two risk profiles that consider internal behavior variables. The influencing variables are: (i) current days of delinquency, (ii) Group or type.

The write-off policy has as maximum term of 366 days past due.

LEASING

Provisions calculations considers eight risk profiles with internal behavior variables. The influencing variables are the following: (i) current days of delinquency, (ii) residual term and (iii) renegotiation.
The write-off policy has as maximum term of 541 days past due, in case a mortgage has been put up as collateral the maximum term Is extended to 901 days past due.

CORPORATE LENDING

Provisions calculations considers eight risk profiles with internal behavior variables. The influencing variables are the following: (i) current days of delinquency and (ii) residual term.
The write-off policy has as maximum term of 541 days past due, in case a mortgage has been put up as collateral the maximum term Is extended to 901 days past due.

AUTO-FINANCING

Provisions calculations considers a segmentation by sales channel and risk profiles based on internal behavior. Sales channel segmentation is as follows: (i) First options, (ii) Dealers and Direct (iii) Renegotiated.

Each segment is subdivided into risk profiles according to their internal behavior "score" which considers the following variables: (i) maximum days of delinquency in the past three months, (ii) past three months unpaid balance ratio, (iii) Loan to value and (iv) segment.

The write-off policy has as maximum term of 366 days past due.

Concept	09.30.2020			
	Gross Portfolio Ch$k	Provisions Ch$k	Net Portfolio Ch$k	Provisions Index
Factoring	233,859,259	(2,851,847)	231,007,412	1.22%
Leasing	73,069,909	(886,334)	72,183,575	1.21%
Corporate Loans	267,278,229	(5,348,201)	261,930,028	2.00%
Auto Financing	463,422,170	(16,498,166)	446,924,004	3.56%
Others	45,883,831	-	45,883,831	0.00%
Total	**1,083,513,396**	**(25,584,548)**	**1,057,928,850**	**2.36%**

Concept	12.31.2019			
	Gross Portfolio Ch$k	Provisions Ch$k	Net Portfolio Ch$k	Provisions Index
Factoring	409,461,714	(4,935,678)	404,526,036	1.21%
Leasing	82,501,245	(1,051,432)	292,902,192	1.27%
Corporate Loans	296,432,919	(3,530,727)	454,101,922	1.19%
Auto Financing	473,086,185	(18,984,263)	81,449,812	4.01%
Others	69,224,061	-	69,224,061	0.00%
Total	**1,330,706,123**	**(28,502,100)**	**1,302,204,023**	**2.14%**

Table 7: Portfolio, Provisions and Risk Index

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.

In terms of provisions for a renegotiated loan, these are calculated based on an expected loss model for every product, where the non-payment and new loan conditions are the primary variables to consider. The condition of renegotiation is considered by an additional weight in the risk model.

In the factoring business, renegotiations are less frequent, since these operations, which differ from leasing and auto loans, provide liquidity over client account receivables. In the event of a renegotiation, these are approved by Risk Management and clients are required to pay a percentage of the debt and an addition of a guarantee.

The following table shows the percentage of renegotiations by product of the Company's portfolio:

Concept	09.30.2020				
	Total Portfolio Th Ch$	Renegotiation Th Ch$	Provision Ch$ Th	Renegotiation by product %	Total portfolio renegotiation %
Factoring	233,859,259	1,044,929	(2,851,847)	0.45%	0.10%
Corporate Lending	267,278,229	10,167,712	(5,348,201)	3.80%	0.94%
Auto Financing	463,422,170	17,077,265	(16,498,166)	3.69%	1.58%
Leasing (*)	73,069,909	19,150,853	(886,334)	26.21%	1.77%
Others	45,883,831	-	-	0.00%	0.00%
Total	**1,083,513,397**	**47,440,759**	**(25,584,548)**		**4.38%**

Concept	12.31.2019				
	Total Portfolio Th Ch$	Renegotiation Th Ch$	Provision Th Ch$	Renegotiation by product %	Total portfolio renegotiation %
Factoring	409,461,713	2,065,500	(4,935,678)	0.50%	0.16%
Corporate Lending	296,432,919	9,183,347	(3,530,727)	3.10%	0.69%
Auto Financing	473,086,185	12,774,134	(18,984,263)	2.70%	0.96%
Leasing (*)	82,501,245	6,134,445	(1,051,432)	7.44%	0.46%
Others	69,224,061	-	-	0.00%	0.00%
Total	**1,330,706,122**	**30,157,426**	**(28,502,100)**		**2.27%**

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). As of September 30, 2020, the Company, on a consolidated level, totaled Ch$ 152,645 million of cash on hand, versus Ch$ 53,660 million in Dec-2019.

Indirect subsidiary *Tanner Corredores de Bolsa* is subject to requirements set forth by the CMF (former SVS) and must comply with regulations with respect the General Liquidity Index and the Intermediation Liquidity Index. In line with the requirements of the CMF, the subsidiary has complied permanently with the mentioned indicators.

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[6].

By September 2020, investments on corporate bonds – valued at market prices – reached MUS$ 29,183 (MUS$ 31,048 by December 31, 2019). By September 30, 2020, the average duration of the portfolio was 2.21 years, sensitivity measured by DV01[7] was US$ 6,092 (USD 7,464 by December 31, 2019) and parametric VaR[9], with a 1-day horizon was US$ 212,394 (USD 67,109 by December 31 2019), 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.

[6] VaR: Value at Risk – corresponds to the maximum expected loss considering a history horizon of 1 year with a confidence level of 99%.
[7] 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%.

The following tables show how the value of the bonds portfolio changes, in percentage terms, when there are changes in interest rates:

Decreases:

Negative Delta (bps)	-25	-50	-75	-100	-125	-150	-175	-200
Net Portfolio Variation	0.52%	1.04%	1.57%	2.09%	2.61%	3.13%	3.65%	4.18%

Increases:

Positive Delta (bps)	25	50	75	100	125	150	175	200
Net Portfolio Variation	-0.52%	-1.04%	-1.57%	-2.09%	-2.61%	-3.13%	-3.65%	-4.18%

Table 8: 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.

Exposure	09.30.2020							
	Trading Derivatives				Hedging Derivatives			
	UF$K	CLP$K	USD$K	CHF$K	UF$K	CLP$K	USD$K	CHF$K
Up to 1 year	(86,147,223)	(160,309,931)	245,872,199	21,530	47,436,175	(145,077,779)	17,025,291	86,043,238
1 to 3 years	-	-	-	-	123,503,698	(150,639,721)	(237,356,615)	285,241,661
3 years and over	-	-	-	-	61,426,519	(56,016,932)	(19,209)	-
Total	**(86,147,223)**	**(160,309,931)**	**245,872,199**	**21,530**	**232,366,392**	**(351,734,432)**	**(220,350,533)**	**371,284,899**

Sens. +1bps	09.30.2020							
	Trading Derivatives				Hedging Derivatives			
	UF$K	CLP$K	USD$K	CHF$K	UF$K	CLP$K	USD$K	CHF$K
Up to 1 year	215	2,283	(2,613)	-	(3,587)	6,253	(2,166)	(985)
1 to 3 years	-	-	-	-	(27,465)	30,726	1,950	(50,028)
3 years and over	-	-	-	-	(23,106)	20,514	(30,807)	-
Total	**215**	**2,283**	**(2,613)**	**-**	**(54,158)**	**57,493**	**(31,023)**	**(51,013)**

Table 9: 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 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 of September 30, 2020, the Company presents an exposure in US Dollars of MUS$ -3,759 equivalent to 0.94% of equity, versus MUS$ 1,627 in 2019. The sensitivity analysis to currency risk is calculated daily, considering as the main variable the exposure in US Dollars of mismatch held and the estimated variation of the Observed US Dollar.

US$ Mismatch (US$K)	06.30.2019	12.31.2019
Assets	243,293	331,187
Liabilities	(294,353)	(381,989)
Derivative Instrument	54,819	52,429
Total Mismatch	**3,759**	**1,627**

Table 10: US Dollar Mismatch

iv. Indexation Risk

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.

As of September 30, 2020, mismatch in UF amounted to UF 2,264k, equivalent to 20.56% of equity (2019: UF 2,814k). As for currency risk, the sensitivity analysis of indexation risk is calculated on a daily basis, considering as the main variable the mismatch held in CLF and the future variations estimated in the UF value.

UF Mismatch (UFK)	06.30.2019	12.31.2019
Assets	7,139	6,803
Liabilities	(9,396)	(13,564)
Derivative Instrument	4,520	9,575
Total Mismatch	**2,264**	**2,814**

Table 11: UF Mismatch

For additional information regarding this section, please refer to Note 4 of the Company's Financial Statements as of September 30, 2020.