



**ANNUAL
REPORT**



COMPANY INFORMATION

Company name: Tanner Servicios Financieros S.A.

Fantasy name: Tanner, Tanner S.A.

Legal address: Huérfanos 863, 10th floor, Santiago, Chile

Taxpayer ID N°: 96.667.560-8

Type of entity: Public limited company

Website: www.tanner.cl

Independent auditors: KPMG Auditores Consultores SpA

Domestic Credit Rating Agencies:

- Clasificadora de Riesgo Humphreys Limitada
- Feller Rate Clasificadora de Riesgo Limitada

International Credit Rating Agencies:

- Fitch Ratings
- Standard & Poor's Rating Services

Contact:

María Paz Merino Pagola
Investor Relations Manager

Telephone: + 56 23 325 7503

Email: investorrelations@tanner.cl

Tanner Servicios Financieros S.A., formerly known as Factorline S.A., was incorporated by means of a public instrument dated 6 April 1993, granted at the Santiago Notary of Mr. José Musalem Saffie. An excerpt of such public deed of incorporation was registered in the Santiago Commerce Registry of 1993, on sheet 7.816, N°6.488, and published in the Official Gazette on 24 April 1993.

It was registered in the Securities Registry of the Superintendency of Securities and Insurance, now the Financial Market Commission, under N°777 dated 27 August 2002.

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Tanner®

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ANNUAL
REPORT

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RESILIENCE

All figures in US\$ have been translated from the Chilean peso equivalent at the exchange rates prevailing at the reporting date (710.95).

A full-page background image featuring a man in a dark blue suit, white shirt, and dark red tie. He is standing with his hands clasped in front of him, looking directly at the camera. The background is a stylized, semi-transparent image of a city skyline with tall buildings under a bright, hazy sky. The overall color palette is dominated by blues, greys, and the red of the tie and text.

01

CHAIRMAN'S STATEMENT

**Ricardo Massu
Tanner Chairman**

In a challenging year for Chile and globally, all companies had to address an unforeseeable scenario, with a global economy hit by preventive quarantines and the complexities this entailed for the labour market.

In this scenario, the companies that adapted best and were able to take advantage of the sparse opportunities were those with sound corporate processes, a strong and diversified balance sheet, and flexible and innovative corporate cultures.

I can proudly mention that in this context Tanner has consolidated its position as the leading non-bank credit institution in Chile, successfully overcoming the pandemic due to robust corporate governance and the consolidation of internal processes, highlighting a flexible and demanding credit policy for the right risk management, by for example only granting loans with collateral. We also maintained our international investment grade credit rating and the domestic ratings, further endorsing the soundness of the company.

In turn, this result is underpinned by an efficiently diversified balance sheet, which has been a priority for the company and is already part of our DNA. Our decision to have three business lines is aimed at not only managing the seasonality but also addressing scenarios like that in 2020. These characteristics led to net income of US\$ 39 million, with a ROAE of 8.8%.

We also have a sound financial profile, which has enabled us to have strategically diversified liabilities. Our high capitalisation of around US\$450 million,

and limited leverage that under the articles of association was limited to only 5 times, underpinned the diversification of our funding sources, and we raised the equivalent of US\$1 billion of new financing. This is due to the confidence of multiple creditors and the capital market which, most unexpectedly, allowed us to carry on providing liquidity to our over 83,000 customers. Altogether, we closed 2020 with a leverage ratio of 3.6 times.

Our results, despite a year hit by the sanitary crisis, are the reward of the teamwork of the entire organisation, reflecting the commitment of each one of our employees. Our board of directors comprises professionals with great banking and financial experience, who provide a unique and professional vision, enhancing each of the company's policies and processes to comply with all the regulatory requirements and thereby make a contribution to the Chilean financial system and society in general, thus ruling out any kind of conflict of interest.

This term of office is supported by an experienced management staff, headed by Derek Sassoon, who with these same objectives leads a team of almost one thousand employees, who strive to always provide the best service to each of our customers. These good results would not be possible without them!

2021 will pose large economic and political challenges, but I am sure Tanner is prepared to face situations as dynamic as those in 2020. We have sufficient flexibility to quickly adapt to new scenarios, which will enable us to gradually shift back to a new normality.



02

CEO'S STATEMENT

Derek Sassoon
Tanner CEO

In my first year as the CEO of Tanner, I am proud to highlight the good results obtained by the organisation in one of the most challenging contexts in the last few years. This is important, because in this scenario the company with its different business lines greatly reflected its strengths: a sound and diversified balance sheet, an innovative and flexible vision, a top-notch team and an agile and reliable service.

This gave a final result of net loans of US\$ 1,582 million, maintaining and enhancing our market share in each of the industries in which we operate. We thereby consolidated our leadership of the factoring industry and mainly in the small- and medium-sized enterprise (SME) segment, maintaining our position as the leading non-bank player in Chile, due to quick supply with digital channels and quality service.

In the auto financing area we positioned ourselves as the second largest player, driven by our partnership with Nissan in the retail, dealer and distributor auto financing area of vehicles of the brand in Chile through Credinissan. At the end of the first year, we are proud to have to have embedded the quality of our service and soundness of processes in our first year of joint work. This increased the Nissan loan sales penetration at retail level from 82.4% in 2019 to 87.3% in 2020. Our team also worked so that 90% of the operations were assessed in less than 10 minutes, reflecting our dynamism and flexibility.

This, along with strategic risk management, enabled us to carry on progressing with efficiency and profitability, closing 2020 with a ROAE of 8.8%, a ROAA of 1.8% and 90-day delinquency of 2.3% that was lower than the previous year. Moreover, the right diversification

of our businesses, along with the consistency of our strategic approach, led to our domestic and international credit ratings being maintained at AA- and BBB-, respectively.

These characteristics have allowed the company to focus on achieving transcendental objectives to embody the contribution we make to society. The management and executive team has therefore increased its commitment to various items, like making progress with equal opportunities - reflected by different corporate policies of zero tolerance of discrimination in any of its forms -, minimising the negative environmental footprint of our activity, and acting competitively and ethically, dealing with any kind of conflict of interest whatsoever with our customers, employees and shareholders.

I appreciate the trust of the board of directors vested in me to lead Tanner's progress towards being a digital company with service excellence, reflected by a Net Promoter Score (NPS) of the different business lines of 65% for Corporate Loans and 55% for Auto Financing, which stand out in the usual results of the financial and banking industry in Chile.

Lastly, it is important to highlight that we are closing a good year in such a particular context, due to all of the employees who every day apply the principles of Tanner in each contact with customers and suppliers.

In 2021, we will strive to carry on consolidating the leadership of our company, which has been a pioneer of the new practices and businesses, making a contribution to the development of the Chilean financial market with its innovative vision.





PERSEVERANCE

Our results are the reward of the teamwork of the entire organisation, reflecting the commitment of each one of our employees.

1993

The main shareholders and controllers of former Banco BHIF - the Massu and Said groups - anticipating the large development that factoring would have in Chile, created Bifactoring S.A.

The company's corporate purpose is a) the provision of all kinds of financial services permitted by legislation, and especially factoring activities; b) the execution of lease operations and/or operating or financial leasing, with or without a purchase option, for which it may import, buy, acquire, assign, dispose of, exploit and lease all kinds of chattels, as well as acquire, dispose of, build itself or by others, lease with or without a purchase option and transfer all kinds of real estate; c) grant mutual loans, undertaking and intermediating all kinds of mortgages, automotive consumer or other loans, issue credit cards, and in general carry out all kinds of money credit operations; d) the investment, reinvestment, purchase, sale, acquisition, transfer in any way whatsoever of all kinds of corporeal and incorporeal chattels, securities, shares, loans, debentures, invoices, rights in companies, commercial papers in general, and any other security, manage, market such investments, receive their profits and income howsoever; e) Acquire, build, invest, dispose of and carry out all kinds of operations on real estate, exploit and manage them, receiving their profits and income in any way howsoever; f) Make collections of any nature and attend the incorporation of companies of any kind; g) Provide accounting, tax, financial, IT and commercial consultancy services.

1996

International factoring began to be offered to complement its product offering, along with participating in the formation of the Chilean Factoring Association (ACHEF, according to the Spanish acronym), of which it is a still a member to this day.

The company was also accepted as a member of Factors Chain International (FCI), the largest chain of factoring companies in the world (400 members in 90 countries).

1999

In December, the general shareholders' meeting approved changing the company name from Bifactoring S.A. to Factorline S.A.

2002

It was registered in the Securities Registry of the Superintendency of Securities and Insurance (SVS, according to the Spanish acronym), now the Financial Market Commission (CMF, according to the Spanish acronym), under the standards and procedures established for public limited companies, in accordance with the regulations of the time.

In October of the same year, it became the first company in Chile to register and place a line of commercial papers of Ch\$7 billion.

2004

With the objective of achieving greater development, the company obtained its first financing from an international organisation: the Inter-American Development Bank, through the Inter-American Investment Corporation (IIC). The Auto Financing Division was created with the aim of diversifying the business portfolio.

2005

Continuing with its diversification strategy, Tanner Corredora de Bolsa de Productos S.A., a subsidiary of Tanner Servicios Financieros S.A., was registered in the CMF, becoming the first product exchange broker in Chile.

2007

The Leasing Division was established and a bond was issued for the first time in the domestic market. That same year, the Massu Group, through Inversiones Bancarias S.A., acquired the stake of the Said family, becoming the controller of the company. Additionally, an extraordinary general shareholders' meeting approved a capital increase, by means of which International Financing Corporation (IFC) was incorporated as a shareholder with 18% ownership.

2010

To carry on expanding its services, the company acquired ownership of Gestora Tanner SpA, owner of Tanner & Cia. Corredores de Bolsa, founded in 1924 and a member of the Santiago Stock Exchange, which as of that time also joined the Chilean Electronic Stock Exchange.

2011

Tanner Corredora de Seguros was created to serve the auto financing portfolio and offer insurance to all customers. Taking advantage of the track record and recognition of the Tanner trademark, one of the oldest stockbrokers in Chile, in December of that year Factorline was called Tanner Servicios Financieros S.A.

2012

The organisation was rated as international investment grade by Standard & Poor's and Fitch Ratings (BBB-).

The Massu family increased its ownership interest in Tanner Servicios Financieros S.A. from 55.66% to 70.61% by acquiring the shares of IFC.

2013

In March, the company placed an international bond of US\$250 million. In October it subsequently made a capital increase of US\$200 million by means of which The Capital Group entered the ownership of the company with a 27% stake, which currently has more than US\$2.06 billion of managed assets.

2015

The W bond series was placed with a 21-year term and 10-year grace period, becoming the longest-term instrument placed in the domestic market for this type of company.

2016

In May, a loan of US\$84 million was secured from IFC and in December of that year another of US\$40 million from Deutsche Investitions- und Entwicklungsgesellschaft (DEG), a German entity under Kreditanstalt für Wiederaufbau (KfW). In October of the same year, the company issued an international bond of CHF150 million with 3-year maturity, making Tanner the first Chilean non-bank or non-state company to issue an instrument in Switzerland.

2017

In January, the subsidiary Tanner Asset Management AGF started up operations, with the purpose of distributing third-party funds. In October of that year, the company made a further issue in Switzerland of CHF100 million with 3-year maturity, in addition to the first issuance of commercial papers in US dollars in the domestic market.

2018

Humphreys and Standard & Poor's both upgraded the credit rating of Tanner Servicios Financieros S.A. from A+ to AA- and both with a stable outlook, whilst Fitch Ratings endorsed its previous A+ rating. Moreover, the company made two successful bond placements in the domestic market amounting to UF4,000,000.

2019

In March, Feller Rate ratified Tanner's domestic credit rating of AA-.

In April, the third Swiss bond of CHF125 million placed by the company was disbursed. Furthermore, UF4,000,000 were successfully placed in the domestic market.

In December, Tanner and Nissan Chile SpA entered into a commercial partnership, agreeing on the inventory financing of Nissan distributors and dealers, and the working capital credit lines granted by Tanner and Nissan to final customers of the distributors of vehicles of the brand. This milestone makes us very proud and vouches for the hard work done in the Auto Financing Division, which has enabled us to gain the confidence of this important brand.

03

HISTORY

A person wearing a grey hoodie and white earbuds is holding a white smartphone. The background is a blurred city skyline with a warm, orange-toned light overlay. A red vertical line runs down the left side of the page, with a blue circle at the top containing the year 2020.

2020

February

In February 2020, there was the disbursement of the fourth bond of CHF200 million issued in the Swiss market at a placement yield of 0.588% per annum and maturity of two years and nine months.

July

In July, the company sold the subsidiary Tanner Corredores de Bolsa de Productos S.A.

September

In September, the company completed the disbursement of new financing of US\$23 million with Deutsche Investitions-und Entwicklungsgesellschaft (DEG), a German entity under Kreditanstalt für Wiederaufbau (KfW).

November

In November, the company fully paid the second bond issued in the Swiss market (CHF100 million), reflecting the company's solvency, due to the challenging financial market faced in the year from the sanitary crisis. In this same month the subsidiary Chita SpA was also sold.

December

In December, Tanner signed an agreement with IDB Invest, a member of the IDB Group, to access a financing package of up to US\$106.8 million in a term of up to five years.

**WE WANT TO
GO FURTHER**

FIGURES AND RATIOS BY PRODUCT

CORPORATE DIVISION	2020	2019	2018	2017	2016
Net loans (MUS\$)	\$895	\$1,099	\$1,087	\$842	\$765
Revenue (MUS\$)	\$95	\$121	\$103	\$91	\$84
Gross margin (MUS\$)	\$63	\$81	\$70	\$59	\$54
NPLs* > 30 days	5.7%	3.4%	2.4%	4.9%	5.2%
NPLs* > 90 days	2.0%	2.0%	1.4%	3.6%	4.2%
(i) Factoring	2020	2019	2018	2017	2016
Net loans (MUS\$)	\$442	\$571	\$627	\$428	\$325
Revenue (MUS\$)	\$55	\$73	\$62	\$50	\$40
Gross margin (MUS\$)	\$38	\$51	\$45	\$34	\$28
N° of customers	1,822	3,650	3,734	3,354	2,573
NPLs* > 30 days	0.9%	3.0%	2.1%	3.4%	5.8%
NPLs* > 90 days	0.8%	1.5%	1.1%	2.9%	5.1%
(ii) Corporate Loans	2020	2019	2018	2017	2016
Net loans (MUS\$)	\$352	\$412	\$346	\$268	\$268
Revenue (MUS\$)	\$31	\$35	\$29	\$24	\$26
Gross margin (MUS\$)	\$19	\$25	\$20	\$15	\$16
N° of customers	567	771	578	837	1,261
NPLs* > 30 days	12.7%	3.3%	1.6%	2.8%	2.0%
NPLs* > 90 days	3.8%	2.1%	1.5%	2.3%	1.5%
(iii) Leasing	2020	2019	2018	2017	2016
Net loans (MUS\$)	\$100	\$116	\$114	\$146	\$172
Revenue (MUS\$)	\$10	\$12	\$12	\$17	\$19
Gross margin (MUS\$)	\$6	\$5	\$6	\$10	\$10
N° of customers	217	348	560	857	1,073
NPLs* > 30 days	2.1%	5.8%	6.7%	13.0%	9.2%
NPLs* > 90 days	1.1%	4.2%	3.2%	7.8%	6.50%
AUTO FINANCING DIVISION	2020	2019	2018	2017	2016
Net loans (MUS\$)	\$656	\$645	\$519	\$439	\$351
Revenue (MUS\$)	\$128	\$124	\$114	\$97	\$78
Gross margin (MUS\$)	\$60	\$57	\$57	\$48	\$43
N° of customers	79,240	75,797	67,577	57,293	49,704
NPLs* > 30 days	6.0%	10.1%	10.4%	11.2%	10.90%
NPLs* > 90 days	2.8%	4.4%	4.3%	5.3%	4.90%
TREASURY & INVESTMENTS DIVISION	2020	2019	2018	2017	2016
Net loans (MUS\$)	\$28	\$84	\$55	\$29	\$6
Revenue (MUS\$)	\$55	\$27	\$36	\$19	\$18
Gross margin (MUS\$)	\$24	\$18	\$15	\$11	\$9
N° of customers	1,721	1,707	1,621	1,580	1,627
NPLs* > 30 days	0.3%	0.0%	0.9%	2.4%	13.0%
NPLs* > 90 days	0.2%	0.0%	0.7%	2.4%	13.0%

(*) Delinquency calculated as the unpaid delinquent balance/(loan portfolio + provisions).

(**) Ratio calculated as provisions and write-offs/(loan portfolio + provisions).

Note: the income and gross margin figures of 2016, 2017 and 2018 consider the restatement of the financial statements in 2020.

04

TANNER AT A GLANCE

CONSOLIDATED FIGURES

Income in the Year (MUS\$)	2020	2019	2018	2017	2016
Consolidated revenue	\$278	\$272	\$253	\$206	\$181
Gross profit	\$147	\$156	\$142	\$118	\$106
Sales and administrative expenses	\$65	\$65	\$62	\$54	\$53
Profit before tax	\$46	\$55	\$48	\$39	\$35
Net profit	\$39	\$46	\$42	\$36	\$31
Activity and Balance Sheet	2020	2019	2018	2017	2016
Consolidated net loans	\$1,582	\$1,832	\$1,663	\$1,318	\$1,126
Number of customers ⁽¹⁾	83,181	81,578	73,388	63,744	52,834
Number of employees	910	1,007	945	971	998
Assets	\$2,062	\$2,266	\$2,008	\$1,629	\$1,408
Equity	\$447	\$432	\$398	\$379	\$353
Ratios	2020	2019	2018	2017	2016
NPLs ⁽²⁾ > 90 days /loans	2.30%	2.70%	2.30%	4.10%	4.40%
ROAE ⁽³⁾	8.80%	11.00%	10.80%	9.70%	9.20%
ROAA ⁽⁴⁾	1.80%	2.10%	2.30%	2.30%	2.30%
Leverage ratio ⁽⁵⁾	3.6	4.2	4	3.3	3
Liquidity ratio ⁽⁶⁾	1.5	1.2	1.3	1.7	2.6

(1) Total customers consider single customers of Tanner Servicios Financieros, which might have more than one product (Factoring, Corporate Loans, Leasing, Auto Financing and Tanner Investments).

(2) Non-performing loans calculated based on the outstanding balance. They include Pescanova until 2016.

(3) ROAE: Net profit in the year/average equity.

(4) ROAA: Net profit in the year/average assets.

(5) Leverage ratio: liabilities/equity.

(6) Liquidity ratio: Current assets/current liabilities

Note: the consolidated revenue and gross margin of 2016, 2017 and 2018 consider the restatement of the financial statements in 2020.

ANALYSIS AND EXPERIENCE



1.

Ricardo Massu M.
Chairman

Chilean ID Card N°: 6.420.113-1
Finance Engineer/MBA
Joined the company: March 2007

2.

Jorge Sabag S.
Vice-Chairman

Chilean ID Card N°: 6.735.614-4
Business Engineer
Joined the company: January 2002

3.

Eduardo Massu M.
Director

Chilean ID Card N°: 4.465.911-5
Business Engineer/MBA
Joined the company: May 1994

4.

Óscar Cerda U.
Director

Chilean ID Card N°: 6.912.260-2
Business Engineer
Joined the company: January 2017

5.

Martin Díaz Plata
Director

UK Passport/720111843
Finance and Relations professional
Joined the company: October 2013

6.

Fernando Zavala C.
Director

Chilean ID Card N°: 7.054.226-9
Business Engineer
Joined the company: June 2019

7.

Fernando Tafra S.
Director

Chilean ID Card N°: 4.778.406-9
Business Engineer
Joined the company: March 2020

8.

Felipe Massu H.
Board Advisor

Chilean ID Card N°: 17.406.903-4
Business Engineer

9.

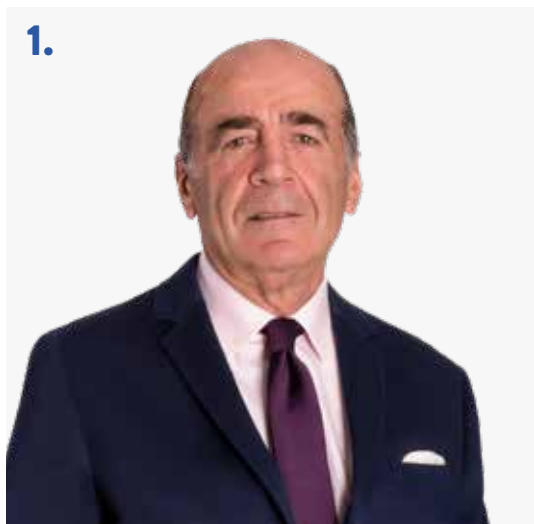
Mario Espinoza F.
Corporate Counsel and Secretary to the Board

Chilean ID Card N°: 9.092.010-3
Lawyer
Joined the company: January 2010

BOARD OF DIRECTORS

Note: The board members were appointed by the ordinary shareholders' meeting held on 6 March 2020.

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2.



3.



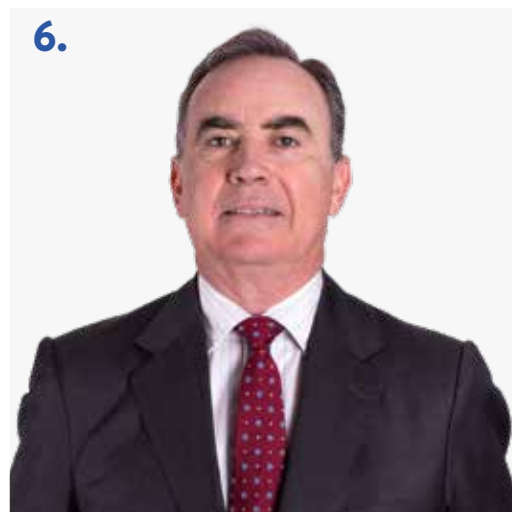
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06

1.

Derek Sassoon
Chief Executive Officer

Chilean ID Card N°: 14.568.029-8
Biologist, MBA
Joined the company: 1 September 2020
Date appointed: 1 September 2020

2.

Tomás Vedoya R.
Deputy CEO and
Corporate Division Manager

Chilean ID Card N°: 23.058.990-9
Economics & Business, MBA finance
Joined the company: 1 February 2019
Date appointed: 26 August 2020

3.

Jorge Tagle A.
Auto Financing Division Manager

Chilean ID Card N°: 10.434.482-8
Business Engineer
Joined the company: 1 September 2020
Date appointed: 1 September 2020

4.

Gustavo Inostroza A.
Treasury & Investments Division Manager

Chilean ID Card N°: 15.385.538-2
Business Engineer, MSc Finance, MBA
Joined the company: 9 February 2015
Date appointed: 2 January 2020

5.

Roberto Baraona U.
Structured Product Manager

Chilean ID Card N°: 9.784.767-3
Business Engineer
Joined the company: 1 March 2018
Date appointed: 28 October 2020

6.

Cecilia Arevalo S.
Human Resources Manager

Chilean ID Card N°: 10.389.742-4
Business Engineer
Joined the company: 28 October 2020
Date appointed: 28 October 2020

7.

Verónica Crovetto H.
Financial Control
and Administration Manager

Chilean ID Card N°: 16.162.868-9
Civil Industrial Engineer
Joined the company: 18 January 2016
Date appointed: 28 October 2020

8.

Ruperto Edwards M.
Corporate Marketing Manager

Chilean ID Card N°: 10.914.352-9
Social Communicator, majoring in Marketing
Joined the company: 4 January 2021
Date appointed: 4 January 2021

9.

Sandro Franchi B.
IT Manager

Chilean ID Card N°: 25.369.397-5
IT Expert
Joined the company: 2 January 2019
Date appointed: 28 October 2020

10.

César Segura S.
Controller

Chilean ID Card N°: 15.124.587-0
Accounting Auditor, Business Engineer,
MSc Finance, MBA
Joined the company: 1 September 2020
Date appointed: 1 September 2020

MANAGEMENT

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 **Tanner**®

07

STRATEGIC PILLARS

**HIGH DRIVE AND PASSION
FOR WHAT WE DO**

We exist to revolutionise the financial industry by providing the best advice and service to our customers in a fast, innovative and close way, and we are the best partner, always.



The corporate purpose is the ultimate aim of our organisation. A model that recognises the social role of the company and the impact of its activity on the life of our employees, customers and for the development of Chile.

The Tanner Way reflects the hallmark of the corporate culture, entailing six corporate principles that are the guidelines of the conduct expected of the entire organisation.



**WE ARE
BOLD**

We challenge the status quo and boost our role to improve the service and go further.



**WE ARE
INNOVATIVE**

There is always a lot still to be done! We seek opportunities for improvement and greater efficiency to provide a unique service experience.



**WE ARE
FLEXIBLE**

We are constantly evolving and are part of the change.



**WE ARE
RELIABLE**

We walk the talk. Being transparent is essential for us!



**WE ARE
EMPATHETIC**

We put ourselves in other people's shoes, empathising with their situation and needs.



**WE ARE
A TEAM**

We address the challenges together. We are part of the final result!

08

BUSINESS PROFILE

Tanner has a successful track record of virtually 30 years, which is based on sound diversification of its business lines and financing sources. This, along with an excellent management and executive team, committed employees and high service quality standards, have enabled it to position itself as the leading non-bank financial institution in Chile.

Tanner's strengths lie in a highly diversified portfolio and a sound financial position, due to proactive and efficient risk management and diversified financing sources, experienced management and committed shareholders, that seek to align to the highest standards of corporate governance. These qualities have enabled the company to attain an international credit rating of BBB- and as of 2018 a domestic credit rating of AA-, positioning it in a select group of non-bank financial entities rated investment grade in Latin America.

The number of active customers at the close of 2020 was 83,181, including Factoring, Corporate Loans, Auto Financing, Leasing and Tanner Investments.

At 31 December, there was no large concentration of customers, since the percentage of operations of the five main customers regarding the total loan portfolio did not exceed 10%.

Tanner Servicios Financieros S.A. has approximately 687 suppliers registered in its records, highlighting those related to the business lines (automotive and general goods), general services, computer and communication services.

Tanner's main businesses are factoring (national and international) and auto financing. Corporate loans and leasing complete the comprehensive offering of financial services. In turn, the company provides complementary fixed-income intermediation, share and insurance services, as well as corporate financial consultancy services.

According to the definitions of segments in IFRS 8, the line of business of Tanner Servicios Financieros is to provide financial services. The company operates in the market through five segments: Factoring, Corporate Loans, Leasing, Auto Financing and Treasury and Investments, which are organised into three divisions: Corporate Division, Auto Financing Division, and the Treasury and Investments Division.

(1) No customer had a concentration of 10% or more of the income of its respective segment in 2020.

(2) No supplier had a concentration of 10% or more of the purchases in 2020.



DIVERSIFICATION

Tanner is organised into 3 divisions:



CORPORATE

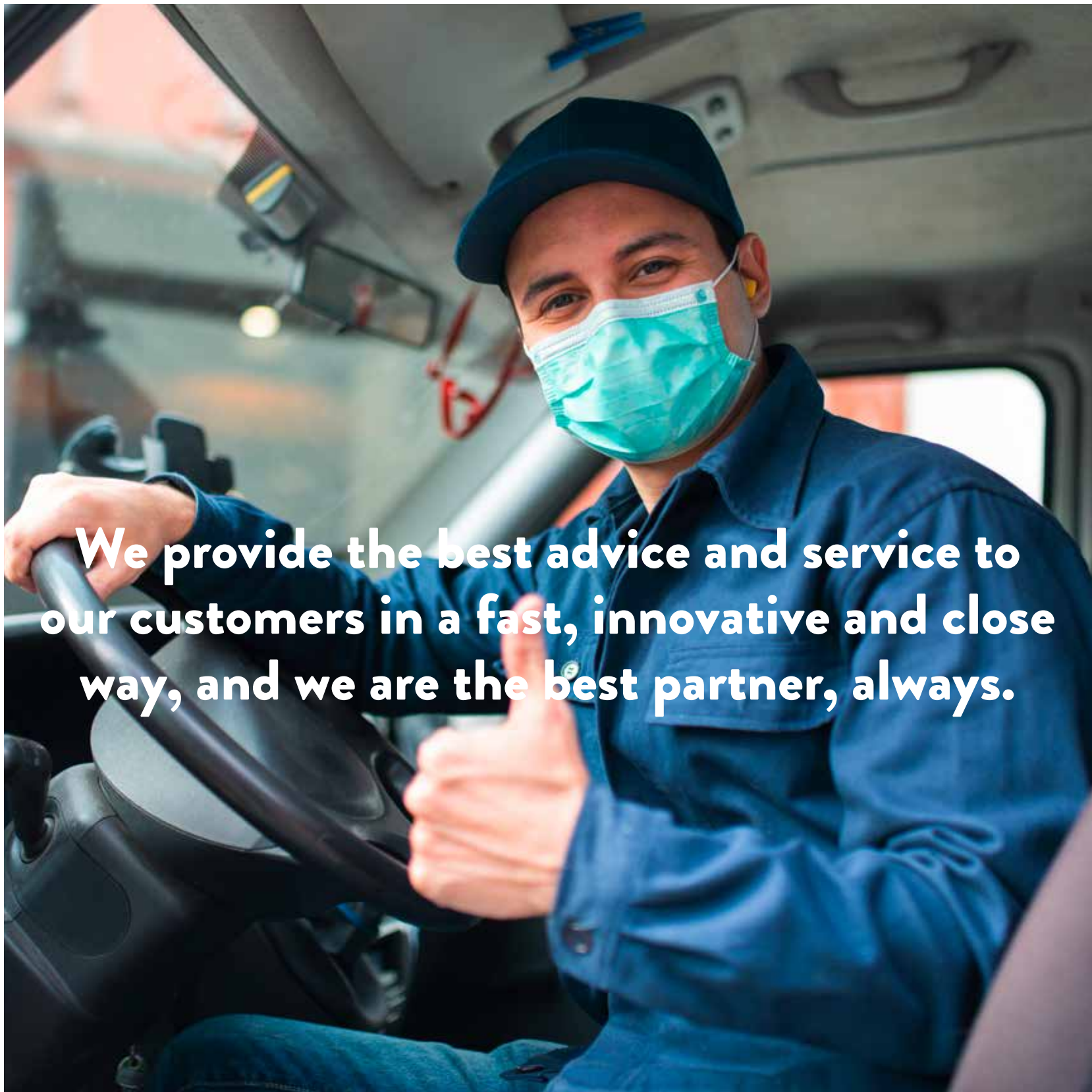


AUTO FINANCING



**TREASURY &
INVESTMENTS**





We provide the best advice and service to our customers in a fast, innovative and close way, and we are the best partner, always.

1

Corporate Division

FACTORING

This is mainly for small- and medium-sized enterprises so they can transform their accounts receivable into liquid resources, obtaining an additional financing alternative for working capital.

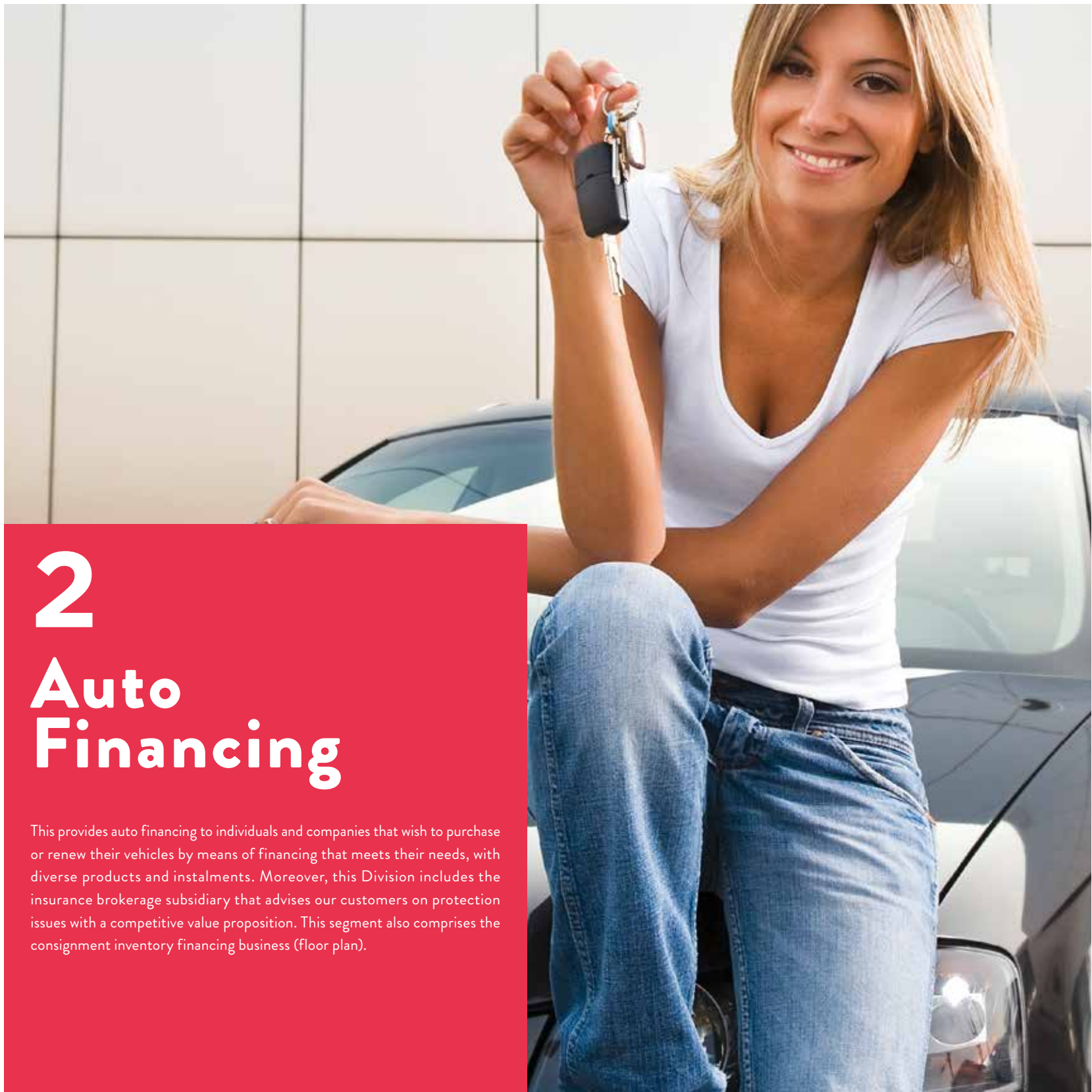
CORPORATE LOANS

This mainly allows the company to grant working capital loans to factoring customers, helping them to grow. At the same time, this segment has preferential capital operations and mortgage-backed loans which, due to the Tax Reform, cannot operate through leaseback.

LEASING

This is principally targeted at financing acquisitions of capital goods, with the focus on granting real estate leasing, which allows our customers to grow and renew their assets.





2

Auto Financing

This provides auto financing to individuals and companies that wish to purchase or renew their vehicles by means of financing that meets their needs, with diverse products and instalments. Moreover, this Division includes the insurance brokerage subsidiary that advises our customers on protection issues with a competitive value proposition. This segment also comprises the consignment inventory financing business (floor plan).



3

Treasury and Investments

The Treasury Management is in this Division, and manages the financial position and maintains an optimal funding structure, along with placing surpluses at the best market return. This segment also includes the subsidiaries Tanner Corredores de Bolsa S.A. and Tanner Asset Management AGF S.A., which provide comprehensive advice to customers according to their needs, offering investment alternatives tailored to their needs with brokerage of financial products, management of investments in tangible and intangible assets, the development of different types of private investment funds and financial advice. For this, it has a consolidated and experienced team with market know-how, which through a robust platform supports institutional customers, companies and family offices.



PERFORMANCE

This result is underpinned by an efficiently diversified balance sheet, which has been a priority for the company and is already part of our DNA.



**WE ADDRESS ADVERSITY
WITH COURAGE**



09

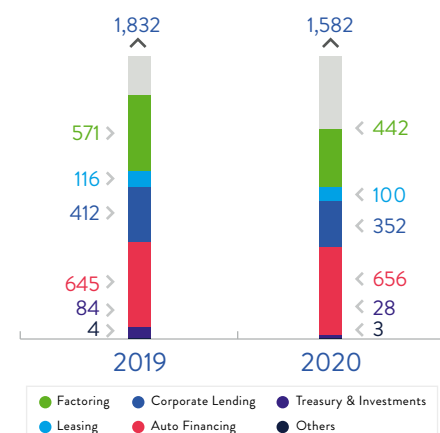
PERFORMANCE IN 2020

The companies that adapted best and were able to take advantage of the sparse opportunities were those with those with sound corporate processes, a strong and diversified balance sheet, and flexible and innovative corporate cultures.

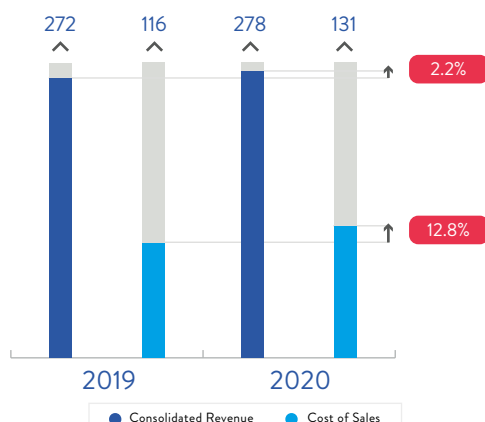
Profit after tax for the year ended 31 December 2020 amounted to US\$39 million, dropping 15.6% on 2019 and in line with an operating margin decrease of 14.8% YoY.

The gross loan portfolio in 2020 was US\$1,614 million (-13.7% YoY), and the provision portfolio contracted 20% to US\$ 32 million, giving a total net loan portfolio of US\$ 1,582 million at the close of 2020, a 13.6% decrease YoY.

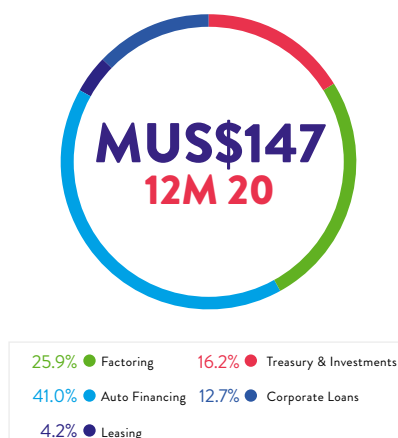
NET LOAN PORTFOLIO BREAKDOWN
(MUS\$)



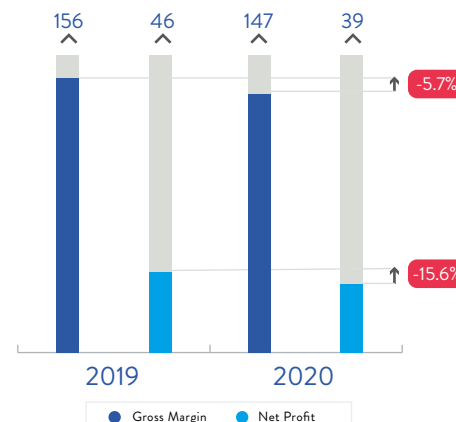
CONSOLIDATED REVENUE AND
COST OF SALES
(MUS\$)



ACRUED GROSS MARGIN BY
PRODUCT



GROSS MARGIN AND NET PROFIT
(MUS\$)



BREAKDOWN OF NET LOANS BY INDUSTRY*



- 34.52% Real estate, business and rental activities
- 15.40% Financial intermediation
- 14.60% Agriculture, livestock, hunting and forestry
- 10.07% Wholesale and retail, auto spare parts/household goods
- 9.32% Non-metal manufacturing industry
- 5.34% Construction
- 3.05% Mining and quarrying
- 2.89% Community, social and personal service activities
- 2.21% Transport, storage and communications
- 1.01% Metals manufacturing industry
- 0.98% Social and health services
- 0.27% Education
- 0.17% Hotels and restaurants
- 0.12% Fisheries
- 0.04% Electricity, gas and water
- 0.01% Others
- 0.00% Building and commonhold property management council

*Excludes net loans of the Auto Financing Division

The portfolio is still focused on strategic businesses, i.e., Factoring and Auto Financing, which at the close of 2020 accounted for 27.9% and 41.5%, respectively. In 2020, there was an increase in the net loans of the Auto Financing Division (+1.8% YoY), offset by a decrease in the Corporate Division (-18.6%) amounting to US\$ 895 million due to a drop in Factoring (-22.6% YoY), Corporate Loans (-14.5%

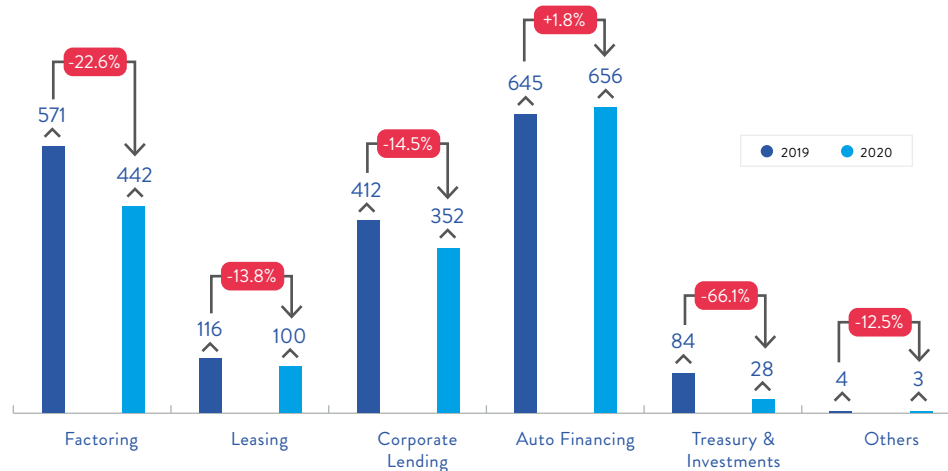
YoY) and Leasing (-13.8% YoY). The portfolio of the Treasury and Investments Division contracted 66.1% YoY.

There was significant diversification by industry and type of customer, along with a low concentration of customers, in which the percentage of operations of the five main customers did not exceed 8.9% of the total portfolio.

Likewise, revenue from these customers was less than 5.0% of the company's total revenue.

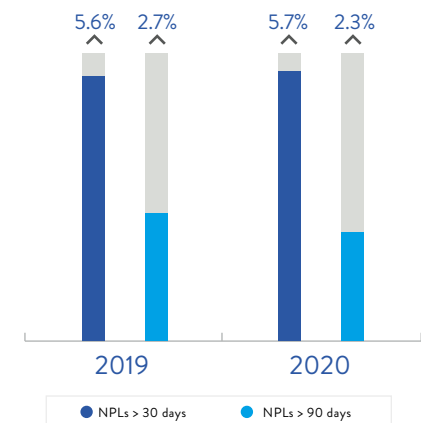
The asset quality reflects the improvements of the admission, control and collection policies that Tanner put in place in 2015 and constantly reviews, so as to reduce and optimise the delinquency levels.

NET LOANS BY BUSINESS LINE*



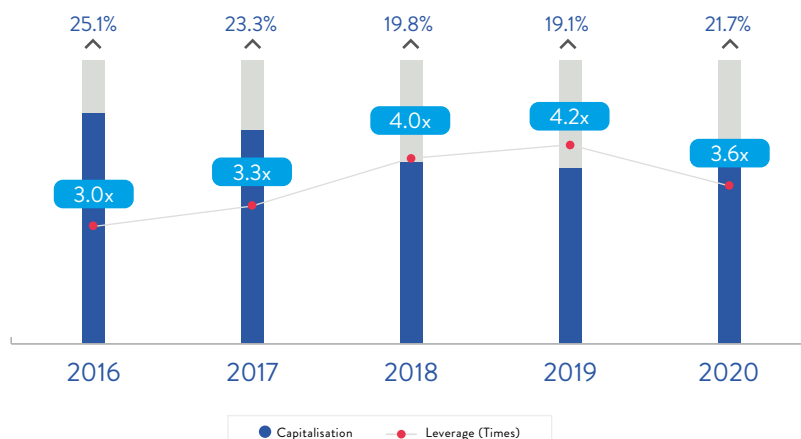
* Net loans defined as gross loans - provisions

CONSOLIDATED NPLs*



NPLs defined as the outstanding balance of NPLs > 30/90 days/gross loans

LEVERAGE* AND CAPITALISATION** RATIOS



*Leverage ratio calculated as liabilities/equity

**Capitalisation calculated as equity/assets

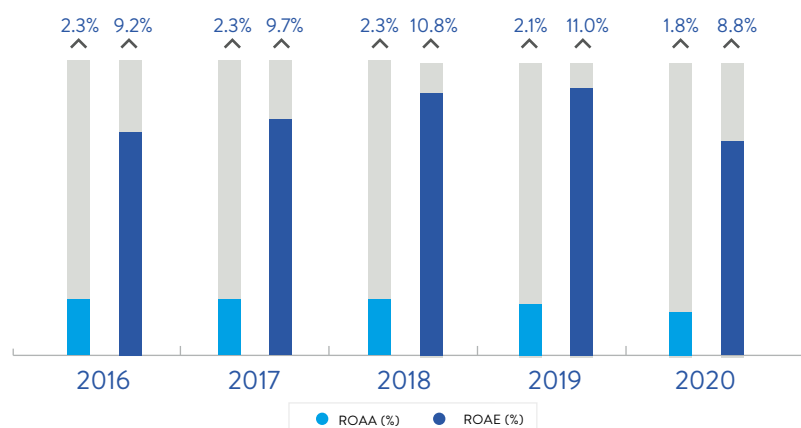
As of 31 December 2020, there was a healthy and robust position in terms of liquidity and solvency, reflecting Tanner's strength and its ability to meet its immediate and long-term commitments.

Total liabilities generally dropped by US\$ 219 million (-11.9% YoY) compared to those YoY and amounted to US\$ 1,615, and assets contracted 9% (US\$204 million) to US\$ 2,062 million. Hence, equity increased

US\$ 15 million (+3.5% YoY) amounting to US\$ 447 million.

The company's profitability dropped in 2020 compared to the previous year, in line with lower profits and a ROAE of 8.81% and ROAA of 1.79%, due to the complex situation faced in the year. Nevertheless, the risk management approach offset the external variables and kept delinquency limited, with 90-day NPLs of 2.3% and lower than the previous year.

RETURN ON AVERAGE ASSETS* AND EQUITY**



* Return on average assets (ROAA), calculated as net profit/average assets

** Return on average equity (ROAE), calculated as net profit/average equity

MILESTONES IN 2020

january

The agreement signed with Nissan started to operate in January, in which Tanner is the first financing option for vehicles of that brand.

february

In February, Tanner made the fourth placement of bonds of CHF200 million in the Swiss market for a term of two years and nine months.

july

In July, the company signed a three-year term loan of US\$50 million with Cargill Trade & Capital Markets.

september

In September, the company disbursed new financing of US\$23 million with DEG, a German entity under Kreditanstalt für Wiederaufbau (KfW).

november

In November, it fully paid the second bond issued in the Swiss market (CHF100 million).

december

In December, Tanner signed an agreement with IDB Invest, a member of the IDB Group, to access a financing package of up to US\$106.8 million in a term of up to five years.



10

OUR DIVISIONS

CORPORATE
DIVISION

35

AUTO FINANCING
DIVISION

43

TREASURY &
INVESTMENTS
DIVISION

49





Net Loans:
US\$ 895
million



Revenue:
US\$ 95
million



NPLs over 90 days:
2.0%



N° of Customers:
Factoring: 1,822
Corporate Loans: 567
Leasing: 217



Gross Margin:
US\$ 63
million



10.1

CORPORATE DIVISION



2020 was a very challenging year for the factoring industry. The year started out with a large recovery in the first three months, but the arrival of the coronavirus to Chile marked a turning point in the pace of economic activity and the offering of financing available for the customer segment of this product, in line with the activation of new emergency liquidity sources, mainly regarding the banking industry.

Moreover, considering the uncertainty about the impact of the sanitary crisis on the continuity and free development of different industries, there was an increase in the number of companies declaring insolvency, thereby affecting the risk ratios of the sector.

Nevertheless, the factoring industry was able to address a challenging year with non-bank loans of US\$ 1,613 million to the members of the Chilean Factoring Association (ACHEF, according to the Spanish acronym), dropping 23.1% YoY, and total industry growth (bank + non-bank) of 22.5% (US\$ 5,165 million). Likewise, the annual number of customers in the sector fell 41.1% to 6,446 compared to the previous year.

APPROACH

In 2020, the Corporate Division continued to bolster the businesses that afford greater value to the company, maintaining the customer-focused approach and improving the service quality. It therefore gave priority to the strict follow-up of the profitability of our operations and the productivity of commercial executives, always with a special focus on delinquency tranches and risk.

The loans of the division dropped 18.6% in net terms in the year, as a result of the global economic situation caused by the COVID-19 pandemic and its large impact on Chile's GDP. However, the division was able to take advantage of such situation to undertake more profitable businesses and maintain the delinquency ratios.

In keeping with the challenges posed by the sanitary crisis, the company implemented remote working for the whole area, which was underpinned by the development and investment in technology made in prior years and which has enabled us not only to have robust digital channels but also guarantee the continuity of the business and employee safety. Throughout most of 2020, we thereby had the same commercial and operative team required

at branches to deal with the requirements of in-person customers and specific operations.

Development was kept up to enhance the digital channels. These improvements included changes in the application of commercial executives to include the whole commercial area, allowing for better monitoring and follow-up of the interaction with customers during the pandemic period.

In turn, to maintain the profitability and number of active customers the company permanently monitored the productivity of executives and optimised the commercial and operative structure. It also implemented a new digital pricing system to homologate the same price for all the operation input channels and speed up the process of approving the commercial conditions in the loan process, which in the future will help to efficiently define the rate of our loan operations.

At the same time, the division kept up the optimisation, automation and robotisation of various processes in the risk, ratification, approval and remittance areas, which led to 20% of the financing to be carried out in less than 30 minutes and 100% of this in under two hours. This, along with the continuous improvement of the loan processing and collection data, enabled the division to improve the service quality, obtaining a Net Promoter Score (NPS) of 65% in September 2020.

Due to the prolonged quarantines and their impact on the economy and to keep the risk controlled, priority was given to shorter businesses like factoring rather than the traditional longer-term businesses. The regularisation and collection teams were also enhanced, enabling the division to close the year with record delinquency levels below the average in the industry.

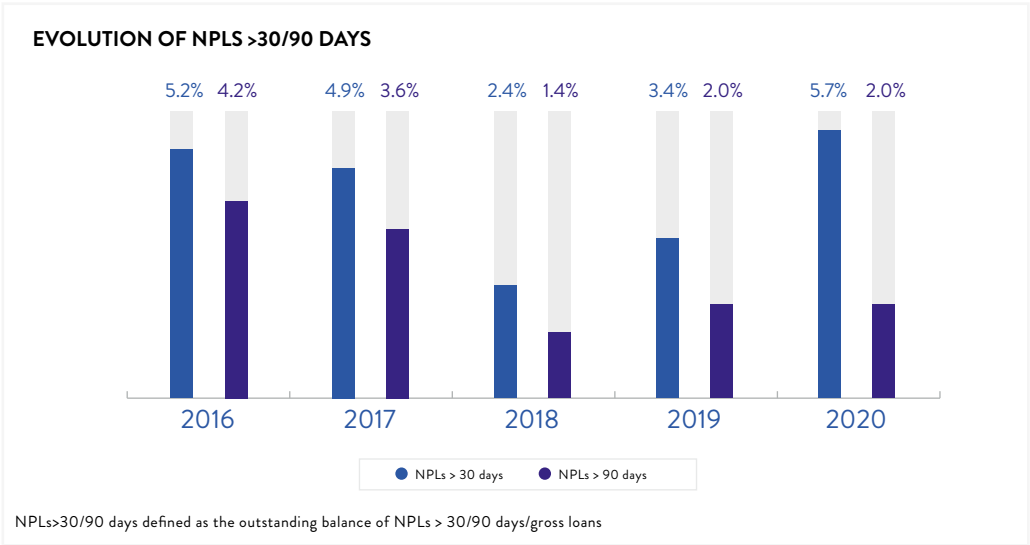
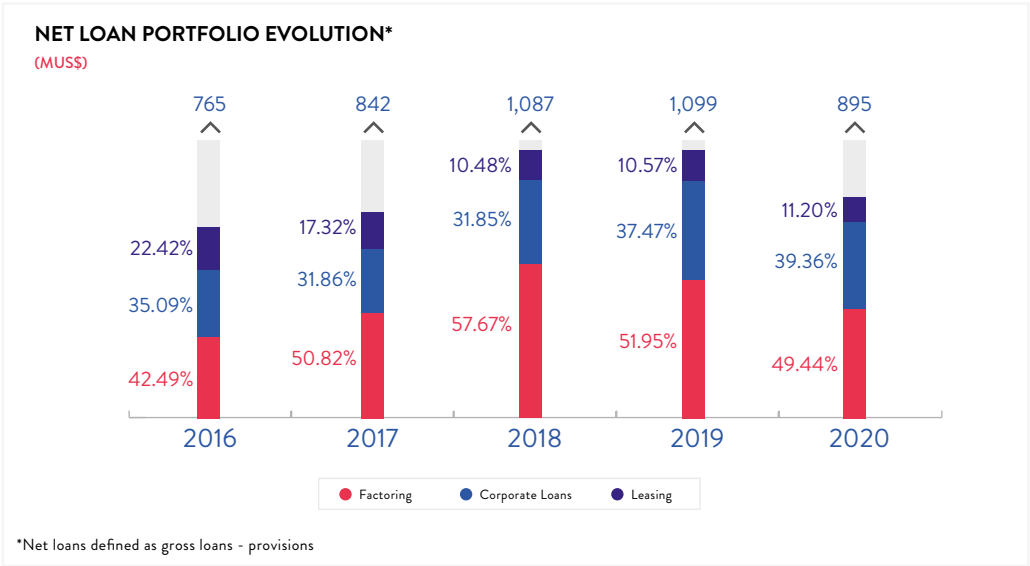
Finally, in late 2020 a new tool became available that will enable customers of the large corporation segment to prevent frauds and provide a better service to their suppliers, providing digital access to confirming and prompt payment financing.

To maintain a stable, healthy and profitable leasing portfolio, the division continued to give priority to the real estate segment where there is vast experience with the assessment and subscription of these kinds of financing operations. In turn, since 2018 the leasing of movable goods of machinery and vehicles has not been part of

the product range, reflected by a 13.8% drop in the net portfolio.

Regarding corporate loans, the secured lending approach was maintained, since because of the sanitary contingency the decision made was to keep a low risk profile and focus on those businesses with sound collateral.

As we have suggested before and related to the corporate decision, in the year all the risk policies were bolstered and were a transversal and substantial factor in all the decisions. That work, along with an intensive commercial policy, led to a small increase in delinquency for the total portfolio of the division, with NPLs of more than 90 days of 1.99% in 2019 rising to 2.03% in 2020.



FACTORING

Factoring is a financing system in which companies or “customers” transfer their accounts receivable to a factoring company, and the latter becomes the new creditor of the document transferred.

On acquiring the document, the factoring company pays the customer a percentage of its value, minus a price difference. On the day when the document expires, the company receives payment from the debtor of the account receivable and pays the remaining percentage to the customer.

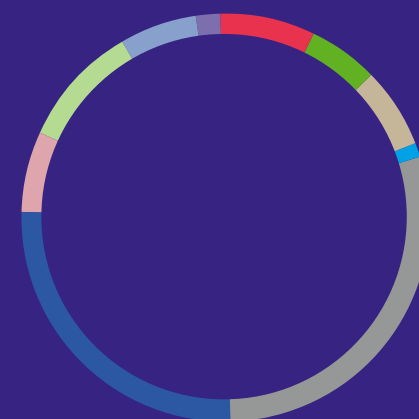
Factoring is therefore a working capital financing alternative in addition to bank accounts, mainly for small- and medium-sized enterprises, which can transform their accounts receivable into immediate liquid resources that are managed quickly and do not harm customers' leverage ratios.

Moreover, for firms that make exports and/or imports, Tanner offers an international factoring service to advance sales in the case of exports, or finance purchases for imports.

The factoring industry is highly competitive and dominated by banks. The Association of Factoring Companies, which brings together the 10 largest players in the industry, reported in its monthly report of December 2020 a loan portfolio of US\$ 1,613 million as of that month, a decrease of 23.1% annually.

Income mainly comes from interest and fees deducted from the total amount of the documents. Interest for default is added and accrued according to the number of

ACHEF STOCK MARKET SHARE



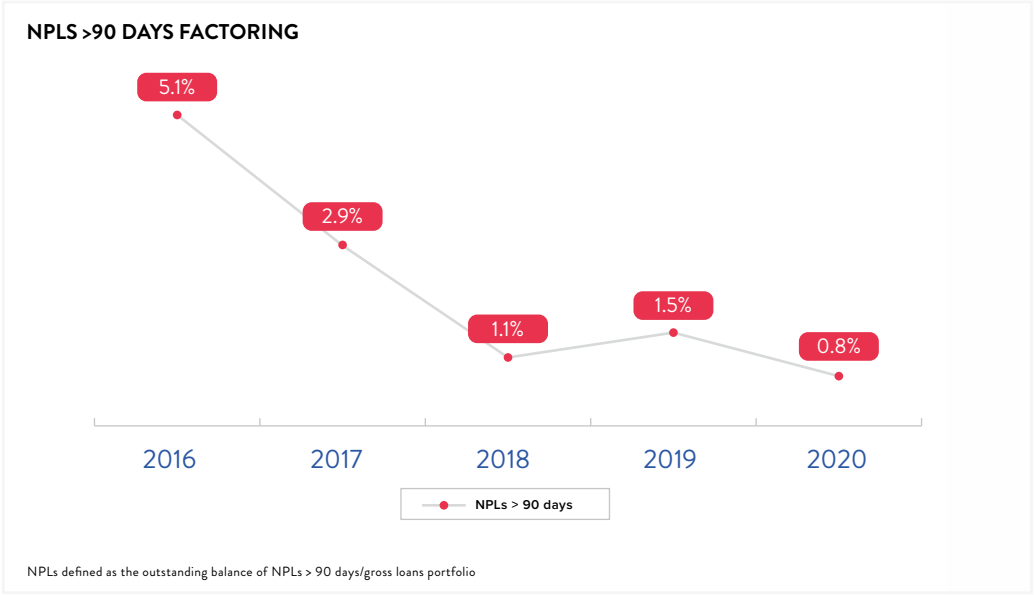
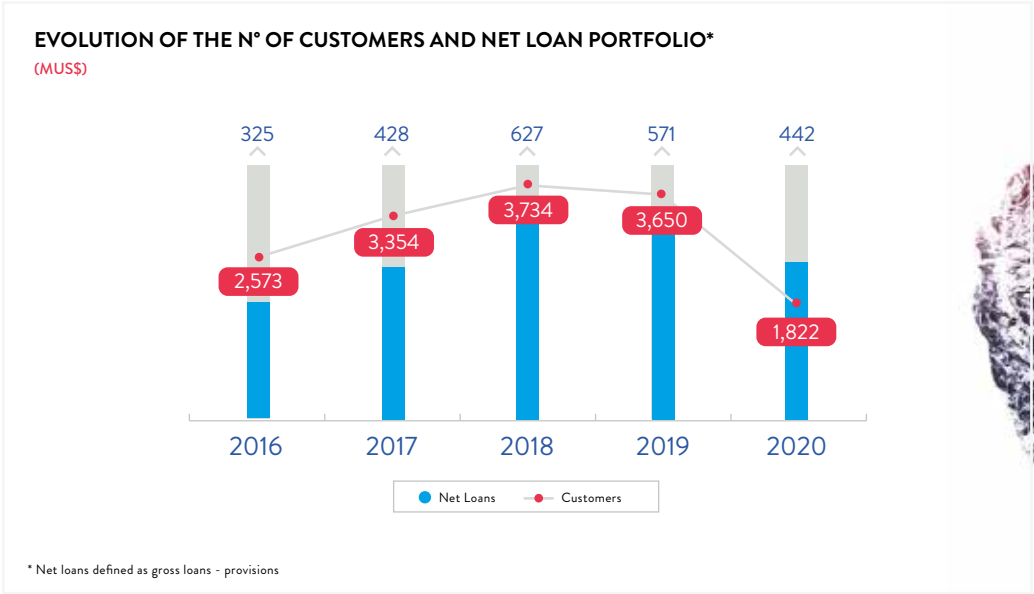
29.44%	Security
25.89%	Tanner
9.77%	Primus Capital
7.60%	BICE
6.31%	Incofin
6.21%	Eurocapital*
6.01%	Finameris
5.65%	Consortio
1.91%	Latam Trade
1.22%	Internacional

Source: ACHEF

* This is the stock at november 2020.

days between the expiry of the document and the final payment. In this context, revenue from this business line amounted to US\$ 55 million, dropping 25.6% on the previous year, and the gross margin was US\$ 38 million, 25.6% down on the result in 2019.

In this scenario, Tanner's net factoring loans fell 22.6% YoY to US\$ 442 million, with an increase in the portfolio quality, reflecting a drop of 67 bps in delinquency that fell from 1.5% in 2019 to 0.8% in 2020.



LEASING

This is a financial service that meets capital goods financing needs of companies, enabling them to invest, grow, expand and renew, with access to large financial and tax benefits. A lease contract with an agreed term is generated, in which the lessee pays monthly instalments that fully amortise the value of the goods. At the end of the contract, the customer has the alternative of acquiring the good by paying the purchase option amount, which in most cases is one more payment of the contract.

The main advantages of leasing for customers are:

1. Unlike other services, it can finance 100% of the operation.
2. It transfers 100% of the instalment to expenses, which decreases the tax base.
3. Goods are insured throughout the term of the contract, allowing access to better premium and coverage conditions.

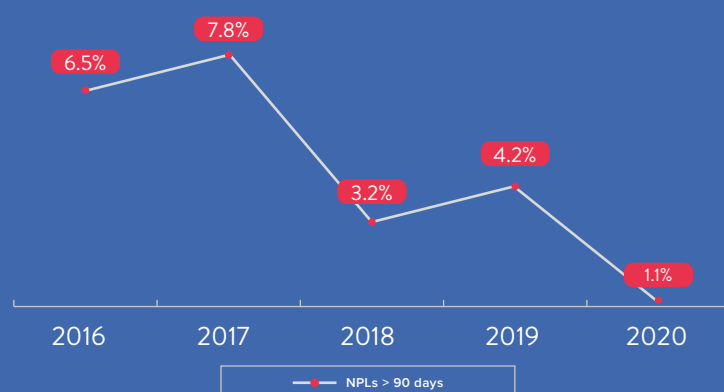
4. Payment tables are generated according to customer needs, with flexibility of currencies and terms.

In accordance with a change in the product strategy - of focusing on real estate collateral -, Tanner's leasing loans amounted to US\$ 100 million in 2020, 13.8% down on the previous year. Nevertheless, there was an increase in the portfolio quality, reflected by a decrease

in NPLs of over 90 days from 4.2% in 2019 to 1.1% in 2020.

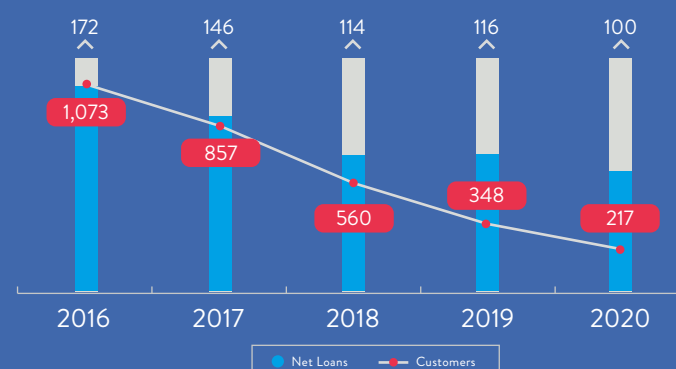
Business revenue in the year was US\$ 10 million, dropping 12.4% YoY. Costs decreased 40.7% compared to the previous year amounting to US\$ 4 million, which caused the gross margin to increase 27.7%, to US\$6 million.

NPLS >90 DAYS LEASING



NPLs defined as the outstanding balance of NPLs > 90 days/gross loans portfolio

EVOLUTION OF THE N° OF CUSTOMERS AND NET LOAN PORTFOLIO*
(MUS\$)



* Net loans defined as gross loans - provisions

CORPORATE LOANS

This product, which arose in 2014, is aimed at financing the working capital needs of customers, complementing factoring so as not to impact the operation of the company in the short term.

The main advantage of this product is that it meets the financial needs and capacities of customers, allowing for greater flexibility.

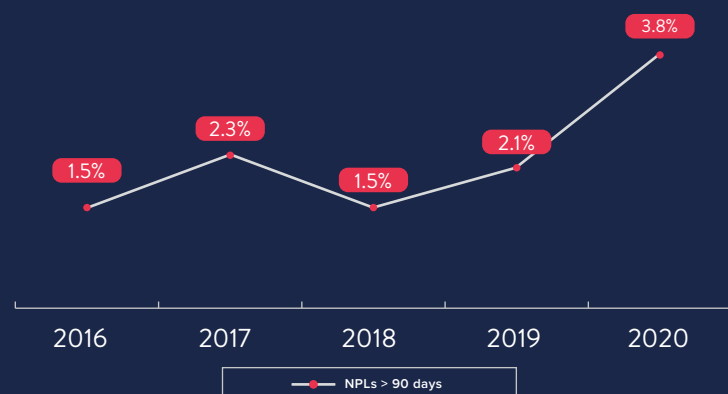
The loans of this segment dropped 14.5% to US\$ 352

million million by year-end. Delinquency increased 172 bps in the year to 3.8% of NPLs of over 90 days.

The revenue of this segment fell 13.5% to US\$ 31 million, which is explained by lower fees. Costs were US\$12

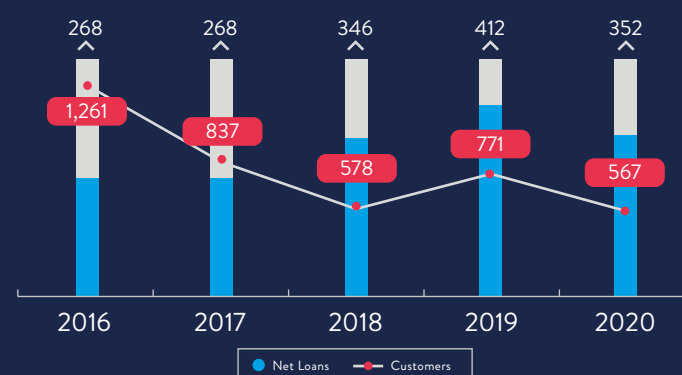
million, 15.6% higher than the previous year due to a lower interest expense. The gross margin thereby dropped 25.5% YoY and amounted to US\$ 19 million.

NPLS >90 DAYS CORPORATE LOANS



NPLs defined as the outstanding balance of NPLs > 90 days/gross loans portfolio

EVOLUTION OF THE N° OF CUSTOMERS AND NET LOAN PORTFOLIO* (MUSS)



* Net loans defined as gross loans - provisions





Net Loans:

US\$ 656
million



Revenue:

US\$ 128
million



NPLs of over 90 days:

2.8%



N° of customers

79,240



Gross margin:

US\$ 60
million



10.2

AUTO FINANCING DIVISION

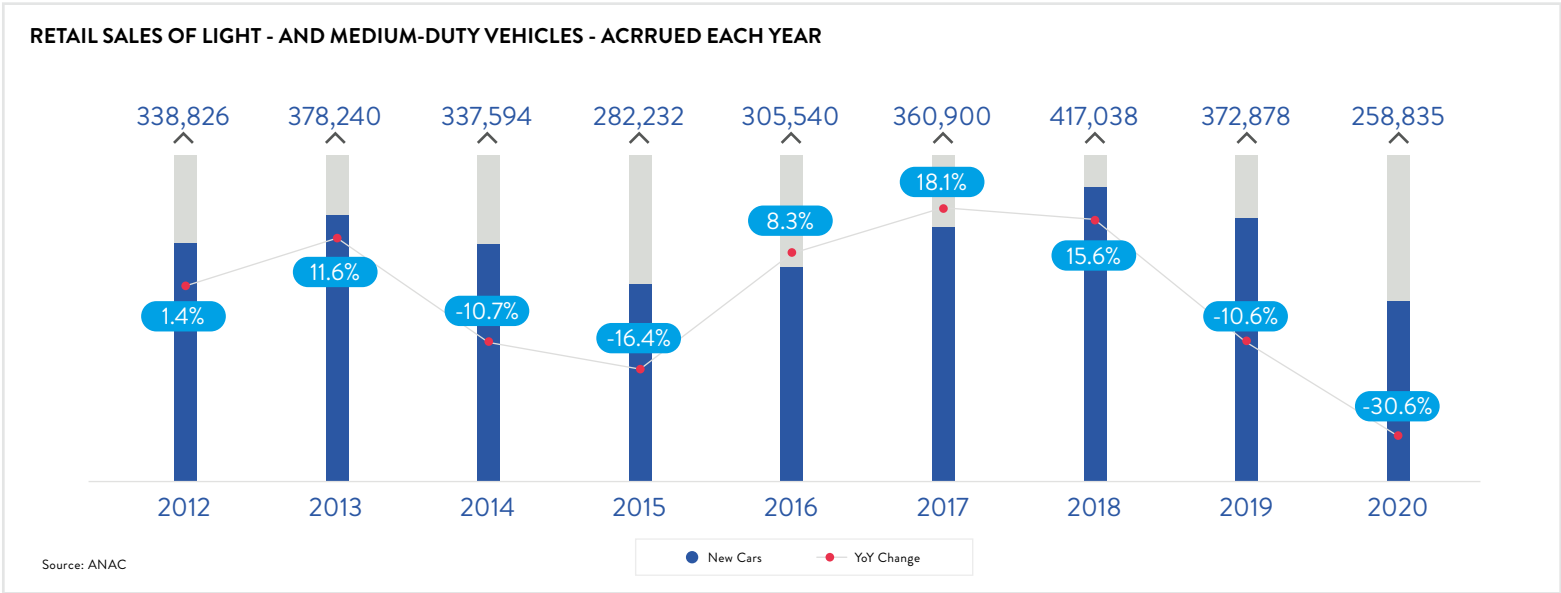
Approach

2020 was a year of contrasts for the new vehicle automotive industry, which was hit hard by the global pandemic. The first two months started out normally auguring promising figures for the industry, but then after the arrival of the coronavirus to Chile it plummeted from March to July with decreases of up to 73% on the previous year.

In the last few months of the year, there was a recovery of the market, related to contained demand and Chile’s internal policies - like the withdrawal of 10% of individual funds from pension fund administration companies (AFPs, according to the Spanish acronym), allowances and subsidies -, which really boosted sales that were similar to and even higher than those in 2019 (29% higher than the previous year in October, and 22% in November).

Altogether, the market closed with over 250,000 units sold, considerably higher than the forecast at the peak of the crisis, which even led most brands, including Tanner’s partners like Nissan, Opel and Tattersall, to have stock shortages, which normalised from March to May 2021.

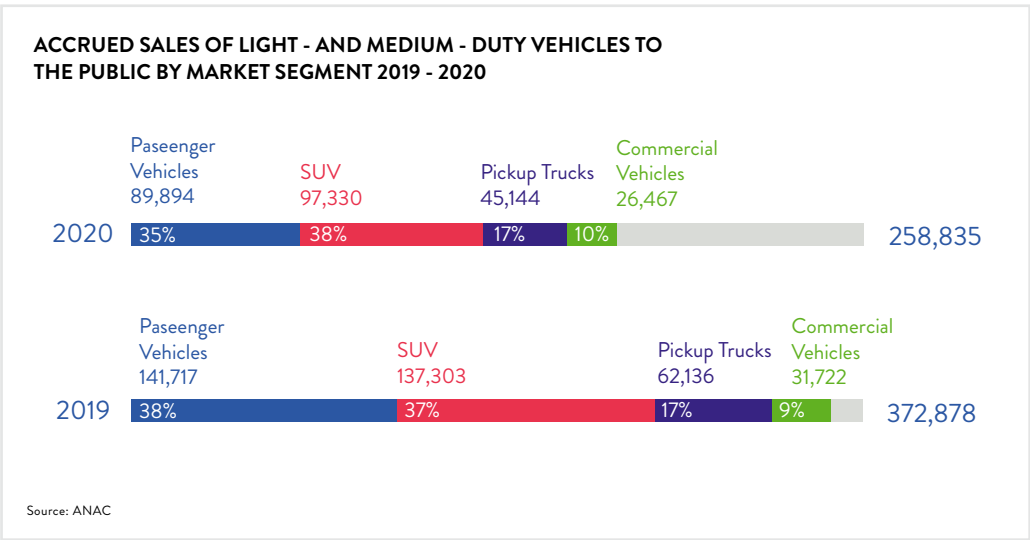
The motorcycle market underwent the same situation, with a sales increase of 2.7% YoY. Despite this, Yamaha, our main partnership in this area, had an 8% sales decrease YoY.



On the other hand and contrary to forecasts, the used car market had an increase in the number of vehicles sold in 2020 YoY, largely benefitting from new vehicle stock shortages, which pushed up prices by 20% to 35% in this segment, depending on the category.

Total new car sales were 258,835 units, a 30.6% decrease YoY, and total used car sales were 1,010,984 units, a 3.6% increase YoY.

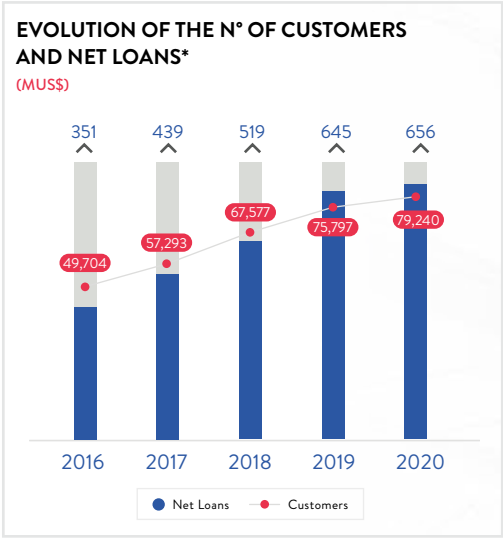
In 2020, the sports utility vehicle (SUV) segment pushed passenger vehicles out of first place, consolidating the increase of prior years. Nevertheless, the commercial vehicle segment performed better YoY and only had a 16.6% decrease.



Industry forecasts for 2021 are more promising, considering the regularisation of the stock in February/ March, the partial control of the pandemic and social crisis, and the decrease of the US dollar in the latter part of 2020. The forecasts of the Chilean Automobile Association (ANAC, according to the Spanish acronym) are that 356,540 new units will be added this year, a 37.7% increase.

The Auto Financing Division established four objectives to achieve the targets in 2021, in line with the forecasts of the ANAC: development of new partnerships with important brands and dealers; consolidation of the commercial vehicle and heavy-duty vehicle channel; enhancement of the direct channel with a special focus on the efficiency of purchase and sale between individuals; and efficiency to boost profitability per sales and vehicle dealer channel.

The area deems that the positive evolution of the Net Promoter Score (NPS) will uphold supply that could enable the company to seek new partnerships with prime dealers and brands. Even more so if we consider that in the last measurement made in 2020 there was a NPS of 55%, which is well above the financial and banking sectors in Chile.



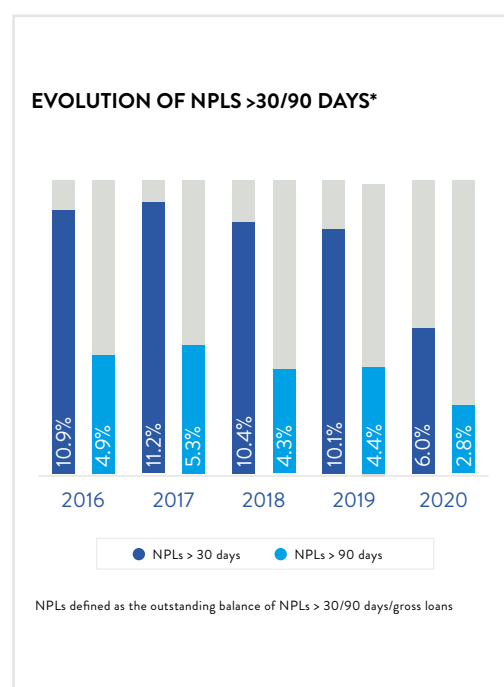


Moreover, there were good results in the first year of the partnership with Nissan, thereby becoming one of the most important channels of the division, due to the over 10,000 new cars financed in 2020, which also helped consolidate the Japanese automotive brand as one of the leaders in the national industry. This incremental flow of business accounted for 36% of the total annual volume of Tanner's Auto Financing Division.

In terms of sales, the total net loans of the Auto Financing Division amounted to US\$656 million, increasing 1.8% YoY.

The right risk management enabled the NPL levels of the auto financing portfolio to evolve positively as of August, with NPLs of over 90 days of 2.8% at the close of December against 4.4% at the close of the previous year.

Although the portfolio performed very differently in 2020, with a first quarter (January, February and March) commensurate with our business plan, the global pandemic, quarantines and their consequential restrictions on various sectors of economic activity hit the NPL levels of subsequent quarters, which was evident at the end of June and September, respectively.



Nevertheless, the implementation of the following diverse action to mitigate risk captured and reduced the risk levels to below those in the last few years: (i) more selective admission criteria, in some cases according to the line of business/activity, (ii) implementation of a new admission model and system improvements, (iii) establishment of a special transversal team of the division (risk, operations, commercial, business intelligence) focused on collection management, (iv) segmentation of the delinquent portfolio, (v) product flexibilisation to facilitate the new customer payment scheme, (vi) organisation changes at the Collection Management, and (vii) establishment of the Executive Collection and Regularisation Committee, along with external measures like the State programmes and incentives to mitigate the impact of the pandemic, the withdrawals of 10% of individual pension funds, and other payment deferment facilities of the banking industry.

At the same time, the commercial growth strategy in channels like Amicar, TOP Dealers and the incorporation of Nissan modified the composition of the portfolio in terms of new vehicle financing (88%) compared to used vehicles (12%), therefore improving the customer loan profile.

In terms of results, the division attained a gross margin of US\$ 60 million, 5.7% higher than that in 2019, with a 2.7% increase in revenue amounting to US\$ 128 million, and costs increasing 0.1% to US\$ 67 million.

THE DIVISION

Tanner's Auto Financing Division has more than 300 employees, who work in different areas: risk, technology and operations, insurance, business intelligence and the commercial area. The focus of the commercial approach is mainly on four channels:

AMICAR: An electronic auction portal created by the Derco and AG importer groups to market and finance cars in their own network or that of the dealer companies of the brands they represent (Mazda, Suzuki, Renault, Hyundai, Mini, Mahindra, among others), where nine auto financing companies participate. This channel accounts for 35% of the division's sales.

BRANDS: This segment is mainly focused on the development of partnerships with industry brands,

including Opel, Tattersall with their FAW, Lifan, ZX and KYC brands, and the recently incorporated Jetour, Yamaha in the motorcycle segment, and the new partnership with Nissan, SUV market leader and one of the leading brands in the country. The retail and floorplan financing service is considered.

NEARLY NEW AND USED CARS: this channel has almost all the car dealerships in Chile that as a complement to their new car sales have nearly new vehicles or those that are fully focused on selling used vehicles. In this segment, one-to-one relationships are established with each dealership, and a financing and insurance (F&I) team is deployed on their premises to promote the sale of auto financing. This is the third most important channel for Tanner and accounts for about 13% of the division's total sales.

DIRECT: this is a channel where customers mostly arrive directly with a loan request, in which the large majority have a long-standing relationship with the company. However, for a couple of years Tanner has been boosting this channel in the web or electronic segment, helping customers throughout their purchase process, which has had very good results, accounting for over 15% of the total sales (excluding Nissan).

The main products we offer are:

- Conventional loan
- Tanner Smart Option
- Heavy-duty vehicle plan targeted at SME customers (renew-capitalise-full-flexible).
- Floor plan and working capital lines to support the inventory financing of our main partners.

Lastly, we have an insurance broker with over 9 years in the market, which has consolidated in the industry, offering a wide range of products from auto insurance and assistance (for both light- and heavy-duty vehicles) to life and disability insurance. In 2020, the broker faced a challenging context which led it to decrease total intermediate premiums by 6% in the automotive channel. Its profits contracted less than 5% and it attained income of US\$5 million before tax.





Gross Margin:

US\$24

million



Net Profit:

US\$18

million



N° of Customers:

1,721



10.3

TREASURY AND INVESTMENTS DIVISION

This division includes the Treasury management of Tanner Servicios Financieros, the subsidiaries of Tanner Investments SpA (Tanner Corredores de Bolsa S.A. and Tanner Finanzas Corporativas Ltda.), and Tanner Asset Management Administradora General de Fondos S.A. They are all related due to their exposure to the capital market, considering that Tanner Corredores de Bolsa is the placement agent of Tanner.

The Chilean market had a challenging 2020, hit by the consequences of the outbreak of social unrest in 2019, which caused economic instability and forced the Chilean Central Bank to cut interest rates to reactivate the economy, and external consequences related to the uncertainty spurred by COVID-19.

Treasury Management

The four pillars of Tanner's Treasury are liquidity, diversification, balance sheet management and efficiency, which enable the company to mitigate risks and manage operational excellence for which the company stands out.

With that objective, the team guarantees daily the availability of funds to finance the company's different businesses, the payment of liabilities on maturity, and oversight of the possible scenarios that may impact the industry's liquidity.

Since the main risk of the company's different businesses is liquidity management, two very strict internal policies were established which are monitored daily by management and monthly by the company's board of directors in each Assets and Liabilities Committee.

The first one aims to maintain an average duration spread between assets and liabilities of at least six months, which means that financial liabilities must have an average duration that is higher than the average duration of our loans. At

the close of the year, such policy was met with an average duration of assets of 0.94 years and liabilities of 2.08 years.

The second one envisages the analysis of short-term maturities, which entails maintaining available bank lines and sufficient short-term financial investments to meet all non-renewable maturities (bonds, loans and commercial papers) for at least 6 months. This calculation also considers the maturities and expected collection of the loan portfolio of the Corporate Division, protecting the growth of the other strategic loan portfolios.

Lastly, it is important to highlight that the factoring business portfolio - given its short duration - generates a daily collection of US\$ 7 million to US\$ 11 million, and is a strong source of last resort liquidity.

One of the management priorities was the diversification of financing sources, which has become one of Tanner's main assets, thereby enabling it to address tough economic situations like in the year.

The company maintained international capital markets open in 2020, making its fourth and largest issuance of CHF200 million in Switzerland in February. This successful operation is based on Tanner's constancy as a frequent issuer in the Swiss market, which has earned it the loyalty and increase of its investor base, facilitating the issuance of a higher amount and with the lowest placement rate in that country.

HISTORY

TANNER CORREDORES DE BOLSA

1924

Tanner & Cía Corredores de Bolsa is incorporated, establishing the base of Tanner Corredores de Bolsa.

1988

Tanner & Cía. Corredores de Bolsa partners with Continental Illinois Bank to enhance securities brokerage and fund management services

1996

Tanner joins Patagon.com as the main partner, the first online international transaction portal.

1961

Tanner Administradora de Fondos is incorporated as the first company of its kind in Chile.

1990

ABN AMRO Bank and Tanner form the commercial bank ABN Tanner Bank.

That enabled Tanner to refinance in advance its second issuance in Switzerland, which matured in November 2020, and have a sound liquidity base to address the coronavirus crisis.

Moreover, and during the course of the pandemic, Tanner closed three international financing deals amounting to US\$160 million with Cargill Trade & Capital Markets, Deutsche Investitions-und Entwicklungsgesellschaft (DEG), a German entity under Kreditanstalt für Wiederaufbau (KfW), and a syndicate between the Inter-American Development Bank (IDB) and five other international banks.

At the same time, throughout 2020 Tanner issued commercial papers of virtually US\$ 563 million in the domestic market, a record annual figure.

Besides the funds financed in bonds, commercial papers and the international loans granted in a very tough year worldwide, Tanner managed to capture almost US\$1 billion of non-renewable financing.

As of December 2020, the breakdown of the company's financial liabilities were as follows: 16.6% of commercial papers, 25.6% of loans and bank lines, 50.5% of local and international bonds and 7.2% of other liabilities, which reflects the company's healthy funding diversification.

Bearing in mind that Tanner is exposed to different markets and currencies, and that its focus is on maintaining

good diversification of financing sources, the priority is to minimise the exchange rate risk of international funding, since the internal policies safeguard the balance sheet of these types of risk. International placements are constantly hedged with financial derivatives, mainly swaps, stated on the balance sheets as hedge accounting to reflect the real cost of each international issue and financing in the financial statements.

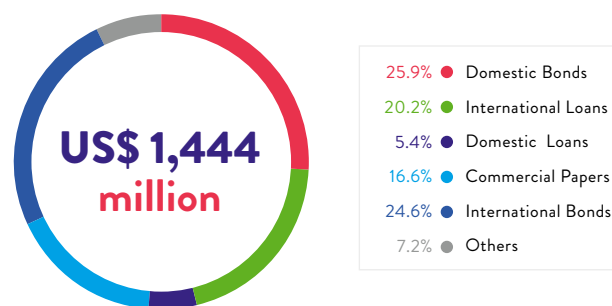
Since the products Tanner offers are in different currencies (mainly US dollars, Chilean pesos and UF), there is an active short-term hedging strategy so that the balance sheet has minimum exposure to foreign currencies and maintains a long structural position in UF. At the close of 2020, foreign currency exposure therefore accounted

for 0.22% of the company's total equity, and exposure in UF was 44.47% of the total equity.

These three pillars mentioned above are an integral part of the financial efficiency managed by the area, whose objective is for fund availability to be flexible and as competitive as possible to maintain a low fund cost and improve Tanner's overall efficiency.

2020 closed with seven current bonds in the domestic market and two in the international market, both in Switzerland with maturity in 2021 and 2022, respectively; different lines agreed on with Chilean and foreign banks, and long-term loans with internationally renowned institutions.

BREAKDOWN OF FINANCING SOURCES AT THE CLOSE OF 2020



2010

Tanner partners with the Factorline group, boosting its corporate finance, investment funds and stockbroker areas. Factorline, now Tanner Servicios Financieros, acquires 100% of Tanner Corredores de Bolsa.

2018

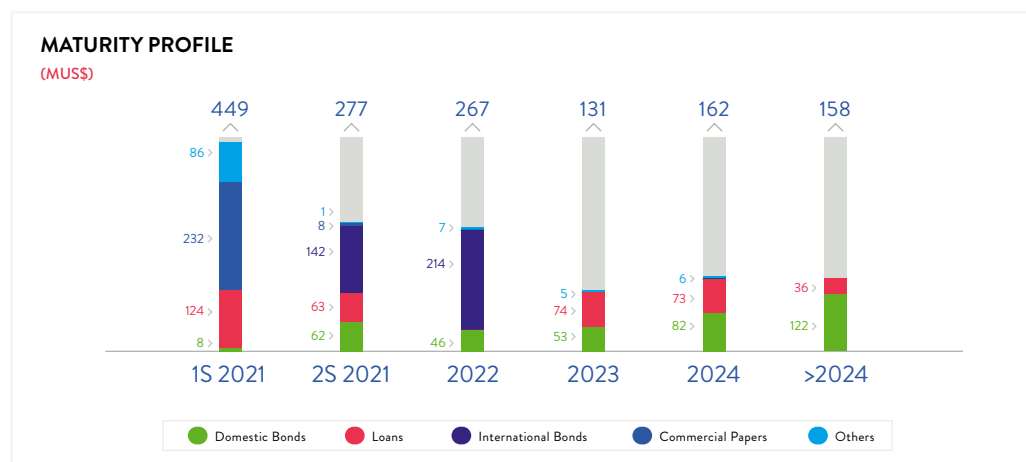
Capital increase in October.

2013

The Capital Group enters Tanner Servicios Financieros as a shareholder.

2020

Capital increase in April.



Balance Sheet Breakdown by Currency and Net Exposure (MUS\$)

Item	CLP	US\$	CHF	UF	Others	Total
Assets	1,448	322	0	291	1	2,062
Liabilities + equity	939	383	356	383	1	2,062
Currency differential	509	(61)	(356)	(92)	0	-
Hedging	(707)	60	(356)	291	0	-
Net exposure	(198)	-1	0	199	0	-

Investment Policy

Treasury investments seek to maximise the return on equity based on risk and maturity levels commensurate with the designated limits.

These investments are made with the cash surplus and aim to generate active usage of the cash while it is unused, generally with short-term maturity to maintain adequate liquidity levels.

This portfolio is managed with the concept of asset and liability management, thereby capturing the nature of the company's commitments and its risk policy, which mitigates macroeconomic changes generated by the type of currency, rate, term, liquidity and loan.

Tanner Corredores de Bolsa

The challenging current economic trend in Chile hit the securities intermediation business in 2020. The area therefore focused on consolidating its relationship with institutional investors and family offices, promoting its business lines with Tanner's corporate customers, and

boosting the operative and technological structure to support the growth expected. After reinventing the business model and the operational efficiency generated by the labour flexibility underpinning the structure of the area, Tanner Corredores de Bolsa turned around the negative impact on the company's results of the fallout of the social crisis that started in late 2019 and the pandemic in the first half of the year, closing a successful second half of the year and one of the best years in its history.

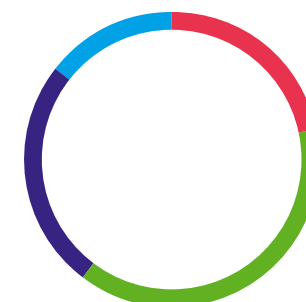
In 2020, the company managed to position itself as the number two non-bank stockbroker in the fixed-income and financial intermediation instrument market, according to the amounts traded on the Santiago Stock Exchange. Despite the fact that the year was marked by a 22.85% drop in the intermediation of fixed-income instruments, in line with a 50.45% decrease in the placements of these instruments, the stockbroker was in eighth position of the market. Investment fund quotas contracted 50.33%, but not the amounts traded in foreign securities that rose 44.3%.

The amounts traded in variable-income securities fell 10.27%, driven by the 10.55% drop in the selective stock

price index (IPSA, according to the Spanish acronym), which led to a drop of one place in the global ranking. There was also a 51.34% decrease in the auctions of these assets YoY, and lastly the financial intermediation instrument volumes climbed 17.57%, in keeping with the 58.35% increase in the placements of these kinds of instruments.

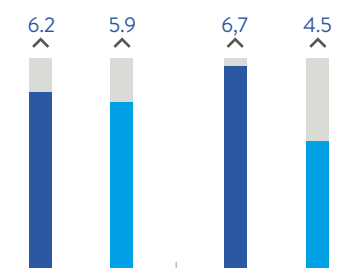
Finally, Tanner had a 7.9% YoY increase in the volume of operations in US dollars made through DATATEC on the Electronic Exchange, enabling it to climb up to 16th place and it is the number four non-bank broker in the ranking.

REVENUE BREAKDOWN



21.8% Shares
38.5% Fixed Income
25.4% FX
14.3% Others

INTERMEDIATION REVENUE AND NET PROFIT (MUS\$)



Net profit Intermediation Revenue

The performance of Tanner Corredores de Bolsa was thereby a 24.1% drop in intermediation income to US\$ 4.5 million and its bottom line increased 8.3% to US\$ 6.7 million.

The focus in 2021 will still mainly be on the fixed-income instruments and FX business, aligning the approach of this division to the experience of Tanner Servicios Financieros.

Tanner Asset Management Administradora General de Fondos S.A.

Tanner Asset Management Administradora General de Fondos S.A. (TAM) started up operations in mid-2016 with the aim of offering public and private investment funds to institutional and qualified investors, in line with

their profitability and diversification needs and with a special focus on alternative assets. Its first fund was listed on the Santiago Stock Exchange in 2017.

2020 was a very challenging year, since TAM had faced a tough year-end, along with a pandemic that really hit markets. In the year, TAM therefore focused on managing existing funds and protecting customers' equity, which at the close of the year amounted to US\$ 141 million across five investment funds.

Despite the dynamic economic conditions, in October 2020 TAM submitted the TAM real estate leaseback investment fund to the Financial Market Commission (CMF, according to the Spanish acronym), thereby launching the third public fund.

Bearing in mind the challenges in 2021, TAM will focus on making all its experience available to its customers, which will be backed up by the structuring of new funds and entering into partnerships to address this new reality.

Results

The Division achieved a net profit of US\$18 million, 21.4% up YoY, with a gross margin 33.6% higher than that at the close of December 2019 and amounting to US\$24 million. That was largely due to the good performance of Tanner Corredores de Bolsa and the Treasury Management.





HUMAN RESOURCES

1. Organisational Development

The organisational culture is a priority in the organisation, which is heavily based on the participation of employees. Due to this, the collaborative process started in 2019 to define the purpose and principles of the company continued. On account of the remote context because of the pandemic, in June 80% of Tanner's employees participated in a binding survey that elected the text of the purpose and the six different corporate principles.

This also made it possible to align the characteristics and development of the internal leaderships, especially in such a challenging scenario as in the year. To bolster new competencies and add others that are pertinent to the context, four online workshops were held aimed at all the team leaders with 70% participation and a satisfaction rate of 6.5.

To replace the climate survey, it was decided to conduct a two-monthly pulse survey to be able to monitor team feelings and well-being. Since its first application in May, which measured critical areas for work in the pandemic, different action was driven to enhance the work climate.

One of these was the "Tanner à la Carte," which had 36 editions and participation - considering single visits - of 59% of the organisation with 11% attending six or more workshops. Such workshops, which provide new tools to deal with the organisational and personal challenges with a critical, efficient and innovative vision, addressed managing emotions, remote working and family life, and mindfulness, among other topics. This activity had high internal support and those who have participated evaluates the topics with a satisfaction rating of 6.7.

Moreover, in the most critical months of the pandemic 79 meetings were held with the members of the company's different teams, which made it possible to share, raise doubts and good practices with 67% of the workforce that does not lead a team. An accompaniment process was held for heads, which enabled them to deal with the difficulties of their position and who were affected by the context, and 40% of the team leaders participated in this event.

The November internal NPS, which aims to find out if employees would recommend the performance of Tanner during the pandemic, was 59% and, given the demanding measurement scale, is a good result and will enable the company to address improvements this year.

2. Communications:

Communications management is a critical tool for cultural transformation, particularly during a pandemic, due to its dynamism and agility. It was recognised as such by employees, who highlighted it in the different pulse surveys as one of the company's best support areas.

In 2020, the internal communication channels attained high penetration in the company. Email management closed the year with a monthly average of 23 emails, whose opening rate was 81%.

In turn, the intranet increased its penetration from 80% to 84% on average monthly, with a daily visit rate of over 35%. The corporate Instagram has 65% coverage, a 20% increase on 2019. The company has enhanced interactivity and connectivity with all employees throughout Chile on this platform, which has generated up to 70% of daily interactivity and 89% weekly.

Externally, Tanner consolidated its strategic presence in the communication media with 30% of leading mentions, mainly driven by corporate, financing and fixed-income

market analysis news. 80% of the appearances were positive in everything published.

3.
Training:

The dynamic scenario in 2020 accelerated various digital training processes, but which the organisation had already started to address previously. This enabled 94% of the company to participate in some training activity, 10% up on 2019. Part of this increase was driven by new transversal training activities and training focused on developing competencies.

More than 20 commercial workshops were also held, attended by over 93% of the commercial executives of our different business areas, and with coverage increasing over 10%, which had a positive impact on the efficiency of the business.

Due to the context, the area consolidated the use of remote mode through gamification, which is a learning technique that applies the mechanics of games to the educational and professional field in an e-learning mode, allowing everyone to learn and train without a work schedule or fixed physical workplace, managing their own achievements and objectives. This enabled 25% of the workforce to gain new knowledge by this means.

4.
Compensation:

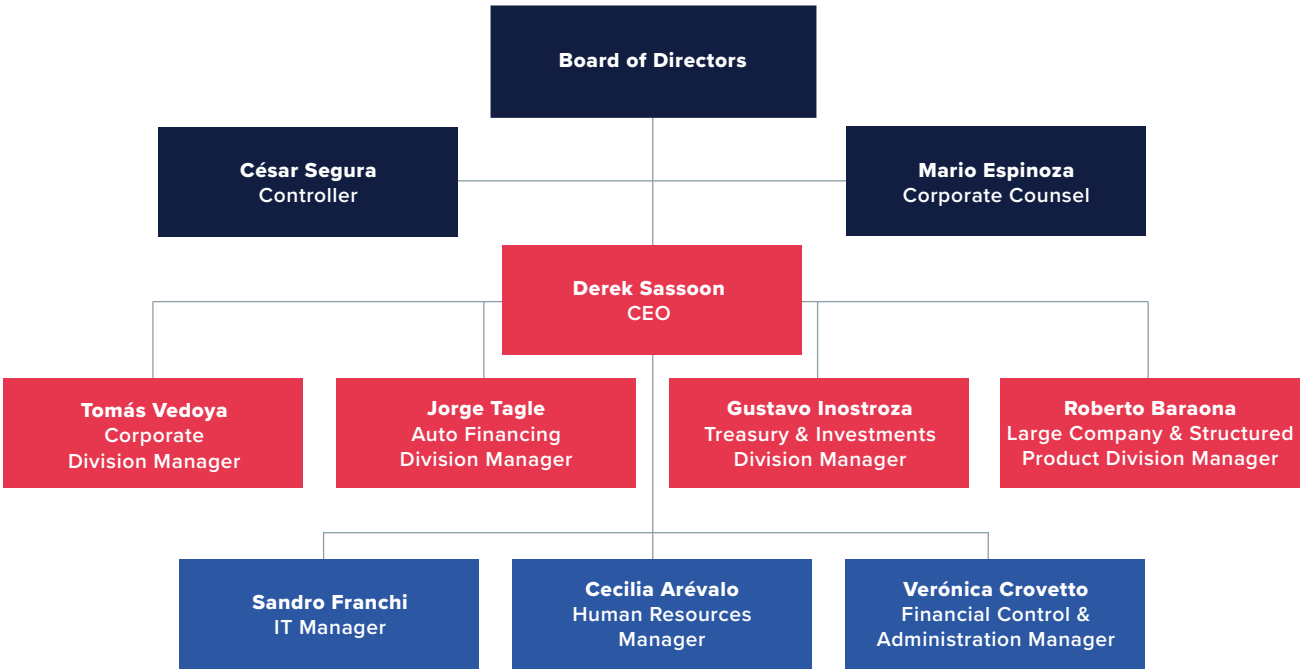
Based on the company’s compensation policy, which defines the compensation guidelines and criteria to achieve strategic objectives, the focus in 2020 was on updating the salary bands with market information by means of an analysis of the fixed and total compensation. All the company’s job positions were thereby evaluated

with the aim of adjusting salary offers and helping to achieve our objectives of internal fairness and external competitiveness. This increased the average monthly fixed salary by 7.6% in the year.

On the other hand, the incentive models were reviewed to adjust the variable remuneration models to market trends. This, besides Tanner’s minimum salary policy that entails having a minimum income of double the minimum wage in Chile, consolidates the value offering of the employer brand, considering that most employees are 26 to 35 years old with average seniority of 3.7 years, with women accounting for 51% of employees and men 49%.

The benefits provided by Tanner were maintained in 2020 and different focus groups were held to find out the motivations and interests of employees that can contribute to the development of new benefits.

ORGANIZATION CHART



Social Responsibility and Sustainable Development

The diversity of the organisation, management (general management and other managements that report to the CEO or board of directors) and board of directors by gender, nationality, age and seniority was as follows for the year ended 31 December 2020:

Gender	Male	Female
Board of directors	7	0
Management	8	2
Organisation	449	461

Nationality	Chilean	Foreigners
Board of directors	6	1
Management	7	3
Organisation	825	85

Age	Less than 30 years	30 to 40 years	41 to 50 years	51 to 60 years	61 to 70 years	Over 70 years
Board of directors	0	0	0	1	5	1
Management	0	3	2	5	0	0
Organisation	233	372	218	66	21	0

Seniority	Less than 3 years	3 to 6 years	6 to 9 years	9 to 12 years	Over 12 years
Board of directors	2	2	0	0	3
Management	7	2	0	1	0
Organisation	519	207	95	40	49

Salary Gap

The salary gap in 2020 of female executives and employees compared to male executives and employees, measured as the proportion that represents the average gross base salary, by type of job position, responsibility and function performed, was the following:

Salary gap 2020	Average gross base salary of women/average gross base salary of men (%)
Administrative	98.8%
Executives	72.6%
Heads	94.0%
Professionals	96.5%
Supervisors	93.3%
Technicians	94.9%

PERSONNEL for the year ended 31 December 2020

SENIOR MANAGERS AND EXECUTIVES		PROFESSIONALS		TECHNICIANS		TOTAL	
51 TANNER	58 CONSOLIDATED	385 TANNER	427 CONSOLIDATED	402 TANNER	425 CONSOLIDATED	838 TANNER	910 CONSOLIDATED



COMPLIANCE

The Compliance Department is the unit in charge of detecting, monitoring and reporting unusual or suspicious operations that might be linked to possible cases of money laundering, financing of terrorism, bribery, and receipt of stolen goods, among others. Based on a mainly preventive approach, this area is also responsible for ensuring compliance with the Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) at holding level, and for the application of the compliance programme.

The unit is part of the Legal Management and reports directly to the Compliance Committee.

The Compliance deputy manager also acts as the Offence Prevention Officer, a function of the offence prevention model and which is part of the application of Law 20.393 on the Criminal Liability of Bodies Corporate. As part of these responsibilities, the Compliance Department seeks to permanently enhance the procedures and technological

tools for monitoring transactions, products and services offered by Tanner and its subsidiaries.

COMPLIANCE COMMITTEE

This comprises two directors, the CEO, the corporate counsel, the controller and the Compliance deputy manager of the company. Its functions include defining and coordinating the policies and procedures on prevention of money laundering, financing of terrorism, bribery, receipt of stolen goods and the offence prevention model. It is also briefed on, analyses and takes the corresponding action on cases reported by the Compliance Officer.

ENVIRONMENTAL AND SOCIAL POLICY

Tanner maintained its commitment to cultural development concerning environmental and social

responsibility, in line with the obligations undertaken with external creditors and Tanner's sensitivity to the conservation of the environment and social responsibility. This is now one of the main challenges for the sustainable development of humanity, along with economic and business models.

TRAINING

In 2020, the Compliance Department carried out its annual training plan that considered the following activities:

- **Induction:** Participation in the corporate induction process.
- **E-learning courses:** All employees must be trained once a year on prevention of money laundering and the criminal liability of bodies corporate.



CORPORATE GOVERNANCE

The long-term collaboration between company stakeholders has a direct and indirect effect on the achievement of the company's objectives. A suitable corporate governance system therefore prevents and solves conflicts of interest, ensuring that the business objectives are achieved transparently.

Corporate governance is underpinned by a set of institutional relationships, standards, processes and practices in the exercise of authority and control, which contribute to the sustainable creation of value, thereby defining a framework of transparency, ethics and corporate responsibility, aligning interests and promoting

respect for the rights of all shareholders and stakeholders that participate directly or indirectly in the company.

In the last decade, different processes guaranteeing this objective were optimised, in line with the best market practices.

Tanner's related parties and the focus of action to be developed regarding each of them are as follows:

1.

SHAREHOLDERS:

To create value and a return on their investment.



2.

BOARD OF DIRECTORS:

Body in charge of the management of the company, and of preparing, approving and monitoring the main guidelines of the company; it is also in charge of taking care of and managing the assets and resources of the organisation, and ensuring compliance with applicable legislation.

3.

EMPLOYEES:

To promote a pleasant work environment, respecting their needs and rights.



4.

CUSTOMERS:

To deliver the most appropriate solutions and forge long-term relationships.



5.

CREDITORS:

To build long-lasting relations of trust, maintaining diverse sources of stable and permanent financing.



6.

INTERMEDIARIES:

To establish a long-term collaborative relationship, reaching customers in the best way.



7.

GOVERNMENT:

To permanently respect, apply and collaborate, adhering to current legislation.



8.

COMPETITORS:

To promote free competition, engaging respectfully with all the players in the industries in which we operate.





Corporate Governance and Risk Management Bodies

Shareholders' Meeting

This is the highest corporate governance body and its main functions are to elect the board of directors, approve the Annual Report, appoint the independent auditors and credit rating agencies; approve the annual financial statements and distribution of profits, capital increases and compensation of the board of directors and committees.

Board of Directors

Tanner's board of directors comprises seven members (there are no deputies), whose term in office is three years and they may be re-elected. This body is responsible for approving the policies and establishing the structure for the right management of the businesses and the various risks faced by the organisation. Its members are on various committees and are permanently briefed on the evolution of the different risk areas and their main measurement metrics. Risk management policies are established to identify and analyse the risks faced by the company, set the limits and their controls, and monitor compliance with them. Based on the information gathered and its analysis, policies are reviewed regularly and limits are maintained or redefined in order to reflect changes in market conditions and in the company's activities. Through its management standards and procedures, the board of directors aims to develop a disciplined and constructive control environment in which all employees understand their roles, functions and obligations.

Audit Committee

The Audit Committee is made up of three directors, the CEO, the corporate counsel and the controller of the company, and it reports directly to the board of directors. It must inform the effectiveness and reliability of the internal control systems and procedures of the

parent company and its subsidiaries. Its tasks include the acknowledgement and analysis of the results of audits and internal reviews made by internal and independent auditors; and the analysis of and conformity with the quarterly and annual financial statements, including those audited by the independent auditor. It also reports on the approval of institutional policies on due adherence to laws, regulations and internal norms that must be complied with, as well as approving and verifying compliance with the annual programme developed by the internal audit area.

Credit Committee

The company's directors convene monthly to review and approve the main exposure of lines per company customer. This is the maximum authority within the sound governance structure for loan decisions, so that any proposal to its customers requires approval by some authority with sufficient powers, which are differentiated by segments and based on exposure, risk rating, transfers to execution, declaration of non-performance, credit write-offs, among others.

The company manages comprehensive risk matrices for each business line and has a comprehensive risk management policy, which allows for the right development of the identification, analysis, assessment, treatment and monitoring of risks, in accordance with established guidelines and based on the individual needs of each business, in accordance with its particular objectives and regulatory requirements.

Assets and Liabilities Committee (ALCO)

This Committee comprises all the directors, the CEO, CFO, Treasury manager and Investor Relations manager. Its function is to carry out the monthly review of the evolution and current status of the financial positions and liquidity risks, market, price, rate, currency and indexation; making it possible to project with a suitable level of confidence potential future situations that might benefit or affect the company and take the corresponding action.

This Committee is attended by other related managers, who are responsible for establishing and supervising compliance with financial risk policies, mainly related to liquidity and market risk, pursuant to the guidelines established by the board of directors and the regulatory requirements of the Financial Market Commission.

Compliance Committee

This Committee is made up of two directors, the CEO, corporate counsel, controller and Compliance Officer of the company. Its functions include defining and coordinating the policies and procedures on prevention of money laundering, financing of terrorism, bribery and receipt of stolen goods. The Committee is also briefed on, analyses and takes the corresponding action on the cases reported by the Compliance Officer.

The policies and procedures established for the prevention of money laundering and financing of terrorism are defined in the company's prevention of money laundering and financing of terrorism manual and it fulfils two objectives:

- To comply with the laws and regulations governing these matters, and
- To provide employees at all levels of the organisation with policies, procedures and information to undertake commercial and operational management of mitigating the risk of funds from illegal activities being transformed into legal funds, using Tanner Servicios Financieros S.A. or any of its subsidiaries.

New Product Committee

The New Product Committee comprises the CEO, the corporate counsel, chief financial officer, and technology deputy manager. The divisional risk manager and operations deputy manager also participate, accordingly, in keeping with the product to be assessed. They determine the feasibility of adding a new product and/or modifying current products (if they have major changes), which are presented by the division managements.

This Committee is briefed on new products and assesses their commercial and financial feasibility, and the legal and regulatory aspects (accounting and tax). If such products are approved, they must make sure they comply with policies and procedures to mitigate possible operational risks. Such Committee convenes whenever it is necessary to assess any new product.

Operational Risk and Information Security Committee

The Operational Risk and Information Security Committee comprises the divisional risk managers, the corporate counsel, the information security officer, the technology deputy manager, the chief financial officer and operation managers of each division.

The Committee convenes monthly and its aim is to prioritise and facilitate the resources needed to mitigate the major operational risks, assure the implementation of the management model, establish tolerance and risk aversion limits, and ensure compliance with the programmes, policies and procedures on information security, business continuity and operational risk. Moreover, it performs a high-level supervision of those risks that might affect the information resources, developing control approaches and mechanisms to ensure their confidentiality, integrity, availability, legality and reliability. It also seeks to promote the dissemination and support of information security by means of the communications sent to the entire organisation and maintain the current information security policy.

In the particular case of the subsidiary Tanner Corredores de Bolsa S.A., due to the degree of complexity of its products, there is a monthly comprehensive risk management committee meeting.

The main risk events that have occurred in the year and the measures or action plans to mitigate their impact are reported in the Committee meetings, along with the results of prior commitments.

Ownership

For the year ended 31 December 2020, the company's equity was US\$ 275 million, divided into 1,212,129 fully subscribed and paid-up no-par-value shares of the same series, distributed among 17 shareholders. A list of the shareholders at the close of the 2020 financial year is shown below:

Shareholder	Taxpayer ID N°	Related to	N° of shares	Shareholding %
Inversiones Bancarias S.A.	99.546.550-7	Massu Group	699,544	57.7120%
Administradora Tanner SpA	76.917.587-3	Massu Group	11,648	0.9610%
Inversiones Los Corrales SpA	76.618.804-4	Massu Group	8,736	0.7207%
Anita SpA	74.472.406-2	Massu Group	3,947	0.3256%
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 2020 SpA	77.719.080-6	Jorge Sabag S.	78,182	6.4500%
Inversora Quillota Dos S.A.	76.010.029-3	Suc. Ernesto Bertelsen R.	24,842	2.0495%
E. Bertelsen Asesorías S.A.	96.501.470-5	Suc. Ernesto Bertelsen R.	688	0.0568%
Inversiones Río Abril SpA	77.569.400-9	Mauricio González S.	22,783	1.8796%
Jameson SpA	77.218.598-7	Derek Sassoon	12,121	1.0000%
Inversiones Maita SpA	77.266.528-8	Gustavo Inostroza A.	6,060	0.4999%
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%
Xaga Asesorías e Inversiones Limitada	76.477.310-1	Julio Nielsen S.	3,000	0.2475%
Inversiones Anita e Hijos Limitada	76.066.686-6	Ana María Lizárraga C.	1,909	0.1575%
Total			1,212,129	100.0000%

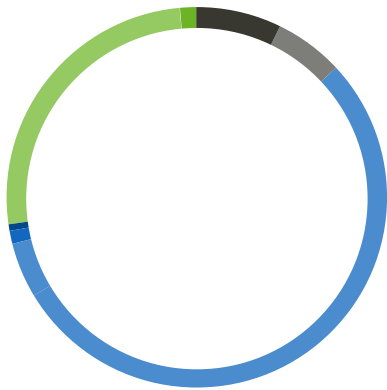
The controlling body corporate of the company at the close of the year, as defined in Title XV of Securities Market Law N°18.045, is Inversiones Bancarias S.A. with 699,544 shares directly and 24,331 shares indirectly, which in turn account for 59.7193% of the company's ownership.

There are currently no natural persons who are direct controllers of Tanner Servicios Financieros S.A.

The ownership of Inversiones Bancarias S.A. is fully and jointly exercised by Ricardo Massu Massu, taxpayer ID N°6.420.113-1, Eduardo Massu Massu, taxpayer ID N°4.465.911-5, and Julio Massu Massu, taxpayer ID N°3.454.690-8, through bodies corporate intended for investments.

The controller, Inversiones Bancarias S.A., does not have and has not formalised any joint action agreement with another shareholder for the management of the company.

OWNERSHIP STRUCTURE



- 1.35% Inversiones Similan S.L.U.
- 25.65% Inversiones Gables S.L.U.
- 57.71% Inversiones Bancarias S.A.
- 0.96% Administradora Tanner SpA
- 0.72% Inversiones Los Corrales SpA
- 6.45% Asesorías Financiera Belén 2020 SpA (Jorge Sabag)
- 6.83% Others

59.7% ■ Grupo Massu
27.0% ■ Capital Group

Share Transactions

The following share transactions were undertaken in 2020:

Sales	Relationship	Purchases	Relationship	N° of shares	Unit price (CH\$/share)	Unit price (CH\$/share)
Asesorías Financieras Belen Limitada	Shareholder	Antonio Turner Fabres	Shareholder	12,121	253,316	3,070
Anita SpA	Shareholder	Inversiones Bancarias S.A.	Shareholder	3,947	253,357	1,000
Antonio Turner Fabres	Shareholder	Jameson SpA	Shareholder	12,121	255,754	3,100
Inversora Quillota Dos S.A.	Shareholder	Inversiones Maita Spa	Shareholder	6,060	260,714	1,580

Shareholder Comments and Proposals

There were no comments or proposals raised in the shareholders' meeting.

Credit Rating

Tanner has a domestic credit rating from Humphreys and Feller Rate and an international rating from Standard & Poor's and Fitch Ratings.

In Chile, the credit rating agency Feller Rate gave Tanner an AA- rating for long-term debt instruments and Level 1+ for short-term, with a stable trend based on strong generation capacity, suitable business profile, equity backing, funding and liquidity and moderate risk profile. Humphreys gave Tanner an AA- rating, with a stable outlook mentioning the company's high liquidity to address the crisis, and highlighting active risk management within a diversified and resilient business model.

Regarding the international rating, Tanner maintains the BBB- investment grade, which provides a distinctive position among non-bank financial institutions in Latin America and in turn gives access to different financial markets and diversification of the company's financing. This rating is based on sound capitalisation levels, diversification of funding sources and excellent management of liquidity and market risks. In 2020, Standard & Poor's and Fitch Ratings downgraded the outlook of their ratings to negative due to the expected impact of the global sanitary crisis on the financial sector.

Domestic

Feller Rate	
Ratings	Rating
Solvency	AA-
Bond line	AA-
Commercial papers	Level 1+
Outlook	Stable

Humphreys	
Ratings	Rating
Solvency	AA-
Bond line	AA-
Commercial papers	N1+/AA-
Outlook	Stable

International

Fitch Ratings	
Ratings	Rating
Long-term foreign currency	BBB-
Short-term foreign currency	F3
Long-term national currency	BBB-
Short-term national currency	F3
Outlook	Negative

Standard & Poor's	
Ratings	Rating
Solvency	BBB-/Negative
Outlook	Negative

Dividend Policy

The company's dividend policy is to distribute at least 30% of the net profits of each year. For the year ended 31 December 2020, the value of the dividend provision charged to the 2020 profit was US\$ 12 million. From 2013 to 2020, the following dividends were paid at historical value charged to the profits of the financial year indicated:

Financial year	Type of dividend	N° of shares	Dividend per share US\$	Payment date
2019	Final	1,212,129	11.16	March 2020
2018	Final	1,212,129	10.22	March 2019
2017	Final	1,212,129	8.57	March 2018
2016	Final	1,212,129	7.60	March 2017
2015	Final	1,212,129	6.99	March 2016
2014	Final	1,212,129	8.99	March 2015
2013	Final	1,212,129	3.79	March 2014

Profit Distribution

For the year ended 31 December 2020, the company's capital consists of 1,212,129 subscribed and paid-up shares. The distributable profit for 2020 amounted to US\$ 39 million.

Compensation

Board Compensation

An extraordinary shareholders' meeting held on 2 April 2013 modified the company's articles of association to include compensation for directors. Such modification established the compensation amount, which is set annually by the ordinary shareholders' meeting. Accordingly, board compensation was established in the ordinary shareholders' meetings held in 2014, 2015, 2016, 2017, 2018, 2019 and 2020.

The ordinary shareholders' meeting in 2020 established directors' fees as UF100 a month, and UF200 a month for the chairman and vice-chairman, in addition to fees for being on the different committees. The amounts paid to directors in 2019 and 2020 for fees and other compensation were as follows:

- Ricardo Massu M., US\$ 120,954 (US\$ 118,152 in 2019) for Board and Credit Committee fees.
- Jorge Sabag S., US\$ 149,096 (US\$ 144,877 in 2019) for Board, Credit Committee and Commercial Committee fees.

- Óscar Cerda U., US\$ 126,659 (US\$ 122,371 in 2019) for Board, Credit Committee, Audit Committee and Commercial Committee fees.
- Eduardo Massu M., US\$ 97,053 (US\$ 94,240 in 2019) for Board and Credit Committee fees.

- Fernando Zavala C., US\$ 97,053 (US\$ 47,823 in 2019) for Board, Audit Committee and Commercial Committee fees.
- Fernando Tafra S.⁽¹⁾, US\$ 111,119 for Board, Audit Committee and Credit Committee fees.
- Jorge Bunster B., US\$ 12,659 (US\$ 53,450 in 2019) for Board, Credit Committee and Audit Committee fees.

In 2020, the company did not pay any compensation whatsoever to Mr Martín Díaz Plata for his work as a director because he expressly and irrevocably waived his fee.

There were no consultancy and audit expenses in 2020.

Compensation of the Group's Senior Managers and Executives

Senior executives who are part of the company's senior management received US\$ 8 million as compensation in 2020. The compensation for company executives is based upon its profitability, besides objective measurable parameters that reflect the responsibilities of each position. This compensation is calculated and received once a year. In the year, the company made severance payments of US\$ 2 million.

Regulatory Framework

Tanner Servicios Financieros S.A. is subject to the rules of Law N°18.046 and is registered under N°777 of the Registry of the Financial Market Commission. Tanner's companies, consisting of securities market entities (Tanner Asset Management Administradora General de Fondos S.A. and Tanner Corredores de Bolsa S.A.) and insurance market entities (Tanner Corredora de Seguros Ltda.) are regulated by the Financial Market Commission, former Superintendency of Securities and Insurance, an entity that ensures the operation, stability and development of the financial market, and compliance by regulated entities with laws, rules, regulations, articles of association, among others.

Risk Factor Analysis

The company's risk management is underpinned by the expertise, business know-how and experience of its teams. For this, expert professionals monitor each one of the different kinds of risks.

The company's policy is to maintain a comprehensive vision of risk management and return and this analysis includes the company and its subsidiaries. The policies and processes for granting loans at Tanner include the idiosyncrasies that exist in the different markets and segments, and specialised treatment is given to each of them.

This approach considers the desired risk level for each line of business, aligning the commercial areas; it also has models, processes and tools to assess, measure and control risk. The company informs the Board of their evolution, proposing action plans for material variances of risk ratios and ensuring compliance with the various standards and regulations.

Main risks to which the company is exposed:

01. Credit Risk

This is the possibility or likelihood of economic and/or financial loss for the company as a risk inherent to its business, if a customer or counterparty to a financial instrument breaches its contractual obligations.

This risk is managed by business lines or products, by means of specific credit policies and based on prior analysis of expected customer income, the financial information available and customer payment history, along with other commercial data, if any. The expectations of the macroeconomic environment and those of the sector in which the customer (as a general case) operates, and the debtor in the case of factoring, are also taken into account.

Tanner also undertakes a credit quality monitoring process, which aims to provide an early indication of possible changes in the payment capacity of counterparties and recover overdue or delinquent loans. This enables the

company to assess the potential loss from these risks and take remedial action.

Credit analysis and approval operate under a differentiated approach according to each market segment and type of business, for which a robust customer selection process has been developed with a significant capacity to assess risk profiles, which minimises exposure to risks.

Permanent control and monitoring of the credit risk is the basis of proactive portfolio management, enabling timely recognition of risk and early detection of possible impairment. To achieve this, there is a set of reviews and processes and the following are the most important:

- Quick structured portfolio review schemes, according to the impact of macroeconomic fluctuations in specific sectors of activity, to define case-by-case action plans.
- Permanent monitoring system for early detection of customers that have potential risks, to agree on specific action plans for them with the commercial areas.
- Management of delinquency, enhanced with the data of predictive risk level indicators, with follow-up and action plans in the case of relevant customers, along with management of differentiated approaches in early collection.
- Follow-up on the conditions, restrictions and covenants imposed by the Credit Committee on all operations that warrant them due to their relevance or complexity. Risk segmentation strategies in the collection processes and policies, to make progress with better integration of the granting and follow-up processes, with the same vision of the economic activity sectors of customers.

Another important aspect that complements credit risk assessment is the quality and number of guarantees required. One of the company's policies is to have sound guarantees that constitute a second payment source of its customer obligations for possible non-compliance. Hence, the following conditions are defined for each of the types of business developed by the company:

(1) He joined the Tanner Board in March 2020 to replace Mr Jorge Bunster.

- **Factoring:** for each customer a framework contract is entered into by means of a public deed, which supports any subsequent operations and most of the lines are the assignor's responsibility if the assigned debtor becomes insolvent. Those operations without any liability are generally covered by credit insurance and/or specific guarantees.
- **Corporate loans:** depending on the case, the company requires mortgages and/or pledging of shares. Nevertheless, there is the possibility of defining a guarantee for such credit, which is generally provided by one of the partners of the debtor company.
- **Leasing:** operations are guaranteed with the leased assets, for which insurance policies are required to cover any damage that makes them lose value.
- **Auto Financing:** : these kinds of loans are guaranteed with the assets related to the financing and there are two types of guarantees in this case: real (vehicle pledges) and personal (sureties and joint and several guarantees).
- **Treasury and Investments:** furthermore, the receivables of the Investments segment mainly correspond to the subsidiary Tanner Corredores de Bolsa S.A. and are classified on its individual balance sheet as intermediation receivables. The provisions associated with these kinds of receivables are determined in accordance with an expected loss model as established by IFRS 9.

Tanner determines the credit quality of financial assets using internal classification. The classification process, which is related to the approval and monitoring processes, is undertaken in accordance with the risk categories established by the current regulation (auto financing and leasing) and permanent updating according to the evolution of customers and their environment, considering commercial and payment performance aspects, as well as financial information.

The company also undertakes reviews focused on companies that operate in specific economic sectors,

which are (potentially) affected by either macroeconomic or sector-specific variables. It will thereby be feasible to timely establish the level of necessary and sufficient provisions to cover losses due to eventually not recovering the loans granted.

Credit risk at the Tanner Investments Division, and particularly for Tanner Corredores de Bolsa S.A., entails a customer breaching its obligations over the guarantees provided or the commitments and obligations under customer term contracts. To control this risk, beyond complying with the current regulation, customer knowledge and the requirement and daily control of effective guarantees, credit lines associated with the equivalent risk of the product and of the customer are assigned and controlled.

02. Financial Risks

A) Liquidity Risk

This is defined as the company being unable to meet its payment obligations, without incurring large losses or being prevented from continuing its normal loan operations with its customers. It arises from a cash flow mismatch, which occurs when cash flows from paying liabilities are higher than cash flows received from investments or loans. When customers do not meet their loan commitments on the dates they fall due, this could also potentially generate a liquidity risk.

Tanner manages liquidity risk at a consolidated level, and the main liquidity source is cash flows from operating activities (collection), along with a series of diversified financing sources, like domestic and international bonds, which have a defined payment schedule; unsecured bank credit facilities, which are mainly short-term and renewed regularly; and commercial papers. The company also has a daily cash flow management system that simulates all the maturities of assets and liabilities to anticipate cash needs.

There is also a higher body, the Assets and Liabilities Committee (ALCO), which each month reviews the forecasts and market conditions to define action plans based on these. The indirect subsidiary Tanner

Corredores de Bolsa S.A. is subject to regulatory liquidity indicators called: general liquidity index and brokerage liquidity index. In accordance with the requirements of the Financial Market Commission (CMF, according to the Spanish acronym), this subsidiary has enhanced the daily controls needed to assure compliance with such indicators.

B) Market Risk

Market risk is construed to be exposure to financial losses caused by adverse changes in market factors, like the price, interest rates, exchange rates, indexation, among others, that can affect the value of any operation stated on the balance sheet and that the company has not duly hedged.

• Price Risk

Price risk is the exposure to financial losses caused by adverse changes in the valuation of financial instruments held by the company, which are mainly bonds. It arises from the possibility of receiving a smaller amount than invested when selling the debt instrument, because the profitability generated by the instrument is lower than that required by the market at the time of the transaction. The company has investments in corporate and sovereign bonds whose Values at Risk (VaR) are immaterial in regard to Tanner's equity.

• Interest Rate Risk

This is defined as the risk exposure due to financial operations whose valuation is affected by changes in the intertemporal structure of interest rates, among other factors. The company has a portfolio of derivative trading and hedging instruments used to mitigate interest rate and exchange rate risks of financial liabilities. Since the portfolio of trading derivatives has a very short-term maturity structure, it has an interest rate risk with a low impact on the income statement. On the other hand, hedging derivatives hedge most of the liabilities structured in foreign currency and with variable rates (LIBOR), maintaining quite a limited risk exposure with a low impact on the income statement of these kinds of operations.



- **Currency Risk**

This is defined as the exposure to potential losses caused by changes in the value of assets and liabilities subject to exchange rate revaluation. Due to Tanner's business activities and its diversified financing needs, it has a currency mismatch in US dollars, which is managed daily and is mainly mitigated by means of trading and hedging derivatives. The company also has operations in Swiss francs, whose currency risk is fully hedged.

- **Indexation Risk**

This is the exposure of assets and liabilities in Unidades de Fomento (UF) that could cause losses arising from changes in the value of the UF. Due to the company's business activities and its financing needs, it has assets and liabilities in UF whose mismatch is managed daily and also mitigated by means of hedging derivatives.

C) Operational Risk

The Basel Committee on Banking Supervision defines operational risk as the "risk of losses due to inadequacy or failure of processes, personnel and internal systems or due to external events." This definition includes the legal risk but excludes the strategic and reputational risk. Due to this, the company has a process map of the entire company, but those processes that are critical have an inherent and residual risk matrix for each of the most relevant business lines, with identification of the critical points and the mitigating controls.

Insurance

Tanner has insurance with important Chilean and international insurance companies. The aim of these

insurance policies is to cover the risks of facility fires, civil liability, loans and guarantees, robbery, vehicles, the life and health of employees, among other risks.

Trademarks

The main trademarks registered by both the parent company and its subsidiaries and associates, which are used in their operation, are as follows:

- Tanner
- Tanner Corredores de Bolsa

Relevant or Material Facts

On 14 January 2020, Tanner Servicios Financieros agreed to place a bond of 200,000,000 Swiss francs in the Swiss market. On 7 February 2020, Tanner Servicios Financieros S.A. placed bonds in the international market (Switzerland) amounting to 200,000,000 Swiss francs, at a rate of 0.588% per annum for a term of 2 years and 9 months.

On 13 February 2020, it was reported that an extraordinary shareholders' meeting held on such date agreed to summon an ordinary shareholders' meeting for 6 March 2020 at 11:00 hours at the company offices to address the following matters of its competence: annual report, balance sheet, financial statements and reports of the independent auditors for the year ended 31 December 2019; distribution of profits and approval and distribution of dividends; operations under articles 44 and 89 of the Law on Corporations; appointment of the independent auditors; appointment of the credit rating agencies; designation of the newspaper in which summonses to

shareholders' meetings will be published; remuneration of the board of directors; any other matter to be addressed in the shareholders' meeting.

On 6 March, it was reported that the annual report, balance sheet, financial statements and reports of the independent auditors for the year ended 31 December 2019, among other things, were approved.

On 20 July 2020, Tanner Servicios Financieros S.A. sold Factop SpA 10,000 shares issued by Tanner Corredores de Bolsa de Productos S.A., whose share capital is divided into 10,000 shares. The sale price was US\$ 124 per share, amounting to US\$ 1.24 million. Tanner Servicios Financieros S.A. has thereby sold its entire direct and indirect interest in Tanner Corredores de Bolsa de Productos S.A.

In a board meeting held on 26 August 2020, the company's board of directors agreed to appoint Mr Derek Sassoon as the CEO as of 1 September 2020 to replace Mr Antonio Turner, who stepped down on 31 August 2020.

Subsequent Events

From 26 January 2021 to 9 February 2021, Tanner Servicios Financieros S.A. placed bonds of the AG series in the domestic market amounting to UF1,484,000, at an average rate of 0.13% per annum for a term of 3 years and 7 months.

The consolidated financial statements of Tanner Servicios Financieros S.A. and its subsidiaries for the year ended 31 December 2020 were approved by the board of directors in an extraordinary board meeting held on 17 February 2021.



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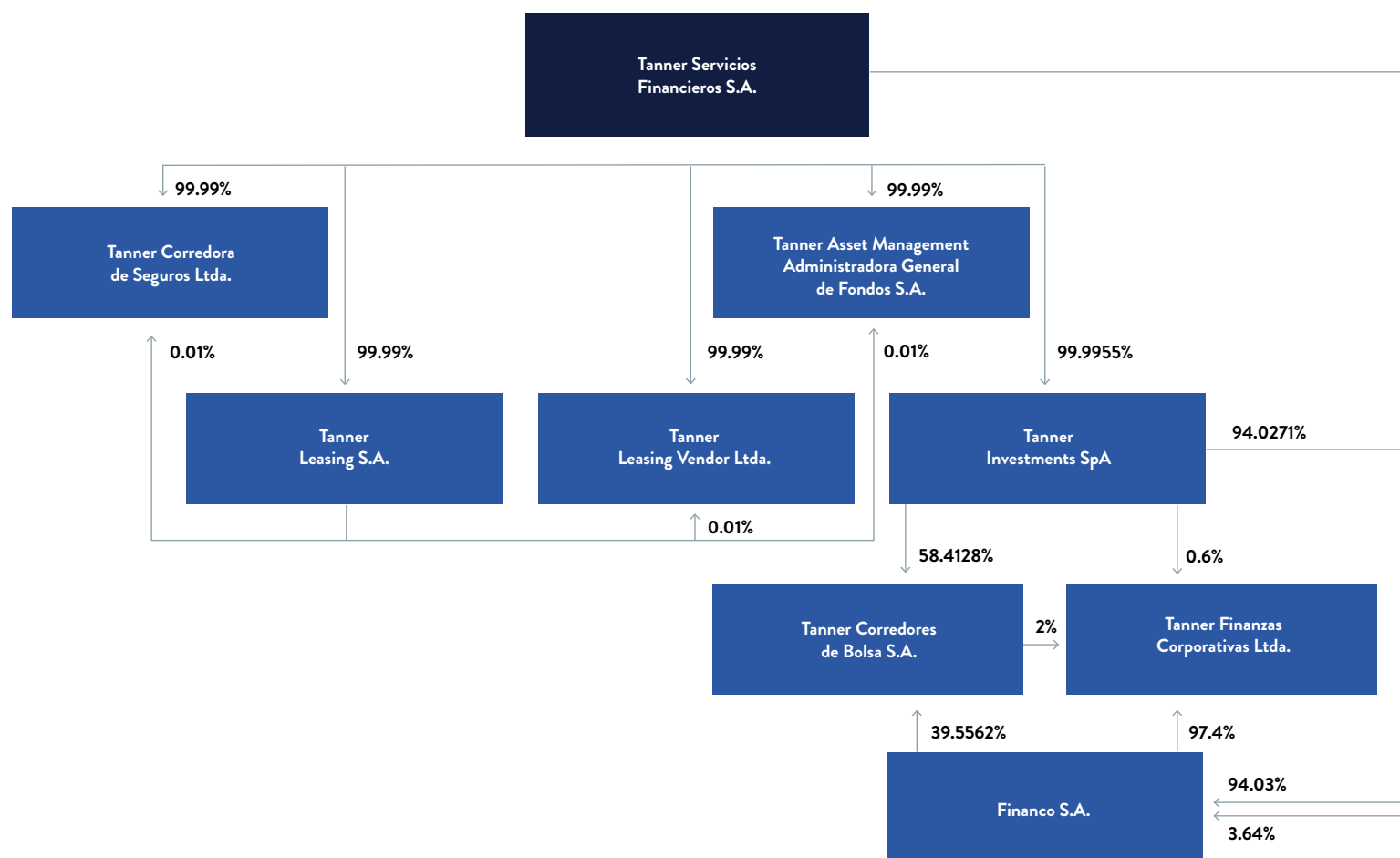
OFFICES AND BRANCHES

Division	Location	Category	m2	Type of property
Santiago Centre/Head Office				
Head Office	Huérfanos 863 – 2nd-9th-10th floors	Offices	2,054.0	Rental
Commercial Factoring and Leasing	Huérfanos 863 – 3rd floor	Offices	1,690.0	Rental
Commercial Auto Financing	Huérfanos 863 – 10th floor	Offices	1,690.0	Rental
Customer Service	Estado 337 - Mezzanine	Offices	1,628.0	Rental
Santiago				
Tanner Corredores de Bolsa	El Golf 40, office 902, 9th floor, Las Condes	Office	592.0	Rental
Tanner Corredores de Bolsa	Nueva York 44	Office	265.0	Rental
NORTHERN ZONE				
Arica	Arturo Prat 391, office 101, 10th floor	Branch	98.3	Rental
Iquique	Iquique Bolívar 202, office 509, 5th floor	Branch	60.0	Rental
Calama	Av. Balmaceda 1750, office 1302	Branch	43.0	Rental
Antofagasta	Uribe 636, office 1003, 10th floor	Branch	82.0	Rental
Copiapó	O'Higgins 760, office 708	Branch	78.0	Rental
La Serena	Los Carrera 380, office 119, 1st floor	Branch	61.0	Rental
CENTRAL ZONE				
Viña del Mar	Libertad 1405, office 1207, 12th floor	Branch	77	Rental
Rancagua	Bello Horizonte 89, office 401, 4th floor	Branch	105.7	Rental
Curicó	Carmen 752, office 502	Branch	70	Rental
Talca	30 Oriente 1546, office 901, Edificio Centro Las Rastras II	Branch	50	Rental
SOUTHERN ZONE				
Chillán	18 de Septiembre 671, office 504, Edificio Los Presidentes	Branch	70.0	Rental
Concepción	Lincoyán 282, 5th floor	Branch	178.5	Rental
Los Angeles	Almagro 250, office 505, 5th floor	Branch	99.0	Rental
Temuco	Arturo Prat 847, office 401, 4th floor	Branch	90.0	Rental
Valdivia	Independencia 491, office 401, 4th floor	Branch	91.6	Rental
Osorno	Bilbao 1129, office 704, 7th floor	Branch	87.6	Rental
Puerto Montt	Antonio Varas 216, office 701-702, 7th floor	Branch	77.0	Rental
Punta Arenas	Presidente Julio A. Roca 867, office 63, 6th floor	Branch	35.0	Rental



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CORPORATE STRUCTURE



TANNER CORREDORA DE SEGUROS Ltda.

BUSINESS NAME

Tanner Corredora de Seguros Ltda.

TAXPAYER ID N°

76.133.889-7

LEGAL ADDRESS

Huérfanos 863, office 506, Santiago

TYPE OF ENTITY

Limited liability company

SUBSCRIBED AND PAID-IN CAPITAL

US\$154,723

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

US\$11,779,623

EQUITY INTEREST HELD BY THE PARENT COMPANY (directly and indirectly)

100.00%

PERCENTAGE OF THE PARENT COMPANY INVESTMENT IN ASSETS

0.72%

CORPORATE PURPOSE

The main purpose of the company is insurance brokerage.

GENERAL INFORMATION

It was incorporated by a public deed dated 27 January 2011, whose excerpt was registered in the Santiago Commerce Registry of 2011 on sheet 6.948, number 5.251, and published in the Official Gazette on 5 February 2011.

COMMERCIAL RELATIONSHIP WITH THE SUBSIDIARY

To take out insurance for the customer portfolio and own assets for the parent company.

ACTS AND CONTRACTS ENTERED INTO WITH THE SUBSIDIARY

There is a rental contract between Tanner Servicios Financieros S.A. and Tanner Corredora de Seguros Ltda.

Personnel for the year ended 31 December 2020	
Senior managers and executives	3
Professionals and technicians	9
Employees (and salespeople)	4
Total	16

TANNER LEASING S.A.

BUSINESS NAME

Tanner Leasing S.A.

TAXPAYER ID N°

96.912.590-0

LEGAL ADDRESS

Huérfanos 863, 3rd floor, Santiago

TYPE OF ENTITY

Privately held company

SUBSCRIBED AND PAID-IN CAPITAL

US\$19,065

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

US\$90,311,871

EQUITY INTEREST HELD BY THE PARENT COMPANY (directly and indirectly)

99.99%

PERCENTAGE* OF THE PARENT COMPANY INVESTMENT IN ASSETS

5.55%

CORPORATE PURPOSE

The main purpose of the company is the extrajudicial and/or judicial collection service of all kinds of loans or obligations on its own behalf or for third parties, and the data processing, storage and transmission service. The leasing activity was added in 2007.

GENERAL INFORMATION

It was incorporated by a public deed dated 6 August 1999, whose excerpt was registered in the Santiago Commerce Registry of 1999 on sheet 20.362, number 16.198, and published in the Official Gazette on 27 August 1999

MANAGEMENT

Chairman	Ricardo Massu M. (Chairman of Tanner Servicios Financieros S.A.)
Vice-chairman	Jorge Sabag S. (Vice-chairman of Tanner Servicios Financieros S.A.)
Director	Eduardo Massu M. (Director of Tanner Servicios Financieros S.A.)
Director	Óscar Cerda U. (Director of Tanner Servicios Financieros S.A.)
Director	Fernando Tafrá Sturiza (Director of Tanner Servicios Financieros S.A.)
Director	Martín Díaz Plata (Director of Tanner Servicios Financieros S.A.)
Director	Fernando Zavala C. (Director of Tanner Servicios Financieros S.A.)
CEO	Derek Sassoon (CEO of Tanner Servicios Financieros S.A.)

COMMERCIAL RELATIONSHIP WITH THE SUBSIDIARY

Leasing operations are undertaken through Tanner Leasing S.A. It is also the company in charge of carrying out the normal extrajudicial and judicial collection services of the documents acquired by Tanner Servicios Financieros S.A.

The factoring contracts that Tanner Servicios Financieros S.A. enters into with its customers establish that customers shall grant a mandate to the company to undertake collection directly or through a third party. Based on the foregoing, Tanner Servicios Financieros S.A. empowers Tanner Leasing S.A. to perform such collection.

ACTS AND CONTRACTS ENTERED INTO WITH THE SUBSIDIARY

There is a contract between Tanner Servicios Financieros S.A. and Tanner Leasing S.A. signed in June 2000, under which Tanner Leasing S.A. is entrusted with both the collection of the entire portfolio of Tanner Servicios Financieros S.A. and to provide additional services.

Personnel for the year ended 31 December 2020	
Senior managers and executives	0
Professionals and technicians	10
Employees (and salespeople)	3
Total	13

TANNER LEASING VENDOR Ltda.

BUSINESS NAME

Tanner Leasing Vendor Ltda.

TAXPAYER ID N°

77.164.280-2

LEGAL ADDRESS

Huérfanos 863, 3rd floor, Santiago

TYPE OF ENTITY

Limited liability company

SUBSCRIBED AND PAID-IN CAPITAL

US\$ 6,347,572

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

US\$ 41,793,590

EQUITY INTEREST HELD BY THE PARENT COMPANY (directly and indirectly)

100.00%

PERCENTAGE OF THE PARENT COMPANY INVESTMENT IN ASSETS

2.57%

CORPORATE PURPOSE

The undertaking of all types of leasing businesses; the purchase, sale, import and export of all kinds of chattels and real estate; the entering into of rental contracts on such assets, either as the lessor or lessee, and the provision of any service that is complementary to those mentioned above.

GENERAL INFORMATION

It was incorporated by a public deed dated 12 May 1998, granted at the Santiago Notary of Mrs María Gloria Acharán Toledo. An excerpt of the deed was registered in the Santiago Commerce Registry of 1998 on sheet 10.683, number 8.663 ,and published in the Official Gazette on 16 May 1998.

MANAGEMENT

Chairman	Jorge Sabag S. (Vice-chairman of Tanner Servicios Financieros S.A.)
Vice-chairman	Derek Sassoon (CEO of Tanner Servicios Financieros S.A.)
Director	Tomás Vedoya (Corporate Division manager of Tanner Servicios Financieros S.A.)

TANNER ASSET MANAGEMENT ADMINISTRADORA GENERAL DE FONDOS S.A.

BUSINESS NAME

Tanner Asset Management Administradora General de Fondos S.A.

TAXPAYER ID N°

76.620.928 - 9

LEGAL ADDRESS

Avenida el Golf 40, office 902, Las Condes

TYPE OF ENTITY

Privately held company

SUBSCRIBED AND PAID-IN CAPITAL

US\$925,811

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

US\$677,430

EQUITY INTEREST HELD BY THE PARENT COMPANY (directly and indirectly)

100.00%

PERCENTAGE OF THE PARENT COMPANY INVESTMENT IN ASSETS

0.04%

CORPORATE PURPOSE

The sole purpose of the company is the administration of third-party resources in accordance with what is laid down in Law number twenty thousand seven hundred and twelve on the Administration of Third-Party Funds and Individual Portfolios, and the complementary activities authorised by the Superintendency of Securities and Insurance, now the Financial Market Commission, and other regulations that govern such activities.

GENERAL INFORMATION

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MANAGEMENT

Chairman	Cristián Bulnes Alamos
Director	Roberto Baraona Undurraga (Large Company and Structured Product Division manager)
Director	Luis Felipe Massu H.
CEO	José María Swett Quezada

COMMERCIAL RELATIONSHIP WITH THE SUBSIDIARY

There is no commercial relationship between the company and Tanner Servicios Financieros S.A.

ACTS AND CONTRACTS ENTERED INTO WITH THE SUBSIDIARY

There are no acts or contracts between the company and Tanner Servicios Financieros S.A.

Personnel for the year ended 31 December 2020	
Senior managers and executives	2
Professionals and technicians	2
Employees (and salespeople)	0
Total	4

TANNER INVESTMENTS SpA

BUSINESS NAME

Tanner Investments SpA

TAXPAYER ID N°

76.047.709-5

LEGAL ADDRESS

El Golf 40, office 902, Las Condes

TYPE OF ENTITY

Joint-stock company

SUBSCRIBED AND PAID-IN CAPITAL

US\$27,618,517

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

US\$44,447,624

EQUITY INTEREST HELD BY THE PARENT COMPANY (directly and indirectly)

For the year ended 31 December 2020	99.9983%
For the year ended 31 December 2019	99.9978%

PERCENTAGE OF THE PARENT COMPANY INVESTMENT IN ASSETS

2.73%

CORPORATE PURPOSE

The purpose of the company is to: a) Make investments in all kinds of corporeal or incorporeal chattels or real estate, shares, bonds, debentures, quotas or options and any kind of securities with the power to manage such investments, b) Participate as a partner or shareholder in all types of companies in Chile and abroad, and c) Provide any kind of economic, financial or investment consultancy services, and it may act on its own account or on behalf of third parties.

GENERAL INFORMATION

It was incorporated by a public deed issued on 31 December 2008, whose excerpt was registered in the Santiago Commerce Registry of 2009 on sheet 3672, number 2426, and published in the Official Gazette on 27 January 2009.

MANAGEMENT

Chairman	Ricardo Massu M. (Chairman of Tanner Servicios Financieros S.A.)
Vice-chairman	Jorge Sabag S. (Vice-chairman of Tanner Servicios Financieros S.A.)
Director	Eduardo Massu M. (Director of Tanner Servicios Financieros S.A.)

COMMERCIAL RELATIONSHIP WITH THE SUBSIDIARY

Tanner Servicios Financieros S.A. is a customer of Tanner Investments SpA.

ACTS AND CONTRACTS ENTERED INTO WITH THE SUBSIDIARY

There is a service contract between Tanner Servicios Financieros S.A. and the subsidiary.

Personnel for the year ended 31 December 2020	
Senior managers and executives	2
Professionals and technicians	31
Employees (and salespeople)	6
Total	39

TANNER CORREDORES DE BOLSA S.A.

BUSINESS NAME

Tanner Corredores de Bolsa S.A.

TAXPAYER ID N°

80.962.600-8

LEGAL ADDRESS

Avenida el Golf 40, office 902, Las Condes

TYPE OF ENTITY

Privately held company

SUBSCRIBED AND PAID-IN CAPITAL

US\$25,872,599

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

US\$46,177,519

EQUITY INTEREST HELD BY THE PARENT COMPANY (directly and indirectly)

For the year ended 31 December 2020	97.0447%
For the year ended 31 December 2019	89.0943%

PERCENTAGE OF THE PARENT COMPANY INVESTMENT IN ASSETS

2.75%

CORPORATE PURPOSE

The intermediation and brokerage of securities and securities trading on its own behalf with the aim of transferring rights thereon, as well as complementary activities authorised by the Financial Market Commission.

GENERAL INFORMATION

It was incorporated as Tanner y Compañía by a public deed dated 26 December 1939 granted by the Santiago Notary Public of Javier Echeverría Vial. An excerpt of such deed was registered in the Santiago Commerce Registry of 1940, on sheet 23, number 21.

MANAGEMENT

Chairman	Derek Sassoon (CEO of Tanner Servicios Financieros S.A.)
Director	Gustavo Inostroza Aldunate (Treasury and Investments Division manager of Tanner Servicios Financieros S.A.)
CEO	Andrés Barías Jara

COMMERCIAL RELATIONSHIP WITH THE SUBSIDIARY

Tanner Servicios Financieros S.A. is a customer of the subsidiary.

ACTS AND CONTRACTS ENTERED INTO WITH THE SUBSIDIARY

There is an office rental contract, provision of administrative services and terminal rental between Tanner Servicios Financieros S.A. and the subsidiary.

TANNER FINANZAS CORPORATIVAS Ltda.

BUSINESS NAME

Tanner Finanzas Corporativas Limitada

TAXPAYER ID N°

76.029.825-5

LEGAL ADDRESS

Avenida el Golf 40, office 902, Las Condes

TYPE OF ENTITY

Privately held company

SUBSCRIBED AND PAID-IN CAPITAL

US\$35,164

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

US\$1,387,844

EQUITY INTEREST HELD BY THE PARENT COMPANY (directly and indirectly)

97.74%

PERCENTAGE OF THE PARENT COMPANY INVESTMENT IN ASSETS

0.08%

CORPORATE PURPOSE

The provision of any kinds of financial advisory and consultancy services, research, reports, gathering of information, studies and assessments, either on economic or financial issues, in projects, investments, businesses, companies, firms, corporations or partnerships. To advise on the restructuring of liabilities, acquisitions, reorganisations, splits, mergers, disposals, administration and management of companies and on other matters directly or indirectly related to the above.

GENERAL INFORMATION

The company was incorporated by a public deed granted on 7 July 2008 at the Santiago Notary of Mr Patricio Raby Benavente. An excerpt of such deed was registered in the Santiago Commerce Registry of 2008, on sheet 31.790, number 21.809, and published in the Official Gazette.

COMMERCIAL RELATIONSHIP WITH THE SUBSIDIARY

There is no commercial relationship with the subsidiary.

ACTS AND CONTRACTS ENTERED INTO WITH THE SUBSIDIARY

There are no acts and contracts entered into with the subsidiary.

FINANCO S.A.

BUSINESS NAME

Financo S.A.

TAXPAYER ID N°

91.711.000-K

LEGAL ADDRESS

Avenida el Golf 40, office 902, Las Condes

TYPE OF ENTITY

Privately held company

SUBSCRIBED AND PAID-IN CAPITAL

US\$4,678,281

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

US\$13,976,877

EQUITY INTEREST HELD BY THE PARENT COMPANY (directly and indirectly)

97.67%

PERCENTAGE OF THE PARENT COMPANY INVESTMENT IN ASSETS

0.84%

CORPORATE PURPOSE

a) The investment, reinvestment, purchase, sale, acquisition and disposal for any reason whatsoever of any kinds of corporeal and incorporeal chattels, securities, shares, loans, bonds, debentures, options, commercial papers in general, and any other security;

manage and market such investments and receive their benefits and income. b) Acquire, build, invest, dispose of and carry out all kinds of operations on real estate, exploit and manage them, receiving their benefits and income for any reason whatsoever. c) Project, conduct studies, plan, execute, design, supervise and advise on the undertaking of tangible or intangible** works, such as studies, technical consultancy or others. d) Participate in companies, establish them, modify them, manage them, dissolve them and liquidate them, carry out mandates, commissions and representation of any kind, undertake brokerage and intermediation operations permitted by law for any person and any kind of investment businesses with tangible and intangible assets.

GENERAL INFORMATION

The company was incorporated by a public deed granted on 19 January 1957 at the Santiago Notary of Pedro Ávalos. An excerpt of such deed was registered in the Santiago Commerce Registry of 1958 on the back of sheet 115, N°67.

MANAGEMENT

Chairman	Eduardo Massú M. (Director of Tanner Servicios Financieros S.A.)
Director	Ricardo Massú M. (Chairman on Tanner Servicios Financieros S.A.)
CEO	Jorge Sabag S. (Vice-chairman of Tanner Servicios Financieros S.A.)

COMMERCIAL RELATIONSHIP WITH THE SUBSIDIARY

There is no commercial relationship with the subsidiary.

ACTS AND CONTRACTS ENTERED INTO WITH THE SUBSIDIARY

There are no acts and contracts entered into with the subsidiary.



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Ch\$	=	Chilean pesos
Ch\$'000/ThCh\$	=	Thousands of Chilean pesos
Ch\$ million	=	Millions of Chilean pesos
UF	=	Unidades de Fomento
CHF	=	Swiss franc
EUR	=	Euro
UF'000/ThUF	=	Thousands of Unidades de Fomento
UF million	=	Millions of Unidades de Fomento
US\$	=	United States dollar
US\$'000/ThUS\$	=	Thousands of United States dollars
CHF'000	=	Thousands of Swiss francs
IAS	=	International Accounting Standards
IFRS	=	International Financial Reporting Standards
IFRIC	=	International Financial Reporting Interpretations Committee

Independent Auditor's Report

The Shareholders and Directors

Tanner Servicios Financieros S.A. and Subsidiaries:

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, 2020 and 2019, and the related consolidated statements of income and other comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Auditing Standards Generally Accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design



audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tanner Servicios Financieros S.A. and its Subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter – Restatement of the consolidated statement of income and other comprehensive income

As indicated in Note 37 to the consolidated financial statements, the consolidated statement of income and other comprehensive income for the year ended December 31, 2019, has been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Roberto Muñoz G.
KPMG SpA

Santiago, February 17, 2021

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

At 31 December 2020 and 2019

(Expressed in Ch\$'000)

ASSETS	Note	31.12.2020 Ch\$'000	31.12.2019 Ch\$'000
Current assets			
Cash and cash equivalents	7	120,079,967	53,660,317
Other current financial assets	8	79,934,350	94,814,973
Other current non-financial assets	9	3,057,983	1,727,187
Trade and other receivables, net, current	10	733,204,840	894,978,607
Receivables due from related parties, current	12	4,902,407	381,052
Current tax assets	16	6,644,839	18,239,043
Total current assets other than assets or asset groups for disposal classified as held-for-sale or held for distribution to the owners		947,824,386	1,063,801,179
Non-current assets or asset groups for disposal classified as held-for-sale	13	4,798,124	10,518,967
Total current assets		952,622,510	1,074,320,146
Non-current assets			
Other non-current financial assets	8	55,033,256	62,455,633
Other non-current non-financial assets	9	5,181,408	4,638,188
Trade and other receivables, non-current	10	391,804,793	407,225,416
Trade receivables due from related parties, non-current	12	33,719	528,383
Intangible assets other than goodwill	17	6,637,324	6,758,697
Goodwill	18	1,639,828	1,763,525
Property, plant and equipment	14	10,307,650	11,631,760
Investment property	15	11,317,684	11,380,554
Deferred tax assets	16	31,218,162	29,965,806
Total non-current assets		513,173,824	536,347,962
TOTAL ASSETS		1,465,796,334	1,610,668,108

Notes 1 to 37 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

At 31 December 2020 and 2019

(Expressed in Ch\$'000)

LIABILITIES AND EQUITY	Note	31.12.2020 Ch\$'000	31.12.2019 Ch\$'000
Current liabilities			
Other current financial liabilities	19	516,388,958	720,040,670
Trade and other payables, current	21	116,448,669	141,470,360
Other short-term provisions	22	508,424	528,237
Current tax liabilities	16	3,261,504	1,228,426
Current provisions for employee benefits	23	950,497	680,192
Total current liabilities		637,558,052	863,947,885
Non-current liabilities			
Other non-current financial liabilities	20	510,195,435	439,474,778
Non-current provisions for employee benefits	23	299,760	193,893
Total non-current liabilities		510,495,195	439,668,671
TOTAL LIABILITIES		1,148,053,247	1,303,616,556
EQUITY			
Share capital	24	195,223,800	195,223,800
Retained earnings	24	127,135,981	107,978,073
Other reserves	24	(5,541,937)	1,204,752
Total equity attributable to the owners of the Parent		316,817,844	304,406,625
Non-controlling interests	25	925,243	2,644,927
TOTAL EQUITY		317,743,087	307,051,552
TOTAL LIABILITIES AND EQUITY		1,465,796,334	1,610,668,108

Notes 1 to 37 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS INCOME

For the years ended 31 December 2020 and 2019

(Expressed in Ch\$'000)

CONSOLIDATED STATEMENTS INCOME BY FUNCTION	Note	01.01.2020 to 31.12.2020 Ch\$'000	01.01.2019 to 31.12.2019 Ch\$'000 (*) Restated
Profit			
Revenue	29	197,655,247	193,469,179
Cost of sales	29	(93,048,462)	(82,495,820)
Gross profit		104,606,785	110,973,359
Other operating items			
Impairment losses	30	(24,114,843)	(28,783,255)
Administrative expenses	29	(46,101,811)	(46,127,995)
Other gains (losses)	-	(1,486,619)	2,564,288
Finance income	-	2,368	182,640
Finance costs	-	(448,540)	(402,027)
Foreign exchange differences	-	137,618	585,470
Gain (loss) from indexation units	-	280,259	51,834
Profit before tax		32,875,217	39,044,314
Income tax	16	(5,364,277)	(6,446,952)
Profit (loss) from continuing operations		27,510,940	32,597,362
Profit for the year		27,510,940	32,597,362
Profit (loss) attributable to:			
Owners of the Parent		27,326,973	32,049,284
Non-controlling interests	25	183,967	548,078
Profit for the year		27,510,940	32,597,362

(*) For details of reclassifications, see Note 37 – Restatement of comparative information.
Notes 1 to 37 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the years ended 31 December 2020 and 2019

(Expressed in Ch\$'000)

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME	01.01.2020 to 31.12.2020 Ch\$'000	01.01.2019 to 31.12.2019 Ch\$'000
Profit for the year	27,510,940	32,597,362
Other comprehensive income that will be reclassified to profit for the year		
Hedging reserves	(8,707,418)	1,020,099
Reserve for financial assets at fair value through other comprehensive income	(1,116,523)	(50,330)
Reserve for actuarial gains or losses on defined benefit plans	(27,905)	(1,396)
Gain (loss) for remeasurement of financial assets at fair value through other comprehensive income	607,871	187,364
Income tax for components of other comprehensive income that will be reclassified to profit for the year		
Income tax related to hedging reserves	2,351,003	(275,427)
Income tax related to reserve for financial assets at fair value through other comprehensive income	301,461	13,589
Income tax related to remeasurement of defined benefit plans in other comprehensive income	7,534	377
Income tax remeasurement of financial assets at fair value through other comprehensive income	(164,125)	(50,588)
Total other comprehensive income from hedging reserves	(6,356,415)	744,672
Total other comprehensive income from fair value reserve	(371,316)	100,035
Total other comprehensive income from reserve for actuarial gains or losses	(20,371)	(1,019)
Total comprehensive income for the year	20,762,838	33,441,050
Comprehensive income and expenses attributable to:		
Owners of the Parent	20,580,284	32,922,743
Non-controlling interests	182,554	518,307
Total comprehensive income for the year	20,762,838	33,441,050

Notes 1 to 37 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2020 and 2019

(Expressed in Ch\$'000)

2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Notes	Share capital	Reserves					Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
			Hedging reserves	Fair value reserve	Actuarial gain and loss reserve	Others	Total other reserves				
		Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance, current year at 01.01.2020	24	195,223,800	787,470	(211,218)	(1,019)	629,519	1,204,752	107,978,073	304,406,625	2,644,927	307,051,552
Increase (decrease) due to restatement		-	-	-	-	-	-	-	-	-	-
Restated balance at 01.01.2020		195,223,800	787,470	(211,218)	(1,019)	629,519	1,204,752	107,978,073	304,406,625	2,644,927	307,051,552
Changes in equity											
Comprehensive income											
Income in the year		-	-	-	-	-	-	27,326,973	27,326,973	183,967	27,510,940
Other comprehensive income		-	(6,356,415)	(369,903)	(20,371)	-	(6,746,689)	-	(6,746,689)	(1,413)	(6,748,102)
Total comprehensive income in the year		-	(6,356,415)	(369,903)	(20,371)	-	(6,746,689)	27,326,973	20,580,284	182,554	20,762,838
Transactions with owners of the Parent (contributions and distribution)											
Dividends	24	-	-	-	-	-	-	(8,199,126)	(8,199,126)	-	(8,199,126)
Increase (decrease) due to other owners' contributions	24	-	-	-	-	-	-	-	-	-	-
Decrease (increase) due to other distributions to the owners	24	-	-	-	-	-	-	-	-	(1,902,238)	(1,902,238)
Increase (decrease) from transfers and other changes	24	-	-	-	-	-	-	30,061	30,061	-	30,061
Increase (decrease) from changes in the interest in subsidiaries that do not entail loss of control	24	-	-	-	-	-	-	-	-	-	-
Total contributions and distribution		-	-	-	-	-	-	(8,169,065)	(8,169,065)	(1,902,238)	(10,071,303)
Total transactions with the owners of the company		-	(6,356,415)	(369,903)	(20,371)	-	(6,746,689)	19,157,908	12,411,219	(1,719,684)	10,691,535
Balance at 31.12.2020		195,223,800	(5,568,945)	(581,121)	(21,390)	629,519	(5,541,937)	127,135,981	316,817,844	925,243	317,743,087

Notes 1 to 37 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2020 and 2019

(Expressed in Ch\$'000)

2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Notes	Share capital	Reserves					Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
			Hedging reserves	Fair value reserve	Actuarial gain and loss reserve	Others	Total other reserves				
		Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance, prior year at 01.01.2019	24	195,223,800	42,798	(341,024)	-	629,519	331,293	85,543,574	281,098,667	2,047,672	283,146,339
Increase (decrease) due to restatement		-	-	-	-	-	-	-	-	-	-
Restated initial balance at 1 January 2019		195,223,800	42,798	(341,024)	-	629,519	331,293	85,543,574	281,098,667	2,047,672	283,146,339
Changes in equity											
Comprehensive income											
Income in the year		-	-	-	-	-	-	32,049,284	32,049,284	548,078	32,597,362
Other comprehensive income		-	744,672	129,806	(1,019)	-	873,459	-	873,459	(29,771)	843,688
Total comprehensive income in the year		-	744,672	129,806	(1,019)	-	873,459	32,049,284	32,922,743	518,307	33,441,050
Transactions with owners of the Parent (contributions and distribution)											
Dividends	24	-	-	-	-	-	-	(9,614,785)	(9,614,785)	78,948	(9,535,837)
Increase (decrease) due to other owners' contributions	24	-	-	-	-	-	-	-	-	-	-
Decrease (increase) due to other distributions to the owners	24	-	-	-	-	-	-	-	-	-	-
Increase (decrease) from transfers and other changes	24	-	-	-	-	-	-	-	-	-	-
Increase (decrease) due to transactions with own stock holdings		-	-	-	-	-	-	-	-	-	-
Increase (decrease) from changes in the interest in subsidiaries that do not entail loss of control	24	-	-	-	-	-	-	-	-	-	-
Total contributions and distribution		-	-	-	-	-	-	(9,614,785)	(9,614,785)	78,948	(9,535,837)
Total transactions with the owners of the company		-	744,672	129,806	(1,019)	-	873,459	22,434,499	23,307,958	597,255	23,905,213
Balance at 31.12.2019		195,223,800	787,470	(211,218)	(1,019)	629,519	1,204,752	107,978,073	304,406,625	2,644,927	307,051,552

Notes 1 to 37 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOW - DIRECT METHOD

For the years ended 31 December 2020 and 2019

(Expressed in Ch\$'000)

CONSOLIDATED STATEMENTS OF CASH FLOWS	Note	01.01.2020	01.01.2019
		31.12.2020	31.12.2019
		Ch\$'000	Ch\$'000
Cash flows from operating activities			
Cash receipts from the sale of goods and rendering of services		2,361,227,169	2,406,595,366
Cash payments to suppliers for goods and services		(2,156,208,282)	(2,537,499,154)
Cash payments to and on behalf of employees		(24,566,538)	(26,386,757)
Dividends paid		(21,024)	(2,187)
Dividends received		173,098	206,209
Income tax paid (reimbursed)		(4,823,431)	(18,003,753)
Other cash receipts (payments)		(2,629,903)	(1,386,118)
Cash flows from (used in) operating activities		173,151,089	(176,476,394)
Other receipts from the sale of equity or debt securities of other entities		1,760,297,554	1,065,636,520
Other payments to acquire equity or debt securities of other entities		(1,705,634,943)	(979,704,864)
Purchases of property, plant and equipment	14.b	(614,631)	(1,020,764)
Purchases of intangible assets	17	(1,669,373)	(2,728,428)
Cash payments for futures, forwards, share options and swap contracts		(950,191,181)	(871,987,346)
Cash receipts for futures, forwards, share options and swap contracts		993,755,040	1,025,751,810
Interest received		25,343,889	15,907,290
Cash flows from the sale of non-controlling interests		1,369,156	84,000
Other cash receipts (payments)		-	-
Cash flows from investing activities		122,655,511	251,938,218
Proceeds from the issuance of other equity securities		573,520,640	379,909,566
Cash payments for other equity interests		(654,523,231)	(367,360,939)
Proceeds from borrowings		370,230,817	524,565,291
Repayment of borrowings		(456,900,190)	(524,004,427)
Payments of finance lease liabilities	19.d	(1,079,909)	(1,029,439)
Dividends paid	24.c	(9,615,819)	(8,809,969)
Interest paid		(50,073,702)	(50,711,856)
Cash flows used in financing activities		(228,441,394)	(47,441,773)
Net increase (decrease) in cash and cash equivalents before the effect of changes in exchange rates		67,365,206	28,020,051
Effect of changes in exchange rates on cash and cash equivalents		(945,556)	166,419
Net increase (decrease) in cash and cash equivalents		66,419,650	28,186,470
Cash and cash equivalents at 1 January		53,660,317	25,473,847
Cash and cash equivalents at 31 December		120,079,967	53,660,317

Notes 1 to 37 are an integral part of these consolidated financial statements.

NOTE 1.

Company information

Tanner Servicios Financieros S.A. was incorporated in Chile in 1993 as a closely-held corporation with the name of Bifactoring S.A. In 1999, the company changed its name to Factorline S.A., and in 2011 to Tanner Servicios Financieros S.A.

It is governed by the legal regulations laid down in Law N°18.046 and registered under N°777 in the Securities Registry of Chile's Financial Market Commission (CMF, according to the Spanish acronym). For tax effects, the company's taxpayer ID number is 96.667.560-8.

The Company's registered address is Huérfanos 863, floor 10, Santiago, Chile and its website is www.tanner.cl.

The Company's main purpose is the purchase or financing of accounts receivable with or without liability of any company or natural person (factoring), to provide various kinds of loans such as financing for the acquisition of vehicles and for general purposes, as well as services provided by its subsidiaries, including Tanner Leasing 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 the subsidiaries Financo S.A., Tanner Finanzas Corporativas Ltda., and Tanner Corredores de Bolsa S.A.

NOTE 2.

Principal accounting policies

The principal accounting policies adopted to prepare these consolidated financial statements are outlined below.

Basis of presentation and period:

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

a) Period covered

These consolidated financial statements cover the following periods:

- i. Consolidated statements of financial position at 31 December 2020 and 2019.
- ii. Consolidated statements of income by function for the years ended 31 December 2020 and 2019, respectively.
- iii. Consolidated statements of comprehensive income for the years ended 31 December 2020 and 2019, respectively.
- iv. Consolidated statements of changes in equity for the years ended 31 December 2020 and 2019.
- v. Consolidated statements of cash flows – direct method for the years ended 31 December 2020 and 2019.
- vi. Notes to the consolidated financial statements.

b) Preparation Bases

I. Application

These consolidated financial statements of Tanner Servicios Financieros S.A. and its subsidiaries for the years ended 31 December 2020 and 2019 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

These consolidated financial statements were approved by the board of directors in an extraordinary board meeting held on 17 February 2021.

These consolidated financial statements have been prepared using the historical cost convention, except for the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value.

II. New requirements currently effective

As of the issuance date of these consolidated financial statements, new accounting amendments, standards, improvements and interpretations have been published.

These standards, interpretations and amendments are mandatory as of the date indicated below:

a) Standards, interpretations and amendments that are mandatory for the first time for annual periods beginning on 1 January 2020.

Standards and interpretations	Mandatory for annual periods beginning on
Amendments to IFRS	
Amendments to references to the conceptual framework for financial reporting	01.01.2020
Definition of a business (amendments to IFRS 3)	01.01.2020
Definition of material or of relative importance (amendments to IAS 1 and IAS 8)	01.01.2020
Interest rate benchmark reform (amendments to IFRS 9, IAS 39 and IFRS 7)	01.01.2020
COVID-19-related rent concessions (amendments to IFRS 16)	01.01.2020
Effectiveness of the temporary exemption from applying IFRS 9 (amendments to IFRS 4)	01.01.2020

The adoption of the standards, amendments and interpretations indicated above will not have any major impact on the Company's consolidated financial statements.

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

Standards and interpretations	Mandatory for annual periods beginning on
IFRS 17: Insurance Contracts	01.01.2023
Amendments to IFRS	
Onerous contracts - costs of fulfilling a contract (amendments to IAS 37)	01.01.2022
Property, plant and equipment - proceeds before intended use (amendments to IAS 16)	01.01.2022
Classification of liabilities as current or non-current (amendments to IAS 1)	01.01.2023
Annual improvements to IFRS 2018-2020	01.01.2022
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Indefinite
Reference to the conceptual framework (amendments to IFRS 3)	01.01.2022
Interest rate benchmark reform (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	01.01.2021

Management believes that the adoption of the aforementioned standards, amendments and interpretations will not have any material impact on the Company's consolidated financial statements in the period of their first application.

c) Basis of consolidation

These consolidated financial statements incorporate the financial statements of Tanner Servicios Financieros S.A. and the controlled companies (subsidiaries). As indicated in IFRS 10, to obtain control of a company the following conditions must be met:

- Have control of the investee.
- Be exposed or entitled to variable returns from the investment.
- Have the ability to influence those returns through control of the investee.

Subsidiaries are consolidated from the date when control is transferred to the company to the date when such control ceases.

The acquisition method is used to account for the acquisition of a subsidiary by the company. In general, the acquisition cost is the fair value of the assets and equity amounts delivered and liabilities incurred or assumed on the exchange date, plus the costs directly attributable to the acquisition. The identifiable assets acquired and identifiable liabilities and contingencies assumed in a business combination are initially measured at their fair value as of the acquisition date, regardless of the scope of minority interests. The excess of the acquisition cost over the fair value of the company's share of the net identifiable assets acquired, if any, is recognised as goodwill. If the acquisition cost is lower than the fair value of the net assets of the subsidiary acquired, if any, the difference is recognised directly in the statement of income.

c.1) Business combinations

The company accounts for business combinations using the acquisition method when control is transferred to the company. The consideration transferred in the acquisition is generally measured at fair value just as the net identifiable assets acquired. Any resulting goodwill is tested annually for impairment. Any bargain purchase gain is immediately recognised in profit or loss. Transaction costs are expensed when incurred, except if they are related to issuing debt or equity securities.

The consideration transferred does not include amounts related to the winding-up of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value as of the acquisition date. If an obligation to pay the contingent consideration meeting the definition of financial instruments is classified as equity, it shall not be remeasured and its subsequent settlement shall be accounted for in equity. If this is not the case, the contingent consideration is measured again at fair value on each reporting date and the subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

i. Subsidiaries

Subsidiaries are entities controlled by the Company. The Company "controls" an investee when it is exposed or entitled to variable returns from its involvement with the investee and has the ability to influence those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date when control commences until the date when such control ends.

ii. Non-controlling interests

Non-controlling interests are initially measured at the proportional share of the acquiree's net identifiable assets as of the acquisition date.

Changes in the Group's interest in a subsidiary that do not lead to a loss of control are accounted for as equity transactions.

iii. Loss of control

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any non-controlling interests and other components of equity. Any gain or loss that arises is recognised in profit or loss or the amounts recognised in other comprehensive income regarding the subsidiary will be transferred directly to retained earnings if required by other IFRS. If the Group retains an interest, the significant inter-company transactions and balances arising from transactions performed by Tanner Servicios Financieros S.A. and its subsidiaries and among them were eliminated in the consolidation process, also indicating the non-controlling interests corresponding to the percentage of third-party interests in the subsidiaries, which the company does not directly or indirectly own, and this is shown separately in the consolidated statement of changes in equity of Tanner Servicios Financieros S.A.

The table below show the entities in which the company has a direct or indirect interest and are part of the consolidation of these consolidated financial statements:

Taxpayer ID No.	Company	Country	Currency	Interest Percentage					
				31.12.2020			31.12.2019		
				Direct	Indirect	Total	Direct	Indirect	Total
96.912.590-0	Tanner Leasing S.A.	Chile	Ch\$	99.9900%	-	99.9900%	99.9900%	-	99.9900%
77.164.280-2	Tanner Leasing Vendor Limitada	Chile	Ch\$	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	Ch\$	-	-	-	99.9900%	0,0100%	100.0000%
76.133.889-7	Tanner Corredora de Seguros Limitada	Chile	Ch\$	99.9900%	0.0100%	100.0000%	99.9900%	0.0100%	100.0000%
93.966.000-3	Tanner Investments SpA	Chile	Ch\$	99.9983%	-	99.9983%	99.9978%	-	99.9978%
91.711.000-K	Financo S.A.	Chile	Ch\$	3.6405%	94.0251%	97.6656%	3.6405%	94.0251%	97.6656%
76.029.825-5	Tanner Finanzas Corporativas Limitada	Chile	Ch\$	-	97.7432%	97.7432%	-	97.7432%	97.7432%
80.962.600-8	Tanner Corredores de Bolsa S.A.	Chile	Ch\$	-	97.0447%	97.0447%	-	89.0943%	89.0943%
76.596.744-9	Chita SpA (*)	Chile	Ch\$	-	-	-	77.0115%	-	77.0115%
76.620.928-9	Tanner Asset Management Administradora General de Fondos S.A.	Chile	Ch\$	99.9918%	0.0082%	100.0000%	99.9918%	0.0082%	100.0000%

(*) At 31 December 2020, Tanner Servicios Financieros S.A. had sold its entire direct and indirect interest in these companies.

Tanner Finanzas Corporativas Ltda. and Tanner Corredores de Bolsa S.A. are subsidiaries of Financo S.A., which in turn is a subsidiary of Tanner Investments SpA.

d) Investments in companies

The interests in related companies over which the company has significant influence are recorded using the equity method. The significant influence is generally presumed in those cases in which the company has an interest of over 20% of the voting power of the investee.

This method entails recording the interest that an investor company holds in another company. The investment is valued by adjusting the carrying amount of the asset to the interest held by the investor company in the equity of the investee. If the investment value becomes negative, the interest therein is recorded as nil.

After the investor has reduced the value of its investment to nil, additional losses will only be recognised as liabilities to the extent that it has incurred legal obligations or made payments on behalf of the associate. If the associate subsequently obtains profits, the investor company shall continue to recognise its share of such profits when its share thereof is the same as its share of the unrecognised losses.

The dividends received from these companies are stated by reducing the interest value and profit or loss obtained by these companies, which correspond to the company as per its interest, and are recorded in the item "Share of the profit (loss) of associates accounted for using the equity method."

The Company currently has no investments of this kind.

e) Goodwill

Goodwill represents the excess acquisition cost on the fair value of the company's share of the net identifiable assets of the subsidiary/related company acquired on the acquisition date. Goodwill recognised separately is tested annually for impairment and measured at cost less accrued impairment losses.

Gains and losses from the sale of an entity include the carrying amount of goodwill related to the entity disposed.

The goodwill acquired is allocated to cash-generating units to undertake impairment tests. The distribution is performed between those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination generating the goodwill.

Negative goodwill from the acquisition of an investment or business combination is credited directly to the consolidated statement of comprehensive income.

Details of goodwill for the years ended 31 December 2020 and 2019 are shown in Note 18 to these consolidated financial statements.

f) Use of estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the amounts of the assets, liabilities, revenue and expenses stated. The actual results may differ from these estimates. These estimates made based on the best information available basically relate to the following:

- i. Impairment losses of certain assets (Note 4)
- ii. The fair value of financial assets and liabilities (Notes 8, 19 and 20)
- iii. The fair value of investment property (Note 15)
- iv. Estimation of credit risk (Note 10)
- v. The useful life of property, plant and equipment, investment property and intangible assets other than goodwill (Notes 14, 15 and 17)
- vi. Income tax and deferred taxes, the latter based on estimates (Note 16)
- vii. The valuation of goodwill (Note 18)
- viii. Provision for employee benefits (Note 23)
- ix. Contingencies and restrictions (Note 27)

For the year ended 31 December 2020, there were no material changes in the estimates made at the closing of 2019, other than those indicated in these consolidated financial statements.

g) Foreign currency and basis of translation

Assets and liabilities expressed in US dollars, euros, Swiss francs and UF have been translated into Chilean pesos at the exchange rates prevailing as of the closing date of the consolidated financial statements, as follows:

Currency	31.12.2020 Ch\$	31.12.2019 Ch\$
U.S. dollar observed rate	710.95	748.74
Euro	873.30	839.58
Swiss franc	804.97	773.81
Unidad de Fomento	29,070.33	28,309.94

Transactions in currencies other than the functional currency are considered as transactions in foreign currencies and are initially recorded at the exchange rate of the functional currency as of the date of the transaction, in accordance with IAS 21.

h) Functional and presentation currency and hyperinflationary conditions

The amounts included in the consolidated financial statements of Tanner Servicios Financieros S.A. and subsidiaries are valued using the currency of the primary economic environment in which the entity operates (functional currency).

The functional currency of the company and all its subsidiaries, according to the analysis of International Accounting Standard (IAS) 21 - Effects of Changes in Foreign Exchange Rates, is the Chilean peso, which is not a hyperinflationary currency during the reporting period, in accordance with IAS 29 - Financial Reporting in Hyperinflationary Economies.

i) Property, plant and equipment

The property, plant and equipment acquired is used in the Company's line of business and initially recognised at cost. Such assets are subsequently measured in accordance with IAS 16 using the cost method less the corresponding accrued depreciation and the accumulated impairment losses, if any. The rest of property, plant and equipment, at both their

initial recognition and subsequent measurement, is measured at their historical cost less the corresponding depreciation and impairment losses. Depreciation is applied using the straight-line method, considering the years of useful life for each

Management reviews the estimated useful lives of property, plant and equipment at the end of each financial year. During the year, management determined that there were no material changes in the estimated useful lives of property, plant and equipment.

The useful life of property, plant and equipment items is as follows:

Items	Useful life or depreciation rate (in years)	
	Minimum	Maximum
Constructions	38	38
Refurbishments ^(*)	4	12
Technological equipment	1	7
Other fixed assets	1	7
Right-of-use ^(*)	5	12

(*) The useful life extends for the term of the lease contract (IFRS 16).

I. Valuation and revaluation

Items of property, plant and equipment are recognised at initial cost less depreciation and accumulated impairment losses, if any. The initial cost of property, plant and equipment includes expenses directly attributable to their acquisition.

Subsequent costs are included in the value of the initial asset or recognised as a separate asset, only when it is likely that the future economic benefits associated with the item of property, plant and equipment will flow to the Company and the cost of the item can be calculated reliably. The value of the replaced component is derecognised.

The repairs and maintenance of items of property, plant and equipment are charged to profit or loss in the year in which they are incurred.

II. Impairment losses of non-financial assets

Non-financial assets subject to amortisation are tested for impairment losses whenever any event or internal or external change in the company’s standing indicates that the carrying amount may be unrecoverable.

An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount.

An impairment loss related to goodwill is not reversed. Impairment losses recognised in prior financial years are assessed on each reporting date for any indication that the loss has declined or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is only reversed when the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The recoverable amount is the fair value of an asset less the sale costs or the value-in-use, whichever is higher.

To appraise impairment losses, non-financial assets are grouped into the smallest group of assets for which there are separate identifiable cash flows (cash-generating units).

j) Depreciation method

Depreciation of assets comprising property, plant and equipment is calculated using the straight-line method. The residual values and remaining useful lives of assets 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 charged to profit or loss for the year (unless it can be offset with a previous positive revaluation, charged to equity).

Profits and losses of the sale of property, plant and equipment are calculated by comparing the proceeds obtained from the sale with the carrying amount and are included in the statement of income.

k) Investment property

Investment property is initially measured at cost and subsequently at fair value through profit or loss. Investment property is land and buildings held by the company to generate goodwill and/or income but not to be used in the normal course of its business, and is recorded at fair value less any impairment loss. Such fair value was determined by independent external appraisers with renowned professional skills in the location, who applied the market approach to determine such value.

Any profit or loss arising from the disposal of investment property (calculated as the difference between the net profit from disposal and the carrying amount of the item) is recognised in profit or loss, specifically in the item impairment loss.

The income from investment property leases is recognised as income on a straight-line basis over the lease term. The lease incentives granted are recognised as an integral part of the lease income during the term of the lease.

l) Non-current assets classified as held-for-sale

The company holds assets received in payment related to the auto financing and leasing operating segments, which are classified within this item, considering that management is committed to liquidating such assets in the short term and that they are available in their current condition for immediate sale. Those investments classified as continuing operations are in turn stated.

These assets, or asset groups held for disposal, are measured at the lower of their carrying amount and fair value less costs to sell.

The breakdown of assets classified within this item is shown in Note 13 to these consolidated financial statements. The profit or loss arising from the measurement at the lower of their carrying amount and fair value less costs to sell are recognised in profit or loss, specifically in the item impairment loss.

m) Intangible assets

The costs directly related to the purchase of unique and identifiable computer programmes controlled by the company, which are likely to generate higher economic benefits than their cost for more than one year, are recognised as intangible assets. It is estimated that the costs of purchasing computer programmes recognised as intangible assets will be amortised over a period of 3 to 5 years.

Expenses for the internal development or maintenance of computer programmes are recognised as expenses when they are incurred.

n) Financial assets and liabilities

Financial assets

The company classifies its financial assets as per IFRS 9 into categories based on its business model to manage them according to the characteristics of contractual cash flows, and this is determined on their initial recognition.

On initial recognition, the company will classify its financial assets as subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

I. Investment instruments at amortised cost

A financial asset will be measured at fair value through other comprehensive income if the following conditions are met:

- a) The financial asset is held within a business model whose aim is to hold the financial assets to attain the contractual cash flows, and
- b) The contractual conditions of the financial assets generate, on specific dates, cash flows that are only payments of the principal owed and interest on the outstanding amount of the principal owed.

Investments classified at amortised cost are recorded at their cost plus accrued interest and adjustments, less the provisions established for expected losses under IFRS 9 when the amount stated is higher than the present value of estimated future cash flows.

II. Investment instruments at fair value through other comprehensive income

A financial asset will be measured at fair value through other comprehensive income if the following conditions are met:

- a) The financial asset is held within a business model whose aim is attained by obtaining contractual cash flows and disposing of financial assets, and
- b) The contractual conditions of the financial assets generate, on specific dates, cash flows that are only payments of the principal owed and interest on the outstanding amount of the principal owed.

Investment instruments classified in this category are recognised at their fair value based on market prices or valuations obtained using internal models, as applicable. Unrealised profits and losses arising from changes in the fair value are recognised with a charge or credit to “financial assets at fair value through equity” in other comprehensive income within equity. When these investments are sold or impaired, the amount of the adjustment to fair value accumulated in other comprehensive income is transferred to the consolidated statement of income.

III. Investment instruments at fair value through profit or loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income.

Investment instruments classified in this category are acquired to gain benefits in the short term from price fluctuations. This group includes the trading instrument portfolio and financial derivatives that are not deemed to be hedge accounting.

Impairment of financial assets

The Company recognises allowances for expected credit losses for:

- Financial assets measured at amortised cost.
- Debt investments measured at fair value through other comprehensive income, and
- Contract assets.

On each reporting date, the company assesses whether the financial assets recorded at amortised cost and debt securities at fair value through other comprehensive income have undergone credit impairment. A financial asset has “credit impairment” if one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset.

Credit losses expected over life are credit losses arising from all the possible events of non-compliance over the expected life of a financial instrument.

Allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

In the case of debt securities at fair value through other comprehensive income, the allowance is charged to profit or loss and recognised in other comprehensive income.

Financial liabilities

The company classifies all financial liabilities as subsequently measured at amortised cost, except in the case of:

- a) Financial liabilities at fair value through profit or loss. These liabilities, including derivatives, will subsequently be measured at fair value.
- b) Financial liabilities arising from a transfer of financial assets which do not meet the requirements for their derecognition or which are accounted for using the continuing involvement approach.
- c) Financial guarantee contracts.
- d) Commitments to grant a loan at a lower interest rate than the market rate.
- e) Contingent consideration recognised by an acquirer in a business combination for which IFRS 3 is applicable.

For reporting purposes, the Company classifies its financial liabilities into the following categories:

- i. Other current financial liabilities: this item includes the short-term portion of the company's financial obligations, including domestic and foreign borrowings, corporate bond issues, commercial papers and lease obligations. They are all stated at the amortised cost and the effective interest rate is applied.
- ii. Other non-current financial liabilities: this item includes the long-term portion of the company's financial obligations, including domestic and foreign borrowings, corporate bond issues, commercial papers and lease obligations. They are all stated at the amortised cost and the effective interest rate is applied.
- iii. Trade and other payables, current: this item includes the payables related to the factoring business, such as sundry payables, surpluses to be refunded, customer advances, among others. These obligations are initially recognised at their fair value and are subsequently stated at the amortised cost using the effective interest rate method.

o) Derivative contracts

The contracts entered into by the company are initially recognised at their fair value on the date the derivative contract was entered into and are subsequently remeasured at fair value. The method used to recognise the resulting profit or loss depends on whether the derivative has been designated as a hedging instrument and, if so, the nature of the item it is hedging.

The Company documents at the beginning of the transaction the relationship between hedging instruments and hedged items, as well as the risk management objectives and the management approach for several hedge transactions. The company also documents its assessment, both at the beginning and on a continuing basis, to verify whether the derivatives used in the hedge transactions are highly effective to offset changes in the fair value or in the cash flows of the hedged items.

The total fair value of hedge derivatives is classified as a non-current asset or liability if the remaining maturity of the hedged item is higher than 12 months, and as a current asset or liability if the remaining maturity of the hedged item is lower than 12 months. Unrealised profit or loss is recognised in the period in which contracts are performed or no longer meet the objective for which they were entered into.

The Company applies the valuation and record included in IFRS 9 for these kinds of financial instruments.

Derivative contracts are subject to offsetting, i.e., they are stated on the consolidated statement of financial position at their net value, only when subsidiaries have both the legally enforceable right to offset the amounts recognised in the mentioned instruments and the intention of settling the net amount, or realising the asset and paying the liability simultaneously.

The company designates certain derivatives as:

- i. Fair value hedges.
- ii. Cash flow hedges.

I. Fair value hedges

Changes in the fair value of derivatives that are designated and classified as fair value hedges are recorded in the statement of income, along with any change in the fair value of the hedged asset or liability attributable to the hedged risk. As of the closing of these consolidated financial statements, the company does not have these kinds of hedge instruments.

II. Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity through the statement of other comprehensive income. The profit or loss regarding the ineffective portion is immediately recognised in the item "other gains (losses)" of the statement of income. The amounts accrued in net equity are reclassified in the statement of income in the periods when the hedged item affects income (for example, when the forecasted sale being hedged occurs or the cash flow hedge is realised). Nevertheless, when the forecasted hedge transaction gives rise to recognition of a non-financial asset, the gain and loss previously recognised in equity is included as part of the asset's initial cost.

When a hedge instrument expires or is sold, or no longer meets the criteria to be recognised using hedge accounting treatment, any gain or loss accrued in equity as of that date remains in equity and is recognised when the forecasted transaction affects the statement of income.

When the forecasted transaction is no longer expected to occur, the gain or loss accrued in equity is immediately transferred to the item "other gains (losses)" in the statement of income.

This amount is recorded in the item "other current financial assets" (Note 8a).

p) Income tax

- i. Current tax: the income tax expense in the period or financial year comprises current income tax and deferred tax. Tax is recognised in the consolidated statement of income by function, except when it entails items that are recognised directly in equity, in the consolidated statement of comprehensive income or which arise from a business combination. The current income tax expense is calculated based on tax laws in force as of the date of the consolidated financial statements.

The company will only offset its tax assets and liabilities if:

- (a) It has a legally enforceable right to offset the amounts recognised, and
- (b) It intends to liquidate them for the net amount or realise the asset and settle the liability simultaneously.

Current tax includes the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable related to previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received and reflects the uncertainty regarding income taxes, if any. It is measured using tax rates that have been approved or whose approval process is virtually complete as of the reporting date. Current tax also includes any tax arising from dividends.

- ii. Deferred taxes: these are calculated using the statement of financial position method for differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Nonetheless, if deferred taxes arise from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect either the accounting income or the tax profit or loss, they are not accounted for. Deferred tax is calculated using the regulation and tax rates enacted or substantially enacted at the closing date of the consolidated financial statements, and which are expected to be applied when the corresponding deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised when it is likely that future taxable profits will be available and against which they can be used. Future taxable profits are determined based on the business plans for individual subsidiaries of the Group, and the reversal of temporary differences.

The company will only offset deferred tax assets with deferred tax liabilities if:

- (a) It has a legally enforceable right to offset the amounts recognised in those items with the tax authority, and
- (b) Deferred tax assets and liabilities arise from the income tax corresponding to the same tax authority.

The Company recognises deferred tax assets for unused tax losses, tax credits and deductible temporary differences when it is likely that future taxable profits will be available against which they can be used. Future taxable profits are calculated based on the business plans for individual subsidiaries of the Group and the reversal of temporary differences. If the amount of temporary taxable differences is insufficient to recognise a deferred tax asset fully, future taxable profits, adjusted for reversals of existing temporary differences, are considered based on the business plans for the individual subsidiaries of the Group. Deferred tax assets are reviewed on each reporting date and are deducted when it is unlikely that the related tax benefits will be realised, and such reduction will be reversed when it is probable that sufficient taxable profit will be available.

Deferred tax must be measured using the tax rates that are expected to be applicable to temporary differences in the period in which they reverse, using tax rates that have been approved or virtually approved as of the reporting date, and reflects the uncertainty related to income taxes, if any.

q) Provisions

Provisions are recognised when the company has (a) a present legal or constructive obligation as a result of past events, (b) it is likely that an outflow of resources will be necessary to settle the obligation, and (c) the amount has been estimated reliably. The provision for administrative expenses is recognised on an accrual basis, the provision for bonuses payable to employees is determined at 31 December of each year on an accrual basis using variable patterns determined by management, like for example: budget compliance, performance evaluation, etc., regarding which the applicability is analysed periodically.

r) Employee benefits

1. Employee bonuses

The company recognises a liability and expense for bonuses when it is a contractual obligation or when due to the result on a certain date it is estimated they will be paid or accrued at year-end.

2. Severance indemnity payment

The Company records a liability for severance indemnity payment at all events for defined benefit plans, arising from the collective bargaining agreement entered into in 2018 with the workers' union. This obligation is calculated by means of the actuarial value of the accrued cost of the benefit, a method that considers several factors for the calculation, such as estimates of future permanence, mortality rates, future wage increases and discount rates. This value calculated as such is stated at present value using the accrued benefit cost method for years of employment. Discount rates are calculated using market interest rate curves. Gains and losses are recognised directly in profit or loss for the year.

In accordance with the amendment to IAS 19, actuarial gains or losses are recorded directly in other comprehensive income in equity.

For further details about the application of this policy, see Note 23 to the consolidated financial statements.

s) Dividends

The distribution of dividends to shareholders is recognised as a liability at the end of each financial year in the consolidated financial statements. The dividend policy is to distribute at least 30% of the profits as a minimum dividend as set forth in the company's articles of association and article 79 of Law N°18.046, with the ordinary shareholders' meeting agreeing on the final dividend being distributed each year.

t) Revenue recognition

The Company's revenue is recognised in accordance with IFRS 15 "Revenue from Contracts with Customers," which defines a single revenue recognition model that applies to contracts with customers, and there are two approaches for revenue recognition: at a point in time or over time.

The Company uses a five-step analysis to determine revenue recognition: (i) Identify the contract with the customer. (ii) Identify contract performance obligations. (iii) Determine the transaction price. (iv) Allocate the transaction price to the performance obligations, and (v) Recognise revenue when (or to the extent that) the entity fulfils the performance obligation.

Under IFRS 15, revenue is recognised when or as the performance obligation committed with the customer is fulfilled.

t.1) Interest income and adjustments

Interest income and adjustments are recognised in the statement of income using the effective interest method. The effective interest rate is the discount rate that exactly matches the estimated cash flows receivable or payable over the expected life of the financial instrument (or, when appropriate, in a shorter period) with the net carrying amount of the financial assets or liabilities. To calculate the effective interest rate, the company determines the cash flows bearing in mind all the contractual conditions of the financial instrument without considering future credit losses.

The calculation of the effective interest rate includes all the fees and other items paid or received that are part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issuance of a financial asset or liability.

For corporate loan transactions, revenue comprises interest at the effective rate, which is recognised on an accrual basis in accordance with the development table of each operation, the adjustments and fees that are recognised at the time they are accrued.

For auto financing, the effective interest rate method is used and revenue corresponds to the interest accrued by such transactions according to the development table of each operation. This income is recognised in profit or loss on an accrual basis.

In the case of leasing operations, income comprises adjustments and the effective interest rate on leasing operations, which is recognised on an accrual basis over the term of each contract.

t.2) Fee revenue

Fee revenue is recognised in the consolidated statement of income using the principles established in IFRS 15 "Revenue from Contracts with Customers." Under IFRS 15, revenue is recognised considering the terms of the contract with customers. Revenue is recognised when or as the performance obligation is fulfilled by transferring the goods or services promised to the customer.

Under IFRS 15, revenue is recognised using different principles based on their nature.

The fees recorded by the Company are mainly:

Factoring operations are valued at amounts disbursed by the company in exchange for invoices or other credit instruments that the assignor transfers to the company. Revenue is recognised on an accrual basis. It comprises price differences between the amounts paid and the actual amount of borrowings which are amortised on a straight-line basis for the period from the document transfer date by the assignor to the maturity date, for price differences for a longer maturity term, for adjustments and collection fees.

Subsidiaries

In the case of the subsidiaries Tanner Leasing S.A. and Tanner Leasing Vendor Ltda., revenue comprises adjustments and the effective interest rate for leasing operations, and this revenue is recognised on an accrual basis over the term of each contract.

For the subsidiary Tanner Corredora de Seguros Ltda., operating revenue comprises brokerage and portfolio management fees, which are collected directly from insurance companies. Fees are recognised on an accrual basis, except for brokerage fees, a part of which is deferred on a straight-line basis over the term of policies according to an own model approved by the Financial Market Commission (CMF, according to the Spanish acronym).

At the subsidiary Tanner Asset Management Administradora General de Fondos S.A., operating revenue is made up of administration fees, which are collected from the investment funds managed by it.

Fees are recognised on an accrual basis.

At the indirect subsidiary Tanner Corredores de Bolsa S.A., revenue is determined at the fair value of the consideration collected or collectible for the services provided in the ordinary course of its operations and is recorded when the amount of revenue can be valued reliably and it is likely that future economic benefits will flow to the broker.

The broker's management recognises brokerage and financial consultancy fees and other operating revenue as revenue in the financial year on an accrual basis.

For the Investments division and particularly revenue from the Treasury, revenue mainly comprises adjustments and exchange rate differences of products, along with revenue from investment instruments, mainly fixed-income, which are classified into three categories: i) Instruments at fair value through profit or loss, whose market value fluctuations of each instrument have a direct impact on profit or loss, ii) Instruments at fair value through equity, which are accrued at a purchase rate in profit or loss, along with conducting the valuation of the instruments, and their differences are reflected in equity, and (iii) Instruments at amortised cost, which are accrued at a purchase rate with a direct impact on profit or loss, and no market valuation of these is undertaken.

Revenue from collection expenses, interest and adjustments for delinquency is recognised on an accrual basis.

u) Cost recognition

The main costs for ordinary activities arise from the interest rates related to the presence of a series of diversified financing sources, like bonds - both domestic and international - that have a defined payment schedule, unsecured bank lines of credit, mainly short-term and that are renewed regularly, bank loans and commercial papers. These costs are recognised on an accrual bases at their effective rate.

v) Leases

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

1. The Company as a lessor

The amounts owed by lessees under finance leases are recognised as a receivable for the value of the net investment made by the Company in assets under lease arrangements. Revenue from finance leases is distributed in the accounting periods to reflect a constant periodic rate of return of the investment.

Revenue from operating leases is recognised by applying the straight-line method during the term of the lease. The initial direct costs incurred when negotiating and agreeing on an operating lease are added to the carrying amount of the leased asset and recognised by means of the straight-line depreciation method over the term of the lease.

Details of lease contracts are shown in Note 10 (e), and Note 29 (a) shows the revenue recognised for this.

II. The Company as a lessee

Leased assets, for which the material risks and benefits characteristic of the leased asset are transferred to the Company, are considered as finance leases, and the asset and related debt are recorded at the start of the lease term for the amount of the fair value of the leased asset or the current value of the minimum instalments agreed on if lower. At 31 December 2020, the company has operating lease contracts as a lessee.

The company states its right-of-use assets under property, plant and equipment since, if this corresponded to ownership of the underlying assets, they would be included within this item. The lease liability is stated as part of financial liabilities, as the lease liability has an amount, rate and term, thereby meeting the financial liability conditions. If the right-of-use assets meet the definition of investment property, the company shall apply the accounting treatment and disclosure requirements defined in IAS 40, and they would be stated in the investment property item.

The company recognises a right-of-use asset and a lease liability on the starting date of the lease. The right-of-use asset is initially measured at cost, and subsequently at cost less any accrued depreciation and impairment losses, and is adjusted for certain remeasurements of the lease liability. Depreciation is calculated based on the requirements of IAS 16 - Property, Plant and Equipment, and amortisation is recorded in the administrative expenses item of the statement of comprehensive income. Impairment losses are determined as per the requirements of IAS 36 - Impairment of Assets, adjusting the value determined against profit or loss for the year in the item Other expenses.

If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from its starting date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the starting date to the end of the useful life of the right-of-use asset or to the end of the lease term, whichever occurs first.

The lease liability is initially measured at the present value of the lease payments that are not paid on the starting date, and such payments shall be discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. In general, the company uses its 3% incremental borrowing rate as a discount rate.

The lease liability is subsequently increased by the interest expense on the lease liability and reduced by the lease payments made. It is remeasured when there is a variation of future lease payments that arise from a change in an index or rate, a change in the estimate of the amount expected to be paid under a residual value guarantee, or accordingly, changes in the evaluation of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised; and a lease liability can be modified by a change in the initial estimate of the contract terms.

Finance costs for interest are charged to the statement of income throughout the life of the contract. The depreciation of these assets is included in the total depreciation of the item property, plant and equipment.

The Company has decided not to recognise right-of-use assets and lease liabilities for those contracts whose term is 12 months or less, and for those contracts whose assets are of low value. The company classifies low-value assets as those whose rental fee is less than Ch\$1,000,000. The company recognises the lease payments associated with these operations as an expense on a straight-line basis over the term of the contract.

If incentives are received for operating leases, such incentives will be recognised as liabilities. The aggregate benefit of incentives is recognised as a reduction of the lease expense on a straight-line basis, except when another systematic basis is more representative of the temporary pattern in which the economic benefits of the leased asset are used. A breakdown of future minimum payments and revenue is shown in Note 10 (e).

w) Environment

Environment-related disbursements, if they arise, are recognised in profit or loss as they are incurred.

x) Information by segments

Operating segments are defined as the components of a company in which the information of the financial statements is available and permanently assessed by the board of directors, which makes decisions about the allocation of resources and performance evaluation. The Company operates in five segments: Factoring, Corporate Loans, Auto Financing, Leasing, and Treasury and Investments, which are organised in three divisions: the Corporate Division, Auto Financing Division and Investments Division.

y) Cash and cash equivalents

Cash and cash equivalents are cash on hand and balances in bank current accounts. Moreover, this item includes those very short-term investments used in the normal management of cash surpluses that are highly liquid, easily convertible into certain amounts of cash and without the risk of loss of value.

z) Statement of cash flow

The cash flow statement shows changes in cash during the year, determined using the direct method. The following terms are used in this cash flow statement:

Cash flows: inflows and outflows of cash and cash equivalents, with these being construed as highly liquid investments with maturity of less than three months and a low risk of changes in value.

Operating activities: these activities are the company's main source of revenue, as well as other activities that cannot be classified as investing or financing.

Investing activities: these are the acquisition, transfer or disposal of long-term assets and other investments not included in cash and cash equivalents.

Financing activities: activities that lead to changes in the size and composition of net equity and financial liabilities.

aa) Sureties obtained from third parties

The company discloses in notes the sureties obtained from third parties, which are related to mortgages, pledges and insurance policies associated with the different segments. This information reflects the guarantees the company requires from its customers.

See Note 28 for details of the sureties held by the company.

bb) Fair value measurement

The Company classifies its financial instruments according to the following levels:

Level 1: there are observable prices in active markets for the same instrument or specific transaction to be measured.

Level 2: there are no market prices for the specific instrument, or the observable prices are sporadic. For instruments classified at this level the measurement is made based on inference from the use of observable factors, i.e., quoted prices for similar instruments in active markets.

Level 3: financial instruments whose fair value is determined using unobservable input data. An adjustment to the input that is significant for the complete measurement may give rise to a fair value measurement classified within Level 3 of the fair value hierarchy, if the adjustment uses significant unobservable inputs.

See the classification of the fair value levels of financial assets in Note 4.IV

NOTE 3.

Changes in accounting policies

To provide more accurate information for those who read the financial statements, the Company's management has decided to make changes to its accounting policies including modifying the presentation of the profit or loss of its subsidiary Tanner Corredores de Bolsa S.A. as well as the profit or loss arising from foreign exchange differences and adjustments.

For further details, see Note 37 b) – Restatement of comparative information.

In line with this, the company management has decided to use segment aggregation criteria, unifying the "Treasury" segments and part of the "Others" segment, specifically regarding financial intermediation, and the Investments segment. The other component of the "Others" segment regarding insurance brokerage will be added to the Auto Financing segment. This aggregation meets the criteria established in paragraph 12 of IFRS 8 concerning the basic principle of this standard and that such segments have similar economic characteristics.

Both changes are presented comparatively for the years of these financial statements.

NOTE 4.

Risk management

The company's risk management is underpinned by the expertise, business know-how and experience of its teams. For this, expert professionals measure and control each one of the various kinds of risk. The policy is to maintain a risk management vision based on measuring the risk-return relationship of all products. This vision includes the company and its subsidiaries.

a) Risk management structure

The company's risk management operates at different organisational levels, with a structure that recognises the importance and the various areas of risk there are. The current levels are:

I. Board of Directors

The board of directors is responsible for approving policies and establishing the structure for the right management of the various risks the organisation faces. Its members are on various committees and they are constantly informed of the developments of the different risk areas and their main indicators.

Risk management policies are established with the aim of identifying and analysing the risks faced by the company, setting the limits and controls, and monitoring compliance. Based on the information that has been gathered and its analysis, policies are reviewed regularly and limits are maintained or redefined.

II. Audit Committee

The Audit Committee comprises three directors, the CEO, the corporate counsel and the company's controller, and it reports directly to the parent company's board of directors and informs about the effectiveness and reliability of the internal control systems and procedures. It receives and analyses the results of audits and reviews performed by the internal and independent auditors. It examines and approves the quarterly and annual consolidated financial statements which include those audited by the independent auditor. It informs about abidance of institutional policies on adherence to laws, internal regulations and standards that the company must comply with. It approves and verifies compliance with the annual internal audit programme.

III. Asset and Liability Committee (ALCO)

This Committee is made up of all directors, besides the CEO, who are responsible for establishing and overseeing compliance with the financial risk policies on market and liquidity risk, in accordance with the guidelines established by the board of directors and the regulatory requirements of the Financial Market Commission (CMF, according to the Spanish acronym).

IV. Credit Committee

The company has a defined structure for credit decision-making, so that any proposal must be approved by a committee with sufficient powers. The top body is the Credit Committee, in which the company's directors participate, which reviews and approves the main exposure per customer.

V. Compliance Committee

The Compliance Committee defines and coordinates the policies and procedures on matters relating to the prevention of money laundering and financing of terrorism. It also acknowledges and analyses and then adopts the corresponding action on the cases reported by the compliance officer. The Committee is made up of the CEO, compliance officer, corporate counsel, controller, and two company directors.

The policies and procedures established for the prevention of money laundering and financing of terrorism are defined in the Company's prevention of money laundering and financing of terrorism manual and it fulfils two objectives:

1. To comply with the laws and regulations governing these matters, and
2. To provide employees at all levels of the organisation with policies, procedures and information to undertake commercial and operational management of mitigating the risk of funds from illegal activities being transformed into legal funds, using Tanner Servicios Financieros S.A. or any of its subsidiaries.

VI. Operational Risk and Information Security Committee

The Operational Risk and Information Security Committee comprises the divisional risk managers, the corporate counsel, the information security officer, the technology deputy manager, the chief financial officer and operation managers by division.

The Committee meets on monthly basis and its aim is to prioritise and facilitate the resources needed to mitigate the major operational risks, assure the implementation of the management model, establish tolerance and risk aversion limits, and ensure compliance with the programmes, policies and procedures related to information security, business continuity and operational risk. Moreover, it performs a high-level supervision of those risks that might affect the information resources, developing control approaches and mechanisms to ensure their confidentiality, integrity, availability, legality and reliability. It also seeks to promote the dissemination and support of information security through communications sent to the entire organisation and maintaining the current information security policy.

In the particular case of the subsidiary Tanner Corredores de Bolsa S.A., due to the degree of complexity of its products, there is a monthly meeting of the Comprehensive Risk Management Committee, which operates at this broker's premises.

The main risk events that have occurred in the year and the measures or action plans to mitigate their impact are reported in the Committee meetings, along with the results of prior commitments.

VII. New Product Committee

The New Product Committee comprises the CEO, the corporate counsel, chief financial officer, and technology deputy manager. The divisional risk manager and operations deputy manager also participate, accordingly, in keeping with the product to be assessed. They determine the feasibility of adding a new product and/or modifying current products (if they have major changes), which are presented by the division managements.

This Committee is informed of new products and assesses their commercial and financial feasibility, and the legal and regulatory aspects (accounting and tax). If such products are approved, they must comply with policies and procedures to mitigate the main operational risks. Such Committee convenes whenever it is necessary to assess any new product.

b) Main risks to which the company is exposed

I. Credit risk

This is the possibility or likelihood of economic and/or financial loss for the company as a risk inherent to its business, if a customer or counterparty to a financial instrument breaches its contractual obligations.

This risk is managed by business lines or products, through specific credit policies and based on prior analysis of expected customer income, the financial information available and customer payment history, along with other commercial data, if any. The expectations of the macroeconomic environment and those of the sector in which the customer (as a general case) and the debtor in the case of factoring operate are also considered.

Another important aspect that complements the credit risk assessment is the quality and number of guarantees required. One of the company's policies is to have guarantees that constitute a second payment source of its customer obligations for possible non-compliance.

The quantitative breakdown of these guarantees is shown in Note 28 "Third-party sureties."

In the case of factoring, most of the lines are the assignor's responsibility if the assigned debtor becomes insolvent. For each customer a framework contract is entered into by means of a public deed, which supports any subsequent operations. Operations without any liability are generally covered by credit insurance and/or specific guarantees.

Credits granted to companies, depending on the circumstances, require mortgages and/or pledging of shares. Nevertheless, there is the possibility of defining a guarantee for such credit, which is generally provided by one of the partners of the debtor company.

Leasing operations are guaranteed with the leased asset. Insurance policies are also taken out for these assets to cover the claim rate that makes them lose value.

Auto financing is guaranteed by the assets related to the financing, complemented by a credit analysis of the customer's profile. There are two types of guarantees in this case: real (vehicle pledges) and personal (sureties and joint and several guarantees). Moreover, most of the operations have debtor life insurance, which pays the outstanding balance of the debt if the debtor dies.

The company undertakes a credit quality monitoring process, which aims to provide an early indication of possible changes in the payment capacity of counterparties and recover overdue or delinquent loans. This enables the company to assess the potential loss from these risks and take remedial action.

Furthermore, the receivables of the Investments segment mainly correspond to the subsidiary Tanner Corredores de Bolsa S.A. and are classified on its individual statement of financial position as brokerage receivables. The provisions associated with these kinds of receivables are determined in accordance with an expected loss model as established by IFRS 9.

The level of provisions and the portfolio cost are basic measures to determine the credit quality of the portfolio.

i. Loan portfolio, provisions and risk ratio

The loan portfolios, provision amounts and risk ratios for the years ended 31 December 2020 and 2019 were as follows:

Item	31.12.2020			
	Gross Portfolio Ch\$'000	Provisions Ch\$'000	Net Portfolio Ch\$'000	Risk Ratio
Receivables from Factoring operations	316,661,808	(2,242,396)	314,419,412	0.71%
Loan operations	256,069,838	(5,747,641)	250,322,197	2.24%
Auto financing operations	480,440,764	(13,919,908)	466,520,856	2.90%
Lease contracts	72,129,351	(871,207)	71,258,144	1.21%
Treasury and investments	20,226,665	(25,685)	20,200,980	0.13%
Sundry receivables	2,288,044	-	2,288,044	0.00%
Total	1,147,816,470	(22,806,837)	1,125,009,633	1.99%

Item	31.12.2019			
	Gross Portfolio Ch\$'000	Provisions Ch\$'000	Net Portfolio Ch\$'000	Risk Ratio
Receivables from Factoring operations	410,997,477	(4,935,678)	406,061,799	1.20%
Loan operations	296,432,919	(3,530,727)	292,902,192	1.19%
Auto financing operations	477,344,681	(18,984,263)	458,360,418	3.98%
Lease contracts	83,682,115	(1,051,432)	82,630,683	1.26%
Treasury and investments	59,645,040	(10,078)	59,634,962	0.02%
Sundry receivables	2,613,969	-	2,613,969	0.00%
Total	1,330,716,201	(28,512,178)	1,302,204,023	2.14%

Credit risk at the indirect subsidiary Tanner Corredores de Bolsa S.A. (Investments receivables) entails a contract counterparty breaching its contractual obligations, causing a financial loss. To mitigate this risk there are collection procedures that control the credit terms and amounts of each customer. To reduce the credit risk effects, the broker applies a series of internal risk policies that vary according to the type of customer and product.

ii. Risk concentration by economic sector

The table below shows product portfolios broken down by economic sector and type of receivable for auto financing, including credit risk concentrations for the years ended 31 December 2020 and 2019:

FACTORING	31.12.2020	31.12.2019
Real estate, business and rental activities	17,00%	14,87%
Non-metal manufacturing industry	18,64%	11,60%
Wholesale and retail, auto spare parts/household goods	14,40%	16,41%
Education	8,99%	7,38%
Construction	12,87%	11,82%
Agriculture, livestock, hunting and forestry	8,57%	11,46%
Financial intermediation	4,77%	7,13%
Metal manufacturing industry	5,00%	7,03%
Transport, storage and communications	4,46%	5,32%
Fisheries	1,66%	0,49%
Others	2,38%	4,12%
Community, social and personal service activities	0,54%	1,53%
Mining and quarrying	0,29%	0,29%
Hotels and restaurants	0,26%	0,18%
Social and health services	0,13%	0,33%
Electricity, gas and water	0,04%	0,04%
Building and commonhold property management council	0,00%	0,00%
Total	100%	100%

LEASING	31.12.2020	31.12.2019
Real estate, business and rental activities	61,48%	36,83%
Metal manufacturing industry	10,99%	11,02%
Wholesale and retail, auto spare parts/household goods	7,84%	9,10%
Financial intermediation	4,21%	14,73%
Education	6,86%	6,29%
Transport, storage and communications	3,69%	10,10%
Non-metal manufacturing industry	1,61%	2,07%
Agriculture, livestock, hunting and forestry	1,31%	1,13%
Construction	0,87%	2,70%
Community, social and personal service activities	0,27%	1,38%
Social and health services	0,23%	0,64%
Hotels and restaurants	0,00%	3,60%
Mining and quarrying	0,00%	0,04%
Others	0,22%	0,00%
Electricity, gas and water	0,00%	0,37%
Fisheries	0,00%	0,00%
Building and commonhold property management council	0,00%	0,00%
Total	100%	100%

LOANS	31.12.2020	31.12.2019
Real estate, business and rental activities	24,92%	26,40%
Agriculture, livestock, hunting and forestry	14,12%	12,22%
Financial intermediation	23,88%	22,90%
Non-metal manufacturing industry	14,74%	20,52%
Wholesale and retail, auto spare parts/household goods	10,42%	6,19%
Construction	3,73%	4,41%
Mining and quarrying	2,77%	3,66%
Community, social and personal service activities	2,33%	1,55%
Transport, storage and communications	1,30%	0,45%
Metal manufacturing industry	1,01%	0,04%
Social and health services	0,41%	0,04%
Education	0,28%	0,00%
Fisheries	0,07%	1,25%
Hotels and restaurants	0,02%	0,00%
Electricity, gas and water	0,00%	0,37%
Others	0,00%	0,00%
Building and commonhold property management council	0,00%	0,00%
Total	100%	100%

AUTO FINANCING	31.12.2020	31.12.2019
Natural persons	90,63%	81,67%
Bodies corporate	9,37%	18,33%
Total	100%	100%

Risk concentration by geographical area

The product portfolios distributed by geographical area and showing the credit risk concentrations for the years ended 31 December 2020 and 2019 are shown below:

FACTORING	31.12.2020	31.12.2019
Metropolitan region of Santiago	65,13%	71,96%
Biobío region	10,30%	9,16%
Tarapacá region	5,34%	4,28%
Libertador Gral. Bernardo O'Higgins region	6,72%	2,23%
Antofagasta region	3,35%	2,95%
Los Lagos region	3,21%	2,79%
Maule region	1,08%	1,48%
Magallanes region and Chilean Antarctic territory	0,81%	0,64%
Valparaíso region	1,49%	1,61%
Coquimbo region	1,12%	1,13%
Los Ríos region	0,62%	0,62%
La Araucanía region	0,36%	0,54%
Atacama region	0,18%	0,35%
Arica and Parinacota region	0,29%	0,16%
Aysén del Gral. Carlos Ibáñez del Campo region	0,00%	0,10%
Nuble region	0,00%	0,00%
Total	100%	100%
LEASING	31.12.2020	31.12.2019
Metropolitan region of Santiago	95,90%	89,05%
Biobío region	2,48%	3,08%
Atacama region	0,84%	1,07%
Antofagasta region	0,18%	1,17%
Tarapacá region	0,13%	0,75%
Valparaíso region	0,10%	3,25%
Los Lagos region	0,02%	0,26%
Arica and Parinacota region	0,07%	0,11%
Coquimbo region	0,18%	0,15%
La Araucanía region	0,04%	0,11%
Magallanes region and Chilean Antarctic territory	0,00%	0,18%
Libertador Gral. Bernardo O'Higgins region	0,04%	0,19%
Los Ríos region	0,02%	0,48%
Aysén del Gral. Carlos Ibáñez del Campo region	0,00%	0,02%
Maule region	0,00%	0,13%
Nuble region	0,00%	0,00%
Total	100%	100%
LOANS	31.12.2020	31.12.2019
Metropolitan region of Santiago	82,45%	80,67%
Libertador Gral. Bernardo O'Higgins region	8,00%	7,55%
Biobío region	5,11%	6,34%
Maule region	0,47%	1,35%
Atacama region	0,82%	0,70%
Arica and Parinacota region	0,20%	0,53%
Coquimbo region	0,68%	0,29%
Valparaíso region	0,41%	0,67%
Antofagasta region	0,36%	0,53%
La Araucanía region	0,43%	0,41%
Los Lagos region	0,65%	0,35%
Los Ríos region	0,16%	0,28%
Tarapacá region	0,16%	0,27%
Magallanes region and Chilean Antarctic territory	0,12%	0,05%
Aysén del Gral. Carlos Ibáñez del Campo region	0,00%	0,01%
Nuble region	0,00%	0,00%
Total	100%	100%

AUTO FINANCING	31.12.2020	31.12.2019
Metropolitan region of Santiago	46,62%	48,50%
Valparaíso region	8,68%	8,64%
Biobío region	7,88%	8,21%
Los Lagos region	5,67%	5,50%
Antofagasta region	5,58%	5,98%
La Araucanía region	5,07%	4,56%
Coquimbo region	4,42%	4,89%
Libertador Gral. Bernardo O'Higgins region	4,40%	3,99%
Maule region	3,96%	3,11%
Los Ríos region	2,09%	1,57%
Atacama region	2,17%	1,92%
Magallanes region and Chilean Antarctic territory	0,83%	1,08%
Tarapacá region	0,90%	1,04%
Ñuble region	0,88%	0,00%
Aysén del Gral. Carlos Ibáñez del Campo region	0,45%	0,52%
Arica and Parinacota region	0,40%	0,49%
Total	100%	100%

iii. Credit quality by asset class

The Company determines the credit quality of its financial assets, and hence the level of provisions and the corresponding write-offs, using the "expected loss" criterion for its products, in which one of the main factors is the delinquency by customer. This default probability indicates the loss of each loan and therefore the value to be provisioned.

iv. Renegotiations

Delinquent loans that are renegotiated are those in which the corresponding financial commitments have been restructured and the company has assessed the likelihood of recovering these loans as sufficiently high. For all the cases of a renegotiation, there is always the express consent of the debtor. If the customer becomes insolvent, it can also opt to return the asset when applicable.

Provisions for renegotiated loans are calculated based on the "expected loss" model for each product, in which delinquency and the new loan condition are the main variables to be considered. The renegotiated condition is considered with an additional weighting in the risk factor calculation model.

Renegotiations are less usual for factoring operations because, unlike leasing and auto financing operations that in essence are loan operations, they provide liquidity based on the customer's receivables. If there are renegotiations, these are approved by the risk management, and the actual payment of a percentage of the debt is required and potentially the constitution of real guarantees.

For auto financing and leasing operations there is a policy of renegotiating cases of customers that have overdue instalments. All renegotiation requests must be approved by the risk area and at least meet the following conditions: (a) the customer must have paid at least 25% of the instalments, (b) it must pay an amount depending on the loan progress in the operation, and (c) it must accredit a source of income. Auto financing can only be renegotiated once.

To estimate impairment and calculate provisions for these types of loans, each risk profile of the renegotiated segment includes the probability of default for the entire life of the loan, and these are significantly higher compared to the other segments associated with each product. The Company, adopting a conservative policy for the estimate of provisions, has decided not to include a loan cure process. In other words, the loan will remain in the renegotiated segment despite an improvement in the impairment estimate.

This means that loans associated with the renegotiated segment will not be remeasured in any other segment, the asset will be maintained as per the current probability of default associated with each profile in accordance with each stage of the renegotiated model.

The table below shows the carrying amount of loans by business lines and the percentage of the total portfolio, whose terms have been renegotiated:

Item	31.12.2020				
	Total portfolio Ch\$'000	Renegotiated Ch\$'000	Allowance Ch\$'000	Renegotiated by product %	Renegotiated by total portfolio %
Factoring operations	316,661,808	1,009,442	(2,242,396)	0.32%	0.09%
Loan operations	256,069,838	12,382,151	(5,747,641)	4.84%	1.08%
Auto financing operations	480,440,764	15,881,313	(13,919,908)	3.31%	1.38%
Leasing operations (*)	72,129,351	9,244,054	(871,207)	12.82%	0.81%
Treasury and investments	20,226,665	830,650	(25,685)	4.11%	0.07%
Sundry receivables	2,288,044	-	-	-	-
Total assets/renegotiated	1,147,816,470	39,347,611	(22,806,837)		3.43%

(*) These are mostly mortgage-secured operations.

Item	31.12.2019				
	Total portfolio Ch\$'000	Renegotiated Ch\$'000	Allowance Ch\$'000	Renegotiated by product %	Renegotiated by total portfolio %
Factoring operations	410,997,477	2,065,499	(4,935,678)	0.50%	0.16%
Loan operations	296,432,919	9,183,346	(3,530,727)	3.10%	0.69%
Auto financing operations	477,344,681	12,774,134	(18,984,263)	2.68%	0.96%
Leasing operations (*)	83,682,115	6,134,445	(1,051,432)	7.33%	0.46%
Investments	59,645,040	-	(10,078)	0.00%	0.00%
Sundry receivables	2,613,969	-	-	-	-
Total assets/renegotiated	1,330,716,201	30,157,424	(28,512,178)		2.27%

(*) These are mostly mortgage-secured operations.

II. Financial risks

i. Liquidity risk

This is defined as the company being unable to meet its payment obligations, without incurring large losses or being prevented from continuing its normal loan operations with its customers. It arises from a cash flow mismatch, which occurs when cash flows from paying liabilities are higher than cash flows received from investments or loans. When customers do not meet their loan commitments on the dates they fall due, this could also generate a liquidity risk.

The main financing sources of Tanner Servicios Financieros S.A. are bonds (domestic and foreign) with a defined repayment schedule, unsecured bank credit facilities, which are mainly short-term and renewed regularly, and commercial papers.

The Company has a daily cash flow management system that simulates all the maturities of assets and liabilities to anticipate cash needs. The Assets and Liabilities Committee (ALCO) reviews the forecasts and defines action plans based on company projections and market conditions.

The Company manages liquidity risk at a consolidated level, and the main liquidity source is cash flows from operating activities (collection). The company has consolidated available cash amounting to Ch\$120,080 million for the year ended 31 December 2020 (Ch\$53,660 million for the year ended 31 December 2019).

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 has permanently complied with such indicators, in accordance with the requirements of the Financial Market Commission (CMF, according to the Spanish acronym).

For the years ended 31 December 2020 and 2019, the structure of maturities by term was as follows:

a. Maturities at carrying amount

Temporary tier	31.12.2020		31.12.2019	
	Ch\$ million	Principal %	Ch\$ million	Principal %
Tier 1: 1 to 7 days	261,041	82.15%	99,591	32.43%
Tier 2: 8 to 15 days	(6,309)	(1.99%)	1,989	0.65%
Tier 3: 16 to 30 days	22,738	7.16%	24,503	7.98%
Tier 4: 31 to 90 days	90,032	28.33%	209,711	68.30%
Tier 5: 91 to 365 days	49,328	15.52%	(12,381)	(4.03%)
Total	416,830		323,413	

Determination of the tier at 31.12.2020	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million
Assets	298,628	35,945	63,508	214,338	320,801
Funds available	120,080	-	-	-	-
Loans	109,115	35,851	61,129	213,324	313,786
Other current financial assets	69,433	94	2,379	1,014	7,015

Determination of the tier at 31.12.2020	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million
Liabilities	37,587	42,254	40,770	124,306	271,473
Obligations with banks and financial institutions	-	2,304	18,432	14,493	98,249
Obligations with the public (commercial papers)	16,090	16,997	17,608	96,971	22,875
Obligations with the public (bonds payable)	-	-	-	1,327	149,520
Other financial liabilities	21,497	22,953	4,730	11,515	829

Tiers	261,041	(6,309)	22,738	90,032	49,328
% of principal	82.15%	(1.99%)	7.16%	28.33%	15.52%

Determination of the tier at 31.12.2019	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million
Assets	193,996	54,848	83,763	376,794	334,054
Funds available	53,660	-	-	-	-
Loans	53,911	52,483	80,759	374,848	332,978
Other current financial assets	86,425	2,365	3,004	1,946	1,076

Determination of the tier at 31.12.2019	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million
Liabilities	94,405	52,859	59,260	167,083	346,435
Obligations with banks and financial institutions	26,437	29,240	21,580	100,965	143,992
Obligations with the public (commercial papers)	9,996	17,435	34,679	61,758	43,648
Obligations with the public (bonds payable)	574	-	-	1,514	158,040
Other financial liabilities	57,398	6,184	3,001	2,846	755

Tiers	99,591	1,989	24,503	209,711	(12,381)
% of principal	32.43%	0.65%	7.98%	68.30%	(4.03%)

b. Maturities at undiscounted amount

Temporary tier	31.12.2020		31.12.2019	
	Ch\$ million	Principal %	Ch\$ million	Principal %
Tier 1: 1 to 7 days	260,629	82.03%	99,471	32.49%
Tier 2: 8 to 15 days	(7,263)	(2.29%)	1,963	0.64%
Tier 3: 16 to 30 days	22,302	7.02%	24,375	7.96%
Tier 4: 31 to 90 days	86,018	27.07%	207,431	67.77%
Tier 5: 91 to 365 days	39,256	12.35%	(27,135)	(8.86%)
Total	400,942		306,105	

Determination of the tier at 31.12.2020	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million
Assets	298,628	35,945	63,508	214,338	320,801
Funds available	120,080	-	-	-	-
Loans	109,115	35,851	61,129	213,324	313,786
Other current financial assets	69,433	94	2,379	1,014	7,015

Determination of the tier at 31.12.2020	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million
Liabilities	37,999	43,208	41,206	128,320	281,545
Obligations with banks and financial institutions	-	2,504	18,300	15,687	102,607
Obligations with the public (commercial papers)	16,503	17,746	18,158	98,174	23,000
Obligations with the public (bonds payable)	-	-	-	2,909	154,959
Other financial liabilities	21,496	22,957	4,748	11,550	979

Tiers	260.629	(7.263)	22.302	86.018	39.256
% of principal	82.03%	(2.29%)	7.02%	27.07%	12.35%

Determination of the tier at 31.12.2019	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million
Assets	193,996	54,848	83,763	376,794	334,054
Funds available	53,660	-	-	-	-
Loans	53,911	52,483	80,759	374,848	332,978
Other current financial assets	86,425	2,365	3,004	1,946	1,076

Determination of the tier at 31.12.2019	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million	Ch\$ million
Liabilities	94,525	52,885	59,388	169,363	361,189
Obligations with banks and financial institutions	26,443	29,251	21,647	100,965	146,356
Obligations with the public (commercial papers)	10,000	17,450	34,740	62,000	48,500
Obligations with the public (bonds payable)	684	-	-	3,553	165,337
Other financial liabilities	57,398	6,184	3,001	2,845	996

Tiers	99,471	1,963	24,375	207,431	(27,135)
% of principal	32.49%	0.64%	7.96%	67.77%	(8.86%)

ii. Market risk

Market risk is construed to be exposure to financial losses caused by adverse changes in market factors, like the price, interest rates, exchange rates, indexing, among others, that affect the value of any operation stated on the statement of financial position.

iii. Price risk

Price risk is the exposure to financial losses caused by adverse changes in the valuation of financial instruments held by the company.

At 31 December 2020, the company had investments in international corporate bonds amounting to ThUS\$29,928 (ThUS\$31,048 at 31 December 2019). The average term of the portfolio is 1.97 years (2.53 years at 31 December 2019), the sensitivity measured by the dollar value of one basis point (DV01) is US\$5,486 (US\$7,464 at 31 December 2019) and the parametric Value at Risk (VaR2) of the portfolio at 1 day is US\$132,053 (US\$67,109 at 31 December 2019), with a confidence level of 99%.

iv. Interest rate risk

This is defined as the risk exposure due to financial operations whose valuation is affected by changes in the intertemporal structure of interest rates, among other factors.

The tables below show how the percentage value of the bond portfolio varies due to changes in interest rates.

For interest rate cuts:

Interest rate delta (basis points)	-25	-50	-75	-100	-125	-150	-175	-200
Net portfolio change	0.46%	0.92%	1.37%	1.83%	2.29%	2.75%	3.21%	3.67%

For interest rate increases:

Interest rate delta (basis points)	25	50	75	100	125	150	175	200
Net portfolio change	-0.46%	-0.92%	-1.37%	-1.83%	-2.29%	-2.75%	-3.21%	-3.67%

1 DV01 is the market value x modified duration x 1 basis point.

2 VaR is the maximum expected loss considering a 1-year history timeline and confidence level of 99%.

The Company has a portfolio of derivative trading and hedging instruments used to mitigate interest rate and exchange rate risks of financial liabilities. Since the portfolio of trading derivatives has a very short-term maturity structure, it has an interest rate risk with a low impact on the statement of income. On the other hand, hedging derivatives cover most of the liabilities structured in foreign currency and with variable rates (LIBOR), maintaining quite a limited risk exposure with a low impact on the statement of income of these kinds of operations.

The portfolio of trading and hedging derivatives at 31 December 2020 was as follows:

Exposure	31.12.2020							
	Trading Derivatives				Hedging Derivatives			
	UF Ch\$'000	Ch\$ Ch\$'000	US\$ Ch\$'000	CHF Ch\$'000	UF Ch\$'000	Ch\$ Ch\$'000	US\$ Ch\$'000	CHF Ch\$'000
Less than 1 year	-	(233,143,690)	216,267,419	(78,840)	49,228,251	(99,300,224)	(53,016,410)	103,457,018
1 to 3 years	-	-	-	-	124,793,092	(135,335,977)	(135,557,724)	164,665,974
Over 3 years	-	-	-	-	62,143,898	(54,821,710)	179,131	-
Total	-	(233,143,690)	216,267,419	-78,840	236,165,241	(289,457,911)	(188,395,003)	268,122,992

Note: the table shows the exposure at the present value of the portfolio of trading and hedging derivatives, according to the currencies adopted and terms. The amounts have been translated to Ch\$'000 and are absolute values.

Sens. +1bp	31.12.2020							
	Trading Derivatives				Hedging Derivatives			
	UF Ch\$'000	Ch\$ Ch\$'000	US\$ Ch\$'000	CHF Ch\$'000	UF Ch\$'000	Ch\$ Ch\$'000	US\$ Ch\$'000	CHF Ch\$'000
Less than 1 year	-	1,665	(1,647)	-	(2,488)	4,666	(2,069)	(9,602)
1 to 3 years	-	-	-	-	(24,802)	25,849	3,198	(30,628)
Over 3 years	-	-	-	-	(21,851)	18,727	(30,713)	-
Total	-	1,665	(1,647)	-	(49,141)	49,242	(29,584)	(40,230)

Note: the table shows the potential loss or gain, expressed in Ch\$'000, to which the portfolios of trading and hedging instruments are exposed, if valuation rates rise by 1 basis point, according to the currencies adopted and terms on the reference date.

The portfolio of trading and hedging derivatives at 31 December 2019 was as follows:

Exposure	31.12.2019							
	Trading Derivatives				Hedging Derivatives			
	UF Ch\$'000	Ch\$ Ch\$'000	US\$ Ch\$'000	CHF Ch\$'000	UF Ch\$'000	Ch\$ Ch\$'000	US\$ Ch\$'000	CHF Ch\$'000
Less than 1 year	-	(25,514,397)	25,048,325	-	90,268,540	(254,437,448)	97,329,586	79,666,912
1 to 3 years	-	-	-	-	92,778,948	(122,948,561)	(62,269,437)	98,801,288
Over 3 years	-	-	-	-	118,850,178	(107,404,479)	(44,574)	-
Total	-	(25,514,397)	25,048,325	-	301,897,666	(484,790,488)	35,015,575	178,468,200

Note: the table shows the exposure at the present value of the portfolio of trading and hedging derivatives, according to the currencies adopted and terms. The amounts have been translated to Ch\$'000 and are absolute values.

Sens. +1bp	31.12.2019							
	Trading Derivatives				Hedging Derivatives			
	UF Ch\$'000	Ch\$ Ch\$'000	US\$ Ch\$'000	CHF Ch\$'000	UF Ch\$'000	Ch\$ Ch\$'000	US\$ Ch\$'000	CHF Ch\$'000
Less than 1 year	-	160	(159)	-	(5,968)	12,297	(3,165)	(6,924)
1 to 3 years	-	-	-	-	(17,551)	21,665	(5,084)	(19,109)
Over 3 years	-	-	-	-	(48,280)	42,262	17	-
Total	-	160	(159)	-	(71,799)	76,224	(8,232)	(26,033)

Note: the table shows the potential loss or gain, expressed in Ch\$'000, to which the portfolios of trading and hedging instruments are exposed, if valuation rates rise by 1 basis point, according to the currencies adopted and terms on the reference date.

v. Currency risk

This is defined as the exposure to potential losses caused by changes in the value of assets and liabilities subject to exchange rate revaluation. Due to the company's business activities and its diversified financing needs, it has a currency mismatch in US dollars, which is managed daily and is mainly mitigated by means of trading and hedging derivatives. It also has operations in Swiss francs, whose currency and interest rate risks are fully hedged.

At 31 December 2020, the company had risk exposure in US dollars of -ThUS\$964 corresponding to 0.22% of equity (ThUS\$1,627 corresponding to 0.39% of equity at 31 December 2019). The currency risk sensitivity analysis is calculated considering as the main variable the daily exposure of the mismatch in US dollars and the estimated change in the observed US dollar rate.

Mismatch in US\$ (US\$'000)	31.12.2020	31.12.2019
Assets	321,763	331,187
Liabilities	(382,785)	(381,989)
Derivatives	60,058	52,429
Mismatch	(964)	1,627

vi. Indexation risk

This is the exposure of assets and liabilities in Unidades de Fomento (UF) that could cause losses arising from changes in the value of the UF. Due to the company's business activities and its financing needs, it has assets and liabilities in UF whose mismatch is managed daily and mitigated by means of hedging derivatives.

At 31 December 2020, the mismatch in UF was ThUF4,861, equivalent to 44.47% of equity (ThUF2,814, equivalent to 25.94% of equity at 31 December 2019). Just as for currency risk, the indexation risk sensitivity analysis is calculated considering as the main variable the daily mismatch in UF and the estimated future changes in the value of the UF.

Mismatch in UF (UF'000)	31.12.2020	31.12.2019
Assets	7,109	6,803
Liabilities	(9,363)	(13,564)
Derivatives	7,115	9,575
Mismatch	4,861	2,814

At 31 December 2020 and 2019, the currency mismatch structure of the statement of financial position was as follows:

Temporary tier (*)	31.12.2020		31.12.2019	
	Ch\$ million	% of equity	Ch\$ million	% of equity
GAP in UF	141,314	44.47%	79,658	25.94%
GAP in US\$	(685)	-0.22%	1,218	0.39%
GAP in EUR	47	0.01%	22	0.01%
GAP in CHF	0	0.00%	-	0.00%
GAP in others (**)	1	0.00%	1	0.00%

(*) Indexation risk expressed in Ch\$ million, considering the UF and US\$ values At 31 December 2020 and 2019, according to Note 2 g).

(**) Considers the position in Canadian dollar, yen and pound sterling of the subsidiary Tanner Corredores de Bolsa S.A.

III. Financial instruments by category

The company has investments in financial instruments as follows:

2020

Breakdown	31.12.2020			
	Fair value through profit or loss Ch\$'000	At amortised cost Ch\$'000	Fair value through other comprehensive income Ch\$'000	Total Ch\$'000
Financial assets				
Cash and cash equivalents	-	120,079,967	-	120,079,967
Other current financial assets	71,903,627	-	8,030,723	79,934,350
Trade and other receivables, current	-	733,204,840	-	733,204,840
Receivables due from related parties, current	-	4,902,407	-	4,902,407
Other non-current financial assets	3,344,589	8,792	51,679,875	55,033,256
Trade and other receivables, non-current	-	391,804,793	-	391,804,793
Receivables due from related parties, non-current	-	33,719	-	33,719
Total financial assets	75,248,216	1,250,034,518	59,710,598	1,384,993,332
Financial liabilities				
Other current financial liabilities	20,824,331	495,564,627	-	516,388,958
Trade and other payables, current	-	116,448,669	-	116,448,669
Other non-current financial liabilities	-	503,794,641	6,400,794	510,195,435
Total financial liabilities	20,824,331	1,115,807,937	6,400,794	1,143,033,062

2019

Breakdown	31.12.2019			
	Fair value through profit or loss Ch\$'000	At amortised cost Ch\$'000	Fair value through other comprehensive income Ch\$'000	Total Ch\$'000
Financial assets				
Cash and cash equivalents	-	53,660,317	-	53,660,317
Other current financial assets	85,695,504	7,742,262	1,377,207	94,814,973
Trade and other receivables, current	-	894,978,607	-	894,978,607
Receivables due from related parties, current	-	381,052	-	381,052
Other non-current financial assets	3,072,476	8,791	59,374,366	62,455,633
Trade and other receivables, non-current	-	407,225,416	-	407,225,416
Receivables due from related parties, non-current	-	528,383	-	528,383
Total financial assets	88,767,980	1,364,524,828	60,751,573	1,514,044,381
Financial liabilities				
Other current financial liabilities	4,724,022	715,316,648	-	720,040,670
Trade and other payables, current	-	141,470,360	-	141,470,360
Other non-current financial liabilities	-	436,613,436	2,861,342	439,474,778
Total financial liabilities	4,724,022	1,293,400,444	2,861,342	1,300,985,808

IV. Fair value of financial assets

Financial instruments measured at fair value through profit or loss and other comprehensive income are valued using the mark-to-market calculation method. For each financial instrument, the Company obtains the corresponding market prices to be used in the valuation from Bloomberg and Risk America. For derivative financial assets, operations are valued by building interest rate curves by currency and term, with which the future cash flows of each instrument are discounted.

As indicated in Note 2 bb), the classification of the fair value levels for financial assets is shown below.

Breakdown	Level 1		Level 2	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Derivative contracts				
Forward rights	-	-	3,869,220	5,811,094
Swap contracts (net)	-	-	32,836,115	33,452,294
Investment instruments				
Debt instruments (Ch\$)	58,998,461	67,641,013	3,800,811	-
Debt instruments (US\$)	21,766,748	36,847,592	-	-
Private investment fund	3,344,589	3,072,476	-	-
Investment in shares	-	-	2,074,590	2,350,290
Instruments issued by the financial system	7,077,401	344,794	-	-
Other Government instruments	1,190,881	-	-	-
Total	92,378,080	107,905,875	42,580,736	41,613,678

V. Impairment of financial instruments measured at fair value through equity

The Company calculates the impairment of investments classified in this category with an expected loss model for each instrument.

The expected loss is based on three variables:

- Probability of an event of default of the instrument.
- Amount of the exposure to the event of default.
- Expected loss due to the event of default.

There are three stages to calculate the probability of an event of default:

Stage 1: instruments are classified in this stage when there is no evidence of impairment of the issuer regarding its position as of the date in which it was acquired.

Stage 2: instruments are classified in this stage when there is evidence of impairment of the issuer regarding its position when the instrument is acquired.

Stage 3: instruments are classified in this stage when there is evidence that the issuer has defaulted on the payments committed.

The definition of the stage where the instrument is classified affects the calculation of the probability of default, as follows:

- Stage 1: the probability of an event of default is calculated for a 1-year timeline, or for the term of the instrument if this is less than 1 year.
- Stage 2: the probability of an event of default is calculated for the term of the instrument.
- Stage 3: the probability of an event of default is defined as 1.

The breakdown of the reconciliation between the opening and closing balances of the allowance account for impairment, by each stage at 31 December 2020 and 2019, is shown in the following tables:

Breakdown	31.12.2020			
	Total	Stage 1	Stage 2	Stage 3
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance	209,824			
Changes				
Write-offs	-	-	-	-
Release	(1,771,381)	(1,155,461)	(615,920)	-
Accrual	2,379,253	1,041,837	651,704	685,712
Closing balance	817,696	(113,624)	35,784	685,712

Breakdown	31.12.2019			
	Total	Stage 1	Stage 2	Stage 3
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance	22,460			
Changes				
Write-offs	-	-	-	-
Release	(158,833)	(158,833)	-	-
Accrual	346,197	346,197	-	-
Closing balance	209,824	187,364	-	-

VI. Effects of the COVID-19 pandemic

After COVID-19 was declared a global pandemic by the World Health Organisation in March, this has resulted in a significant impact on the Chilean and global economies, because of the measures adopted to mitigate the spreading of the virus. Because of this, the Chilean Government and the rest of the economies worldwide have taken measures to reduce the economic and sanitary impacts of this pandemic, which are applicable to both companies and natural persons (both segments comprise the Company's customer base).

The Company has adopted measures to protect its employees and make sure its compliance with the obligations and continue operating, where there has been no decrease in productivity, compliance or our service quality.

The action taken includes the following:

- **Implementation of teleworking:** a significant portion of the Company's employees has adopted teleworking, for which the Company has undertaken initiatives to strengthen the technological infrastructure, amend employment contracts established by law for this case, and a number of activities driven by the Human Resources Management. the purpose of such measures, among others, is to maintain the "Company's culture" and improve communication channels. In addition, protection measures have been taken for all those employees who, according to the nature of their work, must work in person at the Company's offices, without putting their health at risk.
- **Liquidity control:** the Company has liquidity forecast models for different stress scenarios due to volatility of the financial market. Likewise, it has enhanced the communication with creditors, credit rating agencies, among other stakeholders, with the purpose of providing reliable and timely information required for decision-making purposes.
- **Increased control of loans and collection:** with the purpose of controlling the risk of the loan portfolio, the control and follow-up of current customers have been boosted to provide tailor-made solutions if their current and future payment capacity is affected by the present economic crisis. Moreover, there is permanent follow-up of the collection of portfolios and of the new loans that arise to properly manage cash flows.

Notwithstanding all the internal measures already put in place, the impact of the pandemic on the Company's future financial results still depends on the development, term and scale of the pandemic on the Chilean economy. It is also believed that the outcome will depend on the measures and actions taken by customers, employees, leaders, suppliers and different agents related to the Company, and also the economic and sanitary measures taken by the authorities.

NOTE 5.

Responsibility for the information and estimates

The information contained in these consolidated financial statements is the responsibility of the Company's board of directors, which informs that the Company has applied all the IFRS principles and criteria.

To draw up the financial statements, judgements and estimates made by management have occasionally been used to quantify some of the assets, liabilities, revenue, expenses and commitments stated therein.

These estimates basically concern losses due to risk or an estimate of doubtful accounts that are stated as indicated in Note 2f).

NOTE 6.

Financial reporting by operating segments

According to the operating segment definitions in IFRS 8, the only commercial line of business of Tanner Servicios Financieros S.A. is to provide financial services. The Company operates in the market within five business lines: Factoring, Loans, Auto Financing, Leasing, Treasury and Investments.

I. Business lines

- 1) **Factoring:** domestic and foreign factoring operations accounted for 27.6% of the loan portfolio at 31 December 2020 (30.9% of the loan portfolio at 31 December 2019). Foreign factoring is a subdivision of the factoring business line.
- 2) **Loans:** loans are mainly intended to finance businesses and accounted for 22.3% of the total loan portfolio at 31 December 2020 (22.3% at 31 December 2019).
- 3) **Auto Financing:** this is focused on financing vehicles for natural persons or bodies corporate, and on insurance brokerage. At 31 December 2020, it accounted for 41.9% of the loan portfolio (35.9% of the loan portfolio at 31 December 2019). Moreover, this segment includes the consignment inventory financing business (floor plan).
- 4) **Leasing:** this is mainly related to finance real estate leaseback operations, leasing of earthmoving, transport and industrial equipment, among others. At 31 December 2020, it accounted for 6.3% of the loan portfolio (6.3% of the loan portfolio at 31 December 2019).
- 5) **Treasury and Investments:** its main function entails managing the financial position. It also has a secondary function, which is to maintain an optimal financing position, complying with the Company's internal policies for its normal operation and at the lowest cost possible, and investing cash surpluses where the market offers the best returns, according to the fund application term. These segments also include the financial intermediation business through the subsidiary Tanner Corredores de Bolsa S.A., and investment fund management undertaken by the subsidiary Tanner Asset Management AGF S.A. At 31 December 2020, it accounted for 1.8% of the loan portfolio (4.5% of the loan portfolio at 31 December 2019).

a) Results by business lines

2020

Items	31.12.2020					
	Factoring	Loans	Auto Financing	Leasing	Treasury & Investments	Total
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Net income from interest and indexation	19,661,899	9,408,937	60,462,978	3,082,090	13,190,498	105,806,402
Net income (expense) from fees	2,213,191	3,658,466	(25,727,646)	1,416,116	-	(18,439,873)
Other operating income	5,265,190	173,611	8,143,718	(121,508)	3,779,245	17,240,256
Total gross profit (a)	27,140,280	13,241,014	42,879,050	4,376,698	16,969,743	104,606,785
Impairment losses	(1,920,916)	(4,745,543)	(13,383,617)	(3,285,996)	(778,771)	(24,114,843)
Administrative expenses	(14,065,438)	(5,446,540)	(20,285,874)	(2,137,204)	(491,386)	(42,426,442)
Depreciation and amortisation	(1,218,477)	(471,829)	(1,757,350)	(185,144)	(42,569)	(3,675,369)
Other net operating income (expense)	(428,750)	(209,176)	(677,384)	(69,141)	(268,081)	(1,652,532)
Exchange rate differences	-	-	-	-	137,618	137,618
Profit before tax	9,506,699	2,367,926	6,774,825	(1,300,787)	15,526,554	32,875,217
Income tax	(1,551,215)	(386,376)	(1,105,454)	212,251	(2,533,483)	(5,364,277)
Income after tax	7,955,484	1,981,550	5,669,371	(1,088,536)	12,993,071	27,510,940
Assets (net of provision)	320,315,839	263,019,712	479,414,437	82,966,545	282,216,800	1,427,933,333
Current and deferred tax	11,759,168	1,645,645	10,699,238	13,401,510	357,440	37,863,001
Total assets	332,075,007	264,665,357	490,113,675	96,368,055	282,574,240	1,465,796,334
Liabilities	(256,801,154)	(210,866,143)	(384,352,460)	(66,515,301)	(226,256,685)	(1,144,791,743)
Current and deferred tax	(1,012,930)	(141,755)	(921,628)	(1,154,401)	(30,790)	(3,261,504)
Total liabilities	(257,814,084)	(211,007,898)	(385,274,088)	(67,669,702)	(226,287,475)	(1,148,053,247)

a) The breakdown of the total gross profit is in note 29 a) Current revenue and 29 b) Cost of sales for each operative segment.

2019

Items	31.12.2019					
	Factoring	Loans	Auto Financing	Leasing	Treasury & Investments	Total
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Net income from interest and indexation	24,173,255	9,264,839	59,380,184	3,548,200	4,829,519	101,195,997
Net income (expense) from fees	2,588,373	8,338,674	(24,481,408)	346,456	1,283,178	(11,924,727)
Other operating income	9,737,601	173,901	5,672,881	(467,942)	6,585,648	21,702,089
Total gross profit (a)	36,499,229	17,777,414	40,571,657	3,426,714	12,698,345	110,973,359
Impairment losses	(6,718,925)	(2,725,446)	(19,249,675)	21,035	(110,244)	(28,783,255)
Administrative expenses	(15,425,791)	(6,405,712)	(17,498,017)	(2,757,314)	(584,248)	(42,671,082)
Depreciation and amortisation	(1,217,770)	(526,451)	(1,438,067)	(226,609)	(48,016)	(3,456,913)
Other net operating income (expense)	788,288	383,946	876,242	74,008	274,251	2,396,735
Exchange rate differences	(1,131)	-	-	-	586,601	585,470
Profit before tax	13,923,900	8,503,751	3,262,140	537,834	12,816,690	39,044,314
Income tax	(2,299,098)	(1,404,130)	(538,641)	(88,807)	(2,116,277)	(6,446,952)
Income after tax	11,624,802	7,099,622	2,723,498	449,027	10,700,413	32,597,362
Assets (net of provision)	412,950,892	302,227,817	475,413,995	94,850,480	277,020,074	1,562,463,259
Current and deferred tax	14,971,051	2,095,134	13,621,613	17,061,980	455,071	48,204,849
Total assets	427,921,943	304,322,951	489,035,608	111,912,460	277,475,145	1,610,668,108
Liabilities	(344,214,392)	(251,921,394)	(396,280,386)	(79,062,428)	(230,909,530)	(1,302,388,130)
Current and deferred tax	(381,514)	(53,391)	(347,126)	(434,798)	(11,597)	(1,228,426)
Total liabilities	(344,595,906)	(251,974,785)	(396,627,512)	(79,497,226)	(230,921,127)	(1,303,616,556)

a) The breakdown of the total gross profit is in note 29 a) Current revenue and 29 b) Cost of sales for each operative segment.

Customers

The number of active customers was 83,181 for the year ended 31 December 2020 and 81,578 for the year ended 31 December 2019, including Factoring, Loans, Auto Financing, Leasing and Treasury and Investments.

At 31 December 2020, the Company had no major concentration of customers, and the percentage of operations of the five main customers did not exceed 8.9% of the total loan portfolio, and at 31 December 2019 it was 7.7%. Likewise, the revenue from these customers did not exceed 5.0% of the Company's total revenue (3.0% at 31 December 2019).

Suppliers

At 31 December 2020, Tanner Servicios Financieros S.A. had about 687 registered suppliers (462 at 31 December 2019). The main ones were business (automotive companies and general goods), general services, computer and communication services suppliers.

b) Operating margin

The operating margin by segment was as follows:

Operating margin by segment (a)	Accumulated	
	01.01.2020 to 31.12.2020 Ch\$'000	01.01.2019 to 31.12.2019 Ch\$'000
Operating margin for Factoring	27,140,280	36,499,229
Operating margin for Loans	13,241,014	17,777,414
Operating margin for Auto Financing	42,879,050	40,571,657
Operating margin for Leasing	4,376,698	3,426,714
Operating margin for the Treasury and Investments	16,969,743	12,698,345
Total	104,606,785	110,973,359

(a) The breakdown of each operating margin is in note 29 a) Current revenue and 29 b) Cost of sales for each operating segment.

c) Consolidated cash flow statement by segments

Cash flows by segments for the years ended 31 December 2020 and 2019 were as follows:

Cash flows by operating segments	For the years ended 31 December	
	2020	2019
	Ch\$'000	Ch\$'000
Cash flows from operating activities¹	173,151,089	(176,476,394)
Factoring segment	39,227,243	(46,886,208)
Loan segment	31,264,299	(33,343,814)
Auto Financing segment	57,895,981	(53,582,262)
Leasing segment	11,383,733	(12,261,935)
Treasury and Investments segment	33,379,833	(30,402,175)
Cash flows from investing activities²	122,655,511	251,938,218
Factoring segment	-	-
Loan segment	-	-
Auto Financing segment	-	-
Leasing segment	-	-
Treasury and Investments segment	122,655,511	251,938,218
Cash flows used in financing activities²	(228,441,394)	(47,441,773)
Factoring segment	-	-
Loan segment	-	-
Auto Financing segment	-	-
Leasing segment	-	-
Treasury and Investments segment	(228,441,394)	(47,441,773)

(1) Operating activities mainly consider cash flows arising from collection and the disbursements made by each one of the segments.

(2) Investing and financing activities consider the cash flows generated from the administration of cash flow management (financing and investing activities).

NOTE 7.

Cash and cash equivalents

This item comprises cash on hand, cash in banks and highly-liquid financial instruments.

(a) The breakdown of cash and cash equivalents for the years ended 31 December 2020 and 2019 was as follows:

Types of cash and cash equivalents	31.12.2020 Ch\$'000	31.12.2019 Ch\$'000
Balances in banks	40,713,014	50,701,632
Mutual funds	50,206,955	281,150
Term deposits	29,020,144	615,647
Cash on hand	139,854	58,710
Repos	-	2,003,178
Cash and cash equivalents	120,079,967	53,660,317

(b) The breakdown of cash and cash equivalents by currency for the years ended 31 December 2020 and 2019 was as follows:

Breakdown	Currency	31.12.2020 Ch\$'000	31.12.2019 Ch\$'000
Cash on hand	Ch\$	105,050	48,113
Cash on hand	US\$	5,388	8,414
Cash on hand	EUR	437	2,183
Cash on hand	CHF	28,979	-
Balances in banks	Ch\$	14,558,014	24,753,397
Balances in banks	US\$	25,638,050	25,235,372
Balances in banks	EUR	513,875	711,651
Balances in banks	YEN	376	47
Balances in banks	CHF	1,801	128
Balances in banks	GBP	813	928
Balances in banks	CAD	85	109
Term deposits	US\$	29,020,144	615,647
Mutual funds	Ch\$	50,206,955	281,150
Repos	Ch\$	-	2,003,178
Cash and cash equivalents		120,079,967	53,660,317

(c) The breakdown of term deposits shown in letter (b) for the years ended 31 December 2020 and 2019 was as follows:

Term deposits					Debtor company country	Currency	31.12.2020	31.12.2019
Creditor taxpayer ID No.	Creditor	Detail	Debtor taxpayer ID No.	Debtor company name			Up to 90 days Ch\$'000	Up to 90 days Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	Renewable	97.030.000-7	Banco Estado	Chile	US\$	7,689,328	473,938
96.667.560-8	Tanner Servicios Financieros S.A.	Renewable	97.036.000-K	Banco Santander	Chile	US\$	-	141,709
96.667.560-8	Tanner Servicios Financieros S.A.	Renewable	0-E	Bladex	Panama	US\$	21,330,816	-
				Total			29,020,144	615,647

(d) The breakdown of repurchase agreements shown in letter (b) for the years ended 31 December 2020 and 2019 was as follows:

Repurchase agreements					Debtor company country	Currency	31.12.2020	31.12.2019
Creditor taxpayer ID No.	Creditor	Detail	Debtor taxpayer ID No.	Debtor company name			Up to 90 days Ch\$'000	Up to 90 days Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	On maturity	96.899.230-9	Euroamerica Corredores de Bolsa S.A.	Chile	Ch\$	-	2,003,178
				Total			-	2,003,178

(e) The breakdown of mutual funds shown in letter (b) at 31 December 2020 and 2019 was as follows:

Investments in mutual funds					Debtor company country	Currency	31.12.2020	31.12.2019
Creditor taxpayer ID No.	Creditor	Type of fund	Debtor taxpayer ID No.	Debtor company name			Up to 90 days Ch\$'000	Up to 90 days Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	Renewable	96767630-6	BANCHILE AGF	Chile	Ch\$	10,029,764	-
96.667.560-8	Tanner Servicios Financieros S.A.	Renewable	96815680-2	AGF BBVA	Chile	Ch\$	20,063,482	-
96.667.560-8	Tanner Servicios Financieros S.A.	Renewable	96.966.250-7	BTG AGF	Chile	Ch\$	10,045,573	-
96.667.560-8	Tanner Servicios Financieros S.A.	Renewable	99.549.940-1	Credicorp AGF	Chile	Ch\$	10,068,136	-
76.620.928-9	Tanner Asset Management S.A.	Renewable	96.530.900-4	BCI AGF	Chile	Ch\$	-	281,150
				Total			50,206,955	281,150

NOTE 8.

Other current and non-current financial assets

a) Other current financial assets

This item comprises investments in corporate bonds and debt instruments that must be adjusted to their fair value and/or amortised cost, along with financial derivative contracts with positive fair values. It also includes investments in corporate bonds measured at fair value through other comprehensive income, which are initially recognised at cost, including the transaction costs, which are subsequently adjusted to their fair value charged or credited to the item "financial assets at fair value through equity" in "other comprehensive income" in equity. Moreover, after the implementation of IFRS 9, the expected loss impairment model is applied for instruments measured at fair value through other comprehensive income.

The breakdown of other current financial assets at 31 December 2020 and 2019 was as follows:

Breakdown	31.12.2020			
	Fair value through other comprehensive income Ch\$'000	At amortised cost Ch\$'000	Fair value through profit or loss Ch\$'000	Total Ch\$'000
Instruments issued by other national institutions				
Investment in debt instruments	9,425,369	-	58,371,479	67,796,848
Forward rights	-	-	3,869,220	3,869,220
Promissory notes of deposits in Chilean banks	-	-	7,077,401	7,077,401
Investment in shares	-	-	-	-
Instruments issued by the Government	-	-	-	-
Other instruments issued by the Government	-	-	1,190,881	1,190,881
Total	9,425,369	-	70,508,981	79,934,350

Breakdown	31.12.2019			
	Fair value through other comprehensive income Ch\$'000	At amortised cost Ch\$'000	Fair value through profit or loss Ch\$'000	Total Ch\$'000
Instruments issued by other national institutions				
Promissory notes of deposits in Chilean banks	-	-	344,794	344,794
Forward rights	-	-	5,811,094	5,811,094
Investment in debt instruments	1,377,207	7,742,262	79,539,616	88,659,085
Total	1,377,207	7,742,262	85,695,504	94,814,973

b) Other non-current financial assets

This item comprises investments in debt instruments, shares of local stock exchanges and derivative instruments, which are stated at fair value through equity or profit or loss, accordingly.

The breakdown of other non-current financial assets at 31 December 2020 and 2019 was as follows:

Other non-current financial assets	31.12.2020			
	Fair value through other comprehensive income Ch\$'000	At amortised cost Ch\$'000	Fair value through profit or loss Ch\$'000	Total Ch\$'000
Swap contracts ⁽¹⁾	32,836,115	-	-	32,836,115
Investment in debt instruments (US\$)	16,155,508	-	-	16,155,508
Private fund investment	-	-	3,344,589	3,344,589
Investment in shares ⁽²⁾	2,074,590	8,791	-	2,083,381
Investment in debt instruments (Ch\$)	613,663	-	-	613,663
Total	51,679,876	8,791	3,344,589	55,033,256

Other non-current financial assets	31.12.2019			
	Fair value through other comprehensive income Ch\$'000	At amortised cost Ch\$'000	Fair value through profit or loss Ch\$'000	Total Ch\$'000
Swap contracts ⁽¹⁾	33,452,294	-	-	33,452,294
Investment in debt instruments (US\$)	22,945,279	-	-	22,945,279
Private fund investment	-	-	3,072,476	3,072,476
Investment in shares ⁽²⁾	2,350,290	8,791	-	2,359,081
Investment in debt instruments (Ch\$)	626,503	-	-	626,503
Total	59,374,366	8,791	3,072,476	62,455,633

(1) Hedging of liability risks from issuing bonds in foreign currency.

(2) This is the Company's position in shares, with the main one million shares on the Santiago Stock Exchange, 100,000 shares on Chile's Electronic Exchange held by the subsidiary Tanner Corredores de Bolsa S.A.

NOTE 9.

Other current and non-current non-financial assets

(a) The breakdown of other current non-financial assets at 31 December 2020 and 2019 was as follows:

Other current non-financial assets	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000
Deferred assets ^(*)	2,999,929	1,700,188
Others	58,054	26,999
Total	3,057,983	1,727,187

(*) These are costs of debt issues, expenses of Human Resources, standard licences and others.

(b) The breakdown of other non-current non-financial assets at 31 December 2020 and 2019 was as follows:

Other non-current non-financial assets	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000
CCLV guarantees ¹	4,611,798	2,811,798
Derivative and international market guarantees ²	236,639	1,564,322
Others ³	332,971	262,068
Total	5,181,408	4,638,188

¹ Guarantees granted to CCLV for operations inherent to the business of the subsidiary Tanner Corredores de Bolsa S.A.

² Guarantees granted for derivative and international market operations of the subsidiary Tanner Corredores de Bolsa S.A.

³ These are mainly real estate lease guarantees, performance bonds, etc.

NOTE 10.

Trade and other receivables

These are factoring loans, loans, auto financing and leasing, which are initially recognised at fair value and subsequently at amortised cost, pursuant to the effective interest rate method. They are expressed in Chilean pesos, according to the indexed unit of the currency agreed on effective at the close of each accounting period, net of accrued interest. They include the costs of fees for dealers, which are part of the effective interest rate of the auto financing granted, less the estimate for impairment losses.

Receivables generated by brokerage transactions are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and arise from the direct cash financing of a third party.

Renegotiated trade receivables are accounted for in the original receivable accounts and the difference or check mark is shown in the application containing such accounts. Regarding the provision, there are no accounting amendments, and the amount of the provisions is stated in the normal portfolio provision accounts.

The breakdown of this item at 31 December 2020 and 2019 was as follows:

a) Trade and other receivables, current and non-current

The consolidated loan portfolio net of provisions of Tanner Servicios Financieros amounted to ThCh\$1,125,009,633 for the year ended 31 December 2020 and ThCh\$1,302,204,023 for the year ended 31 December 2019.

Trade and other receivables, net, current	31.12.2020 Ch\$'000	31.12.2019 Ch\$'000
Corporate Division		
Receivables from factoring operations	291,693,917	364,079,001
Loan operations	181,277,322	211,730,889
Lease contracts	22,740,421	23,251,328
Total Corporate Division	495,711,660	599,061,218
Auto Financing Division		
Auto financing operations	206,723,186	230,157,822
Insurance operations	8,280,970	3,510,636
Total Auto Financing Division	215,004,156	233,668,458
Treasury and Investments Division		
Receivables from intermediation operations	20,165,877	59,575,008
Receivables from fund management (AGF)	35,103	59,954
Total Treasury and Investments Division	20,200,980	59,634,962
Sundry receivables	2,288,044	2,613,969
Total	733,204,840	894,978,607

Trade and other receivables, non-current	31.12.2020 Ch\$'000	31.12.2019 Ch\$'000
Corporate Division		
Receivables from factoring operations	22,725,495	41,982,798
Loan operations	69,044,875	81,171,303
Lease contracts	48,517,723	59,379,355
Total Corporate Division	140,288,093	182,533,456
Auto Financing Division		
Auto financing operations	251,516,700	224,691,960
Insurance Operations	-	-
Total Auto Financing Division	251,516,700	224,691,960
Treasury and Investments Division		
Receivables from intermediation operations	-	-
Receivables from fund management (AGF)	-	-
Total Treasury and Investments Division	-	-
Sundry receivables	-	-
Total	391,804,793	407,225,416
Total net assets	1,125,009,633	1,302,204,023

Breakdown	31.12.2020					
	Current			Non-Current		
	Gross portfolio Ch\$'000	Provisions Ch\$'000	Total net portfolio Ch\$'000	Gross portfolio Ch\$'000	Provisions Ch\$'000	Total net portfolio Ch\$'000
Corporate Division	503,234,977	(7,523,317)	495,711,660	141,626,020	(1,337,927)	140,288,093
Receivables from factoring operations	293,833,048	(2,139,131)	291,693,917	22,828,760	(103,265)	22,725,495
Loan operations	186,206,984	(4,929,662)	181,277,322	69,862,854	(817,979)	69,044,875
Lease contracts	23,194,945	(454,524)	22,740,421	48,934,406	(416,683)	48,517,723
Auto Financing Division	221,447,640	(6,443,484)	215,004,156	258,993,124	(7,476,424)	251,516,700
Auto financing operations	213,166,670	(6,443,484)	206,723,186	258,993,124	(7,476,424)	251,516,700
Insurance operations	8,280,970	-	8,280,970	-	-	-
Treasury and Investments Division	20,226,665	(25,685)	20,200,980	-	-	-
Receivables from intermediation operations	20,191,562	(25,685)	20,165,877	-	-	-
Receivables from fund management (AGF)	35,103	-	35,103	-	-	-
Sundry receivables	2,288,044	-	2,288,044	-	-	-
Total trade and other receivables, current and non-current	747,197,326	(13,992,486)	733,204,840	400,619,144	(8,814,351)	391,804,793

Breakdown	31.12.2019					
	Current			Non-Current		
	Gross portfolio Ch\$'000	Provisions Ch\$'000	Total net portfolio Ch\$'000	Gross portfolio Ch\$'000	Provisions Ch\$'000	Total net portfolio Ch\$'000
Corporate Division	607,693,954	(8,632,736)	599,061,217	183,418,557	(885,101)	182,533,456
Receivables from factoring operations	368,850,979	(4,771,978)	364,079,001	42,146,498	(163,700)	41,982,798
Loan operations	214,962,841	(3,231,952)	211,730,889	81,470,078	(298,775)	81,171,303
Lease contracts	23,880,134	(628,806)	23,251,328	59,801,981	(422,626)	59,379,355
Auto Financing Division	242,711,724	(9,043,266)	233,668,458	234,632,957	(9,940,997)	224,691,960
Auto financing operations	239,201,088	(9,043,266)	230,157,822	234,632,957	(9,940,997)	224,691,960
Insurance operations	3,510,636	-	3,510,636	-	-	-
Treasury and Investments Division	59,645,040	(10,078)	59,634,962	-	-	-
Receivables from intermediation operations	59,585,086	(10,078)	59,575,008	-	-	-
Receivables from fund management (AGF)	59,954	-	59,954	-	-	-
Sundry receivables	2,613,969	-	2,613,969	-	-	-
Total trade and other receivables, current and non-current	912,664,687	(17,686,080)	894,978,607	418,051,514	(10,826,098)	407,225,416

The breakdown of sundry receivables for the years ended 31 December 2020 and 2019 was as follows:

Sundry receivables	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000
Other accounts receivable	2,148,903	1,870,071
Employee advances and loans	101,169	354,462
Supplier advances	32,011	282,323
Sundry receivables	5,961	107,113
Total	2,288,044	2,613,969

b) Delinquent instalments

Delinquent instalments are unpaid and past due principal and interest that are part of the instalment. The amount of the delinquent instalment for factoring operations is the unpaid balance of the debt.

Delinquent instalments	Tranche in days	Factoring	Loans	Auto Financing	Leasing	Treasury and Investments	Total
		31.12.2020	31.12.2020	31.12.2020	31.12.2020	31.12.2020	31.12.2020
		Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Delinquency	1-30 days	14,036,821	2,641,844	2,108,828	136,510	3,966,578	22,890,581
Delinquency	31-60 days	248,389	6,138,950	1,108,297	54,652	837,754	8,388,042
Delinquency	61-90 days	131,964	609,401	622,534	20,268	2,785	1,386,952
Delinquency	91-120 days	72,976	559,109	462,708	22,138	5,607	1,122,538
Delinquency	121-150 days	78,508	294,080	346,929	19,667	4,081	743,265
Delinquency	151-180 days	164,192	221,260	327,205	16,858	-	729,515
Delinquency	181-210 days	106,345	928,054	265,647	16,672	24	1,316,742
Delinquency	211-250 days	464,711	557,823	260,058	23,046	12	1,305,650
Delinquency	>250 days	1,586,824	3,900,791	512,783	283,815	40,338	6,324,551
Total		16,890,730	15,851,312	6,014,989	593,626	4,857,179	44,207,836

Delinquent instalments	Tranche in days	Factoring	Loans	Auto financing	Leasing	Treasury and Investments	Total
		31.12.2019	31.12.2019	31.12.2019	31.12.2019	31.12.2019	31.12.2019
		Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Delinquency	1-30 days	24,547,702	4,110,678	3,040,128	322,084	5,435,148	37,455,740
Delinquency	31-60 days	5,522,896	2,041,269	1,631,272	483,207	8,810	9,687,454
Delinquency	61-90 days	691,854	487,373	931,874	106,117	7,365	2,224,583
Delinquency	91-120 days	488,576	789,800	751,513	78,165	5,276	2,113,330
Delinquency	121-150 days	383,456	719,860	541,818	76,432	224	1,721,790
Delinquency	151-180 days	1,000,257	177,705	384,777	62,547	1,165	1,626,451
Delinquency	181-210 days	358,870	76,469	339,102	64,424	16	838,881
Delinquency	211-250 days	325,353	144,313	304,341	63,466	147	837,620
Delinquency	>250 days	3,407,620	1,545,205	408,672	292,008	909	5,654,414
Total		36,726,584	10,092,672	8,333,497	1,548,450	5,459,060	62,160,263

c) Portfolio stratification

The portfolio stratification for each type of loan for the years ended 31 December 2020 and 2019 is shown below. The values included in each delinquency tranche also include interest and the delinquent principal, plus the unpaid balance of the operations.

c.1) Factoring portfolio

31 December 2020				
Delinquency tranches	No. of customers in unrenegotiated portfolio	Gross unrenegotiated portfolio amount Ch\$'000	No. of customers in renegotiated portfolio	Gross renegotiated portfolio amount Ch\$'000
Up-to-date	1,479	298,761,634	39	1,009,442
1-30 days	401	14,036,821	-	-
31-60 days	85	248,389	-	-
61-90 days	33	131,964	-	-
91-120 days	22	72,976	-	-
121-150 days	38	78,508	-	-
151-180 days	32	164,192	-	-
181-210 days	51	106,345	-	-
211-250 days	79	464,711	-	-
>250 days	185	1,586,826	-	-
Total	2,405	315,652,366	39	1,009,442

Provisions, write-offs and write-off recovery 31 December 2020				
Unrenegotiated portfolio provision Ch\$'000	Renegotiated portfolio provision Ch\$'000	Total provision Ch\$'000	Write-offs in the year Ch\$'000	Recoveries in the year Ch\$'000
2,141,892	100,504	2,242,396	5,786,961	1,764,289

Rejected notes and judicial collection for the year ended 31 December 2020		
	N° of documents	Portfolio amount Ch\$'000
Notes receivable disputed	1,156	2,441,940
Notes receivable under judicial collection ^(*)	113	3,244,258

31 December 2019				
Delinquency tranches	No. of customers in unrenegotiated portfolio	Gross unrenegotiated portfolio amount Ch\$'000	No. of customers in renegotiated portfolio	Gross renegotiated portfolio amount Ch\$'000
Up-to-date	2,581	372,650,178	79	1,615,845
1-30 days	1,048	24,536,119	1	14,874
31-60 days	384	5,523,637	-	-
61-90 days	174	679,520	1	12,426
91-120 days	128	481,787	1	6,853
121-150 days	79	383,508	-	-
151-180 days	88	1,000,391	-	-
181-210 days	76	358,921	-	-
211-250 days	100	320,937	1	4,461
>250 days	227	2,996,979	19	411,041
Total	4,885	408,931,977	102	2,065,500

"Provisions, write-offs and write-off recovery 31 December 2019"				
Unrenegotiated portfolio provision Ch\$'000	Renegotiated portfolio provision Ch\$'000	Total provision Ch\$'000	Write-offs in the year Ch\$'000	Recoveries in the year Ch\$'000
3,619,072	1,316,605	4,935,678	6,827,041	774,569

Rejected notes and judicial collection for the year ended 31 December 2019		
	N° of documents	Portfolio amount Ch\$'000
Notes receivable disputed	1,022	3,009,541
Notes receivable under judicial collection ^(*)	187	7,693,813

(*) Only includes lawsuits of the current portfolio.

c.2) Loan portfolio

31 December 2020				
Delinquency tranches	No. of customers in unrenegotiated portfolio	Gross unrenegotiated portfolio amount Ch\$'000	No. of customers in renegotiated portfolio	Gross renegotiated portfolio amount Ch\$'000
Up-to-date	274	207,850,618	69	4,178,369
1-30 days	28	10,819,440	40	786,328
31-60 days	13	16,247,068	13	728,111
61-90 days	5	4,800,161	14	850,726
91-120 days	4	42,475	8	503,267
121-150 days	1	21,202	2	266,797
151-180 days	1	31,521	3	98,884
181-210 days	2	906,473	3	220,364
211-250 days	5	313,828	8	367,146
>250 days	52	2,654,901	50	4,382,159
Total	385	243,687,687	210	12,382,151

Provisions, write-offs and write-off recovery 31 December 2020				
Unrenegotiated portfolio provision Ch\$'000	Renegotiated portfolio provision Ch\$'000	Total provision Ch\$'000	Write-offs in the year Ch\$'000	Recoveries in the year Ch\$'000
1,956,723	3,790,919	5,747,641	2,528,629	-

Rejected notes and judicial collection for the year ended 31 December 2020		
	N° of customers	Portfolio amount Ch\$'000
Notes receivable disputed	-	-
Notes receivable under judicial collection ^(*)	148	19,773,479

31 December 2019				
Delinquency tranches	No. of customers in unrenegotiated portfolio	Gross unrenegotiated portfolio amount Ch\$'000	No. of customers in renegotiated portfolio	Gross renegotiated portfolio amount Ch\$'000
Up-to-date	398	275,430,747	46	3,786,255
1-30 days	138	5,565,224	31	1,882,255
31-60 days	33	2,623,187	13	251,037
61-90 days	10	137,101	12	503,546
91-120 days	17	867,600	6	163,188
121-150 days	10	1,328,589	6	265,865
151-180 days	6	820,221	7	443,766
181-210 days	4	41,902	8	130,860
211-250 days	10	74,909	5	134,634
>250 days	27	360,092	22	1,621,941
Total	653	287,249,572	156	9,183,347

Provisions, write-offs and write-off recovery 31 December 2019				
Unrenegotiated portfolio provision Ch\$'000	Renegotiated portfolio provision Ch\$'000	Total provision Ch\$'000	Write-offs in the year Ch\$'000	Recoveries in the year Ch\$'000
1,202,196	2,328,531	3,530,727	3,424,843	-

Provisions, write-offs and write-off recovery 31 December 2019		
	N° of customers	Portfolio amount Ch\$'000
Notes receivable disputed	-	-
Notes receivable under judicial collection ^(*)	135	7,414,432

(*) Only includes lawsuits of the current portfolio.

c.3) Auto Financing portfolio

31 December 2020				
Delinquency tranches	No. of customers in unrenegotiated portfolio	Gross unrenegotiated portfolio amount Ch\$'000	No. of customers in renegotiated portfolio	Gross renegotiated portfolio amount Ch\$'000
Up-to-date	65,402	413,129,341	1,524	6,661,485
1-30 days	5,756	28,137,886	726	3,767,734
31-60 days	1,885	8,553,583	350	2,681,372
61-90 days	758	3,176,948	166	943,990
91-120 days	480	2,046,556	80	390,138
121-150 days	296	1,251,863	46	235,909
151-180 days	216	981,690	46	215,224
181-210 days	209	1,101,066	28	118,862
211-250 days	263	1,202,849	35	155,609
>250 days	1,032	4,977,668	150	710,990
Total	76,297	464,559,450	3,151	15,881,313

Provisions, write-offs and write-off recovery 31 December 2020				
Unrenegotiated portfolio provision Ch\$'000	Renegotiated portfolio provision Ch\$'000	Total provision Ch\$'000	Write-offs in the year Ch\$'000	Recoveries in the year Ch\$'000
11,656,340	2,263,568	13,919,908	20,541,763	3,860,261

Rejected notes and judicial collection for the year ended 31 December 2020		
	N° of customers	Portfolio amount Ch\$'000
Notes receivable disputed	238	761,341
Notes receivable under judicial collection ^(*)	3,791	20,747,835

31 December 2019				
Delinquency tranches	No. of customers in unrenegotiated portfolio	Gross unrenegotiated portfolio amount Ch\$'000	No. of customers in renegotiated portfolio	Gross renegotiated portfolio amount Ch\$'000
Up-to-date	56,018	384,509,939	1,152	4,855,511
1-30 days	7,727	37,563,565	513	2,376,820
31-60 days	3,406	16,018,415	396	1,591,728
61-90 days	1,893	8,377,568	289	1,233,161
91-120 days	1,015	4,224,615	163	671,741
121-150 days	698	2,982,717	112	474,710
151-180 days	441	1,827,281	76	321,110
181-210 days	473	2,070,103	77	308,822
211-250 days	415	1,966,195	61	264,154
>250 days	1,073	5,030,149	156	676,377
Total	73,159	464,570,547	2,995	12,774,134

Provisions, write-offs and write-off recovery 31 December 2019				
Unrenegotiated portfolio provision Ch\$'000	Renegotiated portfolio provision Ch\$'000	Total provision Ch\$'000	Write-offs in the year Ch\$'000	Recoveries in the year Ch\$'000
16,591,854	2,392,409	18,984,263	17,433,794	2,930,319

Rejected notes and judicial collection for the year ended 31 December 2019		
	N° of customers	Portfolio amount Ch\$'000
Notes receivable disputed	1,332	4,395,944
Notes receivable under judicial collection ^(*)	4,335	25,084,168

(*) Only includes lawsuits of the current portfolio.

c.4) Leasing portfolio

31 December 2020				
Delinquency tranches	No. of customers in unrenegotiated portfolio	Gross unrenegotiated portfolio amount Ch\$'000	No. of customers in renegotiated portfolio	Gross renegotiated portfolio amount Ch\$'000
Up-to-date	118	61,325,647	30	7,764,903
1-30 days	30	955,415	8	567,337
31-60 days	10	305,308	6	160,788
61-90 days	2	44,535	3	220,845
91-120 days	-	-	2	82,578
121-150 days	1	62,303	-	-
151-180 days	-	-	-	-
181-210 days	-	-	1	46,824
211-250 days	-	-	-	-
>250 days	10	192,089	3	400,779
Total	171	62,885,297	53	9,244,054

Provisions, write-offs and write-off recovery 31 December 2020				
Unrenegotiated portfolio provision Ch\$'000	Renegotiated portfolio provision Ch\$'000	Total provision	Write-offs in the year	Recoveries in the year
130,782	740,425	871,207	1,961,042	584,543

Rejected notes and judicial collection for the year ended 31 December 2020		
	N° of customers	Portfolio amount Ch\$'000
Notes receivable disputed	-	-
Notes receivable under judicial collection ^(*)	15	706,726

31 December 2019				
Delinquency tranches	No. of customers in unrenegotiated portfolio	Gross unrenegotiated portfolio amount Ch\$'000	No. of customers in renegotiated portfolio	Gross renegotiated portfolio amount Ch\$'000
Up-to-date	191	69,648,463	6	4,620,238
1-30 days	62	4,278,547	7	254,427
31-60 days	22	934,201	2	28,983
61-90 days	9	393,695	-	-
91-120 days	6	618,279	-	-
121-150 days	8	386,688	1	19,906
151-180 days	4	39,274	-	-
181-210 days	3	116,390	1	51,284
211-250 days	2	17,985	1	30,546
>250 days	30	1,114,148	4	1,129,061
Total	337	77,547,670	22	6,134,445

Provisions, write-offs and write-off recovery 31 December 2019				
Unrenegotiated portfolio provision Ch\$'000	Renegotiated portfolio provision Ch\$'000	Total provision	Write-offs in the year	Recoveries in the year
529,732	521,700	1,051,432	798,137	203,412

Rejected notes and judicial collection for the year ended 31 December 2019		
	N° of customers	Portfolio amount Ch\$'000
Notes receivable disputed	-	-
Notes receivable under judicial collection ^(*)	135	7,414,432

(*) Only includes lawsuits of the current portfolio.

c.5) Treasury and Investments portfolio

31 December 2020				
Delinquency tranches	No. of customers in unrenegotiated portfolio	Gross unrenegotiated portfolio amount Ch\$'000	No. of customers in renegotiated portfolio	Gross renegotiated portfolio amount Ch\$'000
Up-to-date	65	15,369,486	-	-
1-30 days	48	3,966,579	2	830,650
31-60 days	6	7,104	-	-
61-90 days	4	2,785	-	-
91-120 days	8	5,607	-	-
121-150 days	6	4,081	-	-
151-180 days	-	-	-	-
181-210 days	1	24	-	-
211-250 days	1	12	-	-
>250 days	12	40,337	-	-
Total	151	19,396,015	2	830,650

Provisions, write-offs and write-off recovery 31 December 2020				
Unrenegotiated portfolio provision Ch\$'000	Renegotiated portfolio provision Ch\$'000	Total provision	Write-offs in the year	Recoveries in the year
25,685	0	25,685	948	0

Rejected notes and judicial collection for the year ended 31 December 2020		
	N° of customers	Portfolio amount Ch\$'000
Notes receivable disputed	-	-
Notes receivable under judicial collection ^(*)	-	-

31 December 2019				
Delinquency tranches	No. of customers in unrenegotiated portfolio	Gross unrenegotiated portfolio amount Ch\$'000	No. of customers in renegotiated portfolio	Gross renegotiated portfolio amount Ch\$'000
Up-to-date	120	54,185,980	-	-
1-30 days	54	5,435,148	-	-
31-60 days	10	8,810	-	-
61-90 days	3	7,365	-	-
91-120 days	7	5,276	-	-
121-150 days	1	224	-	-
151-180 days	8	1,165	-	-
181-210 days	2	16	-	-
211-250 days	4	147	-	-
>250 days	7	909	-	-
Total	216	59,645,040	-	-

"Provisions, write-offs and write-off recovery 31 December 2019"				
Unrenegotiated portfolio provision Ch\$'000	Renegotiated portfolio provision Ch\$'000	Total provision	Write-offs in the year	Recoveries in the year
10,054	0	10,055	798,137	203,412

Rejected notes and judicial collection for the year ended 31 December 2019		
	N° of customers	Portfolio amount Ch\$'000
Notes receivable disputed	-	-
Notes receivable under judicial collection ^(*)	-	-

(*) Only includes lawsuits of the current portfolio.

c.6) Total Portfolio

31 December 2020				
Delinquency tranches	No. of customers in unrenegotiated portfolio	Gross unrenegotiated portfolio amount Ch\$'000	No. of customers in renegotiated portfolio	Gross renegotiated portfolio amount Ch\$'000
Up-to-date	67,338	996,436,727	1,662	19,614,199
1-30 days	6,263	57,916,141	776	5,952,049
31-60 days	1,999	25,361,453	369	3,570,271
61-90 days	802	8,156,393	183	2,015,561
91-120 days	514	2,167,613	90	975,983
121-150 days	342	1,417,957	48	502,706
151-180 days	249	1,177,403	49	314,108
181-210 days	263	2,113,908	32	386,050
211-250 days	348	1,981,400	43	522,755
>250 days	1,291	9,451,820	203	5,493,928
Total	79,409	1,106,180,815	3,455	39,347,611

Provisions, write-offs and write-off recovery 31 December 2020				
Unrenegotiated portfolio provision Ch\$'000	Renegotiated portfolio provision Ch\$'000	Total provision	Write-offs in the year	Recoveries in the year
15,911,422	6,895,416	22,806,837	30,819,343	6,209,092

Rejected notes and judicial collection for the year ended 31 December 2020		
	N° of customers	Portfolio amount Ch\$'000
Notes receivable disputed	1,394	3,203,281
Notes receivable under judicial collection ^(*)	5,110	43,669,980

31 December 2019				
Delinquency tranches	No. of customers in unrenegotiated portfolio	Gross unrenegotiated portfolio amount Ch\$'000	No. of customers in renegotiated portfolio	Gross renegotiated portfolio amount Ch\$'000
Up-to-date	59,308	1,156,425,307	1,283	14,877,849
1-30 days	9,029	77,378,603	552	4,528,376
31-60 days	3,855	25,108,250	411	1,871,748
61-90 days	2,089	9,595,249	302	1,749,133
91-120 days	1,173	6,197,557	170	841,782
121-150 days	796	5,081,726	119	760,481
151-180 days	547	3,688,332	83	764,876
181-210 days	558	2,587,332	86	490,966
211-250 days	531	2,380,173	68	433,795
>250 days	1,364	9,502,277	201	3,838,420
Total	79,250	1,297,944,806	3,275	30,157,426

Provisions, write-offs and write-off recovery 31 December 2019				
Unrenegotiated portfolio provision Ch\$'000	Renegotiated portfolio provision Ch\$'000	Total provision	Write-offs in the year	Recoveries in the year
21,952,930	6,559,245	28,512,178	29,281,953	3,908,300

Rejected notes and judicial collection for the year ended 31 December 2019		
	N° of customers	Portfolio amount Ch\$'000
Notes receivable disputed	2,354	7,405,485
Notes receivable under judicial collection ^(*)	4,713	42,448,637

(*) Only includes lawsuits of the current portfolio.

d) Impairment of trade receivables

The provisions for the years ended 31 December 2020 and 2019 are shown below:

Breakdown	31.12.2020					
	Factoring	Loans	Auto Financing	Leasing	Treasury and Investments	Total
	Ch\$'00	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance	4,935,678	3,530,727	18,984,263	1,051,432	10,078	28,512,178
Write-off	(5,786,961)	(2,528,629)	(20,541,763)	(1,961,042)	(948)	(30,819,343)
Release	(561,681)	(681,458)	(6,172,841)	(341,222)	(9,106)	(7,766,308)
Accrual	3,655,360	5,427,001	21,650,249	2,122,039	25,661	32,880,310
Closing balance	2,242,396	5,747,641	13,919,908	871,207	25,685	22,806,837

Breakdown	31.12.2019					
	Factoring	Loans	Auto Financing	Leasing	Treasury and Investments	Total
	Ch\$'00	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance	4,702,600	4,230,124	15,505,467	2,317,836	356,818	27,112,845
Write-off	(6,827,041)	(3,424,843)	(17,433,794)	(798,137)	(273,171)	(28,756,986)
Release	(990,550)	(762,473)	(3,614,320)	(1,123,302)	(669,530)	(7,160,175)
Accrual	8,050,669	3,487,919	24,526,910	655,035	595,961	37,316,494
Closing balance	4,935,678	3,530,727	18,984,263	1,051,432	10,078	28,512,178

To explain the changes in the value adjustments for losses and the reasons for such changes, the breakdown of the reconciliation of the opening balance and closing balance of the value adjustment for losses is shown below for each business segment, indicating the changes in the expected loan losses by stage for each segment.

Stage 1: reflects the value adjustments for losses measured by an amount equal to the expected loan losses in 12 months. Operations with less than 30 days of delinquency and not marked as renegotiated are classified in this stage.

Stage 2: reflects value adjustments for losses measured by an amount equal to the expected loan losses during the useful life of the asset. Operations with up to 90 days of delinquency, and up to 60 days of delinquency in the case of renegotiated loans, are classified in this stage.

Stage 3: reflects whether the loan's credit risk has increased to the extent that it is deemed impaired. Operations with more than 90 days of delinquency, and more than 60 days of delinquency in the case of renegotiated loans, are classified in this stage.

d.1) Factoring

2020

Breakdown	31.12.2020			
	Factoring	Stage 1	Stage 2	Stage 3
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance	4,935,678	-	-	-
Changes				
Write-off	(5,786,961)	-	-	(5,786,961)
Release	(561,681)	(537,016)	(24,665)	-
Accrual	3,655,360	285,247	110,428	3,259,685
Closing balance	2,242,396	(251,769)	85,763	(2,527,276)

2019

Breakdown	31.12.2019			
	Factoring	Stage 1	Stage 2	Stage 3
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance	4,702,600			
Changes				
Write-off	(6,827,041)	-	-	(6,827,041)
Release	(990,550)	(933,566)	(56,984)	-
Accrual	8,050,669	406,502	24,754	7,619,413
Closing balance	4,935,678	(527,064)	(32,230)	792,372

d.2) Loans

2020

Breakdown	31.12.2020			
	Loans	Stage 1	Stage 2	Stage 3
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance	3,530,727	-	-	-
Changes				
Write-off	(2,528,629)	-	-	(2,528,629)
Release	(681,458)	(540,934)	(129,930)	(10,594)
Accrual	5,427,001	182,099	803,367	4,441,535
Closing balance	5,747,641	(358,835)	673,437	1,902,312

2019

Breakdown	31.12.2019			
	Loans	Stage 1	Stage 2	Stage 3
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance	4,230,124			
Changes				
Write-off	(3,424,843)	-	-	(3,424,843)
Release	(762,473)	(365,093)	(33,363)	(364,017)
Accrual	3,487,919	647,291	129,853	2,710,775
Closing balance	3,530,727	282,198	96,490	(1,078,085)

d.3) Auto Financing

2020

Breakdown	31.12.2020			
	Auto Financing	Stage 1	Stage 2	Stage 3
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance	18,984,263	-	-	-
Changes				
Write-off	(20,541,763)	-	-	(20,541,763)
Release	(6,172,841)	(4,062,154)	(2,110,687)	-
Accrual	21,650,249	2,846,835	1,645,634	17,157,780
Closing balance	13,919,908	(1,215,319)	(465,053)	(3,383,983)

2019

Breakdown	31.12.2019			
	Auto Financing	Stage 1	Stage 2	Stage 3
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance	15,505,467			
Changes				
Write-off	(17,433,794)	-	-	(17,433,794)
Release	(3,614,320)	(1,817,316)	(1,797,004)	-
Accrual	24,526,910	4,120,152	2,179,022	18,227,736
Closing balance	18,984,263	2,302,836	382,018	793,942

d.4) Leasing

2020

Breakdown	31.12.2020			
	Leasing	Stage 1	Stage 2	Stage 3
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance	1,051,432			
Changes				
Write-off	(1,961,042)	-	-	(1,961,042)
Release	(341,222)	(341,222)	-	-
Accrual	2,122,039	15,849	495,605	1,610,585
Closing balance	871,207	(325,373)	495,605	(350,457)

2019

Breakdown	31.12.2019			
	Leasing	Stage 2	Stage 2	Stage 3
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance	2,317,836			
Changes				
Write-off	(798,137)	-	-	(798,137)
Release	(1,123,302)	(69,982)	(707,748)	(345,572)
Accrual	655,035	204,963	11,035	439,037
Closing balance	1,051,432	134,981	(696,713)	(704,672)

d.5) Treasury and Investments

2020

Breakdown	31.12.2020			
	Treasury and Investments	Stage 1	Stage 2	Stage 3
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance	10,078	-	-	-
Changes				
Write-off (*)	(948)	-	-	(948)
Release	(9,106)	-	(8,019)	(1,087)
Accrual	25,661	725	2	24,934
Closing balance	25,685	725	(8,017)	22,899

Breakdown	31.12.2019			
	Treasury and Investments	Stage 1	Stage 2	Stage 3
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance	356,818	-	-	-
Changes				
Write-off (*)	(273,171)	-	-	(273,171)
Release	(669,530)	-	(669,530)	-
Accrual	595,961	-	595,961	-
Closing balance	10,078	-	(73,569)	(273,171)

For the year ended 31 December 2020, the Company had no significant changes in the gross carrying amount of financial instruments that have contributed to changes in the value adjustments for losses. The nature of the businesses and the low concentration in terms of debtors in each segment indicate that there were no high loans which greatly contributed to the provision as it has been defined individually.

Trade receivable impairment provision policy

Pursuant to the new standard, Tanner Servicios Financieros has put in place new impairment models under IFRS 9, which include a series of concepts and requirements to comply with this new standard. One of the main changes regarding IAS 39 is that an incurred loss model is no longer used to calculate provisions but an expected loss model. These models are in keeping with the historical performance of our customers and are also forward-looking.

The requirements of the standard included in the new impairment models are as follows:

- Risk profile for each product.
- Likelihood of 12-month default and for the entire useful life of the asset.
- Loss due to default throughout the useful life of the asset.
- Total prepayment rates.
- Loan exposure on default.
- Adjustment of the likelihood of default to the economic cycle (forward-looking).

The profiles were modelled using the chi-squared automatic interaction detection (CHAID) technique, except for auto financing for which a logistic regression analysis was used to build a scorecard. 90-day delinquency was defined as a default point.

Structural curves of 12-month delinquency probability and for the entire useful life of the asset were built using empirical curves. In those cases in which it was necessary to extrapolate the curve to the maximum term of the operations, the hazard rate of the last observable period was used, except for auto financing products for which a Cox regression was used.

The loss due to default component was calculated using empirical rates of future recovery, assuming consistency of the cash flows and discounted using the effective rate of each operation. For greater accuracy, this was segmented by portfolio and customer delinquency.

To model the forward-looking adjustment, models were developed for which the response variable is the industry probability of default ratio and whose regressors are macroeconomic variables. For auto financing products, the regressors were the observed US dollar and unemployment rates. For factoring products, the copper price and interest rates were used. Lastly, for leasing and loan products the regressors were the copper price and interest rates.

Finally, with these components the expected loss is estimated to eventually cover the residual term of each operation, with a maximum timeline depending on the rating.

Impairment concept

A significant increase in risk will entail reclassifying the probability of 12-month default to the whole useful life of the asset when an operation has delinquency of over 90 days.

The profiles of each product are outlined below:

i) Factoring portfolio and non-sufficient fund (NSF) cheques

The calculation of provisions for the factoring business, NSF cheques and the rest considers segmentation by sub product and risk profiles:

- **Invoice sub product (FX):** three risk profiles that consider internal performance variables and variables captured on admission:
 - Days of current delinquency
 - Debtor rating
- **Normal and NSF cheques sub product (CH_CHP):** two risk profiles that consider an internal performance variable:
 - Days of current delinquency
- **Remainder 1 and remainder 2 sub product:** two risk profiles that consider internal performance variables. The most significant are:
 - Days of current delinquency
 - Type or group

ii) Loan portfolio

The calculation of provisions for the loan business considers eight risk profiles with internal performance variables. The most significant are:

- Days of current delinquency
- Residual term
- Renegotiation

iii) Leasing portfolio

The calculation of provisions for the leasing business considers five profiles segmented by sub product and risk profiles. The most significant are:

- Days of current delinquency
- Sub product (real estate or product vendor and machinery or vehicle)
- Renegotiation

iv) Auto Financing portfolio

The calculation of provisions for the auto financing business considers segmentation by sales channel and a performance score. The segmentation by sales channel includes:

- First options
- Automotive and direct
- Renegotiated

Each of these segments is subsegmented by risk profiles according to their performance score, which in turn considers the following variables:

1. **Maximum delinquency in the last three months:** maximum delinquency recorded by the operation from the current month to the two prior months.
2. **Balance ratio in the last three months:** unpaid balance recorded in the current month divided by the maximum unpaid balance recorded by the operation from the current month to the two prior months.
3. **Loan to value (LTV):** LTV or unpaid balance on the original value of the loan-related guarantee.
4. **Segment:** this identifies whether the operation originated from the first option, other dealers and direct sales channels or if it is a renegotiation of another loan.

v) Treasury and Investments portfolio

The calculation of provisions for the intermediation business considers eight risk profiles with internal performance variables. The most significant are:

- Days of current delinquency
- Residual term
- Renegotiation

Macroeconomic vision (forward-looking) and population changes

At the beginning of each year, the studies and risk department will appraise the possible population and macroeconomic changes related to, for example, modifications of the risk policy, creation of new products and market indicators, and recommend possible adjustments of the delinquency probability curves that will finally affect the provision factors.

Exposure mitigation due to guarantee and/or insurance coverage

For all operations that are guaranteed with real estate or insurance or another asset, the risk area will allocate a target value to the guarantee, which is always based on an independent appraisal and may only be more conservative than such appraisal.

General guarantees will be used to mitigate the customer's exposure in the following order of mitigation:

1. Loans
2. Leasing
3. Factoring
4. Treasury and Investments

High amount concept

The Company has defined the creation of a group of high amount customers, which is those with exposure in the last six months or a credit line approved by the Credit Committee of or higher than Ch\$2,000 million.

To monitor and review the performance of the high amount portfolio, the Company created the High Amount Committee comprising the CEO, the loan risk manager and the SME risk and normalisation manager. The monitoring and review aim is to determine whether there are warning or impairment signs other than those analysed when the Credit Committee approved the credit lines with the objective of reclassifying the case from the high amount portfolio to the normal portfolio, which has a group provision system that reflects the impairment and expected loss based on the provision model.

Three risk categories were defined according to which customers must be classified:

- i) Portfolio of normal risk customers:** this includes those customers whose payment capacity is deemed sufficient to cover their obligations in the conditions agreed on, with their loans up-to-date and who have a maximum external delinquency event of 31 to 90 days that does not exceed 5% of the exposure or approved credit line.
- ii) Portfolio of customers with early delinquency:** this includes customers with certain specific financial difficulties that may imply a delay in their payments and they may have loan delinquency of up to 30 days. This category includes customers that may have specific financial situations leading to early delinquency of up to 30 days. However, it is not projected that they fail to pay the principal or interest, with a maximum of two external delinquency events of 31 to 90 days that do not exceed 5% of the exposure or approved credit line.
- iii) Portfolio customers with an impairment alert:** this comprises customers and their loans for which there are signs of impairment. This is defined as customers with loans having over 30 days of delinquency, who have had three or more external delinquency events of 31 to 90 days, or who exceed 5% of the exposure or approved credit line, or with cases of reorganisation or judicial liquidation pursuant to what is laid down in Law 20.720 on Reorganisation and Re-enterprise. These cases will be reclassified from the high amount group to the normal portfolio that is provisioned by a group provision system to reflect the impairment and expected loss based on the provision model

and the evolution of the cases. Balances of notes up to a total of Ch\$1 million with delinquency of 31 to 90 days will not be considered for the classifications exceeding 5% of the exposure or approved credit line.

Write-off policy for each business segment

Tanner Servicios Financieros S.A. has a financial write-off policy for delinquent loans of 366 days for the factoring, auto financing and investments segments.

Moreover, for the loan and leasing segments this is 541 days, except for real estate leases and mortgage-backed loans for which it is 901 days.

e) Breakdown of current and non-current lease operations

A breakdown of lease receivables by currency, classified according to their currency and maturity, is shown below:

Breakdown	Currency	31.12.2020 Ch\$'000			
		0-1 years	1-5 years	Over 5 years	Total
Minimum lease receivables, gross	UF	20,030,328	40,633,062	17,406,622	78,070,012
Minimum lease receivables, gross	Ch\$	6,838,134	3,581,694	119,738	10,539,566
Minimum lease receivables, gross	USD	658,431	13,552	-	671,983
Minimum lease receivables, gross		27,526,893	44,228,308	17,526,360	89,281,561
Minimum lease receivables, interest	UF	(3,906,850)	(8,282,560)	(4,351,175)	(16,540,585)
Minimum lease receivables, interest	Ch\$	(410,330)	(152,169)	(34,164)	(596,663)
Minimum lease receivables, interest	US\$	(14,768)	(194)	-	(14,962)
Minimum lease receivables, present value		(4,331,948)	(8,434,923)	(4,385,339)	(17,152,210)
Provision for impairment losses		(454,524)	(416,683)	-	(871,207)
Total minimum lease receivables, present value, net					71,258,144

Breakdown	Currency	31.12.2019 Ch\$'000			
		0-1 years	1-5 years	Over 5 years	Total
Minimum lease receivables, gross	UF	20,778,579	50,131,058	19,485,761	90,395,398
Minimum lease receivables, gross	Ch\$	6,584,311	5,177,938	142,190	11,904,439
Minimum lease receivables, gross	US\$	2,235,156	503,468	-	2,738,624
Minimum lease receivables, gross		29,598,046	55,812,464	19,627,951	105,038,461
Minimum lease receivables, interest	UF	(5,018,202)	(10,179,178)	(5,132,516)	(20,329,896)
Minimum lease receivables, interest	Ch\$	(606,374)	(268,389)	(46,243)	(921,006)
Minimum lease receivables, interest	US\$	(93,336)	(12,108)	-	(105,444)
Minimum lease receivables, present value		(5,717,912)	(10,459,675)	(5,178,759)	(21,356,346)
Provision for impairment losses		(628,806)	(422,626)	-	(1,051,432)
Total minimum lease receivables, present value, net					82,630,683

NOTE 11.

sets and liabilities by currency

The statement of financial position by currency at 31 December 2020 and 2019 is shown below:

2020

Classified statement of financial position (Consolidated)	31.12.2020						
	Ch\$ Ch\$'000	US\$ Ch\$'000	EUR Ch\$'000	CHF Ch\$'000	Other Ch\$'000	UF Ch\$'000	Total Ch\$'000
Current assets							
Cash and cash equivalents	64,870,018	54,663,583	514,312	30,780	1,274	-	120,079,967
Other current financial assets	71,218,134	7,285,264	36,306	-	-	1,394,646	79,934,350
Other current non-financial assets	1,798,658	1,259,325	-	-	-	-	3,057,983
Trade and other receivables, current	498,141,346	123,450,233	-	-	-	111,613,261	733,204,840
Receivables due from related parties, current	4,902,407	-	-	-	-	-	4,902,407
Current tax assets	6,644,839	-	-	-	-	-	6,644,839
Non-current assets or asset groups for disposal classified as held-for-sale	4,798,124	-	-	-	-	-	4,798,124
Total current assets	652,373,526	186,658,405	550,618	30,780	1,274	113,007,907	952,622,510
Non-current assets							
Other non-current financial assets	35,533,159	19,500,097	-	-	-	-	55,033,256
Other non-current non-financial assets	5,104,184	77,224	-	-	-	-	5,181,408
Trade and other receivables, non-current	282,714,384	22,521,789	-	-	-	86,568,620	391,804,793
Receivables due from related parties, non-current	33,719	-	-	-	-	-	33,719
Intangible assets other than goodwill	6,637,324	-	-	-	-	-	6,637,324
Goodwill	1,639,828	-	-	-	-	-	1,639,828
Property, plant and equipment	3,209,596	-	-	-	-	7,098,054	10,307,650
Investment property	11,317,684	-	-	-	-	-	11,17,684
Deferred tax assets	31,218,162	-	-	-	-	-	31,218,162
Total non-current assets	377,408,040	42,099,110	-	-	-	93,666,674	513,173,824
Total assets	1,029,781,566	228,757,515	550,618	30,780	1,274	206,674,581	1,465,796,334
Current liabilities							
Other current financial liabilities	238,544,919	125,988,177	35,136	100,982,698	-	50,838,028	516,388,958
Trade and other payables	99,721,810	16,258,773	468,086	-	-	-	116,448,669
Other short-term provisions	508,424	-	-	-	-	-	508,424
Current tax liabilities	3,261,504	-	-	-	-	-	3,261,504
Current provisions for employee benefits	950,497	-	-	-	-	-	950,497
Total current liabilities	342,987,154	142,246,950	503,222	100,982,698	-	50,838,028	637,558,052
Non-current liabilities							
Other non-current financial liabilities	6,833,103	129,894,173	-	152,108,162	-	221,359,997	510,195,435
Non-current provisions for employee benefits	299,760	-	-	-	-	-	299,760
Total non-current liabilities	7,132,863	129,894,173	-	152,108,162	-	221,359,997	510,495,195
Total liabilities	350,120,017	272,141,123	503,222	253,090,860	-	272,198,025	1,148,053,247
Total equity	317,743,087						317,743,087
Currency exchange differences	361,918,462	(43,383,608)	47,396	(253,060,080)	1,274	(65,523,444)	-
Hedges*	(502,596,330)	42,698,312	-	253,060,080	-	206,837,938	-
Net exposure	(140,677,868)	(685,296)	47,396	-	1,274	141,314,494	-

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

Classified statement of financial position (Consolidated)	31.12.2019						
	Ch\$	US\$	EUR	CHF	Others	UF	Total
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Current assets							
Cash and cash equivalents	27,085,838	25,859,433	713,834	128	1,084	-	53,660,317
Other current financial assets	77,786,741	17,028,232	-	-	-	-	94,814,973
Other current non-financial assets	1,271,040	456,147	-	-	-	-	1,727,187
Trade and other receivables, current	649,079,867	156,990,385	-	-	-	88,908,355	894,978,607
Receivables due from related parties, current	381,052	-	-	-	-	-	381,052
Current tax assets	18,239,043	-	-	-	-	-	18,239,043
Non-current assets or asset groups for disposal classified as held-for-sale	10,518,967	-	-	-	-	-	10,518,967
Total current assets	784,362,548	200,334,197	713,834	128	1,084	88,908,355	1,074,320,146
Non-current assets							
Other non-current financial assets	36,437,877	26,017,756	-	-	-	-	62,455,633
Other non-current non-financial assets	3,809,832	828,356	-	-	-	-	4,638,188
Trade and other receivables, non-current	282,749,296	20,791,989	-	-	-	103,684,131	407,225,416
Receivables due from related parties, non-current	528,383	-	-	-	-	-	528,383
Intangible assets other than goodwill	6,758,697	-	-	-	-	-	6,758,697
Goodwill	1,763,525	-	-	-	-	-	1,763,525
Property, plant and equipment	11,631,760	-	-	-	-	-	11,631,760
Investment property	11,380,554	-	-	-	-	-	11,380,554
Deferred tax assets	29,965,06	-	-	-	-	-	29,965,806
Total non-current assets	385,025,730	47,638,101	-	-	-	103,684,131	536,347,962
Total assets	1,169,388,278	247,972,298	713,834	128	1,084	192,592,486	1,610,668,108
Current liabilities							
Other current financial liabilities	320,330,685	225,190,728	-	77,617,759	-	96,901,498	720,040,670
Trade and other payables	125,979,793	14,798,494	692,073	-	-	-	141,470,360
Other short-term provisions	528,237	-	-	-	-	-	528,237
Current tax liabilities	1,228,426	-	-	-	-	-	1,228,426
Current provisions for employee benefits	680,192	-	-	-	-	-	680,192
Total current liabilities	448,747,333	239,989,222	692,073	77,617,759	-	96,901,498	863,947,885
Non-current liabilities							
Other non-current financial liabilities	10,091,799	46,021,073	-	96,265,658	-	287,096,248	439,474,778
Non-current provisions for employee benefits	193,893	-	-	-	-	-	193,893
Total non-current liabilities	10,285,692	46,021,073	-	96,265,658	-	287,096,248	439,668,671
Total liabilities	459,033,025	286,010,295	692,073	173,883,417	-	383,997,746	1,303,616,556
Total equity	307,051,552	-	-	-	-	-	307,051,552
Currency exchange differences	403,303,701	(38,037,997)	21,761	(173,883,289)	1,084	(191,405,260)	-
Hedges*	(484,202,881)	39,256,044	-	173,883,289	-	271,063,548	-
Net exposure	(80,899,180)	1,218,047	21,761	-	1,084	79,658,288	-

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

NOTE 12.

Related party receivables and payables

a) Receivables due from related parties

The balance of short-term and long-term receivables due from related companies and parties was as follows:

Taxpayer ID No.	Company	Country	Relationship	Currency	Current		Non-current	
					31.12.2020	31.12.2019	31.12.2020	31.12.2019
					Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
76.010.029-3	Inversora Quillota Dos S.A.	Chile	Parent shareholder	Ch\$	3,100,000	-	-	-
77.266.528-8	Inversiones Maita SPA	Chile	Parent shareholder	Ch\$	1,592,671	-	-	-
76.010.029-3	Inversora Quillota Dos S.A.	Chile	Parent shareholder	Ch\$	209,736	232,978	-	-
9.389.707-2	Luis Patricio Flores Cuevas	Chile	Subsidiary shareholder	Ch\$	-	120,004	-	463,898
15.639.639-7	Sebastián Matías Zarzar Ives	Chile	Subsidiary shareholder	Ch\$	-	28,070	33,719	64,485
Total					4,902,407	381,052	33,719	528,383

These loans were granted to the Company's executives and shareholders to pay for shares of a capital increase, with the shareholding as a guarantee.

At 31 December 2020 and 2019, there were no payables due to related parties.

b) Transactions with related parties

- In March, September and November loans were granted to minority shareholders to finance the purchase of company shares.
- In March 2010, a loan was granted to a minority shareholder of Tanner Servicios Financieros S.A., whose maturity is in March 2021, and at 31 December 2020 there was an outstanding balance of ThCh\$209,736.
- In December 2019, loans were granted to minority shareholders of the subsidiary Tanner Corredores de Bolsa S.A. to finance the subscription of shares issued by such subsidiary, which have all virtually been prepaid, and at 31 December 2020 there was an outstanding balance of ThCh\$33,719.

These loans are exclusively to finance the subscription and payment of the capital increase shares in the subsidiary Tanner Corredores de Bolsa S.A.

- The amounts shown in the table of transactions with related parties are board fees, Credit Committee fees and consultancy services, which are interest-free amounts paid monthly.
- At the close of the reporting periods, there were no provisions for doubtful debts regarding outstanding balances.
- All the outstanding balances at the close of the reporting periods were up-to-date.

The following were the significant transactions with related parties:

Taxpayer ID No.	Company	Country	Relationship	Currency	Transaction Description	31.12.2020	31.12.2019
						Ch\$'000	Ch\$'000
6.735.614-4	Jorge Sabag Sabag	Chile	Director	UF	Board fee	105,512	102,587
6.941.260-2	Oscar Alberto Cerda Urrutia	Chile	Director	UF	Board fee	89,534	86,971
6.420.113-1	Ricardo Massu Massu	Chile	Director	UF	Board fee	86,124	83,647
4.465.911-5	Eduardo Massu Massu	Chile	Director	UF	Board fee	68,861	66,882
7.011.397-K	Pablo Miguel Eguiguren Bravo	Chile	Director	UF	Board fee	-	24,884
6.066.143-K	Jorge Bunster Betteley	Chile	Director	UF	Board fee	8,506	37,652
7.054.226-9	Fernando Alberto Zavala Cavada	Chile	Director	UF	Board fee	68,890	33,715
4.778.406-9	Fernando Tafrá Sturiza	Chile	Director	UF	Board fee	78,944	-
9.389.707-2	Luis Patricio Flores Cuevas	Chile	Subsidiary shareholder	Ch\$	Loans	-	482,462
					Payment of loans	(602,346)	-
17.406.903-4	Luis Felipe Massu Heiremanss	Chile	Related to the controller	Ch\$	Board advisor	54,744	-
13.668.525-2	Antonio Turner Fabres	Chile	Parent shareholder	Ch\$	Loans	3,095,204	-
					Payment of loans	(3,095,204)	-
77.218.598-7	Jameson SPA	Chile	Parent shareholder	Ch\$	Loans	3,100,000	-
77.266.528-8	Inversiones Maita SPA	Chile	Parent shareholder	Ch\$	Loans	1,592,671	-
76.010.029-3	Inversora Quillota Dos S.A.	Chile	Parent shareholder	Ch\$	Loans	209,736	232,978

Note: Considers participation in Audit Committees and/or other Committees

c) Company board of directors and management

At 31 December 2020, the board of directors comprises the following members:

1. Oscar Cerda Urrutia
2. Martín Díaz Plata
3. Eduardo Massu Massu
4. Ricardo Massu Massu
5. Jorge Sabag Sabag
6. Fernando Tafrá Sturiza
7. Fernando Zavala Cavada

The organisational structure comprises the positions of CEO, deputy CEO, controller, corporate counsel, corporate division manager, structured product manager, auto financing division manager, IT manager, CFO, financial control and administration manager, and human resources manager.

Board remuneration

Pursuant to the Company's articles of association, directors are paid for their functions and such amount shall be established annually by the ordinary shareholders' meeting (see Note 33).

Controlling entity

At 31 December 2020, the controlling entity of Tanner Servicios Financieros S.A. is Inversiones Bancarias S.A. with a 57.71% stake in the Company. This company does not submit financial statements to the Financial Market Commission (CMF, according to the Spanish acronym) as it is not registered in the Securities Registry of the CMF.

Remuneration of senior managers

For the years ended 31 December 2020 and 2019, the Company paid its senior managers the following:

Breakdown	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000
Management remuneration (*)	5,742,543	7,136,972
Total	5,742,543	7,136,972

(*) Considers the remuneration of managers and deputy managers, which qualifies as short-term benefits.

NOTE 13.

Non-current assets or asset groups for disposal classified as held-for-sale

At 31 December 2020 and 2019, the breakdown of this item was as follows:

Type of inventory	31.12.2020 Ch\$'000	31.12.2019 Ch\$'000
Assets received as payment in kind (a)	4,798,124	10,518,967
Continuing operations (b)	-	-
Total	4,798,124	10,518,967

a) Assets received as payment in kind

The breakdown of assets received as payment in kind for the years ended 31 December 2020 and 2019 is shown below:

Type of inventory	31.12.2020 Ch\$'000	31.12.2019 Ch\$'000
Vehicles	3,778,747	8,790,947
Heavy-duty vehicles	640,377	1,283,581
Machinery and equipment	379,000	444,439
Total	4,798,124	10,518,967

Table of changes

The table below shows the changes of non-current assets classified as held-for-sale for the years ended 31 December 2020 and 2019:

2020

Breakdown	Vehicles	Heavy-duty vehicles	Machinery and equipment	Total
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Balance at 01.01.2020	8,790,947	1,283,581	444,439	10,518,967
Additions	6,261,879	336,809	249,053	6,847,741
Reclassifications	50,377	(50,377)	-	-
Disposals	(11,304,530)	(751,408)	(293,562)	(12,349,500)
Revaluation	(19,926)	(178,228)	(20,930)	(219,084)
Total at 31.12.2020	3,778,747	640,377	379,000	4,798,124

Breakdown	Vehicles	Heavy-duty vehicles	Machinery and equipment	Total
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Balance at 01.01.2019	5,477,781	1,886,002	604,704	7,968,487
Additions	10,164,255	1,137,999	501,466	11,803,720
Reclassifications	-	-	-	-
Disposals	(6,851,089)	(1,232,667)	(543,790)	(8,627,546)
Revaluation	-	(507,753)	(117,941)	(625,694)
Total at 31.12.2019	8,790,947	1,283,581	444,439	10,518,967

b) Continuing operations

On 30 June 2020 and pursuant to what is established in IFRS 5, the Company reclassified its interest in the subsidiary Tanner Corredores de Bolsa de Productos S.A. to this item as a continuing operation, considering that it is in a sale process. Such process was completed on 20 July 2020, and the Company sold all its shares to a third party, thereby obtaining the following income that is shown according to the shareholding:

Creditor taxpayer ID No.	Creditor	Number of shares	Fair value Ch\$'000	Continuing operation income Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	9,999	881,725	(153,319)
96.912.590-0	Tanner Leasing S.A.	1	88	(27)
Total		10,000	881,813	(153,346)

See Note No.35 – Material Facts

NOTE 14.

Property, plant and equipment

The breakdown of property, plant and equipment and the corresponding accumulated depreciation as of the reporting dates was as follows:

Property, plant and equipment, gross	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000
Right-of-use	9,321,775	9,351,458
Refurbishment	4,423,098	4,026,494
Technological equipment	3,862,941	3,783,727
Office furniture	979,225	948,735
Office equipment	626,329	620,373
Other assets	269,949	214,599
Buildings	154,514	154,514
Total	19,637,831	19,099,900
Accumulated depreciation and impairment of property, plant and equipment	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000
Right-of-use	2,223,723	1,144,034
Refurbishment	2,152,910	1,809,785
Technological equipment	3,145,226	2,799,725
Office furniture	893,537	847,758
Office equipment	585,952	569,487
Other assets	217,583	204,643
Buildings	111,250	92,708
Total	9,330,181	7,468,140

Property, plant and equipment, net	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000
Right-of-use	7,098,052	8,207,424
Refurbishment	2,270,188	2,216,709
Technological equipment	717,715	984,002
Office furniture	85,688	100,977
Office equipment	40,377	50,886
Other assets	52,366	9,956
Buildings	43,264	61,806
Total	10,307,650	11,631,760

The breakdown and changes of property, plant and equipment for the years ended 31 December 2020 and 2019 was as follows:

2020

At 31 December 2020	Buildings	Technological equipment	Office furniture	Office equipment	Refurbishment	Other assets	Right-of-use	Total
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance at 01.01.2020	154,514	3,783,727	948,735	620,373	4,026,494	214,599	9,351,458	19,099,900
Additions in the year	-	104,120	31,390	5,956	396,604	55,350	21,211	614,631
Disposals/withdrawals/reclassifications in the year	-	(24,906)	(900)	-	-	-	-50,894	(76,700)
Gross balance at 31.12.2020	154,514	3,862,941	979,225	626,329	4,423,098	269,949	9,321,775	19,637,831
Depreciation opening balance at 01.01.2020	(92,708)	(2,799,725)	(847,758)	(569,487)	(1,809,785)	(204,643)	(1,144,034)	(7,468,140)
Depreciation in the year	(18,542)	(359,068)	(46,679)	(16,465)	(343,125)	(12,940)	(1,079,689)	(1,876,508)
Disposals/withdrawals/reclassifications in the year	-	13,567	900	-	-	-	-	14,467
Depreciation balance at 31.12.2020	(111,250)	(3,145,226)	(893,537)	(585,952)	(2,152,910)	(217,583)	(2,223,723)	(9,330,181)
Net amount at 31.12.2020	43,264	717,715	85,688	40,377	2,270,188	52,366	7,098,052	10,307,650

2019

At 31 December 2019	Buildings	Technological equipment	Office furniture	Office equipment	Refurbishment	Other assets	Right-of-use	Total
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance at 01.01.2019	154,514	3,654,214	937,255	596,981	3,154,233	205,858	-	8,703,055
Additions in the year	-	129,513	11,480	23,392	872,261	8,741	9,181,267	10,226,654
Disposals/withdrawals/reclassifications in the year	-	-	-	-	-	-	170,191	170,191
Gross balance at 31.12.2019	154,514	3,783,727	948,735	620,373	4,026,494	214,599	9,351,458	19,099,900
Depreciation opening balance at 01.01.2019	(74,167)	(2,455,665)	(788,726)	(544,508)	(1,459,945)	(191,285)	-	(5,514,296)
Depreciation in the year	(18,541)	(344,060)	(59,032)	(24,979)	(349,840)	(13,358)	(1,144,034)	(1,953,844)
Disposals/withdrawals/reclassifications in the year	-	-	-	-	-	-	-	-
Depreciation balance at 31.12.2019	(92,708)	(2,799,725)	(847,758)	(569,487)	(1,809,785)	(204,643)	(1,144,034)	(7,468,140)
Net amount at 31.12.2019	61,806	984,002	100,977	50,886	2,216,709	9,956	8,207,424	11,631,760

Management has not identified any signs of impairment of the value of property, plant and equipment.

NOTE 15.

Investment property

The company's investment property is mainly real estate and land, both in Santiago and other cities in Chile. These are maintained by the company to generate value and are stated at their fair value. Such value was calculated by independent external appraisers.

The fair value of investment property is updated annually.

The breakdown and changes of investment property at 31 December 2020 and 2019 was as follows:

2020

Investment property	Real estate Ch\$'000	Land Ch\$'000	Total Ch\$'000
Balance at 01.01.2020	10,216,080	1,164,474	11,380,554
Additions	691,296	381,237	1,072,533
Reclassifications	778,508	(778,508)	-
Disposals	(661,164)	-	(661,164)
Revaluation	(1,080,328)	606,089	(474,239)
Balance at 31.12.2020	9,944,392	1,373,292	11,317,684

2019

Investment property	Real estate Ch\$'000	Land Ch\$'000	Total Ch\$'000
Balance at 01.01.2019	8,127,756	1,188,235	9,315,991
Additions	783,915	-	783,915
Reclassifications	-	-	-
Disposals	(146,099)	(77,000)	(223,099)
Revaluation	1,450,508	53,239	1,503,747
Balance at 31.12.2019	10,216,080	1,164,474	11,380,554

Moreover, for the years ended 31 December 2020 and 2019 the fair value measurement of these properties was classified as fair value level 2.

For the year ended 31 December 2020, the expenses in the year for the total investment property amounted to ThCh\$180,832 (ThCh\$87,244 for the year ended 31 December 2019).

For the year ended 31 December 2020, the revenue from the rental payments on these properties amounted to ThCh\$50,022 (ThCh\$38,284 for the year ended 31 December 2019).

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

NOTE 16.

Income tax, deferred tax and current taxes

a) Current taxes

The income tax determined by the company for the years reported is shown in the breakdown below:

Breakdown	31.12.2020 Ch\$'000	31.12.2019 Ch\$'000
Summary of current tax assets (liabilities)		
Current tax assets	6,644,839	18,239,043
Current tax (liabilities)	(3,261,504)	(1,228,426)
Total tax recoverable (payable)	3,383,335	17,010,617
Breakdown of current tax assets (liabilities), net		
Plus:		
Tax credit of the National Training and Employment Service (SENCE)	164,418	4,142
Monthly provisional income tax payments	1,533,982	1,471,785
Net tax credit	1,089,370	8,993,299
Recoverable income tax	3,857,069	7,769,817
Total current tax assets	6,644,839	18,239,043
Less:		
Net tax debit	(321,880)	(259,117)
Income tax provision	(2,938,319)	(944,575)
Income tax provision under Article 21	(1,305)	(24,734)
Total current tax liabilities	(3,261,504)	(1,228,426)
Total tax recoverable (payable)	3,383,335	17,010,617

b) Current and deferred income tax benefit (expense)

Breakdown	01.01.2020 to 31.12.2020 Ch\$'000	01.01.2019 to 31.12.2019 Ch\$'000
Income tax expense		
Current year tax	(4,041,548)	(5,013,393)
Deferred tax credit (charge)		
Effect of deferred tax assets or liabilities	(1,135,931)	(1,408,980)
Subtotal	(5,177,479)	(6,422,373)
Expenses rejected under Article 21	(1,306)	(24,579)
Prior year tax	(185,492)	-
Net charge to profit or loss for income tax	(5,364,277)	(6,446,952)

c) Deferred tax

The table below shows the deferred tax established in accordance with the policies indicated in Note 2 p):

Breakdown	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000
Deferred tax assets		
Tax loss	23,793,671	1,010,225
Leased assets	10,407,345	12,802,618
Provision for bad debts	3,934,315	5,474,757
Adjustment for IFRS 9/provision for expected credit losses (equity)	2,223,531	2,223,531
Other events ¹	394,714	146,333
Provision for holidays	364,473	340,519
Software assets	254,557	(158,113)
Severance payment provision	125,428	89,727
Comprehensive income	117,862	(27,129)
Prepaid income	85,084	-
Right-of-use	50,025	28,862
IFRS adjustment/severance payment provision (equity)	7,911	377
Fixed assets	(321,215)	-
Financial write-offs	(1,647,022)	17,210,867
Prepaid fees	(8,572,517)	(9,176,768)
Total deferred tax assets	31,218,162	29,965,806

¹ Mainly arising from other provisions.

d) Reconciliation of the income tax that would arise from applying current taxes and the consolidated tax expense

Breakdown	Rate %	01.01.2020 to 31.12.2020 Ch\$'000	Rate %	01.01.2019 to 31.12.2019 Ch\$'000
Profit for the year before tax		32,875,217		39,044,314
Tax expense using the legal rate	27%	(8,876,308)	27%	(10,541,965)
Permanent differences				
Net price-level restatement	(8%)	2,707,025	(7%)	2,671,195
Others	(2%)	805,006	(3%)	1,423,818
Income tax expense	17%	(5,364,277)	17%	(6,446,952)

e) Deferred tax variation

31.12.2020

Breakdown	Deferred tax variation Ch\$'000	Variation explanation		
		Profit or loss for the year Ch\$'000	Other comprehensive income Ch\$'000	(*) 31.12.2019 Ch\$'000
Deferred tax assets				
Financial write-offs	(18,857,889)	(18,847,231)	-	(10,658)
Leased assets	(2,395,273)	(2,395,273)	-	-
Provision for bad debts	(1,540,442)	(1,576,181)	-	35,739
Tax loss	22,783,446	20,358,283	2,454,873	(29,710)
IFRS 9 adjustment/provision for bad debts (equity)	-	-	-	-
Provision for holidays	23,954	21,675	-	2,279
Severance payment provision	35,701	35,701	-	-
Right-of-use	21,163	21,163	-	-
Severance payment provision (equity)	7,534	-	7,534	-
Prepaid income	85,084	85,084	-	-
Other events	248,381	233,588	-	14,793
Fixed assets	(321,215)	(321,215)	-	-
Comprehensive income	144,991	231,554	(98,813)	12,250
Software assets	412,670	412,670	-	-
Prepaid fees	604,251	604,251	-	-
Total deferred tax assets	1,252,356	(1,135,931)	2,363,594	24,693

(*) Variation explained by the income related to the subsidiaries Tanner Corredores de Bolsa de Productos S.A. and Chita SpA, both sold in 2020.

31.12.2019

Breakdown	Deferred tax variation Ch\$'000	Variation explanation	
		Profit or loss for the year Ch\$'000	Other comprehensive income Ch\$'000
Deferred tax assets			
Financial write-offs	(1,940,710)	(1,940,710)	-
Leased assets	(320,647)	(320,647)	-
Provision for bad debts	377,902	377,902	-
Tax loss	1,010,225	1,010,225	-
IFRS 9 adjustment/bad debt provision (equity)	-	-	-
Provision for holidays	84,280	84,280	-
Severance payment provision	15,499	15,499	-
Right-of-use	28,862	28,862	-
Other events	(149,844)	(149,844)	-
Comprehensive income	(17,207)	(113,644)	96,437
Severance payment provision (equity)	377	-	377
Software assets	437,718	437,718	-
Prepaid fees	(838,621)	(838,621)	-
Total deferred tax assets	(1,312,166)	(1,408,980)	96,814

NOTE 17.

Intangible assets other than goodwill

The breakdown of the balances and changes of intangible assets at 31 December 2020 and 2019 is shown below:

2020

Breakdown	Software	Trademarks (*)	Total
	Ch\$'000	Ch\$'000	Ch\$'000
Balance at 01.01.2020	9,927,834	51,400	9,979,234
Additions	1,669,373	-	1,669,373
Withdrawals/disposals/reclassifications	-	-	-
Balance at 31.12.2020	11,597,207	51,400	11,648,607

Amortisation	Software	Trademarks (*)	Total
	Ch\$'000	Ch\$'000	Ch\$'000
Balance at 01.01.2020	(3,220,537)	-	(3,220,537)
Amortisation for the year	(1,790,746)	-	(1,790,746)
Balance at 31.12.2020	(5,011,283)	-	(5,011,283)
Net Total	6,585,924	51,400	6,637,324

(*) Trademarks are from the acquisition of the subsidiary Tanner Investments SpA in December 2011.

2019

Breakdown	Software	Trademarks (*)	Total
	Ch\$'000	Ch\$'000	Ch\$'000
Balance at 01.01.2019	7,185,451	51,400	7,236,851
Additions	2,759,878	-	2,759,878
Withdrawals/disposals/reclassifications	(17,495)	-	(17,495)
Balance at 31.12.2019	9,927,834	51,400	9,979,234

Amortisation	Software	Trademarks (*)	Total
	Ch\$'000	Ch\$'000	Ch\$'000
Balance at 01.01.2019	(1,717,159)	-	(1,717,159)
Amortisation for the year	(1,503,378)	-	(1,503,378)
Balance at 31.12.2019	(3,220,537)	-	(3,220,537)
Net Total	6,707,297	51,400	6,758,697

(*) Trademarks are from the acquisition of the subsidiary Tanner Investments SpA in December 2011.

Intangible assets of software are amortised in the period in which they are expected to generate income from use (average useful life of three years), as indicated in Note 2 m), and charged to the amortisation expense account in the cost of sales item of the statement of income. The remaining identifiable intangible assets have an indefinite useful life.

For the year ended 31 December 2020, the change in additions concerns the purchase of software in the year to implement computer systems, the purchase of new licences and renewal of other current licenses amounting to ThCh\$1,669,373 (ThCh\$2,759,878 in 2019).

Management has not witnessed any signs of impairment of the value of intangible assets.

NOTE 18.

Goodwill

The assets and liabilities acquired are valued provisionally on the date when the Company takes control of them and such valuation is reviewed in a maximum term of one year as of the acquisition date. Until the fair value of the assets and liabilities is finally determined, the difference between the purchase price and the carrying amount of the Company acquired is stated on a provisional basis as goodwill.

If the final value of goodwill is reported in the financial statements of the year subsequent to that of the acquisition of the ownership interest, the accounting items of the previous year stated for comparison are restated to include the value of the assets and liabilities acquired and the final goodwill as of the acquisition date of the ownership interest.

The breakdown of goodwill for each cash-generating unit (CGU) at 31 December 2020 and 2019 is shown below:

Taxpayer ID No.	Cash-generating unit	Goodwill	
		31.12.2020	31.12.2019
		Ch\$'000	Ch\$'000
91.711.000-K	Financo S.A.	1,109,410	1,109,410
93.966.000-3	Tanner Investments SpA	495,555	495,555
80.962.600-8	Tanner Corredores de Bolsa S.A.	34,863	34,863
76.313.350-8	Tanner Corredores de Bolsa de Productos S.A. (*)	-	123,697
	Total	1,639,828	1,763,525

(*) As of 31 December 2020 this subsidiary is no longer consolidated as all its shares were sold to a third party. See Note 13 for further details.

The goodwill assigned to CGUs is tested annually for impairment, or more frequently if there are indications that any of the CGUs might be impaired. To calculate value-in-use, the company used cash flow forecasts over a 5-year assessment timeline, based on budgets and forecasts reviewed by management for the same period and with an average growth rate of 3%. The discount rate reflects the market evaluation regarding the specific risks of the CGUs. The discount rate used was 6%.

For the years ended 31 December 2020 and 2019, management determined that there were no indications of impairment of goodwill for these investments.

NOTE 19.

Other current financial liabilities

The breakdown of other current financial liabilities at their carrying amount was as follows:

Other current financial liabilities	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000
Obligations with banks and financial institutions	133,327,432	319,491,357
Obligations with the public (promissory notes)	170,540,687	167,515,170
Obligations with the public (bonds payable)	150,847,371	160,128,193
Other financial liabilities	61,673,468	72,905,950
Total	516,388,958	720,040,670

Other current financial liabilities at undiscounted contractual cash flows were as follows:

Other current financial liabilities	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000
Obligations with banks and financial institutions	139,097,793	321,814,362
Obligations with the public (promissory notes)	173,580,268	172,690,061
Obligations with the public (bonds payable)	157,867,930	169,572,981
Other financial liabilities	61,881,326	73,424,698
Total	532,427,317	737,502,102

a) Current obligations with banks and financial institutions

The balances at carrying amounts at 31 December 2020 were as follows:

Debtor taxpayer ID No.	Debtor company	Debtor country	Creditor taxpayer ID No.	Creditor	Creditor country	Type of amortisation	Currency	Maturity date	Carrying amounts 31.12.2020			Total carrying amounts Ch\$'000
									0 - 3	3 - 6	6 - 12	
									months	months	months	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Sumitomo	USA	Single	US\$	21-01-21	10.699,152	-	-	10.699,152
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	Single	Ch\$	27-01-21	4,035,933	-	-	4,035,933
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	22-03-21	7,112,928	-	-	7,112,928
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	29-03-21	7,147,504	-	-	7,147,504
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Banco Bac Florida	USA	Single	US\$	29-03-21	3,555,177	-	-	3,555,177
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-04-21	-	14,254,025	-	14,254,025
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	Ch\$	23-04-21	-	5,023,144	-	5,023,144
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	Ch\$	23-04-21	-	5,023,144	-	5,023,144
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	Ch\$	23-04-21	-	3,013,887	-	3,013,887
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	Multilateral	Half yearly	US\$	17-05-21	-	8,932,320	-	8,932,320
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.362.099-9	Banco BTG Pactual	Chile	Single	Ch\$	24-06-21	8,333	10,000,000	-	10,008,333
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	27-09-21	-	-	3,577,701	3,577,701
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	01-10-21	-	-	3,576,473	3,576,473
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	60.706.000-2	CORFO	Chile	Single	Ch\$	15-11-21	89,975	-	28,664,660	28,754,635
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	DEG	Germany	Half yearly	US\$	15-12-21	-	4,751,076	4,739,667	9,490,743
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Cargill	USA	Single	US\$	14-07-23	-	-	350,121	350,121
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	1,117,356	1,066,425	2,132,850	4,316,631
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	901,726	860,624	1,721,247	3,483,597
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	196,027	187,092	374,184	757,303
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	16-01-24	50,518	-	-	50,518
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	DEG	Germany	Half yearly	US\$	16-09-24	133,878	-	-	133,878
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-01-26	38,040	-	-	38,040
Total									35,078,792	53,111,737	45,136,903	133,327,432

Note: the table below shows the average annual interest rate.

Current borrowing rates 31.12.2020			
Creditor	Currency	Nominal annual rate	Effective annual rate
Domestic	Ch\$	2.38%	2.38%
Domestic	UF	2.00%	2.00%
International	US\$	2.02%	2.35%

The balances at undiscounted cash flows at 31 December 2020 were as follows:

Debtor taxpayer ID No.	Debtor company	Debtor country	Creditor taxpayer ID No.	Creditor	Creditor country	Type of amortisation	Currency	Maturity date	Nominal Amounts 31.12.2020			Total Nominal Amounts
									0 - 3 months	3 - 6 months	6 - 12 months	
									Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Sumitomo	USA	Single	US\$	21-01-21	10,699,152	-	-	10,699,152
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	Single	Ch\$	27-01-21	4,042,000	-	-	4,042,000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	22-03-21	7,140,351	-	-	7,140,351
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	29-03-21	7,965,744	-	-	7,965,744
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Banco Bac Florida	USA	Single	US\$	29-03-21	3,559,158	-	-	3,559,158
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-04-21	76,995	14,294,321	-	14,371,316
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	Ch\$	23-04-21	-	5,049,595	-	5,049,595
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	Ch\$	23-04-21	-	5,049,595	-	5,049,595
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	Ch\$	23-04-21	-	3,029,757	-	3,029,757
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	Multilateral	Half yearly	US\$	17-05-21	-	9,140,352	-	9,140,352
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.362.099-9	Banco BTG Pactual	Chile	Single	Ch\$	24-06-21	93,750	10,095,833	-	10,189,583
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	27-09-21	-	-	4,036,032	4,036,032
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	01-10-21	-	-	4,035,522	4,035,522
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	60.706.000-2	CORFO	Chile	Single	Ch\$	15-11-21	170,953	160,156	28,830,214	29,161,323
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	DEG	Germany	Half yearly	US\$	15-12-21	-	4,960,995	4,850,939	9,811,934
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Cargill	USA	Single	US\$	14-07-23	-	-	796,353	796,353
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	1,194,080	1,180,898	2,333,814	4,708,792
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	951,183	941,832	1,863,812	3,756,827
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	206,779	204,746	405,177	816,702
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	16-01-24	86,602	203,154	413,080	702,836
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	DEG	Germany	Half yearly	US\$	16-09-24	238,966	-	264,878	503,844
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-01-26	65,211	153,565	312,249	531,025
Total									36,490,924	54,464,799	48,142,070	139,097,793

The balances at carrying amounts at 31 December 2019 were as follows:

Debtor taxpayer ID No.	Debtor company	Debtor country	Creditor taxpayer ID No.	Creditor	Creditor country	Type of amortisation	Currency	Maturity date	Carrying amounts 31.12.2019			Total carrying amounts
									0 - 3 months	3 - 6 months	6 - 12 months	
									Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	Ch\$	14-01-20	5,017,803	-	-	5,017,803
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	Ch\$	14-01-20	5,017,803	-	-	5,017,803
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	Ch\$	14-01-20	5,017,803	-	-	5,017,803
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	US\$	14-01-20	4,737,607	-	-	4,737,607
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	Ch\$	15-01-20	5,024,000	-	-	5,024,000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.011.000-9	Banco Internacional	Chile	Single	Ch\$	21-01-20	5,027,572	-	-	5,027,572
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.011.000-9	Banco Internacional	Chile	Single	Ch\$	21-01-20	5,027,572	-	-	5,027,572
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.951.000-4	Banco HSBC	Chile	Single	Ch\$	27-01-20	5,013,278	-	-	5,013,278
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.951.000-4	Banco HSBC	Chile	Single	Ch\$	27-01-20	3,509,295	-	-	3,509,295
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	Single	Ch\$	28-01-20	2,221,258	-	-	2,221,258
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.023.000-9	Banco Itaú	Chile	Single	Ch\$	04-02-20	5,017,233	-	-	5,017,233
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.023.000-9	Banco Itaú	Chile	Single	Ch\$	04-02-20	5,017,233	-	-	5,017,233
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.023.000-9	Banco Itaú	Chile	Single	Ch\$	04-02-20	5,017,233	-	-	5,017,233
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Quarterly	Ch\$	10-02-20	832,663	-	-	832,663
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	Ch\$	14-02-20	15,252,662	-	-	15,252,662
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Banco de Crédito del Perú	Peru	Single	US\$	20-02-20	11,308,527	-	-	11,308,527
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	Single	US\$	24-02-20	4,435,863	-	-	4,435,863
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	Single	US\$	24-02-20	4,435,863	-	-	4,435,863
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	Single	US\$	24-02-20	4,435,863	-	-	4,435,863
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Sumitomo	USA	Single	US\$	26-02-20	7,552,781	-	-	7,552,781
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	US\$	04-03-20	3,007,470	-	-	3,007,470
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	US\$	04-03-20	2,004,980	-	-	2,004,980
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	US\$	04-03-20	5,012,450	-	-	5,012,450
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	Single	Ch\$	10-03-20	15,050,409	-	-	15,050,409
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.951.000-4	Banco HSBC	Chile	Single	Ch\$	10-03-20	1,228,687	-	-	1,228,687
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Banco de Crédito del Perú	Peru	Single	US\$	12-03-20	3,759,324	-	-	3,759,324
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	20-03-20	7,555,286	-	-	7,555,286
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	CAF	Multilateral	Single	US\$	20-03-20	7,549,462	-	-	7,549,462
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	23-03-20	7,541,355	-	-	7,541,355
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	Single	US\$	07-04-20	-	8,259,922	-	8,259,922
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Sumitomo	USA	Single	US\$	13-04-20	-	10,537,918	-	10,537,918
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Single	US\$	15-04-20	1,921,975	13,156,200	-	15,078,175
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Quarterly	Ch\$	23-04-20	781,160	777,211	-	1,558,371
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Sumitomo	USA	Single	US\$	04-05-20	-	7,515,880	-	7,515,880
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	Ch\$	06-05-20	-	5,124,267	-	5,124,267
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	Ch\$	06-05-20	-	2,049,707	-	2,049,707
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Sumitomo	USA	Single	US\$	13-05-20	-	901,329	-	901,329
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Banco Bac Florida	USA	Single	US\$	20-05-20	-	4,492,772	-	4,492,772
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	US\$	25-05-20	-	4,087,433	-	4,087,433
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	US\$	25-05-20	-	4,087,433	-	4,087,433
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Banco Bac Florida	USA	Single	US\$	29-05-20	-	2,995,181	-	2,995,181
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	01-06-20	-	11,253,961	-	11,253,961
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	12-06-20	-	11,237,590	-	11,237,590
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	Monthly	US\$	21-07-20	-	2,998,654	-	2,998,654
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.362.099-9	Banco BTG Pactual	Chile	Single	UF	28-08-20	-	-	16,167,146	16,167,146
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	Multilateral	Half yearly	US\$	15-05-21	-	9,591,569	9,334,887	18,926,456
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	DEG	Germany	Half yearly	US\$	15-12-21	-	5,032,583	4,987,766	10,020,349
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	1,019,049	906,369	1,812,739	3,738,157
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	221,532	197,037	394,074	812,643
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	1,262,734	1,123,111	2,246,220	4,632,065
80.692.600-8	Tanner Corredores de Bolsa S.A.	Chile	97.023.000-9	Santander	Chile	Single	Ch\$	02-01-20	693,685	-	-	693,685
80.692.600-8	Tanner Corredores de Bolsa S.A.	Chile	97.006.000-6	BCI	Chile	Single	Ch\$	02-01-20	7,705,448	-	-	7,705,448
80.692.600-8	Tanner Corredores de Bolsa S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	Ch\$	02-01-20	2,987,480	-	-	2,987,480
Total									178,222,398	106,326,127	34,942,832	319,491,357

Note: the table below shows the average annual interest rate.

Current borrowing rates 31.12.2019			
Creditor	Currency	Nominal annual rate	Effective annual rate
Domestic	Ch\$	3.74%	3.74%
Domestic	US\$	3.56%	3.56%
Domestic	UF	2.00%	2.00%
International	US\$	3.28%	3.39%

The balances at undiscounted cash flows at 31 December 2019 were as follows:

Debtor taxpayer ID No.	Debtor company	Debtor country	Creditor taxpayer ID No.	Creditor	Creditor country	Type of amortisation	Currency	Maturity date	Nominal Amounts 31.12.2019			Total Nominal Amounts
									0 - 3 months	3 - 6 months	6 - 12 months	
									Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	Ch\$	14-01-20	5,022,527	-	-	5,022,527
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	Ch\$	14-01-20	5,022,527	-	-	5,022,527
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	Ch\$	14-01-20	5,022,527	-	-	5,022,527
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	US\$	14-01-20	4,743,058	-	-	4,743,058
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	Ch\$	15-01-20	5,028,667	-	-	5,028,667
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.011.000-9	Banco Internacional	Chile	Single	Ch\$	21-01-20	5,035,338	-	-	5,035,338
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.011.000-9	Banco Internacional	Chile	Single	Ch\$	21-01-20	5,035,338	-	-	5,035,338
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.951.000-4	Banco HSBC	Chile	Single	Ch\$	27-01-20	5,022,868	-	-	5,022,868
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.951.000-4	Banco HSBC	Chile	Single	Ch\$	27-01-20	3,516,007	-	-	3,516,007
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	Single	Ch\$	28-01-20	2,225,178	-	-	2,225,178
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.023.000-9	Banco Itaú	Chile	Single	Ch\$	04-02-20	5,027,887	-	-	5,027,887
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.023.000-9	Banco Itaú	Chile	Single	Ch\$	04-02-20	5,027,887	-	-	5,027,887
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.023.000-9	Banco Itaú	Chile	Single	Ch\$	04-02-20	5,027,887	-	-	5,027,887
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Quarterly	Ch\$	10-02-20	836,699	-	-	836,699
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	Ch\$	14-02-20	15,341,513	-	-	15,341,513
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Banco de Crédito del Perú	Peru	Single	US\$	20-02-20	10,898,699	-	-	10,898,699
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	Single	US\$	24-02-20	4,462,567	-	-	4,462,567
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	Single	US\$	24-02-20	4,462,567	-	-	4,462,567
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	Single	US\$	24-02-20	4,462,567	-	-	4,462,567
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Sumitomo	USA	Single	US\$	26-02-20	7,265,520	-	-	7,265,520
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	US\$	04-03-20	3,020,543	-	-	3,020,543
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	US\$	04-03-20	2,013,695	-	-	2,013,695
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	US\$	04-03-20	5,034,238	-	-	5,034,238
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	Single	Ch\$	10-03-20	15,056,010	-	-	15,056,010
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.951.000-4	Banco HSBC	Chile	Single	Ch\$	10-03-20	1,234,745	-	-	1,234,745
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Banco de Crédito del Perú	Peru	Single	US\$	12-03-20	3,627,141	-	-	3,627,141
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	20-03-20	7,608,916	-	-	7,608,916
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	CAF	Multilateral	Single	US\$	20-03-20	7,598,491	-	-	7,598,491
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	23-03-20	7,277,127	-	-	7,277,127
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	Single	US\$	07-04-20	7,958,036	-	-	7,958,036
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Sumitomo	USA	Single	US\$	13-04-20	-	10,170,611	-	10,170,611
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Single	US\$	15-04-20	134,071	15,107,413	-	15,241,484
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Quarterly	Ch\$	23-04-20	785,187	785,187	-	1,570,374
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Sumitomo	USA	Single	US\$	04-05-20	-	7,502,414	-	7,502,414
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	Ch\$	06-05-20	-	5,191,467	-	5,191,467
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	Ch\$	06-05-20	-	2,076,587	-	2,076,587
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Sumitomo	USA	Single	US\$	13-05-20	-	909,370	-	909,370
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Banco Bac Florida	USA	Single	US\$	20-05-20	29,992	4,509,249	-	4,539,241
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	US\$	25-05-20	-	4,146,400	-	4,146,400
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	US\$	25-05-20	-	4,146,400	-	4,146,400
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Banco Bac Florida	USA	Single	US\$	29-05-20	20,025	3,008,163	-	3,028,188
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	01-06-20	10,917,015	-	-	10,917,015
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	12-06-20	-	11,369,831	-	11,369,831
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	Monthly	US\$	21-07-20	627,003	1,814,275	600,777	3,042,055
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.362.099-9	Banco BTG Pactual	Chile	Single	UF	28-08-20	82,482	80,689	16,220,191	16,383,362
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	IFC	Multilateral	Half yearly	US\$	15-05-21	-	10,296,821	9,991,166	20,287,987
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	DEG	Germany	Half yearly	US\$	15-12-21	-	5,457,785	5,343,160	10,800,945
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	1,051,030	1,040,515	2,055,479	4,147,024
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	228,485	226,199	446,843	901,527
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	16-10-23	1,302,364	1,289,334	2,547,002	5,138,700
80.692.600-8	Tanner Corredores de Bolsa S.A.	Chile	97.023.000-9	Santander	Chile	Single	Ch\$	02-01-20	693,685	-	-	693,685
80.692.600-8	Tanner Corredores de Bolsa S.A.	Chile	97.006.000-6	BCI	Chile	Single	Ch\$	02-01-20	7,705,448	-	-	7,705,448
80.692.600-8	Tanner Corredores de Bolsa S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	Single	Ch\$	02-01-20	2,987,477	-	-	2,987,477
Total									195,481,034	89,128,710	37,204,618	321,814,362

b) Current obligations with the public (promissory notes)

The balances at carrying amounts and undiscounted cash flows at 31 December 2020 and 2019 were as follows:

2020

Country	Registry No.	Currency	Type of amortisation	Effective annual rate	Nominal annual rate	Nominal value Ch\$'000	Promissory note maturity	Carrying amounts				Undiscounted cash flows			
								31.12.2020			Total Ch\$'000	31.12.2020			Total Ch\$'000
								0 - 3 months	3 - 6 months	6 - 12 months		0 - 3 months	3 - 6 months	6 - 12 months	
								Ch\$'000	Ch\$'000	Ch\$'000		Ch\$'000	Ch\$'000	Ch\$'000	
Chile	Line 107	Ch\$	Single	1.80%	1.80%	10,000,000	05-01-2021	9,998,027	-	-	9,998,027	10,000,000	-	-	10,000,000
Chile	Line 117	US\$	Single	1.10%	1.10%	6,502,202	07-01-2021	6,091,727	-	-	6,091,727	6,502,202	-	-	6,502,202
Chile	Line 107	Ch\$	Single	0.96%	0.96%	9,927,732	12-01-2021	9,924,805	-	-	9,924,805	9,927,729	-	-	9,927,729
Chile	Line 117	US\$	Single	1.53%	1.53%	7,818,667	14-01-2021	7,072,218	-	-	7,072,218	7,818,710	-	-	7,818,710
Chile	Line 126	Ch\$	Single	0.96%	0.96%	8,000,000	19-01-2021	7,996,169	-	-	7,996,169	8,000,000	-	-	8,000,000
Chile	Line 117	US\$	Single	1.50%	1.50%	5,155,839	21-01-2021	4,615,327	-	-	4,615,327	5,158,078	-	-	5,158,078
Chile	Line 107	Ch\$	Single	1.08%	1.08%	5,000,000	26-01-2021	4,996,261	-	-	4,996,261	5,000,000	-	-	5,000,000
Chile	Line 126	Ch\$	Single	1.32%	1.32%	10,000,000	02-02-2021	9,988,324	-	-	9,988,324	10,000,000	-	-	10,000,000
Chile	Line 107	Ch\$	Single	1.32%	1.32%	10,000,000	09-02-2021	9,986,920	-	-	9,986,920	10,000,000	-	-	10,000,000
Chile	Line 117	US\$	Single	1.45%	1.45%	6,971,030	11-02-2021	6,388,671	-	-	6,388,671	6,971,030	-	-	6,971,030
Chile	Line 126	Ch\$	Single	1.32%	1.32%	9,947,986	16-02-2021	9,931,215	-	-	9,931,215	9,947,969	-	-	9,947,969
Chile	Line 117	US\$	Single	1.40%	1.40%	6,122,630	18-02-2021	5,677,914	-	-	5,677,914	6,122,630	-	-	6,122,630
Chile	Line 107	Ch\$	Single	1.20%	1.20%	5,000,000	23-02-2021	4,991,201	-	-	4,991,201	5,000,000	-	-	5,000,000
Chile	Line 107	Ch\$	Single	0.96%	0.96%	10,000,000	02-03-2021	9,984,041	-	-	9,984,041	10,000,000	-	-	10,000,000
Chile	Line 126	Ch\$	Single	1.32%	1.32%	10,000,000	09-03-2021	9,975,588	-	-	9,975,588	10,000,000	-	-	10,000,000
Chile	Line 117	US\$	Single	1.20%	1.20%	2,131,920	11-03-2021	2,127,956	-	-	2,127,956	2,131,920	-	-	2,131,920
Chile	Line 126	Ch\$	Single	1.32%	1.32%	8,000,000	16-03-2021	7,978,403	-	-	7,978,403	8,000,000	-	-	8,000,000
Chile	Line 126	Ch\$	Single	1.44%	1.44%	10,000,000	23-03-2021	9,968,593	-	-	9,968,593	10,000,000	-	-	10,000,000
Chile	Line 107	Ch\$	Single	1.08%	1.08%	10,000,000	30-03-2021	9,972,506	-	-	9,972,506	10,000,000	-	-	10,000,000
Chile	Line 107	Ch\$	Single	1.08%	1.08%	7,000,000	06-04-2021	-	6,980,111	-	6,980,111	-	7,000,000	-	7,000,000
Chile	Line 126	Ch\$	Single	1.32%	1.32%	10,000,000	04-05-2021	-	9,955,173	-	9,955,173	-	10,000,000	-	10,000,000
Chile	Line 126	Ch\$	Single	1.56%	1.56%	6,000,000	24-08-2021	-	-	5,939,537	5,939,537	-	-	6,000,000	6,000,000
	Total							147,665,866	16,935,284	5,939,537	170,540,687	150,580,268	17,000,000	6,000,000	173,580,268

2019

Country	Registry No.	Currency	Type of amortisation	Effective annual rate	Nominal annual rate	Nominal value Ch\$'000	Promissory note maturity	Carrying amounts				Undiscounted cash flows			
								31.12.2019			Total Ch\$'000	31.12.2019			Total Ch\$'000
								0 - 3 months	3 - 6 months	6 - 12 months		0 - 3 months	3 - 6 months	6 - 12 months	
								Ch\$'000	Ch\$'000	Ch\$'000		Ch\$'000	Ch\$'000	Ch\$'000	
Chile	Line 126	Ch\$	Single	2.52%	2.52%	6,000,000	07-01-2020	5,997,503	-	-	5,997,503	6,000,000	-	-	6,000,000
Chile	Line 126	Ch\$	Single	2.16%	2.16%	300,000	07-01-2020	299,893	-	-	299,893	300,000	-	-	300,000
Chile	Line 126	Ch\$	Single	2.16%	2.16%	300,000	07-01-2020	299,893	-	-	299,893	300,000	-	-	300,000
Chile	Line 126	Ch\$	Single	2.16%	2.16%	3,400,000	07-01-2020	3,398,783	-	-	3,398,783	3,400,000	-	-	3,400,000
Chile	Line 126	Ch\$	Single	2.64%	2.64%	10,000,000	14-01-2020	9,990,567	-	-	9,990,567	10,000,000	-	-	10,000,000
Chile	Line 126	Ch\$	Single	2.16%	2.16%	5,000,000	21-01-2020	4,994,034	-	-	4,994,034	5,000,000	-	-	5,000,000
Chile	Line 107	Ch\$	Single	2.28%	2.28%	3,000,000	21-01-2020	2,996,218	-	-	2,996,218	3,000,000	-	-	3,000,000
Chile	Line 107	Ch\$	Single	2.28%	2.28%	6,000,000	28-01-2020	5,989,793	-	-	5,989,793	6,000,000	-	-	6,000,000
Chile	Line 107	Ch\$	Single	2.76%	2.76%	8,000,000	04-02-2020	7,979,275	-	-	7,979,275	8,000,000	-	-	8,000,000
Chile	Line 126	Ch\$	Single	2.52%	2.52%	2,000,000	11-02-2020	1,994,334	-	-	1,994,334	2,000,000	-	-	2,000,000
Chile	Line 126	Ch\$	Single	2.52%	2.52%	3,000,000	11-02-2020	2,991,498	-	-	2,991,498	3,000,000	-	-	3,000,000
Chile	Line 126	Ch\$	Single	2.28%	2.28%	5,000,000	11-02-2020	4,987,125	-	-	4,987,125	5,000,000	-	-	5,000,000
Chile	Line 126	Ch\$	Single	2.28%	2.28%	5,000,000	18-02-2020	4,984,957	-	-	4,984,957	5,000,000	-	-	5,000,000
Chile	Line 126	Ch\$	Single	2.16%	2.16%	5,000,000	18-02-2020	4,985,715	-	-	4,985,715	5,000,000	-	-	5,000,000
Chile	Line 126	Ch\$	Single	2.04%	2.04%	1,500,000	25-02-2020	1,495,360	-	-	1,495,360	1,500,000	-	-	1,500,000
Chile	Line 126	Ch\$	Single	2.28%	2.28%	3,500,000	25-02-2020	3,487,893	-	-	3,487,893	3,500,000	-	-	3,500,000
Chile	Line 107	Ch\$	Single	2.76%	2.76%	6,500,000	03-03-2020	6,469,359	-	-	6,469,359	6,500,000	-	-	6,500,000
Chile	Line 107	Ch\$	Single	2.64%	2.64%	2,500,000	10-03-2020	2,487,453	-	-	2,487,453	2,500,000	-	-	2,500,000
Chile	Line 107	Ch\$	Single	2.88%	2.88%	5,000,000	10-03-2020	4,972,632	-	-	4,972,632	5,000,000	-	-	5,000,000
Chile	Line 126	Ch\$	Single	2.16%	2.16%	10,000,000	17-03-2020	9,954,815	-	-	9,954,815	10,000,000	-	-	10,000,000
Chile	Line 107	Ch\$	Single	2.88%	2.88%	5,000,000	24-03-2020	4,967,129	-	-	4,967,129	5,000,000	-	-	5,000,000
Chile	Line 107	Ch\$	Single	2.64%	2.64%	3,340,000	31-03-2020	-	3,287,279	-	3,287,279	-	3,340,000	-	3,340,000
Chile	Line 107	Ch\$	Single	2.64%	2.64%	600,000	31-03-2020	-	596,075	-	596,075	-	600,000	-	600,000

Country	Registry No.	Currency	Type of amortisation	Effective annual rate	Nominal annual rate	Nominal value Ch\$'000	Promissory note maturity	Carrying amounts				Undiscounted cash flows			
								31.12.2019			Total Ch\$'000	31.12.2019			Total Ch\$'000
								0 - 3 months	3 - 6 months	6 - 12 months		0 - 3 months	3 - 6 months	6 - 12 months	
								Ch\$'000	Ch\$'000	Ch\$'000		Ch\$'000	Ch\$'000	Ch\$'000	
Chile	Line 107	Ch\$	Single	2.52%	2.52%	2,000,000	31-03-2020	-	1,987,501	-	1,987,501	-	2,000,000	-	2,000,000
Chile	Line 107	Ch\$	Single	2.64%	2.64%	60,000	31-03-2020	-	59,607	-	59,607	-	60,000	-	60,000
Chile	Line 107	Ch\$	Single	2.52%	2.52%	4,000,000	07-04-2020	-	3,973,072	-	3,973,072	-	4,000,000	-	4,000,000
Chile	Line 107	Ch\$	Single	2.64%	2.64%	500,000	14-04-2020	-	370,866	-	370,866	-	500,000	-	500,000
Chile	Line 126	Ch\$	Single	2.16%	2.16%	10,000,000	21-04-2020	-	9,934,143	-	9,934,143	-	10,000,000	-	10,000,000
Chile	Line 107	Ch\$	Single	2.64%	2.64%	7,000,000	05-05-2020	-	4,063,041	-	4,063,041	-	7,000,000	-	7,000,000
Chile	Line 107	Ch\$	Single	2.64%	2.64%	3,000,000	12-05-2020	-	1,585,404	-	1,585,404	-	3,000,000	-	3,000,000
Chile	Line 107	Ch\$	Single	2.88%	2.88%	8,000,000	19-05-2020	-	7,912,060	-	7,912,060	-	8,000,000	-	8,000,000
Chile	Line 107	Ch\$	Single	2.88%	2.88%	10,000,000	02-06-2020	-	9,879,195	-	9,879,195	-	10,000,000	-	10,000,000
Chile	Line 117	US\$	Single	4.00%	4.00%	3,743,700	09-01-2020	3,740,391	-	-	3,740,391	3,743,700	-	-	3,743,700
Chile	Line 117	US\$	Single	3.30%	3.30%	336,933	09-01-2020	336,687	-	-	336,687	336,933	-	-	336,933
Chile	Line 117	US\$	Single	3.20%	3.20%	1,871,850	09-01-2020	1,870,523	-	-	1,870,523	1,871,850	-	-	1,871,850
Chile	Line 117	US\$	Single	2.95%	2.95%	1,497,480	09-01-2020	1,496,501	-	-	1,496,501	1,497,480	-	-	1,497,480
Chile	Line 117	US\$	Single	4.20%	4.20%	1,497,480	16-01-2020	1,494,877	-	-	1,494,877	1,497,480	-	-	1,497,480
Chile	Line 117	US\$	Single	2.80%	2.80%	3,743,700	16-01-2020	3,739,356	-	-	3,739,356	3,743,700	-	-	3,743,700
Chile	Line 117	US\$	Single	2.75%	2.75%	2,246,220	16-01-2020	2,243,654	-	-	2,243,654	2,246,220	-	-	2,246,220
Chile	Line 117	US\$	Single	4.20%	4.20%	5,465,802	23-01-2020	5,451,874	-	-	5,451,874	5,465,802	-	-	5,465,802
Chile	Line 117	US\$	Single	2.75%	2.75%	1,871,850	23-01-2020	1,868,716	-	-	1,868,716	1,871,850	-	-	1,871,850
Chile	Line 117	US\$	Single	2.95%	2.95%	1,422,606	30-01-2020	1,419,241	-	-	1,419,241	1,422,606	-	-	1,422,606
Chile	Line 117	US\$	Single	3.15%	3.15%	3,743,700	30-01-2020	3,734,240	-	-	3,734,240	3,743,700	-	-	3,743,700
Chile	Line 117	US\$	Single	3.50%	3.50%	748,740	30-01-2020	746,638	-	-	746,638	748,740	-	-	748,740
Total								123,866,927	43,648,243	-	167,515,170	124,190,061	48,500,000	-	172,690,061

c) Current obligations with the public (bonds payable)

The balances at carrying amounts and undiscounted cash flows at 31 December 2020 and 2019 were as follows:

2020

Country	Registry No.	Series	Series	Currency	Amortisation	Effective annual rate	Nominal annual rate	Final term	Carrying amounts 31.12.2020				Carrying amounts 31.12.2020			
									0 - 3 months	3 - 6 months	6 - 12 months	Total Ch\$'000	0 - 3 months	3 - 6 months	6 - 12 months	Total
									Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Chile	656	I series	133,333	UF	Half yearly with a four-year grace period	3.67%	3.80%	01-04-21	-	3,912,185	-	3,912,185	-	3,949,002	-	3,949,002
Chile	548	Z series	1,500,000	UF	On maturity	2.74%	3.25%	05-07-21	-	-	44,384,549	44,384,549	702,924	-	44,293,706	44,996,630
Chile	888	AC series	2,000,000	UF	On maturity	2.14%	2.15%	05-04-22	-	294,197	-	294,197	-	621,688	621,688	1,243,376
Chile	888	AD series	2,000,000	UF	On maturity	2.05%	2.00%	15-08-23	220,182	-	-	220,182	578,500	-	578,500	1,157,000
Chile	817	W series	1,000,000	UF	Half yearly with a ten-year grace period	3.95%	3.80%	01-08-36	523,168	-	-	523,168	547,186	-	547,186	1,094,372
Chile	888	AB series	2,000,000	UF	On maturity	3.36%	3.75%	15-02-38	583,807	-	-	583,807	1,080,079	-	1,080,079	2,160,158
Chile	888	AE series	2,000,000	UF	On maturity	0.98%	1.10%	15-06-24	-	25,425	-	25,425	-	318,871	318,871	637,742
Switzerland	-	-	125,000,000	CHF	On maturity	1.00%	1.01%	03-12-21	-	-	100,537,351	100,537,351	-	-	101,647,587	101,647,587
Switzerland	-	-	200,000,000	CHF	On maturity	0.59%	0.60%	07-11-22	-	-	366,507	366,507	-	-	982,063	982,063
Total									1,327,157	4,231,807	145,288,407	150,847,371	2,908,689	4,889,561	150,069,680	157,867,930

2019

Country	Registry No.	Series	Series	Currency	Amortisation	Effective annual rate	Nominal annual rate	Final term	Carrying amounts 31.12.2019				Carrying amounts 31.12.2019			
									0 - 3 months	3 - 6 months	6 - 12 months	Total Ch\$'000	0 - 3 months	3 - 6 months	6 - 12 months	Total
									Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Chile	817	U series	1,000,000	UF	On maturity	2.45%	2.50%	01-08-20	-	-	26,857,370	26,857,370	351,712	-	26,995,264	27,346,976
Chile	817	X series	2,000,000	UF	On maturity	3.49%	3.75%	10-09-20	-	-	49,331,452	49,331,452	1,051,920	-	50,107,013	51,158,933
Chile	656	I series	533,333	UF	Half yearly with a four-year grace period	3.67%	3.80%	01-04-21	-	3,941,072	3,774,662	7,715,734	-	3,988,066	3,917,012	7,905,078
Chile	548	Z series	1,500,000	UF	On maturity	2.74%	3.25%	05-07-21	573,920	-	-	573,920	684,582	-	684,582	1,369,164
Chile	888	AC series	2,000,000	UF	On maturity	2.14%	2.15%	05-04-22	-	265,889	-	265,889	-	605,466	605,466	1,210,932
Chile	888	AD series	2,000,000	UF	On maturity	2.05%	2.00%	15-08-23	422,813	-	-	422,813	563,404	-	563,404	1,126,808
Chile	817	W series	1,000,000	UF	Half yearly with a ten-year grace period	3.95%	3.80%	01-08-36	491,661	-	-	491,661	532,908	-	532,908	1,065,816
Chile	888	AB series	2,000,000	UF	On maturity	3.36%	3.75%	15-02-38	599,774	-	-	599,774	1,051,896	-	1,051,896	2,103,792
Chile	888	AE series	2,000,000	UF	On maturity	0.98%	1.10%	15-06-24	-	24,785	-	24,785	-	310,523	310,523	621,046
Switzerland	-	-	100,000,000	CHF	On maturity	1.38%	1.38%	10-11-20	-	-	73,642,689	73,642,689	-	-	74,687,500	74,687,500
Switzerland	-	-	125,000,000	CHF	On maturity	1.00%	1.00%	03-12-21	-	-	202,106	202,106	-	-	976,936	976,936
Total									2,088,168	4,231,746	153,808,279	160,128,193	4,236,422	4,904,055	160,432,504	169,572,981

d) Other financial liabilities

The breakdown of other current financial liabilities at carrying amounts is shown below:

Other financial liabilities	31.12.2020 Ch\$'000	31.12.2019 Ch\$'000
Liabilities for repos	23,493,562	20,335,046
Liabilities for local repos	20,824,331	45,520,409
Liabilities for forwards	16,254,427	5,966,635
Current finance lease liabilities	1,101,148	1,083,860
Total	61,673,468	72,905,950

The breakdown of other current financial liabilities at undiscounted contractual cash flows was as follows:

Other financial liabilities	31.12.2020 Ch\$'000	31.12.2019 Ch\$'000
Liabilities for repos	23,493,562	20,612,164
Liabilities for local repos	20,824,331	45,520,409
Liabilities for forwards	16,258,843	5,966,635
Current finance lease liabilities	1,304,590	1,325,490
Total	61,881,326	73,424,698

i) The breakdown of liabilities for forwards is shown below:

i. At carrying amount

Debtor taxpayer ID No.	Debtor company	Debtor company country	31.12.2020				31.12.2019			
			0 - 3 months	3 - 6 months	6 - 12 months	Total	0 - 3 months	3 - 6 months	6 - 12 months	Total
			Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	20,021,915	-	-	20,021,915	2,870,777	-	-	2,870,777
80.962.600-8	Tanner Corredores de Bolsa S.A.	Chile	802,416	-	-	802,416	2,925,324	-	170,534	3,095,858
Total			20,824,331	-	-	20,824,331	5,796,101	-	170,534	5,966,635

ii. At undiscounted contractual cash flows

Debtor taxpayer ID No.	Debtor company	Debtor company country	31.12.2020				31.12.2019			
			0 - 3 months	3 - 6 months	6 - 12 months	Total	0 - 3 months	3 - 6 months	6 - 12 months	Total
			Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	-	-	-	-	-	-	-	-
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	20,021,915	-	-	20,021,915	2,870,777	-	-	2,870,777
80.962.600-8	Tanner Corredores de Bolsa S.A.	Chile	802,416	-	-	802,416	2,925,324	-	170,534	3,095,858
Total			20,824,331	-	-	20,824,331	5,796,101	-	170,534	5,966,635

The breakdown of liabilities for sales with repurchase agreements was as follows:

i. At carrying amount

Debtor taxpayer ID No.	Debtor company	Debtor company country	31.12.2020				31.12.2019			
			0 - 3 months	3 - 6 months	6 - 12 months	Total	0 - 3 months	3 - 6 months	6 - 12 months	Total
			Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	23,493,562	-	-	23,493,562	45,520,409	-	-	45,520,409
Total			23,493,562	-	-	23,493,562	45,520,409	-	-	45,520,409

ii. At undiscounted contractual cash flows

Debtor taxpayer ID No.	Debtor company	Debtor company country	31.12.2020				31.12.2019			
			0 - 3 months	3 - 6 months	6 - 12 months	Total	0 - 3 months	3 - 6 months	6 - 12 months	Total
			Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	23,493,562	-	-	23,493,562	45,520,409	-	-	45,520,409
Totales			23,493,562	-	-	23,493,562	45,520,409	-	-	45,520,409

iii) The breakdown of liabilities for repurchase agreements was as follows:

2020

The breakdown of balances at carrying amounts and undiscounted cash flows for the year ended 31 December 2020 is shown below:

Debtor taxpayer ID No.	Debtor company	Debtor company country	Creditor taxpayer ID N°	Creditor	Creditor country	Type of amortisation	Currency	Maturity date	Carrying amount at 31.12.2020			Total	Flujos no descontados 31.12.2020			Total
									0 - 3 months	3 - 6 months	6 - 12 months		0 - 3 months	3 - 6 months	6 - 12 months	
									Ch\$'000	Ch\$'000	Ch\$'000		Ch\$'000	Ch\$'000	Ch\$'000	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	835,622	-	-	835,622	835,849	-	-	835,849
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	242,322	-	-	242,322	242,388	-	-	242,388
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	1,499,608	-	-	1,499,608	871,736	-	-	871,736
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	1,467,861	-	-	1,467,861	1,500,015	-	-	1,500,015
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	290,756	-	-	290,756	1,468,260	-	-	1,468,260
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	577,928	-	-	577,928	290,835	-	-	290,835
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	1,400,729	-	-	1,400,729	578,085	-	-	578,085
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	1,709,887	-	-	1,709,887	1,401,110	-	-	1,401,110
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	1,179,978	-	-	1,179,978	1,710,352	-	-	1,710,352
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	872,268	-	-	872,268	1,180,299	-	-	1,180,299
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	599,857	-	-	599,857	872,505	-	-	872,505
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	1,220,373	-	-	1,220,373	600,020	-	-	600,020
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	1,165,982	-	-	1,165,982	1,220,704	-	-	1,220,704
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	967,775	-	-	967,775	1,166,299	-	-	1,166,299
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	733,726	-	-	733,726	968,038	-	-	968,038
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	871,500	-	-	871,500	733,925	-	-	733,925
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	132,765	-	-	132,765	132,801	-	-	132,801
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	139,250	-	-	139,250	139,288	-	-	139,288
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	312,230	-	-	312,230	312,314	-	-	312,314
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	USA	Single	US\$	14-01-21	34,010	-	-	34,010	34,020	-	-	34,020
	Total								16,254,427	-	-	16,254,427	16,258,843	-	-	16,258,843

Note: the table below shows the average annual interest rate:

Repurchase agreement rates 31.12.2020			
Creditor	Currency	Nominal annual rate	Effective annual rate
Foreign	US\$	1.12%	1.12%

2019

The balances at carrying amount and undiscounted cash flows at 31 December 2019 were as follows:

Debtor taxpayer ID No.	Debtor company	Debtor company	Creditor taxpayer ID No.	Creditor	Creditor country	Type of amortisation	Currency	Maturity date	Carrying amount at 31.12.2019			Total	Undiscounted cash flows at 31.12.2019			Total
									0 - 3 months	3 - 6 months	6 - 12 months		0 - 3 months	3 - 6 months	6 - 12 months	
									Ch\$'000	Ch\$'000	Ch\$'000		Ch\$'000	Ch\$'000	Ch\$'000	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	875,740	-	-	875,740	880,628	-	-	880,628
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	306,740	-	-	306,740	308,052	-	-	308,052
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	254,672	-	-	254,672	255,985	-	-	255,985
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	391,710	-	-	391,710	395,040	-	-	395,040
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	926,783	-	-	926,783	928,512	-	-	928,512
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	1,629,659	-	-	1,629,659	1,694,539	-	-	1,694,539
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	1,556,777	-	-	1,556,777	1,562,208	-	-	1,562,208
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	309,437	-	-	309,437	310,360	-	-	310,360
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	602,928	-	-	602,928	611,248	-	-	611,248
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	1,061,981	-	-	1,061,981	1,096,049	-	-	1,096,049
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	1,490,972	-	-	1,490,972	1,498,196	-	-	1,498,196
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	1,855,879	-	-	1,855,879	1,860,360	-	-	1,860,360
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	1,266,026	-	-	1,266,026	1,269,136	-	-	1,269,136
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	931,986	-	-	931,986	932,044	-	-	932,044
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	630,515	-	-	630,515	632,165	-	-	632,165
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	1,257,993	-	-	1,257,993	1,264,580	-	-	1,264,580
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	1,232,337	-	-	1,232,337	1,235,564	-	-	1,235,564
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Credit Suisse	EEUU	Única	USD	16-01-20	1,029,958	-	-	1,029,958	1,030,197	-	-	1,030,197
80.692.600-8	Tanner Corredores de Bolsa S.A.	Chile	0-E	Morgan Stanley	EEUU	Única	USD	30-06-20	-	2,722,953	-	2,722,953	-	2,847,301	-	2,847,301
Totales									17,612,092	2,722,953	-	20,335,046	17,764,863	2,847,301	-	20,612,164

Note: the table below shows the average annual interest rate:

Repurchase agreement rates 31.12.2019			
Creditor	Currency	Nominal annual rate	Effective annual rate
Foreign	US\$	2.20%	2.20%

iv) The breakdown of finance lease liabilities was as follows:

2020

The balances at carrying amount and undiscounted cash flows for the year ended 31 December 2020 were as follows:

Debtor taxpayer ID No.	Debtor company	Debtor company country	Carrying amount at 31.12.2020				Undiscounted cash flows at 31.12.2020			
			0 - 3 months	3 - 6 months	6 - 12 months	Total	0 - 3 months	3 - 6 months	6 - 12 months	Total
			Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	221,122	222,785	450,609	894,516	270,404	270,404	540,808	1,081,616
80.962.600-8	Tanner Corredores de Bolsa S.A.	Chile	51,079	51,463	104,090	206,632	55,744	55,743	111,487	222,974
Total			272,201	274,248	554,699	1,101,148	326,148	326,147	652,295	1,304,590

The breakdown of finance lease obligations for the year ended 31 December 2020 and their effect on these consolidated financial statements is shown below:

Debtor taxpayer ID No.	Debtor company	Depreciation charge (*) Ch\$'000	Interest expense Ch\$'000	Expense under IFRS 16.6		Income from subleases Ch\$'000	Cash outlays Ch\$'000
				Amount Ch\$'000	Duration Ch\$'000		
96.667.560-8	Tanner Servicios Financieros S.A.	938,583	210,941	190,279	126,852	-	1,137,969
80.962.600-8	Tanner Corredores de Bolsa S.A.	141,106	22,109	-	-	-	197,662
Total		1,079,689	233,050	190,279	126,852	-	1,335,631

(*) For further details about the depreciation charge concerning the right-of-use related to these obligations, see Note 14 - Property, plant and equipment.

2019

The balances at carrying amount and undiscounted cash flows for the year ended 31 December 2019 were as follows:

Debtor taxpayer ID No.	Debtor taxpayer ID No.	Debtor company country	Carrying amount at 31.12.2019				Carrying amount at 31.12.2019			
			0 - 3 months	3 - 6 months	6 - 12 months	Total	0 - 3 months	3 - 6 months	6 - 12 months	Total
			Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	219,661	221,313	447,599	888,573	277,271	277,154	553,924	1,108,349
80.962.600-8	Tanner Corredores de Bolsa S.A.	Chile	48,275	48,638	98,374	195,287	54,285	54,285	108,571	217,141
Total			267,936	269,951	545,973	1,083,860	331,556	331,439	662,495	1,325,490

The breakdown of finance lease obligations for the year ended 31 December 2019 and their effect on these consolidated financial statements is shown below:

Debtor taxpayer ID No.	Debtor company	Debtor company				Income from subleases Ch\$'000	Cash outlays Ch\$'000
		Depreciation charge (*) Ch\$'000	Interest expense Ch\$'000	Amount Ch\$'000	Duration Ch\$'000		
80.962.600-8	Tanner Servicios Financieros S.A.	1,009,060	158,114	89,034	59,356	24,720	1,074,882
80.962.600-8	Tanner Corredores de Bolsa S.A.	134,974	20,820	-	-	-	186,318
Total		1,144,034	178,934	89,034	59,356	24,720	1,261,200

(*) For further details about the depreciation charge concerning the right-of-use related to these obligations, see Note 14 - Property, plant and equipment.

NOTE 20.

Other non-current financial liabilities

The breakdown of other non-current financial liabilities was as follows:

i) At carrying amount

Other non-current financial liabilities	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000
Obligations with banks and financial institutions	129,894,173	46,021,073
Obligations with the public (bonds payable)	367,718,288	383,361,903
Swap derivative instruments	6,400,794	2,861,342
Other financial liabilities	6,182,180	7,230,460
Total	510,195,435	439,474,778

ii) At undiscounted cash flows

Other non-current financial liabilities	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000
Obligations with banks and financial institutions	136,257,291	48,440,358
Obligations with the public (bonds payable)	382,029,786	413,286,067
Swap derivative instruments	6,400,794	2,861,342
Other financial liabilities	6,759,577	7,582,333
Total	531,447,448	472,170,100

Pursuant to what is indicated in Circular Letter N°595 of the Financial Market Commission (CMF, according to the Spanish acronym), consolidated financial statements should indicate the name, taxpayer ID number and country of the debtor entity. In this case, all the non-current financial liabilities effective on the reporting dates are obligations of the parent company, Tanner Servicios Financieros S.A., taxpayer ID number 96.667.560-8, country of origin, Chile.

a) Non-current obligations with banks and financial institutions

i) The breakdown of these at carrying amount at 31 December 2020 and 2019 was as follows:

Debtor taxpayer ID No.	Debtor company	Debtor company	Creditor taxpayer ID No.	Creditor taxpayer ID No.	Creditor country	Type of amortisation	Currency	Maturity date	Carrying amounts							
									31.12.2020				31.12.2019			
									1 - 3 years	3 - 5 years	Over 5 years	Total	1 - 3 years	3 - 5 years	Over 5 years	Total
									Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Cargill	USA	Single	US\$	14-07-23	35,547,570	-	-	35,547,570	-	-	-	-
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	DEG	Germany	Half yearly	US\$	16-01-24	32,100,132	3,727,625	-	35,827,757	-	-	-	-
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Half yearly	US\$	15-01-26	12,044,329	12,044,329	1,299,185	25,387,843	-	-	-	-
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	DEG	Germany	Half yearly	US\$	16-09-24	10,901,233	5,316,644	-	16,217,877	-	-	-	-
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	8,531,400	-	-	8,531,400	9,983,200	-	-	9,983,200
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	6,884,989	-	-	6,884,989	8,984,879	4,492,440	-	13,477,319
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	1,496,737	-	-	1,496,737	7,250,956	3,625,478	-	10,876,434
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	BID Invest	Multilateral	Half yearly	US\$	15-05-21	-	-	-	-	1,565,883	758,987	-	2,324,870
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	Bladex	USA	Single	US\$	01-10-21	-	-	-	-	-	-	-	-
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	0-E	DEG	Germany	Half yearly	US\$	15-12-21	-	-	-	-	9,359,250	-	-	9,359,250
Total									107,506,390	21,088,598	1,299,185	129,894,173	37,144,168	8,876,905	-	46,021,073

ii) The breakdown of these at undiscounted cash flows for the years ended 31 December 2020 and 2019 was as follows:

Debtor taxpayer ID No.	Debtor company	Debtor company	Creditor taxpayer ID No.	Creditor taxpayer ID No.	Creditor country	Type of amortisation	Currency	Maturity date	Nominal amounts							
									31.12.2020				31.12.2019			
									1 - 3 years	3 - 5 years	Over 5 years	Total	1 - 3 years	3 - 5 years	Over 5 years	Total
									Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	O-E	Cargill	USA	Single	US\$	14-07-23	37,218,010	-	-	37,218,010	-	-	-	-
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	O-E	DEG	Germany	Half yearly	US\$	16-01-24	33,110,197	4,039,221	-	37,149,418	-	-	-	-
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	O-E	BID Invest	Multilateral	Quarterly	US\$	15-01-26	13,035,477	12,447,212	1,514,775	26,997,464	-	-	-	-
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	O-E	DEG	Germany	Half yearly	US\$	16-09-24	11,688,669	5,582,336	-	17,271,005	-	-	-	-
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	O-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	8,911,127	-	-	8,911,127	9,740,378	4,603,499	-	14,343,877
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	O-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	7,154,862	-	-	7,154,862	7,860,655	3,715,694	-	11,576,349
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	O-E	BID Invest	Multilateral	Quarterly	US\$	15-10-23	1,555,405	-	-	1,555,405	1,708,838	807,760	-	2,516,598
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	O-E	BID Invest	Multilateral	Half yearly	US\$	15-05-21	-	-	-	-	9,670,055	-	-	9,670,055
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	O-E	Bladex	USA	Single	US\$	01-10-21	-	-	-	-	-	-	-	-
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	O-E	DEG	Germany	Half yearly	US\$	15-12-21	-	-	-	-	10,333,479	-	-	10,333,479
Total									112,673,747	22,068,769	1,514,775	136,257,291	39,313,405	9,126,953	-	48,440,358

b) Non-current obligations with the public (bonds payable)

i) The breakdown of these at carrying amounts for the years ended 31 December 2020 and 2019 was as follows:

Country	Registry number	Series	Nominal amount nominal	Currency	Amortisation	Effective annual rate	Nominal annual rate	Final maturity	Final maturity 31.12.2020			
									1 - 3 years	3 - 5 years	3 - 5 years	Total
									Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Chile	888	AC series	2.000.000	UF	On maturity	2,14%	2,15%	05-04-22	32,819,018	-	-	32,819,018
Chile	888	AD series	2.000.000	UF	On maturity	2,05%	2,00%	15-08-23	37,342,499	-	-	37,342,499
Chile	888	AE series	2.000.000	UF	On maturity	0,98%	1,10%	15-06-24	-	58,369,462	-	58,369,462
Chile	817	W series	1.000.000	UF	Half yearly with a 10-year grace period	3,95%	3,80%	01-08-36	-	-	26,190,331	26,190,331
Chile	888	AB series	2.000.000	UF	On maturity	3,36%	3,75%	15-02-38	-	-	60,888,746	60,888,746
Switzerland	-	-	200.000.000	CHF	On maturity	0,59%	0,60%	07-11-22	152,108,232	-	-	152,108,232
Total									222,269,749	58,369,462	87,079,077	367,718,288

Country	Registry number	Series	Nominal amount nominal	Currency	Amortisation	Effective annual rate	Nominal annual rate	Final maturity	Final maturity 31.12.2019			
									1 - 3 years	3 - 5 years	3 - 5 years	Total
									Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Chile	656	I series	533.333	UF	Half yearly with a 4-year grace period	3.67%	3.80%	01-04-21	3,225,663	-	-	3,225,663
Chile	548	Z series	1.500.000	UF	On maturity	2.74%	3.25%	05-07-21	43,418,464	-	-	43,418,464
Chile	888	AC series	2.000.000	UF	On maturity	2.14%	2.15%	05-04-22	56,130,076	-	-	56,130,076
Chile	888	AD series	2.000.000	UF	On maturity	2.05%	2.00%	15-08-23	-	49,600,106	-	49,600,106
Chile	888	AE series	2.000.000	UF	On maturity	0.98%	0.98%	15-06-24	-	47,054,876	-	47,054,876
Chile	817	W series	1.000.000	UF	Half yearly with a 10-year grace period	3.95%	3.80%	01-08-36	-	-	28,017,371	28,017,371
Chile	888	AB series	2.000.000	UF	On maturity	3.36%	3.75%	15-02-38	-	-	59,649,690	59,649,690
Switzerland	-	-	125.000.000	CHF	On maturity	1.00%	1.00%	03-12-21	96,265,657	-	-	96,265,657
Total									199,039,860	96,654,982	87,667,061	383,361,903

ii) The breakdown of these at undiscounted cash flows for the years ended 31 December 2020 and 2019 was as follows:

Country	Registry number	Series	Nominal amount nominal	Currency	Amortisation	Effective annual rate	Nominal annual rate	Final maturity	Undiscounted cash flows 31.12.2020			
									1 - 3 years	3 - 5 years	3 - 5 years	Total
									Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Chile	888	AC series	2.000.000	UF	On maturity	2.14%	2.15%	05-04-22	33,430,822	-	-	33,430,822
Chile	888	AD aseries	2.000.000	UF	On maturity	2.05%	2.00%	15-08-23	37,777,983	-	-	37,777,983
Chile	888	AE series	2.000.000	UF	On maturity	0.98%	1.10%	15-06-24	318,871	58,459,531	-	58,778,402
Chile	817	W series	1.000.000	UF	Half yearly with a 10-year grace period	3.95%	3.80%	01-08-36	2,188,746	2,188,746	32,783,367	37,160,859
Chile	888	AB series	2.000.000	UF	On maturity	3.36%	3.75%	15-02-38	1,080,079	1,080,079	58,945,625	61,105,783
Switzerland	-	-	200.000.000	CHF	On maturity	0.59%	0.60%	07-11-22	153,775,937	-	-	153,775,937
Total									228,572,438	61,728,356	91,728,992	382,029,786

Country	Registry number	Series	Nominal amount nominal	Currency	Amortisation	Effective annual rate	Nominal annual rate	Final maturity	Undiscounted cash flows 31.12.2019			
									1 - 3 years	3 - 5 years	3 - 5 years	Total
									Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Chile	656	I series	533.333	UF	Half yearly with a 4-year grace period	3.67%	3.80%	01-04-21	3,845,957	-	-	3,845,957
Chile	548	Z series	1.500.000	UF	On maturity	2.74%	3.25%	05-07-21	43,152,237	-	-	43,152,237
Chile	888	AC series	2.000.000	UF	On maturity	2.14%	2.15%	05-04-22	57,229,006	-	-	57,229,006
Chile	888	AD series	2.000.000	UF	On maturity	2.05%	2.00%	15-08-23	563,404	57,186,944	-	57,750,348
Chile	888	AE series	2.000.000	UF	On maturity	0.98%	0.98%	15-06-24	310,523	56,934,063	-	57,244,586
Chile	817	W series	1.000.000	UF	Half yearly with a 10-year grace period	3.95%	3.80%	01-08-36	532,908	532,908	35,506,031	36,571,847
Chile	888	AB series	2.000.000	UF	On maturity	3.36%	3.75%	15-02-38	1,051,896	1,051,896	57,675,436	59,779,228
Switzerland	-	-	125.000.000	CHF	On maturity	1.00%	1.00%	03-12-21	97,712,858	-	-	97,712,858
Total									204,398,789	115,705,811	93,181,467	413,286,067

c) Finance lease liabilities

2020

Debtor taxpayer ID No.	Debtor company	Carrying amount 31.12.2020				Undiscounted cash flows 31.12.2020			
		1 - 3 years	3 - 5 years	Over 5 years	Total	1 - 3 years	3 - 5 years	Over 5 years	Total
		Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	1,871,484	1,663,976	2,214,411	5,749,871	2,163,231	1,849,143	2,301,255	6,313,629
80.962.600-8	Tanner Corredores de Bolsa S.A.	432,309	-	-	432,309	445,948	-	-	445,948
Total		2,303,793	1,663,976	2,214,411	6,182,180	2,609,179	1,849,143	2,301,255	6,759,577

2019

Debtor taxpayer ID No.	Debtor company	Carrying amount 31.12.2019				Undiscounted cash flows 31.12.2019			
		1 - 3 years	3 - 5 years	Over 5 years	Total	1 - 3 years	3 - 5 years	Over 5 years	Total
		Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	1,859,113	1,841,524	2,907,597	6,608,234	2,664,441	1,776,294	2,442,404	6,883,139
80.962.600-8	Tanner Corredores de Bolsa S.A.	622,226	-	-	622,226	645,410	53,784	-	699,194
Total		2,481,339	1,841,524	2,907,597	7,230,460	3,309,851	1,830,078	2,442,404	7,582,333

d) Reconciliation of changes in liabilities and cash flows from financing activities

The reconciliation of financing activities for the years ended 31 December 2020 and 2019 is shown below:

2020

Changes from financing cash flows	Liabilities			Patrimonio		Total 31.12.2020 M\$
	Sobregiros bancarios M\$	Otros préstamos y obligaciones M\$	Emision de deuda M\$	Capital en acciones M\$	Ganancias acumuladas M\$	
Opening balance at 01.01.2020	-	445.648.840	713.866.608	-	9.615.819	1.169.131.267
Changes from financing cash flows						
Charges from issuing borrowings and obligations	13.412.945	356.817.872	-	-	-	370.230.817
Repayment of borrowings	(13.412.945)	(443.487.245)	-	-	-	(456.900.190)
Payments of finance lease liabilities	-	(1.079.909)	-	-	-	(1.079.909)
Payments for other equity interest	-	-	(654.523.231)	-	-	(654.523.231)
Dividend paid	-	-	-	-	(9.615.819)	(9.615.819)
Proceeds from the issuance of other equity instruments	-	-	573.520.640	-	-	573.520.640
Interest paid	-	(8.474.398)	(41.599.304)	-	-	(50.073.702)
Total changes from financing cash flows	-	(96.223.680)	(122.601.895)	-	(9.615.819)	(228.441.394)
Other non-cash flow changes						
Related to liabilities	-	(18.347.905)	104.242.425	-	-	85.894.520
Total other changes	-	(18.347.905)	104.242.425	-	-	85.894.520
Balance at 31 December 2020	-	331.077.255	695.507.138	-	-	1.026.584.393

Changes from financing cash flows	Liabilities			Equity		Total at 31.12.2019 Ch\$'000
	Bank overdrafts Ch\$'000	Bank overdrafts Ch\$'000	Debt issuance Ch\$'000	Debt issuance Ch\$'000	Retained earnings Ch\$'000	
Opening balance at 01.01.2019	-	426,485,793	620,323,474	-	8,809,969	1,055,619,236
Changes from financing cash flows						
Charges from issuing borrowings and obligations	195,626,671	328,938,620	-	-	-	524,565,291
Repayment of borrowings	(195,626,671)	(328,377,756)	-	-	-	(524,004,427)
Payments of finance lease liabilities	-	(1,029,439)	-	-	-	(1,029,439)
Payments for other equity interest	-	-	(367,360,939)	-	-	(367,360,939)
Dividend paid	-	-	-	-	(8,809,969)	(8,809,969)
Proceeds from the issuance of other equity instruments	-	-	379,909,566	-	-	379,909,566
Interest paid	-	(12,351,932)	(38,359,924)	-	-	(50,711,856)
Total changes from financing cash flows	-	(12,820,507)	(25,811,297)	-	(8,809,969)	(47,441,773)
Other non-cash flow changes						
Related to liabilities	-	31,983,553	119,354,432	-	-	151,337,985
Total other changes	-	31,983,553	119,354,432	-	-	151,337,985
Balance at 31 December 2019	-	445,648,839	713,866,609	-	-	1,159,515,448

NOTE 21.

Trade and other payables, current

This item includes the following:

Breakdown	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000
Payables to brokers and dealers TCBV ⁽¹⁾	18,608,119	54,508,287
Other accounts payable TCBV ⁽²⁾	17,692,333	9,225,010
Amount payable for loan operations ⁽³⁾	16,094,440	10,788,252
Sundry payables for international factoring operations ⁽⁴⁾	10,902,047	8,812,985
Notes payable TCBV	9,925,320	6,773,670
Collateral guarantees ⁽⁵⁾	9,465,252	5,828,941
Sundry payables for auto financing ⁽⁶⁾	9,395,475	2,498,389
Minimum dividend	8,246,624	9,654,035
Sundry payables for domestic factoring operations ⁽⁷⁾	3,921,548	8,469,251
Other notes payable ⁽⁸⁾	3,792,019	2,948,715
Others ⁽⁹⁾	2,037,880	275,234
Accounts payable ⁽¹⁰⁾	1,895,308	1,442,966
Accounting overdrafts ⁽¹¹⁾	1,264,368	15,982,166
Provision for holidays	1,349,900	1,261,572
Deferred liabilities	591,529	334,244
Taxes payable	464,400	341,747
Surpluses to be returned for notes ⁽¹²⁾	426,780	1,571,160
Sundry payables for leasing ⁽¹³⁾	372,066	658,376
Leasing suppliers	3,261	95,360
Total	116,448,669	141,470,360

(1) These are mainly obligations due to prepayments for customer purchases and brokerage of variable-income and simultaneous operations.

(2) These are the balances payable for debt operations and other accounts payable associated with the subsidiary Tanner Corredores de Bolsa S.A.

(3) These are loan and auto financing operations registered as pending payment.

(4) Liabilities arising from international factoring operations undertaken by the Parent.

(5) Collateral guarantees to be paid to counterparties for derivative hedging operations of Tanner Servicios Financieros S.A.

(6) Liabilities arising from auto financing transactions undertaken by Tanner Servicios Financieros S.A.

(7) Liabilities arising from domestic factoring operations performed by the Parent.

(8) These are mainly related to suppliers and social security law deductions.

(9) Other accounts payable not classified in any of the previous items.

(10) Obligations with suppliers and/or creditors of Tanner Leasing Vendor Ltda.

(11) Those banks that are overdrawn in accounting, either due to unidentified deposits or charges not registered by the bank.

(12) Amounts released for factoring operations, and available for use or withdrawal by customers.

(13) Liabilities arising from leasing transactions undertaken by Tanner Leasing S.A.

NOTE 22.

Other current provisions

a) The breakdown of other current provisions was as follows:

Other current provisions	Currency	31.12.2020	31.12.2019
		Ch\$'000	Ch\$'000
Provisions for expenses ¹	Ch\$	158,626	229,233
Other provisions ²	Ch\$	349,798	299,004
Total		508,424	528,237

1 Provisions for accrued expenses in the year, whose documentation has not been received yet.

2 Other provisions include the annual audit and withholdings payable.

b) The change in current provisions was as follows:

2020

Breakdown	Expense provisions Ch\$'000	Other provisions Ch\$'000	Total Ch\$'000
Opening balance at 01.01.2020	229,233	299,004	528,237
Increases	2,762,214	1,845,853	4,608,067
Decreases	(2,832,821)	(1,795,059)	(4,627,880)
Closing balance at 31.12.2020	158,626	349,798	508,424

2019

Breakdown	Expense provisions Ch\$'000	Other provisions Ch\$'000	Total Ch\$'000
Opening balance at 01.01.2019	84,237	221,723	305,960
Increases	2,143,396	1,073,124	3,216,520
Decreases	(1,998,400)	(995,843)	(2,994,243)
Closing balance at 31.12.2019	229,233	299,004	528,237

NOTE 23.

Provision for employee benefits

The Company provides short- and long-term benefits as part of its compensation policies.

The Company has a collective bargaining agreement with its employees, which establishes short- and long-term rewards and/or benefits for its personnel, whose main features are outlined below:

- The short-term benefits are generally based on annual performance bonuses and benefits.
- The long-term benefits are plans or agreements to mainly cover post-employment benefits from the termination of the employment relationship, either due to voluntary resignation or death of the employee hired.
- The cost of these benefits is charged to profit or loss in the employee salaries and expenses accounts in Note 29 c).

The following are the employee benefits included in this item:

Employee benefits	At 31 December 2020		At 31 December 2019	
	Current	Non-current	Current	Non-current
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Short-term benefits ^(a)	909,266	-	540,366	-
Employment termination benefits ^(b)	41,231	299,760	139,826	193,893
Total	950,497	299,760	680,192	193,893

(a) Short-term benefits

Short term benefits mainly comprise compensation by means of bonuses. These benefits are registered when the obligation is accrued and they are usually paid in less than 12 months so they are not discounted.

(b) Long-term benefits

In 2018, the Company entered into a collective bargaining agreement with the Employees' Union, which established three long-term benefits as follows:

- (b.1) Retirement:** this consists of an indemnity of 60% of the base salary for each year of service with a maximum period of 11 years and a remuneration limit of UF90. This benefit is valid for those employees who wish to leave the company and it has a limit of 8 individuals during the effective period of the collective agreement, with priority given to those with greater labour seniority in the company.
- (b.2) Severance:** this entails payment of legal severance to employees who are dismissed because of the company's needs. To pay such severance, a maximum period of 15 years of labour seniority and a remuneration limit of UF90 shall be considered, with a provision for the difference of the amount legally applicable with a limit of 11 years and UF90.
- (b.3) Recognition of labour seniority:** this consists of recognition for those employees with 10, 15 or 20 years of service in the Company.

These obligations are determined by means of the actuarial value of the accrued cost of the benefits, and this method considers various factors in the calculation, such as estimates of future permanence, mortality rates, future salary increases and the discount rate. The Company periodically assesses the above-mentioned factors based on historical information and future forecasts, making the corresponding adjustments when steady changes in trends are verified.

This value calculated as such is stated at the current value using the method of accrued benefits for years of service. The discount rate is determined with a reference to market interest rate curves. The discount rate used is 3.61%, which is the rate of bonuses of the Chilean government at a 20-year term as of the valuation date.

The following are the employment termination benefits:

2020

Employee benefits	Current liabilities	Non-current liabilities	Balance at 31.12.2020
	Ch\$'000	Ch\$'000	Ch\$'000
Severance payment for dismissal	19,280	140,173	159,453
Severance payment for retirement	17,213	125,142	142,355
Seniority bonus	4,738	34,445	39,183
Total	41,231	299,760	340,991

2019

Employee benefits	Current liabilities	Non-current liabilities	Balance at 31.12.2019
	Ch\$'000	Ch\$'000	Ch\$'000
Severance payment for dismissal	61,183	84,840	146,023
Severance payment for retirement	63,419	87,942	151,361
Seniority bonus	15,224	21,111	36,335
Total	139,826	193,893	333,719

Changes in the employment termination obligations were as follows:

2020

Change in the severance payment provision (SPP)	SPP ¹ Ch\$'000	Seniority bonus Ch\$'000	Total Ch\$'000
Opening balance at 01.01.2020	297,384	36,335	333,719
Past service costs	-	-	-
Current year service costs	47,407	5,776	53,183
Interest costs	10,943	1,337	12,280
Benefits paid	(83,228)	(6,869)	(90,097)
Actuarial effect	29,302	2,604	31,906
Balance at 31.12.2020	301,808	39,183	340,991

¹ Severance payment provision.

2019

Change in the SPP	SPP ¹ Ch\$'000	Seniority bonus Ch\$'000	Total Ch\$'000
Opening balance at 01.01.2019	181,518	26,200	207,718
Past service costs	-	-	-
Current year service costs	120,137	5,029	125,166
Interest costs	8,422	1,216	9,638
Benefits paid	(14,090)	(7,242)	(21,332)
Actuarial effect	1,397	11,132	12,529
Balance at 31.12.2019	297,384	36,335	333,719

¹ Severance payment provision.

The amounts stated in the consolidated statement of income by function were as follows:

Breakdown	31.12.2020			31.12.2019		
	SPP1	Seniority bonus	Total	SPP1	Seniority bonus	Total
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Current year service costs	47,407	5,776	53,183	128,559	17,377	145,936
Unprovisioned benefits paid	-	-	-	-	-	-
Total	47,407	5,776	53,183	128,559	17,377	145,936

¹ Severance payment provision

c) Actuarial assumptions

The main actuarial assumptions used to calculate the severance payment obligation were as follows:

Actuarial assumptions	31.12.2020	31.12.2019
Mortality	RV-2014	RV-2014
Discount rate	3.61%	3.68%
UF value	29,066.58	28,309.94
Employee turnover rate		
- Dismissal	10.23%	10.52%
- Resignation	13.64%	15.47%
- Other reasons	1.69%	2.00%
Retirement ages	60 W and 65 M	60 W and 65 M
Salary increase	Nominal annual percentage of 4.81%	Nominal annual percentage of 4.94%

NOTE 24.

Equity

The main objective of managing shareholders' equity is to maintain a suitable credit risk profile and healthy capital ratios that enable the Company to access capital markets and achieve its medium- and long-term objectives, and to maximise the return for shareholders.

The Company allocates resources to its business lines and not to investments outside the main objective of its line of business.

Series	No. of subscribed shares	No. of paid-up shares	Number of voting shares
Single ordinary series	1,212,129	1,212,129	1,212,129
Total	1,212,129	1,212,129	1,212,129

a) Shareholders

For the years ended 31 December 2020 and 2019, the subscribed and paid-up capital was ThCh\$195,223,800 and represented by 1,212,129 no-par-value shares.

Shareholder	Taxpayer ID No.	Related to	31.12.2020		31.12.2019	
			No. of shares	Shareholding %	No. of shares	Shareholding %
INVERSIONES BANCARIAS S.A.	99.546.550-7	Massu Group	699,544	57.7120%	703,491	58.0376%
ADMINISTRADORA TANNER SPA	76.917.587-3	Massu Group	11,648	0.9610%	11,648	0.9610%
INVERSIONES LOS CORRALES SPA	76.618.804-4	Massu Group	8,736	0.7207%	8,736	0.7207%
ANITA SpA	76.472.406-2	Massu Group	3,947	0.3256%	-	0.0000%
INVERSIONES GABLES S.L.U.	59.196.270-1	Capital Group	310,911	25.6500%	310,911	25.6500%
INVERSIONES SIMILAN S.L.U.	59.196.260-4	Capital Group	16,364	1.3500%	16,364	1.3500%
ASESORÍAS FINANCIERAS BELÉN 2020 SpA	77.719.080-6	Jorge Sabag S.	78,182	6.4500%	90,303	7.4499%
JAMESON SpA	77.218.598-7	Derek Sassoon	12,121	1.0000%	-	0.0000%
INVERSIONES MAITA SpA	77.266.528-8	Gustavo Inostroza A.	6,060	0.4999%	-	0.0000%
E. BERTELSEN ASESORÍAS S.A.	96.501.470-5	Suc. Ernesto Bertelsen R.	688	0.0568%	688	0.0568%
INVERSORA QUILLOTA DOS S.A.	76.010.029-3	Suc. Ernesto Bertelsen R.	24,842	2.0495%	30,902	2.5494%
INVERSIONES RIO ABRIL SpA	77.569.400-9	Mauricio González S.	22,783	1.8796%	22,783	1.8796%
ASESORÍAS E INVERSIONES CAU CAU LIMITADA	76.475.300-3	Sergio Contardo P.	5,394	0.4450%	5,394	0.4450%
ASESORÍAS E INVERSIONES GÓMEZ PERFETTI LIMITADA	76.477.320-9	Javier Gómez M.	3,000	0.2475%	3,000	0.2475%
INVERSIONES Y ASESORÍAS ROCHRI LIMITADA	76.477.270-9	Rodrigo Lozano B.	3,000	0.2475%	3,000	0.2475%
XAGA ASESORÍAS E INVERSIONES LIMITADA	76.477.310-1	Julio Nielsen S.	3,000	0.2475%	3,000	0.2475%
INVERSIONES ANITA E HIJOS LIMITADA	76.066.686-6	Ana María Lizárraga C.	1,909	0.1575%	1,909	0.1575%
Total			1,212,129	100.0000%	1,212,129	100.0000%

b) Retained earnings

For the years ended 31 December 2020 and 2019, the breakdown of this item was as follows:

Retained earnings	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000
Retained earnings from the prior year	107,978,073	85,543,574
Profit for the year	27,326,973	32,049,284
Increase (decrease) due to transfers and other changes	30,061	-
Dividends paid (or provisioned)	(8,199,126)	(9,614,785)
Total	127,135,981	107,978,073

c) Dividend distribution

An ordinary general shareholders' meeting held on 6 March 2020 agreed to distribute and pay a dividend charged to the 2019 profits of Ch\$7,933 per share, amounting to ThCh\$9,615,819.

d) Provision for minimum dividend

As indicated in Note 2(s), the company provisions 30% of the undistributed profit in the year as a minimum dividend at the close of each year. For the year ended 31 December 2020, the minimum dividend was ThCh\$8,198,092 (ThCh\$9,614,785 in 2019).

e) Other reserves

The other reserves item is shown below:

Otra Reservas	31.12.2020	31.12.2019
	M\$	M\$
Reserve for capital increase premium ⁽¹⁾	291,154	291,154
Other reserves	240,413	240,413
Increase from applying IFRS 9	86,602	86,602
Increase (decrease) due to adjustments	11,350	11,350
Reserve for actuarial gains and losses	(21,390)	(1,019)
Fair value reserve ⁽²⁾	(581,121)	(211,218)
Hedging reserve ⁽³⁾	(5,568,945)	787,470
Total	(5,541,937)	1,204,752

Capital increase premium (1), from the premium obtained on liquidating foreign currency for the capital increase approved in an extraordinary shareholders' meeting held on 29 October 2013. On such occasion, the increase of ThUS\$200,000 was translated using the observed exchange rate on the same date as the extraordinary shareholders' meeting, which was different from the observed exchange rate in force at the time of the mentioned liquidation. This led to a difference in favour of shareholders that was recorded as a reserve in equity.

Fair value reserve (2), which reflects the changes in the fair value of financial instruments measured at fair value through other comprehensive income which, as instruments are liquidated or impair, will be reclassified through profit or loss for the year.

Hedging reserve (3), which arises from applying hedge accounting to financial liabilities used as such. This reserve is reversed on termination of the effectiveness of contracts, or when the operation ceases to qualify as hedge accounting, whichever takes place first. The balances are stated net of deferred taxes.

NOTE 25.

Nota 25. Non-controlling interests

Non-controlling interests for the years ended 31 December 2020 and 2019, respectively, were as follows:

Rut	Company	31 December 2020							
		Equity Ch\$'000	Net income Ch\$'000	Direct interest %	Indirect interest %"	Investment value Ch\$'000	Minority interest Equity Ch\$'000	Investment net income Ch\$'000	Minority interest Net Income Ch\$'000
96912590-0	Tanner Leasing S.A.	64,207,225	15,800,721	99,9900%	0,0000%	64,200,804	6,421	15,799,141	1,580
77164280-2	Tanner Leasing Vendor Ltda.	29,713,153	247,707	99,9900%	0,0100%	29,710,182	-	247,682	-
76133889-7	Tanner Corredora de Seguros Ltda.	8,374,723	2,672,604	99,9900%	0,0100%	8,373,886	-	2,672,336	-
93966000-3	Tanner Investments SpA y Filiales	31,600,038	5,141,335	99,9978%	0,0035%	31,961,237	918,822	4,959,227	182,387
76620928-9	Tanner Asset Management Administradora General	481,618	(162,206)	99,9918%	0,0082%	481,579	-	(162,193)	-
	Total	134,376,757	23,700,161			134,727,688	925,243	23,516,193	183,967

Rut	Company	31 December 2019							
		Equity Ch\$'000	Net income Ch\$'000	Direct interest %	Indirect interest %"	Investment value Ch\$'000	Minority interest Equity Ch\$'000	Investment net income Ch\$'000	Minority interest Net Income Ch\$'000
96912590-0	Tanner Leasing S.A.	48,405,920	7,596,148	99,9900%	0,0000%	48,401,079	4,841	7,595,388	760
77164280-2	Tanner Leasing Vendor Ltda.	29,465,446	858,817	99,9900%	0,0100%	29,462,499	-	858,731	-
76313350-8	Tanner Corredores de Bolsa de Productos S.A.	1,383,735	(3,219)	99,9900%	0,0100%	1,383,597	-	(3,219)	-
76133889-7	Tanner Corredora de Seguros Ltda.	5,702,119	2,808,034	99,9900%	0,0100%	5,701,549	-	2,807,753	-
93966000-3	Tanner Investments SpA y Filiales	21,747,081	4,077,217	99,9978%	0,0035%	22,061,129	2,535,206	3,587,799	489,784
76596744-9	Chita SpA	456,199	250,258	77,0115%	0,0000%	351,326	104,880	192,727	57,534
76620928-9	Tanner Asset Management Administradora General	448,013	40,858	99,9918%	0,0082%	447,986	-	40,856	-
	Total	107,608,513	15,628,113			107,809,165	2,644,927	15,080,035	548,078

NOTE 26.

Compliance

At 31 December 2020, the Company has three current lines of commercial papers approved by the Financial Market Commission (CMF, according to the Spanish acronym). At present it is issuing instruments charged to Line 107 dated 19/02/2015, Line 117 dated 16/06/2017, and Line 126 dated 09/10/2018 and with obligations of ThCh\$66,833,872, ThCh\$31,973,813 and ThCh\$71,733,002, respectively. The company has nine current bonds, seven issued in UF in the domestic market of ThCh\$265,553,569 and two international issues made in Switzerland that jointly amount to ThCh\$253,012,090. Moreover, Tanner Servicios Financieros S.A. has several credit lines agreed with Chilean and foreign banks, and long-term loans with other international institutions and other financial obligations amounting to ThCh\$302,969,594.

a) Commercial Papers

In accordance with the terms of the prospectuses for Lines N°107, N°117 and N°126, the company must comply with certain ratios, which must be reported quarterly in the financial statements under IFRS, as stipulated in sections 5.5.1 (limits of indexes and/or ratios), 5.5.2 (obligations, limitations and prohibitions), 5.5.3 (maintenance, replacement or renewal of assets), and 5.5.6 (effects of mergers, splits, or others) of such document.

Commercial papers: Line No.107	Limit	31.12.2020	31.12.2019
Total equity/total assets	Minimum 10%	21.7%	19.1%
Current assets/current liabilities	Minimum 0.75 times	1.5	1.2
Minimum equity	Minimum Ch\$60 billion	317,743	307,052

Commercial papers: Line No.117	Limit	31.12.2020	31.12.2019
Total equity/total assets	Minimum 10%	21.7%	19.1%
Current assets/current liabilities	Minimum 1.0 times	1.5	1.2
Minimum equity	Minimum Ch\$60 billion	317,743	307,052
Strategic net placements (*)	Minimum 75%	97.3%	95.0%

Commercial papers: Line No.126	Limit	31.12.2020	31.12.2019
Total equity/total assets	Minimum 10%	21.7%	19.1%
Current assets/current liabilities	Minimum 1.0 times	1.5	1.2
Minimum equity	Minimum Ch\$60 billion	317,743	307,052
Strategic net placements (*)	Minimum 75%	97.3%	95.0%

(*) Sum of net factoring placements, plus net leasing placements, plus net auto financing placements, plus net loan placements divided by the Company's total net placements.

b) Local bonds

Pursuant to the bond issue contracts entered into, the Company must comply with the following financial indicator limits:

Bonds: Lines No.548, 625 and 656	Limit	31.12.2020	31.12.2019
Current liabilities/equity	Maximum 7.5 times	3.6	4.2
Unencumbered assets ¹ /unguaranteed current liabilities	Minimum 0.75 times	1.3	1.2
Total equity	Minimum Ch\$21 billion	317,743	307,052

Bonds: Line No.709	Limit	31.12.2020	31.12.2019
Current liabilities/equity	Maximum 7.5 times	3.6	4.2
Unencumbered assets ¹ /unguaranteed current liabilities	Minimum 0.75 times	1.3	1.2
Total equity	Minimum Ch\$60 billion	317,743	307,052

Bonds: Line No.817	Limit	31.12.2020	31.12.2019
Current liabilities/equity	Maximum 7.5 times	3.6	4.2
Unencumbered assets ¹ /unguaranteed current liabilities	Minimum 1 time	1.3	1.2
Total equity	Minimum Ch\$60 billion	317,743	307,052

Bonds: Line No.888	Limit	31.12.2020	31.12.2019
Current liabilities/equity	Maximum 6.0 times	3,6	4,2
Unencumbered assets ¹ /unguaranteed current liabilities	Minimum 0.75 times	1,3	1,2
Total equity	Minimum Ch\$150 billion	317,743	307,052

¹ At 31 December 2020 and 2019, there were no pledges, mortgages, guarantees or liens on the company's assets.

c) Corporación Interamericana de Inversiones (BID Invest) covenants

The BID Invest ratios for the years ended 31 December 2020 and 2019 are shown below:

BID Invest ratios	Definition	Limit	31.12.2020	31.12.2019
Overdue portfolio ratio	Overdue portfolio (delinquency > 90 days)/total portfolio	<= 5%	2.3%	2.7%
Leverage ratio	Total liabilities/equity	<= 5.5 times	3.6	4.2
Equity exposure ratio	(Overdue portfolio + renegotiated - provisions + payment in kind - guarantees for overdue portfolio)/equity	<=20%	12.2%	13.5%
Liquidity ratio	Liquid assets (maturity < 90 days)/liabilities with maturity of less than 90 days	Minimum 1 time	1.5	1.5
10 largest customer exposure ratio	10 largest customer loans (groups)/total loans	<25%	16.3%	13.8%
Foreign currency exposure	(Assets in foreign currency - liabilities in foreign currency)/total equity	-25% < X < 25%	-0.2%	0.4%
Delinquency coverage	Provisions/delinquency > 90 days	>75%	89.1%	78.5%

d) Corporación Andina de Fomento (CAF) covenants

The CAF ratios for the years ended 31 December 2020 and 2019 are shown below:

CAF ratios	Definition	Limit	31.12.2020	31.12.2019
Delinquency	Delinquency > 90 days/gross portfolio. For leasing, the estimated recoverable value of the asset is discounted	<= 5.5%	2.3%	2.7%
Delinquency coverage	Provisions/delinquency > 90 days	>= 70%	89.1%	78.5%
Debt-to-equity ratio ⁽¹⁾	Total liabilities/equity	<= 5.5 times	3.6	4.2
Loan with related parties	Trade receivables due from related parties - guarantees/equity	<= 0.15 times	0.0	0.0
10 largest customer concentration	Loans of 10 largest customers/total portfolio (based on the moving average of the last 12 months)	<= 30%	14.2%	13.5%
10 largest debtor concentration	Loans of 10 largest debtors/debtor portfolio (based on the moving average of the last 12 months)	<= 25%	14.7%	16.8%
Liquidity ratio ⁽¹⁾	Liquid assets (maturity < 90 days)/liabilities with maturity of less than 90 days	> 1 time	1.5	1.5
Foreign currency exposure ⁽¹⁾	(Assets in foreign currency - liabilities in foreign currency)/total equity	-25% < X < 25%	-0.2%	0.4%

(1) On 4 December 2019, the debt-to-equity ratio covenant was modified and the liquidity and foreign currency exposure ratio was added.

e) Deutsche Investitions und Entwicklungsgesellschaft mbH (DEG) covenants

The DEG ratios for the years ended 31 December 2020 and 2019 are shown below:

DEG ratios	Definition	Limit	31.12.2020	31.12.2019
Solvency ratio	Total equity/total assets	>15%	21.7%	19.1%
10 largest customer exposure ratio	Loans of 10 largest customers/total loans	<25%	15.3%	12.9%
20 largest customer exposure ratio	Loans of 20 largest customers/total loans	<30%	22.3%	19.4%
10 largest customer exposure ratio	Loans of 10 largest customers/total equity	<200%	55.3%	55.7%
Credit exposure ratio	(Delinquency > 90 days + renegotiated - provisions - cash collateral)/total equity	<15%	10.7%	10.1%
Largest customer exposure ratio	Loan of largest customer as a group/total equity	<20%	7.3%	7.2%
Related party loan ratio	Trade receivables due from related parties/total equity	<15%	1.6%	0.3%
Aggregate foreign currency position	(Assets in foreign currency - liabilities in foreign currency)/total equity	>-25%	-0.2%	0.4%
Individual foreign currency position US\$	(Assets in US\$ - liabilities in US\$)/equity	>-25%	-0.2%	0.4%
Individual foreign currency position Euro	(Assets in € - liabilities in €)/equity	>-25%	0.0%	0.0%
Individual foreign currency position CHF	(Assets in CHF - liabilities in CHF)/equity	>-25%	0.0%	0.0%
Liquidity ratio	Liquid assets (maturity < 90 days)/liabilities with maturity of less than 90 days	> 1 time	1.5	1.1
Net stable financing ratio	(Non-current liabilities + equity)/non-current assets	> 1 time	1.7	1.4

f) International Finance Corporation (IFC) covenants

The IFC ratios for the years ended 31 December 2020 and 2019 were as follows:

IFC ratios	Definition	Limit	31.12.2020	31.12.2019
Equity/total assets	Total equity/total assets	> 17%	21.7%	19.1%
Related party exposure ratio	(Trade receivables due from related parties - guarantees)/equity	< 5%	0.0%	0.0%
Loan exposure ratio	(Default > 90 days + default < 90 days for doubtful accounts + renegotiated + payment in kind - provisions)/capital	< 20%	14.0%	15.4%
Economic group exposure ratio	Loan of largest customer as an economic group/capital	< 15%	10.8%	12.9%
Aggregate exposure ratio of large customers	Loans of the largest customers (> than 10% of the equity)/capital	< 400%	10.8%	12.9%
Exposure ratio by sector	Loans of the largest economic sector/total loans	< 30%	11.4%	11.6%
Fixed assets plus equity interest ratio	(Fixed assets + investments in other companies)/capital	< 35%	7.8%	8.6%
Aggregate foreign currency position	(Assets in foreign currency - liabilities in foreign currency)/capital	< 25%	0.3%	0.5%
Individual foreign currency position				
US\$	(Assets in US\$ - liabilities in US\$)/capital	< 10%	0.2%	0.5%
EUR	(Assets in € - liabilities in €)/capital	< 10%	0.0%	0.0%
CHF	(Assets in CHF - liabilities in CHF)/capital	< 10%	0.0%	0.0%
Interest rate risk ratio	(Assets - liabilities) x adjustment factor/capital			
0 - 180 days	Assets and liabilities with maturity of less than 180 days	-10% ≤ x ≤ 10%	0.6%	0.4%
180 - 365 days	Assets and liabilities with maturity of 180 to 365 days	-10% ≤ x ≤ 10%	0.2%	1.2%
1 year - 3 years	Assets and liabilities with maturity of 1 to 3 years	-10% ≤ x ≤ 10%	0.2%	2.7%
3 years - 5 years	Assets and liabilities with maturity of 3 to 5 years	-10% ≤ x ≤ 10%	0.0%	0.5%
5 years - 10 years	Assets and liabilities with maturity of 5 to 10 years	-10% ≤ x ≤ 10%	-5.0%	-5.3%
> 10 years	Assets and liabilities with maturity of over 10 years	-10% ≤ x ≤ 10%	0.5%	0.9%
Aggregate interest rate risk ratio	(Assets - liabilities) x adjustment factor/capital	-20% ≤ x ≤ 20%	-3.5%	0.3%
Foreign currency maturity gap ratio				
US\$	(Assets in US\$ with maturity of < 60 days - liabilities in US\$ with maturity of < 60 days)/capital	> -150%	15.7%	4.1%
EUR	(Assets in € with maturity of < 60 days - liabilities in € with maturity of < 60 days)/capital	> -150%	0.0%	0.0%
CHF	(Assets in CHF with maturity of < 60 days - liabilities in CHF with maturity of < 60 days)/capital	> -150%	0.0%	0.0%
Liquidity ratio	Liquid assets (maturity of < 90 days)/liabilities with maturity of less than 90 days	> 100%	1.5	1.5

g) Chilean Economic Development Agency (CORFO) covenants

The CORFO ratios at 31 December 2020 and 2019 were as follows:

CORFO ratios	Definition	Limit	31.12.2020	31.12.2019
Current ratio	Current assets/current liabilities	≥ 1 time	1.5	1.2
Debt-to-equity ratio	Total liabilities/total equity	≤ 4.8 times	3.6x	4.2x

NOTE 27.

Contingencies and restrictions

a) Direct guarantees and liens on assets

For the years ended 31 December 2020 and 2019, the Company did not grant any direct guarantees, which includes any kinds of mortgages, pledges, liens, or prohibitions on its assets.

b) Indirect guarantees

Indirect guarantees for the year ended 31 December 2020 were as follows:

- Joint and several guarantees granted to guarantee the current account overdraft line with Banco de Crédito e Inversiones of Ch\$9,000,000,000 (Ch\$9,000,000,000 in 2019) issued to Tanner Corredores de Bolsa S.A. in January 2018.
- Joint and several guarantees granted to guarantee the current account overdraft line with Banco Security of UF320,000 (Ch\$8,600,000,000 in 2019) issued to Tanner Corredores de Bolsa S.A. in March 2020.

c) Lawsuits and other legal actions

Lawsuit Number 1

File : “Servicio Nacional del Consumidor against Tanner Servicios Financieros”
Court : 13th Civil Court of Santiago
Case N° : C-17635-2017
Subject matter : Class action suit for non-observance of Law N°19.496
Amount : Undetermined
Started : 17-07-2017 (notice to Tanner: 31.08.2017)

Class action suit filed for Tanner’s alleged non-observance of Law N°19.946 related to Law N°20.855 which “Regulates the release of mortgages and pledges of loan guarantees,” on the grounds of unilateral interpretation of such Law N°20.855, under which financial institutions are bound, with retroactive effect, to release at their own initiative and cost the guarantees for loans fully paid prior to such law coming into force. The foregoing is without making any distinction between general or specific guarantees, as in reality such law expressly lays down the retroactive effect for specific guarantees only and those constituted in favour of this company are under a general guarantee clause. According to Tanner, the National Consumer Agency (SERNAC, according to the Spanish acronym) makes a whimsical interpretation of the law compared to its clear text.

Status of the proceeding at 31 December 2020: The first instance lawsuit was completed with a totally favourable verdict for Tanner, lawsuit fully quashed. It is awaiting the trial hearing of the appeal.

Lawsuit Number 2

File : “Fica against Tanner Servicios Financieros”
Court : 18th Civil Court of Santiago
Case N° : C-36595-2017
Subject matter : Compensation for damages
Amount : Undetermined
Started : 19.12.2017 (notice to Tanner: 08.02.2018)

Lawsuit filed by Ingeniería y Construcción Fica y Cía. Ltda. alleging damage caused by Tanner when demanding the customer’s responsibility for the payment of notes assigned due to factoring operations. The customer alleges that after Tanner verified the documents assigned regarding the debtor’s bankruptcy of such documents, Tanner would be

disqualified from demanding responsibility as a customer to the plaintiff (directly disregarding what is established in the factoring framework contract). The customer therefore claims that collection proceedings are unlawful and the cause of economic damage.

Status of the proceeding at 31 December 2020: in the discussion period, awaiting the resolution of the case entering the evidence period.

Lawsuit Number 3

File : “Inmobiliaria Lomas de Maitencillo against Tanner Servicios Financieros”
Court : 17th Civil Court of Santiago
Case N° : C-33186-2019
Subject matter : Lawsuit for the restitution of amounts and compensation for damage
Amount : Undetermined
Started : 25-11-2019 (notification to Tanner: 15 January 2020)

of debt recognition and payment in kind it entered into with Tanner Servicios Financieros S.A. to comply with the delinquent debt from loans granted to the plaintiff. The plaintiff alleges the invalidity of the mentioned public deed (pursuant to which it gave a series of real estate it owns in payment to pay its debt) for alleged flaws of lack of a lawful case and flawed consent. As a result of this, the plaintiff is demanding the restitution of what it paid and compensation for damage. Tanner’s plea adamantly rejects each and all of the factual and legal information of this lawsuit.

Status of the proceeding at 31 December 2020: discussion period completed, reconciliation failed. Awaiting the start of the evidence period.

In management’s opinion, the verdict of these lawsuits, irrespective of the outcome, will have no material effect on the Company.

d) Other contingencies

For the years ended 31 December 2020 and 2019, there were no other significant contingencies to be reported.

e) Restrictions

For the years ended 31 December 2020 and 2019, there were no restrictions to be reported.

NOTE 28.
Third-party sureties

For the years ended 31 December 2020 and 2019, the main third-party sureties were as follows:

Type of guarantees	31.12.2020	31.12.2019
	Ch\$'000	Ch\$'000
Pledges	472,159,794	473,086,185
Mortgages	101,937,770	119,478,874
Insurance policies in guarantee	64,250,498	73,289,602
Total	638,348,062	665,854,661

NOTE 29.

Breakdown of significant income

a) Revenue

The breakdown of revenue for the years ended 31 December 2020 and 2019 was as follows:

Segment		01.01.2020 to 31.12.2020	01.01.2019 to 31.12.2019 Restated (*)
		Ch\$'000	Ch\$'000
Factoring	Fees	2,264,796	2,668,881
Factoring	Price differences	29,842,339	39,035,115
Factoring	Other income	6,740,985	10,541,611
Factoring total		38,848,120	52,245,607
Loans	Interest	17,944,552	16,649,219
Loans	Fees	3,658,466	8,338,674
Loans	Other income	173,610	173,901
Loan total		21,776,628	25,161,794
Auto financing	Interest	77,699,578	76,982,665
Auto financing	Other income	13,110,457	11,462,053
Auto Financing total		90,810,035	88,444,718
Leasing	Interest	5,320,559	7,367,154
Leasing	Fees	1,416,116	346,456
Leasing	Other income	522,592	570,126
Leasing total		7,259,267	8,283,736
Treasury and Investments	Adjustments	19,952,047	5,245,578
Treasury and Investments	Interest	10,632,395	3,534,548
Treasury and Investments	Other income	8,376,755	10,553,198
Treasury and Investments total		38,961,197	19,333,324
Overall total		197,655,247	193,469,179

(*) For further details, see Note 37 – Restatement of comparative information.

b) Cost of sales

The breakdown of the cost of sales for the years ended 31 December 2020 and 2019 was as follows was as follows:

Segment		01.01.2020 to 31.12.2020	01.01.2019 to 31.12.2019 Restated (*)
		Ch\$'000	Ch\$'000
Factoring	Interest	10,180,440	14,861,860
Factoring	Fees	51,605	80,508
Factoring	Other costs	1,475,795	804,010
Factoring total		11,707,840	15,746,378
Loans	Fees	8,535,614	7,384,380
Loans	Other costs	-	-
Loan total		8,535,614	7,384,380
Auto financing	Interest	17,236,600	17,602,481
Auto financing	Fees	25,727,646	24,481,408
Auto financing	Other costs	4,966,739	5,789,172
Auto Financing total		47,930,985	47,873,061
Leasing	Interest	2,238,469	3,818,954
Leasing	Other costs	644,100	1,038,068
Leasing total		2,882,569	4,857,022
Treasury and Investments	Adjustments	16,079,642	416,059
Treasury and Investments	Interest	1,314,301	2,251,370
Treasury and Investments	Other costs	4,597,511	3,967,550
Treasury and Investments total		21,991,454	6,634,979
Overall total		93,048,462	82,495,820

(*) For further details, see Note 37 – Restatement of comparative information.

c) Administrative expenses

The breakdown of administrative expenses for the years ended 31 December 2020 and 2019 was as follows:

Segment	01.01.2020 to 31.12.2020	01.01.2019 to 31.12.2019 Restated (*) Ch\$'000
	Ch\$'000	Ch\$'000
Employees' salaries and expenses	29,423,377	29,375,928
Remunerations	25,574,069	25,720,604
Benefits	1,620,902	1,993,410
Severance	1,569,116	912,773
Provision for holidays	413,914	409,753
Organisational development	184,211	179,246
Others	61,165	160,142
General administrative expenses	16,678,434	16,752,067
Depreciation and amortisation	3,675,369	3,456,913
Service, collection and recovery expenses	3,310,024	2,832,582
IT and communication expenses	2,465,163	2,490,782
Non-recoverable taxes	1,549,399	1,628,298
Licenses and contributions	1,132,160	1,092,222
Leases, lighting, heating and other services	871,569	811,118
External financial information services	603,243	292,589
Board of directors' expenses	591,916	521,214
External consulting and professional service fees	576,241	835,433
Legal and notary expenses	424,104	532,834
Other general administrative expenses	406,668	445,704
Advertising and promotion	358,052	842,067
Insurance premiums	273,399	202,951
Representation and personnel transportation expenses	210,677	464,455
Maintenance and repair of fixed assets	84,619	102,838
PO box, post, postage and home delivery of products	72,527	58,520
Office materials	49,835	89,226
Fines, lawsuits and interest and other leasing and auto financing expenses	23,469	52,321
Total	46,101,811	46,127,995

(*) For further details, see Note 37 – Restatement of comparative information.

NOTE 30.

Impairment losses

The breakdown of the impairment losses for the years ended 31 December 2020 and 2019 is shown below:

Segment	01.01.2020 to 31.12.2020	01.01.2019 to 31.12.2019
	Ch\$'000	Ch\$'000
Auto Financing	13,383,617	19,249,675
Loans	4,745,543	2,725,446
Factoring	1,920,916	6,718,925
Leasing	3,285,996	(21,035)
Treasury and Investments	778,771	110,244
Total impairment loss	24,114,843	28,783,255

The breakdown of the impairment losses is shown below:

Item	31.12.2020					
	Factoring	Loans	Auto Financing	Leasing	Treasury & Investments	Total
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Provisions and write-offs	3,226,046	4,745,543	15,477,410	1,780,820	16,597	25,246,416
Write-offs of other receivables	253,374	-	181,812	1,071,419	-	1,506,605
Write-off recovery	(1,558,504)	-	(2,275,604)	433,757	-	(3,400,351)
Net charge	1,920,916	4,745,543	13,383,618	3,285,996	16,597	23,352,670
Impairment of financial instruments	-	-	-	-	762,173	762,173
Total impairment under IFRS 9	1,920,916	4,745,543	13,383,618	3,285,996	778,770	24,114,843

(*) See the release and accrual of provisions in Note 10 d)

Item	31.12.2019					
	Factoring	Loans	Auto Financing	Leasing	Treasury & Investments	Total
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Provisions and write-offs	7,060,545	2,725,446	20,912,590	(468,267)	(77,120)	30,153,194
Write-offs of other receivables	1,212,084	-	-	-	-	1,212,084
Write-off recovery	(1,553,704)	-	(1,662,915)	447,232	-	(2,769,387)
Net charge	6,718,925	2,725,446	19,249,675	(21,035)	(77,120)	28,595,891
Impairment of financial instruments	-	-	-	-	187,364	187,364
Total impairment under IFRS 9	6,718,925	2,725,446	19,249,675	(21,035)	110,244	28,783,255

NOTE 31.

Earnings per share

The breakdown of earnings per share for the years ended 31 December 2020 and 2019 was as follows:

Breakdown	01.01.2020 to 31.12.2020	01.01.2019 to 31.12.2019
	Ch\$'000	Ch\$'000
Basic earnings per share		
Basic earnings (losses) per share from continuing operations	22,544.61	26,440.49
Basic earnings (losses) per share from discontinued operations	151.77	452.16
Total basic earnings per share	22,696.38	26,892.65
Diluted earnings per share		
Diluted earnings (losses) per share from continuing operations	22,544.61	26,440.49
Basic earnings (losses) per share from discontinued operations	151.77	452.16
Total diluted earnings per share	22,696.38	26,892.65

NOTE 32.

Environment

At 31 December 2020 and 2019, the company made no environmental protection disbursements and nor are there any future commitments to such effect.

NOTE 33.

Board of directors' remuneration

In an extraordinary shareholders meeting held on 2 April 2013, the company's articles of association were modified so directors could be remunerated. Such modification established the remuneration amount, which is established annually by the ordinary shareholders' meeting. To such effect, the ordinary shareholders' meetings held in subsequent years have established the board of directors' remuneration.

The remuneration for directors established in the ordinary shareholders' meeting held in 2020 amounts to UF100 a month, and UF200 a month for the chairman and vice chairman, in addition to fees for being on the different committees.

NOTE 34.

Penalties

The parent company and its subsidiaries, directors and executives have not received any penalties by the Chilean Financial Market Commission (CMF), according to the Spanish acronym) or by any other regulator for the years reported.

NOTE 35.

Material facts

On 7 February 2020, Tanner Servicios Financieros S.A. placed bonds in the international market (Switzerland) amounting to 200,000,000 Swiss francs, at a rate of 0.588% per annum for a term of 2 years and 9 months.

On 20 July 2020, Tanner Servicios Financieros S.A. sold Factop SpA 10,000 shares issued by Tanner Corredores de Bolsa de Productos S.A., whose share capital is divided into 10,000 shares. The sale price was Ch\$88,243 per share, amounting to ThCh\$882,430. Tanner Servicios Financieros S.A. has thereby sold its entire direct and indirect interest in Tanner Corredores de Bolsa de Productos S.A.

In a shareholders meeting held on 26 August 2020, the Company's board of directors agreed to appoint Mr. Derek Sassoon as the CEO as of 1 September 2020 to replace Mr. Antonio Turner, who stepped down on 31 August 2020.

NOTE 36.

Subsequent events

From 26 January 2021 to 9 February 2021, Tanner Servicios Financieros S.A. placed bonds of the AG series in the domestic market amounting to UF1,484,000, at an average rate of 0.13% per annum for a term of 3 years and 7 months.

The consolidated financial statements of Tanner Servicios Financieros S.A. and its subsidiaries for the year ended 31 December 2020 were approved by the board of directors in an extraordinary board meeting held on 17 February 2021.

After 31 December 2020, and up to the date of issuing these consolidated financial statements, management is unaware of any other financial events or of any other nature that may materially affect their interpretation.

NOTE 37.

Restatement of comparative information

To provide a clearer vision of the Company's consolidated results, management made the following reclassifications for the comparative period of the statement of income by function according to the requirements of IAS 8:

a) Impairment losses

The Company restated the presentation of the comparative period for the year ended 31 December 2019 to include the impairment of IFRS 9 on a separate line. Such amendment is in keeping with IAS 1 - Presentation of Financial Statements, which requires impairment of financial assets to be presented in a separate item in the statement of income and other comprehensive income for the period. Previously, the Company's approach was to include impairment of trade receivables and other financial assets in the "Cost of Sales" item. The company therefore reclassified impairment losses of ThCh\$28,783,255 for the year ended 31 December 2019 recognised in the "Cost of Sales" to "Impairment Losses" in the statement of income and other comprehensive income. (See Note 30).

b) Change in the income presentation criterion

The Company's management has decided to change its accounting policies regarding the presentation of income from its subsidiary Tanner Corredores de Bolsa S.A., which up to 31 December 2019 was stated in "Current Revenue" or "Cost of Sales," according to the profit or loss of each operation (revenue or costs). Moreover, it reclassified the income from exchange rate differences and indexation, which was also stated in the revenue and costs items. As of the current financial year, the profit or loss of both items will be stated net in the consolidated statement of income by function.

The items affected by the reclassifications mentioned above in letters (a) and (b) are shown below:

CONSOLIDATED STATEMENT OF INCOME BY FUNCTION	01.01.2019 to 31.12.2019 Ch\$'000	Ref	Reclassifications	01.01.2019 to 31.12.2019 Ch\$'000 (*) Restated
Profit				
Revenue	382,218,629	b)	(188,749,450)	193,469,179
Cost of sales	(300,105,645)	a)+b)	217,609,825	(82,495,820)
Gross profit	82,112,984		28,860,375	110,973,359
Other operating items				
Impairment losses	-	a)	(28,783,255)	(28,783,255)
Other income by function	2,564,288		-	2,564,288
Administrative expenses	(46,050,875)	a)	(77,120)	(46,127,995)
Finance income	182,640		-	182,640
Finance costs	(402,027)		-	(402,027)
Foreign exchange differences	585,470		-	585,470
Income from indexation	51,834		-	51,834
Profit before tax	39,044,314		-	39,044,314
Income tax	(6,446,952)		-	(6,446,952)
Profit (loss) from continuing operations	32,597,362		-	32,597,362
Profit for the year	32,597,362		-	32,597,362
Profit (loss) attributable to:				
Owners of the Parent	32,049,284		-	32,049,284
Non-controlling interests	548,078		-	548,078
Profit for the year	32,597,362		-	32,597,362

QUARTERLY EARNINGS REPORT

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I.

EXECUTIVE SUMMARY

Profit after tax in 2020 was Ch\$27,511 million, a reduction of 15.6% YoY, driven by a decrease in operating income of -14.8% YoY in 2020. Profit in the fourth quarter amounted to Ch\$8,681 million, up 19.5% YoY.

The net loan portfolio at year-end 2020 was Ch\$1,125,010 million, down Ch\$177,194 million (-13.6% YTD), driven by decreases in: **the corporate division portfolio which closed the period with net loans of Ch\$636,000 million** (↓Ch\$145,595 million / -18.6% YTD), due to lower net loans of factoring, which amounted to Ch\$314,419 million (↓Ch\$91,642 million / -22.6% YTD), lower corporate loans which reached Ch\$250,322 million (↓Ch\$42,580 million / -14.5% YTD) and a decrease in leasing that was Ch\$71,258 million (↓Ch\$11,373 million / -13.8% YTD); and **in the treasury & investments division that ended the period with net loans of Ch\$20,201 million** (↓Ch\$39,434 million / -66.1%). Both effects were offset by a slight increase in the **auto financing division amounting to Ch\$466,521 million** (↑Ch\$8,160 million / +1.8% YTD).

In terms of risk compared to the previous year, in 2020 **non-performing loans (NPLs) over 90 days decreased 44 bps to 2.3% (2019: 2.7%),** while NPLs over 30 days increased 9 basis points reaching 5.7% (2019: 5.6%). NPLs over 90 days of the corporate division remained at 2.0% (2019: 2.0%), driven by an increase of corporate loans (2020: 3.8% vs. 2019: 2.1%), offset by a drop of 312 bps in leasing (2020: 1.1% vs. 2019: 4.2%), and in factoring (2020: 0.8% vs. 2019: 1.5%). **NPLs over 90 days in the auto financing division dropped 157 bps to 2.8% (2019: 4.4%).**

The liquidity index at year-end 2020 was 1.49 times, above the levels at the close of 2019 (1.24x), while **ready cash amounted to Ch\$120,080 million** versus Ch\$53,660 million at the end of the previous year. On the other hand, the company's **leverage was 3.61 times** (December 2019: 4.25x).

ROAE*:

2020: 8,8% / 2019: 11,0%

ROAA**:

2020: 1,8% / 2019: 2,1%

Equity:

2020: Ch\$317,743 million / Δ+: 3.5% YTD

Net Profit:

4Q20: Ch\$8,681 million / 4Q19: Ch\$7,263 million

Δ+: 19.5% YoY

2020: Ch\$27,511 million / 2019: Ch\$32,597 million

Δ-: 15.6% YoY

Net Portfolio:

2020: Ch\$1,125,010 million / Δ-: 13.6% YTD

NPLs > 90 days:

2020: 2.3% / 2019: 2.7%

* ROAE: return on average equity LTM

** ROAA: return on average assets LTM

II. CONSOLIDATED INCOME ANALYSIS

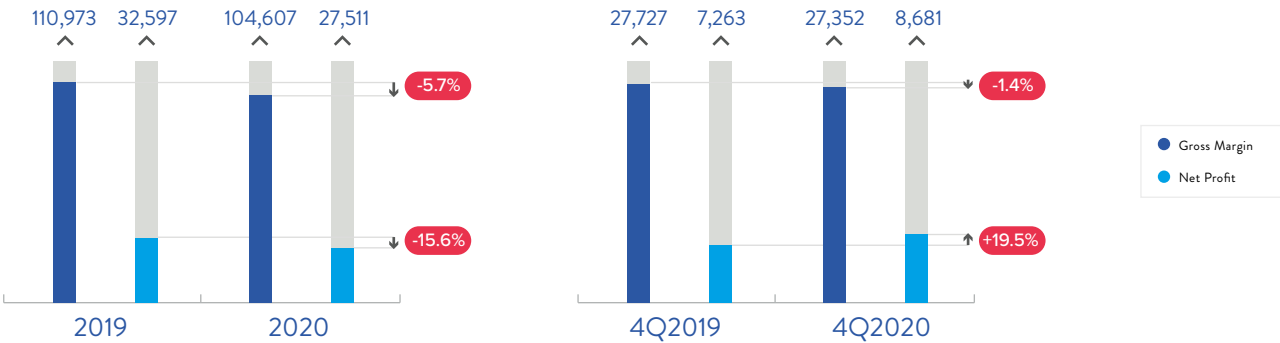
The following table shows the consolidated income of Tanner Servicios Financieros S.A. and subsidiaries. All figures are stated in Chilean pesos (Ch\$) and reported in accordance with the International Financial Reporting Standards (IFRS).

Table 1: Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT (Ch\$ million)	01-01-20 31-12-20	01-01-19 31-12-19	Δ Ch\$	Δ %	01-10-20 31-12-20	01-10-19 31-12-19	Δ Ch\$	Δ %
Current revenue	197,655	193,469	4,186	2.2%	61,006	49,116	11,890	24.2%
Cost of sales	(93,048)	(82,496)	(10,553)	12.8%	(33,654)	(21,390)	(12,265)	57.3%
Gross profit	104,607	110,973	(6,367)	-5.7%	27,352	27,727	(375)	-1.4%
Impairment losses	(24,115)	(28,783)	4,668	-16.2%	(5,115)	(9,303)	4,188	-45.0%
Administrative expenses	(46,102)	(46,128)	26	-0.1%	(11,287)	(11,501)	214	-1.9%
Other profits (losses)	(1,487)	2,564	(4,051)	-158%	(1,328)	859	(2,188)	-254.5%
Operating margin	32,904	38,626	(5,723)	-14.8%	9,622	7,782	1,839	23.6%
Finance income	2	183	(180)	-98.7%	-	119	(119)	-100.0%
Finance costs	(449)	(402)	(47)	11.6%	(91)	(112)	21	-18.9%
Foreign exchange differences	138	585	(448)	-76.5%	101	437	(336)	-76.8%
Gain from indexation units	280	52	228	440.7%	191	(3)	194	-7317.3%
Profit (loss) before tax	32,875	39,044	(6,169)	-15.8%	9,823	8,224	1,600	19.5%
Income tax (expense) revenue	(5,364)	(6,447)	1,083	-16.8%	(1,142)	(960)	(182)	18.9%
Profit (loss)	27,511	32,597	(5,086)	-15.6%	8,681	7,263	1,418	19.5%
Profit (loss) attributable to owners of the parent	27,327	32,049	(4,722)	-14.7%	8,619	7,187	1,432	19.9%
Profit (loss) attributable to non-controlling interests	184	548	(364)	-66.4%	62	76	(14)	-18.2%

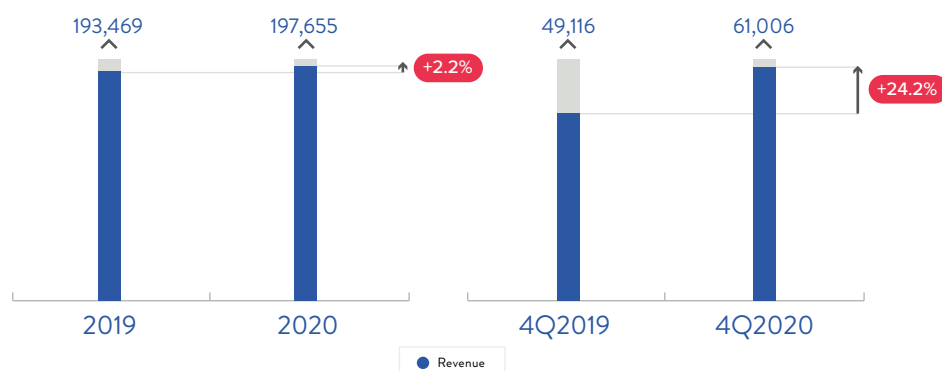
The company's **net profit in 2020 decreased 15.6% YoY** (↓Ch\$5,086 million) to Ch\$27,511 million against Ch\$32,597 million in 2019, while in the fourth quarter of 2020 profit increased 19.5% YoY (↑Ch\$1,418 million) to Ch\$8,681 million (4Q19: Ch\$7,263 million). **The gross margin in 2020 was Ch\$104,607 million**, down 5.7% YoY (↓Ch\$6,367 million) and in **4Q20 it was Ch\$27,352 million** (↓Ch\$375 million / -1.4% YoY).

CHART 1: CONSOLIDATED NET PROFIT AND GROSS MARGIN (CH\$ MILLION)



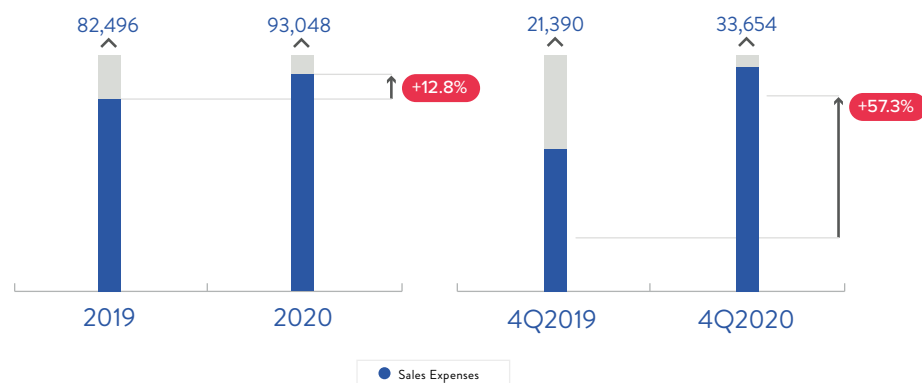
Consolidated revenue amounted to Ch\$197,655 million in 2020, increasing 2.2% YoY (↑Ch\$4,186 million) and Ch\$61,006 million (↑Ch\$11,890 million / + 24.2% YoY) in 4Q20, in line with higher: (i) income from readjustments (2020: ↑Ch\$14,706 million / +280.4% YoY and in 4Q20: ↑Ch\$14,738 million / +634.7% YoY), (ii) income from interest (2020: ↑Ch\$7,063 million / +6.8% YoY and in 4Q20: ↓Ch\$1,107 million / -4.2% YoY). These were offset by lower: (i) price differences (2020: ↓Ch\$9,193 million / -23.6% YoY and in 4Q20: ↓Ch\$4,089 million / -42.8% YoY) (ii) other revenue (2020: ↓Ch\$4,376 million / -13.1% YoY and in 4Q20: ↑Ch\$4,362 million / +66.8% YoY), and (iii) fee income (2020: ↓Ch\$4,015 million / -35.4% YoY and in 4Q20: ↓Ch\$2,014 million / -44.9% YoY).

CHART 2: CONSOLIDATED REVENUE (CH\$ MILLION)



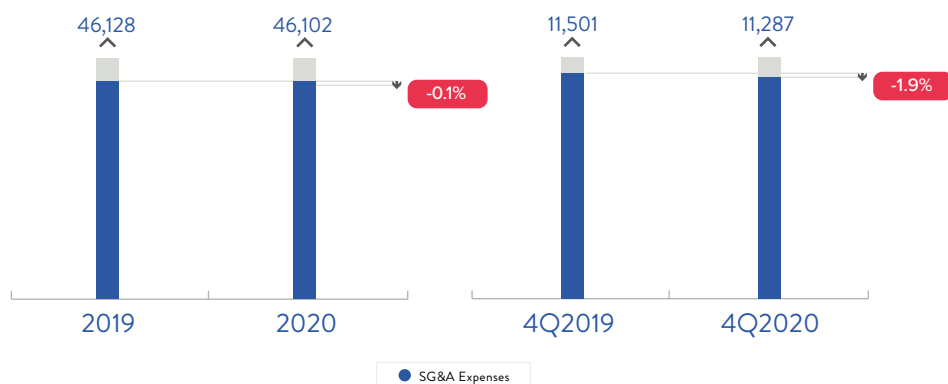
The consolidated cost of sales at year-end 2020 was Ch\$93,048 million (↑Ch\$10,553 million / +12.8% YoY), while in the fourth quarter of 2020 costs reached Ch\$33,654 million (↑Ch\$12,265 million / +57.3% YoY), mainly due to increases in: (i) liability readjustments (2020: ↑Ch\$15,664 million / 3,764.7% YoY and in 4Q20: ↑Ch\$14,459 million / +3,994.8% YoY), (ii) fees (2020: ↑Ch\$1,217 million / 5.0% YoY and in 4Q20: ↑Ch\$394 million / +6.0% YoY), and (iii) other costs (2020: ↑Ch\$85 million / +0.7% YoY and in 4Q20: ↑Ch\$11 million / +0.4% YoY). These were offset by lower interest expenses (2020: ↓Ch\$6,414 million / -14.0% and in 4Q20: ↓Ch\$2,599 million / -22.7% YoY).

CHART 3: SALES COST (CH\$ MILLION)



SG&A expenses (including depreciation) were Ch\$46,102 million in 2020 and Ch\$11,287 million in 4Q20, decreasing 0.1% YoY and 1.9% YoY, respectively, mainly due to lower general expenses that amounted to Ch\$16,678 million (-0.4% YoY) by year-end 2020 and Ch\$4,259 million (-14.3% YoY) in the fourth quarter of 2020. Additionally, labour expenses, which account for around 64% of the administrative expenses, amounted to Ch\$29,423 million in the year (+0.2%) and Ch\$7,028 million in the fourth quarter (+7.6% YoY). That was mainly due to higher severance pay that was offset by lower remuneration and benefit expenses.

CHART 4: SG&A EXPENSES (CH\$ MILLION)



III. MAIN INDICATORS

Table 2: Main Indicators

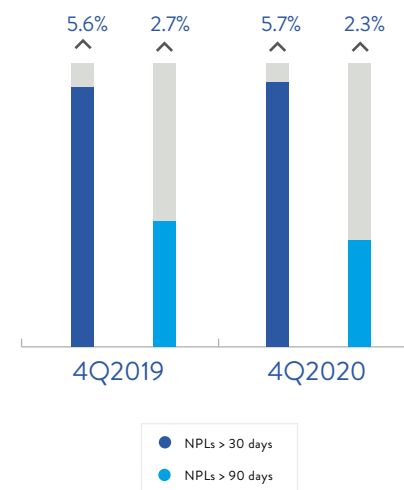
	Indicator	Definition	Unit	31-12-20	31-12-19
Liquidity and Solvency	Liquidity Ratio	Current assets/Current liabilities	times	1.49	1.24
	Short-Term Leverage Ratio	Current liabilities/Equity	times	2.01	2.81
	Immediate Liquidity	Cash and cash equivalents/Current liabilities	times	0.19	0.06
	Stable Funding Ratio	(Non-current liabilities + Equity)/(Current assets)	times	1.61	1.39
	Leverage Ratio	Liabilities/Equity	times	3.61	4.25
	Capitalisation	Equity/Assets	%	21.7%	19.1%
	Total Leverage Ratio	Liabilities/Assets	times	0.8	0.8
	Short-Term Debt Ratio	Total current liabilities/Total liabilities	%	55.5%	66.3%
	Long-Term Debt Ratio	Total non-current liabilities/Total liabilities	%	44.47%	33.7%
	Short-Term Bank Debt	Current bank liabilities/Current liabilities	%	20.9%	37.0%
	Long-Term Bank Debt	Non-current bank liabilities/Non-current liabilities	%	25.4%	10.5%
	Working Capital	Current assets - Current liabilities	Ch\$ million	315,064	210,372
	Financial Expenditure Ratio	(Profit before tax + Financial expenditure)/Financial expenditure	times	1.7	1.7
Profitability	Return on Average Equity	Annualised net profit/Average equity	%	8.81%	11.0%
	Return on Average Assets	Annualised net profit/Average assets	%	1.79%	2.1%
	Gross Margin	Gross margin (*)/current revenue	%	40.7%	42.5%
	Operating Margin	Operating margin/Current revenue	%	16.6%	20.0%
	Net Income Margin	Net income/Current revenue	%	13.9%	16.8%
	Earnings Per Share (EPS)	Net income/number of shares	Ch\$'000	22,696	26,893
	Efficiency of Expenditure	SG&A Expenses/Gross margin (*)	%	57.3%	56.1%
Asset Quality	Non-Performing Loans over 30 Days	Non-performing loans >30 days/(Loans + Provisions)	%	5.7%	5.6%
	Non-Performing Loans over 90 Days	Non-performing loans >90 days/(Loans + Provisions)	%	2.3%	2.7%
		Non-Performing loans >90 days/Equity	%	8.3%	11.9%
	Non-Performing Loans	Non-Performing loans/(Loans + Provisions)	%	10.9%	11.4%
		Non-Performing loans/Equity	%	39.2%	49.3%
	Provisions	Provisions/(Loans + Provisions)	%	2.1%	2.2%
		Provisions/Non-performing loans	%	19.0%	19.0%
		Provisions/Non-performing loans >90 days	%	89.1%	78.5%
	Write-offs	Write-offs (LTM)/(Loans + Provisions)	%	2.7%	2.1%
	Provisions and Write-offs	Annualised provisions and write-offs/(Loans + Provisions)	%	2.2%	2.3%
	Restructured Portfolio	Restructured portfolio/(Loans + Provisions)	%	3.4%	2.3%

(*) The gross margin at December 2019 and 2020 considers impairment loss.

As of 31 December 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\$155,563 million (-11.9% YTD) compared to December 2019 and amounted to Ch\$1,148,053 million, while assets dropped 9.0% (↓Ch\$144,872 million) in 2020 to Ch\$1,465,796 million. Equity increased Ch\$10,692 million (+3.5% YTD) reaching Ch\$317,743 million.

Regarding asset quality indicators, NPLs >30 days increased slightly while NPLs >90 days decreased with risk remaining at healthy levels, in line with improvements of admission, control and collection policies that Tanner has steadily put in place in the last five years.

CHART 5: CONSOLIDATED NPLs



IV. BUSINESS DIVISION RESULTS

Tanner is organised in three divisions: Corporate¹, Auto Financing² and Treasury & Investments³. The results of these three divisions, which accounted for 42.8%, 41.0% and 16.2% of the gross margin in 2020, respectively, and 33.8%, 37.6% and 7.8% for the fourth quarter of 2020, are shown below.

Table 3: Business Division Results

Business Division		01.01.2020 to 31.12.2020 Ch\$ million	01.01.2019 to 31.12.2019 Ch\$ million	Δ Ch\$	Δ %	01.10.2020 to 31.12.2020 Ch\$ million	01.10.2019 to 31.12.2019 Ch\$ million	Δ Ch\$	Δ %
CORPORATE DIVISION	REVENUE	67,884	85,691	(17,807)	-20.8%	14,552	22,673	(8,121)	-35.8%
	COSTS	23,126	27,988	(4,862)	-17.4%	5,319	7,204	(1,885)	-26.2%
	GROSS MARGIN	44,758	57,703	(12,945)	-22.4%	9,233	15,469	(6,236)	-40.3%
i. FACTORING	REVENUE	38,848	52,246	(13,397)	-25.6%	6,804	12,613	(5,809)	-46.1%
	COSTS	11,708	15,746	(4,039)	-25.6%	2,639	3,517	(878)	-25.0%
	GROSS MARGIN	27,140	36,499	(9,359)	-25.6%	4,165	9,096	(4,931)	-54.2%
ii. LEASING	REVENUE	7,259	8,284	(1,024)	-12.4%	2,096	1,847	249	13.5%
	COSTS	2,883	4,857	(1,974)	-40.7%	791	1,635	(844)	-51.6%
	GROSS MARGIN	4,377	3,427	950	27.7%	1,305	212	1,093	514.6%
iii. CORPORATE LOANS	REVENUE	21,777	25,162	(3,385)	-13.5%	5,652	8,213	(2,561)	-31.2%
	COSTS	8,536	7,384	1,151	15.6%	1,889	2,052	(163)	-7.9%
	GROSS MARGIN	13,241	17,777	(4,536)	-25.5%	3,763	6,160	(2,398)	-38.9%
AUTO FINANCING DIVISION	REVENUE	90,810	88,445	2,365	2.7%	22,457	22,327	130	0.6%
	COSTS	47,931	47,873	58	0.1%	12,167	12,244	(77)	-0.6%
	GROSS MARGIN	42,879	40,572	2,307	5.7%	10,290	10,083	207	2.1%
TREASURY & INVESTMENTS	REVENUE	38,961	19,333	19,628	101.5%	23,997	4,116	19,881	483.0%
	COSTS	21,991	6,635	15,356	231.4%	16,168	1,942	14,227	732.7%
	GROSS MARGIN	16,970	12,698	4,271	33.6%	7,829	2,175	5,654	260.0%
Tanner	REVENUE	197,655	193,469	4,186	2.2%	61,006	49,116	11,890	24.2%
	COSTS	93,048	82,496	10,553	12.8%	33,654	21,390	12,265	57.3%
	GROSS MARGIN	104,607	110,973	(6,367)	-5.7%	27,352	27,727	(375)	-1.4%

1 Corporate Division: this includes Factoring, Leasing and Corporate Loans.

2 This includes auto financing and Tanner Corredora de Seguros Ltda.

3 Treasury and Investments Division: this includes Treasury and the subsidiaries Tanner Corredores de Bolsa and Tanner Asset Management Administradora General de Fondos S.A.

The consolidated gross margin in 2020 was Ch\$104,607 million (↓Ch\$6,367 million / -5.7% YoY), with a lower increase in revenue (↑Ch\$4,186 million / +2.2% YoY) than that of costs (↑Ch\$10,553 million / +12.8% YoY). In 4Q20, the gross margin was Ch\$27,352 million (↓Ch\$375 million / -1.4% YoY), with a lower increase in revenue (↑Ch\$11,890 million / +24.2% YoY) than that of costs (↑Ch\$12,265 million / +57.3% YoY). The gross margin breakdown by division/product was as follows:

CORPORATE DIVISION	2020: Ch\$44,758 million, down 22.4% YoY (↓Ch\$12,945 million), due to a drop in revenue (↓Ch\$17,807 million / -20.8% YoY) and in costs (↓Ch\$4,862 million / -17.4% YoY).
	4Q20: Ch\$9,233 million, down 40.3% YoY (↓Ch\$6,236 million), on account of a decrease of Ch\$8,121 million (-35.8% YoY) in revenue and costs (↓Ch\$1,885 million / -26.2% YoY).
i. FACTORING	2020: Ch\$27,140 million, down 25.6% YoY (↓Ch\$9,359 million), due to a decrease of Ch\$13,397 million (-25.6% YoY) in revenue and of 25.6% YoY (↓Ch\$4,039 million) in costs.
	4Q20: Ch\$4,165 million, down 54.2% YoY (↓Ch\$4,931 million), with decreases of 46.1% YoY (↓Ch\$5,809 million) in revenue and 25.0% YoY (↓Ch\$878 million) in costs.
ii. LEASING	2020: Ch\$4,377 million, up 27.7% YoY (↑Ch\$950 million), since costs dropped 40.7% (↓Ch\$1,974 million), thus buffering the decrease in revenue (↓Ch\$1,024 million / -12.4% YoY).
	4Q20: Ch\$1,305 million, up 514.6% YoY (↑Ch\$1,093 million), due to an increase in revenue of (↑Ch\$249 million / 13.5% YoY), along with a decrease in costs of 51.6% YoY (↓Ch\$844 million).
iii. CORPORATE LOANS	2020: Ch\$13,241 million, down 25.5% YoY (↓Ch\$4,536 million), due to a decrease in revenue (↓Ch\$3,385 million / -13.5% YoY) and increase in costs (↑Ch\$1,151 million / +15.6% YoY).
	4Q20: Ch\$3,763 million, down 38.9% YoY (↓Ch\$2,398 million), on account of a decrease of 31.2% YoY (↓Ch\$2,561 million) in revenue and of -7.9% YoY in costs (↓Ch\$163 million)
AUTO FINANCING DIVISION	2020: Ch\$42,879 million, climbing 5.7% YoY (↑Ch\$2,307 million), arising from higher revenue (↑Ch\$2,365 million / +2.7% YoY) than greater costs (↑Ch\$58 million / +0.1% YoY).
	4Q20: Ch\$10,290 million, up 2.1% YoY (↑Ch\$207 million), with an increase in revenue (↑Ch\$130 million / +0.6% YoY), and a decrease in costs (↓Ch\$77 million / -0.6% YoY).
TREASURY & INVESTMENTS	2020: Ch\$16,970 million, up 33.6% YoY (↑Ch\$4,271 million), due to an increase of Ch\$19,628 million (101.5% YoY) in revenue and higher costs (↑Ch\$15,356 million / +231.4% YoY).
	4Q20: Ch\$7,829, growing 260.0% YoY (↑Ch\$5,654 million), because of an increase in revenue of Ch\$19,881 million (+483.0% YoY), higher than the increase of costs (↑Ch\$14,227 million / +732.7% YoY).

CHART 6: GROSS MARGIN



CHART 7: GROSS MARGIN BREAKDOWN

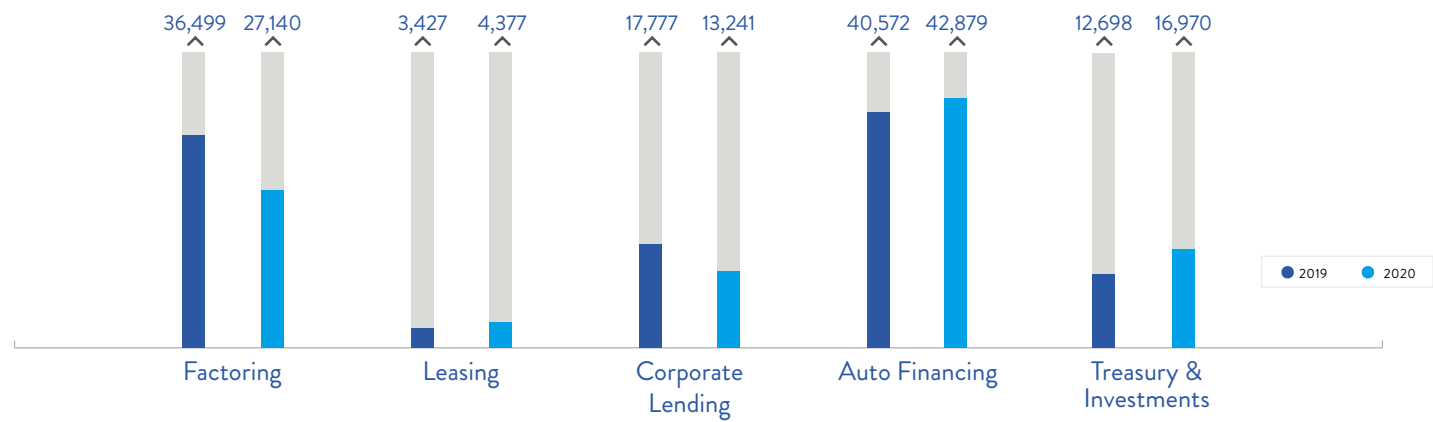
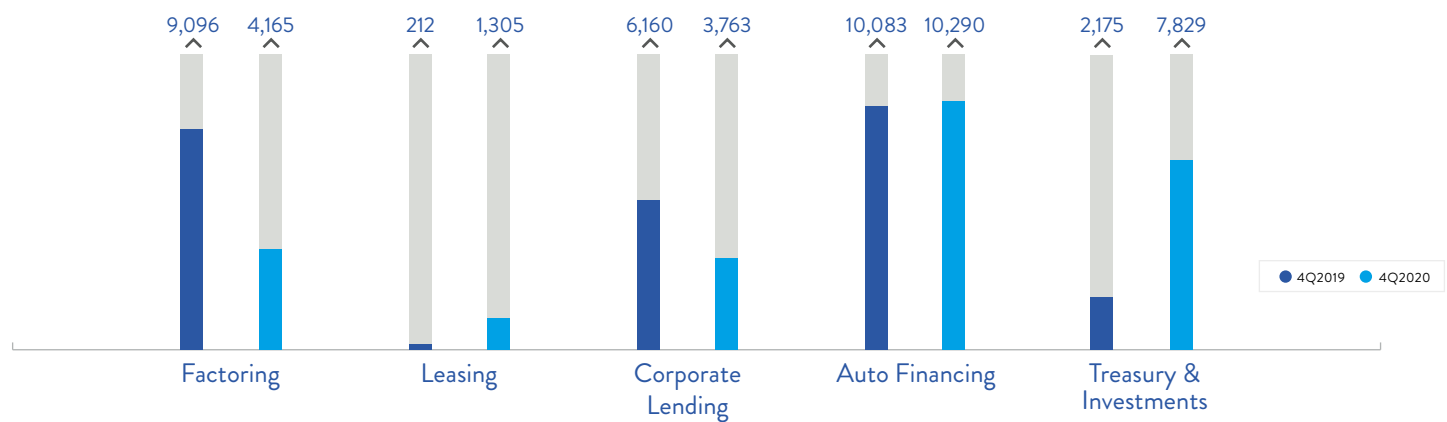


CHART 8: GROSS MARGIN BREAKDOWN BY LINE OF BUSINESS FOURTH QUARTER 2020



Consolidated revenue was **Ch\$197,655 million** in 2020, increasing 2.2% YoY (↑Ch\$4,186 million), whereas in **4Q20 it was Ch\$61,006 million**, growing 24.2% YoY (↑Ch\$11,890 million), explained by the following revenue:

CORPORATE DIVISION	2020: Ch\$67,884 million (↓Ch\$17,807 million / -20.8% YoY).
	4Q20: Ch\$14,552 million (↓Ch\$8,121 million / -35.8% YoY).
	Driver: Lower price differences arising from factoring which accounts for 57.2% of the division's revenue.
i. FACTORING	2020: Ch\$38,848 million (↓Ch\$13,397 million / -25.6% YoY).
	4Q20: Ch\$6,804 million (↓Ch\$5,809 million / -46.1% YoY).
	Driver: Lower price differences.
ii. LEASING	2020: Ch\$7,259 million (↓Ch\$1,024 million / -12.4% YoY).
	4Q20: Ch\$2,096 million (↑Ch\$249 million / +13.5% YoY).
	Driver: Lower interest 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 LOANS	2020: Ch\$21,777 million (↓Ch\$3,385 million / -13.5% YoY).
	4Q20: Ch\$5,652 million (↓Ch\$2,561 million / -31.2% YoY).
	Driver: Lower fees.
AUTO FINANCING DIVISION	2020: Ch\$90,810 million (↑Ch\$2,365 million / +2.7% YoY).
	4Q20: Ch\$22,457 million (↑Ch\$130 million / +0.6% YoY).
	Driver: Higher fee income.
TREASURY & INVESTMENTS	2020: Ch\$38,961 million (↑Ch\$19,628 million / +101.5% YoY).
	4Q20: Ch\$23,997 million (↑Ch\$19,881 million / +483.0% YoY).
	Driver: Increase due to income from balance sheet readjustments.

Consolidated costs amounted to **Ch\$93,048 million** in 2020 and **Ch\$33,654 million** in 4Q20, growing Ch\$10,553 million (+12.8% YoY) and Ch\$12,265 million (+57.3% YoY), respectively, explained by the following costs:

CORPORATE DIVISION	2020: Ch\$23,126 million (↓Ch\$4,862 million / -17.4% YoY).
	4Q20: Ch\$5,319 million (↓Ch\$1,885 million / -26.2% YoY).
	Driver: decrease due to lower interest rate-related costs.
i. FACTORING	2020: Ch\$11,708 million (↓Ch\$4,039 million / -25.6% YoY).
	4Q20: Ch\$2,639 million (↓Ch\$878 million / -25.0% YoY).
	Driver: Lower interest related to this product.
ii. LEASING	2020: Ch\$2,883 million (↓Ch\$1,974 million / -40.7% YoY).
	4Q20: Ch\$791 million (↓Ch\$844 million / -51.6% YoY).
	Driver: Lower interest cost.
iii. CORPORATE LOANS	2020: Ch\$8,536 million (↑Ch\$1,151 million / 15.6% YoY).
	4Q20: Ch\$1,889 million (↓Ch\$163 million / -7.9% YoY).
	Driver: Higher fee expenses.
AUTO FINANCING DIVISION	2020: Ch\$47,931 million (↑Ch\$58 million / +0.1% YoY).
	4Q20: Ch\$12,167 million (↓Ch\$77 million / -0.6% YoY).
	Driver: Higher fee expenses.
TREASURY & INVESTMENTS	2020: Ch\$21,991 million (↑Ch\$15,356 million / +231.4% YoY).
	4Q20: Ch\$16,168 million (↑Ch\$14,227 million / +732.7% YoY).
	Driver: Higher liability readjustment expenses.

V. BUSINESS DIVISION PORTFOLIO QUALITY

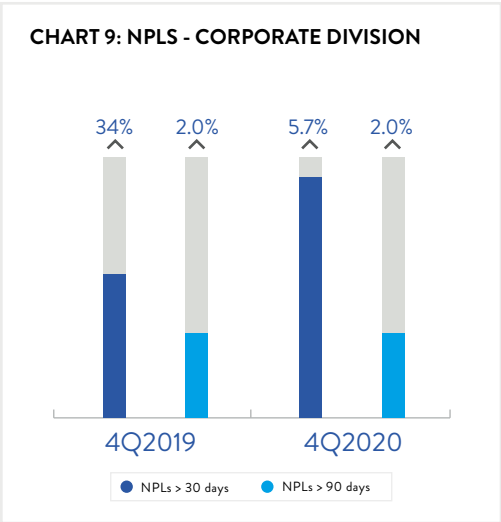
Table 4: Business Division Main Indicators

	Indicator	Definition	Unit	31-12-20	31-12-19
CORPORATE DIVISION	Non-performing loans	Non-performing loans/(Loans + Provisions)	%	9.9%	8.0%
		Non-performing loans/Equity	%	20.1%	20.6%
		Provisions/(Loans + Provisions)	%	1.4%	1.2%
	Provisions	Provisions/Non-performing loans	%	13.9%	15.0%
		Provisions/Non-performing loans >90 days	%	67.8%	60.5%
	Provisions and write-offs	Provisions and write-offs/(Loans + Provisions)	%	1.5%	1.2%
	Non-performing loans over 30 days	Non-performing loans >30 days/(Loans + Provisions)	%	5.7%	3.4%
	Non-performing loans over 90 days	Non-performing loans >90 days/(Loans + Provisions)	%	2.0%	2.0%
		Non-Performing loans >90 days/Equity	%	4.1%	5.1%
	Restructured portfolio	Restructured portfolio/(Loans + Provisions)	%	3.5%	2.2%
i. FACTORING		Restructured portfolio/Equity	%	7.1%	5.7%
	Clients	Number of clients	#	2,606	4,769
	Expenditure efficiency	SG&A expenses/Gross margin (*)	%	67.6%	60.5%
	Non-performing loans	Non-performing loans/(Loans + Provisions)	%	5.3%	8.9%
		Non-performing loans/Equity	%	5.3%	12.0%
		Provisions/(Loans + Provisions)	%	0.7%	1.2%
	Provisions	Provisions/Non-performing loans	%	13.3%	13.4%
		Provisions/Non-performing loans >90 days	%	90.7%	82.7%
	Provisions and write-offs	Provisions and write-offs/(Loans + Provisions)	%	1.0%	1.7%
	Non-performing loans over 30 days	Non-performing loans >30 days/(Loans + Provisions)	%	0.9%	3.0%
ii. LEASING	Non-performing loans over 90 days	Non-performing loans >90 days/(Loans + Provisions)	%	0.8%	1.5%
		Non-Performing loans >90 days/Equity	%	0.8%	1.9%
	Restructured portfolio	Restructured portfolio/(Loans + Provisions)	%	0.3%	0.5%
		Restructured portfolio/Equity	%	0.3%	0.7%
	Clients	Number of clients	#	1,822	3,650
	Expenditure efficiency	SG&A expenses/Gross margin (*)	%	60.6%	55.9%
	Non-performing loans	Non-performing loans/(Loans + Provisions)	%	4.2%	11.2%
		Non-performing loans/Equity	%	1.0%	3.1%
		Provisions/(Loans + Provisions)	%	1.2%	1.3%
	Provisions	Provisions/Non-performing loans	%	28.7%	11.2%
iii. CORPORATE LOANS		Provisions/Non-performing loans >90 days	%	111.0%	29.8%
	Provisions and write-offs	Provisions and write-offs/(Loans + Provisions)	%	2.5%	-0.6%
	Non-performing loans over 30 days	Non-performing loans >30 days/(Loans + Provisions)	%	2.1%	5.8%
	Non-performing loans over 90 days	Non-performing loans >90 days/(Loans + Provisions)	%	1.1%	4.2%
		Non-Performing loans >90 days/Equity	%	0.2%	1.1%
	Restructured portfolio	Restructured portfolio/(Loans + Provisions)	%	12.8%	7.3%
		Restructured portfolio/Equity	%	2.9%	2.0%
	Clients	Number of clients	#	217	348
	Expenditure efficiency	SG&A expenses/Gross margin (*)	%	212.9%	86.5%
	Non-performing loans	Non-performing loans/(Loans + Provisions)	%	17.2%	5.8%
iv. AUTO FINANCING		Non-performing loans/Equity	%	13.9%	5.6%
		Provisions/(Loans + Provisions)	%	2.2%	1.2%
	Provisions	Provisions/Non-performing loans	%	13.1%	20.5%
		Provisions/Non-performing loans >90 days	%	17.7%	36.1%
	Provisions and write-offs	Provisions and write-offs/(Loans + Provisions)	%	1.9%	0.9%
	Non-performing loans over 30 days	Non-performing loans >30 days/(Loans + Provisions)	%	12.7%	3.3%
	Non-performing loans over 90 days	Non-performing loans >90 days/(Loans + Provisions)	%	3.8%	2.1%
		Non-Performing loans >90 days/Equity	%	3.1%	2.0%
	Restructured portfolio	Restructured portfolio/(Loans + Provisions)	%	4.8%	3.1%
		Restructured portfolio/Equity	%	3.9%	3.0%
v. TREASURY & INVESTMENTS	Clients	Number of clients	#	567	771
	Expenditure efficiency	SG&A expenses/Gross margin (*)	%	69.7%	46.1%
	Non-performing loans	Non-performing loans/(Loans + Provisions)	%	12.6%	18.4%
		Non-performing loans/Equity	%	19.1%	28.7%
		Provisions/(Loans + Provisions)	%	2.90%	4.0%
	Provisions	Provisions/Non-performing loans	%	23.0%	21.6%
		Provisions/Non-performing loans >90 days	%	104.0%	91.2%
	Provisions and write-offs	Provisions and write-offs/(Loans + Provisions)	%	3.2%	4.4%
	Non-performing loans over 30 days	Non-performing loans >30 days/(Loans + Provisions)	%	6.0%	10.1%
	Non-performing loans over 90 days	Non-performing loans >90 days/(Loans + Provisions)	%	2.8%	4.4%
vi. REAL ESTATE		Non-Performing loans >90 days/Equity	%	4.2%	6.8%
	Restructured portfolio	Restructured portfolio/(Loans + Provisions)	%	3.3%	2.7%
		Restructured portfolio/Equity	%	5.0%	4.2%
	Clients	Number of clients	#	79,240	75,797
	Expenditure efficiency	SG&A expenses/Gross margin (*)	%	74.7%	88.8%
	Non-performing loans	Non-performing loans/(Loans + Provisions)	%	24.0%	9.2%
		Non-performing loans/Equity	%	1.5%	1.8%
		Provisions/(Loans + Provisions)	%	0.1%	0.0%
	Provisions	Provisions/Non-performing loans	%	0.5%	0.2%
		Provisions/Non-performing loans >90 days	%	51.3%	130.0%
vii. OTHER	Provisions and write-offs	Provisions and write-offs/(Loans + Provisions)	%	0.1%	-0.1%
	Non-performing loans over 30 days	Non-performing loans >30 days/(Loans + Provisions)	%	0.3%	0.0%
	Non-performing loans over 90 days	Non-performing loans >90 days/(Loans + Provisions)	%	0.2%	0.0%
		Non-Performing loans >90 days/Equity	%	0.0%	0.0%
	Restructured portfolio	Restructured portfolio/(Loans + Provisions)	%	4.1%	0.0%
		Restructured portfolio/Equity	%	0.3%	0.0%
	Clients	Number of clients	#	1,721	1,707
	Expenditure efficiency	SG&A expenses/Gross margin (*)	%	3.3%	5.0%

(*) The gross margin at December 2019 and 2020 considers impairment loss.

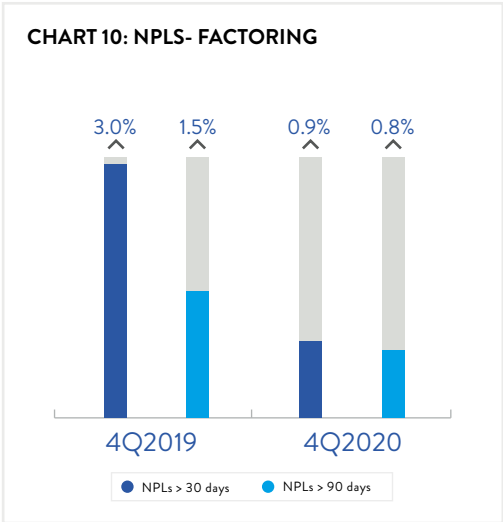
CORPORATE DIVISION

The portfolio quality is still healthy despite an increase in NPLs >30 days.



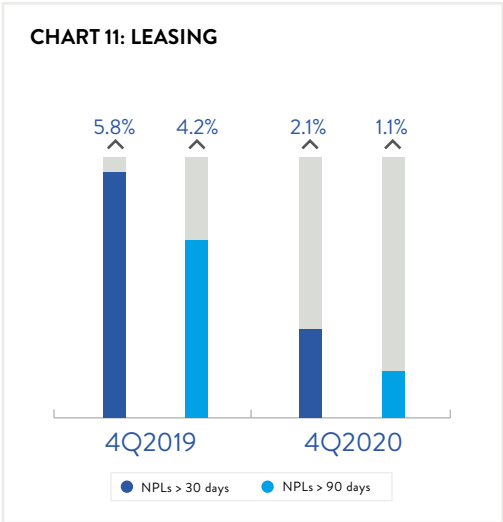
i. FACTORING

Loan portfolio quality improved on the previous year, reflected by a decrease of NPLs > 30/90 days.



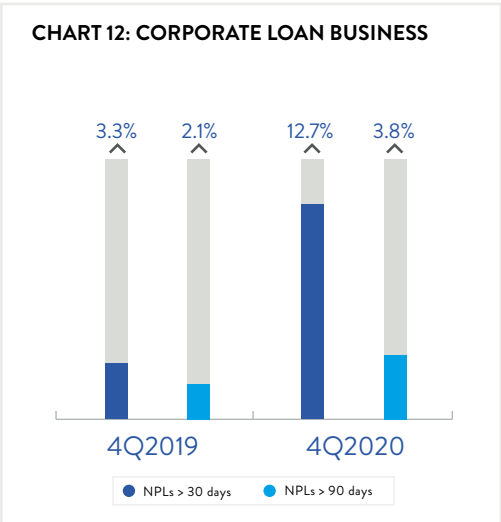
ii. LEASING

Portfolio quality indicators improved for NPLs > 30 days and NPLs > 90 days.



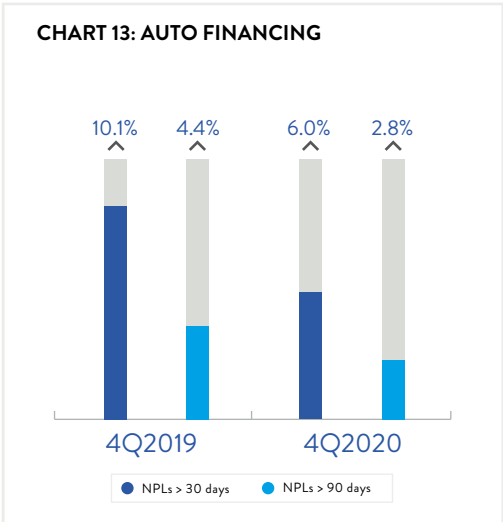
iii. CORPORATE LOANS

Portfolio quality indicators deteriorated for NPLs > 30 days and NPLs > 90 days due to lower placements and greater deterioration of this portfolio, mainly because of the economic effects of the COVID-19 pandemic.



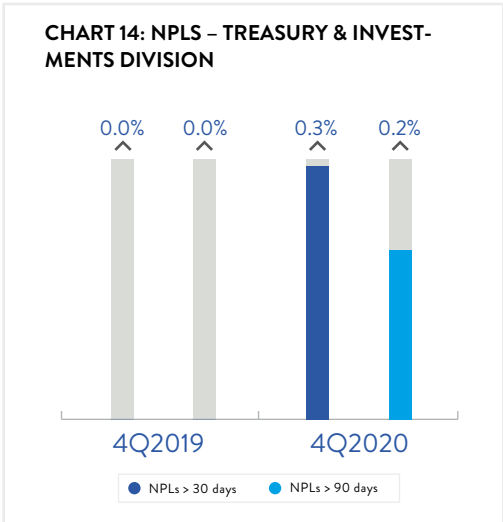
AUTO FINANCING DIVISION

NPLs > 90 days improved when compared to the same period of the previous year, due to the better performance of this specific portfolio.



TREASURY & INVESTMENTS

The portfolio quality remained favourable despite an increase in NPLs > 30 days and NPLs > 90 days.



VI. BALANCE SHEET

Table 5: Consolidated Balance Sheet

Assets (Ch\$ million)	31-12-20	31-12-19	Δ Ch\$	Δ %
Current Assets				
Cash and cash equivalents	120,080	53,660	66,420	123.8%
Other current financial assets	79,934	94,815	(14,881)	-15.7%
Other current non-financial assets	3,058	1,727	1,331	77.0%
Trade receivables and other current accounts receivable	733,205	894,979	(161,774)	-18.1%
Accounts receivable from related parties	4,902	381	4,521	1186.5%
Current tax assets	6,645	18,239	(11,594)	-63.6%
Non-current assets or asset groups for disposal classified as held-for-sale	4,798	10,519	(5,721)	-54.4%
Total Current Assets	952,623	1,074,320	(121,698)	-11.3%
Non-Current Assets				
Other non-current financial assets	55,033	62,456	(7,422)	-11.9%
Other non-current non-financial assets	5,181	4,638	543	11.7%
Trade receivables and other non-current accounts receivable	391,805	407,225	(15,421)	-3.8%
Non-current accounts receivable from related parties	34	528	(495)	-93.6%
Intangible assets other than goodwill	6,637	6,759	(121)	-1.8%
Goodwill	1,640	1,764	(124)	-7.0%
Property, plant and equipment	10,308	11,632	(1,324)	-11.4%
Property Investments	11,318	11,381	(63)	-0.6%
Deferred tax assets	31,218	29,966	1,252	4.2%
Total Non-Current Assets	513,174	536,348	(23,174)	-4.3%
Total Assets	1,465,796	1,610,668	(144,872)	-9.0%
Liabilities (Ch\$ million)	31-12-20	31-12-19	Δ Ch\$	Δ %
Current Liabilities				
Other current financial liabilities	516,389	720,041	(203,652)	-28.3%
Trade payables and other current accounts payable	116,449	141,470	(25,022)	-17.7%
Other short-term provisions	508	528	(20)	-3.8%
Current provisions for employee benefits	3,262	1,228	2,033	165.5%
Current tax liabilities	950	680	270	39.7%
Other current non-financial liabilities	-	-	-	0.0%
Total Current Liabilities	637,558	863,948	(226,390)	-26.2%
Non-Current Liabilities				
Other non-current financial liabilities	510,195	439,475	70,721	16.1%
Non-current provisions for employee benefits	300	194	106	54.6%
Total Non-Current Liabilities	510,495	439,669	70,827	16.1%
Total Liabilities	1,148,053	1,303,617	(155,563)	-11.9%
Equity	317,743	307,052	10,692	3.5%
Total Liabilities and Equity	1,465,796	1,610,668	(144,872)	-9.0%

a. Net Loan Portfolio ⁴

The total gross loan portfolio in December 2020 was Ch\$1,147,816 million (↓Ch\$182,890 million / -13.7% YTD) versus Ch\$1,330,706 million in December 2019, while provisions were Ch\$22,807 million, decreasing Ch\$5,705 million (-20.0% YTD). Hence, the total net loan portfolio amounted to Ch\$1,125,010 million, a drop of Ch\$177,194 million (-13.4% YTD) on the Ch\$1,302,204 million at December 2019.

Net loan portfolio at year-end 2020:

1. **Corporate Division:** Ch\$636,000 million | -18.6 YTD | ↓Ch\$145,595 million.
 - a. **Factoring:** Ch\$314,419 million | -22.6% YTD | ↓Ch\$91,642 million.
 - b. **Leasing:** Ch\$71,258 million | -13.8% YTD | ↓Ch\$11,373 million.
 - c. **Corporate Loans:** Ch\$250,322 million | -14.5% YTD | ↓Ch\$42,580 million.
2. **Auto Financing Division:** Ch\$466,521 million | +1.8% YTD | ↑Ch\$8,160 million.
3. **Treasury and Investments Division:** Ch\$20,201 million | -66.1% YTD | ↓Ch\$39,434 million.

CHART 15: NET LOANS

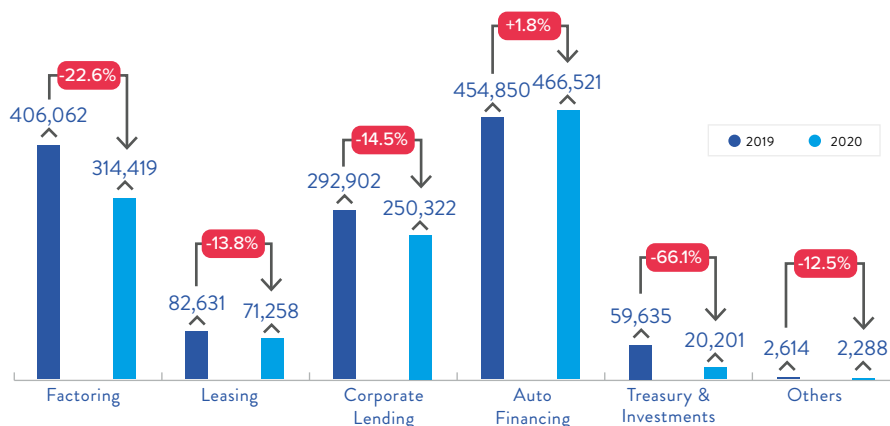
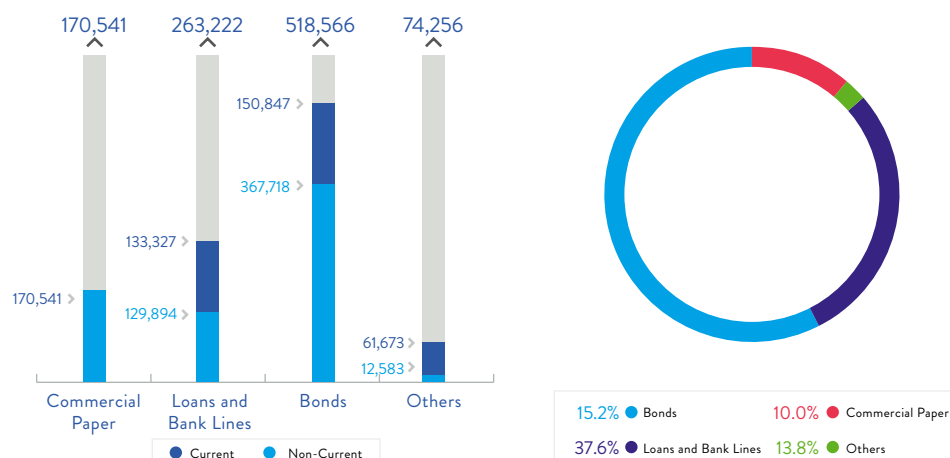
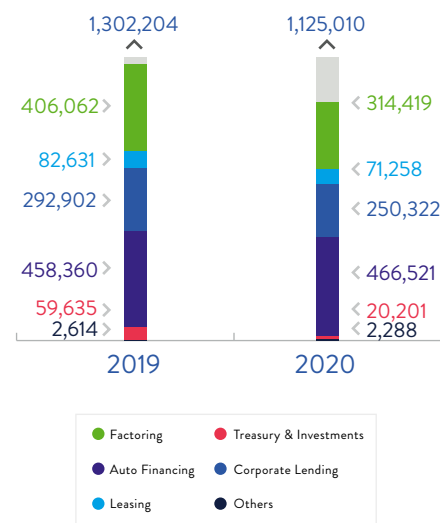


CHART 17: SOURCES OF FINANCING



⁴ Gross loans minus provisions.

CHART 16: DISTRIBUTION OF NET LOANS



The portfolio has shifted to a greater concentration on the company's strategic businesses – factoring and auto financing – however in 2020 the effects of lower economic activity temporarily reduced the factoring portfolio. At the close of 4Q20, these accounted for 27.9% and 41.5% of the net loan portfolio, respectively.

b. Funding Sources

Financial liabilities as of 31 December 2020 were Ch\$1,026,584 million, compared with Ch\$1,159,515 million in December 2019 (↓Ch\$132,931 million / -11.5% YTD), mainly due to a drop in: (i) banks and financial institutions (↓Ch\$102,291 million / -28.0% YTD), (ii) bonds (↓Ch\$24,924 million / -4.6% YTD), and (iii) other financial liabilities (↓Ch\$8,741 million / -10.5% YTD). These were offset by an increase in those related to commercial papers (↑Ch\$3,026 million / +1.8% YTD).

In terms of the liability structure, 50.5% (Ch\$518,566 million) corresponded to local and international bonds, 25.6% (Ch\$263,222 million) to bank loans and credit lines, and 16.6% (Ch\$170,541 million) to commercial papers. The remaining Ch\$74,256 million (7.2%) were related to other financial obligations of repos and forwards.

VII. CASH FLOW STATEMENT

Table 6: Cash Flow Statement

Ch\$ million	31-12-20	31-12-19	Δ Ch\$
Cash flow from operating activities	173,151	(176,476)	349,627
Cash flow from investing activities	122,656	251,938	(129,283)
Cash flow from financing activities	(228,441)	(47,442)	(181,000)
Effect of changes in exchange rates	(946)	166	(1,112)
Cash flow in the period	66,420	28,186	38,233
Cash and cash equivalents, initial balance	53,660	25,474	28,186
Cash and cash equivalents, final balance	120,080	53,660	66,420

As of 31 December 2020, the cash flow from operating activities was Ch\$173,151 million versus -Ch\$176,476 million as of December 2019, mainly because collection from the sale of goods and service provision increased by Ch\$373,685 million.

The cash flow from investing activities reached Ch\$122,656 million, Ch\$129,283 million less than the Ch\$251,938 million at the close of the fourth quarter of 2019, mainly due to a -Ch\$725,930 million difference regarding other payments to acquire equity or debt instruments of other entities.

The cash flow from financing activities amounted to -Ch\$228,441 million in 2020, against -Ch\$47,442 million the previous year, mainly due to a decrease in payments for other equity interests and in repayments from borrowings made.

Finally, cash and cash equivalents by year-end 2020 were Ch\$120,080 million, increasing Ch\$66,420 million on the same period of the previous year.

VIII.

RISK ANALYSIS

a. Credit Risk

Credit risk is the possibility or probability of financial loss the company faces 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 or products with specific credit policies and based on a prior analysis of its clients' expected revenue, the financial information available and their payment track record, along with other commercial information, if any. This analysis also includes macroeconomic expectations and those of the sector in which the client operates (as a general case). In terms of factoring, it also includes debtor-specific information.

Another important and complementary aspect of credit risk assessment is the quality and quantity of the guarantees required. One of the company's policies is to have sound collateral that is a second source of payment for its clients' obligations in the event of default.

FACTORING	A framework agreement is signed by every client to support future operations. Most credit lines include the liability of the assignor for the insolvency of the assigned debtor. Operations without any liability are generally covered by a credit insurance policy and/or specific collateral.
LEASING	Leasing operations are guaranteed by the leased assets. Insurance policies are required for all assets to cover any claim that may lead to a loss in value.
CORPORATE LOANS	Depending on the case, mortgages and/or stock pledges may be required. However, there is the possibility of defining a guarantor, that is liable for the loan and is generally one of the partners of the borrower.
AUTO FINANCING	Car loans are guaranteed by the assets associated with the financing and there are two types of guarantees in this case: real (vehicle pledges) and personal (securities and co-signers).
TREASURY & INVESTMENTS	Additionally, debtors of the Treasury & Investments division are mainly from the subsidiary Tanner Corredores de Bolsa S.A. and are classified as intermediation debtors on its individual balance sheet. Provisions for these kinds of borrowers are determined based on an expected loss model in accordance with what is established in IFRS 9.

Moreover, the company undertakes a credit quality follow-up process, whose aim is the early detection of possible changes in the payment capacity of counterparties and to recover past due or delinquent loans, enabling the company to assess the potential loss from the risks and take corrective action.

Pursuant to the new accounting standard, Tanner Servicios Financieros S.A. has implemented new impairment models according to the IFRS 9 standard, and one of the main changes is the use of expected loss models to replace the former incurred loss models. These models are in line with the historical performance of clients and also consider a forward-looking vision, taking into account the following regulatory requirements:

- a. Risk profile for each product.
- b. Probability of default in 12 months and throughout the life of the asset.
- c. Loss due to default throughout the life of the asset.
- d. Total prepayment rates.
- e. Credit exposure at the time of default.
- f. Adjustment of the default probability to the economic cycle (forward-looking)

The basic features of provision policies by business line are:

FACTORING	<p>Provision calculations consider segmentation by sub-product and risk profiles:</p> <p>i.Electronic invoices: three risk profiles that consider internal performance variables and variables captured on admission. The influential variables are the following: (i) days of current delinquency, (ii) debtor classification.</p> <p>ii.Normal or NSF cheques: two risk profiles that consider internal performance variables. The influential variable is the number of days of current delinquency.</p> <p>iii.Others: two risk profiles that consider internal performance variables. The influential variables are: (i) days of current delinquency, (ii) group or type.</p> <p>The write-off policy envisages a maximum term of 366 days past due.</p>
LEASING	<p>Provision calculations consider five risk profiles segmented by sub-product and risk profiles. The most influential variables are the following: (i) days of current delinquency, (ii) sub-product (real estate or vendor product and machinery or vehicle), and (iii) renegotiation.</p> <p>The write-off policy envisages a maximum term of 541 days past due, except for real estate and vendor leasing which are 901 days past due.</p>
CORPORATE LOANS	<p>Provision calculations consider eight risk profiles with internal performance variables. The influential variables are the following: (i) days of current delinquency, (ii) residual term and (iii) renegotiation.</p> <p>The write-off policy envisages a maximum term of 541 days past due, except for a mortgage that has been put up as collateral which is 901 days past due.</p>
AUTO FINANCING	<p>Provision calculations consider segmentation by sales channel and performance score. Sales channel segmentation is as follows: (i) first options, (ii) dealers and direct and (iii) renegotiated.</p> <p>Each segment is subdivided into risk profiles according to their performance score, which in turn considers the following variables:</p> <p>i.Maximum delinquency in the past three months: maximum delinquency recorded by the operation between the current month and the two prior months.</p> <p>ii.Unpaid balance ratio in the past three months: unpaid balance of the current month divided by the maximum unpaid balance recorded by the operation between the current month and the two prior months.</p> <p>iii.Loan to value (LTV) or unpaid balance of the original value of the collateral for the loan.</p> <p>iv.Segment: this identifies whether the operation arose through the sales channel, first options, rest of the dealers and direct, or whether it is a renegotiation of another loan.</p> <p>The write-off policy envisages a maximum term of 366 days past due.</p>
TREASURY & INVESTMENTS	<p>Provision calculations for the intermediation business consider eight risk profiles with internal performance variables. The most influential variables are: (i) days of current delinquency, (ii) residual term and (iii) renegotiation.</p> <p>The write-off policy envisages a maximum term of 366 days past due.</p>

Table 7: Loan Portfolio, Provisions and Risk Index

Business Line	31.12.2020				Business Line	31.12.2019			
	Gross Portfolio Ch\$'000	Provisions Ch\$'000	Net Portfolio Ch\$'000	Provision Index		Gross Portfolio Ch\$'000	Provisions Ch\$'000	Net Portfolio Ch\$'000	Provision Index
Factoring	316,661,808	(2,242,396)	314,419,412	0.71%	Factoring	410,997,477	(4,935,678)	406,061,799	1.20%
Leasing	72,129,351	(871,207)	71,258,144	1.21%	Leasing	83,682,115	(1,051,432)	82,630,683	1.26%
Corporate Loans	256,069,838	(5,747,641)	250,322,196	2.24%	Corporate Loans	296,432,919	(3,530,727)	292,902,192	1.19%
Auto Financing	480,440,764	(13,919,908)	466,520,856	2.90%	Auto Financing	477,344,681	(18,984,263)	458,360,418	3.98%
Treasury & Investments	20,226,665	(25,685)	20,200,980	0.13%	Treasury & Investments	59,645,040	(10,078)	59,634,962	0.02%
Other Receivables	2,288,044	-	2,288,044	0.00%	Other Receivables	2,613,969	-	2,613,969	0.00%
Total	1,147,816,470	(22,806,837)	1,125,009,633	1.99%	Total	1,330,716,201	(28,512,178)	1,302,204,023	2.14%

Impaired loans for which there is renegotiation are those for which the corresponding financial commitments have been restructured and where the company has assessed the likelihood of recovering these loans as sufficiently high. In the case of customer insolvency, there is also the option of returning the good in applicable cases.

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 be considered. The renegotiation condition is considered with additional weighting in the risk factor calculation model.

In the factoring business renegotiations are less frequent, since these operations, which differ from leasing and auto loans that are essentially loan operations, provide liquidity of 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 provide collateral.

The following table shows the carrying value of renegotiations by business line and the percentage of the total portfolio:

Table 8: Renegotiated Loan Portfolio

Business Line	31.12.2020					Business Line	31.12.2019				
	Total Portfolio Ch\$'000	Renegotiation Ch\$'000	Provision Ch\$'000	Renegotiation by product %	Renegotiation by total portfolio %		Total Portfolio Ch\$'000	Renegotiation Ch\$'000	Provision Ch\$'000	Renegotiation by product %	Renegotiation by total portfolio %
Factoring	316,661,808	1,009,442	(2,242,396)	0.32%	0.09%	Factoring	410,997,477	2,065,500	(4,935,678)	0.50%	0.16%
Corporate Loans	256,069,838	12,382,151	(5,747,641)	4.84%	1.08%	Corporate Loans	296,432,919	9,183,347	(3,530,727)	3.10%	0.69%
Auto Financing	480,440,764	15,881,313	(13,919,908)	3.31%	1.38%	Auto Financing	477,344,681	12,774,134	(18,984,263)	2.68%	0.96%
Leasing (*)	72,129,351	9,244,054	(871,207)	12.82%	0.81%	Leasing (*)	83,682,115	6,134,445	(1,051,432)	7.33%	0.46%
Treasury & Investments	20,226,665	830,650	(25,685)	4.11%	0.07%	Treasury & Investments	59,645,040	-	(10,078)	-	-
Other Receivables	2,288,044	-	-	-	-	Other Receivables	2,613,969	-	-	-	-
Total	1,147,816,470	39,347,611	(22,806,837)		3.43%	Total	1,330,716,201	30,157,426	(28,512,178)		2.27%

(*) Mainly mortgage-secured leases.

b. Liquidity Risk

This is defined as the inability of the company to meet its payment obligations as they are due, without incurring large losses or being prevented from providing normal loan transactions to its clients. It arises from a cash flow mismatch, which occurs when cash flows of liability payments are higher than the receipt of cash flows from investments or loans. The fact that customers fail to pay their loan commitments on the dates that they fall due could also generate a liquidity risk.

The main financing sources of Tanner Servicios Financieros S.A. are bonds (local and international) which have a defined payment schedule, unsecured bank lines of credit which are mainly short-term and renewed regularly, and commercial papers.

The company has a daily cash flow management process that includes a simulation of all maturities of assets and liabilities in order to anticipate cash needs. Additionally, there is a higher body, the Assets and Liabilities Committee (ALCO), which convenes monthly to review the forecasts and market conditions, and it defines action plans based on these.

The company manages its liquidity risk at a consolidated level and its main source of liquidity is cash flows from operating activities (collection). As of 31 December 2020, the company had Ch\$120,080 million of consolidated cash on hand against Ch\$53,660 million as of 31 December 2019.

The indirect subsidiary Tanner Corredores de Bolsa S.A. is subject to regulatory liquidity indicators called the general liquidity index and the intermediation liquidity index. In line with the requirements of the Financial Market Commission (CMF, according to the Spanish acronym), the subsidiary has permanently complied with the mentioned indicators.

c. Market Risk

Market or financial risk is defined as the exposure to financial loss due to adverse changes in market variables, such as price, interest rates, currencies, indexation, among others, which affect the value of any operation stated on the balance sheet.

i. Price Risk

The company is exposed to price risk for having financial instruments whose valuation depends directly on the market value of these types of operations and which have a certain volatility that is measured by the historical VaR⁵.

As of 31 December 2020, the company had investments in international corporate bonds amounting to ThUS\$29,928 (ThUS\$31,048 as of 31 December 2019). The average duration of the portfolio was 1.97 years (2.53 years as of 31 December 2019), the sensitivity measured by DV01 was US\$5,486 (USD7,464 as of 31 December 2019) and the parametric VaR⁶ of the portfolio with a 1-day timeline was US\$132,053 (USD67,109 as of 31 December 2019), with a 99% confidence level.

ii. Interest Rate Risk

This is defined as the risk the company is exposed to because of having financial operations whose valuation is subject, among other factors, to changes in 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:

For interest rate decreases:

Negative Delta (bps)	-25	-50	-75	-100	-125	-150	-175	-200
Net Portfolio Variation	0.46%	0.92%	1.37%	1.83%	2.29%	2.75%	3.21%	3.67%

For interest rate increases:

Positive Delta (bps)	-25	-50	-75	-100	-125	-150	-175	-200
Net Portfolio Variation	-0.46%	-0.92%	-1.37%	-1.83%	-2.29%	-2.75%	-3.21%	-3.67%

Table 9: Sensitivity to Interest Rate Variations

The company has a derivative instrument portfolio of: (i) trading derivatives, whose maturity structure is very short-term, and they therefore have an associated interest rate risk with a low impact on income, and (ii) hedging derivatives which protect most of those liabilities structured in foreign currency and at a variable rate (LIBOR), maintaining limited exposure to interest rate risk and a low impact on income.

5 Value at Risk: this is the maximum expected loss considering a history timeline of 1 year with a confidence level of 99%.

6 Dollar value of .01: this is the market value x the modified duration x 1 basis point.

Table 10: Exposure and Sensitivity by Currency

Exposure	31.12.2020							
	Trading Derivatives				Hedging Derivatives			
	UF'000	CLP'000	US\$'000	CHF'000	UF'000	CLP'000	US\$'000	CHF'000
Up to 1 year	-	(233,143,690)	216,267,419	(78,840)	49,228,251	(99,300,224)	(53,016,410)	103,457,018
1 to 3 years	-	-	-	-	124,793,092	(135,335,977)	(135,557,724)	164,665,974
More than 3 years	-	-	-	-	62,143,898	(54,821,710)	179,131	-
Total	-	(233,143,690)	216,267,419	(78,840)	236,165,240	(289,457,910)	(188,395,002)	268,122,992

Sens. +1bps	31.12.2020							
	Trading Derivatives				Hedging Derivatives			
	UF'000	CLP'000	US\$'000	CHF'000	UF'000	CLP'000	US\$'000	CHF'000
Up to 1 year	-	1,665	(1,647)	-	(2,488)	4,666	(2,069)	(9,602)
1 to 3 years	-	-	-	-	(24,802)	25,849	3,198	(30,628)
More than 3 years	-	-	-	-	(21,851)	18,727	(30,713)	-
Total	-	1,665	(1,647)	-	(49,140)	49,242	(29,585)	(40,230)

iii. Currency Risk

This is defined as the exposure to potential loss caused by changes in the value of assets and liabilities subject to exchange rate revaluation. Because of its business activities and diversified financing needs, the company has a mismatch in US dollars that is managed daily and is mainly mitigated with trading and hedging derivatives. In addition, it has operations in Swiss francs whose currency risk is fully hedged.

As of 31 December 2020, the company had a risk exposure in US Dollars of -ThUS\$964, equivalent to 0.22% of equity (ThUS\$1,627, equivalent to 0.39% of equity, as of 31 December 2019). The analysis of sensitivity to currency risk is calculated by considering as the main variable the daily exposure in US dollars of the mismatch held and the estimated variation of the observed US dollar.

Table 11: US Dollar Mismatch

US\$ Mismatch (US\$'000)	31.12.2020	31.12.2019
Assets	321,763	331,187
Liabilities	(382,785)	(381,989)
Derivative Instruments	60,058	52,429
Total Mismatch	(964)	1,627

iv. Indexation Risk

This is the exposure risk of assets and liabilities linked to Unidades de Fomento (UF) and can generate loss when exposed to changes. Because of its business activities and financing needs, the company has assets and liabilities in UF, and the related mismatch is managed on a daily basis and mitigated with hedging derivatives.

As of 31 December 2020, the mismatch in UF amounted to ThUF 4,862, equivalent to 44.47% of equity (ThUF 2,814, equivalent to 25.94% of equity, as of 31 December 2019). As for currency risk, the analysis of sensitivity to indexation risk is calculated considering as the main variable the daily mismatch held in UF and the estimated future variations of the UF value.

Table 12: UF Mismatch

UF Mismatch (UF'000)	31.12.2020	31.12.2019
Assets	7,110	6,803
Liabilities	(9,365)	(13,564)
Derivative Instruments	7,116	9,575
Total Mismatch	4,861	2,814

d. Effects of the COVID-19 pandemic

After COVID-19 was declared a global pandemic by the World Health Organisation last March, it has had a large impact on the Chilean and global economy, because of the measures adopted to mitigate the spreading of the virus. Due to this, the Chilean government and the rest of the economies worldwide have taken measures to reduce the economic and sanitary fallout of the situation, applicable to companies and natural persons (and in both cases there are customers of the company).

Tanner has adopted measures to protect its employees and to make sure there is compliance with the obligations and the operation, without there being any drop in productivity, compliance and our hallmark service quality.

The action taken includes the following:

- Implementation of remote working: many Company employees have adopted remote working, for which the Company has undertaken initiatives to bolster the technological infrastructure, modify work contracts established by law for this case, and various activities driven by the Human Resources Management. The aim of these measures, among others, is to maintain the “company culture” and improve the communication channels. Moreover, protection measures have been taken for all those employees who, according to the nature of their work, must work in person at the offices of the Company and without endangering their health.
- Liquidity control: the Company has liquidity forecast models for different stress scenarios due to volatility of the financial market. Likewise, it has bolstered the communication with creditors, credit rating agencies, among other interested agents, with the aim of providing reliable and timely information needed to make decisions.
- Greater control of loans and collection: with the aim of controlling the risk of the loan portfolio, the control and follow-up of current customers have been boosted to provide tailor-made solutions if their current and future payment capacity is affected by the present economic crisis. Moreover, there is permanent follow-up of the collection of portfolios and of the new loans that arise to manage the right cash flow.

Notwithstanding all the internal measures already put in place, the impact of the pandemic on the future financial results of the Company still depends on the development, duration and scale of the pandemic regarding the Chilean economy. The company also believes that the outcome will depend on the measures and action taken by customers, employees, leaders, suppliers and different agents related to Tanner, and also the economic and sanitary measures embraced by the Chilean authorities.

For further details regarding this section, please see Note 4 of the company's financial statements for the year ended 31 December 2020.

SUMMARIED FINANCIAL STATEMENTS OF SUBSIDIARIES

TANNER INVESTMENTS SPA AND SUBSIDIARIES

Balance sheet (Ch\$'000)	2020	2019
Total Current Assets	165,696,790	192,911,692
Total Non-Current Assets	9,133,764	9,113,312
Total Assets	174,830,554	202,025,004
Total Current Liabilities	141,518,184	176,807,006
Total Non-Current Liabilities	432,310	622,226
Total Equity	32,880,060	24,595,772
Total Equity and Liabilities	174,830,554	202,025,004

Comprehensive Profit or Loss Statement(Ch\$'000)	2020	2019
Gross Margin	9,848,202	9,837,446
Operational Result	6,966,299	5,178,712
Results Before Taxes and Others	6,659,412	5,362,492
Income Tax	(1,518,077)	(1,285,275)
Profit for the year	5,141,335	4,077,217
Other comprehensive income	(37,251)	(247,311)
Total comprehensive income for the year	5,104,084	3,829,906

Cash flow statement(Ch\$'000)	2020	2019
Cash Flow Used in Operating Activities	15,095,999	1,361,333
Cash Flow Used in Investing Activities	(1,037,997)	173,412
Cash Flow Used in Financing Activities	(7,392,696)	(870,975)
Effect of exchange rates on cash and cash equivalent and others	(945,415)	183,008
Net (Decrease) Increase in Cash and Cash Equivalent	5,719,891	846,778

Changes in Equity(Ch\$'000)	Share Capital	Other Reserves	Retained Earnings	Equity Attributable to Owners of the Parent	Non-Controlling Interests	Total Equity
Opening balance at 01.01.2020	14,653,385	(214,231)	7,307,927	21,747,081	2,848,691	24,595,772
Increase (decrease) from Restatements	-	-				
Restated Balance	14,653,385	(214,231)	7,307,927	21,747,081	2,848,691	24,595,772
Profit for the year			4,890,206	4,890,206	251,129	5,141,335
Other comprehensive income		(37,251)		(37,251)		(37,251)
Equity issuance	5,000,000			5,000,000		5,000,000
Increase (Decrease) for changes in Company's Interest of Subsidiaries that do not imply loss of control	-		2	2	(1,819,798)	(1,819,796)
Total Equity Changes	5,000,000	(37,251)	4,890,208	9,852,957	(1,568,669)	8,284,288
Closing balance at 31.12.2020	19,653,385	(251,482)	12,198,135	31,600,038	1,280,022	32,880,060

TANNER LEASING VENDOR LTDA.

Balance sheet (Ch\$'000)	2020	2019
Total Current Assets	87,116,874	80,487,193
Total Non-Current Assets	5,173,578	9,032,923
Total Assets	92,290,452	89,520,116
Total Current Liabilities	62,577,299	60,054,670
Total Non-Current Liabilities	-	-
Total Equity	29,713,153	29,465,446
Total Equity and Liabilities	92,290,452	89,520,116

Comprehensive Profit or Loss Statement(Ch\$'000)	2020	2019
Gross Margin	782,862	1,276,058
Results Before Taxes and Others	(7,034)	864,859
Income Tax	254,741	(6,042)
Profit for the period attributable to owners of principal	247,707	858,817

Cash flow statement(Ch\$'000)	2020	2019
Cash Flow Used in Operating Activities	3,929,713	(1,174,067)
Cash Flow Used in Investing Activities	-	-
Cash Flow Used in Financing Activities	(2,728,435)	1,133,515
Net (Decrease) Increase in Cash and Cash Equivalent	1,201,278	(40,552)

Changes in Equity(Ch\$'000)	Share Capital	Fair value reserve	Total other reserves	Retained earnings	Total equity
Opening balance at 01.01.2020	4,512,806	-	-	24,952,640	29,465,446
Adjustment due to initial application of IFRS 9	-	-	-	-	-
Restated balance at 01.01.2020	4,512,806	-	-	24,952,640	29,465,446
Comprehensive income for the year	-	-	-	-	-
Profit for the year	-	-	-	247,707	247,707
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	247,707	247,707
Total contributions and distribution	-	-	-	-	-
Total transactions with the owners of the company	-	-	-	247,707	247,707
Closing balance at 31.12.2020	4,512,806	-	-	25,200,347	29,713,153

TANNER LEASING S.A.

Balance sheet (Ch\$'000)	2020	2019
Total Current Assets	929,871,487	835,169,478
Total Non-Current Assets	77,282,340	82,406,365
Total Assets	1,007,153,827	917,575,843
Total Current Liabilities	942,946,602	869,169,923
Total Non-Current Liabilities	-	-
Total Equity	64,207,225	48,405,920
Total Equity and Liabilities	1,007,153,827	917,575,843

Comprehensive Profit or Loss Statement(Ch\$'000)	2020	2019
Gross Margin	24,800,613	9,197,578
Operational Result	22,876,979	7,494,453
Results Before Taxes and Others	19,499,350	7,647,318
Income Tax	(3,698,629)	(51,170)
Profit for the period attributable to owners of principal	15,800,721	7,596,148

Cash flow statement(Ch\$'000)	2020	2019
Cash Flow Used in Operating Activities	325,485,116	(54,805,150)
Cash Flow Used in Investing Activities	1,425,874	(225,105)
Cash Flow Used in Financing Activities	(326,340,347)	58,025,841
Effect of exchange rates on cash and cash equivalent and others	-	-
Net (Decrease) Increase in Cash and Cash Equivalent	570,643	2,995,586

Changes in Equity(Ch\$'000)	Share Capital	Fair Value Reserve	Total other reserves	Retained earnings	Equity Attributable to Owners of the Parent	Patrimonio atribuible a los propietarios de la controladora
Opening balance at 01.01.2020	13,554	2	16,565	48,375,799	48,405,920	48,405,920
Adjustment due to initial application of IFRS 9	-	-	-	-	-	-
Increase (decrease) from Restatements	-	-	-	-	-	-
Restated balance at 01.01.2020	13,554	2	16,565	48,375,799	48,405,920	48,405,920
Profit for the year	-	-	-	15,800,721	15,800,721	15,800,721
Total comprehensive income for the year	-	23	-	-	23	23
Increase (decrease) from transfers and other changes	-	-	-	561	561	561
Total transactions with the owners of the company	-	-	-	15,801,282	15,801,305	15,801,305
Closing balance at 31.12.2020	13,554	25	16,565	64,177,081	64,207,225	64,207,225

TANNER CORREDORA DE SEGUROS LTDA.

Balance sheet (Ch\$'000)	2020	2019
Total Assets	9,570,112	6,492,281
Total Liabilities	1,195,388	790,161
Total Equity	8,374,724	5,702,120
Total Equity and Liabilities	9,570,112	6,492,281

Comprehensive Profit or Loss Statement(Ch\$'000)	2020	2019
Gross Margin	1,946,007	1,940,930
Operational Result	1,270,489	1,285,907
Results Before Taxes and Others	3,588,818	3,817,771
Income Tax	(916,214)	(1,009,737)
Profit for the period attributable to owners of principal	2,672,604	2,808,034

Cash flow statement(Ch\$'000)	2020	2019
Cash Flow Used in Operating Activities	2,765,422	3,014,199
Cash Flow Used in Investing Activities	181,981	233,477
Cash Flow Used in Financing Activities	(7,034)	-
Effect of exchange rates on cash and cash equivalent and others	-	-
Net (Decrease) Increase in Cash and Cash Equivalent	2,940,369	3,247,676

Changes in Equity(Ch\$'000)	Share Capital	Retained Profit (Loss) from Previous Years	Earnings (losses) for the year	Retained earnings (losses)	Others reserves	Equity Attributable to Owners of the Parent	Non-Controlling Interests	Total equity
Opening balance at 01.01.2020	110,000	2,784,086	2,808,034	5,592,120	-	5,702,120	-	5,702,120
Increase (decrease) due to accounting policy changes	-	-	-	-	-	-	-	-
Increase (decrease) from Restatements	-	-	-	-	-	-	-	-
Restated balance at 01.01.2020	110,000	2,784,086	2,808,034	5,592,120	-	5,702,120	-	5,702,120

Changes in Equity								
Comprehensive income	-	-	2,672,604	2,672,604	-	2,672,604	-	-
Profit (loss)	-	-	2,672,604	2,672,604	-	2,672,604	-	2,672,604
Withdrawals	-	-	-	-	-	-	-	-
Decrease (increase) from transfers and other changes	-	2,808,034	(2,808,034)	-	-	-	-	-
Total contributions and distribution	-	-	-	-	-	-	-	-
Total changes in equity	-	2,808,034	(135,430)	2,672,604	-	2,672,604	-	2,672,604
Closing balance at 31.12.2020	110,000	5,592,120	2,672,604	8,264,724	-	8,374,724	-	8,374,724

TANNER ASSET MANAGEMENT ADMINISTRADORA GENERAL DE FONDOS S.A.

Balance sheet (Ch\$'000)	2020	2019
Total Current Assets	479,147	510,402
Total Non-Current Assets	99,624	39,783
Total Assets	578,771	550,185
Total Current Liabilities	84,978	84,649
Total Non-Current Liabilities	12,174	17,523
Total Equity	481,619	448,013
Total Equity and Liabilities	578,771	550,185

Comprehensive Profit or Loss Statement(Ch\$'000)	2020	2019
Gross Margin	128,570	405,164
Operational Result	(230,507)	45,237
Results Before Taxes and Others	(227,478)	51,894
Income Tax	65,272	(11,035)
Profit for the period attributable to owners of principal	(162,206)	40,859

Cash flow statement(Ch\$'000)	2020	2019
Cash Flow Used in Operating Activities	(200,972)	129,811
Cash Flow Used in Investing Activities	7,895	4,922
Cash Flow Used in Financing Activities	188,198	33,244
Effect of exchange rates on cash and cash equivalent and others	-141	795
Net (Decrease) Increase in Cash and Cash Equivalent	(5,020)	168,772

Changes in Equity(Ch\$'000)	Share Capital	Others reserves	Retained losses	Equity Attributable to Owners	Provisional dividends or participations	Total equity
Opening balance at 01.01.2020	462,393	-	(14,380)	448,013	-	448,013
Profit (loss)	-	-	(162,206)	(162,206)	-	(162,206)
Dividends	-	-	-	-	-	-
Increase/decrease of capital	195,812	-	-	195,812	-	195,812
Total contributions and distribution	-	-	-	-	-	-
Total changes in equity	-	-	-	-	-	-
Closing balance at 31.12.2020	658,205	-	(176,586)	481,619	-	481,619

RESPONSIBILITY STATEMENT

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 31.2020, in conformity with the information they have had in their hands.

Ricardo Massu M.
Chairman

Chilean ID Card N°: 6.420.113-1

Jorge Sabag S.
Vice-Chairman

Chilean ID Card N°: 6.735.614-4

Eduardo Massu M.
Director

Chilean ID Card N°: 4.465.911-5

Óscar Cerda U.
Director

Chilean ID Card N°: 6.912.260-2

Martin Díaz Plata
Director

UK Passport/720111843

Fernando Zavala C.
Director

Chilean ID Card N°: 7.054.226-9

Fernando Tafra S.
Director

Chilean ID Card N°: 4.778.406-9

Derek Sassoon
Chief Executive Officer

Chilean ID Card N°: 14.568.029-8

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



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