

**TANNER SERVICIOS FINANCIEROS S.A.
AND SUBSIDIARIES**

Consolidated Financial Statements
at 31 December 2021 and 2020

(With Independent Auditor's Report Thereon)

TANNER SERVICIOS FINANCIEROS S.A. AND SUBSIDIARIES

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Ch\$'000/ThCh\$: figures expressed in thousands of Chilean pesos

Independent Auditor's Report

To the shareholders and directors of
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, 2021 and 2020, 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 of 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 judgement, including the assessment of the risk 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, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read 'Danissa Castillo G.', with a stylized flourish at the end.

Danissa Castillo G.
Santiago, February 16, 2022

KPMG SpA

TANNER SERVICIOS FINANCIEROS S.A.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of Chilean pesos)
At 31 December 2021 and 2020

Currency Symbols and Acronyms Used

Ch\$/CLP	=	Chilean pesos
Ch\$'000/ThCh\$	=	Thousands of Chilean pesos
Ch\$ million	=	Millions of Chilean pesos
UF	=	<i>Unidades de Fomento</i>
CHF	=	Swiss franc
EUR	=	Euro
UF'000/ThUF	=	Thousands of <i>Unidades de Fomento</i>
UF million	=	Millions of <i>Unidades de Fomento</i>
US\$/USD	=	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

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

At 31 December 2021 and 2020

(Expressed in Ch\$'000)

ASSETS	Note	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Current assets			
Cash and cash equivalents	7	57,913,123	120,079,967
Other current financial assets	8	129,552,970	79,934,350
Other current non-financial assets	9	2,010,047	3,057,983
Trade and other receivables, net, current	10	974,486,377	733,204,840
Receivables due from related parties, current	12	5,843,527	4,902,407
Current tax assets	16	12,218,434	6,644,839
Total current assets other than assets or asset groups for disposal classified as held-for-sale or held for distribution to the owners		1,182,024,478	947,824,386
Non-current assets or asset groups for disposal classified as held-for-sale	13	9,841,754	4,798,124
Total current assets		1,191,866,232	952,622,510
Non-current assets			
Other non-current financial assets	8	73,767,916	55,033,256
Other non-current non-financial assets	9	7,301,206	5,181,408
Trade and other receivables, non-current	10	470,056,060	391,804,793
Trade receivables due from related parties, non-current	12	201,613	33,719
Intangible assets other than goodwill	17	5,213,428	6,637,324
Goodwill	18	1,639,828	1,639,828
Property, plant and equipment	14	8,913,120	10,307,650
Investment property	15	-	11,317,684
Deferred tax assets	16	34,348,005	31,218,162
Total non-current assets		601,441,176	513,173,824
TOTAL ASSETS		1,793,307,408	1,465,796,334

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION, CONTINUED

At 31 December 2021 and 2020

(Expressed in Ch\$'000)

LIABILITIES AND EQUITY	Note	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Current liabilities			
Other current financial liabilities	19	750,921,174	516,388,958
Trade and other payables, current	21	145,377,924	116,448,669
Other short-term provisions	22	-	508,424
Current tax liabilities	16	4,983,943	3,261,504
Current provisions for employee benefits	23	3,889,469	950,497
Total current liabilities		905,172,510	637,558,052
Non-current liabilities			
Other non-current financial liabilities	20	540,704,637	510,195,435
Non-current provisions for employee benefits	23	273,753	299,760
Total non-current liabilities		540,978,390	510,495,195
TOTAL LIABILITIES		1,446,150,900	1,148,053,247
EQUITY			
Share capital	24	195,223,800	195,223,800
Retained earnings	24	152,392,875	127,135,981
Other reserves	24	(1,424,504)	(5,541,937)
Total equity attributable to the owners of the Parent		346,192,171	316,817,844
Non-controlling interests	25	964,337	925,243
TOTAL EQUITY		347,156,508	317,743,087
TOTAL LIABILITIES AND EQUITY		1,793,307,408	1,465,796,334

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

CONSOLIDATED STATEMENTS OF INCOME BY FUNCTION

For the years ended 31 December 2021 and 2020

(Expressed in Ch\$'000)

CONSOLIDATED STATEMENTS OF INCOME BY FUNCTION	Note	01.01.2021 to 31.12.2021 Ch\$'000	01.01.2020 to 31.12.2020 Ch\$'000
Profit			
Revenue	29	189,362,562	197,655,247
Cost of sales	29	(79,316,381)	(93,048,462)
Gross profit		110,046,181	104,606,785
Other operating items			
Impairment losses	30	(19,814,290)	(24,114,843)
Administrative expenses	29	(51,434,310)	(46,101,811)
Other gains (losses)	31	(581,869)	(1,486,619)
Finance income	-	-	2,368
Finance costs	-	(388,131)	(448,540)
Foreign exchange differences	6	635,275	137,618
Gain from indexation units	-	191,332	280,259
Profit before tax		38,654,188	32,875,217
Income tax	16	(2,512,265)	(5,364,277)
Profit (loss) from continuing operations		36,141,923	27,510,940
Profit for the year		36,141,923	27,510,940
Profit (loss) attributable to:			
Owners of the Parent		36,082,344	27,326,973
Non-controlling interests	25	59,579	183,967
Profit for the year		36,141,923	27,510,940

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the years ended 31 December 2021 and 2020

(Expressed in Ch\$'000)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	01.01.2021 to 31.12.2021 Ch\$'000	01.01.2020 to 31.12.2020 Ch\$'000
Profit for the year	36,853,528	27,510,940
<u>Other comprehensive income that will be reclassified to profit for the year</u>		
Hedging reserves	6,712,042	(8,707,418)
Reserve for financial assets at fair value through other comprehensive income	(1,123,152)	(1,116,523)
Reserve for actuarial gains or losses on defined benefit plans	68,308	(27,905)
Reclassification adjustments, available-for-sale financial assets, before tax	40,918	607,871
<u>Income tax for components of other comprehensive income that will be reclassified to profit for the year</u>		
Income tax related to hedging reserves	(1,812,251)	2,351,003
Income tax related to the reserve for financial assets at fair value through other comprehensive income	303,251	301,461
Income tax related to remeasurement of defined benefit plans in other comprehensive income	(18,443)	7,534
Income tax related to reclassification adjustments, available-for-sale financial assets	(11,048)	(164,125)
Total other comprehensive income from hedging reserves	4,899,791	(6,356,415)
Total other comprehensive income from the fair value reserve	(790,031)	(371,316)
Total other comprehensive income from the reserve for actuarial gains or losses	49,865	(20,371)
Total comprehensive income for the year	40,301,548	20,762,838
<u>Comprehensive income and expenses attributable to:</u>		
Owners of the Parent	40,257,289	20,580,284
Non-controlling interests	44,259	182,554
Total comprehensive income for the year	40,301,548	20,762,838

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 2021 and 2020

(Expressed in Ch\$'000)

2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Notes	Share capital Ch\$'000	Reserves					Retained earnings Ch\$'000	Equity attributable to the owners of the Parent Ch\$'000	Non-controlling interests Ch\$'000	Total equity Ch\$'000
			Hedging reserves Ch\$'000	Fair value reserve Ch\$'000	Actuarial gain and loss reserve Ch\$'000	Others Ch\$'000	Total other reserves Ch\$'000				
Opening balance, current year at 01.01.2021	24	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
Increase (decrease) due to restatement		-	-	-	-	(57,512)	(57,512)	-	(57,512)	-	(57,512)
Restated balance at 01.01.2021		195,223,800	(5,568,945)	(581,121)	(21,390)	572,007	(5,599,449)	127,135,981	316,760,332	925,243	317,685,575
Changes in equity											
Comprehensive income											
Income in the year		-	-	-	-	-	-	36,082,344	36,082,344	59,579	36,141,923
Other comprehensive income		-	4,899,791	(774,711)	49,865	-	4,174,945	-	4,174,945	(15,320)	4,159,625
Total comprehensive income in the year		-	4,899,791	(774,711)	49,865	-	4,174,945	36,082,344	40,257,289	44,259	40,301,548
<u>Transactions with owners of the Parent (contributions and distribution)</u>											
Dividends	24	-	-	-	-	-	-	(10,825,450)	(10,825,450)	(5,165)	(10,830,615)
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) from changes in the interest in subsidiaries that do not entail loss of control	24	-	-	-	-	-	-	-	-	-	-
Total contributions and distribution		-	-	-	-	-	-	(10,825,450)	(10,825,450)	(5,165)	(10,830,615)
Total transactions with the owners of the company		-	4,899,791	(774,711)	49,865	-	4,174,945	25,256,894	29,431,839	39,094	29,470,933
Balance at 31.12.2021		195,223,800	(669,154)	(1,355,832)	28,475	572,007	(1,424,504)	152,392,875	346,192,171	964,337	347,156,508

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY, CONTINUED

For the years ended 31 December 2021 and 2020

(Expressed in Ch\$'000)

2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Notes	Share capital Ch\$'000	Reserves					Retained earnings Ch\$'000	Equity attributable to the owners of the Parent Ch\$'000	Non-controlling interests Ch\$'000	Total equity Ch\$'000
			Hedging reserves Ch\$'000	Fair value reserve Ch\$'000	Actuarial gain and loss reserve Ch\$'000	Others Ch\$'000	Total other reserves Ch\$'000				
Opening balance, prior 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 opening balance at 1 January 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)	(1,902,238)	(10,101,364)
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	-	-	-	-	-	-	30,061	30,061	-	30,061
Increase (decrease) due to transactions with own stock holdings		-	-	-	-	-	-	-	-	-	-
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 STATEMENT OF CASH FLOWS - DIRECT METHOD

For the years ended 31 December 2021 and 2020

(Expressed in Ch\$'000)

CONSOLIDATED STATEMENTS OF CASH FLOWS	Note	01.01.2021	01.01.2020
		31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Cash flows from operating activities			
Cash receipts from the sale of goods and rendering of services		2,932,882,619	2,361,227,169
Cash payments to suppliers for goods and services		(3,085,683,264)	(2,156,208,282)
Cash payments to and on behalf of employees		(28,659,058)	(24,566,538)
Dividends paid		(5,832)	(21,024)
Dividends received		220,255	173,098
Income tax paid (reimbursed)		(19,881,192)	(4,823,431)
Other cash receipts (payments)		(1,024,805)	(2,629,903)
Cash flows from (used in) operating activities		(202,151,277)	173,151,089
Other receipts from the sale of equity or debt securities of other entities		2,380,480,214	1,760,297,554
Other payments to acquire equity or debt securities of other entities		(2,376,529,866)	(1,705,634,943)
Cash receipts from the sale of property, plant and equipment		550	-
Purchases of property, plant and equipment	14.b	(587,780)	(614,631)
Purchases of intangible assets	17	(1,069,247)	(1,669,373)
Cash payments for futures, forwards, share options and swap contracts		(755,946,877)	(950,191,181)
Cash receipts for futures, forwards, share options and swap contracts		773,747,805	993,755,040
Interest received		4,512,500	25,343,889
Cash flows from the sale of non-controlling interests		-	1,369,156
Other cash receipts (payments)		-	-
Cash flows from (used in) investing activities		24,607,299	122,655,511
Proceeds from borrowings		1,505,895,149	943,751,457
Repayment of borrowings		(1,351,320,682)	(1,111,423,421)
Payments of finance lease liabilities	19.d	(1,089,199)	(1,079,909)
Dividends paid		(8,198,841)	(9,615,819)
Interest paid		(31,289,981)	(50,073,702)
Cash flows from (used in) financing activities		113,996,446	(228,441,394)
Net increase (decrease) in cash and cash equivalents before the effect of changes in exchange rates		(63,547,532)	67,365,206
Effect of changes in exchange rates on cash and cash equivalents		1,380,688	(945,556)
Net increase (decrease) in cash and cash equivalents		(62,166,844)	66,419,650
Cash and cash equivalents at 1 January		120,079,967	53,660,317
Cash and cash equivalents at 31 December		57,913,123	120,079,967

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

Note 1. Company information

Tanner Servicios Financieros S.A., hereinafter referred to as the Company or Firm, 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 purchase 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. and Tanner Investments SpA., together with the subsidiaries Financo S.A., Tanner Finanzas Corporativas Ltda., and Tanner Corredores de Bolsa S.A.

Note 2. Significant accounting policies

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

Bases 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 statement of financial position at 31 December 2021 and 2020.
- ii. Consolidated statement of income by function for the years ended 31 December 2021 and 2020, respectively.
- iii. Consolidated statement of comprehensive income for the years ended 31 December 2021 and 2020, respectively.
- iv. Consolidated statement of changes in equity for the periods from 1 January to 31 December 2021 and 2020.
- v. Consolidated statement of cash flows – direct method, for the periods from 1 January to 31 December 2021 and 2020.
- 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 2021 and 2020 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Note 2. Significant accounting policies, continued

These consolidated financial statements were approved by the board of directors in an extraordinary board meeting held on 16 February 2022.

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 2021.

Standards and interpretations	Mandatory for annual periods beginning on
Amendments to IFRS	
Interest Rate Benchmark Reform Amendments to IFRS 9, IAS 39, IFRS 4, IFRS 7 and IFRS 16)	01.01.2021
COVID-19-related Rent Concessions beyond 31 December 2021 (Amendments to IFRS 16)	01.07.2021

The adoption of the aforementioned standards, amendments and interpretations had no 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
Amendments to IFRS	
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)	01.01.2022
Annual Improvements to IFRS 2018-2020 Cycle	01.01.2022
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)	01.01.2023
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	01.01.2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date postponed indefinitely
Reference to the Conceptual Framework (Amendments to IFRS 3)	01.01.2022
Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2 Making Materiality Judgements)	01.01.2023
Definition of Accounting Estimates (Amendments to IAS 8)	01.01.2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	01.01.2023
Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17)	The amendment is applicable as of applying IFRS 17 - Insurance Contracts

Management is assessing the impact of adopting the standards, interpretations and amendments indicated above on the Company's consolidated financial statements in the period when they are first applied.

Note 2. Significant accounting policies, continued**c) Basis of consolidation**

These consolidated financial statements include 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:

- i. Have control of the investee.
- ii. Be exposed or entitled to variable returns from the investment.
- iii. 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 and 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 and 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 recognized in profit and loss.

Note 2. Significant accounting policies, continued

i. Subsidiaries

Subsidiaries are entities controlled by the Company. The Company "controls" an entity 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 ceases.

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, any related non-controlling interests and other components of equity. Any gain or loss that arises is recognised in profit and 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					
				31.12.2021			31.12.2020		
				Direct	Indirect	Total	Direct	Indirect	Total
96.912.590-0	Tanner Leasing S.A.	Chile	CLP	99.9900%	-	99.9900%	99.9900%	-	99.9900%
77.164.280-2	Tanner Leasing Vendor Limitada	Chile	CLP	99.9900%	0.0100%	100.0000%	99.9900%	0.0100%	100.0000%
76.133.889-7	Tanner Corredora de Seguros Limitada	Chile	CLP	99.9900%	0.0100%	100.0000%	99.9900%	0.0100%	100.0000%
93.966.000-3	Tanner Investments SpA	Chile	CLP	99.9983%	-	99.9983%	99.9983%	-	99.9983%
91.711.000-K	Financo S.A.	Chile	CLP	3.6405%	94.0251%	97.6656%	3.6405%	94.0251%	97.6656%
76.029.825-5	Tanner Finanzas Corporativas Limitada	Chile	CLP	-	97.7432%	97.7432%	-	97.7432%	97.7432%
80.962.600-8	Tanner Corredores de Bolsa S.A.	Chile	CLP	-	97.0447%	97.0447%	-	97.0447%	97.0447%
76.620.928-9	Tanner Asset Management Administradora General de Fondos S.A. (*)	Chile	CLP	0.0000%	0.0000%	0.0000%	99.9918%	0.0082%	100.0000%

(*) On 30 December 2021, the Company transferred all the shares of Tanner Asset Management AGF S.A. to Taurus SpA., and Tanner Leasing S.A. transferred all its shares to Mr Pedro Avendaño Canales. Such transaction was performed at carrying amount without resulting a gain or loss from the sale.

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 on 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.

Note 2. Significant accounting policies, continued

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 and 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 of 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.

The breakdown of goodwill at 31 December 2021 and 2020 is 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 2021, there were no material changes in the estimates made at the closing of 2020, 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:

Note 2. Significant accounting policies, continued

Currency	31.12.2021 Ch\$	31.12.2020 Ch\$
U.S. dollar observed rate	844.69	710.95
Euro	955.64	873.30
Swiss franc	923.66	804.97
<i>Unidad de Fomento</i>	30,991.74	29,070.33

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 is 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 the items of property, plant and equipment, at both their initial recognition and subsequent measurement, are measured at the 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 type of asset.

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.

Note 2. Significant accounting policies, continued

The repairs and maintenance of items of property, plant and equipment are charged to profit and 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 value and remaining useful lives of assets are reviewed and adjusted if necessary on each closing of the balance sheet. 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 and 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 and 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 calculate such value.

Any profit and 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 and 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.

Nota 2. Significant accounting policies, continued

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

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

I. Investment instruments at amortised cost

A financial asset will be measured at amortised cost if the following two 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 asset 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 asset 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.

Note 2. Significant accounting policies, continued

III. Investment instruments at fair value through profit and loss

A financial asset shall be measured at fair value through profit and 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 derivative contracts 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 and 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 and 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 liabilities, including domestic and foreign borrowings, corporate bond issues, commercial papers and lease obligations. They are all stated at 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 liabilities, including domestic and foreign borrowings, corporate bond issues, commercial papers and lease obligations. They are all stated at 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 amortised cost using the effective interest rate method.

Note 2. Significant accounting policies, continued

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 and 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 and 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 established in IFRS 9 for these kinds of financial instruments.

Derivative contracts are subject to offsetting, i.e., they are stated in the consolidated statement of financial position at their net value, only when dependent 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 qualify 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 and 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 "cost of sales" in the statement of income.

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

Note 2. Significant accounting policies, continued

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 and 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 with the tax authority to offset the amounts recognised in those items, 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 fully recognise a deferred tax asset, 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, reflecting the uncertainty related to income taxes, if any.

Note 2. Significant accounting policies, continued

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 and renewed on 15 June 2021 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 and 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, with 30% of the profits in the accumulated period being provisioned quarterly. 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°18.045, 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 provided 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 rate 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) and 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.

Note 2. Significant accounting policies, continued

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 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.

Revenue for commitment fees are also recognised within this product, which are assessed according to the five-step analysis established in IFRS 15, and its recognition occurs when the Company has fully fulfilled the performance obligations arising from the contract.

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 and 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, price differences for a longer maturity term, 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 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.

Note 2. Significant accounting policies, continued

For the Treasury and Investments division and particularly revenue from the Treasury, revenue comprises investment instruments, mainly fixed-income, which is classified into three categories: i) instruments at fair value through profit and loss, whose market value fluctuations of each instrument have a direct impact on profit and loss, ii) instruments at fair value through equity, which are accrued at a purchase rate in profit and 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 and loss, and no market valuation of these is undertaken. Lastly, this division recognises the results due to adjustments and exchange rate differences of all products as revenue, considering that from a business standpoint it is responsible for managing and matching the balance sheet structure by currency and indexation units.

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 basis at their effective rate.

v) Leases

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

I. 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 30 December 2021, 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 information disclosure requirements defined in IAS 40, and they would be stated in the investment property item.

Note 2. Significant accounting policies, continued

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 regarding the determination of the obligations of the lease undertaken, and subsequently 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 and 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 and loss as they are incurred.

x) Segment information

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, loans, auto financing, leasing, and treasury and investments, which are organised in three divisions: the Corporate Division, Auto Financing Division and Treasury and Investments Division.

Note 2. Significant accounting policies, continued

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 (generally with a maturity term of less than 90 days) used in the normal management of cash surpluses that are highly liquid, easily convertible into certain amounts of cash and without any risk of loss of value.

z) Statement of cash flows

The statement of cash flows 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. The main instruments that generate these cash flows are the placement and redemption of bonds, promissory notes, repos, mutual funds, which are stated as other receipts and other payments for the sale or acquisition of equity or debt securities of other entities. In turn, the cash flows from derivative instruments, except for hedge accounting contracts, are stated in the receipts and payments arising from futures, forwards, share options and swap contracts.

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 business lines. 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 input data.

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

Note 3. Changes in accounting policies and restatement

For the year ended 31 December 2021, there were no changes in the accounting policies compared to the prior year that affect the presentation of the consolidated financial statements.

For proper comparison purposes, certain amounts in the consolidated financial statements at 31 December 2020 were restated to the item in which they are presented at 31 December 2021.

Note 4. Risk management

The Company's risk management is underpinned by the expertise, business know-how and experience of its teams. For this, 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 briefed on the developments of the different risk areas and their main measurement metrics.

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 gathered and its analysis, policies are reviewed regularly and limits are maintained or redefined.

II. Audit Committee

The Audit Committee comprises three directors, the corporate counsel, members with a right to speak and vote, the CEO, the controller, and members with only a right to speak, and it reports directly to the Parent Company's board of directors about the effectiveness and reliability of the internal control systems and procedures. It acknowledges 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 due 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. Assets and Liabilities Committee (ALCO)

This Committee is made up of all directors, besides the CEO, CFO, Treasury manager, Investor Relations manager, and the Financial Control and Administration manager, 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).

Note 4. Risk management, continued

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 and activity. The Committee comprises six directors, the CEO and corporate counsel.

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 CEO, the first-line managers and the operational risk assistant manager.

The Committee meets on a quarterly 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 and propose tolerance levels to the board of directors, and ensure compliance with the programmes, policies and procedures related to information security, business continuity and operational risk.

Moreover, it performs high-level supervision of those risks that might affect the information resources, developing control approaches and mechanisms to ensure their confidentiality, integrity and availability. It also seeks to promote a risk culture by means of awareness programmes and training for the entire organisation, and maintain the policies of these areas current.

Note 4. Risk management, continued

a) 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, 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) 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 "Sureties obtained from third parties."

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. Those operations without any liability are generally covered by credit insurance and/or specific guarantees.

Loans, depending on the circumstances, require mortgages and/or pledging of shares. Nevertheless, there is the possibility of defining a guarantee for such loan, 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 Treasury and 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 pursuant to IFRS 9.

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

Note 4. Risk management, continued

i. Loan portfolio, provisions and risk ratio

The loan portfolios, provision amounts and risk ratios at 31 December 2021 and 2020 were as follows:

Item	31.12.2021			
	Gross Portfolio Ch\$'000	Provisions Ch\$'000	Net Portfolio Ch\$'000	Risk Ratio
Receivables from Factoring operations	436,390,248	(4,257,558)	432,132,690	0.98%
Loan operations	330,087,011	(5,322,887)	324,764,124	1.61%
Auto Financing operations	614,668,234	(14,674,048)	599,994,186	2.39%
Lease contracts	65,797,220	(221,232)	65,575,988	0.34%
Treasury and Investments	19,050,225	(504,759)	18,545,466	2.65%
Sundry receivables	3,529,983	-	3,529,983	0.00%
Total	1,469,522,921	(24,980,484)	1,444,542,437	1.70%

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%

Credit risk at the indirect subsidiary Tanner Corredores de Bolsa S.A. (Treasury and Investments) 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 in the case of auto financing, showing the credit risk concentrations at 31 December 2021 and 2020:

FACTORING			LEASING		
	31.12.2021	31.12.2020		31.12.2021	31.12.2020
Wholesale and retail, auto spare parts/household goods	14.85%	14.40%	Real estate, business and rental activities	64.48%	61.48%
Non-metal manufacturing industry	14.34%	18.64%	Metal manufacturing industry	10.98%	10.99%
Construction	13.71%	12.87%	Wholesale and retail, auto spare parts/household goods	7.66%	7.84%
Real estate, business and rental activities	9.75%	17.00%	Education	7.50%	6.86%
Financial intermediation	9.10%	4.77%	Transport, storage and communications	1.68%	3.69%
Education	8.18%	8.99%	Non-metal manufacturing industry	1.22%	1.61%
Agriculture, livestock, hunting and forestry	7.08%	8.57%	Financial intermediation	3.90%	4.21%
Fisheries	5.96%	1.66%	Agriculture, livestock, hunting and forestry	0.75%	1.31%
Transport, storage and communications	5.60%	4.46%	Construction	0.74%	0.87%
Metal manufacturing industry	5.46%	5.00%	Community, social and personal service activities	0.19%	0.27%
Others	2.17%	2.38%	Social and health services	0.13%	0.23%
Mining and quarrying	1.84%	0.29%	Others	0.20%	0.22%
Community, social and personal service activities	1.23%	0.54%	Hotels and restaurants	0.00%	0.00%
Hotels and restaurants	0.45%	0.26%	Mining and quarrying	0.00%	0.00%
Social and health services	0.20%	0.13%	Fisheries	0.00%	0.00%
Electricity, gas and water	0.08%	0.04%	Electricity, gas and water	0.57%	0.42%
Total	100%	100%	Total	100%	100%

Note 4. Risk management, continued

CORPORATE LOANS			AUTO FINANCING		
	31.12.2021	31.12.2020		31.12.2021	31.12.2020
Financial intermediation	34,04%	23,88%	Natural persons	90,53%	90,63%
Real estate, business and rental activities	26,07%	24,92%	Legal entities	9,47%	9,37%
Agriculture, livestock, hunting and forestry	23,78%	14,12%	Total	100%	100%
Wholesale and retail, auto spare parts/household goods	6,89%	10,42%			
Community, social and personal service activities	2,49%	2,33%			
Non-metal manufacturing industry	2,34%	14,74%			
Construction	1,95%	3,73%			
Transport, storage and communications	1,41%	1,30%			
Metal manufacturing industry	0,68%	1,01%			
Education	0,20%	0,28%			
Fisheries	0,07%	0,07%			
Hotels and restaurants	0,03%	0,02%			
Mining and quarrying	0,02%	2,77%			
Electricity, gas and water	0,02%	0,00%			
Social and health services	0,00%	0,41%			
Others	0,00%	0,00%			
Building and commonhold property management council	0,00%	0,00%			
Total	100%	100%			

Risk concentration by geographical area

The product portfolios distributed by geographical area and showing the credit risk concentrations at 31 December 2021 and 2020 are shown below:

FACTORING			LEASING		
	31.12.2021	31.12.2020		31.12.2021	31.12.2020
Metropolitan region of Santiago	61.86%	65.13%	Metropolitan region of Santiago	97.58%	95.90%
Biobío region	11.34%	10.30%	Biobío region	1.21%	2.48%
Libertador Gral. Bernardo O'Higgins region	5.27%	6.72%	Atacama region	0.74%	0.84%
Tarapacá region	4.29%	5.34%	Coquimbo region	0.19%	0.18%
Antofagasta region	2.88%	3.35%	Tarapacá region	0.12%	0.13%
Los Lagos region	4.40%	3.21%	Valparaíso region	0.09%	0.10%
Maule region	2.16%	1.08%	Arica and Parinacota region	0.05%	0.07%
Valparaíso region	2.07%	1.49%	Antofagasta region	0.00%	0.18%
Magallanes region and Chilean Antarctic territory	1.12%	0.81%	Libertador Gral. Bernardo O'Higgins region	0.02%	0.04%
Coquimbo region	1.56%	1.12%	Los Ríos region	0.00%	0.02%
Los Ríos region	1.24%	0.62%	La Araucanía region	0.00%	0.04%
La Araucanía region	0.91%	0.36%	Los Lagos region	0.00%	0.02%
Arica and Parinacota region	0.42%	0.29%	Gral. Carlos Ibáñez del Campo - Aysén region	0.00%	0.00%
Atacama region	0.48%	0.18%	Total	100%	100%
Gral. Carlos Ibáñez del Campo - Aysén region	0.00%	0.00%			
Total	100%	100%			

CORPORATE LOANS			AUTO FINANCING		
	31.12.2021	31.12.2020		31.12.2021	31.12.2020
Metropolitan region of Santiago	88.74%	82.45%	Metropolitan region of Santiago	52.22%	46.62%
Libertador Gral. Bernardo O'Higgins region	6.32%	8.00%	Valparaíso region	8.28%	8.68%
Biobío region	1.87%	5.11%	Biobío region	6.18%	7.88%
Atacama region	0.43%	0.82%	Los Lagos region	5.22%	5.67%
Coquimbo region	0.26%	0.68%	Antofagasta region	5.00%	5.58%
Los Lagos region	0.63%	0.65%	La Araucanía region	4.39%	5.07%
Valparaíso region	0.22%	0.41%	Coquimbo region	4.27%	4.42%
Antofagasta region	0.12%	0.36%	Libertador Gral. Bernardo O'Higgins region	3.71%	4.40%
Maule region	0.29%	0.47%	Maule region	3.90%	3.96%
La Araucanía region	0.21%	0.43%	Atacama region	2.08%	2.17%
Arica and Parinacota region	0.52%	0.20%	Los Ríos region	1.75%	2.09%
Los Ríos region	0.21%	0.16%	Ñuble region	1.10%	0.88%
Tarapacá region	0.14%	0.16%	Tarapacá region	0.72%	0.90%
Magallanes region and Chilean Antarctic territory	0.04%	0.10%	Magallanes region and Chilean Antarctic territory	0.55%	0.83%
Gral. Carlos Ibáñez del Campo - Aysén region	0.00%	0.00%	Gral. Carlos Ibáñez del Campo - Aysén region	0.38%	0.45%
Total	100%	100%	Arica and Parinacota region	0.26%	0.40%
			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 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.

Note 4. Risk management, continued

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 reviewed and approved by risk management. Based on the amount of the operations, there are attribution limits to approve each operation. This might include the actual payment of a percentage of the debt and eventually the constitution of real guarantees.

For loan and lease operations, a suitable renegotiation must seek to improve the creditor position of Tanner in terms of guarantees, commitment of prior partial payment and term, along with analysing and validating the payment capacity supporting the renegotiation and structuring payments in line with this. As a general rule, the customer must at least pay the unpaid interest to approve a new payment structure.

For auto financing there is a policy of renegotiating cases of customers that have overdue instalments. All renegotiation requests are reviewed and approved by the risk area and must generally 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 a probability of default for the entire life of the loan, and the latter is 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 of the impairment estimate.

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	31.12.2021				
	Total portfolio Ch\$'000	Renegotiated Ch\$'000	Allowance Ch\$'000	Renegotiated by product %	Renegotiated by total portfolio %
Factoring operations	436,390,248	5,066,038	(4,257,558)	1.16%	0.34%
Loan operations	330,087,011	4,924,802	(5,322,887)	1.49%	0.34%
Auto financing operations	614,668,234	12,111,058	(14,674,048)	1.97%	0.82%
Lease contracts (*)	65,797,220	5,924,535	(221,232)	9.00%	0.40%
Treasury and Investments	19,050,225	290,650	(504,759)	1.53%	0.02%
Sundry receivables	3,529,983	-	-	-	-
Total renegotiated/gross portfolio	1,469,522,921	28,317,083	(24,980,484)		1.92%

(*) These are mostly mortgage-secured operations.

Note 4. Risk management, continued

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%
Lease contracts (*)	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 renegotiated/gross portfolio	1,147,816,470	39,347,610	(22,806,837)		3.43%

(*) 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 forecasts 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\$57,913 million at 31 December 2021 (Ch\$120,080 million at 31 December 2020).

The indirect subsidiary Tanner Corredores de Bolsa S.A. is subject to regulatory liquidity indicators called the 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).

Note 4. Risk management, continued

At 31 December 2021 and 2020, the structure of maturities by term was as follows:

a. Maturities at carrying amount

Temporary tier	31.12.2021		31.12.2020	
	Ch\$ million	Principal %	Ch\$ million	Principal %
Tier 1: 1 to 7 days	159,732	46.01%	261,041	82.15%
Tier 2: 8 to 15 days	25,790	7.43%	(6,309)	(1.99%)
Tier 3: 16 to 30 days	43,654	12.57%	22,738	7.16%
Tier 4: 31 to 90 days	191,450	55.15%	90,032	28.33%
Tier 5: 91 to 365 days	(9,334)	-2.69%	49,328	15.52%
Total	411,292		416,830	

Determination of the tier at 31.12.2021	Tier 1 Ch\$ million	Tier 2 Ch\$ million	Tier 3 Ch\$ million	Tier 4 Ch\$ million	Tier 5 Ch\$ million	Total Ch\$ million
Assets	245,924	48,012	138,938	359,435	369,643	1,161,952
Funds available	57,913	-	-	-	-	57,913
Loans	87,318	46,980	128,117	346,194	365,877	974,486
Other current financial assets	100,693	1,032	10,821	13,241	3,766	129,553

Determination of the tier at 31.12.2021	Tier 1 Ch\$ million	Tier 2 Ch\$ million	Tier 3 Ch\$ million	Tier 4 Ch\$ million	Tier 5 Ch\$ million	Total Ch\$ million
Liabilities	86,192	22,222	95,284	167,985	378,977	750,660
Obligations with banks and financial institutions	-	1,746	28,559	63,818	138,671	232,794
Obligations with the public (commercial papers)	4,972	19,775	47,898	97,472	16,904	187,021
Obligations with the public (bonds payable)	-	-	-	2,061	221,060	223,121
Other financial liabilities	81,220	701	18,827	4,634	2,342	107,724

Tiers	159,732	25,790	43,654	191,450	(9,334)	411,292
% of the principal	46.01%	7.43%	12.57%	55.15%	-2.69%	118.47%

Determination of the tier at 31.12.2020	Tier 1 Ch\$ million	Tier 2 Ch\$ million	Tier 3 Ch\$ million	Tier 4 Ch\$ million	Tier 5 Ch\$ million	Total Ch\$ million
Assets	298,628	35,945	63,508	214,338	320,801	933,220
Funds available	120,080	-	-	-	-	120,080
Loans	109,115	35,851	61,129	213,324	313,786	733,205
Other current financial assets	69,433	94	2,379	1,014	7,015	79,935

Determination of the tier at 31.12.2020	Tier 1 Ch\$ million	Tier 2 Ch\$ million	Tier 3 Ch\$ million	Tier 4 Ch\$ million	Tier 5 Ch\$ million	Total Ch\$ million
Liabilities	37,587	42,254	40,770	124,306	271,473	516,390
Obligations with banks and financial institutions	-	2,155	18,432	14,493	98,249	133,329
Obligations with the public (commercial papers)	16,090	16,997	17,608	96,971	22,875	170,541
Obligations with the public (bonds payable)	-	-	-	1,327	149,520	150,847
Other financial liabilities	21,497	23,102	4,730	11,515	829	61,673

Tiers	261,041	(6,309)	22,738	90,032	49,328	416,830
% of the principal	82.15%	(1.99%)	7.16%	28.33%	15.52%	131.18%

Note 4. Risk management, continued

b. Maturities at undiscounted amount

Temporary tier	31.12.2021		31.12.2020	
	Ch\$ million	Principal %	Ch\$ million	Principal %
Tier 1: 1 to 7 days	159,704	46.00%	260,630	82.03%
Tier 2: 8 to 15 days	25,648	7.39%	(7,263)	(2.29%)
Tier 3: 16 to 30 days	42,891	12.35%	22,302	7.02%
Tier 4: 31 to 90 days	189,728	54.65%	86,017	27.07%
Tier 5: 91 to 365 days	(59,018)	-17.00%	39,106	12.31%
Total	358,953		400,792	

Determination of the tier at 31.12.2021	Tier 1 Ch\$ million	Tier 2 Ch\$ million	Tier 3 Ch\$ million	Tier 4 Ch\$ million	Tier 5 Ch\$ million	Total Ch\$ million
Assets	245,924	48,012	138,938	359,435	369,643	1,161,952
Funds available	57,913	-	-	-	-	57,913
Loans	87,318	46,980	128,117	346,194	365,877	974,486
Other current financial assets	100,693	1,032	10,821	13,241	3,766	129,553

Determination of the tier at 31.12.2021	Tier 1 Ch\$ million	Tier 2 Ch\$ million	Tier 3 Ch\$ million	Tier 4 Ch\$ million	Tier 5 Ch\$ million	Total Ch\$ million
Liabilities	86,220	22,364	96,047	169,707	428,661	802,999
Obligations with banks and financial institutions	-	1,776	29,050	64,916	141,652	237,394
Obligations with the public (commercial paper)	5,000	19,888	48,171	98,027	17,000	188,086
Obligations with the public (bonds payable)	-	-	-	2,130	266,692	268,822
Other financial liabilities	81,220	700	18,826	4,634	3,317	108,697

Tiers	159,704	25,648	42,891	189,728	(59,018)	358,953
% of the principal	46.00%	7.39%	12.35%	54.65%	-17.00%	103.40%

Determination of the tier at 31.12.2020	Tier 1 Ch\$ million	Tier 2 Ch\$ million	Tier 3 Ch\$ million	Tier 4 Ch\$ million	Tier 5 Ch\$ million	Total Ch\$ million
Assets	298,628	35,945	63,508	214,338	320,801	933,220
Funds available	120,080	-	-	-	-	120,080
Loans	109,115	35,851	61,129	213,324	313,786	733,205
Other current financial assets	69,433	94	2,379	1,014	7,015	79,935

Determination of the tier at 31.12.2020	Tier 1 Ch\$ million	Tier 2 Ch\$ million	Tier 3 Ch\$ million	Tier 4 Ch\$ million	Tier 5 Ch\$ million	Total Ch\$ million
Liabilities	37,998	43,208	41,206	128,321	281,694	532,427
Obligations with banks and financial institutions	-	2,504	18,300	15,687	102,607	139,098
Obligations with the public (commercial paper)	16,502	17,746	18,158	98,174	23,000	173,580
Obligations with the public (bonds payable)	-	-	-	2,909	154,959	157,868
Other financial liabilities	21,496	22,958	4,748	11,551	1,128	61,881

Tiers	260,630	(7,263)	22,302	86,017	39,107	400,793
% of the principal	82.03%	(2.29%)	7.02%	27.07%	12.31%	126.14%

ii. Market risk

Market risk is construed to be exposure to changes in market factors, like prices, interest rates, exchange rates, indexing, among others, that affect the value of the Company's financial operations.

Note 4. Risk management, continued

The Company records a mismatch in operations adjustable in UF, so that a 1% drop in inflation generated a gain of Ch\$370 million at 31 December 2021 (loss of Ch\$1,058 million at 31 December 2020).

In turn, the Company records a mismatch in currency operations, so that a 1% decrease in the USD-CLP parity generated a gain of Ch\$61 million at 31 December 2021 and a gain of Ch\$13 million at 31 December 2020.

In addition, the Company had a portfolio of debt instruments in the domestic and international markets amounting to Ch\$224,833 million (Ch\$73,455 million at 31 December 2020), with sensitivity measured by the value of U.S. dollar of one basis point (DV01¹) of Ch\$60 million (Ch\$20 million at 31 December 2020) which, according to the historical Value at Risk (VaR²) methodology of the risk-free rate at 1 day with a confidence level of 99%, generated interest rate risk exposure of Ch\$383 million at 31 December 2021 (Ch\$307 million at 31 December 2020).

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

31.12.2021

Interest rate delta (basis points)	25	50	75	100	125	150	175	200
Net portfolio change due to a cut in interest rates	0.56%	1.13%	1.69%	2.25%	2.81%	3.38%	3.94%	4.50%
Net portfolio change due to a rise in interest rates	-0.56%	-1.13%	-1.69%	-2.25%	-2.81%	-3.38%	-3.94%	-4.50%

31.12.2020

Interest rate delta (basis points)	25	50	75	100	125	150	175	200
Net portfolio change due to a cut in interest rates	0.69%	1.37%	2.06%	2.75%	3.43%	4.12%	4.80%	5.49%
Net portfolio change due to a rise in interest rates	-0.69%	-1.37%	-2.06%	-2.75%	-3.43%	-4.12%	-4.80%	-5.49%

¹ DV01 is the change in the portfolio value after a 0.01% increase in the discount rate.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2021 and 2020



Note 4. Risk management, continued

The Company has a portfolio of trading and hedging derivatives 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 2021 was as follows:

Exposure	31.12.2021									
	Trading Derivatives					Hedging Derivatives				
	UF Ch\$'000	Ch\$ Ch\$'000	US\$ Ch\$'000	EUR Ch\$'000	CHF Ch\$'000	UF Ch\$'000	Ch\$ Ch\$'000	US\$ Ch\$'000	CHF Ch\$'000	
Less than 1 year	518,850	(386,816,791)	381,896,394	14,365,595	-	63,057,334	(86,290,047)	(151,501,061)	187,979,775	
1 to 3 years	510,814	1,266,545	-	-	-	60,330,684	(51,714,863)	(128,072,969)	131,031,684	
Over 3 years	-	-	-	-	-	-	-	640,575	-	
Total	1,029,664	(385,550,246)	381,896,394	14,365,595	-	123,388,018	(138,004,910)	(278,933,455)	319,011,459	

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	31.12.2021									
	Trading Derivatives					Hedging Derivatives				
	UF Ch\$'000	Ch\$ Ch\$'000	US\$ Ch\$'000	EUR Ch\$'000	CHF Ch\$'000	UF Ch\$'000	Ch\$ Ch\$'000	US\$ Ch\$'000	CHF Ch\$'000	
Less than 1 year	(20)	4,677	(4,119)	(764)	-	(1,735)	3,142	13,622	(16,333)	
1 to 3 years	(77)	(199)	-	-	-	(15,094)	12,099	28,750	(30,061)	
Over 3 years	-	-	-	-	-	-	-	(274)	-	
Total	(97)	4,478	(4,119)	(764)	-	(16,829)	15,241	42,098	(46,394)	

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

Note 4. Risk management, continued

III. Financial instruments by category

The Company has investments in financial instruments according to the following breakdown:

2021

Breakdown	31.12.2021			
	Fair value through profit and 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	-	57,913,123	-	57,913,123
Other current financial assets	122,335,629	587,205	6,630,136	129,552,970
Trade and other receivables, current	-	974,486,377	-	974,486,377
Receivables due from related parties, current	-	5,843,527	-	5,843,527
Other non-current financial assets	5,257,748	30,900,010	37,610,158	73,767,916
Trade and other receivables, non-current	-	470,056,060	-	470,056,060
Receivables due from related parties, non-current	-	201,613	-	201,613
Total financial assets	127,593,377	1,539,987,915	44,240,294	1,711,821,586
Financial liabilities				
Other current financial liabilities	7,559,424	743,361,750	-	750,921,174
Trade and other payables, current	-	145,377,924	-	145,377,924
Other non-current financial liabilities	-	539,108,635	1,596,002	540,704,637
Total financial liabilities	7,559,424	1,427,848,309	1,596,002	1,437,003,735

2020

Breakdown	31.12.2020			
	Fair value through profit and 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

IV. Fair value of financial assets

Financial instruments measured at fair value through profit and loss and other comprehensive income are valued using the fair value calculation method (mark-to-market). 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:

Note 4. Risk management, continued

Breakdown	Level 1		Level 2	
	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Assets measured at fair value				
Derivative contracts				
Forward rights	-	-	16,387,019	3,869,220
Swap contracts (net)	-	-	30,454,221	32,836,115
Investment instruments				
Debt instruments (CLP)	90,595,636	58,998,461	2,260,108	3,800,811
Debt instruments (USD)	18,187,745	21,766,748	-	-
Private fund investment	5,257,748	3,344,589	-	-
Investment in shares	3,523,036	-	1,623,750	2,074,590
Instruments issued by the financial system	989,196	7,077,401	-	-
Other Government instruments	2,555,211	1,190,881	-	-
Total assets measured at fair value	121,108,572	92,378,080	50,725,098	42,580,736
Liabilities measured at fair value				
Derivative contracts				
Liabilities for forwards	-	-	7,559,424	20,824,331
Liabilities for swap contracts	-	-	1,596,002	6,400,794
Total liabilities measured at fair value	-	-	9,155,426	27,225,125

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

The Company calculates the impairment of investments classified in these categories 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 2021 and 2020, is shown in the following tables:

Note 4. Risk management, continued

Breakdown	31.12.2021			
	Total Ch\$'000	Stage 1 Ch\$'000	Stage 2 Ch\$'000	Stage 3 Ch\$'000
Opening balance	817,696	96,200	35,784	685,712
Changes				
Write-offs	-	-	-	-
Release	(397,350)	(320,240)	(52,859)	(24,251)
Accrual	1,348,214	396,508	134,465	817,241
Closing balance	1,768,560	172,468	117,390	1,478,702

Breakdown	31.12.2020			
	Total Ch\$'000	Stage 1 Ch\$'000	Stage 2 Ch\$'000	Stage 3 Ch\$'000
Opening balance	209,824	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	96,200	35,784	685,712

VI. Fallout of the COVID-19 pandemic

The global pandemic caused by COVID-19 has posed, and still poses, a number of global risks, as well for challenges for Chile. The risks and challenges are not only present in the health area but also in the financial aspects of all market agents.

From the outset, the Company has striven to safeguard the health of its employees, adopting different related internal guidelines and policies. Because of the measures implemented since late 2019, the Company has been able to adopt remote working for its employees. In line with the phases implemented by the Ministry of Health, the Company has flexibilised a semi in-person work system, thereby assuring employee health and the continuity of operations in accordance with the highest standards of effectiveness and efficiency, in addition to fully comply with legislation and the applicable regulation on labour and stock market issues.

Although it is true that the pandemic is still evolving, according to the internal forecasts of the Company and the performance of the market in the last few months it is estimated that this crisis could get worse and have a greater or lower impact on certain specific businesses, affecting the volume of their operations and the price of their assets. The Company has, however, managed to mitigate the undesired effects with a series of measures.

The Company is monitoring the evolution of the pandemic daily so it can make the best decisions, always safeguarding the wellbeing of its employees and fulfilment of its obligations.

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 2 f).

Note 6. Financial reporting by operating segments

According to the operating segment definitions under 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 with five business lines: Factoring, Loans, Auto Financing, Leasing, and Treasury and Investments.

I. Business lines

- 1) Factoring:** domestic and foreign factoring operations accounted for 29.7% of the loan portfolio at 31 December 2021 (27.6% of the loan portfolio at 31 December 2020). Foreign factoring is a subdivision of the factoring business line.
- 2) Loans:** loans are mainly intended to finance businesses and accounted for 22.5% of the total loan portfolio at 31 December 2021 (22.3% at 31 December 2020).
- 3) Auto Financing:** this is focused on financing vehicles for natural persons or bodies corporate, and on insurance brokerage and advice. At 31 December 2021, it accounted for 41.8% of the loan portfolio (41.9% of the loan portfolio at 31 December 2020). 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 2021, it accounted for 4.5% of the loan portfolio (6.3% of the loan portfolio at 31 December 2020).
- 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 availability term. This segment also includes the financial intermediation business through the subsidiary Tanner Corredores de Bolsa S.A.

Note 6. Financial reporting by operating segments, continued

a) Results by business lines

2021

Items	31.12.2021					
	Factoring Ch\$'000	Corporate Loans Ch\$'000	Auto Financing Ch\$'000	Leasing Ch\$'000	Treasury & Investments Ch\$'000	Total Ch\$'000
Net income from interest, indexation and exchange rate differences	19,388,477	10,369,607	63,923,822	3,459,319	10,612,492	107,753,717
Net income (expense) from changes in the fair value	-	-	-	-	891,157	(891,157)
Net income (expense) from fees	2,128,579	9,438,097	(25,575,266)	178,822	-	(13,829,768)
Other operating income (expense)	5,129,934	57,170	13,287,535	(84,232)	(1,377,018)	17,013,389
Total gross profit (a)	26,646,990	19,864,874	51,636,091	3,553,909	8,344,317	110,046,181
Impairment losses	(3,417,029)	(4,937,371)	(8,283,295)	(1,478,749)	(1,697,846)	(19,814,290)
Administrative expenses	(13,831,827)	(6,765,500)	(20,164,225)	(1,010,451)	(5,701,067)	(47,473,070)
Depreciation and amortisation	(1,243,633)	(607,966)	(1,766,228)	(90,802)	(252,611)	(3,961,240)
Other net operating income (expense)	(104,242)	-	(438,641)	(106,574)	(129,211)	(778,668)
Exchange rate differences	-	-	-	-	635,275	635,275
Profit before tax	8,050,259	7,554,037	20,983,702	867,333	1,198,857	38,654,188
Income tax	(523,213)	(490,962)	(1,363,799)	(56,371)	(77,920)	(2,512,265)
Income after tax	7,527,046	7,063,075	19,619,903	810,962	1,120,937	36,141,923
Assets (net of provision)	437,958,284	335,187,420	611,372,720	73,666,304	288,556,241	1,747,071,067
Current and deferred tax	9,698,092	9,100,295	25,278,927	1,044,870	1,444,255	46,566,439
Total assets	447,656,376	344,287,715	636,651,647	74,711,174	290,000,496	1,793,637,506
Liabilities	(361,342,077)	(276,549,896)	(504,419,475)	(60,779,157)	(238,076,352)	(1,441,166,957)
Current and deferred tax	(1,037,974)	(973,992)	(2,705,569)	(111,831)	(154,577)	(4,983,943)
Total liabilities	(362,380,051)	(277,523,888)	(507,125,044)	(60,890,988)	(238,230,929)	(1,446,150,900)

(a) The breakdown of the total gross profit is in Note 29 a) Revenue and 29 b) Cost of sales by each operative segment.

2020

Items	31.12.2020					
	Factoring Ch\$'000	Corporate Loans Ch\$'000	Auto Financing Ch\$'000	Leasing Ch\$'000	Treasury & Investments Ch\$'000	Total Ch\$'000
Net income from interest, indexation and exchange rate differences	20,452,564	9,312,922	60,380,501	3,137,416	8,966,578	102,249,981
Net income (expense) from changes in the fair value	-	-	-	-	333,019	333,019
Net income (expense) from fees	2,213,191	3,658,466	(25,727,646)	1,416,116	-	(18,439,873)
Other operating income (expense)	5,280,020	173,609	8,128,890	(121,508)	7,002,647	20,463,658
Total gross profit (a)	27,945,775	13,144,997	42,781,745	4,432,024	16,302,244	104,606,785
Impairment losses	(1,920,916)	(4,745,543)	(13,383,618)	(3,285,996)	(778,770)	(24,114,843)
Administrative expenses	(12,500,202)	(4,842,022)	(18,034,324)	(1,899,994)	(5,142,546)	(42,419,088)
Depreciation and amortisation	(1,167,490)	(452,086)	(1,683,813)	(177,397)	(201,937)	(3,682,723)
Other net operating income (expense)	198,826	(960,440)	(253,924)	(1,212,173)	575,179	(1,652,532)
Exchange rate differences	-	-	-	-	137,618	137,618
Profit before tax	12,555,993	2,144,906	9,426,066	(2,143,536)	10,891,788	32,875,217
Income tax	(2,048,771)	(349,986)	(1,538,060)	349,763	(1,777,223)	(5,364,277)
Income after tax	10,507,222	1,794,920	7,888,006	(1,793,773)	9,114,565	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) Revenue and 29 b) Cost of sales by each operative segment.

Customers

There were 92,571 active customers at 31 December 2021 and 83,181 at 31 December 2020, including Factoring, Loans, Auto Financing, Leasing and Treasury and Investments.

At 31 December 2021, the Company had no major concentration of customers, and the percentage of operations of the five main customers did not exceed 10.2% of the total loan portfolio, and at 31 December 2020 it was 8.9%. Likewise, the revenue from these customers did not exceed 3.5% of the Company's total revenue (5.0% at 31 December 2020).

Suppliers

At 31 December 2021, Tanner Servicios Financieros S.A. had about 659 registered suppliers (687 at 31 December 2020). The main ones were business (automotive companies and general goods), general services, computer and communication service suppliers.

Note 6. Financial reporting by operating segments, continued

b) Operating margin

The operating margin by business lines was as follows:

Operating margin by business lines (a)	Accumulated	
	01.01.2021 to 31.12.2021 Ch\$'000	01.01.2020 to 31.12.2020 Ch\$'000
Operating margin for Factoring	26,646,990	27,945,775
Operating margin for Loans	19,864,874	13,144,997
Operating margin for Auto Financing	51,636,091	42,781,745
Operating margin for Leasing	3,553,909	4,432,024
Operating margin for Treasury and Investments	8,344,317	16,302,244
Total	110,046,181	104,606,785

(a) The breakdown of each operating margin is in Note 29 a) Revenue and 29 b) Cost of sales by each operating segment.

c) Consolidated cash flow statement by segments

Cash flows by business lines at 31 December 2021 and 2020 were as follows:

Cash flows by business lines	For the years ended 31 December	
	2021 Ch\$'000	2020 Ch\$'000
Cash flows from operating activities¹	(202,151,277)	173,151,089
Factoring segment	(50,462,241)	39,227,243
Loan segment	(38,809,967)	31,264,299
Auto Financing segment	(71,766,805)	57,895,981
Leasing segment	(8,421,846)	11,383,733
Treasury and Investments segment	(32,690,418)	33,379,833
Cash flows from investing activities²	24,607,299	122,655,511
Factoring segment	-	-
Loan segment	-	-
Auto Financing segment	-	-
Leasing segment	-	-
Treasury and Investments segment	24,607,299	122,655,511
Cash flows used in financing activities²	113,996,446	(228,441,394)
Factoring segment	-	-
Loan segment	-	-
Auto Financing segment	-	-
Leasing segment	-	-
Treasury and Investments segment	113,996,446	(228,441,394)

(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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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 at 31 December 2021 and 2020 was as follows:

Types of cash and cash equivalents	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Balances in banks	52,917,817	40,713,014
Mutual funds	4,021,089	50,206,955
Cash on hand	680,887	139,854
Term deposits	293,330	29,020,144
Cash and cash equivalents	57,913,123	120,079,967

(b) The breakdown of cash and cash equivalents by currency at 31 December 2021 and 2020 was as follows:

Breakdown	Currency	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Cash on hand	CLP	671,101	105,050
Cash on hand	USD	4,124	5,388
Cash on hand	EUR	5,662	437
Cash on hand	CHF	-	28,979
Balances in banks	CLP	32,223,610	14,558,014
Balances in banks	USD	19,092,407	25,638,050
Balances in banks	EUR	1,591,818	513,875
Balances in banks	YEN	2,693	376
Balances in banks	CHF	3,732	1,801
Balances in banks	GBP	1,040	813
Balances in banks	CAD	2,517	85
Term deposits	USD	293,330	29,020,144
Mutual funds	CLP	-	50,206,955
Mutual funds	USD	4,021,089	-
Cash and cash equivalents		57,913,123	120,079,967

(c) The breakdown of term deposits shown in letter (b) at 31 December 2021 and 2020 was as follows:

Term deposits					Debtor company country	Currency	31.12.2021 Up to 90 days Ch\$'000	31.12.2020 Up to 90 days Ch\$'000
Creditor taxpayer ID No.	Creditor	Detail	Debtor taxpayer ID No.	Debtor company name				
96.667.560-8	Tanner Servicios Financieros S.A.	Renewable	97.030.000-7	Banco Estado	Chile	USD	293,330	7,689,328
96.667.560-8	Tanner Servicios Financieros S.A.	Renewable	Foreign	Bladex	Panama	USD	-	21,330,816
Total					Total		293,330	29,020,144

Note 7. Cash and cash equivalents, continued

(d) The breakdown of mutual funds at 31 December 2021 and 2020 was as follows:

Investments in mutual funds					Debtor company country	Currency	31.12.2021	31.12.2020
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	96.767.630-6	AGF BANCHILE	Chile	CLP	-	10,029,764
96.667.560-8	Tanner Servicios Financieros S.A.	Renewable	96.634.320-6	AGF SCOTIA	Chile	CLP	-	20,063,482
96.667.560-8	Tanner Servicios Financieros S.A.	Renewable	96.966.250-7	AGF BTG	Chile	CLP	-	10,045,573
96.667.560-8	Tanner Servicios Financieros S.A.	Renewable	99.549.940-1	Credicorp AGF	Chile	CLP	-	10,068,136
80.962.600-8	Tanner Corredores De Bolsa S A	Renewable	Foreign	MSIM Fund Management	Ireland	USD	4,021,089	-
Total							4,021,089	50,206,955

Note 8. Other current and non-current financial assets

a) Other current financial assets

This item comprises investments in corporate bonds and fixed-income 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 2021 and 2020 was as follows:

Breakdown	31.12.2021			
	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	6,630,136	587,205	98,881,167	106,098,508
Forward rights	-	-	16,387,019	16,387,019
Promissory notes of banks and financial institutions	-	-	989,196	989,196
Shares	-	-	3,523,036	3,523,036
Instruments issued by the Government				
Other instruments issued by the government	-	-	2,555,211	2,555,211
Total	6,630,136	587,205	122,335,629	129,552,970

Breakdown	31.12.2020			
	Fair value through other comprehensive income Ch\$'000	At amortised cost Ch\$'000	Fair value through profit and 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
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

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Note 8. Other current and non-current financial assets, continued

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 2021 and 2020 was as follows:

Other non-current financial assets	31.12.2021			
	Fair value through other comprehensive income	At amortised cost	Fair value through profit and loss	Total
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Swap contracts (1)	30,454,221	-	-	30,454,221
Investment in debt instruments (US\$)	5,047,088	30,891,219	-	35,938,307
Private fund investment	-	-	5,257,748	5,257,748
Investment in shares (2)	1,623,750	8,791	-	1,632,541
Investment in debt instruments (Ch\$)	485,099	-	-	485,099
Total	37,610,158	30,900,010	5,257,748	73,767,916

Other non-current financial assets	31.12.2020			
	Fair value through other comprehensive income	At amortised cost	Fair value through profit and loss	Total
	Ch\$'000	Ch\$'000	Ch\$'000	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

(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.

c) Reclassifications of financial assets

The financial assets reclassified from one category to another and the effects on the Company's financial statements pursuant to IFRS 7.12B are shown below.

Other current and non-current financial assets	Reclassification date	31.12.2021					
		Fair value through other comprehensive income	At amortised cost	Fair value through profit and loss	Total	Fair value at 31.12.2021	Profit or loss not recognised in other comprehensive income
		Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Opening balance at 01.01.2021		59,710,598	8,792	75,248,216	134,967,606	-	-
Increases		-	19,907,620	56,167,885	76,075,505	-	-
Decreases		(7,722,225)	-	-	(7,722,225)	-	-
Reclassifications		-	-	-	-	-	-
From fair value through other comprehensive income to amortised cost ¹	01.06.2021	(11,570,803)	11,570,803	-	-	10,082,860	(1,487,943)
Closing balance at 31.12.2021		40,417,570	31,487,215	131,416,101	203,320,886	10,082,860	(1,487,943)

¹ The objective of the business model for these assets was initially to obtain contractual cash flows, but the Company also envisaged their possible sale as a possibility. After a review of the portfolio of financial assets and an update of the Company's investment policy, the decision was made to change the business model for these assets. From now on, the business model objective will be to maintain these financial assets with the sole aim of collecting the cash flows arising from the contract conditions, only receiving cash flows on the specific dates of payments of the principal and interest on such principal. Their sale before maturity is not envisaged.

Note 8. Other current and non-current financial assets, continued

At 31 December 2020, the Company made no reclassifications from one category to another in the portfolio of financial instruments.

Note 9. Other current and non-current non-financial assets

(a) The breakdown of other current non-financial assets at 31 December 2021 and 2020 was as follows:

Other current non-financial assets	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Prepaid expenses (*)	1,669,889	2,999,929
Goods received in lieu of payment	285,974	-
Others	54,184	58,054
Total	2,010,047	3,057,983

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

(b) The breakdown of other non-current non-financial assets at 31 December 2021 and 2020 was as follows:

Other non-current non-financial assets	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
CCLV guarantees ¹	5,752,811	4,611,798
Derivative and international market guarantees ²	744,816	236,639
Others ³	803,579	332,971
Total	7,301,206	5,181,408

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 correspond to factoring loans, loans, auto financing, leasing and Treasury and Investments, 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 intermediation 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.

Note 10. Trade and other receivables, continued

The breakdown of this item at 31 December 2021 and 2020 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\$1,444,542,437 at 31 December 2021 and ThCh\$1,125,009,633 at 31 December 2020.

Trade and other receivables, net, current	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Corporate Division		
Receivables from factoring operations	417,320,913	291,693,917
Loan operations	255,427,469	181,277,322
Lease contracts	16,208,051	22,740,421
Total Corporate Division	688,956,433	495,711,660
Auto Financing Division		
Auto financing operations	246,195,563	206,723,186
Insurance operations	17,258,932	8,280,970
Total Auto Financing Division	263,454,495	215,004,156
Treasury and Investments Division		
Receivables from intermediation operations	18,545,466	20,165,877
Receivables from fund management (AGF)	-	35,103
Total Treasury and Investments Division	18,545,466	20,200,980
Sundry receivables	3,529,983	2,288,044
Total	974,486,377	733,204,840

Trade and other receivables, non-current	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Corporate Division		
Receivables from factoring operations	14,811,777	22,725,495
Loan operations	69,336,655	69,044,875
Lease contracts	49,367,937	48,517,723
Total Corporate Division	133,516,369	140,288,093
Auto Financing Division		
Auto financing operations	336,539,691	251,516,700
Insurance operations	-	-
Total Auto Financing Division	336,539,691	251,516,700
Treasury and Investments Division		
Receivables from intermediation operations	-	-
Receivables from fund management (AGF)	-	-
Total Treasury and Investments Division	-	-
Sundry receivables	-	-
Total	470,056,060	391,804,793

Total net assets	1,444,542,437	1,125,009,633
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Note 10. Trade and other receivables, continued

Breakdown	31.12.2021					
	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	695,800,270	(6,843,837)	688,956,433	136,474,209	(2,957,840)	133,516,369
Receivables from factoring operations	420,516,956	(3,196,043)	417,320,913	15,873,292	(1,061,515)	14,811,777
Loan operations	258,984,029	(3,556,560)	255,427,469	71,102,982	(1,766,327)	69,336,655
Lease contracts	16,299,285	(91,234)	16,208,051	49,497,935	(129,998)	49,367,937
Auto Financing Division	271,455,193	(8,000,698)	263,454,495	343,213,041	(6,673,350)	336,539,691
Auto financing operations	254,196,261	(8,000,698)	246,195,563	343,213,041	(6,673,350)	336,539,691
Insurance operations	17,258,932	-	17,258,932	-	-	-
Treasury and Investments Division	19,050,225	(504,759)	18,545,466	-	-	-
Receivables from intermediation operations	19,050,225	(504,759)	18,545,466	-	-	-
Receivables from fund management (AGF)	-	-	-	-	-	-
Sundry receivables	3,529,983	-	3,529,983	-	-	-
Total trade and other receivables, current and non-current	989,835,671	(15,349,294)	974,486,377	479,687,250	(9,631,190)	470,056,060

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

The breakdown of sundry receivables at 31 December 2021 and 2020 was as follows:

Sundry receivables	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Accounts receivable (net)	3,383,539	2,148,903
Employee advances and loans	74,163	101,169
Supplier advances	38,818	32,011
Other receivables	33,463	5,961
Total	3,529,983	2,288,044

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.

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Note 10. Trade and other receivables, continued

Delinquent instalments	Tranche in days	Factoring 31.12.2021 Ch\$'000	Loans 31.12.2021 Ch\$'000	Auto Financing 31.12.2021 Ch\$'000	Leasing 31.12.2021 Ch\$'000	Treasury and Investments 31.12.2021 Ch\$'000	Total 31.12.2021 Ch\$'000
Delinquency	1-30 days	18,841,327	1,438,229	2,214,264	142,541	1,503,426	24,139,787
Delinquency	31-60 days	1,621,589	2,833,095	943,833	77,994	440	5,476,951
Delinquency	61-90 days	283,954	2,225,817	532,132	36,639	94	3,078,636
Delinquency	91-120 days	465,652	777,032	357,657	32,087	7	1,632,435
Delinquency	121-150 days	203,360	48,536	236,446	10,185	23	498,550
Delinquency	151-180 days	73,080	42,399	187,524	5,018	827,260	1,135,281
Delinquency	181-210 days	163,845	105,816	140,450	1,067	5	411,183
Delinquency	211-250 days	64,610	38,687	147,781	1,067	0	252,145
Delinquency	>250 days	806,776	9,357,635	228,137	5,335	14	10,397,897
Total		22,524,193	16,867,246	4,988,224	311,933	2,331,269	47,022,865

Delinquent instalments	Tranche in days	Factoring 31.12.2020 Ch\$'000	Loans 31.12.2020 Ch\$'000	Auto Financing 31.12.2020 Ch\$'000	Leasing 31.12.2020 Ch\$'000	Treasury and Investments 31.12.2020 Ch\$'000	Total 31.12.2020 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

Note 10. Trade and other receivables, continued

c) Portfolio stratification

The portfolio stratification for each type of loan for the years ended 31 December 2021 and 2020 is shown below. The values included in each delinquency tranche also consider interest and the delinquent principal, plus the unpaid balance of the operations.

c.1) Factoring portfolio

31 December 2021					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	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	2,540	409,901,897	60	3,964,158	Up-to-date	1,479	298,761,634	39	1,009,442
1-30 days	909	18,581,898	17	259,429	1-30 days	401	14,036,821	-	-
31-60 days	263	1,245,232	11	376,357	31-60 days	85	248,389	-	-
61-90 days	59	189,918	7	94,037	61-90 days	33	131,964	-	-
91-120 days	40	422,644	3	43,008	91-120 days	22	72,976	-	-
121-150 days	30	201,710	2	1,650	121-150 days	38	78,508	-	-
151-180 days	27	14,834	4	58,246	151-180 days	32	164,192	-	-
181-210 days	27	87,976	2	75,869	181-210 days	51	106,345	-	-
211-250 days	31	58,538	3	6,072	211-250 days	79	464,711	-	-
>250 days	81	619,564	7	187,212	>250 days	185	1,586,826	-	-
Total	4,007	431,324,211	116	5,066,038	Total	2,405	315,652,366	39	1,009,442

Provisions, write-offs and write-off recovery 31 December 2021					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	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
2,732,266	1,525,292	4,257,558	2,677,077	1,996,490	2,141,892	100,504	2,242,396	5,786,961	1,764,289

Rejected notes and judicial collection at 31 December 2021			Rejected notes and judicial collection at 31 December 2020		
	No. of documents	Portfolio amount Ch\$'000		No. of documents	Portfolio amount Ch\$'000
Notes receivable disputed	389	1,174,917	Notes receivable disputed	1,156	2,441,940
Notes receivable under judicial collection(*)	241	4,444,479	Notes receivable under judicial collection(*)	113	3,244,258

(*) Only includes lawsuits of the current portfolio.

c.2) Loan portfolio

31 December 2021					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	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	458	307,307,496	16	1,968,263	Up-to-date	274	207,850,618	69	4,178,369
1-30 days	70	2,465,592	2	81,819	1-30 days	28	10,819,440	40	786,328
31-60 days	2	2,754,329	-	-	31-60 days	13	16,247,068	13	728,111
61-90 days	3	2,189,716	2	76,150	61-90 days	5	4,800,161	14	850,726
91-120 days	3	713,246	4	509,322	91-120 days	4	42,475	8	503,267
121-150 days	1	5,485	-	-	121-150 days	1	21,202	2	266,797
151-180 days	2	5,096	1	11,123	151-180 days	1	31,521	3	98,884
181-210 days	-	-	1	579,020	181-210 days	2	906,473	3	220,364
211-250 days	-	-	1	72,544	211-250 days	5	313,828	8	367,146
>250 days	20	9,721,249	5	1,626,561	>250 days	52	2,654,901	50	4,382,159
Total	559	325,162,209	32	4,924,802	Total	385	243,687,687	210	12,382,151

Provisions, write-offs and write-off recovery 31 December 2021					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	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
3,919,080	1,403,807	5,322,887	5,970,540	-	1,956,722	3,790,919	5,747,641	2,528,629	-

Rejected notes and judicial collection at 31 December 2021			Rejected notes and judicial collection at 31 December 2020		
	No. of customers	Portfolio amount Ch\$'000		No. of customers	Portfolio amount Ch\$'000
Notes receivable disputed	-	-	Notes receivable disputed	-	-
Notes receivable under judicial collection(*)	56	12,120,024	Notes receivable under judicial collection(*)	148	19,773,479

(*) Only includes lawsuits of the current portfolio.

Note 10. Trade and other receivables, continued

c.3) Auto Financing portfolio

31 December 2021					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	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	74,568	543,371,355	1,149	5,383,005	Up-to-date	65,402	413,129,341	1,524	6,661,485
1-30 days	6,000	33,035,476	558	2,619,559	1-30 days	5,756	28,137,886	726	3,767,734
31-60 days	1,984	10,549,151	337	1,712,387	31-60 days	1,885	8,553,583	350	2,681,372
61-90 days	948	5,020,837	177	932,746	61-90 days	758	3,176,948	166	943,990
91-120 days	584	2,981,665	90	435,429	91-120 days	480	2,046,556	80	390,138
121-150 days	339	1,742,294	54	246,991	121-150 days	296	1,251,863	46	235,909
151-180 days	227	1,276,770	30	144,182	151-180 days	216	981,690	46	215,224
181-210 days	194	1,020,132	25	89,584	181-210 days	209	1,101,066	28	118,862
211-250 days	175	1,039,136	26	119,251	211-250 days	263	1,202,849	35	155,609
>250 days	409	2,520,360	59	427,924	>250 days	1,032	4,977,668	150	710,990
Total	85,428	602,557,176	2,505	12,111,058	Total	76,297	464,559,450	3,151	15,881,313

Provisions, write-offs and write-off recovery 31 December 2021					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	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
12,775,558	1,898,490	14,674,048	12,574,380	5,964,772	11,656,340	2,263,568	13,919,908	20,541,763	3,860,261

Rejected notes and judicial collection at 31 December 2021					Rejected notes and judicial collection at 31 December 2020				
	No. of customers	Portfolio amount Ch\$'000				No. of customers	Portfolio amount Ch\$'000		
Notes receivable disputed	484	1,542,336			Notes receivable disputed	238	761,341		
Notes receivable under judicial collection(*)	2,523	13,153,556			Notes receivable under judicial collection(*)	3,791	20,747,835		

(*) Only includes lawsuits of the current portfolio.

c.4) Leasing portfolio

31 December 2021					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	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	98	58,505,189	9	5,414,564	Up-to-date	118	61,325,647	30	7,764,903
1-30 days	21	1,126,820	3	189,357	1-30 days	30	955,415	8	567,337
31-60 days	7	175,427	2	230,954	31-60 days	10	305,308	6	160,788
61-90 days	2	34,414	1	18,085	61-90 days	2	44,535	3	220,845
91-120 days	-	-	2	41,857	91-120 days	-	-	2	82,578
121-150 days	-	-	1	5,343	121-150 days	1	62,303	-	-
151-180 days	-	-	2	24,375	151-180 days	-	-	-	-
181-210 days	-	-	-	-	181-210 days	-	-	1	46,824
211-250 days	-	-	-	-	211-250 days	-	-	3	400,779
>250 days	1	30,835	-	-	>250 days	10	192,089	3	400,779
Total	129	59,872,685	20	5,924,535	Total	171	62,885,297	53	9,244,054

Provisions, write-offs and write-off recovery 31 December 2021					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	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
164,892	56,340	221,232	462,400	147,163	130,782	740,425	871,207	1,961,042	584,543

Rejected notes and judicial collection at 31 December 2021					Rejected notes and judicial collection at 31 December 2020				
	No. of customers	Portfolio amount Ch\$'000				No. of customers	Portfolio amount Ch\$'000		
Notes receivable disputed	-	-			Notes receivable disputed	-	-		
Notes receivable under judicial collection(*)	3	57,011			Notes receivable under judicial collection(*)	15	706,726		

(*) Only includes lawsuits of the current portfolio.

Note 10. Trade and other receivables, continued

c.5) Treasury and Investments portfolio

31 December 2021					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	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	38	16,428,306	2	290,650	Up-to-date	65	15,369,486	-	-
1-30 days	37	1,503,426	-	-	1-30 days	48	3,966,579	2	830,650
31-60 days	7	440	-	-	31-60 days	6	7,104	-	-
61-90 days	2	94	-	-	61-90 days	4	2,785	-	-
91-120 days	2	7	-	-	91-120 days	8	5,607	-	-
121-150 days	3	23	-	-	121-150 days	6	4,081	-	-
151-180 days	1	827,260	-	-	151-180 days	-	-	-	-
181-210 days	1	5	-	-	181-210 days	1	24	-	-
211-250 days	1	0	-	-	211-250 days	1	12	-	-
>250 days	2	14	-	-	>250 days	12	40,337	-	-
Total	94	18,759,575	2	290,650	Total	151	19,396,015	2	830,650

Provisions, write-offs and write-off recovery 31 December 2021					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	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
504,759	-	504,759	40,375	-	25,685	-	25,685	948	-

Rejected notes and judicial collection at 31 December 2021		Rejected notes and judicial collection at 31 December 2020	
No. of customers	Portfolio amount Ch\$'000	No. of customers	Portfolio amount Ch\$'000
Notes receivable disputed	-	Notes receivable disputed	-
Notes receivable under judicial collection(*)	-	Notes receivable under judicial collection(*)	-

(*) Only includes lawsuits of the current portfolio.

c.6) Total Portfolio

31 December 2021					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	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	77,702	1,335,514,243	1,236	17,020,640	Up-to-date	67,338	996,436,727	1,662	19,614,199
1-30 days	7,037	56,713,212	580	3,150,164	1-30 days	6,263	57,916,141	776	5,952,049
31-60 days	2,263	14,724,579	350	2,319,698	31-60 days	1,999	25,361,453	369	3,570,271
61-90 days	1,014	7,434,979	187	1,121,018	61-90 days	802	8,156,393	183	2,015,561
91-120 days	629	4,117,562	99	1,029,616	91-120 days	514	2,167,613	90	975,983
121-150 days	373	1,949,512	57	253,984	121-150 days	342	1,417,957	48	502,706
151-180 days	257	2,123,960	37	237,926	151-180 days	249	1,177,403	49	314,108
181-210 days	222	1,108,113	28	744,473	181-210 days	263	2,113,908	32	386,050
211-250 days	207	1,097,674	30	197,867	211-250 days	348	1,981,400	43	522,755
>250 days	513	12,892,021	71	2,241,697	>250 days	1,291	9,451,820	203	5,493,928
Total	90,217	1,437,675,855	2,675	28,317,083	Total	79,409	1,106,180,815	3,455	39,347,610

Provisions, write-offs and write-off recovery 31 December 2021					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	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
20,096,555	4,883,929	24,980,484	21,774,546	8,108,424	15,911,421	6,895,416	22,806,837	30,819,343	6,209,092

Rejected notes and judicial collection at 31 December 2021		Rejected notes and judicial collection at 31 December 2020	
No. of customers	Portfolio amount Ch\$'000	No. of customers	Portfolio amount Ch\$'000
Notes receivable disputed	873	Notes receivable disputed	1,394
Notes receivable under judicial collection(*)	2,823	Notes receivable under judicial collection(*)	4,067

(*) Only includes lawsuits of the current portfolio.

d) Impairment of trade receivables

The provisions for the years ended 31 December 2021 and 2020 are shown below:

Note 10. Trade and other receivables, continued

Breakdown	31.12.2021					
	Factoring Ch\$'000	Loans Ch\$'000	Auto Financing Ch\$'000	Leasing Ch\$'000	Treasury and Investments Ch\$'000	Total Ch\$'000
Opening balance	2,242,396	5,747,641	13,919,908	871,207	25,685	22,806,837
Write-off	(2,677,077)	(5,970,540)	(12,574,380)	(512,174)	(40,375)	(21,774,546)
Release	(190,519)	(1,008,689)	(4,742,669)	(541,733)	(680)	(6,484,290)
Accrual	4,882,758	6,554,475	18,071,189	403,932	520,129	30,432,483
Closing balance	4,257,558	5,322,887	14,674,048	221,232	504,759	24,980,484

Breakdown	31.12.2020					
	Factoring Ch\$'000	Loans Ch\$'000	Auto Financing Ch\$'000	Leasing Ch\$'000	Treasury and Investments Ch\$'000	Total 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

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 the 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

2021

Breakdown	31.12.2021			
	Factoring Ch\$'000	Stage 1 Ch\$'000	Stage 2 Ch\$'000	Stage 3 Ch\$'000
Opening balance	2,242,396	150,649	110,543	1,981,204
Changes				
Write-off	(2,677,077)	-	-	(2,677,077)
Release	(190,519)	(180,476)	(10,043)	-
Accrual	4,882,758	613,487	1,608,772	2,660,499
Closing balance	4,257,558	583,660	1,709,272	1,964,626

The provision amount of the factoring portfolio increased by to Ch\$2,015 million. Such increase was mainly because delinquency of more than 30 days increased by Ch\$830 million from Ch\$2,853 million in December 2020 to Ch\$3,683 million in December 2021, and an effect of Ch\$870 million due to the calibration of models.

Note 10. Trade and other receivables, continued

2020

Breakdown	31.12.2020			
	Factoring Ch\$'000	Stage 1 Ch\$'000	Stage 2 Ch\$'000	Stage 3 Ch\$'000
Opening balance	4,935,678	402,418	24,780	4,508,480
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	150,649	110,543	1,981,204

d.2) Loans

2021

Breakdown	31.12.2021			
	Loans Ch\$'000	Stage 1 Ch\$'000	Stage 2 Ch\$'000	Stage 3 Ch\$'000
Opening balance	5,747,641	191,313	805,236	4,751,092
Changes				
Write-off	(5,970,540)	-	-	(5,970,540)
Release	(1,008,690)	(215,023)	(793,667)	-
Accrual	6,554,476	1,685,260	597,852	4,271,364
Closing balance	5,322,887	1,661,550	609,421	3,051,916

The provision amount of the loan portfolio fell by Ch\$425 million. That was mainly because delinquency of more than 30 days dropped by Ch\$14,171 million from Ch\$32,435 million in December 2020 to Ch\$18,264 million in December 2021, despite the fact additional provisions of Ch\$3,234 million were made for calibration of the model.

2020

Breakdown	31.12.2020			
	Loans Ch\$'000	Stage 1 Ch\$'000	Stage 2 Ch\$'000	Stage 3 Ch\$'000
Opening balance	3,530,727	550,148	131,800	2,848,779
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	191,313	805,237	4,751,091

d.3) Auto Financing

2021

Breakdown	31.12.2021			
	Auto Financing Ch\$'000	Stage 1 Ch\$'000	Stage 2 Ch\$'000	Stage 3 Ch\$'000
Opening balance	13,919,908	3,471,661	2,306,208	8,142,039
Changes				
Write-off	(12,574,380)	-	-	(12,574,380)
Release	(4,742,668)	(2,919,241)	(1,823,427)	-
Accrual	18,071,188	2,702,491	2,182,272	13,186,425
Closing balance	14,674,048	3,254,911	2,665,053	8,754,084

The provision amount of the auto financing portfolio increased by Ch\$754 million. Such increase was mainly because delinquency of more than 30 days increased by Ch\$1,515 million from Ch\$28,744 million in December 2020 to Ch\$30,259 million in December 2021, and an effect of Ch\$205 million due to the calibration of models.

Note 10. Trade and other receivables, continued

2020

Breakdown	31.12.2020			
	Auto Financing Ch\$'000	Stage 1 Ch\$'000	Stage 2 Ch\$'000	Stage 3 Ch\$'000
Opening balance	18,984,263	4,686,978	2,771,261	11,526,024
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	3,471,659	2,306,208	8,142,041

d.4) Leasing

2021

Breakdown	31.12.2021			
	Leasing Ch\$'000	Stage 1 Ch\$'000	Stage 2 Ch\$'000	Stage 3 Ch\$'000
Opening balance	871,207	33,607	531,748	305,852
Changes				
Write-off	(512,174)	-	-	(512,174)
Release	(541,733)	(34,081)	(507,652)	-
Accrual	403,932	136,057	24,493	243,382
Closing balance	221,232	135,583	48,589	37,060

The provision amount of the leasing portfolio fell by Ch\$650 million. That was mainly because delinquency of more than 90 days dropped by Ch\$683 million from Ch\$785 million in December 2020 to Ch\$102 million in December 2021, and an effect of Ch\$124 million due to the calibration of models.

2020

Breakdown	31.12.2020			
	Leasing Ch\$'000	Stage 1 Ch\$'000	Stage 2 Ch\$'000	Stage 3 Ch\$'000
Opening balance	1,051,432	358,979	36,143	656,310
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	33,606	531,748	305,853

d.5) Treasury and Investments

2021

Breakdown	31.12.2021			
	Treasury and Investments Ch\$'000	Stage 1 Ch\$'000	Stage 2 Ch\$'000	Stage 3 Ch\$'000
Opening balance	25,685	725	2	24,958
Changes				
Write-off	(40,375)	-	-	(40,375)
Release	(680)	(678)	(2)	-
Accrual	520,129	802	3,095	516,232
Closing balance	504,759	849	3,095	500,815

The provision amount of the Treasury and Investments portfolio rose by Ch\$479 million, mainly because of a specific case that is in judicial collection.

Note 10. Trade and other receivables, continued

2020

Breakdown	31.12.2020			
	Treasury and Investments Ch\$'000	Stage 1 Ch\$'000	Stage 2 Ch\$'000	Stage 3 Ch\$'000
Opening balance	10,078	-	8,019	2,059
Changes				
Write-off	(948)	-	-	(948)
Release	(9,106)	-	(8,019)	(1,087)
Accrual	25,661	725	2	24,934
Closing balance	25,685	725	2	24,958

At 31 December 2021, 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 of the business lines indicate that there were no high loans which greatly contributed to the provision as it has been defined individually.

e) Trade receivable impairment provision policy

IFRS 9 establishes the guidelines for the recognition of credit losses arising from the financial assets of an entity. This standard stipulates that expected credit losses must be recognised considering the following 3 aspects:

- An unbiased amount of weighted probability, which is determined by assessing a range of possible results.
- The temporary value of money.
- Reasonable and substantiated information that is available without undue cost or effort on the reporting date of past events, current circumstances and forecasts of future economic conditions.

The approach of IFRS 9 is a model that recognises three stages, according to the following definition:

- **Stage 1:** assets with a low risk of impairment or default.
- **Stage 2:** assets with a much higher risk of default.
- **Stage 3:** defaulted assets.

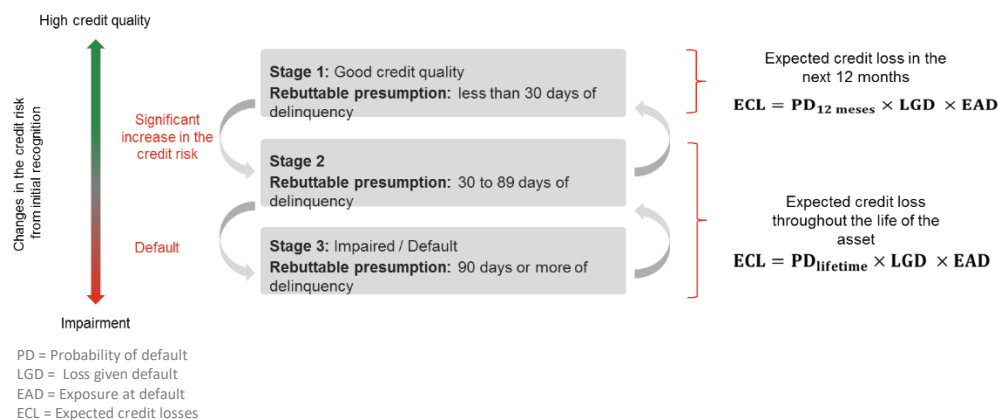
For assets classified in the stage 1, it is necessary to estimate the expected credit losses due to default occurring in the next 12 months (weighted by the probability of such default occurring), whereas for stage 2 and 3 it is necessary to estimate the expected credit losses for the entire remaining life of the asset. For defaulted assets (classified in stage 3), the default probability parameter is defined as 1, so the recovery rate (or its complement, the expected loss due to default) is the important variable to estimate credit losses.

Although the standard allows entities to determine the criteria to move from one stage to another, there are rebuttable presumptions established, which are the basis of the model accepted described herein:

- Stage 1 to Stage 2: assets with more than 30 days of delinquency.
- Stage 2 to Stage 3: assets with 90 days or more of delinquency.

Note 10. Trade and other receivables, continued

Image 1: Changes of Stage



Source: "TANNER: Group Provision Methodology for Credit Risk – IFRS 9"

The regulatory requirements that were incorporated into the impairment models are:

- Risk profile for each product.
- Probability of default in 12 months and for the entire life of the asset.
- Loss due to default over the entire life of the asset.
- Total prepayment rates.
- Credit exposure at the time of default.
- Adjustment of the default probability to the economic cycle (forward-looking).

The profiles were modelled by means of business segmentation associated with different risk factors, except in the case of the auto financing product, for which logistic regression was used to build a scorecard. 90 days of delinquency was defined as the default indicator.

Structural curves of the probability of default in 12 months and for the entire life of the asset were built using empirical curves. For those cases in which extrapolation was necessary, this was undertaken by means of variations of historical curves.

The component of loss due to default was calculated using empirical rates of future recovery, assuming the uniformity of 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 whose response variable is the industry probability of default ratio, using different macroeconomic regressor variables.

Auto Financing: the macroeconomic variables that best explained the probability of default were the percentage change in the copper price expected in 2022, interest rates and the percentage change in the monthly economic activity index (IMACEC, according to the Spanish acronym) expected for the same period.

Leasing: the macroeconomic variables that best explained the probability of default were the percentage change in the copper price expected in 2022, the change in the monetary base in the last three months and the change in the retail sales index of the CNC¹ in the last six months.

Loans: the macroeconomic variables that best explained the probability of default were the average CPI in the last six months, the variation of the US dollar and performance expected in 2022, the price of gold and average IMACEC for the last 12 months.

Factoring: no significant associations were identified between the probability of default and the macroeconomic variables analysed, so their estimate in base, optimistic and pessimistic scenarios are based on 50%, 25% and 75% of their historical series noted.

¹ National Chamber of Commerce, Services and Tourism.

Note 10. Trade and other receivables, continued

To apply the forward-looking (FwL) adjustment to the probability of default (PD) curves of each segment and subsegment, the following methodology is used:

- Global FwL factor: the historical average of the 12-month PD is compared with the 12-month PD adjusted by the FwL concept of the global portfolio.
- Profile FwL factor: the estimated 12-month PD for each subsegment of the portfolio is compared with the historical 12-month PD of the global portfolio.
- Lastly, the FwL PD curve of each profile or subsegment corresponds to the result of each value of the estimated PD curve for the profile and the weight: $(1 + \text{global FwL factor} \times \text{profile FwL factor})$.

In the second half of 2021, Tanner Servicios Financieros S.A. updated the parameters of the credit risk provision models with the aim of incorporating the most recent information on the performance of customers, maintaining the statistical follow-up standards, giving a higher provision with an effect of Ch\$4,186 million on profit and loss.

Segmentation of risk profiles by product

The profiles of each product are outlined below:

i) Factoring and non-sufficient fund (NSF) cheques

The calculation of provisions for the factoring business considers three profiles segmented by subproduct and risk profiles. Note that any renegotiated operation like a loan falls into the recognition subsegment. The most significant variables by subsegment are:

- **Invoice subsegment:**
 - Type or group
 - Current delinquency days
- **Debt recognition subsegment:**
 - If it performs like a loan or not
 - Type or group
 - Current delinquency days
- **Cheque subsegment:**
 - Type of document
 - Type or group
 - Current delinquency days
- **Others subsegment:**
 - Type or group
 - Current delinquency days

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
- Renegotiation which determines whether it is a "normal" loan or "recognition" of the variable type.

iii) Leasing portfolio

The calculation of provisions for the leasing business considers five profiles segmented by subproduct and risk profiles. The most significant are:

- Current delinquency days
- Subproduct (real estate or product vendor and machinery or vehicle)
- Renegotiation

Note 10. Trade and other receivables, continued

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 is as follows:

- NISSAN
- AMICAR
- NON-AMICAR
- RENEGOTIATED

Each one of these segments is divided by risk profiles according to their performance score and considers the following variables:

1. Percentage increase in the outstanding amount in the last three months.
2. Maximum days of delinquency in the last three months.
3. Number of delinquent instalments in the last month.
4. Percentage of instalments paid.
5. Delinquent instalment average in the last month.
6. If the operation has grace period months (this is a binary variable).
7. If the operation had a partial prepayment in the last three months (this is a binary variable).
8. Portfolio average in the last three months.

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:

- Current delinquency days
-
- Renegotiation.

Update of the adjustment of the probability of default to the economic cycle (forward-looking) and population changes

Every year, the Company analyses possible population and macroeconomic changes associated, for example, with changes in the risk policy, the creation of new products and market indicators, and updates the calibrations of the probability of default curves that will ultimately impact provisioning factors.

Exposure mitigation due to guarantee and/or insurance coverage

All operations that are guaranteed with real estate or insurance or another asset are allocated 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

Provision for high amount customers

The Company has defined the creation of a group of high amount customers, which corresponds to those who have exposure of or greater than Ch\$2 billion, either individually or aggregated with their economic group.

High amount customers are classified as impaired when they meet any of the following criteria:

- i) External and internal delinquency of greater than 30 days that represents 15% or more of their line.
- ii) They have three or more events of external delinquency.

Note 10. Trade and other receivables, continued

- iii) They have cases of reorganisation or receivership, as laid down in Law 20.720 on Reorganisation and Enterprise.
- iv) They have legal cases of a high impact or amount.

High amount customers that are not identified as impaired are provisioned for by applying the statistical expected loss models outlined above. In addition, impaired high amount customers are analysed individually by the Credit Committee, which decides on their solvency and the mitigating factors, thereby determining the expected risk of each one.

Summary of the high amount portfolio

The breakdown of the high amount portfolio by product is shown below:

31.12.2021

Product	Normal High Amounts				Impaired High Amounts				Total			
	Gross Balance	Provision	Total Guarantee	Debt-related Guarantee	Gross Balance	Provision	Total Guarantee	Debt-related Guarantee	Gross Balance	Provision	Total Guarantee	Debt-related Guarantee
Loans	197,108,779	(367,696)	89,414,698	72,521,615	65,519,343	(3,259,786)	72,971,134	55,588,062	262,628,122	(3,627,482)	162,385,832	128,109,677
Factoring	189,161,717	(175,677)	7,097,253	7,097,253	39,026,898	(600,696)	33,876,580	33,870,771	228,188,615	(776,373)	40,975,833	40,968,024
Floor plan	16,387,389	(1,042)	19,690,797	14,984,511	-	-	-	-	16,387,389	(1,042)	19,690,797	14,984,511
Leasing	39,459,910	(67,634)	33,260,432	33,195,497	4,208,513	-	3,577,236	3,577,236	43,668,423	(67,634)	36,837,668	36,772,733
Total	442,117,795	(612,049)	149,463,180	127,798,876	108,754,754	(3,860,482)	110,426,950	93,036,069	550,872,549	(4,472,531)	259,890,130	220,834,945

31.12.2020

Product	Normal High Amounts				Impaired High Amounts				Total			
	Gross Balance	Provision	Total Guarantee	Debt-related Guarantee	Gross Balance	Provision	Total Guarantee	Debt-related Guarantee	Gross Balance	Provision	Total Guarantee	Debt-related Guarantee
Loans	158,438,158	(114,652)	53,833,623	53,833,623	44,854,623	-	57,007,001	44,854,623	203,292,782	(114,652)	110,840,624	98,688,247
Factoring	173,959,850	(82,231)	9,432,693	8,818,682	19,994,212	(296)	17,498,494	17,498,494	193,954,062	(82,527)	26,931,187	26,317,176
Floor plan	8,684,885	(3,474)	7,816,064	7,527,882	-	-	-	-	8,684,885	(3,474)	7,816,064	7,527,882
Leasing	51,890,529	(289,420)	40,919,253	38,980,415	-	-	-	-	51,890,529	(289,420)	40,919,253	38,980,415
Total	392,973,422	(489,777)	112,001,633	109,160,602	64,848,835	(296)	74,505,495	62,353,117	457,822,258	(490,073)	186,507,128	171,513,720

Write-off policy by business line

Tanner Servicios Financieros S.A. has the following write-off policy:

Operations without any mitigating factors:

- i) Factoring: they will be written off on reaching 366 days of delinquency.
- ii) Auto Financing: they will be written off on reaching 366 days of delinquency.
- iii) Loans: they will be written off on reaching 541 days of delinquency.
- iv) Real Estate Leasing: they will be written off on reaching 541 days of delinquency.
- v) Real Estate Leasing and Vendor: they will be written off on reaching 901 days of delinquency.
- vi) Accounts receivable TCB: they will be written off on reaching 366 days of delinquency.

Operations with mitigating factors:

- i) They will be written off on reaching 901 days of delinquency.
- ii) The uncovered portion will be 100% provisioned upon meeting the criteria for operations without any mitigating factors.

Note 10. Trade and other receivables, continued

f) Breakdown of current and non-current lease operations

A breakdown of lease receivables, classified according to their currency and maturity, is shown below:

Breakdown	Currency	31.12.2021 Ch\$'000						
		0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
Minimum lease receivables, gross	UF	14,758,291	12,793,940	23,018,921	3,650,007	3,424,335	17,041,198	74,686,691
Minimum lease receivables, gross	CLP	5,773,479	515,793	129,356	-	-	-	6,418,628
Minimum lease receivables, gross	USD	12,699	-	-	-	-	-	12,699
Minimum lease receivables, gross		20,544,469	13,309,733	23,148,277	3,650,007	3,424,335	17,041,198	81,118,018
Minimum lease receivables, interest	UF	(4,069,039)	(3,097,544)	(1,625,488)	(1,316,624)	(1,136,604)	(3,872,126)	(15,117,425)
Minimum lease receivables, interest	CLP	(175,986)	(24,660)	(2,569)	-	-	-	(203,215)
Minimum lease receivables, interest	USD	(158)	-	-	-	-	-	(158)
Minimum lease receivables, present value		(4,245,183)	(3,122,204)	(1,628,057)	(1,316,624)	(1,136,604)	(3,872,126)	(15,320,798)
Impairment loss		(115,933)	(21,672)	(45,781)	(4,964)	(4,867)	(28,015)	(221,232)
Total minimum lease receivables, present value, net								65,575,988

Breakdown	Currency	31.12.2020 Ch\$'000						
		0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
Minimum lease receivables, gross	UF	20,030,686	9,524,175	7,407,089	20,626,986	3,074,453	17,406,622	78,070,011
Minimum lease receivables, gross	CLP	6,838,134	3,110,233	426,559	22,451	22,451	119,738	10,539,566
Minimum lease receivables, gross	USD	658,433	13,552	-	-	-	-	671,985
Minimum lease receivables, gross		27,527,253	12,647,960	7,833,648	20,649,437	3,096,904	17,526,360	89,281,562
Minimum lease receivables, interest	UF	(3,907,209)	(3,123,959)	(2,670,302)	(1,370,765)	(1,117,175)	(4,351,176)	(16,540,586)
Minimum lease receivables, interest	CLP	(410,330)	(108,165)	(18,566)	(13,358)	(12,080)	(34,164)	(596,663)
Minimum lease receivables, interest	USD	(14,768)	(194)	-	-	-	-	(14,962)
Minimum lease receivables, present value		(4,332,307)	(3,232,318)	(2,688,868)	(1,384,123)	(1,129,255)	(4,385,340)	(17,152,211)
Impairment loss		(454,524)	(80,175)	(43,808)	(164,047)	(16,755)	(111,898)	(871,207)
Total minimum lease receivables, present value, net								71,258,144

Note 11. Assets and liabilities by currency

The statement of financial position by currency for the years ended 31 December 2021 and 2020 is shown below:

2021

Classified Statement of Financial Position (Consolidated)	31.12.2021						
	CLP Ch\$'000	USD Ch\$'000	EUR Ch\$'000	CHF Ch\$'000	Other Ch\$'000	UF Ch\$'000	Total Ch\$'000
Current assets							
Cash and cash equivalents	32,324,723	23,980,938	1,597,480	3,732	6,250	-	57,913,123
Other current financial assets	112,210,437	15,082,425	-	-	-	2,260,108	129,552,970
Other current non-financial assets	1,971,725	38,322	-	-	-	-	2,010,047
Trade and other receivables, current	677,379,657	182,200,972	-	-	-	114,905,748	974,486,377
Receivables due from related parties, current	5,843,527	-	-	-	-	-	5,843,527
Current tax assets	12,218,434	-	-	-	-	-	12,218,434
Non-current assets or asset groups for disposal classified as held-for-sale	9,841,754	-	-	-	-	-	9,841,754
Total current assets	851,790,257	221,302,657	1,597,480	3,732	6,250	117,165,856	1,191,866,232
Non-current assets							
Other non-current financial assets	33,127,465	40,640,451	-	-	-	-	73,767,916
Other non-current non-financial assets	6,018,442	1,282,764	-	-	-	-	7,301,206
Trade and other receivables, non-current	356,071,202	22,336,245	-	-	-	91,648,613	470,056,060
Receivables due from related parties, non-current	201,613	-	-	-	-	-	201,613
Intangible assets other than goodwill	5,213,428	-	-	-	-	-	5,213,428
Goodwill	1,639,828	-	-	-	-	-	1,639,828
Property, plant and equipment	2,657,261	-	-	-	-	6,255,859	8,913,120
Deferred tax assets	34,348,005	-	-	-	-	-	34,348,005
Total non-current assets	439,277,244	64,259,460	-	-	-	97,904,472	601,441,176
Total assets	1,291,067,501	285,562,117	1,597,480	3,732	6,250	215,070,328	1,793,307,408
Current liabilities							
Other current financial liabilities	310,071,290	216,796,179	14,391,262	185,048,468	-	24,613,975	750,921,174
Trade and other payables	124,090,668	19,368,460	1,588,757	-	-	330,039	145,377,924
Current tax liabilities	4,983,943	-	-	-	-	-	4,983,943
Current provisions for employee benefits	3,889,469	-	-	-	-	-	3,889,469
Total current liabilities	443,035,370	236,164,639	15,980,019	185,048,468	-	24,944,014	905,172,510
Non-current liabilities							
Other non-current financial liabilities	2,131,211	143,114,533	-	125,298,558	-	270,160,335	540,704,637
Non-current provisions for employee benefits	273,753	-	-	-	-	-	273,753
Total non-current liabilities	2,404,964	143,114,533	-	125,298,558	-	270,160,335	540,978,390
Total liabilities	445,440,334	379,279,172	15,980,019	310,347,026	-	295,104,349	1,446,150,900
Total equity	347,156,508						347,156,508
Currency exchange differences	498,470,659	(93,717,055)	(14,382,539)	(310,343,294)	6,250	(80,034,021)	-
Hedges*	(547,243,464)	98,462,432	14,470,779	310,343,294		123,966,959	-
Net exposure	(48,772,805)	4,745,377	88,240	-	6,250	43,932,938	-

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

Note 11. Assets and liabilities by currency, continued

2020

Classified Statement of Financial Position (Consolidated)	31.12.2020						
	CLP Ch\$'000	USD 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	-	-	-	-	-	11,317,684
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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2021 and 2020



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		Income	
					31.12.2021 Ch\$'000	31.12.2020 Ch\$'000	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
77.218.598-7	Jameson SPA	Chile	Parent shareholder	CLP	3,248,973	3,100,000	-	-	184,554	36,412
77.266.528-8	Inversiones Maita SPA	Chile	Parent shareholder	CLP	1,654,831	1,592,671	-	-	62,158	7,040
76.010.029-3	Inversora Quillota Dos S.A.	Chile	Parent shareholder	CLP	-	209,736	-	-	4,044	17,011
77.397.998-7	Inversiones y Asesorías JRS SpA	Chile	Parent shareholder	CLP	848,249	-	-	-	19,680	-
15.639.639-7	Sebastián Matías Zarzar Ives	Chile	Subsidiary shareholder	CLP	91,474	-	201,613	33,719	42,342	2,937
Total					5,843,527	4,902,407	201,613	33,719	312,778	63,400

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 2021 and 2020, there were no payables due to related parties.

b) Transactions with related parties

- In July 2021, a loan was granted to a minority shareholder of Tanner Servicios Financieros S.A. to finance the purchase of Company shares. At 31 December 2021 there was an outstanding balance of ThCh\$848,249.
- In January 2021, a loan was granted to a minority shareholder of the subsidiary Tanner Corredores de Bolsa S.A. At 31 December 2021 there was an outstanding balance of ThCh\$293,087.
- In September and November 2020 loans were granted to minority shareholders of Tanner Servicios Financieros S.A. to finance the purchase of Company shares. These loans were renewed in March 2021.
- 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	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
6.735.614-4	Jorge Sabag Sabag	Chile	Director	UF	Board fee	120,418	105,512
6.941.260-2	Oscar Alberto Cerda Urrutia	Chile	Director	UF	Board fee	81,339	89,534
6.420.113-1	Ricardo Massu Massu	Chile	Director	UF	Board fee	89,689	86,124
4.465.911-5	Eduardo Massu Massu	Chile	Director	UF	Board fee	78,252	68,861
6.066.143-K	Jorge Bunster Betteley	Chile	Director	UF	Board fee	-	8,506
7.054.226-9	Fernando Alberto Zavala Cavada	Chile	Director	UF	Board fee	78,353	68,890
4.778.406-9	Fernando Tafra Sturiza	Chile	Director	UF	Board fee	96,075	78,944
9.389.707-2	Luis Patricio Flores Cuevas	Chile	Subsidiary shareholder	CLP	Payment of loans	-	(602,346)
17.406.903-4	Luis Felipe Massu Heiremanss	Chile	Related to the controller	CLP	Board advisor	87,340	54,744
13.668.525-2	Antonio Turner Fabres	Chile	Parent shareholder	CLP	Loans	-	3,095,204
					Payment of loans	-	(3,095,204)
15.639.639-7	Sebastián Zarzar Ives	Chile	Subsidiary shareholder	CLP	Loans	281,528	-
					Payment of loans	(3,175,811)	-
77.218.598-7	Jameson SPA	Chile	Parent shareholder	CLP	Loans	3,125,110	3,100,000
77.266.528-8	Inversiones Maita SPA	Chile	Parent shareholder	CLP	Payment of loans	(1,670,937)	-
					Loans	1,592,671	1,592,671
77.397.998-7	Inversiones y Asesorías JRS SpA	Chile	Parent shareholder	CLP	Loans	828,569	-
76.010.029-3	Inversora Quillota Dos S.A.	Chile	Parent shareholder	CLP	Loans	(226,551)	209,736

Note: considers participation in Audit Committees and/or other Committees.

Note 12. Related party receivables and payables, continued**c) Company board of directors and management**

At 31 December 2021, the board of directors comprises the following members:

1. Martín Díaz Plata
2. Eduardo Massu Massu
3. Ricardo Massu Massu
4. Jorge Sabag Sabag
5. Fernando Tafra Sturiza
6. Fernando Zavala Cavada

The organisational structure comprises the positions of CEO, controller, corporate counsel, corporate division manager, structured product manager, auto financing division manager, IT manager, CFO, financial control and administration manager, marketing manager and the 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 34).

Controlling entity

At 31 December 2021, the immediate controlling entity of Tanner Servicios Financieros S.A. is Inversiones Bancarias SpA 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

At 31 December 2021 and 2020, the Company paid its senior managers the following:

Breakdown	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Management remuneration (*)	5,721,484	5,742,543
Total	5,721,484	5,742,543

(*) 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 2021 and 2020, the breakdown of this item was as follows:

Type of inventory	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Assets received as payment in kind	9,841,754	4,798,124
Total	9,841,754	4,798,124

The breakdown of assets received as payment in kind at 31 December 2021 and 2020 is shown below:

Type of inventory	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Vehicles	849,584	3,778,747
Heavy-duty vehicles	120,946	640,377
Machinery and equipment	16,511	379,000
Real estate and land	8,854,713	-
Total	9,841,754	4,798,124

Note 13. Non-current assets or asset groups for disposal classified as held-for-sale, continued

Table of changes

The table below shows the changes of non-current assets classified as held-for-sale at 31 December 2021 and 2020:

2021

Breakdown	Vehicles Ch\$'000	Heavy-duty vehicles Ch\$'000	Machinery and equipment Ch\$'000	Real estate and land Ch\$'000	Total Ch\$'000
Balance at 01.01.2021	3,778,747	640,377	379,000	-	4,798,124
Additions	1,579,609	183,622	27,511	802,479	2,593,221
Reclassifications	(881,636)	(160,429)	(175,253)	10,646,783	9,429,465
Disposals	(3,498,420)	(460,423)	(157,931)	(1,632,498)	(5,749,272)
Revaluation	(128,716)	(82,201)	(56,816)	(962,051)	(1,229,784)
Total at 31.12.2021	849,584	120,946	16,511	8,854,713	9,841,754

2020

Breakdown	Vehicles Ch\$'000	Heavy-duty vehicles Ch\$'000	Machinery and equipment Ch\$'000	Total 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

Note 14. Property, plant and equipment

The breakdown of property, plant and equipment and the corresponding accumulated depreciation as of the reporting dates indicated was as follows:

Property, plant and equipment, gross	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Right-of-use	9,286,143	9,321,775
Refurbishment	4,514,164	4,423,098
Technological equipment	2,922,445	3,862,941
Office furniture	980,914	979,225
Office equipment	626,329	626,329
Other assets	231,474	269,949
Buildings	154,514	154,514
Total	18,715,983	19,637,831

Accumulated depreciation and impairment of property, plant and equipment	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Right-of-use	3,030,275	2,223,723
Refurbishment	2,498,946	2,152,910
Technological equipment	2,410,607	3,145,226
Office furniture	922,808	893,537
Office equipment	596,258	585,952
Other assets	214,177	217,583
Buildings	129,792	111,250
Total	9,802,863	9,330,181

Property, plant and equipment, net	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Right-of-use	6,255,868	7,098,052
Refurbishment	2,015,218	2,270,188
Technological equipment	511,838	717,715
Office furniture	58,106	85,688
Office equipment	30,071	40,377
Other assets	17,297	52,366
Buildings	24,722	43,264
Total	8,913,120	10,307,650

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2021 and 2020



Note 14. Property, plant and equipment, continued

The breakdown and changes of property, plant and equipment at 31 December 2021 and 2020 was as follows:

2021

At 31 December 2021	Buildings Ch\$'000	Technological equipment Ch\$'000	Office furniture Ch\$'000	Office equipment Ch\$'000	Refurbishment Ch\$'000	Other assets Ch\$'000	Right-of-use Ch\$'000	Total Ch\$'000
Opening balance at 01.01.2021	154,514	3,862,941	979,225	626,329	4,423,098	269,949	9,321,775	19,637,831
Additions in the year	-	263,443	1,689	-	199,122	-	123,526	587,780
Readjustment	-	-	-	-	-	-	529,715	529,715
Disposals/withdrawals/reclassifications in the year	-	(1,203,939)	-	-	(108,056)	(38,475)	(688,873)	(2,039,343)
Gross balance at 31.12.2021	154,514	2,922,445	980,914	626,329	4,514,164	231,474	9,286,143	18,715,983
Depreciation opening balance at 01.01.2021	(111,250)	(3,145,226)	(893,537)	(585,952)	(2,152,910)	(217,583)	(2,223,723)	(9,330,181)
Depreciation in the year	(18,542)	(383,947)	(29,271)	(10,306)	(387,583)	(11,179)	(1,167,668)	(2,008,496)
Disposals and sales in the year	-	1,118,566	-	-	41,547	14,585	361,116	1,535,814
Depreciation balance at 31.12.2021	(129,792)	(2,410,607)	(922,808)	(596,258)	(2,498,946)	(214,177)	(3,030,275)	(9,802,863)
Net amount at 31.12.2021	24,722	511,838	58,106	30,071	2,015,218	17,297	6,255,868	8,913,120

2020

At 31 December 2020	Buildings Ch\$'000	Technological equipment Ch\$'000	Office furniture Ch\$'000	Office equipment Ch\$'000	Refurbishment Ch\$'000	Other assets Ch\$'000	Right-of-use Ch\$'000	Total 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

Management has not witnessed 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 2021 and 2020 was as follows:

2021

Investment property	Real estate Ch\$'000	Land Ch\$'000	Total Ch\$'000
Balance at 01.01.2021	9,944,392	1,373,292	11,317,684
Additions	-	-	-
Reclassifications	(9,233,665)	(1,413,118)	(10,646,783)
Disposals	(787,806)	-	(787,806)
Revaluation	77,079	39,826	116,905
Balance at 31.12.2021	-	-	-

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

At 31 March 2021, the Company reclassified all its investments properties to the item "Non-current assets or groups of assets for disposal classified as held-for-sale" (Note 13), considering that there is a formal plan for their disposal within the current period.

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	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Summary of current tax assets (liabilities)		
Current tax assets	12,218,434	6,644,839
Current tax (liabilities)	(4,983,943)	(3,261,504)
Total tax recoverable (payable)	7,234,491	3,383,335
Breakdown of current tax assets (liabilities), net		
Plus:		
Tax credit of the National Training and Employment Service (SENCE)	196,938	164,418
Monthly provisional income tax payments	1,634,839	1,533,982
Net tax credit	5,800,468	1,089,370
Recoverable income tax	4,586,189	3,857,069
Total current tax assets	12,218,434	6,644,839
Less:		
Net tax debit	(489,398)	(321,881)
Income tax provision	(4,494,545)	(2,938,319)
Income tax provision under Article 21	-	(1,305)
Total current tax liabilities	(4,983,943)	(3,261,504)
Total tax recoverable (payable)	7,234,491	3,383,335

b) Current and deferred income tax benefit (expense)

Breakdown	01.01.2021 to 31.12.2021 Ch\$'000	01.01.2020 to 31.12.2020 Ch\$'000
Income tax expense		
Current year tax	(7,674,402)	(4,041,548)
Deferred tax credit (charge)		
Effect of deferred tax assets or liabilities	5,000,891	(1,135,931)
Subtotal	(2,673,511)	(5,177,479)
Expenses rejected under Article 21	(4,017)	(1,306)
Prior year tax	165,263	(185,492)
Net charge to profit or loss due to income tax	(2,512,265)	(5,364,277)

Note 16. Income tax, deferred tax and current taxes, continued

c) Deferred tax

The table below shows the deferred tax established in accordance with the policies indicated in Note 2 p):

Breakdown	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Deferred tax assets		
Tax loss	24,216,025	23,785,766
Leased assets	10,301,624	10,650,657
Allowance for doubtful accounts	4,521,200	3,934,315
Adjustment for IFRS 9/provision for doubtful accounts (equity)	2,223,531	2,223,531
Fixed assets/software	1,286,419	(64,606)
Provisions	1,033,787	353,793
Other events	941,932	126,480
Prepaid income	488,408	774,883
Provision for holidays	468,478	364,552
Comprehensive income	201,685	9,948
Provision for severance indemnity payments	122,414	84,156
Right-of-use	63,175	50,025
Software assets	-	-
Financial write-offs	(0)	(1,647,022)
Provision for severance indemnity payments (equity)	(10,532)	7,911
Deferred expenses	(2,711,718)	(2,136,646)
Prepaid fees	(8,798,423)	(7,299,581)
Total deferred tax assets	34,348,005	31,218,162

d) Reconciliation of the income tax that would arise from applying current taxes and the consolidated tax expense

Breakdown	Rate %	01.01.2021 to 31.12.2021 Ch\$'000	Rate %	01.01.2020 to 31.12.2020 Ch\$'000
Profit for the year before tax		39,628,989		32,875,217
Tax expense using the legal rate	27%	(10,436,631)	27%	(8,876,309)
Permanent differences		-		-
Net price-level restatement	(18%)	6,966,123	(7%)	2,707,025
Others	(2%)	958,243	(2%)	805,007
Income tax expense	7%	(2,512,265)	18%	(5,364,277)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2021 and 2020



Note 16. Income tax, deferred tax and current taxes, continued

e) Deferred tax variation

31.12.2021

Breakdown	Deferred tax variation Ch\$'000	Variation explanation		
		Profit or loss for the year Ch\$'000	Deferred taxes in equity Ch\$'000	(*) 31.12.2021
Deferred tax assets				
Financial write-offs	1,647,022	1,647,022	-	-
Leased assets	(349,033)	(349,033)	-	-
Allowance for doubtful accounts	586,885	586,885	-	-
Tax loss	430,259	2,459,209	(1,962,737)	(66,213)
Provision for holidays	103,926	108,394	-	(4,468)
Provision for severance indemnity payments	38,258	38,258	-	-
Right-of-use	13,151	13,286	-	(135)
Provision for severance indemnity payments (equity)	(18,444)	-	(18,444)	-
Deferred revenue	(286,475)	(286,475)	-	-
Other events	815,452	815,452	-	-
Fixed assets/software	1,351,025	1,351,479	-	(454)
Comprehensive income	191,739	-	191,739	-
Prepaid fees	(1,498,845)	(1,498,845)	-	-
Deferred expenses	(575,072)	(575,072)	-	-
Provisions	679,995	690,331	-	(10,336)
Total deferred tax assets	3,129,843	5,000,891	(1,789,442)	(81,606)

(*) Variation explained by the income related to the former subsidiary TAM AGF, whose investment was fully transferred on 30 December 2021.

31.12.2020

Breakdown	Deferred tax variation Ch\$'000	Variation explanation		
		Profit or loss for the year Ch\$'000	Deferred taxes in equity Ch\$'000	(*) 31.12.2020 Ch\$'000
Deferred tax assets				
Financial write-offs	(18,857,888)	(18,847,231)	-	(10,657)
Leased assets	(2,008,305)	(2,008,305)	-	-
Allowance for doubtful accounts	(1,542,815)	(1,578,554)	-	35,739
Tax loss	22,775,541	20,350,378	2,454,873	(29,710)
Adjustment for IFRS 9/provision for bad debts (equity)	-	-	-	-
Provision for holidays	24,034	21,756	-	2,278
Provision for severance indemnity payments	(5,571)	(5,571)	-	-
Right-of-use	16,865	16,865	-	-
Provision for severance indemnity payments (equity)	7,534	-	7,534	-
Deferred revenue	538,684	538,684	-	-
Other events	126,480	126,480	-	-
Fixed assets/software	38,079	37,833	-	246
Comprehensive income	37,077	123,640	(98,813)	12,250
Prepaid fees	1,827,001	1,827,001	-	-
Deferred expenses	(1,846,028)	(1,846,077)	-	49
Provisions	121,668	107,170	-	14,498
Total deferred tax assets	1,252,356	(1,135,931)	2,363,594	24,693

(*) Variation explained by the income related to the former subsidiaries Tanner Corredores de Bolsa de Productos S.A. and Chita SpA, both sold in 2020.

Note 17. Intangible assets other than goodwill

The breakdown of the balances and changes of intangible assets for the years ended 31 December 2021 and 2020 is shown below:

2021

Breakdown	Software Ch\$'000	Trademarks (*) Ch\$'000	Total Ch\$'000
Balance at 01.01.2021	11,597,207	51,400	11,648,607
Additions	1,069,247	-	1,069,247
Withdrawals/disposals/reclassifications	(814,640)	-	(814,640)
Balance at 31.12.2021	11,851,814	51,400	11,903,214

Amortisation	Software Ch\$'000	Trademarks (*) Ch\$'000	Total Ch\$'000
Balance at 01.01.2021	(5,011,283)	-	(5,011,283)
Amortisation for the year	(1,952,744)	-	(1,952,744)
Disposals	274,241	-	274,241
Balance at 31.12.2021	(6,689,786)	-	(6,689,786)
Net Total	5,162,028	51,400	5,213,428

(*) Trademarks are from the acquisition of the subsidiary Tanner Investments SpA in December 2011.

2020

Breakdown	Software Ch\$'000	Trademarks (*) Ch\$'000	Total 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 Ch\$'000	Trademarks (*) Ch\$'000	Total 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.

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.

At 31 December 2021, 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\$1,069,247 (ThCh\$1,669,373 in 2020).

At 31 December 2021 and 2020, management did not witness 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 2021 and 2020 is shown below:

Taxpayer ID No.	Cash-generating unit	Goodwill	
		31.12.2021 Ch\$'000	31.12.2020 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
	Total	1,639,828	1,639,828

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%.

At 31 December 2021 and 2020, management assessed the presence of potential signs of impairment and concluded that there were no indications of impairment of goodwill for these investments.

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At 31 December 2021 and 2020

**Note 19. Other current financial liabilities**

The breakdown of other current financial liabilities at their carrying amount was as follows:

Other current financial liabilities	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Obligations with banks and financial institutions	232,263,941	133,327,432
Obligations with the public (promissory notes)	187,021,300	170,540,687
Obligations with the public (bonds payable)	223,120,777	150,847,371
Other financial liabilities	108,515,156	61,673,468
Total	750,921,174	516,388,958

Other current financial liabilities at undiscounted contractual cash flows were as follows:

Other current financial liabilities	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Obligations with banks and financial institutions	237,394,041	139,097,793
Obligations with the public (promissory notes)	188,085,717	173,580,268
Obligations with the public (bonds payable)	268,822,047	157,867,930
Other financial liabilities	108,697,636	61,881,326
Total	802,999,441	532,427,317

Note 19. Other current financial liabilities, continued

a) Current obligations with banks and financial institutions

The balances at carrying amounts at 31 December 2021 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				Total Nominal Amounts
									31.12.2021				
									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	217110109	BID Invest	Multilateral	Quarterly	USD	15/04/2022	39,248	16,893,800	-	16,933,048	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/10/2023	1,289,793	1,267,035	2,534,070	5,090,898	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/10/2023	1,015,324	1,022,519	2,045,039	4,082,882	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/10/2023	443,093	222,287	222,287	887,667	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.362.099-9	Banco BTG Pactual	Chile	Single	CLP	24/06/2022	7,578	10,000,000	-	10,007,578	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	DEG	Germany	Half yearly	USD	16/09/2024	3,409,884	-	3,237,978	6,647,862	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	60.706.000-2	CORFO	Chile	Single	CLP	21/10/2022	103,810	-	22,966,820	23,070,630	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/01/2026	1,955,034	1,788,755	3,577,511	7,321,300	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	16/01/2024	4,971,893	4,767,329	9,534,658	19,273,880	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	16/01/2024	1,866,296	-	-	1,866,296	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BLADEX	USA	Single	USD	17/06/2022	-	8,501,000	-	8,501,000	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.362.099-9	Banco BTG Pactual	Chile	Single	CLP	24/03/2022	5,003,456	-	-	5,003,456	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	Single	CLP	24/02/2022	6,002,970	-	-	6,002,970	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Huntington National Bank	USA	Single	USD	23/06/2022	-	8,529,400	-	8,529,400	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	Single	CLP	31/01/2022	5,048,190	-	-	5,048,190	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.080.000-K	Banco BICE	Chile	Single	CLP	19/01/2022	3,044,137	-	-	3,044,137	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.080.000-K	Banco BICE	Chile	Single	CLP	20/03/2022	4,061,543	-	-	4,061,543	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	SUMITOMO	USA	Single	USD	22/03/2022	8,048,035	-	-	8,048,035	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Banco de Crédito del Perú	Peru	Single	USD	23/03/2022	4,165,704	-	-	4,165,704	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BLADEX	USA	Single	USD	20/09/2023	94,175	-	-	94,175	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Single	USD	15/10/2023	59,690	-	-	59,690	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Banco Bac Florida	USA	Single	USD	12/04/2022	171,500	5,741,330	-	5,912,830	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	SUMITOMO	USA	Single	USD	25/04/2022	-	24,883,445	-	24,883,445	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	SUMITOMO	USA	Single	USD	25/01/2022	16,922,743	-	-	16,922,743	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Banco Bac Florida	USA	Single	USD	22/09/2022	-	-	3,104,127	3,104,127	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BLADEX	USA	Single	USD	14/02/2022	12,688,643	-	-	12,688,643	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Banco de Crédito del Perú	Peru	Single	USD	28/02/2022	10,723,759	-	-	10,723,759	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Banco Bac Florida	USA	Single	USD	22/09/2022	-	5,286,393	-	5,286,393	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	Single	CLP	24/02/2022	5,001,660	-	-	5,001,660	
Totales									96,138,158	88,903,293	47,222,490	232,263,941	

Note: the table below shows the average annual interest rate.

Current borrowing rates 31.12.2021			
Creditor	Currency	Nominal annual rate	Effective annual rate
Domestic	CLP	4.74%	4.74%
International	USD	1.11%	1.36%

Note 19. Other current financial liabilities, continued

The balances at undiscounted cash flows at 31 December 2021 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			Total Nominal Amounts
									31.12.2021			
									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	217110109	BID Invest	Multilateral	Quarterly	USD	15/04/2022	129,537	16,957,152		17,086,689
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/10/2023	1,349,544	1,302,512	2,590,721	5,242,777
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/10/2023	1,089,105	1,051,150	2,090,757	4,231,012
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/10/2023	236,762	228,511	454,512	919,785
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.362.099-9	Banco BTG Pactual	Chile	Single	CLP	24/06/2022	92,828	10,087,144		10,179,972
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	DEG	Germany	Half yearly	USD	16/09/2024	3,713,451		3,477,949	7,191,400
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	60.706.000-2	CORFO	Chile	Single	CLP	21/10/2022	227,805	129,763	23,239,321	23,596,889
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/01/2026	2,157,554	1,954,752	3,897,221	8,009,527
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	16/01/2024	5,256,814	4,974,731	9,892,555	20,124,100
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	16/01/2024	517,403	489,639	973,677	1,980,719
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BLADEX	USA	Single	USD	17/06/2022		8,602,155		8,602,155
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	76.362.099-9	Banco BTG Pactual	Chile	Single	CLP	24/03/2022	5,042,331			5,042,331
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	Single	CLP	24/02/2022	6,059,400			6,059,400
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Huntington National Bank	USA	Single	USD	23/06/2022		8,678,908		8,678,908
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	Single	CLP	31/01/2022	5,108,230			5,108,230
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.080.000-K	Banco BICE	Chile	Single	CLP	19/01/2022	3,096,140			3,096,140
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.080.000-K	Banco BICE	Chile	Single	CLP	20/03/2022	4,170,613			4,170,613
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	SUMITOMO	USA	Single	USD	22/03/2022	8,090,300			8,090,300
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Banco de Crédito del Perú	Peru	Single	USD	23/03/2022	4,270,025			4,270,025
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BLADEX	USA	Single	USD	20/09/2023	276,449		169,877	446,326
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	USA	Single	USD	15/10/2023	118,094	58,600	119,154	295,848
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Banco Bac Florida	USA	Single	USD	12/04/2022	18,686	5,914,604		5,933,290
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	SUMITOMO	USA	Single	USD	25/04/2022		25,017,292		25,017,292
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	SUMITOMO	USA	Single	USD	25/01/2022	16,962,211			16,962,211
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Banco Bac Florida	USA	Single	USD	22/09/2022	17,678		3,130,872	3,148,550
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BLADEX	USA	Single	USD	14/02/2022	12,725,228			12,725,228
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Banco de Crédito del Perú	Peru	Single	USD	28/02/2022	10,774,521			10,774,521
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Banco Bac Florida	USA	Single	USD	22/09/2022		27,694	5,333,432	5,361,126
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.030.000-7	Banco Estado	Chile	Single	CLP	24/02/2022	5,048,677			5,048,677
Total									96,549,386	85,474,607	55,370,048	237,394,041

Note 19. Other current financial liabilities, continued

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			Total carrying amounts
									31.12.2020			
									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	Foreign	Sumitomo	USA	Single	USD	21/01/2021	10,691,397	-	-	10,691,397
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.004.000-5	Banco de Chile	Chile	Single	CLP	27/01/2021	4,035,933	-	-	4,035,933
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	USA	Single	USD	22/03/2021	7,112,928	-	-	7,112,928
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	USA	Single	USD	29/03/2021	7,147,504	-	-	7,147,504
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Banco Bac Florida	USA	Single	USD	29/03/2021	3,555,177	-	-	3,555,177
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/04/2021	-	14,254,025	-	14,254,025
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	CLP	23/04/2021	-	5,023,144	-	5,023,144
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	CLP	23/04/2021	-	5,023,144	-	5,023,144
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	CLP	23/04/2021	-	3,013,887	-	3,013,887
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	IFC	USA	Half yearly	USD	17/05/2021	-	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	CLP	24/06/2021	8,333	10,000,000	-	10,008,333
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	USA	Single	USD	27/09/2021	-	-	3,577,701	3,577,701
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	USA	Single	USD	01/10/2021	-	-	3,576,473	3,576,473
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	60.706.000-2	CORFO	Chile	Single	CLP	15/11/2021	89,975	-	28,664,660	28,754,635
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	DEG	Germany	Half yearly	USD	15/12/2021	-	4,751,076	4,739,667	9,490,743
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Cargill	USA	Single	USD	14/07/2023	-	-	350,121	350,121
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/10/2023	1,117,356	1,066,425	2,132,850	4,316,631
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/10/2023	901,726	860,624	1,721,247	3,483,597
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/10/2023	196,027	187,092	374,184	757,303
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	16/01/2024	50,518	-	-	50,518
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	DEG	Germany	Half yearly	USD	16/09/2024	133,878	-	-	133,878
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/01/2026	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	CLP	2.38%	2.38%	
Domestic	UF	2.00%	2.00%	
International	USD	2.02%	2.35%	

Note 19. Other current financial liabilities, continued

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			Total Nominal Amounts
									31.12.2020			
									0 - 3 months	3 - 6 months	6 - 12 months	Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Sumitomo	USA	Single	USD	21/01/2021	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	CLP	27/01/2021	4,042,000	-	-	4,042,000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	USA	Single	USD	22/03/2021	7,140,351	-	-	7,140,351
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	USA	Single	USD	29/03/2021	7,965,744	-	-	7,965,744
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Banco Bac Florida	USA	Single	USD	29/03/2021	3,559,158	-	-	3,559,158
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/04/2021	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	CLP	23/04/2021	-	5,049,595	-	5,049,595
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	CLP	23/04/2021	-	5,049,595	-	5,049,595
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	97.006.000-6	BCI	Chile	Single	CLP	23/04/2021	-	3,029,757	-	3,029,757
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	IFC	USA	Half yearly	USD	17/05/2021	-	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	CLP	24/06/2021	93,750	10,095,833	-	10,189,583
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	USA	Single	USD	27/09/2021	-	-	4,036,032	4,036,032
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Bladex	USA	Single	USD	01/10/2021	-	-	4,035,522	4,035,522
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	60.706.000-2	CORFO	Chile	Single	CLP	15/11/2021	170,953	160,156	28,830,214	29,161,323
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	DEG	Germany	Half yearly	USD	15/12/2021	-	4,960,995	4,850,939	9,811,934
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Cargill	USA	Single	USD	14/07/2023	-	-	796,353	796,353
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/10/2023	1,194,080	1,180,898	2,333,814	4,708,792
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/10/2023	951,183	941,832	1,863,812	3,756,827
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/10/2023	206,779	204,746	405,177	816,702
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	16/01/2024	86,602	203,154	413,080	702,836
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	DEG	Germany	Half yearly	USD	16/09/2024	238,966	-	264,878	503,844
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	217110109	BID Invest	Multilateral	Quarterly	USD	15/01/2026	65,211	153,565	312,249	531,025
Total									36.490.924	54.464.799	48.142.070	139.097.793

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2021 and 2020



Note 19. Other current financial liabilities, continued

b) Current obligations with the public (promissory notes)

The balances at carrying amounts and undiscounted cash flows at 31 December 2021 and 2020 were as follows:

2021

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			
								31.12.2021			Total Ch\$'000	31.12.2021			Total Ch\$'000
								0 - 3 months Ch\$'000	3 - 6 months Ch\$'000	6 - 12 months Ch\$'000		0 - 3 months Ch\$'000	3 - 6 months Ch\$'000	6 - 12 months Ch\$'000	
Chile	Line 107	CLP	Single	4.32%	4.32%	5,000,000	04/01/2022	4,998,211	-	-	4,998,211	5,000,000	-	-	5,000,000
Chile	Line 107	CLP	Single	1.08%	1.08%	7,000,000	11/01/2022	6,981,919	-	-	6,981,919	7,000,000	-	-	7,000,000
Chile	Line 126	CLP	Single	3.50%	3.50%	10,000,000	11/01/2022	8,548,070	-	-	8,548,070	8,664,471	-	-	8,664,471
Chile	Line 117	USD	Single	1.18%	1.18%	4,223,450	13/01/2022	4,221,791	-	-	4,221,791	4,223,450	-	-	4,223,450
Chile	Line 107	CLP	Single	4.44%	4.44%	8,000,000	18/01/2022	7,983,364	-	-	7,983,364	8,000,000	-	-	8,000,000
Chile	Line 126	CLP	Single	1.08%	1.08%	8,000,000	18/01/2022	7,995,951	-	-	7,995,951	8,000,000	-	-	8,000,000
Chile	Line 117	USD	Single	1.00%	1.00%	12,670,350	20/01/2022	12,663,676	-	-	12,663,676	12,670,350	-	-	12,670,350
Chile	Line 107	CLP	Single	4.07%	4.07%	10,000,000	25/01/2022	9,973,101	-	-	9,973,101	10,000,000	-	-	10,000,000
Chile	Line 126	CLP	Single	4.68%	4.68%	10,000,000	25/01/2022	9,470,497	-	-	9,470,497	9,500,196	-	-	9,500,196
Chile	Line 126	CLP	Single	1.32%	1.32%	10,000,000	01/02/2022	9,988,730	-	-	9,988,730	10,000,000	-	-	10,000,000
Chile	Line 117	USD	Single	1.00%	1.00%	8,446,900	03/02/2022	8,439,168	-	-	8,439,168	8,446,900	-	-	8,446,900
Chile	Line 107	CLP	Single	3.60%	3.60%	5,000,000	08/02/2022	4,981,273	-	-	4,981,273	5,000,000	-	-	5,000,000
Chile	Line 144	CLP	Single	5.18%	5.18%	9,910,000	08/02/2022	9,856,235	-	-	9,856,235	9,910,000	-	-	9,910,000
Chile	Line 117	USD	Single	1.08%	1.08%	12,670,350	10/02/2022	12,655,126	-	-	12,655,126	12,670,350	-	-	12,670,350
Chile	Line 107	CLP	Single	5.04%	5.04%	5,000,000	15/02/2022	4,968,776	-	-	4,968,776	5,000,000	-	-	5,000,000
Chile	Line 144	CLP	Single	5.04%	5.04%	10,000,000	15/02/2022	9,937,551	-	-	9,937,551	10,000,000	-	-	10,000,000
Chile	Line 107	CLP	Single	5.64%	5.64%	10,000,000	22/02/2022	9,919,317	-	-	9,919,317	10,000,000	-	-	10,000,000
Chile	Line 126	CLP	Single	5.67%	5.67%	10,000,000	01/03/2022	9,908,257	-	-	9,908,257	10,000,000	-	-	10,000,000
Chile	Line 126	CLP	Single	5.67%	5.67%	7,000,000	08/03/2022	6,928,244	-	-	6,928,244	7,000,000	-	-	7,000,000
Chile	Line 144	CLP	Single	5.88%	5.88%	10,000,000	15/03/2022	9,882,229	-	-	9,882,229	10,000,000	-	-	10,000,000
Chile	Line 144	CLP	Single	6.24%	6.24%	5,000,000	05/04/2022	-	4,919,894	-	4,919,894	-	5,000,000	-	5,000,000
Chile	Line 126	CLP	Single	5.88%	5.88%	7,000,000	12/04/2022	-	6,887,554	-	6,887,554	-	7,000,000	-	7,000,000
Chile	Line 126	CLP	Single	6.00%	6.00%	5,000,000	19/04/2022	-	4,912,366	-	4,912,366	-	5,000,000	-	5,000,000
Total								170,301,486	16,719,814	-	187,021,300	171,085,717	17,000,000	-	188,085,717

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 Ch\$'000	3 - 6 months Ch\$'000	6 - 12 months Ch\$'000		0 - 3 months Ch\$'000	3 - 6 months Ch\$'000	6 - 12 months Ch\$'000	
Chile	Line 107	CLP	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	USD	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	CLP	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	USD	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	CLP	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	USD	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	CLP	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	CLP	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	CLP	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	USD	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	CLP	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	USD	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	CLP	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	CLP	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	CLP	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	USD	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	CLP	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	CLP	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	CLP	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	CLP	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	CLP	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	CLP	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

Note 19. Other current financial liabilities, continued

c) Current obligations with the public (bonds payable)

The balances at carrying amounts and undiscounted cash flows at 31 December 2021 and 2020 were as follows:

2021

Country	Registry No.	Series	Nominal amount	Currency	Amortisation	Effective annual rate	Nominal annual rate	Final term	Carrying amounts 31.12.2021				Undiscounted cash flows 31.12.2021			
									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
Chile	888	AC series	801,000	UF	On maturity	2.14%	2.15%	05/04/2022	-	22,782,058	-	22,782,058	-	63,028,518	-	63,028,518
Chile	888	AD series	1,269,500	UF	On maturity	2.05%	2.00%	15/08/2023	-	-	-	-	-	-	-	-
Chile	817	W series	990,000	UF	Half yearly with a ten-year grace period	3.95%	3.80%	01/08/2036	578,019	-	-	578,019	1,161,376	-	-	1,161,376
Chile	888	AB series	1,940,000	UF	On maturity	3.36%	3.75%	15/02/2038	190,186	-	-	190,186	1,794,731	-	-	1,794,731
Chile	888	AE series	1,915,000	UF	On maturity	0.98%	1.10%	15/06/2024	-	27,076	-	27,076	-	339,979	-	339,979
Chile	888	AG series	1,206,000	UF	On maturity	0.05%	0.05%	15/09/2024	-	-	-	-	-	-	-	-
Chile	1,045	AH series	1,080,000	UF	On maturity	1.71%	0.05%	15/05/2024	-	103,706	-	103,706	-	208,950	-	208,950
Switzerland	-	-	200,000,000	CHF	On maturity	0.59%	0.60%	07/11/2022	-	-	184,672,280	184,672,280	-	-	186,586,043	186,586,043
Switzerland	-	-	12,000,000	CHF	On maturity	1.23%	1.00%	16/08/2023	-	-	50,747	50,747	-	-	161,586	161,586
Switzerland	-	-	125,000,000	CHF	On maturity	1.59%	1.17%	26/04/2024	-	325,440	-	325,440	-	1,000,867	-	1,000,867
France	-	-	15,000,000	EUR	On maturity	1.02%	0.95%	13/07/2022	-	-	14,391,265	14,391,265	-	-	14,539,997	14,539,997
Total									768,205	23,238,280	199,114,292	223,120,777	2,956,107	64,578,314	201,287,626	268,822,047

2020

Country	Registry No.	Series	Nominal amount	Currency	Amortisation	Effective annual rate	Nominal annual rate	Final term	Carrying amounts 31.12.2020				Undiscounted cash flows 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
Chile	656	I series	133,333	UF	Half yearly with a four-year grace period	3.67%	3.80%	01/04/2021	-	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%	05/07/2021	-	-	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%	05/04/2022	-	294,197	-	294,197	-	621,688	-	1,243,376
Chile	888	AD series	2,000,000	UF	On maturity	2.05%	2.00%	15/08/2023	220,182	-	-	220,182	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%	01/08/2036	523,168	-	-	523,168	547,186	-	-	1,094,372
Chile	888	AB series	2,000,000	UF	On maturity	3.36%	3.75%	15/02/2038	583,807	-	-	583,807	1,080,079	-	-	2,160,158
Chile	888	AE series	2,000,000	UF	On maturity	0.98%	1.10%	15/06/2024	-	25,425	-	25,425	-	318,871	-	637,742
Switzerland	-	-	125,000,000	CHF	On maturity	1.00%	1.01%	03/12/2021	-	-	100,537,351	100,537,351	-	-	101,647,587	101,647,587
Switzerland	-	-	200,000,000	CHF	On maturity	0.59%	0.60%	07/11/2022	-	-	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

d) Other financial liabilities

The breakdown of other current financial liabilities at carrying amounts is shown below:

Other financial liabilities	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Liabilities for repos	92,003,185	23,493,562
Liabilities for local repos	7,792,630	16,254,427
Liabilities for forwards	7,559,424	20,824,331
Current finance lease liabilities	1,159,917	1,101,148
Total	108,515,156	61,673,468

The breakdown of other current financial liabilities at undiscounted contractual cash flows was as follows:

Other financial liabilities	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Liabilities for repos	92,003,185	23,493,562
Liabilities for local repos	7,796,276	16,258,843
Liabilities for forwards	7,559,424	20,824,331
Current finance lease liabilities	1,338,751	1,304,590
Total	108,697,636	61,881,326

Note 19. Other current financial liabilities, continued

i) The breakdown of liabilities for forwards is shown below:

i. At carrying amount

Debtor taxpayer ID No.	Debtor company	Debtor company country	31.12.2021				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	2,982,640	-	-	2,982,640	20,021,915	-	-	20,021,915
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	4,576,784	-	-	4,576,784	802,416	-	-	802,416
Total			7,559,424	-	-	7,559,424	20,824,331	-	-	20,824,331

ii. At undiscounted contractual cash flows

Debtor taxpayer ID No.	Debtor company	Debtor company country	31.12.2021				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	2,982,640	-	-	2,982,640	20,021,915	-	-	20,021,915
80.962.600-8	Tanner Corredora de Bolsa S.A.	Chile	4,576,784	-	-	4,576,784	802,416	-	-	802,416
Total			7,559,424	-	-	7,559,424	20,824,331	-	-	20,824,331

ii) 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	31.12.2021				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
80.962.600-8	Tanner Corredores de Bolsa S.A.	Chile	92,003,185	-	-	92,003,185	23,493,562	-	-	23,493,562
Total			92,003,185	-	-	92,003,185	23,493,562	-	-	23,493,562

ii. At undiscounted contractual cash flows

Debtor taxpayer ID No.	Debtor company	Debtor company country	31.12.2021				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
80.962.600-8	Tanner Corredores de Bolsa S.A.	Chile	92,003,185	-	-	92,003,185	23,493,562	-	-	23,493,562
Total			92,003,185	-	-	92,003,185	23,493,562	-	-	23,493,562

iii) The breakdown of liabilities for repurchase agreements was as follows:

2021

The breakdown of balances at carrying amounts and undiscounted cash flows at 31 December 2021 is shown below:

Debtor taxpayer ID No.	Debtor company	Debtor company country	Creditor taxpayer ID No.	Creditor	Creditor country	Type of amortisation	Currency	Maturity date	Carrying amount at 31.12.2021			Total Ch\$'000	Undiscounted cash flows at 31.12.2021			Total Ch\$'000
									0 - 3 months Ch\$'000	3 - 6 months Ch\$'000	6 - 12 Ch\$'000		0 - 3 months Ch\$'000	3 - 6 months Ch\$'000	6 - 12 Ch\$'000	
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	26/01/2022	1,115,236	-	-	1,115,236	1,115,758	-	-	1,115,758
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	26/01/2022	39,210	-	-	39,210	39,228	-	-	39,228
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	26/01/2022	187,154	-	-	187,154	187,242	-	-	187,242
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	26/01/2022	394,791	-	-	394,791	394,976	-	-	394,976
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	26/01/2022	160,535	-	-	160,535	160,611	-	-	160,611
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	26/01/2022	1,146,495	-	-	1,146,495	1,147,031	-	-	1,147,031
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	26/01/2022	1,106,601	-	-	1,106,601	1,107,119	-	-	1,107,119
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	26/01/2022	455,724	-	-	455,724	455,936	-	-	455,936
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	26/01/2022	553,740	-	-	553,740	553,999	-	-	553,999
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	26/01/2022	587,959	-	-	587,959	588,234	-	-	588,234
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	26/01/2022	576,129	-	-	576,129	576,399	-	-	576,399
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	26/01/2022	1,469,056	-	-	1,469,056	1,469,743	-	-	1,469,743
Total									7,792,630	-	-	7,792,630	7,796,276	-	-	7,796,276

Note 19. Other current financial liabilities, continued

Note: the table below shows the average annual interest rate.

Repurchase agreement rates			
31.12.2021			
Creditor	Currency	Nominal annual rate	Effective annual rate
Foreign	USD	0.60%	0.60%

2020

The breakdown of balances at carrying amounts and undiscounted cash flows at 31 December 2020 is shown below:

Debtor taxpayer ID No.	Debtor company	Debtor company country	Creditor taxpayer ID No.	Creditor	Creditor country	Type of amortisation	Currency	Maturity date	Carrying amount at 31.12.2020			Total Ch\$'000	Undiscounted cash flows at 31.12.2020				Total Ch\$'000
									0 - 3 months Ch\$'000	3 - 6 months Ch\$'000	6 - 12 months Ch\$'000		0 - 3 months Ch\$'000	3 - 6 months Ch\$'000	6 - 12 months Ch\$'000		
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	835,622	-	-	835,622	835,849	-	-	-	835,849
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	242,322	-	-	242,322	242,388	-	-	-	242,388
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	1,499,608	-	-	1,499,608	871,736	-	-	-	871,736
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	1,467,861	-	-	1,467,861	1,500,015	-	-	-	1,500,015
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	290,756	-	-	290,756	1,468,260	-	-	-	1,468,260
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	577,928	-	-	577,928	290,835	-	-	-	290,835
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	1,400,729	-	-	1,400,729	578,085	-	-	-	578,085
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	1,709,887	-	-	1,709,887	1,401,110	-	-	-	1,401,110
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	1,179,978	-	-	1,179,978	1,710,352	-	-	-	1,710,352
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	872,268	-	-	872,268	1,180,299	-	-	-	1,180,299
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	599,857	-	-	599,857	872,505	-	-	-	872,505
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	1,220,373	-	-	1,220,373	600,020	-	-	-	600,020
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	1,165,982	-	-	1,165,982	1,220,704	-	-	-	1,220,704
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	967,775	-	-	967,775	1,166,299	-	-	-	1,166,299
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	733,726	-	-	733,726	968,038	-	-	-	968,038
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	871,500	-	-	871,500	733,925	-	-	-	733,925
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	132,765	-	-	132,765	132,801	-	-	-	132,801
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	139,250	-	-	139,250	139,288	-	-	-	139,288
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	312,230	-	-	312,230	312,314	-	-	-	312,314
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	Credit Suisse	USA	Single	USD	14/01/2021	34,010	-	-	34,010	34,020	-	-	-	34,020
Total									16,254,427	-	-	16,254,427	16,258,843	-	-	-	16,258,843

Note 19. Other current financial liabilities, continued

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	USD	1.12%	1.12%

iv) The breakdown of finance lease liabilities was as follows:

2021

The balances at carrying amount and undiscounted cash flows at 31 December 2021 were as follows:

Debtor taxpayer ID No.	Debtor company	Debtor company country	Carrying amount at 31.12.2021				Undiscounted cash flows at 31.12.2021			
			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	230,618	232,352	469,958	932,928	275,260	275,260	550,519	1,101,039
80.962.600-8	Tanner Corredores de Bolsa S.A.	Chile	56,111	56,533	114,345	226,989	59,428	59,428	118,856	237,712
Total			286,729	288,885	584,303	1,159,917	334,688	334,688	669,375	1,338,751

At 31 December 2021, there were other disclosures related to finance lease liabilities and their effect on these consolidated financial statements:

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.	1,005,703	193,681	82,944	55,296	-	1,088,529
80.962.600-8	Tanner Corredores de Bolsa S.A.	161,965	16,710	-	-	-	211,061
Total		1,167,668	210,391	82,944	55,296	-	1,299,590

(*) For further details about the depreciation charge concerning the right-of-use related to these liabilities, see Note 14 - Property, plant and equipment.

2020

The balances at carrying amount and undiscounted cash flows at 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

At 31 December 2020, there were other disclosures related to finance lease liabilities and their effect on these consolidated financial statements:

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 liabilities, see Note 14 - Property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2021 and 2020



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	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Obligations with banks and financial institutions	143,114,533	129,894,173
Obligations with the public (bonds payable)	390,362,861	367,718,288
Swap derivative instruments	1,897,317	6,400,794
Other financial liabilities	5,329,926	6,182,180
Total	540,704,637	510,195,435

ii) At undiscounted cash flows

Other non-current financial liabilities	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Obligations with banks and financial institutions	148,575,931	136,257,291
Obligations with the public (bonds payable)	499,374,005	382,029,786
Swap derivative instruments	1,897,317	6,400,794
Other financial liabilities	5,763,470	6,759,577
Total	655,610,723	531,447,448

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 amounts at 31 December 2021 and 2020 was as follows:

Debtor taxpayer ID No.	Debtor company	Debtor company country	Creditor taxpayer ID No.	Creditor	Creditor country	Type of amortisation	Currency	Maturity date	Carrying amounts							
									31.12.2021				31.12.2020			
									1 - 3 years Ch\$'000	3 - 5 years Ch\$'000	Over 5 years Ch\$'000	Total Ch\$'000	1 - 3 years Ch\$'000	3 - 5 years Ch\$'000	Over 5 years Ch\$'000	Total Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	CARGILL	USA	Single	USD	14/07/2023	41,966,437	-	-	41,966,437	35,547,570	-	-	35,547,570
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BID Invest	Multilateral	Quarterly	USD	16/01/2024	23,529,116	-	-	23,529,116	32,100,132	-	-	32,100,132
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BID Invest	Multilateral	Quarterly	USD	15/01/2026	14,810,042	8,716,320	-	23,526,362	12,044,329	-	-	12,044,329
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	DEG	Germany	Quarterly	USD	16/09/2024	12,810,004	-	-	12,810,004	10,901,233	-	-	10,901,233
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BID Invest	Multilateral	Quarterly	USD	15/10/2023	5,052,939	-	-	5,052,939	8,531,400	-	-	8,531,400
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BID Invest	Multilateral	Quarterly	USD	15/10/2023	4,052,048	-	-	4,052,048	6,884,989	-	-	6,884,989
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BID Invest	Multilateral	Quarterly	USD	16/01/2024	2,346,549	-	-	2,346,549	1,496,737	-	-	1,496,737
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BID Invest	Multilateral	Quarterly	USD	15/10/2023	880,961	-	-	880,961	-	-	-	-
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BLADEX	USA	Single	USD	20/09/2023	16,893,800	-	-	16,893,800	-	-	-	-
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BID Invest	Multilateral	Single	USD	15/10/2023	12,556,317	-	-	12,556,317	-	-	-	-
Total									134,398,213	8,716,320	-	143,114,533	107,506,390	21,088,598	1,299,185	129,894,173

ii) The breakdown of these at undiscounted cash flows at 31 December 2021 and 2020 was as follows:

Debtor taxpayer ID No.	Debtor company	Debtor company country	Creditor taxpayer ID No.	Creditor	Creditor country	Type of amortisation	Currency	Maturity date	Nominal amounts							
									31.12.2021				31.12.2020			
									1 - 3 years Ch\$'000	3 - 5 years Ch\$'000	Over 5 years Ch\$'000	Total Ch\$'000	1 - 3 years Ch\$'000	3 - 5 years Ch\$'000	Over 5 years Ch\$'000	Total Ch\$'000
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	CARGILL	USA	Single	USD	14/07/2023	43,982,550	-	-	43,982,550	37,218,010	-	-	37,218,010
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BID Invest	Multilateral	Quarterly	USD	16/01/2024	24,248,367	-	-	24,248,367	33,110,197	-	-	33,110,197
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BID Invest	Multilateral	Quarterly	USD	15/01/2026	15,135,732	9,107,030	-	24,242,762	13,035,477	-	-	13,035,477
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	DEG	Germany	Half yearly	USD	16/09/2024	13,427,680	-	-	13,427,680	11,688,669	-	-	11,688,669
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BID Invest	Multilateral	Quarterly	USD	15/10/2023	5,119,497	-	-	5,119,497	8,911,127	-	-	8,911,127
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BID Invest	Multilateral	Quarterly	USD	15/10/2023	4,131,524	-	-	4,131,524	7,154,862	-	-	7,154,862
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BID Invest	Multilateral	Quarterly	USD	16/01/2024	2,386,650	-	-	2,386,650	1,555,405	-	-	1,555,405
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BID Invest	Multilateral	Quarterly	USD	15/10/2023	898,157	-	-	898,157	-	-	-	-
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BLADEX	USA	Single	USD	20/09/2023	17,230,737	-	-	17,230,737	-	-	-	-
96.667.560-8	Tanner Servicios Financieros S.A.	Chile	Foreign	BID Invest	Multilateral	Single	USD	15/10/2023	12,908,007	-	-	12,908,007	-	-	-	-
Total									139,468,901	9,107,030	-	148,575,931	112,673,747	22,068,769	1,514,775	136,257,291

Note 20. Other non-current financial liabilities, continued

b) Non-current obligations with the public (bonds payable)

- i) The breakdown of obligations with the public at carrying amounts and undiscounted cash flows at 31 December 2021 was as follows:

Country	Registry number	Series	Nominal amount	Currency	Amortisation	Effective annual rate	Nominal annual rate	Final maturity	Carrying amounts 31.12.2021			
									1 - 3 years	3 - 5 years	Over 5 years	Total
									Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Chile	888	AD series	1,269,500	UF	On maturity	2.05%	2.00%	15/08/2023	40,915,198	-	-	40,915,198
Chile	817	W series	990,000	UF	Half yearly with a 10-year grace period	3.95%	3.80%	01/08/2036	-	2,526,240	26,312,200	28,838,440
Chile	888	AB series	1,940,000	UF	On maturity	3.36%	3.75%	15/02/2038	-	-	63,538,954	63,538,954
Chile	888	AE series	1,915,000	UF	On maturity	0.98%	1.10%	15/06/2024	61,848,006	-	-	61,848,006
Chile	889	AG series	1,206,000	UF	On maturity	0.05%	0.40%	15/09/2024	37,794,631	-	-	37,794,631
Chile	1,045	AH series	1,080,000	UF	On maturity	1.71%	0.05%	15/05/2024	32,129,074	-	-	32,129,074
Switzerland	-	-	125,000,000	CHF	On maturity	1.59%	1.17%	26/04/2024	114,264,957	-	-	114,264,957
Switzerland	-	-	12,000,000	CHF	On maturity	1.23%	1.00%	16/08/2023	11,033,601	-	-	11,033,601
Total									297,985,467	2,526,240	89,851,154	390,362,861

Country	Registry number	Series	Nominal amount	Currency	Amortisation	Effective annual rate	Nominal annual rate	Final maturity	Undiscounted cash flows 31.12.2021			
									1 - 3 years	3 - 5 years	Over 5 years	Total
									Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Chile	888	AD series	1,269,500	UF	On maturity	2.05%	2.00%	15/08/2023	63,216,951	-	-	63,216,951
Chile	817	W series	990,000	UF	Half yearly with a 10-year grace period	3.95%	3.80%	01/08/2036	2,333,430	5,124,335	33,742,685	41,200,450
Chile	888	AB series	1,940,000	UF	On maturity	3.36%	3.75%	15/02/2038	4,605,868	4,605,868	88,467,223	97,678,959
Chile	888	AE series	1,915,000	UF	On maturity	0.98%	1.10%	15/06/2024	63,003,418	-	-	63,003,418
Chile	889	AG series	1,206,000	UF	On maturity	0.05%	0.40%	15/09/2024	62,478,852	-	-	62,478,852
Chile	1,045	AH series	1,080,000	UF	On maturity	1.71%	0.05%	15/05/2024	42,464,500	-	-	42,464,500
Switzerland	-	-	125,000,000	CHF	On maturity	1.59%	1.17%	26/04/2024	118,136,114	-	-	118,136,114
Switzerland	-	-	12,000,000	CHF	On maturity	1.23%	1.00%	16/08/2023	11,194,761	-	-	11,194,761
Total									367,243,894	9,730,203	122,209,908	499,374,005

- ii) The breakdown of obligations with the public at carrying amounts and undiscounted cash flows at 31 December 2020 was as follows:

Country	Registry number	Series	Nominal amount	Currency	Amortisation	Effective annual rate	Nominal annual rate	Final maturity	Carrying amounts 31.12.2020			
									1 - 3 years	3 - 5 years	Over 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%	05/04/2022	32,819,018	-	-	32,819,018
Chile	888	AD series	2,000,000	UF	On maturity	2.05%	2.00%	15/08/2023	37,342,499	-	-	37,342,499
Chile	888	AE series	2,000,000	UF	On maturity	0.98%	1.10%	15/06/2024	-	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%	01/08/2036	-	-	26,190,331	26,190,331
Chile	888	AB series	2,000,000	UF	On maturity	3.36%	3.75%	15/02/2038	-	-	60,888,746	60,888,746
Switzerland	-	-	200,000,000	CHF	On maturity	0.59%	0.60%	07/11/2022	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	Currency	Amortisation	Effective annual rate	Nominal annual rate	Final maturity	Undiscounted cash flows 31.12.2020			
									1 - 3 years	3 - 5 years	Over 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%	05/04/2022	33,430,822	-	-	33,430,822
Chile	888	AD series	2,000,000	UF	On maturity	2.05%	2.00%	15/08/2023	37,777,983	-	-	37,777,983
Chile	888	AE series	2,000,000	UF	On maturity	0.98%	1.10%	15/06/2024	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%	01/08/2036	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%	15/02/2038	1,080,079	1,080,079	58,945,625	61,105,783
Switzerland	-	-	200,000,000	CHF	On maturity	0.59%	0.60%	07/11/2022	153,775,937	-	-	153,775,937
Total									228,572,438	61,728,356	91,728,992	382,029,786

Note 20. Other non-current financial liabilities, continued

c) Finance lease liabilities

2021

Debtor taxpayer ID No.	Debtor company	Carrying amount 31.12.2021				Undiscounted cash flows 31.12.2021			
		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.	1,839,367	1,819,039	1,437,629	5,096,035	2,091,059	1,962,685	1,472,014	5,525,758
80.962.600-8	Tanner Corredores de Bolsa S.A.	233,893	-	-	233,893	237,712	-	-	237,712
Total		2,073,260	1,819,039	1,437,629	5,329,928	2,328,771	1,962,685	1,472,014	5,763,470

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

d) Reconciliation of changes in liabilities and cash flows from financing activities

The reconciliation of financing activities at 31 December 2021 and 2020 is shown below:

2021

Changes from financing cash flows	Liabilities		Equity		Total at 31.12.2021 Ch\$'000
	Bank overdrafts Ch\$'000	Other borrowings and obligations Ch\$'000	Share capital Ch\$'000	Retained earnings Ch\$'000	
Opening balance at 01.01.2021	-	1,026,584,393	-	8,198,841	1,034,783,234
Changes from financing cash flows					
Charges from issuing borrowings and obligations	2,259,363	1,505,895,149	-	-	1,508,154,512
Repayment of borrowings	(2,259,363)	(1,351,320,682)	-	-	(1,353,580,045)
Payments of finance lease liabilities	-	(1,089,199)	-	-	(1,089,199)
Payments for other equity interests	-	-	-	-	-
Dividend paid	-	-	-	(8,198,841)	(8,198,841)
Proceeds from the issuance of other equity instruments	-	-	-	-	-
Interest paid	-	(31,289,981)	-	-	(31,289,981)
Total changes from financing cash flows	-	122,195,287	-	(8,198,841)	113,996,446
Other non-cash flow changes					
Accrual of interest	-	47,518,963	-	-	47,518,963
Exchange rate changes	-	51,855,162	-	-	51,855,162
Others	-	43,472,006	-	-	43,472,006
Total other changes	-	142,846,131	-	-	142,846,131
Balance at 31 December 2021	-	1,291,625,811	-	-	1,291,625,811

Note 20. Other non-current financial liabilities, continued

2020

Changes from financing cash flows	Liabilities		Equity		Total at 31.12.2020 Ch\$'000
	Bank overdrafts Ch\$'000	Other borrowings and obligations Ch\$'000	Share capital Ch\$'000	Retained earnings Ch\$'000	
Opening balance at 01.01.2020	-	1,169,515,448	-	9,615,819	1,169,131,267
Changes from financing cash flows					
Charges from issuing borrowings and obligations	13,412,945	943,751,457	-	-	957,164,402
Repayment of borrowings	(13,412,945)	(1,111,423,421)	-	-	(1,124,836,366)
Payments of finance lease liabilities	-	(1,079,909)	-	-	(1,079,909)
Payments for other equity interests	-	-	-	-	-
Dividend paid	-	-	-	(9,615,819)	(9,615,819)
Proceeds from the issuance of other equity instruments	-	-	-	-	-
Interest paid	-	(50,073,702)	-	-	(50,073,702)
Total changes from financing cash flows	-	(218,825,575)	-	(9,615,819)	(228,441,394)
Other non-cash flow changes					
Accrual of interest	-	2,067,244	-	-	2,067,244
Exchange rate changes	-	53,221,038	-	-	53,221,038
Others	-	30,606,238	-	-	30,606,238
Total other changes	-	85,894,520	-	-	85,894,520
Balance at 31 December 2020	-	1,026,584,393	-	-	1,026,584,393

Note 21. Trade and other payables, current

This item includes the following:

Breakdown	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Amounts payable for loan operations (1)	34,704,094	16,094,440
Collateral guarantees (2)	20,703,870	9,465,252
Payables to brokers and dealers TCB (3)	20,266,461	18,608,119
Sundry payables for auto financing (4)	15,538,867	9,395,475
Other notes payable (5)	11,879,890	3,792,019
Dividend payable	10,875,250	8,246,624
Sundry payables for international factoring operations (6)	8,263,579	10,902,047
Notes payable TCB (7)	7,044,137	9,925,320
Other accounts payable TCB (8)	2,741,283	17,692,333
Accounting overdrafts (9)	2,438,642	1,264,368
Sundry payables for domestic factoring operations (10)	2,043,201	3,921,548
Accounts payable (11)	1,862,326	1,895,308
Provision for holidays	1,735,103	1,349,900
Surpluses to be returned for notes (12)	1,098,386	426,780
Others (13)	1,072,766	2,037,880
Deferred liabilities	929,669	591,529
Taxes payable	863,842	464,400
Leasing suppliers	763,427	3,261
Sundry payables for leasing (14)	553,131	372,066
Total	145,377,924	116,448,669

- (1) These are loan and auto financing operations registered as pending payment.
(2) Collateral guarantees to be paid to counterparties for derivative hedging operations of Tanner Servicios Financieros S.A.
(3) These are mainly obligations due to prepayments for customer purchases and brokerage of variable-income and simultaneous operations.
(4) Liabilities arising from auto financing transactions undertaken by Tanner Servicios Financieros S.A.
(5) These are mainly related to suppliers and social security law deductions.
(6) Liabilities arising from international factoring operations undertaken by the Parent.
(7) These are balances payable to customers in USD related to the subsidiary Tanner Corredores de Bolsa S.A.
(8) These are the balances payable for fixed-income operations and other accounts payable associated with the subsidiary Tanner Corredores de Bolsa S.A.
(9) Those banks that are overdrawn in accounting, either due to unidentified deposits or charges not registered by the bank.
(10) Liabilities arising from domestic factoring operations performed by the Parent.
(11) Obligations with suppliers and/or creditors of Tanner Leasing Vendor Ltda.
(12) Amounts released for factoring operations, and available for use or withdrawal by customers.
(13) Other accounts payable not classified in any of the previous items.
(14) 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	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Provisions for expenses ¹	CLP	-	158,626
Other provisions ²	CLP	-	349,798
Total		-	508,424

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: here

2021

Breakdown	Expense provisions Ch\$'000	Other provisions Ch\$'000	Total Ch\$'000
Opening balance at 01.01.2021	158,626	349,798	508,424
Increases	-	-	-
Decreases	-	-	-
Reclassifications	(158,626)	(349,798)	(508,424)
Closing balance at 31.12.2021	-	-	-

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

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 2021		At 31 December 2020	
	Current Ch\$'000	Non-current Ch\$'000	Current Ch\$'000	Non-current Ch\$'000
Short-term benefits (a)	3,748,845	-	909,266	-
Employment termination benefits (b)	140,624	273,753	41,231	299,760
Total	3,889,469	273,753	950,497	299,760

(a) Short-term benefits

Short-term benefits mainly comprise compensation by means of bonuses and special holiday allowances. 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

The Company has a collective bargaining agreement with the Workers' Union, which establishes three long-term benefits. Such contract shall be effective for the next three years.

The following are the recognised benefits:

(b.1) Retirement: this consists of an indemnity of 80% of the base salary for each year of service with a maximum period of 15 years and a remuneration limit of UF90. This benefit is valid for those employees who meet the legal requirements to retire 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.

Note 23. Provision for employee benefits, continued

(b.2) Severance: this entails payment of legal severance to employees who, without meeting the retirement requirements, seek to terminate their employment relationship with the employer. They may obtain 60% of the severance referred to in article 163, subparagraph 2, of the Labour Code, and a maximum period of 15 years of labour seniority and a limit of UF90 shall be considered.

This benefit is applicable for those employees who wish to leave the Company and a limit of 8 individuals is established during the term of the collective bargaining agreement, including those employees who wish to leave the Company due to retirement (b.1), with priority given to those with greater labour seniority working for the Company.

(b.3) Recognition of labour seniority: this consists of recognition of 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 reference to market interest rate curves. The discount rate used is 5.89%, 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:

2021

Employee benefits	Current liabilities Ch\$'000	Non-current liabilities Ch\$'000	Balance at 31.12.2021 Ch\$'000
Severance payment for dismissal	61,890	120,482	182,372
Severance payment for retirement	50,427	98,166	148,593
Seniority bonus	28,307	55,105	83,412
Total	140,624	273,753	414,377

2020

Employee benefits	Current liabilities Ch\$'000	Non-current liabilities Ch\$'000	Balance at 31.12.2020 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

Changes in the employment termination obligations were as follows:

2021

Change in the severance payment provision (SPP)	SPP¹ Ch\$'000	Seniority bonus Ch\$'000	Total Ch\$'000
Opening balance at 01.01.2021	301,808	39,183	340,991
Past service costs	49,426	-	49,426
Current year service costs	54,460	14,154	68,614
Interest costs	10,898	1,415	12,313
Benefits paid	(21,492)	(18,092)	(39,584)
Modification of benefits*	4,173	48,848	53,021
Actuarial effect	(68,308)	(2,096)	(70,404)
Balance at 31.12.2021	330,965	83,412	414,377

¹ Severance payment provision.

Note 23. Provision for employee benefits, continued

2020

Change in the SPP	SPP¹ 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.

The amounts stated in the consolidated statement of income by function were as follows:

Breakdown	31.12.2021			31.12.2020		
	SPP¹ Ch\$'000	Seniority bonus Ch\$'000	Total Ch\$'000	SPP¹ Ch\$'000	Seniority bonus Ch\$'000	Total Ch\$'000
Current year service cost	69,531	62,323	131,854	47,407	5,776	53,183
Past service costs	49,426	-	49,426	-	-	-
Total	118,957	62,323	181,280	47,407	5,776	53,183

¹ Severance payment provision.

c) Actuarial assumptions

The main actuarial assumptions used to calculate the severance payment obligation were as follows:

Actuarial assumptions	31.12.2021	31.12.2020
Mortality	RV-2014	RV-2014
Discount rate	5.70%	3.61%
UF value	30,991.74	29,070.33
<u>Employee turnover rate</u>		
- Dismissal	9.00%	10.23%
- Resignation	23.00%	13.64%
- Other reasons	0.00%	1.69%
Retirement ages	60 W and 65 M	60 W and 65 M
Salary increase	Nominal annual percentage of 3.30%	Nominal annual percentage of 4.81%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2021 and 2020



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 to 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	No. 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

At 31 December 2021 and 2020, the subscribed and paid-up capital was ThCh\$195,223,800 and represented by 1,212,129 no-par-value shares.

Shareholder	Taxpayer ID N°	Related to	31.12.2021		31.12.2020	
			No. of shares	Shareholding %	No. of shares	Shareholding %
INVERSIONES BANCARIAS SPA	99.546.550-7	Massu Group	699,544	57.7120%	699,544	57.7120%
ADMINISTRADORA TANNER SPA	76.917.587-3	Massu Group	12,979	1.0708%	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%	3,947	0.3256%
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%	78,182	6.4500%
JAMESON SpA	77.218.598-7	Derek Sassoon	12,121	1.0000%	12,121	1.0000%
INVERSIONES MAITA SpA	77.266.528-8	Gustavo Inostroza A.	6,060	0.4999%	6,060	0.4999%
INVERSIONES Y ASESORÍAS JRS SpA	77397998-7	Julián Rodríguez S.	3,030	0.2500%	-	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.	22,681	1.8712%	24,842	2.0495%
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.	3,194	0.2635%	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

At 31 December 2021 and 2020, the breakdown of this item was as follows:

Retained earnings	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Retained earnings from the prior year	127,135,981	107,978,073
Profit for the year	36,082,344	27,326,973
Increase (decrease) due to transfers and other changes	-	30,061
Dividends paid (or provisioned)	(10,825,450)	(8,199,126)
Total	152,392,875	127,135,981

c) Dividend distribution

An ordinary general shareholders' meeting held on 9 March 2021 agreed to distribute and pay a dividend charged to the 2020 profits of Ch\$6,764 per share, amounting to ThCh\$8,198,841.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2021 and 2020



Note 24. Equity, continued

d) Provision for a 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 financial year. At 31 December 2021, the minimum dividend was ThCh\$10,824,703 (ThCh\$8,198,092 in 2020).

e) Other reserves

The other reserves item is shown below:

Other Reserves	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Reserve for capital increase premium (1)	291,154	291,154
Other reserves	194,251	240,413
Increase from applying IFRS 9	86,602	86,602
Increase (decrease) due to adjustments	-	11,350
Reserve for actuarial gains and losses	28,475	(21,390)
Fair value reserve (2)	(1,355,832)	(581,121)
Hedging reserve (3)	(669,154)	(5,568,945)
Total	(1,424,504)	(5,541,937)

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 stated 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 no longer qualifies as hedge accounting, whichever occurs first. The balances are stated net of deferred taxes.

Note 25. Non-controlling interests

Non-controlling interests at 31 December 2021 and 2020, respectively, were as follows:

Taxpayer ID No.	Company	31 December 2021							
		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.	85,391,190	21,183,984	99.9900%	0.0000%	85,382,651	8,540	21,181,867	2,118
77164280-2	Tanner Leasing Vendor Ltda.	9,192,962	676,613	99.9900%	0.0100%	9,192,043	-	676,546	-
76133889-7	Tanner Corredora de Seguros Ltda.	3,779,592	3,669,592	99.9900%	0.0100%	3,779,214	-	3,669,225	-
93966000-3	Tanner Investments SpA y Filiales	32,261,065	2,078,880	99.9978%	0.0035%	32,633,562	955,797	2,022,932	57,461
Total		130,624,809	27,609,069			130,987,470	964,337	27,550,570	59,579

Taxpayer ID No.	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 AGF S.A.	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

Note 26. Compliance

At 31 December 2021, the Company has four 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 126 dated 09/10/2018, Line 117 dated 16/06/2017 and line 144 dated 12/07/2021, and with obligations of ThCh\$49,805,961, ThCh\$64,639,669, ThCh\$37,979,761 and ThCh\$34,595,909, respectively. The Company has eleven current bonds, seven issued in UF in the domestic market of ThCh\$310,347,025, three international issues made in Switzerland that jointly amount to ThCh\$310,347,025, and an international issue in EUR of ThCh\$14,391,265. Moreover, Tanner Servicios Financieros S.A. has several credit lines agreed with Chilean and foreign banks, long-term loans with other international institutions and other financial obligations amounting to ThCh\$474,913,172.

a) Commercial Paper

In accordance with the terms of the prospectuses for Lines N°107, N°117, N°126 and N°144, 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 paper: Line N°107	Limit	31.12.2021	31.12.2020
Total equity/total assets	Minimum 10%	19.4%	21.7%
Current assets/current liabilities	Minimum 0.75 times	1.3	1.5
Minimum equity	Minimum Ch\$60 billion	347,157	317,743

Commercial paper: Line N°117	Limit	31.12.2021	31.12.2020
Total equity/total assets	Minimum 10%	19.4%	21.7%
Current assets/current liabilities	Minimum 1.0 times	1.3	1.5
Minimum equity	Minimum Ch\$60 billion	347,157	317,743
Strategic net placements (*)	Minimum 75%	97.3%	97.3%

Commercial paper: Line N°126	Limit	31.12.2021	31.12.2020
Total equity/total assets	Minimum 10%	19.4%	21.7%
Current assets/current liabilities	Minimum 1.0 times	1.3	1.5
Minimum equity	Minimum Ch\$60 billion	347,157	317,743
Strategic net placements (*)	Minimum 75%	97.3%	97.3%

Commercial paper: Line N°144	Limit	31.12.2021	31.12.2020
Total equity/total assets	Minimum 10%	19.4%	21.7%
Current assets/current liabilities	Minimum 1.0 times	1.3	1.5
Minimum equity	Minimum Ch\$60 billion	347,157	317,743

(*) 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.

Note 26. Compliance, continued

b) Local bonds

Pursuant to the bond issue contracts entered into, the Company must comply with the following financial indicator limits:

Bond: Lines Nos.-548, 625 and 656	Limit	31.12.2021	31.12.2020
Current liabilities/equity	Maximum 7.5 times	4.2	3.6
Unencumbered assets ¹ /unguaranteed current liabilities	Minimum 0.75 times	1.2	1.3
Total equity	Minimum Ch\$21 billion	347,157	317,743

Bond: Line No.709	Limit	31.12.2021	31.12.2020
Current liabilities/equity	Maximum 7.5 times	4.2	3.6
Unencumbered assets ¹ /unguaranteed current liabilities	Minimum 0.75 times	1.2	1.3
Total equity	Minimum Ch\$60 billion	347,157	317,743

Bond: Line No.817	Limit	31.12.2021	31.12.2020
Current liabilities/equity	Maximum 7.5 times	4.2	3.6
Unencumbered assets ¹ /unguaranteed current liabilities	Minimum 1.0 times	1.2	1.3
Total equity	Minimum Ch\$60 billion	347,157	317,743

Bond: Line No.888	Limit	31.12.2021	31.12.2020
Current liabilities/equity	Maximum 6.0 times	4.2	3.6
Unencumbered assets ¹ /unguaranteed current liabilities	Minimum 0.75 times	1.2	1.3
Total equity	Minimum Ch\$150 billion	347,157	317,743

Bond: Line No.1045	Limit	31.12.2021	31.12.2020
Current liabilities/equity	Maximum 6.0 times	4.2	3.6
Unencumbered assets ¹ /unguaranteed current liabilities	Minimum 0.75 times	1.2	1.3
Total equity	Minimum Ch\$150 billion	347,157	317,743

¹At 31 December 2021 and 2020, there were no pledges, mortgages, guarantees or liens on the Company's assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2021 and 2020



Note 26. Compliance, continued

c) Corporación Interamericana de Inversiones (BID Invest) covenants

The BID Invest ratios at 31 December 2021 and 2020 are shown below:

BID Invest ratios	Definition	Limit	31.12.2021	31.12.2020
Overdue portfolio ratio	Overdue portfolio (delinquency > 90 days)/total portfolio	<= 5%	1.9%	2.3%
Leverage ratio	Total liabilities/equity	<= 5 times	4.2	3.6
Equity exposure ratio	(Overdue portfolio + renegotiated - provisions + payment in kind)/equity	<=20%	10.0%	12.2%
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%	10.4%	16.3%
Foreign currency exposure	(Assets in foreign currency - liabilities in foreign currency)/total equity	-25% < X < 25%	1.4%	-0.2%
Delinquency coverage	Provisions/delinquency > 90 days	>60%	92.1%	89.1%

d) Corporación Andina de Fomento (CAF) covenants

At 31 December 2021, there were not any ratios since no operations were made or are in force as of that date. The CAF ratios at 31 December 2020 are shown below:

CAF ratios	Definition	Limit	31.12.2021 (1)	31.12.2020
Delinquency	Delinquency > 90 days/gross portfolio. For leasing, the estimated recoverable value of the asset is discounted	<= 5.5%	-	2.3%
Delinquency coverage	Provisions/delinquency > 90 days	>= 70%	-	89.1%
Debt-to-equity ratio	Total liabilities/equity	<= 5.5 times	-	3.6
Loan with related parties	Receivables due from related parties - guarantees/equity	<= 0.15 times	-	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%
10 largest debtor concentration	Loans of 10 largest debtors/debtor portfolio (based on the moving average of the last 12 months)	<= 25%	-	14.7%
Liquidity ratio	Liquid assets (maturity < 90 days)/liabilities with maturity of less than 90 days	> 1 time	-	1.5
Foreign currency exposure	(Assets in foreign currency - liabilities in foreign currency)/total equity	-25% < X < 25%	-	-0.2%

(1) At 31 December 2021, the credit line the Company has with this creditor is not in use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2021 and 2020



Note 26. Compliance, continued

e) Deutsche Investitions und Entwicklungsgesellschaft mbH (DEG) covenants

The DEG ratios at 31 December 2021 and 2020 are shown below:

DEG ratios	Definition	Limit	31.12.2021	31.12.2020
Solvency ratio	Total equity/total assets	>15%	19.4%	21.7%
10 largest customer exposure ratio	Loans of 10 largest customers/total loans	<25%	16.0%	15.3%
20 largest customer exposure ratio	Loans of 20 largest customers/total loans	<30%	22.5%	22.3%
10 largest customer exposure ratio	Loans of 10 largest customers/total equity	<200%	67.8%	55.3%
Credit exposure ratio	(Delinquency > 90 days + renegotiated - provisions - cash collateral)/total equity	<15%	7.3%	10.7%
Largest customer exposure ratio	Loan of largest customer as a group/total equity	<20%	11.6%	7.3%
Related party loan ratio	Trade receivables due from related parties/total equity	<15%	1.7%	1.6%
Aggregate foreign currency position	(Assets in foreign currency - liabilities in foreign currency)/total equity	>-25%	1.4%	-0.2%
Individual foreign currency position US\$	(Assets in US\$ - liabilities in US\$)/equity	>-25%	1.4%	-0.2%
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	1.5
Net stable financing ratio	(Non-current liabilities + equity)/non-current assets	> 1 time	1.5	1.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2021 and 2020



Note 26. Compliance, continued

f) International Finance Corporation (IFC) covenants

The IFC ratios at 31 December 2021 and 2020 were as follows:

IFC ratios	Definition	Limit	31.12.2021 (1)	31.12.2020
Equity/total assets	Total equity/total assets	> 17%	-	21.7%
Related party exposure ratio	(Receivables due from related parties - guarantees)/capital	< 5%	-	0.0%
Loan exposure ratio	(Default > 90 days + default < 90 days for doubtful accounts + renegotiated + payment in kind - provisions)/capital	< 20%	-	14.0%
Economic group exposure ratio	Loan of largest customer as an economic group/capital	< 15%	-	10.8%
Aggregate exposure ratio of large customers	Loans of the largest customers (> than 10% of the equity)/capital	< 400%	-	10.8%
Exposure ratio by sector	Loans of the largest economic sector/total loans	< 30%	-	11.4%
Fixed assets plus investment interest ratio	(Fixed assets + investments in other companies)/capital	< 35%	-	7.8%
Aggregate foreign currency position	(Assets in foreign currency - liabilities in foreign currency)/capital	< 25%	-	0.3%
Individual foreign currency position				
US\$	(Assets in US\$ - liabilities in US\$)/capital	< 10%	-	0.2%
EUR	(Assets in € - liabilities in €)/capital	< 10%	-	0.0%
CHF	(Assets in CHF - liabilities in CHF)/capital	< 10%	-	0.0%
Interest rate risk ratio	(Assets - liabilities) x adjustment factor/capital			
0 - 180 days	Assets and liabilities with maturity of less than 180 days	-10% <= x <= 10%	-	0.6%
180 - 365 days	Assets and liabilities with maturity of 180 to 365 days	-10% <= x <= 10%	-	0.2%
1 year - 3 years	Assets and liabilities with maturity of 1 to 3 years	-10% <= x <= 10%	-	0.2%
3 years - 5 years	Assets and liabilities with maturity of 3 to 5 years	-10% <= x <= 10%	-	0.0%
5 years - 10 years	Assets and liabilities with maturity of 5 to 10 years	-10% <= x <= 10%	-	-5.0%
> 10 years	Assets and liabilities with maturity of over 10 years	-10% <= x <= 10%	-	0.5%
Aggregate interest rate risk ratio	(Assets - liabilities) x adjustment factor/capital	-20% <= x <= 20%	-	-3.5%
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%
EUR	(Assets in € with maturity of < 60 days - liabilities in € with maturity of < 60 days)/capital	> -150%	-	0.0%
CHF	(Assets in CHF with maturity of < 60 days - liabilities in CHF with maturity of < 60 days)/capital	> -150%	-	0.0%
Liquidity ratio	Liquid assets (maturity of < 90 days)/liabilities with maturity of less than 90 days	> 100%	-	1.5

(1) At 31 December 2021, the Company has no financial obligations with this financial institution.

g) Chilean Economic Development Agency (CORFO) covenants

The CORFO ratios at 31 December 2021 and 2020 were as follows:

CORFO ratios	Definition	Limit	31.12.2021	31.12.2020
Current ratio	Current assets/current liabilities	>= 1 time	1.3	1.5
Debt-to-equity ratio	Total liabilities/total equity	<= 4.8 times	4.2	3.6

Note 27. Contingencies and restrictions

a) Direct guarantees and liens on assets

At 31 December 2021 and 2020, 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 at 31 December 2021 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 at 31 December 2020), 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 (UF320,000 at 31 December 2020), issued to Tanner Corredores de Bolsa S.A. in May 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 breach 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 breach of Law N°19.496 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 2021: a first instance final verdict was given in favour of Tanner, rejecting all the parts of the class action suit filed by SERNAC. The Honourable Court of Appeals of Santiago upheld the first instance verdict in favour of Tanner. SERNAC filed an appeal for annulment regarding the merits of the case that is now in the Honourable Supreme Court, which ordered that the appeal is admissible.

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 the customer 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 2021: in the discussion period, awaiting the resolution of the case entering the evidence period. The Company filed a petition for discontinuance of the proceeding due to the time elapsed and the lack of activity of the other party, which was upheld by the court. The plaintiff appealed the verdict of discontinuance of the procedure.

Note 27. Contingencies and restrictions, continued

Lawsuit Number 3

File	: “Inmobiliaria Lomas de Maitencillo against Tanner Servicios Financieros”
Court	: 17th Civil Court of Santiago
Case N°	: C-33186-2020
Subject matter	: Lawsuit for the restitution of amounts and compensation for damage
Amount	: Undetermined
Started	: 25-11-2019 (notification to Tanner: 15 January 2020)

Lawsuit filed by the debtor Inmobiliaria Lomas de Maitencillo S.A., which claims a flaw of invalidity of a public deed 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 2021: discussion period completed. A resolution was issued for the case to enter the evidence period. Meanwhile, on 3 November 2021 the Honourable Court of Appeals accepted the dilatory exception of *litis pendencia* filed by Tanner.

In management’s opinion, the verdict of these lawsuits, irrespective of the outcome, will have no material effect on the Company.

d) Other contingencies

At 31 December 2021 and 2020, there were no other significant contingencies to be reported.

e) Restrictions

At 31 December 2021 and 2020, there were no restrictions to be reported.

Note 28. Sureties obtained from third parties

At 31 December 2021 and 2020, the main sureties obtained from third parties were as follows:

Type of guarantees	31.12.2021 Ch\$'000	31.12.2020 Ch\$'000
Pledges	597,409,302	472,159,794
Mortgages	175,263,941	101,937,770
Insurance policies in guarantee	52,053,894	64,250,498
Total	824,727,137	638,348,062

Note 29. Breakdown of significant income

a) Revenue

The breakdown of revenue for the years ended 31 December 2021 and 2020 was as follows:

Revenue		01.01.2021 to 31.12.2021 Ch\$'000	01.01.2020 to 31.12.2020 Ch\$'000
Factoring	Fees	2,194,577	2,264,796
Factoring	Price differences	26,465,776	29,842,339
Factoring	Other income	6,347,227	6,740,985
Factoring	Income between segments	-	-
Factoring total		35,007,580	38,848,120
Loans	Interest	16,909,191	17,944,551
Loans	Fees	9,438,097	3,658,466
Loans	Other income	57,169	173,610
Loans	Income between segments	-	-
Loan total		26,404,457	21,776,627
Auto Financing	Interest	79,949,236	77,699,578
Auto Financing	Other income	17,262,225	13,110,457
Auto Financing	Income between segments	-	-
Auto Financing total		97,211,461	90,810,035
Leasing	Interest	4,991,821	5,320,559
Leasing	Fees	178,822	1,416,116
Leasing	Other income	90,079	522,593
Leasing	Income between segments	-	-
Leasing total		5,260,722	7,259,268
Treasury and Investments	Adjustments	13,377,325	4,546,647
Treasury and Investments	Exchange rate differences	6,405,538	14,989,148
Treasury and Investments	At fair value	(891,157)	333,019
Treasury and Investments	Interest	4,042,782	7,492,226
Treasury and Investments	Other income	2,543,854	11,600,157
Treasury and Investments	Income between segments	1,727,490	2,117,324
Treasury and Investments total		27,205,832	41,078,521
Total income (gross)		191,090,052	199,772,571
Total income between segments		(1,727,490)	(2,117,324)
Total consolidated income		189,362,562	197,655,247

Note 29. Breakdown of significant income, continued

b) Cost of sales

The breakdown of the cost of sales for the years ended 31 December 2021 and 2020 was as follows:

Cost of sales		01.01.2021 to 31.12.2021 Ch\$'000	01.01.2020 to 31.12.2020 Ch\$'000
Factoring	Interest	6,685,124	8,859,943
Factoring	Fees	65,998	51,605
Factoring	Other costs	1,217,294	1,460,966
Factoring	Costs between segments	392,174	529,831
Factoring total		8,360,590	10,902,345
Loans	Interest	6,177,205	8,144,578
Loans	Other costs	-	-
Loans	Costs between segments	362,378	487,052
Loan total		6,539,583	8,631,630
Auto Financing	Interest	15,137,398	16,341,823
Auto Financing	Fees	25,575,266	25,727,646
Auto Financing	Other costs	3,974,689	4,981,568
Auto Financing	Costs between segments	888,017	977,253
Auto Financing total		45,575,370	48,028,290
Leasing	Interest	1,447,582	2,059,956
Leasing	Other costs	174,310	644,100
Leasing	Costs between segments	84,921	123,188
Leasing total		1,706,813	2,827,244
Treasury and Investments	Adjustments	4,129,114	2,736,849
Treasury and Investments	Exchange rate differences	5,594,719	13,342,793
Treasury and Investments	At fair value	-	-
Treasury and Investments	Interest	5,216,810	4,099,126
Treasury and Investments	Other costs	3,920,872	4,597,509
Treasury and Investments	Costs between segments	-	-
Treasury and Investments total		18,861,515	24,776,277
Total costs (gross)		81,043,871	95,165,786
Total costs between segments		(1,727,490)	(2,117,324)
Total consolidated costs		79,316,381	93,048,462

Note 29. Breakdown of significant income, continued

c) Administrative expenses

The breakdown of administrative expenses for the years ended 31 December 2021 and 2020 was as follows:

Segment	01.01.2021 to 31.12.2021 Ch\$'000	01.01.2020 to 31.12.2020 Ch\$'000
Employee salaries and expenses	34,305,636	29,423,376
Payroll	30,838,915	25,539,115
Benefits	1,727,901	1,620,902
Severance	671,409	1,604,069
Provision for holidays	664,515	413,914
Organisational development	306,633	184,211
Others	96,263	61,165
General administrative expenses	17,128,674	16,678,435
Depreciation and amortisation	3,961,240	3,682,723
IT and communication expenses	3,177,833	2,465,163
Service, collection and recovery expenses	2,076,376	1,851,254
Non-recoverable taxes	1,781,351	1,549,399
Licenses and contributions	1,235,007	1,132,160
Chattel and real estate property management expenses	731,347	1,458,770
Leases, lighting, heating and other services	693,457	864,215
Board expenses	636,955	591,916
Advertising and promotion	552,825	358,052
External consultancy and professional service fees	542,048	576,241
Legal and notary expenses	440,860	424,104
Other general administrative expenses	414,568	406,668
External financial information service	252,416	603,243
Insurance premiums	225,364	273,399
Personnel representation and transportation expenses	146,052	210,378
Maintenance and repair of fixed assets	135,617	84,619
PO box, post, postage and home delivery of products	80,257	72,527
Office materials	37,332	49,835
Fines, lawsuits and interest and other leasing and auto financing expenses	7,769	23,769
Total	51,434,310	46,101,811

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2021 and 2020



Note 30. Impairment losses

The breakdown of impairment losses for the years ended 31 December 2021 and 2020 is shown below:

Segment	01.01.2021 to 31.12.2021 Ch\$'000	01.01.2020 to 31.12.2020 Ch\$'000
Factoring	3,417,029	1,920,916
Loans	4,937,371	4,745,543
Auto Financing	8,283,295	13,383,617
Leasing	1,478,749	3,285,996
Treasury and Investments	1,697,846	778,771
Total impairment loss	19,814,290	24,114,843

The breakdown of impairment losses is shown below:

Item	31.12.2021					
	Factoring	Loans	Auto Financing	Leasing	Treasury & Investments	Total
	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000	Ch\$'000
Provisions and write-offs (*)	4,692,239	5,545,786	13,328,520	(137,801)	519,449	23,948,193
Write-offs of other receivables	89,356	-	747,359	2,407	-	839,122
Write-off recovery	(1,364,566)	(608,415)	(5,792,584)	1,614,143	(28,833)	(6,180,255)
Net charge	3,417,029	4,937,371	8,283,295	1,478,749	490,616	18,607,060
Impairment of financial instruments	-	-	-	-	1,207,230	1,207,230
Total impairment under IFRS 9	3,417,029	4,937,371	8,283,295	1,478,749	1,697,846	19,814,290

(*) See the release and accrual of provisions in Note 10 d)

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

Note 31. Other profits (losses)

The breakdown of non-operating income for the years ended 31 December 2021 and 2020 was as follows:

December 2021

Item	Factoring Ch\$'000	Loans Ch\$'000	Auto Financing Ch\$'000	Leasing Ch\$'000	Treasury & Investments Ch\$'000	Total Ch\$'000
Unidentified deposits ¹	(198,942)	-	(446,771)	(150,594)	-	(796,307)
Sundry receivables ²	82,435	-	-	31,950	-	114,385
Surpluses ³	9,045	-	-	12,070	-	21,115
Others ⁴	-	-	-	-	78,938	78,938
Total other profits (losses)	(107,462)	-	(446,771)	(106,574)	78,938	(581,869)

¹Revenue (losses) related to unidentified deposits of over 90 days.

²Revenue (losses) related to sundry receivables of factoring operations of over 90 days.

³Revenue (losses) related to surpluses of factoring operations of over one year.

⁴Other revenue and expenses not classified in the other categories, mainly associated with the Treasury and Investments division.

Note 31. Other profits (losses), continued

December 2020

Item	Factoring Ch\$'000	Loans Ch\$'000	Auto Financing Ch\$'000	Leasing Ch\$'000	Treasury & Investments Ch\$'000	Total Ch\$'000
Unidentified deposits ¹	(688,942)	(615,208)	(253,924)	(1,220,712)	-	(2,778,786)
Sundry receivables ²	730,869	(345,232)	-	8,540	-	394,177
Surpluses ³	20,410	-	-	-	-	20,410
Others ⁴	136,488	-	-	-	741,092	877,580
Total other profits (losses)	198,825	(960,440)	(253,924)	(1,212,172)	741,092	(1,486,619)

¹Revenue (losses) related to unidentified deposits of over 90 days.

²Revenue (losses) related to sundry receivables of factoring operations of over 90 days.

³Revenue related to surpluses of factoring operations of over one year.

⁴Other revenue and expenses not classified in the other categories, mainly associated with the Treasury and Investments division.

Note 32. Earnings per share

The breakdown of earnings per share for the years ended 31 December 2021 and 2020 was as follows:

Breakdown	01.01.2021 to 31.12.2021 Ch\$'000	01.01.2020 to 31.12.2020 Ch\$'000
Basic earnings per share		
Basic earnings (losses) per share from continuing operations	29,767,74	22,544,61
Basic earnings (losses) per share from discontinued operations	49,15	151,77
Total basic earnings per share	29,816,88	22,696,38
Diluted earnings per share		
Diluted earnings (losses) per share from continuing operations	29,767,74	22,544,61
Diluted earnings (losses) per share from discontinued operations	49,15	151,77
Total diluted earnings per share	29,816,89	22,696,38

Note 33. Environment

At 31 December 2021 and 2020, the Company made no environmental protection disbursements and nor are there any future commitments to such effect.

Note 34. 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 determined 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 2021 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 35. Sanctions

The Parent Company and its subsidiaries, directors and executives did not receive any sanctions by the Chilean Financial Market Commission (CMF, according to the Spanish acronym) or by any other regulator for the years reported.

Note 36. Material events

From 26 January 2021 to 30 June 2021, Tanner Servicios Financieros S.A. placed bonds of the AG series in the domestic market amounting to UF2,000,000, at an average rate of 0.06% per annum for a term of 3 years and 7 months.

On 26 October 2021, Tanner Servicios Financieros S.A. placed bonds in the international market (Switzerland) amounting to 125,000,000 Swiss francs, at a rate of 1.15% per annum for a term of 2 years and 6 months.

The director Mr Oscar Cerda Urrutia sadly passed away on 9 November 2021. At an extraordinary meeting, the Board of Directors agreed on 24 November 2021 to leave the position vacant until the next ordinary shareholders' meeting.

Note 37. Subsequent events

The consolidated financial statements of Tanner Servicios Financieros S.A. and its subsidiaries for the year ended 31 December 2021 were approved by the Board of Directors at the extraordinary board meeting held on 16 February 2022.

Subsequent to 31 December 2021, and up to the date of issue of these consolidated financial statements, Management is unaware of any other financial events or of any other nature that may materially affect their interpretation.
