

 Early Warning System

IFC-37934

Tanner CL II



Quick Facts

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|--------------------------------|---|
| Countries | Chile |
| Financial Institutions | International Finance Corporation (IFC) |
| Status | Approved |
| Bank Risk Rating | B |
| Voting Date | 2016-05-12 |
| Borrower | Tanner Servicios Financieros S.A. |
| Sectors | Finance |
| Investment Type(s) | Loan |
| Investment Amount (USD) | \$ 50.00 million |
| Loan Amount (USD) | \$ 50.00 million |



Project Description

The proposed project consists of a 5-year loan for up to US\$50 million to be provided by IFC to Tanner Servicios Financieros SA (Tanner) and a 3-year loan for up to US\$50 million to be mobilized from other lenders under IFC's B lender program to support its lending activities to small and medium enterprises (SMEs) in Chile.

IFC's long-term financing aims to bring high development impact by enhancing Tanner's capacity to support access to finance for SMEs, resulting in higher growth, employment generation and poverty reduction. Furthermore, the project would also generate a demonstration effect by signaling other private investors about the potential presented by both the factoring and the SME sector in Chile.

The project will support the company's SME lending, enhancing access to short-term and long-term credit (leasing). Potential E&S risks and impacts associated with the project are likely to be of a medium to low nature, therefore it has been categorized as FI-2 according to the IFC's Sustainability Framework. Tanner's portfolio for SME's and other corporate entities is mostly concentrated in the financial sector (32%) with exposure to agriculture, manufacturing and services representing, respectively, 16%, 11% and 11%. Assets are mostly composed of short tenor transactions with 45% of credits maturing under 180 days and majority of remaining assets not exceeding 3 years tenor.



Investment Description

- International Finance Corporation (IFC)

The proposed project involves a US\$50 million loan to Tanner Servicios Financieros, a Chilean company focused on SME financing, leasing and factoring operations.

Tanner's main shareholders are Grupo Massu through Inversiones Bancarias (52.91%); Capital International Private Equity Funds through Inversiones Gables, S.L.U (25.65%) and Inversiones Similan, S.L.U. (1.35%); Jorge Sabag Sabag, the Vice President of the Company, through Asesorias Financieras Belen Ltda. (7.45%); and, Francisco Schulz, the former CEO of Tanner through FSA Fondo de Inversión Privado (6.59%).

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Tanner Servicios Financieros S.A.](#) (Financial Intermediary)



Private Actors Description

Tanner Servicios Financieros SA is one of the leading Chilean non-banking financial institutions, with a market share of 8% in the factoring market as of December-end 2015 and among the main players in the country (holding the 6th place in 2015). Diversified business model focused on secured lending that includes Factoring, Leasing, Corporate lending and Auto Financing. In addition, the Company offers stock, commodities and insurance brokerage services through subsidiaries. As of December 2015, Tanner has over 51.200 active clients, mainly Chilean SMEs.

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Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>