



2017

ANNUAL
REPORT

falabella

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falabella



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+2+3

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01



WELCOME

-  Letter from the Chairman
-  Letter from the CEO

Letter from the Chairman



Dear Shareholders:

During 2017, we continued achieving our plans for regional growth, digitization and automation within the company, we continued producing reliable performance in a world where constant change is the new paradigm. Today, commercial industry and retail banking are experiencing a transformative technological revolution, which our company is addressing with a sense of urgency, through accelerated decision-making and rapid execution.

We are prioritizing S.A.C.I. Falabella's long-term development and positioning over immediate results. This vision for the future convinces us that our regional leadership will expand while radical changes are taking place in the industry.

We plan to increase our investments in logistics and technology over the next four years, as these areas have become a critical focus for the company. Furthermore, we plan to remodel, adapt and expand our more successful sales outlets and continue opening new stores, branches and shopping malls in areas where we are not represented. We are prioritizing S.A.C.I. Falabella's long-term development and positioning over immediate results. This vision for the future convinces us that our regional leadership will expand while radical changes are taking place in the industry.

We will maintain our **leadership in customer proximity and understanding**, and will serve them using the format they prefer on a 24 hour basis. This is the essence of Omni-channels, which is the focus for our substantial investments in information technology and logistics systems. We have focused on mobile technology and integrating our store network into the digital arena.

During 2017 **we sold US\$ 769 million through the e-commerce channel** of our retail businesses (department stores, home improvement and supermarkets), which represent 6.5% of our annual retail sales and growth of 36%. This figure makes us a leading e-commerce company in the region, and this channel is rapidly gaining momentum across all categories. Our investments in logistics and systems will provide us with sustainable growth, as automating processes, strengthening logistics and streamlining deliveries will enable us to provide an excellent service with long-term sustainability.

We want to build long-term relationships with our customers, by understanding their needs, and developing an increasingly personalized service. We want to continue providing **differentiated**

selections using our private and exclusive brands, with financial services tailored to each customer, at attractive shopping malls that provide leisure, shopping and entertainment for the whole family. Here lies both our advantage and our challenge. We have 515 million visits to our web pages, 27 million followers, 324 million transactions at our stores, and 390 million people visiting our shopping malls every year. These are our strengths and they enable us to continue enhancing our offering for our customers.

Regional expansion continues its course, under a clear, prudent and long-term strategy. This expansion will increase our presence and enable us to compete with global players in our industry, thus securing our long-term sustainability.

We continued to strengthen our business in countries where we are well consolidated, and in 2017 we launched the new Falabella Soriana card in Mexico, marking our entry into that country. We also began to build the first Sodimac stores in Mexico City. Meanwhile, in Brazil we have modernized Dicico stores and opened Sodimac stores, which are already beginning to bear fruit.

We have continued to strengthen various aspects of our corporate governance. A multinational company of Empresas Falabella's size that operates in so many countries using various business models requires processes, checks and balances to guarantee that it is considered sustainable and reliable by its customers, shareholders, employees, financiers, suppliers, regulators and all other stakeholders.

We have been able to address these challenges **thanks to our motivated, enthusiastic and continually trained employees.** Our company regularly

attracts new talent, due to its development, expansion and the technological challenges it faces. We find people interested in participating in our development everywhere and at all levels within the company, in stores, in administration, in systems, as sales staff or as executives or directors. Our strategy is based on growth and regional coverage, and it enables us to attract a multitude of talent. This talent empowers the company and challenges us to constantly focus on training, professional improvement, internal promotion and career development within S.A.C.I. Falabella.

I would like to thank all those responsible for developing our company. Our shareholders, whose confidence in the future of Empresas Falabella enables us to follow this path of growth and development. The financial markets that have acquired our shares and bonds both in Chile and abroad as they have confidence in S.A.C.I. Falabella. Our directors, for their unfailing and constant support along this strenuous but achievable path. Our suppliers, whose confidence builds our business and its expansion. I particularly wish to thank our employees, whose ideas, commitment and enthusiasm make Management's strategies and policies tangible.

This encapsulates S.A.C.I. Falabella, who has a clear perspective of its future growth and expansion, **based on its unchanging values.** Customer focused, humble, continually innovating, making its dreams come true, while respecting the local environment.

We will continue **making progress with enthusiasm and passion**, quickly and efficiently reacting to changes, safeguarding the development of everyone who is part of this great and marvelous company.

Affectionately,

Letter from the CEO



Our focus will be to continue improving our customer experience. Our challenge is to comply with our daily commitments, in the manner and timing that they expect. This is the only way to continue winning their loyalty.

During 2017 we made significant progress in digital transforming our business, in order to be closer to and better serve our customers. In this regard "Omni-channel" has been defined as a strategic pillar, which has created the opportunity to redefine processes and experiences that will significantly improve customer service and capture customer preferences. E-commerce sales in the retail business (department stores, home improvement and supermarkets) totaled US\$ 769 million, which represented 6.5% of retail revenue.

Consumption across the region is declining, although our business units continued to grow by capturing market share, and thereby maintained their solid financial position. Consolidated revenues totaled US\$ 14,586 million, 4.4% higher than in 2016; EBITDA totaled US\$ 1,977 million, growing by 5.4%; and net income was US\$ 829 million, 16.3% lower than the previous year, mostly due to the separation of Aventura Plaza, which generated a non-recurring profit of US\$ 187 million in 2016. Operations outside Chile accounted for 39.1% of the company's revenues.

We continued to diversify our financing during the year by placing a bond on the international market for US\$400 million, with a 10 year term, and interest at 150 basis points over the US treasury rate. This was a clear indication of the company's financial solidity, and allowed us to refinance short-term liabilities and extend the average maturity of our debt, while keeping it at a reasonable level.

In 2017 we developed a US\$ 993 million investment plan, we opened 17 Falabella, Sodimac and Tottus stores plus two malls in the region, and we began building our first Sodimac stores in Mexico. Therefore, we continued extending our geographical footprint to reach new locations. The focus of these investments are to advance our omni-channel strategy and adapt our shops and bank branches to complement mobile devices and computers.

Various business units seized this digital opportunity to substantially expand their product range and customize their offers, to match the preferences indicated by our consumers, while increasing the Click & Collect areas within stores for online purchases. We launched a new Falabella website and completed the redesigned Sodimac website. We also developed new applications for Falabella, Sodimac, CMR and Banco Falabella, with features that simplify the lives of our customers. We have continued to increase our cloud capabilities to give us greater scalability and flexibility, and we have expanded our business intelligence teams.

We are also introducing several developments based on artificial intelligence and machine learning within logistics, customer services in stores, in order to improve the customer experience, optimize resources and improve process efficiency. This should result in an organization that is better prepared to deal with the increasing challenges faced by all our business units.

The most important investments in logistics and IT during 2017, involved continuing with the implementation of integrated Warehouse Management Systems, both in department stores and home improvement. Plus incorporating latest generation automation systems into the home delivery service at the main Sodimac distribution center in Chile. During the year we also made progress building a new automated distribution center for Falabella in Santiago and a production center for Tottus Peru, which will increase logistical efficiency and reliability.

We implemented a new core card system in Peru, automated the risk assessment system in Banco Falabella Chile and the behavior assessment system in Banco Falabella Colombia and CMR Chile, and implemented self-service kiosks in branches. Following the implementation of agile working cells, we have improved our mobile applications for CMR and Banco Falabella in every country, while incorporating better services and security.

A very important component of our strategy is providing integrated financial solutions for our customers. In 2017 we reached over 5.2 million active CMR accounts across the region, 2.6% higher than in 2016, with CMR sales growing by 3.7%, particularly in alliances. CMR Points continue being the leading retail loyalty program. We implemented an alliance with the Makro supermarket chain in Colombia, we installed branches and provided financing to its customers through the CMR Banco Falabella-Makro card. The consolidated loan portfolio reached US\$ 7,624 million, 3.7% more than at the close of 2016. The number of current and sight accounts at Banco Falabella grew by 11% and 18%, respectively, exceeding the 2.3 million customer accounts in the region.

We continued to extend the geographical span of our supermarkets and consolidated our business model in Chile and Peru. We have focused on developing "Hiperbodega Precio Uno" that cater to an emerging segment in Peru, where we see great potential for growth.

We continue to strengthen our own and exclusive international brands in our retail units, in order to differentiate the Company and offer greater value to our customers.

In Chile we inaugurated Mallplaza Los Dominicos, which not only provides an attractive commercial mix, but also introduces innovations, cultural activities, gastronomy and entertainment, which all transform this mall into an experience.

We are already offering financial services at 40 branches of Soriana in Mexico, and in 2018 we will open our first Sodimac stores. We have made progress in Brazil, not only with consolidating Sodimac Homecenter and Sodimac Constructor, but also launching the new Dico Multi format. This convenient format allows us greater capillarity and offers differentiated shopping experiences. We are also more optimistic about the Argentine market, so we are investing in upgrades and opening new stores, all within the framework of an omni-channel

strategy that integrates financing and as an essential component our service.

S.A.C.I. Falabella forms part of the Dow Jones Sustainability World Index (DJSI World), which unites the principal international companies committed to responsible growth. The company was also admitted to the DJSI Emerging Markets and DJSI Chile indices, and the recently created DJSI MILA regional index. We continued to strengthen our corporate governance and integrity system in 2017, by updating the codes of ethics for all units and launching a new Integrity Channel, which incorporates local and international best practices that balance financial performance with social and environmental commitment. This has resulted in various initiatives, such as responsible procurement programs, financial education, reduce - recycle and reuse programs, investments in sustainable construction, incorporating non-conventional renewable energy (NCRE) into our energy supply matrix to reduce the impact of our business, coordinating 86,215 hours of voluntary work to help 165,000 people across each country, support for people affected by natural disasters, while being fully committed to maintaining supplies and prices, to training and development programs for our employees, and to initiatives that make our company a great place to work.

I would like to thank all our suppliers and especially all the over 113,000 people working in Empresas Falabella for their commitment and dedication, which has enabled us to continue growing in a responsible and sustainable manner.

We are ready to take advantage of the best local economic conditions in 2018. Our focus will be to continue improving our customer experience. Our challenge is to comply with our daily commitments, in the manner and timing that they expect. This is the only way to continue winning their loyalty.

COMPRA ONLINE RETIRA AQUI

COMPRA ONLINE



RETIRA EN TIENDA

 SODIMAC.COM

1

Compra online los productos con el ícono "Retira en tienda".

2

Selecciona la tienda dónde quieres retirar el producto.

3

Elige una forma de pago y finaliza compra.



Tu compra ¡listo!

VENTA TELEFÓNICA: 600 600 600



COMPRA ONLINE



RETIRA EN TIENDA

CO



02

2017 Highlights

-  **Strategic Pillars**
- Growth and Profitability
- Sustainability
- Regional Presence of Empresas Falabella
- Economic Indicators
- Investment Plan



WELCOME

2017 HIGHLIGHTS

THE COMPANY AND ITS SUBSIDIARIES

CORPORATE GOVERNANCE

CORPORATE INFORMATION

2017 Highlights

S.A.C.I Falabella aims to grow with discipline and responsibility in every business area, creating value, extending its leadership in the region and focusing on continual improvement.

Growth and Profitability

The company's central priorities during 2017 were digital transformation, regional consolidation and differentiation, together with pursuing operational efficiencies.

S.A.C.I. Falabella continued developing its e-commerce business and its omni-channel value proposition for consumers, increasingly integrating its physical channels into digital ones, which cover the sales, Click & Collect, returns and supplies processes. Online sales within the retail business increased by 36%, totaling US\$ 769 million, while the store network was further strengthened with new stores, expansions and renovations, all of which increased the sales area by 3.7% to reach 2,942,726 m² distributed across 491 stores.

The new falabella.com web site was launched in Chile, Colombia, Peru and Argentina. It has been redesigned with a focus on improving navigability and purchasing ease for the customer, with enhancements to the clothing and footwear categories, while particularly focusing on its mobile performance.

The redesigned sodimac.com website was also completed, with a new check-out process and a far simpler and more personalized shopping experience.

The portal "E-empresas" was launched, which is an online tool to manage Sodimac current accounts, in order to optimize interaction with customers and improve process efficiency. The launch was accompanied by expanding home delivery coverage for construction materials on online purchases to the whole of Chile.

The Construdecor e-commerce platform was launched in Brazil, which integrated distance sales at Sodimac and Dico. At the same time

geographical coverage was increased to reach the states of São Paulo, Minas Gerais, Rio de Janeiro and Parana, where 59% of the country's GDP is concentrated.

The focus on transforming physical stores into digitally integrated stores continued, exhibits were improved in order to inspire customers, product categories were strengthened, and in-store campaigns were displayed using digital tools and video walls. Sales staff were empowered using training and technology. They now have better information and tools, to integrate online inventory with in-store inventory and increase their productivity.

Online shopping with in-store collection continued to grow at a significant pace, and in important markets such as Chile accounted for over 50% of online sales at home improvement and department stores. Twenty nine Click & Collect centers within Falabella stores were remodeled and expanded, and a second collection point in Tottus Peru was opened, with the aim of increasing the capacity of these centers.

Department stores continued to develop local and international fast-fashion, which encompasses major fashion brands for women, and improved renovation and assertiveness was achieved in fashion selections for customers. The ability to produce new collections very quickly and react to the trends in the market generated sales growth and margin improvements.

A regional collection of clothes, footwear and accessories was launched, in conjunction with the renowned designer Karl Lagerfeld.

The packaging for many home improvement private brands was modernized, and the range of products supplied under these brands was



US\$ 769

Millions

Total online sales



falabella.com

Launch new website

in 4 countries



sodimac.com

Website redesign



17

New retail stores



41

New CMR branches



Opening

2

Mallplaza

shopping centers

expanded to include the lighting and hardware lines. The range of services was enhanced by implementing software for this area with superior performance and virtually no faults, making them even more attractive. This program enabled Sodimac to double its service offering during the year.

Supermarkets achieved significant growth in their non-food categories. Procurement of Indian textiles intensified, with the result that high quality affordable products could be offered to customers, while clothing and footwear corners were remodeled at 30 shops with a new look and feel, such as the baby shower corner. Our own white goods brands, Recco and Würden, achieved strong growth, and our own bazaar brand Daiku achieved excellent results.

Falabella Retail continued to roll-out its efficiency and productivity agenda in the four countries. In particular, the centralized monitoring and control of electricity consumption and the installation of LED lighting in stores progressed well, as these initiatives generated considerable savings in baseline consumption within every country.

Significant progress has also been achieved in automating procurement processes by imple-

menting a new integrated distribution system at Saga Falabella in Peru, and by configuring and developing the new WMS for Falabella Chile. Sodimac introduced latest generation automation systems to home delivery processes at its Lo Espejo Distribution Center in Chile, while significant progress was made in building a new Falabella mini ticket distribution center that will increase hourly processing by a factor of 20.

Tottus Peru centralized the suppliers used by its distribution centers, which helped to increase their contribution to logistics. Consolidation of the Hiperbodega Precio Uno formats also advanced, to achieve an increase in employee productivity.

Seventeen stores, 41 CMR branches, and two shopping malls were inaugurated in 2017. Falabella Retail opened two new stores, one in Mallplaza Los Dominicos in Santiago and the other in the Multiplaza La Felicidad shopping mall in Bogotá. Home Improvement opened six stores. Four of these in Chile, as it opened the first Sodimac Homecenters in Talagante and Melipilla, and expanded its presence in eastern Santiago when it opened Sodimac Homecenter

Entre los principales avances de Falabella Financiero estuvo el fuerte impulso a la omnicanalidad con desarrollos en canales mobile, web y quioscos, además de mejoras en las plataformas de pago

Los Dominicos. Similarly, its subsidiary Imperial opened its first store in La Serena to serve furniture-making customers and other specialists. It also opened two new Sodimac stores in Sao Paulo, Brazil, one in Guarulhos and the other in Anchieta. Tottus inaugurated nine supermarkets. Four in Chile, one in Mallplaza Los Dominicos in Santiago, one in Vitacura in eastern Santiago, one in La Cisterna in southern Santiago, and one in Los Andes in Valparaíso Region. It also opened five stores in Peru, a Tottus in Cusco, one in Dominicos, and one in Comandante Espinar, while it continued to expand its "Hiperbodega Precio Uno" coverage by opening a store in Chulucanas and another in Ica. However, two stores were closed, a supermarket in La Serena, Chile and a Dicico store in Itativa, Brazil.

During the year progress continued towards the launch of Sodimac in Mexico, and building commenced at the first two stores, which are being designed along traditional Sodimac lines.

Falabella Financiero also improved the digitalization of its internal and customer facing processes during the year. A major initiative was commissioning the Digital Factory, which is a special area dedicated to developing new technological solutions and features for remote platforms, with the aim of improving customer experience and providing an increasingly integrated, transparent, convenient and simple service in each country.

A major advance was the powerful drive towards omni-channels, with developments in mobile, web and kiosk channels, complemented by improvements in payment platforms by introducing the QuickPay program. Virtual assistants were imple-

mented in Chile and Colombia, who conducted over 800,000 interactions with customers, and produced satisfactory results. Furthermore, the product opening experience was optimized, making this a simplified, digital process that reached 14% of active mobile customers in the region.

These initiatives were reflected in healthy growth for its product lines. Its consolidated loan portfolio grew by 3.7%, to reach US\$ 7.6 billion by December 2017. Sales using CMR cards increased by 3.7% compared to 2016, in particular, sales at stores not belonging to Empresas Falabella grew compared to the previous year.

These significant sales increases have complemented the increase in active CMR Accounts (with balance), which now exceed 5.2 million across the region.

Meanwhile, the new Falabella Soriana card was launch in Mexico, which marked entering a whole new market, and strengthened the brand's presence in the region. By the end of 2017, there were 40 customer service modules at Soriana stores in Monterrey and Mexico DF*.

Banco Falabella's customer products continued to grow. The numbers of current and sight accounts increased by 11% and 18%, respectively, and now total over 2.3 million customer accounts in the region. This drove up debit card sales, which grew compared to the previous year.

Seguros Falabella (Insurance business) increased its sales by 2.5%, which resulted in its policy portfolio increasing by 9% compared to the previous year. CF Seguros de Vida (Life

US\$ 7,624

Millions

consolidated loan portfolio

5.2 MM

Active CMR Accounts

(with balance)

* The results of Mexico are not consolidated in the Financial Statements of S.A.C.I. Falabella



431,000
Passengers carried

insurance business) was created in 2016, and it also achieved favorable results for the company, with revenue growth of 12% compared to 2016. Meanwhile, Viajes Falabella (Travel business) carried 431,000 passengers around the region, and its sales of packages, hotels and flights were 1.3% higher than the previous year.

This new shopping mall opened its doors in September 2017 with a value proposition that combines entertainment and retail, and investing in renovation, in famous brands arriving in Chile for the first time, in non-traditional operators, and in frequent cultural programs.

390
millions
Visits to our
shopping centers

The real estate business continued to expand and strengthen its corporate structure, with the aim of sharing best practice and consolidating suppliers covering advertising, consulting, information systems, communication and networking services between shopping malls in the three countries.

Furthermore, major expansions were undertaken in Chile, such as the second medical tower at Mallplaza Vespucio, the inauguration of new offices, an educational building, an Integramedica medical center at Mallplaza Egaña and the inauguration of the first Integramedica medical center in the Atacama Region at Mallplaza Copiapo, which has been a significant benefit for surrounding families as it is the first medical establishment of this caliber in the region.

The gross leasable area of its shopping malls, excluding the stores that S.A.C.I. Falabella operates in free-standing locations, reached 2,101,000 m², an increase of 8.0% compared to the previous year, which contributed to its visitors exceeding 390 million.

Mallplaza Cayma was inaugurated in Peru, with a leasable surface area of 42,000 m² which included the first Rooftop Urban Terrace, which provided new meeting and entertainment opportunities for visitors. This development had a positive impact on sales and on the flow of visitors, which increased by 24%.

The most important milestone in Chile was opening Mallplaza Los Dominicos. This added 93,000 m² to the company's leasable surface area, which represents over 240 smaller shops.

Sustainability

We are convinced that our future must be based on responsible growth, in order to become a company that is respected, valued and preferred by customers, employees, suppliers, communities and shareholders. Therefore, all our businesses have continued to strengthen their strategies to sustainably create value within their local environment.

Empresas Falabella listens to its customers through various feedback mechanisms, with the aim of providing a better response to their requirements. One mechanism is Net Promoter Score (NPS) surveys, which guide changes to our propositions and to our customer's shopping experience. The NPS significantly improved for all our retail businesses, partly driven by strengthening the omni-channel strategy.

We actively develop and support our employees, so formulate individual development plans and provide a range of training courses. During 2017 we provided 4,357,970 hours of training across the region. We seek to attract and manage new talent, in line with the company's expansion plans. Our department stores successfully launched new recruitment programs, such as Falabella Challenge, E-Hackathon and Top Talent. Sodimac Chile attended nine professional and technical job fairs and Tottus developed a link with LinkedIn to identify professionals with specific knowledge or experience in retail. We encourage employees to develop and grow within the company, through training programs and internal promotion, with over 40% of vacancies filled through internal promotion within the retail business.

The company and its subsidiaries are building constructive and long-term relationships with its suppliers every day, particularly with SMEs as they drive development in each country. We aim to strengthen and secure sustainability throughout the entire procurement chain. Therefore, we conducted over 1,500 regional and Asian supplier audits during 2017.

Furthermore, our business units participated in programs and projects that contributed to communities close to their stores and shopping malls, aiming to improve the quality of their lives and promote development.

- Falabella Retail continued to strengthen its "Haciendo Escuela"(School Sponsorship) program, and reached over 100 establishments sponsored by Falabella Retail throughout the region, which contributed to improving the education of over 80,000 children in the region.
 - Falabella Financiero continued to strengthen its "Eddu" financial education program, under the conviction that a more informed society is more responsible with its finances. This initiative was developed in Chile, Peru, Colombia and Argentina, and has three central foci: simplify the application process for financial products while advising our customers to make informed decisions; promoting financial education from an early age; and improving the understanding of financial concepts among consumers. Therefore, we gave 360 presentations to customers and ran four e-Learning courses in Chile. We arranged the first financial education fair, and through the "Aprende con Eddu"(Learn with Eddu) competition, over 2,000 students within the "School Sponsorship" network learnt how to manage their finances in a didactic manner. We also developed an e-learning course for our employees in Peru together with various presentations to students, teachers and parents, which benefited over 2,300 participants.
 - Sodimac Chile has launched a new version of its "Buen Vecino"(Good Neighbor) program, called "Construyendo sueños de hogar"(Home building dreams), which involved 96 projects in Chile during 2017. Where 1,510 volunteers donated 7,138 hours of their time, and reached 29,674 beneficiaries in their local communities. We continued to promote the "Círculo de Especialistas Sodimac"(Sodimac Specialists Circle) program, consolidating its position as the main opportunity for construction specialists in Chile and Latin America to discover the latest developments and innovations in construction. For the fifth consecutive year, the "Gran Feria de Capacitación para Especialistas"(Great Training Fair for Specialists) was organized, where over 67,000 specialists benefited. The "Wasi" program in Peru is dedicated to constructing houses, and aims to teach self-construction skills, together with risk prevention, safety, hygiene and social integration skills. In 2017 it focused particularly on over 2,200 families that were affected by heavy rains and floods in the Cure Mori region of Piura.
 - Tottus continued to develop the "Que Rico es Crecer Sano con Tottus" (Growing up healthy is awesome with Tottus) program, together with the Five a Day Corporation belonging to the Nutrition and Food Technology Institute at Universidad de Chile (INTA in Spanish). This initiative has been implemented in 17 schools, and has benefited over 4,000 children between four and nine years old and over 1,200 teachers and parents through workshops on healthy eating.
 - The main focus for Mallplaza has been on community contributions through employment and entrepreneurship. An example was the local Employment Plan for Los Dominicos, which was an initiative developed in conjunction with OMIL from the Las Condes Municipality. The objective was to recruit local staff for the new Mallplaza Los Dominicos shopping mall, where over 600 positions were filled by people from the Las Condes neighborhood. Mallplaza arranged over 300 entrepreneurial fairs, with participation from over 1,000 small business owners. It also provided training in management and sales tools for local entrepreneurs. Mallplaza Los Dominicos and Mallplaza Egaña provided permanent areas for local entrepreneurs to display their products, while Mallplaza Norte and Mallplaza Tobalaba inaugurated craft modules. For the second consecutive year, the Mallplaza Mentoring Program was developed as a contribution to entrepreneurship. Company employees advised entrepreneurs for four months, and provided them with management tools to improve the sustainability of their businesses.
 - For the eighth consecutive year, Mallplaza surprised the public with a new free world-class musical, called "Sirena, el musical"(Mermaid, the musical). This theatrical presentation was presented at nine functions in four cities across Chile, and was very successful, as it attracted over 60,000 people.
- We promote caring for the environment, so we have continued to strengthen these initiatives in every business.
- S.A.C.I. Falabella signed an electricity agreement with Acciona Energia to migrate energy consumption in all our retail stores to non-conventional renewable energy (NCRE), in order to reduce our carbon footprint.



Acciona Energia

To migrate our
retail stores to NCRE



DJSI World

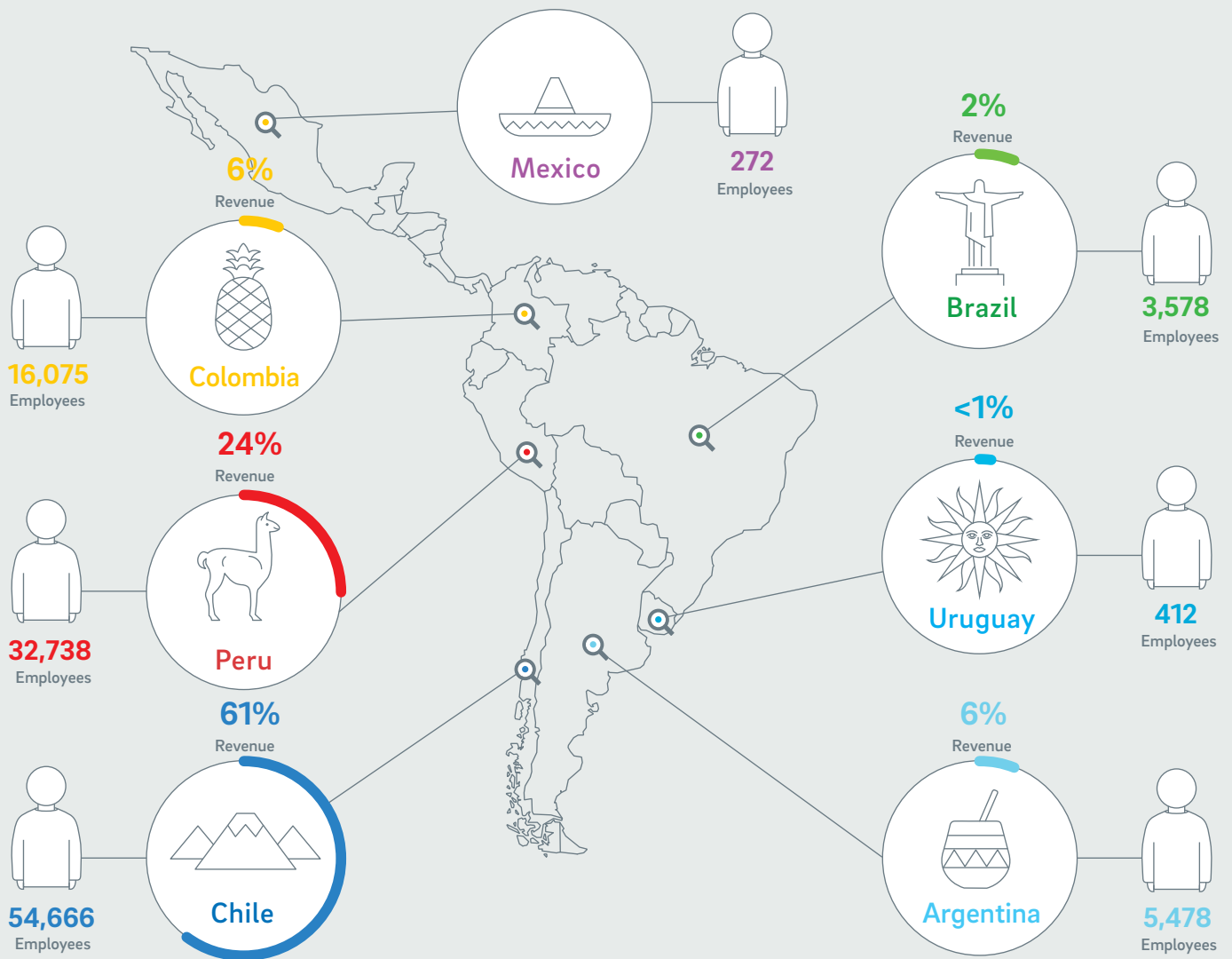
Included for the
third consecutive year

- Falabella celebrated its first anniversary of using biodegradable bags in its stores. This program replaced over 46 million bags across the region. We are also committed to responsibly developing our infrastructure, and over the past 12 months Falabella received LEED certification for 3 new stores in the region. This brought the total number of certified stores to 16 in 4 countries.
- Sodimac began a program to optimize its products and their packaging. The aim is to reduce CO2 emissions during transport, reduce plastic and cardboard use, and efficiently use the space in containers, warehouses and stores. It continues to make progress towards providing a range of products that are more respectful of the environment.
- Mallplaza became the first national company to receive a certificate from the energy distribution company ENEL. This recognition certifies that 12 of its shopping malls in Chile only receive electricity from non-conventional renewable sources, thus reducing their carbon footprint by 85%. Mallplaza constantly undertakes environmental education campaigns, and during 2017 these included the "El Medio Ambiente nos Une (The Environment Unites Us)" initiative, which raised awareness about the importance of

recycling and reuse. During this campaign, it was announced that Mallplaza Egaña will become the first "bag friendly" mall in Chile, as it will encourage visitors and operators to use reusable bags. "The Environment Unites Us" initiative in Chile included over 100 free workshops on environmental education at the chain's principal shopping malls, and over 7,300 people attended a huge free concert given by the Mexican singer Julieta Venegas, who is an ambassador for this cause.

The company and its subsidiaries received several awards, in particular S.A.C.I. Falabella was admitted to the Dow Jones Sustainability World Index (DJSI World) for the second consecutive year. It is the first Latin American retail company to be admitted to this index, which evaluates various financial, social and environmental factors at the largest companies in the world. The process evaluated 2,086 companies from 47 countries, of which 69 belonged to the retail industry. For the third consecutive year, the company continued to be included in the Dow Jones Sustainability Index Emerging Markets (DJSI EM) and the Dow Jones Sustainability Chile Index (DJSI Chile). Furthermore, it has been admitted to the new Dow Jones Sustainability MILA, which follows the sustainability performance of companies in Chile, Colombia, Mexico and Peru.

Regional Presence of Empresas Falabella

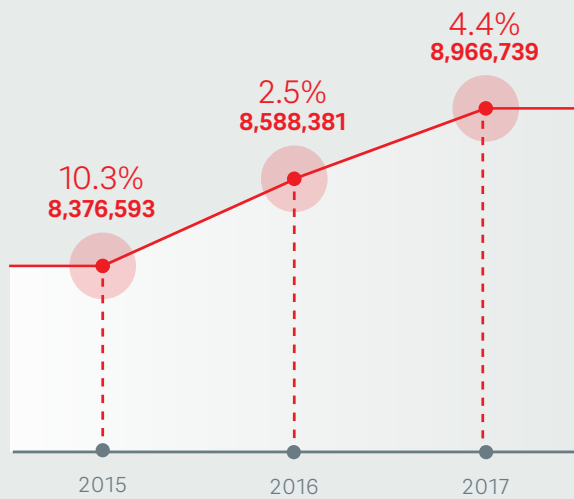


Note: Headcount does not include China and India. Colombia is included in the headcount, but not in Sodimac revenue. Chile revenue includes Plaza S.A. in Colombia.

Economic Indicators

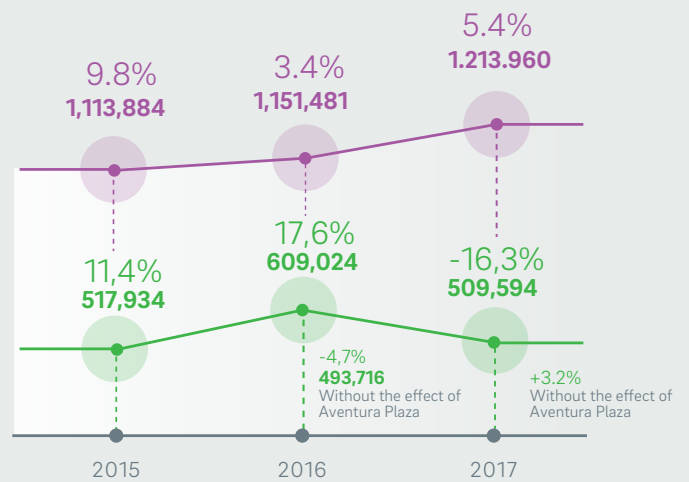
Revenue

(million of nominal Chilean pesos)



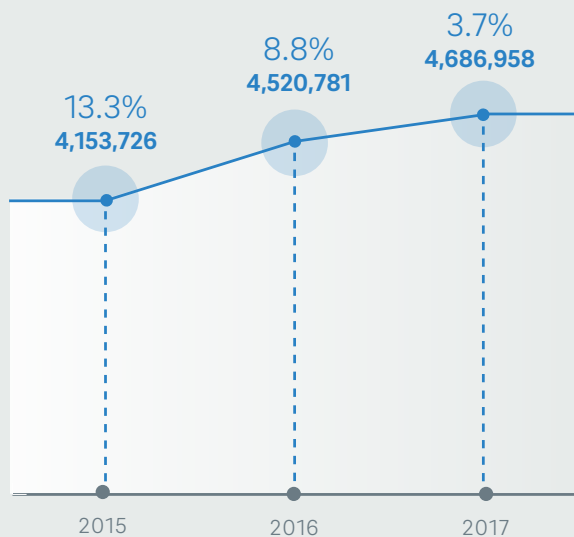
Net Income & EBITDA

(million of nominal Chilean pesos)



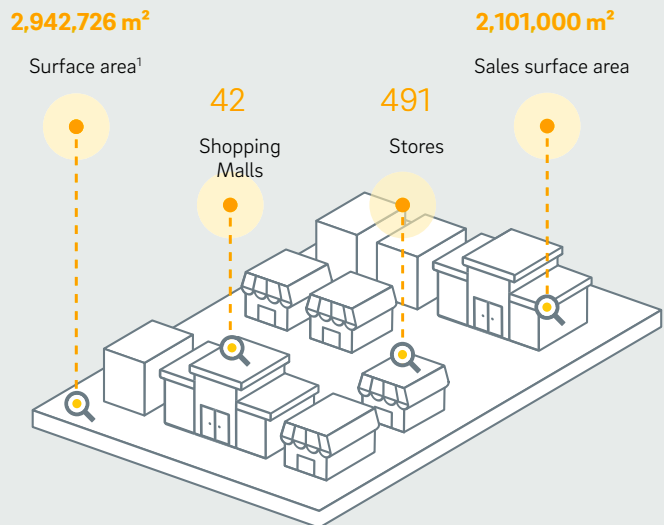
Loan Portfolio

(million of nominal Chilean pesos)



Stores & Shopping Centers

(million of nominal Chilean pesos)



¹ The company and its subsidiaries own a further 992,000 m² approx. of leasable surface area within free standing locations at Falabella, Sodimac, Tottus, Maestro and other stores. It does not include stores that specialize in clothing and footwear for exclusive and second-generation brands.

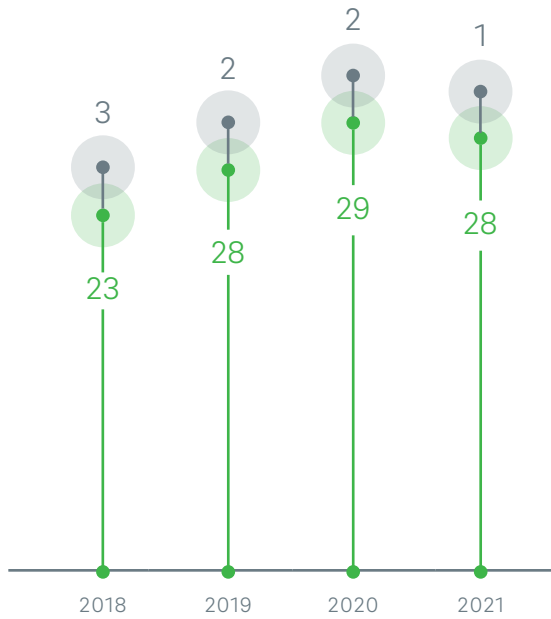
Investment Plan



S.A.C.I. Falabella is constantly looking for investment opportunities that contribute to business growth, generate synergies, or are attractive as a result of Empresas Falabella's expertise. Each investment is studied and evaluated on the basis of cash flow forecasts and strategic value. Financing policies are established for each particular case, always using guidelines approved by the Board.

The company announced a new organic growth plan in January 2018, for the following four years. It indicates investments totaling US\$ 3,900 million by 2020. This is a flexible and dynamic plan, and estimates that approximately 37% of these resources will be invested in opening 108 stores and 8 shopping malls. A 32% will be invested in logistics infrastructure and technology, to enable the company to generate efficiencies in the procurement process, to intensify its understanding of its customers, increase its range of products, and provide better customer service in order to provide a seamless shopping experience across all channels. Finally, close to 31% will be spent on expanding and remodeling current stores and shopping malls, in order to improve the consumer experience, strengthen the positioning of its private labels, and develop the Click & Collect areas (online shopping collected in-store).

Plan to open stores and shopping malls



108

Stores

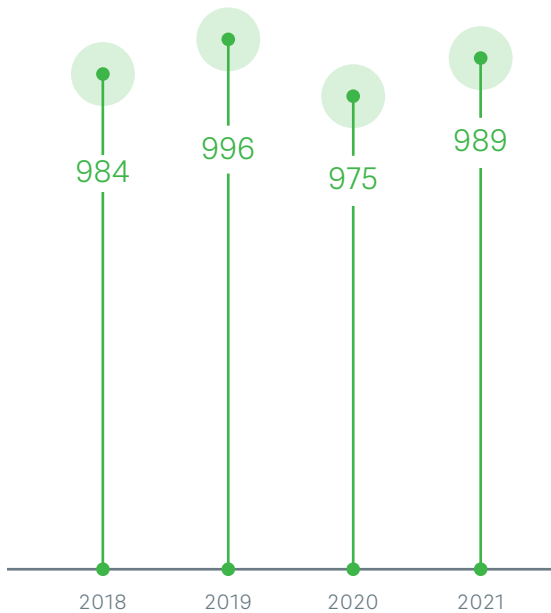
8

Shopping Malls

US\$ 3.9 bn

Investment

Investment Plan (US\$ million)

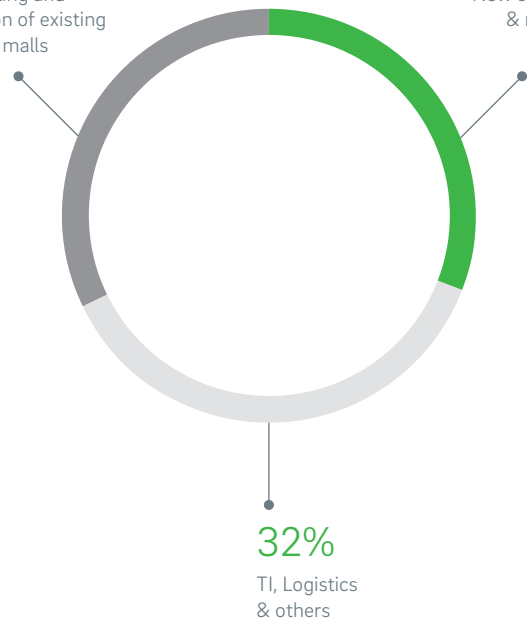


31%

Remodeling and expansion of existing stores & malls

37%

New stores & malls

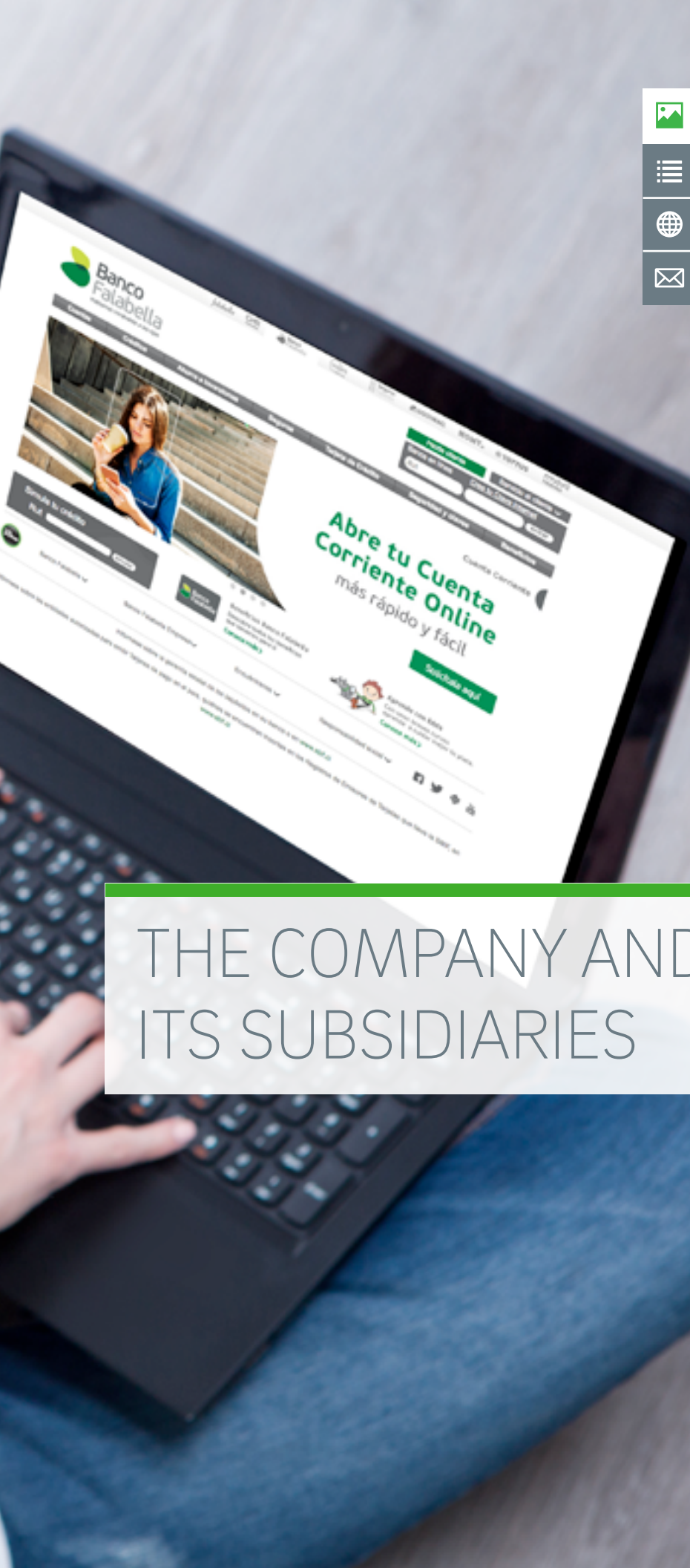


32%

TI, Logistics & others

Note: The investment plan covers all the investments planned by S.A.C.I. Falabella and its subsidiaries and associates, including Sodimac Colombia, Sodimac Mexico and CMR Mexico, which are not consolidated.








03



THE COMPANY AND ITS SUBSIDIARIES

-  Introduction to the Business Units
-  Performance Indicators
-  History



WELCOME

2017 HIGHLIGHTS

THE COMPANY AND ITS SUBSIDIARIES

CORPORATE GOVERNANCE

CORPORATE INFORMATION

Introduction to the Business Units

Department Stores



Home Improvement Stores



Supermarkets



Financial Services



Real Estate



S.A.C.I. Falabella and its subsidiaries and associated companies (hereinafter Empresas Falabella) has 128 years' experience of serving its customers. It is one of the largest and most comprehensive retail platforms in Latin America, with services in Chile, Peru, Colombia, Argentina, Brazil, Uruguay and Mexico.

Empresas Falabella is organized into five business units, unified by a strategy that balances growth, profitability and sustainability with the customer at its core: Department Stores, Home Improvement, Supermarkets, Financial Services and Real Estate.

The company has now become one of the principal omni-channel operators in the region, using an innovative e-commerce platform and an extensive network of 491 stores, 42 shopping centers and 261 bank branches. This successful strategy has enabled the company to provide a diverse range of products and services within each business unit to millions of customers across the region.

Department Stores

S.A.C.I. Falabella operates the department store business unit in Chile, Peru, Colombia and Argentina, where it enjoys market leadership.

- It has large physical and online stores, where it sells a wide range of home and personal products, sorted by various categories, such as clothing and footwear, beauty products, electronics and appliances, and furniture and decorations. It uses its private labels, exclusive international brands, local brands and second-generation brands.
- It has smaller stores that specialize in exclusive and second-generation branded clothing and footwear, which provide a wider variety of products from these brands compared to the large stores.

This business unit has several competitors in each country, which can be separated into four sub-sectors: department stores, multi-stores, online pure players, and specialty chains, who focus their product offering around a brand, lifestyle or concept.

According to our estimates, the market share of our department stores in the retail industry by categories is approximately 23% in Chile, 18% in Peru, 7% in Colombia and 2% in Argentina.



Chile



Sales surface area

Peru



Sales surface area

Colombia



Sales surface area

Argentina



Sales surface area

45 Stores

#1 Market position

29 Stores

#1 Market position

26 Stores

#1 Market position

11 Stores

#1 Market position

Note: the sales surface area and number of stores does not include stores that specialize in clothing and footwear for exclusive and second-generation brands. Peru and Colombia also include their Crate & Barrel stores.

Home Improvement Stores

This business unit operates both physical and online channels in Chile, Peru, Colombia, Argentina, Brazil, Uruguay and soon, Mexico. It currently operates six sales formats and complementary services for its customers: Sodimac Homecenter, Sodimac Constructor, Imperial, Homy, Dicico and Maestro.

- The Sodimac Homecenter format focuses on home improvements and providing families with a wide range of products and services covering home equipment, renovation, refurbishment and decoration.
- Sodimac Constructor focuses on meeting the requirements professionals in the construction and hardware industry, and providing them with the best materials at affordable prices.
- Imperial only operates in Chile, and specializes in products for the timber industry.

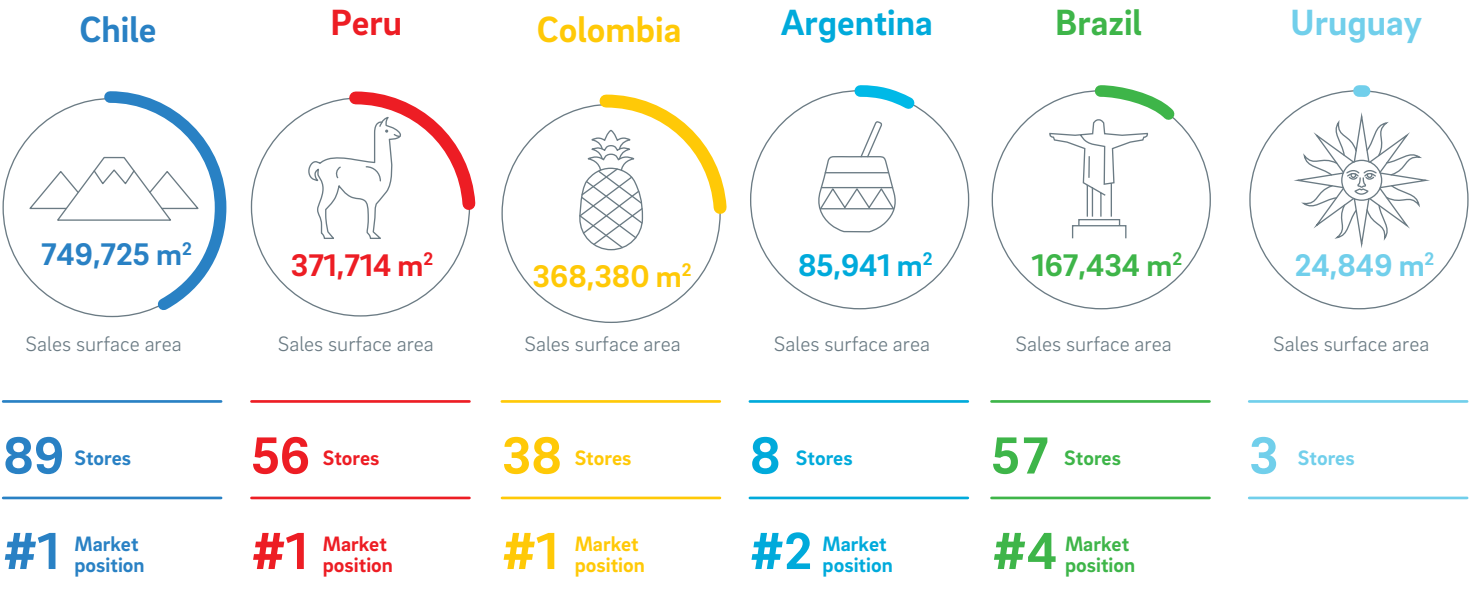
- Homy provides affordable selections to those who love design and decoration, in order to introduce different styles to Chilean homes.

- Dicico and Dicico Multi operate in Brazil and focus on three categories: flooring and wall coverings, bathrooms and kitchens, gardens and terraces.

- Maestro in Peru has an attractive selection of products in the home improvement and construction areas.

The company has a variety of competitors in the home improvement industry in each country. These include large building materials, home improvement and hardware stores, many of which are chain stores. There are other competitors for home improvement products such as hypermarkets, department stores and specialty shops. Finally, there are suppliers that directly serve the customers of construction companies.

Internal market analysis based on information from the Chilean National Statistics Institute, the Chilean Family Spending Survey, the Chilean Construction Chamber, the Peruvian National Statistics and Information Technology Institute, the Colombian National Statistics Administration Department, the Argentinian National Statistics and Censuses Institute, the Brazilian Geography and Statistics Institute, and the Uruguayan National Statistics Institute, indicates that our market share of this segment is around 26% in Chile, 15% in Peru, 10% in Colombia, 1% in Argentina, 3% in Uruguay and under 1% in Brazil.



¹ Market share calculations for home improvement are not comparable with those published in the 2016 Annual Report owing to a change in the methodology.



Supermarkets

The company has three formats for this business unit, with both physical and online stores in Chile and Peru.

- Tottus Supermarkets, which sell the traditional categories of food and hygiene products.
- Tottus Hypermarkets, in addition these provide a range of basic durable goods, appliances, clothing, electronics and household items.
- "Hiperbodega Precio Uno", focuses on low prices for the Peruvian market and provides a range of products, particularly non-perishable goods.

The supermarket segment has several competitors, including hypermarkets, supermarkets, self-service stores and neighborhood grocery stores.

Internal market analysis based on information from the Chilean National Statistics Institute, Euromonitor, the Peruvian National Institute of Statistics and Informatic, among others, indicates that Empresas Falabella has a market share in the supermarket industry of around 4% in Chile and 5 % in Peru.

Chile



Sales surface area

64 Stores

#4 Market position

Peru



Sales surface area

65 Stores

#3 Market position

Note: the methodology of calculation of market share in Peru changed with respect to what was published in previous years.

Financial Services

Falabella Financiero provides integrated proposals for products and services in this area and grants credit to its customers in a responsible manner. Its lending strategy combines the solidity of a traditional financial business with the customer proximity that characterizes the retail business. It operates in Chile, Peru, Colombia, Argentina and recently in Mexico, through its various financial businesses.

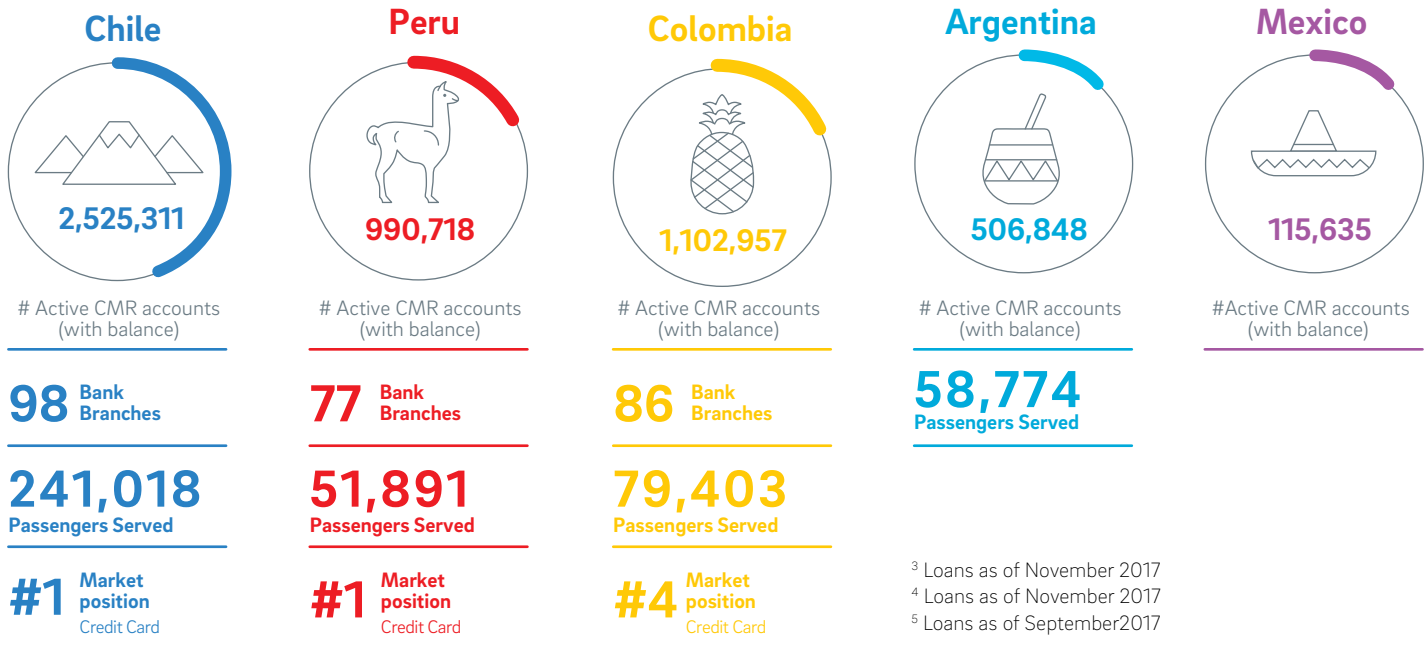
- **CMR Falabella (Credit Cards):** Over 35 years' experience operating in the Chilean market, to become the largest credit card issuer in the Chilean market, by providing its customers with simple and transparent financing and payment plans with excellent benefits. CMR also operates in Argentina, Peru (with Banco Falabella where it is the leading national issuer), Colombia (with Banco Falabella), and in Mexico since 2017 through a joint venture with Organización Soriana, S.A.B. de C.V. (Soriana). CMR first offered its payment convenience to stores outside the company in 2010 when it established partnerships with Visa in Peru and Chile, with double-digit sales growth every year at these stores. Recently it launched Premium and Elite cards that reward very loyal customers to these cards with special benefits.
- **Banco Falabella (Bank):** Welcomes Chilean, Peruvian and Colombian customers who not only require consumer loans, but also seek an integrated banking service that provides current accounts, mortgage loans, term deposits and mutual funds, in a simple, transparent and convenient manner.



- **Seguros Falabella (Insurance Broker):** Provides comprehensive advice on choosing insurance policies that meet each customer's particular requirements, in order to secure their peace of mind. It currently has operations in Chile, Peru, Colombia and Argentina.
- **Viajes Falabella (Travel Agency):** Provides its Colombian, Peruvian, Chilean and Argentinian customers with a first class service that balances quality, price and payment method (including CMR Points, a card loyalty program recognized in each country).

The financial services business unit competes with personal banking and credit cards operated by other retail chains. It also competes with other insurance brokers and travel agencies.

Internal market analysis based on information from the SBIF (Chilean Banking Market Regulator), SVS (Chilean Stock Market and Insurance Regulator) and cajasdechile.cl, indicates that the combined market share of the CMR Falabella and Banco Falabella consumer loan portfolios is 9.7%³ in Chile. Information from the Peruvian Banking, Insurance and Pension Market Regulator indicates that the market share of the Banco Falabella consumer loan portfolio as of December 2017 is 5.9%⁴. Information from the Colombian Financial Market Regulator indicates that the market share of the Banco Falabella consumer loan portfolio is 3.8% . Finally, information from the Argentinian Central Bank indicates that the market share of CMR Falabella's credit card and personal loan portfolio is 0.6%⁵.



³ Loans as of November 2017
⁴ Loans as of November 2017
⁵ Loans as of September 2017

Real State Business

S.A.C.I. Falabella operates and manages shopping centers in Chile, Peru and Colombia, through two companies:

- Mallplaza operates in Chile, Peru and Colombia and is a leading shopping mall chain in Latin America, due to its integrated value proposition, which combines its commitment to local communities, with its concern for the environment, and its dedication to disseminating culture.
- Open Plaza operates smaller scale shopping centers in Chile (through Rentas Falabella) and Peru, using Falabella, Sodimac or Tottus as anchor stores, complimented by an attractive variety of smaller shops and entertainment.

The company also own a further 992,000 m² approx. of leasable surface area within free standing locations at Falabella, Sodimac, Tottus, Maestro and other stores⁶.

De acuerdo a estudios realizados en hogares y en los distintos centros comerciales, los principales actores que compiten en el negocio inmobiliario son los centros comerciales en sus distintos formatos, tales como malls, power centers, strip centers y el comercio tradicional ubicado en las localidades donde están presentes los centros comerciales de la compañía.

The company has a portfolio of projects on its own land and on concessions. Its subsidiary Nuevos Desarrollos S.A. in Chile owns the Mallplaza Arica projects, which will open in 2018 and land in the Fifth and Sixth Regions. Its subsidiary Mallplaza Colombia S.A.S. owns land for project development in Manizales, Barranquilla and Cali. Open Plaza Megacenter construction projects are currently underway in Calera and Fontova in Chile. It also own land in the Third, Fourth, Fifth and Metropolitan Regions for future development projects.

Information from the Chilean National Statistics Institute indicates that Mallplaza's share of the Chilean retail market is estimated to be 6.5% in Chile, 2.6% in Peru and 0.2% in Colombia.



⁶ It does not include stores that specialize in clothing and footwear for exclusive and second-generation brands.

History



Salvatore Falabella opened his first great tailoring store on Ahumada Street, Santiago, Chile.

1889

Household products were introduced, laying the foundations for the first department store in Chile, and Ahumada Street became known as "Falabella Street".



1958



Falabella launched CMR, its own credit card and the first of its kind in Chile.

1980

1962

The first store outside Santiago was opened in Concepción.

1990

Mallplaza opened its first shopping mall in Chile, Mallplaza Vespucio, in La Florida.



EXCELLENCE AND AUSTERITY

S.A.C.I. Falabella has been forged from hard work and austerity. Our motto is: Do things correctly, with passion, and take care of the details.



Alberto Solari

1937

Alberto Solari joined the company, transforming it into an important clothing store.



falabella



SODIMAC
HomeCenter

Falabella entered Argentina and Sodimac entered Colombia.

1993



CUSTOMER FOCUSED

Focusing on our customers has been our hallmark since day one. This drive to serve our customers first and foremost has resulted in our brand values: transparency, proximity and convenience.

1995



Falabella entered Peru by acquiring Saga.

1996



S.A.C.I. Falabella goes public and its shares begin to trade on the Santiago Stock Exchange.



1997



Viajes Falabella and Seguros Falabella created.

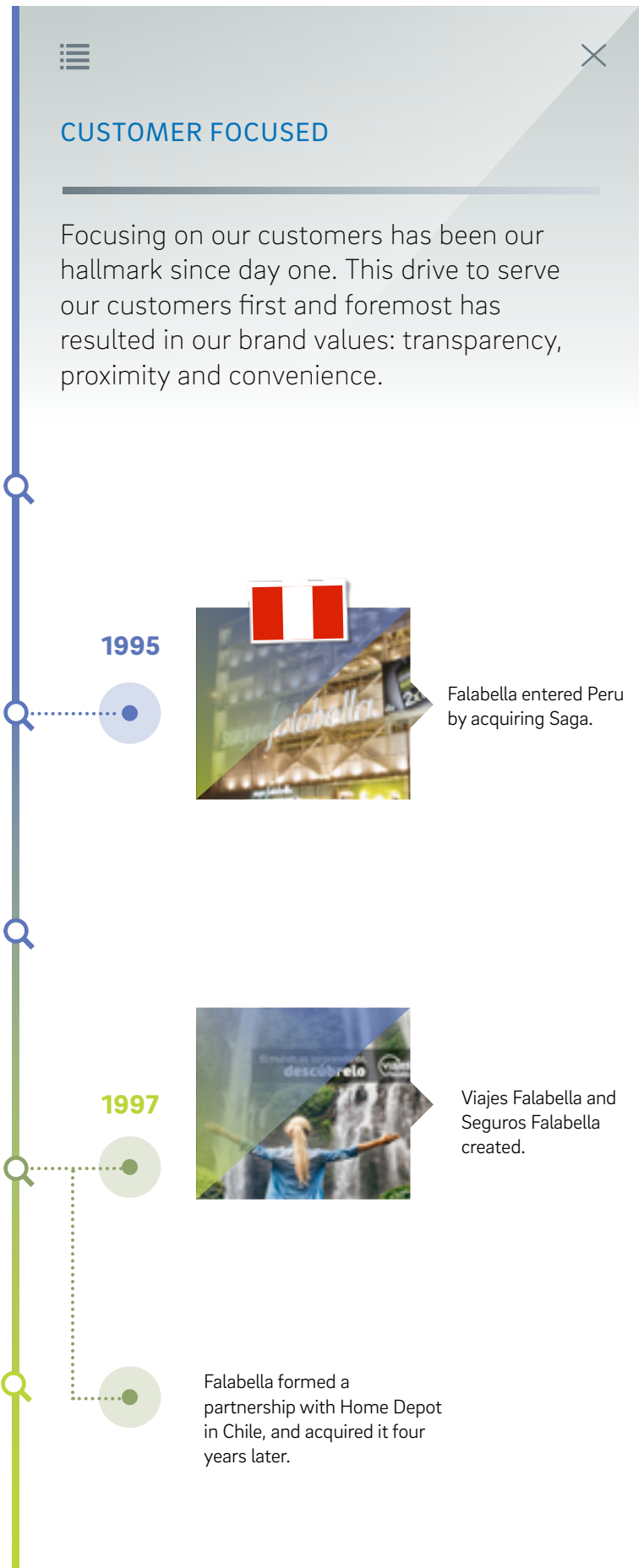
Banco Falabella was formed, by acquiring a license from ING Bank Chile.



1998



Falabella formed a partnership with Home Depot in Chile, and acquired it four years later.





Falabella.com launched internet sales in Chile.

1999



Agregar abajo
Sodimac's Founder

S.A.C.I. Falabella and Sodimac merged, launching the first regional home improvement chain in Latin America.

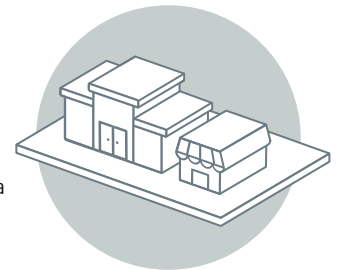
2003

2002



S.A.C.I. Falabella opened the first Tottus supermarket in Lima, Peru.

2004



S.A.C.I. Falabella acquired the San Francisco supermarket chain in Chile.

2006



Falabella Retail entered Colombia with its first department store in Bogotá.



TEAMWORK

The retail business requires team work. We train and internally promote over 113,000 employees to achieve personal and professional development, which results in a good working environment.



Banco Falabella was launched in Peru.



Aventura Plaza was launched in Peru.



Sodimac acquired 60% of the Imperial home improvement chain in Chile.



Homy was launched in Chile.



Mallplaza opened its first shopping mall in Colombia.

2007



2008-09



2009



2011



2012



INNOVATING, ALWAYS INNOVATING

Responding to our customer's requirements has made innovation part of Falabella's DNA. We repeatedly reinvent ourselves, and incorporate the latest technology into our products, services and sales channels.



CMR formed a partnership with Visa in Peru and Chile. Then formed a partnership with MasterCard in Argentina and Colombia in 2011.



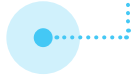
Banco Falabella was launched in Colombia.

S.A.C.I. Falabella entered Brazil by acquiring 50.1% of the Dico home improvement chain.



2013

Móvil Falabella was launched in Chile.



Sodimac entered Uruguay by opening its first two stores.

2015



S.A.C.I. Falabella opened its first two Sodimac stores in Brazil.



The first Falabella-Soriana credit card was issued in Mexico, and the company acquired 50% of Servicios Financieros Soriana S.A.P.I de C.V.

2017



OUR SUPPLIERS, GOOD PARTNERS

Our suppliers are strategic partners and we have grown together. Trust and unconditional respect are key commitments in this partnership.

2014



Sodimac acquired the Maestro home improvement chain in Peru.



Hiperbodega Precio Uno was launched in Peru

2016



In Collaboration with RobecoSAM

S.A.C.I. Falabella was admitted into the Dow Jones Sustainability World Index.

Separation of Aventura Plaza S.A. in Peru. S.A.C.I.



S.A.C.I. Falabella and Soriana signed final contracts to jointly develop Home Improvement (Sodimac) and Financial Services (CMR) businesses in Mexico

Performance Indicators



The company is committed to sustainable development. Therefore, a strategic pillar is defining and implementing sustainability policies and initiatives. The sustainability policies of our businesses integrates best practice in this area, and is based on guidelines provided by well-known international organizations and the Global Reporting Initiative (GRI⁷).

The company is committed to publishing and promoting the guidelines proposed in each sustainability policy to its various stakeholders, and it continuously seeks improvements that achieve higher sustainability standards. Business units are responsible for implementing these policies in each country.

For the second consecutive year S.A.C.I. Falabella was admitted into the Dow Jones Sustainability World Index (DJSI World). The company remained in the Dow Jones Sustainability Emerging Markets Index (DJSI EM) and Dow Jones Sustainability Chile Index (DJSI Chile). The Dow Jones World Index began in 1999 and has become the most respected sustainable investment index in the

world. The index unites the world's leading companies committed to sustainable development by evaluating non-financial indicators, covering economic, social and environmental issues.

In October 2017, S.A.C.I. Falabella was admitted into the new Dow Jones Sustainability Index MILA, the first sustainability index for companies in the Pacific Alliance (Chile, Colombia, Mexico and Peru). The company is convinced that its future can only be secured through a strategy of responsible growth that generates value for all its stakeholders. This will ensure that it will continue to be respected, valued and preferred by customers, employees, suppliers, local communities and shareholders.

Key indicators for the seven stakeholder groups that the company has identified as the central pillars of its sustainability strategy are described in detail in the following section. These indicators contain information from all the company's subsidiaries and its associate Sodimac Colombia, which is not consolidated in the company's financial statements. They have been verified and audited⁸ by Corporate Citizenship⁹ for the third consecutive year.

⁷ The company's principal business units report under the GRI standard. More information on sustainability policies and initiative management can be found in our respective Sustainability Reports in the investors section of the S.A.C.I. Falabella web site.

⁸ Audit Letter in Annex, page 115

⁹ Corporate Citizenship is an internationally recognized and prestigious consulting firm that specializes in sustainability and corporate social responsibility. For more information visit: <http://corporate-citizenship.com/about-us/>



Customers

The company strives to be preferred and respected by its customers.

- It strives to provide the best shopping experience, by guaranteeing the quality and safety of the products it offers to the public, its services and its facilities.
 - Its strategic priorities are omni-channels and technological development, in response to increasingly digital and dynamic consumers. The company firmly believes in the synergy between physical and online channels, which through its size can result in process efficiencies.
 - During 2017 it achieved Ch\$ 472,534 million in online sales through its retail formats, an increase of 36% over 2016.
 - The number of distance sales orders increased by 53.8% with respect to 2016. This improvement is greater than the growth of 39% experienced in 2016, which demonstrates S.A.C.I. Falabella's commitment to its omni-channel strategy.
 - The financial business optimized the product opening experience, making this a simplified, digital process that reached 14% of active mobile customers in the region.
 - The company is committed to protecting customer privacy. Company digitization requires stronger security networks and greater protection of our customer's data.
 - Corporate governance has established cybersecurity strategies and policies over the past few years that protect customer information in terms of confidentiality, integrity and availability for all our businesses. This plan includes investments in technology, control systems and a cyber defense center that monitors all security events, threats and risks. S.A.C.I. Falabella participates in cyber security events with the community, in order to encourage education and collaboration, and raise awareness.
 - It has developed communication channels with its customers, which include feedback mechanisms for concerns about its products and services, thus enabling it to provide a rapid and accurate response.
 - The retail businesses measure the quality of their services using the Net Promoter Score (NPS) satisfaction survey, which measures customer loyalty based on recommendations (promoter, passive, detractor). Falabella.com has established continual feedback mechanisms that survey customers who visit the site and customers who complete a purchase, with the aim of improving processes and developing a better experience.
 - Mallplaza and Open Plaza measure customer satisfaction through a survey performed by Estudio MIC from Ipsos Chile, called Net Overall Satisfaction.
 - We promote transparent relationships with customers, and we ensure that we provide clear and accurate information about our products, services, and customer contracts.
 - We have increased the number of available attributes by category by 30% and 50% for the online stores of Falabella and Sodimac, respectively.
 - We ensure that our advertisements are responsible, that they promote lifestyles that care for the environment and people, and try to avoid any undesired effects on consumers.
- Social networks have improved proximity and facilitated communication with our customers, they enable us to improve our services every day.
- Empresas Falabella has 27 million followers on social networks (Twitter, Facebook and others), including all the company's subsidiaries in every country. This represents growth of 16.1% with respect to 2016. Double-digit growth was achieved in Chile, Peru and Argentina.



53.8%

Growth in number of
distance sales orders



390
millions

Visits to our

shopping centers

Specific customer indicators are described below:

- There were 323.9 million transactions in the retail business in 2017, 1.7% more than in the previous year.
- We estimate that people visited our shopping centers about 390.6 million times across the region this year, equivalent to the entire population of Chile visiting our shopping centers around 22 times during the year.
- During 2017, Banco Falabella reached 2,362,055 checking and sight accounts across the region. CMR has 5.2 million active cards with balance across the region. By the end of 2017, the financial businesses had 677¹⁰ branches across the region, including 40 Soriana branches in Mexico.
- 431,000 passengers traveled with Viajes Falabella during the year.
- Given the customer fragmentation at Empresas Falabella's business units, no unit has any customers that individually represent over 10% of its revenue.

¹⁰ Includes bank branches and CMR customer service modules.



Employees

The company must be committed to its employees, in order to remain successful.

- S.A.C.I. Falabella recognizes the fundamental importance of its employees and those employed by its subsidiaries to its growth and development. Therefore, it is fully committed to their professional development and integral well-being. We are actively attracting and retaining the best teams for each of our businesses.

- Training consists in employee induction when they join the company, followed by e-learning courses, internships and on-the-job training. Subsequently, specific technical courses are regularly provided that enable employees to become better informed and empowered, so they can successfully achieve their professional objectives and those of the business.

- We prepare individual development plans that open up access to various training courses. During 2017, 4,357,970 hours of training were provided, which is an average of 38.9 hours per employee per year, of which 47% were for women.

- Empresas Falabella closed 2017 with 113,378 employees. We promote labor inclusion and gender equality during the recruitment process, and over recent years we have developed several programs and policies that promote inclusion and diversity in our businesses.

- In July 2017, Falabella Retail Chile joined the Gender Parity Initiative in Chile, as part of its commitment to labor inclusion and gender equality. This is an alliance promoted by the Inter-American Development Bank and the World Economic Forum that aims to reduce the gender gap and increase the participation of women in the labor market. The initiative will implement 10 measures to reduce financial gender gaps, in order to fulfill three strategic objectives: (i) increase women's participation in the labor force, (ii) raise awareness and reduce gender wage gaps, and (iii) lower barriers to female promotion and increase their appointment to senior positions.

- By the end of 2017, 51.6% of employees at Empresas Falabella were women.

Empresas Falabella's Employees¹¹

	Other Employees	Professionals and Technicians	Managers and Executives	TOTAL
SACI. (Parent company)	9	146	37	192
Subsidiaries	86.110	24.017	3.059	113.186
TOTAL	86.119	24.163	3.096	113.378

Chile	41.152	12.100	1.414	54.666
Peru	25.068	6.812	858	32.738
Argentina	3.952	1.294	232	5.478
Colombia	12.403	3.280	392	16.075
Uruguay	356	44	12	412
Brazil	3.120	420	38	3.578
China	26	88	25	139
India	2	17	1	20
Mexico	40	108	124	272
TOTAL	86.119	24.163	3.096	113.378

	Women	Men	TOTAL
Otros Colaboradores	45.535	40.584	86.119
Profesionales y Técnicos	11.964	12.199	24.163
Gerentes y Ejecutivos	1.054	2.042	3.096
TOTAL	58.553	54.825	113.378

Composition by Nationality

	Women	Men	TOTAL
Chile	28.912	24.054	52.966
Peru	16.331	16.885	33.216
Colombia	7.916	8.417	16.333
Argentina	3.116	2.344	5.460
Brazil	1.452	2.135	3.587
Uruguay	174	225	399
Others	652	765	1.417
TOTAL	58.553	54.825	113.378

Composition by Age

	Women	Men	TOTAL
Under 30	25.874	26.296	52.170
Entre 30 y 40	19.266	16.917	36.183
Entre 41 y 50	9.100	7.224	16.324
Entre 51 y 60	3.703	3.318	7.021
Entre 61 y 70	562	944	1.506
Más de 70	48	126	174
TOTAL	58.553	54.825	113.378

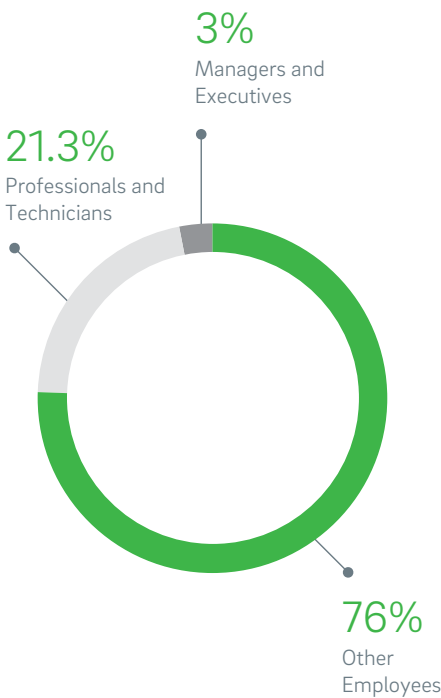
Composition by length of service at Empresas Falabella

	Women	Men	TOTAL
Less than 3 years	31.595	30.754	62.349
Between 3 and 6 years	12.293	10.308	22.601
Between 6 and 9 years	4.513	4.054	8.567
Between 9 and 12 years	5.883	5.084	10.967
Over 12 years	4.269	4.625	8.894
TOTAL	58.553	54.825	113.378

¹¹ Total employees includes S.A.C.I. Falabella and its subsidiaries and associates, including unconsolidated entities.



Employee's Composition



113,378
Total employees

- We have 52,966 (46.7%) Chilean employees, 33,216 (29.3%) Peruvian, 16,333 (14.4%) Colombian, 5,460 (4.8%) Argentinian, and 5,403 (4.8%) have other nationalities.
- 46% of employees are under 30 years old.
- 45% of employees have worked at Empresas Falabella for over 3 years.
- The average base salaries of our female employees as a percentage of that for male employees is:
 - 100% for our hourly-paid employees.
 - 90% for professional and technical employees.
 - 78% for managers and executives. This gap is due to mostly men being appointed to senior positions.
- Empresas Falabella retains talent within its business units, accordingly, it helps employees to develop and grow within the company. Most of the vacancies within our business are filled through internal promotion.
 - We constantly monitors our staff turnover rate¹², which reached 41% during 2017. Our recruitment rate¹³ was 43.8% for the year.
- A principal objective at Empresas Falabella is to be a good place to work, by promoting a collaborative environment and a healthy work-life balance. Therefore, several programs and benefits have been developed that improve the quality of life for employees and their families. Furthermore, employee well-being is regularly

analyzed using climate surveys. Some Empresas Falabella companies participate in the Great Place to Work survey, which is used to define objectives and measure progress, as a component of our commitment to employees. The results at our Retail and Real Estate businesses this year were:

- The department store business in Colombia was ranked in sixth place and achieved the same score as last year. Peru achieved the same score as in 2016 and was ranked in twelfth place, Argentina improved its score by two points to reach ninth place in the ranking, and finally Chile achieved the same score as last year and was ranked in twenty-fifth place. There were no significant differences between the evaluations by men and by women.
- The home improvement businesses in Chile, Peru, Uruguay and Brazil achieved the same score as 2016, while Argentina improved its score by one point. The ranking of Peru improved by two positions to arrive at ninth place, while Argentina reached sixth position and Uruguay seventh position.
- Tottus Peru improved by two positions and was ranked in tenth place.
- Mallplaza Chile achieved the same score as last year and improved its ranking by seven positions to reach thirty-fourth place.
- The company and its subsidiaries have a solid group of leaders and professionals focused on building teams and developing people, to

¹² Total leaving (voluntary and involuntary) / Total direct employees.

¹³ Total joining (voluntary and involuntary) / Total direct employees.

secure business sustainability. Developing our employee's talents is a principal concern and this is evidenced by various performance evaluations and feedback sessions.

- A major initiative that is used to internally manage talent is the 360° Evaluation, which is undertaken by all the senior executives at Empresas Falabella every year. The objective is to produce individual development plans that enable each employee to improve their performance and maximize their potential. This initiative also identifies talents and develops them, to support succession planning. In 2017, 2,268 executives were evaluated in Chile, Peru, Colombia, Argentina, Brazil, Uruguay, Mexico and Asia.
- There are also a variety of annual performance evaluations¹⁴ at all levels of the organization, with 73,462 employees receiving an evaluation of their performance during the year.
- During 2017, 67% of our employees were evaluated using one of these methods.
- Empresas Falabella's commitment to developing and retaining talent covers not only the quality of life of its employees, but also several companies have implemented flexible working plans based on flexible working hours, working away from the office on certain days, and unpaid days off, among other benefits.
- Both individual and collective fluid internal communication is required, in order to understand and satisfy employee's requirements. Empresas Falabella promotes dialog and transparency, and it recognizes freedom of association and labor rights. By December 2017, 34% of employees at Empresas Falabella belonged to a trade union (covered by collective bargaining agreements). This percentage reached 55.6% in Chile.



Reduction

5%

Accident rate



Average

36.4

Training hours

- Our employee's health and safety is a priority for Empresas Falabella, accordingly, we have policies that aim to prevent occupational risks and promote a healthy environment. Joint committees composed of managers and employees are responsible for ensuring the health and well-being of their colleagues at their respective facilities. These committees also conduct courses, campaigns and inspections, with the aim of minimizing risks and managing them. These initiatives have reduced our accident rate, which is constantly monitored by each business unit.
- During 2017, a total of 4,171 accidents were registered, 5.0% less than last year, and the accident rate¹⁵ fell to 3.7% from 4.1% in 2016. During 2017, there were no workplace fatalities in Empresas Falabella.

Health indicators include the Occupational Disease Rate (ODR), the Lost Days Rate (LDR) and the Absentee Rate (AR), whose values were 0.07, 39.8 and 11,542 respectively, and they improved by 23.1%, 3.0% and 8.9% in relation to the previous year^{16, 17}.

¹⁴ 180° Evaluation, 90° Evaluation, 45° EDD, among others.

¹⁵ Occupational accidents / Total direct employees.

¹⁶ **ODR:** Number of cases of occupational diseases for every 100 employees during the working day for a year; **LDR:** Number of working days lost for every 100 employees in a year; **AR:** Number of absent hours for every 100 employees during the working day in a year; **Occupational Disease:** Disease caused by work or arising from an occupational accident; **Days Lost:** Days not worked due to an accident at work or an occupational disease; **Absent:** Refrain from working for any reason, not only as a result of an accident or an occupational disease. Absent does not include authorized absences, for example, for vacations, studies, maternity or paternity leave and leave for humanitarian reasons.

¹⁷ This data does not include Sodimac Brazil



Suppliers

We build constructive long-term relationships with our suppliers.



31,368

Active retail suppliers



83%

with RS clauses

in their contracts

- Mutual collaboration and trust enables suppliers and companies to grow. We have open communication with our suppliers, and have created appropriate communication channels to dialog with them. We encourage them to develop innovative solutions focused on customer's requirements.

- By the end of 2017, our retail business had 31,368 active suppliers¹⁸, 2.2% more than in 2016.

- Suppliers are constantly evaluated and audited. We also provide support to help them achieve better service standards and encourage them to adopt responsible development plans that cover economic, social and environmental issues.

- The CSR practices¹⁹ of over 1,500 retail business suppliers were audited in 2017.

- Falabella and Sodimac work with Sedex, the largest global platform for Corporate Social Responsibility issues in the value chain, which

helps companies to achieve responsible ethical, employment, environmental, health and safety standards. Suppliers must be committed to complying with the Sedex members ethical trade standards (Sedex Members Ethical Trade Audit - SMETA).

- 83% of retail suppliers with contracts have Social Responsibility²⁰ clauses, whose objective is to specify the ethical and human rights conditions that apply to their production facilities.

- The company and its subsidiaries are concerned about prompt payments to suppliers, in particular to SMEs. Our retail business in Chile used 2,940 SMEs, which represent about 30% of all Chilean suppliers. 2,332 of these SMEs received payment within 30 days, equivalent to 79.3% of them, an improvement over 73.9% in 2016.

- No business unit has suppliers that individually represent over 10% of total business unit purchases in the period.

¹⁸ Supplier accounts with transactions during the year.

¹⁹ Sedex, or any other CSR audit.

²⁰ Supplier Compliance or other.



Community

We promote building links with local communities and contribute to their development and quality of life.

- The company collaborates with social, economic and cultural developments within local communities, and implements social programs with a measurable and meaningful benefit for these communities. The most emblematic include²¹.
 - 78% of beneficiaries (children and teachers) in academic programs improved their skills, and 96% developed skills while participating in the academic components of the School Sponsorship program.
- **Haciendo Escuela (School Sponsorship) Program:** This is a characteristic hallmark of Falabella's Social Responsibility. It was created 49 years ago, with the aim of building a better future for today's children and tomorrow's families. This initiative has been adapted to match the educational conditions in each country, based on integrated voluntary support from each store, in conjunction with municipalities, parent groups, and local communities. The program has been implemented in Chile, Argentina, Peru and Colombia, and supports over 100 educational establishments, which helps to improve the education of over 80,000 children across the region.

Its focus was redefined in 2017, in order to maximize its impact and measure the program, which centered on the following objectives: (i) infrastructure for schools, (ii) academic results, (iii) expanding horizons and (iv) corporate volunteering. The program's impact was measured in 2017, using information for 2016 and the LBG methodology²², where 70% of the activities were measured and on average each student participated in 3 activities. The positive impact of these activities were:

 - 90% of children reported a positive change in their attitude to soccer and reading with parents, after participating in the sports programs "Escuela Activa (Active School)", "Escuela de Fútbol (Soccer School)", "Copa de Fútbol (Soccer Cup)" and in the program that fosters reading "Mis Padres, mis Cuentos (My Parents, My Stories)".
 - 97% of children were interested in financial education and music through the programs "Juntos Juguemos (Lets Play Together)", "Del Colegio al Municipal (From School to the Municipal)" and "Olimpiadas del Saber (Knowledge Olympics)". Furthermore, 96% developed skills in these areas.
- **Construyendo Sueños de Hogar:** This is a home improvements fund, where neighborhood or community organizations can bid for support for their neighborhood improvement, infrastructure, public or community project, which improve the quality of life in the most vulnerable sectors. The program provides materials and implements the project at the organization's facilities using voluntary work by employees in conjunction with the community. In 2017, 96 projects were carried out in Chile, with support from 1,510 volunteers, using 7,138 hours of their time and reaching 29,674 beneficiaries in local communities. This initiative also supported internal projects that helped 143 employees to improve their homes and quality of life.
- **Sodimac Círculo de Especialistas:** This program has become emblematic for the company at the inclusive business level. This successful model was created in 2005 and encompasses several initiatives that benefit professionals in construction, particularly study scholarships and training days in all countries. In 2017, the Great Training Fair was organized simultaneously in four countries (Chile, Colombia, Peru and Argentina), which benefited over 67,000 specialists who attended training courses, 90 brands participated and 37,000 of these specialists joined via streaming.

During 2017, the LBG methodology was used to begin measuring the social investment by Sodimac in Chile, which was essential in understanding the value that these social programs brought to local communities, as well as the intangible benefits they contribute to the business.
- **Educación en Alimentación Saludable Program:** Promotes healthy eating habits for children, teachers and parents at vulnerable schools close to supermarkets operated by Empresas Falabella, as well as our employees and customers. The "Que Rico es Crecer Sano

²¹ Details of each business unit's programs and initiatives are contained in their Sustainability Reports.

²² LBG is a framework for measuring the impact of corporate community investment and is recognized world-wide. It is used by over 300 companies and is the suggested method for reporting social investment within the DJSI. <http://www.lbg-online.net>



con Tottus" (Growing up healthy is awesome with Tottus) program began in 2014 with 200 children and two schools in Melipilla. Whereas today, it has been implemented in 17 schools in the Metropolitan and Sixth Region, benefiting over 4,000 children who participated in our classroom sessions, over 1,200 teachers and parents who joined the healthy eating workshops, and over 1,000 employees who attended these courses taught by our team of nutritionists.

- **Regional alliance with América Solidaria :** This initiative was taken four years ago by our Financial Services business unit, which contributes to developing local communities, through support for projects to overcome child poverty throughout the region. This year it attracted 35,571 new partners, and all its partners raised over US\$1,100 million in contributions, 47% higher than last year.



86,215

Hours of

voluntary work

- **Educación Financiera Program:** Aims to train the community, customers and employees in how to manage their finances and to budget. We continued to strengthen the "Eddu" program during 2017, in Chile, Peru, Colombia and Argentina, whose protagonist is an animated character that encourages responsible financial behavior. The web platform was used to publish recommendations and videos, which has used simple and attractive language to reach thousands of people since its launch. We also arranged 360 presentations at branches of Banco Falabella Chile and four e-learning courses that clarified our customer's doubts and reinforced their understanding of education and financial security issues. We arranged the first financial education fair, and through the "Aprende con Eddu (Learn with Eddu)" competition, over 2,000 students within the "School Sponsorship" network learnt how to manage their finances in a didactic manner. We also developed an e-learning course for our employees in Peru together with various presentations to students, teachers and parents, which benefited over 2,300 participants.
- **Entrepreneurial Support Program:** Aims to provide entrepreneurs with access to the large number of customers who visit our shopping centers, through markets and permanent exhibitions at our malls. We also support our entrepreneurs with training and mentoring programs, carried out by executives from Empresas Falabella. During 2017 we arranged over 300 markets, involving over 1,000 small entrepreneurs, and over 90% of them received tools to improve their business management and help them to achieve longer-term sustainability. These initiatives had a positive impact on over 1,000 families and 4,000 people in an indirect manner, in addition to promoting innovation and dynamism within these local businesses.
- Following devastating **forest fires in Chile** at the beginning of 2017, Falabella Retail provided support to affected families, and donated school uniforms to all the children in the affected regions. Falabella Retail and Falabella Real Estate continued to help by launching the "1+1 Reconstruyendo sus sueños (Equal donation matching to reconstruct dreams)" campaign, which benefited the Paredones community in the O'Higgins Region, following cooperation with the Interior Ministry and local authorities. A donation from employees was matched by the company, and 140 volunteers improved the bathrooms, bedrooms and fitness center at the Mirella Catalan Urzúa College in that community, where 80% of its students come from vulnerable families. Volunteers from S.A.C.I. Falabella subsidiaries planted 150 native trees at the College, within a reforestation program totaling 3,000 species that the company donated to the region through the Reforestemos (Let's Reforest) Foundation.
- Corporate volunteering is a principal focus for our relationship with local communities, which results in positive consequences for both our employees and our surrounding communities.
 - Employees at Empresas Falabella donated 86,215 hours of voluntary work in 2017.



Environment

Our objective is to care for the environment, which requires us to identify, evaluate and manage the environmental impact of our business, and try to minimize it.

Therefore, our business units have launched various initiatives to generate operational eco-efficiency and minimize the environmental impact of our operations, including:

- Promote sustainable real estate development by constructing stores and buildings with LEED certification or eco-friendly systems²³, which in turn generates efficiency and increases productivity.
 - By December 2017, the shopping mall Mallplaza Egaña had achieved LEED Gold Certification, while Mallplaza Arequipa had achieved LEED Silver Certification. Mallplaza Copiapó and Mallplaza Los Dominicos have applied for LEED certification. We have 23 shopping centers with eco-friendly features across the region.
 - By the close of the year, 26 of our retail stores had LEED certification and 64 had eco-friendly features. These construction features can reduce average energy consumption by between 15% and 20%.
 - S.A.C.I. Falabella is a member of the World Green Building Council, which is a non-profit organization that aims to promote and stimulate sustainable construction and development; technological innovation and certification of sustainable constructions; efficient energy use and renewable energy use; efficient water use; building materials made from renewable, recyclable and non-toxic resources; and improve the quality of life and health of individuals and communities.
- We promote efficient resource use, principally electricity.
 - During the year, Acciona Energy agreed a partnership with Empresas Falabella to supply almost 100 of our business facilities in Chile with renewable energy within the next few years. We already started to supply renewable energy to specific stores and shopping centers in 2017, and we plan to include the remaining facilities in 2018, where this is technically feasible, which includes the two principal distribution centers for Falabella and Sodimac.
- Our commitment to the environment included reaching an agreement with ENEL in 2017 to supply all of our shopping centers connected to the Central Grid with only non-conventional renewable energy (NCRE). During 2017, Mallplaza Egaña became the first shopping mall in Chile to receive the energy efficiency Gold Seal awarded by the National Energy Ministry.
- We are continually introducing technological improvements to our operational equipment and controls, which result in efficiency gains in natural resource consumption across all our businesses. We introduced fully ecological refrigerant gas at one of our supermarkets in 2017 for the first time. This technology provides a cooling system that does not damage the ozone layer.
- We continue to be committed to expanding the measurement of our carbon footprint to monitor and drive reductions in direct and indirect emissions. We are continuing the process to standardize information collection and control procedures for Scopes 1 and 2.
 - During 2017, Tottus Chile began working on measuring its carbon footprint in 2018.
 - Sodimac Chile, Colombia and Peru measured their carbon footprint again, which has encouraged initiatives to increase the use of non-conventional renewable energy (NCRE). Sodimac will have solar panels at 58 facilities in Chile (80% of them) between 2017 and 2019, in order for 34% of its electricity supply to be sourced from renewable energy. It expects that these panels will reduce annual atmospheric CO2 emission by around 20,000 tons.
 - During the year, Falabella Retail measured the carbon footprint of 12 stores, fully for scope 1 and 2 and partially for scope 3, with support from the HuellaChile program of the Ministry of the Environment. It expects to measure 25 stores in 2018.

²³ Eco-friendly systems are those facilities that meet certain LEED criteria, but: (a) are insufficient to be certified; (b) or have not applied for certification.



- The company is committed to responsibly dealing with its waste, by encouraging recycling initiatives and incorporating recycling bins.
 - In 2017 Tottus Chile joined the "Clean Production and Zero Waste Agreement", which aims to reduce waste disposal using landfills, and we will start with two pilot stores in Chile in 2018.
 - Tottus Peru established alliances with three strategic partners: Peru Food Bank (PFB), Bioconvertin and Biolis. These are specialists in waste management, and the objective is to reduce the impact of our business and add value for the community. PFB collects products that have lost commercial value from our main stores and distribution center, then distributes them to 17 charitable organizations, thus feeding over 170,000 people in vulnerable situations. Bioconvertin transforms our products that are no longer edible into food for birds and fish. While Biolis recycles non-consumable cooking oil into biofuel for planes, and it recycled over half a million liters in 2017.
 - Mallplaza Egaña commissioned a bio-digester that can process up to 300 kilos of organic waste a day, mainly from its restaurant terrace. It produces liquid compost that is applied to the vegetation at the shopping mall.
 - During 2017, Falabella Chile increased the number of its stores²⁴ with standard recycling bins from 18 to 41, thus achieving 84% coverage, compared to 27% in 2016. Therefore, we recycled 40% of our national waste, and 56% of the waste produced in the Metropolitan Region.
 - The National Network of Recycling Bins at Sodimac Chile stores recycled over 2,500 tons in 2017 and drove the "Que nada se pierda (Nothing is lost)" project, which recovered disused furniture. Imperial launched recycling incentive programs, and Sodimac Brazil continued to roll out recycling bins at its stores.

²⁴ This includes 49 establishments, covering stores and certain offices



Corporate Governance

We promote ethical behavior and best practice.

- S.A.C.I. Falabella, Sodimac S.A. and Falabella Retail S.A., form part of the United Nations Global Compact, and have pledged to publish and comply with its 10 fundamental principles addressing global sustainability issues, for four areas: Human Rights, Employment Rights, the Environment and Anti-corruption.
- We promote values that reflect our commitment to behave with transparency and loyalty toward people, their freedoms and rights.
 - During 2016, the Corporate Legal Affairs Department and Corporate Governance Department created the Ethics Department tasked with implementing the Ethics Program in 2017. Its first two tasks were to update the company's Code of Ethics, now known as the "Integrity Code", and replace the Complaints Channel with the new Integrity Channel. In 2017, 16 cases of discrimination were reported across all the company's subsidiaries, and after investigating them, only 3 cases were confirmed and corrective measures were applied.
 - The Integrity Code applies to all employees, directors, temporary staff, contractors and sub-contractors working at the company and its subsidiaries, and it defines reporting channels for potential irregularities and illegal behavior. Employees can report such matters using the company's intranet or the Internet, or verbally using an 800 telephone number, or by e-mail, or personally to the Ethics Department if they so wished. Shareholders, customers, suppliers or third parties may report such matters using the company's web page at the Integrity Channel link: <https://canaldeintegridad.ines.cl/falabella/>
- The company is constantly training employees about our principles, policies and procedures.
 - This is part of the company's training commitment to employees regarding policies and procedures related to corruption, ethical behavior, and other issues. E-learning courses were developed during 2017 that covered the following topics: Ethics, Asset Laundering, Money Laundering, Consumer Law, Free Competition, Crime and Fraud Prevention, Information Security, and other topics.
 - The directors are subject to a continuous improvement procedure, and an annual evaluation that is performed by a third party specialist. A formal induction procedure has been prepared for each new director, which explains everything he/she should know about the company, its business, risks, policies, procedures, and other topics.
- In December 2015, the Board of S.A.C.I. Falabella agreed to institute an annual Board training day, in accordance with guidelines contained in General Regulation 385 issued by the SVS, to ensure that the Board receives continual training. The first of these was held in September 2016. The following two such training days took place on April 20 and August 24, 2017. The training workshops held in April and August 2017 were attended by external and internal speakers, and the topics addressed included: (i) Integrity as the cornerstone of sustainable growth, and a culture of integrity; (ii) Perspectives on employment and trade union law; (iii) Best local and international corporate governance practices; (iv) New regulations for the financial market; and (v) Risk management in today's companies.
- We continually manage the economic, social and environmental risks relating to our business.
 - The company's risks are managed according to its Risk Management and Control Policy and the Board is presented with the outcome of this management at least once a year.
 - This policy is approved by the Board and it describes the organizational structure used to manage the company's risks and the components of direct risk management, as it has already systematized the company's various risk management and control initiatives. The Board meets twice a year with this corporate department to ensure that the risk management process functions correctly. However, the Director's Committee may also invite the Corporate Internal Audit Manager to attend its meetings, to explain how the risk management process operates.
 - The Corporate Internal Audit Manager is responsible for the Internal Audit Department, which verifies the effectiveness and fulfillment of policies, procedures, controls and codes approved by the Board and reported directly to it, although he/she may also submit reports to Director's Committee. The Corporate Internal Audit Department reports the status of these risks and the organization's control environment directly to the Board, which is collected from risk management and control information at each subsidiary. Risks are managed at each subsidiary through Executive Committees that are integrated by their CEOs and by the Internal Audit Manager at each subsidiary. These committees are responsible for detecting, categorizing their impact and monitoring these risks on a regular basis and communicating them to the Board of that subsidiary and to the Corporate Internal Audit Manager as soon as possible and at least annually. However, he/she may also arrange regular meetings with the respective Director's or Audit Committees.
 - The company's internal audit, internal control and risk management processes use best practice in risk assessment and management as guidelines.

Shareholders



We are committed to increasing the value of the company and generating sustainable profitability for its shareholders.



Stock Price

FALAB
\$6,134

as of December 2017

- We efficiently allocate resources
- The company respects that shareholders can exercise their rights at the corresponding opportunities.
- The company reports its financial results and any significant events, in accordance with current legislation.
- We comply with current laws and regulations in each subsidiary's country.
- We have an Investor Relations team, which ensures that the investment community receives objective information to assess the fair value of the company's shares, bonds and other financial instruments, and limit unnecessary volatility by ensuring timely and proactive reporting. Furthermore, it presents the strategic vision of the company's leadership regarding competitive dynamics and macroeconomic trends from an investor's perspective.





04



CORPORATE GOVERNANCE

- 🔍 Board of Directors
- 🔍 Management
- 🔍 Ownership and Control

Management



The Board of S.A.C.I. Falabella is composed of nine members, who hold office for three years from their appointment date and can be re-elected indefinitely. The Board does not have any alternate directors.

The Annual General Shareholders' Meeting held on April 25, 2017 appointed the current directors for a statutory period of 3 years.

The Board of S.A.C.I. Falabella as of December 31, 2017 was composed of the following members:

	Chilean ID	Name	Position	Profession	Director since	2017 Attendance
1.	9.585.749-3	Carlo Solari Donaggio	Chairman	Civil Engineer	2011	15
2.	7.017.522-3	Juan Carlos Cortés Solari	Vice-Chairman	Business Administrator	2002	11
3.	5.718.666-6	Hernán Büchi Buc	Independent Director	Civil Engineer	1996	15
4.	5.082.229-K	Sergio Cardone Solari	Director	Business Administrator	1986	14
5.	5.898.685-2	Juan Pablo del Río Goudie	Director	Architect	2017	12
6.	4.773.832-6	José Luis del Río Goudie	Director	Civil Engineer	2003	12
7.	8.717.000-4	Carlos Heller Solari	Director	Agricultural Engineer	2002	10
8.	7.005.097-8	María Cecilia Karlezi Solari	Director	Entrepreneur	2003	10
9.	8.506.868-7	Paola Cúneo Queirolo	Director	Business Administrator	2014	15

Notes:

Carlo Solari Donaggio has been Chairman of the Board since 2014.

Juan Carlos Cortes has been Vice-Chairman of the Board since 2014.

Carolina del Río Goudie, Chilean I.D. Number 6,888,500-0, Business Administrator, was a Director from 2011 until 2017.

Juan Pablo del Río Goudie was appointed a Director on April 25, 2017



The Board met 15 times during 2017.

The Board is composed of seven male directors and two female directors, all of whom are Chilean.

The numbers of Board members by age and by service was as follows.

The numbers of Board members by age

Age	Directors
Under 30	0
Between 30 and 40	0
Between 41 and 50	2
Between 51 and 60	3
Between 61 and 70	3
Over 70	1

The numbers of Board members by service was as follows.

Service	Directors
Under 3 years	1
Between 3 and 6 years	1
Between 6 and 9 years	1
Between 9 and 12 years	0
Over 12 years	6

S.A.C.I. Falabella Board Remuneration for 2017 (ThCh\$):

Chilean I.D. Number	Director	Fixed Portion	Variable Portion	Total 2017
9.585.749-3	Carlo Solari Donaggio	218,021	345,601	563,622
5.082.229-K	Sergio Cardone Solari	17,725	172,801	190,526
5.718.666-6	Hernan Buchi Buc	17,548	172,801	190,349
8.717.000-4	Carlos Heller Solari	17,725	172,801	190,526
7.017.522-3	Juan Carlos Cortés Solari	17,725	172,801	190,526
4.773.832-6	Jose Luis del Río Goudie	17,725	172,801	190,526
6.888.500-0	Carolina del Río Goudie	5,874	172,801	178,675
7.005.097-8	María Cecilia Karlezi Solari	17,725	172,801	190,526
6.066.460-9	Paola Cuneo Queirolo	17,725	172,801	190,526
5.898.685-2	Juan Pablo del Río Goudie	11,851	-	11,851
TOTAL		359,647	1,728,005	2,087,652

S.A.C.I. Falabella Board Remuneration for 2016 (ThCh\$):

Chilean I.D. Number	Director	Fixed Portion	Variable Portion	Total 2016
9.585.749-3	Carlo Solari Donaggio	213,581	363,966	577,546
7.017.522-3	Juan Carlos Cortés Solari	17,364	181,983	199,347
5.718.666-6	Hernán Büchi Buc	19,450	181,983	201,433
5.082.229-K	Sergio Cardone Solari	17,364	181,983	199,347
6.888.500-0	Carolina del Río Goudie	17,364	181,983	199,347
4.773.832-6	José Luis del Río Goudie	17,364	181,983	199,347
8.717.000-4	Carlos Heller Solari	17,364	181,983	199,347
7.005.097-8	María Cecilia Karlezi Solari	17,364	181,983	199,347
8.506.868-7	Paola Cúneo Queirolo	17,364	181,983	199,347
TOTAL		354,580	1,819,829	2,174,409

S.A.C.I. Falabella Directors Remuneration for 2017 in Subsidiaries (ThCh\$):

Chilean I.D. Number	Director	Dinalsa	Malls	Sodimac	FIF	Retail	Total 2017
9.585.749-3	Carlo Solari Donaggio	17,725	31,906	17,867	17,719	17,723	102,940
7.017.522-3	Juan Carlos Cortés Solari	53,176	-	17,867	-	-	71,043
5.082.229-K	Sergio Cardone Solari	-	95,719	-	17,719	17,723	131,160
6.888.500-0	Carolina del Río Goudie	-	-	-	-	-	-
4.773.832-6	José Luis del Río Goudie	-	-	17,867	-	-	17,867
8.717.000-4	Carlos Heller Solari	-	-	-	-	70,883	70,883
7.005.097-8	María Cecilia Karlezi Solari	17,725	-	17,867	-	17,723	53,316
8.506.868-7	Paola Cúneo Queirolo	-	-	17,867	-	-	17,867
7.005.097-8	Juan Pablo del Río Goudie	-	-	106,564	-	-	106,564
TOTAL		88,627	127,625	195,899	35,437	124,053	571,641

S.A.C.I. Falabella Directors Remuneration for 2016 in Subsidiaries (ThCh\$):

Chilean I.D. Number	Director	Dinalsa	Malls	Sodimac	FIF	Retail	Total 2016
9.585.749-3	Carlo Solari Donaggio	17,364	31,261	17,501	17,351	17,353	100,830
7.017.522-3	Juan Carlos Cortés Solari	52,093	-	17,990	-	14,429	84,511
5.082.229-K	Sergio Cardone Solari	-	93,783	-	17,351	17,353	128,486
6.888.500-0	Carolina del Río Goudie	-	-	-	-	18,652	18,652
4.773.832-6	José Luis del Río Goudie	-	-	17,501	-	5,722	23,223
8.717.000-4	Carlos Heller Solari	-	-	-	-	69,410	69,410
7.005.097-8	María Cecilia Karlezi Solari	17,364	-	17,501	-	17,353	52,218
8.506.868-7	Paola Cúneo Queirolo	-	-	17,501	-	-	17,501
TOTAL		86,821	125,043	87,996	34,703	160,270	494,833

In 2017 the Board hired the consultancy services of José Pablo Arellano (only in January 2017) and Cristian Lewin Gomez (until September 2017), for a total of Ch\$ 20,184,803. Other than these two cases, the Board did not directly hire any other consultants.

Directors' Committees

Directors' Committee

The Annual General Shareholders Meeting held on April 25, 2017 (hereinafter, "the 2017 AGM"), re-elected the entire Board of Directors, and Mr. Hernán Büchi Buc was elected as an independent Director. At an Ordinary Board meeting held on the same date, and pursuant to Article 50 bis of Law 18,046 on Corporations, the independent Director Mr. Hernán Büchi Buc appointed Mr. Sergio Cardone Solari and Mr. Jose Luis del Rio Goudie as members of the Directors' Committee. Therefore, the Committee was composed of these Directors for the entire year and chaired by Mr. Hernán Büchi Buc in his capacity as an Independent Director.

The Committee's expenditure budget and the remuneration of each member were established by the 2017 AGM, as follows: (a) the expenditure budget is the total annual remuneration for the Committee's members; and, b) the remuneration of each Committee member comprises: (i) a fixed fee being the equivalent in pesos of one third of the fixed monthly remuneration for a director, for each Committee meeting attended by the respective member, and the Committee Chairman shall receive an additional fixed monthly remuneration of the equivalent in pesos of UF 100 gross for each month or fraction thereof starting from his/her appointment date; plus, (ii) the Committee members shall receive an annual variable remuneration being the equivalent in pesos of one third of the annual variable remuneration for the directors; and that all these amounts are in addition to the amounts that the Committee members may also receive in their capacity as company directors. The Committee was also authorized to procure professional advice in order to fulfill its duties. There were no professional consulting expenses in 2017.

During 2017 the Committee met on February 27, May 15, August 25, October 11, November 13 and December 22.

At these meetings, the Committee addressed the matters within its jurisdiction. The Com-

mittee addressed various matters described in Article 50 bis of Law 18,046 on Corporations and matters that were delegated by the Board, which included:

- a. Reviewed the company's quarterly and annual financial statements, including reports presented by executives and by the external auditors, and responded accordingly.
- b. Proposed names to the Board for external auditors and private risk classifiers, in accordance with numeral 2 of paragraph 8 of Article 50 bis of Law 18,046 on Corporations.
- c. Recommended to the Board the appropriateness of using the external audit firm to provide non-audit services, in accordance with numeral 6 of paragraph 8 of Article 50 bis of Law 18,046 on Corporations.
- d. Monitored audit progress at the company and its subsidiaries, and the internal control report submitted by the external auditors, in accordance with Circular 980 issued by the Financial Market Commission ("FMC").
- e. Reviewed the terms of a new related party transactions policy, which provided for procedures and internal controls that supplement those set out in Law 18,046 on Corporations, and a new general habitual policy.
- f. Analyzed the company's full re-adoption of International Financial Reporting Standards, as Official Circular 856 issued by the FMC on October 17, 2014 was no longer applicable, and the terms and potential consequences of new standards 9, 15 and 16.
- g. Examined the remuneration plans for company managers, senior executives and employees, in accordance with numeral 4 of paragraph 8 of Article 50 bis of Law 18,046 on Corporations.

h. Reviewed the reports submitted by the Corporate Internal Audit Department, and approved the internal audit plan for 2018.

At the meeting held on February 27, 2017 the Committee evaluated service proposals received from external audit firms and proposed to the Board that for the financial year 2017, the Board should propose to the shareholders' meeting that they choose from a short-list of two external auditors in the following order of preference: (i) in first place, Ernst & Young Servicios Profesionales de Auditoría y Asesorías SpA (hereinafter "EY"); and, ii) in second place, Deloitte Auditores y Consultores Limitada.

The Committee highlighted that the professional aspects of the EY service proposal that should receive first priority are as follows:

- a. Quality of the professional team responsible for the company's audit.
- b. The Company's experience working with EY in the past.
- c. EY's international coverage in the countries where the company has subsidiaries;
- d. The financial proposal for the audit services.
- e. New countries and businesses that have recently been incorporated into the group, which need to be correctly introduced to the audit process.

At the same meeting the Committee agreed to propose to the Board the following risk classifiers for the company's securities that are offered to the public:

- a. Continue with Fitch Chile Clasificadora de Riesgo Limitada and Feller-Rate Clasificadora de Riesgo Limitada for the company's shares, bonds and commercial papers issued in Chile.
- b. Continue with Standard & Poor's and Fitch Ratings for its securities issued abroad.

The Directors' Committee met six times during 2017.

Membership and attendance at meetings:

Director	2017 Attendance	2016 Attendance
Hernán Büchi Buc (Chairman)*	6	5
Sergio Cardone Solari	6	5
José Luis del Río Goudie	5	3

* Independent Director

Directors' Committee Remuneration (ThCh\$)

Chilean I.D. Number	Director	Fixed Portion	Variable Portion	Total 2017	Total 2016
5.082.229-K	Sergio Cardone Solari	2,972	57,600	60,572	62,628
5.718.666-6	Hernán Büchi Buc	34,833	57,600	92,433	94,027
4.773.832-6	José Luis del Río Goudie	2,473	57,600	60,073	62,142
TOTAL		40,277	172,801	213,078	218,798

Strategy Committee

The Strategy Committee aims to evaluate and prepare Board proposals regarding industry trends and their implications for S.A.C.I. Falabella, and medium and long-term strategic opportunities within the business.

The Strategy Committee also amplifies the guidelines relating to the corporate strategic plan and business unit plans. It proposes improvements to strategic plans proposed by the CEO.

The Committee also delves deeper into investment and divestment analysis, and proposes the company's investment and risk management policies. The Committee is responsible for leading analysis and developing proposals on critical issues as requested by the Board.

The Strategic Committee met three times during 2017.

Membership and attendance at meetings:

Director	2017 Attendance	2016 Attendance
Carlo Solari Donaggio (Chairman)	3	4
Juan Carlos Cortés Solari	2	4
Sergio Cardone Solari	3	4
José Luis del Río Goudie	3	3
Paola Cúneo Queirolo	2	4
Juan Pablo del Río Goudie	2	-

Remuneration and Talent Committee

The Committee analyzes the remuneration, evaluation and talent management policies and reviews director nominations within the company's subsidiaries, where appropriate.

The Committee analyzes and proposes remuneration policies for the directors of the company and its subsidiaries, Board advisers and senior executives.

The Committee designs the evaluation policies for directors, and ensures that the performance of the CEO is correctly evaluated.

The Committee receives regularly reports regarding key talent management issues and nominations within the organization. The Committee proposes policies and procedures relating to succession planning for the CEO and his direct reports, and monitors the performance of senior executives.

Membership and attendance at meetings:

The Remuneration and Talent Committee met three times during 2017.

Director	2017 Attendance	2016 Attendance
Juan Carlos Cortés Solari (Chairman)	1	1
Carlo Solari Donaggio	3	1
Carolina del Río Goudie	1	-
Juan Pablo del Río Goudie	2	-
Sergio Cardone	1	-

Management

Senior Executives

BOARD OF DIRECTORS

> Sandro Solari Donaggio

Chief Executive Officer
9.585.729-9
Civil Engineer
23 years employed by Falabella Group
Date Appointed: Noviembre 2012

> Jorge Joannon Errázuriz

Internal Audit Manager
7.003.348-8
Civil Engineer
3 years employed by Falabella Group
Date Appointed: Agosto 2014

> Alejandro González Dale

Chief Financial Officer
10.054.917-4
Business Administrator
11 years employed by Falabella Group
Date Appointed: Noviembre 2006

> Brian Brenta Carrere

CEO Adessa
21.224.784-7
Computer Science Degree
19 years employed by Falabella Group
Date Appointed: Enero 2017

> Jordi Gaju Nicolau

Chief Development Officer
13.660.520-8
Business Administrator
8 years employed by Falabella Group
Date Appointed: Julio 2009

> Gonzalo Smith Ferrer

Corporate Legal Affairs and Governance Manager
9.959.968-5
Attorney
2 years employed by Falabella Group
Date Appointed: Diciembre 2015

> Pablo Ardanaz

Argentina Country Manager
Foreigner
Industrial Engineer
11 years employed by Falabella Group
Date Appointed: Agosto 2016

> Rodrigo Fajardo Zilleruelo

Colombia Country Manager
7.649.739-7
Business Administrator
23 years employed by Falabella Group
Date Appointed: Febrero 2010

> Juan Fernando Correa Malachowsk

Peru Country Manager
Foreigner
Industrial Engineer
14 years employed by Falabella Group
Date Appointed: Enero 2017

> Gonzalo Somoza García

CEO Department Stores
22.051.269-K
Civil Engineer
18 years employed by Falabella Group
Date Appointed: Abril 2014

> Gaston Bottazzini

CEO Falabella Financiero
22.923.569-9
Economist
9 years employed by Falabella Group
Date Appointed: Octubre 2008

> Enrique Gundermann Wylie

CEO Home Improvement
9.900.567-K
Civil Engineer
16 years employed by Falabella Group
Date Appointed: Octubre 2012

> Fernando de Peña Iver

CEO Mall Plaza
7.556.207-1
Civil Engineer
28 years employed by Falabella Group
Date Appointed: Enero 1990

> Ricardo Hepp de Los Ríos

CEO Falabella Inmobiliario
7.617.431-8
Business Administrator
23 years employed by Falabella Group
Date Appointed: Abril 2009

Management

As of December 31, 2017, no executive or Director, excluding those who are members of the Controlling Group (which is described below) individually owned more 0.5% of the company. Together, they did not own more than 0.5% of the company.

Nine of the senior executives are Chilean, four are foreigners and all are men.

The numbers of senior executives by age and by service was as follows.

Número de ejecutivos por rango de edad

Age	Executives
Under 30	0
Between 30 and 40	1
Between 41 and 50	9
Between 51 and 60	3
Between 61 and 70	1
Over 70	0

Número de ejecutivos por antigüedad

Service	Executives
Under 3 years	1
Between 3 and 6 years	1
Between 6 and 9 years	1
Between 9 and 12 years	3
Over 12 years	8

Incentive Schemes

The company provides employees with specific incentives or bonuses that are in addition to regular remuneration. These bonuses are calculated on the basis of results and compliance with objectives set at the beginning of each period. The company has also implemented compensation plans for its executives that involve payments based on the parent company's share price. For more information on share-based payments, refer to Note 21 (d) to the company's financial statements as of December 31, 2017.

Ownership and Control



Controlling Group

The company is controlled by groups of shareholders as follows. As of December 31, 2017, the Controlling Group owns 74.37% of the company's share capital. This Controlling Group has a coordination agreement, in accordance with the shareholders' agreement signed on September 24, 2013. It contains limitations on freely disposing of shares.

Auguri Group

	Chilean ID	Number of Shares	%
KARLEZI SOLARI MARÍA CECILIA	7.005.097-8	13,800,000	0.57%
INVERSIONES AUGURI LTDA	78.907.330-9	36,954,684	1.52%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
MARÍA CECILIA KARLEZI SOLARI	7.005.097-8		
SEBASTIÁN ARISPE KARLEZI	15.636.728-1		
LUCEC TRES SA	99.556.440-8	266,399,591	10.94%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
MARÍA CECILIA KARLEZI SOLARI	7.005.097-8		
SEBASTIÁN ARISPE KARLEZI	15.636.728-1		

Bethia

	Chilean ID	Number of Shares	%
BETHIA SA	78.591.370-1	235,570,710	9.68%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
LILIANA SOLARI FALABELLA	4.284.210-9		
CARLOS ALBERTO HELLER SOLARI	8.717.000-4		
ANDREA HELLER SOLARI	8.717.078-0		
PEDRO HELLER ANCAROLA	17.082.751-1		
ALBERTO HELLER ANCAROLA	18.637.628-5		
PAOLA BARRERA HELLER	15.960.799-2		
FELIPE ROSSI HELLER	18.637.490-8		
INBET SA	85.487.000-9	2,678,697	0.11%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
LILIANA SOLARI FALABELLA	4.284.210-9		
CARLOS ALBERTO HELLER SOLARI	8.717.000-4		
ANDREA HELLER SOLARI	8.717.078-0		
PEDRO HELLER ANCAROLA	17.082.751-1		
ALBERTO HELLER ANCAROLA	18.637.628-5		
PAOLA BARRERA HELLER	15.960.799-2		
FELIPE ROSSI HELLER	18.637.490-8		

Corso Group

	Chilean ID	Number of Shares	%
CORTÉS SOLARI JUAN CARLOS	7.017.522-3	2,081,442	0.09%
SOLARI FALABELLA TERESA MATILDE	4.661.725-8	2,229,487	0.09%
CORTÉS SOLARI MARÍA FRANCISCA	7.017.523-1	2,082,186	0.09%
INVERSIONES MAPTER DOS LIMITADA	76.839.460-1	4,196,649	0.17%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
TERESA MATILDE SOLARI FALABELLA	4.661.725-8		
JUAN CARLOS CORTÉS SOLARI	7.017.522-3		
MARÍA FRANCISCA CORTÉS SOLARI	7.017.523-1		
INVERSIONES QUITAFAL LIMITADA	76.038.402-K	18,300,200	0.75%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
TERESA MATILDE SOLARI FALABELLA	4.661.725-8		
JUAN CARLOS CORTÉS SOLARI	7.017.522-3		
MARÍA FRANCISCA CORTÉS SOLARI	7.017.523-1		

Corso Group (Continued)

	Chilean ID	Number of Shares	%
INVERSIONES DON ALBERTO CUATRO SPA	99.552.470-8	151,079,494	6.21%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
TERESA MATILDE SOLARI FALABELLA	4.661.725-8		
JUAN CARLOS CORTÉS SOLARI	7.017.522-3		
MARÍA FRANCISCA CORTÉS SOLARI	7.017.523-1		
MAPCOR CUATRO SA	99.556.480-7	108,247,346	4.45%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
TERESA MATILDE SOLARI FALABELLA	4.661.725-8		
JUAN CARLOS CORTÉS SOLARI	7.017.522-3		
MARÍA FRANCISCA CORTÉS SOLARI	7.017.523-1		

San Vitto Group

	Chilean ID	Number of Shares	%
INVERSIONES SAN VITTO LTDA	77.945.970-5	243,698,146	10.01%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
PIERO SOLARI DONAGGIO	9.585.725-6		
SANDRO SOLARI DONAGGIO	9.585.729-9		
CARLO SOLARI DONAGGIO	9.585.749-3		
ASESORÍAS E INVERSIONES BRUNELLO LIMITADA	78.907.380-5	8,235,709	0.34%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
PIERO SOLARI DONAGGIO	9.585.725-6		
SANDRO SOLARI DONAGGIO	9.585.729-9		
CARLO SOLARI DONAGGIO	9.585.749-3		
ASESORÍAS E INVERSIONES BAROLO LTDA	78.907.350-3	8,235,729	0.34%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
PIERO SOLARI DONAGGIO	9.585.725-6		
SANDRO SOLARI DONAGGIO	9.585.729-9		
CARLO SOLARI DONAGGIO	9.585.749-3		
ASESORÍAS E INVERSIONES SANGIOVESE LTDA	78.907.390-2	8,235,690	0.34%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
PIERO SOLARI DONAGGIO	9.585.725-6		
SANDRO SOLARI DONAGGIO	9.585.729-9		
CARLO SOLARI DONAGGIO	9.585.749-3		
BANCO SANTANDER CHILE SSS	97.036.000-K	360,000	0.01%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
SANDRO SOLARI DONAGGIO	9.585.729-9		

Liguria Group

	Chilean ID	Number of Shares	%
INVERSIONES LOS OLIVOS SA	76.360.576-0	243,569,988	10.01%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
JUAN CÚNEO SOLARI	3.066.418-3		
PAOLA CÚNEO QUEIROLO	8.506.868-7		
GIORGIANNA CÚNEO QUEIROLO	9.667.948-3		

Amalfi Group

	Chilean ID	Number of Shares	%
IMPORTADORA Y COMERCIALIZADORA AMALFI SPA	87.743.700-0	45,224,102	1.86%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
SERGIO CARDONE SOLARI	5.082.229-K		
INÉS FANTUZZI MUTINELLI	6.066.811-6		
MACARENA CARDONE ARMENDÁRIZ	10.091.903-6		
MATÍAS CARDONE ARMENDÁRIZ	10.091.901-K		
VALENTINA CARDONE ARMENDÁRIZ	15.642.572-9		
JOSEFINA CARDONE MATTE	17.406.681-7		
FRANCISCO DE PABLO FANTUZZI	12.265.592-K		
CRISTIÁN DE PABLO FANTUZZI	12.585.617-9		
NICOLÁS DE PABLO FANTUZZI	13.550.768-7		
INVERSIONES VIETRI SA	76.182.636-0	10,831,258	0.44%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
SERGIO CARDONE SOLARI	5.082.229-K		

Dersa Group

	Chilean ID	Number of Shares	%
DERSA SA	95.999.000-K	138,024,501	5.67%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
JOSÉ LUIS DEL RÍO GOUDIE	4.773.832-6		
BÁRBARA DEL RÍO GOUDIE	4.778.798-K		
JUAN PABLO DEL RÍO GOUDIE	5.898.685-2		
FELIPE DEL RÍO GOUDIE	5.851.869-7		
IGNACIO DEL RÍO GOUDIE	6.921.717-6		
SEBASTIÁN DEL RÍO GOUDIE	6.921.716-8		
CAROLINA DEL RÍO GOUDIE	6.888.500-0		
DT CARRERA SA	76.338.127-7	34,012,040	1.40%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
FELIPE DEL RÍO GOUDIE	5.851.869-7		
MARÍANA DE JESÚS ARTEAGA VIAL	6.695.852-3		
LUIS FELIPE DEL RÍO ARTEAGA	13.234.925-8		
ANDRÉS ANTONIO DEL RÍO ARTEAGA	14.118.360-5		
MARTÍN DEL RÍO ARTEAGA	15.642.668-7		
JAVIER DEL RÍO ARTEAGA	16.605.546-6		
JOSÉ PABLO DEL RÍO ARTEAGA	17.703.172-0		
MARÍANA TERESITA CARMEN DEL RÍO ARTEAGA	18.641.820-4		
QUILICURA SA	76.338.077-7	21,827,793	0.90%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
JOSÉ LUIS DEL RÍO GOUDIE	4.773.832-6		
BÁRBARA DEL RÍO GOUDIE	4.778.798-K		
JUAN PABLO DEL RÍO GOUDIE	5.898.685-2		
FELIPE DEL RÍO GOUDIE	5.851.869-7		
IGNACIO DEL RÍO GOUDIE	6.921.717-6		
SEBASTIÁN DEL RÍO GOUDIE	6.921.716-8		
CAROLINA DEL RÍO GOUDIE	6.888.500-0		
EL ROQUERIO SA	76.338.125-0	31,827,793	1.31%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
JOSÉ LUIS DEL RÍO GOUDIE	4.773.832-6		
BÁRBARA DEL RÍO GOUDIE	4.778.798-K		
JUAN PABLO DEL RÍO GOUDIE	5.898.685-2		
FELIPE DEL RÍO GOUDIE	5.851.869-7		
IGNACIO DEL RÍO GOUDIE	6.921.717-6		
SEBASTIÁN DEL RÍO GOUDIE	6.921.716-8		
CAROLINA DEL RÍO GOUDIE	6.888.500-0		

Dersa Group (Continued)

	Chilean ID	Number of Shares	%
DT DYD SA	76.338.126-9	31,827,793	1.31%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
JUAN PABLO DEL RÍO GOUDIE	5.898.685-2		
PATRICIA EDWARDS BRAUN	5.711.271-9		
ELISA DEL RÍO EDWARDS	12.628.617-1		
DIEGO DEL RÍO EDWARDS	13.234.004-8		
ANA DEL RÍO EDWARDS	13.435.488-7		
PEDRO DEL RÍO EDWARDS	15.382.612-9		
SARA DEL RÍO EDWARDS	15.641.769-6		
PAULA DEL RÍO EDWARDS	16.371.405-1		
BFD SA	76.338.129-3	31,827,793	1.31%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
JOSÉ LUIS DEL RÍO GOUDIE	4.773.832-6		
BÁRBARA DEL RÍO GOUDIE	4.778.798-K		
JUAN PABLO DEL RÍO GOUDIE	5.898.685-2		
FELIPE DEL RÍO GOUDIE	5.851.869-7		
IGNACIO DEL RÍO GOUDIE	6.921.717-6		
SEBASTIÁN DEL RÍO GOUDIE	6.921.716-8		
CAROLINA DEL RÍO GOUDIE	6.888.500-0		
DT PENUELAS SA	76.338.177-3	31,827,793	1.31%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
CAROLINA DEL RÍO GOUDIE	6.888.500-0		
VÍCTOR HORACIO PUCCI LABATUT	6.474.224-8		
VÍCTOR JOSÉ PUCCI DEL RÍO	15.643.671-2		
PABLO PUCCI DEL RÍO	15.637.474-1		
RODRIGO PUCCI DEL RÍO	16.371.133-8		
FELIPE PUCCI DEL RÍO	18.392.648-9		
LAS MARIPOSAS SA	76.338.144-7	4,946,055	0.20%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
JOSÉ LUIS DEL RÍO GOUDIE	4.773.832-6		
BÁRBARA DEL RÍO GOUDIE	4.778.798-K		
JUAN PABLO DEL RÍO GOUDIE	5.898.685-2		
FELIPE DEL RÍO GOUDIE	5.851.869-7		
IGNACIO DEL RÍO GOUDIE	6.921.717-6		
SEBASTIÁN DEL RÍO GOUDIE	6.921.716-8		
CAROLINA DEL RÍO GOUDIE	6.888.500-0		
INVERSIONES VITACURA SA	88.494.700-6	5,376,695	0.22%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
JOSÉ LUIS DEL RÍO GOUDIE	4.773.832-6		
BÁRBARA DEL RÍO GOUDIE	4.778.798-K		
JUAN PABLO DEL RÍO GOUDIE	5.898.685-2		
FELIPE DEL RÍO GOUDIE	5.851.869-7		
IGNACIO DEL RÍO GOUDIE	6.921.717-6		
SEBASTIÁN DEL RÍO GOUDIE	6.921.716-8		
CAROLINA DEL RÍO GOUDIE	6.888.500-0		
INVERSIONES AUSTRAL LIMITADA	94.309.000-9	14,255,119	0.59%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
JOSÉ LUIS DEL RÍO GOUDIE	4.773.832-6		
BÁRBARA DEL RÍO GOUDIE	4.778.798-K		
JUAN PABLO DEL RÍO GOUDIE	5.898.685-2		
FELIPE DEL RÍO GOUDIE	5.851.869-7		
IGNACIO DEL RÍO GOUDIE	6.921.717-6		
SEBASTIÁN DEL RÍO GOUDIE	6.921.716-8		
CAROLINA DEL RÍO GOUDIE	6.888.500-0		

Dersa Group (Continued)

	Chilean ID	Number of Shares	%
INPESCA SA	79.933.960-9	49,343,681	2.03%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
JOSÉ LUIS DEL RÍO GOUDIE	4.773.832-6		
BÁRBARA DEL RÍO GOUDIE	4.778.798-K		
JUAN PABLO DEL RÍO GOUDIE	5.898.685-2		
FELIPE DEL RÍO GOUDIE	5.851.869-7		
IGNACIO DEL RÍO GOUDIE	6.921.717-6		
SEBASTIÁN DEL RÍO GOUDIE	6.921.716-8		
CAROLINA DEL RÍO GOUDIE	6.888.500-0		
INVERSIONES D Y D CUATRO SPA	76.156.657-1	1,425,333	0.06%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
JUAN PABLO DEL RÍO GOUDIE	5.898.685-2		
PATRICIA EDWARDS BRAUN	5.711.271-9		
ELISA DEL RÍO EDWARDS	12.628.617-1		
DIEGO DEL RÍO EDWARDS	13.234.004-8		
ANA DEL RÍO EDWARDS	13.435.488-7		
PEDRO DEL RÍO EDWARDS	15.382.612-9		
SARA DEL RÍO EDWARDS	15.641.769-6		
PAULA DEL RÍO EDWARDS	16.371.405-1		
INVERSIONES ALCOHUAZ SPA	76.156.962-7	962,651	0.04%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
FELIPE DEL RÍO GOUDIE	5.851.869-7		
MARÍANA DE JESÚS ARTEAGA VIAL	6.695.852-3		
LUIS FELIPE DEL RÍO ARTEAGA	13.234.925-8		
ANDRÉS ANTONIO DEL RÍO ARTEAGA	14.118.360-5		
MARTÍN DEL RÍO ARTEAGA	15.642.668-7		
JAVIER DEL RÍO ARTEAGA	16.605.546-6		
JOSÉ PABLO DEL RÍO ARTEAGA	17.703.172-0		
MARÍANA TERESITA CARMEN DEL RÍO ARTEAGA	18.641.820-4		
INVERSIONES GUEIMEN SPA	76.156.978-3	1,105,574	0.05%
THIS COMPANY IS CONTROLLED BY THE FOLLOWING INDIVIDUALS			
CAROLINA DEL RÍO GOUDIE	6.888.500-0		
VÍCTOR HORACIO PUCCI LABATUT	6.474.224-8		
VÍCTOR JOSÉ PUCCI DEL RÍO	15.643.671-2		
PABLO PUCCI DEL RÍO	15.637.474-1		
RODRIGO PUCCI DEL RÍO	16.371.133-8		
FELIPE PUCCI DEL RÍO	18.392.648-9		
DEL RÍO GOUDIE FELIPE AURELIO	5.851.869-7	7,941	0.00%
TOTAL CONTROLADORES		1,810,609,663	74,37%

Equity

As of December 31, 2017, the Company's capital is divided into 2,434,465,103 single-series shares of identical value, with 1,393 registered shareholders.

12 Largest Shareholders

	Chilean ID	Shares	%
Lucec Tres S.A.	99.556.440-8	266,399,591	10.94%
Inversiones San Vitto Limitada	77.945.970-5	243,698,146	10.01%
Inversiones Los Olivos S.A.	76.360.576-0	243,569,988	10.01%
Bethia S.A.	78.591.370-1	235,570,710	9.68%
Inversiones Don Alberto Cuatro SpA	99.552.470-8	151,079,494	6.21%
Banco De Chile por cuenta de terceros no residentes	97.004.000-5	139,495,449	5.73%
Dersa S.A.	95.999.000-K	138,024,501	5.67%
Banco Itau Corpbanca por cta de inversionistas extranjeros	97.023.000-9	127,173,284	5.22%
Mapcor Cuatro S.A.	99.556.480-7	108,247,346	4.45%
Banco Santander por cuenta de inv extranjeros	97.036.000-K	82,491,044	3.39%
Inpesca S.A.	79.933.960-9	49,343,681	2.03%
Importadora y Comercializadora Amalfi SpA	87.743.700-0	45,224,102	1.86%

Changes in Shareholders

In June 2017, the Liguria Group sold 37,000,000 shares in S.A.C.I. Falabella, equivalent to a 1.52% interest. Inversiones Los Olivos S.A., Chilean I.D. Number 76.360.576-0 sold shares in their custody.

During the year, there were no other changes that represent an interest of over 1%.

Dividend Policy

The Annual General Shareholders' meeting has established a dividend policy to distribute at least 30% of its net distributable earnings every year, and at least distributing an interim dividend, if appropriate for the business.

The dividends distributed for 2015, 2016 and 2017 are as follows:

	Ch\$/share
Final dividend N° 36	
Paid in May 2015	47
Interim dividend N° 37	
Paid in October 2015	26
Final dividend N° 38	
Paid in May 2016	54
Interim dividend N° 39	
Paid in November 2016	26
Final dividend N° 40	
Paid in May 2017	54
Interim dividend N° 41	
Paid in November 2017	26





05



CORPORATE INFORMATION

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Company Information

S.A.C.I. Falabella is a publicly held corporation registered on the Securities Registry of the Chilean Financial Market Commission (formerly the Superintendent of Securities and Insurance) under number 582. Its domicile and its headquarters address is 730 Manuel Rodríguez Norte, Santiago, Chile; Telephone +56 2 2380 2000; fax 223802077; PO Box 1737; web site: www.falabella.cl/inversionistas; e-mail: inversionistas@falabella.cl. Its Chilean identification number is 90,749,000-9.

S.A.C.I. Falabella was formed as "Sociedad Anónima Comercial Industrial Falabella SACIF", by public deed granted on March 19, 1937, before Santiago Notary Mr. Jorge Gaete Rojas, and was authorized and declared legally constituted by Supreme Decree Number 1,424 dated April 14, 1937, having registered the statutes and this Supreme Decree on pages 1,181 and 1,200 under the numbers 400 and 401 of the Commercial Register for 1937, at the Santiago Property Registrar.

These Statutes and Supreme Decree were published in the Official Journal on April 27, 1937, and in the Santiago version of La Nación newspaper on April 27, 29 and 30 and May 3, 1937.

Over the years since it was established, the Statutes have been changed several times, including changing its name to "S.A.C.I. Falabella" by public deed dated December 23, 1970. The latest change was agreed at an Extraordinary Shareholders Meeting held on April 28, 2009, whose minutes were recorded in a public deed on May 11, 2009 before the Santiago Notary Mr. Guillermo Le-Fort Campos, the alternate notary at the Second Santiago Notary. An extract of this deed was published in Official Journal 39,375 dated June 1, 2009 and registered on page 24,182, number 16,490 of the Commercial Register of the Santiago Property Registrar in 2009. This extract was amended and published in the Official Journal 39,406 dated July 8, 2009 and registered on page 30,826, number 21,157 of the Commercial Register of the Santiago Property Registrar in 2009. Finally, a public deed dated June 15, 2015 was noted in the margin of the register on June 17, 2015. This deed was granted by the Santiago Notary Mr. Francisco Leiva Carvajal, and recorded as provided for by Article 56 of the Regulation relating to Law 18,046.

The Company's purpose shall be to: 1) Directly or through third parties, within Chile or abroad, install and operate any kind of commercial establishment, shop, store and supermarket, that retails any kind of goods and services, including: clothing, raw materials, textiles, ready-made and tailored clothing, decorations and accessories, all kinds of hardware articles, household goods or equipment, electrical or electronic equipment, such as radios, televisions, computers, cookers, washing machines, and in general all kinds of products and services that can be sold in large retail shops, stores and supermarkets. 2) Directly or through third parties, within Chile or abroad, install and operate workshops or factories to produce such articles to be sold on a retail basis. 3) Sell, import, export and market such retail products. 4) Directly or through companies in which it invests, within Chile or abroad, organize, commission, develop and manage systems for marketing, granting credit and retail finance for all such articles, goods, products and services to be sold on a retail basis. 5) Directly or through third parties, within Chile or abroad, undertake any kind of real estate business.



Insurance

Empresas Falabella has taken out insurance policies with first class insurance companies to appropriately cover the risks faced by its property. Its property is understood to include its buildings, inventories, facilities, vehicles, machinery, and storage and transport of products for sale. These insured risks expressly include fire and natural events, such as earthquakes. The physical property policy covers the risk of loss of profits due to strikes.

There are also policies that adequately cover any civil liability risks arising from third party injuries, and other policies that are common practice within the industry.

Brands and Patents

The company has registered a large number of the brands it sells both in Chile and abroad. The company uses the services of Silva & Cia. to protect its brands. Moreover, the subsidiary Plaza S.A. uses the services of Porzio, Rios, Garcia y Asociados.

The main brands owned and registered by Empresas Falabella are:

Falabella, Sodimac, Homecenter, Homecenter Sodimac, Sodimac Constructor, Imperial, Maestro, Homy, Tottus, Precio Uno, CMR, Banco Falabella, Viajes Falabella, Seguros Falabella, Mallplaza, Open Plaza, Sybilla, Basement, Blue, Florencia, Harris & Frank, Holley, Mica, Qfeel, Scoop, Stefano Cocci, Textil Viña, Americanino, Newport, Apology, University Club, Coniglio, Denimlab, Yamp, Doo, Eleven, Roberta Allen, Bearcliff, Home Collection, Bauker, Kolor, Mr. Beef, Recco, Ubermann, Wurden, Ozom, and others.

Regulatory Framework

S.A.C.I. Falabella is a publicly traded corporation and is subject to Law 18,046 on Corporations, Law 18,045 on the Stock Market and Regulations issued by the Financial Market Commission (formerly the Superintendent of Securities and Insurance), and other legislation.

Depending on their business, S.A.C.I. Falabella subsidiaries are subject to Consumer Protection Law, General Banking Law, Regulations issued by the Financial Market Commission (formerly the Superintendent of Securities and Insurance) and by the Superintendent of Banks and Financial Institutions, and other legislation.

Finally, the business conducted by subsidiaries in countries other than Chile is governed by the regulations in such jurisdictions.

Risks

S.A.C.I. Falabella and its subsidiaries are exposed to risks that could adversely affect its business, operations, assets, performance and investments to a greater or lesser extent. Therefore, the company has introduced various measures and policies to identify, manage and mitigate the risks facing its business.

The company has a Risk Management and Control Policy and an Internal Audit Policy. Both policies govern S.A.C.I. Falabella and its subsidiaries. Subsidiaries can issue additional policies and guidelines, provided they do not contradict or conflict with the aforementioned policies.

The principal subsidiaries of S.A.C.I. Falabella have Risk Committees whose purpose is to analyze potential risks to their respective businesses. These committees meet regularly and their members comprise senior executives from every business, including the respective CEO. The directors of S.A.C.I. Falabella and its principal subsidiaries analyze potential risks at Board meetings, at Director's Committee meetings and at Audit Committee meetings at some subsidiaries.

Internal Audit teams at S.A.C.I. Falabella and its principal subsidiaries report directly to the Board of each company. These teams perform internal audits, in accordance with audit plans previously approved by their Board. The results of these audits are reported to the audited company and corresponding Board and are analyzed by the Audit Committee or the Director's Committee at the subsidiary.

A list of the principal risks faced by S.A.C.I. Falabella follows, according to an analysis carried out by the company using the information available to date. Should any of these risks materialize, they could adversely affect S.A.C.I. Falabella or its subsidiaries, which may result in financial losses and negatively affect its reputation. The risks that might affect S.A.C.I. Falabella and its subsidiaries are not limited to those described here. There are others, but we believe that these are the most significant, based on our experience and currently available information.

Property damage and personal injury risks

The company and its subsidiaries manages a significant number of physical facilities and other goods that are used in its businesses, such as stores, shopping malls, distribution centers, offices and equipment. These facilities, goods and assets are subject events that could reduce or impair their operation, such as fires, floods, earthquakes and other harmful events and natural disasters. Some of these events and their effects can potentially be controlled or contained to a greater or lesser extent. If these events occur within our facilities, they could also injure the people inside, such as

customers, employees, suppliers. Injuries occurring in our facilities could have reputational and financial consequences for the company or its subsidiaries. Similarly, any damage to our facilities could temporarily or permanently disable them and this might result in financial losses or negatively affect the company's revenue or profitability, depending on the scale of the incident and the coverage of any corresponding insurance policies.

Competition risks

The company and its subsidiaries face competition in every market. This competition depends on several factors, which include the price, quality or exclusivity of the product or service, the location of the branch, store or mall, the functionality provided by the website or application, and other factors. Competition could intensify in the future, through current competitors or new entrants. If the company or its subsidiaries cannot effectively compete with their current or future competitors, they could lose market share, which would result in lower revenue, lower margins, or in an extreme situation, their business model or value proposition may become obsolete.

Exchange rate risks

The value of the Chilean peso fluctuates with respect to the US dollar and other currencies. Some products sold in S.A.C.I. Falabella subsidiaries stores are acquired in foreign countries, and during the period between importing these goods and paying for them, the company is exposed to exchange rate fluctuations. The same situation occurs in Argentina, Colombia, Peru, Brazil and Uruguay between the US dollar and their respective local currencies. A sharp depreciation in any of these local currencies could result in increased costs and lower margins for the respective business. Fluctuations in the exchange rates with respect to the Chilean peso of currencies used by S.A.C.I. Falabella to invest can affect the value of such foreign investments. These currency fluctuations may also affect the contribution from subsidiaries outside Chile within the consolidated financial statements, which are expressed in Chilean pesos, including consolidated revenue.

The commercial sector's sensitivity to economic cycles

The company's revenue is subject to fluctuations in the commercial sector, which in turn is affected by economic cycles. Consumer behavior is affected by many factors, for example their perception of overall economic performance, as indicated by inflation, growth, interest rates, and other factors. This can affect consumers shopping behavior and ultimately their ability to repay their loans. This could adversely affect the revenue and profitability of the company and its subsidiaries.



Risks related to inventory management

The company and its subsidiaries must maintain sufficient inventory to successfully operate its businesses, and avoid both stock outs and excess stock. Our suppliers generally require significant advance notice, in order to fill product orders. Therefore, we have to issue purchase orders well in advance of these products being sold, which requires a precise forecast of future demand for a product and the lead time for the inventory to arrive, in order to ensure that our inventory levels are appropriate. Climate and seasonality also impact the results of many of our business units. Preparation for peak seasons requires us to increase inventories to above average levels. Any unforeseen reductions in demand, or errors in our demand forecasts, or delays by our suppliers, requires us to use sales strategies that compensate or mitigate these situations, which could negatively impact the company's performance.

Foreign investment risks

Our financial position and operating performance largely depend on the prevailing economic conditions in each country. The economic conditions in these countries may be affected by a variety of factors that are beyond the company's control, including governmental economic policies and other measures, inflation policies and control mechanisms, fluctuations in foreign currency exchange rates, global and regional economic conditions, and other factors. Adverse changes in these variables could impact the company, its customers and its suppliers.

Interest rate risks

A high proportion of customer purchases in the company's stores are financed with loans granted by CMR or Banco Falabella. A significant increase in interest rates may affect the company's revenue and its lending business, as these conditions will encourage individuals to reduce their spending. Fluctuations in the interest rates could also impact the company's financial expenditure on its financial debt. This would not only affect debt at variable interest rates or short-term debt, but also long-term debt when the company is considering refinancing its liabilities or issuing new debt instruments.

Information technology and security risks

The company uses information technology systems to operate various processes for its businesses. A prolonged failure in any of these systems could interrupt some of these processes, with potential adverse effects on the company's sales, costs or other aspects. The company also faces the risk that third parties may try to penetrate its systems to gain access to confidential information owned by the company, its customers or its suppliers. A security breach in the company's systems could severely damage the reputation of the company or its subsidiaries, and may impact future revenue.

Human capital risks

The company depends on the experience and expertise of its executives, employees and directors for the daily management of its businesses, and the execution of its investment plans. If the company is unable to attract and retain talent, this could impact its ability to effectively compete and continue growing in its various markets.

Legislation risks

The manner in which the company and its subsidiaries operate their businesses is determined by the legal and regulatory context in each country. These legal and regulatory regimes may change in the future, which may impact, limit or restrict the business models used by the company and its subsidiaries, thus increasing their costs, reducing their profitability or rendering them unviable.

Participation in Associations and Organizations

The principal entities in which each Business Unit participates are as follows:

Department stores:

- International Association of Department Stores
- United Nations Global Compact
- Sedex
- U.S. Green Building Council
- Acción RSE (Chile)
- National Advertisers Association of Chile (ANDA in Spanish)
- Chilean North American Chamber of Commerce (AMCHAM Chile in Spanish)
- Santiago Chamber of Commerce (CCS in Spanish)
- National Chamber of Commerce, Services and Tourism of Chile (CNC in Spanish)
- Chile Green Building Council
- Fundación Chile
- PROhumana Foundation (Chile)
- Argentine Corporate Social Responsibility Institute (IARSE in Spanish)
- Laborum Inclusivo (Chile)
- ProChile
- Human Resources Association of Argentina (ADRHA in Spanish)
- Argentine Chamber of Commerce (CAC in Spanish)
- Argentine Chamber of E-Commerce (CACE in Spanish)
- Chilean Argentine Chamber of Commerce
- Lima Chamber of Commerce
- Chilean Peruvian Chamber of Commerce
- Peruvian Construction Chamber (CAPECO in Spanish)
- Banking and Commerce Club (Peru)
- National Traders Confederation of Peru (CONACO in Spanish)
- Green Building Peru
- Bogota Chamber of Commerce (CCB in Spanish)
- Chilean Colombian Chamber of Commerce and Industry
- National Merchants Federation of Colombia (FENALCO in Spanish)
- The Pacific Alliance Young Peoples Employability Agreement
- Gender Parity initiative promoted by the Inter-American Development Bank and the World Economic Forum (Chile)

Home Improvement Stores:

- Global Home Improvement Network (GHIN)
- United Nations Global Compact
- Global Reporting Initiative (GRI)
- National Chamber of Commerce, Services and Tourism of Chile (CNC in Spanish)
- -Chilean Construction Chamber (CChC in Spanish)
- Santiago Chamber of Commerce (CCS in Spanish)
- Chilean Safety Association (ACHS in Spanish)
- National Advertisers Association of Chile (ANDA in Spanish)
- Green Building Council
- Great Place to Work (GPTW)
- World Wildlife Fund (WWF) Chile
- Chile Transparente
- Self-Regulation and Advertising Ethics Council of Chile (CONAR in Spanish)
- Fundación Chile
- Center for Business Leaders against Climate Change
- PROhumana Foundation (Chile)
- Generación Empresarial (Chile)
- Acción Empresas (Chile)
- Empresas Conscientes
- Aequales (Peru)
- National Advertisers Association of Peru (ANDA in Spanish)
- Peruvian Construction Chamber (CAPECO in Spanish)
- National Confederation of Private Business Institutions of Peru (CONFIEP in Spanish)
- Roof
- Peru 2021
- OWIT (Peru)
- Foreign Commerce Society of Peru (COMEX in Spanish)
- Peruvian Environmental Law Society (SPDA in Spanish)
- Peruvian Marketing Society
- Colombian Concrete Producers Association (ASOCRETO in Spanish)
- Bogota and Cundinamarca Human Resources Management Association (ACRIP in Spanish)
- National Entrepreneurs Association of Colombia (ANDI in Spanish)
- Colombian Construction Chamber (CAMACOL in Spanish)
- Colombian Infrastructure Chamber
- Bogota Chamber of Commerce
- Colombian Sustainable Construction Council
- Colombian Business Council for Sustainable Development (CECODES in Spanish)
- National Merchants Federation of Colombia (FENALCO in Spanish)

- National Timber Industry Federation of Colombia (FEDEMADERA in Spanish)
- Colombian Technical Standards and Certification Institute (ICONTEC in Spanish)
- Pro Bogota
- National Training Service of Colombia (SENA in Spanish)
- Transparencia por Colombia
- Junto al Barrio Foundation
- Forge Foundation
- Argentine Corporate Social Responsibility Institute (IARSE in Spanish)
- National Construction Material Merchants Association of Brazil (ANAMACO in Portuguese)
- National Chamber of Commerce and Services of Uruguay
- DERES Corporate Social Responsibility of Uruguay
- PGE Trust - Chamber of Industry of Uruguay
- Commercial Defense League of Uruguay (LIDECO in Spanish)
- Peruvian Travel Agencies Association (APAVIT in Spanish) - Viajes Falabella Peru
- Colombian Financial Sector Representative Guild (ASOBANCARIA in Spanish) - Banco Falabella Colombia
- Colombian Travel and Tourism Association (ANATO in Spanish) - Viajes Falabella Colombia
- Member of the United Nations Global Compact - CMR Argentina
- Argentine Corporate Social Responsibility Institute (IARSE in Spanish) – CMR Argentina
- Purchase and Credit Card Chamber (ATACYC in Spanish) - CMR Argentina
- Buenos Aires Travel Agencies Association (AVI-ABUE in Spanish) - Viajes Falabella Argentina
- Argentine Travel and Tourism Companies Federation (FAEVYT in Spanish) - Viajes Falabella Argentina
- Argentine Chamber of Commerce (CACE in Spanish) - Viajes Falabella Argentina

Supermarkets:

- National Chamber of Commerce, Services and Tourism of Chile (CNC in Spanish)
- The Chilean Supermarkets Trade Association (ASACH)
- Security, Crime Prevention and Formal Commerce Defense Commission
- Santiago Chamber of Commerce (CCS in Spanish)
- Good Employers Association (ABE in Spanish)
- German Chamber of Commerce (AHK in German)
- Management Development Association (APD in Spanish)
- Technical Standards Committee of the National Quality Institute (INACAL in Spanish)
- Food Safety Multisector Standing Commission (COMPIAL in Spanish)
- Food bank

Financial Services:

- Retail Financial Committee of the Chilean Chamber of Commerce (CCS in Spanish) - CMR Chile
- Chile Transparente - Banco Falabella Chile
- Banks and Financial Institutions Association (ABIF in Spanish) - Banco Falabella Chile
- Acción RSE – Banco Falabella Chile
- Insurance Bureau of the Retail Financial Committee - Seguros Falabella Chile
- Chilean Tourism Companies Association (ACHET) – Viajes Falabella Chile
- Peruvian Banks Association (ASBANC in Spanish) - Banco Falabella Peru
- Peruvian Insurance Brokers Association (APECOSE in Spanish) - Seguros Falabella Peru

Real Estate Business:

- International Council of Shopping Centers (ICSC)
- Acción Empresas (formerly Acción RSE) (Chile)
- Chilean Chamber of Shopping Centers (CCHCC in Spanish)
- Chilean Construction Chamber (CChC in Spanish)
- Santiago Chamber of Commerce (CCS in Spanish)
- Chile Green Building Council
- PROhumana Foundation (Chile)
- Empresas Conscientes (Chile)
- Chilean Business Management Institute (ICARE in Spanish)
- Development Corporation for Loa Province (PROLOA in Spanish)
- Industrial Corporation for Bío Bío Regional Development (CIDERE in Spanish)
- Shopping and Entertainment Centers Association of Peru (ACCEP in Spanish)
- Lima Chamber of Commerce
- La Libertad Chamber of Commerce and Production in Trujillo, Peru
- Peru 2021
- Colombian Shopping Centers Association (ACECOLOMBIA in Spanish)
- Chilean Colombian Chamber of Commerce and Industry
- Bogota and Cundinamarca Human Resources Management Association (ACRIP in Spanish)
- Colombian Construction Chamber (CAMACOL in Spanish)

Awards and Recognition

MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM 

S.A.C.I. Falabella

- S.A.C.I. Falabella was admitted into the Dow Jones Sustainability World Index (DJSI World) for the second consecutive year, which evaluates the largest companies in the world in terms of financial, social and environmental issues. The process evaluated 2,086 companies from 47 countries, of which 69 belonged to the retail industry. S.A.C.I. Falabella was ranked in 6th place in the global retail industry, being the only Latin American company to be admitted.
- S.A.C.I. Falabella was admitted for the third consecutive year to the Dow Jones Sustainability Emerging Markets Index (DJSI EM) and Dow Jones Sustainability Chile Index (DJSI Chile). Furthermore, S.A.C.I. Falabella was admitted to the new Dow Jones Sustainability Index MILA, which evaluates the sustainability performance of companies in Chile, Colombia, Mexico and Peru.

Department Stores

- Falabella is ranked in 88th place in the Global Powers of Retailing 2017, which ranks 250 of the world's largest retailers and is prepared by Deloitte.
- Falabella won the 2016 Corporate Sustainability overall prize, awarded by SOFOFA (Federation of Chilean Industry), Capital magazine and the Corporate Sustainability Center at the IAU Business School.
- Falabella remains the most valuable Chilean brand in the world, according to Brand Finance, which ranked Falabella in 460th place out of 500 companies on all continents.
- Falabella became a member of "The Sustainability Yearbook 2017", the first retail company in Latin America to be included in this ranking. It was prepared by RobecoSAM, the principal sustainability evaluator for the global corporate sector, with cooperation from the Link Center at the Pontificia Universidad Católica de Valparaíso (PUCV).
- Falabella Retail is one of the best companies to work for, according to the Great Place To Work 2017 ranking. The company was ranked in 25th place out of 50.
- Falabella was selected as one of the 50 most innovative companies in Chile in the "Best Place to Innovate 2017" ranking, prepared by the Innovation, Entrepreneurship and Technology Center (ICLS in Spanish) at the Universidad Adolfo Ibáñez, Microsoft, XPGConsultNet and America Retail. Falabella heads the retail category list.
- Falabella is ranked in 129th place out of the 500 largest family businesses in the world, prepared by EY (formerly Ernst & Young) and Universidad de St. Gallen.



Home Improvement Stores

- Saga Falabella occupies third place in corporate gender equality rankings in Peru, according to the PAR ranking.
- Falabella is one of the ten best companies at attracting and retaining talent in Chile, according to the Merco 2017 Talent ranking. The company was ranked in 10th place overall, but first in its sector.
- Falabella achieved first place in the retail category and third place in the 2017 corporate reputation ranking. Furthermore, Sandro Solari (3rd place) and Carlo Solari (10th place) were placed among the 10 most influential business leaders.
- Falabella has been admitted to the Dow Jones Sustainability World, Emerging Markets, MILA and Chile Indices.
- Falabella achieved second place in the women in senior management ranking, prepared by ComunidadMujer, which measures the participation of women in the corporate governance of large companies traded on the Chilean stock exchange.
- Falabella is the second most transparent company in the Chilean retail sector, according to the 2017 Corporate Transparency Ranking prepared by Business Intelligence.
- Sodimac achieved second place in the 2017 ICreo ranking prepared by Almabrand, which evaluates five dimensions: honesty and transparency, responsibility, empathy, support, and proximity. Sodimac is the second most trusted brand in Chile, after the fire brigade.
- Sodimac Chile achieved second place in the 2017 Merco Empresas (Corporate Reputation Business Monitor) ranking, which evaluated the most responsible companies with the best corporate governance in Chile.
- 2017 United Nations Global Compact Prize - Anti-corruption Category (particularly for its best practices)
- Great Place to Work (GPTW) ranking: Sodimac took sixth place in Argentina, seventh place in Uruguay and ninth place in Peru.
- Sodimac Colombia received the Adesco Award for its Social and Corporate Responsibility, in the "best working environment" category.
- Fourth place in the Corporate Sustainability Index and first place in the retail category, prepared by ActionAbility Institute and Capital magazine.
- Chile 3D, brands and life style: Twelfth place in the excellence category and first in the Retail Home Improvement category - Presented by La Tercera (newspaper) / Collect GKF
- Merco Empresas ranking: Twelfth place overall, and first place in the retail home improvement category
- Corporate Reputation ranking: Sixteenth place overall, and first place in the retail home improvement category - prepared by Hill & Knowlton Strategies and GfK Adimark - Pulso
- Corporate Reputation ranked in nineteenth place overall, and first place in the retail home improvement category - prepared by RepTrack Chile (Reputation Institute).
- 2017 Environmental Innovation Award - Large Companies Energy Category - awarded by the British Chilean Chamber.
- Chilean Safety Association (ACHS) prize awarded to Sodimac Chile for its outstanding progress with occupational safety management.
- Sodimac Peru received three Lions at the Cannes International Advertising Festival.
- Maestro in Peru received two Effie Awards in the Retail and Corporate Reputation categories.



Supermarkets:

- The Own Brand Manufacturers Association and PLMA presented an award for the best own brand in the world for pasta "Fusilli al Huevo".
- SOREPA S.A. certified that during 2017, it received 7,660,087 kilos of cardboard recovered by HIPERMERCADOS TOTTUS S.A.
- It achieved tenth place in the "Best Companies to Work for in Peru" ranking, in the over 1000 employees category, prepared by Great Place To Work.
- Recognition by the Ministry of Defense for helping communities affected by the "El Niño" phenomenon.
- Awarded "Empresa Amiga de la Salud (Health-friendly Company)" for promoting healthy life styles, granted by EsSalud (Social Health Insurance).

Financial Services:

- CMR Chile won the Consumer Loyalty Award in the retail credit cards category, presented by ALCO Consultores.
- CMR won the National Customer Satisfaction Award in the retail credit cards sector, during the 2017 ProQuality Prizes.
- Banco Falabella Chile achieved second place in a study conducted by IPSOS. It surveyed customers with a checking account within the traditional banking system, and measured their satisfaction with the service provided by various banks in the industry. This survey is performed every year, during the months of May, June and July, on a sample of over 400 customers at each bank in the industry.
- The Effie Awards Chile are the only professional evaluation of the media, which focuses on the effectiveness of marketing communications. Banco Falabella Chile was awarded a Silver Effie in this category for its consistent communication over the years, for its transparent values and its specific, simple and convenient services. Banco Falabella Peru was awarded a Silver Effie for its independent incomes account campaign in the line extension category, and a Bronze Effie in the Financial Services category for the same campaign. Banco Falabella Colombia was awarded Bronze Effie in the Banking and Finance category to reward the effectiveness of its payroll account campaign.



Real Estate Business:

- Viajes Falabella won an e-commerce award for best tourism company in 2017, presented by the Chilean Chamber of Commerce
- Viajes Falabella Argentina won the 2017 LATAM Master award presented to top producers by the LATAM Airlines Group
- Viajes Falabella Argentina won an award for the best production of Offline Agencies presented by Costa Cruises.
- Viajes Falabella Colombia had its diamond agency status ratified by AVIANCA, due to its sales on behalf of this Colombian airline. It also won the distinction of allied agency presented by Air Europa for its sales during 2017.
- CMR Argentina achieved seventh place in the ranking of best companies to work for, prepared by the Great Place to Work Institute, while Viajes Falabella Argentina was ranked in fourteenth place.
- Banco Falabella Peru won the distinction of Socially Responsible Company presented by Peru 2021.
- Mallplaza won third place (platinum seal) in the Business Sustainability ranking prepared by the PROhumana Foundation (Chile).
- Tottus won twelfth place in the 2017 Best Companies to Work For in Chile ranking, prepared by the Great Place to Work Institute.
- Mallplaza received an Honorable Mention at the "VIVA Best of the Best Awards" in the Design and Development category for Mallplaza Oeste, awarded by the International Council of Shopping Centers (ICSC) at the annual shopping centers event in Las Vegas, USA.
- Mallplaza Egaña was the first shopping mall in Chile to receive the Energy Efficiency Seal - Gold Category, awarded by the Ministry of Energy in Chile.
- Mallplaza Calama received the Chile Inclusive Seal: "Galvano al Edificio Accesible 2016", awarded by SENADIS. This award recognizes that our shopping mall offers inclusion, participation and accessibility for people with different abilities.
- Mallplaza Arequipa received LEED Silver certification, granted by the US Green Building Council, thus becoming the first Peruvian mall in the chain to receive recognition that its design, construction, and operation comply with sustainability standards.
- The Remar Arequipa Care Homes Association awarded Mallplaza with a diploma, in recognition of its social responsibility achievements that benefit their homes.

Summary of Material Facts for the Year

Material Fact N°1 - February 28, 2017

1. Between January 1, 2010 and September 30, 2014, the company prepared and reported its financial statements in accordance with International Financial Reporting Standards (hereinafter, "IFRS"), although it also complied with certain additional reporting requirements issued by the Superintendent of Securities and Insurance (SVS in Spanish) that do not contradict IFRS.
2. On October 17, 2014 the SVS issued Official Circular 856 stating that in spite of the instructions in IAS 12 (Income Tax) and its relevant interpretations, deferred tax asset and liability differences directly resulting from increases in the corporate income tax rate introduced by Law 20,780 that reformed taxation, must be accounted for during the respective year against equity.
3. IFRS require that financial statements can only be prepared and issued under IFRS if they are adopted in a comprehensive, explicit and unreserved manner. Therefore, the requirements imposed by Circular 856 made the company cease preparing and issuing its financial statements in accordance with IFRS in a comprehensive, explicit and unreserved manner.
4. Given that Circular 856 shall cease to apply with effect from 2016, as of today, February 28, 2017, the Board decided to re-adopt IFRS to prepare and issue its financial statements, by applying First-time Adoption of International Financial Reporting Standards ("IFRS 1").
5. This decision means that the date of transition to IFRS will be January 1, 2015 and the opening statement of financial position will be as of that date. Consequently, all the IFRS will be retroactively applied as of January 1, 2015, while taking into account certain mandatory exceptions and optional exemptions defined in IFRS 1. The IFRS adoption date for the company is January 1, 2016.
6. The company has applied the fair value as the attributed cost, when retroactively applying IFRS 1. This has resulted in certain items being revalued to fair value: i) Property, plant and equipment; and, ii) Investment property; where such revalued amounts are opening balances. This revaluation only applied to specific significant property at Chilean subsidiaries. The opening balances of items not revalued within these accounts have remained at their historical cost less accumulated depreciation.
7. Re-adopting IFRS has caused the following changes: i) a net increase in the company's equity of ThCh\$ 368,948,689 as of December 31, 2015 and ThCh\$ 372,394,084 as of January 1, 2015; ii) a negative net impact on consolidated comprehensive income for the year ended December 31, 2015 of ThCh\$ 3,445,395; and iii) a negative net impact of ThCh\$ 2,016,513 in the account "Earnings attributable to owners of the controller" as of December 31, 2015.

Material Fact N°2 - March 29, 2017

A Board meeting held on March 28, 2017 agreed the following:

1. To convene an Annual General Shareholders Meeting (hereinafter, the "AGM") for April 25, 2017, at 3:00pm in the Alamo BC Room of the Courtyard Hotel, in Av. Kennedy 5601, Floor 7, Las Condes, Santiago; to receive and pronounce on matters within its jurisdiction, in accordance with the law, including the following:
 - a. Approve i) the annual report, the company's consolidated and audited financial statements; and, ii) the opinion of the company's external auditors; all relating to the year ended December 31, 2016.
 - b. Approve the dividend for 2016.
 - c. Approve the Company's dividend policy.
 - d. Completely re-appoint the Board of Directors, as their statutory appointment period has expired.
 - e. Approve the directors remuneration.
 - f. Appoint the external auditors for 2017.
 - g. Appoint the risk rating agencies for 2017.
 - h. Select the newspaper in which to publish the Company's publications required by the law.
 - i. Receive a report on transactions between related parties during 2016, and those referred to in Chapter XVI of Law 18,046 on corporations.
 - j. Receive a report on the Directors' Committee for 2016, approve its expenditure budget and the remuneration of the Directors who are its members.
2. Propose to the Meeting that the amount of Ch\$ 131,055,035,562 is distributed as a final dividend of Ch\$ 54 per share from the distributable net income for 2016, which amounted to Ch\$ 493,715,777,135 (hereinafter, the "2016 net income"). When this dividend is combined with the interim dividend of Ch\$ 26 per share, approved by the Board on October 25, 2016 and paid on November 29, 2016, it would amount to a total distribution of 39.3% for 2016. Also that the proposed final dividend is paid on May 9, 2017, to shareholders registered in the Shareholders Register on May 3, 2017, located at Huérfanos Street 770, Floor 22, Santiago, using the usual payment methods, which include bank deposits, payment by certified mail, and direct collection at branches of Banco de Crédito e Inversiones, BCI.

Material Fact N°3 - April 25, 2017

An annual shareholders' meeting was held today, where the shareholders agreed the following:

- i. To approve the annual report, the company's consolidated financial statements and the opinion of the company's external auditors, all relating to the year ended December 31, 2016.
- ii. To approve the distribution of a final dividend from distributable net income for 2016 of Ch\$54 per share. This dividend will be paid on May 9, 2017 to single series shareholders registered in the Shareholders Register as of May 3, 2017. Therefore, Form N° 1 from Circular 660 issued by this Superintendent has been submitted.
- iii. To approve the dividend policy, which consists of distributing at least 30% of distributable net income each year.
- iv. To appoint Ernst & Young Servicios Profesionales de Auditoría y Asesorías Limitada as external auditors for the financial year 2017.
- v. To appoint as directors for the statutory period of 3 years Messrs. José Luis del Río Goudie, Juan Carlos Cortés Solari, Carlo Solari Donaggio, Carlos Heller Solari, Juan Pablo del Río Goudie, Sergio Cardone Solari, Hernán Büchi Buc, and Ms. Maria Cecilia Karlezi Solari and Ms. Paola Cuneo Queirolo.
- vi. Finally, they dealt with other matters that this meeting was required to address.

A Board meeting was held immediately after the AGM, and it adopted the following agreements:

- i. To appoint the Director Mr. Carlo Solari Donaggio as Chairman of the Board and of the company.
- ii. To appoint the Director Mr. Juan Carlos Cortes Solari as Vice Chairman of the Board.
- iii. Moreover, the independent Director Mr. Hernan Buchi Buc appointed the Directors Mr. Sergio Cardone Solari and Mr. Jose Luis del Rio Goudie as members of the Director's Committee, in accordance with Law 18,046.

Material Fact N°4 - October 24, 2017

On October 23, 2017, the company placed private bonds on international markets totaling US\$ 400,000,000 (four hundred million US dollars), subject to Rule 144A and Regulation S of the US Securities and Exchange Commission under the Securities Act of 1933 of the USA.

Therefore, on the same date, the company signed a Purchase Agreement with J.P. Morgan Securities LLC, HSBC Securities (USA) Inc. and Santander Investment Securities Inc., as initial purchasers and bond underwriters.

In accordance with the applicable legislation, these bonds will not be subject to registration with the Securities and Exchange Commission nor the SVS, nor be offered to the public in the United States of America nor in Chile.

The bonds will mature in 10 years' time, with semi-annual interest payments and capital repayment at maturity. The nominal interest rate on the bond was 3.750% ("coupon") and the emission rate was 3.875% ("yield"), which is a 150 basis points margin or spread over 10 year US Treasury bonds.

The proceeds from this placement will be used to refinance short-term liabilities.

Material Fact N°5 - November 14, 2017

An Extraordinary Board meeting was held on November 14, 2017, which approved the distribution of a dividend from earnings for 2017 of Ch\$26 (twenty-six Chilean pesos) per share. This dividend will be paid on November 28, 2017 to single series shareholders registered in the Shareholders Register as of November 22, 2017.

Material Fact N°6 - December 26, 2017

A Board meeting was held on December 26, 2017, which approved a new general habitual policy to determine which transactions are routine based on the company's purpose. In accordance with sub-paragraph b) of the second paragraph of Law 18,046 on Corporations, when such transactions take place with related parties, they need not be subject to the procedures set out in numbers 1 to 7 of Article 147 of Law 18,046. This new policy updates and replaces the policy that was approved by the Board at a meeting held on January 26, 2010.

The new policy has been published and is available for shareholders at the offices of the company and on its web page (www.falabella.cl).

Comments and Proposals from Shareholders

No comments or proposals were received from shareholders during the Annual General Shareholders' Meeting held on April 25, 2017, in accordance with paragraph 3 of Article 74 of Law 18,046.

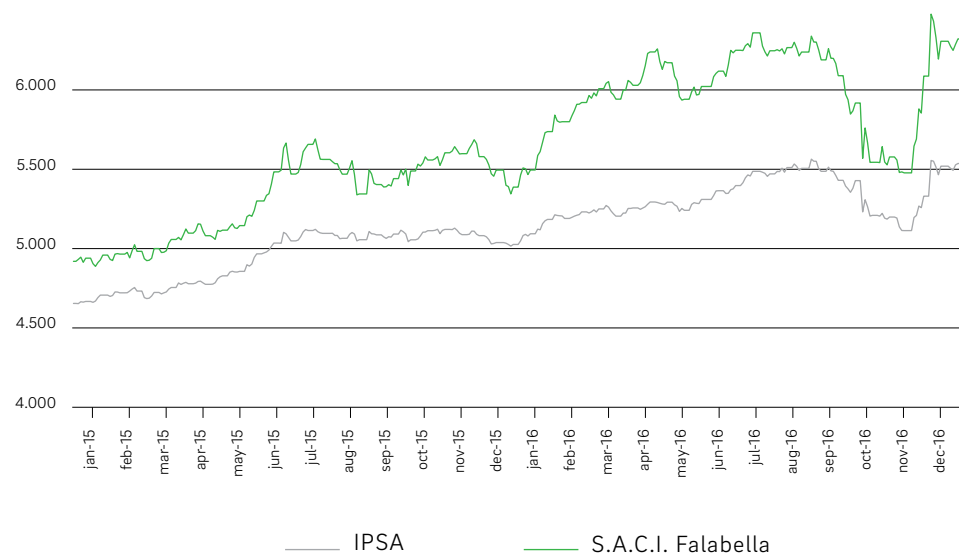
Market Snapshot

The shares of S.A.C.I. Falabella are listed on the Santiago Stock Exchange, the Chilean Electronic Stock Exchange and the Valparaíso Stock Exchange

S.A.C.I. Falabella Statistics for 2016-2017²⁶

Period	Number of shares	Volume	Average price
Q1 2016	48,683,930	\$221,729,140,848	\$4,554
Q2 2016	50,306,288	\$248,577,977,377	\$4,941
Q3 2016	128,281,891	\$615,806,245,274	\$4,800
Q4 2016	104,505,410	\$541,375,350,992	\$5,180
Q1 2017	62,631,214	\$335,281,006,518	\$5,353
Q2 2017	101,798,273	\$556,891,971,892	\$5,471
Q3 2017	101,183,046	\$605,004,281,505	\$5,979
Q4 2017	129,003,166	\$760,711,553,836	\$5,897

S.A.C.I. Falabella Statistics for 2016-2017



²⁶ Source: The Santiago Stock Exchange, the Chilean Electronic Stock Exchange and the Valparaíso Stock Exchange

Stores by Format and Country

Approximately 45% of its stores across the region are owned by the company through its subsidiaries. The remaining stores are leased from property developers. All the shopping malls are owned by the company's subsidiaries.

Department Stores Chile

N°	Stores	Address	City
1	Ahumada	Ahumada 25, 112, 165, 242, 303, 312, 346, 366, Santiago	Santiago
2	Concepción	Barros Arana N° 802	Concepción
3	Parque Arauco	Av. Presidente Kennedy N° 5413, Las Condes	Santiago
4	Temuco	Arturo Prat N° 570	Temuco
5	Viña del Mar	Sucre N° 250	Viña del Mar
6	Plaza Vespucio	Av. Vicuña Mackenna N° 7110, Santiago	Santiago
7	Lyon	Avenida Providencia N° 2184, Providencia	Santiago
8	Rancagua	Sargento Cuevas N° 405	Rancagua
9	Plaza Calama	Av. Balmaceda N° 3242, local 268	Calama
10	Alto Las Condes	Av. Kennedy N° 9001, Local 1001, Las Condes	Santiago
11	Plaza Oeste	Av. Américo Vespucio N° 1501, Maipú	Santiago
12	Plaza El Trebol	Av. José Alessandri N° 3177 Acceso Carriel Sur	Concepción
13	Osorno	Eleuterio Ramírez N° 840	Osorno
14	Chillán	El Roble N° 878, Local A	Chillán
15	Talca	1 Norte N° 1485	Talca
16	Plaza Tobalaba	Av. Camilo Henríquez N° 3296, Puente Alto	Santiago
17	Plaza La Serena	Alberto Solari N° 1400, Mall Plaza La Serena	La Serena
18	Valparaíso	Independencia N° 1806	Valparaíso
19	Curicó	Peña N° 615	Curicó
20	Iquique	Héroes de la Concepción N° 2555	Iquique
21	Puerto Montt	Av. Juan Soler Manfredini N° 101	Puerto Montt
22	Quilpué	Diego Portales N° 822	Quilpué
23	Plaza Los Angeles	Valdivia N° 472	Los Ángeles
24	Plaza Norte	Av. Américo Vespucio N° 1737, Santiago	Santiago
25	Expo Pucón	O' Higgins 11, LOCAL 9/10/11	Pucón
26	Puente	Puente N° 530, Santiago	Santiago
27	Portal La Dehesa	La Dehesa N° 1445 local 1, Lo Barnechea	Santiago
28	Plaza Antofagasta	Balmaceda N° 2355, Mall Plaza	Antofagasta
29	La Calera	Prolongación J.J. Perez N° 12010	La Calera
30	Valdivia	Arauco N° 561	Valdivia
31	Melipilla	Vargas N° 457, Melipilla	Melipilla
32	Punta Arenas	Avenida Frei N° 01110	Punta Arenas
33	Manquehue	Avenida Manquehue Sur N° 329, Las Condes	Santiago
34	Plaza Alameda	Av. Libertador Bernardo O'Higgins N° 3470 Local A-2, Estación Central	Santiago
35	San Bernardo	Av. Jorge Alessandri N° 20040, Local 1, San Bernardo	Santiago
36	San Felipe	Av. Bernardo O'Higgins N° 1150	San Felipe
37	Costanera Center	Avenida Andrés Bello N° 2447, Providencia	Santiago
38	Arauco Maipú	Av. Américo Vespucio N° 399, Local 500, Maipú	Santiago
39	Expo Puente Alto	Av. Concha y Toro N° 1477	Santiago
40	Ovalle	Prolongación Benavente N° 1075	Ovalle
41	Plaza Egaña	Larrain N° 5862, La Reina	Santiago
42	San Fernando	Avenida Bernardo O'Higgins N° 701 (Cardenal Caro esquina Chillán)	San Fernando
43	Plaza Copiapo	Maipú N° 110	Copiapó
44	Castro	San Martín N° 457	Castro
45	Los Domínicos	Av. Padre Hurtado Sur N° 875, Las Condes	Santiago

Department Stores Peru

N°	Stores	Address	City
1	San Isidro	Av. Paseo de la República N° 3220, San Isidro	Lima
2	San Miguel	Av. La Marina N° 2100 (Plaza San Miguel), San Miguel	Lima
3	Jockey Plaza	Av. Javier Prado Este N° 4200 (Jockey Plaza), Santiago de Surco	Lima
4	Lima Centro	Jr. de la Unión N° 517, Lima Cercado	Lima
5	Piura	Esquina Jr. Arequipa 802 y Jr. Huancavelica 551, Piura Cercado	Piura
6	Arequipa	Av. Ejército N° 793, Cayma	Arequipa
7	Miraflores	Av. Arequipa N° 5280, Miraflores	Lima
8	Chiclayo Mall	Calle Miguel de Cervantes N° 300 (Real Plaza), P.J. Diego Ferré	Chiclayo
9	MegaPlaza	Av. Industrial N° 3515 (MegaPlaza), Independencia	Lima
10	Cajamarca	Jr. Sor Manuela Gil N° 151 Urb, San Carlos	Cajamarca
11	Trujillo CC	Av. Mansiche s/n (Mall Aventura Plaza), Caserío El Cortijo	Trujillo
12	Bellavista	Av. Óscar R. Benavides N° 3866 (Mall Aventura Plaza), Bellavista	Lima
13	Atocongo	Av. Circunvalación (Atocongo Open Plaza), San Juan de Miraflores	Lima
14	Angamos	Av. Angamos Este N° 1803 (Angamos Open Plaza), Surquillo	Lima
15	Piura Mall Open Plaza	Av. Andres Avelino Caceres N° 147 (Piura Open Plaza), Castilla	Piura
16	Arequipa Porongoche	Av. Porongoche N° 502 (Mall Aventura Plaza), Paucarpata	Arequipa
17	Chimbote	Avenida Víctor Raúl Haya de la Torre N° 4694, Nuevo Chimbote	Chimbote
18	Santa Anita	Av. Carretera central N° 111 (Tienda TD-1) Santa Anita - Lima	Lima
19	Lima Norte	Av. Alfredo Mendiola N° 1400, Ancla 6 (C.C. Plaza Norte) - Independencia	Lima
20	Cañete MegaPlaza Expo	Av. Mariscal Benavides N° 1000 – San Vicente de Cañete – Cañete	Lima
21	Ica Mall	Calle Lima N° 433, Ica Cercado	Ica
22	Pucallpa OP	Av. Centenario N° 2086 – Ancla 2 - Yarinacocha	Pucallpa
23	Iquitos Expo	Jr. Prospero N° 560 – Maynas	Iquitos
24	Salaverry	Av. General Felipe Salaverry N° 2370 – Jesus Maria	Lima
25	Huánuco	Jr. Dos De Mayo N° 125	Huánuco
26	Centro Cívico	Av. Garcilaso de la Vega N° 1337	Lima
27	Crate & Barrel *	Av. Javier Prado Este N° 4200 (Jockey Plaza), Santiago de Surco	Lima
28	Mall del Sur	Av. Los Lirios 301 - Urb. Entel - San Juan de Miraflores	Lima
29	Huancayo	Av. Ferrocarril 146 - Huancayo	Huancayo

Department Stores Colombia

N°	Stores	Address	City
1	Santafe	Calle 185 N° 45 - 03, Centro Comercial Santafé	Bogotá
2	Suba	Avenida Carrera 104 N° 148 - 07, Centro Comercial Plaza Imperial	Bogotá
3	San Diego	Carrera 43 N° 36 - 04, Centro Comercial Sandiego	Medellín
4	Hayuelos	Callen 20 N° 82 - 52, Centro Comercial Hayuelos	Bogotá
5	Unicentro Bogotá	Avenida 15 N° 123 - 30, Centro Comercial Unicentro	Bogotá
6	Galerías	Calle 53 N° 25 - 35, Centro Comercial Galerías	Bogotá
7	Unicentro Cali	Calle 5 Carrera 100 Cruce Paso Ancho, Centro Comercial Unicentro	Cali
8	Chipichape	Calle 38 Norte N° 6N - 35; Local 406 CC Chipichape	Cali
9	Centro Mayor	Autopista Sur Carrera 27 N° 38 A Sur, Centro Comercial Centro Mayor	Bogotá
10	Santafe Medellin	Carrera 43a N° 7 Sur - 170, Centro Comercial Santafé Medellín	Medellín
11	Pereira	Av. Circunvalar N° 5 - 20, Local 214, Parque Arboleda Centro Comercial	Pereira
12	Villa Country	Calle 78 N° 53 - 70 local 100, Centro Comercial Villa Country	Pereira
13	Titan	Carrera 72 N° 80-94 Local 130-350, Centro comercial Titán Plaza	Bogotá
14	El Castillo	Carrera 13 N° 31-45 Chambacu local 125, Centro Comercial Mall Plaza	Cartagena
15	Floridablanca	Carrera 23 N° 29-145 Local 101, Centro Comercial Parque Caracoli	Bucaramanga
16	Ibague	Calle 57 N° 60K - 8E Avenida Guabinal, Centro Comercial Acqua	Ibague
17	WTC Cali	Avenida 6ª norte entre calles 35an y 36an, World Trade Center	Cali
18	Cacique	Transversal Oriental 93 # 34 - 99, Centro Comercial Cacique	Bucaramanga
19	Chía	Km 2.5 vía Chía-Cajicá Centro Comercial Fontaner	Chía
20	Jardin Plaza	Carrera 98 N° 16 - 20 local 229, Centro Comercial Jardín Plaza	Cali
21	Primavera	Calle 15 N°42 - 01 Loc 101 - 201 -301, Centro Comercial Primavera	Villavicencio
22	Plaza Central	Avenida Calle 13,entre las Carrera. 62 #11-2 y la Carrera 65 #11-48 Centro Comercial Plaza Central	Bogotá
23	Diverplaza	Dirección Trasversal 99 # 70 A - 89, Centro Comercial Diverplaza	Bogotá
24	Crate & Barrel *	Carrera 58D #145-51; (Avenida Boyacá), Centro Comercial La Colina	Bogotá
25	Colina Campestre	Carrera 58D #145-51; (Avenida Boyacá), Centro Comercial La Colina	Bogotá
26	La Felicidad	Avenida Boyacá con Calle 13, Centro Comercial MultiPlaza	Bogotá

Department Stores Argentina

N°	Stores	Address	City
1	Mendoza	Acc. E. Lateral Norte N° 3280 - Guaymallén	Mendoza
2	Rosario	Córdoba N° 1101	Rosario
3	Cordoba	Duarte Quiroz N° 1400	Córdoba
4	San Juan	Peatonal Tucumán N° 163 Sur	San Juan
5	Unicenter	Paraná N° 3745, Martínez	Buenos Aires
6-8	Florida	Florida N° 202 / 343 / 665, Capital Federal	Buenos Aires
9	Avellaneda	Güemes N° 897, Avellaneda	Buenos Aires
10	Dot	Vedia N° 3626, Capital Federal	Buenos Aires
11	Tortugas	Panamericana Ramal Pilar Km 36,5	Buenos Aires

* Crate & Barrel is a chain of furniture and household goods stores, recognized for its designs, functionality and price/quality ratio, and is based in the USA.

Home Improvement Chile

N°	Stores	Address	City
1	Imperial Santa Rosa	Av. Santa Rosa N° 7850, La Granja	Santiago
2	HC Concepción	Av. Los Carrera N° 1175	Concepción
3	Co Viña del Mar	Calle Limache N° 3119	Viña del Mar
4	Co Cantagallo	Av. Las Condes N° 12422, Lo Barnechea	Santiago
5	Co Vic. Mackenna	Av. Vicuña Mackenna N° 680, Ñuñoa	Santiago
6	Co Valparaíso	Yungay N° 2532	Valparaíso
7	Co Talcahuano	Colón N° 1891	Talcahuano
8	Co Maipú	Av. Pajaritos N° 2418, Maipú	Santiago
9	HC Las Condes	Av. Las Condes N° 11049, Las Condes	Santiago
10	Co Antofagasta	Av. Antonio Rendic N° 6852	Antofagasta
11	HC Viña del Mar	Av. 15 Norte N° 961	Viña del Mar
12	HC Rancagua	Av. Nueva Einstein N° 297	Rancagua
13	HC Puente Alto	Av. Concha y Toro N° 1315, Puente Alto	Santiago
14	Co La Florida	Av. Vicuña Mackenna N° 9101, La Florida	Santiago
15	HC Maipú	Av. Pajaritos N° 4444, Maipú	Santiago
16	HC El Trébol	Autopista N° 9200	Hualpén
17	HC La Serena	Av. Fco. de Aguirre N° 02	La Serena
18	Imperial Mapocho	Calle Mapocho N° 5906, Quinta Normal	Santiago
19	HC Parque Arauco	Av. Pdte. Kennedy N° 5601, Las Condes	Santiago
20	Imperial Maipú	Calle Alberto Llona N° 1153, Maipú	Santiago
21	Imperial Vespucio	Av. Américo Vespucio N° 1030, Peñalolén	Santiago
22	HC San Miguel	Av. José Miguel Carrera N° 5505-5514, San Miguel	Santiago
23	HC La Reina	Av. Jorge Alessandri N° 1347, La Reina	Santiago
24	Co Vallenar	Merced N° 501	Vallenar
25	HC Ñuble	Av. Vicuña Mackenna N° 1700, Ñuñoa	Santiago
26	HC Valdivia	Av. Ramón Picarte N° 3349	Valdivia
27	HC Nueva La Florida	Av. José Pedro Alessandri N° 6402, Peñalolén	Santiago
28	Imperial Valparaíso	Av. Independencia N° 3033	Valparaíso
29	HC SS Temuco	Av. Caupolicán N° 457	Temuco
30	HC Huechuraba	Av. Américo Vespucio N° 1737, Huechuraba	Santiago
31	HC Villarrica	Av. Saturnino Epulef N° 1580	Villarrica
32	HC Osorno	Av. René Soriano N° 2619	Osorno
33	HC Angol	Av. Bdo O' Higgins N° 1744	Angol
34	HC Chillan	Av. Ecuador N° 599	Chillan
35	HC Curico	Av. Carlos Condell N° 1192	Curico
36	HC Coquimbo	Ruta 5 Norte N° 859	Coquimbo
37	HC Plaza Oeste	Av. Américo Vespucio N° 1501, Cerrillos	Santiago
38	HC La Calera	Prolongación JJ Pérez N° 12010	La Calera
39	HC Pto. Montt	Av. Presidente Ibañez N° 650	Puerto Montt
40	Co Fontova	Pedro Fontova N° 5810, Conchalí	Santiago
41	HC Plaza Vespucio	Av. Américo Vespucio N° 7310, La Florida	Santiago
42	HC San Felipe	Calle Tocornal 2810	San Felipe

Home Improvement Chile (continued)

N°	Stores	Address	City
43	HC Arica	Av. Santa María N° 2985	Arica
44	Imperial Concepción	Tucapel N° 1259	Concepción
45	HC Iquique	Av. Héroes de la Concepción N° 2311	Iquique
46	HC Antofagasta	Av. Balmaceda 2366	Antofagasta
47	HC Plaza Concepción	Av. Pdte. Jorge Alessandri N° 3177	Talcahuano
48	HC Punta Arenas	Avda. Pdte. Eduardo Frei M. N° 01400	Punta Arenas
49	HC Linares	Leon 0376	Linares
50	Imperial Huechuraba	Av. A. Vespucio N° 1399, esquina Pedro Fontova, Huechuraba	Santiago
51	HC Talca	Av. 2 Norte N° 3344	Talca
52	HC Copiapó	Panamericana Sur N° 140	Copiapó
53	HC Estación Central	San Francisco de Borja N° 402, Estación Central	Santiago
54	HC Los Angeles	Av. Alemania N° 850	Los Angeles
55	HC El Bosque	Av. José Miguel Carrera N° 10375, El Bosque	Santiago
56	HC Calama	Av. Balmaceda N° 3398	Calama
57	HC San Bernardo	Av. Jorge Alessandri N° 20040, San Bernardo	Santiago
58	Imperial Temuco	Av. Caupolicán N° 1151	Temuco
59	Homy Parque Arauco	Av. Pdte. Kennedy N° 5601, Piso 3, Las Condes	Santiago
60	Imperial Hualpen	Av. Cristóbal Colón N° 8483	Hualpén
61	HC Coyhaique	Av. Ogana N° 869	Coyhaique
62	HC Quilpue	Av. Freire N° 1351	Quilpue
63	Co Rancagua	Av. Koke N° 011	Rancagua
64	Imperial Rancagua	Calle La Cruz N° 01000	Rancagua
65	HC Reñaca Santa Julia	Calle Subida Alessandri 4025 ex 4085 Gomez Carreño	Viña del Mar
66	HC Quinta Vergara	Av. Valparaíso N° 1070	Viña del Mar
67	HC Quilicura	Av. Manuel A. Matta N° 581, Quilicura	Santiago
68	HC Plaza Tobalaba	Av. Camilo Henríquez N° 3692, Puente Alto	Santiago
69	HC Ribera Norte	Av. Los Carreras Poniente N° 301	Concepción
70	Imperial Reñaca	Camino Internacional N° 1025 (rotonda Santa Julia)	Viña del Mar
71	Imperial Talca	Av. San Miguel N° 2687, esquina 23 Oriente (ex San Pablo)	Talca
72	HC Talca Poniente	Av. Colín N° 0635	Talca
73	HC San Fernando	Av. B. O'Higgins N° 0450	San Fernando
74	Homy Plaza Oeste	Av. Américo Vespucio N° 1501, Cerrillos	Santiago
75	Imperial San Bernardo	Av. Padre Hurtado N° 15057-15095, San Bernardo	Santiago
76	Homy Plaza Vespucio	Av. Vicuña Mackena 7110 Hm 300, La Florida	Santiago
77	HC Alto Hospicio	Av. Los Aromos N° 2780	Alto Hospicio
78	HC Castro	Ruta 5 Norte N° 2456 , sector Ten Ten	Castro
79	HC Santa Cruz	Av. Rafael Casanova N° 360 ex 460	Santa Cruz
80	HC Ovalle	Av. Prolongación Benavente N° 1075	Ovalle
81	Homy Plaza Egaña	Av. Larrain N° 5862, La Reina	Santiago
82	HC Quillota	Av. Ramón Freire 1551	Quillota
83	Imperial Puerto Montt	Pilpilco 200, Parque Industrial, camino a Pargua	Puerto Montt
84	HC Coronel	Av. Carlos Prats 0901	Coronel
85	HC Copiapó II	Av. Los Carrera 4723	Copiapó
86	HC Los Dominicos	Av. Padre Hurtado Sur N° 875 Local H100, Las Condes	Las Condes
87	HC Talagante	Av. Bernardo O'Higgins 2337	Talagante
88	HC Melipilla	Av. Vicuña Mackenna 1466	Melipilla
89	Imperial La Serena	AV Balmaceda 3070	La Serena

Home Improvement Peru

N°	Stores	Address	City
1	HC San Miguel	Av. La Marina N° 2355 C.C. Open Plaza	Lima
2	HC Megaplaza	Av. Industrial N° 3515 - 3517 Local A-08 CC. Mega Plaza - Independencia	Lima
3	HC Atocongo	Av. Circunvalación N° 1801 - 1803 - 1805.	Lima
4	HC Javier Prado	Av. Javier Prado Este N° 1057	Lima
5	HC Chiclayo	Calle Víctor Raul Haya De La Torre N° S/N - Urb. San Eduardo	Chiclayo
6	HC Trujillo Open Plaza	Av. América Norte N° 1245, Ancla 2 Urb. Los Jardines-Open Plaza	Trujillo
7	HC Lima Centro	Av. Tacna N° 640	Lima
8	HC Canta Callao	C.C. Canta Callao Open Plaza. Av. Japón (Ex Bertello) / Calle Las Begonias S/N Callao	Lima
9	HC Trujillo	Av. Mansiche S/N – CC Mall Aventura Plaza	Trujillo
10	HC Bellavista	Av. Oscar R. Benavides N° 3866 - LOCAL TH-1 , Mall Plaza Bellavista	Lima
11	Co Ica Minka	Av. San Martín N° 727 Interior 101 (LM)	Ica
12	HC Angamos	Av. Nueva Tomás Marsano N° 961 ESQ C/ ANGAMOS N° 961 ESQ. C/ ANGAMOS N° 1803 - AN 1	Lima
13	HC Piura	Av. Andrés Avelino Cáceres 147 Urb. Miraflores Tienda Ancla 1 Secc. Sector, Distrito de Castilla, Provincia y departamento de Piura	Piura
14	HC Arequipa	Av. Porongoche N° 500, Mall Aventura, Distrito de Paucarpata	Arequipa
15	HC Jockey Plaza	Av. Prado, Javier Este N° 4010 Tda TD-3 Urb. El Fundo Monterrico Chico	Lima
16	HC Chimbote	Av. Víctor Raul Haya De la Torre N° 4694 Interior A04 Mz. 1-A-1-A2 Parque Gran Chavín	Chimbote
17	HC Santa Anita (Ate)	Av. Los Frutales Nro. 202 - Fundo Monterrico Grande Oeste - ATE	Lima
18	HC Cañete	Av. Mariscal Benavides Cdra 10	Lima
19	HC Huacho	Esquina de la Av. 28 de Julio con Av. 9 de Octubre S/N	Lima
20	HC San Juan Lurigancho	Av. Las Lomas, Las 601-649 MZ. L Lt. 11 - Urb- Zarate Industrial	Lima
21	HC Pucallpa	Av. Centenario N° 2086 - Ancla 3 - Distrito de Yarinacocha	Pucallpa
22	HC Sullana	Av. Carretera Sullana - Paíta / Av. Las Dalias - Calle Los Médalos entre Urb. Jardín y Asoc. Pro Vivienda Mariano Santos	Sullana
23	HC Villa El Salvador	Parque Ind. Parc. II Manz. C Lote 1 y 7	Lima
24	HC Cajamarca OP	Av. Andrés Zevallos cuadra 26, Urb. Horacio Zevallos Gomez	Cajamarca
25	Maestro Chacarilla	Av. Caminos del Inca N° 100 MZ. A Lt. 1,2,3,4,5, Urb. El Tambo de Monterrico	Lima
26	Maestro Surquillo	Av. Angamos Este N° 1353 - 1355 Esq. Con Av. República de Panamá - Jr. San Lorenzo N° 881	Lima
27	Maestro Pueblo Libre	Av. Universitaria Sur N° 2271 - Pueblo Libre	Lima
28	Maestro Chorrillos	Av. Paseo de la República, Prlg. N° S/N Departamento LM 04, Plaza Lima Sur	Lima
29	Maestro Ate	Av. La Molina 378	Lima
30	Maestro Arequipa	Av. Los Incas N° 400-A Ref. Sector Lambramani Arequipa	Arequipa
31	Maestro Naranjal	Avenida Mendiola, Alfredo N° 5118 - 5150 , Lot. Industrial Infantas, II Etapa - Los Olivos	Lima
32	Maestro Callao	Av. Argentina N° 2842 - 2868 Callao (dirección tomada de ficha)	Lima
33	Maestro Colonial	Av. Colonial 751 - Lima Cercado	Lima
34	Maestro Piura	Zona Industrial III Avenida Sanchez Cerro N° 3254 V 07	Piura
35	Maestro Independencia	Esq. Tomas Valle con Pan. Norte, Sector 6 - CC. Lima Plaza Norte	Lima
36	Maestro Chiclayo	Calle Hermanos Galindo S/N - Cuadra 3 - Urb. Patazca	Chiclayo
37	Maestro Trujillo	Av. América Sur N° 1451 - 1459, Calle José Galvez N° 955 Urb. Barrio Chicago	Trujillo
38	Maestro Huancayo	Av. Huancavelica N° 221 - 225 El Tambo - Huancayo	Huancayo
39	Maestro Ica	Av. Los Maestros N° 206 - 208	Ica
40	Maestro Cusco	Urbanización Versalles	Cusco
41	Maestro Arequipa 2	El paso de Challapampa Predio las Rojas (Costado del Grifo la Fonda)	Arequipa
42	Maestro San Luis	Av. Nicolás Ayllón N° 1680, Urb. Pino Distrito de San Luis	Lima
43	Maestro Villa El Salvador	Parque Ind. Parc. II Manz. B Lote 1	Lima
44	Maestro Tacna	Cercado - Parcela - 03 Prolong. 2 de Mayo	Tacna
45	Maestro Cajamarca	Jr. San Luis S/N , Sector N° 09 - Pueblo Libre	Cajamarca
46	Maestro Sullana	Av. Sanchez Cerro N° 100 Mz. A2 LT 01 - AH. Santa Teresita - Sullana	Sullana

Home Improvement Peru (continued)

N°	Stores	Address	City
47	Maestro Comas	Av. Chacra Cerro N° 121 Ex. Fundo Chacra Cerro - Comas	Lima
48	Maestro Puente Piedra	Calle 07 Mz. J Lt. 01 Urbanización Las Vegas	Lima
49	Maestro Huacho	Esq. Panam. Norte S/N - Av. Las Delicias Fundo Vista Alegre - Santa María	Huacho
50	Maestro Chinchá	Av. San Idelfonso - C.P Acequia Grande Cinco Esquina - Sunampe	Chinchá
51	Maestro Pucallpa	Jr. Salvador Allende N° 350	Pucallpa
52	Maestro Ventanilla	Calle Alonso de Molina Mz. I-13 Lotes 5,6,7,8,9 y Sub Lote 14-C Zona Industrial	Lima
53	Maestro San Juan de Miraflores	Av. Belisario Suarez N° 181 Zona Industrail	Lima
54	Maestro Barrios Altos	Jr. Luis Sotomayor 252	Lima
55	HC Chiclayo 2	Av. Jose María Escriba de Balaguer N° 1415, Carretera Lambayeque	Chiclayo
56	Sodimac Huancayo	Av. Ferrocarril 146-150 – 1º Piso Tienda Ancla 01 – Huancayo – Junin	Ciudad de Huancayo

Home Improvement Colombia

N°	Stores	Address	City
1	HC Calle 80	Avenida Carrera 68 No. 80-77	Bogotá
2	HC Sur	Avenida 68 37-37 Sur // AK 68 35A 65 Sur	Bogotá
3	HC Norte	Avenida Carrera 45 No. 174B-45	Bogotá
4	HC Medellín Industriales	Avenida Los Industriales No. 14-135	Medellín
5	HC Cali Sur	Carrera 100 No. 16-251, Centro Comercial Jardín Plaza	Cali
6	HC Barranquilla	Carrera 53 No. 99-148 Mz 22 Lt 1	Barranquilla
7	HC Pereira	Avenida de las Américas No. 45-06	Pereira
8	HC El Dorado	CL 46A 85D 25	Bogotá
9	HC Medellín San Juan	Calle 44 No. 65-100	Medellín
10	HC Cali Norte	Avda 6A Nte. No. 35-00, Santa Monica del norte	Cali
11	HC Suba	Carrera 104 148-07 Local 152	Bogotá
12	HC Soacha	Cra 7 No. 32-35 Local 177, Centro Comercial Mercurio	Bogotá
13	HC Ibagué	Carrera 5 No. 73-100	Ibagué
14	HC Cartagena	Avenida del Lago Calle 29 No. 22-108 Local 1-69, Barrio Pie de la Popa - Centro Comercial Caribe Plaza	Cartagena
15	HC Bello	Diagonal 51 34-16, Centro Comercial Puerta del Norte	Medellín
16	HC Molinos Medellín	Calle 30A 82A-26 Centro Comercial Los Molinos, Local 1200	Medellín
17	HC Cúcuta	Avenida Diagonal Santander No. 11-200	Cucuta
18	HC Villavicencio	Carrera 48 No. 1-180, KM 2 Vía Acacias	Villavicencio
19	HC Bucaramanga	Carrera 21 No. 45 - 02 // Calle 45 No. 20-02. Barrio La Concordia	Bucaramanga
20	HC Calima	Carrera 27 No. 21-75	Bogotá
21	HC Montería	Calle 65 No. 10-19	Montería
22	HC Neiva	Calle 50 No. 16-120 Supermanzana 1	Neiva
23	HC Manizales	Calle 67 con Carrera 18 y Carrera 19 entre Calle 70 y 71, Sector baja Suiza	Manizales
24	HC Cedritos	Calle 152 9-08 // Avenida Carrera 9 No. 152A - 23	Bogotá
25	HC Envigado	Calle 37 Sur Cra 48, entre calles 34 sur y 32B sur	Medellín
26	HC Valledupar	Transversal 19 No. 3-150	Valledupar
27	HC Santa Marta	Cra 35 No. 29A-355 Lote B	Santa Marta
28	HC Palmira	Calle 42 con Cra 39 esquina	Cali
29	HC Barranquilla Centro	Carrera 46 Nro 48 – 50	Barranquilla
30	HC Armenia	Carrera 6 3-180	Armenia
31	HC Rionegro	Cra 43 No. 54 - 134	Rionegro
32	HC Chia	Km 27 Vía Bogotá - Cajicá	Chia
33	HC Tintal	Calle 10 B No. 86 – 50	Tintal
34	HC Girardot	Carrera 5 No. 35-111 / 125	Girardot
35	HC Yopal	Calle 24 No. 35-59	Yopal
36	HC Cartagena 2	Calle 31 # 82 – 112 Lote 1.	Cartagena
37	HC Tulúa	Carrera 40 # 37-229, Barrio el Retiro	Tulúa
38	HC Barranquilla3	Calle 30 # 4B – 400 // Carrera 10 # 27B – 211	Barranquilla

Home Improvement Brazil

N°	Stores	Address	City
1	Dicico Ipiranga	R. dos Patriotas, 1211, Ipiranga	São Paulo
2	Dicico Sto. Amaro	Av. João Dias, 1713, Santo Amaro	São Paulo
3	Dicico Santos	R. Alexandre Martins, 80, Lj. 301, Nivel III, Aparecida	Santos
4	Dicico Sorocaba	Av. Professora Izoraida Marques Peres, 401, Lj B, Parque Campolim	Sorocaba
5	Dicico Piracicaba	Av. Limeira, 722, SUC B Vila Rezende	Piracicaba
6	Dicico São Vicente	R. Prefeito José Monteiro, 1045, box 52 - Jardim Independencia	São Vicente
7	Dicico M. Tietê	Av. Tomaz Edson, 1324, Loja B, Barra Funda	São Paulo
8	Dicico Multi Radial Leste	Av. Alcântara Machado, 1993, Bras	São Paulo
9	Dicico Aricanduva	Av. Aricanduva, 5555, Ancora B02, Vila Aricanduva	São Paulo
10	Dicico Campinas DP	Rod. Dom Pedro I, km 127/128, Box25, Parque Imperador	Campinas
11	Dicico Multi São Miguel	Av. São Miguel, 8201,Vila Jacui, São Miguel	São Paulo
12	Dicico Suzano	R. João Batista Fitipaldi, 380, Bloco A, Vila Maluf	Suzano
13	Dicico Praia Grande	Av. Presidente Kennedy, 1876, Bloco B, Guilhermina	Praia Grande
14	Dicico Pirituba	Av. Raimundo Pereira de Magalhães, 11.980, Bloco B Parada de Taipas, Pirituba	São Paulo
15	Dicico Taubaté	Av. Charles Shneider, 850, Santa Fé, Parque Senhor do Bonfim	Taubaté
16	Dicico Mogi	R. Professor Ismael Alves dos Santos, 455, Vila Mogilar	Mogi das Cruzes
17	Dicico Tremembé	Av. Coronel Sezefredo Fagundes, 1855, Tucuruvi	São Paulo
18	Dicico V. Carvalho	Av. Santos Dumont, 458, Sitio Paecara - Vicente de Carvalho	Guarujá
19	Dicico Peruíbe	Av. Padre Anchieta, 4741, Três Marias	Peruíbe
20	Dicico Multi Diadema	Av. Piraporinha, 50, Vila Nogueira - Jardim Concordia	Diadema
21	Dicico Bertioga	Av. Marginal, 10001, Quadrag, Jardim Albatroz	Bertioga
22	Dicico T. Vilela	Av. Senador Teotônio Vilela, 8030, Bloco 2, Jardim São Rafael / Parelheiros	São Paulo
23	Dicico Enseada	Av. Dom Pedro I, 2520, Cidade Atlantica	Guarujá
24	Dicico Itanhaém	R. João Pedro Orsi, 117 a 120, Jardim Fazendinha	Itanhaém
25	Dicico Mongaguá	R. Antonio Martins de Araújo, 100, Centro	Mongagua
26	Dicico Cubatão	Av. Nove de Abril, 3.400, Vila Nova	Cubatão
27	Dicico Atibaia	Av. Dr. Joviano Alvim, 1190, Atibaia Jardim	Atibaia
28	Dicico Bragança	Av. dos Imigrantes, 2400, Jardim America	Bragança Paulista
29	Dicico Guaratinguetá	Av. Juscelino Kubitschek de Oliveira, 880, Campo do Galvão	Guaratingueta
30	Dicico Jacareí	Praça Charles Gates, 90, Jardim das Industrias	Jacareí
31	Dicico Limeira	R. Miguel Guidotti, 2155, Parque Egisto Ragazzo	Limeira
32	Dicico Taboão	R. Do Tesouro, 662, Parque Santos Dumond	Taboão da Serra
33	Dicico M. Tito	Av. Marechal Tito, 5.768, Itaim Paulista	São Paulo
34	Dicico Indaiatuba	R. Presidente Kennedy, 303, Cidade Nova I	Indaiatuba
35	Dicico Mauá	Av. Governador Mário Covas Junior, 01, Centro	Mauá
36	Dicico Itu	Av. Nove de Julho, 897, Loja 2, Bairro Jardim Padre Bento	Itu
37	Dicico Mogi Guaçu	Av. Mogi Mirim, 256, Centro	Mogi Guaçu
38	Dicico Hortolândia	R. Luiz Camilo de Camargo, 332, Loja 16, Centro	Hortolandia
39	Dicico Rio Claro	Av. Visconde do Rio Claro, 1525, Centro	Rio Claro
40	Dicico Guarapiranga	Av. Guarapiranga, 881, Loja 1, Vila Socorro	São Paulo
41	Dicico Santo André	R. Antonio Cardoso, 536, SUC B, Bangu	Santo André
42	Dicico Santa Bárbara	R. do Ósmio, 915, Comércio 01, Sitio Geriva	Santa Barbara d'Oeste
43	Dicico Arujá	Av. João Manoel, 1150, Aruja Centro Residencial	Arujá
44	Dicico Fernão Dias	Rod. Fernão Dias, Km 87, Parque Edu Chaves	São Paulo
45	Dicico Guarujá Balsa	Av. Adhemar de Barros, 1531, Vila Santa Rosa	Guarujá
46	Dicico Caraguatatuba	Av. Rio Branco, 450, Indaia	Caraguatatuba
47	Dicico Poá	Rod. João Afonso de Souza Castellano, 141, Loja 1, Vila Lucia	Poá
48	Dicico São Carlos	Av. Getúlio Vargas, 157, Vila Lutfalla	São Carlos
49	Dicico Guaianases	Est. Itaquera Guianases, 2000, D, Jardim Helena	São Paulo
50	Dicico S.J.Campos	Av. Engenheiro Francisco José Longo, 1595, Loja 1, Jardim São Dimas	São José dos Campos
51	Dicico Jundiá	Av. Antônio Frederico Ozanan, 6080, Loja 1, Vila Rio Branco	Jundiá
52	Dicico Sumaré	Av. José Mancini, 350, Orestes Ongaro, Jardim São Carlos	Sumaré

Home Improvement Brazil (continued)

N°	Stores	Address	City
53	HC Sodimac Tamboré	Alameda Araguaia 1801, Sítio Tamboré	Barueri
54	HC Sodimac Ribeirao Preto	Av. Fábio Barreto 263, Vila Tibério	Ribeirão Preto
55	HC San Jose Los Campos	Rodovia Presidente Dutra, KM 155, Jardim das Indústrias	São José dos Campos
56	HC Sodimac Guarulhos	R. Bartolomeu Gusmão, 316, Lote QD 20/26 Portaria A, Jardim Santa Francisca	Guarulhos
57	HC Sodimac Anchieta	AVMD Anchieta, S/N KM 11,5 Bloco A, Jardim Santa Cruz (Sacoma)	São Paulo

Home Improvement Argentina

N°	Stores	Address	City
1	HC San Martín	Av. San Martín N° 421	Buenos Aires
2	HC Malvinas Argentinas	Presidente Arturo Illia 3770	Buenos Aires
3	HC San Justo	Avenida Don Bosco N° 2680	Buenos Aires
4	HC Villa Tesei	Av. Gobernador Vergara 1910	Buenos Aires
5	HC Vicente Lopez	Av. Libertador 77	Buenos Aires
6	HC Tortugas	Av. Olivos 4051	Buenos Aires
7	HC Córdoba	Av. Colón 4800	Córdoba
8	HC La Plata	Camino General Belgrano S/N entre calles 514 y 517	La Plata

Home Improvement Uruguay

N°	Stores	Address	City
1	HC Giannattasio	Arizona 865	Canelones
2	HC Sayago	Camino Ariel 4620	Montevideo
3	HC Maldonado	Ruta 39 esquina Perimetral Luis A. de Herrera.	Maldonado

Supermarkets Chile

N°	Stores	Address	City
1	El Monte	Los Libertadores N° 316, El Monte	Santiago
2	Talagante Plaza	Eyzaguirre N° 715, Talagante	Santiago
3	SB Plaza	O'Higgins N° 550, San Bernardo	Santiago
4	Buin	San Martin N° 174, Buin	Santiago
5	SB Estación	Arturo Prat N° 117, San Bernardo	Santiago
6	Peñaflor	Alcalde Luis Araya Cereceda N° 4237, Peñaflor	Santiago
7	Rengo	Condell N° 100	Rengo
8	Melipilla	Avda. Serrano N° 395, Melipilla	Santiago
9	San Antonio	Avda. Barros Luco N° 1399	San Antonio
10	Talagante Cordillera	Caletera Los Aromos N° 0441, Talagante	Santiago
11	Puente Alto	Avda. Concha Y Toro N° 1477, Puente Alto	Santiago
12	Nataniel	Nataniel Cox N° 620, Santiago	Santiago
13	La Calera	Prolongacion Perez N° 12010	La Calera
14	Pedro Fontova	Pedro Fontova N° 5810, Conchalí	Santiago
15	Antofagasta Mall	Balmaceda N° 2355	Antofagasta
16	Plaza Oeste	Avda. Americo Vespucio N° 1501, Cerrillos	Santiago
17	Puente Alto Eyzag.	Eyzaguirre N° 105, Puente Alto	Santiago
18	La Florida	Avda. Americo Vespucio N° 7310, La Florida	Santiago
19	Antofagasta Centro	Condell N° 2639-2645	Antofagasta
20	Kennedy	Avda. Kennedy N° 5601, Las Condes	Santiago
21	Colina	Avda. Concepcion N° 47, Colina	Santiago
22	Alameda	Av. Libertador Bernardo O'Higgins N° 3470, Estación Central	Santiago
23	El Bosque	Gran Avenida, José Miguel Carrera N° 10375, El Bosque	Santiago
24	San Fernando	Av. Carampangue N° 681	San Fernando
25	Padre Hurtado	Camino San Alberto Hurtado N° 2436, Padre Hurtado	Santiago
26	San Felipe	Av. Libertador Bernardo O'Higgins N° 1150	San Felipe
27	Talca	Calle 4 Norte N°1530	Talca
28	Peñalolén	Av. Tobalaba N° 11.201, Peñalolén	Santiago
29	Catedral	Catedral N° 1850, Santiago	Santiago
30	Machalí	Avda. San Juan N° 133, Machalí	Machalí
31	Santa Julia	Avda. Alessandri N° 4025	Viña del Mar
32	Calama Mall	Mall Balmaceda N° 2902	Calama
33	Calama Centro	Centro Avda. Granaderos N° 3651	Calama
34	Huechuraba	Santa Marta de Huechuraba N° 7300, Huechuraba	Santiago
35	Llolleo	Av. Los Aromos N° 318 Llolleo, Comuna de San Antonio	Llolleo
36	Bío Bío	Avda. Los Carrera Poniente N° 301, Concepción	Biobío
37	Chillán	Ecuador N° 599	Chillán
38	Rancagua Centro	Cuevas N° 405	Rancagua
39	Vicuña Mackenna	Av. Vicuña Mackenna N° 665, Santiago	Santiago
40	Mall Plaza Tobalaba	Avda. Camilo Henríquez N° 3692, Local H100 Puente Alto	Santiago
41	Los Ángeles	Mendoza N° 535	Los Ángeles
42	Vitacura	Avda. Vitacura N° 9019, Vitacura	Santiago
43	El Trébol	Av. Jorge Alessandri N° 3177	Talcahuano
44	Plaza Egaña	Av. Larrain N° 5862, Local H100, La Reina	Santiago
45	Ovalle	Prolongación Calle Benavente N° 1075, Local 200	Ovalle
46	Quilpué	Av. Freire N° 120	Quilpué
47	Concón	Av. Manantiales N° 955	Concón
48	Walker Martínez	Walker Martínez N° 3600, La Florida	Santiago
49	Mall Plaza Copiapó	Maipú N°109, Lote B	Copiapó
50	Reñaca	Av. Vicuña Mackenna 1050, local N°1; Reñaca Bajo	Viña del Mar

Supermarkets Chile (continued)

N°	Stores	Address	City
51	Chamisero	Av. Chamisero, Lote A8, Local N° 1, Colina	Santiago
52	Vivaceta	Av. Fermin Vivaceta N° 1018-1030, Independencia	Santiago
53	Copiapó Los Carrera	Av. Los Carrera N°4723	Copiapó
54	Maitencillo	Via F-30 e, Esquina Calle San Isidro, Local N°1, Maitencillo, Puchuncavi	Maitencillo
55	Talca Colín	Av. Colín N° 0665	Talca
56	Cerro Blanco	Av. Recoleta N°888, Recoleta	Santiago
57	Quillota Las Palmas	Av. Condell 1687 - local A3, Quillota	Quillota
58	Ciudad Empresarial	Av. Del Parque 4722, Local 22, Huechuraba	Santiago
59	Coquimbo	Av. Alessandri 1117, Coquimbo	Coquimbo
60	Quilicura	Av Libertador Bernardo Ohiggins 800, Local 1	Santiago
61	Vitacura Aldereta	Av. Vitacura 6980, Vitacura	Santiago
62	La Cisterna	Gran Avenida 8988, Local 1, La Cisterna	Santiago
63	Los Dominicos	Av. Padre Hurtado 875, Las Condes	Santiago
64	Los Andes	Av. Santa Teresa 680 Local 1, Los Andes	Santiago

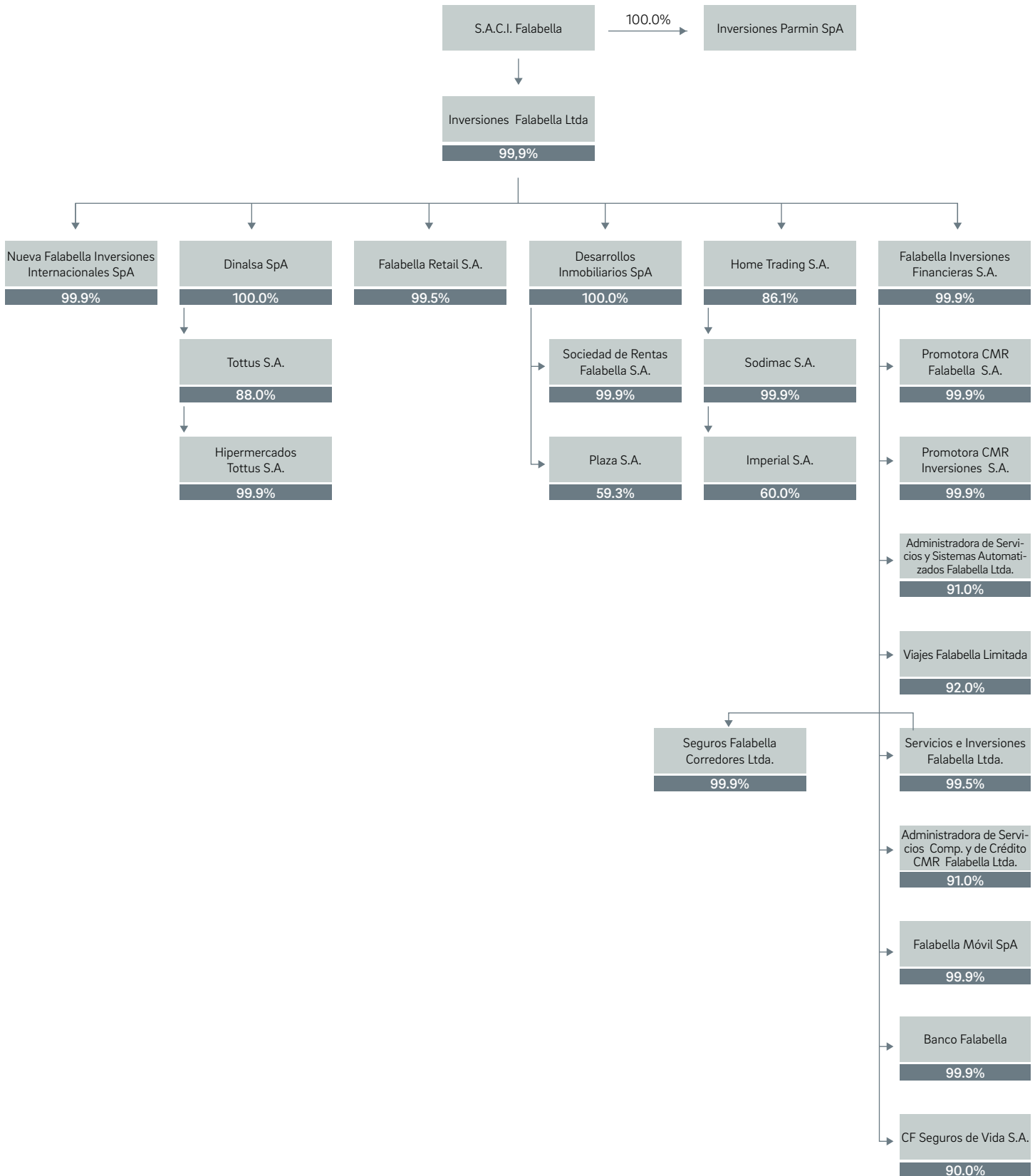
Supermarkets Peru

N°	Stores	Address	City
1	Megaplaza	Alfredo Mendiola N° 3698, Centro Comercial Mega Plaza, Independencia	Lima
2	Las Begonias	Av.Las Begonias N° 785, - Urb. Jardín, San Isidro	Lima
3	La Marina	Av. La Marina N° 2355 Urb Maranga - 1era Etapa Ancla 2 - San Miguel	Lima
4	Atocongo	Av. Circunvalacion N° 1803 Tienda Ancla N°2 San Juan de Miraflores	Lima
5	Huaylas	Av Defensores del Morro N° 1350, Chorrillos	Lima
6	Trujillo 1	Av. Mansiche S/N - Caserío Cortijo	Trujillo
7	Chiclayo 1	Victor Raul Haya de la Torre 150 - 250 - Urb. San Eduardo - Tienda Ancla 1	Chiclayo
8	Quilca	Av. Lima N° 4208, Urb. Bocanegra, Provincia Constitucional del Callao	Lima
9	Saenz Peña	Calle Castilla N° 496, Provincia Constitucional del Callao	Lima
10	Canta Callao	Carretera Canta Callao N° 378 , Calle Castilla 496, Provincia Constitucional del Callao	Lima
11	Lima Centro	Av. Tacna N° 665 - Cercado de Lima	Lima
12	El Agustino	Av. Ancash N° 2479, El Agustino	Lima
13	Puente Piedra	Av. Puente Piedra Sur N° 322 - Alt. Km 30 Panamericana Norte - Puente Piedra	Lima
14	Trujillo 2	Av. America Norte N° 1245 Urb. Los Jardines Open Plaza Trujillo	Trujillo
15	Bellavista	Av. Oscar R.Benavides N° 3866 (SM 1) Bellavista - Callao	Lima
16	Ica	Av. San Martin N° 763	Ica
17	Pachacútec	Av. Prolong. Pachacutec N° 6321, Tablada de Lurin Zona 4 Villa Maria del Triunfo	Lima
18	Zorritos	Av. Colonial N° 1291, 1293 - Jr. Zorritos N° 1504, 1548, 1552	Lima
19	La Fontana	Av. La Fontana N° 790, Urb. La Rivera de Monterrico II Etapa La Molina	Lima
20	Angamos	Av. Angamos Este N° 1803 - Esq Tomas Marsano y Angamos Este - Surquillo	Lima
21	Tusilagos	Av. Los Tusilagos Oeste N° 281 Urb. Los Jardines de San Juan Sector 3 San Juan de Lurigancho	Lima
22	Piura	Av. Andrés Avelino Cáceres N° 147 Sector 1B Tda Ancla 2 - Urb. Miraflores - Castilla	Piura
23	Arequipa Cayma	Av. Ejercito N° 793, Arequipa Cayma	Arequipa
24	Arequipa Porongoche	Av. Porongoche N° 500, Distrito de Paucarpata	Arequipa
25	Próceres	Av. Los Próceres N° 1030, Santiago de Surco	Lima
26	Jockey Plaza	Av. Javier Prado EsteN° 4010, Urb. Fundo Monterrico Chico, Santiago de Surco	Lima
27	HB Chiclayo Belaúnde y Lora	Av. Fernando Belaunde Terry N° 685 - Urb La Primavera	Chiclayo
28	Campoy	Av. Prolongación Malecón Checa, con A.D.V Villa Mercedes, con calle 5 Manzana L Sub lote 1-1A*	Lima
29	Chincha	Esquina Av. Massaro con esquina Mariscal Castilla - Chincha Alta - Chincha - Ica*	Ica

Supermarkets Peru (continued)

N°	Stores	Address	City
30	Chimbote	Av. Panamericana Norte 505 MZ. B Lote. 1A-1-A2 Chimbote - Santa - Ancash	Chimbote
31	Santa Anita	Z.I. A - B Carretera Central N° 135, Santa Anita	Lima
32	Los Olivos	Av. Alfredo Mendiola N° 5810, Los Olivos	Lima
33	Chiclayo San José	Av. Luis Gonzales N° 881	Chiclayo
34	Cañete	Av. Mariscal Benavides N° 1000 - San Vicente de Cañete - Cañete - Lima	Cañete
35	Av. Central	Av. Santa Callao N° 3005 - S.M.P. (Mz. G lote 3 - Urb. Huertos del Naranjal)	Lima
36	HB Chiclayo Leguía	Av. Saenz Peña N° 1771 - Chiclayo Cercado	Chiclayo
37	Pacasmayo	Av. Gonzalo Ugaz Salcedo N° 23	Pacasmayo
38	Arequipa Parra	Av. Parra N° 218 - 218A - 220	Arequipa
39	Sullana	Av. Panamericana N° 445 esq. Ca. Santo Toribio N° 160	Sullana
40	Pucallpa	Av. Centenario N° 2086, Yarinacocha - Coronel Portillo	Pucallpa
41	San Luis	Av San Luis Av. San Luis Mz. A Lote 1 Urb. San Borja Centro (Ficha registral)	Lima
42	Miraflores	Av. 28 de Julio N° 1045, Miraflores (Centro comercial Paso 28 de Julio)	Lima
43	Ica Centro	Calle Lima N° 433 - Cercado	Ica
44	HB Puente Piedra	Av. Leoncio Prado N° 1916 - Puente Piedra - Lima	Lima
45	Chepén	Carretera Panamericana N° 715 - 721	Chepén
46	Huánuco	Jr. 2 de Mayo N° 125 - Huánuco	Lima
47	HB Huaycán	Av. Los Incas N° 205 Mz. A Lt. 7 Ex. Av. Circunvalacion - Ate	Huaycan
48	Cajamarca OP	Jr. Cinco Esquinas S/N C/Av. Via De Evitamiento	Cajamarca
49	San Hilarión	Av San Hilarion Este N° 150-180 Urb. San Hilarion SJ Luriganchu (temporal)	Lima
50	Molicentro	Av. 7 N° 510 - El Suace - Rinconada - La Molina	Lima
51	Huaral	Av. Chancay km. 8. 5 Huaral	Lima
52	Huacho	Avenida Moore, N° 213-215, Huacho, Provincia de Huaura, Departamento de Lima	Lima
53	HB Guardia Civil	Av. Guardia Civil Mza M Lote 13 - La Campiña - Chorrillos	Lima
54	Lima Sur	Av. Los Lirios Nro. 301 Urb. Entel Peru - San Juan de Miraflores	Lima
55	HB Chinchá	Cal. Leopoldo Carrillo Nro. 0 - Chinchá Alta - Ica	Chinchá
56	HB Pisco	Calle Comercio 700 - Pisco	Ica
57	HB Barrios Altos	Jr. Huanuco 925 - Cercado de Lima	Lima
58	HT Piura Norte	Av. Sanchez Cerro N° 3264 - Interior 101, distrito de 26 de Octubre, Piura	Piura
59	Tottus Huancayo	Av. Ferrocarril esquina con Prolongación San Carlos S/N Sector 14	Huancayo
60	Villa el Salvador	Mza. D Lote. 3 - Zona Agropecuaria (Frente Mercado Unicachi) Villa El Salvador, Lima	Lima
61	Cusco La Cultura	Av. De la Cultura 1617, Cusco	Cusco
62	HB Chulucanas	Av. Ramón Castilla N°1480 Chulucanas Morropón - Piura	Piura
63	HB Ica Panamericana	Urb. San Joaquín Sub Lote 2A - C Ica	Ica
64	Comandante Espinar	Av. Comandante Espinar 719 - Miraflores	Lima
65	Dominicos	Av. Tomás Valle 3305 Callao	Lima

Summary Corporate Structure



Financial Information on Subsidiaries and Associates

A. Direct Subsidiaries

INVERSIONES PARMIN SPA

INVERSIONES PARMIN SpA is a joint stock company constituted in accordance with Chilean law, whose subscribed and paid statutory capital is \$222,934,223 Chilean pesos. S.A.C.I. Falabella owns all the issued share capital, and there have been no changes during 2017.

Business Purpose

Invest in any capacity in all kinds of tangible and intangible goods, fixed or movable assets; in transferable securities, bonds, debentures, promissory notes or other financial documents, and their use and management; participation in all kinds of civil and commercial companies, whether collectives, limited partnerships as partner or manager, corporations, or limited liability companies, irrespective of their purpose.

Management

S.A.C.I. Falabella.

Legal Representatives:

- Mr. Carlo Solari Donaggio
- Mr. Sandro Solari Donaggio
- Mr. Juan Carlos Cortés Solari

INVERSIONES PARMIN SPA

	2017 ThCh\$	2016 ThCh\$
Total Assets	1,620,338	2,229,884
Total Liabilities	152	470,298
Total Equity	1,620,186	1,759,586
Net Income for the year	253,926	312,922
Changes in Equity	(139,400)	207,9096
Net increase (decrease) in cash and cash equivalents	1	3

INVERSIONES FALABELLA LTDA.

INVERSIONES FALABELLA LTDA. is a limited liability company incorporated in accordance with Chilean law, whose subscribed and paid capital is \$1,377,031,619,494 Chilean pesos. S.A.C.I. Falabella owns approximately 99.98% of the share capital, the remainder is owned by Inversiones Parmin SpA. There were no significant changes to these interests during 2017.

Business Purpose

Invest in any class of shares, bonds, debentures, units or rights in companies in any capacity and securities and other fixed-income securities, to administer such assets, invest in all kinds of real estate and use and lease them to obtain income from such property. Therefore, the company may carry out all transactions, sign all contracts and generally perform anything that is appropriate or necessary in the opinion of its manager.

Management

S.A.C.I. Falabella.

Legal Representatives:

- Mr. Carlo Solari Donaggio
- Mr. Sandro Solari Donaggio
- Mr. Juan Carlos Cortés Solari

INVERSIONES FALABELLA LTDA.

	2017 ThCh\$	2016 ThCh\$
Total Assets	14,515,307,429	14,046,278,662
Total Liabilities	9,034,137,664	9,362,625,224
Total Equity	5,481,169,765	4,683,653,438
Net Income for the year	556,196,189	649,771,994
Changes in Equity	797,516,327	313,944,843
Net increase (decrease) in cash and cash equivalents	(80,454,487)	(87,316,412)

B. Direct associates

SODIMAC COLOMBIA S.A.:

Sodimac Colombia S.A. is a company incorporated under the laws of Colombia, whose subscribed and paid capital is \$ 29,975,000,000 Colombian pesos. S.A.C.I. Falabella indirectly owns 49% of the issued share capital, and there have been no changes during 2017.

Business Purpose

Purchase, sell, distribute, manufacture, produce, import, export, transport and market products suitable for human use or consumption or for animal consumption, including all kinds of fish, pets and animals, goods, machinery, and services for construction, decoration, renovation, improvement, staffing or equipping the home, marketing agricultural consumables and seeds for planting, surveillance equipment and private security services, and all the services that are complementary to these activities.

Board of Directors and Management

Principal Directors:

- Mr. Carlos Enrique Moreno Mejía (Chairman)
- Mr. Álvaro Andres Echavarría Olano
- Mr. Julio Manuel Ayerbe Muñoz
- Mr. Sandro Solari Donaggio
- Mr. Enrique Gundermann Wylie

Alternate Directors:

- Mr. Daniel Echavarría Arango
- Mr. Pedro Miguel Navas Sanz de Santamaría
- Mr. José Eugenio Muñoz Menéndez
- Mr. Rodrigo Agustín Fajardo Zilleruelo
- Mr. Sergio Muñoz Gómez

Chief Executive Officer:

- Mr. Miguel Pardo Brigard

SODIMAC COLOMBIA

	2017 ThCh\$	2016 ThCh\$
Total Assets	445,299,705	474,272,803
Total Liabilities	227,429,459	275,125,652
Total Equity	217,870,246	199,147,151
Net Income for the year	39,331,092	34,748,804
Changes in Equity	18,723,095	33,143,084
SACI Falabella participation	49%	49%
Asset participation	1.52%	1.43%

SOCIEDAD DE FACILIDADES MULTIROTATIVAS S.A.P.I. DE C.V.:

Sociedad de Facilidades Multirotativas S.A.P.I. de C.V. is a variable-capital private equity company constituted in accordance with the laws of Mexico, whose subscribed and paid statutory capital is \$300,100,000 Mexican pesos. S.A.C.I. Falabella indirectly owns 50% of the issued share capital, and there have been no changes during 2017.

Business Purpose

Grant all kinds of loans and credits of any nature, documented according to applicable legislation, with or without guarantees, with or without interest, repayable in one or various installments, including issuing credit cards in accordance with contracts for current-account credit facilities.

Board of Directors and Management

Principal Directors:

- Mr. Carlo Solari Donaggio (Chairman)
- Mr. Sandro Solari Donaggio
- Mr. Gaston Bottazzini
- Mr. Ricardo Martin Bringas
- Mr. Alberto Martin Soberón
- Mr. Ismael Humberto Fayad Wolff

Alternate Directors:

- Mr. Juan Manuel Matheu
- Mr. Jordi Gaju Nicolau
- Mr. Helder Mao de Ferro
- Mr. Jorge Benlloch Sanz
- Mr. Francisco Ramírez Díaz
- Mr. Rodrigo Jesús Benet Cordova

Chief Executive Officer:

- Mr. Ricardo Zimmerman

Sociedad de Facilidades Multirotativas S.A.P.I de C.V.

	2017 ThCh\$	2016 ThCh\$
Total Assets	8,619,255	9,735,528
Total Liabilities	3,283,603	211,634
Total Equity	5,335,652	9,523,894
Net Income for the year	(3,842,028)	(218,268)
Changes in Equity	(4,188,242)	-
SACI Falabella participation	50%	50%
Asset participation	0.04%	0.07%

SOCIEDAD DISTRIBUIDORA DE MEJORAMIENTO DEL HOGAR Y CONSTRUCCIÓN S.A.P.I. DE C.V.:

Sociedad Distribuidora de Mejoramiento del Hogar y Construcción S.A.P.I. de C.V. is a variable-capital private equity company constituted in accordance with the laws of Mexico, whose subscribed and paid statutory capital is \$150,100,000 Mexican pesos. S.A.C.I. Falabella indirectly owns 50% of the issued share capital, and there have been no changes during 2017.

Business Purpose

Promote, organize, acquire, constitute, sell or manage commercial businesses, commercial or civil societies, trusts, or any other entity, whether or not it has legal personality, and according to the laws of any jurisdiction.

Develop and build stores that sell all kinds of goods and market services, both directly and indirectly, using the companies that the company constitutes, or which it invests in for such purposes, through the construction or improvement of any kind of buildings, being able to sell, without being limited to, anything related to hardware and tools, timber, electricity, lighting, plumbing, doors, windows, furniture, kitchen and table utensils, paints and coatings, bathrooms and kitchens, floors, and gardening.

Board of Directors and Management

Principal Directors:

- Mr. Ricardo Martin Bringas (Chairman)
- Mr. Alberto Martin Soberón
- Mr. Rodrigo Jesús Benet Cordova
- Mr. Carlo Solari Donaggio
- Mr. Sandro Solari Donaggio
- Mr. Enrique Gundermann Wylie

Alternate Directors:

- Mr. Jorge Benlloch Sanz
- Mr. Francisco Ramírez Díaz
- Mr. Ismael Humberto Fayad Wolff
- Mr. Jordi Gaju Nicolau
- Mr. Daniel Lazo Varas
- Mr. Sebastián Simonetti

Chief Executive Officer:

- Mr. Patricio Silva

Sociedad Distribuidora de Mejoramiento del Hogar y Construcción S.A.P.I. de C.V.

	2017 ThCh\$	2016 ThCh\$
Total Assets	11,468,224	8,470,237
Total Liabilities	3,221,230	3,900,562
Total Equity	8,246,994	4,569,675
Net Income for the year	(4,383,778)	(312,968)
Changes in Equity	3,677,319	-
SACI Falabella participation	50.0%	50%
Asset participation	0.06%	0.03%

SERVICIOS FINANCIEROS SORIANA, S.A.P.I. DE C.V., SOFOM, E.N.R.:

Servicios Financieros Soriana, S.A.P.I. DE C.V., SOFOM, E.N.R. is a multi-financial purpose, non-regulated entity constituted in accordance to the laws of Mexico, whose subscribed and paid statutory capital is \$11,994,299 Mexican pesos. S.A.C.I. Falabella indirectly has owns 50% of the issued share capital since October 26, 2017, and there have been no changes since that date.

Business Purpose

Grant loans, including but not limited to, current account loans through credit cards (private and shared), personal loans and loans to suppliers of Tiendas Soriana, S.A. de C.V., and conduct financial leasing or financial factoring in accordance with the terms in Article 87-B of the General Law on Credit Organizations and Related Activities in Mexico.

Board of Directors and Management

Consejeros titulares:

- Mr. Carlo Solari Donaggio (Chairman)
- Mr. Sandro Solari Donaggio
- Mr. Gaston Bottazzini
- Mr. Ricardo Martin Bringas
- Mr. Alberto Martin Soberón
- Mr. Ismael Humberto Fayad Wolff

Alternate Directors:

- Mr. Juan Manuel Matheu
- Mr. Jordi Gaju Nicolau
- Mr. Helder Mao de Ferro
- Mr. Jorge Benlloch Sanz
- Mr. Francisco Ramírez Díaz
- Mr. Rodrigo Jesús Benet Cordova

Chief Executive Officer:

- Mr. Ricardo Zimmerman.

SERVICIOS FINANCIEROS SORIANA S.A.P.I DE C.V. SOFOM E.N.R.

	2017 ThCh\$
Total Assets	32,958,130
Total Liabilities	3,261,302
Total Equity	29,696,828
Net Income for the year	599,942
Changes in Equity	-
SACI Falabella participation	50.0%
Asset participation	0.21%



SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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- 🔍 [Statements of Comprehensive Income by Function](#)
- 🔍 [Statements of Comprehensive Income](#)
- 🔍 [Statement of Changes in Equity](#)
- 🔍 [Statement of Cash Flows \(Direct Method\)](#)
- 🔍 [Earnings Report](#)
- 🔍 [Interests in Subsidiaries](#)



The financial statements are available to the public on the web sites of the reporting entity and the Superintendent of Securities and Insurance.

Statements of Financial Position

	Note	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
ASSETS			
Non-Banking Businesses (Presentation)			
Current assets			
Cash and cash equivalents	3	232,027,185	201,319,634
Other financial assets, current	4	16,161,447	27,732,890
Other non-financial assets, current	5	109,045,269	97,553,041
Trade and other receivables, current	6	1,994,962,974	1,798,336,795
Related company receivables, current	7	8,568,867	6,135,088
Inventories	8	1,238,138,783	1,207,253,018
Tax assets, current	9	76,587,049	75,906,443
Total current assets other than assets or disposal groups classified as held for sale or held for distribution to the owners		3,675,491,574	3,414,236,909
Non-current assets or disposal groups classified as held for sale or held for distribution to the owners	2.16	10,866,456	3,122,099
Non-current assets or disposal groups classified as held for sale or held for distribution to the owners		10,866,456	3,122,099
TOTAL CURRENT ASSETS		3,686,358,030	3,417,359,008
Non-current assets			
Other financial assets, non-current	4	65,197,065	89,370,624
Other non-financial assets, non-current	5	70,879,258	57,510,726
Trade and other receivables, non-current	6	275,089,053	240,706,433
Investments accounted for using the equity method	11	138,296,518	109,179,061
Intangible assets other than goodwill	12	283,201,043	270,110,558
Goodwill	13	504,394,517	519,353,212
Property, plant and equipment	14	2,544,923,700	2,500,304,700
Investment properties	15	2,908,777,208	2,822,793,360
Deferred tax assets	10	148,118,365	131,418,254
TOTAL NON-CURRENT ASSETS		6,938,876,727	6,740,746,928
TOTAL ASSETS - NON-BANKING BUSINESS		10,625,234,757	10,158,105,936
Assets Banking Businesses (Presentation)			
Cash and bank deposits	3	225,800,376	303,391,378
Transactions pending settlement.	3	21,370,300	63,769,129
Instruments held for trading	3	71,182,626	81,622,210
Financial derivative contracts		26,600,918	9,870,857
Customer loans and receivables	6	2,590,709,808	2,621,812,969
Investment instruments held for sale	16	657,507,389	566,071,349
Investments in companies	11	2,861,251	3,063,456
Intangible assets	12	60,658,539	49,631,037
Property, plant and equipment	14	33,933,667	33,666,751
Current taxes	9	7,766,383	3,575,649
Deferred taxes	10	16,036,209	18,966,013
Other assets	17	30,501,854	27,743,273
TOTAL ASSETS - BANKING BUSINESS		3,744,929,320	3,783,184,071
TOTAL ASSETS		14,370,164,077	13,941,290,007

Statements of Financial Position

		Dec-31-2017	Dec-31-2016
		ThCh\$	ThCh\$
NET LIABILITIES AND SHAREHOLDERS' EQUITY			
Non-Banking Businesses (Presentation)			
Current liabilities			
Other financial liabilities, current	18	834,648,234	1,072,094,075
Trade and other payables, current	19	1,115,612,549	1,047,625,370
Related company payables, current	7	7,636,329	6,486,465
Other provisions, current	20	14,296,634	13,230,417
Tax liabilities, current	9	37,030,912	37,282,432
Employee benefit provisions, current	21	138,464,318	130,056,422
Other non-financial liabilities, current	22	162,127,277	149,922,113
TOTAL CURRENT LIABILITIES		2,309,816,253	2,456,697,294
Non-current liabilities			
Other financial liabilities, non-current	18	3,006,175,090	2,691,007,234
Trade and other payables, non-current	19	1,081,931	1,231,300
Other provisions, non-current	20	11,045,759	12,875,808
Deferred tax liabilities	10	568,622,314	563,394,385
Employee benefit provisions, non-current	21	32,997,676	29,144,287
Other non-financial liabilities, non-current	22	45,681,427	41,461,450
TOTAL NON-CURRENT LIABILITIES		3,665,604,197	3,339,114,464
TOTAL LIABILITIES - NON-BANKING BUSINESS		5,975,420,450	5,795,811,758
Banking Business Liabilities (Presentation)			
Deposits and other demand obligations		543,154,221	427,700,255
Transactions pending settlement.	3	15,139,196	57,822,039
Deposits and other time deposits.	23	1,987,726,066	2,016,697,359
Financial derivative contracts		31,181,315	9,348,660
Bank borrowings	24	81,391,043	116,723,248
Debt instruments issued	25	242,256,771	263,987,879
Other financial obligations	25	130,641,388	145,507,995
Current taxes	9	-	1,214,607
Provisions	20	1,669,445	2,342,153
Other liabilities	26	68,126,678	55,776,934
TOTAL LIABILITIES - BANKING BUSINESS		3,101,286,123	3,097,121,129
TOTAL LIABILITIES		9,076,706,573	8,892,932,887
Net Equity			
Share capital	34	533,409,643	533,409,643
Retained earnings		4,183,008,108	3,872,333,532
Share premium	34	93,482,329	93,482,329
Treasury shares		(27,042,749)	(35,125,632)
Other reserves	34	(383,842,804)	(283,783,440)
Equity attributable to owners of the parent company		4,399,014,527	4,180,316,432
Non-controlling interests		894,442,977	868,040,688
TOTAL SHAREHOLDER'S EQUITY		5,293,457,504	5,048,357,120
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		14,370,164,077	13,941,290,007

Statements of Comprehensive Income by Function

	Note	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Income Statement			
Non-Banking Businesses (Presentation)			
Operating revenue	27	8,242,645,263	7,898,301,784
Cost of sales	28	(5,360,352,050)	(5,180,719,944)
Gross margin		2,882,293,213	2,717,581,840
Distribution costs		(84,461,522)	(89,751,825)
Administrative expenses	29	(1,832,012,677)	(1,716,574,738)
Other expenses, by function		(148,468,521)	(135,229,377)
Other income (losses)	31	5,689,395	160,726,377
Financial income		16,196,997	15,268,092
Financial costs	30	(196,455,243)	(207,568,518)
Share of net income (losses) of equity method associates and joint ventures	11	15,279,304	21,247,989
Exchange differences		(466,040)	3,637,364
Income from indexation units	30	(17,264,195)	(26,087,890)
Net income before tax		640,330,711	743,249,314
Income tax expense	10	(159,920,613)	(148,580,176)
Net income from non-banking businesses		480,410,098	594,669,138
Banking Businesses (Presentation)			
Interest and indexation income.	27	556,942,538	526,664,491
Interest and indexation expense.	28	(131,370,906)	(152,144,758)
Net interest and indexation income		425,571,632	374,519,733
Commission income	27	168,429,490	163,483,782
Commission expense	28	(42,394,224)	(40,135,723)
Net commission income		126,035,266	123,348,059
Net income (loss) on financial transactions		6,562,337	17,811,714
Net income (loss) on currency exchange		5,549,303	(5,777,584)
Other operating income (expenses)		(1,278,595)	(69,539)
Credit risk allowances	28	(179,240,272)	(146,481,242)
TOTAL OPERATING INCOME, NET OF PROVISIONS		383,199,671	363,351,141
Remuneration and personnel costs	29	(100,447,175)	(96,051,131)
Administrative expenses	29	(140,106,674)	(125,483,985)
Depreciation and amortization	29	(19,762,997)	(16,810,784)
Other operating expenses	29	(13,043,717)	(11,740,051)
TOTAL OPERATING EXPENSES		(273,360,563)	(250,085,951)
Net operating income		109,839,108	113,265,190
Income from investments in companies	11	469,655	508,395
Net income before tax		110,308,763	113,773,585
Income tax expense		110,308,763	113,773,585
Net income from banking businesses		78,494,096	83,362,852
Total net income		558,904,194	678,031,990
Net income attributable to			
Net income attributable to owners of the parent company	32	509,593,496	609,024,729
Net income attributable to non-controlling interests		49,310,698	69,007,261
Total net income		558,904,194	678,031,990
Earnings per share			
Basic earnings per share			
Basic earnings per share from continuing operations	32	0,21	0,25
Basic earnings per share		0,21	0,25
Diluted earnings per share			
Diluted earnings per share from continuing operations	32	0,21	0,25
Diluted earnings per share		0,21	0,25

Statements of Comprehensive Income

	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Total net income	558,904,194	678,031,990
Components of other comprehensive income that will not be reclassified to income for the year, before tax		
Actuarial income (loss) for defined benefit plans, before tax	(1,510,130)	(2,515,721)
Other comprehensive income that will not be reclassified to income for the year	(1,510,130)	(2,515,721)
Components of other comprehensive income that will be reclassified to income for the year, before tax		
Foreign currency conversion		
Income (losses) from foreign currency conversion, before tax	(112,117,633)	(59,857,202)
Other comprehensive income, before tax, from foreign currency conversion	(112,117,633)	(59,857,202)
Income (losses) on re-measurement of financial assets held for sale, before tax	(822,980)	1,927,800
Other comprehensive income, before tax, on financial instruments held for sale	4,044,508	(38,402,208)
Cash flow hedges		
Income (losses) on cash flow hedges, before tax	4,044,508	(38,402,208)
Other comprehensive income, before tax, on cash flow hedges	4,044,508	(38,402,208)
Other components of other comprehensive income that will be reclassified to income for the year, before tax	(108,896,105)	(96,331,610)
Income tax related to components of other comprehensive income		
Income tax related to defined benefits plans in other comprehensive income	417,480	698,872
Total income tax related to components of other comprehensive income that will not be reclassified to income for the year	417,480	698,872
Income tax related to components of other comprehensive income		
Income tax related to financial assets held for sale in other comprehensive income	210,277	(462,672)
Income tax related to cash flow hedges in other comprehensive income	(1,008,123)	8,800,182
Total income tax related to components of other comprehensive income	(797,846)	8,337,510
Total other comprehensive income (loss)	(110,786,601)	(89,810,949)
Total comprehensive income	448,117,593	588,221,041
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent company	408,436,551	525,124,565
Comprehensive income attributable to non-controlling interests	39,681,042	63,096,476
TOTAL COMPREHENSIVE INCOME	448,117,593	588,221,041

Statement of Changes in Equity

		Share capital	Share premium (Note 21.d)	Treasury shares	Foreign currency conversion reserves	Cash flow hedge reserves
Opening balance as of 01/01/2017		533,409,643	93,482,329	(35,125,632)	(146,884,310)	(32,209,059)
Changes in equity						
Comprehensive income	Net income for the year	-	-	-	-	-
	Other comprehensive income	-	-	-	(102,802,927)	3,348,194
	Comprehensive income	-	-	-	(102,802,927)	3,348,194
Equity issued		-	-	-	-	-
Dividends		-	-	-	-	-
Increase (decrease) due to transfers and other changes		-	-	-	-	-
Increase (decrease) for treasury share transactions		-	-	8,082,883	-	-
Total changes in equity		-	-	8,082,883	(102,802,927)	3,348,194
Closing balance as of 12/31/2017			93,482,329	(27,042,749)	(249,687,237)	(28,860,865)

		Share capital	Share premium (Note 21,d)	Treasury shares	Foreign currency conversion reserves	Cash flow hedge reserves
Opening balance as of 01/01/2016			93,482,329	(8,632,349)	(91,174,709)	4,370,303
Changes in equity						
Comprehensive income	Net income for the year	-	-	-	-	-
	Other comprehensive income	-	-	-	(55,709,601)	27,838,756
	Comprehensive income	-	-	-	(55,709,601)	27,838,756
Equity issued		-	-	-	-	-
Dividends		-	-	-	-	-
Increase (decrease) due to transfers and other changes		-	-	-	-	-
Increase (decrease) for treasury share transactions		-	-	(26,493,283)	-	-
Total changes in equity		-	-	(26,493,283)	(55,709,601)	27,838,756
Closing balance as of 12/31/2016			93,482,329	(35,125,632)	(146,884,310)	32,209,059

Actuarial gains or losses on defined benefits plan reserves	Gains or losses on re-measuring financial assets held for sale reserves	Other miscellaneous reserves	Other reserves	Retained earnings (losses)	Equity attributable to owners of the parent company	Non-controlling interests	Total shareholder's equity
(7,651,577)	611,482	(97,649,976)	(283,783,440)	3,872,333,532	4,180,316,432	868,040,688	5,048,357,120
-	-	-	-	509,593,496	509,593,496	49,310,698	558,904,194
(1,092,737)	609,475	-	(101,156,945)	-	(101,156,945)	(9,629,656)	(110,786,601)
(1,092,737)	609,475	-	(101,156,945)	509,593,496	408,436,551	39,681,042	448,117,593
-	-	-	-	-	-	6,924,284	6,924,284
-	-	-	-	(109,162,192)	(109,162,192)	(7,873,118)	(117,035,310)
-	-	(1,182,958)	(1,182,958)	(89,756,728)	(90,939,686)	(12,329,919)	(103,269,605)
-	-	2,280,539	2,280,539	-	10,363,422	-	10,363,422
(1,092,737)	(609,475)	1,097,581	(100,059,364)	310,674,576	218,698,095	26,402,289	245,100,384
(8,744,314)	2,007	(96,552,395)	(383,842,804)	4,183,008,108	4,399,014,527	894,442,977	5,293,457,504

Actuarial gains or losses on defined benefits plan reserves	Gains or losses on re-measuring financial assets held for sale reserves	Other miscellaneous reserves	Other reserves	Retained earnings (losses)	Equity attributable to owners of the parent company	Non-controlling interests	Total shareholder's equity
(5,834,642)	(853,646)	(29,698,883)	(131,932,183)	3,449,878,502	3,936,205,942	876,033,783	4,812,239,725
-	-	-	-	609,024,729	609,024,729	69,007,261	678,031,990
(1,816,935)	1,465,128	-	(83,900,164)	-	(83,900,164)	(5,910,785)	(89,810,949)
(1,816,935)	1,465,128	-	(83,900,164)	609,024,729	525,124,565	63,096,476	588,221,041
-	-	-	-	-	-	11,081,793	11,081,793
-	-	-	-	(101,555,534)	(101,555,534)	(9,640,976)	(111,196,510)
-	-	(67,951,093)	(67,951,093)	(85,014,165)	(152,965,258)	(72,530,388)	(225,495,646)
-	-	-	-	-	(26,493,283)	-	(26,493,283)
(1,816,935)	1,465,128	(67,951,093)	(151,851,257)	422,455,030	244,110,490	(7,993,095)	236,117,395
(7,651,577)	611,482	(97,649,976)	(283,783,440)	3,872,333,532	4,180,316,432	868,040,688	5,048,357,120

Statement of Cash Flows (Direct Method)

	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Cash flow statements		
Cash flows provided by (used in) operating activities		
Non-Banking Businesses (Presentation)		
Proceeds from operating activities		
Proceeds from sale of goods and services	9,600,223,865	9,148,996,394
Payments for operating activities		
Payments to suppliers for goods and services	(7,392,342,971)	(7,184,057,019)
Payments to and on behalf of employees	(1,045,665,138)	(964,755,853)
Income tax paid	(154,680,844)	(155,870,237)
Other cash payments	(209,188,043)	(211,879,345)
Subtotal net cash flow provided by operating activities from Non-Banking Businesses	798,346,869	632,433,940
Banking Businesses (Presentation)		
Consolidated net income for the year	78,494,096	83,362,852
Charges (credits) to income that do not involve cash movements		
Depreciation and amortization	19,762,997	16,810,784
Credit risk provisions	204,498,683	177,762,330
Net income from investments in companies with significant influence	(469,655)	(508,395)
Other charges that do not involve cash movements	31,814,667	30,410,733
Net change in interest, indexation and commissions accrued on assets and liabilities	(6,403,651)	1,922,505
Changes in assets and liabilities that affect operating cash flow		
Increase in customer loans and receivables	(171,296,527)	(328,744,210)
Net (increase) decrease in instruments held for trading	(18,892,461)	17,632,999
Increase in deposits and other demand obligations	115,453,966	106,006,887
Increase (decrease) in deposits and other time deposits,	(23,320,615)	32,652,239
Increase (decrease) in obligations to banks	(35,332,205)	26,838,809
Other cash payments	(20,717,617)	(34,627,746)
Subtotal net cash flow provided by operating activities from Banking Businesses	173,591,678	129,519,787
Net cash flow provided by operating activities	971,938,547	761,953,727
Cash flow provided by (used in) investing activities		
Non-Banking Businesses (Presentation)		
Acquisitions and contributions to associates	(25,737,222)	-
Proceeds from sale of property, plant and equipment	2,251,308	53,875,552
Acquisitions of property, plant, and equipment	(375,895,985)	(316,211,151)
Acquisitions of intangible assets	(43,739,158)	(40,362,986)
Acquisitions of other long-term assets	(157,183,611)	(138,983,678)
Dividends received	5,201,313	720,474
Interest received	15,541,228	11,145,597
Other cash proceeds (payments)	(13,431,348)	22,031,969
Subtotal net cash flow used in investing activities for Non-banking Businesses	(592,993,475)	(407,784,223)
Banking Businesses (Presentation)		
Net increase in investment instruments held for sale	(92,016,465)	(141,502,572)
Acquisition of property, plant and equipment	(33,890,115)	(30,982,299)
Dividends received	527,972	78,697
Other cash proceeds	447,989	555,554
Subtotal net cash flow used in investing activities for Banking Businesses	(124,930,619)	(171,850,620)
Net cash flow used in investing activities	(717,924,094)	(579,634,843)

Statement of Cash Flows (Direct Method) - Continue

	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Cash flow provided by (used in) financing activities		
Non-Banking Businesses (Presentation)		
Proceeds from issuing shares	6,924,284	11,081,793
Proceeds (payments) to sell (acquire) the entity's own shares	10,929,316	(26,493,283)
Proceeds from long-term loans	362,571,213	898,610,084
Proceeds from short-term loans	2,362,155,656	2,434,950,996
Total proceeds from loans	2,724,726,869	3,333,561,080
Loan repayments	(2,622,413,341)	(2,991,885,852)
Payment of financial lease liabilities	(18,352,153)	(18,031,378)
Dividends paid	(215,061,388)	(215,513,372)
Interest paid	(166,699,508)	(168,467,368)
Other cash payments	(2,967,781)	(126,887,026)
Subtotal net cash flows used in financing activities for Non-Banking Businesses	(282,913,702)	(202,635,406)
Banking Businesses (Presentation)		
Letters of credit redeemed	(7,023,624)	(7,839,670)
Repayment of bonds and other long-term borrowings	(21,731,107)	(30,059,945)
Other cash payments	(7,871,902)	(4,633,869)
Subtotal net cash flows used in financing activities for Banking Businesses	(36,626,633)	(42,533,484)
Cash flows provided by (used in) financing activities	(319,540,335)	(245,168,890)
Net decrease in cash and cash equivalents, before the effect of changes in exchange rates	(65,525,882)	(62,850,006)
Effect of changes in exchange rates on cash and cash equivalents		
Effect of changes in exchange rates on cash and cash equivalents	(15,508,194)	(22,216,407)
Net decrease in cash and cash equivalents	(81,034,076)	(85,066,413)
Cash and cash equivalents, at beginning of year	575,992,741	661,059,154
Cash and cash equivalents, at end of year	494,958,665	575,992,741

Earnings Report



Consolidated revenue for 2017 was Ch\$ 8,966,739 million, an increase of 4.4% compared to the previous year, mainly explained by the 17 new stores opened during the year (two stores were closed during the period), by the SSS in Chile and by growth in loans at CMR.

The consolidated loan portfolio was Ch\$ 4,686,958 million as of December 31, 2017, an increase of 3.7% compared to last year. This expansion was driven mainly by CMR Chile, Banco Falabella Chile and Banco Falabella Argentina, with increases of 9.5%, 6.4% and 35.4%, respectively (in local currency).

The gross margin for the period was 36.4%, while gross income was Ch\$ 3,265,493 million, which implied growth of 6.0%. This increase in gross income is mainly due to good business performance in Chile, Colombia and Argentina.

The operating result was Ch\$ 927,189 million, which implied growth of 4.3%. The increase in operating results is mainly due to the performance of CMR Chile, CMR Argentina and Mallplaza, which were partially offset by decreases in operating results for Department stores and Home improvement stores in Chile.

The consolidated EBITDA for 2017 grew by 5.4%, reaching Ch\$ 1,213,960 million, with an EBITDA margin of 13.5%. The net non-operating result was a loss of Ch\$ 176,550. Consolidated net income was Ch\$ 509,594 million, a decrease of 16.3%

compared to 2016, with a margin of 5.7%. The fall was mainly explained by the basis for comparison. Net income for 2016 included a non-operational and non-recurrent gain of Ch\$ 115,309 million, generated by the separation of Aventura Plaza S.A. Net income does not include any revaluation of investment properties, as the company adopted the historical cost method.

The Los Dominicos shopping mall in Chile, and Cayma shopping mall in Peru were inaugurated during 2017. Furthermore, 17 new stores were inaugurated across the region.. Falabella Retail opened two department stores, one in Colombia and one in Chile. Sodimac opened six home improvement stores, four in Chile and two in Brazil. Tottus opened nine supermarkets, four in Chile and five in Peru.

Interests in Subsidiaries

CHILEAN I.D. NUMBER	NAME	PORCENT OWNERSHIP INTEREST				COUNTRY	FUNCTIONAL CURRENCY	Participation over total assets of SACI individually Dec-17 %
		12-31-17 DIRECT %	12-31-17 INDIRECT %	12-31-17 TOTAL %	12-31-16 TOTAL %			
76.020.391-2	INVERSIONES FALABELLA LTDA.	99.978	0.022	100	100	CHILE	CLP	70.24%
76.020.385-8	INVERSIONES PARMIN SpA.	100	-	100	100	CHILE	CLP	0.02%
Foreign	FALABELLA SUCURSAL URUGUAY S.A.	100	-	100	100	URUGUAY	CLP	0.09%
99.500.360-0	HOMETRADING S.A.	-	100	100	100	CHILE	CLP	7.79%
99.593.960-6	DESARROLLOS INMOBILIARIOS SpA.	-	100	100	100	CHILE	CLP	20.20%
Foreign	FALLBROOKS PROPERTIES LTD.	-	99.999	99.999	99.999	IV. BRITÁNICAS	CLP	0.76%
99.556.170-0	SOCIEDAD DE RENTAS FALABELLA S.A.	-	100	100	100	CHILE	CLP	4.92%
76.882.330-8	NUEVOS DESARROLLOS S.A. (EX-PLAZA ALAMEDA S.A.)	-	45.94	45.94	45.94	CHILE	CLP	7.44%
99.555.550-6	PLAZA ANTOFAGASTA S.A.	-	59.278	59.278	59.278	CHILE	CLP	1.23%
76.882.090-2	PLAZA CORDILLERA S.A.	-	45.94	45.94	45.94	CHILE	CLP	0.49%
96.653.660-8	PLAZA DEL TRÉBOL SpA	-	59.278	59.278	59.278	CHILE	CLP	7.47%
96.795.700-3	PLAZA LA SERENA SpA	-	59.278	59.278	59.278	CHILE	CLP	1.67%
96.653.650-0	PLAZA OESTE SpA	-	59.278	59.278	59.278	CHILE	CLP	13.09%
76.017.019-4	PLAZA S.A.	-	59.278	59.278	59.278	CHILE	CLP	24.86%
76.034.238-6	PLAZA SpA	-	59.278	59.278	59.278	CHILE	CLP	0.00%
96.791.560-2	PLAZA TOBALABA SpA	-	59.278	59.278	59.278	CHILE	CLP	1.37%
76.677.940-9	PLAZA VALPARAÍSO S.A.	-	45.94	45.94	45.94	CHILE	CLP	-0.03%
96.538.230-5	PLAZA VESPUCCIO SpA	-	59.278	59.278	59.278	CHILE	CLP	4.97%
76.099.956-3	SERVICIOS GENERALES CATEDRAL LTDA.	-	-	-	88	CHILE	CLP	0.00%
79.990.670-8	ADMINISTRADORA PLAZA VESPUCCIO SpA	-	59.252	59.252	59.252	CHILE	CLP	1.65%
76.883.720-1	DESARROLLOS E INVERSIONES INTERNACIONALES SpA	-	59.278	59.278	59.278	CHILE	CLP	1.78%
99.564.380-4	DESARROLLOS URBANOS S.A.	-	45.94	45.94	45.94	CHILE	CLP	1.06%
76.299.850-5	INVERSIONES PLAZA LTDA. (EX INV. ALCALÁ)	-	59.278	59.278	59.278	CHILE	CLP	0.11%
76.044.159-7	AUTOPLAZA SpA	-	59.278	59.278	59.278	CHILE	CLP	0.11%
96.792.430-K	SODIMAC S.A.	-	100	100	100	CHILE	CLP	3.80%
99.556.180-8	SODIMAC TRES S.A.	-	100	100	100	CHILE	CLP	0.01%
79.530.610-2	COMERCIALIZADORA E IMPORTADORA IMPOMAC LTDA.	-	-	-	100	CHILE	CLP	0.00%
96.681.010-6	TRAINEEMAC S.A.	-	-	-	100	CHILE	CLP	0.01%
76.054.094-3	INVERSIONES SODMIN SpA.	-	100	100	100	CHILE	CLP	0.00%
76.054.151-6	TRAINEEMAC S.A.	-	100	100	100	CHILE	CLP	0.01%
96.520.050-9	HOMECENTER LTDA.	-	-	-	100	CHILE	CLP	0.00%
76.821.330-5	IMPERIAL S.A.	-	60	60	60	CHILE	CLP	0.53%
76.222.370-8	SERVICIOS GENERALES BASCUÑÁN LTDA.	-	100	100	100	CHILE	CLP	0.01%
76.015.722-8	SERVICIOS GENERALES ALAMEDA SpA.	-	-	-	100	CHILE	CLP	0.00%
76.644.120-3	APORTA LTDA.	-	100	100	100	CHILE	CLP	0.00%
76.046.439-2	APYSER SpA.	-	100	100	100	CHILE	CLP	0.12%
76.665.890-3	PRODUCTORA DE SERVICIOS GENERALES CALE SpA.	-	-	-	100	CHILE	CLP	0.00%
76.661.890-1	CERRILLOS LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.662.120-1	CERRO COLORADO LTDA.	-	88	88	88	CHILE	CLP	0.00%
76.910.520-4	COLINA LTDA.	-	-	-	88	CHILE	CLP	0.00%
96.579.870-6	SERVICIOS GENERALES ECOCYCSA SpA.	-	100	100	100	CHILE	CLP	0.00%
76.033.452-9	EL BOSQUE LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.014.726-5	ESTACIÓN CENTRAL LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.009.382-3	SERVICIOS GENERALES MANQUEHUE SpA.	-	-	-	100	CHILE	CLP	0.00%
76.811.460-9	SERVICIOS GENERALES MELIPILLA SpA.	-	-	-	100	CHILE	CLP	0.00%
76.012.536-9	SERVICIOS GENERALES MULTIBRAND SpA.	-	100	100	100	CHILE	CLP	0.00%
76.973.030-3	SERVICIOS GENERALES PUNTA ARENAS SpA.	-	-	-	100	CHILE	CLP	0.00%
76.033.294-1	SERVICIOS GENERALES SAN BERNARDO SpA.	-	-	-	100	CHILE	CLP	0.00%
76.033.466-9	SAN FERNANDO LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.767.330-2	ANTOFAGASTA CENTRO LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.557.960-0	SERVICIOS GENERALES TOTTUS LTDA.	-	88	88	88	CHILE	CLP	0.00%
76.318.540-0	SERVICIOS GENERALES LA DEHESA SpA.	-	-	-	100	CHILE	CLP	0.00%
76.662.280-1	LA FLORIDA LTDA.	-	-	-	88	CHILE	CLP	0.00%

CHILEAN I.D. NUMBER	NAME	PORCENT OWNERSHIP INTEREST				COUNTRY	FUNCTIONAL CURRENCY	Participation over total assets of SACI individually Dec-17 %
		12-31-17	12-31-17	12-31-17	12-31-16			
		DIRECT %	INDIRECT %	TOTAL %	TOTAL %			
76.429.990-6	NATANIEL LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.383.840-4	SERVICIOS GENERALES PRESERTEL SpA.	-	100	100	100	CHILE	CLP	0.00%
76.035.886-K	PRESTADORA DE SERVICIOS TELEFÓNICOS SpA.	-	100	100	100	CHILE	CLP	0.00%
78.406.360-7	SERVICIOS GENERALES FALABELLA ZONA ORIENTE SpA.	-	100	100	100	CHILE	CLP	0.00%
78.526.990-K	SERVICIOS GENERALES OESTE SpA.	-	100	100	100	CHILE	CLP	0.00%
96.811.120-5	SERVICIOS GENERALES PASEO CENTRO SpA.	-	-	-	100	CHILE	CLP	0.00%
78.839.160-9	SERVICIOS GENERALES FALABELLA ZONA SUR SpA.	-	100	100	100	CHILE	CLP	0.00%
89.627.600-K	PRODUCTORA DE SERVICIOS GENERALES SpA.	-	-	-	100	CHILE	CLP	0.00%
78.334.680-K	SERVICIOS GENERALES PROSEÑOR SpA.	-	100	100	100	CHILE	CLP	0.00%
77.565.820-7	PRODUCTORA DE SERVICIOS GENERALES ROSAS SpA.	-	-	-	100	CHILE	CLP	0.00%
78.636.190-7	SERVICIOS GENERALES PROSEVAL SpA.	-	100	100	100	CHILE	CLP	0.00%
76.662.220-8	PLAZA PUENTE ALTO LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.429.790-3	PUENTE ALTO 37 LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.291.110-8	SERVICIOS GENERALES PUENTE SpA.	-	-	-	100	CHILE	CLP	0.00%
76.583.290-K	PUERTO ANTOFAGASTA LTDA.	-	-	-	88	CHILE	CLP	0.00%
77.880.500-6	SERVICIOS GENERALES LOS ANGELES SpA.	-	-	-	100	CHILE	CLP	0.00%
78.625.160-5	SERVICIOS GENERALES EL TREBOL SpA.	-	100	100	100	CHILE	CLP	0.00%
77.039.380-9	SERVICIOS GENERALES SEGECOP SpA.	-	-	-	100	CHILE	CLP	0.00%
77.462.160-1	SERVICIOS GENERALES CURICÓ SpA.	-	-	-	100	CHILE	CLP	0.00%
77.962.250-9	SERVICIOS GENERALES HUECHURABA SpA.	-	-	-	100	CHILE	CLP	0.00%
77.423.730-5	SERVICIOS GENERALES IQUIQUE SpA.	-	-	-	100	CHILE	CLP	0.00%
77.598.800-2	SERVICIOS GENERALES PUERTO MONTT SpA.	-	-	-	100	CHILE	CLP	0.00%
78.991.740-K	SERVICIOS GENERALES ANTOFAGASTA SpA.	-	-	-	100	CHILE	CLP	0.00%
78.151.550-7	SERVICIOS GENERALES SEGEPRO SpA.	-	-	-	100	CHILE	CLP	0.00%
77.622.370-0	SERVICIOS GENERALES QUILPUE SpA.	-	-	-	100	CHILE	CLP	0.00%
79.731.890-6	SERVICIOS GENERALES QUINTA REGION SpA.	-	-	-	100	CHILE	CLP	0.00%
78.150.440-8	SERVICIOS GENERALES SEXTA REGIÓN SpA.	-	-	-	100	CHILE	CLP	0.00%
78.665.660-5	SERVICIOS GENERALES OSORNO SpA.	-	-	-	100	CHILE	CLP	0.00%
78.904.400-7	SERVICIOS GENERALES TALCA SpA.	-	-	-	100	CHILE	CLP	0.00%
77.212.050-8	SERVICIOS GENERALES VALPARÁISO SpA.	-	-	-	100	CHILE	CLP	0.00%
77.152.390-0	SERVICIOS GENERALES TOBALABA SpA.	-	-	-	100	CHILE	CLP	0.00%
78.738.460-9	TRANSPORTES Y DISTRIBUCIONES SpA.	-	100	100	100	CHILE	CLP	0.00%
78.919.640-0	TRANSPORTES Y DISTRIBUCIONES DEL SUR SpA.	-	100	100	100	CHILE	CLP	0.00%
78.745.900-5	TRASCIENDE LTDA.	-	100	100	100	CHILE	CLP	0.00%
78.015.390-3	SOCIEDAD COMERCIAL Y DE SERVICIOS VESPUCIO SpA.	-	-	-	100	CHILE	CLP	0.00%
77.166.470-9	SERVICIOS GENERALES SERENA SpA.	-	-	-	100	CHILE	CLP	0.00%
76.042.509-5	INVERSIONES Y PRESTACIONES VENSER SEIS LTDA.	-	100	100	100	CHILE	CLP	0.83%
76.046.445-7	CONFECCIONES INDUSTRIALES SpA.	-	100	100	100	CHILE	CLP	0.21%
96.573.100-8	MANUFACTURAS DE VESTUARIO MAVESA LTDA.	-	100	100	100	CHILE	CLP	0.31%
76.039.672-9	DINALSA SpA.	-	100	100	100	CHILE	CLP	1.04%
78.627.210-6	HIPERMERCADOS TOTTUS S.A.	-	88	88	88	CHILE	CLP	1.03%
78.722.910-7	TOTTUS S.A.	-	88	88	88	CHILE	CLP	0.94%
76.046.433-3	FALABELLA INVERSIONES FINANCIERAS S.A.	-	100	100	100	CHILE	CLP	14.22%
90.743.000-6	PROMOTORA CMR FALABELLA S.A.	-	99.996	99.996	99.996	CHILE	CLP	8.84%
77.612.410-9	ADESSA LTDA.	-	100	100	100	CHILE	CLP	0.56%
79.598.260-4	ADMINISTRADORA CMR FALABELLA LTDA.	-	100	100	100	CHILE	CLP	0.17%
77.235.510-6	SERVICIOS DE EVALUACIONES Y COBRANZAS SEVALCO LTDA.	-	100	100	100	CHILE	CLP	0.00%
76.027.825-4	PROMOCIONES Y PUBLICIDAD LIMITADA	-	100	100	100	CHILE	CLP	-0.01%
78.566.830-8	SOC. DE COBRANZAS LEGALES LEXICOM LTDA.	-	100	100	100	CHILE	CLP	0.02%
96.847.200-3	SERVICIOS E INVERSIONES FALABELLA LTDA.	-	100	100	100	CHILE	CLP	0.11%
77.099.010-6	SEGUROS FALABELLA CORREDORES LTDA.	-	100	100	100	CHILE	CLP	0.00%
76.512.060-8	SOLUCIONES CREDITICIAS CMR LTDA.	-	100	100	100	CHILE	CLP	0.01%
78.997.060-2	VIAJES FALABELLA LTDA.	-	100	100	100	CHILE	CLP	0.05%

CHILEAN I.D. NUMBER	NAME	PORCENT OWNERSHIP INTEREST				COUNTRY	FUNCTIONAL CURRENCY	Participation over total assets of SACI individually Dec-17 %
		12-31-17 DIRECT %	12-31-17 INDIRECT %	12-31-17 TOTAL %	12-31-16 TOTAL %			
77.261.280-K	FALABELLA RETAIL S.A.	-	100	100	100	CHILE	CLP	3.37%
76.000.935-0	PROMOTORA CHILENA DE CAFÉ COLOMBIA S.A.	-	65	65	65	CHILE	CLP	0.07%
96.951.230-0	INMOBILIARIA MALL CALAMA SpA	-	59.278	59.278	59.278	CHILE	CLP	1.05%
77.132.070-8	SOUTH AMÉRICA TEXTILES SpA.	-	100	100	100	CHILE	CLP	0.00%
Foreign	SHEARVAN CORPORATE S.A.	-	100	100	100	IV. BRITÁNICAS	USD	0.10%
77.072.750-2	COMERCIAL MONSE LTDA.	-	100	100	100	CHILE	CLP	0.16%
76.042.371-8	NUEVA FALABELLA INVERSIONES INTERNACIONALES SpA.	-	100	100	100	CHILE	CLP	22.51%
96.647.930-2	INVERSIONES INVERFAL PERÚ SpA.	-	100	100	100	CHILE	CLP	22.66%
76.023.147-9	NUEVA INVERFIN SpA.	-	100	100	100	CHILE	CLP	2.43%
76.007.317-2	INVERCOL SpA.	-	100	100	100	CHILE	CLP	0.00%
Foreign	INVERSORA FALKEN S.A.	-	100	100	100	URUGUAY	CLP	15.92%
Foreign	TEVER CORP.	-	100	100	100	URUGUAY	CLP	0.81%
Foreign	INVERSIONES FALABELLA ARGENTINA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS	0.33%
Foreign	FALABELLA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS	0.20%
Foreign	CMR FALABELLA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS	0.34%
Foreign	VIAJES FALABELLA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS	0.01%
Foreign	CENTRO LOGÍSTICO APLICADO S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS	0.02%
Foreign	SERVICIOS DE PERSONAL LOGÍSTICO S.A.	-	100	100	100	ARGENTINA	ARS	0.00%
Foreign	INVERSIONES FALABELLA DE COLOMBIA S.A.	-	100	100	100	COLOMBIA	COP	3.59%
Foreign	FALABELLA COLOMBIA S.A.	-	65	65	65	COLOMBIA	COP	0.94%
Foreign	AGENCIA DE SEGUROS FALABELLA LTDA.	-	65	65	65	COLOMBIA	COP	0.08%
Foreign	AGENCIA DE VIAJES Y TURISMO FALABELLA S.A.S.	-	65	65	65	COLOMBIA	COP	0.02%
Foreign	ABC DE SERVICIOS S.A.S.	-	65	65	65	COLOMBIA	COP	0.17%
Foreign	FALABELLA PERÚ S.A.A.	-	99.758	99.758	99.758	PERÚ	PEN	17.07%
Foreign	SAGA FALABELLA S.A.	-	97.799	97.799	97.799	PERÚ	PEN	1.91%
Foreign	HIPERMERCADOS TOTTUS S.A.	-	99.758	99.758	99.758	PERÚ	PEN	1.03%
Foreign	SODIMAC PERÚ S.A.	-	99.758	99.758	99.758	PERÚ	PEN	5.45%
Foreign	OPEN PLAZA S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	3.00%
Foreign	VIAJES FALABELLA S.A.	-	97.805	97.805	99.758	PERÚ	PEN	0.01%
Foreign	CORREDORA DE SEGUROS FALABELLA S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.07%
Foreign	FALABELLA SERVICIOS GENERALES S.A.C.	-	97.799	97.799	99.758	PERÚ	PEN	0.04%
Foreign	FALACUATRO S.A.C.	-	97.799	97.799	99.758	PERÚ	PEN	0.00%
Foreign	INMOBILIARIA KAINOS S.A.C.	-	99.758	94.758	99.758	PERÚ	PEN	0.13%
Foreign	LOGÍSTICA Y DISTRIBUCIÓN S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.13%
Foreign	INVERSIONES INMOBILIARIAS BETA S.A.	-	99.758	99.758	99.758	PERÚ	PEN	0.17%
Foreign	INVERSIONES INMOBILIARIAS GAMMA S.A.	-	99.758	99.758	94.183	PERÚ	PEN	0.16%
76.075.082-4	SERVICIOS GENERALES HIPERPUENTE LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.080.519-K	SERVICIOS GENERALES QUILLOTA LTDA	-	-	-	88	CHILE	CLP	0.00%
96.509.660-4	BANCO FALABELLA S.A.	-	100	100	100	CHILE	CLP	3.79%
Foreign	BANCO FALABELLA PERÚ S.A.	-	99.345	99.345	99.345	PERÚ	PEN	2.12%
Foreign	BANCO FALABELLA S.A. (COLOMBIA)	-	65	65	65	COLOMBIA	COP	1.35%
76.099.954-7	SERVICIOS GENERALES PADRE HURTADO LTDA.	-	-	-	88	CHILE	CLP	0.00%
Foreign	SALÓN MOTOR PLAZA S.A.	-	59.278	59.278	59.278	PERÚ	PEN	0.03%
76.011.659-9	BANCO FALABELLA CORREDORES DE SEGUROS LTDA.	-	100	100	100	CHILE	CLP	0.01%
76.112.525-7	SERVICIOS GENERALES PEÑALOLÉN LIMITADA	-	-	-	88	CHILE	CLP	0.00%
76.112.533-8	SERVICIOS GENERALES SAN FELIPE LIMITADA	-	-	-	88	CHILE	CLP	0.00%
76.112.537-0	SERVICIOS GENERALES VIÑA DEL MAR LIMITADA	-	-	-	88	CHILE	CLP	0.00%
76.112.543-5	SERVICIOS GENERALES TALCA DOS LIMITADA	-	-	-	88	CHILE	CLP	0.00%
76.112.548-6	SERVICIOS GENERALES LLOLLEO LIMITADA	-	-	-	88	CHILE	CLP	0.00%
76.113.257-1	SERVICIOS GENERALES CORDILLERA SPA	-	-	-	100	CHILE	CLP	0.00%
Foreign	SERVICIOS INFORMÁTICOS FALABELLA S.A.C.	-	92.817	92.817	92.817	PERÚ	PEN	0.02%
76.141.045-8	INVERSIONES INVERFAL COLOMBIA SpA.	-	100	100	100	CHILE	CLP	1.74%
76.141.046-6	INVERSIONES INVERFAL ARGENTINA SpA.	-	100	100	100	CHILE	CLP	-1.33%

CHILEAN I.D. NUMBER	NAME	PORCENT OWNERSHIP INTEREST				COUNTRY	FUNC-TIONAL CURRENCY	Participation over total assets of SACI individually Dec-17 %
		12-31-17	12-31-17	12-31-17	12-31-16			
		DIRECT %	INDIRECT %	TOTAL %	TOTAL %			
76.153.987-6	ADMYSER SpA.	-	100	100	100	CHILE	CLP	0.07%
76.153.976-0	CAPYSER SpA.	-	100	100	100	CHILE	CLP	0.01%
Foreign	CENTRO COMERCIAL EL CASTILLO CARTEGENA S.A.S.	-	59.278	59.278	41.495	COLOMBIA	COP	0.20%
Foreign	MALL PLAZA COLOMBIA S.A.S.	-	59.278	59.278	59.278	COLOMBIA	COP	1.23%
Foreign	CENTRO COMERCIAL MANIZALES S.A.S.	-	47.424	47.424	47.424	COLOMBIA	COP	0.24%
76.142.721-0	GIFT CORP. SpA.	-	100	100	100	CHILE	CLP	0.01%
76.149.308-6	INVERSIONES BRASIL SpA.	-	100	100	100	CHILE	CLP	-0.99%
76.154.299-0	SERVICIOS GENERALES RANCAGUA LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.154.491-8	SERVICIOS GENERALES SANTA MARTA DE HUECHURABA LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.159.664-0	INVERSIONES URUGUAY SpA.	-	100	100	100	CHILE	CLP	-0.27%
76.159.684-5	INVERFAL URUGUAY SpA.	-	100	100	100	CHILE	CLP	-0.27%
76.166.215-5	SERVICIOS GENERALES CALAMA CENTRO LTDA.	-	-	-	88	CHILE	CLP	0.00%
Foreign	COMPAÑÍA SAN JUAN S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.03%
76.166.208-2	SERVICIOS GENERALES CALAMA MALL LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.169.826-5	SERVICIOS GENERALES COSTANERA SpA.	-	-	-	100	CHILE	CLP	0.00%
76.308.853-7	NUEVA INVERFAL ARGENTINA SpA.	-	100	100	100	CHILE	CLP	0.87%
76.179.527-9	FALABELLA MÓVIL SpA.	-	100	100	100	CHILE	CLP	0.07%
76.167.965-1	SERVICIOS LOGISTICOS SODILOG LTDA.	-	100	100	100	CHILE	CLP	0.01%
76.201.304-5	RENTAS HOTELERAS SpA.	-	100	100	100	CHILE	CLP	-0.01%
Foreign	CONTAC CENTER FALABELLA S.A.C.	-	99.345	99.345	99.345	PERÚ	PEN	0.04%
Foreign	OPEN PLAZA ORIENTE S.A.	-	99.758	99.758	99.758	PERÚ	PEN	0.00%
76.212.895-0	SERVICIOS GENERALES BIO-BIO MALL LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.232.164-5	SERVICIOS GENERALES VICUÑA MACKENNA LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.232.178-5	SERVICIOS GENERALES MP TOBALABA LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.232.172-6	SERVICIOS GENERALES VITACURA LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.232.689-2	SERVICIOS GENERALES MAIPÚ SpA.	-	-	-	100	CHILE	CLP	0.00%
76.240.391-9	SERVICIOS GENERALES CHILLÁN LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.233.398-8	SERVICIOS GENERALES MP LOS ANGELES LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.254.205-6	SERVICIOS GENERALES RANCAGUA CENTRO LTDA.	-	-	-	88	CHILE	CLP	0.00%
96.824.450-7	INMOBILIARIA MALL LAS AMÉRICAS S.A.	-	42.89	42.89	42.89	CHILE	CLP	0.34%
76.318.636-9	SERVICIOS GENERALES MP EGAÑA LIMITADA	-	-	-	88	CHILE	CLP	0.00%
76.337.217-0	SERVICIOS GENERALES QUILPUE DOS LIMITADA	-	-	-	88	CHILE	CLP	0.00%
76.337.209-k	SERVICIOS GENERALES CON LIMITADA	-	-	-	88	CHILE	CLP	0.00%
76.362.983-k	SERVICIOS GENERALES MP COPIAPÓ LIMITADA	-	-	-	88	CHILE	CLP	0.00%
76.412.572-k	SERVICIOS GENERALES REÑACA LIMITADA	-	-	-	88	CHILE	CLP	0.00%
76.349.709-7	SERVICIOS GENERALES OVALLE LIMITADA	-	-	-	88	CHILE	CLP	0.00%
Foreign	SHEARVAN COMMERCIAL (SHANGAI)	-	100	100	100	CHINA	CNY	0.02%
76.283.127-9	SERVICIOS GENERALES PLAZA EGAÑA SpA.	-	-	-	100	CHILE	CLP	0.00%
Foreign	HIPERMERCADOS TOTTUS ORIENTE S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
Foreign	SODIMAC ORIENTE S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.04%
76.319.068-4	INVERSIONES DESREG SpA.	-	100	100	100	CHILE	CLP	0.00%
76.319.054-4	DESREG SpA.	-	-	-	100	CHILE	CLP	0.00%
Foreign	FALABELLA BRASIL LTDA.	-	100	100	100	BRASIL	BRL	1.19%
Foreign	SODIMAC BRASIL LTDA.	-	100	100	100	BRASIL	BRL	1.18%
Foreign	INVERSIONES FALABELLA URUGUAY S.A.	-	100	100	100	URUGUAY	UYU	0.64%
Foreign	HOMECENTER SODIMAC S.A.	-	100	100	100	URUGUAY	UYU	0.57%
Foreign	JOSMIR S.A.	-	100	100	100	URUGUAY	UYU	0.03%
76.335.739-2	INVERSIONES MÉXICO SpA.	-	100	100	100	CHILE	CLP	-0.09%
76.335.749-k	INVERFAL MÉXICO SpA.	-	-	-	100	CHILE	CLP	0.00%
76.282.188-5	INVERFAL BRASIL SpA.	-	100	100	100	CHILE	CLP	-0.99%
Foreign	SAGA FALABELLA IQUITOS S.A.C.	-	97.805	97.805	97.805	PERÚ	PEN	0.02%
Foreign	SAGA FALABELLA ORIENTE S.A.C.	-	97.805	97.805	97.805	PERÚ	PEN	0.07%

CHILEAN I.D. NUMBER	NAME	PORCENT OWNERSHIP INTEREST				COUNTRY	FUNCTIONAL CURRENCY	Participation over total assets of SACI individually Dec-17 %
		12-31-17	12-31-17	12-31-17	12-31-16			
		DIRECT %	INDIRECT %	TOTAL %	TOTAL %			
Foreign	CONSTRUDECOR S.A.	-	60.043	60.043	60.043	BRASIL	BRL	0.91%
Foreign	CONSTRUDECOR SERVICIOS LTDA.	-	60.043	60.043	60.043	BRASIL	BRL	0.02%
Foreign	CONSTRUDECOR PROPERTIES LTDA.	-	60.043	60.043	60.043	BRASIL	BRL	0.00%
Foreign	SEGUROS FALABELLA PRODUCTORES S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS	0.00%
76.327.526-4	SERVICIOS GENERALES ATACAMA SpA.	-	-	-	100	CHILE	CLP	0.00%
76.327.698-8	SERVICIOS GENERALES FALABELLA ZONA NORTE SpA.	-	100	100	100	CHILE	CLP	0.00%
76.328.138-8	SERVICIOS GENERALES MP EL TRÉBOL DE TALCAHUANO LTDA.	-	-	-	88	CHILE	CLP	0.00%
Foreign	LILLE INVESTIMENTOS	-	60.043	60.043	60.043	BRASIL	BRL	0.17%
76.379.784-8	SERVICIOS LEGALES SpA.	-	-	-	100	CHILE	CLP	0.00%
76.377.255-1	SERVICIOS GENERALES WALKER MARTÍNEZ LTDA.	-	-	-	88	CHILE	CLP	0.00%
Foreign	SHEARVAN PURCHASING INDIA	-	100	100	100	INDIA	INR	0.00%
76.434.317-4	PROMOTORA INVERSIONES S.A.	-	99.996	99.996	99.996	CHILE	CLP	0.07%
76.389.515-7	SERVICIOS GENERALES FALABELLA ZONA PONIENTE SpA	-	100	100	100	CHILE	CLP	0.00%
Foreign	MAESTRO PERÚ S.A.	-	99.758	99.758	99.758	PERÚ	PEN	1.50%
Foreign	MAESTRO PERÚ AMAZONIA S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.02%
Foreign	INMOBILIARIA DOMEL S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.95%
Foreign	INDUSTRIAS DELTA S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.09%
Foreign	CENTRO COMERCIAL BARRANQUILLA S.A.S.	-	38.531	38.531	38.531	COLOMBIA	COP	0.35%
76.414.847-9	SERVICIOS GENERALES CHAMISEROS LTDA.	-	-	-	88	CHILE	CLP	0.00%
76.427.811-9	SERVICIOS DE INFRAESTRUCTURA FALABELLA SpA.	-	100	100	100	CHILE	CLP	0.00%
76.477.116-8	CF SEGUROS DE VIDA S.A.	-	90	90	90	CHILE	CLP	0.19%
Foreign	GESTIONES INTEGRALES DE SERVICIOS S.A.	-	99.15	99.15	97.203	PERÚ	PEN	0.02%
Foreign	MALL PLAZA PERÚ S.A. (antes AVENTURA PLAZA S.A.)	-	82.56	82.56	82.56	PERÚ	PEN	0.00%
Foreign	GEMA NEGOCIOS S.A.C.	-	57.792	57.792	57.792	PERÚ	PEN	0.00%
Foreign	INVERFAL MEXICO S.A. DE C.V.	-	100	100	100	MEXICO	MXN	0.42%
76.582.813-9	NUEVA INVERFAL MEXICO SpA.	-	100	100	100	MEXICO	MXN	-0.09%
76.587.847-0	FALABELLA SERVICIOS PROFESIONALES DE TI SpA	-	100	100	100	CHILE	CLP	0.01%
76.683.615-1	ASESORIAS Y EVALUACIÓN DE CRÉDITOS LTDA.	-	100	100	100	CHILE	CLP	0.00%
Foreign	PATRIMONIO AUTONOMO MALL PLAZA CALI	-	59.278	59.278	-	COLOMBIA	COP	0.30%
76.788.282-3	DIGITAL PAYMENTS SpA	-	100	100	-	CHILE	CLP	0.00%

Statement of Responsibility

Los Directores de SACI Falabella y el Gerente General, firmantes de esta declaración, con base en la información proporcionada en la administración de la compañía, se hacen responsables bajo juramento, respecto de la veracidad de la información proporcionada en la presente Memoria Anual.



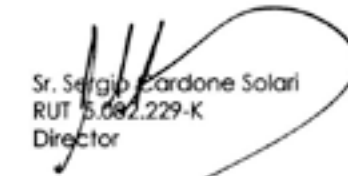
Sr. Carlo Solari Donaggio
RUT 9.585.749-3
Presidente



Sr. Juan Carlos Cortés Solari
RUT 7.017.522-3
Vicepresidente



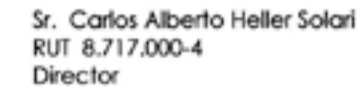
Sra. María Cecilia Karlezi Solari
RUT 7.005.097-8
Director



Sr. Sergio Cardone Solari
RUT 5.682.229-K
Director



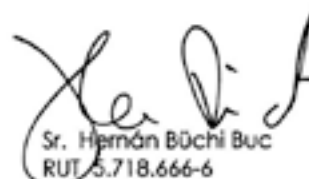
Sra. Paola Cúneo Guerrero
RUT 8.506.868-7
Director



Sr. Carlos Alberto Heller Solari
RUT 8.717.000-4
Director



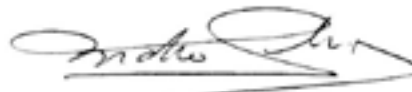
Sr. José Luis del Río Gaudie
RUT 4.773.832-6
Director



Sr. Hernán Büchi Buc
RUT 5.718.666-6
Director






Sr. Juan Pablo del Río Gaudie
RUT 5.898.685-2
Director



Sr. Sandro Solari Donaggio
RUT 9.585.729-9
Gerente General



SUSTAINABILITY GUIDELINES

-  [Content Definition and Guidelines](#)
-  [GRI Index](#)
-  [Non-Financial Audit Letter](#)

Content Definition and Guidelines

For the fifth consecutive year, S.A.C.I. Falabella provides its stakeholders with an Integrated Report, which compiles its performance for the year based on a material analysis of the company's economic, social and environmental dimensions.

The 2017 annual sustainability report has been prepared using the guidelines contained in the Global Reporting Initiative (GRI). The company has opted for "essential" compliance in guideline G4, which requires it to report at least 34 indicators, plus an indicator for every aspect that is defined as significant.

The reported indicators were prepared by consolidating information provided by our subsidiaries. The 2017 indicators meet comparability criteria, when compared to the information collected in 2016. The disaggregation of indicators has been omitted in some cases, as we do not have this level of detail from all our subsidiaries. In most cases, the detailed information is presented in the sustainability reports for each business, which comply with the GRI G4 standard.

The G4 Guidelines put great emphasis on the concept of materiality, with the aim of encouraging organizations to provide information and indicators that are relevant to their business, based on discussions with their stakeholders. Therefore, the process to identify and define the material aspects required all the company's business units to participate. Subsequently, each one undertook the same analysis for their own companies.

Although this is not an exhaustive list, the following aspects were identified by category. These have suffered slight variations with respect to those identified last year.

Financial:

- Responsible financial performance
- Market presence.

Environmental:

- Energy efficiency
- Emissions reduction
- Waste management
- Materials

Employment conditions:

- Employment
- Occupational health and safety
- Training and education
- Quality of life
- Supplier evaluation
- Constructive relationships with suppliers

Responsibility for customers, products and services:

- Customer health and safety
- Responsible marketing and communication
- Customer privacy
- Transparency

Human Rights:

- Non-discrimination
- No child labor and/or forced labor
- Employment rights
- Safety practices
- Grievance mechanisms

Company:

- Anti-corruption
- Social impact
- Quality of life

Therefore, we have grouped material aspects with greater convergence between businesses, according to the pillars that S.A.C.I. Falabella has defined in its Sustainability Strategy: Customers, Employees, Suppliers, Local Communities, The Environment, Corporate Governance and Shareholders. Subsequently, every aspect was prioritized and specific metrics were defined that contribute to their management within the business. All the company's businesses participated in and subsequently validated this process.

GRI Index

General Basic Contents		
Material Aspects	Contents	Omissions / Considerations
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Organizational Profile		
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G4-9	21 The Company / 22 Introduction to the Business Divisions / 16 Regional Presence - 95 Financial Statements	
G4-10	21 The Company / 33 Performance Indicators / 36 Employees	Analysis by contract is omitted. Information is presented in the reports for each business
G4-11	21 The Company / 33 Performance Indicators / 36 Employees	
G4-12	21 The Company / 33 Performance Indicators / 39 Suppliers	The Company's material indicators are included
G4-13	44 Corporate Governance / 57 Ownership and Control - 65 Corporate Information / 76 Summary of Significant Events /91 Summary Corporate Structure	
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G4-17	106 Interests in Subsidiaries	
G4-18	112 Definition of Content and Guidelines	Details regarding the selection of the material aspects is presented in the reports for each business
G4-19	112 Definition of Content and Guidelines	
G4-20	112 Definition of Content and Guidelines	
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G4-26	21 The Company / 33 Performance Indicators - 112 Definition of Content and Guidelines	Definition of content and guidelines includes stakeholder participation
G4-27	21 The Company / 33 Performance Indicators - 112 Definition of Content and Guidelines	Details regarding the selection of the material aspects as a result of stakeholder participation is presented in the reports for each business
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G4-EN3	21 The Company / 33 Performance Indicators / 42 Environment	
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G4-LA6	21 The Company / 33 Performance Indicators / 36 Employees	
G4-LA9	21 The Company / 33 Performance Indicators / 36 Employees	An analysis by employee category is omitted
G4-LA11	21 The Company / 33 Performance Indicators / 36 Employees	
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G4-S05		There were no cases
G4-PR5	21 The Company / 33 Performance Indicators / 34 Customers	The consolidated result is omitted Information is presented in the reports for each business

Non-Financial Audit Letter



Independent Assurance of S.A.C.I. Falabella of key non-financial data and systems for the Annual Report: ISAE 3000 statement

The nature of the assurance

This is a report done by Corporate Citizenship for the Chief Development Officer of S.A.C.I. Falabella.

Corporate Citizenship has undertaken limited assurance of key non-financial data of Falabella's annual report against the GRI's Principles for Determining Report Quality. The indicators are presented in pages 113 to 114 of this report where the following key non-financial data were covered:

- 1. Employees: Turnover, Training Hours, Unionization, Accident rate, Occupational Disease rate, and Lost Days rate.*
- 2. Suppliers: Number of active suppliers, Number of suppliers with ESG clauses in contracts, Number of suppliers audited under ESG standards during the period under review.*
- 3. Community: Volunteer time.*
- 4. Environment: Energy consumption, Water consumption, GHG emissions from scope 1 and 2.*

S.A.C.I. Falabella is entirely and solely responsible for the production and publication of the data assured, while Corporate Citizenship is responsible for its assurance.

This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (Assurance Engagements other than Audits or Reviews of Historical Financial Information).

Corporate Citizenship has complied with the requirements for independence, professional ethics and quality control as stipulated by ISAE 3000.

Assurance work performed

team of three, led by an Associate Director, undertook the assurance and commentary process. A Director acted as adviser to the group.

The assurance engagement was undertaken to a limited level, and involved the following activities:

- 1. Review of GRI Standard Indicators within the Sustainability Chapter in the Annual Report, and the GRI Annex in accordance to material issues identified by BCI.*
- 2. Conducted Management Interviews.*
- 3. Data Verification covering the key figures reported by the business units of Banco de Crédito e Inversiones in Chile.*
- 4. Checked figures incorporated in to text of report for accuracy.*

Conclusion

Based on the scope of work and assurance procedures performed, nothing has come to our attention that causes us to believe that the material assured is not prepared, in all material respects, in accordance with the GRI Principles for Defining Report Quality.

Corporate Citizenship Limited

London

March 29th, 2018



S.A.C.I. Falabella and Subsidiaries Consolidated Financial Statements

December 31, 2017



ThCh\$ -Thousands of Chilean pesos



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www.eychile.cl

Independent Auditor's Report

(Translation of the report originally issued in Spanish)

Shareholders and Directors
S.A.C.I. Falabella

We have audited the accompanying consolidated financial statements of S.A.C.I. Falabella and subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2017 and 2016, and the related consolidated statements of comprehensive income, changes in shareholders' 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 responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



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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 S.A.C.I. Falabella and subsidiaries as of December 31, 2017 and 2016, 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 'M. Borowski', is written over the printed name.

Marek Borowski

EY Audit SpA

Santiago, February 27, 2018

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Consolidated Statement of Financial Position

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



As of December 31, 2017 and December 31, 2016

	Note	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Assets			
Non-Banking Businesses (Presentation)			
Current assets			
Cash and cash equivalents	3	232,027,185	201,319,634
Other financial assets, current	4	16,161,447	27,732,890
Other non-financial assets, current	5	109,045,269	97,553,041
Trade and other receivables, current	6	1,994,962,974	1,798,336,795
Related company receivables, current	7	8,568,867	6,135,088
Inventories	8	1,238,138,783	1,207,253,018
Tax assets, current	9	76,587,049	75,906,443
Total current assets other than assets or disposal groups classified as held for sale or held for distribution to the owners		3,675,491,574	3,414,236,909
Non-current assets or disposal groups classified as held for sale or held for distribution to the owners	2.16	10,866,456	3,122,099
Non-current assets or disposal groups classified as held for sale or held for distribution to the owners		10,866,456	3,122,099
Total current assets		3,686,358,030	3,417,359,008
Non-current assets			
Other financial assets, non-current	4	65,197,065	89,370,624
Other non-financial assets, non-current	5	70,879,258	57,510,726
Trade and other receivables, non-current	6	275,089,053	240,706,433
Investments accounted for using the equity method	11	138,296,518	109,179,061
Intangible assets other than goodwill	12	283,201,043	270,110,558
Goodwill	13	504,394,517	519,353,212
Property, plant and equipment	14	2,544,923,700	2,500,304,700
Investment properties	15	2,908,777,208	2,822,793,360
Deferred tax assets	10	148,118,365	131,418,254
Total non-current assets		6,938,876,727	6,740,746,928
Total assets - non-banking business		10,625,234,757	10,158,105,936
Assets Banking Businesses (Presentation)			
Cash and bank deposits	3	225,800,376	303,391,378
Transactions pending settlement.	3	21,370,300	63,769,129
Instruments held for trading	3	71,182,626	81,622,210
Financial derivative contracts		26,600,918	9,870,857
Customer loans and receivables	6	2,590,709,808	2,621,812,969
Investment instruments held for sale	16	657,507,389	566,071,349
Investments in companies	11	2,861,251	3,063,456
Intangible assets	12	60,658,539	49,631,037
Property, plant and equipment	14	33,933,667	33,666,751
Current taxes	9	7,766,383	3,575,649
Deferred taxes	10	16,036,209	18,966,013
Other assets	17	30,501,854	27,743,273
Total assets - banking business		3,744,929,320	3,783,184,071
Total assets		14,370,164,077	13,941,290,007

The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



As of December 31, 2017 and December 31, 2016

	Note	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Net Liabilities and Shareholders' Equity			
Non-Banking Businesses (Presentation)			
Current liabilities			
Other financial liabilities, current	18	834,648,234	1,072,094,075
Trade and other payables, current	19	1,115,612,549	1,047,625,370
Related company payables, current	7	7,636,329	6,486,465
Other provisions, current	20	14,296,634	13,230,417
Tax liabilities, current	9	37,030,912	37,282,432
Employee benefit provisions, current	21	138,464,318	130,056,422
Other non-financial liabilities, current	22	162,127,277	149,922,113
Total current liabilities		2,309,816,253	2,456,697,294
Non-current liabilities			
Other financial liabilities, non-current	18	3,006,175,090	2,691,007,234
Trade and other payables, non-current	19	1,081,931	1,231,300
Other provisions, non-current	20	11,045,759	12,875,808
Deferred tax liabilities	10	568,622,314	563,394,385
Employee benefit provisions, non-current	21	32,997,676	29,144,287
Other non-financial liabilities, non-current	22	45,681,427	41,461,450
Total non-current liabilities		3,665,604,197	3,339,114,464
Total liabilities - non-banking business		5,975,420,450	5,795,811,758
Banking Business Liabilities (Presentation)			
Deposits and other demand obligations		543,154,221	427,700,255
Transactions pending settlement.	3	15,139,196	57,822,039
Deposits and other time deposits.	23	1,987,726,066	2,016,697,359
Financial derivative contracts		31,181,315	9,348,660
Bank borrowings	24	81,391,043	116,723,248
Debt instruments issued	25	242,256,771	263,987,879
Other financial obligations	25	130,641,388	145,507,995
Current taxes	9	-	1,214,607
Provisions	20	1,669,445	2,342,153
Other liabilities	26	68,126,678	55,776,934
Total liabilities - banking business		3,101,286,123	3,097,121,129
Total liabilities		9,076,706,573	8,892,932,887
Net Equity			
Share capital	34	533,409,643	533,409,643
Retained earnings		4,183,008,108	3,872,333,532
Share premium	34	93,482,329	93,482,329
Treasury shares		(27,042,749)	(35,125,632)
Other reserves	34	(383,842,804)	(283,783,440)
Equity attributable to owners of the parent company		4,399,014,527	4,180,316,432
Non-controlling interests		894,442,977	868,040,688
Total shareholder's equity		5,293,457,504	5,048,357,120
Total liabilities and shareholders' equity		14,370,164,077	13,941,290,007

The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.



Consolidated Statement of Comprehensive Income by Function

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)

For the years ended December 31, 2017 and December 31, 2016

	Note	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Income Statement			
Non-Banking Businesses (Presentation)			
Operating revenue	27	8,242,645,263	7,898,301,784
Cost of sales	28	(5,360,352,050)	(5,180,719,944)
Gross margin		2,882,293,213	2,717,581,840
Distribution costs		(84,461,522)	(89,751,825)
Administrative expenses	29	(1,832,012,677)	(1,716,574,738)
Other expenses, by function		(148,468,521)	(135,229,377)
Other income (losses)	31	5,689,395	160,726,377
Financial income		16,196,997	15,268,092
Financial costs	30	(196,455,243)	(207,568,518)
Share of net income (losses) of equity method associates and joint ventures	11	15,279,304	21,247,989
Exchange differences		(466,040)	3,637,364
Income from indexation units	30	(17,264,195)	(26,087,890)
Net income before tax		640,330,711	743,249,314
Income tax expense	10	(159,920,613)	(148,580,176)
Net income from non-banking businesses		480,410,098	594,669,138
Banking Businesses (Presentation)			
Interest and indexation income.	27	556,942,538	526,664,491
Interest and indexation expense.	28	(131,370,906)	(152,144,758)
Net interest and indexation income		425,571,632	374,519,733
Commission income	27	168,429,490	163,483,782
Commission expense	28	(42,394,224)	(40,135,723)
Net commission income		126,035,266	123,348,059
Net income (loss) on financial transactions		6,562,337	17,811,714
Net income (loss) on currency exchange		5,549,303	(5,777,584)
Other operating income (expenses)		(1,278,595)	(69,539)
Credit risk allowances	28	(179,240,272)	(146,481,242)
Total operating income, net of provisions		383,199,671	363,351,141
Remuneration and personnel costs	29	(100,447,175)	(96,051,131)
Administrative expenses	29	(140,106,674)	(125,483,985)
Depreciation and amortization	29	(19,762,997)	(16,810,784)
Other operating expenses	29	(13,043,717)	(11,740,051)
Total operating expenses		(273,360,563)	(250,085,951)
Net operating income		109,839,108	113,265,190
Income from investments in companies	11	469,655	508,395
Net income before tax		110,308,763	113,773,585
Income tax expense	10	(31,814,667)	(30,410,733)
Net income from banking businesses		78,494,096	83,362,852
Total net income		558,904,194	678,031,990
Net income attributable to			
Net income attributable to owners of the parent company	32	509,593,496	609,024,729
Net income attributable to non-controlling interests		49,310,698	69,007,261
Total net income		558,904,194	678,031,990
Earnings per share			
Basic earnings per share			
Basic earnings per share from continuing operations	32	0.21	0.25
Basic earnings per share		0.21	0.25
Diluted earnings per share			
Diluted earnings per share from continuing operations	32	0.21	0.25
Diluted earnings per share		0.21	0.25

The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.



Consolidated Statement of Comprehensive Income

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)

For the years ended December 31, 2017 and December 31, 2016.

	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Comprehensive Income Statement		
Total net income	558,904,194	678,031,990
Components of other comprehensive income that will not be reclassified to income for the year, before tax		
Actuarial income (loss) for defined benefit plans, before tax	(1,510,130)	(2,515,721)
Other comprehensive income that will not be reclassified to income for the year	(1,510,130)	(2,515,721)
Components of other comprehensive income that will be reclassified to income for the year, before tax		
Foreign currency conversion		
Income (losses) from foreign currency conversion, before tax	(112,117,633)	(59,857,202)
Other comprehensive income, before tax, from foreign currency conversion	(112,117,633)	(59,857,202)
Income (losses) on re-measurement of financial assets held for sale, before tax	(822,980)	1,927,800
Other comprehensive income, before tax, on financial instruments held for sale	(822,980)	1,927,800
Cash flow hedges		
Income (losses) on cash flow hedges, before tax	4,044,508	(38,402,208)
Other comprehensive income, before tax, on cash flow hedges	4,044,508	(38,402,208)
Other components of other comprehensive income that will be reclassified to income for the year, before tax	(108,896,105)	(96,331,610)
Income tax related to components of other comprehensive income		
Income tax related to defined benefits plans in other comprehensive income	417,480	698,872
Total income tax related to components of other comprehensive income that will not be reclassified to income for the year	417,480	698,872
Income tax related to components of other comprehensive income		
Income tax related to financial assets held for sale in other comprehensive income	210,277	(462,672)
Income tax related to cash flow hedges in other comprehensive income	(1,008,123)	8,800,182
Total income tax related to components of other comprehensive income	(797,846)	8,337,510
Total other comprehensive income (loss)	(110,786,601)	(89,810,949)
Total comprehensive income	448,117,593	588,221,041
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent company	408,436,551	525,124,565
Comprehensive income attributable to non-controlling interests	39,681,042	63,096,476
Total comprehensive income	448,117,593	588,221,041

The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.

Statement of Changes in Equity

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)

a) The Statement of Changes in Equity for the year ended December 31, 2017 was as follows:

	Share capital	Share premium	Treasury shares (Note 21.d)	Foreign currency conversion reserves	Cash flow hedge reserves	Actuarial gains or losses on defined benefits plan reserves	Gains or losses on re-measuring financial assets held for sale reserves	Other miscellaneous reserves	Other reserves	Retained earnings (losses)	Equity attributable to owners of the parent company	Non-controlling interests	Total shareholder's equity
Opening balance as of 01/01/2017	533,409,643	93,482,329	(35,125,632)	(146,884,310)	(32,209,059)	(7,651,577)	611,482	(97,649,976)	(283,783,440)	3,872,333,532	4,180,316,432	868,040,688	5,048,357,120
Changes in equity													
Comprehensive income													
Net income for the year	-	-	-	-	-	-	-	-	-	509,593,496	509,593,496	49,310,698	558,904,194
Other comprehensive income	-	-	-	(102,802,927)	3,348,194	(1,092,737)	(609,475)	-	(101,156,945)	-	(101,156,945)	(9,629,656)	(110,786,601)
Comprehensive income	-	-	-	(102,802,927)	3,348,194	(1,092,737)	(609,475)	-	(101,156,945)	509,593,496	408,436,551	39,681,042	448,117,593
Equity issued	-	-	-	-	-	-	-	-	-	-	-	6,924,284	6,924,284
Dividends	-	-	-	-	-	-	-	-	-	(109,162,192)	(109,162,192)	(7,873,118)	(117,035,310)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	-	-	(1,182,958)	(1,182,958)	(89,756,728)	(90,939,686)	(12,329,919)	(103,269,605)
Increase (decrease) for treasury share transactions	-	-	8,082,883	-	-	-	-	2,280,539	2,280,539	-	10,363,422	-	10,363,422
Total changes in equity	-	-	8,082,883	(102,802,927)	3,348,194	(1,092,737)	(609,475)	1,097,581	(100,059,364)	310,674,576	218,698,095	26,402,289	245,100,384
Closing balance as of 12/31/2017	533,409,643	93,482,329	(27,042,749)	(249,687,237)	(28,860,865)	(8,744,314)	2,007	(96,552,395)	(383,842,804)	4,183,008,108	4,399,014,527	894,442,977	5,293,457,504

b) The Statement of Changes in Equity for the year ended December 31, 2016 was as follows:

	Share capital	Share premium	Treasury shares (Note 21.d)	Foreign currency conversion reserves	Cash flow hedge reserves	Actuarial gains or losses on defined benefits plan reserves	Gains or losses on re-measuring financial assets held for sale reserves	Other miscellaneous reserves	Other reserves	Retained earnings (losses)	Equity attributable to owners of the parent company	Non-controlling interests	Total shareholder's equity
Opening balance as of 01/01/2016	533,409,643	93,482,329	(8,632,349)	(91,174,709)	(4,370,303)	(5,834,642)	(853,646)	(29,698,883)	(131,932,183)	3,449,878,502	3,936,205,942	876,033,783	4,812,239,725
Changes in equity													
Comprehensive income													
Net income for the year	-	-	-	-	-	-	-	-	-	609,024,729	609,024,729	69,007,261	678,031,990
Other comprehensive income	-	-	-	(55,709,601)	(27,838,756)	(1,816,935)	1,465,128	-	(83,900,164)	-	(83,900,164)	(5,910,785)	(89,810,949)
Comprehensive income	-	-	-	(55,709,601)	(27,838,756)	(1,816,935)	1,465,128	-	(83,900,164)	609,024,729	525,124,565	63,096,476	588,221,041
Equity issued	-	-	-	-	-	-	-	-	-	-	-	11,081,793	11,081,793
Dividends	-	-	-	-	-	-	-	-	-	(101,555,534)	(101,555,534)	(9,640,976)	(111,196,510)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	-	-	(67,951,093)	(67,951,093)	(85,014,165)	(152,965,258)	(72,530,388)	(225,495,646)
Increase (decrease) for treasury share transactions	-	-	(26,493,283)	-	-	-	-	-	-	-	(26,493,283)	-	(26,493,283)
Total changes in equity	-	-	(26,493,283)	(55,709,601)	(27,838,756)	(1,816,935)	1,465,128	(67,951,093)	(151,851,257)	422,455,030	244,110,490	(7,993,095)	236,117,395
Closing balance as of 12/31/2016	533,409,643	93,482,329	(35,125,632)	(146,884,310)	(32,209,059)	(7,651,577)	611,482	(97,649,976)	(283,783,440)	3,872,333,532	4,180,316,432	868,040,688	5,048,357,120

The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



For the years ended December 31, 2017 and December 31, 2016

Cash Flow Statement - Direct Method	Jan-01-2017	Jan-01-2016
	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Cash flow statements		
Cash flows provided by (used in) operating activities		
Non-Banking Businesses (Presentation)		
Proceeds from operating activities		
Proceeds from sale of goods and services	9,600,223,865	9,148,996,394
Payments for operating activities		
Payments to suppliers for goods and services	(7,392,342,971)	(7,184,057,019)
Payments to and on behalf of employees	(1,045,665,138)	(964,755,853)
Income tax paid	(154,680,844)	(155,870,237)
Other cash payments	(209,188,043)	(211,879,345)
Subtotal net cash flow provided by operating activities from Non-Banking Businesses	798,346,869	632,433,940
Banking Businesses (Presentation)		
Consolidated net income for the year	78,494,096	83,362,852
Charges (credits) to income that do not involve cash movements		
Depreciation and amortization	19,762,997	16,810,784
Credit risk allowances	204,498,683	177,762,330
Net income from investments in companies with significant influence	(469,655)	(508,395)
Other charges that do not involve cash movements	31,814,667	30,410,733
Net change in interest, indexation and commissions accrued on assets and liabilities	(6,403,651)	1,922,505
Changes in assets and liabilities that affect operating cash flow		
Increase in customer loans and receivables	(171,296,527)	(328,744,210)
Net (increase) decrease in instruments held for trading	(18,892,461)	17,632,999
Increase in deposits and other demand obligations	115,453,966	106,006,887
Increase (decrease) in deposits and other time deposits.	(23,320,615)	32,652,239
Increase (decrease) in obligations to banks	(35,332,205)	26,838,809
Other cash payments	(20,717,617)	(34,627,746)
Subtotal net cash flow provided by operating activities from Banking Businesses	173,591,678	129,519,787
Net cash flow provided by operating activities	971,938,547	761,953,727
Cash flow provided by (used in) investing activities		
Non-Banking Businesses (Presentation)		
Acquisitions and contributions to associates	(25,737,222)	-
Proceeds from sale of property, plant and equipment	2,251,308	53,875,552
Acquisitions of property, plant, and equipment	(375,895,985)	(316,211,151)
Acquisitions of intangible assets	(43,739,158)	(40,362,986)
Acquisitions of other long-term assets	(157,183,611)	(138,983,678)
Dividends received	5,201,313	720,474
Interest received	15,541,228	11,145,597
Other cash proceeds (payments)	(13,431,348)	22,031,969
Subtotal net cash flow used in investing activities for Non-banking Businesses	(592,993,475)	(407,784,223)
Banking Businesses (Presentation)		
Net increase in investment instruments held for sale	(92,016,465)	(141,502,572)
Acquisition of property, plant and equipment	(33,890,115)	(30,982,299)
Dividends received	527,972	78,697
Other cash proceeds	447,989	555,554
Subtotal net cash flow used in investing activities for Banking Businesses	(124,930,619)	(171,850,620)
Net cash flow used in investing activities	(717,924,094)	(579,634,843)

The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.



Consolidated Statement of Cash Flows

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)

For the years ended December 31, 2017 and December 31, 2016

Cash Flow Statement - Direct Method	Jan-01-2017	Jan-01-2016
	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Cash flow provided by (used in) financing activities		
Non-Banking Businesses (Presentation)		
Proceeds from issuing shares	6,924,284	11,081,793
Proceeds (payments) to sell (acquire) the entity's own shares	10,929,316	(26,493,283)
Proceeds from long-term loans	362,571,213	898,610,084
Proceeds from short-term loans	2,362,155,656	2,434,950,996
Total proceeds from loans	2,724,726,869	3,333,561,080
Loan repayments	(2,622,413,341)	(2,991,885,852)
Payment of financial lease liabilities	(18,352,153)	(18,031,378)
Dividends paid	(215,061,388)	(215,513,372)
Interest paid	(166,699,508)	(168,467,368)
Other cash payments	(2,967,781)	(126,887,026)
Subtotal net cash flows used in financing activities for Non-Banking Businesses	(282,913,702)	(202,635,406)
Banking Businesses (Presentation)		
Letters of credit redeemed	(7,023,624)	(7,839,670)
Repayment of bonds and other long-term borrowings	(21,731,107)	(30,059,945)
Other cash payments	(7,871,902)	(4,633,869)
Subtotal net cash flows used in financing activities for Banking Businesses	(36,626,633)	(42,533,484)
Cash flows provided by (used in) financing activities	(319,540,335)	(245,168,890)
Net decrease in cash and cash equivalents, before the effect of changes in exchange rates	(65,525,882)	(62,850,006)
Effect of changes in exchange rates on cash and cash equivalents		
Effect of changes in exchange rates on cash and cash equivalents	(15,508,194)	(22,216,407)
Net decrease in cash and cash equivalents	(81,034,076)	(85,066,413)
Cash and cash equivalents, at beginning of year	575,992,741	661,059,154
Cash and cash equivalents, at end of year	494,958,665	575,992,741

The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 1 - Company Information

S.A.C.I. Falabella (the “Parent Company”) is a publicly traded company established in Santiago, Chile on March 19, 1937 in accordance with Law No. 18,046. Its formation was legally authorized by Supreme Decree No. 1,424 of April 14, 1937. The Company is registered in the Securities Registry under No. 582 and is subject to the supervision of the Chilean Superintendency of Securities and Insurance (“SVS”). Its main offices and legal domicile are located at Manuel Rodríguez Norte 730, Santiago, Chile.

The subsidiaries registered in the Securities Registry of the SVS and the Registry of the Chilean Superintendency of Banks and Financial Institutions (“SBIF”) are as follows:

Subsidiary name	Chilean ID number	Registration number
Sodimac S.A.	96,792,430-K	850
Plaza S.A.	76,017,019-4	1,028
Banco Falabella	96,509,660-4	051
Promotora CMR Falabella S.A.	90,743,000-6	1092

The SVS was replaced by the Financial Market Commission (CMF) with effect from January 16, 2018.

S.A.C.I. Falabella and its subsidiaries (hereinafter the “Company” or the “Group”) have operations in Chile, Argentina, Peru, Colombia, Uruguay, Mexico and Brazil.

The Company’s business is selling a wide range of products, including the retail sale of clothing, accessories, home products, electronics, beauty products and others. A significant portion of sales in this segment occurs during the second half of each year. In addition it sells retail and wholesale construction and home improvement products, including building materials, hardware, tools, kitchen accessories, bathroom, gardening and decorative products, as well as food products in supermarkets. It also operates in the real estate segment through constructions, administration, management, operations, and the leasing and subleasing of stores and malls. The Company is renowned for providing a comprehensive supply of goods and services in world class malls, working with the main commercial operators in the countries where it operates. It also works with other businesses that support its main business such as financial services (CMR, insurance brokers and banking), and textile manufacturing (Mavesa).

As of December 31, 2017 and as of December 31, 2016, the Group had the following number of employees:

Country	Dec-31-2017	Dec-31-2016
Chile	54,666	51,211
Peru	32,694	31,395
Colombia	7,834	7,415
Argentina	5,478	5,428
Brazil	3,578	3,088
Uruguay	412	363
India	21	22
China	119	114
Total	104,802	99,036
Senior Executives	2,835	2,799



Note 2 - Summary of Significant Accounting Policies

2.1. Basis of preparation of the financial statements

These consolidated financial statements of S.A.C.I. Falabella and subsidiaries include consolidated statements of financial position as of December 31, 2017 and December 31, 2016, consolidated statements of comprehensive income by function, statements of changes in equity and consolidated statements of cash flow for the years ended December 31, 2017 and December 31, 2016 and their corresponding notes which have been prepared and submitted in accordance with International Financial Reporting Standards ("IFRS"), including additional information required by the Chilean Superintendent of Securities and Insurance ("SVS") which does not contradict IFRS.

For the convenience of the reader, these consolidated financial statements and their accompanying notes have been translated from Spanish to English.

These consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments, employee benefit obligations and share-based payment obligations, which are measured at fair value.

The preparation of these consolidated financial statements in accordance with IFRS requires the use of estimates and critical assumptions that could affect the reported amounts of certain assets and liabilities, as well as certain income and expenses. It also requires that Management exercises judgment in applying the Company's accounting policies. Subsection 2.28 discloses the areas that entail a greater degree of judgment or complexity, and the areas where the assumptions and estimates are significant for the consolidated financial statements.

The Company uses mixed presentation criteria, separating the balances of the banking companies (Banking Business) from the remaining consolidated companies (Non-Banking Business). The banking companies in the Falabella Group that were separated are: Banco Falabella Chile, Banco Falabella Peru and Banco Falabella Colombia.

The consolidated financial statements of S.A.C.I. Falabella for 2016 were approved by its Board of Directors during a meeting held on February 28, 2017 and subsequently submitted to the General Shareholders' Meeting held on April 25, 2017, which approved them.

Certain items from the previous year's financial statements have been reclassified or amended for the purpose of ensuring comparability with the current year's presentation.

2.2. New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in preparing these consolidated financial statements are consistent with those applied in preparing the consolidated financial statements for the year ended December 31, 2016.

2.3. Presentation and Functional Currency

These consolidated financial statements are presented in Chilean pesos, which is the functional currency of the Parent Company and the presentation currency of the Group. Amounts presented are rounded to the nearest thousand.

Each of the Group's entities has determined its own functional currency in accordance with the requirements of IAS 21 "The Effects of Changes in Foreign Exchange Rates". The items included in the financial statements of each entity are measured using that functional currency, and are then converted to the presentation currency of the Group in accordance with the terms of IAS 21.



Note 2 - Summary of Significant Accounting Policies (continued)

2.4. Period Covered by the Financial Statements

These consolidated financial statements include statements of financial position as of December 31, 2017 and December 31, 2016, statements of comprehensive income by function, statements of cash flow for the years ended December 31, 2017 and December 31, 2016 and statements of changes in equity as of December 31, 2017 and December 31, 2016.

2.5. Basis for Consolidation of the Financial Statements

These consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries, including all of its assets, liabilities, income, expenses and cash flows after performing the adjustments and eliminations related to transactions between the companies that form part of the consolidation. These consolidated financial statements also include structured entities created through asset securitization processes, for which the Company has not transferred all the risks of the associated assets and liabilities.

Subsidiaries are all companies over which the Group has control, in accordance with the terms of IFRS 10. In order to comply with the definition of control in IFRS 10, three criteria must be met, which include: (a) an investor must be able to exercise authority over the investee's business, (b) an investor must be exposed, or have the rights to variable returns resulting from its involvement in the investee, and (c) an investor must have the ability to use its authority over the investee to influence the investor's returns. The non-controlling interest represents the portion of net assets and net income or losses that are not owned by the Group, which is presented separately in the statement of comprehensive income and in equity in the consolidated statement of financial position.

The acquisition of subsidiaries is recorded in accordance with IFRS 3 "Business Combinations", using the acquisition method. This method requires the recognition of identifiable assets (including intangible assets not previously recognized and goodwill) and business liabilities acquired at fair value on the date of acquisition. The non-controlling interest is the minority shareholder's share of the fair values of recognized assets and liabilities.

The excess of the acquisition cost over the fair value of the Company's share in the net identifiable assets acquired is recognized as goodwill. If the cost of acquisition is lower than the fair value of the net assets of the acquired subsidiary, the difference is recognized directly in the statement of income.



Note 2 - Summary of Significant Accounting Policies (continued)

2.5. Basis for Consolidation of the Financial Statements (continued)

The financial statements of subsidiaries have been prepared on the same date as the Parent Company and uniform accounting policies have been applied, considering the specific nature of each business.

Subsidiaries included in the consolidation are as follows:

Chilean ID number	Company	Ownership interest				Country	Functional currency
		Dec-31-2017	Dec-31-2017	Dec-31-2017	Dec-31-2016		
		Direct %	Indirect %	Total %	Total %		
76,020,391-2	INVERSIONES FALABELLA LTDA.	99.978	0.022	100.000	100.000	CHILE	CLP
76,020,385-8	INVERSIONES PARMIN SpA.	100.000	-	100.000	100.000	CHILE	CLP
Foreign	FALABELLA SUCURSAL URUGUAY S.A.	100.000	-	100.000	100.000	URUGUAY	CLP
99,500,360-0	HOMETRADING S.A.	-	100.000	100.000	100.000	CHILE	CLP
99,593,960-6	DESARROLLOS INMOBILIARIOS SpA.	-	100.000	100.000	100.000	CHILE	CLP
Foreign	FALLBROOKS PROPERTIES LTD.	-	99.999	99.999	99.999	BRITISH VIRGIN ISLANDS	CLP
99,556,170-0	SOCIEDAD DE RENTAS FALABELLA S.A.	-	100.000	100.000	100.000	CHILE	CLP
76,882,330-8	NUEVOS DESARROLLOS S.A. (FORMERLY PLAZA ALAMEDA S.A.)	-	45.940	45.940	45.940	CHILE	CLP
99,555,550-6	PLAZA ANTOFAGASTA S.A.	-	59.278	59.278	59.278	CHILE	CLP
76,882,090-2	PLAZA CORDILLERA S.A.	-	45.940	45.940	45.940	CHILE	CLP
96,653,660-8	PLAZA DEL TREBOL SpA	-	59.278	59.278	59.278	CHILE	CLP
96,795,700-3	PLAZA LA SERENA SpA	-	59.278	59.278	59.278	CHILE	CLP
96,653,650-0	PLAZA OESTE SpA	-	59.278	59.278	59.278	CHILE	CLP
76,017,019-4	PLAZA S.A.	-	59.278	59.278	59.278	CHILE	CLP
76,034,238-6	PLAZA SpA	-	59.278	59.278	59.278	CHILE	CLP
96,791,560-2	PLAZA TOBALABA SpA	-	59.278	59.278	59.278	CHILE	CLP
76,677,940-9	PLAZA VALPARAÍSO S.A.	-	45.940	45.940	45.940	CHILE	CLP
96,538,230-5	PLAZA VESPUCCIO SpA	-	59.278	59.278	59.278	CHILE	CLP
76,099,956-3	SERVICIOS GENERALES CATEDRAL LTDA.	-	-	-	88.000	CHILE	CLP
79,990,670-8	ADMINISTRADORA PLAZA VESPUCCIO SpA	-	59.252	59.252	59.252	CHILE	CLP
76,883,720-1	DESARROLLOS E INVERSIONES INTERNACIONALES SpA	-	59.278	59.278	59.278	CHILE	CLP
99,564,380-4	DESARROLLOS URBANOS S.A.	-	45.940	45.940	45.940	CHILE	CLP
76,299,850-5	INVERSIONES PLAZA LTDA. (FORMERLY INV. ALCALÁ)	-	59.278	59.278	59.278	CHILE	CLP
76,044,159-7	AUTOPLAZA SpA	-	59.278	59.278	59.278	CHILE	CLP
96,792,430-K	SODIMAC S.A.	-	100.000	100.000	100.000	CHILE	CLP
99,556,180-8	SODIMAC TRES S.A.	-	100.000	100.000	100.000	CHILE	CLP
79,530,610-2	COMERCIALIZADORA E IMPORTADORA IMPOMAC LTDA.	-	-	-	100.000	CHILE	CLP
96,681,010-6	TRAINEEMAC S.A.	-	-	-	100.000	CHILE	CLP
76,054,094-3	INVERSIONES SODMIN SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,054,151-6	TRAINEEMAC S.A.	-	100.000	100.000	100.000	CHILE	CLP
96,520,050-9	HOMECENTER LTDA.	-	-	-	100.000	CHILE	CLP
76,821,330-5	IMPERIAL S.A.	-	60.000	60.000	60.000	CHILE	CLP

Note 2 - Summary of Significant Accounting Policies (continued)

2.5. Basis for Consolidation of the Financial Statements (continued)

Subsidiaries included in the consolidation are as follows (continued):

Chilean ID number	Company	Ownership interest				Country	Functional currency
		Dec-31-2017	Dec-31-2017	Dec-31-2017	Dec-31-2016		
		Direct %	Indirect %	Total %	Total %		
76,222,370-8	SERVICIOS GENERALES BASCUÑAN LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76,015,722-8	SERVICIOS GENERALES ALAMEDA SpA.	-	-	-	100.000	CHILE	CLP
76,644,120-3	APORTA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76,046,439-2	APYSER SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,665,890-3	PRODUCTORA DE SERVICIOS GENERALES CALE SpA.	-	-	-	100.000	CHILE	CLP
76,661,890-1	CERRILLOS LTDA.	-	-	-	88.000	CHILE	CLP
76,662,120-1	CERRO COLORADO LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76,910,520-4	COLINA LTDA.	-	-	-	88.000	CHILE	CLP
96,579,870-6	SERVICIOS GENERALES ECOCYCSA SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,033,452-9	EL BOSQUE LTDA.	-	-	-	88.000	CHILE	CLP
76,014,726-5	ESTACIÓN CENTRAL LTDA.	-	-	-	88.000	CHILE	CLP
76,009,382-3	SERVICIOS GENERALES MANQUEHUE SpA.	-	-	-	100.000	CHILE	CLP
76,811,460-9	SERVICIOS GENERALES MELIPILLA SpA.	-	-	-	100.000	CHILE	CLP
76,012,536-9	SERVICIOS GENERALES MULTIBRAND SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,973,030-3	SERVICIOS GENERALES PUNTA ARENAS SpA.	-	-	-	100.000	CHILE	CLP
76,033,294-1	SERVICIOS GENERALES SAN BERNARDO SpA.	-	-	-	100.000	CHILE	CLP
76,033,466-9	SAN FERNANDO LTDA.	-	-	-	88.000	CHILE	CLP
76,767,330-2	ANTOFAGASTA CENTRO LTDA.	-	-	-	88.000	CHILE	CLP
76,557,960-0	SERVICIOS GENERALES TOTTUS LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76,318,540-0	SERVICIOS GENERALES LA DEHESA SpA.	-	-	-	100.000	CHILE	CLP
76,662,280-1	LA FLORIDA LTDA.	-	-	-	88.000	CHILE	CLP
76,429,990-6	NATANIEL LTDA.	-	-	-	88.000	CHILE	CLP
76,383,840-4	SERVICIOS GENERALES PRESETEL SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,035,886-K	PRESTADORA DE SERVICIOS TELEFÓNICOS SpA.	-	100.000	100.000	100.000	CHILE	CLP
78,406,360-7	SERVICIOS GENERALES FALABELLA ZONA ORIENTE SpA.	-	100.000	100.000	100.000	CHILE	CLP
78,526,990-K	SERVICIOS GENERALES OESTE SpA.	-	100.000	100.000	100.000	CHILE	CLP
96,811,120-5	SERVICIOS GENERALES PASEO CENTRO SpA.	-	-	-	100.000	CHILE	CLP
78,839,160-9	SERVICIOS GENERALES FALABELLA ZONA SUR SpA.	-	100.000	100.000	100.000	CHILE	CLP
89,627,600-K	PRODUCTORA DE SERVICIOS GENERALES SpA.	-	-	-	100.000	CHILE	CLP
78,334,680-K	SERVICIOS GENERALES PROSEÑOR SpA.	-	100.000	100.000	100.000	CHILE	CLP
77,565,820-7	PRODUCTORA DE SERVICIOS GENERALES ROSAS SpA.	-	-	-	100.000	CHILE	CLP
78,636,190-7	SERVICIOS GENERALES PROSEVAL SpA.	-	100.000	100.000	100.000	CHILE	CLP

Note 2 - Summary of Significant Accounting Policies (continued)

2.5. Basis for Consolidation of the Financial Statements (continued)

Subsidiaries included in the consolidation are as follows (continued):

Chilean ID number	Company	Ownership interest				Country	Functional currency
		Dec-31-2017	Dec-31-2017	Dec-31-2017	Dec-31-2016		
		Direct %	Indirect %	Total %	Total %		
76,662,220-8	PLAZA PUENTE ALTO LTDA.	-	-	-	88.000	CHILE	CLP
76,429,790-3	PUENTE ALTO 37 LTDA.	-	-	-	88.000	CHILE	CLP
76,291,110-8	SERVICIOS GENERALES PUENTE SpA.	-	-	-	100.000	CHILE	CLP
76,583,290-K	PUERTO ANTOFAGASTA LTDA.	-	-	-	88.000	CHILE	CLP
77,880,500-6	SERVICIOS GENERALES LOS ANGELES SpA.	-	-	-	100.000	CHILE	CLP
78,625,160-5	SERVICIOS GENERALES EL TREBOL SpA.	-	100.000	100.000	100.000	CHILE	CLP
77,039,380-9	SERVICIOS GENERALES SEGECOP SpA.	-	-	-	100.000	CHILE	CLP
77,462,160-1	SERVICIOS GENERALES CURICÓ SpA.	-	-	-	100.000	CHILE	CLP
77,962,250-9	SERVICIOS GENERALES HUECHURABA SpA.	-	-	-	100.000	CHILE	CLP
77,423,730-5	SERVICIOS GENERALES IQUIQUE SpA.	-	-	-	100.000	CHILE	CLP
77,598,800-2	SERVICIOS GENERALES PUERTO MONTT SpA.	-	-	-	100.000	CHILE	CLP
78,991,740-K	SERVICIOS GENERALES ANTOFAGASTA SpA.	-	-	-	100.000	CHILE	CLP
78,151,550-7	SERVICIOS GENERALES SEGEPRO SpA.	-	-	-	100.000	CHILE	CLP
77,622,370-0	SERVICIOS GENERALES QUILPUE SpA.	-	-	-	100.000	CHILE	CLP
79,731,890-6	SERVICIOS GENERALES QUINTA REGION SpA.	-	-	-	100.000	CHILE	CLP
78,150,440-8	SERVICIOS GENERALES SEXTA REGIÓN SpA.	-	-	-	100.000	CHILE	CLP
78,665,660-5	SERVICIOS GENERALES OSORNO SpA.	-	-	-	100.000	CHILE	CLP
78,904,400-7	SERVICIOS GENERALES TALCA SpA.	-	-	-	100.000	CHILE	CLP
77,212,050-8	SERVICIOS GENERALES VALPARAÍSO SpA.	-	-	-	100.000	CHILE	CLP
77,152,390-0	SERVICIOS GENERALES TOBALABA SpA.	-	-	-	100.000	CHILE	CLP
78,738,460-9	TRANSPORTES Y DISTRIBUCIONES SpA.	-	100.000	100.000	100.000	CHILE	CLP
78,919,640-0	TRANSPORTES Y DISTRIBUCIONES DEL SUR SpA.	-	100.000	100.000	100.000	CHILE	CLP
78,745,900-5	TRASCIENDE LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78,015,390-3	SOCIEDAD COMERCIAL Y DE SERVICIOS VESPUCIO SpA.	-	-	-	100.000	CHILE	CLP
77,166,470-9	SERVICIOS GENERALES SERENA SpA.	-	-	-	100.000	CHILE	CLP
76,042,509-5	INVERSIONES Y PRESTACIONES VENSER SEIS LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76,046,445-7	CONFECIONES INDUSTRIALES SpA.	-	100.000	100.000	100.000	CHILE	CLP
96,573,100-8	MANUFACTURAS DE VESTUARIO MAVESA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76,039,672-9	DINALSA SpA.	-	100.000	100.000	100.000	CHILE	CLP
78,627,210-6	HIPERMERCADOS TOTTUS S.A.	-	88.000	88.000	88.000	CHILE	CLP
78,722,910-7	TOTTUS S.A.	-	88.000	88.000	88.000	CHILE	CLP
76,046,433-3	FALABELLA INVERSIONES FINANCIERAS S.A.	-	100.000	100.000	100.000	CHILE	CLP
90,743,000-6	PROMOTORA CMR FALABELLA S.A.	-	99.996	99.996	99.996	CHILE	CLP
77,612,410-9	ADESSA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
79,598,260-4	ADMINISTRADORA CMR FALABELLA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77,235,510-6	SERVICIOS DE EVALUACIONES Y COBRANZAS SEVALCO LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76,027,825-4	PROMOCIONES Y PUBLICIDAD LIMITADA	-	100.000	100.000	100.000	CHILE	CLP
78,566,830-8	SOC. DE COBRANZAS LEGALES LEXICOM LTDA.	-	100.000	100.000	100.000	CHILE	CLP



Note 2 - Summary of Significant Accounting Policies (continued)

2.5. Basis for Consolidation of the Financial Statements (continued)

Subsidiaries included in the consolidation are as follows (continued):

Chilean ID number	Company	Ownership interest				Country	Functional currency
		Dec-31-2017	Dec-31-2017	Dec-31-2017	Dec-31-2016		
		Direct %	Indirect %	Total %	Total %		
96,847,200-3	SERVICIOS E INVERSIONES FALABELLA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77,099,010-6	SEGUROS FALABELLA CORREDORES LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76,512,060-8	SOLUCIONES CREDITICIAS CMR LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78,997,060-2	VIAJES FALABELLA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77,261,280-K	FALABELLA RETAIL S.A.	-	100.000	100.000	100.000	CHILE	CLP
76,000,935-0	PROMOTORA CHILENA DE CAFÉ COLOMBIA S.A.	-	65.000	65.000	65.000	CHILE	CLP
96,951,230-0	INMOBILIARIA MALL CALAMA SpA	-	59.278	59.278	59.278	CHILE	CLP
77,132,070-8	SOUTH AMÉRICA TEXTILES SpA.	-	100.000	100.000	100.000	CHILE	CLP
Foreign	SHEARVAN CORPORATE S.A.	-	100.000	100.000	100.000	I.V. BRITISH	US\$
77,072,750-2	COMERCIAL MONSE LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76,042,371-8	NUEVA FALABELLA INVERSIONES INTERNACIONALES SpA.	-	100.000	100.000	100.000	CHILE	CLP
96,647,930-2	INVERSIONES INVERFAL PERÚ SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,023,147-9	NUEVA INVERFIN SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,007,317-2	INVERCOL SpA.	-	100.000	100.000	100.000	CHILE	CLP
Foreign	INVERSORA FALKEN S.A.	-	100.000	100.000	100.000	URUGUAY	CLP
Foreign	TEVER CORP.	-	100.000	100.000	100.000	URUGUAY	CLP
Foreign	INVERSIONES FALABELLA ARGENTINA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS
Foreign	FALABELLA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS
Foreign	CMR FALABELLA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS
Foreign	VIAJES FALABELLA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS
Foreign	CENTRO LOGÍSTICO APLICADO S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS
Foreign	SERVICIOS DE PERSONAL LOGÍSTICO S.A.	-	100.000	100.000	100.000	ARGENTINA	ARS
Foreign	INVERSIONES FALABELLA DE COLOMBIA S.A.	-	100.000	100.000	100.000	COLOMBIA	COP
Foreign	FALABELLA COLOMBIA S.A.	-	65.000	65.000	65.000	COLOMBIA	COP
Foreign	AGENCIA DE SEGUROS FALABELLA LTDA.	-	65.000	65.000	65.000	COLOMBIA	COP
Foreign	AGENCIA DE VIAJES Y TURISMO FALABELLA S.A.S.	-	65.000	65.000	65.000	COLOMBIA	COP
Foreign	ABC DE SERVICIOS S.A.S.	-	65.000	65.000	65.000	COLOMBIA	COP
Foreign	FALABELLA PERU S.A.A.	-	99.758	99.758	99.758	PERU	PEN
Foreign	SAGA FALABELLA S.A.	-	97.799	97.799	97.799	PERU	PEN
Foreign	HIPERMERCADOS TOTTUS S.A.	-	99.758	99.758	99.758	PERU	PEN
Foreign	SODIMAC PERU S.A.	-	99.758	99.758	99.758	PERU	PEN
Foreign	OPEN PLAZA S.A.C.	-	99.758	99.758	99.758	PERU	PEN
Foreign	VIAJES FALABELLA S.A.	-	97.805	97.805	99.758	PERU	PEN
Foreign	CORREDORA DE SEGUROS FALABELLA S.A.C.	-	99.758	99.758	99.758	PERU	PEN
Foreign	FALABELLA SERVICIOS GENERALES S.A.C.	-	97.799	97.799	99.758	PERU	PEN
Foreign	FALACUATRO S.A.C.	-	97.799	97.799	99.758	PERU	PEN
Foreign	INMOBILIARIA KAINOS S.A.C.	-	99.758	94.758	99.758	PERU	PEN
Foreign	LOGÍSTICA Y DISTRIBUCIÓN S.A.C.	-	99.758	99.758	99.758	PERU	PEN
Foreign	INVERSIONES INMOBILIARIAS BETA S.A.	-	99.758	99.758	99.758	PERU	PEN

Note 2 - Summary of Significant Accounting Policies (continued)

2.5. Basis for Consolidation of the Financial Statements (continued)

Subsidiaries included in the consolidation are as follows (continued):

Chilean ID number	Company	Ownership interest				Country	Functional currency
		Dec-31-2017 Direct %	Dec-31-2017 Indirect %	Dec-31-2017 Total %	Dec-31-2016 Total %		
Foreign	INVERSIONES INMOBILIARIAS GAMMA S.A.	-	99.758	99.758	94.183	PERU	PEN
76,075,082-4	SERVICIOS GENERALES HIPERPUENTE LTDA.	-	-	-	88.000	CHILE	CLP
76,080,519-K	SERVICIOS GENERALES QUILLOTA LTDA	-	-	-	88.000	CHILE	CLP
96,509,660-4	BANCO FALABELLA S.A.	-	100.000	100.000	100.000	CHILE	CLP
Foreign	BANCO FALABELLA PERÚ S.A.	-	99.345	99.345	99.345	PERU	PEN
Foreign	BANCO FALABELLA S.A. (COLOMBIA)	-	65.000	65.000	65.000	COLOMBIA	COP
76,099,954-7	SERVICIOS GENERALES PADRE HURTADO LTDA.	-	-	-	88.000	CHILE	CLP
Foreign	SALÓN MOTOR PLAZA S.A.	-	59.278	59.278	59.278	PERU	PEN
76,011,659-9	BANCO FALABELLA CORREDORES DE SEGUROS LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76,112,525-7	SERVICIOS GENERALES PEÑALOLÉN LIMITADA	-	-	-	88.000	CHILE	CLP
76,112,533-8	SERVICIOS GENERALES SAN FELIPE LIMITADA	-	-	-	88.000	CHILE	CLP
76,112,537-0	SERVICIOS GENERALES VIÑA DEL MAR LIMITADA	-	-	-	88.000	CHILE	CLP
76,112,543-5	SERVICIOS GENERALES TALCA DOS LIMITADA	-	-	-	88.000	CHILE	CLP
76,112,548-6	SERVICIOS GENERALES LLOLLEO LIMITADA	-	-	-	88.000	CHILE	CLP
76,113,257-1	SERVICIOS GENERALES CORDILLERA SPA	-	-	-	100.000	CHILE	CLP
Foreign	SERVICIOS INFORMÁTICOS FALABELLA S.A.C.	-	92.817	92.817	92.817	PERU	PEN
76,141,045-8	INVERSIONES INVERFAL COLOMBIA SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,141,046-6	INVERSIONES INVERFAL ARGENTINA SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,153,987-6	ADMYSER SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,153,976-0	CAPYSER SpA.	-	100.000	100.000	100.000	CHILE	CLP
Foreign	CENTRO COMERCIAL EL CASTILLO CARTEGENA S.A.S.	-	59.278	59.278	41.495	COLOMBIA	COP
Foreign	MALL PLAZA COLOMBIA S.A.S.	-	59.278	59.278	59.278	COLOMBIA	COP
Foreign	CENTRO COMERCIAL MANIZALES S.A.S.	-	47.424	47.424	47.424	COLOMBIA	COP
76,142,721-0	GIFT CORP. SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,149,308-6	INVERSIONES BRASIL SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,154,299-0	SERVICIOS GENERALES RANCAGUA LTDA.	-	-	-	88.000	CHILE	CLP
76,154,491-8	SERVICIOS GENERALES SANTA MARTA DE HUECHURABA LTDA.	-	-	-	88.000	CHILE	CLP
76,159,664-0	INVERSIONES URUGUAY SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,159,684-5	INVERFAL URUGUAY SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,166,215-5	SERVICIOS GENERALES CALAMA CENTRO LTDA.	-	-	-	88.000	CHILE	CLP
Foreign	COMPAÑÍA SAN JUAN S.A.C.	-	99.758	99.758	99.758	PERU	PEN
76,166,208-2	SERVICIOS GENERALES CALAMA MALL LTDA.	-	-	-	88.000	CHILE	CLP
76,169,826-5	SERVICIOS GENERALES COSTANERA SpA.	-	-	-	100.000	CHILE	CLP
76,308,853-7	NUEVA INVERFAL ARGENTINA SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,179,527-9	FALABELLA MÓVIL SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,167,965-1	SERVICIOS LOGISTICOS SODILOG LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76,201,304-5	RENTAS HOTELERAS SpA.	-	100.000	100.000	100.000	CHILE	CLP
Foreign	CONTAC CENTER FALABELLA S.A.C.	-	99.345	99.345	99.345	PERU	PEN

Note 2 - Summary of Significant Accounting Policies (continued)

2.5. Basis for Consolidation of the Financial Statements (continued)

Subsidiaries included in the consolidation are as follows (continued):

Chilean ID number	Company	Ownership interest				Country	Functional currency
		Dec-31-2017	Dec-31-2017	Dec-31-2017	Dec-31-2016		
		Direct %	Indirect %	Total %	Total %		
Foreign	OPEN PLAZA ORIENTE S.A.	-	99.758	99.758	99.758	PERU	PEN
76,212,895-0	SERVICIOS GENERALES BIO-BIO MALL LTDA.	-	-	-	88.000	CHILE	CLP
76,232,164-5	SERVICIOS GENERALES VICUÑA MACKENNA LTDA.	-	-	-	88.000	CHILE	CLP
76,232,178-5	SERVICIOS GENERALES MP TOBALABA LTDA.	-	-	-	88.000	CHILE	CLP
76,232,172-6	SERVICIOS GENERALES VITACURA LTDA.	-	-	-	88.000	CHILE	CLP
76,232,689-2	SERVICIOS GENERALES MAIPÚ SpA.	-	-	-	100.000	CHILE	CLP
76,240,391-9	SERVICIOS GENERALES CHILLÁN LTDA.	-	-	-	88.000	CHILE	CLP
76,233,398-8	SERVICIOS GENERALES MP LOS ANGELES LTDA.	-	-	-	88.000	CHILE	CLP
76,254,205-6	SERVICIOS GENERALES RANCAGUA CENTRO LTDA.	-	-	-	88.000	CHILE	CLP
96,824,450-7	INMOBILIARIA MALL LAS AMÉRICAS S.A.	-	42.890	42.890	42.890	CHILE	CLP
76,318,636-9	SERVICIOS GENERALES MP EGAÑA LIMITADA	-	-	-	88.000	CHILE	CLP
76,337,217-0	SERVICIOS GENERALES QUILPUE DOS LIMITADA	-	-	-	88.000	CHILE	CLP
76,337,209-K	SERVICIOS GENERALES CON CON LIMITADA	-	-	-	88.000	CHILE	CLP
76,362,983-K	SERVICIOS GENERALES MP COPIAPÓ LIMITADA	-	-	-	88.000	CHILE	CLP
76,412,572-K	SERVICIOS GENERALES REÑACA LIMITADA	-	-	-	88.000	CHILE	CLP
76,349,709-7	SERVICIOS GENERALES OVALLE LIMITADA	-	-	-	88.000	CHILE	CLP
Foreign	SHEARVAN COMMERCIAL (SHANGAI)	-	100.000	100.000	100.000	CHINA	CNY
76,283,127-9	SERVICIOS GENERALES PLAZA EGAÑA SpA.	-	-	-	100.000	CHILE	CLP
Foreign	HIPERMERCADOS TOTTUS ORIENTE S.A.C.	-	99.758	99.758	99.758	PERU	PEN
Foreign	SODIMAC ORIENTE S.A.C.	-	99.758	99.758	99.758	PERU	PEN
76,319,068-4	INVERSIONES DESREG SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,319,054-4	DESREG SpA.	-	-	-	100.000	CHILE	CLP
Foreign	FALABELLA BRASIL LTDA.	-	100.000	100.000	100.000	BRAZIL	BRL
Foreign	SODIMAC BRASIL LTDA.	-	100.000	100.000	100.000	BRAZIL	BRL
Foreign	INVERSIONES FALABELLA URUGUAY S.A.	-	100.000	100.000	100.000	URUGUAY	UYU
Foreign	HOME CENTER SODIMAC S.A.	-	100.000	100.000	100.000	URUGUAY	UYU
Foreign	JOSMIR S.A.	-	100.000	100.000	100.000	URUGUAY	UYU
76,335,739-2	INVERSIONES MÉXICO SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,335,749-K	INVERFAL MÉXICO SpA.	-	-	-	100.000	CHILE	CLP
76,282,188-5	INVERFAL BRASIL SpA.	-	100.000	100.000	100.000	CHILE	CLP
Foreign	SAGA FALABELLA IQUITOS S.A.C.	-	97.805	97.805	97.805	PERU	PEN
Foreign	SAGA FALABELLA ORIENTE S.A.C.	-	97.805	97.805	97.805	PERU	PEN
Foreign	CONSTRUDECOR S.A.	-	60.043	60.043	60.043	BRAZIL	BRL
Foreign	CONSTRUDECOR SERVICIOS LTDA.	-	60.043	60.043	60.043	BRAZIL	BRL
Foreign	CONSTRUDECOR PROPERTIES LTDA.	-	60.043	60.043	60.043	BRAZIL	BRL
Foreign	SEGUROS FALABELLA PRODUCTORES S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS



Note 2 - Summary of Significant Accounting Policies (continued)

2.5. Basis for Consolidation of the Financial Statements (continued)

Subsidiaries included in the consolidation are as follows (continued):

Chilean ID number	Company	Ownership interest				Country	Functional currency
		Dec-31-2017	Dec-31-2017	Dec-31-2017	Dec-31-2016		
		Direct %	Indirect %	Total %	Total %		
76,327,526-4	SERVICIOS GENERALES ATACAMA SpA.	-	-	-	100.000	CHILE	CLP
76,327,698-8	SERVICIOS GENERALES FALABELLA ZONA NORTE SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,328,138-8	SERVICIOS GENERALES MP EL TRÉBOL DE TALCAHUANO LTDA.	-	-	-	88.000	CHILE	CLP
Foreign	LILLE INVESTIMENTOS	-	60.043	60.043	60.043	BRAZIL	BRL
76,379,784-8	SERVICIOS LEGALES SpA.	-	-	-	100.000	CHILE	CLP
76,377,255-1	SERVICIOS GENERALES WALKER MARTÍNEZ LTDA.	-	-	-	88.000	CHILE	CLP
Foreign	SHEARVAN PURCHASING INDIA	-	100.000	100.000	100.000	INDIA	INR
76,434,317-4	PROMOTORA INVERSIONES S.A.	-	99.996	99.996	99.996	CHILE	CLP
76,389,515-7	SERVICIOS GENERALES FALABELLA ZONA PONIENTE SpA	-	100.000	100.000	100.000	CHILE	CLP
Foreign	MAESTRO PERU S.A.	-	99.758	99.758	99.758	PERU	PEN
Foreign	MAESTRO PERÚ AMAZONIA S.A.C.	-	99.758	99.758	99.758	PERU	PEN
Foreign	INMOBILIARIA DOMEL S.A.C.	-	99.758	99.758	99.758	PERU	PEN
Foreign	INDUSTRIAS DELTA S.A.C.	-	99.758	99.758	99.758	PERU	PEN
Foreign	CENTRO COMERCIAL BARRANQUILLA S.A.S.	-	38.531	38.531	38.531	COLOMBIA	COP
76,414,847-9	SERVICIOS GENERALES CHAMISEROS LTDA.	-	-	-	88.000	CHILE	CLP
76,427,811-9	SERVICIOS DE INFRAESTRUCTURA FALABELLA SpA.	-	100.000	100.000	100.000	CHILE	CLP
76,477,116-8	CF SEGUROS DE VIDA S.A.	-	90.000	90.000	90.000	CHILE	CLP
Foreign	GESTIONES INTEGRALES DE SERVICIOS S.A.	-	99.15	99.15	97.203	PERU	PEN
Foreign	MALL PLAZA PERU S.A. (Formerly AVENTURA PLAZA S.A.)	-	82.560	82.560	82.560	PERU	PEN
Foreign	GEMA NEGOCIOS S.A.C.	-	57.792	57.792	57.792	PERU	PEN
Foreign	INVERFAL MEXICO S.A. DE C.V.	-	100.000	100.000	100.000	MEXICO	MXN
76,582,813-9	NUEVA INVERFAL MEXICO SpA.	-	100.000	100.000	100.000	MEXICO	MXN
76,587,847-0	FALABELLA SERVICIOS PROFESIONALES DE TI SpA	-	100.000	100.000	100.000	CHILE	CLP
76,683,615-1	ASESORIAS Y EVALUACIÓN DE CRÉDITOS LTDA.	-	100.000	100.000	100.000	CHILE	CLP
Foreign	PATRIMONIO AUTONOMO MALL PLAZA CALI	-	59.278	59.278	-	COLOMBIA	COP
76,788,282-3	DIGITAL PAYMENTS SpA	-	100.000	100.000	-	CHILE	CLP
Foreign	SERVICIOS FINANCIEROS SORIANA S.A.P.I. de C.V.	-	50.000	50.000	-	MEXICO	MXN

The consolidation includes subsidiaries of subsidiaries controlled by the Group, even when the total direct and indirect participation represents less than a 50% of voting rights.



Note 2 - Summary of Significant Accounting Policies (continued)

2.6. Conversion of Foreign Subsidiaries

According to IAS 21, the assets and liabilities of foreign subsidiaries at the reporting date with a functional currency other than the Chilean peso are converted to the presentation currency of S.A.C.I. Falabella (the Chilean peso) at the exchange rate as of the date of the statement of financial position. Their statements of income are converted at the average exchange rates for each month. Foreign currency differences arising from the conversion are recorded in “Other Reserves” as a separate component of equity. At the disposal of a foreign entity, the accumulated deferred amount recognized in equity specifically relating to this foreign business shall be recognized in the income statement.

Any goodwill arising from the acquisition of a foreign business and any adjustment to fair value of the book values of assets and liabilities that arise from the acquisition is treated as an asset and liability of the foreign business in the functional currency of this entity and is converted to Chilean pesos at the exchange rate on the reporting date.

2.7. Foreign Currency Conversion

Foreign currency is any currency other than the functional currency of an entity. Transactions in foreign currencies are initially recorded at the exchange rate of the entity’s functional currency as of the transaction date. Monetary assets and liabilities denominated in foreign currency are converted at the exchange rate of the functional currency as of their settlement date or closing date of the statement of financial position. All these conversion differences are included in net income or losses, except for differences on liabilities in foreign currencies that provide hedges for net investments in foreign entities, and/or assets and liabilities in foreign currencies that are an integral part of the investment in foreign subsidiaries. These are recorded directly in equity, in the “Other Reserves” account, until disposal of the net investment, at which time they are recognized as net income or losses.

The exchange rates of foreign currencies and the Unidad de Fomento (an inflation-indexed, Chilean monetary unit) as compared to the Chilean peso as of December 31, 2017 and December 31, 2016 are as follows:

	Dec-31-2017	Dec-31-2016
US dollar (USD)	614.75	669.47
Peruvian nuevo sol (PEN)	189.68	199.69
Argentine peso (ARS)	33.11	42.28
Uruguayan peso (UYU)	21.39	22.86
Euro (EUR)	739.15	705.60
Colombian peso (COP)	0.21	0.22
Brazilian real (BRL)	185.64	205.82
Indian rupee (INR)	9.63	9.86
Chinese yuan (CNY)	94.40	96.13
Unidad de Fomento (UF)	26,798.14	26,347.98
Mexican pesos (MXN)	31.28	32.46

2.8. Financial Information by Operating Segment

Segment information is presented in accordance with IFRS 8 “Operating Segments,” in a manner that is consistent with the internal reports that are regularly reviewed by the Group’s Management for use in decision-making regarding the allocation of resources and evaluation of the performance of each of its operating segments. Income attributed to geographical regions is based on the location of the respective businesses. Note 35 presents the reporting requirements for IFRS 8 and Information on Assets, Liabilities and Income by Segments.



Note 2 - Summary of Significant Accounting Policies (continued)

2.9. Investments in Associates

Associates are all entities over which the Company exercises significant influence but not control, which is generally accompanied by a share of between 20% and 50% of the voting rights, as stated in IAS 28 “Investment in Associates.” Investments in associates are accounted for using the equity method and are initially recognized at cost. Investments in associates are presented in the statement of financial position together with goodwill identified in the acquisition of the associate, net of any accumulated impairment loss.

Under the equity method, the investment in an associate is recorded in the statement of financial position at cost plus the Company’s share in the increase or decrease in the equity of the associate. The statement of income reflects the Company’s interest in the income of the associate. When there has been a change recognized directly in the associate’s equity, the Company recognizes its interest in that change and discloses it in the statement of changes in equity. The accounting policies of associates conform to those used by the Company.

2.10. Property, plant and equipment

Property, plant and equipment items are recorded at cost and are presented net of accumulated depreciation and impairment as applicable, except for land which does not depreciate.

Cost includes the acquisition price and all costs directly related to the location of the asset in the place and under the conditions necessary for it to be able to operate in the manner foreseen by Management, in addition to the initial estimate for the dismantling, withdrawal or partial or total removal of the asset, as well as reconditioning of the place where it is located, when the Company is obligated to do so. For construction in progress, the cost includes expenses of directly related employees and others of an operating nature attributable to the construction, as well as finance expenses related to external financing accrued during the construction period. The interest rate used to capitalize finance expenses corresponds to specific asset financing or, when not available, the Company’s average financing rate.

Costs of expansion, modernization or improvements that represent an increase in productivity, capacity or efficiency, and therefore an extension of the useful lives of assets, are capitalized as an increase in the cost of the corresponding assets. Regular maintenance, conservation and repair expenses are expensed in the year in which they are incurred. A property, plant and equipment item is written off at the time of its disposal or when no future financial benefits are expected from its use or disposal. Any net income or loss that arises from the write-off of the asset (calculated as the difference between the net disposal value and the book value of the asset) is included in the statement of income in the year in which the asset is written off.



Note 2 - Summary of Significant Accounting Policies (continued)

2.10. Property, Plant and Equipment (continued)

Depreciation begins when the assets are available for use, i.e. when they are at the location and under the conditions necessary to operate in the manner foreseen by Management. Depreciation is calculated using the straight-line method over the estimated useful financial lives of assets, up to their residual amount. Estimated financial useful lives by category are as follows:

Category	Range
General constructions	50 to 80 years
Exterior works	20 years
Furniture and fixtures	3 to 10 years
Fixed installations and accessories	10 to 35 years
Machinery and equipment	2 to 20 years
Vehicles	5 to 7 years

Assets located on leased properties, structural work and facilities depreciate over the term of the lease or their estimated useful financial lives for the corresponding category, including contract renewals, whichever is shorter.

Probable residual values of assets, their useful lives and depreciation methods are reviewed as of each reporting date and adjusted if applicable as a prospective change in estimate.

2.11. Investment properties

Investment properties are real estate (land and buildings) that are held by the Group to obtain financial benefits derived from their rental or to obtain capital appreciation by merely holding them, which are measured at cost. Investment properties and investment properties under construction are recorded at cost and presented net of their accumulated depreciation and accumulated impairment as applicable, except for land which is not subject to depreciation.

The Group has shopping centers in which it has its own stores and stores leased to third parties. In these cases, only the portion leased to third parties is considered investment properties. The company's own stores are recognized as property, plant and equipment in the statement of financial position.

The acquisition cost and all other costs associated with investment properties, as well as the effects of depreciation and the treatment of asset write-offs are recorded in the same manner as property, plant and equipment, as described in Note 2.10.

The estimated financial useful lives for the main elements of investment properties are as follows:

Category	Range
Buildings	80 years
Exterior works	20 to 30 Years
Facilities	20 years
Machinery and equipment	5 to 8 years

The residual values of assets, their useful lives and depreciation methods are reviewed as of each reporting date and adjusted if applicable as a prospective change in estimate.



Note 2 - Summary of Significant Accounting Policies (continued)

2.12. Goodwill

At the date of transition to IFRS, the Company chose not to revisit its business combinations prior to this date, in accordance with IFRS 1.

Subsequently, goodwill represents the excess total compensation paid for the acquisition of an investment in a subsidiary or associate, over the fair value of the net identifiable assets at the date of acquisition.

After the initial recognition of goodwill, it is measured at cost less any accumulated impairment loss, as appropriate.

Goodwill related to the acquisition of subsidiaries is subject to annual impairment testing. Goodwill is allocated to cash generating units (or groups of cash generating units, or “CGUs”) that are expected to benefit from the synergies of a business combination, for impairment testing purposes.

Goodwill related to acquisition of interests in Associates is presented together with the respective investment under “Investments Accounted for Using the Equity Method” in the statement of financial position, and is subject to impairment testing together with the value of the investment in the Associate should there be any indicators of a potential loss of value.

The Company tests goodwill impairment every year in accordance with IFRS, and has found no impairment.

2.13. Intangible assets

Intangible assets acquired separately are measured at acquisition cost. The cost of intangible assets acquired in a business combination is their fair value as of the date of acquisition. After the initial recognition of intangible assets with defined useful lives, they are recorded at cost less any accumulated amortization and any accumulated impairment loss, as appropriate. Intangible assets generated internally are software programs developed for the Company’s use. Costs associated with software development are capitalized when the completion of their development is considered possible, Management has the intention and the capacity to use or sell the intangible asset, disbursements attributable to the asset can be valued and it has been determined that the intangible asset will generate future financial benefits. Research costs are expensed as incurred.

Useful lives of intangible assets are evaluated as finite or indefinite. Intangible assets with finite lives are amortized linearly during their estimated useful economic life, and their deterioration is evaluated whenever there is an indication of impairment. The amortization term and method for intangible assets with finite lives are reviewed at each reporting date. Changes resulting from these evaluations are treated prospectively as changes in the accounting estimates



Note 2 - Summary of Significant Accounting Policies (continued)

2.13. Intangible Assets (continued)

Intangible assets with indefinite useful lives are not amortized and their impairment is evaluated annually. The assessment of indefinite life reviewed annually to determine whether the indefinite life continues to be supportable. Currently, since the commercial trademarks have no expiration date and there is intention to use them in an indefinite manner, the Company has determined to allocate an indefinite useful life to specific trademarks acquired in business combinations. If applicable, the change in evaluation of useful lives from indefinite to definite is made on a prospective basis.

The Company tests impairment of intangibles with indefinite useful lives annually as required by IFRS, and has not identified any impairment whatsoever.

The estimated useful lives for each category of intangible asset are detailed as follows:

Category	Range
Commercial trademarks acquired in business combinations	Indefinite
Internally developed software	4 to 10 years
Patents, registered trademarks and other rights	5 to 10 years
Software programs	4 to 10 years
Other intangible assets	5 to 10 years

2.14. Impairment of Non-Current Assets

The Company evaluates whether there are any indications that an asset might be impaired as of each reporting date. If such indications are detected, or impairment is identified as a result of annual impairment testing for goodwill and intangible assets with indefinite useful lives, the Company estimates the recoverable amount of the asset. When the book value of an asset exceeds its recoverable amount, the asset is considered impaired and is decreased to its recoverable amount. The recoverable amount is the fair value of an asset less selling costs or value in use, whichever is greater.

2.15. Inventories

Inventory is recorded at cost or net realizable value, whichever is less. Cost includes the purchase price plus additional costs necessary to bring each product to its current location and condition, net of trade discounts and other discounts. The net realizable value is the estimated selling price during the ordinary course of business, less estimated costs required to complete the sale. The net realizable value is also measured in terms of obsolescence based on the particular characteristics of each inventory item. Cost is determined using the weighted average method.

2.16. Assets held for sale and discontinued operations

Non-current assets with a book value that will be recovered through a sales transaction and not through ongoing use are classified as held for sale and discontinued operations. This condition is considered to have been satisfied only when the sale is highly probable and the asset is available for immediate sale in its current condition.

These assets are valued at the book value or the realizable fair value, whichever is less.

As of December 31, 2017 and December 31, 2016 the assets presented under this category belong to two subsidiaries, Sodimac S.A. and Plaza S.A. and include properties held for sale that comply with the criteria stated in the preceding paragraph.



Note 2 - Summary of Significant Accounting Policies (continued)

2.17. Financial Instruments

The Group recognizes financial assets and liabilities at the time it assumes the obligations or acquires the contractual rights to them.

2.17.1. Financial Assets

2.17.1.1. Recognition, Measurement and Withdrawal of Financial Assets

Financial assets within the scope of IAS 39 “Financial Instruments: Recognition and Measurement,” are classified upon initial recognition as financial assets at fair value through the income statement, loans and accounts receivable, investments held to maturity or investments held for sale. Where allowed and appropriate, this designation is re-evaluated as of each reporting date. When financial instruments are initially recognized, they are measured at fair value, and the costs or gains directly attributable to the transaction are recognized in the income statement. Financial assets are subsequently measured at their fair value, except for loans and accounts receivable, and investments classified as held to maturity, which are measured at amortized cost using the effective rate method.

The adjustment of assets recorded at fair value is recorded in the income statement, except for investments held for sale whose adjustment to market value is recognized as a separate component of equity, net of applicable deferred tax.

Financial assets are derecognized when the rights to receive cash flows derived from them have expired or have been transferred, and the Group has substantially transferred all risks and benefits derived from their ownership.

2.17.1.2. Cash and Cash Equivalents

Cash and cash equivalents comprise cash, bank balances, short-term deposits with original maturity of three months or less, and other money-market securities easily convertible to cash, which are subject to insignificant risk of changes in value.

The cash flow statement classifies cash-generating activities as follows:

Operating activities: The main source of ordinary revenue and expenses of businesses in subsidiaries, as well as activities that cannot be classified as investing or financing.

Movements in operating activities are determined using the direct method.

Investing Activities: Those activities involving the acquisition, sale or disposal by other means of non-current assets and other investments not included in cash and cash equivalents.

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



Note 2 - Summary of Significant Accounting Policies (continued)

2.17. Financial Instruments (continued)

2.17.1. Financial Assets (continued)

2.17.1.3. Assets pledged as guarantee subject to sale or a new pledge

The consolidated statement of financial position includes balances of financial assets, loans, accounts receivable and cash equivalents that cover debt obligations held by the Company through a guaranteed portfolio. The Company cannot freely dispose of these balances since they are restricted to the payment of related obligations.

2.17.1.4. Impairment of Financial Assets

The Company assesses as of each reporting date whether a financial asset or group of financial assets is impaired. The main financial assets subject to impairment due to contractual non-compliance of the counterpart are assets recorded at amortized cost (loans and accounts receivable).

If there is objective evidence that an impairment loss has been incurred on loans and accounts receivable recorded at amortized cost, the amount of the loss is measured as the difference between the book value of the asset and the present value of future estimated cash flows (excluding expected future credit losses that have not been incurred) discounted at the original effective interest rate of the financial asset (i.e. the effective interest rate calculated upon initial recognition). The book value of the asset is reduced using a reserve account. Loan receivables are written off when they are between 150 and 180 days overdue.

The Company evaluates whether there is objective evidence of impairment, individually for financial assets that are individually significant or collectively for financial assets that are not individually significant. If the amount of an impairment loss decreases in a subsequent period and the decrease can be objectively related to an event that occurred after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the book value of the asset does not exceed its amortized cost as of the reversal date.

2.17.2. Financial Liabilities

2.17.2.1. Recognition, Measurement and Derecognition of Financial Liabilities

All obligations to the public and to financial institutions are initially recognized at fair value, net of costs incurred in the transaction. After initial recognition, obligations and loans that accrue interest are subsequently measured at amortized cost, recognizing in the income statement any higher or lower value on the term of the respective debt using the effective interest rate method, unless they are designated items hedged in a fair value hedge.

Financial liabilities are derecognized when the obligations specified in the contracts are settled, expired or waived.



Note 2 - Summary of Significant Accounting Policies (continued)

2.17. Financial Instruments (continued)

2.17.3. Financial Derivatives and Hedge Instruments

The Company uses derivative financial instruments such as currency forward contracts and swaps to hedge its risks associated with fluctuations in interest rates and exchange rates. Those derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is signed and are subsequently measured at fair value in an ongoing manner. Any gain or loss during the year arising from changes in the fair value of derivatives that do not qualify for hedge accounting is recorded directly in the statement of income.

2.17.4. Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a legal right to receive or pay the net value and the Company intends to settle them on a net basis or to recover the assets and settle the liabilities in a simultaneous manner as of the reporting date.

2.18. Leases

Financial leases which transfer to the Company substantially all the risks and benefits inherent to ownership of the leased item are capitalized at inception of the contract at the fair value of the asset, or the present value of minimum lease payments, whichever is lower. Financial lease assets are depreciated over the estimated financial lives of the asset or the term of the agreement, if lower, and are presented under property, plant and equipment in the statement of financial position.

Operating leases are those in which the lessor substantially retains all the risks and benefits inherent to ownership of the leased asset. Operating lease payments are recognized as expenses in the statement of income over the term of the contract, using the straight-line method, as a function of the term of the lease agreement for the fixed portion. Lease payments that are contingent in nature are recognized as an expense for the period in which payment is probable.

The Company has undertaken certain sales transactions with leaseback agreements, which qualify as financial leases. Gains or losses derived from the initial sale of such assets are deferred over the term of the lease.

2.19. Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are discounted to their present value if it is estimated that the discount effect is significant.



Note 2 - Summary of Significant Accounting Policies (continued)

2.20. Liabilities for technical reserves and claims payable

The subsidiary CF Seguros de Vida S.A. has recorded unexpired risk reserves, mathematical life reserves (technical reserves) and provisions for claims payable. The Company has also recorded assets equivalent to the participation of reinsurers in each of these technical reserves, as a result of the risks assumed.

Assets and liabilities are disclosed in "Other non-financial assets" and "Other non-financial liabilities" in the statement of financial position.

2.21. Minimum Dividend

According to Article 79 of Law 18,046, publicly traded corporations in Chile must annually distribute at least 30% of their net income for each year to their shareholders. By virtue of the Company's legal obligation, an equivalent liability has been recorded which also includes the portion of the minimum dividend of subsidiaries that are publicly traded corporations, in which there is a non-controlling interest. This liability is recorded in "Trade and Other Payables, Current" as of December of each year, and the movement for the year is recorded in the Statement of Changes in Equity in the "Increase (decrease) due to transfers and other changes" line.

2.22. Defined Employee Benefits Plans

The Company provides certain short-term benefits to its employees in addition to remuneration, such as bonuses, vacations and holiday bonuses. In addition, the Company provides specific defined benefits plans to some of its employees. The cost of providing benefits under defined benefits plans is determined separately for each plan using the projected unit credit method, in accordance with IAS 19 "Employee Benefits." Employee benefit liabilities represent the present value of obligations under the plans, which are discounted using the interest rates of government bonds denominated in the currency in which the benefits will be paid with similar terms to the duration of the respective obligations.

Actuarial gains or losses that are related to adjustments for experience and changes in variables are recognized as "Other Comprehensive Income" and form part of "Other Reserves" under equity.

2.23. Share-Based Compensation Plans

The Company has implemented specific compensation plans for its executives that involve granting purchase options on shares in the Parent Company. The cost of these transactions is measured in reference to the fair value of the options on the date on which they were granted. The fair value is determined using an appropriate option valuation model, in accordance with IFRS 2 "Share-based Payments."

The cost of benefits granted that will be settled by providing share options is recognized by crediting "Other Reserves" in equity during the period in which the performance and/or conditions of service are vested, ending on the date on which the relevant employees are fully entitled to exercise the option.



Note 2 - Summary of Significant Accounting Policies (continued)

2.23. Share-based Compensation Plans (continued)

In addition, the Company has implemented specific certain share based compensation plans for its executives which unlike the previously mentioned plans, are paid in cash. They are disclosed in "Provisions for Employee Benefits" in the consolidated statement of financial position and are measured at fair value, in accordance with IFRS 2.

In both cases, the charge or credit to the consolidated statements of comprehensive income is recorded in "Administrative Expenses" in the entity where the executive provides the related services..

2.24. Revenue Recognition

Revenue is recognized to the extent that it is probable that financial benefits will flow to the Company and the amounts involved can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, deductions and other sales taxes. The following specific recognition criteria must also be fulfilled before recognizing revenue:

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and benefits of ownership of the goods have been transferred to the purchaser, which generally occurs when the goods are physically delivered.

Services provided (includes fees from bank services)

Revenue is recognized according to the degree of completion. When the results of contracts cannot be reliably measured, revenue is recognized only to the extent that expenses incurred are recoverable.

Interest Income

Interest income related to the Financial Retail business is recognized to the extent that interest is accrued using the effective interest rate method. The Company stops recognizing interest income when it considers that its recoverability is improbable, which generally occurs when it is 90 days overdue.

Lease income

Lease income is recognized on an accrual basis, except for minimum income arising from the leasing of investment properties, which is recognized using the straight-line method over the term of the lease.

2.25. Cost of sales

Cost of sales includes the acquisition cost of the products sold and other costs incurred to bring inventory to the locations and the conditions necessary for its sale. These costs mainly include acquisition costs net of discounts, non-recoverable import expenses and duties, insurance and transporting products to distribution centers.

Cost of sales also includes interest expenses and impairment losses on the receivable loans portfolio related to our Financial Retail business and the depreciation cost of the Group's investment properties.

Costs at banking subsidiaries include interest and indexation expenses, commission expenses and credit risk allowances, which are presented on separate lines in the banking business section of the statement of comprehensive income.



Note 2 - Summary of Significant Accounting Policies (continued)

2.26. Income Tax

2.26.1. Income Tax

Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities of each country. Tax rates and tax laws used to compute the amount are those enacted as of the date of the statement of financial position. Income tax related to items recognized directly in equity is recognized in equity and not in the statement of income.

2.26.2. Deferred Tax

Deferred tax is calculated on the temporary differences as of each reporting date between the tax value of assets and liabilities and their book values for financial reporting purposes. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is likely that there will be taxable profits against which the deductible temporary differences and the carry-forward of unused tax credits and losses can be used.

The book value of deferred tax assets is reviewed as of the reporting date and reduced to the extent that it is no longer probable that there will be sufficient taxable profits to absorb all or part of the deferred tax asset. Deferred taxes related to items recorded directly in equity, are recognized in equity and not in the statement of income.

Deferred tax assets and deferred tax liabilities are presented net in the statement of financial position if there is a legally enforceable right to offset tax assets against tax liabilities and the deferred tax is related to the same entity and the same tax authority.

2.27. Deferred Income

The Company records deferred income on various transactions for which it receives cash, but for which the conditions for revenue recognition described in subsection 2.24 above have not been fulfilled, such as advance payment of services in the process of being provided, sales of products for which dispatch has not occurred, gift cards, and cash initially received for lease agreements on the Group's investment properties. In addition, the portion of the sale associated with the subsequent delivery of products in customer loyalty programs is recognized as deferred revenue.

Deferred revenue from customer loyalty programs is recognized at the market value of the benefits provided to customers, adjusted by their historical maturity experience. Deferred revenue is presented under "Other Non-Financial Liabilities" in the statement of financial position.



Note 2 - Summary of Significant Accounting Policies (continued)

2.28. Estimates, Judgment and Key Assumptions

Key assumptions with respect to the future and other key sources of uncertainty in estimates as of the reporting date, which have a significant risk of causing a material adjustment to the book values of assets and liabilities are presented below:

- Useful lives and residual values of Intangible Assets, Property, Plant and Equipment, and Investment Properties

The useful lives and residual values of the components of Intangible Assets with defined useful lives, Property, Plant and Equipment, and Investment Properties involve judgment and assumptions that might be affected should circumstances change. Management regularly reviews these assumptions and adjusts them on a prospective basis if a change is identified.

- Impairment of Goodwill and Intangible Assets with Indefinite Useful Lives

The Company conducts impairment testing on goodwill and intangible assets with indefinite useful lives on an annual basis. These tests require an estimate of the “value in use” of the cash generating units to which goodwill and intangible assets with indefinite useful lives are associated. “Value in use” requires that Management estimate the future expected cash flows of the cash generating unit (or group of CGUs); and choose an appropriate discount rate to calculate the present value of these cash flows.

- Deferred Tax Assets

Deferred tax assets are recognized for all temporary deductible differences between the financial and tax base of assets and liabilities, and for unused tax losses, to the extent that there will be probable taxable profits against which the losses can be used, and whether there are sufficient taxable temporary differences to absorb them. Management uses significant judgment to value deferred tax assets based on the probable timing of projected taxable profits.

- Employee Benefits

The cost of employee benefits that qualify as defined benefit plans in accordance with IAS 19 “Employee Benefits” is calculated using actuarial valuations. The actuarial valuation involves assumptions regarding discount rates, future salary increases, employee turnover rates and mortality rates, among other things. Due to the long-term nature of these plans, those estimates are subject to a significant amount of uncertainty.

- Fair Value of Assets and Liabilities

In certain cases IFRS require that assets and liabilities be recorded at fair value. Fair value is defined as the price at which an asset would be sold, or the price paid to transfer a liability, in an orderly transaction between market participants at the date of measurement (disposal price). When measuring the fair value, the company considers the characteristics of the asset or liability in the same way that market participants would take those characteristics into account when determining the price of said asset or liability on the measurement date. The basis for measurement of assets and liabilities at their fair value is their current price in active markets. In their absence, the Company estimates those values on the basis of the best information available, including the use of models or other valuation techniques.



Note 2 - Summary of Significant Accounting Policies (continued)

2.28. Estimates, Judgment and Key Assumptions (continued)

- Fair Value of Assets and Liabilities (continued)

Derivative instruments are assets and liabilities that are measured at fair value in the statement of financial position. The notes to the financial statements disclose the fair value of investment properties (Note 15) and the market value of financial liabilities (Note 33). Fair value is established by applying the following hierarchies:

- **Level 1:** List price (not adjusted) in an active market for identical assets and liabilities.
- **Level 2:** Inputs other than list prices that are included in Level 1 and which may be observed for assets and liabilities, whether directly (i.e. as price) or indirectly (i.e. price derivative).
- **Level 3:** Inputs for assets or liabilities which are not based on observable market information (unobservable inputs).

- Share-based Payments

The Company estimates the fair value of share based compensation plans provided to its executives. That value is estimated as of the grant date using an appropriate valuation model, taking into consideration the terms and conditions under which the instruments were granted.

- Loan Allowances

The Company records allowances on its doubtful loans in accordance with the requirements of IAS 39. The allowances are based on the estimate of losses due to the inability of clients to meet their contractual payments on their loans. The estimate of losses is calculated using historical statistics on payment and default behavior, adjusted to the circumstances of the markets where the Group operates, if applicable. The cash flows expected to be received are discounted to present value at the original rate.

- Obsolete Inventory

The Company records provisions for obsolete inventory based on the specific characteristics of each inventory item, and its use. This provision is reviewed at each reporting date.

- Customer Loyalty Programs

The Company has loyalty programs for the use of its credit card, through which “points” are given which can be exchanged for products within a fixed period. Points granted in sales transactions are recorded as a separate component of the sale, equivalent to the recording of the sale of products pending dispatch, in accordance with IFRIC 13 “Customer Loyalty Programs.” The market value of the points granted is recorded as deferred revenue, adjusted by the estimated rate of benefits lapsing as they expire. The estimated rate of benefits lapsing is determined using historical data of expired unused points.

Although these estimates have been performed using the best information available on the date these consolidated financial statements were issued, it is possible that events that might take place in the future could force them to be modified (upward or downward) in future periods, which would be carried out prospectively, recognizing the effects of changes in estimate in the corresponding future consolidated financial statements.



Note 2 - Summary of Significant Accounting Policies (continued)

2.29. New accounting pronouncements (IFRS and interpretations of the IFRS Interpretations Committee)

IFRS improvements, modifications and interpretations published during the period were as follows. At the date of these financial statements, these standards have not yet taken effect and the Company has not applied them early:

a) New accounting pronouncements:

New Accounting Pronouncements		Mandatory effective date
IFRS 9	Financial Instruments: Classification and measurement	January 1, 2018
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRS 16	Leases	January 1, 2019
IFRS 17	Insurance contracts	January 1, 2021
IFRIC 22	Foreign Currency Transactions and Advance Consideration	January 1, 2018
IFRIC 23	Uncertainty over income tax treatments	January 1, 2019

IFRS 9 “Financial Instruments”

This Standard includes new policy requirements for the classification and measurement of financial assets, it introduces a “more prospective” model of expected credit losses for impairment accounting and a substantially reformed approach to hedge accounting. Retrospective application is required, except for hedge accounting, but comparative information is not mandatory. The requirements for hedge accounting generally apply prospectively, with some limited exceptions. The standard will be mandatory for annual periods beginning on or after 1 January 2018.

The Company has evaluated applying the new standard and has initially estimated that its "Trade receivable and other receivables" will reduce by approximately 1.5%, under the change from a "loss incurred" model to an "expected loss" model, in accordance with IFRS 9, which will generate a net reduction in equity of approximately 1%.

IFRS 15 “Revenue from Contracts with Customers”

This standard was issued in May 2014, and is applicable to all contracts with customers, except for leases, financial instruments and insurance contracts. It is a joint project of the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) to eliminate differences in revenue recognition between IFRS and Accounting Standards Generally Accepted in the United States (US GAAP). This new standard reduces the inconsistencies and weaknesses of IAS 18 and provides a model which will facilitate the comparability of companies from various industries and regions. It provides a new model to recognize revenue and more detailed requirements for contracts with multiple components. Furthermore, it requires more detailed disclosures. This standard is effective for annual reporting periods beginning on or after January 1, 2018 with early adoption permitted.

The Company has evaluated applying the new standard and has not identified any significant effects to operating revenue recognition. It has initially identified only non-significant changes in the exposure of specific revenue items.



Note 2 - Summary of Significant Accounting Policies (continued)

IFRS 16 "Leases"

In January 2016, the IASB issued IFRS 16 "Leases". IFRS 16 defines a lease contract and specifies the accounting treatment of assets and liabilities arising from these contracts for both lessors and lessees. The new standard does not significantly differ from the previous standard, IAS 17 Leases, with regard to the accounting treatment for lessors. However, the new standard for lessees requires the recognition of assets and liabilities for the majority of lease contracts. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. Early adoption is permitted only if it is adopted together with IFRS 15 "Revenue from contracts with customers".

The Company is evaluating the potential impact of this standard.

IFRS 17 "Insurance Contracts"

In May 2017, the IASB issued IFRS 17 "Insurance Contracts", a new comprehensive accounting standard for insurance contracts covering recognition, measurement, presentation and disclosure. It will replace IFRS 4 "Insurance Contracts" issued in 2005, when it becomes applicable. The new standard applies to all insurance contracts, regardless of the entity that issues them.

IFRS 17 is effective for annual reporting periods beginning on or after January 1, 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 15 and IFRS 9.

The Company is evaluating the potential impact of this standard.

IFRIC 22 "Foreign Currency Transactions and Advance Consideration"

This interpretation addresses how to select the transaction date in order to establish the exchange rate to use in the initial recognition of the related asset, expense or income (or portion thereof), or on the withdrawal of a non-monetary asset or liability that arises from the payment or collection of the consideration in advance in foreign currency. The transaction date is when an entity initially recognizes the non-monetary asset or liability that arises from the payment or collection of the consideration in advance. If there are various advance payments or receipts, the entity shall select a transaction date for each payment or collection of the consideration in advance.

This interpretation is effective for annual reporting periods beginning on or after January 1, 2018. Early application is permitted. If an entity applies the interpretation to an earlier period, it must disclose this fact.

The Company believes that this standard will not significantly affect the financial statements.



Note 2 - Summary of Significant Accounting Policies (continued)

IFRIC 23 "Uncertainty over income tax treatments"

In June 2017, the IASB issued IFRIC 23, which clarifies the application of the recognition and valuation criteria required by IAS 12 "Income Taxes" when there is uncertainty about the tax treatment. This interpretation is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted. If an entity applies this Interpretation for an earlier period, it shall disclose that fact

The Company is evaluating the potential impact of this standard.

b) Improvements and amendments

	Improvements and amendments	Mandatory effective date
IAS 28	Investments in associates and joint ventures	January 1, 2018
IAS 40	Investment properties	January 1, 2018
IFRS 1	First-time adoption of IFRS	January 1, 2018
IFRS 2	Share-based payments	January 1, 2018
IFRS 4	Insurance contracts	January 1, 2018
IFRS 10	Consolidated financial statements	To be determined

IAS 28 "Investments in Associates and Joint Ventures" and IFRS 10 "Consolidated Financial Statements"

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" (2011) address an inconsistency between the requirements of IFRS 10 and IAS 28 (2011) that prescribe the treatment applicable to the sale or contribution of goods between an investor and its associate or joint venture. The amendments were issued in September 2014 and establish that when transactions involve a business (whether or not in a subsidiary) a gain or loss should be fully recognized. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if assets are in a subsidiary. The date that the amendments to IAS 28 become mandatory is from January 1, 2018, and the date that the amendments to IFRS 10 become mandatory has yet to be determined. Early adoption is permitted.

The Company believes that this amendment will not significantly affect the financial statements.

IAS 40 "Investment Property"

The amendments clarify when an entity should reclassify assets, including assets under construction or the development of investment property, indicating that the reclassification should be carried out when the property meets, or fails to meet, the definition of investment property and there is evidence of a change in the property's use. A change in the intentions of Management to use a property does not provide evidence of a change in use. The amendments must be applied prospectively and are effective for annual reporting periods beginning on or after January 1, 2018. Early adoption is permitted.

The Company believes that this amendment will not significantly affect the financial statements.



Note 2 - Summary of Significant Accounting Policies (continued)

IFRS 1 "First-time adoption of IFRS"

The amendment to IFRS1 eliminates the transitional exceptions included in Appendix E (E3-E7).

The Company evaluated the potential impact of this amendment, and has concluded that it will not significantly affect the financial statements.

IFRS 2 "Share-based payments"

The IASB issued amendments to IFRS 2 Share-based Payments, in June 2016. These amendments address the following areas: compliance conditions when the share-based payments are settled in cash, classification of share-based payment transactions, net of withholding tax, and accounting for amendments to contract terms that amend the classification of payments in cash or liquidated in shares.

This amendment is mandatory for annual periods beginning on or after January 1, 2018. When this amendment becomes effective, amending the financial statements for prior periods is not mandatory, but its retrospective adoption is permitted. Early adoption is permitted.

The Company believes that this standard will not significantly affect the financial statements.

IFRS 4 "Insurance Contracts"

The amendments address concerns arising from the implementation of new pronouncements included in IFRS 9, before implementing new insurance contracts. The amendments introduce the following two options for those entities that issue insurance contracts:

- a) An optional and temporary exemption from applying IFRS 9, which will be available to entities whose activities are predominantly connected with the insurance business. The exception will allow entities to continue to apply IAS 39 Financial Instruments, Recognition and Measurement, until January 1, 2021.
- b) The overlay approach, which is an option available to the entities adopting IFRS 9 and issue insurance contracts, to adjust the gains or losses for certain financial assets. The adjustment removes the volatility in the valuation of financial instruments that may arise from applying IFRS 9, allowing it to reclassify these effects to Other Comprehensive Income.

The Company is evaluating the potential impact of this amendment.



Note 3 - Cash and Cash Equivalents

Consolidated cash and cash equivalents are as follows:

	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Total Consolidated Cash and Cash Equivalents	494,958,665	575,992,741
a) Cash and cash equivalents - Non-Banking Business	232,027,185	201,319,634
b) Cash and cash equivalents - Banking Business	262,931,480	374,673,107

a) Information on Cash and Cash Equivalents - Non-Banking Business:

Cash and cash equivalents	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Cash floats	57,587,726	46,300,464
Bank balances	114,601,128	99,891,179
Time deposits	53,598,624	34,919,168
Repurchase agreements	1,326,267	1,818,140
Mutual funds	4,913,440	18,390,683
Total	232,027,185	201,319,634

Information on Cash and Cash Equivalents by Currency Non-Banking Business:

Currency	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Chilean peso	134,483,122	116,867,998
US dollar	16,073,789	21,322,468
Euros	538,332	659,349
Argentine peso	4,098,039	3,743,092
Peruvian nuevo sol	53,683,039	45,859,454
Colombian peso	16,626,134	8,813,557
Chinese yuan	489,864	1,141,073
Indian rupee	5,555	106,646
Uruguayan peso	3,648,645	215,175
Mexican peso	41,744	45,444
Brazilian real	2,338,922	2,545,378
Total	232,027,185	201,319,634



Note 3 - Cash and Cash Equivalents (continued)

b) Information on Cash and Cash Equivalents by Currency - Banking Business

Cash and cash equivalents	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Cash floats	136,668,970	147,571,234
Bank balances	51,457,603	135,608,027
Time deposits	37,673,803	20,212,117
Cash and bank deposits	225,800,376	303,391,378
Highly liquid financial instruments ⁽¹⁾	30,900,000	65,334,639
Transactions with settlement in process, net ⁽²⁾	6,231,104	5,947,090
Total	262,931,480	374,673,107

Information on Cash and Cash Equivalents by Currency - Banking Business

Currency	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Chilean peso	146,960,859	187,203,944
US dollar	56,553,661	83,944,124
Peruvian nuevo sol	36,514,582	78,574,239
Colombian peso	22,902,378	24,950,800
Total	262,931,480	374,673,107

(1) Mainly deposits and funds managed by third parties maturing in less than 90 days. The difference produced under "Instruments held for trading" relates to Financial Instruments maturing in more than 90 days of ThCh\$ 40,282,626 as of December 31, 2017 and ThCh\$ 16,287,571 as of December 31, 2016.

(2) Net difference between Asset and Liability transactions.



Note 4 – Other Current and Non-Current Financial Assets

This category includes the following current financial assets for the Non-Banking Business.

Other Current Financial Assets	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Held for Trading		
Derivative instruments (non-hedging)	1,891,441	1,861,686
Mutual funds	1,479,488	2,547,370
Funds with restriction	4,903,386	16,084,207
Investments in bank bonds	1,717,415	3,557,981
Subtotal	9,991,730	24,051,244
Hedging assets	6,169,717	3,681,646
Total	16,161,447	27,732,890

Other Non-Current Financial Assets	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Held for Trading		
Hedging assets	56,615,338	84,443,825
Investments in bank bonds	8,405,408	4,750,480
Other	176,319	176,319
Total	65,197,065	89,370,624

The Company takes positions in derivative financial instruments with counterparts that have a minimal risk rating and are subject to a prior credit analysis. Those analyses are required by the Company's internal procedures.

These instruments are swap contracts and currency, tax or inflation forward contracts. The Company uses valuation models to determine the market value of these derivatives. The valuation methodology includes price models that use present value calculations. These models require financial market data, which is obtained from information platforms with public and private access. The information required mainly includes spot and forward exchange rates and interest rate curves.



Note 5 – Other Current and Non-Current Non-Financial Assets

This category includes the following non-financial assets for the Non-Banking Business.

Other Current Non-Financial Assets	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Advertising contracts	6,491,508	8,410,849
Prepaid rent	9,011,043	10,534,659
VAT	70,288,899	52,517,678
Software maintenance contracts	4,731,065	3,746,500
Insurance policies	6,190,665	5,850,759
Guarantee deposits	1,348,925	2,215,765
Reinsurance share of technical reserves	4,202,182	8,274,318
Other	6,780,982	6,002,513
Total	109,045,269	97,553,041

Other Non-Current Non-Financial Assets	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Guarantees	2,667,741	2,105,193
Prepaid rent	27,440,769	34,034,674
Recoverable taxes	2,522,520	2,910,583
Other rights receivable	2,091,604	2,040,276
Prepaid expenses	1,000,151	364,767
Advances	22,492,714	7,889,000
Reinsurance share of technical reserves	12,663,759	8,166,233
Total	70,879,258	57,510,726



Note 6 – Trade and Other Receivables

The Company's net trade receivables are as follows:

	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
a) Non-Banking Business		
Trade and other receivables, current	1,994,962,974	1,798,336,795
Trade and other receivables, non-current	275,089,053	240,706,433
b) Banking Business		
Customer loans and receivables	2,590,709,808	2,621,812,969
Total	4,860,761,835	4,660,856,197

a) Current and Non-Current Trade and Other Receivables for the Non-Banking Business are as follows:

	Current		Non-Current	
	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Trade receivables	253,482,675	230,067,609	279,853	237,496
Allowance for doubtful accounts	(10,074,992)	(9,290,639)	-	-
Sub-total trade receivables, net	243,407,683	220,776,970	279,853	237,496
Notes receivable	85,948,078	89,597,220	3,292,612	2,514,146
Allowance for doubtful accounts	(5,840,523)	(6,852,626)	(39,251)	(81,313)
Sub-total notes receivable, net	80,107,555	82,744,594	3,253,361	2,432,833
Sundry debtors	109,163,223	72,743,231	2,627,737	6,014,619
Allowance for doubtful accounts	(2,723,914)	(3,245,107)	-	-
Sub-total sundry debtors, net	106,439,309	69,498,124	2,627,737	6,014,619
Financial receivables	1,632,351,380	1,484,554,686	271,375,044	233,960,883
Allowance for doubtful accounts	(67,342,955)	(59,237,579)	(2,446,942)	(1,939,398)
Sub-total financial receivables, net	1,565,008,427	1,425,317,107	268,928,102	232,021,485
Total Trade and Other Receivables	1,994,962,974	1,798,336,795	275,089,053	240,706,433

There are no guarantees associated with receivables in Retail Finance given the nature of this business.

Renegotiations are part of the credit strategy and allow for debts to be rearranged, mainly for clients that are overdue due to a circumstantial event and who express a desire to pay, which is guaranteed through the requirement to pay on account prior to implementing the arrangement. As of December 31, 2017, the percentage of renegotiated loans was 6.52% of total financial receivables.

**Note 6 - Trade and Other Receivables (continued)**

b) Loans and receivables for Banking Business clients are as follows:

	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Customer loans and receivables	2,783,231,440	2,802,265,455
Allowance for doubtful accounts	(192,521,632)	(180,452,486)
Total customer loans and receivables	2,590,709,808	2,621,812,969

The main guarantees in the Banking Business are mortgages, CORFO for university student loans, state-guaranteed university student loans (CRUGE), FOGAPE for commercial bank loans (micro entrepreneurs) and public offer instruments for financial transactions.

**Note 6 - Trade and Other Receivables (continued)**

- c) Current financial receivables and the corresponding allowances by category, within trade and other receivables for the Non-Banking Business are as follows:
Current other receivables for the Non-Banking Businesses are as follows.

Current financial receivables	Assets before allowances		Allowances		Net Total	
	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Credit card receivables	1,632,351,380	1,484,554,686	(67,342,955)	(59,237,579)	1,565,008,427	1,425,317,107
Total current financial receivables	1,632,351,382	1,484,554,686	(67,342,955)	(59,237,579)	1,565,008,427	1,425,317,107

Non-current financial receivables and the corresponding allowances by category, within non-current trade and other receivables for the Non-Banking Business are as follows:

Non-current financial receivables	Assets before allowances		Allowances		Net Total	
	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Credit card receivables	271,375,044	233,960,883	(2,446,942)	(1,939,398)	268,928,102	232,021,485
Total non-current financial receivables	271,375,044	233,960,883	(2,446,942)	(1,939,398)	268,928,102	232,021,485

- d) Loans and receivables and the corresponding allowances by category, within customer loans and receivables for the Banking Business are as follows:

Customer loans and receivables	Assets before allowances		Allowances		Net Total	
	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Commercial loans	108,219,237	123,681,539	(4,721,372)	(4,339,625)	103,497,865	119,341,914
Mortgage loans	443,934,240	433,003,484	(4,287,215)	(4,854,495)	439,647,025	428,148,989
Consumer loans	1,238,323,675	1,153,544,392	(84,299,800)	(80,619,464)	1,154,023,875	1,072,924,928
Credit card receivables	992,754,288	1,092,036,040	(99,213,245)	(90,638,902)	893,541,043	1,001,397,138
Total customer loans and receivables	2,783,231,440	2,802,265,455	(192,521,632)	(180,452,486)	2,590,709,808	2,621,812,969



Note 6 - Trade and Other Receivables (continued)

e) Maturity analysis

The maturity analysis as of each reporting date for Current and Non-Current Trade and Other Receivables for the Non-Banking Business, prior to allowances, is as follows.

	Total	Not yet due	Overdue				
			<30 days	30-60 Days	60-90 Days	90-120 Days	>120 days
Dec-31-2017	2,358,520,604	2,074,426,592	140,552,495	53,700,554	28,350,891	21,918,191	39,571,879
Dec-31-2016	2,119,689,890	1,852,317,494	137,217,741	49,273,766	25,268,053	18,639,370	36,973,466

The maturity analysis as of each reporting date for Current and Non-Current Trade and Other Receivables for the Banking Business, prior to allowances, is as follows.

	Total	Not yet due	Overdue				
			<30 days	30-60 Days	60-90 Days	90-120 Days	>120 days
Dec-31-2017	2,783,231,440	2,627,578,369	20,424,039	26,567,074	34,964,263	42,081,945	31,615,750
Dec-31-2016	2,802,265,455	2,651,669,167	23,917,336	28,233,738	35,218,503	37,399,028	25,827,683

The Group uses models (for example Behavior Score) to classify the risk of each client. Several scoring groups are used depending on the action plan for the portfolio. Furthermore, there are ongoing reviews of the entire client portfolio with respect to external behavior (returned checks and delinquency).



Note 6 - Trade and Other Receivables (continued)

f) Portfolio policies, allowances and write-offs

f.1) Financial receivable credit policies

The policies presented below are those that the Company considers most appropriate and were designed to ensure that the development of the business is sustainable. Therefore, they are flexible, so they can be amended as changes in the dynamics of the financial market occur.

The information presented below relates to credit cards issued by Promotora CMR Falabella S.A. in Chile and CMR Falabella S.A. in Argentina.

f.1.1) CMR Falabella Card, CMR VISA and CMR Mastercard.

Through this single product the Company grants clients a line of credit that can be used in the following ways:

a. As a means of payment for goods and services at stores and affiliated businesses and automatic bill payment:

To finance the purchase of goods and services in Group stores (Falabella, Tottus, Sodimac, among others) and affiliated businesses. Customers with a CMR Falabella Visa or Mastercard have the same options as previously mentioned, but with access to a wider network of businesses, such as stores are affiliated through Transbank, Visa International or Mastercard International.

b. To draw cash advances:

The client can use their CMR Falabella card to draw cash advances at cashiers in commercial establishments equipped for that purpose, in the network of Red F and Redbank ATMs and through electronic transfers where the money is deposited directly into the account indicated by the client. Certain limitations apply to these amounts depending on the places the cash is dispensed and on the risk models applied to clients.

The financing methods are as follows:

i) CMR Falabella Card Agreed Installments: The client chooses the number of repayment installments for each transaction, from 1 to 48 months. Purchase terms in months are related to the asset or the service acquired. For example, clothing, supermarket and fuel purchase terms do not exceed 12 months. The terms for goods classified as “durable” can be up to 48 months. Payment by credit installments for bills for basic services, insurance charges and automatic contributions to charitable institutions is not available, and the full amount must be paid within the month. There is also a deferred payment mode where the first installment is paid in the subsequent month or following months, which the client can request directly at the cashiers of enabled stores when they use their CMR Falabella card. The interest rate applied to this card is the current rate at the moment of purchase, which is available to the client on the CMR Falabella website and at all the CMR offices. That rate remains fixed throughout the agreed installment period. Likewise, for transactions in our own stores, the interest rate, number of installments, installment value and the date of the first payment are recorded in the voucher signed by the client and in the control copy provided to the client.



Note 6 - Trade and Other Receivables (continued)

f.1.1) CMR Falabella Card, CMR VISA and CMR Mastercard (continued).

- ii) CMR Falabella card, CMR Falabella Visa and CMR Falabella MasterCard revolving balance: The client can purchase with or without installments, and at the due date can choose to pay the total for the month or a minimum. This is the mode commonly used by international brand name cards operating in Chile and across the world.

In Chile, the general conditions to be a client are: to be a Chilean citizen or foreigner with permanent residency, aged between 18 and 75 years old, with a stable address, provide proof of minimum income (which can vary but is always higher than the minimum legal wage,) provide proof of years of employment, comply with the minimum credit score in an analysis of credit risk, and have no record of bounced checks or payment defaults.

People interested in obtaining a CMR Falabella credit card must fill out a credit request and take it to the Company's offices for processing. This request is processed at the CMR offices using an evaluation structure and passes through various stages such as information verification, credit check, apply the "application score" model (mathematical model based on the available variables of card requesters, which provides a risk score and credit limit based on income). Finally on the basis of all the previously mentioned information the credit evaluators approve, reject or ask for more information from the requester.

The client is then given a CMR Falabella credit card and is assigned an initial limit, which is distributed across the aforementioned uses, based on the income and risks of each client. The limits assigned are reported monthly in the statement of account. The company does not distinguish between the stores where the CMR Falabella credit card will be used when granting credit.

Limits can be raised as the client fulfills his/her payment commitments and demonstrates good external behavior, the initial limit granted can be increased at the client's request at any CMR Falabella office in the country or through the Call Center or Internet channels. The limit can also be increased through an offer made by the Company to the client, who can choose whether to accept it. The specific parameters for assigning and increasing limits are confidential Company information, but the Company tries to maintain a balance between the needs of clients and their ability to pay, which depends on their income and their payment performance in the financial market. An individual financial evaluation to determine an increase in each client's limit uses a "behavior score," which is a mathematical model based on client variables and essentially on an analysis of the client's behavior within the Company and it assigns a score, which is considered by the evaluator that grants the credit increase.

In addition to the terms indicated, clients holding a CMR Falabella credit card may access the "super-advance" product, which is offered monthly to a portfolio of clients that have shown good internal and external credit behavior. Installments on this loan are charged against the limit assigned to purchases and are fully payable in the minimum monthly payment.



Note 6 - Trade and Other Receivables (continued)

f.1.1) CMR Falabella Card, CMR VISA and CMR Mastercard (continued).

The Company sends an account statement to the address specified by the client every month on the billing date, which reflects all of the movements of the card, the amounts used, amounts available in the various use modes, and the amount payable on the next due dates. The account statements are also available on the CMR Internet site, where the client can access the account statement and all information on interest rates, promotions, etc. using the passwords provided. The client can choose to pay on the 5th, 10th, 15th, 20th, 25th or 30th day of the month. The locations equipped to receive account statement payment are cashiers at CMR Falabella, Falabella stores, Sodimac, Tottus, Banco Falabella, branches of Banco de Chile (with facilities to collect CMR card payments) in addition to the electronic means available on Internet payment portals.

The cards remain operational as long as the client's payment of the account is not overdue. Transaction authorizations are handled by a centralized computer system that verifies that the payment of the account is up to date, as well as that the amount of the transaction is within the client's authorized limit.

The Company also has a Call Center service where the client can inquire about his/her account or the modes of use and where clients can report the loss of their card. This service is available 24 hours per day, 7 days per week, and 365 days per year.

In Argentina, the general conditions to be a client are: a citizen of that country or foreigner with permanent residency, between 21 and 75 years old, have a minimum income (6,500 Argentinean pesos net), comply with the minimum credit score in an analysis of credit risk, and have no record of bounced checks or payment defaults. Employment of at least one year is required.

Limits can be increased provided the client complies with his payment commitments and demonstrates good external behavior. The initial authorized limit may be increased if: the client has six month's experience, has no issues with his/her account, has not refinanced within the last year, has not renegotiated within the last six months, and has no negative credit experiences in the financial system.

An individual financial evaluation to determine an increase in each client's limit uses a "behavior score," which is a mathematical model based on client variables and an analysis of the client's behavior within the Company and it assigns a score, which is considered by the evaluator that grants the credit increase.

In addition to the terms indicated, clients holding a CMR Falabella credit card may access the "super-advance" product, which is offered monthly to a portfolio of clients that have shown good internal and external credit behavior.

The cards remain operational as long as the client's payment of the account is not overdue. Transaction authorizations are handled by a centralized computer system, which verifies that the account is up-to-date on its payment, as well as that the amount of the transaction is within the authorized limit.



Note 6 - Trade and Other Receivables (continued)

f.1.2) Renegotiations

These are changes in the debt structure for receivables that are between one day overdue and write-off (six months overdue). Accounts six months overdue that are written-off cannot be renegotiated.

Renegotiations require compliance with the following conditions:

- i) i)Accounts up to 14 days overdue: do not require obligatory payment.
- ii) ii)Accounts from 15 days to 6 months overdue: require obligatory payment of a percentage of the total debt.

In order to perform a second renegotiation, an additional amount must be paid in addition to the amount paid in the previous renegotiation.

There is no minimum period between such renegotiations, nor a maximum number, because the obligatory payments constitute a risk limitation.

Renegotiations are part of business policy and allow partial credit recovery by requiring payment of a percentage of the total debt. However, clients with riskier credit behavior do have their accounts blocked for new transactions for at least six months, until subsequent payment of obligations is proven. Currently only a percentage of the total portfolio can be renegotiated, which can be modified according to trends in the macroeconomic situation.

f.1.3) Refinancing

Refinancing is a change in the structure of debt for accounts that are not overdue. They do not require an obligatory payment on account. A percentage of the previous transaction must be paid in order to carry out a second refinancing. There are no time limitations between refinancings nor a maximum number.

f.1.4) Allowances

The Company records allowances on doubtful loans based on the requirements of IAS 39. The allowances are based on the estimate of losses due to the inability of clients to meet their contractual payments on their loans. The estimate of losses is calculated using historical payment and default statistics, adjusted for the circumstances of the market where the Company operates, if applicable.

Therefore, the Company uses fixed factors for each year, which can be modified at the beginning of each new financial year or in an interim manner if fluctuations are significant. The Company calculates allowances on a moveable monthly basis, in order to monitor changes in market circumstances that would determine an advance adjustment to the factors used for calculating the allowance by tranche.

The methodology for calculating allowances consists of applying certain factors to loans analyzed by risk segment. These factors are determined in accordance with historical write-offs and their subsequent recoveries.



Note 6 - Trade and Other Receivables (continued)

f.1.4) Allowances (continued)

The tables below show the average percent losses on the renegotiated and non-renegotiated portfolios, in accordance with instructions issued by the Superintendent of Securities and Insurance, as follows:

Promotora CMR

Overdue ranges	Portfolio Dec-31-2017 % average loss		Portfolio Dec-31-2016 % average loss	
	Non-Renegotiated	Renegotiated	Non-Renegotiated	Renegotiated
Not yet due	0.82%	6.43%	0.61%	3.33%
1 to 30 days	6.40%	14.72%	5.83%	9.08%
31 to 60 days	20.44%	21.39%	21.11%	16.65%
61 to 90 days	36.27%	33.57%	39.19%	28.00%
91 to 120 days	51.26%	52.05%	62.32%	45.38%
121 to 150 days	57.79%	57.64%	69.35%	53.25%
151 to 180 days	65.03%	62.97%	80.48%	68.24%

CMR Argentina

Overdue ranges	Portfolio Dec-31-2017 % average loss		Portfolio Dec-31-2016 % average loss	
	Non-Renegotiated	Renegotiated	Non-Renegotiated	Renegotiated
Not yet due	0.43%	5.85%	0.37%	5.95%
1 to 30 days	2.74%	12.95%	2.41%	13.07%
31 to 60 days	18.65%	27.94%	17.23%	27.95%
61 to 90 days	41.78%	40.48%	39.95%	40.31%
91 to 120 days	69.92%	57.21%	67.40%	56.06%
121 to 150 days	93.77%	78.28%	91.38%	76.06%
151 to 180 days	99.90%	92.68%	98.24%	89.20%

The consolidated portfolio allowance model calculates the allowance factors separately, both for the renegotiated portfolio and for the non-renegotiated portfolio. The consolidated renegotiated portfolio represents 6.52% of the total portfolio as of December 31, 2017, and is ThCh\$ 124,188,636.

f.1.5) Write-offs

Receivables are written off 180 days overdue.

Various collection techniques are used to recover accounts written-off, which are entrusted to specialized collection companies, who use means such as telephone calls, reminder letters, collectors in the field, and judicial processes.



Note 6 - Trade and Other Receivables (continued)

f.1.6) Allowances, write-offs and recoveries ratio

Promotora CMR

	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Allowance for non-renegotiated portfolio	44,758,231	46,493,147
Allowance for renegotiated portfolio	20,831,758	11,450,001
Total write-offs in the year	134,945,547	101,766,663
Total recoveries in the year	40,065,978	36,333,854

CMR Argentina

	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Allowance for non-renegotiated portfolio	3,774,350	2,816,181
Allowance for renegotiated portfolio	425,558	417,648
Total write-offs in the year	6,551,873	5,393,225
Total recoveries in the year	2,514,108	1,969,619

f.1.7) Average ranges and terms as of December 31, 2017

Average ranges and terms are as follows:

	Range of terms	Average term	Average term
	Months	Chile	Argentina
		Months	Months
Purchases	1 to 36	2.8	4.6
Cash drawn	1 to 48	20.2	17.3
Renegotiations	1 to 48	27.2	21.8
Refinancing	1 to 48	30.2	-

f.1.8) Total refinanced receivables

Promotora CMR

	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Total refinanced receivables	56,317,880	30,721,898
% refinanced debtors of non-renegotiated portfolio	3.53%	2.08%
Number of refinanced debtors	32,279	21,133
% refinanced debtors of non-renegotiated debtors	1.29%	0.87%



Note 6 - Trade and Other Receivables (continued)

f.2) Portfolio stratification

f.2.1) Total portfolio stratification

As of December 31, 2017

Promotora CMR

Overdue ranges	Number of customers in non-renegotiated portfolio	Gross non- renegotiated portfolio	Number of customers in renegotiated portfolio	Gross renegotiated portfolio	Total gross portfolio
		ThCh\$		ThCh\$	
Not yet due	2,309,943	1,466,538,334	60,800	65,376,245	1,531,914,579
1 to 30 days	92,168	52,893,936	16,035	20,083,388	72,977,324
31 to 60 days	37,141	27,485,080	9,770	13,412,097	40,897,177
61 to 90 days	20,563	16,084,856	6,472	8,547,342	24,632,198
91 to 120 days	15,109	11,970,656	4,631	6,006,392	17,977,048
121 to 150 days	12,771	10,017,964	3,649	4,545,290	14,563,254
151 to 180 days	11,747	9,094,530	3,034	3,475,209	12,569,739
Total	2,499,442	1,594,085,356	104,391	121,445,963	1,715,531,319

CMR Argentina

Overdue ranges	Number of customers in non-renegotiated portfolio	Gross non- renegotiated portfolio	Number of customers in renegotiated portfolio	Gross renegotiated portfolio	Total gross portfolio
		ThCh\$		ThCh\$	
Not yet due	439,397	162,206,810	2,954	1,740,067	163,946,877
1 to 30 days	46,588	17,269,031	819	467,116	17,736,147
31 to 60 days	8,798	2,888,713	322	202,358	3,091,071
61 to 90 days	3,498	1,305,244	185	138,760	1,444,004
91 to 120 days	1,744	785,660	109	87,745	873,405
121 to 150 days	1,347	581,335	82	58,105	639,440
151 to 180 days	937	415,639	68	48,522	464,161
Total	502,309	185,452,432	4,539	2,742,673	188,195,105

f.2.2) Guaranteed portfolio stratification

CMR Argentina

Overdue ranges	Number of customers in non-renegotiated portfolio	Gross non- renegotiated portfolio	Number of customers in renegotiated portfolio	Gross renegotiated portfolio	Total portfolio
		ThCh\$		ThCh\$	
Not yet due	176,952	19,408,668	-	-	19,408,668
1 to 30 days	21,314	2,359,537	-	-	2,359,537
31 to 60 days	3,385	431,579	-	-	431,579
61 to 90 days	1,489	234,831	-	-	234,831
91 to 120 days	817	128,308	-	-	128,308
121 to 150 days	526	79,471	-	-	79,471
151 to 180 days	358	52,813	-	-	52,813
Total	204,841	22,695,207	-	-	22,695,207



Note 6 - Trade and Other Receivables (continued)

f.3) Number of cards

Promotora CMR

	Dec-31-2017	Dec-31-2016
Total number of cards issued to holders	3,160,452	3,098,701
Total number of cards with balance	2,603,833	2,511,885
Monthly average number of renegotiations	8,699	7,426

CMR Argentina

	Dec-31-2017	Dec-31-2016
Total number of cards issued to holders	1,482,196	1,435,512
Total number of cards with balance	506,848	535,757
Monthly average number of renegotiations	320	418

f.4) Risk indices

Promotora CMR

	% Allowance/ Non-Renegotiated Portfolio	% Allowance/ Renegotiated Portfolio	% Allowance/ Total Portfolio
Risk index - Dec-2017	2.81%	17.15%	3.82%

CMR Argentina

	% Allowance/ Non-Renegotiated Portfolio	% Allowance/ Renegotiated Portfolio	% Allowance/ Total Portfolio
Risk index - Dec-2017	2.04%	15.52%	2.23%

Promotora CMR

	% Write-Off/Total Portfolio
Risk index - Dec-2017	7.87%

CMR Argentina

	% Write-Off/Total Portfolio
Risk index - Dec-2017	3.48%

f.5) Financial receivables that are not overdue are due from clients from various socioeconomic segments that are up-to-date on their credit obligations. This portfolio has over 99% expected recovery rate. Therefore, the associated risk is significantly low. The Company establishes an allowance for doubtful accounts for clients that are not overdue, which represents the probability of statistical impairment on this portfolio.

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(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 6 - Trade and Other Receivables (continued)

g) Changes in impairment allowances

The following table shows the changes in the impairment allowances for the Non-Banking Business portfolio:

Changes in impairment allowances - Trade and other receivables	Separate Impairment		Group Impairment		Total ThCh\$
	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$	
Opening balance as of January 1, 2017	19,388,372	81,313	59,237,579	1,939,398	80,646,662
Expense for the year	16,275,134	5,437	320,574,323	2,250,818	339,105,712
Amount used (less)	(3,864,311)	(47,499)	(311,395,762)	(1,815,564)	(317,123,136)
Reversal of unused amounts	(12,782,086)	-	-	-	(12,782,086)
Conversion adjustment	(377,680)	-	(1,073,185)	72,290	(1,378,575)
Closing balance as of December 31, 2017	18,639,429	39,251	67,342,955	2,446,942	88,468,577
Opening balance as of January 1, 2016	17,958,895	139,525	49,093,736	1,541,812	68,733,968
Expense for the year	15,838,917	31,888	254,000,047	2,000,259	271,871,111
Increase for business combinations ⁽¹⁾	1,347,125	-	-	-	1,347,125
Amount used (less)	(4,098,352)	(90,100)	(243,057,638)	(1,586,035)	(248,832,125)
Reversal of unused amounts	(12,636,281)	-	-	-	(12,636,281)
Conversion adjustment	978,068	-	(798,566)	(16,638)	162,864
Closing balance as of December 31, 2016	19,388,372	81,313	59,237,579	1,939,398	80,646,662

⁽¹⁾ Impairment allowance for receivables incorporated following the separation of Aventura Plaza S.A. (Note 40).

The following table shows the change in the impairment allowances for the Banking Business portfolio:

Changes in impairment allowances - Customer loans and receivables	Group Impairment ThCh\$
Opening balance as of January 1, 2017	180,452,486
Expense for the year	219,061,302
Amount used (less)	(192,986,686)
Reversal of unused amounts	(8,026,426)
Conversion adjustment	(5,979,044)
Balance as of December 31, 2017	192,521,632
Balance as of January 1, 2016	143,980,325
Expense for the year	182,714,099
Amount used (less)	(143,201,483)
Reversal of unused amounts	(408,980)
Conversion adjustment	(2,631,475)
Balance as of December 31, 2016	180,452,486

The Company is not exposed to risks associated with credit concentrations. This is due to the fragmentation of the Group's client portfolio as of December 31, 2017 and December 31, 2016.

The Company has pledged specific financial assets as guarantees for its compliance with banking and non-banking obligations to the public, in such a manner that the Group's associated cash flows must only be used to liquidate these respective obligations. Pledged financial assets as of December 31, 2017 were ThCh\$ 22,695,207 and as of December 31, 2016 were ThCh\$ 20,464,976.

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Note 7 - Related Company Receivables and Payables

a) Receivables

Chilean ID number	Company	Country	Relationship	Current		Currency
				Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$	
Foreign	SODIMAC COLOMBIA S.A.	COLOMBIA	ASSOCIATE	1,673,956	2,919,718	COP
96837630-6	BNP PARIBAS CARDIF SEGUROS DE VIDA S.A.	CHILE	MINORITY SHAREHOLDER	2,902,439	1,125,746	CLP
Foreign	OTHER COMPANIES	CHILE	RELATED DIRECTOR	676,651	451,551	CLP
77693700-2	INVERSIONES E INMOBILIARIA MONTE DE ASIS LTDA.	CHILE	RELATED DIRECTOR	400,506	633,922	CLP
Foreign	SOCIEDAD DE FACILIDADES MULTIROTATIVAS S.A.P.I.	MEXICO	ASSOCIATE	782,530	-	USD
Foreign	COMERCIALIZADORA SDMHC S.A. de C.V.	MEXICO	ASSOCIATE	1,066,156	277,645	USD
76074938-9	DEPORTES SPARTA LIMITADA	CHILE	RELATED DIRECTOR	361,123	311,577	CLP
76320186-4	TECNO FAST S.A.	CHILE	RELATED DIRECTOR	214,757	-	CLP
82995700-0	DERCOCENTER S.A.	CHILE	RELATED DIRECTOR	239,760	229,361	CLP
94141000-6	DERCO S.A.	CHILE	RELATED DIRECTOR	170,739	76,800	CLP
76762740-8	SOCIEDAD COMERCIALIZADORA DE REPUESTOS S.A.	CHILE	RELATED DIRECTOR	25,593	18,636	CLP
79757460-0	AGRICOLA ANCALI LIMITADA	CHILE	RELATED DIRECTOR	21,432	26,314	CLP
78057000-8	SOTRASER S.A.	CHILE	RELATED DIRECTOR	476	1	CLP
79952350-7	RED TELEVISIVA MEGAVISION S.A.	CHILE	RELATED DIRECTOR	-	35,855	CLP
96545450-0	DERCOMAQ S.A.	CHILE	RELATED DIRECTOR	26,711	2,460	CLP
93061000-3	INDUSTRIA AUTOMOTRIZ FRANCOMECÁNICA S.A.	CHILE	RELATED DIRECTOR	1,565	3,128	CLP
96955560-3	HALDEMAN MINING COMPANY S.A.	CHILE	RELATED DIRECTOR	3,105	14,019	CLP
76177760-2	MEGEVE CONSULTING S.A.	CHILE	RELATED DIRECTOR	1,368	8,355	CLP
Total				8,568,867	6,135,088	

As of December 31, 2017 and December 31, 2016, the Company has evaluated the recoverability of receivables from related companies. As a result it believes that these receivables will be fully recovered, and therefore no allowance for doubtful receivables has been recorded.

b) Payables

Chilean ID number	Company	Country	Relationship	Current		Currency
				Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$	
96837630-6	BNP PARIBAS CARDIF SEGUROS DE VIDA S.A.	CHILE	MINORITY SHAREHOLDER	3,321,934	3,296,209	CLP
94141000-6	DERCO S.A.	CHILE	RELATED DIRECTOR	785,215	667,168	CLP
76074938-9	DEPORTES SPARTA LIMITADA	CHILE	RELATED DIRECTOR	1,229,410	990,675	CLP
Foreign	SODIMAC COLOMBIA S.A.	COLOMBIA	ASSOCIATE	1,703,583	994,367	COP
Foreign	OTHER COMPANIES	CHILE	RELATED DIRECTOR	226,185	176,427	CLP
77693700-2	INVERSIONES E INMOBILIARIA MONTE DE ASIS LTDA.	CHILE	RELATED DIRECTOR	171,823	159,865	CLP
79952350-7	RED TELEVISIVA MEGAVISION S.A.	CHILE	RELATED DIRECTOR	1,325	-	CLP
78057000-8	SOTRASER S.A.	CHILE	RELATED DIRECTOR	51,851	57,817	CLP
Foreign	BORCHESTER HOLDINGS LIMITED	COLOMBIA	ASSOCIATE	-	4	COP
95946000-0	SOCIEDAD INMOBILIARIA SAN BERNARDO LIMITADA	CHILE	RELATED DIRECTOR	145,003	143,933	CLP
Total				7,636,329	6,486,465	

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Note 7 - Related Company Receivables and Payables (continued)

c) The effects on net income of transactions with non-consolidated related entities for the years ended December 31, 2017 and 2016 are as follows:

Chilean ID Number	Company	Relationship	Country	Transaction	Dec-31-2017		Dec-31-2016	
					Amount ThCh\$	Effect on income ThCh\$	Amount ThCh\$	Effect on income ThCh\$
						(Charge)/Credit		(Charge)/Credit
99594430-8	ALTO S.A.	RELATED DIRECTOR	CHILE	LEGAL SERVICES	556,458	(556,458)	517,650	(517,650)
Foreign	AVENTURA PLAZA S.A.	ASSOCIATE	PERU	PRODUCT SALES	-	-	596,516	485,013
Foreign	AVENTURA PLAZA S.A.	ASSOCIATE	PERU	RENT AND COMMON EXPENSES	-	-	4,525,411	(3,792,987)
96938840-5	BLUE EXPRESS S.A.	RELATED DIRECTOR	CHILE	FREIGHT, DISPATCH AND DELIVERY	132,893	(111,675)	462,073	(355,289)
96837630-6	BNP PARIBAS CARDIF SEGUROS DE VIDA S.A.	MINORITY SHAREHOLDER	CHILE	COMMISSIONS RECEIVED	25,141,549	25,141,549	19,915,689	19,915,689
Foreign	COMERCIALIZADORA SDMHC S.A. de C.V.	ASSOCIATE	MEXICO	ADMINISTRATIVE CONSULTANCY	1,049,602	1,049,602	-	-
96550660-8	CONSTRUCTORA SANTA MARÍA S.A.	RELATED DIRECTOR	CHILE	PRODUCT SALES	479,155	402,651	581,172	471,737
76074938-9	DEPORTES SPARTA LTDA.	RELATED DIRECTOR	CHILE	PRODUCT PURCHASES	4,928,517	-	2,701,688	-
76074938-9	DEPORTES SPARTA LTDA.	RELATED DIRECTOR	CHILE	RENTAL INCOME	2,625,307	2,207,669	2,467,647	2,074,631
94141000-6	DERCO S.A.	RELATED DIRECTOR	CHILE	PRODUCT PURCHASES	11,236,007	-	13,024,748	-
94141000-6	DERCO S.A.	RELATED DIRECTOR	CHILE	RENTAL INCOME	297,382	249,952	381,182	333,320
94141000-6	DERCO S.A.	RELATED DIRECTOR	CHILE	PRODUCT SALES	281,626	261,220	40,194	32,557
94141000-6	DERCO S.A.	RELATED DIRECTOR	CHILE	TRANSPORT SERVICE	191,054	160,550	61,845	51,971
94141000-6	DERCO S.A.	RELATED DIRECTOR	CHILE	PUBLICATIONS AND ADVERTISING	23,372	19,640	17,270	14,512
82995700-0	DERCOCENTER S.A.	RELATED DIRECTOR	CHILE	RENTAL INCOME	2,219,810	1,865,672	2,121,436	1,782,718
96545450-0	DERCOMAQ S.A.	RELATED DIRECTOR	CHILE	PRODUCT SALES	44,946	42,399	20,838	17,289
96545450-0	DERCOMAQ S.A.	RELATED DIRECTOR	CHILE	MACHINERY/EQUIPMENT MAINTENANCE	4,926,229	(4,138,866)	5,436,913	(4,735,218)
96955560-3	HALDEMAN MINING COMPANY S.A.	RELATED DIRECTOR	CHILE	PRODUCT SALES	121	102	803	650
77693700-2	INVERSIONES E INMOBILIARIA MONTE DE ASIS LTDA.	RELATED DIRECTOR	CHILE	RENT AND COMMON EXPENSES	1,915,143	(1,790,370)	2,646,013	(1,845,239)
77693970-6	INVERSIONES E INMOBILIARIA SAN FRANCISCO DEL MONTE LTDA.	RELATED DIRECTOR	CHILE	RENT AND COMMON EXPENSES	893,761	(814,090)	1,089,635	(1,014,693)
78391700-9	INVERSIONES E INMOBILIARIA SANTA CLARA LTDA.	RELATED DIRECTOR	CHILE	RENT AND COMMON EXPENSES	3,545,993	(3,116,417)	2,189,857	(1,840,216)
76,255,416-K	MEGASPORTS SPA	RELATED DIRECTOR	CHILE	PUBLICATIONS AND ADVERTISING	1,669,654	(1,403,071)	1,769,320	(1,433,149)
79952350-7	RED TELEVISIVA MEGAVISION S.A.	RELATED DIRECTOR	CHILE	PUBLICATIONS AND ADVERTISING	850,161	(714,421)	763,833	(618,705)
76762740-8	SOCIEDAD COMERCIALIZADORA DE REPUESTOS S.A.	RELATED DIRECTOR	CHILE	RENTAL INCOME	221,690	186,294	213,859	179,714
Foreign	SOCIEDAD DE FACILIDADES MULTIROTATIVAS S.A.P.I.	ASSOCIATE	MEXICO	COMPUTER AND OTHER SERVICES	814,641	814,641	-	-
77072500-3	SOCIEDAD DE RENTAS COMERCIALES S.A.	RELATED DIRECTOR	CHILE	RENT AND COMMON EXPENSES	2,462,212	(2,234,235)	3,005,402	(2,796,447)
95946000-0	SOCIEDAD INMOBILIARIA SAN BERNARDO LTDA.	RELATED DIRECTOR	CHILE	RENT AND COMMON EXPENSES	1,453,704	(1,294,598)	1,796,657	(1,771,289)
Foreign	SODIMAC COLOMBIA S.A.	ASSOCIATE	COLOMBIA	PRODUCT SALES	2,742,884	2,742,884	2,176,885	2,176,885
Foreign	SODIMAC COLOMBIA S.A.	ASSOCIATE	COLOMBIA	OTHERS	1,331,000	1,319,002	1,402,135	1,402,135
Foreign	SODIMAC COLOMBIA S.A.	ASSOCIATE	COLOMBIA	COMPUTING SERVICES	888,879	888,879	871,247	871,247
Foreign	SODIMAC COLOMBIA S.A.	ASSOCIATE	COLOMBIA	RENTAL INCOME	673,087	565,619	628,739	528,352
Foreign	SODIMAC COLOMBIA S.A.	ASSOCIATE	COLOMBIA	RENT AND COMMON EXPENSES	327,329	(327,329)	306,453	(306,453)
78057000-8	SOTRASER S.A.	RELATED DIRECTOR	CHILE	PRODUCT SALES	19,166	16,106	83,321	69,494
78057000-8	SOTRASER S.A.	RELATED DIRECTOR	CHILE	FREIGHT, DISPATCH AND DELIVERY	2,017,004	(1,694,961)	2,508,614	(2,067,150)
96831560-9	THE ENGLISH FASHION SPA	RELATED DIRECTOR	CHILE	PRODUCT PURCHASES	37,564	-	105,629	-



Note 7 - Related Company Receivables and Payables (continued)

d) Key management personnel:

Key employees are defined as those persons who have authority and responsibility to directly or indirectly plan, direct and control the entity's business, including any Board member (whether or not an executive) or the equivalent governing body of the entity. The Company has determined that key management personnel are Directors and those in the Private Payroll of S.A.C.I. Falabella. The following table shows compensation received by key management personnel by category:

	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Management remuneration	5,051,404	4,559,015
Directors remuneration	398,562	391,817
Stock options	113,786	252,790

Note 8 - Inventory

Inventory is as follows:

Description	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Raw materials	2,773,386	3,223,656
Products for sale	1,079,847,332	1,057,887,248
Work in progress	1,257,785	1,705,289
Materials and packaging	5,816,791	6,791,063
Goods in transit	148,443,489	137,645,762
Total inventory	1,238,138,783	1,207,253,018

During the year ended December 31 2017, the Company moved ThCh\$ 5,085,561,164 of inventory was recognized as cost of sales (ThCh\$ 4,943,556,427 for the year ended December 31, 2016).

Furthermore, provisions for shortages and obsolescence of ThCh\$ 24,361,303 were recognized in cost of sales as of December 31, 2017 (ThCh\$ 31,335,144 as of December 31, 2016).

The company has no inventory provided in guarantee to be disclosed as of December 31, 2017 and 2016.

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Note 9 – Current Tax Assets and Liabilities

Current tax assets, Non-Banking Business

Current tax assets	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Prepaid monthly tax installments (income tax net balance)	23,900,402	32,027,787
Employee training tax credit	3,617,016	4,501,438
Credit for absorbed profits	9,607,531	6,576,205
Recoverable income taxes	38,097,162	31,979,399
Other recoverable taxes	1,364,938	821,614
Total	76,587,049	75,906,443

Current tax assets - Banking Business

Current tax assets	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Prepaid monthly tax installments (income tax net balance)	7,766,383	3,575,649
Total	7,766,383	3,575,649

Current tax liabilities - Banking Business

Current tax liabilities	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Current income tax provision net of prepaid monthly tax installments	23,117,181	23,308,224
Provision for 35% tax on disallowable expenditure	168,147	394,942
Prepaid monthly tax installments payable	10,338,668	9,556,864
Stamp duty	1,441,492	2,450,978
Other taxes payable	1,965,424	1,571,424
Total	37,030,912	37,282,432

Current tax liabilities - Banking Business

Current tax liabilities	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Current income tax provision net of prepaid monthly tax installments	-	1,214,607
Total	-	1,214,607

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Note 10 - Current and Deferred Income Tax

a) Income tax expense/income as of December 31, 2017 and December 31, 2016 for Non-Banking Business and Banking Business are as follows:

Non-Banking Business

	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Income tax		
Current tax expense (tax provision)	182,711,502	171,802,679
Tax expense adjustment (previous year)	(2,439,117)	737,021
Tax credit on tax losses	(9,607,531)	(6,576,205)
Total net current tax expense	170,664,854	165,963,495
Deferred tax expense (credit) arising from temporary differences	(2,217,696)	(15,849,232)
Tax expense (credit) on tax losses	(9,241,185)	(15,419,227)
Deferred tax expense arising from changes in the tax rate or new rates	714,640	13,885,140
Total net deferred tax expense	(10,744,241)	(17,383,319)
Total	159,920,613	148,580,176

Banking Business

	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Income tax		
Current tax expense (tax provision)	28,937,957	33,518,092
Tax expense adjustment (previous year)	(409,141)	155,894
Total net current tax expense	28,528,816	33,673,986
Deferred tax expense (credit) arising from temporary differences	3,285,851	(3,127,033)
Deferred tax expense (credit) arising from changes in the tax rate or new rates	-	(136,220)
Total net deferred tax expense	3,285,851	(3,263,253)
Total	31,814,667	30,410,733



Note 10 - Current and Deferred Income Tax (continued)

Law No. 20,780 was published in the Official Gazette. on September 29, 2014, which introduces several changes to the current taxation system in Chile (Tax Reform Law).

The Tax Reform Law introduced a progressive increase in the Corporate Income Tax rate for the years 2014, 2015, 2016, 2017 and 2018 thereafter, changing the current 20% rate to 21%, 22.5%, 24%, 25.5% and 27%, respectively under the Partially Integrated System. Alternatively for the years 2014, 2015, 2016 and 2017 thereafter, the rate will increase to 21%, 22.5%, 24% and 25%, respectively, under the Attributed Income System.

On February 8, 2016, Law No. 20,899 was published in the Official Gazette, which introduced changes to the tax system and modified in some respects Law No. 20,780 This Law establishes that the Partially Integrated System will apply to the Company.

According to IAS 12 (Income Tax) deferred tax assets and liabilities must be measured using the fiscal rates the entity expects will apply during the period in which the asset is collected or the liability paid, based on the rates (and laws) that have been approved or are about to be approved at the end of the period. Therefore, the Company has applied the rates established under the Partially Integrated System.

During December 2016, Law 1,819 unified income tax and income tax equality (CREE) in Colombia, by setting a tax rate of 34% for 2017 and 33% for the following years. The CREE surcharge of 8% and 9% for 2017 and 2018 respectively was eliminated, and an income tax surcharge of 6% and 4% was created for 2017 and 2018 respectively.

In December 2016, Legislative Decree 1,261 amended the income tax rate in Peru to 29.5% beginning in 2017.

Argentinian Law N° 27,430 reduced the income tax rate in December 2017 from 35% to 30% for 2018 and 2019, and 25% from 2020.



Note 10 - Current and Deferred Income Tax (continued)

b) A reconciliation of the income tax expense at the statutory rate compared to the effective rate as of December 31, 2017 and December 31, 2016 is as follows:

Non-Banking Business

Income before tax using the Chilean legal tax rate	Jan-01-2017 Dec-31-2017		Jan-01-2016 Dec-31-2016	
	ThCh\$	%	ThCh\$	%
INCOME BEFORE TAX USING THE CHILEAN LEGAL TAX RATE	163,284,331	25.50	178,379,835	24.00
Effect on rates of tax rates in other jurisdictions (effect of local rate vs Chilean rate)	7,687,081	1.20	7,621,114	1.03
Effect on rates of non-taxable income	(3,896,223)	(0.61)	(40,642,010)	(5.47)
Effect on rates of disallowable expenditure	2,939,769	0.46	8,934,885	1.20
Effect of using tax losses	(9,607,531)	(1.50)	(6,576,205)	(0.88)
Effect of tax rate changes in other jurisdictions	714,640	0.11	13,885,140	1.87
Effect of tax (over)/under-provided in prior years	(2,439,117)	(0.32)	737,021	0.10
Net tax inflation adjustments	(6,615,650)	(1.03)	(9,215,203)	(1.24)
Other increases (decreases)	7,853,313	1.16	(4,544,401)	(0.61)
TOTAL ADJUSTMENTS TO THE LEGAL TAX RATE	(3,363,718)	(0.53)	(29,799,659)	(4.00)
INCOME TAX EXPENSE (CREDIT) FOR THE YEAR	159,920,613	24.97	148,580,176	20.00
EFFECTIVE TAX RATE		24.97		20.00

Banking Business

Income before tax using the Chilean legal tax rate	Jan-01-2017 Dec-31-2017		Jan-01-2016 Dec-31-2016	
	ThCh\$	%	ThCh\$	%
INCOME BEFORE TAX USING THE CHILEAN LEGAL TAX RATE	28,128,735	25.50	27,305,660	24.00
Effect on rates of tax rates in other jurisdictions (effect of local rate vs Chilean rate)	3,398,675	3.08	4,147,944	3.65
Effect on rates of non-taxable income	(119,762)	(0.11)	(122,015)	(0.11)
Effect on rates of disallowable expenditure	1,580,514	1.43	781,831	0.69
Effect of tax rate changes in other jurisdictions	-	-	(136,220)	(0.12)
Effect of tax (over)/under-provided in prior years	(409,141)	(0.37)	155,894	0.14
Net tax inflation adjustments	(1,260,231)	(1.14)	(1,582,069)	(1.39)
Other increases (decreases)	495,877	0.45	(140,292)	(0.12)
TOTAL ADJUSTMENTS TO THE LEGAL TAX RATE	3,685,932	3.34	3,105,073	2.74
INCOME TAX EXPENSE (CREDIT) FOR THE YEAR	31,814,667	28.84	30,410,733	26.74
EFFECTIVE TAX RATE		28.84		26.74

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Note 10 - Current and Deferred Income Tax (continued)

c) Deferred tax balances by category are as follows:

Non-Banking Business

Statement of Financial Position	Dec-31-2017		Dec-31-2016	
	Deferred Asset	Deferred Liability	Deferred Asset	Deferred Liability
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Leased assets	548,885	14,788,974	525,655	12,585,397
Intangible asset valuation difference	1,547,014	36,090,475	1,048,040	36,430,251
Property, plant and equipment valuation difference	-	512,310,602	-	516,409,960
Inventory valuation difference	5,144,757	-	6,425,300	-
Capitalized prepaid expenses	-	2,236,824	-	1,132,253
Employee termination benefits	6,278,542	-	6,085,643	-
Deferred income	12,058,494	-	9,420,139	-
Tax losses brought forward	59,160,508	-	50,265,698	-
Allowances for doubtful receivables	26,156,236	-	23,250,208	-
Obsolescence provision	5,069,902	-	4,879,866	-
Disposal provision	6,775,217	-	7,989,924	-
Vacation provision	10,845,309	-	9,597,951	-
Other provisions	20,862,993	-	21,133,314	-
Derivative instruments	154,160	-	207,921	-
Recoverable insurance claims	-	24,431	-	28,444
Other	-	9,654,660	-	6,219,485
Total	154,602,017	575,105,966	140,829,659	572,805,790
Net balance		420,503,949		431,976,131

Banking Business

Statement of Financial Position	Dec-31-2017		Dec-31-2016	
	Deferred Asset	Deferred Liability	Deferred Asset	Deferred Liability
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Intangible asset valuation difference	-	1,272,733	-	850,407
Property, plant and equipment valuation difference	-	9,503,540	-	8,924,359
Capitalized prepaid expenses	-	2,403,332	-	1,889,922
Deferred income	763,534	-	846,645	-
Allowances for doubtful receivables	21,672,747	-	20,940,534	-
Vacation provision	910,221	-	896,214	-
Other provisions	5,843,206	-	8,075,466	-
Estimated expenses provision	26,106	-	-	128,158
Total	29,215,814	13,179,605	30,758,859	11,792,846
Net balance	16,036,209		18,966,013	

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Note 10 - Current and Deferred Income Tax (continued)

d) Reconciliation of the statement of financial position and the deferred tax tables presented above:

Non-Banking Business

Net balance according to the above tables	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Deferred tax assets	148,118,365	131,418,254
Deferred tax liabilities	568,622,314	563,394,385
Total	420,503,949	431,976,131

Banking Business

Net balance according to the above tables	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Deferred tax assets	16,036,209	18,966,013
Total	16,036,209	18,966,013

Note 11 - Investments in Associates

a) Investments in associates - Non-Banking Business

Information regarding the Company's direct and indirect investments in Associates in the Non-Banking Business as of December 31, 2017 and December 31, 2016, and net income for the years ended December 31, 2017 and December 31, 2016 are as follows:

Company	Country	Functional Currency	Dec-31-2017	Dec-31-2016	Dec-31-2017	Dec-31-2016	Dec-31- 2017	Dec-31- 2016
			Percentage share	Percentage share	Book value	Book value	Net Income	Net Income
			%	%	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Sodimac Colombia S.A.	Colombia	COP	49.00%	49.00%	110,819,869	101,839,050	19,272,236	17,026,914
Sociedad de Facilidades Multirotativas S.A.P.I. de C.V.	Mexico	MXN	50.00%	50.00%	2,667,826	4,761,947	(2,116,014)	(109,134)
Sociedad Distribuidora de Mejoramiento del Hogar y Construcción S.A.P.I. de C.V.	Mexico	MXN	50.00%	50.00%	4,123,497	2,284,838	(2,191,896)	(156,484)
Inmobiliaria Cervantes S.A.	Chile	CLP	33.70%	33.70%	290,754	293,226	15,007	15,238
Aventura Plaza S.A. ⁽¹⁾	Peru	PEN	-	60.00%	-	-	-	4,471,455
Servicios Financieros Soriana S.A.P.I. de C.V. ⁽²⁾	Mexico	MXN	50.00%	-	20,394,572	-	299,971	-
Total					138,296,518	109,179,061	15,279,304	21,247,989

(1) The Company directly or indirectly held a 60% interest in Aventura Plaza S.A. (49% effective interest). Until June 30, 2016, this company was recognized using the equity method and not as a subsidiary, as the Company did not have control over its operating and financial activities by agreement between its shareholders.

A process to separate Aventura Plaza S.A. began in December 2015, as part of the restructuring of the real estate area of Falabella Peru S.A.A. (and its subsidiary Open Plaza S.A.). As indicated in Note 40, the separation of this company was agreed on July 6, 2016. Aventura Plaza S.A. has been consolidated since that date.

(2) Shares acquired on October 25, 2017.

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Note 11 - Investments in Associates (continued)

b) Investments in Associates - Banking Business

Information regarding the Company's direct and indirect investments in Associates in the Banking Business as of December 31, 2017 and December 31, 2016, and net income for the years ended December 31, 2017 and December 31, 2016 are as follows:

Company	Country	Functional currency	Dec-31-2017	Dec-31-2016	Dec-31-2017	Dec-31-2016	Dec-31-2017	Dec-31-2016
			Ownership Interest %	Ownership Interest %	Book Value ThCh\$	Book Value ThCh\$	Net income ThCh\$	Net income ThCh\$
Unibanca S.A.	Peru	PEN	23.13%	23.13%	2,861,251	3,063,456	469,655	508,395
Total					2,861,251	3,063,456	469,655	508,395

c) Summarized information on associates:

Summarized financial information on associates as of December 31, 2017 and December 31, 2016, and revenue and net income for the years ended December 31, 2017 and December 31, 2016 are as follows:

Information as of December 31, 2017						Information as of December 31, 2017	
Company	Total Current Assets	Total Non-Current Assets	Total Current Liabilities	Total Non-Current Liabilities	Goodwill from investments	Revenue	Net Income
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Sodimac Colombia S.A.	160,449,076	284,850,629	101,828,630	125,600,829	4,063,448	751,541,904	39,331,092
Sociedad de Facilidades Multirotativas S.A.P.I de C.V.	5,122,286	3,496,969	3,283,603	-	-	191,717	(4,232,028)
Sociedad Distribuidora de Mejoramiento del Hogar y Construcción S.A.P.I. de C.V.	7,795,859	3,672,365	3,057,151	164,079	-	241,750	(4,383,778)
Unibanca S.A.	2,053,517	9,302,041	1,093,664	308,652	523,632	7,465,576	2,030,238
Inmobiliaria Cervantes S.A.	10,462	465,414	51,730	-	147,817	62,144	44,530
Servicios Financieros Soriana S.A.P.I. de C.V.	28,708,610	4,249,520	3,261,302	-	5,546,158	13,260,406	599,942
Total	204,139,810	306,036,938	112,576,080	126,073,560	10,281,055	772,763,497	33,389,996

Information as of December 31, 2016						Information as of December 31, 2016	
Company	Total Current Assets	Total Non-Current Assets	Total Current Liabilities	Total Non-Current Liabilities	Goodwill from investments	Revenue	Net Income
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Sodimac Colombia S.A.	178,181,053	296,091,750	185,322,254	89,803,398	4,256,946	766,045,567	34,748,804
Sociedad de Facilidades Multirotativas S.A.P.I de C.V.	9,443,642	291,886	167,498	44,136	-	-	(218,268)
Sociedad Distribuidora de Mejoramiento del Hogar y Construcción S.A.P.I. de C.V.	4,927,563	168,781	500,148	26,521	-	-	(312,968)
Unibanca S.A.	1,864,362	12,037,393	1,520,994	1,520,994	551,266	6,856,845	2,197,705
Inmobiliaria Cervantes S.A.	5,162	462,629	36,310	-	147,817	60,841	45,216
Total	194,421,782	309,052,439	187,547,204	91,395,049	4,956,029	772,963,253	36,460,489



Note 11 - Investments in Associates (continued)

d) Movements in investments in associates for the year ended December 31, 2017 are as follows:

Movements in investments in associates	Non-Banking Business ThCh\$	Banking Business ThCh\$	Total Consolidated ThCh\$
Opening balance as of January 1, 2017	109,179,061	3,063,456	112,242,517
Share of net income	15,279,304	469,655	15,748,959
Dividends received	(5,201,313)	(527,972)	(5,729,285)
Contributions and acquisitions	25,737,222	-	25,737,222
Conversion adjustment and other reserves	(6,697,756)	(143,888)	(6,841,644)
Total movements	29,117,457	(202,205)	28,915,252
Closing balance as of December 31, 2017	138,296,518	2,861,251	141,157,769
Investments in associates using the equity method			

e) Movements in investments in associates for the year ended December 31, 2016 are as follows:

Movements in investments in associates	Non-Banking Business ThCh\$	Banking Business ThCh\$	Total Consolidated ThCh\$
Opening balance as of January 1, 2016	184,148,339	2,801,387	186,949,726
Share of net income	21,247,989	508,395	21,756,384
Dividends received	(720,474)	(78,697)	(799,171)
Contributions and acquisitions	7,693,171	-	7,693,171
Separation of Aventura Plaza S.A.	(99,353,855)	-	(99,353,855)
Conversion adjustment and other reserves	(3,836,109)	(167,629)	(4,003,738)
Total movements	(74,969,278)	262,069	(74,707,209)
Closing balance as of December 31, 2016	109,179,061	3,063,456	112,242,517
Investments in associates using the equity method			

There are no significant restrictions on dividend distributions and debt repayments by associates, due to regulatory issues or related to their debt commitments.

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Note 12 – Intangible Assets other than Goodwill

Intangible Assets other than Goodwill - Non-Banking Business

a) Intangible assets in the Non-Banking Business are as follows:

Net Intangible Assets	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Intangible assets with defined useful lives, net	156,799,269	142,273,280
Intangible assets with indefinite useful lives	126,401,774	127,837,278
Total	283,201,043	270,110,558

a.1) Intangible assets in the Non-Banking Business are as follows:

Intangible Assets	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Internally developed software	132,612,129	108,708,220
Licenses and software programs	131,847,378	112,032,485
Patents, registered trademarks and other rights	20,518,839	21,069,383
Other identifiable intangible assets	27,189,382	26,894,517
Trademarks with indefinite useful lives	126,401,774	127,837,278
Subtotal	438,569,502	396,541,883
Accumulated amortization (less)	(155,368,459)	(126,431,325)
Net Total	283,201,043	270,110,558

a.2) Intangible assets with indefinite useful lives in the Non-Banking Business are as follows:

	Remaining amortization	Dec-31-2017	Dec-31-2016
		ThCh\$	ThCh\$
Trademark Sodimac	Indefinite	110,641,102	110,641,102
Trademark Imperial	Indefinite	2,239,800	2,239,800
Trademark Dicico	Indefinite	13,520,872	14,956,376
Total		126,401,774	127,837,278

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Note 12 - Intangible Assets other than Goodwill (continued)

a.3) Movements of Intangible Assets other than Goodwill in the Non-Banking Business for the year ended December 31, 2017 are detailed as follows:

Gross Assets	Internally developed software	Licenses and software programs	Patents, registered trademarks and other rights	Other identifiable intangible assets	Trademarks with indefinite useful lives	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of January 1, 2017	108,708,220	112,032,485	21,069,383	26,894,517	127,837,278	396,541,883
Internally developed additions	23,907,711	-	-	-	-	23,907,711
Purchased additions	-	22,922,259	328,234	1,399,361	-	24,649,854
Disposals	-	(559,344)	-	(2,235)	-	(561,579)
Conversion adjustment	(3,802)	(2,548,022)	(878,778)	(1,102,261)	(1,435,504)	(5,968,367)
Closing balance as of December 31, 2017	132,612,129	131,847,378	20,518,839	27,189,382	126,401,774	438,569,502

Amortization	Internally developed software	Licenses and software programs	Patents, registered trademarks and other rights	Other identifiable intangible assets	Trademarks with indefinite useful lives	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of January 1, 2017	38,004,409	72,332,595	6,324,435	9,769,886	-	126,431,325
Amortization for the year	12,733,497	15,502,022	1,860,156	1,295,831	-	31,391,506
Disposals	-	(410,756)	-	(2,124)	-	(412,880)
Conversion adjustment	(761)	(1,554,635)	(298,947)	(187,149)	-	(2,041,492)
Closing balance as of December 31, 2017	50,737,145	85,869,226	7,885,644	10,876,444	-	155,368,459

Net Book Value as of January 1, 2017	70,703,811	39,699,890	14,744,948	17,124,631	127,837,278	270,110,558
Net Book Value as of December 31, 2017	81,874,984	45,978,152	12,633,195	16,312,938	126,401,774	283,201,043

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Note 12 - Intangible Assets other than Goodwill (continued)

a.4) Movements in Intangible Assets other than Goodwill in the Non-Banking Business for the year ended December 31, 2016 were as follows:

Gross Assets	Internally developed software	Licenses and software programs	Patents, registered trademarks and other rights	Other identifiable intangible assets	Trademarks with indefinite useful lives	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of January 1, 2016	82,378,268	100,687,565	21,291,557	21,755,175	125,867,902	351,980,467
Internally developed additions	26,304,035	-	-	-	-	26,304,035
Purchased additions	-	16,574,496	433,008	2,069,080	-	19,076,584
Acquisitions by business combinations ⁽¹⁾	25,406	18,351	-	4,109,304	-	4,153,061
Disposals	-	(4,577,180)	(8,300)	(489,312)	-	(5,074,792)
Conversion adjustment	511	(670,747)	(646,882)	(549,730)	1,969,376	102,528
Closing balance as of December 31, 2016	108,708,220	112,032,485	21,069,383	26,894,517	127,837,278	396,541,883

Amortization	Internally developed software	Licenses and software programs	Patents, registered trademarks and other rights	Other identifiable intangible assets	Trademarks with indefinite useful lives	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of January 1, 2016	27,998,378	65,339,488	4,437,596	7,291,607	-	105,067,069
Amortization for the year	10,005,959	12,284,635	1,921,948	2,685,882	-	26,898,424
Disposals	-	(4,543,116)	-	(145,944)	-	(4,689,060)
Conversion adjustment	72	(748,412)	(35,109)	(61,659)	-	(845,108)
Closing balance as of December 31, 2016	38,004,409	72,332,595	6,324,435	9,769,886	-	126,431,325

Net Book Value as of January 1, 2016	54,379,890	35,348,077	16,853,961	14,463,568	125,867,902	246,913,398
Net Book Value as of December 31, 2016	70,703,811	39,699,890	14,744,948	17,124,631	127,837,278	270,110,558

⁽¹⁾ Intangible assets incorporated under the separation of Aventura Plaza S.A. (Note 40).

b) Intangible assets - Banking Business:

b.1) Intangible Assets in the Banking Business are as follows:

Intangible assets	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Internally developed software	76,414,741	63,390,029
Licenses and software programs	32,555,365	26,152,927
Subtotal	108,970,106	89,542,956
Accumulated amortization (less)	(48,311,567)	(39,911,919)
Net Total	60,658,539	49,631,037

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Note 12 - Intangible Assets other than Goodwill (continued)

b.2) Movements in Intangible Assets in the Banking Business for the year ended December 31, 2017 are as follows:

Gross Assets	Internally developed software ThCh\$	Licenses and software programs ThCh\$	Total ThCh\$
Opening balance as of January 1, 2017	63,390,029	26,152,927	89,542,956
Internally developed additions	14,497,291	-	14,497,291
Purchased additions	-	7,477,744	7,477,744
Conversion adjustment	(1,472,579)	(1,075,306)	(2,547,885)
Closing balance as of December 31, 2017	76,414,741	32,555,365	108,970,106

Amortization	Internally developed software ThCh\$	Licenses and software programs ThCh\$	Total ThCh\$
Opening balance as of January 1, 2017	31,852,882	8,059,037	39,911,919
Amortization for the year	5,883,821	3,489,034	9,372,855
Conversion adjustment	(536,407)	(436,800)	(973,207)
Closing balance as of December 31, 2017	37,200,296	11,111,271	48,311,567

Net Book Value as of January 1, 2017	31,537,147	18,093,890	49,631,037
Net Book Value as of December 31, 2017	39,214,445	21,444,094	60,658,539

b.3) Movements in Intangible Assets in the Banking Business for the year ended December 31, 2016 are as follows:

Gross Assets	Internally developed software ThCh\$	Licenses and software programs ThCh\$	Total ThCh\$
Opening balance as of January 1, 2016	49,844,970	17,822,565	67,667,535
Internally developed additions	14,241,608	-	14,241,608
Purchased additions	-	8,609,361	8,609,361
Conversion adjustment	(696,549)	(278,999)	(975,548)
Closing balance as of December 31, 2016	63,390,029	26,152,927	89,542,956

Amortization	Internally developed software ThCh\$	Licenses and software programs ThCh\$	Total ThCh\$
Opening balance as of January 1, 2016	27,530,855	6,007,892	33,538,747
Amortization for the year	4,683,792	2,210,913	6,894,705
Conversion adjustment	(361,765)	(159,768)	(521,533)
Closing balance as of December 31, 2016	31,852,882	8,059,037	39,911,919

Net Book Value as of January 1, 2016	22,314,115	11,814,673	34,128,788
Net Book Value as of December 31, 2016	31,537,147	18,093,890	49,631,037

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Note 12 - Intangible Assets other than Goodwill (continued)

c) Other information regarding intangible assets:

- c.1) As of December 31, 2017 there are no identifiable intangible assets in use that are fully amortized.
- c.2) Amortization of intangible assets is presented in the statement of comprehensive income by function under Administrative Expenses, and amounts to ThCh\$ 40,764,171 and ThCh\$ 33,793,129 as of December 31, 2017 and December 31, 2016, respectively, as presented in Note 29.
- c.3) The Company performed annual impairment tests on intangible assets with indefinite useful lives, which did not result in adjustments to values recognized by the Company.

Note 13 - Goodwill

Goodwill in the Non-Banking Business is as follows:

Goodwill	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Sodimac S.A.	205,688,300	205,688,300
Imperial S.A.	13,836,495	13,836,495
Hipermercados Tottus S.A.	14,575,143	14,575,143
Inverfal S.A.	5,354,756	5,354,756
Plaza Oeste S.A.	10,770,845	10,770,845
Plaza Del Trébol S.A.	3,946,308	3,946,308
Plaza Tobalaba S.A.	1,558,544	1,558,544
Plaza La Serena S.A.	418,818	418,818
Mall Calama S.A.	357,778	357,778
Inmobiliaria Las Condes S.A.	3,457,846	3,457,846
Construdecor S.A.	33,944,602	37,634,550
Maestro Perú S.A.	156,030,886	164,265,119
Aventura Plaza S.A. (Note 40)	54,454,196	57,488,710
Total	504,394,517	519,353,212

Goodwill impairment is determined through evaluating the recoverable amount of the cash generating units (or group of cash generating units) related to the goodwill.

When the recoverable amount of the cash generating units (or groups of cash generating units) is less than the total book value of the cash generating units (or group of cash generating units) related to the goodwill, an impairment loss is recognized. Impairment losses related to goodwill cannot be reversed in future periods.

Impairment of intangible assets with indefinite useful lives is tested annually at an individual or cash generating unit level, as applicable.

The Company performs annual goodwill impairment tests and these tests have not resulted in adjustments to the recognized values.

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Notes to the Consolidated Classified Financial Statements

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Note 13 - Goodwill (continued)

Goodwill by segments as of December 31, 2017 and December 31, 2016 is as follows:

Segment	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Home Improvement Stores	409,500,283	421,424,464
Real estate	74,964,335	77,998,849
Supermarkets	14,575,143	14,575,143
Other businesses	5,354,756	5,354,756
Total Goodwill by Segment	504,394,517	519,353,212

The Company performed goodwill impairment testing as of December 31, 2017, in accordance with accounting policies (Note 2.12). The value-in-use method was used, based on the future cash flows that are generated by the assets associated with goodwill.

The primary parameters and indicators used to evaluate impairment are:

- Growth of sales and operating margins.
- Administrative and sales expenses, as a function of sales growth.
- Investments in investment properties, and in property, plant and equipment.
- Discount rates used in the December 2017 evaluation fluctuate between 5.4% and 12.5%.

The test results indicated that there were no impairment losses in the value of goodwill for S.A.C.I. Falabella.



Note 14 - Property, Plant and Equipment

a) Property, plant and equipment for the Non-Banking Business are as follows:

Description	Dec-31-2017			Dec-31-2016		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Land	771,532,256	-	771,532,256	762,052,095	-	762,052,095
Buildings	867,789,422	(125,466,930)	742,322,492	828,959,565	(109,367,292)	719,592,273
Plant and equipment	378,343,496	(164,911,580)	213,431,916	332,043,819	(140,641,381)	191,402,438
IT equipment	115,185,735	(77,608,262)	37,577,473	104,019,401	(67,332,187)	36,687,214
Fixed installations and accessories	887,519,114	(413,556,352)	473,962,762	834,667,590	(352,295,329)	482,372,261
Motor vehicles	5,738,670	(3,760,366)	1,978,304	4,953,438	(3,529,761)	1,423,677
Leasehold improvements	153,851,522	(74,614,597)	79,236,925	155,375,072	(71,110,106)	84,264,966
Construction in progress	140,624,503	-	140,624,503	130,367,228	-	130,367,228
Other property, plant and equipment ⁽¹⁾	202,190,286	(117,933,217)	84,257,069	199,083,764	(106,941,216)	92,142,548
Total	3,522,775,004	(977,851,304)	2,544,923,700	3,351,521,972	(851,217,272)	2,500,304,700

(1) Primarily furniture and fittings

b) Property, plant and equipment in the Banking Business are as follows:

Description	Dec-31-2017			Dec-31-2016		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
	ThCh\$	ThCh\$		ThCh\$	ThCh\$	
Plant and equipment	13,926,114	(7,400,779)	6,525,335	12,896,899	(6,211,915)	6,684,984
IT equipment	24,408,808	(16,036,987)	8,371,821	24,954,954	(17,009,342)	7,945,612
Fixed installations and accessories	8,441,895	(4,904,915)	3,536,980	9,309,435	(4,615,479)	4,693,956
Motor vehicles	106,533	(83,170)	23,363	111,751	(75,401)	36,350
Leasehold improvements	25,395,530	(14,415,670)	10,979,860	24,211,596	(12,267,906)	11,943,690
Construction in progress	2,558,075	-	2,558,075	692,027	-	692,027
Other property, plant and equipment ⁽¹⁾	11,457,729	(9,519,496)	1,938,233	10,069,521	(8,399,389)	1,670,132
Total	86,294,684	(52,361,017)	33,933,667	82,246,183	(48,579,432)	33.666.751

(1) Primarily furniture and fittings

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Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 14 - Property, Plant and Equipment (continued)

c) Movements for the Non-Banking Business for the year ended December 31, 2017 are as follows:

Cost	Land	Buildings	Plant and equipment	IT equipment	Fixed installations and accessories	Motor vehicles	Leasehold improvements	Construction in progress	Other property, plant and equipment	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of Jan-01-2017	762,052,095	828,959,565	332,043,819	104,019,401	834,667,590	4,953,438	155,375,072	130,367,228	199,083,764	3,351,521,972
Additions	35,843,675	20,080,762	52,624,470	13,630,343	54,469,049	1,170,107	7,266,075	157,999,611	12,609,347	355,693,439
Transfers to Investment Property	(6,213,566)	(10,582,959)	86,913					(43,738)	(14,417)	(16,767,767)
Disposals	(1,311,795)	(64,360)	(4,214,988)	(567,221)	(3,644,622)	(232,506)	(32,507)	(19,791,010)	(2,724,581)	(32,583,590)
Withdrawals	-	(534,262)	(12,249,078)	(600,732)	(15,363,124)	(23,621)	(7,806,952)	-	(5,328,255)	(41,906,024)
Reclassification of concept and capitalization	-	52,218,072	15,867,236	1,198,069	40,145,116	-	9,068,430	(125,678,897)	7,181,974	-
Conversion adjustment	(18,838,153)	(22,287,396)	(5,814,876)	(2,494,125)	(22,754,895)	(128,748)	(10,018,596)	(2,228,691)	(8,617,546)	(93,183,026)
Closing balance as of December 31, 2017	771,532,256	867,789,422	378,343,496	115,185,735	887,519,114	5,738,670	153,851,522	140,624,503	202,190,286	3,522,775,004

Accumulated depreciation	Land	Buildings	Plant and equipment	IT equipment	Fixed installations and accessories	Motor vehicles	Leasehold improvements	Construction in progress	Other property, plant and equipment	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of January 1, 2017	-	109,367,292	140,641,381	67,332,187	352,295,329	3,529,761	71,110,106	-	106,941,216	851,217,272
Depreciation for the year	-	19,365,146	40,350,173	12,972,813	83,650,044	490,164	15,072,517	-	22,926,456	194,827,313
Disposals	-	(3,065)	(4,087,489)	(519,915)	(1,032,765)	(192,080)	(32,507)	-	(2,423,743)	(8,291,564)
Withdrawals	-	(69,505)	(9,083,177)	(520,887)	(11,508,346)	(23,621)	(7,104,197)	-	(4,496,469)	(32,806,202)
Conversion adjustment	-	(3,192,938)	(2,909,308)	(1,655,936)	(9,847,910)	(43,858)	(4,431,322)	-	(5,014,243)	(27,095,515)
Closing balance as of December 31, 2017	-	125,466,930	164,911,580	77,608,262	413,556,352	3,760,366	74,614,597	-	117,933,217	977,851,304

Net balance as of January 1, 2017	762,052,095	719,592,273	191,402,438	36,687,214	482,372,261	1,423,677	84,264,966	130,367,228	92,142,548	2,500,304,700
Net balance as of December 31, 2017	771,532,256	742,322,492	213,431,916	37,577,473	473,962,762	1,978,304	79,236,925	140,624,503	84,257,069	2,544,923,700

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Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 14 - Property, Plant and Equipment (continued)

d) Movements for the Non-Banking Business for the year ended December 31, 2016 are as follows:

Cost	Land	Buildings	Plant and equipment	IT equipment	Fixed installations and accessories	Motor vehicles	Leasehold improvements	Construction in progress	Other property, plant and equipment	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of January 1, 2016	732,418,970	792,250,165	290,011,476	98,360,640	782,393,053	5,002,453	134,504,741	93,480,833	186,349,592	3,114,771,923
Additions	7,811,871	9,863,891	47,142,995	14,374,134	49,708,547	402,351	2,931,502	168,338,150	15,621,795	316,195,236
Acquisitions through business combinations (1)	41,090,150	17,750,922	22,608	405	2,334,815	5,800	-	29,661	198,714	61,433,075
Disposals	(11,356,762)	(13,780,493)	(4,167,176)	(258,625)	(4,754,684)	(407,686)	(87,807)	(1,358,146)	(1,689,993)	(37,861,372)
Withdrawals	-	(1,355,889)	(13,643,182)	(9,109,171)	(17,904,721)	(16,435)	(1,442,387)	-	(8,165,345)	(51,637,130)
Reclassification of concept and capitalization	-	34,159,135	16,221,587	2,042,946	37,478,334	(117,735)	20,382,647	(122,729,651)	12,562,737	-
Conversion adjustment	(7,912,134)	(9,928,166)	(3,544,489)	(1,390,928)	(14,587,754)	84,690	(913,624)	(7,393,619)	(5,793,736)	(51,379,760)
Closing balance as of December 31, 2016	762,052,095	828,959,565	332,043,819	104,019,401	834,667,590	4,953,438	155,375,072	130,367,228	199,083,764	3,351,521,972

Accumulated depreciation	Land	Buildings	Plant and equipment	IT equipment	Fixed installations and accessories	Motor vehicles	Leasehold improvements	Construction in progress	Other property, plant and equipment	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of January 1, 2016	-	94,078,734	115,766,552	66,070,494	299,727,453	3,353,215	58,558,318	-	99,246,353	736,801,119
Depreciation for the year	-	19,465,395	39,724,083	11,529,745	74,503,256	498,103	13,710,490	-	19,758,418	179,189,490
Disposals	-	(1,740,367)	(3,608,748)	(248,157)	(1,963,307)	(300,185)	-	-	(1,412,460)	(9,273,224)
Withdrawals	-	(316,064)	(9,606,631)	(9,061,002)	(14,778,021)	(16,224)	(923,589)	-	(7,375,011)	(42,076,542)
Conversion adjustment	-	(2,120,406)	(1,633,875)	(958,893)	(5,194,052)	(5,148)	(235,113)	-	(3,276,084)	(13,423,571)
Closing balance as of December 31, 2016	-	109,367,292	140,641,381	67,332,187	352,295,329	3,529,761	71,110,106	-	106,941,216	851,217,272

Net balance as of January 1, 2016	732,418,970	698,171,431	174,244,924	32,290,146	482,665,600	1,649,238	75,946,423	93,480,833	87,103,239	2,377,970,804
Net balance as of December 31, 2016	762,052,095	719,592,273	191,402,438	36,687,214	482,372,261	1,423,677	84,264,966	130,367,228	92,142,548	2,500,304,700

(1) Property, plant and equipment incorporated under the separation of Aventura Plaza Note 40).

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Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 14 - Property, Plant and Equipment (continued)

e) Movements for the Banking Business for the year ended December 31, 2017 are as follows:

Cost	Plant and equipment ThCh\$	IT equipment ThCh\$	Fixed installations and accessories ThCh\$	Motor vehicles ThCh\$	Leasehold improvements ThCh\$	Construction in progress ThCh\$	Other property, plant and equipment ThCh\$	Total ThCh\$
Opening balance as of January 1, 2017	12,896,899	24,954,954	9,309,435	111,751	24,211,596	692,027	10,069,521	82,246,183
Additions	1,907,581	3,871,592	107,949	-	2,328,855	1,937,762	2,200,099	12,701,136
Withdrawals	(619,726)	(3,107,127)	(480,248)	-	(818,104)	-	(635,334)	(5,122,668)
Conversion adjustment	(258,640)	(1,310,611)	(495,241)	(5,218)	(326,817)	(71,714)	(176,557)	(3,529,967)
Closing balance as of December 31, 2017	13,926,114	24,408,808	8,441,895	106,533	25,395,530	2,558,075	11,457,729	86,294,684

Accumulated depreciation	Plant and equipment ThCh\$	IT equipment ThCh\$	Fixed installations and accessories ThCh\$	Motor vehicles ThCh\$	Leasehold improvements ThCh\$	Construction in progress ThCh\$	Other property, plant and equipment ThCh\$	Total ThCh\$
Opening balance as of January 1, 2017	6,211,915	17,009,342	4,615,479	75,401	12,267,906	-	8,399,389	48,579,432
Depreciation for the year	1,908,642	3,002,315	824,780	11,828	2,830,093	-	1,812,484	10,390,142
Withdrawals	(585,428)	(3,102,161)	(281,355)	-	(448,076)	-	(569,973)	(4,986,993)
Conversion adjustment	(134,350)	(872,509)	(253,989)	(4,059)	(234,253)	-	(122,404)	(1,621,564)
Closing balance as of December 31, 2017	7,400,779	16,036,987	4,904,915	83,170	14,415,670	-	9,519,496	52,361,017

Net balance as of January 1, 2017	6,684,984	7,945,612	4,693,956	36,350	11,943,690	692,027	1,670,132	33,666,751
Net balance as of December 31, 2017	6,525,335	8,371,821	3,536,980	23,363	10,979,860	2,558,075	1,938,233	33,933,667

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Notes to the Consolidated Classified Financial Statements

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Note 14 - Property, Plant and Equipment (continued)

f) Movements in the Banking Business for the year ended December 31, 2016 are as follows:

Cost	Plant and equipment	IT equipment	Fixed installations and accessories	Motor vehicles	Leasehold improvements	Construction in progress	Other property, plant and equipment	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of January 1, 2016	13,042,357	23,052,913	8,739,733	113,031	22,017,199	1,464,469	8,883,340	77,313,042
Additions	1,700,826	1,172,507	765	-	2,200,365	3,115,324	1,492,181	9,681,968
Disposals	(1,745,398)	-	-	-	-	-	(576,570)	(2,321,968)
Withdrawals	(360,823)	(327,405)	(354,686)	-	(6,014)	(18,176)	-	(1,067,104)
Reclassification of concept and capitalization	377,339	1,744,105	1,301,095	-	-	(3,829,960)	407,421	-
Conversion adjustment	(117,402)	(687,166)	(377,472)	(1,280)	46	(39,630)	(136,851)	(1,359,755)
Closing balance as of December 31, 2016	12,896,899	24,954,954	9,309,435	111,751	24,211,596	692,027	10,069,521	82,246,183

Accumulated depreciation	Plant and equipment	IT equipment	Fixed installations and accessories	Motor vehicles	Leasehold improvements	Construction in progress	Other property, plant and equipment	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of January 1, 2016	6,052,740	14,717,453	4,325,949	61,911	9,149,187	-	7,450,161	41,757,401
Depreciation for the year	1,406,010	2,984,644	753,397	14,062	3,120,018	-	1,637,948	9,916,079
Disposals	(978,234)	-	-	-	-	-	(576,570)	(1,554,804)
Withdrawals	(200,020)	(245,565)	(278,290)	-	(1,321)	-	(17,213)	(742,409)
Conversion adjustment	(68,581)	(447,190)	(185,577)	(572)	22	-	(94,937)	(796,835)
Closing balance as of December 31, 2016	6,211,915	17,009,342	4,615,479	75,401	12,267,906	-	8,399,389	48,579,432

Net balance as of January 1, 2016	6,989,617	8,335,460	4,413,784	51,120	12,868,012	1,464,469	1,433,179	35,555,641
Net balance as of December 31, 2016	6,684,984	7,945,612	4,693,956	36,350	11,943,690	692,027	1,670,132	33,666,751

Property, plant and equipment that have been fully depreciated and are still used by the Company are not significant.

The total charge to income resulting from depreciation for the year ended December 31, 2017 and 2016 was ThCh\$ 205,217,455 and ThCh\$ 189,105,569 respectively. These values are presented in Statement of Comprehensive Income, by function, as follows:

- ThCh\$ 201,464,741 and ThCh\$ 185,196,042 under the category “Administrative expenses” for the year, respectively, as presented in Note 29.
- Additionally, ThCh\$ 3,752,714 and ThCh\$ 3,909,527 were charged under Cost of Sales as of December 31, 2017 and 2016, respectively, for depreciation on leased machinery.

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Note 14 - Property, Plant and Equipment (continued)

g) During the year ended December 31, 2017, the Company capitalized interest of ThCh\$ 2,061,781. The average capitalized interest rate was 4.2% and during the year ended December 31, 2016, the Company capitalized interest of ThCh\$ 2,410,731. The average capitalized interest rate was 5.25%.

As of December 31, 2017, the Company had contractual commitments to suppliers to acquire Property, Plant and Equipment totaling ThCh\$ 45,355,358

The group has assets subject to guarantees totaling ThCh\$ 93,181,006 as of December 31, 2017, which form part of Property, Plant and Equipment.

The Group has entered into financial leases to develop its business activities. The detail of assets held under financial leases included as part of Property, Plant and Equipment in the Non-Banking Business is as follows:

Assets under Finance Leases	Dec-31-2017			Dec-31-2016		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Buildings	69,440,096	(8,664,634)	60,775,462	90,823,505	(11,560,181)	79,263,324
Plant and equipment	17,488,338	(9,197,215)	8,291,123	17,394,121	(8,343,051)	9,051,070
IT equipment	1,180,905	(1,180,905)	-	1,772,239	(1,772,239)	-
Fixed installations and accessories	59,842,291	(28,653,319)	31,188,972	70,360,773	(34,825,123)	35,535,650
Other property, plant and equipment	4,611,089	(4,215,808)	395,281	8,426,145	(7,738,426)	687,719
Total	152,562,719	(51,911,881)	100,650,838	188,776,783	(64,239,020)	124,537,763

The following table details the minimum payments associated with finance lease contracts and their present value, disclosed in the statement of financial position as Other Financial Liabilities (Note 18):

Description	Dec-31-2017			Dec-31-2016		
	Minimum payments ThCh\$	Interest ThCh\$	Present value ThCh\$	Minimum payments ThCh\$	Interest ThCh\$	Present value ThCh\$
Up to one year	19,010,693	(6,008,351)	13,002,342	22,742,824	(5,158,525)	17,584,299
From one to three years	81,895,494	(16,820,411)	65,075,083	60,113,691	(12,954,556)	47,159,135
Over five years	11,973,468	(1,423,724)	10,549,744	45,658,141	(3,079,398)	42,578,743
Total	112,879,655	(24,252,486)	88,627,169	128,514,656	(21,192,479)	107,322,177



Note 14 - Property, Plant and Equipment (continued)

h) The Company has also carried out sale-and-leaseback transactions. These transactions are as follows:

Purchaser	Seller	Assets involved	Nominal value	Contract term	Purchase price
BANCO SANTANDER CENTRAL HISPANO (PERU)	HIPERMERCADOS TOTTUS S.A.	FACILITIES / PLANT & EQUIPMENT	9,145,476	2/27/2018	9,145,476
BANCO SANTANDER CENTRAL HISPANO (PERU)	HIPERMERCADOS TOTTUS S.A.	BUILDING	1,180,155	2/27/2018	1,180,155
BANCO SANTANDER CENTRAL HISPANO (PERU)	HIPERMERCADOS TOTTUS S.A.	BUILDING	927,801	2/27/2018	927,801
SCOTIABANK (PERU)	OPEN PLAZA S.A.C.	BUILDINGS AND FACILITIES	5,646,009	5/9/2028	5,646,009
Total			16,899,441		16,899,441

There are no significant clauses in these lease contracts, since they have normal terms for such contracts.

Sale-and-leaseback transactions have no effect on net income, because their sale prices are the same as their book values on the transaction date.

i) Group as lessee - Operating Lease

The Company leases certain assets under operating lease agreements. Minimum lease payment obligations under non-cancelable operating lease contracts as of December 31, 2017 and December 31, 2016 are as follows:

	Dec-31-2017 Minimum payments ThCh\$	Dec-31-2016 Minimum payments ThCh\$
Up to one year	125,449,072	121,792,754
From one to five years	436,635,212	396,575,398
Over five years	1,138,602,945	1,082,100,512
Total	1,700,687,229	1,600,468,664



Note 14 - Property, Plant and Equipment (continued)

The Company does not have individually significant operating lease contracts or contracts that impose restrictions on dividend distributions, requiring other lease contracts or requiring borrowing.

Lease installments and operating subleases recognized as expenses in each year are as follows:

Item	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Minimum third party lease expense	134,339,462	129,475,812
Variable third party lease expense	26,524,258	26,489,616
Total	160,863,720	155,965,428

j) Group as lessor - Operating lease

The Company leases its Investment Properties as part of its business. As of December 31, 2017 and December 31, 2016, the Company had the following rights receivable under non-cancellable leases:

Term	Dec-31-2017 Minimum payments receivable ThCh\$	Dec-31-2016 Minimum payments receivable ThCh\$
Up to one year	175,727,618	163,985,498
From one to five years	390,046,442	349,586,687
Over five years	450,909,282	376,096,717
Total	1,016,683,342	889,668,902

The Company leases stores to third parties under operating leases that form part of its "Investment Properties." The lease agreements establish their term, lease installments and their calculation, the characteristics of the leased assets and other obligations related to the promotion, services and correct operation of these stores.

Fixed and variable lease income from Investment Properties is as follows:

Leases charged to third parties	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Fixed income	238,939,751	215,728,291
Variable income	16,396,437	15,136,492
Total	255,336,188	230,864,783

Leasing income of ThCh\$ 255,336,188 as of December 31, 2017 and ThCh\$ 230,864,783 as of December 31, 2016 is leasing income receivable from third parties for all real estate companies of the Falabella Group. Conversely, in Note 35 Financial Information by Segments, the ordinary income from the Chile Real Estate Property segment is the total income receivable from third parties, and related to real estate companies in Chile.

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 15 - Investment Property

a) Movements during the year ended December 31, 2017 are as follows:

Cost	ThCh\$
Opening balance as of January 1, 2017	2,913,950,549
Additions	143,358,662
Transfers from property, plant and equipment	16,767,767
Transfer to assets held for sale	(7,744,357)
Withdrawals	(1,251,366)
Effect of terminating the Puerto Baron concession contract (see Note 31)	(5,899,081)
Conversion adjustment	(18,998,857)
Closing balance as of December 31, 2017	3,040,183,317

Accumulated depreciation	ThCh\$
Opening balance as of January 1, 2017	91,157,189
Depreciation for the year	40,789,347
Withdrawals	(245,789)
Conversion adjustment	(294,638)
Closing balance as of December 31, 2017	131,406,109

Net balance as of January 1, 2017	2,822,793,360
Net balance as of December 31, 2017	2,908,777,208

b) Movements during the year ended December 31, 2016 are as follows:

Cost	ThCh\$
Opening balance as of January 1, 2016	2,644,823,896
Additions	140,725,867
Acquisitions through business combinations ⁽¹⁾	134,848,997
Withdrawals	(1,301,239)
Conversion adjustment	(5,146,972)
Closing balance as of December 31, 2016	2,913,950,549

Accumulated depreciation	ThCh\$
Opening balance as of January 1, 2016	52,427,504
Depreciation for the year	39,291,327
Withdrawals	(290,558)
Conversion adjustment	(271,084)
Closing balance as of December 31, 2016	91,157,189

Net balance as of January 1, 2016	2,592,396,392
Net balance as of December 31, 2016	2,822,793,360

(1) Investment Property incorporated under the separation of Aventura Plaza S.A. (Note 40).



Note 15 - Investment Property (continued)

Note 28.1.c) includes a breakdown of the Costs of Investment Properties, including the depreciation of these assets.

Investment properties include shopping centers, works in progress and land available for future malls.

Investment properties are depreciated using the straight-line method based on their estimated useful lives.

Depreciation of investment properties for the years ended December 31, 2017 and 2016 are recorded in the cost of sales line in the consolidated statement of comprehensive income by function.

The Company capitalized interest of ThCh\$ 11,225,414 during the year ended December 31, 2017. The average capitalized interest rate was 3.58%. The Company capitalized interest of ThCh\$ 12,519,625 during the year ended December 31, 2016. The average capitalized interest rate was 4.26%.

The estimated market value of investment properties as of December 31, 2017 and December 31, 2016 is ThCh\$ 3,709,221,576 and ThCh\$ 3,400,060,335, respectively.

As of December 31, 2017, the contractual obligations for purchasing, constructing, repairing, maintaining and developing Investment Properties are ThCh\$ 10,692,635.

Unused land and land not being used to construct shopping centers as of December 31, 2017 and December 31, 2016 was ThCh\$ 70,396,683 and ThCh\$ 70,146,163, respectively. There are no maintenance expenses associated with these properties, nor are there any restrictions on real estate investment sales, collecting income from them or resources obtained from their disposal by other means.

The market value hierarchy according to IFRS 13 is as follows:

	Dec-31-2017	Fair value as of the reporting date		
		Level 1	Level 2	Level 3
Assets and liabilities at market value, disclosed in note				
Investment properties	3,709,221,576	-	3,709,221,576	-
Total	3,709,221,576	-	3,709,221,576	-

	Dec-31-2016	Fair value as of the reporting date		
		Level 1	Level 2	Level 3
Assets and liabilities at market value, disclosed in note				
Investment properties	3,400,060,335	-	3,400,060,335	-
Total	3,400,060,335	-	3,400,060,335	-



Note 16 - Investment Instruments held for Sale

Investment instruments classified as held for sale are as follows:

Instruments held for Sale	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Instruments issued by the State and the Chilean Central Bank		
Bonds issued by the Chilean Central Bank	127,306,317	129,708,025
Other Instruments issued by the State and the Chilean Central Bank	48,895,780	50,101,742
Instruments issued by other Chilean Institutions		
Letters of Credit for Mortgages issued by Chilean Banks	6,965,402	7,763,802
Negotiable Time Deposits issued by Chilean Banks	368,291,023	312,289,309
Instruments issued by Foreign Institutions		
Instruments issued by Foreign Governments or Central Banks	106,048,867	66,208,471
Total	657,507,389	566,071,349

Note 17 - Other Banking Business Assets

The following Banking Business Assets are classified in this category:

Other Assets	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Advances to suppliers	773	3,218
Guarantee deposits	6,687,776	9,331,483
Accrued commissions receivable	2,190,760	969,198
Deferred expenses	1,038,250	1,297,548
Accounts and invoices receivable ⁽¹⁾	15,414,860	13,599,776
Investment in auxiliary company	239,935	239,935
Assets acquired at auction	459,856	436
Software maintenance contracts	218,222	243,559
Others ⁽²⁾	4,251,422	2,058,120
Total	30,501,854	27,743,273

- (1) Primarily "daily transactions pending settlement", receivables for the use of ATMs, invoices for unused space leased at branches, and others.
- (2) Primarily Redbanc license, subscriptions, advertising contracts, balances due to card theft and cloning under investigation, stationary and other.

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities

a) Other current and non-current financial liabilities for the Non-banking Business are as follows:

Other financial liabilities	Dec-31-2017		Dec-31-2016	
	Current ThCh\$	Non-Current ThCh\$	Current ThCh\$	Non-Current ThCh\$
Bank loans	727,759,625	809,620,748	880,980,176	734,320,820
Bonds payable	77,442,405	1,986,126,128	155,440,583	1,791,425,692
Finance lease obligations	13,002,342	75,624,827	17,584,299	89,737,878
Other financial liabilities	16,443,862	134,803,387	18,089,017	75,522,844
	834,648,234	3,006,175,090	1,072,094,075	2,691,007,234

Dec-31-2017

b) Bank Loans as of December 31, 2017 are as follows:

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity							Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years	Total Non-Current				
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,006,000-6	BANCO DE CREDITO E INVERSIONES	CHILE	UF	240,482	-	-	240,482	33,134,696	-	33,134,696	Six monthly	2.25	33,375,178	2.25
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	69,438	-	-	69,438	25,000,000	-	25,000,000	At Maturity	3.03	25,069,438	3.03
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	3,302,317	-	-	3,302,317	3,884,923	-	3,884,923	Six monthly	4.57	7,187,240	4.57
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	27,733	-	-	27,733	19,919,999	-	19,919,999	At Maturity	3.12	20,027,733	3.12
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	25,127,209	-	-	25,127,209	-	-	-	At Maturity	4.69	25,127,209	4.69
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	29,630	-	25,000,000	25,029,630	-	-	-	At Maturity	4.3	25,029,630	4.3
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	82,670	-	-	82,670	20,000,000	-	20,000,000	At Maturity	3.64	20,082,670	3.64
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	82,674	-	-	82,674	20,000,000	-	20,000,000	At Maturity	3.64	20,082,674	3.64
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	27,733	-	-	27,733	20,000,000	-	20,000,000	At Maturity	3.12	20,027,733	3.12
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	191,850	-	25,000,000	25,191,850	-	-	-	At Maturity	3.3	25,191,850	3.3
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	25,010,708	-	-	25,010,708	-	-	-	At Maturity	3.08	25,010,708	3.08
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	25,010,625	-	-	25,010,625	-	-	-	At Maturity	3.06	25,010,625	3.06
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,023,000-9	BANCO ITAU	CHILE	CLP	638,721	-	-	638,721	24,799,999	-	24,799,999	At Maturity	5.12	25,597,333	5.12
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	59,901,217	-	-	59,901,217	-	-	-	At Maturity	2.67	59,901,217	2.67

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Note 18 - Other Current and Non-Current Financial Liabilities (continued)

b) Bank loans as of December 31, 2017 are as follows (continued):

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity							Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years	Total Non-Current				
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,036,000-K	BANCO SANTANDER - SANTIAGO	CHILE	CLP	13,643	-	-	13,643	-	-	-	At Maturity	2.96	13,643	2.96
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,032,000-8	BANCO BBVA CHILE	CHILE	CLP	21,252,646	-	-	21,252,646	-	-	-	At Maturity	2.67	21,252,644	2.67
90,743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	-	-	20,096,036	20,096,036	-	-	-	At Maturity	3.02	20,000,000	3.02
90,743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	97,004,000-5	BANCO DE CHILE	CHILE	CLP	-	17,779,482	-	17,779,482	-	-	-	At Maturity	2.78	17,650,000	2.78
90,743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	97,018,000-1	BANCO SCOTIABANK	CHILE	CLP	-	-	25,587,417	25,587,417	-	-	-	At Maturity	3.19	25,000,000	3.19
90,743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	97,018,000-1	BANCO SCOTIABANK	CHILE	CLP	15,004,767	-	-	15,004,767	-	-	-	At Maturity	2.86	15,000,000	2.86
90,743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	97,036,000-K	BANCO SANTANDER - SANTIAGO	CHILE	CLP	15,004,767	-	-	15,004,767	-	-	-	At Maturity	2.86	15,000,000	2.86
90,743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	97,036,000-K	BANCO SANTANDER - SANTIAGO	CHILE	CLP	15,012,730	-	-	15,012,730	-	-	-	At Maturity	2.97	15,000,000	2.97
90,743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	15,012,730	-	-	15,012,730	-	-	-	At Maturity	2.97	15,000,000	2.97
77,261,280-K	FALABELLA RETAIL S.A. (Formerly INVERFIN S.A.)	CHILE	97,036,000-K	BANCO SANTANDER - SANTIAGO	CHILE	USD	2,748,331	3,915,388	-	6,663,719	-	-	-	At Maturity	1.89	6,663,719	1.89
77,261,280-K	FALABELLA RETAIL S.A. (Formerly INVERFIN S.A.)	CHILE	97,004,000-5	BANCO DE CHILE	CHILE	CLP	1,746	-	-	1,746	-	-	-	At Maturity	3.12	1,746	3.12
77,261,280-K	FALABELLA RETAIL S.A. (Formerly INVERFIN S.A.)	CHILE	97,036,000-K	BANCO SANTANDER - SANTIAGO	CHILE	USD	-	98,502	-	98,502	-	-	-	At Maturity	1.9	98,502	1.9
78,627,210-6	HIPERMERCADOS TOTTUS S.A.	CHILE	97,036,000-K	BANCO SANTANDER - SANTIAGO	CHILE	USD	91,255	754,507	-	845,762	-	-	-	At Maturity	2.06	844,022	2.06
78,627,210-6	HIPERMERCADOS TOTTUS S.A.	CHILE	97,036,000-K	BANCO SANTANDER - SANTIAGO	CHILE	CLP	203	-	-	203	-	-	-	At Maturity	3.12	203	3.12
99,593,960-6	DESARROLLOS INMOBILIARIOS S.A.	CHILE	97,008,000-7	CITIBANK	CHILE	UF	-	-	3,094,553	3,094,553	10,779,856	-	10,779,856	Six monthly	3.94	13,914,419	3.64
99,593,960-6	DESARROLLOS INMOBILIARIOS S.A.	CHILE	97,023,000-9	BANCO ITAU	CHILE	CLP	-	-	13,790,975	13,790,975	12,479,995	-	12,479,995	Annual	7.27	25,000,000	7.1
99,593,960-6	DESARROLLOS INMOBILIARIOS S.A.	CHILE	97,036,000-K	BANCO SANTANDER - SANTIAGO	CHILE	CLP	-	365,799	-	365,799	24,106,855	-	24,106,855	At Maturity	5.13	24,131,850	5.1
76,882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97,023,000-9	BANCO CORPBANCA	CHILE	UF	9,977,553	-	-	9,977,553	-	-	-	At Maturity	2.06	9,972,728	1.38
76,882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97,023,000-9	BANCO CORPBANCA	CHILE	UF	1,301,189	-	-	1,301,189	-	-	-	At Maturity	2.87	1,300,838	1.51
76,882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97,023,000-9	BANCO CORPBANCA	CHILE	CLP	2,003,176	-	-	2,003,176	-	-	-	At Maturity	3.38	2,000,000	2.63
76,882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97,023,000-9	BANCO CORPBANCA	CHILE	CLP	2,203,626	-	-	2,203,626	-	-	-	At Maturity	3.47	2,200,000	2.72
76,882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97,032,000-8	BANCO BBVA	CHILE	CLP	2,205,198	-	-	2,205,198	-	-	-	At Maturity	4.26	2,203,433	2.81
76,882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97,032,000-8	BANCO BBVA	CHILE	CLP	2,001,603	-	-	2,001,603	-	-	-	At Maturity	4.26	2,000,000	2.81
76,882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97,032,000-8	BANCO BBVA	CHILE	CLP	2,101,420	-	-	2,101,420	-	-	-	At Maturity	4.01	2,100,000	2.56
76,882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97,032,000-8	BANCO BBVA	CHILE	CLP	3,002,954	-	-	3,002,954	-	-	-	At Maturity	3.48	3,000,000	2.74
76,882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97,032,000-8	BANCO BBVA	CHILE	CLP	898,840	-	-	898,840	-	-	-	At Maturity	3.49	897,957	2.74

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

b) Bank loans as of December 31, 2017 are as follows (continued):

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity							Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %	
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years	Total Non-Current					
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.032,000-8	BANCO BBVA	CHILE	CLP	2,999,213	-	-	-	2,999,213	-	-	-	At Maturity	4.83	3,000,000	2.83
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	UF	-	49,203	-	-	49,203	5,247,804	-	5,247,804	At Maturity	2.25	5,247,853	2.25
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	UF	-	50,140	-	-	50,140	5,278,807	-	5,278,807	At Maturity	2.28	5,285,560	2.25
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	UF	-	25,221	-	-	25,221	2,655,317	-	2,655,317	At Maturity	2.28	2,658,713	2.25
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	UF	-	25,951	-	-	25,951	2,667,129	-	2,667,129	At Maturity	2.34	2,676,954	2.25
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	UF	-	26,241	-	-	26,241	2,665,220	-	2,665,220	At Maturity	2.36	2,678,251	2.25
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	UF	-	40,125	-	-	40,125	4,051,476	-	4,051,476	At Maturity	2.38	4,073,732	2.25
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	UF	-	26,560	-	-	26,560	2,666,151	-	2,666,151	At Maturity	2.39	2,682,411	2.25
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	UF	-	-	3,002	-	3,002	11,254,991	-	11,254,991	At Maturity	2.4	11,255,219	2.4
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	CLP	-	385,827	-	-	385,827	28,197,968	-	28,197,968	At Maturity	4.21	28,198,030	4.21
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.006,000-6	BANCO DE CREDITO E INVERSIONES	CHILE	UF	-	-	17,412	-	17,412	30,817,859	-	30,817,859	At Maturity	2.26	30,817,861	2.26
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.006,000-6	BANCO DE CREDITO E INVERSIONES	CHILE	UF	-	-	6,007	-	6,007	10,138,569	-	10,138,569	At Maturity	2.37	10,138,569	2.37
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.023,000-9	BANCO CORPBANCA	CHILE	UF	-	-	32,962	-	32,962	26,754,113	-	26,754,113	At Maturity	2.61	26,798,140	2.58
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.030,000-7	BANCO ESTADO	CHILE	UF	-	547,369	-	-	547,369	53,497,293	-	53,497,293	At Maturity	2.46	53,596,280	2.42
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.032,000-8	BANCO BBVA	CHILE	UF	-	-	140,228	-	140,228	25,547,552	-	25,547,552	At Maturity	2.6	25,547,552	2.6
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	CLP	4,744,711	-	4,373,864	-	9,118,575	13,123,131	-	13,123,131	Six monthly	3.99	21,874,594	3.98
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.030,000-7	BANCO ESTADO	CHILE	CLP	-	8,536,331	7,592,811	-	16,129,142	22,806,448	-	22,806,448	Six monthly	7.19	38,061,417	7.05
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.030,000-7	BANCO ESTADO	CHILE	CLP	-	-	8,371,621	-	8,371,621	8,261,038	-	8,261,038	Six monthly	5.23	16,539,207	5.13
96.573,100-8	MANUFACTURAS DE VESTUARIOS MAVESA LTDA.	CHILE	97.036,000-K	BANCO SANTANDER – SANTIAGO	CHILE	USD	-	7,345	-	-	7,345	-	-	-	At Maturity	2.12	7,085	2.01
96.573,100-8	MANUFACTURAS DE VESTUARIOS MAVESA LTDA.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	USD	-	70,341	-	-	70,341	-	-	-	At Maturity	2.18	68,647	2.01
96.792,430-K	SODIMAC S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	EUR	603,024	316,801	-	-	919,825	-	-	-	At Maturity	1.19	940,631	1.88
96.792,430-K	SODIMAC S.A.	CHILE	97.023,000-9	BANCO ITAU	CHILE	USD	608,813	319,843	-	-	928,656	-	-	-	At Maturity	2.57	968,133	1.9
96.792,430-K	SODIMAC S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	USD	1,020,262	536,000	-	-	1,556,262	-	-	-	At Maturity	2.74	1,614,035	1.84
96.792,430-K	SODIMAC S.A.	CHILE	97.036,000-K	BANCO SANTANDER – SANTIAGO	CHILE	USD	271,647	142,711	-	-	414,358	-	-	-	At Maturity	3.14	430,125	1.95
96.792,430-K	SODIMAC S.A.	CHILE	97.006,000-6	BANCO DE CREDITO E INVERSIONES	CHILE	CLP	4	-	-	-	4	-	-	-	At Maturity	0.26	4	0.26
76.821,330-5	IMPERIAL S.A.	CHILE	97.036,000-K	BANCO SANTANDER - SANTIAGO	CHILE	CLP	-	1,251,254	-	-	1,251,254	-	-	-	Monthly	3.01	1,250,000	3.01

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

b) Bank loans as of December 31, 2017 are as follows (continued):

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity							Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years	Total Non-Current				
76.821.330-5	IMPERIAL S.A.	CHILE	97.032.000-8	BANCO BBVA CHILE	CHILE	CLP	-	-	1,303,625	1,303,625	8,743,583	-	8,743,583	Six monthly	5.96	10,053,922	5.85
76.821.330-5	IMPERIAL S.A.	CHILE	97.030.000-7	BANCO ESTADO	CHILE	CLP	-	181,957	-	181,957	7,983,967	-	7,983,967	Six monthly	4.72	8,188,004	4.6
76.821.330-5	IMPERIAL S.A.	CHILE	97.032.000-8	BANCO BBVA CHILE	CHILE	USD	-	1,938,597	-	1,938,597	-	-	-	At Maturity	2.62	1,936,200	1.79
76.821.330-5	IMPERIAL S.A.	CHILE	97.023.000-9	BANCO ITAU	CHILE	USD	-	185,264	-	185,264	-	-	-	At Maturity	2.62	185,112	1.74
76.821.330-5	IMPERIAL S.A.	CHILE	97.006.000-6	BANCO DE CREDITO E INVERSIONES	CHILE	CLP	36,996	-	-	36,996	-	-	-	At Maturity	0.02	36,996	0.2
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE GALICIA Y BUENOS AIRES S.A.	ARGENTINA	ARS	32,263	-	-	32,263	6,614,826	-	6,614,826	At Maturity	24.00	6,647,090	24.00
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	2,444	-	827,750	830,194	-	-	-	At Maturity	30.84	830,194	30.84
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	2,609	-	269,864	272,473	541,745	-	541,745	At Maturity	17.00	814,218	17.00
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BBVA	ARGENTINA	ARS	162,856	-	-	162,856	-	-	-	Monthly	22.91	162,856	22.91
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	ICBC	ARGENTINA	ARS	263,894	-	-	263,894	-	-	-	Monthly	22.91	263,894	22.91
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE GALICIA Y BUENOS AIRES S.A.	ARGENTINA	ARS	40,787	-	-	40,787	-	-	-	Monthly	22.91	40,787	22.91
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	HSBC BANK ARGENTINA S.A.	ARGENTINA	ARS	2,341,889	-	-	2,341,889	-	-	-	Monthly	22.91	2,341,889	22.91
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	CITIBANK N.A.	ARGENTINA	ARS	444,878	-	-	444,878	-	-	-	Monthly	22.91	444,878	22.91
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	2,275	-	-	2,275	-	-	-	Monthly	22.91	2,275	22.91
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BBVA	ARGENTINA	ARS	11,764,016	-	-	11,764,016	-	-	-	Monthly	30.00	11,764,016	29.82
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO ITAU BUEN AYRE S.A.	ARGENTINA	ARS	7,234,508	-	-	7,234,508	-	-	-	Monthly	33.00	7,234,508	32.67
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO SANTANDER RIO S.A.	ARGENTINA	ARS	2,835	-	-	2,835	-	-	-	Monthly	30.03	2,835	30.03
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA S.A.	ARGENTINA	ARS	14,423,390	-	-	14,423,390	-	-	-	Monthly	32.00	14,423,390	32.09
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	HSBC BANK ARGENTINA S.A.	ARGENTINA	ARS	8,245,819	-	-	8,245,819	-	-	-	Monthly	31.00	8,245,819	22.95
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	ICBC	ARGENTINA	ARS	321	-	-	321	-	-	-	Monthly	32.5	321	30.62
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	5,385,486	-	-	5,385,486	-	-	-	Monthly	30.00	5,385,486	30.56
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	ICBC	ARGENTINA	ARS	15,196,153	-	-	15,196,153	-	-	-	Monthly	32.5	15,196,153	30.62
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BBVA	ARGENTINA	ARS	27,397	-	2,947,617	2,975,014	1,983,865	-	1,983,865	At Maturity	22.75	4,968,878	22.75
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE LA CIUDAD DE BUENOS AIRES	ARGENTINA	ARS	125,287	247,903	262,042	635,232	-	-	-	Monthly	30.5	635,233	26.92
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE GALICIA Y BUENOS AIRES S.A.	ARGENTINA	ARS	33,900	-	-	33,900	6,616,449	-	6,616,449	At Maturity	24.00	6,650,349	24.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	HSBC BANK ARGENTINA S.A.	ARGENTINA	ARS	-	-	-	-	4,954,327	-	4,954,327	At Maturity	22.75	4,954,327	22.75

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

b) Bank loans as of December 31, 2017 are as follows (continued):

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %	
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years					Total Non-Current
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	67,843	-	-	67,843	6,272,803	-	6,272,803	At Maturity	23.00	6,340,646	23.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA S.A.	ARGENTINA	ARS	130,109	217,091	976,302	1,323,502	761,256	-	761,256	Monthly	33.18	2,084,758	29.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BBVA	ARGENTINA	ARS	545	-	1,953,269	1,953,814	1,320,373	-	1,320,373	At Maturity	24.00	3,274,187	24.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	HSBC BANK ARGENTINA S.A.	ARGENTINA	ARS	-	3,991	-	3,991	3,311,000	-	3,311,000	At Maturity	24.36	3,314,991	22.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	97,030,000-7	BANCO ESTADO	CHILE	USD	23,972	-	6,257,790	6,281,762	-	-	-	At Maturity	2.58	6,281,762	2.58
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE GALICIA Y BUENOS AIRES S.A.	ARGENTINA	ARS	32,263	-	-	32,263	6,614,826	-	6,614,826	At Maturity	24.00	6,647,089	24.00
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	2,444	-	827,749	830,193	-	-	-	At Maturity	17.00	830,193	17.00
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	2,609	-	269,864	272,473	541,745	-	541,745	Annual	17.00	814,218	17.00
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	CITIBANK N.A.	ARGENTINA	ARS	3,563,928	-	-	3,563,928	-	-	-	Monthly	28.00	3,563,928	28.00
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE LA PROVINCIA DE BUENOS AIRES	ARGENTINA	ARS	30	-	-	30	-	-	-	Monthly	25.9	30	25.9
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA S.A.	ARGENTINA	ARS	209	-	-	209	-	-	-	Monthly	25.9	209	25.9
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BBVA	ARGENTINA	ARS	161,225	-	-	161,225	-	-	-	Monthly	25.00	161,225	25.00
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE GALICIA Y BUENOS AIRES S.A.	ARGENTINA	ARS	403	-	-	403	-	-	-	At Maturity	24.00	403	24.00
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	HSBC BANK ARGENTINA S.A.	ARGENTINA	ARS	1,635,976	-	-	1,635,976	-	-	-	Monthly	21.00	1,635,976	21.00
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO SANTANDER RIO S.A.	ARGENTINA	ARS	34	-	-	34	-	-	-	Monthly	25.9	34	25.9
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	ICBC	ARGENTINA	ARS	152,030	-	-	152,030	-	-	-	Monthly	26.00	152,030	26.00
Foreign	FALABELLA PERU S.A.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	1,228,753	-	1,228,753	47,211,349	-	47,211,349	Six monthly	7.12	47,420,000	6.85
Foreign	PERU S.A.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	-	575,743	28,435,684	29,011,427	-	-	-	Six monthly	5.84	28,452,000	5.75
Foreign	PERU S.A.A.	PERU	Foreign	INTERBANK	PERU	PEN	480,943	885,397	4,074,074	5,440,414	16,318,881	-	16,318,881	Monthly	7.08	21,770,435	6.82
Foreign	PERU S.A.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	2,261,551	6,826,770	9,088,321	17,249,637	-	17,249,637	Three monthly	7.27	26,385,936	6.88
Foreign	PERU S.A.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	-	-	332,800	332,800	28,413,306	-	28,413,306	Three monthly	6.52	28,452,000	6.35
Foreign	PERU S.A.A.	PERU	Foreign	THE BANK OF TOKYO-MITSUBISHI UFJ, LTD	JAPAN	USD	-	518,699	-	518,699	30,650,894	-	30,650,894	Six monthly	2.62	30,984,228	2.36
Foreign	PERU S.A.A.	PERU	Foreign	INTERBANK	PERU	PEN	467,161	858,034	3,940,943	5,266,138	19,037,711	-	19,037,711	Monthly	6.96	24,329,390	6.7
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	14,322,743	-	14,322,743	-	-	-	At Maturity	2.42	14,320,840	2.42

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

b) Bank loans as of December 31, 2017 are as follows (continued):

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %	
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years					Total Non-Current
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	5,695,276	-	5,695,276	-	-	-	At Maturity	2.4	5,690,400	2.4
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO CONTINENTAL	PERU	PEN	-	2,846,986	-	2,846,986	-	-	-	At Maturity	1.9	2,845,200	1.9
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO CONTINENTAL	PERU	PEN	-	3,226,062	-	3,226,062	-	-	-	At Maturity	1.88	3,224,560	1.88
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	39,170	79,054	365,611	483,835	1,573,443	-	1,573,443	Monthly	7.17	2,057,281	7.17
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	95,393	191,679	984,696	1,271,668	1,789,052	-	1,789,052	Monthly	6.05	3,060,719	6.05
Foreign	OPEN PLAZA S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	-	-	2,439,492	2,439,492	609,683	-	609,683	Monthly	7.57	3,049,817	7.15
Foreign	OPEN PLAZA S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	-	-	533,191	533,191	133,258	-	133,258	Monthly	7.57	666,594	7.15
Foreign	SAGA FALABELLA S.A. (PERU)	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	-	35,120,864	35,120,864	-	-	-	Monthly	2.4	35,090,800	2.4
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	-	14,238,189	14,238,189	-	-	-	At Maturity	2.4	14,226,000	2.37
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO CONTINENTAL	PERU	PEN	-	-	4,742,517	4,742,517	-	-	-	At Maturity	1.98	4,742,000	1.96
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	79,325	138,255	643,465	861,045	2,686,198	-	2,686,198	Monthly	7.17	3,555,712	6.94
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	63,499	125,380	385,652	574,531	-	-	-	Monthly	7.25	574,039	7.02
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	58,905	111,504	517,352	687,761	3,587,151	-	3,587,151	Monthly	6.6	4,285,574	6.41
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	117,621	206,008	955,812	1,279,441	6,768,690	-	6,768,690	Monthly	6.6	8,060,241	6.41
Foreign	MAESTRO PERU S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	1,898,425	-	1,898,425	-	-	-	At Maturity	2.4	1,896,800	2.4
Foreign	MALL PLAZA PERU S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	-	5,696,648	5,696,648	-	-	-	At Maturity	2.5	5,696,648	2.5
Foreign	CENTRO COMERCIAL EL CASTILLO	COLOMBIA	Foreign	CORPBANCA	COLOMBIA	COP	324,854	665,000	1,773,333	2,763,187	10,412,723	8,593,568	19,006,291	At Maturity	9.4	21,769,478	8.97
Foreign	CENTRO COMERCIAL MANIZALES S.A.S.	COLOMBIA	Foreign	CORPBANCA	COLOMBIA	COP	-	-	-	-	-	21,951,468	21,951,468	At Maturity	8.79	21,951,468	8.79
Foreign	MALL PLAZA COLOMBIA S.A.S.	COLOMBIA	Foreign	BANCOLOMBIA	COLOMBIA	COP	89,906	-	-	89,906	-	-	-	At Maturity	12.4	89,906	12.4
Foreign	OTHER COMPANIES	COLOMBIA	Foreign	BANCO DAVIVIENDA	COLOMBIA	COP	75,999	-	-	75,999	-	12,222,484	12,222,484	At Maturity	9.39	12,298,483	9.39
Foreign	FALABELLA DE COLOMBIA S.A	COLOMBIA	Foreign	BANCO AV VILLAS	COLOMBIA	COP	92,059	-	10,416,000	10,508,059	-	-	-	At Maturity	7.49	10,508,059	7.29
Foreign	FALABELLA DE COLOMBIA S.A	COLOMBIA	Foreign	BANCO BOGOTA	COLOMBIA	COP	83,796	-	-	83,796	25,500,504	-	25,500,504	At Maturity	7.23	25,584,300	7.04
Foreign	FALABELLA DE COLOMBIA S.A	COLOMBIA	Foreign	BANCOLOMBIA	COLOMBIA	COP	296,572	-	-	296,572	10,500,000	-	10,500,000	At Maturity	8.35	10,796,572	8.05
Foreign	FALABELLA DE COLOMBIA S.A	COLOMBIA	Foreign	BANCO POPULAR	COLOMBIA	COP	34,959	-	-	34,959	10,500,000	-	10,500,000	At Maturity	7.7	10,534,958	7.49
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	CITIBANK N.A.	BRAZIL	USD	-	-	7,829,284	7,829,284	-	-	-	At Maturity	8.01	2,610,000	6.73
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	CITIBANK N.A.	BRAZIL	USD	-	-	10,043,733	10,043,733	-	-	-	At Maturity	7.86	3,352,067	6.72

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

b) Bank loans as of December 31, 2017 are as follows:

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %	
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years					Total Non-Current
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	CITIBANK N.A.	BRAZIL	USD	-	-	5,985,567	5,985,567	-	-	-	At Maturity	8.17	1,989,619	6.67
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	BANCO SAFRA	BRAZIL	USD	-	-	12,919,272	12,919,272	-	-	-	At Maturity	6.75	3,989,623	7.97
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	BANCO HSBC	BRAZIL	USD	-	-	207,560	207,560	7,912,794	-	7,912,794	At Maturity	11.93	2,564,900	7.97
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	BANCO BRADESCO	BRAZIL	USD	-	11,695,320	-	11,695,320	-	-	-	At Maturity	6.18	9,700,000	2.06
Total Bank Loans							333,772,843	85,575,613	308,411,169	727,759,625	676,463,253	133,157,495	809,620,748				

In the above table, when the nominal rate is equal to the effective rate, it means that there were no costs or income directly associated with the transaction that will affect the original rate of the instrument.

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

c) Obligations with the Public (bonds payable) as of December 31, 2017 are as follows:

Debtor ID number	Debtor Name	Debtor Country	Creditor	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %	
					Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years					Total Non-Current
90,749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	UF	-	-	982,341	982,341	-	90,592,321	90,592,321	At Maturity	4.38	93,793,490	4.00
90,749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	UF	544,438	-	17,865,427	18,409,865	35,810,387	-	35,810,387	At Maturity	2.24	53,596,280	2.3
90,749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	UF	1,199,517	-	-	1,199,517	-	77,083,740	77,083,740	At Maturity	3.26	80,394,420	3.1
90,749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	CLP	-	-	670,386	670,386	62,990,031	-	62,990,031	At Maturity	5.1	63,000,000	5.15
90,749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	UF	-	-	346,758	346,758	-	52,293,657	52,293,657	At Maturity	3.00	53,596,280	3.15
90,749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	CLP	-	-	385,761	385,761	78,309,461	-	78,309,461	At Maturity	5.04	78,000,000	4.84
90,749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	UF	-	-	238,470	238,470	-	76,080,360	76,080,360	At Maturity	3.16	80,394,420	3.11
90,749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	CLP	-	-	1,038,945	1,038,945	-	94,032,569	94,032,569	At Maturity	6.63	94,588,500	6.5
90,749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	USD	-	-	2,014,304	2,014,304	-	303,974,329	303,974,329	At Maturity	3.98	307,375,000	3.75
90,749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	USD	4,698,987	-	-	4,698,987	-	243,905,317	243,905,317	At Maturity	4.5	245,900,000	4.38
90,749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	USD	-	-	1,641,771	1,641,771	-	240,204,766	240,204,766	At Maturity	4.03	245,900,000	3.75
76,017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	-	587,058	587,058	-	78,832,869	78,832,869	At Maturity	4.00	80,394,420	3.85
76,017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	-	390,850	390,850	-	52,604,885	52,604,885	At Maturity	3.99	53,596,280	3.85
76,017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	-	317,668	317,668	-	63,746,576	63,746,576	At Maturity	3.41	66,995,350	3.5
76,017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	-	269,619	269,619	-	79,804,732	79,804,732	At Maturity	3.9	80,394,420	3.9
76,017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	1,159,192	-	1,159,192	-	80,459,156	80,459,156	At Maturity	3.92	80,394,420	3.8
76,017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	-	612,212	612,212	24,811,442	54,290,089	79,101,531	Six monthly	3.76	80,394,420	4.5
76,017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	-	8,949,765	8,949,765	-	-	-	Six monthly	4.72	8,932,713	3.5
76,017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	5,429,936	5,040,094	10,470,030	20,129,995	-	20,129,995	Six monthly	3.74	30,147,908	3.5
96,792,430-K	SODIMAC S.A.	CHILE	Sundry Creditors	UF	-	-	128,901	128,901	-	39,561,230	39,561,230	Six monthly	3.98	39,381,690	3.7
Foreign	CMR FALABELLA S.A.	ARGENTINA	Sundry Creditors	ARS	247,380	218,761	27,218	493,359	-	-	-	Monthly	29.71	520,657	23.3
Foreign	CMR FALABELLA S.A.	ARGENTINA	Sundry Creditors	ARS	618,149	716,766	300,198	1,635,113	-	-	-	Monthly	31.04	1,768,470	22.8
Foreign	CMR FALABELLA S.A.	ARGENTINA	Sundry Creditors	ARS	1,136,892	1,067,480	766,528	2,970,900	-	-	-	Monthly	31.97	3,165,919	22.37
Foreign	CMR FALABELLA S.A.	ARGENTINA	Sundry Creditors	ARS	1,578,630	1,858,835	1,085,944	4,523,409	-	-	-	Monthly	31.73	4,821,493	22.53
Foreign	CMR FALABELLA S.A.	ARGENTINA	Sundry Creditors	ARS	2,103,446	2,547,544	1,660,572	6,311,562	-	-	-	Monthly	33.65	6,963,989	24.57
Foreign	FALABELLA PERU S.A.A	PERU	Sundry Creditors	PEN	276,935	-	-	276,935	-	18,543,475	18,543,475	Three monthly	8.33	18,588,640	8.06

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

c) Obligations to the Public (Bonds payable) as of December 31, 2017 are as follows (continued):

Debtor ID number	Debtor Name	Debtor Country	Creditor	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %	
					Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years					Total Non-Current
Foreign	FALABELLA PERU S.A.A	PERU	Sundry Creditors	PEN	-	173,379	-	173,379	-	24,635,032	24,635,032	Three monthly	7.42	24,658,400	7.19
Foreign	FALABELLA PERU S.A.A	PERU	Sundry Creditors	PEN	167,001	-	-	167,001	-	13,646,457	13,646,457	Three monthly	6.53	13,656,960	6.25
Foreign	FALABELLA PERU S.A.A	PERU	Sundry Creditors	PEN	616,106	-	-	616,106	-	37,866,462	37,866,462	Three monthly	7.23	37,936,000	7.03
Foreign	SAGA FALABELLA S.A. (PERU)	PERU	Sundry Creditors	PEN	(135)	343,288	337,498	680,651	-	-	-	Three monthly	7.83	677,429	7.56
Foreign	SAGA FALABELLA S.A. (PERU)	PERU	Sundry Creditors	PEN	351,261	(305)	676,058	1,027,014	-	-	-	Three monthly	7.28	1,016,143	7.09
Foreign	SAGA FALABELLA S.A. (PERU)	PERU	Sundry Creditors	PEN	(195)	313,930	851,803	1,165,538	3,983,280	-	3,983,280	Three monthly	5.94	5,121,360	5.81
Foreign	SAGA FALABELLA S.A. (PERU)	PERU	Sundry Creditors	PEN	(109)	216,383	568,058	784,332	2,845,200	-	2,845,200	Three monthly	5.52	3,603,920	5.41
Foreign	SAGA FALABELLA S.A. (PERU)	PERU	Sundry Creditors	PEN	290,107	(172)	710,527	1,000,462	3,792,666	474,200	4,266,866	Three monthly	5.12	5,216,200	5.00
Foreign	HIPERMERCADOS TOTTUS S.A. (PERU)	PERU	Sundry Creditors	PEN	19,100	55,280	170,986	245,366	1,092,481	5,749,216	6,841,697	Three monthly	7.61	7,126,561	7.4
Foreign	HIPERMERCADOS TOTTUS S.A. (PERU)	PERU	Sundry Creditors	PEN	19,157	55,392	171,497	246,046	1,095,237	5,754,643	6,849,880	Three monthly	7.61	7,126,561	7.4
Foreign	HIPERMERCADOS TOTTUS S.A. (PERU)	PERU	Sundry Creditors	PEN	23,941	69,232	214,331	307,504	1,368,832	7,192,882	8,561,714	Three monthly	7.61	8,908,201	7.4
Foreign	HIPERMERCADOS TOTTUS S.A. (PERU)	PERU	Sundry Creditors	PEN	23,082	67,512	214,734	305,328	1,371,001	7,197,152	8,568,153	Three monthly	7.61	8,908,201	7.4
Total Obligations to the Public					13,913,690	14,292,433	49,236,282	77,442,405	237,600,013	1,748,526,115	1,986,126,128				

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Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

d) Financial lease obligations as of December 31, 2017 are as follows:

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %	
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years					Total Non-Current
77,612,410-9	ADESSA LTDA.	CHILE	77,164,280-2	TANNER LEASING VENDOR LIMITADA	CHILE	CLP	2,523,773	-	-	2,523,773	-	-	-	Monthly	3.26	2,292,207	3.26
77,612,410-9	ADESSA LTDA.	CHILE	77,164,280-2	TANNER LEASING VENDOR LIMITADA	CHILE	CLP	697,710	-	-	697,710	-	-	-	Monthly	5.15	697,710	5.15
77,612,410-9	ADESSA LTDA.	CHILE	92,040,000-0	IBM S.A.	CHILE	USD	2,865	8,652	23,073	34,610	6,261	-	6,261	Monthly	1.19	44,094	1.19
77,612,410-9	ADESSA LTDA.	CHILE	92,040,000-0	IBM S.A.	CHILE	USD	-	-	136,813	136,813	68,811	-	68,811	Monthly	1.19	132,838	1.19
77,612,410-9	ADESSA LTDA.	CHILE	Foreign	REFLEXIS SYSTEMS, INC.	USA	USD	70,493	-	48,021	118,514	323,200	-	323,200	Monthly	1.99	441,715	1.99
79,990,670-8	ADMINISTRADORA PLAZA VESPUCCIO S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	22,121	38,280	60,401	109,866	-	109,866	Monthly	5.42	170,267	5.42
96,653,650-0	PLAZA OESTE S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	51,486	158,600	210,086	454,965	-	454,965	Monthly	5.42	665,052	5.42
96,653,660-8	PLAZA DEL TRÉBOL S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	13,974	33,250	47,224	95,381	-	95,381	Monthly	5.42	142,604	5.42
96,791,560-2	PLAZA TOBALABA S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	4,290	13,216	17,506	37,913	-	37,913	Monthly	5.42	55,420	5.42
96,795,700-3	PLAZA LA SERENA S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	4,334	13,352	17,686	38,301	-	38,301	Monthly	5.42	55,987	5.42
99,555,550-6	PLAZA ANTOFAGASTA S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	6,182	19,042	25,224	54,624	-	54,624	Monthly	5.42	79,847	5.42
96,951,230-0	INMOBILIARIA MALL CALAMA S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	4,896	15,083	19,979	43,267	-	43,267	Monthly	5.42	63,246	5.42
76,882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	13,287	39,846	53,133	114,294	-	114,294	Monthly	5.42	167,427	5.42
76,882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	76,182,576-3	TERMIKA HOLDING S.A.	CHILE	UF	-	87,146	115,797	202,943	691,464	177,612	869,076	Monthly	4.81	1,072,020	4.81
76,882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	76,182,576-3	TERMIKA HOLDING S.A.	CHILE	UF	-	78,747	89,277	168,024	504,738	654,609	1,159,347	Monthly	2.44	1,327,370	2.44
Foreign	OPEN PLAZA S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	-	-	158,495	158,495	722,098	1,404,235	2,126,333	Monthly	7.13	2,329,347	6.9
Foreign	OPEN PLAZA S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	-	-	256,599	256,599	1,170,749	2,284,695	3,455,444	Monthly	7.13	3,796,956	6.9
Foreign	OPEN PLAZA S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	-	450,006	450,006	2,090,470	692,551	2,783,021	Monthly	8.6	3,255,256	8.28
Foreign	OPEN PLAZA S.A.	PERU	Foreign	BANCO INTERAMERICANO DE FINANZAS (BIF)	PERU	PEN	-	-	564,801	564,801	501,718	-	501,718	Monthly	8.5	1,061,103	8.19
Foreign	OPEN PLAZA S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	-	-	164,758	164,758	751,663	1,466,602	2,218,265	Monthly	7.13	2,437,132	6.9
Foreign	OPEN PLAZA S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	-	1,326,100	1,326,100	6,463,821	971,561	7,435,382	Monthly	8.7	8,926,945	8.37
Foreign	OPEN PLAZA S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	-	-	886,820	886,820	6,745,575	-	6,745,575	Monthly	6.48	7,670,648	6.3
Foreign	OPEN PLAZA S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	-	684,600	684,600	6,355,669	-	6,355,669	Monthly	7.55	7,080,045	7.3
Foreign	OPEN PLAZA S.A.	PERU	Foreign	BANCO SANTANDER CENTRAL HISPANO	PERU	PEN	-	-	1,236,589	1,236,589	7,436,177	-	7,436,177	Monthly	7.6	8,689,308	7.35
Foreign	OPEN PLAZA S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	-	66,771	66,771	29,157	-	29,157	Monthly	7.26	95,870	7.26
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO SANTANDER CENTRAL HISPANO	PERU	PEN	105,673	106,143	-	211,816	-	-	-	Monthly	6.95	211,719	6.74
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO SANTANDER CENTRAL HISPANO	PERU	PEN	9,795	9,872	-	19,667	-	-	-	Monthly	6.95	19,736	6.74

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

d) Financial lease obligations as of December 31, 2017 are as follows (continued):

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity							Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years	Total Non-Current				
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO SANTANDER CENTRAL HISPANO	PERU	PEN	9,435	9,490	-	18,925	-	-	-	Monthly	6.95	18,930	6.74
Foreign	MAESTRO PERU S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	77,462	-	-	77,462	-	-	-	Monthly	6.5	77,593	6.5
Foreign	MAESTRO PERU S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	69,895	-	-	69,895	-	-	-	Monthly	6.5	70,014	6.5
Foreign	MAESTRO PERU S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	-	67,459	-	67,459	-	-	-	Monthly	6.5	68,240	6.5
Foreign	AVENTURA PLAZA S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	94,849	288,060	768,558	1,151,467	7,380,010	2,897,878	10,277,888	Monthly	8.08	11,861,071	7.38
Foreign	AVENTURA PLAZA S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	100,372	301,117	854,997	1,256,486	22,884,892	-	22,884,892	Monthly	9.34	24,202,902	8.81
Total Finance Leases							3,762,342	1,077,256	8,162,744	13,002,342	65,075,085	10,549,742	75,624,827				

In the above table, when the nominal rate is equal to the effective rate, it means that there were no costs or income directly associated with the transaction that will affect the original rate of the instrument.

e) Other Financial Liabilities as of December 31, 2017 and December 31, 2016 are as follows:

Other Financial Liabilities	Dec-31-2017		Dec-31-2016	
	Current ThCh\$	Non-Current ThCh\$	Current ThCh\$	Non-Current ThCh\$
Financial liabilities at fair value through profit and loss	2,344,453	-	4,545,489	-
Hedging liabilities	14,099,409	134,803,387	13,543,528	75,522,844
Total	16,443,862	134,803,387	18,089,017	75,522,844

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

Dec-31-2016

a) Bank loans as of December 31, 2016 are as follows:

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %	
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years					Total Non-Current
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,006,000-6	BANCO DE CREDITO E INVERSIONES	CHILE	UF	236,483	-	-	236,483	32,419,540	-	32,419,540	Six monthly	2.28	32,419,540	2.25
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,018,000-1	BANCO SCOTIABANK	CHILE	CLP	278,826	-	24,900,000	25,178,826	-	-	-	At Maturity	4.21	24,900,000	4.12
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,018,000-1	BANCO SCOTIABANK	CHILE	CLP	98,133	20,000,000	-	20,098,133	-	-	-	At Maturity	3.50	19,919,999	3.50
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,023,000-9	BANCO ITAU	CHILE	CLP	637,103	-	-	637,103	24,799,999	-	24,799,999	At Maturity	5.12	24,799,999	5.12
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	3,116	-	-	3,116	24,899,999	-	24,899,999	At Maturity	4.12	24,899,999	3.36
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	142,715	3,021,606	1,726,632	4,890,953	7,338,187	-	7,338,187	Six monthly	4.57	12,229,140	4.36
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	281,964	-	-	281,964	24,936,094	-	24,936,094	At Maturity	4.57	25,257,979	4.27
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	185,043	-	19,919,999	20,105,042	-	-	-	At Maturity	4.15	20,105,042	4.15
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	17,032,110	-	-	17,032,110	-	-	-	At Maturity	3.76	17,032,110	3.76
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,032,000-8	BANCO BBVA	CHILE	CLP	150,823	-	19,919,999	20,070,822	-	-	-	At Maturity	4.44	19,919,999	4.37
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,032,000-8	BANCO BBVA	CHILE	CLP	49,830,240	-	-	49,830,240	-	-	-	At Maturity	3.72	49,830,240	3.72
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,036,000-K	BANCO SANTANDER	CHILE	CLP	99,053	20,000,000	-	20,099,053	-	-	-	At Maturity	3.88	20,099,053	3.88
90,749,000-9	S.A.C.I. FALABELLA	CHILE	97,036,000-K	BANCO SANTANDER	CHILE	CLP	82,080	20,000,000	-	20,082,080	-	-	-	At Maturity	3.89	20,082,080	3.89
90,743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	Foreign	BANCO DE CREDITO	PERU	PEN	156,247	-	20,023,315	20,179,562	-	-	-	At Maturity	3.70	19,500,000	3.70
90,743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	97,004,000-5	BANCO DE CHILE	CHILE	CLP	112,813	-	-	112,813	20,000,000	-	20,000,000	At Maturity	4.28	20,000,000	4.28
90,743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	97,004,000-5	BANCO DE CHILE	CHILE	CLP	223,833	-	24,945,550	25,169,383	-	-	-	At Maturity	4.08	25,000,000	4.08
90,743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	-	17,660,737	-	17,660,737	-	-	-	At Maturity	4.38	17,650,000	4.38
90,743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	-	-	20,176,417	20,176,417	-	-	-	At Maturity	4.35	20,000,000	4.35
90,743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	97,030,000-7	BANCO ESTADO	CHILE	CLP	223,285	-	24,945,203	25,168,488	-	-	-	At Maturity	4.07	25,000,000	4.07
77,261,280-K	FALABELLA RETAIL S.A.	CHILE	97,004,000-5	BANCO DE CHILE	CHILE	CLP	1,934	-	-	1,934	-	-	-	At Maturity	3.96	1,934	3.96
77,261,280-K	FALABELLA RETAIL S.A.	CHILE	97,036,000-K	BANCO SANTANDER	CHILE	CLP	42	-	-	42	-	-	-	At Maturity	3.96	42	3.96
77,261,280-K	FALABELLA RETAIL S.A.	CHILE	97,036,000-K	BANCO SANTANDER	CHILE	USD	4,971,457	3,227,505	-	8,198,962	-	-	-	At Maturity	17.11	8,198,962	17.11
78,627,210-6	HIPERMERCADOS TOTTUS S.A.	CHILE	97,036,000-K	BANCO SANTANDER	CHILE	USD	-	375,960	-	375,960	-	-	-	At Maturity	1.42	375,648	1.42
78,627,210-6	HIPERMERCADOS TOTTUS S.A.	CHILE	97,036,000-K	BANCO SANTANDER	CHILE	EUR	-	40,249	-	40,249	-	-	-	At Maturity	1.42	40,230	1.42
78,627,210-6	HIPERMERCADOS TOTTUS S.A.	CHILE	97,036,000-K	BANCO SANTANDER	CHILE	CLP	53	-	-	53	-	-	-	At Maturity	4.20	53	4.20
99,556,170-0	SOCIEDAD DE RENTAS FALABELLA S.A.	CHILE	97,008,000-7	CITIBANK	CHILE	UF	-	-	3,044,064	3,044,064	12,095,343	1,518,258	13,613,601	Six monthly	3.94	16,720,833	3.64

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

a) Bank Loans as of December 31, 2016 are as follows (continued):

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %	
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years					Total Non-Current
99.556,170-0	SOCIEDAD DE RENTAS FALABELLA S.A.	CHILE	97.023,000-9	BANCO CORPBANCA	CHILE	CLP	-	-	14,437,007	14,437,007	24,941,359	-	24,941,359	Annual	7.27	37,500,000	7.10
99.556,170-0	SOCIEDAD DE RENTAS FALABELLA S.A.	CHILE	97.036,000-K	BANCO SANTANDER	CHILE	CLP	-	367,264	-	367,264	24,106,855	-	24,106,855	At Maturity	5.13	24,131,850	5.10
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	UF	-	4,993	-	4,993	11,047,359	-	11,047,359	At Maturity	4.07	11,066,152	3.98
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	CLP	4,991,705	-	4,373,364	9,365,069	21,870,590	-	21,870,590	Six monthly	4.69	30,624,432	4.68
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	CLP	-	462,807	-	462,807	28,197,945	-	28,197,945	At Maturity	5.05	28,198,030	5.05
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.006,000-6	BANCO DE CREDITO E INVERSIONES	CHILE	UF	-	-	50,519	50,519	30,248,388	-	30,248,388	At Maturity	4.01	30,300,177	3.84
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.030,000-7	BANCO ESTADO	CHILE	UF	-	53,231,726	-	53,231,726	-	-	-	At Maturity	3.92	52,695,960	3.73
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.030,000-7	BANCO ESTADO	CHILE	CLP	-	1,127,758	7,556,547	8,684,305	37,987,362	-	37,987,362	Six monthly	7.19	45,673,700	7.05
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.030,000-7	BANCO ESTADO	CHILE	CLP	-	-	11,551,207	11,551,207	16,517,563	-	16,517,563	Six monthly	5.23	27,909,911	5.13
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.032,000-8	BANCO BBVA	CHILE	UF	-	-	136,058	136,058	25,118,399	-	25,118,399	At Maturity	2.60	25,118,400	2.60
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.032,000-8	BANCO BBVA	CHILE	CLP	5,173,938	-	-	5,173,938	-	-	-	At Maturity	3.80	5,160,864	3.80
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.032,000-8	BANCO BBVA	CHILE	CLP	5,210,178	-	-	5,210,178	-	-	-	At Maturity	4.52	5,197,946	3.80
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.032,000-8	BANCO BBVA	CHILE	CLP	2,616,265	-	-	2,616,265	-	-	-	At Maturity	5.25	2,610,592	3.80
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.032,000-8	BANCO BBVA	CHILE	CLP	2,638,775	-	-	2,638,775	-	-	-	At Maturity	4.52	2,632,580	3.80
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.032,000-8	BANCO BBVA	CHILE	CLP	2,635,964	-	-	2,635,964	-	-	-	At Maturity	4.52	2,629,776	3.80
76.882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	97.032,000-8	BANCO BBVA	CHILE	CLP	4,003,456	-	-	4,003,456	-	-	-	At Maturity	4.99	4,000,000	3.80
96.824,450-7	INMOBILIARIA MALL LAS AMERICAS S.A.	CHILE	97.006,000-6	BANCO DE CREDITO E INVERSIONES	CHILE	UF	-	155,012	1,214,376	1,369,388	8,664,703	-	8,664,703	Six monthly	4.45	9,968,259	4.10
96.573,100-8	MANUFACTURAS DE VESTUARIO MAVESA LTDA.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	USD	-	723,572	-	723,572	-	-	-	At Maturity	1.44	717,126	1.41
96.792,430-K	SODIMAC S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	EUR	176,639	92,798	-	269,437	-	-	-	At Maturity	0.21	276,406	0.21
96.792,430-K	SODIMAC S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	USD	8,549,651	4,491,601	-	13,041,252	-	-	-	At Maturity	0.91	12,953,287	1.01
96.792,430-K	SODIMAC S.A.	CHILE	97.006,000-6	BANCO DE CREDITO E INVERSIONES	CHILE	CLP	257	-	-	257	-	-	-	At Maturity	0.33	257	0.33
96.792,430-K	SODIMAC S.A.	CHILE	97.023,000-9	BANCO ITAÚ	CHILE	USD	609,669	320,293	-	929,962	-	-	-	At Maturity	1.02	919,852	1.02
96.792,430-K	SODIMAC S.A.	CHILE	97.036,000-K	BANCO SANTANDER	CHILE	USD	865,936	454,924	-	1,320,860	-	-	-	At Maturity	1.03	1,317,587	1.07
76.821,330-5	IMPERIAL S.A.	CHILE	97.004,000-5	BANCO DE CHILE	CHILE	USD	280,352	-	-	280,352	-	-	-	At Maturity	2.01	280,110	1.09
76.821,330-5	IMPERIAL S.A.	CHILE	97.030,000-7	BANCO ESTADO	CHILE	CLP	-	1,402,738	-	1,402,738	6,643,743	-	6,643,743	Six monthly	7.02	8,185,079	6.79
76.821,330-5	IMPERIAL S.A.	CHILE	97.032,000-8	BANCO BBVA	CHILE	CLP	-	53,625	-	53,625	8,741,501	1,249,730	9,991,231	Six monthly	5.96	10,197,167	5.85

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

a) Bank Loans as of December 31, 2016 are as follows (continued):

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %	
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years					Total Non-Current
76.821.330-5	IMPERIAL S.A.	CHILE	97.032.000-8	BANCO BBVA	CHILE	USD	723,121	-	-	723,121	-	-	-	At Maturity	2.01	722,480	1.08
76.821.330-5	IMPERIAL S.A.	CHILE	97.036.000-K	BANCO SANTANDER	CHILE	CLP	1,251,512	-	-	1,251,512	-	-	-	Monthly	3.96	1,250,000	3.96
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO BBVA	ARGENTINA	ARS	164,679	-	-	164,679	-	-	-	Monthly	24.89	164,679	24.89
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE GALICIA Y BUENOS AIRES	ARGENTINA	ARS	64,474	-	-	64,474	8,439,793	-	8,439,793	At Maturity	29.42	8,504,267	29.42
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE GALICIA Y BUENOS AIRES	ARGENTINA	ARS	17,662	-	-	17,662	-	-	-	Monthly	24.89	17,662	24.89
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO DEUTSCHE	ARGENTINA	ARS	28,408	-	-	28,408	-	-	-	Monthly	24.89	28,408	24.89
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO	ARGENTINA	ARS	1,907	-	-	1,907	-	-	-	Monthly	24.89	1,907	24.89
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO ICBC	ARGENTINA	ARS	27,542	1,163,958	2,174,187	3,365,687	-	-	-	Three monthly	37.39	3,365,687	33.06
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO ICBC	ARGENTINA	ARS	477,119	-	-	477,119	-	-	-	Monthly	24.89	477,119	24.89
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA	ARGENTINA	ARS	134,087	262,275	526,928	923,290	-	-	-	Monthly	32.92	923,290	28.80
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA	ARGENTINA	ARS	22,208	-	3,372,635	3,394,743	-	-	-	Monthly	29.29	3,394,743	29.29
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA	ARGENTINA	ARS	180	-	-	180	-	-	-	Monthly	24.89	180	24.89
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO SANTANDER	ARGENTINA	ARS	1,651,306	-	-	1,651,306	-	-	-	Monthly	24.89	1,651,306	24.89
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO BBVA	ARGENTINA	ARS	22,494	-	8,827,670	8,850,164	1,687,191	-	1,687,191	At Maturity	29.00	10,537,355	29.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO BBVA	ARGENTINA	ARS	61,926	-	5,073,599	5,135,525	-	-	-	Monthly	25.00	5,135,525	25.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE GALICIA Y BUENOS AIRES	ARGENTINA	ARS	45,060	-	-	45,060	8,444,943	-	8,444,943	At Maturity	29.00	8,490,003	29.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE LA CIUDAD DE BUENOS AIRES	ARGENTINA	ARS	189,138	279,816	1,258,844	1,727,798	699,906	-	699,906	Monthly	33.00	2,427,704	29.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO	ARGENTINA	ARS	13,377	421,342	-	434,719	-	-	-	At Maturity	41.00	434,719	37.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO	ARGENTINA	ARS	200,909	394,311	592,788	1,188,008	-	-	-	At Maturity	34.00	1,188,008	30.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO HSBC	ARGENTINA	ARS	12,435,415	-	-	12,435,415	-	-	-	Monthly	26.00	12,435,415	26.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO ICBC	ARGENTINA	ARS	285,857	-	281,748	567,605	-	-	-	Four monthly	37.00	567,605	33.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO ICBC	ARGENTINA	ARS	1,118,581	-	-	1,118,581	-	-	-	Monthly	28.00	1,118,581	28.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO ITAÚ	ARGENTINA	ARS	6,263	1,259,981	-	1,266,244	-	-	-	At Maturity	33.00	1,266,244	32.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO ITAÚ	ARGENTINA	ARS	39,730	2,534,732	-	2,574,462	-	-	-	At Maturity	31.00	2,574,462	31.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO ITAÚ	ARGENTINA	ARS	44,162	4,228,000	-	4,272,162	-	-	-	At Maturity	32.00	4,272,162	32.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA	ARGENTINA	ARS	134,030	262,404	525,132	921,566	-	-	-	Monthly	33.00	921,566	29.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA	ARGENTINA	ARS	180,140	277,216	1,246,695	1,704,051	1,662,396	972,091	2,634,487	Monthly	33.00	4,338,538	29.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA	ARGENTINA	ARS	6,908,647	-	-	6,908,647	-	-	-	At Maturity	27.00	6,908,647	27.00

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

a) Bank Loans as of December 31, 2016 are as follows (continued):

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %	
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years					Total Non-Current
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA	ARGENTINA	ARS	51,399	-	2,004,913	2,056,312	-	-	-	Monthly	27.00	2,056,312	25.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO SANTANDER	ARGENTINA	ARS	12,965,592	-	-	12,965,592	-	-	-	Monthly	27.00	12,965,592	26.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	97,030,000-7	BANCO ESTADO	CHILE	USD	10,354	-	6,807,081	6,817,435	-	-	-	Monthly	25.00	6,817,435	25.00
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO BBVA	ARGENTINA	ARS	205,274	-	-	205,274	-	-	-	Monthly	27.50	205,274	27.50
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE GALICIA Y BUENOS AIRES	ARGENTINA	ARS	64,473	-	-	64,473	8,439,793	-	8,439,793	At Maturity	33.35	8,504,266	29.90
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE GALICIA Y BUENOS AIRES	ARGENTINA	ARS	62	-	-	62	-	-	-	Monthly	29.00	62	29.00
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO HSBC	ARGENTINA	ARS	534,848	-	-	534,848	-	-	-	Monthly	27.00	534,848	27.00
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO ICBC	ARGENTINA	ARS	410,633	-	-	410,633	-	-	-	Monthly	28.50	410,633	28.50
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO ITAÚ	ARGENTINA	ARS	177	-	-	177	-	-	-	Monthly	23.00	177	23.00
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO MACRO	ARGENTINA	ARS	2,282,531	-	-	2,282,531	-	-	-	Monthly	27.00	2,282,531	27.00
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA	ARGENTINA	ARS	3,026,784	-	-	3,026,784	-	-	-	Monthly	27.00	3,026,784	27.00
Foreign	AVENTURA PLAZA S.A. (PERU)	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	-	9,987,518	9,987,518	-	-	-	At Maturity	6.94	9,984,500	5.99
Foreign	FALABELLA PERU S.A.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	291,322	845,629	147,224	1,284,175	49,641,964	-	49,641,964	Six monthly	7.12	49,922,500	6.85
Foreign	FALABELLA PERU S.A.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	60,959	-	2,175,097	2,236,056	27,598,713	-	27,598,713	Three monthly	7.27	29,953,500	6.88
Foreign	FALABELLA PERU S.A.A.	PERU	Foreign	BANCO DE TOKIO-MITSUBISHI UFJ, LTD	JAPAN	USD	176,335	398,178	-	574,513	33,353,241	-	33,353,241	Three monthly	2.62	33,837,471	2.36
Foreign	FALABELLA PERU S.A.A.	PERU	Foreign	BANCO INTERNACIONAL DEL PERU	PERU	PEN	490,324	1,298,773	3,573,953	5,363,050	22,856,543	-	22,856,543	Monthly	7.08	29,535,118	6.82
Foreign	FALABELLA PERU S.A.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	146,655	426,447	9,305	582,407	29,913,509	-	29,913,509	Six monthly	5.84	29,953,500	5.75
Foreign	FALABELLA PERU S.A.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	160,230	190,132	-	350,362	29,893,316	-	29,893,316	Three monthly	6.52	29,953,500	6.35
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO CONTINENTAL	PERU	PEN	-	10,012,883	-	10,012,883	-	-	-	At Maturity	4.35	9,984,500	4.35
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO CONTINENTAL	PERU	PEN	-	2,002,577	-	2,002,577	-	-	-	At Maturity	4.35	1,996,900	4.35
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO CONTINENTAL	PERU	PEN	-	4,005,153	-	4,005,153	-	-	-	At Maturity	4.35	3,993,800	4.35
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO CONTINENTAL	PERU	PEN	-	17,622,674	-	17,622,674	-	-	-	At Maturity	4.35	17,572,720	4.35
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	31,391	63,244	227,045	321,680	-	-	-	Monthly	6.32	332,707	6.13
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	94,175	189,726	889,628	1,173,529	3,208,804	-	3,208,804	Monthly	6.05	4,883,305	5.87
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	38,456	77,120	358,830	474,406	2,165,850	-	2,165,850	Monthly	7.17	3,140,084	6.93
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	2,418,993	-	-	2,418,993	-	-	-	At Maturity	4.83	2,396,280	4.83
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	7,448,182	-	-	7,448,182	-	-	-	At Maturity	4.86	7,388,530	4.86

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

a) Bank Loans as of December 31, 2016 are as follows (continued):

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %		
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years					Total Non-Current	
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	20,902,031	-	-	-	20,902,031	-	-	-	At Maturity	4.39	20,767,760	4.39
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	1,999,832	-	-	1,999,832	-	-	-	At Maturity	4.50	1,996,900	4.50
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	10,999,076	-	-	10,999,076	-	-	-	At Maturity	4.50	10,982,950	4.50
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	9,999,160	-	-	9,999,160	-	-	-	At Maturity	4.50	9,984,500	4.50
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO CONTINENTAL	PERU	PEN	-	999,513	-	-	999,513	-	-	-	Monthly	4.28	998,450	4.27
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO CONTINENTAL	PERU	PEN	2,202,834	-	-	-	2,202,834	-	-	-	Monthly	4.35	2,196,590	4.27
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	-	2,565,721	-	2,565,721	3,204,508	-	3,204,508	Monthly	7.57	5,779,378	7.15
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	-	560,781	-	560,781	700,404	-	700,404	Monthly	7.57	1,263,190	7.15
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	681,060	-	-	-	681,060	-	-	-	Monthly	4.50	680,144	4.41
Foreign	SAGA FALABELLA S.A.	PERU	Foreign	BANCO CONTINENTAL	PERU	PEN	-	44,056,686	-	-	44,056,686	-	-	-	Monthly	4.35	43,931,800	4.35
Foreign	SAGA FALABELLA S.A.	PERU	Foreign	BANCO CONTINENTAL	PERU	PEN	-	4,005,153	-	-	4,005,153	-	-	-	Monthly	4.35	3,993,800	4.35
Foreign	SAGA FALABELLA S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	5,001,414	-	-	5,001,414	-	-	-	Monthly	4.50	4,992,250	4.50
Foreign	SAGA FALABELLA S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	25,197,863	-	-	25,197,863	-	-	-	Monthly	4.50	25,160,940	4.50
Foreign	MAESTRO PERU S.A.	PERU	Foreign	BANCO CONTINENTAL	PERU	PEN	-	4,405,669	-	-	4,405,669	-	-	-	At Maturity	4.35	4,393,180	4.35
Foreign	MAESTRO PERU S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	7,402,092	-	-	7,402,092	-	-	-	At Maturity	4.50	7,388,530	4.50
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO CONTINENTAL	PERU	PEN	-	31,840,969	-	-	31,840,969	-	-	-	At Maturity	4.35	31,750,710	4.27
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	25,987	51,031	156,550	233,568	-	-	-	Monthly	6.32	233,328	6.14	
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	63,680	122,486	570,476	756,642	603,385	-	603,385	Monthly	7.25	1,361,639	7.02	
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	58,682	109,834	509,603	678,119	4,496,707	-	4,496,707	Monthly	6.60	5,192,785	6.41	
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	118,662	202,930	941,533	1,263,125	8,456,572	-	8,456,572	Monthly	6.60	9,743,773	6.41	
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	80,921	135,273	629,583	845,777	3,723,044	-	3,723,044	Monthly	7.17	4,586,075	6.94	
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	8,587,695	-	-	8,587,695	-	-	-	At Maturity	4.39	8,586,670	4.30	
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	13,598,858	-	-	13,598,858	-	-	-	At Maturity	4.50	13,578,920	4.41
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	7,999,328	-	-	7,999,328	-	-	-	At Maturity	4.50	7,987,600	4.41
Foreign	FALABELLA COLOMBIA S.A.	COLOMBIA	Foreign	BANCO AV VILLAS	COLOMBIA	COP	118,410	-	-	118,410	10,912,000	-	10,912,000	At Maturity	9.35	11,030,410	9.04	

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

a) Bank Loans as of December 31, 2016 are as follows (continued):

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity							Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years	Total Non-Current				
Foreign	FALABELLA COLOMBIA S.A.	COLOMBIA	Foreign	BANCO BOGOTA	COLOMBIA	COP	102,889	-	-	102,889	26,714,813	-	26,714,813	At Maturity	10.38	26,817,702	10.00
Foreign	FALABELLA COLOMBIA S.A.	COLOMBIA	Foreign	BANCO CORPBANCA	COLOMBIA	COP	18,746	-	-	18,746	3,265,995	-	3,265,995	At Maturity	10.08	3,284,741	9.84
Foreign	FALABELLA COLOMBIA S.A.	COLOMBIA	Foreign	BANCO POPULAR	COLOMBIA	COP	52,814	-	-	52,814	11,000,000	-	11,000,000	At Maturity	11.25	11,052,814	10.80
Foreign	CENTRO COMERCIAL MANIZALES S.A.S.	COLOMBIA	Foreign	BANCO CORPBANCA	COLOMBIA	COP	2,476	-	-	2,476	-	6,791,576	6,791,576	At Maturity	13.42	6,794,052	13.42
Foreign	CENTRO COMERCIAL EL CASTILLO CARTEGENA S.A.S.	COLOMBIA	Foreign	BANCO CORPBANCA	COLOMBIA	COP	145,651	-	2,090,000	2,235,651	10,923,919	11,709,095	22,633,014	At Maturity	10.38	24,868,665	9.94
Foreign	CENTRO COMERCIAL BARRANQUILLA S.A.S.	COLOMBIA	Foreign	BANCO DAVIVIENDA	COLOMBIA	COP	24,116	-	-	24,116	-	3,102,000	3,102,000	At Maturity	14.05	3,126,116	14.05
Foreign	HOMECENTER SODIMAC S.A.	URUGUAY	Foreign	BANCO BBVA	URUGUAY	UYU	-	-	-	-	3,547,206	-	3,547,206	At Maturity	16.50	3,429,000	16.50
Foreign	HOMECENTER SODIMAC S.A.	URUGUAY	Foreign	BANCO BBVA	URUGUAY	UYU	-	-	1,216,624	1,216,624	-	-	-	At Maturity	16.50	434,340	16.50
Foreign	HOMECENTER SODIMAC S.A.	URUGUAY	Foreign	BANCO BBVA	URUGUAY	UYU	1,143,710	-	-	1,143,710	-	-	-	At Maturity	12.00	1,143,000	12.00
Foreign	HOMECENTER SODIMAC S.A.	URUGUAY	Foreign	BANCO BBVA	URUGUAY	UYU	-	114,371	-	114,371	-	-	-	At Maturity	12.00	114,300	12.00
Foreign	HOMECENTER SODIMAC S.A.	URUGUAY	Foreign	BANCO ITAÚ	URUGUAY	UYU	1,777	-	406,947	408,724	2,848,626	-	2,848,626	At Maturity	6.75	3,234,690	6.75
Foreign	HOMECENTER SODIMAC S.A.	URUGUAY	Foreign	BANCO ITAÚ	URUGUAY	UYU	-	279,155	-	279,155	-	-	-	At Maturity	13.90	274,320	13.90
Foreign	HOMECENTER SODIMAC S.A.	URUGUAY	Foreign	BANCO SANTANDER	URUGUAY	UYU	-	-	3,071,842	3,071,842	-	-	-	At Maturity	16.75	2,628,900	16.75
Foreign	HOMECENTER SODIMAC S.A.	URUGUAY	Foreign	BANCO SANTANDER	URUGUAY	UYU	3,202,388	-	-	3,202,388	-	-	-	At Maturity	12.00	3,200,400	12.00
Foreign	HOMECENTER SODIMAC S.A.	URUGUAY	Foreign	BANCO SANTANDER	URUGUAY	UYU	1,997,171	-	-	1,997,171	-	-	-	At Maturity	12.50	1,977,390	12.50
Foreign	HOMECENTER SODIMAC S.A.	URUGUAY	Foreign	BANCO SANTANDER	URUGUAY	UYU	354,902	-	-	354,902	-	-	-	At Maturity	18.00	354,902	18.00
Foreign	HOMECENTER SODIMAC S.A.	URUGUAY	Foreign	BANCO SANTANDER	URUGUAY	USD	102,560	-	-	102,560	-	-	-	At Maturity	18.00	102,560	18.00
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	CITIBANK	BRAZIL	USD	-	-	11,849,301	11,849,301	-	-	-	At Maturity	13.21	13,172,480	11.75
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	CITIBANK	BRAZIL	USD	-	-	11,689,583	11,689,583	-	-	-	At Maturity	13.30	12,349,200	12.76
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	BANCO HSBC	BRAZIL	USD	-	-	7,901,139	7,901,139	-	-	-	At Maturity	13.19	8,232,800	11.70
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	BANCO ITAÚ	BRAZIL	USD	-	-	14,150,342	14,150,342	-	-	-	At Maturity	14.94	13,378,300	14.94
Foreign	SHEARVAN CORPORATE S.A.	I.V. BRITISH	97,036,000-K	BANCO SANTANDER	CHILE	USD	-	88,359	-	88,359	-	-	-	At Maturity	1.39	88,359	1.39
Total Bank Loans							209,648,383	364,040,791	307,291,002	880,980,176	708,978,070	25,342,750	734,320,820				

In the above table, when the nominal rate is equal to the effective rate, it means that there were no costs or income directly associated with the transaction that will affect the original rate of the instrument.

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

b) Obligations to the Public (Bonds payable) as of December 31, 2016 are as follows:

Debtor ID number	Debtor Name	Debtor Country	Creditor	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity							Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %
					Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years	Total Non-Current				
90.749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	CLP	519,023	-	-	519,023	-	94,470,242	94,470,242	At Maturity	6.63	94,588,500	6.50
90.749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	USD	5,111,998	-	-	5,111,998	-	330,440,277	330,440,277	At Maturity	3.98	334,735,000	3.75
90.749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	USD	-	-	2,189,682	2,189,682	-	265,377,172	265,377,172	At Maturity	4.50	267,788,000	4.38
90.749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	UF	328,557	-	-	328,557	-	89,498,103	89,498,103	At Maturity	4.38	92,217,930	4.00
90.749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	UF	-	-	100,047	100,047	53,253,406	-	53,253,406	At Maturity	2.24	52,695,960	2.30
90.749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	UF	-	-	219,886	219,886	-	76,623,604	76,623,604	At Maturity	3.26	79,043,940	3.10
90.749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	CLP	273,437	-	-	273,437	47,535,699	15,848,891	63,384,590	At Maturity	5.10	63,000,000	5.15
90.749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	UF	138,944	-	-	138,944	-	51,572,203	51,572,203	At Maturity	3.00	52,695,960	3.15
90.749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	CLP	386,098	-	-	386,098	-	78,377,862	78,377,862	At Maturity	5.04	78,000,000	4.84
90.749,000-9	S.A.C.I. FALABELLA	CHILE	Sundry Creditors	UF	234,015	-	-	234,015	-	74,658,981	74,658,981	At Maturity	3.16	79,043,940	3.11
90.743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	Sundry Creditors	CLP	14,993,197	-	-	14,993,197	-	-	-	At Maturity	4.14	15,000,000	4.14
90.743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	Sundry Creditors	CLP	-	14,936,033	-	14,936,033	-	-	-	At Maturity	4.06	15,000,000	4.06
90.743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	Sundry Creditors	CLP	-	10,932,202	-	10,932,202	-	-	-	At Maturity	4.08	11,000,000	4.08
90.743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	Sundry Creditors	CLP	-	10,903,747	-	10,903,747	-	-	-	At Maturity	4.20	11,000,000	4.20
90.743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	Sundry Creditors	CLP	-	10,888,302	-	10,888,302	-	-	-	At Maturity	4.21	11,000,000	4.21
90.743,000-6	PROMOTORA CMR FALABELLA S.A.	CHILE	Sundry Creditors	CLP	-	-	14,827,496	14,827,496	-	-	-	At Maturity	4.20	15,000,000	4.20
76.017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	-	600,769	600,769	17,191,462	60,431,687	77,623,149	Six monthly	4.72	79,043,940	4.50
76.017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	-	576,568	576,568	-	77,424,229	77,424,229	At Maturity	4.00	79,043,940	3.85
76.017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	-	383,887	383,887	-	51,667,627	51,667,627	At Maturity	3.99	52,695,960	3.85
76.017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	-	311,563	311,563	-	62,521,498	62,521,498	At Maturity	3.90	65,869,950	3.50
76.017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	-	8,816,534	8,816,534	8,759,973	-	8,759,973	Six monthly	3.74	17,565,320	3.50
76.017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	-	265,007	265,007	-	78,439,568	78,439,568	At Maturity	3.92	79,043,940	3.90
76.017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	5,471,455	4,961,157	10,432,612	29,705,595	-	29,705,595	Six monthly	3.34	39,521,970	3.50
76.017,019-4	PLAZA S.A.	CHILE	Sundry Creditors	UF	-	1,139,755	-	1,139,755	-	79,110,025	79,110,025	At Maturity	3.76	79,043,940	3.80
96.792,430-K	SODIMAC S.A.	CHILE	Sundry Creditors	UF	-	-	26,695,689	26,695,689	-	-	-	At Maturity	3.83	26,422,009	3.40
96.792,430-K	SODIMAC S.A.	CHILE	Sundry Creditors	UF	-	-	126,507	126,507	-	38,761,463	38,761,463	Six monthly	3.98	39,642,723	3.70
Foreign	CMR FALABELLA S.A.	ARGENTINA	Sundry Creditors	ARS	1,371,189	1,727,273	525,258	3,623,720	-	-	-	Monthly	29.33	3,838,698	26.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Sundry Creditors	ARS	15,290	9,116	-	24,406	-	-	-	Monthly	26.00	77,695	26.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Sundry Creditors	ARS	3,133,271	3,006,211	123,561	6,263,043	-	-	-	Monthly	31.51	6,506,738	25.00
Foreign	FALABELLA PERU S.A.A	PERU	Sundry Creditors	PEN	132,912	158,638	-	291,550	-	19,522,051	19,522,051	Three monthly	8.33	19,569,620	8.06
Foreign	FALABELLA PERU S.A.A	PERU	Sundry Creditors	PEN	157,178	25,351	-	182,529	-	25,895,128	25,895,128	Three monthly	7.42	25,959,700	7.19
Foreign	FALABELLA PERU S.A.A	PERU	Sundry Creditors	PEN	75,698	100,116	-	175,814	-	14,364,019	14,364,019	Three monthly	6.53	14,377,680	6.25
Foreign	SAGA FALABELLA S.A. (PERU)	PERU	Sundry Creditors	PEN	-	362,021	1,069,573	1,431,594	711,990	-	711,990	Three monthly	6.50	1,426,357	6.34
Foreign	SAGA FALABELLA S.A. (PERU)	PERU	Sundry Creditors	PEN	315,094	-	747,105	1,062,199	-	-	-	Three monthly	7.28	2,496,125	7.09
Foreign	SAGA FALABELLA S.A. (PERU)	PERU	Sundry Creditors	PEN	-	337,202	896,568	1,233,770	3,195,040	599,070	3,794,110	Three monthly	5.94	6,589,770	5.81
Foreign	SAGA FALABELLA S.A. (PERU)	PERU	Sundry Creditors	PEN	387,007	-	1,067,434	1,454,441	4,791,797	598,460	5,390,257	Three monthly	5.12	6,489,925	5.00
Foreign	SAGA FALABELLA S.A. (PERU)	PERU	Sundry Creditors	PEN	-	371,111	1,067,434	1,438,545	1,068,104	-	1,068,104	Three monthly	7.83	2,139,536	7.56
Foreign	SAGA FALABELLA S.A. (PERU)	PERU	Sundry Creditors	PEN	-	233,654	598,037	831,691	3,992,750	1,496,624	5,469,374	Three monthly	5.52	4,592,870	5.41
Foreign	HIPERMERCADOS TOTTUS S.A. (PERU)	PERU	Sundry Creditors	PEN	23,497	54,155	167,607	245,259	1,070,395	6,379,501	7,449,896	Three monthly	7.61	7,728,086	7.40
Foreign	HIPERMERCADOS TOTTUS S.A. (PERU)	PERU	Sundry Creditors	PEN	29,366	67,685	209,467	306,518	1,337,769	7,973,876	9,311,645	Three monthly	7.61	9,660,107	7.40
Foreign	HIPERMERCADOS TOTTUS S.A. (PERU)	PERU	Sundry Creditors	PEN	27,771	64,495	207,130	299,396	1,340,047	7,978,939	9,318,986	Three monthly	7.61	9,660,107	7.40
Foreign	HIPERMERCADOS TOTTUS S.A. (PERU)	PERU	Sundry Creditors	PEN	23,438	54,038	167,077	244,553	1,067,502	6,373,063	7,440,565	Three monthly	7.61	7,728,086	7.40
Total Obligations to the Public					27,676,980	60,842,560	66,921,043	155,440,583	175,021,529	1,616,404,163	1,791,425,692				

In the above table, when the nominal rate is equal to the effective rate, it means that there were no costs or income directly associated with the transaction that will affect the original rate of the instrument.

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

c) Financial lease obligations as of December 31, 2016 are as follows:

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %	
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years					Total Non-Current
77,612,410-9	ADESSA LTDA.	CHILE	77,164,280-2	TANNER LEASING VENDOR LIMITADA	CHILE	CLP	1,939,174	-	-	1,939,174	2,444,095	-	2,444,095	Monthly	3.26	4,110,871	3.26
77,612,410-9	ADESSA LTDA.	CHILE	77,164,280-2	TANNER LEASING VENDOR LIMITADA	CHILE	CLP	-	469,875	-	469,875	697,710	-	697,710	Monthly	5.15	1,162,500	5.15
77,612,410-9	ADESSA LTDA.	CHILE	92,040,000-0	IBM S.A.	CHILE	USD	9,584	5,451	24,531	39,566	44,509	-	44,509	Monthly	1.19	74,813	1.19
77,612,410-9	ADESSA LTDA.	CHILE	92,040,000-0	IBM S.A.	CHILE	USD	74,936	-	73,186	148,122	148,991	-	148,991	Monthly	1.19	291,044	1.19
77,612,410-9	ADESSA LTDA.	CHILE	92,040,000-0	IBM S.A.	CHILE	CLP	26,946	54,027	81,378	162,351	-	-	162,351	Monthly	1.19	162,351	1.19
96,653,660-8	PLAZA DEL TRÉBOL S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	10,120	31,010	41,130	137,299	-	137,299	Monthly	5.42	178,429	5.42
96,795,700-3	PLAZA LA SERENA S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	4,041	12,452	16,493	55,041	-	55,041	Monthly	5.42	71,534	5.42
96,653,650-0	PLAZA OESTE S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	47,929	147,916	195,845	653,957	-	653,957	Monthly	5.42	849,802	5.42
99,555,550-6	PLAZA ANTOFAGASTA S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	8,194	17,759	25,953	78,359	-	78,359	Monthly	5.42	104,312	5.42
96,791,560-2	PLAZA TOBALABA S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	3,983	12,326	16,309	54,593	-	54,593	Monthly	5.42	70,902	5.42
79,990,670-8	ADMINISTRADORA PLAZA VESPUCCIO S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	11,654	35,719	47,373	157,982	-	157,982	Monthly	5.42	205,355	5.42
76,882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	76,182,576-3	TERMIKA HOLDING S.A.	CHILE	UF	-	35,463	108,627	144,090	653,471	352,742	1,006,213	Monthly	4.81	1,150,303	4.81
76,882,330-8	NUEVOS DESARROLLOS S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	12,064	37,161	49,225	163,270	-	163,270	Monthly	5.42	212,495	5.42
96,951,230-0	INMOBILIARIA MALL CALAMA S.A.	CHILE	95,714,000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	4,561	14,067	18,628	62,208	-	62,208	Monthly	5.42	80,836	5.42
Foreign	MALL PLAZA PERU S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	-	-	-	-	20,965,203	20,965,203	Monthly	8.81	20,965,203	8.81
Foreign	AVENTURA PLAZA S.A. (PERU)	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	92,777	281,765	748,707	1,123,249	7,218,725	5,074,699	12,293,424	Monthly	8.08	13,628,855	7.37
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	-	73,885	73,885	-	-	-	Monthly	6.79	73,843	6.59
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	-	673,436	673,436	7,364,937	-	7,364,937	Monthly	7.55	8,111,383	7.30
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	-	1,284,323	1,284,323	6,215,779	2,971,638	9,187,417	Monthly	8.70	10,690,017	8.37
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	-	440,649	440,649	2,022,788	1,357,213	3,380,001	Monthly	8.60	3,843,393	8.28
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO INTERAMERICANO DE FINANZAS	PERU	PEN	-	-	551,281	551,281	1,115,673	-	1,115,673	Monthly	8.50	1,659,570	8.19
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO SANTANDER	PERU	PEN	-	-	1,202,821	1,202,821	5,768,577	3,344,885	9,113,462	Monthly	7.60	10,351,262	7.35
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO SANTANDER	PERU	PEN	-	-	67,010	67,010	71,933	-	71,933	Monthly	7.26	139,644	7.26
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	-	649,647	649,647	-	-	-	Monthly	6.94	652,587	6.73
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	-	876,152	876,152	8,020,148	-	8,020,148	Monthly	6.48	8,962,406	6.30
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	-	252,443	252,443	1,141,291	2,749,804	3,891,095	Monthly	7.13	4,247,458	6.90
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	-	156,024	156,024	704,443	1,690,628	2,395,071	Monthly	7.13	2,605,719	6.90
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	-	162,094	162,094	732,777	1,765,194	2,497,971	Monthly	7.13	2,726,293	6.90

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 18 - Other Current and Non-Current Financial Liabilities (continued)

c) Financial lease obligations as of December 31, 2016 are as follows (continued):

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Obligation Nominal Value according to Contract Conditions ThCh\$	Obligation Nominal Rate according to Contract Conditions %	
							Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Over 5 years					Total Non-Current
Foreign	SAGA FALABELLA S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	1,633	3,265	14,694	19,592	78,370	643,291	721,661	Monthly	10.45	741,254	10.45
Foreign	MAESTRO PERU S.A.	PERU	Foreign	BANCO SANTANDER	PERU	PEN	40,979	82,752	-	123,731	-	-	-	Monthly	8.00	125,327	8.00
Foreign	MAESTRO PERU S.A.	PERU	Foreign	BANCO SANTANDER	PERU	PEN	34,312	69,287	-	103,599	-	-	-	Monthly	7.75	104,934	7.75
Foreign	MAESTRO PERU S.A.	PERU	Foreign	BANCO SANTANDER	PERU	PEN	-	93,093	295,462	388,555	-	-	-	Monthly	8.47	403,912	8.47
Foreign	MAESTRO PERU S.A.	PERU	Foreign	BANCO SANTANDER	PERU	PEN	68,603	-	219,830	288,433	-	-	-	Monthly	8.37	297,383	8.37
Foreign	MAESTRO PERU S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	-	91,027	91,027	-	-	-	Monthly	6.50	92,742	6.50
Foreign	MAESTRO PERU S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	47,952	-	100,315	148,267	-	-	-	Monthly	6.50	150,812	6.50
Foreign	MAESTRO PERU S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	64,649	133,548	198,197	-	-	-	Monthly	6.50	203,328	6.50
Foreign	MAESTRO PERU S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	61,106	125,497	186,603	-	-	-	Monthly	6.50	192,184	6.50
Foreign	MAESTRO PERU S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	75,503	-	239,284	314,787	80,417	-	80,417	Monthly	6.50	408,431	6.50
Foreign	MAESTRO PERU S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	68,127	-	215,909	284,036	72,557	-	72,557	Monthly	6.50	368,534	6.50
Foreign	MAESTRO PERU S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	-	66,399	207,035	273,434	70,715	-	70,715	Monthly	6.50	359,183	6.50
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	30,329	58,956	89,794	179,079	-	-	-	Monthly	6.90	178,296	6.69
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	35,373	60,578	282,892	378,843	443,492	-	443,492	Monthly	8.20	818,426	7.91
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	38,945	61,352	286,546	386,843	932,470	-	932,470	Monthly	8.20	1,314,872	7.91
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	24,911	33,104	155,062	213,077	1,021,952	-	1,021,952	Monthly	8.80	1,234,436	8.46
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO SANTANDER	PERU	PEN	113,064	208,067	966,329	1,287,460	333,324	-	333,324	Monthly	6.95	1,612,406	6.74
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO SANTANDER	PERU	PEN	9,288	18,801	88,440	116,529	30,928	-	30,928	Monthly	6.95	150,307	6.74
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO SANTANDER	PERU	PEN	9,216	18,592	86,368	114,176	29,800	-	29,800	Monthly	6.95	144,165	6.74
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	124,537	237,311	855,433	1,217,281	-	-	-	Monthly	7.85	1,211,789	7.58
Foreign	HIPERMERCADOS TOTTUS S.A.	PERU	Foreign	BANCO SCOTIABANK	PERU	PEN	45,380	86,475	311,747	443,602	-	-	-	Monthly	7.85	441,654	7.58
Total Finance Leases							2,911,569	2,172,914	12,499,816	17,584,299	48,822,581	40,915,297	89,737,878				

d) Reconciliation of current and non-current financial liabilities to the statement of cash flow required by IAS 7:

	Dec-31-2016 ThCh\$	Cash flow ThCh\$	Interest and indexation ThCh\$	Other non-monetary movements ThCh\$	Dec-31-2017 ThCh\$
Other current and non-current financial liabilities	3,763,101,309	(82,738,133)	192,803,379	(32,343,231)	3,840,823,324

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 19 – Current and Non-Current Trade and Other Payables

These are as follows:

Dec-31-2017						
Liability	Up to 1 month ThCh\$	1 to 3 months ThCh\$	3 to 12 months ThCh\$	Total Current ThCh\$	1 to 5 years ThCh\$	Total Non-Current ThCh\$
Trade creditors	623,708,850	252,558,609	53,991,792	930,259,251	-	-
Sundry creditors	8,003,958	9,993,118	4,288,586	22,285,662	1,081,931	1,081,931
Other payables	6,181,107	32,829,328	124,057,201	163,067,636	-	-
Total	637,893,915	295,381,055	182,337,579	1,115,612,549	1,081,931	1,081,931

Dec-31-2016						
Liability	Up to 1 month ThCh\$	1 to 3 months ThCh\$	3 to 12 months ThCh\$	Total Current ThCh\$	1 to 5 years ThCh\$	Total Non-Current ThCh\$
Trade creditors	629,312,716	217,696,293	25,056,277	872,065,286	-	-
Sundry creditors	9,712,888	8,329,649	2,515,758	20,558,295	1,231,300	1,231,300
Other payables	5,197,152	34,389,005	115,415,632	155,001,789	-	-
Total	644,222,756	260,414,947	142,987,667	1,047,625,370	1,231,300	1,231,300

The Company's principal suppliers as of December 31, 2017 are below. The average payment term for suppliers varies, depending on each business and each country, from a minimum of 40 days to a maximum of 109 days as of December 31, 2017.

Supplier Name
Samsung Electronics
LG Electronics
CMPC
Nestlé
Apple
Gloria
CTI S.A.
Sony
Codelpa
Unilever

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 19 - Current and Non-Current Trade and Other Payables (continued)

Creditors not due

Dec-31-2017

Creditor	Amounts According to Payment Terms						Total ThCh\$
	Under 31 days	31-60 Days	61-90 Days	91-120 Days	121-365 Days	Over 365 days	
Goods	399,318,582	178,069,020	38,002,947	9,905,522	7,748,294	-	633,044,365
Services	220,237,226	25,563,701	7,701,448	4,217,500	10,549,833	-	268,269,708
Other	17,837,135	777,113	223,681	65,993	156,757	-	19,060,679
Total	637,392,943	204,409,834	45,928,076	14,189,015	18,454,884	-	920,374,752

Dec-31-2016

Creditor	Amounts According to Payment Terms						Total ThCh\$
	Under 31 days	31-60 Days	61-90 Days	91-120 Days	121-365 Days	Over 365 days	
Goods	406,758,660	161,959,622	36,915,508	6,503,118	3,298,952	-	615,435,860
Services	186,374,699	24,982,323	6,663,920	3,987,383	8,400,153	-	230,408,478
Other	13,653,165	687,024	569,655	36,965	13,827	-	14,960,636
Total	606,786,524	187,628,969	44,149,083	10,527,466	11,712,932	-	860,804,974

Creditors overdue

The Falabella Group has a conservative financial policy and a solid liquidity position that allows it to fulfill its obligations with its suppliers without major issues. Therefore, the overdue amounts owed to suppliers as of December 31, 2017 and December 31, 2016, are primarily due to invoices that contain differences, the majority of which are rapidly resolved in the short-term, due to the continuing management of payables due to our suppliers.

Dec-31-2017

Creditor	Amounts According to Payment Terms						Total ThCh\$
	Under 31 days	31-60 Days	61-90 Days	91-120 Days	121-180 Days	Over 180 days	
Goods	2,344,982	3,338,664	1,123,998	433,491	545,941	591,317	8,378,393
Services	181,308	246,535	56,825	30,143	63,922	250,814	829,547
Other	32,027	409,970	70,110	137,628	8,512	18,312	676,559
Total	2,558,317	3,995,169	1,250,933	601,262	618,375	860,443	9,884,499

Dec-31-2016

Creditor	Amounts According to Payment Terms						Total ThCh\$
	Under 31 days	31-60 Days	61-90 Days	91-120 Days	121-180 Days	Over 180 days	
Goods	801,696	4,174,940	2,204,674	293,663	734,586	816,304	9,025,863
Services	42,829	434,814	92,613	25,475	35,917	192,740	824,388
Other	4,580	856,600	132,658	116,346	155,687	144,190	1,410,061
Total	849,105	5,466,354	2,429,945	435,484	926,190	1,153,234	11,260,312



Note 20 - Current and Non-Current Banking and Non-Banking Business Provisions

a) Provisions for the Non-Banking Business are as follows:

Non-Banking Business	Current		Non-Current	
	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Legal claims provisions (contingencies) ⁽¹⁾	14,101,983	13,041,075	8,711,948	10,369,528
Dismantling, restoration and rehabilitation costs ⁽²⁾	-	-	2,333,811	2,506,280
Other provisions ⁽³⁾	194,651	189,342	-	-
Total	14,296,634	13,230,417	11,045,759	12,875,808

b) Provisions for the Banking Business are as follows:

Banking Business	Dec-31-2017	Dec-31-2016
Provisions	ThCh\$	ThCh\$
Legal claims provisions (contingencies) ⁽¹⁾	416,512	615,493
Dismantling, restoration and rehabilitation costs ⁽²⁾	247,496	189,269
Other provisions ⁽⁴⁾	1,005,437	1,537,391
Total	1,669,445	2,342,153

⁽¹⁾ Legal claims provisions (contingencies) are claims that our legal advisors consider to have a high probability of loss.

⁽²⁾ Dismantling, restoration and rehabilitation costs arise from the dismantling policy, and provisions are reviewed annually to ensure that the estimated amounts remain reasonable, and whether there are new amounts to be recorded for new assets acquired or built.

⁽³⁾ Other provisions are for sundry third party obligations, where there is a high probability of an outflow of resources.

⁽⁴⁾ Other provisions are regulatory provisions required by the Chilean Superintendency of Banks.



Note 20 - Current and Non-Current Banking and Non-banking Business Provisions (continued)

c) Movements in provisions for the Non-Banking Business are as follows:

Movements in provisions	Legal claims provision		Dismantling, restoration and rehabilitation costs		Other provisions		Total	
	Current ThCh\$	Non-Current ThCh\$	Current ThCh\$	Non-Current ThCh\$	Current ThCh\$	Non-Current ThCh\$	Current ThCh\$	Non-Current ThCh\$
Opening balance as of January 1, 2017	13,041,075	10,369,528	-	2,506,280	189,342	-	13,230,417	12,875,808
Additional provisions	4,415,080	985,425	-	4,241	45,311	-	4,460,391	989,666
Increase (decrease) in current provisions	(1,918,739)	(2,081,154)	-	(62,141)	(40,002)	-	(1,958,741)	(2,143,295)
Conversion adjustment	(1,435,433)	(561,851)	-	(114,569)	-	-	(1,435,433)	(676,420)
Closing balance as of December 31, 2017	14,101,983	8,711,948	-	2,333,811	194,651	-	14,296,634	11,045,759
Opening balance as of January 1, 2016	11,839,396	12,784,990	-	2,389,099	138,687	-	11,978,083	15,174,089
Additional provisions	2,203,575	1,201,142	-	174,141	166,117	-	2,369,692	1,375,283
Increase (decrease) in current provisions	54,613	(3,779,527)	-	36,266	(115,462)	-	(60,849)	(3,743,261)
Acquisitions through business combinations ⁽¹⁾	142,326	327,454	-	-	-	-	142,326	327,454
Conversion adjustment	(1,198,835)	(164,531)	-	(93,226)	-	-	(1,198,835)	(257,757)
Closing balance as of December 31, 2016	13,041,075	10,369,528	-	2,506,280	189,342	-	13,230,417	12,875,808

⁽¹⁾ Provisions for the separation of Aventura Plaza S.A. (Note 40).


Note 20 - Current and Non-Current Banking and Non-banking Business Provisions (continued)

d) Movements in provisions for the Banking Business are as follows:

Movements in provisions	Legal claims provision	Dismantling, restoration and rehabilitation costs	Other provisions	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Opening balance as of January 1, 2017	615,493	189,269	1,537,391	2,342,153
Additional provisions	1,113,540	-	1,776	1,115,316
Increase (decrease) in current provisions	(1,295,433)	47,091	(536,386)	(1,784,728)
Conversion adjustment	(17,088)	11,136	2,656	(3,296)
Closing balance as of December 31, 2017	416,512	247,496	1,005,437	1,669,445
Opening balance as of January 1, 2016	315,229	265,326	5,815,469	6,396,024
Additional provisions	1,067,612	-	228,298	1,295,910
Increase (decrease) in current provisions	(756,067)	(76,433)	(4,503,110)	(5,335,610)
Conversion adjustment	(11,281)	376	(3,266)	(14,171)
Closing balance as of December 31, 2016	615,493	189,269	1,537,391	2,342,153

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(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 21 – Current and Non-Current Employee Benefits Provisions

a) Employee benefits expenses included in the income statement under the item Administrative expenses are as follows:

Non-Banking Business

Employee Benefit Expenses	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Wages & salaries	838,566,050	766,694,618
Bonuses and Other Short-Term Benefits	145,432,828	137,288,652
Defined Benefit Expense	2,162,714	3,359,147
Termination Expenses	22,962,026	18,496,216
Share-Based Payments ⁽¹⁾	5,637,001	6,692,807
Other Personnel Costs	19,870,234	17,064,399
Personnel Costs	1,034,630,853	949,595,839

Banking Business

Employee Benefit Expenses	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Wages & salaries	66,197,392	62,337,020
Bonuses and Other Short-Term Benefits	21,665,728	22,036,917
Termination Expenses	1,261,388	1,149,651
Share-Based Payments ⁽¹⁾	463,514	581,794
Other Personnel Costs	10,859,153	9,945,749
Personnel Costs	100,447,175	96,051,131

⁽¹⁾ As of December 31, 2017, ThCh\$ 1,476,115 was included in Other reserves (ThCh\$ 3,144,728 in 2016).

b) Non-Banking Business Employee Benefit provisions are:

Employee Benefit Provisions	Current		Non-Current	
	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Vacation provision	47,012,101	44,888,940	-	-
Profit sharing and bonuses	56,511,303	48,141,094	8,704,018	7,532,520
Defined benefit plans	1,914,961	2,681,513	24,293,658	21,611,767
Withholdings	24,307,271	24,288,848	-	-
Remuneration	5,799,928	5,358,279	-	-
Other provisions	2,918,754	4,697,748	-	-
Total Employee Benefit Provisions	138,464,318	130,056,422	32,997,676	29,144,287

c) Employee Defined Benefit Provisions are as follows:

	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Defined benefits provision, current	1,914,961	2,681,513
Defined benefits provision, non-current	24,293,658	21,611,767
Total Defined Benefit Provisions	26,208,619	24,293,280



Note 21 - Current and Non-Current Employee Benefits Provisions (continued)

c.1) A reconciliation of the defined benefits provisions, expenses for the year and main assumptions used to calculate the obligation:

Reconciliation of Defined Benefits Plan Present Value	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Opening balance as of January 1	24,293,280	21,138,305
Cost of current service, defined benefits plan ⁽¹⁾	1,138,828	2,403,240
Cost of interest on defined benefits plan ⁽¹⁾	1,023,886	955,907
Actuarial gains (losses) on defined benefits plan by experience and assumption ⁽²⁾	1,510,130	2,515,721
Defined benefits plan payments	(1,757,505)	(2,719,893)
Defined Benefits Plan Present Value, Closing Balance	26,208,619	24,293,280

⁽¹⁾ Recorded in net income as Administration Expense.

⁽²⁾ Recorded in Other Comprehensive Income, as part of Other Reserves in Equity.

c.2) Actuarial assumptions

The main actuarial assumptions are as follows:

	Dec-31-2017	Dec-31-2016
Discount rate used	BCU average rate	BCU average rate
Salary increase expected rate	2% actual average rate, according to position.	2% actual average rate, according to position.
Average Personnel Turnover Rate	28.48% turnover rate, according to historical company data.	29.87% turnover rate, according to historical company data.
Mortality table name	GS N°398 issued by the SVS.	GS N°398 issued by the SVS.
Other significant actuarial assumptions	Legal ages of retirement by gender	Legal ages of retirement by gender

c.3) Sensitivity analysis

If the current discount rate as of December 31, 2017 falls by one point, the value of the actuarial liability for employee benefits increases by ThCh\$ 2,261,063, and decreases by ThCh\$ 1,958,185 if the rate rises.

d) Share-based payments

At the Extraordinary Shareholders' Meeting held on April 26, 2011, the shareholders agreed on a new compensation plan for Company executives through granting options to subscribe shares. These executives can exercise their rights within a maximum period of 5 years.

The 2011 program includes the repurchase of shares, but not newly issued shares, where 20%, 30% and 50% were subscribed in years 3, 4 and 5, respectively.

The 2011 program expired in May 2016.

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Note 21 - Current and Non-Current Employee Benefits Provisions (continued)

d) Share-based payments (continued)

The Extraordinary Shareholders' Meeting held on August 27, 2013 approved a new compensation plan for Company executives, by granting options to subscribe to shares, which executives may exercise within a maximum term of 5 years.

The 2013 program includes repurchase of shares, but not newly issued shares, where 30%, 30% and 40% were subscribed in years 3, 4 and 5, respectively.

As of December 31, 2017 and 2016, the Company has acquired treasury shares related to the 2011 and 2013 programs valued at ThCh\$ 27,042,749 and ThCh\$ 35,125,632, respectively, which have been accounted for as an equity decrease.

As the stock options will become irrevocable in a period of 5 years, the services will be received by the Company during the same period and with the same progression, and therefore the share-based compensation expense shall be accrued over the same period.

The expense recognized in the year ended December 31, 2017 was ThCh\$ 1,476,115 (ThCh\$ 3,144,728 as of December 31, 2016), with a credit to Other Reserves.

The main assumptions used to determine the fair value of the options recognized as a share-based compensation expense in the period of accrual are the following:

	Plan 2013
Dividend yield (%)	1.17%
Expected Volatility %	27.09%
Risk-free interest rate (%)	5.09%
Expected life of the option (years)	5
Weighted average share price (Ch\$)	4,692.20
Estimated percentage of cancellations	4%
Period Covered	08-28-2013/06-30-2018
Model used	Binomial
Model name	Hull-White

The expected life of options is based on historical data and is not necessarily indicative of patterns that might occur. The expected volatility reflects the assumption that the historical volatility is indicative of future tendencies, which also might not necessarily occur.

Movement in options during the year, weighted average exercise option prices and average contractual lives of current options as of December 31, 2017 are detailed as follows:

Share Plans	Plan 2013
Opening balance as of January 1, 2017	14,400,000
Granted during the year	-
Cancelled during the year	(2,089,000)
Exercised during the year	(1,828,000)
Outstanding as of December 31 2017	10,483,000
Can be exercised as of December 31, 2017	5,558,600
Weighted average contractual life (years)	0.4



Note 21 - Current and Non-Current Employee Benefits Provisions (continued)

On May 12, 2015 and May 31, 2016, the Board of Directors approved a new long-term incentive plan for Company executives. This new plan seeks to retain and align incentives for senior executives with those of shareholders. The incentive plan is divided into two components, each lasting for three years.

The first component is subject to compliance with performance targets under the plan, where the Company agrees to pay a bonus in cash, equal to the average market value of the Company's shares 60 days prior to the date of payment, for a number of shares that will depend on the position and performance of the executive, subject to certain limits covered by the plan.

The second component offers the executive the possibility to acquire a number of Company shares and for each share acquired and kept continuously for the duration of the program, the Company will pay twice the price of such shares purchased, at current value, estimated at the average for the last 60 days when the plan begins. This benefit shall be in cash, defined at the time the plan begins, which aims to encourage executives to invest in Company shares. Similar to the previous component, it depends on the position and performance of the executive.

The expense recognized in the years ended December 31, 2017 and December 31, 2016, was ThCh\$ 7,262,371 and ThCh\$ 4,129,872, respectively, charged to Administration Expenses, with the counterpart in employee benefit provisions.

The main assumptions used for calculating the fair value of the first component of the aforementioned plan are as follows:

	Plan 2015	Plan 2016
Number of shares granted	1,148,435	1,282,713
Dividend yield (%)	1.30%	1.30%
Expected volatility in the share price (%)	19.96%	19.94%
Risk-free interest rate (%)	2.71%	3.02%
Plan life (years)	3	3
Share price (Ch\$)	6,134.30	6,134.30
Period Covered	09-01-2015/05-15-2018	09-01-2016/05-15-2019
Model used	Monte Carlo Simulation	Monte Carlo Simulation
Model name	Bivariate Brownian Motion	Bivariate Brownian Motion

The expected share price volatility reflects the assumption that historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

On May 30, 2017, the Board of Directors approved a new long-term incentive plan for Company executives. This new plan seeks to retain and align incentives for senior executives with those of shareholders. The incentive plan is divided into two components, each lasting for three years.

The first component is subject to the executive remaining with the Company for the duration of the program, where the Company agrees to pay a bonus in cash, equal to the average market value of the Company's shares 60 days prior to the date of payment, for a number of shares that will depend on the position and performance of the executive.

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Note 21 - Current and Non-Current Employee Benefits Provisions (continued)

The second component offers the executive the possibility to acquire a number of Company shares and for each share acquired and kept continuously for the duration of the program, the Company will pay a cash bonus equivalent to a factor of such shares purchased, valued at the average market value of the Company's shares 60 days prior to the date of payment. Similarly to the previous component, it depends on the position and performance of the executive.

The expense recognized for the year ended December 31, 2017 under this new plan was ThCh\$ 1,943,951.

Note 22 - Other Current and Non-Current Non-Financial Liabilities

a) Other Current Non-Financial Liabilities are as follows:

Other Current Non-Financial Liabilities	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Prepaid rent received	2,357,519	1,479,642
Guarantees received	1,024,704	3,444,455
Deferred income from customer loyalty programs (CMR points)	21,083,125	20,259,307
Prepaid sales	63,843,188	60,088,928
Credit notes receivable from clients	1,957,241	1,498,479
VAT payable	52,085,883	41,203,373
Withholdings	8,480,349	7,394,222
Unexpired risk reserve	4,202,182	8,274,318
Other	7,093,086	6,279,389
Total	162,127,277	149,922,113

b) Other non-current, non-financial liabilities are detailed as follows:

Other Non-Current Non-Financial Liabilities	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Guarantees and rent received in advance	32,251,192	32,377,340
Unexpired risk reserve	12,663,759	8,166,233
Other	766,476	917,877
Total	45,681,427	41,461,450

Note 23 - Deposits and Other Time Deposits - Banking Business

Deposits and Other Time Deposits are as follows:

Deposits and Other Time Deposits	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Time deposits	1,856,480,113	1,876,573,305
Savings deposits	131,245,953	140,124,054
Total	1,987,726,066	2,016,697,359

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Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 24 - Obligations with Banks - Banking Business

a) As of December 31, 2017 these are as follows:

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Obligation Nominal Value according to Contract Conditions
							Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total		
96,509,660-4	BANCO FALABELLA	CHILE	97,030,000-7	BANCO DEL ESTADO DE CHILE	CHILE	CLP	12,001,667	-	-	-	-	12,001,667	At Maturity	12,000,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO SANTANDER COLOMBIA S.A.	COLOMBIA	COL	-	-	10,509,374	-	-	10,509,374	At Maturity	10,500,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO POPULAR	COLOMBIA	COL	-	-	10,086,804	-	-	10,086,804	At Maturity	10,080,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO SANTANDER COLOMBIA S.A.	COLOMBIA	COL	-	7,575,674	-	-	-	7,575,674	At Maturity	7,560,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO AV VILLAS	COLOMBIA	COL	-	-	6,328,789	-	-	6,328,789	At Maturity	6,300,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTA	COLOMBIA	USD	-	-	5,680,960	-	-	5,680,960	At Maturity	5,639,760
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO OCCIDENTE S.A.	COLOMBIA	COL	5,256,679	-	-	-	-	5,256,679	At Maturity	5,250,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTA	COLOMBIA	USD	-	-	2,508,179	-	-	2,508,179	At Maturity	2,506,560
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO MULTIBANK S.A.	COLOMBIA	COL	2,101,055	-	-	-	-	2,101,055	At Maturity	2,100,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO DAVIVIENDA	COLOMBIA	COL	1,891,433	-	-	-	-	1,891,433	At Maturity	1,890,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTA	COLOMBIA	USD	-	-	1,881,212	-	-	1,881,212	At Maturity	1,879,920
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTA	COLOMBIA	USD	-	-	1,255,863	-	-	1,255,863	At Maturity	1,253,280
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTA	COLOMBIA	USD	-	-	1,255,862	-	-	1,255,862	At Maturity	1,253,280
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTA	COLOMBIA	USD	-	-	1,255,862	-	-	1,255,862	At Maturity	1,253,280
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	2,473,344	-	-	-	2,473,344	At Maturity	2,465,840
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	1,522,014	-	-	-	1,522,014	At Maturity	1,517,440
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	1,340,724	-	-	-	-	1,340,724	At Maturity	1,327,760
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	1,149,074	-	-	-	-	1,149,074	At Maturity	1,138,080
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	948,757	-	-	-	948,757	At Maturity	948,400
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	948,749	-	-	-	948,749	At Maturity	948,400
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	948,742	-	-	-	948,742	At Maturity	948,400
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	FONDO MI VIVIENDA	PERU	USD	11,933	12,086	49,916	359,434	8,721	442,090	Monthly	442,089
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	380,482	-	-	-	380,482	At Maturity	379,360
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	380,471	-	-	-	380,471	At Maturity	379,360
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	FONDO MI VIVIENDA	PERU	PEN	308	312	1,288	9,192	221	11,321	Monthly	11,321
Total Bank Obligations							23,752,873	15,190,631	42,069,971	368,626	8,942	81,391,043		

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Note 24 – Obligations with Banks - Banking Business (continued)

b) As of December 31, 2016 these are as follows:

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Obligation Nominal Value according to Contract Conditions
							Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total		
96.509.660-4	BANCO FALABELLA	CHILE	99.500.410-0	BANCO CONSORCIO	CHILE	CLP	15,001,456	-	-	-	-	15,001,456	At Maturity	15,000,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO DE LA REPUBLICA	COLOMBIA	COP	8,805,236	-	-	-	-	8,805,236	At Maturity	8,800,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTÁ	COLOMBIA	COP	-	-	8,029,138	-	-	8,029,138	At Maturity	7,920,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO POPULAR	COLOMBIA	COP	-	-	6,689,199	-	-	6,689,199	At Maturity	6,600,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO SANTANDER COLOMBIA S.A.	COLOMBIA	USD	-	-	5,963,092	-	-	5,963,092	At Maturity	5,941,406
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO GNB SUDAMERIS	COLOMBIA	COP	-	-	5,504,234	-	-	5,504,234	At Maturity	5,500,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTÁ	COLOMBIA	USD	-	-	5,293,608	-	-	5,293,608	At Maturity	5,281,250
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTÁ	COLOMBIA	COP	-	4,402,484	-	-	-	4,402,484	At Maturity	4,400,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO AV VILLAS	COLOMBIA	COP	-	3,826,080	-	-	-	3,826,080	At Maturity	3,740,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO DAVIVIENDA	COLOMBIA	COP	3,378,322	-	-	-	-	3,378,322	At Maturity	3,300,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO AV VILLAS	COLOMBIA	COP	-	-	3,359,534	-	-	3,359,534	At Maturity	3,300,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO GNB SUDAMERIS	COLOMBIA	COP	-	-	3,341,302	-	-	3,341,302	At Maturity	3,300,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	CORPBANCA	COLOMBIA	COP	2,203,933	-	-	-	-	2,203,933	At Maturity	2,200,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO OCCIDENTE S.A.	COLOMBIA	COP	2,201,309	-	-	-	-	2,201,309	At Maturity	2,200,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO OCCIDENTE S.A.	COLOMBIA	COP	2,201,309	-	-	-	-	2,201,309	At Maturity	2,200,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO DAVIVIENDA	COLOMBIA	COP	1,982,426	-	-	-	-	1,982,426	At Maturity	1,980,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	CORPBANCA	COLOMBIA	COP	-	1,761,411	-	-	-	1,761,411	At Maturity	1,760,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO GNB SUDAMERIS	COLOMBIA	COP	2,883,245	-	-	-	-	2,883,245	At Maturity	2,860,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTÁ	COLOMBIA	COP	1,102,553	-	-	-	-	1,102,553	At Maturity	1,100,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO OCCIDENTE S.A.	COLOMBIA	COP	1,100,654	-	-	-	-	1,100,654	At Maturity	1,100,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCOMPARTIR S.A.	COLOMBIA	COP	881,047	-	-	-	-	881,047	At Maturity	880,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO AV VILLAS	COLOMBIA	COP	474,723	-	-	-	-	474,723	At Maturity	467,500
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	-	2,611,298	-	2,611,298	At Maturity	2,595,970
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	CITIBANK DEL PERÚ	PERU	PEN	3,195,779	-	-	-	-	3,195,779	At Maturity	3,195,040
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	-	1,617,117	-	1,617,117	At Maturity	1,597,520
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	-	1,408,454	-	1,408,454	At Maturity	1,397,830
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO AZTECA DEL PERÚ	PERU	PEN	1,398,153	-	-	-	-	1,398,153	At Maturity	1,397,830
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	-	1,207,202	-	1,207,202	At Maturity	1,198,140
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	1,015,126	-	-	1,015,126	At Maturity	998,450
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	1,014,149	-	-	1,014,149	At Maturity	998,450
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	1,014,016	-	-	1,014,016	At Maturity	998,450
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	1,013,836	-	-	1,013,836	At Maturity	998,450
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	1,013,747	-	-	1,013,747	At Maturity	998,450
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	1,013,742	-	-	1,013,742	At Maturity	998,450
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	1,012,606	-	-	1,012,606	At Maturity	998,450
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	1,012,414	-	-	1,012,414	At Maturity	998,450

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Note 24 - Obligations with Banks - Banking Business (continued)

b) As of December 31, 2016 these are as follows (continued):

Debtor ID number	Debtor Name	Debtor Country	Creditor ID number	Creditor Name	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity					Repayment Terms	Obligation Nominal Value according to Contract Conditions	
							Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years			Total
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	1,012,319	-	-	1,012,319	At Maturity	998,450
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	1,012,128	-	-	1,012,128	At Maturity	998,450
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	-	1,006,850	-	1,006,850	At Maturity	998,450
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	-	1,006,747	-	1,006,747	At Maturity	998,450
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	-	1,006,644	-	1,006,644	At Maturity	998,450
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	FONDO MI VIVIENDA	PERU	USD	6,724	13,575	56,067	403,723	128,816	608,905	Monthly	608,905
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	-	404,217	-	404,217	At Maturity	399,380
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	-	404,185	-	404,185	At Maturity	399,380
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	BANCO CENTRAL DE RESERVA DEL PERÚ	PERU	PEN	-	-	304,002	-	-	304,002	At Maturity	299,535
Foreign	BANCO FALABELLA PERÚ S.A.	PERU	Foreign	FONDO MI VIVIENDA	PERU	PEN	260	526	2,167	15,472	4,892	23,317	Monthly	23,317
Total Bank Obligations							46,817,129	10,004,076	48,676,426	11,091,909	133,708	116,723,248		

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(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 25 - Debt Instruments and Other Financial Obligations - Banking Business

a) As of December 31, 2017 these are as follows:

Debtor ID number	Debtor Name	Debtor Country	Creditor	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Obligation Nominal Value according to Contract Conditions
					Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total		
96.509.660-4	BANCO FALABELLA	CHILE	Current bonds	UF	-	-	-	-	52,857,762	52,857,762	Six monthly	52,497,941
96.509.660-4	BANCO FALABELLA	CHILE	Current bonds	UF	-	-	-	-	40,642,200	40,642,200	Six monthly	40,197,990
96.509.660-4	BANCO FALABELLA	CHILE	Subordinated Bonds	UF	-	-	-	-	36,997,502	36,997,502	Six monthly	36,889,591
96.509.660-4	BANCO FALABELLA	CHILE	Current bonds	UF	-	-	-	-	34,924,296	34,924,296	Six monthly	34,920,511
96.509.660-4	BANCO FALABELLA	CHILE	Current bonds	CLP	-	-	-	-	30,247,432	30,247,432	At Maturity	30,000,000
96.509.660-4	BANCO FALABELLA	CHILE	Current bonds	UF	-	-	-	-	26,676,513	26,676,513	At Maturity	26,158,876
96.509.660-4	BANCO FALABELLA	CHILE	Current bonds	UF	-	-	-	-	9,066,815	9,066,815	Six monthly	9,040,359
Foreign	BANCO FALABELLA PERU S.A.	PERU	SEVENTH ISSUE SERIES "A" BONDS	PEN	-	721,802	2,201,843	2,935,791	-	5,859,436	Three monthly	5,871,582
Foreign	BANCO FALABELLA PERU S.A.	PERU	FOURTH ISSUE SERIES "A" BONDS	PEN	-	494,722	1,016,143	3,048,429	-	4,559,294	Three monthly	4,572,643
Foreign	BANCO FALABELLA PERU S.A.	PERU	SIXTH ISSUE SERIES "A" BONDS	USD	-	435,521	-	-	-	435,521	Three monthly	439,109
Total debt instruments					-	1,652,045	3,217,986	5,984,220	231,402,520	242,256,771		

b) As of December 31, 2016 these were as follows:

Debtor ID number	Debtor Name	Debtor Country	Creditor	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Obligation Nominal Value according to Contract Conditions
					Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total		
96.509.660-4	BANCO FALABELLA	CHILE	CURRENT BONDS	UF	-	-	-	-	51,901,021	51,901,021	Six monthly	50,858,023
96.509.660-4	BANCO FALABELLA	CHILE	SUBORDINATED BONDS	UF	-	-	-	-	39,171,782	39,171,782	Six monthly	39,792,455
96.509.660-4	BANCO FALABELLA	CHILE	CURRENT BONDS	UF	-	-	-	-	39,947,440	39,947,440	Six monthly	39,742,663
96.509.660-4	BANCO FALABELLA	CHILE	CURRENT BONDS	UF	-	-	-	-	34,341,056	34,341,056	Six monthly	34,426,696
96.509.660-4	BANCO FALABELLA	CHILE	CURRENT BONDS	CLP	-	-	-	-	30,337,445	30,337,445	At Maturity	30,000,000
96.509.660-4	BANCO FALABELLA	CHILE	CURRENT BONDS	UF	-	-	-	-	26,138,446	26,138,446	At Maturity	25,820,975
96.509.660-4	BANCO FALABELLA	CHILE	CURRENT BONDS	UF	-	-	-	-	17,805,791	17,805,791	Six monthly	17,798,666
Foreign	BANCO FALABELLA PERU S.A.	PERU	SEVENTH ISSUE SERIES "A" BONDS	PEN	-	753,898	2,318,041	6,181,444	-	9,253,383	Three monthly	9,272,166
Foreign	BANCO FALABELLA PERU S.A.	PERU	FOURTH ISSUE SERIES "A" BONDS	PEN	-	514,764	1,069,768	5,348,837	-	6,933,369	Three monthly	6,953,491
Foreign	BANCO FALABELLA S.A.	COLOMBIA	SERIES G60	COP	-	-	5,784,309	-	-	5,784,309	At Maturity	5,658,400
Foreign	BANCO FALABELLA PERU S.A.	PERU	SIXTH ISSUE SERIES "A" BONDS	USD	-	459,095	957,371	957,371	-	2,373,837	Three monthly	2,393,427
Total debt instruments					-	1,727,757	10,129,489	12,487,652	239,642,981	263,987,879		

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Note 25 - Debt Instruments and Other Financial Obligations - Banking Business
(continued)

c) Other Financial Obligations are as follows:

Other Financial Obligations	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Mortgage bonds	95,188,184	102,211,808
Public-sector obligations	35,453,204	43,296,187
Total	130,641,388	145,507,995

Note 26 - Other Liabilities - Banking Business

Other Liabilities - Banking Business are as follows:

Other Liabilities	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Suppliers and payables	40,288,031	28,025,340
Deferred income from customer loyalty programs	4,039,242	5,148,049
Associated trade	7,993,969	8,668,030
Vacation and employee benefits provision	3,789,295	3,623,223
Retentions and other employee withholdings	9,330,048	7,657,119
Profit sharing	2,676,494	2,645,623
Other	9,599	9,550
Total	68,126,678	55,776,934

Note 27 - Operating Revenue

27.1 Operating Revenue - Non-Banking Business

a) Operating revenue is as follows:

Item	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Sales revenue	7,428,155,471	7,174,532,910
Revenue from rental of Investment Properties	279,319,518	251,988,700
Interest income	433,177,723	391,397,373
Commission income	101,992,551	80,382,801
Total revenue	8,242,645,263	7,898,301,784

b) Income from interest and commissions related to the company's Financial Retail business is as follows:

Item	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Loan interest	433,177,723	391,397,373
Subtotal Interest income	433,177,723	391,397,373
Commission income	30,628,240	24,253,224
Payment services	71,364,311	56,129,577
Subtotal Commission income	101,992,551	80,382,801
Total income from interest and commissions	535,170,274	471,780,174

27.2 Operating Revenue - Banking Business

a) Operating revenue is as follows:

Item	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Interest and indexation income.	556,942,538	526,664,491
Commission income	168,429,490	163,483,782
Total revenue	725,372,028	690,148,273

b) Income from interest and commissions is as follows:

Item	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Loan interest	551,150,794	521,456,602
Other interest income	5,791,744	5,207,889
Subtotal interest and indexation income	556,942,538	526,664,491
Commission income ⁽¹⁾	51,007,460	56,086,382
Payment services	117,422,030	107,397,400
Subtotal Commission income	168,429,490	163,483,782
Total income from interest and commissions	725,372,028	690,148,273

⁽¹⁾ Income from direct debits, financial brokerage, and account maintenance.

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Note 28 - Cost of Continuing Operations

28.1 Cost of Continuing Operations - Non-Banking Business

a) These are as follows:

Item	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Cost of sales of goods and services ⁽¹⁾	5,113,675,181	4,978,801,098
Cost of sales, financial entities	164,252,507	120,795,229
Cost of depreciation and maintenance of investment properties	82,424,362	81,123,617
Total Cost of Continuing Operations - Non-Banking	5,360,352,050	5,180,719,944

⁽¹⁾ Cost of sales of goods and services includes the cost of inventories, provisions for net realizable value, shrinkage and obsolescence (all disclosed in Note 8 - "Inventory") and depreciations of leased machinery (Note 14).

b) The Cost of Sales of the Retail Financial business is as follows:

Item	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Interest costs	60,898,441	46,596,245
Other sales costs	12,201,666	10,131,920
Allowance for doubtful accounts and write-offs	91,152,400	64,067,064
Total Cost of Sales Financial Entities	164,252,507	120,795,229

c) Investment Property Costs are as follows:

Item	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Accumulated depreciation	40,789,347	39,291,327
Maintenance and other	41,635,015	41,832,290
Total	82,424,362	81,123,617

28.2 Cost of Continuing Operations - Banking Business

Item	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Interest and indexation expense.	131,370,906	152,144,758
Commission expense	42,394,224	40,135,723
Credit risk allowances	179,240,272	146,481,242
Total Cost of Continuing Operations - Banking Business	353,005,402	338,761,723

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(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 29 - Administrative Expenses

a) Administrative Expenses for the Non-Banking Business are as follows:

Item	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Remuneration and personnel costs ⁽¹⁾	1,034,630,853	949,595,839
Rent and common expenses	162,551,480	157,634,737
Depreciation and amortization	222,466,105	202,178,387
Basic energy, water and gas services	55,455,229	56,303,919
Computer services	6,102,674	5,214,578
Materials and supplies	44,827,555	42,783,403
Travel and accommodation	20,909,329	19,484,456
Taxes, property taxes, patents, insurance and other	81,121,730	77,855,333
Third party fees and services	126,188,007	128,631,549
Maintenance and repairs	35,411,548	34,562,216
Communication	3,442,200	4,085,467
Commissions	38,841,453	37,291,512
Other	64,514	953,342
Total	1,832,012,677	1,716,574,738

⁽¹⁾ See Note 21.

b) Administrative Expenses for the Banking Business are as follows:

Item	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Remuneration and personnel costs ⁽¹⁾	100,447,175	96,051,131
Administrative expenses	140,106,674	125,483,985
Depreciation and amortization	19,762,997	16,810,784
Other operating expenses	13,043,717	11,740,051
Total	273,360,563	250,085,951

⁽¹⁾ See Note 21.

Note 30 - Financing Costs and Income from Indexation Units

The financing costs incurred in the Non-Banking Business are as follows:

Item	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Interest expense, bank loans	60,552,848	71,514,785
Interest expense, bonds and other loans	85,846,796	85,663,771
Interest expense, financial leases	4,493,351	5,750,754
Interest expense, swaps and forwards	27,147,089	29,643,819
Other financial costs	18,415,159	14,995,389
Subtotal interest costs	196,455,243	207,568,518
Indexation unit expense	17,264,195	26,087,890
Total finance costs	213,719,438	233,656,408

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Note 31 – Other Income (Losses)

Other income (losses) from the Non-Banking Business are as follows:

Item	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Effects of storms in Peru ⁽¹⁾	(7,874,433)	-
Real estate leases (other than investment properties)	2,269,506	2,144,265
Reversal of provisions	5,628,821	6,375,006
Compensations ⁽²⁾	15,690,707	1,159,417
Losses on disposal of property, plant and equipment ⁽³⁾	(4,556,890)	13,110,807
Lawsuits and litigation	(5,393,482)	(3,139,183)
Effect of separating Aventura Plaza ⁽⁴⁾	-	139,817,635
Effect of terminating the Puerto Baron concession ⁽⁵⁾	(6,375,729)	-
Other	6,300,895	1,258,430
Total	5,689,395	160,726,377

(1) Some locations used by Group companies were affected by a heavy storm that hit northern Peru at the end of March 2017. The Group has assessed the damage and based on its understanding of the facts and circumstances, the estimated damage amounts to approximately ThCh\$ 7,874,433, which was mainly related to the impairment of inventories and fixed assets. S.A.C.I. Falabella and its subsidiaries have appropriate insurance coverage for the risks of damage, stoppage and other related risks in respect of its assets and equity, all contracted with first class companies in the insurance market. The corresponding insurance claims have been submitted. As of the end of this reporting period, the total amount recovered from insurance companies amounts to ThCh\$ 12,439,060. The total compensation received has been disclosed under "Compensation" within this note,

(2) which includes insurance claims for the asset losses mentioned in (1), as of December 31, 2017.

(3) At 31 December 2016 this includes ThCh\$ 23,174,222 for the sale of property, plant and equipment related to two home improvement and construction materials stores, a department store and a supermarket.

(4) A valuation of the consideration transferred at fair value resulted in ThCh\$ 139,817,635, which was the Group's interest prior to Aventura Plaza S.A. separating from the Falabella Group. The result of the separation attributable to the owners of the controlling company was ThCh\$ 115,308,951.

(5) Unrecoverable investments in the Puerto Barón project owned by Plaza S.A.

On December 27, 2017, the Third Chamber of the Supreme Court revoked the building permit granted by the Valparaíso Municipal Works Directorate to Empresa Portuaria de Valparaíso on February 14, 2013, to execute the Puerto Baron project, as it would not comply with the requirements of the General Ordinance of Urbanism and Construction. This decision reversed the ruling issued by the Valparaíso Court of Appeals, which unanimously upheld the legitimacy of this permit.

Plaza S.A. had established provisions for investments that would not produce future income, as a result of the judgment handed down by the Valparaíso Supreme Court, which revoked the building permit for a shopping mall at this concession.

Note 32 - Earnings per Share

Basic earnings per share are calculated by dividing net income attributable to the Company's shareholders by the weighted average of common shares outstanding in the year. Diluted earnings per share includes incremental shares of share-based compensation plans assumed to have been exercised as of the reporting date.

	Jan-01-2017 Dec-31-2017 ThCh\$	Jan-01-2016 Dec-31-2016 ThCh\$
Earnings attributable to shareholders of the parent company	509,593,496	609,024,729
Basic earnings per share	0.21	0.25
Diluted earnings per share	0.21	0.25
Basic weighted average number of shares	2,434,465,103	2,434,465,103
Incremental shares in share-based compensation plans	-	-
Diluted weighted average number of shares	2,434,465,103	2,434,465,103



Note 33 - Financial Instruments and Risk Management

1. Risk Management

There are risks that could affect performance of the Falabella Group's business. The main risks include:

a) Changes in economic conditions that could affect consumption:

Changes in the economic conditions of the markets in which we operate could affect consumer confidence and spending. Additionally, future economic conditions that affect consumers' available income, such as unemployment rates, changes in the housing market conditions, the availability of credit, inflation, interest rates, tax rates and the costs of fuel and energy could also reduce the level of consumption.

b) Management of our inventory could affect the operation of our businesses:

We must maintain sufficient inventory to successfully operate our business, avoiding both a lack of stock and the accumulation of excess stock. Generally, our suppliers require significant advance notice to be able to fulfill product orders. Therefore, we have to place purchase and manufacturing orders well before the time these products are offered for sale, which is why we must precisely anticipate the future demand of a product or estimate the time to obtain inventory, in order to ensure that our inventories are appropriate.

c) Our sales have a seasonal component and may also be affected by weather conditions:

The climate and seasonality have an impact on the results of the operations of many of our business units. People purchase products to meet their needs for each season and we believe this tendency will continue in the future. In preparation for seasons of high demand, we must increase inventory to levels that are above the average, and hire seasonal staff for our stores. Any unforeseen reduction in demand, error in our projections of demand or delay on the part of our suppliers obligates us to apply sales strategies to offset or mitigate these situations.

d) The effectiveness of our credit risk management depends on the quality and scope of the available information:

Our banking and credit card business could expose us to an increase in credit and financing risk. We mostly base our client solvency assessment on the credit information available using our own internal databases, and on information that is freely available to the market. Our credit rating systems gather the available information, in an attempt at reflecting clients' real behavior, so that their credit risk may be correctly evaluated. However, we cannot ensure that this is sufficient to precisely predict their behavior.



Note 33 - Financial Instruments and Risk Management (continued)

1. Risk Management (continued)

e) A scarcity of funds in the market could cause an increase in our financing costs

Deposits are an important source of financing for our banking business. If a significant number of our depositors withdraw their cash deposits or fail to renew their time deposits, our liquidity position could be affected. Should there be a sudden or unexpected scarcity of funds in the money markets, we might have to incur greater costs to maintain our operations.

f) Our growth and profitability depend on economic activity in Chile, Peru, Colombia, Argentina, Uruguay, Mexico and Brazil

Our financial position and operating income mostly depend on the prevailing economic conditions for each country. The economic conditions in these companies could be affected by a variety of factors that are beyond our control, including:

- Economic policies and/or other government-imposed policies;
- Other political and/or economic events;
- Changes in the legislation or administrative procedures of authorities;
- Inflation policies and the mechanisms used to combat inflation;
- Movements in currency exchange rates;
- World and regional economic conditions; and
- Other factors.

g) Economic and political issues in other countries could negatively affect the economy of the region, impacting our business

We are exposed to the economic and political volatility of Asia, the United States and Europe, among other regions. If the economic condition of these nations/regions deteriorates, the economy in the region could also be affected, and experience slower growth than in recent years, potentially impacting our customers and suppliers. The crises and political uncertainties in other Latin American countries could also have an adverse effect on the region's economy, and consequently on our business.

h) We could be affected by currency fluctuations and devaluations

The Chilean peso, and the other currencies in the countries where we operate, have been subject to great devaluations and appreciations in the past, and could be subject to significant fluctuations in the future. Most of the products that we sell are imported, which exposes us to the risk of currency fluctuation against the US dollar. Therefore, we have mitigation policies for this risk.



Note 33 - Financial Instruments and Risk Management (continued)

2. Financial Risk

The Group's main financial instruments that arise either directly from its operations or from its financing activities consist of bank loans and overdrafts, debt instruments with the public such as bonds and commercial paper, derivatives, sales debts, lease agreements, short-term loans, loans granted and others.

Financial assets and liabilities held by the Company are as follows:

a) Non-Banking Business

Financial instruments by category	Dec-31-2017	Dec-31-2016
Financial assets		
Financial assets held for trading	18,573,457	28,978,043
Loans and accounts receivable	2,278,620,894	2,045,178,316
Hedging assets	62,785,055	88,125,471
Total financial assets	2,359,979,406	2,162,281,830
Financial liabilities		
Financial liabilities at fair value	2,344,453	4,545,489
Hedging liabilities	148,902,796	89,066,372
Financial liabilities at amortized cost	4,813,906,884	4,724,832,583
Total financial liabilities	4,965,154,133	4,818,444,444

b) Banking Business

Financial instruments by category	Dec-31-2017	Dec-31-2016
Financial assets		
Financial assets held for trading and derivatives	97,783,544	91,493,067
Loans and accounts receivable	2,590,709,808	2,621,812,969
Financial assets held for sale	657,507,389	566,071,349
Total financial assets	3,346,000,741	3,279,377,385
Financial liabilities		
Financial liabilities at fair value	31,181,315	9,348,660
Financial liabilities at amortized cost	2,985,169,489	2,970,616,736
Total financial liabilities	3,016,350,804	2,979,965,396

c) Total financial assets and liabilities:

Financial instruments by category	Dec-31-2017	Dec-31-2016
Financial assets		
Financial assets held for trading and derivatives	116,357,001	120,471,110
Loans and accounts receivable	4,869,330,702	4,666,991,285
Financial assets held for sale	657,507,389	566,071,349
Hedging assets	62,785,055	88,125,471
Total financial assets	5,705,980,147	5,441,659,215
Financial liabilities		
Financial liabilities at fair value	33,525,768	13,894,149
Hedging liabilities	148,902,796	89,066,372
Financial liabilities at amortized cost	7,799,076,373	7,695,449,319
Total financial liabilities	7,981,504,937	7,798,409,840



Note 33 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

The book value of the Company's financial assets and liabilities approximates to their fair value, except for certain long-term financial obligations. The market value of instruments is determined using future cash flows discounted at current market rates as of the reporting date. The fair value and book value of long-term financial obligations are as follows:

	Dec-31-2017		Dec-31-2016	
	Book Value	Market Value ⁽¹⁾	Book Value	Market Value ⁽¹⁾
Interest-bearing loans	1,858,645,834	1,617,154,086	1,932,958,282	1,740,397,893
Bonds payable	2,305,825,304	2,495,163,582	2,210,854,154	2,500,381,098

⁽¹⁾ The market value hierarchy according to IFRS 13 is Level 2

Derivatives

The Company uses derivative financial instruments such as forward contracts and swaps in order to hedge risks associated with fluctuations in interest rates and exchange rates. Some of those instruments qualify for hedge accounting, but the remainder are accounted for as for as an investment, even though they fulfill a hedge role, as they do not comply with the requirements in IAS 39.

For hedge accounting purposes, hedges are classified as:

- Fair value hedges when covering exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment; or
- Cash flow hedges when covering exposure to the variability of cash flows which are attributable to a particular risk associated with a recognized asset or liability, or a highly probable future transaction which can affect income for the year; or
- Hedges of a net investment in a foreign operation.

Hedges that comply with the strict hedge accounting criteria are accounted for as stated in IAS 39 “Financial Instruments: Recognition and Valuation.”

Derivative instruments held as of December 31, 2017 consist of 68 currency and interest rate swaps with a notional value of ThCh\$ 1,435,218,125 and 516 currency forwards with a notional value of ThCh\$ 201,452,535. All these derivative instruments have a combined contracted notional value of ThCh\$ 1,636,670,660. As of December 31, 2016, the Company held 54 currency and interest rate swaps with a notional value of ThCh\$ 1,184,349,855, and 189 currency forwards with a notional value ThCh\$ 160,388,998. The total contracted notional value of these instruments is ThCh\$ 1,344,738,853.

Note 33 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

d) Assets and Liabilities at Fair Value

		Fair value as of the reporting date		
Financial instruments by category	As of Dec-31-2017	Level 1	Level 2	Level 3
Financial assets				
Financial assets held for trading and derivatives	116,357,001	87,688,323	28,668,678	-
Financial assets held for sale	657,507,389	657,507,389	-	-
Hedging assets	62,785,055	-	62,785,055	-
Total financial assets	836,649,445	745,195,712	91,453,733	-

Financial liabilities		Level 1	Level 2	Level 3
Financial liabilities at fair value:	33,525,768	-	33,525,768	-
Hedging liabilities	148,902,796	-	148,902,796	-
Total financial liabilities	182,428,564	-	182,428,564	-

		Fair value as of the reporting date		
Financial instruments by category	As of Dec-31-2016	Level 1	Level 2	Level 3
Financial assets				
Financial assets held for trading and derivatives	120,471,110	108,562,248	11,908,862	-
Financial assets held for sale	566,071,349	566,071,349	-	-
Hedging assets	88,125,471	-	88,125,471	-
Total financial assets	774,667,930	674,633,597	100,034,333	-

Financial liabilities		Level 1	Level 2	Level 3
Financial liabilities at fair value:	13,894,149	-	13,894,149	-
Hedging liabilities	89,066,372	-	89,066,372	-
Total financial liabilities	102,960,521	-	102,960,521	-



Note 33 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

2.1. Financial Risk

The main risks to which the Company is exposed and which arise from financial instruments are: market risk, liquidity risk and credit risk. These risks are mainly generated by the uncertainty of financial markets.

2.1.1. Market Risk

The main market risks to which the Falabella Group is exposed are exchange rate, interest rate and inflation.

a) Exchange Rate Risk

The Company is exposed to three sources of exchange rate risk, the first arising from trade accounts payable in foreign currency, the second from financial debt in currencies other than the functional currency of each business, and the third from investments abroad.

A portion of the products acquired for sale are imported and therefore denominated in foreign currency, which generates exposure to the variation between local currencies in the countries where the group operates, and foreign currencies, mainly the US dollar. Therefore, as of December 31, 2017, the Company had consolidated payables in US dollars on imported goods of Ch\$ 180,863 million, of which Ch\$ 12,616 million in letters of credit (financial debt). To cover this liability and future obligations in foreign currency, the Company holds a hedge of Ch\$ 154,859 million, which generated a net book liability in US dollars of Ch\$ 26,004 million as of December 31, 2017.

Taking into account this exposure, a simultaneous depreciation of 14.0% in the Chilean peso, Peruvian sol, Colombian peso, Argentine peso, Brazilian real and Uruguayan peso with respect to the US dollar, keeping all other variables constant, would result in gain before tax amounting to Ch\$ 3,638 million for the Company. The percentage depreciation of the currencies was determined by averaging the maximum theoretical variation that could occur in a year in each of the currencies with a 10% level of significance, which at a combined level represents a very improbable scenario, taking into account a 3-year history.

In order to minimize exposure to fluctuations in exchange rates, debt is mostly obtained in the currency of the countries where the Company operates. As of December 31, 2017, 76.8% of the consolidated financial debt after derivatives associated with the debt, excluding the banking business, was expressed in Chilean pesos (including in UF), 14.6% in Peruvian nuevo soles, 3.8% in Argentine pesos, 2.9% in Colombian pesos, and 1.4% in Brazilian reals. As of that date, there was also a financial debt expressed in US dollars of Ch\$ 19,407 million after derivatives, which is 0.5% of the consolidated financial debt of the Group, excluding the banking business. This debt in US dollars has arisen mainly due to favorable conditions at the time it was negotiated.

Therefore, as of December 31, 2017, our net exchange rate risk on the financial debt expressed in US dollars net of hedges was Ch\$ 6,148 million excluding letters of credit. A devaluation of 26.07% in the Argentine peso (functional currency of the subsidiary that contracted the debt) with respect to the US dollar would result in a loss to the Group of Ch\$ 1,603 million before taxes. The devaluation percentage for the Argentine peso against the US dollar was determined by averaging the maximum theoretical devaluation could occur in a year with a significance level of 10%.



Note 33 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

2.1. Financial Risks (continued)

2.1.1. Market Risk (continued)

a) Exchange Rate Risk (continued)

The Company has investments in businesses in Peru, Argentina, Colombia, Brazil, Uruguay and Mexico. These investments abroad are managed in the functional currency of each country. As a result Falabella has an exposure of Ch\$ 1,113,115 million in Peruvian soles, Ch\$ 326,412 million in Colombian pesos, Ch\$ 58,309 million in Argentine pesos, Ch\$ 77,411 million in Brazilian reals, Ch\$ 42,065 million in Uruguayan pesos and Ch\$ 27,228 million in Mexican pesos as of December 31, 2017. Fluctuations in the exchange rates of currencies with respect to the Chilean peso can affect the value of the net investment abroad. Taking into account this risk as of December 31, 2017, a simultaneous depreciation of 13.99% in the five foreign currencies mentioned above in respect to the Chilean peso, keeping the rest of the variables constant would result in a comprehensive loss of Ch\$ 230,087 million for the Company. The percentage of currency depreciation was determined by averaging the maximum theoretical variation that could be produced in a year in each of the currencies in respect to the peso with a level of significance of 10%, which at a combined level represents a very improbable scenario, taking a 3-year history into account.

b) Inflation Risk

As of December 31, 2017, consolidated debt expressed in UF after derivatives, excluding the banking business, was Ch\$ 1,035,818 million or 27.8%. Most of this debt finances the real estate business in Chile, which generates income in the same currency unit, which naturally covers this risk. However, accounting standards do not permit hedge accounting in such cases, thus creating an accounting exposure to inflation risk. Therefore, by applying incremental inflation of 1% per annum and keeping all other variables constant, the effect on income resulting from net exposure to inflation on the Group's financial debt would be a loss of approximately ThCh\$ 10,358,000 before tax.

c) Interest Rate Risk

Most of the Company's financial debt is at a fixed interest rate in order to avoid exposure to fluctuations that might occur in variable interest rates, which can increase financial expenses. As of December 31, 2017, 81.3% of the Company's consolidated financial debt after derivatives, and excluding the banking business, was at a fixed interest rate, 14.3% at a variable interest rate and 4.4% was overdrafts and letters of credit, which due to their term can be considered to be at a variable interest rate.

In summary, as of December 31, 2017, the outstanding capital on our financial debt subject to short-term fluctuations in interest rates after derivatives was Ch\$ 698,630 million or 18.7%. A hypothetical increase of 100 base points during an entire year in all variable interest rates would generate an additional financial expense of Ch\$ 6,986 million.



Note 33 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

2.1. Financial Risks (continued)

2.1.2. Credit Risk

Credit risk is the risk of loss for the Group in case a client or other counterpart does not comply with their contractual obligations. The main credit risk to which the Group is exposed centers around its operations with credit cards and consumer loans. At 31 December 2017, the total amount of gross Group credit card loans, excluding banking transactions, which are dealt with separately below, was Ch\$ 1,903,726 million. The Group's credit portfolio is quite scattered without individual debtors with large amounts, which substantially mitigates credit risk.

The Group's financial retail segment uses risk rating processes for acceptance of clients and determining credit limits, as well as credit quality review processes for its clients, for early detection of potential changes in payment capacity, taking of timely corrective actions and determination of real and potential losses. In addition, Banco Falabella Chile, Banco Falabella Peru and Banco Falabella Colombia are regulated by the superintendents of banks or financial institutions of each country, which regulate and require worldwide standards covering credit review systems and processes.

The retail and real estate segments do not have significant concentrations of credit risk, since collection essentially occurs in cash or through credit cards. Likewise, the Group limits its exposure to credit risk by investing exclusively in highly liquid and credit rated products.

Lastly, all the group's derivative operations are with counterparts that have a minimum risk rating, and are additionally subject to a credit analysis by the Company before initiating any transaction.



Note 33 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

2.1. Financial Risks (continued)

2.1.2. Credit Risk (continued)

Maximum Exposure to Credit Risk

The Company's maximum exposure to credit risk, without considering guarantees, as of December 31, 2017 and December 31, 2016 is as follows:

	Maximum Exposure	
	Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
Cash and cash equivalents	494,958,665	575,992,741
Time deposits	91,272,427	55,131,285
Highly liquid financial instruments	37,139,707	85,543,462
Liquidity transactions in progress, net (bank subsidiaries)	6,231,104	5,947,090
Other cash and cash equivalents	360,315,427	429,370,904
Financial assets at fair value, current	83,044,991	53,891,318
Derivative instruments	34,662,076	15,414,189
Other	48,382,915	38,477,129
Trade and other receivables, current	1,994,962,974	1,798,336,795
Trade receivables, net	243,407,683	220,776,970
Notes receivable, net	80,107,555	82,744,594
Sundry receivables, net	106,439,309	69,498,124
Financing receivables, net	1,565,008,427	1,425,317,107
Related company receivables, current	8,568,867	6,135,088
Loans and Receivables - Banking Business	2,590,709,808	2,621,812,969
Customer credit and accounts receivables, net	2,590,709,808	2,621,812,969
Financial assets at fair value, non-current	65,197,065	89,370,624
Derivative instruments	56,615,338	84,443,825
Other	8,581,727	4,926,799
Trade and other receivables, non-current	275,089,053	240,706,433
Trade receivables, net	279,853	237,496
Notes receivable, net	3,253,361	2,432,833
Sundry receivables, net	2,627,737	6,014,619
Financing receivables, net	268,928,102	232,021,485
Total	5,512,531,423	5,386,245,968

2.1.3. Liquidity Risk

The Company has various tools to limit liquidity risk. These include maintaining enough cash and cash equivalents to cover regular business obligations. Additionally S.A.C.I. Falabella and its main subsidiaries have available bank financing such as overdrafts and loans, and can quickly access debt instruments in the capital market through registered lines of bonds and commercial paper.

The fragmentation and diversification of the loan portfolio and its control mechanisms contribute to keeping expected cash flow receivables within adequate ranges.

All of the above provides the Company with sufficient alternative sources of financing to meet its operating and financial obligations.



Note 33 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

2.1. Financial Risks (continued)

2.1.3. Liquidity Risk (continued)

The contractual maturities of obligations that accrue interest, separated into capital and interest payable are as follows:

ThCh\$	1 year	2 years	3 years	4 years	5 years	Over 5 years
Capital	1,584,298,636	919,241,262	326,995,092	109,922,692	244,566,892	2,150,173,300
Interest	153,313,465	144,163,033	115,652,156	101,337,389	91,469,254	455,887,215

The maturity of other financial liabilities is detailed in Note 18 “Other Current and Non-Current Financial Liabilities.”

2.2. Risk Management - Banking Business

Risk Management of the banking business is part of a comprehensive risk management system expressed in business targets, that seeks to comply with profitability targets under a tolerable risk framework. Risk analysis is divided into four categories: Credit Risk, Liquidity Risk, Market Risk and Operational Risk.

2.2.1. Credit Risk

Credit risk is the potential loss from debtors not complying with their payment obligations.

Banking businesses have systems that generate risk indicators by customer segment based on their sociodemographic characteristics and payment behavior, which enables the bank to track the initiation, maintenance, collection and recovery of written-off portfolios.

2.2.2. Liquidity Risk

Liquidity risk is the temporary breach between payable and receivable cash flows, both in local currency, indexed currency and foreign currency, which generate net liquidity requirements that are properly measured and controlled by banks.

The banking business has a portfolio of highly liquid instruments held in investment assets, to appropriately manage their short and long term liquidity positions, which are available to respond to exceptional but plausible situations. This process is monitored with regular reports, liquidity risk stress tests, early warnings and contingency plans.



Note 33 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

2.2. Risk Management - Banking Business (continued)

2.2.3. Market Risk

Market risk considers interest rate risk, indexation risk and currency risk.

a) Interest Rate Risk

Interest rate risk is exposure to losses caused by adverse changes in market interest rates which affect the value of instruments, contracts and other operations recorded in the statement of financial position.

b) Indexation Risk

Indexation risk is the exposure to losses caused by adverse changes in the units or indexation indexes defined in the local currency in which the instruments, contracts and other transactions recorded in the statement of financial position are expressed.

c) Currency Risk

Currency risk is exposure to losses caused by adverse changes in the value of foreign currencies, in which instruments, contracts and other transactions recorded in the statement of financial position are expressed.

The banking business performs stress and sensitivity testing, in order to monitor and control these risks.

2.2.4. Operational Risk

Operating Risk is the risk of loss from an inadequacy or failure of processes, personnel and internal systems or external events, including areas related to information security and business continuity. The banking business is unable to eliminate all operational risks, but it reacts through a control and supervision framework to mitigate the aforementioned risks. Therefore, banks have developed Integrated Risk Management, which is based on international standards, including technological risks, in order to have a comprehensive understanding of the risks within each process and prioritize mitigation with all their associated variables.

In addition, local regulations impose rules regarding minimum levels of equity for the banking business. As of December 31, 2017, each Group banking subsidiary complies with these restrictions.

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 33 - Financial Instruments and Risk Management (continued)

3. Categories presented in the Consolidated Statement of Financial Position classified by currency

Balances as of December 31, 2017

	Chilean peso ThCh\$	US dollar ThCh\$	Euros ThCh\$	Peruvian nuevo sol ThCh\$	Argentine peso ThCh\$	Colombian peso ThCh\$	Other currencies ThCh\$	Total ThCh\$
Assets - Non-Banking Business								
Cash and cash equivalents	134,483,122	16,073,789	538,332	53,683,039	4,098,039	16,626,134	6,524,730	232,027,185
Other financial assets, current	9,504,866	1,290	2,186	3,527,834	1,774,653	-	1,350,618	16,161,447
Other non-financial assets, current	92,549,749	1,271,758	-	9,661,378	1,663,751	535,768	3,362,865	109,045,269
Trade and other receivables, current	1,707,836,806	7,531,026	-	37,401,757	199,556,401	23,660,823	18,976,161	1,994,962,974
Related company receivables, current	5,046,225	-	-	-	-	1,673,956	1,848,686	8,568,867
Inventories	687,953,049	-	-	346,027,258	68,812,563	69,847,541	65,498,372	1,238,138,783
Tax assets, current	40,856,802	-	-	13,647,511	128,468	21,911,331	42,937	76,587,049
Non-current assets or disposal groups held for sale	10,866,456	-	-	-	-	-	-	10,866,456
Total Current Assets	2,689,097,075	24,877,863	540,518	463,948,777	276,033,875	134,255,553	97,604,369	3,686,358,030
Other financial assets, non-current	15,110,466	50,086,599	-	-	-	-	-	65,197,065
Other non-financial assets, non-current	42,714,177	582,241	-	9,910,609	957,128	14,497,224	2,217,879	70,879,258
Trade and other receivables, non-current	260,139,796	1,337,412	-	632,539	12,826,059	153,247	-	275,089,053
Investments accounted for using the equity method	290,754	-	-	-	-	110,819,869	27,185,895	138,296,518
Intangible assets other than goodwill	230,969,646	8,964	-	26,774,569	6,746,058	3,620,440	15,081,366	283,201,043
Goodwill	259,964,833	-	-	212,786,715	-	-	31,642,969	504,394,517
Property, plant and equipment	1,456,499,319	30,575	-	875,891,827	19,803,022	102,508,800	90,190,157	2,544,923,700
Investment properties	2,520,033,047	-	-	265,804,290	-	122,939,871	-	2,908,777,208
Deferred tax assets	79,511,721	751,785	-	24,284,865	4,378,632	12,547,180	26,644,182	148,118,365
Total Non-Current Assets	4,865,233,759	52,797,576	-	1,416,085,414	44,710,899	367,086,631	192,962,448	6,938,876,727
Total Assets - Non-Banking Business	7,554,330,834	77,675,439	540,518	1,880,034,191	320,744,774	501,342,184	290,566,817	10,625,234,757
Assets - Banking Business								
Cash and bank deposits	104,858,701	61,833,305	-	36,205,992	-	22,902,378	-	225,800,376
Transactions pending settlement	15,687,377	5,374,333	-	308,590	-	-	-	21,370,300
Instruments held for trading	56,546,632	5,228,842	-	-	-	9,407,152	-	71,182,626
Financial derivative contracts	26,573,956	-	-	-	-	26,962	-	26,600,918
Customer loans and receivables	1,563,284,117	3,318,169	-	596,239,285	-	427,868,237	-	2,590,709,808
Investment instruments held for sale	463,120,474	88,338,050	-	93,412,662	-	12,636,204	-	657,507,389
Investments in companies	239,935	-	-	2,621,316	-	-	-	2,861,251
Intangible assets	25,244,797	-	-	19,913,204	-	15,500,538	-	60,658,539
Property, plant and equipment	14,977,495	-	-	13,740,555	-	5,215,617	-	33,933,667
Current taxes	212,277	-	-	4,438,366	-	3,115,740	-	7,766,383
Deferred taxes	11,291,093	-	-	4,125,142	-	619,974	-	16,036,209
Other assets	20,095,388	240,525	-	6,569,368	-	3,596,573	-	30,501,854
Total Assets - Banking Business	2,302,132,242	164,333,224	-	777,574,480	-	500,889,375	-	3,744,929,320
Total Assets	9,856,463,076	242,008,663	540,518	2,657,608,671	320,744,774	1,002,231,559	290,566,817	14,370,164,077

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 33 - Financial Instruments and Risk Management (continued)

3. Categories presented in the Consolidated Statement of Financial Position classified by currency (continued)

	Chilean peso ThCh\$	US dollar ThCh\$	Euros ThCh\$	Peruvian nuevo sol ThCh\$	Argentine peso ThCh\$	Colombian peso ThCh\$	Other currencies ThCh\$	Total ThCh\$
Liabilities - Non-Banking Business								
Other financial liabilities, current	482,659,922	76,835,002	1,017,747	129,121,031	96,220,440	-	48,794,092	834,648,234
Trade and other payables, current	684,619,083	57,425,957	3,926,709	188,961,836	71,983,917	63,032,155	45,662,892	1,115,612,549
Related company payables, current	5,932,746	-	-	-	-	1,703,583	-	7,636,329
Other provisions, current	4,715,033	-	-	4,500,211	4,919,462	133,250	28,678	14,296,634
Current tax liabilities	28,450,557	2,120	-	2,857,571	4,318,396	1,315,028	87,240	37,030,912
Employee benefit provisions, current	84,737,431	104,425	-	29,898,667	13,603,104	4,910,678	5,210,013	138,464,318
Other non-financial liabilities, current	102,657,309	219,850	-	17,664,777	20,696,303	16,760,304	4,128,734	162,127,277
Total Current Liabilities	1,393,772,081	134,587,354	4,944,456	373,004,093	211,741,622	87,854,998	103,911,649	2,309,816,253
Other financial liabilities, non-current	1,698,075,807	827,046,372	-	333,926,155	39,533,215	99,680,747	7,912,794	3,006,175,090
Trade and other payables, non-current	758,836	323,095	-	-	-	-	-	1,081,931
Other provisions, non-current	303,696	-	-	8,858,195	80,710	168,516	1,634,642	11,045,759
Deferred tax liabilities	468,553,194	-	-	95,448,024	-	-	4,621,096	568,622,314
Employee benefit provisions, non-current	31,109,212	2,360	-	1,171,341	214,579	483,481	16,703	32,997,676
Other non-financial liabilities, non-current	34,721,496	1,536,948	-	7,102,268	160,206	2,160,509	-	45,681,427
Total Non-Current Liabilities	2,233,522,241	828,908,775	-	446,505,983	39,988,710	102,493,253	14,185,235	3,665,604,197
Total Liabilities - Non-Banking Business	3,627,294,322	963,496,129	4,944,456	819,510,076	251,730,332	190,348,251	118,096,884	5,975,420,450
Liabilities - Banking Business								
Deposits and other demand obligations	426,165,597	436,081	-	21,553,372	-	94,999,171	-	543,154,221
Transactions pending settlement.	4,485,219	10,653,977	-	-	-	-	-	15,139,196
Deposits and other time deposits.	1,134,953,937	162,503,007	-	460,771,147	-	229,497,975	-	1,987,726,066
Financial derivative contracts	30,871,454	180,042	-	-	-	129,819	-	31,181,315
Bank borrowings	12,001,667	15,223,619	-	10,545,768	-	43,619,989	-	81,391,043
Debt instruments issued	231,402,520	435,522	-	10,418,729	-	-	-	242,256,771
Other financial obligations	130,641,388	-	-	-	-	-	-	130,641,388
Current taxes	-	-	-	-	-	-	-	-
Provisions	973,490	3	-	448,456	-	247,496	-	1,669,445
Other liabilities	10,671,885	27,105,644	-	1,833,742	-	28,515,407	-	68,126,678
Total Liabilities - Banking Business	1,982,167,157	216,537,895	-	505,571,214	-	397,009,857	-	3,101,286,123
Total Liabilities	5,609,461,479	1,180,034,024	4,944,456	1,325,081,290	251,730,332	587,358,108	118,096,884	9,076,706,573

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 33 - Financial Instruments and Risk Management (continued)

3. Categories presented in the Consolidated Statement of Financial Position classified by currency (continued)

Balances as of December 31, 2016

	Chilean peso ThCh\$	US dollar ThCh\$	Euros ThCh\$	Peruvian nuevo sol ThCh\$	Argentine peso ThCh\$	Colombian peso ThCh\$	Other currencies ThCh\$	Total ThCh\$
Assets - Non-Banking Business								
Cash and cash equivalents	116,867,998	21,322,468	659,349	45,859,454	3,743,092	8,813,557	4,053,716	201,319,634
Other financial assets, current	21,740,397	378,923	-	3,699,533	1,701,115	-	212,922	27,732,890
Other non-financial assets, current	77,932,300	1,381,366	-	11,658,886	1,286,009	886,844	4,407,636	97,553,041
Trade and other receivables, current	1,544,233,976	7,477,760	-	28,814,444	173,839,048	14,866,267	29,103,300	1,798,336,795
Related company receivables, current	3,215,370	-	-	-	-	2,919,718	-	6,135,088
Inventories	655,987,995	-	-	341,040,561	75,544,196	67,829,638	66,850,628	1,207,253,018
Tax assets, current	38,235,650	549,844	-	17,753,946	2,430,806	16,464,117	472,080	75,906,443
Non-current assets or disposal groups held for sale	3,122,099	-	-	-	-	-	-	3,122,099
Total Current Assets	2,461,335,785	31,110,361	659,349	448,826,824	258,544,266	111,782,141	105,100,282	3,417,359,008
Other financial assets, non-current	12,483,444	76,352,415	-	534,765	-	-	-	89,370,624
Other non-financial assets, non-current	27,026,070	7,398,150	-	19,048,669	1,303,289	394,309	2,340,239	57,510,726
Trade and other receivables, non-current	231,716,687	468,772	-	1,720,249	3,744,643	3,056,082	-	240,706,433
Investments accounted for using the equity method	293,226	-	-	-	-	101,839,050	7,046,785	109,179,061
Intangible assets other than goodwill	216,584,593	48,804	-	31,025,014	2,317,504	2,525,652	17,608,991	270,110,558
Goodwill	259,964,833	-	-	224,305,661	-	-	-	519,353,212
Property, plant and equipment	1,411,093,699	43,016	-	872,869,697	25,183,828	111,949,318	79,165,142	2,500,304,700
Investment properties	2,440,948,886	-	-	299,792,680	-	82,051,794	-	2,822,793,360
Deferred tax assets	71,301,622	613,198	-	22,218,361	5,110,571	11,400,541	20,773,961	131,418,254
Total Non-Current Assets	4,671,413,060	84,924,355	-	1,471,515,096	37,659,835	313,216,746	162,017,836	6,740,746,928
Total Assets - Non-Banking Business	7,132,748,845	116,034,716	659,349	1,920,341,920	296,204,101	424,998,887	267,118,118	10,158,105,936
Assets - Banking Business								
Cash and bank deposits	100,666,616	99,573,706	-	78,200,256	-	24,950,800	-	303,391,378
Transactions pending settlement	41,279,485	22,115,661	-	373,983	-	-	-	63,769,129
Instruments held for trading	65,334,639	-	-	-	-	16,287,571	-	81,622,210
Financial derivative contracts	9,821,016	49,841	-	-	-	-	-	9,870,857
Customer loans and receivables	1,471,597,852	-	-	723,996,681	-	426,218,436	-	2,621,812,969
Investment instruments held for sale	499,862,878	-	-	59,246,414	-	6,962,057	-	566,071,349
Investments in companies	-	-	-	3,063,456	-	-	-	3,063,456
Intangible assets	24,104,841	-	-	14,686,284	-	10,839,912	-	49,631,037
Property, plant and equipment	13,749,441	-	-	13,258,586	-	6,658,724	-	33,666,751
Current taxes	-	-	-	3,179,760	-	395,889	-	3,575,649
Deferred taxes	12,426,837	-	-	5,528,885	-	1,010,291	-	18,966,013
Other assets	16,863,726	446,303	-	4,130,841	-	6,302,403	-	27,743,273
Total Assets - Banking Business	2,255,707,331	122,185,511	-	905,665,146	-	499,626,083	-	3,783,184,071
Total Assets	9,388,456,176	238,220,227	659,349	2,826,007,066	296,204,101	924,624,970	267,118,118	13,941,290,007

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 33 - Financial Instruments and Risk Management (continued)

3. Categories presented in the Consolidated Statement of Financial Position classified by currency (continued)

	Chilean peso ThCh\$	US dollar ThCh\$	Euros ThCh\$	Peruvian nuevo sol ThCh\$	Argentine peso ThCh\$	Colombian peso ThCh\$	Other currencies ThCh\$	Total ThCh\$
Liabilities - Non-Banking Business								
Other financial liabilities, current	559,876,750	90,692,083	400,143	315,714,198	90,697,317	2,555,102	12,158,482	1,072,094,075
Trade and other payables, current	632,389,441	69,076,233	5,156,934	179,372,954	65,389,422	53,575,540	42,664,846	1,047,625,370
Related company payables, current	5,492,094	-	-	-	-	994,371	-	6,486,465
Other provisions, current	4,560,807	-	-	4,071,643	4,596,379	-	1,588	13,230,417
Current tax liabilities	32,607,435	343,542	-	2,841,329	602,448	831,196	56,482	37,282,432
Employee benefit provisions, current	79,423,061	-	-	27,840,263	13,157,754	4,145,073	5,490,271	130,056,422
Other non-financial liabilities, current	96,171,131	363,959	-	15,465,767	21,614,495	13,248,901	3,057,860	149,922,113
Total Current Liabilities	1,410,520,719	160,475,817	5,557,077	545,306,154	196,057,815	75,350,183	63,429,529	2,456,697,294
Other financial liabilities, non-current	1,500,256,793	629,825,901	-	380,253,095	30,346,113	143,929,500	6,395,832	2,691,007,234
Trade and other payables, non-current	1,231,300	-	-	-	-	-	-	1,231,300
Other provisions, non-current	312,137	-	-	10,058,865	-	147,973	2,356,833	12,875,808
Deferred tax liabilities	460,873,612	-	-	97,367,220	-	31,201	5,122,352	563,394,385
Employee benefit provisions, non-current	27,668,131	-	-	911,450	177,531	348,943	38,232	29,144,287
Other non-financial liabilities, non-current	30,930,378	1,858,178	-	6,044,695	295,431	2,332,768	-	41,461,450
Total Non-Current Liabilities	2,021,272,351	631,684,079	-	494,635,325	30,819,075	146,790,385	13,913,249	3,339,114,464
Total Liabilities - Non-Banking Business	3,431,793,070	792,159,896	5,557,077	1,039,941,479	226,876,890	222,140,568	77,342,778	5,795,811,758
Liabilities - Banking Business								
Deposits and other demand obligations	360,905,012	306,034	-	21,895,208	-	44,594,001	-	427,700,255
Transactions pending settlement	20,076,796	37,745,243	-	-	-	-	-	57,822,039
Deposits and other time deposits	1,135,169,036	159,299,753	-	474,991,842	-	247,236,728	-	2,016,697,359
Financial derivative contracts	8,669,242	-	-	-	-	679,418	-	9,348,660
Bank borrowings	15,001,458	-	-	26,336,953	-	75,384,837	-	116,723,248
Debt instruments issued	239,642,981	-	-	18,560,589	-	5,784,309	-	263,987,879
Other financial obligations	145,507,995	-	-	-	-	-	-	145,507,995
Current taxes	1,214,607	-	-	-	-	-	-	1,214,607
Provisions	1,155,738	-	-	997,146	-	189,269	-	2,342,153
Other liabilities	8,886,314	2,317,040	-	21,263,809	-	23,309,771	-	55,776,934
Total Liabilities - Banking Business	1,936,229,179	199,668,070	-	564,045,547	-	397,178,333	-	3,097,121,129
Total Liabilities	5,368,022,249	991,827,966	5,557,077	1,603,987,026	226,876,890	619,318,901	77,342,778	8,892,932,887

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements



(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)

Note 34 - Share Capital

a) The Company's capital management objectives, policies and processes

S.A.C.I. Falabella has appropriate capital ratios, in order to support and provide continuity and stability to its business. In addition, the Company continuously monitors its capital structure and that of its subsidiaries, in order to maintain an optimal structure that reduces the cost of capital.

The Group monitors capital using an index of net consolidated financial debt (excluding the banking businesses) over equity. As of December 31, 2017, this index was 0.65.

The Company has been rated locally as follows by the Feller-Rate and Fitch Ratings credit ratings:

	Feller-Rate	Fitch Ratings
Equities	1st C.N. 1	1st C.N. 1
Bonds and lines of bonds	AA	AA
Commercial paper	AA / Level 1+	AA / Level 1+

Additionally, the Company has an international credit rating from Standard & Poor's (BBB+, Negative Outlook) and Fitch Ratings (BBB+, Stable Outlook)

b) Share capital and number of shares

As of December 31, 2017 and 2016 the Company's share capital was as follows.

Number of shares

Series	Number of Subscribed Shares	Number of Paid Shares	Number of Shares With Voting Rights
Single	2,434,465,103	2,434,465,103	2,434,465,103

Share capital

Series	Dec-31-2017		Dec-31-2016	
	Subscribed capital	Paid capital	Subscribed capital	Paid capital
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Single	533,409,643	533,409,643	533,409,643	533,409,643

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 34 - Share Capital (continued)

c) The detail of Other Reserves as of December 31, 2017 and 2016 is as follows.

Other Reserves	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Conversion reserve	(249,687,237)	(146,884,310)
Cash flow hedge reserve	(28,860,865)	(32,209,059)
Actuarial gains or losses on defined benefit plans reserve	(8,744,314)	(7,651,577)
Gains or losses on re-measuring financial assets held for sale reserve	2,007	611,482
Share-based payments reserve	39,902,139	38,426,024
Capital adjustment on indexation ⁽¹⁾	12,256,323	12,256,323
Other reserves	(148,710,857)	(148,332,323)
Total Other Reserves	(383,842,804)	(283,783,440)

Movement in Other Reserves	Dec-31-2017	Dec-31-2016
	ThCh\$	ThCh\$
Opening balance	(283,783,440)	(131,932,183)
Conversion reserve	(102,802,927)	(55,709,601)
Cash flow hedge reserve	3,348,194	(27,838,756)
Actuarial gains or losses on defined benefit plans reserve	(1,092,737)	(1,816,935)
Gains or losses on re-measuring financial assets held for sale reserve	(609,475)	1,465,128
Share-based payments reserve	1,476,115	3,144,728
Other reserves	(378,534)	(71,095,821)
Total Annual Movement	(100,059,364)	(151,851,257)
Closing balance	(383,842,804)	(283,783,440)

(1) This one off effect was caused by adopting IFRS due to the obligation to apply the CPI for local purposes.

d) Dividends Policy

The dividend policy at S.A.C.I. Falabella is to annually distribute at least 30% of the Company's distributable earnings each year.

At a meeting held on October 26, 2010, the Board approved a policy to calculate the distributable earnings (hereinafter the "Policy"), in accordance with Circular 1,945, complemented by Circular 1,983, both issued by the SVS. This policy established that no deductions or additions would be made to distributable earnings, in response to the circumstances at the time the Policy was implemented. The policy has been consistently applied since it was approved. Consequently, since the adoption of the policy and through 2015, the Company did not adjust the "Net Income (Loss) Attributable to Owners of the Parent" in its financial statements.

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 34 - Share Capital (continued)

d) Dividend Policy (continued)

On December 27, 2016, the Board amended the Policy on the basis of the results for 2016, to exclude the following:

- i. Unrealized gains on the fair value valuation of assets and liabilities, which arise as a result of business combinations or corporate restructuring, including at subsidiaries and associates. They will be reinstated when realized.
- ii. Unrealized gains on the fair value valuation of investment properties. They will be reinstated into distributable earnings when realized.
- iii. The effects of deferred taxes associated with the concepts indicated in i) and ii) above will be treated in the same manner as the item generating them.

On April 26, 2016, an Ordinary Shareholders' Meeting approved the distribution of a final dividend of Ch\$54 per share from earnings for 2015. This dividend was paid on May 10, 2016.

On October 25, 2016, the Board of Directors approved the distribution of an interim dividend of Ch\$26 per share from earnings for 2016. This dividend was paid on November 29, 2016.

On April 25, 2017, an Ordinary Shareholders' Meeting approved the distribution of a final dividend of Ch\$54 per share from earnings for 2016. This dividend was paid on May 9, 2017.

On November 14, 2017, the Board of Directors approved the distribution of an interim dividend of Ch\$26 per share from earnings for 2017. This dividend was paid on November 28, 2017.

e) Share Premium on Placement

As of December 31, 2017 and 2016, the cumulative amount was ThCh\$ 93,482,329.

f) Summarized financial information for subsidiaries with non-controlling interests:

The Chilean subsidiary Plaza S.A. has non-controlling interests that are significant for the group, before inter-company eliminations and other adjustments for consolidation. Financial information regarding the subsidiary is as follows:

	Dec-31-2017	Dec-31-2016
Non-controlling interest	40.7220%	40.7220%
Non-current assets	3,053,150,085	2,957,506,839
Current assets	168,947,316	130,189,345
Non-current liabilities	(1,302,126,371)	(1,186,698,346)
Current liabilities	(176,351,235)	(219,101,769)
Net assets	1,743,619,795	1,681,896,069
Revenue	280,471,520	260,422,381
Total net income	109,475,156	140,405,314
Comprehensive income	100,642,848	132,803,245
Net income (loss) attributable to non-controlling interests	3,497,015	3,822,352
Cash flow from operating activities	196,107,707	190,368,910
Cash flow from investing activities	(162,237,471)	(80,858,732)
Cash flow from financing activities, before dividends paid to parties with non-controlling interests	(12,531,821)	(97,112,673)
Cash flow from financing activities, cash dividends to parties with non-controlling interests	(15,937,014)	(16,170,977)



Note 35 - Financial Information by Segment

General description of segments and their measurement:

The Company's operating segments have been selected in accordance with the main businesses of the Group, which are regularly reviewed by Senior Management, in order to measure performance, evaluate risks and allocate resources, and for which there is available information. Certain segments have been grouped because they possess similar financial characteristics. The information that the Company's Management regularly examines is net income from each of the operating segments in Chile and consolidated net income from each foreign subsidiary.

The same policies described in the accounting criteria note are used to produce Management and accounting reports. There are no overall differences between the accounting policies used to measure net income, assets and liabilities for each segment. Inter-segment eliminations are disclosed at an overall level; therefore inter-segment transactions and income are disclosed at the value of the original transaction in each segment.

The Falabella Group operates in the following business segments:

- a) Department stores: This segment operates under the Falabella brand and its activities are the sale of a range of products including retail sales of clothing, accessories and products for the home, electronics, beauty products and others.
- b) Home improvement: This segment operates mainly under the Sodimac brand and its activities are the sale of building and home improvement products, including building materials, hardware, tools, and accessories for kitchen, bathroom, garden and decoration, among other things.
- c) Supermarkets: This segment operates using the hypermarkets and supermarkets format under the Tottus brand, offering food and other non-food products.
- d) Promotora CMR: The Promotora segment mainly operates in the business of granting credit to individuals through the CMR credit card.
- e) Real estate: Operates in the real estate segment through constructing and leasing malls.
- f) Other Business and Eliminations: intersegment cancellations including the remaining Group companies, which covers the industrial area, Falabella Móvil, Viajes Falabella, Insurance Brokerage in Chile, investments in Uruguay, investment companies and eliminations. In addition, the consolidated businesses of the following subsidiaries abroad have been defined as segments:
 - Argentina: It has department stores, home improvement and financial retail businesses.
 - Colombia It has department stores and financial retail businesses. Banco Falabella S.A. is shown in the Banking Business for segment information purposes.
 - Peru: It is the only foreign country with the same businesses as Chile, Banco Falabella Peru S.A. is shown in the Banking Business for segment information purposes.
 - Brazil It has a home improvement business.



Note 35 - Financial Information by Segment (continued)

- g) Banking Business: includes information on all banking business, in Chile and abroad.

The portfolio of Group clients is highly scattered and there are no individual customers that are significantly representative.

The information disclosed in each segment is presented net of eliminations for transactions and income between companies in each segment. Inter-segment income and transactions are eliminated at an overall level, and form part of the group's final consolidated figures. This presentation is the same used by management for its regular reviews of the Company's performance.

Operating revenue for the Chile Real Estate segment of ThCh\$ 358,036,928 as of December 31, 2017 (ThCh\$ 332,540,442 as of December 31, 2016) is total revenue receivable at real estate companies in Chile from third parties and related companies. Conversely, Note 14 j) presents the leasing income receivable from third parties at all real estate companies of the Falabella Group.

S.A.C.I. Falabella and Subsidiaries
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(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 35 - Financial Information by Segment (continued)

Segment Information - Non-Banking Business

	Department Stores Chile	Home Improvement and Construction Materials Chile	Supermarkets Chile	Promolara CMR Chile	Real Estate Chile	Department Stores Peru	Home Improvement and Construction Materials Peru	Supermarkets Peru	Other Businesses and Eliminations Peru	Department Stores, Home Improvement and Construction Materials Argentina	CMR Argentina	Other Businesses and Eliminations Argentina	Department Stores Colombia	Other Businesses and Eliminations Colombia	Home Improvement and Construction Materials Brazil	Other Businesses and Eliminations Brazil	Other Businesses, Inter-Segment Eliminations	Total Business	
December 31, 2017																			
Operating revenue	1,535,036,121	2,045,240,759	738,765,784	467,216,047	358,036,928	585,881,384	601,198,798	703,275,434	50,923,091	489,578,952	86,892,545	(5,555,172)	376,390,682	26,049,002	188,760,032	-	(5,045,124)	8,242,645,263	
Operating Costs	(1,023,255,418)	(1,428,050,533)	(555,165,189)	(231,261,739)	(93,408,267)	(412,373,110)	(424,716,968)	(532,341,053)	(4,263,820)	(250,637,951)	(43,594,847)	42,268	(269,645,484)	51,232	(126,966,831)	-	35,235,660	(5,360,352,050)	
Non-Banking financial income	4,456,414	4,936,631	1,398,474	912,419	2,078,411	319,106	649,674	373,244	898,000	4,462,410	302	453,535	303,774	561,637	196,855	15,189	(5,819,078)	16,196,997	
Non-Banking financial expenses	(8,999,127)	(20,147,767)	(5,333,670)	(319,060)	(51,924,415)	(7,968,002)	(16,018,863)	(10,342,909)	(10,663,890)	(14,692,769)	(1,352)	(464,662)	(8,724,932)	1,682,928	(6,320,247)	(72,680)	(53,408,021)	(213,719,438)	
Net financial expenses all segments	(4,542,713)	(15,211,136)	(3,935,196)	593,359	(49,846,004)	(7,648,896)	(15,369,189)	(9,969,665)	(9,765,890)	(10,230,359)	(1,050)	(11,127)	(8,421,158)	2,244,565	(6,123,392)	(57,491)	(59,227,099)	(197,522,441)	
Depreciation and amortization all segments	(32,484,720)	(42,667,694)	(18,616,509)	-	(49,779,317)	(12,805,220)	(22,385,718)	(24,179,561)	(8,415,730)	(4,083,843)	(382,333)	(85,115)	(13,976,187)	(747,419)	(4,799,778)	-	(31,599,022)	(267,008,166)	
Net income before tax	50,464,724	86,354,141	10,988,480	190,977,654	168,761,261	45,106,500	13,311,932	17,097,999	35,609,633	1,090,615	16,879,285	739,318	(7,273,247)	31,968,071	(24,779,541)	65,495	2,968,391	640,330,711	
Income tax (expense) income	(11,029,612)	(20,296,610)	(1,854,862)	(45,547,912)	(39,028,404)	(14,109,962)	(4,231,005)	(5,900,763)	(10,404,231)	(1,041,437)	(5,988,753)	(486,667)	2,183,308	(5,263,016)	8,304,508	(35,789)	(5,190,406)	(159,920,613)	
Net income all segments	39,435,112	66,057,531	9,133,618	145,429,742	129,732,857	30,996,538	9,080,927	11,197,236	25,205,402	49,178	10,890,532	253,651	(5,089,939)	26,705,055	(16,475,033)	29,706	(2,222,015)	480,410,098	
Share of net income of associates and joint ventures accounted for using the equity method	-	-	-	-	15,007	-	-	-	-	-	-	-	-	19,272,236	-	-	(4,007,939)	15,279,304	
Trade and other receivables, current	55,529,833	139,405,536	10,034,511	1,420,660,427	49,179,120	8,515,365	7,959,618	9,337,914	11,308,199	25,619,054	173,481,929	925,077	12,469,712	4,335,707	14,163,375	-	52,037,597	1,994,962,974	
Inventories	298,926,812	314,056,752	68,315,795	-	226,835	119,481,142	141,455,553	84,389,034	3,906	69,024,499	-	-	69,930,897	-	57,501,572	-	14,825,986	1,238,138,783	
Trade and other receivables, non-current	-	594,352	-	256,692,040	3,392,767	-	86,851	-	1,429,695	-	12,826,059	-	-	-	-	-	67,289	275,089,053	
Property, plant and equipment	209,605,647	210,102,890	104,605,824	333,416	894,251,742	106,850,873	228,727,081	271,008,914	269,301,623	19,033,016	655,310	114,696	94,761,207	1,699,325	61,640,224	-	72,231,912	2,544,923,700	
Investment properties	-	-	-	-	2,645,106,059	-	20,744,538	-	244,414,714	-	-	-	-	-	-	-	-	(1,488,103)	2,908,777,208
Total segment assets	1,025,161,644	803,115,968	231,637,620	1,779,889,951	3,870,822,545	356,704,194	675,391,520	440,945,927	378,257,163	154,144,665	196,176,465	(21,704,457)	230,030,392	115,288,413	166,664,027	47,723,827	174,984,903	10,625,234,757	
Investments accounted for using the equity method	-	-	-	-	290,754	-	-	-	-	-	-	-	-	110,819,869	-	-	27,185,895	138,296,518	
Other financial liabilities, current	7,805,091	10,035,672	1,486,020	123,497,929	114,104,953	39,837,718	29,965,934	23,759,488	68,974,188	11,040,273	91,461,929	-	10,923,386	-	48,794,092	-	252,961,561	834,648,234	
Trade and other payables, current	174,591,024	179,344,051	68,977,172	93,974,191	62,830,662	67,936,983	56,629,495	88,603,848	7,165,074	45,009,384	30,218,298	1,521,337	61,567,544	8,381,343	40,510,723	2,850	128,348,570	1,115,612,549	
Other financial liabilities, non-current	-	56,288,780	-	-	896,107,269	11,762,222	3,362,495	43,863,484	327,364,665	14,313,142	25,220,073	-	46,500,504	-	7,912,794	-	1,573,479,662	3,006,175,090	
Total segment liabilities	802,673,322	541,364,547	163,989,407	1,202,803,241	1,806,227,073	232,557,298	330,224,873	255,958,129	(3,123,424)	116,693,244	174,236,780	(20,764,815)	168,593,641	(8,673,329)	107,026,094	4,625,017	101,009,352	5,975,420,450	
Disbursements of the segment's non-monetary assets	(80,340,842)	(65,853,356)	(28,596,295)	-	(196,614,956)	(14,366,404)	(10,091,977)	(61,533,747)	(17,652,139)	(4,960,108)	(6,182,461)	(31,776)	(17,709,683)	(679,309)	(22,349,515)	-	(49,864,166)	(576,818,754)	
Segment's operating cash flow	(8,516,812)	140,375,188	32,364,361	(29,505,120)	239,730,076	45,146,415	58,096,453	19,096,193	37,569,836	11,851,179	(27,337,476)	(155,055)	11,167,220	(8,207,962)	(3,025,767)	-	253,960,918	772,609,647	
Segment's investing cash flow	(125,384,633)	(64,940,681)	(25,659,642)	-	(277,976,762)	38,949,850	4,624,048	(25,848,285)	(117,985,127)	(1,000,660)	(6,285,373)	320,634	(18,037,858)	10,631,949	(36,250,505)	-	77,586,792	(567,256,253)	
Segment's financing cash flow	139,219,667	(70,539,797)	(4,952,589)	31,781,220	44,510,140	(84,650,583)	(61,380,047)	6,551,009	(6,211,903)	(9,800,761)	33,790,962	-	15,191,680	(2,355,287)	39,577,028	49,993	(353,604,454)	(282,913,702)	

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements
(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 35 - Financial Information by Segment (continued)

Segment Information - Non-Banking Business

	Department Stores Chile	Home Improvement and Construction Materials Chile	Supermarkets Chile	Promolora CMR Chile	Real Estate Chile	Department Stores Peru	Home Improvement and Construction Materials Peru	Supermarkets Peru	Other Businesses and Eliminations Peru	Department Stores, Home Improvement and Construction Materials Argentina	CMR Argentina	Other Businesses and Eliminations Argentina	Department Stores Colombia	Other Businesses and Eliminations Colombia	Home Improvement and Construction Materials Brazil	Other Businesses and Eliminations Brazil	Other Businesses, Inter-Segment Eliminations	Total Business	
December 31, 2016																			
Operating revenue	1,471,981,905	2,000,746,660	705,967,545	414,730,230	332,540,442	595,595,934	591,764,543	666,022,951	37,451,004	469,115,061	73,767,993	(4,872,734)	349,598,702	24,280,151	167,504,279	-	2,077,118	7,898,301,784	
Operating Costs	(985,328,827)	(1,402,801,149)	(530,777,268)	(214,793,669)	(92,541,785)	(418,668,554)	(415,957,528)	(506,566,261)	3,941,431	(234,869,421)	(48,985,340)	(657,008)	(264,797,910)	(1,055,361)	(112,790,714)	-	45,929,420	(5,180,719,944)	
Non-Banking financial income	4,931,228	6,011,234	1,146,937	766,587	2,042,618	268,792	2,295,108	388,169	1,610,395	695,130	709	38,434	366,353	605,267	742,169	23,194	(6,664,232)	15,268,092	
Non-Banking financial expenses	(8,636,231)	(23,828,499)	(4,568,011)	(263,255)	(63,383,468)	(8,145,427)	(20,932,628)	(10,768,116)	(7,433,183)	(21,922,210)	(5,243)	(37,067)	(8,221,007)	1,187,897	(9,629,751)	(117,684)	(46,952,529)	(233,656,408)	
Net financial expenses all segments	(3,705,003)	(17,817,265)	(3,421,074)	503,332	(61,340,850)	(7,876,635)	(18,637,520)	(10,379,947)	(5,822,788)	(21,227,080)	(4,534)	1,367	(7,854,654)	1,793,164	(8,887,582)	(94,490)	(53,616,757)	(218,389,316)	
Depreciation and amortization all segments	(27,914,571)	(39,350,232)	(17,523,147)	-	(50,577,916)	(12,200,791)	(18,531,147)	(22,437,101)	(9,149,523)	(4,590,650)	(343,723)	(88,055)	(11,056,095)	(712,998)	(4,325,630)	-	(26,577,662)	(245,379,241)	
Net income before tax	57,503,350	99,795,558	9,048,001	156,852,646	213,788,165	48,557,958	4,461,504	11,437,696	125,158,797	(1,216,903)	1,960,746	530,393	(16,741,343)	27,828,415	(24,843,651)	(175,670)	29,303,652	743,249,314	
Income tax (expense) income	(11,568,666)	(21,782,972)	(1,593,656)	(34,174,642)	(38,160,415)	(14,241,386)	(6,775,146)	(3,336,914)	(15,454,770)	306,164	(444,753)	(428,274)	6,978,784	(4,406,585)	8,489,815	-	(11,986,770)	(148,580,176)	
Net income all segments	45,934,684	78,012,586	7,454,345	122,678,004	175,627,750	34,316,572	(2,313,643)	8,100,782	109,704,028	(910,739)	1,515,993	102,119	(9,762,559)	23,421,830	(16,353,836)	(175,670)	17,316,882	594,669,138	
Share of net income of associates and joint ventures accounted for using the equity method	-	-	-	-	1,492,340	-	-	-	2,994,353	-	-	-	-	17,026,914	-	-	(265,618)	21,247,989	
Trade and other receivables, current	47,338,571	131,965,102	7,397,085	1,300,450,863	44,344,411	6,081,209	6,932,958	6,483,262	12,157,706	24,928,353	147,936,995	1,194,620	9,225,518	2,838,689	25,117,689	54	23,943,700	1,798,336,795	
Inventories	253,798,021	324,775,876	70,056,072	-	223,725	120,510,159	149,537,298	70,988,513	4,591	75,544,196	-	-	67,829,638	-	56,841,471	-	17,143,458	1,207,253,018	
Trade and other receivables, non-current	-	749,881	-	228,549,371	5,407,357	-	138,531	-	2,050,490	-	3,744,643	-	-	-	-	-	66,160	240,706,433	
Property, plant and equipment	172,812,270	192,807,639	99,332,936	333,417	850,614,395	130,546,703	253,253,524	250,766,966	279,388,378	24,227,043	825,593	131,192	100,805,943	1,771,272	49,987,581	6,243	92,693,605	2,500,304,700	
Investment properties	-	-	-	-	2,566,305,407	-	21,951,382	-	236,024,674	-	-	-	-	-	-	-	-	(1,468,103)	2,822,793,360
Total segment assets	759,468,876	801,477,815	221,921,433	1,596,465,123	3,705,290,968	400,726,014	732,277,644	423,409,049	337,997,615	167,729,300	158,184,385	(21,824,099)	213,634,643	107,295,092	159,839,348	52,903,406	341,309,324	10,158,105,936	
Investments accounted for using the equity method	-	-	-	-	293,226	-	-	-	-	-	-	-	-	101,839,050	-	-	7,046,785	109,179,061	
Other financial liabilities, current	8,322,028	46,256,283	527,232	185,948,377	157,912,132	85,806,651	103,650,084	71,342,021	35,550,897	16,614,237	80,900,515	-	292,859	-	49,496,778	-	229,473,981	1,072,094,075	
Trade and other payables, current	144,653,757	172,956,633	68,647,826	80,921,846	79,090,120	60,437,777	61,458,469	81,128,924	7,832,319	44,065,498	22,626,862	1,294,915	58,809,172	6,802,644	38,440,473	114,740	118,343,395	1,047,625,370	
Other financial liabilities, non-current	-	55,396,437	-	20,000,000	801,971,401	17,175,496	5,598,343	53,592,765	337,239,732	16,879,586	13,466,527	-	51,892,808	-	-	-	1,317,794,139	2,691,007,234	
Total segment liabilities	543,586,070	639,386,580	163,010,417	1,064,640,655	1,715,000,226	254,770,308	397,916,393	248,024,345	(18,473,185)	119,598,420	141,536,649	(19,838,073)	164,344,019	(17,699,430)	97,734,364	5,206,511	397,067,289	5,795,811,758	
Disbursements of the segment's non-monetary assets	(49,805,941)	(54,806,027)	(32,882,414)	-	(128,644,097)	(14,956,256)	(16,103,758)	(39,279,793)	(57,619,849)	(5,403,738)	(2,043,906)	(47,753)	(28,502,259)	(2,487,679)	(10,283,791)	-	(52,690,554)	(495,557,815)	
Segment's operating cash flow	229,860,500	161,899,706	30,406,009	(184,173,155)	230,933,935	48,605,282	43,334,173	34,283,990	17,582,807	1,408,936	(16,306,944)	341,828	27,671,174	(6,858,976)	(20,218,807)	-	33,663,482	632,433,940	
Segment's investing cash flow	(34,632,072)	(52,580,437)	(30,604,629)	-	(191,479,834)	(42,039,434)	(23,177,235)	(61,260,528)	(3,997,680)	(4,444,944)	(2,344,992)	(9,258)	(29,113,486)	4,167,827	(9,811,399)	-	73,543,878	(407,784,223)	
Segment's financing cash flow	(185,324,622)	(112,946,499)	(223,480)	195,165,938	(42,874,492)	(7,581,633)	(31,920,100)	25,345,266	50,410,232	2,327,481	18,560,592	-	4,660,479	(11,228,889)	29,895,981	29,161	(136,930,821)	(202,635,406)	



Note 35 - Financial Information by Segment (continued)

Segment Information - Banking Business

	Banking Business Chile	Banking Business Peru	Banking Business Colombia	Total Banking Business	Banking Business Chile	Banking Business Peru	Banking Business Colombia	Total Banking Business
	December 31, 2017				December 31, 2016			
Banking interest and indexation income	285,084,548	187,644,592	84,213,398	556,942,538	269,231,252	189,421,934	68,011,305	526,664,491
Banking interest and indexation expense	(60,602,190)	(45,580,821)	(25,187,895)	(131,370,906)	(72,046,248)	(53,700,708)	(26,397,802)	(152,144,758)
Banking commission income	37,604,908	59,686,732	71,137,850	168,429,490	33,523,060	61,051,502	68,909,220	163,483,782
Banking commission expense	(16,993,337)	(10,155,022)	(15,245,865)	(42,394,224)	(17,106,504)	(8,769,362)	(14,259,857)	(40,135,723)
Net interest income all segments	245,093,929	191,595,481	114,917,488	551,606,898	213,601,560	188,003,366	96,262,866	497,867,792
Depreciation and amortization all segments	(9,986,675)	(5,313,831)	(4,462,491)	(19,762,997)	(8,849,875)	(4,525,074)	(3,435,835)	(16,810,784)
Net income before tax	72,282,381	20,434,892	17,591,490	110,308,763	69,554,338	24,633,524	19,585,723	113,773,585
Income tax (expense) income	(17,381,220)	(6,769,527)	(7,663,920)	(31,814,667)	(14,781,379)	(7,406,389)	(8,222,965)	(30,410,733)
Net income all segments	54,901,161	13,665,365	9,927,570	78,494,096	54,772,959	17,227,135	11,362,758	83,362,852
Share of net income of associates and joint ventures accounted for using the equity method	-	469,655	-	469,655	-	508,395	-	508,395
Cash and bank deposits	107,547,705	94,124,267	24,128,404	225,800,376	128,559,121	149,634,806	25,197,451	303,391,378
Instruments held for trading	61,775,474	-	9,407,152	71,182,626	65,334,639	-	16,287,571	81,622,210
Customer receivables and loans	1,563,962,258	598,879,313	427,868,237	2,590,709,808	1,471,597,852	723,996,681	426,218,436	2,621,812,969
Property, plant and equipment	13,046,235	13,740,555	7,146,877	33,933,667	13,749,441	13,258,586	6,658,724	33,666,751
Total segment assets	2,402,603,211	838,383,231	503,942,878	3,744,929,320	2,306,001,099	977,260,397	499,922,575	3,783,184,071
Investment in associates and joint ventures accounted for using the equity method	-	2,861,251	-	2,861,251	-	3,063,456	-	3,063,456
Deposits and other time deposits.	1,254,349,928	520,570,738	212,805,400	1,987,726,066	1,221,812,361	547,648,270	247,236,728	2,016,697,359
Total segment liabilities	2,118,747,031	586,998,192	395,540,900	3,101,286,123	2,060,735,528	639,207,268	397,178,333	3,097,121,129
Disbursements of the segment's non-monetary assets	(12,655,685)	(13,113,665)	(8,120,765)	(33,890,115)	(12,943,192)	(9,554,892)	(8,484,215)	(30,982,299)
Segment's operating cash flow	54,788,677	96,499,041	22,303,960	173,591,678	108,229,013	(25,311,216)	46,601,990	129,519,787
Segment's investing cash flow	(64,824,520)	(46,751,941)	(13,354,158)	(124,930,619)	(142,842,834)	(13,447,458)	(15,560,328)	(171,850,620)
Segment's financing cash flow	(23,107,067)	(7,706,337)	(5,813,229)	(36,626,633)	(19,479,561)	(10,058,296)	(12,995,627)	(42,533,484)

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 35 - Financial Information by Segment (continued)

Operating revenue from external customers by country of domicile and geographical area is as follows

Operating revenue	Dec-31-2017
Operating revenue from external customers by country of domicile.	5,461,939,971
Operating revenue from external customers, all foreign countries	3,506,077,320

Operating revenue generated by geographical area, outside the country of domicile of the entity is detailed as follows:

Operating revenue	Dec-31-2017	
	Country	Operating Revenue ThCh\$
Operating revenue	Peru	2,188,610,031
Operating revenue	Argentina	570,916,325
Operating revenue	Colombia	557,790,932
Operating revenue	Brazil	188,760,032

The distribution of non-current assets by geographical area is as follows:

Non-Current Assets	Dec-31-2017
Non-current assets by country of domicile	6,240,925,998
Non-current assets, all foreign countries	2,011,133,784

The distribution of the most significant non-current assets by geographical area, outside the country of domicile of the entity is detailed as follows:

Non-Current Assets	Dec-31-2017	
	Country	Attributed to a Foreign Country
Property, Plant and Equipment (net)	Peru	889,629,046
Investment property (net)	Peru	265,159,252
Financial receivables, non-current (net)	Peru	135,520,379
Property, Plant and Equipment (net)	Argentina	19,803,022
Financial receivables, non-current (net)	Argentina	12,826,059
Property, Plant and Equipment (net)	Colombia	103,607,409
Property, Plant and Equipment (net)	Brazil	61,640,224

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(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 36 - Contingencies, Litigation and Other Legal Issues

a) Litigation

a.1) The Parent Company and its subsidiaries have litigation filed against them, or administrative matters whose resolution is pending in the respective courts or administrative bodies. The Company has recorded provisions to reflect unfavorable contingencies. No provision has been made where these matters have low probabilities of success and should be resolved in the Company's favor.

The litigation as of December 31, 2017 is as follows:

Proceedings	Number of legal actions	Amount ThCh\$	Accounting Provision ThCh\$
Civil	363	14,857,325	1,278,930
Consumer	985	7,494,823	3,098,977
Employment	1,281	19,661,726	9,409,873
Tax	77	14,777,200	7,857,540
Other	241	2,633,560	1,585,123

a.2) In relation to "Tax" matters, as a consequence of the review of income tax returns from 2000 to 2005 of our Peruvian subsidiary Saga Falabella S.A., the National Tax Administration Superintendent (SUNAT or "Superintendencia Nacional de Administración Tributaria") sent it assessments and penalties related to general sales tax and income tax for these periods, for a total updated amount of 33,084,000 Peruvian new soles (ThCh\$ 6,275,373).

On September 23, 2011, Inversiones Accionarias Limitada filed a demand for recovery against Plaza Oeste S.A., asking for restitution of land with a surface area of approximately 1,005.80 square meters, located on the westerly side of the land on which Mall Plaza Norte is constructed, in addition to requesting the payment of mutual benefits and compensation for damages. A judgment was issued at first instance, which partially granted the claimant's claim, since it ordered the restitution of 895.43 square meters and dismissed the actions relating to restituting natural and civil damages and responding to the deterioration, as the arbitrator considered that Mall Plaza acted in good faith. A motion to appeal against this unfavorable judgment was filed.

b) Other

On December 31, 2017, Falabella Argentina provided customs guarantees of ThCh\$ 8,154,723.

Falabella Peru has assets in guarantee totaling ThCh\$ 93,181,006 as of December 31, 2017.

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Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 37 - Guarantees for and Obtained from Third Parties

a) Guarantee deposits and other instruments received

a.1) As of December 31, 2017, the Company has received performance guarantees amounting to ThCh\$ 77,224,122, which mainly guarantee construction performance and faithful compliance with contracts.

a.2) Banks have pledged time deposits in favor of S.A.C.I. Falabella S.A. for ThCh\$ 1,770,000 to support Cross Currency Swap contracts signed with these banks.

a.3) As of December 31, 2017, Sodimac Chile had received checks in guarantee for ThCh\$ 1,240,388.

b) Performance guarantees provided

As of December 31, 2017, the Company has provided guarantees amounting to ThCh\$ 53,093,348.

c) Indirect guarantees

Guarantees managed by subsidiaries with financial institutions are as follows:

Guarantee Creditor	Debtor Name	Relationship	Guarantee	Balance pending	
				Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
SCOTIABANK (PERU)	SAGA FALABELLA S.A. (PERU)	SUBSIDIARY	STANDBY LETTER OF CREDIT	2,576,564	2,543,956
BBVA BANCO CONTINENTAL	SAGA FALABELLA S.A. (PERU)	SUBSIDIARY	STANDBY LETTER OF CREDIT	4,194,023	5,739,311
BANCO DE CRÉDITO (PERU)	SAGA FALABELLA S.A. (PERU)	SUBSIDIARY	STANDBY LETTER OF CREDIT	483,252	2,472,801
INTERBANK (PERÚ)	SAGA FALABELLA S.A. (PERU)	SUBSIDIARY	STANDBY LETTER OF CREDIT	117,597	120,878
CITIBANK (PERU)	SAGA FALABELLA S.A. (PERU)	SUBSIDIARY	STANDBY LETTER OF CREDIT	1,229,500	1,338,940
BBVA BANCO CONTINENTAL	SAGA FALABELLA S.A. (PERU)	SUBSIDIARY	STANDBY LETTER OF CREDIT	6,654	7,005
SCOTIABANK (PERU)	SAGA FALABELLA S.A. (PERU)	SUBSIDIARY	STANDBY LETTER OF CREDIT	5,086,617	-
BANCO DE CRÉDITO (PERU)	SAGA FALABELLA S.A. (PERU)	SUBSIDIARY	STANDBY LETTER OF CREDIT	13,340,075	13,994,708
BANCO DE CRÉDITO (PERU)	HIPERMERCADOS TOTTUS S.A. (PERU)	SUBSIDIARY	STANDBY LETTER OF CREDIT	3,114,467	3,383,320
BANCO DE CRÉDITO (PERU)	SODIMAC PERU S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	1,286,513	3,497,122
BANCO DE CRÉDITO (PERU)	MAESTRO PERU S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	2,459,000	-
SANTANDER CHILE	SHEARVAN CORPORATE S.A.	SUBSIDIARY	GUARANTOR(*)	81,530	144,319
SANTANDER CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	10,771,981	16,513,789
SANTANDER CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	184,788	176,400
BBVA S.A. NY BRANCH	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	368,850	401,682
BBVA S.A. NY BRANCH	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	3,982,910	3,802,126
BBVA S.A. CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	184,788	176,400
BBVA S.A. CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	928,966	811,440
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	215,163	234,315
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	7,000,000	6,000,000
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	148,944	147,872
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	245,900	267,788
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	61,475	66,947
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	7,684,375	8,368,375
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	62,828	21,168
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	534,880	526,535

(*) Falabella Retail S.A. is guarantor for Shervan Corporate S.A.

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 37 - Guarantees for and Obtained from Third Parties (continued)

c) Indirect Guarantees (continued):

Guarantees managed by subsidiaries with financial institutions are as follows (continued):

Guarantee Creditor	Debtor Name	Relationship	Guarantee	Balance pending	
				Dec-31-2017 ThCh\$	Dec-31-2016 ThCh\$
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	147,830	141,120
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	73,915	70,560
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	30,738	-
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	614,750	-
SCOTIABANK (COLOMBIA)	FALABELLA COLOMBIA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	176,119	152,067
SCOTIABANK (COLOMBIA)	FALABELLA COLOMBIA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	4,304,703	5,854,129
CITIBANK (COLOMBIA)	FALABELLA COLOMBIA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	3,090,231	3,346,558
SANTANDER CHILE	HIPERMERCADO TOTTUS S.A. (CHILE)	SUBSIDIARY	STANDBY LETTER OF CREDIT	844,022	416,209
GALICIA (ARGENTINA)	FALABELLA S.A. (ARGENTINA)	SUBSIDIARY	STANDBY LETTER OF CREDIT	782,425	9,319
ICBC (ARGENTINA)	FALABELLA S.A. (ARGENTINA)	SUBSIDIARY	STANDBY LETTER OF CREDIT	-	91,140
SANTANDER RIO (ARGENTINA)	FALABELLA S.A. (ARGENTINA)	SUBSIDIARY	STANDBY LETTER OF CREDIT	9,349	35,307

Note 38 - Environment

The disbursements and action plans that S.A.C.I. Falabella and its subsidiaries have made or expect to make relating to environmental protection as referred to in Circular 1,901 issued by the Superintendent of Securities and Insurance are as follows.

Falabella Retail S.A. has continued its real estate development based on environmentally sustainable conduct, in compliance with its declarations on corporate social responsibility. Its projects for 2018 include the remodeling at Curicó, Valdivia, Concepcion, Alameda, El Trebol, Melipilla, Ahumada 167 and Viña del Mar stores, which will continue being built under international standards of sustainable development.

Recycling programs continue at 17 stores in the Metropolitan Region, which covers collection, removal and subsequent forwarding to specialized centers that process the waste generated by businesses, such as plastics, cardboard and paper. The Company has a hazardous waste store. Hazardous waste is managed and removed according to specific requirements, and during this period hazardous waste was managed at all stores in the country, in compliance with environmental regulations.

Falabella Retail S.A. has partially implemented the Extended Product Responsibility Law, and provided continual resources to secure compliance with the requirements of this Law at all its stores, including the corporate building.

Sodimac S.A. has incorporated leading edge international environmental standards in the construction of its commercial stores, following the recommendations of the U.S.A. Green Building Council.



Note 38 - Environment (continued)

Currently, all the new stores for Sodimac S.A. incorporate sustainable construction characteristics and efficient resource use. Therefore, LED lighting has been incorporated, energy consumption is monitored, and centralized control systems for climate and lighting equipment have been installed, which results in lower energy consumption and a smaller carbon footprint, which is measured annually.

Sodimac S.A. has focused on reducing and mitigating the environmental impact of operating its stores. It has focused on recycling, supplying eco-efficient products, and increasing energy and water efficiency. Sodimac launched the first initiative in the circular economy by a retailer in South America, when it began to market its first products manufactured from plastic waste it collected at its own network of recycling points.

Furthermore, Sodimac S.A. declares all the environmental statements included in the Pollutant Release and Transfer Register (PRTR), which is a platform created by the Environment Ministry providing citizen access to information on emissions, waste and pollutant transfers by organizations.

Sodimac S.A. is constantly evaluating projects of this nature, such as developing renewable energy supplies for its stores. It launched a clean energy program in 2017, which will install new solar panels at 80% of its facilities in the country over the next three years. In addition, mains electricity is being replaced by non-conventional renewable energy (NCRE) at 29 stores.

Sodimac S.A. has the environmental permits for its commercial operations. However, the Ministry of Health has issued instructions on certain occasions to improve the environmental conditions at some facilities.

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 38 - Environment (continued)

Summary of principal disbursements.

Company Name	Project Name	Disbursement Description	Asset or Expense	Asset or Expense Description	Disbursement Amount	Actual or Estimated Future Disbursement Date	Project In Progress or Finished
					ThCh\$		
Inmobiliaria Las Américas S.A.	ISO Certification	ISO 14,001 Audit	Expense	Certifying that management policies and processes comply with environmental care standards.	214	Dec. 2019	In progress
	ISO Certification	ISO 50,001 Audit	Expense	Certifying that energy management policies and processes comply with efficiency standards.	456	Dec. 2019	In progress
	Control and treatment of effluents and sewage	Sanitary monitoring	Expense	Preventive and corrective service covering the treatment of liquid industrial waste according to environmental regulations	27,463	May 2020	In progress
	Comprehensive waste management	Comprehensive waste management from collection to final disposal	Expense	Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza	28,678	Aug. 2018	In progress
	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	11,094	Oct. 2019	In progress
Inmobiliaria Mall Calama S.A.	ISO Certification	ISO 14,001 Audit	Expense	Certifying that management policies and processes comply with environmental care standards.	214	Dec. 2019	In progress
	ISO Certification	ISO 50,001 Audit	Expense	Certifying that energy management policies and processes comply with efficiency standards.	456	Dec. 2019	In progress
	Control and treatment of effluents and sewage	Sanitary monitoring	Expense	Preventive and corrective service covering the treatment of liquid industrial waste according to environmental regulations	62,339	May 2020	In progress
	Comprehensive waste management	Comprehensive waste management from collection to final disposal	Expense	Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza	27,656	Aug. 2018	In progress
	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	11,794	Oct. 2019	In progress
	Waste treatment	Effluent advice	Expense	Preventive advice from environmental lawyer	777	Mar. 2018	In progress
Plaza Antofagasta S.A.	ISO Certification	ISO 14,001 Audit	Expense	Certifying that management policies and processes comply with environmental care standards.	214	Dec. 2019	In progress
	ISO Certification	ISO 50,001 Audit	Expense	Certifying that energy management policies and processes comply with efficiency standards.	456	Dec. 2019	In progress
	Noise control	Acoustic measurement	Expense	Measurement of exterior noise and acoustic modeling for malls with RCA (environmental approval), and complaints from the local community	1,782	Mar. 2018	In progress
	Control and treatment of effluents and sewage	Sanitary monitoring	Expense	Preventive and corrective service covering the treatment of liquid industrial waste according to environmental regulations	48,545	May 2020	In progress
	Comprehensive waste management	Comprehensive waste management from collection to final disposal	Expense	Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza	57,562	Aug. 2018	In progress
	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	13,161	Oct. 2019	In progress

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 38 - Environment (continued)

Summary of principal disbursements (continued)

Company Name	Project Name	Disbursement Description	Asset or Expense	Asset or Expense Description	Disbursement Amount	Actual or Estimated Future Disbursement Date	Project In Progress or Finished
					ThCh\$		
Plaza La Serena SpA	ISO Certification	ISO 14,001 Audit	Expense	Certifying that management policies and processes comply with environmental care standards.	214	Dec. 2019	In progress
	ISO Certification	ISO 50,001 Audit	Expense	Certifying that energy management policies and processes comply with efficiency standards.	456	Dec. 2019	In progress
	Hazardous Waste Control	Hazardous waste collection	Expense	Final disposal of hazardous waste	1,983	Mar. 2018	In progress
	Control and treatment of effluents and sewage	Sanitary monitoring	Expense	Preventive and corrective service covering the treatment of liquid industrial waste according to environmental regulations	32,017	May 2020	In progress
	Comprehensive waste management	Comprehensive waste management from collection to final disposal	Expense	Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza	30,550	Aug. 2018	In progress
	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	11,384	Oct. 2019	In progress
	Waste treatment	Recycling containers	Expense	Recycling containers	992	Mar. 2018	In progress
	Waste treatment	Improving the composting area	Expense	Improving the infrastructure at the composting area, to include an urban garden, shading and landscaping.	2,867	Mar. 2018	In progress
Plaza Oeste SpA	ISO Certification	ISO 14,001 Audit	Expense	Certifying that management policies and processes comply with environmental care standards.	429	Dec. 2019	In progress
	ISO Certification	ISO 50,001 Audit	Expense	Certifying that energy management policies and processes comply with efficiency standards.	911	Dec. 2019	In progress
	Noise control	Acoustic measurement	Expense	Measurement of exterior noise and acoustic modeling for malls with RCA (environmental approval), and complaints from the local community	1,273	Mar. 2018	In progress
	Hazardous Waste Control	Hazardous waste collection	Expense	Final disposal of hazardous waste	1,099	Mar. 2018	In progress
	Control and treatment of effluents and sewage	Sanitary monitoring	Expense	Preventive and corrective service covering the treatment of liquid industrial waste according to environmental regulations	65,099	May 2020	In progress
	Comprehensive waste management	Comprehensive waste management from collection to final disposal	Expense	Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza	79,098	Aug. 2018	In progress
	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	20,911	Oct. 2019	In progress
	Waste treatment	Water resources audit	Expense	Daily advice on controlling expenditure on water resources in common areas	9,995	Mar. 2018	In progress



Note 38 - Environment (continued)

Summary of principal disbursements (continued)

Company Name	Project Name	Disbursement Description	Asset or Expense	Asset or Expense Description	Disbursement Amount	Actual or Estimated Future Disbursement Date	Project In Progress or Finished
					ThCh\$		
Plaza del Trebol SpA	ISO Certification	ISO 14,001 Audit	Expense	Certifying that management policies and processes comply with environmental care standards.	429	Dec. 2019	In progress
	ISO Certification	ISO 50,001 Audit	Expense	Certifying that energy management policies and processes comply with efficiency standards.	911	Dec. 2019	In progress
	Hazardous Waste Control	Hazardous waste collection	Expense	Final disposal of hazardous waste	802	Mar. 2018	In progress
	Control and treatment of effluents and sewage	Sanitary monitoring	Expense	Preventive and corrective service covering the treatment of liquid industrial waste according to environmental regulations	68,172	May 2020	In progress
	Comprehensive waste management	Comprehensive waste management from collection to final disposal	Expense	Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza	74,128	Aug. 2018	In progress
	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	25,308	Oct. 2019	In progress
Plaza Vespucio SpA	ISO Certification	ISO 14,001 Audit	Expense	Certifying that management policies and processes comply with environmental care standards.	214	Dec. 2019	In progress
	ISO Certification	ISO 50,001 Audit	Expense	Certifying that energy management policies and processes comply with efficiency standards.	456	Dec. 2019	In progress
	Noise control	Acoustic measurement	Expense	Measurement of exterior noise and acoustic modeling for malls with RCA (environmental approval), and complaints from the local community	1,273	Mar. 2018	In progress
	Hazardous Waste Control	Hazardous waste collection	Expense	Final disposal of hazardous waste	467	Mar. 2018	In progress
	Control and treatment of effluents and sewage	Sanitary monitoring	Expense	Preventive and corrective service covering the treatment of liquid industrial waste according to environmental regulations	39,078	May 2020	In progress
	Comprehensive waste management	Comprehensive waste management from collection to final disposal	Expense	Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza	206,003	Aug. 2018	In progress
	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	19,391	Oct. 2019	In progress
	Waste treatment	Water resources audit	Expense	Daily advice on controlling expenditure on water resources in common areas	965	Mar. 2018	In progress
Plaza Tobalaba SpA	ISO Certification	ISO 14,001 Audit	Expense	Certifying that management policies and processes comply with environmental care standards.	214	Dec. 2019	In progress
	ISO Certification	ISO 50,001 Audit	Expense	Certifying that energy management policies and processes comply with efficiency standards.	456	Dec. 2019	In progress
	Hazardous Waste Control	Hazardous waste collection	Expense	Final disposal of hazardous waste	402	Mar. 2018	In progress
	Control and treatment of effluents and sewage	Sanitary monitoring	Expense	Preventive and corrective service covering the treatment of liquid industrial waste according to environmental regulations	14,290	May 2020	In progress
	Comprehensive waste management	Comprehensive waste management from collection to final disposal	Expense	Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza	18,652	Aug. 2018	In progress
	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	13,474	Oct. 2019	In progress
	Waste treatment	Water resources audit	Expense	Daily advice on controlling expenditure on water resources in common areas	965	Mar. 2018	In progress
	Waste treatment	Composting area	Expense	Improving the infrastructure at the composting area, to include an urban garden, shading and landscaping.	348	Mar. 2018	In progress

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 38 - Environment (continued)

Summary of principal disbursements (continued)

Company Name	Project Name	Disbursement Description	Asset or Expense	Asset or Expense Description	Disbursement Amount	Actual or Estimated Future Disbursement Date	Project In Progress or Finished
					ThCh\$		
Nuevos Desarrollos S.A.	ISO Certification	ISO 14,001 Audit	Expense	Certifying that management policies and processes comply with environmental care standards.	1,072	Dec. 2019	In progress
	ISO Certification	ISO 50,001 Audit	Expense	Certifying that energy management policies and processes comply with efficiency standards.	2,734	Dec. 2019	In progress
	Noise control	Acoustic measurement	Expense	Measurement of exterior noise and acoustic modeling for malls with RCA (environmental approval), and complaints from the local community	3,819	Mar. 2018	In progress
	Hazardous Waste Control	Hazardous waste containers	Expense	Hazardous waste store	188	Mar. 2018	In progress
	Hazardous Waste Control	Hazardous waste collection	Expense	Final disposal of hazardous waste	3,293	Mar. 2018	In progress
	Hazardous Waste Control	Removal of non-hazardous waste	Expense	Scrap removal	1,072	Mar. 2018	In progress
	Control and treatment of effluents and sewage	Sanitary monitoring	Expense	Preventive and corrective service covering the treatment of liquid industrial waste according to environmental regulations	183,904	May 2020	In progress
	Organic digester	Leased organic digester	Expense	Organic waste biodegradation system using waste from fast food stores to generate fertilizer for landscaping	10,183	July 2019	In progress
	Organic digester	Leased water treatment plant	Expense	Leaks of fluids produced by the digester	322	July 2019	In progress
	Organic digester	Digester purchase	Asset	Organic waste biodegradation system using waste from fast food stores to generate fertilizer for landscaping	37,517	Mar. 2018	In progress
	Organic digester	Improve the area where the organic digester is located	Asset	Location: Floor 4, in the technical entrance corridor to the fast food stores	4,368	Mar. 2018	In progress
	Comprehensive waste management	Comprehensive waste management from collection to final disposal	Expense	Comprehensive waste management covers waste similar to disposable household, recyclable and organic waste Hazardous waste and debris will be treated at the request of Mall Plaza	180,898	Aug. 2018	In progress
	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	58,913	Oct. 2019	In progress
	Recycling Point	Providing a facility to receive recyclable waste	Asset	Installing a facility to receive recyclable waste	11,577	Mar. 2018	In progress
	Waste treatment	Water resources audit	Expense	Daily advice on controlling expenditure on water resources in common areas	1,394	Mar. 2018	In progress
Falabella Retail	Remodeling Store	Remodeling Store	Asset	Lights	2,186,390	Sep. 2018	In progress
Falabella Retail	LEED Certification	LEED Certification	Expense	Environmental Advice	39,471	Mar. 2018	In progress
Falabella Retail	Environmental Management	Environment Ministry requirement	Asset	Hazardous waste store	65,732	Feb. 2018	Finished
Falabella Retail	Environmental Management	Environment Ministry requirement for RM Stores	Expense	Transport and final waste disposal	222,602	Mar. 2018	In progress
Sodimac S.A.	Recycling points and waste treatment	Recycling for Customers and Hazardous Waste	Expense	Sustainability and environmental prevention	745,187	Dec. 2017	Finished
Sodimac S.A.	Measuring Carbon Footprint	Carbon Footprint	Expense	Environmental sustainability	13,511	Dec. 2017	Finished
Sodimac S.A.	Changing lights	Low power lights	Expense	Environmental sustainability	954,009	Dec. 2017	Finished
Tottus Chile S.A	Energy efficiency project and local Led lights project	Remodeling Store	Asset	Lights	1,398,931	Mar. 2018	In progress
Tottus Chile S.A	Preventive and corrective service covering the treatment of liquid industrial waste	Sanitary monitoring	Expense	Preventive and corrective service covering the treatment of liquid industrial waste according to environmental regulations	302,627	Mar. 2018	In progress
Falabella Peru and subsidiaries	Consultancy for LEED certification process	Consultancy for LEED certification process	Asset	Properties, machinery and equipment	150,785	Mar. 2018	In progress
Contrudacor S.A.	Recycling Facility	Acquiring properties	Asset	Furniture and utensils	22,674	Dec. 2017	Finished
Contrudacor S.A.	Recycling Facility	Collection service for recyclable materials	Expense	Expense	17,828	Dec. 2017	Finished

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 39 - Main Financial Covenants

S.A.C.I. Falabella and its subsidiaries have complied with all the covenants connected with their financial agreements as of December 31, 2017. These are as follows.

S.A.C.I. Falabella

Series J Bonds

Series J bonds were issued in accordance with the Bond Issue Contract in public deed dated March 12, 2009 partially amended by public deeds dated April 7, 2009, March 29, 2011, May 5, 2017, September 7, 2017 and November 6, 2017 all granted at the Office of the Public Notary in Santiago Mr. Iván Torrealba. These issues were registered in the Securities Registry of the SVS under number 579, dated April 16, 2009.

- To maintain, throughout the entire effective term of this Bond issue, revenue from retail sales, shopping mall administration and credit assessment and authorization at a level that is equivalent to at least 70% of the Issuer's total consolidated revenue, which is Operating Revenue in the Issuer's Financial Statements, and is measured quarterly for the previous twelve-month period. As of December 31, 2017, 96.4% of total consolidated revenue came from these businesses.
- The Issuer and/or its relevant subsidiaries may not establish pledges and mortgages that guarantee new issues of Bonds or any other monetary credit operation or any other loan, insofar as the total cumulative amount of all obligations guaranteed by the Issuer and/or its relevant subsidiaries exceeds 5.3% of the Issuer's Total Consolidated Assets.
- Financial Borrowing Limit As of March 31, 2010, at the close of each quarter, maintain the Net Financial Debt in the Issuer's Financial Statements, defined as (i) the total of the Liability accounts of the Non-Banking Business on the Financial Position Statement, Other Current Financial Liabilities, and Other Non-Current Financial Liabilities. However, this sum shall not take into consideration the sub-account "Other Financial Liabilities," which belongs to the note Other Current and Non-Current Financial Liabilities of the Non-Banking Business (ii) less the Non-Banking Business Assets account of the Financial Position Statement, Cash and Cash Equivalents, no greater than the Maximum Borrowing Limit defined in Appendix One of the respective issue contract.
- As of December 31, 2017, the financial borrowing limit was ThCh\$ 8,839,861,917 and the net financial debt was ThCh\$ 3,457,548,890. Therefore the maximum borrowing restriction is satisfied (see the methodology for calculating financial covenants below).

As of December 31, 2017, the Issuer has complied with all the covenants under the issue contract.



Note 39 - Main Financial Covenants (continued)

Series L Bonds

Series L bonds were issued in accordance with the Bond Issue Contract in public deed dated September 24, 2004 partially amended by public deeds dated October 27, 2004, granted at the Office of the Public Notary in Santiago Mr. Rene Benavente Cash, April 25, 2011 and June 6, 2011 granted at the Office of the Public Notary in Santiago Mr. Iván Torrealba Acevedo, October 25, 2011 granted at the Office of the Public Notary in Santiago Mr. Francisco Leiva Carvajal and May 5, 2017 and September 5, 2017 granted at the Office of the Public Notary in Santiago Mr. Iván Torrealba Acevedo. This issue was registered with the SVS under number 395 on August 14, 2014.

- To maintain, throughout the entire effective term of this Bond issue, the revenue from retail sales, shopping mall administration and credit assessment and authorization at a level that is equivalent to at least 70% of the Issuer's total consolidated revenue, which is the Operating Revenue in the Issuer's Financial Statements, and is measured quarterly for the previous twelve-month period. As of December 31, 2017, 96.4% of total consolidated revenue came from these businesses.
- The Issuer and/or its relevant subsidiaries may not establish pledges and mortgages that guarantee new issues of Bonds or any other credit operation or any other loan, insofar as the total cumulative amount of all obligations guaranteed by the Issuer and/or its relevant subsidiaries exceeds 7.5% of the Issuer's Total Consolidated Assets.
- To maintain at each quarterly Financial Statement close a Financial Debt Ratio not exceeding 1.75 times, as measured using the figures in the Issuer's Financial Statements. The Financial Debt Ratio is understood to be the ratio between // Net Financial Debt: /defined as the sum of the accounts under Non-Banking Liabilities, Other Financial Liabilities, Current, and Other Financial Liabilities, Non-current. However, this summation does not include the sub account "Other Financial Liabilities" that is presented in Note Non-Banking Business - Other Financial Liabilities Current and Non-current , less the Non-Banking Business Asset account, Cash and Cash equivalents, and (ii) Equity without any revaluation gains or losses on the re-adoption of IFRS, net of deferred taxes, defined as the Total Equity account minus three hundred sixty-five thousand three hundred thirteen million two hundred twelve thousand pesos (ThCh\$ 365,313,212).

As of December 31, 2017 the ratio is 0.70; which complies with the limit.



Note 39 - Main Financial Covenants (continued)

Series M Bonds

Series M bonds were issued in accordance with the Bond Issue Contract in public deed dated May 29, 2006 partially amended by public deeds dated June 30, 2006, July 19, 2006, April 25, 2011, June 6, 2011, May 5, 2017 and September 5, 2017 all granted at the Office of the Public Notary in Santiago Mr. Iván Torrealba Acevedo. This issue was registered with the SVS under number 467 on August 14, 2014.

- To maintain, throughout the entire effective term of this Bond issue, the revenue from retail sales, shopping mall administration and credit assessment and authorization at a level that is equivalent to at least 70% of the Issuer's total consolidated revenue, which is the Operating Revenue in the Issuer's Financial Statements, and is measured quarterly for the previous twelve-month period. As of December 31, 2017, 96.4% of total consolidated revenue came from these businesses.
- The Issuer and/or its relevant subsidiaries may not establish guarantees, pledges and mortgages that guarantee new issues of Bonds or any other credit operation or any other loan, insofar as the total cumulative amount of all obligations guaranteed by the Issuer and/or its relevant subsidiaries exceeds 7.5% of the Issuer's Total Consolidated Assets.
- To maintain at each quarterly Financial Statement close a Financial Debt Ratio not exceeding 1.75 times, as measured using the figures in the Issuer's Financial Statements. The Financial Debt Ratio is understood to be the ratio between $\text{Net Financial Debt} / \text{Total Equity}$; defined as the sum of the accounts under Non-Banking Liabilities, Other Financial Liabilities, Current, and Other Financial Liabilities, Non-current. However, this summation does not include the sub account "Other Financial Liabilities" that is presented in Note Non-Banking Business - Other Financial Liabilities Current and Non-current, less the Non-Banking Business Asset account, Cash and Cash equivalents, and (ii) Equity without any revaluation gains or losses on the re-adoption of IFRS, net of deferred taxes, defined as the Total Equity account minus three hundred sixty-five thousand three hundred thirteen million two hundred twelve thousand pesos (ThCh\$ 365,313,212).

As of December 31, 2017 the ratio is 0.70; which complies with the limit.

Series O and P Bonds

Series O and P bonds were issued in accordance with the Bond Issue Contract in public deed dated March 12, 2009 partially amended by public deeds dated April 7, 2009 and March 29, 2011 all granted at the Office of the Public Notary in Santiago Mr. Iván Torrealba Acevedo, on March 21, 2016 granted at the Office of the Public Notary in Santiago Mr. Eduardo Avello Concha and on May 5, 2017 granted at the Office of the Public Notary in Santiago Mr. Iván Torrealba Acevedo. This issue was registered with the SVS under number 578 on April 16, 2009.

- To maintain, throughout the entire effective term of this Bond issue, the revenue from retail sales, shopping mall administration and credit assessment and authorization at a level that is equivalent to at least 70% of the Issuer's total consolidated revenue, which is the Operating Revenue in the Issuer's Financial Statements, and is measured quarterly for the previous twelve-month period. As of December 31, 2017, 96.4% of total consolidated revenue came from these businesses.



Note 39 - Main Financial Covenants (continued)

Series O and P Bonds (continued)

- The Issuer and/or its relevant subsidiaries may not establish guarantees, pledges and mortgages that guarantee new issues of Bonds or any other credit operation or any other loan, insofar as the total cumulative amount of all obligations guaranteed by the Issuer and/or its relevant subsidiaries exceeds 7.5% of the Issuer's Total Consolidated Assets.
- To maintain at each quarterly Financial Statement close a Financial Debt Ratio not exceeding 1.75 times, as measured using the figures in the Issuer's Financial Statements. The Financial Debt Ratio is understood to be the ratio between /i/ Net Financial Debt: /defined as the sum of the accounts under Non-Banking Liabilities, Other Financial Liabilities, Current, and Other Financial Liabilities, Non-current. However, this summation does not include the sub account "Other Financial Liabilities" that is presented in Note Non-Banking Business - Other Financial Liabilities Current and Non-current , less the Non-Banking Business Asset account, Cash and Cash equivalents, and (ii) Equity without any revaluation gains or losses on the re-adoption of IFRS, net of deferred taxes, defined as the Total Equity account minus three hundred sixty-five thousand three hundred thirteen million two hundred twelve thousand pesos (ThCh\$ 365,313,212).

As of December 31, 2017 the ratio is 0.70; which complies with the limit.

Series Q Bonds

Series Q bonds were issued in accordance with the Bond Issue Contract in public deed dated October 17, 2016 amended by public deeds dated November 11, 2016, November 21, 2016, May 5, 2017 and September 5, 2017 all granted at the Office of the Public Notary in Santiago Mr. Iván Torrealba Acevedo. This issue was registered with the SVS under number 846 on December 2, 2016.

- The Issuer and/or its relevant subsidiaries may not establish guarantees, pledges and mortgages that guarantee new issues of Bonds or any other credit operation or any other loan, insofar as the total cumulative amount of all obligations guaranteed by the Issuer and/or its relevant subsidiaries exceeds 7.5% of the Issuer's Total Consolidated Assets.
- To maintain at each quarterly Financial Statement close a Financial Debt Ratio not exceeding 1.75 times, as measured using the figures in the Issuer's Financial Statements. The Financial Debt Ratio is understood to be the ratio between /i/ Net Financial Debt: /defined as the sum of the accounts under Non-Banking Liabilities, Other Financial Liabilities, Current, and Other Financial Liabilities, Non-current. However, this summation does not include the sub account "Other Financial Liabilities" that is presented in Note Non-Banking Business - Other Financial Liabilities Current and Non-current , less the Non-Banking Business Asset account, Cash and Cash equivalents, and (ii) Equity without any revaluation gains or losses on the re-adoption of IFRS, net of deferred taxes, defined as the Total Equity account minus three hundred sixty-five thousand three hundred thirteen million two hundred twelve thousand pesos (ThCh\$ 365,313,212).

As of December 31, 2017 the ratio is 0.70; which complies with the limit.



Note 39 - Main Financial Covenants (continued)

Series S Bonds

Series S bonds were issued in accordance with the Bond Issue Contract in public deed dated October 17, 2016 amended by public deeds dated November 11, 2016, November 21, 2016, May 5, 2017 and September 5, 2017 all granted at the Office of the Public Notary in Santiago Mr. Iván Torrealba Acevedo. This issue was registered with the SVS under number 847 on December 2, 2016.

- The Issuer and/or its relevant subsidiaries may not establish guarantees, pledges and mortgages that guarantee new issues of Bonds or any other credit operation or any other loan, insofar as the total cumulative amount of all obligations guaranteed by the Issuer and/or its relevant subsidiaries exceeds 7.5% of the Issuer's Total Consolidated Assets.
- To maintain at each quarterly Financial Statement close a Financial Debt Ratio not exceeding 1.75 times, as measured using the figures in the Issuer's Financial Statements. The Financial Debt Ratio is understood to be the ratio between /i/ Net Financial Debt: /defined as the sum of the accounts under Non-Banking Liabilities, Other Financial Liabilities, Current, and Other Financial Liabilities, Non-current. However, this summation does not include the sub account "Other Financial Liabilities" that is presented in Note Non-Banking Business - Other Financial Liabilities Current and Non-current , less the Non-Banking Business Asset account, Cash and Cash equivalents, and (ii) Equity without any revaluation gains or losses on the re-adoption of IFRS, net of deferred taxes, defined as the Total Equity account minus three hundred sixty-five thousand three hundred thirteen million two hundred twelve thousand pesos (ThCh\$ 365,313,212).

As of December 31, 2017 the ratio is 0.70; which complies with the limit.

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 39 - Main Financial Covenants (continued)

Financial Covenant Calculations

CALCULATION OF FINANCIAL BORROWING LIMIT IN ACCORDANCE WITH BOND LINE 579 COVENANT (SERIES J)

Figures expressed in ThCh\$

	Currency	As of December 31, 2017	As of September 30, 2017 Amended ⁽¹⁾	As of September 30, 2017
Period end _i		12/31/2017	9/30/2017	9/30/2017
Period end _{i-1}		9/30/2017	6/30/2017	6/30/2017
UF _i	Ch\$/UF	26,798.14	26,656.79	26,656.79
Variation UF	%	0.53%	(0.03)%	(0.03)%
Variation % Sol/US\$		(0.58)%	0.31%	0.31%
Variation % ARS/US\$		7.28%	4.13%	4.13%
Variation % COP/US\$		1.66%	(3.57)%	(3.57)%
Variation % Real/US\$		4.79%	(4.41)%	(4.41)%
Variation % UYU/US\$		(0.52)%	1.74%	1.74%
Variation % MEX/US\$		8.24%	0.13%	0.13%
Total Equity _i	ThCh\$	5,293,457,504	5,336,735,171	5,336,735,171
Dividends payable _i	ThCh\$	91,231,330	864,181	864,181
Equity variation _i	ThCh\$	18,786,387	40,710,242	40,710,242
Fixed assets in Chile _{i-1} ^a	ThCh\$	4,095,910,577	4,038,930,210	4,038,930,210
Deferred taxes in Chile _{i-1} ^b	ThCh\$	445,117,931	443,247,003	443,247,003
Adjustment for initial revaluation to IFRS in Chile ^c	ThCh\$	1,378,565,594	1,378,565,594	878,140,797
Deferred taxes in Chile ^d	ThCh\$	284,395,520	284,395,520	149,283,935
Indexation of fixed assets in Chile _{i-1}	ThCh\$	13,556,719	(778,642)	(892,352)
Investment in Peru _i	ThCh\$	1,113,114,962	1,111,161,694	1,111,161,694
Investment in Argentina _i	ThCh\$	58,309,401	60,570,599	60,570,599
Investment in Colombia _i	ThCh\$	326,411,980	318,539,667	318,539,667
Investment in Brazil _i	ThCh\$	77,410,616	86,355,576	86,355,576
Investment in Uruguay _i	ThCh\$	42,065,148	43,143,690	43,143,690
Investment in Mexico _i	ThCh\$	27,228,083	27,694,701	27,694,701
Investment adjustment, outside of Chile _i	ThCh\$	8,921,889	(8,438,242)	(8,438,242)
Financial Borrowing Limit _{i-1}	ThCh\$	8,721,402,166	8,668,987,172	9,323,673,784
Financial Borrowing Limit _i	ThCh\$	8,839,861,917	8,721,402,166	9,375,686,001
Net Financial Debt	ThCh\$	3,457,548,890	3,534,239,099	3,534,239,099

^a Net of accumulated depreciation.

^b Associated with "Property Plant and Equipment" and "Investment Property"

^c Associated with "Property, Plant and Equipment and "Investment Property" as of December 31, 2009

^d Associated with the initial revaluation adjustment under IFRS for the accounts "Property, Plant and Equipment" and "Investment Properties" as of December 31, 2009.

- (1) S.A.C.I. Falabella (Issuer) and Banco Santander Chile (Bondholders Representative) agreed to amend the bond issue contract registered in the Securities Register under No. 579 kept by the Superintendent of Securities and Insurance, in accordance with the bond issue contract in public deeds dated May 5, 2017, September 7, 2017 and November 6, 2017 and subsequently approved by the SVS on December 21, 2017, as a result of re-adopting International Financial Reporting Standards, published in the consolidated financial statements as of December 31, 2016. These amendments followed the process established in the contracts for changes in accounting standards.

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 39 - Main Financial Covenants (continued)

CALCULATION OF FINANCIAL DEBT RATIO FOR LINES 395 (SERIES L), 467 (SERIES M), 578 (SERIES O AND P), 846 (SERIES Q) AND 847 (SERIES S).

(Includes CMR in the Financial Position Statement)

Figures expressed in ThCh\$

	Currency	As of December 31, 2017	September 30, 2017 Amended ^{(1) (2)}	As of September 30, 2017
Net Financial Debt	ThCh\$	3,457,548,890	3,534,239,099	3,534,239,099
Total Equity	ThCh\$	4,928,144,292	4,971,421,959	5,336,735,171
Financial Debt Ratio		0.70	0.71	0.66

- (1) S.A.C.I. Falabella (Issuer) and Banco Santander Chile (Bondholders Representative) agreed to amend the bond issue contract registered in the Securities Register under No. 578 kept by the Superintendent of Securities and Insurance, in accordance with the bond issue contract in public deed dated May 5, 2017 and subsequently approved by the SVS on December 21, 2017, as a result of re-adopting International Financial Reporting Standards, published in the consolidated financial statements as of December 31, 2016. These amendments followed the process established in the bond issue contracts for changes in accounting standards.
- (2) S.A.C.I. Falabella (Issuer) and Banco Santander Chile (Bondholders Representative) agreed to amend the bond issue contracts registered in the Securities Register under Nos. 395, 467, 846 and 847 kept by the Superintendent of Securities and Insurance, in accordance with the bond issue contract in public deeds dated May 5, 2017 and September 5, 2017 and subsequently approved by the SVS on December 21, 2017, as a result of re-adopting International Financial Reporting Standards, published in the consolidated financial statements as of December 31, 2016. These amendments followed the process established in the bond issue contracts for changes in accounting standards.

Bonds Placed Abroad

Bonds were placed abroad on April 30, 2013, pursuant to Regulation 144 A of the Securities Act of the United States of America dated 1933 and its corresponding regulations. Two bond series were issued and placed, in both US dollars and Chilean pesos.

The Issuer and/or its relevant subsidiaries cannot establish guarantees, pledges, mortgages and sales with leaseback that guarantee new issues of Bonds or any other monetary credit operation or any other loan, insofar as the total cumulative amount of all obligations guaranteed by the Issuer and/or its relevant subsidiaries exceeds 20% of the Total Net Consolidated Tangible Assets.

As of December 31, 2017 the Issuer has complied with the restrictions of the issue contract.

Bonds were placed abroad on October 27, 2014, pursuant to Regulation 144 A of the Securities Act of the United States of America dated 1933 and its corresponding regulations. A bond series was issued and placed in US dollars.

The Issuer and/or its relevant subsidiaries cannot establish guarantees, pledges, mortgages and sales with leaseback that guarantee new issues of Bonds or any other monetary credit operation or any other loan, insofar as the total cumulative amount of all obligations guaranteed by the Issuer and/or its relevant subsidiaries exceeds 20% of the Total Net Consolidated Tangible Assets

As of December 31, 2017 the Issuer has complied with the restrictions of the issue contract.



Note 39 - Main Financial Covenants (continued)

Bonds Placed Abroad (continued)

Bonds were placed abroad on October 23, 2017, pursuant to Regulation 144 A of the Securities Act of the United States of America dated 1933 and its corresponding regulations. A bond series was issued and placed in US dollars.

The Issuer and/or its relevant subsidiaries cannot establish guarantees, pledges, mortgages and sales with leaseback that guarantee new issues of Bonds or any other monetary credit operation or any other loan, insofar as the total cumulative amount of all obligations guaranteed by the Issuer and/or its relevant subsidiaries exceeds 20% of the Total Net Consolidated Tangible Assets.

As of December 31, 2017 the Issuer has complied with the restrictions of the issue contract.

Commercial paper

On June 30, 2008, the Chilean Securities and Insurance Commission registered in the securities register the Commercial paper Line No. 28 for a maximum amount of UF 1,000,000.

On October 22, 2008, the Chilean Securities and Insurance Commission registered in the securities register the Commercial paper Lines No. 35, 36, 37 and 38 for a maximum amount of UF 1,000,000 each.

As of December 31, 2017 there were no current placements.

The issue contracts do not include any financial covenants or guarantees. Therefore, as of December 31, 2017 there are no restrictions for the Company.

Other Financial Obligations

The other current and non-current financial obligations assumed by the Company with Banks or Financial Institutions are not subject to any financial covenants.

Sodimac S.A.

Series H and K Bonds

The Bond issue lines of Sodimac S.A. (No. 676 and 677) and the current issues (Series H and K) establish obligations and limitations on the Company in order to protect bondholders. These include, among other things, borrowing limits, the duty to inform bondholders of the financial statements of the Company and compliance with the obligations, limitations and prohibitions established in the issue contracts (for more information refer to the bond issue prospectuses, which are available on Sodimac's website).

The Series H bonds were repaid in December 2017, so the company is no longer subject to these obligations.

The maximum financial debt ratio required by the Series K bond issue contracts is 1.5 times. As of December 31, 2017, the financial debt ratio was 0.17 times.

The financial debt ratio is understood to be the Consolidated Net Borrowing Ratio, which is defined as the ratio between (i) Net Financial Debt, which is total other current and non-current financial liabilities, less cash and cash equivalents, and (ii) Equity, defined as total equity plus the annual provision for dividends payable.



Note 39 - Main Financial Covenants (continued)

Sodimac S.A. (continued)

Series H and K Bonds (continued)

All assets must also be kept free of any pledge, mortgage or other encumbrance for a book value that is equal to at least 1.20 times their current liability without guarantees, calculated quarterly according to the Issuer's quarterly consolidated financial statements. For these purposes, the Issuer shall send the Bondholders' Representative, within the same term that the Financial Statements must be sent to the Superintendent of Securities and Insurance Commission, a breakdown of the following figures: total assets free of any pledge, mortgage or other encumbrance, and current liabilities without guarantees.

As of December 31, 2017, Sodimac S.A. had complied with all the obligations and financial indicators set out in these contracts.

Other Financial Obligations

The other current and non-current financial obligations of Sodimac S.A. with Banks or Financial Institutions are not subject to any kind of restrictions or guarantees.

Plaza S.A.

As of December 31, 2017, the Company has financial restrictions established in the public bond issue and/or financing contracts and/or loans with financial institutions. The primary protections with regard to the Bond Series D, issued with a charge to Bond line No. 583, recorded in the Securities Register on April 30, 2009, with regard to Bond Series C and E issued with a charge to Bond Line No. 584 recorded in the Securities Register on April 30, 2009, with regard to Bond Series G and I, issued with a charge to Bond Line No. 669 recorded in the Securities Register on May 30, 2011, with regard to Bond Series H and K issued with a charge to Bond Line No. 670 recorded in the Securities Register on May 30, 2011, and with regard to Bond Series M and N issued with a charge to Bond Lines No. 766 and 767, and recorded in the Securities Register on September 23, 2013, are as follows:

a) Net Financial Debt

Financial borrowing is defined as Total Other Current Financial Liabilities and Other Non-Current Financial Liabilities, divided by the value of the UF at the quarterly closing date of the Issuer's Consolidated Financial Statements. As from March 31, 2010, the Issuer must maintain financial borrowing at the quarterly closing date of the Issuer's Consolidated Financial Statements to less than or equal the value established by a formula.

The calculation of the Financial Borrowing Limit established in Clause Ten, Number One of the Bond Issue Contracts for the Line of Debt Instruments at 10 years and 30 years, and their amendments, are as follows.

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 39 - Main Financial Covenants (continued)

Plaza S.A. (continued)

**CALCULATION OF FINANCIAL BORROWING LIMIT IN ACCORDANCE WITH COVENANTS
FOR BOND LINES 583, 584, 669, 670, 766 AND 767**

	Currency	As of December 31, 2017	As of September 30, 2017
Period _i		12/31/2017	9/30/2017
Period _{i-1}		9/30/2017	6/30/2017
UF _i	Ch\$/UF	26,798.14	26,656.79
UF _{i-1}	Ch\$/UF	26,656.79	26,665.09
Cash and cash equivalents for period _i	ThCh\$	28,040,367	21,849,250
Cash and cash equivalents for period _{i-1}	ThCh\$	21,849,250	17,800,211
Cash variation _i	ThCh\$	6,191,117	4,049,039
Cash variation _i	Th UF	231	152
Third party guarantees _i	None	-	-
Total Equity _i	ThCh\$	1,743,619,795	1,756,578,400
Dividends payable _i	ThCh\$	32,818,134	5,358
Total Equity _{i-1}	ThCh\$	1,756,578,400	1,730,898,791
Dividends payable _{i-1}	ThCh\$	5,358	5,358
Equity variation _i	ThCh\$	19,854,171	25,679,609
Equity variation _i	Th UF	741	963
Investment Property _{i-1} ^a	ThCh\$	2,780,496,534	2,771,758,923
Deferred tax, Investment Properties _{i-1} ^b	ThCh\$	431,555,513	428,466,868
Initial revaluation adjustment of Investment property under IFRS ^c	ThCh\$	874,483,983	874,483,983
Deferred tax due to initial revaluation of Investment Property ^d	ThCh\$	148,662,277	148,662,277
Initial revaluation adjustment of Investment property under IFRS ^e	ThCh\$	454,824,534	454,824,534
Deferred tax due to initial revaluation of Investment Property ^f	ThCh\$	122,799,513	122,799,513
Percentage variation UF ^g	ThCh\$	0.53%	-0.03%
Indexation of Investment Property in Chile _{i-1}	ThCh\$	6,846,142	-400,119
Indexation of Investment Property in Chile _{i-1}	Th UF	255	-15
Adjustment for Investment Properties outside of Chile _{i-1}	Th UF	44	-156
Financial Borrowing Limit _{i-1}	Th UF	90,481	88,744
Financial Borrowing Limit _i	Th UF	92,793	90,481

^a Investment property in Chile, net of accumulated depreciation.

^b Associated with investment property in Chile

^c For investment property as of December 31, 2009

^d Associated with the initial revaluation adjustment under IFRS of investment properties as of December 31, 2009. Represents 17% of the initial revaluation adjustment under IFRS

^e For investment property as of December 31, 2016 under the re-adoption of IFRS

^f Associated with the revaluation adjustment for investment property as of December 31, 2016 under the re-adoption of IFRS. Represents 27% of the revaluation adjustment under the re-adoption of IFRS

^g Percent variation between the values of UF _i and UF _{i-1}.

The financial borrowing limit was ThUF 92,793 as of December 31, 2016. The net financial debt as of that date was ThUF 35,039. Therefore the Company has complied with the restriction.



Note 39 - Main Financial Covenants (continued)

Plaza S.A. (continued)

In accordance with the provisions referred to in the bond issue contracts, Plaza S.A. (Issuer) and Banco de Chile (Bondholders Representative) agreed to amend all bond issue contracts, due to re-adopting International Financial Reporting Standards, as published in the financial statements as of December 31, 2016.. These amendments were legalized in public deeds dated April 21, 2017 and June 28, 2017 and subsequently approved by the SVS on August 16, 2017, These amendments followed the process established in the bond issue contracts for changes in accounting standards.

b) Essential assets

Assets corresponding to five hundred thousand square meters that may be leased in Chile, which are directly owned by the Issuer or owned through Subsidiaries or Affiliates, or with respect to which the Issuer or any of its Subsidiaries or Affiliates are concessionaires by virtue of a concession agreement with an effective term of equal or greater than the maturity term for the Bonds issued under the Lines. For these purposes, in order to determine the leasable square meters in Chile that are owned by Subsidiaries or Affiliates of the Issuer, or for which they are concessionaires in accordance with the above terms, only the amount resulting from multiplying (i) the total square meters leasable in Chile that are owned by each Subsidiary or Affiliate, or which they have under concession; by (ii) the percentage of the Issuer's direct or indirect ownership in the respective Subsidiary or Affiliate.

c) Financial Institutions

Plaza S.A. has negotiated several loans with financial institutions as of December 31, 2017, which are associated with the following financial covenants:

- Consolidated Current Liabilities + Consolidated Non-current Liabilities / Total Consolidated Equity
- (EBITDA + CASH) / Debt Servicing
- Financial debt / Equity
- Net financial debt / Equity

As of December 31, 2017, all the covenants in these debt contracts have been satisfied.

Promotora CMR Falabella S.A. (CMR)

Bond Lines

On February 27, 2012, the Superintendent of Securities and Insurance recorded in the Securities Register, under Nos. 703 and 704, virtual bearer Bonds in the name of Promotora CMR Falabella S.A., for a maximum amount of UF 3,000,000 and UF 2,000,000, respectively. The first issue may not exceed UF 3,000,000.

As of December 31, 2017, there were no issues under these lines.

Main safeguards and financial restrictions

The Issuer must maintain control of S.A.C.I. Falabella, whether directly or indirectly. For these purposes, it shall abide by the terms of Articles No. 97 et seq. of the Securities Market Law.

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 39 - Main Financial Covenants (continued)

Promotora CMR Falabella S.A. (CMR) (continued)

Main safeguards and financial restrictions (continued)

If during the term of the Bonds issued under the Line, according to its latest Financial Statements, the Issuer allocates an amount in excess of 30% of its total assets to the placement of one or more securitized bonds, in order to constitute an underlying asset for those issues, the Issuer must offer each of the Bondholders a voluntary redemption option, under identical conditions for them all, in accordance with Article 130 of Securities Market Law, and under the terms indicated in the Issue Contract.

The Issuer and/or its subsidiaries may not establish guarantees, which guarantee new bond issues, commercial paper, any other monetary credit operation or any other loan, to the extent that the total cumulative value of all obligations guaranteed by the Issuer and/or its subsidiaries exceeds 7.5% of the Issuer's Total Assets.

Further details can be found in the respective issue contracts. The Issuer is not subject to limits using indexes or debt ratios.

Commercial paper

On February 27, 2012, the Superintendent of Securities and Insurance recorded in the Securities Register, under Nos. 090, 091 and 092, virtual bearer Promissory Notes in the name of Promotora CMR Falabella S.A., for a maximum amount of UF 1,000,000 each.

Promotora CMR Falabella is registering a new line of commercial paper for a maximum amount of UF 1,000,000 as of December 31, 2017.

As of December 31, 2017, there were no issues under these lines.

Main safeguards and financial restrictions

The Issuer must maintain control of S.A.C.I. Falabella, whether directly or indirectly. For these purposes, it shall abide by the terms of Articles No. 97 et seq. of the Securities Market Law.

If during the term of the Commercial papers issued under the Line, according to its latest Financial Statements, the Issuer allocates an amount in excess of 30% of its total assets to the placement of one or more securitized bonds, in order to constitute an underlying asset for those issues, the Issuer must offer each of the Commercial paper-holders a voluntary redemption option, under identical conditions for them all, in accordance with Article 130 of Securities Market Law, and under the terms indicated in the Issue Contract.

Further details can be found in the respective issue contracts. The Issuer is not subject to limits using indexes or debt ratios.

Banco Falabella

There are bonds issued by Banco Falabella within the banking business in Chile. These bonds have no financial covenants. Additionally, Banco Falabella has lines of credit with no financial covenants.



Note 39 - Main Financial Covenants (continued)

Business in Peru

Falabella Peru has borrowing restrictions, such as keeping revenue from its retail, supermarkets, shopping center management, home improvement and loan evaluation, granting and management businesses to no less than 70% of total consolidated revenue. Another restriction is that Falabella Peru cannot lease, use, sell or transfer assets, or provide guarantees or assign cash flows or rights over its assets, if their value exceeds 20% of the total assets of Falabella Peru.

In addition, there are financial obligations as of December 31, 2017 that apply to the subsidiaries of Falabella Peru. These can be grouped into three categories: debt ratios, solvency ratios, and guarantee ratios.

The most restrictive debt ratio (total liabilities / total net equity) at less than or equal to 2.0x relates to Hipermercados Tottus. As of December 31, 2017, this was 1.38x, indicating compliance. Meanwhile, the debt ratio for Saga Falabella cannot exceed 3.0x, and it reported a ratio of 1.86x, indicating compliance.

The debt ratio for Open Plaza is the most restrictive at 1.50x. As of December 31, 2017, the company complied with this financial obligation, reporting a ratio of 0.36x. Aventura Plaza also manages a covenant that requires a financial debt ratio over equity of less than 2.00x. As of December 31, 2017, this was 0.28x, indicating compliance. Aventura Plaza also manages a financial debt ratio over fixed assets, which cannot exceed 0.75x. As of December 31, 2017, this was 0.22x, indicating compliance. Finally, Falabella Peru must comply with a financial debt ratio excluding the banking business over equity that must be less than or equal to 1.3x. As of December 31, 2017, this was 0.43x, indicating compliance.

The most restrictive solvency ratio is the debt servicing coverage index (EBITDA/debt servicing) which must be greater or equal to 1.40x for Open Plaza. As of December 31, 2017, it was 1.60x, indicating compliance. A covenant at Aventura Plaza is to keep EBITDA over the sum of amortization and interest to greater than 1.2x. As of December 31, 2017, this was 7.16x, indicating compliance.

Guarantee ratios are primarily comprised of those obligations which entail covering assigned flows (payments with credit cards) over debt servicing. Currently, the most restrictive cash coverage ratio (monetary flows/debt servicing) is 1.8x for Open Plaza. As of December 31, 2017, this was 2.93x, indicating compliance. Aventura Plaza has a covenant to keep income over debt servicing greater than 1.30x. As of December 31, 2017, this was 4.01x, indicating compliance.

Maestro Peru S.A. repaid all its bonds in advance for a total of ThUS\$ 130,000 in December 2016.

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 40 - Business Combinations

Separation of Aventura Plaza S.A.

On July 6, 2016, at a General Shareholders' Meeting of Aventura Plaza S.A., a Peruvian company in which S.A.C.I. Falabella indirectly owned 60% (40% through its Peruvian subsidiaries Falabella Peru S.A.A. and Open Plaza S.A., hereinafter collectively "Falabella Peru", and 20% through Desarrollos e Inversiones Internacionales S.A. a subsidiary of Plaza S.A.), unanimously agreed to separate a block equivalent to 40% of the total equity of Aventura Plaza S.A.

When the separation agreement took effect, the participation S.A.C.I. Falabella increased to 100% (66.7% through Falabella Peru and 33.3% through Desarrollos e Inversiones Internacionales S.A.) and the shareholders' agreement with the minority partner was eliminated.

As a result of this separation, the Falabella Group progressed from not controlling to controlling Aventura Plaza S.A. according to IFRS 10. Prior to taking control, its investment in Aventura Plaza S.A. was recorded using the equity method, in accordance with IAS 28 "Investments in Associates".

The separation was part of restructuring the real estate department at Falabella Peru. It kept its commercial centers located in Lima (Mall Plaza Bellavista), Trujillo (Mall Plaza Trujillo) and Arequipa (Mall Plaza Cayma), with a combined rentable surface area of approximately 200,000 square meters.

The goodwill generated by the transaction represents the synergies and economies of scale of the business combination.

The following table details the purchase price paid (Falabella Group's previous participation in Aventura Plaza S.A. measured at fair value), and the fair values of its assets and liabilities acquired:

	ThCh\$ As of the acquisition date
Purchase price (A)	230,040,702
Assets and liabilities acquired	
Total current assets	13,652,030
Property, plant and equipment	61,433,075
Investment properties	134,848,997
Other assets, non-current	32,731,425
Total Assets	242,665,527
Other financial liabilities, current	16,279,488
Other liabilities, current	5,670,466
Other financial liabilities, non-current	12,968,646
Other liabilities, non-current	35,510,698
Total Liabilities	70,429,298
Total Net Acquired Assets (B)	172,236,229
Goodwill on acquisition (A) - (B)	57,804,473

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Classified Financial Statements

(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 41 - Subsequent Events

The Consolidated Financial Statements of S.A.C.I. Falabella and Subsidiaries as of December 31, 2017 have been approved by the Board of Directors at a meeting held on February 27, 2018, which was attended by the following Directors and the Corporate General Manager:

- Carlo Solari Donaggio, Chairman
- Juan Carlos Cortes Solari, Vice-Chairman
- Sergio Cardone Solari, Director
- Hernan Alberto Büchi Buc, Director
- Juan Pablo del Rio Goudie, Director
- Paola Cuneo Queirolo, Director
- María Cecilia Karlezi Solari, Director
- Carlos Alberto Heller Solari, Director
- Sandro Solari Donaggio, Corporate General Manager

On January 22, 2018, Plaza S.A. held an Extraordinary Shareholders' Meeting, which agreed to adopt all the necessary agreements to request the registration of the company's shares in the Securities Registry.

Between December 31, 2017 and the date these consolidated financial statements were issued, the Board was not aware of any other event of a financial or other nature that could significantly affect them or their interpretation.

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