

## **CMR and Banco Falabella will integrate their operations to strengthen their offering**

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- *After the operation, the clients will maintain their current contractual conditions, having the possibility of accessing to better products and benefits through an integrated distribution network.*

**Santiago, May 31st, 2018.-** CMR Falabella will integrate its operation with Banco Falabella in Chile to consolidate their leadership in the consumer segment and enhance their value proposition, with special focus on simplicity and convenience. CMR will join Banco Falabella as a *Sociedad de Apoyo de Giro* (SAG), retaining both brands their identity and attributes.

The general corporate manager of Falabella Financiero, Juan Manuel Matheu, explained that after the integration, the clients will retain their current contractual conditions, having the possibility of accessing better products and benefits. "This translates into a more convenient offer, with better credit conditions, a simple service experience through digital and physical channels, with an integrated distribution network of more than 200 branches distributed countrywide," he said.

He added that "the step we are taking today aims to boost the growth of CMR Falabella and Banco Falabella, strengthening their future development."

The integration of both companies will be subject to the approval of the local regulator Superintendencia de Bancos e Instituciones Financieras (SBIF).

Once this operation is completed, Banco Falabella will be the largest issuer of credit cards, with more than 3 million active CMR cards; will have one of the most recognized loyalty programs in the market, CMR Puntos, and will gather more than 1 million 200 thousand users who operate through digital channels monthly.

This integration will generate significant synergies resulting from additional revenues due to the acceleration of growth, efficiencies in infrastructure and technology, and the acceleration of the digital transformation.

As part of its corporate responsibility strategy, Banco Falabella and CMR Falabella will continue to focus on financial education through its Eddu program that encourages the responsible use of financial products by educating thousands of Chileans, especially children and teenagers.

### **Organizational structure**

Once the integration is completed, the leadership of both companies will be headed by Alejandro Arze, current CEO of CMR Chile. Commercial Engineer from Universidad Católica de Chile and with an MBA from MIT, he has more than 20 years' experience in Falabella.

Throughout his career he has worked in CMR Falabella, Sodimac, Seguros Falabella and Viajes Falabella.



Meanwhile, Benoit de Grave, general manager of Banco Falabella Chile, will assume the corporate commercial management of Falabella Financiero, a position previously held by Juan Manuel Matheu. Benoit is a Commercial Engineer from ICN Business School (France) and an MBA from Kellogg School of Management, he has been with Empresas Falabella for six years, holding various positions at Banco Falabella, Seguros Falabella and Viajes Falabella.