

f

ANNUAL REPORT

2018



SODIMAC

TOTTUS

CMR
Falabella

Banco
Falabella

mallplaza

Falabella
INMOBILIARIO

LINIO

Falabella

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Note: All figures in US dollars are calculated based on the observed exchange rate as of January 2, 2019: 694.77 \$/US\$.

Letter from the Chairman of the Board



Dear Shareholders

2018 was a year in which we continued to respond to our passion, simplify the lives of our clients transforming their shopping experiences. Our goal is to serve them in all the ways in which they wish to purchase, operating with responsibility, cooperating with the communities in which we are present and watching over all the people that interact with our company, employees as well as shareholders and suppliers. This is the north of our actions.

2018 was especially important for Falabella. We made relevant progress aimed at consolidating the necessary capabilities to automate, digitalize and scale-up our company to generate a digital ecosystem, and in this way maintain our commercial leadership in the region. To develop and accelerate this plan we undertook a US\$ 581 million capital increase that strengthens our balance sheet, giving us flexibility and setting us in a privileged position within the current Latin American commerce. In addition, we incorporated new investors to our shareholder base, which gives us diversification and sustainability in the long-term.

The digitalization of the company in all of its formats, the investments that we are undertaking in logistics, the acquisition of Linio, our network of stores and shopping centers, added to our knowledge about our customers from their visits and transactions with us, differentiate us and deliver the strength to lead in the markets in which we are present. We believe that these advantages will invigorate our competitive position in the physical world, and will allow us to lead the digital market.

Our progresses in logistics materialized, among other investments, with the beginning of operations of the omnichannel distribution center located in Santiago de

Chile. This automated center, the most modern in the region, seeks to satisfy a consumer that requires quick and precise answers in all formats, in the physical as well as in the digital. In the short term, we will continue improving our logistics capabilities in all the countries in which we operate, in order to be the company that best supplies its stores and customers.

Moreover, we are developing the capability to scale up our company sustainably. This year electronic transactions increased over 70%, and we were able to accompany this growth with a better customer service. We had over 874 million visits to our web pages and more than 155 million visits to our financial services web sites, reflecting the satisfaction of our clients with our digital products. All these indicators show that, although we still have many challenges, we are moving in the right direction.

We seek to respond to clients in all channels, both through physical presence in stores, shopping centers and financial branches, as well as through the virtual presence. We will continue privileging the development of applications for mobile phones and developing with more strength our Digital Factories. Our efforts aim to serve clients in the most efficient and fastest way. We are working hard to adapt our organization to the new behavior of this omnichannel world.

Our investment program considers advancing in information technology including artificial intelligence and cybersecurity, strengthen logistics, consolidate the Linio marketplace, and expand the Click & Collect mode in all our formats. In our omnichannel proposal we consider an organic expansion in the markets in which we operate, covering mainly areas in which we





are currently not present, and the remodeling of our stores and shopping centers to make the most of our valuable assets. In addition we will focus on the establishment of Ikea in Chile, Peru and Colombia and the opening of new Sodimac stores in Mexico together with the expansion of the Falabella Soriana credit card in that country.

All these investments are sustained in an organization that reacts with agility and transparency to all these challenges. An organization that we have simplified and will continue simplifying to streamline decision making even more. Within this simplification process, CMR integrated into Banco Falabella. We will continue reviewing our processes and systems, to become efficient for the benefit of our clients which are the focus of all our decisions.

As well, in 2018 we maintained the emphasis on the permanent improvement of our corporate governance and having a sustainable operation, with special concern in cybersecurity challenges and transparent behavior. Another of our constant challenges was the attraction and development of local talent, respecting diversity and promoting gender equality together with internal meritocracy.

I can't finish this letter without thanking all our employees, who with hard work and dedication allow us to satisfy our clients. I also want to thank the Board of Directors of Falabella and its subsidiaries as well as the management team for their support and commitment. Finally, thank the shareholders who trust us and want to be part of this trip that will allow us to increase our leadership in the Latin American commerce.

Thank you,

Carlo Solari Donaggio
Chairman of the Board



2018 was especially important for Falabella. We made relevant progress aimed at consolidating the necessary capabilities to automate, digitalize and scale-up our company, and in this way maintain our commercial leadership in the region.

Letter from the CEO



To simplify the lives of our clients in Latin America is the mission that guides every action and decision at Falabella. In order to do that, during 2018 we focused on building an ecosystem of integrated services, which enables us to boost the transversal capabilities of our business units and thus serve our clients whenever and wherever they want.

In a scenario of consumption deceleration in the Region, 2018 results were marked by improvements in the performance of our development focuses, mainly the online channel, which showed a sustained growth throughout all the period. In 2018, internet sales from our retail businesses (department stores, home improvement and supermarkets) increased 26.4% compared to 2017, totaling US\$861 million. In total, online sales represented an 8.0% of the retail segment, in all the countries in which the company operates, showing the dynamism of this channel.

Total consolidated revenues reached US\$13,294 million, 3.4% more than in 2017; EBITDA totaled US\$1,733 million; and net income was US\$689 million, 6.1% less than the previous year, which is explained mainly by a higher operating expense related to the investments made during the period.

There is no doubt that 2018 marked a turning point in the history of Falabella, as we took important steps to build what we have defined as a physical and digital ecosystem, which will allow us to serve our clients in the region and continue being their preferred platform. We are undertaking today the efforts that will sustain the future growth of the Company.

In order to differentiate our value proposition, we optimized our store portfolio. We

opened 20 stores this year, including the first three in Mexico, and two new shopping centers, one in Chile and the other one in Colombia. As well, we remodeled and expanded our services, standing out the conversion of 16 Dico to Sodimac Dico in Brazil and the opening of the first Tottus Vecino in Peru. Also, we increased the space available for lease in Mall Plaza Vespucio through the expansion of the Vespucio clinic, consolidated the space of Mall Plaza Los Dominicos and remodeled Mall Plaza Los Ángeles.

The development of own brands and the incorporation of exclusive brands is another element that sets us apart. Within this context, during 2018, we opened independent stores for Sybilla and Americanino; continued developing our representation of Crate & Barrel in Peru and also launched it in Chile. Meanwhile, in Tottus Peru we inaugurated a food production center, mainly oriented to own brands.

In this same line, in May we signed an agreement with one of the most renowned and successful brands globally: Ikea. Through Sodimac, we will bring the first stores of this franchise to Chile, Colombia and Peru. The agreement contemplates the opening of at least nine stores over the next 10 years, together with the development of the online channel for the three countries.

Conscious of the new needs of our customers, and seeking to deepen our product offer, in August we acquired Linio, one of the most important Marketplaces in Latin America. Our goal is to boost and develop Linio, leveraging on the capabilities offered by Falabella, and thus strengthen and consolidate its leadership in the region. In turn, Linio will boost the sales of Falabella Retail, Sodimac and Tottus, becoming a common





showcase for the products of these companies, which will also continue strengthening their own digital sales channels.

With the goal of scaling-up our logistics capability, in November we inaugurated the new Falabella Retail Distribution Center in Santiago de Chile, which represents a milestone due to its installed capacity and technological sophistication. With its start-up, we optimized our capability and speed to process orders, reducing response times.

As well, we implemented new functionalities that enable clients to have control over their experience, programming deliveries and tracking their purchases. In addition, we launched crossed Click & Collect, which allows conducting purchases on any format and picking them up at Falabella, Sodimac, Tottus or Malplaza.

In the financial business, we continued developing our strategic capabilities with a view to strengthen this ecosystem and fulfill our goal of leading the financial digitalization in Latin America. In order to achieve that, we made available more and better payment and financing options during the shopping process of our customers.

Among the main initiatives highlights the launch of face-to-face payments with a mobile phone, through the alliance with Google Pay; the Sales Finance pilot in Sodimac Colombia, to finance large ticket purchases from CMR clients; the online increase of CMR credit lines previous to purchases on Falabella.com; the 100% digital sale of credit cards and their immediate use also on Falabella.com; and the new CMR offers and promotions on Linio, with which we managed to triple purchases with CMR on our Marketplace.

On the other hand, and with a view to consolidate our leadership in the financial

business in the retail segment and boost our value proposition in Chile, in December 2018 we integrated CMR to Banco Falabella Chile.

As well, we continued investing in the necessary capabilities to integrate our data lakes and started the opening process of our loyalty program which was traditionally linked our CMR accounts. Tottus customers can now earn and redeem points using any means of payment.

All of the abovementioned requires a flexible and scalable technological platform, for which we established digital development teams in all the businesses and opened a new technological development center in Bangalore, India. The launch of our operation in that country is an important step that enables us to accelerate and scale up technological solutions at the service of all our business units.

We have been able to capture and take advantage of the synergies between our physical network and the digital. For example, our own brands are a fundamental differentiating factor within our online proposal, which enables us to attract customers. The Marketplace in itself is an important distribution channel, but also a relevant means to increase the assortment of our physical channels. Our stores and shopping centers, which traditionally have been an experience source and a purchasing point, are also becoming an extension of our distribution network, as we allow people to pick up, but also to exchange or return products.

This synergy between the physical and the digital is our main competitive advantage. Taking advantage of it enables us to transform on a daily basis the experiences of our customers, responding to their demands and needs.

With the goal of advancing faster in the strategic development and maintain our financial flexibility, we decided to make a capital increase. Through this process we decided, in addition, to increase the free float of the Company and diversify our shareholder base, to which important international funds joined subscribing a 59% of the total issue. In a context of high volatility in the financial markets, the result reveals the trust in the plan of the Company to position itself as an online and offline leading platform in Latin America.

I want to thank and congratulate all of the Falabella team which, living our values, achieves to generate a positive impact on the lives of our clients and the communities in which we operate. Also, I want to thank Sandro Solari, as many of the milestones achieved in 2018 are fruit of the initiatives lead by him during the last years.

During 2019, we will keep the focus on exceeding client expectations, seeking to know them better, offering them a larger variety of products and services, whenever and wherever they require. These efforts aim to put us in a positive and sustainable growth path over time, always guided by the mission to simplify the lives of our clients, transforming their shopping experiences.

Gaston Bottazzini
CEO Falabella



Who are we?



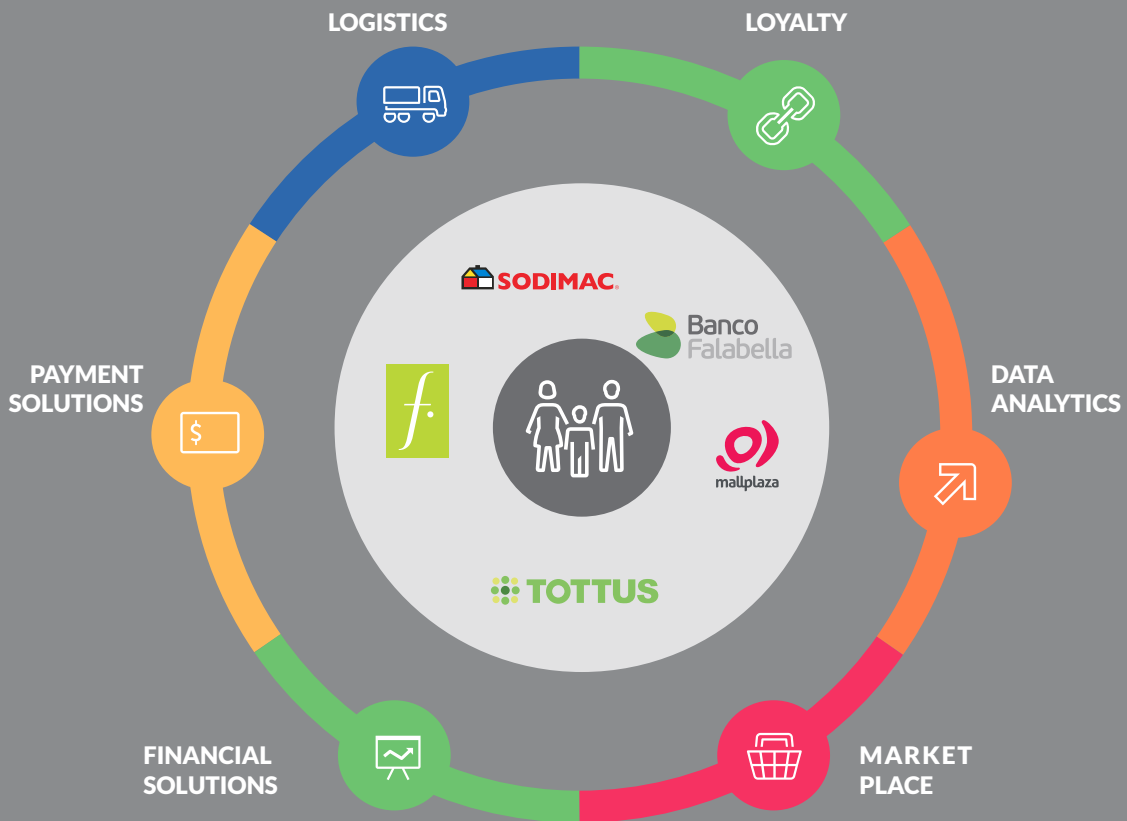
- Falabella
- Our values
- Our formats
- Regional presence of our subsidiaries
- Main Indicators
- History

Falabella

We are one of the largest retail platforms in Latin America. The drive and focus of our business is the passion for our customers. We want to simplify their lives transforming their shopping experiences. We seek to know and serve them in all their consumption needs, which leads us to reinvent ourselves and innovate to deliver the best shopping experience, through a strategy of differentiated formats and channels, with strongly positioned brands in our markets.

Our regional footprint covers 7 countries: Chile, Colombia, Peru, Argentina, Brazil, Uruguay and Mexico, with offices in China and India. We operate department stores, home improvement stores, supermarkets, financial services and real estate assets through a network of 504 stores and 43 shopping centers.

We are transforming ourselves into a digital ecosystem leveraged on our robust physical capabilities



OUR VALUES

We work every day to simplify the lives of people in Latin America, transforming their shopping experiences, motivated by our values, drivers of our actions:



3. WE ACT WITH A PURPOSE

We are driven by doing the right thing so we guide our actions transparently to generate value.



2. WE EXCEED CLIENT EXPECTATIONS

The client is the center of our decisions, that's why we anticipate to their needs, delivering an offer with a service quality that adds value.

1. WE ARE ONE TEAM

We are ONE diverse team, committed and passionate for our customers, that collaborates, communicates and reaches its goals in a direct, honest and constructive manner.



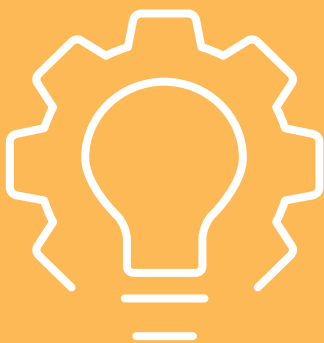
4. WE GROW BY OUR ACHIEVEMENTS

We work as a team and invest our skills to attract and train the best talent. We recognize their achievements, encourage them to self-manage their development and growth, and reward internal mobility between businesses and countries as a competitive advantage.



5. WE MAKE THINGS HAPPEN

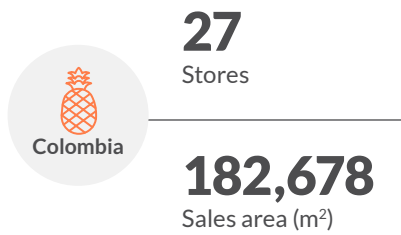
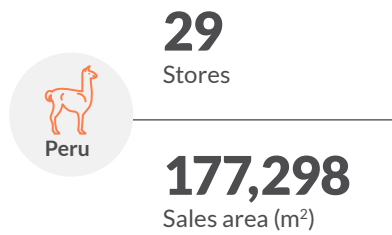
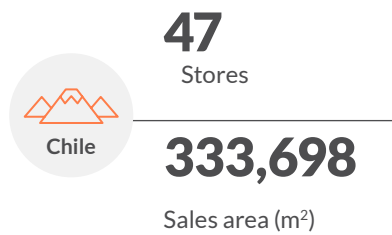
We take charge of our actions, we take risks and build opportunities to make things happen, with the same entrepreneurial spirit of our origin.



Our formats

Department stores

Falabella Retail is the leading platform in fashion, decoration and electronics in Latin America. Through a network of 114 stores and strong online presence, operates in Chile, Peru, Colombia and Argentina.



Market share

This business unit has several competitors in the countries in which it operates, among which four different subsectors can be distinguished: department stores, multi-stores, online players and specialty stores, which center their product offer on a brand, lifestyle or concept.

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



Chile
23%



Argentina
2%



Peru
18%



Colombia
7%

Market position



Note: Sales area and number of stores does not include stores specialized in fashion and footwear for exclusive and second generation brands; Peru and Colombia include Crate & Barrel stores.



LG Refrigerador side by side 691 litros negro

SKU: 3477061

Descripción

Ficha técnica



Cómpralo en
SODIMAC.COM



Home improvement

Present in Chile, Peru, Argentina, Colombia, Uruguay, Brazil and Mexico, our home improvement division offers a wide range of solutions for the construction, decoration and maintenance of homes.



Market share

In the home improvement sector, the Company has multiple and diverse competitors in the different countries in which it operates. There are large construction materials and home improvement stores, as well as hardware stores, many of which are grouped in chains. In addition, there are other competitors in home improvement products within which hypermarkets, department stores and specialty stores stand out, and finally suppliers that sell directly to construction companies.

According to the market analysis done internally based on information from the Institu-

to Nacional de Estadísticas, the Encuesta Nacional de Presupuestos Familiares, and the Cámara Chilena de la Construcción de Chile, the Instituto Nacional de Estadística e Informática de Perú, the Departamento Administrativo Nacional de Estadísticas de Colombia, the Instituto Nacional de Estadística y Censos de Argentina, the Instituto Brasileiro de Geografía y Estadística and the Instituto Nacional de Estadísticas de Uruguay (INE), among other sources, the market share¹ in this segment is approximately 25% in Chile, 14% in Peru, 10% in Colombia, 1% in Argentina, 4% in Uruguay and less than 1% in Brazil and Mexico.



Chile
25%



Peru
14%



Colombia
10%



Uruguay
3%



Argentina
1%

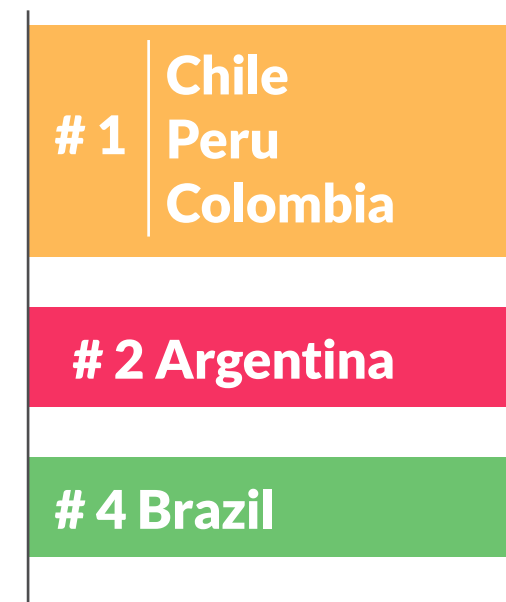


Brazil
<1%



Mexico
<1%

Market position



1. Market share calculations for home improvement are not comparable with those published in our 2016 Annual Report due to changes in the methodology.







Supermarkets

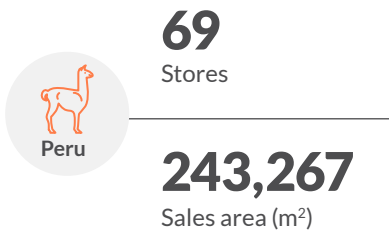
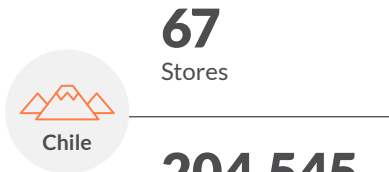
Tottus operates hypermarkets, supermarkets and convenient price formats (Hiperbodega Precio Uno). With 136 stores and online presence, operates in Chile and Peru.

The supermarket segment has several competitors, among them hypermarkets, supermarkets, self-service stores and small neighborhood stores.

According to the market analysis done internally based on information from the Instituto Nacional de Estadísticas de Chile, Euromonitor and the Instituto Nacional de Estadística e Informática de Peru, among others, Falabella's market share in the supermarket industry is around 4% in Chile and 5% in Peru.



Market position



Market share



Financial Services

Falabella Financiero offers a wide variety of integrated financial services combining the traditional financial business model with the proximity of the retail business. This division includes CMR Falabella (credit cards), Banco Falabella (bank), Seguros Falabella (insurance brokerage), Viajes Falabella (travel agency) and CF Seguros (insurance company). It operates in Chile, Peru, Colombia, Argentina and Mexico.



Chile

2,649,711

102

CMR accounts with balance

Bank branches



Argentina

441,843

CMR accounts with balance



Peru

1,007,503

69

CMR accounts with balance

Bank branches



Colombia

1,058,544

90

CMR accounts with balance

Bank branches



Mexico

167,986

CMR accounts with balance



In the financial services area competitors include retail banks as well as other retailers that issue and operate credit cards. In addition, insurance companies and travel agencies are also competitors.

According to the market analysis done internally based on information from the CMF (Comisión para el Mercado Financiero) and www.cajaschile.cl, Falabella's market share in terms of total consumer loans is 10.1%² in Chile, considering loans from CMR and Banco Falabella. In Peru, based on information from the Superintendencia de Banca, Seguros y AFP from that country, Banco Falabella's market share in consumer loans as of December 2018 reaches 4.5%³. In Colombia, based on information from the Superintendencia Financiera from that country, Banco Falabella's market share in consumer loans reaches 4.8%⁴. According to the Banco Central de la República Argentina, the market share of CMR in that country based on credit card and personal loans is 0.7%⁵. Finally, market share in Mexico is 0.2%⁶ according to information from the Comisión Nacional Bancaria y de Valores de Mercado.

Market position in # of accounts from CMR with balance



2. Total Loans as of December 2018.
 3. Total Loans as of December 2018.
 4. Total Loans as of October 2018.
 5. Total Loans as of June 2018.
 6. Total Loans as of November 2018.

Real Estate Business

Present in Chile, Peru and Colombia, the real estate arm of Falabella develops and operates shopping centers, where Falabella's retail formats and the mixed usage of the property stand out.

Mallplaza is a regional company dedicated to the development of shopping centers in Chile, Peru and Colombia. Its value proposition integrates retail, entertainment, gastronomy, health, culture and other uses, under a sustainable growth strategy that seeks to add value to all its stakeholders, promoting local development, access to culture and care for the environment.

With presence in Chile and Peru, Falabella Inmobiliario operates smaller-sized shopping centers using as anchors the formats operated by the Company (Falabella, Sodimac and Tottus), complementing them with an attractive offer of Minor stores and entertainment⁷.

Market position

1 Chile

2 Peru

Chile



17

Mallplaza Shopping Centers

1,355,000

GLA

10

Open Shopping Centers

230,000

GLA

Peru



3

Mallplaza Shopping Centers

205,000

GLA

11

Open Shopping Centers

317,000

GLA

Colombia



2

Mallplaza Shopping Centers

66,000

GLA

7. Excludes specialized stores in fashion and footwear for exclusive and second generation brands.

In addition, the Company owns approximately 1,030,000 m² of leasable area at free standing locations from Falabella, Sodimac, Tottus, Maestro and others .

According to studies made in households and in the different shopping centers, the main actors that compete in the real estate business are shopping centers in their different formats such as, malls, power centers, strip centers and traditional retailers located at the areas where the Company's shopping centers are located.

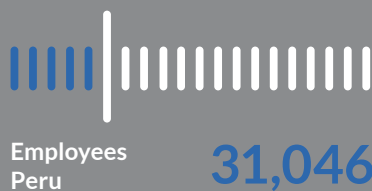
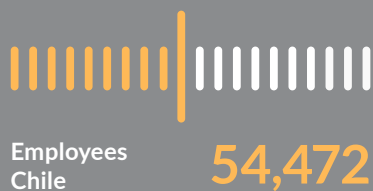
The Company has land for the development of projects in Chile and Colombia.

In Chile, through the Nuevos Desarrollos S.A. subsidiary, it has a plot in the V Region, while in Colombia, through its subsidiaries in that country, owns a plot for development in Lima. Through the subsidiary Sociedad de Rentas Falabella, projects Megacenter, Calera and Fontova are currently under construction in Chile. Also, the latter has land available in the III, IV, V, XIV and Metropolitan Regions for the development of future projects.

Based on data from the Instituto Nacional de Estadísticas, Mallplaza's estimated market share in the retail business reaches 6.7% in Chile, 3.0% in Peru and 0.2% in Colombia.




Regional Footprint




Note: headcount excludes China and India; Colombia includes headcount but excludes revenues from Sodimac. Revenues for Chile include Plaza S.A. in Colombia.


Financial Indicators



3,051,342 m²
Sales area



3,203,000 m²
Leasable area



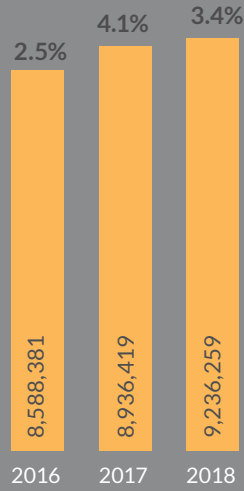
1,298,500 m²
Fulfillment centers

Shopping Centers and Stores

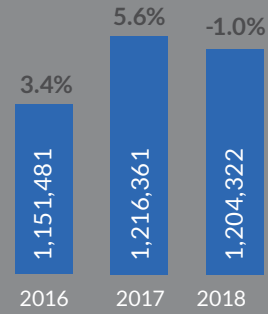
504 Stores

43 Shopping Centers

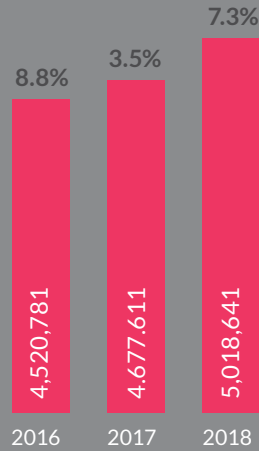
Mn CLP; % growth



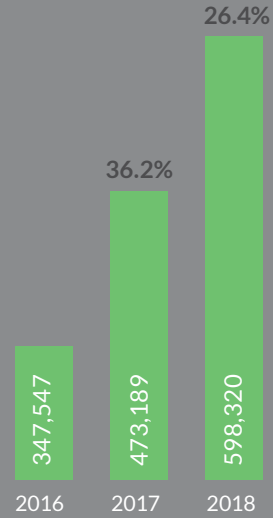
Revenues



EBITDA



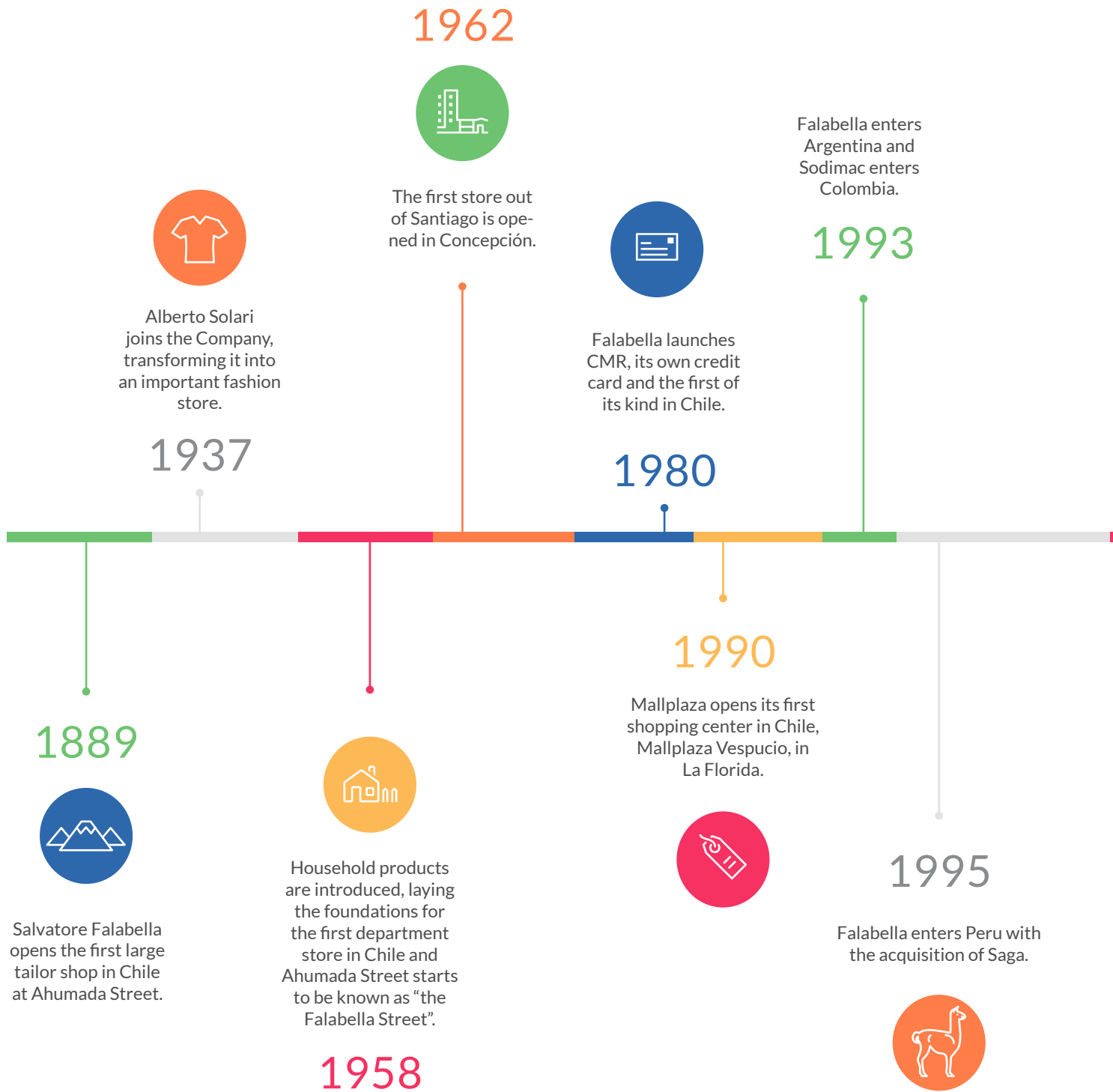
Total Loans



Online Sales

Sales area and number of stores exclude stores specialized in fashion and footwear for exclusive and second generation brands. Peru and Colombia include Crate & Barrel stores.

History



Falabella goes public and its shares start to trade on the Santiago Stock Exchange.



1996



Banco Falabella is created through the acquisition of ING Bank Chile's license.

1998



Falabella acquires San Francisco supermarket chain in Chile.

2004



Falabella opens the first Tottus supermarket in Lima, Peru.

2002



Viajes Falabella and Seguros Falabella are created.

1997

Falabella partners with Home Depot in Chile, acquiring its operations four years later.



1999

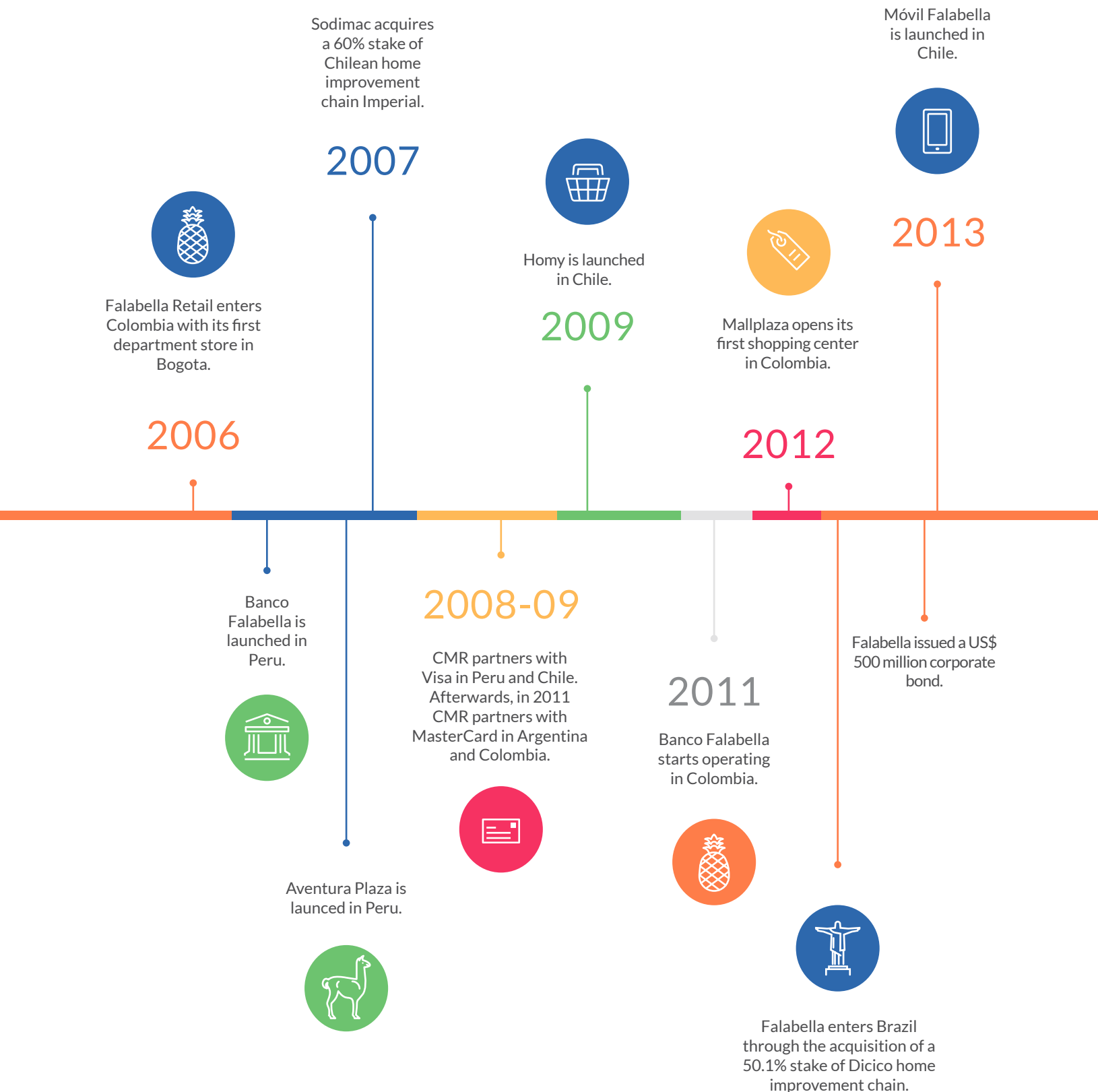
Falabella.com launched starting internet sales in Chile.



2003

Falabella merges with Sodimac, launching the first regional home improvement chain in Latin America.







Hiperbodega Precio Uno is launched in Peru.



Falabella and Soriana sign the final contracts for the joint development of the Home Improvement (Sodimac) and Financial Services (CMR) businesses in Mexico.

First issuance of the Falabella-Soriana credit card in Mexico, and acquisition of a 50% stake of Servicios Financieros Soriana S.A.P.I. de C.V.

2014

Falabella issued a US\$ 400 million corporate bond.



Sodimac enters Uruguay opening its first two stores.

2017



Falabella made a capital increase, raising US\$ 581 million.



Sodimac acquires Maestro home improvement chain in Peru.

2016

Split-off of Aventura Plaza S.A. in Peru.

Falabella issued a US\$ 400 million corporate bond.



Falabella enters the Dow Jones Sustainability World Index.

2018

Falabella announces the acquisition of Linio and the signature of a Memorandum of Understanding for the development and operation of IKEA.



2015

Falabella opens its first two Sodimac stores in Brazil.



How do we do it?



- Exceed customer expectations
- Manage our supply chain
- Develop our employees integrally
- Manage our environmental impact
- Generate social value
- Investment plan
- Governance



How do we do it?

At Falabella we work to simplify the lives of Latin Americans by transforming their shopping experiences. Our approach starts by engaging with our stakeholders, external and internal, which helps us determine which are the environmental, social and

governance (ESG) issues that will ensure our sustainable growth. We maintain open communication channels that allow us to understand the needs of our stakeholders and promote corporate guidelines, fundamental to build Falabella.

OUR COMMITMENT

COMMUNICATION CHANNELS

Clients



The Company aspires to simplify the lives of its clients. We seek to transform shopping experiences, trying to ensure the quality and safety of products offered to the public, of services provided and of the Company's facilities.

Social networks, physical and online stores, customer support teams, satisfaction surveys (e.g. NPS), among others.

Employees



We recognize the fundamental importance of our collaborators on their development and growth, so we maintain a commitment with their professional development and integral wellbeing. We actively seek to attract and retain the best team in each of our businesses, valuing inclusion and diversity.

Ethical channel, internal climate surveys, corporate communications channel, volunteering programs, internal mobility programs, Falanet (Intranet), meetings with unions, quality life teams, among others.

Suppliers



We seek constructive and long-term relationships with our suppliers. We believe that collaboration and trust allow us, our suppliers and enterprises, to grow.

Digital B2B platform, meetings between buyers and suppliers, supplier training, support programs to improve service standards, and support programs for smaller sized suppliers, among others.

Community Civil Society



We promote the generation of links with the community and contribution to their development and quality of life. We seek to collaborate in the social, economic and cultural development of communities in Latin America, for which we implement social programs with a measurable and significant impact for the community.

Social action programs, corporate volunteering, members of Green Building Council, and Chambers of Commerce, among others.

Shareholders



We are committed to generate profitability in a sustainable manner and maintain transparent communication channels with our shareholders.

Investor relations team, Ordinary Shareholders' Meeting, financial reports (Press Releases, quarterly Financial Statements and Annual Report), investor web site.

During 2018, we did a materiality study at a corporate level for the first time. We worked together with an independent specialized consultant in social, environmental and governance management.

The topics identified were ranked under two criteria: influence on our business and relevance for our external groups of interest. The detail of the materiality matrix is available on page 172 of this Annual Report.

1. Exceed customer expectations

- Putting our customers first, getting to know them and transforming their shopping experience is what drives our growth. Ensuring the privacy and security of their information helps us continue to be chosen.
- We have defined five strategic priorities: differentiate the value proposition; scale-up logistics capability; payments; data analysis and business intelligence; and development of a flexible technological platform.

2. Develop our employees integrally

- We know that today changes are more disruptive, profound and fast, so we understand that to face the current market reality we have to be one sole team, committed and passionate about our clients.
- Our emphasis on inclusion helps us understand and serve an increasingly diverse group of customers and communities. Surrounding ourselves with talented people from different backgrounds is how we maintain our ability to prepare for future opportunities and challenges.

3. Generate social value

- We focus on strengthening our commitment and giving transcendent meaning to our work. We are aware of the responsibility we have with society, the communities that surround us, and the environment.
- We are moved by doing the right thing, and that is why we guide our actions in a transparent manner to deliver the best of us to our stakeholders.

4. Governance

- We believe that acting ethically and responsibly is not only about doing the right thing, but also the right way to do business. We seek to contribute in different ways to a sustainable future, conducting our businesses in a transparent manner and promoting ethical and responsible operations.
- We promote values that reflect the commitment with a transparent and loyal actuation towards people, their freedoms and rights.

5. Manage our supply chain

- We seek constructive and long-term relationships with our suppliers. Mutual collaboration and trust allow suppliers and companies to grow.
- We are committed with developing alliances with suppliers that share our dedication to carry out their activity in a legal, ethical and socially responsible manner.

6. Manage our environmental impact

- We understand the importance of addressing environmental sustainability and we have undertaken several initiatives of environmental protection and sustainability mainly oriented to reduce our energy consumption and for our physical network to be ecofriendly.



Exceed customer expectations

Our purpose is to simplify the lives of people in Latin America. Exceeding customer expectations is part of our DNA. We seek to constantly increase our knowledge about clients and have enough flexibility to react and adapt to their needs, transform their shopping experience in all channels, and watch over the protection and privacy of their information. For the latter we have defined five strategic priorities.

DIFFERENTIATE THE VALUE PROPOSITION

SCALE-UP LOGISTICS CAPABILITY

MEANS OF PAYMENT

DATA ANALYSIS AND BUSINESS INTELLIGENCE

DEVELOPMENT OF A FLEXIBLE TECHNOLOGICAL PLATFORM

Differentiate the value proposition

We want to offer our consumers a unique commercial proposal, where they can find a wide range of products and a valuable shopping experience.

Having an exclusive and deep assortment is differentiating. We continue focusing on the development of own and exclusive brands that allow us to strengthen our positioning.

The development of our brands allows us to:

- **Differentiate from other retailers and online players**

An exclusive offer with a robust positioning. We develop a proposal that adjusts to specific groups of clients, who we know and understand and which has enabled us to position several of our own brands as leaders in their segments and with a recognition that is independent from the business. Through our own brands we anticipate innovative proposals in the local market.

- **Offer a convenient proposal**

With a high quality/price relationship, allowing us to compete, for example, with fast-fashion brands in apparel, and leading brands in supermarkets and home improvement.

- **Increase the profitability of our business**

With better margins compared to those obtained through third-party brands.

Own brands sales as of the close of 2018 reached US\$2.8 billion⁸.

8. Private label sales include department stores, home improvement and supermarkets, and exclude market place.

In 2018, we continued to advance on our value proposition:

Home improvement

As a franchise, Falabella will bring to Chile, Peru and Colombia the complete IKEA experience, one of the most renowned and successful brands worldwide, complementing the product and service offer of its different formats, and thus help improve the quality of life and make a reality the dreams and projects of clients, offering an exclusive brand.

Department stores

Through our own brand Sybilla, we seek to offer our customers a differentiated proposal of female youth clothing in all countries where Falabella Retail operates. During 2018 we opened two Sybilla stores and in total we have five stand-alone stores in Chile, ranging between 250 and 1,000 m², and soon we will open more within the region. These stores have approximately

30% more assortment than our average Sybilla corners, and are a focus for generating new customers as they are located in low cannibalization areas with our Falabella stores. Product development is the strength of the brand, and through this differentiated proposal we have managed to position Sybilla as a recognized brand within the youth segment.





Supermarkets

In Chile, Tottus grew close to three times in own brands compared to the market, according to information prepared by Nielsen, reaching a market share that is higher than what own brands represent at a national level. In Peru, in January 2018, we opened a food production center in Huachipa, Lima, focused on bakery, pas-

try and ready meals. Also, we closed the year with 13 Hiperbodega Precio Uno supermarkets, a convenient commercial proposal with a format that offers low prices and an assortment focused on own brand products.



Deepen the assortment

In the different units, we take advantage of the opportunities opened by the digital world to substantially increase product assortment and personalize offers according to the preferences of each of our customers.

Total SKUs

(Millions)

	2018
Number of online SKUs	6.1
Number of physical SKUs	3.1

Acquisition of Linio

In August, the company acquired Linio, one of the main regional marketplaces. Part of the product catalogue of the Falabella, Sodimac and Tottus offer is now available through the platform. At the same time, progress is being made in leveraging Linio on the Falabella ecosystem not only to automatically have the catalogues of these retailers, but also to make use of the group's logistical capabilities and integration with CMR for payment processing, fraud management and loyalty, thus providing customers with the same benefits when buying in Linio as they have in the other formats. In this way, we seek to strengthen the business, allocating capital for its growth and better satisfying the needs of our customers and sellers.





At Falabella we are in constant innovation, seeking that our stores deliver an increasingly better shopping experience to our clients and being selective in the locations in which we believe there is a market. This way during the last years, we have carried out an optimization plan through which we have undertaken an assessment of the asset portfolio of our businesses, which includes investments in projects, remodeling, expansions and the sale of some assets.

- In the case of Falabella Retail, we have gone through a strong remodeling process of our stores in Chile, and now we continue with Peru and Colombia. We are allocating a large part of the spaces to fashion and own brands. In 2018, we remodeled 14 stores and renovated

several corners in different countries, such as: Urban Decay and Aldo in Argentina, Bearcliff and beauty in Peru, and Crate&Barrel in Chile.

- During 2018, in Brazil, we transformed 16 Dicico stores into Sodimac Dicico, a format that seeks to deliver better product quality and services to our clients, oriented towards remodeling and home maintenance needs, with new product categories that have a higher purchasing frequency.
- In the context of our active management of our real estate portfolio, Falabella Inmobiliario agreed with a subsidiary of Parque Arauco, the sale of Open Plaza El Bosque, a shopping center of approximately 30,000 m².

- In our commitment to deliver a shopping experience that meets the highest standards, we are constantly looking to develop new projects and technologies in our stores. To offer a more efficient and agile service, we are implementing new systems that allow us to eliminate unnecessary waiting during the shopping process, as is the case of self-check-out cashiers, especially thought for moments of greater affluence in the stores.
- With this same goal, CMR launched in 2018 an agreement with Google Play that will allow Android users to conduct purchases in Chile and abroad through their mobile phones. Currently, 75% of CMR Visa clients use Android technology.



We maintain contact channels with customers and with feedback mechanisms that allow us to receive client concerns regarding products and/or services offered, seeking to deliver a fast and accurate response.

- Social networks have contributed to generate greater closeness and facilitate communication with our clients, and thus deliver a better service. Falabella has over 35 million followers in social networks (Twitter, Facebook and others), considering our businesses and countries in which we are present. The latter represents a 30% increase with respect to 2017, with growth standing out due to the acquisition of Linio.
- Our retail businesses measure service quality, among others, through the Net Promoter Score (NPS) satisfaction survey, which aims to measure client loyalty based on recommendations (promoter, passive, detractor). In addition, Falabella.com has established permanent feedback means from clients that visit the webpage and from clients that carry out a purchase to the end, with the goal of improving its processes and delivering a better experience.
- Mallplaza and Falabella Inmobiliario measure customer satisfaction through a survey called Global Visitor Satisfaction. We work everyday in order to improve customer experience, which is reflected in the continuous improvement of their perceptions.

In order to consolidate the retail NPS, department stores, home improvement and supermarkets were considered in the countries in which they have operations, weighting the score by the contribution in retail sales. In order to consolidate the financial NPS, the operation of CMR and Banco Falabella in the countries in which they operate were considered, weighted by their participation in the financial business revenues. To consolidate the Global Visit Satisfaction of the Real Estate business, Mallplaza in Chile and Falabella Inmobiliario in Chile and Peru were considered, weighted by their participation in the sales of the real estate business.

	%Δ 2016/2017	%Δ 2017/2018
Retail NPS	2,6%	5,2%
Financial NPS	10,6%	13,4%
Real Estate Global Visit Satisfaction	2,4%	3,1%

Scale-up logistics capability

We are developing an omnichannel logistics with distribution centers specialized by product type, that serve our stores as well as our e-commerce.

Our goal is to continue strengthening and standardizing our logistics processes to better fulfill our promise of service to our clients and make our capabilities available to third parties by offering logistics services to our sellers.

Together with launching Falabella's new distribution center, this year we implemented a world-class system for the management of our logistics flows at Falabella and Sodimac.

With this new system, we increase product availability in stores and in the e-commerce channel, given the omnichannel logistic integration and design.

With the inauguration of Falabella Retail's new distribution center, with world-class technology and more than 40,000 m², we are able to offer more than 50,000 products in less than 24 hours.

As well, Falabella Retail launched a self-service portal, where customers can learn about the delivery status of their orders or request product returns, among other functionalities.

Sodimac continued with the automation of logistics facilities in the different countries, moving them to world-class equivalent levels.

In Chile, the Company concentrated a large number of initiatives to standardize and automate processes, achieving efficiency improvements in the supply chain and inventory levels. In turn, this translated into an increase in store availability indexes above 95%. As well, regarding channel integration, the implementation of HUB and cross-docking at regional warehouses has reduced client delivery times to 24 hours and 48 hours in extreme zones in Chile.

In the logistics area at Sodimac Brazil, a new transport flow was developed for imported products on the way from the port to the distribution center, using the railway network. This way dependence on road transport was reduced and storage flexibility increased.

Regarding Tottus in Chile, the capacity of the Dry Products Distribution Center was increased by 7,500 m² totaling 64,800 m², in order to be prepared for the increase in imports and higher sales volumes.

In Peru, work is being carried out on the distribution center for appliances, which will deliver logistics and fulfillment services to all of our retailer's formats.

The Click & Collect service continued to grow strongly on a regional basis, explaining more than half of the online transactions in some markets.



* Includes distribution centers, transfer centers and external warehouses.

Means of payment

During 2018, we made available more and better payment and financing options during the shopping process of our customers, which translated into a 61% increase in the online sale of financial products.

During the year, we launched payments with cell phones, through the alliance with Google Pay; the increase in the quota of CMR online prior to a purchase in Falabella.com; the 100% digital card opening; the Sales Finance pilot in Sodimac Colombia, to finance purchases of high tickets to CMR customers; and new CMR offers and promotions in Linio, with which we managed to triple the purchases with CMR in our Marketplace.

To be increasingly agile, we decided to integrate CMR to Banco Falabella in Chile, and thus deliver better financing and payment options to our customers. On December 1, 2018, the integration became effective and by the end of the year, both companies were operating jointly. This allowed the Bank to double its distribution network in Chile reaching 201 branches and a gross loan portfolio of MM\$3,625,620.

2018 Indicators

+2.6 million
digital clients

2x
active clients in the App

+20 million
digital payments

+40%
Sale penetration of financial products in digital channels in Chile



Digital Factory

Created in January 2017 with a 65 member team (3 cells and 2 programs), its goal is to accelerate the pace of digital transformation and deliver innovations permanently to our clients, focusing on: client migration towards digital channels and improvement of user experience and; achieve a differentiated digital experience and boost the sale of financial products.

Today 208 people work in the factory organized in 22 work cells, each one composed by multicultural teams (10 nationalities). We work through teams applying the Agile methodology, which allows us to work on an iterative and incremental manner,

starting with a hypothesis and always putting the client at the center of our decisions. Our teams, each between 5 and 9 members, are cross-functional (we boost knowledge and cross-expertise within teams), self-organizing, product oriented, stable, co-located and dedicated.

During 2018, we launched the Giftcard exchange in the App, the 100% online credit card sale for the first purchase at Falabella.com, make transfers in few steps, and the Banco Falabella App in Chile was acknowledged as the most valued App by banking clients according to an IPSOS survey.



Data analysis and business intelligence

The Business Intelligence area developed a strategy that crosses the entire Company, with an emphasis on achieving a deep understanding of our customers, boost sales and generate tools that increase efficiency and gather the best knowledge of the Company to be put at the service of clients, always protecting the privacy of their personal data.

- We expanded the teams specialized in business intelligence.
- We started the implementation of a centralized data lake, allowing us to take advantage of the enormous amount of data generated on a daily basis in all operations, and use it to make better decisions for the benefit of our clients.
- With big data and neuronal network tools, we seek to facilitate the purchasing process of complex projects, which require a diversity of products and services.
- Mallplaza made an important progress on the way to digital transformation. During 2018 the Innovation and Digital Strategy Department was created, defining the goals and processes of the Digital Transformation at Mallplaza. The latter was complemented with the enabling of the first digital office, the first agile cells and the conformation of the first Analytics team. As well, the new Department actively participated in the groups digital strategy, working together with Corporate BI centered on Marketing campaigns, and defined the Analytics Ecosystem aligned with the Corporate Architecture.

+1,000

million visits to our web pages

+408

million annual visits to our shopping centers

+35

million followers in social networks

+396

million customer services in the financial retail

+344

million annual transactions in our stores

70 %

growth of online orders

Note: Visits to our web pages include e-commerce platforms, financial services, Viajes Falabella and Seguros Falabella.



Artificial intelligence at the service of clients

The digital transformation has allowed us to rethink the way to serve clients at the time of interaction. At Sodimac Chile and Sodimac Colombia advances were made in the implementation of virtual assistants based on artificial intelligence, project started in 2017. This enables making queries regarding products or services avoiding tens of thousands of calls to the call center on peak demand periods, as is the case with Cyber events. The assistants (Pedro in Chile and Ana in Colombia) are available 24x7 and capture over 90% of intentions behind client's questions, and

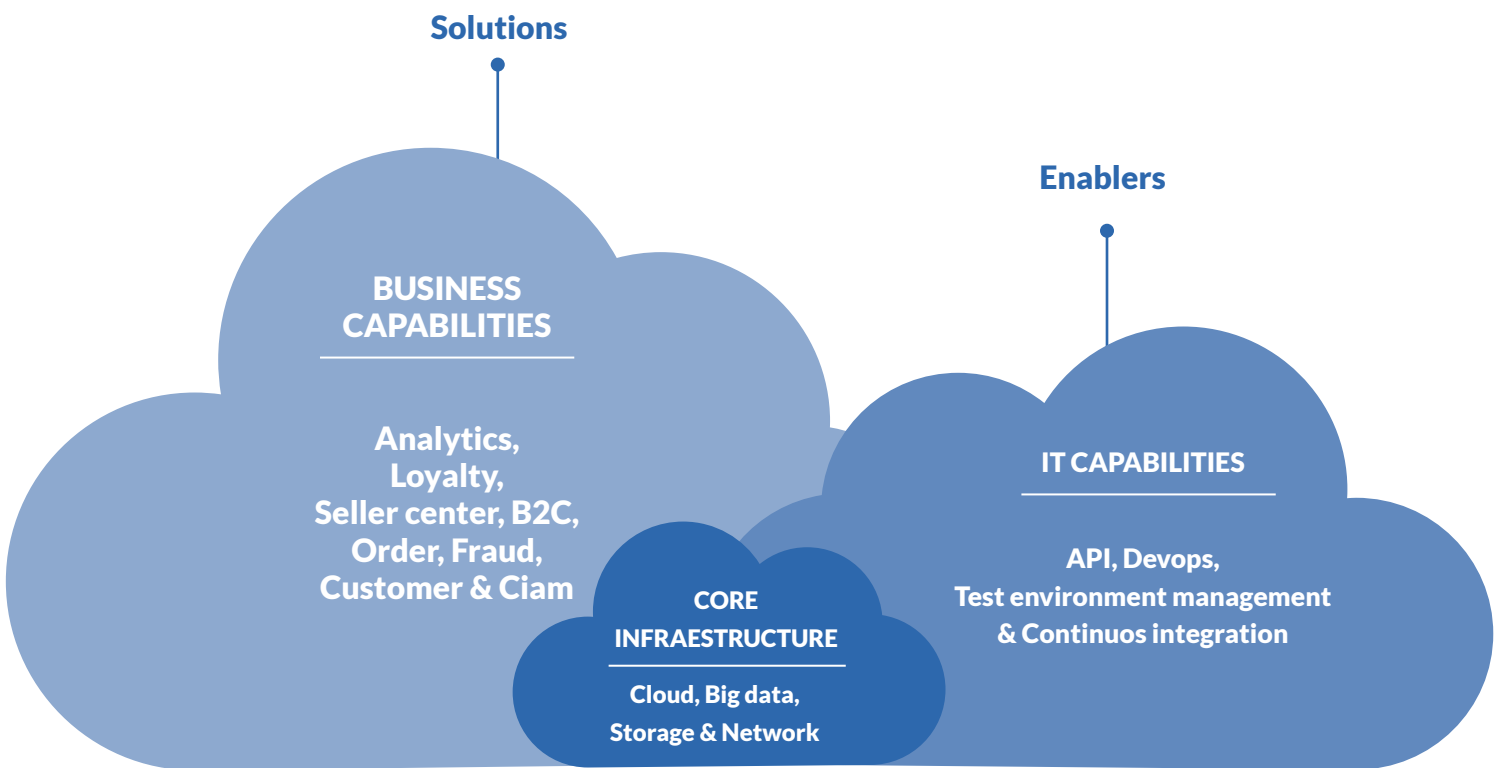
provide the correct answer. At Falabella Financiero, we have our virtual assistant called Lia, which is available at all the countries where we are present. Lia can solve doubts, refer to an executive, give information on CMR Puntos, and give information on fees and tariffs, among other functionalities. In Falabella Retail in Chile, we have implemented a virtual assistant called Amanda, which has helped us to reduce by half the calls in Cyber periods, even if the orders keep growing. This has been made possible by the seven Artificial Intelligence teams that work in Chile.

Development of a flexible technological platform

We laid the foundations to migrate our infrastructure to the cloud under a robust, secure and scalable architecture.

We have invested heavily in technological infrastructure and development of basic capabilities, as working in the cloud in an agile

way and strengthening our networks, but our greatest advances relate to the construction of different solutions: payments, analytics, fraud prevention, and order traceability, among others, which are important to offer a superior service standard and differentiate ourselves towards the customer.



Supported by a cybersecurity framework that strives to meet the highest global standards



Cybersecurity

Protection and care of data are fundamental parts of the capabilities of a digital ecosystem, so the privacy of our clients is an essential part of our strategy.

During the last years, we have implemented corporate governance whose goal is to establish the cybersecurity strategy and policies to protect the information of our customers in terms of confidentiality, integrity and availability in all the businesses we operate.

Modernize and standardize our systems with an emphasis on security, together with the development of a data protection culture among our employees, were part of our efforts during 2018.

0.1

Cyber Defense Center (CDC)

A world-class cybersecurity monitoring center, with the capability to prevent, protect and respond to an incident. The latter has been designed with an external world-class supplier and implemented internally by a highly specialized team.

0.2

Cybersecurity training – SSI 2018 took place with over 35 thousand employees in 8 countries

In September took place the third version of the Information Security Week (Semana de la Seguridad de la Información – SSI), event that included digital and face-to-face activities in Falabella’s companies. The goal of the event was centered in creating awareness with respect to threats, risks and best practices on cybersecurity within Falabella.



Development office in India

On November 7, we inaugurated the new development offices in India, in the city of Bangalore. This relevant event sets us at the forefront in information technologies within the retail industry. Our operation in India has over 100 employees, integrating talents from the world to Falabella's talents.





Develop our employees integrally

Changes today are more disruptive, profound and fast, so we understand that the way to face the current market reality is being one sole team, committed and passionate about our clients.

We recognize the fundamental importance of our collaborators, so we maintain a commitment with their professional growth and development, as well as attracting the best talent. We recognize their achievements, encourage them to self-manage their development and growth, and reward internal mobility between businesses and countries.

Promote diversity and inclusion, with a special focus on women

Our emphasis on inclusion helps us understand and serve an increasingly diverse group of customers and communities. Surrounding ourselves by talented people from different origins is how we maintain our ability to prepare for future opportunities and challenges.

In 2018, a Diversity and Inclusion Policy was approved, with the goal of establishing the basic principles by which Falabella and its employees must be governed, in order to promote an organizational culture and work environment that is diverse and inclusive. As well, the Inclusion of People with Disabilities Procedure was approved, aiming to standardize the way to fulfill the obligations established in Law 21,105, in accordance with its capabilities and social goal.

We stimulate diversity and gender equality, promoting the visibility and development of our female employees, as well as equal

opportunities between men and women, lowering barriers to female promotion and increasing the presence of women in high positions. This way, in order to increase and strengthen female leadership within Falabella and boost participation, visibility and internal networking between managers and female executives, during 2018 we carried out the first version of the Mentoring Women Program, comprised of the following activities:

0.1

Mentor-Up Academy

Seeks to train our female leaders in order for them to become mentors of other generations of women within Falabella. After the first two sessions, all mentors receive their diplomas and are certified as mentors. During 2018, 25 women received such a diploma.

0.2

Internal Mentoring

We carried out the communicational campaign directed to women in the headquarters office and zonal managers, with voluntary inscriptions. 70 women registered to be guided and 40 to be mentors in the program. After applications 25 pairs were selected, which had two encounters of 1 hour approximately.

0.3

Networking

During 2018, the "Connected Women" program was implemented, with the aim of creating quick, accessible and efficient contact networks with other women within Falabella.

We formally asked all our hunting companies in the region that the long lists of candidates to be presented to us must contain at least 30% of women.

Regarding headcount:

- Falabella ended 2018 with 113,526 employees. At the close of the year, 51.3% of them were women (compared to 51.6% as of the close of 2017).
- We have 52,001 (45.8%) Chilean employees, 31,521 (27.8%) Peruvians, 16,904 (14.9%) Colombians, 5,528 (4.9%) Argentineans and 7,572 (6.7%) employees from other nationalities.
- 44% (46% in 2017) of employees are less than 30 years old.
- 48% (45% in 2017) of employees have worked at Falabella for more than 3 years.

Some of the acknowledgements for our efforts regarding inclusion and gender equality are:



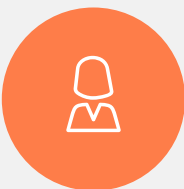
Sodimac and Falabella Retail in Peru were acknowledged in the second and fifth place, respectively, in the Gender Equality in Organization (PAR) ranking, developed by Aequales, the Chamber of Commerce of Spain in Peru and Organización Peru 2021.



Falabella Retail in Chile stood out in second place in the Women in High Direction ranking, prepared by Comunidad Mujer, which measures female participation in the corporate governments of the large companies trading in the Santiago Stock Exchange. In addition, Falabella Retail was acknowledged by Comunidad Mujer and the Gender Parity Index (IPG) Chile for the efforts undertaken to improve gender equality and promote practices to foster female leaderships.



Tottus in Peru obtained place 18 in the Gender Equality in Organizations ranking, from Aequales consultant.



CMR in Chile was presented with the Female Talent Award from Pulso Newspaper, due to the promotion of female labor through high levels of female employment and by the number of women in its Board of Directors.

The proportion represented by the average base salary of our female collaborators with respect to the average base salary of male employees is:

- For Managers and Deputy Managers: 76% (78% in 2017), representing 3% of total employees.
- For Professionals and Technicians: 89% (90% in 2017), representing 22% of total employees.
- Other positions: 94% (97% in 2017), representing 75% of total employees.



The Board of Directors of Falabella is composed of 22% of women, compared to 33% in 2016, given that at the 2017 Shareholders' Meeting one female director was replaced by a man. In addition, the larger part of the Board is composed of people over 50 years old.

Board of Directors

Board of Directors, Falabella	2016	2017	2018
Less than 30 years old	0	0	0
Between 30 and 50 years old	2	2	1
More than 50 years old	7	7	8
Total	9	9	9

Board of Directors, Falabella	2016	2017	2018
Men	6	7	7
Women	3	2	2
Total	9	9	9



Falabella Total Employees⁹

	Other Employees	Professionals and Technicians	Managers and Executives	TOTAL
S.A.C.I. (Holding)	25	163	40	228
Subsidiaries	84,818	24,945	3,535	113,186
TOTAL	84,843	25,108	3,575	
Chile	41,491	11,472	1,509	54,472
Peru	22,488	7,681	877	31,046
Argentina	3,969	1,400	241	5,610
Colombia	12,583	3,621	436	16,640
Uruguay	385	40	13	438
Brazil	3,110	175	260	3,545
China	28	101	28	1,533
India	2	75	8	157
Mexico	787	543	203	85
TOTAL	84,843	25,108	3,575	113,526

Classification by nationality

	Female	Male	TOTAL
Chile	28,348	23,653	52,001
Peru	15,412	16,109	31,521
Colombia	8,221	8,683	16,904
Argentina	3,157	2,371	5,528
Brazil	1,405	2,175	3,580
Uruguay	193	249	442
Others	1,492	2,058	3,550
TOTAL	58,228	55,298	113,526

Classification by age range (years)

	Female	Male	TOTAL
Less than 30	24,433	25,384	49,817
Between 30 and 40	19,606	17,528	37,134
Between 41 and 50	9,530	7,621	17,151
Between 51 and 60	3,950	3,570	7,520
Between 61 and 70	662	1,050	1,712
More than 70	47	145	192
TOTAL	58,228	55,298	113,526

Classification by seniority at Empresas Falabella

	Female	Male	TOTAL
Less than 3 years	29,550	29,955	59,505
Between 3 and 6 years	12,060	10,119	22,179
Between 6 and 9 years	7,540	6,289	13,829
Between 9 and 12 years	4,052	3,591	7,643
More than 12 years	5,026	5,344	10,370
TOTAL	58,228	55,298	113,526

9. Considers S.A.C.I Falabella and its subsidiaries, including those which do not consolidate.







Paola, Enrique, Hernán, Ricardo and Moscovia at Falabella Ahumada.

We seek to attract, retain and develop talent

Our efforts are inspired by attracting the best talent, retaining them and giving them unique opportunities in their professional development, so we cultivate employee development and growth within the Company.

When our collaborators enter to Falabella for the first time, we carry out an induction process as well as e-learning courses, internships and/or training. As well, specific

and technical courses are made available to employees on a regular basis so as for them to be more informed and empowered to successfully achieve their professional goals and those of the business. During 2018, a total of 4,162,803 hours of training took place, representing an average of 37 hours per employee during the year. The following table depicts the average of yearly training hours, separated by men and women:

Average yearly training hours by employee

	Men			Women		
	2016	2017	2018	2016	2017	2018
	43	42	41	36	35	33

Falabella has a solid group of leaders and professionals focused in building teams and developing collaborators to give sustainability to the business. The development of talent in our employees is one of our main concerns and we have several performance reviews and feedback sessions.

- One of the main initiatives within internal talent management is the 360° Assessment, carried out annually to 100% of the main executives of Falabella. The goal is to generate individual development plans that allow each evaluated employee to improve his results and boost potential.

In addition, this initiative enables the identification and development of talent in order to plan for future needs. In 2018, 2,500 executives were evaluated in Chile, Peru, Colombia, Argentina, Brazil, Uruguay, Mexico and Asia.

- Besides the 360° Assessment, several performance reviews are carried out every year¹⁰ at all levels within the organization, totaling 79.606 employee performance reviews.

- During 2018, 73% of our collaborators were evaluated with some assessment method, compared to 67% in 2017.

The following table shows the percentage of total collaborators between men and women that have received a periodic performance review and professional development during the last three years.

Percentage of total collaborators that have received a periodic performance review and professional development

Year	Men			Women		
	2016	2017	2018	2016	2017	2018
Evaluated	71%	71%	81%	66%	63%	67%

10. 180° Assessment, 90° Assessment, and EDD 45°, among others.



Regarding talent retention, one of our initiatives is the Talentum program, consisting in an internship between businesses, where professionals from an area go to work for two months in a project of another business. In addition, each year we finance MBA and Masters programs abroad, with the goal of promoting and facilitating improvement and development of employees with good performance reviews and high potential. During 2018, six people applied to the Corporate Managers Committee and everyone approved the process to secure financing.

Falabella Challenge is born to attract talent in an innovative way. The initiative seeks to:

(i) attract, identify and select young talent to face the new challenges of the business; (ii) position Falabella at the top of mind among the best companies to work in Chile, and to be recognized as an integral referent in the labor market and; (iii) transmit our labor value proposition and business challenges.

We constantly monitor the attrition rate¹¹ of our collaborators, which during 2018 reached 41.6 % (compared to 41.0% in 2017). As well, our fill rate¹² for 2018 was 43.2% (compared to 43.8% in 2017).



11. Attrition rate measured as the number of employees that leave the organization voluntarily or dismissed, retired or died, over total employees over the informed period.

12. Fill rate measured as the number of new hires over total employees over the informed period.

Attraction of technological and digital profiles

The digital transformation of our retail business model has made the attraction, selection and incorporation of technological and digital profiles a key element. Thus, during 2018 we continued incorporating professionals with a STEM profile (Science, Technology, Engineer and Mathematics) in several areas of our activity. In order to do so we maintain strong relations with the most prestigious universities in this areas and finance training for our collaborators.

In addition, we participate with speakers and recruit at EVIC (Computer Engineering Summer School), focusing on artificial intelligence. Finally, during 2018 we financed five masters on these areas.

As well, we actively participate in recruiting activities, such as Laboratoria, the first and largest women hackathon in Chile, with close to 100 participants, seeking to recruit the best technological talent.





We promote a collaborative environment, a healthy equilibrium and the construction of a good place to work

One of the main goals of Falabella is to be a good place to work, promoting a collaborative environment and healthy balance between the personal and work. In order to do that it's essential to develop a series of programs and benefits that seek to improve the quality of life of collaborators and their families. In addition, employee wellbeing is periodically reviewed through internal climate measurements.

We participate in the Great Place to Work survey, with which we measure ourselves and set goals as part of our commitment with collaborators. This year the results of our Retail and Real Estate businesses were:

- Department Stores: The department stores business in Colombia placed 13th in the ranking, while Peru reached 8th place, Argentina 7th, and, finally, Chile the 20th place.
- In Peru, we obtained the 11th place, while in Argentina the 5th place and in Uruguay the 6th place.
- Mallplaza Chile improved 10 positions compared to the last year, getting to the 24th position.

As part of the commitment with talent development and retention, as well as employee quality of life, we have implemented labor flexibility plans with flexible entry and exit schedules, the possibility of remote works during certain days, and leaves of absence without pay, among others.

In order to know and fulfill the needs of our collaborators it is necessary to maintain a fluid internal communication, at a particular or collective level. Falabella fosters dialogue and transparency, recognizing freedom of association and labor rights. As of December 2018, 36% (34% in 2017) of employees at Falabella were unionized (covered by collective bargaining agreements). The unionization rate in Chile reached 64%.

The health and security of our employees is a priority for Falabella

The protection of the health and security of our employees is as important as the commitment with a good labor climate, so we have policies that seek to prevent labor risks and promote a healthy environment.

We urge our teams to comply with applicable laws, as well as regulations and corporate policies on health and security. The latter are based on applicable regulations in the countries in which we operate and guide us in the task of managing a safe and healthy work environment. Coverage in health and security issues extends to all our collaborators as well as our contractors and sub-contractors.

Joint committees are composed and maintained by collaborators and management. Their main function is to detect the risks of injury and professional illness, and are in charge of watching over the health and wellbeing of their teammates within their respective facilities, representing 100% of employees. Our stores as well as our distribution centers count with experts in risk prevention, and hygiene and safety joint committees. Each of our businesses reports the detail of the health and security policies.

Together with the aforementioned, courses, campaigns and inspections are carried out through these committees with the goal of minimizing and managing risks. Thanks to these initiatives, we have been able to reduce continuously our accident rate, which each of our businesses constantly monitors.

Some practices within our businesses:

- We keep track of accident indicators and carry out a periodic evaluation of them.
- The management system has a training program, led by the risk prevention teams, that includes a mandatory induction and several trainings programmed on a monthly and weekly basis, as well as evacuation drills.
- We apply hazard identification matrices (HIM) to assess risk and control measures at different levels.
- Our policy is to cover 100% of our collaborators by an occupational health and safety management system.

During 2018, 3,995 work accidents were registered, 4% less compared to the previous year. The accident rate¹³ reached 3.5%, below the 3.7% registered in 2017. During 2018, no fatal accidents occurred within the facilities of all the business units of Falabella.

In relation to health issues, the occupational disease ratio (ODR), the lost days ratio (LDR) and the absenteeism hours ratio (AR) are monitored, reaching values of 0.11, 37.8 and 8,120, respectively, which represent a +13.5%, -4.8% and -29.7% change compared to the previous year^{14 15}.

13. Work accidents / direct employees.

14. **ODR**: number of occupational diseases per 100 employees during an annual work schedule. **LDR**: number of lost days per 100 employees during an annual work schedule. **AR**: number of absenteeism hours per 100 employees during an annual work schedule. **Occupational Disease**: motivated by a work related activity or derived from a work accident. Lost Day: no work done due to an occupational disease or work accident. **Absenteeism**: absence from work due to any type of inability, not only because of an occupational disease or work accident. Authorized absences are not considered absenteeism, for example, vacations, studies, maternity or paternity leave and permits for humanitarian reasons.

15. Does not consider Sodimac Brazil.



Hazard identification, risk assessment and accident investigation

Indicators	2016	2017	2018		
			Men	Women	Total
Accident frequency rate (AFR)	4.1%	3.7%	3.9%	3.1%	3.5%
Occupational Disease incidence rate (ODIR)	0.09	0.10	0.10	0.12	0.11
Lost days rate (LDR)	41.0	39.7	39.0	36.5	37.8
Deaths by work accident or occupational disease	0	0	0	0	0

Note: ODIR has been rectified for 2017.



Generate social value

Within our teams, we focus in strengthening commitment and giving a transcendent meaning to work. We are aware of our responsibility to the society, the communities that surround us, and the environment. We are moved by doing the right thing and that is why we guide our actions in a transparent manner to deliver the best of us to our stakeholders.

Community investment

Our community investment¹⁶ seeks to collaborate with the social, economic and cultural development of the communities that receive it, for which each of our businesses carry out social programs based on dialogue and responsible management of their impacts. During 2018, community investment represented 71% of our social investment.

In addition, each of our businesses donate¹⁷ to foundations and/or non-for-profit organizations in the countries in which we

operate, which require our support during specific circumstances. Every donation is backed by our Donation Protocol, which indicates that our donations must be aligned with our values and must contribute to the corporate social responsibility goals we have determined. During 2018, donations represented 24% of our social investment.

Our commercial initiatives, defined as the activities carried out between Falabella and the community to support the success of the Company and its corporate identity had a cost that represented 5% of our social investment in 2018.

Corporate volunteering constitutes one of the main working guidelines in the relationship with communities, generating positive impact for both our employees and the surrounding environment. During 2018, Falabella's collaborators carried out 89,902 hours of volunteering, 4.2% more than in 2017, with a total cost¹⁸ of \$369 million.

	2017	2018
Community investment	5,034	7,039
Donations	1,526	1,682
Commercial initiatives	404	1,221
Total Social Investment	6,963	9,942
MM CLP	2017	2018
Money contributions	3,314	5,607
Contributions in kind	2,686	3,650
Volunteering cost	964	686
Administration costs	354	525

16. Social investment includes donations under the tax benefit accounting criteria, as they are related to the sustainability strategy.

17. Donations understood as a one time or occasional support of the necessities of charities and communities, or in response to external events as emergency situations. These may differ from the accounting principle, as they may be considered as contributions without tax benefits.

18. To calculate the volunteering cost, the total hours of volunteering of our businesses was multiplied by an average hourly base salary for all the group.



Social integration and regeneration

We promote the generation of links with the community and the contribution to their development and quality of life. The Company seeks to collaborate with the social, economic and cultural development of the communities that receive it, putting in practice social programs with a measurable and significant impact for the community.

All our businesses have local community participation programs. Among the most important are¹⁹:

School Sponsorship Program

The Making Shool Program (Programa Haciendo Escuela – PHE) is one of the characteristic seals of Falabella's Social Responsibility. Created 50 years ago its goal is to build a better future for the children of today and the families of tomorrow. This initiative has been adapted to the educational conditions of each country, based on the integral support of volunteers in each store, together with municipalities and parent councils from the communities to which they belong. The program is present in Chile, Argentina, Peru and Colombia, supporting over 100 educational establishments and contributing to improve the education of more than 80,000 children in the region.

In order to maximize the impact and allow for the measurement of the program, in 2017 its activities were conceptually redefined, focusing on the following goals: (i) infrastructure for schools; (ii) academic; (iii) expand horizons and; (iv) corporate volunteering. During 2018, the impact of the program was measured for the second time, using the LBG²⁰ methodology. The positive impacts of these measures were:

- **Infrastructure:** we seek to contribute to an adequate physical environment for learning and teaching of students and teachers. This way, the Company supports the repair and rehabilitation of school spaces in order to achieve an inclusive and quality education. During 2018, four establishments received support in their infrastructure with the repair of libraries, painting, bathrooms and others. The latter adds to the support given to eight schools in 2017.
- **Academic:** the efforts centered more strongly in fostering early reading in students. This way we seek to incorporate parents in the process. The "First I Read" program was implemented together with Fundación Crecer, seeking to install an innovative methodology to teach the language through the delivery of materials, student accompaniment and teacher training. As well, together with Fundación Barnechea we supported the management of schools and together with Fundación APTUS we developed programs in mathematics and language to increase the academic abilities of students. In the case of academic programs, 97% of the beneficiaries (children and teachers) improved their skills and 85% developed a skill by participating in PHE's academic programs. In addition, 90% of the children reported positive change of attitude towards football and reading with their parents, after participating in the sports programmes "Escuela Activa", "Escuela de Fútbol", "Copa de Fútbol" and in the reading encouragement program "Mis Padres, mis Cuentos".
- **Expand horizons:** is a programmatic line that seeks to develop abilities in students

besides the academic through music, sports and games. Some of the programs are "From School to the Theater", "Knowledge Olympics" and "Dreamers that Create" about technological education from Adessa. On average 87% of academic managers at surveyed educational establishments agree that "Knowledge Olympics" helps children improve their soft abilities such as teamwork, sense of belonging among peers and sense of responsibility, among others. This positive perception increased six percentage points with respect to 2017 (81%).

- **Corporate volunteering:** we promote the involvement of our employees fostering their participation in community development activities and becoming active volunteers in the development of communities. In 2018, 3,195 volunteers participated, increasing participation by 21%, which translated into 12,724 hours, 10% more than in 2017.

19. A detail of the initiatives and programs of each business unit can be found in the respective Sustainability Reports.

20. LBG is a worldwide-acknowledged framework for measuring the impact of corporate investment in communities. It is used by more than 300 companies and is suggested for reporting social investment in DSJI. <http://www.lbg-online.net>.

Home Building Dreams

Launched in 2017, with the program “Home Building Dreams” Sodimac deepens the efforts in social investment and in collaborative and participative community relationship, that the Company develops since a decade ago to improve people’s quality of life.

Through competitive funds, the initiative supports improvement, repair or remodeling projects of infrastructure in public spaces presented by neighborhood or community organizations. In addition, special funds are contemplated for the development of projects that improve the houses of collaborators of the Company. Once approved, Sodimac sets aside the necessary funds and corporate volunteer groups coordinate to carry out the work on-site.

The program has an Advisory Council in which directors of the Company and leaders of the civil society take part. Its goal is to perform a global evaluation and watch over its correct application, providing advice and points of view over the main issues that involve the civil society and its relationship with Sodimac.

In 2018, 110 projects were undertaken throughout Chile, with the participation of 1,116 volunteers and benefiting 24,607 people. Internally, 120 employees were supported to improve their homes.





Growing up healthy is awesome with Tottus

Through our program on Healthy Nutrition Education we promote healthy nutrition habits in children, teachers and parents from vulnerable schools close to Falabella's supermarkets, as well as our employees and clients. The program "Growing up healthy is awesome with Tottus" started in 2014 with 200 students and two schools in Melipilla. As of today it has been implemented in 21 schools in the Metropolitan Region and regions V, VI and VII, benefiting over 4,500 students that participated in our classroom sessions, over 2,600 teachers and parents that joined the healthy nutrition workshops and over 3,500 employees who attended the courses taught by our team of nutritionists.

As a fundamental part of this process, we carry out an annual anthropometric assessment of the children at the beginning and at the end of the year, and focus groups with teachers, parents and collaborators. In 2018, we completed the audit process conducted by FOCUS, a company that will present to us at the beginning of 2019 a proposal to improve gaps, new indicators and learning improvements.

Financial Education Program

Our Financial Education program aims to train clients, employees, schools and communities about personal finance. One of the main intervention strategies in this matter is the program "Eddu", which has as a protagonist an animated character that, with a didactic language and through recommendations, videos and several tools, seeks to teach people how to use their financial products in a responsible manner. The program is present in Chile, Peru, Colombia and Argentina, and during 2018, we continued strengthening its regional presence launching it in Mexico and reaching millions of people.

For the sixth consecutive year, we did our "Learn with Eddu" Tournament, reaching over 2,400 students from the Making School Program (PHE) school network. Together with the latter, we launched our digital game "Edducity" in Chile, and for the first time, did financial education workshops in schools measuring their impact²¹, achieving excellent results: 74% of students understand what responsible indebtedness is. In Peru, we also developed an e-learning course for our employees and several talks for students, teachers and parents, benefiting over 4,900 participants. In a complementary way, during the year we conducted talks about Financial Education to clients at the branches of Banco Falabella in Chile, and taught four e-learning courses in which over 1,800 people participated.

Entrepreneurship and Local Employment Promotion Program

We work on a daily basis to create meeting spaces that contribute to the inclusion of people in the social and economic areas. We are committed with the promotion of entrepreneurship to maximize local development and the creation of shared value. The Entrepreneurship Support Program enables us to fulfill our goal of facilitating the access of entrepreneurs to the large number of clients that visit our shopping centers, through fairs and permanent spaces in our shopping malls. In addition, we support our entrepreneurs with training programs and mentorships carried out by executives from Falabella. During 2018, we staged over 400 fairs, involving close to 900 small entrepreneurs that received tools to better manage their businesses and thus become more sustainable over time. This way we influenced positively more than 1,000 families and 4,000 people indirectly, as well as boosting the innovation and dynamism of the local commerce.

At the end of 2018, we evaluated the impact of the emblematic programs with the community, whose results will be available at the beginning of 2019.

Culture within the reach of everyone

Promotion of culture has transformed into a strategic and differentiating focus in our shopping centers. We want to contribute to the society bringing people closer to different free cultural proposals. Hence, we have transformed our urban centers into living cultural spaces. In Chile, over 200,000 people enjoyed the nine performances of the musical Pirates of the Caribbean, face-to-face and through streaming. In addition, our Living Libraries surpassed one million visits in Chile. We went over it again.

21. Impact evaluation was conducted by Fundación Barnechea.

Governance

Our integral and ethical behavior is a central part of who we are

Our success lies in the trust that thousands of clients, suppliers and employees place in us. For us, acting ethically and responsibly is not only correct, but is the right way to do business.

As leaders in the markets and industries where we operate, Falabella has developed and implemented a robust compliance system, which includes policies, procedures and training, to ensure that our businesses and collaborators comply with ethical and regulatory standards.

- Key aspects such as privacy, security and information management, or transparency towards our clients and stakeholders, are vital to have the trust of our consumers and are an essential part of ethical behavior guidelines and norms.

- We guide ourselves by a series of norms and codes of conduct, which clearly establish the ethical behavior base of our culture.

It is a priority in our practices for both managers and directors, on whom the responsibility of governance lies, to act with diligence, ethics and transparency in the exercise of their duties, accounting for their activity and ensuring balance, respect and equality of all shareholders, especially minority shareholders. This way, directors count with a procedure for continuous improvement, which adds to the annual assessment that is entrusted to a specialist third party. In addition, there is a formal induction procedure for each new director, through which the director learns about the Company, its businesses, policies and procedures, among others.

During 2018, all members of our top governance bodies learned about anti-corruption policies and procedures. In addition, and in line with the guidelines of the General Norm N°385 from the SVS, the Board of S.A.C.I. Falabella agreed in December 2015, to hold an annual training workshop as a permanent training mechanism for the Board. During 2018, two of such workshops took place with the presence of external and internal speakers, in which the following issues were discussed: (i) "My Client: Consumer Rights Defense Program"; (ii) "Governance, Ethics and Compliance: Where are we?"; (iii) "Human Centered Design"; (iv) "Consumer Trends in Latin America"; (v) "Panorama and Regulatory Trends in Data and Cybersecurity"; (vi) "Cybersecurity: What is going on, what are we doing and where are we going?" and; (vii) "Use of Data and Data Analytics".



As leaders in the markets and industries where we operate, Falabella has developed and implemented a robust compliance system, which includes policies, procedures and training, to ensure that our businesses and collaborators comply with ethical and regulatory standards.





Our top governance bodies and their continuous management of the risks relevant to our businesses in economic, social and environmental matters

The highest governance body of Falabella is the Board of Directors, composed of nine members who hold office for a three-year term since their election, and may be re-elected indefinitely. Under the Board is the Corporate CEO of Falabella, who in turn leads the Corporate Managers of each business unit.

For the management and decision making of economic, social and environmental issues we conduct a permanent management of the relevant risks, in line with our Risk Control and Management Policy, with results presented to the Board at least once a year.

- The Board meets twice a year with the corporate unit to analyze the adequate

functioning of the risk management process. The CEO of the business unit and the Corporate Internal Audit Manager also participate in these meetings, in which Directors learn about the overall performance of the risk management process. In this way, Directors detect, categorize and monitor risks periodically.

In addition, each of our businesses²² has a Sustainability Committee, consisting of a member of the Board of the subsidiary, the CEO, the managers of each area related to the business strategy and the managers in charge of the sustainability projects. Its goal is to provide with guidelines issued by the Board, approve the strategy and monitor advances.

We are committed with providing sustainable profitability to our shareholders

We seek to assign resources and efforts efficiently to create sustainable value over time. We ensure that stakeholders have regular access to relevant, sufficient and reliable information, both in relation to the rules and exercise of governance as well as over achieved results.

- Financial-economic results are informed periodically, in line with current regulation, as well as any other fact considered as relevant or of interest to the Company.
- We comply with applicable norms and regulations in each country where subsidiaries of the Company are present.
- We have an Investor Relations team that ensures the delivery of objective information to the investment community with which they can value the fair price of stock, bonds and other financial instruments issued by the Company, and limit unnecessary volatility through an opportune and proactive reach. In addition, the team seeks to deliver a strategic view of the leadership of the Company from the investor's perspective, competition dynamics and macroeconomic trends.

During 2018, Voice of the Market, a study conducted by EY Chile and the Santiago Stock Exchange, recognized Falabella among the top three Chilean companies to show advances in the development of their corporate governments. The study also acknowledged Falabella among those that obtained the highest grades in the five pillars considered in the study: business strategy, control environment, transparency, fair and equalitarian trait and sustainability management.

22. For more information regarding the sustainability committees, please refer to the Sustainability Reports of each of our businesses.





Cristopher, Jéssica , María Angélica and Leandro at Tottus Piedra Roja.



We have different tools that allow us to guide the ethical actions of our collaborators and all of those who make up Falabella

Ethics Program

During 2016, the Corporate Legal Affairs and Governance Division created the Ethics Department, which since 2017 is implementing the Ethics Program, whose first two tasks were the updating of the Ethics Code of the Company, today denominated "Integrity Code", and the new Integrity Channel that replaced the old whistleblower channel. Approved in 2017, the code is in force and operative in all the businesses of Falabella and applies to all employees, directors, temporary personnel, contractors and subcontractors. Its goal is to deliver clarity regarding the ethical behavior that Falabella expects from its collaborators, and ensure that Falabella's values are shared and lived by all employees, in order to strengthen a culture of integrity.

To maintain and protect the highest integrity standards, we make available to workers, executives, directors, clients, suppliers and shareholders our Integrity Channel. This platform enables them to conduct queries regarding ethic issues, as well as informing about infractions or non-compliances regarding any applicable law or regulation, or the principles established in the Integrity Code.

We guarantee that all information received through the Integrity Channel will be treated as fully confidential and anonymous. Our employees can file complaints through the Intranet of the Company, a toll-free phone line (800 number), email or personally with the Ethics Department. Shareholders, cli-

ents, suppliers and third parties can file complaints in the web page of the Company through the Integrity Channel link <https://canaldeintegridad.ines.cl/falabella/>.

In 2018, 19 discrimination cases were filed in all the subsidiaries of the Company and, after completing the respective investigations, only six cases were confirmed, with all of them being subject to corrective measures.

During 2018, broadcasting activities were carried out to make the Code and the Integrity Channel known in Brazil, Argentina, Colombia and Peru. The Integrity Channel received 2,024 contacts from all of the countries in which Falabella operates.

1

QUERIES AND COMPLAINTS FROM COLLABORATORS AND THIRD PARTIES

2

MULTIPLE MEDIA AND CONTACT POINTS

- Website
- Intranet
- E-mail
- 800 number
- Personally with the Ethics Department

3

CENTRALIZED MANAGEMENT

Reception and resolution by ethics and governance management

4

RESEARCH & IMPLEMENTATION



Gift Policy

During 2017, the Gift Policy was approved, aiming to establish the general principles and criteria that guide the behavior of all employees at Falabella regarding gifts which, given their role as employees, they can either extend or receive. This way, by the end of 2017 the campaign "A million thanks, but no" was carried out, to raise awareness about the importance of not accepting gifts that may compromise the impartiality of collaborators. This campaign was rerun in October 2018.

Environment

During 2018, important advances were made in the elaboration of an Environmental Policy for Falabella. The Environmental Roundtable, a group that brings together managers and those responsible for the environment at Falabella Retail, Sodimac, Tottus and Mallplaza, held seven working sessions, advancing towards the commitment of implementing a new Environmental Policy and develop and execute a plan to implement Law 20,920 of Extended Producer Responsibility.

As part of the training effort of employees, and in order to permeate this culture of integrity among our collaborators, we carried out communication campaigns and trained our employees, teaching them how to address the main conflicts of interest they may have to face, covering topics such as crime prevention, anti-bribery and free competition, among others. During 2018, over 50,000 employees were trained in anti-corruption, covering 44% of our workforce. Our commitment for 2019 is to conduct communication campaigns regarding our integrity management oriented to our suppliers of own brands.

The following list depicts some of the norms that regulate the behavior of Falabella:

- Risk Control and Management Policy
- Conflicts of Interest Policy
- Sustainability Policy
- Marketing Material Elaboration Policy
- Crime Prevention Model
- Donee Control Protocol
- Policy on Operations with Third Parties
- Information Management and Responsible Marketing, Labeling Manual
- Crime Prevention Control Instructive
- Linio Information Exchange Instructive

During 2018, we advanced in the following norms:

- Customer safety procedure
- Instruction on Protection of Commercially Sensitive Information
- Policy and Program on Protection of Client Rights
- Procedure for Processing and Responding to Customer Complaints
- Crime Prevention Policy
- Anti-Bribery policy and program
- Free Competition Policy and Program
- Instructive for Participation in Trade Associations
- Instructive for the Negotiation with Suppliers for Free Competition

We value and respect human rights and are committed to treat people with justice and dignity

At Falabella we have a firm commitment on the compliance of the regulation of each country in which we operate. As well, Falabella supports the principles consecrated in the United Nations Universal Declaration of Human Rights and the Convention on the Rights of the Child. Falabella, through its subsidiaries, has been incorporating progressively the United Nations Global Compact, ensuring to communicate and comply with its ten fundamental principles that consider human rights, labor regulation, environment and anti-corruption.

The respect for the dignity of each of our collaborators constitutes a fundamental pillar of our corporate integrity, which we commit to protect always. We promote diversity among our teams and thus expect relations between employees to be based on respect and inclusion.

We offer equal opportunities and treatment to all our collaborators in all areas and subsidiaries of our Company, without and arbitrary distinction, as those based on nationality, race, gender, ethnicity, sex, sexual orientation, gender identity, disability or civil state.

We reject all violations to the human rights of our employees or third parties that relate with us, which our internal regulation duly sanctions.

We are committed with the development of alliances with suppliers that share our dedication to conduct their activities in a legal, ethical and socially responsible manner.



**UNFAIR
COMPETITION**

During 2018, there were no legal actions related to unfair competition, monopolistic behavior or anticompetitive practices.



**POLITICAL
CONTRIBUTIONS**

In line with our internal norms and policies, we do not contribute to political campaigns or lobbying organizations.



Due Dilligence on Human Rights Process Sodimac Chile

During 2018, Sodimac in Chile carried out a Due Dilligence Process on Human Rights, in line with the United Nations Guiding Principles on Business and Human Rights. This initiative counts with the participation of the Executive Committee, suppliers, employees, contractors and union leaders

of Sodimac, with 63 interviews and the review of 217 documents. The issues and risks raised in this process were integrated to the Risk Management of the Company, adding a new view regarding the impact on people to the whole prevention and mitigation process conducted by the Company.

Participation in organizations and associations

Falabella participates in different associations and organizations, national and international, seeking to develop strategic alliances with common interests and goals that reinforce sustainability. The total amount contributed during 2018 reached \$1,077 million.

The top three contributions made during 2018 totaled \$489 million. These were made to Chambers of Commerce, Chambers and Associations of Shopping Centers and Universities.

The contribution made to Chambers and Associations of Shopping Centers is a strategic decision, given that we align and share good practices for the benefit of shopping centers, in addition to discussing issues that affect the guild. The amount contributed in 2018 corresponds to \$178 million.

The contribution to Chambers of Commerce, seeks to contribute to economic development in the countries where we operate, through mutual collaboration and trust. We maintain open communication with large and

small companies, with the aim of advancing common and complementary development that will allow us to achieve higher and better standards to project responsible growth in the region. During 2018, the amount contributed corresponds to \$223 million.

Finally, the contribution made to Universities is explained by our interest in training and developing our collaborators, through scholarships and training. The contribution made during 2018 corresponds to \$88 million.





Manage our supply chain

We seek constructive and long-term relationships with our suppliers

Mutual collaboration and trust enable suppliers and companies to grow. We maintain an open communication with our suppliers, providing them with adequate communication channels and fostering in them the development of innovative solutions oriented to the necessities of clients.

- At the close of 2018, our retail businesses reached a total of 27,855 active suppliers²³, 11% less than in 2017.
- No business unit of the Company has suppliers that individually represent more than

10% of the total purchases made during the period for the supply of goods and services of the segment.

The integration of long-term sustainability across the value chain is reinforced by our bet on innovation and a responsible management of the supply chain that prioritizes traceability and transparency as a starting point to develop our social, environmental, health and security policies for products.

We are committed with developing alliances with suppliers that share our dedication to conduct their activities in a legal, ethical and socially responsible manner

During 2018, our Compliance and Governance Department, together with the Governance Department started to work on an Instructive for Negotiating with Suppliers for Free Competition, with the goal to provide specific guidelines of conduct that help our collaborators in their relations and negotiations with suppliers.

This way we are committed to develop alliances with suppliers that share our dedication to conduct their activities in a legal, ethical and socially responsible manner. It is a requisite for our suppliers to comply with labor legislation and operate in accordance with the universal human rights.

- Our retail businesses work with Sedex, the largest platform worldwide in issues related to Social Responsibility in the Supply Chain, that helps companies to reach ethical, labor, environmental, and health and security responsibility standards. Suppliers must commit to comply with the norms of ethical commerce for Sedex members (SMETA).
- 68% of retail suppliers and 78% of real estate suppliers with a contract have Social Responsibility clauses²⁴ whose goal is to specify ethical and human rights conditions in which products must be elaborated.
- While 30% of our total suppliers with a contract have an environmental clause, in the case of home improvement this figure increases to 55% of its suppliers.
- In 2018, over 700 suppliers of our retail businesses were audited on CSR²⁵ practices.

23. Suppliers that had movements/transactions during the year.

24. Vendor Compliance or other.

25. Sedex or any other audit of CSR practices.

Our focus in own brands challenges us to develop an increasingly solid strategy for supplier management

The world of own brands has transformed into a strategic pillar that provides an exclusive portfolio at competitive prices, enabling us to differentiate and deliver a higher value-added to our clients in our different retail units. That is how private

labels continued to increase their share over total sales in the group consistently, reaching 26.3% of total retail sales in 2018, which challenges us to reinforce our commitment with a responsible supply chain.

We believe that sustainable development is only possible if all actors collaborate and advance towards that goal

The Company and its subsidiaries are concerned about timely payment to suppliers, especially SMEs. In 2018, our retail businesses in Chile worked with 6,258 SMEs, which represent close to 58% of total suppliers in Chile and a 113% increase with respect to 2017. 30-day payments were made to 4,458 of these SMEs, equivalent to 71.2% of the total.

Working hand in hand with our suppliers allows us to strengthen our business model and our value chain. For this, it is essential to advance in the total traceability of the chain, to identify potential impacts on human rights in the supply chain, to align with the main global standards and best practices, and to permanently dialogue with our stakeholders.

Globally, 12,706 suppliers were SMEs in 2018 in our retail businesses (excluding Argentina, where this category is not present), representing 46% of the total.

Some of our advances in 2018:

- Our Good Agricultural Practices Program (GAP) in Tottus Peru acquires the most important relevance after training our suppliers and distributors in issues that include product harmlessness, environmental protection and security of people that work during the sowing, fertilization, fumigation, harvest and selection stages.
- Starting on September 2018, our real estate business is carrying out a sustainability assessment as part of the selection process of suppliers that take part in any bidding process. In so far, 104 suppliers have been evaluated and to date no commercial relation has been ended due to these assessments.
- During 2018 we implemented a sanitary and environmental evaluation to our food operators in the food courtyards in Open Chile, and an audit plan was developed which by the end of the year achieved 70% compliance. A monthly environmental assessment is made.



Manage our impact on the environment

We see environmental care as a responsibility to manage our impact and an opportunity to contribute beyond our business to some of the greatest global challenges. Our goal is to promote environmental care, for which we procure to identify, evaluate and manage the environmental effects of our operation, aspiring to minimize them. We want to be a regional referent, which is possible only with the collaboration and involvement of our employees, whom we seek to make a part of this vision.

During 2018, our businesses received the following acknowledgements and awards:

- Acknowledgement from the United Nations Global Compact to Imperial, in the Environment category, for the “Disposal of sawdust waste for biomass”, which stands out among the best practices in sustainability and commitment with the 2030 Agenda, in relation to the Sustainable Development Goals (SDG).
- The United Nations Development Programme (UNDP) presented Tottus Chile with the Ozone Award from the Mon-

treational Protocol 2018, where the work carried out at Tottus Vitacura Alderete and Kennedy highlighted due to its ecological refrigeration system based on CO2 that takes care of the ozone layer and prevents global warming.

- Falabella Chile: in 2018, we signed the Clean Production Agreement (CPA), a public-private alliance through which we committed – together with 29 other companies – to reduce to zero the waste disposal of our Los Dominicos store, both from our production as well as from our services facilities.
- Due to the installation of 3,150 solar panels on the terrace of Mallplaza El Castillo, CELSIA acknowledged Mallplaza as an ally in the development of good practices in environmental management and energy efficiency, in order to contribute to the sustainable development of Colombia.
- Acknowledgement from the Food Bank of Peru, for being one of the five companies that more food donates to the institution.

Extended Producer Responsibility Law (EPR)

In Chile, one of our focuses in 2018 was the integration of the future EPR Law²³ in our daily work. We are one of the five companies in Chile that leads and participates in all roundtables and dialogue instances related to the EPR Law, in order to face the challenges derived from its implementation.

We actively participate in the EPR Law roundtable together with associations as the Chilean Chamber of Commerce, Sofofa²⁴ and AMCHAM²⁵.

23. Framework Law for Waste Disposal, Extended Producer Responsibility and Recycling Promotion.

24. *Sociedad de Fomento Fabril*.

25. Chilean North American Chamber of Commerce.

CIRCULAR ECONOMY – PROJECT FROM FALABELLA RETAIL

To be at the forefront, promoting innovation in the search for systems that go hand-in-hand with the worldwide trend related to the Circular Economy. This is how we did it in Chile during 2018, with the creation of two new projects oriented to improve our waste management. With these projects, we were able to give a new life to materials that were previously

discarded or treated as waste, and whose destination was the landfill: recycling and recuperation of clothes hangers, and recuperation of plastic bags from operations (in Chile). Both projects will be maintained during 2019, adding two more in order to continue giving consistency to our work in this line and deepen the mitigation of our impacts on environment.

Environmentally friendly facilities

Falabella Retail Distribution Center

The new Omnichannel Distribution Center is currently in the process of obtaining the LEED²⁶ Gold certification delivered by the U.S. Green Building Council, a non-profit organization of which we are members.

SUSTAINABLE CONSTRUCTION

65%

of materials used in the construction were from a local origin

29%

of used materials are recycled

89%

of on-site generated waste was recycled



Air renovation system renews 100% of the interior air every four hours

REDUCTION OF OTHER ENVIRONMENTAL ASPECTS

Green Point

134 m²

within the distribution center for recycling of cardboard, plastics and wood

124

bicycle racks and 9 approach buses



Replacement of cardboard boxes with reusable plastic boxes made from recycled material



Over 3,000 m² of green areas, on a land where a clandestine landfill used to be

ENERGY SAVINGS

29%

energy savings thanks to the use of 30 solar panels



Skylight²⁷ system that takes advantage of natural light

LED

illumination, with automated control system for energy savings

WATER SAVINGS

100%

of the water used is extracted from a groundwater and treated at a water treatment facility

33.53%

savings thanks to the low-consumption faucet system

26. LEED: Leadership in Energy & Environmental Design. Sustainable buildings certification system.

27. A skylight is a window located on the rooftop used to admit light.



Constructions increasingly friendly with the environment and the local community

Our businesses have led several initiatives oriented to generate an operational eco-efficiency and minimize the environmental effects of our operations.

We promote a sustainable real estate development with the construction of stores and buildings with LEED certification or eco-friendly²⁸ systems, which in turn generates efficiencies and production increases.

We believe that energy efficiency goes hand-in-hand with sustainable constructions, for which we obtain external certifications to demonstrate our commitment and progress, and we work to ensure that our practices are in line with the best practices in our markets.

- Six of our shopping centers have been built under sustainable construction parameters under the LEED methodology. As of December 2018, two shopping centers have LEED Gold certification, Mallplaza Egaña and Mallplaza Copiapó,

while two shopping centers have LEED Silver certification, Mallplaza Arequipa and Mallplaza Manizales. Mallplaza Los Dominicos and Mallplaza Arica are undergoing the LEED certification process and are close to obtaining it.

- In addition, we have another 23 shopping centers with eco-friendly characteristics in the region.
- As of the end of the year, 32 of our retail stores have LEED certification and 71 have eco-friendly characteristics. This type of construction permits the reduction of energy consumption, on average, by 15% to 20%.
- S.A.C.I. Falabella is a member of the World Green Building Council, a non-profit organization that aims to promote and foster: sustainable construction and development; technological innovation and sustainable building certification; efficient use of energy and the usage of renewable energy;

efficient use of water; usage of construction materials from renewable, recyclable and non-toxic resources and; improve the quality of life of people and the communities.

In addition, before building our stores we make controls and monitor the externalities that we commit to comply, in line with the ranges demanded by regulation and pertinent authorities, and take care to ensure that the activity of the store does not alter the life of the community during the construction stage and later operation.

We present Relevance or Environmental Impact studies in line with regulation. As part of the process, all observations from the Environmental Evaluation Service and other audit entities involved in each of these processes are taken into account. On the other hand, acoustic studies are conducted to count with more demanding levels than those considered by the applicable regulation, which are then checked once the store is operating.



28. Eco-friendly facilities are those that count with LEED criteria, but: (a) not enough in order to be certified or; (b) have not been subject to the certification process.



We seek to promote the efficient use of resources, mainly energy

- In 2017, Falabella signed an alliance with Acciona Energía for the implementation of non-conventional renewable electric energy usage in all the facilities of Empresas Falabella during the following years.
 - » The latter has allowed during 2018 to increase consumption of renewable energy in our retail businesses by 11% with respect to the previous year, representing in 2018 30% of total energy consumption.
 - » In our real estate businesses, renewable energy consumption already represents 67% of total energy consumption.
 - » Adding retail and our shopping and strip centers, renewable energy consumption represents close to 40% of total energy consumption, increasing 14% with respect to the previous year.
- In line with our commitment on energy consumption, during 2018 our retail formats reduced consumption per m² built by 12% reaching a total consumption of 164KWh per m² built.
- On the other hand, our shopping centers reported an energy consumption of 70 KWh per m² built, which represents a 2% reduction with respect to the previous year.





We maintain our commitment on expanding the measurement of our Carbon Footprint

We maintain our commitment on expanding the measurement of our Carbon Footprint in order to control and ensure the reduction of direct and indirect emissions. We continue working in the process of standardizing procedures to capture and control information for Scopes 1 and 2.

- Sodimac Chile and Colombia once more measured their carbon footprint, which has fostered initiatives to increase the use of non-conventional renewable energy (NCRE). Sodimac will have solar panels in 58 facilities in Chile (80% of total facilities) between 2017 and 2019 seeking to supply 34% of energy consumption from renewable energy. Said panels are expected to reduce 20 thousand tons of CO₂ emissions to the atmosphere.
- During the year, at Falabella Retail, through the Carbon Footprint program from the Ministry of Environment, the quantification of the carbon footprint of 25 stores was carried out for Scopes 1 and 2, increasing from 12 stores in 2017.
- In 2019, the quantification of the carbon footprint of Tottus in the year 2018 will be completed, which will imply measuring Scopes 1, 2 and residuals in 3.
- In Peru, Open is the first shopping center chain to invest in the preservation of natural areas through the purchase of Carbon Credits. Open Plaza Pucallpa, located in the Peruvian Jungle, is the first carbon-free construction, as 8,000 Carbon Credits were purchased at the end of its construction, neutralizing its carbon footprint.
- At Falabella Inmobiliario and Open Peru, there is a real commitment with climate change. From this perspective, during the last years the carbon footprint has been measured in the operations of the Chilean shopping centers. In order to quantify direct emissions, the latter considered CO₂ emissions from the use of fossil fuel (diesel) in the backup power generator and the firefighting motor system. The quantification of indirect emissions considered the use of electricity (Kw/h) and waste disposal in landfills. In Peru, the carbon footprint is not measured. Work is being done since 2018 with an environmental expert advisor who is analyzing measurements in order to prepare a reduction plan.



We are committed to take charge of the waste we produce

As a Company, we are committed to take charge of the waste we generate, fostering recycling initiatives and recycling points.

- In 2018, Tottus Chile entered the “Zero Waste Clean Production Agreement”, which seeks to reduce the waste disposed in landfills. During the year, pilots were conducted at two stores in Chile. At the same time, we actively involved ourselves in two roundtables. The first one, at a guild level in the Chilean Supermarkets Association, as part of the Packaging Technical Committee. The second one, through the Chamber of Commerce of Santiago, integrating the Electric and Electronic Appliance Waste roundtable, which has a public-private character, and for whose participation we were invited to Spain in representation of our guild in order to learn and share best practices.
- Sorepa S.A. certified that during 2018 it received 7,661,003 kilograms of cardboard recuperated by Hipermercados Tottus S.A.
- Tottus Peru has alliances with three strategic partners: Food Bank of Peru (BAP), Bioconvertin and Biolis, specialized in waste management, with the aim of reducing the impact of our operations and create value to the community. BAP recovers from our main stores and distribution center products that have lost commercial value in order to distribute them to charities, thus feeding over 170 thousand people in a vulnerable situation. On the other hand, Bioconvertin transforms our products that are no longer edible into bird and fishmeal. In turn, Biolis recycles the non-edible cooking oil as airplane bio-fuel.
- At Falabella Retail, catalogs, tickets and product boxes from Falabella.com were elaborated with PEFC and FSC certified raw materials, so they come from renewable forests. In addition, we ensure to provide our clients with reusable bags.
- In April 2018, Sodimac eliminated in Chile the use of plastic bags for purchases, which is equivalent to 46 million bags, or 471 tons. This decision adds to several other measures like carbon neutral delivery during Cyber Monday.
- The National Network of Recycling Points at Sodimac stores in Chile recycled over 3.1 tons of waste, surpassing 680 thousand visits from clients and the community. At the close of the year, this network had 17 recycling points distributed throughout Santiago and regions. In addition, Sodimac signed an alliance with a communications company in order to incorporate an electronic recycling space to the network, enabling the recycling of cell phones, tablets and cables.
- In our strip and power centers, regarding the determination of waste in order to have special warehouses for hazardous and non-hazardous waste, in 2018 started the separation of recoverable waste destined to sanitary landfills, and for the year 2019 hard work is being done to implement RESPEL and SUSPEL warehouses, and quantify and declare hazardous waste.

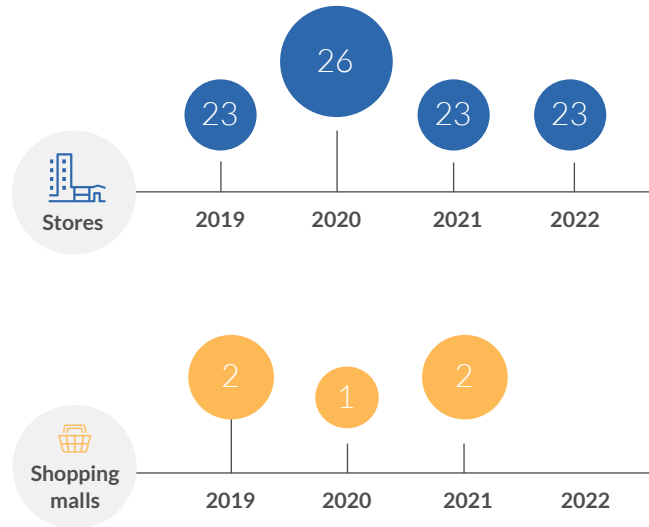
Investment plan

Falabella is constantly looking for investment opportunities that contribute to the wellbeing of its customers, generate synergies in existing operations or are attractive for the Company from a strategic standpoint. Each investment is researched and evaluated based on cash flow projections and strategic value. Financing policies are established for each particular case, always following guidelines approved by the Board of Directors.

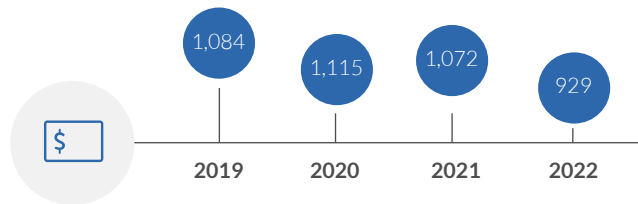
In January 2019, the Company announced a new US\$ 4,200 million organic investment plan for the 2019-2022 period. The use of these resources is focused mainly in the development of information technology (IT) and logistics, to continue advancing in the development of a digital services ecosystem.

Specifically, this plan considers approximately 37% of resources for these goals, allowing the Company to achieve efficiencies in operations, deepen client knowledge and supply customers both in store sales as well as through the internet. In turn, 34% of resources will be oriented to new store and shopping center openings, focusing mainly in regions where the Company has a small presence or none at all. Finally, the remaining 29% will be invested in expansions and remodeling, boosting the existing store network and aiming to offer a better service level. All these investments are designed to solve the lives of customers and offer a consistent shopping experience across all channels.

Store and shopping center openings plan



Investment plan (US\$ millions)

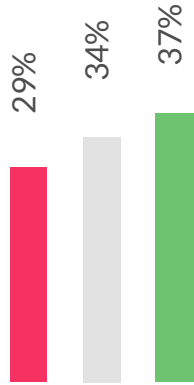


Note: the investment plan includes 100% of the investments of Falabella and its subsidiaries, including Sodimac Colombia, Sodimac Mexico and CMR Mexico, which do not consolidate.



“Falabella is undertaking today the investments that will support the future growth of the Company. We are building an ecosystem of integrated services, which enables us to serve our clients in the region whenever they want and in the format they choose.”

Gaston Bottazzini, CEO Falabella



US\$ 4.2 bn
Investment plan

5
Shopping centers

95
Stores

- Remodelling and expansión of existing Stores and Shopping Malls
- New Stores and Shopping Malls
- IT, Logistics and Others



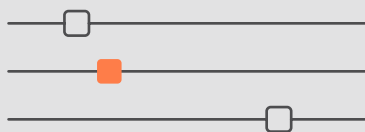




Karen, Alejandro, Paola and Ricardo at Tottus Piedra Roja.



Corporate Governance



- Board of Directors
- Director's Committee

- Management
- Ownership and Control



Board of Directors

The Board of Directors of Falabella is composed of nine members that sit on the Board for three-year terms since the date of election. They can be re-elected indefinitely. The Board does not contemplate alternate directors.

The current members of the Board were elected in the April 25, 2017, Ordinary Shareholders' Meeting for the statutory period of three years.

As of December 31, 2018, the Board of Directors of Falabella was comprised of the following members:

Directorio

RUT	Name	Position	Occupation	Director since	2018 attendance
9.585.749-3	Carlo Solari Donaggio	Chairman	Civil Engineer	2011	20
7.017.522-3	Juan Carlos Cortés Solari	Vice Chairman	Business Administrator	2002	20
5.718.666-6	Hernán Büchi Buc	Director (Independent)	Civil Engineer	1996	19
5.082.229-K	Sergio Cardone Solari	Director	Business Administrator	1986	18
5.898.685-2	Juan Pablo del Río Goudie	Director	Architect	2017	19
4.773.832-6	José Luis del Río Goudie	Director	Civil Engineer	2003	16
8.717.000-4	Carlos Heller Solari	Director	Agricultural Engineer	2002	13
7.005.097-8	María Cecilia Karlezi Solari	Director	Entrepreneur	2003	17
8.506.868-7	Paola Cúneo Queirolo	Director	Business Administrator	2014	19

Notes: **Carlo Solari Donaggio** is Chairman of the Board since 2014.

Juan Carlos Cortés is Vice Chairman of the Board since 2014.

During 2018 the Board met 20 times. Regarding the composition of the Board of Directors, seven members are men and two women, all Chilean nationals.

The following tables set forth the number of Board members by age range and years served as Director.

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

Service years	Directors
Less than 3 years	1
Between 3 and 6 years	1
Between 6 and 9 years	1
Between 9 and 12 years	0
More than 12 years	6

Directorio





1. Carlo Solari Donaggio Chairman	4. Sergio Cardone Solari Director	7. Carlos Heller Solari Director
2. Juan Carlos Cortés Solari Vice-Chairman	5. Juan Pablo del Río Goudie Director	8. María Cecilia Karlezi Solari Director
3. Hernán Büchi Buc Director Independiente	6. José Luis del Río Goudie Director	9. Paola Cúneo Queirolo Director

Comité de Directores

Hernán Büchi Buc Presidente del Comité	Sergio Cardone Solari	José Luis del Río Goudie
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Falabella Board Compensation – 2018 (M\$)

R.U.T.	Director	Fixed compensation	Variable compensation	Total 2018
9.585.749-3	Carlo Solari Donaggio	222,884	356,715	579,599
7.017.522-3	Juan Carlos Cortés Solari	18,121	178,358	196,478
5.718.666-6	Hernan Buchi Buc	17,939	178,358	196,297
5.082.229-K	Sergio Cardone Solari	18,121	178,358	196,478
5.898.685-2	Juan Pablo del Río Goudie	18,121	178,358	196,478
4.773.832-6	Jose Luis del Río Goudie	18,121	178,358	196,478
8.717.000-4	Carlos Heller Solari	18,121	178,358	196,478
7.005.097-8	María Cecilia Karlezi Solari	18,121	178,358	196,478
8.506.868-7	Paola Cuneo Queirolo	18,121	178,358	196,478
Total		367,667	1,783,577	2,151,245

Falabella Board Compensation – 2017 (M\$)

R.U.T.	Director	Fixed compensation	Variable compensation	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

**Falabella Director Compensation in subsidiaries - 2018 (M\$):**

R.U.T.	Director	Dinalsa	Malls	Sodimac	FIF	Retail	Total 2018
9.585.749-3	Carlo Solari Donaggio	18,108	32,634	9,068	18,115	18,121	96,045
7.017.522-3	Juan Carlos Cortés Solari	54,360	-	-	-	-	54,360
5.082.229-K	Sergio Cardone Solari	-	65,267	-	18,115	18,121	101,503
4.773.832-6	Jose Luis del Río Goudie	-	-	18,271	-	-	18,271
8.717.000-4	Carlos Heller Solari	-	-	-	-	72,485	72,485
7.005.097-8	María Cecilia Karlezi Solari	7,488	-	18,271	-	7,485	33,244
8.506.868-7	Paola Cuneo Queirolo	-	-	18,271	-	-	18,271
5.898.685-2	Juan Pablo del Río Goudie	-	-	108,974	-	-	108,974
Total		79,956	97,901	172,855	36,230	116,213	503,154

Falabella Director Compensation in subsidiaries - 2017 (M\$):

R.U.T.	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	-	0	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	-	-	-	-	0	0
4.773.832-6	José Luis del Río Goudie	-	-	17,867	-	0	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

The Board did not contract any advisors during 2018.

Board Committees

Directors' Committee

At the Ordinary Shareholders' Meeting dated April 25, 2017, all the Board was renewed, for the statutory three-year period. At said meeting, Mr. Hernán Büchi Buc was elected independent Director (henceforth, the "Independent Director"). At the Ordinary meeting of the Board of the same date, and in accordance with what is established in article 50 bis of the Stock Corporations Law, the Independent Director appointed Mr. Sergio Cardone Solari and Mr. José Luis del Río Goudie as members of the Audit Committee. This way, and as of the aforementioned date, the Committee is comprised by the abovementioned Directors and is chaired by the Independent Director.

The expense budget for the Committee and the compensation of each of its members for the period comprised between the ordinary shareholders' meetings of the years 2018 and 2019 were determined by the shareholders of the Company at their ordinary session dated April 24, 2018, as follows:

The expense budget was set as an amount equivalent to the sum of the annual compensation of the members of the Committee;

The compensation of each member of the Committee was set as: i) a fixed amount equivalent in pesos to one third of the monthly compensation of a Director, for each session of the Committee attended by the respective member, and in the case of the chairman of the Committee, plus a monthly fixed compensation equivalent in pesos to 100 gross UF (unidades de fomento - inflation indexed currency) for each month or its fraction during the time served at the position since its election; plus, ii) in addition to the fixed compensation described in the previous point, an annual variable compensation for the amount in pesos equivalent to one third of the annual variable compensation of a Director; considering that all of the above amounts are in addition to those to which the members of the Committee are entitled given their position as Directors in the Board; and,

The Committee was also empowered to contract professional advisory for the development of its functions.

During the 2018 exercise, there were no expenses charged against the advisory budget of the Committee.

Meetings

During 2018, the Committee met eight times, on February 26, May 14, June 26, July 3, August 28, November 27 and December 17.

Matters addressed

At the sessions held during 2018, the Committee devoted itself to learn about the matters of its competence. Among other things indicated on article 50 of the Stock Corporations Law and that were entrusted by the Board to the Committee, it:

Examined the balance sheet and the rest of the quarterly and annual financial statements of the Company, including the reports presented by senior management of the Company as well as by the external auditors, ruling on them prior to their presentation to the Board and, when applicable, to the shareholders, for approval;

Proposed to the Board names for the selection of the external auditors and private risk rating agencies, which were, in turn, proposed to the shareholders' meeting;

Informed the Board with respect to the convenience of hiring the external auditors of the Company for the provision of non-audit services, in terms contemplated in number six of subsection eight of article 50 bis of the Stock Corporations Law;

Examined the information related to the operations referred to in Title XVI of the Stock Corporations Law, and in the context of the Company's capital increase process agreed upon at the extraordinary



shareholders' meeting dated August 20, 2018, presented, in accordance with the law, a report with respect to the operation with a related party called "Collaboration Agreement", between the Company and Inversiones Los Olivos S.A., copy of which was sent to the Board. Said operation was finally approved by the shareholders in the aforementioned meeting;

Learned about the progress of the audit plan and audit processes of the Company and its subsidiaries, as well as the internal control report presented by the external auditors of the Company;

Reviewed and learned about the reports presented by the Internal Audit Department of the Company, and, approved the internal audit plan for the Company for 2019.

During the session dated February 26, 2018, the Committee evaluated the service proposals received from external audit companies for the 2018 exercise and proposed the Board, which in its turn proposed to the shareholders, a pair from which to choose the external auditors from the following companies, in the order in which they are named: i) first, Ernst & Young Servicios Profesionales de Auditoría y Asesorías Limitada (henceforth "EY"), and, ii) in second place, Deloitte Auditores y Consultores Limitada.

Regarding the proposal from EY, the Committee left record of considering it as a first priority based on the following professional aspects and of the service proposal from EY:

- The quality of the professional team in charge of the Company's audit;
- The Company's past working experience with EY;
- The international presence of EY in the countries in which the Company and its subsidiaries operate;

- The economic proposal for the audit services; and,
- The recent incorporation of new countries and businesses that need a correct settlement in the audit process.

During the same aforementioned session, the Committee approved to propose to the Board the following designation of risk rating agencies for the publicly traded securities issued by the Company:

To maintain Fitch Chile Clasificadora de Riesgo Limitada and Feller-Rate Clasificadora de Riesgo Limitada as risk rating agencies for the stock, bonds and commercial paper issued by the Company in Chile; and,

Maintain as well risk rating agencies Standard & Poor's and Fitch Ratings for the rating of securities issued abroad.

Members and meeting attendance:

Director	Attendance 2018	Attendance 2017
Hernán Büchi Buc (Chairman)*	8	6
Sergio Cardone Solari	7	6
José Luis del Río Goudie	7	5

Compensation of the Directors' Committee (M\$)

R.U.T.	Director	Fixed portion	Variable portion	Total 2018	Total 2017
5.082.229-K	Sergio Cardone Solari	3,057	59,453	62,510	60,572
5.718.666-6	Hernán Büchi Buc	36,115	59,453	95,567	92,433
4.773.832-6	Jose Luis del Río Goudie	3,550	59,453	63,003	60,073
Total				221,080	213,078

*Independent board member





Christian, Natalia, Pedro and Sandra at Sodimac Ñuñoa.



Strategy Committee

The Strategy Committee aims to evaluate and make proposals to the Board regarding industry trends and their implications for Falabella, as well as the strategic opportunities presented by the business with a mid to long-term focus.

As well, the Strategy Committee deepens on the guidelines of the corporate strategic plan and those of the business units. In this line, the Committee proposes improvements to strategic plan proposals presented by the CEO.

Together with the latter, the role of the Committee is to assess investments and divestments, and make proposals regarding the Company's investment and risk management policies. Moreover, the Committee is responsible for leading the analysis and the development of proposals in critical issues at the request of the Board.

The Strategy Committee met three times during 2018.

Members and attendance:

Director	Attendance 2018	Attendance 2017
Carlo Solari Donaggio (Chairman)	3	3
Juan Carlos Cortés Solari	2	2
Sergio Cardone Solari	2	3
José Luis del Río Goudie	2	3
Paola Cúneo Queirolo	3	2
Juan Pablo del Río Goudie	3	2
Cecilia Karlezi Solari	2	-

Compensation and Talent Committee

The Committee analyzes compensation, evaluation and talent management policies, and when appropriate reviews nominations of Board members for the subsidiaries.

Regarding compensation, the Committee analyzes and proposes compensation policies for Directors of the Company and its relevant subsidiaries, evaluating the long-term incentives to be delivered during the year.

In relation to evaluations, the Committee ensures the correct implementation of the performance review of the senior executives in the Company.

In addition to the latter, the Committee reports periodically about the key issues in talent management and nominations within the organization.

The Committee proposes guidelines relative to succession plans for the CEO and senior executives, and monitors the performance of key executives.

The Compensation and Talent Committee met twice during 2018.

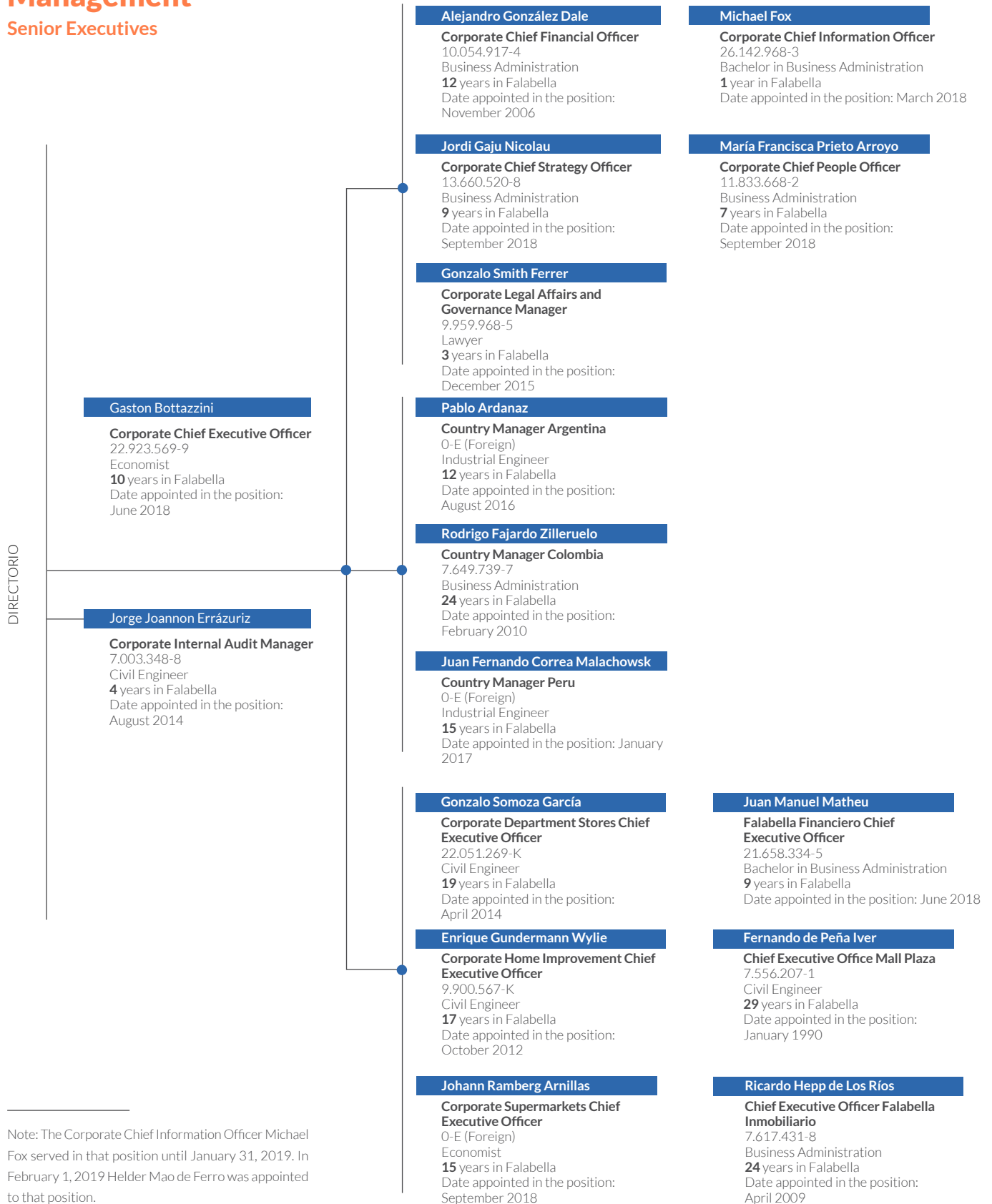
Members and attendance:

Directors	Attendance 2018	Attendance 2017
Juan Carlos Cortés Solari (Chairman)	2	1
Carlo Solari Donaggio	2	3
Juan Pablo del Río Goudie	2	2
Carolina del Río Goudie	-	1
Sergio Cardone Solari	-	1



Management

Senior Executives



Note: The Corporate Chief Information Officer Michael Fox served in that position until January 31, 2019. In February 1, 2019 Helder Mao de Ferro was appointed to that position.



Management

As of December 31, 2018, no senior executive or Director (who is not part of the controlling pact, disclosed further on) owns more than 0.5% of the Company on an individual basis. As a group the combined stake does not exceed 0.5% of the property.

Regarding the composition of the senior executive team, nine are Chilean and seven are foreigners, while fifteen are men and one is a woman.

The following tables set forth the number of senior executives according to their age and years in the Company.

Incentive plans

The Company gives its employees certain incentives as performance bonuses in addition to their salary. These incentives are calculated based on results obtained and goals set at the beginning of each period. Also, compensation plans for executives based on stock options from the Parent Company have been implemented. For more information about stock options, please see Note 21 d) of the Company's Consolidated Financial Statements as of December 2018.

Senior executives by age range

Age (years)	Senior executives
Under 30	0
Between 30 and 40	0
Between 41 and 50	12
Between 51 and 60	2
Between 61 and 70	2
Over 70	0

Senior executives by service years

Service years	Senior executives
Less than 3 years	1
Between 3 and 6 years	2
Between 6 and 9 years	2
Between 9 and 12 years	3
More than 12 years	8



Ownership and Control

Controlling Group

The Company is controlled by the shareholder groups mentioned further on. As of December 31, 2018, the controlling group owns 70.98% of the stock. The aforementioned controllers have a joint action agreement as per the Shareholders' Pact subscribed on September 24, 2013. Said pact contains limitations to the free disposal of shares.

AUGURI GROUP	RUT	N° Shares	%
María Cecilia Karlezi Solari	7.005.097-8	14,000,000	0.56%
Inversiones Auguri Limitada	78.907.330-9	37,533,331	1.50%
This Company is controlled by the natural persons mentioned below:			
• María Cecilia Karlezi Solari	7.005.097-8		
• Sebastian Arispe Karlezi	15.636.728-1		
Lucec Tres S.A.	99.556.440-8	267,803,642	10.67%
This Company is controlled by the natural persons mentioned below:			
• María Cecilia Karlezi Solari	7.005.097-8		
• Sebastian Arispe Karlezi	15.636.728-1		
BETHIA			
Bethia S.A.	78.591.370-1	235,408,055	9.38%
This Company is controlled by the natural persons mentioned below:			
• 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 S.A.	85.487.000-9	2,678,697	0.11%
This Company is controlled by the natural persons mentioned below:			
• 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			
	RUT	N° Shares	%
Juan Carlos Cortes Solari	7.017.522-3	2,081,442	0.08%
Teresa Matilde Solari Falabella	4.661.725-8	2,229,487	0.09%
Maria Francisca Cortes Solari	7.017.523-1	2,082,186	0.08%
Inversiones Mapter Dos S.A.	76.839.460-1	6,180,193	0.25%
This Company is controlled by the natural persons mentioned below:			
• Teresa Matilde Solari Falabella	4.661.725-8		
• Juan Carlos Cortes Solari	7.017.522-3		
• Maria Francisca Cortes Solari	7.017.523-1		
Inversiones Quitafal Limitada			
	76.038.402-K	18,300,200	0.73%
This Company is controlled by the natural persons mentioned below:			
• Teresa Matilde Solari Falabella	4.661.725-8		
• Juan Carlos Cortes Solari	7.017.522-3		
• Maria Francisca Cortes Solari	7.017.523-1		
Inversiones Don Alberto Cuatro SpA			
	99.552.470-8	151,079,494	6.02%
This Company is controlled by the natural persons mentioned below:			
• Teresa Matilde Solari Falabella	4.661.725-8		
• Juan Carlos Cortes Solari	7.017.522-3		
• Maria Francisca Cortes Solari	7.017.523-1		
Mapcor Cuatro S.A.			
	99.556.480-7	108,247,346	4.31%
This Company is controlled by the natural persons mentioned below:			
• Teresa Matilde Solari Falabella	4.661.725-8		
• Juan Carlos Cortes Solari	7.017.522-3		
• Maria Francisca Cortes Solari	7.017.523-1		
SAN VITTO GROUP			
Inversiones San Vitto Limitada	77.945.970-5	243,698,146	9.71%
This Company is controlled by the natural persons mentioned below:			
• 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	8,852,268	0.35%
This Company is controlled by the natural persons mentioned below:			
• Piero Solari Donaggio	9.585.725-6		
• Sandro Solari Donaggio	9.585.729-9		
• Carlo Solari Donaggio	9.585.749-3		

SAN VITTO GROUP			
	RUT	N° Acciones	%
Asesorias e Inversiones Barolo Limitada	78.907.350-3	8,852,288	0.35%
This Company is controlled by the natural persons mentioned below:			
• Piero Solari Donaggio	9.585.725-6		
• Sandro Solari Donaggio	9.585.729-9		
• Carlo Solari Donaggio	9.585.749-3		
Asesorias e Inversiones Sangiovese Limitada	78.907.390-2	8,852,248	0.35%
This Company is controlled by the natural persons mentioned below:			
• 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 natural persons mentioned below:			
• Sandro Solari Donaggio	9.585.729-9		
LIGURIA GROUP			
Inversiones Los Olivos S.A.	76.360.576-0	224,246,270	8.94%
This Company is controlled by the natural persons mentioned below:			
• Juan Cuneo Solari	3.066.418-3		
• Paola Cuneo Queirolo	8.506.868-7		
• Giorgianna Cuneo Queirolo	9.667.948-3		
AMALFI GROUP			
Importadora y Comercializadora Amalfi SpA	87.743.700-0	45,224,102	1.80%
This Company is controlled by the natural persons mentioned below:			
• Sergio Cardone Solari	5.082.229-K		
• Ines Fantuzzi	6.066.811-6		
• Macarena Cardone	10.091.903-6		
• Matias Cardone	10.091.901-K		
• Valentina Cardone	15.642.572-9		
• Josefina Cardone	17.406.681-7		
• Francisco de Pablo	12.265.592-K		
• Cristian de Pablo	12.585.617-9		
• Nicolas de Pablo	13.550.768-7		



AMALFI GROUP	RUT	N° Shares	%
Inversiones Vietri S.A.	76.182.636-0	11,217,037	0.45%
This Company is controlled by the natural persons mentioned below:			
• Sergio Cardone Solari	5.082.229-K		
• Ines Fantuzzi	6.066.811-6		
• Macarena Cardone	10.091.903-6		
• Matias Cardone	10.091.901-K		
• Valentina Cardone	15.642.572-9		
• Josefina Cardone	17.406.681-7		
• Francisco de Pablo	12.265.592-K		
• Cristian de Pablo	12.585.617-9		
• Nicolas de Pablo	13.550.768-7		
DERSA GROUP			
Dersa S.A.	95.999.000-K	138,024,501	5.50%
This Company is controlled by the natural persons mentioned below:			
• Jose Luis del Rio Goudie	4.773.832-6		
• Barbara del Rio Goudie	4.778.798-K		
• Juan Pablo del Rio Goudie	5.898.685-2		
• Felipe del Rio Goudie	5.851.869-7		
• Ignacio del Rio Goudie	6.921.717-6		
• Sebastian del Rio Goudie	6.921.716-8		
• Carolina del Rio Goudie	6.888.500-0		
DT Carrera S.A.	76.338.127-7	34,660,829	1.38%
This Company is controlled by the natural persons mentioned below:			
• Felipe del Rio Goudie	5.851.869-7		
• Mariana de Jesus Arteaga Vial	6.695.852-3		
• Luis Felipe del Rio Arteaga	13.234.925-8		
• Andres Antonio del Rio Arteaga	14.118.360-5		
• Martin del Rio Arteaga	15.642.668-7		
• Javier del Rio Arteaga	16.605.546-6		
• Jose Pablo del Rio Arteaga	17.703.172-0		
• Mariana Teresita Carmen del Rio Arteaga	18.641.820-4		
Quilicura S.A.	76.338.077-7	22,185,599	0.88%
This Company is controlled by the natural persons mentioned below:			
• Jose Luis del Rio Goudie	4.773.832-6		
• Barbara del Rio Goudie	4.778.798-K		
• Juan Pablo del Rio Goudie	5.898.685-2		
• Felipe del Rio Goudie	5.851.869-7		
• Ignacio del Rio Goudie	6.921.717-6		
• Sebastian del Rio Goudie	6.921.716-8		
• Carolina del Rio Goudie	6.888.500-0		

DERSA GROUP	RUT	N° Shares	%
El Roquerio S.A.	76.338.125-0	22,185,599	0.88%
This Company is controlled by the natural persons mentioned below:			
• Jose Luis del Rio Goudie	4.773.832-6		
• Barbara del Rio Goudie	4.778.798-K		
• Juan Pablo del Rio Goudie	5.898.685-2		
• Felipe del Rio Goudie	5.851.869-7		
• Ignacio del Rio Goudie	6.921.717-6		
• Sebastian del Rio Goudie	6.921.716-8		
• Carolina del Rio Goudie	6.888.500-0		
DT D y D S.A.	76.338.126-9	32,450,434	1.29%
This Company is controlled by the natural persons mentioned below:			
• Juan Pablo del Rio Goudie	5.898.685-2		
• Patricia Edwards Braun	5.711.271-9		
• Elisa del Rio Edwards	12.628.617-1		
• Diego del Rio Edwards	13.234.004-8		
• Ana del Rio Edwards	13.435.488-7		
• Pedro del Rio Edwards	15.382.612-9		
• Sara del Rio Edwards	15.641.769-6		
• Paula del Rio Edwards	16.371.405-1		
BFD S.A.	76.338.129-3	22,185,599	0.88%
This Company is controlled by the natural persons mentioned below:			
• Jose Luis del Rio Goudie	4.773.832-6		
• Barbara del Rio Goudie	4.778.798-K		
• Juan Pablo del Rio Goudie	5.898.685-2		
• Felipe del Rio Goudie	5.851.869-7		
• Ignacio del Rio Goudie	6.921.717-6		
• Sebastian del Rio Goudie	6.921.716-8		
• Carolina del Rio Goudie	6.888.500-0		
DT Peñuelas S.A.	76.338.177-3	32,448,233	1.29%
This Company is controlled by the natural persons mentioned below:			
• Carolina del Rio Goudie	6.888.500-0		
• Victor Pucci Labatut	6.474.224-8		
• Victor Pucci del Rio	15.643.671-2		
• Pablo Pucci del Rio	15.637.474-1		
• Rodrigo Pucci del Rio	16.371.133-8		
• Felipe Pucci del Rio	18.392.648-9		
Las Mariposas S.A.	76.338.144-7	5,144,938	0.21%
This Company is controlled by the natural persons mentioned below:			
• Ignacio del Rio Goudie	6.921.717-6		



DERSA GROUP	RUT	N° Shares	%
Inversiones Vitacura S.A.	88.494.700-6	5,376,695	0.21%
Esta sociedad es controlada por las personas naturales que se indican a continuación:			
• Jose Luis del Rio Goudie	4.773.832-6		
• Barbara del Rio Goudie	4.778.798-K		
• Juan Pablo del Rio Goudie	5.898.685-2		
• Felipe del Rio Goudie	5.851.869-7		
• Ignacio del Rio Goudie	6.921.717-6		
• Sebastian del Rio Goudie	6.921.716-8		
• Carolina del Rio Goudie	6.888.500-0		
Inversiones Austral Limitada	94.309.000-9	14,255,119	0.57%
Esta sociedad es controlada por las personas naturales que se indican a continuación:			
• Jose Luis del Rio Goudie	4.773.832-6		
• Barbara del Rio Goudie	4.778.798-K		
• Juan Pablo del Rio Goudie	5.898.685-2		
• Felipe del Rio Goudie	5.851.869-7		
• Ignacio del Rio Goudie	6.921.717-6		
• Sebastian del Rio Goudie	6.921.716-8		
• Carolina del Rio Goudie	6.888.500-0		
Inpesca S.A.	79.933.960-9	49,343,681	1.97%
Esta sociedad es controlada por las personas naturales que se indican a continuación:			
• Jose Luis del Rio Goudie	4.773.832-6		
• Barbara del Rio Goudie	4.778.798-K		
• Juan Pablo del Rio Goudie	5.898.685-2		
• Felipe del Rio Goudie	5.851.869-7		
• Ignacio del Rio Goudie	6.921.717-6		
• Sebastian del Rio Goudie	6.921.716-8		
• Carolina del Rio Goudie	6.888.500-0		
Inversiones D y D Cuatro SpA	76.156.657-1	1,425,333	0.06%
Esta sociedad es controlada por las personas naturales que se indican a continuación:			
• Juan Pablo del Rio Goudie	5.898.685-2		
• Patricia Edwards Braun	5.711.271-9		
• Elisa del Rio Edwards	12.628.617-1		
• Diego del Rio Edwards	13.234.004-8		
• Ana del Rio Edwards	13.435.488-7		
• Pedro del Rio Edwards	15.382.612-9		
• Sara del Rio Edwards	15.641.769-6		
• Paula del Rio Edwards	16.371.405-1		

DERSA GROUP	RUT	N° Shares	%
Inversiones Alcohuz SpA	76.156.962-7	962,651	0.04%
This Company is controlled by the natural persons mentioned below:			
• Felipe del Rio Goudie	5.851.869-7		
• Mariana de Jesus Arteaga Vial	6.695.852-3		
• Luis Felipe del Rio Arteaga	13.234.925-8		
• Andres Antonio del Rio Arteaga	14.118.360-5		
• Martin del Rio Arteaga	15.642.668-7		
• Javier del Rio Arteaga	16.605.546-6		
• Jose Pablo del Rio Arteaga	17.703.172-0		
• Mariana Teresita Carmen del Rio Arteaga	18.641.820-4		
Inversiones Gueimen SpA	76.156.978-3	1,105,574	0.04%
This Company is controlled by the natural persons mentioned below:			
• Carolina del Rio Goudie	6.888.500-0		
• Victor Pucci Labatut	6.474.224-8		
• Victor Pucci del Rio	15.643.671-2		
• Pablo Pucci del Rio	15.637.474-1		
• Rodrigo Pucci del Rio	16.371.133-8		
• Felipe Pucci del Rio	18.392.648-9		
Felipe del Rio Goudie	5.851.869-7	7,941	0.00%
Total Controllers		1,780,689,158	70.98%

Equity

As of December 31, 2018, the Company's equity was divided into **2,508,844,629** ordinary shares of only one class, without par value, owned by **1,399 registered shareholders**.

12 Largest Shareholders

Shareholder name or Business name	R.U.T.	N° Shares	% ownership
Lucec Tres S.A.	99.556.440-8	267,803,642	10.67%
Inversiones San Vitto Limitada	77.945.970-5	243,698,146	9.71%
Bethia S.A.	78.591.370-1	235,408,055	9.38%
Inversiones Los Olivos S.A.	76.360.576-0	224,246,270	8.94%
Inversiones Don Alberto Cuatro SpA	99.552.470-8	151,079,494	6.02%
Dersa S.A.	95.999.000-K	138,024,501	5.50%
Banco Santander on behalf of foreign investors	97.036.000-K	136,077,768	5.42%
Banco De Chile on behalf of non-resident third parties	97.004.000-5	113,359,384	4.52%
Banco Itau Corpbanca on behalf of foreign investors	97.023.000-9	112,811,448	4.50%
Mapcor Cuatro S.A.	99.556.480-7	108,247,346	4.31%
Inpesca S.A.	79.933.960-9	49,343,681	1.97%
Importadora y Comercializadora Amalfi SpA	87.743.700-0	45,224,102	1.80%



Ownership changes

In January 2018, Bethia Group sold 1,790,000 shares equivalent to 0.074% of the stock. The sale was done through Bethia S.A., RUT 78.591.370-1.

In March 2018, Dersa Group acquired 554,793 shares of S.A.C.I. Falabella, equivalent to 0.023% of the stock. The purchase was done through DT Carrera S.A., RUT 76.338.127-7, DT DyD S.A., RUT 76.338.126-9 and DT Peñuelas S.A., RUT 76.338.177-3. Each company acquired 184,931 shares, respectively.

In March 2018, Dersa Group sold 20,000,000 shares of S.A.C.I. Falabella, equivalent to 0.822% of the stock. The companies that sold the shares were El Roquerío S.A., RUT 76.338.125-0 and BFD S.A., RUT 76.338.129-3. Each company sold 10,000,000 shares, respectively.

In October 2018, a public auction of 70,669,211 shares of S.A.C.I. Falabella was held on the Santiago Stock Exchange. Of those shares: i) 49,669,211 were new shares issued by S.A.C.I. Falabella; ii) 21,000,000 shares correspond to the secondary sale of shares owned by the controlling group Liguria through their company Inversiones Los Olivos, RUT 76.360.576-0. As a result of the auction the total paid-in capital of S.A.C.I. Falabella reached 2,484,134,314 shares.

In October 2018, after the auction, a preemptive rights option period started which lasted until mid-November 2018. During this period 27,710,315 new shares were paid-in, where the controllers subscribed a total of 12,314,702 new shares according to the following

distribution: i) Amalfi Group subscribed 385,779 new shares through Inversiones Vietri S.A., RUT 76.182.636-0; ii) Auguri Group subscribed 2,182,698 new shares through Lucec Tres S.A., RUT 99.556.440-8 and Inversiones Auguri Ltda, RUT 78.907.330-9, while María Cecilia Karlezi Solari, RUT 7.005.097-8 subscribed directly. Each one subscribed 1,404,051, 578,647 and 200,000 new shares, respectively; iii) Bethia Group subscribed 1,627,345 new shares through Bethia S.A., RUT 78.951.370-1; iv) Corso Group subscribed 1,983,544 new shares through Inversiones Mapter Dos S.A., RUT 76.839.460-1; v) Dersa Group subscribed 2,609,378 new shares through DT Carrera S.A., RUT 76.338.127-7, Quilicura S.A., RUT 76.338.077-7, El Roquerío S.A., RUT 76.338.125-0, DT DyD S.A., RUT 76.338.126-9, BFD S.A., RUT 76.338.129-3, DT Peñuelas S.A., RUT 76.338.177-3, and Las Mariposas S.A., RUT 76.338.144-7. Each company subscribed 463,858, 357,806, 357,806, 437,710, 357,806, 435,509 and 198,883 new shares, respectively; vi) Liguria Group subscribed 1,676,282 new shares through Inversiones Los Olivos S.A., RUT 76.360.576-0; vii) San Vitto Group subscribed 1,849,676 new shares through Asesorías e Inversiones Brunello Limitada, RUT 78.907.380-5, Asesorías e Inversiones Barolo Limitada, RUT 78.907.350-3 and Asesorías e Inversiones Sangiovese Limitada, RUT 78.907.390-2. The first two companies subscribed 616,559 new shares while the third subscribed 616,558 new shares. After the preemptive rights period, the total amount of paid-in shares of the Company reached 2,508,844,629 shares.

Dividend Policy

The Ordinary Shareholders' Meeting has determined as a divided policy to pay on an annual basis at least 30% of the Company's net income of each exercise, paying at least one interim dividend, if the business performance allows for it.

Given the latter, dividends paid during the years 2015, 2016, 2017 and 2018 are set forth in the following table:

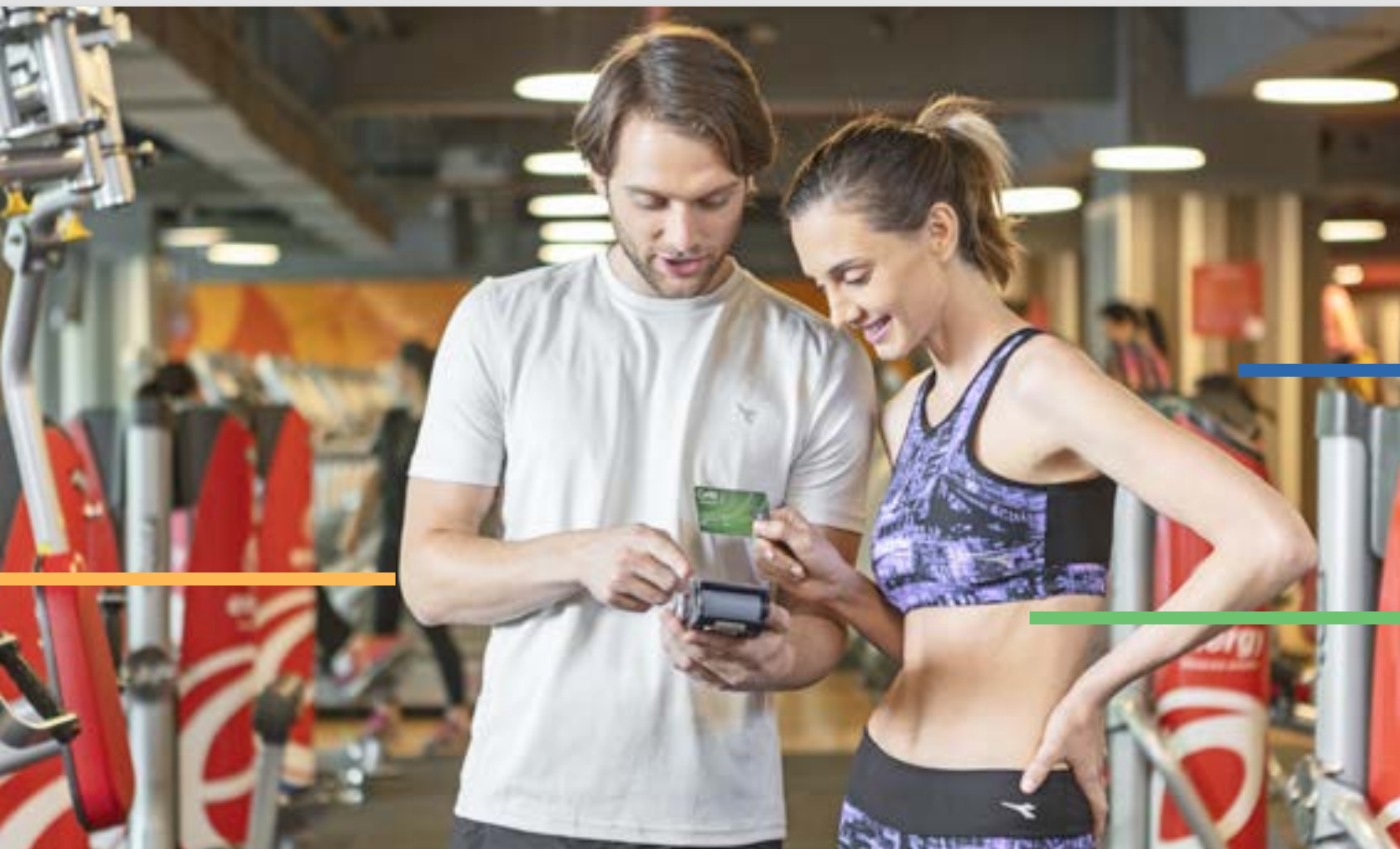
	\$/share
Final dividend N° 36	
Paid in May 2015	47
Interim dividend N° 37	
Paid in October 2015	26
Final dividend N° 38	
Paid in May 2016	54
Interim dividend N° 39	
Paid in November 2016	26
Final dividend N° 40	
Paid in May 2017	54
Interim dividend N° 41	
Paid in November 2017	26
Final dividend N° 42	
Paid in May 2018	54
Interim dividend N° 43	
Paid in January 2019	26





María José, Florentino, Patricia and Isidro at Sodimac Ñuñoa.





Corporate Information

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Company Identification

S.A.C.I. Falabella is a public Company, registered on the Registro de Valores de la Comisión para el Mercado Financiero under N° 582. Its tax ID number (Rol Unico Tributario - RUT) is 90.749.000-9. The principal executive offices are located at: Manuel Rodríguez Norte 730, Santiago, Chile; phone number +562 2380 2000; fax +562 2380 2077; PO BOX 1737; website investors.falabella.com; email address inversionistas@falabella.cl.

The Company was incorporated as “Sociedad Anónima Comercial Industrial Falabella SACIF” by public deed dated March 19, 1937, granted at the Notary Office of Jorge Gaete Rojas and received its permission to incorporate and declared legally installed by Decreto Supremo N° 1,424 dated April 14, 1937. The Company’s bylaws and the aforementioned Decreto Supremo were registered in pages 1,181 and 1,200 under numbers 400 and 401 of the 1937 Commercial Register of Santiago’s Real Estate Registry. As well, the bylaws and the aforementioned decree were published in the Official Gazette on April 27, 1937 and in the Diario La Nación de Santiago newspaper on April 27, 29 and 30 and May 3, 1937.

During the years after its incorporation, the bylaws have been subject to several amendments, including the change of the name to “S.A.C.I. Falabella” by public deed dated December 23, 1970. The last amendment was agreed upon at the Extraordinary Shareholders’ Meeting dated August 20, 2018, in which the shareholders decided to increase the Company’s capital. The minutes were reduced to public deed the same day in the

Notary Office of Santiago Francisco Leiva Carvajal, senior notary public of the Second Notary Office of Santiago. An excerpt of said deed was published in the Official Gazette N° 42,139 dated August 23, 2018 and was registered in page 63,697 number 32,572 of the 2018 Commercial Register of Santiago’s Real Estate Registry.

The Company’s purpose is: 1) to install and operate, directly or through third parties, in the country or abroad, all sorts of commercial establishments, stores and supermarkets, intended for retail trade of all types of products and services, among them: clothing, including raw materials, fabrics, ready-made and tailored clothing, ornaments and accessories, all kinds of hardware goods, household goods and equipment, electric or electronic equipment such as radios, receivers, televisions, computers, cookers, washing machines and others of a similar nature, and in general, all kinds of products and services susceptible to be retailed in large stores, shops and supermarkets; 2) to install and operate, directly or through third parties, in the country or abroad, workshops or factories to prepare or manufacture items subject to be sold on a retail basis; 3) the sale, import, export and commercialization in general of said products; 4) the organization, start-up, development and management, in the country or abroad, directly or through its subsidiaries, of systems for marketing, granting loans and financing retail sales, of all articles, merchandise, products and services to be retailed; 5) undertake, directly or through third parties, in the country or abroad, all kinds of real estate businesses.

Insurance

Falabella and its subsidiaries maintain business property insurance contracts with first class insurance companies that adequately cover the loss or deterioration risks to which its assets are exposed. These insurances cover, among others, buildings, inventories, vehicles, machinery, and warehousing and transport of products for sale. Among the insured risks the Company has specifically included fire and natural disasters such as earthquakes. The property insurance covers loss of profit through an additional coverage for business interruption or suspension. The Company also has insurance policies that adequately cover other operational risks, such as civil liability due to damages to third parties and others related to the banking sector.

Brands and Patents

The Company has registered a large number of brands for products that it sells in the country as well as abroad. To safeguard its brands, the Company relies on the advisory of the law firm Silva & Cia. In addition, the Plaza S.A. subsidiary relies on the advisory of the law firm Porzio, Rios, García y Asociados.

Falabella's main own brands registered and currently in force are:

Falabella, Sodimac, Homecenter, Homecenter Sodimac, Sodimac Constructor, Imperial, Maestro, Homy, Tottus, Precio Uno, CMR, Banco Falabella, Viajes Falabella, Seguros Falabella, Mallplaza, Open Plaza, Linio, Sybil-la, Basement, Blue, Florencia, Harris & Frank, Holley, Mica, Qfeel, Scoop, Stefano Cocci, Textil Viña, Americanino, Newport, Apology,

University Club, Coniglio, Denimlab, Yamp, Doo, Eleven, Robert Allen, Bearcliff, Home Collection, Bauker, Kolor, Mr. Beef, Recco, Ubermann, Wurden, Ozom, Click & Collect and Fratta, among others.

Regulatory Framework

S.A.C.I. Falabella is a publicly traded company and as such is subject to Law 18,046 of Stock Corporations, Law 18,045 on the Securities Market and the regulations from the Financial Market Commission, among others.

On the other hand, the subsidiaries of S.A.C.I. Falabella, depending on the activities they undertake, are subject to the Consumer Protection Act, the General Banking Act, and regulation from the Financial Market Commission and the Superintendency of Banks and Financial Institutions, among others.

Finally, the activities of subsidiaries abroad are subject to the regulation of their respective jurisdictions.

Risks

Falabella and its subsidiaries are exposed to certain risks that may adversely affect its business, operations, assets, results and investments. Therefore, the Company has developed a series of measures and policies to identify, manage and reduce the risks faced by its businesses.

The Company has a Risk Management and Control Policy and an Internal Audit Policy. Both policies apply to S.A.C.I. Falabella and all its subsidiaries.

The main business units of Falabella have risk committees whose purpose is to analyze the potential threats to their respective businesses. These committees meet regularly and are comprised by the senior executives of each business, including the respective CEO, and in some cases Board members. The Directors of Falabella and those of the main business units also analyze the potential risks to the Company in Board meetings, the Directors' Committee and the Audit Committee meetings in the case of some subsidiaries.

Falabella and its main subsidiaries count with internal audit teams that report directly to the Board of each company. These teams perform internal audit based on the audit plans previously approved directly by the Board of each company. The results of these audits are reported to the audited units and the respective Board and are reviewed in the Audit Committee or in the Directors' Committee.

Following is a list of the most important risks faced by Falabella, based on the analysis done by the Company with the available information to date. Should any of these risks actually occur, they could materially and adversely affect Falabella or its subsidiaries, including economic losses and negative reputational effects. The risks faced by Falabella and its subsidiaries do not limit to those described herein. There might be other risks, but given our accumulated experience and current available information, we believe these are the most relevant.



Operational risks:

- **Risk of damage to people or physical assets**

Through the course of business we operate several physical facilities such as stores, shopping centers, distribution centers, call centers and offices, among others. These facilities and assets may experience a series of events that may reduce or impair their productivity or operation, such as fires, flooding, earthquakes, natural disasters and other adverse events. Some of these events, and their effects, may be controlled or contained to a certain extent. The occurrence of these events in our facilities may also hurt or damage the people that attend on a daily basis, such as customers, employees, suppliers, contractors or others. Personal damage that may occur within our facilities could imply legal, economic and reputational impacts for the Company or its subsidiaries. As well, damage to our facilities may impair them temporarily or permanently, resulting in economic losses or negatively affecting revenues and profitability, depending on the extent of the damage and insurance coverage.

- **We may face increasing and disruptive competition in the markets in which we operate**

Competition may increase in the future from current competitors or due to new entrants. An eventual inability to effectively compete against current or new



competitors may result in the loss of market share, lower revenues and margins, or may render our business model or value proposition obsolete in an extreme case.

- **We are exposed to different risks due to our international operations**

Our operational results and financial position depend to a large extent on current economic conditions in the countries in which we operate. These conditions may be affected by a variety of events beyond our control, including economic and other policies imposed by governments, inflation rates and mechanisms used to control it, exchange rate fluctuations, and world and regional economic conditions, among others. Adverse changes in these variables may negatively impact us, our clients and suppliers.

- **The retail sector is sensitive to the economic cycle**

Our revenues are subject to fluctuations in the retail sector and hence, to economic activity cycles. Consumer behavior is affected by many factors, including but not limited to, perception about the general performance of the economy as seen in inflation, growth, and interest rates, among others. The latter may negatively affect the purchasing behavior of our clients and their willingness or ability to pay the loans contracted with us. These may negatively affect our revenues and profitability.

- **We face permanent inventory risk**

We must maintain sufficient inventory levels to operate our businesses successfully, avoiding stock-outs and excess inventory. Generally suppliers need long lead times to comply with product orders. This implies putting purchase orders long before these products are offered for sale. Thus, precise demand anticipation and lead time estimates are necessary to ensure adequate inventory levels. In addition, weather and seasonality affect the results of several business units. When preparing for peak-demand seasons, inventory must be increased above average levels. Any unforeseen reductions in demand, errors in demand forecast or supplier delays may adversely affect our results, and we may be forced to apply commercial strategies to compensate or mitigate these situations.

- **Our relation with suppliers leads us to face several risks**

We work with important suppliers which are key to our provision. If our current suppliers stopped selling or licensing products, content, components or services to us on acceptable terms, or if we face delays in delivery as a result of their bankruptcy due to negative economic conditions, natural disasters or other causes, we may not be able to obtain alternative products from other suppliers in a timely and efficient manner and on acceptable terms. Moreover, if our sup-

pliers violate applicable laws, regulations, our codes, or implement unethical, unsafe or dangerous practices for the environment, they could adversely affect our reputation, limit our growth or negatively affect our operating results.

- **Our business is increasingly dependent on the growth of e-commerce in the region**

The online trade market is fully under development in Latin America. Our future revenues depend to a certain extent on the acceptance and widespread usage of the Internet by Latin American customers, as well as the necessary telecommunications infrastructure in each market to carry out electronic trade.

Technology and information security risks:

- **We might suffer operational continuity disruptions due to damages to our technological network, loss or alteration of information or security breaches**

We use information technology systems in different operational processes in all our businesses. An extended failure in one of these systems may interrupt some of these processes, adversely affecting operations (accounting, sales and inventory management, among others) or other aspects. As well, third parties may try to breach our systems to access confidential informa-



tion about the Company, our clients or suppliers. Such a breach could severely damage the reputation of the Company or its subsidiaries and negatively impact future revenues. We have developed systems and processes designed to protect our clients' information and avoid data losses and other security breaches, including the systems and processes designed to reduce the impact of a security breach on an external supplier. However, such measures may not provide total security.

Human capital risks:

- **The loss of human capital may adversely affect our business**

We depend on the experience and knowledge of our executives, employees and Directors for the daily operation and execution of our investment plans. An eventual inability to attract and retain talent may adversely impact our ability to compete effectively and continue growing in our different markets.

- **Our business may be negatively affected by the loss of senior management**

We depend on senior management and other key executives for the operation of our different business units. The loss of any of these executives may adversely impact our business.

- **Our business may be negatively affected by strikes**

If one of our businesses does not reach an agreement on a collective bargaining process, our operations and financial results may be adversely affected due to stoppages or strikes.

Financial risks:

- **We face exchange rate risk**

The local currencies in which we operate are subject to fluctuations with respect to the US dollar and other currencies. Some of the products offered for sale in our stores are acquired in foreign countries. Hence, during the time that these imports are unpaid, we are exposed to exchange rate fluctuations. A sharp depreciation of one or more of these currencies may result in higher costs and lower margins for the respective business unit. As well, exchange rate fluctuations in the currencies in which Falabella maintains investments relative to the Chilean peso, could adversely affect the value of those investments abroad. These currency fluctuations may also affect the contribution from subsidiaries abroad to other accounts in the Consolidated Financial Statements of the Company that are expressed in Chilean pesos, including consolidated revenues.

- **Fluctuations in interest rates may adversely affect our business**

A large percentage of client purchases in our stores are financed with loans from CMR or Banco Falabella. An important increase in interest rates could adversely affect our revenues and our financing business, as consumer consumption levels decrease under these scenarios.

Interest rate changes could also adversely affect our financial expenses related to the financial debt maintained by us. The latter would affect primarily our short-term debt and our long-term debt with variable interest rates, as well as at the time of refinancing existing debt or issuing new long-term fixed rate debt.

Credit risk:

- **Our financial business may be adversely affected by deterioration in the quality of our loan portfolio, due to an increase in past-due and charge-off levels, resulting in increased provision expenses and negatively affecting our results**

Credit risk refers to the possibility of incurring a loss associated with the event that the counterparty fails to meet its contractual obligations (default risk). Our business focuses on natural persons who obtain

credit for the acquisition of consumer goods and services, mortgages for the acquisition of residential real estate and loans for the purchase of cars; as well as legal persons who obtain credit lines for their purchases made through the Sales to Companies areas of our businesses.

Default ratios can be affected by exogenous variables (macroeconomics, geopolitical risks) that go beyond strategic decisions and business risk management practices; therefore, we cannot ensure that our default rates will not increase, requiring more provisions and adversely affecting the financial business results.

Compliance risk:

- **We might face changes to regulation**

We operate in different legal and regulatory contexts in several countries, all of which have an impact and determine to a certain extent the way in which we develop our business. These legal regimes and regulations may change in the future and adversely impact, limit or restrict the business models we have developed, thus increasing their costs in ways or amounts that make them less profitable or unviable.



Awards and Acknowledgements



Falabella:

- Falabella was selected for third time in a row to enter the Dow Jones Sustainability World Index (DJSI World), which evaluates the largest companies in the world in relation to economic, social and environmental factors. In this edition, they studied 2,500 companies from 48 countries, selecting only the top 10% in terms of sustainable management within their respective industries.
- Falabella was selected for third time in a row to enter the Dow Jones Sustainability Emerging Markets Index (DJSI EM) and the Dow Jones Sustainability Chile Index (DJSI Chile). In addition, Falabella is part of the Dow Jones Sustainability MILA Index, which follows the performance of companies in relation to sustainability in Chile, Colombia, Mexico and Peru.

Department Stores:

- Falabella was awarded as Best Retail Ecommerce Platform by eCommerce Awards Chile 2018 from the Latin American eCommerce Institute.
- Acknowledged as the most valuable retail brand in Chile and Latin America, according to the BrandZ 2018 ranking.
- Falabella Chile reached the first place in the retail category for Talent Attraction and Management, according to Merco Talent 2018.
- Falabella Chile was presented with the Sustainable Pension Management Acknowledgment from AFP Capital, under the category "Pension Education and Awareness".
- First place for Falabella Chile in Merco Companies with Best Corporate Reputation and fifth place in Merco Corporate Governance Responsibility 2018, both in the retail category.
- First place in the National Client Satisfaction ProCalidad 2018 Award in Chile, in the department stores category.

- Falabella Chile received the Consumer Loyalty Award 2018 in the department stores category, presented by Alco Consultants together with the ESE Business School from Universidad de los Andes.
- Falabella Retail in Chile reached the 20th place in the Great Place to Work Chile 2018 ranking.
- Falabella was chosen as one of the 50 most innovative companies in Chile by Best Place to Innovate.
- Falabella in Chile was recognized by the Gender Equality Index by PROhumana 2018.
- Fundacion Forge acknowledged Falabella for youth labor insertion in Chile.
- 8th place in the Great Place to Work Peru ranking, and 12th place in the Millennials Great Place to Work ranking.
- 5th place in the PAR Gender Equality 2018 ranking for Saga Falabella.
- Alex Zimmermann, CEO of Saga Falabella, reached 62nd place in Merco Business Leaders with the Highest Reputation Ranking.
- First place in the retail category of Talent Attraction and Management, according to Merco Talent 2018 for Saga Falabella.
- Falabella Colombia ranked 13th in Great Place to Work ranking.
- Falabella Argentina was chosen once more as one of the best companies to work in Argentina, being recognized by the Great Place to Work Institute (GPTW) in 7th place. As well, the company received a special distinction from GPTW for its Social Inclusion program, as an acknowledgement for our alliances with Fundación Discar, Fundación Forge and Fundación Reciduca.
- Falabella Argentina was distinguished for the third consecutive year with the "Drivers of Social Impact" Award for the continuous commitment together with Red Activos (Social Company of La Usina NGO).



Home Improvement:

- Second place Ranking ICreo 2018 by Almagrandes (which evaluates five dimensions: honesty and transparency, responsibility, empathy, support and closeness). Sodimac is the second most trusted brand by Chileans after firefighters.
- Sodimac Chile ranked 7th in the Merco Most Responsible Companies and with best Corporate Governance in Chile ranking.
- 2nd place in the Most Valuable Companies in Chile brand reputation ranking, prepared by BrandZ/Millward Brown.
- The United Nations Global Compact 2018 acknowledged Imperial in the Environment category for the “Sawdust Waste Disposal for Biomass”, which highlights among the best practices in terms of sustainability and commitment with the 2030 Agenda, in relation to the Sustainable Development Goals (SDG).
- Great Place to Work Ranking (GPTW): 5th place for Sodimac Argentina, 6th in Uruguay, 11th in Peru (Sodimac and Maestro), 12th in Colombia and 33rd in Chile.
- In 2018 Sodimac Constructor entered the Marketing Hall of Fame Chile, joining the most outstanding brands in the country.
- Sodimac Chile was presented with Google’s Gold Button for exceeding one million subscribers on YouTube.
- Sodimac Chile reached 20th place (1st home improvement retailer) in the Citizen Brands 2018 ranking, prepared by Cadem.
- Sodimac Chile ranked 10th (1st retailer) in the Most Valued Brands by Chileans ranking, prepared by Brand Asset Valuator (BAV) / EI Mercurio.
- Sodimac Chile reached 11th place (first retailer) in the Corporate Sustainability Index – prepared by ActionAbility Institute and Revista Capital.
- Sodimac Chile ranked 9th (1st home improvement retailer) in the Merco Companies Chile ranking.
- Corporate Reputation Ranking Chile: Sodimac Chile reached 4th place (first home improvement retailer), in the ranking prepared by Hill&Knowlton Strategies and GfK Adimark – Pulso.
- Corporate Reputation Ranking Chile: Sodimac Chile reached 8th place (first home improvement retailer), in the ranking prepared by RepTrack Chile (Reputation Institute).
- Sodimac Argentina was distinguished by AmCham (United States Chamber of Commerce) with the Corporate Citizenship Award 2018. The company was acknowledged in the Internal Collaborators category.
- The Great Builder Training Fair was recognized in the Ibero-American Festival of Promotions and FIP Events within the Gold Category as best social initiative.
- Sodimac Colombia was awarded with a Bronze Effie Latam for the campaign “Furniture has an expiration date”.
- Sodimac Colombia was acknowledged by Revista Dinero as the retailer that most impact has on Facebook and ranked 14th in the Brands with Best Performance in Social Networks ranking.
- Sodimac Colombia ranked 4th among the Most Innovative Companies in Colombia, acknowledgment presented by Portafolio.
- Sodimac Chile was among the 50 Most Innovative Companies in Chile, according to the Best Place to Innovate ranking.
- Sodimac Peru ranked 11th in the Best Place to Work for Women and Millennials ranking.
- Sodimac Peru reached 2nd place in the PAR Ranking, which highlights companies that promote and defend gender equality.
- The Ministry of Labor and Employment Promotion in Peru presented Sodimac Peru with two acknowledgements for its new Integrity System and the Trust Program, which delivers psychological and legal advisory 24 hours a day and 365 days a year.
- Sodimac Peru obtained for the fifth consecutive year the Socially Responsible Company acknowledgment, presented by Peru 2021 organization and the Mexican Center for Philanthropy (CEMEFI), in recognition to the programs it has been carrying out and promoting.
- INDECOPI distinguished Sodimac Peru with a third place in Responsible Consumption for its Ecotienda campaign.
- Sodimac Brazil was awarded with the 1st place among the 100 Best Companies in Customer Satisfaction, under the category Construction Retailer, according to a survey by the MESC Institute.
- Sodimac Brazil was distinguished with the Expo Revestit and Anamaco Magazine 2018 Award as one of the “Best Resellers of Ceramic Coatings” in Sao Paulo.

Supermarkets:

- Reprack Chile 2018 awarded Tottus Chile with the first place in the retail-supermarkets category for Best Corporate Reputation.
- The United Nations Development Programme (UNDP) presented Tottus Chile with the Ozone Awards from the Montreal Protocol 2018, where the work undertaken in Tottus Vitacura Alderete and Kennedy was highlighted for its ecological refrigeration system based on CO2 that takes care of the ozone layer and prevents global warming.
- BrandZ recognized Tottus Chile in 7th place among the most valued brands in the country.
- SOREPA S.A. certified that during 2018 it received 7,661,003 kilos of cardboard recuperated from Hipermercados Tottus S.A.
- Tottus Peru was awarded with a Bronze Effie under the Low Budget – Services category for the relaunch of our Premium Peruvian meat “Tottus Black”.
- Acknowledgement from Food Bank Peru for being one of the five companies that more food donates to the organization.
- Tottus Peru was acknowledged by Claro for being one of the companies committed with the environment, in its program “I Recicle, I am Claro”.
- Tottus Peru was presented with the Solidarity Award from the Stella Maris Association for its responsibility, social commitment and participation in the

entity’s different initiatives.

- 17th place in the Best Place to Work 2018 Peru ranking, within the over 1,000 employees category.
- 34th place in the Merco Empresas 2018 ranking, Peru.
- 30th place in the Merco Talent 2018 ranking, Peru.
- Tottus Peru ranked 16th in the Gender Equality in Organizations ranking, prepared by Aequales consultant.

Financial Services:

- CMR Chile was awarded with the Customer Loyalty Award, in the Retail Credit Cards sector, presented by ALCO Consultores.
- CMR Chile obtained the National Customer Satisfaction Award in the Retail Credit Cards sector, in the ProCalidad 2018 Awards.
- DuocUC awarded CMR Chile with the Employability Promotion Award.
- CMR Chile was presented with the Female Talent Award by Pulso Newspaper, for promoting female labor through large female fill rates and for the amount of women in its Boards.
- Banco Falabella Chile ranked 1st in a survey conducted by IPSOS to clients with checking accounts in the Traditional Banking segment. The survey measures

customer satisfaction with the service received from the different banks in the industry.

- Effie Awards is the sole professional evaluation instance in our media, centering its focus in the effectiveness of marketing communications. Banco Falabella Colombia was a finalist for its campaign “From hiding my credit card to saying: I pay”.
- Viajes Falabella Colombia was presented with the Allied Agency 2018 Award from Air Europa Líneas Aéreas S.A.U.
- Viajes Falabella Colombia was presented with two ratifications from Aerovías del Continente Americano S.A., being ratified as Diamond Agency 2018 and Honors Club Agency 2018.
- Viajes Falabella Chile obtained the eCommerce Award for its leadership in the tourism industry. eCommerce Awards were created to distinguish companies and entrepreneurships that given its role in the electronic commerce and Internet businesses sector, have contributed with their innovation and development to boost market networks and the Digital Economy.
- Viajes Falabella Chile attended Aeromexico’s Top Worldwide Agencies Award, distinguished among the 10 top ranked agencies.
- Viajes Falabella Chile was presented with the Diamond Agency Award from Avianca, as one of the best agencies in the country for being a top seller.



- Viajes Falabella Argentina won the Top Producers LATAM Airlines Award, presented to the top 10 producers of LATAM Airlines Group.
- Viajes Falabella Argentina ranked 3rd in Cruise Sales – season 2017-2018, in the Costa Cruceros Top Producers Award, presented by Costa Cruceros.
- CMR Argentina was awarded with the Social Impact Promoters Award, presented by RedActivos. This award is given to companies that make inclusive purchases in conjunction with RedActivos (a social company from Asociación Civil La Usina).
- Viajes Falabella Argentina ranked 13th in the Best Companies to Work ranking by Great Place to Work Institute.
- Viajes Falabella Argentina placed among the Top 10 Producers from Argentina in the 2017-2018 Season in the MSC Awards, presented by MSC Cruises.





Real Estate Business:

- Gold Award for Mallplaza Los Dominicos in Chile, under the New Development 2018 category, Recon Latin America & Caribbean, ICSC.
- Mallplaza in Chile was acknowledged as 2018 Financial Operation by Diario Financiero newspaper for its initial public offering.
- Mallplaza Copiapó in Chile obtained the LEED Gold Certification and Mallplaza Manizales in Colombia obtained the LEED Silver Certification.
- SENA (National Learning Service) acknowledged Mallplaza in Colombia for being a strategic ally in employment generation in Manizales.
- Thanks to the implementation of 3,150 solar panels on the terrace of Mallplaza El Castillo in Colombia, CELSIA acknowledged Mallplaza as an ally in the development of good environmental and energy efficiency practices to contribute with the sustainable development of Colombia.
- Mallplaza Arequipa was presented with the "Because the world needs us now" Award in the category "Example of sustainability and environmental commitment" by Ecobrand, ecological initiative created with the goal of promoting sustainable development projects.
- Mallplaza ranked 24th in the Best Place to Work ranking in Chile 2018, advancing 10 places in relation to the previous year.
- Mallplaza Peru ranked 17th in the Best Place to Work ranking in Peru 2018, among companies with between 25 and 250 employees.
- Mallplaza Chile obtained the first place in Corporate Reputation in the Construction, Real Estate and Retail sector, according to MERCO (Monitor Empresarial de Reputación Corporativa).
- Open Plaza Piura was acknowledged for its contribution in the promotion and development of the Artisanal Sector in the Piura Region by the Regional Government of Piura and the Foreign Trade and Tourism Direction – Piura.
- Tottus was awarded with the Best Technological Innovation Award, for the implementation of projects with CO2 cooling gas in transcritical phase in its supermarkets and development in SIF.
- Open Plaza La Calera was acknowledged by the Municipal Office of Labor Information of La Calera, Chile, for its support of local development.
- Open Plaza Peru gave the Regional Government of Piura, US\$5,000 which received from the "Latin American Community Support" Award, presented by the International Council of Shopping Centers Foundation for helping families affected by the El Niño Coastal Phenomenon through its "Piura Unida #UnSoloCorazón" campaign.



Summary of Material Events of the Period

Material Event N°1

March 27, 2018

At the Company's Board meeting, held in March 28, 2018, the following was agreed upon:

1. To call an Ordinary Shareholders' Meeting for April 24, 2018, at 15.00 hrs., in the Alamo BC Room at the Courtyard Hotel, located on Av. Kennedy 5601, 7th floor, Las Condes, Santiago; to submit to consideration, pronouncement and decision thereof of those matters that are proper of its competence in accordance to the law, including the following:
 - The approval of: i) the annual report and the audited consolidated financial statements of the Company; and, ii) the opinion of the external auditors of the Company; all correspondent to the period ended on December 31, 2017;
 - The distribution of net profits from the 2017 exercise;
 - The dividend policy of the Company;
 - To determine Board compensation;
 - The appointment of external auditors for the 2018 exercise;
 - The appointment of rating agencies for the 2018 exercise;

- The determination of the newspaper in which company publications ordered by law will be made;
 - The report on operations with related parties performed during the 2017 exercise, and those referred to by Title XVI of Law N°18,046 of Stock Corporations; and,
 - The report on the activities of the Director's Committee during the 2017 exercise, the determination of its expense budget and the determination of compensation for the Directors members of the committee.
2. Propose to shareholders that, out of net distributable earnings from fiscal year 2017, a definitive final dividend of \$54 per share be paid, which added to the interim dividend of \$26 per share approved by the Board on November 14, 2017, and paid on November 28, 2017, yields a total \$80 per share distribution against 2017 profits; and that the proposed dividend be paid on May 8, 2018, to shareholders registered on the Shareholders' Registry as of May 2 of this year, at Huerfanos 770, 22nd floor, Santiago, as well as through the customary payment modalities, including: bank deposits, certified deliveries and direct withdrawals at any branch office of Banco de Crédito e Inversiones, BCI.

Material Event N°2

April 24, 2018

At the Ordinary Shareholders' Meeting held today, the following agreements were adopted:

- Approval of the annual report, general audited consolidated financial statements and the opinion of the external auditors, all corresponding to the period ended December 31, 2017.
- Approval of the payment of a final dividend of \$54 per share against 2017 profits. The aforementioned dividend will be paid on May 8, 2018, to shareholders of the sole series registered in the Shareholders' Registry as of May 2, 2018. To that effect hereto is attached Form N°1 from Circular 660 of that Commission;
- Approval of the dividend policy consisting in the annual payment of, at least, 30% of distributable liquid profits of each exercise;
- Appointment of Ernst & Young Servicios Profesionales de Auditoría y Asesorías Limitada as external auditors of the Company for the 2018 period;
- Finally, other matters proper of this type of meetings were discussed.

Material Event N°3

April 24, 2018

During the Board meeting held today, April 24, 2018, the CEO Mr. Sandro Solari Donaggio presented his resignation effective on June 1, 2018. During the same meeting, the Board appointed Mr. Gaston Botazzini as CEO of the Company effective June 1, 2018, whom to date acts, and will continue to do so until May 31, 2018, as Corporate CEO of Falabella Financiero.

Material Event N°4

April 26, 2018

Section 3.02 of Form N°1 of Circular 660 of that Commission, which was attached to Significant Event 02/18, dated April 24 of the present year is rectified in the following terms: where it says "02/05/17", it should say "02/05/18".

Material Event N°5

May 17, 2018

As of today, Falabella has subscribed a Memorandum of Understanding (henceforth the "MOU") with Inter Ikea Systems B.V., owner of IKEA® Concept and exclusive worldwide franchiser of IKEA®, intending for Falabella to acquire franchiser rights to develop and operate IKEA® commercialization stores and web sites in Chile, Colombia and Peru. The MOU establishes the agreements that the parts have already reached for the aforementioned goals. Falabella and Inter Ikea Systems B.V. foresee that the preparation of the final agreements should be concluded no later than November 30, 2018. The MOU considers the opening of a minimum of nine IKEA® stores in the three countries, plus an IKEA® web site per country, during the next nine years, with an approximate total investment equivalent to US\$600 million.

Material Event N°6

August 1, 2018

Today, Inversiones MKTP SpA, and a 100% controlled subsidiary of Falabella, acquired all the shares of New TIN Linio I GmbH, a limited responsibility company incorporated under the laws of the German Federal Republic, which in turn controls, directly and indirectly, a series of entities, in several jurisdictions, through which it develops and operates the marketplace platform business, also known as online marketplace, under the

brand and Internet address Linio (www.linio.com), in the countries of Argentina, Chile, Colombia, Ecuador, Mexico, Panama, Peru and Venezuela, countries in which, on an aggregate basis, reached net merchandise value sales of US\$ 137 million in 2017. To date, it is not possible to estimate the financial effects of the acquisition of Linio.

The acquisition of Linio was done at a total company value of \$138 million dollars of the United States of America, notwithstanding the establishment of common methods in these types of transactions for partial retentions (escrow) and eventual price adjustment mechanisms due to liabilities or unknown contingencies. Linio, among whose founders is Rocket Internet, was until today 100% property of New Tin Linio II GmbH, a limited responsibility company also incorporated under the laws of the German Federal Republic, whose property was distributed among a group of shareholders, investors and investment funds.

Material Event N°7

August 1, 2018

During the Board meeting held today, on August 1, 2018, the following was agreed upon:

To call an Extraordinary Shareholders' Meeting to be held on August 20, 2018, at 15.00 hrs, in the Alamo AB Room at the Courtyard Hotel, located on Av. Presidente Kennedy 5601, 7th floor, Las Condes, Santiago, in order to know about and pronounce on the following:

1. Capital increase: as a first issue, approve the following interdependent matters and related to the Company's capital increase:

- A capital increase through the issuance of 84,330,000 new cash shares, without par value, all of the same and sole existing series, which valued according to articles 23 and 132 of the Stock Corporations regulation in relation to withdrawal rights at the date of the Shareholders' Meeting would yield a total amount for the capital increase of \$505,188,141,300;

- Authorize the Board to register the new shares representative of the capital in-

crease in the Securities Registry of the FMC (Financial Market Commission) and the Santiago Stock Exchange, and proceed with the share issuance process as approved by the Shareholders;

- Agree that, together with, and in addition to, the offer of new shares conducted in Chile under the Chilean Law, a private offering thereof be made to qualified investors in the United States of America, without registering the shares in that country, pursuant to Rule "144A" and Regulation "S" of the 1993 Securities Act of the United States of America.

2. Delegation of Authority to the Board of Directors to Establish the Final Price of the New Shares: as a second matter, authorize that the Board of Directors be delegated the authority to establish the final placement price of the new shares, provided that the placement be done within 180 days following the date of the Extraordinary Shareholders' Meeting in which the capital increase is approved.

3. Authorization of a Simultaneous and Synchronized Secondary Offering: as a third matter, approve that, upon fulfilling certain requirements, and concurrent with the placement of the new shares, the sale of shares currently outstanding be admitted in a simultaneous and synchronized process with the aforementioned issue.

4. Operations with Related Parties: as a fourth matter, take note about the approval given by the Board to an operation with a related party denominated "Collaboration Agreement", between the Company and Inversiones Los Olivos S.A.

5. General Authority to the Board of Directors: as a fifth matter, notwithstanding the authority conferred by law, grant wide-ranging authority to the Board of Directors to conduct the necessary acts to materialize the capital increase and sale of outstanding shares.

Regarding the Authorization of a Simultaneous and Synchronized Secondary Offer, it will be proposed to the Shareholders' Meeting that, as such manner as is approved



by the Meeting and upon fulfilling certain requirements, authorization be granted to shareholders to conduct, together with the issue of new shares, a simultaneous and synchronized secondary sale of shares of their ownership, on the stock market.

Regarding the Collaboration Agreement between the Company and Inversiones Los Olivos S.A., shareholder member of the Company's controlling group, it is informed that by virtue of said agreement it will be admitted that Inversiones Los Olivos S.A. sell on the stock market up to 21.000.000 outstanding Falabella shares of its property, together with the new shares from the proposed capital increase through a simultaneous and synchronized secondary offer.

With respect to the General Authority of the Board of Directors, it will be proposed to the shareholders to grant wide-ranging authority to the Board of the Company in order to:

- Proceed to issue the new shares all at once and for the total amount, or else on a partial basis, as per the decision of the Board;
- Register the new shares in the Securities Registry of the FMC;
- Grant a preemptive subscription right to the shareholders;
- Place among shareholders or third parties, the new shares in relation to which said preemptive subscription right shall have been either waived or not exercised, being able to settle all situations, modalities, supplementations, modifications and details that might arise or be required in relation to the capital increase and the amendment of the bylaws as agreed by the Meeting; and,
- Take any action deemed necessary or convenient to supplement or comply with the decisions made at the Meeting or to fulfill any legal, regulatory or administrative requirements, or any demands made by the FMC, the Servicio de Impuestos Internos (Chilean tax authority), the Santiago Stock Exchange, the Depósito Central de Valores (Chilean securities electronic register), or any other public authority or

self-regulated entity, domestic or foreign, as may arise in connection with the capital increase and the amendment of the bylaws of the Company.

The capital increase proposed by the Board is intended to finance the acquisition of Linio and the contributions to leverage its marketplace, accelerate investments in logistics and technology, develop the operations of IKEA in Chile, Peru and Colombia, and increase the stake in Construdecor.

The holders of shares registered in the Shareholders' Registry Book of the Company at midnight of the fifth business day prior to the day scheduled for holding the Meeting shall be eligible to participate therein.

Material Event N°8

August 20, 2018

The Extraordinary Shareholders' Meeting of the Company held today agreed the following:

1. Increase the paid-in capital in the sum of \$505,188,141,300 by issuing 84,330,000 new shares, nominative, without par value, all of the same and sole existing series, which shall be subscribed and paid in Chilean pesos, legal Chilean currency, within a maximum of three years as from the date of the Meeting. As a result of the aforementioned increase, the paid-in capital of the Company is the sum of \$1,038,597,784,976, divided into 2,518,795,103 shares of one sole series, nominative and without par value, of which \$533,409,643,676 has been paid, corresponding to 2,434,465,103 subscribed-for and paid-up shares. To reflect the capital increase article five and interim article one of the Company's bylaws have been amended.
2. Authorize the Board of Directors of the Company to register the shares representative of the capital increase in the Securities Registry of the FMC and in a securities exchange, for their public offering in Chile. As well, it was agreed that, concurrently with the offering of new shares in Chile, the Board be authorized to decide whether to conduct a private offering thereof to qualified investors in the United States

of America, without proceeding with the registration of such shares in said country, pursuant to Rule "144A" and Regulation "S" of the 1933 Securities Act of the United States of America. The Board was authorized on comprehensive terms to conduct all necessary acts to materialize the capital increase and the placement of the new shares.

3. Authorize the Board to issue the new shares and establish the final placement price thereof, provided that the sale starts within 180 days following the date of the Shareholders' Meeting.
4. Authorize shareholder Inversiones Los Olivos S.A. to, upon fulfilling all requirements established by the Board, sell up to 21,000,000 currently outstanding shares of its ownership, in a simultaneous and synchronized sale process together with the sale of the new 84,330,000 shares issued in connection with the capital increase. To this end, as of this date, the Company and Inversiones Los Olivos S.A. entered into a collaboration agreement for said secondary offering, simultaneous and synchronized on the terms described in the collaboration agreement model that was made available for review by shareholders on the webpage of the Company as from the date of publication of the first Notice of the Meeting.

Material Event N°9

October 10, 2018

In relation to the offering of shares corresponding to the capital increase of the Company approved by the Extraordinary Shareholders' Meeting dated August 20, of the present year, whose issue was registered in the Securities Registry of the FMC under N°1,075 on September 27, 2018, attached is an updated copy of the Roadshow presentation to be distributed among investors as part of the above referred issuance. Said presentation includes a final slide which has been added to the version previously presented to the FMC and published on the Company's webpage, with a summary of subsequent events and therefore not included on the Financial Statements of the Company corresponding to the period ended June 30, 2018.

Material Event N°10

October 18, 2018

The Board of Directors of the Company, in ordinary meeting held today, unanimously agreed to establish at \$5,250 per share the price of the preemptive subscription rights for the subscription of the 84,330,000 new shares to be issued as per approved by the Extraordinary Shareholders' Meeting of Falabella on August 20, 2018, (the "Meeting") and which were registered on the Securities Registry of the FMC under N°1,075. The subscription price was determined by the Board of Directors of the Company in accordance with the authorization granted by the Shareholders' Meeting, and according to the result of the Auction of an Order Book (the "Auction"), an electronic trading system of the Santiago Stock Exchange, by virtue of which

70,669,211 shares of Falabella were offered for sale to the public. Of these shares: i) 49,669,211 correspond to new shares that will be available to the Company once the controlling shareholders partially waive their preemptive subscription rights for the same number of shares, waiver that will be formalized tomorrow October 19, 2018, once the preemptive option notice has been published and before the opening hours of the Santiago Stock Exchange; and ii) 21,000,000 shares corresponding to the secondary offering of shares owned by Inversiones Los Olivos S.A., offered simultaneously and synchronized with the new shares as authorized by the Meeting.

The Auction of 70,669,211 shares was entered into the Santiago Stock Exchange on October 16, 2018, and its force expired today. The characteristics, terms and conditions of said Auction were determined and published in accordance to the manner and terms established in the Manual of Operations in Shares of the Santiago Stock Exchange, as explained in the notice published on El Mercurio de Santiago newspaper on October 11, 2018.

Material Event N°11

October 19, 2018

As of this date, shareholders members of the controlling group of the Company, announced through letters sent to the Chief Executive Officer of Falabella the waiver of their preemptive subscription rights over a total of 49,669,211 new shares issued by the Company in connection with the capital increase approved in the Extraor-

dinary Shareholders' Meeting of Falabella on August 20, 2018, and whose issue was registered in the Securities Registry of the Financial Market Commission under N°1,075. The shareholders members of the controlling group of the Company reserved the right to subscribe 12,314,702 new shares during the preferred option period.

As informed in the Material Event 10/19 dated yesterday, on October 16, 2018, an Auction of an Order Book, electronic trading system of the Santiago Stock Exchange, was entered into said stock exchange, for the offering for sale to the public of: i) the amount of 49,669,211 shares of Falabella corresponding to the new shares issued in connection to the aforementioned capital increase and the preemptive subscription rights thereof were waived by the controlling shareholder group; and ii) 21,000,000 shares of Falabella owned by Inversiones Los Olivos S.A.

Herein is informed that the Auction was declared successful, where all 70,669,211 shares of the Company were allocated at an offered price of \$5,250 per share.

Material Event N°12

December 27, 2018

The extraordinary Board meeting held today, approved to pay an interim dividend of \$26 per share against 2018 earnings. Said dividend will be paid on January 10, 2019, to shareholders of the sole existing series registered on the Shareholders' Registry as of January 4, 2019.







Wintter, Yanet, Prisilla and Camilo at the Ahumada Digital Branch.



Shareholders' Comments and Proposals

No comments or proposals from shareholders were presented, pursuant to subsection 3°, article 74 of Law 18,046, during the Ordinary Shareholders' Meeting held on April 24, 2018.

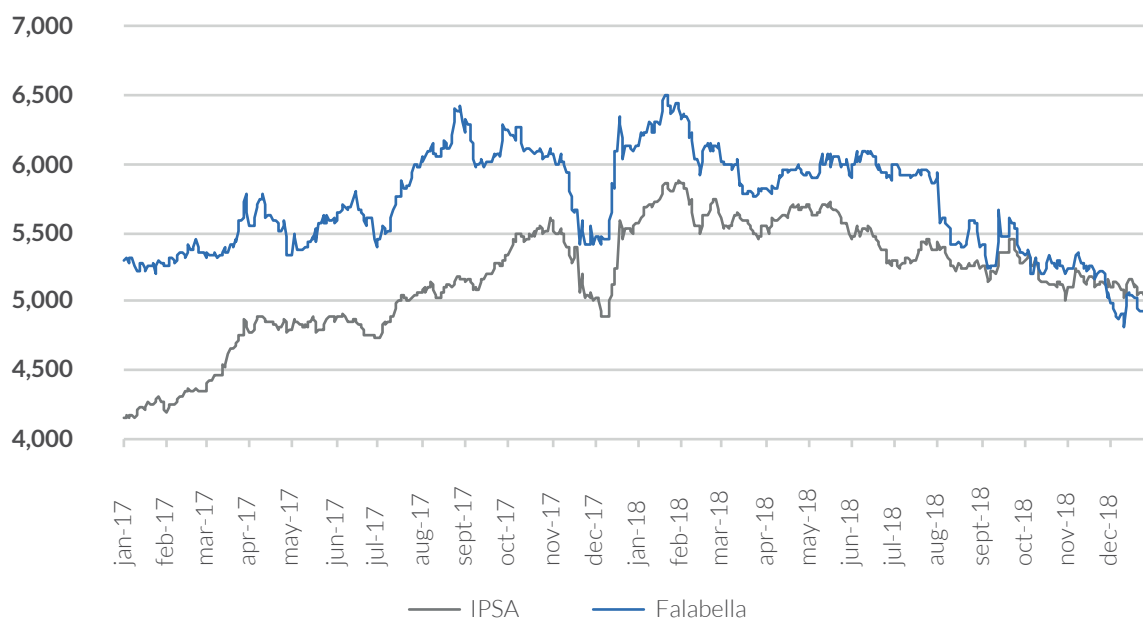
Stock Information

The stock of Falabella is listed in the Santiago Stock Exchange and in the Chilean Electronic Stock Exchange. During 2018 the stock was also listed in the Valparaiso Stock Exchange, which closed that year.

Statistics Falabella 2017-2018²⁹

Period	# Shares	Volume	Average Price
1Q 2017	62,631,214	\$335,281,006,518	\$5,353
2Q 2017	101,798,273	\$556,891,971,892	\$5,471
3Q 2017	101,183,046	\$605,004,281,505	\$5,979
4Q 2017	129,003,166	\$760,711,553,836	\$5,897
1Q 2018	104,846,413	\$633,943,080,490	\$6,046
2Q 2018	101,293,299	\$605,949,658,998	\$5,982
3Q 2018	90,978,374	\$512,571,124,901	\$5,634
4Q 2018	192,731,765	\$1,002,873,420,968	\$5,203

Falabella's stock price v/s IPSA



29. Fuente: la Bolsa de Comercio de Santiago, Bolsa Electrónica de Chile y en la Bolsa de Valores de Valparaiso en Chile

Stores by Format and Country

Approximately 44% of the stores at a regional level are owned by the Company through its subsidiaries. The rest of the stores are leased from several real estate developers. Regarding shopping centers, 100% of them are owned by Company subsidiaries.



Department Stores in Chile

N°	Stores	Address	City
1	Ahumada	Ahumada 25, 165, 167, 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° 2188, 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° 770, 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, Mallplaza La Serena	La Serena
18	Valparaiso	Independencia N° 1806	Valparaiso
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. Americo Vespucio N° 1737, Santiago	Santiago
25	Expo Pucón	O´ Higgins 112, 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, Mallplaza	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



N°	Stores	Address	City
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° 2461, Providencia	Santiago
38	Arauco Maipu	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	Chillán 744, San Fernando	San Fernando
43	Plaza Copiapo	Maipú N° 110	Copiapó
44	Castro	San Martín N° 457	Castro
45	Los Dominicos	Av. Padre Hurtado Sur N° 875, Las Condes	Santiago
46	Arica	Av. Diego Portales 640	Arica
47	Independencia	Av. Independencia 565	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 Victor 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

* Crate & Barrel is a furniture and home articles stores chain, acknowledged for its designs, functionality and price/quality relation, based in the US.



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	Chipchape	Calle 38 Norte N° 6N – 35; Local 406 CC Chipchape	Cali
9	Centro Mayor	Autopista Sur Carrera 27 N° 38 A Sur, Centro Comercial Centro Mayor	Bogotá
10	Santafe Medellín	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 Mallplaza	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	Jardín 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
27	La Carola	Carrera 11 No. 56a - 16 ; (Avenida Kevin Angel), Centro Comercial La Carola	Manizales



Department Stores Argentina

N°	Stores	Address	City
1	Mendoza	Acc. Este 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



Home Improvement Chile

N°	Stores	Address	City
1	Imperial Santa Rosa	Av. Santa Rosa N° 7850, La Granja, Santiago	Santiago
2	HC Concepción	Av. Los Carrera N° 1175, Concepción	Concepción
3	Co Viña del Mar	Calle Limache N° 3119, Viña del Mar	Viña del Mar
4	Co Cantagallo	Av. Las Condes N° 12422, Lo Barnechea, Santiago	Santiago
5	Co Valparaíso	Yungay N° 2532, Valparaíso	Valparaíso
6	Co Talcahuano	Colón N° 1891, Talcahuano	Talcahuano
7	Hc San Antonio	21 de Mayo 950, San Antonio	San Antonio
8	HC Las Condes	Av. Las Condes N° 11049, Las Condes, Santiago	Santiago
9	Co Antofagasta	Av. Antonio Rendic N° 6852, Antofagasta	Antofagasta
10	HC Viña del Mar	Av. 15 Norte N° 961, Viña del Mar	Viña del Mar
11	HC Rancagua	Av. Nueva Einstein N° 297, Rancagua	Rancagua
12	HC Puente Alto	Av. Concha y Toro N° 1315, Puente Alto, Santiago	Santiago
13	HC Maipu	Av. Pajaritos N° 4444, Maipú, Santiago	Santiago
14	HC El Trébol	Autopista N° 9200, Hualpén	Hualpén
15	HC La Serena	Av. Fco. de Aguirre N° 02, La Serena	La Serena
16	Imperial Mapocho	Calle Mapocho N° 5906, Quinta Normal, Santiago	Santiago
17	HC Parque Arauco	Av. Pdte. Kennedy N° 5601, Las Condes, Santiago	Santiago
18	Imperial Maipú	Calle Alberto Llona N° 1153, Maipú, Santiago	Santiago
19	Imperial Vespucio	Av. Américo Vespucio N° 1030, Peñalolén, Santiago	Santiago
20	HC San Miguel	Av. José Miguel Carrera N° 5505-5514, San Miguel, Santiago	Santiago
21	HC La Reina	Av. Jorge Alessandri N° 1347, La Reina, Santiago	Santiago
22	Co Vallenar	Merced N° 501, Vallenar	Vallenar
23	HC Ñuble	Av. Vicuña Mackenna N° 1700, Ñuñoa, Santiago	Santiago
24	HC Valdivia	Av. Ramón Picarte N° 3349, Valdivia	Valdivia
25	HC Nueva La Florida	Av. José Pedro Alessandri N° 6402, Peñalolén, Santiago	Santiago
26	Imperial Valparaíso	Av. Independencia N° 3033, Valparaíso	Valparaíso
27	HC SS Temuco	Av. Caupolicán N° 457, Temuco	Temuco
28	HC Huechuraba	Av. Américo Vespucio N° 1737, Huechuraba, Santiago	Santiago
29	HC Villarrica	Av. Saturnino Epulef N° 1580, Villarrica	Villarrica
30	HC Osorno	Av. René Soriano N° 2619, Osorno	Osorno
31	HC Angol	Av. Bdo O´ Higgins N° 1744, Angol	Angol
32	HC Chillan	Av. Ecuador N° 599, Chillán	Chillan
33	HC Curico	Av. Carlos Condell N° 1192, Curicó	Curico
34	HC Coquimbo	Ruta 5 Norte N° 859, Coquimbo	Coquimbo
35	HC Plaza Oeste	Av. Américo Vespucio N° 1501, Cerrillos, Santiago	Santiago
36	HC La Calera	Prolongación JJ Pérez N° 12010, La Calera	La Calera
37	HC Pto.Montt	Av. Presidente Ibañez N° 650, Puerto Montt	Puerto Montt
38	Co Fontova	Pedro Fontova N° 5810, Conchalí, Santiago	Santiago
39	HC Plaza Vespucio	Av. Américo Vespucio N° 7310, La Florida, Santiago	Santiago
40	HC San Felipe	Calle Tocornal 2810, San Felipe	San Felipe
41	HC Arica	Av. Santa María N° 2985, Arica	Arica
42	Imperial Concepción	Tucapel N° 1259, Concepción	Concepción
43	HC Iquique	Av. Héroes de la Concepción N° 2311, Iquique	Iquique
44	HC Antofagasta	Av. Balmaceda 2366, Antofagasta	Antofagasta
45	HC Plaza Concepción	Av. Pdte. Jorge Alessandri N° 3177, Talcahuano	Talcahuano





Sodimac Distribution Center.





Home Improvement Chile

N°	Stores	Address	City
46	HC Punta Arenas	Avda. Pdte. Eduardo Frei M. N° 01400, Punta Arenas	Punta Arenas
47	HC Linares	Leon 0376, Linares	Linares
48	Imperial Huechuraba	Av. A. Vespucio N° 1399, esquina Pedro Fontova, Huechuraba, Santiago	Santiago
49	HC Talca	Av. 2 Norte N° 3344, Talca	Talca
50	HC Copiapó	Panamericana Sur N° 140, Copiapó	Copiapó
51	HC Estación Central	San Francisco de Borja N° 402, Estación Central, Santiago	Santiago
52	HC Los Angeles	Av. Alemania N° 850, Los Angeles	Los Angeles
53	HC El Bosque	Av. José Miguel Carrera N° 10375, El Bosque, Santiago	Santiago
54	HC Calama	Av. Balmaceda N° 3398, Calama	Calama
55	HC San Bernardo	Av. Jorge Alessandri N° 20040, San Bernardo, Santiago	Santiago
56	Imperial Temuco	Av. Caupolicán N° 1151, Temuco	Temuco
57	Homy Parque Arauco	Av. Pdte. Kennedy N° 5601, Piso 3, Las Condes, Santiago	Santiago
58	Imperial Hualpen	Av. Cristóbal Colón N° 8483, Hualpén	Hualpén
59	HC Coyhaique	Av. Ogana N° 869, Coyhaique	Coyhaique
60	HC Quilpue	Av. Freire N° 1351, Quilpué	Quilpue
61	Co Rancagua	Av. Koke N° 011, Rancagua	Rancagua
62	Imperial Rancagua	Calle La Cruz N° 01000, Rancagua	Rancagua
63	HC Reñaca Santa Julia	Calle Subida Alessandri 4025 ex 4085 Gomez Carreño, Viña del Mar	Viña del Mar
64	HC Quinta Vergara	Av. Valparaíso N° 1070, Viña del Mar	Viña del Mar
65	HC Quilicura	Av. Manuel A. Matta N° 581, Quilicura, Santiago	Santiago
66	HC Plaza Tobalaba	Av. Camilo Henríquez N° 3692, Puente Alto, Santiago	Santiago
67	HC Ribera Norte	Av. Los Carreras Poniente N° 301, Concepción	Concepción
68	Imperial Reñaca	Camino Internacional N° 1025 (rotonda Santa Julia), Viña del Mar	Viña del Mar
69	Imperial Talca	Av. San Miguel N° 2687, esquina 23 Oriente (ex San Pablo), Talca	Talca
70	HC Talca Poniente	Av. Colín N° 0635, Talca	Talca
71	HC San Fernando	Av. B. O'Higgins N° 0450, San Fernando	San Fernando
72	Homy Plaza Oeste	Av. Américo Vespucio N° 1501, Cerrillos, Santiago	Santiago
73	Imperial San Bernardo	Av. Padre Hurtado N° 15057-15095, San Bernardo, Santiago	Santiago
74	Homy Plaza Vespucio	Av. Vicuña Mackena 7110 Hm 300, La Florida, Santiago	Santiago
75	HC Alto Hospicio	Av. Los Aromos N° 2780, Alto Hospicio	Alto Hospicio
76	HC Castro	Ruta 5 Norte N° 2456, sector Ten Ten, Castro	Castro
77	HC Santa Cruz	Av. Rafael Casanova N° 360 ex 460, Santa Cruz	Santa Cruz
78	HC Ovalle	Av. Prolongación Benavente N° 1075, Ovalle	Ovalle
79	Homy Plaza Egaña	Av. Larrain N° 5862, La Reina, Santiago	Santiago
80	HC Quillota	Av. Ramón Freire 1551, Quillota	Quillota
81	Imperial Puerto Montt	Pilpilco 200, Parque Industrial, camino a Pargua, Pto.Montt	Puerto Montt
82	HC Coronel	Av. Carlos Prats 0901, Coronel	Coronel
83	HC Copiapó II	Av. Los Carrera 4723, Copiapó	Copiapó
84	HC Los Dominicos	Av. Padre Hurtado Sur N° 875 Local H100, Las Condes, Santiago	Las Condes
85	HC Talagante	Av. Bernardo O'Higgins 2337, Talagante	Talagante
86	HC Melipilla	Av. Vicuña Mackenna 1415, Melipilla	Melipilla
87	Imperial La Serena	AV Balmaceda 3070, La Serena	La Serena
88	Reconstructor Cauquenes	Catedral s/n esquina Antonio Varas, Cauquenes	Cauquenes
89	HC La Serena - Balmaceda	Av. Balmaceda 2885, La Serena	La Serena
90	HC Independencia	Av. Independencia N° 565, Independencia	Independencia



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 , Mallplaza 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 , del 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 - Paita / Av. Las Dalías - 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 Zavallos cuadra 26, Urb. Horacio Zavallos 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 Jose 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



Home Improvement Peru

N°	Stores	Address	City
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
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 Chincha	Av. San Idelfonso - C.P Acequia Grande Cinco Esquina - Sunampe	Chincha
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 Escrava de Balaguer N° 1415, Carretera Lambayeque	Chiclayo
56	Sodimac Huancayo	Av. Ferrocarril 146-150 – 1° 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	Ibague
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 Monteria	Calle 65 No. 10-19	Monteria
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



Home Improvement Colombia

N°	Stores	Address	City
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
39	HC Tunja	Av Universitaria, Tunja, Boyacá, Colombia	Tunja
40	HC Mosquera Funza	Vía Principal Funza, Mosquera, Cundinamarca, Colombia PQ29+9H	Mosquera



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
9	HC Adrogué	Boulevard Shopping - Av. Hipólito Yrigoyen 13298 , Adrogué	Buenos Aires



Home Improvement Brazil

N°	Stores	Address	City
1	Dicico Ipiranga	R. dos Patriotas, 1211, Ipiranga - São Paulo -SP	São Paulo
2	Dicico Sto. Amaro	Av. João Dias, 1713, Santo Amaro - São Paulo - SP	São Paulo
3	Dicico Santos	R. Alexandre Martins, 80, Lj. 301, Nivel III, Aparecida, Santo - SP	Santos
4	Dicico Sorocaba	Av. Professora Izoraida Marques Peres, 401, Lj B, Parque Campolim, Sorocaba - SP	Sorocaba
5	Dicico Piracicaba	Av. Limeira, 722, SUC B Vila Rezende, Piracicaba - SP	Piracicaba
6	Dicico São Vicente	R. Prefeito José Monteiro, 1045, box 52 - Jardim Independencia, São Vicente - SP	São Vicente
7	Dicico M. Tietê	Av. Tomaz Edson, 1324, Loja B, Barra Funda, São Paulo - SP	São Paulo
8	Dicico Multi Radial Leste	Av. Alcântara Machado, 1993, Bras, São Paulo - SP	São Paulo
9	Dicico Aricanduva	Av. Aricanduva, 5555, Ancora B02, Vila Aricanduva, São Paulo - SP	São Paulo
10	Dicico Campinas DP	Rod. Dom Pedro I, km 127/128, Box25, Parque Imperador, Campinas - SP	Campinas



Home Improvement Brazil

N°	Stores	Address	City
11	Dicico Multi São Miguel	Av. São Miguel, 8201,Vila Jacui, São Miguel, São Paulo - SP	São Paulo
12	Dicico Suzano	R. João Batista Fitipaldi, 380, Bloco A, Vila Maluf, Suzano - SP	Suzano
13	Dicico Praia Grande	Av. Presidente Kennedy, 1876, Bloco B, Guilhermina, Praia Grande - SP	Praia Grande
14	Dicico Pirituba	Av. Raimundo Pereira de Magalhães, 11.980, Bloco B Parada de Taipas, Pirituba, São Paulo - SP	São Paulo
15	Dicico Taubaté	Av. Charles Shneider, 850, Santa Fé, Parque Senhor do Bonfim, Taubaté - SP	Taubaté
16	Dicico Mogi	R. Professor Ismael Alves dos Santos, 455, Vila Mogilar, Mogi das Cruzes - SP	Mogi das Cruzes
17	Dicico Tremembé	Av. Coronel Sezefredo Fagundes, 1855, Tucuruvi, São Paulo - SP	São Paulo
18	Dicico V. Carvalho	Av. Santos Dumont, 458, Sítio Paecara - Vicente de Carvalho, Guarujá - SP	Guarujá
19	Dicico Peruibe	Av. Padre Anchieta, 4741, Três Marias, Peruibe - SP	Peruibe
20	Dicico Multi Diadema	Av. Piraporinha, 50, Vila Nogueira - Jardim Concordia, Diadema - SP	Diadema
21	Dicico Bertioga	Av. Marginal, 10001, Quadrag, Jardim Albatroz, Bertioga - SP	Bertioga
22	Dicico T. Vilela	Av. Senador Teotônio Vilela, 8030, Bloco 2, Jardim São Rafael / Parelheiros, São Paulo - SP	São Paulo
23	Dicico Enseada	Av. Dom Pedro I, 2520, Cidade Atlantica, Guarujá - SP	Guarujá
24	Dicico Itanhaém	R. João Pedro Orsi, 117 a 120, Jardim Fazendinha, Itanhaem - SP	Itanhaém
25	Dicico Mongaguá	R. Antonio Martins de Araújo, 100, Centro, Mongagua - SP	Mongagua
26	Dicico Cubatão	Av. Nove de Abril, 3.400, Vila Nova, Cubatão - SP	Cubatão
27	Dicico Atibaia	Av. Dr. Joviano Alvim, 1190, Atibaia Jardim, Atibaia - SP	Atibaia
28	Dicico Guaratinguetá	Av. Juscelino Kubitschek de Oliveira, 880, Campo do Galvão, Guaratingueta - SP	Guaratingueta
29	Dicico Jacareí	Praça Charles Gates, 90, Jardim das Industrias, Jacarei - SP	Jacareí
30	Dicico Limeira	R. Miguel Guidotti, 2155, Parque Egisto Ragazzo, Limeira - SP	Limeira
31	Dicico M. Tito	Av. Marechal Tito, 5.768, Itaim Paulista, São Paulo - SP	São Paulo
32	Dicico Indaiatuba	R. Presidente Kennedy, 303, Cidade Nova I, Indaiatuba - SP	Indaiatuba
33	Dicico Mauá	Av. Governador Mário Covas Junior, 01, Centro, Maua - SP	Mauá
34	Dicico Itu	Av. Nove de Julho, 897, Loja 2, Bairro Jardim Padre Bento, Itu - SP	Itu
35	Dicico Mogi Guaçu	Av. Mogi Mirim, 256, Centro, Mogi Guaçu - SP	Mogi Guaçu
36	Dicico Guarapiranga	Av. Guarapiranga, 881, Loja 1, Vila Socorro, São Paulo - SP	São Paulo
37	Dicico Santo André	R. Antonio Cardoso, 536, SUC B, Bangu, Santo Andre - SP	Santo André
38	Dicico Santa Bárbara	R. do Ósmio, 915, Comércio 01, Sítio Geriva, Santa Barbara D'Oeste	Santa Barbara d'Oeste
39	Dicico Arujá	Av. João Manoel, 1150, Aruja Centro Residencial, Arujá - SP	Arujá
40	Dicico Fernão Dias	Rod. Fernão Dias, Km 87, Parque Edu Chaves, São Paulo - SP	São Paulo
41	Dicico Guarujá Balsa	Av. Adhemar de Barros, 1531, Vila Santa Rosa, Guarujá - SP	Guarujá
42	Dicico Caraguatatuba	Av. Rio Branco, 450, Indaia, Caraguatatuba - SP	Caraguatatuba
43	Dicico Poá	Rod. João Afonso de Souza Castellano, 141, Loja 1, Vila Lucia, Poá - SP	Poá
44	Dicico São Carlos	Av. Getúlio Vargas, 157, Vila Lutfalla, São Carlos - SP	São Carlos
45	Dicico Guaianases	Est. Itaquera Guianases, 2000, D, Jardim Helena, São Paulo - SP	São Paulo
46	Dicico S.J.Campos	Av. Engenheiro Francisco José Longo, 1595, Loja 1, Jardim São Dimas, São José dos Campos - SP	São José dos Campos
47	Dicico Jundiaí	Av. Antônio Frederico Ozanan, 6080, Loja 1, Vila Rio Branco, Jundiaí - SP	Jundiaí
48	Dicico Sumaré	Av. José Mancini, 350, Orestes Ongaro, Jardim São Carlos, Sumaré - SP	Sumaré
49	HC Sodimac Tamboaré	Alameda Araguaia 1801, Sítio Tamboaré, Barueri - SP	Barueri
50	HC Sodimac Ribeirão Preto	Av. Fábio Barreto 263, Vila Tibério, Ribeirão Preto - SP	Ribeirão Preto
51	HC San Jose Los Campos	Rodovia Presidente Dutra, KM 155, Jardim das Indústrias, São José dos Campos - SP	São José dos Campos
52	HC Sodimac Guarulhos	R. Bartolomeu Gusmão, 316, Lote QD 20/26 Portaria A, Jardim Santa Francisca, Guarulhos - SP	Guarulhos
53	HC Sodimac Anchieta	AVMD Anchieta, S/N KM 11,5 Bloco A, Jardim Santa Cruz (Sacoma), São Paulo - SP	São Paulo



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



Home Improvement Mexico

N°	Stores	Address	City
1	HC Izcalli	Av. 1° de Mayo S/N, Centro Urbano, 54750 Cuautitlán Izcalli, Méx.	Ciudad de México
2	HC Arboledas	Av. Gustavo Baz Prada 4001, Centro Industrial Tlalnepantla, 54030 Tlalnepantla, Méx.	Ciudad de México
3	HC Jacarandas	Ricardo Flores Magon, 62370 Cuernavaca, Mor. /PASEO CUAUHNAHUAC 101	Cuernavaca



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	Buín	San Martín N° 174, Buín	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



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	Buín	San Martín N° 174, Buín	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	Prolongación Pérez N° 12010	La Calera
14	Pedro Fontova	Pedro Fontova N° 5810, Conchalí	Santiago
15	Antofagasta Mall	Balmaceda N° 2355	Antofagasta
16	Plaza Oeste	Avda. Amerigo Vesputio N° 1501, Cerrillos	Santiago
17	Puente Alto Eyzag.	Eyzaguirre N° 105, Puente Alto	Santiago
18	La Florida	Avda. Amerigo Vesputio 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. Concepción 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	Mallplaza 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. Larraín N° 5862, Local H100, La Reina	Santiago



N°	Stores	Address	City
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	Mallplaza Copiapó	Maipú N°109, Lote B	Copiapó
50	Reñaca	Av. Vicuña Mackenna 1050, local N°1; Reñaca Bajo	Viña del Mar
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	Vía 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 Alderete	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
65	Piedra Roja	Av. Chicureo S/N, Lote 14 A-4, Colina	Santiago
66	Balmaceda	Balmaceda 2.885, Sector La Pampa, La Serena	La Serena
67	Los Ángeles Alemania	Av. Alemania 831 Local N°1, Los Ángeles.	Los Ángeles



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 - Caserio 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



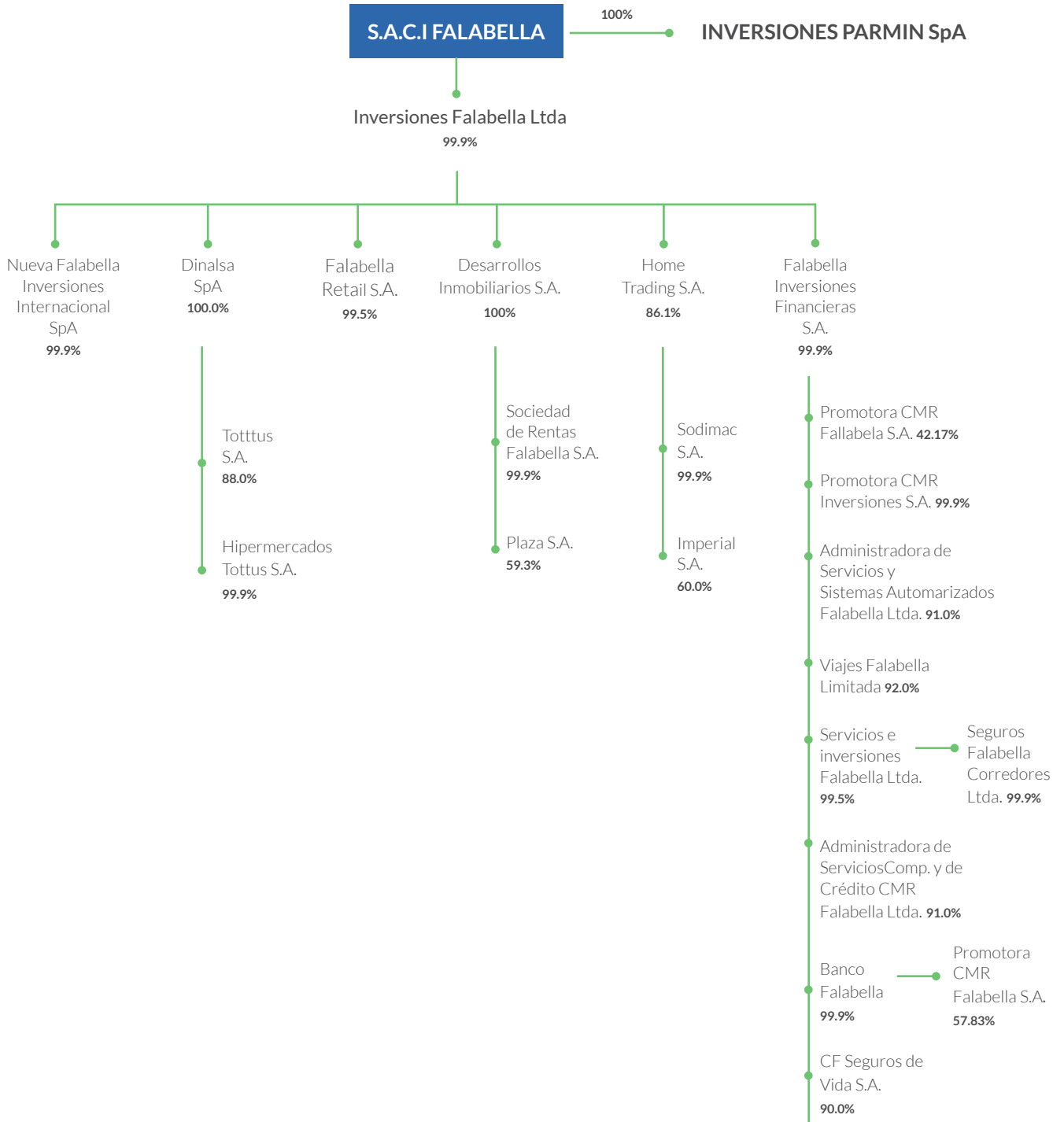
Supermarkets Peru

N°	Stores	Address	City
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 Este N° 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
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. Canta 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	HB Puente Piedra	Av. Leoncio Prado N° 1916 - Puente Piedra - Lima	Lima
44	Chepén	Carretera Panamericana N° 715 - 721	Chepén
45	Huánuco	Jr. 2 de Mayo N° 125 - Huánuco	Lima
46	HB Huaycán	Av. Los Incas N° 205 Mz. A Lt. 7 Ex. Av. Circunvalacion - Ate	Huaycan
47	Cajamarca OP	Jr. Cinco Esquinas S/N C/Av. Vía De Evitamiento	Cajamarca
48	San Hilarión	Av San Hilarion Este N° 150-180 Urb. San Hilarion SJ Lurigancho (temporal)	Lima
49	Molicentro	Av. 7 N° 510 - El Suace - Rinconada - La Molina	Lima



N°	Stores	Address	City
50	Huaral	Av. Chancay km. 8.5 Huaral	Lima
51	Huacho	Avenida Moore, N° 213-215, Huacho, Provincia de Huaura, Departamento de Lima	Lima
52	HB Guardia Civil	Av. Guardia Civil Mza M Lote 13 – La Campiña - Chorrillos	Lima
53	Lima Sur	Av. Los Lirios Nro. 301 Urb. Entel Peru - San Juan de Miraflores	Lima
54	HB Chincha	Cal. Leopoldo Carrillo Nro. 0 – Chincha Alta – Ica	Chincha
55	HB Pisco	Calle Comercio 700 - Pisco	Ica
56	HB Barrios Altos	Jr. Huanuco 925 - Cercado de Lima	Lima
57	HT Piura Norte	Av. Sanchez Cerro N° 3264 – Interior 101, distrito de 26 de Octubre, Piura	Piura
58	Tottus Huancayo	Av. Ferrocarril esquina con Prolongación San Carlos S/N Sector 14	Huancayo
59	Villa el Salvador	Mza. D Lote. 3 - Zona Agropecuaria (Frente Mercado Unicachi) Villa El Salvador, Lima	Lima
60	Cusco La Cultura	Av. De la Cultura 1617, Cusco	Cusco
61	HB Chulucanas	Av. Ramón Castilla N°1480 Chulucanas Morropón - Piura	Piura
62	HB Ica Panamericana	Urb. San Joaquín Sub Lote 2A - C Ica	Ica
63	Comandante Espinar	Av. Comandante Espinar 719 - Miraflores	Lima
64	Dominicos	Av. Tomás Valle 3305 Callao	Lima
65	HB Sullana Maestro	Calle Jorge Chavez N° 131 – Mz. A2, Sub Lote A – A.H. Santa Teresita - Sullana	Sullana
66	HB Trujillo Piérola	Av. Nicolás de Piérola N° 1971, Urb. La Esperancita - Trujillo	Trujillo
67	HB Ica La Tingüiña	Av. Río de Janeiro 361, Distrito de La Tingüiña - Ica	Ica
68	HB Huacho Panam. Norte	Ex. Panamericana Norte 1320 Santa María, Huacho	Lima
69	HB Nicolas Dueñas	Av. Nicolás Dueñas 475, Cercado de Lima	Lima

Summarized Corporate Structure





Information about Subsidiaries

A. Direct subsidiaries

INVERSIONES PARMIN SPA:

INVERSIONES PARMIN SpA is a per share corporation incorporated under Chilean Law, whose paid-in capital is the sum of \$222,934,223 Chilean pesos. S.A.C.I. Falabella is owner of 100% of the stock, without any changes during 2018.

Purpose

Investment in all sorts of material and immaterial assets, real estate or personal property; in transferable securities, bonds, debentures, promissory notes or any other commercial financial documents; as well as their operation and administration; the participation in all types of companies, civil and commercial, whether collective or limited, and may concur as a limited partner or manager in the latter, public, per shares or limited liability, whichever their purpose.

Administration

Corresponds to S.A.C.I. Falabella Class A Proxies:

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



INVERSIONES PARMIN SPA

	Year 2018	Year 2017
	M\$	M\$
Total Assets	1,620,338	2,229,884
Total Liabilities	152	470,298
Total Equity	1,620,186	1,759,586
Net Income	253,926	312,922
Change in Equity	-139,400	207,096
Net cash and cash equivalents increase (reduction)	1	3

INVERSIONES FALABELLA LTDA.

INVERSIONES FALABELLA LTDA. is a limited liability company incorporated under Chilean Law, whose paid-in capital is the sum of \$1,591,303,049,224 Chilean pesos. S.A.C.I. Falabella is the owner of approximately 99.98% of the stock, and the rest is property of Inversiones Parmin SpA. During 2018, the company increased its capital as stated in a public deed dated December 26, 2018, without implying significant changes to the ownership structure.

Purpose

Invest in all types of stock, bonds, debentures, shares or rights in corporations under any title and/or personal property and other yielding personal property, being able to manage those assets, undertake investments in all sorts of real estate and the operation and leasing to obtain yields of all those assets. To fulfill its purpose, the company may conduct all types of operations and enter into all types of contracts, and in general, conduct all necessary acts that the managers may deem appropriate.

Administration

Corresponds to S.A.C.I. Falabella. Class A Proxies:

- Mr. Carlo Solari Donaggio
- Mr. Sandro Solari Donaggio
- Mr. Juan Cortés Solari
- Mr. Gaston Bottazzini

INVERSIONES FALABELLA LTDA.

	Year 2018	Year 2017
	M\$	M\$
Total Assets	15,835,127,739	14,485,751,837
Total Liabilities	9,985,200,701	9,004,582,072
Total Equity	5,849,927,038	5,481,169,765
Net Income	542,839,977	556,196,189
Change in Equity	368,757,273	797,516,327
Net cash and cash equivalents increase (decrease)	145,660,736	(80,454,487)

B. Direct Associates

SODIMAC COLOMBIA S.A.

Sodimac Colombia S.A. is a public company incorporated under Colombian Law, whose paid-in capital is the sum of \$29,975,000,000 Colombian pesos. S.A.C.I. Falabella is the owner of approximately 49% of the stock, without any changes during 2018.

Summarized Purpose

Purchase, sale, distribution, manufacturing, production, import, export, transport and commercialization of goods, products, suitable for use or human consumption or animal consumption, including within these all types of fish, pets and animals, goods, machinery, and services oriented to construction, decoration, remodeling, improvement and home improvement sectors,

commercialization of agricultural goods and or seeds for sowing, surveillance and security equipment, as well as all supplementary services to the aforementioned activities.

Board and management

- Mr. Álvaro Andres Echavarría Olano
- Mr. Julio Manuel Ayerbe Muñoz
- Mr. Gaston Bottazzini
- Mr. Enrique Gundermann Wylie

Alternate Directors:

- Mr. Daniel Echavarría Arango
- Mr. José Eugenio Muñoz Menéndez
- Mr. Rodrigo Agustín Fajardo Zilleruelo
- Mr. Sergio Muñoz Gómez

Chief Executive Officer:

- Mr. Miguel Pardo Brigard



Sodimac Colombia

	Year 2018	Year 2017
	M\$	M\$
Total Assets	487,504,755	445,299,705
Total Liabilities	263,988,183	227,429,459
Total Equity	223,516,572	217,870,246
Net Income	39,045,790	39,331,092
Change in Equity	5,646,326	18,723,095
Ownership interest of SACI	49%	49%
Participation of the asset in the Company	1.41%	1.52%

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 stock corporation that promotes investment in variable capital, financial company with multiple purposes, non-regulated entity, incorporated under the Mexican Law, whose paid-in capital is the sum of \$15,427,748 Mexican pesos. S.A.C.I. Falabella is directly the owner of 50% of the stock, without any changes during 2018.

Summarized Purpose

Grant all sorts of loans and of any nature and documented in accordance with applicable regulation, with or without guarantees, with or without interest, bullet or amortizing, even by issuing credit cards in accordance with contracts to open checking account credits.

Board an administration

Directors:

- Mr. Carlo Solari Donaggio (Chairman)
- Mr. Sandro Solari Donaggio
- Mr. Gaston Bottazzini
- Mr. Ricardo Martin Bringas
- Mr. Alberto Martín 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 Zimerman

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

	Year 2018	Year 2017
	M\$	M\$
Total Assets	57,413,835	32,958,130
Total Liabilities	29,759,002	3,261,302
Total Equity	27,654,833	29,696,828
Net Income	(10,826,112)	599,942
Change in Equity	(2,041,995)	-
Ownership interest of SACI	50.0%	50.0%
Asset participation in the Company	0.17%	0.21%

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 stock corporation that promotes investment in variable capital incorporated under the Mexican Law, whose paid-in capital is the sum of \$150,100,000 Mexican pesos. S.A.C.I. Falabella is directly the owner of 50% of the stock, without any changes during 2018.

Summarized Purpose

Promotion, organization, acquisition, constitution, sale or administration of commercial businesses, civil or commercial companies, escrows or any other entity, with or without legal personality, and in accordance with the laws of any jurisdiction.

Develop and build stores that sell any sort of goods and services, in one or the other case, directly or indirectly, through the vehicles or companies that the Company establishes or in which it participates for those purposes, through the construction or improvement of any type of building, being able to sell, without being limited to, vehicles related to hardware stores and tools, wood products, electricity and illumination and plumbing, doors and windows, furniture, cookware and tableware, painting and coating, bathroom and kitchen, flooring, and gardening.

Board an administration

Directors:

- Mr. Ricardo Martin Bringas (Chairman)
- Mr. Alberto Martin Soberón
- Mr. Rodrigo Jesús Benet Cordova

- Mr. Carlo Solari Donaggio
- Mr. Gaston Bottazzini
- Mr. Enrique Gundermann Wylie

Alternate Directors:

- Mr. Jorge Benloch 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

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

	Year 2018	Year 2017
	M\$	M\$
Total Assets	76,014,468	11,468,224
Total Liabilities	72,465,845	3,221,230
Total Equity	3,548,623	8,246,994
Net Income	(13,285,169)	(4,383,778)
Change in Equity	(4,698,371)	3,677,319
Ownership interest of SACI	50.0%	50.0%
Asset participation in the Company	0.02%	0.06%



Subsidiaries with Participation

CHILEAN ID NUMBER	COMPANY	OWNERSHIP INTEREST				COUNTRY	FUNCTIONAL CURRENCY	Participation over total assets of SACI Individual Dec-18, %
		Dec 31, 2018 DIRECT %	Dec 31, 2018 INDIRECT %	Dec 31, 2018 TOTAL %	Dec 31, 2017 TOTAL %			
76.020.391-2	INVERSIONES FALABELLA LTDA	99.989	0.011	100	100	CHILE	CLP	71.05%
76.020.385-8	INVERSIONES PARMIN SpA	100	-	100	100	CHILE	CLP	0.02%
0-E	FALABELLA SUCURSAL URUGUAY S.A.	100	-	100	100	URUGUAY	CLP	0.08%
99.500.360-0	HOMETRADING S.A.	-	100	100	100	CHILE	CLP	7.48%
99.593.960-6	DESARROLLOS INMOBILIARIOS SpA.	-	100	100	100	CHILE	CLP	20.28%
0-E	FALLBROOKS PROPERTIES LTD	-	99.999	99.999	99.999	I.V. BRITÁNICAS	CLP	0.08%
99.556.170-0	SOCIEDAD DE RENTAS FALABELLA S.A.	-	100	100	100	CHILE	CLP	5.05%
76.882.330-8	NUEVOS DESARROLLOS S.A. (EX-PLAZA ALAMEDA S.A.)	-	45.94	45.94	45.94	CHILE	CLP	7.35%
99.555.550-6	PLAZA ANTOFAGASTA S.A.	-	59.278	59.278	59.278	CHILE	CLP	1.18%
76.882.090-2	PLAZA CORDILLERA S.A.	-	45.94	45.94	45.94	CHILE	CLP	0.37%
96.653.660-8	PLAZA DEL TRÉBOL SpA	-	59.278	59.278	59.278	CHILE	CLP	7.11%
96.795.700-3	PLAZA LA SERENA SpA	-	59.278	59.278	59.278	CHILE	CLP	1.59%
96.653.650-0	PLAZA OESTE SpA	-	59.278	59.278	59.278	CHILE	CLP	12.50%
76.017.019-4	PLAZA S.A.	-	59.278	59.278	59.278	CHILE	CLP	24.50%
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	1.30%
76.677.940-9	PLAZA VALPARAÍSO S.A.	-	45.94	45.94	45.94	CHILE	CLP	-0.03%
96.538.230-5	PLAZA VESPUCIO SpA.	-	59.278	59.278	59.278	CHILE	CLP	4.72%
79.990.670-8	ADMINISTRADORA PLAZA VESPUCIO S.A.	-	59.272	59.272	59.272	CHILE	CLP	1.58%
76.883.720-1	DESARROLLOS E INVERSIONES INTERNACIONALES SpA.	-	59.278	59.278	59.278	CHILE	CLP	1.71%
99.564.380-4	DESARROLLOS URBANOS SpA.	-	45.94	45.94	45.94	CHILE	CLP	0.96%
76.299.850-5	INVERSIONES PLAZA LTDA. (EX INV. ALCALÁ)	-	-	-	59.278	CHILE	CLP	0.00%
76.044.159-7	AUTOPLAZA SpA.	-	59.278	59.278	59.278	CHILE	CLP	0.10%
96.792.430-K	SODIMAC S.A.	-	100	100	100	CHILE	CLP	3.71%
99.556.180-8	SODIMAC TRES S.A.	-	100	100	100	CHILE	CLP	0.01%
96.681.010-6	TRAINEEMAC S.A.	-	100	100	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%
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%
76.644.120-3	APORTA SpA	-	100	100	100	CHILE	CLP	0.00%
76.046.439-2	APYSER SpA	-	100	100	100	CHILE	CLP	0.11%

CHILEAN ID NUMBER	COMPANY	OWNERSHIP INTEREST				COUNTRY	FUNCTIONAL CURRENCY	Participation over total assets of SACI Individual Dec-18, %
		Dec 31, 2018 DIRECT %	Dec 31, 2018 INDIRECT %	Dec 31, 2018 TOTAL %	Dec 31, 2017 TOTAL %			
76.662.120-1	CERRO COLORADO LTDA		88	88	88	CHILE	CLP	0.00%
96.579.870-6	SERVICIOS GENERALES FALABELLA RETAIL SpA		100	100	100	CHILE	CLP	0.00%
76.012.536-9	SERVICIOS GENERALES MULTIBRAND SpA		100	100	100	CHILE	CLP	0.00%
76.557.960-0	SERVICIOS GENERALES TOTTUS LTDA		88	88	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%
78.334.680-K	SERVICIOS GENERALES ZONA I SpA		100	100	100	CHILE	CLP	0.00%
78.636.190-7	SERVICIOS GENERALES ZONA II SpA		100	100	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%
76.042.509-5	INVERSIONES Y PRESTACIONES VENSER SEIS LTDA		100	100	100	CHILE	CLP	0.90%
76.046.445-7	CONFECCIONES INDUSTRIALES SpA		100	100	100	CHILE	CLP	0.29%
96.573.100-8	MANUFACTURAS DE VESTUARIO MAVESA LTDA		100	100	100	CHILE	CLP	0.30%
76.039.672-9	DINALSA SpA		100	100	100	CHILE	CLP	1.06%
78.627.210-6	HIPERMERCADOS TOTTUS S.A.		88	88	88	CHILE	CLP	1.04%
78.722.910-7	TOTTUS S.A.		88	88	88	CHILE	CLP	0.98%
76.046.433-3	FALABELLA INVERSIONES FINANCIERAS S.A.		100	100	100	CHILE	CLP	11.31%
90.743.000-6	PROMOTORA CMR FALABELLA S.A.		99.996	99.996	99.996	CHILE	CLP	6.33%
77.612.410-9	ADESSA LTDA		100	100	100	CHILE	CLP	0.54%
79.598.260-4	ADMINISTRADORA CMR FALABELLA LTDA		100	100	100	CHILE	CLP	-0.19%
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	0.00%
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	0.21%
77.099.010-6	SEGUROS FALABELLA CORREDORES LTDA		100	100	100	CHILE	CLP	0.02%
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%
77.261.280-K	FALABELLA RETAIL S.A.		100	100	100	CHILE	CLP	3.08%
76.000.935-0	PROMOTORA CHILENA DE CAFÉ COLOMBIA S.A.		65	65	65	CHILE	CLP	0.08%



CHILEAN ID NUMBER	COMPANY	OWNERSHIP INTEREST				COUNTRY	FUNCTIONAL CURRENCY	Participation over total assets of SACI Individual Dec-18, %
		Dec 31, 2018 DIRECT %	Dec 31, 2018 INDIRECT %	Dec 31, 2018 TOTAL %	Dec 31, 2017 TOTAL %			
96.951.230-0	INMOBILIARIA MALL CALAMA SpA		59.278	59.278	59.278	CHILE	CLP	1.00%
0-E	SHEARVAN CORPORATE S.A.		100	100	100	I.V. BRITÁNICAS	USD	0.08%
76.042.371-8	NUEVA FALABELLA INVERSIONES INTERNACIONALES SpA		100	100	100	CHILE	CLP	27.54%
96.647.930-2	INVERSIONES INVERFAL PERÚ SpA		100	100	100	CHILE	CLP	27.67%
76.023.147-9	NUEVA INVERFIN SpA		100	100	100	CHILE	CLP	2.47%
76.007.317-2	INVERCOL SpA	-	100	100	100	CHILE	CLP	0.00%
0-E	INVERSORA FALKEN S.A.	-	100	100	100	URUGUAY	CLP	0.08%
0-E	TEVER CORP.	-	100	100	100	URUGUAY	CLP	0.08%
0-E	INVERSIONES FALABELLA ARGENTINA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS	0.08%
0-E	FALABELLA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS	0.08%
0-E	CMR FALABELLA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS	0.08%
0-E	VIAJES FALABELLA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS	0.08%
0-E	CENTRO LOGÍSTICO APLICADO S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS	0.08%
0-E	SERVICIOS DE PERSONAL LOGÍSTICO S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS	0.08%
0-E	INVERSIONES FALABELLA DE COLOMBIA S.A.	-	99.999	99.999	99.999	COLOMBIA	COP	0.08%
0-E	FALABELLA COLOMBIA S.A.	-	65	65	65	COLOMBIA	COP	0.08%
0-E	AGENCIA DE SEGUROS FALABELLA LTDA	-	65	65	65	COLOMBIA	COP	0.08%
0-E	AGENCIA DE VIAJES Y TURISMO FALABELLA S.A.S.	-	65	65	65	COLOMBIA	COP	0.08%
0-E	ABC DE SERVICIOS S.A.S.	-	65	65	65	COLOMBIA	COP	0.08%
0-E	FALABELLA PERÚ S.A.A.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
0-E	SAGA FALABELLA S.A.	-	97.799	97.799	97.799	PERÚ	PEN	0.08%
0-E	HIPERMERCADOS TOTTUS S.A.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
0-E	SODIMAC PERÚ S.A.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
0-E	OPEN PLAZA S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
0-E	VIAJES FALABELLA S.A.	-	97.799	97.799	97.799	PERÚ	PEN	0.08%
0-E	CORREDORA DE SEGUROS FALABELLA S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
0-E	FALABELLA SERVICIOS GENERALES S.A.C.	-	99.759	99.759	99.759	PERÚ	PEN	0.08%
0-E	FALABELLA SERVICIOS CENTRALES S.A.C.	-	99.759	99.759	99.759	PERÚ	PEN	0.08%
0-E	INMOBILIARIA KAINOS S.A.C.	-	99.758	94.758	99.758	PERÚ	PEN	0.08%

CHILEAN ID NUMBER	COMPANY	OWNERSHIP INTEREST				COUNTRY	FUNCTIONAL CURRENCY	Participation over total assets of SACI Individual Dec-18, %
		Dec 31, 2018 DIRECT %	Dec 31, 2018 INDIRECT %	Dec 31, 2018 TOTAL %	Dec 31, 2017 TOTAL %			
0-E	LOGÍSTICA Y DISTRIBUCIÓN S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
0-E	INVERSIONES CORPORATIVAS BETA S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
0-E	INVERSIONES CORPORATIVAS GAMMA S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
96.509.660-4	BANCO FALABELLA S.A.	-	100	100	100	CHILE	CLP	7.30%
0-E	BANCO FALABELLA PERÚ S.A.	-	99.759	99.759	99.759	PERÚ	PEN	0.08%
0-E	BANCO FALABELLA S.A. (COLOMBIA)	-	65	65	65	COLOMBIA	COP	0.08%
0-E	SALÓN MOTOR PLAZA S.A.	-	59.278	59.278	59.278	PERÚ	PEN	0.08%
76.011.659-9	BANCO FALABELLA CORREDORES DE SEGUROS LTDA	-	100	100	100	CHILE	CLP	0.01%
0-E	SERVICIOS INFORMÁTICOS FALABELLA S.A.C.	-	99.759	99.759	99.759	PERÚ	PEN	0.08%
76.141.045-8	INVERSIONES INVERFAL COLOMBIA SpA	-	100	100	100	CHILE	CLP	1.75%
76.141.046-6	INVERSIONES INVERFAL ARGENTINA SpA	-	100	100	100	CHILE	CLP	-1.53%
76.153.987-6	ADMYSER SpA	-	100	100	100	CHILE	CLP	0.12%
76.153.976-0	CAPYSER SpA	-	100	100	100	CHILE	CLP	0.01%
0-E	CENTRO COMERCIAL EL CASTILLO CARTEGENA S.A.S.	-	-	-	59.278	COLOMBIA	COP	0.08%
0-E	MALL PLAZA COLOMBIA S.A.S.	-	59.278	59.278	59.278	COLOMBIA	COP	0.08%
0-E	CENTRO COMERCIAL MANIZALES S.A.S.	-	-	-	47.422	COLOMBIA	COP	0.08%
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	-1.74%
76.159.664-0	INVERSIONES URUGUAY SpA	-	100	100	100	CHILE	CLP	-0.35%
76.159.684-5	INVERFAL URUGUAY SpA	-	100	100	100	CHILE	CLP	-0.35%
0-E	COMPAÑÍA SAN JUAN S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
76.308.853-7	NUEVA INVERFAL ARGENTINA SpA	-	100	100	100	CHILE	CLP	0.67%
76.179.527-9	FALABELLA MÓVIL SpA	-	100	100	100	CHILE	CLP	0.09%
76.167.965-1	SERVICIOS LOGISTICOS SODILOG LTDA	-	100	100	100	CHILE	CLP	0.04%
76.201.304-5	RENTAS HOTELERAS SpA	-	100	100	100	CHILE	CLP	-0.01%
0-E	CONTAC CENTER FALABELLA S.A.C.	-	99.759	99.759	99.759	PERÚ	PEN	0.08%
0-E	OPEN PLAZA ORIENTE S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
96.824.450-7	INMOBILIARIA MALL LAS AMÉRICAS S.A.	-	45.143	45.143	45.143	CHILE	CLP	0.33%
0-E	SHEARVAN COMMERCIAL (SHANGAI)	-	100	100	100	CHINA	CNY	0.08%
0-E	HIPERMERCADOS TOTTUS ORIENTE S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
0-E	SODIMAC PERÚ ORIENTE S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
76.319.068-4	INVERSIONES INDIA SpA	-	100	100	100	CHILE	CLP	0.00%
0-E	FALABELLA BRASIL LTDA	-	100	100	100	BRASIL	BRL	0.08%
0-E	SODIMAC BRASIL LTDA	-	100	100	100	BRASIL	BRL	0.08%



CHILEAN ID NUMBER	COMPANY	OWNERSHIP INTEREST				COUNTRY	FUNCTIONAL CURRENCY	Participation over total assets of SACI Individual Dec-18, %
		Dec 31, 2018 DIRECT %	Dec 31, 2018 INDIRECT %	Dec 31, 2018 TOTAL %	Dec 31, 2017 TOTAL %			
0-E	INVERSIONES FALABELLA URUGUAY S.A.	-	100	100	100	URUGUAY	UYU	0.08%
0-E	HOMECENTER SODIMAC S.A.	-	100	100	100	URUGUAY	UYU	0.08%
0-E	JOSMIR S.A.	-	100	100	100	URUGUAY	UYU	0.08%
76.335.739-2	INVERSIONES MÉXICO SpA	-	100	100	100	CHILE	CLP	-0.29%
76.282.188-5	INVERFAL BRASIL SpA	-	100	100	100	CHILE	CLP	-1.74%
0-E	SAGA FALABELLA IQUITOS S.A.C.	-	97.799	97.799	97.799	PERÚ	PEN	0.08%
0-E	SAGA FALABELLA ORIENTE S.A.C.	-	97.799	97.799	97.799	PERÚ	PEN	0.08%
0-E	CONSTRUDECOR S.A.(1)	-	100	100	64.981	BRASIL	BRL	0.08%
0-E	CONSTRUDECOR SERVICIOS LTDA.(1)	-	100	100	65.016	BRASIL	BRL	0.08%
0-E	CONSTRUDECOR PROPERTIES LTDA.(1)	-	100	100	65.051	BRASIL	BRL	0.08%
0-E	SEGUROS FALABELLA PRODUCTORES S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS	0.08%
76.327.698-8	SERVICIOS GENERALES FALABELLA ZONA NORTE SpA	-	100	100	100	CHILE	CLP	0.00%
0-E	LILLE INVERSIONES (1)	-	100	100	65.016	BRASIL	BRL	0.08%
0-E	SHEARVAN PURCHASING INDIA	-	100	100	100	INDIA	INR	0.08%
76.434.317-4	PROMOTORA INVERSIONES S.A.	-	99.996	99.996	99.996	CHILE	CLP	0.03%
76.389.515-7	SERVICIOS GENERALES FALABELLA ZONA PONIENTE SpA	-	100	100	100	CHILE	CLP	0.00%
0-E	TIENDAS DEL MEJORAMIENTO DEL HOGAR S.A. (EX MAESTRO PERÚ S.A.)	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
0-E	MAESTRO PERÚ AMAZONIA S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
0-E	INMOBILIARIA DOMEL S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
0-E	INDUSTRIAS DELTA S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.08%
0-E	CENTRO COMERCIAL BARRANQUILLA S.A.S.	-	-	-	38.531	COLOMBIA	COP	0.08%
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	0.24%

CHILEAN ID NUMBER	COMPANY	OWNERSHIP INTEREST				COUNTRY	FUNCTIONAL CURRENCY	Participation over total assets of SACI Individual Dec-18, %
		Dec 31, 2018 DIRECT %	Dec 31, 2018 INDIRECT %	Dec 31, 2018 TOTAL %	Dec 31, 2017 TOTAL %			
O-E	GESTIONES INTEGRALES DE SERVICIOS S.A.	-	99.15	99.15	99.15	PERÚ	PEN	0.02%
O-E	MALL PLAZA PERÚ S.A.	-	86.265	86.265	86.265	PERÚ	PEN	0.02%
O-E	GEMMA NEGOCIOS S.A.C.	-	60.386	60.386	60.386	PERÚ	PEN	0.02%
O-E	INVERFAL MEXICO S.A. DE C.V.	-	100	100	100	MEXICO	MXN	0.02%
76.582.813-9	NUEVA INVERFAL MEXICO SpA	-	100	100	100	CHILE	CLP	-0.29%
76.587.847-0	FALABELLA SERVICIOS PROFESIONALES DE TI SpA	-	100	100	100	CHILE	CLP	0.00%
76.683.615-1	ASESORIAS Y EVALUACIÓN DE CRÉDITOS LTDA	-	100	100	100	CHILE	CLP	0.00%
O-E	PATRIMONIO AUTONOMO MALL PLAZA CALI	-	59.278	59.278	-	COLOMBIA	COP	0.02%
O-E	PATRIMONIO AUTONOMO CENTRO COMERCIAL CARTAGENA	-	59.278	59.278	-	COLOMBIA	COP	0.02%
O-E	PATRIMONIO AUTONOMO CENTRO COMERCIAL MANIZALES DOS	-	47.424	47.424	-	COLOMBIA	COP	0.02%
O-E	PATRIMONIO AUTONOMO CENTRO COMERCIAL BARRANQUILLA	-	38.532	38.532	-	COLOMBIA	COP	0.02%
76.788.282-3	DIGITAL PAYMENTS SpA	-	100	100	100	CHILE	CLP	0.00%
76.803.189-4	INVERFAL INDIA SpA	-	100	100	100	CHILE	CLP	0.00%
O-E	TENERIFE EMPRENDIMIENTOS E PARTICIPACOES LTDA	-	100	100	100	BRASIL	BRL	0.02%
O-E	FONDO DE CAPITAL PRIVADO MALL PLAZA DE COLOMBIA	-	59.278	59.278	-	COLOMBIA	COP	0.02%
O-E	MALL PLAZA SERVICIOS S.A.S.	-	100	100	100	COLOMBIA	COP	0.02%
O-E	MALL PLAZA INMOBILIARIA S.A.	-	86.266	86.266	86.266	PERÚ	PEN	0.02%
O-E	INVERSIONES FALABELLA S.A.C.	-	99.758	99.758	99.758	PERÚ	PEN	0.02%
O-E	FALABELLA CORPORATE SERVICES INDIA PRIVATE LIMITED	-	100	100	100	INDIA	INR	0.02%
76.899.941-4	INVERSIONES MKTP SPA	-	100	100	-	CHILE	CLP	0.00%
O-E	NEW TIN LINIO I GMBH	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	TIN JADE GBMH	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	JADE 1364. GMBH	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	JADE 1364 GMBH & CO. ERSTE VERWALTUNGS KG	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	JADE 1364 GMBH & CO. ZWEITE VERWALTUNGS KG	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	JADE 1364 GMBH & CO. DRITTE VERWALTUNGS KG	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	JADE 1364 GMBH & CO. VIERTE VERWALTUNGS KG	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	JADE 1364 GMBH & CO. FÜNFTE VERWALTUNGS KG	-	100	100	-	ALEMANIA	EUR	0.02%



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		Dec 31, 2018 DIRECT %	Dec 31, 2018 INDIRECT %	Dec 31, 2018 TOTAL %	Dec 31, 2017 TOTAL %			
O-E	JADE 1364 GMBH & CO. SECHSTE VERWALTUNGS KG C/O ROCKET INTERNET GMBH	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	JADE 1364 GMBH & CO. SIEBTE VERWALTUNGS KG	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	JADE 1364 GMBH & CO. ACHTE VERWALTUNGS KG	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	JADE 1364 GMBH & CO. NEUNTE VERWALTUNGS KG	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	JADE 1364 GMBH & CO. ZEHNTE VERWALTUNGS KG	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	JADE 1364 GMBH & CO. ELFTE VERWALTUNGS KG	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	JADE 1364 GMBH & CO. ZWÖLFTE VERWALTUNGS KG	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	JADE 1364 GMBH & CO. 13. VERWALTUNGS KG	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	JADE 1364 GMBH & CO. 14. VERWALTUNGS KG	-	100	100	-	ALEMANIA	EUR	0.02%
O-E	BAZAYA MEXICO S. DE R.L. DE C.V.	-	100	100	-	MÉXICO	MXM	0.02%
O-E	LINIO MIAMI EXPORTS, INC.	-	100	100	-	EEUU	USD	0.02%
O-E	LINIO COLOMBIA S.A.S.	-	100	100	-	COLOMBIA	COP	0.02%
O-E	LINIO PERU S.A.C.	-	100	100	-	PERÚ	PEN	0.02%
O-E	LINIO LATAM CORP.	-	100	100	-	PANAMÁ	PAN	0.02%
76.212.492-0	INVERSIONES BAZAYA CHILE LTDA.	-	100	100	-	CHILE	CLP	0.00%
O-E	LINIO ARGENTINA S.R.L.	-	100	100	-	ARGENTINA	ARS	0.02%
O-E	ECUAELECOMMERCE S.A.	-	100	100	-	ECUADOR	ECU	0.02%
O-E	LINIO ASIA LIMITED	-	100	100	-	CHINA	HKD	0.02%
O-E	LINIO CONSULTING (SHENZHEN) CO.,LTD.	-	100	100	-	CHINA	CNY	0.02%



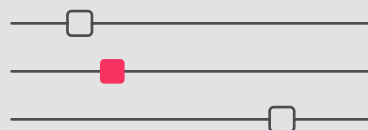


Falabella Parque Arauco.





Summarized Consolidated Financial Statements



- Management's discussion and analysis
- Consolidated statements of comprehensive income
- Consolidated statements of financial position
- Consolidated statements of 3shareholders' equity
- Consolidated statements of comprehensive income by function
- Consolidated statements of cash flow (direct method)



Financial Statements are available to the public on the websites of the reporting entity and the Financial Markets Commission.

Management's Discussion and Analysis

Consolidated revenues for 2018 were \$9,236,259 million, a 3.4% increase compared to the previous exercise, explained mainly by the 20 new stores launched during the year (seven stores were closed during the period), by the increase in online sales and the increase in loans in CMR in Chile.

The consolidated loan portfolio reached \$5,018,641 million as of December 31, 2018, 7.3% larger compared to the same date of the previous year. This expansion was fueled mainly by CMR Chile, Banco Falabella Chile and Banco Falabella Colombia, with 11.0%, 4.8% and 41.2% increases (in local currency), respectively.

Gross margin for the period was 36.7%, while gross income reached \$3,391,012 million, increasing 2.8%. The increase in gross income is due mainly to the performance of the operations in Chile, Colombia and Peru.

Operating income reached \$879,014 million, a 5.4% decline. This is due mainly to the performance of Department Stores in Chile and Argentina in general, which was partially compensated by the good performance of CMR Chile and the real estate businesses.

Consolidated EBITDA for 2018 decreased 1.0%, reaching \$1,213,960 million, with an EBITDA margin of 13.0%.

Non-operating income recorded a loss of \$150,789. Consolidated net income reached \$478,468 million, a 6.1% decrease with respect to 2017, with a 5.2% net margin. Consolidated net income does not include the re-assessment of investment property assets, as the company adopted the historical cost method.

During 2018, we inaugurated shopping centers in Arica in Chile and Manizales in Colombia. In addition, 20 new stores were opened in the region. Falabella Retail opened three department stores (one in Colombia and two in Chile). Sodimac opened eight home improvement stores: three in Chile; three in Mexico; two in Colombia; and one in Argentina. Tottus opened eight supermarkets: three in Chile and five in Peru.

Consolidated Statements of Financial Position

	N° Note	Dec-31-18 M\$	Dec-31-17 M\$
Assets			
Non-Banking Businesses (Presentation)			
Current assets			
Cash and cash equivalents	3	352,100,505	232,027,185
Other financial assets, current	4	25,831,939	16,161,447
Other non-financial assets, current	5	127,043,970	109,045,269
Trade and other accounts receivable, current	6	2,049,771,504	1,965,407,382
Accounts receivable from related companies, current	7	60,013,844	8,568,867
Inventory	8	1,410,494,616	1,238,138,783
Current tax assets	9	88,499,062	76,587,049
Total current assets other than disposable assets or groups of assets classified as available for sale or held for distribution to owners		4,113,755,440	3,645,935,982
Non-current assets or disposable groups of assets classified as available for sale or held for distribution to owners	2,16	17,371,457	10,866,456
Non-current assets or disposable groups of assets classified as available for sale or held for distribution to owners		17,371,457	10,866,456
Total current assets		4,131,126,897	3,656,802,438
Non-current assets			
Other financial assets, non-current	4	105,525,159	65,197,065
Other non-financial assets, non-current	5	95,232,966	74,750,007
Trade and other accounts receivable, non-current	6	298,849,318	275,089,053
Investments accounted for using the equity method	11	135,735,296	138,296,518
Intangible assets other than goodwill	12	303,352,066	279,330,294
Goodwill	13	632,457,101	504,394,517
Property, plant and equipment	14	2,725,671,484	2,544,923,700
Investment properties	15	2,972,046,449	2,908,777,208
Tax assets, non-current	9	16,341,601	-
Deferred tax assets	10	190,054,669	148,118,365
Total non-current assets		7,475,266,109	6,938,876,727
Total assets other than banking businesses assets		11,606,393,006	10,595,679,165
Banking Business Assets (Presentation)			
Cash and deposits in Banks	3	275,984,373	225,800,376
Cash items in process of collection	3	57,290,605	21,370,300
Trading investments	3	148,258,611	71,182,626
Financial derivative contracts		88,101,263	26,600,918
Loans and accounts receivable from customers, net	6	2,823,447,682	2,590,709,808
Available for sale investments	16	658,887,042	657,507,389
Investments in associates and other companies	11	3,179,466	2,861,251
Intangibles	12	68,260,141	60,658,539
Fixed assets	14	41,050,857	33,933,667
Current taxes	9	5,214,005	7,766,383
Deferred taxes	10	24,924,698	16,036,209
Other assets	17	77,745,688	30,501,854
Total banking business assets		4,272,344,431	3,744,929,320
Total assets		15,878,737,437	14,340,608,485



	N° Note	Dec-31-18 M\$	Dec-31-17 M\$
Net equity and liabilities			
Non-banking businesses (Presentation)			
Current liabilities			
Other financial liabilities, current	18	990,064,907	834,648,234
Trade and other accounts payable, current	19	1,129,345,048	1,085,467,329
Accounts payable to related companies, current	7	15,308,531	7,636,329
Other provisions, current	20	54,553,693	14,296,634
Tax liabilities, current	9	33,639,010	37,030,912
Employee benefits provisions, current	21	146,754,253	138,464,318
Other non-financial liabilities, current	22	162,987,699	162,716,905
Total current liabilities		2,532,653,141	2,280,260,661
Non-current liabilities			
Other financial liabilities, non-current	18	2,806,585,586	3,006,175,090
Trade and other accounts payable, non-current	19	1,089,919	1,081,931
Other provisions, non-current	20	9,324,355	11,045,759
Deferred tax liabilities	10	591,757,849	568,622,314
Employee benefits provisions, non-current	21	45,630,958	32,997,676
Other non-financial liabilities, non-current	22	55,124,675	45,681,427
Total non-current liabilities		3,509,513,342	3,665,604,197
Total liabilities other than banking businesses liabilities		6,042,166,483	5,945,864,858
Liabilities Banking Businesses (Presentation)			
Deposits and other demand liabilities		639,081,704	543,154,221
Cash items in process of being cleared	3	46,413,806	15,139,196
Time deposits and other time liabilities	23	2,538,382,394	1,987,726,066
Financial derivative contracts		87,064,300	31,181,315
Interbank borrowings	24	78,714,860	81,391,043
Issued debt instruments	25	268,117,240	242,256,771
Other financial liabilities	25	112,289,216	130,641,388
Current taxes	9	91,904	-
Provisions	20	11,609,125	1,669,445
Other liabilities	26	67,449,182	68,126,678
Total liabilities banking businesses		3,849,213,731	3,101,286,123
Total liabilities		9,891,380,214	9,047,150,981
Net equity			
Share capital	34	919,419,389	533,409,643
Retained earnings		4,421,138,544	4,183,008,108
Share premium	34	93,482,329	93,482,329
Treasury shares		-44,808,966	-27,042,749
Other reserves	34	-321,368,626	-383,842,804
Equity attributable to shareholders		5,067,862,670	4,399,014,527
Non-controlling interest		919,494,553	894,442,977
Total shareholders' equity		5,987,357,223	5,293,457,504
Total liabilities and shareholders' equity		15,878,737,437	14,340,608,485

Consolidated Statements of Comprehensive Income by Function

	N° Note	Jan-01 -18 Dec-31 -18 M\$	Jan-01 -17 Dec-31 -17 M\$
Income Statement			
Non-banking businesses (Presentation)			
Operating revenues	27	8,483,577,333	8,209,851,510
Cost of sales	28	-5,508,545,374	-5,296,642,965
Gross margin		2,975,031,959	2,913,208,545
Distribution costs		-115,829,431	-96,735,311
Administration expenses	29	-1,946,931,176	-1,847,408,431
Other expenses, by function	31	24,079,804	3,289,726
Other income (losses)		37,280,766	15,113,935
Financial income	30	-181,505,280	-195,372,181
Financial expenses	11	7,092,186	15,279,304
Share of net income (losses) of associated and joint businesses accounted for under the equity method		-15,793,359	-466,040
Exchange differences	30	-22,494,868	-17,264,195
Income before income taxes		618,525,741	640,330,711
Income tax expense	10	-152,653,830	-159,920,613
Net income from non-banking businesses		465,871,911	480,410,098
Banking business (Presentation)			
Interest income	27	598,968,122	580,503,510
Interest expense	28	-123,592,686	-131,789,244
Net interest income		475,375,436	448,714,266
Fee and commission income	27	151,585,276	144,686,063
Fee and commission expenses	28	-46,909,811	-40,914,588
Net fee and commission income		104,675,465	103,771,475
Net income (expense) from financial operations		20,658,479	5,013,585
Net foreign exchange gain		-8,982,788	5,549,303
Other operating income		2,128,723	1,377,030
Provisions for loan losses	28	-177,873,734	-178,991,294
Net operating profit		415,981,581	385,434,365
Personnel salaries and expenses	29	-110,207,176	-100,447,175
Administrative expenses	29	-154,941,600	-138,010,605
Depreciations and amortizations	29	-21,175,299	-19,762,997
Other operating expenses	29	-20,509,182	-17,374,480
Total operating expenses		-306,833,257	-275,595,257
Operating income		109,148,324	109,839,108
Income from investments in associates and other companies	11	551,214	469,655
Income before tax		109,699,538	110,308,763
Income tax expense	10	-31,844,071	-31,814,667
Net income from banking businesses		77,855,467	78,494,096
Total net income		543,727,378	558,904,194



Net income attributable to:			
Net income attributable to shareholders	32	478,468,376	509,593,496
Net income attributable to non-controlling interests		65,259,002	49,310,698
Total net income		543,727,378	558,904,194
Earnings per share			
Basic earnings per share			
Basic earnings per share from continuing operations	32	0,19	0,21
Basic earnings per share		0,19	0,21
Diluted earnings per share			
Diluted earnings per share from continuing operations	32	0,19	0,21
Diluted earnings per share		0,19	0,21

Consolidated Statements of Comprehensive Income

Comprehensive Income Statement	Jan-01-18 Dec-31-18 M\$	Jan-01-17 Dec-31-17 M\$
Consolidated net income	543,727,378	558,904,194
Components of other comprehensive income that will not be reclassified to income for the year, before tax		
Actuarial losses for defined benefit plans, before tax	-9,299,135	-1,510,130
Other comprehensive income that will not be reclassified to income for the year	-9,299,135	-1,510,130
Components of other comprehensive income that will be reclassified to income for the year, before tax		
Currency translation		
Currency translation gain (loss), before tax	113,736,888	-112,117,633
Other comprehensive income, before tax, currency translation	113,736,888	-112,117,633
Gain (loss) on re-measurement of financial assets available for sale, before tax	-789,764	-822,980
Other comprehensive income, before tax, financial assets available for sale	-789,764	-822,980
Cash flow hedges		
Gain (loss) from cash flow hedges, before tax	-31,777,502	4,044,508
Other comprehensive income, before tax, cash flow hedges	-31,777,502	4,044,508
Other components of other comprehensive income which will be reclassified to income for the year, before tax	81,169,622	-108,896,105
Income tax related to components of other comprehensive income		
Income tax related to defined benefit plans in other comprehensive income	2,510,791	417,480
Total income tax related to components of other comprehensive income that will not be reclassified to income for the year	2,510,791	417,480
Income tax related to components of other comprehensive income		
Income tax related to financial assets available for sale in other comprehensive income	213,236	210,277
Income tax related to cash flow hedges in other comprehensive income	8,615,471	-1,008,123
Total income tax related to components of other comprehensive income	8,828,707	-797,846
Total other comprehensive income	83,209,985	-110,786,601
Total comprehensive income	626,937,363	588,221,041
Comprehensive income attributable to		
Comprehensive income attributable to shareholders	562,286,415	408,436,551
Comprehensive income attributable to non-controlling interest	64,650,948	39,681,042
Total comprehensive income	626,937,363	448,117,593

Consolidated Statements of Shareholders' Equity, Dec. 2018

	Share capital	Share capital premium	Treasury shares (Note 21.d)	Foreign currency translation reserves	Cash flow hedge reserves
Opening balance as of 01/01/2018	533,409,643	93,482,329	-27,042,749	-249,687,237	-28,860,865
Reduction due to application of new accounting rules					
Modified opening balance	533,409,643	93,482,329	-27,042,749	-249,687,237	-28,860,865
Changes in equity					
Comprehensive income					
Net income for the year	-	-	-	-	-
Other comprehensive income	-	-	-	113,538,882	-22,359,520
Comprehensive income	-	-	-	113,538,882	-22,359,520
Equity issue	386,009,746	-	-	-	-
Dividends	-	-	-	-	-
Increase (decrease) due to transfers and other changes	-	-	-	-	-
Increase (decrease) due to transactions in treasury shares	-	-	-17,766,217	-	-
Total equity changes	386,009,746	-	-17,766,217	113,538,882	-22,359,520
Closing balance as of 31/12/2018	919,419,389	93,482,329	-44,808,966	-136,148,355	-51,220,385

Consolidated Statements of Shareholders' Equity, Dec. 2017

	Share capital	Share capital premium	Treasury shares (Note 21.d)	Foreign currency translation 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 issue	-	-	-	-	-
Dividends	-	-	-	-	-
Increase (decrease) due to transfers and other changes	-	-	-	-	-
Increase (decrease) due to transactions in treasury shares	-	-	8,082,883	-	-
Total equity changes	-	-	8,082,883	-102,802,927	3,348,194
Closing balance as of 31/12/2017	533,409,643	93,482,329	-27,042,749	-249,687,237	-28,860,865



Actuarial gains or losses on defined benefits plans reserves	Gains or losses on re-measurement of financial assets available for sale reserves	Other miscellaneous reserves	Other reserves	Accumulated gains (losses)	Equity attributable to shareholders	Non-controlling interest	Total equity
-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
				-55,396,466	-55,396,466	-581,684	-55,978,150
-8,744,314	2,007	-96,552,395	-383,842,804	4,127,611,642	4,343,618,061	893,861,293	5,237,479,354
-	-	-	-	478,468,376	478,468,376	65,259,002	543,727,378
-6,788,384	-572,939	-	83,818,039	-	83,818,039	-608,054	83,209,985
-6,788,384	-572,939	-	83,818,039	478,468,376	562,286,415	64,650,948	626,937,363
-	-	-	-	-	386,009,746	6,716,847	392,726,593
-	-	-	-	-106,417,696	-106,417,696	-11,266,365	-117,684,061
-	-	-23,484,284	-23,484,284	-78,523,778	-102,008,062	-34,468,170	-136,476,232
-	-	2,140,423	2,140,423	-	-15,625,794	-	-15,625,794
-6,788,384	-572,939	-21,343,861	62,474,178	293,526,902	724,244,609	25,633,260	749,877,869
-15,532,698	-570,932	-117,896,256	-321,368,626	4,421,138,544	5,067,862,670	919,494,553	5,987,357,223

Actuarial gains or losses on defined benefits plans reserves	Gains or losses on re-measurement of financial assets available for sale reserves	Other miscellaneous reserves	Other reserves	Accumulated gains (losses)	Equity attributable to shareholders	Non-controlling interest	Total 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

Consolidated Statements of Cash Flows (Direct Method)

Cash Flow Statement - Direct Method	Jan-01-18 Dec-31-18 M\$	Jan-01-17 Dec-31-17 M\$
Cash flow statement		
Cash flows provided by (used in) operating activities		
Non-Banking businesses (Presentation)		
Proceeds from operating activities		
Proceeds from the sale of goods and services	9,900,628,400	9,600,223,865
Payments for operating activities		
Payments to suppliers for goods and services	-7,710,610,192	-7,392,342,971
Payments to and on behalf of employees	-1,097,083,781	-1,045,665,138
Income tax paid	-192,063,303	-154,680,844
Other cash payments	-303,682,699	-209,188,043
Subtotal net cash flows provided by operating activities from non-banking businesses	597,188,425	798,346,869
Banking businesses (Presentation)		
Consolidated net income	77,855,467	78,494,096
Charges (credits) to income that do not represent cash flows		
Depreciation and amortization	21,175,299	19,762,997
Provisions for loan losses	222,163,485	204,498,683
Net income from investment in companies with significant influence	-55,1214	-469,655
Other charges that do not represent cash flows	31,844,071	31,814,667
Net change in interest income and fee and commission income accrued on assets and liabilities	4,476,197	-6,403,651
Changes in assets and liabilities that affect operating cash flows		
Increase of loans and accounts receivables from customers	-483,327,317	-171,296,527
Net (increase) decrease of instruments held for trading	-63,143,345	-18,892,461
Increase of deposits and other demand liabilities	95,927,483	115,453,966
(Decrease) increase of time deposits and other time liabilities	540,771,952	-23,320,615
(Decrease) increase of obligations with Banks	-2,676,183	-35,332,205
Other cash payments	-67,960,201	-20,717,617
Subtotal net cash flows provided by operating activities from Banking businesses	376,555,694	173,591,678
Net cash flows provided by operating activities	973,744,119	971,938,547
Cash flows provided by (used in) investment activities		
Non-banking businesses (Presentation)		
Cash flows used for the acquisition of subsidiaries or other businesses	-87,420,365	-
Contributions to subsidiaries	-3,997,815	-25,737,222
Loans to related entities	-38,220,224	-
Proceeds from the sale of property, plant and equipment, and investment properties	86,782,388	2,251,308
Acquisitions of property, plant and equipment	-362,589,652	-375,895,985
Acquisitions of intangible assets	-55,153,317	-43,739,158
Acquisitions of other long-term assets	-100,630,655	-157,183,611
Dividends received	5,396,419	5,201,313
Interest received	19,629,721	15,541,228
Other cash payments	-582,606	-13,431,348
Subtotal net cash flows used in investment activities from non-banking businesses	-536,786,106	-592,993,475



Banking businesses (Presentation)		
Net increase of instruments available for sale	-1,920,294	-92,016,465
Acquisitions of fixed assets	-33,036,205	-33,890,115
Dividends received	503,392	527,972
Other cash proceeds	443,055	447,989
Subtotal net cash flows used in investment activities from banking businesses	-34,010,052	-124,930,619
Net cash flows used in investment activities	-570,796,158	-717,924,094

Cash Flow Statement – Direct Method	Jan-01-18 Dec-31-18 M\$	Jan-01-17 Dec-31-17 M\$
Cash flows provided by (used in) financing activities		
Non-banking businesses (Presentation)		
Proceeds from share issuance	397,209,317	6,924,284
Proceeds (payments) from the sale (acquisition) of shares of the Company	-14,881,439	10,929,316
Proceeds from long-term loans	115,417,743	362,571,213
Proceeds from short-term loans	2,383,703,642	2,362,155,656
Total proceeds from loans	2,499,121,385	2,724,726,869
Loan repayments	-2,691,655,869	-2,622,413,341
Payment of financial lease liabilities	-21,629,321	-18,352,153
Dividends paid	-154,142,646	-215,061,388
Interests paid	-168,127,341	-166,699,508
Other cash payments	-71,402,887	-2,967,781
Subtotal net cash flows used in financing activities from non-banking businesses	-225,508,801	-282,913,702
Banking businesses (Presentation)		
Letters of credit redeemed	-10,824,643	-7,023,624
Issue (repayment) of bonds	25,860,469	-21,731,107
Other cash payments	-7,771,804	-7,871,902
Subtotal net cash flows used in financing activities from banking businesses	7,264,022	-36,626,633
Net cash flows used in financing activities	-218,244,779	-319,540,335
Net cash and cash equivalents increase (decrease), before exchange rate translation effects	184,703,182	-65,525,882
Exchange rate translation effects over cash and cash equivalents		
Exchange rate translation over cash and cash equivalents	9,749,830	-15,508,194
Net increase (decrease) decrease in cash and cash equivalents	194,453,012	-81,034,076
Cash and cash equivalents at beginning of the period	494,958,665	575,992,741
Cash and cash equivalents at the end of the period	689,411,677	494,958,665

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ATREVO!**

-ACTITUD DE LIDERAZGO-

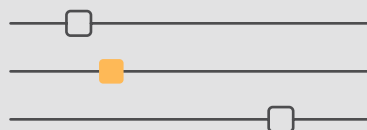


“ Falabella pushes you to go further, to want to give more than 100% . We as women must take the opportunities ”

Carolina Gordo
Chief Men Design

5 years at Falabella

Sustainability Guidelines



- Definition of Materiality
- GRI Index
- Non-financial Audit Letter



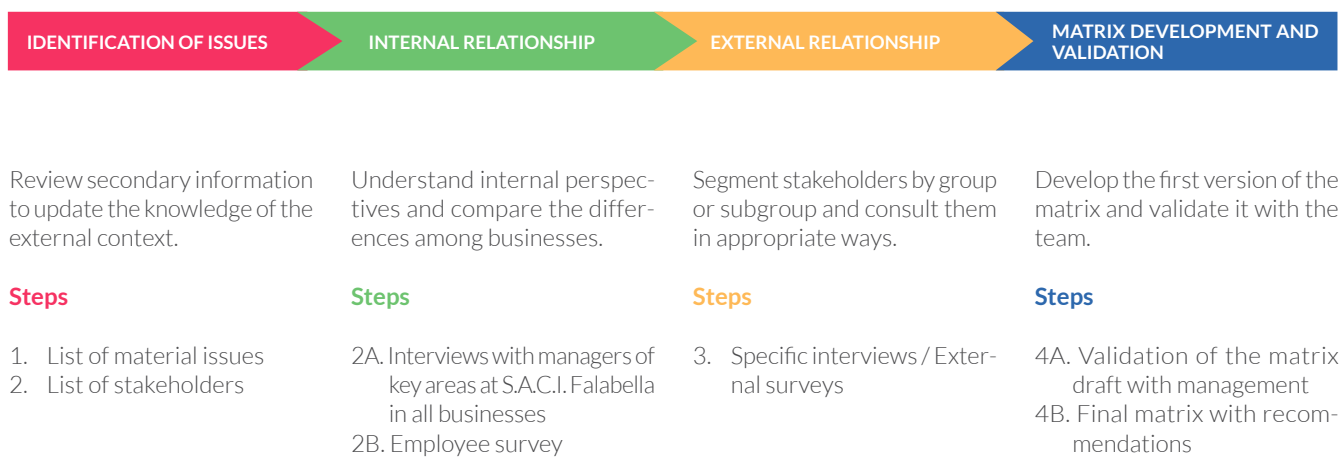
Definition of Materiality

Within the framework of a transformation into a physical and digital ecosystem, in which we seek an increasingly transversal view of our capabilities, during 2018 we did, for the first time, a corporate materiality study. We worked together with an independent consultant specialized in social and environmental management. Thus, during the next years we will work on generating strategic guidelines that enable us to focus our investment priorities.

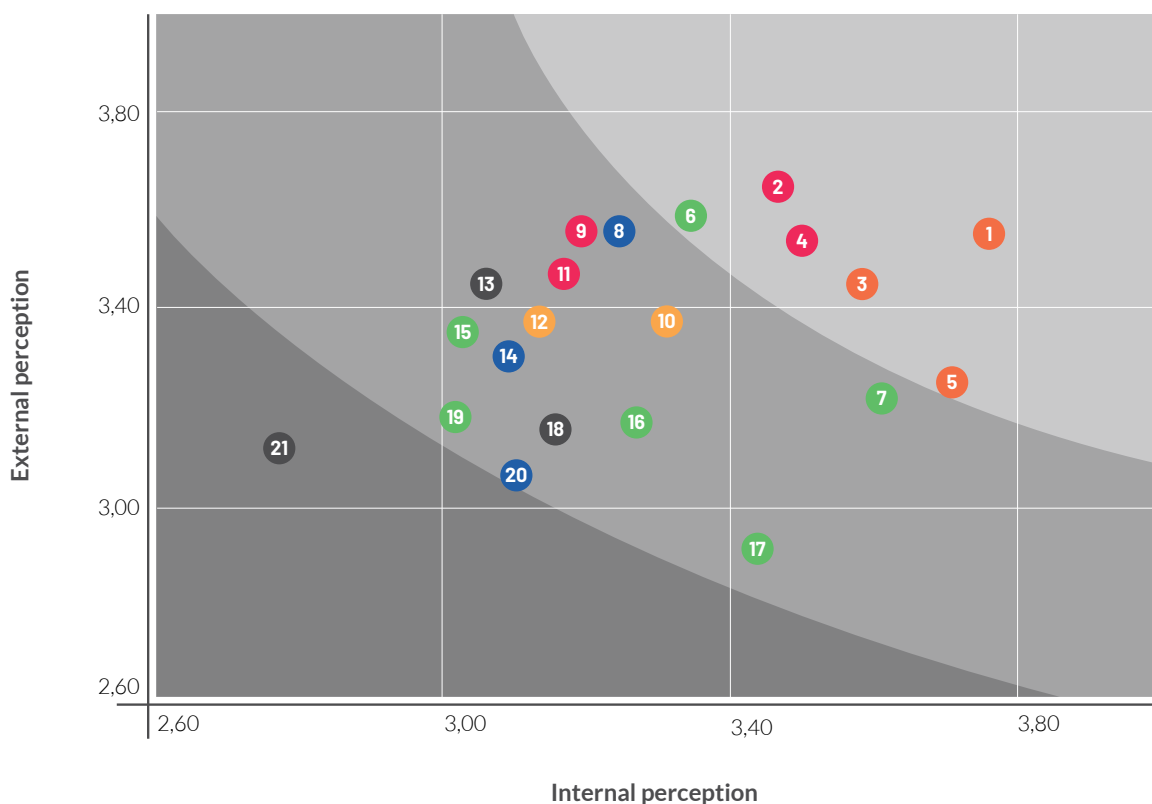
The materiality study is an independent analysis that seeks to identify the most relevant and critical issues for Falabella in terms of an ESG management. This analysis constitutes a key tool for communicating with our stakeholders, internal as well as external, given that it allows us to learn about their real interests and concerns, as well as their perceptions about where they believe we have the largest real or potential impact and in what areas is more important to take action.

The identification of material issues and the development of this report have been prepared considering the methodology established by the Global Reporting Initiative (GRI) guidelines, in accordance with the “Essential” conformity option of the GRI Standards guide. The indicators selected during 2018 comply with comparability in terms of the information collected in 2017 and 2016. Some indicators omit the required level of disaggregation for not having such detailed information on all our subsidiaries. In most cases, detailed information is presented in the sustainability reports of each business, which comply with the GRI Standards guide.

Identified issues are ranked under two criteria: influence on our business and relevance for our external stakeholders.



Based on obtained results, a materiality matrix was determined, where the “y” axis corresponds to the external perception and the “x” axis to the internal perception, regarding 21 issues identified as material. These issues were grouped into six main priorities, which allow us to advance in the creation of economic, social and environmental value, in line with our stakeholders.



Exceed customer expectations

- 1. Data protection and privacy
- 3. Offer adaptation and reaction capacity
- 5. Consumer experience

Develop our employees integrally

- 6. Diversity and inclusion
- 7. Attract, retain and develop talent
- 15. Employee wellbeing
- 16. New dynamics in labor relations
- 17. Unifying purpose
- 19. Reconversion of work positions

Social value creation

- 8. Positive value creation
- 14. Social regeneration and integration
- 20. Financial education

Governance

- 2. Business ethics
- 4. Corporate governance
- 9. Human rights
- 11. Stakeholder information transparency

Manage our supply chain

- 10. Responsible supplier management
- 12. Local support and development

Manage our environmental impact

- 13. Product quality management
- 18. Environmental performance
- 21. Climatic strategy



GRI Index

GRI Standard	Content	Page Number	Omission
Fundamentals			
General Disclosures			
102 Organization Profile	102-1 Name of the organization	109	
	102-2 Activities, brands, products and services	109 y 110	
	102-3 Location of headquarters	109	
	102-4 Location of operations	10, 13, 17, 20	
	102-5 Ownership and legal form	109	
	102-6 Markets served	10 a 21	
	102-7 Scale of the organization	23, 47, y 172	
	102-9 Supply chain	71	
	102-10 Significant changes to the organization and its supply chain	98, 121, y 147	
	102-11 Precautionary Principle or approach	62 y 73	
	102-12 External initiatives	68	
	102-13 Membership of associations	70	
	102 Strategy	102-14 Statement from senior decision-maker	4
102 Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	62 a 66	
102 Governance	102-18 Governance structure	85 y 90 a 95	
102 Stakeholder engagement	102-40 List of stakeholder groups	29	
	102-42 Identifying and selecting stakeholders	29 y 170	
	102-43 Approach to stakeholder engagement	29 y 170	
	102-44 Key topics and concerns raised	30	
102 Reporting practice	102-45 Entities included in the consolidated financial statements	147	
	102-46 Defining report content and topic Boundaries	171	
	102-47 List of material topics	30	
	102-48 Restatements of information	171	
	102-49 Changes in reporting	171	
	102-50 Reporting period	161	
	102-51 Date of most recent report	161	
	102-52 Reporting cycle	171	
	102-53 Contact point for questions regarding the report	109	
	102-54 Claims of reporting in accordance with the GRI Standards	170	
	102-55 GRI context index	174 GRI Index	
	102-56 External assurance	178 Non-financial audit letter / 182 Consolidated Financial Statements	



Material topics			
Exceed client expectations			
	103-1 Explanation of the material topic and its Boundaries	31	
	103-2 The management approach and its components	31	
	103-3 Evaluation of the management approach	31	
GRI Standard	Content	Page Number	Omission
Exceed client expectations			
Data protection and privacy			
Client privacy	Cybersecurity training	43	
Offer reaction and adaptation capacity			
Client satisfaction measurement		45	
Customer experience			
Client satisfaction measurement	NPS	45	
Develop our employees integrally			
	103-1 Explanation of the material topic and its Boundaries	45	
	103-2 The management approach and its components	45	
	103-3 Evaluation of the management approach	45	
Diversity and inclusion			
405 Diversity and Equal Opportunities	405-1 Diversity of governance bodies and employees	47 y 48	
	405-2 Ratio of basic salary and remuneration of women to men	46	
Attract, retain and develop talent			
404 Training and Education	404-1 Average hours of training per year per employee	52	Disaggregation by category is omitted. Information not available for some businesses. Work is being done to obtain the information for next year.
	404-3 Percentage of employees receiving regular performance and career development reviews	52	
Employee wellbeing			
403 Occupational Health and Safety	403-2 Hazard identification, risk assessment, and incident investigation	57	Disaggregation by category is omitted. Information not available for some businesses. Work is being done to obtain the information for next year.
New dynamics in labor relations			
Unionization	Unionization rates	55	
Unifying Purpose			
Values	We are a team	9 y 45	
Reconversion of Work Positions			
401 Employment	401-1 New employee hires and employee turnover	53	Total number of hires and dismissals, disaggregated by age, gender and region is omitted. Information not available, as we don't have sufficient coverage. Work is being done to obtain the information for next year.

GRI Standard	Content	Page Number	Omission
Social value creation			
	103-1 Explanation of the material topic and its Boundaries	58	
	103-2 The management approach and its components	58	
	103-3 Evaluation of the management approach	58	
Positive value creation			
Social investment		58	
Integration and social regeneration			
413 Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	59-61	
Financial education			
Financial education program		61	
Governance			
	103-1 Explanation of the material topic and its Boundaries	62	
	103-2 The management approach and its components	62	
	103-3 Evaluation of the management approach	62	
Business ethics			
205 Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	62	
206 Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	68	
Human Rights			
412 Human Rights Assessments	412-1 Operations that have been subject to human rights reviews or impact assessments	69	Information at a group level is omitted, since it does not apply. Work is being done at a business level.
Manage our supply chain			
	103-1 Explanation of the material topic and its Boundaries	71	
	103-2 The management approach and its components	71	
	103-3 Evaluation of the management approach	71	
Responsible supplier management			
308 Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	71	The classification of new ones is omitted, totals are shown.
414 Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	71	The classification of new ones is omitted, totals are shown.
Local support and development			
Local entrepreneurship and employment fostering		61	

GRI Standard	Content	Page Number	Omission
Manage our impact on the environment			
	103-1 Explanation of the material topic and its Boundaries	73	
	103-2 The management approach and its components	73	
	103-3 Evaluation of the management approach	73	
Product quality management			
301 Materials	301-2 Recycled input materials used	73	
Environmental performance			
Buildings	Environmentally friendly constructions	76	
Renewable energy	Renewable energy consumption	77	
Efficient water usage facilities	New facilities	74	
Commitment on emissions		78	
Climatic strategy			





Independent Audit Letter for key Non-Financial Data S.A.C.I. Falabella: ISAE 3000 declaration

Nature of the Assurance

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

Corporate Citizenship has conducted a limited audit of the non-financial data to be published in the Annual Report of S.A.C.I. Falabella in accordance with the GRI Standards to determine Report quality. The following non-financial data were covered:

- 1. Employees: occupational disease ratio; lost days ratio; headcount diversity; attrition ratio; and, training hours.*
- 2. Community investment: money contributions; volunteering cost during paid hours; contributions in kind; and, administration expenses.*

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

This audit was conducted 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 of independence, professional ethic and quality control established on the ISAE 3000.

Assurance Engagement

The assurance engagement was requested in February 2019, and was completed on April 3, 2019. Detailed evidence was obtained from meetings and mail. A team of four people, led by a Senior Analyst, conducted the assurance engagement and commentaries. A Director acted as advisor to the team.

The scope of the assurance engagement included the following activities:



1. Data review, covering key figures for the different business units at S.A.C.I. Falabella in Chile, Peru, Argentina, Brazil, Uruguay, Colombia, Mexico and India.
2. General questions about data collection and monitoring systems to the contact responsible for the coordination of the evidence.
3. Execution of error verification routines in order to identify possible faults in the subjacent data.
4. Discussion of specific questions regarding inconsistencies in the subjacent data with the owners of the relevant problems within each business area.

Independence

Corporate Citizenship has worked with S.A.C.I. Falabella since 2014 in advisory projects related with the application to the Dow Jones Sustainability Index (DJSI), Materiality Study and implementation of the LBG framework for Social Impact measurement. Corporate Citizenship has previously provided verification services to S.A.C.I. Falabella.

Conclusion

Based on the scope of the work and the conducted assurance procedures, nothing draws our attention in order to make us believe that the assured data was not prepared in accordance with the GRI Standards to determine Report quality.

Corporate Citizenship
London
April 3, 2019



Responsibility Statement





Responsibility Statement

The Directors of S.A.C.I. Falabella and the Corporate Chief Executive Officer, signatories of this declaration, based on the information prepared by management, are responsible under oath for the information presented in this Annual Report.

Sr. Carlo Solari Donaggio
RUT 9.585.749-3
Presidente

Sr. Juan Carlos Cortés Solari
RUT 7.017.522-3
Vicepresidente

Sra. María Cecilia Karlez Solari
RUT 7.005.097-8
Director

Sr. Sergio Cardone Solari
RUT 5.082.229-K
Director

Sra. Paola Cúneo Quintero
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 Béc
RUT 5.718.666-6
Director

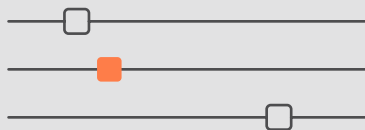
Sr. Juan Pablo del Río Gaudie
RUT 5.898.685-2
Director

Sr. Gastón Battazzini
RUT 22.923.569-9
Gerente General



Consolidated Financial Statements

M\$ - Thousand Chilean pesos

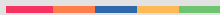








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S.A.C.I. Falabella and Subsidiaries

Consolidated Financial Statements
December 31, 2018



ThCh\$ - Thousands of Chilean pesos



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Independent Auditor's Report

(Translation of the report originally issued in Spanish)

To the Shareholders and Directors of
S.A.C.I. Falabella

We have audited the accompanying consolidated financial statements of S.A.C.I. Falabella and subsidiaries ("the Company"), which comprise the consolidated statement of financial position as of December 31, 2018 and 2017, 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 financial statements.

Management's Responsibility for the 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.



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

Opinion on the Regulatory Basis of Accounting

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, 2018 and 2017, 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'.

Marek Borowski

EY Audit SpA.

Santiago, February 26, 2019

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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, 2018 and December 31, 2017.

	Note	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Assets			
Non-Banking Businesses (Presentation)			
Current assets			
Cash and cash equivalents	3	352,100,505	232,027,185
Other financial assets, current	4	25,831,939	16,161,447
Other non-financial assets, current	5	127,043,970	109,045,269
Trade and other receivables, current	6	2,049,771,504	1,965,407,382
Related company receivables, current	7	60,013,844	8,568,867
Inventories	8	1,410,494,616	1,238,138,783
Tax assets, current	9	88,499,062	76,587,049
Total current assets other than assets or disposal groups classified as held for sale or held for distribution to the owners		4,113,755,440	3,645,935,982
Non-current assets or disposal groups classified as held-for-sale or held-for-distribution to the owners	2.16	17,371,457	10,866,456
Non-current assets or disposal groups classified as held-for-sale or held-for-distribution to the owners		17,371,457	10,866,456
Total current assets		4,131,126,897	3,656,802,438
Non-current assets			
Other financial assets, non-current	4	105,525,159	65,197,065
Other non-financial assets, non-current	5	95,232,966	74,750,007
Trade and other receivables, non-current	6	298,849,318	275,089,053
Investments accounted for using the equity method	11	135,735,296	138,296,518
Intangible assets other than goodwill	12	303,352,066	279,330,294
Goodwill	13	632,457,101	504,394,517
Property, plant and equipment	14	2,725,671,484	2,544,923,700
Investment properties	15	2,972,046,449	2,908,777,208
Tax assets, non-current	9	16,341,601	-
Deferred tax assets	10	190,054,669	148,118,365
Total non-current assets		7,475,266,109	6,938,876,727
Total assets - non-banking businesses		11,606,393,006	10,595,679,165
Assets Banking Businesses (Presentation)			
Cash and bank deposits	3	275,984,373	225,800,376
Transactions pending settlement	3	57,290,605	21,370,300
Instruments held for trading	3	148,258,611	71,182,626
Financial derivative contracts		88,101,263	26,600,918
Customer loans and receivables	6	2,823,447,682	2,590,709,808
Investment instruments held for sale	16	658,887,042	657,507,389
Investments in companies	11	3,179,466	2,861,251
Intangible assets	12	68,260,141	60,658,539
Property, plant and equipment	14	41,050,857	33,933,667
Current tax liabilities	9	5,214,005	7,766,383
Deferred tax liabilities	10	24,924,698	16,036,209
Other assets	17	77,745,688	30,501,854
Total assets - banking businesses		4,272,344,431	3,744,929,320
Total assets		15,878,737,437	14,340,608,485

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, 2018 and December 31, 2017.

	Note	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Net Liabilities and Shareholders' Equity			
Non-Banking Businesses (Presentation)			
Current liabilities			
Other financial liabilities, current	18	990,064,907	834,648,234
Trade and other payables, current	19	1,129,345,048	1,085,467,329
Related company payables, current	7	15,308,531	7,636,329
Other provisions, current	20	54,553,693	14,296,634
Tax liabilities, current	9	33,639,010	37,030,912
Employee benefit provisions, current	21	146,754,253	138,464,318
Other non-financial liabilities, current	22	162,987,699	162,716,905
Total current liabilities		2,532,653,141	2,280,260,661
Non-current liabilities			
Other financial liabilities, non-current	18	2,806,585,586	3,006,175,090
Trade and other payables, non-current	19	1,089,919	1,081,931
Other provisions, non-current	20	9,324,355	11,045,759
Deferred tax liabilities	10	591,757,849	568,622,314
Employee benefit provisions, non-current	21	45,630,958	32,997,676
Other non-financial liabilities, non-current	22	55,124,675	45,681,427
Total non-current liabilities		3,509,513,342	3,665,604,197
Total liabilities - non-banking businesses		6,042,166,483	5,945,864,858
Banking Business Liabilities (Presentation)			
Deposits and other demand obligations		639,081,704	543,154,221
Transactions pending settlement	3	46,413,806	15,139,196
Deposits and other time deposits	23	2,538,382,394	1,987,726,066
Financial derivative contracts		87,064,300	31,181,315
Bank borrowings	24	78,714,860	81,391,043
Debt instruments issued	25	268,117,240	242,256,771
Other financial obligations	25	112,289,216	130,641,388
Current taxes	9	91,904	-
Provisions	20	11,609,125	1,669,445
Other liabilities	26	67,449,182	68,126,678
Total liabilities - banking businesses		3,849,213,731	3,101,286,123
Total liabilities		9,891,380,214	9,047,150,981
Net Equity			
Share capital	34	919,419,389	533,409,643
Retained earnings		4,421,138,544	4,183,008,108
Share premium	34	93,482,329	93,482,329
Treasury shares		(44,808,966)	(27,042,749)
Other reserves	34	(321,368,626)	(383,842,804)
Equity attributable to owners of the parent company		5,067,862,670	4,399,014,527
Non-controlling interests		919,494,553	894,442,977
Total shareholder's equity		5,987,357,223	5,293,457,504
Total liabilities and shareholders' equity		15,878,737,437	14,340,608,485

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, 2018 and December 31, 2017.

	Note	Jan 01-18 Dec-31-18 ThCh\$	Jan 01-17 Dec-31-17 ThCh\$
Income Statement			
Non-Banking Businesses (Presentation)			
Operating revenue	27	8,483,577,333	8,209,851,510
Cost of sales	28	(5,508,545,374)	(5,296,642,965)
Gross margin		2,975,031,959	2,913,208,545
Distribution costs		(115,829,431)	(96,735,311)
Administrative expenses	29	(1,946,931,176)	(1,847,408,431)
Other expenses, by function		(142,404,860)	(149,314,641)
Other income (losses)	31	24,079,804	3,289,726
Financial income		37,280,766	15,113,935
Financial costs	30	(181,505,280)	(195,372,181)
Share of net income (losses) of equity method associates and joint ventures	11	7,092,186	15,279,304
Exchange differences		(15,793,359)	(466,040)
Income from indexation units	30	(22,494,868)	(17,264,195)
Net income before tax		618,525,741	640,330,711
Income tax expense	10	(152,653,830)	(159,920,613)
Net income from non-banking businesses		465,871,911	480,410,098
Banking Businesses (Presentation)			
Interest and indexation income	27	598,968,122	580,503,510
Interest and indexation expense	28	(123,592,686)	(131,789,244)
Net interest and indexation income		475,375,436	448,714,266
Commission income	27	151,585,276	144,686,063
Commission expense	28	(46,909,811)	(40,914,588)
Net commission income		104,675,465	103,771,475
Net income (loss) on financial transactions		20,658,479	5,013,585
Net income (loss) on currency exchange		(8,982,788)	5,549,303
Other operating income		2,128,723	1,377,030
Credit risk allowances	28	(177,873,734)	(178,991,294)
Total net operating income		415,981,581	385,434,365
Staff remuneration and expenses	29	(110,207,176)	(100,447,175)
Administrative expenses	29	(154,941,600)	(138,010,605)
Depreciation and amortization	29	(21,175,299)	(19,762,997)
Other operating expenses	29	(20,509,182)	(17,374,480)
Total operating expenses		(306,833,257)	(275,595,257)
Net operating income		109,148,324	109,839,108
Income from investments in companies	11	551,214	469,655
Net income before tax		109,699,538	110,308,763
Income tax expense	10	(31,844,071)	(31,814,667)
Net income from banking businesses		77,855,467	78,494,096
Net income for the period		543,727,378	558,904,194
Net income attributable to			
Net income attributable to owners of the parent company	32	478,468,376	509,593,496
Net income attributable to non-controlling interests		65,259,002	49,310,698
Net income for the period		543,727,378	558,904,194
Earnings per share			
Basic earnings per share			
Basic earnings per share from continuing operations	32	0.19	0.21
Basic earnings per share		0.19	0.21
Diluted earnings per share			
Diluted earnings per share from continuing operations	32	0.19	0.21
Diluted earnings per share		0.19	0.21

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, 2018 and December 31, 2017.

Statement of Comprehensive Income	Jan 01-18 Dec-31-18 ThCh\$	Jan 01-17 Dec-31-17 ThCh\$
Net income for the period	543,727,378	558,904,194
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	(9,299,135)	(1,510,130)
Other comprehensive income that will not be reclassified to income for the year	(9,299,135)	(1,510,130)
Components of other comprehensive income that will be reclassified to income for the year, before tax		
Foreign currency conversion		
Gain (loss) on foreign currency translations, before tax	113,736,888	(112,117,633)
Other comprehensive income, before tax, from foreign currency conversion	113,736,888	(112,117,633)
Losses for new measurements of available-for-sale financial assets, before tax	(789,764)	(822,980)
Other comprehensive income, before tax, on financial assets held for sale	(789,764)	(822,980)
Cash flow hedges		
Gain (loss) from cash flow hedges, before tax	(31,777,502)	4,044,508
Other comprehensive income, before tax, on cash flow hedges	(31,777,502)	4,044,508
Other components of other comprehensive income that will be reclassified to income for the year, before tax	81,169,622	(108,896,105)
Income taxes related to components of other comprehensive income		
Income tax related to defined benefits plans in other comprehensive income	2,510,791	417,480
Total income tax related to components of other comprehensive income that will not be reclassified to income for the year	2,510,791	417,480
Income taxes related to components of other comprehensive income		
Income tax related to financial assets held for sale in other comprehensive income	213,236	210,277
Income tax relating to cash flow hedges in other comprehensive income	8,615,471	(1,008,123)
Total income tax related to components of other comprehensive income	8,828,707	(797,846)
Total other comprehensive income (loss)	83,209,985	(110,786,601)
Total comprehensive income	626,937,363	448,117,593
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent company	562,286,415	408,436,551
Comprehensive income (loss) attributable to non-controlling interests	64,650,948	39,681,042
Total comprehensive income	626,937,363	448,117,593

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, 2018 was as follows:

	Share capital (see Note 34)	Share premium	Treasury shares (Note 21.d)	Foreign currency conversion reserves	Cash flow hedge reserves	Actuarial gains or losses on defined benefit plans 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 01/01/2018	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
Decrease due to new accounting standards (Note 2.29.c)	-	-	-	-	-	-	-	-	-	(55,396,466)	(55,396,466)	(581,684)	(55,978,150)
Restated opening balance	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)	4,127,611,642	4,343,618,061	893,861,293	5,237,479,354
Changes in equity													
Comprehensive income													
Net income for the year	-	-	-	-	-	-	-	-	-	478,468,376	478,468,376	65,259,002	543,727,378
Other comprehensive income	-	-	-	113,538,882	(22,359,520)	(6,788,384)	(572,939)	-	83,818,039	-	83,818,039	(608,054)	83,209,985
Total comprehensive income	-	-	-	113,538,882	(22,359,520)	(6,788,384)	(572,939)	-	83,818,039	478,468,376	562,286,415	64,650,948	626,937,363
Equity issued	386,009,746	-	-	-	-	-	-	-	-	-	386,009,746	6,716,847	392,726,593
Dividends	-	-	-	-	-	-	-	-	-	(106,417,696)	(106,417,696)	(11,266,365)	(117,684,061)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	-	-	(23,484,284)	(23,484,284)	(78,523,778)	(102,008,062)	(34,468,170)	(136,476,232)
Increase (decrease) for transactions with treasury shares	-	-	(17,766,217)	-	-	-	-	2,140,423	2,140,423	-	(15,625,794)	-	(15,625,794)
Total changes in equity	386,009,746	-	(17,766,217)	113,538,882	(22,359,520)	(6,788,384)	(572,939)	(21,343,861)	62,474,178	293,526,902	724,244,609	25,633,260	749,877,869
Closing balance as of 12/31/2018	919,419,389	93,482,329	(44,808,966)	(136,148,355)	(51,220,385)	(15,532,698)	(570,932)	(117,896,256)	(321,368,626)	4,421,138,544	5,067,862,670	919,494,553	5,987,357,223

b) 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 benefit plans 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)
Total 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 transactions with treasury shares	-	-	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

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, 2018 and December 31, 2017.

Cash Flow Statement - Direct Method	Jan 01-18 Dec-31-18 ThCh\$	Jan 01-17 Dec-31-17 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	9,900,628,400	9,600,223,865
Payments for operating activities		
Payments to suppliers for goods and services	(7,710,610,192)	(7,392,342,971)
Payments to and on behalf of employees	(1,097,083,781)	(1,045,665,138)
Income tax paid	(192,063,303)	(154,680,844)
Other cash payments	(303,682,699)	(209,188,043)
Subtotal net cash flow provided by operating activities from Non-Banking Businesses	597,188,425	798,346,869
Banking Businesses (Presentation)		
Consolidated net income for the year	77,855,467	78,494,096
Charges (credits) to income that do not involve cash movements		
Depreciation and amortization	21,175,299	19,762,997
Credit risk allowances	222,163,485	204,498,683
Net income from investments in companies with significant influence	(551,214)	(469,655)
Other charges that do not involve cash movements	31,844,071	31,814,667
Net changes in interest, indexation and commission on assets and liabilities	4,476,197	(6,403,651)
Changes in assets and liabilities that affect operating cash flows		
Increase in customer loans and receivables	(483,327,317)	(171,296,527)
Net (increase) decrease in instruments held for trading	(63,143,345)	(18,892,461)
Increase in deposits and other demand obligations	95,927,483	115,453,966
Increase (decrease) in deposits and other time deposits	540,771,952	(23,320,615)
Increase (decrease) in obligations to banks	(2,676,183)	(35,332,205)
Other cash payments	(67,960,201)	(20,717,617)
Subtotal net cash flow provided by operating activities from Banking Businesses	376,555,694	173,591,678
Net cash flow provided by operating activities	973,744,119	971,938,547
Cash flow provided by (used in) investing activities		
Non-Banking Businesses (Presentation)		
Payments to obtain control of subsidiaries or other businesses	(87,420,365)	-
Contributions to associates	(3,997,815)	(25,737,222)
Loans to related companies	(38,220,224)	-
Proceeds from disposal of property, plant and equipment and investment properties	86,782,388	2,251,308
Acquisitions of property, plant, and equipment	(362,589,652)	(375,895,985)
Acquisitions of Intangible Assets	(55,153,317)	(43,739,158)
Acquisitions of other long-term assets	(100,630,655)	(157,183,611)
Dividends received	5,396,419	5,201,313
Interest received	19,629,721	15,541,228
Other cash payments	(582,606)	(13,431,348)
Subtotal net cash flow used in investing activities for Non-Banking Businesses	(536,786,106)	(592,993,475)
Banking Businesses (Presentation)		
Net increase in investment instruments held for sale	(1,920,294)	(92,016,465)
Acquisition of property, plant and equipment	(33,036,205)	(33,890,115)
Dividends received	503,392	527,972
Other cash proceeds	443,055	447,989
Subtotal net cash flow used in investing activities for Banking Businesses	(34,010,052)	(124,930,619)
Net cash flow used in investing activities	(570,796,158)	(717,924,094)

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, 2018 and December 31, 2017.

Statement of Cash Flows	Jan 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Cash flow provided by (used in) financing activities		
Non-Banking Businesses (Presentation)		
Proceeds from issuing shares	397,209,317	6,924,284
Proceeds (payments) to sell (acquire) the entity's own shares	(14,881,439)	10,929,316
Proceeds from long-term loans	115,417,743	362,571,213
Proceeds from short-term loans	2,383,703,642	2,362,155,656
Total proceeds from loans	2,499,121,385	2,724,726,869
Loan repayments	(2,691,655,869)	(2,622,413,341)
Payment of finance lease liabilities	(21,629,321)	(18,352,153)
Dividends paid	(154,142,646)	(215,061,388)
Interest paid	(168,127,341)	(166,699,508)
Other cash payments	(71,402,887)	(2,967,781)
Subtotal net cash flows used in financing activities for Non-Banking Businesses	(225,508,801)	(282,913,702)
Banking Businesses (Presentation)		
Letters of credit redeemed	(10,824,643)	(7,023,624)
Bonds issued (repaid)	25,860,469	(21,731,107)
Other cash payments	(7,771,804)	(7,871,902)
Subtotal net cash flows provided by (used in) financing activities for Banking Businesses	7,264,022	(36,626,633)
Net cash flows provided by (used in) financing activities	(218,244,779)	(319,540,335)
Net increase (decrease) in cash and cash equivalents, before the effect of changes in exchange rates	184,703,182	(65,525,882)
Effect of changes in exchange rates on cash and cash equivalents		
Effect of changes in exchange rates on cash and cash equivalents	9,749,830	(15,508,194)
Net increase (decrease) in cash and cash equivalents	194,453,012	(81,034,076)
Cash and cash equivalents at the beginning of the year	494,958,665	575,992,741
Cash and cash equivalents at the end of the year	689,411,677	494,958,665

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 Financial Market Commission (“FMC”). Its main offices and legal domicile are located at Manuel Rodríguez Norte 730, Santiago, Chile.

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

Subsidiary	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. ⁽¹⁾	90,743,000-6	1,092

⁽¹⁾ On January 18, 2019, Promotora CMR Falabella S.A. requested that the registration as issuer of securities be canceled in the FMC Registry.

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, and 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 in textile manufacturing (Mavesa).

The Group had the following number of employees as of December 31, 2018 and December 31, 2017:

Country	Dec-31-18	Dec-31-17
Chile	52,963	54,666
Peru	30,169	32,694
Colombia	7,502	7,834
Argentina	5,369	5,478
Brazil	3,285	3,578
Uruguay	425	412
India	77	21
China	129	119
Mexico	236	-
TOTAL	100,155	104,802
Senior Executives	3,375	2,835



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, 2018 and December 31, 2017, consolidated statements of comprehensive income by function, statements of changes in equity and consolidated statements of cash flow for the years ended December 31, 2018 and December 31, 2017, and their corresponding notes. They have been prepared and submitted in accordance with International Financial Reporting Standards ("IFRS"), and include additional information required by the Chilean Financial Market Commission ("FMC") 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 were: Banco Falabella Chile, Banco Falabella Peru and Banco Falabella Colombia.

The Group reorganized its banking business in Chile during 2018. Therefore, Promotora CMR Falabella S.A. (hereinafter CMR) was converted into a company that supports the banking business.

As a result, Banco Falabella (hereinafter the Bank) became the majority shareholder of CMR on December 3, 2018, by subscribing to CMR's entire capital increase at a value of Ch\$ 240,000 million.

As both companies form part of the same controlling group in this transaction, the acquired assets and liabilities have been valued at book value, and there were no valuation effects for the Group.

The purpose of this reorganization was to provide banking customers with integrated banking services, covering loan, savings and investment products. The number of service points for the Bank and CMR customers have also increased, since CMR's customers can be attended in the Bank's offices and vice versa, which improves the products available.

CMR has been disclosed within the Non-Banking Business in these financial statements, as the effects of this reorganization as of December 31, 2018 have not been significant for the Banking Business.



Note 2 - Summary of Significant Accounting Policies (continued)

2.1. Basis of preparation of the financial statements (continued)

The consolidated financial statements of S.A.C.I. Falabella for 2017 were approved by its Board of Directors during a meeting held on February 27, 2018 and subsequently submitted to the General Shareholders' Meeting held on April 24, 2018, 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 applied to prepare the consolidated financial statements are consistent with those applied to prepare the Group's consolidated financial statements for the year ended December 31, 2017, except for IFRS 9 and IFRS 15, which were adopted by the Group with effect as of January 1, 2018 (see Note 2.29.c).

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. Chilean pesos are rounded to the nearest thousand pesos.

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.

2.4. Period Covered by the Financial Statements

These consolidated financial statements include statements of financial position as of December 31, 2018 and 2017, statements of comprehensive income by function and statements of cash flow for the years ended December 31, 2018 and December 31, 2017 and statements of changes in equity for the years ended December 31, 2018 and December 31, 2017.

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 in 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.



Note 2 - Summary of Significant Accounting Policies (continued)

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

The Company has not consolidated the financial statements of R-SC Internet Services C.A. (Linio Venezuela). Although it controls this company, the conditions established by IFRS 10 to consolidate it have not been met, because the economic situation and measures in Venezuela have caused significant distortions with respect to receiving the cash flows generated there. Furthermore, given the business combination process referred to in Note 40, the net identifiable assets owned by this subsidiary have been valued at a fair value of zero as a result of this situation.

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.

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 were detailed as follows:

Chilean ID Number	SUBSIDIARY	OWNERSHIP INTEREST				COUNTRY	FUNCTIONAL CURRENCY
		Dec-31-18 DIRECT %	Dec-31-18 INDIRECT %	Dec-31-18 TOTAL %	Dec-31-17 TOTAL %		
76,020,391-2	INVERSIONES FALABELLA LTDA	99.989	0.011	100	100	CHILE	CLP
76,020,385-8	INVERSIONES PARMIN SpA	100	-	100	100	CHILE	CLP
Foreign	FALABELLA SUCURSAL URUGUAY S.A.	100	-	100	100	URUGUAY	CLP
99,500,360-0	HOMETRADING S.A.	-	100	100	100	CHILE	CLP
99,593,960-6	DESARROLLOS INMOBILIARIOS SpA.	-	100	100	100	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	100	100	CHILE	CLP
76,882,330-8	NUEVOS DESARROLLOS S.A. (FORMERLY PLAZA ALAMEDA S.A.)	-	45.94	45.94	45.94	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.	-	45.94	45.94	45.94	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.	-	45.94	45.94	45.94	CHILE	CLP
96,538,230-5	PLAZA VESPUCCIO SpA	-	59.278	59.278	59.278	CHILE	CLP
79,990,670-8	ADMINISTRADORA PLAZA VESPUCCIO S.A.	-	59.272	59.272	59.272	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 SpA.	-	45.94	45.94	45.94	CHILE	CLP
76,299,850-5	INVERSIONES PLAZA LTDA. (FORMERLY INV. ALCALÁ)	-	-	-	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	100	100	CHILE	CLP

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 2 - Summary of Significant Accounting Policies (continued)

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

Subsidiaries included in the consolidation were detailed as follows (continued):

Chilean ID Number	SUBSIDIARY	OWNERSHIP INTEREST				COUNTRY	FUNCTIONAL CURRENCY
		Dec-31-18 DIRECT %	Dec-31-18 INDIRECT %	Dec-31-18 TOTAL %	Dec-31-17 TOTAL %		
99,556,180-8	SODIMAC TRES S.A.	-	100	100	100	CHILE	CLP
96,681,010-6	TRAINEEMAC S.A.	-	100	100	100	CHILE	CLP
76,054,094-3	INVERSIONES SODMIN SpA	-	100	100	100	CHILE	CLP
76,054,151-6	TRAINEEMAC S.A.	-	100	100	100	CHILE	CLP
76,821,330-5	IMPERIAL S.A.	-	60	60	60	CHILE	CLP
76,222,370-8	SERVICIOS GENERALES BASCUÑAN LTDA	-	100	100	100	CHILE	CLP
76,644,120-3	APORTA SpA	-	100	100	100	CHILE	CLP
76,046,439-2	APYSER SpA	-	100	100	100	CHILE	CLP
76,662,120-1	CERRO COLORADO LTDA	-	88	88	88	CHILE	CLP
96,579,870-6	SERVICIOS GENERALES FALABELLA RETAIL SpA	-	100	100	100	CHILE	CLP
76,012,536-9	SERVICIOS GENERALES MULTIBRAND SpA	-	100	100	100	CHILE	CLP
76,557,960-0	SERVICIOS GENERALES TOTTUS LTDA	-	88	88	88	CHILE	CLP
76,383,840-4	SERVICIOS GENERALES PRESERTEL SpA	-	100	100	100	CHILE	CLP
76,035,886-K	PRESTADORA DE SERVICIOS TELEFÓNICOS SpA	-	100	100	100	CHILE	CLP
78,334,680-K	SERVICIOS GENERALES ZONA I SpA	-	100	100	100	CHILE	CLP
78,636,190-7	SERVICIOS GENERALES ZONA II SpA	-	100	100	100	CHILE	CLP
78,738,460-9	TRANSPORTES Y DISTRIBUCIONES SpA	-	100	100	100	CHILE	CLP
78,919,640-0	TRANSPORTES Y DISTRIBUCIONES DEL SUR SpA	-	100	100	100	CHILE	CLP
78,745,900-5	TRASCIENDE LTDA	-	100	100	100	CHILE	CLP
76,042,509-5	INVERSIONES Y PRESTACIONES VENSER SEIS LTDA	-	100	100	100	CHILE	CLP
76,046,445-7	CONFECIONES INDUSTRIALES SpA	-	100	100	100	CHILE	CLP
96,573,100-8	MANUFACTURAS DE VESTUARIO MAVESA LTDA	-	100	100	100	CHILE	CLP
76,039,672-9	DINALSA SpA	-	100	100	100	CHILE	CLP
78,627,210-6	HIPERMERCADOS TOTTUS S.A.	-	88	88	88	CHILE	CLP
78,722,910-7	TOTTUS S.A.	-	88	88	88	CHILE	CLP
76,046,433-3	FALABELLA INVERSIONES FINANCIERAS S.A.	-	100	100	100	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	100	100	CHILE	CLP
79,598,260-4	ADMINISTRADORA CMR FALABELLA LTDA	-	100	100	100	CHILE	CLP
77,235,510-6	SERVICIOS DE EVALUACIONES Y COBRANZAS SEVALCO LTDA	-	100	100	100	CHILE	CLP
76,027,825-4	PROMOCIONES Y PUBLICIDAD LIMITADA	-	100	100	100	CHILE	CLP
78,566,830-8	SOC. DE COBRANZAS LEGALES LEXICOM LTDA	-	100	100	100	CHILE	CLP
96,847,200-3	SERVICIOS E INVERSIONES FALABELLA LTDA	-	100	100	100	CHILE	CLP
77,099,010-6	SEGUROS FALABELLA CORREDORES LTDA	-	100	100	100	CHILE	CLP
76,512,060-8	SOLUCIONES CREDITICIAS CMR LTDA	-	100	100	100	CHILE	CLP
78,997,060-2	VIAJES FALABELLA LTDA	-	100	100	100	CHILE	CLP
77,261,280-K	FALABELLA RETAIL S.A.	-	100	100	100	CHILE	CLP
76,000,935-0	PROMOTORA CHILENA DE CAFÉ COLOMBIA S.A.	-	65	65	65	CHILE	CLP
96,951,230-0	INMOBILIARIA MALL CALAMA SpA	-	59.278	59.278	59.278	CHILE	CLP
Foreign	SHEARVAN CORPORATE S.A.	-	100	100	100	BRITISH ISLANDS	USD
76,042,371-8	NUEVA FALABELLA INVERSIONES INTERNACIONALES SpA	-	100	100	100	CHILE	CLP
96,647,930-2	INVERSIONES INVERFAL PERÚ SpA	-	100	100	100	CHILE	CLP
76,023,147-9	NUEVA INVERFIN SpA	-	100	100	100	CHILE	CLP

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 2 - Summary of Significant Accounting Policies (continued)

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

Subsidiaries included in the consolidation were detailed as follows (continued):

Chilean ID Number	SUBSIDIARY	OWNERSHIP INTEREST				COUNTRY	FUNCTIONAL CURRENCY
		Dec-31-18 DIRECT %	Dec-31-18 INDIRECT %	Dec-31-18 TOTAL %	Dec-31-17 TOTAL %		
76,007,317-2	INVERCOL SpA	-	100	100	100	CHILE	CLP
Foreign	INVERSORA FALKEN S.A.	-	100	100	100	URUGUAY	CLP
Foreign	TEVER CORP.	-	100	100	100	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.	-	99.999	99.999	99.999	ARGENTINA	ARS
Foreign	INVERSIONES FALABELLA DE COLOMBIA S.A.	-	99.999	99.999	99.999	COLOMBIA	COP
Foreign	FALABELLA COLOMBIA S.A.	-	65	65	65	COLOMBIA	COP
Foreign	AGENCIA DE SEGUROS FALABELLA LTDA	-	65	65	65	COLOMBIA	COP
Foreign	AGENCIA DE VIAJES Y TURISMO FALABELLA S.A.S.	-	65	65	65	COLOMBIA	COP
Foreign	ABC DE SERVICIOS S.A.S.	-	65	65	65	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.	-	97.799	97.799	97.799	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.	-	99.759	99.759	99.759	PERU	PEN
Foreign	FALABELLA SERVICIOS CENTRALES S.A.C.	-	99.759	99.759	99.759	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 CORPORATIVAS BETA S.A.C.	-	99.758	99.758	99.758	PERU	PEN
Foreign	INVERSIONES CORPORATIVAS GAMMA S.A.C.	-	99.758	99.758	99.758	PERU	PEN
96,509,660-4	BANCO FALABELLA S.A.	-	100	100	100	CHILE	CLP
Foreign	BANCO FALABELLA PERÚ S.A.	-	99.759	99.759	99.759	PERU	PEN
Foreign	BANCO FALABELLA S.A. (COLOMBIA)	-	65	65	65	COLOMBIA	COP
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	100	100	CHILE	CLP
Foreign	SERVICIOS INFORMÁTICOS FALABELLA S.A.C.	-	99.759	99.759	99.759	PERU	PEN
76,141,045-8	INVERSIONES INVERFAL COLOMBIA SpA	-	100	100	100	CHILE	CLP
76,141,046-6	INVERSIONES INVERFAL ARGENTINA SpA	-	100	100	100	CHILE	CLP
76,153,987-6	ADMYSER SpA	-	100	100	100	CHILE	CLP
76,153,976-0	CAPYSER SpA	-	100	100	100	CHILE	CLP
Foreign	CENTRO COMERCIAL EL CASTILLO CARTEGENA S.A.S.	-	-	-	59.278	COLOMBIA	COP
Foreign	MALL PLAZA COLOMBIA S.A.S.	-	59.278	59.278	59.278	COLOMBIA	COP
Foreign	CENTRO COMERCIAL MANIZALES S.A.S.	-	-	-	47.422	COLOMBIA	COP
76,142,721-0	GIFT CORP SpA	-	100	100	100	CHILE	CLP
76,149,308-6	INVERSIONES BRASIL SpA	-	100	100	100	CHILE	CLP
76,159,664-0	INVERSIONES URUGUAY SpA	-	100	100	100	CHILE	CLP
76,159,684-5	INVERFAL URUGUAY SpA	-	100	100	100	CHILE	CLP
Foreign	COMPañIA SAN JUAN S.A.C.	-	99.758	99.758	99.758	PERU	PEN
76,308,853-7	NUEVA INVERFAL ARGENTINA SpA	-	100	100	100	CHILE	CLP
76,179,527-9	FALABELLA MÓVIL SpA	-	100	100	100	CHILE	CLP
76,167,965-1	SERVICIOS LOGISTICOS SODILOG LTDA	-	100	100	100	CHILE	CLP
76,201,304-5	RENTAS HOTELERAS SpA	-	100	100	100	CHILE	CLP

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 2 - Summary of Significant Accounting Policies (continued)

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

Subsidiaries included in the consolidation were detailed as follows (continued):

Chilean ID Number	SUBSIDIARY	OWNERSHIP INTEREST				COUNTRY	FUNCTIONAL CURRENCY
		Dec-31-18 DIRECT %	Dec-31-18 INDIRECT %	Dec-31-18 TOTAL %	Dec-31-17 TOTAL %		
Foreign	CONTAC CENTER FALABELLA S.A.C.	-	99.759	99.759	99.759	PERU	PEN
Foreign	OPEN PLAZA ORIENTE S.A.C.	-	99.758	99.758	99.758	PERU	PEN
96,824,450-7	INMOBILIARIA MALL LAS AMÉRICAS S.A.	-	45.143	45.143	45.143	CHILE	CLP
Foreign	SHEARVAN COMMERCIAL (SHANGAI)	-	100	100	100	CHINA	CNY
Foreign	HIPERMERCADOS TOTTUS ORIENTE S.A.C.	-	99.758	99.758	99.758	PERU	PEN
Foreign	SODIMAC PERÚ ORIENTE S.A.C.	-	99.758	99.758	99.758	PERU	PEN
76,319,068-4	INVERSIONES INDIA SpA	-	100	100	100	CHILE	CLP
Foreign	FALABELLA BRASIL LTDA	-	100	100	100	BRAZIL	BRL
Foreign	SODIMAC BRASIL LTDA	-	100	100	100	BRAZIL	BRL
Foreign	INVERSIONES FALABELLA URUGUAY S.A.	-	100	100	100	URUGUAY	UYU
Foreign	HOME CENTER SODIMAC S.A.	-	100	100	100	URUGUAY	UYU
Foreign	JOSMIR S.A.	-	100	100	100	URUGUAY	UYU
76,335,739-2	INVERSIONES MÉXICO SpA	-	100	100	100	CHILE	CLP
76,282,188-5	INVERFAL BRASIL SpA	-	100	100	100	CHILE	CLP
Foreign	SAGA FALABELLA IQUITOS S.A.C.	-	97.799	97.799	97.799	PERU	PEN
Foreign	SAGA FALABELLA ORIENTE S.A.C.	-	97.799	97.799	97.799	PERU	PEN
Foreign	CONSTRUDECOR S.A. ⁽¹⁾	-	100	100	64.981	BRAZIL	BRL
Foreign	CONSTRUDECOR SERVICIOS LTDA. ⁽¹⁾	-	100	100	65.016	BRAZIL	BRL
Foreign	CONSTRUDECOR PROPERTIES LTDA. ⁽¹⁾	-	100	100	65.051	BRAZIL	BRL
Foreign	SEGUROS FALABELLA PRODUCTORES S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS
76,327,698-8	SERVICIOS GENERALES FALABELLA ZONA NORTE SpA	-	100	100	100	CHILE	CLP
Foreign	LILLE INVESTIMENTOS ⁽¹⁾	-	100	100	65.016	BRAZIL	BRL
Foreign	SHEARVAN PURCHASING INDIA	-	100	100	100	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 TIENDAS DEL MEJORAMIENTO DEL HOGAR S.A. (FORMERLY MAESTRO PERÚ S.A.)	-	100	100	100	CHILE	CLP
Foreign	MAESTRO PERÚ AMAZONIA S.A.C.	-	99.758	99.758	99.758	PERU	PEN
Foreign	MAESTRO PERÚ 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	COLOMBIA	COP
76,427,811-9	SERVICIOS DE INFRAESTRUCTURA FALABELLA SpA	-	100	100	100	CHILE	CLP
76,477,116-8	CF SEGUROS DE VIDA S.A.	-	90	90	90	CHILE	CLP
Foreign	GESTIONES INTEGRALES DE SERVICIOS S.A.	-	99.15	99.15	99.15	PERU	PEN
Foreign	MALL PLAZA PERU S.A.	-	86.265	86.265	86.265	PERU	PEN
Foreign	GEMMA NEGOCIOS S.A.C.	-	60.386	60.386	60.386	PERU	PEN
Foreign	INVERFAL MEXICO S.A. DE C.V.	-	100	100	100	MEXICO	MXN
76,582,813-9	NUEVA INVERFAL MEXICO SpA	-	100	100	100	CHILE	CLP
76,587,847-0	FALABELLA SERVICIOS PROFESIONALES DE TI SpA	-	100	100	100	CHILE	CLP
76,683,615-1	ASESORIAS Y EVALUACIÓN DE CRÉDITOS LTDA	-	100	100	100	CHILE	CLP
Foreign	PATRIMONIO AUTONOMO MALL PLAZA CALI	-	59.278	59.278	-	COLOMBIA	COP
Foreign	PATRIMONIO AUTONOMO CENTRO COMERCIAL CARTAGENA	-	59.278	59.278	-	COLOMBIA	COP
Foreign	PATRIMONIO AUTONOMO CENTRO COMERCIAL MANIZALES DOS	-	47.424	47.424	-	COLOMBIA	COP
Foreign	PATRIMONIO AUTONOMO CENTRO COMERCIAL BARRANQUILLA	-	38.532	38.532	-	COLOMBIA	COP
76,788,282-3	DIGITAL PAYMENTS SpA	-	100	100	100	CHILE	CLP
76,803,189-4	INVERFAL INDIA SpA	-	100	100	100	CHILE	CLP
Foreign	TENERIFE EMPRENDIMIENTOS E PARTICIPACOES LTDA	-	100	100	100	BRAZIL	BRL

⁽¹⁾ A minority interest was acquired in Construdecor S.A. In August 2018

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 2 - Summary of Significant Accounting Policies (continued)

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

Subsidiaries included in the consolidation were detailed as follows (continued):

Chilean ID number	SUBSIDIARY	OWNERSHIP INTEREST				COUNTRY	FUNCTIONAL CURRENCY
		Dec-31-18 DIRECT %	Dec-31-18 INDIRECT %	Dec-31-18 TOTAL %	Dec-31-17 TOTAL %		
Foreign	FONDO DE CAPITAL PRIVADO MALL PLAZA DE COLOMBIA	-	59.278	59.278	-	COLOMBIA	COP
Foreign	MALL PLAZA SERVICIOS S.A.S.	-	100	100	100	COLOMBIA	COP
Foreign	MALL PLAZA INMOBILIARIA S.A.	-	86.266	86.266	86.266	PERU	PEN
Foreign	INVERSIONES FALABELLA S.A.C.	-	99.758	99.758	99.758	PERU	PEN
Foreign	FALABELLA CORPORATE SERVICES INDIA PRIVATE LIMITED	-	100	100	100	INDIA	INR
76,899,941-4	INVERSIONES MKTP SPA	-	100	100	-	CHILE	CLP
Foreign	NEW TIN LINIO I GMBH	-	100	100	-	GERMANY	EUR
Foreign	TIN JADE GBMH	-	100	100	-	GERMANY	EUR
Foreign	JADE 1364. GMBH	-	100	100	-	GERMANY	EUR
Foreign	JADE 1364 GMBH & CO. ERSTE VERWALTUNGS KG	-	100	100	-	GERMANY	EUR
Foreign	JADE 1364 GMBH & CO. ZWEITE VERWALTUNGS KG	-	100	100	-	GERMANY	EUR
Foreign	JADE 1364 GMBH & CO. DRITTE VERWALTUNGS KG	-	100	100	-	GERMANY	EUR
Foreign	JADE 1364 GMBH & CO. VIERTE VERWALTUNGS KG	-	100	100	-	GERMANY	EUR
Foreign	JADE 1364 GMBH & CO. FÜNFTTE VERWALTUNGS KG	-	100	100	-	GERMANY	EUR
Foreign	JADE 1364 GMBH & CO. SECHSTE VERWALTUNGS KG C/O ROCKET INTERNET GMBH	-	100	100	-	GERMANY	EUR
Foreign	JADE 1364 GMBH & CO. SIEBTE VERWALTUNGS KG	-	100	100	-	GERMANY	EUR
Foreign	JADE 1364 GMBH & CO. ACHTE VERWALTUNGS KG	-	100	100	-	GERMANY	EUR
Foreign	JADE 1364 GMBH & CO. NEUNTE VERWALTUNGS KG	-	100	100	-	GERMANY	EUR
Foreign	JADE 1364 GMBH & CO. ZEHNTE VERWALTUNGS KG	-	100	100	-	GERMANY	EUR
Foreign	JADE 1364 GMBH & CO. ELFTE VERWALTUNGS KG	-	100	100	-	GERMANY	EUR
Foreign	JADE 1364 GMBH & CO. ZWOLFTE VERWALTUNGS KG	-	100	100	-	GERMANY	EUR
Foreign	JADE 1364 GMBH & CO. 13. VERWALTUNGS KG	-	100	100	-	GERMANY	EUR
Foreign	JADE 1364 GMBH & CO. 14. VERWALTUNGS KG	-	100	100	-	GERMANY	EUR
Foreign	BAZAYA MEXICO S. DE R.L. DE C.V.	-	100	100	-	MEXICO	MXM
Foreign	LINIO MIAMI EXPORTS, INC.	-	100	100	-	USA	USD
Foreign	LINIO COLOMBIA S.A.S.	-	100	100	-	COLOMBIA	COP
Foreign	LINIO PERU S.A.C.	-	100	100	-	PERU	PEN
Foreign	LINIO LATAM CORP.	-	100	100	-	PANAMA	PAN
76,212,492-0	INVERSIONES BAZAYA CHILE LTDA.	-	100	100	-	CHILE	CLP
Foreign	LINIO ARGENTINA S.R.L.	-	100	100	-	ARGENTINA	ARS
Foreign	ECUAELECOMMERCE S.A.	-	100	100	-	ECUADOR	ECU
Foreign	LINIO ASIA LIMITED	-	100	100	-	CHINA	HKD
Foreign	LINIO CONSULTING (SHENZHEN) CO.,LTD.	-	100	100	-	CHINA	CNY

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.

As of July 1, 2018, Argentina's economy has been regarded as hyperinflationary according to the criteria established in IAS 29 "Financial Reporting in Hyperinflationary Economies". This treatment was based on qualitative and quantitative criteria, with the most significant being a cumulative inflation rate exceeding 100% over the past three years.

According to IAS 29, the financial statements for subsidiaries in Argentina have been retrospectively restated by applying a general price index in order to reflect changes in the purchasing power of the Argentine peso as of the reporting date.

Non-monetary items were restated from their original values and subsequently converted from the Argentine peso to Chilean Pesos at the exchange rate as of the reporting date, in accordance with IAS 21 for hyperinflationary economies. Previously, the statement of income for Argentine subsidiaries was converted at the average exchange rate for each month, which also applies to the conversion of the income for the remaining operating subsidiaries in other countries whose economies are not regarded as hyperinflationary.

The functional and presentation currency of SACI Falabella is not used by a hyperinflationary economy, according to the guidelines established by IAS 29. Therefore, comparative periods do not need to be restated in the Group's consolidated financial statements.

Applying IAS 29 increased the net assets of subsidiaries in Argentina by ThCh\$ 22,311,083. This policy generated a negative effect on the statement of income of ThCh\$ 12,683,278 in 2018.



Note 2 - Summary of Significant Accounting Policies (continued)

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, 2018 and December 31, 2017 are detailed as follows:

	Dec-31-18	Dec-31-17
US dollar (USD)	694.77	614.75
Peruvian nuevo sol (PEN)	206.35	189.68
Argentine peso (ARS)	18.41	33.11
Uruguayan peso (UYU)	21.46	21.39
Euro (EUR)	794.75	739.15
Colombian peso (COP)	0.21	0.21
Brazilian real (BRL)	179.59	185.64
Indian rupee (INR)	9.94	9.63
Chinese yuan (CNY)	100.97	94.40
Unidad de Fomento (UF)	27,565.79	26,798.14
Mexican peso (MXN)	35.30	31.28

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.

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.



Note 2 - Summary of Significant Accounting Policies (continued)

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 derecognized 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 derecognizing an 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 derecognized.

Depreciation begins when the assets are available for use, which is when they are at the location and ready 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 detailed 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 less.

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.

**Note 2 - Summary of Significant Accounting Policies (continued)****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 derecognized assets 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 were detailed 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.

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.



Note 2 - Summary of Significant Accounting Policies (continued)

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 directly incorporated into income.

Useful lives of intangible assets are evaluated as finite or indefinite. Intangible assets with finite lives are amortized linearly during their estimated useful financial lives, and their deterioration is evaluated each time 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.

Intangible assets with indefinite useful lives are not amortized and their impairment is evaluated annually. The useful life of an intangible asset with indefinite useful life is reviewed annually. Currently, since the commercial trademarks have no expiration date and there is an 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.



Note 2 - Summary of Significant Accounting Policies (continued)

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 calculated 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 their book value or their realizable fair value, whichever is less.

As of December 31, 2018 and December 31, 2017 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.

2.17. Financial Instruments

IFRS 9 "Financial Instruments" supersedes IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after January 1, 2018. It addresses three aspects of accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Group recognizes financial assets and liabilities when 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 IFRS 9 are classified at initial recognition as financial assets at fair value through profit and loss, financial assets at amortized cost, or financial assets at fair value through comprehensive income. 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 in the accounting 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.



Note 2 - Summary of Significant Accounting Policies (continued)

2.17.1.2. Cash and Cash Equivalents

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.
- 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.

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 whether a financial asset or group of financial assets is impaired as of each reporting date.

The main financial assets subject to impairment due to contractual non-compliance of the counterparty are assets recorded at amortized cost (loans and accounts receivable).

With effect from January 1, 2018, IFRS 9 requires that expected credit losses on loans and receivables are recognized, either on a twelve-month basis or over their entire remaining life.

The Group has used a three-stage approach to measure expected credit losses for "financial receivables" within the non-banking business, and "customers loans and receivables" within the banking business.

This approach monitors receivables and classifies their trends according to the following categories, which are based on any changes to the credit risk since the financial asset was initially recognized.

Allowance category 1

This category contains those financial assets whose credit risk has not significantly increased since initial recognition, and do not exhibit any objective evidence of impairment. This category recognizes the portion of any expected credit loss caused by potential default events within twelve months of the reporting date.



Note 2 - Summary of Significant Accounting Policies (continued)

2.17. Financial Instruments (continued)

2.17.1.4. Impairment of Financial Assets (continued)

Allowance category 2

This category contains those financial assets whose credit risk has significantly increased since initial recognition, although they do not exhibit any objective evidence of impairment. This category recognizes the portion of any expected credit loss caused by potential default events throughout the life of the financial instrument.

Allowance category 3

This category defines an impaired financial asset as one that meets one or more objective impairment events that have a detrimental impact on expected future cash flows from that asset. This category defines arrears of over ninety days as objective impairment evidence, among others. This category recognizes the portion of any expected credit loss caused by potential default events throughout the remaining life of the financial instrument.

The loss is measured as the difference between the book value of the asset and the present value of its estimated future cash flows, discounted at the financial asset's original effective interest rate, which is the effective interest rate used at initial recognition. The book value of the asset is reduced using an allowance account.

The Group uses the simplified model established by IFRS 9 to recognize expected loss allowances on receivables within a non-banking business, excluding "financial receivables". It has established an allowance matrix based on historical experience of credit losses, adjusted for specific prospective factors that apply to debtors and to the Group's economic environment.

If 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.

Until December 31, 2017, the Company evaluated the impairment of its financial assets based on the requirements of IAS 39, which consisted of estimating impairment based on objective evidence of losses incurred (see Note 2.29.c).

2.17.2. Financial Liabilities

2.17.2.1. Recognition, Measurement and Withdrawal 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 such 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 when the contract begins 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.

When the lessor retains substantially all the risks and benefits inherent in ownership of the leased asset, these are deemed operating leases. Operating lease payments are recognized as expenses in the statement of income over the term of the contract, using the straight-line method, according to 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 present (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.

Provisions also include the expected losses on the unused portion of credit lines, with effect from January 1, 2018, in accordance with IFRS 9.

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.



Note 2 - Summary of Significant Accounting Policies (continued)

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.

In addition, the Company has granted specific share based compensation plans for its executives. Unlike the foregoing plans, these 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..



Note 2 - Summary of Significant Accounting Policies (continued)

2.24. Revenue recognition

Operating revenue is the consideration received or receivable to which the entity has the right in exchange for transferring goods or services to a customer. The entity has analyzed all relevant facts and circumstances in applying each step of the model established by IFRS 15 to contracts with its customers: identify the contract, identify its performance obligations, identify the transaction price, assign the price, and recognize the revenue.

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 revenue

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 the amounts 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, including tax losses, provided that sufficient taxable profits are expected in the future to absorb these deductible temporary differences, unused tax credits and tax losses.

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.

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.



Note 2 - Summary of Significant Accounting Policies (continued)

2.28. Estimates, Judgment and Key Assumptions (continued)

- 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 Management to 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 use 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 prices 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.

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).



Note 2 - Summary of Significant Accounting Policies (continued)

2.28. Estimates, Judgment and Key Assumptions (continued)

- 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

With effect from January 1, 2018, the Company recognizes loan allowances based on the requirements of IFRS 9 as indicated in paragraph 2.17.1.4.

The Company recognized doubtful loan allowances in accordance with the requirements of IAS 39 until December 31, 2017. This standard requires allowances to be calculated on the estimate of losses due to the inability of customers 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 Group's markets, as appropriate. The expected cash flows receivable are discounted to present value at the loan 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 detailed 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 16	Leases	January 1, 2019
IFRIC 23	Uncertainty over income tax treatments	January 1, 2019
Conceptual Framework	Revised Conceptual Framework	January 1, 2020
IFRS 17	Insurance contracts	January 1, 2021

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 mandatory for accounting 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 has evaluated the effect of implementing this new standard and has preliminarily estimated an increase in its assets of approximately 5%, and an increase in its liabilities of approximately a 10%, which will generate a net reduction in equity of approximately 2%.

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 applicable for accounting periods beginning on January 1, 2019.

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

Conceptual Framework

The IASB issued the Conceptual Framework (revised) in March 2018. This introduces some new concepts, provides updated definitions and criteria for asset and liability recognition.

These changes to the Conceptual Framework can affect the implementation of IFRS when no standard applies to a particular transaction or event. The revised Conceptual Framework is effective for periods beginning on or after January 1, 2020.

The Company is evaluating the potential impact of this standard



Note 2 - Summary of Significant Accounting Policies (continued)

2.29. New accounting pronouncements (IFRS and Interpretations from the IFRS Interpretations Committee) (continued)

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 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

b) Improvements and amendments

	Improvements and amendments	Mandatory effective date
IFRS 3	Business combinations - interests previously held in a joint operation	January 1, 2019
IFRS 9	IFRS 9 "Financial Instruments - Prepayment Features with Negative Compensation"	January 1, 2019
IFRS 11	Joint Agreements - interests previously held in a joint operation	January 1, 2019
IAS 12	Income taxes - Tax consequences of payments related to financial instruments classified as equity	January 1, 2019
IAS 23	Borrowing costs - Borrowing costs eligible for capitalization	January 1, 2019
IAS 28	Investments in associates - Long-term investments in associates or joint ventures	January 1, 2019
IAS 19	Employee benefits - Plan changes, reductions or liquidations	January 1, 2019
IFRS 3	Definition of a business	January 1, 2020
IAS 1 and IAS 8	Definition of material	January 1, 2020
IFRS 10 and IAS 28:	Consolidated Financial Statements - Sale or transfer of assets between an investor and its associate or joint venture	To be determined

IFRS 3 "Business Combinations - Interests previously held in a joint operation"

The amendments clarify that when an entity obtains control of a business that is a joint operation, the requirements for a business combination achieved in stages should be applied, including any previously held interest in the assets and liabilities of a joint operation measured at fair value. These amendments should be applied to business combinations after January 1, 2019. 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)

2.29. New accounting pronouncements (IFRS and Interpretations from the IFRS Interpretations Committee) (continued)

IFRS 9 "Financial Instruments - Prepayment Features with Negative Compensation"

A debt instrument can be measured at amortized cost, or at fair value through other comprehensive income, provided that contractual cash flows are only payments of principal and interest on the outstanding principal, and the contract is carried out within the business model for that classification. Amendments to IFRS 9 clarify that a financial asset complies with the "only payment of principal and interest" criterion regardless of the event or circumstance that causes early termination of the contract or which party pays or receives reasonable compensation for terminating the contract early.

Amendments to IFRS 9 should be applied when the prepayment is close to the unpaid principal and interest in a manner that reflects a change in the reference interest rate. This implies that prepayments at fair value, or for an amount that includes the fair value of an associated hedging instrument, will usually satisfy the criterion of only payments of principal plus interest, provided that other changes in fair value, such as credit or liquidity risk, are not representative. The amendments should be applied retrospectively and are effective from January 1, 2019. Early adoption is permitted.

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

IFRS 11 "Joint Agreements - Interests previously held in a joint operation"

This amendment affects joint arrangements regarding interests previously held in a joint operation. A party that invests in but does not have joint control of a joint operation may obtain control if the joint operation is a business as defined by IFRS 3. The amendments clarify that previous interests in a joint operation are not revalued when the operation begins. Amendments shall be applied to transactions in which joint control is acquired after January 1, 2019. Early adoption is permitted.

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

IAS 12 "Income taxes - Tax consequences of payments related to financial instruments classified as equity"

The amendments clarify that income taxes on dividends on shares are more directly linked to the originating transactions or events that generated the distributable profits, rather than to distributions to shareholders. Therefore, an entity recognizes income tax on dividends in the statement of net income, other comprehensive income or equity depending on where the entity originally recognized these transactions or past events. These amendments are applicable to dividends recognized after January 1, 2019.

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

IAS 23 "Borrowing costs - Borrowing costs eligible for capitalization"

The amendments clarify that an entity should treat any borrowing that originally financed a qualifying asset as a general loan, when substantially all the tasks required to prepare that asset for its intended use or sale are complete. These amendments are applicable from January 1, 2019.

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



Note 2 - Summary of Significant Accounting Policies (continued)

2.29. New accounting pronouncements (IFRS and Interpretations from the IFRS Interpretations Committee) (continued)

IAS 28 “Investments in Associates”

The amendments clarify that an entity applies IFRS 9 “Financial Instruments” to long-term interests in an associate or joint venture to which it does not apply the equity method but that, in substance, are part of a net investment in an associate or joint venture. This clarification is important because it implies that the expected credit loss model, described in IFRS 9, applies to these long-term interests. Entities must apply the amendments retrospectively with certain exceptions. The amendment is mandatory for annual periods beginning on or after January 1, 2019, with early adoption permitted.

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

IAS 19 “Employee benefits - Plan changes, reductions or liquidations”

Amendments to IAS 19 address the accounting when there is a change, reduction or liquidation of the plan during a reporting period.

The amendments specify that when there is a change, reduction, or liquidation of the plan during the reporting period, the entity must:

- Calculate the present cost of services for the remainder of the period following the change, reduction or liquidation of the plan, using actuarial assumptions to measure the net defined benefit liability (asset) that reflect the benefits offered under the plan and the plan assets after that event.
- Calculate the net interest rate for the remainder of the period following the change, reduction or liquidation of the plan using the net defined benefit liability (asset) that reflect the benefits offered under the plan and the plan assets after that event; and the discount rate used to measure the net defined benefit liability (asset)

The amendments clarify that an entity first determines the cost of any past service, or a gain or loss on the liquidation, without treating the asset as a limit. This amount is recognized in the statement of net income. Subsequently, an entity calculates the effect of the limiting asset following the change, reduction or liquidation of the plan. Any impact, excluding the amounts included in net interest, is recognized in other comprehensive income.

This clarification establishes that entities may have to recognize past service costs, or a liquidation loss that reduces a surplus that was not recognized before. The changes in the effect of the limiting asset is not offset by these amounts.

The amendments apply to changes, reductions or settlements of the plan that occur on or after the start of the first annual report that begins on or after January 1, 2019. Early adoption is permitted, which must be disclosed.

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



Note 2 - Summary of Significant Accounting Policies (continued)

2.29. New accounting pronouncements (IFRS and Interpretations from the IFRS Interpretations Committee) (continued)

IFRS 3 “Definition of a business”

The IASB issued amendments regarding the definition of a business in IFRS 3 Business Combinations, to help the entities to determine whether an acquired set of activities and assets is a business. The IASB clarified the minimum requirements for a business, eliminated the assessment of whether market participants can replace any missing element, included guidance to help entities to assess whether an acquired process is substantive, reduced the definitions of a business and products, and introduced an optional fair value concentration test.

The amendments apply to business combinations or acquisitions that occur on or after the beginning of the first annual reporting period that begins on or after January 1, 2020. Therefore, entities do not have to review those transactions that occurred in previous periods. Early application is permitted and must be disclosed.

Given that the amendments apply prospectively to transactions or other events that occur on or after the first application date, most entities will probably not be affected by these amendments in the transition. However, those entities that are contemplating the acquisition of a set of activities and assets after applying the amendments, should first update their accounting policies.

The company will evaluate the impact of this amendment.

IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” - Definition of material

The IASB issued amendments to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in October 2018, to align the definition of “material” in all standards and to clarify certain aspects of that definition. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments should be applied prospectively. Early application is permitted and must be disclosed.

Although amendments to the definition of material are not expected to have a significant impact on an entity's financial statements, the introduction of the term “obscure” in the definition could impact the way materiality decision-making in practice, raising the importance of how information is communicated and organized in the financial statements.

The company will evaluate the impact of this amendment.



Note 2 - Summary of Significant Accounting Policies (continued)

2.29. New accounting pronouncements (IFRS and Interpretations from the IFRS Interpretations Committee) (continued)

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: 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 assets 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. They recognize a partial gain or loss when the transaction involves assets that do not constitute a business, even if these assets are in a subsidiary. The mandatory date for applying these amendments is undetermined as the IASB is awaiting the results of their research project into accounting using the equity method. These amendments should be applied retrospectively and early adoption is permitted, which must be disclosed.

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

c) New accounting standards adopted by the Group

The Company applied for the first time specific standards, interpretations and amendments, which are effective for periods that begin on January 1, 2018.

IFRS standards that became mandatory at the reporting date, together with their nature and impact, are described as follows:

Standards and Interpretations		Mandatory effective date
IFRS 9	Financial instruments	January 1, 2018
IFRS 15	Revenue from Contracts with Customers	January 1, 2018

IFRS 9 “Financial Instruments”

This standard in its final version was issued in July 2014. It amends 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.

The impact of these three aspects of IFRS 9 are detailed as follows:

1. Classification and measurement of financial instruments: The Group determined that applying the classification and measurement requirements established by IFRS 9 has no significant impact on its financial statements.
2. Hedge accounting: The Group will keep the requirements of IAS 39 as its hedge accounting policy. Therefore, there is no related impact.
3. Impairment: IFRS 9 requires the Group to recognize its expected credit losses on its loans and receivables. Note 2.17.1.4. describes the criteria adopted.

The Group adopted the new standard on the required date and has chosen not to restate comparative information, in accordance with IFRS 9. It has recognized the effects of this standard in the initial balance for “Retained earnings” within equity.



Note 2 - Summary of Significant Accounting Policies (continued)

2.29. New accounting pronouncements (IFRS and Interpretations from the IFRS Interpretations Committee) (continued)

c) New accounting standards adopted by the Group (continued)

IFRS 9 “Financial Instruments” (continued)

The impact of the approach described above is summarized as follows:

Initial adoption of IFRS 9	Jan 01-18 ThCh\$
Initial impact on trade receivables (Note 6)	(40,941,490)
Associated deferred tax	11,312,765
Initial impact on unused lines of credit provisions (Note 20)	(36,451,230)
Associated deferred tax	10,368,597
Investments in associates (Note 11)	(266,792)
Total shareholder's equity	(55,978,150)
Non-controlling interest	581,684
Equity attributable to owners of the parent company	(55,396,466)

The Company recognized doubtful loan allowances in accordance with IAS 39 until December 31, 2017. The allowances were based on the estimate of losses due to the inability of customers to meet their contractual payments on their loans.

The estimate of losses was calculated using historical statistics on payment and default behavior, adjusted for the circumstances of the Company's markets, as appropriate.

Therefore, the Company used fixed factors for each year, which could be modified at the beginning of each new financial year or in an interim manner if fluctuations were significant. The Company calculated 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 range.

The method for calculating allowances involved applying certain factors to loans analyzed by risk segment. These factors were determined in accordance with historical write-offs and their subsequent recoveries.

IFRS 15 “Revenue from Contracts with Customers”

This standard was issued in May 2014, and is a new standard that applies to all contracts with customers, except for leases, financial instruments and insurance contracts. 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.

The Group adopted the new standard at the required date, and it made insignificant changes to the disclosure of specific items of income, costs, and expenses.

However, the Company has restated the statement of net income for the previous year as appropriate.



Note 3 - Cash and Cash Equivalents

Consolidated cash and cash equivalents were detailed as follows:

	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Total Consolidated Cash and Cash Equivalents	689,411,677	494,958,665
a) Cash and cash equivalents - Non-Banking Business	352,100,505	232,027,185
b) Cash and cash equivalents - Banking Business	337,311,172	262,931,480

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

Cash and cash equivalents	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Cash floats	65,306,837	57,587,726
Bank balances	163,993,576	114,601,128
Time deposits	68,648,564	53,598,624
Repurchase agreements	1,876,761	1,326,267
Mutual funds	52,274,767	4,913,440
Total	352,100,505	232,027,185

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

Currency	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Chilean peso	230,204,205	134,483,122
US dollar	34,275,632	16,073,789
Euros	2,114,368	538,332
Argentine peso	3,138,442	4,098,039
Peruvian nuevo sol	57,695,889	53,683,039
Colombian peso	18,487,731	16,626,134
Indian rupee	314,515	5,555
Chinese yuan	471,305	489,864
Uruguayan peso	1,731,618	3,648,645
Mexican peso	920,676	41,744
Brazilian real	2,746,124	2,338,922
Total	352,100,505	232,027,185



Note 3 - Cash and Cash Equivalents (continued)

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

Cash and cash equivalents	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Cash floats	131,995,242	136,668,970
Bank balances	107,202,140	51,457,603
Time deposits	36,786,991	37,673,803
Cash and bank deposits	275,984,373	225,800,376
Highly liquid financial instruments ⁽¹⁾	50,450,000	30,900,000
Transactions with settlement in process, net ⁽²⁾	10,876,799	6,231,104
Total	337,311,172	262,931,480

(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\$ 97,808,611 as of December 31, 2018 and ThCh\$ 40,282,626 as of December 31, 2017.

(2) Net difference between Asset and Liability transactions.

Information on Cash and Cash Equivalents by Currency - Banking Business

Currency	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Chilean peso	218,164,926	146,960,859
US dollar	53,115,547	56,553,661
Peruvian nuevo sol	34,252,936	36,514,582
Colombian peso	31,777,763	22,902,378
Total	337,311,172	262,931,480



Note 4 – Other Current and Non-Current Financial Assets

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

Other Financial Assets	Current		Non-current	
	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Fair value through profit and loss				
Derivative instruments (non-hedging)	3,922,180	1,891,441	-	-
Mutual funds	1,603,197	1,479,488	-	-
Funds with restriction	3,123,121	3,552,768	-	-
Investments in bank bonds	1,329,248	1,717,415	7,511,023	8,405,408
Others	-	-	706,484	176,319
Subtotal of fair value through profit and loss	9,977,746	8,641,112	8,217,507	8,581,727
Fair value through equity				
Hedging assets	15,854,193	7,520,335	97,307,652	56,615,338
Sub-total of fair value through equity	15,854,193	7,520,335	97,307,652	56,615,338
Total other financial assets	25,831,939	16,161,447	105,525,159	65,197,065

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 methods are 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-31-18 ThCh\$	Dec-31-17 ThCh\$
Advertising contracts	9,346,553	6,491,508
Prepaid rent	10,220,110	9,011,043
VAT	77,345,540	70,288,899
Software maintenance contracts	7,556,667	4,731,065
Insurance policies	7,732,913	6,190,665
Guarantee deposits	1,663,369	1,348,925
Reinsurance share of technical reserves	5,029,972	4,202,182
Others	8,148,846	6,780,982
Total other current non-financial assets	127,043,970	109,045,269

Other Non-Current Non-Financial Assets	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Guarantees	4,652,692	2,667,741
Prepaid rent	33,402,377	31,311,518
Recoverable taxes	5,123,430	2,522,520
Other rights receivable	2,423,413	2,091,604
Prepaid expenses	2,399,156	1,000,151
Advances	31,239,574	22,492,714
Reinsurance share of technical reserves	15,992,324	12,663,759
Total	95,232,966	74,750,007



Nota 6 – Trade and Other Receivables

The Company's net trade receivables were detailed as follows:

	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
a) Non-Banking Business		
Trade and other receivables, current	2,049,771,504	1,965,407,382
Trade and other receivables, non-current	298,849,318	275,089,053
b) Banking Business		
Customer loans and receivables	2,823,447,682	2,590,709,808
Total	5,172,068,504	4,831,206,243

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

	Current		Non-current	
	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Trade receivables	254,621,691	223,927,085	326,703	279,853
Allowance for doubtful accounts	(10,282,361)	(10,074,992)	-	-
Sub-total trade receivables, net	244,339,330	213,852,093	326,703	279,853
Notes receivable	102,051,125	85,948,078	2,586,621	3,292,612
Allowance for doubtful accounts	(4,652,668)	(5,840,523)	(94,250)	(39,251)
Sub-total notes receivable, net	97,398,457	80,107,555	2,492,371	3,253,361
Miscellaneous receivables	88,778,553	109,163,223	1,301,297	2,627,737
Allowance for doubtful accounts	(1,952,226)	(2,723,914)	-	-
Sub-total miscellaneous receivables, net	86,826,327	106,439,309	1,301,297	2,627,737
Financial receivables	1,718,501,460	1,632,351,380	297,061,014	271,375,044
Allowance for doubtful accounts	(97,294,070)	(67,342,955)	(2,332,067)	(2,446,942)
Sub-total financial receivables, net	1,621,207,390	1,565,008,425	294,728,947	268,928,102
Total Trade and Other Receivables	2,049,771,504	1,965,407,382	298,849,318	275,089,053

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 customers 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, 2018, the percentage of renegotiated loans was 5.94% of total financial receivables.

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 6 - Trade and Other Receivables (continued)

b) Loans and receivables for Banking Business customers was as follows:

	Dec-31-18	Dec-31-17
	T hCh\$	T hCh\$
Customer loans and receivables	3,016,285,450	2,783,231,440
Allowance for doubtful accounts	(192,837,768)	(192,521,632)
Total customer loans and receivables	2,823,447,682	2,590,709,808

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.

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 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 were detailed as follows:

Current other receivables for the Non-Banking Businesses are detailed as follows.

Current financial receivables	Assets before allowances		Allowances		Net Total	
	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Credit card receivables	1,718,501,460	1,632,351,380	(97,294,070)	(67,342,955)	1,621,207,390	1,565,008,425
Total current financial receivables	1,718,501,460	1,632,351,380	(97,294,070)	(67,342,955)	1,621,207,390	1,565,008,425

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

Non-current financial receivables	Assets before allowances		Allowances		Net Total	
	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Credit card receivables	297,061,014	271,375,044	(2,332,067)	(2,446,942)	294,728,947	268,928,102
Total non-current financial receivables	297,061,014	271,375,044	(2,332,067)	(2,446,942)	294,728,947	268,928,102

Current and non-current financial receivables by credit card are detailed as follows:

Financial receivables by credit card	Assets before allowances		Allowances		Net Total	
	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Closed CMR Card	121,299,278	140,325,948	(7,441,158)	(7,223,359)	113,858,120	133,102,589
Open CMR Card ⁽¹⁾	1,894,263,196	1,763,400,476	(92,184,979)	(62,566,538)	1,802,078,217	1,700,833,938
Total financial receivables	2,015,562,474	1,903,726,424	(99,626,137)	(69,789,897)	1,915,936,337	1,833,936,527

⁽¹⁾ CMR, Visa and Mastercards

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 6 - Trade and Other Receivables (continued)

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

Customer loans and receivables	Assets before allowances		Allowances		Net Total	
	Dec-31-18	Dec-31-17	Dec-31-18	Dec-31-17	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Commercial loans	94,974,687	108,219,237	(3,522,777)	(4,721,372)	91,451,910	103,497,865
Mortgage loans	460,545,991	443,934,240	(14,299,416)	(4,287,215)	446,246,575	439,647,025
Consumer loans	1,450,732,633	1,238,323,675	(112,132,850)	(84,299,800)	1,338,599,783	1,154,023,875
Credit card receivables	1,010,032,139	992,754,288	(62,882,725)	(99,213,245)	947,149,414	893,541,043
Total customer loans and receivables	3,016,285,450	2,783,231,440	(192,837,768)	(192,521,632)	2,823,447,682	2,590,709,808

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 detailed as follows.

	Total	Not yet due	Overdue				
			<30 days	30-60 days	60-90 days	90-120 days	>120 days
Dec-31-18	2,465,228,464	2,155,280,617	142,775,781	58,754,153	32,875,176	29,809,682	45,733,055
Dec-31-17	2,328,965,012	2,043,143,670	142,195,719	53,756,965	28,368,308	21,914,012	39,586,338

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 detailed as follows.

	Total	Not yet due	Overdue				
			<30 days	30-60 days	60-90 days	90-120 days	>120 days
Dec-31-18	3,016,285,450	2,862,703,374	24,745,244	28,515,177	28,893,072	41,942,738	29,485,845
Dec-31-17	2,783,231,440	2,627,578,369	20,424,039	26,567,074	34,964,263	42,081,945	31,615,750

The Group uses models (for example Behavior Score) to classify the risk of each customer. Several scoring groups are used depending on the action plan for the portfolio. Furthermore, there are ongoing reviews of the entire customer 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.

The Company grants customers a line of credit using this unique product 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 customer 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 customer. Certain limitations apply to these amounts depending on the places the cash is dispensed and on the risk models applied to customers.

The financing methods are detailed as follows:

i) CMR Falabella Card Agreed Installments: The customer 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 customer 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 customer 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 customer and in the control copy provided to the customer.



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 customer 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 customer 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 minimum credit rating 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 and passes through various stages, such as identity verification, credit check, review for bounced checks or payment defaults, and apply the "application score" model (mathematical model based card requester data, which provides a risk score and credit limit based on income). Finally, once all the background information described above has been collected, the application is either approved, denied, or further information is requested from the applicant.

The customer is then given a CMR Falabella credit card and is assigned an initial limit, based on their individual income and risk. The credit limit is reported on the monthly statement, together with any limitations that apply to using the card, including payment methods and cash withdrawals.

Limits can be raised as the customer fulfills his/her payment commitments, demonstrates good behavior and their ability to pay increases. The initial limit can be increased at the customer'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 customer, 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 customers and their expected payment performance, which depends on their ability to pay and their payment performance in the financial market in general. An individual financial evaluation to determine an increase in each customer's limit is based on an analysis of each customer's risk, primarily using a "behavior score," which is a mathematical model based on customer variables and essentially on an analysis of the customer'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, customers holding a CMR Falabella credit card may access the "super-advance" product, which is offered monthly to a portfolio of customers that have shown good internal and external credit behavior, and have demonstrated their ability to repay it. 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 customer every month on the billing date, which reflects all of the movements of the card, the credit used, the remaining credit available, and the amount payable on the next due dates. Account statements are also available on the CMR Internet site, where the customer can access the account statement and all information on interest rates, promotions, etc. using the passwords provided. Customers can choose to pay on the 5th, 10th, 15th, 20th, 25th or 30th day of the month. The places authorized to receive payment of account statements are the cashiers at the CMR Falabella financial center, Falabella, Sodimac, Tottus, Banco Falabella and branches of Banco de Chile (that are authorized to receive CMR payments) or through Banco Falabella Internet, Servipag Internet, Direct Debit at Banco Falabella, payment points at Banco Santander, payment points at Banco Falabella and CMR's APP.

The cards remain operational provided payments do not fall overdue. Transaction authorizations are handled by a centralized computer system that verifies that the customer complying with the card's terms and conditions, and that the transaction amount does not take the card balance over the customer's limit.

The Company also has a Call Center service where the customer can inquire about his/her account or the modes of use, and where customers 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 customer are: to be a citizen of that country or foreigner with permanent residency, between 21 and 75 years old, with at least minimum income (11,000 Argentinean pesos net, and 8,500 Argentinean pesos net for retirees), comply with the minimum credit score in an analysis of credit risk, and have no record of bounced checks or payment defaults. The customer must have been employed for at least one year.

Limits can be increased, provided the customer complies with his/her payment commitments and demonstrates good behavior. The initial authorized limit may be increased if: the customer 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 customer's limit uses a "behavior score," which is a mathematical model based on customer variables and an analysis of the customer'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, customers holding a CMR Falabella credit card may access the "super-advance" product, which is offered monthly to a portfolio of customers that have shown good internal and external credit behavior.

The cards remain operational provided payments do not fall 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) Accounts up to 14 days overdue: do not require obligatory payment.
- ii) Accounts from 15 days to 89 days 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 renegotiations, nor a maximum number of renegotiations, because payment requirements limit the risk. However, a percentage of the previous renegotiation must be paid before a new renegotiation can begin.

Renegotiations are part of business policy and allow partial credit recovery by requiring payment of a percentage of the total debt. However, customers 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

With effect from January 1, 2018, the Company recognizes loan allowances based on the requirements of IFRS 9 as indicated in paragraph 2.17.1.4.

The Company recognized doubtful loan allowances in accordance with IAS 39 until December 31, 2017. The allowances were based on the estimate of incurred losses due to the inability of customers to meet their contractual payments on their loans. The estimate of losses was calculated using historical statistics on payment and default behavior, adjusted for the circumstances of the Company's markets, as appropriate.

Therefore, the Company used fixed factors for each year, which could be modified at the beginning of each new financial year or in an interim manner if fluctuations were significant. The Company calculated 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 range.

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



Note 6 - Trade and Other Receivables (continued)

f.1.4) Allowances (continued)

The Company has prepared a table which shows separately the average percent losses on the renegotiated and non-renegotiated portfolios, in accordance with instructions issued by the Financial Market Commission, as follows:

Promotora CMR

Overdue ranges	Portfolio Dec-18 Average % loss ⁽¹⁾		Portfolio Dec-17 Average % loss ⁽²⁾	
	Non-Renegotiated	Renegotiated	Non-Renegotiated	Renegotiated
Not yet due	1.54%	21.24%	0.82%	6.43%
1 to 30 days	7.87%	28.30%	6.40%	14.72%
31 to 60 days	11.12%	32.29%	20.44%	21.39%
61 to 90 days	18.44%	36.00%	36.27%	33.57%
91 to 120 days	64.16%	49.56%	51.26%	52.05%
121 to 150 days	64.16%	49.62%	57.79%	57.64%
151 to 180 days	64.16%	49.66%	65.03%	62.97%

CMR Argentina

Overdue ranges	Portfolio Dec-18 Average % loss ⁽¹⁾		Portfolio Dec-17 Average % loss ⁽²⁾	
	Non-Renegotiated	Renegotiated	Non-Renegotiated	Renegotiated
Not yet due	0.36%	15.47%	0.43%	5.85%
1 to 30 days	0.40%	15.99%	2.74%	12.95%
31 to 60 days	0.49%	16.99%	18.65%	27.94%
61 to 90 days	0.60%	16.10%	41.78%	40.48%
91 to 120 days	63.87%	62.00%	69.92%	57.21%
121 to 150 days	63.84%	62.00%	93.77%	78.28%
151 to 180 days	63.80%	62.00%	99.90%	92.68%

(1) Percentages resulting from a new calculation method, according to IFRS 9 (see Note 2.29.c).

(2) Percentages resulting from IAS 39 (see Note 2.29.c).

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 5.94% of the total portfolio as of December 31, 2018, and is ThCh\$ 119,782,347.

f.1.5) Write-offs

Receivables are written-off 180 days after falling overdue.

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

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



Note 6 - Trade and Other Receivables (continued)

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

Promotora CMR

	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Allowance for non-renegotiated portfolio	64,023,998	44,758,231
Allowance for renegotiated portfolio	31,291,905	20,831,758
Total write-offs in the year	157,934,877	134,945,547
Total recoveries in the year	51,235,975	40,065,978

CMR Argentina

	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Allowance for non-renegotiated portfolio	3,378,091	3,774,350
Allowance for renegotiated portfolio	932,143	425,558
Total write-offs in the year	9,329,475	6,551,873
Total recoveries in the year	1,747,674	2,514,108

f.1.7) Average ranges and terms as of December 31, 2018

Average ranges and terms are detailed as follows:

	Range of terms	Average term	Average term
	Months	Chile	Argentina
		Months	Months
Purchases	1 to 36	2.8	2.5
Cash drawn	1 to 48	20.0	20.2
Renegotiations	1 to 48	27.7	20.8
Refinancing	1 to 48	30.8	-

f.1.8) Total refinanced receivables

Promotora CMR

	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Total refinanced receivables	71,416,573	56,317,880
% refinanced debtors of non-renegotiated portfolio	3.99%	3.53%
Number of refinanced debtors	37,237	32,279
% refinanced debtors of non-renegotiated debtors	1.37%	1.29%



Note 6 - Trade and Other Receivables (continued)

f.2) Portfolio stratification

f.2.1) Total portfolio stratification

As of December 31, 2018

Promotora CMR

Overdue ranges	Number of customers in non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh\$	Number of customers in renegotiated portfolio	Gross renegotiated portfolio ThCh\$	Total gross portfolio ThCh\$
Not yet due	2,492,505	1,625,377,441	54,113	64,832,324	1,690,209,765
1 to 30 days	105,342	68,524,218	14,465	20,597,504	89,121,722
31 to 60 days	41,259	33,615,433	7,699	11,345,441	44,960,874
61 to 90 days	25,135	20,420,303	4,826	7,044,962	27,465,265
91 to 120 days	18,721	15,748,232	3,385	4,650,206	20,398,438
121 to 150 days	15,880	13,620,096	2,721	3,780,657	17,400,753
151 to 180 days	13,745	11,349,142	2,084	2,644,570	13,993,712
Total	2,712,587	1,788,654,865	89,293	114,895,664	1,903,550,529

CMR Argentina

Overdue ranges	Number of customers in non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh\$	Number of customers in renegotiated portfolio	Gross renegotiated portfolio ThCh\$	Total gross portfolio ThCh\$
Not yet due	366,138	81,520,732	4,243	2,813,729	84,334,461
1 to 30 days	62,503	16,220,567	1,670	1,115,086	17,335,653
31 to 60 days	9,490	2,895,180	531	390,616	3,285,796
61 to 90 days	5,059	1,804,117	270	217,131	2,021,248
91 to 120 days	4,597	2,026,227	249	180,437	2,206,664
121 to 150 days	3,493	1,563,637	160	114,440	1,678,077
151 to 180 days	2,505	1,094,802	80	55,244	1,150,046
Total	453,785	107,125,262	7,203	4,886,683	112,011,945

f.2.2) Guaranteed portfolio stratification

CMR Argentina

Overdue ranges	Number of customers in non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh\$	Number of customers in renegotiated portfolio	Gross renegotiated portfolio ThCh\$	Total portfolio ThCh\$
Not yet due	382,361	6,034,022	-	-	6,034,022
1 to 30 days	48,995	636,016	-	-	636,016
31 to 60 days	3,304	39,889	-	-	39,889
61 to 90 days	5,679	70,047	-	-	70,047
91 to 120 days	2,542	29,981	-	-	29,981
121 to 150 days	3,213	38,615	-	-	38,615
151 to 180 days	1,464	18,576	-	-	18,576
Total	447,558	6,867,146	-	-	6,867,146

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 6 - Trade and Other Receivables (continued)

f.3) Number of cards

Promotora CMR

	Dec-31-18	Dec-31-17
Total number of cards issued to holders	3,331,564	3,160,452
Total number of cards with balance	2,801,880	2,603,833
Monthly average number of renegotiations	7,434	8,699

CMR Argentina

	Dec-31-18	Dec-31-17
Total number of cards issued to holders	1,301,513	1,482,196
Total number of cards with balance	460,988	506,848
Monthly average number of renegotiations	712	320

The number of cards is detailed as follows:

Card description	Total number of cards issued to holders		Total number of cards with balance	
	Dec-31-18	Dec-31-17	Dec-31-18	Dec-31-17
Closed CMR Card	1,434,338	1,125,174	615,499	727,354
Open CMR Card ⁽¹⁾	3,198,739	3,517,474	2,647,369	2,383,327
Total	4,633,077	4,642,648	3,262,868	3,110,681

⁽²⁾ CMR Visa and Mastercard.

f.4) Risk indices

Promotora CMR

	% Allowance/ Non-Renegotiated Portfolio	% Allowance/ Renegotiated Portfolio	% Allowance/ Total Portfolio
Risk index - Dec-18	3.58%	27.24%	5.01%

CMR Argentina

	% Allowance/ Non-Renegotiated Portfolio	% Allowance/ Renegotiated Portfolio	% Allowance/ Total Portfolio
Risk index - Dec-18	3.15%	19.08%	3.85%

Promotora CMR

	% Write-offs/Total Portfolio
Risk index - Dec-18	8.30%

CMR Argentina

	% Write-offs/Total Portfolio
Risk index - Dec-18	8.33%

Risk index by card

Risk index by card - Dec-18	% Allowance/Total Portfolio	% Write-offs/Total Portfolio
Closed CMR Card	6.54%	9.46%
Open CMR Card ⁽¹⁾	5.19%	6.20%

⁽¹⁾ CMR Visa and Mastercard.



Note 6 - Trade and Other Receivables (continued)

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

g) Changes in impairment allowances

The following table shows the evolution of the impairment allowances for the Non-Banking Business portfolio:

Changes in impairment allowances - Trade and other receivables	Separate Impairment		Group Impairment		Total ThCh\$
	Current	Non-current	Current	Non-current	
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Balance as of January 1, 2018	18,639,429	39,251	67,342,955	2,446,942	88,468,577
Increase (decrease) due to application of new accounting standards ⁽¹⁾	(1,564,356)	-	23,338,288	1,895,532	23,669,464
Restated opening balance	17,075,073	39,251	90,681,243	4,342,474	112,138,041
Expense for the year	9,427,952	55,814	129,911,412	4,316,567	143,711,745
Amount used (less)	(3,281,620)	(815)	(120,793,653)	(6,241,872)	(130,317,960)
Reversal of unused amounts	(6,394,259)	-	-	-	(6,394,259)
Business combinations	124,329	-	-	-	124,329
Conversion adjustment	(64,220)	-	(2,504,932)	(85,102)	(2,654,254)
Balances as of December 31, 2018	16,887,255	94,250	97,294,070	2,332,067	116,607,642
Balances 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	114,411,693	2,250,818	132,943,082
Amount used (less)	(3,864,311)	(47,499)	(105,233,132)	(1,815,564)	(110,960,506)
Reversal of unused amounts	(12,782,086)	-	-	-	(12,782,086)
Conversion adjustment	(377,680)	-	(1,073,185)	72,290	(1,378,575)
Balances as of December 31, 2017	18,639,429	39,251	67,342,955	2,446,942	88,468,577

⁽¹⁾ Due to adopting IFRS 9 (see Note 2.29.c)

The following table shows the evolution of the impairment allowances for the Banking Business portfolio:

Changes in impairment allowances - Customer loans and receivables	ThCh\$
Balance as of January 1, 2018	192,521,632
Increase (decrease) due to applications of new accounting standards ⁽¹⁾	17,272,026
Restated opening balance	209,793,658
Expense for the year	214,996,038
Amount used (less)	(233,017,329)
Reversal of unused amounts	(3,714,959)
Conversion adjustment	4,780,360
Balances as of December 31, 2018	192,837,768
Balances 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)
Balances as of December 31, 2017	192,521,632

⁽¹⁾ Due to adopting IFRS 9 (see Note 2.29.c)



Note 6 - Trade and Other Receivables (continued)

g) Changes in impairment allowances (continued)

The Company is not exposed to risks associated with credit concentrations. This is due to fragmentation of the Group's customer portfolio as of December 31, 2018 and 2017.

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. As of December 31, 2018 these were ThCh\$ 6,867,146 and as of December 31, 2017 these were ThCh\$ 22,695,207.

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 7 - Related Company Receivables and Payables

a) Receivables

Chilean ID number	Company	Country	Relationship	Current		Currency
				Dec-31-18	Dec-31-17	
				ThCh\$	ThCh\$	
Foreign	SODIMAC COLOMBIA S.A.	COLOMBIA	ASSOCIATE	13,020,134	1,673,956	COP
96837630-6	BNP PARIBAS CARDIF SEGUROS DE VIDA S.A.	CHILE	MINORITY SHAREHOLDER	2,770,669	2,902,439	CLP
Foreign	OTHER COMPANIES	CHILE	RELATED DIRECTOR	517,482	676,651	CLP
77693700-2	INVERSIONES E INMOBILIARIA MONTE DE ASIS LTDA.	CHILE	RELATED DIRECTOR	222,765	400,506	CLP
Foreign	SERVICIOS FINANCIEROS SORIANA S.A.P.I de C.V.	MEXICO	ASSOCIATE	3,129,803	782,530	MXN
Foreign	SOCIEDAD DISTRIBUIDORA DE MEJORAMIENTO DEL HOGAR Y CONSTRUCCION S.A.P.I. de C.V.	MEXICO	ASSOCIATE	39,286,380	1,066,156	MXN
76074938-9	DEPORTES SPARTA LIMITADA	CHILE	RELATED DIRECTOR	431,752	361,123	CLP
76320186-4	TECNO FAST S.A.	CHILE	RELATED DIRECTOR	120,219	214,757	CLP
82995700-0	DERCOCENTER S.A.	CHILE	RELATED DIRECTOR	259,336	239,760	CLP
94141000-6	DERCO S.A.	CHILE	RELATED DIRECTOR	145,213	170,739	CLP
76762740-8	SOCIEDAD COMERCIALIZADORA DE REPUESTOS S.A.	CHILE	RELATED DIRECTOR	21,244	25,593	CLP
79757460-0	AGRÍCOLA ANCALI LIMITADA	CHILE	RELATED DIRECTOR	16,326	21,432	CLP
78057000-8	SOTRASER S.A.	CHILE	RELATED DIRECTOR	33,173	476	CLP
96545450-0	DERCOMAQ S.A.	CHILE	RELATED DIRECTOR	22,645	26,711	CLP
79952350-7	RED TELEVISIVA MEGAVISION S.A.	CHILE	RELATED DIRECTOR	15,994	-	CLP
93061000-3	INDUSTRIA AUTOMOTRIZ FRANCOMECAÁNICA S.A.	CHILE	RELATED DIRECTOR	-	1,565	CLP
96955560-3	HALDEMAN MINING COMPANY S.A.	CHILE	RELATED DIRECTOR	74	3,105	CLP
76177760-2	MEGEVE CONSULTING S.A.	CHILE	RELATED DIRECTOR	635	1,368	CLP
TOTAL				60,013,844	8,568,867	

As of December 31, 2018 and December 31, 2017, 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.

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 7 - Related Company Receivables and Payables (continued)

b) Payables

Chilean ID number	Company	Country	Relationship	Current		Currency
				Dec-31-18	Dec-31-17	
				ThCh\$	ThCh\$	
92176000-0	GERDAU AZA S.A.	CHILE	RELATED DIRECTOR	5,075,302	-	CLP
96837630-6	BNP PARIBAS CARDIF SEGUROS DE VIDA S.A.	CHILE	MINORITY SHAREHOLDER	3,300,978	3,321,934	CLP
Foreign	BORCHESTER HOLDINGS LIMITED	COLOMBIA	ASSOCIATE	2,234,988	-	COP
94141000-6	DERCO S.A.	CHILE	RELATED DIRECTOR	1,266,256	785,215	CLP
Foreign	SODIMAC COLOMBIA S.A.	COLOMBIA	ASSOCIATE	504,459	1,703,583	COP
96545450-0	DERCOMAQ S.A.	CHILE	RELATED DIRECTOR	454,926	26,711	CLP
Foreign	OTHER COMPANIES	CHILE	RELATED DIRECTOR	714,225	199,474	CLP
76074938-9	DEPORTES SPARTA LIMITADA	CHILE	RELATED DIRECTOR	596,269	1,229,410	CLP
77693700-2	INVERSIONES E INMOBILIARIA MONTE DE ASIS LTDA.	CHILE	RELATED DIRECTOR	179,823	171,823	CLP
95946000-0	SOCIEDAD INMOBILIARIA SAN BERNARDO S.A.	CHILE	RELATED DIRECTOR	134,407	145,003	CLP
78057000-8	SOTRASER S.A.	CHILE	RELATED DIRECTOR	11,886	51,851	CLP
79952350-7	RED TELEVISIVA MEGAVISION S.A.	CHILE	RELATED DIRECTOR	4	1,325	CLP
860002688-6	ORGANIZACION CORONA S.A.	COLOMBIA	RELATED DIRECTOR	455,148	-	CLP
77072500-3	SOCIEDAD DE RENTAS COMERCIALES S.A.	CHILE	RELATED DIRECTOR	379,860	-	CLP
TOTAL				15,308,531	7,636,329	

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 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, 2018 and December 31, 2017 were detailed as follows:

Chilean ID Number	Company	Relationship	Country	Transaction	Dec-31-18		Dec-31-17	
					Amount ThCh\$	Effect on income ThCh\$ (Charge)/Credit	Amount ThCh\$	Effect on income ThCh\$ (Charge)/Credit
99594430-8	ALTO S.A.	RELATED DIRECTOR	CHILE	LEGAL SERVICES	563,191	(563,191)	556,458	(556,458)
96938840-5	BLUE EXPRESS S.A.	RELATED DIRECTOR	CHILE	FREIGHT, DISPATCH AND DELIVERY	90,550	(77,123)	132,893	(111,675)
96938840-5	BLUE EXPRESS S.A.	RELATED DIRECTOR	CHILE	SERVICE INCOME	1,301	1,093	-	-
96837630-6	BNP PARIBAS CARDIF SEGUROS DE VIDA S.A.	MINORITY SHAREHOLDER	CHILE	COMMISSIONS RECEIVED	22,544,079	22,508,453	25,141,549	25,141,549
Foreign	SOCIEDAD DISTRIBUIDORA DE MEJORAMIENTO DEL HOGAR Y CONSTRUCCIÓN S.A.P.I de C.V.	ASSOCIATE	MEXICO	PRODUCT SALES	297,753	297,753	-	-
Foreign	SOCIEDAD DISTRIBUIDORA DE MEJORAMIENTO DEL HOGAR Y CONSTRUCCIÓN S.A.P.I de C.V.	ASSOCIATE	MEXICO	SERVICE INCOME	4,916,335	4,916,335	1,384,361	1,384,361
Foreign	SOCIEDAD DISTRIBUIDORA DE MEJORAMIENTO DEL HOGAR Y CONSTRUCCIÓN S.A.P.I de C.V.	ASSOCIATE	MEXICO	INTEREST ACCRUED	1,240,114	1,068,908	-	-
96550660-8	CONSTRUCTORA SANTA MARÍA S.A.	RELATED DIRECTOR	CHILE	PRODUCT SALES	852,534	716,415	479,155	402,651
76072469-6	CRUZADOS S.D.A.P.	RELATED DIRECTOR	CHILE	PUBLICATIONS AND ADVERTISING	174,302	(146,472)	138,836	(121,387)
76072469-6	CRUZADOS S.D.A.P.	RELATED DIRECTOR	CHILE	PRODUCT SALES	4,463	3,750	4,580	3,849
76074938-9	DEPORTES SPARTA LTDA.	RELATED DIRECTOR	CHILE	PRODUCT PURCHASES	5,274,333	-	4,928,517	-
76074938-9	DEPORTES SPARTA LTDA.	RELATED DIRECTOR	CHILE	RENTAL INCOME	3,020,473	2,539,221	2,625,307	2,207,669
76074938-9	DEPORTES SPARTA LTDA.	RELATED DIRECTOR	CHILE	FREIGHT, DISPATCH AND DELIVERY	128,667	108,123	101,155	85,004
94141000-6	DERCO S.A.	RELATED DIRECTOR	CHILE	PRODUCT PURCHASES	11,110,268	-	11,236,007	-
94141000-6	DERCO S.A.	RELATED DIRECTOR	CHILE	FREIGHT, DISPATCH AND DELIVERY	365,271	307,197	191,054	160,550
94141000-6	DERCO S.A.	RELATED DIRECTOR	CHILE	RENTAL INCOME	290,768	244,370	297,382	249,952
94141000-6	DERCO S.A.	RELATED DIRECTOR	CHILE	PRODUCT SALES	217,050	200,870	281,626	261,220
94141000-6	DERCO S.A.	RELATED DIRECTOR	CHILE	PUBLICATIONS AND ADVERTISING	27,994	23,525	23,372	19,640
94141000-6	DERCO S.A.	RELATED DIRECTOR	CHILE	OTHER SELLING COSTS	85,244	71,634	-	-
94141000-6	DERCO S.A.	RELATED DIRECTOR	CHILE	OTHER EXPENSES	262,186	(262,186)	-	-
82995700-0	DERCOCENTER S.A.	RELATED DIRECTOR	CHILE	RENTAL INCOME	2,393,797	2,013,222	2,219,810	1,865,672
96545450-0	DERCOMAQ S.A.	RELATED DIRECTOR	CHILE	PRODUCT SALES	42,903	40,282	44,946	42,399
96545450-0	DERCOMAQ S.A.	RELATED DIRECTOR	CHILE	MACHINERY/EQUIPMENT MAINTENANCE	5,485,030	(4,533,248)	4,926,229	(4,138,866)
96545450-0	DERCOMAQ S.A.	RELATED DIRECTOR	CHILE	FREIGHT, DISPATCH AND DELIVERY	79,562	66,859	-	-
76750470-5	FERRETERIA SAN FRANCISCO DE ASIS LTDA	RELATED DIRECTOR	CHILE	PRODUCT SALES	255,026	214,306	540	454
92176000-0	GERDAU AZA S.A.	RELATED DIRECTOR	CHILE	PRODUCT PURCHASES	17,300,435	-	-	-
96955560-3	HALDEMAN MINING COMPANY S.A.	RELATED DIRECTOR	CHILE	PRODUCT SALES	102	86	121	102
76070957-3	INMOBILIARIA AZUL AZUL S.P.A	RELATED DIRECTOR	CHILE	PUBLICATIONS AND ADVERTISING	173,018	(145,392)	152,962	(132,543)
76070957-3	INMOBILIARIA AZUL AZUL S.P.A	RELATED DIRECTOR	CHILE	PRODUCT SALES	25,549	21,469	21,628	18,262
77693700-2	INVERSIONES E INMOBILIARIA MONTE DE ASIS LTDA.	RELATED DIRECTOR	CHILE	RENT AND COMMON EXPENSES	1,814,473	(1,736,667)	1,915,143	(1,790,370)

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



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, 2018 and December 31, 2017 were detailed as follows: (continued)

Chilean ID Number	Company	Relationship	Country	Transaction	Dec-31-18		Dec-31-17	
					Amount ThCh\$	Effect on income ThCh\$ (Charge)/Credit	Amount ThCh\$	Effect on income ThCh\$ (Charge)/Credit
77693970-6	INVERSIONES E INMOBILIARIA SAN FRANCISCO DEL MONTE LTDA.	RELATED DIRECTOR	CHILE	RENT AND COMMON EXPENSES	949,118	(921,606)	893,761	(814,090)
78391700-9	INVERSIONES E INMOBILIARIA SANTA CLARA LTDA.	RELATED DIRECTOR	CHILE	RENT AND COMMON EXPENSES	3,616,526	(2,919,616)	3,545,993	(3,116,417)
76255416-K	MEGASPORTS SPA	RELATED DIRECTOR	CHILE	PUBLICATIONS AND ADVERTISING	1,534,434	(1,308,600)	1,669,654	(1,403,071)
79952350-7	RED TELEVISIVA MEGAVISION S.A.	RELATED DIRECTOR	CHILE	PUBLICATIONS AND ADVERTISING	233,711	(196,396)	850,161	(714,421)
76762740-8	SOCIEDAD COMERCIALIZADORA DE REPUESTOS S.A.	RELATED DIRECTOR	CHILE	RENTAL INCOME	226,146	190,039	221,690	186,294
76547410-8	SOCIEDAD DE CREDITOS AUTOMOTRICES S.A.	RELATED DIRECTOR	CHILE	COMMISSIONS	4,135,753	(3,740,725)	5,261,928	(4,481,872)
77072500-3	SOCIEDAD DE RENTAS COMERCIALES S.A.	RELATED DIRECTOR	CHILE	RENT AND COMMON EXPENSES	2,948,134	(2,569,168)	2,462,212	(2,234,235)
95946000-0	SOCIEDAD INMOBILIARIA SAN BERNARDO LTDA.	RELATED DIRECTOR	CHILE	RENT AND COMMON EXPENSES	1,629,395	(1,432,639)	1,453,704	(1,294,598)
Foreign	SODIMAC COLOMBIA S.A.	ASSOCIATE	COLOMBIA	PRODUCT SALES	4,150,150	4,150,150	2,742,884	2,742,884
Foreign	SODIMAC COLOMBIA S.A.	ASSOCIATE	COLOMBIA	OTHERS	1,324,871	1,319,741	1,331,000	1,319,002
Foreign	SODIMAC COLOMBIA S.A.	ASSOCIATE	COLOMBIA	RENTAL INCOME	718,097	603,443	673,087	565,619
Foreign	SODIMAC COLOMBIA S.A.	ASSOCIATE	COLOMBIA	COMPUTING SERVICES	963,746	739,807	888,879	888,879
Foreign	SODIMAC COLOMBIA S.A.	ASSOCIATE	COLOMBIA	RENT AND COMMON EXPENSES	321,321	(321,321)	327,329	(327,329)
78057000-8	SOTRASER S.A.	RELATED DIRECTOR	CHILE	PRODUCT SALES	18,854	15,845	19,166	16,106
78057000-8	SOTRASER S.A.	RELATED DIRECTOR	CHILE	FREIGHT, DISPATCH AND DELIVERY	183,211	(153,959)	2,017,004	(1,694,961)
Foreign	SERVICIOS FINANCIEROS SORIANA S.A.P.I. DE C.V	ASSOCIATE	MEXICO	COMPUTER AND OTHER SERVICES	3,029,773	3,029,773	814,641	814,641
Foreign	TECNO FAST S.A.	RELATED DIRECTOR	CHILE	PRODUCT SALES	782,010	657,151	185,731	156,076
96831560-9	THE ENGLISH FASHION SPA	RELATED DIRECTOR	CHILE	PRODUCT PURCHASES	1,103	927	37,564	(30,388)

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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-31-18 T hCh\$	Dec-31-17 T hCh\$
Management remuneration	7,811,378	5,051,404
Directors remuneration	411,389	398,562
Stock options	29,061	113,786

Note 8 - Inventory

Inventory was as follows:

Description	Dec-31-18 T hCh\$	Dec-31-17 T hCh\$
Raw materials	1,536,162	2,773,386
Products for sale	1,222,881,143	1,079,847,332
Work in progress	1,117,021	1,257,785
Materials and packaging	5,959,297	5,816,791
Goods in transit	179,000,993	148,443,489
Total	1,410,494,616	1,238,138,783

During the year ended December 31 2018, the Company moved T hCh\$ 5,193,975,907 from inventory to cost of sales (T hCh\$ 5,021,852,079 for the year ended December 31, 2017).

Furthermore, provisions for shortages and obsolescence of T hCh\$ 19,512,902 were recognized in cost of sales as of December 31, 2018 (T hCh\$ 24,361,303 as of December 31, 2017).

The Company has no inventory provided in guarantee to be disclosed as of December 31, 2018 and December 31, 2017.



Note 9 – Current and Non Current Tax Assets and Liabilities

Current tax assets, Non-Banking Business

Current tax assets	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Prepaid monthly tax installments (income tax net balance) ⁽¹⁾	38,934,588	23,900,402
Employee training tax credit	4,340,464	3,617,016
Credit for absorbed profits	8,409,271	9,607,531
Recoverable income taxes	34,306,135	38,097,162
Other recoverable taxes	2,508,604	1,364,938
Total	88,499,062	76,587,049

Non-current tax assets, Non-Banking Business

Non-current tax assets	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Recoverable income taxes ⁽¹⁾	16,341,601	-
Total	16,341,601	-

- ⁽¹⁾ The Chilean National Tourism Service declared in December 2018 that the investment in the Mall Plaza Arica Shopping Center had high interest for tourism, in accordance with the provisions of Law 19,420 on Development Incentives for Arica and Parinacota Provinces. This grants an additional benefit of 10% over the investment in physical assets, as it preferentially focuses on commercial services for tourism. This is in addition to the general benefit of 30% granted under Law 19,420 for providing services in Arica Province. The total tax benefit amounts to Ch\$ 20,324 million, with Ch\$ 5,157 million as a current tax benefit, and Ch\$ 15,167 million as a non-current tax benefit.

Current tax assets - Banking Business

Current tax assets	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Prepaid monthly tax installments (income tax net balance)	5,214,005	7,766,383
Total	5,214,005	7,766,383

Current tax liabilities - Non-Banking Business

Current tax liabilities	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Current income tax provision net of prepaid monthly tax installments	19,662,950	23,117,181
Provision for 35% tax on disallowable expenditure	255,476	168,147
Prepaid monthly tax installments payable	11,777,941	10,338,668
Stamp duty	1,449,232	1,441,492
Other taxes payable	493,411	1,965,424
Total	33,639,010	37,030,912



Note 9 – Current and Non Current Tax Assets and Liabilities (continued)

Current tax liabilities - Banking Business

Current tax liabilities	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Current income tax provision net of prepaid monthly tax installments	91,904	-
Total	91,904	-

Note 10 - Current and Deferred Income Tax

a) Income tax expense/income as of December 31, 2018 and December 31, 2017 for Non-Banking Business and Banking Business were detailed as follows:

Non-Banking Business

	Jan 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
Income tax	ThCh\$	ThCh\$
Current tax expense (tax provision)	191,493,213	182,711,502
Tax expense adjustment (previous year)	(1,248,331)	(2,439,117)
Tax credit on tax losses	(2,314,848)	(9,607,531)
Other tax benefits ⁽¹⁾	(20,324,627)	-
Total net current tax expense	167,605,407	170,664,854
Deferred tax expense (credit) arising from temporary differences	371,285	(2,217,696)
Tax expense (credit) on tax losses	(16,148,900)	(9,241,185)
Deferred tax expense (credit) arising from changes in the tax rate or new rates	826,038	714,640
Total net deferred tax expense	(14,951,577)	(10,744,241)
Total	152,653,830	159,920,613

⁽¹⁾ The Chilean National Tourism Service declared in December 2018 that the investment in the Mall Plaza Arica Shopping Center had high interest for tourism, in accordance with the provisions of Law 19,420 on Development Incentives for Arica and Parinacota Provinces. This grants an additional benefit of 10% over the investment in physical assets, as it preferentially focuses on commercial services for tourism. This is in addition to the general benefit of 30% granted under Law 19,420 for providing services in Arica Province. The total tax benefit is Ch\$ 20,324 million.

Banking Business

	Jan 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
Income tax	ThCh\$	ThCh\$
Current tax expense (tax provision)	32,849,253	28,937,957
Tax expense adjustment (previous year)	300,911	(409,141)
Total net current tax expense	33,150,164	28,528,816
Deferred tax expense (credit) arising from temporary differences	(1,199,091)	3,285,851
Deferred tax expense (credit) arising from changes in the tax rate or new rates	(107,002)	-
Total net deferred tax expense	(1,306,093)	3,285,851
Total	31,844,071	31,814,667



Note 10 - Current and Deferred Income Tax (continued)

Law 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 Chilean Tax Reform Law includes a progressive increase in corporate income tax rates for fiscal years 2014, 2015, 2016, 2017 and from 2018 forward, from 20% to 21%, 22.5%, 24%, 25.5% and 27%, respectively,

On February 8, 2016, Law 20,899 was published in the Official Gazette, which introduced changes to the tax system and modified in some respects Law 20,780

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.

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 2018, the Colombian Law 1,943 amended the income tax rate, gradually reducing it for the years 2019, 2020, 2021 and 2022 to 33% , 32% , 31% and 30%, respectively.

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

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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, 2018 and 2017 was as follows:

Non-Banking Business

Income before tax using the Chilean legal tax rate Legal taxation in Chile	Jan 01-18 Dec-31-18		Jan 01-17 Dec-31-17	
	ThCh\$	%	ThCh\$	%
INCOME BEFORE TAX USING THE CHILEAN LEGAL TAX RATE	167,001,950	27.00	163,284,331	25.50
Effect of tax rates in other jurisdictions (effect of local rate vs Chilean rate)	10,201,748	1.65	7,687,081	1.20
Effect of non-taxable income	(1,914,890)	(0.31)	(3,896,223)	(0.61)
Effect of disallowable expenditure	2,134,348	0.35	2,939,769	0.46
Effect of using tax losses	(2,314,848)	(0.37)	(9,607,531)	(1.50)
Effect of rate changes in other jurisdictions	826,038	0.13	714,640	0.11
Effect of tax (over)/under-provided in prior years	(1,248,331)	(0.20)	(2,439,117)	(0.32)
Net tax inflation adjustments	(8,473,878)	(1.37)	(6,615,650)	(1.03)
Other increases (decreases)	(13,558,307)	(2.19)	7,853,313	1.16
TOTAL ADJUSTMENTS TO THE LEGAL TAX RATE	(14,348,120)	(2.32)	(3,363,718)	(0.53)
INCOME TAX EXPENSE (CREDIT) FOR THE YEAR	152,653,830	24.68	159,920,613	24.97
EFFECTIVE TAX RATE		24.68		24.97

Banking Business

Income before tax using the Chilean legal tax rate Legal taxation in Chile	Jan 01-18 Dec-31-18		Jan 01-17 Dec-31-17	
	ThCh\$	%	ThCh\$	%
INCOME BEFORE TAX USING THE CHILEAN LEGAL TAX RATE	29,618,875	27.00	28,128,735	25.50
Effect of tax rates in other jurisdictions (effect of local rate vs Chilean rate)	2,543,589	2.32	3,398,675	3.08
Effect of non-taxable income	(148,828)	(0.14)	(119,762)	(0.11)
Effect of disallowable expenditure	3,770,200	3.44	1,580,514	1.43
Effect of rate changes in other jurisdictions	(107,002)	(0.10)	-	-
Effect of tax (over)/under-provided in prior years	300,911	0.27	(409,141)	(0.37)
Net tax inflation adjustments	(2,063,275)	(1.88)	(1,260,231)	(1.14)
Other increases (decreases)	(2,070,399)	(1.89)	495,877	0.45
TOTAL ADJUSTMENTS TO THE LEGAL TAX RATE	2,225,196	2.03	3,685,932	3.34
INCOME TAX EXPENSE (CREDIT) FOR THE YEAR	31,844,071	29.03	31,814,667	28.84
EFFECTIVE TAX RATE		29.03		28.84

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Note 10 - Current and Deferred Income Tax (continued)

c) Deferred tax balances by category were detailed as follows:

Non-Banking Business

Statement of Financial Position	Dec-31-18		Dec-31-17	
	Deferred Asset	Deferred Liability	Deferred Asset	Deferred Liability
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Leased assets	26,249	20,715,723	548,885	14,788,974
Intangible asset valuation difference	1,354,375	31,943,781	1,547,014	36,090,475
Property, plant and equipment valuation difference	-	528,901,296	-	512,310,602
Inventory valuation difference	10,685,378	-	5,144,757	-
Capitalized prepaid expenses	-	1,550,519	-	2,236,824
Employee termination benefits	8,881,315	-	6,278,542	-
Deferred income	12,555,921	-	12,058,494	-
Tax losses brought forward	76,382,943	-	59,160,508	-
Allowances for doubtful receivables	42,261,767	-	26,156,236	-
Obsolescence provision	4,142,095	-	5,069,902	-
Disposal provision	7,299,409	-	6,775,217	-
Vacation provision	11,273,949	-	10,845,309	-
Other provisions	18,285,115	-	20,862,993	-
Derivative instruments	-	270,034	154,160	-
Recoverable insurance claims	9,391	-	-	24,431
Others	-	11,479,734	-	9,654,660
Total	193,157,907	594,861,087	154,602,017	575,105,966
Net balance		401,703,180	-	420,503,949

Banking Business

Statement of Financial Position	Dec-31-18		Dec-31-17	
	Deferred Asset	Deferred Liability	Deferred Asset	Deferred Liability
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Intangible asset valuation difference	-	2,649,569	-	1,272,733
Property, plant and equipment valuation difference	-	10,243,841	-	9,503,540
Capitalized prepaid expenses	-	2,982,202	-	2,403,332
Deferred income	750,940	-	763,534	-
Allowances for doubtful receivables	32,114,925	-	21,672,747	-
Vacation provision	1,197,593	-	910,221	-
Other provisions	6,583,205	-	5,843,206	-
Estimated expenses provision	153,647	-	26,106	-
Total	40,800,310	15,875,612	29,215,814	13,179,605
Net balance	24,924,698	-	16,036,209	-

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Note 10 - Current and Deferred Income Tax (continued)

d) Reconciliation between the statement of financial position and the deferred tax tables

Non-Banking Business

Net balance according to the above tables	Dec-31-18	Dec-31-17
Deferred tax assets	190,054,669	148,118,365
Deferred tax liabilities	591,757,849	568,622,314
Total	401,703,180	420,503,949

Banking Business

Net balance according to the above tables	Dec-31-18	Dec-31-17
Deferred tax assets	24,924,698	16,036,209
Total	24,924,698	16,036,209

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, 2018 and December 31, 2017, and net income for the periods ended December 31, 2018 and December 31, 2017 are detailed as follows:

Company	Country	Functional Currency	Dec-31-18 Percentage share %	Dec-31-17 Percentage share %	Dec-31-18 Book value ThCh\$	Dec-31-17 Book value ThCh\$	Dec-31-18 Net income ThCh\$	Dec-31-17 Net income ThCh\$
Sodimac Colombia S.A.	Colombia	COL	49.00%	49.00%	113,586,583	110,819,869	19,132,438	19,272,236
Sociedad Distribuidora de Mejoramiento del Hogar y Construcción S.A.P.I. de C.V.	Mexico	MXN	50.00%	50.00%	1,774,098	4,123,497	(6,642,585)	(2,191,896)
Inmobiliaria Cervantes S.A.	Chile	CLP	33.70%	33.70%	288,282	290,754	15,389	15,007
Servicios Financieros Soriana S.A.P.I. de C.V. ⁽¹⁾	Mexico	MXN	50.00%	50.00%	20,086,333	23,062,398	(5,413,056)	(1,816,043)
Total					135,735,296	138,296,518	7,092,186	15,279,304

⁽¹⁾ Sociedad de Facilidades Multitrativas S.A.P.I. de C.V. and Servicios Financieros Soriana S.A.P.I. de C.V. merged in April 2018, with the latter as legal successor.

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, 2018 and December 31, 2017, and net income for the periods ended December 31, 2018 and December 31, 2017 are detailed as follows:

Company	Country	Functional Currency	Dec-31-18 Percentage share %	Dec-31-17 Percentage share %	Dec-31-18 Book value ThCh\$	Dec-31-17 Book value ThCh\$	Dec-31-18 Net income ThCh\$	Dec-31-17 Net income ThCh\$
Unibanca S.A.	Peru	PEN	23.13%	23.13%	3,179,466	2,861,251	551,214	469,655
Total					3,179,466	2,861,251	551,214	469,655

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



Note 11 - Investments in Associates (continued)

c) Summarized information on associates:

Summarized financial information on associates as of December 31, 2018 and December 31, 2017, and net income for the years ended December 31, 2018 and December 31, 2017 are detailed as follows:

Information as of December 31, 2018							
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.	186,316,721	301,188,034	157,993,768	105,994,415	4,063,448	783,372,375	39,045,790
Sociedad Distribuidora de Mejoramiento del Hogar y Construcción S.A.P.I. de C.V.	49,825,927	26,188,541	72,362,347	103,498	-	11,345,696	(13,285,169)
Unibanca S.A.	2,031,863	10,639,534	1,272,206	306,984	569,651	7,908,404	2,382,804
Inmobiliaria Cervantes S.A.	21,437	469,684	74,312	-	147,817	63,511	45,664
Servicios Financieros Soriana S.A.P.I. de C.V. ⁽¹⁾	40,112,949	17,300,886	29,736,582	22,420	6,258,932	15,944,049	(10,826,112)
Total	278,308,897	355,786,679	261,439,215	106,427,317	11,039,848	818,634,035	17,362,977

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 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	62,114	44,530
Servicios Financieros Soriana S.A.P.I. de C.V. ⁽¹⁾	33,830,896	7,746,489	6,544,905	-	5,546,158	13,452,153	(3,632,086)
Total	204,139,810	306,036,938	112,576,080	126,073,560	10,281,055	772,763,497	33,389,996

⁽¹⁾ Sociedad de Facilidades Multirotativas S.A.P.I. de C.V. and Servicios Financieros Soriana S.A.P.I. de C.V. merged in April 2018, with the latter as legal successor.

d) Movements of investments in associates for the year ended December 31, 2018 are detailed as follows:

Movements in investments in associates	Non-Banking Business	Banking Business	Total Consolidated
	ThCh\$	ThCh\$	ThCh\$
Opening balance as of January 1, 2018	138,296,518	2,861,251	141,157,769
Reduction due to new accounting standards ⁽¹⁾	(266,792)	-	(266,792)
Restated opening balance	138,029,726	2,861,251	140,890,977
Share of net income	7,092,186	551,214	7,643,400
Dividends received	(5,396,419)	(503,392)	(5,899,811)
Contributions	3,997,815	-	3,997,815
Conversion adjustment and other reserves	(7,988,012)	270,393	(7,717,619)
Total movements	(2,294,430)	318,215	(1,976,215)
Closing balance as of December 31, 2018	135,735,296	3,179,466	138,914,762
Investments in associates using the equity method			

⁽¹⁾ The effect of IFRS 9 (see Note 2.29.c).



Note 11 - Investments in Associates (continued)

e) Movements in investments in associates for the year ended December 31, 2017 were detailed 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			

There are no significant restrictions on dividend distributions and debt repayments by associates, due to regulatory issues or related to their debt commitments.

Note 12 – Intangible Assets other than Goodwill

Intangible Assets other than Goodwill - Non-Banking Business

a) Intangible assets in the Non-Banking Business were detailed as follows:

Net Intangible Assets	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Intangible assets with defined useful lives, net	177,594,693	152,928,520
Intangible assets with indefinite useful lives	125,757,373	126,401,774
Total	303,352,066	279,330,294

a.1) Intangible assets in the Non-Banking Business were detailed as follows:

Intangible Assets	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Internally developed software	168,573,503	132,612,129
Licenses and software programs	140,002,011	131,847,378
Patents, registered trademarks and other rights	21,521,238	20,518,839
Other identifiable intangible assets	22,735,434	23,318,633
Trademarks with indefinite useful lives	125,757,373	126,401,774
Subtotal	478,589,559	434,698,753
Accumulated amortization (less)	(175,237,493)	(155,368,459)
Net Total	303,352,066	279,330,294

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Note 12 - Intangible Assets other than Goodwill (continued)

a.2) Intangible assets with indefinite useful lives in the Non-Banking Business were detailed as follows:

	Remaining amortization	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Trademark Sodimac	Indefinite	110,641,102	110,641,102
Trademark Imperial	Indefinite	2,239,800	2,239,800
Trademark Dicico	Indefinite	12,876,471	13,520,872
Total		125,757,373	126,401,774

a.3) Movements of Intangible Assets other than Goodwill in the Non-Banking Business for the year ended December 31, 2018 are detailed as follows:

Gross Balance	Internally developed software ThCh\$	Licenses and software programs ThCh\$	Patents, registered trademarks and other rights ThCh\$	Other identifiable intangible assets ThCh\$	Trademarks with indefinite useful lives ThCh\$	Total ThCh\$
Balance as of January 1, 2018	132,612,129	131,847,378	20,518,839	23,318,633	126,401,774	434,698,753
Internally developed additions	34,055,013	-	-	-	-	34,055,013
Purchased additions	-	26,538,626	182,937	1,016,759	-	27,738,322
Acquisitions through business combinations ⁽¹⁾	1,776,624	191,108	-	-	-	1,967,732
Withdrawals	-	(18,941,922)	(693,935)	(1,149,935)	-	(20,785,792)
Reclassification of concept and capitalization	-	1,717,279	-	(1,678,310)	-	38,969
Restatement and conversion adjustment (Note 2.6)	129,737	(1,350,458)	1,513,397	1,228,287	(644,401)	876,562
Balance as of December 31, 2018	168,573,503	140,002,011	21,521,238	22,735,434	125,757,373	478,589,559

Amortization	Internally developed software ThCh\$	Licenses and software programs ThCh\$	Patents, registered trademarks and other rights ThCh\$	Other identifiable intangible assets ThCh\$	Trademarks with indefinite useful lives ThCh\$	Total ThCh\$
Balance as of January 1, 2018	50,737,145	85,869,226	7,885,644	10,876,444	-	155,368,459
Amortization for the period	15,146,512	19,752,423	1,824,863	1,239,313	-	37,963,111
Withdrawals	-	(17,953,415)	(699,805)	(1,144,064)	-	(19,797,284)
Restatement and conversion adjustment (Note 2.6)	1,456	700,632	542,883	458,236	-	1,703,207
Balance as of December 31, 2018	65,885,113	88,368,866	9,553,585	11,429,929	-	175,237,493

Net Book Value as of January 1, 2018	81,874,984	45,978,152	12,633,195	12,442,189	126,401,774	279,330,294
Net Book Value as of December 31, 2018	102,688,390	51,633,145	11,967,653	11,305,505	125,757,373	303,352,066

⁽¹⁾ Intangible assets incorporated when New TIN Linio I GmbH was acquired (Note 40).

**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, 2017 were detailed as follows:

Gross Balance	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\$
Balance as of January 1, 2017	108,708,220	112,032,485	21,069,383	23,023,768	127,837,278	392,671,134
Internally developed additions	23,907,711	-	-	-	-	23,907,711
Purchased additions	-	22,922,259	328,234	1,399,361	-	24,649,854
Withdrawals	-	(559,344)	-	(2,235)	-	(561,579)
Conversion adjustment	(3,802)	(2,548,022)	(878,778)	(1,102,261)	(1,435,504)	(5,968,367)
Balance as of December 31, 2017	132,612,129	131,847,378	20,518,839	23,318,633	126,401,774	434,698,753

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\$
Balance as of January 1, 2017	38,004,409	72,332,595	6,324,435	9,769,886	-	126,431,325
Amortization for the period	12,733,497	15,502,022	1,860,156	1,295,831	-	31,391,506
Withdrawals	-	(410,756)	-	(2,124)	-	(412,880)
Conversion adjustment	(761)	(1,554,635)	(298,947)	(187,149)	-	(2,041,492)
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	13,253,882	127,837,278	266,239,809
Net Book Value as of December 31, 2017	81,874,984	45,978,152	12,633,195	12,442,189	126,401,774	279,330,294

b) Intangible assets - Banking Business:

b.1) Intangible Assets in the Banking Business were detailed as follows:

Intangible assets	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Internally developed software	89,890,346	76,414,741
Licenses and software programs	38,451,657	32,555,365
Subtotal	128,342,003	108,970,106
Accumulated amortization (less)	(60,081,862)	(48,311,567)
Net Total	68,260,141	60,658,539



Note 12 - Intangible Assets other than Goodwill (continued)

b.2) Movements in Intangible Assets in the Banking Business as of December 31, 2016 were detailed as follows:

Gross Balance	Internally developed software ThCh\$	Licenses and software programs ThCh\$	Total ThCh\$
Balance as of January 1, 2018	76,414,741	32,555,365	108,970,106
Internally developed additions	10,376,986	-	10,376,986
Purchased additions	-	5,990,970	5,990,970
Withdrawals	-	(212,852)	(212,852)
Conversion adjustment	3,098,619	118,174	3,216,793
Balance as of December 31, 2018	89,890,346	38,451,657	128,342,003

Amortization	Internally developed software ThCh\$	Licenses and software programs ThCh\$	Total ThCh\$
Balance as of January 1, 2018	37,200,296	11,111,271	48,311,567
Amortization for the period	6,026,112	4,475,092	10,501,204
Withdrawals	-	(43,682)	(43,682)
Conversion adjustment	1,028,647	284,126	1,312,773
Balance as of December 31, 2018	44,255,055	15,826,807	60,081,862

Net Book Value as of January 1, 2018	39,214,445	21,444,094	60,658,539
Net Book Value as of December 31, 2018	45,635,291	22,624,850	68,260,141

b.3) Movements in Intangible Assets in the Banking Business for the period ended December 31, 2017 were detailed as follows:

Gross Balance	Internally developed software ThCh\$	Licenses and software programs ThCh\$	Total ThCh\$
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)
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\$
Balance as of January 1, 2017	31,852,882	8,059,037	39,911,919
Amortization for the period	5,883,821	3,489,034	9,372,855
Conversion adjustment	(536,407)	(436,800)	(973,207)
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

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 12 - Intangible Assets other than Goodwill (continued)

c) Other information regarding intangible assets:

- c.1) As of December 31, 2018 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\$ 48,464,315 and ThCh\$ 40,764,361 as of December 31, 2018 and December 31, 2017, 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 was as follows:

Goodwill	Dec-31-18	Dec-31-17
	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.	32,838,349	33,944,602
Maestro Perú S.A.	169,743,638	156,030,886
Aventura Plaza S.A.	59,239,896	54,454,196
New TIN Linio I GmbH (Note 40)	110,670,385	-
Total	632,457,101	504,394,517

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.

**Note 13 - Goodwill (continued)**

Goodwill by segments as of December 31, 2018 and December 31, 2017 is detailed as follows:

Segment	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Home Improvement Stores	422,106,782	409,500,283
Real estate	79,750,034	74,964,335
Supermarkets	14,575,143	14,575,143
Other businesses	116,025,142	5,354,756
Total Goodwill by Segment	632,457,101	504,394,517

The Company performed goodwill impairment testing as of December 31, 2018, 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 2018 evaluation fluctuate between 5.23% and 12.48%.

The test results indicated that there were no impairment losses in the value of goodwill for S.A.C.I. Falabella.

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 14 - Property, Plant and Equipment

a) Property, plant and equipment for the Non-Banking Business was as follows:

Description	Dec-31-18			Dec-31-17		
	Gross Value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Land	797,123,721	-	797,123,721	771,532,256	-	771,532,256
Buildings	917,240,689	(149,259,220)	767,981,469	867,789,422	(125,466,930)	742,322,492
Plant and equipment	467,735,001	(210,304,411)	257,430,590	378,343,496	(164,911,580)	213,431,916
IT equipment	138,865,929	(95,776,291)	43,089,638	115,185,735	(77,608,262)	37,577,473
Fixed installations and accessories	1,031,107,532	(487,801,272)	543,306,260	887,519,114	(413,556,352)	473,962,762
Motor vehicles	38,568,000	(25,849,102)	12,718,898	5,738,670	(3,760,366)	1,978,304
Leasehold improvements	180,395,714	(91,002,680)	89,393,034	153,851,522	(74,614,597)	79,236,925
Construction in progress	113,213,348	-	113,213,348	140,624,503	-	140,624,503
Other property, plant and equipment ⁽¹⁾	240,564,345	(139,149,819)	101,414,526	202,190,286	(117,933,217)	84,257,069
Total	3,924,814,279	(1,199,142,795)	2,725,671,484	3,522,775,004	(977,851,304)	2,544,923,700

(1) Primarily furniture and fittings

b) Property, plant and equipment in the Banking Business was as follows:

Description	Dec-31-18			Dec-31-17		
	Gross Value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Plant and equipment	13,684,051	(8,798,992)	4,885,059	13,926,114	(7,400,779)	6,525,335
IT equipment	26,489,946	(18,979,229)	7,510,717	24,408,808	(16,036,987)	8,371,821
Fixed installations and accessories	6,319,022	(4,661,648)	1,657,374	8,441,895	(4,904,915)	3,536,980
Motor vehicles	109,026	(96,376)	12,650	106,533	(83,170)	23,363
Leasehold improvements	30,106,952	(16,380,717)	13,726,235	25,395,530	(14,415,670)	10,979,860
Construction in progress	8,288,512	-	8,288,512	2,558,075	-	2,558,075
Other property, plant and equipment ⁽¹⁾	14,226,404	(9,256,094)	4,970,310	11,457,729	(9,519,496)	1,938,233
Total	99,223,913	(58,173,056)	41,050,857	86,294,684	(52,361,017)	33,933,667

(1) Primarily furniture and fittings

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 14 - Property, Plant and Equipment (continued)

c) Movements for the Non-Banking Business for the year ended December 31, 2018 were detailed 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\$
Balance as of January 1, 2018	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
Additions	8,814,154	11,669,969	82,763,837	15,363,551	73,069,449	1,130,302	5,494,719	119,772,285	15,633,730	333,711,996
Acquisitions through business combinations ⁽¹⁾	-	-	128,757	127,445	-	-	176,803	-	-	433,005
Transfers from Investment Property	266,254	2,591,753	(143,188)	(614,766)	(1,270,173)	-	-	1,225,601	259,204	2,314,685
Disposals	(5,944,973)	(11,539,074)	(6,612,457)	(974,956)	(3,583,475)	(520,012)	(274,297)	(2,001,727)	(4,007,593)	(35,458,564)
Withdrawals	(1,458,622)	(1,111,717)	(18,734,751)	(3,587,014)	(27,403,214)	(377,594)	(4,615,095)	-	(12,061,767)	(69,349,774)
Reclassification of concept and capitalization	45,632	28,615,527	(1,843,174)	4,156,632	82,001,697	362,593	15,498,997	(146,627,464)	17,789,560	-
Restatement and conversion adjustment (Note 2.6)	23,869,020	19,224,809	33,832,481	9,209,302	20,774,134	32,234,041	10,263,065	220,150	20,760,925	170,387,927
Balance as of December 31, 2018	797,123,721	917,240,689	467,735,001	138,865,929	1,031,107,532	38,568,000	180,395,714	113,213,348	240,564,345	3,924,814,279

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\$
Balance as of January 1, 2018	-	125,466,930	164,911,580	77,608,262	413,556,352	3,760,366	74,614,597	-	117,933,217	977,851,304
Depreciation for the year	-	22,403,739	50,726,730	14,363,288	91,985,796	663,087	15,207,624	-	22,397,594	217,747,858
Transfers to Investment Property	-	(241,544)	(3,961)	(594,218)	(466,180)	-	-	-	546,139	(759,764)
Disposals	-	(2,180,656)	(6,578,295)	(961,676)	(2,608,076)	(382,165)	(261,800)	-	(3,583,940)	(16,556,608)
Withdrawals	-	(545,827)	(14,173,870)	(2,694,435)	(23,054,590)	(377,594)	(3,617,884)	-	(11,252,075)	(55,716,275)
Restatement and conversion adjustment (Note 2.6)	-	4,356,578	15,422,227	8,055,070	8,387,970	22,185,408	5,060,143	-	13,108,884	76,576,280
Balance as of December 31, 2018	-	149,259,220	210,304,411	95,776,291	487,801,272	25,849,102	91,002,680	-	139,149,819	1,199,142,795

Net balance as of January 1, 2018	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
Net balance as of December 31, 2018	797,123,721	767,981,469	257,430,590	43,089,638	543,306,260	12,718,898	89,393,034	113,213,348	101,414,526	2,725,671,484

⁽¹⁾ Intangible assets incorporated when New TIN Linio I GmbH was acquired (Note 40).

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 14 - Property, Plant and Equipment (continued)

d) Movements for the Non-Banking Business for the year ended December 31, 2017 were detailed 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\$
Balance as of January 1, 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)
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

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\$
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)
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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Note 14 - Property, Plant and Equipment (continued)

e) Movements for the Banking Business for the year ended December 31, 2018 were detailed 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\$
Balance as of January 1, 2018	13,926,114	24,408,808	8,441,895	106,533	25,395,530	2,558,075	11,457,729	86,294,684
Additions	800,685	1,895,985	159,266	-	5,231,149	5,661,958	3,603,086	17,352,129
Disposals	(300,277)	(354,811)	(230,390)	-	-	-	(139,107)	(1,024,585)
Withdrawals	(971,436)	(904,149)	(2,621,904)	-	(488,428)	-	(898,782)	(5,884,699)
Conversion adjustment	228,965	1,444,113	570,155	2,493	(31,299)	68,479	203,478	2,486,384
Balance as of December 31, 2018	13,684,051	26,489,946	6,319,022	109,026	30,106,952	8,288,512	14,226,404	99,223,913

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\$
Balance as of January 1, 2018	7,400,779	16,036,987	4,904,915	83,170	14,415,670	-	9,519,496	52,361,017
Depreciation for the year	2,455,509	3,496,790	1,866,158	11,782	2,339,052	-	504,804	10,674,095
Disposals	(175,025)	(351,227)	(53,365)	-	-	-	(61,450)	(641,067)
Withdrawals	(1,007,075)	(856,867)	(2,281,399)	-	(352,280)	-	(902,952)	(5,400,573)
Conversion adjustment	124,804	653,546	225,339	1,424	(21,725)	-	196,196	1,179,584
Balance as of December 31, 2018	8,798,992	18,979,229	4,661,648	96,376	16,380,717	-	9,256,094	58,173,056

Net balance as of January 1, 2018	6,525,335	8,371,821	3,536,980	23,363	10,979,860	2,558,075	1,938,233	33,933,667
Net balance as of December 31, 2018	4,885,059	7,510,717	1,657,374	12,650	13,726,235	8,288,512	4,970,310	41,050,857

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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 14 - Property, Plant and Equipment (continued)

f) Movements for the Banking Business for the year ended December 31, 2017 were detailed 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\$
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	12,353,838
Withdrawals	(619,726)	(3,107,127)	(480,248)	-	(818,104)	-	(635,334)	(5,660,539)
Conversion adjustment	(258,640)	(1,310,611)	(495,241)	(5,218)	(326,817)	(71,714)	(176,557)	(2,644,798)
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

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\$
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)
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

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 years ended December 31, 2018 and December 31, 2017 was ThCh\$ 228,421,953 and ThCh\$ 205,217,455 respectively. These values are presented in the Income Statement, by function, as follows:

- ThCh\$ 224,642,278 and ThCh\$ 201,464,741 under the category “Administrative expenses” for the year, respectively, as presented in Note 29.
- ThCh\$ 3,779,675 and ThCh\$ 3,752,714 were charged to Cost of Sales as of December 31, 2018 and December 31, 2017, respectively, for depreciation on leased machinery.

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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 14 - Property, Plant and Equipment (continued)

g) During the year ended December 31, 2018, the Company capitalized interest of ThCh\$ 3,607,595. The average capitalized interest rate was 4.19% and the Company capitalized interest of ThCh\$ 2,061,781 during the year ended December 31, 2017. The average capitalized interest rate was 4.2%.

As of December 31, 2018, the Company had contractual commitments to suppliers to acquire Property, plant and equipment totaling ThCh\$ 32,076,946

The Group has assets pledged in guarantee totaling ThCh\$ 52,490,462 as of December 31, 2018, which form part of Property, plant and equipment.

The Group has entered into financial leases to develop its business Assets under financial leases included as part of Property, Plant and Equipment in the Non-Banking Business were detailed as follows:

Assets under Financial Leases	Dec-31-18			Dec-31-17		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Buildings	68,865,746	(9,007,738)	59,858,008	69,440,096	(8,664,634)	60,775,462
Plant and equipment	17,304,558	(9,724,159)	7,580,399	17,488,338	(9,197,215)	8,291,123
IT equipment	14,008	(14,008)	-	1,180,905	(1,180,905)	-
Fixed installations and accessories	43,819,223	(14,540,290)	29,278,933	59,842,291	(28,653,319)	31,188,972
Other property, plant and equipment	884,222	(662,233)	221,989	4,611,089	(4,215,808)	395,281
Total	130,887,757	(33,948,428)	96,939,329	152,562,719	(51,911,881)	100,650,838

The following table details the minimum payments associated with financial lease contracts and their present value, disclosed in the statement of financial position as Other Financial Liabilities (Note 18):

Description	Dec-31-18			Dec-31-17		
	Minimum payments	Interest	Present value	Minimum payments	Interest	Present value
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Up to one year	11,261,430	(4,256,492)	7,004,938	19,010,693	(6,008,351)	13,002,342
From one to three years	56,660,778	(9,411,184)	47,249,594	81,895,494	(16,820,411)	65,075,083
Over five years	6,838,856	(842,016)	5,996,840	11,973,468	(1,423,724)	10,549,744
Total	74,761,064	(14,509,692)	60,251,372	112,879,655	(24,252,486)	88,627,169

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 14 - Property, Plant and Equipment (continued)**

h) The Company has also carried out sale-and-leaseback transactions. These transactions were detailed as follows:

Purchaser	Seller	Assets involved	Nominal value	Contract term	Purchase price
SCOTIABANK (PERU)	OPEN PLAZA S.A.C.	BUILDINGS AND FACILITIES	6,142,207	5/9/2028	6,142,207
Total			6,142,207		6,142,207

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, 2018 and December 31, 2017 were detailed as follows:

	Dec-31-18 Minimum payments ThCh\$	Dec-31-17 Minimum payments ThCh\$
Up to one year	132,100,786	125,449,072
From one to five years	518,994,795	436,635,212
Over five years	1,253,865,476	1,138,602,945
Total	1,904,961,057	1,700,687,229

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 were detailed as follows:

Description	Jan 01-18 Dec-31-18 ThCh\$	Jan 01-17 Dec-31-17 ThCh\$
Minimum third party lease expense	148,623,718	134,339,462
Variable third party lease expense	25,114,853	26,524,258
Total	173,738,571	160,863,720



Note 14 - Property, Plant and Equipment (continued)

j) Group as lessor - Operating lease

The Company leases its Investment Properties as part of its business. As of December 31, 2018 and December 31, 2017, the Company had the following rights receivable under non-cancellable leases:

Term	Dec-31-18 Minimum payments receivable ThCh\$	Dec-31-17 Minimum payments receivable ThCh\$
Up to one year	186,971,306	175,727,618
From one to five years	463,236,261	390,046,442
Over five years	441,744,676	450,909,282
Total	1,091,952,243	1,016,683,342

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 was as follows:

Leases charged to third parties	Jan 01-18 Dec-31-18 ThCh\$	Jan 01-17 Dec-31-17 ThCh\$
Fixed income	277,274,898	238,939,751
Variable income	16,620,112	16,396,437
Total	293,895,010	255,336,188

Leasing income of ThCh\$ 293,895,010 as of December 31, 2018, and of ThCh\$ 255,336,188 as of December 31, 2017, is receivable from third parties for all real estate companies of the Falabella Group. Conversely, ordinary revenue for the Chile Real Estate Property segment in Note 35 on Financial Information by Segments is total revenue receivable from third parties that relates to real estate companies in Chile.



Note 15 - Investment Property

a) Movements during the period ended December 31, 2018 are detailed as follows:

Cost	ThCh\$
Balance as of January 1, 2018	3,040,183,317
Additions	113,994,011
Transfers to property, plant and equipment	(2,314,685)
Transfer to assets held for sale	(12,043,560)
Withdrawals ⁽¹⁾	(6,113,801)
Disposals	(4,895,061)
Conversion adjustment	23,483,495
Balance as of December 31, 2018	3,152,293,716

Depreciation	ThCh\$
Balance as of January 1, 2018	131,406,109
Depreciation for the year	48,444,860
Withdrawals	(254,173)
Disposals	(866,181)
Transfers from property, plant and equipment	759,764
Conversion adjustment	756,888
Balance as of December 31, 2018	180,247,267

Net balance as of January 1, 2018	2,908,777,208
Net balance as of December 31, 2018	2,972,046,449

⁽¹⁾ On May 3, 2018, Empresa Portuaria de Valparaíso (EPV) sent an amount in Chilean pesos equivalent to UF 215,787 on that date to Plaza Valparaíso S.A to comply with the early termination clause of the Concession Contract for the Puerto Barón project. This amount was the value of the works, constructions, expenses, permits, advanced fees and rent, research and projects related to the amended project, which were acquired by EPV.

b) Movements during the year ended December 31, 2017 are detailed as follows:

Cost	ThCh\$
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 Barón concession contract (see Note 31)	(5,899,081)
Conversion adjustment	(18,998,857)
Balance as of December 31, 2017	3,040,183,317

Depreciation	ThCh\$
Balance as of January 1, 2017	91,157,189
Depreciation for the year	40,789,347
Withdrawals	(245,789)
Conversion adjustment	(294,638)
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



Note 15 - Investment Property (continued)

Note 28.1.c) includes a breakdown of the Costs of Investment Properties, including the separate 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, 2018 and 2017, are recorded in the Cost of sales line in the consolidated income statement by function.

During 2018, the Company capitalized interest of ThCh\$ 5,913,532. The average capitalized interest rate was 5.57%. During 2017, the Company capitalized interest of ThCh\$ 11,225,414. The average capitalized interest rate was 3.58%.

The estimated market value of investment properties as of December 31, 2018, and December 31, 2017 is ThCh\$ 4,016,150,813 and ThCh\$ 3,709,221,576, respectively.

As of December 31, 2018, the contractual obligations for purchasing, constructing, repairing, maintaining and developing Investment Properties were ThCh\$ 18,060,728.

Unused land and land not being used to construct shopping malls as of December 31, 2018, and December 31, 2017, was ThCh\$ 64,610,179 and ThCh\$ 70,396,683, respectively. There are no maintenance expenses associated with these properties, nor are there any restrictions on real estate investment sales, when collecting income from them or collecting the proceeds from their sale or disposal by other means.

The market value hierarchy according to IFRS 13 is detailed as follows:

	Dec-31-18	Fair value as of the reporting date		
		Level 1	Level 2	Level 3
Assets and liabilities at market value, disclosed in note				
Investment properties	4,016,150,813	-	4,016,150,813	-
Total	4,016,150,813	-	4,016,150,813	-

	Dec-31-17	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	-

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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 16 - Investment Instruments held for Sale

Investment instruments classified as held for sale are detailed as follows:

Instruments held for Sale	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Instruments issued by the State and the Chilean Central Bank		
Bonds issued by the Chilean Central Bank	207,908,971	127,306,317
Other Instruments issued by the State and the Chilean Central Bank	37,667,701	48,895,780
Instruments issued by other Chilean Institutions		
Letters of Credit for Mortgages issued by Chilean Banks	11,852,833	6,965,402
Negotiable Time Deposits issued by Chilean Banks	335,113,330	368,291,023
Instruments issued by Foreign Institutions		
Instruments issued by Foreign Governments or Central Banks	66,344,207	106,048,867
Total	658,887,042	657,507,389

Note 17 - Other Banking Business Assets

The following Banking Business Assets are classified in this category:

Other Assets	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Advances to suppliers	7,172	773
Guarantee deposits	38,478,767	6,687,776
Accrued commissions receivable	2,494,555	2,190,760
Deferred expenses	805,656	1,038,250
Accounts and invoices receivable ⁽¹⁾	30,976,516	15,414,860
Investment in auxiliary company	306,725	239,935
Assets acquired at auction	558,952	459,856
Software maintenance contracts	111,061	218,222
Others ⁽²⁾	4,006,284	4,251,422
Total	77,745,688	30,501,854

(1) Primarily "pending daily transactions", receivables for using ATMs, invoices for leasing areas in branches, and others.

(2) Primarily licenses for using Redbanc, subscriptions, advertising contracts, balances due to card theft and cloning under investigation, stationary and other.

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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

a) Other current and non-current financial liabilities for the Non-banking Business are detailed as follows:

Other financial liabilities	Dec-31-18		Dec-31-17	
	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$
Bank loans	905,950,519	499,764,351	727,759,625	809,620,748
Bonds payable	65,111,865	2,126,563,180	77,442,405	1,986,126,128
Finance lease obligations	7,004,938	53,246,434	13,002,342	75,624,827
Other financial liabilities	11,997,585	127,011,621	16,443,862	134,803,387
	990,064,907	2,806,585,586	834,648,234	3,006,175,090

Dec-31-18

b) Bank Loans as of December 31, 2018 were detailed as follows:

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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
90749000-9	S.A.C.I. FALABELLA	CHILE	97030000-7	BANCO ESTADO	CHILE	CLP	-	-	2,202,683	2,202,683	1,726,375	-	1,726,375	Six monthly	4.62	3,884,922	4.57
90749000-9	S.A.C.I. FALABELLA	CHILE	97006000-6	BANCO DE CREDITO E INVERSIONES	CHILE	UF	-	-	5,635,137	5,635,137	11,025,855	-	11,025,855	Six monthly	2.26	16,539,474	2.25
90749000-9	S.A.C.I. FALABELLA	CHILE	97006000-6	BANCO DE CREDITO E INVERSIONES	CHILE	UF	-	-	3,031,954	3,031,954	5,932,399	-	5,932,399	Six monthly	2.26	8,898,971	2.25
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97004000-5	BANCO DE CHILE	CHILE	CLP	97,200	-	15,000,000	15,097,200	-	-	-	At Maturity	2.88	15,000,000	2.88
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97004000-5	BANCO DE CHILE	CHILE	CLP	83,713	-	15,000,000	15,083,713	-	-	-	At Maturity	3.07	15,000,000	3.07
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97036000-K	BANCO SANTANDER	CHILE	CLP	94,387	-	15,000,000	15,094,387	-	-	-	At Maturity	3.02	15,000,000	3.02
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97018000-1	BANCO SCOTIABANK	CHILE	CLP	6,875	-	15,000,000	15,006,875	-	-	-	At Maturity	3.09	15,000,000	3.09
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97030000-7	BANCO ESTADO	CHILE	CLP	-	-	15,042,933	15,042,933	-	-	-	At Maturity	3.22	15,000,000	3.22
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97004000-5	BANCO DE CHILE	CHILE	CLP	15,026,785	-	-	15,026,785	-	-	-	At Maturity	3.06	15,000,000	3.06
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97032000-8	BANCO BBVA	CHILE	CLP	15,197,333	-	-	15,197,333	-	-	-	At Maturity	2.96	15,000,000	2.96
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97032000-8	BANCO BBVA	CHILE	CLP	-	15,166,600	-	15,166,600	-	-	-	At Maturity	2.94	15,000,000	2.94
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97032000-8	BANCO BBVA	CHILE	CLP	-	15,155,458	-	15,155,458	-	-	-	At Maturity	2.87	15,000,000	2.87
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97036000-K	BANCO SANTANDER	CHILE	CLP	-	75,854	25,000,000	25,075,854	-	-	-	At Maturity	3.31	25,000,000	3.31
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97018000-1	BANCO SCOTIABANK	CHILE	CLP	-	15,093,425	-	15,093,425	-	-	-	At Maturity	3.03	15,000,000	3.03
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97004000-5	BANCO DE CHILE	CHILE	CLP	11,733	15,000,000	-	15,011,733	-	-	-	At Maturity	3.16	15,000,000	3.16
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97018000-1	BANCO SCOTIABANK	CHILE	CLP	-	15,073,563	-	15,073,563	-	-	-	At Maturity	3.21	15,000,000	3.21
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97036000-K	BANCO SANTANDER	CHILE	CLP	-	-	25,125,020	25,125,020	-	-	-	At Maturity	3.83	25,000,000	3.83

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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)

b) Bank loans as of December 31, 2018 were detailed as follows (continued):

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity							Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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				
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97004000-5	BANCO DE CHILE	CHILE	CLP	-	-	25,089,864	25,089,864	-	-	-	At Maturity	3.74	25,000,000	3.74
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97023000-9	BANCO ITAU (CHILE)	CHILE	CLP	124,444	-	25,000,000	25,124,444	-	-	-	At Maturity	5.41	25,000,000	5.41
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97032000-8	BANCO BBVA	CHILE	CLP	-	30,311	20,000,000	20,030,311	-	-	-	At Maturity	3.41	20,000,000	3.41
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97032000-8	BANCO BBVA	CHILE	CLP	-	30,311	20,000,000	20,030,311	-	-	-	At Maturity	3.41	20,000,000	3.41
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97030000-7	BANCO ESTADO	CHILE	CLP	25,069,980	-	-	25,069,980	-	-	-	At Maturity	3.00	25,000,000	3.00
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97018000-1	BANCO SCOTIABANK	CHILE	CLP	-	-	15,054,258	15,054,258	-	-	-	At Maturity	3.83	15,000,000	3.83
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97018000-1	BANCO SCOTIABANK	CHILE	CLP	-	-	15,054,258	15,054,258	-	-	-	At Maturity	3.83	15,000,000	3.83
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97018000-1	BANCO SCOTIABANK	CHILE	CLP	-	-	15,054,258	15,054,258	-	-	-	At Maturity	3.83	15,000,000	3.83
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97030000-7	BANCO ESTADO	CHILE	CLP	-	20,046,343	-	20,046,343	-	-	-	At Maturity	3.15	20,000,000	3.15
90743000-6	PROMOTORA CMR FALABELLA S.A	CHILE	97030000-7	BANCO ESTADO	CHILE	CLP	-	20,046,343	-	20,046,343	-	-	-	At Maturity	3.15	20,000,000	3.15
77261280-K	FALABELLA RETAIL S.A.	CHILE	97036000-K	BANCO SANTANDER	CHILE	CLP	3,875,098	-	-	3,875,098	-	-	-	At Maturity	2.65	3,875,098	2.65
77261280-K	FALABELLA RETAIL S.A.	CHILE	97036000-K	BANCO SANTANDER	CHILE	CLP	33,046	-	-	33,046	-	-	-	At Maturity	2.78	33,046	2.78
77261280-K	FALABELLA RETAIL S.A.	CHILE	97004000-5	BANCO DE CHILE	CHILE	CLP	1,408	-	-	1,408	-	-	-	At Maturity	3.24	1,408	3.24
78627210-6	HIPERMERCADOS TOTTUS S.A.	CHILE	97032000-8	BANCO BBVA	CHILE	USD	109,073	-	-	109,073	-	-	-	At Maturity	2.50	108,971	2.50
78627210-6	HIPERMERCADOS TOTTUS S.A.	CHILE	97032000-8	BANCO BBVA	CHILE	EUR	38,897	-	-	38,897	-	-	-	At Maturity	2.50	38,893	2.50
78627210-6	HIPERMERCADOS TOTTUS S.A.	CHILE	97036000-K	BANCO SANTANDER	CHILE	CLP	434	-	-	434	-	-	-	At Maturity	3.60	434	3.60
99593960-6	SOCIEDAD DE RENTAS FALABELLA S.A.	CHILE	97008000-7	CITIBANK NA. (CHILE)	CHILE	UF	-	1,611,720	1,590,334	3,202,054	7,949,522	-	7,949,522	Six monthly	3.94	11,132,338	3.64
99593960-6	SOCIEDAD DE RENTAS FALABELLA S.A.	CHILE	97023000-9	BANCO ITAU (CHILE)	CHILE	CLP	-	-	13,139,486	13,139,486	-	-	-	Annual	7.27	12,500,000	7.10
99593960-6	SOCIEDAD DE RENTAS FALABELLA S.A.	CHILE	97036000-K	BANCO SANTANDER	CHILE	CLP	-	348,705	24,140,732	24,489,437	-	-	-	At Maturity	5.13	24,131,850	5.10
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97018000-1	BANCO SCOTIABANK	CHILE	CLP	12,372,202	-	-	12,372,202	-	-	-	At Maturity	2.96	12,372,202	2.96
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97030000-7	BANCO ESTADO	CHILE	UF	8,926,330	-	-	8,926,330	-	-	-	At Maturity	2.35	8,926,335	2.35
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97018000-1	BANCO SCOTIABANK	CHILE	CLP	11,996,587	-	-	11,996,587	-	-	-	At Maturity	2.96	11,996,587	2.96
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97006000-6	BANCO DE CREDITO E INVERSIONES	CHILE	UF	-	-	13,931	13,931	31,700,657	-	31,700,657	At Maturity	2.26	31,714,589	2.26
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97018000-1	BANCO SCOTIABANK	CHILE	UF	-	-	144,245	144,245	26,279,378	-	26,279,378	At Maturity	2.60	26,423,623	2.60
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97004000-5	BANCO DE CHILE	CHILE	UF	-	-	3,088	3,088	11,577,447	-	11,577,447	At Maturity	2.40	11,580,720	2.40
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97030000-7	BANCO ESTADO	CHILE	UF	-	563,226	-	563,226	55,047,234	-	55,047,234	At Maturity	2.46	55,687,490	2.42
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97004000-5	BANCO DE CHILE	CHILE	UF	-	50,612	-	50,612	5,398,142	-	5,398,142	At Maturity	2.25	5,448,789	2.25
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97004000-5	BANCO DE CHILE	CHILE	UF	-	51,590	-	51,590	5,431,502	-	5,431,502	At Maturity	2.28	5,487,940	2.25
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97004000-5	BANCO DE CHILE	CHILE	UF	-	25,951	-	25,951	2,732,125	-	2,732,125	At Maturity	2.28	2,760,513	2.25
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97004000-5	BANCO DE CHILE	CHILE	UF	-	26,715	-	26,715	2,745,681	-	2,745,681	At Maturity	2.34	2,779,452	2.25
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97004000-5	BANCO DE CHILE	CHILE	UF	-	27,021	-	27,021	2,744,418	-	2,744,418	At Maturity	2.36	2,780,799	2.25

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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)

b) Bank loans as of December 31, 2018 were detailed as follows: (continued)

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97004000-5	BANCO DE CHILE	CHILE	UF	-	41,321	-	41,321	4,172,402	-	4,172,402	At Maturity	2.38	4,229,712	2.25
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97004000-5	BANCO DE CHILE	CHILE	UF	-	27,356	-	27,356	2,746,081	-	2,746,081	At Maturity	2.39	2,785,118	2.25
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97006000-6	BANCO DE CREDITO E INVERSIONES	CHILE	UF	-	-	4,806	4,806	10,428,995	-	10,428,995	At Maturity	2.37	10,433,801	2.37
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97023000-9	BANCO ITAU	CHILE	UF	-	-	43,890	43,890	-	27,527,374	27,527,374	At Maturity	2.61	27,609,252	2.58
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97030000-7	BANCO ESTADO	CHILE	CLP	-	-	5,221,592	5,221,592	3,098,209	-	3,098,209	Six monthly	5.23	8,327,346	5.13
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97030000-7	BANCO ESTADO	CHILE	CLP	-	8,171,022	7,602,199	15,773,221	7,607,069	-	7,607,069	Six monthly	7.19	23,400,350	7.05
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97004000-5	BANCO DE CHILE	CHILE	CLP	4,579,715	-	4,374,382	8,954,097	4,374,643	-	4,374,643	Six monthly	3.66	13,329,685	3.65
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	97004000-5	BANCO DE CHILE	CHILE	CLP	-	369,845	-	369,845	28,197,992	-	28,197,992	At Maturity	4.04	28,567,867	4.04
96573100-8	MANUFACTURAS DE VESTUARIOS MAVESA LTDA	CHILE	97036000-K	BANCO SANTANDER	CHILE	USD	-	464,173	-	464,173	-	-	-	At Maturity	3.09	449,346	3.08
96573100-8	MANUFACTURAS DE VESTUARIOS MAVESA LTDA	CHILE	97006000-6	BANCO DE CREDITO E INVERSIONES	CHILE	USD	-	527,585	-	527,585	-	-	-	At Maturity	3.30	510,986	3.20
96792430-K	SODIMAC S.A.	CHILE	97004000-5	BANCO DE CHILE	CHILE	EUR	225,038	118,225	-	343,263	-	-	-	At Maturity	2.45	343,214	3.50
96792430-K	SODIMAC S.A.	CHILE	97004000-5	BANCO DE CHILE	CHILE	USD	3,284,054	1,725,294	-	5,009,348	-	-	-	At Maturity	3.68	4,996,409	2.94
96792430-K	SODIMAC S.A.	CHILE	97023000-9	BANCO ITAU	CHILE	USD	2,649,204	1,391,773	-	4,040,977	-	-	-	At Maturity	3.43	4,029,004	3.04
96792430-K	SODIMAC S.A.	CHILE	97036000-K	BANCO SANTANDER	CHILE	USD	1,507,331	791,884	-	2,299,215	-	-	-	At Maturity	3.53	2,296,886	2.90
96792430-K	SODIMAC S.A.	CHILE	97006000-6	BANCO DE CREDITO E INVERSIONES	CHILE	CLP	277,459	-	-	277,459	-	-	-	At Maturity	3.12	277,459	3.12
76821330-5	IMPERIAL S.A.	CHILE	97004000-5	BANCO DE CHILE	CHILE	CLP	-	1,255,417	-	1,255,417	-	-	-	Monthly	3.00	1,250,000	3.00
76821330-5	IMPERIAL S.A.	CHILE	97032000-8	BANCO BBVA	CHILE	CLP	-	-	2,546,921	2,546,921	6,246,126	-	6,246,126	Six monthly	5.95	8,797,183	5.85
76821330-5	IMPERIAL S.A.	CHILE	97030000-7	BANCO ESTADO	CHILE	CLP	181,956	-	-	181,956	7,987,931	-	7,987,931	Six monthly	4.72	8,183,783	4.60
76821330-5	IMPERIAL S.A.	CHILE	97032000-8	BANCO BBVA	CHILE	USD	1,769,982	2,013,204	-	3,783,186	-	-	-	At Maturity	3.65	3,776,869	2.96
76821330-5	IMPERIAL S.A.	CHILE	97023000-9	BANCO ITAU	CHILE	USD	953,042	735,167	-	1,688,209	-	-	-	At Maturity	3.63	1,687,644	3.60
76821330-5	IMPERIAL S.A.	CHILE	Foreign	ABN AMBRO-BANK S.A. (COLOMBIA)	COLOMBIA	CLP	3,074	-	-	3,074	-	-	-	At Maturity	3.00	3,074	2.30
76054151-6	TRAINEEMAC S.A	CHILE	97006000-6	BANCO DE CREDITO E INVERSIONES	CHILE	CLP	1	-	-	1	-	-	-	At Maturity	3.12	1	3.12
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE GALICIA Y BUENOS AIRES S.A.	ARGENTINA	ARS	32,326	-	3,682,000	3,714,326	-	-	-	At Maturity	24.00	3,714,326	24.00
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	30,379	37,031	166,639	234,049	531,378	-	531,378	At Maturity	47.67	765,427	39.30
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	103,061	-	63,540	166,601	1,201,921	-	1,201,921	At Maturity	149.04	1,368,522	93.60
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	HSBC BANK ARGENTINA S.A	ARGENTINA	ARS	63,982	-	-	63,982	1,374,447	-	1,374,447	At Maturity	95.42	1,438,429	95.42
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BBVA BANCO FRANCÉS S.A	ARGENTINA	ARS	166,861	-	-	166,861	-	-	-	Monthly	64.60	166,861	64.60
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE GALICIA Y BUENOS AIRES S.A.	ARGENTINA	ARS	1,386,480	-	-	1,386,480	-	-	-	Monthly	64.60	1,386,480	64.60
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	ICBC S.A.	ARGENTINA	ARS	147,288	-	-	147,288	-	-	-	Monthly	64.60	147,288	64.60
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA S.A	ARGENTINA	ARS	3,405,430	-	-	3,405,430	-	-	-	Monthly	64.60	3,405,430	64.60

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, 2018 were detailed as follows:

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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 S.A.	ARGENTINA	Foreign	BANCO SANTANDER RÍOS.A	ARGENTINA	ARS	905	-	-	905	-	-	-	Monthly	64.60	905	64.60
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	72	-	-	72	-	-	-	Monthly	64.60	72	64.60
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO SANTANDER RÍOS.A	ARGENTINA	ARS	14	-	-	14	-	-	-	Monthly	64.60	14	64.60
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO ITAU BUEN AYRES.A.	ARGENTINA	ARS	1	-	-	1	-	-	-	Monthly	64.60	1	64.60
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BBVA BANCO FRANCÉS S.A.	ARGENTINA	ARS	8,172,362	-	-	8,172,362	-	-	-	Monthly	62.00	8,172,362	62.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO ITAU BUEN AYRES.A.	ARGENTINA	ARS	5,468,586	-	-	5,468,586	-	-	-	Monthly	62.00	5,468,586	62.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO SANTANDER RÍOS.A	ARGENTINA	ARS	15,449	-	-	15,449	-	-	-	Monthly	65.00	15,449	65.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA S.A	ARGENTINA	ARS	2,297,436	-	-	2,297,436	-	-	-	Monthly	64.75	2,297,436	64.75
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	HSBC BANK ARGENTINA S.A	ARGENTINA	ARS	5,199,405	-	-	5,199,405	-	-	-	Monthly	64.00	5,199,405	64.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	ICBC S.A.	ARGENTINA	ARS	1,368,240	-	-	1,368,240	-	-	-	Monthly	63.00	1,368,240	63.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	6,687	-	-	6,687	-	-	-	Monthly	68.04	6,687	68.04
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE LA CIUDAD DE BUENOS AIRES	ARGENTINA	ARS	165	-	-	165	-	-	-	Monthly	68.04	165	68.04
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BBVA BANCO FRANCÉS S.A.	ARGENTINA	ARS	558,988	-	551,998	1,110,986	-	-	-	At Maturity	22.75	1,110,986	22.75
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE GALICIA Y BUENOS AIRES S.A.	ARGENTINA	ARS	30,808	-	3,682,000	3,712,808	-	-	-	At Maturity	24.00	3,712,808	24.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	HSBC BANK ARGENTINA S.A	ARGENTINA	ARS	4,067	-	2,755,828	2,759,895	-	-	-	At Maturity	22.75	2,759,895	22.75
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	58,662	-	3,495,301	3,553,963	-	-	-	At Maturity	23.00	3,553,963	23.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA S.A	ARGENTINA	ARS	65,079	120,708	242,269	428,056	-	-	-	Monthly	33.18	428,056	29.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BBVA BANCO FRANCÉS S.A.	ARGENTINA	ARS	1,090	367,277	367,731	736,098	-	-	-	At Maturity	24.00	736,098	24.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA S.A	ARGENTINA	ARS	136,504	248,214	773,974	1,158,692	-	-	-	Six monthly	91.04	1,158,692	91.04
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE LA CIUDAD DE BUENOS AIRES	ARGENTINA	ARS	1,558	-	1,838,856	1,840,414	-	-	-	Monthly	78.96	1,840,414	78.96
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	HSBC BANK ARGENTINA S.A	ARGENTINA	ARS	325,804	1,979,075	1,979,075	4,283,954	1,979,075	-	1,979,075	At Maturity	24.36	6,263,029	22.00
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	6,416	-	-	6,416	2,918,000	-	2,918,000	At Maturity	24.50	2,924,416	24.50
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	124,706	-	78,577	203,283	1,552,051	-	1,552,051	At Maturity	97.39	1,755,334	97.39
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BBVA BANCO FRANCÉS S.A.	ARGENTINA	ARS	49,770	-	1,838,048	1,887,818	-	-	-	At Maturity	38.50	1,887,818	38.50
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BBVA BANCO FRANCÉS S.A.	ARGENTINA	ARS	450,674	-	9,190,877	9,641,551	-	-	-	At Maturity	93.95	9,641,551	93.95
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA S.A	ARGENTINA	ARS	4,737	-	609,486	614,223	304,869	-	304,869	At Maturity	77.59	919,092	77.59
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA S.A	ARGENTINA	ARS	591,477	-	5,119,924	5,711,401	2,561,367	-	2,561,367	At Maturity	77.59	8,272,768	77.59
Foreign	CMR FALABELLA S.A.	ARGENTINA	Foreign	HSBC BANK ARGENTINA S.A	ARGENTINA	ARS	210,676	227,303	1,027,758	1,465,737	573,998	-	573,998	At Maturity	95.42	2,039,735	95.42
Foreign	CMR FALABELLA S.A.	ARGENTINA	97030000-7	BANCO ESTADO	CHILE	USD	39,661	-	7,106,260	7,145,921	-	-	-	Monthly	3.10	7,145,921	3.13
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE GALICIA Y BUENOS AIRES S.A.	ARGENTINA	ARS	32,327	-	3,682,000	3,714,327	-	-	-	At Maturity	24.00	3,714,327	24.00

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)

b) Bank loans as of December 31, 2018 were detailed as follows:

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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 S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	65,834	-	166,639	232,473	75,586	-	75,586	At Maturity	53.56	310,648	53.56
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	679	-	-	679	455,792	-	455,792	At Maturity	24.45	453,882	24.45
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO HIPOTECARIO SOCIEDAD ANONIMA	ARGENTINA	ARS	128,259	-	81,694	209,953	1,545,328	-	1,545,328	At Maturity	52.51	1,755,281	52.51
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	HSBC BANK ARGENTINA S.A	ARGENTINA	ARS	60,372	-	-	60,372	1,374,447	-	1,374,447	At Maturity	51.79	1,434,819	51.79
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	CITIBANK N.A.	ARGENTINA	ARS	25,925	-	-	25,925	-	-	-	Monthly	67.81	25,925	67.81
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO MACRO S.A.	ARGENTINA	ARS	5,053,302	-	-	5,053,302	-	-	-	Monthly	67.81	5,053,302	67.81
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO PATAGONIA S.A	ARGENTINA	ARS	2,013,915	-	-	2,013,915	-	-	-	Monthly	67.81	2,013,915	67.81
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BBVA BANCO FRANCÉS S.A	ARGENTINA	ARS	114,115	-	-	114,115	-	-	-	Monthly	67.81	114,115	67.81
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	BANCO DE GALICIA Y BUENOS AIRES S.A.	ARGENTINA	ARS	335,120	-	-	335,120	-	-	-	Monthly	67.81	335,120	67.81
Foreign	FALABELLA S.A.	ARGENTINA	Foreign	ICBC S.A.	ARGENTINA	ARS	153,500	-	-	153,500	-	-	-	Monthly	67.81	153,500	67.81
Foreign	HOMECENTER SODIMAC S.A	URUGUAY	Foreign	BANCO BILBAO VIZCAYA ARGENTINA URUGUAY S.A.	ARGENTINA	UYU	860,894	-	-	860,894	-	-	-	At Maturity	9.20	860,894	9.20
Foreign	HOMECENTER SODIMAC S.A	URUGUAY	Foreign	BANCO ITAU URUGUAY S.A.	URUGUAY	UYU	646,768	-	-	646,768	-	-	-	At Maturity	8.75	646,768	8.75
Foreign	HOMECENTER SODIMAC S.A	URUGUAY	Foreign	BANCO ITAU URUGUAY S.A.	URUGUAY	UYU	1,230	-	-	1,230	1,073,000	-	1,073,000	At Maturity	11.10	1,074,229	11.10
Foreign	HOMECENTER SODIMAC S.A	URUGUAY	Foreign	BANCO SANTANDER S.A. (BR URUGUAY)	URUGUAY	UYU	430,420	-	-	430,420	-	-	-	At Maturity	9.00	430,420	9.00
Foreign	FALABELLA PERU S.A.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	119,018	232,884	155,556	507,458	30,952,500	-	30,952,500	Six monthly	4.56	30,952,500	4.50
Foreign	FALABELLA PERU S.A.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	126,574	20,367	-	146,941	30,859,655	-	30,859,655	Six monthly	5.04	30,952,500	4.85
Foreign	FALABELLA PERU S.A.A.	PERU	Foreign	INTERBANK	PERU	PEN	114,517	58,915	1,312,970	1,486,402	17,354,690	8,041,044	25,395,734	Three monthly	5.26	26,825,500	5.06
Foreign	FALABELLA PERU S.A.A.	PERU	Foreign	THE BANK OF TOKYO-MITSUBISHI UFJ, LTD	JAPAN	USD	182,217	358,556	34,828,018	35,368,791	-	-	-	Six monthly	2.62	34,862,833	2.36
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	109,913	223,340	1,147,144	1,480,397	465,884	-	465,884	Monthly	6.05	1,954,879	6.05
Foreign	SODIMAC PERU S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	4,170,175	-	-	4,170,175	-	-	-	At Maturity	3.53	4,127,000	3.53
Foreign	SODIMAC PERU S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	-	-	6,203,694	6,203,694	-	-	-	At Maturity	4.35	6,190,500	4.35
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO CONTINENTAL	PERU	PEN	14,559,887	-	-	14,559,887	-	-	-	At Maturity	3.79	14,444,500	3.79
Foreign	SODIMAC PERU S.A.	PERU	Foreign	BANCO INTERANDNO	PERU	PEN	4,356,077	-	-	4,356,077	-	-	-	At Maturity	3.42	4,333,350	3.42
Foreign	SAGA FALABELLA S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	-	7,471,354	-	7,471,354	-	-	-	Three monthly	3.90	7,428,600	3.90
Foreign	SAGA FALABELLA S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	-	2,903,200	-	2,903,200	-	-	-	Three monthly	3.94	2,888,900	3.94
Foreign	SAGA FALABELLA S.A.	PERU	Foreign	BANCO INTERAMERICANO DE FINANZAS	PERU	PEN	-	6,217,844	-	6,217,844	-	-	-	Three monthly	3.85	6,190,500	3.85
Foreign	SAGA FALABELLA S.A.	PERU	Foreign	CITIBANK DEL PERÚ	PERU	PEN	-	-	10,361,418	10,361,418	-	-	-	Three monthly	3.80	10,317,500	3.80
Foreign	SAGA FALABELLA S.A.	PERU	Foreign	BANCO CONTINENTAL	PERU	PEN	-	10,344,741	-	10,344,741	-	-	-	Three monthly	3.87	10,317,500	3.87
Foreign	SAGA FALABELLA S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	-	29,983,226	29,983,226	-	-	-	Three monthly	4.26	29,920,750	4.26
Foreign	SAGA FALABELLA S.A.	PERU	Foreign	CITIBANK DEL PERÚ	PERU	PEN	-	-	8,269,605	8,269,605	-	-	-	Three monthly	3.85	8,254,000	3.85

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)

b) Bank loans as of December 31, 2018 were detailed as follows:

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity							Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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	HOME IMPROVEMNT STORES	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	2,683,405	-	2,683,405	-	-	-	At Maturity	3.90	2,682,550	3.90
Foreign	HOME IMPROVEMNT STORES	PERU	Foreign	SCOTIABANK	PERU	PEN	-	10,338,354	-	10,338,354	-	-	-	At Maturity	3.90	10,317,500	3.90
Foreign	HOME IMPROVEMNT STORES	PERU	Foreign	SCOTIABANK	PERU	PEN	-	-	2,067,899	2,067,899	-	-	-	At Maturity	4.35	2,063,500	4.35
Foreign	HIPERMERCADOS TOT TUS S.A.	PERU	Foreign	BANCO DE CREDITO	PERU	PEN	-	-	15,509,234	15,509,234	-	-	-	At Maturity	2.40	15,476,250	2.37
Foreign	FALABELLA DE COLOMBIA S.A	COLOMBIA	Foreign	BANCO DE BOGOTÁ	COLOMBIA	COP	4,519	-	-	4,519	6,300,000	-	6,300,000	At Maturity	6.60	6,300,000	6.61
Foreign	FALABELLA DE COLOMBIA S.A	COLOMBIA	Foreign	BANCO DE BOGOTÁ	COLOMBIA	COP	3,011	-	-	3,011	4,198,082	-	4,198,082	At Maturity	6.60	4,198,082	6.61
Foreign	FALABELLA DE COLOMBIA S.A	COLOMBIA	Foreign	BANCO DE BOGOTÁ	COLOMBIA	COP	2,326	-	-	2,326	3,242,421	-	3,242,421	At Maturity	6.62	3,242,421	6.61
Foreign	FALABELLA DE COLOMBIA S.A	COLOMBIA	Foreign	BANCO DE BOGOTÁ	COLOMBIA	COP	3,917	-	-	3,917	5,460,000	-	5,460,000	At Maturity	6.62	5,460,000	6.61
Foreign	FALABELLA DE COLOMBIA S.A	COLOMBIA	Foreign	BANCO DE BOGOTÁ	COLOMBIA	COP	44,197	-	-	44,197	4,200,000	-	4,200,000	Six monthly	7.24	4,200,000	7.30
Foreign	FALABELLA DE COLOMBIA S.A	COLOMBIA	Foreign	BANCO ITAU CORPBANCA COLOMBIA S.A.	COLOMBIA	COP	80,521	-	-	80,521	9,560,473	-	9,560,473	At Maturity	7.01	9,560,472	7.01
Foreign	FALABELLA DE COLOMBIA S.A	COLOMBIA	Foreign	BANCO ITAU CORPBANCA COLOMBIA S.A.	COLOMBIA	COP	29,982	-	-	29,982	11,674,293	-	11,674,293	Six monthly	7.31	7,782,862	6.71
Foreign	FALABELLA DE COLOMBIA S.A	COLOMBIA	Foreign	BANCOLOMBIA	COLOMBIA	COP	261,662	-	-	261,662	10,500,000	-	10,500,000	Annual	7.52	10,500,000	7.31
Foreign	CENTRO COMERCIAL CARTAGENA	COLOMBIA	Foreign	BANCO ITAU CORPBANCA COLOMBIA S.A.	COLOMBIA	COP	217,026	651,309	1,738,572	2,606,907	10,493,275	5,959,531	16,452,806	Monthly	9.09	19,285,000	8.67
Foreign	CENTRO COMERCIAL MANZALES DOS	COLOMBIA	Foreign	BANCO ITAU CORPBANCA COLOMBIA S.A.	COLOMBIA	COP	549,129	-	-	549,129	6,720,001	20,160,000	26,880,001	At Maturity	8.12	26,880,001	8.12
Foreign	CENTRO COMERCIAL BARRANQUILLA	COLOMBIA	Foreign	BANCO DAVIVIENDA	COLOMBIA	COP	138,738	-	-	138,738	3,687,062	19,736,624	23,423,686	At Maturity	8.73	23,423,686	8.73
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	CITIBANK N.A.	BRAZIL	USD	-	-	9,637,406	9,637,406	-	-	-	At Maturity	7.44	8,979,500	6.72
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	CITIBANK N.A.	BRAZIL	USD	-	-	3,737,802	3,737,802	-	-	-	At Maturity	7.86	5,387,700	6.73
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	BANCO HSBC	BRAZIL	USD	-	-	9,205,111	9,205,111	-	-	-	At Maturity	7.38	7,654,844	7.97
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	CITIBANK N.A.	BRAZIL	USD	-	8,737,273	-	8,737,273	-	-	-	At Maturity	7.55	40,000	6.67
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	CITIBANK N.A.	BRAZIL	USD	-	-	13,634,968	13,634,968	-	-	-	At Maturity	7.50	11,673,350	7.30
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	BANCO ITAU	BRAZIL	USD	-	-	12,373,956	12,373,956	-	-	-	At Maturity	7.10	11,673,350	8.41
Foreign	CONSTRUDECOR S.A.	BRAZIL	Foreign	BANCO SANTANDER S.A.	BRAZIL	USD	-	-	3,872,078	3,872,078	-	-	-	At Maturity	7.14	3,591,800	8.47
Total Bank Loans							174,018,253	189,277,164	542,655,102	905,950,519	418,339,778	81,424,573	499,764,351				

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 to the Public (Bonds payable) as of December 31, 2018 are detailed as follows (continued):

Debtor ID number	Debtor	Debtor Country	Creditor	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity							Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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				
90749000-9	S.A.C.I. FALABELLA	CHILE	Miscellaneous Creditors	USD	-	-	2,171,156	2,171,156	344,292,230	-	344,292,230	At Maturity	4.01	347,385,000	3.75
90749000-9	S.A.C.I. FALABELLA	CHILE	Miscellaneous Creditors	USD	-	-	5,167,352	5,167,352	-	276,039,941	276,039,941	At Maturity	4.55	277,908,000	4.38
90749000-9	S.A.C.I. FALABELLA	CHILE	Miscellaneous Creditors	USD	-	-	1,736,925	1,736,925	-	272,113,509	272,113,509	At Maturity	4.07	277,908,000	3.75
90749000-9	S.A.C.I. FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	944,732	944,732	-	93,278,448	93,278,448	At Maturity	4.41	96,480,265	3.96
90749000-9	S.A.C.I. FALABELLA	CHILE	Miscellaneous Creditors	UF	9,381,226	-	9,381,226	18,762,452	18,381,896	-	18,381,896	Six monthly	2.26	36,754,386	2.29
90749000-9	S.A.C.I. FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	1,166,047	1,166,047	-	79,146,278	79,146,278	At Maturity	3.44	82,697,370	3.08
90749000-9	S.A.C.I. FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	342,022	342,022	-	53,772,287	53,772,287	At Maturity	3.18	55,131,580	2.98
90749000-9	S.A.C.I. FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	223,561	223,561	-	78,320,434	78,320,434	At Maturity	3.12	82,697,370	2.78
90749000-9	S.A.C.I. FALABELLA	CHILE	Miscellaneous Creditors	CLP	-	-	381,942	381,942	78,119,461	-	78,119,461	At Maturity	5.04	78,000,000	5.03
90749000-9	S.A.C.I. FALABELLA	CHILE	Miscellaneous Creditors	CLP	-	-	661,054	661,054	62,899,216	-	62,899,216	At Maturity	5.16	63,000,000	5.04
90749000-9	S.A.C.I. FALABELLA	CHILE	Miscellaneous Creditors	CLP	-	-	1,024,709	1,024,709	94,131,733	-	94,131,733	At Maturity	6.74	94,588,500	6.50
76017019-4	PLAZA S.A.	CHILE	Miscellaneous Creditors	UF	-	-	4,218,136	4,218,136	29,492,746	48,451,597	77,944,343	Six monthly	4.72	83,307,263	4.50
76017019-4	PLAZA S.A.	CHILE	Miscellaneous Creditors	UF	-	-	604,558	604,558	-	81,182,948	81,182,948	At Maturity	4.00	83,289,920	3.85
76017019-4	PLAZA S.A.	CHILE	Miscellaneous Creditors	UF	-	-	402,480	402,480	-	54,170,115	54,170,115	At Maturity	3.99	55,526,613	3.85
76017019-4	PLAZA S.A.	CHILE	Miscellaneous Creditors	UF	-	-	327,603	327,603	-	65,740,374	65,740,374	At Maturity	3.90	69,222,676	3.50
76017019-4	PLAZA S.A.	CHILE	Miscellaneous Creditors	UF	-	-	277,433	277,433	-	82,117,535	82,117,535	At Maturity	3.92	82,975,095	3.90
76017019-4	PLAZA S.A.	CHILE	Miscellaneous Creditors	UF	-	5,446,567	5,178,270	10,624,837	10,346,963	-	10,346,963	Six monthly	3.34	20,951,723	3.50
76017019-4	PLAZA S.A.	CHILE	Miscellaneous Creditors	UF	-	1,192,360	-	1,192,360	-	82,761,314	82,761,314	At Maturity	3.76	83,901,995	3.80
96792430-K	SODIMAC S.A.	CHILE	Miscellaneous Creditors	UF	-	132,843	-	132,843	40,453,071	-	40,453,071	Six monthly	3.98	41,475,019	3.70
Foreign	CMR FALABELLA S.A.	ARGENTINA	Miscellaneous Creditors	ARS	1,664,688	1,870,718	777,044	4,312,450	-	-	-	Monthly	45.00	5,306,208	45.00
Foreign	HIPERMERCADOS TOTUS S.A.	PERU	Miscellaneous Creditors	PEN	20,938	64,766	200,412	286,116	1,281,714	5,896,499	7,178,213	Three monthly	7.61	7,502,200	7.40
Foreign	HIPERMERCADOS TOTUS S.A.	PERU	Miscellaneous Creditors	PEN	21,000	64,890	200,973	286,863	1,284,522	5,901,848	7,186,370	Three monthly	7.61	7,502,200	7.40
Foreign	HIPERMERCADOS TOTUS S.A.	PERU	Miscellaneous Creditors	PEN	26,246	81,103	251,173	358,522	1,605,435	7,376,894	8,982,329	Three monthly	7.61	9,377,752	7.40
Foreign	HIPERMERCADOS TOTUS S.A.	PERU	Miscellaneous Creditors	PEN	26,295	81,201	251,614	359,110	1,607,645	7,381,100	8,988,745	Three monthly	7.61	9,377,752	7.40
Foreign	SAGA FALABELLA S.A.	PERU	Miscellaneous Creditors	PEN	-	334,418	927,607	1,262,025	3,095,250	-	3,095,250	Three monthly	5.94	4,333,350	5.81
Foreign	SAGA FALABELLA S.A.	PERU	Miscellaneous Creditors	PEN	-	229,471	619,050	848,521	2,269,850	-	2,269,850	Three monthly	5.52	3,095,250	5.41
Foreign	SAGA FALABELLA S.A.	PERU	Miscellaneous Creditors	PEN	305,175	-	773,598	1,078,773	3,610,344	-	3,610,344	Three monthly	5.12	4,642,876	5.00
Foreign	FALABELLA PERU S.A.A.	PERU	Miscellaneous Creditors	PEN	137,345	163,929	-	301,274	-	20,175,583	20,175,583	Three monthly	8.33	20,222,300	8.06
Foreign	FALABELLA PERU S.A.A.	PERU	Miscellaneous Creditors	USD	162,420	26,197	3,346,272	3,534,889	23,460,445	-	23,460,445	Three monthly	7.42	26,825,500	7.19
Foreign	FALABELLA PERU S.A.A.	PERU	Miscellaneous Creditors	USD	78,222	103,455	925,566	1,107,243	13,923,071	-	13,923,071	Three monthly	6.53	14,857,200	6.25
Foreign	FALABELLA PERU S.A.A.	PERU	Miscellaneous Creditors	USD	244,445	425,807	-	670,252	8,843,571	32,393,012	41,236,583	Three monthly	7.23	41,270,000	7.03
Foreign	FALABELLA PERU S.A.A.	PERU	Miscellaneous Creditors	UF	200,988	142,637	-	343,625	-	41,244,301	41,244,301	Three monthly	5.92	41,270,000	5.78
Total Obligations to the Public					12,268,988	10,360,362	42,482,515	65,111,865	739,099,163	1,387,464,017	2,126,563,180				

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, 2018 were detailed as follows:

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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
77612410-9	ADESSA LTDA.	CHILE	97032000-8	IBM S.A.	CHILE	USD	10,634	-	-	10,634	-	-	-	Monthly	1.19	20,002	1.19
77612410-9	ADESSA LTDA.	CHILE	97032000-8	IBM S.A.	CHILE	USD	77,768	-	77,768	155,536	-	-	-	Monthly	1.19	149,237	1.19
77612410-9	ADESSA LTDA.	CHILE	97032000-8	IBM S.A.	CHILE	USD	7,511	22,534	60,089	90,134	258,320	-	258,320	Monthly	1.99	365,270	1.99
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	SCOTIABANK	PERU	PEN	24,004	28,355	132,151	184,510	847,742	1,290,915	2,138,657	Monthly	7.13	1,301,530	6.90
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	SCOTIABANK	PERU	PEN	38,970	45,908	214,027	298,905	1,375,462	2,100,993	3,476,455	Monthly	7.13	2,121,558	6.90
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	SCOTIABANK	PERU	PEN	25,019	29,477	137,421	191,917	883,064	1,348,658	2,231,722	Monthly	7.13	1,361,753	6.90
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	SCOTIABANK	PERU	PEN	95,706	165,349	767,180	1,028,235	6,323,891	-	6,323,891	Monthly	6.48	7,368,854	6.30
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO DE CREDITO CENTRAL HISPANO	PERU	PEN	100,159	122,332	570,974	793,465	6,160,368	-	6,160,368	Monthly	7.55	6,973,424	7.30
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO SANTANDER CENTRAL HISPANO	PERU	PEN	140,026	232,526	1,082,932	1,455,484	6,659,065	-	6,659,065	Monthly	7.60	4,655,755	7.35
Foreign	OPEN PLAZA S.A.C.	PERU	Foreign	BANCO SANTANDER CENTRAL HISPANO	PERU	PEN	6,444	12,647	12,808	31,899	-	-	-	Monthly	7.26	31,759	7.26
Foreign	SAGA FALABELLA S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	-	1,055	-	1,055	-	543,289	543,289	Three monthly	5.81	709,544	5.50
Foreign	MALL PLAZA S.A.	PERU	Foreign	SCOTIABANK	PERU	PEN	158,499	316,997	1,418,017	1,893,513	22,781,387	-	22,781,387	Bi-monthly	9.34	25,180,368	8.81
79990670-8	ADMINISTRADORA PLAZA VESPUCCIO S.A.	CHILE	95714000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	18,445	41,532	59,977	57,998	-	57,998	Monthly	5.42	117,975	5.42
96653650-0	PLAZA OESTE S.A.	CHILE	95714000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	76,656	171,990	248,646	240,176	-	240,176	Monthly	5.42	488,822	5.42
96653660-8	PLAZA DEL TRÉBOL S.A.	CHILE	95714000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	16,005	36,057	52,062	50,352	-	50,352	Monthly	5.42	102,414	5.42
96791560-2	PLAZA TOBALABA S.A.	CHILE	95714000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	6,362	14,332	20,694	20,014	-	20,014	Monthly	5.42	40,708	5.42
96795700-3	PLAZA LA SERENA S.A.	CHILE	95714000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	6,437	14,479	20,916	20,219	-	20,219	Monthly	5.42	41,135	5.42
99555550-6	PLAZA ANTOFAGASTA S.A.	CHILE	95714000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	11,665	20,649	32,314	28,836	-	28,836	Monthly	5.42	61,150	5.42
96851230-0	INMOBILIARIA MALL CALAMA S.A.	CHILE	95714000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	7,267	16,356	23,623	22,841	-	22,841	Monthly	5.42	46,464	5.42
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	95714000-9	CLARO SERVICIOS EMPRESARIALES S.A.	CHILE	UF	-	16,728	43,209	59,937	60,340	-	60,340	Monthly	5.42	120,277	5.42
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	76182576-3	TERMIKA HOLDING S.A.	CHILE	UF	-	57,655	124,844	182,499	745,489	-	745,489	Monthly	4.81	927,988	4.81
76882330-8	NUEVOS DESARROLLOS S.A.	CHILE	76182576-3	TERMIKA HOLDING S.A.	CHILE	UF	-	31,050	94,294	125,344	545,834	523,806	1,069,640	Monthly	2.44	1,194,984	2.44
99555550-6	PLAZA ANTOFAGASTA S.A.	CHILE	76182576-3	TERMIKA HOLDING S.A.	CHILE	UF	-	13,860	29,779	43,639	168,196	189,179	357,375	Monthly	2.44	401,014	2.44
Total Finance Leases							684,740	1,239,310	5,080,888	7,004,938	47,249,594	5,996,840	53,246,434				

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)**

e) Other Financial Liabilities as of December 31, 2018 and December 31, 2017 are detailed as follows:

Other Financial Liabilities	Dec-31-18		Dec-31-17	
	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$
Financial liabilities at fair value through net income	31,129	-	2,344,453	-
Hedging liabilities	11,966,456	127,011,621	14,099,409	134,803,387
Total	11,997,585	127,011,621	16,443,862	134,803,387

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-31-2017

f) Bank Loans as of December 31, 2017 were detailed as follows:

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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
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.	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.	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.	CHILE	97,036,000-K	BANCO SANTANDER - SANTIAGO	CHILE	USD	-	98,502	-	98,502	-	-	-	At Maturity	1.9	98,502	1.9

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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)

f) Bank Loans as of December 31, 2017 were detailed as follows (continued):

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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
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	BANCO 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
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

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)

f) Bank Loans as of December 31, 2017 were detailed as follows (continued):

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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	97,023,000-9	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	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	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	CHILE	CLP	-	1,251,254	-	1,251,254	-	-	-	Monthly	3.01	1,250,000	3.01
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 NA.	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

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)

f) Bank Loans as of December 31, 2017 were detailed as follows (continued):

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity							Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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 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 RÍOS.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	4,958,878	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
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 RÍOS.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

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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)

f) Bank Loans as of December 31, 2017 were detailed as follows (continued):

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity							Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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	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
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	984,596	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	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

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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)

f) Bank Loans as of December 31, 2017 were detailed as follows (continued):

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity							Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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	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
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.

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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)

g) Obligations to the Public (Bonds payable) as of December 31, 2017 were detailed as follows:

Debtor ID number	Debtor	Debtor Country	Creditor	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity							Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous Creditors	ARS	247,380	218,761	27,218	493,359	-	-	-	Monthly	29.71	520,657	23.3
Foreign	CMR FALABELLA S.A.	ARGENTINA	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous Creditors	PEN	276,935	-	-	276,935	-	18,543,475	18,543,475	Three monthly	8.33	18,588,640	8.06
Foreign	FALABELLA PERU S.A.A	PERU	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous Creditors	PEN	(135)	343,288	337,498	680,651	-	-	-	Three monthly	7.83	677,429	7.56
Foreign	SAGA FALABELLA S.A.	PERU	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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	Miscellaneous 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 TOTIUS SA	PERU	Miscellaneous 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 TOTIUS SA	PERU	Miscellaneous 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 TOTIUS SA	PERU	Miscellaneous 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 TOTIUS SA	PERU	Miscellaneous 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				

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)

h) Financial lease obligations as of December 31, 2017 were detailed as follows:

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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	2,885	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	3,796,966	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 TOTUS 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 TOTUS S.A.	PERU	Foreign	BANCO SANTANDER CENTRAL HISPANO	PERU	PEN	9,795	9,872	-	19,667	-	-	-	Monthly	6.95	19,736	6.74
Foreign	HIPERMERCADOS TOTUS S.A.	PERU	Foreign	BANCO SANTANDER CENTRAL HISPANO	PERU	PEN	9,435	9,490	-	18,925	-	-	-	Monthly	6.95	18,930	6.74

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Notes to the Consolidated Classified Financial Statements

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Note 18 - Other Current and Non-Current Financial Liabilities (continued)

c) Financial lease obligations as of December 31, 2017 were detailed as follows (continued):

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Effective Rate %	Nominal Value of the Obligation according to Contract Conditions ThCh\$	Nominal Rate of the Obligation 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	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	MALL PLAZA PERU 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	MALL PLAZA PERU 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.

i) Reconciliation of current and non-current financial liabilities to the statement of cash flow required by IAS 7:

	Dec-31-17 ThCh\$	Cash flow ThCh\$	Interest and indexation ThCh\$	Other non- monetary movements ThCh\$	Dec-31-18 ThCh\$
Other current and non-current financial liabilities	3,840,823,324	(382,291,146)	193,950,613	144,167,702	3,796,650,493

**Note 19 - Current and Non-Current Trade and Other Payables**

These were detailed as follows:

Dec-31-18						
Liability	Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Total Non-Current
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Trade creditors	538,334,324	246,986,093	41,835,861	827,156,278	-	-
Miscellaneous creditors	12,100,769	9,049,660	2,925,817	24,076,246	1,089,919	1,089,919
Other payables	157,005,713	42,867,960	78,238,851	278,112,524	-	-
Total	707,440,806	298,903,713	123,000,529	1,129,345,048	1,089,919	1,089,919

Dec-31-17						
Liability	Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	Total Non-Current
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Trade creditors	593,563,630	252,558,609	53,991,792	900,114,031	-	-
Miscellaneous 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	607,748,695	295,381,055	182,337,579	1,085,467,329	1,081,931	1,081,931

The Company's principal suppliers as of December 31, 2018 were detailed as follows. The average payment term for suppliers varies, depending on each business and each country, from a minimum of 20 days to a maximum of 100 days as of December 31, 2018.

Supplier Name
Gloria
Celulosa Arauco
CTI S.A.
CMPC
Codelpa
Colceramica
Colchones Rosen
Alicorp
Agrosuper
Intcomex



Note 19 - Current and Non-Current Trade and Other Payables (continued)

Creditors not due

Dec-31-18

Supplier	Amounts According to Payment Terms					Total ThCh\$
	Under 30 days	31-60 days	61-90 days	91-120 days	121-365 days	
Goods	313,503,436	164,155,839	36,197,002	7,551,391	3,567,179	524,974,847
Services	210,493,577	32,320,546	9,369,358	8,082,183	17,177,508	277,443,172
Others	10,289,232	1,136,094	15,213	1,527,382	98,849	13,066,770
Total	534,286,245	197,612,479	45,581,573	17,160,956	20,843,536	815,484,789

Dec-31-17

Supplier	Amounts According to Payment Terms					Total ThCh\$
	Under 30 days	31-60 days	61-90 days	91-120 days	121-365 days	
Goods	369,173,362	178,069,020	38,002,947	9,905,522	7,748,294	602,899,145
Services	220,237,226	25,563,701	7,701,448	4,217,500	10,549,833	268,269,708
Others	17,837,135	777,113	223,681	65,993	156,757	19,060,679
Total	607,247,723	204,409,834	45,928,076	14,189,015	18,454,884	890,229,532

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, 2018 and December 31, 2017, 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 amounts due to our suppliers.

Dec-31-18

Creditor	Amounts According to Payment Terms						Total ThCh\$
	Under 30 days	31-60 days	61-90 days	91-120 days	121-180 days	Over 180 days	
Goods	3,264,980	907,065	1,864,410	1,038,757	349,233	482,579	7,907,024
Services	225,168	356,129	63,680	52,049	33,971	175,520	906,517
Others	557,931	563,587	37,170	1,634,238	7,466	57,556	2,857,948
Total	4,048,079	1,826,781	1,965,260	2,725,044	390,670	715,655	11,671,489

Dec-31-17

Creditor	Amounts According to Payment Terms						Total ThCh\$
	Under 30 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
Others	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

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 20 - Current and Non-Current Provisions

a) Provisions for the Non-Banking Business were detailed as follows:

Non-Banking Business Provisions	Current		Non-current	
	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Legal claims provisions (contingencies) ⁽¹⁾	23,636,431	14,101,983	6,546,953	8,711,948
Dismantling, restoration and rehabilitation costs ⁽²⁾	-	-	2,777,402	2,333,811
Allowances for unused lines of credit ⁽³⁾	30,678,677	-	-	-
Other provisions ⁽⁴⁾	238,585	194,651	-	-
Total	54,553,693	14,296,634	9,324,355	11,045,759

b) Provisions for the Banking Business were detailed as follows:

Banking Business		
Provisions	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Legal claims provisions (contingencies) ⁽¹⁾	361,413	416,512
Dismantling, restoration and rehabilitation costs ⁽²⁾	469,310	247,496
Allowances for unused lines of credit ⁽³⁾	10,657,902	970,891
Other provisions ⁽⁴⁾	120,500	34,546
Total	11,609,125	1,669,445

⁽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⁾ Allowances for unused lines of credit are the expected credit losses on the unused portion of credit lines, which must be recognized according to IFRS 9.

⁽⁴⁾ Other provisions are for other third party obligations, where there is a high probability of payment.

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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 20 - Current and Non-Current Provisions (continued)

c) Movements in provisions for the Non-Banking Business were detailed as follows:

Movements in provisions	Legal claims provision		Dismantling, restoration and rehabilitation costs		Unused lines of credit		Other provisions		Total	
	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$
Balance as of January 1, 2018	14,101,983	8,711,948	-	2,333,811	-	-	194,651	-	14,296,634	11,045,759
Increase due to application of new accounting standards ⁽¹⁾	-	-	-	-	28,473,311	-	-	-	28,473,311	-
Restated opening balance	14,101,983	8,711,948	-	2,333,811	28,473,311	-	194,651	-	42,769,945	11,045,759
Additional provisions	2,454,696	641,312	-	32,079	-	-	-	-	2,454,696	673,391
Acquisitions through business combinations ⁽²⁾	9,985,446	-	-	-	-	-	-	-	9,985,446	-
Increase (decrease) in current provisions	(941,588)	(3,405,319)	-	238,959	2,417,509	-	43,934	-	1,519,855	(3,166,360)
Conversion adjustment	(1,964,106)	599,012	-	172,553	(212,143)	-	-	-	(2,176,249)	771,565
Balance as of December 31, 2018	23,636,431	6,546,953	-	2,777,402	30,678,677	-	238,585	-	54,553,693	9,324,355
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)
Balance as of December 31, 2017	14,101,983	8,711,948	-	2,333,811	-	-	194,651	-	14,296,634	11,045,759

⁽¹⁾ The effect of adopting IFRS 9 (see Note 2.29.c)

⁽²⁾ Provisions incorporated when New TIN Linio I GmbH was acquired (Note 40).

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Notes to the Consolidated Classified Financial Statements

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Note 20 - Current and Non-Current Provisions (continued)

d) Movements in provisions for the Banking Business were detailed as follows:

Movements in provisions	Legal claims provision	Dismantling, restoration and rehabilitation costs	Unused lines of credit	Other provisions	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Balance as of January 1, 2018	416,512	247,496	970,891	34,546	1,669,445
Increase due to new accounting standards ⁽¹⁾	-	-	7,977,919	-	7,977,919
Restated opening balance	416,512	247,496	8,948,810	34,546	9,647,364
Additional provisions	642,661	174,221	-	105,250	922,132
Increase (decrease) in current provisions	(722,322)	44,106	1,611,718	(14,581)	918,921
Conversion adjustment	24,562	3,487	97,374	(4,715)	120,708
Balance as of December 31, 2018	361,413	469,310	10,657,902	120,500	11,609,125
Balance as of January 1, 2017	615,493	189,269	1,153,120	384,271	2,342,153
Additional provisions	1,113,540	-	-	1,776	1,115,316
Increase (decrease) in current provisions	(1,295,433)	47,091	(182,229)	(354,157)	(1,784,728)
Conversion adjustment	(17,088)	11,136	-	2,656	(3,296)
Balance as of December 31, 2017	416,512	247,496	970,891	34,546	1,669,445

⁽¹⁾ The effect of adopting IFRS 9 (see Note 2.29.c)



Note 21 – Current and Non-Current Employee Benefits Provisions

a) Employee benefits expenses included in the income statement under Administrative expenses are detailed as follows:

Non-Banking Business

Employee Benefit Expenses	Jan 01-18 Dec-31-18 ThCh\$	Jan 01-17 Dec-31-17 ThCh\$
Wages & salaries	870,738,769	838,566,050
Bonuses and Other Short-Term Benefits	149,830,487	145,432,828
Defined Benefit Expense	3,451,850	2,162,714
Termination Expenses	19,942,297	22,962,026
Share-Based Payments ⁽¹⁾	1,601,543	5,637,001
Other Personnel Costs	23,925,129	19,870,234
Personnel Costs	1,069,490,075	1,034,630,853

Banking Business

Employee Benefit Expenses	Jan 01-18 Dec-31-18 ThCh\$	Jan 01-17 Dec-31-17 ThCh\$
Wages & salaries	74,347,032	66,197,392
Bonuses and Other Short-Term Benefits	24,113,923	21,665,728
Termination Expenses	2,320,248	1,261,388
Share-Based Payments ⁽¹⁾	161,569	463,514
Other Personnel Costs	9,264,404	10,859,153
Personnel Costs	110,207,176	100,447,175

⁽¹⁾ As of December 31, 2018, ThCh\$ 204,130 was included in Other reserves (ThCh\$ 1,476,115 in 2017).

b) Non-Banking Business Employee Benefit provisions are detailed as follows:

Employee Benefit Provisions	Current		Non-current	
	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Vacation provision	48,238,209	47,012,101	-	-
Profit sharing and bonuses	60,617,535	56,511,303	10,917,989	8,704,018
Defined benefit plans	1,563,655	1,914,961	34,712,969	24,293,658
Withholdings	26,283,121	24,307,271	-	-
Remuneration	7,445,250	5,799,928	-	-
Other provisions	2,606,483	2,918,754	-	-
Total Employee Benefit Provisions	146,754,253	138,464,318	45,630,958	32,997,676

c) Employee Defined Benefit Provisions are detailed as follows:

	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Defined benefits provision, current	1,563,655	1,914,961
Defined benefits provision, non-current	34,712,969	24,293,658
Total Defined Benefit Provisions	36,276,624	26,208,619

**Note 21 - Current and Non-Current Employee Benefits Provisions (continued)**

c.1) The following is a reconciliation of the defined benefits, breakdown of expenses for the period and main assumptions used to determine the obligation:

Reconciliation of Defined Benefits Plan Present Value	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Opening balance as of January 1	26,208,619	24,293,280
Cost of current service, defined benefits plan ⁽¹⁾	2,205,426	1,138,828
Cost of interest on defined benefits plan ⁽¹⁾	1,246,424	1,023,886
Actuarial gains (losses) on defined benefits plan by experience and assumption ⁽²⁾	9,299,135	1,510,130
Defined benefits plan payments	(2,682,980)	(1,757,505)
Defined Benefits Plan Present Value, Closing Balance	36,276,624	26,208,619

⁽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 detailed as follows:

	Dec-31-18	Dec-31-17
Discount rate used	BCU average rate	BCU average rate
Salary increase expected rate	2.55% actual average rate, according to position.	2% actual average rate, according to position.
Average Personnel Turnover Rate	8.66% turnover rate, according to historical company data.	10.68% turnover rate, according to historical company data.
Mortality table name	GS FMC 398	GS FMC 398
Other significant actuarial assumptions	Legal ages of retirement by gender	Legal ages of retirement by gender

c.3) Sensitivity analysis

As of December 31, 2018, given variations of one point in the current discount rate, the value of the actuarial liability for employee benefits increases by ThCh\$ 3,718,243 if the rate drops, and decreases by ThCh\$ 3,160,139 if the rate rises.

d) Share-based payments

At the Extraordinary Shareholders' Meeting held on August 27, 2013, 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 2013 program includes the repurchase of those shares, but not newly issued shares, as exercised at 30%, 30% and 40% in years 3, 4 and 5, respectively.

As of December 31, 2018 and December 31, 2017, the Company has treasury shares related to the 2013 program in the amount of ThCh\$ 44,808,966 and ThCh\$ 27,042,749, respectively, which have been accounted for as an equity decrease.

As the stock options will become irrevocable over a period of 5 years, the services will be received by the Company during the same year and with the same progression, and therefore the payroll expense shall be accrued over the same year.

The expense recognized in the year ended December 31, 2018, was ThCh\$ 204,130 (ThCh\$ 1,476,115 as of December 31, 2017), with a credit to Other Reserves.



Note 21 - Current and Non-Current Employee Benefits Provisions (continued)

d) Share-based payments (continued)

The main assumptions used to determine the fair value of the options recognized as a payroll 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 period, weighted average exercise option prices and average contractual lives of current options as of December 31, 2018 are detailed as follows:

Share Plans	Plan 2013
Balance as of January 1, 2018	10,483,000
Granted during the year	-
Cancelled during the year	-
Exercised during the year	(2,191,014)
Outstanding as of December 31, 2018	8,291,986
Can be exercised as of December 31, 2018	-
Weighted average contractual life (years)	-

The 2013 program expired on June 30, 2018.

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 share price 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. Similarly to the previous component, it depends on the position and performance of the executive.



Note 21 - Current and Non-Current Employee Benefits Provisions (continued)

d) Share-based payments (continued)

The credit to income for the year ended December 31, 2018 was ThCh\$ 2,217,207 and the charge to income for the year ended December 31, 2017, was ThCh\$ 7,262,371. These were classified as Administration expenses, with the counterpart in Employee benefit provisions.

The 2015 plan was paid during June 2018.

On May 30, 2017, the Board of Directors approved a 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.

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 charge to income for the years ended December 31, 2018 and December 31, 2017, was ThCh\$ 3,698,256 and ThCh\$ 1,943,951, respectively, and was charged to Administration expenses, with the counterpart in Employee benefit provisions.

On April 24, 2018, 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, subject to a minimum value of the average share price, which will increase according to a factor.

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 charge to income for the year ended December 31, 2018 was ThCh\$ 2,284,896, and was charged to Administration expenses, with the counterpart in Employee benefit provisions.



Note 21 - Current and Non-Current Employee Benefits Provisions (continued)

d) Share-based payments (continued)

The main assumptions used for calculating the fair value of the first component of the aforementioned plans are detailed as follows:

	Plan 2015	Plan 2016	Plan 2017	Plan 2018
Number of shares granted	1,135,167	1,242,255	2,122,397	2,249,503
Dividend yield (%)	1.38%	1.34%	1.57%	1.57%
Expected volatility in the share price (%)	19.96%	19.48%	19.30%	19.30%
Risk-free interest rate (%)	2.76%	2.71%	3.64%	3.64%
Plan life (years)	3	3	3	3
Share price (Ch\$)	5,937.30	5,089.6	5,089.6	5,089.6
Period covered	09-01-2015/05-15-2018	09-01-2016/05-15-2019	09-01-2017/05-15-2020	09-01-2018/05-15-2021
Model used	Monte Carlo Simulation	Monte Carlo Simulation	Monte Carlo Simulation	Monte Carlo Simulation
Model name	Bivariate Brownian Motion	Bivariate Brownian Motion	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.

Note 22 - Other Current and Non-Current Non-Financial Liabilities

Other current and non-current, non-financial liabilities are detailed as follows:

Other non-financial liabilities	Current		Non-current	
	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Guarantees received	1,076,658	1,024,704	-	-
Prepaid rent received	2,015,460	2,357,519	38,116,606	32,251,192
Deferred income from customer loyalty programs (CMR points)	22,111,486	21,083,125	-	-
Prepaid sales	67,291,281	64,432,816	-	-
Credit notes receivable from customers	2,135,744	1,957,241	-	-
VAT payable	42,921,652	52,085,883	-	-
Withholdings	10,639,148	8,480,349	-	-
Unexpired risk reserve	5,028,940	4,202,182	15,992,324	12,663,759
Others	9,767,330	7,093,086	1,015,745	766,476
Total	162,987,699	162,716,905	55,124,675	45,681,427

Note 23 - Deposits and Other Time Deposits - Banking Business

Deposits and Other Time Deposits are detailed as follows:

Deposits and Other Time Deposits	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Time deposits	2,396,974,219	1,856,480,113
Savings deposits	141,408,175	131,245,953
Total	2,538,382,394	1,987,726,066

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 24 - Obligations with Banks - Banking Business

a) As of December 31, 2018 the breakdown is detailed as follows:

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity					Repayment Terms	Nominal Value of the Obligation 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 S.A.	COLOMBIA	Foreign	BANCO POPULAR	COLOMBIA	COL	-	-	10,081,277	-	-	10,081,277	At Maturity	10,076,598
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	FINANCIERA DE DESARROLLO TERRITORIAL S.A.FINDETER	COLOMBIA	COL	8,404,853	-	-	-	-	8,404,853	At Maturity	8,400,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO SANTANDER COLOMBIA S.A.	COLOMBIA	COL	-	-	7,577,591	-	-	7,577,591	At Maturity	7,560,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO ITAU CORPBANCA COLOMBIA S.A.	COLOMBIA	USD	-	-	6,410,608	-	-	6,410,608	At Maturity	6,397,945
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO AV VILLAS	COLOMBIA	COL	-	-	6,303,989	-	-	6,303,989	At Maturity	6,300,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO AGRARIO DE COLOMBIA, BOGOTA	COLOMBIA	COL	6,302,869	-	-	-	-	6,302,869	At Maturity	6,300,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTA	COLOMBIA	USD	-	6,215,502	-	-	-	6,215,502	At Maturity	6,142,027
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO DE LA REPUBLICA	COLOMBIA	COL	4,201,956	-	-	-	-	4,201,956	At Maturity	4,200,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTA	COLOMBIA	USD	-	-	4,119,691	-	-	4,119,691	At Maturity	4,094,685
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTA	COLOMBIA	USD	-	-	2,732,990	-	-	2,732,990	At Maturity	2,729,790
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO SANTANDER COLOMBIA S.A.	COLOMBIA	COL	-	-	2,732,065	-	-	2,732,065	At Maturity	2,730,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTA	COLOMBIA	COL	2,100,956	-	-	-	-	2,100,956	At Maturity	2,100,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO MUNDO MUJER S.A.	COLOMBIA	COL	1,974,995	-	-	-	-	1,974,995	At Maturity	1,974,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO MULTIBANK S.A.	COLOMBIA	COL	1,575,717	-	-	-	-	1,575,717	At Maturity	1,575,000
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTA	COLOMBIA	USD	-	-	1,380,655	-	-	1,380,655	At Maturity	1,364,895
Foreign	BANCO FALABELLA PERU SA	PERU	Foreign	BANCO DE COMERCIO	PERU	PEN	4,127,311	-	-	-	-	4,127,311	At Maturity	4,127,000
Foreign	BANCO FALABELLA PERU SA	PERU	Foreign	BANCO AZTECA DEL PERU	PERU	PEN	2,064,433	-	-	-	-	2,064,433	At Maturity	2,063,500
Foreign	BANCO FALABELLA PERU SA	PERU	Foreign	FONDO MI VIVIENDA	PERU	USD	6,298	12,718	52,526	-	324,380	395,922	Monthly	447,749
Foreign	BANCO FALABELLA PERU SA	PERU	Foreign	FONDO MI VIVIENDA	PERU	PEN	184	372	1,533	-	9,391	11,480	Monthly	12,973
Total Bank Obligations							30,759,572	6,228,592	41,392,925	-	333,771	78,714,860		

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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 (continued)

b) As of December 31, 2017 these were detailed as follows:

Debtor ID number	Debtor	Debtor Country	Creditor ID number	Creditor	Creditor Country	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity					Repayment Terms	Nominal Value of the Obligation 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 BOGOTÁ	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 BOGOTÁ	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 BOGOTÁ	COLOMBIA	USD	-	-	1,881,212	-	-	1,881,212	At Maturity	1,879,920
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTÁ	COLOMBIA	USD	-	-	1,255,863	-	-	1,255,863	At Maturity	1,253,280
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTÁ	COLOMBIA	USD	-	-	1,255,862	-	-	1,255,862	At Maturity	1,253,280
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTÁ	COLOMBIA	USD	-	-	1,255,862	-	-	1,255,862	At Maturity	1,253,280
Foreign	BANCO FALABELLA S.A.	COLOMBIA	Foreign	BANCO BOGOTÁ	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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(Translation of consolidated financial statements originally issued in Spanish – see Note 2.1)



Note 25 - Debt Instruments and Other Financial Obligations - Banking Business

a) The detail as of December 31, 2018 is detailed as follows:

Debtor ID number	Debtor	Debtor Country	Creditor	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Nominal Value of the Obligation according to Contract Conditions
					Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 Years	Over 5 years	Total		
96509660-4	BANCO FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	-	-	54,454,993	54,454,993	Six monthly	55,131,580
96509660-4	BANCO FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	-	-	41,819,025	41,819,025	Six monthly	41,348,685
96509660-4	BANCO FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	-	-	36,507,625	36,507,625	Six monthly	35,838,712
96509660-4	BANCO FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	-	-	35,862,438	35,862,438	At Maturity	34,459,843
96509660-4	BANCO FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	-	-	35,024,934	35,024,934	Six monthly	34,499,080
96509660-4	BANCO FALABELLA	CHILE	Miscellaneous Creditors	CLP	-	-	-	30,965,378	-	30,965,378	At Maturity	30,000,000
96509660-4	BANCO FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	-	27,540,322	-	27,540,322	At Maturity	27,565,790
Foreign	BANCO FALABELLA PERU S.A.	PERU	Miscellaneous Creditors	PEN	-	791,705	2,395,352	-	-	3,187,057	Three monthly	5,313,341
Foreign	BANCO FALABELLA PERU S.A.	PERU	Miscellaneous Creditors	PEN	-	544,577	1,105,446	1,105,446	-	2,755,469	Three monthly	4,729,027
Total debt instruments					-	1,336,282	3,500,798	59,611,146	203,669,015	268,117,240		

b) As of December 31, 2017 these were detailed as follows:

Debtor ID number	Debtor	Debtor Country	Creditor	Currency or Indexation unit according to Contract Conditions (ISO 4217)	Liability Exposed to Liquidity Risk by Maturity						Repayment Terms	Nominal Value of the Obligation according to Contract Conditions
					Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 Years	Over 5 years	Total		
96509660-4	BANCO FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	-	-	52,857,762	52,857,762	Six monthly	52,497,941
96509660-4	BANCO FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	-	-	40,642,200	40,642,200	Six monthly	40,197,990
96509660-4	BANCO FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	-	-	36,997,502	36,997,502	Six monthly	36,889,591
96509660-4	BANCO FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	-	-	34,924,296	34,924,296	Six monthly	34,920,511
96509660-4	BANCO FALABELLA	CHILE	Miscellaneous Creditors	CLP	-	-	-	-	30,247,432	30,247,432	At Maturity	30,000,000
96509660-4	BANCO FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	-	-	26,676,513	26,676,513	At Maturity	26,158,876
96509660-4	BANCO FALABELLA	CHILE	Miscellaneous Creditors	UF	-	-	-	-	9,056,815	9,056,815	Six monthly	9,040,359
Foreign	BANCO FALABELLA PERU S.A.	PERU	Miscellaneous Creditors	PEN	-	721,802	2,201,843	2,935,791	-	5,859,436	Three monthly	5,871,582
Foreign	BANCO FALABELLA PERU S.A.	PERU	Miscellaneous Creditors	PEN	-	494,722	1,016,143	3,048,429	-	4,559,294	Three monthly	4,572,643
Foreign	BANCO FALABELLA PERU S.A.	PERU	Miscellaneous Creditors	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		



Note 25 - Debt Instruments and Other Financial Obligations - Banking Business (continued)

c) Other Financial Obligations are detailed as follows:

Other Financial Obligations	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Mortgage bonds	84,363,541	95,188,184
Public-sector obligations	27,925,675	35,453,204
Total	112,289,216	130,641,388

Note 26 - Other Liabilities - Banking Business

Other Liabilities for the Banking Business are detailed as follows:

Other Liabilities	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Suppliers and payables	41,536,133	44,394,163
Deferred income from customer loyalty programs	4,085,409	4,039,242
Associated trade	8,645,255	7,993,969
Vacation and employee benefits provision	4,974,327	3,789,295
Retentions and other employee withholdings	4,271,766	5,223,916
Profit sharing	3,926,672	2,676,494
Others	9,620	9,599
Total	67,449,182	68,126,678



Note 27 - Operating Revenue

27.1 Operating Revenue - Non-Banking Business

a) The Company's revenue is detailed as follows:

Item	Jan 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Sales revenue ⁽¹⁾	7,600,871,846	7,395,361,718
Revenue from rental of Investment Properties	306,584,018	279,319,518
Interest income	474,469,396	433,177,723
Commission income	101,652,073	101,992,551
Total revenue	8,483,577,333	8,209,851,510

⁽¹⁾ Includes income from the sale of investment properties of ThCh\$ 14,642,558.

b) Income from interest and commissions related to the company's Financial Retail business is detailed as follows:

Description	Jan 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Loan interest	474,469,396	433,177,723
Subtotal Interest income	474,469,396	433,177,723
Commission income	24,915,536	30,628,240
Payment services	76,736,537	71,364,311
Subtotal Commission income	101,652,073	101,992,551
Total income from interest and commissions	576,121,469	535,170,274

27.2 Operating Revenue - Banking Business

a) The Company's income is detailed as follows:

Description	Jan 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Interest and indexation income.	598,968,122	580,503,510
Commission income	151,585,276	144,686,063
Total revenue	750,553,398	725,189,573

b) Income from interest and commissions is detailed as follows:

Description	Jan 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Loan interest	594,700,347	574,711,766
Other interest income	4,267,775	5,791,744
Subtotal interest and indexation income	598,968,122	580,503,510
Commission income ⁽¹⁾	45,656,815	54,670,337
Payment services	105,928,461	90,015,726
Subtotal Commission income	151,585,276	144,686,063
Total income from interest and commissions	750,553,398	725,189,573

⁽¹⁾ Income from direct debits, financial brokerage, and account maintenance.



Note 28 - Cost of Continuing Operations

28.1 Cost of Continuing Operations - Non-Banking Business

a) These are detailed as follows:

Description	Jan 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Cost of sales of goods and services ⁽¹⁾	5,221,496,863	5,049,966,096
Cost of sales, financial entities	192,534,160	164,252,507
Cost of depreciation and maintenance of investment properties	94,514,351	82,424,362
Total Cost of Continuing Operations - Non-Banking	5,508,545,374	5,296,642,965

(1) Cost of sales of goods and services includes the cost of inventories, provisions for net realizable value, shortages and obsolescence (all disclosed in Note 8 - "Inventory"), depreciation on leased machinery (Note 14) and costs relating to the sale of investment properties of ThCh\$ 4,228,379.

b) The Cost of Sales of the Retail Financial business is detailed as follows:

Description	Jan 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Interest costs	76,050,111	60,898,441
Other sales costs	11,640,558	12,201,666
Allowance for doubtful accounts and write-offs	104,843,491	91,152,400
Total Cost of Sales Financial Entities	192,534,160	164,252,507

c) Investment Property Costs are detailed as follows:

Description	Jan 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Accumulated depreciation	48,444,860	40,789,347
Maintenance and other	46,069,491	41,635,015
Total	94,514,351	82,424,362

28.2 Cost of Continuing Operations - Banking Business

Description	Jan 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Interest and indexation expense	123,592,686	131,789,244
Commission expense	46,909,811	40,914,588
Credit risk allowances	177,873,734	178,991,294
Total Cost of Continuing Operations - Banking Business	348,376,231	351,695,126



Note 29 - Administrative Expenses

a) Administrative Expenses for the Non-Banking Business are detailed as follows:

Description	Jan 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Remuneration and personnel costs ⁽¹⁾	1,069,490,075	1,034,630,853
Rent and common expenses	194,714,222	177,947,234
Depreciation and amortization	251,931,294	222,466,105
Basic energy and water services	55,322,436	55,455,229
Computer services	9,494,781	6,102,674
Materials and consumables	44,605,012	44,827,555
Travel and accommodation	19,839,469	20,909,329
Taxes, property taxes, vehicle taxes, insurance and other	76,715,706	81,121,730
Third party fees and services	130,458,622	126,188,007
Maintenance and repairs	44,336,656	35,411,548
Communication	3,719,835	3,442,200
Commissions	39,936,139	38,841,453
Others	6,366,929	64,514
Total	1,946,931,176	1,847,408,431

(1) See Note 21.

b) Administrative Expenses for the Banking Business are detailed as follows:

Description	Jan 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Remuneration and personnel costs ⁽¹⁾	110,207,176	100,447,175
Administrative expenses	154,941,600	138,010,605
Depreciation and amortization	21,175,299	19,762,997
Other operating expenses	20,509,182	17,374,480
Total	306,833,257	275,595,257

(1) See Note 21.

Note 30 - Financing Costs and Indexation Income

The financing costs incurred in the Non-Banking Business are detailed as follows:

Description	Jan 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Interest expense, bank loans	52,344,532	60,552,848
Interest expense, bonds and other loans	93,843,289	85,846,796
Interest expense, financial leases	2,893,893	4,493,351
Interest expense, swaps and forwards	22,374,031	26,064,027
Other financial costs ⁽¹⁾	10,049,535	18,415,159
Subtotal interest costs	181,505,280	195,372,181
Indexation unit expense	22,494,868	17,264,195
Total finance costs	204,000,148	212,636,376

(1) Includes a gain of ThCh\$ 11,601,325 on subsidiaries' exposure to inflation in Argentina (Note 2.6).

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 31 - Other Income (Losses)

Other income (losses) from the Non-Banking Business are detailed as follows:

Description	Jan 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Effects of storms in Peru ⁽¹⁾	-	(7,874,433)
Provision reversals	11,805,552	5,628,821
Compensation ⁽²⁾	2,741,814	15,690,707
Gain (loss) on disposal of property, plant and equipment ⁽³⁾	16,083,918	(4,556,890)
Lawsuits and litigation	(3,738,575)	(5,393,482)
Impairment of assets held for sale	(4,528,874)	-
Effect of terminating the Puerto Baron concession ⁽⁴⁾	-	(6,375,729)
Others	1,715,969	6,170,732
Total	24,079,804	3,289,726

⁽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 cover 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⁾ as of December 31, 2017, this includes insurance claims for the asset losses mentioned in ⁽¹⁾,

⁽³⁾ as of December 31, 2018, this includes ThCh\$ 27,575,490 for the sale of property, plant and equipment, related to a supermarket and two home improvement stores.

⁽⁴⁾ Non-recoverable investments related to the Puerto Barón de Plaza S.A. project. On December 27, 2017, the Third Chamber of the Supreme Court revoked the building permit granted by the Valparaiso Municipal Works Directorate to Empresa Portuaria de Valparaiso 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 Valparaiso 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 Valparaiso 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 01-18	Jan 01-17
	Dec-31-18	Dec-31-17
	ThCh\$	ThCh\$
Earnings attributable to shareholders of the parent company	478,468,376	509,593,496
Basic earnings per share	0.19	0.21
Diluted earnings per share	0.19	0.21

Basic weighted average number of shares	2,508,884,621	2,434,465,103
Incremental shares in share-based compensation plans	-	-
Diluted weighted average number of shares	2,508,884,621	2,434,465,103



Note 33 - Financial Instruments and Risk Management

1. Risk Management

There are risks in the surrounding environment that could affect performance of the Falabella Group's business.

The main issues 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 customer 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 available information, in an attempt to reflect customers' 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 and Brazil:

Our financial position and operating income mostly depend on the prevailing economic conditions for each country. The economic conditions in these countries 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.

The categories of financial assets and liabilities held by the Company are detailed as follows:

a) Non-Banking Business

Financial instruments by category	Dec-31-18	Dec-31-17
Financial assets		
Financial assets held for trading	18,195,253	17,222,839
Loans and accounts receivable	2,408,634,666	2,249,065,302
Hedging assets	113,161,845	64,135,673
Total financial assets	2,539,991,764	2,330,423,814

Financial Liabilities		
Financial liabilities at fair value:	31,129	2,344,453
Hedging liabilities	138,978,077	148,902,796
Financial liabilities at amortized cost	4,803,384,785	4,783,761,664
Total financial liabilities	4,942,393,991	4,935,008,913

b) Banking Business

Financial instruments by category	Dec-31-18	Dec-31-17
Financial assets		
Financial assets held for trading and derivatives	236,359,874	97,783,544
Loans and accounts receivable	2,823,447,682	2,590,709,808
Financial assets held for sale	658,887,042	657,507,389
Total financial assets	3,718,694,598	3,346,000,741

Financial Liabilities		
Financial liabilities at fair value:	87,064,300	31,181,315
Financial liabilities at amortized cost	3,636,585,414	2,985,169,489
Total financial liabilities	3,723,649,714	3,016,350,804

c) Total financial assets and liabilities:

Financial instruments by category	Dec-31-18	Dec-31-17
Financial assets		
Financial assets held for trading and derivatives	254,555,127	115,006,383
Loans and accounts receivable	5,232,082,348	4,839,775,110
Financial assets held for sale	658,887,042	657,507,389
Hedging assets	113,161,845	64,135,673
Total financial assets	6,258,686,362	5,676,424,555

Financial Liabilities		
Financial liabilities at fair value:	87,095,429	33,525,768
Hedging liabilities	138,978,077	148,902,796
Financial liabilities at amortized cost	8,439,970,199	7,768,931,153
Total financial liabilities	8,666,043,705	7,951,359,717



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 detailed as follows:

	Dec-31-18		Dec-31-17	
	Book value	Market Value ⁽¹⁾	Book Value	Market Value ⁽¹⁾
Interest-bearing loans	1,683,690,308	1,533,103,458	1,858,645,834	1,617,154,086
Bonds payable	2,459,792,285	2,467,285,341	2,305,825,304	2,495,163,582

⁽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 for the exclusive purpose of hedging risks associated with fluctuations in interest rates and exchange rates. Part of those instruments qualifies 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."

Current derivative instruments as of December 31, 2018, were 69 currency and interest rate swaps with a notional value of ThCh\$ 1,419,411,870 and 924 currency forwards of ThCh\$ 204,098,987. All these derivative instruments add up to a contracted notional value of ThCh\$ 1,623,510,857. As of December 31, 2017, there were 68 currency and interest rate swaps for ThCh\$ 1,435,218,125, and 516 currency forwards amounting to ThCh\$ 201,452,535, which in total add up to a contracted notional value of ThCh\$ 1,636,670,660.



Note 33 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

d) Assets and Liabilities at Fair Value

Financial instruments by category	As of Dec-31-18	Fair value as of the reporting date		
		Level 1	Level 2	Level 3
Financial assets				
Financial assets held for trading and derivatives	254,555,127	161,825,200	92,729,927	-
Financial assets held for sale	658,887,042	658,887,042	-	-
Hedging assets	113,161,845	-	113,161,845	-
Total financial assets	1,026,604,014	820,712,242	205,891,772	-

Financial Liabilities		Level 1	Level 2	Level 3
Financial liabilities at fair value:	87,095,429	-	87,095,429	-
Hedging liabilities	138,978,077	-	138,978,077	-
Total financial liabilities	226,073,506	-	226,073,506	-

Financial instruments by category	As of Dec-31-17	Fair value as of the reporting date		
		Level 1	Level 2	Level 3
Financial assets				
Financial assets held for trading and derivatives	115,006,383	86,337,705	28,668,678	-
Financial assets held for sale	657,507,389	657,507,389	-	-
Hedging assets	64,135,673	-	64,135,673	-
Total financial assets	836,649,445	743,845,094	92,804,351	-

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	-



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

A range of products acquired for sale are imported and denominated in foreign currencies, principally the US dollar, which results in an exposure to foreign exchange rate risk between the local currency in each country and foreign currencies. The Company divides exchange rate risk into two categories, i) Exchange rate risk on liabilities for importing merchandise, and ii) Exchange rate risk of an economic nature, arising on its merchandise purchasing commitments on future imports (firm commitments).

Therefore, as of December 31, 2018, the Company had consolidated payables in US dollars for imported merchandise of Ch\$ 52,155 million, which includes Ch\$ 16,554 million in letters of credit.

The hedging policy defines the financial instruments used to mitigate foreign exchange risk described above as: i) cash in foreign currency; ii) receivables in foreign currency; iii) currency forwards. To cover this liability and future obligations in foreign currency, the Company had a hedge of Ch\$ 171,477 million, which generated a net book asset in US dollars of Ch\$ 119,322 million as of December 31, 2018.

The Company estimates its firm commitments associated with consolidated imports of Ch\$ 155,514 million. Thus, the Company had an economic or debt exposure after holding of \$36,192.

The Company estimates with 95% reliability that the maximum financial loss that it may suffer in a 30 day period following simultaneous depreciation of the local currencies (Chilean Peso, Peruvian nuevo sol, Colombian peso, Argentine peso, Brazilian real and Uruguayan peso) with respect to the US dollar would be Ch\$ 2,877 million, which is 7.95% of the exposure described in the previous paragraph. This simultaneous depreciation was calculated as the weighted average between the depreciation estimated by currency and the exposure after coverage for each country.

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, 2018, 77.3% of the consolidated financial debt after derivatives associated with the debt, excluding the banking business, was expressed in Chilean pesos (including that in UF), 14% in Peruvian soles, 3.5% in Colombian pesos, 3% in Argentine pesos, and 1.5% in Brazilian reals and 0.1% in Uruguayan pesos. All our financial debt after coverage is contracted in local currency.



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 invested in businesses in Peru, Argentina, Colombia, Brazil, Uruguay, Mexico, Germany and Hong Kong. These foreign investments are managed in the functional currency of each country, with the exception of Hong Kong, whose functional currency is the Euro. As a result Falabella has an exposure of Ch\$ 1,269,871 million in Peruvian soles, Ch\$ 342,458 million in Colombian pesos, Ch\$ 48,279 million in Argentine pesos, Ch\$ 122,322 million in Brazilian reals, Ch\$ 43,484 million in Uruguayan pesos, Ch\$ 63,869 million in Mexican pesos and Ch\$ 2,805 million in Euros as of December 31, 2018. 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, 2018, simultaneous depreciation of 13.30% in the six foreign currencies mentioned above with respect to the Chilean peso, keeping the remaining variables constant, would result in a comprehensive loss of Ch\$ 251,805 million. The depreciation percentage for these currencies was determined by averaging the maximum theoretical variation that could occur in one year in each of the currencies with respect to the Chilean peso with a significance level of 10%, over the last 3 years.

b) Inflation Risk

As of December 31, 2018, consolidated debt expressed in UF after derivatives, excluding the banking business, was Ch\$ 992,721 million or 27.5%. 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 Ch\$ 9,927 million 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, 2018, 82.49% of the Company's consolidated financial debt after derivatives, and excluding the banking business, was at a fixed interest rate, 15.96% at a variable interest rate and 1.55% was overdrafts and letters of credit, which due to their term can be considered to be at a variable interest rate.



Note 33 - Financial Instruments and Risk Management (continued)

2. Financial Risk (continued)

2.1. Financial Risks (continued)

2.1.1. Market Risk (continued)

c) Interest Rate Risk (continued)

Therefore, as of December 31, 2018, the outstanding capital on our financial debt subject to short-term fluctuations in interest rates after derivatives was Ch\$ 632,604 million or 17.5%. A hypothetical increase of 100 base points during an entire year in all variable interest rates would generate an additional financial expense of Ch\$ 6,326 million.

2.1.2. Credit Risk

Credit risk is the risk of loss for the Group in case a customer or other counterparty 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. Total gross Group credit card loans, excluding banking transactions that are dealt with separately below, was Ch\$ 2,015,562 million as of December 31, 2018. 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 customers and determining credit limits, as well as credit quality review processes for its customers, 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, 2018 and December 31, 2017 was detailed as follows:

	Maximum Exposure	
	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Cash and Cash equivalents	689,411,677	494,958,665
Time deposits	105,435,555	91,272,427
Highly liquid financial instruments	104,601,528	37,139,707
Liquidity transactions in progress, net (bank subsidiaries)	10,876,799	6,231,104
Other cash and cash equivalents	468,497,795	360,315,427
Financial assets at fair value, current	211,741,813	83,044,991
Derivative instruments	107,877,636	36,012,694
Others	103,864,177	47,032,297
Trade and other receivables, current	2,049,771,504	1,965,407,382
Trade receivables, net	244,339,330	213,852,093
Notes receivable, net	97,398,457	80,107,555
Miscellaneous receivables, net	86,826,327	106,439,309
Financing receivables, net	1,621,207,390	1,565,008,425
Related party receivables, current	60,013,844	8,568,867
Loans and Receivables - Banking Business	2,823,447,682	2,590,709,808
Customer loans and receivables, net	2,823,447,682	2,590,709,808
Financial assets at fair value, non-current	105,525,159	65,197,065
Derivative instruments	97,307,652	56,615,338
Others	8,217,507	8,581,727
Trade and other receivables, non-current	298,849,318	275,089,053
Trade receivables, net	326,703	279,853
Notes receivable, net	2,492,371	3,253,361
Miscellaneous receivables, net	1,301,297	2,627,737
Financing receivables, net	294,728,947	268,928,102
Total	6,238,760,997	5,482,975,831

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 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 detailed as follows:

ThCh\$	1 year	2 years	3 years	4 years	5 years	Over 5 years
Capital	2,654,569,311	1,269,375,079	257,257,569	252,128,463	583,028,239	1,752,675,169
Interest	163,558,759	137,084,516	114,451,319	101,893,295	82,035,765	410,903,283

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 financial position statement.

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 financial position statement 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 financial position statement 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, 2018, 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

a) The balances as of December 31, 2018 are detailed as follows:

	Chilean peso ThCh\$	US dollar ThCh\$	Euro ThCh\$	Peruvian nuevo sol ThCh\$	Argentine peso ThCh\$	Colombian peso ThCh\$	Other currencies ThCh\$	Total ThCh\$
Assets - Non-Banking Business								
Cash and cash equivalents	230,204,205	34,275,632	2,114,368	57,695,889	3,138,442	18,487,731	6,184,238	352,100,505
Other financial assets, current	13,839,801	5,663,768	33,202	2,258,688	3,885,293	-	151,187	25,831,939
Other non-financial assets, current	97,433,248	1,827,011	-	18,663,508	2,507,534	1,069,337	5,543,332	127,043,970
Trade and other receivables, current	1,822,760,382	18,240,530	-	33,545,486	127,052,621	18,460,922	29,711,563	2,049,771,504
Related company receivables, current	4,577,527	-	-	-	-	13,020,134	42,416,183	60,013,844
Inventories	787,956,732	-	-	407,843,293	57,993,504	83,196,109	73,504,978	1,410,494,616
Tax assets, current	55,876,131	35,489	-	19,699,662	2,788,568	9,458,077	641,135	88,499,062
Non-current assets or disposal groups held for sale	17,371,457	-	-	-	-	-	-	17,371,457
Total Current Assets	3,030,019,483	60,042,430	2,147,570	539,706,526	197,365,962	143,692,310	158,152,616	4,131,126,897
Other financial assets, non-current	8,217,507	97,307,652	-	-	-	-	-	105,525,159
Other non-financial assets, non-current	37,908,565	5,543,453	-	23,781,883	544,756	22,157,418	5,296,891	95,232,966
Trade and other receivables, non-current	292,903,539	121,185	-	683,084	5,141,510	-	-	298,849,318
Investments accounted for using the equity method	288,282	-	-	-	-	113,586,583	21,860,431	135,735,296
Intangible assets other than goodwill	252,724,846	891,579	-	22,560,005	8,656,497	1,647,247	16,871,892	303,352,066
Goodwill	259,964,833	-	-	228,983,534	-	-	143,508,734	632,457,101
Property, plant and equipment	1,522,243,930	26,731	-	960,559,784	41,867,349	101,290,839	99,682,851	2,725,671,484
Investment properties	2,518,124,580	-	-	304,459,867	-	149,462,002	-	2,972,046,449
Non-current tax assets	16,341,601	-	-	-	-	-	-	16,341,601
Deferred tax assets	110,987,465	797,293	-	29,904,852	3,713,951	10,305,627	34,345,481	190,054,669
Total Non-Current Assets	5,019,705,148	104,687,893	-	1,570,933,009	59,924,063	398,449,716	321,566,280	7,475,266,109
Total Assets - Non-Banking Business	8,049,724,631	164,730,323	2,147,570	2,110,639,535	257,290,025	542,142,026	479,718,896	11,606,393,006
Assets - Banking Business								
Cash and bank deposits	153,235,650	56,942,085	-	34,028,875	-	31,777,763	-	275,984,373
Transactions pending settlement	34,165,068	22,901,476	-	224,061	-	-	-	57,290,605
Instruments held for trading	120,330,739	-	-	-	-	27,927,872	-	148,258,611
Financial derivative contracts	87,282,445	818,818	-	-	-	-	-	88,101,263
Customer loans and receivables	1,620,325,186	1,833,400	-	594,313,316	-	606,975,780	-	2,823,447,682
Investment instruments held for sale	592,542,834	-	-	54,606,478	-	11,737,730	-	658,887,042
Investments in companies	-	-	-	3,179,466	-	-	-	3,179,466
Intangible assets	27,558,196	-	-	25,821,847	-	14,880,098	-	68,260,141
Property, plant and equipment	17,395,543	-	-	17,158,343	-	6,496,971	-	41,050,857
Current taxes	2,173,693	-	-	228,782	-	2,811,530	-	5,214,005
Deferred taxes	16,953,161	-	-	3,933,468	-	4,038,069	-	24,924,698
Other assets	52,133,605	7,902,492	-	5,389,146	-	12,320,445	-	77,745,688
Total Assets - Banking Business	2,724,096,120	90,398,271	-	738,883,782	-	718,966,258	-	4,272,344,431
Total Assets	10,773,820,751	255,128,594	2,147,570	2,849,523,317	257,290,025	1,261,108,284	479,718,896	15,878,737,437

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\$	Euro ThCh\$	Peruvian nuevo sol ThCh\$	Argentine peso ThCh\$	Colombian peso ThCh\$	Other currencies ThCh\$	Total ThCh\$
Liabilities - Non-Banking Business								
Other financial liabilities, current	610,033,147	130,967,266	382,160	155,862,348	87,155,765	3,724,909	1,939,312	990,064,907
Trade and other payables, current	665,250,728	74,806,316	5,033,174	207,005,251	53,613,610	58,518,691	65,117,278	1,129,345,048
Related company payables, current	12,569,084	-	-	-	-	2,739,447	-	15,308,531
Other provisions, current	33,666,341	-	-	5,247,275	5,482,141	145,779	10,012,157	54,553,693
Current tax liabilities	28,743,048	-	-	2,855,495	1,120,102	633,143	287,222	33,639,010
Employee benefit provisions, current	92,141,695	-	-	32,670,283	9,526,523	5,475,452	6,940,300	146,754,253
Other non-financial liabilities, current	103,050,915	302,229	-	24,817,573	14,024,365	13,957,607	6,835,010	162,987,699
Total Current Liabilities	1,545,454,958	206,075,811	5,415,334	428,458,225	170,922,506	85,195,028	91,131,279	2,532,653,141
Other financial liabilities, non-current	1,455,128,874	892,704,000	-	319,339,691	16,448,259	121,891,762	1,073,000	2,806,585,586
Trade and other payables, non-current	1,076,211	-	-	13,708	-	-	-	1,089,919
Other provisions, non-current	335,775	-	-	7,424,744	44,877	242,136	1,276,823	9,324,355
Deferred tax liabilities	474,996,448	-	-	109,634,125	2,718,402	6,687	4,402,187	591,757,849
Employee benefit provisions, non-current	43,661,969	-	-	1,144,509	201,471	392,559	230,450	45,630,958
Other non-financial liabilities, non-current	39,499,936	454,490	-	12,838,418	3,186	2,088,094	240,551	55,124,675
Total Non-Current Liabilities	2,014,699,213	893,158,490	-	450,395,195	19,416,195	124,621,238	7,223,011	3,509,513,342
Total Liabilities - Non-Banking Business	3,560,154,019	1,099,234,453	5,415,334	878,853,420	190,338,701	209,816,266	98,354,290	6,042,166,483
Liabilities - Banking Business								
Deposits and other demand obligations	506,433,322	476,186	-	23,589,784	-	108,582,412	-	639,081,704
Transactions pending settlement	19,685,792	26,728,014	-	-	-	-	-	46,413,806
Deposits and other time deposits	1,568,739,412	102,382,364	-	477,822,850	-	389,437,768	-	2,538,382,394
Financial derivative contracts	87,046,945	-	-	-	-	17,355	-	87,064,300
Bank borrowings	-	21,255,367	-	6,203,224	-	51,256,269	-	78,714,860
Debt instruments issued	262,174,714	-	-	5,942,526	-	-	-	268,117,240
Other financial obligations	112,289,216	-	-	-	-	-	-	112,289,216
Current taxes	91,904	-	-	-	-	-	-	91,904
Provisions	1,724,168	-	-	2,588,767	-	7,296,190	-	11,609,125
Other liabilities	10,535,278	6,367,583	-	18,519,574	-	32,026,747	-	67,449,182
Total Liabilities - Banking Business	2,568,720,751	157,209,514	-	534,666,725	-	588,616,741	-	3,849,213,731
Total Liabilities	6,128,874,770	1,256,443,967	5,415,334	1,413,520,145	190,338,701	798,433,007	98,354,290	9,891,380,214



Note 33 - Financial Instruments and Risk Management (continued)

3. Categories presented in the Consolidated Statement of Financial Position classified by currency (continued)

b) The balances as of December 31, 2017 are detailed as follows:

	Chilean peso ThCh\$	US dollar ThCh\$	Euro 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	1,679,737,069	7,531,026	-	37,401,757	199,556,401	23,660,823	17,520,306	1,965,407,382
Related company receivables, current	5,046,225	-	-	-	-	1,673,956	1,848,686	8,568,867
Inventory	687,953,049	-	-	346,027,258	68,812,563	69,847,541	65,498,372	1,238,138,783
Current tax assets	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	2,660,997,338	24,877,863	540,518	463,948,777	276,033,875	134,255,553	96,148,514	3,656,802,438
Other financial assets, non-current	15,110,466	50,086,599	-	-	-	-	-	65,197,065
Other non-financial assets, non-current	46,584,926	582,241	-	9,910,609	957,128	14,497,224	2,217,879	74,750,007
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	227,098,897	8,964	-	26,774,569	6,746,058	3,620,440	15,081,366	279,330,294
Goodwill	259,964,833	-	-	210,485,082	-	-	33,944,602	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	-	1,413,783,781	44,710,899	367,086,631	195,264,081	6,938,876,727
Total Assets - Non-Banking Business	7,526,231,097	77,675,439	540,518	1,877,732,558	320,744,774	501,342,184	291,412,595	10,595,679,165
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	9,828,363,339	242,008,663	540,518	2,655,307,038	320,744,774	1,002,231,559	291,412,595	14,340,608,485

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\$	Euro 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	654,473,863	57,425,957	3,926,709	188,961,836	71,983,917	63,032,155	45,662,892	1,085,467,329
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	4,718,362	162,716,905
Total Current Liabilities	1,363,626,861	134,587,354	4,944,456	373,004,093	211,741,622	87,854,998	104,501,277	2,280,260,661
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	3,597,149,102	963,496,129	4,944,456	819,510,076	251,730,332	190,348,251	118,686,512	5,945,864,858
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	5,579,316,259	1,180,034,024	4,944,456	1,325,081,290	251,730,332	587,358,108	118,686,512	9,047,150,981



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, 2018, this index was 0.55.

The Company has been rated locally as follows by the Feller-Rate and Fitch Ratings credit ratings:

	Feller-Rate	Fitch Ratings
Shares	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, 2018, the Company's capital was detailed as follows:

Number of shares

Series	Number of Shares		Number of Shares With Voting Rights
	Subscribed	Paid	
Single	2,508,844,621	2,508,844,621	2,508,844,621

As of December 31, 2017, the Company's capital was detailed as follows:

Number of shares

Series	Number of Shares		Number of Shares With Voting Rights
	Subscribed	Paid	
Single	2,434,465,103	2,434,465,103	2,434,465,103

Share capital

Series	Dec-31-18		Dec-31-17	
	Subscribed capital	Paid capital	Subscribed capital	Paid capital
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Single	919,419,389	919,419,389	533,409,643	533,409,643

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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 34 - Share Capital (continued)

An Extraordinary Shareholders Meeting of S.A.C.I. Falabella held on August 20, 2018 approved the share capital increase of Ch\$ 505,188,141,300 by issuing 84,330,000 new nominative shares with no par value from the current series. These shares must be subscribed and paid in Chilean pesos within a 3 year period from the date of the meeting.

The fifth article and the transitory article of the Company's statutes were amended to reflect this capital increase. As a result and in accordance with the terms of the new transitional article, the capital of S.A.C.I. Falabella amounted to Ch\$ 1,038,597,784.976, divided into 2,518,795,103 single series shares with no par value.

The shares represented by the capital increase were registered on September 27, 2018 with the FMC Securities Registry.

On October 18, 2018, the Board agreed the price of Ch\$5,250 each for the 84,330,000 new shares offered to Company shareholders during the preferential option period, which began on October 19 and ended on November 17, 2018.

On October 18, 2018, 49,669,211 shares issued by the Company were offered to the public. These became available to the Company as the controlling shareholders partially waived their preferential subscription rights for these shares. The remaining 34,660,789 new shares may be subscribed during the preferential subscription period by shareholders registered on October 12, 2018 who have not waived their preferential subscription rights.

The capital increase as of December 31, 2018 was detailed as follows:

	Shares	ThCh\$
Issued capital	84,330,000	442,732,500
Subscribed and paid capital	74,379,518	390,492,470
Issue costs	-	(4,482,724)
Subscribed and paid capital from the issue	74,379,518	386,009,746
Initial subscribed and paid capital	2,434,465,103	533,409,643
Subscribed and paid capital as of December 31, 2018	2,508,844,621	919,419,389

c) Share Premium on Placement

As of December 31, 2018 and December 31, 2017, the cumulative amount was ThCh\$ 93,482,329. .

S.A.C.I. Falabella and Subsidiaries
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Note 34 - Share Capital (continued)

d) Other reserves as of December 31, 2018 and December 31, 2017 was detailed as follows:

Other reserves	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Conversion reserve	(136,148,355)	(249,687,237)
Cash flow hedge reserve	(51,220,385)	(28,860,865)
Actuarial gains or losses on defined benefit plans reserve	(15,532,698)	(8,744,314)
Gains or losses on re-measuring financial assets held for sale reserves	(570,932)	2,007
Share-based payments reserve	40,106,269	39,902,139
Capital adjustment on indexation ⁽¹⁾	12,256,323	12,256,323
Other reserves ⁽²⁾	(170,258,848)	(148,710,857)
Total Other Reserves	(321,368,626)	(383,842,804)

Movement in Other Reserves	Dec-31-18 ThCh\$	Dec-31-17 ThCh\$
Opening balance	(383,842,804)	(283,783,440)
Conversion reserve	113,538,882	(102,802,927)
Cash flow hedge reserve	(22,359,520)	3,348,194
Actuarial gains or losses on defined benefit plans reserves	(6,788,384)	(1,092,737)
Gains or losses on re-measuring financial assets held for sale reserves	(572,939)	(609,475)
Share-based payments reserve	204,130	1,476,115
Other reserves	(21,547,991)	(378,534)
Total Annual Movement	62,474,178	(100,059,364)
Total Other Reserves	(321,368,626)	(383,842,804)

(1) This one off effect was caused by adopting IFRS due to the obligation to apply the CPI for local purposes.

(2) Primarily due to reserves on the acquisition of minority interests.

e) Dividend 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 (hereinafter the "Policy") to calculate distributable earnings, in accordance with Circular 1,945, complemented by Circular 1,983, both issued by the FMC. 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 it was approved through to 2015, the Company has not adjusted the "Net Income (Loss) Attributable to Owners of the Parent" in its financial statements.

On December 27, 2016, the Board agreed to amend 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.



Note 34 - Share Capital (continued)

e) Dividend Policy (continued)

On December 27, 2018, the Board of Directors approved the distribution of an interim dividend of Ch\$26 per share from earnings for 2018. This dividend will be paid on January 10, 2019.

On April 24, 2018, an Ordinary Shareholders' Meeting approved the distribution of a final dividend of Ch\$54 per share from earnings for 2017. This dividend was paid on May 8, 2018.

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.

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.

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 detailed as follows:

	Dec-31-18	Dec-31-17
Non-controlling interest	40.7220%	40.7220%
Non-current assets	3,114,217,717	3,053,150,085
Current assets	215,254,946	168,947,316
Non-current liabilities	(1,320,725,946)	(1,302,126,371)
Current liabilities	(180,324,032)	(176,351,235)
Net assets	1,828,422,685	1,743,619,795
Revenue	309,369,848	280,471,520
Net income for the year	125,749,457	109,475,156
Comprehensive income	5,082,420	100,642,848
Net income (loss) attributable to non-controlling interests	8,390,835	3,497,015
Cash flow from operating activities	206,879,633	196,107,707
Cash flow from investing activities	(88,236,697)	(162,237,471)
Cash flow from financing activities, before dividends paid to parties with non-controlling interests	(76,950,204)	(12,531,821)
Cash flow from financing activities, cash dividends to parties with non-controlling interests	(18,303,814)	(15,937,014)



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 businesses and Intersegment eliminations include the remaining Group companies, which includes Linio, the industrial sector, Falabella Móvil, Viajes Falabella, Corredora de Seguros de Chile, CF Seguros de Vida, investments in Uruguay and Mexico, 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 customers 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.

Ordinary revenue for the Chile Real Estate segment of ThCh\$ 398,110,866 as of December 31, 2018 (ThCh\$ 358,036,928 as of December 31, 2017) is total revenue for real estate companies in Chile from third parties and related companies. Conversely, Note 14 j) presents the leasing income receivable from third parties for all real estate companies of the Falabella Group.

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Note 35 - Financial Information by Segment (continued)

Segment Information - Non-Banking Business

Segment Information Non-Banking Business	Department Stores Chile	Home Improvement and Construction Materials Chile	Supermarkets Chile	Promotora 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 and Inter-segment eliminations	Total Non-Banking Business	
December 31, 2018																			
Operating revenue	1,525,908,483	2,169,506,069	776,141,604	506,678,928	398,110,866	605,024,577	615,900,592	773,459,616	49,360,884	366,609,541	80,675,756	(4,938,460)	402,256,918	25,475,066	182,789,963	-	10,616,960	8,483,577,333	
Operating Costs	(1,005,152,289)	(1,492,383,885)	(574,873,722)	(252,789,021)	(107,142,209)	(414,860,861)	(434,446,539)	(592,193,067)	(12,670,167)	(198,025,073)	(62,614,711)	94,044	(274,808,597)	657,633	(119,461,798)	-	22,124,904	(5,508,545,374)	
Non-Banking financial income	6,097,692	5,602,905	2,735,949	1,056,421	2,175,928	1,086,685	1,713,916	97,143	557,012	10,318,919	3,213,548	(1,118,990)	1,741,168	1,160,354	135,730	15,635	(179,249)	37,280,766	
Non-Banking financial expenses	(11,386,763)	(16,503,205)	(2,902,372)	(363,186)	(68,225,282)	(4,656,777)	(12,289,914)	(7,747,165)	(8,967,703)	(6,574,430)	(2,392,548)	975,313	(6,056,682)	542,879	(6,326,946)	(309,244)	(50,626,123)	(204,000,148)	
Net financial expenses all segments	(5,289,072)	(10,900,300)	(166,423)	693,235	(66,049,354)	(3,770,092)	(10,575,998)	(6,780,022)	(8,400,691)	3,744,489	821,000	(143,677)	(4,315,514)	1,703,233	(6,191,216)	(293,609)	(50,805,371)	(166,719,382)	
Depreciation and amortization all segments	(9,209,895)	(49,812,944)	(21,400,304)	-	(57,907,893)	(13,951,033)	(21,280,941)	(26,954,500)	(8,549,791)	(5,664,323)	(1,040,372)	(202,092)	(15,056,173)	(1,178,553)	(4,675,513)	-	(37,091,462)	(904,155,929)	
Net income before tax	(1,075,863)	89,141,500	13,039,735	207,541,432	205,971,031	47,452,668	12,512,578	16,428,489	36,304,344	(7,373,971)	(10,954,381)	452,330	6,311,797	30,769,796	(22,745,362)	(382,864)	(4,867,488)	618,525,741	
Income tax (expense) income	2,911,474	(21,996,160)	(2,803,638)	(61,486,735)	(37,599,465)	(14,599,464)	(4,570,740)	(5,332,821)	(11,086,650)	(1,746,425)	2,251,071	(265,601)	(3,283,665)	(4,503,608)	7,993,176	(960)	(6,735,179)	(152,653,830)	
Net income all segments	1,835,581	67,145,340	10,436,097	146,054,697	168,371,566	32,853,184	7,941,838	11,095,667	25,217,695	(8,120,396)	(8,703,310)	186,729	3,028,132	26,266,188	(14,752,186)	(383,224)	(11,602,667)	455,871,911	
Share of net income of associates and joint ventures accounted for using the equity method	-	-	-	-	15,389	-	-	-	-	-	-	-	-	19,132,408	-	-	(12,055,641)	7,092,186	
Trade and other receivables, current	70,769,483	126,661,809	11,693,655	1,544,099,566	63,694,714	7,233,551	9,071,130	9,616,283	15,046,730	21,867,313	104,626,069	867,659	11,440,968	6,256,999	19,621,762	491	27,164,122	2,049,771,504	
Inventories	306,823,683	393,518,638	80,141,158	-	226,722	149,139,411	157,390,612	101,390,258	4,012	57,993,504	-	-	83,196,109	-	57,822,923	-	22,928,586	1,410,494,616	
Trade and other receivables, non-current	-	587,722	-	289,844,357	2,481,596	-	138,946	-	655,187	-	5,141,510	-	-	-	-	-	-	298,849,318	
Property, plant and equipment	235,929,940	225,048,477	112,773,954	333,416	912,153,948	125,368,213	240,238,925	298,185,000	296,775,550	40,968,963	908,386	-	91,294,258	1,569,749	67,780,761	-	76,361,944	2,725,671,494	
Investment properties	-	-	-	-	2,669,727,437	-	22,481,843	-	281,355,272	-	-	-	-	-	-	-	-	(1,488,103)	2,972,046,449
Total segment assets	786,675,961	941,726,945	241,726,912	1,933,697,610	3,983,246,131	388,736,571	724,489,705	485,295,320	463,192,663	143,795,004	126,663,110	(5,707,504)	216,070,999	133,741,063	191,055,664	45,942,785	803,452,057	11,606,393,006	
Investments accounted for using the equity method	-	-	-	-	288,282	-	-	-	-	-	-	-	-	113,686,568	-	-	21,860,446	135,735,296	
Other financial liabilities, current	3,940,224	21,562,326	148,404	431,851,249	132,958,231	78,762,008	45,860,452	16,799,846	49,808,833	21,199,690	73,101,996	-	430,135	-	61,198,594	-	52,442,919	990,064,907	
Trade and other payables, current	159,456,796	138,725,597	35,891,860	109,908,984	84,054,725	65,376,282	62,893,422	102,279,108	9,151,774	40,799,106	15,872,011	224	54,751,866	9,984,466	37,830,469	73,065	202,256,303	1,129,345,048	
Other financial liabilities, non-current	-	54,687,128	-	-	866,125,623	10,223,970	465,884	32,335,658	276,314,179	6,568,899	9,889,360	-	55,135,269	-	-	-	1,494,849,616	2,806,585,586	
Total segment liabilities	570,733,573	669,616,698	163,368,016	1,494,266,094	1,604,674,781	247,877,202	336,034,848	260,196,371	26,080,414	103,501,915	117,746,201	(6,286,332)	140,634,134	9,446,827	110,671,692	4,460,022	(13,277,973)	6,042,166,483	
Disbursements of the segment's non-monetary assets	(76,921,532)	(83,696,044)	(35,508,961)	-	(129,342,806)	(22,558,707)	(11,008,386)	(33,551,938)	(27,884,737)	(14,656,115)	(3,373,539)	(124,654)	(8,039,945)	(596,701)	(11,960,185)	-	(59,149,377)	(518,373,624)	
Segment's operating cash flow	65,973,269	39,873,467	(10,930,280)	(39,193,385)	246,846,285	54,625,348	44,609,235	73,263,692	16,433,777	(3,049,218)	(13,345,199)	(1,101,655)	6,428,038	6,989,371	(22,058,521)	-	131,824,231	597,188,425	
Segment's investing cash flow	(79,136,259)	(85,510,422)	(39,697,361)	-	(68,276,725)	(16,658,788)	(7,884,870)	(35,234,004)	(36,831,650)	(6,163,655)	(3,527,920)	98,008	(6,858,002)	7,946,175	(11,655,333)	-	(147,395,300)	(536,786,106)	
Segment's financing cash flow	20,608,182	50,561,242	53,977,915	47,038,714	(155,263,573)	(38,394,392)	(35,222,866)	(32,786,428)	2,188,152	10,211,998	16,739,977	734	(3,395,743)	(12,601,779)	34,297,849	(23,781)	(183,445,002)	(225,598,801)	

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Note 35 - Financial Information by Segment (continued)

Segment Information - Non-Banking Business

Segment Information Non-Banking Business	Department Stores Chile	Home Improvement and Construction Materials Chile	Supermarkets Chile	Promotora CMR Chile	Real Estate Chile	Department Stores Peru	Home Improvement and Construction Materials Peru	Supermarkets Peru	Other Businesses and Eliminations Peru	Department Stores 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 and Inter- segment eliminations	Total Non-Banking Business	
December 31, 2017																			
Operating revenue	1,534,916,450	2,058,298,063	738,660,793	467,216,047	368,036,928	580,860,192	601,183,952	702,487,256	47,947,473	490,001,320	86,892,545	(5,555,172)	356,893,473	26,049,012	194,936,790	-	(28,973,602)	8,209,851,510	
Operating Costs	(1,009,542,074)	(1,427,450,422)	(552,297,621)	(231,261,739)	(63,408,267)	(402,336,694)	(423,650,260)	(527,490,078)	(4,253,027)	(250,637,951)	(43,594,847)	42,268	(249,771,309)	51,232	(126,966,831)	-	45,924,655	(5,296,642,965)	
Non-Banking financial income	4,456,414	3,853,568	1,408,052	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	(5,628,655)	15,113,935	
Non-Banking financial expenses	(8,959,127)	(19,054,704)	(5,343,248)	(919,000)	(51,924,415)	(7,968,002)	(16,018,863)	(10,342,909)	(10,063,890)	(14,692,769)	(1,352)	(494,662)	(8,724,932)	1,682,528	(6,320,247)	(72,680)	(53,398,444)	(212,636,376)	
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)	(10,220,359)	(1,050)	(11,127)	(8,421,158)	2,244,565	(6,123,392)	(57,491)	(59,227,059)	(197,522,441)	
Depreciation and amortization all segments	(32,484,721)	(42,667,694)	(18,616,509)	-	(49,779,317)	(12,805,220)	(22,385,718)	(24,179,561)	(8,415,542)	(4,083,843)	(382,333)	(85,115)	(13,976,187)	(747,418)	(4,799,778)	-	(31,599,210)	(267,008,166)	
Net income before tax	50,464,724	86,354,141	10,988,479	190,977,654	168,761,261	45,106,500	13,311,932	17,097,998	35,609,634	1,090,615	16,879,285	739,318	(7,273,247)	31,968,071	(24,779,541)	65,495	2,968,392	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)	(485,667)	2,183,308	(5,283,016)	8,304,508	(35,789)	(5,190,406)	(159,920,613)	
Net income all segments	39,435,112	66,057,531	9,133,617	145,429,742	129,732,857	30,996,538	9,080,927	11,197,235	25,205,403	49,178	10,890,532	253,651	(5,089,939)	26,705,055	(16,475,033)	29,706	(2,222,014)	480,410,098	
Share of net income of associates and joint ventures accounted for using the equity method	-	-	-	-	15,007	-	-	-	-	-	-	-	-	19,272,235	-	-	(4,007,938)	15,279,304	
Trade and other receivables, current	55,529,833	123,800,206	10,034,511	1,420,660,427	49,179,120	8,515,365	7,599,618	9,337,914	11,308,199	25,619,054	173,481,929	925,077	12,469,712	4,335,707	14,163,375	-	38,067,335	1,965,407,382	
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	-	594,362	-	256,692,039	3,392,767	-	86,851	-	1,429,695	-	12,826,059	-	-	-	-	-	67,290	275,089,053	
Property, plant and equipment	209,605,647	210,102,890	104,605,824	333,416	894,251,742	106,850,673	228,727,061	271,008,914	269,301,623	19,030,016	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	848,936,253	803,115,968	216,972,578	1,779,889,951	3,870,822,545	356,704,184	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	336,319,744	10,556,679,165	
Investments accounted for using the equity method	-	-	-	-	290,754	-	-	-	-	-	-	-	-	110,819,869	-	-	27,185,895	138,296,518	
Other financial liabilities, current	7,803,017	10,035,672	1,496,020	123,497,929	114,104,963	39,837,718	29,965,933	23,759,487	68,974,190	11,040,273	91,461,929	-	10,923,386	-	48,794,092	-	292,963,635	834,648,234	
Trade and other payables, current	174,591,025	163,738,721	68,977,172	93,976,262	62,830,662	67,936,983	56,629,495	88,603,948	7,165,074	45,009,384	30,218,298	1,521,337	61,567,544	8,381,343	40,910,723	2,860	113,806,608	1,085,467,329	
Other financial liabilities, non-current	-	56,288,780	-	-	886,107,269	11,762,222	3,362,495	43,863,494	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	626,447,932	541,364,547	149,324,365	1,202,803,241	1,808,227,073	232,557,298	330,224,673	255,968,129	(3,123,424)	116,693,244	174,236,700	(20,764,815)	168,593,641	(8,673,329)	107,028,094	4,626,017	262,344,192	5,945,864,658	
Disbursements of the segment's non-monetary assets	(80,340,842)	(65,863,356)	(26,598,295)	-	(196,614,956)	(14,366,424)	(10,091,977)	(61,533,747)	(17,662,139)	(4,950,108)	(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	11,861,179	(27,337,476)	(155,055)	11,167,220	(8,207,962)	(3,025,767)	-	279,688,140	798,346,869	
Segment's investing cash flow	(125,364,633)	(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)	-	51,846,570	(692,953,475)	
Segment's financing cash flow	139,219,667	(70,538,797)	(4,952,569)	31,781,220	44,510,140	(84,650,583)	(61,380,047)	6,551,009	(6,211,903)	(9,860,761)	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
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Note 35 - Financial Information by Segment (continued)

Segment Information - Banking Business

Segment Information Banking Business	Banking Business Chile	Banking Business Peru	Banking Business Colombia	Total Banking Business
December 31, 2018				
Banking interest and indexation income	302,559,358	173,172,897	123,235,867	598,968,122
Banking interest and indexation expense	(64,530,721)	(33,509,419)	(25,552,546)	(123,592,686)
Banking commission income	43,047,529	54,100,988	54,436,759	151,585,276
Banking commission expense	(20,879,169)	(10,758,971)	(15,271,674)	(46,909,811)
Net interest income all segments	260,197,000	183,005,495	136,848,405	580,050,901
Depreciation and amortization all segments	(7,753,852)	(7,764,940)	(6,656,507)	(21,175,299)
Net income before tax	67,606,746	22,458,655	19,634,136	109,699,538
Income tax (expense) income	(15,736,382)	(7,789,522)	(8,318,167)	(31,844,071)
Net income all segments	51,870,364	14,669,134	11,315,969	77,855,467
Share of net income of associates and joint ventures accounted for using the equity method	-	551,214	-	551,214
Cash and bank deposits	157,458,903	86,577,548	31,947,522	275,983,973
Instruments held for trading	120,330,739	-	27,927,872	148,258,611
Customer receivables and loans	1,621,047,612	595,424,290	606,975,780	2,823,447,682
Property, plant and equipment	17,395,543	17,158,343	6,496,971	41,050,857
Total segment assets	2,758,991,022	792,715,726	720,637,683	4,272,344,431
Investment in associates and joint ventures accounted for using the equity method	-	3,179,466	-	3,179,466
Deposits and other time deposits	1,622,237,125	536,707,501	389,437,798	2,538,382,394
Total segment liabilities	2,649,088,330	599,595,155	609,529,246	3,849,213,731
Disbursements of the segment's non-monetary assets	(13,223,796)	(14,077,229)	(5,735,180)	(33,036,205)
Segment's operating cash flow	399,655,541	(26,748,563)	13,648,716	376,555,694
Segment's investing cash flow	(64,913,707)	25,740,361	(4,836,706)	(44,010,052)
Segment's financing cash flow	12,420,022	(5,156,000)	-	7,264,022

Banking Business Chile	Banking Business Peru	Banking Business Colombia	Total Banking Business
December 31, 2017			
285,084,548	187,644,592	107,774,370	580,503,510
(60,602,190)	(45,580,821)	(25,658,233)	(131,789,244)
37,604,908	59,686,732	47,394,423	144,686,063
(16,993,337)	(10,155,022)	(13,766,229)	(40,914,588)
245,093,929	191,595,481	115,795,331	552,485,741
(9,986,675)	(5,313,830)	(4,462,492)	(19,762,997)
72,282,381	20,434,892	17,591,490	110,308,763
(17,381,220)	(6,769,527)	(7,663,920)	(31,814,667)
54,901,161	13,665,365	9,927,570	78,494,096
-	469,655	-	469,655
107,547,705	94,124,267	24,128,404	225,800,376
61,775,474	-	9,407,152	71,182,626
1,563,962,258	598,879,313	427,868,237	2,590,709,808
13,046,235	13,740,555	7,146,877	33,933,667
2,402,603,211	838,383,231	503,942,678	3,744,929,120
-	2,861,251	-	2,861,251
1,254,349,928	520,570,738	212,805,400	1,987,726,066
2,118,747,031	586,988,192	395,540,900	3,101,276,123
(12,655,685)	(13,113,665)	(8,120,765)	(33,890,115)
54,798,677	96,499,041	22,303,900	173,591,618
(64,824,520)	(46,751,941)	(13,354,158)	(124,930,619)
(23,107,067)	(7,706,337)	(5,813,229)	(36,626,633)

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 geographic area is detailed as follows

Operating revenue	Dec-31-18
Operating revenue from external customers by country of domicile.	5,732,569,797
Operating revenue from external customers, all foreign countries	3,501,560,934

Operating revenue generated by geographical area, outside the country of domicile of the entity is detailed as follows:

Operating revenue	Dec-31-18	
	Country	Operating Revenue
Operating revenue	Peru	2,271,019,524
Operating revenue	Argentina	442,346,837
Operating revenue	Colombia	605,404,610
Operating revenue	Brazil	182,789,963

The distribution of non-current assets by geographical area is detailed as follows:

Non-Current Assets	Dec-31-18
Non-current assets by country of domicile	6,675,794,846
Non-current assets, all foreign countries	2,186,415,063

The distribution of the most significant non-current assets by geographical area, outside the country of domicile of the entity is detailed as follows:

Information on Significant Assets, Attributed to a Foreign Country	Dec-31-18	
	Country	Attributed to a Foreign Country
Property, plant and equipment, net	Peru	977,716,031
Investment properties, net	Peru	303,807,115
Financial receivables, non-current (net)	Peru	126,928,463
Property, plant and equipment, net	Argentina	41,867,349
Financial receivables, non-current (net)	Argentina	5,141,510
Property, plant and equipment, net	Colombia	99,360,978
Property, plant and equipment, net	Brazil	67,780,761

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 36 - Contingencies, Lawsuits 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 made 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, 2018 is detailed as follows:

Proceedings	Number of legal actions	Amount ThCh\$	Accounting provision ThCh\$
Civil	301	12,931,830	865,235
Consumer	990	6,681,149	2,552,497
Employment	1,397	23,158,584	10,480,079
Tax	80	20,692,558	15,014,526
Others	303	4,709,204	1,632,460

- a.2) In relation to "Tax" matters we mention the situation of our Peruvian subsidiary Saga Falabella S.A. As a consequence of the review of income tax returns from 2000 to 2005, 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 33,704,000 Peruvian new soles (ThCh\$ 6,954,820).

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 payment for mutual benefits and compensation for damages. The amount of the lawsuit has not been determined. The first instance decision partially granted the plaintiff's claim since it ordered the restitution of 895.43 square meters and dismissed the actions relating to compensation for natural and civil damages, and to 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, which was rejected by the Appeal Court. Finally, an appeal was filed before the Supreme Court.

b) Others

Falabella Argentina provided customs guarantees of ThCh\$ 95,131,838 as of December 31, 2018.

Falabella Peru has assets in guarantee totaling ThCh\$ 52,490,462 as of December 31, 2018.

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

a) Guarantee deposits and other instruments received

a.1) The Company has received guarantee deposits amounting to ThCh\$ 78,254,879 as of December 31, 2018, which primarily guarantee construction and contract performance obligations.

a.2) Banks have pledged time deposits in favor of the Company for ThCh\$ 1,770,000 to support Cross Currency Swap contracts signed with these banks.

a.3) Sodimac Chile had received checks in guarantee for ThCh\$ 1,429,598 as of December 31, 2018.

b) Guarantee deposits provided

The Company has provided guarantees amounting to ThCh\$ 56,762,819 as of December 31, 2018.

c) Indirect guarantees

Guarantees directly managed by subsidiaries with financial institutions are detailed as follows.

Guarantee Creditor	Debtor	Relationship	Guarantee	Balance pending	
				Dec-31-2018 ThCh\$	Dec-31-2017 ThCh\$
SCOTIABANK (PERU)	SAGA FALABELLA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	2,647,138	2,576,564
BBVA BANCO CONTINENTAL	SAGA FALABELLA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	4,585,514	4,194,023
BANCO DE CRÉDITO (PERU)	SAGA FALABELLA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	1,601,632	483,252
INTERBANK	SAGA FALABELLA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	129,215	117,597
CITIBANK	SAGA FALABELLA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	1,389,540	1,229,500
BBVA BANCO CONTINENTAL	SAGA FALABELLA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	85,115	6,654
SCOTIABANK (PERU)	SAGA FALABELLA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	5,554,881	5,086,617
BANCO DE CRÉDITO (PERU)	SAGA FALABELLA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	15,643,485	13,340,075
CITIBANK	SAGA FALABELLA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	17,185	-
BANCO DE CRÉDITO (PERU)	HIPERMERCADOS TOTTUS S.A. (PERU)	SUBSIDIARY	STANDBY LETTER OF CREDIT	64,232	3,114,467
CITIBANK	HIPERMERCADOS TOTTUS S.A. (PERU)	SUBSIDIARY	STANDBY LETTER OF CREDIT	118,159	-
BCP	SODIMAC PERU S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	107,587	1,286,513
BBVA BANCO CONTINENTAL	SODIMAC PERU S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	1,929,749	-
BBVA BANCO CONTINENTAL	TIENDAS DEL MEJORAMIENTO DEL HOGAR S.A. (EX. MAESTRO PERÚ S.A.)	SUBSIDIARY	STANDBY LETTER OF CREDIT	1,547,625	-
BANCO DE CRÉDITO (PERU)	TIENDAS DEL MEJORAMIENTO DEL HOGAR S.A. (EX. MAESTRO PERÚ S.A.)	SUBSIDIARY	STANDBY LETTER OF CREDIT	5,935,457	2,459,000
SANTANDER CHILE	SHEARVAN CORPORATE S.A.	SUBSIDIARY	GUARANTOR (*)	58,315	81,530
SANTANDER CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	8,032,178	10,771,981
SANTANDER CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	-	184,788
BBVA S.A. NY BRANCH	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	416,862	368,850
BBVA S.A. NY BRANCH	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	4,283,588	3,982,910
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	260,539	215,163
BBVA S.A. CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	198,738	184,788
BBVA S.A. CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	999,095	928,966
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	10,000,000	7,000,000
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	157,942	148,944
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	277,908	245,900
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	69,477	61,475
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	8,684,625	7,684,375

(*) 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 detailed as follows (continued):

Guarantee Creditor	Debtor	Relationship	Guarantee	Balance pending	
				Dec-31-2018 ThCh\$	Dec-31-2017 ThCh\$
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	67,571	62,828
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	688,320	534,880
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	158,990	147,830
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	79,495	73,915
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	69,477	614,750
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	3,320,100	-
SCOTIABANK (COLOMBIA)	FALABELLA DE COLOMBIA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	-	176,119
SCOTIABANK (COLOMBIA)	FALABELLA DE COLOMBIA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	-	4,304,703
CITIBANK (COLOMBIA)	FALABELLA DE COLOMBIA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	-	3,090,231
SCOTIABANK (COLOMBIA)	FALABELLA DE COLOMBIA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	4,606,325	-
CITIBANK (COLOMBIA)	FALABELLA DE COLOMBIA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	3,150,063	-
SCOTIABANK (COLOMBIA)	FALABELLA DE COLOMBIA S.A.	SUBSIDIARY	STANDBY LETTER OF CREDIT	35,100	-
BANCO GALICIA (ARGENTINA)	FALABELLA S.A. (ARGENTINA)	SUBSIDIARY	STANDBY LETTER OF CREDIT	248,238	782,425
SANTANDER RIO (ARGENTINA)	FALABELLA S.A. (ARGENTINA)	SUBSIDIARY	STANDBY LETTER OF CREDIT	-	9,349

The subsidiary Falabella Inversiones Financieras S.A. granted guarantees for MXN 250 million (Ch\$ 8,750 million) to a Mexican bank for loans contracted by Servicios Financieros Soriana S.A.P.I. de C.V.

Note 38 - Environment

The disbursements and action plans that S.A.C.I. Falabella and its subsidiaries have completed or expect to implement relating to environmental protection as referred to in Circular 1,901 issued by the FMC are detailed 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 included remodeling its stores at Antofagasta, Alameda, Vespucio, Melipilla and Plaza el Trébol, and completing the stores at Arica and Independencia, which continued 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 hazardous waste stores. It manages and disposes of hazardous waste according to specific requirements, in compliance with environmental standards.

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 38 - Environment (continued)

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.

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.

Likewise, 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 S.A. 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 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 32 stores.

Sodimac S.A. has the environmental permits for its commercial operations. However, the Company is monitoring the regulatory bodies for indications of any new requirements.

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	Project Name	Disbursement Description	Asset or Expense	Asset or Expense Description	Disbursement Amount	Fixed or estimated disbursement date	Project In Progress or Finished
					ThCh\$		
Inmobiliaria Mall Calama SpA	Control and treatment of LIW and sewage	Control and treatment of Liquid Industrial Waste (LIW) and sewage	Expense	Preventive and corrective service covering the treatment of liquid industrial waste (LIW) according to environmental regulations	87,451	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	28,448	January to April 2019	In progress
	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	11,710	Oct. 2019	In progress
	Carbon Footprint	Measuring Carbon Footprint	Expense	Validation by external auditors of data used by the carbon footprint calculator	165	1st Quarter 2019	In progress
	Hazardous waste control	Hazardous waste collection	Expense	Removal of hazardous waste collected at mall hazardous waste stores	1,130	Mar-19	In progress
	ISO Certification	ISO 14,001 and 50,001 audits	Expense	Certifying energy management systems, based on the efficient use of energy.	303	4th Quarter 2019	In progress
	Matrix of legal, environmental, energy, and occupational health and safety requirements	Survey of legal requirements	Expense	Survey of regulations that apply to the malls, and analysis of compliance with energy and occupational health and safety issues	724	Jan-19	In progress
Nuevos Desarrollos S.A.	Noise control	Acoustic measurement	Expense	External acoustic measurement of noise affecting Mall neighbors, complemented by acoustic modeling analysis that estimates noise levels by source.	8,574	Jul-19	In progress
	Hazardous waste control	Hazardous waste collection	Expense	Removal of hazardous waste collected at mall hazardous waste stores	2,260	2nd Quarter 2019	In progress
	Control and treatment of LIW and sewage	Control and treatment of LIW and sewage	Expense	Preventive and corrective service covering the treatment of LIW according to environmental regulations	257,295	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	322,269	January to April 2019	In progress
	Recycling facility	Providing a facility to receive recyclable waste	Asset	Installing recycling facility infrastructure, includes improvements such as painting guides and diagrams.	2,922	1st Quarter 2019	In progress
		Operating recycling facilities	Expense	Operators and supervisors for recycling facilities	22,218	1st Quarter 2019	In progress
	Waste treatment	Water resources and composting consultancy	Expense	Internal audit of mall water use and consumption and improvements to the composting sector, installation of acrylic fencing to protect equipment and plants.	10,805	1st Quarter 2019	In progress
	Recycling equipment for bottles and cans	Ecoven equipment	Expense	Automatic recycling machine for PET bottles and aluminum cans. Users receive discounts at the mall for each item recycled.	5,651	1st Quarter 2019	In progress
	Carbon Footprint	Measuring Carbon Footprint	Expense	Validation by external auditors of data used by the carbon footprint calculator	2,147	1st Quarter 2019	In progress
	ISO Certification	Request for 2017 Energy Efficiency Seal, ISO 14,001 and 50,001 audit	Expense	Recognition by the Ministry of Energy and Chilean Energy Efficiency Agency, to companies that use energy responsibly. It rewards PEG with the EE gold seal	4,685	1st Quarter 2019	In progress

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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 38 - Environment (continued)

Summary of principal disbursements.

Company	Project Name	Disbursement Description	Asset or Expense	Asset or Expense Description	Disbursement Amount	Fixed or estimated disbursement date	Project In Progress or Finished
					ThCh\$		
Plaza Antofagasta S.A.	Noise control	Acoustic measurement	Expense	External noise measurement that affects mall neighbors, complemented by acoustic modeling analysis to estimate noise levels by source.	1,930	Aug-19	In progress
	Hazardous waste control	Materials for the hazardous waste storage	Expense	Containers and boundaries for hazardous waste stores	1,102	1st Quarter 2019	In progress
	Control and treatment of LIW and sewage	Control and treatment of LIW and sewage	Expense	Preventive and corrective service covering the treatment of LIW according to environmental regulations	59,633	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	59,211	January to April 2019	In progress
	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	13,066	Oct. 2019	In progress
	Carbon Footprint	Measuring Carbon Footprint	Expense	Validation by external auditors of data used by the carbon footprint calculator	165	1st Quarter 2019	In progress
	ISO Certification	ISO 14,001 and 50,001 audits	Expense	Certifying energy management systems, based on the efficient use of energy.	303	1st Quarter 2019	In progress
	Matrix of legal environmental requirements	Survey of legal requirements	Expense	Survey of regulations that apply to the malls, and analysis of compliance with environmental, energy and occupational health and safety issues	724	Jan-19	In progress
Plaza del Trébol SpA	Hazardous waste control	Hazardous waste collection	Expense	Removal of hazardous waste collected at mall hazardous waste stores	1,103	Feb-19	In progress
	Control and treatment of LIW and sewage	Control and treatment of LIW and sewage	Expense	Preventive and corrective service covering the treatment of LIW according to environmental regulations	75,501	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	106,475	January to April 2019	In progress
	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	25,140	Oct. 2019	In progress
	Waste treatment	Composting area	Expense	Cleaning and removal of debris around the composting area.	303	Dec-18	In progress
	Carbon Footprint	Measuring Carbon Footprint	Expense	Validation by external auditors of data used by the carbon footprint calculator	330	1st Quarter 2019	In progress
	ISO Certification	ISO 14,001 and 50,001 audits	Expense	Certifying energy management systems, based on the efficient use of energy.	606	1st Quarter 2019	In progress
	Matrix of legal environmental requirements	Survey of legal requirements	Expense	Survey of regulations that apply to the malls, and analysis of compliance with environmental, energy and occupational health and safety issues	1,448	Jan-19	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.

Company	Project Name	Disbursement Description	Asset or Expense	Asset or Expense Description	Disbursement Amount	Fixed or estimated disbursement date	Project In Progress or Finished
					ThCh\$		
Plaza La Serena SpA	Hazardous waste control	Hazardous waste collection	Expense	Removal of hazardous waste collected at mall hazardous waste stores	827	Jan-19	In progress
	Control and treatment of LIW and sewage	Control and treatment of LIW and sewage	Expense	Preventive and corrective service covering the treatment of LIW according to environmental regulations	41,401	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	31,425	January to April 2019	In progress
	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	11,313	Oct. 2019	In progress
	Carbon Footprint	Measuring Carbon Footprint	Expense	Validation by external auditors of data used by the carbon footprint calculator	165	1st Quarter 2019	In progress
	ISO Certification	Lead auditor and acrylics policy course	Expense	Certifying energy management systems, based on the efficient use of energy.	303	1st Quarter 2019	In progress
	Matrix of legal environmental requirements	Survey of legal requirements	Expense	Survey of regulations that apply to the malls, and analysis of compliance with environmental, energy and occupational health and safety issues	724	Jan-19	In progress
Plaza Oeste SpA	Noise control	Acoustic measurement	Expense	External noise measurement that affects mall neighbors, complemented by acoustic modeling analysis to estimate noise levels by source.	1,296	Aug-19	In progress
	Hazardous waste control	Hazardous waste collection	Expense	Removal of hazardous waste collected at mall hazardous waste stores	2,867	Apr-19	In progress
	Control and treatment of LIW and sewage	Control and treatment of LIW and sewage	Expense	Preventive and corrective service covering the treatment of LIW according to environmental regulations	81,214	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	138,563	January to April 2019	In progress
	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	31,616	Jan-19	In progress
	Waste treatment	Organic waste recycling and water resource consultancy	Expense	Collection of organic waste in the landscaping area in a special compactor, mostly from weeding, pruning, trimming, etc. Waste is placed in Armony industrial recycling plants to produce industrial compost. Internal audit on water use by the mall.	9,786	Dec-18	In progress
	Carbon Footprint	Measuring Carbon Footprint	Expense	Validation by external auditors of data used by the carbon footprint calculator	330	1st Quarter 2019	In progress
	ISO Certification	Lead auditor course, acrylics policy, ISO 14,001 and 50,001 audit.	Expense	Certifying energy management systems, based on the efficient use of energy.	3,997	1st Quarter 2019	In progress
	Matrix of legal environmental requirements	Survey of legal requirements	Expense	Survey of regulations that apply to the malls, and analysis of compliance with environmental, energy and occupational health and safety issues	1,448	Jan-19	In progress
Plaza Tobalaba SpA	Hazardous waste control	Hazardous waste collection	Expense	Removal of hazardous waste collected at mall hazardous waste stores	469	Jan-19	In progress
	Control and treatment of LIW and sewage	Control and treatment of LIW and sewage	Expense	Preventive and corrective service covering the treatment of LIW according to environmental regulations	19,903	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	18,690	January to April 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.

Company	Project Name	Disbursement Description	Asset or Expense	Asset or Expense Description	Disbursement Amount	Fixed or estimated disbursement date	Project In Progress or Finished
					ThCh\$		
Plaza Tobalaba SpA	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	13,364	Oct. 2019	In progress
	Waste treatment	Recycling water resources	Expense	Internal audit of water use at the mall	1,323	Dec-18	In progress
	Carbon Footprint	Measuring Carbon Footprint	Expense	Validation by external auditors of data used by the carbon footprint calculator	165	1st Quarter 2019	In progress
	ISO Certification	Lead auditor course, acrylics policy, ISO 14,001 and 50,001 audit.	Expense	Certifying energy management systems, based on the efficient use of energy.	303	1st Quarter 2019	In progress
	Matrix of legal environmental requirements	Survey of legal requirements	Expense	Survey of regulations that apply to the malls, and analysis of compliance with environmental, energy and occupational health and safety issues	724	Jan-19	In progress
Plaza Vespucio SpA	Noise control	Acoustic measurement	Expense	External noise measurement that affects mall neighbors, complemented by acoustic modeling analysis to estimate noise levels by source.	1,296	Jul-19	In progress
	Hazardous waste control	Hazardous waste collection	Expense	Removal of hazardous waste collected at mall hazardous waste stores	524	Feb-19	In progress
	Control and treatment of LIW and sewage	Control and treatment of LIW and sewage	Expense	Preventive and corrective service covering the treatment of LIW according to environmental regulations	44,509	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	212,621	January to April 2019	In progress
	Pest control program	Pest prevention and control, such as mice, and control of flying insects	Expense	Fumigation, sanitation and pest control	19,368	Oct. 2019	In progress
	Waste treatment	Organic waste recycling and water resource consultancy	Expense	Internal audit of water use at the mall	1,323	Dec-18	In progress
	Carbon Footprint	Measuring Carbon Footprint	Expense	Validation by external auditors of data used by the carbon footprint calculator	165	1st Quarter 2019	In progress
	ISO Certification	Lead auditor course, acrylics policy, ISO 14,001 and 50,001 audit.	Expense	Certifying energy management systems, based on the efficient use of energy.	303	1st Quarter 2019	In progress
	Matrix of legal environmental requirements	Survey of legal requirements	Expense	Survey of regulations that apply to the malls, and analysis of compliance with environmental, energy and occupational health and safety issues	724	Jan-19	In progress

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 38 - Environment (continued)

Summary of principal disbursements.

Company	Project Name	Disbursement Description	Asset or Expense	Asset or Expense Description	Disbursement Amount	Fixed or estimated disbursement date	Project In Progress or Finished
					ThCh\$		
Falabella Retail	LEED Certification	LEED Certification	Expense	Environmental Advice	82,011	Ongoing	In progress
Falabella Retail	Environmental management of REP Law	Applying REP Law at all stores in the Metropolitan Region	Expense	Transport and final waste disposal, environmental consultancy	163,040	Ongoing	In progress
Sodimac S.A.	Recycling points and waste treatment	Recycling for customers, REP Law, and Sodimac waste	Expense	Environmental sustainability	1,094,072	Ongoing	In progress
Sodimac S.A.	Warehouse waste	Hazardous waste store	Asset	Environmental projects	55,798	Ongoing	In progress
Sodimac S.A.	Measuring Carbon Footprint	Carbon Footprint	Expense	Environmental sustainability	13,805	Ongoing	In progress
Sodimac S.A.	Changing lights	Low power lights	Asset	Environmental sustainability	1,810,477	Ongoing	In progress
Hipermercados Tottus S.A.	Energy efficiency project and hazardous waste store	Energy efficiency and sanitary control	Asset	Installation of refrigeration equipment. Led lighting. Purchase of store that complies with hazardous waste storage and removal regulations	1,627,422	Ongoing	In progress
Hipermercados Tottus S.A.	Preventive and corrective service covering the industrial treatment and disposal of LIW	Sanitary control, materials, sustainable development	Expense	Preventive and corrective service covering the industrial treatment and disposal of effluents, cleaner production agreement, compostable bags, renewable energy consultancy, carbon footprint measurement	1,413,563	Ongoing	In progress
Falabella Peru and subsidiaries	Implementation LED efficiency	Consultancy for LED certification process	Asset	Properties, machinery and equipment	135,833	Oct-20	In progress
Contruddecor S.A. (Brazil)	Recycling facility	Acquiring properties	Asset	Furniture and utensils	22,674	Apr-25	In progress
Contruddecor S.A. (Brazil)	Recycling facility	Collection service for recyclable materials	Expense	Collection service for recyclable waste	17,828	Apr-25	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 39 - Main Financial Covenants

As of December 31, 2018, both S.A.C.I. Falabella and its subsidiaries have complied with all the covenants connected with their financial agreements. These are detailed 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 with the FMC Securities Registry 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, 2018, 97% 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 keep 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, 2018, the financial borrowing limit was T hCh\$ 10,483,857,351 and the financial borrowing was T hCh\$ 3,305,540,782. Therefore the maximum borrowing restriction is satisfied (see the methodology for calculating financial covenants below).

As of December 31, 2018, 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 FMC 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, 2018, 97% 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 (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, 2018 the ratio is 0.59; 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)

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 FMC 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, 2018, 97% 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 (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, 2018 the ratio is 0.59; 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 FMC 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, 2018, 97% 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, 2018 the ratio is 0.59; 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 FMC 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 // 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, 2018 the ratio is 0.59; 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)

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 FMC 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, 2018 the ratio is 0.59, which complies with the limit.

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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, 2018	As of September 30, 2018
Period end ⁱ		12/31/2018	9/30/2018
Period end ⁱ⁻¹		9/30/2018	6/30/2018
UF ⁱ	Ch\$/UF	27,565.79	27,357.45
Variation UF	%	0.76%	0.73%
Variation % Sol/US\$		2.08%	0.45%
Variation % ARS/US\$		-8.05%	41.97%
Variation % COP/US\$		9.30%	1.13%
Variation % Real/US\$		-3.69%	3.93%
Variation % UYU/US\$		-2.02%	5.05%
Variation % MEX/US\$		5.38%	-5.91%
Variation % EUR/US\$		1.56%	-
Total Equity ⁱ	ThCh\$	5,987,357,223	5,502,158,844
Dividends payable ⁱ	ThCh\$	143,540,513	283,752
Equity variation ⁱ	ThCh\$	586,551,421	(10,935,217)
Fixed assets in Chile ^{i-1 a}	ThCh\$	4,181,916,265	4,188,680,262
Deferred taxes in Chile ^{i-1 b}	ThCh\$	440,733,931	443,070,962
Adjustment for initial revaluation to IFRS in Chile ^c	ThCh\$	1,378,565,594	1,378,565,594
Deferred taxes in Chile ^d	ThCh\$	284,395,520	284,395,520
Indexation of fixed assets in Chile ⁱ⁻¹	ThCh\$	20,158,258	19,396,605
Investment in Peru ⁱ	ThCh\$	1,269,871,019	1,204,484,537
Investment in Argentina ⁱ	ThCh\$	48,278,752	30,370,599
Investment in Colombia ⁱ	ThCh\$	342,458,340	373,057,853
Investment in Brazil ⁱ	ThCh\$	122,321,572	80,625,372
Investment in Uruguay ⁱ	ThCh\$	43,483,675	39,349,902
Investment in Mexico ⁱ	ThCh\$	63,868,944	-
Investment in Germany ⁱ	ThCh\$	1,869,911	-
Investment in Hong Kong ⁱ	ThCh\$	935,048	-
Investment in Ecuador ⁱ	ThCh\$	(1,387,276)	-
Investment in Panama ⁱ	ThCh\$	(690,663)	-
Investment adjustment, outside of Chile ⁱ	ThCh\$	52,455,266	24,965,468
Financial Borrowing Limit ⁱ⁻¹	ThCh\$	9,259,800,908	9,134,480,610
Financial Borrowing Limit ⁱ	ThCh\$	10,483,857,351	9,259,800,908
Net Financial Debt	ThCh\$	3,305,540,782	3,840,185,233

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 of "Property, Plant and Equipment" and "Investment Properties" as of December 31, 2009.

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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 39 - Main Financial Covenants (continued)

(Includes CMR in the Financial Position Statement)

Figures expressed in ThCh\$

	Currency	As of December 31, 2018	As of September 30, 2018
Net Financial Debt	ThCh\$	3,305,540,782	3,838,437,384
Total Equity i	ThCh\$	5,622,044,011	5,136,845,632
Financial Debt Ratio		0.59	0.75

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, 2018 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, 2018 the Issuer has complied with the restrictions of the issue contract.

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, 2018 the Issuer has complied with the restrictions of the issue contract.

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)

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 K Bonds

The Bond issue line of Sodimac S.A. (No. 677) and the current issue (Series 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 maximum financial debt ratio required by the Series K bond issue contracts is 1.5 times. As of December 31, 2018, the financial debt ratio was 0.18 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.

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 Financial Market Commission, a breakdown of the following figures: total assets free of any pledge, mortgage or other encumbrance, and current liabilities without guarantees.

As of June 30, 2018, Sodimac S.A. had complied with all the financial obligations and indicators 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.



Note 39 - Main Financial Covenants (continued)

Plaza S.A.

As of December 31, 2018, 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 detailed 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 30, 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 detailed 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, 2018	As of September 30, 2018
Year ⁱ		12/31/2018	9/30/2018
Year ⁱ⁻¹		9/30/2018	6/30/2018
UF ⁱ	Ch\$/UF	27,565.79	27,357.45
UF ⁱ⁻¹	Ch\$/UF	27,357.45	27,158.77
Cash and cash equivalents for the year ⁱ	ThCh\$	51,555,592	33,046,376
Cash and cash equivalents for the year ⁱ⁻¹	ThCh\$	33,046,376	29,015,205
Cash variation ⁱ	ThCh\$	18,509,216	4,031,171
Cash variation ⁱ	Th UF	671	147
Third party guarantees ⁱ	None	-	-
Total Equity ⁱ	ThCh\$	1,828,422,685	1,837,155,041
Dividends payable ⁱ	ThCh\$	37,761,423	6,771
Total Equity ⁱ⁻¹	ThCh\$	1,937,155,041	1,808,828,159
Dividends payable ⁱ⁻¹	ThCh\$	6,771	6,771
Equity variation ⁱ	ThCh\$	29,022,296	28,326,882
Equity variation ⁱ	Th UF	1,053	1,035
Investment Property ⁱ⁻¹ ^a	ThCh\$	2,637,328,393	2,796,694,564
Deferred tax, Investment Properties ⁱ⁻¹ ^b	ThCh\$	438,449,679	437,881,871
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 ^e	ThCh\$	0.76%	0.73%
Indexation of Investment Property in Chile ⁱ⁻¹	ThCh\$	8,689,502	9,517,217
Indexation of Investment Property in Chile ⁱ⁻¹	Th UF	315	348
Adjustment for Investment Properties outside of Chile ⁱ⁻¹	Th UF	317	80
Financial Borrowing Limit ⁱ⁻¹	Th UF	99,921	96,846
Financial Borrowing Limit ⁱ	Th UF	103,963	99,921

^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 Percentage variation between the values of UF ⁱ and UF ⁱ⁻¹.

As of December 31, 2018, the maximum debt totals ThUF 103,963. The net financial debt as of that date was ThUF 34,063. Therefore, Plaza S.A. has complied with the restriction.

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)

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, 2018, which are associated with the following financial covenants:

Company	Covenant	Limit	Actual as of December 31, 2018	Observation	Description
Nuevos Desarrollos S.A.	Consolidated Current Liabilities + Consolidated Non-current Liabilities / Total Consolidated Equity	≤ 2	0.98	Satisfied	Quarterly calculation measured on the Company's consolidated EEFF for each period
Cartagena shopping center, independent property	(EBITDA + Cash) / Debt Servicing	≥ 1.1	1.40	Satisfied	Six-monthly calculation measured on the Company's EEFF for each period.
	Net Financial Debt < Borrowing Limit	MCOP\$ 359.120	MCOP\$ 91.833	Satisfied	Semi-annual calculation measured on the Company's EEFF for each period.
Manizales Dos shopping center, independent property	Net financial debt / Equity	≤ 2.3	1.11	Satisfied	Annual calculation measured on the Company's EEFF for each year.

As of December 31, 2018, all the covenants in these debt contracts have been satisfied.

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)

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.

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, 2018, 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 is the debt ratio (total liabilities / total net equity) at less than or equal to 2.5x relating to Hipermercados Tottus. As of December 31, 2018, this was 1.15x, indicating compliance. Meanwhile, the debt ratio for Saga Falabella cannot exceed 3.0x, and it reported a ratio of 1.75x, indicating compliance.

The debt ratio for Open Plaza is the most restrictive at less than or equal to 1.60x. As of December 31, 2018, the Company complied with this financial obligation, by reporting a ratio of 0.23x. Mall Plaza Peru also manages a covenant that requires a financial debt ratio over equity of less than 2.00x. As of December 31, 2018, this was 0.26x, indicating compliance. Mall Plaza Peru also manages a financial debt over fixed assets ratio, which must not be more than 0.75x. As of December 31, 2018, this was 0.18x, 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, 2018, this was 0.38x, 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, 2018, it was 2.42x, indicating compliance. A covenant at Mall Plaza Peru is to keep EBITDA over the sum of amortization and interest to greater than 1.2x. As of December 31, 2018, this was 3.12x, 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 1.3x for Open Plaza. As of December 31, 2018, this was 5.55x, indicating compliance. Mall Plaza Peru has a covenant to keep revenue over debt servicing greater than 1.30x. As of December 31, 2018, this was 2.02x, indicating compliance.

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

On August 2, 2018, Inversiones MKTP SpA, a wholly owned subsidiary of S.A.C.I. Falabella, acquired all the shares of New TIN Linio I GmbH (hereinafter "Linio"), a limited liability company incorporated in the Federal Republic of Germany, which is the direct and indirect controller of several entities in various jurisdictions, which operate trading platform businesses, also known as online marketplaces, under the Linio brand and the internet address www.linio.com, in Argentina, Chile, Colombia, Ecuador, Mexico, Panama, Peru and Venezuela. Linio was acquired for US\$ 138,599,651, equivalent to ThCh\$ 88,592,897 on the acquisition date.

The goodwill generated by the transaction represents the synergies and economies of scale of the business combination. Expenses related to the acquisition have been recorded as Administrative Expenses in the statement of income of the Company.

According to the guidelines established in IFRS 3 "Business Combinations" and due to the proximity of the acquisition to the closing date of the financial statements as of December 31, 2018, the Company is currently reviewing the fair value of Linio's assets and liabilities.

The following table describes the price and preliminary fair values of the acquired assets and liabilities on the acquisition date, as identified at the reporting date:

	ThCh\$
Acquisition price (A)	88,592,897
Acquired assets and liabilities	
Total current assets	13,119,240
Intangible assets	1,967,732
Property, plant and equipment	433,005
Other assets, non-current	978,270
Total Assets	16,498,247
Current liabilities	38,573,686
Other liabilities, non-current	2,049
Total Liabilities	38,575,735
Total Net Acquired Assets (B)	(22,077,488)
Goodwill on acquisition (A) - (B)	110,670,385

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, 2018, have been approved by the Board of Directors at a meeting held on February 26, 2019, which was attended by the following Directors and the Corporate General Manager:

- Carlo Solari Donaggio, Chairman
- Juan Carlos Cortés Solari, Vice-Chairman
- Juan Pablo del Rio Goudie, Director
- Paola Cuneo Queirolo, Director
- Hernan Buchi Buc, Director
- Carlos Heller Solari, Director
- María Cecilia Karlezi Solari, Director
- Gaston Bottazzini, CEO

Ribera Desarrollos S.A. owns a store leased by Sodimac in Argentina", but it filed for bankruptcy on February 1, 2019. Bankruptcy is a crisis process, which does not imply that the debtor is disempowered, as it continues to manage its business under the supervision of a trustee appointed by the court.

As of December 31, 2018, the subsidiary Falabella S.A. (Argentina) has paid ThCh\$ 5,827,533 to Ribera Desarrollos S.A., disclosed under the heading "Other current and non-current non-financial assets", which represents leasing fees paid in advance.

At the reporting date, the terms under which this lease contract would continue or be terminated are uncertain, subject to the corresponding compensation. This situation is also subject to the positions adopted by Ribera Desarrollos S.A. and the judge in these bankruptcy proceedings.

Between December 31, 2018, and the date these financial statements were issued, the Board is not aware of any other events of a financial or other nature that might significantly affect them or their interpretation.