

S.A.C.I. Falabella and Subsidiaries

Consolidated Financial Statements

December 31, 2013

(Translation of financial statements originally issued in Spanish—See Note 2.1.)



ThCh\$ - Thousand Chilean pesos

Contents

	Page
Consolidated Statement of Financial Position	5
Consolidated Statement of Comprehensive Income by Function	7
Consolidated Statement of Changes in Equity	9
Consolidated Statements of Cash Flows (Direct Method)	10
Notes to the Consolidated Classified Financial Statements	12
Note 1 – Corporate Information.....	12
Note 2 – Summary of Significant Accounting Policies.....	13
2.1. Basis of preparation of the financial statements.....	13
2.2. New standards, interpretations and amendments adopted by the Group	13
2.3. Presentation currency and functional currency	15
2.4. Period covered by the financial statements.....	16
2.5. Basis of consolidation of the financial statements.....	16
2.6. Conversion of foreign subsidiaries	23
2.7. Foreign currency conversion.....	23
2.8. Financial information by operating segment.....	23
2.9. Investments in Associates.....	26
2.10 Property, plant and equipment.....	26
2.11. Investment properties.....	27
2.12. Goodwill	28
2.13. Other intangible assets	28
2.14. Impairment of non-current assets	29
2.15. Inventory	29
2.16. Assets classified as held for sale and discontinued operations	29
2.17. Financial instruments	30
2.17.1. Financial assets	30
2.17.2. Financial liabilities	31
2.17.3. Financial derivatives and hedge instruments	31
2.17.4. Offsetting of financial instruments	32
2.18. Leases	32
2.19. Provisions	32

2.20. Minimum dividend	32
2.21. Defined employee benefits plans	32
2.22. Share-based compensation plans.....	33
2.23. Revenue recognition	33
2.24. Cost of sales	33
2.25. Income taxes.....	34
2.26. Deferred income.....	34
2.27. Use of estimates, judgment and key assumptions	34
2.28 New accounting pronouncements (IFRS and Interpretations of the IFRS Interpretations Committee)	36
Note 3 – Cash and Cash Equivalents	40
Note 4 – Other Current Financial Assets	42
Note 5 – Other Current Non-financial Assets	43
Note 6 – Consolidated Trade Accounts Receivable	44
Note 7 – Accounts Receivable from and Payable to Related Parties	59
Note 8 – Inventory.....	62
Note 9 – Current Tax Assets and Liabilities for Non-banking Business and Banking Services	63
Note 10 – Current and Deferred Income Taxes	64
Note 11 – Investments in Associates	68
Note 12 – Intangible Assets	71
Note 13 – Goodwill.....	76
Note 14 – Property, Plant and Equipment.....	78
Note 15 – Investment Properties.....	88
Note 16 – Other Non-financial Non-current Assets.....	90
Note 17 – Other Assets - Banking Services.....	91
Note 18 – Other Current and Non-current Financial Liabilities.....	92
Note 19 – Current and Non-current Trade and Other Accounts Payable.....	106
Note 20 – Current and Non-current Non-banking and Banking Services Provisions	108
Note 21 – Current and Non-current Employee Benefits Provisions	111
Note 22 – Other Current and Non-current Non-financial Liabilities	116
Note 23 – Deposits and Other Time Deposits Banking Services	117
Note 24 – Obligations with Banks - Banking Services	118
Note 25 – Debt Instruments Issued - Banking Services.....	120
Note 26 - Other Bank Liabilities	122
Note 27 - Revenue from Continuing Operations	123

Note 28 – Cost of Continuing Operations	125
Note 29 – Administrative Expenses	126
Note 30 – Financial Costs and Indexation Units	127
Note 31 – Other Profits (Losses).....	128
Note 32 – Earnings per Share.....	129
Note 33 – Financial Instruments and Financial Risk Management	130
Note 34 – Capital	150
Note 35 – Financial Information by Segment	154
Note 36 – Contingencies, Lawsuits and Other	159
Note 37 – Guarantees Committed and Obtained from Third Parties	162
Note 38 – Environment	163
Note 39 – Main Financial Covenants	166
Note 40 – Business Combinations	178
Note 41 – Available for Sale Instruments.....	181
Note 42 – Events After the date of the Statement of Financial Position.....	182



Consolidated Classified Statement of Financial Position

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

As of December 31, 2013 and 2012.

	Note	SACI Falabella	SACI Falabella
		Dec-31-13 ThCh\$	Restated Dec-31-12 ThCh\$
Assets			
Non-banking Businesses			
Current assets			
Cash and cash equivalents	3	275,536,508	196,689,992
Other financial assets	4	31,092,383	28,215,182
Other non-financial assets	5	67,235,864	55,469,787
Trade and other accounts receivable	6	1,361,212,730	1,200,848,950
Accounts receivable from related parties	7	3,608,843	2,139,583
Inventory	8	916,670,685	762,392,640
Tax assets	9	42,523,671	45,250,885
Total of current assets different from those assets or disposal groups classified as held for sale or as held for distribution to owners		2,697,880,684	2,291,007,019
Non-current Assets classified as held for sale	2.16	-	4,902,070
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners		-	-
Total Current Assets		2,697,880,684	2,295,909,089
Non-current Assets			
Other financial assets		183,129	163,257
Other non-financial assets	16	18,288,685	21,715,938
Accounts receivable	6	178,064,620	184,880,079
Accounts receivable from related parties	7	-	152,885
Investments accounted for using the equity method	11	148,775,246	135,636,671
Intangible assets other than goodwill	12	185,852,765	164,472,911
Goodwill	13	298,112,966	260,273,967
Property, plant and equipment	14	1,671,176,569	1,478,403,630
Investment properties	15	1,928,060,213	1,750,673,726
Deferred tax assets	10	51,403,041	48,292,370
Total Non-current Assets		4,479,917,234	4,044,665,434
Total Assets – Non-banking Business		7,177,797,918	6,340,574,523
Banking Services Assets (Presentation)			
Cash and bank deposits	3	342,345,059	212,885,466
Transactions with settlement in progress	3	47,396,787	8,345,725
Financial assets held for trading	3	83,084,118	278,007,831
Financial derivative contracts		6,607,804	1,993,650
Loans and accounts receivable from clients	6	1,886,630,217	1,712,831,227
Available for sale instruments	41	260,038,309	11,408,395
Investments in companies	11	1,621,617	1,900,837
Intangibles	12	19,978,641	12,446,034
Property, plant and equipment	14	36,175,090	34,932,237
Current taxes	9	288,608	1,747,961
Deferred taxes	10	16,752,822	11,552,465
Other assets	17	16,595,992	12,498,806
Total Bank Services Assets		2,717,515,064	2,300,550,634
Total Assets		9,895,312,982	8,641,125,157

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.



Consolidated Classified Statement of Financial Position

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

As of December 31, 2013 and 2012.

	Note	SACI Falabella	SACI Falabella
		Dec-31-13	Restated
		ThCh\$	Dec-31-12
			ThCh\$
Net Equity and Liabilities			
Non-banking Business			
Current Liabilities			
Other financial liabilities	18	641,297,879	554,708,618
Trade and other accounts payable	19	878,178,136	763,078,386
Accounts payable to related parties	7	3,089,892	3,146,561
Other current provisions	20	6,147,851	5,335,294
Current tax liabilities	9	18,891,851	15,236,455
Employee benefits provisions	21	93,750,401	78,973,542
Other non-financial liabilities	22	110,983,691	102,893,947
Total Current Liabilities		1,752,339,701	1,523,372,803
Non-current Liabilities			
Other financial liabilities	18	1,720,465,349	1,448,357,175
Other liabilities	19	2,300,188	1,291,587
Accounts payable to related parties	7	340,547	-
Other long-term provisions	20	4,839,707	642,123
Deferred tax liabilities	10	252,608,535	246,097,663
Employee benefits provision	21	14,934,866	13,613,418
Other non-financial liabilities	22	23,744,207	23,163,667
Total Non-current Liabilities		2,019,233,399	1,733,165,633
Total Non-banking Business Liabilities		3,771,573,100	3,256,538,436
Banking Services Liabilities (Presentation)			
Deposits and other demand liabilities		160,428,104	123,394,143
Transactions with settlement in progress		55,361,946	5,203,546
Time deposits and other term deposits	3	1,502,609,515	1,198,011,919
Financial derivative contracts		4,486,973	2,801,133
Due to banks	24	52,451,222	15,632,321
Debt instruments issued	25	277,114,232	310,076,707
Other financial obligations	25	188,589,350	207,040,530
Current taxes	9	3,846,203	1,991,446
Deferred taxes	10	6,650,643	4,994,054
Provisions	20	6,049,741	4,154,988
Other liabilities	26	41,506,288	36,912,889
Total Banking Services Liabilities		2,299,094,217	1,910,213,676
Total Liabilities		6,070,667,317	5,166,752,112
Net Equity			
Issued capital	34	530,806,267	529,966,655
Retained earnings		2,676,678,527	2,399,825,107
Share premium	34	67,679,807	59,607,170
Other reserves	34	(123,136,318)	(104,129,160)
Equity attributable to owners of the parent		3,152,028,283	2,885,269,772
Non-controlling interests		672,617,382	589,103,273
Total Equity		3,824,645,665	3,474,373,045
Total Equity and Liabilities		9,895,312,982	8,641,125,157

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.



Consolidated Statements of Income and Comprehensive Income

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

For the years ended December 31, 2013 and 2012

	Note No.	For the year ended as of Dec-31-13 ThCh\$	For the year ended as of Dec-31-12 Restated ThCh\$
Statement of Income			
Non-banking Business			
Revenue from continuing operations	27	6,199,572,167	5,518,594,831
Cost of sales	28	(4,096,442,787)	(3,696,230,983)
Gross Profit		2,103,129,380	1,822,363,848
Distribution costs		(94,649,776)	(80,387,790)
Administrative expenses	29	(1,232,701,217)	(1,071,215,430)
Other expenses, by function		(117,722,687)	(100,881,904)
Other gains (losses)	31	7,301,390	4,066,770
Financial income		15,196,811	7,852,797
Financial expenses	30	(100,750,263)	(79,251,945)
Equity interest in profits (losses) of associates and joint ventures accounted for using the equity method	11	17,988,643	20,085,694
Foreign currency translation		(12,464,437)	(147,184)
Income from indexation units	30	(21,605,533)	(23,374,981)
Profit (Loss), before Taxes		563,722,311	499,109,875
Income tax expense	10	(122,197,120)	(127,398,768)
Profit (loss) from Non-banking Business		441,525,191	371,711,107
Banking Services (Presentation)			
Interest and indexation revenue	27	366,314,280	328,536,082
Interest and indexation expenses	28	(112,945,337)	(107,443,944)
Net Income from Interest and Indexation		253,368,943	221,092,138
Fee revenue	27	90,937,323	79,540,035
Fee expenses	28	(22,513,884)	(17,742,719)
Net Fee Income		68,423,439	61,797,316
Net income from financial operations		5,002,324	8,616,781
Net exchange gains (losses)		8,591,990	1,505,204
Other operating income		2,817,267	3,384,858
Provision for loan losses	28	(88,134,145)	(100,538,744)
Total Operating Income, net		250,069,818	195,857,553
Employee remunerations and expenses	29	(69,274,623)	(60,502,307)
Administrative expenses	29	(81,184,280)	(64,481,675)
Depreciation and amortization	29	(11,738,118)	(10,546,391)
Other operating expenses	29	(11,032,603)	(6,706,473)
Total Operating Expenses		(173,229,624)	(142,236,846)
Operating Income		76,840,194	53,620,707
Income from equity method investments in companies	11	305,005	363,445
Income before Income Taxes		77,145,199	53,984,152
Income tax expense	10	(21,562,991)	(15,536,037)
Profit (Loss) from Banking Services		55,582,208	38,448,115
Profit (Loss)		497,107,399	410,159,222
Profit (loss), Attributable to:			
Owners of the parent	32	443,827,493	371,866,544
Non-controlling interests		53,279,906	38,292,678
Profit (Loss)		497,107,399	410,159,222
Earnings per share			
Basic earnings per share			
Basic earnings (loss) per share from continuing operations	32	0.1833	0.1539
Basic Earnings (Loss) per Share		0.1833	0.1539
Diluted Earnings per Share			
From continuing operations	32	0.1831	0.1534
Diluted Earnings (Loss) per Share		0.1831	0.1534

The accompanying notes 1 to 42 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 year ended December 31, 2013 and 2012

	For the year ended as of Dec-31-13	For the year ended as of Dec-31-12
	ThCh\$	Restated ThCh\$
Statement of Comprehensive Income		
Profit (loss)	497,107,399	410,159,222
Components of other comprehensive income, that will not be reclassified to income for the period before taxes		
Actuarial profits (losses) on defined benefit plans, before taxes	608,491	(1,008,080)
Other comprehensive income that will not be reclassified to income for the year	608,491	(1,008,080)
Components of other comprehensive income that will be reclassified to income for the period before taxes		
Foreign currency translation		
Profits (losses) on foreign currency translation, before taxes	(19,821,630)	(15,775,694)
Other comprehensive income, before taxes, foreign currency translation	(19,821,630)	(15,775,694)
Profits (losses) on new measurement of financial assets available for sale, before taxes	787,763	-
Other comprehensive income before taxes, financial assets available for sale	787,763	-
Cash flow hedges		
Profits (losses) on cash flow hedges, before taxes	(6,505,220)	(2,883,532)
Other comprehensive income, before taxes, cash flow hedges	(6,505,220)	(2,883,532)
Other components of other comprehensive income, before taxes	(25,539,087)	(18,659,226)
Income taxes related to components of other comprehensive income		
Income taxes related to actuarial profit (losses) on defined benefit plans	(121,698)	201,616
Sum of income taxes related to components of other comprehensive income	(121,698)	201,616
Income taxes related to components of other comprehensive income		
Income taxes related to cash flow hedges	1,301,044	576,706
Income taxes related to other comprehensive income available for sale financial assets	(157,553)	-
Sum of income taxes related to components of other comprehensive income	1,143,491	576,706
Total comprehensive income	(23,908,803)	-
Comprehensive income total	473,198,596	576,706
Comprehensive income attributable to:		
Owners of the parent	421,703,086	355,956,517
Non-controlling interests	51,495,510	35,313,721
Total Comprehensive Income	473,198,596	391,270,238

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

Statement of Changes in Net Equity

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

For the years ended December 31, 2013 and 2012.

a) The Statement of Changes in Equity for the year ended as of December 31, 2013 is as follows:

	Issued capital	Share Premium	Foreign currency translation reserve	Cash flow hedge reserve	Reserve for actuarial profits or losses on defined benefit plans	Reserve for profits or losses on remeasurement of available for sale financial assets	Other miscellaneous reserves	Other reserves	Retained earnings (losses)	Equity attributable to owners of the parent	Non-controlling interest	Total equity
Beginning balance at 01/01/2013	529,966,655	59,607,170	(52,327,229)	(4,622,774)			(44,215,601)	(101,165,604)	2,396,861,551	2,885,269,772	589,103,273	3,474,373,045
Increase (decrease) due to changes in accounting policies					(2,963,556)			(2,963,556)	2,963,556			
Restated beginning balance	529,966,655	59,607,170	(52,327,229)	(4,622,774)	(2,963,556)		(44,215,601)	(104,129,160)	2,399,825,107	2,885,269,772	589,103,273	3,474,373,045
Changes in equity												
Comprehensive income												
Profit (loss)									443,827,493	443,827,493	53,279,906	497,107,399
Other comprehensive income			(18,443,957)	(4,797,453)	486,793	630,210		(22,124,407)		(22,124,407)	(1,784,396)	(23,908,803)
Comprehensive income			(18,443,957)	(4,797,453)	486,793	630,210		(22,124,407)	443,827,493	421,703,086	51,495,510	473,198,596
Equity issuance	839,612	8,072,637								8,912,249	13,088,183	22,000,432
Dividends									(111,342,797)	(111,342,797)	(22,509,482)	(133,852,279)
Increase (decrease) due to transfers and other changes							3,117,249	3,117,249	(55,631,276)	(52,514,027)	41,439,898	(11,074,129)
Total changes in equity	839,612	8,072,637	(18,443,957)	(4,797,453)	486,793	630,210	3,117,249	(19,007,158)	276,853,420	266,758,511	83,514,109	350,272,620
Ending Balance at 12/31/2013	530,806,267	67,679,807	(70,771,186)	(9,420,227)	(2,476,763)	630,210	(41,098,352)	(123,136,318)	2,676,678,527	3,152,028,283	672,617,382	3,824,645,665

b) The Statement of Changes in Equity for the year ended as of December 31, 2012 is as follows:

	Issued capital	Share Premium	Foreign currency translation reserve	Cash flow hedge reserve	Reserve for actuarial profits or losses on defined benefit plans	Reserve for profits or losses on remeasurement of available for sale financial assets	Other miscellaneous reserves	Other reserves	Retained earnings (losses)	Equity attributable to owners of the parent	Non-controlling interest	Total equity
Beginning Balance at 01/01/2012	527,253,518	26,572,387	(39,627,043)	(2,219,397)		-	27,921,450	(13,924,990)	2,179,075,464	2,718,976,379	579,916,096	3,298,892,475
Increase (decrease) due to changes in accounting policies					(2,157,092)			(2,157,092)	2,157,092			
Restated beginning balance	527,253,518	26,572,387	(39,627,043)	(2,219,397)	(2,157,092)	-	27,921,450	(16,082,082)	2,181,232,556	2,718,976,379	579,916,096	3,298,892,475
Changes in equity												
Comprehensive income												
Profit (loss)									371,866,544	371,866,544	38,292,678	410,159,222
Other comprehensive income			(12,700,186)	(2,403,377)	(806,464)			(15,910,027)		(15,910,027)	(2,978,957)	(18,888,984)
Comprehensive income			(12,700,186)	(2,403,377)	(806,464)			(15,910,027)	371,866,544	355,956,517	35,313,721	391,270,238
Equity issuance	2,713,137	33,034,783								35,747,920	16,317,353	52,065,273
Dividends									(114,506,471)	(114,506,471)	(9,981,357)	(124,487,828)
Increase (decrease) due to transfers and other changes							(72,137,051)	(72,137,051)	(38,767,522)	(110,904,573)	(32,462,540)	(143,367,113)
Total changes in equity	2,713,137	33,034,783	(12,700,186)	(2,403,377)	(806,464)	-	(72,137,051)	(88,047,078)	218,592,551	166,293,393	9,187,177	175,480,570
Ending Balance at 12/31/2012	529,966,655	59,607,170	(52,327,229)	(4,622,774)	(2,963,556)	-	(44,215,601)	(104,129,160)	2,399,825,107	2,885,269,772	589,103,273	3,474,373,045

The accompanying notes 1 to 42 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, 2013 and 2012.

Statement of Cash Flows	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Statement of cash flows		
Cash flows provided by (used in) operating activities		
Non-banking Business (Presentation)		
Classes of proceeds from operating activities		
Proceeds from sale of goods and providing services	7,212,877,972	6,264,959,117
Classes of payments		
Payment to suppliers for supplying goods and services	(5,888,367,676)	(4,908,804,094)
Payments to and on account of employees	(721,226,024)	(619,080,206)
Income taxes refunded (paid)	(88,556,004)	(103,117,963)
Other cash inflows (outflows)	(34,586,360)	(31,888,191)
Subtotal net cash flows provided by (used in) Non-banking Business operating activities	480,141,908	602,068,663
Banking Services (Presentation)		
Consolidated net income (loss) for the year	55,582,208	38,448,115
Charges (credits) to income that do not involve cash movements:		
Depreciation and amortization	11,738,118	10,546,391
Credit risk provision	91,735,477	93,038,512
(Profit) losses from equity method investments	(305,005)	(363,445)
Net gain from sale of property, plant and equipment	-	(149,329)
Other charges (credits) that do not involve significant cash flow movements	6,177,558	2,435,923
Net change in interest, indexations and fees accrued on assets and liabilities	(11,829)	2,489,491
Changes in assets and liabilities that affect operating cash flow:		
Net (increase) decrease in owed from banks	-	16,002,266
Net increase in loans and accounts receivable from clients	(263,491,511)	(305,859,763)
Net (increase) decrease in instruments held for trading	(172,932,166)	(59,686,166)
Increase in deposits and other demand obligations	37,033,961	24,139,284
Increase (decrease) in repurchase agreements and share loans	-	(3,799,092)
Increase in deposits and other term deposits	306,558,654	342,477,083
Increase (decrease) in obligations with banks	50,683	-
Other	(7,256,411)	(16,842,643)
Subtotal net cash flows provided by (used in) Banking Services operating activities	64,879,737	142,876,627
Net cash flows provided by operating activities	545,021,645	744,945,290
Cash flows provided by (used in) investing activities		
Non-banking Business (Presentation)		
Cash flows used to obtain control of subsidiaries and other businesses	(31,880,694)	-
Cash flows used in the purchase of non-controlling interests	(5,281,209)	-
Other charges on the sale of equity or debt instruments of other parties	5,000,000	-
Loans to related parties	(1,032,497)	(371,336)
Proceeds from disposal of property, plant and equipment	20,668,743	12,073,267
Additions to property, plant and equipment	(334,752,039)	(281,046,064)
Additions to intangible assets	26,504	-
Proceeds from other long-term assets	(18,044,736)	(18,242,888)
Additions to other long-term assets	1,788,051	49,267
Cash advances and loans to third parties	(199,735,008)	(190,462,404)
Dividends received	6,332,666	4,021,958
Interest received	25,707,478	16,501,678
Other cash inflows (outflows)	1,923,311	60,118
Subtotal net cash flows used in investing activities in the Non-banking Business	(529,279,430)	(457,416,404)



Consolidated Statement of Cash Flows

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

Statement of Cash Flows	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Banking Services		
Net (Increase) decrease in investment securities available for sale	(38,425,898)	(11,144,198)
Additions to property, plant and equipment	(19,303,844)	(19,338,308)
Disposal of property, plant and equipment	-	1,051,052
Investments in associates	575,820	428,832
Other	(1,261,923)	(391,266)
Subtotal net cash flows provided by (used in) Banking Services investing activities	(58,415,845)	(29,393,888)
Net cash flows provided by (used in) investing activities	(587,695,275)	(486,810,292)
Cash flows provided by (used in) financing activities		
Non-banking Business		
Proceeds from issuance of shares	22,000,432	52,065,273
Proceeds from long-term loans	824,308,835	493,108,178
Proceeds from short-term loans	1,303,207,432	1,105,553,599
Total proceeds from loans	2,127,516,267	1,598,661,777
Loan payments	(1,801,628,504)	(1,376,102,184)
Payment of financial lease liabilities	(10,620,408)	(10,166,756)
Dividends paid	(171,186,004)	(290,592,733)
Interest paid	(69,615,522)	(53,846,492)
Other cash inflows (outflows)	23,570,636	12,926,641
Subtotal net cash flows provided by (used in) Non-banking Business financing activities	120,036,897	(67,054,474)
Banking Services (Presentation)		
Redemption of letters of credit	(12,266,273)	(3,080,639)
Other long-term loans	40,837,546	21,079,249
Other	(35,101,326)	(42,975,502)
Subtotal net cash flows provided by (used in) Banking Services financing activities	(6,530,053)	(24,976,892)
Net cash flows used in financing activities	113,506,844	(92,031,366)
Net increase in cash and cash equivalents, before the effect of changes in the exchange rate	70,833,214	166,103,632
Effects of changes in the exchange rate on cash and cash equivalents		
Effects of changes in the exchange rate on cash and cash equivalents	8,550,790	(5,720,996)
Net increase (decrease) in cash and cash equivalents	79,384,004	160,382,636
Cash and cash equivalents at beginning of period	568,305,938	407,923,302
Cash and cash equivalents at end of period	647,689,942	568,305,938

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

Note 1 – Corporate 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 18,046. Its formation was legally authorized by Supreme Decree 1,424 of April 14, 1937. The Company is registered in the Securities Registry under 582 and is subject to the supervision of the Superintendency of Securities and Insurance of Chile (“SVS”). Its main offices and legal address are located at Rosas 1665, Santiago, Chile.

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

SUBSIDIARIES	TAXPAYER ID	REGISTRATION No.
Sodimac S.A.	96.792.430 – K	850
Plaza S.A.	76.017.019 – 4	1,028
Banco Falabella	96.509.660 – 4	051
Promotora CMR Falabella S.A.	90.743.000 – 6	1,092

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

The Company’s business is composed of the sale of a varied array of products including retail sale of clothing, accessories, home products, electronics, beauty products and others. A significant portion of this segment’s sales occurs in the second half of each year. In addition it sells retail and wholesale construction and home improvement products, hardware, tools, kitchen accessories, bathroom, gardening and decoration as well as food products in Supermarkets. It also operates in the real estate segment through constructions, administration, management, operation, leasing and subleasing of stores and shopping centers (malls), providing an integral offer of goods and services in world class malls, participating with the main commercial operators present in the countries where it operates. In addition it participates in other businesses that support its core business such as financial services (CMR, insurance broker and bank), and in textile manufacturing (Mavesa).

As of December 31, 2013 and 2012, the group has the following number of employees:

COUNTRY	12-31-2013	12-31-2012
Chile	55,085	55,931
Peru	27,642	23,847
Colombia	6,586	6,780
Argentina	5,444	5,195
Brazil	3,484	-
TOTAL	98,241	91,753
Main Executives	3,328	2,798



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

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 comprise the consolidated classified statements of financial position, statements of comprehensive income, statements of changes in net equity and cash flows for the years ended December 31, 2013 and 2012, and their corresponding notes which have been prepared and presented in accordance with International Financial Reporting Standards (“IFRS”), considering the requirements for additional information from the Superintendency of Securities and Insurance of Chile (“SVS”) which do not contradict IFRS.

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

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments; employee benefits 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 affect the reported amounts of certain assets and liabilities, as well as certain income and expenses. It also requires that management exercise judgment in the process of applying the Company’s accounting policies. Subsection 2.27 discloses the areas that imply a greater degree of judgment or complexity or the areas where the assumptions and estimates are significant for the Consolidated Financial Statements.

The Company uses a mixed presentation criteria, separating the balances of the subsidiaries with a banking line of business from the rest of the subsidiaries. The companies of the Falabella Group with a banking line of business which were included in this separation are: Banco Falabella Chile, Banco Falabella Peru and Banco Falabella Colombia.

The consolidated financial statements of S.A.C.I. Falabella for the year ended December 31, 2012 were approved by its Board of Directors during a meeting held on March 05, 2013 and subsequently presented for the consideration of the General Shareholders’ Meeting held on April 30, 2013 which finally approved them.

Certain items of the financial statements from the previous year have been reclassified for the purpose of assuring the comparability with the current year presentation. Reclassifications of the statement of financial position and statement of income are not significant.

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

The accounting policies adopted in the preparation of these consolidated financial statements are coherent with those applied to the consolidated annual financial statements of the Group for the year ended December 31, 2012, except for the adoption of new standards and interpretations effective as of January 1, 2013.

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

The new standards adopted by the Group on January 1, 2013, are IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, IFRS 12 “Disclosure of Interests in Other Entities”, IFRS 13 “Fair Value Measurement”, IAS 19 (Revised 2011) “Employee Benefits” and amendments to IAS 1 “Presentation of Financial Statements”. As required by IFRS, the nature and effects of these changes are described below:

- **IAS 19 Employee Benefits (revised 2011) (IAS 19R)**

IAS 19R includes a series of amendments to the accounting for defined benefit plans, including actuarial profits and losses that until December 31, 2012 were recognized in income for the year, which must now be recognized as part of other comprehensive income and excluded permanently from profit and loss for the year. Other amendments include new disclosures, such as disclosure on quantitative sensitivity of variables used to calculate defined benefit liabilities.

The application of IAS 19R requires retrospective application of its associated effects, which implied restating the financial statements for previous years, for comparison purposes only. The effects of the adoption of IAS 19R are explained in more detail in Note 21.

- **IAS 1 Presentation of items of other comprehensive income - Amendment to IAS 1**

The amendments to IAS 1 introduce a group of items presented in the Comprehensive Income Statement. The standard requires distinguishing between other comprehensive income items that could be reclassified to income in the future (for example net income from cash flow hedge derivatives, foreign currency translation and net gain or loss on available-for-sale financial assets) and those which standards do not allow to be reclassified as income (for example, actuarial profits and losses on defined benefit plans and revaluation of land and buildings if opting for the continuous revaluation model).

The amendment only affects the presentation within the Comprehensive Income Statement and does not have an impact on the Group's financial position.

- **IAS 1 Clarification of comparative information requirement (Amendment)**

The amendment to IAS 1 “Presentation of Financial Statements” clarifies the difference between additional voluntary comparative information and minimum comparative information required. The entity has to include comparative information in relation to notes to the financial statements when comparative information is offered beyond the minimum comparative period.

An additional statement of financial position (known as the “third balance sheet”) must be presented when an entity applies an accounting change in a retrospective manner, makes retroactive readjustments or reclassifies items in its financial statements, or anytime that these changes have a significant effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that a third balance sheet does not have to accompany comparative information in the related notes.

The amendment to IAS 1 had no effect on the Company's consolidated financial statements. Changes in accounting principles applied by the Company did not have significant effects that require the presentation of a third balance sheet.

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

- **IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements**
 IFRS 10 establishes a single control model that is applied to all entities, including special purpose entities. The IFRS replaces sections of IAS 27 “Consolidated and Separate Financial Statements” that referred to consolidated financial statements and SIC-12 “Consolidation - Special Purpose Entities”. IFRS 10 changes the definition of control in such a manner that an investor controls an investee when it is exposed, or entitled to variable yields arising from its implication in the investee. The application of IFRS 10 had no impact on the determination of existence of control or the consolidation of investments held by the Group.
- **IFRS 11 Joint Arrangements**
 IFRS 11 replaces IAS 31 “Interests in Joint Ventures” and SIC-13 “Jointly Controlled Entities - Non-monetary Contributions of Participants”. IFRS 11 eliminates the option of accounting for Jointly Controlled Entities using proportional consolidation, leaving only the participation method as an option. The application of IFRS 11 had no impact on the financial statements of the Group.
- **IFRS 12 Disclosure of Interests in Other Entities**
 IFRS 12 establishes requirements for information to be disclosed pertaining to the entity's interests in subsidiaries, joint arrangements, associates and structured entities. Additional information requirements are presented in Note 34 and mainly refers to summarized information on subsidiaries and significant associates.
- **IFRS 13 Fair Value Measurement**
 IFRS 13 establishes a single source of guidance according to IFRS for all fair value measurements. IFRS 13 does not change *when* the entity is obligated to use fair value, rather it provides guidance regarding the manner of measuring fair value when IFRS require or allow its use. The application of IFRS 13 has not significantly affected the Group's fair value measurements.

2.3. Presentation currency and functional currency

The Consolidated Financial Statements are presented in Chilean pesos, which is the functional currency of the Parent Company S.A.C.I. Falabella and the Group's presentation currency. Chilean pesos are rounded to the closest 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 Exchange Rates” and the items included in the financial statements of each entity are measured using that functional currency.

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

2.4. Period covered by the financial statements

The consolidated financial statements comprise the statements of financial position, the statement of comprehensive income, the statements of cash flows and the statements of changes in equity for the years ended December 31, 2013 and 2012.

2.5. Basis of consolidation of the financial statements

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

Subsidiaries are all companies over which the Group exercises control according to IFRS 10. In order to comply with the definition of control in IFRS 10, three criteria must be met, including: (a) an investor has power over the relevant activities of an investee, (b) the investor has exposure or is entitled to variable returns from its investment in the investee, and (c) the investor has the capacity to use power over the investee to influence the amount of the investor's yield. The non-controlling interest represents the portion of net assets and net income or losses not owned by the Group, which is presented separately in the comprehensive income statements and in equity in the consolidated statement of financial position.

The acquisition of subsidiaries is recorded in accordance with IFRS 3 "Business Combinations" using the acquisition method. This method requires 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 recognized by the share of the non controlling shareholders in 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 Company has not consolidated the financial statements of Aventura Plaza S.A. which is located in Peru where it directly and indirectly owns 60% interest (49% effective participation). The articles of association state that the Board will be composed of five directors, of which the Company can name two and is not entitled to designate management without the favorable vote of at least one additional director, therefore it does not exercise control, as indicated in IFRS 10. The investment in Aventura Plaza has been recorded using the participation method as indicated in IAS 28 "Investments in Associates".

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

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



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

Subsidiaries included in the consolidation are detailed as follows:

TAXPAYER ID	NAME OF SUBSIDIARY	PERCENTAGE OF INTEREST				COUNTRY OF ORIGIN	FUNCTIONAL CURRENCY
		12-31-13	12-31-13	12-31-13	12-31-12		
		DIRECT	INDIRECT	TOTAL	TOTAL		
		%	%	%	%		
99.500.360-0	HOMETRADING S.A.	86.079	13.921	100.000	100.000	CHILE	CLP
76.020.391-2	INVERSIONES FALABELLA LTDA.	99.978	0.022	100.000	100.000	CHILE	CLP
99.593.960-6	DESARROLLOS INMOBILIARIOS S. p A.	-	100.000	100.000	100.000	CHILE	CLP
76.020.385-8	INVERSIONES PARMIN S. p A.	100.000	-	100.000	100.000	CHILE	CLP
0-E	FALABELLA SUCURSAL URUGUAY S.A.	100.000	-	100.000	100.000	URUGUAY	CLP
0-E	FALLBROOKS PROPERTIES LTD	-	99.999	99.999	99.999	BRITISH VIRGIN ISLANDS	CLP
99.556.170-0	SOCIEDAD DE RENTAS FALABELLA S.A.	-	100.000	100.000	100.000	CHILE	CLP
76.882.330-8	NUEVOS DESARROLLOS S.A. (EX-PLAZA ALAMEDA S.A.)	-	45.940	45.940	45.940	CHILE	CLP
99.555.550-6	PLAZA ANTOFAGASTA S.A.	-	59.278	59.278	59.278	CHILE	CLP
76.882.090-2	PLAZA CORDILLERA S.A.	-	45.940	45.940	45.940	CHILE	CLP
96.653.660-8	PLAZA DEL TRÉBOL S.A.	-	59.278	59.278	59.278	CHILE	CLP
96.795.700-3	PLAZA LA SERENA S.A.	-	59.278	59.278	59.278	CHILE	CLP
96.653.650-0	PLAZA OESTE S.A.	-	59.278	59.278	59.278	CHILE	CLP
76.017.019-4	PLAZA S.A.	-	59.278	59.278	59.278	CHILE	CLP
76.882.200-K	PLAZA SAN BERNARDO S.A.	-	-	-	45.940	CHILE	CLP
76.034.238-6	PLAZA S. p A.	-	59.278	59.278	59.278	CHILE	CLP
96.791.560-2	PLAZA TOBALABA S.A.	-	59.278	59.278	59.278	CHILE	CLP
76.677.940-9	PLAZA VALPARAÍSO S.A.	-	45.940	45.940	45.940	CHILE	CLP
96.538.230-5	PLAZA VESPUCCIO S.A.	-	59.278	59.278	59.278	CHILE	CLP
76.099.956-3	SERVICIOS GENERALES CATEDRAL LTDA.	-	88.000	88.000	88.000	CHILE	CLP
79.990.670-8	ADMINISTRADORA PLAZA VESPUCCIO S.A.	-	59.278	59.278	59.278	CHILE	CLP
76.883.720-1	DESARROLLOS E INVERSIONES INTERNACIONALES S.A.	-	59.278	59.278	59.278	CHILE	CLP
99.564.380-4	DESARROLLOS URBANOS S.A.	-	45.940	45.940	45.940	CHILE	CLP
76.299.850-5	INVERSIONES PLAZA LTDA. (EX INV. ALCALÁ)	-	59.000	59.000	59.000	CHILE	CLP
76.044.159-7	AUTOPLAZA S.A.	-	59.000	59.000	59.000	CHILE	CLP
76.020.487-0	AGRÍCOLA Y COMERCIAL RÍO CHAMIZA S.A.	-	45.940	45.940	45.940	CHILE	CLP
96.792.430-K	SODIMAC S.A.	-	100.000	100.000	100.000	CHILE	CLP
99.556.180-8	SODIMAC TRES S.A.	-	100.000	100.000	100.000	CHILE	CLP
96.678.300-1	A.T.C. LTDA.	-	100.000	100.000	100.000	CHILE	CLP
79.530.610-2	COMERCIALIZADORA E IMPORTADORA IMPOMAC LTDA.	-	100.000	100.000	100.000	CHILE	CLP
96.681.010-6	TRAINEEMAC S.A.	-	100.000	100.000	100.000	CHILE	CLP
76.054.094-3	INVERSIONES SODMIN S. p A.	-	100.000	100.000	100.000	CHILE	CLP
76.054.151-6	TRAINEEMAC NUEVA S.A.	-	100.000	100.000	100.000	CHILE	CLP
78.582.500-4	HOME LET S.A.	-	100.000	100.000	100.000	CHILE	CLP
96.520.050-9	HOME CENTER S.A.	-	100.000	100.000	100.000	CHILE	CLP
76.821.330-5	IMPERIAL S.A.	-	60.000	60.000	60.000	CHILE	CLP
0-E	CENTRO HOGAR SODIMAC ARGENTINA S.A.	-	100.000	100.000	100.000	ARGENTINA	ARS
79.553.230-7	SOC. DE CRÉDITOS COMERCIALES LTDA.	-	100.000	100.000	100.000	CHILE	CLP
96.665.150-4	SODILOG S.A.	-	100.000	100.000	100.000	CHILE	CLP
78.611.350-4	SERVICIOS DE COBRANZA CYSER LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.007.327-K	INVERSIONES VENSER DOS LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.033.206-2	INVERSIONES Y PRESTACIONES VENSER UNO LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.033.208-9	INVERSIONES Y PRESTACIONES VENSER DOS LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.033.211-9	INVERSIONES Y PRESTACIONES VENSER TRES LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.222.370-8	SERVICIOS GENERALES BASCUÑÁN LTDA.	-	100.000	100.000	100.000	CHILE	CLP

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



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

TAXPAYER ID	NAME OF SUBSIDIARY	PERCENTAGE OF INTEREST				COUNTRY OF ORIGIN	FUNCTIONAL CURRENCY
		12-31-13	12-31-13	12-31-13	12-31-12		
		DIRECT	INDIRECT	TOTAL	TOTAL		
		%	%	%	%		
76.015.722-8	ALAMEDA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.644.120-3	APORTA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.046.439-2	APYSER RETAIL S. p A.	-	100.000	100.000	100.000	CHILE	CLP
76.665.890-3	CALE LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.661.890-1	CERRILLOS LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.662.120-1	CERRO COLORADO LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.910.520-4	COLINA LTDA.	-	88.000	88.000	88.000	CHILE	CLP
96.579.870-6	ECOCYCSA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.033.452-9	EL BOSQUE LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.014.726-5	ESTACIÓN CENTRAL LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.009.382-3	MANQUEHUE LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.811.460-9	MELIPILLA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.012.536-9	MULTIBRANDS LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.973.030-3	PUNTA ARENAS LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.033.294-1	SAN BERNARDO LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.033.466-9	SAN FERNANDO LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.767.330-2	ANTOFAGASTA CENTRO LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.553.390-2	FONTOVA LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.557.960-0	LA CALERA LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.318.540-0	LA DEHESA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.662.280-1	LA FLORIDA LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.429.990-6	NATANIEL LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.383.840-4	PRESETEL LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.035.886-K	SERTEL LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78.406.360-7	PROALTO LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78.526.990-K	OESTE LTDA.	-	100.000	100.000	100.000	CHILE	CLP
96.811.120-5	PASEO CENTRO LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78.839.160-9	PROSECHIL LTDA.	-	100.000	100.000	100.000	CHILE	CLP
89.627.600-K	PROSEGEN LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78.334.680-K	PROSEÑOR LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77.565.820-7	PROSER LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78.636.190-7	PROSEVAL LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.662.220-8	PLAZA PUENTE ALTO LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.429.790-3	PUENTE ALTO 37 LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.291.110-8	PUENTE LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.583.290-K	PUERTO ANTOFAGASTA LTDA.	-	88.000	88.000	88.000	CHILE	CLP
77.880.500-6	SEGEÁNGELES LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78.625.160-5	SEGBOL LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77.039.380-9	SEGECOP LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77.462.160-1	SEGECUR LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77.962.250-9	SEGEHUECHURABA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77.423.730-5	SEGEI LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77.598.800-2	SEGEMONTT LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78.991.740-K	SEGENAN LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78.151.550-7	SEGEPRO LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77.622.370-0	SEGEQUIL LTDA.	-	100.000	100.000	100.000	CHILE	CLP
79.731.890-6	SEGEQUINTA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78.150.440-8	SEGESEXTA LTDA.	-	100.000	100.000	100.000	CHILE	CLP

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



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

TAXPAYER ID	NAME OF SUBSIDIARY	PERCENTAGE OF INTEREST				COUNTRY OF ORIGIN	FUNCTIONAL CURRENCY
		12-31-13	12-31-13	12-31-13	12-31-12		
		DIRECT	INDIRECT	TOTAL	TOTAL		
		%	%	%	%		
78.665.660-5	SEGESORNO LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78.904.400-7	SEGETALCA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77.212.050-8	SEGEVALPO LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77.152.390-0	TOBALABA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78.738.460-9	TRADIS LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78.919.640-0	TRADISUR LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78.745.900-5	TRASCIENDE LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78.015.390-3	VESPUCCIO LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77.166.470-9	SERENA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.042.509-5	INVERSIONES Y PRESTACIONES VENSER SEIS LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.046.445-7	CONFECCIONES INDUSTRIALES S. p A.	-	100.000	100.000	100.000	CHILE	CLP
96.573.100-8	MAVESA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.039.672-9	DINALSA S. p A.	-	100.000	100.000	100.000	CHILE	CLP
78.627.210-6	HIPERMERCADOS TOTTUS S.A.	-	88.000	88.000	88.000	CHILE	CLP
78.722.910-7	TOTTUS S.A.	-	88.000	88.000	88.000	CHILE	CLP
76.046.433-3	FALABELLA INVERSIONES FINANCIERAS S.A.	-	100.000	100.000	100.000	CHILE	CLP
90.743.000-6	PROMOTORA CMR FALABELLA S.A.	-	100.000	100.000	100.000	CHILE	CLP
77.612.410-9	ADESA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
79.598.260-4	ADMINISTRADORA CMR FALABELLA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
96.827.010-9	SERVICIOS DE EVALUACIÓN DE CRÉDITOS EVALCO LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77.235.510-6	SERVICIOS DE EVALUACIONES Y COBRANZAS SEVALCO LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.027.815-7	SERVICIOS Y ASISTENCIA LIMITADA	-	100.000	100.000	100.000	CHILE	CLP
76.027.825-4	PROMOCIONES Y PUBLICIDAD LIMITADA	-	100.000	100.000	100.000	CHILE	CLP
78.566.830-8	SOC. DE COBRANZAS LEGALES LEXICOM LTDA.	-	100.000	100.000	100.000	CHILE	CLP
96.847.200-3	FASPRO LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77.099.010-6	SEGUROS FALABELLA CORREDORES LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.512.060-8	SOLUCIONES CREDITICIAS CMR LTDA.	-	100.000	100.000	100.000	CHILE	CLP
78.997.060-2	VIAJES FALABELLA LTDA.	-	100.000	100.000	100.000	CHILE	CLP
77.261.280-K	FALABELLA RETAIL S.A.	-	100.000	100.000	100.000	CHILE	CLP
76.000.935-0	PROMOTORA CHILENA DE CAFÉ COLOMBIA S.A.	-	65.000	65.000	65.000	CHILE	CLP
96.951.230-0	INMOBILIARIA MALL CALAMA S.A.	-	100.000	100.000	100.000	CHILE	CLP
77.132.070-8	SOUTH AMÉRICA TEXTILES S. p A.	-	100.000	100.000	100.000	CHILE	CLP
0-E	SHEARVAN CORPORATE S.A.	-	100.000	100.000	100.000	BRITISH VIRGIN ISLANDS	USD
77.072.750-2	COMERCIAL MONSE LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.042.371-8	NUEVA FALABELLA INVERSIONES INTERNACIONALES S. p A. (EX INVERSIONES SERVA 2 S.A.)	-	-	100.000	100.000	CHILE	CLP
96.647.930-2	INVERSIONES INVERFAL PERÚ S. p A. (EX INVERFAL S.A.)	-	100.000	100.000	100.000	CHILE	CLP
76.023.147-9	NUEVA INVERFIN S. p A.	-	100.000	100.000	100.000	CHILE	CLP
76.007.317-2	INVERCOL S. p A.	-	100.000	100.000	100.000	CHILE	CLP
0-E	INVERSORA FALKEN S.A.	-	100.000	100.000	100.000	URUGUAY	CLP
0-E	TEVER CORP.	-	100.000	100.000	100.000	URUGUAY	CLP
0-E	INVERSIONES FALABELLA ARGENTINA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS
0-E	FALABELLA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS
0-E	CMR ARGENTINA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS
0-E	VIAJES FALABELLA S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS

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



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

TAXPAYER ID	NAME OF SUBSIDIARY	PERCENTAGE OF INTEREST				COUNTRY OF ORIGIN	FUNCTIONAL CURRENCY
		12-31-13	12-31-13	12-31-13	12-31-12		
		DIRECT	INDIRECT	TOTAL	TOTAL		
		%	%	%	%		
0-E	CLAMIJU S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS
0-E	CENTRO LOGÍSTICO APLICADO S.A.	-	99.999	99.999	99.999	ARGENTINA	ARS
0-E	GARCÍA HERMANOS Y CIA. S.A.	-	99.850	99.850	99.850	ARGENTINA	ARS
0-E	SERVICIOS DE PERSONAL LOGÍSTICO S.A.	-	100.000	100.000	100.000	ARGENTINA	ARS
0-E	INVERSIONES FALABELLA DE COLOMBIA S.A.	-	100.000	100.000	100.000	COLOMBIA	COL
0-E	FALABELLA COLOMBIA S.A.	-	65.000	65.000	65.000	COLOMBIA	COL
0-E	AGENCIA DE SEGUROS FALABELLA PRO LTDA.	-	65.000	65.000	65.000	COLOMBIA	COL
0-E	AGENCIA DE VIAJES Y TURISMO FALABELLA LTDA.	-	65.000	65.000	65.000	COLOMBIA	COL
0-E	ABC DE SERVICIOS S.A.	-	65.000	65.000	65.000	COLOMBIA	COL
0-E	FALABELLA PERÚ S.A.A.	-	94.183	94.183	94.183	PERU	PEN
0-E	SAGA FALABELLA S.A.	-	89.002	89.002	89.002	PERU	PEN
0-E	HIPERMERCADOS TOTTUS S.A.	-	94.183	94.183	94.183	PERU	PEN
0-E	SODIMAC PERÚ S.A.	-	94.183	94.183	94.183	PERU	PEN
0-E	OPEN PLAZA S.A.C.	-	94.183	94.183	94.183	PERU	PEN
0-E	VIAJES FALABELLA S.A.	-	89.002	89.002	89.002	PERU	PEN
0-E	PATRIMONIO AUTÓNOMO S.A.	-	92.818	92.818	92.818	PERU	PEN
0-E	FALABELLA CORREDORA DE SEGUROS S.A.C.	-	94.183	94.183	94.183	PERU	PEN
0-E	FALABELLA SERVICIOS GENERALES S.A.C.	-	94.089	94.089	94.089	PERU	PEN
0-E	FALACUATRO S.A.C.	-	94.188	94.188	94.188	PERU	PEN
0-E	INMOBILIARIA KAINOS S.A.C.	-	94.183	94.183	94.183	PERU	PEN
0-E	LOGÍSTICA Y DISTRIBUCIÓN S.A.C.	-	94.183	94.183	94.183	PERU	PEN
0-E	INVERSIONES CORPORATIVAS BETA S.A.	-	94.183	94.183	94.183	PERU	PEN
0-E	INVERSIONES CORPORATIVAS GAMMA S.A.	-	94.183	94.183	94.183	PERU	PEN
76.075.082-4	HIPERPUENTE LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.080.519-K	QUILLOTA LTDA	-	88.000	88.000	88.000	CHILE	CLP
96.509.660-4	BANCO FALABELLA S.A.	-	100.000	100.000	100.000	CHILE	CLP
0-E	BANCO FALABELLA PERÚ S.A.	-	92.817	92.817	92.817	PERU	PEN
0-E	BANCO FALABELLA S.A. (COLOMBIA)	-	65.000	65.000	65.000	COLOMBIA	COL
76.099.954-7	SERVICIOS GENERALES PADRE HURTADO LTDA.	-	88.000	88.000	88.000	CHILE	CLP
0-E	SALÓN MOTOR PLAZA S.A.	-	59.278	59.278	59.278	PERU	PEN
76.011.659-9	BANCO FALABELLA CORREDORES DE SEGUROS LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.112.525-7	SERVICIOS GENERALES PEÑALOLÉN LIMITADA	-	88.000	88.000	88.000	CHILE	CLP
76.112.533-8	SERVICIOS GENERALES SAN FELIPE LIMITADA	-	88.000	88.000	88.000	CHILE	CLP
76.112.537-0	SERVICIOS GENERALES VIÑA DEL MAR LIMITADA	-	88.000	88.000	88.000	CHILE	CLP
76.112.543-5	SERVICIOS GENERALES TALCA DOS LIMITADA	-	88.000	88.000	88.000	CHILE	CLP
76.112.548-6	SERVICIOS GENERALES LLOLLEO LIMITADA	-	88.000	88.000	88.000	CHILE	CLP
76.113.257-1	SERVICIOS GENERALES CORDILLERA LIMITADA	-	100.000	100.000	100.000	CHILE	CLP
0-E	SERVICIOS INFORMÁTICOS FALABELLA S.A. (PERÚ)	-	92.817	92.817	92.817	PERU	PEN
76.141.045-8	INVERSIONES INVERFAL COLOMBIA S. p A.	-	100.000	100.000	100.000	CHILE	CLP
76.141.046-6	INVERSIONES INVERFAL ARGENTINA S. p A.	-	100.000	100.000	100.000	CHILE	CLP
76.153.987-6	ADMYSER S. p A.	-	100.000	100.000	100.000	CHILE	CLP
76.153.976-0	CAPYSER S. p A.	-	100.000	100.000	100.000	CHILE	CLP
76.153.405-K	SEGUNDA INVERSIONES Y PRESTACIONES VENSER UNO LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.153.863-2	SEGUNDA INVERSIONES Y PRESTACIONES VENSER DOS LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.153.864-0	SEGUNDA INVERSIONES Y PRESTACIONES VENSER TRES LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.153.572-2	TERCERA INVERSIONES Y PRESTACIONES VENSER	-	100.000	100.000	100.000	CHILE	CLP

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



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

TAXPAYER ID	NAME OF SUBSIDIARY	PERCENTAGE OF INTEREST				COUNTRY OF ORIGIN	FUNCTIONAL CURRENCY
		12-31-13	12-31-13	12-31-13	12-31-12		
		DIRECT	INDIRECT	TOTAL	TOTAL		
		%	%	%	%		
	UNO LTDA.						
76.153.865-9	TERCERA INVERSIONES Y PRESTACIONES VENSER DOS LTDA.	-	100.000	100.000	100.000	CHILE	CLP
0-E	CENTRO COMERCIAL EL CASTILLO CARTEGENA S.A.S.	-	41.495	41.495	41.495	COLOMBIA	COL
0-E	MALL PLAZA COLOMBIA S.A.S.	-	59.278	59.278	59.278	COLOMBIA	COL
76.142.721-0	GIFT CORP. S. p A.	-	100.000	100.000	100.000	CHILE	CLP
76.149.373-6	DESRE S. p A.	-	-	-	100.000	CHILE	CLP
76.149.308-6	INVERSIONES BRASIL S. p A.	-	100.000	100.000	100.000	CHILE	CLP
76.154.299-0	SERVICIOS GENERALES RANCAGUA LTDA. SERVICIOS GENERALES SANTA MARTA DE HUECHURABA LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.154.491-8	INVERSIONES URUGUAY S. p A.	-	100.000	100.000	100.000	CHILE	CLP
76.159.664-0	INVERFAL URUGUAY S. p A.	-	100.000	100.000	100.000	CHILE	CLP
76.159.684-5	SERVICIOS GENERALES CALAMA CENTRO LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.166.215-5	COMPañÍA SAN JUAN S.A.C.	-	94.183	94.183	94.183	PERU	PEN
76.166.208-2	SERVICIOS GENERALES CALAMA MALL LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.169.826-5	SERVICIOS GENERALES COSTANERA LTDA	-	100.000	100.000	100.000	CHILE	CLP
76.308.853-7	NUEVA INVERFAL ARGENTINA S. p A.	-	100.000	100.000	100.000	CHILE	CLP
0-E	FALABELLA MÓVIL S. p A.	-	100.000	100.000	100.000	CHILE	CLP
76.167.965-1	SERVICIOS LOGÍSTICOS SODILOG LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.201.304-5	RENTAS HOTELERAS S. p A.	-	100.000	100.000	100.000	CHILE	CLP
0-E	CONTAC CENTER FALABELLA S.A.C.	-	92.818	92.818	92.818	PERU	PEN
0-E	OPEN PLAZA PUCALLPA S.A.C.	-	94.184	94.184	94.184	PERU	PEN
76.213.895-6	AGRÍCOLA Y COMERCIAL RÍO AVELLANOS S.A.	-	-	-	45.940	CHILE	CLP
76.212.895-0	SERVICIOS GENERALES BÍO-BÍO MALL LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.232.164-5	SERVICIOS GENERALES VICUÑA MACKENNA LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.232.178-5	SERVICIOS GENERALES MP TOBALABA LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.232.172-6	SERVICIOS GENERALES VITACURA LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.232.689-2	SERVICIOS GENERALES MAIPÚ LTDA.	-	100.000	100.000	100.000	CHILE	CLP
76.240.391-9	SERVICIOS GENERALES CHILLÁN LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.233.398-8	SERVICIOS GENERALES MP LOS ANGELES LTDA.	-	88.000	88.000	88.000	CHILE	CLP
76.254.205-6	SERVICIOS GENERALES RANCAGUA CENTRO LTDA.	-	88.000	88.000	88.000	CHILE	CLP
96.824.450-7	INMOBILIARIA MALL LAS AMÉRICAS S.A.	-	42.890	42.890	-	CHILE	CLP
76.231.579-3	INMOBILIARIA LOS TILOS S.A.	-	45.940	45.940	-	CHILE	CLP
76.318.636-9	SERVICIOS GENERALES MP EGAÑA LIMITADA	-	88.000	88.000	-	CHILE	CLP
76.337.217-0	SERVICIOS GENERALES QUILPUÉ DOS LIMITADA	-	88.000	88.000	-	CHILE	CLP
76.337.209-k	SERVICIOS GENERALES CON CON LIMITADA	-	88.000	88.000	-	CHILE	CLP
0-E	SERVICIOS GENERALES MP COPIAPO LIMITADA	-	88.000	88.000	-	CHILE	CLP
0-E	SERVICIOS GENERALES REÑACA LIMITADA	-	88.000	88.000	-	CHILE	CLP
76.318.627-k	SERVICIOS GENERALES RECOLETA LIMITADA	-	88.000	88.000	-	CHILE	CLP
76.349.709-7	SERVICIOS GENERALES OVALLE LIMITADA	-	88.000	88.000	-	CHILE	CLP
0-E	SHEARVAN COMMERCIAL (SHANGAI)	-	100.000	100.000	-	CHINA	CLP
76.283.127-9	SERVICIOS GENERALES PLAZA EGAÑA LIMITADA	-	100.000	100.000	-	CHILE	CLP
0-E	TOTTUS ORIENTE S.A.	-	94.183	94.183	-	PERU	PEN
0-E	SODIMAC ORIENTE S.A.	-	94.183	94.183	-	PERU	PEN
76.319.068-4	INVERSIONES DESREG S. p A.	-	100.000	100.000	-	CHILE	CLP
76.319.054-4	DESREG S. p A.	-	100.000	100.000	-	CHILE	CLP
0-E	FALABELLA BRASIL LTDA.	-	100.000	100.000	-	BRAZIL	BRL

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



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

TAXPAYER ID	NAME OF SUBSIDIARY	PERCENTAGE OF INTEREST				COUNTRY OF ORIGIN	FUNCTIONAL CURRENCY
		12-31-13	12-31-13	12-31-13	12-31-12		
		DIRECT	INDIRECT	TOTAL	TOTAL		
		%	%	%	%		
0-E	SODIMAC BRASIL LTDA.	-	100.000	100.000	-	BRAZIL	BRL
0-E	REMOV CORPORATION S.A.	-	100.000	100.000	-	URUGUAY	UYU
0-E	FASWOT S.A.	-	100.000	100.000	-	URUGUAY	UYU
76.335.739-2	INVERSIONES DESNNE S. p A.	-	100.000	100.000	-	CHILE	CLP
76.335.749-k	DESNNE S. p A.	-	100.000	100.000	-	CHILE	CLP
76.282.188-5	INVERFAL BRASIL S. p A.	-	100.000	100.000	-	CHILE	CLP
0-E	SAGA IQUITOS S.A.	-	89.002	89.002	-	PERU	PEN
0-E	SAGA ORIENTE S.A.	-	89.002	89.002	-	PERU	PEN
0-E	CONSTRUDECOR S.A.	-	50.100	50.100	-	BRAZIL	BRL
0-E	CONSTRUDECOR SERVICIOS LTDA.	-	50.100	50.100	-	BRAZIL	BRL
0-E	CONSTRUDECOR PROPERTIES LTDA.	-	50.100	50.100	-	BRAZIL	BRL
0-E	SEGUROS FALABELLA PRODUCTORES S.A.	-	99.999	99.999	-	ARGENTINA	ARS
76.327.526-4	SERVICIOS GENERALES ATACAMA LIMITADA	-	100.000	100.000	-	CHILE	CLP
76.327.698-8	SERVICIOS GENERALES LIMARÍ LIMITADA	-	100.000	100.000	-	CHILE	CLP
76.328.138-8	SERVICIOS GENERALES MP EL TRÉBOL DE TALCAHUANO LTDA.	-	88.000	88.000	-	CHILE	CLP
0-E	FALCOL S.A.	-	100.000	100.000	-	URUGUAY	CLP

Included in consolidation are the subsidiaries of subsidiaries in which the group has control, even when the final consolidated level represents less than 50% participation.

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

2.6. Conversion of foreign subsidiaries

As of the reporting date, the assets and liabilities of foreign subsidiaries 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 and the statement of income is converted at the average exchange rates of each month. Foreign currency translation arising from the conversion is recorded as Other Reserves as a separate component of equity. At the time of disposal of the foreign entity, the accumulated deferred amount recognized in equity in relation to this foreign operation in particular shall be recognized in the statement of income. Any goodwill arising from the acquisition of a foreign operation and any adjustment to fair value in the carrying amounts of assets and liabilities that arise from the acquisition are treated as assets and liabilities of the foreign operation in the functional currency of this entity and are converted to Chilean pesos at the closing date exchange rate.

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 taken to net income or losses with the exception of differences in liabilities in foreign currency that provide hedges for the net investment in a foreign entity and/or assets and liabilities in foreign currency 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, time at which they are recognized in net income or losses.

The exchange rates of foreign currencies and the Unidad de Fomento (an inflation-indexed, Chilean-peso monetary unit set daily in advance on the basis of the previous month's inflation rate) in respect to the Chilean peso as of December 31, 2013 and 2012 are detailed as follows:

	Dec 2013	Dec 2012
US Dollar	524.61	479.96
Peruvian Nuevo Sol	187.49	188.15
Argentinean Peso	80.49	97.70
Uruguayan Peso	24.41	25.19
Euros	724.30	634.45
Colombian Peso	0.27	0.27
Brazilian Real	222.71	234.98
Unidad de Fomento	23,309.56	22,840.75

2.8. Financial information by operating segment

Segment information is presented in accordance with IFRS 8 "Operating Segments", in a consistent manner 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 the operating segments. Income attributed to geographic regions is based on the location of the respective businesses. Information on assets, liabilities and income by segments is presented below. Note 35 presents the IFRS 8 information requirements in detail.

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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



Segment Information Non-banking business	Department stores Chile	Home improvement & building materials Chile	Supermarkets Chile	CMR Promoter Chile	Real estate Chile	Department stores Peru	Home improvement & building materials Peru	Supermarkets Peru	Other businesses & eliminations Peru	Department stores Argentina	CMR Argentina	Other businesses & eliminations Argentina	Department stores Colombia	Home improvement & building materials Brazil	Other businesses & eliminations Brazil	Other businesses & eliminations Colombia	Other businesses & eliminations Chile, eliminations intersegment	Total non- banking business
December 31, 2013																		
Total revenue from ordinary activities	1,235,664,404	1,731,803,570	535,674,576	296,715,212	257,522,838	485,125,560	286,936,340	476,299,579	16,256,375	456,379,557	51,565,641	(5,052,805)	316,092,888	100,631,745	-	14,326,595	(64,032,708)	6,195,572,167
Total operating costs	(670,691,923)	(1,219,403,306)	(405,671,870)	(147,959,749)	(63,073,363)	(341,573,516)	(207,149,868)	(359,510,657)	9,801,923	(269,806,566)	(27,854,420)	69,391	(229,314,917)	(67,642,724)	-	(2,360,851)	105,708,649	(4,096,442,787)
Non-banking financial income	7,375,622	4,849,183	4,805	2,164,644	3,047,141	127,068	93,548	313,974	31,413	289,022	-	-	231,697	1,567,389	46,844	14,858	(4,900,394)	13,196,811
Non-banking financial expenses	(4,030,443)	(3,628,559)	(1,170,687)	(3,284,060)	(51,102,833)	(4,570,459)	(2,097,527)	(4,506,174)	(4,124,406)	(6,874,076)	(12,153)	(4,612,639)	(811,548)	(302,377)	(183,409)	(24,846,406)	(22,355,796)	-
Total segment interest income, net	3,345,182	(4,577,416)	(1,165,882)	(1,119,416)	(48,055,694)	(4,443,391)	(2,041,979)	(4,192,200)	(4,092,953)	(6,585,054)	-	(12,165)	(4,380,942)	729,840	(255,533)	(168,554)	(29,752,800)	(107,158,965)
Total segment depreciation and amortization	(17,197,608)	(29,962,034)	(14,927,004)	-	(28,015,051)	(9,707,363)	(5,804,706)	(12,597,305)	(2,562,248)	(6,302,740)	(268,103)	(143,530)	(6,461,972)	(1,538,745)	-	(388,620)	(16,778,324)	(155,646,950)
Income before taxes	33,053,501	107,650,678	4,100,318	116,848,739	127,642,628	45,377,073	15,624,910	18,036,503	17,789,583	3,988,486	4,383,073	(122,344)	3,666,870	4,599,147	(348,743)	18,194,870	37,257,277	563,722,311
Total income tax income (expense)	(7,432,247)	(20,717,551)	(743,143)	(21,942,212)	(17,758,576)	(14,286,908)	(5,067,194)	(6,124,833)	(5,331,966)	(3,861,818)	(2,551,393)	(6,054)	(2,585,076)	(1,536,099)	-	(1,825,227)	(10,476,621)	(122,197,120)
Total profit (loss) for the reported segment	25,621,254	86,933,127	3,357,175	94,906,527	109,884,052	31,090,165	10,557,715	11,911,998	12,457,618	4,126,670	1,831,680	(128,398)	1,081,794	3,073,047	(348,742)	16,369,583	26,780,656	441,525,191
Total share of the entity in income of associates and joint ventures accounted for using the equity method	-	-	-	-	1,369,663	-	-	-	2,770,180	-	-	-	-	-	-	13,675,811	142,989	17,886,643
Current trade and other accounts receivable	30,047,861	135,264,917	4,164,712	876,115,741	54,297,856	3,846,457	4,075,241	5,516,475	4,671,067	21,834,170	142,911,385	263,980	4,733,726	37,830,443	-	3,671,556	27,883,124	1,361,212,730
Inventory	204,390,255	263,333,322	46,324,182	-	-	100,859,857	69,006,546	54,274,421	3,744	73,320,832	-	-	59,498,360	39,491,272	2,539	8,276,365	976,670,685	
Non-current rights receivable	-	341,518	-	156,433,306	16,928,903	161,293	-	1,528,972	-	6,263,553	-	-	-	-	-	(2,592,927)	178,054,630	
Property, plant and equipment	125,435,557	165,572,337	85,682,029	333,417	648,596,904	96,968,110	72,556,200	153,020,180	116,912,472	44,600,746	1,220,681	697,653	86,079,357	13,840,228	1,347,511	56,313,277	1,671,176,569	
Investment properties	-	-	-	-	1,910,846,500	-	-	-	18,859,816	-	-	-	-	-	-	-	(1,488,103)	1,928,660,213
Total segment assets	652,179,594	710,148,730	175,752,103	1,151,130,695	2,828,989,293	290,108,425	169,367,815	256,632,432	83,148,139	180,705,488	153,897,759	(22,104,340)	183,724,794	124,751,015	57,034,097	90,434,107	91,886,752	3,717,797,918
Total share of associates and joint ventures accounted for using the equity method	-	-	-	-	22,184,074	-	-	-	43,780,314	-	-	-	-	-	-	82,810,858	-	148,775,246
Other current financial liabilities	15,113,175	22,603,575	17,866	107,658,500	121,524,785	54,068,138	33,509,862	49,226,326	7,641,306	4,900,464	62,177,009	-	4,681,539	7,872,999	-	151,096,533	641,297,879	
Trade and other accounts payable	129,284,332	183,902,236	64,629,036	47,433,478	65,903,460	43,881,291	40,597,610	58,049,211	4,829,527	41,445,835	35,891,450	2,493,719	45,556,721	34,962,071	94,434	1,037,518	80,236,769	878,178,136
Other non-current financial liabilities	-	84,941,159	-	25,000,000	849,834,529	35,907,205	17,744,315	31,878,700	46,201,081	29,571,171	18,418,947	-	42,300,960	-	-	538,667,682	1,720,465,349	
Total segment liabilities	496,379,314	385,586,132	139,577,982	788,660,007	1,369,893,767	98,906,436	102,207,478	154,791,674	(41,688,407)	112,340,289	137,890,759	(18,142,581)	189,572,688	56,361,290	5,696,276	(367,424)	(200,066,664)	3,771,573,100
Disbursement of non-monetary segment assets, total segments	(46,873,162)	(43,657,711)	(33,698,654)	-	(289,957,663)	(17,253,896)	(33,041,265)	(44,653,071)	(7,670,639)	(13,014,427)	(751,208)	(251,439)	(6,119,462)	(608,929)	-	(1,819,303)	(43,605,144)	(986,186,507)
Operating cash flows of segments	21,354,415	143,969,484	30,283,515	80,621,433	197,400,834	8,516,068	9,096,307	28,941,475	5,759,982	2,742,078	(19,603,931)	(1,430,871)	8,112,109	(15,542,250)	(4,279)	1,790,586	(34,866,646)	480,141,908
Segment investment cash flows	(37,315,783)	(38,369,371)	(33,410,784)	2,362,449	(318,916,620)	(9,088,697)	(30,805,889)	(8,855,600)	(23,823,344)	(2,803,167)	(918,391)	1,468,015	(9,101,494)	417,551	(154,719,906)	(94,572)	174,107,143	(929,279,430)
Segment financing cash flows	1,086,655	(106,440,002)	(3,122,689)	(100,049,433)	178,108,549	297,834	24,212,470	17,749,258	30,155,869	2,846,132	21,846,068	(2)	6,850,141	37,678,749	155,867,709	-	(148,050,351)	120,038,897

Information segments Banking business	Banking business Chile	Banking business Peru	Banking business Colombia	Total banking business
December 31, 2013				
Banking interest and indexation revenue	194,953,521	109,893,591	61,467,168	366,314,280
Banking interest and indexation expenses	(70,660,288)	(30,962,184)	(11,302,865)	(112,945,337)
Banking fee revenue	24,097,891	35,685,765	31,153,667	90,937,323
Banking fee expenses	(6,439,343)	(3,729,873)	(5,344,668)	(22,513,884)
Total segment interest income, net	138,951,781	110,867,299	71,973,302	321,792,382
Total segment depreciation and amortization	(5,320,219)	(3,713,324)	(2,704,578)	(11,738,118)
Income before taxes	32,670,736	28,249,844	16,224,619	77,145,199
Total income tax income (expense)	(6,029,802)	(9,065,557)	(4,467,832)	(21,563,191)
Total profit (loss) for the reported segment	26,640,934	19,184,287	9,756,787	55,582,008
Total share of the entity in income of associates and joint ventures accounted for using the equity method	-	305,005	-	305,005
Cash and bank deposits (banks)	207,841,426	123,263,500	11,240,063	342,345,059
Instruments held for trading (banks)	76,808,000	-	6,276,118	83,084,118
Loans and accounts receivable from clients (banks)	1,153,949,217	439,500,849	293,180,151	1,886,630,217
Property, plant and equipment	15,578,765	10,825,481	9,770,844	36,175,090
Total segment assets	1,794,597,157	597,636,381	325,281,526	2,717,515,064
Total share of associates and joint ventures accounted for using the equity method	-	1,821,617	-	1,821,617
Deposits and other time deposits (banks)	1,041,514,645	326,024,230	135,070,577	1,502,609,452
Total segment liabilities	1,637,687,787	498,304,668	253,101,782	2,299,094,217
Disbursement of non-monetary segment assets, total segments	(8,095,728)	(7,155,464)	(4,052,652)	(19,303,844)
Segment operating cash flows	1,672,494	67,543,365	(4,336,122)	64,879,737
Segment investing cash flows	(8,236,611)	(15,376,950)	(34,802,284)	(58,415,845)
Segment financing cash flows	(18,880,853)	(23,261,056)	35,611,856	(6,530,053)

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

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



Information segments Non-banking business	Department Stores Chile	Home improvement & building materials Chile	Supermarkets Chile	CMR Promoter Chile	Real estate Chile	Department stores Peru	Home improvement & building materials Peru	Supermarkets Peru	Other Businesses & eliminations Peru	Department stores Argentina	CMR Argentina	Other Businesses & eliminations Argentina	Department stores Colombia	Other Businesses & eliminations Colombia	Other Businesses & eliminations Chile, eliminations intersegment	Total non-banking business
December 31, 2012																
Total revenue from ordinary activities	1,144,163,132	1,591,852,055	463,632,483	302,305,385	218,911,068	446,053,781	247,050,587	415,519,507	16,001,555	391,418,666	44,538,922	(4,178,494)	284,961,871	13,684,565	(57,320,252)	5,518,594,831
Total operating costs	(818,004,689)	(1,133,748,192)	(354,395,749)	(181,944,111)	(47,699,696)	(317,072,442)	(179,066,545)	(317,442,308)	8,694,958	(234,092,717)	(22,426,399)	(93,459)	(205,156,084)	(1,642,827)	107,859,277	(3,696,230,983)
Non-banking financial income	6,393,867	2,393,153	5,851	1,603,912	2,802,282	153,517	262,026	386,277	(131,942)	94,326	-	-	421,671	(118,731)	(6,413,412)	7,852,797
Non-banking financial expenses	(4,619,369)	(1,137,557)	(865,593)	(1,904,528)	(42,650,629)	(4,472,079)	(1,873,275)	(4,473,385)	(4,585,507)	(7,046,419)	-	(7,027)	(4,184,091)	(146,932)	(14,440,535)	(102,626,926)
Total segment interest income, net	1,774,498	(8,964,404)	(859,742)	(300,616)	(39,848,347)	(4,318,562)	(1,611,249)	(4,087,108)	(4,717,449)	(6,952,093)	-	(7,027)	(3,762,420)	(265,663)	(20,853,947)	(94,774,129)
Total segment depreciation and amortization	(14,515,914)	(25,057,957)	(12,528,378)	-	(24,457,575)	(9,432,016)	(4,953,484)	(10,896,379)	(2,493,263)	(6,532,681)	(189,728)	(171,916)	(5,486,111)	(2,671,331)	(12,909,711)	(132,298,464)
Income before taxes	35,633,075	103,844,178	57,409	73,019,912	115,090,770	36,216,836	14,868,541	15,400,006	14,501,512	6,863,404	5,122,265	(1,383,612)	(3,455,485)	30,616,621	52,714,443	498,109,875
Total income tax income (expense)	(7,612,406)	(19,203,831)	728,641	(12,471,545)	(48,972,912)	(12,270,987)	(4,621,251)	(5,076,944)	(4,121,343)	458,417	(1,703,366)	(3,121)	3,403,987	(5,164,114)	(10,767,993)	(127,398,768)
Total profit (loss) for the reported segment	28,020,669	84,640,347	786,050	60,548,367	66,117,858	23,945,849	10,247,289	10,323,061	10,380,171	7,321,821	3,418,899	(1,386,733)	(51,498)	25,452,507	41,946,450	371,711,107
Total share of the entity in income of associates and joint ventures accounted for using the equity method	-	-	-	-	882,452	-	-	-	1,736,121	-	-	-	-	16,954,820	512,601	20,085,694
Current trade and other accounts receivable	24,743,583	137,956,055	4,055,357	814,793,240	46,637,658	3,776,636	2,648,484	4,932,273	6,163,646	13,420,177	111,502,446	198,360	4,088,254	1,952,637	23,980,144	1,200,848,950
Inventory	144,792,337	290,076,446	31,986,736	-	-	80,024,503	53,408,863	36,311,126	4,917	69,921,153	-	-	51,359,614	799,250	3,707,695	762,392,640
Non-current rights receivable	-	260,996	-	158,516,143	14,741,006	-	141,137	-	2,583,219	-	5,303,833	-	-	-	3,333,745	184,880,079
Property, plant and equipment	106,617,753	161,171,860	71,371,141	333,417	592,779,991	89,256,391	39,672,384	123,214,361	106,838,174	49,988,584	1,016,075	679,053	86,861,667	5,825,755	42,777,024	1,478,403,630
Investment properties	-	-	-	-	1,735,810,821	-	-	-	16,351,008	-	-	-	-	-	(1,488,103)	1,750,673,726
Total segment assets	452,124,837	721,244,111	136,621,106	1,056,817,462	2,514,931,156	256,108,411	115,676,671	215,633,671	40,269,638	176,380,026	121,357,875	(11,121,494)	157,588,399	98,742,836	288,199,818	6,340,574,523
Total share of associates and joint ventures accounted for using the equity method	-	-	-	-	19,047,466	-	-	-	37,506,014	-	-	-	-	73,261,756	5,821,435	135,636,671
Other current financial liabilities	41,090,959	91,154,554	-	123,154,277	26,765,513	33,935,640	10,087,617	20,919,104	7,078,036	5,087,946	68,857,571	-	495,532	90,987	125,990,862	554,708,618
Trade and other accounts payable	130,661,142	190,754,845	55,367,712	30,038,406	56,604,453	45,359,877	27,962,517	48,538,295	3,108,393	40,644,179	20,916,337	2,414,291	28,950,458	17,089,387	64,668,094	763,078,386
Other non-current financial liabilities	-	27,961,008	-	181,968,091	765,229,089	34,077,985	15,402,827	34,499,635	45,817,390	25,366,598	3,556,047	-	36,499,634	4,125,519	273,853,352	1,448,357,175
Total segment liabilities	308,383,101	446,332,847	103,360,576	741,411,680	1,154,395,022	148,104,512	61,064,736	127,704,912	(74,284,744)	101,733,084	104,046,886	(6,454,418)	93,731,139	10,075,869	(63,066,766)	3,256,538,436
Disbursement of non-monetary segment assets, total segments	(33,919,020)	(72,229,746)	(23,448,139)	-	(237,661,848)	(14,304,576)	(5,578,075)	(33,246,103)	(7,252,124)	(16,414,348)	(741,082)	(144,862)	(17,206,898)	(1,649,701)	(25,954,834)	(489,751,356)
Segment operating cash flows	222,437,801	50,526,075	15,993,371	232,286,273	161,472,223	4,554,688	1,850,089	21,064,772	2,578,184	40,220,709	(14,601,641)	1,806,117	18,590,858	11,176,013	(167,886,869)	602,068,663
Segment investing cash flows	(114,243,154)	(68,609,879)	(23,225,386)	(4,753,905)	(331,814,748)	20,419,655	3,261,764	(25,825,386)	(57,778,399)	(18,653,700)	(686,975)	488,163	(17,141,235)	(661,398)	181,808,179	(457,416,404)
Segment financing cash flows	(89,830,724)	26,985,116	12,942,844	(229,688,555)	203,361,489	(24,641,848)	(5,930,594)	1,461,714	53,123,443	(11,916,391)	14,268,909	(2,276,182)	(1,944,076)	500,174	(13,469,793)	(67,054,474)

Information segments Banking business	Banking business Chile	Banking business Peru	Banking business Colombia	Total Banking business
December 31, 2012				
Banking interest and indexation revenue	170,359,533	98,790,048	59,386,501	328,536,082
Banking interest and indexation expenses	(63,653,074)	(29,438,644)	(14,352,226)	(107,443,944)
Banking fee revenue	18,536,168	33,144,574	27,859,293	79,540,035
Banking fee expenses	(6,406,372)	(3,298,675)	(8,037,672)	(17,742,719)
Total segment interest income, net	118,836,255	99,197,303	64,855,896	282,889,454
Total segment depreciation and amortization	(4,697,199)	(3,595,090)	(2,254,102)	(10,546,391)
Income before taxes	15,407,052	26,379,535	12,557,565	53,984,152
Total income tax income (expense)	(2,289,873)	(8,123,491)	(5,122,873)	(15,536,037)
Total profit (loss) for the reported segment	12,757,379	18,256,044	7,434,692	38,448,115
Total share of the entity in income of associates and joint ventures accounted for using the equity method	-	363,445	-	363,445
Cash and bank deposits (banks)	103,907,302	94,812,680	14,165,484	212,885,466
Instruments held for trading (banks)	264,032,310	-	13,975,521	278,007,831
Loans and accounts receivable from clients (banks)	1,040,205,488	404,559,570	268,066,169	1,712,831,227
Property, plant and equipment	18,683,072	8,522,589	7,726,576	34,932,237
Total segment assets	1,473,894,036	519,648,668	307,007,930	2,300,550,634
Total share of associates and joint ventures accounted for using the equity method	-	1,900,837	-	1,900,837
Deposits and other time deposits (banks)	825,109,097	256,534,256	116,368,566	1,198,011,919
Total segment liabilities	1,341,619,342	324,961,310	243,633,024	1,910,213,676
Disbursement of non-monetary segment assets, total segments	(10,037,883)	(4,934,915)	(4,365,510)	(19,338,308)
Segment operating cash flows	94,730,418	84,734,784	(36,588,575)	142,876,627
Segment investing cash flows	(10,029,866)	(2,520,663)	(16,443,359)	(29,393,888)
Segment financing cash flows	(16,483,752)	(67,661,028)	59,167,888	(24,976,892)

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

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 participation 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 associates 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 participation in the income of the associate. When there has been a change recognized directly in the associate’s equity, the Company recognizes its participation in that change and discloses it in the statement of changes in equity. The accounting policies of associates agree with those used by the Company.

2.10 Property, plant and equipment

Property, plant and equipment items are recorded at cost and are presented net of accumulated depreciation and impairment, except for land which is not depreciated.

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 they are located, when the Company is obligated to do it. 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 financial costs related to external financing accrued during the construction period. The interest rate used to capitalize financial costs is that corresponding to specific financing or, when not available, the Company’s average financing rate.

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

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

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

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

Category	Range
Land	-
Buildings	50 to 80 years
Exterior work	20 years
Furniture and supplies	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, buildings and installations, are depreciated over the term of the lease agreement or the estimated useful economic lives of the corresponding category, whichever is less.

The probable residual values of assets, their useful lives and depreciation methods are reviewed as of each statement of financial position date and adjusted if applicable as a retrospective change in estimate.

2.11. Investment properties

Investment properties are real estate (land and buildings) that are held by the Group to obtain economic benefits derived from their rental or to obtain capital appreciation by merely holding them and 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, 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 to investment properties, as well as the effects of depreciation and the treatment of asset write-offs are recorded in the same manner as the property, plant and equipment, described in point 2.10.

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

Category	Range
Land	-
Buildings	80 years
Exterior work – Finishes	20 - 30 years
Facilities	20 years
Machinery and equipment	5 - 8 years

Residual values of assets, their useful lives and depreciation methods are reviewed as of each statement of financial position date and adjusted prospectively if applicable as a change in estimate.

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

2.12. Goodwill

At date of transition to IFRS, the Company took the option to not restate any pre-transition business combinations, in line with what is allowed by IFRS 1.

After the adoption, goodwill represents the excess of the sum of:

- i) The value of the consideration transferred for the acquisition of an investment in a subsidiary or an associate
- ii) The amount of any non-controlling interest on the companies acquired is recorded at the fair value of the non-controlling interest;

over the fair value of the net identifiable assets as of the date of acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment loss.

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

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 in case there be indicators of a potential loss of value.

During 2013, the subsidiary Plaza S.A. acquired 74.64% of Inmobiliaria Mall Las Américas S.A., valuing the operation using the purchase method. The acquisition did not generate goodwill between the value paid and the net assets recognized in the acquisition of the subsidiary at fair value (see Note 40).

During 2013, through its subsidiaries, SACI Falabella acquired 50.1% of Construdecor Brasil, valuing the operation using the purchase method as per Note 40 Business Combinations.

The Company tests Goodwill impairment annually in accordance with IFRS, finding no impairment during the years 2013 and 2012.

2.13. Other 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 initial recognition, intangible assets are recorded at cost less any accumulated amortization and any accumulated impairment loss, if applicable. Intangible assets generated internally are software developed for the Company’s use. Costs associated to software development are capitalized when the completion of it development is considered possible, management has the intention and the capacity to use the intangible asset in question, or to sell it, disbursements attributable to the asset can be valued and it has been determined that the intangible asset will generate future economic benefits. Research costs are recognized directly in the income statement.



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

Useful lives of intangible assets are evaluated as finite or indefinite. Intangible assets with finite lives are amortized using the straight-line method over their estimated useful economic lives and their impairment is evaluated whenever there is an indication that the intangible asset might be impaired. The amortization period and method of an intangible asset with finite lives are reviewed as of each closing date. Changes resulting from these evaluations are treated prospectively as changes in 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 commercial trademarks do not expire, can be used and there is intention to use them in an indefinite manner, the Company has determined to allocate an indefinite useful life to them. If applicable, the change in evaluation of useful lives from indefinite to definite is made on a prospective basis.

The Company annually tests impairment of intangibles with indefinite useful lives 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 - 6 years
Patents, registered trademarks and other rights	5 - 10 years
Information programs	4 - 10 years
Other intangible assets	5 - 10 years

2.14. Impairment of non-current assets

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

2.15. Inventory

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

2.16. Assets classified as held for sale and discontinued operations

Non-current assets whose carrying amount will be recovered through a sale transaction rather than through continuing use are classified as held for sale and discontinued operations. This condition is regarded only when the sale is highly probable and the asset is immediately available for sale in its present condition.

These assets are measured at the lower of carrying amount and fair value less cost to sell.

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

On December 31, 2012 the total of assets presented under this heading are related to the subsidiary Plaza which meet the criteria above.

2.17. Financial instruments

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

2.17.1. Financial assets

2.17.1.1. Recognition, measurement and derecognition of financial assets

Financial assets within the scope of IAS 39 “Financial Instruments: Recognition and Measurement”, are classified upon initial recognition as financial assets at fair value through profit and loss, loans and accounts receivable, investments held to maturity or investments available for sale. Where allowed and appropriate, this designation is reevaluated as of each financial year-end. When financial instruments are initially recognized, they are measured at fair value and costs or gains directly attributable to the transaction are recognized directly 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 available for sale whose mark-to-market is recognized as a separate component of equity, net of applicable deferred taxes.

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.

2.17.1.2. Cash and cash equivalents

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

Operating activities: are activities that constitute the main source of ordinary income and expenses of businesses in subsidiaries, as well as activities that cannot be classified as from investing or financing.

Movements of operating activities are determined using the direct method.

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

Financing activities: activities that produce changes in the size and composition of net shareholders' equity and liabilities of a financial nature.

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

The statement of financial position includes balances of financial assets, loans, accounts receivable and cash equivalents that cover debt obligations maintained by the company on securitized portfolios. The Company cannot freely dispose of these balances since they are restricted to the payment of related obligations.

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

2.17.1.4. Impairment of financial assets

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

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

The Company evaluates whether there is objective evidence of impairment individually for financial assets that are individually significant or collectively for financial assets that are not individually significant. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively related to an event that occurs after recognition of revenue, 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 carrying amount of the asset does not exceed its amortized cost as of the reversal date.

2.17.2. Financial liabilities

2.17.2.1. Recognition, measurement and derecognition of financial liabilities

All obligations and loans with the public and with 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 income any higher or lower placement value on the term of the respective date using the effective interest rate method, unless they are designated items hedged in a fair value hedge.

The subsidiary Promotora CMR Falabella S.A. classifies, under the bank loans balance certain financial operations involving the transfer of receivables known as confirming contracts, which consist of obtaining advance bank financing backed by the receivables, with financial costs at market interest rates, consequently being classified under financial liabilities.

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

2.17.3. Financial derivatives and hedge instruments

The Company uses derivative financial instruments such as currency forward contracts and currency swaps to hedge its risks associated to 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 remeasured 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 to the statement of income.

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

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, as of the closing date of the statement of financial position there is a legal right to receive or pay the net value, and there is the intention of settling on a net basis or to realize the assets and settle the liabilities in a simultaneous manner.

2.18. Leases

Financial leases which transfer to the Company substantially all the risks and benefits inherent to ownership of the leased item, are capitalized at inception of the contract at the fair value of the asset, or the present value of minimum lease payments, whichever is lower. Financial lease assets are depreciated over the estimated economic lives of the asset or the term of the agreement if lower if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term, and are presented under property, plant and equipment in the statement of financial position.

Operating leases are those in which the lessor substantially retains all the risks and benefits inherent to ownership of the leased asset. Operating lease payments are recognized as expenses in the statement of income over the term of the contract, on a straight line basis over the term of the lease contract. Contingent rent is expensed in the period in which the payment is probable.

The Company has undertaken certain sales transactions with leaseback agreements, which qualify as financial leases. Profits or losses derived from the initial sale of the 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 at the present value if it is estimated that the discount effect is significant.

2.20. Minimum dividend

According to article 79 of Law 18,046, public companies 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 public companies in which there is a non-controlling interest. This liability is recorded in current trade and other accounts payable 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.

2.21. Defined employee benefits plans

The Company provides certain short-term benefits to its employees in addition to remunerations, such as bonuses, vacation and holiday bonuses. In addition, the Company operates certain defined benefits plans with some of its employees. The cost of providing benefits under defined benefits plans is determined separately for each plan using the projected credit unit method, in accordance with IAS 19 "Employee Benefits". Employee benefits 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 profits or losses related to experience adjustments and changes in assumptions are recognized as other comprehensive income and form part of other equity reserves.

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

2.22. Share-based compensation plans

The Company has implemented certain compensation plans for its executives involving the granting of call options on the shares of 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 Payment”.

The cost of benefits granted that will be settled through the providing of share options is recognized with a credit to other reserves in equity during the period in which the performance and/or conditions of service are vested, ending on the date in which the relevant employees are fully entitled to exercise the option. The charge or credit to the comprehensive statements of income is recorded in ‘administrative expenses’ in the entity where the executive provides the related services.

2.23. Revenue recognition

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

Sale of goods

Revenue from sale of goods is recognized when the significant risks and benefits of ownership of the goods has been transferred to the purchaser, which generally occurs at the time of physical delivery of the goods.

Services provided (includes fees from bank services)

Revenue is recognized in accordance with the stage of completion method. When the results of contracts cannot be reliably measured, revenue is recognized only to the extent that expenses incurred are recoverable.

Financial revenue

Financial revenue related to the Financial Services business is recognized to the extent that interest is accrued using the effective interest rate method.

The Company stops recognizing financial revenue when it considers that its recoverability is improbable, which generally occurs when it is 90 days overdue.

Lease revenue

Lease income is recognized in function of accrual criteria, except for the minimum lease payments arising from investment property’s lease, which are recognized using the straight-line method over the term of the lease agreement.

2.24. Cost of sales

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

Cost of sales also includes financial costs and impairment losses on the receivable loans portfolio related to our Financial Services business and the depreciation cost of the Group’s investment properties.

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

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

For bank subsidiaries costs include interest and indexation expenses and fees expenses in addition to credit risk provisions, which are presented on separate lines in the bank services section of the statement of comprehensive income.

2.25. Income taxes

2.25.1. Income taxes

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

2.25.2. Deferred taxes

Deferred taxes are calculated on temporary differences as of the date of the statement of financial position between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized on all deductible temporary differences, including tax losses to the extent that it is probable that there will be taxable net income against which deductible temporary differences and the unused tax credits and tax loss carry forwards can be recovered.

The carrying amount of deferred tax assets is reviewed as of the date of the statement of financial position and reduced to the extent that it is no longer probable that there will be sufficient taxable net income available to allow the use of all or part of the deferred tax asset. Deferred taxes related to items recorded directly in shareholders' equity is 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 tax entity and the same tax authority.

2.26. 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 sub section 2.23 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 received at the beginning in the issuance of lease agreements on the Group's investment properties. In addition, the portion of the sale associated to the subsequent delivery of products in customer loyalty programs is recognized as deferred income. Deferred income from customer loyalty programs is recognized at the market value of the benefits provided to customers, adjusted by their historical expiration experience. Deferred income is presented under "Other non-financial liabilities" in the statement of financial position.

2.27. Use of estimates, judgment and key assumptions

Key assumptions with respect to the future and other key sources of uncertainty in estimates as of the date of the statement of financial position, which have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are discussed below:

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

Useful lives and residual values of intangibles, property, plant and equipment and investment properties

Determination of the useful lives and residual values of the components of intangibles with defined useful lives, property, plant and equipment and investment properties involve judgment and assumptions that might be affected should circumstances change. Management reviews these assumptions periodically and adjusts them on a prospective basis if a change is identified.

Impairment of goodwill and intangibles with indefinite useful lives

The Company annually determines whether goodwill and intangible assets with indefinite useful lives are impaired. This test requires an estimate of the 'value in use' of cash generating units to which goodwill and intangibles with indefinite useful lives are associated. The value in use estimate requires that management make an estimate of future expected cash flows of the cash generating unit (or group of CGUs) and in addition chose 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 it is probable that there will be taxable net income against which the losses can be used and whether there are sufficient taxable temporary differences that can absorb them. The use of significant judgment is required on the part of management to determine the value of deferred tax assets that can be recognized, on the basis of the probable timeliness and level of projected taxable net income.

Employee benefits

The cost of employee benefits that qualify as defined benefit plans in accordance with IAS 19 "Employee Benefits" is determined 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 that would be received for selling an asset or the price paid for transferring a liability in an orderly transaction between market participants on the date of measurement (exit price). When measuring fair value the Company considers the characteristics of the asset or liability in the same manner in which market participants would take them into account to establish the price of that 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.

The assets and liabilities measured at fair value in the statement of financial position, are derivative instruments. In addition, the notes to the financial statements disclose the fair value of investment properties (Note 15) and the market value of financial liabilities (Note 33). For these concepts, fair value is determined through the application of the following hierarchies:

Level 1: Quoted price (unadjusted) in an active market for identical assets and liabilities

Level 2: Inputs other than the quoted prices included in Level 1 and which are observable for assets and liabilities, whether directly (i.e. as price) or indirectly (i.e. derived from a price)

Level 3: Inputs for assets or liabilities that are not based on observable market information (non-observable inputs).



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

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

Share-based payments

The Company determines the fair value of share options provided to their executives. That value is estimated as of the date of granting using a binomial prices model, taking into consideration the terms and conditions under which the instruments were granted.

Loan provisions

The Company records provisions on its doubtful collection loans in accordance with the requirements of IAS 39. The provision is calculated on the basis of estimates of losses incurred derived from the incapacity of clients to make contractual payments on the loans granted. The estimate of losses incurred is calculated using historical statistics on payment and default behavior, adjusted by the circumstances of the markets where the Group operates, if applicable. The cash flows expected to be received are discounted at the present value at the original rate.

Inventory Obsolescence

The Company records inventory obsolescence provisions based on the particular characteristics of each inventory item based on their rotation levels. This provision is reviewed at each accounting close.

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 in a certain period of time. 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 Programmes”. The market value of the points granted is recorded as deferred income, adjusted by the estimated rate of non-exchange due to expiration of the benefit. The estimated rate of non-exchange is determined using historical data on expiration of unused points.

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

2.28 New accounting pronouncements (IFRS and Interpretations of the IFRS Interpretations Committee)

IFRS improvements and amendments, as well as the interpretations that have been published in the period are detailed below. As of the date of these financial statements, these standards are not in force yet and the Company has not adopted them early:

New Standards		Mandatory date of application
IFRS 9	Financial Instruments: Classification and Measurement	January 1, 2015
IFRS 10	Consolidated Financial Statements	January 1, 2013
IFRS 11	Joint Agreements	January 1, 2013
IFRS 12	Disclosure of Interest in Other Entities	January 1, 2013
IFRS 13	Fair value Measurement	January 1, 2013

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

IFRS 9 “Financial Instruments”

This Standard introduces new requirements for the classification and measurement of financial assets. Early application is allowed. It requires that all financial assets be classified wholly on the basis of the entity’s business model for management of financial assets and the characteristics of the contractual cash flows of the financial assets. Financial assets under this standard are measured either at amortized cost or fair value. Only financial assets that are classified as measured at amortized cost must be tested for impairment. Their application is effective for annual periods beginning on or after January 1, 2015, early adoption is allowed.

The Company has evaluated the impact from the application of the mentioned standard, concluding that it will not significantly affect the financial statements.

IFRS 10 “Consolidated Financial Statements” / IAS 27 “Separate Financial Statements”

This Standard will replace the portion of IAS 27 *Separate and Consolidated Financial Statements* which deals with accounting for consolidated financial statements. In addition it includes matters treated in SIC 12 *Special Purpose Entities*. IFRS 10 establishes a single control model that applies to all entities (including special purpose entities or structured entities). The changes introduced by IFRS 10 will significantly require management to exercise professional judgment in the determination of which entity is controlled and which must be consolidated, compared to the requirements of IAS 27.

The Company evaluated the impact that the above mentioned standard could generate, concluding that it will not significantly affect the financial statements.

IFRIC 21 “Levies”

IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets that was issued in May 2013. IAS 37 establishes the criteria for recognizing a liability, one of which is the requirement that the entity must have a present obligation as a result of a past event. The interpretation clarifies that this past event that originates the payment obligation of a levy is the activity described in the relevant legislation that triggers payment of the levy. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014.

The Company is still evaluating the impact that the mentioned standard could generate.

	Improvements and Amendments	Date of mandatory application
IFRS 10	Consolidated Financial Statements	January 1, 2014
IFRS 12	Disclosure of Interest in Other Entities	January 1, 2014
IAS 27	Separate Financial Statements	January 1, 2014
IAS 32	Financial Instruments: Presentation	January 1, 2014
IAS 36	Impairment of Assets	January 1, 2014
IAS 39	Financial Instruments : Recognition and Measurement	January 1, 2014
IAS 19	Employee Benefits	July 1, 2014
IAS 40	Investment Property	July 1, 2014
IFRS 3	Business Combination	July 1, 2014

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

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

IFRS 10 “Consolidated Financial Statements”, IFRS 12 “Disclosure of Interests in Other Entities”, IAS 27 “Separate Financial Statements”

Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 27 *Separate Financial Statements* originate from proposals of the Standards Project on Investment Entities published in August 2011. The amendments define an investment entity and introduce an exception to consolidate certain subsidiaries belonging to investment entities. These amendments require that an investment entity record these subsidiaries at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments* in its consolidated and separate financial statements. The amendments also introduce new requirements on disclosure of information related to investment entities in IFRS 12 and IAS 27. Entities are required to apply amendments to annual periods commencing as of January 1, 2014. Early application is allowed.

The Company evaluated the impact that the above mentioned standard could generate concluding that it will not significantly affect the financial statements.

IAS 32 “Financial Instruments: Presentation”

The amendments to IAS 32 issued in December 2011 are aimed to clarifying the differences in the application related to offsetting balances and thus reducing the level of diversity in current practices. The standard is applicable as of January 1, 2014 and its early adoption is allowed.

The Company evaluated the impact that the mentioned standard could generate concluding that it will not significantly affect the financial statements.

IAS 36 “Impairment of Assets”

Amendments to IAS 36, issued in May 2013, are aimed at the disclosure of information on the recoverable amount of impaired assets, if this amount is based on fair value less disposal costs. These amendments must be applied retrospectively for annual periods commencing on or after January 1, 2014. Early application is allowed when the entity has already applied IFRS 13.

The Company evaluated the impact that the mentioned standard could generate concluding that it will not significantly affect the financial statements.

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

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

IAS 39 “Financial Instruments: Recognition and Measurement”

The amendments to IAS 39, issued in June 2013, provide an exception to the requirement to suspend hedge accounting in situations in which over the counter derivatives designated in hedge relationships are directly or indirectly novated to a central counterparty, as a consequence of laws or regulations or the introduction of laws or regulations. Entities are required to apply the amendments to annual periods commencing as of January 1, 2014. Early application is allowed.

The Company evaluated the impact of the application of the above mentioned standard concluding that it will not significantly affect the financial statements.

IAS 19 “Employee Benefits”

Amendments to IAS 19, issued in November 2013, are applicable to the contributions of employees or third parties to defined benefits plans. The purpose of the amendments is to simplify the accounting for contributions that are independent of the years of service of the employee. For example, contributions of employees that are calculated based on a fixed percentage of the salary. Amendments are applicable as of July 1, 2014. Early application is allowed.

The Company evaluated the impact of the application of the above mentioned standard concluding that it will not significantly affect the financial statements.

IAS 40 “Investment Properties”

“Annual Improvements cycle 2011–2013”, issued in December 2013, clarifies that judgment is required to determine whether the acquisition of an investment property is an asset, a group of assets or a business combination within the scope of IFRS 3 Business Combinations and that this judgment is based on the guidelines of IFRS 3 Business Combinations. In addition the IASB concludes that IFRS 3 Business Combinations and IAS 40 Investment Properties are not mutually exclusive and judgment is required to determine whether the transaction is only an acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination that includes an investment property. Amendments are applicable as of July 1, 2014. Early application is allowed.

The Company evaluated the impact of the application of the above mentioned standard concluding that it will not significantly affect the financial statements.

IFRS 3 “Business Combinations”

“Annual Improvements cycle 2010–2012”, issued in December 2013, clarifies certain aspects of the accounting for contingent considerations in a business combination. The IASB notes that IFRS 3 Business Combinations requires that the subsequent measurement of a contingent consideration must be at fair value, and therefore eliminates references to IAS 37 Provisions, Contingent Liabilities and Contingent Assets or other IFRS that potentially have another basis of valuation that does not constitute fair value. Reference is made to IFRS 9 Financial Instruments; however, it modifies IFRS 9 Financial Instruments, clarifying that a contingent consideration, whether it is a financial asset or liability, is measured at fair value through profit or loss or other comprehensive income, depending on the requirements of IFRS 9 Financial Instruments. Amendments are applicable as of July 1, 2014. Early application is allowed.

The Company evaluated the impact of the application of the above mentioned standard concluding that it will not significantly affect the financial statements.

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

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

Note 3 – Cash and Cash Equivalents

Consolidated cash and cash equivalents are detailed as follows:

	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Total consolidated cash and cash equivalents	647,689,942	568,305,938
a) Cash and cash equivalents – Non-banking Business	275,536,508	196,689,992
b) Cash and cash equivalents - banking Services	372,153,434	371,615,946

a) Cash and cash equivalents – Non-banking Business are detailed as follows:

Classes of cash equivalents	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Cash	31,149,468	45,477,564
Bank balances	88,824,315	92,953,444
Time deposits	140,985,508	49,672,565
Repurchase agreements	14,577,217	-
Money market securities	-	8,586,419
Total	275,536,508	196,689,992

Cash and cash equivalents by currency – Non-banking Business are detailed as follows:

Currency	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Chilean pesos	165,470,015	136,965,891
US dollars	16,838,886	8,866,826
Euros	245,783	573,178
Argentinean pesos	5,278,978	12,481,399
Peruvian new soles	38,530,249	16,891,045
Colombian pesos	26,044,067	20,911,653
Yen	201,386	-
Uruguayan Pesos	48,674	-
Brazilian Reales	22,878,470	-
Total	275,536,508	196,689,992

b) Cash and cash equivalents for Banking Services are detailed as follows:

Classes of cash and cash equivalents	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Cash	104,017,469	98,332,983
Bank balances	177,585,338	81,780,438
Time deposits	60,742,252	32,772,045
Subtotal	342,345,059	212,885,466
Money market securities ⁽¹⁾	37,773,534	155,588,301
Transactions with settlement in process, net ⁽²⁾	(7,965,159)	3,142,179
Total	372,153,434	371,615,946



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

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

Information on cash and cash equivalents by currency for Banking Services

Currency	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Chilean pesos	232,077,776	261,322,183
US dollars	26,631,527	11,501,925
Peruvian new soles	102,204,048	84,626,353
Colombian pesos	11,240,083	14,165,485
Total	372,153,434	371,615,946

(1) Corresponds mainly to deposits and funds managed by third parties maturing in less than 90 days. The difference produced with the statement of position line “instruments held for trading” corresponds to financial instruments of Banco Falabella Chile, maturing in more than 90 days for the amount of ThCh\$ 45,310,584 to December 31, 2013 and ThCh\$ 122,419,530 to December 31, 2012.

(2) Presents net difference between asset and liability operations.



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

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

Note 4 – Other Current Financial Assets

a) This includes the following current financial assets of the Non-banking Business.

Non-banking Business

Detail of Other current financial assets	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Held for Trading		
Shares	346	346
Derivative instruments (non-hedge)	2,998,234	1,923,753
Mutual funds	3,443,872	11,435,783
Restricted funds	2,656,161	2,697,652
Collections in transit	26,934,971	25,565,686
Reserve for collections in transit (1)	(20,748,539)	(20,748,539)
Other current financial assets	15,285,045	20,874,681
Hedge assets	15,807,338	7,340,501
Total	31,092,383	28,215,182

The Company takes positions in derivative financial instruments with counterparties that have a minimum level of risk rating and which are subject to credit analysis before entering into any operation. Those analyses are required on the basis of internal procedures established by the Company.

The types of derivative instruments entered into by the Company contain valuation inputs that are observable in the market.

Instruments used correspond to currency swaps and currency forward contracts, interest rate and/or inflation. The Company has valuation models which are applied to determine the market value of the derivatives. The valuation methodology used includes price models using present value calculations. Those models require market financial data for their calculation and are obtained through public and private access information platforms. The information required for the calculation mainly includes spot and forward exchange rates and interest rate curves.

(1) In April 2012, the subsidiary Promotora CMR Falabella S.A. noticed that Cuentas Punto Com S.A., a company controlled by CB Capales S.A., unduly appropriated ThCh\$ 20,748,539 in payments received in the Internet website "miscuentas.com".

Considering the financial situation of the controlling group of Cuentas Punto Com S.A., and consistent with the policies and practices that are regular for the Group, the Board of Promotora CMR Falabella S.A. decided to record a reserve for the 100% of the unduly appropriated collections in transit. It should be noted that clients of Promotora CMR Falabella S.A., were never affected by the described situation, since the payments made by them through the service organization Cuentas Punto Com S.A., were credited in a timely manner by CMR in their accounts.



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

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

Note 5 – Other Current Non-financial Assets

Other current non-financial assets for the Non-banking Business are detailed as follows:

Non-banking Business

Detail of other current non-financial assets	Dec-31-2013	Dec-31-12
	Current ThCh\$	Current ThCh\$
Advertising Contracts	1,425,305	2,393,706
Prepaid rent	5,565,653	3,120,587
VAT	49,468,723	34,458,363
Software maintenance contract	2,574,231	1,957,967
Prepaid Insurance	3,560,836	7,828,867
Other	4,641,116	5,710,297
Other Current Non-financial Assets	67,235,864	55,469,787

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

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

Note 6 – Consolidated Trade Accounts Receivable

The Company's net trade accounts receivable are detailed as follows:

	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
a) Non-banking Business		
Current trade and other accounts receivable	1,361,212,730	1,200,848,950
Non-current receivables	178,064,620	184,880,079
b) Banking Services		
Loans and accounts receivable from clients	1,886,630,217	1,712,831,227
Total	3,425,907,567	3,098,560,256

a) Current trade and other accounts receivable and non-current receivables are detailed as follows:

Non-banking Business

	Current		Non-current	
	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Trade accounts receivable	203,393,692	181,506,656	12,752,034	9,447,541
Allowance for doubtful accounts	(7,332,513)	(5,983,335)	-	-
Subtotal Trade Accounts Receivable, net	196,061,179	175,523,321	12,752,034	9,447,541
Notes receivable	97,973,742	63,508,681	2,150,734	1,915,447
Allowance for doubtful accounts	(6,380,427)	(6,949,425)	(236,228)	(630,697)
Subtotal Notes Receivable, net	91,593,315	56,559,256	1,914,506	1,284,750
Miscellaneous receivables	64,366,655	55,707,789	2,421,020	3,229,984
Allowance for doubtful accounts	(1,758,045)	(1,784,456)	-	-
Subtotal Miscellaneous Receivables, net	62,608,610	53,923,333	2,421,020	3,229,984
Financial accounts receivable	1,050,638,054	963,035,247	162,258,412	172,661,862
Allowance for doubtful accounts	(39,688,428)	(48,192,207)	(1,281,352)	(1,744,058)
Subtotal Financial Accounts Receivable, net	1,010,949,626	914,843,040	160,977,060	170,917,804
Total Trade and Other Accounts Receivable	1,361,212,730	1,200,848,950	178,064,620	184,880,079

Due to the financial services line of business, there are no real guarantees associated to accounts receivable, except for car loans which have an associated pledge.

Renegotiations are part of the credit strategy and allow for the regularization of debts, mainly for clients that are overdue due to a circumstantial event and who express a desire to pay, which is guaranteed through the requirement of a payment on the account prior to the regularization. As of December 31, 2013 the percentage of renegotiated loans is 4.33% and 5.41% as of December 31, 2012 of the total financial accounts receivable.



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

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

The composition of Loans and accounts receivable and due from banks for Banking Services is detailed as follows:

BankingServices

	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Loans and accounts receivable from clients	1,988,779,376	1,803,750,711
Allowance for doubtful accounts	(102,149,159)	(90,919,484)
Subtotal Loans and Accounts Receivable Clients, net	1,886,630,217	1,712,831,227
Due from banks	-	-
Total Financial Accounts Receivable	1,886,630,217	1,712,831,227

The main types of 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 on financial operations.



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

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

b) Current financial accounts receivable and their allowances by category within current trade and other accounts receivable are detailed as follows:

Non-banking business

Current financial accounts receivable (net)	Assets before allowances		Allowances established		Total, net	
	Dec-31-13	Dec-31-12	Dec-31-13	Dec-31-12	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Consumer loans	988,730	5,081,489	(221,463)	(530,109)	767,267	4,551,380
Credit card receivables	1,049,649,324	957,953,758	(39,466,965)	(47,662,098)	1,010,182,359	910,291,660
Total Current Financial A/R (net)	1,050,638,054	963,035,247	(39,688,428)	(48,192,207)	1,010,949,626	914,843,040

c) Non-current financial accounts receivable and their allowances by category, within non-current rights receivable are detailed as follows:

Non-banking Business

Non-current financial A/R (net)	Assets before allowances		Allowances established		Total, net	
	Dec-31-13	Dec-31-12	Dec-31-13	Dec-31-12	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Credit card receivables	162,258,412	172,661,862	(1,281,352)	(1,744,058)	160,977,060	170,917,804
Total Non-current Financial A/R (net)	162,258,412	172,661,862	(1,281,352)	(1,744,058)	160,977,060	170,917,804



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

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

- d) Loans and accounts receivable and their allowances by category, within loans and accounts receivable from clients and due to banks for bank services are detailed as follows:

Bank Services

Loans and accounts receivable from clients	Assets before allowances		Allowances established		Total, net	
	Dec-31-12	Dec-31-11	Dec-31-12	Dec-31-11	Dec-31-12	Dec-31-11
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Commercial loans	89,098,426	83,159,887	(1,117,233)	(270,688)	87,981,193	82,889,199
Mortgages	366,603,003	336,308,735	(1,555,866)	(1,672,809)	365,047,137	334,635,926
Consumer loans	843,693,646	755,476,384	(50,783,468)	(44,145,392)	792,910,178	711,330,992
Credit card receivables	689,384,301	628,805,705	(48,692,592)	(44,830,595)	640,691,709	583,975,110
Total Loans and A/R from Clients	1,988,779,376	1,803,750,711	(102,149,159)	(90,919,484)	1,886,630,217	1,712,831,227

- e) Maturity Analysis

As of each year-end the aging analysis of trade and other current accounts receivable and non-current receivables is detailed as follows:

Non-banking Business

	Total	Neither overdue nor impaired	Overdue				
			<30 days	30-60 days	60-90 days	90-120 days	>120 days
Dec-31-12	1,451,013,207	1,190,404,976	140,591,472	43,120,854	20,191,358	14,400,167	42,304,380
Dec-31-13	1,595,954,343	1,387,396,521	106,631,244	40,453,664	18,010,582	12,564,968	30,897,364



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

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

As of each year-end, the analysis of loans and accounts receivable and owed from banks to clients by age for Banking Services is detailed as follows:

Banking Services

	Total	Neither overdue nor impaired	< 30 days	30-60 days	Overdue 60-90 days	90-120 days	>120 days
Dec-31-12	1,803,750,711	1,668,331,025	18,645,037	21,303,433	20,305,704	67,293,790	7,871,722
Dec-31-13	1,988,779,376	1,853,836,206	17,873,980	18,528,519	18,310,541	71,211,876	9,018,254

The group uses models (for example Behavior Scoring) to classify the risk of each client. Depending on the actions taken in the portfolio, different scoring groups are used. In addition there are ongoing reviews of the client portfolio in respect to behavior situations (i.e. returned checks and delinquency).



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

(Translation of a report originally issued in Spanish – see Note 2.1)

f) Credit risk policies, allowances and write-offs

f.1) Financial accounts receivable credit policies

The policies presented below are those that the Company considers most adequate and were designed to ensure sustainable development of the business. That is why they are flexible in order to be able to modify them in case of different financial market dynamics scenarios that might occur.

The information presented below corresponds to the business of credit cards issued by CMR Promotora S.A. Chile, CMR Argentina and Patrimonio Autónomo Peru.

f.1.1) CMR Falabella Card

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

a. As a means of payment of goods and services at stores and affiliated entities and automatic payment of accounts.

The holder of a CMR Falabella card and the additional cards authorized by him/her can make purchases, pay for services or enter into automatic payment of accounts at the commercial establishments affiliated with CMR, such as Falabella, Sodimac, Tottus, Copec, Mc Donalds, Fasa, Cruz Verde, etc. Clients that have a CMR Falabella Visa card have the same previously mentioned ways to use the card, and are able to access a broader commercial network, considering that the affiliation of stores is carried out by Transbank or Visa International.

b. To draw cash advances.

The client can use his/her CMR Falabella card to take cash advances at cashiers in commercial establishments especially enabled for that purpose, in the network of Red F and Redbanc ATM and through electronic transfers where the money is deposited directly into the account indicated by the client. This has certain limitations to the amounts depending on the places the cash is dispensed and based on the risk models applied to the clients.

The types of cards are as follows:

- i) CMR Falabella card Agreed Installments: In this system, for each operation the client chooses the number of installments in which they wish to pay from 1 to 48 months. Purchase terms in months are related to the type of asset acquired or the type of service paid. It is thus for example that for clothing, supermarket and fuel purchases terms do not exceed 12 months. When dealing with goods rated as “durable”, the terms can reach up to 48 months. In payment of accounts for basic services, insurance charges and contributions to charitable institutions charged as an automatic payment of accounts, there is no payment by installments and 100% of these amounts must be paid during the month. There is also a deferred payment mode that consists of beginning to pay on the following month after the next or following, which the client can request directly at the cashiers of enabled stores where they are using their CMR Falabella card. For this type of card, the interest rate applied is that current at the time of the purchase, which is informed to the client in the CMR Falabella Internet site and in all the CMR offices. This rate is fixed for the entire term agreed for the payment. Likewise, the interest rate, number of installments, value of the installment and the date of the first payment are recorded in the voucher signed by the client and in the control copy provided to the client.



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

(Translation of a report originally issued in Spanish – see Note 2.1)

- ii) CMR Falabella card and CMR Falabella Visa Saldo Refundido (revolving): In this system, the client can purchase with or without installments and upon 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 the world.

In Chile the general conditions to be a client are: to be a Chilean citizen or foreigner with permanent residency, be more than 18 years old, with a stable address, minimum income (which can vary but is always higher than the minimum legal salary) and with no record of returned documents or default.

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 with an evaluation structure and goes through different stages such as verification of information, credit check, application of the "application score" model (mathematical model based on the available variables of the applicant of the card, which provides a risk score and credit limit based on income). Finally on the basis of all the previously mentioned information the credit evaluators approve, reject or ask for more information from the applicant.

The client, holder of the CMR Falabella credit card is assigned an initial limit which is distributed among the aforementioned manners of use, based on the income and risks of each client. The limits assigned are reported monthly in the account statement. The Company does not distinguish, for credit granting purposes, between the commercial facilities where the CMR Falabella credit card will be used.

Regarding limits increases, to the extent that the client fulfills their payment commitments and demonstrates good external behavior, the initial limit granted can be increased at the client's request at any CMR Falabella office in the country or through the Call Center or Internet channels. The limit can also be increased through an offer made by the Company to the client, who can accept or reject it at will. The specific parameters for assigning and increasing limits are reserved Company information, but the Company tries to maintain a balance between the usage needs of the clients and their real payment possibilities, which are given by their income and their compliance information in the financial market. The individual financial evaluation to determine the increase in the limit of each client uses a "behavior score", mathematical model that on the basis of the client's variables and fundamental analysis of their internal behavior with the Company, assigns a score that is considered by the evaluator that increases the limit.

In addition to the mentioned modes of use, clients holders of the CMR Falabella credit card, can access the "super advance" product which is offered monthly to the portfolio of clients with good internal and external credit behavior. Installments on this loan are charged against the limit assigned to purchases and are 100% payable in the minimum monthly payment.

Every month on the billing date the Company sends an account statement to the address specified by the client, which reflects all the movements of the card, the amounts used, amounts available in the different use modes, and the amount payable in the next due dates. The account statements are also available on the CMR Internet site, where the client through the use of passwords provided can access the account statement and all information on interest rates, promotions, among other. The days of the month that the clients can choose to pay are on the 5th, 10th, 15th, 20th, 25th and 30th of the month. The places enabled to receive payment of the account statements are cashiers at CMR Falabella, cashiers at Falabella stores, cashiers at Sodimac, cashiers at Tottus, in addition to electronic means in Internet payment portals.



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

(Translation of a report originally issued in Spanish – see Note 2.1)

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

The Company also has a Call Center service where the client can make all types of inquiries regarding their account or the modes of use and where clients can also report the loss or misplacement of their card. The latter service is available 24 hours a day, 7 days a week, 365 days a year.

In Argentina the general conditions to become a client are: must be a citizen of the country or foreigner with permanent residency, be more than 21 years old and less than 75 years old, have minimum income (2,500 Argentinean pesos, net) and no checks returned or defaulted. Employment seniority of more than 1 year is required.

Regarding increased credit limits, to the extent that the client fulfills their payment commitments and demonstrates good external behavior, the initial limit can be increased if: the client has had the card more than 6 months, the account situation is at zero, there has been no refinancing during the last year, with no renegotiations in the last 6 months and no negative affectations in the financial system.

The individual financial evaluation to determine the increase in credit limit for each client is performed using "behavior score", a mathematical model which on the basis of the client's variables and fundamental analysis of their internal behavior with the Company, assigns a score that is considered by the evaluator that increases the limit.

In addition to the mentioned usage modes, clients holders of the CMR Falabella credit card, can access the "super advance" product, which is offered monthly to the portfolio of clients with good internal and external credit behavior.

The cards are kept operative as long as the client is up to date on card payments. Operation authorizations are handled by a centralized computer system that verifies that the payment of the account is up to date, and that the amount of the operation is within the authorized limit.

In Peru the general conditions to be a client are: minimum age of 22 and maximum of 68, minimum wage (480 Soles) and no negative information in risk centers. Employment seniority of 6 months is required.

The individual financial evaluation to determine the increase in the credit limit of each client is carried out using the "behavior score", mathematical model which on the basis of the client's variables and fundamental analysis of their internal behavior with the Company, assigns a score that is considered by the evaluator that increases the limit.

In addition to the mentioned usage modes, clients holders of the CMR Falabella credit card, can access the "super advance" product, which is offered monthly to the portfolio of clients with good internal and external credit behavior.

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

(Translation of a report originally issued in Spanish – see Note 2.1)

f.1.2) Renegotiations

Corresponds to the change in the debt structure for accounts that are 1 day overdue and up to before write-off (at 6 months overdue). After 6 months overdue, when the account is written-off, no renegotiations are performed.

To perform these operations the following conditions must be met:

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

In cases i) and ii), to perform a second operation of this type, it is necessary to have effectively paid an additional amount to what has been effectively paid in the previous operation.

There is no minimum period between operations of this type, nor a maximum number of renegotiations, because the mandatory payments on account constitute a risk limitation.

Renegotiations as part of the business policy, allow partial recovery of credit by requiring a percentage of payment of the total debt. Clients with riskier credit behavior remain however with their account blocked to new transactions at least for six months, until the successive payment of obligations is proven.

f.1.3) Refinancing

We define refinancing as the change in structure of the debt for accounts that are up to date. They do not require mandatory payment on the account and to carry out the second operation of the same type requires that a percentage of the previous operation has been effectively paid. There is no time limitation between refinancing or maximum number.

f.1.4) Allowances

The Company records an allowance for doubtful accounts on loans based on the requirements of IAS 39. The provision is calculated based on the estimate of losses incurred derived from the incapacity of clients to make contractual payments on loans granted. The estimate of losses incurred is calculated using historical payment and default historical statistics, adjusted by the circumstances of the market where the Company operates, if applicable.

In accordance with the above, the Company uses set factors for each annual period, which can be modified at the beginning of each new year or in an interim manner if fluctuations are relevant. The Company makes a mobile monthly calculation, in order to monitor changes in market circumstances that determine an advanced adjustment of the calculation factors of the provision by tranche.



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

(Translation of a report originally issued in Spanish – see Note 2.1)

The methodology for calculating provisions consists on applying certain factors of loans distributed by days overdue. The factors were determined based on the history of write-offs and recoveries.

According to what has been requested by the SVS, the Company has prepared a table showing the average loss of the renegotiated and not renegotiated portfolio in a separate manner as follows:

Promotora CMR

Overdue	Portfolio Dec-13 % of average loss	
	Non-renegotiated	Renegotiated
Up to date	0.61%	4.00%
1 to 30 days	5.22%	10.44%
31 to 60 days	18.89%	18.46%
61 a 90 days	38.24%	30.48%
91 to 120 days	65.60%	50.54%
121 to 150 days	74.54%	59.54%
151 to 180 days	91.46%	80.22%

CMR Argentina

Overdue	Portfolio Dec-13 % average loss	
	Non-renegotiated	Renegotiated
Up to date	0.33%	6.12%
1 to 30 days	2.03%	12.78%
31 to 60 days	15.05%	26.47%
61 to 90 days	37.02%	37.82%
91 to 120 days	65.20%	52.27%
121 to 150 days	91.93%	72.27%
151 to 180 days	99.97%	84.79%

The consolidated portfolio provision model, calculates provision factors in a separate manner, both for the renegotiated and no renegotiated portfolio. The consolidated renegotiated portfolio represents 4.33% of the total portfolio as of December 2013, which corresponds to ThCh\$ 52,520,296.

f.1.5) Write-offs

Loans receivable are written off between 150 to 180 days overdue after the due date.

Recovery of write-offs goes through different collections actions that are entrusted to specialized collection companies, which occupy means such as telephone, letters, collectors in the field, and judicial processes.

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

(Translation of a report originally issued in Spanish – see Note 2.1)

f.1.6) Provision, write-offs and recoveries ratio (consolidated)

Promotora CMR and Soluciones Crediticias

	Dec-13 ThCh\$	Dec-12 ThCh\$
Total non-renegotiated portfolio provision	30,602,457	38,892,823
Total renegotiated portfolio provision	7,786,695	8,079,371
Total write-offs for the year	85,665,327	97,171,193
Total recoveries for the year	32,206,603	24,439,735

CMR Argentina

	Dec-13 ThCh\$	Dec-12 ThCh\$
Total non-renegotiated portfolio provision	2,273,978	2,436,572
Total renegotiated portfolio provision	306,650	395,488
Total write-offs for the year	3,674,925	4,410,886
Total recoveries for the year	963,999	790,424

Patrimonio Autonomo Peru

	Dec-13 ThCh\$	Dec-12 ThCh\$
Total non-renegotiated portfolio provision	-	123,460
Total renegotiated portfolio provision	-	8,554
Total write-offs for the year	-	27,892
Total recoveries for the year	-	-

f.1.7) Average ranges and terms

Average operation ranges and terms are detailed as follows:

	Range of terms	Average term Chile	Average term Argentina	Average term Perú
Purchases	1 to 36	3.8	7.33	4.48
Cash advances	1 to 48	23.3	7.66	9.30
Renegotiations (renegotiations for CMR)	1 to 36	14.9	14.86	0.00
Refinancing	1 to 36	24.8	-	-

f.1.8) Total refinanced amounts receivable

Promotora CMR

	Dec-13 ThCh\$	Dec-12 M\$
Total amount of refinanced receivables	16,465,059	13,174,178
% of refinanced receivables on non-renegotiated portfolio	1.63%	1.39%
No. of refinanced receivables	16,302	12,241
% refinanced receivables over non-renegotiated receivables	0.75%	0.57%

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



(Translation of a report originally issued in Spanish – see Note 2.1)

f.2) Stratification of portfolio

f.2.1) Stratification of total portfolio

As of December 31, 2013

Promotora CMR and Soluciones Crediticias

Overdue	No. of clients non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh\$	No. clients renegotiated portfolio	Gross renegotiated portfolio ThCh\$	Total gross portfolio ThCh\$
Up to date	1,966,856	931,649,257	52,648	30,005,881	961,655,138
1 to 30 days	96,833	33,862,587	9,854	5,754,412	39,616,999
31 to 60 days	37,660	16,492,218	7,923	5,380,784	21,873,002
61 to 90 days	21,654	10,445,272	5,323	3,419,009	13,864,281
91 to 120 days	14,917	7,059,071	3,424	2,360,067	9,419,138
121 to 150 days	13,272	6,968,016	2,925	2,114,802	9,082,818
151 to 180 days	12,267	6,817,074	2,487	1,879,855	8,696,929
Total	2,163,459	1,013,293,495	84,584	50,914,810	1,064,208,305

CMR Argentina

Overdue	No. of clients non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh\$	No. clients renegotiated portfolio	Gross renegotiated portfolio ThCh\$	Total gross portfolio ThCh\$
Up to date	1,214,879	127,470,016	4,158	822,672	128,292,688
1 to 30 days	61,484	15,645,568	1,254	302,572	15,948,140
31 to 60 days	8,939	1,966,110	551	157,675	2,123,785
61 to 90 days	3,567	874,502	407	127,084	1,001,586
91 to 120 days	2,214	554,227	282	91,523	645,750
121 to 150 days	1,422	343,930	213	64,997	408,927
151 to 180 days	960	228,322	121	38,963	267,285
Total	1,293,465	147,082,675	6,986	1,605,486	148,688,161

f.2.2) Stratification of securitized portfolio

As of December 31, 2013

Promotora CMR

As of December 31, 2013 the Company does not present a Securitised Portfolio, since on September 2, 2013 the rest of the Series "A" Securitised Bonds were amortized. Up to that date the Company recognized the assets and liabilities involved in the issuance of the securitized bond by BCI Securitizadora S.A. supported by the CMR Falabella portfolio, since it substantially retained all the risks and benefits of this debt instrument issuance. The Company managed the securitized portfolio and presented it in its total financial accounts receivable, applying the same criteria for classification and determination of the allowance for doubtful accounts.

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

(Translation of a report originally issued in Spanish – see Note 2.1)

f.2.2) Stratification of securitized portfolio

As of December 31, 2013

CMR Argentina

Overdue	No. of clients non-renegotiated portfolio	Gross non-renegotiated portfolio	No. clients renegotiated portfolio	Gross renegotiated portfolio	Total portfolio
		ThCh\$		ThCh\$	
Up to date	231,207	27,023,117	-	-	27,023,117
1 to 30 days	31,087	3,148,787	-	-	3,148,787
31 to 60 days	4,449	441,405	-	-	441,405
61 to 90 days	1,929	195,402	-	-	195,402
91 to 120 days	1,148	100,681	-	-	100,681
121 to 150 days	669	54,430	-	-	54,430
151 to 180 days	385	30,101	-	-	30,101
Total	270,874	30,993,923	-	-	30,993,923

f.3) Number of cards

Promotora CMR

	Dec-13	Dec-12
Total cards issued to holders	3,732,706	3,621,306
Total cards with balance	2,247,160	2,236,673
Monthly Average No. of renegotiations	7,049	8,032

CMR Argentina

	Dec-13	Dec-12
Total cards issued to holders	1,300,451	1,067,150
Total cards with balance	560,551	529,600
Monthly Average No. of renegotiations	507	744

Patrimonio Autónomo Perú

	Dec-13	Dec-12
Total cards issued to holders	-	5,527
Total cards with balance	-	5,527
Monthly Average No. of renegotiations	-	1,001

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

(Translation of a report originally issued in Spanish – see Note 2.1)

f.4) Risk indexes

Promotora CMR and Soluciones Crediticias

	% Reserve/Non-renegotiated portfolio	% Reserve/Renegotiated portfolio	% Reserve/Portfolio Total
Risk index Dec-13	3.02%	15.29%	3.61%

CMR Argentina

	% Reserve/Non-renegotiated portfolio	% Reserve/Renegotiated portfolio	% Reserve/Portfolio Total
Risk index Dec-13	1.55%	19.10%	1.74%

Promotora CMR y Soluciones Crediticias

	% Write-off/Total Portfolio
Risk index Dec-13	8.05%

CMR Argentina

	% Write-off/Total Portfolio
Risk index Dec-13	2.47%

f.5) Financial accounts receivable that are not overdue correspond to clients from different socioeconomic groups that are up to date on their credit obligations. This portfolio has a 99% chance of recovery, and therefore the associated risk is significantly low. The Company establishes an allowance for doubtful accounts for clients that are up to date, which represents the probability of default and statistical impairment of this portfolio.

g) Changes in the Allowance for doubtful accounts

The following table shows the annual evolution of the Company's uncollectibles portfolio impairment of the Non-banking Business:

Non-banking Business

Changes in allowance for doubtful accounts- Trade and other accounts receivable	Separate impairment		Group impairment		Total ThCh\$
	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$	
Balance as of January 1, 2013	14,717,216	630,697	48,192,207	1,744,058	65,284,178
Expense for the year	12,491,165	-	193,029,418	1,020,848	206,541,431
Amount used (less)	(4,503,056)	(394,469)	(201,479,589)	(1,483,554)	(207,860,668)
Reversal of unused amounts	(7,131,378)	-	(53,608)	-	(7,184,986)
Conversion adjustment	(102,962)	-	-	-	(102,962)
Balances as of December 31, 2013	15,470,985	236,228	39,688,428	1,281,352	56,676,993
Balance as of January 1, 2012	15,498,162	1,037,386	41,803,196	1,235,399	59,574,143
Expense for the year	8,241,940	40,286	266,380,325	2,435,201	277,097,752
Amount used (less)	(5,397,330)	-	(259,985,280)	(1,926,542)	(267,309,152)
Reversal of unused amounts	(3,535,101)	(446,975)	-	-	(3,982,076)
Conversion adjustment	(90,455)	-	(6,034)	-	(96,489)
Balance as of December 31, 2012	14,717,216	630,697	48,192,207	1,744,058	65,284,178

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

(Translation of a report originally issued in Spanish – see Note 2.1)

The following table shows the annual evolution of the impairment allowances of the uncollectibles portfolio for bank services:

Bank services:

Changes in allowance for doubtful accounts- trade and other accounts receivable	Group impairment ThCh\$
Balance as of January 1, 2013	90,919,484
Expense for the year	111,898,600
Amount used (less)	(33,706,983)
Reversal of unused amounts	(66,961,942)
Balance as of December 31, 2013	102,149,159
Balance as of January 1, 2012	68,469,231
Expense for the year	116,057,628
Amount used (less)	(125,935)
Reversal of unused amounts	(93,481,440)
Balance as of December 31, 2012	90,919,484

The Company is not exposed to risks associated to credit concentrations. This situation is explained mainly by atomization of the client portfolio of S.A.C.I. Falabella and its subsidiaries as of December 31, 2013 and 2012.

The Company has certain financial assets as guarantee of compliance with banking and non-banking obligations with the public, in such a manner that the group's associated cash flows must be destined only to liquidating the respective obligations as of December 31, 2013. This amount is ThCh\$30,993,923 and as of December 31, 2012 the amount is ThCh\$184,664,529.

h) Estimate of uncollectible trade accounts receivable, notes receivable and miscellaneous receivables.

The Company establishes allowances on overdue debts depending on the type of debt whether they are documented or not, with a range that varies from 30 days of default for undocumented up to 120 days of default for documented.

The estimation of uncollectibles is calculated grouping receivables and in addition there is an individual analysis of important cases or when there is knowledge of additional risks.

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



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

Note 7 – Accounts Receivable from and Payable to Related Parties

a) Notes and accounts receivable

Company Taxpayer No.	Company Name	Country of Origin	Nature of Relationship	Current		Non-current		Type of Currency
				Dec-31-13 ThCh\$	Dec-31-12 ThCh\$	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$	
0-E	SODIMAC COLOMBIA S.A.	COLOMBIA	ASSOCIATE	1,993,955	1,244,655	-	-	COL
0-E	AVENTURA PLAZA S.A.	PERU	ASSOCIATE	721,564	367,405	-	-	PEN
0-E	OTRAS SOCIEDADES	CHILE	RELATED DIRECTOR	281,678	74,224	-	-	CLP
82995700-0	DERCOCENTER S.A.	CHILE	RELATED DIRECTOR	160,370	114,260	-	-	CLP
77693700-2	INVERSIONES E INMOBILIARIA MONTE DE ASÍS LTDA.	CHILE	RELATED DIRECTOR	153,310	47,255	-	152,885	CLP
94141000-6	DERCO S.A.	CHILE	RELATED DIRECTOR	126,163	23,076	-	-	CLP
78057000-8	SOTRASER S.A.	CHILE	RELATED DIRECTOR	64,213	17,682	-	-	CLP
79952350-7	RED TELEVISIVA MEGAVISIÓN S.A.	CHILE	RELATED DIRECTOR	35,579	136,334	-	-	CLP
76762740-8	SOC. COMERCIALIZADORA DE REPUESTOS S.A.	CHILE	RELATED DIRECTOR	27,808	23,579	-	-	CLP
96545450-0	DERCOMAQ S.A.	CHILE	RELATED DIRECTOR	17,841	18,787	-	-	CLP
96955560-3	HALDEMAN MINING COMPANY S.A.	CHILE	RELATED DIRECTOR	13,344	21,445	-	-	CLP
79757460-0	AGRÍCOLA ANCALI LTDA.	CHILE	RELATED DIRECTOR	6,638	10,654	-	-	CLP
93061000-3	INDUSTRIA AUTOMOTRIZ FRANCOMECÁNICA S.A.	CHILE	RELATED DIRECTOR	6,129	12,385	-	-	CLP
76177760-2	MEGEVE CONSULTING S.A.	CHILE	RELATED DIRECTOR	251	27,842	-	-	CLP
TOTAL				3,608,843	2,139,583		152,885	

As of December 31, 2013, the Company has evaluated the recoverability of accounts receivable from related parties. As a product of this evaluation no probability of non-compliance has been identified and therefore no allowance for doubtful accounts has been recorded.

b) Notes and accounts payable

Company Taxpayer No.	Company Name	Country of Origin	Nature of Relationship	Current		Non-current		Type of Currency
				Dec-31-13 ThCh\$	Dec-31-12 ThCh\$	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$	
94141000-6	DERCO S.A.	CHILE	RELATED DIRECTOR	1,383,482	1,406,712	-	-	CLP
0-E	AVENTURA PLAZA S.A.	PERU	ASSOCIATE	751,562	698,628	340,547	-	PEN
78057000-8	SOTRASER S.A.	CHILE	RELATED DIRECTOR	237,126	183,142	-	-	CLP
0-E	OTHER COMPANIES	CHILE	RELATED DIRECTOR	234,248	313,091	-	-	CLP
77693700-2	INVERSIONES E INMOBILIARIA MONTE DE ASIS LTDA.	CHILE	RELATED DIRECTOR	171,852	-	-	-	CLP
95848480-0	DERCOMAQ S.A.	CHILE	RELATED DIRECTOR	150,627	259	-	-	CLP
95946000-0	SOCIEDAD INMOBILIARIA SAN BERNARDO S.A.	CHILE	RELATED DIRECTOR	149,554	142,783	-	-	CLP
82995700-0	DERCOCENTER S.A.	CHILE	RELATED DIRECTOR	6,048	4	-	-	CLP
96812780-2	FRIOPAC S.A.	CHILE	RELATED DIRECTOR	5,393	6,084	-	-	CLP
96577470-K	ITALMOD S.A.	CHILE	ASSOCIATE	-	395,858	-	-	CLP
TOTAL				3,089,892	3,146,561	340,547	-	

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



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

c) The effects of transactions with non-consolidated related parties for the year ended December 31, 2013 and December 31, 2012 are detailed as follows:

Taxpayer No.	Company	Relationship	Country	Type of transaction	Dec-31-13		Dec-31-12	
					Amount ThCh\$	Effect on	Amount ThCh\$	Effect on
						income ThCh\$		income ThCh\$
						(Charge)/Credit		(Charge)/Credit
0-E	AVENTURA PLAZA S.A.	ASSOCIATE	PERU	RENT AND COMMON EXPENSES	6,832,977	(5,826,591)	4,865,545	(4,175,322)
0-E	AVENTURA PLAZA S.A.	ASSOCIATE	PERU	SALE OF PRODUCTS	626,297	620,879	322,301	310,065
96938840-5	BLUE EXPRESS S.A.	RELATED DIRECTOR	CHILE	FREIGHT, DISPATCH AND DISTRIBUTIONS	928,856	(780,601)	752,511	(632,362)
96550660-8	CONSTRUCTORA SANTA MARIA S.A.	COMMON SHAREHOLDERS	CHILE	SALE OF PRODUCTS	21,214	17,827	188,727	158,594
94141000-6	DERCO S.A.	COMMON SHAREHOLDERS	CHILE	PRODUCT PURCHASES	10,898,036	-	10,874,406	-
94141000-6	DERCO S.A.	COMMON SHAREHOLDERS	CHILE	TRANSPORTATION SERVICES	319,863	268,793	230,642	193,816
94141000-6	DERCO S.A.	COMMON SHAREHOLDERS	CHILE	SALE OF PRODUCTS	153,254	128,785	122,469	102,915
94141000-6	DERCO S.A.	COMMON SHAREHOLDERS	CHILE	RENT AND COMMON EXPENSES	176,395	148,231	148,670	124,933
94141000-6	DERCO S.A.	COMMON SHAREHOLDERS	CHILE	RENT AND COMMON EXPENSES	50,804	45,918	32,699	27,478
82995700-0	DERCOCENTER S.A.	COMMON SHAREHOLDERS	CHILE	RENT AND COMMON EXPENSES	1,747,631	1,468,597	1,649,967	1,388,106
96545450-0	DERCOMAQ S.A.	COMMON SHAREHOLDERS	CHILE	MAINTENANCE MACHINERY/EQUIPMENTS	3,734,643	(3,138,486)	3,202,870	(2,690,596)
96545450-0	DERCOMAQ S.A.	COMMON SHAREHOLDERS	CHILE	SALE OF PRODUCTS	93,922	86,710	33,412	28,078
96955560-3	HALDEMAN MINING COMPANY S.A.	RELATED DIRECTOR	CHILE	SALE OF PRODUCTS	39,032	32,800	51,224	43,045
77693700-2	INVERSIONES E INMOBILIARIA MONTE DE ASIS LTDA.	COMMON OWNERS	CHILE	RENT AND COMMON EXPENSES	2,126,694	(1,659,082)	1,969,936	(1,691,519)
77693970-6	INVERSIONES E INMOBILIARIA SAN FRANCISCO DE EL MONTE LTDA.	COMMON OWNERS	CHILE	RENT AND COMMON EXPENSES	977,783	(752,511)	863,885	(739,147)
78391700-9	INMOBILIARIA E INVERSIONES SANTA CLARA LTDA.	RELATED DIRECTOR	CHILE	RENT AND COMMON EXPENSES	3,876,352	(3,257,439)	3,630,201	(3,050,589)
96577470-K	ITALMOD S.A.	ASSOCIATE	CHILE	PRODUCT PURCHASES	402,616	(346,259)	1,616,204	(1,494,625)
96577470-K	ITALMOD S.A.	ASSOCIATE	CHILE	RENT AND COMMON EXPENSES	398,623	-	910,954	-
96577470-K	ITALMOD S.A.	ASSOCIATE	CHILE	PROMOTIONS	285,992	240,330	646,674	543,425
96577470-K	ITALMOD S.A.	ASSOCIATE	CHILE	PROMOTIONS	8,736	7,341	39,878	34,100
77072500-3	SOCIEDAD DE RENTAS COMERCIALES	COMMON OWNERS	CHILE	RENT AND COMMON EXPENSES	2,007,828	(1,852,653)	2,144,999	(1,946,210)
95946000-0	SOCIEDAD INMOBILIARIA SAN BERNARDO S.A.	COMMON SHAREHOLDERS	CHILE	RENT AND COMMON EXPENSES	1,718,423	(1,351,718)	1,482,027	(1,268,198)
0-E	SODIMAC COLOMBIA S.A.	ASSOCIATE	COLOMBIA	COMPUTER SERVICES	2,091,772	2,091,772	2,022,093	2,022,093
0-E	SODIMAC COLOMBIA S.A.	ASSOCIATE	COLOMBIA	SALE OF PRODUCTS	1,126,723	1,126,723	1,361,649	1,361,649
78057000-8	SOTRASER S.A.	RELATED DIRECTOR	CHILE	PRODUCT PURCHASES	1,675,861	(1,408,286)	1,140,021	(957,832)
78057000-8	SOTRASER S.A.	RELATED DIRECTOR	CHILE	TRANSPORTATION SERVICES	1,745,567	-	1,019,970	-
78057000-8	SOTRASER S.A.	RELATED DIRECTOR	CHILE	SALE OF PRODUCTS	120,458	105,792	66,092	58,196



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

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

d) Key management personnel:

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

	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Remuneration received by management	3,169,841	2,610,804
Directors' fees	317,754	311,604
Stock options	368,298	333,021



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

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

Note 8 – Inventory

Inventories are detailed as follows:

Description	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Raw materials	2,666,665	2,015,697
Products for sale	780,379,388	645,365,471
Work in progress	1,441,266	1,202,918
Materials, containers and spare parts	3,953,982	2,730,029
Merchandise in transit	128,229,384	111,078,525
Total Inventory	916,670,685	762,392,640

During the period ended as of December 31, 2013, the Company recognized ThCh\$ 3,952,196,605 in inventory as cost of sales (ThCh\$ 3,539,170,904 as of December 31, 2012).

In addition, by concept of shortage, net realizable value and obsolescence, provisions of ThCh\$ 46,037,215 were recognized in income during 2013 (ThCh\$ 40,684,252 during 2012).

The company has no guaranteed inventory that should be disclosed as of December 31, 2013 and 2012.

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



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

Note 9 – Current Tax Assets and Liabilities for Non-banking Business and Banking Services

Current tax assets, Non-banking Business are detailed as follows

	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Prepaid monthly tax installments (income tax net balance)	14,944,379	16,977,095
Additional prepaid monthly tax installments	4,217,778	3,471,688
Tax credits for absorption of past taxable income	2,362,764	891,807
Recoverable taxes	19,032,860	20,108,575
Arica property taxes	1,365,457	3,519,091
Other taxes receivable	600,433	282,629
Total	42,523,671	45,250,885

Current tax assets - Banking Services are detailed as follows

	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Prepaid monthly tax installments (income tax net balance)	288,608	1,747,961
Total	288,608	1,747,961

Current tax liabilities - Non-banking Business are detailed as follows

	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Current income tax provision net of prepaid monthly tax installments paid	13,239,551	9,657,945
35% tax deductible expenses provision (non deductible expenses)	7,089	2,902
Prepaid monthly tax installments payable	4,991,792	4,718,563
Stamp tax	318,725	345,156
Other taxes payable	334,694	511,889
Total	18,891,851	15,236,455

Current tax liabilities - Banking Services are detailed as follows

	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Current income tax provision net of prepaid monthly tax installments paid	3,846,203	1,991,446
Total	3,846,203	1,991,446

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

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

Note 10 – Current and Deferred Income Taxes

- a) Income tax expense/income as of December 31, 2013 and 2012 for Non-banking Business and Banking Services are composed as follows:

Non-banking Business

Income tax	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Current tax expense (tax provision)	117,726,130	101,629,190
Tax expense adjustment (previous year)	2,003,071	1,564,856
Tax benefit from tax losses	(3,334,526)	(2,461,184)
Total current tax expenses, net	116,394,675	100,732,862
Deferred tax expense (income) related to temporary differences	390,465	(148,602)
Tax expense (benefit) from tax losses	5,411,980	(3,681,393)
Deferred tax expense (income) related to changes in the tax rate or new rates ⁽¹⁾	-	30,495,901
Total deferred tax expense (income), net	5,802,445	26,665,906
Total	122,197,120	127,398,768

Banking Services

Income tax	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Current tax expense (tax provision)	24,479,551	18,493,341
Tax expense adjustment (previous year)	201,279	(63,803)
Total current tax expenses, net	24,680,830	18,429,538
Deferred tax expense (income) related to temporary differences	(3,117,839)	(2,893,501)
Total deferred tax expense (income), net	(3,117,839)	(2,893,501)
Total	21,562,991	15,536,037



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

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

- b) The reconciliation of the income tax expense or income at the statutory rate in respect to the effective rate as of December 31, 2013 and 2012 is detailed as follows:

Non-banking Business

Income before taxes at the legal tax rate in Chile (20%)	As of December 31, 2013		As of December 31, 2012	
	ThCh\$	%	ThCh\$	%
INCOME BEFORE TAXES AT THE LEGAL TAX RATE IN CHILE (20%)	112,744,462	20.00	99,821,975	20.00
Effect of the tax rate of other jurisdictions (effect of local rate vs Chile rate)	15,191,941	2.69	11,917,350	2.39
Effect of non-taxable income on the tax rate	(3,597,729)	(0.64)	(4,017,139)	(0.80)
Effect of non-deductible expenses on the tax rate	7,267,507	1.29	3,604,207	0.72
Effect of the use of tax losses	(3,334,526)	(0.59)	(2,461,184)	(0.49)
Effect of tax provisioned in deficit (excess) in a previous period	2,003,071	0.36	1,564,856	0.31
Net taxable price-level restatement	(4,200,533)	(0.75)	(4,110,164)	(0.82)
Other increases (decreases)	(3,877,074)	(0.69)	21,078,867	4.22
TOTAL ADJUSTMENTS TO THE LEGAL TAX RATE	9,452,657	1.68	27,576,793	5.53
INCOME TAX EXPENSE FOR THE YEAR	122,197,120	21.68	127,398,768	25.53
EFFECTIVE TAX RATE		21.68		25.53

Banking Services

Income before taxes at the legal tax rate in Chile (20%)	As of December 31, 2013		As of December 31, 2012	
	ThCh\$	%	ThCh\$	%
INCOME BEFORE TAXES AT THE LEGAL TAX RATE IN CHILE (20%)	15,429,040	20.00	10,796,830	20.00
Effect of the tax rate of other jurisdictions (effect of local rate vs Chile rate)	6,171,279	8.00	5,322,492	9.86
Effect of non-taxable income on the tax rate	(61,001)	(0.08)	(72,689)	(0.13)
Effect of non-deductible expenses on the tax rate	234,678	0.30	47,019	0.09
Effect of tax provisioned in excess in a previous period	201,279	0.26	(63,803)	(0.12)
Net taxable price-level restatement	(714,272)	(0.93)	(556,225)	(1.03)
Other increases	301,988	0.39	62,413	0.12
TOTAL ADJUSTMENTS TO THE LEGAL TAX RATE	6,133,951	7.95	4,739,207	8.78
INCOME TAX EXPENSE FOR THE YEAR	21,562,991	27.95	15,536,037	28.78
EFFECTIVE TAX RATE		27.95		28.78

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



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

b) Deferred tax balances by category of difference with the tax books are detailed as follows:

Non-banking Business

Concepts - Statement of Financial Position	As of December 31, 2013		As of December 31, 2012	
	Deferred asset	Deferred liability	Deferred asset	Deferred liability
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Leased assets	1,621,585	5,176,720	1,417,532	4,245,386
Amortization of intangibles	641,818	19,772,082	262,801	19,573,010
Property, plant and equipment valuation difference	-	239,785,194	-	242,804,066
Inventory valuation differences	2,611,334	-	3,356,075	-
Capitalized prepaid expenses	-	1,660,481	-	772,073
Termination benefits	2,404,449	-	1,890,656	-
Deferred income	8,267,678	-	7,063,122	-
Tax loss carry forward	18,267,828	-	22,038,980	-
Allowance for doubtful accounts	13,104,047	-	14,944,876	-
Obsolescence provision	2,305,659	-	1,818,411	-
Realization provision	4,938,048	-	4,217,870	-
Vacation accrual	5,130,989	-	5,178,138	-
Employee benefits allowance	1,860,284	-	2,544,592	-
Expenses payable allowance	4,149,708	-	4,149,708	-
Other provisions	7,631,180	-	5,950,899	-
Overdue portfolio allowance	-	4,016,472	-	-
Derivative instruments	-	559,110	-	1,115,058
Recoverable insurance claims	-	555,185	-	1,559,499
Other	-	2,614,857	-	2,569,861
Total	72,934,607	274,140,101	74,833,660	272,638,953
Net balance		201,205,494		197,805,293

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



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

Banking Services

Concepts - Statement of Financial Position	As of December 31, 2013		As of December 31, 2012	
	Deferred asset	Deferred liability	Deferred asset	Deferred liability
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Amortization of intangibles	-	1,038,607	-	1,304,104
Property, plant and equipment valuation difference	-	5,169,893	-	3,829,452
Capitalized prepaid expenses	-	34,569	-	24,132
Derivative instruments	-	1,043,934	-	811,928
Allowance for doubtful accounts	13,433,577	-	10,531,189	-
Vacation accrual	626,514	-	552,861	-
CMR Points allowance	1,005,972	-	449,929	-
Estimated expenses allowance	2,323,119	-	994,048	-
Total	17,389,182	7,287,003	12,528,027	5,969,616
Net balance	10,102,179		6,558,411	

d) Reconciliation of statement financial position amounts and deferred tax details

Non-banking business

Net balance according to tables presented above	Dec-31-13	Dec-31-12
Deferred tax assets	51,403,041	48,292,370
Deferred tax liabilities	252,608,535	246,097,663
Total	201,205,494	197,805,293

Banking Services

Net balance according to tables presented above	Dec-31-13	Dec-31-12
Deferred tax assets	16,752,822	11,552,465
Deferred tax liabilities	6,650,643	4,994,054
Total	10,102,179	6,558,411



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

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

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, 2013 and December 31, 2012, and income recognized as of December 2013 and 2012 are detailed as follows:

Company	Country of origin	Functional currency	12/31/2013 Participation percentage %	12/31/2012 Participation percentage %	12/31/2013 Carrying amount ThCh\$	12/31/2012 Carrying amount ThCh\$	12/31/2013 Income for the period ThCh\$	12/31/2012 Income for the period ThCh\$
Sodimac Colombia S.A.	Colombia	COL	49.00%	49.00%	82,810,858	73,261,756	13,675,811	16,954,520
Aventura Plaza S.A. (1)	Peru	PEN	60.00%	60.00%	65,670,471	56,259,021	4,155,270	2,604,181
Italmod S.A.	Chile	CLP	50.00%	50.00%	-	5,821,435	142,989	512,601
Inmobiliaria Cervantes S.A.	Chile	CLP	33.70%	33.70%	293,917	294,459	14,573	14,392
Total					148,775,246	135,636,671	17,988,643	20,085,694

(1) The Company directly or indirectly has 60% interest in Aventura Plaza S.A. (49% effective interest). This company has been recorded as an associate using the equity method and not as a subsidiary, since the Company does not have control over its operating and financial activities by agreement between its shareholders.

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, 2013 and December 31, 2012, and income recognized as of December 2013 and 2012 is detailed as follows:

Company	Country of origin	Functional currency	12/31/2013 Participation percentage %	12/31/2012 Participation percentage %	12/31/2013 Carrying amount ThCh\$	12/31/2012 Carrying amount ThCh\$	12/31/2013 Income for the period ThCh\$	12/31/2012 Income for the period ThCh\$
Unibanca S.A.	Peru	PEN	20.19%	20.19%	1,621,617	1,900,837	305,005	363,445
Total					1,621,617	1,900,837	305,005	363,445



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

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

c) Summarized information on associates:

Summarized financial information on associates as of December 31, 2013 and as of December 31, 2012, and information about income as of December, 2013 and 2012 is detailed as follows:

Associate	Information as of December 31, 2013					Information as of December 31, 2013	
	Total Assets	Total Assets	Total Liabilities	Total Liabilities	Goodwill	Revenue	Income for
	Current	Non-current	Current	Non-current		ThCh\$	the year
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Sodimac Colombia S.A.	189,689,396	284,624,910	181,408,887	134,565,778	5,224,434	682,849,119	27,909,819
Aventura Plaza S.A.	16,910,767	203,237,103	23,548,151	87,148,933	-	23,536,224	6,925,449
Unibanca S.A.	4,046,777	5,395,307	1,410,699	-	-	4,958,507	1,510,599
Inmobiliaria Cervantes S.A.	32,839	442,203	41,512	-	147,817	53,740	43,243
Total	210,679,779	493,699,523	206,409,249	221,714,711	5,372,251	711,397,590	36,389,110

Associate	Information as of December 31, 2012					Information as of December 31, 2012	
	Total Assets	Total Assets	Total Liabilities	Total Liabilities	Goodwill	Revenue	Income for
	Current	Non-current	Current	Non-current		ThCh\$	the year
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Sodimac Colombia S.A.	164,885,820	265,135,080	154,585,967	136,583,255	5,224,434	619,131,579	34,601,062
Aventura Plaza S.A.	12,876,005	179,298,998	11,819,482	86,590,486	-	17,000,433	4,340,302
Unibanca S.A.	9,310,588	4,203,666	4,099,975	-	-	4,575,516	1,800,035
Italmod S.A.	10,845,054	4,067,135	2,779,566	489,754	-	21,060,725	1,025,202
Inmobiliaria Cervantes S.A.	13,055	439,937	17,853	-	147,817	52,843	42,706
Total	197,930,522	453,144,816	173,302,843	223,663,495	5,372,251	661,821,096	41,809,307

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

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

- d) Movements of investments in associates for the year ended December 31, 2013 are detailed as follows:

Change in investments in associates	Non-banking Business ThCh\$	Banking Business ThCh\$	Total Consolidated ThCh\$
Beginning balance as of December 31, 2012	135,636,671	1,900,837	137,537,508
Share in profit (loss) of investments in associates for 2013	17,988,643	305,005	18,293,648
Dividends received from investments in associates for 2013	(6,347,408)	(569,812)	(6,917,220)
Investment contributions 2013	5,281,209	-	5,281,209
Reduction due to Italmod sale	(3,839,423)	-	(3,839,423)
Conversion adjustment and other reserves	55,554	(14,413)	41,141
Total changes in associated parties	13,138,575	(279,220)	12,859,355
Ending balance in investments in associates using the equity method as of December 31, 2013	148,775,246	1,621,617	150,396,863

Movements of investments in associates for the year ended December 31, 2012 are detailed as follows:

Change in investments in associates	Non-banking Business ThCh\$	Banking Business ThCh\$	Total Consolidated ThCh\$
Beginning balance as of December 31, 2011	110,061,027	2,018,986	112,080,013
Share in profit (loss) of investments in associates for 2012	20,085,694	363,445	20,449,139
Dividends received from investments in associates for 2012	(4,021,958)	-	(4,021,958)
Conversion adjustment and other reserves	9,511,908	(481,594)	9,030,314
Total changes in associated entities	25,575,644	(118,149)	25,457,495
Ending balance in investments in associates using the equity method as of December 31, 2012	135,636,671	1,900,837	137,537,508

There are no significant restrictions for distribution of dividends and cancellation of debts on the part of associates, due to regulatory issues or related to their debt commitment.



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

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

Note 12 – Intangible Assets

Intangible assets other than goodwill – Non-banking

a) Intangible assets in the Non-banking Business are detailed as follows:

Non-banking Business

	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Intangible assets, net		
Intangible assets with finite useful lives, net	72,971,863	51,592,009
Intangible assets with indefinite useful lives	112,880,902	112,880,902
Total Intangibles, Net	185,852,765	164,472,911

a.1) Intangible assets in the Non-banking Business are detailed as follows:

Non-banking Business

	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Internal software development	44,619,508	37,961,478
Licenses and software programs	68,206,355	58,763,458
Patents, registered trademarks and other rights	21,275,690	3,225,353
Other identifiable intangible assets	7,686,947	4,966,638
Commercial brands (indefinite useful lives)	112,880,902	112,880,902
Subtotal	254,669,402	217,797,829
Accumulated amortization (less)	(68,816,637)	(53,324,918)
Total, net	185,852,765	164,472,911

a.2) Intangible assets with indefinite useful lives are detailed as follows:

Non-banking Business

Individually significant identifiable intangible assets	Remaining amortization period	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Sodimac commercial brand	Indefinite	110,641,102	110,641,102
Imperial commercial brand	Indefinite	2,239,800	2,239,800
Total		112,880,902	112,880,902

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



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

a.3) Movements of non-banking intangible assets other than goodwill as of December 2013 are detailed as follows:

Non-banking Business

Gross balance	Internal software development	Licenses and information programs	Patents, registered trademarks and other rights	Other identifiable intangible assets	Commercial brands (indefinite useful lives)	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Balance as of Dec-31-12	37,961,478	58,763,458	3,225,353	4,966,638	112,880,902	217,797,829
Additions due to internal development	6,658,030	-	-	-	-	6,658,030
Additions due to purchases	-	8,535,312	965,828	2,603,997	-	12,105,137
Acquisition through business combinations	-	1,810,321	(1) 17,064,844	-	-	18,875,165
Disposals	-	(19,461)	-	-	-	(19,461)
Withdrawals	-	(170,870)	-	-	-	(170,870)
Transfer of intangibles to property, plant and equipment	-	(274,559)	-	-	-	(274,559)
Conversion adjustment	-	(438,522)	19,665	116,988	-	(301,869)
Other increases (decreases)	-	676	-	(676)	-	-
Balance as of Dec-31-2013	44,619,508	68,206,355	21,275,690	7,686,947	112,880,902	254,669,402

Amortization	Internal software development	Licenses and information programs	Patents, registered trademarks and other rights	Other identifiable intangible assets	Commercial brands (indefinite useful lives)	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Balance as of Dec-31-12	8,392,525	40,724,496	1,334,390	2,873,507	-	53,324,918
Amortization for the year	5,405,202	7,828,190	347,557	1,193,649	-	14,774,598
Acquisition through business combinations	-	865,833	300,208	-	-	1,166,041
Disposals	-	(2,612)	-	-	-	(2,612)
Withdrawals	-	(143,373)	-	-	-	(143,373)
Transfer of intangibles to property, plant and equipment	-	(114,139)	-	-	-	(114,139)
Conversion adjustment	-	(312,149)	24,477	98,876	-	(188,796)
Balance as of Dec-31-2013	13,797,727	48,846,246	2,006,632	4,166,032	-	68,816,637

Net carrying amount as of Dec-31-2012	29,568,953	18,038,962	1,890,963	2,093,131	112,880,902	164,472,911
Net carrying amount as of Dec-31-2013	30,821,781	19,360,109	19,269,058	3,520,915	112,880,902	185,852,765

(1) Corresponds to the Dicico brand generated from the purchase agreement for Construdecor Brasil, described in Note 40 Business Combinations.

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



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

a.4) Movements of non-banking intangible assets other than goodwill as of December 2012 are detailed as follows:

Non-banking Business

Gross balance	Internal software development	Licenses and information programs	Patents, registered trademarks and other rights	Other identifiable intangible assets	Commercial brands (indefinite useful lives)	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Balance as of Dec-31-11	28,143,550	50,614,919	3,846,397	4,136,003	112,880,902	199,621,771
Additions due to internal development	9,817,928	-	-	-	-	9,817,928
Additions due to purchases	-	7,203,477	706,666	782,837	-	8,692,980
Withdrawals	-	1,374,432	(1,374,432)	-	-	-
Conversion adjustment	-	(429,370)	46,722	47,798	-	(334,850)
Balance as of Dec-31-12	37,961,478	58,763,458	3,225,353	4,966,638	112,880,902	217,797,829

Amortization	Internal software development	Licenses and information programs	Patents, registered trademarks and other rights	Other identifiable intangible assets	Commercial brands (indefinite useful lives)	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Balance as of Dec-31-11	4,411,252	34,140,878	1,669,438	1,795,190	-	42,016,758
Amortization for the year	3,981,273	5,963,263	483,331	1,059,288	-	11,487,155
Withdrawals	-	848,316	(848,316)	-	-	-
Conversion adjustment	-	(227,961)	29,937	19,029	-	(178,995)
Balance as of Dec-31-12	8,392,525	40,724,496	1,334,390	2,873,507	-	53,324,918

Net carrying amount as of Dec-31-11	23,732,298	16,474,041	2,176,959	2,340,813	112,880,902	157,605,013
Net carrying amount as of Dec-31-12	29,568,953	18,038,962	1,890,963	2,093,131	112,880,902	164,472,911

b) Intangibles – Banking Services:

b.1) Bank-services intangible assets are detailed as follows:

Banking Services

	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Internal software development	33,992,843	24,636,114
Licenses and information programs	9,248,639	6,040,288
Subtotal	43,241,482	30,676,402
Accumulated amortization (less)	(23,262,841)	(18,230,368)
Total, net	19,978,641	12,446,034

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



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

b.2) The Banking Services intangible assets movements as of December 2013 correspond to:

Banking Services

Gross balance	Internal software development	Licenses and information programs	Total
	ThCh\$	ThCh\$	ThCh\$
Balance as of Dec-31-12	24,636,114	6,040,288	30,676,402
Additions due to internal development	4,855,578	-	4,855,578
Additions due to purchases	-	3,159,546	3,159,546
Transfer of property, plant and equipment to intangibles	4,480,497	-	4,480,497
Conversion adjustment	20,654	48,805	69,459
Balance as of Dec-31-13	33,992,843	9,248,639	43,241,482

Amortization	Internal software development	Licenses and information programs	Total
	ThCh\$	ThCh\$	ThCh\$
Balance as of Dec-31-12	15,049,047	3,181,321	18,230,368
Amortization for the year	3,559,206	1,425,743	4,984,949
Conversion adjustment	20,959	26,565	47,524
Balance as of Dec-31-13	18,629,212	4,633,629	23,262,841

Net carrying amount as of Dec-31-2012	9,587,067	2,858,967	12,446,034
Net carrying amount as of Dec-31-2013	15,363,631	4,615,010	19,978,641

b.3) The Banking Services movements of intangible assets as of December 2012 are detailed as follows:

Banking Services

Gross balance	Internal software development	Licenses and information programs	Total
	ThCh\$	ThCh\$	ThCh\$
Balance as of Dec-31-11	20,402,814	4,784,090	25,186,904
Additions due to internal development	4,389,064	-	4,389,064
Additions due to purchases	-	1,321,448	1,321,448
Conversion adjustment	(155,764)	(65,250)	(221,014)
Balance as of Dec-31-12	24,636,114	6,040,288	30,676,402

Amortization	Internal software development	Licenses and information programs	Total
	ThCh\$	ThCh\$	ThCh\$
Balance as of Dec-31-11	11,813,688	2,378,800	14,192,488
Amortization for the year	3,315,549	839,463	4,155,012
Conversion adjustment	(80,190)	(36,942)	(117,132)
Balance as of Dec-31-12	15,049,047	3,181,321	18,230,368

Net carrying amount as of Dec-31-2011	8,589,126	2,405,290	10,994,416
Net carrying amount as of Dec-31-2012	9,587,067	2,858,967	12,446,034



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

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

c) Other information on intangibles:

c.1) As of December 31, 2013 there are no identifiable intangible assets in use that are fully amortized.

c.2) Amortization of intangibles are presented in the statement of comprehensive income as part of administrative expenses.

c.3) The Company performs annual impairment tests on intangible assets with indefinite useful lives, which did not result in adjustments to values recognized by the Company.



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

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

Note 13 – Goodwill

Goodwill is detailed as follows:

Non-banking Business

	Dec-31-13	Dec-31-12
	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. (Peru)	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
Clamijú S.A.	186,457	309,135
Plaza Tobalaba S.A.	1,558,544	1,558,544
Plaza La Serena S.A.	418,818	418,818
Mall Calama S.A.	357,777	357,777
Inmobiliaria Las Condes S.A. – Sociedad de Rentas Falabella	3,457,846	3,457,846
Total Goodwill	298,112,966	260,273,967

Goodwill impairment is determined by evaluating the recoverable amount of the cash generating units (or group of cash generating units) to which goodwill is related.

When the recoverable amount of the cash generating units (or cash generating groups) is less than the carrying amount of the cash generating units (or group of cash generating units) to which the goodwill has been allocated, 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 tests impairment of goodwill with indefinite useful life annually and these tests have not implied adjustments to the recognized values.



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

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

Goodwill by segments as of December 31, 2013 and as of December 31, 2012 is detailed as follows:

Segment	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Home improvement	257,486,472	219,524,795
Real estate	20,510,138	20,510,138
Supermarkets	14,575,143	14,575,143
Other businesses	5,354,756	5,354,756
Argentina	186,457	309,135
Total Goodwill by Segment	298,112,966	260,273,967

The company carried out the impairment test on goodwill considering the mentioned accounting policy (Note 2.12). The methodology used was of value in use, based on the future cash flows or earnings that are generated by the assets associated with goodwill.

The main parameters and indicators used to assess the impairment are:

- Growth in sales and operating margins.
- Administrative and selling expenses due to the growth in sales.
- Investments in investment properties and property, plant and equipment.
- The discount rates applied in the assessment performed on December 2013 ranges from 6% to 10.5%.

As a result of the applied test no impairment was determined on goodwill of SACI Falabella.

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



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

Note 14 – Property, Plant and Equipment

a) The composition by class of Non-banking Business property, plant and equipment is detailed as follows:

Non-banking Business:

Description	Dec-31-13			Dec-31-12		
	Gross value	Accumulated depreciation	Net value	Gross Value	Accumulated depreciation	Net value
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Land	352,903,418	-	352,903,418	333,458,074	-	333,458,074
Buildings	613,572,020	(69,545,203)	544,026,817	551,768,883	(53,805,059)	497,963,824
Plant and equipment	230,100,605	(106,863,966)	123,236,639	210,850,068	(114,086,780)	96,763,288
Information technology equipment	28,062,535	(17,314,770)	10,747,765	23,576,736	(13,751,548)	9,825,188
Fixed installations and accessories	595,318,426	(190,834,465)	404,483,961	517,209,007	(147,553,556)	369,655,451
Motor vehicles	4,371,909	(2,431,443)	1,940,466	3,284,251	(1,959,552)	1,324,699
Leasehold improvements	84,227,276	(32,844,160)	51,383,116	49,376,980	(20,808,732)	28,568,248
Construction in progress	87,883,544	-	87,883,544	60,313,759	-	60,313,759
Other property, plant and equipment ⁽¹⁾	165,953,009	(71,382,166)	94,570,843	139,600,469	(59,069,370)	80,531,099
Total Property, Plant and Equipment	2,162,392,742	(491,216,173)	1,671,176,569	1,889,438,227	(411,034,597)	1,478,403,630

⁽¹⁾ Mainly related to furniture and tools

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



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

b) The composition by class of property, plant and equipment for Banking Services is detailed as follows:

Banking Services:

Description	Dec-31-13			Dec-31-12		
	Gross value	Accumulated depreciation	Net value	Gross Value	Accumulated depreciation	Net value
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Plant and Equipment	10,614,188	(3,839,233)	6,774,955	11,176,741	(2,985,061)	8,191,680
Information technology equipment	17,815,931	(10,389,096)	7,426,835	14,613,267	(8,787,630)	5,825,637
Fixed installations and accessories	6,347,234	(2,794,971)	3,552,263	5,562,744	(2,355,838)	3,206,906
Motor vehicles	74,264	(71,031)	3,233	74,307	(68,153)	6,154
Leasehold improvements	19,934,393	(5,041,240)	14,893,153	15,087,897	(2,529,489)	12,558,408
Construction in progress	1,231,821	-	1,231,821	127,115	-	127,115
Other property, plant and equipment ⁽¹⁾	7,953,408	(5,660,578)	2,292,830	9,565,283	(4,548,946)	5,016,337
Total Property, Plant and Equipment	63,971,239	(27,796,149)	36,175,090	56,207,354	(21,275,117)	34,932,237

⁽¹⁾ Mainly related to furniture and tools

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



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

c) Movements of the non-banking business for the year ended December 31, 2013 are detailed as follows:

Non-banking Business

Cost	Land	Buildings	Plant and equipment	Information technology equipment	Fixed installations and accessories	Motor vehicles	Leasehold improvements	Construction in progress	Other property, plant and equipment	Property, plant and equipment
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Balance as of Jan-01-13	333,458,074	551,768,883	210,850,068	23,576,736	517,209,007	3,284,251	49,376,980	60,313,759	139,600,469	1,889,438,227
Additions	20,241,668	42,524,723	36,345,886	3,916,167	51,368,104	911,920	706,732	157,083,469	14,543,125	327,641,794
Acquisitions through business combinations	4,731,471	4,709,485	1,608,863	1,283,658	6,042,431	330,116	17,733,886	816,627	595,090	37,851,627
Transfer from intangibles	-	4,263,712	102,684	(12,742)	(3,106,300)	(61,995)	-	-	(914,111)	271,248
Disposals	(5,247,427)	(773,297)	(1,116,569)	(226,978)	(1,572,602)	(9,232)	-	(9,557,784)	(1,072,443)	(19,576,332)
Withdrawals	-	(3,056,996)	(38,383,015)	(649,958)	(9,962,194)	(61,702)	(4,109,770)	-	(3,787,739)	(60,011,374)
Reclassification of concept and capitalization	-	16,550,943	21,144,878	1,128,266	41,987,730	-	20,923,093	(120,610,001)	18,875,091	-
Conversion adjustment	(280,368)	(2,415,433)	(452,190)	(952,614)	(6,647,750)	(21,449)	(403,645)	(162,526)	(1,886,473)	(13,222,448)
Balance as of Dec-31-13	352,903,418	613,572,020	230,100,605	28,062,535	595,318,426	4,371,909	84,227,276	87,883,544	165,953,009	2,162,392,742

Depreciation	Land	Buildings	Plant and Equipment	Information technology equipment	Fixed installations and accessories	Motor vehicles	Leasehold improvements	Construction in progress	Other property, plant and equipment	Property, plant and equipment
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Balance as of Jan-01-13	-	53,805,059	114,086,780	13,751,548	147,553,556	1,959,552	20,808,732	-	59,069,370	411,034,597
Depreciation for the year	-	14,655,505	29,244,291	3,422,110	50,027,325	464,014	8,742,489	-	16,540,978	123,094,712
Acquisitions through business combinations	-	-	617,587	950,809	1,958,402	101,376	7,672,327	-	242,473	11,542,974
Transfer from intangibles	-	1,181,956	122,694	(12,791)	(724,544)	(36,854)	-	-	(419,634)	110,827
Disposals	-	(5,927)	(905,479)	(212,922)	(390,111)	(9,232)	-	-	(771,670)	(2,295,381)
Withdrawals	-	(5,029)	(35,436,235)	(380,860)	(4,379,408)	(31,717)	(3,976,494)	-	(2,049,368)	(46,259,111)
Conversion adjustment	-	(84,321)	(865,672)	(203,124)	(3,210,755)	(15,696)	(402,894)	-	(1,229,983)	(6,012,445)
Depreciation as of Dec-31-13	-	69,545,203	106,863,966	17,314,770	190,834,465	2,431,443	32,844,160	-	71,382,166	491,216,173

Net balance as of Jan-01-13	333,458,074	497,963,824	96,763,288	9,825,188	369,655,451	1,324,699	28,568,248	60,313,759	80,531,099	1,478,403,630
Net balance as of Dec-31-13	352,903,418	544,026,817	123,236,639	10,747,765	404,483,961	1,940,466	51,383,116	87,883,544	94,570,843	1,671,176,569

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



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

d) Movements of the Non-banking Business for the year ended December 31, 2012 are detailed as follows:

Non-banking Business

Cost	Land	Buildings	Plant and equipment	Information technology equipment	Fixed installations and accessories	Motor vehicles	Leasehold improvements	Construction in progress	Other property, plant and equipment	Property, plant and equipment
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Balance as of Jan-01-12	317,578,223	513,230,852	185,589,211	22,123,976	428,097,707	2,970,493	43,226,877	53,755,068	125,863,091	1,692,435,498
Additions	10,167,085	38,199,590	30,201,398	4,693,017	68,085,288	403,120	4,669,925	81,888,859	16,999,349	255,307,631
Other reclassifications	7,808,495	9,577,796	1,199,983	627,131	20,816,567	(19,460)	404,097	(44,776,825)	4,102,802	(259,414)
Disposals	(104,939)	(626,342)	(453,011)	(2,992)	(96,968)	-	-	(8,688,458)	(795,693)	(10,768,403)
Withdrawals	-	(2,197,619)	(12,272,781)	(2,967,069)	(4,466,979)	(56,936)	(869,107)	(361,849)	(4,359,138)	(27,551,478)
Reclassification of concept and capitalization	-	1,259,972	7,655,747	56,913	13,276,592	-	1,507,707	(24,837,780)	1,080,849	-
Conversion adjustment	(1,990,790)	(7,675,366)	(1,070,479)	(954,240)	(8,503,200)	(12,966)	437,481	3,334,744	(3,290,791)	(19,725,607)
Balance as of Dec-31-12	333,458,074	551,768,883	210,850,068	23,576,736	517,209,007	3,284,251	49,376,980	60,313,759	139,600,469	1,889,438,227

Depreciation	Land	Buildings	Plant and equipment	Information technology equipment	Fixed installations and accessories	Motor vehicles	Leasehold improvements	Construction in progress	Other property, plant and equipment	Property, plant and equipment
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Balance as of Jan-01-12	-	42,408,612	99,198,967	13,965,867	108,206,131	1,631,155	14,703,143	-	52,142,206	332,256,081
Depreciation for the year	-	12,388,420	25,846,527	3,299,596	44,073,940	396,202	6,901,962	-	12,660,623	105,567,270
Other reclassifications	-	120,139	71,657	(161,107)	(161,424)	(3,082)	-	-	139,142	5,325
Disposals	-	(34,326)	(389,115)	(2,514)	(67,176)	-	-	-	(640,657)	(1,133,788)
Withdrawals	-	(157,098)	(10,420,679)	(2,722,341)	(2,895,240)	(51,891)	(414,413)	-	(3,914,507)	(20,576,169)
Conversion adjustment	-	(920,688)	(220,577)	(627,953)	(1,602,675)	(12,832)	(381,960)	-	(1,317,437)	(5,084,122)
Depreciation as of Dec-31-12	-	53,805,059	114,086,780	13,751,548	147,553,556	1,959,552	20,808,732	-	59,069,370	411,034,597

Net balance as of Jan-01-11	317,578,223	470,822,240	86,390,244	8,158,109	319,891,576	1,339,338	28,523,734	53,755,068	73,720,885	1,360,179,417
Net balance as of Dec-31-12	333,458,074	497,963,824	96,763,288	9,825,188	369,655,451	1,324,699	28,568,248	60,313,759	80,531,099	1,478,403,630

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



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

e) Banking Services movements for the year ended December 31, 2012 are detailed as follows:

Banking Services

Cost	Plant and equipment ThCh\$	Information technology equipment ThCh\$	Fixed installations and accessories ThCh\$	Motor vehicles ThCh\$	Leasehold improvements ThCh\$	Other property, plant and equipment ThCh\$	Construction in progress ThCh\$	Property, plant and equipment ThCh\$
Balance as of Jan-01-13	11,176,741	14,613,267	5,562,744	74,307	15,087,897	9,565,283	127,115	56,207,354
Additions	2,185,822	3,187,309	947,875	-	4,940,050	2,894,210	4,490,247	18,645,513
Transfer to intangibles	-	-	-	-	-	(4,480,497)	-	(4,480,497)
Disposals	(2,755,291)	-	-	-	(143,738)	(10,780)	(3,400,730)	(6,310,539)
Withdrawals	(200)	(11,137)	(162,507)	-	-	(11,695)	-	(185,539)
Conversion adjustment	7,116	26,492	(878)	(43)	50,184	(3,113)	15,189	94,947
Balance as of Dec-31-13	10,614,188	17,815,931	6,347,234	74,264	19,934,393	7,953,408	1,231,821	63,971,239

Depreciation	Plant and equipment ThCh\$	Information technology equipment ThCh\$	Fixed installations and accessories ThCh\$	Motor vehicles ThCh\$	Leasehold improvements ThCh\$	Other property, plant and equipment ThCh\$	Construction in progress ThCh\$	Property, plant and equipment ThCh\$
Balance as of Jan-01-13	2,985,061	8,787,630	2,355,838	68,153	2,529,489	4,548,946	-	21,275,117
Depreciation for the year	1,033,347	1,597,758	524,887	2,846	2,463,251	1,131,080	-	6,753,169
Disposals	(184,004)	-	-	-	-	(10,659)	-	(194,663)
Withdrawals	-	(10,944)	(90,294)	-	-	(8,846)	-	(110,084)
Conversion adjustment	4,829	14,652	4,540	32	48,500	57	-	72,610
Depreciation at Dec-31-13	3,839,233	10,389,096	2,794,971	71,031	5,041,240	5,660,578	-	27,796,149

Net balance as of Jan-01-12	8,191,680	5,825,637	3,206,906	6,154	12,558,408	5,016,337	127,115	34,932,237
Net balance as of Dec-31-12	6,774,955	7,426,835	3,552,263	3,233	14,893,153	2,292,830	1,231,821	36,175,090

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



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

f) Banking Services movements for the year ended December 31, 2012 are detailed as follows:

Banking Services

Cost	Plant and equipment ThCh\$	Information technology equipment ThCh\$	Fixed installations and accessories ThCh\$	Motor vehicles ThCh\$	Leasehold improvements ThCh\$	Other property, plant and equipment ThCh\$	Construction in progress ThCh\$	Property, plant and equipment ThCh\$
Balance as of Jan-01-12	7,763,472	12,728,201	5,896,494	74,641	14,047,526	8,411,788	213,463	49,135,585
Additions	3,881,657	2,559,355	983,301	-	6,403,505	1,697,004	2,999,129	18,523,951
Disposals	(429,744)	(469,428)	(654,329)	-	(5,369,646)	(470,503)	(3,093,391)	(10,487,041)
Withdrawals	(1,631)	-	(509,373)	-	-	-	-	(511,004)
Conversion adjustment	(37,013)	(204,861)	(153,349)	(334)	6,512	(73,006)	7,914	(454,137)
Balance as of Dec-31-12	11,176,741	14,613,267	5,562,744	74,307	15,087,897	9,565,283	127,115	56,207,354

Depreciation	Plant and equipment ThCh\$	Information technology equipment ThCh\$	Fixed installations and accessories ThCh\$	Motor vehicles ThCh\$	Leasehold improvements ThCh\$	Other property, plant and equipment ThCh\$	Construction in progress ThCh\$	Property, plant and equipment ThCh\$
Balance as of Jan-01-12	2,283,670	7,497,516	2,381,178	61,104	5,637,826	3,934,606	-	21,795,900
Depreciation for the year	1,046,175	1,766,384	482,081	6,721	2,257,694	832,324	-	6,391,379
Disposals	(324,379)	(351,822)	(194,017)	-	(5,369,646)	(181,903)	-	(6,421,767)
Withdrawals	(1,100)	-	(253,868)	-	-	-	-	(254,968)
Conversion adjustment	(19,305)	(124,448)	(59,536)	328	3,615	(36,081)	-	(235,427)
Depreciation as of Dec-31-12	2,985,061	8,787,630	2,355,838	68,153	2,529,489	4,548,946	-	21,275,117

Net balance as of Jan-01-12	5,479,802	5,230,685	3,515,316	13,537	8,409,700	4,477,182	213,463	27,339,685
Net balance as of Dec-31-12	8,191,680	5,825,637	3,206,906	6,154	12,558,408	5,016,337	127,115	34,932,237

Property, plant and equipment that have been fully depreciated and are still used by the Company are not significant.

The total charge to income due to depreciation for the years ended December 31, 2013 and 2012 is ThCh\$129,847,881 and ThCh\$111,958,649 respectively. Those values are presented in the Income Statement by function, in the following manner:

ThCh\$126,196,731 and ThCh\$108,307,499 under Administrative Expenses as of each year-end respectively, as presented in Note 29.

Additionally ThCh\$3,818,528 and ThCh\$3,651,150 was charged to Cost of sales as of December 31, 2013 and 2012, respectively and corresponds to depreciation of leased machinery.

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



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

- g) During the year ended December 31, 2013 the Company has capitalized interest in the amount of ThCh\$3,149,875. The average financing interest rate applied for capitalization was 7.61% and during the year ended December 31, 2012 the Company has capitalized interest in the amount of ThCh\$2,450,050. The average financing interest rate applied for capitalization was 6.63%.

The group has assets pledged as security for an amount of ThCh\$118,307,122 to December 31, 2013 which are part of Property, Plant and Equipment.

The Group has entered into financial leases to develop its activities. Assets under financial leases included as part of property, plant and equipment balances in the Non-banking Business, are detailed as follows:

Description	Dec-31-13			Dec-31-12		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Buildings	72,041,061	(7,185,687)	64,855,374	66,093,021	(6,117,840)	59,975,181
Plant and equipment	7,330,542	(5,647,678)	1,682,864	8,026,480	(5,407,358)	2,619,122
Information technology equipment	3,410,512	(3,035,885)	374,627	3,693,956	(2,832,302)	861,654
Fixed installations and accessories	54,658,805	(24,079,441)	30,579,364	50,099,331	(20,250,420)	29,848,911
Other property, plant and equipment	36,859,438	(21,227,113)	15,632,325	37,939,493	(18,111,441)	19,828,052
Total assets under financial lease	174,300,358	(61,175,804)	113,124,554	165,852,281	(52,719,361)	113,132,920

The following table details the minimum payments associated to financial lease contracts and their present value, presented in the statement of financial position as loans accruing interest:

	Dec-31-13			Dec-31-12		
	Minimum payments ThCh\$	Interest ThCh\$	Present value ThCh\$	Minimum payments ThCh\$	Interest ThCh\$	Present value ThCh\$
Up to one year	20,651,155	(4,819,790)	15,831,365	22,053,961	(5,962,282)	16,091,679
More than one up to five years	57,855,728	(10,414,720)	47,441,008	62,610,592	(13,962,628)	48,647,964
More than five years	15,614,890	(2,362,675)	13,252,215	23,871,094	(3,787,329)	20,083,765
Total	94,121,773	(17,597,185)	76,524,588	108,535,647	(23,712,239)	84,823,408

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



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

- h) In addition, as of December 2012 the Company has performed sales transactions with leaseback. These transactions are detailed as follows:

Purchaser	Seller	Assets involved	Lease nominal value	Lease term	Purchase price
			ThCh\$		ThCh\$
BANCO CONTINENTAL (PERU)	BANCO CONTINENTAL (PERU)	SODIMAC PERU S.A.	8,155,924	12-31-2014	7,889,700
BANCO CONTINENTAL (PERU)	BANCO CONTINENTAL (PERU)	SODIMAC PERU S.A.	4,013,308	02-09-2014	3,882,309
CITIBANK DEL PERÚ	CITIBANK DEL PERÚ	SODIMAC PERU S.A.	12,516,777	12-28-2018	12,108,207
SCOTIABANK (PERÚ)	SCOTIABANK (PERÚ)	MALLS PERÚ S.A.	5,580,821	05-22-2019	5,398,653
BANCO CONTINENTAL (PERU)	BANCO CONTINENTAL (PERU)	SAGA FALABELLA S.A. (PERU)	2,737,937	02-09-2014	2,664,191
BANCO FINANCIERO DEL PERÚ, FINBANCO	BANCO FINANCIERO DEL PERÚ, FINBANCO	HIPERMECADOS TOTTUS S.A.	2,481,312	09-01-2015	2,400,318
BANCO CONTINENTAL (PERU)	BANCO CONTINENTAL (PERU)	HIPERMECADOS TOTTUS S.A.	6,878,760	02-01-2015	6,654,226
BANCO CONTINENTAL (PERU)	BANCO CONTINENTAL (PERU)	HIPERMECADOS TOTTUS S.A.	4,503,490	02-01-2014	4,356,489
BANCO DE CRÉDITO (PERÚ)	BANCO DE CRÉDITO (PERÚ)	HIPERMECADOS TOTTUS S.A.	2,755,480	01-01-2019	2,665,536
BANCO DE CRÉDITO (PERÚ)	BANCO DE CRÉDITO (PERÚ)	HIPERMECADOS TOTTUS S.A.	3,480,640	07-01-2015	3,367,026
BANCO DE CRÉDITO (PERU)	BANCO DE CRÉDITO (PERU)	HIPERMECADOS TOTTUS S.A.	3,310,357	02-01-2020	3,202,301
SCOTIABANK (PERÚ)	SCOTIABANK (PERÚ)	HIPERMECADOS TOTTUS S.A.	3,772,048	09-01-2015	3,648,922
BANCO DE CRÉDITO (PERÚ)	BANCO DE CRÉDITO (PERÚ)	HIPERMECADOS TOTTUS S.A.	2,291,816	12-01-2021	2,217,007
BANCO DE CRÉDITO (PERÚ)	BANCO DE CRÉDITO (PERÚ)	HIPERMECADOS TOTTUS S.A.	1,975,237	06-01-2017	1,910,762
BANCO SANTANDER CENTRAL HISPANO (PERÚ)	BANCO SANTANDER CENTRAL HISPANO (PERÚ)	HIPERMECADOS TOTTUS S.A.	9,039,885	02-27-2018	8,744,807
BANCO SANTANDER CENTRAL HISPANO (PERÚ)	BANCO SANTANDER CENTRAL HISPANO (PERÚ)	HIPERMECADOS TOTTUS S.A.	1,166,529	02-27-2018	1,128,451
BANCO SANTANDER CENTRAL HISPANO (PERÚ)	BANCO SANTANDER CENTRAL HISPANO (PERÚ)	HIPERMECADOS TOTTUS S.A.	917,088	02-27-2018	887,153
SCOTIABANK (PERÚ)	SCOTIABANK (PERÚ)	HIPERMECADOS TOTTUS S.A.	2,476,812	10-05-2017	2,395,964
SCOTIABANK (PERÚ)	SCOTIABANK (PERÚ)	HIPERMECADOS TOTTUS S.A.	6,795,761	10-05-2017	6,573,935
BANCO INTERAMERICANO DE FINANZAS (BIF) PERU	BANCO INTERAMERICANO DE FINANZAS (BIF) PERU	HIPERMECADOS TOTTUS S.A.	1,926,416	10-14-2016	1,863,534
TOTALES			86,776,398		83,959,491

There are no significant clauses in the current leasing contracts, because they operate under the normal terms for these types of contracts.

At the inception of the sale leaseback transactions, no effects were generated because selling prices are equivalent to the carrying amounts of assets involved as of the transaction date.



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

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

i) Group as lessee – operating lease

The Company leases certain assets under operating lease agreements to develop its activities. Obligations on minimum lease payments under operating lease contracts not cancelable as of December 31, 2013 and 2012 are detailed as follows:

	Dec-31-13 Minimum payments ThCh\$	Dec-31-12 Minimum payments ThCh\$
Up to one year	60,907,112	53,901,282
From 1 year up to 5 years	235,122,991	201,149,016
More than five years	523,445,369	445,829,408
Total	819,475,472	700,879,706

The Company does not have individually significant operating lease contracts or contracts that impose restrictions on the distribution of dividends, incurring in other lease contracts or incurring debt.

Lease installments and operating subleases recognized as expenses in each period are detailed as follows:

Concepts	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Minimum third party lease expense	69,774,221	55,207,017
Variable third party lease expense	22,964,336	20,016,944
Total Lease Expense	92,738,557	75,223,961

j) Group as lessor – Operating lease

The Company leases its investment properties as part of its operations. As of December 31, 2013, the Company has the following rights receivable under non-cancellable leases:

	Dec-31-13 Minimum payments receivable ThCh\$	Dec-31-12 Minimum payments receivable ThCh\$
Up to one year	108,610,397	98,191,156
From one year up to five years	289,499,658	284,643,863
More than five years	305,016,161	351,634,116
Total	703,126,216	734,469,135



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

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

The Company leases to third parties under local operating leases that form part of their 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 various stores.

Fixed and variable lease revenue from investment properties are as follows:

Lease charged to third parties	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Fixed revenue	124,054,299	118,430,746
Variable revenue	9,827,170	9,428,348
Total	133,881,469	127,859,094

Lease revenue for an amount of ThCh\$133,881,469 at December 2013 and ThCh\$127,859,094 at December 2012 correspond to lease revenue charged to third parties for all the real estate companies of the Falabella Group, by contrast in Note 35 financial reporting segment, revenue of Chile real estate segment corresponds to the total revenue charged from third and related parties of real estate in Chile.

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

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

Note 15 – Investment Properties

a) Movements in the Group's investment properties as of December 2013 are detailed as follows:

Cost	
Beginning balance as of Jan-01-13	1,804,706,471
Additions	183,426,832
Acquisitions through business combinations	19,915,750
Write offs	(18,122)
Reclassification to property, plant and equipment used by their owner	(7,918,710)
Conversion adjustment	(198,151)
Final balance as of Dec-31-13	1,999,914,070
Depreciation	
Beginning balance as of Jan-01-13	54,032,745
Depreciation for the year	17,777,640
Conversion adjustment	43,472
Final balance as of Dec-31-13	71,853,857
Net balance as of Jan-01-13	1,750,673,726
Net balance as of Dec-31-13	1,928,060,213

b) Movements in the Group's investment properties as of December 2012 are detailed as follows:

Cost	
Beginning balance as of Jan-01-12	1,640,297,582
Additions	170,750,847
Write offs	(5,807,033)
Conversion adjustment	(534,925)
Final balance as of Dec-31-12	1,804,706,471
Depreciation	
Beginning balance as of Jan-01-12	38,811,906
Depreciation for the year	15,244,039
Conversion adjustment	(23,200)
Final balance as of Dec-31-12	54,032,745
Net balance as of Jan-01-12	1,601,485,676
Net balance as of Dec-31-12	1,750,673,726

In Note 28 c) includes details of the Investment Property Costs, including depreciation of these assets separately.

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

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

Investment properties include shopping centers, works in progress and available land that will be destined to future malls.

Investment properties are depreciated using the straight-line method based on estimated useful lives.

Depreciation for the year from January to December 2013 and 2012 of the Company's investment properties in 2013 and 2012 are recorded in the cost of sales line in the statement of comprehensive income.

During the year ended in December 31, 2013, the Company has capitalized interest in the amount of ThCh\$7,177,824. The average financing interest rate applied for capitalization was 4.81%. During the period January-December 2012, the Company has capitalized interest in the amount of ThCh\$6,684,156. The average financing interest rate applied for capitalization was 5.14%.

The estimated fair value of investment properties as of December 31, 2013 and December 31, 2012 is ThCh\$2,216,807,395 and ThCh\$1,651,639,596 respectively.

Investment properties that do not generate revenue as of December 31, 2013 and 2012 comprises land in the amount of ThCh\$50,695,861 and ThCh\$71,939,199 respectively. There are no maintenance expenses associated to these and there are no restrictions on real estate investments, on collection of revenue derived from them or on the resources obtained in their disposal by other means.

The market value hierarchy according to IFRS 13, is detailed as follows:

	Dec-31-13	Fair value measured at the end of the reporting period		
		Level 1	Level 2	Level 3
Assets and liabilities at market value disclosed in note				
Investment properties	2,580,172,380	-	2,580,172,380	-
Total	2,580,172,380	-	2,580,172,380	-

	Dic-31-13	Level 1	Level 2	Level 3
Assets and liabilities at market value disclosed in note				
Investment properties	2,216,807,395	-	2,216,807,395	-
Total	2,216,807,395	-	2,216,807,395	-



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

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

Note 16 – Other Non-financial Non-current Assets

This category includes the following non-financial non-current assets of the Non-banking Business:

Non-banking Business

Detail of other non-financial non-current assets	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Guarantees	1,754,019	1,597,972
Prepaid rent	12,759,900	12,699,048
Non-current receivable taxes	2,800,779	7,027,924
Rights receivable	752,219	151,018
Prepaid expenses	221,768	239,976
Other non-financial non-current assets	18,288,685	21,715,938



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

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

Note 17 – Other Assets - Banking Services

Other assets in Banking Services are classified as follows:

Banking Services

Other Assets	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Advances to suppliers	71,973	95,864
Guarantee deposits	405,054	367,630
Accrued fees receivable	2,545,286	1,826,315
Deferred expenses	1,911,047	555,388
Affiliates fees	787,599	149,620
Receivable items remote channels	1,192,699	1,687,101
Accounts and invoices receivable ⁽¹⁾	7,086,049	5,481,216
Investment in line of business auxiliary company	228,429	81,539
Assets acquired in auctions	744,988	980,237
Software maintenance contracts	54,521	59,548
Other ⁽²⁾	1,568,347	1,214,348
	16,595,992	12,498,806

⁽¹⁾ Mainly related to “pending transactions” for daily transactions, accounts receivable for using Automated Teller Machine, bills for renting spaces branches and others.

⁽²⁾ Mainly related to use of Redbanc license, Core banking project, subscriptions, advertising contracts, procurement fraud, stationary and others

S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated 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:

	Dec-31-13		Dec-31-12	
	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$
Bank loans	472,654,086	557,299,439	416,667,261	597,788,050
Obligations with the public (bonds)	147,036,596	1,101,386,809	112,516,785	780,983,304
Financial lease obligations	15,834,968	60,693,222	16,091,679	68,731,729
Other financial liabilities	5,772,229	1,085,879	9,432,893	854,092
Total	641,297,879	1,720,465,349	554,708,618	1,448,357,175

Dec-31-13

b) Bank loans as of December 2013 are detailed as follow:

Creditor Name	Description of the currency or indexation according to contract condition (ISO 4217)	Amount of Class of Liabilities Exposed to Liquidity Risk with Expiration							Type of amortization	Effective rate	Amount of the nominal value of obligation payable according to contract conditions	Nominal rate of obligation to be paid according to contract condition
		Up to 1 month	1 to 3 months	3 to 12 months	Total current	1 to 5 years	5 or more years	Total Non current				
BANCO DE CRÉDITO E INVERSIONES (CHILE)	CLP	19,581,328	-	-	19,581,328	-	-	-	At expiration	4.42	19,500,000	4.42
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	17,679,652	-	-	17,679,652	-	-	-	At expiration	4.32	17,650,000	4.32
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	25,129,833	-	-	25,129,833	-	-	-	At expiration	4.56	25,000,000	4.56
SCOTIABANK SUD AMERICANO (CHILE)	CLP	-	-	4,620,834	4,620,834	-	-	-	At expiration	6.63	4,573,664	6.63
SCOTIABANK SUD AMERICANO (CHILE)	CLP	-	-	7,421,379	7,421,379	-	-	-	At expiration	6.63	7,345,621	6.63
SCOTIABANK SUD AMERICANO (CHILE)	CLP	-	-	7,268,581	7,268,581	-	-	-	At expiration	6.63	7,268,581	6.63
SCOTIABANK SUD AMERICANO (CHILE)	CLP	-	-	5,947,039	5,947,039	-	-	-	At expiration	6.63	5,886,332	6.63
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	-	7,924	-	7,924	11,353,359	-	11,353,359	At expiration	5.02	11,353,359	5.02
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	-	1,930	-	1,930	13,646,641	-	13,646,641	At expiration	5.03	13,646,641	5.03
BANCO SANTANDER - SANTIAGO (CHILE)	USD	10,376,947	-	-	10,376,947	-	-	-	At expiration	0.96	10,376,947	0.96
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	1,109	-	-	1,109	-	-	-	At expiration	0.41	1,109	0.41
BANCO DE CHILE	CLP	1,821	-	-	1,821	-	-	-	At expiration	0.10	1,821	0.10



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

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

Creditor Name	Description of the currency or indexation according to contract condition (ISO 4217)	Amount of Class of Liabilities Exposed to Liquidity Risk with Expiration							Type of amortization	Effective rate	Amount of the nominal value of obligation payable according to contract conditions	Nominal rate of obligation to be paid according to contract condition
		Up to 1 month	1 to 3 months	3 to 12 months	Total current	1 to 5 years	5 or more years	Total Non current				
BANCO DE CRÉDITO E INVERSIONES (CHILE)	UF	-	-	3,714,911	3,714,911	14,215,357	12,505,903	26,721,260	Biannual	3.39	39,396,905	3.15
CORPBANCA	UF	-	-	2,238,212	2,238,212	8,527,580	7,504,888	16,032,468	Biannual	3.71	23,638,143	3.45
CITIBANK N.A. (CHILE)	UF	-	-	2,726,152	2,726,152	10,643,111	9,376,535	20,019,646	Biannual	3.94	29,547,670	3.64
BBVA	UF	-	-	3,202,678	3,202,678	12,310,662	6,196,788	18,507,450	Biannual	3.87	29,875,986	3.53
CORPBANCA	CLP	-	-	2,693,741	2,693,741	37,500,000	12,125,000	49,625,000	Annual	7.51	50,000,000	7.10
BANCO SANTANDER - SANTIAGO (CHILE)	USD	-	4,700,993	-	4,700,993	-	-	-	At expiration	0.96	4,700,993	0.96
BANCO SANTANDER - SANTIAGO (CHILE)	USD	17,866	-	-	17,866	-	-	-	At expiration	0.00	17,866	0.00
SCOTIABANK (PERU)	PEN	147,654	-	-	147,654	-	-	-	Annual	0.00	147,654	0.00
BANCO DE CRÉDITO (PERU)	PEN	-	-	2,823,351	2,823,351	-	-	-	Annual	4.49	2,812,350	4.49
SCOTIABANK (PERU)	USD	-	-	6,912,177	6,912,177	-	-	-	Annual	1.84	6,814,887	1.84
BANCO CONTINENTAL (PERU)	PEN	-	-	8,482,265	8,482,265	-	-	-	Annual	4.09	8,437,050	4.09
BANCO CONTINENTAL (PERU)	PEN	-	-	8,482,265	8,482,265	-	-	-	Annual	4.09	8,437,050	4.09
BANCO DE CRÉDITO (PERU)	PEN	-	-	1,312,589	1,312,589	-	-	-	Annual	4.45	1,312,430	4.45
BANCO DE CRÉDITO (PERU)	PEN	25,108	50,215	225,968	301,291	964,546	-	964,546	Annual	6.32	1,871,713	6.13
BANCO DE CRÉDITO (PERU)	PEN	29,975	59,950	269,769	359,694	1,724,253	1,555,275	3,279,528	Annual	7.17	4,367,205	6.93
BANCO DE CRÉDITO (PERU)	PEN	76,100	152,201	684,904	913,205	4,243,161	1,867,895	6,111,056	Annual	6.05	7,499,600	5.87
BANCO CONTINENTAL (PERU)	PEN	-	-	1,884,739	1,884,739	-	-	-	Monthly	4.09	1,874,900	4.02
SCOTIABANK (PERU)	PEN	-	-	708,787	708,787	8,058,347	-	8,058,347	Monthly	7.00	10,686,930	6.79
SCOTIABANK (PERU)	PEN	-	-	195,267	195,267	1,806,452	-	1,806,452	Monthly	7.98	2,360,796	7.70
BANCO CONTINENTAL (PERU)	PEN	-	-	7,539,791	7,539,791	-	-	-	Monthly	4.09	7,499,600	4.09
SCOTIABANK (PERU)	PEN	-	-	18,848,511	18,848,511	-	-	-	Monthly	4.05	18,749,000	4.05
BANCO CONTINENTAL (PERU)	PEN	-	-	9,410,826	9,410,826	-	-	-	Monthly	4.18	9,374,500	4.18
BANCO CONTINENTAL (PERU)	PEN	-	-	375,024	375,024	-	-	-	Monthly	4.27	374,980	4.27
SCOTIABANK (PERU)	USD	-	-	10,634,092	10,634,092	-	-	-	Monthly	1.84	10,484,441	1.84
SCOTIABANK (PERU)	USD	-	-	7,178,030	7,178,030	-	-	-	At expiration	1.84	6,553,057	1.84
SCOTIABANK (PERU)	PEN	-	-	8,481,830	8,481,830	-	-	-	At expiration	4.28	8,437,050	4.28
BANCO CONTINENTAL (PERU)	PEN	-	-	12,252,160	12,252,160	-	-	-	At expiration	4.09	12,186,850	4.09
BANCO CONTINENTAL (PERU)	PEN	-	-	12,252,160	12,252,160	-	-	-	At expiration	4.09	12,186,850	4.09
BANCO DE CRÉDITO (PERU)	PEN	69,428	101,611	475,287	646,326	3,022,596	2,657,721	5,680,317	Monthly	7.17	7,659,154	7.17
BANCO DE CRÉDITO (PERU)	PEN	22,080	39,176	182,152	243,408	751,131	-	751,131	Monthly	6.32	1,497,295	6.32
BANCO DE CRÉDITO (PERU)	PEN	51,849	93,678	427,461	572,988	2,541,274	-	2,541,274	Monthly	7.25	4,043,784	7.25
BANCO DE CRÉDITO (PERU)	PEN	38,512	85,143	378,403	502,058	2,406,491	3,531,732	5,938,223	Monthly	6.60	6,562,150	6.60
BANCO DE CHILE	EUR	399,899	292,067	-	691,966	-	-	-	At expiration	1.20	691,654	0.60
BANCO DE CHILE	USD	5,392,354	2,903,575	-	8,295,929	-	-	-	At expiration	1.97	8,293,448	0.61
BANCO SANTANDER - SANTIAGO (CHILE)	USD	1,394,839	751,068	-	2,145,907	-	-	-	At expiration	1.11	2,145,329	0.61
BANCO SANTANDER - SANTIAGO (CHILE)	EUR	13,818	-	-	13,818	-	-	-	At expiration	0.61	13,818	0.61
BANCO BBVA CHILE	CLP	1,251,366	-	-	1,251,366	-	-	-	Monthly	6.18	1,250,000	6.18
BANCO ESTADO (CHILE)	CLP	-	69,405	-	69,405	7,953,484	-	7,953,484	At expiration	7.02	8,000,000	6.79
BANCO BBVA CHILE	CLP	-	53,900	-	53,900	7,968,008	-	7,968,008	At expiration	7.72	8,000,000	7.35
BANCO BBVA CHILE	USD	195,556	90,894	-	286,450	-	-	-	At expiration	1.27	286,377	0.67
BANCO DE CHILE	USD	152,040	608,147	-	760,187	-	-	-	At expiration	1.44	759,834	0.71

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



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

Creditor Name	Description of the currency or indexation according to contract condition (ISO 4217)	Amount of Class of Liabilities Exposed to Liquidity Risk with Expiration				1 to 5 years	5 or more years	Total Non current	Type of amortization	Effective rate	Amount of the nominal value of obligation payable according to contract conditions	Nominal rate of obligation to be paid according to contract condition
		Up to 1 month	1 to 3 months	3 to 12 months	Total current							
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	358	-	-	358	-	-	-	At expiration	8.32	358	8.32
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	69	-	-	69	-	-	-	At expiration	9.90	69	9.90
BANCO SANTANDER - SANTIAGO (CHILE)	USD	-	54,766	-	54,766	-	-	-	At expiration	0.96	51,480	0.94
BANCO DE CHILE	USD	-	22,300	-	22,300	-	-	-	At expiration	0.98	21,408	0.96
HSBC BANK USA (CHILE)	USD	-	338,097	-	338,097	-	-	-	At expiration	0.84	277,239	0.82
BBVA	CLP	3,495,698	-	-	3,495,698	-	-	-	At expiration	5.50	3,494,184	4.65
BANCO DE CHILE	UF	507,100	-	-	507,100	26,689,447	-	26,689,447	At expiration	3.80	26,689,446	3.80
BANCO DE CRÉDITO E INVERSIONES (CHILE)	UF	-	-	44,562	44,562	26,681,517	-	26,681,517	At expiration	4.01	26,805,994	3.84
BANCO ESTADO (CHILE)	UF	-	573,976	-	573,976	46,459,791	-	46,459,791	At expiration	3.74	46,619,120	3.51
BANCO ESTADO (CHILE)	UF	-	514,146	-	514,146	46,333,912	-	46,333,912	At expiration	3.92	46,619,120	3.73
BANCO ESTADO (CHILE)	UF	-	4,407	-	4,407	9,750,854	-	9,750,854	At expiration	4.07	9,790,015	3.98
BANCO DE CHILE	CLP	-	-	11,427,665	11,427,665	-	-	-	At expiration	6.40	11,266,467	6.24
BANCO DE CHILE	CLP	-	-	10,998,267	10,998,267	-	-	-	At expiration	6.24	10,831,197	6.24
BANCO DE CHILE	CLP	-	-	11,072,918	11,072,918	-	-	-	At expiration	6.24	10,904,714	6.24
BANCO DE CHILE	CLP	-	-	11,149,419	11,149,419	-	-	-	At expiration	6.24	10,980,054	6.24
BANCO DE CHILE	UF	-	220,155	-	220,155	22,020,993	-	22,020,993	At expiration	3.91	22,221,773	3.60
BANCO DE CRÉDITO E INVERSIONES (CHILE)	UF	-	844,226	925,579	1,769,805	5,598,574	1,406,998	7,005,572	Every 4 months	4.84	19,626,222	4.39
BANCO ESTADO (CHILE)	CLP	-	1,142,276	-	1,142,276	22,688,410	22,709,591	45,398,001	At expiration	7.19	45,673,700	7.05
BANCO BOGOTÁ (COLOMBIA)	COP	-	-	271,465	271,465	-	-	-	Monthly	7.57	271,465	6.71
BANCOLOMBIA	COP	-	-	624,169	624,169	-	29,710,484	29,710,484	Monthly	8.50	30,334,652	7.71
CORPBANCA	COP	-	-	300,128	300,128	-	-	-	Monthly	8.50	300,128	6.24
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	-	22,800,000	-	22,800,000	-	-	-	At expiration	0.39	22,800,000	0.39
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	20,000,000	-	-	20,000,000	-	-	-	At expiration	0.36	20,000,000	0.36
BANCO DE CRÉDITO E INVERSIONES (CHILE)	CLP	-	25,000,000	-	25,000,000	-	-	-	At expiration	0.37	25,000,000	0.37
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	40,093,547	-	-	40,093,547	-	-	-	At expiration	4.38	40,093,547	4.38
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	84,823	-	-	84,823	-	-	-	At expiration	4.38	84,823	4.38
BANCO ESTADO (CHILE)	CLP	78,328	-	-	78,328	-	-	-	At expiration	4.80	78,328	4.80
BANCO BBVA CHILE	CLP	24,789	-	-	24,789	-	-	-	At expiration	5.03	24,789	5.03
SCOTIABANK SUD AMERICANO (CHILE)	CLP	146,726	-	-	146,726	-	-	-	At expiration	4.73	146,726	4.73
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	33,600	-	-	33,600	-	-	-	At expiration	4.38	33,600	4.38
BANCO DE CRÉDITO E INVERSIONES (CHILE)	CLP	64,457	-	-	64,457	-	-	-	At expiration	4.80	64,457	4.80
FALABELLA DE COLOMBIA S.A	COP	3,866,040	-	-	3,866,040	6,828,012	-	6,828,012	At expiration	5.66	10,629,386	5.52
FALABELLA DE COLOMBIA S.A	COP	148,948	-	-	148,948	20,275,454	-	20,275,454	At expiration	5.63	20,275,454	5.49
FALABELLA DE COLOMBIA S.A	COP	14,006	-	-	14,006	4,008,266	-	4,008,266	At expiration	5.99	4,008,266	5.83
FALABELLA DE COLOMBIA S.A	COP	52,545	-	-	52,545	11,188,828	-	11,188,828	At expiration	6.10	11,188,828	5.94
BANCO ESTADO (CHILE)	USD	-	-	41,870	41,870	7,347,510	-	7,347,510	At expiration	2.97	7,347,510	2.90
BANCO ESTADO (CHILE)	USD	-	-	12,032	12,032	1,838,190	-	1,838,190	At expiration	2.98	1,838,190	2.90
BANCO ESTADO (CHILE)	USD	-	-	8,644	8,644	1,838,190	-	1,838,190	At expiration	2.97	1,838,190	2.90
BANCO ESTADO (CHILE)	USD	-	-	19,363	19,363	7,352,762	-	7,352,762	At expiration	2.96	7,352,762	2.90
STANDARD BANK (ARGENTINA)	USD	-	-	192,264	192,264	1,430,679	-	1,430,679	Monthly	16.50	1,609,494	15.15

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



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

Creditor Name	Description of the currency or indexation according to contract condition (ISO 4217)	Amount of Class of Liabilities Exposed to Liquidity Risk with Expiration							Type of amortization	Effective rate	Amount of the nominal value of obligation payable according to contract conditions	Nominal rate of obligation to be paid according to contract condition
		Up to 1 month	1 to 3 months	3 to 12 months	Total current	1 to 5 years	5 or more years	Total Non current				
BANCO DE LA PROVINCIA DE BUENOS AIRES (ARGENTINA)	USD	67,142	120,103	601,858	789,103	120,664	-	120,664	Monthly	23.99	905,513	19.93
STANDARD BANK (ARGENTINA)	USD	14,799	-	196,768	211,567	1,574,318	-	1,574,318	Quarterly	15.25	1,377,551	15.25
STANDARD BANK (ARGENTINA)	USD	116	-	-	116	-	-	-	Monthly	22.00	116	19.14
BBVA	USD	31,368	-	-	31,368	-	-	-	Monthly	35.00	31,368	20.77
BANCO DE GALICIA Y BUENOS AIRES S.A. (ARGENTINA)	USD	40,356	-	-	40,356	-	-	-	Monthly	33.00	40,356	33.00
BANCO DE LA CIUDAD DE BUENOS AIRES (ARGENTINA)	ARS	2,559,081	-	-	2,559,081	-	-	-	Monthly	26.46	2,411,761	26.46
BBVA	ARS	12,283,911	-	-	12,283,911	-	-	-	Monthly	25.15	12,070,558	25.15
BANCO DE GALICIA Y BUENOS AIRES S.A. (ARGENTINA)	ARS	12,856	-	-	12,856	-	-	-	Monthly	26.50	1,035	26.50
STANDARD BANK (ARGENTINA)	ARS	2,826,925	-	-	2,826,925	-	-	-	Monthly	26.80	2,784,540	26.80
BANCO SANTANDER RIO S.A. (ARGENTINA)	ARS	4,503,358	-	-	4,503,358	-	-	-	Monthly	22.15	4,420,077	22.15
BANCO COMAFI (ARGENTINA)	ARS	1,640,701	-	-	1,640,701	-	-	-	Monthly	28.00	1,603,654	28.00
BANCO PATAGONIA S.A. (ARGENTINA)	ARS	3,445,460	-	-	3,445,460	-	-	-	Monthly	25.32	3,386,348	25.32
STANDARD BANK (ARGENTINA)	ARS	383	459,134	460,022	919,539	-	-	-	Biannual	20.61	3,219,600	28.21
STANDARD BANK (ARGENTINA)	ARS	225,522	-	554,351	779,873	1,232,210	-	1,232,210	Quarterly	29.63	2,817,150	22.80
HSBC BANK ARGENTINA S.A.	ARS	94,522	2,215,279	2,189,155	4,498,956	2,223,425	-	2,223,425	Biannual	27.52	6,680,670	23.50
BANCO ITAÚ BUEN AYRE S.A. (ARGENTINA)	ARS	6,770	-	-	6,770	4,820,138	-	4,820,138	At expiration	26.51	4,829,400	23.75
BANCO ITAÚ BUEN AYRE S.A. (ARGENTINA)	ARS	6,760	-	-	6,760	4,819,504	-	4,819,504	At expiration	26.51	4,829,400	23.75
STANDARD BANK (ARGENTINA)	ARS	571,626	-	1,572,033	2,143,659	5,323,670	-	5,323,670	Every 4 months	26.61	8,049,000	23.80
BANCO ITAÚ BUEN AYRE S.A. (ARGENTINA)	ARS	45,631	-	2,290,079	2,335,710	-	-	-	At expiration	31.89	2,293,965	28.00
HSBC BANK ARGENTINA S.A.	ARS	1,646,186	-	-	1,646,186	-	-	-	At expiration	25.00	1,609,800	25.00
HSBC BANK ARGENTINA S.A.	ARS	1,225,113	-	-	1,225,113	-	-	-	At expiration	33.00	1,207,350	33.00
BANCO ESTADO (CHILE)	USD	-	-	3,704	3,704	787,796	-	787,796	At expiration	2.96	787,796	2.90
BANCO ESTADO (CHILE)	USD	-	-	5,156	5,156	787,796	-	787,796	At expiration	2.96	787,796	2.90
BANCO ESTADO (CHILE)	USD	-	-	8,558	8,558	3,151,184	-	3,151,184	At expiration	2.96	3,151,184	2.90
BANCO DE LA PROVINCIA DE BUENOS AIRES (ARGENTINA)	ARS	19,787	36,046	162,536	218,369	54,309	-	54,309	Monthly	21.31	271,654	19.93
BANCO DE LA PROVINCIA DE BUENOS AIRES (ARGENTINA)	ARS	28,981	50,024	225,562	304,567	125,667	-	125,667	Monthly	21.43	427,603	20.04
BANCO PATAGONIA S.A. (ARGENTINA)	ARS	24,824	287,464	2,587,179	2,899,467	3,162,106	-	3,162,106	Annual	15.87	6,036,750	15.01
BBVA	ARS	41,955	-	-	41,955	-	-	-	Monthly	21.62	41,955	21.62
BANCO DE GALICIA Y BUENOS AIRES S.A. (ARGENTINA)	ARS	40,333	-	-	40,333	-	-	-	Monthly	18.00	40,333	18.00
BANCO SANTANDER RIO S.A. (ARGENTINA)	USD	31,672	-	-	31,672	-	-	-	Monthly	32.00	31,672	20.82
BANCO HSBC (BRAZIL)	USD	12,297	-	-	12,297	-	-	-	At expiration	9.77	3,073,398	9.77
BANCO ITAÚ (BRAZIL)	USD	-	-	3,568,554	3,568,554	-	-	-	At expiration	11.63	3,340,650	11.63
BANCO SAFRA (BRAZIL)	USD	-	-	2,851,083	2,851,083	-	-	-	At expiration	11.23	2,672,520	11.23
BANCO SAFRA (BRAZIL)	USD	-	-	1,184,929	1,184,929	-	-	-	At expiration	11.23	1,113,550	11.23
Total Bank Loans		182,108,603	64,744,276	225,801,207	472,654,086	446,150,629	111,148,810	557,299,439				



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

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

In the tables presented above, when the nominal rate is equal to the effective rate, it means that there were no costs or income directly associated to the transaction that will affect the original rate of the instrument.

The confirming contracts held by the subsidiary Promotora CMR consist of the transfer of credits nearing their maturity date by CMR creditors to banking entities. As a result of these transfers, CMR becomes a debtor of credit transfer banking entities. The documents provided as underlying assets to the bank are simple credits owed by Promotora CMR Falabella S.A., corresponding to goods sold and services provided by the company to CMR clients, who paid using the CMR credit card. The credits acquired by the banks are reflected in liquidations via sales receipts. The total volume of credits transferred to banks via confirming contracts during the year 2012 was ThCh\$ 120,000,000 and for the year 2013 it was ThCh\$ 25,267,687.

The risk associated with these operations is similar to that of bank credits. CMR has adequate capital indexes and continually monitors these. The confirming contracts as well as the rest of the CMR financing form part of this continuous monitoring of the capital structure.

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



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

Dec-31-13

c) Obligations with the public (bonds) as of December 2013 are detailed as follows:

Creditor Name	Description of the currency or indexation according to contract conditions (ISO 4217)	Amount of Class of Liabilities Exposed to Liquidity Risk with Expiration						Type of amortization	Effective rate	Amount of the nominal value of the obligation payable according to contract conditions	Nominal rate of the obligation payable according to contract conditions	
		Up to 1 month	1 to 3 months	3 a 12 months	Total Current	1 to 5 years	5 or more years					Total Non-current
MISCELLANEOUS CREDITORS	CLP	-	10,000,000	-	10,000,000	-	-	-	At expiration	4.53	10,000,000	4.53
MISCELLANEOUS CREDITORS	CLP	-	10,000,000	-	10,000,000	-	-	-	At expiration	4.66	10,000,000	4.66
MISCELLANEOUS CREDITORS	PEN	-	690,251	1,003,139	1,693,390	4,017,643	-	4,017,643	Quarterly	6.50	9,374,500	6.34
MISCELLANEOUS CREDITORS	PEN	-	377,898	665,657	1,043,555	4,678,099	-	4,678,099	Quarterly	7.83	9,374,500	7.56
MISCELLANEOUS CREDITORS	PEN	-	335,964	841,190	1,177,154	5,338,062	3,089,261	8,427,323	Quarterly	7.28	9,374,500	7.09
MISCELLANEOUS CREDITORS	PEN	-	236,509	562,052	798,561	3,562,310	2,249,880	5,812,190	Quarterly	5.94	11,249,400	5.81
MISCELLANEOUS CREDITORS	PEN	-	414,303	1,000,461	1,414,764	5,012,456	-	5,012,456	Quarterly	5.52	7,499,600	5.41
MISCELLANEOUS CREDITORS	PEN	-	325,010	701,144	1,026,154	4,448,472	3,511,022	7,959,494	Quarterly	5.12	9,374,500	5.00
MISCELLANEOUS CREDITORS	UF	-	-	72,622	72,622	23,025,956	-	23,025,956	At expiration	3.83	26,453,163	3.40
MISCELLANEOUS CREDITORS	UF	-	-	111,356	111,356	6,409,652	27,552,457	33,962,109	Biannual	3.98	53,872,814	3.70
MISCELLANEOUS CREDITORS	CLP	8,655,111	-	-	8,655,111	13,056,421	-	13,056,421	Biannual	7.28	22,181,698	7.00
MISCELLANEOUS CREDITORS	UF	-	-	46,735,659	46,735,659	-	-	-	At expiration	3.70	46,619,120	3.00
MISCELLANEOUS CREDITORS	UF	-	-	508,538	508,538	-	68,288,726	68,288,726	At expiration	4.00	69,928,680	3.85
MISCELLANEOUS CREDITORS	UF	-	-	338,640	338,640	-	45,577,882	45,577,882	At expiration	3.99	46,619,120	3.85
MISCELLANEOUS CREDITORS	UF	-	-	100,600	100,600	23,068,500	-	23,068,500	At expiration	3.41	23,309,560	3.00
MISCELLANEOUS CREDITORS	UF	-	-	273,744	273,744	-	54,932,442	54,932,442	At expiration	3.90	58,273,900	3.50
MISCELLANEOUS CREDITORS	UF	-	-	234,243	234,243	-	69,333,591	69,333,591	At expiration	3.92	69,928,680	3.90
MISCELLANEOUS CREDITORS	UF	-	1,008,406	-	1,008,406	-	69,993,150	69,993,150	At expiration	3.76	69,928,680	3.80
MISCELLANEOUS CREDITORS	UF	-	-	528,688	528,688	-	68,309,762	68,309,762	At expiration	4.72	69,928,680	4.50
MISCELLANEOUS CREDITORS	UF	-	-	74,331	74,331	23,108,888	-	23,108,888	At expiration	3.74	23,309,560	3.50
MISCELLANEOUS CREDITORS	UF	-	450,501	-	450,501	17,589,657	17,589,657	35,179,314	At expiration	3.34	34,964,340	3.50
MISCELLANEOUS CREDITORS	UF	-	1,876,271	-	1,876,271	-	90,885,413	90,885,413	Biannual	4.55	95,035,554	4.25
MISCELLANEOUS CREDITORS	CLP	-	-	10,466,299	10,466,299	5,146,312	-	5,146,312	Biannual	6.13	15,702,724	5.30
MISCELLANEOUS CREDITORS	UF	-	-	23,463,673	23,463,673	11,629,076	-	11,629,076	Biannual	3.25	35,207,395	2.80
MISCELLANEOUS CREDITORS	UF	-	-	847,106	847,106	-	78,120,870	78,120,870	Biannual	4.38	82,391,299	4.00
MISCELLANEOUS CREDITORS	CLP	-	-	1,119,643	1,119,643	-	89,556,192	89,556,192	Biannual	6.50	95,613,209	6.50
MISCELLANEOUS CREDITORS	USD	-	-	1,675,436	1,675,436	-	262,305,000	262,305,000	Biannual	3.75	263,944,406	3.75
MISCELLANEOUS CREDITORS	ARS	603,163	1,108,195	304,594	2,015,952	-	-	-	Monthly	26.39	13,035,264	17.50
MISCELLANEOUS CREDITORS	ARS	1,067,855	1,219,752	1,700,945	3,988,552	-	-	-	Monthly	28.20	13,932,516	18.00
MISCELLANEOUS CREDITORS	ARS	1,202,582	1,746,320	1,838,791	4,787,693	-	-	-	Monthly	34.06	12,354,301	19.00
MISCELLANEOUS CREDITORS	ARS	-	3,259,038	7,290,916	10,549,954	-	-	-	Monthly	26.26	14,420,183	19.00
Total Obligations with the Public		11,528,711	33,048,418	102,459,467	147,036,596	150,091,504	951,295,305	1,101,386,809				

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



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

In the tables presented above, when the nominal rate is equal to the effective rate, it means that there were no costs or income directly associated to the transaction that will affect the original rate of the instrument.

d) Financial lease obligations as of December 2013 are detailed as follows:

Dec-31-13

Creditor Name	Description of the currency or indexation according to contract conditions (ISO 4217)	Amount of Class of Liabilities Exposed to Liquidity Risk with Expiration							Type of amortization	Effective rate	Amount of the nominal value of the obligation payable according to contract conditions	Nominal rate of the obligation payable according to contract conditions
		Up to 1 month	1 to 3 months	3 a 12 months	Total Current	1 to 5 years	5 or more years	Total Non-current				
SODIMAC PERU S.A.	PEN	9,021	18,041	81,185	108,247	75,651	-	75,651	Annual	5.85	220,278	5.69
SODIMAC PERU S.A.	PEN	23,868	47,735	214,808	286,411	250,310	-	250,310	Annual	5.85	587,316	5.69
SODIMAC PERU S.A.	PEN	121,493	242,986	1,093,439	1,457,918	-	-	-	Annual	7.37	8,155,923	7.11
SODIMAC PERU S.A.	PEN	13,066	26,131	117,591	156,788	-	-	-	Annual	6.15	4,013,310	5.97
SODIMAC PERU S.A.	PEN	147,151	294,301	1,324,355	1,765,807	7,063,225	-	7,063,225	Annual	7.69	12,516,777	7.43
MALLS PERU S.A.	PEN	-	-	825,171	825,171	2,287,971	-	2,287,971	Monthly	6.94	7,124,620	6.73
MALLS PERU S.A.	PEN	-	-	669,370	669,370	2,241,729	-	2,241,729	Monthly	8.40	6,348,213	8.09
MALLS PERU S.A.	PEN	-	-	625,027	625,027	3,105,283	958,251	4,063,534	Monthly	8.55	11,123,273	8.23
MALLS PERU S.A.	PEN	-	-	334,617	334,617	1,470,365	2,784,208	4,254,573	Monthly	8.60	5,788,536	8.28
MALLS PERU S.A.	PEN	-	-	414,087	414,087	1,956,332	496,233	2,452,565	Monthly	8.50	4,210,889	8.19
MALLS PERU S.A.	PEN	-	-	457,056	457,056	2,269,976	288,169	2,558,145	Monthly	9.85	5,580,821	9.43
MALLS PERU S.A.	PEN	-	-	942,415	942,415	4,396,164	7,448,556	11,844,720	Monthly	8.70	23,438,647	8.37
MALLS PERU S.A.	PEN	-	-	565,365	565,365	6,605,543	-	6,605,543	Monthly	6.68	7,261,521	6.48
SAGA FALABELLA S.A. (PERU)	PEN	-	106,316	-	106,316	-	-	-	Monthly	6.15	2,737,937	5.98
VIAJES FALABELLA S.A. (PERU)	USD	1,579	3,178	14,650	19,407	27,501	-	27,501	Monthly	5.98	90,674	5.30
HIPERMERCADOS TOTTUS S.A.	PEN	34,549	60,162	281,090	375,801	328,364	-	328,364	Monthly	8.50	2,481,312	8.19
HIPERMERCADOS TOTTUS S.A.	PEN	94,922	191,568	891,182	1,177,672	245,613	-	245,613	Monthly	7.18	6,878,760	6.95
HIPERMERCADOS TOTTUS S.A.	PEN	86,017	85,603	-	171,620	-	-	-	Monthly	6.30	4,503,490	6.13
HIPERMERCADOS TOTTUS S.A.	PEN	33,102	44,670	208,602	286,374	1,352,671	36,351	1,389,022	Monthly	8.20	2,755,480	7.91
HIPERMERCADOS TOTTUS S.A.	PEN	56,816	100,445	470,977	628,238	392,908	-	392,908	Monthly	8.80	3,480,640	8.46
HIPERMERCADOS TOTTUS S.A.	PEN	36,549	45,200	211,106	292,855	1,369,928	490,445	1,860,373	Monthly	8.20	3,310,357	7.91
HIPERMERCADOS TOTTUS S.A.	PEN	61,647	111,975	518,372	691,994	542,904	-	542,904	Monthly	6.10	3,772,048	5.94
HIPERMERCADOS TOTTUS S.A.	PEN	23,497	23,937	112,119	159,553	738,935	750,001	1,488,936	Monthly	8.80	2,291,816	8.46
HIPERMERCADOS TOTTUS S.A.	PEN	27,942	44,440	206,828	279,210	777,506	-	777,506	Monthly	6.90	1,975,237	6.69
HIPERMERCADOS TOTTUS S.A.	PEN	88,430	158,996	738,431	985,857	3,677,975	-	3,677,975	Monthly	6.95	9,039,885	6.74
HIPERMERCADOS TOTTUS S.A.	PEN	7,427	13,221	62,194	82,842	328,045	-	328,045	Monthly	6.95	1,166,529	6.74

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



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

Creditor Name	Description of the currency or indexation according to contract conditions (ISO 4217)	Amount of Class of Liabilities Exposed to Liquidity Risk with Expiration							Type of amortization	Effective rate	Amount of the nominal value of the obligation payable according to contract conditions	Nominal rate of the obligation payable according to contract conditions
		Up to 1 month	1 to 3 months	3 a 12 months	Total Current	1 to 5 years	5 or more years	Total Non-current				
HIPERMERCADOS TOTTUS S.A.	PEN	7,890	14,184	65,891	87,965	328,559	-	328,559	Monthly	6.95	917,088	6.74
HIPERMERCADOS TOTTUS S.A.	PEN	42,544	64,126	299,201	405,871	1,303,876	-	1,303,876	Monthly	7.85	2,476,812	7.58
HIPERMERCADOS TOTTUS S.A.	PEN	116,820	176,121	821,647	1,114,588	3,578,862	-	3,578,862	Monthly	7.85	6,795,761	7.58
HIPERMERCADOS TOTTUS S.A.	PEN	32,184	57,301	267,441	356,926	724,812	-	724,812	Monthly	8.00	1,926,416	7.72
CONSTRUDECOR S.A.	BRL	1,800	1,800	-	3,600	-	-	-	At expiration	4.87	6,967	4.87
Total Financial Leases		1,068,314	1,932,437	12,834,217	15,834,968	47,441,008	13,252,214	60,693,222				

In the tables presented above, when the nominal rate is equal to the effective rate, it means that there were no costs or income directly associated to the transaction that will affect the original rate of the instrument.

e) Other financial liabilities as of December 31 2013 and 2012 are detailed as follows:

Detail of Other Financial Liabilities	Dec-31-13		Dec-31-12	
	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$
Financial liabilities at fair value with changes in income (derivative instruments)	5,772,229	1,085,879	2,123,853	854,092
Financial liabilities measured at amortized cost ⁽¹⁾	-	-	7,309,040	-
Other Financial liabilities	5,772,229	1,085,879	9,432,893	854,092
Total	5,772,229	1,085,879	9,432,893	854,092

(1) Mainly related to debt that was obtained as a result of the acquisition of Craighouse School

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



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

Dec-31-12

f) Bank Loans as of December 2012 are detailed as follows:

Creditor Name	Description of the currency or indexation according to contract conditions (ISO 4217)	Amount of Class of Liabilities Exposed to Liquidity Risk with Expiration							Type of amortization	Effective rate	Amount of the nominal value of the obligation payable according to contract conditions	Nominal rate of the obligation payable according to contract conditions
		Up to 1 month	1 to 3 months	3 a 12 months	Total Current	1 to 5 years	5 or more years	Total non-current				
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	-	25,102,000	-	25,102,000	-	-	-	At expiration	6.12	25,000,000	6.12
BANCO ESTADO (CHILE)	USD	-	25,272,388	-	25,272,388	-	-	-	At expiration	0.90	25,272,388	0.90
BANCO ESTADO (CHILE)	CLP	32,817,264	-	-	32,817,264	-	-	-	At expiration	5.04	32,817,264	5.04
BANCO ESTADO (CHILE)	CLP	19,645,613	-	-	19,645,613	-	-	-	At expiration	5.84	19,500,000	5.84
BANCO ESTADO (CHILE)	CLP	4,678,272	-	-	4,678,272	-	-	-	At expiration	5.76	4,650,000	5.76
BANCO ESTADO (CHILE)	CLP	3,018,240	-	-	3,018,240	-	-	-	At expiration	5.76	3,000,000	5.76
BANCO ESTADO (CHILE)	CLP	10,060,800	-	-	10,060,800	-	-	-	At expiration	5.76	10,000,000	5.76
BANCO ESTADO (CHILE)	CLP	10,039,120	-	-	10,039,120	-	-	-	At expiration	5.87	10,000,000	5.87
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	7,394,688	-	-	7,394,688	-	-	-	At expiration	5.76	7,350,000	5.76
BANCO BBVA CHILE	CLP	2,994	-	-	2,994	2,386,978	-	2,386,978	At expiration	6.45	2,386,978	6.45
BANCO BBVA CHILE	CLP	9,265	-	-	9,265	7,387,643	-	7,387,643	At expiration	6.45	7,387,643	6.45
BANCO BBVA CHILE	CLP	9,143	-	-	9,143	7,289,854	-	7,289,854	At expiration	6.45	7,289,854	6.45
BANCO BBVA CHILE	CLP	6,461	-	-	6,461	5,151,584	-	5,151,584	At expiration	6.45	5,151,584	6.45
BANCO BBVA CHILE	CLP	3,491	-	-	3,491	2,783,941	-	2,783,941	At expiration	6.45	2,783,941	6.45
BANCO DE CHILE	CLP	1,202,757	-	-	1,202,757	-	-	-	At expiration	6.49	1,181,039	6.49
BANCO DE CHILE	CLP	6,136,442	-	-	6,136,442	-	-	-	At expiration	6.49	6,025,641	6.49
BANCO DE CHILE	CLP	1,218,152	-	-	1,218,152	-	-	-	At expiration	6.49	1,196,157	6.49
BANCO DE CHILE	CLP	4,257,837	-	-	4,257,837	-	-	-	At expiration	6.49	4,180,956	6.49
BANCO DE CHILE	CLP	1,148,235	-	-	1,148,235	-	-	-	At expiration	6.49	1,127,502	6.49
BANCO DE CHILE	CLP	6,404,344	-	-	6,404,344	-	-	-	At expiration	6.49	6,288,705	6.49
BANCO DE CHILE	CLP	102,748	-	-	102,748	7,591,049	-	7,591,049	At expiration	6.41	7,591,049	6.41
BANCO DE CHILE	CLP	57,921	-	-	57,921	4,631,484	-	4,631,484	At expiration	6.43	4,631,484	6.43
BANCO DE CHILE	CLP	84,372	-	-	84,372	7,035,895	-	7,035,895	At expiration	6.44	7,035,895	6.44
BANCO DE CHILE	CLP	63,932	-	-	63,932	5,741,572	-	5,741,572	At expiration	6.47	5,741,572	6.47
SCOTIABANK SUD AMERICANO (CHILE)	CLP	-	47,170	-	47,170	4,573,664	-	4,573,664	At expiration	6.63	4,573,664	6.63
SCOTIABANK SUD AMERICANO (CHILE)	CLP	-	75,758	-	75,758	7,345,621	-	7,345,621	At expiration	6.63	7,345,621	6.63
SCOTIABANK SUD AMERICANO (CHILE)	CLP	-	74,198	-	74,198	7,194,383	-	7,194,383	At expiration	6.63	7,194,383	6.63
SCOTIABANK SUD AMERICANO (CHILE)	CLP	-	60,708	-	60,708	5,886,332	-	5,886,332	At expiration	6.63	5,886,332	6.63
BANCO DE CHILE	CLP	94,408	-	-	94,408	9,550,633	-	9,550,633	At expiration	6.59	9,550,633	6.59
BANCO DE CHILE	CLP	81,262	-	-	81,262	8,220,720	-	8,220,720	At expiration	6.59	8,220,721	6.59
BANCO DE CHILE	CLP	69,081	-	-	69,081	6,988,458	-	6,988,458	At expiration	6.59	6,988,458	6.59
BANCO DE CHILE	CLP	2,374	-	-	2,374	240,189	-	240,189	At expiration	6.59	240,189	6.59
BANCO BBVA CHILE	CLP	5,594	-	-	5,594	7,916,456	-	7,916,456	At expiration	6.36	7,916,456	6.36

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



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

Creditor Name	Description of the currency or indexation according to contract conditions (ISO 4217)	Amount of Class of Liabilities Exposed to Liquidity Risk with Expiration						Type of amortization	Effective rate	Amount of the nominal value of the obligation payable according to contract conditions	Nominal rate of the obligation payable according to contract conditions	
		Up to 1 month	1 to 3 months	3 a 12 months	Total Current	1 to 5 years	5 or more years					Total non-current
BANCO BBVA CHILE	CLP	5,834	-	-	5,834	8,256,424	-	8,256,424	At expiration	6.36	8,256,424	6.36
BANCO BBVA CHILE	CLP	2,704	-	-	2,704	3,827,120	-	3,827,120	At expiration	6.36	3,827,120	6.36
BANCO DE CRÉDITO E INVERSIONES (CHILE)	CLP	7,700,738	-	-	7,700,738	-	-	-	At expiration	6.43	7,633,969	6.43
BANCO DE CRÉDITO E INVERSIONES (CHILE)	CLP	7,961,729	-	-	7,961,729	-	-	-	At expiration	6.43	7,896,839	6.43
BANCO DE CRÉDITO E INVERSIONES (CHILE)	CLP	4,501,973	-	-	4,501,973	-	-	-	At expiration	6.44	4,469,191	6.44
BANCO DE CHILE	USD	-	25,273,452	-	25,273,452	-	-	-	At expiration	5.99	25,273,452	5.99
BANCO SANTANDER - SANTIAGO (CHILE)	USD	5,686,180	-	-	5,686,180	-	-	-	At expiration	1.03	5,686,180	1.03
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	365	-	-	365	-	-	-	At expiration	0.42	365	0.42
BANCO DE CRÉDITO E INVERSIONES (CHILE)	CLP	81	-	-	81	-	-	-	At expiration	0.80	81	0.80
BANCO DE CHILE	CLP	2,000	-	-	2,000	-	-	-	At expiration	0.52	2,000	0.52
BANCO DE CRÉDITO E INVERSIONES (CHILE)	UF	-	-	3,649,838	3,649,838	13,911,596	15,741,892	29,653,488	Biannual	3.39	39,396,905	3.15
CORPBANCA (CHILE)	UF	-	-	2,201,480	2,201,480	8,343,996	9,447,302	17,791,298	Biannual	3.71	23,638,143	3.45
CITIBANK N.A. (CHILE)	UF	-	-	2,673,435	2,673,435	10,411,452	11,801,468	22,212,920	Biannual	3.94	29,547,670	3.64
BANCO BBVA CHILE	UF	-	-	3,149,506	3,149,506	12,037,503	9,097,440	21,134,943	Biannual	3.87	29,875,986	3.53
CORPBANCA (CHILE)	CLP	-	-	2,732,602	2,732,602	25,000,000	24,625,000	49,625,000	Annual	7.51	50,000,000	7.10
BANCO AV VILLAS (COLOMBIA)	COP	55,043	-	-	55,043	6,828,012	-	6,828,012	At expiration	7.72	6,828,012	7.46
BANCO DE BOGOTÁ (COLOMBIA)	COP	195,792	-	-	195,792	20,275,454	-	20,275,454	At expiration	7.83	20,275,454	7.56
BANCO DE CRÉDITO (COLOMBIA)	COP	283,246	-	-	283,246	8,100,000	-	8,100,000	At expiration	8.09	8,100,000	7.80
BANCOLOMBIA	COP	52,438	-	-	52,438	5,421,687	-	5,421,687	At expiration	7.89	5,421,687	7.62
BANCO SANTANDER - SANTIAGO (CHILE)	USD	-	10,049,846	-	10,049,846	-	-	-	At expiration	0.99	10,049,846	0.99
BANCO ESTADO (CHILE)	USD	-	-	41,321	41,321	6,724,769	-	6,724,769	At expiration	2.96	6,724,769	2.90
BANCO ESTADO (CHILE)	USD	-	-	11,995	11,995	1,682,394	-	1,682,394	At expiration	2.96	1,682,394	2.90
BANCO ESTADO (CHILE)	USD	-	-	8,484	8,484	1,682,394	-	1,682,394	At expiration	2.96	1,682,394	2.90
BANCO ESTADO (CHILE)	USD	-	-	21,105	21,105	6,729,576	-	6,729,576	At expiration	2.96	6,729,576	2.90
BBVA BANCO FRANCÉS S.A. (ARGENTINA)	ARS	-	-	1,291,131	1,291,131	-	-	-	Biannual	18.12	1,301,364	17.00
STANDARD BANK (ARGENTINA)	ARS	-	-	277,370	277,370	278,726	-	278,726	Biannual	17.02	558,453	16.60
BANCO DE LA PROVINCIA DE BUENOS AIRES (ARGENTINA)	ARS	5,720	-	644,467	650,187	-	-	-	Annual	16.70	644,820	16.50
BANCO DE LA CIUDAD DE BUENOS AIRES (ARGENTINA)	ARS	2,374,674	-	-	2,374,674	-	-	-	Monthly	17.19	2,374,674	17.19
BANCO DE LA CIUDAD DE BUENOS AIRES (ARGENTINA)	ARS	3,010,731	-	-	3,010,731	-	-	-	Monthly	21.97	2,929,950	21.97
BBVA BANCO FRANCÉS S.A. (ARGENTINA)	ARS	6,733,029	-	-	6,733,029	-	-	-	Monthly	17.52	6,663,037	17.52
BANCO DE GALICIA Y BUENOS AIRES S.A. (ARGENTINA)	ARS	2,608,601	-	-	2,608,601	-	-	-	Monthly	17.62	2,569,417	17.62
STANDARD BANK (ARGENTINA)	ARS	7,265,477	-	-	7,265,477	-	-	-	Monthly	20.85	7,179,544	20.85
BANCO ITAU BUEN AYRE S.A. (ARGENTINA)	ARS	2,998,068	-	-	2,998,068	-	-	-	Monthly	29.00	2,928,146	29.00
BANCO COMAFI (ARGENTINA)	ARS	4,294	-	-	4,294	-	-	-	Monthly	15.90	2,604	15.90
BANCO PATAGONIA S.A. (ARGENTINA)	ARS	9,382,709	-	-	9,382,709	-	-	-	Monthly	17.89	9,262,355	17.89
HSBC BANK ARGENTINA S.A.	ARS	2,953,444	-	-	2,953,444	-	-	-	Monthly	23.76	2,931,000	21.50
STANDARD BANK (ARGENTINA)	ARS	-	-	1,109,092	1,109,092	1,115,287	-	1,115,287	Biannual	20.20	3,908,000	23.30

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



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

Creditor Name	Description of the currency or indexation according to contract conditions (ISO 4217)	Amount of Class of Liabilities Exposed to Liquidity Risk with Expiration							Type of amortization	Effective rate	Amount of the nominal value of the obligation payable according to contract conditions	Nominal rate of the obligation payable according to contract conditions
		Up to 1 month	1 to 3 months	3 a 12 months	Total Current	1 to 5 years	5 or more years	Total non-current				
HSBC BANK ARGENTINA S.A.	ARS	17,563	-	1,935,959	1,953,522	-	-	-	At expiration	21.39	1,954,000	19.50
BANCO ITAU BUEN AYRE S.A. (ARGENTINA)	ARS	22,304	2,931,000	-	2,953,304	-	-	-	At expiration	26.19	2,931,000	25.25
STANDARD BANK (ARGENTINA)	ARS	124,827	-	943,464	1,068,291	2,440,760	-	2,440,760	Quarterly	29.63	3,419,500	22.80
STANDARD BANK (ARGENTINA)	ARS	1,966,457	-	-	1,966,457	-	-	-	At expiration	19.45	1,954,000	17.90
BANCO ITAU BUEN AYRE S.A. (ARGENTINA)	ARS	42,580	2,931,000	-	2,973,580	-	-	-	At expiration	28.16	2,931,000	25.25
HSBC BANK ARGENTINA S.A.	ARS	3,426,024	-	-	3,426,024	-	-	-	At expiration	21.41	2,931,000	19.50
HSBC BANK ARGENTINA S.A.	ARS	1,771,493	-	-	1,771,493	-	-	-	At expiration	23.77	1,758,600	21.50
BANCO ESTADO (CHILE)	USD	-	-	5,140	5,140	721,026	-	721,026	At expiration	2.76	721,026	2.76
BANCO ESTADO (CHILE)	USD	-	-	3,900	3,900	721,026	-	721,026	At expiration	2.71	721,026	2.71
BANCO ESTADO (CHILE)	USD	-	-	9,045	9,045	2,884,104	-	2,884,104	At expiration	2.91	2,884,104	2.91
STANDARD BANK (ARGENTINA)	ARS	-	277,273	-	277,273	278,833	-	278,833	Biannual	22.92	558,453	22.92
BANCO PATAGONIA S.A. (ARGENTINA)	ARS	14,012	-	-	14,012	3,663,750	-	3,663,750	Annual	15.87	3,663,750	15.01
STANDARD BANK (ARGENTINA)	ARS	91,834	-	-	91,834	-	-	-	Monthly	20.95	91,834	20.95
BBVA BANCO FRANCÉS S.A. (ARGENTINA)	ARS	10,475	-	-	10,475	-	-	-	Monthly	17.50	10,475	17.50
BANCO DE CRÉDITO E INVERSIONES (CHILE)	UF	-	-	43,607	43,607	-	26,120,289	26,120,289	At expiration	4.01	26,266,863	3.84
CORPBANCA (CHILE)	UF	496,901	-	-	496,901	26,152,659	-	26,152,659	At expiration	3.80	26,152,659	3.80
BANCO ESTADO (CHILE)	UF	-	562,053	-	562,053	45,494,737	-	45,494,737	At expiration	3.74	45,681,500	3.51
BANCO ESTADO (CHILE)	UF	-	502,995	-	502,995	45,328,963	-	45,328,963	At expiration	3.92	45,681,500	3.73
BANCO DE CHILE	CLP	-	-	177,326	177,326	11,216,408	-	11,216,408	At expiration	6.39	11,266,467	6.23
BANCO DE CHILE	CLP	-	-	166,827	166,827	10,831,119	-	10,831,119	At expiration	6.23	10,831,197	6.23
BANCO DE CHILE	CLP	-	-	167,960	167,960	10,904,636	-	10,904,636	At expiration	6.23	10,904,714	6.23
BANCO DE CHILE	CLP	-	-	169,120	169,120	10,979,975	-	10,979,975	At expiration	6.23	10,980,054	6.23
BANCO DE CHILE	UF	-	213,128	-	213,128	21,552,368	-	21,552,368	At expiration	3.91	21,774,841	3.60
BANCO BOGOTÁ (COLOMBIA)	COP	-	-	-	-	-	25,126,894	25,126,894	At expiration	10.16	25,126,894	8.78
LLOYDS TSB BANK S.A. (COLOMBIA)	COP	-	-	261,042	261,042	-	-	-	At expiration	8.57	261,042	8.57
HSBC BANK USA (CHILE)	USD	-	51,447	-	51,447	-	-	-	At expiration	1.00	50,321	0.96
BANCO DE CHILE	EUR	337,528	139,968	-	477,496	-	-	-	At expiration	1.74	477,024	1.07
BANCO DE CHILE	USD	5,831,754	1,728,314	-	7,560,068	-	-	-	At expiration	2.09	7,556,183	1.08
BANCO SANTANDER - SANTIAGO (CHILE)	USD	4,886,377	954,328	-	5,840,705	-	-	-	At expiration	1.71	5,837,820	1.01
HSBC BANK USA (CHILE)	USD	160,595	120,391	-	280,986	-	-	-	At expiration	1.46	280,679	0.95
BANCO ESTADO (CHILE)	CLP	25,152,000	-	-	25,152,000	-	-	-	At expiration	6.36	25,000,000	5.76
BANCO ESTADO (CHILE)	CLP	25,136,000	-	-	25,136,000	-	-	-	At expiration	6.36	25,000,000	5.76
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	10,027,200	-	-	10,027,200	-	-	-	At expiration	6.36	10,000,000	5.76
BANCO BBVA CHILE	CLP	1,251,072	-	-	1,251,072	-	-	-	Monthly	6.18	1,250,000	6.18
BANCO DE CRÉDITO E INVERSIONES (CHILE)	CLP	5,005,717	-	-	5,005,717	-	-	-	Monthly	5.39	5,000,000	5.30
BANCO BBVA CHILE	CLP	-	-	55,943	55,943	7,950,069	-	7,950,069	At expiration	7.72	8,000,000	7.35
BANCO BBVA CHILE	EUR	324,111	-	-	324,111	-	-	-	At expiration	1.48	323,873	0.87
BANCO BBVA CHILE	USD	260,104	-	-	260,104	-	-	-	At expiration	1.94	260,030	0.95
BANCO BBVA CHILE	USD	-	107,180	-	107,180	-	-	-	At expiration	1.98	107,160	1.07
BANCO DE CHILE	USD	480,030	-	-	480,030	-	-	-	At expiration	1.89	479,570	1.08
BANCO DE CHILE	USD	-	78,104	-	78,104	-	-	-	At expiration	1.85	78,068	1.20

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



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Creditor Name	Description of the currency or indexation according to contract conditions (ISO 4217)	Amount of Class of Liabilities Exposed to Liquidity Risk with Expiration						1 to 5 years	5 or more years	Total non-current	Type of amortization	Effective rate	Amount of the nominal value of the obligation payable according to contract conditions	Nominal rate of the obligation payable according to contract conditions
		Up to 1 month	1 to 3 months	3 a 12 months	Total Current									
CORPBANCA (CHILE)	USD	57,147	-	-	57,147	-	-	-	-	At expiration	2.06	57,120	0.95	
BANCO SECURITY (CHILE)	USD	3,908	-	-	3,908	-	-	-	-	At expiration	1.92	3,902	1.31	
BANCO DE CRÉDITO E INVERSIONES (CHILE)	CLP	47,925	-	-	47,925	-	-	-	-	At expiration	7.20	47,925	6.60	
BANCO DE CRÉDITO E INVERSIONES (CHILE)	CLP	317	-	-	317	-	-	-	-	At expiration	7.00	317	7.00	
BANCO SANTANDER - SANTIAGO (CHILE)	CLP	263	-	-	263	-	-	-	-	At expiration	5.88	263	5.88	
BANCO DE CRÉDITO (PERU)	PEN	-	755,010	-	755,010	-	-	-	-	Annual	4.20	752,600	4.20	
BANCO DE CRÉDITO (PERU)	PEN	-	1,884,297	-	1,884,297	-	-	-	-	Annual	4.20	1,881,500	4.20	
SCOTIABANK (PERU)	USD	-	2,812,654	-	2,812,654	-	-	-	-	Annual	1.41	2,811,230	1.41	
BANCO DE CRÉDITO (PERU)	PEN	23,656	47,312	212,906	283,874	1,238,941	31,348	1,270,289	-	Annual	6.32	1,878,301	6.13	
BANCO DE CRÉDITO (PERU)	PEN	28,007	56,013	252,060	336,080	1,611,349	2,040,689	3,652,038	-	Annual	7.17	4,382,578	6.93	
BANCO DE CRÉDITO (PERU)	PEN	-	942,148	-	942,148	-	-	-	-	Monthly	4.12	940,750	4.20	
SCOTIABANK (PERU)	PEN	-	-	715,776	715,776	8,792,568	-	8,792,568	-	Monthly	6.79	10,724,550	7.00	
SCOTIABANK (PERU)	PEN	-	-	195,523	195,523	2,005,843	-	2,005,843	-	Monthly	7.70	2,369,107	7.98	
BANCO DE CRÉDITO (PERU)	PEN	-	8,663,669	-	8,663,669	-	-	-	-	Monthly	4.20	8,654,900	4.20	
SCOTIABANK (PERU)	USD	-	9,000,492	-	9,000,492	-	-	-	-	Monthly	1.41	8,995,935	1.41	
SCOTIABANK (PERU)	USD	-	4,125,226	-	4,125,226	-	-	-	-	At expiration	1.41	4,123,137	1.41	
BANCO DE CRÉDITO (PERU)	PEN	-	2,070,360	-	2,070,360	-	-	-	-	At expiration	4.20	2,069,650	4.20	
BANCO DE CRÉDITO (PERU)	PEN	-	5,803,636	-	5,803,636	-	-	-	-	At expiration	4.20	5,795,020	4.20	
BANCO CONTINENTAL (PERU)	PEN	55,467	-	-	55,467	-	-	-	-	At expiration	5.34	55,467	5.34	
BANCO INTERAMERICANO DE FINANZAS (BIF) PERU	USD	4,771	-	-	4,771	-	-	-	-	At expiration	5.15	4,771	5.15	
BANCO DE CRÉDITO (PERU)	PEN	67,864	97,403	438,938	604,205	2,820,057	3,510,352	6,330,409	-	Monthly	7.17	7,686,116	7.17	
BANCO DE CRÉDITO (PERU)	PEN	21,506	37,181	170,308	228,995	995,470	-	995,470	-	Monthly	6.32	1,502,566	6.32	
BANCO DE CRÉDITO (PERU)	PEN	49,036	88,345	397,639	535,020	2,549,214	568,655	3,117,869	-	Monthly	7.25	4,058,019	7.25	
Total Bank Loans		259,596,505	132,936,447	24,134,309	416,667,261	469,676,721	128,111,329	597,788,050						

In the tables presented above, when the nominal rate is equal to the effective rate, it means that there were no costs or income directly associated to the transaction that will affect the original rate of the instrument.

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



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

Dec-31-13

g) Obligations with the public (bonds) as of December 2013 are detailed as follows:

Creditor Name	Description of the currency or indexation according to contract conditions (ISO 4217)	Description of the currency or indexation according to contract conditions (ISO 4217)						Type of amortization	Effective rate	Amount of the nominal value of the obligation payable according to contract conditions	Nominal rate of the obligation payable according to contract conditions	
		Up to 1 month	1 to 3 months	3 a 12 months	Total Current	1 to 5 years	5 or more years					Total Non-current
MISCELLANEOUS CREDITORS	CLP	368,166	26,557,753	-	26,925,919	61,968,091	-	61,968,091	At expiration	6.29	90,000,000	5.00
MISCELLANEOUS CREDITORS	PEN	8,657	295,265	910,660	1,214,582	949,182	-	949,182	Quarterly	5.68	5,644,500	5.56
MISCELLANEOUS CREDITORS	PEN	25,209	334,609	1,001,769	1,361,587	5,375,714	-	5,375,714	Quarterly	6.50	9,407,500	6.34
MISCELLANEOUS CREDITORS	PEN	52,514	335,298	1,004,868	1,392,680	5,364,962	671,516	6,036,478	Quarterly	7.83	9,407,500	7.56
MISCELLANEOUS CREDITORS	PEN	431,875	(1,363)	1,001,816	1,432,328	5,364,963	1,006,379	6,371,342	Quarterly	7.28	9,407,500	7.09
MISCELLANEOUS CREDITORS	PEN	61,860	281,135	841,772	1,184,767	4,509,956	5,073,700	9,583,656	Quarterly	5.94	11,289,000	5.81
MISCELLANEOUS CREDITORS	PEN	54,454	187,431	561,216	803,101	3,010,400	3,574,850	6,585,250	Quarterly	5.52	7,526,000	5.41
MISCELLANEOUS CREDITORS	PEN	-	-	9,427,826	9,427,826	-	-	-	Annual	4.09	9,407,500	4.09
MISCELLANEOUS CREDITORS	CLP	4,917,808	-	3,999,044	8,916,852	21,159,970	-	21,159,970	Biannual	7.28	32,170,000	7.00
MISCELLANEOUS CREDITORS	UF	-	-	274,057	274,057	45,204,949	-	45,204,949	At expiration	3.70	45,681,500	3.00
MISCELLANEOUS CREDITORS	UF	-	-	497,844	497,844	-	66,852,843	66,852,843	At expiration	4.00	68,522,250	3.85
MISCELLANEOUS CREDITORS	UF	-	-	331,535	331,535	-	44,621,541	44,621,541	At expiration	3.99	45,681,500	3.85
MISCELLANEOUS CREDITORS	UF	-	-	98,188	98,188	22,515,508	-	22,515,508	At expiration	3.41	22,840,750	3.00
MISCELLANEOUS CREDITORS	UF	-	-	267,668	267,668	-	53,713,045	53,713,045	At expiration	3.90	57,101,875	3.50
MISCELLANEOUS CREDITORS	UF	-	-	229,470	229,470	-	67,920,882	67,920,882	At expiration	3.92	68,522,250	3.90
MISCELLANEOUS CREDITORS	UF	-	-	517,222	517,222	-	66,828,277	66,828,277	Biannual	4.72	68,522,250	4.50
MISCELLANEOUS CREDITORS	UF	-	-	72,669	72,669	15,044,695	7,547,564	22,592,259	Biannual	3.74	22,840,750	3.50
MISCELLANEOUS CREDITORS	UF	-	-	4,909,946	4,909,946	23,521,854	34,084,532	57,606,386	Biannual	5.29	79,068,675	4.50
MISCELLANEOUS CREDITORS	UF	-	-	1,676,058	1,676,058	-	89,057,494	89,057,494	Biannual	4.55	90,364,200	4.25
MISCELLANEOUS CREDITORS	CLP	-	5,456,552	5,088,759	10,545,311	15,380,240	-	15,380,240	Biannual	6.13	31,000,000	5.30
MISCELLANEOUS CREDITORS	UF	-	11,756,320	11,322,001	23,078,321	34,111,595	-	34,111,595	Biannual	3.25	67,773,150	2.80
MISCELLANEOUS CREDITORS	UF	-	679,400	-	679,400	-	76,548,602	76,548,602	Biannual	4.38	79,068,675	4.00
MISCELLANEOUS CREDITORS	ARS	1,837,384	2,138,081	1,211,621	5,187,086	-	-	-	Monthly	23.37	15,656,776	16.00
MISCELLANEOUS CREDITORS	ARS	1,491,790	5,423,471	4,577,107	11,492,368	-	-	-	Monthly	18.78	16,624,923	17.00
Total Obligations with the public		9,249,717	53,443,952	49,823,116	112,516,785	263,482,079	517,501,225	780,983,304				

In the tables presented above, when the nominal rate is equal to the effective rate, it means that there were no costs or income directly associated to the transaction that will affect the original rate of the instrument.

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



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

h) Financial lease obligations as of December 2012 are detailed as follows:

Dec-31-12

Creditor Name	Description of the currency or indexation according to contract conditions (ISO 4217)	Amount of Class of Liabilities Exposed to Liquidity Risk with Expiration						Type of amortization	Effective rate	Amount of the nominal value of the obligation payable according to contract conditions	Nominal rate of the obligation payable according to contract conditions	
		Up to 1 month	1 to 3 months	3 to 12 months	Total Current	1 to 5 years	5 or more years					Total Non-current
SODIMAC PERÚ S.A.	PEN	109,716	219,432	987,443	1,316,591	1,463,050	-	1,463,050	Annual	7.37	8,184,634	7.11
SODIMAC PERÚ S.A.	PEN	75,703	151,406	681,328	908,437	157,340	-	157,340	Annual	6.15	8,184,634	5.97
SODIMAC PERÚ S.A.	PEN	147,416	294,832	1,326,745	1,768,993	7,088,088	1,772,023	8,860,111	Annual	7.69	12,560,838	7.43
MALLS PERÚ S.A.	PEN	-	-	806,524	806,524	3,125,839	-	3,125,839	Monthly	6.94	7,149,700	6.73
MALLS PERÚ S.A.	PEN	-	-	622,831	622,831	2,881,622	40,206	2,921,828	Monthly	8.40	6,370,560	8.09
MALLS PERÚ S.A.	PEN	-	-	576,051	576,051	2,863,398	1,841,669	4,705,067	Monthly	8.55	11,162,429	8.23
MALLS PERÚ S.A.	PEN	-	-	313,446	313,446	1,383,449	3,204,243	4,587,692	Monthly	8.60	5,808,913	8.28
MALLS PERÚ S.A.	PEN	-	-	386,274	386,274	1,807,227	1,051,208	2,858,435	Monthly	8.50	4,225,712	8.19
MALLS PERÚ S.A.	PEN	-	-	417,846	417,846	2,095,619	939,376	3,034,995	Monthly	9.85	5,600,467	9.43
MALLS PERÚ S.A.	PEN	-	-	872,714	872,714	4,098,350	8,694,682	12,793,032	Monthly	8.70	23,521,155	8.37
SAGA FALABELLA S.A. (PERU)	PEN	51,702	99,034	461,799	612,535	125,544	-	125,544	Monthly	6.15	2,747,575	5.98
VIAJES FALABELLA S.A. (PERU)	USD	1,371	2,759	12,719	16,849	42,909	-	42,909	Annual	5.98	96,092	5.30
HIPERMERCADOS TOTTUS S.A. (PERU)	PEN	34,671	55,641	259,970	350,282	701,854	-	701,854	Monthly	8.50	2,490,047	8.19
HIPERMERCADOS TOTTUS S.A. (PERU)	PEN	88,617	178,842	831,984	1,099,443	1,428,295	-	1,428,295	Monthly	7.18	6,902,975	6.95
HIPERMERCADOS TOTTUS S.A. (PERU)	PEN	86,053	161,520	748,697	996,270	171,349	-	171,349	Monthly	6.30	4,519,343	6.13
HIPERMERCADOS TOTTUS S.A. (PERU)	PEN	33,198	41,358	193,139	267,695	1,252,402	417,863	1,670,265	Monthly	8.20	2,765,180	7.91
HIPERMERCADOS TOTTUS S.A. (PERU)	PEN	56,820	92,185	432,244	581,249	1,017,564	-	1,017,564	Monthly	8.80	3,492,892	8.46
HIPERMERCADOS TOTTUS S.A. (PERU)	PEN	36,657	41,837	195,398	273,892	1,267,998	878,583	2,146,581	Monthly	8.20	3,322,010	7.91
HIPERMERCADOS TOTTUS S.A. (PERU)	PEN	61,750	105,650	489,093	656,493	1,233,133	-	1,233,133	Monthly	6.10	3,785,327	5.94
HIPERMERCADOS TOTTUS S.A. (PERU)	PEN	23,571	22,018	103,131	148,720	679,699	962,893	1,642,592	Monthly	8.80	2,299,883	8.46
HIPERMERCADOS TOTTUS S.A. (PERU)	PEN	27,940	41,448	192,905	262,293	1,054,491	-	1,054,491	Monthly	6.90	1,982,191	6.69
HIPERMERCADOS TOTTUS S.A. (PERU)	PEN	73,849	148,971	691,868	914,688	4,356,542	314,062	4,670,604	Monthly	6.95	9,071,707	6.74
HIPERMERCADOS TOTTUS S.A. (PERU)	PEN	6,874	13,867	64,409	85,150	405,858	29,275	435,133	Monthly	6.95	1,170,635	6.74
HIPERMERCADOS TOTTUS S.A. (PERU)	PEN	6,584	13,282	61,703	81,569	389,051	28,078	417,129	Monthly	6.95	920,317	6.74
HIPERMERCADOS TOTTUS S.A. (PERU)	PEN	42,631	59,484	277,543	379,658	1,704,933	-	1,704,933	Monthly	7.85	2,485,530	7.58
HIPERMERCADOS TOTTUS S.A. (PERU)	PEN	117,072	163,416	762,375	1,042,863	4,680,248	-	4,680,248	Monthly	7.85	6,819,683	7.58
HIPERMERCADOS TOTTUS S.A. (PERU)	PEN	31,290	53,118	247,915	332,323	1,081,716	-	1,081,716	Monthly	8.00	1,933,197	7.72
Total Financial Lease		1,113,485	1,960,100	13,018,094	16,091,679	48,557,568	20,174,161	68,731,729				

In the tables presented above, when the nominal rate is equal to the effective rate, it means that there were no costs or income directly associated to the transaction that will affect the original rate of the instrument.

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



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

Note 19 – Current and Non-current Trade and Other Accounts Payable

Current and non-current trade and other accounts payable are detailed as follows:

Dec-31-13						
Class of liability	Up to 1 month	1 to 3 months	More than 3 up to 12 months	Total current	1 to 5 years	Total non-current
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Trade payables	454,692,004	227,421,407	66,327,198	748,440,609	1,411,385	1,411,385
Miscellaneous payables	4,380,225	2,190,403	4,765,397	11,336,025	888,803	888,803
Other accounts payable	52,846,260	37,656	65,517,587	118,401,503	-	-
Total payables & other A/P	511,918,488	229,649,466	136,610,182	878,178,136	2,300,188	2,300,188

Dec-31-12						
Class of liability	Up to 1 month	1 to 3 months	More than 3 up to 12 months	Total current	1 to 5 years	Total non-current
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Trade payables	372,712,737	202,234,080	45,056,014	620,002,831	-	-
Miscellaneous payables	9,325,038	5,657,823	3,063,458	18,046,319	1,291,587	1,291,587
Other accounts payable	78,075,807	31,337	46,922,092	125,029,236	-	-
Total payables & other A/P	460,113,582	207,923,240	95,041,564	763,078,386	1,291,587	1,291,587

The balance of non-current payables mainly attributable to prepayment rights of operators of the Colombian subsidiary of Mall Plaza.

The Company's main suppliers as of December 31, 2013 are detailed as follows. The average payment term of all suppliers varies depending on each business and each country, and amounted to between 46 and 74 days at the end of 2013.

Supplier name
Samsung Electronics Chile Ltda.
LG Electronics Inc. Chile Ltda.
Sony Chile Ltda.
Gerdau Aza S.A.
Compañía Siderúrgica Huachipato S.A. (CAP)
Cintac S.A.I.C.
Cía. Ind. El Volcán S.A.
Nestlé Chile S.A.
Unilever Chile S.A.
Industrias Ceresita S.A.

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



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

Suppliers not due

December 2013

Type of Supplier	Amounts according to payment terms						Total ThCh\$
	Up to 30 days	31-60 days	61-90 days	91-120 days	121-365 days	366 days & over	
Goods	343,668,744	120,750,667	31,652,219	7,631,322	2,888,273	3,919,675	510,510,900
Services	180,271,841	31,430,465	3,077,492	1,326,099	1,462,575	1,552,463	219,120,935
Other	6,263,070	296,279	40,188	19,706	83,939	12,683	6,715,865
Total ThCh\$	530,203,655	152,477,411	34,769,899	8,977,127	4,434,787	5,484,821	736,347,700

December 2012

Type of Supplier	Amounts according to payment terms						Total ThCh\$
	Up to 30 days	31-60 days	61-90 days	91-120 days	121-365 days	366 days & over	
Goods	317,777,527	123,975,848	24,519,186	5,112,201	3,196,479	2,775,112	477,356,353
Services	103,199,251	8,274,813	6,825,030	7,671,269	266,306	245,459	126,482,128
Other	1,428,625	806,780	18,924	-	9,610	41,364	2,305,303
Total ThCh\$	422,405,403	133,057,441	31,363,140	12,783,470	3,472,395	3,061,935	606,143,784

Overdue suppliers

The Falabella Group is able to fulfill its obligations with its multiple suppliers, and as such the amounts shown below as Suppliers with overdue balances as of 2013 and 2012 relate mainly to invoices with reconciling items. Such items are usually resolved in the short-term.

December 2013

Type of Supplier	Amounts according to payment terms						Total ThCh\$
	Up to 30 days	31-60 days	61-90 days	91-120 days	121-365 days	366 days & over	
Goods	5,581,471	2,031,284	751,232	496,880	475,134	1,259,829	10,595,830
Services	1,605,258	246,740	73,650	19,944	10,225	119,851	2,075,668
Other	752,566	30,271	12,986	6,368	26,506	4,099	832,796
Total ThCh\$	7,939,295	2,308,295	837,868	523,192	511,865	1,383,779	13,504,294

December 2012

Type of Supplier	Amounts according to payment terms						Total ThCh\$
	Up to 30 days	31-60 days	61-90 days	91-120 days	121-365 days	366 days & over	
Goods	3,498,382	2,754,017	838,255	829,488	878,531	2,657,521	11,456,194
Services	803,600	438,922	211,131	72,431	93,476	242,200	1,861,760
Other	288,532	252,561	-	-	-	-	541,093
Total ThCh\$	4,590,514	3,445,500	1,049,386	901,919	972,007	2,899,721	13,859,047

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



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

Note 20 – Current and Non-current Non-banking and Banking Services Provisions

- a) Provisions established by the Company for the Non-banking Business corresponds to the following concepts:

Non-banking Business	Current		Non-current	
	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Provisions				
Legal claims (contingencies) provision ⁽¹⁾	5,571,079	4,452,691	3,931,820	-
Dismantling and restoration costs ⁽²⁾	-	-	907,887	642,123
Other provisions ⁽³⁾	576,772	882,603	-	-
Total	6,147,851	5,335,294	4,839,707	642,123

- b) Provisions established for Banking Services are detailed as follows:

Banking Services	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Provisions		
Legal claims (contingencies) provision ⁽¹⁾	532,319	328,062
Dismantling and restoration cost ⁽²⁾	468,406	-
Other provisions ⁽⁴⁾	5,049,016	3,826,926
Total	6,049,741	4,154,988

- (1) Legal claims (contingencies) provision: correspond to real claims that have been defined by legal advisors as with high probability of loss.
- (2) Dismantling, restoration costs and reinstatement: This dismantling policy is reviewed annually to determine the reasonability of the estimated amounts or whether there are new amounts to be recorded for new assets acquired or built.
- (3) Other provisions: correspond to other miscellaneous third party obligations, where there is a probability of an outflow of resources.
- (4) Correspond to regulatory provisions required by the Chilean SBIF.

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



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

c) Movements for the year for the concept of current and non-current non-banking provisions are detailed as follows:

Non-banking Business

Provisions movements	Legal claims provision		Dismantling and restoration cost		Other provisions		Total	
	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$
Beginning balance as of Jan-01-13	4,452,691	-	-	642,123	882,603	-	5,335,294	642,123
Additional provisions	1,334,559	-	-	152,174	111,334	-	1,445,893	152,174
Increase (decrease) in existing provisions	346,160	636,108	-	114,968	(417,165)	-	(71,005)	751,076
Acquisitions through business combinations	-	3,373,041	-	-	-	-	-	3,373,041
Conversion adjustment	(562,331)	(77,329)	-	(1,378)	-	-	(562,331)	(78,707)
Changes in total provision	1,118,388	3,931,820	-	265,764	(305,831)	-	812,557	4,197,584
Final balance as of Dec31-13	5,571,079	3,931,820	-	907,887	576,772	-	6,147,851	4,839,707
Beginning balance as of Jan-01-12	5,753,490	-	-	556,284	1,185,044	-	6,938,534	556,284
Additional provisions	430,551	-	-	79,480	(154,881)	-	275,670	79,480
Increase (Decrease) in existing provisions	(1,111,624)	-	-	17,654	(147,510)	-	(1,259,134)	17,654
Conversion adjustment	(619,726)	-	-	(11,295)	(50)	-	(619,776)	(11,295)
Changes in total provision	(1,300,799)	-	-	85,839	(302,441)	-	(1,603,240)	85,839
Final balance as of Dec-31-12	4,452,691	-	-	642,123	882,603	-	5,335,294	642,123

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



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

d) Movements for the year for the concept of Banking Services provisions correspond to the following:

Banking Services

Provisions movements	Legal claims provision	Dismantling and restoration cost	Other Provisions	Total
	ThCh\$		ThCh\$	ThCh\$
Beginning balance as of Jan-01-13	328,062	-	3,826,926	4,154,988
Additional provisions	824,989	468,406	44,974	1,338,369
Increase (decrease) in existing provisions	(623,912)	-	1,170,205	546,293
Conversion adjustment	3,180	-	6,911	10,091
Changes in total provision	204,257	468,406	1,222,090	1,894,753
Final balance as of Dec-31-13	532,319	468,406	5,049,016	6,049,741
Beginning balance as of Jan-01-12	199,684	-	2,290,593	2,490,277
Additional provisions	450,996	-	1,946	452,942
Increase (decrease) in existing provisions	(319,507)	-	1,577,501	1,257,994
Conversion adjustment	(3,111)	-	(43,114)	(46,225)
Changes in total provision	128,378	-	1,536,333	1,664,711
Final balance as of Dec-31-12	328,062	-	3,826,926	4,154,988

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

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

Note 21 – Current and Non-current Employee Benefits Provisions

a) Employee benefits included in the statement of income are detailed as follows:

Non-banking Business

Employee benefits expenses	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Wages and salaries	591,917,410	494,976,703
Bonuses and other short-term benefits	93,634,561	88,147,353
Defined benefits obligation expense	2,205,518	1,897,718
Termination expenses	9,124,865	7,146,340
Share-based payments	5,072,713	3,951,857
Other employee expenses	6,550,349	10,406,817
Employee expenses	708,505,416	606,526,788

Banking Services

Employee benefits expenses	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Wages and salaries	48,834,510	43,172,528
Bonuses and other short-term benefits	15,723,548	12,972,186
Termination expenses	547,049	544,208
Share-based payments	548,104	393,840
Other employee expenses	3,621,412	3,419,545
Employee expenses	69,274,623	60,502,307

b) Employee benefits balances are detailed as follows:

Non-banking Business

	Current		Non-current	
	Dec-31-13	Dec-31-12	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Vacation accrual	33,077,360	27,623,405	-	-
Profit sharing and bonuses	30,987,792	26,354,460	1,681,700	1,107,706
Defined benefits provision	874,123	1,225,423	13,253,166	12,505,712
Withholdings	20,829,810	17,167,343	-	-
Payroll	3,964,279	2,454,927	-	-
Other provisions	4,017,037	4,147,984	-	-
Total employee benefits	93,750,401	78,973,542	14,934,866	13,613,418

c) Defined employee benefits balances are detailed as follows:

	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Post-employment benefits provision, current	874,123	1,225,423
Post-employment benefits provision, non-current	13,253,166	12,505,712
Total benefits obligation	14,127,289	13,731,135

c.1 The Company has defined plans with some of its employees and has applied the changes to IAS 19 described in Note 2.2 in a retrospective manner as of January 1, 2009, the date of adoption of IFRS.



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

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

January 1 has been used as this is the date from which there is information to be able to apply the changes in the standard. The impact of the transition is detailed as follows:

Impact on total comprehensive income

	Reported Previously Dec-31-12 ThCh\$	Adjustments due to application of changes ThCh\$	Restated*1 Dec-31-12 ThCh\$
Non-banking business administration expenses	(1,072,223,510)	1,008,080	(1,071,215,430)
Non-banking business income tax expense	(127,197,152)	(201,616)	(127,398,768)
Non-banking business profit (loss)	(1,199,420,662)	806,464	(1,198,614,198)
Profit (loss)			
Attributable to owners of the parent	371,060,080	806,464	371,866,544
Attributable to non-controlling interests	38,292,678	-	38,292,678
Actuarial profit (loss) on defined benefits plans before taxes	-	(1,008,080)	(1,008,080)
Tax related to benefit plans	-	201,616	201,616
Total comprehensive income	391,270,238	-	391,270,238
Attributable to owners of the parent	355,956,517	-	355,956,517
Attributable to non-controlling interests	35,313,721	-	35,313,721

¹ See Note 2.2

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

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

Changes in IAS 19R did not have a significant impact on the Statements of Financial Position, Statements of Changes in Equity, Statements of Comprehensive Income, Statements of Cash Flows or basic and diluted earnings per share.

Impact on the Consolidated Statement of Financial Position

	Previously reported	Adjustments due to application of	Restated *2
	Dec-31-12	changes	Dec-31-12
	ThCh\$	ThCh\$	ThCh\$
Accumulated profits (losses)	2,396,861,551	2,963,556	2,399,825,107
Other reserves	(101,165,604)	(2,963,556)	(104,129,160)
Total Equity	3,474,373,045	-	3,474,373,045

c.2 The following is a reconciliation of the defined benefits obligation, detail of expenses for the year and main assumptions used to determine the obligation:

Reconciliation of the Present Value of Defined Benefits Plan Obligation	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Beginning balance as of January 1	13,731,135	11,677,033
Cost of current service of defined benefits plan obligation ⁽¹⁾	1,906,707	1,207,470
Cost of interest on defined benefits plan obligation ⁽¹⁾	298,811	690,248
Actuarial profits losses defined benefits plan obligation due to experience and hypothesis ⁽²⁾	(608,491)	1,008,080
Payments of defined benefits plans obligations	(1,200,873)	(851,696)
Present value of defined benefits plan obligation, ending balance	14,127,289	13,731,135

⁽¹⁾ Recorded in income for the year as administrative expense.

⁽²⁾ Recorded in other comprehensive income, as part of other equity reserves.

c.3 Amounts recorded in income for the year are:

Total expense recognized in the statement of comprehensive income	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$ Restated*3
Cost of current service of defined benefits plan	1,906,707	1,207,470
Cost of interest on defined benefits plan obligation	298,811	690,248
Total expense recognized in the income statement	2,205,518	1,897,718

² See Note 2.2

³ See Note 2.2



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

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

c.4 Actuarial assumptions:

The main actuarial hypotheses used are detailed as follows:

	Dec-31-13	Dec-31-12
Discount rate used	2.50 % Average BCU rate	2.79 % Average BCU rate
Salary increase expected rate	Real average rate of 0.5%, as per table defined by position and sex.	As per collective contracts defined by income tranche
Employee turnover rate	33% turnover rate, as per table with the Company's historical data.	As per table with the Company's historical data.
Mortality table	RV-2009 provided by the SVS.	RV-2009 provided by the SVS.
Other significant actuarial assumptions	Legal retirement ages by gender	Legal retirement ages by gender

d) Share-based payments:

At the Extraordinary Shareholders' Meeting held on April 28, 2009 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.

At the Extraordinary Shareholders' Meeting held on April 26, 2011 the shareholders agreed on a new compensation plan for Company executives through granting options to subscribe shares, these executives can exercise their rights within a maximum period of 5 years.

The 2011 program is through the repurchase of shares rather than the first issuance shares, exercised at 20%, 30%, and 50% in years 3, 4 and 5 respectively.

At the Extraordinary Shareholders' Meeting held on August 27, 2013, the shareholders agreed to a new compensation plan for the Company's executives through the granting of options to subscribe shares. These executives can exercise their rights in a maximum term of 5 years.

The 2013 program is through the repurchase of shares rather than the first issuance shares, exercised at 30%, 30%, and 40% in years 3, 4 and 5 respectively.

As of December 31, 2013 the Company has not acquired any of its own shares issued related to the 2011 and 2013 programs.

Considering that the stock options will become irrevocable in a period of 5 years, the services will be received by the Company during the same period and with the same progression, therefore the payroll expense shall be accrued in the same period.

The charge to income recognized in the period ended December 31, 2013 was ThCh\$5,620,817 (ThCh\$4,345,697 for December 2012), with a credit to other reserves.



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

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

The main assumptions used to determine the fair value of the options recognized as a payroll expense in their period of accrual are the following:

	2009 Plan	2011 Plan	2013 Plan
Dividend yield (%)	1.84%	1.15%	1.80%
Expected volatility (%)	30.73%	31.14%	26.60%
Risk free interest rate (%)	4.64%	4.82%	5.05%
Expected life of the option (years)	5	5	5
Weighted average price of share (Ch\$)	2,117.78	4,464.80	4,692.20
Estimated percentage of cancellations	6%	6%	6%
Period covered	09-15-09 /04-28-14	10-31-11 /06-30-16	08-28-13 /06-30-18
Model used	Binomial	Binomial	Binomial
Name of model	Hull-White	Hull-White	Hull-White

The expected life of the options is based on historical data and is not necessarily indicative of exercising patterns that might occur. The expected volatility reflects the assumption that the historical volatility is indicative of future tendencies, which might not necessarily be the actual result.

Movement of current options during the period, weighted average exercise prices of shares and average contractual lives of current options as of December 31, 2012 are detailed as follows:

Share plans	2009 Plan	2011 Plan	2013 Plan
Balance as of January 1, 2013	15,830,342	8,135,000	-
Granted during the period	-	3,829,500	16,905,000
Expired during the period	(116,668)	(415,000)	-
Exercised during the period	(3,831,965)	-	-
In circulation as of December 31, 2013	11,881,709	11,549,500	16,905,000
Can be exercised as of December 31, 2013	3,215,541	-	-
Weighted average contractual life (years)	0.3	2.4	5.0

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

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

Note 22 – Other Current and Non-current Non-financial Liabilities

a) Other current non-financial liabilities are detailed as follows:

Other Current Non-financial Liabilities	Dec-31-13 ThCh\$	Dec-31-2012 ThCh\$
Prepaid rent charged	1,543,290	1,455,079
Rent guarantees received	205,796	326,244
Deferred income from customer loyalty programs (CMR points)	11,480,170	10,181,069
Advanced sales	53,721,154	39,600,359
Credit notes receivable	1,448,851	1,595,063
VAT fiscal debit	35,978,132	42,581,802
Other non-financial liabilities	6,606,298	7,154,331
Total Current Other Non-financial Liabilities	110,983,691	102,893,947

b) Other non-current, non-financial liabilities are detailed as follows:

Other Non-current, Non-financial Liabilities	Dec-31-13 ThCh\$	Dec-31-2012 ThCh\$
Guarantees and rent charged in advance	23,726,985	23,061,857
Other	17,222	101,810
Total Other Non-current, Non-financial Liabilities	23,744,207	23,163,667

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

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



Note 23 – Deposits and Other Time Deposits Banking Services

Deposits and other time deposits are detailed as follows:

	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Time deposits	1,398,650,305	1,117,232,871
Savings deposits	103,959,210	80,779,048
Total	1,502,609,515	1,198,011,919

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



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

Note 24 – Obligations with Banks - Banking Services

a) As of December 31, 2013 obligations with banks for Banking Services are detailed as follows:

Banking Services

Dec-31-13

Creditor name	Description of the currency or indexation according to contract conditions (ISO 4217)	Amount of class of liabilities exposed to liquidity risk with expiration						Type of amortization	Amount of the nominal value of the obligation payable according to contract conditions
		Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	5 or more years	Total		
BANCO OCCIDENTE S.A. (COLOMBIA)	COL	-	-	8,108,141	-	-	8,108,141	At expiration	8,100,000
CORPBANCA	COL	-	-	2,704,089	-	-	2,704,089	At expiration	2,700,000
BANCO DE BOGOTÁ (COLOMBIA)	COL	-	-	6,763,678	-	-	6,763,678	At expiration	6,750,000
BANCO DE BOGOTÁ (COLOMBIA)	COL	-	-	2,725,119	-	-	2,725,119	At expiration	2,700,000
BANCO AV VILLAS (COLOMBIA)	COL	-	-	1,247,090	-	-	1,247,090	At expiration	1,242,000
BANCO AV VILLAS (COLOMBIA)	COL	-	-	5,406,939	-	-	5,406,939	At expiration	5,400,000
BANCO POPULAR (COLOMBIA)	COL	-	-	2,758,342	-	-	2,758,342	At expiration	2,700,000
BANCO FALABELLA PERU S.A.	PEN	-	3,634,615	-	-	-	3,634,615	At expiration	3,592,710
BANCO FALABELLA PERU S.A.	PEN	-	-	2,881,012	-	-	2,881,012	At expiration	2,736,600
BANCO FALABELLA PERU S.A.	PEN	-	3,802,182	-	-	-	3,802,182	At expiration	3,627,400
BANCO FALABELLA PERU S.A.	PEN	-	-	3,765,897	-	-	3,765,897	At expiration	3,781,800
BANCO FALABELLA PERU S.A.	PEN	5,642,762	-	-	-	-	5,642,762	At expiration	5,624,700
BANCO FALABELLA PERU S.A.	USD	4,672	8,734	39,303	105,417	-	158,126	Monthly	527,689
BANCO FALABELLA PERU S.A.	USD	4,478	8,734	39,303	118,716	-	171,231	Monthly	540,070
BANCO FALABELLA PERU S.A.	USD	1,766	2,911	13,101	70,571	56,770	145,119	Monthly	270,035
BANCO FALABELLA PERU S.A.	PEN	298,435	624,967	312,483	-	-	1,235,885	Monthly	9,768,600
BANCO FALABELLA PERU S.A.	PEN	-	-	-	-	27,274	27,274	Monthly	60,265
BANCO FALABELLA PERU S.A.	USD	-	-	-	-	1,273,721	1,273,721	Monthly	3,515,852
Total bank loans		5,952,113	8,082,143	36,764,497	294,704	1,357,765	52,451,222		



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

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

b) As of December 31, 2012 the detail is as follows:

Banking Services

Dec-31-12

Creditor name	Description of the currency or indexation according to contract conditions (ISO 4217)	Amount of class of liabilities exposed to liquidity risk with expiration						Type of amortization	Amount of the nominal value of the obligation payable according to contract conditions
		Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	5 or more years	Total		
SCOTIABANK (PERU)	PEN	-	-	1,932,260	-	-	1,932,260	At expiration	1,884,500
SCOTIABANK (PERU)	PEN	-	-	1,884,307	-	-	1,884,307	At expiration	1,881,500
INTERBANK (PERU)	PEN	-	-	1,935,753	-	-	1,935,753	At expiration	1,884,500
INTERBANK (PERU)	PEN	-	-	1,884,831	-	-	1,884,831	At expiration	1,881,500
COFIDE (PERU)	USD	4,278	7,996	35,984	144,773	-	193,031	Monthly	527,689
COFIDE (PERU)	USD	4,100	7,996	35,984	156,771	-	204,851	Monthly	540,070
COFIDE (PERU)	USD	1,617	2,665	11,995	64,896	67,969	149,142	Monthly	270,035
COFIDE (PERU)	PEN	-	141,198	282,225	-	-	423,423	Quarterly	1,619,424
COFIDE (PERU)	PEN	-	78,443	156,792	-	-	235,235	Quarterly	899,680
COFIDE (PERU)	PEN	-	78,462	235,188	156,825	-	470,475	Quarterly	814,050
BANCO DE CREDITO (PERU)	PEN	322,470	627,167	2,822,250	1,257,295	-	5,029,182	Monthly	9,768,600
FONDO MI VIVIENDA (PERU)	PEN	-	-	-	-	28,886	28,886	Monthly	60,265
FONDO MI VIVIENDA (PERU)	USD	-	-	-	-	1,330,789	1,330,789	Monthly	3,515,852
Total bank loans		332,465	943,927	11,217,569	1,780,560	1,427,644	15,702,165		

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



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

Note 25 – Debt Instruments Issued - Banking Services

a) As of December 31, 2013 debt instruments issued – Banking Services are detailed as follows:

Dec-13		Debt instruments issued								
Type of instruments	Description of the currency or indexation according to contract conditions (ISO 4217)	Amount of class of liabilities exposed to liquidity risk with expiration						Type of amortization	Amount of the nominal value of the obligation payable according to contract conditions	
		Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	5 or more years	Total			
SERIE F24	COL	-	-	30,656,148	-	-	30,656,148	Quarterly	30,315,600	
SERIE B60	COL	-	-	-	6,333,098	-	6,333,098	Quarterly	6,307,200	
SERIE G60	COL	-	-	-	21,612,216	-	21,612,216	Quarterly	21,600,000	
SERIE G60	COL	-	-	-	8,398,752	-	8,398,752	Quarterly	8,294,400	
Subordinated bonds	UF	-	-	-	-	40,496,176	40,496,176	Biannual	33,818,134	
Regular bonds	UF	-	-	-	-	22,899,481	22,899,481	At expiration	21,126,000	
Regular bonds	UF	-	-	-	-	45,733,143	45,733,143	Biannual	42,252,000	
Regular bonds	UF	-	-	-	-	35,308,746	35,308,746	Biannual	33,030,030	
Regular bonds	UF	-	-	-	-	23,600,284	23,600,284	Biannual	22,020,020	
Deposit Certificates	PEN	-	-	11,287,164	-	-	11,287,164	At expiration	11,345,400	
First issuance bonds Series A	PEN	-	571,841	1,687,410	3,937,290	-	6,196,541	Quarterly	11,293,800	
Second issuance bonds Series A	PEN	-	549,108	1,095,879	-	-	1,644,987	Quarterly	6,588,050	
First issuance bonds Series B	PEN	-	273,476	843,705	2,249,880	-	3,367,061	Quarterly	5,798,100	
Second issuance bonds Series B	PEN	-	463,791	1,407,862	-	-	1,871,653	Quarterly	5,798,100	
Fourth issuance bonds Series A	PEN	-	466,878	1,004,411	8,035,286	3,013,232	12,519,807	Quarterly	13,682,250	
Sixth issuance bonds Series A	USD	-	3,275	-	5,185,700	-	5,188,975	Quarterly	4,723,113	
Total debt instruments issued		-	2,328,369	47,982,579	55,752,222	171,051,062	277,114,232			

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



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

b) As of December 31, 2012 debt instruments issued – Banking Services are detailed as follows:

Dec-12		Debt instruments issued							
Type of Instruments	Description of the currency or indexation according to contract conditions (ISO 4217)	Amount of class of liabilities exposed to liquidity risk with expiration						Type of amortization	Amount of the nominal value of the obligation payable according to contract conditions
		Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	5 or more years	Total		
Serie B36	COP	-	-	18,868,165	-	-	18,868,165	Quarterly	18,789,300
Serie B60	COP	-	-	-	6,336,021	-	6,336,021	Quarterly	6,307,200
Serie G60	COP	-	-	-	21,696,604	-	21,696,604	Quarterly	21,600,000
Serie J24	COP	-	-	18,980,494	-	-	18,980,494	Quarterly	18,900,000
Serie G60	COP	-	-	-	8,410,650	-	8,410,650	Quarterly	8,294,400
Serie F24	COP	-	-	-	32,359,827	-	32,359,827	Quarterly	32,205,600
First issuance bonds Series A	PEN	-	608,768	1,693,350	6,208,950	-	8,511,068	Quarterly	11,293,800
Second issuance bonds Series A	PEN	-	568,164	1,645,654	1,648,288	-	3,862,106	Quarterly	6,588,050
First issuance bonds Series B	PEN	-	290,892	846,675	3,386,700	-	4,524,267	Quarterly	5,798,100
Second issuance bonds Series B	PEN	-	476,907	1,410,561	1,883,005	-	3,770,473	Quarterly	5,798,100
Deposit Certificates	PEN	-	-	18,160,768	-	-	18,160,768	At expiration	17,932,044
Subordinated bonds	UF	-	-	-	-	39,763,277	39,763,277	Biannual	33,818,134
Regular bonds	UF	-	-	-	-	22,372,428	22,372,428	At expiration	21,126,000
Regular bonds	UF	-	-	-	-	44,758,304	44,758,304	Biannual	42,252,000
Regular bonds	UF	-	-	-	-	34,588,190	34,588,190	Biannual	33,030,030
Regular bonds	UF	-	-	-	-	23,114,065	23,114,065	Biannual	22,020,020
Total Debt Instruments Issued		-	1,944,731	61,605,667	81,930,045	164,596,264	310,076,707		

c) As of December 31, 2013 and 2012 Other financial obligations are detailed as follows:

	Dec-31-13 ThCh \$	Dec-31-12 ThCh\$
Mortgage letters	126,727,618	142,435,456
Liabilities with the public sector	61,861,732	64,605,074
Total	188,589,350	207,040,530



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

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

Note 26 - Other Bank Liabilities

Other liabilities – Banking Services are detailed as follows:

Other Liabilities	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Suppliers and accounts payable	18,052,922	18,806,226
Deferred income from customer loyalty programme	3,217,487	2,423,403
Associated commerce	8,355,196	6,533,124
Prepaid interest	9,477	9,367
Vacation accrual and employee benefits	3,463,762	3,032,358
Withholdings and other to employees	5,352,066	3,470,698
Profit sharing compensation	2,494,339	2,041,113
Other	561,038	596,600
	41,506,288	36,912,889

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

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



Note 27 - Revenue from Continuing Operations

27.1 Revenue from Continuing Operations – Non-banking

a) The Company's revenues are detailed as follows:

Description	As of Dec-31-2013 ThCh\$	As of Dec-31-2012 ThCh\$
Revenue from sales of goods	5,723,238,933	5,058,547,322
Revenue from rental of investment properties	133,019,648	115,950,094
Financial revenue	290,361,202	299,706,972
Fees revenue	52,952,384	44,390,443
Total Revenue	6,199,572,167	5,518,594,831

b) Income from interest and fees related to the Company's Financial Services business is detailed as follows:

Concept	As of Dec-31-2013 ThCh\$	As of Dec-31-2012 ThCh\$
Interest from loans	290,361,202	299,706,972
Subtotal financial revenue	290,361,202	299,706,972
Fee revenue	20,013,010	16,175,821
Payment services fees	32,939,374	28,214,622
Subtotal fee revenue	52,952,384	44,390,443
Total revenue from interest and fees	343,313,586	344,097,415

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

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

27.2 Revenue from Ordinary Bank Activities

a) The Company's revenue is detailed as follows:

Concept	As of Dec-31-2013	As of Dec-31-2012
	ThCh\$	ThCh\$
Financial Revenue	366,314,280	328,536,082
Fee revenue	90,937,323	79,540,035
Total Revenue	457,251,603	408,076,117

b) Revenue from interest and fees related to the Company's banking business is detailed as follows:

Description	As of Dec-31-2013	As of Dec-31-2012
	ThCh\$	ThCh\$
Financial Revenue	362,861,449	325,471,170
Other financial revenue	3,452,831	3,064,912
Subtotal financial revenue	366,314,280	328,536,082
Fee revenue ⁽¹⁾	57,532,171	39,560,795
Payment services	33,405,152	39,979,240
Subtotal fee revenue	90,937,323	79,540,035
Total revenue from interest and fees	457,251,603	408,076,117

⁽¹⁾ Revenue from PAC, financial brokerage, accounts maintenance.

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



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

Note 28 – Cost of Continuing Operations

28.1 Cost of continuing operations – Non-banking Business

a) The Company's costs are detailed as follows:

Description	As of Dec-31-2013 ThCh\$	As of Dec-31-2012 ThCh\$
Cost of sales of goods and services ⁽¹⁾	3,952,196,605	3,539,170,904
Cost of sales financial entities	98,960,853	121,249,751
Cost of depreciation of investment properties and maintenance	45,285,329	35,810,328
Total cost of continuing operations – non-banking	4,096,442,787	3,696,230,983

⁽¹⁾ Cost of sales of goods and services includes the cost of inventory, net realizable value provisions (both disclosed in Note 8 Inventory). The remaining balance corresponds to the cost of sales of services.

b) Cost of sales non-banking financial entities of the Company's Financial Services business is composed detailed as follows:

Description	As of Dec-31-2013 ThCh\$	As of Dec-31-2012 ThCh\$
Financial cost	37,680,914	26,206,469
Other Costs of sales	12,624,742	11,035,720
Allowance for doubtful accounts and write-offs	48,655,197	84,007,562
Total cost of sales non-banking Financial Entities	98,960,853	121,249,751

c) Investment property costs are detailed as follows

Description	As of Dec31--13 ThCh\$	As of Dec-31-12 ThCh\$
Depreciation	17,777,640	15,244,039
Maintenance and others	27,507,689	20,566,289
Total	45,285,329	35,810,328

28.2 Continuing operations cost – Banking Services

Description	As of Dec-31-2013 ThCh\$	As of Dec-31-2012 ThCh\$
Interest and indexation expenses	112,945,337	107,443,944
Fees expenses	22,513,884	17,742,719
Credit risk provision	88,134,145	100,538,744
Total cost of continuing banking operations	223,593,366	225,725,407

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

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

Note 29 – Administrative Expenses

Administrative expenses Non-banking Business

a) Administrative expenses of the Non-banking Business are detailed as follows:

	As of Dec-31-2013 ThCh\$	As of Dec-31-2012 ThCh\$
Payroll	708,505,416	606,526,788
Rent and common expenses	107,950,287	85,999,554
Depreciation and amortization	134,050,782	113,403,275
Energy and water basic services	36,794,248	35,403,445
Computer services	3,466,608	5,724,620
Materials and supplies	34,650,425	27,928,283
Travel, accommodations and transportation	16,365,092	14,116,715
Taxes, property taxes, patents, others	39,525,949	34,927,941
Fees, third party services	113,346,235	96,178,081
Maintenance and repairs	30,827,267	24,342,029
Communication	4,599,973	3,979,001
Uncollectibles Punto Com S.A. account ⁽¹⁾	-	20,748,539
Other	2,618,932	1,937,159
Total	1,232,701,217	1,071,215,430

⁽¹⁾ See Note 4

Administrative expenses Banking Services

b) Administrative expenses of Banking Services are detailed as follows:

	As of Dec-31-2013 ThCh\$	As of Dec-31-2012 ThCh\$
Employee remunerations and expenses	69,274,623	60,502,307
Administrative expenses	81,184,280	64,481,675
Depreciation and amortization	11,738,118	10,546,391
Other operating expenses	11,032,603	6,706,473
Total	173,229,624	142,236,846

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

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



Note 30 – Financial Costs and Indexation Units

a) Financing costs incurred by the Group as of December 31, 2013 and 2012 are detailed as follows:

Description	As of Dec-31-2013	As of Dec-31-2012
	ThCh\$	ThCh\$
Financial costs, bank loans	28,255,667	23,718,712
Financial costs, obligations and other loans	49,906,808	35,387,492
Financial cost, Financial leases	5,953,896	7,121,048
Financial costs, swap and forward	4,970,472	4,656,624
Other financial costs	11,663,420	8,368,069
Subtotal Financial costs	100,750,263	79,251,945
Expense from indexation units	21,605,533	23,374,981
Total Financial costs	122,355,796	102,626,926



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

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

Note 31 – Other Profits (Losses)

Other Non-banking Business profits (losses) are detailed as follows:

Description	As of Dec-31-2013 ThCh\$	As of Dec-31-2012 ThCh\$
Real estate leases (other than investment properties)	1,601,585	1,195,584
Reversal of provisions	5,675,947	8,737,044
Insurance claims	13,931,299	148,286
Loss due to derecognition of property, plant & equipment	(5,576,170)	(1,709,423)
Loss due to derecognition of investment properties	(2,401,602)	(849,491)
Sinisters	(1,904,864)	(628,953)
Donations	(1,198,077)	(596,046)
Fines and interest	(1,220,820)	(591,844)
Miscellaneous commissions	(248,749)	(133,118)
Bank expenses	(310,044)	(263,768)
Taxes	(703,812)	(128,531)
Net income from sale of Italmod	1,160,577	-
Complaints, litigation and other	(1,503,880)	(1,112,970)
Other Profit (Loss)	7,301,390	4,066,770



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

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

Note 32 – Earnings per Share

Basic earnings per share are calculated dividing net income attributable to the Company's shareholders by the weighted average of common shares outstanding in the year. Diluted earnings per share include incremental shares of share-based compensation plans assumed to have been exercised as of the date of the statement of financial position.

	Dec-31-13	Dec-31-12
Profit (loss) attributable to holders of equity instruments net of the controller	443,827,493	371,866,544
Basic earnings (losses) per share	0.1833	0.1539
Diluted earnings (losses) per share	0.1831	0.1534
Weighted average number of shares, basic	2,420,865,285	2,416,232,420
Incremental shares of share-based compensation plans	2,763,718	8,110,961
Weighted average number of shares, diluted	2,423,629,003	2,424,343,382

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

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

Note 33 – Financial Instruments and Financial Risk Management

The Group's main financial instruments which arise whether directly from its operations or from its financing activities, comprise, among other things: 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, among others.

The different categories of financial assets and liabilities held by the Company are detailed as follows:

a) Non-banking Business:

Financial instruments by category	Dec-31-13	Dec-31-12
Financial assets		
Financial assets held for trading	15,468,174	20,707,358
Total loans and accounts receivable	1,542,886,193	1,388,021,497
Hedging assets	15,807,338	7,671,081
Total financial assets	1,574,161,705	1,416,399,936

Financial liabilities		
Financial liabilities at fair value by income	6,858,108	2,977,945
Financial liabilities measured at amortized cost	3,238,813,883	2,767,604,382
Total Financial Liabilities	3,245,671,991	2,770,582,327

b) Banking Services:

Financial instruments by category	Dec-31-13	Dec-31-12
Financial assets		
Financial assets held for trading	83,084,118	278,007,831
Total loans and accounts receivable	1,886,630,217	1,712,831,227
Financial assets held for sale	266,646,113	13,402,045
Total financial assets	2,236,360,448	2,004,241,103

Financial liabilities		
Financial liabilities at fair value by income	4,486,973	2,801,133
Financial liabilities measured at amortized cost	2,181,192,423	1,854,155,620
Total Financial Liabilities	2,185,679,396	1,856,956,753

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

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

c) Total assets and financial liabilities:

Financial instruments by category	Dec-31-13	Dec-31-12
Financial assets	ThCh\$	ThCh\$
Financial assets held for trading	98,552,292	298,715,189
Total loans and accounts receivable	3,429,516,410	3,100,852,724
Financial assets held for sale	266,646,113	13,402,045
Hedge assets	15,807,338	7,671,081
Total Financial Assets	3,810,522,153	3,420,641,039

Financial liabilities	ThCh\$	ThCh\$
Financial liabilities at fair value by income	11,345,081	5,779,078
Financial liabilities measured at amortized cost	5,420,006,306	4,621,760,002
Total Financial Liabilities	5,431,351,387	4,627,539,080

The carrying amount of financial assets and liabilities is close to their fair value, except for certain long-term financial obligations. The market value of the instruments is determined using future cash flows discounted at current market rates as of financial statement closing. The fair value and carrying amount of long-term financial obligations are detailed as follows:

	Dec-31-13		Dec-31-12	
	Carrying amount	Market value	Carrying amount	Market value
Loans that accrue interest	1,165,791,045	1,185,024,358	1,125,198,025	1,135,717,074
Obligations with the public	1,525,537,637	1,549,460,778	1,203,576,796	1,222,779,397

* 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. A part of those instruments qualifies for hedge accounting. The rest of the derivatives, although they fulfill a hedge role are accounted for as for investment.

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 to 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.

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

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

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, 2013 include 37 currency swaps in the amount of ThCh\$338,303,346 and 201 currency forwards in the amount of ThCh\$114,044,128. All these derivative instruments add up to a contracted notional value of ThCh\$452,347,474. As of December 31, 2012 there were 22 currency swaps amounting to ThCh\$310,969,557 and 217 currency forwards amounting to ThCh\$75,290,333 which in total add up to a contracted notional value of ThCh\$386,259,890.

d) Assets and liabilities at fair value

Financial instruments by category	Dec-31-13	Fair value measured as of the end of the reporting period		
		Level 1	Level 2	Level 3
Financial assets				
Financial assets held for trading	98,552,292	98,552,292	-	-
Financial assets available for sale	266,646,113	266,646,113	-	-
Hedge assets	15,807,338	-	15,807,338	-
Total Financial Assets	381,005,743	365,198,405	15,807,338	-

		Level 1	Level 2	Level 3
Financial liabilities				
Financial liabilities at fair value by income	11,345,081	-	11,345,081	-
Total Financial Liabilities	11,345,081	-	11,345,081	-

Financial income by category	Dec-31-13	Fair value measured as of the end of the reporting period		
		Level 1	Level 2	Level 3
Financial assets				
Financial assets held for trading	298,715,189	298,715,189	-	-
Financial assets available for sale	13,402,045	13,402,045	-	-
Hedge assets	7,671,081	-	7,671,081	-
Total Financial Assets	319,788,315	312,117,234	7,671,081	-

		Level 1	Level 2	Level 3
Financial liabilities				
Financial liabilities at fair value by income	5,779,078	-	5,779,078	-
Total Financial Liabilities	5,779,078	-	5,779,078	-

Financial Risks

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.



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

Market Risks

The main market risks are those to which the Falabella Group is exposed to. They include exchange rate, interest rate and inflation risk.

Exchange rate risk

The Company is exposed to three strong foreign currency sources, the first arising from commercial accounts payable in foreign currency, the second from financial debt in currencies other than the functional currency of each business and the third from investments abroad.

A portion of the products acquired for sale are imported and therefore denominated in foreign currency, which generates exposure to the variation between the different local currencies in the countries where the group operates, and the foreign currency, mainly the US dollar. As a product of the above, as of December 31, 2013 at a consolidated level the Company had accounts payable in US dollars amounting to ThCh\$126,393. To cover this liability and future obligations in foreign currency, the Company had, as of December 31, 2013, a hedge amounting to ThCh\$89,445, which generates a net book asset in US dollars of ThCh\$36,948. Taking into account this exposure, a simultaneous appreciation of 10,2% in the Chilean peso, Peruvian sol, Colombian peso and Argentine peso with respect to the US dollar keeping all the rest of the variables constant, would result in a loss of ThCh\$3,773 for the Company. The percentage of devaluation of the currencies was determined averaging the maximum theoretical devaluation that could be produced in a year in each of the currencies with a 10% level of significance, which at a combined level represents a very improbable scenario, taking into account a 3-year history.

In order to minimize the exposure to the fluctuations in the exchange rate, most of the debt is obtained in the currency of the countries where the Company operates. As of December 31, 2013, 79.0% of the consolidated financial debt was expressed in Chilean pesos (including that in UF), 10.4% in Peruvian soles, 3.3% in Colombian pesos and 3.8% in Argentine pesos, all the above percentages net of hedges. As of that date there was also a debt of ThCh\$ 73,823 of financial debt expressed in US dollars net of hedges (excluding letters of credit whose effect is mentioned in the previous paragraph), which corresponds to 3.1% of the group's consolidated financial debt. The existence of this debt in US dollars is due to favorable market conditions at the time when it was entered into and is partially hedged with derivatives. Therefore our net risk to the exchange rate of the financial debt expressed in US dollars as of December 31, 2013, was ThCh\$22,638. Considering this risk, a devaluation of 12.8% in the Chilean peso as of December 2013 year end with respect to the US dollar would result in a loss of ThCh\$2,904 for the Group. The percentage of devaluation of the Chilean peso against the US dollar was determined averaging the maximum theoretical devaluation that could be produced in a year with a level of significance of 10%, which represents a very improbable scenario, taking a 3-year history.

The Company has investments in businesses in Peru, Argentina and Colombia. These investments abroad are handled in the functional currency of each country. As a result of the above Falabella has, as of December 31, 2013, an exposure in its statement financial position equivalent to \$503,001 million in Peruvian soles, \$80,387 million in Argentine pesos and \$201,087 million in Colombian pesos and \$77,602 million in Brazilian reales. Fluctuations in the exchange rates of the different currencies in respect to the Chilean peso can affect the value of the net investment abroad. Taking into account this existing risk as of December 31, 2013, a simultaneous devaluation of 11.66% in the four foreign currencies mentioned above with respect to the Chilean peso, maintaining the rest of the variables constant, would result in a loss of ThCh\$100,512 for the Company. The percentage of currency devaluation was determined averaging the maximum theoretical devaluation that could be produced in a year in each of the currencies in respect to the Chilean peso with a level of significance of 10%, which at a combined level represents a very improbable scenario, taking a 3-year



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

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Inflation risk

Due to the strong indexation of the Chilean capital market to inflation, a large part of the group's debt is denominated in UF (monetary unit indexed to Chilean inflation). As of December 31, 2013, 43.8% of the consolidated financial debt after derivatives was expressed in UF. The Company uses UF swaps to cover the exposure, which as of December 30, 2013 amounted to ThCh\$198,131. When applying inflation of 3% a year in Chile and maintaining all the rest of the variables constant, the effect on income from exposure of the financial debt in UF, net of derivatives, to inflation would be a loss of approximately ThCh\$35,135.

Interest rate risk

Most of the debt is at a fixed interest rate in order to avoid exposure to fluctuations that might occur in variable interest rates and which can increase financial costs. As of December 31, 2013 at a consolidated level and after derivatives, 87.5% of the Company's financial debt was at a fixed interest rate, 9.0% at a variable interest rate and 3.5% corresponded to overdrafts and letters of credit which due to their term can be considered to be at a variable interest rate.

In summary, as of December 31, 2013, after derivatives, \$335,418 million or 12.5% of the principal of our financial debt was subject to short-term fluctuations in the interest rates. A hypothetical increase of 100 base points during an entire year in all variable interest rates, would generate a loss before taxes of \$1,161 million.

Credit Risk

Credit risk is the risk of loss for the Group if a client or other counterparty does not comply with their contractual obligations. The main credit risk to which the Group is exposed concentrates on its operations with credit cards and consumer loans. As of December 31, 2013 the total amount of gross credit card loans in Chile and abroad, excluding Banco Falabella in Chile, Banco Falabella in Peru and Banco Falabella in Colombia which are dealt with independently below, was MCh\$1,212,867. The group's credit portfolio is rather atomized without individual debtors with large amounts, which substantially mitigates credit risk.

The group's financial services segment uses risk rating processes for acceptance of clients and determining credit limits, as well as credit quality review processes of its clients for the early identification 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 SBIF of each country, which regulate and require the implementation of worldwide standards of credit review systems and processes.

The retail and real estate segments do not have significant concentrations of credit risk since collection is made fundamentally in cash or through credit cards.

Likewise, the Group limits its exposure to credit risk exclusively investing in highly liquid products and credit rating.

Finally, all derivative operations performed by the group are with counterparties that have a certain minimum level of risk rating, which in addition are subjected to a credit analysis by the Company before entering into any operation.

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



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

Maximum Exposure to Credit Risk

The Company's maximum exposure to credit risk, without considering guarantees, as of December 31, 2013, 2012, is detailed below:

	Maximum exposure	
	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Cash equivalents	647,689,942	568,305,938
Time deposits	201,727,760	82,444,610
Money market securities	52,350,751	164,174,720
Operations on net liquidation process (bank subsidiaries)	(7,965,159)	3,142,179
Other cash and cash equivalents	401,576,590	318,544,429
Financial assets at fair value with changes in income	51,840,922	48,963,721
Shares	346	346
Derivative instruments	18,805,572	9,264,254
Other	33,035,004	39,699,121
Current trade and other accounts receivable	1,361,212,730	1,200,848,950
Trade accounts receivable, net	196,061,179	175,523,321
Notes receivable, net	91,593,315	56,559,256
Miscellaneous receivables, net	62,608,610	53,923,333
Financial accounts receivable, net	1,010,949,626	914,843,040
Current accounts receivable from related parties	3,608,843	2,139,583
Loans and accounts receivable from clients, Banking Services	1,886,630,217	1,712,831,227
Loans and accounts receivable from clients, net	1,886,630,217	1,712,831,227
Non-current trade and other accounts receivable	178,064,620	184,880,079
Trade accounts receivable, net	12,752,034	9,447,541
Notes receivable, net	1,914,506	1,284,750
Miscellaneous receivables, net	2,421,020	3,229,984
Financial accounts receivable, net	160,977,060	170,917,804
Non-current accounts receivable from related parties	-	152,885
Total	4,129,047,274	3,718,122,383



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

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

Liquidity Risk

The Company has a series of tools to limit liquidity risk. These include maintaining enough cash and cash equivalents to cover obligations in their normal operations. Additionally S.A.C.I. Falabella and its main subsidiaries have bank financing alternatives available such as overdrafts and loans, as well as the possibility of quickly accessing short-term debt instruments in the capitals market through registered lines of bonds and commercial paper.

The atomization and diversification of the loan portfolio and its control mechanisms contribute to maintaining expected cash flows receivables within adequate ranges.

All the above provides the Company with sufficient alternatives and sources of financing to face its operating and financial obligations.

The detail of contractual expiries of loans that accrue interest, separated into principal and interest payable is detailed as follows:

ThCh\$	1 year	2 years	3 years	4 years	5 years	More than 5 years
Principal	699,517,782	294,111,811	174,047,824	198,147,896	147,425,975	1,244,151,764
Interest	110,688,669	89,321,677	74,867,147	66,662,720	60,152,669	396,838,166

Expiration of other financial liabilities is detailed in Note 20 other current and non-current financial liabilities.

Minimum Capital Requirements banking subsidiaries

Banco Falabella Chile

According to the General Banking Law, the Bank must maintain a minimum ratio of Consolidated Assets Cash to Equity Risk Weighted 8%, net of provisions required, and a minimum ratio of Basic Capital to Total Consolidated Assets of 3%, net of provisions required. The regulatory capital is determined from Capital and Capital Reserves or Basic with the following settings:

- a. Subordinated bonds are added a cap of 50% of core capital and
- b. Deducted, the balance of the assets relating to goodwill or premiums paid, and investments in companies that do not participate in the consolidation.

	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Total Consolidated assets	1,871,973,471	1,541,912,339
Basic Capital	145,040,068	125,545,067
% Basic Capital/total assets consolidated	7.75%	8.14%
Total Risk-Weighted Consolidated Assets	1,186,569,007	1,075,474,114
Effective equity consolidated	179,699,222	161,661,248
% Effective equity consolidated./Weighed consolidated Assets	15.14%	15.03%



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

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

Banco Colombia

According to the legislation in Colombia, the minimum amount of capital that should be credited to request the establishment of entities under the control and supervision of the Banking Superintendency, with the exception of insurance intermediaries, is forty-five thousand and eighty-five million dollars (\$ 45,085,000,999) for banking institutions. The amounts should automatically adjusted annually in the same direction and percentage by which the consumer price index varies, provided by DANE. As of December 31, 2013 the minimum amount of capital (including reserves and retained earnings) which Banco Falabella Colombia must establish the is Col \$ 75,550,000,000. Colombia Bank's equity at December 31, 2013 totaled \$261,183,463,738 Col (ThCh\$ 70,996,118 in Chilean pesos at December 31, 2013).

	Dec-31-13	Dec-31-12
	ThCh\$	ThCh\$
Total Consolidated assets	3,831,233,508	3,471,392,583
Basic Capital	217,031,446	218,122,357
% Basic Capital/total assets consolidated	5.66%	6.28%
Total Risk-Weighted Consolidated Assets	1,677,286,329	1,507,535,279
Effective equity consolidated	243,510,671	218,122,357
% Effective equity consolidated./Weighed consolidated Assets	14.52%	14.47%

Banco Falabella Peru

Legislation in Peru requires that effective equity must be equal to or greater than 10% of contingent assets and total risk-weighted corresponding to the sum of: (i) the capital requirement for market risk multiplied by 10, (ii) the capital requirement for operational risk multiplied by 10, and (iii) contingent assets weighted for credit risk. This calculation must include any exposure or active in local or foreign currency.

As of December 31, 2013 and 2012, pursuant to Legislative Decree. 1028, the Bank had the following amounts relating to assets and risk weighted contingent loans and cash assets (basic and supplemental), detailed as follows:

	2013	2012
	ThCh\$	ThCh\$
Assets and Total Risk-Weighted credit	537,583,803	540,509,820
Effective equity	80,986,645	78,392,107
Effective Basic equity (Level 1)	76,123,341	72,565,004
Effective supplementary equity (Level 2)	4,863,303	5,827,103
Ratio of total capital on effective equity	15.06%	14.50%

Banco Falabella Chile

The risk management of Banco Falabella Chile has allowed the organization to determine what level of risk it can and is willing to accept, aiming to increase the value of the institution for the shareholders and fulfill its objectives. The risk according to its analysis is divided into four categories; Credit Risk, Liquidity Risk, Market Risk and Operating Risk.

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

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

Credit Risk:

The values of the credit risk exposure faced by the bank as of December 31, 2012 are detailed as follows:

Assets Weighted by Credit Risk (APRC)	ThCh\$ 1,186,569,007.-
Credit Risk Exposure (Basil Limit 8%) (ERC)	ThCh\$ 94,925,521.-
Effective Shareholders' Equity (PE)	ThCh\$ 179,699,223.-
Leeway	ThCh\$ 84,092,144.-

Liquidity risk:

Liquidity risk is understood to be the temporary breach existing between cash flows payable and receivable, both in local currency, indexed currency and foreign currency.

Liquidity risk bank book according to mismatch subject to limit:

Mismatch of 1 to 30 days (Liabilities – Assets)	ThCh\$ (72,811,876).-
Maximum limit (1 time Basic Capital)	ThCh\$ 145,040,068.-
Leeway (1 to 30 days)	ThCh\$ 217,851,944.-
Mismatch of 1 to 90 days (Liabilities - Assets)	ThCh\$ 169,574,553.-
Maximum limit (2 times the Basic Capital)	ThCh\$ 290,080,136.-
Leeway (1 to 90 days)	ThCh\$ 120,505,583

The Company has several alternatives for obtaining short-term resources, such as interbank lines, direct financing with individuals and financing through institutional investors and companies.

Market risk:

Market risk considers interest rate risk, indexation risk and currency risk.

a) Indexation and interest rate risk

Interest rate risk corresponds to exposure to losses caused by adverse changes in market interest rates which affect the value of instruments, contracts and other operations recorded in the balance sheet.

Indexation risk is the exposure to losses caused by adverse changes in the units or indexation indexes defined in local currency in which the instruments, contracts and other operations recorded in the balance sheet are expressed.



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

The values of those risks as of December 31, 2013, both for the negotiation book and the bank book are detailed as follows:

Negotiation book

Exposure to interest rate risk	ThCh\$ 668,199
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Bank Book

Short-term:

Exposure to Indexation Risk (asset)	ThCh\$ 4,671,751
Exposure to Interest Rate Risk (asset)	ThCh\$ 7,947,474
Maximum limit (20% of margin)	ThCh\$ 24,726,428
Available margin	ThCh\$ 12,107,203

Long-term:

Exposure to Interest Rate Risk (asset)	ThCh\$ 32,262,003
Maximum limit (30% of effective equity)	ThCh\$ 53,909,767
Available margin	ThCh\$ 21,647,763

b) Currency Risky

Currency risk corresponds to the exposure to losses caused by adverse changes in the value of foreign currencies, in which instruments, contracts and other operations recorded in the balance sheet are expressed, Exposure as of December 31, 2013 is as follows:

Exposure to Currency Risk	ThCh\$ 13,359
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Operating risk (ERO)

The Bank has adequate tools to mitigate Operating Risk through identification and monitoring of critical processes, establishing control mechanisms that allow the Company to detect and act on risks affecting results.

Risk Exposure Limit Summary

In no case can the sum of exposures to credit risk, interest rate risk of the negotiation book and currency risk exceed the Bank's effective equity.

As stated in the previous paragraph, the bank has the following ratios:

Effective equity (PE)	ThCh\$ 179,699,223
Exposure to credit risk (ERC)	ThCh\$ 94,925,521
Exposure to interest rate risk of the negotiation book	ThCh\$ 668,199
Exposure to currency risk	ThCh\$ 13,359
% of effective equity (PE)	53.20 %
Available margin	ThCh\$ 84,092,144



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

Banco Falabella Peru

Risk management of Banco Falabella Peru has allowed the organization to determine what level of risk it can and is willing to accept, trying to increase the value of the institution for the shareholders and fulfill their objectives. The risk according to its analysis matter is divided into four categories: credit risk, liquidity risk, market risk and operating risk.

Credit Risk

The following shows the values of the exposure to credit risk faced by the bank as of December 31, 2013:

Credit risk weighted assets (APRC)	ThCh\$	501,928,806
Exposure to credit risk (limit 10% effective equity)*	ThCh\$	50,192,881
Effective equity (PE)	ThCh\$	80,986,645
Leeway	ThCh\$	30,793,764

Liquidity risk

Liquidity risk is understood to be the temporary breach existing between cash flows payable and receivable, both in indexed domestic currency and foreign currency.

Liquidity risk Bank Book by mismatch subject to a limit:

Mismatch of 1 to 30 days (liabilities – assets)	ThCh\$	-92,982,615
Maximum limit (1 times effective equity)	ThCh\$	80,986,645
Leeway (1 to 30 days)	ThCh\$	173,969,259
Mismatch of 1 to 90 days (liabilities - assets)	ThCh\$	-117,966,380
Maximum limit (2 times effective equity)	ThCh\$	161,973,289
Leeway (1 to 90 days)	ThCh\$	279,939,669

The Company has different alternatives for obtaining short-term resources, such as interbank lines, direct financing with individuals and financing through institutional investors and companies.



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

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

Market risk:

Market risk considers interest rate risk, indexation risk and currency risk.

a) Interest rate and indexation risk

Interest rate risk corresponds to the exposure to losses caused by adverse changes in market interest rates which affect the value of instruments, contracts and other operations recorded in the statement of financial position.

Indexation risk corresponds to the exposure to losses caused by adverse changes in the indexation units or indexes defined in the local currency in which the instruments, contracts and other operations recorded in the statement of financial position are expressed.

The following shows the values of those risks as of December 31, 2013, both for the negotiation book and the bank book:

Negotiation book

Exposure to interest rate risk	ThCh\$	40,368.-
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Bank Book

Short-term:

Exposure to Indexation risk (asset)	ThCh\$	0
Exposure to interest rate risks (asset)	ThCh\$	1,077,000
Maximum limit (5% of effective equity)	ThCh\$	4,049,332
Available market	ThCh\$	2,972,332

b) Currency risk

Currency risks correspond to exposure to losses caused by adverse changes in the value of foreign currencies, in which the instruments, contracts and other operations recorded in the statement of financial position are expressed. Exposure as of December 31, 2013, is as follows:

Exposure to currency risks	ThCh\$	286,867
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S.A.C.I. Falabella and Subsidiaries
Notes to the Consolidated Financial Statements

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

Operating risk (ERO)

The Bank has adequate tools to mitigate operating risk through identifying and monitoring critical processes, establishing control mechanisms to allow detection and acting on risks that affect income. Exposure as of December 31, 2012, is detailed as follows:

Exposure to operating risk	ThCh\$ 3,238,265
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Risk Exposure Limit Summary

In no case can the sum of exposures to credit risk, interest rate risk of the negotiation book and to currency risk, can exceed the Bank's effective equity.

As stated in the previous paragraph, the bank has the following ratios:

Effective equity (PE)	ThCh\$ 80,986,645
Basic effective equity (Level 1)	ThCh\$ 76,123,341
Basic effective equity (Level 2)	ThCh\$ 4,863,303
Exposure to credit risk (ERC)	ThCh\$ 50,192,881
Exposure to interest rate risk of the negotiation book	ThCh\$ 40,368
Exposure to currency risks	ThCh\$ 286,867
Exposure to operating risk	ThCh\$ 3,238,265
% of effective equity (PE)	66.38%
Available margin	ThCh\$ 27,228,264
Total risk weighted assets and loans	ThCh\$ 537,583,803
Ratio of global capital over effective equity (PE)	15.06%



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

Banco Falabella Colombia

Risk management at Banco Falabella Colombia is framed on an integral risk management system that is articulated with the goals of the business, seeking achievement of objectives outlined in matters of profitability under a tolerable risks scenario. The risk according to its matter of analysis is divided into four categories: credit risk, liquidity risk, market risk and operating risk.

The figures that are presented below are in millions of Colombian pesos.

Credit Risk:

Exposure to credit risk values faced by the Bank as of December 31, 2013 is detailed as follows:

Credit risk weighted assets (APRC)	ThCh\$ 455,927,865
Exposure to credit risk (legal limit Colombia 9%) (ERC)	ThCh\$ 41,033,508
Effective equity (PE)	ThCh\$ 66,192,217
Leeway	ThCh\$ 25,158,709

Liquidity risk:

Liquidity risk is understood to be the temporary breach existing between cash flows payable and receivable, both in local currency, indexed currency and foreign currency.

Banking Book Liquidity Risk according to mismatch subject to limit:

Mismatch from 1 to 30 days (Liabilities – Assets)	ThCh\$ -52,417,355
Maximum limit (1 time the Basic Capital)	ThCh\$ 58,994,509
Comfort (1 to 30 days)	ThCh\$ 111,411,864
Mismatch from 1 to 90 days (Liabilities - Assets)	ThCh\$ -89,530,348
Maximum limit (2 times Basic Capital)	ThCh\$ 117,989,018
Comfort (1 to 90 days)	ThCh\$ 207,519,366

Market risk:

Colombian regulations contemplate market risk as the possibility of incurring losses associated to a potential decrease in the value of the portfolios of the entities, and drops in the value of administrated collective portfolios or funds, due to the effect of changes in the price of the financial instruments in which positions within or outside the balance sheet are held.

In the case of Banco Falabella Colombia the risk of decreased value of collective portfolios is considered, as is the interest rate risk associated to short-term public debt investments and the exchange rate risk which are attached the foreign currency positions. Collective portfolios in which the Bank maintains investments, are of low market risk and in addition allow immediate availability of the resources invested. On the other hand, the investments that compose the public debt portfolio represent a moderate level of interest rate risk, since their term is less than two years and they are highly liquid in the Colombian market, while foreign exchange resources are considered as a provision for the payment of foreign currency obligations with suppliers.



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

Exposure to interest rate market risk	ThCh\$ 0
Exposure collective portfolios market risk	ThCh\$ 34,131
Exposure exchange rate risk	ThCh\$ 3,571
Exposure to market risk	ThCh\$ 37,702

Operating risk

The Bank has an Operating Risk Management System (SARO) in the framework of current standards, which is supported by a clear risk management methodology. Stages have been defined which have an adequate logic and whose main support is the constant interaction with all executives, managing to direct management toward key areas in accordance with the processes and characteristics of the business.

The operating risk management methodology is based on a systematic focus (by stages) that involves from identification of risks to analysis and measurement to monitoring and effective control which allows the performance of mitigation work on the risks affecting the Bank's income.

Risk Exposure Limit Summary

In no case can the sum of exposures to credit risk and market risk be higher than the Bank's effective equity.

As stated in the previous paragraph, the Bank has the following ratios:

Effective equity (PE)	ThCh\$ 66,192,217
Exposure to credit risk (ERC)	ThCh\$ 41,033,508
Exposure to market risk	ThCh\$ 37,702
% of effective equity (PE)	62.05%
Available margin	ThCh\$ 25,121,007

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



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

Undiscounted assets

Description	Currency	Amount 12/31/2013 ThCh\$	Amount 12/31/2012 ThCh\$
CURRENT ASSETS			
Cash and cash equivalents		444,923,983	375,145,536
	Indexed Ch\$	4,594,989	6,963,414
	Non-indexed Ch\$	212,587,248	318,260,103
	US dollars	111,917,495	2,773,412
	Other Currencies	115,824,251	47,148,607
Financial investments (net)		303,256,854	138,273,918
	Indexed Ch\$	85,224,973	26,684,052,00
	Non-indexed Ch\$	167,918,060	95,162,003
	Other Currencies	50,113,821	16,427,863
Other Financial assets		1,298,753	1,839,027
	Non-indexed Ch\$	784,054	330,580
	US dollars	-	3,834
	Other Currencies	514,699	1,504,613
Trade and other accounts receivable (net)		141,109,990	147,221,489
	Non-indexed Ch\$	116,103,774	128,228,999
	US dollars	3,884,719	1,983,667
	Other Currencies	21,121,497	17,008,823
Financial accounts receivable (net)		1,013,020,178	1,062,367,470
	Indexed Ch\$	157,427,734	156,910,947
	Non-indexed Ch\$	175,933,748	172,053,010
	US dollars	4,953,208	4,371,390
	Other Currencies	674,705,488	729,032,123
Notes receivable (net)		37,160,170	36,885,806
	Indexed Ch\$	1,284,195	1,214,396
	Non-indexed Ch\$	35,452,896	35,185,579
	Other Currencies	423,079	485,831
Miscellaneous receivables (net)		30,478,569	25,822,199
	Indexed Ch\$	1,620,885	1,591,073
	Non-indexed Ch\$	16,470,031	15,785,098
	US dollars	544,007	660,481
	Other Currencies	11,843,646	7,785,547
Accounts receivable from related companies		45,167,050	46,664,872
	Non-indexed Ch\$	39,990,524	45,025,023
	US dollars	951,371	1,617,362
	Other Currencies	4,225,155	22,487
Inventory (net)		396,050,906	412,156,463
	Non-indexed Ch\$	275,852,376	290,076,446
	US dollars	8,404,189	8,435,778
	Other Currencies	111,794,341	113,644,239
Current tax accounts receivable		32,723,453	26,479,668
	Indexed Ch\$	2,894,897	2,703,249
	Non-indexed Ch\$	20,726,667	15,305,064
	Other Currencies	9,101,889	8,471,355
Prepayments		22,346,669	7,577,229
	Non-indexed Ch\$	19,949,772	5,212,415
	US dollars	380,639	393,226
	Other Currencies	2,016,258	1,971,588
Other assets		25,140,056	23,071,295
	Indexed Ch\$	22,153,326	20,340,581
	Non-indexed Ch\$	1,040,383	422,719
	Other Currencies	1,946,347	2,307,995
Non-current Assets classified as held for sale and discontinued operations		4,862,554	4,902,070
	Other Currencies	4,862,554	4,902,070

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



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

NON CURRENT ASSETS			
Financial investments		9,620	9,990
	Other Currencies	9,620	9,990
Other financial assets		175,000	117,500
	Non-indexed Ch\$	175,000	117,500
Trade and other accounts receivable (net)		13,434,140	12,076,979
	Non-indexed Ch\$	13,434,140	12,076,979
Financial accounts receivable (net)		943,045,325	720,621,736
	Indexed Ch\$	344,734,097	339,171,709
	Non-indexed Ch\$	385,258,430	371,902,127
	US dollars	34,399,449	114,646
	Other Currencies	178,653,349	9,433,254
Notes receivable (net)		1,334,133	2,354,914
	Indexed Ch\$	1,207,023	1,177,457
	Non-indexed Ch\$	127,110	-
Miscellaneous receivables (net)		1,533,406	1,787,852
	Indexed Ch\$	1,533,406	163,804
	Non-indexed Ch\$	-	1,624,048
Investments in associates accounted for using the equity method		84,009,454	75,670,720
	Other Currencies	84,009,454	75,670,720
Goodwill		45,660,316	45,866,578
	Non-indexed Ch\$	40,415,819	40,415,819
	Other Currencies	5,244,497	5,450,759
Intangible assets (net)		23,306,755	24,005,007
	Non-indexed Ch\$	19,841,127	20,216,366
	Other Currencies	3,465,628	3,788,641
Property, plant and equipments (net)		460,020,393	458,406,860
	Non-indexed Ch\$	311,810,513	303,463,256
	Other Currencies	148,209,880	154,943,604
Investment properties (net)		1,790,687,858	1,731,032,987
	Non-indexed Ch\$	1,750,867,324	1,687,990,086
	Other Currencies	39,820,534	43,042,901
Deferred tax assets		24,656,045	23,047,576
	Non-indexed Ch\$	17,645,412	17,490,512
	Other Currencies	7,010,633	5,557,064
Other assets		15,330,139	17,944,609
	Indexed Ch\$	191,977	183,626
	Non-indexed Ch\$	7,792,671	10,001,523
	US dollars	725,422	731,047
	Other Currencies	6,620,069	7,028,413
Prepayments		4,625,443	4,392,467
	US dollars	4,212,190	4,287,681
	Other Currencies	413,253	104,786

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



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

Undiscounted liabilities

Description	Type of Currency	Dec-31-13				Dec-31-12			
		Up to 90 days	Average annual interest rate	From 91 days to 1 year	Average annual interest rate	Up to 90 days	Average annual interest rate	From 91 days to 1 year	Average annual interest rate
		Amount		Amount		Amount		Amount	
CURRENT LIABILITIES		ThCh\$		ThCh\$		ThCh\$		ThCh\$	
Loans that accrue interest		217,986,508	-	66,154,259	-	358,917,953	-	57,508,481	-
	Indexed Ch\$	1,172,891	4.62%	15,072,524	1.95%	2,669,727	3.84%	12,466,095	1.16%
	Non-indexed Ch\$	121,245,897	349.45%	4,609,655	6.83%	245,716,607	3.51%	2,849,767	6.30%
	US dollars	12,319,479	0.50%	22,489,284	3.85%	30,653,836	3.48%	768,237	3.68%
	Other currencies	83,248,241	26.60%	23,982,796	28.18%	79,877,784	-	41,424,382	-
Obligations with the public (promissory notes)		14,513,606	-	1,655,405	-	22,605,995	-	6,112,556	-
	Other currencies	-	-	-	-	11,140,000	-	-	-
	Other currencies	14,513,606	19.08%	1,655,405	19.08%	11,465,995	21.07%	6,112,556	21.07%
Obligations with the public – current portion (bonds)		21,571,775	-	84,626,021	-	37,156,300	-	112,791,642	-
	Indexed Ch\$	8,527,659	4.03%	7,809,876	4.04%	-	-	15,597,682	-
	Non-indexed Ch\$	-	-	8,356,254	7.28%	16,674,128	2.15%	9,087,803	3.20%
	Other currencies	13,044,116	3.54%	68,459,891	3.24%	20,482,173	5.37%	88,106,156	5.47%
Other financial liabilities		572,473,351	-	331,753,362	-	548,026,931	-	316,873,056	-
	Indexed Ch\$	51,559,729	-	24,712,634	-	49,353,577	-	24,527,003	-
	Non-indexed Ch\$	417,397,636	-	204,852,153	-	368,827,184	-	183,294,224	-
	US dollars	26,062,564	-	16,737,297	-	30,663,657	-	19,757,630	-
	Other currencies	77,453,422	-	85,451,278	-	99,182,513	-	89,294,199	-
Trade and other accounts payable		381,565,635	-	118,896,459	-	331,037,718	-	102,623,473	-
	Non-indexed Ch\$	214,568,474	-	894,223	-	201,081,683	-	3,023,511	-
	US dollars	20,574,516	-	6,799,355	-	18,480,561	-	133,736	-
	Other currencies	146,422,645	-	111,202,881	-	111,475,474	-	99,466,226	-
Dividends payable		-	-	20,385,996	-	-	-	18,997,527	-
	Non-indexed Ch\$	-	-	20,385,996	-	-	-	18,997,527	-
Accounts payable to related entities		35,743,172	-	13,845,815	-	55,549,678	-	15,508,275	-
	Indexed Ch\$	1,159,557	-	1,119,783	-	412,094	-	1,620,439	-
	Non-indexed Ch\$	19,802,256	-	12,089,031	-	42,520,008	-	12,613,833	-
	US dollars	13,628,566	-	-	-	4,641,928	-	-	-
	Other currencies	1,152,793	-	637,001	-	7,975,648	-	1,274,003	-
Provisions		3,177,031	-	-	-	2,999,452	-	-	-
	Non-indexed Ch\$	685,567	-	-	-	379,670	-	-	-
	Other currencies	2,491,464	-	-	-	2,619,782	-	-	-
Post-employment benefits obligation		16,886,423	-	18,079,322	-	18,867,602	-	18,326,514	-

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



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

Description	Type of Currency	Dec-31-13				Dec-31-12			
		Up to 90 days	Average annual interest rate	From 91 days to 1 year	Average annual interest rate	Up to 90 days	Average annual interest rate	From 91 days to 1 year	Average annual interest rate
		Amount		Amount		Amount		Amount	
CURRENT LIABILITIES		ThCh\$		ThCh\$		ThCh\$		ThCh\$	
	Indexed Ch\$	632,667	-	1,974,025	-	631,875	-	1,179,699	-
	Non-indexed Ch\$	4,872,028	-	14,664,416	-	6,790,169	-	15,712,573	-
	Other currencies	11,381,728	-	1,440,881	-	11,445,558	-	1,434,242	-
Current tax accounts payable		5,448,687	-	13,122	-	4,231,797	-	176,237	-
	Non-indexed Ch\$	576,680	-	13,122	-	373,030	-	176,237	-
	Other currencies	4,872,007	-	-	-	3,858,767	-	-	-
Deferred income		25,241,390	-	884,217	-	27,732,355	-	847,390	-
	Non-indexed Ch\$	15,140,204	-	175,955	-	16,080,926	-	188,826	-
	US dollars	10,101,186	-	708,262	-	11,651,429	-	658,564	-
Other liabilities		16,311,440	-	118,212	-	28,240,702	-	-	-
	Non-indexed Ch\$		-	118,212	-	13,225,285	-	-	-
	US dollars	9,939,820	-	-	-	-	-	-	-
	Other currencies	6,371,620	-	-	-	15,015,417	-	-	-



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

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

NON-CURRENT LIABILITIES	Type of Currency	Dec-31-13						Dec-31-12					
		1-3 years amount ThCh\$	Average annual interest rate	3- 5 years amount ThCh\$	Average annual interest rate	More than 5 years amount ThCh\$	Average annual interest rate	1-3 years amount ThCh\$	Average annual interest rate	3- 5 years amount ThCh\$	Average annual interest rate	More than 5 years amount ThCh\$	Average annual interest rate
Loans that accrue interest		332,099,820	-	141,896,725	-	148,377,216	-	397,061,757	-	210,801,097	-	166,958,927	-
	Indexed Ch\$	101,818,333	2.90%	82,201,653	2.93%	75,060,413	1.41%	86,490,783	2.53%	126,700,420	3.06%	82,314,683	1.30%
	Non-indexed Ch\$	116,197,106	-	21,532,190	-	18,973,922	-	189,228,895	-	40,825,300	-	26,331,100	-
	US dollars	22,022,301	2.96%	130,500	8.06%	1,631,990	8.14%	22,423,469	2.99%	165,678	7.54%	1,867,366	8.14%
	Other currencies	92,062,080	27.26%	38,032,382	7.61%	52,710,891	8.11%	98,918,610	7.55%	43,109,699	7.72%	56,445,778	8018.00%
Obligations with the public (bonds)		240,245,954	-	90,488,443	-	1,019,678,775	-	250,392,504	-	92,616,489	-	984,668,408	-
	Indexed Ch\$	75,127,724	3.60%	57,829,735	3.79%	808,167,242	2.56%	72,964,312	3.85%	63,692,335	3.78%	773,412,080	2.47%
	Non-indexed Ch\$	29,403,675	4.78%	-	4.78%	-	-	35,056,615	4.78%	334,564	4.78%	-	-
	Other currencies	135,714,555	6.16%	32,658,708	6.22%	211,511,533	-	142,371,576	6.40%	28,589,590	6.57%	211,256,328	-
Other financial liabilities		120,367,193	-	112,351,958	-	245,149,191	-	105,367,328	-	58,391,744	-	251,806,577	-
	Indexed Ch\$	8,129,965	-	5,652,574	-	25,199,144	-	6,380,456	-	6,038,785	-	28,158,248	-
	Non-indexed Ch\$	53,405,210	-	46,856,271	-	211,200,759	-	41,299,437	-	45,128,809	-	210,431,094	-
	US dollars	12,651,784	-	3,161,679	-	8,749,288	-	13,368,673	-	4,025,780	-	13,217,235	-
	Other currencies	46,180,234	-	56,681,434	-	-	-	44,318,762	-	3,198,370	-	-	-
Trade and other accounts payable		34,519,017	-	-	-	-	-	31,668,261	-	-	-	-	-
	Non-indexed Ch\$	903,298	-	-	-	-	-	902,162	-	-	-	-	-
	Dollar	236,015	-	-	-	-	-	-	-	-	-	-	-
	Other currencies	33,379,704	-	-	-	-	-	30,766,099	-	-	-	-	-
Accounts payable to related entities		4,858,955	-	822,793	-	17,395,902	-	4,855,264	-	821,763	-	17,579,864	-
	Indexed Ch\$	2,947,951	-	822,793	-	17,395,902	-	2,944,260	-	821,763	-	17,579,864	-
	Non-indexed Ch\$	1,911,004	-	-	-	-	-	1,911,004	-	-	-	-	-
Provisions		5,235,685	-	-	-	213,796	-	5,009,641	-	-	-	155,135	-
	Indexed Ch\$	-	-	-	-	213,796	-	-	-	-	-	155,135	-
	Non-indexed Ch\$	5,235,685	-	-	-	-	-	5,009,641	-	-	-	-	-
Post-employment benefits obligation		789,701	-	-	-	11,746,354	-	788,713	-	-	-	11,748,920	-
	Indexed Ch\$	789,701	-	-	-	11,746,354	-	788,713	-	-	-	11,748,920	-
Deferred tax liabilities		218,968,705	-	-	-	-	-	213,998,015	-	-	-	-	-
	Non-indexed Ch\$	217,968,029	-	-	-	-	-	213,495,811	-	-	-	-	-
	Other currencies	1,000,676	-	-	-	-	-	502,204	-	-	-	-	-
Deferred income		4,792,688	-	161,950	-	721,637	-	5,735,773	-	51,889	-	-	-
	Non-indexed Ch\$	4,753,835	-	161,950	-	721,637	-	5,679,976	-	51,889	-	-	-
	Other currencies	38,853	-	-	-	-	-	55,797	-	-	-	-	-
Other liabilities		22,212,070	-	-	-	321,200	-	19,344,586	-	-	-	-	-
	Indexed Ch\$	7,842,351	-	-	-	321,200	-	7,633,276	-	-	-	-	-
	Non-indexed Ch\$	14,354,127	-	-	-	-	-	11,670,540	-	-	-	-	-
	Other currencies	15,592	-	-	-	-	-	40,770	-	-	-	-	-

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

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

Note 34 – Capital

- a) Objectives, policies and processes that the Company applies to manage capital

S.A.C.I. Falabella maintains adequate 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 allows it to reduce capital cost.

The Group monitors capital using an index of net consolidated financial debt (excluding the businesses that develop the banking line of business) over equity. As of December, 2013 the aforementioned index was 0.5.

The Company has Feller-Rate and Fitch Ratings credit rating, detailed as follows:

	Feller-Rate	Fitch Ratings
Shares	1 ^a C.N. 2	Level 2
Bonds and lines of bonds	AA	AA
Commercial paper	AA / Lev.1+	AA / F1+

- b) Capital and number of shares

As of December 31, 2013 the Company's capital is composed in the following manner:

Number of shares

Series	Subscribed Shares	Paid shares	hares with voting rights
Single	2,422,583,377	2,422,583,377	2,422,583,377

Detail	No. of shares
No. of shares to December 31, 2012	2,418,751,412
No. of paid shares on the year January to December 2013	3,831,965
No. of shares to December 31, 2013	2,422,583,377

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

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

Capital

Serie	Subscribed capital	Issued capital
	ThCh\$	ThCh\$
Single	530,806,267	530,806,267

c) Other reserves, for the period ended as of December 31, 2013, 2012 are detailed as follows:

Other reserves	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Conversion reserve	(70,771,186)	(52,327,229)
Cash flows hedge reserve	(9,420,227)	(4,622,774)
Reserve for actuarial profits or losses on defined benefits plans	(2,476,763)	(2,963,556)
Reserve for profits or losses on remediation of financial assets	630,210	-
Share-based payments reserve	23,881,827	18,261,010
Price-level restatement capital adjustment ⁽¹⁾	12,256,323	12,256,323
Other reserves ⁽²⁾	(77,236,502)	(74,732,934)
Other reserves, Total	(123,136,318)	(104,129,160)

Evolution of other reserves	Dec-31-13 ThCh\$	Dec-31-12 ThCh\$
Balance December 31, previous year		
Conversion reserves	(18,443,957)	(12,700,186)
Hedge reserves	(4,797,453)	(2,403,377)
Reserve for actuarial profits or losses on defined benefits plans	486,793	(806,464)
Reserve for profits or losses on remediation of financial assets	630,210	-
Share-based payments reserve	5,620,817	4,345,697
Miscellaneous reserves	(2,503,568)	(76,482,748)
Total annual variation	(19,007,158)	(88,047,078)
Other reserves, final balance	(123,136,318)	(104,129,160)

⁽¹⁾ This effect was generated in the one-time adoption due to the obligation to apply CPI for local purposes.

⁽²⁾ On October 1, 2013 the Falabella Holding purchased 2,973,000 shares of SAGA Falabella S.A. equivalent to 1.19% of total interest in that subsidiary. The price paid was ThCh\$ 3,979,506 generating other reserves for the Falabella Holding in the amount of ThCh\$(2,503,568).

On December 13, 2012 the Holding bought 119,123,419 shares of Falabella PERU S.A.A., equivalent to a 6,24% participation in the subsidiary, The price paid was ThCh\$103,203,568 generating other reserves for ThCh\$ 76,482,748.

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

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

d) Dividends policy

On April 30, 2013 the General Ordinary Shareholders' Meeting, approved distribution of final dividends consisting in paying Ch\$30 per share with a charge to net income for 2012.

On October 29, 2013, the Board approved distribution of an interim dividend of Ch\$32 per share, with a charge to net income for 2013. The mentioned dividend began to be paid as of November 14, 2013.

At the Ordinary Shareholders' Meeting held on April 24, 2012 the shareholders approved distribution of a final dividend of Ch\$40 per share with a charge to net income for 2011. The mentioned dividend began to be paid as of May 9, 2012.

On October 30, 2012, distribution of an interim dividend was approved in the amount of Ch\$30 per share with a charge to net income for 2012. The mentioned dividend began to be paid on November 14, 2012.

e) Contributed surplus

During the year ended December 31, 2013 contributed surplus was generated in the amount of ThCh\$8,072,637, During the year ended as of December 31, 2012 contributed surplus was generated in the amount of ThCh\$33,034,783.

f) Capital increase with issuance of shares (historical values)

During the year ended December 31, 2013, 3,831,965 shares were subscribed and paid, which generated a capital increase of ThCh\$839,612 and contributed surplus of ThCh\$8,072,637.

Date	Shares subscribed	Shares Paid	Capital increase ThCh\$
January	146,666	146,666	32,136
February	55,001	55,001	12,051
March	261,333	261,333	57,260
April	536,233	536,233	117,493
May	744,465	744,465	163,118
June	1,076,400	1,076,400	235,847
July	266,667	266,667	58,429
August	69,067	69,067	15,133
September	208,333	208,333	45,647
October	264,800	264,800	58,020
November	163,000	163,000	35,714
December	40,000	40,000	8,764
Total	3,831,965	3,831,965	839,612

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

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

During the year ended December 31, 2012, 12,832,675 shares were subscribed and paid, which generated a capital increase of ThCh\$2,713,137 and contributed surplus of ThCh\$33,034,783.

Date	Shares subscribed	Shares Paid	Capital increase ThCh\$
January	4,971,675	4,971,675	1,089,332
March	3,333,002	3,333,002	730,286
April	2,601,003	2,601,003	569,899
June	381,333	381,333	83,553
July	404,330	404,330	88,591
August	100,000	100,000	21,911
September	104,167	104,167	22,824
October	85,832	85,832	18,806
November	64,666	64,666	14,169
December	336,667	336,667	73,766
Total	12,382,675	12,382,675	2,713,137

- g) Summarized financial information of subsidiaries with non-controlling interests: Financial information for subsidiary Plaza S.A, that has non-controlling interest participation that is relevant for the Group, before intercompany eliminations and other consolidation adjustments are detailed as follows:

	Dec-31-13	Dec-31-12
Non-controlling %	40.7220%	40.7220%
Non-current assets	2,151,669,043	1,946,723,873
Current assets	194,542,079	131,219,006
Non-current liabilities	(958,323,212)	(866,261,080)
Current liabilities	(180,519,607)	(63,501,037)
Net assets	1,207,368,303	1,148,180,762
Revenue	192,400,968	165,429,640
Profit (loss)	91,381,224	49,315,332
Total comprehensive income	90,288,730	49,092,659
Net income (loss) attributable to non-controlling interests	38,315,771	21,501,074
Cash flows from operating activities	162,119,214	123,805,717
Cash flows from investing activities	(222,169,456)	(196,395,590)
Cash flows from financing activities, before dividends paid	131,065,073	119,749,879
Cash flows from financing activities, cash dividends to non controlling interests	(13,219,637)	(14,279,455)

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

Note 35 – Financial Information by Segment

General description of segments and their measurement

The Company's operating segments have been determined in accordance with the main business activities that the group develops and which are regularly reviewed by senior management, in order to measure performance, evaluate risks and allocate resources, and for which there is available information. In the process of determining reportable segments, certain segments have been grouped because they possess similar economic characteristics. The information that the Company's management regularly examines corresponds to income of each of the operating segments in Chile and the consolidated income of each of the operations of subsidiaries abroad.

Management reports and those that emanate from the Company's accounting use the same policies described in the accounting criteria note and there are no differences at a total level between the measurement of income, assets and liabilities of the segments, in respect to the accounting criteria applied, Inter-segment eliminations are disclosed at a total level; therefore inter-segment transactions and income are disclosed at the value of the original transaction in each segment.

The Company develops its activities in the following business segments:

- a) Department stores: This segment operates under the Falabella brand and its activities are the sale of varied 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, 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 products in the categories of food and other non-food.
- d) Promotora: The Promotora segment mainly operates in the business of granting loans to individuals through the CMR credit card.
- e) Real estate: Operates in the real estate segment through the construction and leasing of malls. The most important subsidiary is the Mall Plaza Group in Chile.
- f) Other Businesses & Eliminations Chile, inter-segment annulments: include the rest of the companies of the group, which contemplate among others the industrial area, Corredora de Seguros de Chile, of investments and eliminations.

In addition the consolidated operations of the following subsidiaries abroad have been defined as segments:



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

- g) Argentina: has activities in the department store, home improvement and financial services areas.
- h) Colombia: has activities in the department stores, and financial services area, for the segment information purposes Banco Falabella S.A. is shown in the Banking Business.
- i) Peru: is the only foreign country in which the Group operates in all the business areas that Chile maintains, For information by segment purposes, Banco Falabella Peru is shown in the Banking Business.
- j) Banking Business: includes information on all Banking Business, in Chile and abroad.

The portfolio of group clients is highly atomized and there are no individual clients that are significantly representative.

The information disclosed in each segment is presented net of eliminations corresponding to transactions and income between the parties. Inter-segment income and transactions are eliminated at a total level, and form part of the group's final consolidated figures. This form of presentation is the same one used by management in the processes of periodic review of the Company's performance.

Revenue from Chile real estate segment for an amount of ThCh\$257,522,838 at December 2013 (ThCh\$218,911,068 at December 2012), corresponds to the total revenue charged from third and related parties of real state in Chile, lease revenue charged to third parties for all the Falabella companies real estate are presented in note 14 j).

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

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



Segment Information	Department stores Chile	Home improvement & building materials Chile	Supermarkets Chile	CMR Promoter Chile	Real estate Chile	Department stores Peru	Home improvement & building materials Peru	Supermarkets Peru	Other businesses & eliminations Peru	Department stores Argentina	CMR Argentina	Other businesses & eliminations Argentina	Department stores Colombia	Home improvement & building materials Brazil	Other businesses & eliminations Brazil	Other businesses & eliminations Colombia	Other businesses & eliminations Chile, eliminations intersegment	Total non-banking business	
December 31, 2013																			
Total revenue from ordinary activities	1,235,664,404	1,731,803,570	535,674,576	296,775,212	257,522,838	486,125,590	288,599,340	476,299,579	16,256,375	456,379,557	51,565,641	(5,092,809)	318,092,688	100,631,745	-	14,326,595	64,032,708	6,199,572,167	
Total operating costs	(670,691,923)	(1,278,403,306)	(495,671,870)	(147,959,749)	(63,073,383)	(341,573,516)	(207,149,866)	(359,510,657)	9,801,523	(269,806,956)	(27,854,420)	69,391	(229,314,917)	(67,542,724)	-	(2,365,651)	105,708,649	(4,096,442,778)	
Non-banking financial income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-banking financial expenses	(4,030,448)	(8,838,599)	(1,170,687)	(3,284,068)	(51,103,805)	(4,570,459)	(2,097,527)	(4,506,176)	(4,124,408)	(6,874,076)	-	(12,153)	(4,612,639)	(811,549)	(302,377)	(181,498)	(24,846,408)	(22,356,799)	
Total segment interest income, net	3,345,182	(4,977,416)	(1,185,882)	(1,119,416)	(48,055,684)	(4,443,391)	(2,041,979)	(4,192,200)	(4,092,958)	(6,585,054)	-	(12,153)	(4,360,342)	739,840	(255,533)	(168,556)	(29,752,800)	(107,158,985)	
Total segment depreciation and amortization	(17,197,608)	(26,982,534)	(14,927,004)	-	(28,015,651)	(8,797,363)	(5,834,796)	(12,597,395)	(2,552,245)	(6,302,740)	(268,103)	(143,530)	(6,461,972)	(1,538,745)	-	(388,620)	(16,778,024)	(155,646,956)	
Income before taxes	33,053,501	107,650,678	4,100,318	116,848,739	127,642,628	45,377,073	15,624,910	18,036,503	17,789,583	9,988,488	4,363,073	(122,544)	3,666,870	4,599,147	(348,743)	18,194,810	37,267,277	563,722,311	
Total income tax income (expense)	(7,452,243)	(20,717,551)	(743,148)	(21,942,212)	(17,758,576)	(14,286,506)	(5,067,194)	(6,124,830)	(5,331,966)	(3,801,816)	(2,551,363)	(6,054)	(2,585,076)	(1,526,099)	-	(1,825,222)	(10,476,821)	(22,197,120)	
Total profit (loss) for the reported segment	25,601,258	86,933,127	3,357,170	94,906,527	109,884,052	31,090,567	10,557,716	11,911,668	12,457,616	6,186,670	1,811,680	(128,598)	1,081,794	3,073,047	(348,743)	16,369,588	26,790,456	441,525,191	
Total share of the entity in income of associates and joint ventures accounted for using the equity method	-	-	-	-	1,399,663	-	-	-	2,770,140	-	-	-	-	-	-	13,675,611	142,989	17,869,643	
Current trade and other accounts receivable	30,047,861	135,264,917	8,164,712	976,115,741	54,297,856	3,846,457	4,075,241	5,518,475	4,671,067	21,834,170	142,971,385	263,960	4,733,728	37,830,443	-	3,673,595	27,863,124	1,361,212,730	
Inventory	204,390,258	263,332,322	46,324,182	-	-	100,809,857	69,006,546	54,274,421	3,744	73,320,832	-	-	59,498,360	39,491,272	-	2,529	6,216,365	916,670,686	
Non-current rights receivable	-	341,519	-	155,433,306	16,928,905	-	161,293	-	1,528,972	-	6,263,553	-	-	-	-	-	(2,592,927)	178,064,620	
Property, plant and equipment	125,435,557	166,572,337	85,882,029	333,417	648,596,904	96,968,110	72,556,200	153,020,100	116,912,472	44,800,746	1,220,681	697,563	88,079,367	13,840,228	-	1,347,511	56,313,277	1,671,176,569	
Investment properties	-	-	-	-	1,910,688,500	-	-	-	18,859,816	-	-	-	-	-	-	-	-	(1,488,103)	1,920,060,213
Total segment assets	652,179,934	770,148,770	175,752,103	1,151,130,695	2,828,989,293	290,108,425	169,367,815	256,632,432	83,148,139	180,705,488	153,897,759	(22,104,340)	183,724,794	124,751,015	57,034,097	90,434,107	81,896,752	7,177,797,918	
Total share of associates and joint ventures accounted for using the equity method	-	-	-	-	22,184,074	-	-	-	43,780,314	-	-	-	-	-	-	82,810,858	-	148,775,246	
Other current financial liabilities	15,113,115	22,809,515	17,866	107,658,500	121,524,789	54,068,138	33,509,662	49,226,326	7,641,308	4,900,464	62,177,009	-	4,081,539	7,672,999	-	-	151,096,533	641,291,879	
Trade and other accounts payable	129,284,352	183,902,256	64,629,038	47,433,478	65,903,460	43,881,291	40,597,610	56,049,211	4,828,927	41,445,803	35,891,450	2,493,719	45,556,721	34,952,071	54,434	1,007,516	80,236,769	878,178,138	
Other non-current financial liabilities	-	84,941,159	-	25,000,000	849,834,525	35,907,205	17,744,315	31,876,700	46,201,081	23,971,171	18,418,847	-	42,300,960	-	-	-	-	538,667,882	
Total segment liabilities	486,379,374	385,580,132	138,577,962	788,660,007	1,365,893,767	166,906,455	102,207,479	154,791,674	(41,688,407)	112,340,289	137,890,799	(18,142,961)	109,572,688	56,381,290	5,996,270	(367,424)	(220,006,694)	3,771,573,100	
Disbursement of non-monetary segment assets, total segments	(46,873,160)	(43,657,711)	(33,698,654)	-	(289,957,963)	(17,253,896)	(33,041,293)	(44,653,571)	(17,870,638)	(13,014,427)	(751,208)	(251,499)	(9,119,462)	(608,926)	-	(1,979,303)	(43,609,144)	(98,186,597)	
Operating cash flows of segments	21,354,415	143,969,484	30,285,515	93,621,433	197,400,834	8,516,068	6,095,307	29,941,475	5,759,982	2,742,078	(19,603,911)	(1,430,671)	8,112,109	(15,542,250)	(4,279)	1,750,986	(34,866,646)	480,141,908	
Segment investment cash flows	(37,315,783)	(38,359,371)	(33,410,784)	2,962,449	(318,916,820)	(9,089,687)	(30,805,869)	(38,855,600)	(23,523,344)	(12,803,467)	(918,391)	1,408,015	(9,101,494)	417,551	(154,719,906)	(94,572)	174,147,143	(529,279,430)	
Segment financing cash flows	1,086,695	(106,440,002)	(3,122,589)	(100,049,433)	178,106,549	297,834	24,212,470	17,749,258	30,155,869	2,846,132	21,646,068	(2)	6,801,141	31,878,749	155,867,709	-	(148,030,351)	120,036,897	

Information segments	Banking business Chile	Banking business Peru	Banking business Colombia	Total banking business
December 31, 2013				
Banking interest and indexation revenue	194,953,521	109,893,591	61,467,168	366,314,280
Banking interest and indexation expenses	(70,660,288)	(30,982,184)	(11,302,865)	(112,945,337)
Banking fee revenue	24,097,891	35,685,765	31,153,667	90,937,323
Banking fee expenses	(8,439,943)	(3,729,873)	(5,344,668)	(22,514,884)
Total segment interest income, net	138,951,781	110,867,299	71,973,302	321,792,382
Total segment depreciation and amortization	(5,320,219)	(3,713,324)	(2,704,578)	(11,738,118)
Income before taxes	32,670,736	28,949,844	16,224,619	77,145,199
Total income tax income (expense)	(6,029,802)	(9,065,557)	(6,467,832)	(21,563,191)
Total profit (loss) for the reported segment	26,640,934	19,184,287	9,756,787	55,582,008
Total share of the entity in income of associates and joint ventures accounted for using the equity method	-	305,005	-	305,005
Cash and bank deposits (banks)	207,841,426	123,263,550	11,240,083	342,345,059
Instruments held for trading (banks)	76,808,000	-	6,276,118	83,084,118
Loans and accounts receivable from clients (banks)	1,153,949,217	439,500,849	293,180,151	1,886,630,217
Property, plant and equipment	15,578,765	10,825,481	9,770,844	36,175,090
Total segment assets	1,794,597,157	597,636,381	325,281,526	2,717,515,064
Total share of associates and joint ventures accounted for using the equity method	-	1,821,617	-	1,821,617
Deposits and other time deposits (banks)	1,041,514,645	306,024,203	130,070,577	1,502,609,515
Total segment liabilities	1,637,687,787	498,304,668	263,180,782	2,299,094,217
Disbursement of non-monetary segment assets, total segments	(8,095,728)	(7,155,464)	(4,052,652)	(19,303,844)
Segment operating cash flows	1,872,494	67,543,365	(4,336,122)	64,879,737
Segment investing cash flows	(8,236,611)	(15,376,950)	(34,802,284)	(58,415,845)
Segment financing cash flows	(18,880,853)	(23,261,056)	35,611,856	(6,530,053)

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

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



Information segments Non-banking business	Department Stores Chile	Home improvement & building materials Chile	Supermarkets Chile	CMR Promoter Chile	Real estate Chile	Department stores Peru	Home improvement & building materials Peru	Supermarkets Peru	Other Businesses & eliminations Peru	Department stores Argentina	CMR Argentina	Other Businesses & eliminations Argentina	Department stores Colombia	Other Businesses & eliminations Colombia	Other Businesses & eliminations Chile, eliminations intersegments	Total non-banking business
December 31, 2012																
Total revenue from ordinary activities	1,144,163,132	1,591,852,055	463,632,483	302,305,385	218,911,068	446,053,781	247,050,587	415,519,507	16,001,555	391,418,666	44,538,922	(4,178,494)	284,961,871	13,684,565	(57,320,252)	5,518,594,831
Total operating costs	(818,004,689)	(1,133,748,192)	(354,395,749)	(181,944,111)	(47,699,696)	(317,072,442)	(179,066,545)	(317,442,308)	8,694,958	(234,092,717)	(22,426,399)	(93,459)	(205,156,084)	(1,642,827)	107,859,277	(3,696,230,983)
Non-banking financial income	6,393,867	2,393,153	5,851	1,603,912	2,802,282	153,517	262,026	386,277	(131,942)	94,326	-	-	421,671	(118,731)	(6,413,412)	7,852,797
Non-banking financial expenses	(4,619,369)	(1,137,557)	(865,593)	(1,904,528)	(42,650,629)	(4,472,079)	(1,873,275)	(4,473,385)	(4,585,507)	(7,046,419)	-	(7,027)	(4,184,091)	(146,932)	(14,440,535)	(102,626,926)
Total segment interest income, net	1,774,498	(8,964,404)	(859,742)	(300,616)	(39,848,347)	(4,318,562)	(1,611,249)	(4,087,108)	(4,717,449)	(6,952,093)	-	(7,027)	(3,762,420)	(265,663)	(20,853,947)	(94,774,129)
Total segment depreciation and amortization	(14,515,914)	(25,057,957)	(12,528,378)	-	(24,457,575)	(9,432,016)	(4,953,484)	(10,896,379)	(2,493,263)	(6,532,681)	(189,728)	(171,916)	(5,486,111)	(2,671,331)	(12,909,711)	(132,298,464)
Income before taxes	35,633,075	103,844,178	57,409	73,019,912	115,090,770	36,216,836	14,868,541	15,400,006	14,501,512	6,863,404	5,122,265	(1,383,612)	(3,455,485)	30,616,621	52,714,443	498,109,875
Total income tax income (expense)	(7,612,406)	(19,203,831)	728,641	(12,471,545)	(48,972,912)	(12,270,987)	(4,621,251)	(5,076,944)	(4,121,343)	458,417	(1,703,366)	(3,121)	3,403,987	(5,164,114)	(10,767,993)	(127,398,768)
Total profit (loss) for the reported segment	28,020,669	84,640,347	786,050	60,548,367	66,117,858	23,945,849	10,247,289	10,323,061	10,380,171	7,321,821	3,418,899	(1,386,733)	(51,498)	25,452,507	41,946,450	371,711,107
Total share of the entity in income of associates and joint ventures accounted for using the equity method	-	-	-	-	882,452	-	-	-	1,736,121	-	-	-	-	16,954,820	512,601	20,085,694
Current trade and other accounts receivable	24,743,583	137,956,055	4,055,357	814,793,240	46,637,658	3,776,636	2,648,484	4,932,273	6,163,646	13,420,177	111,502,446	198,360	4,088,254	1,952,637	23,980,144	1,200,848,950
Inventory	144,792,337	290,076,446	31,986,736	-	-	80,024,503	53,408,863	36,311,126	4,917	69,921,153	-	-	51,359,614	799,250	3,707,695	762,392,640
Non-current rights receivable	-	260,996	-	158,516,143	14,741,006	-	141,137	-	2,583,219	-	5,303,833	-	-	-	3,333,745	184,880,079
Property, plant and equipment	106,617,753	161,171,860	71,371,141	333,417	592,779,991	89,256,391	39,672,384	123,214,361	106,838,174	49,988,584	1,016,075	679,053	86,861,667	5,825,755	42,777,024	1,478,403,630
Investment properties	-	-	-	-	1,735,810,821	-	-	-	16,351,008	-	-	-	-	-	(1,488,103)	1,750,673,726
Total segment assets	452,124,837	721,244,111	136,621,106	1,056,817,462	2,514,931,156	256,108,411	115,676,671	215,633,671	40,269,638	176,380,026	121,357,875	(11,121,494)	157,588,399	98,742,836	288,199,818	6,340,574,523
Total share of associates and joint ventures accounted for using the equity method	-	-	-	-	19,047,466	-	-	-	37,506,014	-	-	-	-	73,261,756	5,821,435	135,636,671
Other current financial liabilities	41,090,959	91,154,554	-	123,154,277	26,765,513	33,935,640	10,087,617	20,919,104	7,078,036	5,087,946	68,857,571	-	495,532	90,987	125,990,862	554,708,618
Trade and other accounts payable	130,661,142	190,754,845	55,367,712	30,038,406	56,604,453	45,359,877	27,962,517	48,538,295	3,108,393	40,644,179	20,916,337	2,414,291	28,950,458	17,089,387	64,668,094	763,078,386
Other non-current financial liabilities	-	27,961,008	-	181,968,091	765,229,089	34,077,985	15,402,827	34,499,635	45,817,390	25,366,598	3,556,047	-	36,499,634	4,125,519	273,853,352	1,448,357,175
Total segment liabilities	308,383,101	446,332,847	103,360,576	741,411,680	1,154,395,022	148,104,512	61,064,736	127,704,912	(74,284,744)	101,733,084	104,046,886	(6,454,418)	93,731,139	10,075,869	(63,066,766)	3,256,538,436
Disbursement of non-monetary segment assets, total segments	(33,919,020)	(72,229,746)	(23,448,139)	-	(237,661,848)	(14,304,576)	(5,578,075)	(33,246,103)	(7,252,124)	(16,414,348)	(741,082)	(144,862)	(17,206,898)	(1,649,701)	(25,954,834)	(489,751,356)
Segment operating cash flows	222,437,801	50,526,075	15,993,371	232,286,273	161,472,223	4,554,688	1,850,089	21,064,772	2,578,184	40,220,709	(14,601,641)	1,806,117	18,590,858	11,176,013	(167,886,869)	602,068,663
Segment investing cash flows	(114,243,154)	(68,609,879)	(23,225,386)	(4,753,905)	(331,814,748)	20,419,655	3,261,764	(25,825,386)	(57,778,399)	(18,653,700)	(686,975)	488,163	(17,141,235)	(661,398)	181,808,179	(457,416,404)
Segment financing cash flows	(89,830,724)	26,985,116	12,942,844	(229,688,555)	203,361,489	(24,641,848)	(5,930,594)	1,461,714	53,123,443	(11,916,391)	14,268,909	(2,276,182)	(1,944,076)	500,174	(13,469,793)	(67,054,474)

Information segments Banking business	Banking business Chile	Banking business Peru	Banking business Colombia	Total Banking business
December 31, 2012				
Banking interest and indexation revenue	170,359,533	98,790,048	59,386,501	328,536,082
Banking interest and indexation expenses	(63,653,074)	(29,438,644)	(14,352,226)	(107,443,944)
Banking fee revenue	18,536,168	33,144,574	27,859,293	79,540,035
Banking fee expenses	(6,406,372)	(3,298,675)	(8,037,672)	(17,742,719)
Total segment interest income, net	118,836,255	99,197,303	64,855,896	282,889,454
Total segment depreciation and amortization	(4,697,199)	(3,595,090)	(2,254,102)	(10,546,391)
Income before taxes	15,407,052	26,379,535	12,557,565	53,984,152
Total income tax income (expense)	(2,289,873)	(8,123,491)	(5,122,873)	(15,536,037)
Total profit (loss) for the reported segment	12,757,379	18,256,044	7,434,692	38,448,115
Total share of the entity in income of associates and joint ventures accounted for using the equity method	-	363,445	-	363,445
Cash and bank deposits (banks)	103,907,302	94,812,680	14,165,484	212,885,466
Instruments held for trading (banks)	264,032,310	-	13,975,521	278,007,831
Loans and accounts receivable from clients (banks)	1,040,205,488	404,559,570	268,066,169	1,712,831,227
Property, plant and equipment	18,683,072	8,522,589	7,726,576	34,932,237
Total segment assets	1,473,894,036	519,648,668	307,007,930	2,300,550,634
Total share of associates and joint ventures accounted for using the equity method	-	1,900,837	-	1,900,837
Deposits and other time deposits (banks)	825,109,097	256,534,256	116,368,566	1,198,011,919
Total segment liabilities	1,341,619,342	324,961,310	243,633,024	1,910,213,676
Disbursement of non-monetary segment assets, total segments	(10,037,883)	(4,934,915)	(4,365,510)	(19,338,308)
Segment operating cash flows	94,730,418	84,734,784	(36,588,575)	142,876,627
Segment investing cash flows	(10,029,866)	(2,520,663)	(16,443,359)	(29,393,888)
Segment financing cash flows	(16,483,752)	(67,661,028)	59,167,888	(24,976,892)

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

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

Ordinary revenue from external clients determined according to the country of domicile of the entity by geographic area is as follows:

Detail of information in geographic areas (presentation)	Dec-31-2013
Revenue from ordinary activities of external clients, country of domicile of the entity	4,212,399,304
Revenue from ordinary activities of external clients, all foreign countries	2,444,424,466

Ordinary revenue generated by geographic area, outside the country of domicile of the entity is detailed as follows:

Information on significant revenue from activities	Dec-31-2013	
	Area	Revenue
Ordinary revenue	Peru	1,415,860,210
Ordinary revenue	Argentina	502,892,393
Ordinary revenue	Colombia	425,040,118
Ordinary revenue	Brazil	100,631,745

The distribution of non-current assets by geographic area is detailed as follows:

Amount of non-current assets	Dec-31-2013
Amount of non-current assets, country of domicile of the entity	4,481,390,998
Amount of non-current assets, all foreign countries	999,738,698

Information on significant assets, attributed to a foreign country	Dec-31-2013	
	Description of geographic area, assets	Amount of assets, attributed to a foreign country
Property, plant and equipments (net)	Peru	367,503,899
Investment properties (net)	Peru	16,351,008
Non-current financial accounts receivable (net)	Peru	110,477,376
Property, plant and equipments (net)	Argentina	51,683,712
Non-current financial accounts receivable (net)	Argentina	5,303,833
Property, plant and equipments (net)	Colombia	100,413,998
Investment properties (net)	Colombia	-
Non-current financial accounts receivable (net)	Colombia	-
Property, plant and equipments (net)	Brazil	13,840,228
Investment properties (net)	Brazil	-
Non-current financial accounts receivable (net)	Brazil	-



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

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

Note 36 – Contingencies, Lawsuits and Other

a) Lawsuits

a.1 The parent company and its subsidiaries have lawsuits filed against them or administrative matters whose resolution is pending in the respective courts or corresponding administrative instances. The Company has established provisions to reflect possible unfavorable contingencies of the company whose amount is not material. In those cases where the complaints or matters have little probability of prospering and which should be resolved in favor of the Company, no provisions have been made. Complaints or other matters as of December 31, 2013 are detailed as follows:

Nature of lawsuits	Case number	Amount of lawsuit in ThCh\$	Accounting Provision ThCh\$
Civil	472	8,907,145	160,164
Consumer	1,292	5,006,116	1,635,210
Labor	749	9,452,544	1,285,346
Tax	66	9,825,292	2,221,052
Other	62	1,598,759	509,110

a.2 Regarding "tax" matters, it is necessary to emphasize the situation of subsidiary Saga Falabella S.A. As a consequence of the review of income tax returns from 2000 to 2005 in previous years, the Peruvian subsidiary Saga Falabella S.A. received from the National Tax Administration Superintendency (SUNAT or "Superintendencia Nacional de Administración Tributaria") the final determination and assessment of penalties related to general sales tax and income tax for fiscal years 2000 to 2005, for a total restated amount of Soles 38,159,115 (ThCh\$ 7,154,452).

As of December 31, 2012, the subsidiary Saga Falabella S.A. in coordination with its external legal counsel, has recorded a provision related to contingences for internal tax audits and on payment settlement related to imported merchandise royalties for approximate sum of Soles 5,613,897 (ThCh\$ 1,052,550) which is presented as part of trade and other accounts payable in the statement of financial position.

We report that on August 23, 2012, according to Notification 270 issued by the Internal Revenue Service, Chilean subsidiary Promotora CMR Falabella S.A. was notified of Settlement 145 to 148 corresponding to the 2009 tax year, which amounted to ThCh\$8,033,839, including indexations and interest.

These settlements mainly question the manner in which the Company makes write offs of their uncollectable debtors. Analyzing the background and rationale of the settlement, the Board of the Company agreed to appeal the claim before the competent tax judge, arguing against the final judgment.

According to the opinion of the Company's attorneys, there is a high probability that the complaint will be accepted, and therefore the contingencies have been qualified as remote.



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

Damage Indemnity Claim: within the legal proceedings initiated by the civil indemnity lawsuit for damages derived from the crime of undue appropriation filed by Promotora CMR Falabella S.A. against various representatives of Mis Cuentas Punto Com S.A. before the 15th Civil Court of Santiago, Case C-821-2013, Manuel Cruzat Infante filed a counterclaim for damage for the sum of UF 7,847,292 for equity damages and payment of UF 1 for moral damages.

In the opinion of the attorneys of CMR, the counterclaim lawsuit will in all likelihood be rejected in all its parts.

On September 23, 2011 Inversiones Accionarias Limited filed a recovery action against Plaza Oeste S.A. for the recovery of land measuring 1,005.80 square meters, located in the southwest sector of the land on which Mall Plaza Norte is built, in addition to requesting mutual benefit, damage and results payments of an undetermined amount. The value of the litigation is uncertain. The trial is currently at the settlement stage, and in the opinion of our attorneys, there is not enough evidence to make provisions for this claim.

According to the opinion of the Company's attorneys, there is a high probability that the claim will be accepted.

On September 2, 2013, the Chilean Internal Revenue Service, after analyzing the information requested in relation to a loss of inventory at subsidiary Sodimac S.A., has notified in settlement 39, differences in the 2010 tax year income in the sum of ThCh\$ 1,069,486, plus the respective readjustments and interest. This settlement questions the taxable base of the single tax of subsection 3, article 21 of the Income Tax Law in relation to the treatment of inventory differences.

After analyzing the information and fundamentals of the settlement, on December 20, 2013, the Company has filed a claim against this settlement before the Tax and Customs Courts.

- b) Effects of fire from Mall Plaza Trébol on February 2012.
- c) On February 24, 2012 a fire occurred that affected the Mall Plaza Trébol, located in Concepcion, Region VII, and owned by subsidiary Plaza del Trébol. The fire mainly affected the Ripley department store and some food court restaurants. The security protocol was activated immediately and there were no injuries. Plaza Del Trébol S.A. has insurance that has been duly activated and covers the damage of assets and business interruption losses suffered by the Company for claims of this nature. As of December 31, 2012 the Company has recorded the losses not covered by the insurance with a charge to income under the line of Other expenses by function. As of December 31, 2013 Plaza del Trébol S.A. has received advances equivalent to UF309,000 for the concept of physical damages, loss of profits and business interruption from the insurance company. The final settlement of this claim occurred on November 29, 2013 and Plaza del Trébol S.A. has received the final payment corresponding to this claim on January 31, 2014.
- d) Other

As of December 31, 2013 Falabella Argentina has provided customs guarantees in the amount of ThCh\$ 2,089,531.

As of December 31, 2013, Sodimac Chile has guaranteed checks received amounting to ThCh\$ 1,803,594.

As of December 31, 2013, Falabella Peru has guaranteed assets amounting to ThCh\$ 44,523,656.-



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

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

As of December 31, 2013, there are mortgages for Falabella Peru for the amount of ThCh\$ 19,612,454, for Plaza Consolidado for the amount of ThCh\$ 9,690,866 and for Sociedad de Rentas for the amount of ThCh\$ 54,171,012.

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



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

Note 37 – Guarantees Committed and Obtained from Third Parties

a) Guarantee deposits received

As of December 31 2013, the Company has current guarantee deposits received amounting to ThCh\$ 37,007,205, which mainly guarantee the correct execution of works under construction and faithful compliance with contracts.

b) Guarantee deposits provided

As of December 31 2013 the Company has provided guarantees amounting to ThCh\$17,838,150.

c) Direct guarantees: the guarantees in which S.A.C.I. Falabella is a direct guarantor of the debt are detailed as follows:

Guarantee creditor	Debtor name	Relationship	Type of guarantee	Balances pending payment as of the FS closing date	
				Dec-31-2013	Dec-31-2012
BANCO ESTADO	FALABELLA S.A. (ARGENTINA)	SUBSIDIARY	GUARANTOR	23,162,903	21,198,089

d) Indirect guarantees: guarantees directly management by subsidiaries with financial institutions are detailed as follows,

Guarantee creditor	Debtor name	Relationship	Type of guarantee	Balances pending payment as of the FS closing date	
				Dec-31-2013	Dec-31-2012
SCOTIABANK (PERU)	SAGA FALABELLA S.A. (PERU)	SUBSIDIARY	STANDBY	-	479,960
BANCO DE CRÉDITO (PERU)	SAGA FALABELLA S.A. (PERU)	SUBSIDIARY	STANDBY	52,065	1,164,480
SCOTIABANK (PERU)	SAGA FALABELLA S.A. (PERU)	SUBSIDIARY	GUARANTEE LETTERS	1,920,822	1,674,624
BANCO DE CRÉDITO (PERU)	SAGA FALABELLA S.A. (PERU)	SUBSIDIARY	GUARANTEE LETTERS	1,634,350	17,169
BBVA BANCO CONTINENTAL	SAGA FALABELLA S.A. (PERU)	SUBSIDIARY	STANDBY	3,458,618	4,971,734
BBVA BANCO CONTINENTAL	SAGA FALABELLA S.A. (PERU)	SUBSIDIARY	GUARANTEE LETTERS	4,539,995	2,190,810
BBVA BANCO CONTINENTAL	HIPERMERCADOS TOTTUS	SUBSIDIARY	GUARANTEE LETTERS	-	470,375
BANCO DE CRÉDITO E INVERSIONES	FALABELLA PERU S.A.A	SUBSIDIARY	STAND BY	477,551	1,040,797
BANCO DE CRÉDITO E INVERSIONES	SAGA FALABELLA S.A. (PERU)	SUBSIDIARY	STAND BY	4,852,596	-
SCOTIABANK (PERU)	HIPERMERCADOS TOTTUS ERÚ)	SUBSIDIARY	GUARANTEE LETTERS	-	29,985,501
BANCO DE CRÉDITO (PERU)	BANCO FALABELLA (PERU)	SUBSIDIARY	GUARANTEE LETTERS	-	277,814
SANTANDER CHILE	SHEARVAN CORPORATE S.A.	SUBSIDIARY	GUARANTOR(*)	5,659,774	14,114,492
SANTANDER CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	GUARANTOR	31,987,759	10,152,245
BANCO DE CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	GUARANTOR	-	54,854
BBVA S.A. NY BRANCH	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CR	314,766	287,976
BBVA S.A. NY BRANCH	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CR	2,984,840	1,973,774
BBVA S.A. NY BRANCH	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CR	6,557,625	5,999,500
BBVA S.A. CHILE	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CR	90,538	46,315
HSBC	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CR	155,087	138,861
HSBC	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CR	199,352	182,385
HSBC	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CR	209,844	191,984
HSBC	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CR	132,865	116,383
HSBC	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CR	52,461	-
HSBC	FALABELLA RETAIL S.A.	SUBSIDIARY	STANDBY LETTER OF CR	52,461	-

(*) Falabella Retail is guarantor for Shearvan Corporate S.A.



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

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

Note 38 – Environment

In line with its declaration on corporate social accountability, S.A.C.I. Falabella has continued its real estate development on the basis of sustainable environmental conduct. It is thus that the projects portfolio for 2013 which contemplates new stores at Plaza Egaña, Ovalle, and Copiapó, among other remodeling projects, will continue to be built under international sustainable development standards.

As a new challenge, we have begun measuring the carbon footprint of the Company's operations in conjunction with Fundación Chile, in order to have a more efficient and environmentally friendly business development in the short-term.

Additionally, we will implement a recycling pilot plan at 12 stores in the Metropolitan Region that includes gathering, removing and subsequently sending waste to specialized centers that process the waste generated by the business operation such as plastic, cardboard and paper.

Investment for the year from January to December 2013 is distributed between technology and advisory in the following manner.

	Cost ThCh\$
Sustainability	47,546,589
Certification advisories	37,937,339
Memberships	9,609,250
Energy	170,054,015
Efficient lighting equipment	170,054,015
Water	28,296,688
Efficient taps	28,296,688
Materials	148,500,000
Recyclable material storage premises	4,500,000
Store recycling	144,000,000
TOTAL	394,397,292

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

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

- a) 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, An example of this is the construction of the store in Copiapó, the first in Chilean and Latin American retail to obtain LEED certification in the Silver category and recently the Homecenter store in Quilicura, Metropolitan Region.

At the same time, the Company has focused on actions to mitigate the environmental impact generated with the operation of its stores. It has developed actions especially in recycling, supply of ecologically efficient products, energetic and/or water efficiency and the Company's commitment to measure its carbon footprint in an ongoing manner.

Sodimac S.A. is one of the founding partners of the Santiago Climate Exchange (SCX), pioneer initiative in Latin America that allows the trading of carbon bonds with mitigation and compensation projects located in the region.

Sodimac S.A. has environmental permits for its commercial operations. Notwithstanding the above, the Ministry of Health sometimes issues guidelines to improve the environmental conditions of certain departments.

The main disbursements performed by the Company related to the mentioned projects, form part of the cost of the assets and are associated directly to stores, These projects have been executed and in full implementation as of December 2013, as indicated in the following table:

Project Name	Dec-13 ThCh\$	Dec-12 ThCh\$
Low energy luminaire Project	118,417	1,944,325
Recycling points	431,622	158,521
Dangerous residues program	102,276	67,768
Solar panels	-	34,586
Carbon Footprint project	67,811	25,558
Total	720,126	2,230,758

Sodimac S.A. has not entered into future disbursement commitments in relation to the environment; however, it is permanently evaluating projects of this type.

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



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

b) In relation to what is established in Circular No, 1,901 issued by the Superintendency of Securities and Insurance, Sociedad Plaza S.A. and its Subsidiaries has performed or expects to perform the following disbursements connected to environmental protection as of December 31, 2013:

Identification of the parent or subsidiary	Name of project associated to the disbursement	Disbursement concept	Asset or Expense	Description of the asset or expense item	Amount of the disbursement ThCh\$	Warning or estimated date on which future disbursements will be carried out	Project in progress or finished
Nuevos Desarrollos S.A.	LEED certification	LEED certification	Asset	Work in progress	272,162	2012 - 2014	Closed
	Carbon footprint measurement	Carbon footprint measurement	Asset	Work in progress	37,552	2013-2014	In progress
	PSU energy efficiency management	Implementation and certification of energy management system	Expense	Environmental R,S,E,	37,155	2012-2014	Closed
	Residues treatment	Residues recycling	Expense	Environmental R,S,E,	51,785	Enero-Dic 2013	Closed
Administradora Plaza Vespucio	PVE energy efficiency management	Implementation and certification of energy management system	Expense	Environmental R,S,E,	11,655	Mayo-Dic 2013	Closed
	Recycling management	Residues recycling	Asset	Environmental R,S,E,	38,368	Enero-Dic 2013	In progress
Plaza Oeste S.A.	Treatment of residues	Residues recycling	Expense	Environmental R,S,E,	62,570	Enero-Dic 2013	In progress
	Compost system	Compost system	Expense	Environmental R,S,E,	11,655	Septiembre 2013	Closed
Plaza del Trebol	Treatment of residues	Residues recycling	Expense	Environmental R,S,E	12,796	Oct. -Dic. 2013	Closed
Plaza Tobalaba	Treatment of residues	Residues recycling	Expense	Environmental R,S,E	27,808	Mar. -Dic. 2013	Closed
Plaza La Serena	Compost treatment	Compost system	Expense	Environmental R,S,E	11,655	Sep. 2013	Closed



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

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

Note 39 – Main Financial Covenants

Main financial covenants

As of December 31, 2013, both S.A.C.I. Falabella and its subsidiaries comply with all the covenants of its financial contracts. These are detailed as follows:

S.A.C.I. Falabella

Series F Bond

Series F bonds were issued by public deed dated May 29, 2006, amended by public deeds dated June 30, 2006 and February 1, 2011, all signed at the Santiago Notary office of Mr. Ivan Torrealba Acevedo. The issuance of the Series F bonds was registered in the Securities Registry of the SVS under number 468, on July 7, 2006. The issuance contract was subsequently modified by public deed dated December 15, 2010 to adjust it to IFRS.

- Maintain throughout the term of this bond issuance revenue from the business areas of retail sales, mall management and evaluation, granting and administration of loans, a level equivalent to at least seventy percent of total consolidated revenue of the Issuer, corresponding to the “revenue from ordinary activities” account of the financial statements of the Issuer, measured quarterly over 12-month retroactive periods. As of December 31, 2012, 100% of total consolidated revenue comes from the mentioned business areas.
- The Issuer and/or its important subsidiaries cannot establish real guarantees, i.e, pledges and mortgages that guarantee new Bond issuances or any other money credit operation or any other loan, to the extent that the total accumulated amount of all the obligations guaranteed by the Issuer and/or its important subsidiaries exceeds 4.2% of the Issuer’s total consolidated assets.
- Maximum Debt Level: As of March 31, 2010, maintain at each financial statement quarter closing a debt level in the financial statements of the issuer, defined as the sum of liabilities accounts of the Non-banking Business of the statement of financial position, total current liabilities and total non-current liabilities not to exceed the maximum debt level established by the formula defined in Annex One of the respective issuance contract.
- As of December 31 2013 the maximum financial debt is ThCh\$ 4,981,695,018 and the level of debt is ThCh\$ 3,771,573,100 therefore there is compliance with the maximum debt restriction (see methodology for calculating financial covenants below).

As of December 31, 2013 the Issuer complies with all the issuance contract covenants,

Series G, H and J Bonds

Series G, H and J bonds were issued by public deed dated March 12, 2009, modified by public deeds dated April 7, 2009 and March 29, 2011 all signed at the Santiago Notary office of Mr. Ivan Torrealba



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

Acevedo, These bond issuances were registered in the Securities Registry of the SVS under numbers 578 and 579 on April 16, 2009.

- Maintain throughout the term of this bond issuance revenue from the business areas of retail sales, mall management and evaluation, granting and administration of loans, a level equivalent to at least seventy percent of total consolidated revenue of the Issuer, corresponding to the “revenue from ordinary activities” account of the financial statements of the Issuer, measured quarterly over 12-month retroactive periods, As of December 31, 2013, 100% of total consolidated revenue comes from the mentioned business areas.
- The Issuer and/or its important subsidiaries cannot establish real guarantees, i.e. pledges and mortgages that guarantee new Bond issuances or any other money credit operation or any other loan, to the extent that the total accumulated amount of all the obligations guaranteed by the Issuer and/or its important subsidiaries exceeds 5.3% of the Issuer’s total consolidated assets.
- Maximum Financial Debt Level: As of March 31, 2010, maintain at each quarter closing date of the financial statements of the Issuer, a level of financial debt, defined as (i) the sum of liability accounts of the Non-banking Business statement of financial position, other current financial liabilities, and other non-current financial liabilities, however this sum shall not consider the “other financial liabilities” sub-account belonging to the other current and non-current financial liabilities of the Non-banking Business note (ii) less the Non-banking Business cash and cash equivalents asset account of the statement of financial position, not to exceed the maximum financial debt level established by the formulas defined in Annex One of the respective issuance contract.
- As of December 31 2013 the maximum financial debt is ThCh\$ 5,824,615,879 and the level of financial debt is ThCh\$ 2,079,368,612 therefore there is compliance with the maximum debt restriction (see methodology for calculating financial covenants below).

As of December 31, 2013 the Issuer complies with all the issuance contract covenants.

Other Bond Issuance Lines

In addition S.A.C.I. Falabella has the following registered, current and unplaced Bond Issuance Lines. As of December 31, 2013 they do not imply restrictions for the Company.

Line 395

- Maintain throughout the term of this bond issuance revenue from the business areas of retail sales, mall management and evaluation, granting and administration of loans, a level equivalent to at least seventy percent of total consolidated revenue of the Issuer, corresponding to the “revenue from ordinary activities” account of the financial statements of the Issuer, measured quarterly over 12-month retroactive periods. As of December 31, 2013, 100% of total consolidated revenue comes from the mentioned business areas.
- The Issuer and/or its important subsidiaries cannot establish real guarantees, i.e. pledges and mortgages that guarantee new Bond issuances or any other money credit operation or any other loan, to the extent that the total accumulated amount of all the obligations guaranteed by the Issuer and/or its important subsidiaries exceeds 7.5% of the Issuer’s total consolidated assets.

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

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

- Maintain as of each quarter closing date of the financial statements of the Issuer, a financial debt ratio, measured on the figures in its financial statements, not to exceed 1.75. Financial debt ratio will be understood to be the ratio between (i) net financial debt: defined as the sum of liability accounts of the Non-banking Business of the balance sheet, current and non-current other financial liabilities, however this sum shall not consider the other financial liabilities sub-account belonging to the “other current and non-current financial liabilities” note of the Non-banking Business, less the cash and cash equivalents asset account of the statement of financial position, and (ii) Equity: defined as the shareholders’ equity account. To determine the financial debt ratio, the amount of all guarantors, simple or joint and several pledges, joint and several co-debts or other guarantees, personal or real, that it or its subsidiaries have granted to guarantee the obligations of third parties, will be considered as a financial liability of the Issuer, with the exception of: (i) those granted by the Issuer or its subsidiaries for the obligations of other subsidiary companies of the Issuer; and (ii) those granted by subsidiaries of the Issuer for the Issuer’s obligations. Notwithstanding the above, the liabilities of subsidiaries of the Issuer that currently or in the future are authorized by the relevant authorities to develop the banking line of business or that of financial institutions in Chile or abroad shall not be considered for the purposes of calculating the financial debt ratio. Should Promotora CMR Falabella S.A. be authorized to develop the banking or finance company line of business, then the financial debt ratio of the Issuer cannot be more than 1.3. For all purposes, possible infractions to the obligation established in this point, which are derived from a merger of the Issuer or any of its subsidiaries, or of an acquisition by the Issuer or of any of its subsidiaries, shall not be considered as non-compliance of the Issuer with the Issuance Contract under the terms of the Eleventh Clause of the mentioned contract, for a term of nine months from the date on which the Issuer must file the first financial statements with the SVS after the respective merger and/or acquisition. If, once the aforementioned nine-month term has expired, the Issuer cannot show compliance with the mentioned ratio; this will be considered non-compliance on the part of the Issuer with the Issuance Contract under the terms of the Eleventh Clause of the mentioned contract. The Issuer – and/or its subsidiaries, as the case may be, cannot agree to a new merger or acquisition that implies infraction of the financial debt ratio established in this point, if the Issuer is still in compliance with the debt ratio. The above, except when the merger or acquisition subsequently implies compliance with the ratio in question or a decrease in the financial debt ratio, The Issuer must send to the Representative, every time the latter requires it, the information to allow verification of the indicator referred to in this restriction, The limit as of December 31, 2013 is 0.52%, therefore the restriction is complied with.

Line 467

- Maintain throughout the term of this bond issuance revenue from the business areas of retail sales, mall management and evaluation, granting and administration of loans, a level equivalent to at least seventy percent of total consolidated revenue of the Issuer, corresponding to the “revenue from ordinary activities” account of the financial statements of the Issuer, measured quarterly over 12-month retroactive periods, As of December 31, 2013, 100% of total consolidated revenue comes from the mentioned business areas.
- The Issuer and/or its important subsidiaries cannot establish real guarantees, i.e. pledges and mortgages that guarantee new Bond issuances or any other money credit operation or any other loan, to the extent that the total accumulated amount of all the obligations guaranteed by the Issuer and/or its important subsidiaries exceeds 7.5 % of the Issuer’s total consolidated assets.
- Maintain as of each quarter closing date of the financial statements of the Issuer, a financial debt ratio, measured on the figures in its financial statements, not in excess of 1.75. Financial debt ratio



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

shall be understood to be the ratio between (i) Net Financial Debt: defined as the sum of the liability accounts of the Non-banking Business of the statement of financial position, other financial liabilities, other current and non-current financial liabilities, however this sum shall not consider the “other financial liabilities” sub-account belonging to the “other current and non-current financial liabilities” note of the Non-banking Business, less the “cash and cash equivalents” asset account of the statement of financial position, and (ii) Equity: defined as the shareholders’ equity account. To determine the financial debt ratio, the amount of all guarantors, simple or joint and several pledges, joint and several co-debts or other guarantees, personal or real, that it or its subsidiaries have granted to guarantee the obligations of third parties, shall be considered as a financial liability of the Issuer, with the exception of: (i) those granted by the Issuer or its subsidiaries for the obligations of other subsidiary companies of the Issuer; and (ii) those granted by subsidiaries of the Issuer for the Issuer’s obligations. Notwithstanding the above, the liabilities of subsidiaries of the Issuer that currently or in the future are authorized by the relevant authorities to develop the banking line of business or that of financial institutions in Chile or abroad shall not be considered for the purposes of calculating the financial debt ratio. Should Promotora CMR Falabella S.A. be authorized to develop the banking or finance company line of business, then the financial debt ratio of the Issuer cannot be more than 1.3. For all purposes, possible infractions to the obligation established in this point xii), which are derived from a merger of the Issuer or any of its subsidiaries, or of an acquisition by the Issuer or of any of its subsidiaries, they shall not be considered as non-compliance by the Issuer with the Issuance Contract under the terms of the Tenth Clause following, for a term of nine months from the date on which the Issuer must file the first financial statements with the SVS after the respective merger and/or acquisition. If, once the aforementioned nine-month term has expired, the Issuer cannot show compliance with the mentioned ratio; this will be considered non-compliance on the part of the Issuer with the Issuance Contract under the terms of the Tenth Clause below. The Issuer – and/or its subsidiaries, as the case may be, cannot agree to a new merger or acquisition that implies infraction of the financial debt ratio established in this point, if the Issuer is still not in compliance with the debt ratio. The above, except when the merger or acquisition subsequently implies compliance with the ratio in question or a decrease in the financial debt ratio, the Issuer must send to the Representative, every time the latter requires it, the information to allow verification of the indicator referred to in this restriction. The limit as of December 31, 2013 is 0.54%, therefore the restriction is complied with.

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



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

Methodology for calculating financial covenants

Maximum debt according to Covenants Bonds Lines 468 (F), 578 (G y H) and 579 (J) and Lines 395 and 467

CALCULATION OF MAXIMUM DEBT ACCORDING TO BOND COVENANT LINES 394 (D) AND 468 (F).

Figures expressed in ThCh\$

	Currency	As of Dec-31-13	As of Dec-31-12
Period closing _i		12/31/2013	12/31/2012
Period closing _{i-1}		09/30/2013	09/30/2012
UF _i	Ch/UF	23,309.56	23,091.03
Variation UF	%	0.95%	1.04%
Variation % Sol/ US\$ dollar period		0.65%	0.00%
Variation % Ars/ US\$ dollar period		12.58%	7.41%
Variation % Cop/ US\$ dollar period		1.04%	(0.83%)
Variation % Real/ US\$ dollar period		5.86%	(0.19%)
Total shareholders' equity	ThCh\$	3,824,645,665	3,721,222,498
Dividends payable	ThCh\$	67,653,023	357,472
Change in shareholders' equity _i	ThCh\$	135,498,251	47,566,737
Property, plant and equipment in Chile _{i-1} ^a	ThCh\$	3,006,712,683	2,919,618,749
Deferred taxes en Chile _{i-1} ^b	ThCh\$	242,134,701	246,358,782
Adjustment for initial revaluation to IFRS in Chile ^c	ThCh\$	878,140,797	878,140,797
Deferred taxes in Chile ^d	ThCh\$	149,283,935	149,283,935
Price-level restatement of property, plant and equipment in Chile _{i-1}	ThCh\$	19,265,755	20,280,690
Investment in Peru _i	ThCh\$	503,001,000	457,052,000
Investment in Argentina _i	ThCh\$	80,411,000	80,308,000
Investment in Colombia _i		200,718,000	184,333,000
Investment in Brazil _i	ThCh\$	77,602,000	78,549,000
Adjustment for investments outside Chile _i	ThCh\$	20,000,140	4,266,521
Maximum debt _{i-1}	ThCh\$	4,675,302,447	4,519,986,746
Maximum debt _i	ThCh\$	4,981,695,018	4,675,302,447
Level of debt	ThCh\$	3,771,573,100	3,352,548,246

^a Net of accumulated depreciation.

^b Associated to "property, plant and equipment" and to "investment properties".

^c Associated to "property, plant and equipment" and to "investment properties" as of December 31, 2009.

^d Associated to the beginning revaluation adjustment for IFRS of the "property, plants and equipment" and "investment properties" account as of December 31, 2009.

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

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

CALCULATION OF MAXIMUM FINANCIAL DEBT ACCORDING TO BOND COVENANT LINES 578 (G and H), 579 (J).

(Includes CMR in the balance sheet)

Figures expressed in ThCh\$

	Currency	As of Dec-31-13	As of Dec-31-12
Period closing _i		12/31/2013	12/31/2012
Period closing _{i-1}		09/30/2013	09/30/2012
UF _i	Ch/UF	23,309.56	23,091.03
Variation UF	%	0.95%	1.04%
Variation % Sol/ US\$ dollar period		0.65%	0.00%
Variation % Ars/ US\$ dollar period		12.58%	7.41%
Variation % Cop/ US\$ dollar period		1.04%	(0.83)%
Variation % Real/ US\$ dollar period		5.86%	(0.19)%
Total shareholders' equity _i	ThCh\$	3,824,645,665	3,721,222,498
Dividends payable _i	ThCh\$	67,653,023	357,472
Variation in shareholders' equity	ThCh\$	135,498,251	47,566,737
Property, plant and equipment en Chile _{i-1} ^a	ThCh\$	3,006,712,683	2,919,618,749
Deferred taxes en Chile _{i-1} ^b	ThCh\$	242,134,701	246,358,782
Adjustment on initial IFRS revaluation in Chile ^c	ThCh\$	878,140,797	878,140,797
Deferred taxes en Chile ^d	ThCh\$	149,283,935	149,283,935
Price-level restatement of property, plant & equipment in Chile _{i-1}	ThCh\$	19,265,755	20,280,690
Investment in Peru _i	ThCh\$	503,001,000	457,052,000
Investment in Argentina _i	ThCh\$	80,411,000	80,308,000
Investment in Colombia _i	ThCh\$	200,718,000	184,333,000
Investment in Brazil _i	ThCh\$	77,602,000	78,549,000
Adjustment on investment outside Chile _i	ThCh\$	20,000,140	4,266,521
Maximum Financial Debt _{i-1}	ThCh\$	4,675,302,447	4,519,986,746
Maximum Financial Debt _i	ThCh\$	4,981,695,018	4,675,302,447
Level of Financial Debt	ThCh\$	3,771,573,100	3,352,548,246

^a Net of accumulated depreciation.

^b Associated to "property, plant and equipment" and to "investment properties".

^c Associated to "property, plants and equipments" and to "investment properties" as of December 31, 2009.

^d Associated to adjustment on initial IFRS revaluation of the "property, Plant and equipment" and "investment properties" accounts as of December 31, 2009.



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

CALCULATION OF FINANCIAL DEBT RATIO LINES 395, 467.

(Includes CMR in the statement of financial position)

Figures expressed in ThCh\$

	Currency	As of Dec-31-13	As of Dec-31-12
Level of financial debt	ThCh\$	2,079,368,612	1,991,998,071
Total shareholders' equity i	ThCh\$	3,824,645,665	3,721,222,498
Financial Debt Ratio		0.54	0.54

Bonds placed abroad

On April 30, 2013, the Company successfully completed a bond placement under Rule 144^a of the Securities Act of 1933 of the United States of America and its corresponding Regulation S. The issuance and placement was carried out in two series of bonds both in US dollars and Chilean pesos.

- The Issuer and/or its Significant Subsidiaries cannot establish real guarantees, i.e. pledges, mortgages and sale with leaseback that guarantee new Bond issuances or any other cash credit operation, to the extent that the total accumulated amount of all obligations guaranteed by the Issuer and/or its Significant Subsidiaries, exceeds 20% of Total Net Consolidated Tangible Assets.

As of December 31, 2013 the Issuer complies with the restrictions of the issuance contract.

Commercial paper

On June 30, 2008, the SVS registered Line 28 of Commercial paper in the Securities Registry, for a maximum amount of UF 1,000,000.

On October 22, 2008, the SVS registered Lines 35, 36, 37 and 38 of Commercial paper in the Securities Registry for a maximum amount of UF 1,000,000.

As of December 31, 2013, there are no current placements.

Issuance contracts do not contemplate any type of financial covenant or guarantee, therefore as of December 31, 2013 there are no restrictions for the Company.

Other financial obligations entered into by the Company with banks or financial institutions, both current and non-current, are not subject to any type of financial covenants.

Sodimac S.A.

Restrictions and safeguards on Bond lines

The Sodimac S.A. bond issuance lines (521, 676 and 677) with current issuances (Series F, H and K) establish obligations and limitations for the Company such as protection of bondholders. This includes among other things, level of debt, duty to report to the bondholders the financial statements of the Company and compliance with the obligations, limitations and prohibitions established in issuance contracts (for more

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

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

information, refer to bond issuance prospectus, available in the Company's webpage).

- The level of financial debt required in the bond issuance contracts, for serie F is 1,5, As of December 31, 2012, the level of financial debt is: 0.3
- Level of debt is understood to be (i) the net debt ratio (consolidated) defined as the ratio between net financial debt obtained when adding the items of other current and non-current financial liabilities, subtracting cash and cash equivalents, and (ii) shareholders' equity defined as total shareholders' equity plus the annual provision for dividends payable.

As of the date of preparation of these financial statements, the Company complies with all the financial obligations and indicators established in the mentioned contracts.

- Maintain assets free of all pledges, mortgages or other encumbrance for a carrying amount of at least equal to 1,20 of its demand liabilities without guarantors; calculated quarterly according to the quarterly consolidated statement of financial position of the Issuer- For this purpose, the Issuer shall send to the Representative of bondholders, within the same period of time in which the financial statements must be presented to the SVS, a detail of the following figures: total assets free of pledges, mortgages or other encumbrances and demand liabilities without guarantee.

The other financial obligations entered into by the Company with banks and financial institutions, both current and non-current are not subject to any type of restriction or guarantee.

Plaza S.A. (Mall Plaza)

As of December 31, 2013, the Company has financial restrictions established in public bond issuance contracts and/or financing with financial institutions. The main safeguards with respect to Series A and D bonds, issued with a charge to Bond Line 583 registered in the Securities Registry on April 30, 2009, Series C and E Bonds issued with a charge to Bond Line 584 registered in the Securities Registry on April 30, 2009, Series G and I Bonds issued with a charge to Bond Line 669 registered in the Securities Registry on May 30, 2011, and Series H and K Bonds issued with a charge to Bond Line 670 registered in the Securities Registry on May 30, 2011, are as follows:

l) Level of debt

As of June 30, 2010, maintain as of each quarter closing date of the financial statements of the Issuer, a level of debt defined as the sum of the other current and non-current financial liabilities, divided by the value of the UF as of the closing date of the consolidated statement of financial position of the Issuer less than or equal to the value established by formula.

The details of the calculation of the maximum level of debt established in the Tenth Clause, number one of the Bond Issuance Contracts by Line of Debt Titles at 10 years and 30 years, and their modifications.

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



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

DETAIL OF CALCULATION OF MAXIMUM DEBT ACCORDING TO BOND COVENANT LINES 583, 584, 669 and 670

	Currency	As of Dec-31-13	As of Dec-31-12
Period _i		12/31/2013	12/31/2012
Period _{i-1}		09/30/2013	09/30/2012
UF _i	Ch/UF	23,309.56	23,091.03
UF _{i-1}	Ch/UF	23,091.03	22,852.67
Cash and cash equivalents for the year _i	ThCh\$	101,928,066	17,312,934
Cash and cash equivalents for the year _{i-1}	ThCh\$	17,312,934	23,904,663
Variation in cash _i	ThCh\$	84,615,132	(6,591,729)
Variation in cash	Thousands UF	3,630	(285)
Third party guarantees	There are none	-	-
Total shareholders' equity _i	ThCh\$	1,207,368,303	1,208,044,552
Dividends payable _i	ThCh\$	27,263,378	-
Total shareholders' equity _{i-1}	ThCh\$	1,208,044,552	1,181,773,918
Dividends payable _{i-1}	ThCh\$	-	-
Variation Shareholders' equity _i	ThCh\$	26,587,129	26,270,634
Variation Shareholders' equity	Thousand UF	1,141	1,138
Investment properties _{i-1} ^a	ThCh\$	2,007,621,441	1,973,701,489
Deferred taxes Investment properties ^b	ThCh\$	220,261,449	221,850,712
Adjustment for initial revaluation of investment properties to IFRS ^c	ThCh\$	874,483,983	874,483,983
Deferred taxes on initial revaluation of investment properties ^d	ThCh\$	148,662,277	148,662,277
Percentage variation of the UF ^e	ThCh\$	0.95%	1.04%
Price-level restatement of investment properties in Chile _{i-1}	ThCh\$	10,046,237	10,701,782
Price-level restatement of investment properties in Chile _{i-1}	Thousand UF	431	463
Adjustment for investment properties outside of Chile _{i-1}	Thousand UF	4	(11)
Maximum debt _{i-1}	Thousand UF	57,421	54,525
Maximum debt	Thousand UF	64,202	57,421

^a Investment properties en Chile net of accumulated depreciation.

^b Associated to investment properties in Chile.

^c Of investment properties as of December 31, 2009.

^d Associated to the adjustment on initial revaluation due to IFRS of investment properties as of December 31, 2009, Represents 17% of the adjustment for initial revaluation to IFRS.

^e Percentage variation between the values of UF_i and UF_{i-1}.

S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

As of December 31, 2013, maximum debt amounts to ThUF 64,202. Current debt as of the same date is ThUF 35,431; therefore the Company complies with the restriction.

II) Essential assets

Assets corresponding to 500,000 leasable m² in Chile that are directly owned by the Issuer or through subsidiaries or associates or regarding which the Issuer or any of its subsidiaries or associates are concessionaries by virtue of concession contracts whose term is equal to or greater than the maturity term of current Bonds issued with a charge to the Lines. For this purpose, in order to determine the leasable square meters in Chile that are owned by subsidiaries or associates of the Issuer, or of which they are concessionaries in accordance with the above, only the amount resulting from multiplying (i) all leasable square meters in Chile owned by each subsidiary or associate or that they have in concession; by (ii) the percentage of direct or indirect ownership of the Issuer in the respective subsidiary or associate will be used. As of the date of these financial statements all the *covenants* established in the debt contracts have been complied with.

Promotora CMR Falabella S.A. (CMR)

Bond Lines

On February 27, 2012 the SVS registered in the Securities Registry, under 703 and 704, Electronic bearer bonds in the name of Promotora CMR Falabella S.A. for a maximum amount of UF 3,000,000 and UF 2,000,000 respectively, The first issuance cannot exceed UF 3,000,000. As of December 31, 2013 there have been no issuances with a charge to these lines.

Main safeguards and financial restrictions:

- Control of the Issuer must be maintained by S.A.C.I. Falabella, directly or indirectly. For this purpose, the Company must follow what is established in article 97 and following of the Securities Market Law.
- If during the term of the Bonds issued with a charge to the line, in accordance with its latest financial statements, the Issuer should allocate an amount in excess of 30% of total assets to the placement of one or more securitized bonds, in order to establish the underlying asset of those issuances, the Issuer must offer each of the eligible bondholders a voluntary redemption option, under identical conditions for all, in conformity with what is established in article 130 of the Securities Market Law, under the terms indicated in the issuance contract.
- The Issuer and/or its subsidiaries cannot grant real guarantees that guarantee new bond issuances, commercial paper, any cash credit operation or any other credit to the extent that the total accumulated amount of all obligations guaranteed by the Issuer and/or its subsidiaries exceeds 7,5% of the total assets of the Issuer.



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

Further details can be found in the respective issuance contracts,

No limits in debt indexes or ratios of the Issuer are contemplated,

Commercial paper

On February 27, 2012 the SVS registered in the Securities Registry, under the 090, 091 and 092 electronic bearer promissory notes in the name of Promotora CMR Falabella S.A. for a maximum amount of UF 1,000,000, UF 1,000,000 and UF 1,000,000, respectively.

As of December 31, 2013 there are current loans charged to these lines for a total amount of ThCh\$ 20,000,000.

Main safeguards and financial restrictions:

- Control of the Issuer must be maintained by S.A.C.I. Falabella, directly or indirectly. For this purpose, the Company must follow what is established in article 97 and the following of the Securities Market Law.

If during the term of the Bonds issued with charge on the line, in accordance to the latest financial statements, the issuer will allocate an amount exceeding 30% of total assets to the placement of one or more securitized bonds, to form the underlying asset of such issuances, the issuer shall provide to each Eligible Bondholders a volunteer rescue option, under identical conditions for all, according to Article No. 130 of the Securities Market Law, under the terms stated in the Issuance Contract.

Further details can be found in the respective issuance contracts.

No limits in debt indexes or ratios of the Issuer are contemplated.

Banco Falabella

In the case of the Banking Business in Chile, there are current bonds issued by Banco Falabella. Those obligations do not have financial covenants. In addition Banco Falabella has current lines of credit that do not have financial covenants.

Peru

As of December 2013 close, there are approximately 20 financial obligations that the main 5 subsidiaries of Falabella Peru (Saga Falabella, Hipermercados Tottus, Sodimac Peru, Open Plaza and Banco Falabella) must comply with and report to the respective creditors each quarter. These obligations are reported to the respective banks and representatives of the bondholders. Financial obligations to which the companies of the group are subject can be grouped into 3 categories: debt ratios, solvency ratios, and guarantee ratios.

Regarding debt ratios in the case of retailers the strictest one is the debt index (total liabilities / total shareholders' equity net) less than or equal to 2.80x which as of December 2012 has been fulfilled by the



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

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

Company, who reports a ratio of 1.55x. In the case of the real estate company, the most restrictive is a debt ratio of less than or equal to 1.60x. As of December 2012 this financial obligation has been complied with by the company reporting a ratio of 0.66x.

In the case of the solvency ratios the most restrictive one is the debt service coverage ratio (EBITDA / debt service) greater than or equal to 1.60x, which as of December 2013 has been complied with by the corresponding Company, who reported a ratio of 2.31x.

In the group of guarantee ratios, we have obligations that imply maintaining a level of coverage of ceded cash flows (credit card payments) over debt service, The most restrictive cash flows coverage ratio (cash flows /debt service) is 3.0. As of December 2013 this financial obligation has been complied with by the Company, maintaining a ratio of 10.77x.



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

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

Note 40 – Business Combinations

Purchase of Construdecor S.A.

On July 1, 2013, the Company signed an agreement to purchase 50.1% of the ordinary shares of Construdecor S.A. thus obtaining its control. The company was acquired as part of the Group's growth strategy for Latin America, specifically in the business of home improvement, with the entry into the Brazilian market. Construdecor S.A. is located in the State of Sao Paulo, Brazil, and is in the home improvement line of business it has 56 stores.

Goodwill generated in the transaction in the amount of ThCh\$ 38,766,099 represents synergies and economies of scale expected from the business combination. Goodwill has been allocated to the Dicico cash generating unit, which is the trade name under which Construdecor carries out its business. Expenses related to the acquisition consist mainly of hiring of an investment bank to provide advisory services in the purchase process, and external advisors (external auditors and attorneys) and amount to ThCh\$ 1,650. These have been recorded as administrative expenses in the Company's Income Statement.

The table below describes the price paid and fair value of assets acquired and liabilities assumed as of the date of acquisition:

	ThCh\$
Purchase price	
Capital contributions	64,669,625
Third-party payments ⁽¹⁾	15,787,733
Total purchase price (A)	80,457,358
Assets acquired and liabilities assumed	
Total current assets acquired ⁽²⁾	116,990,435
Property, plant and equipment	16,954,222
Other non-current assets	9,422,107
Intangibles (brand)	16,553,720
Deferred taxes	5,628,210
Total Assets	165,548,694
Current debt	24,902,446
Deferred taxes	5,628,210
Suppliers	34,027,163
Other liabilities	17,774,790
Total Liabilities	82,332,609
Total Net Assets Acquired (B)	83,216,085
Non-controlling interest (C)	41,524,826
Goodwill on the acquisition (A) - (B) + (C)	38,766,099
Non-controlling interest according to net assets acquired (C) ⁽³⁾	41,524,826



S.A.C.I. Falabella and Subsidiaries

Notes to the Consolidated Financial Statements

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

- (1) Third party payment consists of payment to the non-controlling shareholders of Construdecor who withdrew from the company at the time of acquisition. The former controlling shareholder remains in the company.
- (2) Includes accounts receivable for the amount of ThCh\$21,503,404, net of allowance for doubtful accounts of the amount of ThCh\$15,142.
- (3) The non-controlling interest has been valued at its fair value based on the proportion of net assets acquired and liabilities assumed.

The consolidated income statement of Construdecor S.A. for the period from July 1, 2013 to December 31, 2013 is as follows:

	ThCh\$
Revenue from sales	100,631,745
Income before taxes	4,599,147
Net income	3,073,047

The statement of income of SACI consolidated as if it had been consolidated as of January 1, 2013 is detailed as follows:

	ThCh\$
Revenue from sales - Banking Business	6,289,004,221
Net income before taxes - Banking Business	560,735,282
Total Net Income	496,911,986

The third party payment made is included in the "cash flows used to obtain control of subsidiaries or other businesses" line of cash flows, together with the payment for the purchase of the Las Américas Mall.

Purchase of Inmobiliaria Mall Las Américas S.A.

On January 15, 2013, Nuevos Desarrollos S.A. and Desarrollos Urbanos S.A, subsidiaries of Plaza S.A. acquired 100% of the shares of Sociedad Inmobiliaria Los Tilos S.A.

On March 15, 2013, subsidiary Inmobiliaria Los Tilos S.A. acquired 74.64% of Inmobiliaria Mall Las Américas S.A. for ThCh\$13,436,143, transaction that was valued using the purchase method. With this transaction, Plaza S.A. gained an indirect interest of 57.85% in Inmobiliaria Mall Las Américas S.A.

The Company has concluded the fair value valuation of the assets and liabilities of Inmobiliaria Mall Las Américas S.A. and therefore, has recognized the assets acquired and liabilities assumed considering the information obtained based on the events and circumstances that existed as of the date of acquisition.

The investment value was recorded under IFRS 3R, "Business Combinations" (IFRS3), detailed as follows:



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

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

Shareholders' equity as of the date of acquisition	ThCh\$
Shareholders' equity as of the date of acquisition	14,027,720
Fair value adjustments	
Obligations acquired	(591,577)
Total Shareholders' Equity at Fair Value	13,436,143
Consideration transferred	(13,436,143)

There was no goodwill generated between the consideration paid and the subsidiary's shareholders' equity at fair value according to IFRS 3.

During April, May and June, Inmobiliaria Los Tilos S.A. acquired 3,041 additional shares of Inmobiliaria Mall Las Américas S.A. for a price of ThCh\$3,375,510. With this its interest as of December 31, 2013 amounts to 93.36% of total equity, with which Plaza S.A. increased its indirect participation to 72.36%.

All expenses related to this transaction have been recorded in the Company's income statement.

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

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



Note 41 – Available for Sale Instruments

As of December 31, 2013 and 2012 investment instruments designated as available-for-sale are detailed as follows.

Available-for-sale instruments	31-Dec-13	31-Dec-12
	ThCh\$	ThCh\$
Instruments issued by the Central Bank of Chile		
Bonds issued by the Central Bank of Chile	44,591,024	101,754
Other instruments issued by the Government & Central Bank of Chile	22,615,566	116,224
Instruments from Other National Institutions		
Mortgage bonds issued by banks in the country	919,026	119,372
Time deposits with banks in the country	182,697,175	11,071,045
Instruments issued by Foreign Institutions		
Instruments issued by foreign governments and central banks	9,216,518	-
Available-for-Sale Instruments	260,039,309	11,408,395
Total	260,039,309	11,408,395



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

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Note 42 – Events After the date of the Statement of Financial Position

The consolidated financial statements of S.A.C.I. Falabella and subsidiaries as of December 31, 2013, have been approved at board of directors ordinary meeting held on March 4, 2014, which was attended by the General Manager and Directors detailed as follows:

- Juan Cuneo Solari, President
- Carlo Solari Donaggio, Vicepresident
- Juan Carlos Cortés Solari, Director
- María Cecilia Karlezi Solari, Director
- Sergio Cardone Solari, Director
- Hernán Büchi Buc, Director
- Carolina Del Río Goudie, Director
- Carlos Heller Solari, Director
- Sandro Solari Donaggio, Chief Executive Officer

Plaza S.A. reported that on January 10, 2014 and in conformity with the "Contrato de Emisión de Bonos por Línea de Títulos de Deuda" and "Escritura Complementaria de Emisión de Bonos por Línea de Títulos de Deuda Series A y B", the Company has proceeded with the early redemption of all Series A Bonds, maturing on April 10, 2014 for the amount of UF 2,000,000. These bonds were redeemed at a value equivalent to the unpaid balance of their capital plus interest accrued as at the aforementioned date.

After December 31, 2013 and up to the date of issuance of these financial statements, we are not aware of other events of a financial or other nature that significantly affect their balances or interpretation.