

FALABELLA

FINANCIAL RESULTS
SECOND QUARTER 2020



SODIMAC.

TOTTUS

CMR
Falabella

Banco
Falabella

mallplaza

Falabella
INMOBILIARIO

INIO

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Notes:

All dollar figures are calculated considering the exchange rate as of July 1. of 2020: 821.23 \$/US\$.

Symbols for quarters: 1Q, 2Q, 3Q y 4Q.

Symbols for periods: 6M, 9M, 12M

Symbols for currency: \$ CLP: Chilean Pesos; US\$: U.S. Dollars; PEN: Peruvian Soles; COP: Colombian Pesos; ARS: Argentinean Pesos; BRL: Brazilian Real.

Th: thousand; Mn: million.

YoY: period compared with the same period of previous year.

QoQ: quarter compared with the previous quarter.

I. EXECUTIVE SUMMARY

Gaston Bottazzini, CEO of Falabella, commented:

"We continue to navigate the challenging environment presented by the pandemic, committed to the health and safety of our teams and customers. The results for the quarter reflect the strong impact of the forced closing of stores and shopping centers, which resulted in a significant margin deterioration, as a consequence of the drastic change in the mix, in terms of channels and categories, together with increases in risk costs in banking business.

In this context, digital channels, which have been the priority of our investments, have been key to absorb the strong growth online, which allowed us to reach US\$ 767 million of GMV in 2Q20 (US\$ 1.8 billion in the last 12 months), driven by more than 4x growth in Marketplace sales in Chile year over year.

We have been able to accelerate the adoption of mobile channels, particularly in department stores in Chile, where the app already accounts for 33% of online sales, driven by an almost 5x increase in active users year-on-year and a growth of more 9x in orders volume.

Our logistic infrastructure has absorbed an unprecedented growth in terms of volume of orders with home delivery, the department store in Chile grew more than 6x year-on-year, putting enormous pressure on our operational and logistics expenses, to respond to the high demand. During the quarter, we shipped nearly 9 million orders in the region. This process continues to strengthen our physical and digital ecosystem, as well as our competitive position in our core markets "

Business Highlights

Total Revenues from Retail Business^{1,2}

- The group's gross merchandise volume (GMV³) grew 124%, explained by the increase in Chile and Colombia and, to a lesser extent, Peru, which, despite the fact that its digital operation was interrupted for most of the quarter, grew in June 234% compared to June of the previous year. E-commerce retail sales ("1P") grew 104%, while third-party merchandise sales increased 225%, through our Marketplace channels ("3P").
- The penetration of the online channel reached 37% in 2Q20, compared favorably with the 13% observed in 2Q19, highlighting the penetration in department stores that reached 85% and, Home Improvement in 16%, in the context of the pandemic.
- In the physical stores, gross sales reached \$ 1,055,611 Mn (US\$ 1,285 Mn) during the quarter, a decrease of 46% YoY, mainly explained by lower sales in department stores and home improvement in Chile and Peru, due to the store closures in the context of the pandemic.

KEY CONSOLIDATED FINANCIALS			
Key Financials (MMM\$)	2Q19	2Q20	Var (%)
Total sales			
GMV Online	281	630	124%
GMV retail (1P)	235	480	104%
GMV marketplace (3P)	46	150	226%
Total sales of physical stores	1.951	1.056	-46%
Total sales	2.232	1.686	-24%
TPV	210	485	131%
Financial Results			
Non-banking Revenue	1.994	1.458	-27%
Financial Services Revenue	340	299	-12%
Total Revenue	2.334	1.758	-25%
EBITDA	316	(26)	-108%
Net (Loss) Income	98	(129)	-231%
Balance Sheet			
Cash (non-banking)	193	1.431	641%
Gross Loan Book	5.160	5.058	-2%
Total Net Debt (Exc. Banking)	2.963	3.213	8%
Key Financials (MMUS\$)	2Q19	2Q20	Var (%)
Total sales			
GMV Online	343	767	124%
GMV retail (1P)	286	584	104%
GMV marketplace (3P)	56	183	226%
Total sales of physical stores	2.376	1.285	-46%
Total sales	2.718	2.053	-24%
TPV	255	590	131%
Financial Results			
Non-Banking Revenue	2.428	1.776	-27%
Financial Services Revenue	414	365	-12%
Total Revenue	2.842	2.140	-25%
EBITDA	385	(31)	-108%
Net (Loss) Income	120	(157)	-231%
Balance Sheet			
Cash (non-banking)	235	1.742	641%
Gross Loan Book	6.284	6.159	-2%
Total Net Debt (Exc. Banking)	3.608	3.912	8%

¹ Gross merchandise sales and its breakdowns, along with TPV are calculated on a FX neutral basis.

² Gross Sales or Gross Merchandise Sales correspond to the gross value of the goods sold through physical stores, e-commerce (1P) and marketplace (3P), at constant exchange rate.

³ Gross Sales or Gross Merchandise Sales correspond to the gross value of the goods sold through online channel, includes e-commerce (1P) and marketplace (3P).

Financial Business

- Online sales of financial products reached \$879,904 Mn (US\$1,071 Mn), over the last 12 months, accounting for 37% of the total sale of financial products.
- During the quarter, more than 30,000 CMR cards were opened 100% digital, through cmr.cl and our e-commerce portals.
- Sales with CMR credit card reached \$935,890 Mn (US\$1,140 Mn) driven by “on-them” sales, which account for 61% of the total credit card sales.
- Falabella’s total payment value (“TPV⁴”) reached \$484,869 Mn (US\$ 590 Mn) over the quarter, representing a 131% increase YoY. In the last 12 months, TPV reached \$1,144,182 Mn (US\$ 1,393 Mn), an 88% growth.
- Consolidated Loan Book as of June 30. of 2020 reached \$5,057,692 Mn (US\$ 6,159 Mn), a 2% less compared to the same period last year, highlighting the contraction of the Loan Book of the Bank in Chile, as a result of an effort to reduce credit origination and preserve the quality of the portfolio, in this volatile environment that we are facing.

Income Statement Highlights

- During the second quarter of 2020, the company's consolidated revenues reached \$1,757,788 Mn (US\$2,140 Mn). This meant a 24.7% drop compared to the previous year, mainly explained by lower sales in Department Stores and Home Improvement in Chile and Peru, the latter with greater operating restrictions during the quarter, along with lower revenues of the Shopping Centers.
- Gross profit reached \$489,086 Mn (US\$596 Mn) during the second quarter, a variation of -43.4% compared to the previous year. The foregoing, mainly explained by the decrease in activity resulting from the closing of stores and margin deterioration in department stores and home improvement in Chile and Peru, together with lower margins in banking businesses, due to increases in risk costs. In department stores, the margin deterioration is mainly explained by higher markdowns, changes in the product mix (rebalancing towards lower margin categories in the context of the pandemic, driven by a decrease in apparel sales) and in the channel mix, resulting from low sales in physical stores.
- EBITDA reached -\$25,594 Mn (-US\$ 31 Mn) during the period, mainly explained by lower contribution from banking businesses in all markets, Shopping Centers and Department Store and home improvement formats in Chile and Peru. In the context of the pandemic and the drop in sales, the administrative expenses base represents a higher proportion of income, despite not increasing on a dollar basis. The above, together with the deterioration of the margin in the retail businesses, due to a lower contribution from physical stores, in shopping centers due to the non-collection of rent to non-operational tenants and the banking business due to the increase in the cost of risk of credit.
- Net loss reached -\$128,807 Mn (-US\$ 157 Mn) during the second quarter of 2020, representing 2% of the Company’s equity. This, as a consequence of the negative results in Department Stores and Home Improvement in Chile and Peru, together with the real estate businesses and lower profits in banking business.
- High levels of liquidity are maintained to continue facing the uncertain scenario presented by the pandemic. At the end of June 2020, cash and equivalents totaled \$2,603,259 Mn (US\$ 3,169 Mn) at a consolidated level.
 - As of the same date, consolidated cash from the Retail businesses amounts to \$1,430,985 Mn (US\$1,742 Mn)
 - As of the same date, consolidated cash from the Bank businesses totaled \$1,172,274 Mn (US\$1,427 Mn)
- The net financial debt of non-banking businesses shows an increase of 8% compared to the previous year, mainly explained by \$1,305,312 Mn (US\$ 1,589 Mn) of new financing subscribed since the end of the first quarter of 2020 to date, amount that have been kept in cash, with the purpose of strengthening the liquidity position, in the context of uncertainty that the pandemic presents.

Main impacts related to COVID-19

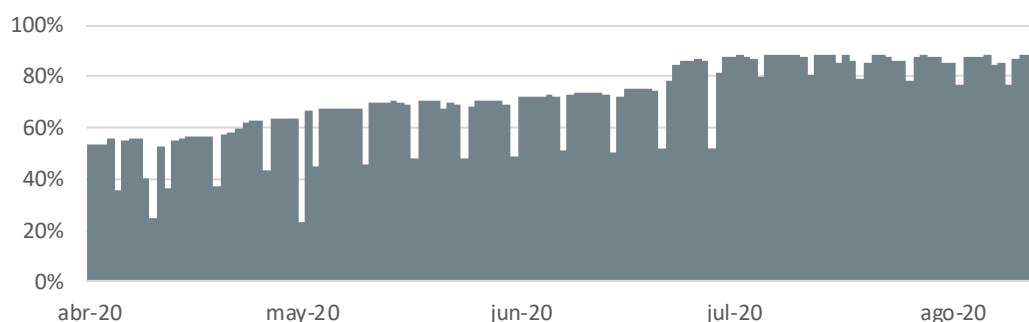
- Financial results of 2Q20 registered a relevant impact, as a result of the advance of the pandemic in the region, which impacts most of the operations, according to the following:
 - Retail businesses: significant drops in revenues, resulting from restrictions on the operation of physical stores across the markets, with a greater impact on the Department Store format in all markets. The drop in revenue as a result of reduced store operations was partially offset by strong growth in online sales.

⁴ Corresponds to the total volume of payments processes through our own payment processing platforms in our retailers and affiliated stores.

Second Quarter Results 2020

- Shopping Center businesses: results affected by the non-collection of rent to business partners who cannot operate their businesses as a result of sanitary restrictions.
- Bank operations: results affected due to an increase of the credit risk costs, resulting from higher provisions.
- As of the date of this report, 90% of the physical stores in the region are open. The evolution of the operational status of physical stores in the different businesses and countries during the period is summarized below:

Total Stores Open (%)



	April	May	June	July	Aug (MTD)
Average Stores Open (%)					
Chile	65%	78%	82%	80%	80%
Perú	39%	40%	51%	91%	87%
Colombia	18%	54%	84%	91%	87%
Argentina	39%	46%	57%	63%	71%
Total Countries	54%	64%	73%	87%	85%

	April	May	June	July	Aug (MTD)
Average Stores Open (%)					
Department Stores	0%	20%	43%	60%	58%
Home Improvement	57%	70%	77%	92%	91%
Supermarket	87%	88%	91%	98%	95%
Total Stores	54%	64%	73%	87%	85%

- Regarding the **operational status of our businesses**, we highlight:
 - Gradual reopening of Department Stores format throughout the region, as quarantine restrictions are lifted as authorized by each government in the region.
 - Reopening in Perú. During mid-June it was allowed to resume operation after the lifting of quarantines by the authority, in early July began the reopening of Department Stores, Home Improvement and Shopping Centers.
 - At the end of June, Mallplaza continued to operate at 35% on average of the leasable area in the region.
- **Efficiencies Program and expenses rationalization:** Since the beginning of the pandemic, an efficiency program was implemented to optimize business performance. As of the date, the progress of the program has been as follow:
 - Reduction of structural expenses:
 - Decrease in expenses associated with salaries and personnel, which represents \$140,000 Mn (US\$170 Mn) on an annual basis (\$29,000 Mn (US\$35 Mn) are reflected in 2Q20), mainly focused on centralization of corporate functions, redesign of processes and functions both at the corporate level and in the different business units.
 - Renegotiation of outsourced corporate service agreements, together with efficiencies in systems and platforms for \$25,000 (US\$30 Mn) in 2020.
 - One-time impacts associated with the previously mentioned efficiencies:
 - Incremental expenses related to the execution of the efficiency plan totaling \$42,000 Mn (US\$51 Mn) in the first six months of 2020.

Second Quarter Results 2020

- Adjustments to the company's investment plan:
 - The reduction of 40% estimate Capex of US\$800 million announced for 2020 continues, resulting in a revised estimate for 2020 of US\$480 million.
 - This reduction is mainly driven by a 51% reduction in investments associated with new store openings, to total US\$108 Mn in 2020, a 47% decrease in investments associated with existing store remodeling, to total US\$149 Mn in 2020 and a 25% reduction in investments associated with logistics and technology to total US\$222 Mn in 2020.

II. ONLINE BUSINESS PERFORMANCE

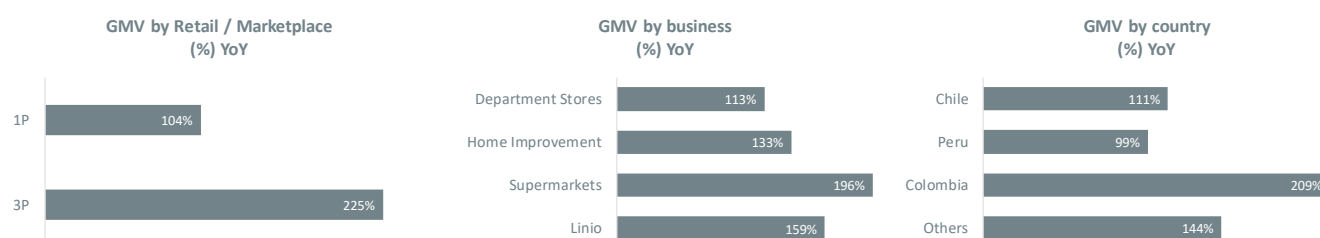
GROSS MERCHANDISE VOLUME (GMV)⁵

GMV	2Q19	% Total	2Q20	% Total	Var %	LTM 2Q20
Retail (1P)	235.238	84%	479.649	76%	104%	1.110.726
Marketplace (3P)	46.055	16%	149.844	24%	225%	344.535
Total GMV	281.293	100%	629.493	100%	124%	1.455.261

GMV by business	2Q19	% Total	2Q20	% Total	Var %	LTM 2Q20
Department stores	195.273	69%	415.192	66%	113%	952.251
Home improvement	41.453	15%	96.712	15%	133%	211.561
Supermarkets	5.901	2%	17.446	3%	196%	39.733
Linio	38.667	14%	100.144	16%	159%	251.716
Total GMV by business	281.293	100%	629.493	100%	124%	1.455.261

GMV by country	2Q19	% Total	2Q20	% Total	Var %	LTM 2Q20
Chile	166.496	59%	351.887	56%	111%	792.701
Peru	52.497	19%	104.528	17%	99%	271.461
Colombia	32.557	12%	100.621	16%	209%	213.691
Otros	29.742	11%	72.457	12%	144%	177.408
Total GMV by country	281.293	100%	629.493	100%	124%	1.455.261

GMV reached \$629,493 Mn (US\$ 767 Mn) in 2Q20, representing an increase of 124% over the previous year, driven by strong growth in online sales, both of 1P and 3P merchandise (Marketplace), with a consolidated growth of 104% and 225% respectively YoY, in all retail formats across the region. Marketplace, for its part, achieved a 24% share of total online sales in 2Q20. The performance of the following markets and businesses stands out, resulting from the rapid growth of online demand in the context of the pandemic:



⁵ GMV figures are round to decimal

Second Quarter Results 2020

Chile

- In Department Stores the GMV grew 102% in the period, marked by a strong increase of 555% in the volume of orders with home delivery, considering the strong demand and the migration from Click & Collect withdrawal (which in 2019 concentrated ~65% of orders) to home delivery. It should be noted that the comparison base for the previous year considers a Cyber Day event in May, which strengthens the comparative base in that month. Additionally, the increase in the participation of mobile channels in online sales stands out, during the period, 33% of orders were placed via Falabella App, representing a growth of 837% YoY in orders through the app and a 376% YoY increase in active users on the app. Traffic, considering web portal and app, grew 91% YoY. The GMV associated with the marketplace, grew 476% in the period, driven by the strengthening of the offer of third-party products in Falabella.com and in the app, and by an increase of 138% in the Sellers base. Marketplace sales account for 14% of the GMV of the format. In the context of the drop in sales in physical stores as a result of the pandemic, online penetration in department stores reached 84% in the period, representing a strong increase over the 29% of the previous year.
- Home improvement continues to strengthen its online proposal, with GMV growing 112% YoY, hand in hand with an increase of 124% of registered users in its app and a 60% increase in traffic compared to the same period of last year. Also noteworthy is the increase in penetration of the online channel, that reached 15% YoY, equivalent to a positive variation of 940 bps compared to 2Q19, in the context of the pandemic.
- In Supermarkets, GMV grew 153% in the period, reaching a 3% penetration in the format. Stands out the good performance of “Fazil” on-demand-delivery app.
 - The volume of users with purchase grew 573% QoQ, while the volume of orders increased by 773% QoQ,
 - During August, Fazil's functionality was expanded to incorporate the on-demand sale and delivery of Falabella and Sodimac products in select locations of Santiago, with the idea of expanding it to the rest of the city and the country.
- **Linio** in Chile, showed a 248% growth in its GMV compared to 2Q19, registering a growth of 253% in orders and 217% in visits year-on-year. On the other hand, stands out the 59% increase in Sellers.
 - The volume of users in the App grew 215% YoY, while users via Web increased by 336% compared to 2Q19
 - Orders in the App showed a growth of 373% YoY and 216% via Web. In turn, the share of orders through the App rose to 32% (vs. 24% in 2Q19), during the period.
 - Mall Plaza-Linio Alliance: agreement that will allow the marketplace to become the e-commerce portal for the chain of shopping centers. It presents a first stage, where it allows the entry of 19 commercial partner brands from Mall Plaza to Linio, which will boost online sales. The second stage is an alliance that considers the arrival of Linio to the physical channel, through Click & Collect points and Corners of sale in Mall Plaza.

Colombia

- In Department Stores, GMV grew 214% during the period, marked by a strong increase in the volume of orders with home delivery of 450% YoY. Additionally, the participation of mobile channels in online sales increased, reaching 23% of transactions through the Falabella app, which, in turn, recorded a 392% YoY increase in active users. Traffic, considering web portal and app, grew 143% compared to 2Q19. The offer of Marketplace products continues to strengthen, both in Falabella.com and in the app, which, as of the date of the report, represents 9% of GMV.
- Linio Colombia showed a 194% YoY growth in GMV terms, in addition to a 144% increase in visits and a 212% YoY increase in registered users. The App, for its part, achieved a 376% YoY growth in active users in addition to a 281% increase in the number of orders year over year.

Peru

- In Department Stores, GMV grew 62% YoY, as operations resumed towards the second half of June, after the country's authorities lifted commerce restrictions.
- In Home Improvement, GMV grew 223% in the period, driven by the strong growth during June, in the context explained in the previous point.
- In Supermarkets, the operation benefited from the online sale of food (with some restrictions) during the three months of the period, which resulted in a 220% growth in GMV, increasing the online penetration of the format to 4.3%, which compares favorably against 1.6% of the previous year.

Financial Business

- **Launch of the 100% digital CMR Credit Card**
 - The first 100% digital card on the market was launched in Chile and Colombia. The card information is accessible through the CMR app, so it is not necessary to have a physical card to make online purchases. In addition, it allows physical payment through "Tap & Pay" and QR codes.
 - Along with the launch of the digital card, the option of opening a new credit card with automatic approval while completing a purchase on our e-commerce portals was introduced, allowing the purchase to be completed with the new card.
 - During the quarter, more than 30,000 CMR cards were opened 100% digital, through cmr.cl and our e-commerce portals.
- **Launch of "Sales Finance" for Linio in Chile**
 - An automatic consumer loan offer system was implemented, available at the time of finalizing a purchase at Linio. This allows the customer to finance their purchase in monthly installments, without the need for credit cards, by subscribing to a 100% digital credit. The disbursement of the credit is made directly to Linio, allowing the customer to finalize their purchase.
- **Fpay, the digital wallet of Falabella**
 - At the beginning of the second quarter, was launched the group's virtual wallet, in which users can load cards from any bank to make purchases through a QR code at Falabella companies' stores, e-commerce portals and other affiliated businesses, as well as transferring money to their contacts. The launch of the wallet in Peru and Colombia, and the incorporation of new functionalities are expected soon.
- **Advances in the digitalization of our banking clients**
 - The adoption of mobile channels continues to deepen. At the end of June, more than 50% of our clients use the CMR/Falabella Bank app.
 - We have made substantial progress in reducing our dependence on the physical channel for the payment of credits and credit card statements. In Chile, at the end of June 2020, 71.7% of our clients paid through digital channels, which compares positively with 39.4% the previous year.
- The total volume of payments processed (TPV) of Falabella reached \$484,869 Mn (US\$590 Mn) during the quarter, which represents an increase of 131% YoY. In the last 12 months, the TPV has reached \$1,144,182 Mn (US\$1,393 Mn), growing 88% YoY. This increase is driven by higher e-commerce transactions, as well as an increase in businesses that operate through our payment processing platform.
- The sale of financial products in digital channels reached \$879,904 Mn (US\$1,071 Mn), during the last 12 months, which represents 37% of the total sale of financial products.

III. EVENTS OF THE PERIOD

- In the context of the pandemic affecting the markets where the Company operates, the risk rating agencies reported:
 - S&P Global
 - On March 24, S&P downgraded Falabella SA's international rating from BBB+ to BBB. In addition, assigned a "negative creditwatch" of 90 days.
 - On June 24, 2020, S&P reaffirmed the international rating of Falabella SA, eliminating the "negative creditwatch" but with a negative business outlook in the medium term due to: i) Uncertainty in the economic recovery of the region; ii) Retail resurgence in the short term and the additional efforts that Falabella SA will make; iii) Evolution of credit variables of the Group's banking segment.
 - Fitch Ratings
 - On April 20, Fitch downgraded the international rating from BBB+ to BBB with a "negative outlook". Regarding the local rating, Fitch maintains Falabella's long-term rating at "AA".
 - Feller Rate
 - On April 4, Feller Rate maintains Falabella SA's local credit rating at "AA", however, assigned a "negative creditwatch".

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- On August 5, 2020, Feller Rate maintains Falabella SA's local credit rating at "AA" and also maintains a "negative creditwatch".
- On May 13, 2020, a dividend was paid out of 2019 earnings of \$19 Chilean pesos per share, equivalent to \$47,518 Mn (US\$58 Mn). This distribution was approved at the Ordinary Shareholders' Meeting held on April 28, 2020.
- Bond issuance of Falabella S.A. On June 4, 2020, Falabella S.A. made an issuance in the local bond market in two series:
 - Series Z Bonds, issued against bond line N° 858, for an amount of UF 2MM, maturing on April 15, 2027. The issuance interest rate was UF +1.30%.
 - Series AC Bonds, issued against bond line N° 857, for an amount of UF 5MM, maturing on April 15, 2030. The issuance interest rate was UF +1.70%.
- Plaza S.A. Bond Issuance
 - On June 19, 2020, Mall Plaza made an issuance in the local market of serie S bonds, issued against the line of bonds N° 980, for an amount of UF 4MM, maturing on December 1. 2029. The issuance interest rate was UF +1.30%.
- The following resolutions, among others, were adopted at the Ordinary Shareholders' Meeting held on April 28:
 - The annual report, the balance sheet, the consolidated income statement and the opinion of the Company's external auditors, all corresponding to the year ended December 31, 2019, were approved.
 - The distribution of a final dividend out of the profits of the fiscal year 2019 of \$19 per share was approved; this dividend was paid on May 13, 2020 to shareholders holding the only series of shares of the Company that are registered in its shareholders' registry as of May 7, 2020.
 - The Company's dividend policy was approved for the fiscal year ending on December 31, 2020 (hereinafter, "Fiscal Year 2020"), consisting of the annual distribution of at least 30% of net profits distributable for Fiscal Year 2020;
 - EY Servicios Profesionales de Auditoria y Asesoría SpA was appointed as external auditors of the Company for Fiscal Year 2020; and,
 - The following persons were elected directors of the Company, for the statutory period of three years running between the ordinary meeting of shareholders held on this date and that ordinary meeting of shareholders held within the first quarter of 2023:
 - Mrs. María Cecilia Karlezi Solari;
 - Mrs. Paola Cúneo Queirolo;
 - Mr. Carlo Solari Donaggio;
 - Mr. Juan Carlos Cortes Solari;
 - Mr. Carlos Alberto Heller Solari;
 - Mr. Felipe del Rio Goudie;
 - Mr. Jose Luis del Rio Goudie;
 - Mr. Sergio Cardone Solari; y,
 - Mr. Hernán Büchi Buc, as independent director.
 - At a meeting of the Company's Board of Directors held on the same day, after the above-mentioned ordinary shareholders' meeting, the Board adopted, among others, the following resolutions, which are reported:
 - The election of Mr. Carlo Solari Donaggio as Chairman of the Board of Directors, and therefore of the Company.
 - The election of Mr. Juan Carlos Cortes Solari as Vice-Chairman of the Board of Directors, and therefore of the Company.
 - The election, by Mr. Hernán Büchi Buc, of the directors José Luis del Río Goudie and Sergio Cardone Solari as those who, together with him, in his capacity as independent director, will make up the Company's Directors' Committee.

Events After the Period

- On August 5, 2020 Mallplaza announced the acquisition of the Calima Shopping Center, located in Bogotá, Colombia, which has a leasable area of 66,000 m². The acquisition is valued at MMUS \$ 128. With this new shopping center, Mallplaza marks its entry into the Colombian capital, increasing coverage with a leasable area of 190,000 m² in the country. Mallplaza's commercial proposal in Calima includes a Homecenter Sodimac Home Improvement store, Cinépolis cinema complex and Éxito hypermarket, the best gastronomy, entertainment and mixed-use retail brands, incorporating digital and omnichannel solutions that improve the experience of business partners and visitors. In addition, the opening of the first IKEA store in Colombia in 2023 is considered.

IV. FINANCIAL RESULTS AS OF JUNE 2020

Consolidated Income Statement 2Q20 (CLP Million)

	2Q19	% Rev.	2Q20	% Rev.	Var %
Revenues of Non-Banking Operations	1.994.081		1.458.364		-26,9%
Revenues of Banking Operations	340.039		299.424		-11,9%
Total Revenues	2.334.120	100,0%	1.757.788	100,0%	-24,7%
COGS of Non-Banking Operations	(1.330.915)	-57,0%	(1.063.909)	-60,5%	-20,1%
COGS of Banking Operations	(139.632)	-6,0%	(204.793)	-11,7%	46,7%
Gross Profit	863.573	37,0%	489.086	27,8%	-43,4%
SG&A Expenses	(654.085)	-28,0%	(630.995)	-35,9%	-3,5%
Operational Income	209.488	9,0%	(141.909)	-8,1%	-167,7%
Depreciation + Amortization	106.409	4,6%	116.315	6,6%	9,3%
EBITDA	315.897	13,5%	(25.594)	-1,5%	-108,1%
Other Income / (Expenses)	9.096		1.452		-84,0%
Net Financial Income / (Cost)	(61.622)		(41.299)		-33,0%
Profit / (Loss) in Associates	(486)		(2.526)		419,8%
Exchange Rate Differences	733		(8.252)		-1225,8%
Non-Operating Profit	(52.279)	-2,2%	(50.625)	-2,9%	-3,2%
Profit Before Tax Expenses	157.209	6,7%	(192.534)	-11,0%	-222,5%
Income Tax	(40.609)		52.103		-228,3%
Minority Interest	(18.314)		11.624		-163,5%
Net Profit / (Loss)	98.286	4,2%	(128.807)	-7,3%	-231,1%

Consolidated Income Statement 6M20 (CLP Million)

	6M19	% Rev.	6M20	% Rev.	Var %
Revenues of Non-Banking Operations	3.920.982		3.346.063		-14,7%
Revenues of Banking Operations	665.365		650.434		-2,2%
Total Revenues	4.586.347	100,0%	3.996.497	100,0%	-12,9%
COGS of Non-Banking Operations	(2.653.935)	-57,9%	(2.364.940)	-59,2%	-10,9%
COGS of Banking Operations	(281.823)	-6,1%	(380.806)	-9,5%	35,1%
Gross Profit	1.650.589	36,0%	1.250.751	31,3%	-24,2%
SG&A Expenses	(1.270.484)	-27,7%	(1.297.298)	-32,5%	2,1%
Operational Income	380.105	8,3%	(46.547)	-1,2%	-112,2%
Depreciation + Amortization	215.031	4,7%	232.451	5,8%	8,1%
EBITDA	595.136	13,0%	185.904	4,7%	-68,8%
Other Income / (Expenses)	8.522		1.762		-79,3%
Net Financial Income / (Cost)	(111.452)		(76.505)		-31,4%
Profit / (Loss) in Associates	509		(4.842)		-1051,3%
Exchange Rate Differences	1.244		(21.441)		-1823,6%
Non-Operating Profit	(101.177)	-2,2%	(101.026)	-2,5%	-0,1%
Profit Before Tax Expenses	278.928	6,1%	(147.573)	-3,7%	-152,9%
Income Tax	(78.743)		34.633		-144,0%
Minority Interest	(31.444)		1.008		-103,2%
Net Profit / (Loss)	168.741	3,7%	(111.932)	-2,8%	-166,3%

Second Quarter Results 2020

1. Revenues

During the second quarter of 2020, the company's consolidated revenues amounted to \$1,757,788 Mn (US\$2,140 Mn). This meant a 24.7% drop compared to the previous year, mainly explained by lower sales in Department Stores and Home Improvement in Chile and Peru, the latter with greater operating restrictions during the quarter along with lower revenues in the Shopping Centers business.

In Chile, Retail format sales decreased 20.9% in the quarter, explained by the closure of stores associated with sanitary restrictions due to the Pandemic. This was partially offset by the 111% YoY growth in online sales (GMV). In particular, the Department Stores format fell 33.8% during the quarter due to the restriction to operate physical stores; however, this effect was partially offset by online sales, which grew 102% YoY. Home Improvement decreased 21.0% compared to 2Q19, while online sales increased 112% YoY. Finally, Supermarkets reported an increase in revenue of 3.9% YoY, despite having 3 fewer stores since October 2019. The Banking business, on the other hand, reported lower revenue of 13.2% in the quarter, mainly explained by the 4.7% annual decrease in the loan portfolio.

In Peru, consolidated revenues fell 30.8% during 2Q20. The above, explained by lower sales in the Home Improvement and in Department Stores formats, which decreased 83.6% and 70.9% respectively. This, due to the closing of physical stores during April, May and partially June, including online sales until the beginning of June and restriction of operating hours during the period. The fall was partially offset by a 39.1% growth in the Supermarkets business, which despite the aforementioned restrictions managed to grow 220% YoY in online sales. The Bank in Peru reported a 25.3% drop (expressed in local currency) due to lower net loan book of 12.8% YoY.

In Colombia, revenues decreased 17.4% during the second quarter of the year, compared to the same period of the previous year. The fall was explained by Department Stores, which reported a 24.6% drop due to the inability to operate stores during April, May and June normally, partially offset by online sales, which grew 214% YoY. Additionally, the Bank decreased 4.5% (expressed in local currency) associated with lower revenues from commissions, in the context of lower activity.

Argentina showed a 58.9% drop in revenues during the second quarter, compared to the same period of the previous year. This, partly explained by a weak consumption scenario, the impossibility of operating the stores normally as a result of the pandemic and by the adjustments by IAS 29.

In Brazil, revenues grew 5.7% in the quarter compared to the same period last year, driven by the growth of the online channel of 250% YoY and a solid performance of physical stores.

2. Operational Results

The company's operating result during the second quarter reached -\$141,909 Mn (-US\$173 Mn) during the period, compared to the positive result for 2Q19. Explained by the lower contribution of banking businesses in the region, Shopping Centers and Department Store and Home Improvement formats in Chile and Peru.

Banking business in Chile achieved an operational result during the quarter of \$18,688 Mn (US\$23 Mn) reflecting a contraction of 72.2% compared to the previous year. This is mainly explained by the deterioration in gross margin associated with the increase in risk costs and the lower level of revenues.

Mallplaza achieved a negative operating result of -\$11,579 Mn (-US\$14 Mn) during the quarter. This, due to a lower gross profit associated with the non-collection of rent to business partners who cannot operate their businesses as a result of sanitary restrictions.

In Chile, the retail formats reported a negative operating result of -\$84,631 Mn (-US\$103 Mn), reflecting the deterioration of the gross profit associated with the Covid-19 contingency.

The businesses in Peru showed a negative operating result of -\$51,118 Mn (-US\$62 Mn) during the quarter, explained by the operating restrictions in the market promoted by the Peruvian government that impacted on business revenues.

Colombia reported a negative operating result of -\$4,848 Mn (-US\$6 Mn), associated with the Covid-19 pandemic that affected revenues, partially offset by a 19.8% YoY decrease in SG&A. The Bank was affected by a growth in risk costs, as a consequence of an increase in provisions.

Second Quarter Results 2020

Brazil achieved a positive operating result of \$1,170 Mn (US\$1 Mn), representing growth compared to the negative operating result during the same period of the previous year. The foregoing, driven by higher gross profit due to the increase in revenues year-on-year, in addition to lower SG&A.

3. Non-Operating Results and Net Income (Loss)

Non-operating results for the period presented a loss of -\$50,625 Mn (-US\$62 Mn) for the quarter, 3.2% less than the same period of 2019.

The net loss reached -\$128,807 Mn (-US\$157 Mn), during the second quarter 2020, as a consequence of the negative results in Department Store and Home Improvement in Chile and Peru, together with the real estate businesses and lower profits in the banking businesses.

V. FINANCIAL LEVERAGE

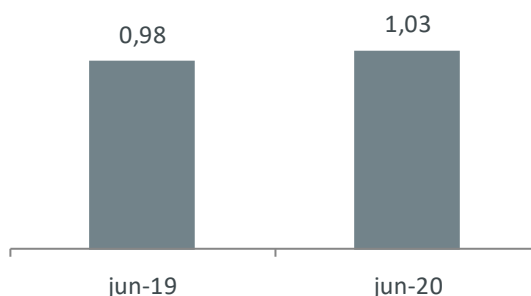
The net financial debt of the non-banking businesses registered an increase of 8% compared to the previous year, mainly explained by \$1,305,312 Mn (US\$1,589 Mn) associated with new financing subscribed at the end of the first quarter of 2020 to date, in order to strengthen the liquidity position in the context of the pandemic.

In line with the above, at the end of June 2020, cash and equivalents totaled \$2,603,259 Mn (US\$3,169 Mn) at a consolidated level, of which the cash of Non-banking businesses registered an increase of 337% reaching \$1,430,985 Mn (US\$1,742 Mn) and the Banking businesses totaled \$1,172,274 Mn (US\$1,427 Mn) reflecting 220%, compared to 2Q19.

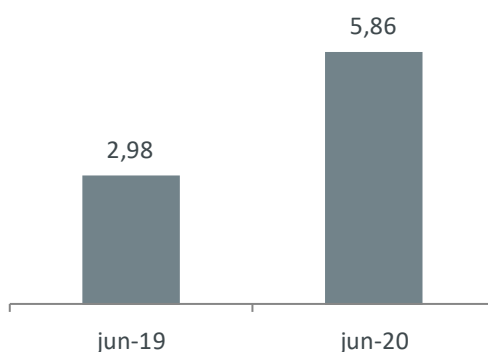
The net leverage of the Non-banking businesses⁶ reached 1,03x, while considering the financial debt⁷ of Non-banking businesses, the Net Financial Debt / EBITDA ratio reached 5,86x.

Falabella S.A. has as policy to issue debt in local currency or, in foreign currency covered in local currency, to finance the funding needs for its businesses. Within this policy, Falabella S.A. has resorted to the international market to raise debt by issuing three bonds in dollars under the 144th / Reg S standard, one for US\$500 Mn and another two for US\$400 Mn each. These bonds are covered, both at the principal and interest level, with swaps until maturity. Additionally, during June Falabella S.A. it completed the issuance of two local bonds for UF \$5 Mn and UF\$ 2 Mn.

Net Leverage of Non-banking businesses



Net Financial Debt / EBITDA Non-banking⁸ businesses



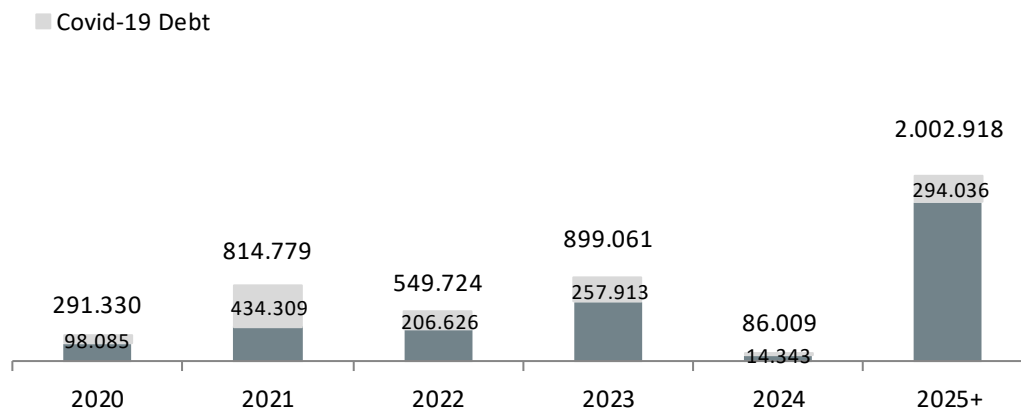
⁶ Leverage non-banking business = total non-banking business liabilities less non-banking cash and equivalents, divided by total equity.

⁷ Non-banking financial debt = other current financial liabilities + other non-current financial liabilities.

⁸ EBITDA = gross profit - distribution costs - administrative expenses - expenses by function + depreciation, Net financial debt = current financial liabilities + noncurrent financial liabilities - hedging assets - cash and cash equivalents.

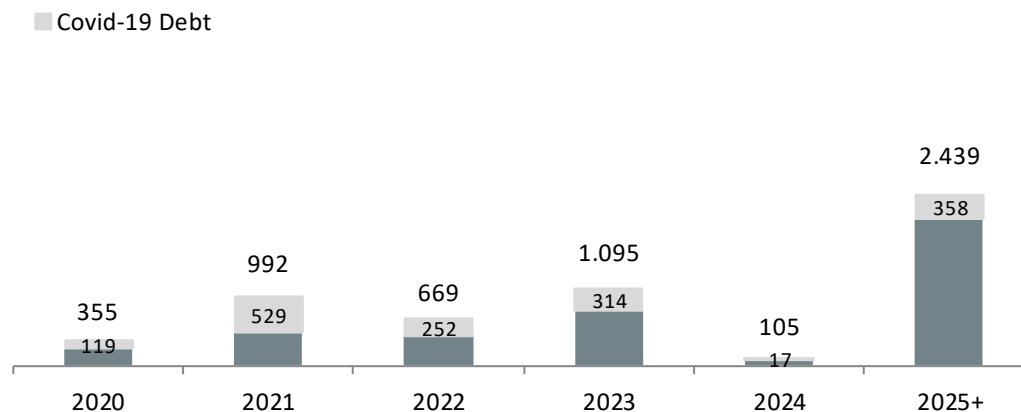
Debt Maturity Profile ⁹

Debt Maturity Profile (CLP\$ Million)



Total Consolidated Financial Debt (without banking operations): \$ 4,643,821 Mn

Debt Maturity Profile (US\$ Million) ¹⁰



Total Consolidated Financial Debt (without banking operations): US\$ 5,655 Mn

⁹ Total consolidated financial debt includes CMR Argentina, but does not include Falabella's banking operations (Banco Falabella Chile, Banco Falabella Peru and Banco Falabella Colombia) and accrued interest.

¹⁰ Balances in US\$ converted at each country's closing exchange rate.

VI. RETAIL REVENUES

Retail revenues 2Q20 (CLP\$ Million)^{11,12}

	2Q19	2Q20	Var %	Var Local Currency %
Chile				
Department Stores	363.941	241.080	-33,8%	-33,8%
Home Improvement	529.457	418.101	-21,0%	-21,0%
Supermarkets	189.583	196.993	3,9%	3,9%
Peru				
Department Stores	161.249	46.894	-70,9%	-74,1%
Home Improvement	155.531	25.480	-83,6%	-85,3%
Supermarkets	202.804	282.018	39,1%	20,1%
Colombia				
Department Stores	95.105	71.738	-24,6%	-25,9%
Home Improvement	191.126	133.809	-30,0%	-31,2%
Argentina				
Department Stores	60.466	22.929	-62,1%	-35,7%
Home Improvement	27.784	11.746	-57,7%	-27,0%
Brazil				
Home Improvement	48.176	50.905	5,7%	20,8%

Retail revenues 6M20 (CLP\$ Million)^{10,11}

	6M19	6M20	Var %	Var Local Currency %
Chile				
Department Stores	719.295	541.061	-24,8%	-24,8%
Home Improvement	1.101.305	946.422	-14,1%	-14,1%
Supermarkets	375.033	382.409	2,0%	2,0%
Peru				
Department Stores	292.177	168.687	-42,3%	-49,7%
Home Improvement	318.657	189.018	-40,7%	-48,6%
Supermarkets	396.798	535.835	35,0%	15,7%
Colombia				
Department Stores	172.289	150.109	-12,9%	-16,8%
Home Improvement	392.787	343.480	-12,6%	-16,9%
Argentina				
Department Stores	100.617	65.076	-35,3%	-11,2%
Home Improvement	54.227	34.687	-36,0%	-12,2%
Brazil				
Home Improvement	96.341	100.095	3,9%	10,3%

¹¹ All variations are in nominal terms and have been calculated in both Chilean pesos and the local currency of each country.

¹² Revenues in Argentina are affected by the application of IAS 29.

VII. FINANCIAL BUSINESS

CMR Argentina: Income Statement

	CMR Argentina		
	2Q19	2Q20	Var. %
Selected Operating Results	<i>(Th ARS)</i>		
Interest income	637.219	448.912	-29,6%
Fee and commission income	462.812	449.108	-3,0%
Total Income	1.100.031	898.020	-18,4%
Interest expense	(402.512)	(85.856)	-78,7%
Credit risk cost	(184.209)	(119.283)	-35,2%
Other expenses	(155.234)	(109.023)	-29,8%
Total expenses	(741.956)	(314.162)	-57,7%
Gross Profit	358.075	583.859	63,1%
Administrative expenses	(315.502)	(306.499)	-2,9%
Operating Income	42.572	277.359	551,5%
Net income	(9.144)	32.030	NM
Efficiency ratio	58,2%	43,6%	
	6M19	6M20	Var. %
Selected Operating Results	<i>(Th ARS)</i>		
Interest income	1.339.009	1.093.019	-18,4%
Fee and commission income	891.370	923.494	3,6%
Total Income	2.230.379	2.016.513	-9,6%
Interest expense	(857.787)	(145.315)	-83,1%
Provision for loan losses	(345.670)	(165.834)	-52,0%
Other expenses	(305.814)	(261.397)	-14,5%
Total expenses	(1.509.271)	(572.545)	-62,1%
Gross Profit	721.108	1.443.968	100,2%
Administrative expenses	(608.348)	(638.660)	5,0%
Operating Income	112.759	805.308	614,2%
Net income	(61.921)	237.333	NM
Efficiency ratio	57,0%	39,7%	

CMR Argentina: Balance y Datos Operacionales

	CMR Argentina		
	jun-19	jun-20	Var. %
Selected Balance Sheet Accounts	<i>(Th ARS)</i>		
Loans from customers, gross	4.924.572	3.798.362	-22,9%
Allowance for loan losses	(332.336)	(330.150)	-0,7%
Loans from customers, net	4.592.236	3.468.212	-24,5%
Total Assets	5.742.487	7.145.866	24,4%
Total Liabilities	4.890.893	4.511.702	-7,8%
Total Equity	851.594	2.634.164	209,3%
Total Liabilities + Total Equity	5.742.487	7.145.866	24,4%
Operational information			
NPL (+90 days)	281.813	101.420	-64,0%
Open Accounts (with balance)	415.578	327.264	-21,3%
Average Loan (local currency)	12.216	11.856	-3,0%
Duration (months)	1,9	2,2	17,6%
Ratios			
NPL / Loans from customers, gross	5,7%	2,7%	
Allowance for loan losses/NPL	1,2	3,3	
ROAE	N/A	7,0%	
ROAA	N/A	1,1%	

Banco Falabella: Income Statement

	Banco Falabella Chile			Banco Falabella Peru			Banco Falabella Colombia		
	2Q19	2Q20	Var. %	2Q19	2Q20	Var. %	2Q19	2Q20	Var. %
Main Results	<i>(Mn CLP)</i>			<i>(Th SOL)</i>			<i>(Mn COP)</i>		
Interest income and adjustments	195.172	173.690	-11,0%	229.211	185.710	-19,0%	179.656	182.370	1,5%
Interest expense and adjustments	(31.659)	(21.441)	-32,3%	(28.789)	(31.542)	9,6%	(37.526)	(40.836)	8,8%
Net interest income and adjustments	163.513	152.249	-6,9%	200.422	154.168	-23,1%	142.130	141.534	-0,4%
Fee and commission income	31.120	23.031	-26,0%	66.086	41.194	-37,7%	65.477	51.711	-21,0%
Fee and commission expense	(21.774)	(12.434)	-42,9%	(29.882)	(9.067)	-69,7%	(14.803)	(14.341)	-3,1%
Net fee and commission income	9.347	10.597	13,4%	36.204	32.127	-11,3%	50.674	37.370	-26,3%
Net income (expense) from financial operations	6.850	8.093	18,1%	2.004	853	-57,4%	2.066	6.621	220,4%
Other operating net income	957	642	-32,9%	8.390	77	-99,1%	552	642	16,4%
Net operating profit before provisions for loan losses	180.666	171.581	-5,0%	247.020	187.225	-24,2%	195.422	186.166	-4,7%
Provision for loan losses	(58.666)	(102.727)	75,1%	(65.527)	(151.187)	130,7%	13.027	(103.090)	-891,4%
Operating expenses	(54.784)	(50.166)	-8,4%	(145.503)	(111.840)	-23,1%	(104.398)	(86.224)	-17,4%
Operating Income	67.214	18.688	-72,2%	35.991	(75.802)	-310,6%	104.051	(3.147)	-103,0%
Net Income	51.970	16.160	-68,9%	25.238	(54.710)	-316,8%	64.416	(2.287)	-103,5%
Efficiency ratio	30,3%	29,2%		58,9%	59,7%		53,4%	46,3%	
	6M19	6M20	Var. %	6M19	6M20	Var. %	6M19	6M20	Var. %
	<i>(Mn CLP)</i>			<i>(Th SOL)</i>			<i>(Mn COP)</i>		
Interest income and adjustments	381.090	362.324	-4,9%	454.155	397.863	-12,4%	347.500	376.892	8,5%
Interest expense and adjustments	(56.763)	(47.980)	-15,5%	(57.260)	(65.252)	14,0%	(71.582)	(82.787)	15,7%
Net interest income and adjustments	324.327	314.344	-3,1%	396.895	332.611	-16,2%	275.918	294.104	6,6%
Fee and commission income	61.382	54.227	-11,7%	136.782	107.490	-21,4%	129.693	119.234	-8,1%
Fee and commission expense	(42.944)	(32.339)	-24,7%	(63.277)	(21.937)	-65,3%	(29.539)	(30.768)	4,2%
Net fee and commission income	18.438	21.888	18,7%	73.505	85.553	16,4%	100.154	88.466	-11,7%
Net income (expense) from financial operations	9.992	10.291	3,0%	5.798	2.408	-58,5%	4.847	6.971	43,8%
Other operating net income	1.148	936	-18,4%	14.339	5.750	-59,9%	1.797	870	-51,6%
Net operating profit before provisions for loan losses	353.905	347.459	-1,8%	490.537	426.323	-13,1%	382.716	390.411	2,0%
Provision for loan losses	(107.392)	(173.012)	61,1%	(129.556)	(237.268)	83,1%	(56.767)	(156.711)	176,1%
Operating expenses	(105.994)	(109.812)	3,6%	(291.191)	(245.552)	-15,7%	(205.204)	(191.283)	-6,8%
Operating Income	140.518	64.635	-54,0%	69.790	(56.497)	-181,0%	120.745	42.417	-64,9%
Net Income	105.422	52.258	-50,4%	48.944	(41.814)	-185,4%	72.345	26.150	-63,9%
Efficiency ratio	29,9%	31,6%		59,4%	57,6%		53,6%	49,0%	

Banco Falabella: Balance Sheet Accounts and Operational Information

	Banco Falabella Chile			Banco Falabella Perú			Banco Falabella Colombia		
	jun-19	jun-20	Var. %	jun-19	jun-20	Var. %	jun-19	jun-20	Var. %
Selected Balance Sheet Accounts	<i>(Mn CLP)</i>			<i>(Th SOL)</i>			<i>(Mn COP)</i>		
Cash and deposits in banks	145.202	276.590	90,5%	420.609	510.018	21,3%	135.351	143.539	6,0%
Trading investments	660.653	1.056.828	60,0%	361.153	764.290	111,6%	221.218	561.196	153,7%
Loans from customers, gross	3.719.008	3.543.519	-4,7%	3.063.063	2.784.881	-9,1%	3.408.420	3.634.309	6,6%
Allowance for loan losses	(237.003)	(285.913)	20,6%	(241.270)	(326.041)	35,1%	(206.592)	(274.922)	33,1%
Loans from customers, net	3.482.005	3.257.606	-6,4%	2.821.793	2.458.839	-12,9%	3.201.828	3.359.388	4,9%
Total Assets	4.813.688	5.746.938	19,4%	4.156.412	4.232.131	1,8%	3.869.163	4.410.994	14,0%
Deposits	546.670	727.653	33,1%	462.484	551.980	19,4%	610.402	778.967	27,6%
Time deposits	1.708.757	1.945.409	13,8%	2.105.898	2.332.591	10,8%	2.267.812	2.570.369	13,3%
Total deposits	2.255.426	2.673.061	18,5%	2.568.382	2.884.572	12,3%	2.878.214	3.349.337	16,4%
Other financial liabilities	361.173	288.191	-20,2%	55.584	258.424	364,9%	180.396	34.260	-81,0%
Total Liabilities	4.080.369	4.979.091	22,0%	3.372.773	3.500.786	3,8%	3.369.785	3.796.137	12,7%
Total Equity	733.319	767.847	4,7%	783.639	731.346	-6,7%	499.377	614.857	23,1%
Total Liabilities + Total Equity	4.813.688	5.746.938	19,4%	4.156.412	4.232.131	1,8%	3.869.163	4.410.994	14,0%
Operational information									
NPL (+90 days)	112.156	161.467		85.435	104.223		83.277	92.736	
Current, Saving and checking Accounts	1.067.476	960.562		1.202.801	1.266.987		1.625.468	1.672.414	
Open Accounts (with balance)	2.721.792	2.692.063		1.005.122	1.076.078		967.578	1.051.128	
Average Loan (local currency)	965.217	948.076		3.047	2.588		3.522.631	3.457.533	
Duration (months)	5,7	5,7		7,5	8,2		12,8	13,9	
ATMs	416	371		174	173		66	66	
Branches	199	186		67	54		88	43	
Ratios									
NPL / Loans from customers, gross	3,0%	4,6%		2,8%	3,7%		2,4%	2,6%	
Allowance for loan losses/NPL	2,1	1,8		2,8	3,1		2,5	3,0	
Basilea	15,4%	15,8%		17,4%	14,5%		10,6%	11,7%	
ROAE	35,1%	18,1%		11,1%	-0,8%		21,3%	15,4%	
ROAA	4,4%	2,5%		2,1%	-0,1%		2,9%	2,2%	

 Percentage of sales with CMR Card ¹³

	1Q18	6M18	9M18	12M18	1Q19	6M19	9M19	12M19	1Q20	6M20
Chile - Falabella	44.1%	47.0%	46.9%	47.0%	45.6%	50.0%	46.4%	47.2%	45.9%	51.4%
Chile - Sodimac	26.0%	26.4%	26.8%	26.9%	25.9%	26.1%	26.6%	26.3%	24.4%	24.8%
Chile - Tottus	19.1%	19.4%	19.7%	20.2%	19.7%	19.9%	20.7%	18.7%	15.9%	16.0%
Perú - Falabella, Sodimac, Tottus	32.8%	35.6%	35.6%	36.1%	35.3%	38.6%	37.0%	37.4%	35.4%	34.2%
Colombia - Falabella y Sodimac	19.6%	22.0%	22.1%	23.3%	20.2%	24.2%	22.0%	25.7%	21.1%	21.5%
Argentina - Falabella y Sodimac	25.7%	23.1%	22.9%	22.8%	18.2%	16.1%	13.9%	14.8%	15.9%	16.4%

¹³ Percentage of sales with CMR: is the sale through the card with respect to the total sale of each business..

Second Quarter Results 2020

VIII. RESULTS BY BUSINESS UNIT

Operating results 2Q20 (CLP\$ Million)

Chile

	Department Stores			Home Improvement			Supermarkets		
	2Q19	2Q20	(%, bps)	2Q19	2Q20	(%, bps)	2Q19	2Q20	(%, bps)
Revenues	363.941	241.080	-33,8%	529.457	418.101	-21,0%	189.583	196.993	3,9%
Gross Profit	121.117	70.044	-42,2%	158.956	119.084	-25,1%	48.529	49.912	2,8%
Gross Margin	33,3%	29,1%	-423	30,0%	28,5%	-154	25,6%	25,3%	-26
SG&A	(122.735)	(117.545)	-4,2%	(140.874)	(150.140)	6,6%	(48.510)	(55.986)	15,4%
SG&A / Revenues	-33,7%	-48,8%	-1503	-26,6%	-35,9%	-930	-25,6%	-28,4%	-283
Operating Profit	(1.618)	(47.501)	2835,0%	18.082	(31.056)	-271,8%	19	(6.074)	-32068,4%
Operating Margin	-0,4%	-19,7%	-1926	3,4%	-7,4%	-1084	0,0%	-3,1%	-309
EBITDA	18.170	(27.988)	-254,0%	42.486	(7.167)	-116,9%	10.174	4.942	-51,4%
EBITDA Margin	5,0%	-11,6%	-1660	8,0%	-1,7%	-974	5,4%	2,5%	-286

Banco Falabella Chile

	2Q19	2Q20	(%, bps)
	Revenues	227.249	197.364
Gross Profit	122.000	68.855	-43,6%
Gross Margin	53,7%	34,9%	-1880
SG&A	(54.785)	(50.166)	-8,4%
SG&A / Revenues	-24,1%	-25,4%	-131
Operating Profit	67.215	18.689	-72,2%
Operating Margin	29,6%	9,5%	-2011
EBITDA	71.726	23.655	-67,0%
EBITDA Margin	31,6%	12,0%	-1958

International Operations

	Peru			Colombia			Argentina			Brazil		
	2Q19	2Q20	(%, bps)	2Q19	2Q20	(%, bps)	2Q19	2Q20	(%, bps)	2Q19	2Q20	(%, bps)
Revenues	593.545	410.481	-30,8%	152.693	126.050	-17,4%	105.394	43.287	-58,9%	48.176	50.905	5,7%
Gross Profit	195.074	97.361	-50,1%	76.405	36.191	-52,6%	45.985	20.951	-54,4%	16.971	17.064	0,5%
Gross Margin	32,9%	23,7%	-915	50,0%	28,7%	-2133	43,6%	48,4%	477	35,2%	33,5%	-171
SG&A	(148.723)	(148.479)	-0,2%	(51.148)	(41.035)	-19,8%	(46.531)	(27.522)	-40,9%	(19.071)	(15.894)	-16,7%
SG&A / Revenues	-25,1%	-36,2%	-1112	-33,5%	-32,6%	94	-44,1%	-63,6%	-1943	-39,6%	-31,2%	836
Operating Profit	46.351	(51.118)	-210,3%	25.256	(4.844)	-119,2%	(546)	(6.571)	1103,5%	(2.100)	1.170	-155,7%
Operating Margin	7,8%	-12,5%	-2026	16,5%	-3,8%	-2038	-0,5%	-15,2%	-1466	-4,4%	2,3%	666
EBITDA	70.586	(20.271)	-128,7%	32.501	2.785	-91,4%	2.571	(3.627)	-241,1%	1.267	3.831	202,4%
EBITDA Margin	11,9%	-4,9%	-1683	21,3%	2,2%	-1908	2,4%	-8,4%	-1082	2,6%	7,5%	490

Others

	Plaza S.A.			Other, elimination & anulment			Falabella		
	2Q19	2Q20	(%, bps)	2Q19	2Q20	(%, bps)	2Q19	2Q20	(%, bps)
Revenues	80.191	22.556	-71,9%	43.891	50.971	16,1%	2.334.120	1.757.788	-24,7%
Gross Profit	62.052	4.190	-93,2%	16.484	5.434	-67,0%	863.573	489.086	-43,4%
Gross Margin	77,4%	18,6%	-5880	37,6%	10,7%	-2690	37,0%	27,8%	-917
SG&A	(8.905)	(15.769)	77,1%	(12.803)	(8.458)	-33,9%	(654.085)	(630.995)	-3,5%
SG&A / Revenues	-11,1%	-69,9%	-5881	-29,2%	-16,6%	1257	-28,0%	-35,9%	-787
Operating Profit	53.147	(11.579)	-121,8%	3.682	(3.025)	-182,1%	209.488	(141.909)	-167,7%
Operating Margin	66,3%	-51,3%	-11761	8,4%	-5,9%	-1432	9,0%	-8,1%	-1705
EBITDA	65.283	1.689	-97,4%	1.133	(3.442)	-403,7%	315.897	(25.594)	-108,1%
EBITDA Margin	81,4%	7,5%	-7392	2,6%	-6,8%	-933	13,5%	-1,5%	-1499

Second Quarter Results 2020

Operating Results 6M20 (CLP\$ Million)

Chile

	Department Stores			Home Improvement			Supermarkets		
	6M19	6M20	(%, bps)	6M19	6M20	(%, bps)	6M19	6M20	(%, bps)
Revenues	719.295	541.061	-24,8%	1.101.305	946.422	-14,1%	375.033	382.409	2,0%
Gross Profit	212.238	158.113	-25,5%	332.373	275.713	-17,0%	94.426	95.637	1,3%
Gross Margin	29,5%	29,2%	-28	30,2%	29,1%	-105	25,2%	25,0%	-17
SG&A	(236.879)	(235.647)	-0,5%	(281.825)	(290.549)	3,1%	(95.699)	(108.176)	13,0%
SG&A / Revenues	-32,9%	-43,6%	-1.062	-25,6%	-30,7%	-511	-25,5%	-28,3%	-277
Operating Profit	(24.641)	(77.534)	214,7%	50.548	(14.836)	-129,4%	(1.273)	(12.539)	885,0%
Operating Margin	-3,4%	-14,3%	-1.090	4,6%	-1,6%	-616	-0,3%	-3,3%	-294
EBITDA	14.962	(38.405)	-356,7%	98.697	32.863	-66,7%	19.091	9.181	-51,9%
EBITDA Margin	2,1%	-7,1%	-918	9,0%	3,5%	-549	5,1%	2,4%	-269

Banco Falabella Chile

	6M19	6M20	(%, bps)
Revenues	443.619	417.488	-5,9%
Gross Profit	246.512	174.448	-29,2%
Gross Margin	55,6%	41,8%	-1.378
SG&A	(105.994)	(109.812)	3,6%
SG&A / Revenues	-23,9%	-26,3%	-241
Operating Profit	140.518	64.636	-54,0%
Operating Margin	31,7%	15,5%	-1.619
EBITDA	149.339	74.079	-50,4%
EBITDA Margin	33,7%	17,7%	-1.592

International Operations

	Peru			Colombia			Argentina			Brazil		
	6M19	6M20	(%, bps)	6M19	6M20	(%, bps)	6M19	6M20	(%, bps)	6M19	6M20	(%, bps)
Revenues	1.154.153	1.034.965	-10,3%	286.054	270.073	-5,6%	189.371	122.977	-35,1%	96.341	100.095	3,9%
Gross Profit	370.724	286.913	-22,6%	127.526	96.437	-24,4%	79.461	60.691	-23,6%	34.262	34.740	1,4%
Gross Margin	32,1%	27,7%	-440	44,6%	35,7%	-887	42,0%	49,4%	739	35,6%	34,7%	-86
SG&A	(290.781)	(317.417)	9,2%	(102.143)	(97.664)	-4,4%	(84.779)	(66.613)	-21,4%	(38.011)	(34.593)	-9,0%
SG&A / Revenues	-25,2%	-30,7%	-548	-35,7%	-36,2%	-45	-44,8%	-54,2%	-940	-39,5%	-34,6%	489
Operating Profit	79.943	(30.504)	-138,2%	25.382	(1.228)	-104,8%	(5.318)	(5.922)	11,4%	(3.749)	147	-103,9%
Operating Margin	6,9%	-2,9%	-987	8,9%	-0,5%	-933	-2,8%	-4,8%	-201	-3,9%	0,1%	404
EBITDA	127.764	30.712	-76,0%	39.901	14.659	-63,3%	601	466	-22,5%	2.968	6.010	102,5%
EBITDA Margin	11,1%	3,0%	-810	13,9%	5,4%	-852	0,3%	0,4%	6	3,1%	6,0%	292

Others

	Plaza S.A.			Other, elimination & annulment			Falabella		
	6M19	6M20	(%, bps)	6M19	6M20	(%, bps)	6M19	6M20	(%, bps)
Revenues	157.406	96.971	-38,4%	63.769	84.035	31,8%	4.586.346	3.996.497	-12,9%
Gross Profit	121.344	57.823	-52,3%	31.723	10.237	-67,7%	1.650.589	1.250.751	-24,2%
Gross Margin	77,1%	59,6%	-1.746	49,7%	12,2%	-3.757	36,0%	31,3%	-469
SG&A	(17.370)	(23.668)	36,3%	(17.003)	(13.159)	-22,6%	(1.270.484)	(1.297.298)	2,1%
SG&A / Revenues	-11,0%	-24,4%	-1.337	-26,7%	-15,7%	1.100	-27,7%	-32,5%	-476
Operating Profit	103.974	34.155	-67,2%	14.721	(2.922)	-119,8%	380.105	(46.547)	-112,2%
Operating Margin	66,1%	35,2%	-3.083	23,1%	-3,5%	-2.656	8,3%	-1,2%	-945
EBITDA	128.173	60.088	-53,1%	13.640	(3.748)	-127,5%	595.136	185.904	-68,8%
EBITDA Margin	81,4%	62,0%	-1.946	21,4%	-4,5%	-2.585	13,0%	4,7%	-832

IX. SUMMARY OF CONSOLIDATED BALANCE SHEET

As of June 30th, 2020 (CLP\$ Million)

	31-dec-19	30-jun-20	Var %
Current Assets - Non Banking Business	2.427.251	3.494.087	44,0%
Non Current Assets - Non Banking Business	8.666.018	8.904.158	2,7%
Total Assets - Non Banking Business	11.093.269	12.398.245	11,8%
Total Assets - Banking Business	7.240.402	7.647.467	5,6%
Total Assets	18.333.671	20.045.712	9,3%
Current Liabilities - Non Banking Business	2.022.688	2.356.158	16,5%
Non Current Liabilities - Non Banking Business	4.450.162	5.415.824	21,7%
Total Liabilities - Non Banking Business	6.472.850	7.771.982	20,1%
Total Liabilities - Banking Business	5.628.209	6.132.439	9,0%
Total Liabilities	12.101.059	13.904.421	14,9%
Total Equity	6.232.612	6.141.291	-1,5%
Total Liabilities + Equity	18.333.671	20.045.712	9,3%

Non-bank current assets increased by \$1,066,836 Mn (US\$1,299 Mn) compared to December 2019, mainly driven by higher cash and cash equivalents, from loans obtained from banking institutions. Non-current non-banking assets increased by \$238,140 Mn (US\$ 290 Mn), mainly due to an increase in other non-current financial assets. In the case of the banking business, total assets increased by \$407,065 Mn (US\$ 496 Mn) compared to December 2019, mainly due to the increase in financial assets held for trading, cash and deposits in banks and financial derivative contracts. This increase, was offset by lower loans and accounts receivable from clients. As a result, total consolidated assets increased by \$ 1,712,041 Mn (US\$ 2,085 Mn).

Non-bank current liabilities increased by \$333,470 Mn (US\$ 406 Mn) compared to December 2019, mainly due to the increase in other current financial liabilities, explained by the increase in loans with banks. This increase was partially offset by lower commercial and other accounts payable. In turn, non-current non-bank liabilities increased by \$965,662 Mn (US\$ 1,176 Mn) mainly explained by the increase in other non-current financial liabilities, resulting from new credits to strong liquidity. Total liabilities from banking business increased by \$504,230 Mn (US\$ 614 Mn), mainly due to the increase in deposits and other term deposits and in transactions with settlement in progress. The first increase was mainly due to an increase in deposits at Banco Falabella Chile and Banco Falabella Colombia. This increase, was offset by lower due to banks and debt instruments issued. As a result, total liabilities increased by \$1,803,362 Mn (US\$ 2,196 Mn).

Second Quarter Results 2020

X. SUMMARY OF CONSOLIDATED CASH FLOW

As of June 30th, 2020 (CLP\$ Million)

	30-jun-19	30-jun-20	Var %
Cash flow from operating activities - Non Banking Business	262.815	2.226	-99,2%
Cash flow from operating activities - Banking Business	132.653	969.886	631,1%
Cash flow from operating activities	395.468	972.112	145,8%
Cash flow from investment activities - Non Banking Business	(281.144)	(269.089)	-4,3%
Cash flow from investment activities - Banking Business	139.079	12.997	-90,7%
Cash flow from investment activities	(142.065)	(256.092)	80,3%
Cash flow from financing activities - Non Banking Business	(298.633)	1.226.186	-510,6%
Cash flow from financing activities - Banking Business	(83.916)	(158.419)	88,8%
Cash flow from financing activities	(382.549)	1.067.767	-379,1%
Increase (decrease) in cash and cash equivalents	(129.147)	1.783.787	-1481,2%
Impact of exchange rate differences on cash and cash equivalents	(449)	(18.310)	3978,0%
Cash and cash equivalents at the beginning of the period	689.412	837.782	21,5%
Cash and cash equivalents at the end of the period	559.816	2.603.259	365,0%

Cash flow from operating activities of the non-banking business decreased by \$260,589 Mn (US\$ 317 Mn) as of June 2020 compared to the same period of the previous year, mainly due to lowers payments to suppliers for the supply of goods and services and lower collections from sales of products and services. Cash flow from operating activities of the banking business increased by \$837,233 Mn (US\$ 1,019 Mn), mainly explained by a decrease in credits and accounts receivable from clients and an increase in deposits and other demand obligations. As a result, the consolidated operating cash flow as of June 2020 was \$576,644 Mn (US\$ 702 Mn) higher than the same period of the previous year.

Cash flow from investing activities of the non-banking business was \$12,055 Mn (US\$15 Mn) more positive than the same period of the previous year, mainly due to lower purchases of property, plant and equipment, and amounts from sales of intangible assets, which were partially offset by contributions made to related companies. On the other hand, cash flow from investment activities of the banking business decreased in \$126,082 Mn (US\$ 154 Mn) compared to the previous year, due to a net decrease in investment instruments available for sale. As a result, the consolidated cash flow from investing activities as of June 2020 was \$114,027 Mn (US\$ 139 Mn) lower than the same period of 2019.

Cash flow from financing activities of the non-banking business as of June 2020 was \$1,524,819 Mn (US\$ 1,857 Mn) more positive than the comparable period, as a result of higher amounts of short and long terms loans. Cash flow from financing activities of the banking business decreased in \$74,503 Mn (US\$ 91 Mn) compared to the same period of the previous year due to higher bond payments. As a result, cash flow from consolidated financing activities increased by \$1,450,316 Mn (US\$ 1,766 Mn) compared to the same period of the previous year.

At the end of the period, cash and equivalents increased by \$2,043,443 Mn (US\$ 2,488 Mn) compared to the same quarter of 2019.

Second Quarter Results 2020

XI. CONSOLIDATED FINANCIAL STATEMENTS

	For the period ended as of 30-jun-20 TH CLP	For the period ended as of 30-jun-19 TH CLP
Statement of Income		
Non-banking Business		
Revenue from continuing operations	3.346.062.707	3.920.981.516
Cost of sales	(2.364.939.732)	(2.653.934.606)
Gross Profit	981.122.975	1.267.046.910
Distribution costs	(71.717.121)	(60.842.881)
Administrative expenses	(967.938.397)	(940.974.780)
Other expenses, by function	(48.668.056)	(64.490.197)
Other gains (losses)	1.761.793	8.521.899
Financial income	53.396.879	8.949.920
Financial expenses	(114.882.092)	(109.885.339)
Equity interest in profits (losses) of associates accounted for using the equity method	(5.074.500)	78.625
Foreign currency translation	(21.441.132)	1.243.574
Income from indexation units	(15.020.236)	(10.516.768)
Profit (Loss), before Taxes	(208.459.887)	99.130.963
Income tax expense	47.288.857	(29.225.120)
Profit (loss) from Non-banking Business	(161.171.030)	69.905.843
Banking Services (Presentation)		
Interest and indexation revenue	541.218.546	545.413.390
Interest and indexation expenses	(82.728.754)	(90.451.324)
Net Income from Interest and Indexation	458.489.792	454.962.066
Fee revenue	108.249.749	118.615.642
Fee expenses	(47.377.854)	(57.687.646)
Net Fee Income	60.871.895	60.927.996
Net income from financial operations	20.000.310	10.857.580
Net exchange gains (losses)	(7.682.178)	1.332.154
Other operating income	965.939	1.335.834
Provision for loan losses	(263.017.600)	(145.873.448)
Total Operating Income, net	269.628.158	383.542.182
Employee remunerations and expenses	(73.333.702)	(71.775.480)
Administrative expenses	(96.035.062)	(94.900.918)
Depreciation and amortization	(19.882.195)	(15.958.445)
Other operating expenses	(19.723.228)	(21.540.897)
Total Operating Expenses	(208.974.187)	(204.175.740)
Operating Income	60.653.971	179.366.442
Income from equity method investments in companies	232.562	430.634
Income before Income Taxes	60.886.533	179.797.076
Income tax expense	(12.656.227)	(49.518.191)
Profit (loss) from Banking Business	48.230.306	130.278.885
Profit (Loss)	(112.940.724)	200.184.728
Profit (loss), Attributable to:		
Owners of the parent	(111.932.483)	168.740.740
Non-controlling interests	(1.008.241)	31.443.988
Profit (Loss)	(112.940.724)	200.184.728
Earnings per share		
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	(0,04)	0,07
Basic Earnings (Loss) per Share	(0,04)	0,07
Diluted Earnings (Loss) per Share		
From continuing operations	(0,04)	0,07
Diluted Earnings (Loss) per Share	(0,04)	0,07

Second Quarter Results 2020

	30-jun-20	31-dic-19
	TH CLP	TH CLP
Balance Sheet		
Assets		
Non-banking Businesses		
Current assets		
Cash and cash equivalents	1.430.984.822	299.965.353
Other financial assets	43.705.198	14.577.323
Other non-financial assets	137.847.517	97.397.454
Trade and other accounts receivable	353.958.767	503.747.308
Accounts receivable from related parties	54.810.101	44.176.657
Inventory	1.391.855.393	1.332.853.655
Tax assets	63.564.879	117.161.072
Total of current assets different from those assets or disposal groups classified as held for sale or as held for distribution to owners	3.476.726.677	2.409.878.822
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	17.360.163	17.371.457
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	17.360.163	17.371.457
Total Current Assets	3.494.086.840	2.427.250.279
Non-current Assets		
Other financial assets	336.822.037	204.578.162
Other non-financial assets	102.109.491	103.842.937
Accounts receivable	6.758.311	11.126.047
Investments accounted for using the equity method	176.704.763	191.478.678
Intangible assets other than goodwill	350.457.739	342.682.434
Goodwill	649.280.215	649.149.802
Property, plant and equipment	3.708.677.592	3.698.385.781
Investment properties	3.283.431.964	3.235.069.703
Non-current tax assets	15.245.485	17.420.067
Deferred tax assets	274.670.783	212.284.708
Total Non-current Assets	8.904.158.380	8.666.018.319
Total Assets – Non-banking Business	12.398.245.220	11.093.268.598
Banking Services Assets (Presentation)		
Cash and bank deposits	426.348.109	304.355.220
Transactions with settlement in progress	322.301.553	80.926.931
Financial assets held for trading	675.199.328	179.336.474
Retro-purchase agreements and securities loans	15.053.000	-
Financial derivative contracts	526.082.375	411.178.302
Loans and accounts receivable from clients	4.619.352.649	5.219.216.732
Available for sale instruments	674.333.365	681.030.022
Investments in companies	3.201.447	3.721.554
Intangibles	83.853.919	78.118.482
Property, plant and equipment	69.232.989	72.907.960
Current taxes	9.949.584	12.694.107
Deferred taxes	58.966.929	48.804.829
Other assets	163.590.897	148.111.627
Total Bank Services Assets	7.647.466.144	7.240.402.240
Total Assets	20.045.711.364	18.333.670.838

Second Quarter Results 2020

	30-jun-20	31-dic-19
	TH CLP	TH CLP
Net Equity and Liabilities		
Non-banking Business		
Other financial liabilities	936.453.020	443.932.448
Leasing liabilities, current	78.259.851	82.881.467
Trade and other accounts payable	961.571.776	1.109.205.979
Accounts payable to related parties	14.966.099	17.092.382
Other current provisions	25.840.686	23.758.134
Current tax liabilities	19.892.327	30.806.089
Employee benefits provisions	141.167.947	149.449.341
Other non-financial liabilities	178.006.150	165.561.711
Total Current Liabilities	2.356.157.856	2.022.687.551
Non-current Liabilities		
Other financial liabilities	3.770.213.342	2.813.299.285
Leasing liabilities, non-current	915.332.560	900.374.562
Other liabilities	1.939.058	1.920.686
Other long-term provisions	9.806.869	9.590.858
Deferred tax liabilities	614.185.366	613.982.006
Employee benefits provision	52.086.557	55.968.813
Other non-financial liabilities	52.260.304	55.025.873
Total Non-current Liabilities	5.415.824.056	4.450.162.083
Total Non-banking Business Liabilities	7.771.981.912	6.472.849.634
Banking Services Liabilities (Presentation)		
Deposits and other demand liabilities	982.781.541	802.372.070
Transactions with settlement in progress	370.100.018	73.993.355
Time deposits and other term deposits	3.152.050.299	3.027.251.232
Financial derivative contracts	564.880.352	458.352.017
Due to banks	448.423.058	547.171.749
Debt instruments issued	205.944.340	263.878.200
Other financial obligations	82.246.941	89.407.460
Leasing liabilities	34.569.299	35.524.567
Current taxes	2.184.166	2.973.670
Provisions	33.102.660	32.017.182
Other liabilities	256.155.883	295.267.626
Total Banking Services Liabilities	6.132.438.557	5.628.209.128
Total Liabilities	13.904.420.469	12.101.058.762
Net Equity		
Issued capital	919.419.389	919.419.389
Retained earnings	4.326.069.491	4.439.393.886
Share premium	93.482.329	93.482.329
Own shares in portfolio	(43.405.118)	(43.405.118)
Other reserves	(125.074.785)	(149.943.365)
Equity attributable to owners of the parent	5.170.491.306	5.258.947.121
Non-controlling interests	970.799.589	973.664.955
Total Equity	6.141.290.895	6.232.612.076
Total Equity and Liabilities	20.045.711.364	18.333.670.838

Second Quarter Results 2020

	June 30, 2020	June 30, 2019
	TH\$	TH\$
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	4.232.319.721	4.757.883.381
Classes of payments		
Payment to suppliers for supplying goods and services	(3.503.654.251)	(3.744.950.873)
Payments to and on account of employees	(561.592.052)	(542.397.471)
Income taxes refunded (paid)	28.478.043	(69.946.534)
Other cash inflows (outflows)	(193.325.536)	(137.773.434)
Subtotal net cash flows provided by Non-banking Business operating activities	2.225.925	262.815.069
Banking Services (Presentation)		
Consolidated net income (loss) for the period	48.230.306	130.278.885
Charges (credits) to income that do not involve cash movements:		
Depreciation and amortization	19.882.195	15.958.445
Credit risk provision	296.055.608	109.923.741
Net profit from equity method investments	(232.562)	(430.634)
Other charges that do not involve significant cash flow movements	12.656.227	49.518.191
Net change in interest, indexations and fees accrued on assets and liabilities	38.653.645	(22.192.905)
Changes in assets and liabilities affecting operating cash flow:		
Net decrease (increase) in loans and accounts receivable from clients	263.167.441	(226.801.769)
Net decrease in instruments held for trading	40.036.826	(47.469.541)
Increase in deposits and other demand obligations	178.465.981	55.122.805
Increase in deposits and other time deposits	126.786.454	131.746.170
Increase in obligations with banks	(3.480.387)	(21.749.381)
Other use of cash	(50.335.543)	(41.251.088)
Subtotal net cash flows provided by Banking Services operating activities	969.886.191	132.652.919
Net cash flows provided by operating activities	972.112.116	395.467.988
Cash flows provided by (used in) investing activities		
Non-banking Business (Presentation)		
Cash flows from loss of control of subsidiaries or other businesses	4.209.950	3.444.325
Contributions made to related companies	(20.093.500)	-
Loans to related parties	(12.759.727)	-11.247.081
Proceeds from disposal of property, plant and equipment	437.878	1.004.219
Additions to property, plant and equipment	(164.867.707)	-180.757.740
Purchases of intangible assets	(28.116.602)	-26.044.061
Amounts from sales of intangible assets	13.365.620	-
Additions to other long-term assets	(79.212.868)	-68.867.055
Dividends received	9.155	106.235
Interest received	8.122.164	5.392.997
Other cash inflows (outflows)	9.816.187	-4.176.176
Subtotal net cash flows used in investing activities in the Non-banking Business	(269.089.450)	(281.144.337)
Banking Services (Presentation)		
Net (Increase) decrease in investment securities available for sale	31.523.306	150.677.268
Additions to property, plant and equipment	(19.733.964)	(13.653.041)
Dividends received	-	610.395
Other sources of cash	1.207.372	1.443.936
Subtotal net cash flows used in Banking Services investing activities	12.996.714	139.078.558
Net cash flows used in investing activities	(256.092.736)	(142.065.779)
Cash flows provided by (used in) financing activities		
Non-Banking Services (Presentation)		
Proceeds from issuance of shares	3.977.348	1.617.757
Payments for selling the entity's shares	-	438.870
Proceeds from long-term loans	792.551.980	44.514.648
Proceeds from short-term loans	1.369.147.942	630.348.848
Total proceeds from loans	2.161.699.922	674.863.496
Payment of loans	(746.221.479)	(701.727.972)
Dividends paid	(93.415.775)	(199.408.227)
Interest paid	(95.243.654)	(72.252.736)
Other cash inflows (outflows)	(4.610.058)	(2.164.349)
Subtotal net cash flows provided by (used in) Non-banking Business financing activities	1.226.186.304	(298.633.161)
Banking Services (Presentation)		
Retrieval of letters of credit	(4.675.917)	(4.696.100)
Bond Issuance (payment)	(153.202.164)	(78.218.596)
Other cash outflows	(541.111)	(1.001.253)
Subtotal net cash flows provided by (used in) Banking Services financing activities	(158.419.192)	(83.915.949)
Net cash flows used in financing activities	1.067.767.112	(382.549.110)
Net decrease in cash and cash equivalents, before the effect of changes in the exchange rate	1.783.786.492	(129.146.901)
Effects of changes in the exchange rate on cash and cash equivalents		
Effects of changes in the exchange rate on cash and cash equivalents	(18.309.671)	(448.575)
Net decrease in cash and cash equivalents	1.765.476.821	(129.595.476)
Cash and cash equivalents at beginning of period	837.781.863	689.411.677
Cash and cash equivalents at end of period	2.603.258.684	559.816.201

Cash Flow – Chilean Operations (CLP\$ th)

June 2020	Department Stores	Home Improvement	Supermarkets	Banco Falabella	Plaza S.A.
Cash flow from operating activities	(17.917.317)	132.750.028	30.816.364	705.385.658	49.320.198
Cash flow from investing activities	(199.094.080)	(36.901.923)	(42.283.659)	165.921.897	(81.835.915)
Cash flow from financing activities	173.999.078	(78.707.803)	7.439.292	(262.995.911)	279.032.058
Increase (decrease) in cash and cash equivalents	(43.012.319)	17.140.302	(4.028.003)	608.311.644	246.516.341
Impact of exchange rate differences on cash and cash equivalents	(101.670)	(1.479.375)	(14.337)	-	(1.250.160)
Cash and cash equivalents at the beginning of the period	55.899.858	22.797.653	13.473.556	414.080.602	35.722.612
Cash and cash equivalents at the end of the period	12.808.567	38.458.580	9.430.290	1.022.392.246	280.988.793

June 2019	Department Stores	Home Improvement	Supermarkets	Banco Falabella	Plaza S.A.
Cash flow from operating activities	5.832.924	88.926.645	51.162.264	(15.660.530)	113.337.611
Cash flow from investing activities	(84.172.220)	(53.599.884)	(24.884.800)	156.086.918	(36.950.580)
Cash flow from financing activities	72.348.556	(37.549.964)	(27.364.004)	(142.557.110)	(99.765.422)
Increase (decrease) in cash and cash equivalents	(5.990.740)	(2.223.203)	(1.086.540)	(2.130.722)	(23.378.391)
Impact of exchange rate differences on cash and cash equivalents	(252.147)	(212.393)	(119.015)	0	(172.234)
Cash and cash equivalents at the beginning of the period	57.456.946	26.498.167	15.229.123	253.159.175	51.555.592
Cash and cash equivalents at the end of the period	51.214.060	24.062.571	14.023.568	251.028.453	28.004.967

Cash Flow – International Operations (CLP\$ th)

June 2020	Peru	Colombia	Argentina	Brazil
Cash flow from operating activities	158.423.568	10.555.658	5.711.823	10.873.090
Cash flow from investing activities	(124.976.197)	(51.968.061)	(7.008.993)	(1.230.669)
Cash flow from financing activities	214.466.153	65.332.953	39.286.708	22.874.582
Increase (decrease) in cash and cash equivalents	247.913.524	23.920.550	37.989.538	32.517.003
Impact of exchange rate differences on cash and cash equivalents	(5.452.891)	(1.619.088)	(3.892.603)	(4.964.356)
Cash and cash equivalents at the beginning of the period	166.983.567	85.173.726	8.127.249	3.881.290
Cash and cash equivalents at the end of the period	409.444.200	107.475.188	42.224.184	31.433.937

June 2019	Peru	Colombia	Argentina	Brazil
Cash flow from operating activities	79.429.956	(47.164.308)	62.863.484	(4.589.582)
Cash flow from investing activities	(62.164.676)	(15.244.480)	(3.406.193)	(4.971.595)
Cash flow from financing activities	(31.889.545)	50.278.318	(59.888.832)	8.827.324
Increase (decrease) in cash and cash equivalents	(14.624.265)	(12.130.470)	(431.541)	(733.853)
Impact of exchange rate differences on cash and cash equivalents	(347.605)	399.475	(546.071)	78.668
Cash and cash equivalents at the beginning of the period	145.502.008	45.133.440	3.634.593	2.754.969
Cash and cash equivalents at the end of the period	130.530.138	33.402.447	2.656.981	2.099.784

XIII. ANNEX

Definitions for the financial business units

Selected Balance Sheet Accounts	
Demand deposits	Deposits in current and saving accounts, and other demand deposits.
Other financial liabilities	Debt instruments issued, bank credits and other financial obligations.
Income Statement	
Loan-loss provision expense	Provision expense for loan-losses, plus write-offs net of recoveries
Operational information	
NPL (+90 days)	Loans with +90 days delinquency
Passive accounts	Non-interest bearing accounts, such as checking and saving accounts, with a balance.
Credit cards with a balance	Number of primary credit cards that have a balance, have been used in the last 24 months, and have their payments up to date or have a delinquency of 90 days or less.
Average Loan	Gross customer loans divided by total credit cards with a balance
Duration	Macaulay Duration
ATMs	Number of ATMs
Ratios	
Basilea	Effective equity over risk-weighted assets, as defined by each country's financial services regulator.
Efficiency ratio - CMR	Administrative expenses over gross profit (excluding credit risk cost)
Efficiency ratio - Banks	Operating expense over operating revenue
ROAE - Bancos	Return on Average Equity: is an adjusted version of ROE, in which the denominator is the average of shareholders' equity on the last 13 months.
ROAA - Bancos	Return on Average Assets: is an adjusted version of ROA, in which the denominator is the average of total assets on the last 13 months.
ROAE - CMR	Return on Average Equity: is an adjusted version of ROE, in which the denominator is the average of shareholders' equity on the last 5 quarters.
ROAA - CMR	Return on Average Assets: is an adjusted version of ROA, in which the denominator is the average of total assets on the last 5 quarters.

Second Quarter Results 2020

Same Store Sales (SSS) ^{14, 15, 16, 17}

	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20
Chile												
Department Stores	-4,9%	0,2%	-7,2%	-3,3%	-3,6%	-3,0%	-1,2%	-3,5%	-3,6%	-2,8%	N/A	N/A
Home Improvement	4,6%	5,8%	1,9%	-2,0%	2,4%	-1,7%	-4,2%	-0,7%	-6,1%	-3,1%	-5,1%	-9,7%
Supermarkets	1,7%	1,9%	2,6%	-1,2%	1,1%	1,5%	-2,4%	-1,2%	-0,9%	-0,8%	5,3%	7,1%
Peru												
Department Stores	12,1%	8,4%	3,8%	0,3%	5,4%	0,3%	-4,4%	4,6%	-2,8%	-0,9%	N/A	N/A
Home Improvement	6,0%	1,0%	2,9%	3,7%	2,6%	1,7%	3,4%	2,1%	-0,7%	1,5%	N/A	N/A
Supermarkets	4,8%	10,3%	6,1%	3,5%	6,0%	3,9%	-0,5%	2,7%	2,5%	2,2%	4,9%	N/A
Colombia												
Department Stores	0,6%	11,9%	15,0%	9,9%	10,5%	9,8%	9,0%	9,5%	8,6%	9,1%	N/A	N/A
Home Improvement	-0,9%	4,6%	3,8%	7,7%	3,9%	7,8%	8,1%	8,1%	8,2%	8,1%	N/A	N/A
Argentina												
Department Stores	38,3%	36,7%	30,7%	27,2%	32,4%	20,2%	23,4%	36,1%	56,2%	35,8%	N/A	N/A
Home Improvement	25,6%	23,4%	26,4%	18,5%	23,2%	18,1%	13,5%	16,6%	36,8%	22,2%	N/A	N/A
Brazil												
Home Improvement	7,9%	-1,3%	-2,0%	8,8%	3,1%	8,1%	18,2%	11,8%	6,6%	10,8%	-3,6%	19,5%

In Chile, Department Stores remained 100% closed during the month of April, partially recovering their operations during May and June as segmented quarantines were lifted throughout the country, showing a SSS of -38% in June. The Supermarkets format managed to operate with almost the total number of stores throughout the quarter, as well as Home Improvement. Regarding the online channel and home delivery, there were no category restrictions for any of the retail formats.

In Peru, Department Stores were completely closed from mid-March to the end of June. Supermarkets and Home Improvement were affected by their opening and closing hours, with delayed hours according to the region, in addition to the restriction of operation on Sundays, which was lifted from June 29. In line with the above, there were no 100% operational stores comparable to the same quarter of last year. On the other hand, online sales were also affected, since there was no delivery authorization for any category except food, until the last week of April.

In Colombia, there were operating restrictions for Department Stores from the end of March to the end of May, reaching almost all of their operation at the end of June. SSS of Department Stores in June reached -13%. Home Improvement did not operate normally during March and most of April, managing to partially reopen its stores in the last two months of the second quarter.

In Argentina, the Department Stores format suffered a total closure during the months of March, April and the first half of May, operating partially during the rest of the quarter. For its part, Home Improvement did not have operations during March and the beginning of April, reaching almost the total opening of its stores for the rest of the quarter.

¹⁴ All growths are in nominal terms and have been calculated in each country's local currency. In Argentina they are net of the gross income tax (IIBB).

¹⁵ Nominal sales growth per location incorporates online channel sales (where such operation exists).

¹⁶ The SSS calculation does not consider stores that have significant changes, with the comparable period, in their sales area, either due to remodeling, expansions, reductions or closings.

¹⁷ Where it says "N/A", means that the metric is not applicable, considering the closure of physical stores during the second half of March due to the health emergency in the región.

Second Quarter Results 2020

 Number of Stores and Sales Area of Retail Businesses ^{18, 19,19}

	June 2019		June 2020	
	Sales Area (m ²)	Stores (#)	Sales Area (m ²)	Stores (#)
Chile				
Department Stores	339.652	47	326.706	47
Home Improvement	774.547	90	776.067	89
Supermarkets	222.475	68	228.826	70
Peru				
Department Stores	174.731	29	178.326	29
Home Improvement	362.128	56	376.265	55
Supermarkets	246.858	71	266.134	78
Colombia				
Department Stores	176.236	25	190.604	26
Home Improvement	385.956	40	386.256	40
Argentina				
Department Stores	57.082	10	56.890	10
Home Improvement	94.073	9	94.073	9
Brazil				
Home Improvement	165.094	53	173.228	53
Uruguay				
Home Improvement	24.849	3	24.849	3
México				
Home Improvement	34.520	3	65.628	6
Total Stores	3.058.200	504	3.126.772	515

 Number of Shopping Malls and GLA of Real Estate Operators ^{20, 21}

	June 2019		June 2020	
	GLA (m ²)	Shopping Malls (#)	GLA (m ²)	Shopping Malls (#)
Chile				
Mallplaza	1.361.000	17	1.374.000	17
Open	200.000	9	212.000	9
Peru				
Mallplaza	208.000	3	206.000	3
Open	321.000	11	318.000	11
Colombia				
Mallplaza	77.000	2	122.000	3
Total Real Estate	2.166.260	42	2.232.405	43

¹⁸ The sales area includes the checkout line. In the case of Tottus, it represents approximately 8% of the surface. This definition may differ from how it is measured by other market players and has implications for sales/m2 comparison.

¹⁹ Since 2Q20, excludes Stand Alone stores of own brands (Crate & Barrel in Peru and Colombia)

²⁰ Falabella, through its subsidiaries, also owns approximately 1,000,000 m2 of additional leasable space in free standing locations of Falabella, Sodimac, Tottus, Maestro and others.

²¹ Open considers Power Centers and Shopping Centers (locations where there are two anchor stores and smaller premises) different from those operated by Mallplaza. It does not consider Autoplaza as a separate shopping center.

Average Collection Period²², Average Payment Period and Days of Inventory²³

Chile

	Dep. Stores		Home Improv.		Supermarkets		Plaza S.A.	
	2Q19	2Q20	2Q19	2Q20	2Q19	2Q20	2Q19	2Q20
Average Collection Period	15,6	15,7	18,2	20,8	3,9	8,9	29,0	33,0
Average Payment Period	56,6	89,7	22,2	61,3	46,5	42,4	NM	NM
Days of inventory	111,2	170,0	78,8	91,3	52,2	46,9	NM	NM

International Operations²⁴

	Peru		Argentina		Colombia		Brazil	
	2Q19	2Q20	2Q19	2Q20	2Q19	2Q20	2Q19	2Q20
Average Collection Period	4,0	4,5	14,0	16,9	9,6	4,8	33,1	53,2
Average Payment Period	51,3	80,3	63,2	132,9	61,2	91,1	95,5	104,6
Days of inventory	98,9	166,9	91,7	212,8	118,7	161,0	168,7	105,2

²² Collection days do not include accounts receivable from retail formats (department stores, home improvement and supermarkets) with Promotora CMR.

²³ Average collection days (does not include Plaza S.A.): Commercial Debtors and Other Accounts Receivable, Current (net) * 90 / Ordinary Income
Average collection for Plaza S.A. corresponds to the days of collection.

Average payment: Commercial Creditors and Other Accounts Payable, Current * 90 / Cost of sales.

Inventory Turnover: Inventories (net) * 90 / Cost of sales.

²⁴ Indicators include retail operations only, except Peru, which includes the two Maestro real estate companies.

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