

BANCO FALABELLA



JUAN MANUEL MATHEU

Paving the Way to Become the
#1 Digital Bank in Our Markets

FALABELLA



+ falabella.com

SODIMAC

TOTTUS

mallplaza

Banco Falabella

INVESTOR

DAY 2024

Our aspiration is to become the #1 digital bank in the countries where we operate

23.5 B
US\$ credit / debit card purchases (LTM)

6.5 B
US\$ loan portfolio

76%
Active App Users

0.5 million



1.7 million



1.6 million



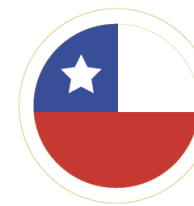
4.0 million



7.8 million
active customers



Our strategy has outperformed the market



Credit Cards

(# '000; Aug-24)

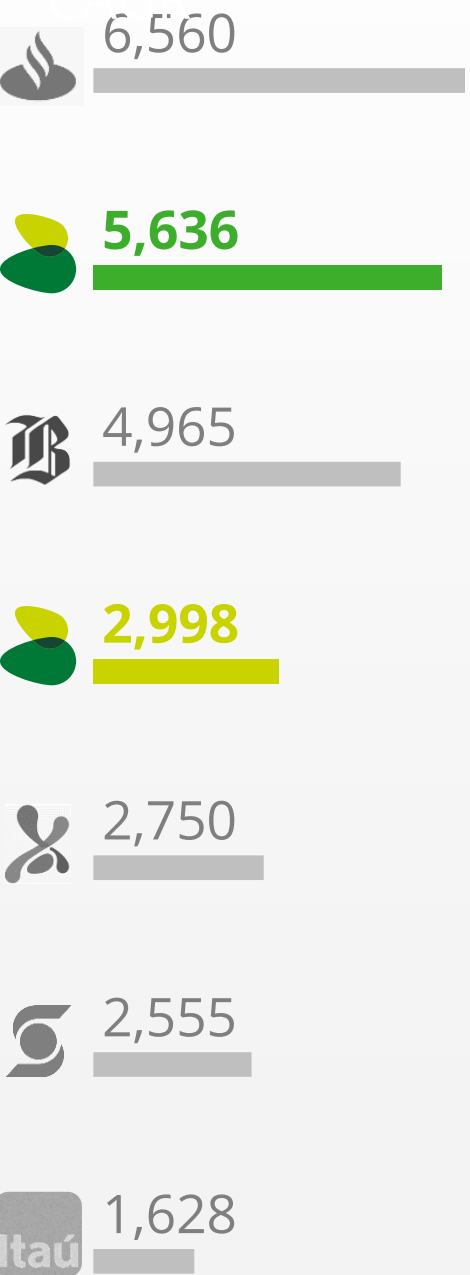
1% CAGR



Credit Card Purchases

(\$MMM; Aug-24 YTD)

+17% CAGR



Current Accounts

(# '000; Sep-24)

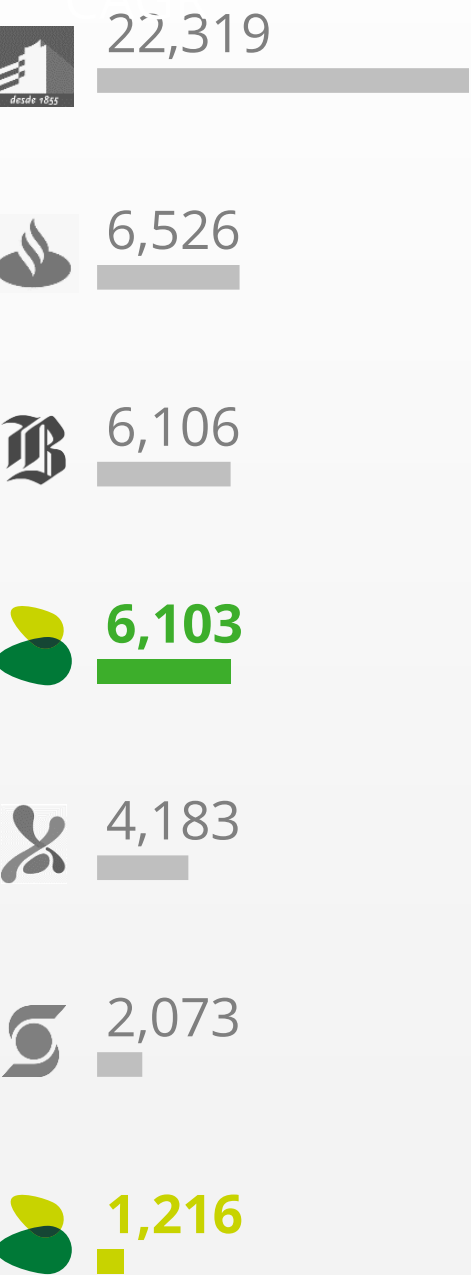
+40% CAGR



Debit Card Purchases

(\$MMM; Sep 24 YTD)

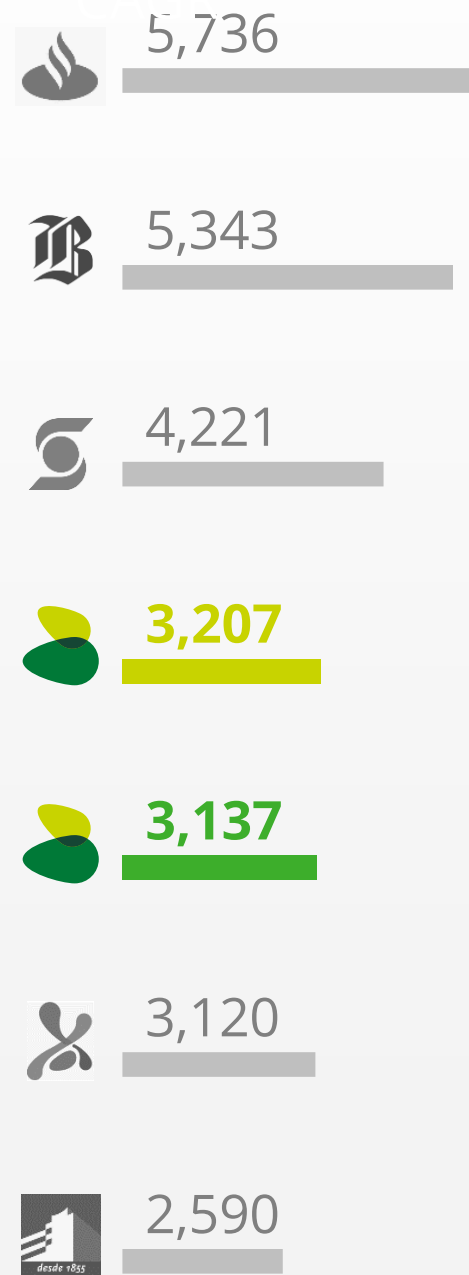
+38% CAGR



Consumer Loans

(\$MMM; Sep-24)

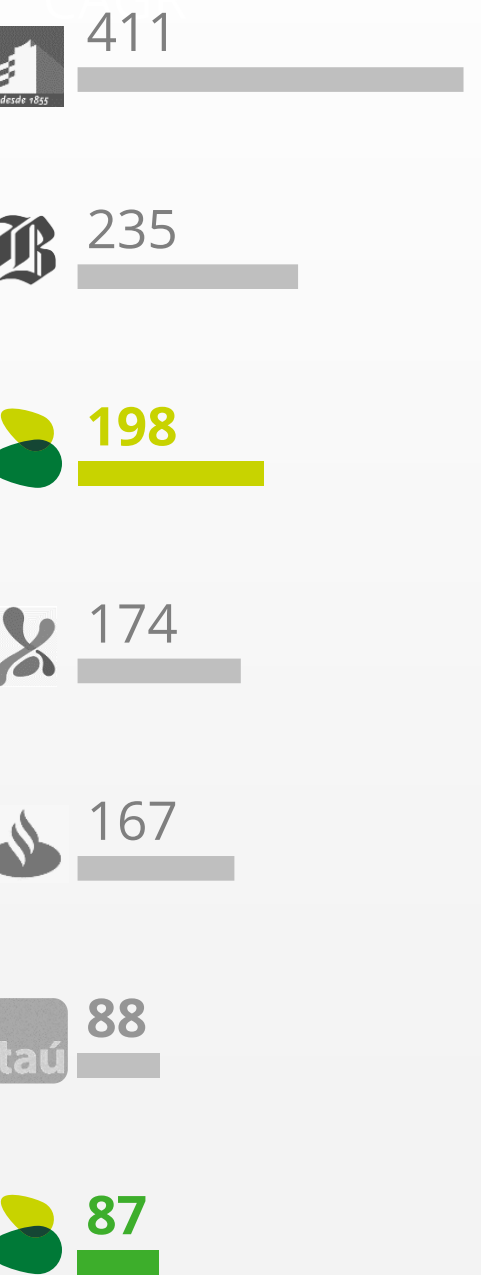
0% CAGR



Branches

(#, Sep-24)

-15% CAGR



2024 v/s 2019

Our strategy is suited to deliver profitable growth

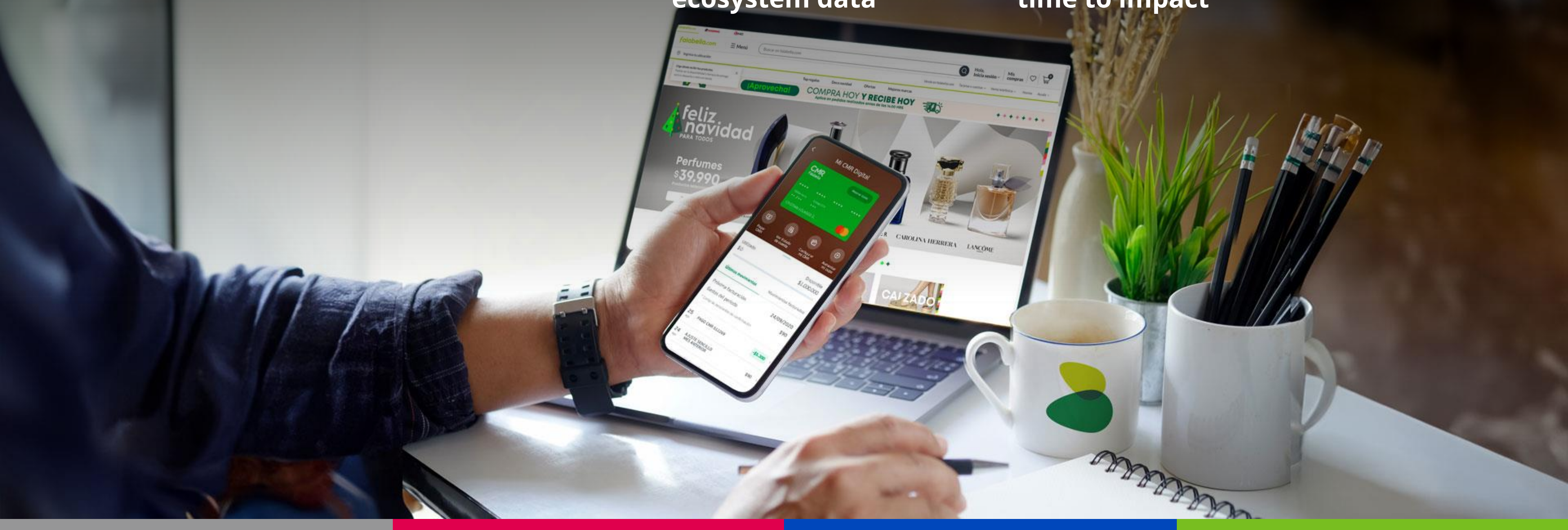
A mobile-first experience with a strong presence in our high-traffic retail stores

Simple, intuitive products enhanced by the best benefits

Accurate risk prediction and personalized offers **leveraging ecosystem data**

Decoupled modular and API oriented architecture combined with an agile organization to **shorten time to impact**

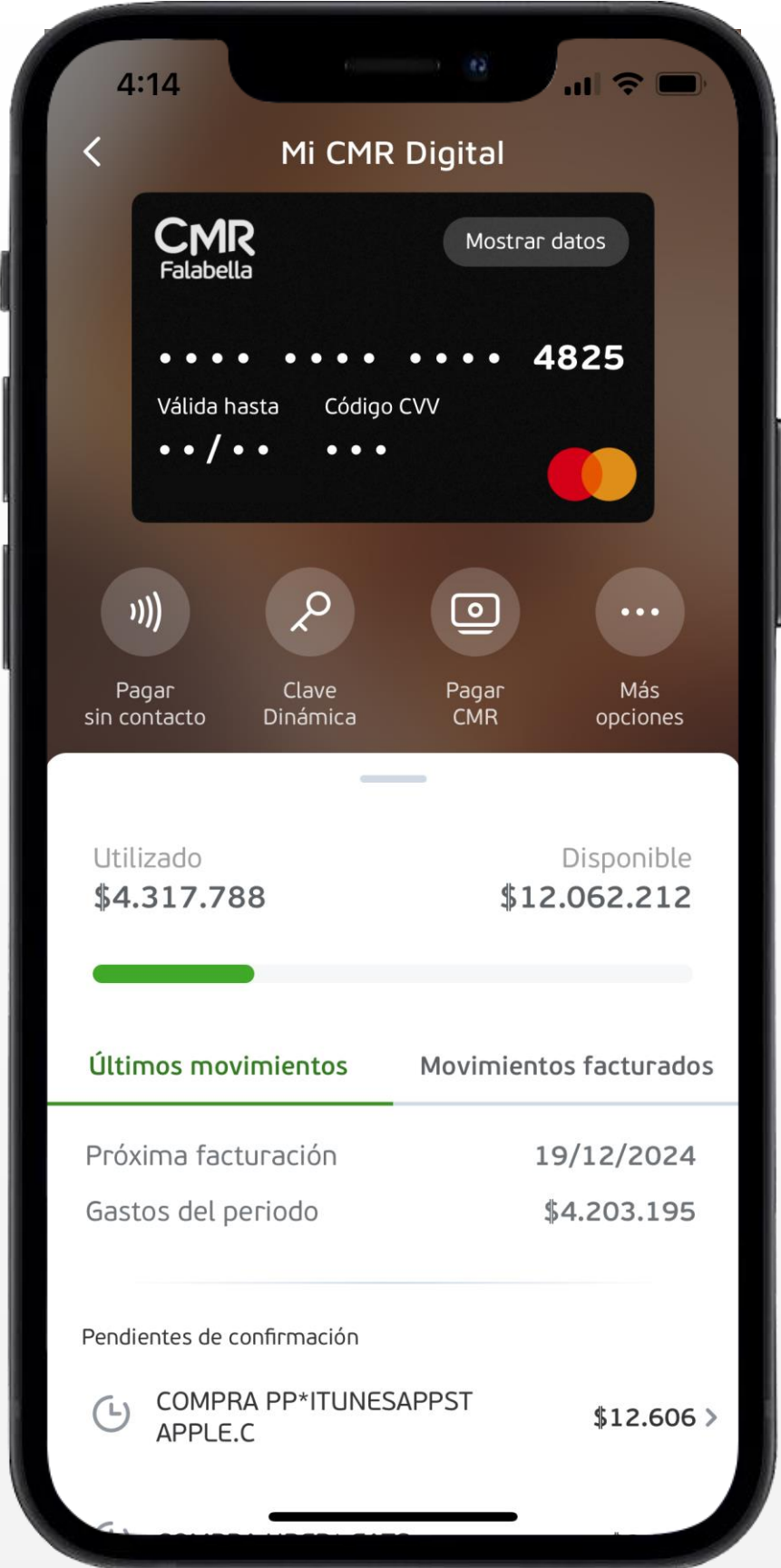
Low spending discipline



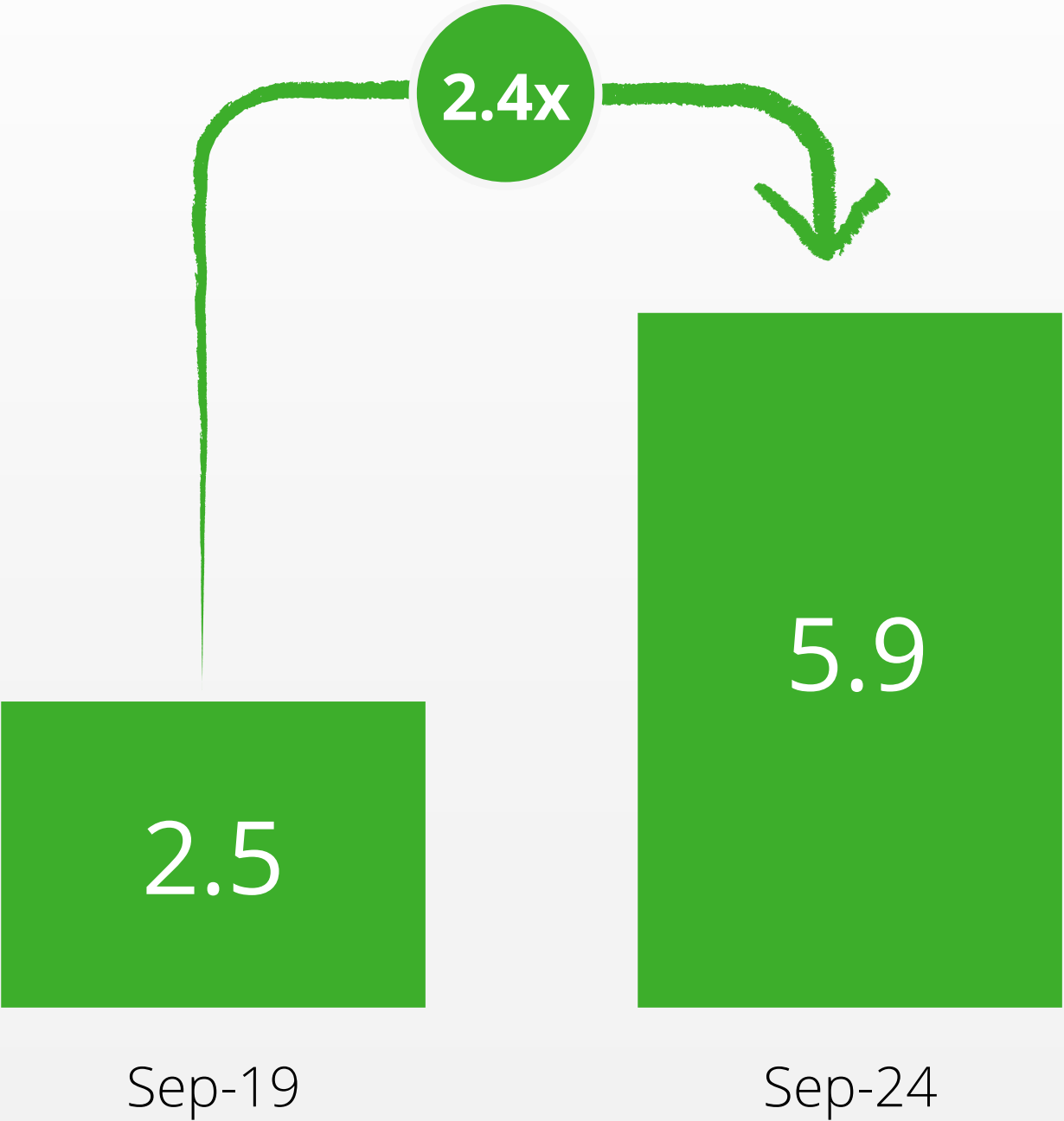
Mobile-first digital client journey with intuitive UX

Our app offers a wide range of features

- Instant credit card & account opening
- Immediate & simple transfers
- Loyalty point redemptions
- Personalized anti-fraud settings
- Frictionless cross-selling
- Debt payment alerts & refinancing **NEW**
- Contactless Payments (Apple Pay & Google Pay)



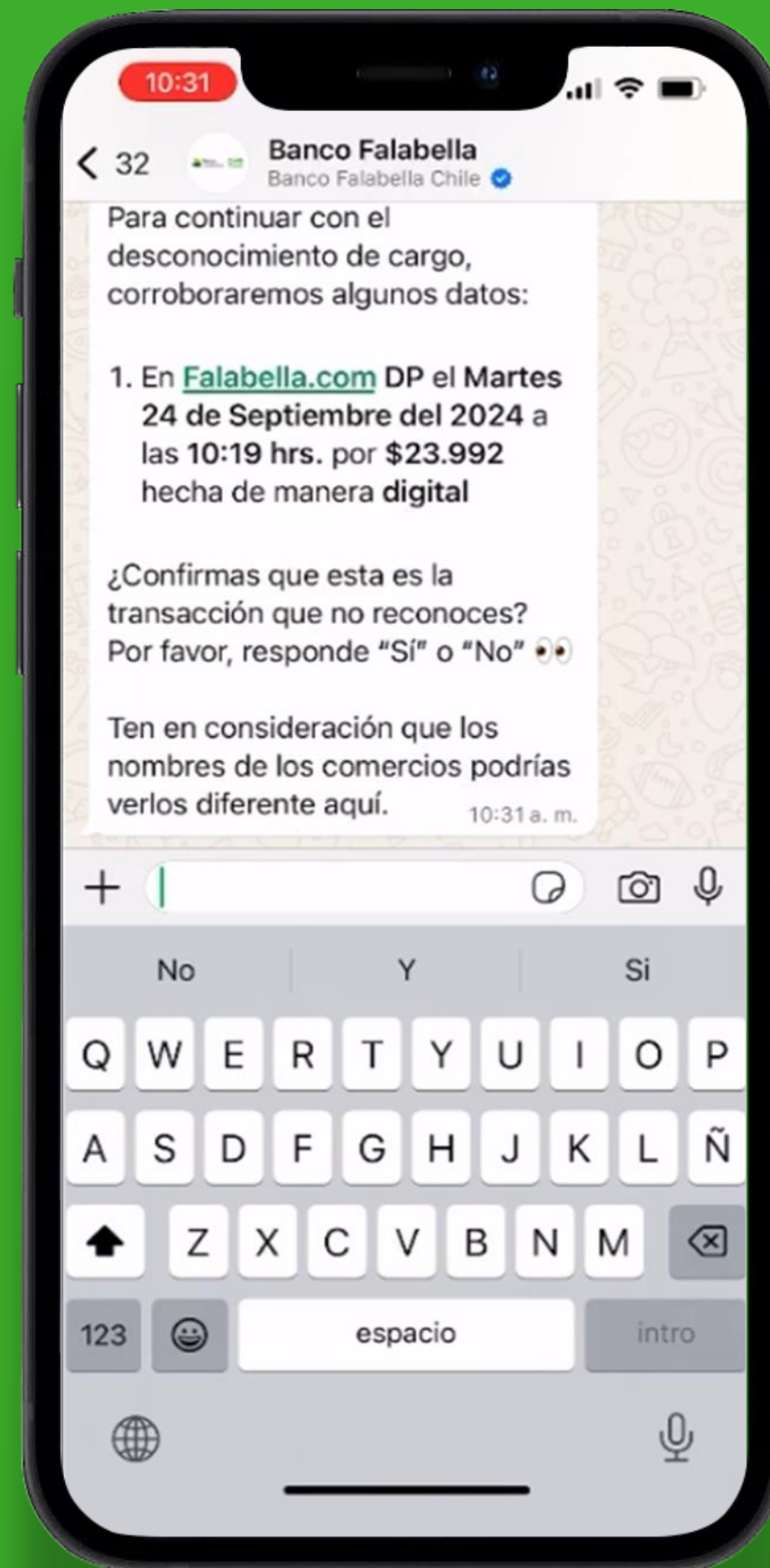
Driving a significant increase in our App Active Users (million)



Integrating AI into customer interactions

Gen AI Bot

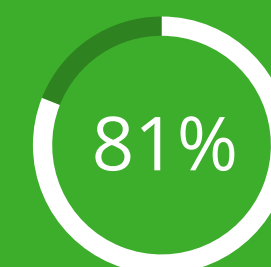
for transaction disputes that offer self-served interactions for 65% of the cases



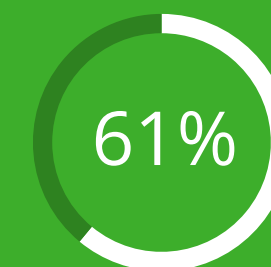
Impact

3K AI Interactions in the first month

+9.4 pp More accuracy than agents



Resolution

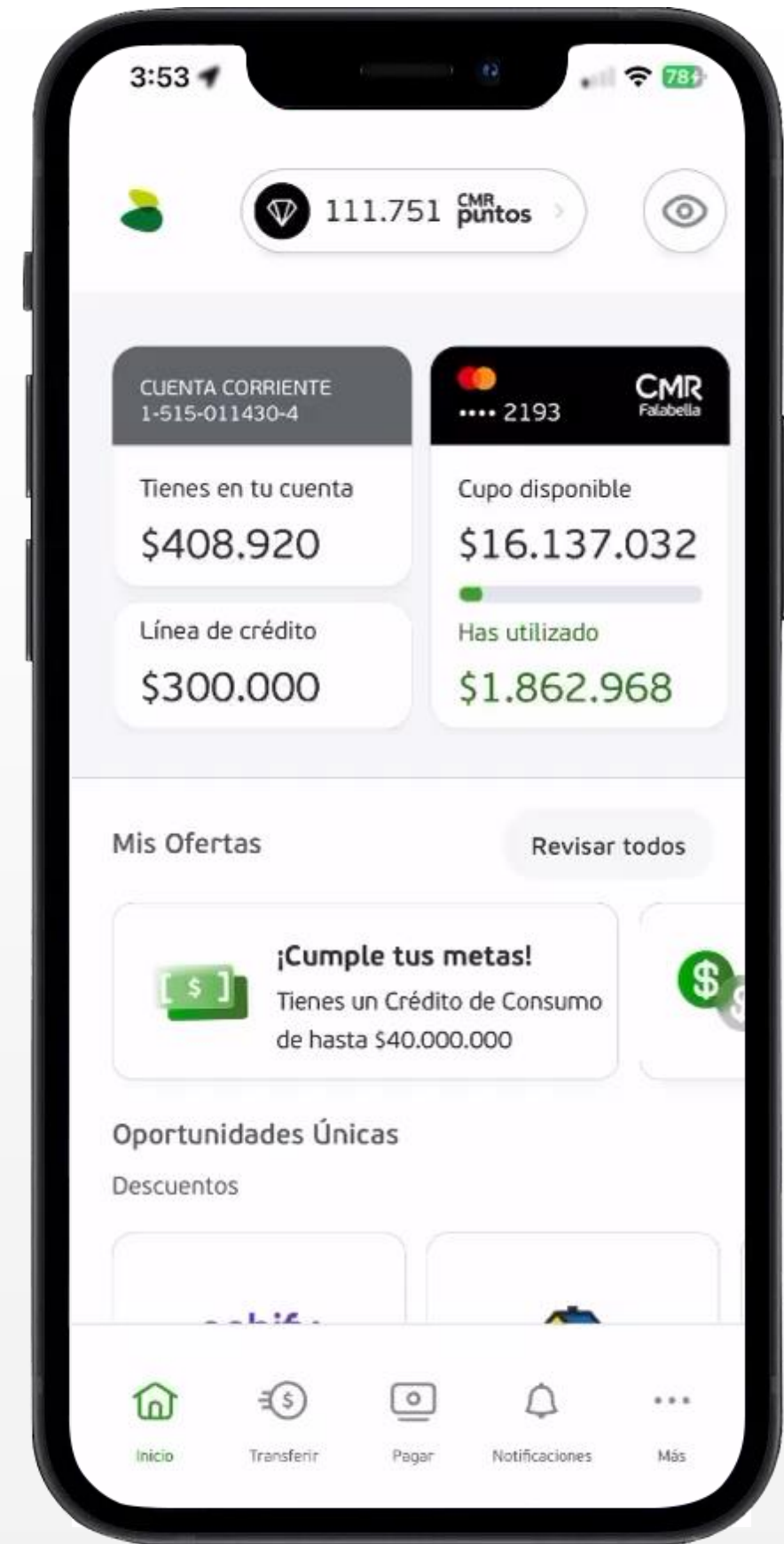


NPS Survey



FTE reduction

Our benefit-based value proposition drives primary usage across our payment methods

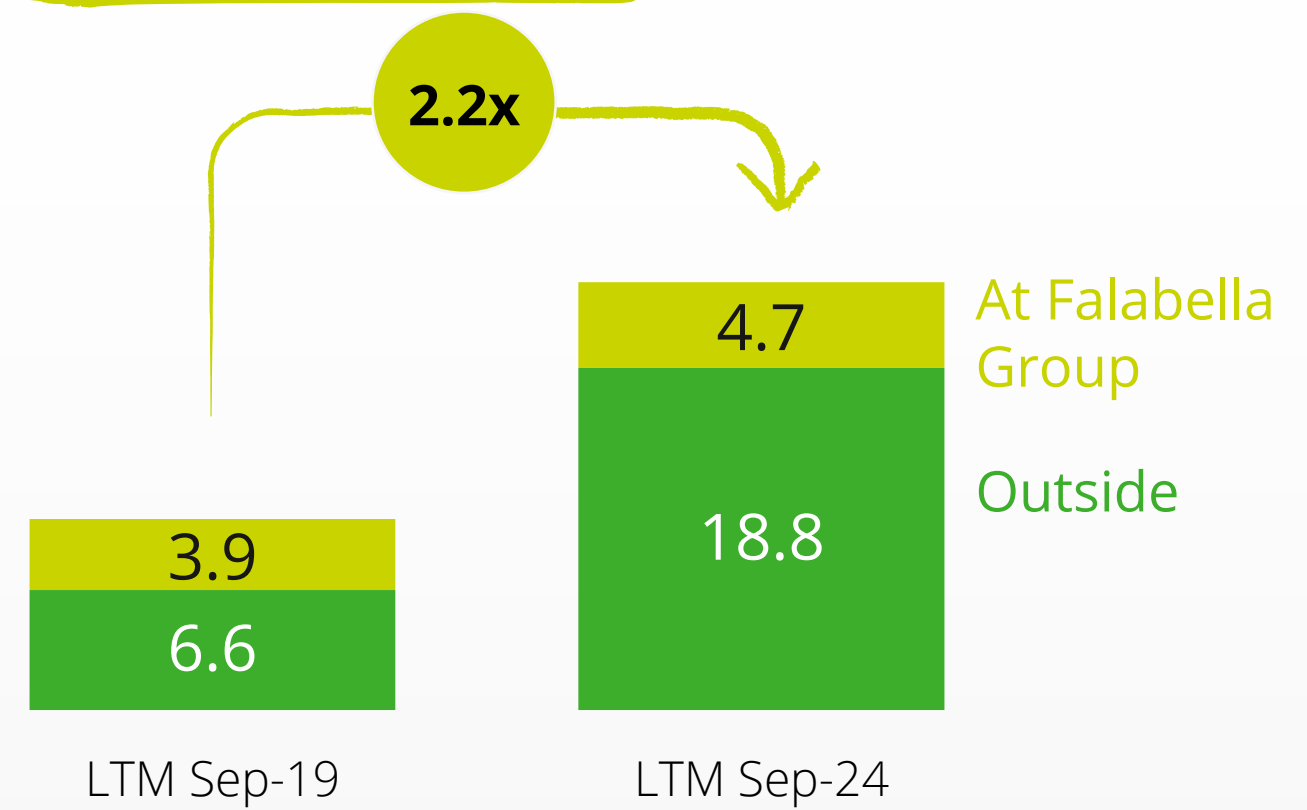


Promotions within Falabella ecosystem

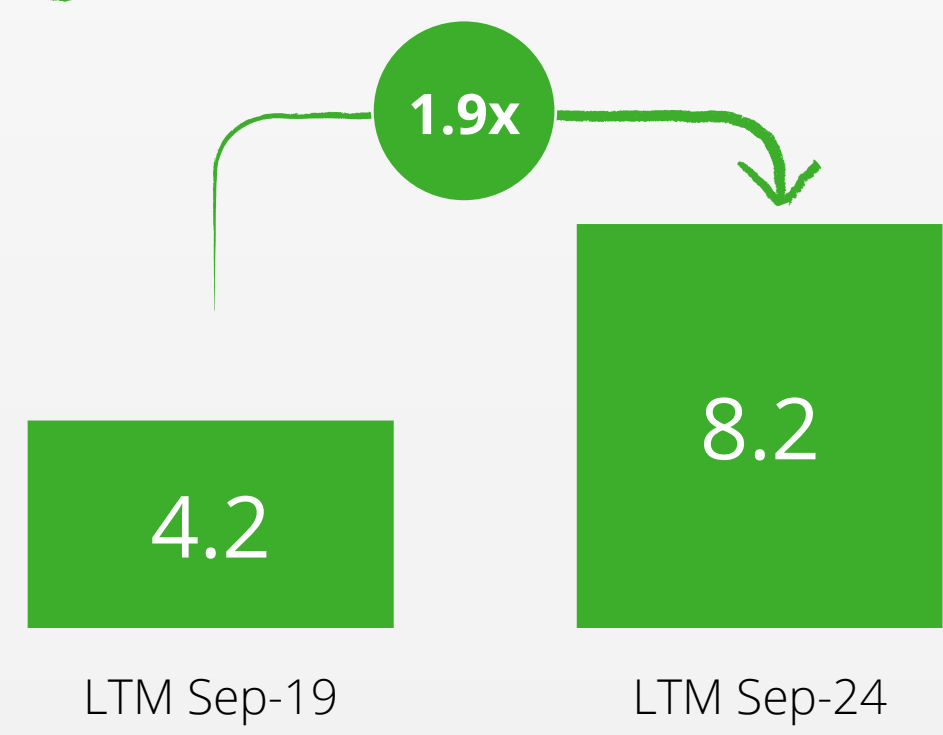
Promotions with business partners

Best loyalty program in the region

Card purchases (US\$ B)

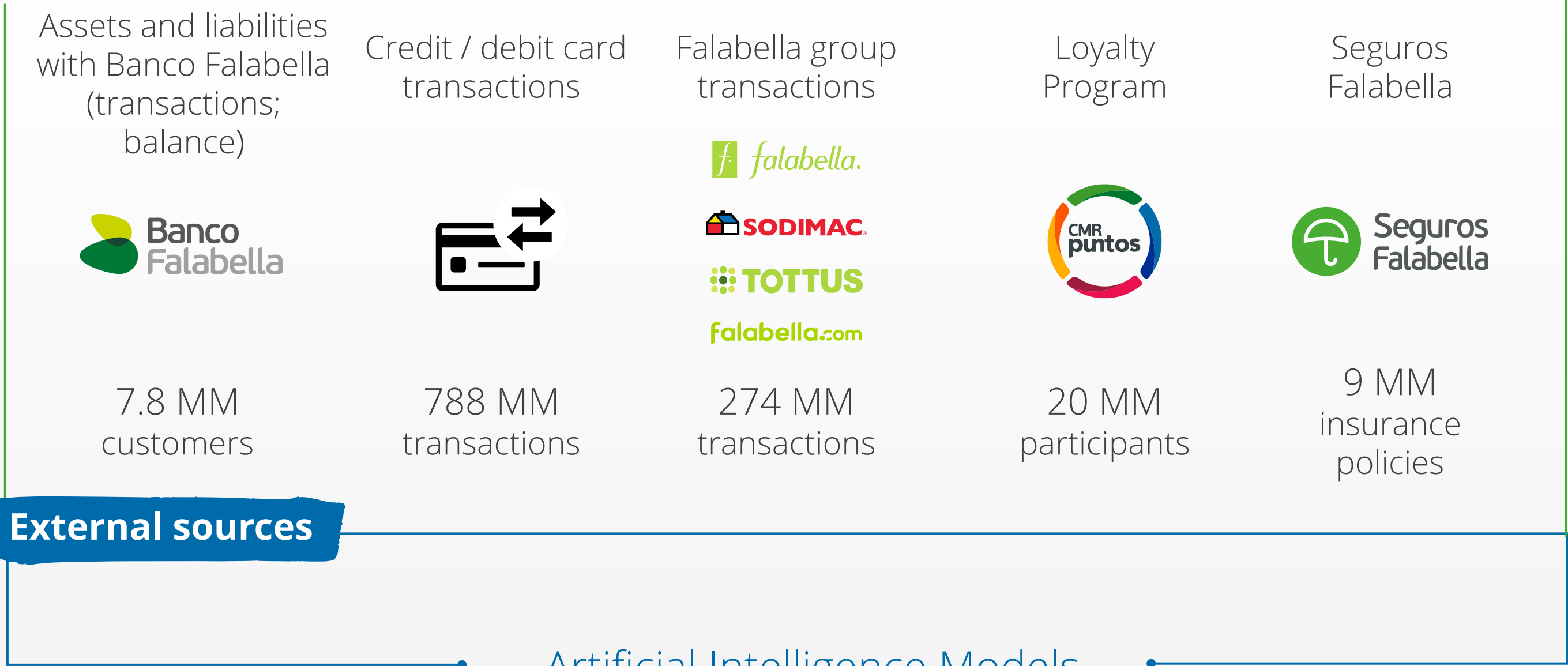


Monthly purchases by customer (#)



Leveraging our ecosystem data...

Ecosystem sources⁽¹⁾



Superior credit risk assessment

Solid fraud management

Low customer acquisition cost

Personalized offers

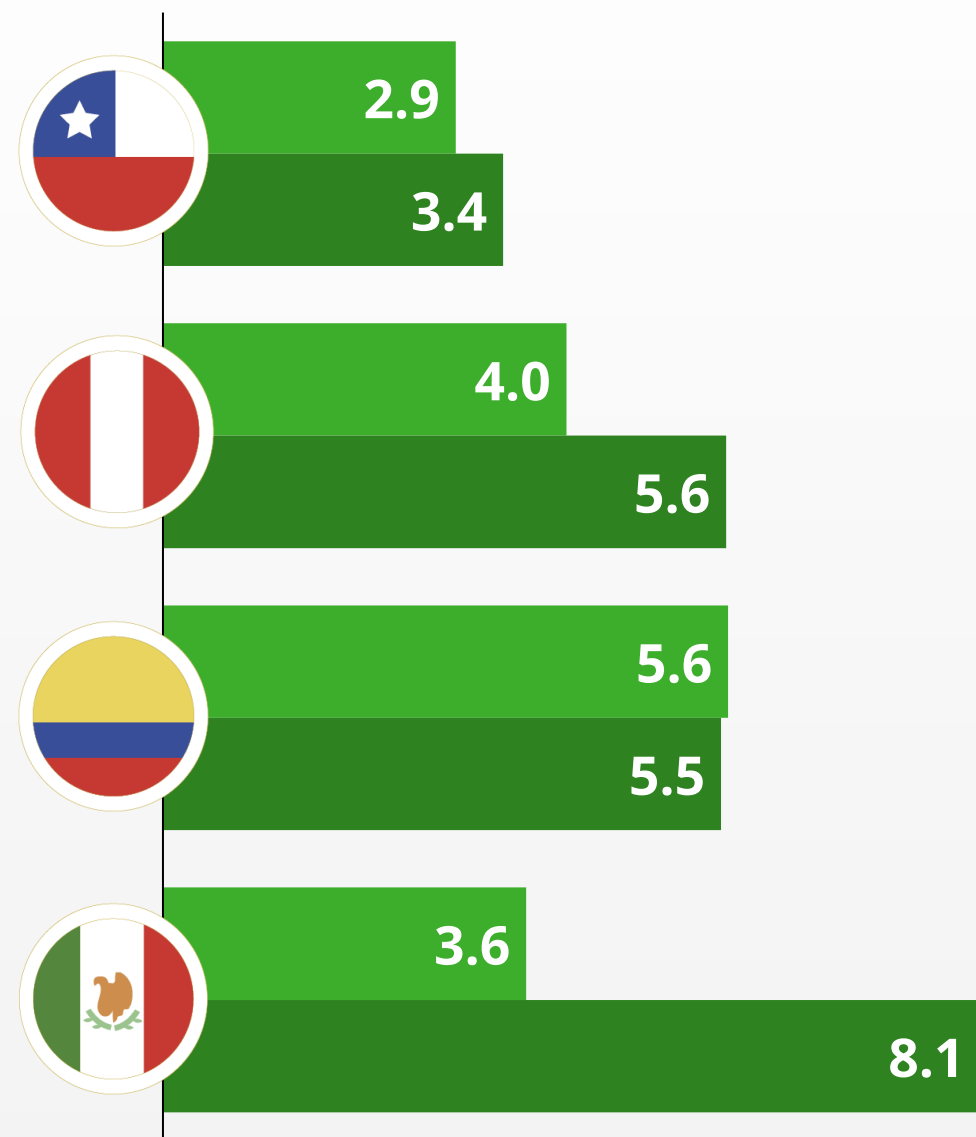
+15,000 variables in our model

(1) Customers, participants and policies as of September 2024. Transactions LTM as of September 2024.

... to drive impact

NPL

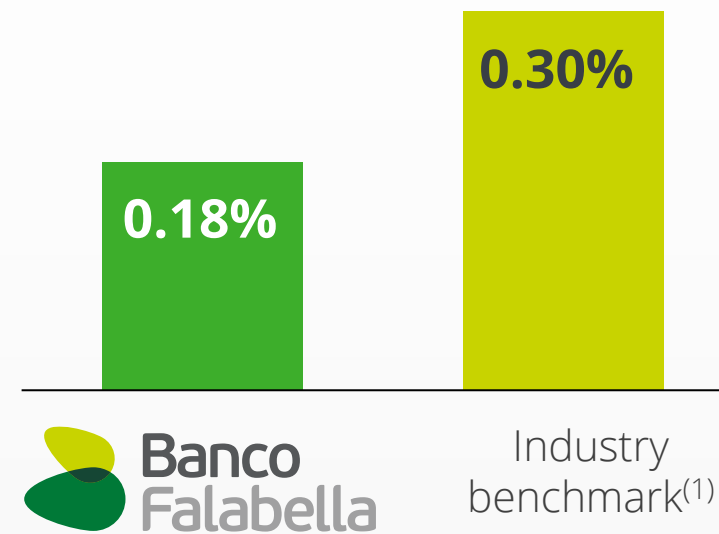
% loan book



Banco Falabella Peer Group⁽³⁾

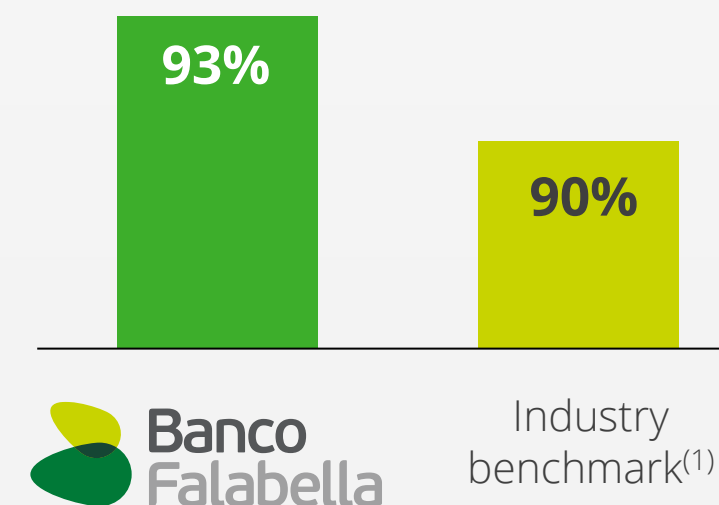
PSP fraud

% total payment volume



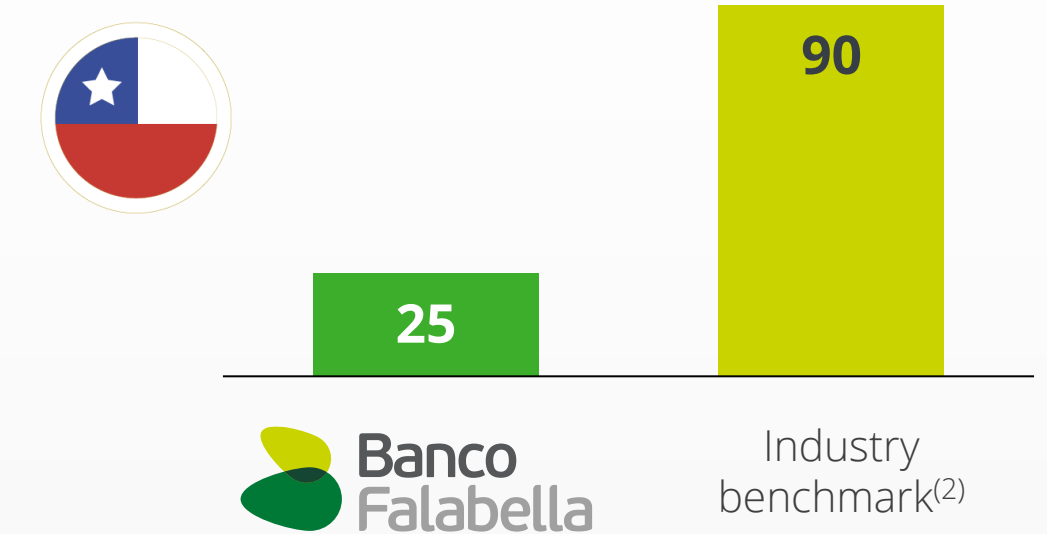
PSP acceptance rate

% transactions



Cost Per Acquisition

US\$ / new credit card active customer



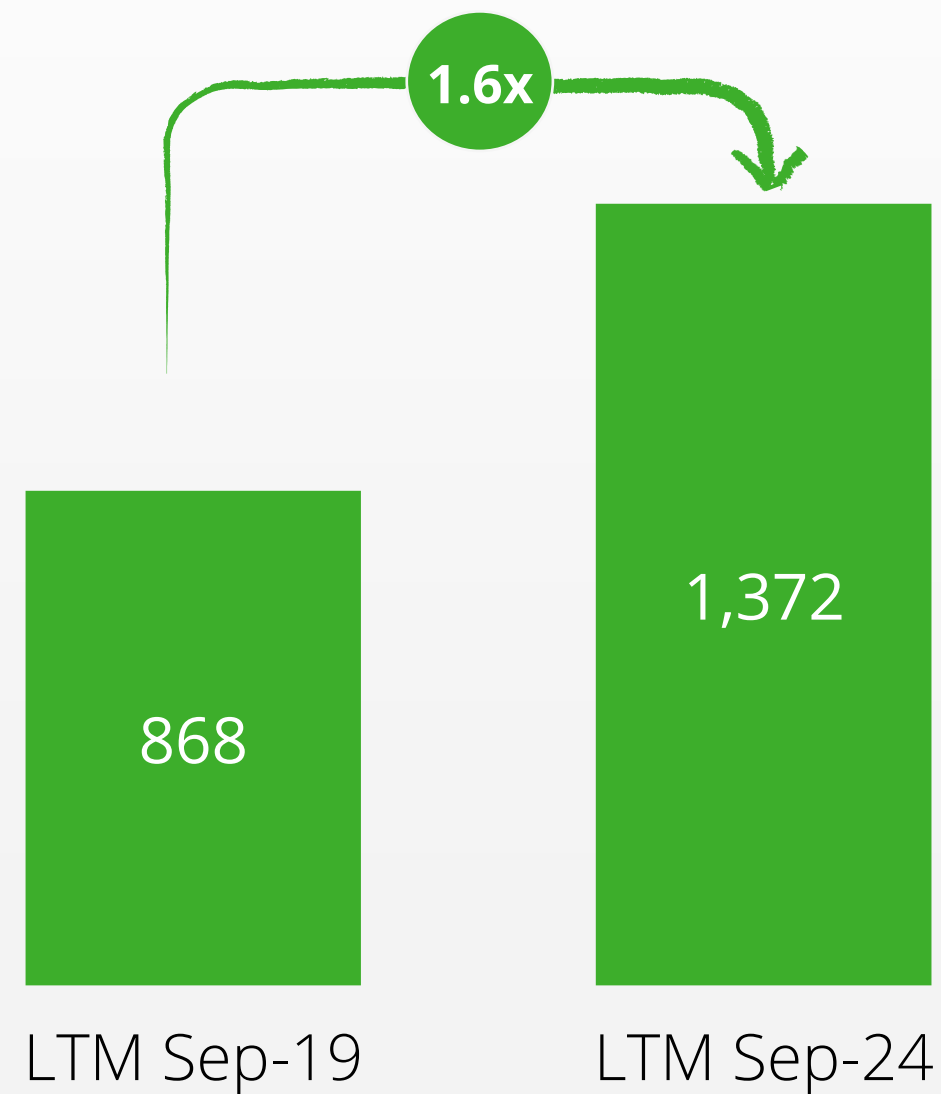
(1) Industry benchmark from BCG analysis in 2023.

(2) Industry benchmark from BCG analysis in 2024.

(3) Peer Group: Chile: BCI, Banco Estado, Ripley; Colombia: Serfinanza, Tuya; Peru: Ripley, Financiera Oh!, Cencosud; Mexico: Nubank.

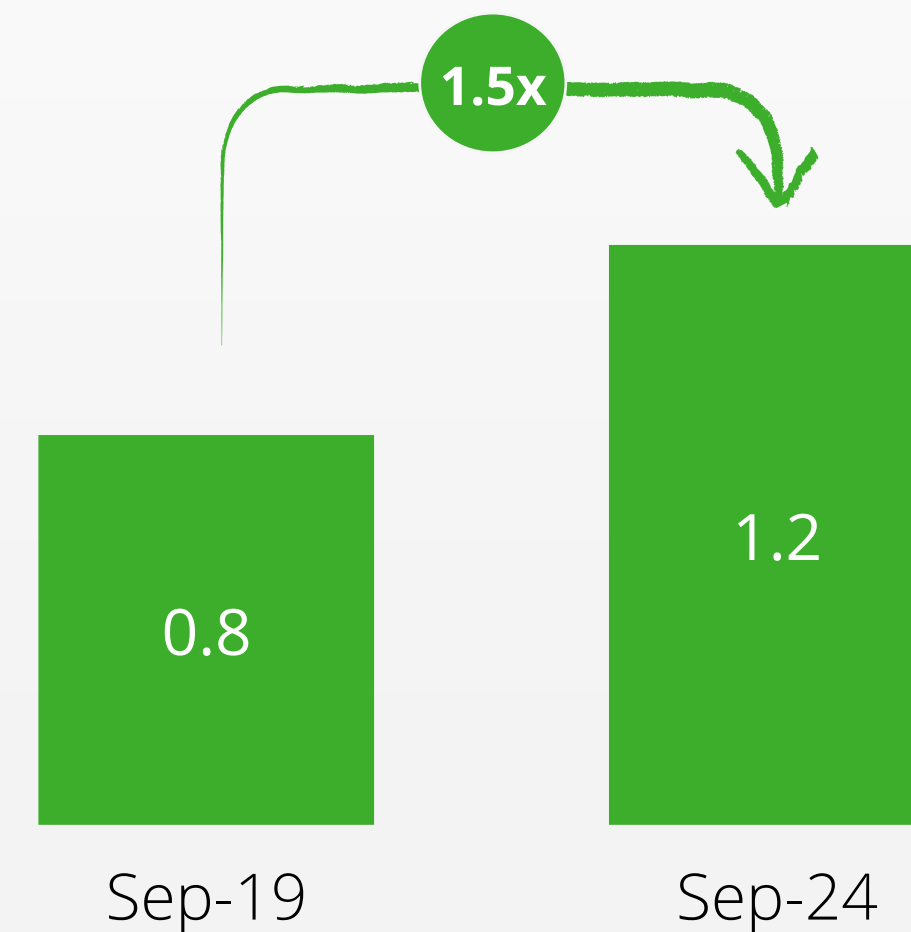
Contained expenditure to drive financial efficiency

Active customers/FTE



Loan Portfolio/FTE

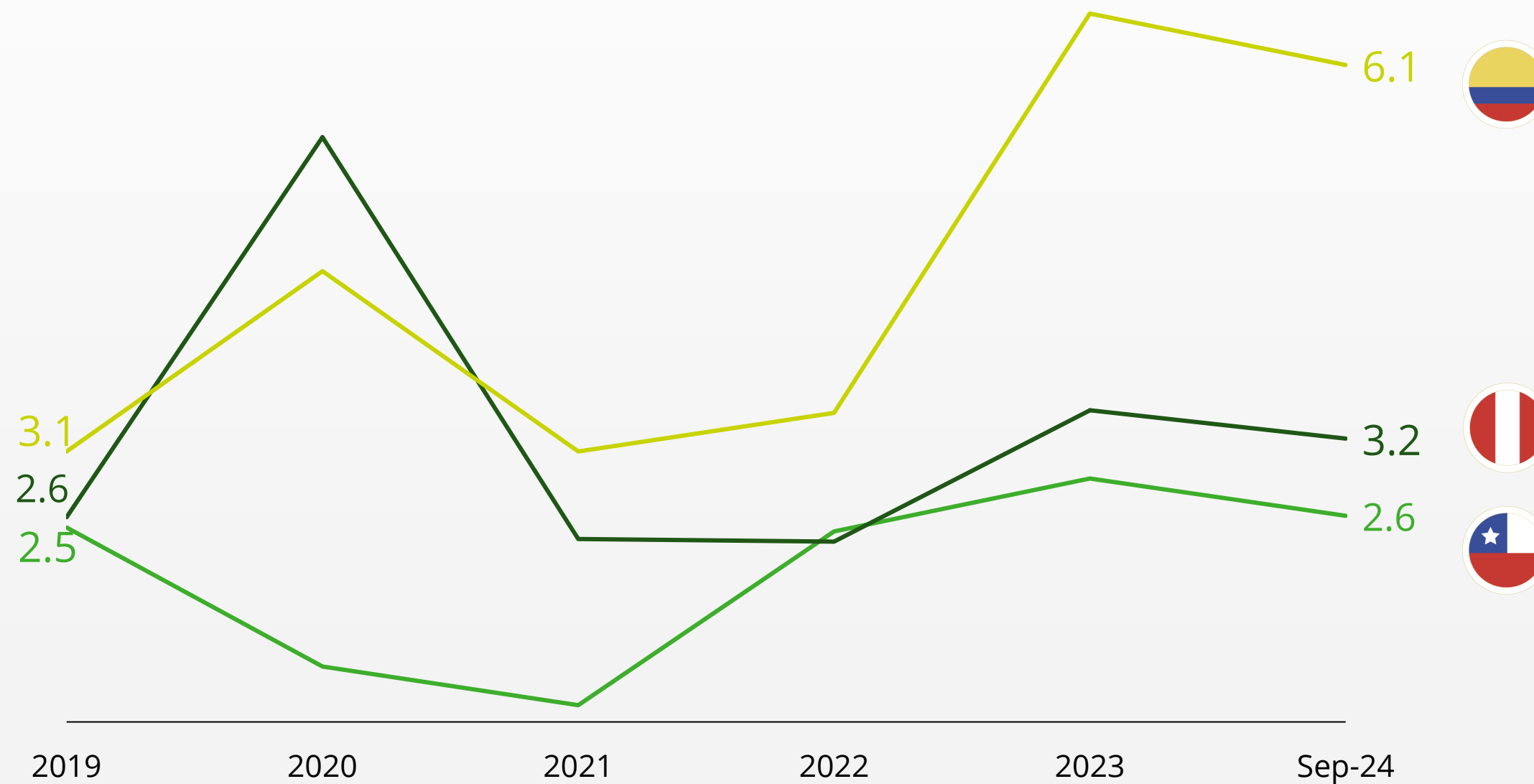
(US\$ MM)



...and in the industry, we are beginning to observe more stable and 'normal' consumer credit delinquency rates across the region

Industry NPL

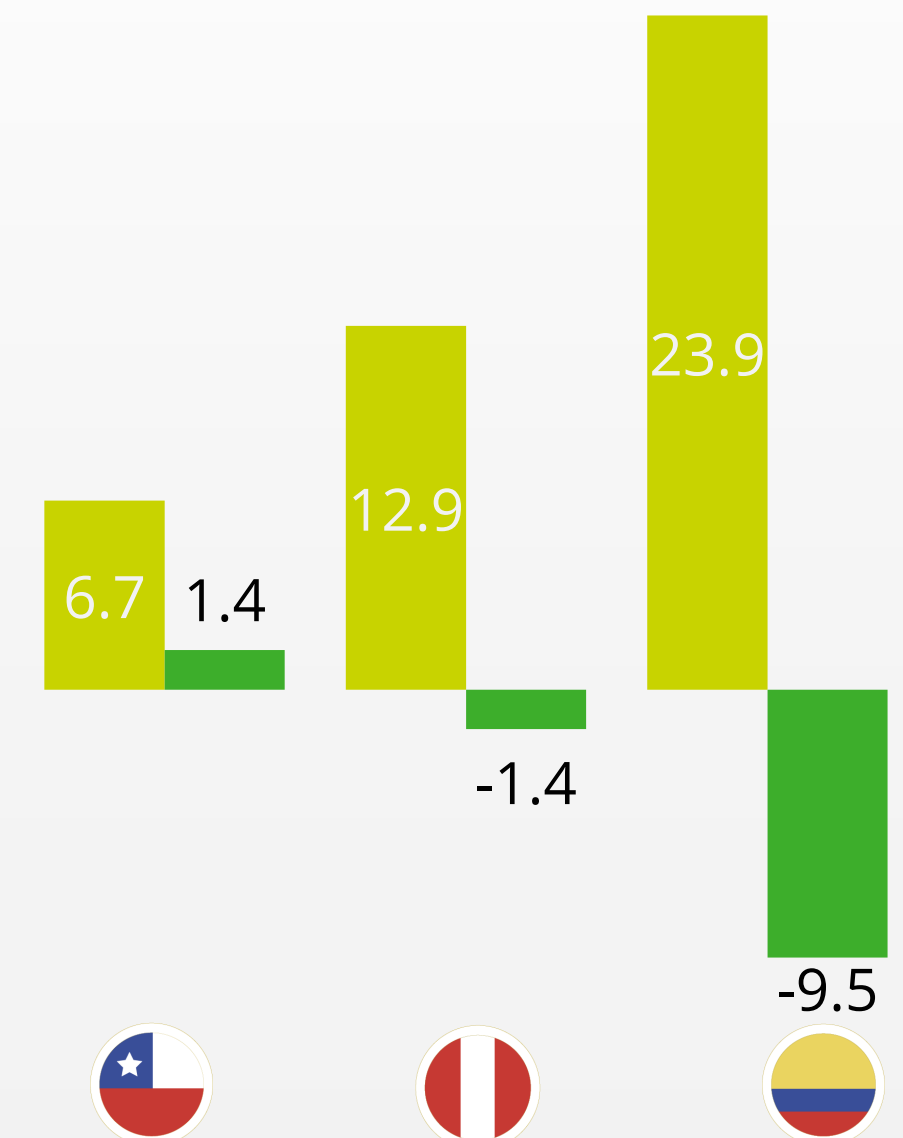
% consumer loan book



Industry consumer loan growth

YoY %

2019 / 2024

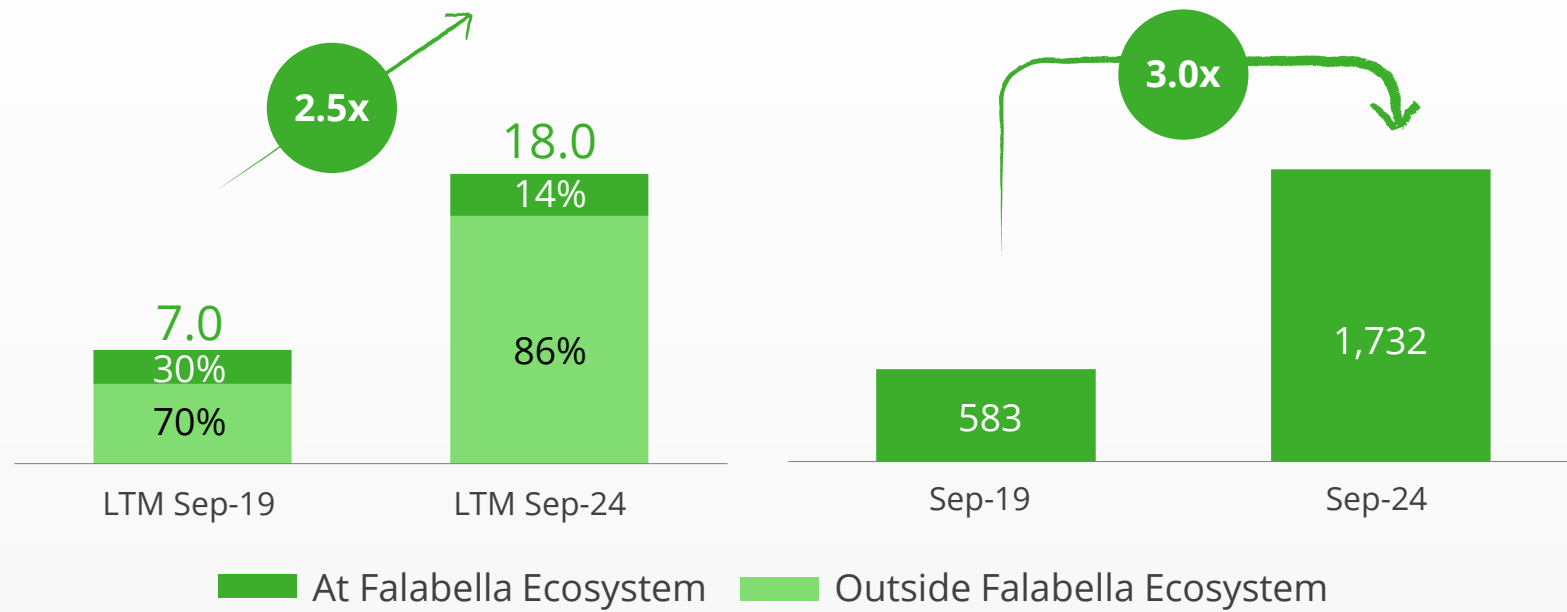


We are well positioned to grow in the countries we operate...

Becoming our customers' primary bank

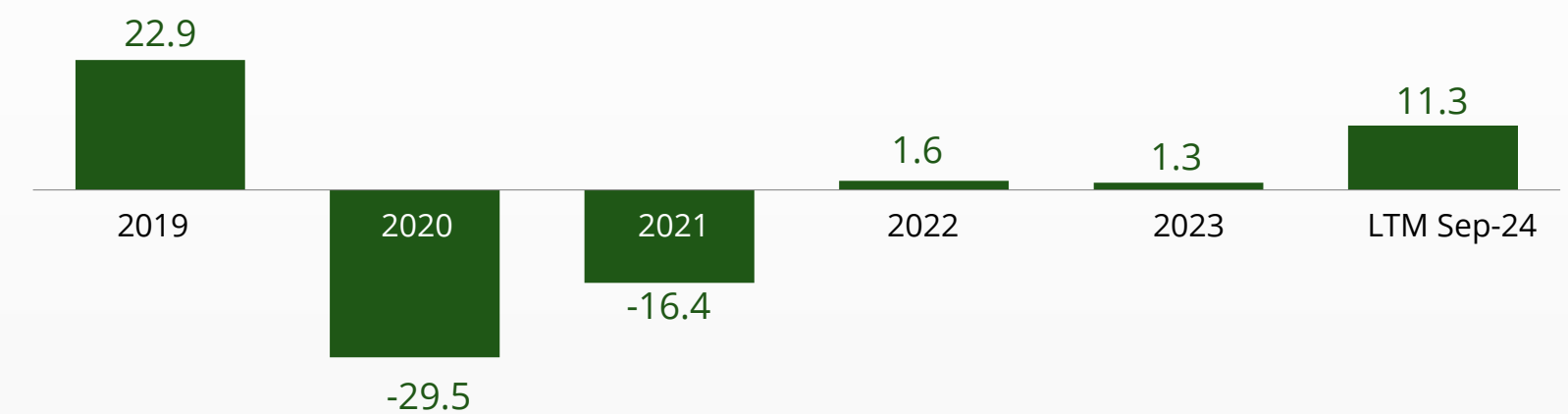
Credit and debit card purchases (US\$ B)

Sight Deposits (US\$ MM)



Profitability recovery enables future growth

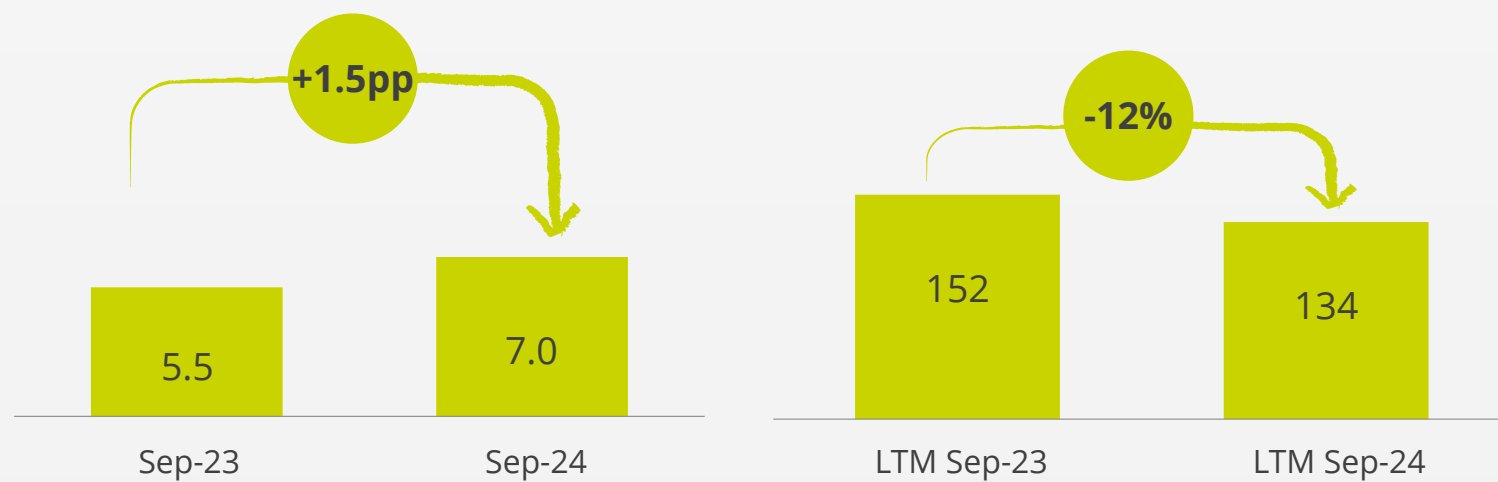
Net Income (US\$ MM)



Business model redefinition

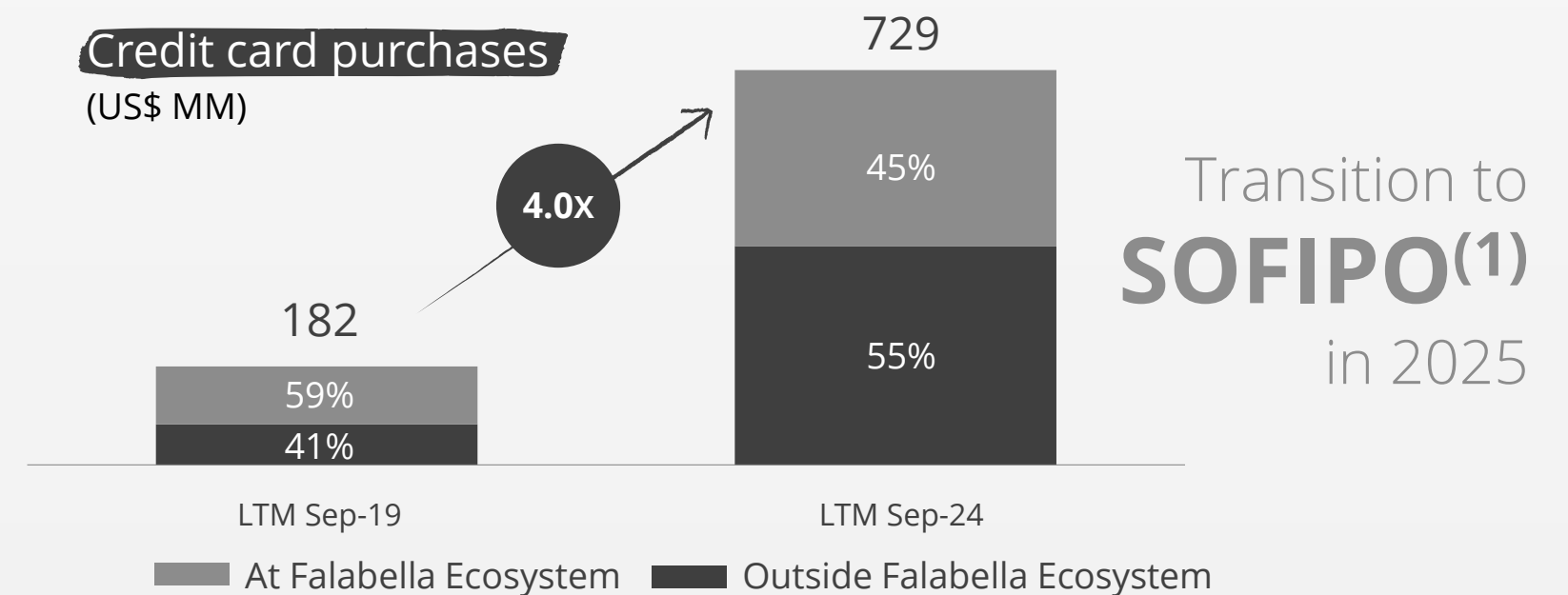
% fee revenue/ loan book

Operating expenses (US\$ MM)



Continue growing our customer base and increasing our product offering

Credit card purchases (US\$ MM)

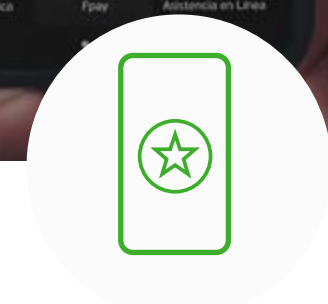


(1) Sociedades Financieras Populares of Mexico" that allows Falabella Soriana to hold customer deposits.

Key takeaways



Our value proposition has **traction among customers**



Our customer base, benefits and ecosystem data generate a **distinctive competitive advantage**



A more **stable credit risk** context will allow us to **accelerate loans growth**

We are well positioned to grow in the countries we operate