Almacenes Éxito S.A.

Consolidated financial statements

At December 31, 2019 and at December 31, 2018

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Almacenes Éxito S.A.
Certification by the Parent's Legal Representative and Head Accountant

Envigado, February 17, 2020

We, the undersigned Legal Representative and Head Accountant of Almacenes Éxito S.A., Parent company, each of us duly empowered and under whose responsibility the accompanying financial statements have been prepared, do hereby certify that regarding the consolidated financial statements of the Parent and its subsidiaries, at December 31, 2019 and at December 31, 2018, the following assertions therein contained have been verified prior to making them available to you and to third parties:

1. All assets and liabilities included in the consolidated financial statements do exist, and all transactions included in such consolidated financial statements have been achieved during the annual periods ended December 31, 2019 and December 31, 2018.

2. All economic events achieved by the Parent and its subsidiaries during the annual periods ended December 31, 2019 and December 31, 2018, have been recognized in the consolidated financial statements.

3. Assets represent likely future economic benefits (rights) and liabilities represent likely future economic sacrifice (obligations) obtained by or in charge of the Parent and its subsidiaries at December 31, 2019 and December 31, 2018.

4. All items have been recognized at proper values.

5. All economic events affecting the Parent and its subsidiaries have been properly classified, described and disclosed in the consolidated financial statements.

We do certify the above assertions pursuant to section 37 of Law 222 of 1995.

Further, the undersigned legal representative of Almacenes Éxito S.A., Parent company, does hereby certify that the consolidated financial statements and the operations of the Parent and its subsidiaries at December 31, 2019 and at December 31, 2018, are free from fault, inaccuracy or misstatement that prevent users from having a true view of its financial position.

This certification is issued pursuant to section 46 of Law 964 of 2005.

Carlos Mario Giraldo Moreno	Jorge Nelson Ortiz Chica
Parent's Legal Representative	Parent's Head Accountant
	Professional Card 67018-T

Almacenes Éxito S.A.
Consolidated statements of financial position
At December 31, 2019 and at December 31, 2018
(Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2019	December 31, 2018 (1)	December 31, 2017 (2)
Current assets				
Cash and cash equivalents	7	2,562,674	5,973,680	5,281,618
Trade receivables and other accounts receivable	8	379,921	1,000,267	1,172,380
Prepaid expenses	9	43,351	143,889	132,430
Accounts receivable from related parties	10	55,044	131,720	230,690
Inventories	11	1,900,660	6,720,396	5,912,514
Other financial assets	12	43,237	141,214	11,588
Tax assets	26	333,850	724,290	722,658
Non-current assets held for trading	48	37,928	23,572,841	23,642,095
Total current assets		**5,356,665**	**38,408,297**	**37,105,973**
Non-current assets				
Trade receivables and other accounts receivable	8	34,310	135,284	667,920
Prepaid expenses	9	9,631	14,751	13,463
Accounts receivable from related parties	10	-	28,316	22,483
Other non-financial assets with related parties	10	15,000	-	30,000
Other financial assets	12	48,329	754,065	767,772
Property, plant and equipment, net	13	3,845,092	12,317,515	12,486,938
Investment property, net	14	1,626,220	1,633,625	1,496,873
Use rights, net	15	1,303,648	5,141,400	4,692,922
Goodwill	16	2,929,751	5,436,868	5,559,953
Intangible assets other than goodwill, net	17	304,215	5,199,801	5,502,689
Investments accounted for using the equity method	18	210,487	804,400	811,504
Tax assets	26	-	2,302,451	1,575,743
Deferred tax assets	26	177,269	133,991	2,105,550
Other non-financial assets		398	398	398
Total non-current assets		**10,504,350**	**33,902,865**	**35,734,208**
Total assets		**15,861,015**	**72,311,162**	**72,840,181**
Current liabilities				
Financial liabilities	20	616,822	2,291,116	1,861,062
Employee benefits	21	2,978	3,657	3,464
Other provisions	22	14,420	36,997	29,329
Accounts payable to related parties	23	80,995	236,698	212,656
Trade payables and other accounts payable	24	4,662,801	13,117,074	12,565,146
Lease liabilities	25	222,177	858,349	785,444
Tax liabilities	26	72,910	298,699	289,376
Other financial liabilities	27	114,871	1,037,191	645,363
Other non-financial liabilities	28	118,240	338,735	275,210
Non-current liabilities held for trading	48	-	19,618,293	19,550,480
Total current liabilities		**5,906,214**	**37,836,809**	**36,217,530**
Non-current liabilities				
Financial liabilities	20	43,531	4,633,554	3,940,584
Employee benefits	21	20,920	27,680	28,538
Other provisions	22	18,998	2,330,648	2,457,220
Trade payables and other accounts payable	24	114	40,720	47,831
Lease labilities	25	1,308,054	4,577,359	4,650,359
Deferred tax liabilities	26	116,503	1,409,857	3,456,966
Tax liabilities	26	800	397,014	521,870
Other financial liabilities	27	370	2,583,089	2,302,008
Other non-financial liabilities	28	669	11,963	51,761
Total non-current liabilities		**1,509,959**	**16,011,884**	**17,457,137**
Total liabilities		**7,416,173**	**53,848,693**	**53,674,667**
Shareholders' equity, see accompanying statement		**8,444,842**	**18,462,469**	**19,165,514**
Total liabilities and shareholders' equity		**15,861,015**	**72,311,162**	**72,840,181**

(1) Amounts include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. See Note 52 for a detail of adjustments applied and the comparison to the statement of financial position presented with the annual financial statements at December 31, 2018.

(a) Amounts shown to comply with the requirements of IAS 1 regarding retrospective adoption of a new accounting policy.

The accompanying notes are an integral part of the consolidated financial statements.

Carlos Mario Giraldo Moreno
Parent's Legal Representative
(See accompanying certificate)

Jorge Nelson Ortiz Chica
Parent's Head Accountant
Professional Card 67018-T
(See accompanying certificate)

Ángela Jaimes Delgado
Parent's Statutory Auditor
Professional Card 62183-T
Appointed by Ernst and Young Audit S.A.S. TR-530
(See report attached, dated February 17, 2020)

Almacenes Éxito S.A.
Consolidated statements of income
For the annual periods ended December 31, 2019 and December 31, 2018
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to December 31, 2019	January 1 to December 31, 2018 (1) (2) (3)
Continuing operations			
Revenue from ordinary activities under contracts with customers	31	15,293,083	14,870,027
Cost of sales	11	(11,338,977)	(10,989,579)
Gross profit		**3,954,106**	**3,880,448**
Distribution expenses	32	(1,673,462)	(1,660,580)
Administration and sales expenses	32	(329,244)	(281,546)
Employee benefit expenses	33	(1,232,813)	(1,243,510)
Other operating revenue	34	54,342	30,673
Other operating expenses	34	(85,428)	(66,634)
Other net (losses)	34	(13,314)	(4,156)
Profit from operating activities		**674,187**	**654,695**
Financial revenue	35	634,863	296,982
Financial expenses	35	(1,127,793)	(850,074)
Share of profits in associates and joint ventures accounted for using the equity method	36	(10,123)	40,516
Profit from continuing operations before income tax		**171,134**	**142,119**
Tax revenue (expense)	26	(23,296)	55,799
Net period profit from continuing operations		**147,838**	**197,918**
Net period profit from discontinued operations	48	774,838	1,014,764
Net income for the period		**922,676**	**1,212,682**
Profit is attributable to:			
Profit attributable to the shareholders of the controlling entity		**57,602**	**253,168**
Profit attributable to non-controlling interests		865,074	959,514
Earnings per share (*)			
Earnings per basic share (*):			
Basic earnings per share attributable to the shareholders of the controlling entity	37	128.69	565.61
Earnings per basic share from continuing operations attributable to the shareholders of the controlling entity	37	85.80	231.32
Earnings per basic share from discontinued operations attributable to the shareholders of the controlling entity	37	42.89	334.29
Earnings per diluted share (*):			
Diluted earnings per share attributable to the shareholders of the controlling entity	37	128.69	565.61
Earnings per diluted share from continuing operations attributable to the shareholders of the controlling entity	37	85.80	231.32
Earnings per diluted share from discontinued operations attributable to the shareholders of the controlling entity	37	42.89	334.29

(1) Amounts include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. See Note 52 for a detail of adjustments applied and the comparison to the statement of income presented with the annual financial statements at December 31, 2018.

(2) For comparison to the annual financial statements at December 31, 2019, the annual financial statements at December 31, 2018 include certain reclassifications in employee benefit expenses, distribution expenses and cost of sales. See Note 11, Note 32 and Note 33 for the amounts reclassified.

(3) Amounts include the effect of the reclassification of revenue, costs and expenses of subsidiaries Companhia Brasileira de Distribuição - CBD, Ségisor S.A., Wilkes Partipações S.A. and Gemex O & W S.A.S. to net gains for the period from discontinued operations, for purposes of comparison to the annual financial statements at December 31, 2019. See Note 48.2 for a detail of the results of these subsidiaries.

(*) Amounts expressed in Colombian pesos.

The accompanying notes are an integral part of the interim consolidated financial statements.

Carlos Mario Giraldo Moreno
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Almacenes Éxito S.A.
Consolidated statements of comprehensive income
For the annual periods ended December 31, 2019 and December 31, 2018
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to December 31, 2019	January 1 to December 31, 2018 (1)
Net income for the period		**922,676**	**1,212,682**
Other comprehensive income for the period			
Components of other comprehensive income that will not be reclassified to period results, net of taxes			
(Loss) from new measurements of defined benefit plans		(267)	(351)
(Loss) from investments in equity instruments		(6,003)	(104,756)
Total other comprehensive income that will not be reclassified to period results, net of taxes		**(6,270)**	**(105,107)**
Components of other comprehensive income that will be reclassified to period results, net of taxes			
(Loss) from translation exchange differences	30	(508,534)	(1,365,493)
(Loss) from investment hedges abroad	30	(1,459)	-
Gain from the hedging of cash flows	30	3,827	9,052
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	30	41,486	(66,463)
Total other comprehensive income that will be reclassified to period results, net of taxes		**(464,680)**	**(1,422,904)**
Total other comprehensive income		**(470,950)**	**(1,528,011)**
Total comprehensive income		**451,726**	**(315,329)**
Profit is attributable to:			
(Loss) attributable to the shareholders of the controlling entity		**(307,135)**	**(400,938)**
Profit attributable to non-controlling interests		758,861	85,609
Earnings per share (*)			
Earnings per basic share (*):			
(Loss) per basic share from continuing operations	37	(686.17)	(895.74)
Earnings per diluted share (*):			
(Loss) per diluted share from continuing operations	37	(686.17)	(895.74)

(1) Amounts include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. See Note 52 for a comparison to the statement of comprehensive income presented in the annual financial statements at December 31, 2018.

(*) Amounts expressed in Colombian pesos.

The accompanying notes are an integral part of the consolidated financial statements.

Carlos Mario Giraldo Moreno
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Almacenes Éxito S.A.
Consolidated statements of cash flows
For the annual periods ended December 31, 2019 and December 31, 2018
(Amounts expressed in millions of Colombian pesos)

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1)
Cash flows provided by operating activities		
Net income for the period	**922,676**	**1,212,682**
Adjustments to reconcile profit for the period		
Current income tax	76,257	96,596
Deferred income tax	(52,961)	(152,395)
Financial costs	735,698	962,560
Impairment of receivables	267,682	528,195
Reversal of receivable impairment	(276,027)	(17,784)
Inventory impairment	3,690	1,552
Reversal of inventory impairment	(4,906)	(4,668)
Impairment	6,768	(2,386)
Employee benefit provisions	2,183	2,452
Other provisions	682,227	1,554,487
Reversal of other provisions	(439,390)	(851,269)
Expense from depreciation of property, plant and equipment, use rights and investment property	1,373,262	1,387,176
Amortization of intangible assets expense	103,143	146,482
Share-based payments	20,315	44,505
(Gain) loss from the application of the equity method	10,123	(40,516)
Loss (gain) from the disposal of non-current assets	9,762	(5,456)
Net gain from the disposal of discontinued operations	(489,320)	-
Other adjustments to reconcile period income in discontinued operations	(165,302)	-
Other adjustments for which the effects on cash are cash flows provided by investment or financing activities	(463,895)	(279,115)
Operating income before changes in working capital	**2,321,985**	**4,583,098**
Decrease (increase) in trade receivables and other accounts receivable	2,627,171	(782,859)
(Increase) in prepaid expenses	(52,628)	(20,730)
Decrease in receivables from related parties	54,876	106,211
(Increase) in inventories	(319,404)	(1,056,576)
(Increase) in tax assets	(530,150)	(1,207,119)
(Decrease) in employee benefits	(10,005)	(3,420)
(Decrease) in other provisions	(383,259)	(887,287)
(Decrease) increase in trade payables and other accounts payable	(1,773,654)	901,998
(Decrease) increase in accounts payable to related parties	(1,664)	9,140
(Decrease) in tax liabilities	(38,226)	(94,531)
(Decrease) increase in other non-financial liabilities	(89,652)	35,869
(Increase) in non-current assets held for trading	-	57,401
(Decrease) increase in non-current liabilities held for trading	(2,267,707)	1,529,302
Net cash flows (used in) provided by operating activities	**(462,317)**	**3,170,497**
Cash flows provided by investment activities		
Net cash flows from the loss of control over subsidiaries or other businesses	(4,608,124)	13,825
Cash flows used to gain control of subsidiaries or other businesses	(1,619)	(2,480)
Cash flows used to maintain joint control in joint ventures	(26,309)	(5,106)
Acquisition of property, plant and equipment	(1,831,459)	(2,437,741)
Acquisition of investment property	(52,929)	(150,801)
Acquisition of intangible assets	(220,923)	(464,436)
Proceeds of the sale of property, plant and equipment	6,584	383,302
Proceeds of the sale of intangible assets	-	35
Net cash flows (used in) investment activities	**(6,734,779)**	**(2,663,402)**
Cash flows provided by financing activities		
Cash flows provided by changes in interest in subsidiaries that do not result in loss of control	14,597	279,225
(Increase) in other financial assets	(109,115)	(164,857)
Increase in other financial liabilities	8,187,196	854,348
(Decrease) increase in financial liabilities	(3,616,268)	1,124,124
(Decrease) in financial liabilities under *lease agreements*	(3,303)	(1,974)
Dividends paid	(202,168)	(310,726)
Financial yields	463,268	307,215
Interest paid	(755,189)	(981,726)
Transactions with non-controlling entities	(42,075)	(690,981)
Other cash inflows	40,837	156
Net cash flows provided by financing activities	**3,977,780**	**414,804**
Net (decrease) increase in cash and cash equivalents	**(3,219,316)**	**921,899**
Effects of variation in exchange rates	**(191,690)**	**(229,837)**
Cash and cash equivalents at the beginning of period	**5,973,680**	**5,281,618**
Cash and cash equivalents at the end of period	**2,562,674**	**5,973,680**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

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(See accompanying certificate)

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(See report attached, dated February 17, 2020)

Almacenes Éxito S.A.
Consolidated statements of changes in shareholders' equity
At December 31, 2019 and at December 31, 2018
(Amounts expressed in millions of Colombian pesos)

	Issued share capital	**Premium on the issue of shares**	**Treasury shares repurchased**	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Other reserves	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total equity of the controlling entity**	**Changes in non-controlling interests**	**Total in net equity**
	Note 29	Note 29	Note 29	Note 30	Note 30	Note 30	Note 30	Note 30	Note 30	Note 30	Note 30				
Balance at December 31, 2017	**4,482**	**4,843,466**	**(2,734)**	7,857	1,665,209	22,000	15,710	9,662	**1,720,438**	**(50,269)**	**1,095,361**	**10,873**	**7,621,617**	**11,543,897**	**19,165,514**
Cash dividend declared	-	-	-	-	-	-	-	-	-	-	(108,857)	-	(108,857)	(204,670)	(313,527)
Net income for the period	-	-	-	-	-	-	-	-	-	-	253,168	-	253,168	959,514	1,212,682
Other comprehensive income	-	-	-	-	-	-	-	-	-	(654,106)	-	-	(654,106)	(873,905)	(1,528,011)
Appropriation for reserves	-	-	-	-	108,856	-	-	-	108,856	-	(108,856)	-	-	-	-
Increase from changes in the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(74,822)	(74,822)	350,331	275,509
Increase from other contributions of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	1,483	1,483
(Decrease) from other distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(692,464)	(692,464)
Measurement of the *put option* at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	22,791	22,791
Other developments in shareholders' equity	-	-	-	-	(1,494)	-	-	15,750	14,256	-	(130,161)	490,120	374,215	(55,723)	318,492
Balance at December 31, 2018 (1)	**4,482**	**4,843,466**	**(2,734)**	7,857	1,772,571	22,000	15,710	25,412	**1,843,550**	**(704,375)**	**1,000,655**	**426,171**	**7,411,215**	**11,051,254**	**18,462,469**
Balance at December 31, 2018 (1)	**4,482**	**4,843,466**	**(2,734)**	7,857	1,772,571	22,000	15,710	25,412	**1,843,550**	**(704,375)**	**1,000,655**	**426,171**	**7,411,215**	**11,051,254**	**18,462,469**
Cash dividend declared	-	-	-	-	(139,706)	-	-	-	(139,706)	-	-	-	(139,706)	(151,875)	(291,581)
Net income for the period	-	-	-	-	-	-	-	-	-	-	57,602	-	57,602	865,074	922,676
Other comprehensive income	-	-	-	-	-	-	-	-	-	(364,737)	-	-	(364,737)	(106,213)	(470,950)
Appropriation for reserves	-	-	-	-	139,701	-	139,702	-	279,403	-	(279,403)	-	-	-	-
(Decrease) from the sale of Via Varejo S.A., Companhia Brasileira de Distribuição – CBD, Ségisor S.A. and Wilkes Partipações S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,411,214)	(10,411,214)
Increase from changes in the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(7,649)	(7,649)	(39,831)	(47,480)
Other developments in shareholders' equity (2)	-	-	-	-	(1,544)	-	-	173,868	172,324	-	(160,823)	228,302	239,803	41,119	280,922
Balance at December 31, 2019	**4,482**	**4,843,466**	**(2,734)**	7,857	1,771,022	22,000	155,412	199,280	**2,155,571**	**(1,069,112)**	**618,031**	**646,824**	**7,196,528**	**1,248,314**	**8,444,842**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. See Note 52 for a detail of adjustments applied to assets, liabilities and income, and the comparison to the statement of financial position and the statement of income presented with the annual financial statements at December 31, 2018.

(2) Other shareholders' equity components include $265,691 relevant to the equity method on the inflationary effect of subsidiary Libertad S.A. Retained earnings and Other reserves include $168,371 (offset to each other) relevant to the equity method on the appropriation of results of subsidiary Spice Investment Mercosur S.A. and its subsidiaries.

The accompanying notes are an integral part of the interim consolidated financial statements.

Carlos Mario Giraldo Moreno	Jorge Nelson Ortiz Chica	Ángela Jaimes Delgado
Parent's Legal Representative	Parent's Head Accountant	Parent's Statutory Auditor
(See accompanying certificate)	Professional Card 67018-T	Professional Card 62183-T
	(See accompanying certificate)	Appointed by Ernst and Young Audit S.A.S. TR-530
		(See report attached, dated February 17, 2020)

Note 1. General information

Almacenes Éxito S.A., (hereinafter the Parent), was incorporated pursuant to Colombian laws on March 24, 1950; its main place of business is at Carrera 48 No. 32B Sur - 139, Envigado, Colombia. The life span of the Parent goes to December 31, 2050.

The Parent is listed on the Colombia Stock Exchange (BVC) since 1994 and is under the control of the Financial Superintendence of Colombia.

The Company's Board of Directors authorized the issuance of consolidated financial statements for the periods ended December 31, 2019 and December 31, 2018, as recorded in the Minutes of such corporate body dated February 17, 2020 and February 28, 2019, respectively.

The Parent's main corporate purpose is:

- Acquire, store, transform and, in general, distribute and sell under any trading figure, including funding thereof, all kinds of goods and products, produced either locally or abroad, on a wholesale or retail basis, physically or online.
- Provide supplementary services, namely grant credit facilities for the acquisition of goods, grant insurance coverage, carry out money transfers and remittances, provide mobile phone services, trade tourist package trips and tickets, repair and maintain furnishings, complete paperwork.
- Give or receive in lease trade premises, receive or give, in lease or under occupancy, spaces or points of sale or commerce within its trade establishments intended for the exploitation of businesses of distribution of goods or products, and the provision of ancillary services.
- Incorporate, fund or promote with other individuals or legal entities, enterprises or businesses intended for the manufacturing of objects, goods, articles or the provision of services related with the exploitation of trade establishments.
- Acquire property, build commercial premises intended for establishing stores, malls or other locations suitable for the distribution of goods, without prejudice to the possibility of disposing of entire floors or commercial premises, give them in lease or use them in any convenient manner with a rational exploitation of land approach, as well as invest in property, promote and develop all kinds of real estate projects.
- Invest resources to acquire shares, bonds, trade papers and other securities of free movement in the market to take advantage of tax incentives established by law, as well as make temporary investments in highly liquid securities with a purpose of short-term productive exploitation; enter into firm *factoring* agreements using its own resources; encumber its chattels or property and enter into financial transactions that enable it to acquire funds or other assets.
- In the capacity as wholesaler and retailer, distribute oil-based liquid fuels through service stations, alcohols, biofuels, natural gas for vehicles and any other fuels used in the automotive, industrial, fluvial, maritime and air transport sectors, of all kinds.

At December 31, 2019 the final controlling entity of the Company is Sendas Distribuidora S.A., a subsidiary of Companhia Brasileira de Distribuição – CBD. This situation of control arises from compliance with the takeover bid presented on July 24, 2019 and accepted by the shareholders on November 27, 2019. As result of such acceptance, the controlling entity has a 96.57% share in the Company's share capital.

At December 31,2018 the controlling entity was Casino Guichard Perrachon S.A. and the situation of control was registered with the Aburrá Sur Chamber of Commerce. The controlling entity had a 55.30% participation in the share capital of the Company.

The Parent registered before the Aburrá Sur Chamber of Commerce a situation of entrepreneurial Group regarding its subsidiaries.

Note 1.1. Stock ownership in subsidiaries included in the interim consolidated financial statements

Below is a detail of the stock ownership in subsidiaries included in the consolidated financial statements at December 31, 2019 and December 31, 2018:

				Stock ownership 2019			Stock ownership 2018		
Name	Segment	Country	Functional currency	Direct	Indirect	Total	Direct	Indirect	Total
Almacenes Éxito Inversiones S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Logística, Transporte y Servicios Asociados S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Marketplace Internacional Éxito y Servicios S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Depósito y Soluciones Logísticas S.A.S. (a)	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	0.0%	0.00%	0.00%
Marketplace Internacional Éxito S.L. (b)	Colombia	Spain	Euro	100.00%	0.00%	100.00%	0.0%	0.00%	0.00%
Fideicomiso Lote Girardot	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Gemex O & W S.A.S. (c)	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	85.00%	0.00%	85.00%
Éxito Industrias S.A.S.	Colombia	Colombia	Colombian peso	94.53%	3.42%	97.95%	94.53%	3.42%	97.95%
Éxito Viajes y Turismo S.A.S.	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Viva Malls	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Iwana	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Centro Comercial Viva Barranquilla	Colombia	Colombia	Colombian peso	0.00%	45.90%	45.90%	0.00%	45.90%	45.90%
Patrimonio Autónomo Viva Laureles	Colombia	Colombia	Colombian peso	0.00%	40.80%	40.80%	0.00%	40.80%	40.80%
Patrimonio Autónomo Viva Sincelejo	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	0.00%	26.01%	26.01%
Patrimonio Autónomo Viva Villavicencio	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	0.00%	26.01%	26.01%
Patrimonio Autónomo San Pedro Etapa I	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	0.00%	26.01%	26.01%
Patrimonio Autónomo Centro Comercial	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	0.00%	26.01%	26.01%
Patrimonio Autónomo Viva Palmas	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	0.00%	26.01%	26.01%
Carulla Vivero Holding Inc.	Colombia	British Virgin Islands	Colombian peso	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%

Name	Segment	Country	Functional currency	Stock ownership 2019 Direct	Indirect	Total	Stock ownership 2018 Direct	Indirect	Total
Spice Investment Mercosur S.A.	Uruguay	Uruguay	Uruguayan peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Devoto Hermanos S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Mercados Devoto S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Larenco S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Geant Inversiones S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Lanin S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
5 Hermanos Ltda.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Sumelar S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Tipsel S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Tedocan S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Raxwy Company S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Supermercados Disco del Uruguay S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Grupo Disco del Uruguay S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ameluz S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Fandale S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Odaler S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
La Cabaña S.R.L.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ludi S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Semin S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Randicor S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Setara S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Hiper Ahorro S.R.L.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ciudad del Ferrol S.C.	Uruguay	Uruguay	Uruguayan peso	0.00%	61.24%	61.24%	0.00%	61.24%	61.24%
Mablicor S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	31.87%	31.87%	0.00%	31.87%	31.87%
Maostar S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	31.25%	31.25%	0.00%	31.25%	31.25%
Onper Investment 2015 S.L.	Argentina	Spain	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Vía Artika S. A.	Argentina	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Spice España de Valores Americanos S.L.	Argentina	Spain	Euro	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Libertad S.A. (d)	Argentina	Argentina	Argentine peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Gelase S. A.	Argentina	Belgium	Euro	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Geant Argentina S.A. (d)	Argentina	Argentina	Argentine peso	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%
Ségisor S.A. (e)	Brazil	France	Euro	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%
Wilkes Partipações S.A. (e)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%
Companhia Brasileira de Distribuição - CBD (e)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.68%	18.68%
Sendas Distribuidora S.A. (e)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.68%	18.68%
Bellamar Empreend. e Participações Ltda. (e)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.68%	18.68%
GPA Malls & Properties Gestão de Ativos e Serviços Imobiliários Ltda. ("GPA M&P") (e)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.68%	18.68%
CBD Holland B.V. (e)	Brazil	Holland	Euro	0.00%	0.00%	0.00%	0.00%	18.68%	18.68%
GPA 2 Empreed. e Participações Ltda. (e)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.68%	18.68%
GPA Logística e Transporte Ltda. (e)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.68%	18.68%
Companhia Brasileira de Distribuição Luxembourg Holding S.A.R.L. (e)	Brazil	Luxembourg	Euro	0.00%	0.00%	0.00%	0.00%	18.68%	18.68%
SCB Distribuição e Comércio Varejista de Alimentos Ltda. (e)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.68%	18.68%
Bitz Fidelidade e Inteligência S.A. (e)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.68%	18.68%
Leji Intermediação S.A. (e)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.68%	18.68%
Companhia Brasileira de Distribuição Netherlands Holding B.V. (e)	Brazil	Holland	Euro	0.00%	0.00%	0.00%	0.00%	18.68%	18.68%
Novasoc Comercial Ltda. (e)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.68%	18.68%
CNova Comércio Eletrônico S.A. (f)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	8.08%	8.08%
Via Varejo S.A. (f)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	8.08%	8.08%
Indústria de Móveis Bartira Ltda. (f)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	8.08%	8.08%
VVLOG Logística Ltda. (f)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	8.08%	8.08%
Globex Administracao e Serviços Ltda. (f)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	8.08%	8.08%
Lake Niassa Empreend. e Participações Ltda. (f)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	8.08%	8.08%
Globex Administradora de Consórcio Ltda. (f)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	8.08%	8.08%

(a) A subsidiary incorporated on June 21, 2019.

(b) A subsidiary incorporated on October 9, 2019.

(c) As mentioned in Note 1.2, this subsidiary's retained earnings at December 31, 2019 were shown under net income of discontinued operations for the period.

(d) Libertad S.A. acquired Geant Argentina S.A. and merged with it on December 10, 2019.

(e) As mentioned in Note 1.2, these subsidiaries' assets and liabilities at September 30, 2019 were reclassified to non-current assets and liabilities available for trading, and retained earnings on the same date were shown under net income of discontinued operations for the period . Later, these subsidiaries' assets and liabilities were sold on November 27, 2019.

(f) Subsidiaries sold on June 15, 2019 as part of the divestment process carried out by subsidiary Companhia Brasileira de Distribuição - CBD.

Note 1.2. Colombian and foreign operating subsidiaries

The accompanying consolidated financial statements for the annual period ended December 31, 2019 include the same Colombian operating subsidiaries and the same largest operating subsidiaries located abroad as included in the consolidated financial statements for the annual period ended December 31, 2018, exception made of subsidiaries Depósito y Soluciones Logísticas S.A.S., incorporated on June 21, 2019, and Marketplace Internacional Éxito S.L., incorporated on October 9, 2019, and of subsidiaries that will be mentioned in the two paragraphs below.

Based on the authorization by the Parent's Board of Directors, and on the approval of such authorization by the General Meeting of Shareholders of the Parent, the interest held in the operating subsidiary Companhia Brasileira de Distribuição – CBD and in holding subsidiaries Ségisor S.A. and Wilkes Partipações S.A. were sold on November 27, 2019. Consequently, the balances of assets and liabilities of these subsidiaries were not included in the consolidated financial statements at December 31, 2019 and the net retained earnings up to November30, 2019 were shown in the consolidated statement of income under net income of discontinued operations, as an item separate from other consolidated income of the Parent and its subsidiaries.

As part of its operating strategy, in August 2019 the Parent decided to close the commercial operation of subsidiary Gemex O&W S.A.S. On the grounds of this decision, retained earnings of this subsidiary at December 31, 2019 were shown in the consolidated statement of income under the net income of discountinued operations, as an item separate from other consolidated income of the Parent and its subsidiaries.

Below is a detail of the corporate purpose and other company information regarding Colombian operating subsidiaries and the most important operating subsidiaries abroad:

Almacenes Éxito Inversiones S.A.S.

A subsidiary incorporated by private document on September 27, 2010. Its corporate purpose is mainly (i) incorporate, finance, promote, invest, individually or jointly with other individuals or legal entities, in the incorporation of companies o businesses whose purpose is the manufacturing or trading of goods, objects, merchandise, articles or elements or the provision of services related with the exploitation of trade establishments and link with such companies as associate, by contributing cash, goods or services; and (ii) promote, invest, individually or jointly with other individuals or legal entities, in the provision of networks, services and telecommunications added value, particularly all activities permitted in Colombia or abroad related with telecommunications, mobile phone and added value services. Its main place of business is at Carrera 48 No. 32B Sur - 139, Envigado, Colombia. The company's life span is indefinite.

Logística, Transporte y Servicios Asociados S.A.S.

A subsidiary incorporated on May 23, 2014, under Colombian laws. Its main corporate purpose is the provision of air, land, maritime, fluvial, railway and multimodal domestic and international freight services for all kinds of goods in general. Its main place of business is at Carrera 48 No. 32B Sur - 139, Envigado, Colombia. The company's life span is indefinite.

Marketplace Internacional Éxito y Servicios S.A.S.

A subsidiary incorporated on September 12, 2018 under Colombian laws. Its main corporate purpose is carrying out the following activities in one or several free-trade zones: (i) provision of services to access the e-commerce platform made available by the company, through which those logging in may perform trade transactions; (ii) activities required to ensure an adequate performance of the e-commerce platform through which accessing sellers and buyers conduct transactions: (iii) issue, commercialization, processing and reimbursement of IOUs, coupons, cards or bonuses, whether physical or digital, or through any other technological means used as a mechanism to access the goods and services offered. Its main place of business is at vereda Chachafruto, Zona Franca, oficina 11, Rionegro, Antioquia. The company's life span is indefinite

Depósito y Soluciones Logísticas S.A.S.

A subsidiary incorporated on June 21, 2019 under Colombian laws. Its main corporate purpose is the storage of goods under customs control. Its main place of business is located at calle 43 sur No. 48-127, Envigado, Colombia. The company's life span is indefinite.

Marketplace Internacional Éxito S.L.

A subsidiary incorporated on October 9, 2019 under Spanish laws. Its main corporate purpose is to carry out marketing, business development and public relations activities, as well as any activity and the provision of any service related with or ancillary to the above. Its main place of business is at calle Constitución No 75, 28946, Fuenlabrada (Madrid), Spain. The company's life span is indefinite.

Fideicomiso Lote Girardot

The plot of land was acquired by means of assignment of fiduciary rights on February 11, 2011 through Alianza Fiduciaria S.A. Its purpose is to acquire title to the property on behalf of the Company. Its main place of business is at Carrera 10 and 11 with Calle 25, Girardot, Colombia.

Gemex O & W S.A.S.

Incorporated on March 12, 2008. Its corporate purpose is the trading of all kinds of goods and services through alternative sales channels, such as, without limitation, direct sales or mail sales, web sites or e-commerce, through vending machines, and in general using all technology-based channels or special methods to trade goods and services. Its main place of business is at Carrera 43 No. 31 - 166, Medellín, Colombia. The company's life span is indefinite.

Éxito Industrias S.A.S.

A subsidiary incorporated by private document on June 26, 2014. Its corporate purpose is (i) acquire, store, transform, manufacture, sell and in general distribute under any type of contract textile goods of domestic or foreign make, and acquire, give or receive property under lease agreements devoted for opening stores, shopping malls and other locations adequate for the distribution of merchandise and the sale of goods or services; (ii) launch and operate e-commerce activities in Colombia; (iii) enter into all kinds of contracts including, without limitation, lease, distribution, operation, association, purchase-sale, technical assistance, supply, inspection, control and service contracts seeking to adequately perform its corporate purpose; (iv) provide all kinds of services including, without limitation, the execution of administration, advisory, consultancy, technical and presentation agreements seeking to adequately perform its corporate purpose; and (v) Its main place of business is at Carrera 48 No. 32 Sur - 29, Envigado, Colombia. The company's life span is indefinite

Éxito Viajes y Turismo S.A.S.

A subsidiary incorporated on May 30, 2013, under Colombian laws. Its main corporate purpose is the exploitation of tourism-related activities, as well as the representation of the tourism industry and the opening of travel agencies whatever its nature and the promotion of domestic and international tourism. Its main place of business is at Carrera 43 No. 31 - 166, Medellín, Colombia. The company's life span is indefinite

Patrimonio Autónomo Viva Malls

Established on July 15, 2016 by means of public deed 679 granted before the Notary 31st of Medellín as a stand-alone trust fund through Itaú Fiduciaria. Its main business purpose is the acquisition, whether directly or indirectly, of material rights to real estate property, mainly shopping centers and the development thereof, and the development of other real estate assets as well as the exploitation and operation thereof. The business purpose includes to lease the trade premises to third parties or to related parties, grant concessions on spaces that are part of the property, exploit, market and maintain the premises, raise funds and dispose of the assets, as well as perform all related activities as required to meet business goals. Its main place of business is at Carrera 7 No. 27 - 18 14th floor, Bogotá, Colombia.

Patrimonio Autónomo Iwana

Established on December 22, 2011 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Iwana shopping mall, including maintaining legal title to the property; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is at Carrera 11 No. 50 – 19, Barrancabermeja, Colombia.

Patrimonio Autónomo Centro Comercial Viva Barranquilla

Established on December 23, 2014 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to develop, receive and maintain legal title to Centro Comercial Viva Barranquilla and to other property as trustors may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Barranquilla, Colombia at carrera 51 B No. 87 - 50.

Patrimonio Autónomo Viva Laureles

Established on May 31, 2012 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Viva Laureles shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources and make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is the municipality of Medellín, Colombia, at carrera 81 No. 37 - 100.

Patrimonio Autónomo Viva Sincelejo

Established on March 8, 2013 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Viva Sincelejo shopping mall, including maintaining legal title to the property; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is at Carrera 25 No. 23 – 49, Sincelejo, Colombia.

Patrimonio Autónomo Viva Villavicencio

Established on April 1, 2013 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Viva Villavicencio shopping mall, including maintaining legal title to the property; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping center is at Calle 7A No. 45 – 185, Villavicencio, Colombia.

Patrimonio Autónomo San Pedro Etapa I

Established on June 30, 2005 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate San Pedro Plaza shopping mall, including maintaining legal title to the property; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions given by the trustors to the retained real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is at Carrera 8 between Calles 38 and 48, Neiva, Colombia.

Patrimonio Autónomo Centro Comercial

Established on December 1, 2010 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate San Pedro Etapa II shopping mall, including maintaining legal title to the property; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions given by the trustors to the retained real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is at Carrera 8 between Calles 38 and 48, Neiva, Colombia.

Patrimonio Autónomo Viva Palmas

Established on April 17, 2015 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to develop, receive and maintain legal title to Viva Palmas shopping mall and to other buildings as trustors may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the purpose also includes to manage resources, and make payments as required to administer and operate the business premises. Its main place of business is in rural area of the municipality of Envigado, Colombia.

Devoto Hermanos S.A.

A company with domicile in Uruguay. Its core business is the local market retailing of mass consumption products through a chain of supermarkets located in the departments of Montevideo, Canelones and Maldonado.

Mercados Devoto S.A.

A company with domicile in Uruguay. Its core business is the local market retailing of mass consumption products through a chain of supermarkets located in the departments of Montevideo and Maldonado.

Supermercados Disco del Uruguay S.A.

A company with domicile in Uruguay. Its core business is the local market retailing of mass consumption products through a chain of supermarkets located in the departments of Montevideo, Canelones and Maldonado.

Libertad S.A.

A company with domicile in Argentina. It was incorporated on July 8, 1994, under registration number 618 with the Direction for Inspection of Legal Entities (DIPJ) in the Argentine Republic. Its main corporate purpose is the exploitation of supermarkets and wholesale stores, carrying out all kinds of ancillary transactions related with its core business. The life span of the company goes to July 8, 2084.

Note 1.3. Subsidiaries with material non-controlling interests

At December 31, 2019 and December 31, 2018, the following subsidiaries, as reporting entities, have been included in the consolidated financial statements as subsidiaries with material non-controlling interests:

	Material non-controlling ownership percentage (1)	
	December 31, 2019	**December 31, 2018**
Patrimonio Autónomo Viva Palmas	73.99%	73.99%
Patrimonio Autónomo Viva Sincelejo	73.99%	73.99%
Patrimonio Autónomo Viva Villavicencio	73.99%	73.99%
Patrimonio Autónomo San Pedro Etapa I	73.99%	73.99%
Patrimonio Autónomo Centro Comercial	73.99%	73.99%
Patrimonio Autónomo Viva Laureles	59.20%	59.20%
Patrimonio Autónomo Centro Comercial Viva Barranquilla	54.10%	54.10%
Patrimonio Autónomo Iwana	49.00%	49.00%
Éxito Viajes y Turismo S.A.S.	49.00%	49.00%
Patrimonio Autónomo Viva Malls	49.00%	49.00%
Grupo Disco del Uruguay S.A.	37.51%	37.51%
Companhia Brasileira de Distribuição – CBD (2)	00.00%	81.32%

(1) Total non-controlling interest, considering the Parent's direct and indirect interest.

(2) Subsidiary sold on November 27, 2019.

Below is a summary of financial information relevant to assets, liabilities, period results and cash flows of subsidiaries that hold material non-controlling interests, taken as reporting entities and included in the consolidated financial statements. Balances are shown before the eliminations required as part of the consolidation process.

Company	Statement of financial position							Statement of comprehensive income				
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Controlling interest	Non-Controlling interest	Revenue from ordinary activities	Income from continuing operations	Total comprehensive income	Controlling interest	Non-controlling interest
							At December 31, 2019					
Grupo Disco del Uruguay S.A.	412,185	688,112	373,479	36,509	690,309	1,409,780	258,935	1,625,474	97,751	97,751	60,041	36,666
Éxito Viajes y Turismo S.A.S.	35,820	5,032	29,812	2.043	8,997	4,838	4,409	31,951	9,125	9,125	4,364	4,471
Patrimonio Autónomo Viva Malls	53,541	2,068,137	26,870	-	2,094,808	955,638	1,026,456	288,528	123,220	123,220	63,289	60,378
Patrimonio Autónomo Viva Sincelejo	3,000	77,476	1,351	-	79,125	40,353	38,771	10,345	(1,779)	(1,779)	(907)	(872)
Patrimonio Autónomo Viva Villavicencio	8,643	216,843	4,982	-	220,504	109,582	108,047	24,187	14,944	14,944	7,705	7,323
Patrimonio Autónomo San Pedro Etapa I	1,005	32,548	504	-	33,049	16,855	16,194	4,025	2,520	2,520	1,285	1,235
Patrimonio Autónomo Centro Comercial	3,261	109,920	1,457	-	111,724	56,112	54,745	11,404	7,301	7,301	3,749	3,577
Patrimonio Autónomo Iwana	89	5,961	124	-	5,926	3,220	2,904	331	(84)	(84)	(31)	(41)
Patrimonio Autónomo Centro Comercial Viva Barranquilla	7,195	319,272	6,413	-	320,054	288,049	156,826	46,241	14,763	14,763	13,287	7,234
Patrimonio Autónomo Viva Laureles	1,764	106,871	2,189	-	106,446	85,157	21,289	16,548	7,830	7,830	6,264	1,566
Patrimonio Autónomo Viva Palmas	1,571	31,163	1,651	-	31,083	15,853	15,231	2,798	(2,303)	(2,303)	(1,174)	(1,128)
							At December 31, 2018					
Grupo Disco del Uruguay S.A.	405,482	746,406	411,684	-	720,204	1,583,200	277,651	1,619,936	109,350	109,350	67,428	41,017
Éxito Viajes y Turismo S.A.S.	27,070	5,149	22,112	2,417	7,690	4,146	3,768	24,439	5,448	5,448	2,849	2,670
Patrimonio Autónomo Viva Malls	92,004	2,076,119	42,345	-	2,125,778	962,533	1,041,631	206,885	81,473	81,473	40,281	39,922
Patrimonio Autónomo Viva Sincelejo	3,548	79,835	2,037	-	81,346	41,486	39,860	11,690	5,628	5,628	2,870	2,758
Patrimonio Autónomo Viva Villavicencio	21,460	211,655	12,015	-	221,100	109,803	108,339	26,909	18,577	18,577	9,895	9,103
Patrimonio Autónomo San Pedro Etapa I	1,296	33,468	845	-	33,919	17,298	16,620	3,752	2,316	2,316	1,181	1,135
Patrimonio Autónomo Centro Comercial	8,439	109,337	3,384	-	114,392	57,446	56,052	10,457	6,206	6,206	3,293	3,041
Patrimonio Autónomo Iwana	127	6,107	160	-	6,074	3,284	2,976	310	(131)	(131)	(48)	(64)
Patrimonio Autónomo Centro Comercial Viva Barranquilla	21,007	315,765	22,043	-	314,729	283,256	31,473	43,796	12,943	12,943	11,649	1,294
Patrimonio Autónomo Viva Laureles	1,721	109,304	2,551	-	108,474	86,779	21,695	15,775	8,083	8,083	6,467	1,617
Patrimonio Autónomo Viva Palmas	2,306	32,134	2,545	-	31,895	16,266	15,629	3,211	(143)	(143)	(72)	(70)
Companhia Brasileira de Distribuição - CBD	33,372,752	20,821,879	31,199,564	10,612,988	12,382,079	4,723,018	10,069,107	40,141,725	963,386	963,386	178,018	783,425

Company	Cash flows for the year ended December 31, 2019				Cash flows for the year ended December 31, 2018			
	Activities operating	Activities investment	Activities financing activities	Net increase (decrease) in cash	Activities operating	Activities investment	Activities financing activities	Net increase (decrease) in cash
Grupo Disco del Uruguay S.A.	146,050	(36,184)	(39,416)	70,450	72,461	(34,105)	(34,215)	4.141
Éxito Viajes y Turismo S.A.S.	8,804	(232)	(2,487)	6,085	9,563	(256)	(1,293)	8,014
Patrimonio Autónomo Viva Malls	105,274	38,941	(151,627)	(7,412)	196,444	(309,221)	104,607	(4,170)
Patrimonio Autónomo Viva Sincelejo	5,239	(3,805)	(1,152)	282	6,505	(419)	(5,676)	410
Patrimonio Autónomo Viva Villavicencio	20,499	(10,942)	(22,079)	(12,522)	21,873	(1,903)	(9,654)	10,316
Patrimonio Autónomo San Pedro Etapa I	3,373	-	(3,667)	(294)	2,723	-	(2,339)	384
Patrimonio Autónomo Centro Comercial	11,786	(3,485)	(12,819)	(4,518)	7,909	47	(4,330)	3,626
Patrimonio Autónomo Iwana	56	-	(62)	(6)	9	-	(56)	(47)
Patrimonio Autónomo Centro Comercial Viva Barranquilla	22,216	(4,389)	(30,307)	(12,480)	22,716	(2,194)	(7,573)	12,949
Patrimonio Autónomo Viva Laureles	10,821	(142)	(10,163)	516	10,253	(225)	(11,537)	(1,509)
Patrimonio Autónomo Viva Palmas	(932)	(1,331)	1,527	(736)	1,062	(209)	(846)	7
Companhia Brasileira de Distribuição - CBD	(507,767)	(346,180)	7,762,944	6,908,997	3,282,399	(2,684,992)	(4,302)	593,105

Note 1.4. Restrictions on the transfer of funds

At December 31, 2019 and at December 31, 2018 there are no restrictions on the capability of subsidiaries to transfer funds to the Parent in the form of cash dividends, or loan repayments or advance payments.

Note 2. Basis for preparation

The financial statements for the years ended December 31, 2019 and December 31, 2018 have been prepared in accordance with accounting and financial information standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial information and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170, on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270. Neither the Parent nor its subsidiaries have applied any of the exceptions to the IFRS contained in such decrees.

Accompanying financial statements

These consolidated financial statements of the Parent and its subsidiaries are comprised of the statements of financial position and statements of changes in shareholders' equity at December 31, 2019 and December 31, 2018, as well as the statements of income, the statements of comprehensive income and the statements of cash flows for the annual periods ended on December 31, 2019 and December 31, 2018.

These consolidated financial statements are prepared and include all reporting disclosures required for annual financial statements under IAS 1.

Statement of accountability

Parent's management are responsible for the information contained in these consolidated financial statements. Preparing such financial statements pursuant to accounting and financial reporting standards accepted in Colombia, set out by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015, by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170, on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270, without applying any of the exceptions to the IFRS therein contained, requires management judgment to apply the accounting policies.

Accounting estimates and judgments

The Parent's and its subsidiaries' estimations to quantify some of the assets, liabilities, revenue, expenses and commitments therein contained have been used to prepare the accompanying financial statements. Basically, such estimations refer to:

- The hypotheses used to estimate the fair value of financial instruments,
- The appraisal of financial assets to identify actual impairment losses,
- The useful lives of property, plant and equipment and of intangible assets,
- Variables used and hypotheses used to assess and determine the indicator of impairment for non-financial assets,
- Variables used to assess and determine inventory losses and obsolescence,
- Actuarial assumptions used to estimate retirement benefits and long-term employee benefit liabilities, such as inflation rate, death rate, discount rate, and the possibility of future salary increases,
- The discount rate used to estimate lease liabilities and use rights,
- The probability of occurrence and the value of liabilities that serve as a basis to recognize provisions related to lawsuits and business reorganizations,
- The assumptions used to recognize liabilities arising from the customer loyalty program,
- The probability of making future profits to recognize deferred tax assets,
- The valuation technique applied to determine the fair values of elements in business combinations.
- Time estimated to depreciate use rights; hypotheses used in the calculation of growth rates in lease contracts registered as use rights, and variables used to measure lease liabilities.

Such estimations are based on the best information available regarding the facts analyzed at the date of preparation of the consolidated financial statements, which may give rise to future changes by virtue of potential situations that may occur and would result in prospective recognition thereof; this situation would be treated as a change in accounting estimations in future financial statements.

Distinction between current and non-current items

The Parent and its subsidiaries present their current and non-current assets, as well as their current and non-current liabilities, as separate categories in their statement of financial position. For this purpose, those amounts that will be realized or will become available in a term not to exceed one year are classified as current assets, and those amounts that will be enforceable or payable also in a term not to exceed one year are classified as current liabilities. All other assets and liabilities are classified as non-current.

Functional currency

The Parent and each subsidiary define their functional currency and their transactions are measured in such currency. The Parent's functional currency is the Colombian peso, and the functional currencies of subsidiaries are disclosed in Note 1 - General Information, under the subsection relevant to share interest in subsidiaries included in the interim consolidated financial statements.

Hyperinflation

Functional currencies of the Parent and of each of its subsidiaries belong to non-hyperinflationary economies, exception made of Argentina whose accumulated inflation rate over the past three years at December 31, 2019 calculated using different consumer price index combinations has exceeded 100%, reason why the consolidated financial statements include inflation adjustments.

Domestic forecasts for such country suggest that there is low probability that the inflation rate would significantly decrease under 100% during 2020. For these reasons, Argentina economy is hyperinflationary.

Subsidiaries in Argentina present their financial statements adjusted for inflation as provided for in IAS 29 "Financial Reporting in Hyperinflationary Economies".

Reporting currency

These interim consolidated financial statements are expressed in Colombian pesos, functional currency of the Parent, which is the currency used in the prime economic environment where it rules. Figures shown have been stated in millions of Colombian pesos.

Subsidiaries' financial statements carried in a functional currency other than the Colombian peso have been translated into Colombian pesos. Transactions and balances are translated as follows:

- Assets and liabilities are translated into Colombian pesos at the period closing exchange rate;
- Income-related items are translated into Colombian pesos using the period's average exchange rate;
- Equity transactions in foreign currency are translated into Colombian pesos at the exchange rate in force on the date of each transaction.

Exchange differences arising from the translation are directly recognized in a separate component of equity and are reclassified to the statement of income upon sale of the investment in a subsidiary.

Foreign currency transactions

Transactions in foreign currency are defined as those denominated in a currency other than the functional currency. During the reporting periods, exchange differences arising from the settlement of such transactions, between the historical exchange rate when recognized and the exchange rate in force on the date of collection or payment, are accounted for as exchange gains or losses and shown as part of the net financial result in the statement of income.

Monetary balances at period closing expressed in a currency other than the functional currency are updated based on the exchange rate at the closing of the reporting period, and the resulting exchange differences are recognized as part of the net financial results in the statement of income. For this purpose, monetary balances are translated into the functional currency using the market representative exchange rate (*).

Non-monetary items are not translated at period closing exchange rate but are measured at historical cost (at the exchange rates in force on the date of each transaction), except for non-monetary items measured at fair value such as forward and swap financial instruments, which are translated using the exchange rates in force on the date of measurement of the fair value thereof.

(*) Market Representative Exchange Rate means the average of all market rates negotiated during the closing day (closing exchange rate), equivalent to the international "spot rate", as also defined by IAS 21 - Effects of Changes in Foreign Exchange Rates, as the spot exchange rate in force at the closing of the reporting period.

Accounting accrual basis

The consolidated financial statements have been prepared on the accounting accrual basis, except for information on cash flows.

Materiality

Economic events are recognized and presented in accordance with materiality thereof. An economic event is material wherever awareness or unawareness thereof, given its nature or value and considering the circumstances, may have a material effect on the economic decisions to be made by the users of the information.

When preparing the consolidated financial statements, including the notes thereto, the materiality for presentation purposes was defined on a 5% basis applied to current and non-current assets, current and non-current liabilities, shareholders' equity, period results and to each individual account at a general ledger level for the reporting period.

Offsetting of balances and transactions

Assets and liabilities are offset and reported net in the consolidated financial statements, only if they arise from the same transaction, there is an enforceable legal right on the closing date that makes it mandatory to receive or pay recognized amounts at net value, and wherever there is an intention to offset on a net basis towards realizing assets and settling liabilities simultaneously.

Classification as liability or equity

Debt and equity instruments are classified as financial liabilities or as equity, following the substance of the relevant legal agreement.

Fair value measurement

The fair value is the price to be received upon the sale of an asset, or paid out upon transferring a liability under an orderly transaction carried out by market participants on the date of measurement.

Measurements of the fair value are carried out using a fair value hierarchy that reflects the importance of inputs used to determine the measurements:
- Based on (unadjusted) prices quoted in active markets for identical assets or liabilities (level 1).
- Based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities (level 2).
- Based on the Company's own valuation models applying non-perceptible estimated variables for assets or liabilities (level 3).

Note 3. Basis for consolidation

These interim consolidated financial statements include the financial statements of the Parent and all its subsidiaries. Subsidiaries (including special-purpose vehicles) are entities over which the Parent has direct or indirect control. Special-purpose vehicles (SPV) are stand-alone trust funds (Patrimonios Autónomos) established with a defined purpose or limited term. A listing of subsidiaries is included in Note 1.

"Control" is the power to govern relevant activities, such as the financial and operating policies of a controlled company (subsidiary). Control is reached when the Parent has power over a controlled company, is exposed to variable benefits from its involvement and has the capability of influencing the amount of benefits. Power arises from rights, generally along with the holding of 50% or more of voting rights, even though it sometimes is more complex and results from one or more contracts, reason why there may be entities not having such interest percentage but whose activities are understood to be carried out to the benefit of the Parent and the Parent is exposed to all risks and benefits attached to the controlled company.

Wherever there is control, the consolidation method applied is that of global integration method. Under this method, all of subsidiaries' assets, liabilities, shareholders' equity and income are incorporated into the Parent's financial statements, after elimination of equity investments in such subsidiaries, account balances and intercompany transactions.

All significant transactions and material balances among subsidiaries have been eliminated upon consolidation; non-controlled interest represented by third parties' ownership interests in subsidiaries (non-controlling interests) have been recognized and separately included in the consolidated shareholders' equity.

At the time of assessing whether the Parent has control over a subsidiary, analysis is made of the existence and effect of potential voting rights currently exercised. Subsidiaries are consolidated as of the date on which control is transferred to the Parent and excluded from consolidation upon termination of control.

All controlled companies are consolidated into the Parent's financial statements, regardless the ownership interest percentage.

Transactions involving a change in the Parent's ownership percentage without loss of control are recognized in shareholders' equity, given that there is no change of control over the business entity. Cash flows provided by changes in ownership interests not resulting in a loss of control are classified as financing activities in the statement of cash flows.

In transactions involving a loss of control, the entire ownership interest in the subsidiary is derecognized, retained interests are recognized at fair value and the gain or loss arising from the transaction is recognized in period income, including the relevant items of other comprehensive income. Cash flows from the acquisition or loss of control over a subsidiary are classified as investment activities in the statement of cash flows.

Wherever a subsidiary is made available for sale or its operation is discontinued, but control over is it is still maintained, its assets and liabilities are classified under non-current assets held for trading, upon reciprocal offsetting of balances and are not part of the global integration of assets and liabilities under the consolidation process. Neither is subsidiary's income part of the global integration of income under the consolidation process and is presented, upon offsetting of reciprocal transactions, in the line item for net income of discontinued operations, separate from all other consolidated income of Parent and its subsidiaries.

Period income and each component in other comprehensive income are attributed to the owners of the controlling entity and to non-controlling ownership interests.

In consolidating the financial statements, all subsidiaries apply the same policies and accounting principles implemented by the Parent, pursuant to accounting and financial reporting standards accepted in Colombia, set out by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015, by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170, on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270 without applying any of the exceptions to the IFRS therein contained.

The Parent appraises its inventories by applying the first-in-first-out method, while subsidiary Companhia Brasileira de Distribuição – CBD and its subsidiaries appraise their inventories at the weighted average cost, basically due to the different taxes recognized upon the acquisition of inventories (in the Brazil segment) that would have an effect on the final appraisal of the inventories under the FIFO method. This situation is not shown in the statement of financial position at December 31, 2019, since the investment in this subsidiary was sold on November 27, 2019 and its assets and liabilities are not included in the consolidated statement of financial position at December 321, 2019.

Subsidiaries' assets and liabilities, revenue and expenses, as well as the Parent's revenue and expenses in foreign currency, have been translated into Colombian pesos at market exchange rates on each closing date and at period average, as follows:

	Closing rates		Average rates	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
US Dollar	3,277.14	3,249.75	3,281.09	2,956.43
Uruguayan peso	87.57	100.25	93.17	96.36
Brazilian real	813.11	838.75	832.01	812.77
Argentine peso	54.73	86.29	69.68	111.63
Euro	3,678.63	3,714.98	3,671.68	3,486.88

Note 4. Significant accounting policies

The accompanying interim consolidated financial statements at September 30, 2019 have been prepared using the same accounting policies, measurements and bases used to present the consolidated financial statements for the annual period ended December 31, 2018, except for the standards mentioned in note 5.2 that came into effect as of January 1, 2019, pursuant to accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS), officially translated and authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170, on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270, without applying any of the exceptions to the IFRS therein contained.

Adoption of new standards in force as of January 1, 2019 mentioned in Note 5.2 did not entail significant change to these accounting policies as compared to those applied when preparing the financial statements at December 31, 2018 and no significant effects arose from adoption thereof, except for the adoption of IFRS 16 whose effects were properly disclosed in the annual financial statements at December 31, 2018 and have been included in these annual financial statements at December 31, 2019.

The most significant accounting policies applied in the preparation of the accompanying consolidated financial statements are the following:

Investments in associates and joint arrangements

An associate is an entity over which the Parent is in a position of exercising significant influence, but not control or joint control, through the power of participating in decisions regarding operating and financial policies of the associate. In general, significant influence is alleged in those cases where the Parent has an ownership interest higher than 20%, even though such influence, as well as the control, must be assessed.

A joint arrangement is an agreement by means of which two or more parties maintain joint control. Joint arrangements can be joint businesses or joint ventures. There is joint control only when decisions on significant activities require the unanimous consent of the parties sharing control. Acquisitions of such arrangements are recorded using the principles applicable to business combinations set out by IFRS 3.

A joint venture is a joint arrangement by which the parties having joint control over the arrangement are entitled to the net assets of the arrangement. Such parties are known as participants in a joint venture.

A joint operation is a joint arrangement by means of which the parties having joint control over the arrangement are entitled to the assets and liability-related obligations associated with the arrangement. Such parties are known as joint operators.

Investments in associates or joint ventures are recognized using the equity method.

Under the equity method, investment in associates and joint ventures is recorded at cost upon initial recognition and subsequently the book value will be increased or decreased to recognize the Parent's share of the invested company's comprehensive results for the period. Such share will be recognized in period income or in other comprehensive income, as appropriate. Profit distributions or dividends received from the invested company are deducted from the book value of the investment.

Wherever the Parent's share of the losses of an associate or joint venture equals to or exceeds its interest therein, the Parent ceases to recognize its share of further losses. A provision is recognized once the Parent's interest comes to zero, only in as much as the Parent has incurred legal or constructive liabilities.

Unrealized gains or losses from transactions between the Parent and associates and joint ventures are eliminated in the proportion of the Parent's interest in such entities upon application of the equity method.

Once the equity method has been applied, the Parent decides whether there is need to recognize impairment losses related with its interest in the invested company.

Transactions involving a significant loss of influence over an associate or joint venture are booked recognizing any ownership interest retained at its fair value, and the gain or loss arising from the transaction is recognized in period income including the relevant items of other comprehensive income.

Regarding transactions not involving a significant loss of influence over an associate or joint venture, the equity method continues being applied and the portion of the gain or loss recognized in other comprehensive income relevant to the decrease in the ownership interest is reclassified to income.

Related parties

The following are deemed related parties by the Parent: its associates and joint ventures; entities exercising joint control or significant influence over the Parent and its subsidiaries; key management personnel, including members of the Board of Directors, CEOs, Vice-presidents, business corporate managers and Officers with the ability of directing, planning and controlling the activities of the Parent and its subsidiaries; companies over which key management personnel may exercise control or joint control, and the close relatives of the key management who might have an influence on the Parent and its subsidiaries.

All transfers of resources, services and obligations between the Parent and its related parties are deemed to be related-party transaction.

No transaction contains special terms and conditions; transactions carried out are like those carried out with third parties, and do not involve market price differences for similar transactions; sales and purchases are carried out arms' length.

Business combinations and goodwill

Business combinations are booked using the acquisition method; this involves the identification of the acquirer, the definition of the acquisition date, the recognition and measurement of identifiable assets acquired, liabilities taken on and the recognition and measurement of goodwill.

If at the closing of the accounting period during which a business combination takes place the initial booking is incomplete, the Parent will inform in its separate financial statements the provisional amounts of assets and liabilities whose booking is incomplete, and within 12 months of the measurement period the Parent will retroactively adjust such provisional amounts recognized to reflect the new information obtained from the allocated purchase price or *Purchase Price Allocation (PPA)* survey.

The measurement period will end as soon as the Parent has received information on the purchase price allocation survey or concludes that no further information can be obtained, but in any event one year after the acquisition date at the latest.

The consideration transferred in a business combination is measured at fair value, which is the aggregate of the fair values of the assets transferred by the acquirer, the liabilities taken on by the acquirer vis-a-vis the former owners of the acquired company and the ownership interests in the equity issued by the acquirer.

Contingent consideration is included in the consideration transferred at its fair value on the date of acquisition. Subsequent changes in the fair value of the contingent consideration, arising from events and circumstances existing on the date of acquisition, are booked by adjusting the goodwill if occurring during the measurement period, or directly to period results if arising after the measurement period, unless the liability is settled using variable-income instruments, in which event the contingent consideration is not remeasured.

The Parent recognizes acquired identifiable assets and liabilities taken from a business combination, regardless of whether they have been recognized prior to the acquisition in the financial statements of the business acquired. Identifiable assets acquired and identifiable liabilities taken on are booked at fair values on the date of acquisition. Excess consideration transferred and the fair value of identifiable assets acquired (including intangible assets not previously recognized) and identifiable liabilities taken on (including contingent liabilities) are recognized as goodwill.

For each business combination, the Parent measures non-controlling interests at fair value and as a proportion of the identifiable net assets of the business acquired.

In the event of a business combination achieved in stages, the previous ownership interest in the acquiree is remeasured at fair value on the date control is gained. The difference between the fair value and the book value of such ownership interest is directly recognized in period results.

Disbursements related to a business combination, other than those related to the issue of debt, are booked as expenses in the periods they are incurred.

On the date of acquisition, goodwill is measured at fair value and subsequently monitored at the level of the cash-generating unit or groups of cash-generating units benefited from the business combination. Goodwill is not amortized, and is subject to impairment testing within one year or earlier, should there be indications of impairment. Impairment losses applied to goodwill are booked to period results and the effect thereof is not reverted.

The method applied by the Parent to test for impairment is described in the asset impairment policy. Negative goodwill arising from a business combination is directly recognized in period results, upon recognition and measurement of identifiable assets, liabilities taken on and potential contingencies.

Put options *granted to the holders of non-controlling interests*

The Parent and its subsidiaries recognize *put option* agreements entered with the holders of non-controlling interests in subsidiaries pursuant to IAS 32 "Financial Instruments: Presentation". Liabilities arising from these agreements, related to subsidiaries consolidated under the global integration method, are recognized as financial liabilities at fair value.

Intangible assets

Refer to non-monetary identifiable assets, with no physical substance, controlled by the Parent and its subsidiaries as a result of past events and from which future economic benefits are expected.

An intangible asset is recognized as such wherever the item is identifiable, severable and will bring future economic benefit. It is identifiable wherever the asset is severable or arises from rights. An asset is controllable if the company has the power to control future economic benefits associated to the asset.

Intangible assets acquired under a business combination are recognized as goodwill wherever they do not meet these criteria.

Intangible assets acquired separately are initially recognized at cost, and intangible assets acquired under a business combination are recognized at fair value.

Internally generated trademarks are not recognized in the statement of financial position.

The cost of intangible assets includes acquisition cost, import duties, indirect not-recoverable taxes and costs directly incurred to bring the asset to the place and use conditions foreseen by the Parent's and its subsidiaries' management, after trade discounts and rebates, if any.

Intangible assets having indefinite useful lives are not amortized, but are subject to impairment testing, on an annual basis or wherever there is indication of impairment.

Intangible assets having a defined useful life are amortized using the straight-line method over their estimated useful lives. The most significant useful lives are:

Acquired software	Between 3 and 5 years
ERP-like acquired software	Between 5 and 8 years

Intangible assets are subsequently measured using the cost model, and amortization as a function of the estimated useful lives and impairment losses are deducted from the amount initially recognized. The effects of amortization and potential impairment are taken to income for the period unless amortization has been booked as a higher value in the construction or production of a new asset.

An intangible asset is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof. The gain or loss from derecognition of an asset is estimated as the difference between the net proceeds of sale and the carrying amount of the asset. Such effect is recognized in period results.

Residual values, useful lives and amortization methods are reviewed at the closing of each annual period and changes, if any, are applied prospectively.

Research and development costs

Research costs are recognized as expenses as they are incurred. Disbursements for development of individual projects are recognized as intangible assets wherever the Parent and its subsidiaries are in the capacity of demonstrating:
- The technical feasibility of completing the intangible asset to have it available for use or sale;
- Its intention of completing the asset and the ability to use or sell the asset;
- The ability to use or sell the intangible asset;
- How the asset will generate future economic benefit;
- The availability of resources to complete the asset; and
- The ability to accurately measure the disbursement during development.

Development costs not complying with these criteria for capitalization are taken to period results. Development costs recognized as intangible assets are subsequently measured using the cost model.

Property, plant and equipment

The name property, plant and equipment is given to all of Parent's and its subsidiaries' tangible assets held for use in production or in the production or provision of goods and services, or for administration purposes, and which are further expected to be used during more than one period, that is to say, more than one year, and that meet the following conditions:
- It is probable that the Parent and its subsidiaries will obtain future economic benefit from the asset;
- The cost may be accurately measured;
- The Parent and its subsidiaries hold all risks and benefits arising from the use or possession of the asset, and
- They are assets whose individual acquisition cost exceeds 50 UVT (Tax-Value Units), except for those assets defined by the Parent's and its subsidiaries' management that are related to the core business purpose, and there is an interest in controlling them given that the Parent and its subsidiaries procure such assets frequently and in significant amounts.

Property, plant and equipment are initially measured at cost; subsequently they are measured at cost less accumulated depreciation and less accumulated impairment loss.

The cost of property, plant and equipment items includes acquisition cost, import duties, non-recoverable indirect taxes, future dismantling costs, if any, loan costs directly attributable to the acquisition of a qualifying asset and the costs directly attributable to place the asset in the site and usage conditions foreseen by the Parent's and its subsidiaries' management, net of trade discounts and rebates.

Costs incurred for expansion, modernization and improvements that increase productivity, capacity or efficiency, or an increase in the useful lives thereof, are carried as a higher value of the asset. Maintenance and repair costs from which no future benefit is foreseen are taken to period results.

Land and buildings are deemed to be individual assets, wherever they are material and physical separation is feasible from a technical viewpoint, even if they have been jointly acquired.

Constructions in progress are transferred to operating assets upon completion of the construction or commencement of operation, and depreciated as of that moment.

The useful life of land is unlimited and consequently it is not depreciated. All other items of property, plant and equipment are depreciated using the straight-line method over their estimated useful lives, considering nil residual value. The groups of property, plant and equipment and relevant useful lives are as follows:

Low-value assets	3 years
Computers	5 years
Vehicles	5 years
Machinery and equipment	From 10 to 20 years
Furniture and office equipment	From 10 to 12 years
Other transportation equipment	From 5 to 20 years
Surveillance team armament	10 years
Buildings	From 40 to 50 years
Improvements to third party properties	40 years or the term of the lease agreement or the remaining of the lease term(*), whichever is less.

(*) Urban improvements related to the construction or delivery of environmental resources and/or related to the visual or architectural improvement of the zone affected by the construction or work under the responsibility of the Parent and its subsidiaries, are recognized in period results.

The Parent and its subsidiaries estimate depreciation by components, which means applying individual depreciation to the components of an asset with useful lives that are different from the asset as a whole and has a material cost in relation to the entire fixed asset. Cost is deemed material when the component exceeds 50% of the total asset value, or when it can be individually identified, based on an individual cost of the component of 32 Minimum Legal Monthly Wages in force (SMMLV).

Residual values, useful lives and depreciation methods are reviewed at the closing of each annual period and changes, if any, are applied prospectively.

An item of property, plant and equipment is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof. The gain or loss from derecognition of an asset is estimated as the difference between the net proceeds of sale and the book value of the asset. Such effect is recognized in period results.

Investment property

Is property held to obtain revenue or capital gains and not for use in the production or supply of goods or services, or for administrative use or sale in the normal course of business. This category includes the shopping malls and other property owned by the Parent and its subsidiaries.

Investment properties are initially measured at cost, including transaction costs. Following initial recognition, they are valued at historical cost less accumulated depreciation and accumulated impairment losses.

Investment property is depreciated using the straight-line method over the estimated useful life, considering nil residual value. The useful life estimated to depreciate buildings classified as investment property is from 40 to 50 years.

Transfers are made from investment properties to other assets and from other assets to investment properties only wherever there is a change in the use of the asset. For transfers from investment property to property, plant and equipment or to inventories, the cost taken into consideration for subsequent accounting is the book value on the date the use is changed. If a property, plant and equipment item would become investment property, it will be recorded at book value on the date it changes.

Situations that can lead to transfer are:

- The Parent and its subsidiaries will occupy the asset classified as investment property; in this event, the asset is reclassified to property, plant and equipment,
- The Parent and its subsidiaries start a development on the investment property or property, plant and equipment towards its sale, provided there is a significant advance in the development of tangible assets or in the project to be sold as a whole. In these events, the asset is reclassified to inventories,
- The Company and its subsidiaries enter into an operating lease agreement with a third party on a property, plant and equipment item. In this event, the asset is reclassified to investment property.

Investment property is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof.

The gain or loss from derecognition of investment properties is estimated as the difference between the net proceeds of sale and the book value of the asset. The effect is taken to income during the period where the asset was derecognized.

The fair values of investment property are updated on an annual basis for the purposes of disclosure in the financial statements.

Non-current assets held for trading and discontinued operations

Non-current assets and the groups of assets for disposal are classified as held for trading if their book value will be recovered via a sale instead of continued use thereof and do not meet the conditions to be classified as real estate inventory.

Such condition is met wherever an asset or group of assets are available for immediate sale, under current condition, and the sale is highly probable to occur. For the sale to be highly probable, the Parent's and its subsidiaries' management must be committed to a plan to sell the asset (or assets or group for disposition) and the sale is expected within the year following the classification date.

Non-current assets and groups of assets for disposition are measured at the lower of book value or fair value, less costs of sale, and are not depreciated or amortized as of the date they are classified as held for trading. Such assets or groups of assets are shown under current assets.

The revenue, costs and expenses from a discontinued operation are presented separately from those from continuing activities, in one single line item after income tax, in the statement of income for the current period and the comparative period for the preceding year, even if a non-controlling interest in the discontinued operation is kept after the sale. An operation is deemed to be discontinued wherever it meets the definition of non-current assets held for trading and represents a business line or geographical area of operations that are material to the Parent and its subsidiaries, or a subsidiary acquired with trading purposes or are part of a single coordinated plan to maintain a business line or geographical area of operations that are material and are deemed separate.

Finance leases

Leases are classified as finance leases when all risks and benefits of ownership of the leased property are substantially transferred to the lessee. Some of the criteria to be taken into consideration to define whether substantial risks and benefits have been transferred include (a) where the term of the lease is equal to or higher than 75% of the economic life of the asset and/or (b) where the present value of minimum payments under the lease agreement is equal to or higher than 90% of the fair value of the asset.

Contingent lease instalments are estimated based on the cause that results in the instalment variance for reasons other than the passage of time.

a. The Parent and its subsidiaries as lessees

   Wherever the Parent and its subsidiaries act as the lessee of an asset under finance lease, the leased asset is shown in the statement of financial position as an asset, according to the nature of the asset pursuant to the lease agreement, and at the same time, a liability in the same amount is recorded in the statement of financial position, estimated as the lower of the fair value of the leased asset or the present value of minimum instalments payable to the lessor, plus, as applicable, the price of the purchase option.

   Regarding useful lives, such assets are depreciated or amortized with the same criteria applied to elements of property, plant and equipment, or intangible assets for own use, provided the property of the asset is transferred to the Parent and its subsidiaries at the end of the contract, via purchase option or else; otherwise, useful lives are set as the term of the agreement or the useful life of the element of property, plant and equipment, whichever is less.

Lease instalments are split between interest and the decrease of the principal. Financial expenses are recognized in the statement of income for the period.

b. The Parent and its subsidiaries as lessors

Wherever the Parent and its subsidiaries act as the lessor of an asset under finance lease, the leased asset is not shown as property, plant and equipment, given that the risks associated to the property have been transferred to the lessee; instead, a financial asset is recognized for the present value of the minimum lease instalments receivable plus the unsecured residual value.

Lease instalments received are split between interest and the decrease of the principal. Interest-related financial revenue is recognized in the statement of income for the period.

Operating leases

They are lease agreements under which all substantial risks and benefits attached to the asset remain with the lessor.

Payments or collections on account of operating lease are recognized as expenses or revenue in the statement of income on a linear basis over the term of the lease agreement. Contingent payments or collections are recognized during the period they are incurred.

Wherever the Company makes advance payments or receives advance payments on account of lease agreements, related to the usage of assets, such payments are carried as expenses paid in advance and collections are booked as revenue received in advance, and both are amortized over the term of the lease agreement.

Use rights

Use rights assets are assets representing the right of the Parent and its subsidiaries as lessees to use an underlying asset during the term of a lease agreement.

They are initially measured at cost, which includes the present value of payments under the lease agreement discounted at the incremental rate of loans of the Parent and its subsidiaries, plus indirect costs incurred under the lease agreement, plus an estimation of the costs required to dismantle the underlying asset upon termination of the lease agreement. Later, they are measured at cost less accumulated depreciation and less accumulated impairment losses, plus adjustments from measurements of lease liabilities relevant to the use right.

The useful lives of use rights are defined by the irrevocable terms of the lease agreements covering underlying assets together with periods covered by an option to extend the term or an option to terminate the lease agreement.

The Parent and its subsidiaries do not carry assets arising from the right to use:
- lease agreements whose underlying assets are low-cost assets such as furniture and fixtures, computers, machinery and equipment and office equipment,
- lease agreements for underlying assets with a term of less than one year,
- lease agreements covering intangible assets.

Loan costs

Loan costs directly attributable to the acquisition, construction or manufacturing of a qualifying asset, in other words an asset that necessarily takes a substantial period of time (generally more than six months) to become ready for its intended use or sale, are capitalized as part of the cost of the respective asset. Other loan costs are accounted for as expenses during the period they are incurred. Loan costs are made of interest and other costs incurred for securing the loan.

Impairment of non-financial assets

At the closing of each annual period, the Parent and its subsidiaries assess whether there is indication that the value of an asset may be impaired. Assets with a defined useful life are subject to impairment testing, provided there is objective evidence that, as result of one or more events subsequent to initial recognition, the book value thereof cannot be recovered, in full or in part.

Intangible assets with an indefinite useful life not subject to amortization are tested for impairment at the closing of each year, except for those intangible assets attached to a business combination still undergoing a measuring period where the purchase price allocation survey has not been completed.

Impairment indicators as defined by the Parent and its subsidiaries, in addition to external data sources (economic environment and the market value of the assets, among other), are based on the nature of assets:
- Movable assets attached to a cash-generating unit: ratio between the net book value of the assets related to each store and sales value (VAT included). Should this proportion be higher than the percentage defined for each format, then there is indication of impairment;
- Real estate: comparison of the net book value of assets to the market value thereof.

To assess impairment losses, assets are grouped at the level of cash-generating units or groups of cash-generating units as applicable, and estimation is made of the recoverable value thereof. The Parent and its subsidiaries have defined each store or each shop as an individual cash-generating unit. Regarding goodwill, the generating units are grouped based on the brand, which represents the lowest value at which goodwill is monitored.

The recoverable value is the higher of the fair value less costs of sale of the cash-generating unit or groups of cash-generating units and the value in use. This recoverable value is estimated for an individual asset unless such asset does not generate any cash flows independently from the cash inflows obtained by other assets or groups of assets.

Impairment losses are recognized with charge to period results in amount of the excess of the carrying amount of the asset over recoverable value thereof, first reducing the book value of the goodwill allocated to the cash-generating unit or group of cash-generating units; should there be a remaining balance, by reducing all other assets of the cash-generating unit or group of units as a function of the carrying amount of each asset until such book value reaches zero.

To determine the fair value less the costs of sale, a pricing model is used in accordance with the cash-generating unit or groups of cash-generating units, if it can be established.

To assess the value in use:
- Estimation is made of future cash flows of the cash-generating unit or groups of cash-generating units over a period not to exceed five years. Cash flows beyond the forecasted period are estimated by applying a steady or declining growth rate.
- The terminal value is estimated by applying a perpetual growth rate, according to the forecasted cash flow at the end of the explicit period.
- The cash flows and terminal value are discounted at present value, using a discount rate before taxes that corresponds to outstanding market rates reflecting the value of money over time and the particular risks attached to the cash-generating unit or groups of cash-generating units.

The Parent and its subsidiaries assess whether the impairment losses previously recognized no longer exist or have decreased; in such events, the book value of the cash-generating unit or groups of cash-generating units is increased to the revised estimation of the recoverable value, without exceeding the book value that would have been determined if no previous impairment had been recognized. Such reversal is recognized as revenue in period results, except for goodwill whose impairment is not reverted.

Inventories

Inventories include goods acquired with the purpose of being sold in the ordinary course of business, goods in process of manufacturing or construction with a view to such sale, and goods to be consumed in the process of production or provision of services.

Inventories in transit are recognized upon receipt of all substantial risks and benefits attached to the asset, according to performance obligations satisfied by the seller, as appropriate under procurement conditions.

Inventories also include real estate property where construction or development of a real estate project has been initiated with a view to future selling.

Inventories are valued by applying the first-in-first-out method (FIFO), while Companhia Brasileira de Distribuição – CBD and its subsidiaries value their inventories at the weighted average cost, basically given the different taxes recognized upon the acquisition of inventories (in the Brazil segment) that would have an effect on the final valuation of the inventories under the FIFO method. The cost of initial recognition includes acquisition costs, costs of processing and other costs incurred in bringing the inventories to their present location and condition, that is to say, upon completion of the production process or receipt at the store. Logistics costs and supplier discounts are capitalized as part of the inventories and recognized in the cost of goods sold upon sale thereof.

Inventories are valued at period closing at the lower of cost and net realization value.

The Parent and its subsidiaries assess whether impairment losses previously recognized in the inventory no longer exist or have decreased; in these events, the book value of inventories is the lower of cost and net realizable value. This reversal is recognized as a decrease in impairment cost.

The Parent and its subsidiaries make an estimation of obsolescence and physical inventory losses, based on the age of inventories, changes in manufacturing and sale conditions, trade regulations, probability of loss and other variables affecting the recoverable value.

Financial assets

Financial assets are recognized in the statement of financial position when the Parent and its subsidiaries become a party pursuant to the instrument terms and conditions. Financial assets are classified in the following categories:
- Financial assets at fair value through income;
- Financial assets measured at amortized cost, and
- Financial assets at fair value through other comprehensive income.

The classification depends on the business model used to manage financial assets and on the characteristics of the cash flows from the financial asset; such classification is defined upon initial recognition. Financial assets are classified as current assets, if they mature in less than one year; otherwise they are classified as non-current assets.

a. Financial assets measured at fair value through income

Includes financial assets incurred mainly seeking to manage liquidity through frequent sales of the instrument. These instruments are measured at fair value and the variations in value are taken to income upon their occurrence.

b. Financial assets measured at amortized cost

These are non-derivative financial assets with known payments and fixed maturity dates, for which there is an intention and capability of collecting the cash flows from the instrument under a contract.

These instruments are measured at amortized cost using the effective interest method. The amortized cost es estimated by adding or deducting any premium or discount, revenue or incremental cost, during the remaining life of the instrument. Gains and losses are recognized in the statement of income by the amortization or if there were objective evidence of impairment.

These financial assets are shown as non-current assets, exception made of those maturing in less than 12 months as of the date of the statement of financial position.

c. Financial assets at fair value through other comprehensive income

They represent variable-income investments not held for trading nor deemed an acquirer's contingent consideration in a business combination. Regarding these investments, upon initial recognition irrevocable decision was made of presenting the gains or losses in other comprehensive income based on a subsequent measurement at fair value.

The gains and losses arising from the new measurement at fair value are recognized in other comprehensive income until the asset is derecognized. In this event, the gains and losses previously recognized in equity are reclassified to retained earnings.

These financial assets are included as non-current assets unless the intention is to dispose of the investment within 12 months of the date of the statement of financial position.

d. Derecognition

A financial asset, or a portion thereof, is derecognized upon its sale, transfer, expiry or loss of control over contract rights or over the cash flows from the instrument. When substantially all risks and benefits of ownership are retained by the Parent and its subsidiaries, a financial asset continues being recognized in the statement of financial position at its full value.

e. Effective interest method

Is the method to estimate the amortized cost of a financial asset and the allocation of interest revenue during the entire relevant period. The effective interest rate is the rate that exactly discounts the estimated net future cash flows receivable (including all charges and revenue received that are an integral part of the effective interest rate, transaction costs and other rewards or discounts), during the expected life of a financial asset.

f. Impairment of financial assets

Given that trade accounts receivable and other accounts receivable are deemed to be short-term receivables of less than 12 months as of the date of issue and not containing a significant financial component, impairment thereof is estimated from initial recognition and on each presentation date as the expected loss for the following 12 months.

For financial assets other than those measured at fair value, expected losses are measured over the life of the relevant asset. For this purpose, determination is made of whether the credit risk arising from the asset assessed on an individual basis has significantly increased, by comparing the risk of default on the date of presentation against that on the date of initial recognition; if so, an impairment loss is recognized in period results in the amount of the credit losses expected over the following 12 months.

g. Loans and accounts receivable

Loans and accounts receivable are financial assets issued or acquired in exchange for cash, goods or services delivered to a debtor.

Accounts receivable from sales transactions are measured at invoice values less accrued impairment losses. These accounts receivable are recognized when all risks and benefits have been transferred to a third party and all performance obligations agreed upon with the customer have been met or are in the process of being met.

Long-term loans (more than one year of issuance date) are valued at amortized cost using the effective interest method wherever the amounts involved are material. Impairment losses are recognized in the statement of income.

These instruments are included as current assets, except for those maturing after 12 months of the date of the statement of financial position, which are classified as non-current assets. Accounts receivable expected to be settled over a period of more than 12 months and include payments during the first 12 months, are shown as non-current portion and current portion, respectively.

h. Cash and cash equivalents

Include cash at hand and in banks, and highly liquid investments. To be classified as cash equivalents, investments should meet the following criteria:
(a) Short-term investments, in other words, with terms less than or equal to three months as of acquisition date;
(b) High-liquidity investments;
(c) Readily converted into cash, and
(d) Subject to low risk of change in value.

In the statement of financial position, the accounting accounts showing actual overdrafts with financial institutions are classified as financial liabilities. In the statement of cash flows such overdrafts are shown as a component of cash and cash equivalents, provided they are an integral part of the Parent's and its subsidiaries' cash management system.

Financial liabilities

Financial liabilities are recognized in the statement of financial position when the Parent and its subsidiaries become a party pursuant to the instrument terms and conditions. Financial liabilities are classified as financial liabilities at fair value through income and financial liabilities measured at amortized cost.

a. Financial liabilities measured at fair value through income

Financial liabilities are classified under this category when held for trading or when upon initial recognition they are designated at fair value through income.

b. Financial liabilities measured at amortized cost

Include loans received and bonds issued, which are initially measured at the actual amount received net of transaction costs and later measured at amortized cost using the effective interest method, recognizing interest expense based on effective profitability.

c. Derecognition

A financial liability or a part thereof is derecognized upon settlement or expiry of the contractual obligation.

d. Effective interest method

The effective interest method is the method to calculate the amortized cost of a financial liability and the allocation of interest expenses over the relevant period. The effective interest rate is the rate that accurately discounts estimated future cash flows payable during the expected life of a financial liability, or, as appropriate, a shorter period wherever a prepayment option is associated to the liability and it is likely to be exercised.

Embedded derivatives

The Parent and its subsidiaries have implemented a procedure that enables assessing the existence of embedded derivatives in financial and non-financial contracts. Should an embedded derivative exist, and if the main agreement is not accounted for at fair value, the procedure defines whether the characteristics and risks thereof are not closely related with the core agreement, in which event separate booking is required.

Derivative financial instruments

Derivative financial instruments are recognized at fair value, both initially and subsequently. Derivative instruments are recognized as financial assets when its fair value involves a right, and as financial liabilities when its fair value involves an obligation.

The fair value of these instruments is estimated on the closing date of presentation of the financial statements.

The gains or losses arising from changes in the fair value of derivative instruments are directly recognized in the statement of income, except those maintained under hedge accounting and deemed to be cash flow hedges or net investment hedges abroad.

Derivative transactions involve *forwards and swaps*, aimed at reducing the market risk of assets and liabilities by using the best hedging structures available in the market, being able to stabilize debt service cash flows.

Regarding *forwards* the intention is managing the foreign exchange risk, and regarding *swaps* additionally managing the interest rate risk in foreign currency. The effects of both, derivative financial instruments and elements hedged are recognized in the statement of income under the net financial results line item.

Even if it is true that the Parent and its subsidiaries do not use derivative financial instruments for speculative purposes, in these financial statements such derivatives have not been deemed hedge instruments given that they do not meet the requirements set by the International Financial Reporting Standards accepted in Colombia.

Forwards and swaps that meet hedge accounting requirements are recognized pursuant to the hedge accounting policy.

Financial derivatives are measured at fair value using financial valuation techniques based on discounted cash flows. The variables used for valuation are exchange rates in force on the valuation date applicable to the currencies agreed upon in the instrument and the interest rates associated thereto.

Hedge accounting

Parent and its subsidiaries carry out hedge transactions under term *forward and swap* contracts, to cover the risks associated with changes in the exchange rates applicable to their investments and in the exchange rates and interests rates applicable to their liabilities.

Hedge instruments are measured at fair value and hedge accounting shall only be used if:
- The hedge relationship has been clearly defined and documented initially, and
- The efficacy of the hedge may be evidenced initially and throughout its life.

Documents include the identification of the hedge instrument, the item or transaction hedged, the nature of the risk being hedged and the manner in which the efficacy of the hedge instrument will be measured when offsetting the exposure to changes in the fair value of the item hedged or to changes in the cash flows attributable to the hedged risk.

Hedges are deemed to be efficient when there is an economic relationship between the item hedged and the hedge instrument, the effects of the credit risk do not prevail over the value changes arising from such economic relationship, and the hedge ratio is the same as that arising from the item hedged and the amount of the hedge instrument used.

Hedge instruments are recognized initially at fair value, that is on the date of execution of the derivative contract, and subsequently measured at fair value. They are shown as non-current assets or non-current liabilities wherever the remaining maturity of the hedged item goes beyond 12 months, and, failing that, as current assets and current liabilities if the maturity of the hedged item does not exceed 12 months.

Hedges are classified and booked as follows, upon compliance with strict hedge accounting criteria:

- Cash flow hedges: this category includes hedges covering the exposure to the variation in cash flows arising from a particular risk associated to a recognized asset or liability or to a foreseen transaction whose occurrence is highly probable and may have an impact on period results.

  The effective portion of the changes in the fair value of derivative instruments defined as cash flow hedge instruments is recognized in other comprehensive income. The gain or loss related to the non-effective portion is promptly recognized in the statement of income.

  Values recognized in other comprehensive income are reclassified to the statement of income wherever the hedged transaction has an impact on the results, on the same line item of the statement of income where the hedged item was recognized. However, when the foreseen transaction that is hedged results in recognition of a non-financial asset or a non-financial liability, the gains or losses previously recognized in other comprehensive income are reclassified at the initial value of such asset or liability.

  Hedge accounting is discontinued upon voiding of the hedge relation, when the hedge instrument matures or is sold, expires, or is exercised, or no longer qualifies for hedge accounting. In those events, any gain or loss recognized in other comprehensive income is maintained in shareholders' equity and recognized when the foreseen transaction has an impact on period results. When it is no longer expected that a foreseen transaction would occur, then the accrued gain or loss recognized in other comprehensive income is immediately recognized in the statement of income.

- Fair-value hedges: this category includes hedges covering the exposure to changes in the fair value of recognized assets or liabilities or unrecognized firm commitments.

  A change in the fair value of a derivative that is a fair-value hedging instrument is recognized in the statement of income as financial expense or revenue. A change in the fair value of a hedged item attributable to the hedged risk is booked as part of the book value of the hedged item, and is also recognized in the statement of income as financial expense or revenue.

  Wherever an unrecognized firm commitment is identified as a hedged item, the subsequent accrued change in the fair value of the firm commitment attributable to the hedged risk will be recognized as an asset or liability and the relevant gain or loss will be recognized in period results.

- Net investment hedges abroad: this category includes hedges covering exposure to the variation in exchange rates arising from the translation of foreign businesses to the Company's reporting currency.

  The effective portion of the changes in the fair value of derivative instruments defined as instruments to hedge a net investment abroad is recognized in other comprehensive income. The gain or loss related to the non-effective portion is promptly recognized in the statement of income.

  If the Parent and its subsidiaries would dispose of a foreign business, in whole or in part, the accrued value of the effective portion recorded to other comprehensive income is reclassified to the statement of income.

Share-based payments

Employees (including senior management) of Companhia Brasileira de Distribuição - CBD, receive compensation in the form of share-based payments, by means of which employees render services in exchange for equity instruments ("Transactions settled with shares").

The cost of transactions settled with shares is recognized as a period expense with an increase in net shareholders' equity as balancing entry, over the period during which the performance and service conditions are met. Service conditions require that an employee complete a certain service period, and performance conditions require than an employee complete a certain service period and certain performance goals.

Accrued expenses recognized from equity instruments at the closing of each period until the vesting date (irrevocability) of the benefit, reflect the degree in which the vesting period has expired and the best estimation of the number of equity instruments that will eventually vest. It is understood that the vesting date is that on which Companhia Brasileira de Distribuição – CBD and employees reach agreement on share-based payments, that is to say, when the parties reach understanding on the terms and conditions of the agreement. On such date, Companhia Brasileira de Distribuição – CBD confer upon its counterparty the right to receive equity instruments, subject to compliance, where appropriate, of certain vesting conditions (irrevocability).

When an equity instrument is amended, the minimum expense recognized is the expense that would have been incurred if the conditions had not changed; additional expense is recognized for any change that may increase the fair value of the share-based payment, or is of benefit to the employee, measured on the date of the amendment.

Upon cancellation of an equity instrument, treatment is given as if fully vested on the date of cancellation, and any unrecognized expense related to the premium is immediately recognized in period results. This includes any premium whose non-consolidation conditions, under the control of Companhia Brasileira de Distribuição - CBD or under the control of the employee, are not met. However, if the plan that has been cancelled is replaced by another plan and is named as replacement on the date it is carried out, the granting plan cancelled and the new plan are treated as if they were and amendment of the original plan, as described in the preceding paragraph. All cancellations of settled equity instrument transactions are treated equally.

Employee benefits

a. Defined contribution plans

   Post-employment benefit plans under which there is an obligation to make certain predetermined contributions to a separate entity (a retirement fund or insurance company) and there is no further legal or constructive obligation to pay additional contributions. Such contributions are recognized as expenses in the statement of income, in as much as the relevant contributions are enforceable.

b. Defined post-employment benefit plans

   Post-employment benefit plans are those under which there is an obligation to directly provide retirement pension payments and retroactive severance pay, pursuant to Colombian legal requirements. The Parent and its subsidiaries have no specific assets intended for guaranteeing the defined benefit plans.

   Defined post-employment benefit plan liabilities are estimated severally for each plan, with the support of independent third parties, applying the projected credit unit's actuarial valuation method, using actuarial assumptions on the date of the period reported, such as: salary increase expectations, average time of employment, life expectancy and personnel turnover. For 2019 and 2018, information on actuarial assumptions regarding the Parent and its Colombian subsidiaries is taken as a reference to Regulatory Decree 2131 of December 22, 2016. Actuarial gains or losses are recognized in other comprehensive income. Interest expense on defined post-employment benefits, as well as settlements and plan reductions, are recognized in period results as financial costs

c. Long-term employee benefits

   These are benefits not expected to be fully settled within twelve months following the closing date of the statement of financial position regarding which employees render their services. These benefits relate to time-of-service bonuses and similar benefits. The Parent and its subsidiaries have no specific assets intended for guaranteeing long-term benefits.

   The liability for long-term benefits is determined separately for each plan with the support of independent third parties, following the actuarial valuation of the forecasted credit unit method, using actuarial assumptions on the date of the reporting period. The cost of current service, cost of past service, cost for interest, actuarial gains and losses, as well as settlements or reductions in the plan are immediately recognized in the statement of income.

d. Short-term employee benefits

   These are benefits expected to be fully settled within twelve months and after the closing date of the statement of financial position regarding which the employees render their services. Such benefits include a share of profits payable to employees based on performance. Short-term benefit liabilities are measured based on the best estimation of disbursements required to settle the obligations on the closing date of the reporting period.

e. Employee termination benefits

The Parent and its subsidiaries pay to employees certain benefits upon termination, wherever decision is made to terminate a labor contract earlier than on the ordinary retirement date, or wherever an employee accepts a benefits offer in exchange for termination of his labor contract.

Termination benefits are classified as short-term employee benefits and are recognized in period results when they are expected to be fully settled within 12 months of the closing of the reporting period; and are classified as long-term employee benefits when they are expected to be settled after 12 months of the closing of the reporting period.

Lease liabilities

Initially, lease liabilities are comprised of payments for the right to use the underlying asset during the term of the lease agreement, including fixed payments, variable lease payments and the payment of fines arising from termination of the lease agreement. Later, lease liabilities are measured by increasing the book value to reflect interests, reducing the book value to show rental instalment payments made and re-measuring the book value to reflect new amendments to the lease agreement.

Provisions, contingent assets and liabilities

The Parent and its subsidiaries recognize as provisions all liabilities outstanding on the date of the statement of financial position, resulting from past events, which may be accurately measured and settlement thereof may require an outflow of resources embodying economic benefits and whose timing and/or amount are uncertain.

Provisions are recognized at the present value of the best estimation of cash outflows required to settle the liability. In those cases where there is expectation that the provision will be reimbursed, in full or in part, the reimbursement is recognized as an independent asset with a revenue to income as balancing entry, only when such reimbursement is virtually certain.

The provisions are revised periodically, and quantified based on the best information available on the date of the statement of financial position.

Provisions under contracts for consideration are present liabilities arising from contracts for consideration and recognized as provisions wherever unavoidable costs to be incurred in performing under the contract exceed the economic benefits expected to be received thereunder.

A business reorganization provision is recognized wherever there is a constructive obligation to conduct a reorganization, that is to say, when a formal and detailed plan of reorganization has been prepared and has raised a valid expectation in those affected because its overall conditions were announced prior to the closing of the reporting period.

Contingent liabilities are obligations arising from past events, whose existence is subject to the occurrence or non-occurrence of future events not entirely under the control of the Parent and its subsidiaries; or current obligations arising from past events, from which the amount of the obligation cannot be accurately estimated or it is not probable that an outflow of resources will be required to settle the obligation. Contingent liabilities are not included in the financial statements; instead they are disclosed in notes to the financial statements, except for those individually included in the purchase pricing report under a business combination, whose fair value may be accurately established and regarding which an outflow of resources to settle the obligation is deemed remote.

A contingent asset is a possible asset that arises from past events, whose existence will be confirmed only by the occurrence or non-occurrence of future events not entirely under the control of the Parent and its subsidiaries. Contingent assets are not recognized in the statement of financial position until revenue realization is virtually true; instead, they are disclosed in the notes to the financial statements.

Taxes

Taxes include liabilities payable to Government by the Parent and its subsidiaries, determined based on private assessments generated during the relevant taxable period.

Taxes include:

<u>Colombia:</u>
- Income tax,
- Real estate tax, and
- Industry and trade tax.

<u>Brazil:</u>
- Financial Contribution to Social Security (COFINS),
- Social Security Tax (PIS),
- Tax on Services (ISS),
- Tax on Property (IPTU),
- Social Contribution on Net Income (CSLL), and
- Imposto de Renta de Personas Jurídicas (IRPJ).

Argentina:
- Income tax,
- Province taxes,
- Tax on personal property - substitute responsible party, and
- Municipal trade and industry tax.

Uruguay:
- Income tax (IRIC),
- Tax on equity,
- Real property tax,
- Industry and trade tax,
- Tax on Control of Stock Corporations (ICOSA),
- National tax on wine production (INAVI), and
- Tax on the Disposal or Transfer of Agricultural and Livestock Assets (IMEBA)

Current income tax

The current income tax for the Parent and its subsidiaries in Colombia is assessed on the higher of the presumptive income and the taxable net income at the official rate applicable annually on each closing of presentation of financial statements. Current income tax expense is recognized with charge to income.

In the case of Brazilian subsidiaries, the income tax includes the "Imposto de Renda da Pessoa Jurídica ("IRPJ")" and the "Contribuição Social sobre o Lucro Líquido ("CSLL")", assessed on the income adjusted pursuant to regulations in force.

For subsidiaries in Uruguay, the income tax is assessed at official tax rates on each year closing.

The income tax expense is recognized with charge to income.

Current tax assets and liabilities are offset for presentation purposes if there is a legally enforceable right, they have been incurred with the same tax authority and the intention is to settle them at net value, or realize the asset and settle the liability simultaneously.

Deferred income tax

Deferred income tax arises from temporary differences and other events that give rise to differences between the accounting base and the taxable base of assets and liabilities. Deferred income tax is recognized at the non-discounted value that the Company expects to recover from or pay to tax authorities, assessed at expected tax rates to be applied during the period when the asset will be realized or the liability will be settled.

Deferred income tax assets are only recognized if it is probable that there will be future taxable income against which such deductible temporary differences may be offset. Deferred income tax liabilities are always recognized. Deferred tax assets and liabilities arising from a business combinations have an impact on goodwill.

The effects of the deferred tax are recognized in income for the period or in other comprehensive income depending on where the originating profits or losses were booked, and they are shown in the statement of financial position as non-current items.

For presentation purposes, deferred tax assets and liabilities are offset if there is a legally enforceable right and they have been incurred with the same tax authority.

No deferred tax liabilities are carried for the total of the differences that may arise between the accounting balances and the taxable balances of investments in associates and joint ventures, since the exemption contained in IAS 12 is applied when recording such deferred income tax liabilities.

Share capital

The Parent's contributed capital is made of common shares.

Incremental costs directly attributable to the issue of new shares or options are shown under shareholders' equity as a deduction from the amount received, net of taxes.

Revenue from ordinary activities under contracts with customers

Revenue from ordinary activities under contracts with customers include retail sales at stores, provision of services, sales of real estate projects and inventories, sale of extended warranties, lease of property and physical space and supplementary businesses such as insurance, travel, telephone, transportation and financing to customers, among other.

Revenue is measured at the fair value of the consideration received or to be received, net of trade rebates, cash discounts and volume discounts; value added tax is excluded.

Revenue from retail sales is recognized when (a) significant risks and benefits attached to the ownership of goods are transferred to purchaser and the performance obligations with the customer have been satisfied, in most cases upon transfer of legal title, (b) such revenue can be reliably measured and (c) there is a probability that economic benefits from the transaction will be received.

Revenue from the provision of services is recognized in the period of realization provided the performance obligations agreed upon with the customer have been satisfied. If performance obligations of the provision of services are subject to compliance with several commitments, then the adequate time for recognition is assessed, either over the time of service provision or at a single time. Consequently, revenue from the provision of services can either be recognized immediately (when the service is deemed rendered) or be deferred over the period during which the service is provided or the commitment is fulfilled.

When goods are sold along with customer loyalty incentives, the revenue is allotted to retail sales and to the sale of incentives, at fair values. Deferred revenue from the sale of incentives is recognized in the statement of income upon customer redemption of products, or upon expiry.

Intermediation contracts are analyzed on the grounds of specific criteria to determine when the Parent and its subsidiaries act as principal and when as a commission agent.

Revenue from dividends is recognized when the right to receive payment for investments classified as financial instruments arise; dividends received from associates and joint ventures that are recognized using the equity method are recognized as a lower value of the investment.

Revenue from royalties is recognized upon fulfilment of the conditions set out in the agreements.

Revenue from operating leases on investment properties is recognized on a linear basis over the term of the agreement.

Revenue from interest is recognized using the effective interest method.

Revenue from barter transactions is recognized upon actual bartering and (a) assets are recognized at the fair value of the consideration received on the date of exchange; or (b) at the fair value of goods delivered.

Loyalty programs

Under their loyalty programs, certain subsidiaries award customer points on purchases, which may be exchanged in future for benefits such as prizes or goods available at the stores, means of payment or discounts, redemption with allies and continuity programs, among other. Points are measured at fair value, which is the value of each point received by the customer, taking the various redemption strategies into consideration. The fair value of each point is estimated at the end of each accounting period.

The obligation of awarding such points is recorded in the liability side as a deferred revenue that represents the portion of unredeemed benefits at fair value, considering for such effect the redemption rate and the estimated portion of points expected not to be redeemed by the customers.

Costs and expenses

Costs and expenses are recognized in period results upon a decrease in economic benefits, associated with a decrease in assets or an increase in liabilities, and the value thereof may be reliably measured.

Costs and expenses include all cash outflows necessary to complete the sales as well as the expenses required to provide the services, such as depreciation of property, plant and equipment, personnel expenses, payments under service agreements, repairs and maintenance, operating costs, insurance, fees and lease expenses, among other.

Earnings per basic and diluted share

Earnings per basic share are calculated by dividing the net profit for the period attributable to the Parent, not including the average number of Parent shares held by a subsidiary, if any, by the weighted average of common shares outstanding during the period, excluding, if any, common shares acquired by the Parent and held as Treasury shares.

Earnings per diluted share are calculated by dividing the net profit for the period attributable to the Parent, by the weighted average of common shares that would be issued should all potential common shares be converted with dilutive effect. The net profit for the period, if any, is adjusted by the amount of dividends and interest related to convertible bonds and subordinated debt instruments.

The Parent has not carried out any transaction having a potential dilutive effect leading to earnings per share on a diluted basis other than the earnings per basic share.

Operation segments

An operating segment is a component that develops business activities from which it obtains revenue under ordinary activities and incurs costs and expenses and whose operating results are reviewed on an ongoing basis by the highest operating decision-making authority of the Parent, namely the Board of Directors, and regarding which distinct financial information is available. Parent's Management assesses the profitability of such segments based on the revenue from ordinary activities under contracts with customers.

For presentation purposes, non-operating companies - holding companies that hold interests in the operating companies - are allocated by segments to the geographical area to which the operating companies belong. Should a holding company hold interests in various operating companies, it is allocated to the most significant operating company.

Total assets and liabilities by segment are not reported internally for management purposes and consequently they are not disclosed in the note regarding disclosure of information by segment.

Information by segment is prepared under the same accounting policies as those applied to consolidated financial statements.

Note 5. New and modified standards and interpretations

Note 5.1. Standards issued during the annual period ended December 31, 2019

During the annual period ended December 31, 2019, Colombia enacted Regulatory Decree 2270 of December 13, 2019, to compile and update the technical frameworks that rule the preparation of financial information set by Regulatory Decree 2420 of 2015, amended by Regulatory Decree 2496 of 2015, Regulatory Decree 2131 of 2016 and Regulatory Decree 2170 de 2017, which had already been compiled in Regulatory Decree 2483 of December 28, 2018. Enactment of this Regulatory Decree allows adopting the International Financial Reporting Standards authorized by the International Accounting Standards Board that are applicable as of January 1, 2020 and all those in force at December 31, 2019, exception made of the amendment to IFRS 9 issued in September 2019.

During the annual period ended December 31, 2019 the International Accounting Standards Board IASB issued the following new standards and amendments:
- Amendment to IFRS 9 - Financial Instruments, applicable as of January 2020.

<u>Amendment to IFRS 9 "Financial Instruments" (September 2019)</u>

The amendment provides solutions to the uncertainty faced by companies due to the progressive elimination of interest rates-related reference indexes such as interbanking rates (IBOR). Changes introduced modify certain hedge accounting requirements, including the provision of additional information to investors regarding their hedge relationships that are directly affected by such uncertainties.

No material effects are expected from the application of this amendment.

Note 5.2. Standards applied as of 2019, issued prior to January 1, 2019

The following standards started to be applied as of January 1, 2019 according to the adoption date set by the IASB:
- IFRS 16 - Leases
- Amendment to IAS 28 - Investments in Associates and Joint Ventures
- Amendment to IFRS 9
- Annual improvement to IFRS Cycle 2015-2017
- Amendment to IAS 19 - Employee Benefits
- IFRIC 23 - Uncertainties over Income Tax Treatments

In Colombia, these standards and amendments were enacted by means of Regulatory Decree 2483 of December 28, 2018. No significant effects arose from application of these standards, exception made of IFRS 16 whose effects were properly disclosed in the annual financial statements at December 31, 2018, and are further included and recorded in these annual financial statements at December 31, 2019. In Colombia, the Amendments to IAS 19 and IFRIC 23 were enacted by means of Regulatory Decree 2270 of December 13, 2019.

Note 5.3. Standards adopted earlier during the annual period ended December 31, 2019

During the annual period ended December 31, 2019, the Company did not apply any Standards earlier.

Note 5.4. Standards not yet in force at December 31, 2019, issued prior to January 1, 2019

During the annual period ended December 31, 2018 the International Accounting Standards Board IASB issued the following new standards and amendments:
- Amendment to IAS 1 - Presentation of Financial Statements, and to IAS 8 - Accounting Policies, changes in accounting estimates and misstatements, to be applied as of January 2020.
- Amendment to IFRS 3 - Business Combinations, to be applied as of January 2020.
- 2018 Conceptual framework, to be applied as of January 2020.

During the annual period ended December 31, 2017 the International Accounting Standards Board IASB issued the following new standards and amendments:
- IFRS 17 - Insurance Contracts, to be applied as of January 2021.

Note 5.5. Standards issued during the annual period ended December 31, 2018

During the annual period ended December 31, 2018, Colombia enacted Regulatory Decree 2483 of December 28, 2018, to compile and update the technical frameworks that rule the preparation of financial information set by Regulatory Decree 2420 of 2015, amended by Regulatory Decree 2496 of 2015, Regulatory Decree 2131 of 2016 and Regulatory Decree 2170 de 2017. Enactment of this Regulatory Decree allows adopting the International Financial Reporting Standards authorized by the International Accounting Standards Board that are applicable as of January 1, 2019 and all those in force at December 31, 2018, exception made of the amendment to IFRS 19 issued in February 2018 and IFRIC 23 issued in June 2017.

During the annual period ended December 31, 2018 the International Accounting Standards Board IASB issued the following new standards and amendments:

- Amendment to IAS 19, Employee Benefits, to be applied as of January 2019.
- Amendment to IFRS 3 - Business Combinations, to be applied as of January 2020.
- 2018 Conceptual framework, to be applied as of January 2020.
- Amendment to IAS 1 - Presentation of Financial Statements, and to IAS 8 - Accounting Policies, changes in accounting estimates and misstatements, to be applied as of January 2020.

<u>Amendment to IAS 19 "Employee Benefits" (February 2018)</u>

The amendment specifies how a company accounts for a defined-benefits plan. IAS 19 requires a company to update its assumptions and remeasure its net defined benefit-related liabilities or assets upon occurrence of a plan event (e.g. a change, reduction or settlement). The amendment also clarifies that after a plan event, a company would use such updated assumptions to measure the cost of the current service and the net interest for the remaining of the reporting period following the plan event.

No material effects resulted from application of this amendment.

<u>Amendment to IFRS 3 - Business Combinations (October 2018)</u>

The amendment has a limited scope seeking to improve the definition of business. It clarifies the definition of business as a comprehensive set of activities and assets aimed at and managed to provide goods or services to customers, generating revenue from investments (dividends or interests) or other kinds of ordinary revenue.

No material effects are expected from the application of this amendment.

<u>2018 Conceptual framework (March 2018)</u>

The new conceptual framework, which is not a standard by itself, integrates and improves certain concepts such as: (i) confirms the purpose of delivering financial information and clarifies the role of administration work, (ii) highlights the importance of delivering information regarding financial performance, (iii) improves the concepts to deliver information regarding assets, liabilities, revenue and expenses, (iv) introduces a guidance on measurement, and (v) supports the Council in establishing standards.

No material effects are expected from the application of this conceptual framework.

<u>Amendment to IAS 1 - Presentation of Financial Statements, and to IAS 8 - Accounting Policies, changes in accounting estimates and misstatements (October 2018).</u>

Given that certain companies have had difficulty in using the "materiality" concept, the International Accounting Standards Board introduced amendments to this definition to make the issuing of materiality judgments easier, which basically means making a decision on the information to be included in the financial statements.

The new definition of materiality states that "information is material if one can reasonably believe that omitting it or misstating it could influence decisions that primary users make on the basis of general-purpose financial statements".

No material effects are expected from the application of this amendment.

Note 5.6 Standards applied as of 2018, issued prior to January 1, 2018

The following standards started to be applied as of January 1, 2018 according to the adoption date set by the IASB:

- Amendment to IAS 40. (a)
- Amendments to IFRS 4. (a)
- Amendments to IFRS 2. (a)
- Annual improvements cycle 2014-2016. (a)
- IFRS 15 - Revenue from Ordinary Activities under Contracts with Customers. (b)
- IFRS 9 - Financial Instruments. (c)
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration. (d)

(a) In Colombia, these standards were made part of Regulatory Decree 2420 of December 14, 2015 by means of Regulatory Decree 2170 of December 22, 2017. No material effects resulted from application of these amendments and annual improvements.

(b) In Colombia, this standard was made part of Regulatory Decree 2420 of December 14, 2015 by means of Regulatory Decree 2496 of December 23, 2015. The Company reviewed the changes to this IFRS against the rules contained in the previous standards and which were deleted by it, and no significant effects resulted from application of this IFRS.

(c) The Company started to apply this standard as of January 1, 2014. No material effects resulted from application of this IFRS.

(d) In Colombia, this standard was enacted by means of Regulatory Decree 2483 of December 28, 2018.

Amendment to IAS 40 - Investment property (issued December 2016).

The amendment sets out that an entity shall transfer a property to, or from, investment property, when there is evidence of a change in use, which occurs if the property meets, or ceases to meet, the definition of investment property. A change in management intentions regarding the use of a property is not evidence of a change in use by itself. The listing of situations that evidence a change in use of investment property provided by the standard was defined as a non-exhaustive listing of examples.

The amendments are effective for periods commencing on or after January 1, 2018. Earlier application was permitted. The Company did not consider early application thereof.

Amendment to IFRS 4 - "Insurance Contracts" (issued September 2016).

The amendment allows entities mainly developing insurance activities an option to continue carrying its accounts under current IFRS and delay the application of IFRS 9 - "Financial Instruments" until the earlier of application of the new insurance standard or for periods commencing on or after January 1, 2021. Additionally, the amendment grants all entities having insurance contracts an option to present in other comprehensive income and not in profit or loss the changes in the fair value of qualifying designated financial assets.

The amendments are effective for periods commencing on or after January 1, 2018. This amendment is not applicable to the Company.

Amendment to IFRS 2 - "Share-based Payments" (issued June 2016)

The amendment relates to the following aspects:
- Addresses the effects of vesting and non-vesting consolidation conditions on the measurement of the fair value of liabilities incurred from cash-settled share-based payments.
- Classifies share-based payment transactions that include net settlement features for tax purposes.
- Defines the accounting of share-based payments when the transaction changes from cash-settled to equity-settled.

The amendments are effective for periods commencing on or after January 1, 2018. Earlier application was permitted. The Company did not consider early application thereof.

IFRS 15 - Revenue from Ordinary Activities under Contracts with Customers (issued May 2014).

The standard sets out a unique comprehensive accounting model for ordinary revenue arising from contracts with customers. IFRS 15 will supersede the guidelines on recognition of ordinary revenue included in IAS 18 - Revenue, IAS 11 - Construction Contracts and related interpretations, once applicable.

The core principle of IFRS 15 is that an entity recognizes the revenue from ordinary activities to describe the transfer of goods or services promised to customers, in exchange for an amount that reflect the consideration the entity expects to be entitled to in exchange for such goods or services.

An entity recognizes revenue from ordinary activities pursuant to such basic principle, by applying the following stages:
- Stage 1: Identify customer contract.
- Stage 2: Identify performance obligations under the contract.
- Stage 3: Define the transaction price.
- Stage 4: Allocate the transaction price to performance obligations under the contract.
- Stage 5: Recognize ordinary revenue when (or in as much as) the entity fulfills a performance obligation.

Pursuant to IFRS 15, revenue is recognized upon fulfillment of a performance obligation. The standard also includes guidance on specific aspects related with the recognition of revenue, and requires a higher level of disclosure.

The standard is effective for periods commencing on or after January 1, 2018. The Company did not consider early application thereof.

The Company has reviewed the changes in this Standard as compared to what was required by previous standards, which were repealed by the former.

Some of the aspects that have been reviewed include:
- Regarding the performance obligation, retail sales represent the only performance obligation; consequently, the Company does not expect an effect on the recognition of revenue, given that like under prior standards revenue is recognized when control over the asset is transferred to the customer, generally upon delivery thereof;
- The Company recognizes revenue from retail sales measured at the fair value of the consideration received or to be received, including returns and discounts;
- The Company does not grant volume discounts to its customers;
- The Company generally grants minor repair warranties but does not offer extended warranties under contracts with customers. The amount of such warranties is non-material;
- Regarding customer loyalty programs, no material changes are expected since liabilities representing points granted that have not been redeemed or expired are measured at the fair value of points and recognized as deferred revenue;
- The Company concluded that services provided to customers are delivered over time, taking into consideration that customers receive and consume benefits simultaneously. In line with this definition, revenue from such service contracts will continue to be recognized over time;
- Regarding disclosures and presentation requirements, the Company did not change the notes to the financial statements given that there are no changes related with judgments applied in the definition of the transaction price, or in the disaggregation of the revenue recognized from contracts with customers, or in the information on revenue for each reporting segment.

IFRS 9 - "Financial Instruments" (issued July 2014)

IFRS 9 introduced new requirements for the classification, measurement and derecognition of financial assets and liabilities, as well as new requirements for hedge accounting and impairment of financial assets.

IFRIC 22 - Foreign Currency Transactions and Advance Consideration (issued December 2016)

This interpretation clarifies the accounting of transactions including the receipt or payment of advance consideration in foreign currency.

The interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from payment or receipt of advance consideration before it recognizes the related asset, expense or revenue. It does not apply when an entity measures the related asset, expense or revenue on initial recognition at fair value or at the fair value of the consideration received or paid out on a date other than the date of initial recognition of a non-monetary asset or a non-monetary liability. In addition, it is not required to apply this interpretation to income taxes, insurance contracts or reinsurance contracts.

The amendments are effective for periods commencing on or after January 1, 2018. Earlier application was permitted. The Company did not consider early application thereof. No material effects resulted from application of this IFRIC.

Note 5.7 Standards adopted earlier during the annual period ended December 31, 2018

During the annual period ended December 31, 2018, the Company did not apply any Standards earlier.

Note 5.8 Standards not yet in force at December 31, 2018, issued prior to January 1, 2018

During the annual period ended December 31, 2016 the International Accounting Standards Board IASB issued the following new standards and amendments:
- IFRS 16 - Leases, to be applied as of January 2019.

During the annual period ended December 31, 2017 the International Accounting Standards Board IASB issued the following new standards and amendments:
- IFRS 17 - Insurance Contracts, to be applied as of January 2021.
- IFRIC 23 - Uncertainty over Income Tax Treatments, to be applied as of January 2019.
- Amendment to IAS 28, Investments in Associates and Joint Ventures, to be applied as of January 2019.
- Amendment to IFRS 9, to be applied as of January 2019.
- Annual improvements to IFRS standards cycle 2015-2017, to be applied as of January 2019.

During the annual period ended December 31, 2018 the International Accounting Standards Board IASB issued the following new standards and amendments:
- Amendment to IAS 19, Employee Benefits, to be applied as of January 2019.

IFRS 16 - Leases (issued January 2016)

The standard sets out the principles for recognition, measurement, presentation and disclosure of leases, applicable to lessors and lessees. It deletes the dual accounting model for lessees, which makes a distinction between finance lease agreements that are carried in the balance sheet and operating leases for which recognition of future lease instalments is not required. Instead, a single model is developed, in the balance sheet, like the current finance lease.

IFRS 16 supersedes IAS 17 - Leases and relevant interpretations, and is applicable to periods commencing on or after January 1, 2019; earlier application is permitted, if IFRS 15 - Revenue from Contracts with Customers has been applied. Earlier application was not considered.

IFRS 17 - Insurance Contracts (issued May 2017)

This IFRS sets out the principles for recognition, measurement, presentation and disclosure of insurance contracts, and supersedes IFRS 4 - Insurance Contracts.

This standard requires a company issuing insurance contracts to disclose such contracts in the statement of financial position as the aggregate of: (a) cash flows from compliance less current estimates of the amounts the company expects to collect on premiums, as well as claims, benefits and expense payouts, including an adjustment relevant to the timeliness and risk attached to such amounts; and (b) the contract margin associated with the service less the expected gain from providing the insurance coverage.

The expected gain from the insurance coverage is recognized in income during the term when the insurance coverage is provided.

Additionally, it requires a company to differentiate the groups of contracts from which it expects to obtain a gain and those from which it expects a loss, the latter being recognized in income as soon as the company identifies such expected losses.

On each reporting date, companies are required to update cash flows from compliance, using current estimates of the amount, timeliness and uncertainty of cash flows and discount rates.

Regarding measurement, historic cost changes to current value. This allows including committed cash flows (both rights and liabilities), and updating them on each reporting date.

No material effects resulted from application of this IFRS.

IFRIC 23 Uncertainties Over Income Tax Treatments (issued June 2017)

This interpretation clarifies how to account for the income tax regarding the effects of uncertainties, pursuant to IAS 12 - Income tax.

The purpose of the interpretation is to limit the diversity of views under which companies recognize and measure a tax liability or a tax asset when tax treatments are uncertain, given that there is no clarity regarding how to apply the tax law to a certain transaction, or whether the tax authority will accept the tax treatment given by the company.

No material effects resulted from application of this IFRIC.

Amendment to IAS 28 Investments in Associates and Joint Ventures (issued October 2017)

The amendment clarifies that a company applies IFRS 9 - Financial Instruments to long-term interests in an associate or joint venture that is part of the net investment in the associate or joint venture.

No material effects resulted from application of this amendment.

Amendment to IFRS 9 Financial Instruments (issued October 2017)

This amendment allows companies to measure financial assets terminated early with negative compensation at amortized cost or fair value through other comprehensive income, provided a condition is met, instead of at fair value through income.

No material effects resulted from application of this amendment.

Annual improvement to IFRS Cycle 2015-2017 (issued December 2017)

Include the following amendments:

- IFRS 3 - Business Combinations. The following paragraph is added: "When a party to a joint arrangement (as defined in IFRS 11 - Joint Arrangements) obtains control of a business that is a joint operation (as defined by IFRS 11), and it had title to the rights and obligations arising from the liabilities related with such joint operation immediately before acquisition date, the transaction is a business combination carried out in stages. Consequently, the acquirer shall apply the requirements relevant to a business combination carried out in stages, including the remeasurement of the interest previously held in the joint operation as described in section 42. In doing so, the acquirer shall remeasure all its interest previously held in the joint operation.

- IFRS 11 - Joint Arrangements. The following paragraph is added: "A party that participates in a joint operation, but does not have joint control, may obtain joint control of the joint venture whose activity is a business, as defined by IFRS 3. In these events, the interests previously held in the joint operation are not remeasured".

- IAS 12 - Income Tax. Modifies the basis for the conclusions regarding the consequences of payments for financial instruments classified as equity in the income tax.

- IAS 23 - Loan Costs. Paragraph 14 is amended as follows: "Where funds are part of a general pool, and they are used to obtain a qualifying asset, such entity will determine the amount of costs eligible for capitalization by applying a capitalization rate to payouts related to that asset. The capitalization rate will be the weighted average of loan costs applicable to all loans received by the entity that are outstanding during the period. Nevertheless, an entity will exclude from this calculation the loan costs applicable to loans specifically obtained to fund a qualifying asset until all activities required to prepare such asset for its foreseen use or sale have been completed. The amount of borrowing costs that an entity is entitled to capitalize during the period shall not exceed total loan costs incurred during the same period.

No material effects resulted from application of these improvements.

Note 6. Business combinations

Note 6.1. Business combinations carried out during the annual period ended December 31, 2019

The following business combinations were carried out during the annual period ended December 31, 2019:

Note 6.1.1. Ardal S.A. business combination

Seeking to expand operations in Uruguay, on January 3, 2019 subsidiary Mercados Devoto S.A. acquired 100% of the shares of Ardal S.A., a company engaged in the general products self-service business.

Acquisition price on the date of acquisition amounted to $1,742 and was fully allocated to goodwill.

Goodwill was fully allocated to the Uruguay segment and is attributable to the synergies expected from the integration of the operation of stores acquired in this country.

Expenses associated with acquisition of this company amounted to $129 and relate to professional fees.

The consolidation of Ardal S.A. from the date of acquisition resulted in revenue from ordinary activities in amount of $4,984.

The goodwill has shown the following variations from the time of business acquisition to the balance carried at December 31, 2019:

Goodwill from the acquisitions at January 3, 2019	1,742
Effect of exchange differences	(221)
Goodwill at December 31, 2019 (Note 16)	1,521

Note 6.2. Business combinations completed during the annual period ended December 31, 2019

The business combination with Ardal S.A., mentioned in the preceding paragraph, was competed during the annual period ended December 31, 2019.

Note 6.3. Business combinations carried out and completed during the year ended December 31, 2018

The following business combinations were carried out and completed during the annual period ended December 31, 2018:

Note 6.3.1. Tipsel S.A. business combination

Seeking to expand operations in Uruguay, on June 20, 2018 subsidiary Mercados Devoto S.A. acquired 100% of the shares of Tipsel S.A., a company engaged in the food self-service business.

Acquisition price on the date of acquisition amounted to $586 and was fully allocated to goodwill.

Goodwill was fully allocated to the Uruguay segment and is attributable to the synergies expected from the integration of the operation of stores acquired in this country.

Expenses associated with the acquisition of this company were not material.

The consolidation of Tipsel S.A. from the date of acquisition resulted in revenue from ordinary activities in amount of $77 and did not generate any gains.

The goodwill has shown the following variations from the time of business acquisition to the balance carried at December 31, 2019:

Goodwill from the acquisitions at June 20, 2018	584
Effect of exchange differences	(31)
Goodwill at December 31, 2019 (Note 16)	553

Note 6.3.2. Tedocan S.A. business combination

Seeking to expand operations in Uruguay, on July 2, 2018 subsidiary Mercados Devoto S.A. acquired 100% of the shares of Tedocan S.A., a company engaged in the food self-service business.

Acquisition price on the date of acquisition amounted to $1,055 and was fully allocated to goodwill.

Goodwill was fully allocated to the Uruguay segment and is attributable to the synergies expected from the integration of the operation of stores acquired in this country.

Expenses associated with the acquisition of this company were not material.

The consolidation of Tedocan S.A. from the date of acquisition resulted in revenue from ordinary activities in amount of $139 and a loss of $4.

The goodwill has shown the following variations from the time of business acquisition to the balance carried at December 31, 2019:

Goodwill from the acquisition at July 2, 2018	1,258
Effect of exchange differences	(74)
Goodwill at December 31, 2019 (Note 16)	1,184

Note 6.4. Business combinations carried out during the year ended December 31, 2018

The following business combinations were carried out during the year ended December 31, 2018:

Note 6.4.1. Cheftime business combination

On November 12, 2018, Companhia Brasileira de Distribuição - CBD entered a strategic association with Cheftime to allocate and sell gastronomic packages online. The agreement entitles Companhia Brasileira de Distribuição - DBC to acquire control over Cheftime. Companhia Brasileira de Distribuição - CBD paid $680 for the purchase option to acquire 51% of interests for R$1; the purchase option can be exercised within 18 months, renewable for a like period to the discretion of the subsidiary or imperative if certain goals are met. In addition to that amount, Companhia Brasileira de Distribuição - CBD disbursed $340 to Cheftime as a loan convertible into one share of stock if the option is exercised.

Exercising the purchase option is a current enforceable right of Companhia Brasileira de Distribuição -CBD and requires vesting. The exercise of the option is dependent upon a contingent consideration of meeting the goals set 18 months after execution of the agreement, at the latest. Such consideration under the contract is valued in the range of R$20 - R$30. Company estimation is R$20.

Pursuant to the agreement, Companhia Brasileira de Distribuição - CBD is entitled to appoint 3 of 5 members of the Board; making decisions regarding certain important administration issues requires 75% of voting rights.

The price of acquisition as well as the fair values of identifiable assets and liabilities of the business acquired at acquisition date and at the closing of the annual period ended December 31, 2018 are as follows:

	Temporary fair values at November 12, 2018	Adjustments during measurement period	Final fair values at November 12, 2018
Property, plant and equipment	587	-	587
Net assets and liabilities measured at fair value	587	-	587

Goodwill arising from the operation amounts to:

	Temporary fair values at November 12, 2018	Adjustments during measurement period	Final fair values at November 12, 2018
Consideration transferred	17,781	-	17,781
Less fair value of identifiable net assets	(587)	-	(587)
Goodwill from the acquisition	17,194	-	17,194

Goodwill was fully allocated to the Brazil segment and is attributable to the synergies expected from the integration of the operations in this country.

No expenses associated with the acquisition of this company were incurred.

Note 6.4.2 James Delivery business combination

On December 26, 2018, Companhia Brasileira de Distribuição - CBD executed a stock purchase-sale agreement with James Delivery to acquire 100% of the shares of stock. Consideration amounts to $16,775 and will be paid in 2019. James Delivery offers a multi-service product order and delivery platform.

The price of acquisition as well as the fair values of identifiable assets and liabilities of the business acquired at acquisition date and at the closing of the annual period ended December 31, 2018 are as follows:

	Temporary fair values at December 26, 2018	Adjustments during measurement period	Final fair values at December 26, 2018
Property, plant and equipment	168	-	168
Net assets and liabilities measured at fair value	168	-	168

Goodwill arising from the operation amounts to:

	Temporary fair values at December 26, 2018	Adjustments during measurement period	Final fair values at December 26, 2018
Consideration transferred	16,775	-	16,775
Less fair value of identifiable net assets	(168)	-	(168)
Goodwill from the acquisition	16,607	-	16,607

Goodwill was fully allocated to the Brazil segment and is attributable to the synergies expected from the integration of the operations in this country.

No expenses associated with the acquisition of this company were incurred.

Note 7. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	December 31, 2019	December 31, 2018
Cash at hand and in banks	2,460,847	2,605,960
Fiduciary rights (1)	82,199	62,788
Term deposit certificates (2)	16,979	3,279,648
Other cash equivalents (3)	2,649	25,284
Total cash and cash equivalents	**2,562,674**	**5,973,680**

(1) The balance includes:

	December 31, 2019	December 31, 2018
Fiducolombia S.A.	36,637	50,785
Fondo de Inversión Colectiva Abierta Occirenta	20,215	5,225
Corredores Davivienda S.A.	10,952	6,545
Fiduciaria Bogota S.A.	10,036	87
BBVA Asset S.A.	4,297	49
Credicorp Capital	62	97
Total fiduciary rights	**82,199**	**62,788**

(2) The decrease is because the assets of subsidiaries Companhia Brasileira de Distribuição – CBD, Ségisor S.A. and Wilkes Partipações S.A. were not included in the consolidated financial statements at December 31, 2019, since these subsidiaries were sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading. At December 31, 2018 included $3,257,389 representing fixed-term deposits of subsidiary Companhia Brasileira de Distribuição – CBD, maturing in less than 90 days as of negotiation date yielding 5.51% E.A.R. equivalent to 85.78% of the IDC - Interbanking Deposit Certificate. It also included $21,602 fixed term deposits of subsidiaries Ségisor S.A. and Wilkes Partipações S.A

(3) The balance represents Monetary Regulation Drafts issued by the Central Bank of Uruguay and subscribed by subsidiaries Grupo Disco del Uruguay S.A. and Devoto Hermanos S.A. maturing in less than three months.

At December 31, 2019 the Parent and its subsidiaries recognized yields from cash at hand and in banks and cash equivalents in amount of $23,770 (December 31, 2018 - $14,871), which were carried as financial revenue as detailed in Note 35. The effective interest rate of yields generated by cash at hand and in banks and by cash equivalents at December 31, 2019 is 2.36% E.A.R.

At December 31, 2019 and December 31, 2018, cash and cash equivalents were not restricted or levied in any way as to limit availability thereof.

Note 8. Trade receivables and other accounts receivable

The balance of trade receivables and other accounts receivable is as follows:

	December 31, 2019	December 31, 2018 (1)
Trade accounts receivable (Note 8.1) (2)	279,130	657,941
Other accounts receivable (Note 8.2) (1) (2)	135,101	477,610
Total trade receivables and other accounts receivable	**414,231**	**1,135,551**
Current	**379,921**	**1,000,267**
Non-current	**34,310**	**135,284**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account reflects the derecognition of the balance receivable of subsidiaries Grupo Disco del Uruguay S.A., Mercados Devoto S.A. and Devoto Hermanos S.A. for the commission to gain lease agreements, which should be considered when measuring the use right. Differences are detailed in Note 52.

(2) The decrease is because the assets of subsidiaries Companhia Brasileira de Distribuição – CBD, Ségisor S.A. and Wilkes Partipações S.A. were not included in the consolidated financial statements at December 31, 2019, since these subsidiaries were sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading.

Note 8.1. Trade accounts receivable

The balance of trade receivables is as follows:

	December 31, 2019	December 31, 2018
Trade accounts (1)	225,112	466,563
Rentals and dealers	54,282	94,346
Employee funds and lending	11,076	37,963
Sale of real-estate project inventories (2)	10,124	-
Accounts receivable from suppliers (3)	-	84,893
Other trade receivables	467	-
Impairment of receivables (Note 8.3)	(21,931)	(25,824)
Trade accounts receivable	**279,130**	**657,941**

(1) The decrease is because the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading. At December 31, 2018 included trade receivables from customers of Companhia Brasileira de Distribuição - CBD, relevant to sales under payment terms other than financing (direct credit to consumer with intervention DCCI). It additionally included accounts receivable of Companhia Brasileira de Distribuição - CBD from financial entities or banks, arising from sales on credit cards "Administradoras de cartões de crédito", where Companhia Brasileira de Distribuição - CBD receives cash in as much as customers pay to the bank the instalments agreed upon.

(2) The balance receivable represents the sale of the Copacabana real-estate project.

(3) The decrease is because the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading. At December 31, 2018 the balance represented accounts receivable from suppliers of Companhia Brasileira de Distribuição – CBD relevant to the suppliers' contribution arising from purchase volume, price protection and agreements defining a supplier's participation in advertising-related expenses.

Note 8.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	December 31, 2019	December 31, 2018 (1)
Employee funds and lending	66,884	77,070
Business agreements	32,017	30,695
Taxes receivable	5,568	627
Money remittances	4,201	6,938
Money transfer services	1,991	572
Tax claims	1,360	1,360
Sale of fixed assets, intangible assets and other assets	720	42,961
Accounts receivable from insurance companies (2) (3)	-	172,392
Accounts receivable from the sale of companies (2) (4)	-	68,792
Other accounts receivable (1)	22,360	89,405
Impairment loss (2)	-	(13,202)
Total other accounts receivable	**135,101**	**477,610**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account reflects the derecognition of the balance receivable of subsidiaries Grupo Disco del Uruguay S.A., Mercados Devoto S.A. and Devoto Hermanos S.A. for the commission to gain lease agreements, which should be considered when measuring the use right. Differences are detailed in Note 52. Decrease is due to that mentioned in (2) below.

(2) The decrease is because the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading.

(3) At December 31, 2018 represented (a) an account receivable recorded by subsidiary Companhia Brasileira de Distribuição - CBD arising from the willingness of the insurance company to pay for the claim filed regarding the casualty occurred on December 27, 2017 at the refrigerated products distribution center located in the municipality of Osasco in amount of $145,943 and (b) other accounts receivable from minor accidents recorded by subsidiary Companhia Brasileira de Distribuição - CBD in amount of $26,449. Decrease is due to that mentioned in (2) above.

(4) At December 31, 2018 the balance represented accounts receivable arising from the exercise of the purchase option on certain fuel stations sold by subsidiary Companhia Brasileira de Distribuição - CBD. The amount of the account receivable is updated from a monetary point of view since the execution of the agreement on May 28, 2012, by 110% of the IDC (interbanking deposit certificate), with repayment foreseen in 240 monthly instalments. Decrease is due to that mentioned in (2) above.

Note 8.3. Trade receivables and other accounts receivable classified as current and non-current

The balance of trade receivables and other accounts receivable classified as current and non-current is as follows:

	December 31, 2019	December 31, 2018
Trade accounts receivable	225,112	463,471
Rentals and dealers	54,282	94,346
Employee funds and lending	58,636	94,395
Business agreements	32,017	30,695
Taxes receivable	5,568	627
Money remittances	4,201	6,938
Money transfer services	1,991	572
Tax claims	1,360	1,360
Sale of property, plant and equipment, intangible assets and other assets	720	42,961
Accounts receivable from insurance companies	-	172,392
Accounts receivable from suppliers	-	84,893
Other	17,965	46,643
Impairment of receivables (1)	(21,931)	(39,026)
Total current	**379,921**	**1,000,267**
Employee funds and lending	19,325	20,639
Accounts receivable from the sale of companies	-	68,791
Trade accounts receivable	-	3,092
Other	14,985	42,762
Total non-current	**34,310**	**135,284**

(1) The impairment of receivables is recognized as expense in period results. However, even if impaired, the Parent and its subsidiaries are of the opinion that these balances are recoverable, given the extensive credit risk analysis on customers, including credit ratings when they are available in credit databases recognized in the market. During the annual period ended December 31, 2019 the net effect of the impairment of receivables in the statement of income represents revenue in amount of $116,821 ($128,411 revenue for the period ended December 31, 2018).

The development of the impairment of receivables during the period was as follows:

Balance at December 31, 2018	**39,026**
Recognized impairment loss	267,682
Receivables written-off	(8,476)
Reversal of impairment loss	(276,027)
Reclassifications to non-current assets held for trading	1,731
Effect of exchange difference from translation into reporting currency	(2,005)
Balance at December 31, 2019	**21,931**

Note 8.4. Trade receivables and other accounts receivable by age

The aging of trade receivables and other receivables, irrespective of impairment, is as follows:

			Overdue			
Period	**Total**	**Not due**	**< 30 days**	**31 - 60 days**	**61 - 90 days**	**> 90 days**
December 31, 2019	436,162	289,127	76,307	17,446	3,511	49,771
December 31, 2018	1,174,608	952,955	116,864	58,373	7,621	38,795

Note 9. Prepaid expenses

The balance of prepaid expenses is:

	December 31, 2019	December 31, 2018 (1)
Insurance (2) (3)	15,680	27,141
Maintenance	14,812	9,750
Leases (1) (2)	14,430	39,905
Advertising (2)	2,552	25,737
Taxes	71	243
Bank fees (2)	-	32,865
Services (2)	-	9,890
Licenses in use (2)	-	1,797
Other advance payments (2)	5,437	11,312
Total prepaid expenses	**52,982**	**158,640**
Current	**43,351**	**143,889**
Non-current	**9,631**	**14,751**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account reflects the derecognition of advance payment by subsidiary Companhia Brasileira de Distribuição - CBD for the commission to gain lease agreements, which should be taken into consideration when measuring the use right. Differences are detailed in Note 52.

(2) The decrease is because the assets of subsidiaries Companhia Brasileira de Distribuição – CBD, Ségisor S.A. and Wilkes Partipações S.A. were not included in the consolidated financial statements at December 31, 2019, since these subsidiaries were sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading.

(3) Mainly represents multi-risk insurance policy, $9,425 (December 31, 2018 - $8,873); third-party liability insurance, $949 (December 31, 2018 - $774); life insurance, $621 (December 31, 2018 - $653); transport insurance, $574 (December 31, 2018 - $412) and other insurance, $948 (December 31, 2018 - $814).

Note 10. Accounts receivable and Other non-financial assets with related parties

The balance of accounts receivable from related parties and the balance of other non-financial assets associated with related parties is made as follows:

	Accounts receivable		Other non-financial assets	
	December 31, 2019	**December 31, 2018**	**December 31, 2019**	**December 31, 2018**
Joint ventures (1)	44,534	58,812	15,000	-
Grupo Casino companies (2)	10,123	20,643	-	-
Controlling entity (3)	387	3,907	-	-
Associates (4)	-	76,674	-	-
Total	**55,044**	**160,036**	**15,000**	**-**
Current	**55,044**	**131,720**	**-**	**-**
Non-current	**-**	**28,316**	**15,000**	**-**

(1) The balance of accounts receivable is made as follows:
- Involvement in a corporate collaboration agreement $13,523 (December 31, 2018 - $7,019) and reimbursement of shared expenses, collection of coupons and other items $8,778 (December 31, 2018 - $36,579) with Compañía de Financiamiento Tuya S.A.
- Redemption of points in amount of $21,596 (December 31, 2018 - $14,804) and other services in amount of $637 (December 31, 2018 - $410) with Puntos Colombia S.A.S.

The balance of other non-financial assets relates to a payment made to Compañía de Financiamiento Tuya S.A. for the subscription of shares. Given that at December 31, 2019 Compañía de Financiamiento Tuya S.A. had not received authorization from the Colombian Financial Superintendence to register a capital increase, the amount disbursed was not recognized as an investment in such company.

(2) Mainly relates to the balance receivable (a) for expatriate payments from Casino International in amount of $4,677 (December 31, 2018 - $5,057), from Distribution Casino France in amount of $101, (December 31, 2018 - $82) and from Casino Services in amount of $7 (December 31, 2018 - $12,487); (b) for energy efficiency services received from Greenyellow Energía de Colombia S.A.S. in amount of $34 (December 31, 2018 - $527), (c) for suppliers achievements with International Retal and Trade Services in amount of $1,399 (December 31, 2018 - $1,271) and (d) for services provided under the Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A. (*) in amount of $3,622 (December 31, 2018 - $-).

(3) At December 31, 2019 represented the balance of personnel expenses receivable from Companhia Brasileira de Distribuição - CBD (*). At December 31, 2018 represented the balance receivable arising from the Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A. (*) and the charges arising from the cost sharing agreement and bonuses receivable.

(4) At December 31, 2018, the balance mainly relates to balances with Financiera Itaú CBD - FIC Promotora de Vendas Ltda., mostly charges arising from trade agreements for the promotion and sale of financial services offered by Financiera Itaú CBD - FIC Promotora de Vendas Ltda. at the stores of Companhia Brasileira de Distribuição – CBD. The decrease is because the assets of subsidiaries Companhia Brasileira de Distribuição – CBD, Ségisor S.A. and Wilkes Partipações S.A. were not included in the consolidated financial statements at December 31, 2019, since these subsidiaries were sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading.

(*) At December 31, 2019, and as result of the takeover bid mentioned in Note 1, (a) Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Company's controlling entity, (b) Casino Guichard-Perrachon S.A. ceased as the controlling entity to become a company of the Casino Group.

Note 11. Inventories, net and Cost of sales

Note 11.1. Inventories, net

The net balance of net inventories is as follows:

	December 31, 2019	**December 31, 2018**
Inventories available for trading (1)	1,758,095	6,420,659
Inventories in transit (1)	50,331	181,338
Materials, small spares, accessories and consumable packaging (1).	8,095	23,846
Inventories of property under construction (2)	87,800	109,823
Raw materials	11,958	3,278
Production in process	779	610
Inventory impairment (3)	(16,398)	(19,158)
Total inventories	**1,900,660**	**6,720,396**

(1) The decrease is because the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading.

(2) Represents the Montevideo real estate project, owned by the Parent, in amount of $87,800 (December 31, 2018 - $96,483). For 2018 it also included the Copacabana real estate project in amount of $8,978, owned by the Parent, which was sold in 2019, and the Figue real estate project, owned by Companhia Brasileira de Distribuição - CBD in amount of $4,362. At December 31, 2019 the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading.

(3) The development of the provision during the period reported is as follows:

Balance at December 31, 2018	**19,158**
Reversal of impairment provisions (Note 11.2)	(4,906)
Impairment loss recognized during the period (Note 11.2)	3,690
(Reclassification) to non-current assets held for trading	(678)
Effect of exchange difference from translation into reporting currency	(866)
Balance at December 31, 2019	**16,398**

At December 31, 2019 and at December 31, 2018 there are no restrictions or liens on the inventories that limit tradability or realization thereof, except for the Montevideo real estate project, regarding which at December 31, 2019 there is a purchase-sale promise under the following terms: delivery of 24.6% in 2020, 14.4% in 2021 and 52% in 2022. 9% was sold during 2019.

Further, inventories are properly insured against all risks.

Pursuant to Parent's and its subsidiaries' policies, inventories are valued at cost or at net realizable value (fair value less selling costs), whichever is less. Adjustments to this valuation are included in the costs of sales for the period.

Note 11.2. Cost of sales

The following is the information related with the cost of sales, impairment and reversals of impairment recognized in inventories:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1)
Cost of goods sold (1) (2) (3)	11,341,227	10,992,419
(Reversal) impairment loss, net (4) (5)	(2,250)	(2,840)
Total cost of sales	**11,338,977**	**10,989,579**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this cost of goods sold account relates to the derecognition of fixed payments under lease agreements and the recognition of depreciation of use rights. Differences are detailed in Note 52.

(2) At December 31, 2019 includes $61,746 of depreciation and amortization cost (December 31, 2018 - $53,244).

(3) As of January 1, 2019, based on reviews to Parent operations, certain items related with food preparation operating processes that until December 31, 2018 were shown as administration expenses and employee benefit expenses, are carried under the cost of goods sold. Such items in amount of $177.031 were reclassified in the financial statements at December 31, 2018 only for comparison to the financial statements at December 31, 2019. Such reclassification had no material effects on the gross profit.

(4) The circumstances that gave rise to the reversal of impairment mainly relate to logistic adaptations and optimization of the goods storage space at the distribution center, delimiting the exposure of goods at the warehouses. Also, they relate to a change in the management of physical counts (which are now managed through general inventories instead of revolving inventories), increase in post-season critical controls, assessment of critical merchandise and supplementary activities.

(5) Does not include $1,034 relevant to the impairment of inventories of companies held for trading. Such effect is shown under net gains for the period from discontinued operations.

Note 12. Other financial assets

The balance of other financial assets is as follows:

	December 31, 2019	December 31, 2018
Financial assets measured at amortized cost (2)	41,392	40,899
Financial assets at fair value through other comprehensive income (3)	24,914	13,443
Derivative financial instruments (4)	23,357	113,541
Financial assets measured at fair value through income (1) (5)	1,427	652,100
Derivative financial instruments designated as hedge instruments (1) (6)	476	75,296
Total other financial assets	**91,566**	**895,279**
Current	**43,237**	**141,214**
Non-current	**48,329**	**754,065**

(1) The decrease is because the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading.

(2) Financial assets measured at amortized cost mainly relate to investments in bonds issued by Compañía de Financiamiento Tuya S.A. which the Parent has the intention and capability of holding until maturity to obtain contractual cash flows. Such investments are part of the Tarjeta Éxito corporate collaboration agreement. At December 31, 2019 the nominal value amounts to $39,500 (December 31, 2018 - $39,500) and maturities go from 5 to 8 years yielding CPI + 6%.

(3) Financial assets measured at fair value through other comprehensive income are equity investments not held for trading. The detail of these investments is as follows:

	December 31, 2019	December 31, 2018
Investment in bonds	14,521	13,183
Cnova N.V. (a)	9,222	-
Fideicomiso El Tesoro stages 4A and 4C 448	923	-
Associated Grocers of Florida, Inc.	113	113
Central de Abastos del Caribe S.A	71	71
La Promotora S.A.	50	50
Sociedad de Acueducto, Alcantarillado y Aseo de Barranquilla S.A. E.S.P.	14	14
Carnes y Derivados de Occidente S.A.S.	-	12
Total	**24,914**	**13,443**

(a) As a result of the sale of the assets of subsidiary Companhia Brasileira de Distribuição - CBD on November 27, 2019, this investment ceased as an associate to become a financial asset (Note 18).

(4) Derivative financial instruments reflect the fair value of forward and swap contracts to hedge the fluctuation in the exchange rates and interest rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position, the Parent measures the derivative financial instruments (forward and swap) at fair value, on each accounting closing date.

The detail of maturities of these instruments at December 31, 2019 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	3,409	-	5,730	2,775	-	11,914
Swap	-	(1,353)	3,753	9,043	-	11,443
	3,409	**(1,353)**	**9,483**	**11,818**	**-**	**23,357**

The detail of maturities of these instruments at December 31, 2018 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	21,145	13,060	4,470	-	-	38,675
Swap	-	-	22,423	24,409	28,034	74,866
	21,145	**13,060**	**26,893**	**24,409**	**28,034**	**113,541**

(5) At December 31, 2019 financial assets measured at fair value through income represent investments of the Parent in equity securities of Fondo Valorar Futuro to manage liquidity in amount of $1,295, which are measured at fair value based on the Fondo's unit value. Changes in fair value are recognized as revenue or expense in the statement of income. It also includes legal deposits in amount of $132 relevant to subsidiary Libertad S.A.

The balance at December 31, 2018 related to:

(a) Balances in certain bank accounts regarding legal and tax deposits not available to subsidiary Companhia Brasileria de Distribuicao - CBD given that they are restricted to be used for payments under some legal proceedings filed against it. The balance was monthly updated using an interest rate, and the variation is recognized as revenue or expense in the statement of income.

Deposit for labor legal proceedings	388,276
Deposit for tax legal proceedings	198,831
Deposit for regulatory legal proceedings	35,228
Deposit for civil legal proceedings	28,405
Total	**650,740**

(b) Legal deposits in amount of $159 relevant to subsidiary Libertad S.A.

(c) Investments of the Parent in equity securities of Fondo Valorar Futuro to manage liquidity in amount of $1,201, which are measured at fair value based on the Fondo's unit value. Changes in fair value are recognized as revenue or expense in the statement of income.

(6) At December 31, 2019 derivative instruments designated as hedge instrument reflect swap transactions carried out by the Parent under contracts executed with financial entities, whose purpose is the exchange, at specific intervals, of the difference between the amounts of fixed and variable interest rates calculated in relation with an agreed-upon nominal principal amount, which turns variable rates into fixed rates and cash flows then may be determined in local currency. The fair values of these instruments are determined based on valuation models commonly used by market participants.

The balance relates to the following transactions:

	Nature of risk insured	**Hedged item**	**Range of rates for hedged item**	**Range of rates for hedging instruments**	**Fair value**
Swap	Interest rate	Financial liabilities	Libor USD 1M + 2.22%	9.06%	476

The detail of maturities of these hedging instruments at December 31, 2019 is as follows:

	Less than 1 month	**From 1 to 3 months**	**From 3 to 6 months**	**From 6 to 12 months**	**More than 12 months**	**Total**
Swap	-	-	-	-	476	476

At December 31, 2018 derivative financial instruments designated as hedge instruments refer to:

(a) Derivatives designated as hedge instruments that reflect the fair value of swap contracts for 100% of liabilities denominated in US Dollars at a fixed interest rate, of Companhia Brasileira de Distribuição – CBD, exception made of DCCI (Direct consumer credit through an intermediary). The fair value is measured by exchanging such instruments at a floating IDC rate. The term of these contracts equals that of the debt, and they hedge both principal and interests. The average annual IDC rate at December 31, 2018 was 6.42%. The fair values of these instruments are determined based on valuation models commonly used by market participants.

The detail of maturities of these instruments is as follows:

	Derivative	**Less than 1 month**	**From 1 to 3 months**	**From 3 to 6 months**	**From 6 to 12 months**	**More than 12 months**	**Total**
December 31, 2018	*Swap*	-	-	839	37,506	36,471	**74,816**

(b) Derivative instruments designated as hedge instrument reflect swap transactions carried out by the Parent under contracts executed with financial entities, whose purpose is the exchange, at specific intervals, of the difference between the amounts of fixed and variable interest rates calculated in relation with an agreed-upon nominal principal amount, which turns variable rates into fixed rates and cash flows then may be determined in local currency. The fair values of these instruments are determined based on valuation models commonly used by market participants.

The balance relates to the following transactions:

	Nature of risk insured	**Hedged item**	**Range of rates for hedged item**	**Range of rates for hedging instruments**	**Fair value**
Swap	Interest rate	Financial liabilities	IBR 3M	4.4% - 6.0%	480

The detail of maturities of these hedging instruments at December 31, 2018 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	-	-	-	-	480	480

The balance of other financial assets classified as current and non-current is as follows:

	December 31, 2019	December 31, 2018
Derivative financial instruments	23,357	85,507
Financial assets measured at fair value through other comprehensive income	14,521	12,735
Financial assets measured at amortized cost	5,227	4,468
Financial assets measured at fair value through income	132	159
Derivative financial instruments designated as hedge instruments	-	38,345
Total current	**43,237**	**141,214**
Financial assets measured at amortized cost	36,165	36,431
Financial assets measured at fair value through other comprehensive income	10,393	708
Financial assets measured at fair value through income	1,295	651,941
Derivative financial instruments designated as hedge instruments	476	36,951
Derivative financial instruments	-	28,034
Total non-current	**48,329**	**754,065**

At December 31, 2019 and at December 31, 2018 there are no restrictions or liens on other financial assets that restrict the tradability or realization thereof, exception made of (a) the investment in bonds of Compañía de Financiamiento Tuya S.A., which were issued as part of the business collaboration agreement on Tarjeta Éxito, and (b) legal deposits relevant to subsidiary Libertad S.A.

At December31, 2019, in addition to the exceptions mentioned in the preceding paragraph, legal and tax deposits of Companhia Brasileira de Distribuicao - CBD, whose use was devoted for the payment of certain proceedings filed against it, also had restrictions that limited tradability or realization thereof.

None of the assets was impaired at December 31, 2019 and December 31, 2018.

Note 13. Property, plant and equipment, net

The net balance of property, plant and equipment is as follows:

	December 31, 2019	December 31, 2018 (1)
Land	1,013,078	2,406,067
Buildings (1)	1,901,719	4,131,398
Machinery and equipment	951,405	2,893,704
Furniture and fixtures	604,591	1,659,721
Assets under construction	82,196	213,271
Premises	113,362	845,833
Improvements to third party properties	553,014	5,452,094
Vehicles	19,006	21,631
Computers	224,545	813,358
Other property, plant and equipment	16,050	183,281
Total property, plant and equipment	**5,478,966**	**18,620,358**
Accumulated depreciation (1)	(1,629,026)	(6,299,910)
Impairment loss	(4,848)	(2,933)
Total net property, plant and equipment (2)	**3,845,092**	**12,317,515**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment arises from the reclassification to use rights of certain assets and accumulated depreciation thereof, previously properly recognized as property, plant and equipment and related to finance leases. Differences are detailed in Note 52.

(2) The decrease is since the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading.

The development of the cost of property, plant and equipment, and depreciation thereof, during the reporting period is as follows:

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Premises	Improvements to third party properties	Vehicles	Computers	Other property, plant and equipment	Total
Balance at December 31, 2018	**2,406,067**	**4,131,398**	**2,893,704**	**1,659,721**	**213,271**	**845,833**	**5,452,094**	**21,631**	**813,358**	**183,281**	**18,620,358**
Additions	61,358	159,633	209,358	106,149	544,406	52,089	369,752	774	64,777	19,951	1,588,247
Loan costs	-	5,126	577	369	7,088	234	5,263	-	288	-	18,945
Increase (decrease) from movements between property, plant and equipment accounts	-	14,345	(22,107)	18,389	(33,204)	3,836	6,345	4,045	322	-	(8,029)
Increase (decrease) from transfers from (to) other balance sheet accounts	(1,313)	32,845	72,659	34,865	(379,161)	5,126	163,811	435	8,510	(987)	(63,210)
(Decrease) from transfers (to) investment property investment activities	-	(16,466)	-	-	-	-	-	-	-	-	(16,466)
(Disposal) of property, plant and equipment	(8,121)	9,417	(24,471)	(19,670)	(11,490)	(6,974)	(45,257)	(2,928)	(21,219)	(2,001)	(132,714)
(Derecognition) of property, plant and equipment	-	(602)	(22,958)	(12,387)	-	(330)	(9,655)	(635)	(13,022)	-	(59,589)
(Reclassification) of non-current assets held for trading	(1,406,972	(2,364,506)	(2,127,865)	(1,158,383)	(259,057)	(765,312)	(5,321,075)	(4,179)	(617,918)	(182,933)	(14,208,200)
Effect of exchange differences from translation into reporting currency	(88,493)	(123,069)	(35,050)	(31,788)	(3,743)	(21,140)	(65,539)	(2,161)	(19,217)	(1,261)	(391,461)
Other changes	(77)	(2,733)	-	(149)	-	-	(2,725)	251	(70)	-	(5,503)
Net monetary position result	50,629	56,331	7,558	7,475	4,086	-	-	1,773	8,736	-	136,588
Balance at December 31, 2019	**1,013,078**	**1,901,719**	**951,405**	**604,591**	**82,196**	**113,362**	**553,014**	**19,006**	**224,545**	**16,050**	**5,478,966**
Accumulated depreciation											
Balance at December 31, 2018		**974,100**	**1,367,120**	**894,486**		**367,573**	**1,940,685**	**15,453**	**619,894**	**120,599**	**6,299,910**
Depreciation expense/cost		83,986	204,312	115,779		44,119	235,819	2,183	67,654	15,949	769,801
Increase (decrease) from transfers from (to) other balance sheet accounts		1	(46)	129		118	(104)	12	(90)	(3)	17
Increase (decrease) from movements between property, plant and equipment accounts		(2,767)	(11,524)	9,995		(134)	(4,992)	1,832	(439)	-	(8,029)
(Disposal) of property, plant and equipment		(66)	(26,777)	(12,645)		(2,007)	(6,262)	(2,234)	(13,926)	(1,646)	(65,563)
Derecognition of depreciation		(118)	(16,498)	(9,295)		(267)	(5,750)	(588)	(13,042)	-	(45,558)
(Reclassification) of non-current assets held for trading		(712,848)	(1,056,664)	(630,347)		(337,681)	(1,873,691)	(3,950)	(483,863)	(130,004)	(5,229,048)
Effect of exchange differences from translation into reporting currency		(32,803)	(22,064)	(23,083)		(10,597)	(25,362)	(1,442)	(15,103)	(886)	(131,340)
Other changes		(1,118)	-	(83)		-	-	-	9	-	(1,192)
Net monetary position result		18,568	6,000	5,698		-	-	1,702	8,060	-	40,028
Balance at December 31, 2019		**326,935**	**443,859**	**350,634**		**61,124**	**260,343**	**12,968**	**169,154**	**4,009**	**1,629,026**
Impairment											
Balance at December 31, 2018	**-**	**-**	**-**	**-**	**-**	**-**	**2,933**	**-**	**-**	**-**	**2,933**
Impairment loss	1,280	1,007	-	-	-	-	-	-	-	-	2,287
Effect of exchange differences from translation into reporting currency	-	-	-	-	-	-	(372)	-	-	-	(372)
Balance at December 31, 2019	**1,280**	**1,007**	**-**	**-**	**-**	**-**	**2,561**	**-**	**-**	**-**	**4,848**

The rate used to determine the amount of loan costs capitalized was 6.323%, calculated with the weighted average of loan costs applicable to borrowings, outstanding at the closing of December 31, 2019.

Assets under construction are represented by those assets not ready for their intended use as expected by the Parent's and its subsidiaries' management, and on which costs directly attributable to the construction process continue to be capitalized.

The carrying amounts of property, plant and equipment under finance lease are as follows:

	December 31, 2019	December 31, 2018
Other property, plant and equipment	11,755	12,543
Furniture and fixtures (1)	-	2,536
Machinery and equipment (1)	-	2,456
Computers (1)	-	2,362
Premises (1)	-	277
Total property, plant and equipment	**11,755**	**20,174**

(1) The decrease is because the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading.

The cost of property, plant and equipment does not include the balance of estimated dismantling and similar costs, since the assessment and analysis made by the Parent and its subsidiaries defined that there are no contractual or legal obligations requiring such estimation at the time of acquisition.

At December 31, 2018, Companhia Brasileira de Distribuição - CBD carried assets delivered as collateral to third parties to secure lawsuits in amount of $715,467.

Except for the above, at December 31, 2019 and at December 31, 2018 no restrictions or liens had been imposed on items of property, plant and equipment that limit realization or tradability thereof, and there are no commitments to acquire, build or develop property, plant and equipment.

During the annual periods ended December 31, 2019 and December 31, 2018, no compensations were received for damaged assets, and no payment acceptances by insurance companies to compensate for damaged assets were recognized.

At December 31, 2019 subsidiaries Patrimonio Autónomo Viva Palmas and Patrimonio Autónomo Viva Sincelejo showed impairment losses on property, plant and equipment in amount of $394 (land $106 and buildings $288), and $1,893 (land $1,174 and buildings $719), respectively. At December 31, 2018, Uruguayan subsidiary Mercados Devoto S.A. recognized impairment of property, plant and equipment in amount of $2,933. Information about the methodology applied to test for impairment is disclosed in Note 39.

Note 14. Investment property, net

The Parent's and its subsidiaries' investment properties are business premises and plots of land held to generate income from operating lease activities or future appreciation of the price thereof.

The net balance of investment properties is made as follows:

	December 31, 2019	December 31, 2018
Land	313,899	327,844
Buildings	1,470,745	1,443,356
Construction in progress	8,223	7,253
Total cost of investment property	**1,792,867**	**1,778,453**
Accumulated depreciation	(163,183)	(144,828)
Impairment loss	(3,464)	-
Total investment property, net (1)	**1,626,220**	**1,633,625**

(1) The decrease is because the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading.

The development of the cost of investment property and depreciation thereof, during the reporting period, is as follows:

Cost	Land	Buildings	Constructions in progress	Total
Balance at December 31, 2018	**327,844**	**1,443,356**	**7,253**	**1,778,453**
Additions	1,737	50,082	1,110	52,929
(Reclassification) of non-current assets held for trading	(5,316)	(21,734)	(34)	(27,084)
Increase arising from transfers from property, plant and equipment accounts	-	16,466	-	16,466
Disposals	(395)	(1,952)	-	(2,347)
Effect of exchange differences on translation into reporting currency	(17,288)	(96,324)	(246)	(113,858)
Net monetary position result	7,317	80,851	140	88,308
Balance at December 31, 2019	**313,899**	**1,470,745**	**8,223**	**1,792,867**

Accumulated depreciation	Buildings
Balance at December 31, 2018	**144,828**
Depreciation expense	31,138
(Reclassification) of non-current assets held for trading	(8,189)
Effect of exchange differences on translation into reporting currency	(19,462)
Net monetary position result	14,868
Balance at December 31, 2019	**163,183**

Impairment loss	Land	Building s	Total
Balance at December 31, 2018	**-**	**-**	**-**
Impairment loss	1,159	2,305	3,464
Balance at December 31, 2019	**1,159**	**2,305**	**3,464**

At December 31, 2019 and December 31, 2018 there are no limitations or liens imposed on investment property that restrict realization or tradability thereof.

At December 31, 2019 and at December 31, 2018 the Parent and its subsidiaries are not committed to acquire, build or develop investment property or to repair, maintain or improve such property, other than existing constructions. Neither there are compensations from third parties arising from the damage or loss of investment property.

At December 31, 2019, subsidiaries Patrimonio Autónomo Viva Palmas and Patrimonio Autónomo Viva Sincelejo showed impairment losses on property, plant and equipment in amount of $1,273 (land $306 and buildings $966), and $2,191 (land $853 and buildings $1,399), respectively. No impairment losses were recognized at December 31, 2018. Information about the methodology applied to test for impairment is disclosed in Note 39.

Note 40 discloses the fair values of investment property, based on the appraisal carried out by an independent third party.

During the annual periods ended December 31, 2019 and December 31, 2018 the results at the Parent and its subsidiaries from the use of investment property are as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Revenue from leases	244,318	169,430
Operation expenses related to revenue-generating investment properties	(42,881)	(28,011)
Operating expenses related to non-revenue-generating investment properties	(110,079)	(82,937)
Net gain from investment properties	**91,358**	**58,482**

Note 15. Use rights, net

The Parent and its subsidiaries started to apply IFRS 16 - Leases as of January 1, 2019. As mentioned in the financial statements at the closing of December 31, 2018, this standards requires recognizing a use right-related asset and a lease liability.

The Parent and its subsidiaries elected to apply the standard retrospectively, as if it had been applied from the start date of all lease agreements, to disclose comparable effects for each reporting period.

The balance of use rights, net, is as follows:

	December 31, 2019	December 31, 2018
Use rights	2,413,037	7,500,216
Total use rights	**2,413,037**	**7,500,216**
Accumulated depreciation	(1,109,389)	(2,358,816)
Total use rights, net (1)	**1,303,648**	**5,141,400**

(1) The decrease is because the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, because this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading.

The development of the cost of use rights and depreciation thereof, during the reporting period, is as follows:

Cost

Balance at December 31, 2018	**7,500,216**
Increase from creations	364,334
Increase from new measurements	387,429
Derecognition	(97,813)
Disposals	(151)
(Reclassification) to non-current assets held for trading	(5,665,654)
Effect of exchange differences on translation into reporting currency	(75,324)
Balance at December 31, 2019	**2,413,037**

Accumulated depreciation

Balance at December 31, 2018	**2,358,816**
Depreciation cost and expense	572,323
Derecognition	(62,782)
(Reclassification) to non-current assets held for trading	(1,734,678)
Effect of exchange differences on translation into reporting currency	(24,180)
Other changes	(110)
Balance at December 31, 2019	**1,109,389**

Note 16. Goodwill

The balance of goodwill is as follows:

	December 31, 2019	December 31, 2018
Spice Investment Mercosur S.A. (1)	1,303,092	1,448,468
Carulla Vivero S.A. (2)	827,420	827,420
Súper Inter (3)	453,649	453,649
Libertad S.A. (4)	173,582	177,285
Cafam (5)	122,219	122,219
Other (6)	50,806	50,806
Companhia Brasileira de Distribuição – CBD (7)	-	2,357,021
Total goodwill	**2,930,768**	**5,436,868**
Impairment loss (6)	(1,017)	-
Total goodwill, net	**2,929,751**	**5,436,868**

(1) The balance includes:

- The business combination accomplished by the Parent in 2011 for the acquisition of Uruguayan Spice Investments Mercosur S.A. in amount of $287,844 (December 31, 2018 - $287,844). The value is the cost attributable in the opening balance sheet in exercise of the exemption of not to restate business combinations.

- Goodwill recognized by Spice Investments Mercosur S.A. in the acquisition of its subsidiaries in Uruguay, pursuant to options offered by IFRS 1 in amount of $227,045 (December 31, 2018 - $259,944).

- Goodwill from the business combination carried out by the Parent with Grupo Disco del Uruguay S.A. resulting from the acquisition of control at January 1, 2015 in amount of $781,612 (December 31, 2018 - $894,874).

- Goodwill from the business combination carried out by Mercados Devoto S.A. to acquire Sumelar S.A. in 2016 in amount of $1,050 (December 31, 2018 - $1,203).

- Goodwill from the business combination carried out in 2016 and completed in 2017 by Mercados Devoto S.A. to acquire 5 Hermanos Ltda. in amount of $2,283 (December 31, 2018 - $2,614).

- Goodwill from the business combination carried out and completed in 2018 by Mercados Devoto S.A. to acquire Tipsel S.A. in amount of $553 (December 31, 2018 - $633).

- Goodwill from the business combination carried out and completed in 2018 by Mercados Devoto S.A. to acquire Tedocan S.A. in amount of $1,184 (December 31, 2018 - $1,356).

- Goodwill from the business combination carried out and completed in 2018 by Mercados Devoto S.A. to acquire Ardal S.A. in amount of $1,521 (December 31, 2018 - $-).

(2) Relates to goodwill from the business combination with Carulla Vivero S.A. carried out in 2007. The amount was determined in the opening statement of financial position using the deemed cost option, pursuant to the exemption of IFRS 1 of not to restate business combinations.

(3) Includes $179,412 from the acquisition of 19 Súper Inter business establishments carried out in September 2014; $264,027 from the acquisition of 29 Súper Inter business establishments carried out in April 2015; and $10,210 from the acquisition of 7 business establishments carried out between February 23, 2015 and June 24, 2015.

(4) Refers to goodwill generated from the business combination completed in August 2015 for the acquisition of the operations of Libertad S.A. in Argentina, through the Spanish company Onper Investments 2015 S.L.

(5) Refers to the agreement executed on February 23, 2015, to acquire Cafam stores that had been operated by the Company since 2010. Business establishments acquired were subsequently turned into Éxito, Carulla and Surtimax stores. For impairment testing purposes, as of December 31, 2015 such goodwill was allocated to Éxito $80,134, to Carulla $29,075 and to Surtimax $13,010.

(6) The balance includes:

- At December 31, 2019 the balance represents minor acquisitions of other business establishments that were subsequently turned into Éxito, Carulla and Surtimax stores. For impairment testing purposes, as of December 31, 2015 such goodwill was allocated to Éxito $10,540, to Surtimax $28,566 and to Súper Inter $10,683.

- Goodwill from the business combination with Gemex O&W S.A.S. in amount of $1,017.

At December 31, 2019 the goodwill with Gemex O&W S.A.S. in amount of $1,017, was fully impaired.

(7) The decrease is because the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, because this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading. At December31, 2018 represented the goodwill from the business combination completed in August 2015 for the acquisition of the operations of Companhia Brasileira de Distribuição - CBD in Brazil, through the Spanish company Onper Investments 2015 S.L. It also included goodwill from the business combinations completed in 2018 by Companhia Brasileira de Distribuição - CBD with Cheftime and James Delivery.

During the annual period ended December 31, 2019 the following was the development of goodwill:

Cost

Balance at December 31, 2018	**5,436,868**
Goodwill from business combinations	1,619
(Reclassification) to non-current assets held for trading	(2,353,856)
Other reclassifications	(2,917)
Effect of exchange differences on translation into reporting currency	(212,077)
Net monetary position result	61,131
Balance at December 31, 2019	**2,930,768**

Impairment loss

Balance at December 31, 2018	**-**
Impairment loss	1,017
Balance at December 31, 2019	**1,017**

Goodwill has indefinite useful life on the grounds of the Parent's and its subsidiaries' considerations thereon, and consequently it is not amortized.

Except for that mentioned in subsection (6) above, at December 31, 2019 and at December 31, 2018, goodwill was not impaired. Information about the methodology applied to test for impairment is disclosed in Note 39.

Note 17. Intangible assets other than goodwill, net

The net balance of intangible assets other than goodwill is made as follows:

	December 31, 2019	December 31, 2018 (1)
Trademarks (3)	219,923	3,237,799
Computer software (1)	172,044	1,331,389
Rights (1) (4)	27,034	1,315,083
Customer-related intangible assets (5)	-	32,711
Other	86	84
Total cost of intangible assets other than goodwill	**419,087**	**5,917,066**
Accumulated amortization (1)	(114,872)	(717,265)
Total intangible assets other than goodwill, net (2)	**304,215**	**5,199,801**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to these accounts arises from the classification as use rights of intangible assets other than goodwill and accumulated depreciation thereof, accumulated at Companhia Brasileira de Distribuição - CBD and representing costs required to gain lease contracts which should have been taken into account when measuring the use right. In addition, it also arises from the classification as use rights of certain computer software and amortization thereof at Companhia Brasileira de Distribuição - CBD. Differences are detailed in Note 52.

(2) The decrease is because the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading.

(3) The balance relates to the following trademarks:

Operating segment	Banner	Useful life	December 31, 2019	December 31, 2018
Uruguay	Miscellaneous (a)	Indefinite	92,732	106,170
Surtimax-Súper Inter	Súper Inter (b)	Indefinite	63,704	63,704
Argentina	Libertad (c)	Indefinite	46,060	47,225
Surtimax-Súper Inter	Surtimax (d)	Indefinite	17,427	17,427
Food	Extra (e)	Indefinite	-	1,504,724
Food	Pão de Açúcar (e)	Indefinite	-	873,981
Food	Assaí (e)	Indefinite	-	624,568
			219,923	**3,237,799**

(a) Refers to trademarks of Grupo Disco del Uruguay S.A.

(b) Trademark acquired under the business combination carried out with Comercializadora Giraldo Gómez y Cía S.A.

(c) Relates to trademarks of subsidiary Libertad S.A. These trademarks were registered during 2016 as result of the progress and further completion of the Purchase Price Allocation process as part of the acquisition of control over such subsidiary.

(d) Trademark received upon the merger with Carulla Vivero S.A.

(e) At December 31, 2018 represented trademarks of Companhia Brasileira de Distribuição - CBD. These trademarks were registered during 2016 as result of the progress and further completion of the Purchase Price Allocation process as part of the acquisition of control over such subsidiary. Decrease is due to that mentioned in (2) above.

Such trademarks have indefinite useful lives on the grounds of the Parent's and its subsidiaries' considerations thereon, and consequently they are not amortized.

(4) At December 31, 2019, the balance represents the following rights:

a) Rights of Libertad S.A. in amount of $48.

(c) Contracts executed by the Parent in December 2017 in amount of $2,226, December 2016 in amount of $11,552 and September 2016 in amount of $13,238 for the acquisition of rights to exploit commercial premises.

At December 31, 2018, the balance represented the following rights:

(a) Trade rights in amount of $1,834,132 (December 31, 2018 - restated $1,288,047) acquired by Companhia Brasileira de Distribuição - CBD, in the food segment, relevant to the trade usage of paying a "premium" to obtain a lease contract in commercially attractive places.

(b) Rights of Libertad S.A. in amount of $50.

(c) Contracts executed by the Parent in December 2017 in amount of $2,226, December 2016 in amount of $11,552 and September 2016 in amount of $13,238 for the acquisition of rights to exploit commercial premises.

Such rights have indefinite useful lives on the grounds of the Parent's and its subsidiaries' considerations thereon, and consequently they are not amortized.

(5) At December 31, 2018 the balance related to non-contractual relations with customers, an intangible recognized by subsidiary Companhia Brasileira de Distribuição – CBD, which is amortized over an average of 9 years. Decrease is due to that mentioned in (2) above.

The development of intangible assets other than goodwill during the reporting period is as follows:

Cost	Trademarks	Computer software	Rights	Customer-related intangible assets	Other	Total
Balance at December 31, 2018	**3,237,799**	**1,331,389**	**1,315,083**	**32,711**	**84**	**5,917,066**
Additions	-	201,455	20,013	-	-	221,468
Effect of exchange differences on translation into the reporting currency	(52,980)	(11,299)	(9,600)	(242)	(23)	(74,144)
Net monetary position result	27,204	-	(11,072)	-	22	16,154
Transfers	2,517	63,418	1,251	-	-	67,186
(Reclassification) to non-current assets held for trading	(2,983,519)	(1,350,319)	(1,299,730)	(32,469)	-	(5,666,037)
Disposals and derecognition	-	(63,193)	-	-	-	(63,193)
Other changes	(11,098)	593	11,089	-	3	587
Balance at December 31, 2019	**219,923**	**172,044**	**27,034**	**-**	**86**	**419,087**
Accumulated amortization						
Balance at December 31, 2018		**703,556**	**34**	**13,630**	**45**	**717,265**
Amortization expense/cost		98,892	847	3,048	356	103,143
Transfers		(81)	-	-	-	(81)
Effect of exchange differences on translation into the reporting currency		(6,443)	(14)	(105)	(17)	(6,579)
Net monetary position result		-	27	-	17	44
(Reclassification) to non-current assets held for trading		(623,760)	(843)	(16,573)	-	(641,176)
Disposals and derecognition		(57,511)	-	-	-	(57,511)
Other changes		139	(11)	-	(361)	(233)
Balance at December 31, 2019		**114,792**	**40**	**-**	**40**	**114,872**

At December 31, 2019 and December 31, 20178 intangible assets other than goodwill are not limited or subject to lien that would restrict realization or tradability thereof. In addition, there are no commitments to acquire or develop intangible assets other than goodwill.

None of the intangible assets other than goodwill were impaired at December 31, 2019.

No impairment of intangible assets other than goodwill was recognized at December 31, 2018, exception made of the loss from certain computer software at the Parent in amount of $3,307 (Note 34).

Information about the methodology applied to test for impairment is disclosed in Note 39.

Note 18. Investments accounted for using the equity method

The balance of investments accounted for using the equity method is made as follows:

Company	Classification	December 31, 2019	December 31, 2018 (1)
Compañía de Financiamiento Tuya S.A.	Joint venture	209,115	203,704
Puntos Colombia S.A.S.	Joint venture	1,372	5,600
Cnova N.V. (1) (2) (3)	Associate	-	425,935
Financiera Itaú CBD - FIC Promotora de Vendas Ltda. (2)	Associate	-	169,161
Total investments accounted for using the equity method		**210,487**	**804,400**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account relates to the recognition of the effect of applying this IFRS on the investment balance as shown in the associate's shareholders equity. Differences are detailed in Note 52.

(2) The decrease is because the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading.

(3) As a result of the sale of the assets of subsidiary Companhia Brasileira de Distribuição - CBD on November 27, 2019, this investment ceased as an associate to become a financial asset (Note 12).

Note 18.1. Non-financial information regarding investments accounted for using the equity method

Information regarding country of domicile, functional currency, main economic activity, ownership percentage and shares held in investments accounted for using the equity method is as follows:

Company	Country	Functional currency	Primary economic activity	Ownership percentage		Number of shares	
				December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Compañía de Financiamiento Tuya S.A.	Colombia	Colombian peso	Credit	50%	50%	8.483.420.966	7.913.553.273
Puntos Colombia S.A.S.	Colombia	Colombian peso	Public utilities	50%	50%	9.000.000	9.000.000
Cnova N.V.	Holland	Euro	Trade	0.19%	34.17%	659.383	117.963.047
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	Brazil	Brazilian real	Investment	-%	35.76%	-	386.923.764

Note 18.2. Financial information regarding investments accounted for using the equity method

Financial information regarding investments accounted for using the equity method at December 31, 2019:

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Revenue from ordinary activities	Income from continuing operations
Compañía de Financiamiento Tuya S.A.	3,207,963	81,336	1,160,326	1,745,967	383,006	1,178,777	(11,753)
Puntos Colombia S.A.S.	130,551	24,873	143,867	8,812	2,745	191,725	(6,273)

Financial information regarding investments accounted for using the equity method at December 31, 2018:

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Revenue from ordinary activities	Income from continuing operations
Cnova N.V.	2,609,106	1,061,978	4,227,576	96,363	(652,855)	7,581,440	(122,972)
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	4,992,357	49,066	4,427,689	8,164	605,570	787,658	176,870
Compañía de Financiamiento Tuya S.A.	2,836,770	-	2,464,644	-	372,126	1,094,747	84,258
Puntos Colombia S.A.S.	65,639	30,808	82,331	5,095	9,029	35,489	(5,405)

Note 18.3. Corporate purpose of investments accounted for using the equity method

The corporate purpose and other corporate information of investments accounted for using the equity method is the following:

Compañía de Financiamiento Tuya S.A.

A joint business, joint control over which was acquired on October 31, 2016. It is a private entity, authorized by the Colombian Financial Superintendence, incorporated by means of public deed No. 7418 granted on November 30, 1971 before the Notary First of Bogotá, having its main place of business in Medellín. The company's main corporate purpose is attracting resources using term-deposits with the primary purpose of engaging in credit active operations, to ease the trading of goods and services, without affecting operations and investments that it may carry out in compliance with the conditions or limitations set out by the legal regime applicable to financing companies.

Puntos Colombia S.A.S.

A joint venture established on April 19, 2017 under Colombian law. Its main corporate purpose is the purchase and sale of loyalty points, and the design, development, implementation, operation and administration of a loyalty program for the development of loyalty strategies applicable to the customers of alliance partners, through the recognition, accumulation, issue and redemption of loyalty points, as well as the purchase and sale of loyalty points. Its main place of business is at Carrera 48 No. 32B Sur - 139, Envigado, Colombia. The company's life span is indefinite.

Cnova N.V.

Incorporated on May 30, 2014. Its corporate purpose is participating or carrying out all activities and operations related with or suitable for e-commerce and regular trade, and the provision of services in the fields of retail sales, advertising, transportation, data communications, business advisory and business funding. Its main place of business is in Amsterdam, the Netherlands.

Financiera Itaú CBD - FIC Promotora de Vendas Ltda.

A company established jointly with Itaú Unibanco S.A. and Companhia Brasileira de Distribuição – CBD in 2004; its main place of business is in Sao Paulo, Brazil. Its main corporate purpose is to engage in credit, finance and investment activities and the management of credit cards. This associate was sold on November 27, 2019, along with subsidiary Companhia Brasileira de Distribuição – CBD.

Note 18.4. Other information regarding investments accounted for using the equity method

The reconciliation of summarized financial information reported to the book value of associates and joint ventures in the consolidated financial statements is:

	December 31, 2019					
Companies	Shareholders' equity	Equity base to apply the method	Ownership percentage	Value of Parent ownership (1)	Fair value	Book value (2)
Compañía de Financiamiento Tuya S.A.	383,006	418,230	50.00%	209,115	-	209,115
Puntos Colombia S.A.S.	2,745	2,745	50.00%	1,372	-	1,372

	December 31, 2018					
Companies	Shareholders' equity	Equity base to apply the method	Ownership percentage	Value of Parent ownership (1)	Fair value	Book value (2)
Cnova N.V.	-	-	6.56%	9,222	-	425,501
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	605,570	473,045	35.76%	-	-	169,161
Compañía de Financiamiento Tuya S.A.	372,126	407,358	50.00%	203,679	-	203,679
Puntos Colombia S.A.S.	9,029	9,029	50.00%	5,600	-	5,600

(1) Direct interest of the Parent (Almacenes Éxito S.A.).

(2) Amount of investment and goodwill carried in the books of the Parent and its subsidiaries.

Dividends received from associates and joint ventures during the annual period ended December 31, 2019 amounted to $- (December 31, 2018 - $50,449).

There are no restrictions on the capability of the associates and joint ventures to transfer funds to the Parent in the form of cash dividends, or loan repayments or advance payments.

The Parent has no contingent assets incurred related to its participation therein.

There are no constructive obligations acquired by the Parent on behalf of associates or joint ventures arising from losses exceeding the interest held in them.

The investments recognized using the equity method have no restrictions or liens that affect the interest held in them.

Note 19. Changes in the classification of financial assets

During the annual period ended December 31, 2019 there were no material changes in the classification of financial assets arising from a change in the purpose or use of such assets.

Note 20. Financial liabilities

The balance of financial liabilities is as follows:

	December 31, 2019	December 31, 2018 (1)
Put option (2)	379,538	435,023
Bank loans (3) (4)	223,368	1,845,638
Letters of credit	10,176	6,616
Finance Leases (1)	3,740	3,839
Total current financial liabilities	**616,822**	**2,291,116**
Bank loans (3) (4)	37,238	4,624,057
Finance Leases (1)	6,293	9,497
Total non-current financial liabilities	**43,531**	**4,633,554**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to these accounts relates to the reclassification of finance leases to lease liabilities regarding certain contracts on assets that were properly recorded as finance leases. Differences are detailed in Note 52.

(2) Spice Investments Mercosur S.A. is a party to the put option contract entered with the owners of non-controlling interests in subsidiary Grupo Disco del Uruguay S.A. The exercise price of the option is based on a previously determined formula and the option may be exercised at any time. The option is measured at fair value. Development is shown in Note 40.

(3) In August 2015, the Parent entered into credit agreements with local banks in amount of $3.25 trillion and with foreign banks in amount of $1.21 trillion (USD 400 million at the exchange rate of $3,027.20 Colombian pesos) for the acquisition of the operations in Brazil and Argentina through the Spanish company Onper Investment 2015 S.L. Such credits are measured at amortized cost using the effective interest method, where transaction costs are included in amount of $14,332.

Under both agreements, the Parent is committed to request approval from the banks if it requires to carry out the following transactions: encumber assets, enter into extraordinary agreements with any affiliated company, incur additional debt wherever the result is breach of the credit agreement and/or without prior authorization from creditors; creditors shall automatically grant authorization if the occurrence index is complied with, measured using the latest financial statements released by the Parent, among other.

During January 2016 and April 2016, the Parent requested disbursements in amount of $400,000 and $100,000, respectively, against the revolving trench under the credit agreement executed in July 2015. The revolving credit in amount of $500,000 with a term of two years, and the revolving cash credit with a term of one year, were restructured in August 2016.

$97,495 of the balance of non-current bank loans were repaid by the Parent in August 2016; $55,000 and $500,000 of current loans were repaid in November 2016 and December 2016, respectively.

In February 2017 the Parent obtained a loan in amount of $530,000; in March 2017, $70,000; in April 2017, $158,380; in May 2017, $79,216; and in September $120,000.

In June 2017 Distribuidora de Textiles y Confecciones S.A.S. obtained a loan from Bancolombia in amount of $60,000 at a rate of IBR 3 months + 2.0% quarterly in arrears, with a term of 5 years and 24-month grace period for repayment of principal.

In February 2017 and in August 2017, the Parent repaid $194,990 ($97,495 each month) of the outstanding balance of non-current bank loans; in June 2017 repaid $200,000; in August 2017 repaid $50,000; in October 2017 repaid $120,000; in November 2017 repaid $100,000 and in December 2017 repaid $150,000 of current bank loans (syndicated revolving credit).

On December 22, 2017 the Parent obtained a new syndicated revolving credit in amount of USD 450 million, maturing in December 2020. These resources allowed paying in advance the US Dollar syndicated credit outstanding at that date in the same amount, maturing in December 2018. Also, the peso revolving syndicated credit in amount of $500,000 was restructured to extend maturity from August 2018 to August 2020; all other contract conditions remain unchanged. The Parent's debt level after the above two transactions does not vary; however, the average term of the debt goes from 2.2 years to 2.9 years, optimizing the Parent's future payment outflows.

The Parent requested disbursements in amount of $120,000, $350,000 and $30,000 during January, February and May 2018, respectively, against the syndicated revolving credit.

$97,495, $73,015, $97,495 and $73,015 of the non-current bank loan balance were repaid by the Parent in February, June, August and December 2018, respectively.

$120,000 and $380,000 of the balance of syndicated revolving loans were repaid by the Parent in July and August 2018, respectively.

The balance at December 31, 2018 also includes short-term loans in amount of $794,904 and long-term loans in amount of $361,492 acquired by Companhia Brasileira de Distribuição - CBD, and long-term loans acquired by subsidiary Segisor S.A. in amount of $1,476,494).

It also includes $182,848 received on December 21, 2018 by subsidiary Companhia Brasileira de Distribuição - CBD under the contractual commitment to sell 3.86% of the interests in the equity of Vía Varejo S.A. through a total return swap transaction (TRS). Through this transaction, amounts received are subject to further adjustment from the subsequent resale of the shares in the market during the contract term. Exposure of the subsidiary to the variation in the market value of underlying assets prevents shares from being deleted from accounting records at December 31, 2018.

During February and March 2019, the Parent requested disbursements in amount of $70,000 and $30,000, respectively, against the revolving trench under the credit agreement executed on December 21, 2018. The Company requested disbursements in amount of $50,000, $160,000, $100,000 and $120,000 during February, April, June and August 2019, respectively, against the syndicated revolving credit.

In April 2019, the Parent extended a portion of the bilateral credit to April 29, 2021, in amount of $158,380.

During February and August 2019, respectively, the Parent repaid $97,495 and $97,495 of the non-current bank loan balance and $84,540 of the US Dollar bilateral current loan balance. $156,355 of the current bank loan balance were repaid in June 2019.

The disbursements in amounts of $160,000, $100,000, $120,000 and $50,000 against the syndicated revolving credit requested in February, April, July and August 2019 were repaid by the Parent in October and November 2019.

The outstanding principal balance of the syndicated credit in US Dollars in amount of USD 450 million obtained in December 2017, the credit in amount of $158,380 obtained in April 2017, the outstanding balance of the current bank loan in amount of $535,616 and the outstanding balance of the non-current bank loan in amount of $1,167,535 were repaid in advance by the Parent in December 2019. Such early payments were made based on existing terms and conditions of the debt agreements in force at that time, regarding mandatory repayments as result of the sale of assets.

(4) In addition to the decrease explained in the preceding subsection(2), there is an additional decrease due to the fact that the liabilities of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current liabilities held for trading.

Bank loans are denominated in Colombian pesos at a reference interest rate is IBR 3M plus 2%. Finance lease liabilities are denominated in US Dollars at a reference interest rate of LIBOR + 2.22% monthly in arrears.

Below is a detail of annual maturities of non-current bank loans and finance leases outstanding at December 31, 2019, discounted at present value:

Year	Total
2020	23,338
2021	20,193
	43,531

Note 20.1. Commitments undertaken under credit contracts (financial obligations)

The purpose of commitments undertaken under credit contracts is to ensure compliance with the financial clauses applicable to debt and loans obtained in August 2015 and December 2017 that define the capital structure requirements (covenants) and other debtor obligations. Failure to comply with such financial clauses would result in the banks' promptly claiming repayment of debt and loans. At December 31, 2019 no failure to comply with financial clauses has been reported regarding any interest-bearing debt or loan during the current period.

In December 2019 the Parent repaid in advance the principal outstanding balance of the US Dollar loan acquired in December 2017. All commitments acquired at the time the credits were obtained were extinguished upon payment of such liability. However, obligations acquired remain in force, given that credit agreements in Colombian pesos remain outstanding (Note 20.2).

Note 20.2. Obligations undertaken under credit contracts (financial obligations)

a. Financial: The Parent is committed to maintain a financial leverage ratio of maximum 3.5x. Such ratio will be measured annually on April 30 based on audited consolidated financial statements at each period closing.

b. Indebtedness: The Parent is committed to refrain from: (i) incurring new debts in the event of being in default of the financial liability and/or in the event that incurring the new debt would result in failure to comply with an existing financial liability, and (ii) incurring additional debt without the authorization of creditors.

In the event that the Parent intend to incur additional debt, it shall require the prior authorization of creditors, which shall be deemed automatically granted if the Parent complies with the occurrence indicator, which shall be measured based on the latest separate financial statements submitted to the National Register of Securities and Issuers.

Note 20.3. Net financial debt

	December 31, 2019	December 31, 2018 (a)	December 31, 2018 (b)
Current (liabilities) assets			
Current financial liabilities (1)	(616,822)	(2,320,284)	(2,291,116)
Other current financial liabilities (2) (Note 27)	(14,984)	(905,865)	(905,865)
Other current financial assets (3) (Note 12)	23,357	123,852	123,852
Non-current (liabilities) assets			
Non-current financial liabilities (1)	(43,531)	(4,732,106)	(4,633,554)
Other non-current financial liabilities (2) (Note 27)	(370)	(2,583,089)	(2,583,089)
Other non-current financial assets (3) (Note 12)	476	64,985	64,985
Contingent Liabilities			
Collaterals delivered (4) (Note 41)	(4,606)	(4,469)	(4,469)
Total gross liabilities	**(656,480)**	**(10,356,976)**	**(10,229,256)**
Cash and cash equivalents	**2,562,674**	**5,973,764**	**5,973,680**
Total assets (liabilities), net	**1,906,194**	**(4,383,212)**	**(4,255,576)**
Ebitda (5)	**979,809**	**3,566,246**	
Adjustment to recurring Ebitda (6)	**(38,554)**	**-**	
Adjusted recurring Ebitda	**941,255**	**3,566,246**	
Net liabilities/Adjusted recurring Ebitda	**2.03**	**(1.23)**	

(a) Amounts shown in the financial statements at December 31, 2018, taken as the base to estimate the net financial debt, ebitda and the adjusted Net Debt/Recurring ebitda index.

(b) Figures shown in these consolidated financial statements at December 31, 2019, which differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to these accounts arises from the reclassification from current and non-current finance leases to lease liabilities.

The calculation of the consolidated net financial debt includes:

(1) Current financial liabilities:

	December 31, 2019	December 31, 2018
Put option	379,538	435,023
Bank loans	223,368	1,845,638
Letters of credit	10,176	6,616
Finance leases	3,740	32,923
Bank overdrafts	-	84
Total current financial liabilities	**616,822**	**2,320,284**

Non-current financial liabilities:

	December 31, 2019	December 31, 2018
Bank loans	37,238	4,624,056
Finance leases	6,293	108,050
Total non-current financial liabilities	**43,531**	**4,732,106**

(2) Other current financial liabilities:

	December 31, 2018	December 31, 2018
Bonds issued	14,964	1,770
Derivative financial instruments	20	8,022
Derivative financial instruments designated as hedge instruments	-	896,073
Total other current financial liabilities	**14,984**	**905,865**

Other non-current financial liabilities:

	December 31, 2019	December 31, 2018
Derivative financial instruments	370	-
Bonds issued	-	2,581,638
Derivative financial instruments designated as hedge instruments	-	1,451
Total other non-current financial liabilities	**370**	**2,583,089**

(3) Other current financial assets:

	December 31, 2019	December 31, 2018
Derivative financial instruments	23,357	85,507
Derivative financial instruments designated as hedge instruments	-	38,345
Total other current financial assets	**23,357**	**123,852**

Other non-current financial assets:

	December 31, 2019	December 31, 2018
Derivative financial instruments designated as hedge instruments	476	36,951
Derivative financial instruments	-	28,034
Total other non-current financial assets	**476**	**64,985**

(4) At December 31, 2019 the Parent issued financial guarantees to certain of its subsidiaries in amount of $2,631 (December 31, 2017 $2,631) and subsidiary Éxito Viajes y Turismo S.A.S. issued financial guarantees to certain of its suppliers in amount of $1,975 (December 31, 2018 $1,838) (Note 41).

(5) Under contract terms, the estimation of the Ebitda is as follows:
- Operating profit for the last 12 months,
- Plus depreciation and amortization and all other expenses not involving cash outflows, accrued during the same 12-month period,
- Plus dividends distributed by subsidiaries, directly or through special-purpose vehicles, under control of the Parent, effectively received,
- Plus proforma dividends of subsidiaries acquired during the last 12 months of activity. Proforma dividends are those dividends that would have been received if the Parent had acquired or maintained under control a subsidiary during the entire 12-month period.

(6) Relates to excess non-recurring profit as compared to operating profit. Such excess is calculated when non-recurring operating profit is higher than 10% of total operating profit.

Note 21. Employee benefits

The balance of employee benefits is as follows:

	December 31, 2019	December 31, 2018
Defined benefit plans	22,062	29,441
Long-term benefit plan	1,836	1,896
Total employee benefits	**23,898**	**31,337**
Current	**2,978**	**3,657**
Non-current	**20,920**	**27,680**

Note 21.1. Defined benefit plans

The Parent and its subsidiaries have the following defined benefit plans:

a. Retirement pension plan

Under the plan, each of Parent's employees will receive, upon retirement, a monthly pension payment, pension adjustments pursuant to legal regulations, survivor's pension, assistance with funeral expenses and June and December bonuses established by law. Such amount depends on factors such as: employee age, time of service and salary.

The Parent is responsible for the payment of retirement pensions to employees who meet the following requirements: (a) employees who at January 1, 1967 had served more than 20 years (full liability), and (b) employees and former employees who at January 1, 1967 had served more than 10 years but less than 20 years (partial liability).

b. Retroactive severance pay plan

Retroactivity of severance pay is estimated for those employees of the Parent to whom labor laws applicable are those prior to Law 50 of 1990, and who did not move to the new severance pay system. Under the plan, the Parent will pay employees upon retirement a retroactive amount as severance pay, after deduction of advance payments. This social benefit is calculated over the entire time of service, based on the latest salary earned.

c. Retirement bonus upon meeting the requirements to obtain an old-age pension

Up to December 31, 2018, wherever an employee of the Parent and of subsidiaries Éxito Industrias y Servicios S.A.S. and Logística, Transporte y Servicios Asociados S.A.S. met the age and contribution requirements to obtain a retirement pension under the average defined benefit system, he/she was granted a single $1 cash bonus upon the employee's completion of his/her time of service. The old-age retirement bonus is granted under a collective bargain agreement. However, during 2019 the Parent and its subsidiaries Éxito Industrias y Servicios S.A.S. and Logística, Transporte y Servicios Asociados S.A.S. agreed with their employees the elimination of the old-age retirement bonus benefit.

d. Retirement bonus upon meeting the requirements to obtain a disability pension

Wherever an employee of the Parent or of subsidiaries Éxito Industrias y Servicios S.A.S. and Logística, Transporte y Servicios Asociados S.A.S. is granted a disability pension by the relevant pension administration entity, he/she will be granted a single retirement bonus in amount of $4, provided a loss of 50% or more of capacity for work was qualified during the term of the labor relation with the Parent. The disability pension bonus is granted under a collective bargain agreement.

Such benefits are estimated on an annual basis or wherever there are material changes, using the forecasted credit unit. During the annual period ended December 31, 2019 there were no material changes in the methods or assumptions applied when preparing the estimations and sensitivity analyses.

Balances and development:

The following are balances and development of defined benefit plans:

	Retirement pensions	Severance pay	Old-age pension and disability retirement bonus	Total
Balance at December 31, 2018	**21,037**	**1,125**	**7,279**	**29,441**
Cost of service	-	29	151	180
Cost of past service	-	-	(6,865)	(6,865)
Interest expense	1,415	67	217	1,699
Actuarial (loss) from changes in experience	(221)	(96)	(27)	(344)
Actuarial gain from financial assumptions	700	11	14	725
Benefits directly (paid) by the Parent and its subsidiaries	(2,212)	(184)	(378)	(2,774)
Balance at December 31, 2019	**20,719**	**952**	**391**	**22,062**

Variables used to make the calculations:

Discount rates, salary increase rates, inflation rates and death dates are as follows:

	December 31, 2019			December 31, 2018		
	Retirement pensions	Severance pay	Old-age pension and disability retirement bonus	Retirement pensions	Severance pay	Old-age pension and disability retirement bonus
Discount rate	6.60%	6.10%	6.40%	7.10%	6.50%	7.10%
Annual salary increase rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Future annuity increase rate	3.50%	-	-	3.50%	-	-
Annual inflation rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Death rate - men (years)	60-62	60-62	60-62	60-62	60-62	60-62
Death rate - women (years)	55-57	55-57	55-57	55-57	55-57	55-57
Death rate - men	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%

Employee turnover, disability and early retirement rates:

Years of service	December 31, 2019	December 31, 2018
From 0 to less than 5	29.98%	34.26%
From 5 to less than 10	14.60%	16.68%
From 10 to less than 15	8.59%	9.82%
From 15 to less than 20	6.41%	7.32%
From 20 to less than 25	4.92%	5.62%
25 and more	3.71%	4.24%

Sensitivity analysis:

A quantitative sensitivity analysis regarding a change in a key assumption would result in the following variation of the defined benefit net liability:

	December 31, 2019			December 31, 2018		
Variation expressed in basis points	Retirement pensions	Severance pay	Old-age pension and disability retirement bonus	Retirement pensions	Severance pay	Old-age pension and disability retirement bonus
Discount rate + 25	(357)	(7)	(5)	(360)	(9)	(133)
Discount rate - 25	368	7	6	372	10	137
Discount rate + 50	(702)	(13)	(11)	(709)	(19)	(261)
Discount rate - 50	749	14	11	757	19	279
Discount rate + 100	(1,359)	(26)	(21)	(1,375)	(36)	(506)
Discount rate - 100	1,551	28	23	1,567	39	577
Annual salary increase rate + 25	N/A	12	N/A	N/A	16	N/A
Annual salary increase rate - 25	N/A	(12)	N/A	N/A	(16)	N/A
Annual salary increase rate + 50	N/A	25	N/A	N/A	33	N/A
Annual salary increase rate - 50	N/A	(24)	N/A	N/A	(32)	N/A
Annual salary increase rate + 100	N/A	50	N/A	N/A	66	N/A
Annual salary increase rate - 100	N/A	(48)	N/A	N/A	(63)	N/A

Contributions for the next years funded with the Parent's and its subsidiaries' own resources are foreseen as follows:

	December 31, 2019			December 31, 2018		
Year	Retirement pensions	Severance pay	Old-age pension and disability retirement bonus	Retirement pensions	Severance pay	Old-age pension and disability retirement bonus
2019	-	-	-	2,355	205	748
2020	2,318	271	60	2,354	137	540
2021	2,326	194	51	2,350	267	579
2022	2,309	65	48	2,332	105	688
>2023	34,894	631	449	35,132	725	11,582
Total	**41,847**	**1,161**	**608**	**44,523**	**1,439**	**14,137**

Other considerations:

The average duration of the liability for defined benefit plans at December 31, 2019 is 7.8 years (December 31, 2018 - 7.6 years).
The Parent and its subsidiaries have no specific assets intended for guaranteeing the defined benefit plans.
The defined contribution plan expense at December 31, 2019 amounted to $41,150 (December 31, 2018 - $58,862).

Note 21.2. Long-term benefit plan

The long-term benefit plan involves a time-of-service bonus associated to years of service payable to the employees of the Parent and to the employees of subsidiaries Logística, Transporte y Servicios Asociados S.A.S.

Such benefit is estimated on an annual basis or wherever there are material changes, using the forecasted credit unit. During the annual period ended December 31, 2019 there were no material changes in the methods or assumptions applied when preparing the estimations and sensitivity analyses.

During 2015 the Parent reached agreement with several employees who voluntarily decided to replace the time-of-service bonus with a special single one-time bonus.

Balances and development:

The following are balances and development of the long-term defined benefit plan:

Balance at December 31, 2018	**1,896**
Cost of service	187
Interest expense	116
Actuarial (gain) from changes in experience	2
Actuarial gain from financial assumptions	1
Benefits directly (paid) by the Parent and its subsidiaries	(366)
Balance at December 31, 2019	**1,836**

Variables used to make the calculations:

Discount rates, salary increase rates, inflation rates and death dates are as follows:

	December 31, 2019	**December 31, 2018**
Discount rate	6.30%	6.80%
Annual salary increase rate	3.50%	3.50%
Annual inflation rate	3.50%	3.50%
Death rate - men	0.001117% - 0.034032%	0.001117% - 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627% - 0.019177%

Employee turnover, disability and early retirement rates are as follows:

Years of service	**December 31, 2019**	**December 31, 2018**
From 0 to less than 5	29.98%	34.26%
From 5 to less than 10	14.60%	16.68%
From 10 to less than 15	8.59%	9.82%
From 15 to less than 20	6.41%	7.32%
From 20 to less than 25	4.92%	5.62%
25 and more	3.71%	4.24%

Sensitivity analysis:

A quantitative sensitivity analysis regarding a change in a key assumption would result in the following variation of the long-term net benefit liability:

Variation expressed in basis points	**December 31, 2019**	**December 31, 2018**
Discount rate + 25	(23)	(23)
Discount rate - 25	24	23
Discount rate + 50	(46)	(45)
Discount rate - 50	48	47
Discount rate + 100	(90)	(87)
Discount rate - 100	99	96
Annual salary increase rate + 25	24	24
Annual salary increase rate - 25	(24)	(23)
Annual salary increase rate + 50	49	48
Annual salary increase rate - 50	(48)	(46)
Annual salary increase rate + 100	101	98
Annual salary increase rate - 100	(93)	(91)

Contributions for the next years funded with Company's own resources are foreseen as follows:

Year	**December 31, 2019**	**December 31, 2018**
2019	-	348
2020	329	306
2021	227	234
2022	192	175
>2023	1,933	1,754
Total	**2,681**	**2,817**

Other considerations:

The average duration of the liability for long-term benefits at December 31, 2019 is 5.4 years (December 31, 2018 - 5.2 years).

The Parent and its subsidiaries have not devoted specific assets to guarantee payment of the time-of-service bonus.

The effect on the statement of income from the long-term benefit plan at December 31, 2019 was an expense in amount of $82 (December 31, 2018 $84).

Note 22. Other provisions

The balance of other provisions is made as follows:

	December 31, 2019	December 31, 2018
Legal proceedings (1)	14,889	357,052
Taxes other than income tax (2)	8,552	1,945,660
Restructuring (3)	269	9,296
Other (4)	9,708	55,637
Total other provisions	**33,418**	**2,367,645**
Current	**14,420**	**36,997**
Non-current	**18,998**	**2,330,648**

(*) The decrease is because the liabilities of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current liabilities held for trading.

The detail of provisions is as follows:

(1) Provisions for lawsuits are recognized to cover estimated potential losses arising from lawsuits brought against the Parent and its subsidiaries, related with labor, civil, administrative and regulatory matters, which are assessed based on the best estimation of cash outflows required to settle a liability on the date of preparation of the financial statements. The balance is comprised of

	December 31, 2019	December 31, 2018
Labor legal proceedings (a)	10,831	255,095
Civil proceedings (b)	4,058	79,011
Administrative and regulatory proceedings (c)	-	22,946
Total legal proceedings	**14,889**	**357,052**

(a) At December 31, 2019 represent:
- Lawsuits filed against the Parent on the grounds of collective claims $40, indemnifications $2,350, salary adjustments and social benefits $475, health and retirement pensions $5,724 and labor relation and solidarity $1,995.
- Lawsuits filed against subsidiary Libertad S.A. in amount of $86.
- Lawsuits filed against Spice Investment Mercosur S.A. and its subsidiaries $171.
- Lawsuits filed against Colombian subsidiaries $30.

At December 31, 2018 represent:
- Lawsuits filed against the Parent on the grounds of collective claims $30, indemnifications $2,524, salary adjustments and social benefits $160, health and retirement pensions $5,135 and labor relation and solidarity $2,200.
- Lawsuits filed against subsidiary Libertad S.A. in amount of $112.
- Lawsuits filed against Spice Investment Mercosur S.A. and its subsidiaries $491.
- Lawsuits filed against Colombian subsidiaries $51.
- Lawsuits filed against subsidiary Companhia Brasileira de Distribuição - CBD and its subsidiaries amounting to $244,392, which are updated in line with a table provided by the TST ('Tribunal Superior do Trabalho') plus a 1% monthly interest.

(b) At December 31, 2019 represent:
- Lawsuits filed against the Parent in cases related with third party liability in amount of $485, real estate-related proceedings $319, premises condition-related proceedings $1,412, metrology and technical regulations $269, customer protection $10 and other minor legal proceedings in amount of $1,240.
- Lawsuits filed against Spice Investment Mercosur S.A. and its subsidiaries $9.
- Lawsuits filed against Colombian subsidiaries $314.

At December 31, 2018 represent:

- Lawsuits filed against the Parent in cases related with third party liability in amount of $1,145, real estate-related proceedings $557, premises condition-related proceedings $87, metrology and technical regulations $112, customer protection $873 and other minor legal proceedings in amount of $948.
- Lawsuits filed against subsidiary Companhia Brasileira de Distribuição - CBD and its subsidiaries $74,832. This balance includes certain legal actions seeking the revision of contracts and renewals on lease instalments agreed upon. A provision is recognized for the difference between amounts paid and amounts disputed by the counterparty in the legal action, when in the opinion of in-house and external counsels there is a probability of adjustment to the instalments paid. There are no legal deposits covering said amount; should there be such deposits, they are recognized as other financial assets.
- Lawsuits filed against Spice Investment Mercosur S.A. and its subsidiaries $210.
- Lawsuits filed against Colombian subsidiaries $247.

(c) At December 31, 2018 they relate to lawsuits of subsidiary Companhia Brasileira de Distribuição - CBD, including certain proceedings on the grounds of fines applied by regulatory agencies of which the most relevant are those of Brazilian consumer protection agencies PROCONs, INMETRO and local Mayor's offices, in amount of $22,946.

(2) At December 31, 2019 provisions for taxes other than income tax represent $7,540 for tax proceedings of the Parent and $1,012 for other proceedings of subsidiary Libertad S.A.

Parent's legal proceedings relate to:

- Industry and trade tax in amount of $2,217.
- Tax on real estate property in amount of $1,296.
- VAT payable in amount of $3,772.
- VAT payable on beer in amount of $255.

At December 31, 2018 the provisions for taxes other than income tax include $1,934,825 relevant to tax legal proceedings of Companhia Brasileira de Distribuição - CBD and its subsidiaries, which are subject to monthly monetary adjustment at index rates used by each tax authority; $8,632 for tax legal proceedings of the Parent; and $2,203 for other proceedings of subsidiary Libertad S.A.

Parent's legal proceedings relate to:

- Industry and trade tax in amount of $2,217.
- Tax on real estate property in amount of $2,926.
- VAT payable in amount of $3,234.
- VAT payable on beer in amount of $255.

The most relevant tax lawsuits of Companhia Brasileira de Distribuição CBD and its subsidiaries, include:

- Social contribution for the funding of social security - COFINS and social integration program - PIS: Under the non-cumulative system to calculate PIS and COFINS, a request was filed claiming right to exclude the value of the Impuesto a la Circulación de Mercaderías y Servicios - ICMS (Tax on the Movement of Goods and Services) from the basis to assess these two contributions and other less relevant matters. The provision amounts to $72,133
- Tax on the circulation of goods and services (ICMS): By means of a ruling dated October 16, 2014, the Higher Federal Court (STF) defined that ICMS taxpayers who trade basic basket products are not entitled to fully apply the credits arising from such tax; consequently, with the support of external advisors, it was deemed appropriate to recognize a provision in amount of $77,165.
- Complementary Law No. 110/2001: The right of not to recognize the contributions set forth in Complementary Law No. 110/2001, established to support the costs of the Fundo de Garantia do Tempo de Serviço (FGTS) is being discussed through judicial action. The value of the provision at December 31, 2018 is $73,810.
- Other provisions relate to the following proceedings, in amount of $285,176:
  - (i) Investigation regarding the failure to apply the Fator Acidentário de Prevenção (FAP) for 2011;
  - (ii) Investigations related with procurement from suppliers deemed disqualified from the registry with Secretaria da Fazenda Estadual, mistake in application of aliquot and ancillary obligations by state tax authorities;
  - (iii) Undue credit.
- Provisions for taxes other than income tax in amount of $1,240,748. Provisions recognized relate to proceedings associated with the following taxes:
  - Tax on the Movement of Goods and Services - ICMS in amount of $1,078,939;
  - (ii) Social Contribution for the Funding of Social Security - COFINS in amount of $69,108;
  - (iii) Tax on industrial products - IPI in amount of $63,277;
  - (iv) Brazilian tax on real estate property - IPTU in amount of $28,902, and
  - (vi) Other in amount of $522.

(3) At December 31, 2019 the restructuring provision relates to the reorganization processes announced to Parent's employees of stores, corporate and distribution centers in amount of $145 and to the employees of Colombian subsidiaries in amount of $124 that will affect the Parent's and this subsidiary's activities and operations . The provision is based on cash outflows required, directly associated with the restructuring plan. The disbursement and implementation date of the plan are expected during the first quarter of 2020. The restructuring provision was recognized in period results as other expenses.

At December 31, 2018 the restructuring provision relates to the reorganization processes announced to Parent's employees of stores, corporate and distribution centers in amount of $911, to the employees of Colombian subsidiaries in amount of $4 and to the employees of subsidiary Companhia Brasileira de Distribuição - CBD in amount of $8,381 that will affect the Parent's and this subsidiary's activities and operations . The provision is based on cash outflows required, directly associated with the restructuring plan. The disbursement and implementation date of the plan are expected during the first quarter of 2020. The restructuring provision was recognized in period results as other expenses.

(4) The balance of other provisions at December 31, 2019 relates to:
- Provision to protect against reduction of goods "VMI" at the Parent in amount of $1,697.
- Other minor provisions at Colombian subsidiaries in amount of $751.
- Closing of Parent stores in amount of $7,260.

The balance of other provisions at December 31, 2018 relates to:
- Provisions were recognized in amount of $47,636 as a result of the Purchase Price Allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A., covering external counsel fees related with the defense of tax proceedings, whose compensation is tied to a success fee upon the legal closing thereof. Such percentages may vary, in accordance with qualitative and quantitative elements of each proceeding.
- Provision to protect against reduction of goods "VMI" at the Parent in amount of $2,237.
- Other minor provisions at Colombian subsidiaries in amount of $332.
- Closing of Parent stores in amount of $5,532.

Balances and development of other provisions during the period are as follows:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Balance at December 31, 2018	**357,052**	**1,945,660**	**9,296**	**55,637**	**2,367,645**
Increase	461,124	87,677	43,579	13,220	605,600
Uses	(245)	(440)	-	(925)	(1,610)
Payments	(328,258)	(5,789)	(38,138)	(9,464)	(381,649)
Reversals (not used)	(215,161)	(203,302)	(10,024)	(10,903)	(439,390)
Increase from value updating based on the passage of time	63,027	13,600	-	-	76,627
Effect of exchange differences from translation into reporting currency	(2,654)	(15,131)	(56)	(407)	(18,248)
(Reclassification) to non-current assets held for trading	(320,369)	(1,813,777)	(4,388)	(37,462)	(2,175,996)
Other reclassifications	373	54		12	439
Balance at December 31, 2019	**14,889**	**8,552**	**269**	**9,708**	**33,418**

At December 31, 2019 and at December 31, 2018 the Parent and its subsidiaries did not recognize provisions for contracts for consideration.

Note 22.1. Other provisions classified as current and non-current

The balance of other provisions, classified as current and non-current is as follows:

	December 31, 2019	December 31, 2018
Legal proceedings	3,678	4,518
Restructuring	269	9,296
Taxes other than income tax	765	974
Other	9,708	22,209
Total other current provisions	**14,420**	**36,997**
Taxes other than income tax	7,787	1,944,686
Legal proceedings	11,211	352,534
Other	-	33,428
Total other non-current provisions	**18,998**	**2,330,648**

Note 22.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Parent and its subsidiaries are liable at December 31, 2019 are:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	3,678	765	269	9,708	14,420
From 1 to 5 years	11,211	7,787	-	-	18,998
5 years and more	-	-	-	-	-
Total estimated payments	**14,889**	**8,552**	**269**	**9,708**	**33,418**

Note 23. Accounts payable to related parties

The balance of accounts payable to related parties and the balance of other financial liabilities with related parties is:

	Accounts payable		Other financial liabilities	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Joint ventures (2)	34,806	9,986	39,619	44,860
Controlling entity (3)	33,729	54,447	-	-
Grupo Casino companies (4)	12,413	146,481	-	-
Members of the Board	47	13	-	-
Associates (5)	-	25,771	-	-
Total (1)	**80,995**	**236,698**	**39,619**	**44,860**

(1) The decrease is because the liabilities of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current liabilities held for trading.

(2) The balance of accounts payable relates to:

(-) Balance payable to Puntos Colombia S.A.S. arising from the issue of points (accumulations) in line with the change in the loyalty program implemented by the Company in amount of $34,806 (December 31, 2018 - $9,983);

- Balance payable to Compañía de Financiamiento Tuya S.A. arising from intermediation fees in amount of $- (December 31, 2018 - $3).

At September 30, 2019 and at December 31, 2018 the balance of other financial liabilities represents collections received from third parties related with Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 27).

(3) At December 31, 2019 the balance relates to dividends payable to shareholders.

At December 31, 2019, the balance of accounts payable to the Controlling entity represents:

- Cost sharing agreement entered by and between Companhia Brasileira de Distribuição - CDB (*) and Casino Guichard-Perrachon S.A. (*) on August 10, 2014, whose purpose is the reimbursement of expenses incurred by companies of Grupo Casino and their professional staff to the benefit of this subsidiary. This agreement was authorized by the Board of Directors on July 22, 2014.
- Agency agreement, entered by and between Companhia Brasileira de Distribuição - CBD (*) and Casino Guichard-Perrachon S.A. (*) on July 25, 2016 with the purpose of regulating the intermediation services in the procurement of goods.
- Cost Reimbursement Agreement" *entered by and between Companhia Brasileira de Distribuição - CBD (*) and Casino Guichard- Perrachon S.A. (*) on July 25, 2016 with the purpose of regulating the reimbursement by Companhia Brasileira de Distribuição - CBD (*) of expatriate expenses relevant to French social contributions paid by Casino in France.*
- Reimbursement of expenses between Companhia Brasileira de Distribuição - CBD (*) and Casino Guichard-Perrachon S.A. (*) related with the provision of intermediation services in the procurement of goods.
- "Triple S" loan in US Dollars with HSBC, repaid by Casino Guichard-Perrachon S.A. (*) on behalf of Libertad S.A.
- Liabilities of subsidiary Libertad S.A. related with services provided to expatriates.
- Consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. (*) and Geant International B.V. in amount of $235 and dividends payable in amount of $15,050.

(4) At December 31, 2019 the balance mainly relates to a balance payable to Green Yellow Colombia S.A.S. and Green Yellow do Brasil Energia arising from the provision of energy efficiency to the Parent, and the provision of services in connection with the import of goods by third parties.

At December 31, 2018 the balance mainly relates to a balance payable to Green Yellow Colombia S.A.S. and Green Yellow do Brasil Energia arising from the provision of energy efficiency to the Parent and to Companhia Brasileira de Distribuição – CBD (*) and the provision of services in connection with the import of goods by third parties.

(5) At December 31, 2018 the balance payable mainly relates to balances with Financiera Itaú CBD - FIC Promotora de Vendas Ltda., arising from credit management expenses.

(*) At December 31, 2019, and as result of the takeover bid mentioned in Note 1, (a) Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Company's controlling entity, and (b) Casino Guichard-Perrachon S.A. ceased as the controlling entity to become a company of the Casino Group.

Note 24. Trade payables and other accounts payable

The balance of trade payables and other accounts payable is as follows:

	December 31, 2019	December 31, 2018 (1)
Suppliers (1) (2)	3,859,345	11,165,524
Costs and expenses payable (2)	378,537	449,734
Employee benefits (2)	238,232	819,985
Tax withholdings payable	60,851	67,831
Purchase of assets (2)	41,447	212,719
Taxes collected payable (2)	46,074	54,078
Dividends payable (2)	8,205	54,781
Acquisition of companies (2)	-	33,550
Other (1) (2)	30,110	258,872
Total current trade payables and other accounts payable	**4,662,801**	**13,117,074**
Other (2)	114	40,720
Total non-current trade payables and other accounts payable	**114**	**40,720**

(1) (1)The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. Adjustment to these accounts arises from the reclassification to lease liabilities of fixed-payment liabilities under lease agreements. Differences are detailed in Note 52.

(2) The decrease is because the liabilities of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current liabilities held for trading.

Note 25. Lease liabilities

The Parent and its subsidiaries started to apply IFRS 16 - Leases as of January 1, 2019. As mentioned in the financial statements at the closing of December 31, 2018, this standards requires recognizing a use right-related asset and a lease liability.

The Parent and its subsidiaries elected to apply the standard retrospectively, as if it had been applied from the start date of all lease agreements, to disclose comparable effects for each reporting period.

The balance of lease liabilities is as follows:

	December 31, 2019	December 31, 2018
Lease liabilities (1)	1,530,231	5,435,708
Current	**222,177**	**858,349**
Non-current	**1,308,054**	**4,577,359**

(1) The decrease is because the liabilities of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current liabilities held for trading.

Below is a forecast of lease liabilities-related fixed payments at December 31, 2019:

Up to one year	389,591
From 1 to 5 years	1,167,759
More than 5 years	1,107,789
Minimum lease liability payments	**2,665,139**
Future financing (expense)	(1,134,908)
Total minimum net lease liability payments	**1,530,231**

Note 26. Income tax

Note 26.1. Tax regulations applicable to the Parent and to its Colombian subsidiaries

Income tax regulations in force applicable to the Parent and its Colombian subsidiaries:

a. The income tax rate for legal entities is 33% for 2019, 32% for taxable 2020, 31% for taxable 2021 and 30% from taxable 2022 onwards.

   For 2018 the income tax rate applicable was 33%.

   The income tax surcharge levied on domestic companies was eliminated for 2019.

   For 2018, the income tax surcharge for domestic companies was 4% applicable on taxable profits higher than $800.

b. For 2019, the taxable base to assess the income tax under the presumptive income model is 1.5% of the net equity held on the last day of the immediately preceding taxable period; for taxable 2020 the base will be 0.5% and 0% as of taxable 2021.

   For 2018, the taxable base to assess the income tax under the presumptive income model was 3.5% of the net equity held on the last day of the preceding taxable period.

c. Comprehensive inflation adjustments were eliminated for tax purposes as of 2007, and the tax on occasional gains was reinstated at a current rate of 10%, payable by legal entities on total occasional gains obtained during the taxable year.

d. A tax on dividends paid to individuals resident in Colombia was established as of 2019 at a rate of 15%, triggered when the amount distributed is higher than 300 UVT ($10 for 2019) when such dividends have been taxed upon the distributing companies. For domestic companies, non-resident individuals and foreign companies, the tax rate is 7.5% when such dividends have been taxed upon the distributing companies. When the earnings that give rise to dividends have not been taxed upon the distributing company, the tax rate applicable to shareholders is 33% for 2019, 32% for 2020, 31% for 2021 and 30% as of 2022.

   A tax on dividends paid to individuals resident in Colombia was established as of 2020 at a rate of 10%, triggered when the amount distributed is higher than 300 UVT ($11 for 2019) when such dividends have been taxed upon the distributing companies. For domestic companies the tax rate is 7.5% when such dividends have been taxed upon the distributing companies. For non-resident individuals and foreign companies, the tax rate is 10% when such dividends have been taxed upon the distributing companies. When the earnings that give rise to dividends have not been taxed upon the distributing company, the tax rate applicable to shareholders is 32% for 2020, 31% for 2021 and 30% as of 2022.

   During 2018, a tax on dividends paid to individuals resident in Colombia was levied at a rate of 5% triggered when the amount distributed was between 600 UVT ($20 for 2018) and 1000 UVT ($33 for 2018) and 10% on higher amounts when such dividends have been taxed upon the distributing companies. For non-resident individuals and foreign companies, the tax rate is 5% when such dividends have been taxed upon the distributing companies. When the earnings that give rise to dividends have not been taxed upon the distributing company, the tax rate applicable to shareholders is 35%.

e. As of 2017 the tax base adopted is the accounting system pursuant to the accounting technical rules framework in force in Colombia, set forth by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB), regulated in Colombia by Regulatory Decree 2450 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170, and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270 with certain exceptions regarding the realization of revenue, recognition of costs and expenses and the accounting effects of the opening balance upon adoption of these standards.

f. The tax on financial transactions is a permanent tax. 50% of this tax is tax-deductible.

g. As of 2019, taxes, levies and contributions actually paid during the taxable year or period are 100% deductible if they are related with the company's economic activity including fees paid to business associations.

h. 50% of the industry and trade tax can be taken as a tax discount for taxable 2019 to 2021. 100% can be taken as a tax discount as of 2022.

i. Regarding contributions to employee education, payments meeting the following conditions shall be deductible as of 2019: (a) devoted for scholarships and education forgivable loans to the benefit of employees, (b) payments to programs or care centers for the children of employees and (c) payments to primary, secondary, technical, technological and higher education institutions.

j. VAT on the acquisition, formation, construction or import of productive real fixed assets may be discounted from the income tax as of 2019.

k. As of 2019, the income withholding tax on payments abroad is 20% on consultancy services, technical services, technical assistance, professional fees, royalties, leases and compensations, and 33% for management or administration services.

   As of 2020 the income tax withholding rate on payments abroad is 0% for services such as consultancy, technical services or technical assistance provided by third parties with physical residence in countries with which Colombia has entered double-taxation agreements.

l. As of 2019, taxes paid abroad shall be deemed tax discounts during the taxable year of payment, or during any subsequent taxable period.

m. The annual adjustment applicable at December 31, 2019 to the cost of movable assets and real estate deemed fixed assets is 3.36%.

Tax credits of the Parent and its Colombian subsidiaries

Pursuant to tax regulations in force as of 2017, the time limit to offset tax losses is 12 years following the year in which the loss was incurred.

Excess presumptive income over ordinary income obtained as of taxable 2007 may be offset against ordinary net income assessed within the following five (5) years.

Company losses are not transferrable to shareholders. In no event tax losses arising from revenue other than income and occasional gains, and from costs and deductions not directly related with the generation of taxable income, will be offset against the taxpayer's net income.

Pursuant to sections 188 and 189 of the Tax Code, at December 31, 2019 the Parent and its subsidiary Marketplace Internacional Éxito y Servicios S.A.S. assessed their income tax liability using the presumptive income method.

Pursuant to sections 188 and 189 of the Tax Code, at December 31, 2019 subsidiaries Éxito Industrias S.A.S., Logística, Transporte y Servicios Asociados S.A.S., Depósitos y Soluciones Logísticas S.A.S., Almacenes Éxito Inversiones S.A.S. and Éxito Viajes y Turismo S.A.S. assessed their income tax liability using the ordinary income method.

(a) Parent's tax credits

At December 31, 2019 the Parent has accrued $506,677 (December 31, 2018 - $445,924) excess presumptive income over net income.

The development of the Parent's excess presumptive income over net income during de annual period ended December 31, 2019 is as follows:

Balance at December 31, 2018	**445,924**
Excess presumptive income generated during the period	61,416
Adjustment to excess presumptive income for previous periods	(663)
Balance at December 31, 2019	**506,677**

At December 31, 2019, the Parent has accrued tax losses amounting to $643,898 (December 31, 2018 $624,344).

The development of tax losses at the Parent during the annual period ended December 31, 2019 is as follows:

Balance at December 31, 2018	**624,344**
Offsetting against taxable income generated during the period	4,910
Adjustment to tax losses from prior periods	14,644
Balance at December 31, 2019	**643,898**

(b) Tax credits of Colombian subsidiaries

At December 31, 2019 Colombian subsidiaries have not accrued excess presumptive income over net income (December 31, 2018 - $4,681). The detail of excess presumptive income over net income is as follows:

	December 31, 2019	December 31, 2018
Éxito Industrias S.A.S.	-	4,663
Almacenes Éxito Inversiones S.A.S.	-	18
Total	**-**	**4,681**

The development of excess presumptive income over net income of Colombian subsidiaries during de annual period ended December 31, 2019 is as follows:

Balance at December 31, 2018	**4,681**
Almacenes Éxito Inversiones S.A.S.	(18)
Éxito Industrias S.A.S.	(4,663)
Balance at December 31, 2019	**-**

At December 31, 2019, Colombian subsidiaries have accrued tax losses amounting to $57,038 (December 31, 2018 - $58,185). The detail of tax losses is as follows:

	December 31, 2019	December 31, 2018
Gemex O&W S.A.S.	29,391	21,677
Éxito Industrias S.A.S.	27,460	36,508
Marketplace Internacional Éxito y Servicios S.A.S.	106	-
Depósito y Soluciones Logísticas S.A.S.	81	-
Total	**57,038**	**58,185**

The development of tax losses at Colombian subsidiaries during the annual period ended December 31, 2019 is as follows:

Balance at December 31, 2018	**58,185**
Gemex O&W S.A.S.	7,714
Marketplace Internacional Éxito y Servicios S.A.S.	106
Depósito y Soluciones Logísticas S.A.S.	81
Éxito Industrias S.A.S. (a)	(9,048)
Balance at December 31, 2019	**57,038**

(a)Represents $4,429 adjustment to tax losses from prior periods, less offsetting in amount of ($13,477).

Closing of tax returns

As of 2017 and up to 2019, the general term to close tax returns is 3 years, and 6 years for taxpayers required to report transfer pricing information. Tax returns where tax losses are assessed will be closed in 12 years and those including offsetting of tax losses will be closed in 6 years.

As of 2020 the general statute of limitations for income tax returns is 3 years, and for taxpayers required to file transfer pricing information and for returns giving rise to loss and tax offsetting is 5 years.

For the Parent, the income tax returns for 2018, 2017 and 2016 showing tax losses and a balance receivable are open for review during 12 years as of filing of the balance receivable; the income tax for equality CREE return for 2016 where tax losses a balance receivable were assessed is open for review during 12 years as of filing of the balance receivable.

For subsidiary Éxito Industrias S.A.S., the income tax returns for 2018 and 2017, where tax losses were offset and a balance receivable was accrued are open for review during 6 year as of the filing of the balance receivable; the income tax return for 2016 where tax losses and a balance receivable were assessed is open for review during 12 years as of filing of the balance receivable; the income tax for equality CREE return for 2016 where tax losses and a balance receivable were assessed is open for review during 12 years as of filing of the balance receivable; the income tax returns for 2014 and 2015 and the tax for equality CREE returns for 2014 and 2015 where tax losses and a balance receivable were assessed, are open for review during 5 years as of filing of the balance receivable.

For subsidiary Éxito Inversiones S.A.S., the income tax returns for 2018, 2017 and 2016, where a balance receivable was accrued are open for review during 3 year as of the filing of the balance receivable; the income tax return for 2015 where tax losses and a balance receivable were assessed is open for review during 5 years as of filing of the balance receivable; the income tax for equality CREE return for 2016 where a balance receivable was assessed is open for review during 3 years as of filing of the balance receivable; the tax for equality CREE returns for 2015 where tax losses and a balance receivable were assessed, are open for review during 5 years as of filing of the balance receivable.

For subsidiary Gemex O&E S.A.S., the income tax returns for 2018, 2017 and 2016 showing tax losses and a balance receivable are open for review during 12 years as of filing of the balance receivable; the income tax for equality CREE return for 2016 is open for review during 12 years as of filing of the balance receivable. The income tax for equality CREE returns for 2014 and 2015 are open for review during 5 years as of the filing date.

For subsidiary Logística, Transporte y Servicios Asociados S.A.S., the income tax returns for 2018 and 2017 where tax losses were offset and resulted in a balance receivable are open for review for 6 years as of filing of the balance receivable; the income tax return for 2016 where tax losses and a balance receivable were assessed is open for review for 12 years as of filing of the balance receivable; the income tax return for 2015 where tax losses and a balance receivable were assessed is open for review for 5 years as of filing of the balance receivable; the income tax for equality CREE return for 2016 showing a balance receivable is open for review for 12 years as of filing of the balance receivable; the income tax for equality CREE return for 2015 showing a balance receivable is open for review for 5 years as of filing of the balance receivable.

For subsidiary Éxito Viajes y Turismo S.A.S., the income tax returns for 2018 and 2017 are open for review during 3 years as of filing date; the income tax return and the income tax for equality CREE return for 2016 were tax losses were offset is open for review during 6 years as of filing date; the income tax returns and income tax for equality CREE returns for 2014 and 2015 are open for review during 5 years as of filing date.

For subsidiary Marketplace Internacional Éxito y Servicios S.A.S., the income tax review for 2018 is open for review during 3 years as of filing date.

Tax advisors and management of the Parent and its subsidiaries are of the opinion that no additional taxes will be assessed, other than those carried at December 31, 2019.

Transfer pricing

Parent transactions with its controlling entity and foreign related parties have been carried out in accordance with the arm's length principle as if they were independent parties, as required by Transfer Pricing provisions set out by domestic tax regulations. Independent advisors updated the transfer pricing survey as required by tax regulations, aimed at demonstrating that transactions with foreign related parties were carried out at market values during 2018. For this purpose, the Parent filed an information statement and has the mentioned survey available as of July 11, 2019.

Foreign controlled entities

Under the special regime applicable to foreign subsidiaries that are investment vehicles, as of 2017 the standard sets out that passive revenue obtained by such vehicles must be included in the year of accrual and not in the year of effective distribution of profits.

Note 26.2. Tax regulations applicable to foreign subsidiaries

Tax regulations in force applicable to foreign subsidiaries foresee the following income tax rates:
- Subsidiaries domiciled in Uruguay apply a 25% rate;
- Subsidiaries domiciled in Argentina apply a 35% rate.

Note 26.3. Current tax assets and liabilities

The balances of current tax assets and liabilities recognized in the statement of financial position are:

Current tax assets

	December 31, 2019	December 31, 2018
Income tax balance receivable by Parent and its Colombian subsidiaries (2)	200,696	154,686
Tax discounts applied by the Parent and its Colombian subsidiaries (3)	72,239	-
Industry and trade tax advances and withholdings of Parent and its Colombian subsidiaries	47,067	23,375
Other current tax assets of subsidiary Spice Investment Mercosur S.A.	6,098	29,913
Tax discounts of Parent from taxes paid abroad	3,738	285
Current income tax assets of subsidiary Onper Investment 2015 S.L. (4)	2,935	-
Current income tax assets of subsidiary Spice Investments Mercosur S.A. (5)	639	4,067
Other current tax assets of subsidiary Onper Investment 2015 S.L. (6)	438	4,613
Other current tax assets of subsidiary Onper Investment 2015 S.L. (7)	-	507,351
Total current tax assets (1)	**333,850**	**724,290**

(1) The decrease is because the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading.

(2) The income tax balance receivable of the Parent and its Colombian subsidiaries is comprised of:

	December 31, 2019	December 31, 2018
Income tax withholdings (a)	222,888	207,294
Tax discounts	5,653	11,892
Less income tax (expense) (Note 26.4)	(27,845)	(64,500)
Total income tax balance receivable	**200,696**	**154,686**

(a) Includes the net of income tax payable and balances receivable and taxes withheld applicable to the Parent's and its Colombian subsidiaries' income tax.

(3) Tax discounts applied by the Parent and its Colombian subsidiaries are as follows:

	December 31, 2019
Industry and trade tax	51,281
VAT on productive real assets	20,609
Other	349
Total tax discounts applied by the Parent and its Colombian subsidiaries	**72,239**

(4) The balance of current income tax of subsidiary Onper Investment 2015 S.L., related with subsidiaries of the Argentina segment, is comprised of:

	December 31, 2019
Current income tax assets	7,598
Current income tax liabilities	(4,663)
Total	**2,935**

(5) The balance of current income tax assets of subsidiary Spice Investments Mercosur S.A. is comprised of:

	December 31, 2019	December 31, 2018
Current income tax assets	2,902	5,532
Current income tax liabilities	(2,263)	(1,465)
Total	**639**	**4,067**

(6) Balance of other current taxes of subsidiary Onper Investment 2015 S.L., related with subsidiaries of the Argentina segment.

(7) Balance of other current taxes of subsidiary Onper Investment 2015 S.L., related with subsidiaries of the Brazil segment.

Current tax liabilities

	December 31, 2019	December 31, 2018
Industry and trade tax payable of the Parent and its Colombian subsidiaries	68,200	53,023
Taxes of subsidiary Onper Investment 2015 S.L. other than income tax (2)	3,040	6,131
Taxes of subsidiary Spice Investments Mercosur S.A. other than income tax	1,471	648
Tax on real estate of the Parent and its Colombian subsidiaries	199	1,530
Taxes of subsidiary Onper Investment 2015 S.L. other than income tax (3)	-	204,847
Income tax of subsidiary Onper Investment 2015 S.L. (4)	-	32,520
Total current tax (liabilities) (1)	**72,910**	**298,699**

(1) The decrease is because the liabilities of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current liabilities held for trading.

(2) Balance of taxes of subsidiary Onper Investment 2015 S.L., related with subsidiaries of the Argentina segment.

(3) Balance of taxes of subsidiary Onper Investment 2015 S.L., related with subsidiaries of the Brazil segment.

(4) Balance of current income tax liabilities of subsidiary Onper Investment 2015 S.L. related with subsidiaries of the Brazil segment. The balance is comprised of:

	December 31, 2018
Current income tax liabilities	(106,835)
Current income tax assets	74,315
Total	**32,520**

Note 26.4. Income tax

The reconciliation of accounting income to taxable (loss), and the tax expense estimation are as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1)
Earnings before income tax	**171,134**	**142,119**
Add		
Non-deductible taxes	37,475	427
Non-deductible expenses	24,106	46,616
Tax on financial transactions	10,526	8,270
Fines, penalties and litigation	4,927	1,611
Receivables written-off	3,245	5,381
Taxes taken on and revaluation	1,653	50,488
Net income - recovery of depreciation of fixed assets sold	468	27,794
Non-deductible inventory losses	38	315
Reimbursement of deduction of income-generating fixed assets arising from the sale of assets	-	33,798
Selling price of fixed assets held less than two years	-	25,147
Less		
Effect of accounting results of foreign subsidiaries (1)	(119,316)	89,959
IFRS adjustments with no tax effects (1) (2)	(71,629)	(276,052)
Goodwill tax deduction, in addition to the accounting deduction	(23,832)	(20,351)
Recovery of provisions	(4,304)	(239)
Tax-exempt dividends received from subsidiaries	(3,987)	(27,870)
Deduction additional 30% on salaries paid to apprentices hired at Company will	(1,740)	(1,739)
Disabled employee deduction	(1,665)	(445)
Donation to food banks	(1,420)	-
Derecognition of gain from the sale of fixed assets reported as occasional gain	(135)	(26,585)
Cost of sales of fixed assets held less than two years	-	(77,140)
Net income	**25,544**	**1,504**
Offsetting of tax losses and excess presumptive income	(13,544)	(16,089)
Total net income after offsetting	**12,000**	**(14,585)**
Presumptive income of the Parent and of certain Colombian subsidiaries for the current period	**61,416**	**148,743**
Net income for the current period of certain Colombian subsidiaries	**24,211**	**17,147**
Net taxable income	**85,627**	**165,890**
Income tax rate	33%	33%
Subtotal income tax (expense)	**(28,257)**	**(54,744)**
Occasional gains tax (expense)	-	(3,625)
Income tax surcharge	-	(6,504)
Tax discounts	412	373
Total income tax (expense)	**(27,845)**	**(64,500)**
Tax revenue prior year	**(237)**	**2,286**
Total income tax (expense) of the Parent and its Colombian subsidiaries	**(28,082)**	**(62,214)**
Total current tax (expense) of foreign subsidiaries	**(48,175)**	**(34,382)**
Total current income tax (expense)	**(76,257)**	**(96,596)**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to the "Effect of accounting results of foreign subsidiaries" account arises from the recognition of the effect of the application of this IFRS on the results of subsidiaries. The effect on the "IFRS adjustments with no tax effects" account is explained under (2) below in this Note 26.4.

(2) IFRS adjustments with no tax effects are:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (a)
Accounting provisions	76,121	78,242
Taxed leases	50,067	74,227
Taxed dividends of subsidiaries	49,610	65,819
Other accounting expenses with no tax effects (a)	49,156	33,790
Exchange difference, net	17,630	36,973
Untaxed dividends of subsidiaries	3,987	27,739
Taxed actuarial estimation	2,938	2,289
Net results using the equity method	(159,949)	(396,749)
Non-accounting costs for tax purposes	(30,163)	(26,221)
Higher tax depreciation over accounting depreciation	(52,551)	(45,941)
Recovery of provisions	(39,690)	(56,002)
Excess personnel expenses for tax purposes over accounting personnel expenses	(34,760)	(40,727)
Other accounting (not for tax purposes) (revenue), net	(3,488)	(26,362)
Non-deductible taxes	(508)	(3,129)
Non-deductible fines and penalties	(29)	-
Total	**(71,629)**	**(276,052)**

(a) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account results from the tax effect from the non-deductibility of depreciation of use rights and the financial cost of lease liabilities. Differences are detailed in Note 52.

The components of the income tax expense recognized in the statement of income are:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1)
Current income tax (expense)	(76,257)	(96,596)
Deferred income tax revenue (Note 26.5) (1)	52,961	152,395
Total income tax (expense)	**(23,296)**	**55,799**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. Differences are detailed in Note 52.

A detail of the current tax expense of foreign subsidiaries is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Uruguay	(44,336)	(34,462)
Argentina	(3,839)	80
Total current tax (expense)	**(48,175)**	**(34,382)**

The estimation of the presumptive income of the Parent and of certain Colombian subsidiaries is as follows:

	December 31, 2019	December 31, 2018
Net shareholders' equities	4,199,870	4,334,744
Less net shareholders' equities to be excluded	(105,475)	(85,766)
Base shareholders' equities	**4,094,395**	**4,248,978**
Presumptive income	**61,416**	**148,714**
Add: Taxed dividends	-	29
Total presumptive income	**61,416**	**148,743**

The reconciliation of average effective tax rate to applicable tax rate is as follows:

	December 31, 2019	Rate	December 31, 2018	Rate
Earnings before income tax	**171,134**		**142,119**	
Tax expense at applicable tax rate	(56,474)	(33%)	(52,552)	(37%)
Tax effect of tax rates levied abroad	(48,176)	(28%)	(34,382)	(24%)
Tax effect of non-deductible expenses to determine taxable loss	(27,205)	(16%)	(65,950)	(46%)
Tax effect of adjustment of current taxes from prior periods	(237)	(-%)	2,286	1%
Tax effect of untaxed revenue to determine taxable loss	65,792	38%	79,459	56%
Other tax effects from the reconciliation of accounting income to tax expense	37,160	22%	67,321	47%
Tax effect of tax losses	4,030	2%	61,995	44%
Tax effect from changes in tax rates	1,814	1%	(2,378)	(2%)
Total income tax (expense) revenue	**(23,296)**	**(14%)**	**55,799**	**39%**

Note 26.5. Deferred tax

The Parent and its subsidiaries recognize deferred taxes receivable or payable, arising from temporary differences representing a lower or higher payment of the current year income tax, estimated at expected recovery rates, provided there is reasonable expectation that such differences will revert in future. Should there be any deferred tax asset, an analysis will be made of whether the Parent and its subsidiaries will generate enough taxable income in future that allow offsetting the asset, in full or in part.

Deferred tax assets and liabilities are made as follows:

	December 31, 2019		December 31, 2018 (1)	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Lease liabilities (1)	509,927	-	474,641	-
Tax losses	198,834	-	196,376	-
Excess presumptive income	156,459	-	140,258	-
Tax credits	66,535	-	56,282	
Other provisions	18,661	-	14,896	-
Other financial liabilities	4,913	-	2,850	-
Inventories	4,444	-	5,275	-
Trade and other receivables	3,371	-	4,113	-
Employee benefit provisions	1,736	-	3,642	-
Prepaid expenses	943	-	3,681	-
Financial liabilities	622	-	46,168	-
Investments in subsidiaries and joint ventures	308	-	-	(60,657)
Accounts receivable from related parties	128	-	-	(523)
Accounts payable to related parties	8	-	8,196	-
Other non-financial assets	-	-	-	(20)
Non-current assets held for trading	-	(294)	401	-
Other non-financial liabilities	-	(2,725)	3,386	-
Intangible assets other than goodwill	-	(3,957)	-	(7,654)
Construction in progress	-	(4,180)	-	(915)
Trade and other payables	-	(5,537)	-	(1,209)
Real estate projects	-	(5,894)	-	(12,372)
Land	-	(7,070)	-	(9,623)
Other financial assets	-	(7,343)	-	(37,331)
Other property, plant and equipment	-	(29,146)	-	(26,512)
Investment property	-	(35,671)	-	(9,517)
Buildings	-	(122,035)	-	(91,758)
Goodwill	-	(145,302)	-	(185,781)
Use rights (1)	-	(444,594)	-	(409,357)
Total Parent	**966,889**	**(813,748)**	**960,165**	**(853,229)**
Colombian subsidiaries (1)	**29,497**	**(32,907)**	**30,008**	**(28,947)**
Total Colombia segment	**996,386**	**(846,655)**	**990,173**	**(882,176)**
Uruguay segment	**27,538**	**-**	**25,994**	**-**
Argentina segment	**8,373**	**(124,876)**	**5,076**	**(122,294)**
Brazil segment (2)	**-**	**-**	**196,928**	**(1,489,567)**
Total	**1,032,297**	**(971,531)**	**1,218,171**	**(2,494,037)**

The breakdown of deferred tax assets and liabilities for the three geographical segments (four in 2018) in which the Parent and its subsidiaries operations are grouped is as follows:

	December 31, 2019		December 31, 2018 (1)	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Colombia segment	149,731	-	107,997	-
Uruguay segment	27,538	-	25,994	-
Argentina segment	-	(116,503)	-	(117,218)
Brazil segment (2)	-	-	-	(1,292,639)
Total (1)	**177,269**	**(116,503)**	**133,991**	**(1,409,857)**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account arises from the effects on deferred tax from the temporary difference resulting upon recognition of use rights and lease liabilities. Differences are detailed in Note 52.

(2) The decrease is because the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current liabilities held for trading.

The effect of the deferred tax on the statement of income is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Deferred income tax	191,821	150,321
Deferred tax (expense) on occasional gains	(138,860)	2,074
Total deferred income tax revenue	**52,961**	**152,395**

The effect of the deferred tax on the statement of comprehensive income is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018
(Expense) from derivative financial instruments designated as hedge instruments and other	(1,383)	(4,486)
Revenue (expense) from measurement of defined benefit plans	114	(40)
Total deferred income tax expense	**(1,269)**	**(4,526)**

The reconciliation of the development of net deferred tax liabilities, between December 31, 2019 and December 31, 2018 to the statement of income and the statement of other comprehensive income is as follows:

	January 1 to December 31, 2019
Revenue from deferred tax recognized in income for the period	52,961
(Expense) from deferred tax recognized in other comprehensive income for the period.	(1,269)
Reclassification of the deferred tax to income for the period from discontinued operations.	1,082,395
Effect of the translation of the deferred tax recognized in other comprehensive income for the period (1)	202,545
Total increase in net deferred tax between December 31, 2019 and December 31, 2018	**1,336,632**

(1) Such effect resulting from the translation at the closing rate of deferred tax assets and liabilities of foreign subsidiaries is included in the line item "Exchange difference from translation" in other comprehensive income (Note 30).

No deferred tax assets generated by certain minor investments that showed losses during the current or prior periods have been recognized. The amount of losses is as follows:

	December 31, 2019	December 31, 2018
Other minor investments	(7,628)	(11,780)
Total	**(7,628)**	**(11,780)**

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized at December 31, 2019 amount to $47,725 (December 31, 2018 - $53,361).

Note 26.6. Effects of the distribution of dividends on income tax.

Pursuant to Colombian tax regulations in force, neither the distribution of dividends nor retained earnings influence the income tax rate.

Note 26.7. Non-current tax assets and liabilities

Non-current tax assets

At December 31, 2018 the balance of non-current tax assets relates to taxes receivable of subsidiary Companhia Brasileira de Distribuição - CBD, basically the ICMS tax (Tax on the Movement of Goods and Services) and the Social Security National Tax.

(2)The decrease is because the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current assets held for trading.

Non-current tax liabilities

A detailed balance by subsidiary is as follows:

	December 31, 2019	**December 31, 2018**
Libertad S.A.	800	1,547
Companhia Brasileira de Distribuição – CBD (1)	-	395,467
Total	**800**	**397,014**

At December 31, 2019, the balance relates to taxes payable of subsidiary Libertad S.A. for federal taxes and incentive program by instalments.

At December31, 2019 the balance relates to taxes payable of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. for federal taxes and incentive program by instalments.

(1) The decrease is because the liabilities of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current liabilities held for trading.

Note 27. Other financial liabilities

The balance of other financial liabilities is as follows:

	December 31, 2019	**December 31, 2018**
Collections received on behalf of third parties (2)	99,887	131,326
Derivative financial instruments (3)	15,334	1,770
Derivative financial instruments designated as hedge instruments (4)	20	9,473
Bonds issued (5)	-	3,477,711
Total (1)	**115,241**	**3,620,280**
Current	**114,871**	**1,037,191**
Non-current	**370**	**2,583,089**

(1) The decrease is because the liabilities of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current liabilities held for trading.

(2) The balance of collections received on behalf of third parties is as follows:

	December 31, 2019	**December 31, 2018**
Éxito Card collections (a)	39,619	44,860
Non-banking correspondent	26,075	47,340
Revenue received on behalf of third parties (b)	22,076	27,287
Direct trading (marketplace)	3,269	5,000
Other collections	8,848	6,839
Total	**99,887**	**131,326**

(a) Represents collections received from third parties related with Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 23).

(b) The balance relates to:

- Collections received on behalf of third parties for hotel services, ground transportation, car rentals and reservation of air tickets as part of the intermediation of Éxito Viajes y Turismo S.A.S. as travel agency in amount of $19,341 (December 31, 2018 - 15,508).

- Collections received on behalf of third parties from Grupo Disco del Uruguay S.A. and Mercados Devoto S.A. in amount of $2,621 (December 31, 2018 - $2,325).

- At December 31, 2018 it also included insurance premiums, extended warranties, telephone companies cell phone recharges and other collections by subsidiary Companhia Brasileira de Distribuição - CBD on behalf of Financiera Itaú CBD - FIC Promotora de Vendas Ltda. in amount of $9,454.

(3) Derivative financial instruments reflect the fair value of *forward and swap* contracts to cover the fluctuation in the exchange rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position, the Parent and its subsidiaries measure the derivative financial instruments (forward and swap) at fair value, on each accounting closing date.

The detail of maturities of these instruments at December 31, 2019 is as follows:

Derivative	Less than 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	12,495	1,224	-	-	13,719
Swap	282	721	242	370	1,615
					15,334

The detail of maturities of these instruments at December 31, 2018 is as follows:

Derivative	Less than 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	192	1,506	-	-	1,698
Swap	-	72	-	-	72
					1,770

(4) Derivatives denominated as hedge instruments represent:

(a) At December 31, 2019 financial exchange transactions - *swap transactions* carried out by the Parent and its subsidiaries under contracts executed with financial entities, whose purpose is the exchange, at specific intervals, of the difference between the amounts of fixed and variable interest rates calculated in relation with an agreed-upon nominal principal amount, which turns variable rates into fixed rates and cash flows then may be determined in local currency. The fair values of these instruments are determined based on valuation models commonly used by market participants.

Swap transactions are used to hedge exchange and/or interest risks of financial liabilities taken to acquire property, plant and equipment. The hedging ratio is one hundred percent (100%) of the hedged item, taken as the relevant financial liability, in whole or in part.

(b) At December 31, 2018 it also included the fair value of *swap* contracts for 100% of liabilities denominated in US Dollars at a fixed interest rate of Companhia Brasileira de Distribuição – CBD, exception made of DCCIs (Direct consumer credits through an intermediary). The fair value is measured by exchanging such instruments at a floating IDC rate. The term of these contracts equals that of the debt, and they hedge both principal and interests. The average annual IDC rate at December 31, 2018 was 6.42%.

The Parent and its subsidiaries document accounting hedging relationships and conduct efficacy testing from initial recognition and over the time of the hedging relationship until derecognition thereof. No inefficacy has been identified during the periods reported.

At December 31, 2019, relates to the following transactions:

Hedging instrument	Nature of risk hedged	Hedged item	Range of rates for hedged item	Range of rates for hedge instruments	Fair value
Swap	Interest rate and exchange rate	Financial liabilities	Libor USD 1M + 2.22%	9.06%	20
					20

The detail of maturities of these hedging instruments at December 31, 2019 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	-	-	20	-	-	**20**

At December 31, 2018, relates to the following transactions:

Hedging instrument	Nature of risk hedged	Hedged item	Range of rates for hedged item	Range of rates for hedge instruments	Fair value
Swap	Interest rate	Financial liabilities	IBR 3M	5.1% - 6.0%	6,890
Swap	Interest rate and exchange rate	Financial liabilities	Libor USD 1M + 2.22%	9.06%	21
Swap	Interest rate and exchange rate	Financial liabilities	1.94% to 9.80%	IDC	2,562
					9,473

The detail of maturities of these hedging instruments at December 31, 2018 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	-	295	2,752	4,975	1,451	**9,473**

(5) At December 31, 2018 subsidiary Companhia Brasileira de Distribuição – CBD issued bonds to strengthen working capital, and to maintain its cash strategy and its debt and investment profile extension strategy. Bonds issued were not convertible, had no renegotiation clauses and were unsecured, exception made of the issue of bonds by subsidiaries, which are endorsed by subsidiary Companhia Brasileira de Distribuição - CBD. Amortization of bonds varies in accordance with the issue.

Subsidiary Companhia Brasileira de Distribuição – CBD was required to maintain financial ratios related with issues released. Such ratios were estimated based on consolidated financial information prepared pursuant to accounting principles adopted in Brazil, as follows: (i) net debt (debt less cash and cash equivalents and accounts receivable) not to exceed net shareholders' equity); and (ii) net consolidated debt ratio/Ebitda less than or equal to 3.25. The subsidiary complied with such ratios at December 31, 2018.

The balance of other financial liabilities classified as current and non-current is as follows:

	December 31, 2019	December 31, 2018
Collections received on behalf of third parties	99,887	131,326
Derivative financial instruments	14,964	1,770
Derivative financial instruments designated as hedge instruments	20	8,022
Bonds issued	-	896,073
Total current	**114,871**	**1,037,191**
Derivative financial instruments designated as hedge instruments	370	1,451
Bonds issued	-	2,581,638
Total non-current	**370**	**2,583,089**

Note 28. Other non-financial liabilities

The balance of other non-financial liabilities is as follows:

	December 31, 2019	December 31, 2018
Revenue received in advance (2)	81,763	256,885
Customer loyalty programs (3)	27,106	48,636
Advance payments under contracts and other projects	9,056	7,256
Instalments received under "plan resérvalo"	230	647
Repurchase coupon	85	176
Extended warranty (4)	-	15,712
Other (5)	-	9,423
Total other current non-financial liabilities (1)	**118,240**	**338,735**
Advance payments under contracts and other projects	669	727
Other (5)	-	11,236
Total other non-current non-financial liabilities (1)	**669**	**11,963**

(1) The decrease is because the liabilities of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, since this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current liabilities held for trading.

(2) Mainly relates to revenue received in advance from third parties on the sale of various products through means of payment, lease of premises and strategic alliances.

	December 31, 2019	December 31, 2018
Gift card	61,854	57,199
Cafam comprehensive card	8,364	7,210
Exchange card	3,620	3,492
Data and telephone minutes purchased in advance	957	979
Fuel card	807	820
Lease of furniture (a)	-	182,922
Other	6,161	4,263
Total	**81,763**	**256,885**

(a) At December 31, 2018 mainly related to advance payments from third parties on rental of gondola ends and luminous paper to display products at subsidiary Companhia Brasileira de Distribuição - CBD.

(3) At December 31, 2019 and at December 31, 2018 relates to customer loyalty programs "Puntos Éxito" and "Supercliente Carulla" of the Parent; "Hipermillas" of subsidiary Mercados Devoto S.A.; "Tarjeta Más" of subsidiary Supermercados Disco del Uruguay S.A. and "Club Libertad" of subsidiary Libertad S.A. At December 31, 2018 it also included the programs "Puntos Extra" and "Pao de Acucar" of subsidiary Companhia Brasileira de Distribuição – CBD.

The following are the balances of these programs included in the statement of financial position:

	December 31, 2019	December 31, 2018
"Hipermillas" and "Tarjeta Más" programs	25,658	26,665
"Puntos Éxito" and "Supercliente Carulla" programs	1,138	18,539
Club Libertad	310	513
"Meu Desconto" program (a)	-	2,919
Total	**27,106**	**48,636**

(4) At December 31, 2018 mainly represented the extended warranty plan for customers granted by subsidiary Companhia Brasileira de Distribuição - CBD.

(5) At December 31, 2018 mainly represented the payment received by subsidiary Companhia Brasileira de Distribuição – CBD from "Allpark" under a car parking service agreement.

Note 29. Share capital, treasury shares repurchased and premium on the issue of shares

At December 31, 2019 and at December 31, 2018 the Parent's authorized capital is represented in 530,000,000 common shares with a nominal value of $10 (*) each; subscribed and paid-in capital amounts to $4,482; the number of outstanding shares is 447,604,316 and the number of treasury shares reacquired is 635,835 valued at $2,734.

(*) Expressed in Colombian pesos.

The rights attached to the shares are speaking and voting rights per each share. No privileges have been granted on the shares, nor are they restricted in any way. Additionally, there are no option contracts on Parent shares.

The premium on placement of shares represents the higher value paid over the par value of the shares, and amounts to $4,843,466 at December 31, 2019 and at December 31, 2018. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the company, or upon capitalization of this value. Capitalization means the transfer of a portion of such premium to a capital account as result of the issue of a share-based dividend.

Note 30. Reserves, Retained earnings and Other comprehensive income

Reserves

Reserves are appropriations made by the Parent's General Meeting of Shareholders on the results of prior periods. In addition to the legal reserve, there is an occasional reserve, a reserve for the reacquisition of shares and a reserve for payment of future dividends.

Retained earnings

Retained earnings include the effect on shareholders' equity of the convergence to IFRS in amount of $1,070,092 resulting from the opening financial statement prepared in 2014 under IFRS 1, included in the accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170 and updated on December 28, 2018 by Regulatory Decree 2483 and on December 13, 2019 by Regulatory Decree 2270.

Other accumulated comprehensive income

The balance of each component of other comprehensive income in the statement of financial position is as follows:

	December 31, 2019			December 31, 2018		
	Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount
Measurement of financial assets at fair value through other comprehensive income (1)	(13,203)	-	(13,203)	(7,200)	-	(7,200)
Measurement of defined benefit plans (2)	(5,141)	1,546	(3,595)	(4,760)	1,432	(3,328)
Translation exchange differences (3)	(1,106,448)	-	(1,106,448)	(597,914)	-	(597,914)
(Loss) from the hedging of cash flows (4)	(768)	571	(197)	(5,978)	1,954	(4,024)
(Loss) from hedging of foreign business investments	(1,459)		(1,459)	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (5)	-	-	-	(41,486)	-	(41,486)
Total other accumulated comprehensive income	**(1,127,019)**	**2,117**	**(1,124,902)**	**(657,338)**	**3,386**	**(653,952)**

(1) Relates to accumulated gains or losses arising from the valuation at fair value of investments in financial instruments through equity, less amounts transferred to retained earnings upon sale of such investments. Changes in fair value are not reclassified to income for the period.

(2) Represents the accumulated value of actuarial gains or losses arising from the Parent's and its subsidiaries' defined benefit plans. The net value of the new measurements is transferred to retained earnings and is not reclassified to income for the period.

(3) Represents the accumulated value of exchange differences arising from the translation of assets, liabilities, equity and results of foreign operations into the Parent's presentation currency. Accumulated translation differences are reclassified to period results upon disposition of the foreign operation. Includes the effect of translating deferred tax assets and liabilities in amount of $202,545 (Note 26).

(4) Represents the accumulated value of the effective portion of gains or losses arising from changes in the fair value of hedging instruments in a cash flow hedging. The accumulated value of gains or losses is reclassified to period results only when the hedged transaction has an effect on period results or a highly-likely transaction is not foreseen to occur, or is included, as part of the carrying value, in a non-financial hedged item.

(5) Value allocated to the Parent of the other comprehensive income from its investments in associates and joint ventures through direct investment or through subsidiaries.

Note 31. Revenue from ordinary activities under contracts with customers

The balance of revenue from ordinary activities under contracts with customers is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1)
Retail sales (Note 46)	14,503,846	14,176,353
Service revenue (2)	604,070	551,639
Other ordinary revenue (3)	185,167	142,035
Total revenue from ordinary activities under contracts with customers	**15,293,083**	**14,870,027**

(1) Amounts include the effect of the reclassification of retained earnings at November 30 and at December 31, 2018 of subsidiaries Companhia Brasileira de Distribuição - CBD and Gemex O & W S.A.S., respectively, to net income for the period from discontinued operations.

(2) The balance of service revenue relates to:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Lease of real estate	229,725	218,848
Distributors	106,241	106,519
Advertising	82,615	72,622
Lease of physical space	56,283	22,603
Commissions	29,586	28,055
Telephone services	27,562	30,937
Non-banking correspondent	20,149	17,970
Other revenue from the provision of services	18,494	19,814
Transport	18,206	13,098
Travel administration fees	8,047	6,513
Money transfer	7,162	7,483
Administration of real estate	-	7,177
Total service revenue	**604,070**	**551,639**

(3) Other ordinary revenue relates to:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Involvement in collaboration agreement (a)	88,641	67,465
Exploitation of assets (b)	27,692	9,796
Royalty revenue	17,481	10,459
Marketing events	12,971	14,526
Other revenue from Latam strategic direction (Note 38)	7,851	7,389
Revenue from financial services	3,020	2,389
Other	27,511	30,011
Total other ordinary revenue	**185,167**	**142,035**

(a) Relates to the involvement in the corporate collaboration agreement with Compañía de Financiamiento Tuya S.A.

(b) Information for the annual period ended December 31, 2018 includes $18,038 relevant to indemnification received related with the acquisition contract.

Note 32. Distribution expenses and Administration and sales expenses

The balance of administration and sales expenses is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1) (2) (3)
Depreciation and amortization (2)	369,341	372,784
Taxes other than income tax	210,822	258,879
Public utilities	203,141	186,634
Fuels and power	186,998	171,428
Advertising	150,927	154,191
Repairs and maintenance	132,401	123,677
Commissions on debit and credit cards	81,332	77,952
Transport	41,416	41,922
Packaging and marking materials	38,533	44,449
Administration of trade premises	35,007	34,072
Professional fees	26,316	27,042
Insurance	26,221	23,947
Outsourced employees	22,453	27,825
Leases (2)	19,812	10,779
Travel expenses	6,291	5,593
Other provisions expense	5,918	7,248
Legal expenses	4,264	4,388
Contributions and affiliations	439	1,623
Other	111,830	86,147
Total distribution expenses	**1,673,462**	**1,660,580**

(1) As of January 1, 2019, based on reviews to Parent operations, certain items related with food preparation operating processes that until December 31, 2018 were shown as administration expenses and employee benefit expenses and that are related with meal preparation operating processes, are carried under the cost of goods sold. Such items in amount of $58,656 were reclassified in the financial statements at December 31, 2018 only for comparison to the financial statements at December 31, 2019. Such reclassification had no material effects on the gross profit.

The balance of administration and sales expenses is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (2) (3)
Depreciation and amortization (2)	81,188	66,392
Professional fees	54,297	55,662
Taxes other than income tax	52,420	47,870
Impairment expense	32,466	12,131
Repairs and maintenance	23,138	17,314
Public utilities	12,587	16,848
Outsourced employees	9,505	7,380
Fuels and power	8,907	8,300
Travel expenses	7,590	7,369
Insurance	6,599	5,018
Leases (2)	5,103	12,047
Administration of trade premises	2,902	2,670
Contributions and affiliations	2,608	2,619
Transport	1,930	2,178
Legal expenses	786	911
Advertising	234	336
Packaging and marking materials	164	325
Other	26,820	16,176
Total administration and sales expenses	**329,244**	**281,546**

(2) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to these accounts is due to the recognition of depreciation of use rights and derecognition of fixed expenses under lease agreements. Differences are detailed in Note 52.

(3) Amounts include the effect of the reclassification of retained earnings at November 30 and at December 31, 2018 of subsidiaries Companhia Brasileira de Distribuição - CBD and Gemex O & W S.A.S., respectively, to net income for the period from discontinued operations.

Note 33. Employee benefit expenses

The balance of employee benefit expenses incurred by each significant category is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1) (2)
Wages and salaries	1,025,633	1,016,758
Contributions to the social security system	34,006	34,850
Other short-term employee benefits	50,484	50,777
Total short-term employee benefit expense	**1,110,123**	**1,102,385**
Post-employment benefit expenses, defined contribution plans	92,246	105,897
Post-employment benefit expenses, defined benefit plans (3)	(6,795)	307
Total post-employment benefit expenses	**85,451**	**106,204**
Termination benefit expenses	8,062	7,792
Other long-term employee benefits	93	(84)
Other personnel expenses	29,084	27,213
Total employee benefit expenses	**1,232,813**	**1,243,510**

(1) As of January 1, 2019, based on reviews to Company operations, certain items that until December 31, 2018 were shown as administration expenses and employee benefit expenses, which are related with food preparation operating processes, are being recorded under the cost of goods sold. Such items in amount of $118,386 were reclassified in the financial statements at December 31, 2018 only for comparison to the financial statements at December 31, 2019. Such reclassification had no material effects on the gross profit.

(2) Amounts include the effect of the reclassification of retained earnings at November 30 and at December 31, 2018 of subsidiaries Companhia Brasileira de Distribuição - CBD and Gemex O & W S.A.S., respectively, to net income for the period from discontinued operations.

(3) During 2019, the Parent agreed with the employees on the elimination of the retirement pension-related bonus benefit, which resulted in a significant change in post-employment benefits and defined benefit plans, showing a decrease of $6,684 at December 31, 2019.

Note 34. Other operating revenue, other operating expenses and other net gains (losses)

Other operating revenue, other operating expenses and other net gains include the effects of the most significant events occurred during the period which would distort the Parent's and its subsidiaries' recurrent profitability analysis; these are defined as significant elements of unusual revenue and expense whose occurrence is exceptional and the effects of the items that given its nature are not included in an assessment of recurring operating performance of the Parent and its subsidiaries, such as impairment losses, disposal of non-current assets and the effect of business combinations, among other.

The balance of other operating revenue, other operating expense and other net gains, is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1) (2)
Other operating revenue		
Recurring		
Recovery of allowance for trade receivables	37,121	15,688
Reimbursement of ICA-related costs and expenses	4,622	255
Recovery of other provisions related to civil lawsuits	2,484	2,566
Compensation from insurance companies	1,780	2,953
Recovery of other provisions	1,555	3,012
Recovery of other provisions related to labor lawsuits	946	1,582
Recovery of costs and expenses from taxes other than income tax	50	1,911
Other recurring revenue	362	-
Total recurring	**48,920**	**27,967**
Non-recurring		
Recovery of other provisions	3,033	41
Recovery of provisions related with reorganization processes	2,389	2,665
Total non-recurring	**5,422**	**2,706**
Total other operating revenue	**54,342**	**30,673**
Other operating expenses		
Restructuring expenses (3)	(34,544)	(42,440)
Tax on wealth expense	(13,463)	(12,195)
Tax reorganization expense (4)	(3,151)	-
Provision for tax proceeding expenses	-	(255)
Other expenses (5)	(34,270)	(11,744)
Total other operating expenses	**(85,428)**	**(66,634)**
Other net gains (losses)		
Gain (loss) from the sale of property, plant and equipment (6)(5)	5,168	3,248
Derecognition of lease agreements (1)	989	177
Derecognition of property, plant and equipment (7)	(11,871)	(21,021)
Impairment (recovery) of non-current assets (8)	(6,768)	2,386
Loss from disposal of other assets	(675)	(2,523)
Cost of sales for use rights	(157)	-
Gain from the sale of subsidiaries	-	13,542
Gain from the sale of intangible assets	-	35
Total other net (losses)	**(13,314)**	**(4,156)**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account is due to the recognition of revenue arising from the derecognition of use rights and liabilities from the early termination of lease agreements. Differences are detailed in Note 52.

(2) Amounts include the effect of the reclassification of retained earnings at November 30 and at December 31, 2018 of subsidiaries Companhia Brasileira de Distribuição - CBD and Gemex O & W S.A.S., respectively, to net income for the period from discontinued operations.

(3) Represents expenses arising from the provision in relation with the plan to restructure the Parent and its Colombian subsidiaries that includes the acquisition of the operating excellence plan and corporate retirement plan in amount of $29,800 (December 31, 2018 - $38,169) and expenses incurred under plan to restructure subsidiary Libertad S.A. in amount of $4,744 (December 31, 2018 - $4,271).

(4) At December 31, 2019, represents expenses of subsidiaries Grupo Disco del Uruguay S.A. in amount of $1,836 and Devoto Hermanos S.A. in amount of $1,315 for tax restructuring related with the correction of income tax and VAT payments of previous periods, as a result of a decision of the General Tax Direction (DGI by its acronym in Spanish).

(5) At December 31, 2019, represents expenses from the restructuring of stores in amount of $2,012; expenses related with the Europa project in amount of $20,336; IRFS 6 - Leases implementation expenses in amount of $1,578; Bricks II project expenses in amount of $1,009 and expenses related with the closure of stores in amount of $9,102.

At December 31, 2018 represents expenses incurred in the closure of shops and stores in amount of $3,172; reorganization of stores $1,592; advisory expenses $754; expenses incurred in establishing real estate vehicles $463; provision for the closure of stores $5,432 and other minor expenses $339.

(6) Mainly represents a gain from the sale of property, plant and equipment of subsidiary Libertad S.A. in amount of $4,038. At December 31, 2018 mainly represented a gain from the sale of property, plant and equipment of subsidiary Libertad S.A. in amount of $3,922 and to the loss from the sale of buildings of the Parent in amount of $769.

(7) At December 31, 2019 includes the closure of the following of Parent stores: Carulla Express Pontevedra $411, Surtimax Funza $97, Éxito Castilla $69, Surtimax Metrocar $15 and Surtimax Calle 48 $12. It also includes derecognition of machinery and equipment and furniture and fixtures, improvements to leased property and computers arising from the physical count of inventories of properties, plant and equipment in amount of $7,903; derecognition of machinery and equipment, furniture and fixtures and computers arising from damage in amount of $779; derecognition of machinery of the Parent's service stations in amount of $225; derecognition of machinery and equipment, furniture and fixtures, and computers arising from casualty at Carulla La Mina and at other buildings in amount of $21; and derecognition of a building at Patrimonio Autónomo Centro Comercial Viva Barranquilla in amount of $1,952.

For 2018, includes the closure of stores Éxito Barranquilla Alto Prado $3,007, Carulla Express Olaya Herrera $473, Surtimax San Carlos $389, Éxito Express Altos de la Carolina $319, Surtimax Los Olivos $309, Éxito Express Ciudadela $291, Éxito Express Costa de Oro $232, Éxito Mini Barzal $201, Éxito Express Avenida 60 $196, Surtimax El Real $184, Surtimax Ciudad Bolivar $167, Éxito Mini Parque de las Cigarras $132, Éxito Mini Yerbabuena $121, Surtimax Olaya $587, Surtimax Villa Luz $77, Surtimax Torices $363 and Surtimax Baranoa $232. It also includes derecognition of machinery and equipment, furniture and fixtures, improvements to third party properties and computers arising from the physical count of inventories of property, plant and equipment, in amount of $11,105, and also includes the closure of five stores of the Uruguayan subsidiary Merecados Devoto S.A. in amount of $1,799.

(8) At December 31, 2019 represents the goodwill impairment loss at subsidiary Gemex O&W S.A.S. in amount of $1,017; the property-related impairment loss at Patrimonio Autónomo Viva Sincelejo in amount of $4,084 and at Patrimonio Autónomo Viva Palmas in amount of $1,667. At December 31, 2018 represents the impairment loss at the Parent related with computer software ($3,307); property impairment loss at subsidiary Mercados Devoto S.A. (2,818) and gain from recovery of property impairment loss at subsidiary Devoto Hermanos S.A. in amount of $8,511.

Note 35. Financial revenue and expenses

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1) (2)
Gain from exchange difference (1)	333,578	51,680
Gain from derivative financial instruments	264,364	219,389
Revenue from interest, cash and cash equivalents	23,770	14,871
Other financial revenue	13,151	11,042
Total financial revenue	**634,863**	**296,982**
Loss from exchange difference (1)	(402,335)	(222,129)
Interest, loans and finance lease expenses	(299,931)	(318,156)
Loss from derivative financial instruments	(250,183)	(105,839)
Interest expense from lease liabilities (1)	(119,574)	(124,134)
Net monetary position results, effect of the statement of financial position (3)	(25,281)	(54,023)
Net monetary position results, effect of the statement of income (3)	(12,673)	(10,741)
Commission expense	(6,161)	(4,724)
Other financial expenses	(11,655)	(10,328)
Total financial expenses	**(1,127,793)**	**(850,074)**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account arises from the recognition of interest expense upon measurement of lease liabilities using the effective interest method. Differences are detailed in Note 52.

(2) Amounts include the effect of the reclassification of retained earnings at November 30 and at December 31, 2018 of subsidiaries Companhia Brasileira de Distribuição - CBD and Gemex O & W S.A.S., respectively, to net income for the period from discontinued operations.

(3) Represents results arising from the net monetary position of the financial statements of subsidiary Libertad S.A.

Note 36. Share of income in associates and joint ventures that are accounted for using the equity method

The share of income in subsidiaries, associates and joint ventures that are accounted for using the equity method is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Compañía de Financiamiento Tuya S.A.	(5,905)	42,129
Puntos Colombia S.A.S.	(4,218)	(1,613)
Total	**(10,123)**	**40,516**

Note 37. Earnings per share

Earnings per share are classified as basic and diluted. The purpose of basic earnings is to give a measure of the participation of each ordinary share of the controlling entity in the Parent's performance during the reporting periods. The purpose of diluted earnings is to give a measure of the participation of each ordinary share in the performance of the Parent taking into consideration the dilutive effect (decrease in earnings or increase in losses) of outstanding potential ordinary shares during the period.

At December 31, 2019 and at December 31, 2018 the Parent has not carried out transactions with potential ordinary shares, nor after the closing date or at the date of release of these financial statements.

Below is information regarding earnings and number of shares used in the calculation of basic and diluted earnings per basic and diluted share:

<u>In period results:</u>

	January 1 to December 31, 2019	January 1 to December 31, 2018
Net profit attributable to shareholders of the controlling entity	**57,602**	**253,168**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316
Earnings per basic and diluted share attributable to the shareholders of the controlling entity (in Colombian pesos)	**128.69**	**565.61**

	January 1 to December 31, 2019	January 1 to December 31, 2018
Net period profit from continuing operations	**147,838**	**197,918**
Less: net income from continuing operations attributable to non-controlling interests	109,433	94,380
Net profit from continuing operations attributable to the shareholders of the controlling entity	**38,405**	**103,538**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316
Earnings per basic and diluted share from continuing operations attributable to the shareholders of the controlling entity (in Colombian pesos)	**85.80**	**231.32**

	January 1 to December 31, 2019	January 1 to December 31, 2018
Net period profit from discontinued operations	**774,838**	**1,014,764**
Less: net income from discontinued operations attributable to non-controlling interests	755,641	865,134
Net profit from discontinued operations attributable to the shareholders of the controlling entity	**19,197**	**149,630**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447,604,316	447.604.316
Earnings per basic and diluted share from discontinued operations attributable to the shareholders of the controlling entity (in Colombian pesos)	**42.89**	**334.29**

	January 1 to December 31, 2019	January 1 to December 31, 2018
Net period profit from continuing operations	**147,838**	**197,918**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316
Earnings per basic and diluted share from continuing operations (in Colombian pesos)	**330.29**	**442.17**

	January 1 to December 31, 2019	January 1 to December 31, 2018
Net period profit from discontinued operations	**774,838**	**1,014,764**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316
Earnings per basic and diluted share from discontinued operations (in Colombian pesos)	**1,731.08**	**2,267.10**

In total period comprehensive income:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Net (loss) attributable to the shareholders of the controlling entity	**(307,135)**	**(400,938)**
Weighted average of the number of ordinary shares attributable to the basic (loss) per share (basic and diluted)	447.604.316	447.604.316
(Loss) per basic and diluted share in total comprehensive income (in Colombian pesos)	**(686.17)**	**(895.74)**

Note 38. Transactions with related parties

Note 38.1. Key management personnel compensation

Transactions between the Parent and its subsidiaries and key management personnel, including legal representatives and/or administrators, mainly relate to labor agreements executed by and between the parties.

Compensation of key management personnel is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Short-term employee benefits (1) (2)	75,707	148,574
Post-employment benefits	1,981	1,728
Termination benefits	374	1,752
Long-term employee benefits	11	55
Share-based payment plan (1)	-	22,849
Total	**78,073**	**174,958**

(1) At December 31, 2018, key management compensation includes benefits granted to the employees of subsidiary Companhia Brasileira de Distribuição – CBD (*).

(2) A portion of short-term employee benefits is reimbursed by Casino Guichard Perrachon S.A. (*) under a Latin American strategic direction service agreement entered with the Parent. Revenue from Latam strategic direction was recognized during the annual period ended December 31, 2019 in amount of $7,851 (December 31, 2018 - $7,389) as described in Note 31.

(*) At December 31, 2019, and as result of the takeover bid mentioned in Note 1, (a) Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Company's controlling entity, (b) Casino Guichard-Perrachon S.A. ceased as the controlling entity to become a company of the Casino Group.

Note 38.2. Transactions with related parties

Transactions with related parties relate to revenue from retail sales and other services, as well as to costs and expenses related to risk management and technical assistance support, purchase of goods and services received.

The amount of revenue, costs and expenses arising from transactions with related parties is as follows:

	Revenue		Costs and expenses	
	January 1 to December 31, 2019	January 1 to December 31, 2018	January 1 to December 31, 2019	January 1 to December 31, 2018
Joint ventures (1)	111,594	90,662	98,029	39,920
Associates (2)	105,911	123,296	10,966	-
Grupo Casino companies (3)	20,212	3,600	130,557	80,568
Controlling entity (4)	1,359	8,268	-	68,274
Members of the Board	-	-	1,465	10,473
Total	**239,076**	**225,826**	**241,017**	**199,235**

(1) Revenue represents yields of bonds and coupons and energy with Compañía de Financiamiento Tuya S.A., $15,076 (December 31, 2018 - $15,119); involvement in the corporate collaboration agreement with Compañía de Financiamiento Tuya S.A., $88,641 (December 31, 2018 - $67,465); lease of property to Compañía de Financiamiento Tuya S.A., $5,272 (December 31, 2018 - $4,417); other services provided to Compañía de Financiamiento Tuya S.A., $1,567 (December 31, 2018 - $3,505) and to services provided to Puntos Colombia S.A.S., $1,038 (December 31, 2018 - $156).

Costs and expenses represent the cost of the loyalty program and liability management paid to Puntos Colombia S.A.S. in amount of $94,569 (December 31, 2018 - $37,826), and commissions on means of payment with Compañía de Financiamiento Tuya S.A. in amount of $3,460 (December 31, 2018 - $2,094).

(2) Revenue mainly comes from the reimbursement of expenses arising from the infrastructure contract, commissions on the sale of financial products and lease of property, transactions carried out with FIC Promotora de Vendas Ltda, a financing company of Companhia Brasileira de Distribuição - CBD (*).

(3) Revenue mainly refers to sales of products to Distribution Casino France, provision of services to Casino International and to Greenyellow Energía de Colombia S.A.S. and to a supplier centralized negotiation with International Retail Trade and Services.

Costs and expenses mainly represent expenses incurred by Companhia Brasileira de Distribuição - CBD (*) under the cost sharing agreement, and to costs related with energy efficiency services received at the Parent and intermediation in the import of goods.

(4) At December 31, 2019 the revenue of the controlling entity represents reimbursement of personnel expenses received from Companhia Brasileira de Distribuição – CBD (*). At December 31, 2018 revenue relates to a Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A. (*).

At December 31, 2018 costs and expenses mainly represent the reimbursement of expenses incurred by professionals and companies of Grupo Casino for the benefit of Companhia Brasileira de Distribuição - CBD (*) under a "*cost sharing agreement*" and to costs incurred by the Parent for consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. (*) and Geant International B.V.

(*) At December 31, 2019, and as result of the takeover bid mentioned in Note 1, (a) Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Company's controlling entity, (b) Casino Guichard-Perrachon S.A. ceased as the controlling entity to become a company of the Casino Group.

Note 39. Impairment of assets

Note 39.1. Financial assets

No material losses from the impairment of financial assets were identified at December 31, 2019 and at December 31, 2018. Note 8 contains information related to the development of impairment of trade receivables

Note 39.2. Non-financial assets

At December 31, 2019

The book value of the groups of cash-generating units is made of the balances of goodwill, property, plant and equipment, investment properties, other intangible assets other than goodwill, net working capital items and finance lease liabilities associated with working capital items; for subsidiaries domiciled in Uruguay, Argentina and Argentina represents the equity value of such subsidiaries plus the goodwill balances.

For the purposes of impairment testing, the goodwill obtained via business combinations, trademarks and the rights to exploit trade premises with indefinite useful lives were allocated to the following groups of cash-generating units:

	Groups of cash-generating units								
	Éxito	**Carulla**	**Surtimax (1)**	**Súper Inter**	**Todo hogar**	**Surtimayorista (1)**	**Uruguay (2)**	**Argentina (3)**	**Total**
Goodwill	90,674	856,495	37,402	464,332	1,017	4,174	1,303,092	173,582	**2,930,768**
Trademarks with indefinite useful life	-	-	17,427	63,704	-	-	92,732	46,060	**219,923**
Rights with indefinite useful life	19,856	-	1,524	5,606	-	-	-	48	**27,034**

(1) Even if trade establishments allocated to Surtimayorista cash-generating unit do not have goodwill acquired through business combinations, this value allocated for the purpose of impairment testing results from the change of stores in the Surtimax format to this new format; goodwill allocated to trade establishments of the Surtimax cash-generating unit comes from the business combination in 2007 under the merger with Carulla Vivero S.A. as disclosed in Note 16.

(2) Note 16 discloses a detail of the goodwill allocated to Spice Investments Mercosur S.A., Grupo Disco del Uruguay S.A., Mercados Devoto S.A,5 Hermanos Ltda., Tipsel S.A., Tedocan S.A. and Ardal S.A.

(3) The goodwill generated from the business combination for the acquisition of the operation of Libertad S.A. is detailed in Note 16. Trademarks with indefinite useful life and rights with indefinite useful life are detailed in Note 16.

The method used for testing was the value in use given the difficulty of finding an active market that enables establishing the fair value of such intangible assets.

The value in use was estimated based on the expected cash flows as forecasted by management over a five-year period, on the grounds of the price growth rate in Colombia (Consumer Price Index - CPI), trend analyses based on historic results, expansion plans, strategic projects to increase sales and optimization plans; in addition, for the Argentina segment a forecast period of 10 years was used to more reasonably reflect management's future perspectives.

Cash flows beyond the five-year period were inferred using a real growth rate of 0%. According to the Parent, this is a conservative approach that reflects the ordinary growth expected for the industry in absence of unexpected factors that might influence growth.

The tax rate included in the forecast of cash flows is the rate at which the Parent expects to pay its taxes during the next years. The rate used to estimate the impairment of goodwill of the Éxito, Carulla, Surtimax, Súper Inter, Todo Hogar and Surtimayorista cash-generating units was 32% for 2020, 31% for 2021 and 30% for 2022 onwards, rates in force in Colombia at December 31, 2019.

For goodwill allocated to the Uruguay cash-generating unit, the tax rate used was 25%. For goodwill allocated to the Argentina cash-generating unit, the tax rate used was 25%.

Expected cash flows were discounted at the weighted average cost of capital (WACC) using a market indebtedness structure for the type of industry where the Parent operates; as a result, the weighted average cost of capital (WACC) used in the valuation was 8.6% for 2020, 7.9% for 2021 and 8% for 2022 onwards.

The weighted average cost of capital (WACC) used in the valuation of the goodwill allocated to the Uruguay cash-generating unit was 11.9%. The weighted average cost of capital (WACC) used in the valuation of the goodwill allocated to the Argentina cash-generating unit was 63% for 2020, 44% for 2021, 38.7% for 2022, 34% for 2023, 28.7% para 2024, 26.8% for 2025, 24.7% for 2026, 21.7% for 2027, 19.7% for 2028 and 16.7% for 2029 onwards.

The variables that have the greater impact on the determination of the value in use of the cash-generating units are the discount rate and the perpetual growth rate. These variables are defined as follows:

(a) Growth rate in perpetuity: The estimation of the growth rate is based on the price growth expectations for the country pursuant to published market surveys, reason why a reduction in the rate below the expected rate is not deemed reasonable, given that the units' cash flows are expected to grow to the same level or even 1% above the general price increase in the economy.

(b) Discount rate: The estimation of the discount rate is based on an analysis of the market indebtedness for the Parent; a change is deemed reasonable if the discount rate would increase by 1.00%, in which event no impairment in the value of the groups of cash-generating units would arise.

No impairment in the carrying amount of the groups of cash-generating units was found as a result of this analysis, exception made of the balance of investment in Gemex O&W S.A.S., which was impaired in $1,017 properly carried with charge to income as detailed in Note 34.

The method used to test the impairment of investment properties owned by the Parent and its subsidiaries that are stand-alone trust funds (patrimonios autónomos) was the revenue approach given its proximity to the fair value of such real-estate property. The result of comparing the result of such testing to the carrying amounts, was an impairment in investment properties and in property, plant and equipment of Patrimonio Autónomo Viva Sincelejo and Patrimonio Autónomo Viva Palmas in amount of $4,084 and $1,667, respectively. The detail of such impairment is described in Note 13 and in Note 14.

At December 31, 2018

At December 31, 2018 the Parent completed the annual impairment testing by cash-generating units, which is duly supported in the financial statements at the closing of such year. No impairment of the carrying amounts of the groups of cash-generating units resulted from this analysis.

However, at September 30, 2018 as part of the current modernization process of certain technological platforms, the Parent tested for impairment certain computer software. Based on the analyses conducted, it was identified that such assets show a high degree of obsolescence, they are useless for the operation, do not provide economic benefit and additionally the estimated remaining useful life does not reflect the expected time for realization of the asset. Consequently, the recoverable value of such assets was defined as $0, and the Parent recognized a $3,307 impairment loss in its financial statements.

Note 40. Fair value measurement

Below is a comparison of book values and fair values of financial assets and liabilities and of non-financial assets and liabilities of the Parent and its subsidiaries at December 31, 2019 and at December 31, 2018 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose carrying amounts are an approximation of fair values are excluded, considering that they mature in the short term (in less than or up to one year), namely: trade receivables and other debtors, trade payables and other creditors, collections on behalf of third parties and short-term financial liabilities.

	December 31, 2019		December 31, 2018	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Trade receivables and other accounts receivable at amortized cost	37,018	34,859	36,130	34,064
Investments in private equity funds (Note 12)	1,295	1,295	1,201	1,201
Forward contracts measured at fair value through income (Note 12)	11,914	11,914	38,675	38,675
Swap contracts measured at fair value through income (Note 12)	11,443	11,443	74,866	74,866
Derivative *swap* contracts denominated as hedge instruments (Note 12)	476	476	75,296	75,296
Investment in bonds (Note 12)	41,524	39,602	40,899	39,983
Investment in bonds through other comprehensive income (Note 12)	14,521	14,521	13,183	13,183
Equity investments (Note 12)	10,393	10,393	260	260
Non-financial assets				
Investment property (Note 14)	1,626,220	2,309,328	1,633,625	2,276,252
Property, plant and equipment, and investment property held for trading (Note 48)	37,928	37,928	61,696	61,696
Financial liabilities				
Financial liabilities and finance leases (Note 20)	280,815	281,403	6,617,283	6,632,224
Put option (1) (Note 20)	379,538	379,538	435,023	435,023
Bonds and trade papers issued (Note 27)	-	-	3,477,711	3,432,042
Swap contracts denominated as hedge instruments (Note 27)	20	20	9,473	9,473
Forward contracts measured at fair value through income (Note 27)	13,719	13,719	1,698	1,698
Derivative swap contracts measured at fair value through income (Note 27)	1,615	1,615	72	72
Non-financial liabilities				
Customer loyalty liability (Note 28)	27,106	27,106	48,636	48,636

(1) The development of the put option measurement during the period was:

Balance at December 31, 2018	**435,023**
Changes in fair value recognized in investments	(55,485)
Balance at December 31, 2019	**379,538**

The following methods and assumptions were used to estimate the fair values:

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Loans at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity days.	Commercial rate of banking institutions for consumption receivables without credit card for similar term horizons. Commercial rate for VIS housing loans for similar term horizons.
Investments in private equity funds	Level 1	Unit value	The value of the fund unit is given by the preclosing value for the day, divided by the total number of fund units at the closing of operations for the day. The fund administrator appraises the assets daily.	N/A
Forward contracts measured at fair value through income	Level 2	*Peso-US Dollar forward*	The difference is measured between the forward agreed- upon rate and the forward rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero-coupon interest rate. The forward rate is determined based on the average price quoted for the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the forward contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar forward market on the date of valuation. Number of days between valuation date and maturity date. Zero-coupon interest rate.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses swap cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero-coupon TES curve. Swap *LIBOR curve*. Treasury Bond curve. CPI 12 months
Derivative *swap* contracts denominated as hedge instruments	Level 2	Discounted cash flows method	The fair value is calculated based on forecasted future cash flows of transactions using IDC curves and discounting them at present value, using *swap* IDC market rates, both as displayed by BM&FBovespa.	IDC curve IDC rate for swaps
Equity investments	Level 1	Market quote prices	The fair value of such investments is determined as reference to the prices listed in active markets if companies are listed; in all other cases, the investments are measured at the deemed cost as determined in the opening balance sheet, considering that the effect is immaterial and that carrying out a measurement using a valuation technique commonly used by market participants may generate costs higher than the value of benefits.	N/A
Investment in bonds	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for investments under similar conditions on the date of measurement in accordance with maturity days.	CPI 12 months + Basis points negotiated

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Investment property	Level 1	Comparison or market method	This technique involves establishing the fair value of goods from a survey of recent offers or transactions for goods that are similar and comparable to those being appraised.	N/A
Investment property	Level 3	Discounted cash flows method	This technique provides the opportunity to identify the increase in revenue over a previously defined period of the investment. Property value is equivalent to the discounted value of future benefits. Such benefits represent annual cash flows (both, positive and negative) over a period, plus the net gain arising from the hypothetical sale of the property at the end of the investment period.	Weighted average cost of capital Growth in lessee sales Vacancy Growth in revenue
Investment property	Level 3	Realizable-value method	This technique is used wherever the property is suitable for urban development, applied from an estimation of total sales of a project under construction, pursuant to urban legal regulations in force and in accordance with the final saleable asset market.	Realizable value
Investment property	Level 3	Replacement cost method	The valuation method consists in calculating the value of a brand-new property, built at the date of the report, having the same quality and comforts as that under evaluation. Such value is called replacement value; then an analysis is made of property impairment arising from the passing of time and the careful or careless maintenance the property has received, which is called depreciation.	Physical value of building and land.
Non-current assets classified as held for trading	Level 2	Realizable-value method	This technique is used wherever the property is suitable for urban development, applied from an estimation of total sales of a project under construction, pursuant to urban legal regulations in force and in accordance with the final saleable asset market.	Realizable Value

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Liabilities				
Financial liabilities and finance leases measured at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity days.	Reference Banking Index (RBI) + Negotiated basis points. LIBOR rate + Negotiated basis points.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses *swap* cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero-coupon TES curve. Swap *LIBOR curve*. Treasury Bond curve. CPI 12 months
Derivative instruments measured at fair value through income	Level 2	*Peso-US Dollar forward*	The difference is measured between the forward agreed upon rate and the forward rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero-coupon interest rate. The forward rate is determined based on the average price quoted for the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the forward contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar forward market on the date of valuation. Number of days between valuation date and maturity date. Zero-coupon interest rate.
Derivative *swap* contracts denominated as hedge instruments	Level 2	Discounted cash flows method	The fair value is calculated based on forecasted future cash flows of transactions using market curves and discounting them at present value, using *swap* market rates.	Swap curves calculated by Forex Finance Market Representative Exchange Rate (TRM)
Customer loyalty liability	Level 3	Market value	The customer loyalty liability is updated in accordance with the point average market value for the last 12 months and the effect of the expected redemption rate, determined on each customer transaction.	Number of points redeemed, expired and issued. Point value. Expected redemption rate.
Bonds issued	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for bonds in similar conditions on the date of measurement in accordance with maturity days.	CPI 12 months
Lease liabilities	Level 2	Discounted cash flows method	Future cash flows of lease contracts are discounted using the market rate for loans in similar conditions on contract start date in accordance with the irrevocable minimum term.	Reference Banking Index (RBI) + basis points in accordance with risk profile.
Put option	Level 3	Given formula	Measured at fair value using a given formula under an agreement executed with non-controlling interests of Grupo Disco, using level 3 input data.	Net income of Supermercados Disco del Uruguay S.A. at 31 December 2014 and 2015 US Dollar-Uruguayan peso exchange rate on the date of valuation

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Liabilities				
				US Dollar-Colombian peso exchange rate on the date of valuation Total shares Supermercados Disco del Uruguay S.A.

Material non-observable input data and a valuation sensitivity analysis on the valuation of the "*put option contract*" refer to:

	Material non-observable input data	Range (weighted average)	Sensitivity of the input data on the estimation of the fair value
Put option	Net income of Supermercados Disco del Uruguay S.A. at December 31, 2019	$102,115	A significant increase in any of input data severally considered would result in a significantly higher measurement of the fair value.
	Ebitda of Supermercados Disco del Uruguay S.A., consolidated over 12 months	$146,837	
	Net financial debt of Supermercados Disco del Uruguay S.A., consolidated over 6 months	($131,523)	
	Fixed contract price	$454,431	
	US Dollar-Uruguayan peso exchange rate on the date of valuation	$37.31	
	US Dollar-Colombian peso exchange rate on the date of valuation	$3,277.14	
	Total shares Supermercados Disco del Uruguay S.A.	443.071.575	

The Parent identifies whether transfers between fair value hierarchy levels have occurred, through a change in valuation techniques, in such a way that the new measurement is the most accurate picture of the new fair value of the appraised asset or liability.

Changes in hierarchies may occur if new information is available, certain information used for valuation is no longer available, there are changes resulting in the improvement of valuation techniques or changes in market conditions.

There were no transfers between level 1 and level 2 hierarchies during the year.

Note 41. Contingent assets and liabilities

Note 41.1. Contingent assets

No material contingent assets have been recognized by the Parent and its subsidiaries at December 31, 2019 and at December 31, 2018.

Note 41.2. Contingent liabilities

Contingent liabilities at December 31, 2019 and at December 31, 2018 are:

(a) The following proceedings are underway, seeking that the Parent be exempted from paying the amounts claimed by the complainant entity:

- Administrative discussion with DIAN amounting to $27,360 (December 31, 2018 - $18,483) regarding notice of special requirement 112382018000126 of September 17, 2018 informing of a proposal to amend the income tax return for 2015.

- Resolutions by means of which the District Tax Direction of Bogotá issued to the Company an official revision settlement of the industry and trade tax for the bimonthly periods 4, 5 and 6 of 2011 on the grounds of alleged inaccuracy in payments, in amount of $11,830 (December 31, 2018 - $11,830).

- Resolutions issued by the District Finance Direction of Bogotá by means of which the industry and trade tax return of the Company for the bimonthly periods 2, 3, 4, 5 and 6 of 2012 were amended on the grounds of alleged inaccuracy in payments in amount of $5,000 (December 31, 2018 - $5,000).

- Official assessment No. 212 of June 19, 2019 issued by the Official Sub-directorate of the Cundinamarca Governor's Office, by means of which such authority defined an official return regarding consumption of beers, siphons, refajos and beer mixtures with less than 2.5 degrees of alcohol for the period January to December 2016 and levied a penalty of $4,099 (December 31, 2018) on the grounds of not having filed the return.

- Claim on the grounds of failure to comply with contract conditions, asking for damages arising from the purchase-sale of a property in amount of $2,600 (December 31, 2018 - $-).

- Resolutions by means of which a penalty was imposed on the grounds of inadequate offsetting of the Carulla Vivero S.A. 2008 income tax in amount of $1,088 (December 31, 2018 - $1,088).

- Resolution and official assessment imposing penalties on the Parent on the grounds of errors in the self-assessment of contributions to the Social Security System in amount of $940 (December 31, 2018 - $940).

(b) Other proceedings:

- Parent's third-party liability lawsuit amounting to $1,800 (December 31, 2018 - $1,531) for alleged injuries to a customer at Éxito Santa Marta store premises.

(c) Other contingent liabilities:

- On June 1, 2017 the Parent granted a guarantee on behalf of its subsidiary Almacenes Éxito Inversiones S.A.S. in amount of $2,631 to cover a potential failure to comply with its obligations with one of its main suppliers.

- On August 15, 2019 and October 31, 2018 subsidiary Éxito Viajes y Turismo S.A.S. issued guarantees in amount of $341 and $1,634, respectively, to certain suppliers to protect against potential failure in issuing travel tickets. Guarantees issued amounted to $1,838 at December31, 2018.

These contingent liabilities, whose nature is that of potential liabilities, are not recognized in the statement of financial position; instead, they are disclosed in the notes to the financial statements.

Note 42. Offsetting of financial assets and liabilities

Below is a detail of financial assets and liabilities that are shown offset in the statement of financial position:

Year	Financial assets	Gross value of financial assets recognized	Gross value of related financial liabilities recognized	Net value of financial assets recognized
2019	Derivative financial instruments and hedging (Note 12) (1)	-	-	23,833
2018	Derivative financial instruments and hedging (Note 12) (1)	-	-	188,837

Year	Financial liabilities	Gross value of financial liabilities recognized	Gross value of related financial assets recognized	Net value of financial liabilities recognized
2019	Derivative financial instruments and hedging (Note 27) (1)	-	-	15,354
	Trade payables and other accounts payable (2)	1,369,121	139,438	1,229,683
2018	Derivative financial instruments and hedging (Note 27) (1)	-	-	11,243
	Trade payables and other accounts payable (2)	1,216,651	106,614	1,110,037

(1) The Parent and its subsidiaries carry out derivative transactions and enter hedging *"forward"* and "*swap*" contracts to hedge against fluctuation in exchange rates and interest rates on accounts payable and financial liabilities. Such items are measured at fair value. Note 40 discloses the fair value of these financial instruments. For 2019, the valuation of derivative financial instruments comprises intrinsic value plus temporary value, reason why right and obligation may not be individualized.

(2) The Parent and its subsidiaries have executed offsetting agreements with suppliers, arising from the acquisition of inventories. Such items are included in trade payables.

No uncleared amounts related to collaterals or other financial instruments have been recognized in the Parent's and its subsidiaries' statement of financial position.

Note 43. Dividends declared and paid

At December 31, 2019

The Parent's General Meeting of Shareholders held on March 27, 2019, declared a dividend of $139,706, equivalent to an annual dividend of $312.12 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2019, and January 2020.

(*) Expressed in Colombian pesos.

Dividends paid during the annual period ended December 31, 2019 amounted to $131,967.

Dividends declared and paid during the annual period ended December 31, 2019 to the owners of non-controlling interests in subsidiaries are as follows:

	Dividends declared	Dividends paid
Companhia Brasileira de Distribuição - CBD (*)	90,225	5,870
Patrimonio Autónomo Viva Malls	20,834	20,834
Grupo Disco del Uruguay S.A.	20,222	19,019
Patrimonio Autónomo Viva Villavicencio	7,564	7,998
Éxito Viajes y Turismo S.A.S.	3,831	3,831
Patrimonio Autónomo Centro Comercial	3,522	4,466
Patrimonio Autónomo Viva Laureles	1,566	1,638
Patrimonio Autónomo Centro Comercial Viva Barranquilla	1,476	3,355
Patrimonio Autónomo Viva Sincelejo	1,392	1,772
Patrimonio Autónomo San Pedro Etapa I	1,243	1,418
Total	**151,875**	**70,201**

(*) At December 31, 2019, and as result of the takeover bid mentioned in Note 1, (a) Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Company's controlling entity, (b) Casino Guichard-Perrachon S.A. ceased as the controlling entity to become a company of the Casino Group.

At December 31, 2018

The Parent's General Meeting of Shareholders held on March 23, 2018, declared a dividend of $108,857, equivalent to an annual dividend of $243.20 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2018, and January 2019.

(*) Expressed in Colombian pesos.

Dividends paid during the annual period ended December 31, 2018 amounted to $87,072.

Dividends declared and paid during the annual period ended December 31, 2018 to the owners of non-controlling interests in the following subsidiaries are:

	Dividends declared	Dividends paid
Companhia Brasileira de Distribuição - CBD (*)	157,393	184,497
Grupo Disco del Uruguay S.A.	22,310	12,024
Patrimonio Autónomo Viva Villavicencio	7,894	4,900
Patrimonio Autónomo Centro Comercial	2,704	1,878
Éxito Viajes y Turismo S.A.S.	2,457	2,457
Patrimonio Autónomo Viva Sincelejo	2,316	1,919
Patrimonio Autónomo Viva Malls	2,223	10,123
Patrimonio Autónomo Centro Comercial Viva Barranquilla	2,017	2,817
Patrimonio Autónomo Viva Laureles	1,617	1,557
Patrimonio Autónomo San Pedro Etapa I	1,028	802
Éxito Industrias S.A.S.	76	76
Patrimonio Autónomo Viva Palmas	-	604
Total	**202,035**	**223,654**

(*) At December 31, 2019, and as result of the takeover bid mentioned in Note 1, (a) Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Company's controlling entity, (b) Casino Guichard-Perrachon S.A. ceased as the controlling entity to become a company of the Casino Group.

Note 44. Leases

Note 44.1. Finance leases when the Parent and its subsidiaries are the lessees

The Parent and its subsidiaries have executed finance lease agreements on property, plant and equipment. Total minimum instalments and present values thereof under finance lease agreements are as follows:

	December 31, 2019	December 31, 2018
Up to one year	3,819	3,932
From 1 to 5 years	6,784	10,628
Minimum instalments under finance leases	**10,603**	**14,560**
Future financing expense	(570)	(1,223)
Total net minimum instalments on finance leases	**10,033**	**13,337**

No contingent instalments were recognized in income during the period.

Note 44.2. Operating leases when the Parent and its subsidiaries are the lessees

At December 31, 2018 the Parent and its subsidiaries had operating leases as lessee, mainly related with trade premises, vehicles and machinery. During 2019, such lease contracts were accounted for as required by IFRS 16, which was retrospectively adopted as of January 1, 2019.

Contracts that continue to be recognized as operating leases relate to leases whose underlying assets are low-cost assets, such as furniture and fixtures, computers, machinery and equipment and office equipment, lease contracts regarding all underlying assets with terms of less than one year, and lease contracts on intangible assets, which were excepted from the requirements of IFRS 16. Lease of stores with a variable rental instalment are also recognized as operating leases and are excepted from the requirements of IFRS 16.

At December 31, 2019 the lease expense and cost arising from the operating lease contracts recognized in income amounted to $23,831 (December 31, 2018 - $35,725).

Note 44.3. Operating leases when the Parent and its subsidiaries are the lessors

The Parent and its subsidiaries have executed operating lease agreements on investment properties. Total future minimum instalments under irrevocable operating lease agreements for the reporting periods are:

	December 31, 2019	December 31, 2018
Up to one year	150,683	164,310
From 1 to 5 years	207,459	177,057
More than 5 years	241,973	216,218
Total minimum instalments under irrevocable operating leases	**600,115**	**557,585**

The Parent and its subsidiaries made an analysis and concluded that operating lease agreements may not be cancelled during its term. Prior agreement of the parties is needed to terminate, and a minimum cancellation payment is required ranging from 1 to 12 monthly instalments, or a fixed percentage on the remaining term.

At December 31, 2019 revenue from leases recognized in income amounted to $286,008 (December 31, 2018 - $241,451) including revenue from the lease of investment property in amount of $244,318 (December 31, 2018 - $239,851). Contingent instalments included in the revenue from leases amounted to $157,869 (December 31, 2018 - $153,730).

Note 45. Seasonality of transactions

The Parent's and it susbsidiaries' operation cycles indicate certain seasonality in operating and financial results; for the Parent and its Colombian subsidiaries, there is a concentration during the last quarter of the year, mainly because of Christmas and "Special Price Days", which is the second most important promotional event of the year; for foreign subsidiaries there is a concentration during the first half of the year, mainly arising from carnivals and Easter, and during the last quarter of the year, because of Christmas.

Note 46. Information on operating segments

For organizational and management purposes, until September 30, 2019 the parent and its subsidiaries are focused on seven operating segments divided in four geographic segments, namely Colombia (Éxito, Carulla, Surtimax-Súper Inter and B2B), Brazil (Food), Uruguay and Argentina. For each of these segments there was financial information that was used on an ongoing basis by senior management for making decisions on the operations, allocation of monetary resources and strategic approach.

As a result of the decision to sell the shares held by the Parent in subsidiary Companhia Brasileira de Distribuição – CBD, as mentioned in Note 1.2, in future the Brazil operation will not be deemed an operating segment. Additionally, this subsidiary was sold on November 27, 2019.

Total assets and liabilities by segment are not specifically reported internally for management purposes and consequently they are not disclosed in the framework of IFRS 8 - Operating segments.

As result of the above, reportable segments include development of the following activities:

Colombia:

- Éxito: The most significant products and services in this segment come solely from retailing activities, with stores under the banner Éxito.
- Carulla: The most significant products and services in this segment come solely from retailing activities, with stores under the banner Carulla.
- Surtimax-Súper Inter: The most significant products and services in this segment come solely from retailing activities, with stores under the banners Surtimax and Súper Inter.
- B2B: The most significant products and services in this segment come solely from retailing activities in B2B format and with stores under the banner Surti wholesaler.

Argentina:

- The most significant products and services in this segment come solely from retailing activities in Argentina, with stores under the banners Libertad and Mini Libertad.

Uruguay:

- The most significant products and services in this segment come solely from retailing activities in Uruguay, with stores under the banners Disco, Devoto and Géant.

Accounting policies of segments being reported are the same as the Parent's accounting policies described in Note 4.

The Parent discloses information by segment pursuant to IFRS 8 - Operating segments, which are defined as a component of an entity with separate financial information assessed by senior management on an ongoing basis.

Retail sales by each of the segments for the annual periods ended December 31, 2019 and December 31, 2018 are as follows:

Geographic segment	Operating segment	January 1 to December 31, 2019	January 1 to December 31, 2018
Colombia	Éxito	7,644,593	7,258,985
	Carulla	1,552,076	1,519,237
	Surtimax-Súper Inter	1,200,891	1,290,234
	B2B	632,283	535,155
Argentina		925,062	1,036,864
Uruguay		2,554,885	2,544,430
Total sales		**14,509,790**	**14,184,905**
Eliminations		(5,944)	(8,552)
Consolidated total (Note 31)		**14,503,846**	**14,176,353**

Below is additional information by geographic segment:

	At December 31, 2019					
	Colombia	**Argentina (1)**	**Uruguay (1)**	**Total**	**Eliminations (2)**	**Total**
Retail sales	11,029,843	925,062	2,554,885	14,509,790	(5,944)	14,503,846
Trade margin	2,757,850	329,853	869,860	3,957,563	(3,457)	3,954,106
Total recurring expenses	(2,197,115)	(310,611)	(682,409)	(3,190,135)	3,536	(3,186,599)
ROI	560,735	19,242	187,451	767,428	79	767,507
Recurring Ebitda	1,007,467	34,172	238,064	1,279,703	79	1,279,782

	At December 31, 2018					
	Colombia	**Argentina (1)**	**Uruguay (1)**	**Total**	**Eliminations (2)**	**Total**
Retail sales	10,603,611	1,036,864	2,544,430	14,184,905	(8,552)	14,176,353
Trade margin	2,630,181	385,099	868,617	3,883,897	(3,449)	3,880,448
Total recurring expenses	(2,127,177)	(351,630)	(682,312)	(3,161,119)	3,450	(3,157,669)
ROI	503,004	33,469	186,305	722,778	1	722,779
Recurring Ebitda	933,607	46,102	235,489	1,215,198	1	1,215,199

(1) For information reporting purposes, non-operating companies (holding companies that hold interests in the operating companies) are allocated by segments to the geographic area to which the operating companies belong. Should a holding company hold interests in various operating companies, it is allocated to the most significant operating company.

(2) Relates to the balances of transactions carried out between segments, which are eliminated in the process of consolidation of financial statements.

Note 47. Financial risk management policy

The Parent's and its subsidiaries' financial instruments are classified according to its nature, features and the purpose for which they have been acquired or issued.

The Parent and its subsidiaries maintain instruments measured at fair value through income, with the purpose of holding them for investment or risk management in the case of derivative financial instruments not classified as cash flow hedge instruments.

The Parent and its subsidiaries use derivative financial instruments just as a positive defense measure against identified risks. Total underlying assets and liabilities under financial instrument contracts are limited to the amount of actual assets and liabilities entailing an underlying risk. The only purpose of transactions with financial derivative instruments is to reduce the exposure to fluctuation of interest rates and foreign exchange rates and maintain a proper structure of the financial position.

At December 31, 2019 and at December 31, 2018 the Parent's and its subsidiaries' financial instruments are represented by:

	December 31, 2019	December 31, 2018
Financial assets		
Cash and cash equivalents (Note 7)	2,562,674	5,973,680
Trade receivables and other accounts receivable (Note 8)	414,231	1,135,551
Accounts receivable from related parties (Note 10) (1)	55,044	160,036
Other financial assets (Note 12)	91,566	895,279
Total financial assets	**3,123,515**	**8,164,546**
Financial liabilities		
Accounts payable to related parties (Note 23) (1)	80,995	236,698
Trade payables and other accounts payable (Note 24)	4,662,915	13,157,794
Financial liabilities (Note 20)	660,353	6,924,670
Lease liabilities (Note 25)	1,530,231	5,435,708
Other financial liabilities (Note 27)	115,241	3,620,280
Total financial liabilities	**7,049,735**	**29,375,150**
Net (liability) exposure	**(3,926,220)**	**(21,210,604)**

(1) Transactions with related parties refer to transactions between the Parent and its associates, joint ventures and other related parties, and are carried in accordance with market general prices, terms and conditions.

Considerations of risk factors that may influence the Parent's business

General risk management framework

The Parent has implemented a Comprehensive Risk Management system that covers the various risk management levels: strategic, tactic or business-related and operating.

Activities, roles and accountabilities are defined in the risk management model implemented by the Parent and endorsed by the Audit and Risk Committee, in the context of risk policy guidelines.

During 2019 an amendment to the strategic risk matrix was submitted for consideration based on the updating of the Parent's strategy, which resulted in changes in risk categories, creation of an additional category related with compliance with the protection of personal data and changes in the matrix qualification. Risks at this level were reviewed by the Audit and Risk Committee and endorsed by the Board of Directors.

In accordance with such control architecture, controls have been implemented at all levels, processes and areas of the Parent, through a set of defined principles, regulations, procedures and verification and assessment mechanisms.

Some of the monitoring mechanisms put in place to achieve control purposes are:
- The self-control program, which allows a self-assessment of the most critical risks and key controls, carried out half-yearly by process leaders, and a definition of corrective action plans wherever deviations are identified.
- A compliance process from which the system for the prevention and control of money-laundering and the financing of terrorism, the transparency program and the system for protection of personal data are managed in a comprehensive manner.
- Periodic risk management reports.
- And all other control systems managed from the various processes that make the first and second defense line.

Risk management and internal control system reporting bodies:
- At a strategic level: Board of Directors, Audit and Risk Committee, Presidency Committee and Senior Management Committee.
- At a tactic level: Business responsible parties and Risk Internal Committee.
- At an operating level: Process owners through self-control.

Internal audit, in an independent and objective manner, conducted a risk-based assessment focused on compliance with business goals, focused on improving risk management, control and governance for the Parent's most significant processes, systems and/or projects.

The Board of Directors, through the Audit and Risk Committee, supervised information and financial reporting processes; risk management comprehensive management; internal control system and architecture, including monitoring of Internal Audit's and Statutory Audit's activities; compliance with rules applicable to the Parent, transparency program, personal data protection system and system for the prevention and control of money-laundering and financing or terrorism. Also, transactions among related parties and the resolution of conflicts of interests between senior management and the Board of Directors were submitted to the consideration of the Audit Committee.

Financial risk management

Besides derivative instruments, the most significant of the Parent's financial liabilities include debt, finance lease liabilities and interest-bearing loans, trade accounts payable and other accounts payable. The main purpose of such liabilities is financing Parent's and its subsidiaries' operations and maintaining proper levels of working capital and net financial debt.

The most significant of the Parent's and its subsidiaries' financial assets include loans, trade debtors and other accounts receivable, cash and short-term placements directly resulting from day-to-day transactions. The Parent and its subsidiaries also have other investments classified as financial assets measured at fair value, which, according to the business model, have effects in income for the period or in other comprehensive income. Further, other rights may arise from transactions with derivative instruments and will be carried as financial assets.

The Parent and its subsidiaries are exposed to market, credit and liquidity risks. Parent's and its subsidiaries' management monitor the way such risks are managed, through the relevant bodies of the organization designed for such purpose. The scope of the Board of Directors' activities includes a financial committee that oversees such financial risks and the financial risk management corporate framework that is most appropriate. The financial committee supports Parent's and its subsidiaries' management in that financial risk assumption activities fall within the approved corporate policies and procedures framework, and that such financial risks are identified, measured and managed pursuant to such corporate policies.

Financial risk management related to all transactions with derivative instruments is carried out by teams of specialists with the required skills and experience who are supervised by the organizational structure. Pursuant to the Parent's and its subsidiaries' corporate policies, no transactions with derivative instruments may be carried out solely for speculation. Even if accounting hedge models not always are applied, derivatives are negotiated based on an underlying element that in fact requires such hedging in accordance with internal analyses.

The Board of Directors reviews and agrees on the policies applicable to manage each of these risks, which are summarized below:

a. Credit risk

A credit risk is the risk that a counterpart fails to comply with his obligations taken on under a financial instrument or trade agreement, resulting in financial loss. The Parent and its subsidiaries are exposed to credit risk arising from their operating activities (particularly from trade debtors) and from their financial activities, including deposits in banks and financial institutions and other financial instruments. The book value of financial assets represents the maximum exposure to credit risks.

Cash and cash equivalents

The credit risk arising from balances with banks and financial entities is managed pursuant to corporate policies defined for such purpose. Surplus funds are only invested with counterparties approved by the Board of Directors and within previously established jurisdictions. On an ongoing basis, management reviews the general financial conditions of counterparties, assessing the most significant financial ratios and market ratings.

Trade receivables and other accounts receivable

The credit risk associated with trade receivables is low given that most of the Parent and its subsidiaries sales are cash sales (cash and credit cards) and financing activities are conducted under trade agreements that reduce the Parent's and its subsidiaries' exposure to risk. In addition, there are administrative collections departments that permanently monitor ratios, figures, payment behaviors and risk models by each third party.

There are no trade receivables that individually are equivalent to or exceed 5% of accounts receivable or sales, respectively.

Guarantees

The Parent and its subsidiaries do not grant guarantees, collaterals or letters of credit, nor they issue filled-in or blank securities, or other liens or contingent rights in favor of third parties. Exceptionally they may impose liens, depending on the relevancy of the business, the amount of the contingent liability and the benefit to the Parent or its subsidiaries. At December 31, 2019 the Parent has executed a blank promissory note in favor of a third party who stands surety for Almacenes Éxito Inversiones S.A. in amount of $2,631 to cover a potential failure to comply.

b. Market risk

Market risk is the risk that changes in market prices, namely changes in exchange rates, interest rates or stock prices, have a negative effect on Company revenue or on the value of the financial instruments it holds. The purpose of market risk management is to manage and control exposure to this risk within reasonable parameters while optimizing profitability.

Interest rate risk

Interest rate risk is the risk that the fair value of financial assets and liabilities, or the future cash flows of financial instruments, fluctuate due to changes in market interest rates. The Parent's and its subsidaires' exposure to the interest rate risk is mainly related to debt obligations incurred at variable interest rates or indexed to an index beyond the control of the Parent and its subsidiaries.

Most of the Parent's and its subsidiaries' financial liabilities are indexed to market variable rates. To manage the risk, the Parent and its subsidiaries execute financial exchange transactions via derivative financial instruments (interest rate swaps) with previously approved financial institutions, under which they agree on exchanging, at specific intervals, the difference between the amounts of fixed interest rates and variable interest rates estimated over an agreed upon nominal principal amount, which turns variable rates into fixed rates and cash flows may then be determined.

Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments fluctuate due to changes in exchange rates. The Parent's and its subsidiaries' exposure to exchange rate risk is attached to liability transactions in foreign currency associated with long-term debt liabilities and with the Parent's and its subsidiaries' operating activities (wherever revenue and expenses are denominated in a currency other than the functional currency), as well as to the Company's net investments in foreign subsidiaries.

The Parent and its subsidiaries manage their exchange rate risk via derivative financial instruments (namely forwards and swaps) wherever such instruments are efficient to mitigate volatility.

Wherever the nature of the hedge is not economic, Parent's and its subsidiaries' policy is to negotiate the conditions of derivative instruments in such a way that they correlate with the terms of the underlying elements that are the purpose of the hedge, seeking to maximize the efficacy in the exposure to such variables. Not all financial derivatives are classified as hedging transactions; however, Parent's and its subsidiaries' policy is not to carry out transactions solely for speculation, and consequently even if not classified as hedge accounting, derivative financial instruments are associated to an underlying element and a notional amount that expose the Company to variations in exchange rates.

At December 31, 2019 and at December 31, 2018, the Parent and its subsidiaries had hedged almost 100% of their purchases and liabilities in foreign currency.

Stock price risk

Share capital issued, premium on the issue or placement of shares and all other equity reserves attributable to the shareholders of the controlling entity are included for the purposes of managing the Parent's stock price. The main purpose of managing Parent's equity is to maximize the value to shareholders.

The Parent manages its equity structure and makes the required adjustments as a function of changes in economic conditions and requirements under financial clauses. To maintain and adjust its capital structure, the Parent may also modify the payment of dividends to shareholders, reimburse capital contributions or issue new shares.

c. Liquidity risk

Liquidity risk is the risk that the Parent and its subsidiaries face difficulties to fulfil its obligations associated with financial liabilities, which are settled by delivery of cash or other financial assets. Parent's approach to manage liquidity is to ensure, in as much as possible, that it will always have the liquidity required to meet its obligations at maturity, both under ordinary or stress circumstances, without incurring unacceptable losses or putting its reputation at risk.

The Parent and its subsidiaries manage liquidity risks by daily monitoring their cash flows and maturities of financial assets and liabilities, and by maintaining proper relations with the relevant financial institutions.

The purpose of the Parent and its subsidiaries is to maintain a balance between business continuity and the use of financing sources through short-term and long-term bank loans according to needs, unused credit lines available from financial institutions and finance leases, among other mechanisms. At December 31, 2019 approximately 36% of Parent's and its subsidiaries' debt matures in less than one year (December 31, 2018 - 27%) taking into consideration the book value of loans included in the accompanying financial statements.

The outstanding principal balance of the syndicated credit in US Dollars in amount of USD 450 million obtained in December 2017, the credit in amount of $158,380 obtained in April 2017, the outstanding balance of the current bank loan in amount of $535,616 and the outstanding balance of the non-current bank loan in amount of $1,167,535 were repaid in advance by the Parent in December 2019.

The Parent and its subsidiaries have rated as low the concentration of the liquidity risk with no great restriction for the payment of financial liabilities maturing within twelve months of the closing of the annual period ended December 31, 2019. Access to financing sources is properly assured.

The following table shows a profile of maturities of the Parent's and its subsidiaries' financial liabilities based on non-discounted contractual payments arising from the relevant agreements.

At December 31, 2019	**Less than 1 year**	**From 1 to 5 years**	**More than 5 years**	**Total**
Finance lease liabilities, gross	3,819	6,784	-	10,603
Other relevant contractual liabilities	226,612	42,484	-	269,096
Total	**230,431**	**49,268**	**-**	**279,699**

At December 31, 2018	**Less than 1 year**	**From 1 to 5 years**	**More than 5 years**	**Total**
Finance lease liabilities, gross	3,932	10,628	-	14,559
Other relevant contractual liabilities	4,895,470	3,581,745	1,122,903	9,600,118
Total	**4,899,402**	**3,592,373**	**1,122,903**	**9,614,677**

Sensitivity analysis for 2019 balances

From a statistical standpoint, the Company assessed the potential changes in interest rates of financial liabilities and other significant contractual liabilities.

Assuming complete normality and considering 10% variation in interest rates, three scenarios have been assessed:

- Scenario I: Latest interest rates known at the closing of 2018.
- Scenario II: An increase of 0.4134% is assumed for the Banking Reference Rate and an increase of 0.1763% is assumed for LIBOR at 90 days. All increases on the latest published interest rate.
- Scenario III: A reduction of 0.4134% is assumed for the Banking Reference Rate and a reduction of 0.1763% is assumed for LIBOR at 90 days. All reductions on the latest published interest rate.

The sensitivity analysis did not result in significant variance among the three scenarios and consequently they are not perceptible when rounding amounts to millions. Potential changes are as follows:

Operations	Risk	Balance at December 31, 2019	Market forecast		
			Scenario I	Scenario II	Scenario III
Loans	Changes in interest rates	260,606	260,592	260,882	260,302
Finance leases	Changes in interest rates	10,033	9,970	9,993	9,946
Total		**270,639**	**270,562**	**270,875**	**270,248**

d. Insurance policies

At December 31, 2019, the Parent and its subsidiaries have acquired the following insurance policies to mitigate the risks associated with the entire operation:

Insurance lines of coverage	Coverage limits	Coverage
All risk, damages and loss of profits	In accordance with replacement and reconstruction value, with a maximum limit of liability for each policy.	Losses or sudden and unforeseen damage and incidental damage sustained by covered property, directly arising from any event not expressly excluded. Covers buildings, furniture and fixtures, machinery and equipment, goods, electronic equipment, facility improvements, loss of profits and other property of the insured party.
Transport of goods and money	In accordance with the statement of transported values and a maximum limit per dispatch. Differential limits and sub limits apply by coverage.	Property and goods owned by the insured that are in transit, including those on which it has an insurable interest.
Third party liability	Differential limits and sub limits apply by coverage.	Covers damages to third parties in development of the operation.
Director's and officers' third-party liability insurance	Differential limits and sub limits apply by coverage.	Covers claims against directors and officers arising from error or omission while in office.
Deception and financial risks	Differential limits and sub limits apply by coverage.	Loss of money or securities in premises or in transit. Willful misconduct of employees that result in financial loss.
Group life insurance and personal accident insurance	The insured amount relates to the number of wages defined by the Company.	Death and total and permanent disability arising from natural or accidental events.
Vehicles	There is a defined ceiling per each coverage	Third party liability. Total and partial loss - Damages. Total and partial loss - Theft Earthquake Other coverages as described in the policy
Cyber risk	Differential limits and sub limits apply by coverage.	Direct losses arising from malicious access to the network and indirect losses from third party liability whose personal data have been affected by an event covered by the policy.

e. Derivative financial instruments

As mentioned above, the Parent and its subsidiaries use derivative financial instruments to hedge risk exposure, with the main purpose of hedging exposure to interest rate risk and exchange rate risk, turning the financial debt into fixed interest rates and domestic exchange rates.

At December 31, 2019, the reference value of these contracts amounted to USD 266.85 million and EUR 2.45 million (December 31, 2018 – USD 838.09 million and EUR 54.35 million). Such transactions are generally contracted under identical conditions regarding amounts, terms and transaction costs and, preferably, with the same financial institutions, always in compliance with the Parent's and its subsidiaries' limits and policies.

Pursuant to the Parent's and its subsidiaries' policies, swaps may be acquired with restriction, with prior authorization of the Parent and its subsidiaries.

The Parent and its subsidiaries have designed and implemented internal controls to ensure that these transactions are carried out in compliance with previously defined policies.

f. Fair value of derivative financial instruments

The fair value of derivative financial instruments is estimated under the operating cash flow forecast model, using government treasury security curves in each country and discounting them at present value, using market rates for swaps as disclosed by the relevant authorities in such countries.

Swap market values were obtained by applying market exchange rates valid on the date of the interim financial information available, and the rates are forecasted by the market based on currency discount curves. A convention of 365 consecutive days was used to calculate the coupon of foreign currency indexed positions.

Note 48. Non-current assets and liabilities held for trading and Discontinued operations

Non-current assets and liabilities held for trading

As of June 2018, Parent management started a plan to sell certain property to structure projects that allow using such real estate property, increase the potential future selling price and generate resources to the Parent. Consequently, certain property, plant and equipment and certain investment property were classified as non-current assets held for trading.

Based on the approval granted by the General Meeting of Shareholders to the Board of Directors regarding the sale of the indirect interest of the Parent in subsidiaries Companhia Brasileira de Distribuição – CBD, Ségisor S.A. and Wilkes Partipações S.A., the balance of such investments carried in these subsidiaries was classified under non-current assets held for trading at September 30, 2019. Later, such indirect interest was sold on November 27, 2019.

The balance of non-current liabilities held for trading, included in the statement of financial position, is as follows:

	December 31, 2019	December 31, 2018 (1)
Property, plant and equipment (2)	27,773	51,577
Investment property (3)	10,155	10,119
Assets of Via Varejo S.A. (1) (4)	-	23,511,145
Total	**37,928**	**23,572,841**

The balance of non-current liabilities held for trading, included in the statement of financial position, is as follows:

	December 31, 2019	December 31, 2018 (1)
Liabilities of Via Varejo S.A.	-	19,618,293
Total	**-**	**19,618,293**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted by this subsidiary as of January 1, 2019. Differences are detailed in Note 52.

(2) Represents the following real estate property:

	December 31, 2019	December 31, 2018
Hotel Cota plot of land and project	16,489	16,489
Lote Villa Maria	11,284	-
Lote NAR (a)	-	20,546
Lote Paraná (b)	-	9,301
Lote John Boyd (b)	-	5,241
Total	**27,773**	**51,577**

(2) The decrease is because the assets of subsidiary Companhia Brasileira de Distribuição – CBD were not included in the consolidated financial statements at December 31, 2019, because this subsidiary was sold on November 27, 2019. At September 30, 2019 the balances had been reclassified to non-current liabilities held for trading.

(b) Plots of land sold during 2019.

(3) Represents the following real estate property:

	September 30, 2019	December 31, 2018
Lote La Secreta (land)	5,960	5,960
Kennedy trade premises (building)	1,640	1,640
Kennedy trade premises (land)	1,229	1,229
Lote Casa Vizcaya (land)	595	595
Pereira Plaza trade premises (building)	556	556
Lote La Secreta (construction in progress)	175	139
Total	**10,155**	**10,119**

(4) The assets and liabilities of Via Varejo S.A. were sold on June 15, 2019.

Parent and its subsidiaries believe that these assets will be sold in 2020.

No revenue or expense have been recognized in income or in other comprehensive income related with the group of assets for disposal.

<u>Discontinued operations</u>

On the grounds of that mentioned above regarding the sale on November 27, 2019 of the indirect interest held by the Parent in subsidiary Companhia Brasileira de Distribuição – CBD and in holding subsidiaries Ségisor S.A. and Wilkes Partipações S.A., the retained earnings of these subsidiaries at November 30, 2019 are shown in the consolidated statement of income at December 31, 2019 under net income of discontinued operations, as an item separate from other consolidated income of the Parent and its subsidiaries.

In August 2019 the Parent decided to close the commercial operation of subsidiary Gemex O&W S.A.S. On the grounds of this decision, retained earnings of this subsidiary at September 30, 2019 are shown in the consolidated statement of income under the net income of discontinued operations, as an item separate from other consolidated income of the Parent and its subsidiaries.

The effect of such discontinued operations in the consolidated statement of income is as follows:

	January 1 to December 31, 2019	January 1 to December 31, 2018 (1)
Via Varejo S.A. net gain (Note 48.1) (1)	510,072	93,248
Net income of Companhia Brasileira de Distribuição - CBD (Note 48.2) (1)	276,229	934,342
Net (loss) of Gemex O & W S.A.S. (Note 48.3)	(11,463)	(12,826)
Net gain from discontinued operations	**774,838**	**1,014,764**

(1) The figures differ from those shown at December 31, 2018 because of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted by this subsidiary as of January 1, 2019. Differences are detailed in Note 52.

Note 48.1. Via Varejo S.A.

On November 23, 2016, the Board of Directors of subsidiary Companhia Brasileira de Distribuição – CBD approved that the Administration Board started the process to sell the interest in Via Varejo S.A. in line with its long-term strategy of focusing on the development of the food segment.

Pursuant to IFRS 5 - Non-Current Assets Held for Trading and Discontinued Operations, the Parent is of the opinion that given the effort applied, the sale was highly likely, which involved the presentation of Via Varejo S.A.'s (and its subsidiary Cnova Comercio Electronico S.A.'s) net results after taxes in one single line in the statement of income and the balances of assets and liabilities as held for trading and discontinued operations.

As result of the efforts applied during more than one year, finally the assets and liabilities of Via Varejo S.A. available for sale were sold on June 15, 2019.

The effects of the sale of the assets and liabilities of Via Varejo S.A. are:

Selling price	2,132,244
Cost of sales	(1,629,872)
Result of the discontinued operation	**502,372**

The net result of the sale of the discontinued operation is attributable to:	
Owners of the controlling entity	**9,929**
Non-controlling interests	492,443

Below is the result of Via Varejo S.A.'s discontinued operation:

	January 1 to December 31, 2019	**January 1 to December 31, 2018**
Net result of the discontinued operation	7,700	93,248
Net result of the sale of the discontinued operation	502,372	-
Total net gain from the discontinued operation	**510,072**	**93,248**
Profit is attributable to:		
Owners of the controlling entity	**3,671**	**(1,966)**
Non-controlling interests	506,401	95,214

Below is a summary cash flows of the discounted operation of Via Varejo S.A.:

	January 1 to December 31, 2019	**January 1 to December 31, 2018**
Net cash flows (used in) operating activities	(2,182,437)	683,537
Net cash flows (used in) investment activities	(193,443)	(479,533)
Net cash flows (used in) financing activities	(538,169)	(80,464)
Translation difference	(66,114)	(221,634)
Net development of cash and cash equivalents	**(2,980,163)**	**(98,094)**

Note 48.2. Companhia Brasileira de Distribuição – CBD, Ségisor S.A. and Wilkes Partipações S.A.

On September 12, 2019, the General Meeting of Shareholders endorsed the authorization given by the Board of Directors to the offer submitted by Casino Guichard-Perrachon S.A. regarding the purchase of the indirect interest and control over subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A. On the grounds of such approval, the assets and liabilities of these subsidiaries were classified under non-current assets held for trading and net earnings after tax were shown under net income from discontinued operations in the statement of income. The offer was achieved later, on November 27, 2019, and the shares that the Parent indirectly held in the operating subsidiary Companhia Brasileira de Distribuição - CBD and in holding subsidiaries Ségisor S.A. y Wilkes Partipações S.A. were then sold.

The effects of the sale of the assets and liabilities of the discontinued operations Companhia Brasileira de Distribuição – CBD, Ségisor S.A. and Wilkes Partipações S.A. are:

Selling price	4,027,576
Cost of shares	(4,040,628)
(Result) of the sale of shares	**(13,052)**
Result of the conversion into Colombian pesos of the proceeds of the sale of shares	24,972
(Result) of the hedging of cash flows provided by the transaction	(9,600)
Net result of the sale of the discontinued operation	**2,320**

The net result of the sale of the discontinued operation is attributable to:	
Owners of the controlling entity	**2,320**
Non-controlling interests	**-**

Below is the result of the discontinued operation of Companhia Brasileira de Distribuição – CBD, Ségisor S.A. and Wilkes Partipações S.A.:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Net result of the discontinued operation	289,281	934,342
(Result) of the sale of shares	(13,052)	-
Total net gain from the discontinued operation	**276,229**	**934,342**
Profit is attributable to:		
Owners of the controlling entity	**25,277**	**162,498**
Non-controlling interests	250,952	771,844

Below is the result of the discontinued operation of Companhia Brasileira de Distribuição – CBD, Ségisor S.A. and Wilkes Partipações S.A.:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Revenue from ordinary activities	32,778,161	40,141,725
Cost of sales	(25,698,830)	(30,716,831)
Gross profit	**7,079,331**	**9,424,894**
Distribution, administration and sales expenses	(5,808,880)	(7,307,554)
Gain from investments accounted for using the equity method	(7,368)	22,958
Other (expenses) revenue, net	(176,074)	(30,374)
Profit from operating activities	**1,087,009**	**2,109,924**
Financial revenue and expenses, net	(610,924)	(829,472)
Earnings before income tax	**476,085**	**1,280,452**
Tax (expense)	(186,804)	(346,110)
Net period profit from the discontinued operation	**289,281**	**934,342**

Below is a summarized cash flow of the discontinued operation of Companhia Brasileira de Distribuição – CBD, Ségisor S.A. and Wilkes Partipações S.A.:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Net cash flows (used in) operating activities	(525,046)	2,318,529
Net cash flows (used in) investment activities	(223,750)	(1,817,338)
Net cash flows provided by financing activities	7,668,301	24,280
Translation difference	(35,882)	(222,125)
Net development of cash and cash equivalents	**6,883,623**	**303,346**

Note 48.3. Gemex O & W S.A.S.

In August 2019 Parent management decided to reorganize the activities of subsidiary Gemex O & W S.A.S. As part of such reorganization, this subsidiary ceased its trading and operating activities related with the direct sale of products through sales catalogues.

Under IFRS 5 - Non-current Assets Held for Trading and Discontinued Operations, discontinuity of this operation involves the presentation of net earnings after tax of subsidiary Gemex O & W S.A.S. as an item of net income from discontinued operations in the statement of income.

Below is the result of the discontinued operation of Gemex O & W S.A.S.:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Revenue from ordinary activities	15,006	24,418
Cost of sales	(12,208)	(13,107)
Gross profit	**2,798**	**11,311**
Distribution, administration and sales expenses	(8,867)	(16,510)
Other (expenses) revenue, net	(708)	(75)
(Loss) from operating activities	**(6,777)**	**(5,274)**
Financial revenue and expenses, net	(4,449)	(1,682)
(Loss) before income tax	**(11,226)**	**(6,956)**
Tax (expense)	(237)	(5,870)
Net period (loss) from the discontinued operation	**(11,463)**	**(12,826)**
(Loss) attributable to:		
Owners of the controlling entity	**(9,751)**	**(10,902)**
Non-controlling interests	(1,712)	(1,924)

Below is a summarized cash flow of the discontinued operation of Gemex O & W S.A.S.:

	January 1 to December 31, 2019	January 1 to December 31, 2018
Net cash flows (used in) provided by operating activities	(333)	399
Net cash flows provided by (used in) investment activities	285	(376)
Net cash flows provided by financing activities	1	4
Net development of cash and cash equivalents	**(47)**	**27**

Note 49. Facts and circumstances that extend to more than one year the selling period of investment properties held for trading

Progress in the selling process

At December 31, 2019, external factors out of the control of Parent management related with the general shrinking of the real-estate market dynamics, as well as the failure to achieve offers that were reasonable and of benefit to the Parent caused management to reconsider the original selling schedule whose completion had been forecasted for the first half of 2019.

Some of the external factors that influenced the sale transaction schedule at the closing of December 31, 2019 were:

- During the end of 2018, the national politics environment arising from the most polarized nation-wide elections in the recent history of the country, namely the elections to the National Congress on March 11, 2018 and the Presidential Elections on May 27, 2018 (first round) and on June 17, 2018 (second round), resulted in the general uncertainty of investors and the decrease of investors' appetite for real-estate property.

- Economic indicators relevant to construction as prepared by the National Department of Statistics (DANE by its Spanish acronym) evidenced that at the closing of 2018 the sector reached a weak 0.3% YTD growth as compared to 2017, and only grew by 0.9% during the last quarter of 2018.

- The beginning of 2019 was not positive; the real-estate market expected recovery signs and particularly the construction industry; general dynamics contracted and resulted in a decrease in proposals of potential investors willing to acquire assets. During the first quarter of 2019, the industry contracted even more (-5.6%) as compared to the same period of 2018 (-0.9%). According to economic studies by the Cámara Colombiana de la Construcción – CAMACOL, even if the granting of housing and other construction licenses slowly recovered by 1.2% as compared to the first quarter of 2018, a significant decrease (-11.8%) was carried forward.

- Neither the Economic Indicators Around Construction (IEAC) prepared by the National Department of Statistics - DANE were encouraging since they showed that during the first quarter of 2019 (January to March), the GDP at constant prices grew by 2.8% as compared to the same quarter of 2018; however, a 5.6% decrease in the added value of the construction segment was identified when analyzing the result of the added value by large segments of the industry. Such result is mainly explained by the annual negative variation in the subsegments of construction of residential and non-residential buildings (-8.8%) and the added value of specialized activities (-5.9%).

Since June 2018, actions taken by Parent management to accomplish the sale of real-estate assets have been concrete and focused on each property, seeking to guarantee the feasibility of the sale, ensure that property is cured and obtain added-value economic proposals.

In pursuing this effort, the Parent retained independent realtors who joined the internal teams of experts in the market potential. Developments are as follows:

(a) Lote La Secreta: negotiated with buyer for delivery during the first quarter of 2020.

(b) Kennedy Trade Premises: the independent retailer has been hired and is in the process of offering the property to the present lessor in pursuance of the preferential rights under the lease contract.

(c) Pereira Plaza Trade Premises: in process of analyzing offers submitted by interested parties.

(d) Hotel Cota plot of land and project: analysis of offers by interested parties in process.

(e) Lote Casa Vizcaya: negotiated with buyer for delivery during the first quarter of 2020.

The Parent continues strongly committed to the selling process of such assets.

Note 50. Relevant facts

At December 31, 2019

General Meeting of Shareholders

The Company's General Meeting of Shareholders was held on March 28, 2019, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2018 and approval of dividend distribution to shareholders.

Sale of Via Varejo S.A.

As result of the efforts made over more than one year, on June 15, 2019 the assets and liabilities of Via Varejo S.A, classified under assets held for trading, were sold. The effects of this transaction are disclosed in Note 48.1.

Proposal to acquire the interest of the Parent in subsidiary Companhia Brasileira de Distribuição -CBD by its controlling entity Casino Guichard-Perrachon S.A.

On July 24, 2019, as part of its plan to simplify the investment structure, Casino Guichard-Perrachon S.A. submitted to the Parent a proposal to purchase through Segisor S.A. the indirect interest in and control over its subsidiary Companhia Brasileira de Distribuição - CBD at a price set from BRL 109 per share.

Takeover bid issued by its subsidiary Companhia Brasileira de Distribuição - CBD

On July 24, 2019, subsidiary Companhia Brasileira de Distribuição - CBD issued, through one of its subsidiaries, a takeover bid on 100% of the shares of its Parent Almacenes Éxito S.A., at a price of $18,000 (*) per share.

This takeover bid shall be filed with the Colombian Financial Superintendence once the Parent has approved the offer of Casino Guichard-Perrachon S.A. to buy the indirect interest in and control over its subsidiary Companhia Brasileira de Distribuição - CBD.

(*) Expressed in Colombian pesos.

Start of the process to assess the sale of the shares held in Companhia Brasileira de Distribuição -CBD

The Audit and Risk Committee of the Parent met on July 30, 2019 to start the process of assessing the sale of the indirect interest in and control over Companhia Brasileira de Distribuição -CBD, in accordance with the terms of the purchase proposal submitted by Casino Guichard-Perrachon S.A. Independent financial advisors and counsels were appointed as part of the process to analyze the purchase proposal and present recommendations to the Board of the Parent not later than August 31, 2019.

Amendment to the proposal to acquire the interest held by the Company in subsidiary Companhia Brasileira de Distribuição -CBD by its controlling entity Casino Guichard-Perrachon S.A.

On August 19, 2019, Casino Guichard-Perrachon S.A. submitted to the Parent a new offer amending that originally submitted on July 24, 2019 regarding the purchase of the indirect interest and control over its subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A. The new price offered is BRL 113 per share, translated into US Dollars at the average exchange rate of the 30 common days ending on the fifth calendar day prior to the closing of the transaction.

Completion of the process to assess the sale of the shares held in Companhia Brasileira de Distribuição -CBD

On August 26, 2019 the Audit and Risk Committee of the Parent issued a positive assessment to the Board of Directors regarding the offer submitted by Casino Guichard-Perrachon S.A. regarding the purchase at BRL 113 per share of the indirect interest and control over subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A., on the grounds that the offer meets the standards, principles and criteria set by the Policy on Transactions with Related Parties of the Company, corporate guidelines and the law.

Call to an extraordinary meeting of the General Meeting of Shareholders

On August 27, 2019, and as a result of the positive assessment by the Audit and Risk Committee of the Parent regarding the offer submitted by Casino Guichard-Perrachon S.A. on the purchase of the indirect interest and control over subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A., the Board of Directors and the CEO of the Company called an extraordinary meeting of the General Meeting of Shareholders to be held on September 12, 2019.

Authorization to accept the offer on the sale of the shares held in Companhia Brasileira de Distribuição – CBD

On September 12, 2019 the Board of Directors of the Parent held a meeting to deliberate on and assess the terms and conditions of the offer submitted by Casino Guichard-Perrachon S.A. regarding the purchase of the indirect interest and control over subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A.

As part of the deliberation and assessment process regarding the terms and conditions of the offer, the Board took into consideration the assessment carried out by the Audit and Risk Committee and the opinions of independent advisors retained by the Parent as well as the principles and criteria set by the Policy on Transactions with Related Parties, and other aspects such as the classification of the transaction under assessment, the price thereof, the coincidence with market conditions and the convenience of the transaction to the Parent.

On the grounds of the analysis carried out, the Board of Directors adopted the assessment, conclusions and recommendations of the Audit and Risk Committee of the Parent regarding the transaction, as the Board considered that the transaction meets the standards, principles and criteria set by the Policy on Transactions with the Parent's Related Parties, corporate guidelines and the law, and consequently it proposed the approval thereof by the General Meeting of Shareholders.

Based on the above, the Board of Directors approved the transaction and authorized the CEO and the legal representatives of the Parent to enter and execute, without limitation as to the amounts, all actions required to complete the transaction.

Extraordinary meeting of the General Meeting of Shareholders

During an extraordinary meeting held on September 12, 2019, the General Meeting of Shareholders of the Parent decided, among other, on the following matters:

- Authorized the Board of Directors of the Parent to deliberate and decide on the authorization to approve the offer submitted by Casino Guichard-Perrachon S.A. regarding the purchase of the indirect interest and control over subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A.

- Approved the authorization by the Board of Directors of the offer submitted by Casino Guichard-Perrachon S.A. regarding the purchase of the indirect interest and control over subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A.

- Authorized the CEO and other legal representatives of the Parent to enter and execute, without limitation as to the amounts, all actions required to complete the transaction.

Classification of subsidiary Companhia Brasileira de Distribuição – CBD as a non-current asset held for trading

Based on the approval granted by the General Meeting of Shareholders to the Board of Directors regarding the sale of the indirect interest in subsidiaries Companhia Brasileira de Distribuição – CBD, Ségisor S.A. and Wilkes Partipações S.A., the balance of such investments carried in these subsidiaries was classified under non-current assets held for trading at September 30, 2019.

Filing before the Colombian Financial Superintendence of the takeover bid by subsidiary Companhia Brasileira de Distribuição – CBD for the shares of the Company

On October 19, 2019 Sendas Distribuidora S.A., a subsidiary of Companhia Brasileira de Distribuição – CBD, published in Colombia the first takeover bid notice regarding Parent shares.

Upon publication of such notice, subsequent to the authorization granted on October 17, 2019 by the Colombian Financial Superintendence, and as foreseen in sections 6.2.1 and 6.2.2 of the share purchase agreement executed with Casino Guichard-Perrachon S.A. on September 12, 2019 regarding the purchase of the indirect interest and control held over subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A, the French shareholders agreement, the shareholders agreement with Wilkes and the shareholders agreement with CBD automatically terminated with no further formalities, with the consequence that as of October 17, 2019 the Company handed over the indirect control it held on subsidiary Companhia Brasileira de Distribuição – CBD through Segisor S.A.

Sale of subsidiary Companhia Brasileira de Distribuição – CBD

On November 27, 2019 the Parent sold its indirect interest in subsidiaries Companhia Brasileira de Distribuição – CBD, Ségisor S.A. y Wilkes Partipações S.A. The effects of such transaction are disclosed in Note 48.2.

Acceptance of the takeover bid.

On November 27, 2019, based on the results of the takeover bid dated July 24, 2019, Sendas Distribuidora S.A., a subsidiary of Companhia Brasileira de Distribuição – CBD became the Parent's controlling entity with a share of 96.57% in its capital stock.

Because of such change in control, and based on Colombian commercial regulations, the Parent has fallen in grounds for dissolution since more than 95% of its capital stock belongs to one single shareholder. The Parent has an 18 month-term to overcome this situation, as of the date in was created.

Investigation at Via Varejo S.A.

As disclosed in Note 48.1, on June 15, 2019 the Parent, through its subsidiary Companhia Brasileira de Distribuição – CBD (*), sold the 6.778% interest it held in subsidiary Via Varejo S.A. Retained earnings of this subsidiary were shown in the consolidated statement of income under net results of discontinued operations, as an item separate from the consolidated results of the Parent and its subsidiaries, and assets and liabilities were shown in the consolidated statement of financial position as part of the non-current assets held for trading and non-current liabilities held for trading, as items separate from other consolidated assets and liabilities of the Parent and its subsidiaries as required by IFR5.

On December 12, 2019 Via Varejo S.A. published a relevant fact and communicated that, during the second phase of an independent investigation conducted as a response to anonymous complaints regarding alleged accounting irregularities, the Investigations Committee informed management of the finding of hints of fraud and deficiencies in internal controls that might result in material misstatements in its financial statements. Based in this report, the Investigations Committee appointed by Via Varejo S.A. defined a third phase of the investigation to continue assessing the effect of the potential adjustments on the financial statements.

At December 31, 2019 the process to identify the effect of the accounting adjustments has not been completed.

(*) At December 31, 2019, and as result of the takeover bid mentioned in Note 1, Companhia Brasileira de Distribuição - CBD ceased as a subsidiary to become the Parent's controlling entity.

At December 31, 2018

General Meeting of Shareholders

The Company's General Meeting of Shareholders was held on March 23, 2018, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2017 and approval of dividend distribution to shareholders.

Sale of interest in the equity of Vía Varejo S.A.

An agreement was reached on December 21, 2018 to sell 3.86% of the interest in the equity of Vía Varejo S.A. through a total-return swap (TRS) transaction. Through this transaction, amounts received are subject to further adjustment from the subsequent resale of the shares in the market during the contract term.

Contribution to Patrimonio Autónomo Viva Malls

On December 28, 2018 the Parent made an additional contribution of the following assets to Patrimonio Autónomo Viva Malls, as part of the memorandum of understanding executed on December 23, 2016 with Fondo Inmobiliario Colombia:

Fiduciary interests:
- Patrimonio Autónomo Viva Villavicencio,
- Patrimonio Autónomo Centro Comercial,
- Patrimonio Autónomo Viva Sincelejo, and
- Patrimonio Autónomo San Pedro Etapa I.

Real estate property:
- Lote Sincelejo, and
- Fontibón real estate property

With the mentioned contributions, the Parent remains the trustor with 51% of interest in Patrimonio Autónomo Viva Malls, but changed its interest in contributed Patrimonios from 51% to 26.01%

Note 51. Events after the reporting period

No events have occurred subsequent to the date of the reporting period that entail significant changes in the Parent and its subsidiaries.

Note 52. Information regarding the adoption of IFRS 16

The Parent and its subsidiaries started to apply IFRS 16 - Leases as of January 1, 2019. This standard requires recognizing a use right asset and a lease liability.

Use rights assets are assets representing the right of the Parent and its subsidiaries as lessees to use an underlying asset during the term of a lease agreement. The liability represents future payments under the lease agreement.

The Parent and its subsidiaries elected to apply the standard retrospectively, as if it had been applied from the start date of all lease agreements. For comparison purposes, the Parent and its subsidiaries have prepared the financial statements of prior periods including the effects of adopting IFRS 16.

As a result of adoption:

- Use right assets were recognized;
- Lease liabilities were recognized;
- Lease expenses were eliminated (fixed payments under lease agreements);
- Depreciation of use rights was recognized;
- Interest expense was recognized upon measurement of lease liabilities using the effective interest method.
- Fixed payments made and new amendments to the lease agreement were recognized under lease liabilities.
- The effects on deferred tax arising from temporary differences resulting upon recognition of use rights and lease liabilities were recognized.

The effects shown in the statement of financial position at December 31, 2019 are:

	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16	Difference	
Current assets				
Cash and cash equivalents	5,973,680	5,973,680		
Trade receivables and other accounts receivable	1,000,267	1,000,298	(31)	(1)
Prepaid expenses	143,889	156,829	(12,940)	(2)
Accounts receivable from related parties	131,720	131,720		
Inventories	6,720,396	6,720,396		
Other financial assets	141,214	141,214		
Tax assets	724,290	724,290		
Non-current assets held for trading	23,572,841	20,289,112	3,283,729	(3)
Total current assets	**38,408,297**	**35,137,539**	**3,270,758**	
Non-current assets				
Trade receivables and other accounts receivable	135,284	135,284		
Prepaid expenses	14,751	59,912	(45,161)	(2)
Accounts receivable from related parties	28,316	28,316		
Other financial assets	754,065	754,065		
Property, plant and equipment, net	12,317,515	12,334,581	(17,066)	(4)
Investment property, net	1,633,625	1,633,625		
Use rights, net	5,141,400	-	5,141,400	(5)
Goodwill	5,436,868	5,436,868		
Intangible assets other than goodwill, net	5,199,801	5,767,176	(567,375)	(6)
Investments accounted for using the equity method	804,400	814,039	(9,639)	(7)
Tax assets	2,302,451	2,302,451		
Deferred tax assets	133,991	67,512	66,479	(8)
Other non-financial assets	398	398		
Total non-current assets	**33,902,865**	**29,334,227**	**4,568,638**	
Total assets	**72,311,162**	**64,471,766**	**7,839,396**	
Current liabilities				
Accounts payable to related parties	236,698	236,698		
Financial liabilities	2,291,116	2,320,200	(29,084)	(9)
Employee benefits	3,657	3,657		
Other provisions	36,997	36,997		
Trade payables and other accounts payable	13,117,074	13,226,708	(109,634)	(10)
Lease labilities	858,349	-	858,349	(5)
Tax liabilities	298,699	298,699		
Other financial liabilities	1,037,191	1,037,191		
Other non-financial liabilities	338,735	338,735		
Non-current liabilities held for trading	19,618,293	16,458,772	3,159,521	(3)
Total current liabilities	**37,836,809**	**33,957,657**	**3,879,152**	
Non-current liabilities				
Financial liabilities	4,633,554	4,732,106	(98,552)	(9)
Employee benefits	27,680	27,680		
Other provisions	2,330,648	2,330,648		
Trade payables and other accounts payable	40,720	40,720		
Lease labilities	4,577,359	-	4,577,359	(5)
Deferred tax liabilities	1,409,857	1,433,191	(23,334)	(8)
Tax liabilities	397,014	397,014		
Other financial liabilities	2,583,089	2,583,089		
Other non-financial liabilities	11,963	11,963		
Total non-current liabilities	**16,011,884**	**11,556,411**	**4,455,473**	
Total liabilities	**53,848,693**	**45,514,068**	**8,334,625**	
Shareholders' equity	**18,462,469**	**18,957,698**	**(495,229)**	
Total liabilities and shareholders' equity	**72,311,162**	**64,471,766**	**7,839,396**	

(1) The adjustment represents the derecognition of the balance receivable of subsidiaries Grupo Disco del Uruguay S.A., Mercados Devoto S.A. and Devoto Hermanos S.A. for the commission to gain lease agreements, which was taken into consideration when measuring the use right. The differences as compared to the figures shown on December 31, 2018 are as follows:

	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16
Trade accounts receivable	657,941	657,941
Other accounts receivable (a)	477,610	477,641
Total other accounts receivable	**1,135,551**	**1,135,582**
Current	**1,000,267**	**1,000,298**
Non-current	**135,284**	**135,284**

(a) The balance of other accounts receivable is as follows:

	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16
Employee funds and lending	77,070	77,070
Business agreements	30,695	30,695
Taxes receivable	627	627
Money remittances	6,938	6,938
Money transfer services	572	572
Tax claims	1,360	1,360
Sale of fixed assets, intangible assets and other assets	42,961	42,961
Accounts receivable from insurance companies	172,392	172,392
Accounts receivable from the sale of companies	68,792	68,792
Other accounts receivable	89,405	89,436
Impairment loss	(13,202)	(13,202)
Total other accounts receivable	**477,610**	**477,641**

(2)The adjustment represents the derecognition of an advance payment by subsidiary Companhia Brasileira de Distribuição - CBD for the commission to gain lease agreements, which was taken into consideration when measuring the use right. The differences as compared to the figures shown on December 31, 2018 are as follows:

	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16
Maintenance	9,750	9,750
Lease expenses	39,905	98,006
Insurance	27,141	27,141
Advertising	25,737	25,737
Taxes	243	243
Bank fees	32,865	32,865
Public utilities	9,890	9,890
Licenses in use	1,797	1,797
Other advance payments	11,312	11,312
Total prepaid expenses	**158,640**	**216,741**
Current	**143,889**	**156,829**
Non-current	**14,751**	**59,912**

(3) The adjustment represents the recognition of adjustments arising from the retrospective application of IFRS 16 - Leases by Via Varejo S.A. The differences as compared to figures shown on December 31, 2018 are as follows:

	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16
Property, plant and equipment	51,577	51,577
Investment property	10,119	10,119
Assets of Via Varejo S.A.	23,511,145	20,227,416
Total non-current assets held for trading	**23,572,841**	**20,289,112**

	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16
Liabilities of Via Varejo S.A.	19,618,293	16,458,772
Total non-current liabilities held for trading	**19,618,293**	**16,458,772**

(4) The adjustment represents the reclassification to use rights of certain assets and accumulated depreciation thereof that used to be properly recognized as property, plant and equipment related to finance leases. The differences as compared to the figures shown on December 31, 2018 are as follows:

	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16
Land	2,406,067	2,406,067
Buildings (1)	4,131,398	4,167,695
Machinery and equipment	2,893,704	2,893,704
Furniture and fixtures	1,659,721	1,659,721
Assets under construction	213,271	213,271
Premises	845,833	845,833
Improvements to third party properties	5,452,094	5,452,094
Vehicles	21,631	21,631
Computers	813,358	813,358
Other property, plant and equipment	183,281	183,281
Total property, plant and equipment	**18,620,358**	**18,656,655**
Accumulated depreciation	(6,299,910)	(6,319,141)
Impairment	(2,933)	(2,933)
Total net property, plant and equipment	**12,317,515**	**12,334,581**

(5) The adjustment relates to the recognition of use rights and a lease liability.

(6) The adjustment to these accounts arises from the reclassification to use rights of intangible assets other than goodwill and accumulated amortization thereof that represented costs required to gain lease contracts which should be considered when measuring the use right. In addition, it also arises from the classification as use rights of certain computer software and amortization thereof. The differences as compared to the figures shown on December 31, 2018 are as follows:

	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16
Trademarks	3,237,799	3,237,799
Computer software	1,331,389	1,460,509
Rights	1,315,083	1,861,168
Customer-related intangible assets	32,711	32,711
Other	84	84
Total cost of intangible assets other than goodwill	**5,917,066**	**6,592,271**
Accumulated amortization	(717,265)	(825,095)
Total intangible assets other than goodwill, net	**5,199,801**	**5,767,176**

(7) The adjustment represents the recognition of the effects of application of this standard on the equity of investments accounted for using the equity method. The differences as compared to the figures shown on December 31, 2018 are as follows:

Company	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16
Compañía de Financiamiento Tuya S.A.	203,704	203,704
Cnova N.V.	425,935	435,574
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	169,161	169,161
Puntos Colombia S.A.S.	5,600	5,600
Total investments accounted for using the equity method	**804,400**	**814,039**

(8) The adjustment represents the effects on deferred tax from the temporary difference resulting upon recognition of use rights and lease liabilities. The differences as compared to the figures shown on December 31, 2018 are as follows:

	December 31, 2018 with IRFS 16		December 31, 2018 without IRFS 16	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Colombia segment	107,997	-	41,518	-
Uruguay segment	25,994	-	25,994	-
Argentina segment	-	(117,218)	-	(117,218)
Brazil segment	-	(1,292,639)	-	(1,315,973)
Total	**133,991**	**(1,409,857)**	**67,512**	**(1,433,191)**

(9) The adjustment represents the reclassification to finance leases of liabilities regarding certain contracts on assets that were properly reclassified as finance leases. The differences as compared to the figures shown on December 31, 2018 are as follows:

	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16
Bank loans	1,845,638	1,845,638
Put option	435,023	435,023
Finance leases	3,839	32,923
Letters of credit	6,616	6,616
Total current financial liabilities	**2,291,116**	**2,320,200**
Bank loans	4,624,057	4,624,056
Finance leases	9,497	108,050
Total non-current financial liabilities	**4,633,554**	**4,732,106**

(10) Adjustment to these accounts arises from the reclassification to lease liabilities of fixed-payment liabilities under lease agreements. The differences as compared to the figures shown on December 31, 2018 are as follows:

	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16
Suppliers	11,165,524	11,262,261
Employee benefits	819,985	819,985
Costs and expenses payable	449,734	449,734
Dividends payable	54,781	54,781
Tax withholdings payable	67,831	67,831
Purchase of assets	212,719	212,719
Taxes collected payable	54,078	54,078
Acquisition of companies	33,550	33,550
Other	258,872	271,769
Total trade payables and other accounts payable	**13,117,074**	**13,226,708**

The effects shown in the statement of income for the annual period ended December 31, 2018 are as follows:

	January 1 to December 31, 2018 with IFRS 16	January 1 to December 31, 2018 without IFRS 16	Difference	
Continuing operations				
Revenue from ordinary activities under contracts with customers	55,036,170	55,036,170		
Cost of sales	(41,719,518)	(41,768,641)	49,123	(11)
Gross profit	**13,316,652**	**13,267,529**	**49,123**	
Distribution expenses	(5,154,174)	(5,481,496)	327,322	(11)
Administration and sales expenses	(742,226)	(758,317)	16,091	(11)
Employee benefit expenses	(4,613,300)	(4,613,300)		
Other operating revenue	123,714	123,714		
Other operating expenses	(287,618)	(287,618)		
Other net (losses)	93,338	86,715	6,623	(12)
Profit from operating activities	**2,736,386**	**2,337,227**	**399,159**	
Financial revenue	620,963	619,533	1,430	
Financial expenses	(2,005,209)	(1,453,455)	(551,754)	(13)
Share of profits in associates and joint ventures accounted for using the equity method.	63,474	67,168	(3,694)	(14)
Profit from continuing operations before income tax	**1,415,614**	**1,570,473**	**(154,859)**	
Tax expense	(296,181)	(338,441)	42,260	(15)
Net period profit from continuing operations	**1,119,433**	**1,232,032**	**(112,599)**	
Net period profit from discontinued operations	93,249	(59,088)	152,336	
Net period profit	**1,212,682**	**1,172,944**	**39,737**	
Profit attributable to the shareholders of the controlling entity	**253,168**	**279,403**	**(26,236)**	

(11) The adjustment relates to the derecognition of fixed payments under lease agreements and the recognition of the depreciation of use rights. The differences as compared to the figures shown on December 31, 2018 are as follows:

Cost of sales:

	January 1 to December 31, 2018 with IFRS 16	January 1 to December 31, 2018 without IFRS 16
Cost of goods sold	41,723,644	41,772,157
(Reversal) impairment recognized during the period	(4,126)	(3,516)
Total cost of sales	**41,719,518**	**41,768,641**

Distribution expenses:

	January 1 to December 31, 2018 with IFRS 16	January 1 to December 31, 2018 without IFRS 16
Depreciation and amortization	1,289,008	768,884
Fuels and power	628,767	628,767
Advertising	623,823	623,823
Public utilities	541,668	541,668
Commissions on debit and credit cards	386,732	386,732
Taxes other than income tax	352,764	352,764
Repairs and maintenance	339,459	339,459
Outsourced employees	234,430	234,430
Lease expenses	94,902	933,492
Other provisions expense	88,991	88,991
Professional fees	79,579	79,579
Legal expenses	70,722	70,722
Transport	70,524	70,524
Packaging and marking materials	44,785	44,785
Insurance	36,777	36,777
Administration of trade premises	34,071	34,071
Travel expenses	21,084	21,084
Impairment expense	13,178	13,178
Contributions and affiliations	1,623	1,623
Other	201,287	210,143
Total distribution expenses	**5,154,174**	**5,481,496**

Administration and sales expenses:

	January 1 to December 31, 2018 with IFRS 16	January 1 to December 31, 2018 without IFRS 16
Depreciation and amortization	194,100	200,159
Professional fees	139,982	139,982
Outsourced employees	107,936	107,936
Taxes other than income tax	54,432	54,432
Public utilities	53,736	53,736
Repairs and maintenance	28,378	28,378
Travel expenses	20,251	20,251
Lease expenses	5,659	15,628
Impairment expense	12,131	12,131
Fuels and power	10,602	10,602
Other provisions expense	7,545	7,545
Insurance	6,211	6,211
Legal expenses	3,651	3,651
Transport	2,915	2,915
Administration of trade premises	2,670	2,733
Contributions and affiliations	2,626	2,626
Advertising	336	336
Packaging and marking materials	325	325
Other	88,740	88,740
Total administration and sales expenses	**742,226**	**758,317**

(12) The adjustment represents the recognition of revenue arising from the derecognition of use rights and liabilities from the early termination of lease agreements. The differences as compared to the figures shown on December 31, 2018 are as follows:

	January 1 to December 31, 2018 with IFRS 16	January 1 to December 31, 2018 without IFRS 16
Gain from the sale of property, plant and equipment	94,296	94,296
Gain from the sale of subsidiaries	13,542	13,542
Recovery of impairment of intangible assets and of property, plant and equipment	2,386	2,386
Gain from the sale of intangible assets	35	35
Derecognition of property, plant and equipment	(21,021)	(21,021)
Loss from disposal of other assets	(2,523)	(2,523)
Derecognition of lease agreements	6,623	-
Total other net (losses)	**93,338**	**86,715**

(13) The adjustment represents the recognition of interest expense upon measurement of lease liabilities using the effective interest method. The differences as compared to the figures shown on December 31, 2018 are as follows:

	January 1 to December 31, 2018 with IFRS 16	January 1 to December 31, 2018 without IFRS 16
Loss from exchange difference	(39,742)	(388,804)
Interest, loans and finance lease expenses	(374,432)	(392,342)
Interest expense, bonds	(206,338)	(206,338)
Expense from the amortized cost of loans and accounts receivable	(169,864)	(169,864)
Loss from derivative financial instruments	(105,839)	(105,839)
Commission expense	(55,210)	(55,210)
Interest expense - suppliers	(21,564)	(21,564)
Net monetary position results, effect of the statement of financial position	(10,741)	(10,741)
Net monetary position results, effect of the statement of income	(54,023)	(54,023)
Interest expense on lease liabilities	(562,726)	-
Other financial expenses	(48,730)	(48,730)
Total financial expenses	**(2,005,209)**	**(1,453,455)**

(14) The adjustment represents the recognition of the effects of application of this standard on the income of subsidiaries that are accounted for using the equity method. The differences as compared to the figures shown on December 31, 2018 are as follows:

	January 1 to December 31, 2018 with IFRS 16	January 1 to December 31, 2018 without IFRS 16
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	60,285	63,979
Compañía de Financiamiento Tuya S.A.	42,129	42,129
Cnova N.V.	(37,327)	(37,327)
Puntos Colombia S.A.S.	(1,613)	(1,613)
Total	**63,474**	**67,168**

(15) The adjustment represents the recognition of the effects of application of this IFRS on deferred tax revenue. The differences as compared to the figures shown on December 31, 2018 are as follows:

	January 1 to December 31, 2018 with IFRS 16	January 1 to December 31, 2018 without IFRS 16
Current income tax (expense)	(381,437)	(381,438)
Deferred income tax revenue (a)	85,256	42,997
Total income tax (expense)	**(296,181)**	**(338,441)**

(a) The difference as compared to the figures shown at December 31, 2018 regarding the effect of the deferred income tax on the statement of income are as follows:

	January 1 to December 31, 2018 with IFRS 16	January 1 to December 31, 2018 without IFRS 16
Deferred income tax	83,182	40,923
Deferred occasional gains tax	2,074	2,074
Total deferred income tax revenue	**85,256**	**42,997**

The effects shown in the statement of comprehensive income for the annual period ended December 31, 2018 are as follows:

	January 1 to December 31, 2018 with IFRS 16	January 1 to December 31, 2018 without IFRS 16
Net period profit	**1,212,682**	**1,172,944**
Other comprehensive income for the period		
Components of other comprehensive income that will not be reclassified to period results, net of taxes		
(Loss) from new measurements of defined benefit plans	(351)	(351)
(Loss) from investments in equity instruments	(104,756)	(104,756)
Total other comprehensive income that will not be reclassified to period results, net of taxes	**(105,107)**	**(105,107)**
Components of other comprehensive income that will be reclassified to period results, net of taxes		
(Loss) from translation exchange differences	(1,365,493)	(1,412,473)
Gain from the hedging of cash flows	9,052	9,052
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	(66,463)	(52,521)
Total other comprehensive income that will be reclassified to period results, net of taxes	**(1,422,904)**	**(1,455,942)**
Total other comprehensive income	**(1,528,011)**	**(1,561,049)**
Total comprehensive income	**(315,329)**	**(388,105)**