



CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As of June 30, 2022 and 2021 and December 31, 2021



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Consolidated Interim Financial Statements

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Banco Santander-Chile and Subsidiaries
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

	As of June 30, 2022	As of December 31, 2021
	MCh\$	MCh\$
ASSETS		
Cash and deposits in banks	2,890,381	2,881,558
Cash items in process of collection	507,463	390,271
Financial assets for trading at fair value through profit or loss	14,579,153	9,567,818
Financial derivative contracts	14,495,254	9,494,471
Debt financial instruments	83,899	73,347
Financial assets at fair value through other comprehensive income	6,020,627	5,902,514
Debt financial instruments	5,945,398	5,803,139
Other financial instruments	75,229	99,375
Financial derivative hedge contracts	894,425	629,136
Financial assets at amortized cost	41,618,238	40,169,358
Debt financial instruments	4,581,663	4,691,730
Interbank loans	12	428
Loans and account receivable	37,036,575	35,477,200
Investments in associates and other companies	41,264	35,934
Intangible assets	93,326	95,411
Property, plant, and equipment	229,979	190,290
Right of use assets	124,014	184,528
Current taxes	6,309	121,534
Deferred taxes	800,493	710,896
Other assets	3,424,993	2,940,495
Non-current assets and disposal groups for sale	37,231	22,207
TOTAL ASSETS	71,267,896	63,841,950
LIABILITIES		
Cash items in process of being cleared	426,556	379,934
Financial liabilities for trading at fair value through profit or loss	14,222,893	9,507,031
Financial derivative contracts	14,222,893	9,507,031
Financial derivative hedge contracts	2,382,889	1,364,210
Financial liabilities at amortised cost	44,989,235	44,063,540
Deposits and other demand liabilities	15,725,629	17,900,938
Time deposits and other time liabilities	11,893,299	10,131,055
Obligations under repurchase agreements	811,731	86,634
Interbank borrowings	9,243,716	8,826,583
Issued debt instruments	7,013,641	6,935,423
Other financial liabilities	301,219	182,907
Lease liabilities	140,180	139,795
Issued regulatory capital financial instruments	1,657,709	1,461,637
Provisions	359,688	463,949
Current taxes	-	-
Deferred taxes	521,400	427,655
Other liabilities	2,114,960	1,606,626
TOTAL LIABILITIES	66,815,510	59,414,377
EQUITY		
Capital	891,303	891,303
Reserves	2,861,829	2,550,559
Valuation adjustments	(520,608)	(353,850)
Other equity instruments issued other than capital	639,997	598,136
Retained earnings	477,572	647,065
Retained earnings from prior years	136,902	57,338
Income for the year	486,671	842,467
Minus: Provision for mandatory dividends	(146,001)	(252,740)
Attributable to the shareholders of the Bank	4,350,093	4,333,213
Non-controlling interest	102,293	94,360
TOTAL EQUITY	4,452,386	4,427,573
TOTAL LIABILITIES AND EQUITY	71,267,896	63,841,950

The accompanying notes form integral part of these interim consolidated financial statements.

Banco Santander-Chile and Subsidiaries
CONSOLIDATED INTERIM STATEMENTS OF INCOME
For the periods ended,

	As of June 30,	
	2022	2021
	MCh\$	MCh\$
OPERATING INCOME		
Interest income and readjustments	1,860,475	1,206,169
Interest expense and readjustments	(915,567)	(348,671)
Net interest income	944,908	857,498
Fee and commission income	346,064	268,758
Fee and commission expense	(154,095)	(105,169)
Net fee and commission income	191,969	163,589
Financial assets and liabilities for trading	(58,613)	7,029
Result for derecognizing financial assets and liabilities	16,113	2,232
Foreign currency changes, readjustments and hedge accounting	142,829	60,463
Net financial result	100,329	69,724
Income from investments in associates and other companies	4,393	925
Result of non-current assets and disposal groups for sale not admissible as discontinued	826	1,848
Other operating income	1,241	740
TOTAL OPERATING INCOME	1,243,666	1,094,324
Personnel salaries and expenses	(208,797)	(200,659)
Administrative expenses	(144,102)	(135,686)
Depreciation and amortization	(64,083)	(58,324)
Other operating expenses	(57,534)	(42,712)
Total operating expenses	(474,516)	(437,381)
OPERATING INCOME BEFORE CREDIT LOSSES	769,150	656,943
Provisions for credit risk for interbank and loans and account receivables	(214,752)	(188,505)
Provisions for credit risk for contingent and others	(27,394)	(3,725)
Recovery of written-off credits	45,246	35,674
Impairment due to credit risk of other financial assets	389	129
Credit loss expense	(196,511)	(156,427)
OPERATIONAL RESULT	572,639	500,516
Income from continuing operations before taxes	572,639	500,516
Income tax expenses	(78,031)	(109,779)
Income from continuing operations after taxes	494,608	390,737
NET INCOME FOR THE PERIOD	494,608	390,737
Attributable to:		
Shareholders of the Bank	486,671	386,956
Non-controlling interest	7,937	3,781
Earnings per share attributable to shareholders of the Bank:		
Basic earnings	2.58	2,05
Diluted earnings	2.58	2,05

The accompanying notes form integral part of these interim consolidated financial statements.

Banco Santander-Chile and Subsidiaries
CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended,

	As of June 30,	
	2022	2021
	MCh\$	MCh\$
NET INCOME FOR THE PERIOD	494,608	390,737
Other comprehensive income that will not be reclassified to profit gross		
Equity instruments at fair value through other comprehensive income	(3)	(298)
Income tax related to the above	1	80
Total items that will not be reclassified to the income statements	2	(218)
Other comprehensive income that will be reclassified to profit or loss		
Debt instruments at fair value through other comprehensive income	(23,850)	(408,187)
Cash flow hedge	(202,761)	(57,750)
Income tax related to the above	59,836	125,765
Total items that will be reclassified to the income statements	(166,775)	(340,172)
Other comprehensive income for the year, net of tax	(166,777)	(340,390)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	327,831	50,347
Attributable to:		
Shareholders of the Bank	319,913	46,783
Non-controlling interests	7,918	3,564

The accompanying notes form integral part of these interim consolidated financial statements

Banco Santander-Chile and Subsidiaries
CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the periods ended,

	RESERVES			VALUATION ADJUSTMENTS			OTHER EQUITY INSTRUMENT	RETAINED EARNINGS			Total attributable to shareholders of the Bank	Non-controlling interest	Total Equity
	Capital	Reserves and other retained earnings	Effects of merger of companies under common control	Fair value reserve	Cash flow hedge	Income tax effects		Retained earnings of prior years	Income for the year	Provision for mandatory dividends			
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$		MCh\$	MCh\$	MCh\$			
Equity as of December 31, 2020	891,303	2,345,804	(2,224)	101,696	(136,765)	9,776	-	27,171	547,614	(164,284)	3,620,091	84,683	3,704,774
Distribution of income from previous period	-	-	-	-	-	-	-	547,614	(547,614)	-	-	-	-
Equity as of January 1, 2021	891,303	2,345,804	(2,224)	101,696	(136,765)	9,776	-	574,785	-	(164,284)	3,620,091	84,683	3,704,774
Issue perpetual instruments	-	-	-	-	-	-	598,136	-	-	-	598,136	-	598,136
Dividends distributions / withdrawals made	-	-	-	-	-	-	-	(310,468)	-	164,284	(146,184)	-	(146,184)
Transfer of retained earnings to reserves	-	206,979	-	-	-	-	-	(206,979)	-	-	-	-	-
Provision for mandatory dividends	-	-	-	-	-	-	-	-	-	(252,740)	(252,740)	-	(252,740)
Subtotal	-	206,979	-	-	-	-	598,136	(517,447)	-	(88,456)	199,212	-	199,212
Other comprehensive income	-	-	-	(214,689)	(236,816)	122,948	-	-	-	-	(328,557)	(284)	(328,841)
Result of continuous operations	-	-	-	-	-	-	-	-	842,467	-	842,467	9,961	852,428
Result of discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	(214,689)	(236,816)	122,948	-	-	842,467	-	513,910	9,677	523,587
Equity as of December 31, 2021	891,303	2,552,783	(2,224)	(112,993)	(373,581)	132,724	598,136	57,338	842,467	(252,740)	4,333,213	94,360	4,427,573
Distribution of income from previous period	-	-	-	-	-	-	-	842,467	(842,467)	-	-	-	-
Equity as of January 1, 2022	891,303	2,552,783	(2,224)	(112,993)	(373,581)	132,724	598,136	899,805	-	(252,740)	4,333,213	94,360	4,427,573
Issue perpetual instruments	-	-	-	-	-	-	41,861	-	-	-	41,861	-	41,861
Dividends distributions / withdrawals made	-	-	-	-	-	-	-	(464,975)	-	252,740	(212,235)	-	(212,235)
Transfer of retained earnings to reserves	-	309,984	-	-	-	-	-	(309,984)	-	-	-	-	-
First adoption of CNCB	-	1,286	-	-	-	-	-	12,056	-	-	13,342	-	13,342
Provision for mandatory dividends	-	-	-	-	-	-	-	-	-	(146,001)	(146,001)	-	(146,001)
Other	-	-	-	-	-	-	-	-	-	-	-	15	15
Subtotal	-	311,270	-	-	-	-	41,861	762,903	-	106,739	(303,033)	15	(303,018)
Other comprehensive income	-	-	-	(23,828)	(202,761)	59,831	-	-	-	-	(166,758)	(19)	(166,777)
Result of continuous operations	-	-	-	-	-	-	-	-	486,671	-	486,671	7,937	494,608
Result of discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	(23,828)	(202,761)	59,831	-	-	486,671	-	319,913	7,918	327,831
Equity as of June 30, 2022	891,303	2,864,053	(2,224)	(136,821)	(576,342)	192,555	639,997	136,902	486,671	(146,001)	4,350,093	102,293	4,452,386

The accompanying notes form integral part of these interim consolidated financial statements.

Period	Total attributable to shareholders of the Bank	Allocated to reserves	Allocated to dividends	Percentage distributed	Number of shares	Dividend per share (in pesos)
	MCh\$	MCh\$	MCh\$	%		
Year 2021 (Shareholders meeting April 2022)	774,959	309,984	464,975	60	188,446,126,794	2.467
Year 2020 (Shareholders meeting April 2021)	517,447	206,979	310,468	60	188,446,126,794	1.647

Banco Santander-Chile and Subsidiaries
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the periods ended,

	As of June 31,	
	2022	2021
	MCh\$	MCh\$
A - CASH FLOWS FROM OPERATING ACTIVITIES		
NET INCOME FOR THE YEAR	572,639	500,516
Adjustments for non-cash items included in net income	(757,814)	(635,502)
Depreciation and amortization	64,083	58,324
Provision for loan losses	241,757	192,101
Mark to market of trading investments	438	153
Income from investments in associates and other companies	(4,393)	(897)
Net gain on sale of assets received in lieu of payment	(1,850)	2,637
Provision on assets received in lieu of payment	123	244
Net gain on sale of property, plant and equipment	(145)	(176)
Net interest income	(944,908)	(857,498)
Net fee and commission income	(191,969)	(163,589)
Changes in deferred taxes	60,447	124,919
Other non-cash items	18,603	8,280
Increase/decrease in operating assets and liabilities	1,072,381	4,443,778
(Increase) of loans and accounts receivables from customers	(1,522,582)	(280,007)
Decrease (increase) of financial investments	(356,072)	181,132
Decrease (increase) por contrato de retrocompra (activos)	-	-
Decrease (increase) of interbank loans	415	11,287
Decrease of assets received or awarded in lieu of payment	(7,526)	7,587
Increase of debits in customers checking accounts	(1,547,856)	2,657,563
(Decrease) increase of time deposits and other time liabilities	1,762,243	1,174,016
Increase (decrease) of obligations with domestic banks	36,261	(117,101)
Increase (decrease) of other demand liabilities or time obligations	(459,607)	322,878
Increase of obligations with foreign banks	591,474	854,864
(Decrease) increase of obligations with Central Bank of Chile	(210,601)	947,556
(Decrease) increase of obligations under repurchase agreements	725,097	(910,947)
Increase (decrease) in other financial liabilities	118,313	30,116
(Decrease) increase of other assets and liabilities	805,804	(1,456,759)
Interest received	1,860,475	1,206,169
Interest paid	(915,567)	(348,671)
Dividends received from investments in other companies	141	506
Fees and commissions received	346,064	268,758
Fees and commissions paid	(154,095)	(105,169)
Total cash flow (used in) provided by operating activities	887,206	4,308,792

Banco Santander-Chile and Subsidiaries
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the periods ended,

	As of June 30,	
	2022	2021
	MCh\$	MCh\$
B - CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Purchases of property, plant, and equipment	(5,328)	(18,124)
Sales of property, plant, and equipment	1,381	1,601
Purchases of intangible assets	(17,710)	(18,437)
Total cash flow used in investment activities	(21,657)	(34,960)
C - CASH FLOW FROM FINANCING ACTIVITIES:		
<i>Originados por actividades de financiamiento de tenedores patrimoniales</i>		
Placement of subordinated bond	361,863	-
Redemption of subordinated bond and payment of principal/interest	(7,096)	-
Placement of senior bond	142,644	609,431
Redemption of senior bond and payment of principal/interest	(756,006)	(452,300)
Redemption of letters of credit and payment of principal/interest	(1,905)	(2,637)
Redemption of mortgage bonds and payment of principal/interest	(3,297)	(3,228)
Placement of perpetual bonds	-	600,936
Payment of principal/interest of perpetual bonds	(13,765)	-
Dividend paid	(464,975)	(310,468)
Lease obligation paid	(11,905)	(22,691)
Total cash flow used in financing activities	(754,442)	419,043
D - NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	111,107	4,692,875
E - EFFECTS OF FOREIGN EXCHANGE RATE FLUCTUATIONS	(21,377)	12,576
F - INITIAL BALANCE OF CASH AND CASH EQUIVALENTS	2,881,558	2,894,620
FINAL BALANCE OF CASH AND CASH EQUIVALENTS	2,971,288	7,600,071

Reconciliation of provisions for the Consolidated Statements of Cash Flow for the year ended	As of June 30,	
	2022	2021
	MCh\$	MCh\$
Provision for loan losses for cash flow purposes	241,757	192,101
Recovery of loans previously charged off	(45,246)	(35,674)
Provision for loan losses - net	196,511	156,427

Reconciliation of liabilities that arise from financing activities	Changes not related to cash flows						30-06-2022
	31-12-2021	Cash Flow	Acquisition	Foreign currency exchange	UF Inflation effect	Fair value changes	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Subordinated bond	1,461,121	354,767	-	-	(158,178)	-	1,657,710
Senior bond	6,846,834	(613,362)	-	-	692,806	-	6,926,278
Mortgage finance bond	81,110	(3,297)	-	-	3,976	-	81,789
Perpetual bonds	592,648	(13,765)	-	61,113	-	-	639,996
Dividend paid	-	464,975	-	-	-	-	464,975
Lease obligation paid	139,795	(11,905)	-	-	12,290	-	140,180
Total liabilities related to financing	9,121,508	(752,537)	-	61,113	550,894	-	8,980,978

The accompanying notes form integral part of these interim consolidated financial statements.

NOTE 01 - CORPORATE INFORMATION

Banco Santander-Chile is a banking corporation (limited company) operating under the laws of the Republic of Chile, headquartered at Bandera N°140, Santiago. The corporation provides a broad range of general banking services to its customers, ranging from individuals to major corporations. Banco Santander-Chile and its subsidiaries (usually referred to herein as the “Bank” or “Banco Santander-Chile”) offers commercial and consumer banking services, including (but not limited to) factoring, collection, leasing, securities and insurance brokering, mutual and investment fund management brokering, and investment banking. Banco Santander Spain controls Banco Santander-Chile through its holdings in Teatinos Siglo XXI Inversiones Ltda. and Santander Chile Holding S.A., which are controlled subsidiaries of Banco Santander Spain. As of June 30, 2022 Banco Santander Spain owns or controls directly and indirectly 99.5% of Santander Chile Holding S.A. and 100% of Teatinos Siglo XXI Inversiones Ltda. Banco Santander Spain, through its subsidiaries, has control over 67.18% of the Bank’s shares.

NOTE 02 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These Interim Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (hereinafter referred to as IFRS).

For purposes of these financial statements we use certain terms and conventions. References to “US\$”, “U.S. dollars” and “dollars” are to United States dollars, references to “EUR” are to European Economic Community Euro, references to “CNY” are to Chinese Yuan, reference to “JPY” are to Japanese Yuan, references to “CHF” are to Swiss franc, references to “Chilean pesos”, “pesos” or “Ch\$” are to Chilean pesos, and references to “UF” are to Unidades de Fomento. The UF is an inflation-indexed Chilean monetary unit with a value in Chilean pesos that changes daily to reflect changes in the official Consumer Price Index (“CPI”) of the Instituto Nacional de Estadísticas (the Chilean National Institute of Statistics) for the previous month.

The UF is revalued in monthly cycles. Each day in the period beginning on the tenth day of the current month through the ninth day of the succeeding month, the nominal peso value of the UF is indexed up (or down in the event of deflation) in order to reflect a proportionate amount of the change in the Chilean Consumer Price Index during the prior calendar month. One UF is equaled to Ch\$33,086.83 and Ch\$29,709.83 as of June 30, 2022 and 2021 respectively, and Ch\$30,991.74 as of December 31, 2021. As of June 2022, UF inflation was 6.7% compared to 6.6% in 2021. The effect of any changes in the nominal peso value of our UF-denominated interest earning assets and interest bearing liabilities is reflected in our results of operations as an increase (or decrease, in the event of deflation) in interest income and expense, respectively.

The Notes to the Interim Consolidated Financial Statements contain additional information to support the figures submitted in the Consolidated Statements of Financial Position, Consolidated Statements of Income, Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows for the period.

b) Basis of preparation for the Consolidated Financial Statements

The Interim Consolidated Financial Statements for the period ended as of June 30, 2022 and 2021 and December 31, 2021 incorporate the financial statements of the entities over which the Bank has control (including structured entities); and includes the adjustments, reclassifications and eliminations needed to comply with the accounting and valuation criteria established by IFRS. Control is achieved when the Bank:

- I. has power over the investee;
- II. is exposed, or has rights, to variable returns from its involvement with the investee; and
- III. has the ability to use its power to affect its returns.

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Bank has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities over the investee unilaterally. The Bank considers all relevant facts and circumstances in assessing whether or not the Bank’s voting rights in an investee are sufficient to give it power, including:

- the size of the Bank’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Bank, other vote holders or other parties;
- rights arising from other agreements; and
- any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

NOTE 02 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control over the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statements of Income and Comprehensive Income from the date the Bank gains control until the date when the Bank ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Bank and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Bank and to the non-controlling interests even if this results in the non-controlling interest have a deficit in certain circumstances.

When necessary, adjustments are made to the financial statements of the subsidiaries to ensure their accounting policies are consistent with the Bank's accounting policies. All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between consolidated entities are eliminated in full on consolidation.

Changes in the consolidated entities ownership interests in subsidiaries that do not result in a loss of control over the subsidiaries are accounted for as equity transactions. The carrying values of the Bank's equity and the non-controlling interests' equity are adjusted to reflect the changes to their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly

In addition, third parties' shares in the Bank's consolidated equity are presented as "Non-controlling interests" in the Consolidated Statements of Changes in Equity. Their share in the income for the year is presented as "Attributable to non-controlling interest" in the Consolidated Statements of Income.

The following companies are considered entities controlled by the Bank and are therefore within the scope of consolidation:

i. Entities controlled by the Bank through participation in equity

Name of the Subsidiary	Main Activity	Place of Incorporation and operation	Percent ownership share								
			June 30, 2022			December 31, 2021			June 30, 2021		
			Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
			%	%	%	%	%	%	%	%	%
Santander Corredora de Seguros Limitada	Insurance brokerage	Santiago, Chile	99.75	0.01	99.76	99.75	0.01	99.76	99.75	0.01	99.76
Santander Corredores de Bolsa Limitada	Financial instruments brokerage	Santiago, Chile	50.59	0.41	51.00	50.59	0.41	51.00	50.59	0.41	51.00
Santander Asesorias Financieras Limitada	Securities brokerage	Santiago, Chile	99.03	-	99.03	99.03	-	99.03	99.03	-	99.03
Santander S.A. Sociedad Securitizadora	Purchase of credits and issuance of debt instruments	Santiago, Chile	99.64	-	99.64	99.64	-	99.64	99.64	-	99.64
Klare Corredora de Seguros S.A.	Insurance brokerage	Santiago, Chile	50.10	-	50.10	50.10	-	50.10	50.10	-	50.10
Santander Consumer Chile S.A.	Financing	Santiago, Chile	51.00	-	51.00	51.00	-	51.00	51.00	-	51.00
Sociedad operadora de Tarjetas de Pago Santander Getnet Chile S.A.	Card operator	Santiago, Chile	99.99	0.01	100.00	99.99	0.01	100.00	99.99	0.01	100.00

ii. Entities controlled by the Bank through other considerations

The following companies have been consolidated based on the determination that the Bank has control as previously defined above and in accordance with IFRS 10 "Consolidated Financial Statements" (IFRS 10):

- Santander Gestión de Recaudación y Cobranza Limitada (collection services)
- Bansa Santander S.A. (financing revolving inventory lines to automotive dealers)
- Multiplica SpA (Development card incentive programs)

iii. Associates

An associate is an entity over which the Bank has significant influence. Significant influence, in this case, is defined as the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate.

Banco Santander-Chile and Subsidiaries**Notes to the Interim Consolidated Financial Statements**

AS OF JUNE 30, 2022 AND 2021 AND FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 02 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The following companies are considered “Associates” in which the Bank accounts for its participation using the equity method:

Associates	Main activity	Place of Incorporation and operation	Percentage of ownership share		
			June 30, 2022	December 31, 2021	June 30, 2021
			%	%	%
Redbanc S.A.	ATM services	Santiago, Chile	33.43	33.43	-
Transbank S.A.	Debit and credit card services	Santiago, Chile	25.00	25.00	-
Centro de Compensación Automatizado S.A.	Electronic fund transfer and compensation services	Santiago, Chile	33.33	33.33	33.33
Sociedad Interbancaria de Depósito de Valores S.A.	Delivery of securities on public offer	Santiago, Chile	29.29	29.29	29.29
Cámara Compensación de Alto Valor S.A.	Payments clearing	Santiago, Chile	15.00	15.00	15.00
Administrador Financiero del Transantiago S.A.	Administration of boarding passes to public transportation	Santiago, Chile	20.00	20.00	20.00
Sociedad Nexus S.A.	Credit card processor	Santiago, Chile	-	-	-
Servicios de Infraestructura de Mercado OTC S.A.	Administration of the infrastructure for the financial market of derivative instruments	Santiago, Chile	12.48	12.48	12.48

The Bank has re-evaluated the classification of Redbanc and Transbank, due to elapsed time since those companies were classified as held-for-sale, and the fact that it was not possible to find buyers, due to the economic effects of the COVID-19 pandemic and specifically the current Chilean economic situation. Thus, the Bank has reclassified those investments as Investments in associates and accounted using the equity method.

In the case of Cámara Compensación de Pagos Alto Valor S.A., Banco Santander-Chile has a representative on the Board of Directors. As per the definition of associates, the Bank has concluded that it exerts significant influence over those entities.

In the case of Servicios de Infraestructura de Mercado OTC S.A., the Bank actively participates, through its executives, in the administration and in the process of organization, which is why the Administration has concluded that it exerts significant influence on it.

c) Non-controlling interest

Non-controlling interest represents the portion of net income and net assets which the Bank does not own, either directly or indirectly. It is presented as “Attributable to non-controlling interest” separately in the Consolidated Statements of Income, and separately from shareholders’ equity in the Consolidated Statements of Financial Position.

In the case of entities controlled by the Bank through other considerations, income and equity are presented in full as non-controlling interest, since the Bank controls them, but does not have any ownership expressed as a percentage.

d) Functional and presentation currency

According to International Accounting Standard (IAS) 21 “The Effects of Changes in Foreign Exchange Rates”, the Chilean peso, which is the currency of the primary economic environment in which the Bank operates and the currency which influences its costs and revenue structure, has been defined as the Bank’s functional and presentation currency.

Accordingly, all balances and transactions denominated in currencies other than the Chilean Peso are treated as “foreign currency”.

The Bank maintains its accounting records and prepares its financial statements in Chilean pesos.

e) Foreign currency transactions

The Bank performs transactions in foreign currencies, mainly in U.S. dollar. Assets and liabilities denominated in foreign currencies, held by the Bank and its subsidiaries are translated to Chilean pesos at the representative market exchange rate of the month for the reported period; the rate used were Ch\$922.12 and Ch\$718.84 as of June 30, 2022 and 2021 and Ch\$854,48 as of December 31, 2021.

The amounts of net foreign exchange gains and losses includes recognition of the effects that exchange rate variations have on assets and liabilities denominated in foreign currencies and the profits and losses on foreign exchange spot and forward transactions undertaken by the Bank.

NOTE 02 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

f) Application of new and revised International Financial Reporting Standards

1. New and revised standards effective in current year

The following new and revised IFRS have been adopted in these financial statements:

Annual Improvements to IFRS Standards 2018–2020. Issued on May 15, 2020, the pronouncement contains amendments to four International Financial Reporting Standards (IFRSs) as result of the IASB's annual improvements project:

1. *IFRS 1 First-time Adoption of International Financial Reporting Standards.* Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
2. *IFRS 9 Financial Instruments.* Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
3. *IFRS 16 Leases.* Lease incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
4. *IAS 41 Agriculture.* Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

The amendments to IFRS 1, IFRS 9, and IAS 41 are effective for annual periods beginning on or after January 1, 2022. Early application is permitted. The amendment to IFRS 16 only regards an illustrative example, so no effective date is stated. *The Bank has implemented these improvements without significant impacts.*

Amendments to IAS 16 Property, Plant and Equipment — Proceeds before Intended Use. Issued on May 15, 2020, this amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted. *The Bank has implemented these improvements without significant impacts.*

Amendments to IAS 37 Onerous Contracts — Cost of Fulfilling a Contract. Issued on May 15, 2020, the changes specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments published today are effective for annual periods beginning on or after January 1, 2022. Early application is permitted. *The Bank has implemented these improvements without significant impacts.*

Amendments to IFRS 3 - Reference to the Conceptual Framework. Issued on May 15, 2020, the changes include:

- update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and
- add to IFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier. *The Bank has implemented these improvements without significant impacts.*

NOTE 03 – RECONCILIATION OF EQUITY AND NET INCOME

As of June 30, 2022 and December 31, 2021, the shareholder equity and net income reconciliation is as follows:

	30-06-2022	31-12-2021
	MCh\$	MCh\$
Equity under Chilean GAAP	3,690,713	3,494,580
Assets received in lieu in payment	10,462	7,683
Reverse additional provision	258,000	258,000
Perpetual bonds	639,997	598,136
Exchange rate provision adjustment	1,073	-
Fair value adjustment of loans at FVOCI	-	(6,062)
Debt instruments at amortised cost (remove FV)	-	311,761
ECL of loans at FVOCI	-	(42)
ECL of loans at AC	(104,958)	(92,901)
ECL of contingent loans	(13,875)	8,722
ECL of debt instruments at AC	-	(711)
Deferred taxes on adjustments	(40,690)	(131,341)
Minimum dividend adjustment	11,664	(20,252)
Equity under IFRS	4,452,386	4,427,573
Net income under Chilean GAAP	529,194	784,920
Assets received in lieu in payment	2,779	759
Reverse additional provision	-	132,000
Interest on perpetual bonds	(12,644)	-
Exchange rate provision adjustment	1,073	-
ECL of loans at FVOCI	745	(59)
ECL of loans at AC	(12,057)	(31,558)
ECL of contingent loans	(22,597)	216
ECL of debt instruments at FVOCI	-	435
ECL of debt instruments at AC	-	(711)
Consumer -- homologacion criterios	-	(1,594)
Income taxes on adjustments	8,115	(26,985)
Net income under IFRS	494,608	857,423

NOTE 04 - SIGNIFICANT EVENTS

As of June 30, 2022, the following significant events have occurred and affected the Bank's operation and Interim Consolidated Financial Statements.

a) The Board

On March 22, 2022, at the ordinary session of the Board of Directors, the members agreed to summon an Ordinary Shareholders Meeting scheduled for April 27, 2022 with the objective to propose the distribution of profits and payment of dividends equivalent to 60% of the retained earnings as of December 31, 2021 equivalent to \$2.46741747 per share and to propose that the remaining 40% of the profits will be destined to increase the Bank's reserves.

b) Shareholders' meeting

At the Ordinary Shareholders' Meeting of Banco Santander-Chile held on April 27, 2022, along with the approval of the Consolidated Financial Statements for 2021, the shareholders agreed to distribute 60% of the net profits for the year ("Profit attributable to equity holders of the Bank"), which amounted to \$464,975 million. Those profits represent a dividend of \$2.46741747 Chilean pesos for each share. Likewise, the Board approved that the remaining 40% of the profits will increase the Bank's reserves. Additionally, the members discuss about the transitory and optional tax regime contemplated in article 25 of Law N°21,210 that modernizes the Chilean tax legislation, through which the shareholders have the option to pay a substitute tax rate of 30%.

Also, the members approved PricewaterhouseCoopers Consultores Auditores SpA as external auditors for the 2022 financial year.

c) Others

On February 4, 2022, the Committee for setting limits on interchange rates established the new limits on interchange rates:

- 0.6% for debit card
- 1.48% for credit card
- 1.04% for prepaid card

The Bank has estimated that the implementation will cost MM\$29.000 in 2022.

NOTE 05 - SUBSEQUENT EVENTS

In July 2022, the Bank announced the issuance of senior bond for US\$340 million in UF and CLP, with different maturities, for finance general corporate expenses, whose series had previously been approved by the CMF, but had not yet been placed on the market.

Additionally, the Board of the Central Bank of Chile, in order to facilitate the adjustment of the Chilean economy to the uncertain and changing internal and external conditions, has decided to implement an exchange intervention program and preventive provision of liquidity in dollars, for an amount of up to US \$ 25,000 million beginning in July 18, 2022 until September 30, 2022.

On July 25, 2022, at the Extraordinary Shareholders' Meeting of Santander S.A. Sociedad Securitizadora, the proposed capital increase of MCh\$510 was approved. The final capital amount of Ch\$ \$1,726,769,815 divided into 280 common, nominative shares of the same series and without par value. No new shares were issued. Further, these Interim Consolidated Financial Statements were approved by the Directors and Audit Committee.

On July 27, 2022, in an extraordinary session of the Bank's Board of Directors, the appointment of Mr. Román Blanco Reinoso as General Manager of the Bank was approved as of August 1, 2022, replacing Mr. Miguel Mata Huerta.

There are no other subsequent events that occurred between July 1, 2022 and the date of issuance of these Interim Consolidated Financial Statements to disclose.

