

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

Commission File Number: 001-14554

**Banco Santander Chile**  
**Santander Chile Bank**  
*(Translation of Registrant's Name into English)*

**Bandera 140**  
**Santiago, Chile**  
*(Address of principal executive office)*

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes  No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes  No

Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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**Banco Santander Chile**

The following exhibit is attached:

EXHIBIT NO.	DESCRIPTION
99.1	<a href="#">Presentation</a>
99.2	<a href="#">Press Release</a>

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**BANCO SANTANDER-CHILE**

By: /s/ Cristian Florence

Name: Cristian Florence

Title: General Counsel

Date: August 28, 2019

# Banco Santander Chile

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## Santander Consumer Chile Transaction



August 27, 2019



# Agenda



**Points of the agenda**



**Proposed transaction**



**Santander Consumer Chile background**



**Transaction rationale**

## Points of the agenda

- 1 Submit the operation of the acquisition of 51% of the shares issued by Santander Consumer Chile S.A. for the consideration of the shareholders.
- 2 Report the operations referred to in Title XVI of Law 18.046.
- 3 Adopt other agreements and grant powers of authority that are necessary to comply and carry out the resolutions decided in this meeting.

# Agenda

Points of the agenda

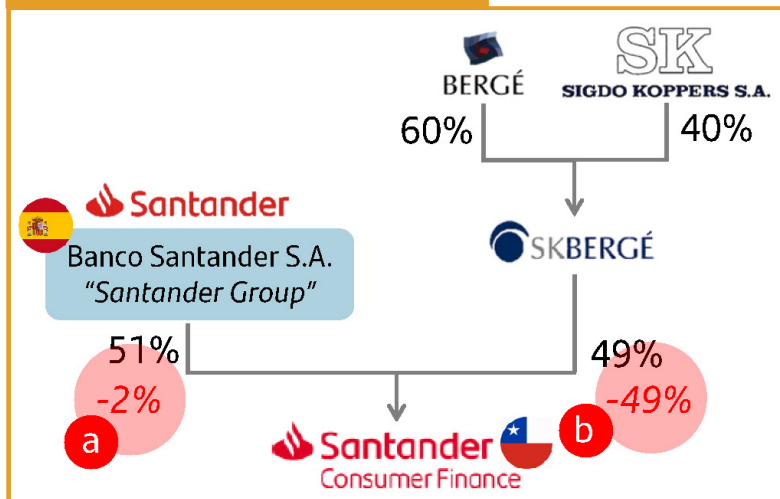
Proposed transaction

Santander Consumer Chile background

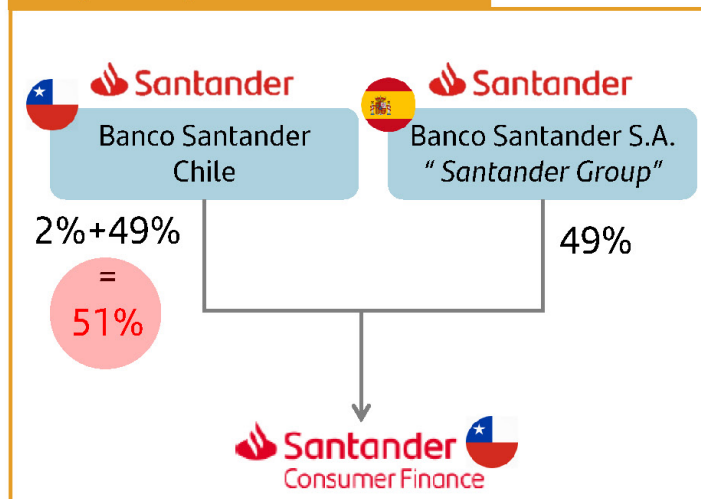
Transaction rationale

## Ambition to enter the high growth business of financing the purchase of vehicles

Current:



Proposed purchase:



The transaction is composed of two parts:

- a) Banco Santander Chile will acquire 49% ownership from SKBergé
- b) Banco Santander Chile will acquire 2% ownership from Banco Santander S.A. (España)



## The purchase price is according to the market price



Price of the acquisition of 49% of SCF:

**Ch\$59,063 million**

1. Prior to the acquisition, the pending dividend will be distributed to the current shareholders for approximately Ch\$18,060 million
2. Agreed multiple: 9.55x of income after tax of 2017
3. The income after tax of 2017: Ch\$12,622 million

$$\begin{aligned} 9,55 \times \text{Ch\$}12,622 \text{ million} &= \text{Ch\$}120,538 \text{ million} \\ &\quad \times 49\% \\ &= \text{Ch\$}59,063 \text{ million} \end{aligned}$$



**Santander**

Banco Santander S.A.  
"Santander Group"

Price of the acquisition of 2% of SCF:

**Ch\$3,073 million**

1. Estimated value based on 2018 results
2. Within the reasonable ranges of Deloitte's study (independent third party)

**Total transaction= Ch\$62,136 million**

**The valuation has been carried out by an external independent consultant, Deloitte**



## The transaction has been evaluated by Deloitte

Deloitte, in the capacity of independent evaluator, was contracted to review the transaction. The report analyzed the effects and potential impacts of the acquisition, including the synergies and costs involved, as well as the valuation of Santander Consumer Chile S.A. The company was valued using the income method, specifically, the discounted cash flow model, to obtain the total value of the business.

The transaction includes a **commercial agreement** signed between SK Bergé and Santander Consumer Chile S.A. for 10 years. Deloitte analyzed two scenarios for valuation:

Range of total value of 100% of Santander Consumer Chile S.A.

Ch\$ 131,900 million

Scenario 1: The commercial agreement is not renewed after 10 year

Ch\$ 157,800 million

Ch\$ 146,800 million

Scenario 2: The commercial agreement is constantly renewed

Ch\$ 189,000 million

Additionally there are new business initiatives with a potential value of Ch\$11,500 –Ch\$13,000 million.

As Management already has knowledge of this business, operation and risks, high integration costs are not expected.

The effects and impacts of the operation “contribute to the company interests and are in line with the market price, with terms and conditions in accordance with those that prevail in the market for this type of operation”

# The potential benefits of the proposed transactions

## Incorporation of the operative subsidiary

- Consistently positive financial results.
- Highly competitive in its sector, which is experiencing strong growth in recent years. Portfolio size: Ch\$ 407 billion with a growth rate (CAGR) of 26.8% between 2010 and 2018.
- Return on Equity~20%.

## New businesses and new clients

Through this transaction, Santander Consumer will be able to access new alliances, increasing market penetration and portfolio. Therefore this will bring greater income and benefits for Banco Santander Chile.

## Reduce the funding cost of Santander Consumer

Santander Consumer Finance: AA  
vs.  
Banco Santander Chile: AAA

## Increase the leverage of Santander Consumer

Liabilities/equity of 6,7x.  
Through the consolidation into the Bank, it will be able to increase its leverage and decrease the average weighted cost of capital.

## Generating efficiencies

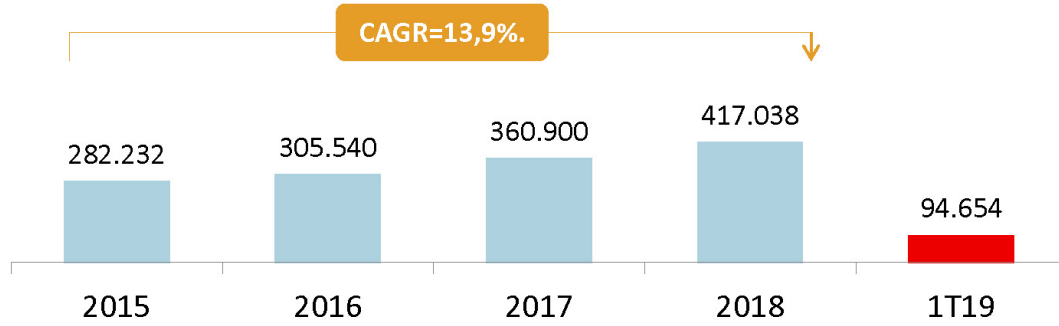
Gaining of economies of scale, principally in human resources and information systems.



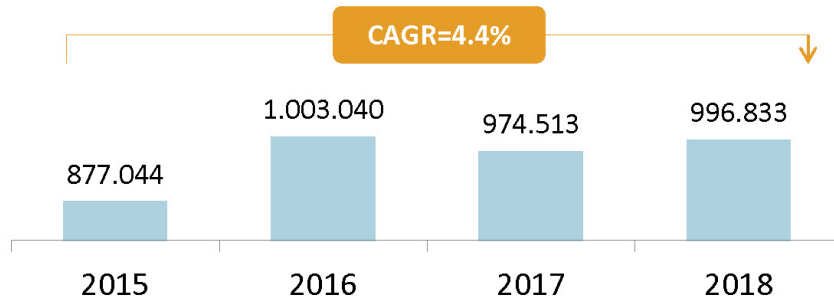
Fuente: Informe de evaluación independiente de Deloitte

# Automobile market in Chile

## Sale of new cars<sup>1</sup>



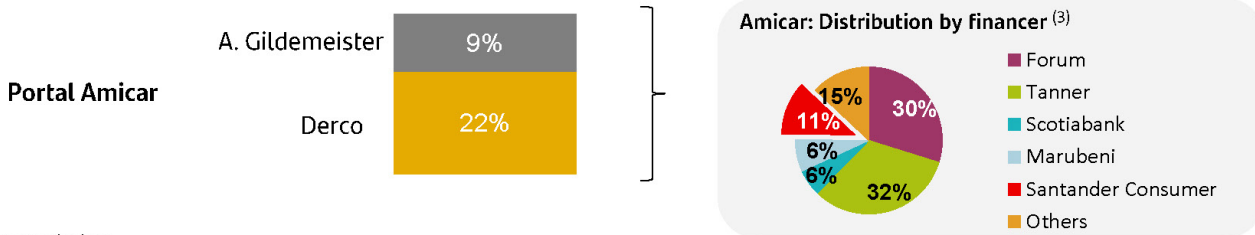
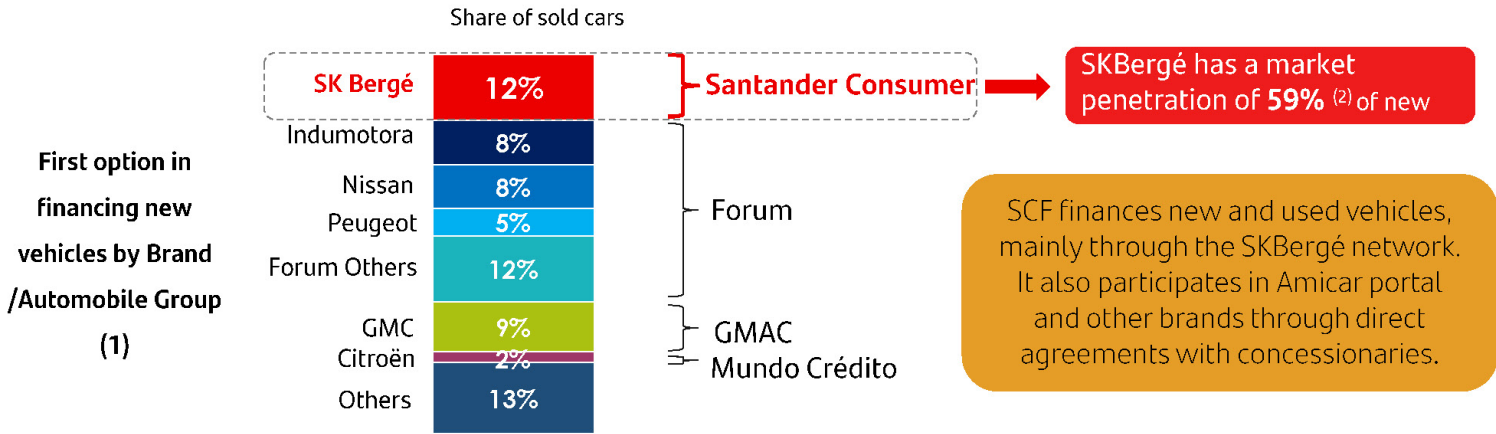
## Sale of used cars<sup>2</sup>



1. Source: ANAC and Santander Consumer Chile.
2. Source: CAVEM and Santander Consumer Chile

# Automobile industry in Chile

The six main automobile groups account for 67% of the sales of new cars



Source: Amicar

1) Light and medium vehicles. Accumulated numbers as of September 2018. Source: ANAC and Santander Consumer

2) Internal information from Santander Consumer

3) Average units financed as of September 2018 2018.

# Santander Consumer Chile



**Leader in  
Automobile  
Financing**

**2nd**

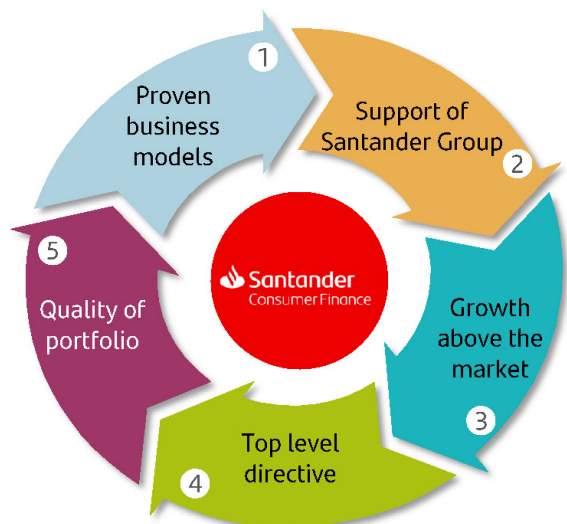
Largest portfolio in the automobile financing market

**9%**

Of financing of new small car sales in the country, being one of the main automobile financers

**+30.000**

New cars financed in 2018



Part of the Santander Group, with presence in more than 19 countries, including **Santander Consumer Finance** in Europe

## Santander Consumer Finance in Europe:

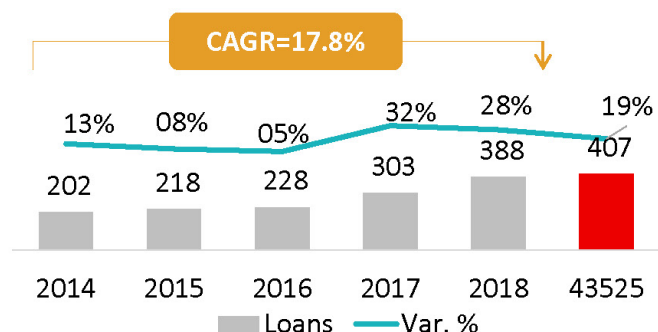
- One of the largest automobile financing groups in Europe
- 1,300,000 cars financed each year in 15 European countries with more than 21 million clients
- 130,000 associated sales points and 16,000 employees
- Successful business model replicated in Chile
- Proven support and experience



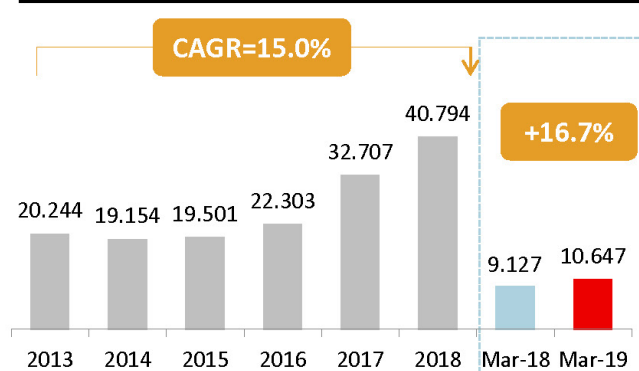
# Santander Consumer Chile: Financial summary

## Total loans

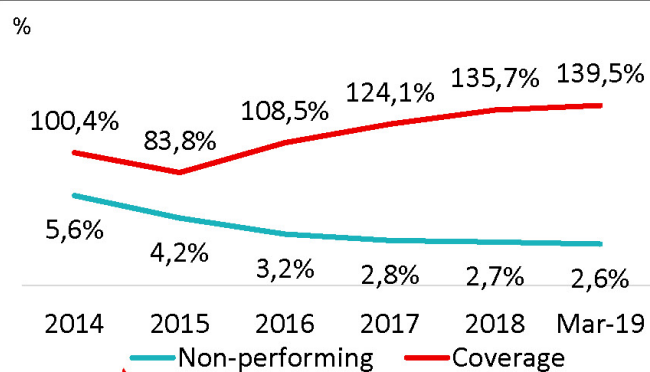
Ch\$ billion and YoY growth



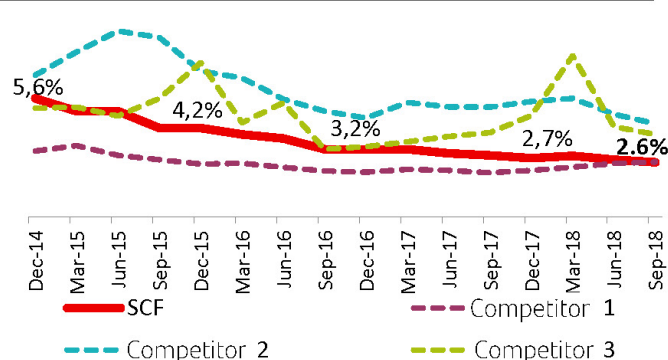
## Total loans- Number of operations



## Non-performing loans and coverage ratios



## Non-performing loans in the industry

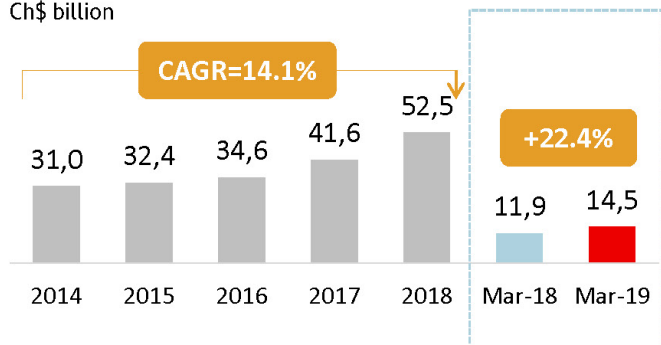


Source: Company reports and Banco Santander Chile estimates. Loan growth for March 2019 has been annualized

# Santander Consumer Chile: Financial summary

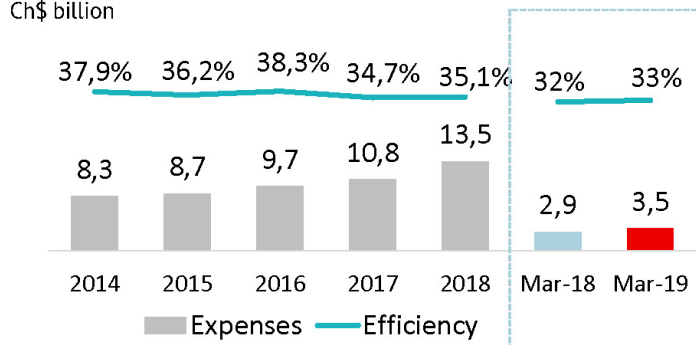
## Gross income

Ch\$ billion



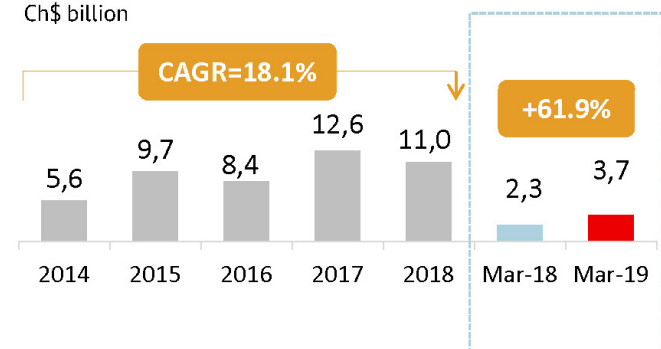
## Expenses & Efficiency

Ch\$ billion

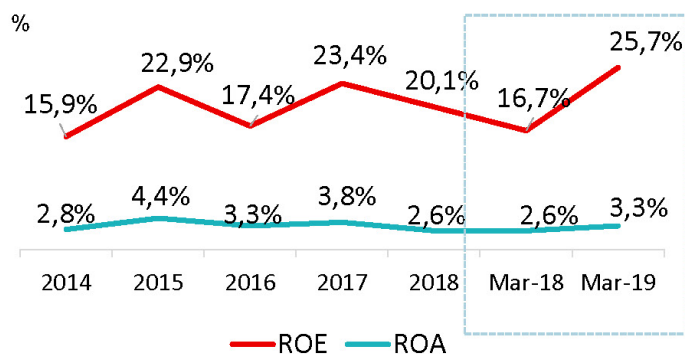


## Income after tax

Ch\$ billion



## ROE & ROA



Source: Company report and Banco Santander Chile estimates. ROE (Return on equity) and ROA (Return on assets) for the first quarter of 2019 have been annualized



## An attractive acquisition for Banco Santander Chile

- Banco Santander Chile seeks to buy 51% of Santander Consumer Chile for Ch\$62,136 million
  - › SKBergé: 49% for Ch\$59,063 million
  - › Santander Group: 2% for Ch\$3,073 million
- The transaction has been evaluated by an independent third party, Deloitte, that has confirmed that the price is in accordance with the market
- The transaction is aligned with our retail strategy, being attractive for shareholders
- Our elected 9 directors and 2 substitutes have given their favorable opinion of the transaction
- With the favorable vote of the shareholders, the approval of the CMF would be pending to carry out this transaction

## Points of the agenda

- 1 Submit the operation of the acquisition of 51% of the shares issued by Santander Consumer Chile S.A. for the consideration of the shareholders.
- 2 Report the operations referred to in Title XVI of Law 18.046.
- 3 Adopt other agreements and grant powers of authority that are necessary to comply and carry out the resolutions decided in this meeting.

# Thank you.

Our purpose is to help people  
and business prosper.

Our culture is based on believing  
that everything we do should be:

## Simple Personal Fair

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## Santander Chile shareholders agree to purchase 51% of Santander Consumer Chile S.A.

- **Upon completion of the transaction, which is awaiting approval by the Financial Markets Commission, the Bank will consolidate the results of this subsidiary in its financial statements.**

Tuesday, August 27, 2019. During this afternoon, at the Extraordinary Shareholders' Meeting of Banco Santander Chile, the purchase of 51% of Santander Consumer Chile S.A. by the entity was approved. The Board agreed to a total purchase price of Ch\$ 62,136 million for 51%, corresponding to Ch\$ 59,063 million for 49% held by SKBergé and Ch\$ 3,073 million for 2% held by Grupo Santander.

Santander Consumer Chile has the second largest portfolio of automobile loans in Chile, with Ch\$ 407,000 million at the end of March 2019. More than 30,000 cars are financed each year in the national market.

Claudio Melandri, president of Banco Santander Chile, stressed during the shareholders' meeting that "the automobile market in the country has stood out for strong growth, with the sale of cars expanding to double digits in the last four years." He added that "this purchase will allow the Bank to enter this high-growth business with consistently positive financial results, which will allow us to expand with new alliances, businesses and customers."

It is worth mentioning that in the context of this operation Santander Consumer Chile signed a renewable commercial agreement with SK Bergé for 10 years, through which it is the first financing option in the latter's concessionaires.

Upon completion of the transaction, which is awaiting approval by the Financial Markets Commission, the Bank will consolidate the results of this subsidiary in its financial statements.

### About Banco Santander Chile

Banco Santander Chile is the largest bank in Chile in terms of loans. As of June 30, 2019, we had total assets of Ch\$42,031 billion (U.S.\$ 62.0 billion), outstanding loans net of allowances for loan losses of Ch\$30,289 billion (U.S.\$ 44.6 billion), total deposits of Ch\$22,032 billion (U.S.\$ 32.5 billion) and equity of Ch\$3,331 billion (U.S.\$4.9 billion). Our BIS ratio at June 2019 was 13.1% with a core capital ratio of 10.4%. Our long-term credit risk ratings are A1 by Moody's, A by Fitch, A by Standard and Poor's and A+ by JCR.

### CONTACT INFORMATION

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