
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

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
99.1	Earnings Report 1Q20
99.2	1Q20 Webcast Presentation
99.3	Transcript of 1Q20 Webcast
99.4	Material Fact.

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: April 30, 2020

Banco Santander Chile

Earnings Report 1Q20



April 29, 2020



Contents Page



01	Important Information	28	Annex 1: Balance Sheet
02	Section 1: Key Consolidated Data	29	Annex 2: YTD Income Statements
03	Section 2: Summary of Results	30	Annex 3: Quarterly Income Statements
10	Section 3: YTD Results by Reporting Segment	31	Annex 4: Quarterly Evolution of Main Ratios and Other Information
12	Section 4: Loans, Funding and Capital		
16	Section 5: Analysis of Quarterly Income Statement		
26	Section 6: Credit Risk Ratings		
27	Section 7: Share Performance		

CONTACT INFORMATION

Investor Relations Department
Banco Santander Chile
Bandera 140 Floor 19 Santiago, Chile
Tel: (562) 2320-8284

Email: irelations@santander.cl

Website: www.santander.cl

Important information

Banco Santander Chile cautions that this presentation contains forward looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. These forward looking statements are found in various places throughout this presentation and include, without limitation, statements concerning our future business development and economic performance. While these forward looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to: (1) general market, macro-economic, governmental and regulatory trends; (2) movements in local and international securities markets, currency exchange rates, and interest rates; (3) competitive pressures; (4) technological developments; and (5) changes in the financial position or credit worthiness of our customers, obligors and counterparties. The risk factors and other key factors that we have indicated in our past and future filings and reports, including those with the Securities and Exchange Commission of the United States of America, could adversely affect our business and financial performance.

Note: the information contained in this presentation is not audited and is presented in Chilean Bank GAAP which is similar to IFRS, but there are some differences. Please refer to our 2019 20-F filed with the SEC for an explanation of the differences between Chilean Bank GAAP and IFRS. Nevertheless, the consolidated accounts are prepared on the basis of generally accepted accounting principles. Please note that this information is provided for comparative purposes only and that this restatement may undergo further changes during the year and, therefore, historical figures, including financial ratios, presented in this report may not be entirely comparable to future figures presented by the Bank.

Section 1: Key consolidated data

Balance Sheet (Ch\$m)	Mar-20	Mar-19	% Change
Total assets	59,310,458	39,667,565	49.5%
Gross customer loans	34,355,159	30,600,260	12.3%
Customer deposits	25,257,945	21,462,046	17.7%
Customer funds ¹	32,237,140	27,278,700	18.2%
Total shareholders' equity	3,494,433	3,321,798	5.2%
Income Statement (YTD)	Mar-20	Mar-19	% Change
Net interest income	388,299	322,701	20.3%
Net fee and commission income	74,405	70,675	5.3%
Net operating profit before provisions for loan losses	491,962	437,377	12.5%
Provision for loan losses	(102,870)	(76,274)	34.9%
Op expenses excluding impairment and other op. exp.	(191,172)	(180,056)	6.2%
Operating income	176,225	166,882	5.6%
Income before tax	176,363	167,805	5.1%
Net income attributable to equity holders of the Bank	144,014	125,430	14.8%
Profitability and efficiency	Mar-20	Mar-19	Change bp
Net interest margin (NIM) ²	4.2%	3.9%	31
Efficiency ratio ³	40.6%	42.5%	(195)
Return on avg. equity	16.8%	15.3%	150
Return on avg. assets	1.1%	1.3%	(22)
Core capital ratio	9.7%	10.8%	(107)
BIS ratio	12.7%	13.6%	(84)
Return on RWA	1.6%	1.6%	2
Asset quality ratios (%)	Mar-20	Mar-19	Change bp
NPL ratio ⁴	2.0%	2.0%	(6)
Coverage of NPLs ratio ⁵	133.5%	127.4%	609
Cost of credit ⁵	1.2%	1.0%	22
Structure (#)	Mar-20	Mar-19	Change (%)
Branches	368	380	(3.2%)
ATMs (including depository ATMs)	1,093	1,031	6.0%
Employees	11,078	11,280	(1.8%)
Market capitalization (YTD)	Mar-20	Mar-19	Change (%)
Net income per share (Ch\$)	0.76	0.67	14.8%
Net income per ADR (US\$)	0.36	0.39	(8.6%)
Stock price (Ch\$/per share)	33.0	51.19	(35.5%)
ADR price (US\$ per share)	15.13	29.75	(49.1%)
Market capitalization (US\$m)	7,008	14,016	(50.0%)
Shares outstanding (millions)	188,446.1	188,446.1	--%
ADRs (1 ADR = 400 shares) (millions)	471.1	471.1	--%

1. Customer funds= Demand deposits+ Time deposits+ Mutual funds brokered. Banco Santander Chile is the exclusive broker of mutual funds managed by Santander Asset Management S.A. Administradora General de Fondos, a subsidiary of SAM Investment Holdings Limited.

2. NIM = Net interest income annualized divided by interest earning assets.

3. Efficiency ratio: Operating expenses excluding impairment and other operating expenses divided by Operating income. Operating income = Net interest income + Net fee and commission income + Total financial transactions, net + Other operating income minus other operating expenses.

4. Capital + future interest of all loans with one installment 90 days or more overdue divided by total loans.

5. Loan loss allowance divided by Capital + future interest of all loans with one installment 90 days or more overdue.

6. Provision expense annualized divided by average loans.

Section 2: Summary of results¹

ROAE of 16.8% reached in the first quarter of 2020

Net income attributable to shareholders in 1Q20 increased 23.4% QoQ and 14.8% YoY, totaling Ch\$ 144,014 million (Ch\$ 0.76 per share and US\$ 0.36 per ADR) and achieving an **ROAE** of 16.8% for the quarter, compared to 13.9% in 4Q19 and 15.3% in 1Q19. In 1Q20, net income was driven by strong results from client activities and a higher inflation rate. **Total operating profit before provisions for loan losses** totaled Ch\$491,962 million in 1Q20 and increased 12.5% compared to 1Q19.

Impact of Covid-19 on the operations of the Bank

January and February were strong months for the Bank with net income in 2M20 growing 39.1% compared to 2M19 and ROAE reached 18.9%. The first case of Covid-19 in Chile was on March 3. As the global Covid-19 crisis progressed, and border closures and quarantine measures were implemented in Chile during March, the monthly results of the Bank started to show the initial effects of the crisis with lower growth of fees, lesser gains from financial transactions due to more volatile markets, and higher provisioning.

Due to the social unrest experienced in Chile in 4Q19, the Bank had already experienced a dress rehearsal for tele-working and as more protests were expected in March and April, the Bank had accelerated implementation of technological infrastructure that would permit the Bank to continue operating in case of disruptions. From mid-March, the Bank started to roll out the tele-working plan due to COVID-19. Currently 95% of our central office employees are working from home. At the same time 86% of our branches are open. Banking was deemed an essential service by the authorities, so in areas not under quarantine branches must be available.

In terms of transactionality, the reduction in clients coming to our branches is being supported by our digital channels with the amount of digital transactions increasing 7.4% in 1Q20 compared to the same period last year and digital clients have increased 22.2% in the last 12 months.

Measures taken by Chilean authorities

The Government has announced various initiatives for different segments of the Chilean population such as tax breaks and one-off payments to vulnerable households. The Government, Central Bank and CMF (our regulator) have been working together with the banks to provide measures to ensure that companies have access to funding during this crisis.

Firstly, the **Central Bank enabled two types of liquidity lines for banks, totaling US\$24 billion**. The first line is the facility available conditionally on loan growth (FCIC) to ensure that banks continue to finance and refinance households

1. The information contained in this report is unaudited and is presented in accordance with Chilean Bank GAAP as defined by the Financial Markets Commission (CMF).

and businesses in Chile up to 15% of consumer and commercial loans. This line is secured with collateral with a maturity of up to 4 years. Banks can use government bonds, corporate bonds or highly rated large commercial loans as collateral for these lines. The second line available, the LCL, is part of this same 15% of the FCIC, however this is unsecured and available for banks for up to 2 years and each bank is limited by the liquidity reserve requirements by Central Bank. The rate to be charged on these credit lines is the Monetary Policy Rate, which as of March 31, 2020 was 0.5%. Ultimately these credit lines should provide the liquidity to banks to enable them to continue financing companies and individuals. In 1Q20 the Bank had not used these lines, but as of the date of this report, the Bank has taken down Ch\$1.162 trillion from these Central Bank funding facilities.

The Central Bank has also announced **a temporary adjustment to the liquidity requirements of Banks**, suspending the 30 and 90 day liquidity requirements and offering flexibility on the compliance with the LCR, remaining at 70% for 2020. Santander Chile has kept its policy of maintaining ample liquidity levels during this period. **Our LCR reached 205% as of March 31, 2020.**

The Government announced **the extension of the Fogape fund**, offering state guarantees for lending to SMEs, defined as companies with annual sales of up to 1,000,000 UF. The government estimates that this program will benefit 99.8% of the companies in Chile. The state will guarantee between 60-85% of the loans given by banks to qualifying companies, with loans to smaller companies receiving higher levels of guarantees. These loans will have a maximum amount of 3 months of sales, a preferential interest rate of the Central Bank Monetary Policy Rate (currently at 0.5%) + 3% and a term of 24-48 months. There will also be a 6-month grace period, which also includes other loans with the same bank. The use of proceeds of these lines will be limited and cannot be used to distribute capital to owners, pay dividends or make new fixed asset investments. In addition, the CMF will permit for all commercial loans that are 30 days or less overdue, a grace period of up to 6 months with no impact of provisioning levels.

The CMF has **announced measures for reprogramming loans to individuals**. These are:

- Mortgages: Maximum grace period of 6 months for debtors who are 0-30 days overdue.
- Consumer loans: Maximum grace period of 3 months for debtors who are 0-30 days overdue.

The CMF also approved the freezing of provisions of these reprogrammed loans while they are in the payment holiday period. The CMF also announced the temporary extension in the write off in assets received in payment from 12 to 18 months, and the possibility to use the excess of mortgage guarantees to guarantee SME loans. For our larger commercial loans, provisions are estimated based on internal ratings which consider the following factors: industry or sector, business position, partners and management, financial situation, payment capacity and payment behavior.

In terms of capital ratios, the CMF announced **flexibility for the implementation of Basel III in Chile, postponing phase in until December 2021.**

Loan growth driven by Middle-market and large corporates in the quarter

Total loans increased 12.3% YoY and 5.0% QoQ, driven by higher demand for commercial loans from the **Middle-market** and **CIB** segment in the quarter. On a year-on year basis, growth was driven by mortgage lending due to low

interest rates in the second and third quarter of 2019 and by the acquisition of Santander Consumer S.A. in 4Q19 leading to consumer loan growth of 10.8% YoY.

In the quarter, loans from our **Middle-market** and **CIB** segments grew strongly 8.6% QoQ and 30.0% QoQ, respectively. Our strategy with these segments continues to focus on the overall profitability of clients. After the social unrest experienced in Chile in 4Q19, the first quarter of 2020 saw a relatively quick rebound of economic activity. Once the COVID-19 crisis intensified, larger companies increased their demand for credit lines.

As of March asset quality remains stable with coverage of NPLs of 135.9%

During the quarter provisions increased 34.9% YoY and decreased 32.3% QoQ. The higher YoY expense is mainly due to the evolving Covid-19 crisis and strong loan growth of 12.3% YoY. The QoQ decrease is mainly explain by the strong increase in provisions in 4Q19, a slight deterioration in asset quality from the social unrest in Chile and an expected weaker economic scenario for 2020. Provisions in 4Q19 also included establishing additional provisions² of Ch\$16 billion for our consumer loan book analyzed on a group basis to cover possible higher risk levels and any greater provisions required by the bank regulator for this portfolio in 2020.

After the social unrest in 4Q19 the asset quality quickly started to show signs of rebounding, highlighting the responsible management of our loan book in recent years. The **NPL ratio** improved from 2.1% in 4Q19 to 2.0% in 1Q20, similar to 1Q19 and **impaired loans ratio** improved from 5.9% in 4Q19 and 1Q19 to 5.7% in 1Q20. The **total Coverage ratio** including the additional provisions reached 135.4% at year-end 2019. The **expected loan loss ratio** (Loan loss allowance over total loans) improved from 2.8% in 4Q19 to 2.7% in 1Q20. The **cost of credit for 1Q20** reached 1.2%, an improvement on the 1.9% in 4Q19. Asset quality saw limited impact from the COVID-19 crisis in 1Q20.

Non-interest bearing demand deposits increase 7.3% QoQ and 29.6% YoY

The Bank's **total deposits** increased 17.7% YoY and 7.5% QoQ in 1Q20. In the quarter, **non-interest bearing demand deposits**, which grew 7.3% QoQ and 29.6% YoY due to high growth of retail checking accounts and continued strength in the Bank's transactional banking services for companies as they looked to increase their liquidity to confront the coming months. Account opening among retail clients was also strong in the quarter. This also led to a high liquidity ratio with the Bank's **LCR** and **NSFR** reaching 205% and 109%, respectively.

In 2020, the Central Bank continued with its aggressive reduction of the Monetary Policy Rate (MPR). Despite this, **time deposits** increased 9.9% YoY and 7.7% QoQ, lowering time deposit funding costs. The low rate environment also drove the 20.0% YoY and 7.0% QoQ rise in **mutual funds** brokered through the Bank, as clients searched for higher yielding investments.

Bonds grew 21.2% YoY and 8.8% QoQ in part due to the strong increase in mortgage growth over the last year, with our funding strategy aiming to match long-term assets with long-term bonds. In January, the Bank placed a 5 year bond

² Additional provisions as defined by the CMF, which are not specific to any loan provisioning model and must be approved by the Board

in the international market for US\$750 million. At the same time the Bank issued a subordinated bond totaling US\$ 200 million to bolster Tier II and regulatory capital levels.

Maintaining solid capital ratios

Shareholders' equity totaled Ch\$3,494,433 million as of March 31, 2020 and grew 5.2% YoY and 3.1% QoQ. The Bank's core capital ratio¹ was 9.7% and the total BIS ratio² was 12.7% as of March 2020 as compared to 10.1% and 12.9% respectively, as of December 31, 2019. **Risk weighted assets (RWA)** increased 16.8% in YoY and 7.4% QoQ driven by loan growth and the depreciation of the Chilean peso. Approximately 12% of our assets are denominated in US\$ and the depreciation of the peso against the US\$ has led to an expansion of these loans when denominated in Chilean pesos. The Bank runs minimal foreign currency risk so a depreciation of the peso results in larger asset growth with no impact on equity and thus consuming capital. As mentioned above, the Bank also issued a Tier II bond to bolster total regulatory capital levels. This issuance is considered as Tier II capital for our BIS ratio and helps soften the fall in this ratio due to the foreign exchange effects.

Payout reduced to 30% to support capital levels and client growth

In the recent past, the Bank has maintained a dividend policy of between 60-70% of net income. However, given the evolving Covid-19 crisis, the depreciation of the peso and the need to support clients during the current economic downturn, the Bank has proposed a dividend payout of 30% of 2019 net income to be approved at the next Shareholders' meeting on April 30, 2020. Of the remaining 70% of 2019 net income, 40% will be assigned to reserves and 30% will continue as retained earnings. The dividend yield considering the stock price at the record date in Chile was 2.7%

Higher NIMs in the quarter due to higher inflation and improved funding mix

In 1Q20, **Net interest income, NII**, increased 20.3% compared to 1Q19 and 3.3% compared to 4Q19. This rise was driven by strong growth of interest earning assets and a higher Net interest margin (NIM). The Bank's **NIM** in 1Q20 was 4.2%, stable compared to 4Q19 and an improvement on the 3.9% in 1Q19. The YoY increase in the NIM was mainly due to the higher UF inflation rate, a decrease of 250bp in the short-term interest rates, and the improved funding mix driven by the high growth of demand deposits.

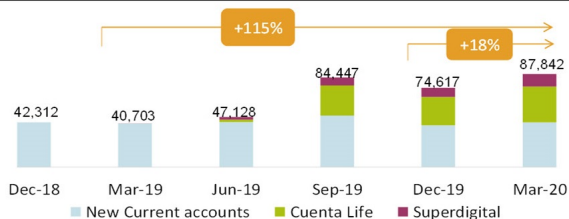
Record client growth and client satisfaction. Number 1 in NPS.

The Bank's business activity remained solid in 1Q20 with record account openings in the quarter, reflecting the strength of the Bank's digital channels in capturing new clients and cross-selling existing ones. In 2018, client acquisition ranged

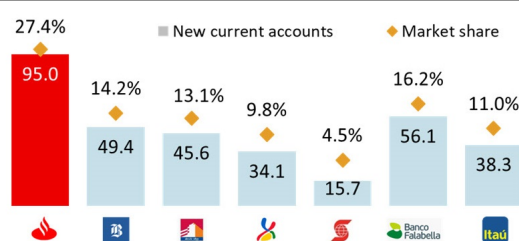
1. Core Capital ratio = Shareholders' equity divided by Risk-weighted Assets (RWA) according to CMF BIS I definitions.
2. BIS ratio: Regulatory capital divided by RWA.

between 30,000-40,000 a quarter compared to 60,000 in 2019 and 87,000 in 1Q20. Santander Life continues to be the main contributor to new client growth due to the success of this product's Merit Program and Digital On-boarding process. Superdigital also had a record quarter in terms of new clients entering this program. Furthermore, Santander Chile's market share in new checking account openings reached 27.4% in 2019.

Quarterly new gross accounts



Current account openings 12M19

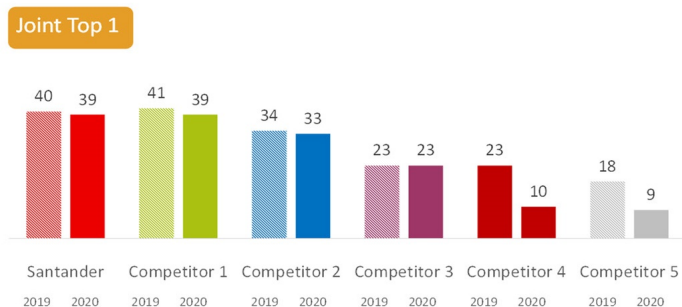


* Market share with information published by the CMF as of Dec. 2019.

The rise in clients and cross-selling was also fueled by the ongoing improvements in client service. According to the latest surveys, we became Top 1 in Net Promoter Score (NPS), closing the gap with the leader.

Reaching Top 1 in Net Promoter Score

Net Promoter Score (NPS)



Investment plans moving forward. Klare launched.

The Bank has announced a 3-year investment plan totaling US\$380 million for 2019-2021 assigned for digital transformation, which includes expanding the transformation of branches and back-office functions, investment in cyber security and increasing access of clients and non-clients to financial services, mainly through digital channels. The Bank expects to continue forward with the main elements of this plan in 2020 with a special emphasis on further improving the digitalization and automatization process loan approvals, especially for SMEs.

In April, Klare was officially launched (www.klare.cl). This is an online digital platform for brokering insurance products of an insurtech that Santander supports. In the first stage, it will be offering mainly life insurance and expects to add on more products in the future. In this site individuals can easily compare and shop for a life insurance that suits their needs and budget.



Fee income increasing 5.3% YoY driven by the rise in clients card fees

The strength of client growth, rising client loyalty and our successful strategy in the card business drove fee income in the quarter, which increased 5.3% YoY. Fees from retail banking increased 2.0% YoY and fees from the Middle-market segment rose 8.0% YoY.

Lower treasury income in the quarter

Results from Total financial transactions, net was a gain of Ch\$22,847 million in 1Q20, a decrease compared to 1Q19 and 4Q19. **Client treasury services** revenues, which make up the bulk of our treasury income, reached a solid gain of Ch\$30,413 million in the quarter, an increase of 0.5% compared to 1Q19 and a decrease of 13.3% compared to 4Q19. With the uncertainty in the global markets and volatility of exchange rates, demand for treasury products remained high. **Non-client treasury** totaled a loss of Ch\$7,566 million in the quarter main due to the increase in volatility in fixed income markets that led to a higher loss from the credit value adjustment of derivatives.

Productivity continues to rise. Efficiency ratio of 40.6% in the quarter

In 1Q20, **operating expenses** increased 6.2% YoY and 1.1%QoQ. The YoY growth was mainly due to the depreciation of the peso, the spike in inflation and the incorporation of Santander Consumer in the quarter. This affected mainly administrative expenses, many of which are either indexed to inflation or are denominated in foreign currency. Productivity continued to improve with volumes (loans plus deposits) per branch increasing 18.2% YoY and volumes per employee rising 16.6% YoY. YTD Operating expenses to total assets improved to 1.4% in 2020 compared to 1.8% in 2019 with the Bank's **efficiency ratio** reaching 40.6% in 3M20.

Summary of Quarterly Results

(Ch\$m)	Quarter			Change %	
	1Q20	4Q19	1Q19	1Q20/1Q19	1Q20/4Q19
Net interest income	388,299	375,821	322,701	20.3%	3.3%
Net fee and commission income	74,405	76,702	70,675	5.3%	(3.0%)
Total financial transactions, net	22,847	54,444	38,845	(41.2%)	(58.0%)
Provision for loan losses	(102,870)	(152,004)	(76,274)	34.9%	(32.3%)
Operating expenses (excluding Impairment and Other operating expenses)	(191,172)	(189,081)	(180,056)	6.2%	1.1%
Impairment, Other op. income & expenses	(15,284)	(15,429)	(9,009)	69.7%	(0.9%)
Operating income	176,225	150,453	166,882	5.6%	17.1%
Net income attributable to shareholders	144,014	116,707	125,430	14.8%	23.4%
Net income/share (Ch\$)	0.76	0.62	0.67	14.8%	23.4%
Net income/ADR (US\$) ¹	0.36	0.33	0.39	(8.6%)	8.0%
Total loans	34,355,159	32,731,735	30,600,260	12.3%	5.0%
Deposits	25,257,945	23,490,249	21,462,046	17.7%	7.5%
Shareholders' equity	3,494,433	3,390,823	3,321,798	5.2%	3.1%
Net interest margin	4.2%	4.2%	3.9%		
Efficiency ratio ²	40.6%	38.3%	42.5%		
Return on equity ³	16.8%	13.9%	15.3%		
NPL / Total loans ⁴	2.0%	2.1%	2.0%		
Coverage NPLs ⁵	133.5%	133.0%	127.4%		
Cost of credit ⁶	1.2%	1.9%	1.00%		
Core Capital ratio ⁷	9.7%	10.1%	10.8%		
BIS ratio ⁸	12.7%	12.9%	13.6%		
Branches	368	377	380		
ATMs (includes depositary ATMs)	1,093	1,088	1,031		
Employees	11,078	11,200	11,280		

1. The change in earnings per ADR may differ from the change in earnings per share due to exchange rate movements. Earnings per ADR was calculated using the Observed Exchange Rate (Exchange rate for the last trading day of the quarter taken from the Central Bank of Chile) for each period.

2. Efficiency ratio: Operating expenses excluding impairment and Other operating expenses divided by Operating income. Operating income = Net interest income + Net fee and commission income + Total financial transactions, net + Other operating income minus Other operating expenses.

3. Return on average equity: annualized quarterly net income attributable to shareholders divided by Average equity attributable to shareholders in the quarter. Averages calculated using monthly figures.

4. NPLs: Non-performing loans: total outstanding gross amount of loans with at least one installment 90 days or more overdue.

5. Coverage NPLs: loan loss allowances divided by NPLs

6. Cost of credit: annualized provision for loan losses divided by quarterly average total loans. Averages calculated using monthly figures

7. Core capital ratio = Shareholders' equity divided by risk-weighted assets according to CMF BIS I definitions

8. BIS ratio: regulatory capital divided by RWA.

Section 3: YTD Results by reporting segment

Net contribution from business segments down 2.6% YoY

Year to date results

	Retail Banking ¹	Middle market ²	SCIB ³	Total segments ⁴
Net interest income	250,051	77,039	23,375	350,465
Change YoY	8.3%	11.8%	4.4%	8.8%
Net fee and commission income	58,332	10,710	6,423	75,465
Change YoY	2.0%	8.0%	(15.3%)	1.1%
Total financial transactions, net	7,530	3,399	8,693	19,622
Change YoY	28.1%	(20.6%)	(54.8%)	(33.3%)
Total revenues	315,913	91,148	38,491	445,552
Change YoY	7.5%	9.6%	(21.8%)	4.5%
Provision for loan losses	(72,346)	(17,617)	(1,214)	(91,177)
Change YoY	6.0%	74.5%	281.8%	15.9%
Net operating profit from business segments⁵	243,567	73,531	37,277	354,374
Change YoY	8.0%	0.7%	(23.8%)	2.0%
Operating expenses ⁶	(148,841)	(22,732)	(17,350)	(188,923)
Change YoY	8.1%	(0.1%)	0.9%	6.3%
Net contribution from business segments⁷	94,725	50,799	19,927	165,451
Change YoY	7.8%	1.0%	(37.2%)	(2.6%)

1. Retail consists of Individuals and SMEs with annual sales below Ch\$2,000 million.

2. Middle-market is made up of companies with annual sales exceeding Ch\$2,000 million. It also serves institutions such as universities, government entities, local and regional governments and companies engaged in the real estate industry with annual sales exceeding Ch\$800 million.

3. Santander Corporate & Investment Banking: consists of foreign and domestic multinational companies with sales over Ch\$10,000 million. Formerly called GBM

4. Excludes the results from Corporate Activities, which includes, among other items, the impact of inflation on results, the impact of movements in the exchange rate in our provision expense and the results from our liquidity portfolio.

5. Net op. profit is defined as Net interest income + Net fee and commission income + Total financial transactions - Provision for loan losses.

6. Operating expenses = Personnel expenses + Administrative expenses + Depreciation.

7. The clients included in each business segment are constantly revised and reclassified if a client no longer meets the criteria for the segment they are in. Therefore, variations of loan volumes and profit and loss items reflect business trends as well as client migration effects.

Net contribution from our business segments decreased 2.6% YoY in 3M20 compared to the same period of 2019, affected by higher **provisions** following the social unrest in 4Q19 and lower client treasury results. Furthermore, **Operating expenses** increased 6.3% YoY due to higher inflation and the depreciated exchange rate, increasing our contract payments with suppliers.

On the other hand, **total revenues** increase 4.5% YoY driven by margins and fee growth. **Net interest income** (NII) from the business segments in 2020 grew 8.8% YoY mainly affected by strong loan growth of 12.3% YoY with strong mortgage growth during 2019 due to low interest rates, the incorporation of Santander Consumer Chile S.A., an auto financier, to our portfolio and more recently an increase in demand for commercial loans from companies due to the expected uncertainty for the year ahead with the corporate loan book growing 36.6% YoY. **Net fee and commission income** grew 1.1% from the business segments with higher fees generated by card fees and checking account fees from growth of clients opening our digital products such as Life and Superdigital. After a strong 2019, **Financial transactions from our business segments** decreased 33.3% YoY as demand from clients for treasury products at this time reduced.

Operating expenses in our business segments also increased 6.3% YoY mainly due to higher inflation and the depreciation of the Chilean Peso affecting payments to suppliers for maintenance and security as well as suppliers of our technology and innovations.

The net contribution from Retail banking increased 7.8% YoY. Total revenues increased 7.5% YoY. Net interest income in this segment grew 8.3% due to the increase in mortgage loans by the low interest rates in 2019 and the incorporation of Santander Consumer Chile S.A., increasing higher yielding consumer loans. Fees in this segment increased 2.0% due to an increase in fees from cards and checking accounts as the Bank moved cards to the 4-part interchange fee model and launched Superdigital and expanded Santander Life. Client treasury revenues in this segment increased 28.1% YoY due to good treasury sales to SMEs. Operating costs increased by 8.1% YoY as maintenance and security costs for our branches and payments for contracts with technology suppliers increased due to higher inflation and a depreciated Chilean peso.

Net contribution from the Middle-market increased 1.0% YoY in 3M20. Total revenues in this segment grew 9.6%, led by an increase of 11.8% in net interest revenue higher than the loan growth in this segment of 11.5% YoY, and fee growth of 8.0% YoY. This was offset by higher provision expense in the quarter following the period of social unrest in 4Q19.

Net contribution from the SCIB decreased 37.2% YoY in 3M20. Performance in the quarter was negatively affected by a lower client treasury income and a drop in fee generating investment banking services as corporates prepared themselves to confront the Covid-19 crisis. On the other hand, this led to a strong increase in loan volumes in the quarter of 30.0% YoY.

Section 4: Loans, funding and capital

Loan growth driven by Middle-market and Corporate lending in the quarter

Total loans increased 12.3% YoY and 5.0% QoQ, driven by higher demand for commercial loans from the Middle-market and CIB segment in the quarter. On a year-on year basis, growth was driven by mortgage lending due to low interest rates in the second and third quarter of 2019 and by the acquisition of Santander Consumer S.A. in 4Q19 leading to consumer loan growth of 10.8% YoY.

Loans by segment

(Ch\$m)	YTD			Change %	
	Mar-20	Dec-19	Mar-19	Mar-20/Mar-19	Mar-20/Dec-19
Total loans to individuals¹	19,261,504	18,833,518	17,150,134	12.3%	2.3%
Consumer loans	5,451,276	5,539,057	4,920,318	10.8%	(1.6%)
Residential mortgage loans	11,664,135	11,262,995	10,335,335	12.9%	3.6%
SMEs	4,128,892	4,085,049	3,832,920	7.7%	1.1%
Retail banking	23,390,396	22,918,568	20,983,054	11.5%	2.1%
Middle-market	8,789,095	8,093,496	7,885,255	11.5%	8.6%
Corporate & Investment banking (SCIB)	2,172,932	1,671,662	1,590,697	36.6%	30.0%
Total loans^{2,3}	34,355,161	32,731,735	30,600,260	12.3%	5.0%

1. Includes consumer loans, residential mortgage loans and other commercial loans to individuals

2. Total loans gross of loan loss allowances. Total loans include other non-segmented loans and includes interbank loans. See Note 4 of the Financial Statements.

3. The clients included in each business segment are constantly revised and reclassified if a client no longer meets the criteria for the segment they are in. Therefore, variations of loan volumes and profit and loss items reflect business trends as well as client migration effects.

In the quarter, loans from our Middle-market and CIB segments grew strongly 8.6% QoQ and 30.0% QoQ, respectively. Our strategy with these segments continues to focus on the overall profitability of clients. After the social unrest experienced in Chile in 4Q19, the first quarter of 2020 saw a relatively quick rebound of economic activity. With the onset of the COVID-19 crisis, many companies began to takedown their approved credit lines further driving loan growth. Furthermore, the Chilean peso depreciated 14.2% in the quarter. Around 10% of our loan portfolio are denominated in foreign currency (mainly USD) corresponding to commercial loans, such as foreign trade loans. This led to translation gains for the loans denominated in USD, contributing to loan growth across all commercial segments.

Loans to SMEs increased 7.7% YoY and 1.1% QoQ with growth in the quarter being led by the larger SMEs. The Bank continued to maintain a conservative stance regarding loan growth in this segment by focusing on larger, less risky SMEs that will generate *non-lending* revenues as well.

In 4Q19, **Loans to individuals** increased 2.3% QoQ and 12.3% YoY. **Consumer loans** increased 10.8% YoY driven by the incorporation of Santander Consumer Chile S.A. in November following the final approval at the extraordinary shareholders' meeting in August and of the CMF¹. This contributed Ch\$443 billion of consumer loans as of March 2020, representing 8% of the consumer loan book. However, in 1Q20, the effect of the Covid-19 crisis led to a decrease of 1.6% QoQ of loans in this segment as clients became more restrictive in their consumption behavior.

1 Santander Consumer Chile S.A. does auto financing and we paid a total amount of Ch\$ 62,136 million for 51% of the company. The remaining 49% is owned by Banco Santander S.A. (Spain).

Mortgage loans increased 3.6% QoQ and 12.9% YoY. Long-term interest rates decreased in 2019, and despite rising in 4Q19 and 1Q20, they remained at attractive levels, fueling loan growth in this product. Furthermore, the high inflation rate in the quarter also drove growth in this product. Growth was focused among high income earners, which increased by 4.6% in the quarter and 18.6% YoY. The Bank also maintained an average loan-to-value ratio at origination below 80%. The increase in mortgage lending in the year has also contributed to a record level of checking accounts (See Funding) and has helped to drive fee income in the quarter.

As mentioned in the Summary, the Chilean Government, Central Bank and regulator, the CMF have announced measures to equip banks to support companies during the Covid-19 crisis. These measures facilitate the grace period offered to clients that are currently 0-30 days overdue. At the same time, the extension of the Fogape program will allow commercial clients to access working capital lines to finance their immediate needs, providing the Bank with a state guarantee for a portion of these loans.

Strong growth of funding boosts liquidity levels with LCR over 200%

Funding

(Ch\$m)	YTD			Change %	
	Mar-20	Dec-19	Mar-19	Mar-20/Mar-19	Mar-20/Dec-19
Demand deposits	11,047,625	10,297,432	8,526,343	29.6%	7.3%
Time deposits	14,210,320	13,192,817	12,935,703	9.9%	7.7%
Total Deposits	25,257,945	23,490,249	21,462,046	17.7%	7.5%
Mutual Funds brokered ¹	6,979,195	6,524,098	5,816,654	20.0%	7.0%
Bonds	10,340,124	9,500,723	8,534,221	21.2%	8.8%
Adjusted loans to deposit ratio ²	91.5%	95.1%	99.1%		
LCR ³	204.8%	142.7%	126.9%		
NSFR ⁴	109.4%	108.0%	108.8%		

1. Banco Santander Chile is the exclusive broker of mutual funds managed by Santander Asset Management S.A. Administradora General de Fondos, a subsidiary of SAM Investment Holdings Limited.

2. **Ratio = (Net Loans - portion of mortgages funded with long-term bonds) / (Time deposits + demand deposits)**. The Bank's mortgage loans are mainly fixed-rate long-term loans that we mainly finance with matching long-term funding and not with short-term deposits. For this reason, to calculate this ratio, we subtract residential mortgage loans funded with long term bonds in the numerator of our ratio.

3. Liquidity Coverage Ratio calculated according to Chilean regulations.

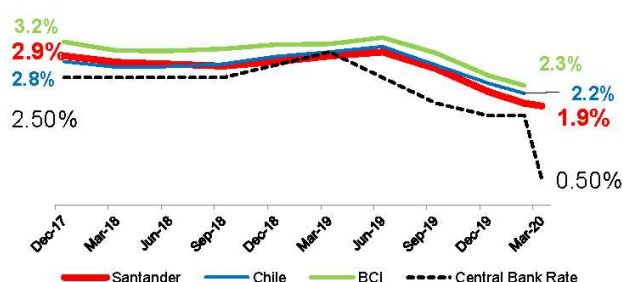
4. Net Stable Funding Ratio calculated using internal methodology. Chilean ratios are still under construction.

The Bank's **total deposits** increased 17.7% YoY and 7.5% QoQ in 1Q20. In the quarter, **non-interest bearing demand deposits** grew 7.3% QoQ and 29.6% YoY due to high growth of retail checking accounts and continued strength in the Bank's transactional banking services for companies as clients looked to increase their liquidity to confront the coming months. As of December 2019, Santander Chile's market share in new account openings in this month reached 27.4% and overall market participation in checking accounts increased to 21.7% (up from 21.3% in December 2018) This also led to a high liquidity ratio with the Bank's LCR and NSFR reaching 205% and 109%, respectively.

Time deposits increased 9.9% YoY and 7.7% QoQ. This growth was achieved despite lower rates as the Central Bank continued to lower its MPR, which serves as reference rate for most CLP denominated deposits. At the same time the Bank continued to enforce time deposit price discipline, improving our time deposit funding cost in nominal pesos in absolute terms and compared to our main peers.

The low rate environment also drove the 20.0% YoY and 7.0% QoQ rise in **mutual funds** brokered through the Bank as clients searched for higher yielding investments driving asset management brokerage fees.

CLP Time Deposit Cost Evolution*



*Quarterly interest expenses paid on nominal peso deposits over quarterly avg balance of nominal peso time deposits

Bonds grew 21.2% YoY and 8.8% QoQ in part due to the strong increase in mortgage growth over the last year, with our funding strategy aiming to match long-term assets with long-term bonds. In January the Bank placed a 144A bond in the US market for a total of US\$742.5 million for 5 years and a subordinated bond for US\$200 million for 10 years. Furthermore, in April the Bank placed 2 more subordinated bonds for a total of UF6 million. These issuances allowed the Bank to buy back shorter terms bonds and also contributed to solidify our Tier II capital and BIS ratios.

Solid ROAE of 16.8% in 3M20

Equity

(Ch\$m)	YTD			Change %	
	Mar-20	Dec-19	Mar-19	Mar-20/Mar-19	Mar-20/Dec-19
Capital	891,303	891,303	891,303	--%	--%
Reserves	2,121,148	2,121,148	1,923,022	10.3%	--%
Valuation adjustment	(5,293)	(8,093)	5,341	(199.1%)	(34.6%)
Retained Earnings:					
Retained earnings prior periods	552,093	-	591,902	(6.7%)	--%
Income for the period	144,014	552,093	125,430	14.8%	(73.9%)
Provision for mandatory dividend	(208,832)	(165,628)	(215,200)	(3.0%)	26.1%
Equity attributable to equity holders of the Bank	3,494,433	3,390,823	3,321,798	5.2%	3.1%
Non-controlling interest	80,285	79,494	46,391	73.1%	1.0%
Total Equity	3,574,718	3,470,317	3,368,189	6.1%	3.0%
Quarterly ROAE	16.8%	13.9%	15.3%		
YTD ROAE	16.8%	16.7%	15.3%		

Shareholders' equity totaled Ch\$3,494,433 million as of March 31, 2020 and grew 5.2% YoY and 3.1% QoQ. The Bank achieved a solid ROAE² in 3M20 of 16.8%, higher than 4Q19 which was affected by the social unrest and 1Q19 affected by 0.0% inflation.

Given the evolving Covid-19 crisis and the uncertainty of the effects on the economy and business activity, the Bank has proposed a reduction of its dividend payout to 30% to be approved at the next Shareholders' meeting to be held on April 30, 2020. This decision was made to maintain healthy capital ratios and to support loan growth to our clients in the coming months. The Bank, in line with regulations, provisions 30% of net income in the line item "Provision for mandatory dividend" in Equity. The proposed payout will, therefore, not affect our capital ratios once the dividend is paid. Of the remaining 70% of 2019 net income, 40% will be assigned to reserves and 30% will be classified as retained earnings.

Capital Adequacy

(Ch\$mn)	YTD			Change %	
	Mar-20	Dec-19	Mar-19	Mar-20/Mar-19	Mar-20/Dec-19
Tier I (Core Capital)	3,494,433	3,390,823	3,321,798	5.2%	3.1%
Tier II	1,089,880	913,578	861,633	26.5%	19.3%
Regulatory capital	4,584,313	4,304,401	4,183,431	9.6%	6.5%
Risk weighted assets	35,972,079	33,478,951	30,793,029	16.8%	7.4%
Tier I (Core Capital) ratio	9.7%	10.1%	10.8%		
BIS ratio	12.7%	12.9%	13.6%		

The Bank's core capital ratio³ was 9.7% and the total BIS ratio⁴ was 12.7% as of March 2020. **Risk weighted assets (RWA)** increased 16.8% in YoY and 7.4% QoQ. This was driven by loan growth, inflation and the depreciation of the Chilean peso. Since March 2019 the Chilean Peso has depreciated 25.6% and 14.2% since December 2019. This negatively affects our capital ratios as around 12% of our assets, mainly loans, some bonds and other assets are denominated in foreign currency, mainly US\$ dollars. As the peso depreciates, this inflates our risk-weighted assets, however, as we do not have a significant foreign currency gap, our capital is not affected. This leads to a distortion in our capital ratios. We estimate that the effect of the depreciation of the Chilean peso led to a 67bp decrease in our core capital ratio YTD as of March 2020.

In January the Bank issued a subordinated bond for US\$200 million for 10 years. Furthermore, in April the Bank placed 2 more subordinated bonds for a total of UF6 million. These issuances are considered as Tier II capital for our BIS ratio and help soften the fall in this ratio due to the foreign exchange effects.

The regulator has decided to postpone implementation of BIS III until the end of 2021. In any case, by the end of 2020 we will have all the guidelines and regulations published, with the phase in to start in December 2021. In addition, we continue to believe that the implementation of **Basel III** in Chile will be neutral to positive for the Bank.

2. Return on average equity

3. Core Capital ratio = Shareholders' equity divided by Risk-weighted Assets (RWA) according to CMF BIS I definitions.

4. BIS ratio: Regulatory capital divided by RWA.

Section 5: Analysis of quarterly income statement

Higher margins in the quarter due to higher inflation and positive funding mix

Net interest income/ Margin

(Ch\$m)	Quarter			Change %	
	1Q20	4Q19	1Q19	1Q20/1Q19	1Q20/4Q19
Net interest income	388,299	375,821	322,701	20.3%	3.3%
Average interest-earning assets	36,919,662	35,813,783	33,081,958	11.6%	3.1%
Average loans (including interbank)	33,574,758	32,460,418	30,462,954	10.2%	3.4%
Avg. net gap in inflation indexed (UF) instruments ¹	5,904,902	4,755,853	4,089,213	44.4%	24.2%
Interest earning asset yield ²	6.9%	7.0%	5.6%		
Cost of funds ³	2.7%	2.8%	1.7%		
Net interest margin (NIM)⁴	4.2%	4.2%	3.9%		
Quarterly inflation rate ⁵	1.0%	0.9%	0.0%		
Central Bank reference rate	0.5%	1.8%	3.0%		

1. The average quarterly difference between assets and liabilities indexed to the Unidad de Fomento (UF), an inflation indexed unit.

2. Interest income divided by average interest earning assets.

3. Interest expense divided by sum of average interest bearing liabilities and demand deposits.

4. Annualized net interest income divided by average interest earning assets.

5. Inflation measured as the variation of the Unidad de Fomento in the quarter.

In 1Q20, **Net interest income, NII**, increased 20.3% compared to 1Q19 and 3.3% compared to 4Q19. The Bank's **NIM** in 1Q20 was 4.2%, stable compared to 4Q19 and an improvement on the 3.9% NIM in 1Q19. The Bank has two major sensitivities in its balance sheet in a 12M period: (i) net asset sensitivity to inflation, since the Bank has more assets than liabilities linked to inflation and (ii) net liability sensitivity to short-term rates, since the Bank's time deposits are mainly denominated in nominal peso and have a shorter duration than interest earning assets.

The YoY increase in the NIM was mainly due to the higher UF inflation rate, a decrease of 250bp in the short-term interest rates, the improved funding mix driven by the high growth of demand deposits. The variation of the UF⁵ was 1.0% compared to 0.0% in 1Q19, mainly due to the depreciation of the Chilean peso. Simultaneously, the Central Bank has continued a process of relaxing monetary policy with the latest rate cuts in March 2020, when it was reduced to 0.5%, considered to be the technical minimum by the Central Bank. This had a positive impact on deposit costs denominated in nominal pesos which comprise the majority of our time deposits. Furthermore, in 1Q20 the increase in non-interest bearing demand deposits also had a positive impact on margins. The incorporation of Santander Consumer also helped to boost margins. These positive effects were partially offset by the high level of refinancing of mortgage loans that lowered the asset yield on this product and growth focused in the corporate sector.

NIMs remained stable compared to 4Q19 despite the new regulation on lines of credit. Beginning on January 1, 2020 banks must automatically pay outstanding lines of credits and we estimate that lowered NIMs in 1Q20 by approximately 7 bp. During the quarter the Bank managed the UF gap in line with the greater inflation due to the depreciation of the US\$. This efficient management also helped to sustain margins and provide profitability during the

⁵ UF or Unidad de Fomento, an inflation indexed unit used in Chile

quarter. On the other hand, QoQ loan growth was mainly driven by lower yielding corporate loans.

As of March asset quality remained stable with coverage of 135.9%.

During the quarter provisions increased 34.9% YoY and decreased 32.3% QoQ. The higher YoY expense is mainly due to the impact on asset quality from the social unrest events of 4Q19 and strong loan growth of 12.3% YoY. After the social unrest in 4Q19 the asset quality quickly started to show signs of rebounding highlighting the responsible management of our loan book in recent years. There were also few impacts of the COVID-19 crisis on asset quality in 1Q20.

The **cost of credit** in 1Q20 reached 1.2%, which even though was higher than the level reached in 1Q19, was an improvement on the 1.9% obtained in 4Q19, below the level reached in 4Q19, as the economy up until February was beginning to rebound from the social crisis. Provisions in 4Q19 also included establishing additional provisions⁶ of Ch\$16 billion for our consumer loan book analyzed on a group basis to cover possible higher risk levels and any greater provisions required by the bank regulator for this portfolio in 2020.

The **NPL ratio** improved from 2.1% in 4Q19 to 2.0% in 1Q20 and similar to the level reached in 1Q19. The **impaired loans ratio** improved from 5.9% in 4Q19 and 1Q19 to 5.7% in 1Q20. The **total Coverage ratio**, including the additional provisions for consumer loans, reached 135.9% in 1Q20. The **expected loan loss ratio** (Loan loss allowance over total loans) improved from 2.8% in 4Q19 to 2.7% in 1Q20.

The CMF has announced a delay in provisioning requirements for consumer, mortgage and commercial loans that are less than 30 days overdue as of March 31, 2020 and in which the payment schedule has been reprogrammed due to the COVID-19 crisis. For loans that are over 30 days overdue as of March 31, 2020 there is no provisioning relief, but banks may reprogram them on a case by case basis.

Provision for loan losses by product

(Ch\$mn)	Quarter			Change %	
	1Q20	4Q19	1Q19	1Q20/1Q19	1Q20/4Q19
Consumer loans ²	(41,149)	(102,022)	(44,101)	(6.7%)	(59.7%)
Commercial loans ¹	(61,088)	(38,794)	(29,619)	106.2%	57.5%
Residential mortgage loans	(633)	(11,188)	(2,554)	(75.2%)	(94.3%)
Total Provision for loan losses	(102,870)	(152,004)	(76,274)	34.9%	(32.3%)

1. Includes provision for loan losses for contingent loans.

2. In 4Q19 we recognized additional provisions of Ch\$16 billion for our Consumer portfolio considering the social unrest.

Provision expense for commercial loans increased 106.2% compared to 1Q19 and increased 57.5% compared to 4Q19. The increase in provisions in 1Q20 was mainly due to: the increase in commercial loans in the quarter, growing 8.2% QoQ and 12.5% YoY and higher provisioning for certain sectors with increased risk due to expected lower economic growth resulting from the social unrest in 4Q19, particularly commerce, tourism and restaurant sectors. Nonetheless,

⁶ Additional provisions as defined by the CMF, which are not specific to any loan provisioning model and must be approved by the Board

asset quality of commercial loans improved compared to 4Q19 with the **impaired commercial loan ratio** improving from 7.0% in 4Q19 to 6.6% in 1Q20 and the **commercial NPL ratio** improving from 2.5% in 4Q19 to 2.3% in 1Q20. With this the **coverage ratio of non-performing commercial loans** increased from 128.0% in 4Q19 to 134.6% in 1Q20. As of March 31, 2020 there was still limited impact on asset quality in commercial lending due to the COVID-19 crisis.

Provisions for loan losses for consumer loans decreased 6.7% compared to 1Q19 and 59.7% compared to 4Q19. As a reminder, in 4Q19 the Bank incorporated the operations of Santander Consumer Chile S.A. an auto-financing company and the inclusion of additional provisions of Ch\$16 billion due to the expected lower economic growth in 2020 and expected changes to requirements of the banking regulator. The **consumer NPL ratio** remained stable at 1.6% 1Q20 compared to 4Q19 and showed an improvement compared to the 1.7% in 1Q19. The **impaired consumer loan ratio** increased slightly from 5.1% in 4Q19 to 5.2% in 1Q20, however this was an improvement on the 5.5% in 1Q19. The **coverage of consumer loans** including the additional provisions, was 349.2% in the quarter. As of March 31, 2020 there was still limited impact on asset quality of consumer loans due to the COVID-19 crisis.

Provisions for loan losses for residential mortgage loans amounted to Ch\$633 million in 1Q20 as the asset quality remained stable compared to 4Q19 with the **NPL ratio of mortgage loans** remaining at 1.6% while the **impaired mortgage loan ratio** also remained at 4.7%. The **coverage of mortgage loans** finished the quarter at 36.0%. We have maintained a focus on originating mortgage loans among high income earners and with an average loan to value below 80%. This has been a key factor in maintaining healthy asset quality in this product. As of March 31, 2020 there was still limited impact on asset quality of consumer loans due to the COVID-19 crisis.

Provision for loans losses and asset quality

(Ch\$mn)	Quarter			Change %	
	1Q20	4Q19	1Q19	1Q20/1Q19	1Q20/4Q19
Gross provisions	(97,572)	(131,636)	(65,393)	49.2%	(25.9%)
Charge-offs ¹	(27,384)	(38,980)	(32,192)	(14.9%)	(29.7%)
Gross provisions and charge-offs	(124,956)	(170,616)	(97,585)	28.0%	(26.8%)
Loan loss recoveries	22,086	18,612	21,311	3.6%	18.7%
Provision for loan losses	(102,870)	(152,004)	(76,274)	34.9%	(32.3%)
Cost of credit²	1.23%	1.87%	1.00%		
Adjusted cost of credit ³	1.23%	1.68%	1.00%		
Total loans ⁴	34,355,159	32,731,735	30,600,260	12.3%	5.0%
Total Loan loss allowances (LLAs) ⁵	(922,993)	(909,167)	(814,559)	13.3%	1.5%
Non-performing loans⁶ (NPLs)	679,232	671,336	623,467	8.9%	1.2%
NPLs consumer loans	89,910	91,264	85,373	5.3%	(1.5%)
NPLs commercial loans	402,436	400,209	409,665	(1.8%)	0.6%
NPLs residential mortgage loans	186,886	179,863	128,429	45.5%	3.9%
Impaired loans⁷	1,957,827	1,916,609	1,797,460	8.9%	2.2%
Impaired consumer loans	284,998	280,920	268,467	6.2%	1.5%
Impaired commercial loans	1,129,970	1,106,565	1,054,114	7.2%	2.1%
Impaired residential mortgage loans	542,859	529,124	474,879	14.3%	2.6%
Expected loss ratio⁸(LLA / Total loans)	2.7%	2.8%	2.7%		
NPL / Total loans	2.0%	2.1%	2.0%		
NPL / consumer loans	1.6%	1.6%	1.7%		
NPL / commercial loans	2.3%	2.5%	2.7%		
NPL / residential mortgage loans	1.6%	1.6%	1.2%		
Impaired loans / total loans	5.7%	5.9%	5.9%		
Impaired consumer loan ratio	5.2%	5.1%	5.5%		
Impaired commercial loan ratio	6.6%	7.0%	6.9%		
Impaired mortgage loan ratio	4.7%	4.7%	4.6%		
Coverage of NPLs⁹	135.9%	135.4%	130.6%		
Coverage of NPLs non-mortgage ¹⁰	173.8%	171.1%	151.7%		
Coverage of consumer NPLs ¹¹	349.2%	359.7%	323.7%		
Coverage of commercial NPLs	134.6%	128.0%	115.8%		
Coverage of mortgage NPLs	36.0%	38.1%	49.5%		

1. Charge-offs corresponds to the direct charge-offs and are net of the reversal of provisions already established on charged-off loans.

2. Annualized provision for loan losses / quarterly average total loans. Averages are calculated using monthly figures.

3. Annualized provision for loan losses (adjusted to exclude the additional provision of Ch\$ 16,000 million in 4Q19) / quarterly average total loans. Averages are calculated using monthly figures.

4. Includes interbank loans.

5. Adjusted to include the Ch\$16,000 million additional provisions in 4Q19 and 1Q20.

6. Total outstanding gross amount of loans with at least one installment 90 days or more overdue.

7. Include: (a) for loans individually evaluated for impairment: (i) the carrying amount of all loans to clients that are rated C1 through C6 and, (ii) the carrying amount of all loans to an individual client with at least one NPL (which is not a residential mortgage loan past due less than 90 days), regardless of category; and (b) for loans collectively evaluated for impairment, the carrying amount of all loans to a client, when at least one loan to that client is not performing or has been renegotiated.

8. LLA / Total loans. Measures the percentage of loans that banks must provision for given their internal models and the CMF's guidelines. Adjusted to include the Ch\$16,000 million additional provisions in 4Q19.

9. LLA / NPLs. Adjusted to include the additional provision of Ch\$16,000 million in 4Q19 and 1Q20.

10. LLA of commercial and consumer loans / NPLs of commercial and consumer loans. Adjusted to include the additional provision of Ch\$16,000 million in 4Q19 and 1Q20.

11. LLA of consumer loans/consumer NPLs. Adjusted to include the additional provision of Ch\$16,000 million in 4Q19 and 1Q20.

Fee income increases 5.3% in the quarter driven by record client growth and card fees

The Bank's business activity remained solid in 1Q20 with record account openings in the quarter, reflecting the strength of the Bank's digital channels in capturing new clients and cross-selling existing ones. Total digital customers⁷ increased 22.2% YoY in 1Q20.

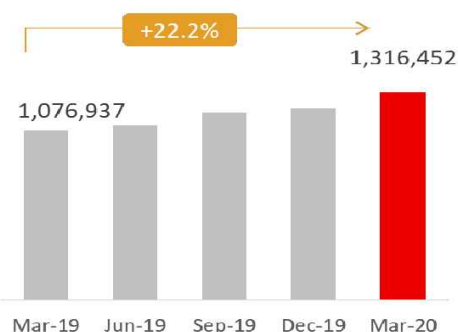
In 2018, client acquisition ranged between 30,000-40,000 a quarter compared to 60,000 in 2019 and 80,000 in 1Q20. Santander Life continues to be the main contributor to new client growth due to the success of this product's Merit Program and Digital On-boarding process. Superdigital also had a record amount of accounts opened in the quarter. Furthermore, Santander Chile's market share in new checking account openings reached 27.4% in 2019.

Cross-selling among existing clients also continued to rise in the quarter. Client loyalty⁸ continued to rise with loyal individual customers in the high-income segment growing 3.7% YoY and -0.3% YoY among middle-income clients. Loyal SMEs clients rising 2.4% in 2019.

April, Klare was officially launched (www.klare.cl). This is an online digital platform for brokering insurance products of an insurtech that Santander supports. In the first stage, it will be offering mainly life insurance and expects to add on more products in the future. In this site individuals can easily compare and shop for a life insurance that suits their needs and budget.

Fee income increased 5.3% compared to 1Q19 and decreased 3.0% compared to 4Q19. Fee growth in the quarter was mainly led by the following products: (i) strong growth in card and checking accounts; (ii) an increase in fees from guarantees and pledges from businesses (iii) an increase in fees from securities brokerage. The quarter started with solid fee growth in January and February from our cards and collection fees and fees from securities brokerage. However, in March, these same fees declined as the country started social distancing and quarantines, which lowered business activity and product usage.

Digital clients



⁷ Digital customers are clients who access their web account using a passcode.

⁸ Loyal high income and middle income customers with 4 products plus a minimum profitability level and a minimum usage indicator, all differentiated by segment. SME + Middle-market cross-selling differentiated by client size using a point system that depends on number of products, usage of products and income net of risk.

Fee Income by Client Segment

(Ch\$m)	Quarter			Change %	
	1Q20	4Q19	1Q19	1Q20/1Q19	1Q20/4Q19
Retail banking ¹	58,332	60,444	57,166	2.0%	(3.5%)
Middle-market	10,710	10,274	9,914	8.0%	4.2%
SCIB ²	6,423	8,326	7,584	(15.3%)	(22.9%)
Others	(1,060)	(2,342)	(3,989)	(73.4%)	(54.7%)
Total	74,405	76,702	70,675	5.3%	(3.0%)

1. Includes fees to individuals and SMEs

2. Santander Corporate and Investment Banking

Fees in Retail banking increased 2.0% YoY led by credit and debit card fees, insurance brokerage fees and asset management fees. Compared to 4Q19 fees decreased 3.5% as fee income was negatively affected by a weaker March due to the Covid-19 crisis.

Fees in the Middle-market increased 8.0% compared to 1Q19 and 4.2% compared to 4Q19. The increase in the quarter is mainly due to higher demand for guarantees and other contingent operations and financial advisory. Compared to 1Q19 fees in this segment increased 8.0% YoY mainly due to an increase in foreign trade operations in line with depreciation of the Chilean Peso.

Fees in SCIB decreased 73.4% YoY and 54.7% QoQ in the quarter, as our larger corporate clients required less financial advisory services and international deals due to lower economic activity.

Results from financial transactions impacted by non-client treasury results

Results from Total financial transactions, net was a gain of Ch\$22,847 million in 1Q20, a decrease compared to 1Q19 and 4Q19. It is important to point out that the Bank does not run a significant foreign currency gap. The Bank's spot position in foreign currency is hedged with derivatives that are either considered trading derivatives or hedge accounting derivatives. Derivatives that are considered trading are marked-to-market in net income from financial operations. Hedge accounting derivatives are mark-to-market together with the hedged item in net foreign exchange results. This distorts these line items, especially in periods of a strong volatility or appreciation/depreciation of the exchange rate.

Total financial transactions, net

(Ch\$m)	Quarter			Change %	
	1Q20	4Q19	1Q19	1Q20/1Q19	1Q20/4Q19
Net income (expense) from financial operations ¹	155,694	(106,774)	(168,510)	--%	--%
Net foreign exchange gain ²	(132,847)	161,218	207,355	(164.1%)	(182.4%)
Total financial transactions, net	22,847	54,444	38,845	(41.2%)	(58.0%)

1. These results include the realized gains of the Available for sale investment portfolio, realized and unrealized gains and interest revenue generated by Trading investments, gains or losses from the sale of charged-off loans and the realized gains (loss) or mark-to-market of derivatives.

2. The results recorded as Foreign exchange gain mainly include the translation gains or losses of assets and liabilities denominated in foreign currency as well as from our hedge accounting

derivatives.

In order to understand more clearly these line items, we present them by business area in the following table:

Total financial transactions, net by business

(Ch\$m)	Quarter			Change %	
	1Q20	4Q19	1Q19	1Q20/1Q19	1Q20/4Q19
Client treasury services	30,413	35,080	30,256	0.5%	(13.3%)
Non-client treasury income ¹	(7,566)	19,363	8,591	(188.1%)	(139.1%)
Total financ. transactions, net	22,847	54,444	38,846	(41.2%)	(58.0%)

1. Non client treasury income. These results includes interest income and the mark-to-market of the Bank's trading portfolio, realized gains from the Bank's available for sale portfolio and other results from our Financial Management Division.

Client treasury services revenues reached a gain of Ch\$30,413 million in the quarter, an increase of 0.5% compared to 1Q19 and a decrease of 13.3% compared to 4Q19. The movement of client treasury revenue, which usually makes up the bulk of our treasury income, reflects the demand on behalf of clients for treasury products, mainly for their hedging needs and market making. In general demand for treasury products by clients remained high in 1Q20, however results were affected by the abrupt reduction in activity in March.

Non-client treasury totaled a loss of Ch\$7,566 million in the quarter. The Bank's fixed income liquidity portfolio is mainly composed of Chilean sovereign risk and U.S. treasuries. During 2019, the Bank recognized record realized gains from the available for sale portfolio (AFS) as long-term rates continuously fell in the first nine months of 2019. In the first quarter of 2020 the Bank recognized lower realized gains from the mark-to-market of the AFS portfolio and increased volatility had a negative impact on the credit valuation adjustment of derivatives.

Productivity continues to rise. Efficiency ratio of 40.6% in the quarter

Operating expenses

(Ch\$mn)	Quarter			Change %	
	1Q20	4Q19	1Q19	1Q20/1Q19	1Q20/4Q19
Personnel salaries and expenses	(99,834)	(105,864)	(94,557)	5.6%	(5.7%)
Administrative expenses	(63,624)	(55,566)	(59,336)	7.2%	14.5%
Depreciation & amortization	(27,714)	(27,651)	(26,163)	5.9%	0.2%
Operating expenses¹	(191,172)	(189,081)	(180,056)	6.2%	1.1%
Impairment of property, plant and Equipment	(638)	(2,726)	-	--%	(76.6%)
Points of Sale	368	377	380	(3.2%)	(2.4%)
Standard	274	279	285	(3.9%)	(1.8%)
WorkCafé	53	53	43	23.3%	0.0%
Middle-market centers	7	7	7	0.0%	0.0%
Select	34	38	45	(24.4%)	(10.5%)
ATMs	1,093	1,088	1,031	6.0%	0.5%
Employees	11,078	11,200	11,280	(1.8%)	(1.1%)
Efficiency ratio²	40.6%	38.3%	42.5%	+195bp	-234bp
YTD Efficiency ratio²	40.6%	40.0%	42.5%	+195bp	-59bp
Volumes per branch (Ch\$mn) ³	161,992	149,130	137,006	18.2%	8.6%
Volumes per employee (Ch\$mn) ⁴	5,381	5,020	4,615	16.6%	7.2%
YTD Cost / Assets⁵	1.4%	1.7%	1.8%		

1. Excluding Impairment and Other operating expenses.

2. Efficiency ratio: Operating expenses excluding impairment and Other operating expenses divided by Operating income. Operating income = Net interest income + Net fee and commission income + Total financial transactions, net + Other operating income minus Other operating expenses.

3. Loans + deposits over branches (points of sale).

4. Loans + deposits over employees.

5. Operating expenses as defined in footnote 1 above, annualized / Total assets.

In 1Q20, operating expenses increased 6.2% YoY and 1.1% QoQ with the Bank's **efficiency ratio** reaching 40.6% in 3M20. Productivity continues to rise with volumes (loans plus deposits) per branch increasing 18.2% YoY and volumes per employee rising 16.6% YoY. YTD Operating expenses to total assets improved to 1.4% in 2020 compared to 1.8% in 2019.

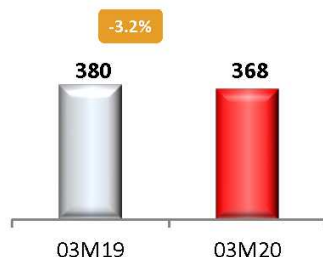
Personnel expenses increased 5.6% YoY and decreased 5.7% QoQ due to higher variable incentives from the positive start to the year. The QoQ decrease is due to seasonal gratification expenses.

Administrative expenses increased 7.2% YoY and 14.5% QoQ in 1Q20. This was mainly due to increased spending in maintenance of property, insurance policies, technology and security services mainly due to the increase in inflation as these contracts are agreed in the UF (inflation indexed unit) rather than the Chilean peso as is normal in Chile and therefore as inflation increased 1.0% in the quarter, these expenses did too. Furthermore, some of the expenditure related to our technological services and digital innovations are priced in foreign currency and therefore with the 14.2% depreciation of the Chilean peso to US\$ in the quarter this negatively affected this expense. This was compensated by a reduction in publicity and marketing expenditure in the quarter.

Branches decreased 2.4% QoQ and 3.2% YoY and Productivity (Loans+ Deposits) per branch and employee increased 18.2% and 16.6% respectively.

Points of Sale

of branches



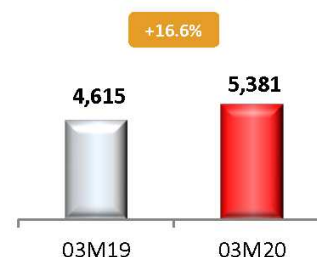
Productivity per Point of Sale

Volumes¹ per point of sale, Ch\$mn



Productivity per employee

Volumes¹ per employee, Ch\$mn



1. Volumes= Loans+ Deposits

Amortization expenses increased 5.9% YoY and 0.2% QoQ. The YoY increase was mainly due to the depreciation of fixed assets such as technological equipment which was compensated in part by greater amortization of software and digital banking developments that the Bank is carrying out as part of our plan to improve productivity.

Other operating income, net & corporate tax

Other operating income, net, totaled a loss of Ch\$14,646 million in 1Q20. Gross other operating income increased 24.3% QoQ and decreased 26.1% YoY. In 4Q19, the Bank recognized in **other operating income** revenues from insurance claims related to damages to our branches during the social unrest, which was not repeated in 1Q20. Compared to 1Q19, more income was recognized for repossessed assets. The 48.7% YoY rise in **other operating expenses** was mainly due to greater provisions for repossessed assets. In 4Q19 the Bank recognized expenses related to maintenance costs, employee support and operational charge-offs due to the social unrest in the quarter which were not repeated in 1Q20. However due to the uncertainty surrounding the global crisis, the Bank established greater provisions for contingencies in the quarter.

Other operating income, net and corporate tax

(Ch\$mn)	Quarter			Change %	
	1Q20	4Q19	1Q19	1Q20/1Q19	1Q20/4Q19
Other operating income	6,411	8,678	5,156	24.3%	(26.1%)
Other operating expenses	(21,057)	(21,381)	(14,165)	48.7%	(1.5%)
Other operating income, net	(14,646)	(12,703)	(9,009)	(62.6%)	(15.3%)

Income from investments in associates and other companies	138	325	923	(85.0%)	(57.5%)
Income tax expense	(31,548)	(32,903)	(42,146)	(25.1%)	(4.1%)
Effective income tax rate	17.9%	21.8%	25.1%		

Income tax expenses in 1Q20 totaled Ch\$31,548 million, a decrease of 25.1% YoY and 4.1% QoQ. For tax purposes, our capital must be restated for CPI inflation, resulting in a tax loss. Since CPI inflation reached 1.0% in 3M20 compared to 0.0% in 3M19 which led to a lower effective tax rate of 17.9% in the first quarter of 2020 compared to the same period in 2019.

YTD Income Tax¹

			Change %
(Ch\$mn)			
Net income before tax	176,363	167,805	5.1%
Price level restatement of capital ²	(51,324)	-	--%
Net income before tax adjusted for price level restatement	125,039	167,805	(25.5%)
Statutory Tax rate	27.0%	27.0%	
Income tax expense at Statutory rate	(33,761)	(45,307)	(25.5%)
Tax benefits ³	2,213	3,161	(30.0%)
Income tax	(31,548)	(42,146)	(25.1%)
Effective tax rate	17.9%	25.1%	

1. This table is for informational purposes only. Please refer to note 13 in our financial statements for more details.

2. For tax purposes, capital is indexed to CPI inflation. The statutory tax rate is applied over net income before tax adjusted for price level restatement.

3. Mainly includes income tax credits from property taxes paid on leased assets as well as the impact from fluctuations in deferred tax assets and liabilities.

Section 6: Credit risk ratings

During the quarter, Moody's, Standard and Poor's and Fitch reduced their outlook to negative.

International ratings

The Bank has credit ratings from four leading international agencies.

Moody's	Rating	Standard and Poor's	Rating
Bank Deposit	A1/P-1	Long-term Foreign Issuer Credit	A
Baseline Credit Assessment	A3	Long-term Local Issuer Credit	A
Adjusted Baseline Credit Assessment	A3	Short-term Foreign Issuer Credit	A-1
Senior Unsecured	A1	Short-term Local Issuer Credit	A-1
Commercial Paper	P-1	Outlook	Negative
Outlook	Negative		

Fitch	Rating
Foreign Currency Long-term Debt	A
Local Currency Long-term Debt	A
Foreign Currency Short-term Debt	F1
Local Currency Short-term Debt	F1
Viability rating	A
Outlook	Negative

JCR	Rating
Foreign Currency Long-term Debt	A+
Outlook	Stable

Local ratings

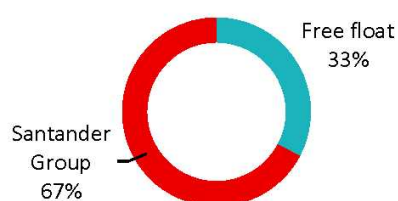
Our local ratings are the following:

Local ratings	Fitch Ratings	ICR
Shares	1CN1	1CN1
Short-term deposits	N1+	N1+
Long-term deposits	AAA	AAA
Mortgage finance bonds	AAA	AAA
Senior bonds	AAA	AAA
Subordinated bonds	AA	AA+

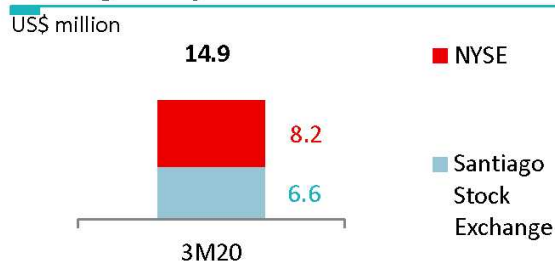
Section 7: Ownership Structure

As of March 31, 2020

Ownership Structure

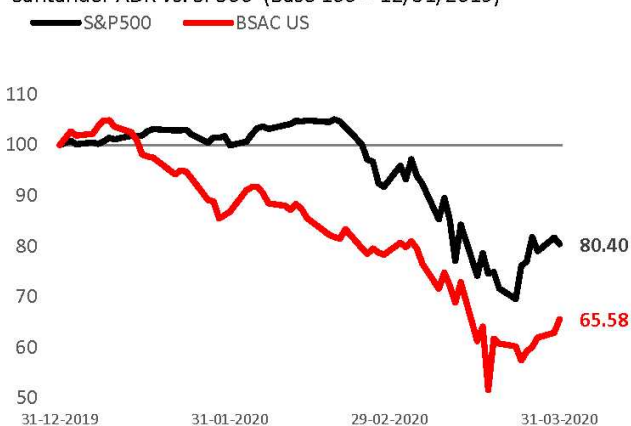


Average daily traded volumes 3M20



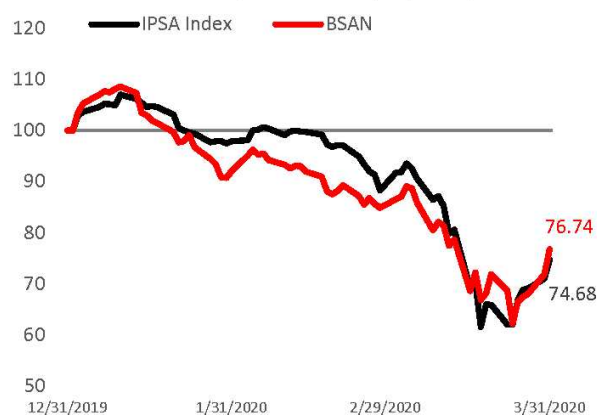
Total shareholder return

Santander ADR vs. SP500 (Base 100 = 12/31/2019)



Total shareholder return

Santander vs. IPSA Index (Base 100 = 12/31/2019)



Share Price

ADR Price (US\$) 3M20

03/31/2020:	15.13
Maximum (03M20):	24.20
Minimum (03M20):	11.90

Local Share Price (Ch\$) 3M20

03/31/2020	33.00
Maximum (3M20):	46.69
Minimum (3M20):	26.75

Stock Information

Market Capitalization:	US\$7,008 million
P/E 12month trailing*:	11.0x
P/BV (03/31/20)**:	1.78
Dividend yield***:	2.7%

* Price as of March 31, 2020 / 12mth. earnings

** Price as of March 31, 2020/Book value as of 03/31/20

***Based on closing price on record date of last dividend payment

Dividends

Year paid	Ch\$/share	% of previous year's earnings
2017	1.75	70%
2018	2.25	75%
2019	1.88	60%
2020	0.88	30%

Annex 1: Balance sheet

Unaudited Balance Sheet

	Mar-20	Mar-20	Mar-19	Mar-20/Mar-19
	US\$ Ths ¹	Ch\$ Million		% Chg.
Cash and deposits in banks	4,399,009	3,755,786	1,550,598	142.2%
Cash items in process of collection	721,406	615,922	410,616	50.0%
Trading investments	647,578	552,889	94,808	483.2%
Investments under resale agreements	-	-	5,015	(100.0%)
Financial derivative contracts	17,481,314	14,925,196	2,983,230	400.3%
Interbank loans, net	15,150	12,935	26,414	(51.0%)
Loans and account receivables from customers, net	39,161,413	33,435,231	29,779,287	12.3%
Available for sale investments	3,570,089	3,048,071	2,799,044	8.9%
Held-to-maturity investments	-	-	-	--%
Investments in associates and other companies	12,421	10,605	33,098	(68.0%)
Intangible assets	82,337	70,298	63,302	11.1%
Property, plant and equipment	223,585	190,892	201,093	(5.1%)
Right of use assets	243,671	208,041	199,529	4.3%
Current taxes	16,385	13,989	10,195	37.2%
Deferred taxes	550,087	469,653	416,922	12.6%
Other assets	2,343,637	2,000,950	1,094,414	82.8%
Total Assets	69,468,081	59,310,458	39,667,565	49.5%
Deposits and other demand liabilities	12,939,662	11,047,625	8,526,343	29.6%
Cash items in process of being cleared	735,008	627,535	275,695	127.6%
Obligations under repurchase agreements	295,885	252,621	120,935	108.9%
Time deposits and other time liabilities	16,644,007	14,210,320	12,935,703	9.9%
Financial derivatives contracts	15,656,272	13,367,012	2,546,341	424.9%
Interbank borrowings	3,517,297	3,002,998	1,734,863	73.1%
Issued debt instruments	12,110,993	10,340,124	8,534,221	21.2%
Other financial liabilities	260,866	222,722	215,879	3.2%
Leasing contract obligations	183,366	156,554	154,839	1.1%
Current taxes	-	-	-	--%
Deferred taxes	116,586	99,539	60,264	65.2%
Provisions	418,944	357,686	341,823	4.6%
Other liabilities	2,402,263	2,051,004	852,470	140.6%
Total Liabilities	65,281,150	55,735,740	36,299,376	53.5%
Equity				
Capital	1,043,949	891,303	891,303	0.0%
Reserves	2,484,421	2,121,149	1,923,022	10.3%
Valuation adjustments	(6,201)	(5,294)	5,341	(199.1%)
Retained Earnings:				
Retained earnings from prior years	646,646	552,093	591,902	(6.7%)
Income for the period	168,678	144,014	125,430	14.8%
Minus: Provision for mandatory dividends	(244,597)	(208,832)	(215,200)	(3.0%)
Total Shareholders' Equity	4,092,896	3,494,433	3,321,798	5.2%
Non-controlling interest	94,035	80,285	46,391	73.1%
Total Equity	4,186,931	3,574,718	3,368,189	6.1%
Total Liabilities and Equity	69,468,081	59,310,458	39,667,565	49.5%

1. The exchange rate used to calculate the figures in dollars was Ch\$853.78 / US\$1

Annex 2: YTD income statements

Unaudited YTD Income Statement

	Mar-20	Mar-20	Mar-19	Mar-20/Mar-19
	US\$ Ths ¹	Ch\$ Million		% Chg.
Interest income	750,116	640,434	460,751	39.0%
Interest expense	(295,316)	(252,135)	(138,050)	82.6%
Net interest income	454,800	388,299	322,701	20.3%
Fee and commission income	147,169	125,650	121,366	3.5%
Fee and commission expense	(60,021)	(51,245)	(50,691)	1.1%
Net fee and commission income	87,148	74,405	70,675	5.3%
Net income (expense) from financial operations	182,358	155,694	(168,510)	(192.4%)
Net foreign exchange gain	(155,599)	(132,847)	207,355	(164.1%)
Total financial transactions, net	26,760	22,847	38,845	(41.2%)
Other operating income	7,509	6,411	5,156	24.3%
Net operating profit before provisions for loan losses	576,216	491,962	437,377	12.5%
Provision for loan losses	(120,488)	(102,870)	(76,274)	34.9%
Net operating profit	455,729	389,092	361,103	7.8%
Personnel salaries and expenses	(116,932)	(99,834)	(94,557)	5.6%
Administrative expenses	(74,520)	(63,624)	(59,336)	7.2%
Depreciation and amortization	(32,460)	(27,714)	(26,163)	5.9%
Op. expenses excl. Impairment and Other operating expenses	(223,912)	(191,172)	(180,056)	6.2%
Impairment of property, plant and equipment	(747)	(638)	-	--%
Other operating expenses	(24,663)	(21,057)	(14,165)	48.7%
Total operating expenses	(249,323)	(212,867)	(194,221)	9.6%
Operating income	206,406	176,225	166,882	5.6%
Income from investments in associates and other companies	162	138	923	(85.0%)
Income before tax	206,567	176,363	167,805	5.1%
Income tax expense	(36,951)	(31,548)	(42,146)	(25.1%)
Net income from ordinary activities	169,616	144,815	125,659	15.2%
Net income discontinued operations				
Net consolidated income	169,616	144,815	125,659	15.2%
Net income attributable to:				
Non-controlling interest	938	801	229	249.8%
Net income attributable to equity holders of the Bank	168,678	144,014	125,430	14.8%

1. The exchange rate used to calculate the figures in dollars was Ch\$853.78 / US\$1

Annex 3: Quarterly income statements

Unaudited Quarterly Income Statement

	1Q20	1Q20	4Q19	1Q19	1Q20/1Q19	1Q20/4Q19
	US\$ Ths ¹		Ch\$ Million			% Chg.
Interest income	750,116	640,434	626,698	460,751	39.0%	2.2%
Interest expense	(295,316)	(252,135)	(250,877)	(138,050)	82.6%	0.5%
Net interest income	454,800	388,299	375,821	322,701	20.3%	3.3%
Fee and commission income	147,169	125,650	127,685	121,366	3.5%	(1.6%)
Fee and commission expense	(60,021)	(51,245)	(50,983)	(50,691)	1.1%	0.5%
Net fee and commission income	87,148	74,405	76,702	70,675	5.3%	(3.0%)
Net income (expense) from financial operations	182,358	155,694	(106,774)	(168,510)	(192.4%)	(245.8%)
Net foreign exchange gain	(155,599)	(132,847)	161,218	207,355	(164.1%)	(182.4%)
Total financial transactions, net	26,760	22,847	54,444	38,845	(41.2%)	(58.0%)
Other operating income	7,509	6,411	8,678	5,156	24.3%	(26.1%)
Net operating profit before provisions for loan losses	576,216	491,962	515,645	437,377	12.5%	(4.6%)
Provision for loan losses	(120,488)	(102,870)	(152,004)	(76,274)	34.9%	(32.3%)
Net operating profit	455,729	389,092	363,641	361,103	7.8%	7.0%
Personnel salaries and expenses	(116,932)	(99,834)	(105,864)	(94,557)	5.6%	(5.7%)
Administrative expenses	(74,520)	(63,624)	(55,566)	(59,336)	7.2%	14.5%
Depreciation and amortization	(32,460)	(27,714)	(27,651)	(26,163)	5.9%	0.2%
Op. expenses excl. Impairment and Other operating expenses	(223,912)	(191,172)	(189,081)	(180,056)	6.2%	1.1%
Impairment of property, plant and equipment	(747)	(638)	(2,726)	-	--%	(76.6%)
Other operating expenses	(24,663)	(21,057)	(21,381)	(14,165)	48.7%	(1.5%)
Total operating expenses	(249,323)	(212,867)	(213,188)	(194,221)	9.6%	(0.2%)
Operating income	206,406	176,225	150,453	166,882	5.6%	17.1%
Income from investments in associates and other companies	162	138	325	923	(85.0%)	(57.5%)
Income before tax	206,567	176,363	150,778	167,805	5.1%	17.0%
Income tax expense	(36,951)	(31,548)	(32,903)	(42,146)	(25.1%)	(4.1%)
Net income from ordinary activities	169,616	144,815	117,875	125,659	15.2%	22.9%
Net income discontinued operations	-	-	-	-	--%	--%
Net consolidated income	169,616	144,815	117,875	125,659	15.2%	22.9%
Net income attributable to:						
Non-controlling interest	938	801	1,168	229	249.8%	(31.4%)
Net income attributable to equity holders of the Bank	168,678	144,014	116,707	125,430	14.8%	23.4%

1. The exchange rate used to calculate the figures in dollars was Ch\$853.78 / US\$1

Annex 4: Quarterly evolution of main ratios and other information

(Ch\$ millions)	1Q19	2Q19	3Q19	4Q19	1Q20
Loans					
Consumer loans	4,920,318	4,989,182	5,062,334	5,539,057	5,451,276
Residential mortgage loans	10,335,335	10,657,763	10,899,784	11,262,995	11,664,135
Commercial loans	15,318,141	15,439,369	15,938,951	15,914,831	17,226,800
Interbank loans	26,466	8,624	4,138	14,852	12,948
Total loans (including interbank)	30,600,260	31,094,938	31,905,207	32,731,735	34,355,159
Allowance for loan losses	(794,559)	(797,331)	(820,269)	(893,167)	(906,993)
Total loans, net of allowances	29,805,701	30,297,607	31,084,938	31,838,568	33,448,166
Deposits					
Demand deposits	8,526,343	8,909,594	9,463,459	10,297,432	11,047,625
Time deposits	12,935,703	13,122,503	13,404,816	13,192,817	14,210,320
Total deposits	21,462,046	22,032,097	22,868,275	23,490,249	25,257,945
Mutual funds (Off balance sheet)	5,816,654	6,266,181	6,687,626	6,524,098	6,979,195
Total customer funds	27,278,700	28,298,278	29,555,901	30,014,347	32,237,140
Loans / Deposits¹	99.1%	97.0%	95.4%	95.1%	91.5%
Average balances					
Avg. interest earning assets	33,081,958	33,931,067	34,504,184	35,813,783	36,919,662
Avg. Loans	30,462,954	31,030,695	31,470,538	32,460,418	33,574,758
Avg. assets	39,248,008	41,404,593	44,360,354	49,488,714	54,220,552
Avg. demand deposits	8,558,691	8,918,787	9,020,898	9,829,619	10,521,417
Avg equity	3,275,418	3,250,079	3,322,048	3,362,656	3,425,277
Avg. free funds (demand plus equity)	11,834,109	12,168,865	12,342,945	13,192,275	13,946,694
Capitalization					
Risk weighted assets	30,793,029	31,512,066	33,025,025	33,478,951	35,972,079
Tier I (Shareholders' equity)	3,321,798	3,284,857	3,358,402	3,390,823	3,494,433
Tier II	861,633	852,464	856,484	913,578	1,090,168
Regulatory capital	4,183,431	4,137,322	4,214,886	4,304,401	4,584,601
Tier I ratio	10.8%	10.4%	10.2%	10.1%	9.7%
BIS ratio	13.6%	13.1%	12.8%	12.9%	12.74%
Profitability & Efficiency					
Net interest margin (NIM)²	3.9%	4.4%	4.0%	4.2%	4.2%
Efficiency ratio ³	42.5%	40.3%	39.3%	38.3%	40.6%
Costs / assets ⁴	1.8%	1.9%	1.7%	1.5%	1.4%
Avg. Demand deposits / interest earning assets	25.9%	26.3%	26.1%	27.4%	28.5%
Return on avg. Equity	15.3%	21.1%	16.7%	13.9%	16.8%
Return on avg. Assets	1.3%	1.7%	1.3%	0.9%	1.1%
Return on RWA	1.6%	2.5%	2.0%	1.6%	1.9%

(Ch\$ millions)	1Q19	2Q19	3Q19	4Q19	1Q20
Asset quality					
Impaired loans ⁵	1,797,460	1,810,842	1,852,359	1,916,609	1,957,827
Non-performing loans (NPLs) ⁶	623,467	579,536	633,259	671,336	679,232
Past due loans ⁷	388,316	354,622	351,165	360,620	374,181
Loan loss reserves	(794,559)	(797,331)	(820,269)	(893,167)	(906,993)
Impaired loans / total loans	5.9%	5.8%	5.8%	5.9%	5.7%
NPLs / total loans	2.0%	1.9%	2.0%	2.1%	2.0%
PDL / total loans	1.3%	1.1%	1.1%	1.1%	1.1%
Coverage of NPLs (Loan loss allowance / NPLs)	127.4%	137.6%	129.5%	133.0%	133.5%
Coverage of PDLs (Loan loss allowance / PDLs)	204.6%	224.8%	233.6%	247.7%	242.4%
Risk index (Loan loss allowances / Loans) ⁸	2.6%	2.6%	2.6%	2.7%	2.6%
Cost of credit (prov expense annualized / avg. loans)	1.0%	1.0%	1.5%	1.9%	1.2%
Network					
Branches	380	380	381	377	368
ATMs (includes depository ATMs)	1,031	1,037	1,075	1,088	1,093
Employees	11,280	11,186	11,037	11,200	11,078
Market information (period-end)					
Net income per share (Ch\$)	0.67	0.91	0.74	0.62	0.76
Net income per ADR (US\$)	0.39	0.54	0.40	0.33	0.36
Stock price	51.19	50.5	51.37	43	33
ADR price	29.75	29.92	28	23.07	15.13
Market capitalization (US\$m)	14,016	14,119	13,187	11,180	7,008
Shares outstanding	188,446	188,446	188,446	188,446	188,446
ADRs (1 ADR = 400 shares)	471	471	471	471	471
Other Data					
Quarterly UF inflation rate ⁹	0.0%	1.2%	0.5%	0.9%	1.0%
Central Bank monetary policy reference rate (nominal)	3.00%	2.50%	2.00%	1.75%	0.50%
Observed Exchange rate (Ch\$/US\$) (period-end)	679.91	678.44	728.60	747.37	853.78

1. Ratio = (Net Loans - portion of mortgages funded with long-term bonds) / (Time deposits + Demand deposits)

2. NIM = Net interest income annualized divided by interest earning assets

3. Efficiency ratio = (Net interest income + Net fee and commission income + Financial transactions net + Other operating income + Other operating expenses) divided by (Personnel expenses + Administrative expenses + Depreciation). Excludes impairment charges

4. Costs / assets = (Personnel expenses + Adm. Expenses + depreciation) / Total assets

5. Impaired loans include: (A) for loans individually evaluated for impairment, (i) the carrying amount of all loans to clients that are rated C1 through C6 and (ii) the carrying amount of loans to an individual client with a loan that is non-performing, regardless of category, excluding residential mortgage loans, if the past-due amount on the mortgage loan is less than 90 days; and (B) for loans collectively evaluated for impairment, (i) the carrying amount of total loans to a client, when a loan to that client is non-performing or has been renegotiated, excluding performing residential mortgage loans, and (ii) if the loan that is non-performing or renegotiated is a residential mortgage loan, all loans to that client.

6. Capital + future interest of all loans with one installment 90 days or more overdue.

7. Total installments plus lines of credit more than 90 days overdue.

8. Based on internal credit models and CMF guidelines. Banks must have a 100% coverage of risk index.

9. Calculated using the variation of the Unidad de Fomento (UF) in the period.



**Banco Santander
Chile
1Q20 Results**



April 29, 2020

Important information

Banco Santander Chile caution that this presentation contains forward looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. These forward looking statements are found in various places throughout this presentation and include, without limitation, statements concerning our future business development and economic performance. While these forward looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to: (1) general market, macro-economic, governmental and regulatory trends; (2) movements in local and international securities markets, currency exchange rates, and interest rates; (3) competitive pressures; (4) technological developments; and (5) changes in the financial position or credit worthiness of our customers, obligors and counterparties. The risk factors and other key factors that we have indicated in our past and future filings and reports, including those with the Securities and Exchange Commission of the United States of America, could adversely affect our business and financial performance.

Note: the information contained in this presentation is not audited and is presented in Chilean Bank GAAP which is similar to IFRS, but there are some differences. Please refer to our 2019 20-F filed with the SEC for an explanation of the differences between Chilean Bank GAAP and IFRS. Nevertheless, the consolidated accounts are prepared on the basis of generally accepted accounting principles. All figures presented are in nominal terms. Historical figures are not adjusted by inflation. Please note that this information is provided for comparative purposes only and that this restatement may undergo further changes during the year and, therefore, historical figures, including financial ratios, presented in this report may not be entirely comparable to future figures presented by the Bank.

AGENDA

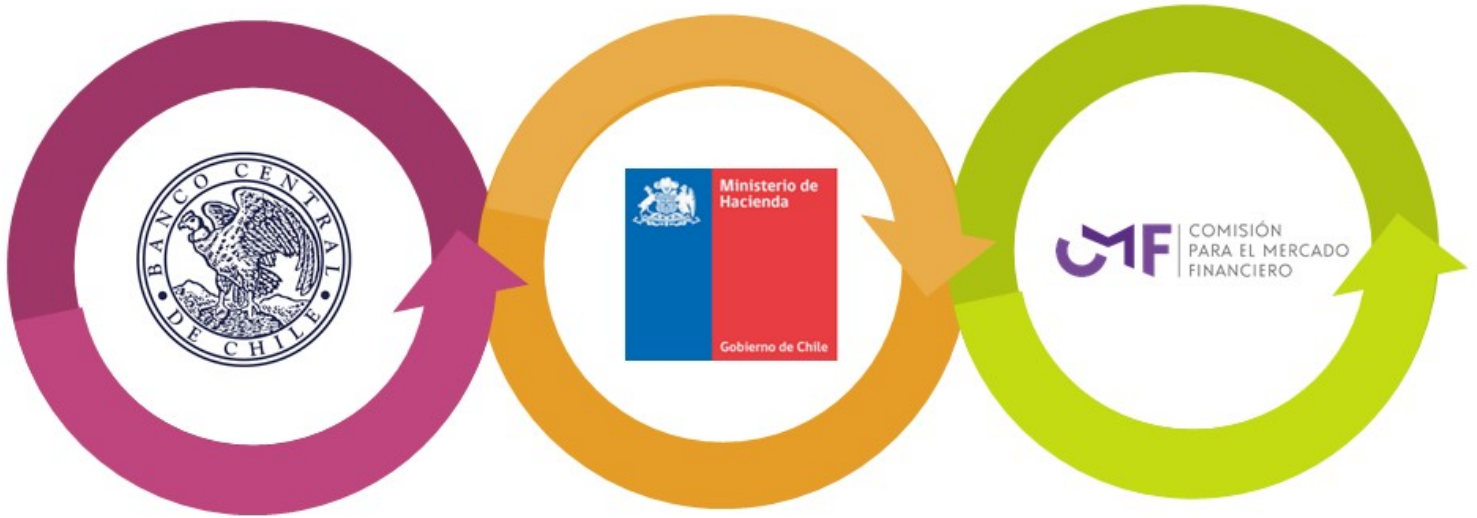
COVID19: REGULATORY UPDATE

SAN CHILE: BALANCE SHEET

SAN CHILE: BUSINESS GROWTH AND RESULTS

Regulatory update

Central Bank, Government and CMF have launched different measures to ensure companies have access to financing



Central Bank is providing liquidity to banks

Fiscal measures including an expanded public guarantee scheme for working capital

Local regulation has been adapted to address treatment of credit deferrals and guarantees

The Central Bank is providing liquidity to banks



- Two liquidity programs for banks during 6 months at MPR (0.5%) for up to US\$ 24bn in total, conditional on credit growth.
 - **FCIC line:** For up to 4 years. Eligible collateral: Standard collaterals, corporate bonds, and high ratings commercial loans
 - **LCL line:** For up to 2 years. Constraint: Banks reserves at the Central Bank
 - Banco Santander Chile has requested a total of US\$ 1.4 bn from the LCL at the beginning in April 2020, with the possibility to take down an additional ~US\$2.4 bn from the FCIC.
- Bank bond purchase program up to US\$8 billion (US\$5.5 billion outstanding as of March 31,2020)
- Suspension of local liquidity requirements for maturity mismatch of 30 and 90 days. LCR limit continues at 70% for 2020.

- **Expenditure increase:**
 - Health's budget increased by US\$1.5 billion (2% GDP)
 - Cash transfers (US\$ 230) per family for the poorest segments, and allowance per family (US\$ 300) during three months for those without formal jobs
- **Tax cuts and liquidity measures:**
 - Transitory reduction of the stamp tax
 - Corporate tax provision, VAT and local taxes delayed 3 months
- **Job protection**
 - Injection of US\$ 2bn to the unemployment insurance fund. Salaries paid for by the unemployment insurance for those companies that retain workers.
- **Capitalization** of Banco Estado (US\$0.5 bn) and FOGAPE (US\$3bn)

Necessary measures to help households and firms

State guarantees for working capital lines



- **COVID-19 guarantee line:** State guarantees for 60-85% of working capital loans to companies with annual sales of up to 1,000,000UF (Ch\$30 bn). This is an extension of the current FOGAPE scheme.¹
 - FOGAPE's capital increase by US\$3bn should allow up to US\$24 bn in loans
 - Maximum loan amount = 3 months of sales
 - To be paid in 24 -48 months with 6 month grace period
 - For clients not more than 30 days overdue as of March 2020 or for SMEs as of October 2019
 - Amortizations of existing loans with the same bank will be postponed for 6 months
 - Working capital line cannot be used to increase investments or pay other debts or dividends

99.8% of companies in Chile would be eligible to receive guarantees

CMF announcements to support loan growth during this period

- Possibility of deferring payments without being considered a renegotiation
 - ✓ Mortgages and commercial loans: up to 6 months
 - ✓ Consumer: up to 3 months
- Phase in of Basel III postponed to December 2021
- Allows 15% of FOGAPE guarantees to be treated as voluntary provision for TIER II calculations
- Other initiatives:
 - Mortgage guarantee surpluses can be used to guarantee loans to SMEs
 - Modification to the treatment of derivatives (capital charge reduction)

So far 800,000 requests to defer payments have been made to the banking system

AGENDA

COVID19: REGULATORY UPDATE

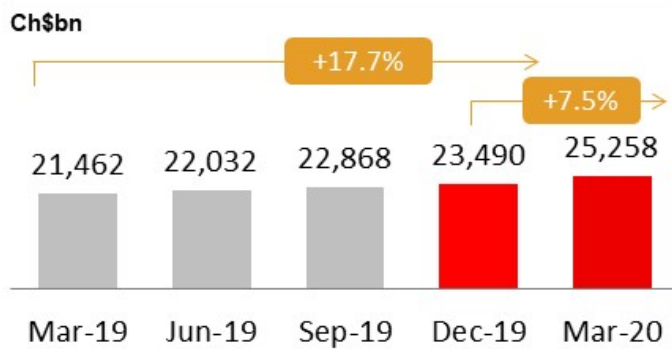
SAN CHILE: BALANCE SHEET

SAN CHILE: BUSINESS GROWTH AND RESULTS

Balance sheet

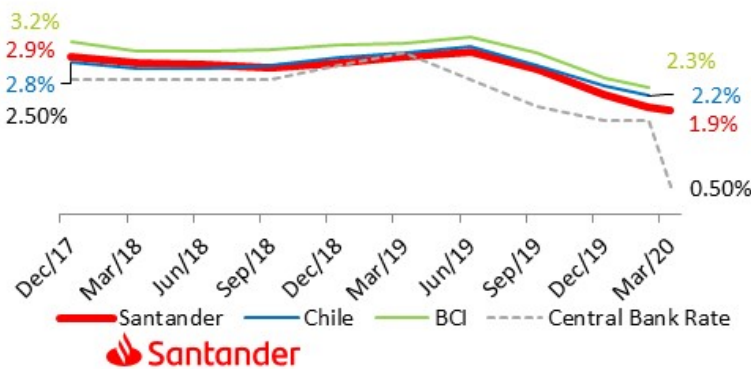
Positive evolution of funding mix

Total Deposits



Ch\$ bn\$	3M20	YoY	QoQ
Demand deposits	11,048	29.6%	7.3%
Time deposits	14,210	9.9%	7.7%
Total Deposits	25,258	17.7%	7.5%
Mutual funds ¹	6,979	20.0%	7.0%
Loans/Deposits²	91.5%		
LCR³	205%		
NSFR⁴	109%		

CLP Time Deposit Cost Evolution⁵



Demand deposits by segment

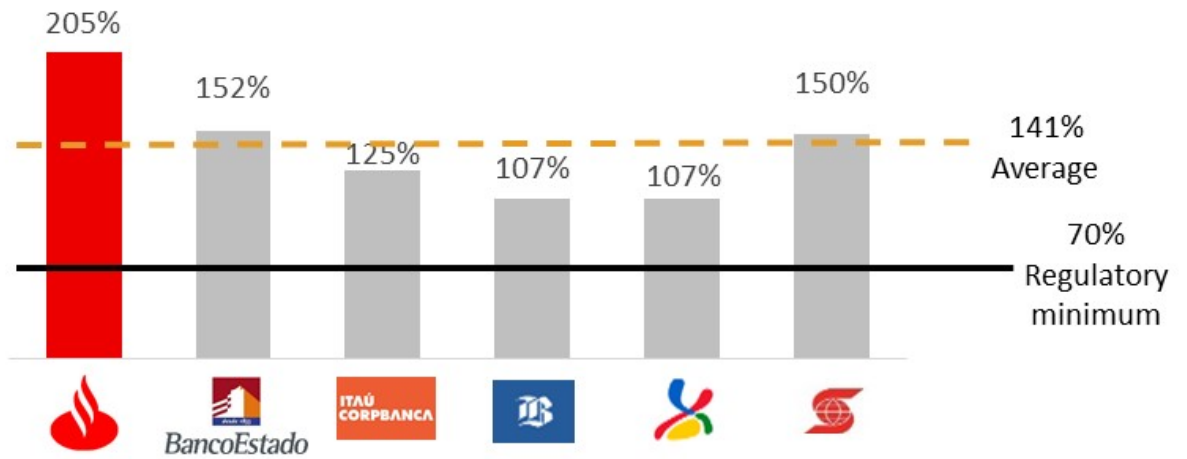
Ch\$ bn	3M20	YoY	QoQ
Individuals	3,951	31.0%	8.3%
SMEs	1,794	22.2%	5.7%
Retail	5,745	28.1%	7.5%
Middle Market	3,098	20.6%	3.9%
Corporate (SCIB)	2,040	64.7%	24.3%
Total⁶	11,048	29.6%	7.3%

10

1. Banco Santander Chile is the exclusive broker of mutual funds managed by Santander Asset Management, a subsidiary of SAM Investment Holdings Limited. 2. (Net Loans – portion of mortgages funded with long-term bonds) / (Time deposits + demand deposits). 3. LCR calculated following the new local Chilean models. 4. Internal methodology and not the local Chilean regulator's guidelines still under discussion. 5. Source: CMF. Quarterly Calculation is based on time deposit in CLP average and interest paid on time deposits in pesos. August rate considers the last 3 months. 6. Includes non-segmented deposits.

Solid levels of liquidity in the system

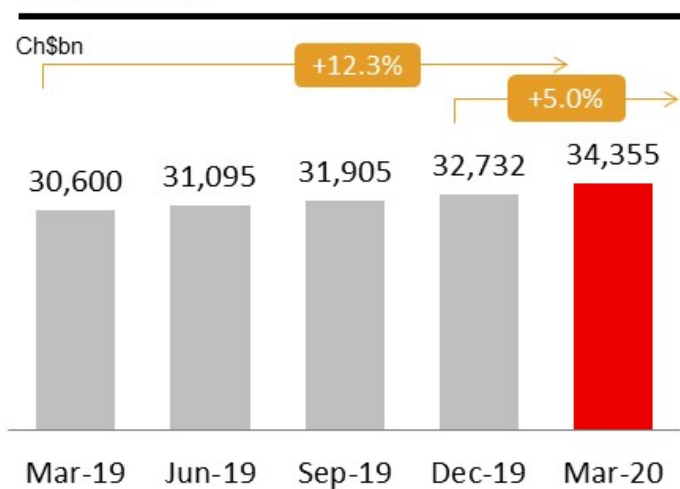
Liquidity coverage ratio¹



Balance sheet

Loan growth driven by Corporate and Middle-market

Total Loans

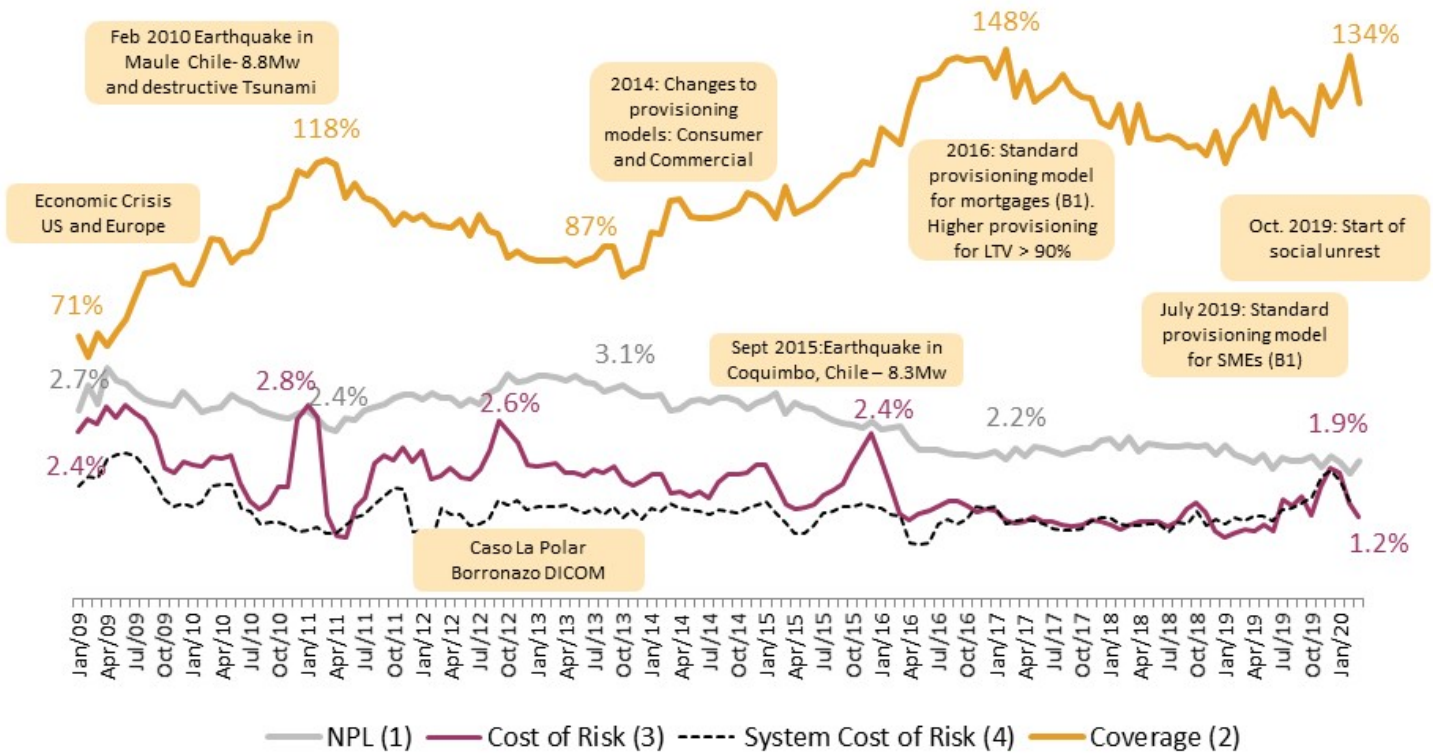


Ch\$ bn	3M20	YoY	QoQ
Individuals ¹	19,262	12.3%	2.3%
Consumer	5,451	10.8%	(1.6%)
Mortgages	11,664	12.9%	3.6%
SMEs	4,129	7.7%	1.1%
Retail	23,390	11.5%	2.1%
Middle Market	8,789	11.5%	8.6%
Corporate (SCIB)	2,173	36.6%	30.0%
Total²	34,355	12.3%	5.0%



Improving our cost of risk compared to the system

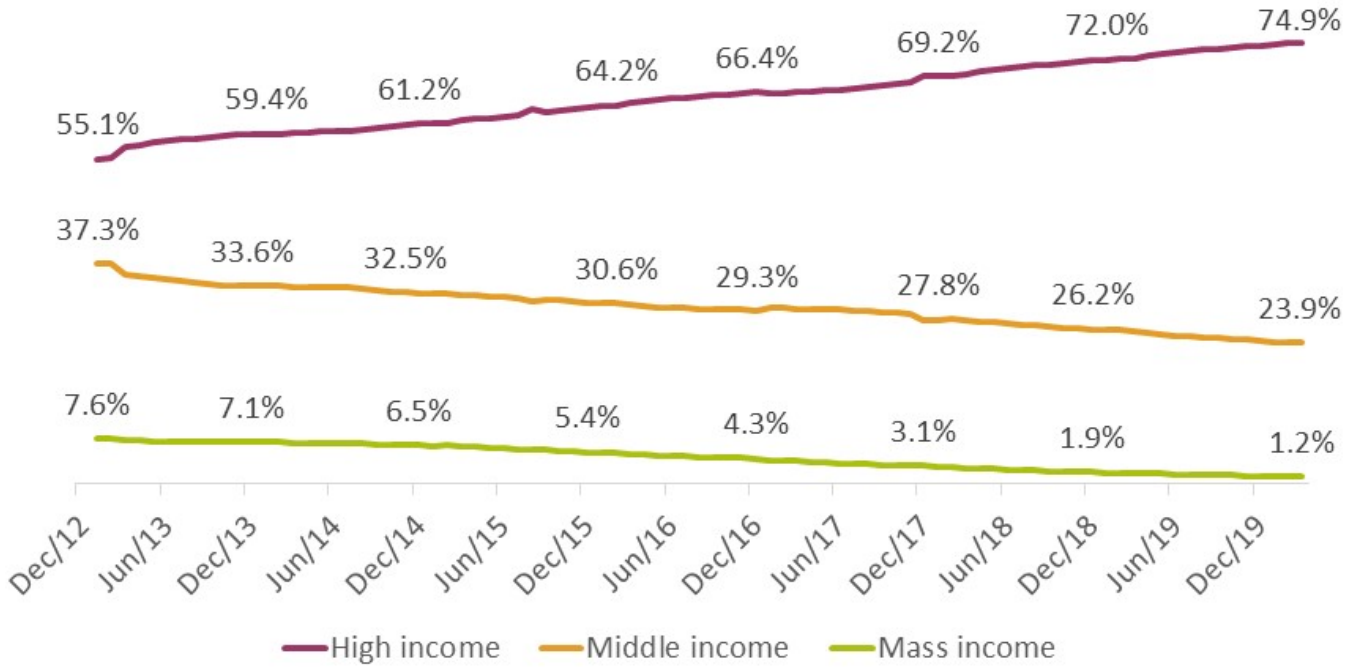
Total loans: NPLs, coverage and cost of risk



1. Loans with 90 days or more overdue. 2. Stock of provisions divided by NPLs. 3. Quarterly cost of risk = quarterly provision expense/ quarterly average loans. 4. Quarterly cost of risk for the banking system. Source: CMF

A better client mix through derisking

Composition of loans to individuals



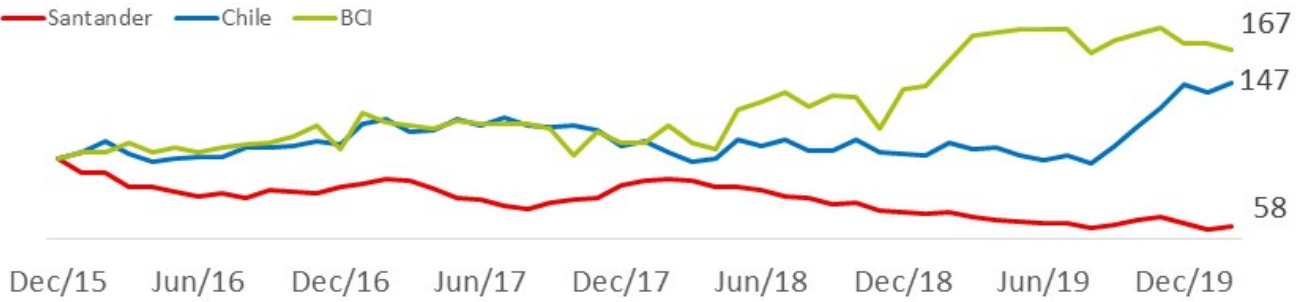
Balance sheet

Better performance of evolution of consumer NPLs

Consumer NPLs¹

% of loans; base = 100 as of Dec. 2015

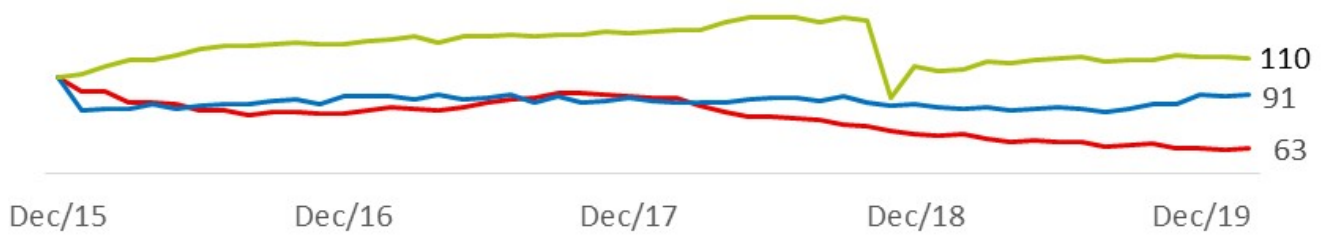
— Santander — Chile — BCI



Consumer Impaired loans²

% of loans; base = 100 as of Dec. 2015

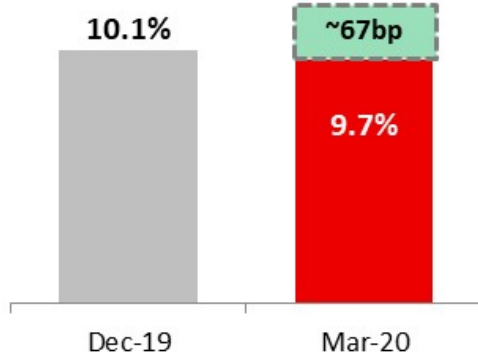
— Santander — Chile — BCI



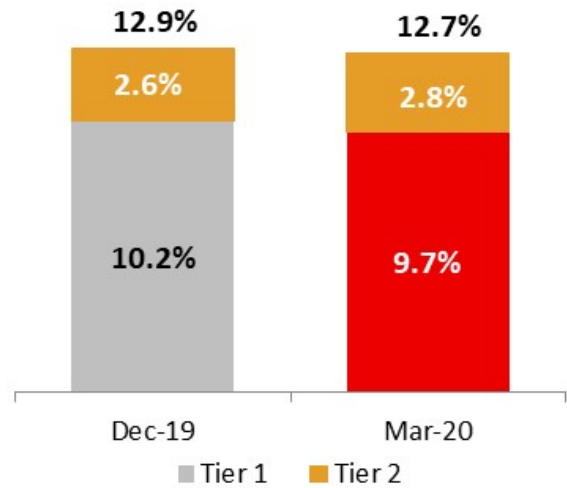
Healthy capital ratios

Core capital

■ Core capital ■ Exchange rate effect



BIS Ratio



Proposed payout lowered to 30% to face uncertainty and facilitate potential volume growth from Covid-19 measures. US\$200Mn in sub-bonds issued in 1Q20

AGENDA

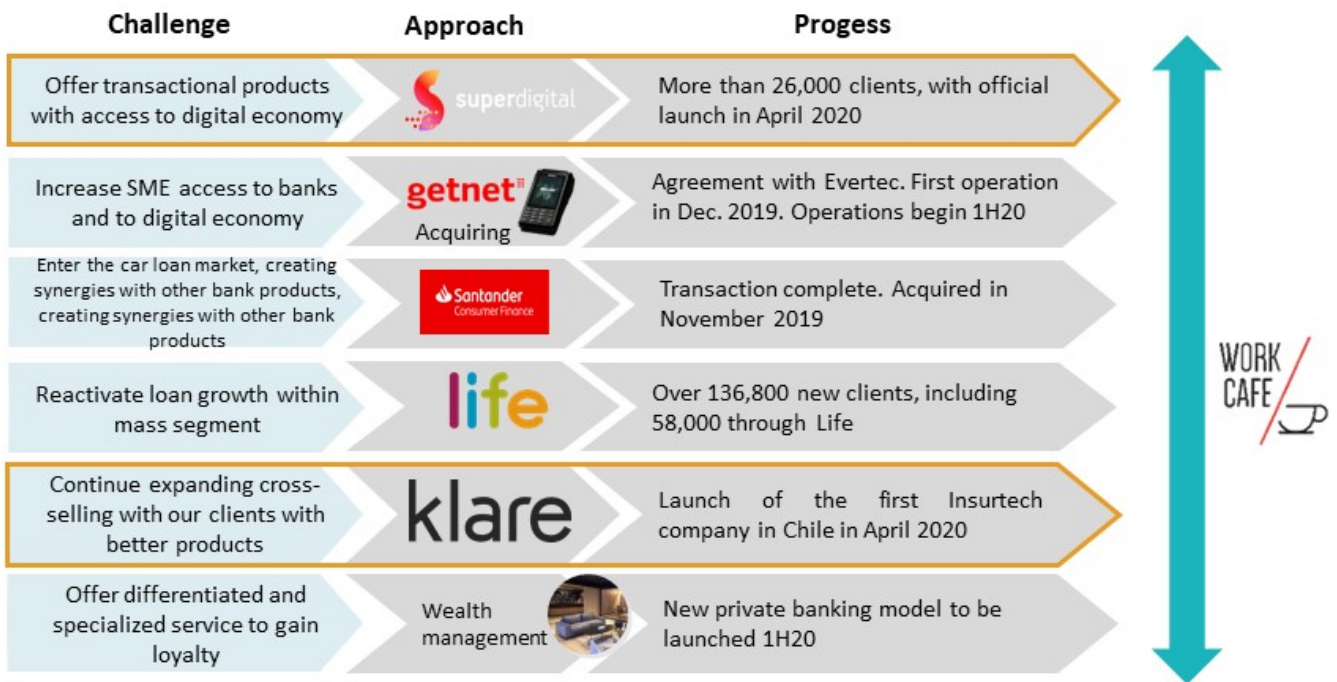
COVID19: REGULATORY UPDATE

SAN CHILE: BALANCE SHEET

SAN CHILE: BUSINESS GROWTH AND RESULTS

Business growth and results

Clients: moving forward in our innovations



We have announced an investment plan of US\$380 million for the period of 2019-2021 in technology, branch upgrading and new products and services.

Business growth and results

Despite the Covid-19 crisis, the Bank is open for business

Open for business

Branches

Over 80% open 9am – 2pm

Contact center: 80% open (including home office)

Tele-working

+6,500 employees
95% of our central offices

Supported by digital banking¹

N° of transactions

In branches: -13.2%
Online: +7.4%

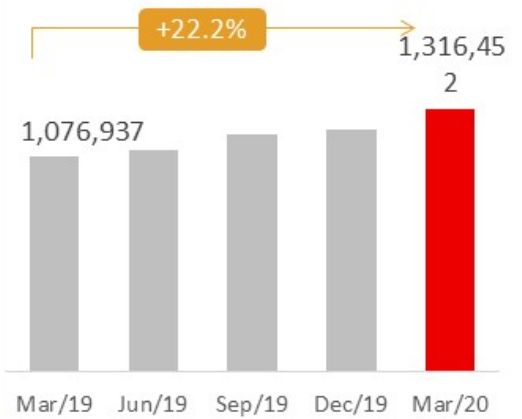
+22.2%

N° of digital clients

+8.7%

N° of purchases online

Digital clients



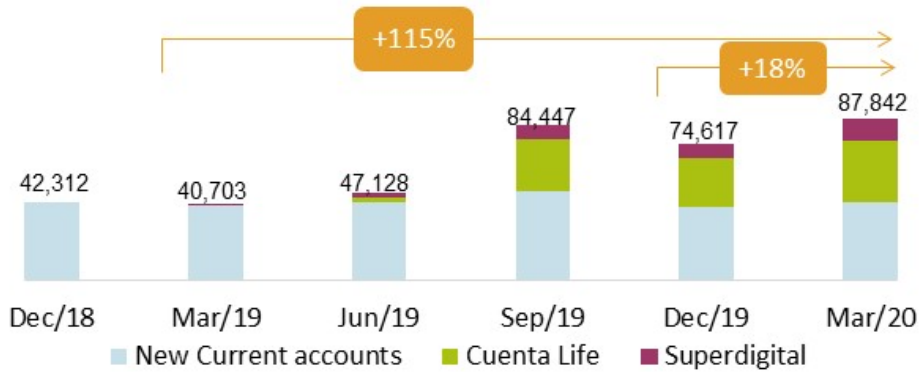
We will be investing more rapidly in automatization and digitalization of loan approvals for SMEs given the strong demand expected



Business growth and results

Record account openings in the quarter

Quarterly new gross accounts



During the 1Q20 we opened 115% more accounts than in 1Q19 despite the social conflict and coronavirus, reflecting the strength of our brand and digital channels

22%

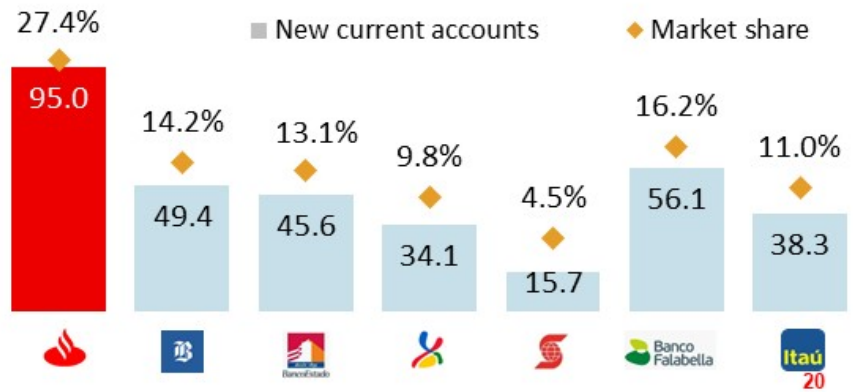
Market share of current accounts²

27%

Market share of current account openings²



Current account openings 12M19²



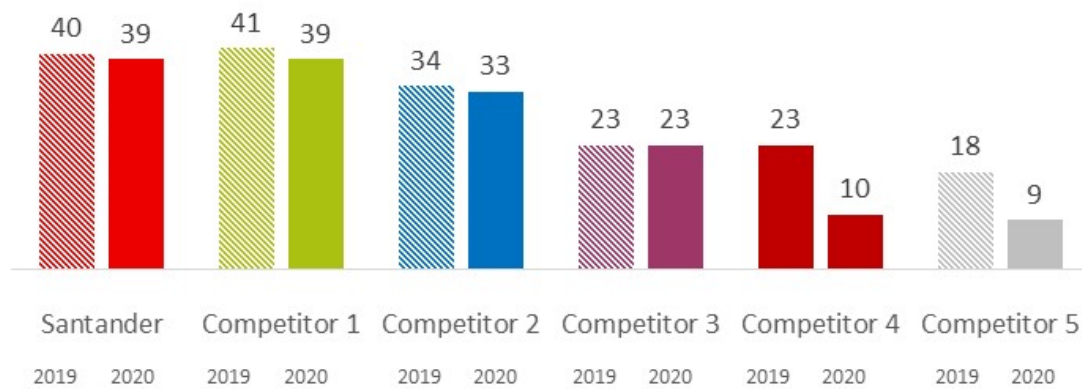
1. Include current accounts, Life and Superdigital. First quarter of 2020 is data from January and February 2020 quartered. 2. Market share with information published by the CMF

Business growth and results

Reaching Top 1 in Net Promoter Score

Net Promoter Score (NPS)

Joint Top 1

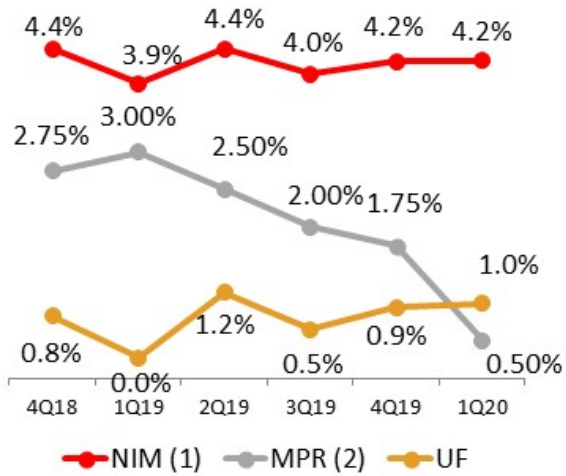


Source: Study by Activa for Santander with a scope of 60,000 surveys to our own clients and over 1,200 surveys to each competitor's clients in the six month period ended March 31, 2020 and December 31, 2019. Measures the Net Global Satisfaction and Net Promoter Score in three main aspects: service quality, product quality, and brand image. % of clients that value with grade 6 and 7 subtracted by clients that value with grade 1 through 4. Audited by an external provider.

Business growth and results

Higher inflation and lower cost of funds drives recovery in NIMs

NIM¹ & Inflation



Net interest income

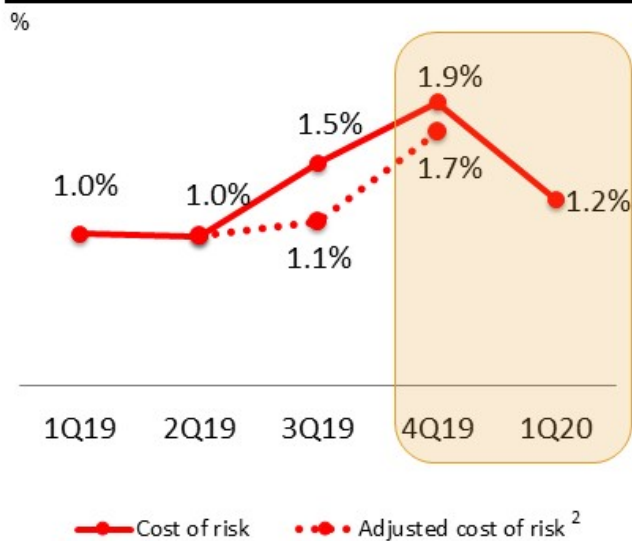
Ch\$ bn	3M20	YoY	QoQ
Net interest income	388	20.3%	3.3%
Average interest-earning assets	36,920	11.6%	3.1%
Average loans	33,575	10.2%	7.0%
Interest earning asset yield ³	6.9%	+137bp	-6bp
Cost of interest bearing liabilities ⁴	2.7%	+99bp	-9bp
NIM YTD	4.2%	+31bp	



Business growth and results

Positive evolution of asset quality post social unrest

Cost of risk¹



Provision for loan losses

Ch\$ bn	3M20	YoY	QoQ
Gross provisions and write-offs	(124,956)	28.0%	(26.8%)
Recoveries	22,086	3.6%	18.7%
Provision for loan losses	(102,870)	34.9%	(32.3%)
Cost of risk(YTD) ¹	1.23%		

No material impact for Covid-19 yet



Business growth and results

Non-interest income: Client driven

Fees & financial transaction

Ch\$bn



■ Net fee income ■ Financial trx

Fees

Ch\$ bn	3M20	YoY	QoQ
Retail	58.3	2.0%	(3.5%)
Middle Market	10.7	8.0%	4.2%
Corporate	6.4	(15.3%)	(22.9%)
Subtotal	75.5	1.1%	(4.5%)
Others	(1.1)	(73.4%)	(54.7%)
Total	74.4	5.3%	(3.0%)

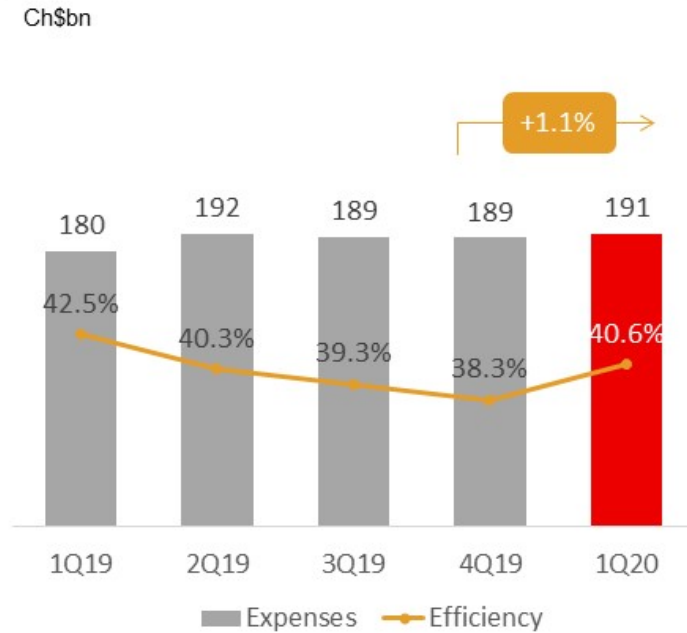
Financial transactions, net

Ch\$ bn	3M20	YoY	QoQ
Client	30.4	0.5%	(13.3%)
Non-Client	(7.6)	(188.1%)	(139.1%)
Total	22.8	(41.2%)	(58.0%)

Business growth and results

Investing to improve productivity and efficiency

Operating expenses



Ch\$ bn	3M20	YoY	QoQ
Personnel expenses	99.8	5.6%	(5.7%)
Administrative expenses	63.6	7.2%	14.5%
Depreciation	27.7	5.9%	0.2%
Operational expenses¹	191.2	6.2%	1.1%
Efficiency ratio²	40.6%	-195bp	+234bp
Costs/assets	1.4%	-42.5bp	-12bp



Conclusions

1Q20 results reflect strong core banking franchise

- ✓ The Central Bank and CMF have launched a series of initiatives that will help to maintain liquidity and capital levels. Measures are also coming to give people relief, which will help asset quality
- ✓ Strong deposit growth in the quarter. High liquidity levels.
- ✓ Capital ratios are healthy. Payout lowered to 30% to assure good core capital levels and to support loan growth
- ✓ Loan growth centered on medium and larger corporates with renegotiation program for individuals and SMEs
- ✓ Client growth has remained strong through digital channels driving fees and client treasury income
- ✓ Solid efficiency levels in the quarter

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



MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



Emiliano

Good morning everyone. Welcome to Banco Santander Chile's first quarter 2020 results webcast and conference call. This is Emiliano Muratore, CFO and I am joined today by Robert Moreno, Managing Director of Investor Relations and our Chief Economist, Claudio Soto. **(Page 2 and 3 webcast)**

Thank you for attending today's conference call. We hope you are all safe and healthy during these times. As we are working remotely please bear with us if we experience any technical difficulties during the call. Given the uncertainty of this ongoing crisis, we have removed our guidance for 2020, we will not be sharing forward-looking statements and we would appreciate to keep this in mind for our Q&A session. We look forward to sharing with you our progress this quarter. Before we get into our results, Claudio will explain the measures our government and local regulators have taken during these months to minimize the impacts of COVID-19 on the economy.

Claudio: Thank you, please turn to **slide 4**.

The Government, the Central Bank and the CMF (our regulator) have taken a series of actions to support the economy and help companies to access funding during this crisis.

The Central Bank cut its policy rate to 0,5% --its technical minimum according to the board—and has signaled that it will keep it at this level for several months.

On page 5 we show other Central Bank initiatives to increase liquidity in the system. It has launched two liquidity facilities for banks with a funding cost set at the MPR. The total amount banks can borrow under these facilities corresponds to 3% of their loan book, and up to 15% if loans are directed towards SMEs. That would entail a total amount of about US\$ 24 billion.

One of these lines is the new Loan Growth Conditional Facility (FCIC) where banks can borrow up to 4 years, using corporate bonds and high rated commercial loans as collateral.

The other is the Liquidity Credit Line (LCL), where borrowing is unsecured and for up to 2 years, subject to each bank's reserves at the Central Bank.

Ultimately, these credit lines should provide liquidity to banks to enable them to continue financing companies and individuals. To date, Santander has requested about US\$1.4 billion from the LCL. We expect to withdraw from the FCIC soon.

The Central Bank has also launched a bank bond purchase program for up to US\$8 billion, and announced temporary adjustments to the liquidity requirements to Banks, suspending the 30 and 90 day mismatch requirements and offering flexibility on the regulation and compliance with the LCR, whose limit will remain at 70% for 2020.

Turning to the Government, on page 6 we show the three different areas where it has focus to help during this crisis:

- First: liquidity relief to firms and households, by differing tax payments and transitory cutting the Stamp tax;
- Second: household income support, through cash transfers and a job protection scheme whereby firms without sales may retain workers, while its salary is paid by the unemployment system; and
- Third: credit support through the capitalization of both BancoEstado, with US\$ 500 million, and the Guarantee Fund for Small Companies (Fogape), with US\$ 3 billion. It also expanded the coverage of this fund.

These measures will be financed through adjustments in the existing budget, government's financial assets and new debt.

As we can see on page 7, the capitalization of Fogape and the extension of its coverage to companies with annual sales of up to 1 million UF (US\$ 34 millions), could benefit up to 99.8% of the firms in Chile.

Under its new regulation, guarantees provided by Fogape will cover between 60% and 85% of the loans, which will be restricted to finance working capital lines. They will have a maximum amount equivalent of 3 months of sales, a preferential interest rate equivalent to the Monetary Policy Rate plus 3%, and a term period of up to 48 months. There will also have a 6 month grace period before companies have to start paying back. During this period capital amortizations of existing loans with the same bank will be postponed.

The funds obtained with a guarantee cannot be used to raise capital, pay dividends or make investments.

Santander has published preliminary steps for SMEs and has improved our office banking capabilities so that SMEs can easily access these funds when they become fully available. The Government expects the expanded Fogape will allow guarantees for about US\$ 24 bn.

On page 8 we also see how the CMF has issued regulations regarding the treatment of payment holiday periods and guarantees.

Regarding grace periods, and only until July 31, 2020, the CMF will allow freezing of provisions of reprogrammed loans for debtors who are up to 30 days overdue. For mortgages and commercial loans, the maximum grace period is 6 months. For consumer loans, the maximum grace period is 3 months.

So far, the banking industry has received more than 800,000 requests since March. The CMF also announced the temporary extension in the write off in assets received in payment, and the possibility to use the excess of mortgage guarantees to guarantee SME loans.

In terms of capital ratios, the CMF announced flexibility for the implementation of Basel III in Chile, postponing phase-in until December 2021. Finally, a fraction of the FOGAPE guarantee can be considered part of Tier II capital.

Robert

Thank you Claudio. On **Slide 10**, I wanted to highlight our strong balance sheet, starting with our funding mix. The Bank's total deposits increased 17.7% YoY and 7.5% QoQ in 1Q20. Time deposits increased 7.7% in the quarter despite lower rates. Demand deposits had a record year in terms of growth, increasing 7.3% QoQ and 29.6% YoY. All of our client segments saw strong growth of checking account balances.

As we can see on slide 11, our liquidity has increased, with the LCR ratio at 205% and the NSFR at a healthy 109%. Our liquidity levels are well above the average in the system, and we are all well above the regulatory minimum. This also shows good liquidity levels in Chile. During this year, this regulatory minimum was going to increase to 80%, but the CMF has decided to freeze it at 70%.

On slide 12 we review loan growth. Total loans increased 12.3% in YoY and 5.0% QoQ. Loans to corporates was the fastest growing segment in the quarter, led by an increase in demand for access to credit lines leading up to the COVID-19 shut downs. After the social unrest in 4Q19, consumer lending was already starting to contract, in line with consumer confidence, and continued through the first quarter. The strong YoY growth is still being influenced by the incorporation of Santander Consumer in November of last year, which represented about 8% of the consumer loan book. In the quarter, mortgage loans had a 3.6% growth mainly attributable to the outstanding pipeline from the increased demand from the lower interest rates in 2019.

On slide 13, we show the evolution of our asset quality over the last ten years. The black dotted line is the cost of risk of the banking system. As you can see, in recent times, our cost of risk has lowered and is more in line with the system.

As we can see on slide 14, the main reason for this has been the shift in our consumer loan mix. Currently, 75% of our individual loan book are high income clients.

Moving on to **slide 15**, we can see how this shift in our consumer portfolio has resulted in an important outperformance in terms of asset quality compared to our main competitors. Since 2015, in absolute terms, NPLs in our consumer portfolio has fallen by 42%, and our impaired portfolio by 37%.

On **slide 16**, we show our capital ratios. We finished the quarter with a capital ratio of 9.7% and a BIS ratio of 12.7%. During the quarter our capital ratios, which remained healthy, continued to be affected by the depreciation of the Chilean peso; without this effect, our core capital would have reached 10.4% We also had an increase in Tier 2 capital since we issued a subordinated bond in the quarter. In addition, in April the BIS ratio will be further strengthened by two sub bond issuances for a total of 6 million UF.

Tomorrow we will be having our Annual Shareholder's Meeting remotely, where we will propose a 30% payout, lower than our usual 60%. We decided to be conservative in light of the COVID-19 crisis and to have robust capital levels to facilitate volume growth in line with the measures of the government and our local regulator. It is important to note that we already have this payout level provisioned in equity, and, therefore, this will not affect our capital ratios.

Moving into business results, **on slide 18** we show how despite the COVID19 crisis, we continued to move forward in our business strategy. We would like to highlight that in April we officially launched Superdigital and Klare. Just to remind you, Superdigital is our prepaid card that we offer in order to increase digital transactionality in the mass segment. Klare is the first ever digital Insuretech broker in Chile, allowing people to quickly compare insurances from different companies, in order to make a more informed choice.

On slide 19 we also would like to emphasize that with the COVID-19 crisis, our digital strategy has been more important than ever. We will be investing more rapidly in digitalization of loan approvals, especially for SMEs given the strong demand we expect in the coming months. Our contact center is functioning at 80%, with our executives working from home. In terms of central offices, over 95% are working from home, as well.

The lockdown has also shown a shift in consumer behavior. People are using our online services more frequently while visiting physical branches less. This has led to an increase in digital clients, reaching 1.3 million as of March 2020. Purchases online have also increased 8.7%.

As banks are part of the essential services, over 80% of our branches are open in areas not under quarantine.

On slide 20, we show that our strong digital platforms have sustained strong client acquisition in the quarter, opening 115% more accounts than the first quarter of 2019. Cuenta Life and Superdigital have played a large role in this increase. We continue to lead account openings in the local market, and our market share of current account openings surpassed 27%.

On slide 21, we are proud to show that we reached joint top number one in Net Promoter Score. This shows the improvement in the relative perception of our client service and products, even in these stressful times when customers have had to rely more on digital services and the contact center. The results obtained constitute valuable feedback to continue improving the Santander's service experience.

On slide 22, we show the evolution of our NIMs. Our NIM reached 4.2% in the quarter due to strong inflation supported by an improved funding mix.

On Slide 23 we can see that the asset quality had an improvement compared to the last quarter after the social unrest. The economy recovered in January and February, leading to an improvement in the asset quality in our portfolio, and a lower cost of risk compared to the fourth quarter. We have not had any material impact of the COVID-19 on provisions yet.

On **slide 24**, we show the evolution of non-interest income. Fees started the year very strong, especially in card fees, checking accounts, insurance brokerage and asset management. The improvements in client satisfaction, cross-selling and the acquisition of new clients has helped to bolster retail and middle market fees. In March, the COVID19 crisis began to reverse some of these trends as people stayed at home and corporate investment activity slowed.

Our client treasury business had a good quarter. This was offset by the results of our non-client treasury business. The effect of increasing long-term interest rates lowered the gains realized on our AFS portfolio and higher volatility had a negative impact on the CVA of derivatives.

On **slide 25** we show the evolution of efficiency and expenses. Operational expenses increased mainly due to administrative expenses, as a lot of our service contracts are priced in UF, and an increase in inflation affects our costs. Furthermore, some of our technology services are in foreign currency, and the depreciation of the Peso affected them negatively. As we have more employees working from home, we also had to increase some investments in order to finance this transition. Our efficiency ratio remained strong at 40.6%.

To finalize, we will now move on to our summary on **slide 26**.

The Central Banks and the CMF have launched a series of initiatives that will help maintain liquidity and capital levels while we flatten the COVID-19 curve. The government has also announced initiatives that will help both individuals and companies during these times. We currently have high liquidity levels and healthy capital ratios. We proactively lowered our dividend distribution to 30% to support loan growth in the future. This loan growth will come mainly from commercial lending, while SMEs and individuals will have the opportunity to reprogram loans subject to bank approvals. Our digital channels have proven a great asset, with client growth continuing in the first quarter and more clients using our digital channels. Efficiency also remained solid.

At this time, we will gladly answer any questions you may have.

[Operator conducts Q&A.] [After questions have been concluded, operator gives the call to Emiliano.]

Emiliano: Thank you all very much for taking the time to participate in today's call. We look forward to speaking with you again soon!

Joaquín Cortez Huerta
President
Financial Markets Commission

Ref.: Material Fact. Board election of Banco Santander-Chile.

Mr. President:

In accordance to what is established in Article 44 of the General Banking Law, and in Articles 9 and 10 of Law 18,045 on Securities Markets, we inform you that in the Ordinary Shareholders' Meeting of Banco Santander-Chile, held today April 30, 2020 the following were elected as Directors of Banco Santander-Chile: Mr. Claudio Melandri Hinojosa, Mr. Rodrigo Vergara Montes (Independent), Mr. Orlando Poblete Iturrate (Independent), Mr. Félix de Vicente Mingo (Independent), Mr. Alfonso Gómez Morales (Independent) Mrs. Ana Dorrego de Carlos, Mr. Rodrigo Echenique Gordillo, Mr. Lucía Santa Cruz Sutil and Mr. Juan Pedro Santa María Pérez (Independent); and as Alternate Directors Mrs Blanca Bustamante Bravo (Independent) and Mr. Oscar Von Chrismar Carvajal (Independent).

Sincerely,

Miguel Mata Huerta
General Manager

c.c.: Bolsa de Comercio de Santiago.
Bolsa Electrónica de Chile.

Santiago, 30 de abril de 2020

Señor
Joaquín Cortez Huerta
Presidente
Comisión para el Mercado Financiero
Presente

Ref.: Informa Hecho Esencial. Elección de Directores de Banco Santander-Chile.

De mi consideración:

Conforme a lo dispuesto en el artículo 44 de la Ley General de Bancos, y en los artículos 9 y 10 de la Ley N° 18.045 sobre Mercados de Valores, se informa que en Junta Ordinaria de Accionistas de Banco Santander-Chile, celebrada hoy, 30 de abril del presente año, fueron elegidos como Directores Titulares de Banco Santander-Chile don Claudio Melandri Hinojosa, don Rodrigo Vergara Montes (Independiente), don Orlando Poblete Iturrate (Independiente), don Félix de Vicente Mingo (Independiente), don Alfonso Gómez Morales (Independiente), doña Ana Dorrego de Carlos, don Rodrigo Echenique Gordillo, doña Lucía Santa Cruz Sutil y don Juan Pedro Santa María Pérez (Independiente); y como Directores Suplentes doña Blanca Bustamante Bravo (Independiente) y don Oscar Von Chrismar Carvajal (Independiente).

Sin otro particular, saluda atentamente a usted,

Miguel Mata Huerta
Gerente General

c.c.: Bolsa de Comercio de Santiago.
Bolsa Electrónica de Chile.



En Santiago a 30 de abril de 2020, certifico que la presente es copia fiel de la carta que informa el Hecho Esencial de la elección como Directores Titulares de Banco Santander-Chile a don Claudio Melandri Hinojosa, don Rodrigo Vergara Montes (Independiente), don Orlando Poblete Iturrate (Independiente), don Félix de Vicente Mingo (Independiente), don Alfonso Gómez Morales (Independiente), doña Ana Dorrego de Carlos, don Rodrigo Echenique Gordillo, doña Lucía Santa Cruz Sutil y don Juan Pedro Santa María Pérez (Independiente); y como Directores Suplentes a doña Blanca Bustamante Bravo (Independiente) y a don Oscar Von Chrismar Carvajal (Independiente).

Miguel Mata Huerta
Gerente General
