
FORM 6-K
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer

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

Commission File Number: 001-14554

Banco Santander Chile
Santander Chile Bank

(Translation of Registrant's Name into English)

Bandera 140
Santiago, Chile

(Address of principal executive office)

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

Form 20-F Form 40-F

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

Yes No

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

Yes No

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

Yes No

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

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Item

1. Third Quarter Earning Report 2009
2. Nine-Month Income Statement and Balance Sheet (Spanish)
3. Nine-Month Income Statement and Balance Sheet (English)

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/ Juan Pedro Santa María

Name: Juan Pedro Santa María

Title: General Counsel

Date: Nov. 2, 2009

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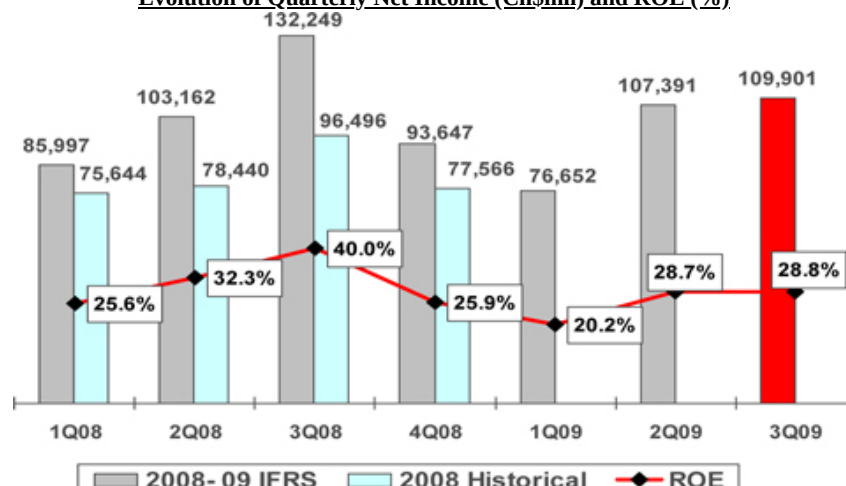
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SECTION 1: SUMMARY OF RESULTS

Evolution of Quarterly Net Income (Ch\$mnn) and ROE (%)



2008 IFRS refers to 2008's net income restated for new accounting standards adopted in 2009. 2008 Historical refers to reported 2008's net income (1.e. before being restated). ROE is calculated based on restated net income and equity.

Net income up 2.3% QoQ in 2Q09

In 3Q09, net income attributable to shareholders totaled Ch\$109,901 million (Ch\$0.58 per share and US\$1.11/ADR¹). These results represent an increase of 2.3% compared to 2Q09 (from now on QoQ) and a decrease of 16.9% compared to restated 3Q08 figures (from now on YoY). Compared to historical figures (not adjusted for the new accounting standards²), net income attributable to shareholders increased 13.9% YoY in 3Q09.

ROAE reached 28.8% in 3Q 09

With these results, the Bank's ROAE in the quarter reached 28.8%. The Bank currently has the highest ROE among the banks operating in Chile. This strong profitability was achieved despite having one of the highest levels of capitalization in the Chilean financial system. As of September 30, 2009, the Bank's BIS ratio reached 15.2% and its Tier I ratio stood at 11.2%.

1 Earnings per ADR is calculated using an exchange rate of Ch\$546.07 per US\$.

2 In 2009, banks in Chile adopted new accounting standards in line with international standards (IFRS) and historical figures in the rest of this report have been re-stated to make them comparable. The main difference compared to previous accounting standards was the elimination of price level restatement, a non-cash item. All figures and variation presented below are based on 3Q08 and 9M08 figures that have been restated in line with new accounting standards adopted in 2009.

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Loan growth rebounding in retail banking

In 3Q09, total loans increased 1.4% QoQ. The pick up in economic growth has led to a rebound in loan volumes, especially in higher yielding retail banking activities. The Bank launched in the quarter its *Reactivate!* (Reactivate) program with the pre-approval of approximately US\$ 7 billion in loans for clients. As a result, consumer and residential mortgage loans increased 1.6% QoQ and lending to SMES rose 2.2% in the same period.

Asset quality improving. Net provision expense decreases 17.6% QoQ in 3Q09

In 3Q09, the Bank's net provision expense decreased 17.6% QoQ. Asset quality indicators also began to show signs of improvements, especially among individuals. Non-performing loans (NPLs) decreased 7.7% QoQ. The coverage of NPLs rose from 75.7% in 2Q09 to 88.2% in 3Q09, while the coverage of consumer NPLs reached 252.6% as of September 2009.

Net interest income, net of provisions was up 5.8% QoQ in 3Q09

In 3Q09, net interest income was down 4.1% QoQ and 13.7% YoY. The Bank's net interest margin reached 5.7% in the quarter compared to 6.0% in 2Q09 and 6.9% in 3Q08. The lower margin was mainly due to the lower spread earned over the non-interest bearing deposits as a result of the lower interest rate environment and the higher deflation in the period. The Bank maintains long-term assets (mainly medium and long-term financial investments) that are denominated in Unidades de Fomento (UFs), an inflation indexed unit, which are partially funded with nominal or non-interest bearing peso short-term deposits. Deflation was -0.47% in 3Q09 compared to -0.13% in 2Q09 and +3.63% in 3Q08. The negative effects of deflation were partially offset by the Bank's focus on spreads and lower provision expense. Net interest income net of provisions was up 5.8% QoQ.

Fee income increases 2.6% QoQ in 3Q09

Net fee income increased 2.6% QoQ and 6.0% YoY in 3Q09. Solid fee growth from credit card and asset management fees were among the main drivers of fee income growth. Fees from credit, debit and ATM cards increased 14.7% QoQ and 32.7% YoY. The rise in fees from this business reflects, the launch of three new successful credit card products in 2009. Fees from asset management increased 10.8% QoQ and 8.9% YoY. Total assets under management reached Ch\$3,478,763 million (US\$6.3 billion) and increased 4.1% QoQ and 37.3% YoY. This reflects the greater flows of money to both money-market and stock funds as investor sentiment improves. The Bank's commercial teams have also proactively funneled customer deposits to mutual funds, which is a more profitable product for the Bank. This was partially offset by the negative impact of regulatory changes over fees from checking accounts and lines of credit.

Costs down 1.3% QoQ in 3Q09

The Bank continued to control costs in the quarter and the efficiency ratio reached 32.6%. Operating expenses decreased 1.3% QoQ and 7.2% YoY in 3Q09. The evolution of operating efficiency was due to general cost control and the increase in usage of alternative channels, especially internet.

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Gross income net of provisions / costs increases 10.4% QoQ in 3Q09

In summary, gross income, net of provisions / costs, a proxy for recurring earnings, jumped 10.4% QoQ in 3Q09, reflecting the higher quality of results in the period. The growth of fee income, the lower provision expense due to the improvement in asset quality and additional cost savings more than compensated the negative effects of deflation on net interest margins. Compared to 3Q08, the 11.9% YoY decline in net operating income was mainly due to the differences in inflation rates between the two quarters which negatively impacted net interest margins.

(Ch\$ million)	3Q09	YoY Chg.	QoQ Chg.
Net interest income	217,253	-13.7%	-4.1%
Fee income	64,756	6.0%	2.6%
Financial transactions	31,510	-7.4%	6.3%
Provision expense	(79,122)	9.1%	-17.6%
Operating expenses	(102,775)	-7.2%	-1.3%
Gross income, net of provisions / costs	131,622	(19.5)%	10.4%
Other operating and non-operating income, net*	(21,721)	(30.6)%	82.8%
Net income attributable to shareholders	109,901	(16.9)%	2.3%

* Includes Other operating income, Other operating expenses, income attributable to investments in other companies, income tax and net of minority interest.

Santander leads the system in terms of ROE and Efficiency in 9M09

In the nine-month period ended September 30, 2009 (9M09), net income attributable to shareholders totaled Ch\$293,944 million (Ch\$1.56/share and US\$2.95/ADR). Net income attributable to shareholders decreased 8.5% YoY due to: (i) the 4.4% decrease in net interest income as a consequence of the negative effects of deflation on margins, (ii) the 30.2% rise in provision expense and (iii) the higher effective tax rate. This was partially offset by the 4.7% increase in fee income, the 106.9% rise in financial transactions and other operating income, net and the 3.7% fall in operating expenses. As a consequence, gross income, net of provisions / costs was down by 2.5% on a YoY basis. At the same time, Net income attributable to shareholders increased 17.3% in 9M09 compared to non-restated 9M08 net income.

(Ch\$ million)	9M09	YoY Chg.
Net interest income	631,137	(4.4)%
Fee income	189,532	4.7%
Financial transactions	129,981	87.1%
Provision expense	(266,093)	30.2%
Operating expenses	(305,162)	(3.7)%
Gross income, net of provisions / costs	379,395	(2.5)%
Other operating and non-operating income, net*	(85,541)	26.0%
Net income attributable to shareholders	293,944	(8.5)%

* Includes Other operating income, Other operating expenses, income attributable to investments in other companies, income tax and net of minority interest

In 9M09, the Bank's ROAE reached 25.9%, the highest in the Chilean banking system and the efficiency ratio reached 32.8%, the most efficient bank in Chile.

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Banco Santander Chile: Summary of Quarterly Results

(Ch\$ million)	Quarter			Change %	
	3Q09	2Q09	3Q08	3Q09 / 3Q08	3Q / 2Q 09
Net interest income	217,253	226,611	251,607	(13.7)%	(4.1)%
Fee income	64,756	63,145	61,107	6.0%	2.6%
Financial transactions, net	31,510	29,656	34,019	(7.4)%	6.3%
Provision expense	(79,122)	(96,037)	(72,492)	9.1%	(17.6)%
Operating expenses	(102,775)	(104,099)	(110,700)	(7.2)%	(1.3)%
Gross income, net of provisions / costs¹	131,622	119,276	163,541	(19.5)%	10.4%
Other operating & non-operating income, net	(21,721)	(11,885)	(31,292)	(30.6)%	82.8%
Net income attributable to shareholders	109,901	107,391	132,249	(16.9)%	2.3%
Net income/share (Ch\$)	0.58	0.57	0.70	(16.9)%	2.3%
Net income/ADR (US\$) ²	1.11	1.12	1.32	(15.9)%	(0.8)%
Total loans	13,583,627	13,401,486	13,773,451	(1.4)%	1.4%
Customer funds	14,088,233	14,769,070	14,072,698	0.1%	(4.6)%
Shareholders' equity	1,555,148	1,497,019	1,393,361	11.6%	3.9%
Net interest margin	5.7%	6.0%	6.9%		
Efficiency ratio	32.6%	31.5%	33.1%		
Return on average equity ³	28.8%	28.7%	40.0%		
NPL ⁴ / Total loans	2.8%	3.1%	—		
Coverage NPLs	88.2%	75.7%	—		
PDL / Total loans	1.3%	1.4%	1.1%		
Coverage ratio of PDLs ⁵	192.7%	173.0%	167.1%		
Expected loss ⁶	2.5%	2.3%	1.9%		
BIS ratio	15.2%	15.0%	13.1%		
Branches	502	502	502		
ATMs	1,991	1,929	1,987		

1. Includes Other operating income, Other operating expenses, income attributable to investments to other companies, income tax and net of minority interest.
2. The change in earnings per ADR may differ from the change in earnings per share due to the exchange rate. The exchange rate used is Ch\$546.07 per US\$.
3. Annualized quarterly Net income attributable to shareholders / Average equity attributable to shareholders.
4. NPLs: Non-performing loans, includes all loans with one installment over 90 days overdue.
5. PDLs: Past-due loans, includes all installments 90 days or more overdue.
6. Allowance for loan losses / Total loans. Based on internal credit models and Superintendency of Banks guidelines. Banks must have a 100% coverage of expected loss.

2008 figures have been restated in accordance with the new accounting standards adopted by Chilean banks in 2009. 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.

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SECTION 2: BALANCE SHEET ANALYSIS

LOANS

Loan growth rebounding in retail banking. Mix improving

Loans (Ch\$ million)	Quarter ended,			% Change	
	Sep-09	Jun-09	Sep-08	Sept. 09 / 08	Sept. 09 / Jun. 09
Total loans to individuals ¹	6,188,291	6,091,941	6,093,811	1.6%	1.6%
Consumer loans	2,155,200	2,121,045	2,241,163	(3.8)%	1.6%
Residential mortgage loans	4,033,091	3,970,896	3,852,648	4.7%	1.6%
SMEs	2,423,328	2,370,029	2,418,645	0.2%	2.2%
Institutional lending	285,090	262,915	216,016	32.0%	8.4%
Retail lending	8,896,709	8,724,885	8,728,472	1.9%	2.0%
Middle-Market & Real estate	2,466,786	2,472,244	2,831,381	(12.9)%	(0.2)%
Corporate	1,516,471	1,566,971	1,648,671	(8.0)%	(3.2)%
Total loans²	13,583,627	13,401,486	13,773,451	(1.4)%	1.4%

1 Sum of consumer loans and residential mortgage loans.

2 Total loans gross of loan loss allowances and excluding interbank loans. Total loans includes other non-segmented loans, past due loans in each category and other non-segmented loans.

In 3Q09, total loans increased 1.4% QoQ and decreased 1.4% YoY. The pick up in economic growth has led to a rebound in loan volumes, especially in higher yielding retail banking activities. The Bank launched in the quarter its *Reactivate!* (Reactivate) program with the pre-approval of approximately US\$ 7 billion in loans for clients. The lower interest rate and inflation environment has also led to a reduction in indebtedness levels of households, opening space for the expansion of the consumer loan portfolio. Asset quality indicators also showed improvement in the quarter which also permitted for greater volume expansion with select clients. As a result, consumer and residential mortgage loans increased 1.6% QoQ and lending to SMES rose 2.2% in the same period.

In the middle-market and corporate lending loan volumes decreased 0.2% and 3.2% QoQ, respectively. Despite the brighter economic outlook, the Bank maintains its strategy of focusing on profitability over market share concerns. The normalization of cross border liquidity flows, the active local bond market and price competition has also resulted in slower loan growth in these segments. Given our consistent focus on profitability, we have been focusing our commercial efforts in the large corporate market on non-lending activities, which generates a greater pool of revenues from these clients. This is reflected in our fee income, gains from financial transactions and the evolution of non-interest bearing liabilities.

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FUNDING

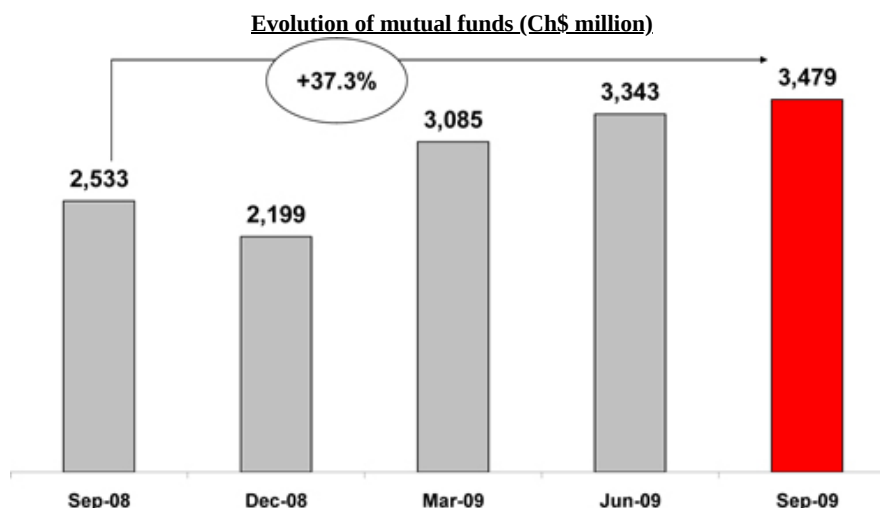
The Bank channels deposits to mutual funds to boost profitability and increases the duration of liabilities

Customer funds (Ch\$ million)	Quarter			Change %	
	Sep-09	Jun-09	Sep-08	Sept. 09 / 08	Sept. 09 / Jun. 09
Non-interest bearing deposits	3,152,739	3,083,814	3,130,913	0.7%	2.2%
Time deposits	7,456,731	8,342,396	8,408,557	(11.3)%	(10.6)%
Total customer deposits	10,609,470	11,426,210	11,539,470	(8.1)%	(7.1)%
Mutual funds	3,478,763	3,342,860	2,533,228	37.3%	4.1%
Total customer funds	14,088,233	14,769,070	14,072,698	0.1%	(4.6)%
Marketable debt securities	2,717,508	2,622,275	2,372,389	14.5%	3.6%

* (Loans - marketable securities that fund mortgage portfolio) / (Time deposits + demand deposits).

Customer funds decreased 4.6% QoQ and were stable YoY. As a result of the sharp decline in interest rates and the deflationary environment, the Bank proactively channeled deposits to mutual funds, which is a more profitable product (See Fee Income). Client appetite for risk has increased which has also led to higher growth of assets under management. At the same time, the Bank continued to increase the duration of its liabilities by issuing long-term senior bonds at attractive rates in the local market in expectation of a tighter monetary policy in 2010. Total marketable debt securities outstanding increased 3.6% QoQ and 14.5% YoY.

As a consequence, total customer deposits decreased 7.1% QoQ and 8.1% YoY and mutual funds under management increased 4.1% QoQ and 37.3% YoY. Since year-end 2008, assets under management have increased 76.8%.



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SHAREHOLDERS' EQUITY AND REGULATORY CAPITAL

ROE reaches 28.8% in 3Q09 with a BIS ratio of 15.2% and Tier I of 11.2%

Shareholders' Equity (Ch\$ million)	Quarter			Change %	
	Sep-09	Jun-09	Sep-08	Sept. 09 / 08	Sept. 09 / Jun. 09
Capital	891,303	891,303	818,535	8.9%	0.0%
Reserves	(16,960)	(16,960)	(21,234)	(20.1)%	0.0%
Unrealized gain (loss) Available-for-sale financial assets	(33,001)	(14,199)	(31,204)	5.8%	132.4%
Retained Earnings:	713,806	636,875	627,264	13.8%	12.1%
Retained earnings previous periods	508,045	508,045	381,030	33.3%	0.0%
Net income	293,944	184,043	321,408	(8.5)%	59.7%
Provision for mandatory dividend	(88,183)	(55,213)	(75,174)	17.3%	59.7%
Minority Interest	30,887	30,920	24,361	26.8%	(0.1)%
Total Equity	1,586,035	1,527,939	1,417,722	11.9%	3.8%
Equity attributable to shareholders	1,555,148	1,497,019	1,393,361	11.6%	3.9%

Shareholders' equity totaled Ch\$1,555,148 million (US\$2.8 billion) as of September 30, 2009. ROAE in 3Q09 reached 28.8% in 3Q09. The Bank currently has the highest ROE among the banks operating in Chile. This strong profitability was achieved despite having one of the highest levels of capitalization in the Chilean financial system. Voting common shareholders' equity is the sole component of our Tier I capital and represented 11.2% of risk weighted assets as of September 2009. The BIS ratio reached 15.2% at the same date. The positive evolution of capitalization ratios was a direct result of the Bank's strong income generation capacity and the active management of risk weighted assets.

Capital Adequacy (Ch\$ million)	Quarter ended			Change %	
	Sep-09	Jun-09	Sep-08	Sept. 09 / 08	Sept. 09 / Jun. 09
Tier I	1,555,148	1,497,019	1,477,245	5.3%	3.9%
Tier II	563,856	535,978	514,005	9.7%	5.2%
Regulatory capital	2,119,004	2,032,997	1,991,251	6.4%	4.2%
Risk weighted assets	13,918,058	13,544,319	15,170,215	(8.3)%	2.8%
Tier I ratio	11.2%	11.1%	9.7%		
BIS ratio	15.2%	15.0%	13.1%		

* Figures for 2008 are not restated for new accounting standards.

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SECTION 3: ANALYSIS OF QUARTERLY INCOME STATEMENT

NET INTEREST INCOME

Net interest income, net of provisions, increases 5.8% QoQ

Net Interest Income / Margin (Ch\$ million)	Quarter			Change %	
	3Q09	2Q09	3Q08	3Q09 / 3Q08	3Q / 2Q 09
Client net interest income ¹	227,834	235,418	250,393	(9.0)%	(3.2)%
Non-client net interest income ²	(10,581)	(8,807)	1,214	—%	20.1%
Net interest income	217,253	226,611	251,607	(13.7)%	(4.1)%
Average interest-earning assets	15,075,399	15,147,554	14,681,695	2.7%	(0.5)%
Average loans	13,602,381	13,733,919	13,444,859	1.2%	(1.0)%
Net interest margin (NIM)³	5.7%	6.0%	6.9%		
Avg. equity + non-interest bearing demand deposits / Avg. interest earning assets	30.3%	30.3%	29.5%		
Quarterly inflation rate ⁴	(0.47)%	(0.13)%	3.63%		
Avg. overnight interbank rate (nominal)	0.46%	1.40%	7.58%		
Avg. 10 year Central Bank yield (real)	2.88%	2.86%	3.39%		

1. Client net interest income and margins, is net interest income (and margins) generated by our commercial areas.
2. Non-client net interest income is net interest income generated by centralized activities, non-segmented portions of the balance sheet and Financial Management.
3. Annualized.
4. Inflation measured as the variation of the Unidad de Fomento in the quarter.

In 3Q09, net interest income was down 4.1% QoQ and 13.7% YoY. The Bank's net interest margin reached 5.7% in the quarter compared to 6.0% in 2Q09 and 6.9% in 3Q08. Compared to our main competitors, the Bank has the highest net interest margin. In order to understand the underlying trends of our net interest income, we break these revenues between Client net interest income, which is net interest income (and margins) generated by our commercial areas, and Non-client interest income, which includes the rest.

Client net interest income. Client net interest income decreased 3.2% QoQ and 9.0% YoY in 3Q09. This was mainly due to: (i) the strong reduction in interest rates that negatively affected the spread earned over free funds (non-interest bearing liabilities and equity) and (ii) the shift in the loan mix towards less risky, but lower yielding loans, such as residential mortgage loans. This reduction in client net interest income was more than offset by favorable trends in asset quality (See Provision Expense). As a consequence, the Bank's net interest income net of provisions was up 5.8% QoQ.

Non-Client net interest income. Non-client net interest income, which is net interest income generated by centralized activities, non-segmented portions of the balance sheet and Financial Management, totaled a loss of Ch\$10,581 million. This higher loss was mainly due to the higher deflation in the period. The Bank maintains long-term assets (mainly medium and long-term financial investments) that are denominated in Unidades de Fomento (UFs), an inflation indexed unit, which are partially funded with nominal or non-interest bearing peso short-term deposits. The Bank has a positive UF gap of approximately US\$2.5 billion. In 3Q09, deflation had a negative impact on net interest income and margins due to this gap. The UF deflation was (0.47%) in 3Q09 compared to (0.13%) in 2Q09 and 3.63% in 3Q08. In 3Q08, Chilean inflation reached its annual peak before the collapse of oil prices at the end of 2008.

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PROVISION FOR LOAN LOSSES

Asset quality improving. Net provision expense decreases 17.6% QoQ in 3Q09

Provision for loan losses (Ch\$ million)	Quarter			Change %	
	3Q09	2Q09	3Q08	3Q09 / 3Q08	3Q / 2Q 09
Gross provisions	(25,377)	(19,402)	(13,421)	89.1%	30.8%
Charge-offs	(65,613)	(87,392)	(68,324)	(4.0)%	(24.9)%
Gross provisions and charge-offs	(90,990)	(106,794)	(81,745)	11.3%	(14.8)%
Loan loss recoveries	11,868	10,757	9,253	28.3%	10.3%
Net provisions for loan losses	(79,122)	(96,037)	(72,492)	9.1%	(17.6)%
Total loans ¹	13,583,627	13,401,486	13,773,451	(1.4)%	1.4%
Total reserves (RLL)	(338,020)	(314,191)	(258,446)	30.8%	7.6%
Past due loans ² (PDL)	175,426	181,645	154,651	13.4%	(3.4)%
Non-performing loans ³ (NPLs)	383,172	415,311	—	—%	(7.7)%
Gross provision expense / Loans	2.68%	3.19%	2.37%		
Cost of credit ⁴	2.33%	2.87%	2.11%		
PDL / Total loans	1.29%	1.36%	1.12%		
Expected loss (RLL / Total loans)	2.49%	2.34%	1.88%		
Coverage of past due loans ⁵	192.7%	173.0%	167.1%		
NPL / Total loans	2.8%	3.1%	—		
Reserves / NPLs	88.2%	75.7%	—		

1 Excludes interbank loans.

1 PDLs: Past due loans: installments or credit lines more than 90 days overdue.

2 NPLs: Non-performing loans: Full balance of loans with one installment 90 days or more overdue.

3 Cost of credit: Net provision expense / loans annualized.

4 Coverage of PDLs: RLL / PDLs.

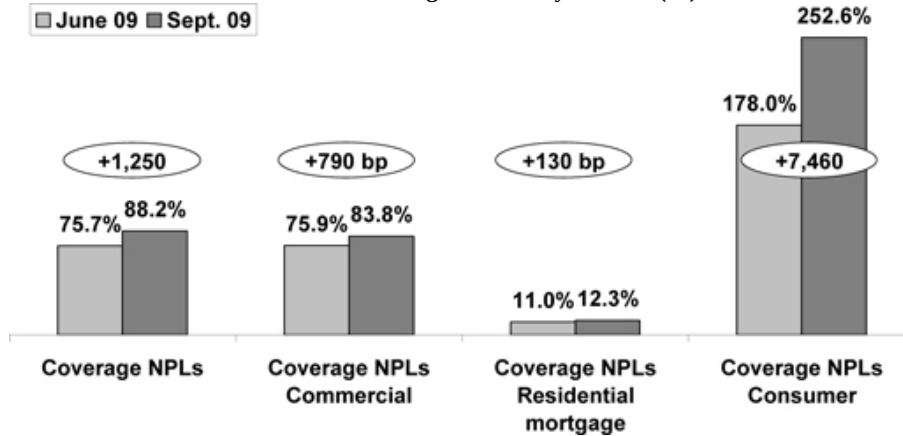
5 Coverage NPLs: RLL / NPLs.

In 3Q09, the Bank's net provision expense decreased 17.6% QoQ. Asset quality indicators began to show signs of improvements in the quarter, especially among individuals. Non-performing loans (NPLs) decreased 7.7% and past due loans (PDLs) decreased 3.4% QoQ. The coverage of NPLs rose from 75.7% in 2Q09 to 88.2% in 3Q09. The coverage of consumer NPLs reached 252.6% as of September 2009.

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Evolution of Coverage of NPLs by Product (%)



Coverage= Reserve for loan losses / Loans

At the same time charge-offs decreased 24.9% QoQ and loan loss recoveries increased 10.3% QoQ. This as a direct result of the more favorable economic environment and the pro-active measures taken by the Bank to control asset quality. As mentioned in previous earning reports, the Bank continued to focus loan growth in lower risk segments in order to contain asset quality. At the same time, commercial executives continued to dedicate an important percentage of their time to asset quality issues and recoveries. By loan product, net provision expense for consumer loans decreased 26.9% QoQ and provision expense for residential mortgage loans fell 11.5% QoQ. This was offset by the 35.0% QoQ increase in net provision expense for commercial loans. This rise was mainly due to the proactive policy of increasing coverage of performing loans in weaker sectors of the economy such as the salmon sector, among others. By loan product, provision expense was as follows:

Net provisions for loan losses by segment

(Ch\$ million)	Quarter			Change %	
	3Q09	2Q09	3Q08	3Q09 / 3Q08	3Q / 2Q 09
Commercial loans ¹	(18,374)	(13,612)	(8,868)	107.2%	35.0%
Residential mortgage loans	(2,741)	(3,096)	(2,002)	36.9%	(11.5)%
Consumer loans	(58,007)	(79,329)	(61,622)	(5.9)%	(26.9)%
Net provisions for loan losses	(79,122)	(96,037)	(72,492)	9.1%	(17.6)%

1 Includes net provision expenses for interbank loans and off-balance sheet contingent operations.

The 9.1% YoY increase in provision expense is directly related to negative effects of the economic downturn on asset quality and on the Expected Loan Loss ratio or Risk Index. This ratio, defined as loan loss allowances over total loans, measures how much the Bank expects to lose on its loan book, according to its internal models and the Superintendency of Banks guidelines. The Bank is required to have 100% coverage of its Expected Loan Loss ratio. This indicator increased from 1.88% as of September 2008 to 2.49% at September 2009.

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NET FEE INCOME

Strong growth of usage-linked fees

Fee Income (Ch\$ million)	Quarter			Change %	
	3Q09	2Q09	3Q08	3Q09 / 3Q08	3Q / 2Q 09
Collection fees	17,168	16,552	12,105	41.8%	3.7%
Credit, debit & ATM card fees	13,702	11,950	10,325	32.7%	14.7%
Checking accounts & lines of credit	12,284	13,116	19,534	(37.1)%	(6.3)%
Asset management	8,302	7,495	7,622	8.9%	10.8%
Guarantees, pledges and other contingent operations	6,260	5,923	4,236	47.8%	5.7%
Insurance brokerage	4,221	4,719	3,879	8.8%	(10.6)%
Fees from brokerage and custody of securities	1,763	1,766	1,903	(7.4)%	(0.2)%
Other Fees	1,056	1,624	1,503	(29.7)%	(35.0)%
Total fees	64,756	63,145	61,107	6.0%	2.6%

Net fee income increased 2.6% QoQ and 6.0% YoY in 3Q09. The Bank implemented various strategies to promote fee growth in the quarter despite lower economic growth and regulatory changes.

Fees from credit, debit and ATM cards increased 14.7% QoQ and 32.7% YoY. The rise in fees from this business reflects, among other initiatives, the launch of three new credit card products in 2009. These are: (i) the World Member Card, which is co-branded with Lan Airlines for the mid-upper income segment, (ii) Santander Banefe Lan Pass, which is the first credit card for the mid-lower income segment that is co-branded with an airline and permits the accumulation of mileage with purchases and, (iii) a credit card co-branded with Movistar, that permits the accumulation of cell phone minutes with purchases, lets clients renew their cell phone once a year and other benefits. This card has been very popular among younger individuals and university students. As of September 2009, the Bank, with 33.2% of all bank credit cards, generated 37.9% of monetary purchases. Purchases were up 17.0% in real terms YoY compared to 3.9% for the rest of the market, excluding Santander. Including non-bank issuers, the Bank also reached the number 1 ranking in terms of credit card purchases in 3Q09, surpassing the largest Chilean retailer.

Fees from checking accounts and lines of credit decreased 6.3% QoQ and 37.1% YoY. As stated in previous earnings reports, fee income from lines of credit is expected to decline throughout 2009 due to regulatory changes that prohibits fees charged for unauthorized overdrafts. This measure began in April 2009. This is being offset by the Bank's strategy to increased product usage and cross-selling as reflected in other fee generating products, such as the card business, asset management and insurance brokerage.

Collection fees in 3Q09 increased 3.7% QoQ and 41.8% YoY. This rise was mainly due to higher fees from the collection of loan insurance policies on behalf of third parties. The ability to pay bills easily online has also driven collection fees.

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Fees from asset management increased 10.8% QoQ and 8.9% YoY. Total assets under management reached Ch\$3,478,763 million (US\$6.3 billion) and increased 4.1% QoQ and 37.3% YoY. This reflects the greater flows of money to both money market and stock funds as investor sentiment improves. The Bank's commercial teams have also proactively funneled customer deposits to mutual funds, which is a more profitable product for the Bank.

OPERATING EXPENSES AND EFFICIENCY

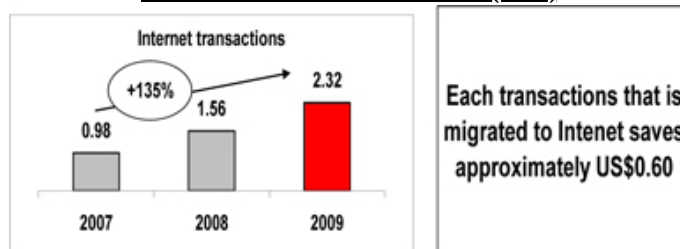
Costs down 1.3% QoQ and 7.2% YoY

Operating Expenses (Ch\$ million)	Quarter			Change %	
	3Q09	2Q09	3Q08	3Q09 / 3Q08	3Q / 2Q 09
Personnel expenses	(55,751)	(57,701)	(63,483)	(12.2)%	(3.4)%
Administrative expenses	(34,955)	(34,258)	(35,510)	(1.6)%	2.0%
Depreciation and amortization	(12,069)	(12,140)	(11,707)	3.1%	(0.6)%
Operating expenses	(102,775)	(104,099)	(110,700)	(7.2)%	(1.3)%
Efficiency ratio*	32.6%	31.5%	33.1%		

* Operating expenses / Operating income. Operating income = Net interest income + Net fee income+ Financial transactions net + other operating income and expenses.

The Bank continued to control costs in the quarter and the efficiency ratio reached 32.6%. Operating expenses decreased 1.3% QoQ and 7.2% YoY in 3Q09. The 3.4% QoQ and 12.2% YoY decline in personnel expenses was mainly due to the lower inflationary environment, lower expenses from paid-vacation days, a fall in variable incentives and a 5% reduction in average headcount. The positive evolution of costs was also due to general cost control and our strategy of increasing the profitability of the existing branch network and the increase in usage of alternative channels, especially internet. The Bank has a 28% market share in terms of clients using online banking services, which are growing at a rapid pace.

Evolution of Internet Transactions (# mn)



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NET RESULTS FROM FINANCIAL TRANSACTIONS

Positive results from client and non-client related treasury activities mitigates negative effect of deflation over margins

Net Result from Financial Transactions (Ch\$ million)	Quarter			Change %	
	3Q09	2Q09	3Q08	3Q09 / 3Q08	3Q / 2Q 09
Net gains from mark-to-market & trading	51,447	(18,863)	96,599	(46.7)%	—%
Exchange differences, net	(19,937)	48,519	(62,580)	(68.1)%	—%
Net results from financial transactions	31,510	29,656	34,019	(7.4)%	6.3%
Avg. 10 year Central Bank yield (real)	2.88%	2.86%	3.39%		
Avg. 10 year Central Bank yield (nominal)	5.70%	5.63%	7.74%		

The Net gains from financial transaction, which includes the sum of the net gains from mark-to-market and trading and exchange differences, net totaled a gain of Ch\$31,510 million in 3Q09. These results mainly include the mark-to-market of the available for sale investment portfolio, realized and unrealized gains of financial investments held for trading, the interest revenue generated by the held for trading portfolio, gains or losses from the sale of charged-off loans and the mark-to-market of derivatives. The results recorded as Exchange differences, net mainly includes the translation gains or losses of assets and a liability denominated in foreign currency. In order to better understand these line items, we present the net results from financial transactions by business area in the table below.

Net Result from Financial Transactions (Ch\$ million)	Quarter			Change %	
	3Q09	2Q09	3Q08	3Q09 / 3Q08	3Q / 2Q 09
Santander Global Connect & Market making*	15,335	18,374	30,730	(50.1)%	(16.5)%
ALCO & Proprietary trading	16,175	11,282	3,289	391.8%	43.4%
Net results from financial transactions	31,510	29,656	34,019	(7.4)%	6.3%

* Santander Global Connect is the Bank's commercial platform for selling treasury products to our clients. This line item also includes the gain or loss from the sale of charged-off loans.

The 6.3% QoQ increase in this line item was mainly due to higher gains from proprietary trading gains in the quarter and higher gains from the sale of fixed income investments. The 7.4% YoY decrease in the net results from financial transactions was mainly due to lower gains from our client market making business due to higher volatility in 3Q08 and a one-time gain of approximately Ch\$6,000 million from the sale of charged-off loans that was recognized in 3Q08.

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OTHER INCOME AND EXPENSES

Other Income and Expenses (Ch\$ million)	Quarter			Change %	
	3Q09	2Q09	3Q08	3Q09 / 3Q08	3Q / 2Q 09
Other operating income and expenses	1,297	10,749	(12,750)	—%	(87.9)%
Income attributable to investments in other companies	97	440	(42)	—%	(78.0)%
Income tax	(22,439)	(21,816)	(17,545)	27.9%	2.9%
Income tax rate	16.9%	16.7%	11.6%		

Other operating income, net mainly includes the results from the sale and maintenance of repossessed assets, the net results of provisions for non-credit contingencies and other results. The 87.9% QoQ decline was mainly due to lower gains from the reversal of non-specific credit and non-credit related contingencies in 3Q09 compared to 2Q09. In 1Q09, the Bank recognized additional provisions for non-specific credit and non-credit contingencies given the difficult economic environment and the potential for further deterioration of the economic downturn. In 2Q and 3Q 2009, the Bank reversed, in part, these non-specific provisions as the Bank assigned specific credit provisions to loans, which are recognized as provisions for loan losses.

As a consequence of the adoption of new accounting standards, the Bank's taxable net income base changed, mainly as a result of the elimination of price level restatement, a non-cash item. In a positive inflationary environment, the Bank previously recognized a tax deductible loss from price level restatement in its income statement. In 3Q08, the Bank recognized in its historical income statement a Ch\$31,157 million loss from price level restatement, which was tax deductible. As the results from price level restatement are no longer recognized and tax expense remains unchanged under the new accounting standards, the restated 3Q08 effective tax rate falls. The statutory tax rate in Chile has not changed and is 17% over net income before taxes.

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SECTION 4: CREDIT RISK RATINGS

International ratings: Fitch affirms the Bank's A+ rating

The Bank has credit ratings from three leading international agencies. All of our ratings are assigned a stable outlook. We are the best rated companies in Latin America.

Moody's	Rating
Long-term bank deposits	A1
Senior bonds	Aa2
Subordinated debt	Aa3
Bank Deposits in Local Currency	Aa2
Bank financial strength	B-
Short-term deposits	P-1

Standard and Poor's	Rating
Long-term Foreign Issuer Credit	A+
Long-term Local Issuer Credit	A+
Short-term Foreign Issuer Credit	A-1
Short-term Local Issuer Credit	A-1

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
Individual rating	B

Local ratings:

Our local ratings, the highest in Chile, are the following:

Local ratings	Fitch Ratings	Feller Rate
Shares	Level 2	1CN1
Short-term deposits	N1+	Level 1+
Long-term deposits	AAA	AAA
Mortgage finance bonds	AAA	AAA
Senior bonds	AAA	AAA
Subordinated bonds	AA+	AA+
Outlook	Stable	Stable

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SECTION 5: SHARE PERFORMANCE

As of September 2009

Ownership Structure:



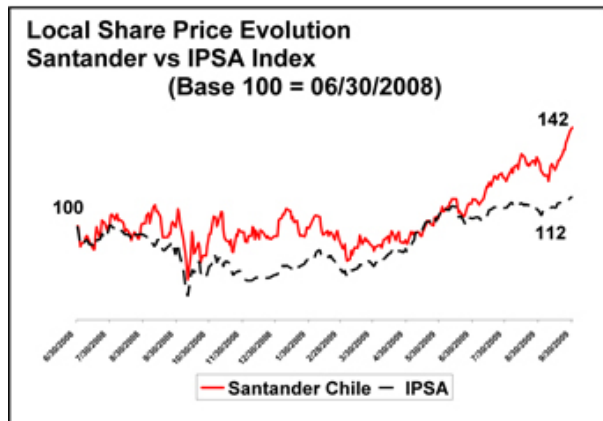
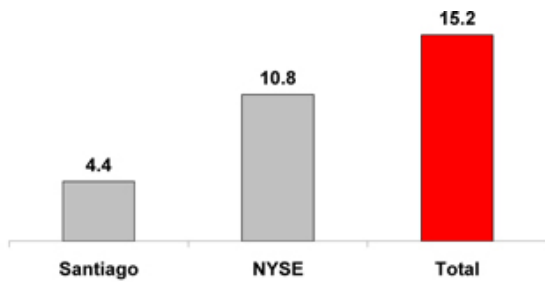
ADR price (US\$) 9M09

09/30/09:	57.54
Maximum (9M09):	57.94
Minimum (9M09):	31.22

Market Capitalization: US\$10,436 million

P/E 12 month trailing*:	14.1
P/BV (09/30/09)**:	3.63
Dividend yield***:	6.3%

Daily traded volumes 9M 2009



Local share price (Ch\$) 9M09

09/30/09:	30.41
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Maximum (9M09):	30.41
Minimum (9M09):	18.23

Dividends:

Year paid	Ch\$/share	% of previous year earnings
2006:	0.83	65%
2007:	0.99	65%
2008:	1.06	65%
2009:	1.13	65%

* Price as of Sept. 30 / 12mth Earnings (2008 non-restated)

** Price as of Sept. 30 / Book value as of 09/30/09

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

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SECTION 6: INSTITUTIONAL BACKGROUND

Institutional Background

As per the latest public records published by the Superintendency of Banks of Chile for September 2009, Banco Santander Chile was the largest bank in terms of loans and deposits. The Bank has the highest credit ratings among all Latin American companies, with an A+ rating from Standard and Poor's, A+ by Fitch and A1 by Moody's, which are the same ratings assigned to the Republic of Chile. The stock is traded on the New York Stock Exchange (NYSE: SAN) and the Santiago Stock Exchange (SSE: Bsantander). The Bank's main shareholder is Santander, which controls 76.91% of Banco Santander Chile.

Banco Santander (SAN.MC, STD.N) is a retail and commercial bank, based in Spain. At the end of 2008, Santander was the largest bank in the euro zone by market capitalization and third in the world by profit. Founded in 1857, Santander had EUR 1,271 billion in managed funds at the end of 2008. Following the acquisition of Sovereign Bancorp. of the U.S. in January 2009, Santander has 90 million customers, more than 14,000 branches – more than any other international bank – and over 170,000 employees. It is the largest financial group in Spain and Latin America, with leading positions in the United Kingdom and Portugal and a broad presence in Europe through its Santander Consumer Finance arm. In the first half of 2009, Santander registered €4,519 million in net attributable profit.

For more information, see www.santander.com.

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ANNEX 1: BALANCE SHEET

Unaudited Balance Sheet	Sep-09	Sep-09	Jun-09	Sep-08	Sept. 09 /	Sept. 09 /
Assets	US\$ths				08	Jun. 09
					% Chg.	
Cash and balances from Central Bank	1,649,606	906,871	942,065	854,459	6.1%	(3.7)%
Funds to be cleared	738,206	405,829	426,647	513,843	(21.0)%	(4.9)%
Financial assets held for trading	1,333,914	733,319	1,003,448	891,069	(17.7)%	(26.9)%
Investment collateral under agreements to repurchase	29,261	16,086	13,212	8,805	82.7%	21.8%
Derivatives	2,598,447	1,428,496	1,502,295	1,296,402	10.2%	(4.9)%
Interbank loans	103,090	56,674	57,800	76,015	(25.4)%	(1.9)%
Loans, net of reserves for loan losses	24,093,875	13,245,608	13,087,295	13,515,005	(2.0)%	1.2%
Available-for-sale financial assets	3,461,968	1,903,217	1,444,802	1,316,741	44.5%	31.7%
Held-to-maturity investments	-	-	-	-	—%	—%
Investments in other companies	13,068	7,184	7,145	7,926	(9.4)%	0.5%
Intangible assets	117,977	64,858	69,356	65,090	(0.4)%	(6.5)%
Fixed assets	339,724	186,763	190,997	198,133	(5.7)%	(2.2)%
Current tax assets	8,220	4,519	4,826	12,654	(64.3)%	(6.4)%
Deferred tax assets	191,764	105,422	94,369	124,800	(15.5)%	11.7%
Other assets	984,933	541,467	561,407	662,024	(18.2)%	(3.6)%
Total Assets	35,664,053	19,606,313	19,405,664	19,542,966	0.3%	1.0%
Liabilities and Equity						
Total non-interest bearing deposits	5,734,859	3,152,739	3,083,814	3,130,913	0.7%	2.2%
Funds to be cleared	463,816	254,983	195,249	308,345	(17.3)%	30.6%
Investments sold under agreements to repurchase	1,468,002	807,034	512,279	739,967	9.1%	57.5%
Time deposits and savings accounts	13,563,858	7,456,731	8,342,396	8,408,557	(11.3)%	(10.6)%
Derivatives	2,397,872	1,318,230	1,462,558	1,122,579	17.4%	(9.9)%
Deposits from credit institutions	3,167,585	1,741,380	1,140,901	1,495,608	16.4%	52.6%
Marketable debt securities	4,943,171	2,717,508	2,622,275	2,372,389	14.5%	3.6%
Other obligations	265,439	145,925	149,046	130,521	11.8%	(2.1)%
Current tax liabilities	110,055	60,503	34,786	850	7018.0%	73.9%
Deferred tax liability	3,909	2,149	9,567	57,388	(96.3)%	(77.5)%
Provisions	275,987	151,724	122,990	137,460	10.4%	23.4%
Other liabilities	384,487	211,372	201,864	220,667	(4.2)%	4.7%
Total Liabilities	32,779,041	18,020,278	17,877,725	18,125,244	(0.6)%	0.8%
Equity						
Capital	1,621,288	891,303	891,303	818,535	8.9%	0.0%
Reserves	(30,850)	(16,960)	(16,960)	(21,234)	(20.1)%	0.0%
Unrealized gain (loss) Available-for-sale financial asse	(60,029)	(33,001)	(14,199)	(31,204)	5.8%	132.4%
Retained Earnings:	1,298,419	713,806	636,875	627,264	13.8%	12.1%
Retained earnings previous periods	924,138	508,045	508,045	381,030	33.3%	0.0%
Net income	534,687	293,944	184,043	321,408	(8.5)%	59.7%
Provision for mandatory dividend	(160,406)	(88,183)	(55,213)	(75,174)	17.3%	59.7%
Total Shareholders' Equity	2,828,828	1,555,148	1,497,019	1,393,361	11.6%	3.9%
Minority Interest	56,184	30,887	30,920	24,361	26.8%	(0.1)%
Total Equity	2,885,011	1,586,035	1,527,939	1,417,722	11.9%	3.8%
Total Liabilities and Equity	35,664,053	19,606,313	19,405,664	19,542,966	0.3%	1.0%

2008 figures have been restated in accordance with the new accounting standards adopted by Chilean banks in 2009. 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.

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ANNEX 2 : YTD INCOME STATEMENTS
YTD Income Statement Unaudited

	Sep-09 US\$ths.	Sep-09 Ch\$ million nominal	Sep-08	Sept. 09 / 08 % Chg.
Interest revenue	1,574,197	865,415	1,520,567	(43.1)%
Interest expense	(426,154)	(234,278)	(860,704)	(72.8)%
Net interest revenue	1,148,044	631,137	659,863	(4.4)%
Fee income	428,238	235,424	219,270	7.4%
Fee expense	(83,478)	(45,892)	(38,244)	20.0%
Net fee income	344,760	189,532	181,026	4.7%
Net gains from mark-to-market and trading	94,612	52,013	171,255	(69.6)%
Exchange differences, net	141,824	77,968	(101,771)	—%
Financial transactions, net	236,437	129,981	69,484	87.1%
Other operating income	15,725	8,645	15,541	(44.4)%
Total operating income	1,744,966	959,295	925,914	3.6%
Provision expense	(484,025)	(266,093)	(204,405)	30.2%
Total operating income net of provisions	1,260,940	693,202	721,509	(3.9)%
Personnel expenses	(305,313)	(167,846)	(179,228)	(6.4)%
Administrative expenses	(186,741)	(102,661)	(101,077)	1.6%
Depreciation and amortization	(63,038)	(34,655)	(36,433)	(4.9)%
Operating expenses	(555,092)	(305,162)	(316,738)	(3.7)%
Other operating expenses	(53,901)	(29,632)	(32,353)	(8.4)%
Total operating expenses	(608,993)	(334,794)	(349,091)	(4.1)%
Net operating income	651,947	358,408	372,418	(3.8)%
Income attributable to investments in other companies	1,570	863	1,291	—%
Net income before taxes	653,517	359,271	373,709	(3.9)%
Income tax	(110,075)	(60,514)	(46,580)	29.9%
Net income from ordinary activities	543,442	298,757	327,129	(8.7)%
Net income discontinued operations	0	0	0	
Net income attributable to:				
Minority interest	8,755	4,813	5,721	(15.9)%
Net income attributable to shareholders	534,687	293,944	321,408	(8.5)%

2008 figures have been restated in accordance with the new accounting standards adopted by Chilean banks in 2009. 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.

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ANNEX 3 : QUARTERLY INCOME STATEMENTS

Unaudited Quarterly Income Statement	3Q09 US\$ths.	3Q09	2Q09	3Q08	3Q09 / 3Q08 % Chg.	3Q / 2Q 09
Interest revenue	509,104	279,880	338,744	624,168	(55.2)%	(17.4)%
Interest expense	(113,919)	(62,627)	(112,133)	(372,561)	(83.2)%	(44.1)%
Net interest revenue	395,185	217,253	226,611	251,607	(13.7)%	(4.1)%
Fee income	144,764	79,584	78,677	74,497	6.8%	1.2%
Fee expense	(26,972)	(14,828)	(15,532)	(13,390)	10.7%	(4.5)%
Net fee income	117,792	64,756	63,145	61,107	6.0%	2.6%
Net gains from mark-to-market and trading	93,583	51,447	(18,863)	96,599	(46.7)%	—%
Exchange differences, net	(36,266)	(19,937)	48,519	(62,580)	(68.1)%	—%
Total financial transactions, net	57,317	31,510	29,656	34,019	(7.4)%	6.3%
Other operating income, net	5,855	3,219	2,928	(170)	—%	9.9%
Total operating income	576,149	316,738	322,340	346,563	(8.6)%	(1.7)%
Provision expense	(143,924)	(79,122)	(96,037)	(72,492)	9.1%	(17.6)%
Total operating income net of provisions	432,226	237,616	226,303	274,071	(13.3)%	5.0%
Personnel expenses	(101,412)	(55,751)	(57,701)	(63,483)	(12.2)%	(3.4)%
Administrative expenses	186,890	(34,955)	(34,258)	(35,510)	(1.6)%	2.0%
Depreciation and amortization	(21,954)	(12,069)	(12,140)	(11,707)	3.1%	(0.6)%
Operating expenses	(186,949)	(102,775)	(104,099)	(110,700)	(7.2)%	(1.3)%
Other operating expenses	(3,496)	(1,922)	7,821	(12,581)	(84.7)%	—%
Total operating expenses	(190,445)	(104,697)	(96,278)	(123,281)	(15.1)%	8.7%
Net operating income	241,781	132,919	130,025	150,790	(11.9)%	2.2%
Income attributable to investments in other companies	176	97	440	(42)	—%	(78.0)%
Net income before taxes	241,957	133,016	130,465	150,748	(11.8)%	2.0%
Income tax	(40,817)	(22,439)	(21,816)	(17,545)	27.9%	2.9%
Net income from ordinary activities	201,141	110,577	108,649	133,203	(17.0)%	1.8%
Net income discontinued operations	0	0	0	0	—%	—%
Net income attributable to:						
Minority interest	1,230	676	1,258	954	(29.1)%	(46.3)%
Net income attributable to shareholders	199,911	109,901	107,391	132,249	(16.9)%	2.3%

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ANNEX 4: QUARTERLY EVOLUTION OF MAIN RATIOS AND OTHER INFORMATION

(Ch\$ millions)	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09
Loans							
Consumer loans	2,158,563	2,205,135	2,241,163	2,248,996	2,187,832	2,121,045	2,155,200
Residential mortgage loans	3,454,267	3,636,849	3,852,648	3,980,525	3,927,343	3,970,896	4,033,091
Commercial loans	6,808,174	7,357,979	7,679,640	8,356,033	7,870,502	7,309,545	7,395,336
Total loans	12,421,004	13,199,963	13,773,451	14,585,554	13,985,677	13,401,486	13,583,627
Allowance for loan losses	(236,454)	(245,823)	(258,446)	(274,205)	(281,265)	(314,191)	(338,020)
Total loans, net of allowances	12,184,550	12,954,140	13,515,005	14,311,349	13,704,412	13,087,295	13,245,607
Loans by segment							
Individuals	5,612,830	5,841,984	6,093,811	6,229,521	6,115,175	6,091,941	6,188,291
SMEs	2,201,005	2,314,975	2,418,645	2,471,356	2,385,720	2,370,029	2,423,328
Institutional lending	218,018	230,934	216,016	234,824	254,565	262,915	285,090
Total retail lending	8,031,853	8,387,893	8,728,472	8,935,701	8,755,460	8,724,885	8,896,709
Middle-Market & Real estate	2,516,708	2,703,058	2,831,381	2,895,035	2,727,232	2,472,244	2,466,786
Corporate	1,500,669	1,573,148	1,648,671	2,083,141	1,776,296	1,566,971	1,516,471
Customer funds							
Demand deposits	2,772,568	3,194,423	3,130,913	2,948,162	3,092,010	3,083,814	3,152,739
Time deposits	8,407,623	8,390,418	8,408,557	9,756,266	8,677,857	8,342,396	7,456,731
Total deposits	11,180,191	11,584,841	11,539,470	12,704,428	11,769,867	11,426,210	10,609,470
Mutual funds (Off balance sheet)	2,669,438	3,033,103	2,533,228	2,199,222	3,085,227	3,342,860	3,478,763
Total customer funds	13,849,629	14,617,944	14,072,698	14,903,650	14,855,094	14,769,070	14,088,233
Loans / Deposits¹	91.4%	93.2%	98.8%	93.9%	96.5%	94.3%	102.4%
Average balances							
Avg. interest earning assets	13,539,003	14,241,705	14,681,695	15,959,439	15,742,285	15,147,554	15,184,842
Avg. loans	12,277,279	12,807,117	13,444,859	14,295,443	14,312,882	13,733,919	13,479,883
Avg. assets	17,561,157	18,473,351	19,017,636	20,846,092	20,491,544	19,719,613	19,384,473
Avg. demand deposits	2,807,126	3,019,391	3,007,538	2,996,543	2,952,461	3,087,754	3,079,230
Avg equity	1,345,916	1,279,462	1,322,955	1,446,467	1,517,710	1,495,755	1,528,506
Avg. free funds	4,153,042	4,298,853	4,330,493	4,443,010	4,470,170	4,583,509	4,607,736
Capitalization							
Risk weighted assets	13,593,098	14,066,367	15,170,215	15,710,202	13,979,591	13,544,319	13,918,058
Tier I	1,398,183	1,350,580	1,477,245	1,578,043	1,543,039	1,497,019	1,555,148
Tier II	415,905	461,436	514,005	588,657	560,232	535,978	563,856
Regulatory capital	1,814,088	1,812,015	1,991,251	2,166,700	2,103,271	2,032,997	2,119,004
BIS ratio	13.3%	12.9%	13.1%	13.8%	15.0%	15.0%	15.2%
Profitability & Efficiency							
Net interest margin	5.6%	6.2%	6.9%	5.8%	4.8%	6.0%	5.7%
Efficiency ratio	36.6%	37.0%	33.1%	36.6%	34.5%	31.5%	32.6%
Avg. Free funds / interest earning assets	30.7%	30.2%	29.5%	27.8%	28.4%	30.3%	30.3%
Return on avg. equity	25.6%	32.3%	40.0%	25.9%	20.2%	28.7%	28.8%
Return on avg. assets	2.0%	2.2%	2.8%	1.8%	1.5%	2.2%	2.3%

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	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09
Asset quality							
Non-performing loans (NPLs) ²	—	—	—	—	392,802	415,311	383,172
Past due loans ³	135,354	147,874	154,651	160,824	169,220	181,645	175,426
Expected loss ⁴	236,454	245,823	258,446	274,205	281,265	314,191	338,020
NPLs / total loans	—	—	—	—	2.81%	3.10%	2.82%
PDL / total loans	1.09%	1.12%	1.12%	1.10%	1.21%	1.36%	1.29%
Coverage of NPLs (Loan loss allowance / NPLs)							
Loan loss allowance / PDLs	174.7%	166.2%	167.1%	170.5%	166.2%	173.0%	192.7%
Expected loss (Loan loss allowances / Loans)	1.90%	1.86%	1.88%	1.88%	2.01%	2.34%	2.49%
Cost of credit (prov. expense / loans)	1.98%	2.14%	2.11%	2.29%	2.60%	2.87%	2.33%
Network							
Branches	496	498	502	507	501	502	502
ATMs	1,989	2,016	1,987	1,958	1,929	1,929	1,991
Market information (period-end)							
Net income per share (Ch\$)	0.46	0.55	0.70	0.50	0.41	0.57	0.58
Net income per ADR (US\$)	1.08	1.09	1.32	0.82	0.73	1.12	1.11
Stock price	21.9	21.4	21.9	20.5	19.1	23.9	30.4
ADR price	52.3	43.0	42.8	35.0	34.4	46.7	57.5
Market capitalization (US\$mn)	9,479	7,801	7,761	6,353	6,230	8,468	10,436
Shares outstanding	188,446.1	188,446.1	188,446.1	188,446.1	188,446.1	188,446.1	188,446.1
ADRs (1 ADR = 1,039 shares)	181.4	181.4	181.4	181.4	181.4	181.4	181.4
Other Data							
Quarterly inflation rate ⁵	1.02%	2.17%	3.63%	2.21%	(2.30)%	(0.13)%	(0.47)%
Avg. overnight interbank rate (nominal)	6.22%	6.39%	7.58%	8.24%	5.49%	1.40%	0.46%
Avg. 10 year Central Bank yield (real)	2.84%	3.06%	3.39%	3.22%	2.60%	2.86%	2.88%
Avg. 10 year Central Bank yield (nominal)	6.46%	6.98%	7.74%	6.50%	5.09%	5.63%	5.70%
Observed Exchange rate (Ch\$/US\$) (period-end)	439.1	520.1	552.5	629.1	582.1	529.07	546.07

1 Ratio = Loans - marketable securities / Time deposits + demand deposits

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

3 All instalments overdue more than 90 days

4 Based on internal credit models and SBIF guidelines. Banks must have a 100% coverage of expected loss

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

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Santander

BANCO SANTANDER CHILE Y FILIALES
Estados Financieros Intermedios Consolidados

Por los períodos terminados el 30 de Septiembre de
2009 y 2008

BANCO SANTANDER CHILE Y FILIALES
ESTADOS DE SITUACIÓN FINANCIERA CONSOLIDADOS

	30 de Septiembre 2009 (Millones) \$	30 de Septiembre 2008 (Millones) \$	31 de Diciembre 2008 (Millones) \$	1° de Enero 2008 (Millones) \$
ACTIVOS				
Efectivo y depósitos en bancos	906.871	854.459	855.411	1.108.637
Operaciones con liquidación en curso	405.829	513.843	335.405	316.240
Instrumentos para negociación	733.319	891.069	1.166.426	1.093.445
Contratos de retrocompra y préstamos de valores	16.086	8.805	-	33.999
Contratos de derivados financieros	1.428.496	1.296.402	1.846.509	780.775
Adeudado por bancos	56.674	76.015	95.499	45.961
Créditos y cuentas por cobrar a clientes	13.245.608	13.515.005	14.311.349	12.022.275
Instrumentos de inversión disponibles para la venta	1.903.217	1.316.741	1.580.240	779.635
Instrumentos de inversión hasta el vencimiento	-	-	-	-
Inversiones en sociedades	7.184	7.926	7.277	7.301
Intangibles	64.858	65.090	68.232	56.224
Activo fijo	186.763	198.133	200.389	202.489
Impuestos corrientes	4.519	12.654	18.715	2.499
Impuestos diferidos	105.422	124.800	88.825	80.989
Otros activos	541.467	662.024	508.655	460.282
TOTAL ACTIVOS	19.606.313	19.542.966	21.082.932	16.990.751
PASIVOS				
Depósitos y otras obligaciones a la vista	3.152.739	3.130.913	2.948.162	2.867.934
Operaciones con liquidación en curso	254.983	308.345	142.552	135.219
Contratos de retrocompra y préstamos de valores	807.034	739.967	562.223	307.630
Depósitos y otras captaciones a plazo	7.456.731	8.408.557	9.756.266	7.887.897
Contratos de derivados financieros	1.318.230	1.122.579	1.469.724	778.217
Obligaciones con bancos	1.741.380	1.495.608	1.425.067	1.099.457
Instrumentos de deuda emitidos	2.717.508	2.372.389	2.651.372	2.154.996
Otras obligaciones financieras	145.925	130.521	131.318	175.667
Impuestos corrientes	60.503	850	791	16.067
Impuestos diferidos	2.149	57.388	19.437	11.084
Provisiones	151.724	137.460	166.719	50.102
Otros pasivos	211.372	220.667	293.733	118.550
TOTAL PASIVOS	18.020.278	18.125.244	19.567.364	15.602.820
PATRIMONIO				
Atribuible a tenedores patrimoniales del banco:	1.555.148	1.393.361	1.489.689	1.369.797
Capital	891.303	818.535	891.303	818.535
Reservas	(16.960)	(21.234)	(123.726)	(20.914)
Cuentas de valoración	(33.001)	(31.204)	(7.552)	(9.475)
Utilidades retenidas:	713.806	627.264	729.664	581.651
Utilidades retenidas de ejercicios anteriores	508.045	381.030	413.053	581.651
Utilidad (pérdida) del ejercicio	293.944	321.408	415.055	-
Menos: Provisión para dividendos mínimos	(88.183)	(75.174)	(98.444)	-
Interés minoritario	30.887	24.361	25.879	18.134
TOTAL PATRIMONIO	1.586.035	1.417.722	1.515.568	1.387.931
TOTAL PASIVOS Y PATRIMONIO	19.606.313	19.542.966	21.082.932	16.990.751

BANCO SANTANDER CHILE Y FILIALES
ESTADOS CONSOLIDADOS DE RESULTADOS

Por los períodos terminados el:

	<u>30 de Septiembre</u> <u>2009</u> (Millones) \$	<u>30 de Septiembre</u> <u>2008</u> (Millones) \$
RESULTADOS OPERACIONALES		
Ingresos por intereses y reajustes	865.415	1.520.567
Gastos por intereses y reajustes	(234.278)	(860.704)
Ingreso neto por intereses y reajustes	631.137	659.863
Ingresos por comisiones	235.424	219.270
Gastos por comisiones	(45.892)	(38.244)
Ingreso neto de comisiones	189.532	181.026
Utilidad neta operaciones financieras	52.013	171.255
Utilidad (pérdida) de cambio neta	77.968	(101.771)
Otros ingresos operacionales	8.645	15.541
Total Ingresos operacionales	959.295	925.914
Provisiones por riesgo de crédito	(266.093)	(204.405)
INGRESO OPERACIONAL NETO	693.202	721.509
Remuneraciones y gastos del personal	(167.846)	(179.228)
Gastos de administración	(102.661)	(101.077)
Depreciaciones y amortizaciones	(34.655)	(36.433)
Deterioro	-	-
Otros gastos operacionales	(29.632)	(32.353)
TOTAL GASTOS OPERACIONALES	(334.794)	(349.091)
RESULTADO OPERACIONAL	358.408	372.418
Resultado por inversiones en sociedades	863	1.291
Resultado antes de impuesto a la renta	359.271	373.709
Impuesto a la renta	(60.514)	(46.580)
UTILIDAD (PÉRDIDA) CONSOLIDADA DEL EJERCICIO	298.757	327.129
Atribuible a:		
Tenedores patrimoniales del Banco	293.944	321.408
Interés Minoritario	4.813	5.721
Utilidad por acción atribuible a tenedores patrimoniales del Banco: (expresada en pesos)		
Utilidad básica	1,5598	1,7056
Utilidad diluida	1,5598	1,7056

BANCO SANTANDER CHILE Y FILIALES
ESTADOS CONSOLIDADOS DE RESULTADOS INTEGRALES

Por los períodos terminados el:

	<u>30 de</u> <u>Septiembre</u> <u>2009</u> (Millones) \$	<u>30 de</u> <u>Septiembre</u> <u>2008</u> (Millones) \$
UTILIDAD (PÉRDIDA) CONSOLIDADA DEL EJERCICIO	298.757	327.129
OTROS RESULTADOS INTEGRALES		
Instrumentos de inversión disponibles para la venta	(2.791)	(26.477)
Coberturas de flujo de efectivo	(27.502)	278
	-	-
Otros resultados integrales antes de impuesto a la renta	(30.293)	(26.199)
Impuesto a la renta relacionado con otros resultados integrales	5.150	4.470
Total de otros resultados integrales	(25.143)	(21.729)
RESULTADOS INTEGRALES CONSOLIDADOS DEL EJERCICIO	273.614	305.400
Atribuible a :		
Tenedores patrimoniales del Banco	268.495	299.679
Interés Minoritario	5.119	5.721

BANCO SANTANDER CHILE
ESTADO DE CAMBIOS EN EL PATRIMONIO
 Por los períodos terminados el:
 (en millones de pesos)

	RESERVAS			CUENTAS DE VALORACIÓN				UTILIDADES RETENIDAS			Total atribuible a tenedores patrimoniales	Interés Minoritario	TOTAL PATRIMONIO
	Capital	Reservas y otras utilidades retenidas	Fusión de sociedades bajo control común	Instrumentos de Inversión Disponibles para la Venta	Coberturas de Flujo de Efectivo	Otros conceptos	Impuesto a la renta	Utilidades retenidas de ejercicios anteriores	Utilidades del ejercicio	Provisión para dividendo mínimo			
Patrimonio al 31 de Diciembre 2007	818.535	49.372	(2.042)	(5.548)	(5.867)	-	1.940	273.004	308.647	-	1.438.041	20.047	1.458.088
Distribución resultado ejercicio anterior	-	-	-	-	-	-	-	308.647	(308.647)	-	-	-	-
Sub-total	818.535	49.372	(2.042)	(5.548)	(5.867)	-	1.940	581.651	-	-	1.438.041	20.047	1.458.088
Efectos por primera Aplicación de IFRS	-	(68.244)	-	-	-	-	-	-	-	-	(68.244)	(1.913)	(70.157)
Patrimonio al 01 de Enero 2008	818.535	(18.872)	(2.042)	(5.548)	(5.867)	-	1.940	581.651	-	-	1.369.797	18.134	1.387.931
Ajuste circular N° 3443 dividendo mínimo 2008	-	-	-	-	-	-	-	-	-	(92.594)	(92.594)	-	(92.594)
Dividendos / Retiros realizados	-	-	-	-	-	-	-	(200.619)	-	92.594	(108.025)	(33)	(108.058)
Otros movimientos patrimoniales	-	(320)	-	-	-	-	-	(2)	-	-	(322)	539	217
Provisión para dividendos mínimos	-	-	-	-	-	-	-	-	-	(75.174)	(75.174)	-	(75.174)
Sub-total	-	(320)	-	-	-	-	-	(200.621)	-	(75.174)	(276.115)	506	(275.609)
Otros resultados integrales	-	-	-	(26.774)	594	-	4.451	-	-	-	(21.729)	-	(21.729)
Resultado del ejercicio	-	-	-	-	-	-	-	-	321.408	-	321.408	5.721	327.129
Sub-total	-	-	-	(26.774)	594	-	4.451	-	321.408	-	299.679	5.721	305.400
Patrimonio al 30 de Septiembre 2008	818.535	(19.192)	(2.042)	(32.322)	(5.273)	-	6.391	381.030	321.408	(75.174)	1.393.361	24.361	1.417.722
Patrimonio al 31 de Diciembre 2008	891.303	(121.684)	(2.042)	(19.972)	10.873	-	1.547	413.053	415.055	(98.444)	1.489.689	25.879	1.515.568
Distribución resultado ejercicio anterior	-	-	-	-	-	-	-	415.055	(415.055)	-	-	-	-
Sub-total	891.303	(121.684)	(2.042)	(19.972)	10.873	-	1.547	828.108	-	(98.444)	1.489.689	25.879	1.515.568
Reposición corrección monetaria 2008	-	106.766	-	-	-	-	-	(106.766)	-	-	-	-	-
Patrimonio al 01 de Enero 2009	891.303	(14.918)	(2.042)	(19.972)	10.873	-	1.547	721.342	-	(98.444)	1.489.689	25.879	1.515.568
Aumento o disminución de capital y reservas	-	-	-	-	-	-	-	-	-	-	-	5.600	5.600
Dividendos / Retiros realizados	-	-	-	-	-	-	-	(213.295)	-	98.444	(114.851)	(5.174)	(120.025)
Otros movimientos patrimoniales	-	-	-	-	-	-	-	(2)	-	-	(2)	(537)	(539)
Provisión para dividendos mínimos	-	-	-	-	-	-	-	-	-	(88.183)	(88.183)	-	(88.183)
Sub-total	-	-	-	-	-	-	-	(213.297)	-	10.261	(203.036)	(111)	(203.147)
Otros resultados integrales	-	-	-	(3.158)	(27.502)	-	5.211	-	-	-	(25.449)	306	(25.143)
Resultado del ejercicio	-	-	-	-	-	-	-	-	293.944	-	293.944	4.813	298.757
Sub-total	-	-	-	(3.158)	(27.502)	-	5.211	-	293.944	-	268.495	5.119	273.614
Patrimonio al 30 de Septiembre 2009	891.303	(14.918)	(2.042)	(23.130)	(16.629)	-	6.758	508.045	293.944	(88.183)	1.555.148	30.887	1.586.035

Dividendos distribuidos:					
Período	Resultado atribuible a tenedores patrimoniales	Destinados a reservas o utilidades retenidas	Destinado a Dividendos	Porcentaje Distribuido	Dividendo por acción (en pesos)
- Año 2007 (Junta Accionistas Abril 2008)	308.647	108.028	200.619	65%	1,065
- Año 2008 (Junta Accionistas Abril 2009)	328.146	114.851	213.295	65%	1,132

BANCO SANTANDER CHILE Y FILIALES
ESTADOS CONSOLIDADOS DE FLUJOS DE EFECTIVO

Por los períodos terminados el:

	30 de Septiembre 2009 (Millones) \$	30 de Septiembre 2008 (Millones) \$
FLUJOS ORIGINADOS POR ACTIVIDADES OPERACIONALES:		
UTILIDAD (PÉRDIDA) CONSOLIDADA DEL EJERCICIO	298.757	327.129
Cargos (abonos) a resultados que no significan movimiento de efectivo:		
Depreciaciones y amortizaciones	34.655	36.433
Provisiones por créditos, cuentas por cobrar a clientes y castigos	297.615	204.405
Ajuste a valor de mercado de instrumentos financieros	(40.472)	(2.109)
(Utilidad) pérdida por inversiones en sociedades	(863)	(1.291)
(Utilidad) pérdida en venta de activos recibidos en pago	(1.509)	(1.786)
(Utilidad) pérdida en venta de participación en otras sociedades	(1.847)	(4.348)
(Utilidad) pérdida en venta de activos fijos	(432)	(163)
Castigo de activos recibidos en pago	5.632	3.671
Otros cargos (abonos) que no significan movimiento de efectivo	38.190	28.543
Variación neta de intereses, reajustes y comisiones devengados sobre activos y pasivos	(71.605)	(77.852)
Total flujos operacionales	558.121	512.632
FLUJO ORIGINADO POR ACTIVIDADES DE INVERSIÓN:		
(Aumento) disminución neta de créditos y cuentas por cobrar	1.013.631	(1.506.759)
(Aumento) disminución neta de inversiones	126.366	(497.309)
Compras de activos fijos	(11.978)	(9.252)
Ventas de activo fijo	12.234	8.934
Inversiones en sociedades	-	3.274
(Aumento) disminución de inversiones en sociedades	(32)	1.400
Dividendos recibidos de inversiones en sociedades	790	638
Ingresos por bienes recibidos en pago	26.877	16.601
Aumento (disminución) neta de otros activos y pasivos	(166.977)	(167.692)
Total flujos de inversión	1.000.911	(2.150.165)
FLUJO ORIGINADO POR ACTIVIDADES DE FINANCIAMIENTO:		
Aumento (disminución) de acreedores en cuenta corriente	137.082	171.287
Aumento (disminución) de depósitos y captaciones	(2.283.192)	520.661
Aumento (disminución) de otras obligaciones a la vista o a plazo	82.157	(21.812)
Aumento (disminución) de obligaciones por intermediación de documento	230.713	567.965
Aumento (disminución) de préstamos del exterior corto y largo plazo	322.286	367.570
Emisión de letras de crédito	4.506	-
Rescate de letras de crédito	(82.264)	(236.271)
Aumento (disminución) de otros pasivos de corto plazo	14.264	(35.474)
Préstamos obtenidos del Banco Central de Chile (corto plazo)	-	181
Pago de préstamos del Banco Central de Chile (corto y largo plazo)	(970)	(1.000)
Emisión de bonos	308.518	264.923
Rescate de bonos	(61.101)	(15.433)
Otros préstamos obtenidos a corto y largo plazo	(8.767)	26.753
Aumento (disminución) de capital	5.600	-
Dividendos pagados	(218.411)	(201.518)
Total flujos de financiamiento	(1.549.579)	1.407.832
VARIACION EFECTIVO Y EFECTIVO EQUIVALENTE DURANTE EL PERIODO	9.453	(229.701)
EFECTIVO INICIAL DE EFECTIVO Y EFECTIVO EQUIVALENTE	1.048.264	1.289.658
SALDO FINAL DE EFECTIVO Y EFECTIVO EQUIVALENTE	1.057.717	1.059.957

NOTA N°1 ADOPCIÓN POR PRIMERA VEZ DEL COMPENDIO DE NORMAS CONTABLES:

La Superintendencia de Bancos e Instituciones Financieras (“SBIF”) en conjunto con otras superintendencias y otros organismos reguladores en Chile acordaron un plan de convergencia a Normas Internacionales de Información Financiera (“NIIF”) con el propósito de internacionalizar los modelos de reporte financiero para compañías públicas en Chile. En el marco del plan estratégico, la SBIF, a través de su Circular N° 3.410 del 9 de noviembre de 2007, complementada posteriormente por la Circular N° 3.443 del 21 de agosto de 2008, dio a conocer el nuevo “Compendio de Normas Contables”, en el cual contiene los nuevos estándares de contabilidad y reporte para la industria financiera que se aplicarán a contar del 1° de Enero de 2009, considerando las normas de carácter transitorio establecidas en el Capítulo E de dicho compendio.

Por disposiciones legales, los bancos deben utilizar los criterios contables dispuestos por la SBIF y en todo aquello que no sea tratado por ella ni se contra ponga con sus instrucciones, deben ceñirse a los criterios contables de general aceptación, que corresponden a las normas técnicas emitidas por el Colegio de Contadores de Chile A.G., coincidentes con los estándares internacionales de contabilidad e información financiera acordados por el International Accounting Standards Board (“IASB”). En caso de existir discrepancias entre los principios contables y los criterios contables emitidos por la SBIF (Compendio de Normas Contables), primarán estas últimas.

Como resultado de lo anterior, el Banco estableció un plan para la transición a las nuevas normas contables que incluye, entre otros aspectos, el análisis de las diferencias de criterios contables, la selección de los criterios contables a aplicar en los casos en que se permitan tratamientos alternativos y la evaluación de las modificaciones de procedimientos y sistemas de información.

De acuerdo a este plan de transición, se han aplicado retroactivamente al 1° de Enero de 2008 las normas del nuevo Compendio de Normas Contables, confeccionándose un balance de apertura a dicha fecha. Asimismo, con el objetivo de presentar estados financieros comparativos durante el año 2009, el Banco confeccionó un set de estados financieros pro-forma para el año 2008.

A continuación se detallan y explican los principales impactos que origina la migración a estas nuevas normas contables, ya sea a nivel de balance como resultados.

a) Conciliación del Patrimonio de acuerdo al nuevo Compendio de Normas Contables:

Los principales ajustes que origina la migración al nuevo Compendio de Normas Contables en el Patrimonio son los siguientes:

Explic.	Total Patrimonio		
	Al 1° Enero de 2008	Al 30 Septiembre de 2008	Al 31 Diciembre de 2008
	MM\$	MM\$	MM\$
Patrimonio antes de cambios normativos	1.458.088	1.500.504	1.602.610
Ajustes:			
Perímetro de consolidación	i (14.454)	(10.065)	(9.712)
Sociedades de apoyo	ii 506	364	719
Corrección monetaria	iii -	(24.626)	(30.493)
Activo fijo e intangibles	iv (64.494)	(59.668)	(58.613)
Bienes recibidos o adjudicados en pago	v (929)	(631)	(408)
Castigos de colocaciones	vi (2.205)	(3.179)	(4.235)
Impuestos diferidos	vii 11.419	15.023	15.700
Sub-total	(70.157)	(82.782)	(87.042)
Patrimonio según nuevo Compendio de Normas Contables	1.387.931	1.417.722	1.515.568

(*) En la letra g) se explica detalladamente la naturaleza de los principales ajustes.

Tal como se comentó anteriormente, estos ajustes se generan por la adopción del nuevo Compendio de Normas Contables de la SBIF, por lo tanto estos no corresponden al reconocimiento de errores de ejercicios anteriores de acuerdo a la NIC 8.

NOTA N°1 ADOPCIÓN POR PRIMERA VEZ DEL COMPENDIO DE NORMAS CONTABLES, continuación:
b) Conciliación del Resultado de acuerdo al nuevo Compendio de Normas Contables:

Los principales ajustes que origina la migración al nuevo Compendio de Normas Contables en el Resultado son los siguientes:

	Explic.	Resultado Consolidado	
		Al 30 Septiembre de 2008 MM\$	Al 31 Diciembre De 2008 MM\$
Resultado antes de cambios normativos		252.552	331.017
Ajustes:			
Perímetro de consolidación	i	4.389	4.742
Sociedades de apoyo	ii	(142)	213
Corrección monetaria	iii	62.576	78.027
Activo fijo e Intangibles	iv	4.286	5.881
Bienes recibido o adjudicados en pago	v	298	521
Castigos de colocaciones	vi	(974)	(2.030)
Impuestos diferidos	vii	3.604	4.281
Sub-total		74.577	91.635
Resultado según nuevo Compendio de Normas Contables		327.129	422.652

(*) En la letra **g**) se explica detalladamente la naturaleza de los principales ajustes.

Tal como se comentó anteriormente, estos ajustes se generan por la adopción del nuevo Compendio de Normas Contables de la SBIF, por lo tanto estos no corresponden al reconocimiento de errores de ejercicios anteriores de acuerdo a la NIC 8.

c) Balance de Apertura de acuerdo al nuevo Compendio de Normas Contables:

Tal como se comentó anteriormente, al 1° de Enero de 2008 se aplicaron retroactivamente las normas del nuevo Compendio de Normas Contables con el objetivo de elaborar el respectivo balance de apertura bajo estas nuevas normas contables.

A continuación se presenta la conciliación de los saldos del Estado de Situación Financiera, debiendo entenderse por:

Saldos de cierre:

Son aquellos que figuran en los estados financieros consolidados del Banco y sus filiales al 1° de Enero de 2008, los cuales se prepararon conforme a los criterios y principios contables anteriormente vigentes.

Ajustes:

Cambios con origen principalmente en los criterios de valorización y políticas contables modificadas por la nueva normativa. Dentro de este concepto se incluyen las modificaciones al perímetro de consolidación que establece el nuevo Compendio de normas Contables.

Saldos de Apertura:

Son aquellos que resultan de considerar el efecto de los ajustes en los saldos de cierre.

NOTA N°1 ADOPCIÓN POR PRIMERA VEZ DEL COMPENDIO DE NORMAS CONTABLES, continuación:

c) Balance de Apertura de acuerdo al nuevo Compendio de Normas Contables, continuación:

	Al 1° de Enero 2008		
	<u>Saldos de Cierre</u>	<u>Ajustes (*)</u>	<u>Saldos de Apertura</u>
	(millones) \$	(millones) \$	(millones) \$
ACTIVOS			
Efectivo y depósitos en bancos	1.108.444	193	1.108.637
Operaciones con liquidación en curso	316.240	-	316.240
Instrumentos para negociación	1.090.004	3.441	1.093.445
Contratos de retrocompra y préstamos de valores	33.999	-	33.999
Contratos de derivados financieros	780.775	-	780.775
Adeudado por bancos	45.961	-	45.961
Créditos y cuentas por cobrar a clientes	12.028.053	(5.778)	12.022.275
Instrumentos de inversión disponibles para la venta	779.635	-	779.635
Inversiones en sociedades	6.795	506	7.301
Intangibles	56.187	37	56.224
Activo fijo	245.619	(43.130)	202.489
Impuestos corrientes	1.933	566	2.499
Impuestos diferidos	61.260	19.729	80.989
Otros activos	474.091	(13.809)	460.282
TOTAL ACTIVOS	17.028.996	(38.245)	16.990.751
PASIVOS			
Depósitos y otras obligaciones a la vista	2.868.769	(835)	2.867.934
Operaciones con liquidación en curso	135.219	-	135.219
Contratos de retrocompra y préstamos de valores	308.651	(1.021)	307.630
Depósitos y otras captaciones a plazo	7.887.897	-	7.887.897
Contratos de derivados financieros	778.217	-	778.217
Obligaciones con bancos	1.099.443	14	1.099.457
Instrumentos de deuda emitidos	2.154.996	-	2.154.996
Otras obligaciones financieras	147.868	27.799	175.667
Impuestos corrientes	15.897	170	16.067
Impuestos diferidos	10.877	207	11.084
Provisiones	46.376	3.726	50.102
Otros pasivos	116.698	1.852	118.550
TOTAL PASIVOS	15.570.908	31.912	15.602.820
PATRIMONIO			
Atribuible a tenedores patrimoniales del banco:	1.438.041	(68.244)	1.369.797
Capital	818.535	-	818.535
Reservas	47.330	(68.244)	(20.914)
Cuentas de valoración	(9.475)	-	(9.475)
Utilidades retenidas	581.651	-	581.651
Utilidades retenidas de ejercicios anteriores	581.651	-	581.651
Utilidad (pérdida) del ejercicio	-	-	-
Menos: Provisión para dividendos mínimos	-	-	-
Interés minoritario	20.047	(1.913)	18.134
TOTAL PATRIMONIO	1.458.088	(70.157)	1.387.931
TOTAL PASIVOS Y PATRIMONIO	17.028.996	(38.245)	16.990.751

(*) En la letra g) se explica detalladamente la naturaleza de los principales ajustes.

NOTA N°1 ADOPCIÓN POR PRIMERA VEZ DEL COMPENDIO DE NORMAS CONTABLES, continuación:
d) Estados de Situación Financiera pro-forma:

Con el objetivo de presentar estados financieros comparativos durante el año 2009, el Banco confeccionó un set de estados financieros pro-forma para el año 2008, a continuación se presenta la formulación de los Estados de Situación Financiera pro-forma al 30 de Septiembre y 31 de Diciembre de 2008, respectivamente:

	Al 30 de Septiembre 2008			Al 31 de Diciembre 2008		
	Norma Antigua (millones) \$	Ajustes (*) (millones) \$	Compendio de Normas Contables (millones) \$	Norma Antigua (millones) \$	Ajustes (*) (millones) \$	Compendio de Normas Contables (millones) \$
ACTIVOS						
Efectivo y depósitos en bancos	854.098	361	854.459	854.838	573	855.411
Operaciones con liquidación en curso	513.843	-	513.843	335.405	-	335.405
Instrumentos para negociación	891.070	(1)	891.069	1.161.631	4.795	1.166.426
Contratos de retrocompra y préstamos de valores	8.805	-	8.805	-	-	-
Contratos de derivados financieros	1.296.402	-	1.296.402	1.846.509	-	1.846.509
Adeudado por bancos	76.015	-	76.015	95.499	-	95.499
Créditos y cuentas por cobrar a clientes	13.521.962	(6.957)	13.515.005	14.319.370	(8.021)	14.311.349
Instrumentos de inversión disponibles para la venta	1.316.741	-	1.316.741	1.580.240	-	1.580.240
Inversiones en sociedades	7.186	740	7.926	6.990	287	7.277
Intangibles	69.534	(4.444)	65.090	73.089	(4.857)	68.232
Activo fijo	253.918	(55.785)	198.133	260.105	(59.716)	200.389
Impuestos corrientes	12.275	379	12.654	18.289	426	18.715
Impuestos diferidos	101.876	22.924	124.800	64.821	24.004	88.825
Otros activos	668.293	(6.269)	662.024	520.348	(11.693)	508.655
TOTAL ACTIVOS	19.592.018	(49.052)	19.542.966	21.137.134	(54.202)	21.082.932
PASIVOS						
Depósitos y otras obligaciones a la vista	3.132.432	(1.519)	3.130.913	2.949.757	(1.595)	2.948.162
Operaciones con liquidación en curso	308.345	-	308.345	142.552	-	142.552
Contratos de retrocompra y préstamos de valores	741.043	(1.076)	739.967	563.234	(1.011)	562.223
Depósitos y otras captaciones a plazo	8.408.557	-	8.408.557	9.756.266	-	9.756.266
Contratos de derivados financieros	1.122.579	-	1.122.579	1.469.724	-	1.469.724
Obligaciones con bancos	1.495.606	2	1.495.608	1.425.065	2	1.425.067
Instrumentos de deuda emitidos	2.372.389	-	2.372.389	2.651.372	-	2.651.372
Otras obligaciones financieras	101.998	28.523	130.521	103.278	28.040	131.318
Impuestos corrientes	423	427	850	163	628	791
Impuestos diferidos	56.892	496	57.388	18.766	671	19.437
Provisiones	132.216	5.244	137.460	162.165	4.554	166.719
Otros pasivos	219.034	1.633	220.667	292.182	1.551	293.733
TOTAL PASIVOS	18.091.514	33.730	18.125.244	19.534.524	32.840	19.567.364
PATRIMONIO						
Atribuible a tenedores patrimoniales del banco:	1.477.196	(83.834)	1.393.361	1.578.045	(88.356)	1.489.689
Capital	818.535	-	818.535	891.303	-	891.303
Reservas	133.429	(154.663)	(21.234)	51.539	(175.265)	(123.726)
Cuentas de valoración	(31.204)	-	(31.204)	(7.552)	-	(7.552)
Utilidades retenidas	556.436	70.828	627.264	642.755	86.909	729.664
Utilidades retenidas de ejercicios anteriores	381.030	-	381.030	413.053	-	413.053
Utilidad (pérdida) del ejercicio	250.580	70.828	321.408	328.146	86.909	415.055
Menos: Provisión para dividendos mínimos	(75.174)	-	(75.174)	(98.444)	-	(98.444)
Interés minoritario	23.308	1.053	24.361	24.565	1.314	25.879
TOTAL PATRIMONIO	1.500.504	(82.782)	1.417.722	1.602.610	(87.042)	1.515.568
TOTAL PASIVOS Y PATRIMONIO	19.592.018	(49.052)	19.542.966	21.137.134	(54.202)	21.082.932

(*) En la letra g) se explica detalladamente la naturaleza de los principales ajustes.

NOTA N°1 ADOPCIÓN POR PRIMERA VEZ DEL COMPENDIO DE NORMAS CONTABLES, continuación:
e) Estados de Resultados pro-forma:

Tal como se comentaba en el punto anterior, el Banco confeccionó un set de estados financieros pro-forma para el año 2008 con ánimo de presentar información comparativa, a continuación se presenta la formulación de los Estados de Resultados pro-forma por los períodos terminados el 30 de Septiembre y el 31 de Diciembre de 2008, respectivamente:

	Al 30 de Septiembre 2008			Al 31 Diciembre 2008		
	Norma Antigua (millones) \$	Ajustes (*) (millones) \$	Compendio de Normas Contables (millones) \$	Norma Antigua (millones) \$	Ajustes (*) (millones) \$	Compendio de Normas Contables (millones) \$
RESULTADOS OPERACIONALES						
Ingresos por intereses y reajustes	1.520.729	(162)	1.520.567	2.061.112	234	2.061.346
Gastos por intereses y reajustes	(857.143)	(3.561)	(860.704)	(1.164.071)	(5.209)	(1.169.280)
Ingreso neto por intereses y reajustes	663.586	(3.723)	659.863	897.041	(4.975)	892.066
Ingresos por comisiones	203.913	15.357	219.270	276.433	19.536	295.969
Gastos por comisiones	(38.244)	-	(38.244)	(52.840)	-	(52.840)
Ingreso neto de comisiones	165.669	15.357	181.026	223.593	19.536	243.129
Utilidad neta de operaciones financieras	171.011	244	171.255	273.084	393	273.477
Utilidad (pérdida) de cambio neta	(101.771)	-	(101.771)	(187.042)	-	(187.042)
Otros ingresos operacionales	13.203	2.338	15.541	16.512	1.710	18.222
Total Ingresos Operacionales	911.698	14.216	925.914	1.223.188	16.664	1.239.852
Provisiones por riesgo de crédito	(203.431)	(974)	(204.405)	(285.953)	(2.030)	(287.983)
INGRESO OPERACIONAL NETO	708.267	13.242	721.509	937.235	14.634	951.869
Remuneraciones y gastos de personal	(150.028)	(29.200)	(179.228)	(209.134)	(37.641)	(246.775)
Gastos de administración	(122.905)	21.828	(101.077)	(161.977)	28.295	(133.682)
Depreciaciones y amortizaciones	(38.590)	2.157	(36.433)	(51.944)	4.317	(47.627)
Otros gastos operacionales	(32.961)	608	(32.353)	(42.259)	581	(41.678)
Total Gastos Operacionales	(344.484)	(4.607)	(349.091)	(465.314)	(4.448)	(469.762)
RESULTADO OPERACIONAL	363.783	8.635	372.418	471.921	10.186	482.107
Resultado por inversiones en sociedades	1.057	234	1.291	851	(219)	632
Corrección Monetaria	(62.576)	62.576	-	(78.027)	78.027	-
Resultado antes de Impuesto a la Renta	302.264	71.445	373.709	394.745	87.994	482.739
Impuesto a la renta	(49.712)	3.132	(46.580)	(63.728)	3.641	(60.087)
UTILIDAD CONSOLIDADA DEL EJERCICIO	252.552	74.577	327.129	331.017	91.635	422.652
Atribuible a:						
Tenedores patrimoniales del Banco	250.580	70.828	321.408	328.146	86.909	415.055
Interés minoritario	1.972	3.749	5.721	2.871	4.726	7.597
Utilidad por acción atribuible a tenedores patrimoniales del Banco: (expresada en pesos)						
Utilidad básica	1,3297	-	1,7056	1,741	-	2,203
Utilidad diluida	1,3297	-	1,7056	1,741	-	2,203

(*) En la letra g) se explica detalladamente la naturaleza de los principales ajustes.

NOTA N°1 ADOPCIÓN POR PRIMERA VEZ DEL COMPENDIO DE NORMAS CONTABLES, continuación:
f) Estado de Flujo de Efectivo pro-forma:

Con el objetivo de entregar una conciliación entre el Estado de Flujos de Efectivo presentado bajo las anteriores normas contables por el período terminado el 30 de Septiembre de 2008 y el incluido en estos estados financieros intermedios, a continuación se presenta la formulación de este estado pro-forma:

	Al 30 de Septiembre 2008		
	<u>Norma Antigua</u>	<u>Ajustes (*)</u>	<u>Compendio de Normas Contables</u>
	(millones) \$	(millones) \$	(millones) \$
FLUJOS ORIGINADOS POR ACTIVIDADES OPERACIONALES :			
UTILIDAD (PÉRDIDA) CONSOLIDADA DEL EJERCICIO	252.552	74.577	327.129
Cargos (abonos) a resultados que no significan movimiento de efectivo:			
Depreciaciones y amortizaciones	38.590	(2.157)	36.433
Provisiones por créditos cuentas por cobrar a clientes y castigos	231.603	(27.198)	204.405
Ajuste a valor de mercado de instrumentos financieros	(962)	(1.147)	(2.109)
(Utilidad) pérdida por inversiones en sociedades	(1.057)	(234)	(1.291)
(Utilidad) pérdida en venta de activos recibidos en pago	(7.025)	5.239	(1.786)
Utilidad en venta de participación en otras sociedades	-	(4.348)	(4.348)
(Utilidad) pérdida en venta de activos fijos	181	(344)	(163)
Castigo de activos recibidos en pago	3.887	(216)	3.671
Corrección monetaria	62.576	(62.576)	-
Otros cargos (abonos) que no significan movimiento de efectivo	71.697	(43.154)	28.543
Variación neta de intereses, reajustes y comisiones devengados sobre activos y pasivos	(74.979)	(2.873)	(77.852)
Total Flujos Operacionales	577.063	(64.431)	512.632
FLUJO ORIGINADO POR ACTIVIDADES DE INVERSIÓN :			
(Aumento) disminución neta de créditos y cuentas por cobrar	(898.993)	(607.766)	(1.506.759)
(Aumento) disminución neta de inversiones	(299.277)	(198.032)	(497.309)
Compras de activos fijos	(9.253)	1	(9.252)
Ventas de activo fijo	1.647	7.287	8.934
Inversiones en sociedades	3.472	(198)	3.274
(Aumento) disminución de inversiones en sociedades	10.926	(9.526)	(1.400)
Dividendos recibidos de inversiones en sociedades	607	31	638
Ingresos por bienes recibidos en pago	16.540	61	16.601
Aumento (disminución) neta de otros activos y pasivos	(159.997)	(7.695)	(167.692)
Total Flujos de Inversión	(1.334.328)	(815.837)	(2.150.165)
FLUJO ORIGINADO POR ACTIVIDADES DE FINANCIAMIENTO :			
Aumento (disminución) de acreedores en cuenta corriente	28.341	142.946	171.287
Aumento (disminución) de depósitos y captaciones	(26.528)	547.189	520.661
Aumento (disminución) de otras obligaciones a la vista o a plazo	(68.185)	46.373	(21.812)
Aumento (disminución) de obligaciones por intermediación de documento	429.275	138.690	567.965
Aumento (disminución) de préstamos del exterior corto y largo plazo	291.575	75.995	367.570
Rescate de letras de crédito	(236.270)	(1)	(236.271)
Aumento (disminución) de otros pasivos de corto plazo	(42.356)	6.882	(35.474)
Préstamos obtenidos del Banco Central de Chile (corto plazo)	180	1	181
Pago de préstamos del Banco Central de Chile (corto y largo plazo)	(1.276)	276	(1.000)
Emisión de bonos	264.924	(1)	264.923
Rescate de bonos	(15.433)	-	(15.433)
Otros préstamos obtenido a largo plazo	26.248	505	26.753
Dividendos pagados	(211.032)	9.514	(201.518)
Total Flujos de Financiamiento	439.463	968.369	1.407.832
Sub-total	(317.802)	88.101	(229.701)
EFFECTO DE INFLACION SOBRE EFECTIVO Y EFECTIVO EQUIVALENTE	(1.556)	1.556	-
VARIACION EFECTIVO Y EFECTIVO EQUIVALENTE DURANTE EL PERIODO	(319.358)	89.657	(229.701)
SALDO INICIAL DE EFECTIVO Y EFECTIVO EQUIVALENTE	1.378.954	(89.296)	1.289.658
SALDO FINAL DE EFECTIVO Y EFECTIVO EQUIVALENTE	1.059.596	361	1.059.957

(*) En la letra g) se explica detalladamente la naturaleza de los principales ajustes.

NOTA N°1 ADOPCIÓN POR PRIMERA VEZ DEL COMPENDIO DE NORMAS CONTABLES, continuación:

g) Descripción de los principales ajustes:

A continuación se describirá la naturaleza de los principales efectos o ajustes que surgen en la adopción del nuevo Compendio de Normas Contables emitido por la SBIF.

i. Perímetro de Consolidación

De acuerdo a la normativa vigente hasta el 31 de Diciembre de 2007, Capítulo 11-6 “Inversiones en Sociedades en el País” de la Recopilación Actualizada de Normas; el Banco consideraba dentro de su perímetro de consolidación a las sociedades filiales y a las sociedades de apoyo al giro.

En primer caso, estas sociedades eran consolidadas mediante el método de integración global (línea a línea), siendo las siguientes:

Sociedad	% de Participación		
	Directo	Indirecto	Total
Santander Corredores de Seguro Ltda.	99,75%	0,01%	99,76%
Santander S.A. Corredores de Bolsa	50,59%	0,41%	51,00%
Santander Asset Management S.A. Administradora General de Fondos	99,96%	0,02%	99,98%
Santander S.A. Agente de Valores	99,03%	-	99,03%
Santander S.A. Sociedad Securitizadora	99,64%	-	99,64%
Santander Servicios de Recaudación y Pagos Limitada	99,90%	0,10%	100,00%

Por su parte, las sociedades de apoyo al giro eran valorizadas mediante el método de puesta en equivalencia (VPP o VP), considerando las siguientes entidades:

Sociedad	% Part.
Redbanc S.A.	33,42%
Transbank S.A.	32,71%
Centro de Compensación Automatizado	33,33%
Sociedad Interbancaria Depósitos de Valores S.A.	29,29%
Cámara Compensación Alto Valor S.A.	11,52%
Administrador Financiero Transantiago S.A.	20,00%
Sociedad Nexus S.A.	12,90%

Con la entrada en vigencia del nuevo Compendio de Normas Contables, el Banco ha debido analizar y definir nuevamente su perímetro de consolidación, teniendo presente que ahora el criterio fundamental a considerar es el grado de control que posea el Banco sobre una determinada entidad y no su porcentaje de participación en el patrimonio.

Producto de este análisis, se determinó lo siguiente:

- Se mantendrán los métodos de consolidación/valorización utilizados hasta el 31 de Diciembre de 2008 para las sociedades filiales y de apoyo al giro. Lo anterior, debido a que se concluyó que en el primer caso el Banco posee control sobre ellas y en el segundo ejerce una influencia significativa.
- Por otro lado, de acuerdo a lo estipulado por la NIC 27 y la SIC 12, el Banco debe evaluar la existencia de Entidades de Cometido Especial (ECE), las cuales deben ser incluidas en el perímetro de consolidación, siendo sus principales características las siguientes:
 - o Las actividades de la ECE han sido dirigidas, en esencia, en nombre de la entidad que presenta los estados financieros consolidados, y de acuerdo a sus necesidades específicas de negocio.
 - o Se poseen los poderes de decisión necesarios para obtener la mayoría de los beneficios de las actividades de esas entidades y los derechos para obtener la mayoría de los beneficios u otras ventajas de dichas entidades.
 - o En esencia, la entidad retiene para sí, la mayoría de los riesgos inherentes a la propiedad o residuales a la ECE o a sus activos, con el fin de obtener los beneficios de sus actividades.

NOTA N°1 ADOPCIÓN POR PRIMERA VEZ DEL COMPENDIO DE NORMAS CONTABLES, continuación:

g) Descripción de los principales ajustes, continuación:

- Así entonces, producto de esta evaluación, se concluyó que el Banco ejercía el control sobre un número determinado de entidades, las cuales debían ser incorporadas a su perímetro de consolidación, siendo las siguientes entidades:
 - Santander Gestión de Recaudación y Cobranzas Ltda.
 - Multinegocios S.A.
 - Servicios Administrativos y Financieros Ltda.
 - Servicios de Cobranzas Fiscalex Ltda.
 - Multiservicios de Negocios Ltda.
 - Bansa Santander S.A.
 - Santander Multimedia S.A.

A principios del año 2009, la sociedad Santander Multimedia S.A., realizó un cambio en su giro de negocios, lo que generó que sus ingresos ya no dependieran en gran medida de las operaciones realizadas con el Banco. Producto de ello, se determinó que el Banco ya no ejercía control sobre ella, debiendo excluirla del perímetro de consolidación a partir de Marzo 2009.

Dentro de este ítem, en general, se incluyen los efectos que generó la inclusión de estas sociedades al perímetro de consolidación del Banco. Además se incluyen también aquellos efectos colaterales que genera la incorporación estas sociedades al perímetro de consolidación, como lo son nuevos ajustes de eliminación de operaciones relacionadas (ej. Colocaciones) y también la aceleración de desembolsos que anteriormente eran activados y devengados en resultado en un período de tiempo determinado.

ii. Sociedades de Apoyo al Giro

Dentro de este ítem se han agrupado los efectos particulares que generó la adopción del nuevo Compendio de Normas Contables en cada una de las diversas sociedades de Apoyo al Giro, considerando en cada caso el efecto proporcional que generan estos efectos/ajustes en el patrimonio del Banco, en base al porcentaje de participación que tiene el Banco sobre estas sociedades.

iii. Corrección Monetaria

De acuerdo a la normativa anteriormente vigente, los estados financieros consolidados se preparaban aplicando corrección monetaria integral, con el objetivo de reflejar los efectos de los cambios en el poder adquisitivo del peso chileno durante cada periodo.

Según el nuevo Compendio de Normas Contables y de acuerdo a la NIC 29 “Información Financiera en Economías Hiperinflacionarias”, se aplicará corrección monetaria sólo cuando la entidad cuya moneda funcional sea una moneda correspondiente a una economía hiperinflacionaria (entiéndase que es aquella economía con 100 por ciento de inflación en 3 años). En el caso del Banco, la moneda funcional es el peso chileno.

Debido a que la economía chilena no cumple los requisitos antes descritos, es que el Banco debió eliminar la corrección monetaria a partir del 1° de Enero de 2008. De acuerdo a lo establecido en el Capítulo E del Compendio de Normas Contables, la corrección monetaria aplicada hasta el 31 de Diciembre de 2007 no fue objeto de reversiones.

Dentro de este ítem, se incluyen los ajustes por la reversión de la corrección monetaria de los diferentes activos y pasivos. Por su parte, la corrección monetaria del capital pagado y reservas al 31 de Diciembre de 2008 no fueron revertidas, de acuerdo a lo establecido en el Capítulo E del Compendio de Normas Contables y a la necesidad de mantener los montos del capital pagado y de las reservas constituidas de acuerdo con las reglas aplicadas para efectos legales o estatutarios.

NOTA N°1 ADOPCIÓN POR PRIMERA VEZ DEL COMPENDIO DE NORMAS CONTABLES, continuación:**g) Descripción de los principales ajustes, continuación:****iv. Activo Fijo e Intangibles**

Dentro de este ítem, se incluye principalmente el efecto que genera el recálculo de las depreciaciones y amortizaciones de los activos fijos en general y de los intangibles (software y desarrollos informáticos) producto de la eliminación de la corrección monetaria (tal como se describe en el punto iii) y de las determinación del costo atribuido en el caso de los activos fijos al 1° de Enero de 2008.

De acuerdo a lo establecido en el Capítulo E del nuevo Compendio de Normas Contables, al 1° de Enero de 2008 el Banco determinó el costo atribuido de sus activos fijos, eligiendo el menor importe entre el costo histórico de cada uno de ellos (incluyendo su respectiva corrección monetaria hasta el 31 de Diciembre de 2007) y su valor razonable, basado en una tasación de los mismos, realizada por un tercero independiente.

v. Bienes Recibidos o Adjudicados en Pago

Anteriormente, los bienes recibidos o adjudicados en pago (BRP) eran valorizados al costo (precio convenido con el deudor en la dación en pago o el valor de adjudicación en remate judicial, según sea el caso, corregido monetariamente), menos una provisión de valuación individual en base a una tasación independiente. Al cabo de un año, en cumplimiento de lo dispuesto en el N° 5 del artículo 84 de la Ley General de Bancos, para hacer uso de un plazo adicional para vender los bienes recibidos o adjudicados en pago, los bancos debían castigar los bienes que se encontraban en esa situación.

La principal modificación que introduce en la valorización de los BRP el nuevo Compendio de Normas Contables, Capítulo B-5, (además de la eliminación de la corrección monetaria descrita en el punto iii.) es que al momento de realizar la provisión de valuación inicial se deberá considerar su valor realizable neto, es decir, el valor razonable (tasación independiente) menos los costos necesarios para mantenerlo y enajenarlo.

De acuerdo a los estudios realizados por el Banco, al 1° de Enero de 2008 se determinó un costo de venta (costo para mantenerlo y enajenarlo) promedio estimado de un 5,8% sobre el valor de tasación y al 31 de Diciembre de 2008 este guarismo ascendió a un 6,5%,

En este ítem se presentan los efectos que genera la aplicación del costo de venta anteriormente descrito.

vi. Castigos de Colocaciones

De acuerdo a la normativa anteriormente vigente, el plazo para efectuar los castigos de las cuotas vencidas y morosas de los créditos y cuentas a cobrar, se computaba desde su ingreso a cartera vencida, la cual representaba a aquellas operaciones que se encontraban morosas en el pago de capital e intereses por noventa días o más. Este ingreso a cartera vencida se realizaba anteriormente cuota a cuota.

De acuerdo a lo establecido en el Capítulo B-2 del nuevo Compendio de Normas Contables, el plazo para realizar los castigos de los créditos y cuentas por cobrar debe computarse desde el inicio de la mora de una determinada operación, afectando por tanto al 100% de la operación, ya sea que tenga una proporción morosa, vencida o vigente.

NOTA N°1 ADOPCIÓN POR PRIMERA VEZ DEL COMPENDIO DE NORMAS CONTABLES, continuación:**g) Descripción de los principales ajustes, continuación:**

A continuación se muestra un cuadro con los principales tipos de colocación y sus respectivos plazos de castigo de acuerdo a lo estipulado por el nuevo Compendio de Normas Contables:

Tipo de contrato	Plazo
Operaciones de Leasing	
Leasing de consumo	6 meses
Otras operaciones de leasing no inmobiliario	12 meses
Leasing inmobiliario (comercial o vivienda)	36 meses
Resto de Operaciones	
Créditos de consumo con o sin garantías reales	6 meses
Otras operaciones sin garantías reales	24 meses
Créditos comerciales con garantías reales	36 meses
Créditos hipotecarios para vivienda	48 meses

Dentro de este ítem, el Banco ha clasificado los efectos que surgen de la aplicación de esta nueva metodología para la aplicación de los castigos de créditos y cuentas a cobrar, así como también el efecto colateral que genera en las provisiones constituidas para cada una de las operaciones (al castigarse al 100% la operación, deben liberarse las provisiones constituidas).

vii. Impuestos diferidos

Dentro de este ítem se agrupan los efectos fiscales (impuestos diferidos) generados por las diferencias temporales, originadas a su vez, por los ajustes comentados anteriormente, sea que estos afecten directamente al patrimonio o a resultados.

FELIPE CONTRERAS FAJARDO
Gerente de Contabilidad

ÓSCAR VON CHRISMAR CARVAJAL
Gerente General



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BANCO SANTANDER CHILE
CONSOLIDATED FINANCIAL STATEMENTS
At September 30, 2009 and 2008

BANCO SANTANDER CHILE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30 2009 ThUS\$	September 30 2009 MCh\$	December 31 2008 MCh\$	January 01 2008 MCh\$
ASSETS				
Cash and deposits in banks	906,871	854,459	855,411	1,108,637
Unsettled transaction	405,829	513,843	335,405	316,240
Trading investments	733,319	891,069	1,166,426	1,093,445
Investments under agreements to resell	16,086	8,805	-	33,999
Financial derivative contracts	1,428,496	1,296,402	1,846,509	780,775
Interbank loans	56,674	76,015	95,499	45,961
Loans and receivables from customers	13,245,608	13,515,005	14,311,349	12,022,275
Available for sale investments	1,903,217	1,316,741	1,580,240	779,635
Held to maturity investments	-	-	-	-
Investments in other companies	7,184	7,926	7,277	7,301
Intangibles assets	64,858	65,090	68,232	56,224
Property, plant and equipment	186,763	198,133	200,389	202,489
Current taxes	4,519	12,654	18,715	2,499
Deferred taxes	105,422	124,800	88,825	80,989
Other assets	541,467	662,024	508,655	460,282
TOTAL ASSETS	19,606,313	19,542,966	21,082,932	16,990,751
LIABILITIES				
Deposits and other sight liabilities	3,152,739	3,130,913	2,948,162	2,867,934
Unsettled transaction	254,983	308,345	142,552	135,219
Investments under agreements to repurchase	807,034	739,967	562,223	307,630
Deposits and other time deposits	7,456,731	8,408,557	9,756,266	7,887,897
Financial derivative contracts	1,318,230	1,122,579	1,469,724	778,217
Interbank borrowings	1,741,380	1,495,608	1,425,067	1,099,457
Issued debt instruments	2,717,508	2,372,389	2,651,372	2,154,996
Other financial liabilities	145,925	130,521	131,318	175,667
Current taxes	60,503	850	791	16,067
Deferred taxes	2,149	57,388	19,437	11,084
Provisions	151,724	137,460	166,719	50,102
Other liabilities	211,372	220,667	293,733	118,550
TOTAL LIABILITIES	18,020,278	18,125,244	19,567,364	15,602,820
EQUITY				
Attributable to owners of the parent:	1,555,148	1,393,361	1,489,689	1,369,797
Capital	891,303	818,535	891,303	818,535
Reserves	(16,960)	(21,234)	(123,726)	(20,914)
Valuation adjustments	(33,001)	(31,204)	(7,552)	(9,475)
Retained earnings:	713,806	627,264	729,664	581,651
Retained earnings of prior years	508,045	381,030	413,053	581,651
Net income for the period	293,944	321,408	415,055	-
Minus: Provision for mandatory dividends	(88,183)	(75,174)	(98,444)	-
Minority interest	30,887	24,361	25,879	18,134
TOTAL EQUITY	1,586,035	1,417,722	1,515,568	1,387,931
TOTAL LIABILITIES AND EQUITY	19,606,313	19,542,966	21,082,932	16,990,751

BANCO SANTANDER CHILE
CONSOLIDATED STATEMENTS OF INCOME

	September 30 2009 MCh\$	September 30 2008 MCh\$
Interest revenue	865,415	1,520,567
Interest expense	(234,278)	(860,704)
Net interest revenue	631,137	659,863
Fees and other services income	235,424	219,270
Other services expenses	(45,892)	(38,244)
Total fees and income from services, net	189,532	181,026
Net gains from mark-to-market and trading	52,013	171,255
Foreign exchange gain (losses), net	77,968	(101,771)
Other operating income	8,645	15,541
Total operating income	959,295	925,914
Allowance for loans losses	(266,093)	(204,405)
OPERATING INCOME, NET OF ALLOWANCES	693,202	721,509
Personnel salaries and expense	(167,846)	(179,228)
Administrative and other expense	(102,661)	(101,077)
Depreciation and amortization	(34,655)	(36,433)
Other operating expenses	-	-
Total operating expenses	(29,632)	(32,353)
NET OPERATING INCOME	(334,794)	(349,091)
	358,408	372,418
Income (loss) attributable to investments in other companies	863	1,291
Net income before taxes	359,271	373,709
Income tax	(60,514)	(46,580)
NET INCOME	298,757	327,129
Attributable to:		
Owners of the parent	293,944	321,408
Minority Interest	4,813	5,721
Net income per share attributable to owners of the parent:		
Basic earning	1,5598	1,7056
Diluted earning	1,5598	1,7056

BANCO SANTANDER CHILE
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	September 30 2009 MCh\$	September 30 2008 MCh\$
NET INCOME	298,757	327,129
OTHER COMPREHENSIVE INCOME		
Available for sale investments	(2,791)	(26,477)
Cash flow hedge	(27,502)	278
	-	-
Other comprehensive income before income taxes	(30,293)	(26,199)
Income Tax	5,150	4,470
Other comprehensive income, net of tax	(25,143)	(21,729)
COMPREHENSIVE INCOME	273,614	305,400
Attributable to:		
Owners of the parent	268,495	299,679
Minority Interest	5,119	5,721

BANCO SANTANDER CHILE
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Expressed in millions of Chilean pesos (MCh\$) as of

	RESERVES			VALUATION ACCOUNT				RETAINING EARNINGS			Total attributable to the owners of the parents	Minority Interest	TOTAL EQUITY
	Capital	Reserves and retained earnings	Business combination	Available for sale	Cash flow hedge	Other	Income taxes	Previous year's retained earnings	Income (loss) for the period	Provisions to dividends minus			
Equity as of December 31, 2007	818.535	49.372	(2.042)	(5.548)	(5.867)	-	1.940	273.004	308.647	-	1.438.041	20.047	1.458.088
Retained earnings	-	-	-	-	-	-	-	308.647	(308.647)	-	-	-	-
Sub-total	818.535	49.372	(2.042)	(5.548)	(5.867)	-	1.940	581.651	-	-	1.438.041	20.047	1.458.088
Effects for the adoption of IFRS	-	(68.244)	-	-	-	-	-	-	-	-	(68.244)	(1.913)	(70.157)
Equity as of January 01, 2008	818.535	(18.872)	(2.042)	(5.548)	(5.867)	-	1.940	581.651	-	-	1.369.797	18.134	1.387.931
Minimum dividend adjustment in accordance to circular N°3443	-	-	-	-	-	-	-	-	-	(92.594)	(92.594)	-	(92.594)
Retirement / Dividends paid	-	-	-	-	-	-	-	(200.619)	-	92.594	(108.025)	(33)	(108.058)
Other equity movements	-	343	-	-	-	-	-	(2)	-	-	341	821	1.162
Provision for minimum dividends	-	-	-	-	-	-	-	-	-	(46.225)	(46.225)	-	(46.225)
Sub-total	-	343	-	-	-	-	-	(200.621)	-	(46.225)	(246.503)	788	(245.715)
Other comprehensive income	-	-	-	(27.999)	(15.887)	-	7.461	-	-	-	(36.425)	-	(36.425)
Income for the period	-	-	-	-	-	-	-	-	189.159	-	189.159	4.767	193.926
Sub-total	-	-	-	(27.999)	(15.887)	-	7.461	-	189.159	-	152.734	4.767	157.501
Equity as of June 30, 2008	818.535	(18.529)	(2.042)	(33.547)	(21.754)	-	9.401	381.031	189.159	(46.225)	1.276.029	23.689	1.299.718
Equity as of December 31, 2008	891.303	(121.684)	(2.042)	(19.972)	10.873	-	1.547	413.053	415.055	(98.444)	1.489.689	25.879	1.515.568
Retained earnings	-	-	-	-	-	-	-	415.055	(415.055)	-	-	-	-
Sub-total	891.303	(121.684)	(2.042)	(19.972)	10.873	-	1.547	828.108	-	(98.444)	1.489.689	25.879	1.515.568
Price-level restatement 2008	-	106.766	-	-	-	-	-	(106.766)	-	-	-	-	-
Equity as of January 01, 2009	891.303	(14.918)	(2.042)	(19.972)	10.873	-	1.547	721.342	-	(98.444)	1.489.689	25.879	1.515.568
Increase (decrease) of capital and reserves	-	-	-	-	-	-	-	-	-	-	-	5.600	5.600
Retirement / Dividends paid	-	-	-	-	-	-	-	(213.295)	-	98.444	(114.851)	(5.174)	(120.025)
Other equity movements	-	-	-	-	-	-	-	(2)	-	-	(2)	(210)	(212)
Provision for minimum dividends	-	-	-	-	-	-	-	-	-	(55.213)	(55.213)	-	(55.213)
Sub-total	-	-	-	-	-	-	-	(213.297)	-	43.231	(170.066)	(216)	(169.850)
Other comprehensive income	-	-	-	9.409	(17.417)	-	1.361	-	-	-	(6.647)	688	(5.959)
Income for the period	-	-	-	-	-	-	-	-	184.043	-	184.043	4.137	188.180
Sub-total	-	-	-	9.409	(17.417)	-	1.361	-	184.043	-	177.396	4.825	182.221
Equity as of June 30, 2009	891.303	(14.918)	(2.042)	(10.563)	(6.544)	-	2.908	508.045	184.043	(55.213)	1.497.019	30.920	1.527.939

Distributed dividends :					
Period	Income attributable to owners of the parent	Assigned to reserves or retained earnings	Assigned to dividends	Distributed Percentage	Dividend per share (in Chilean pesos)
- Year 2007 (Shareholder's meeting April 2008)	308.647	108.028	200.619	65%	1,065
- Year 2008 (Shareholder's meeting April 2009)	328.146	114.851	213.295	65%	1,132

BANCO SANTANDER CHILE
CONSOLIDATED STATEMENTS OF CASH FLOWS

	<u>September 30</u> <u>2009</u> MCh\$	<u>September 30</u> <u>2008</u> MCh\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME FOR THE YEAR	298,757	327,129
Items that do not represent cash flows:		
Depreciation and amortization	34,655	36,433
Allowance for loans losses	297,615	204,405
Mark to market of trading investments	(40,472)	(2,109)
Gain on investments in other companies	(863)	(1,291)
Gain on sales of assets received in lieu of payment	(1,509)	(1,786)
(Gain) loss on sale of shares in other companies	(1,847)	(4,348)
(Gain) loss on sales of bank premises and equipment	(432)	(163)
Write-offs of assets received in lieu of payment	5,632	3,671
Other non-monetary charges	38,190	28,543
Net change in interest accruals	(71,605)	(77,852)
Net cash provided by operating activities	558,121	512,632
CASH FLOW FROM INVESTING ACTIVITIES:		
Net decrease (increase) in loans	1,013,631	(1,506,759)
Decrease (Increase) in other financial investments	126,366	(497,309)
Purchases of bank premises and equipment	(11,978)	(9,252)
Proceeds from sales of bank premises and equipment	12,234	8,934
Investment in companies	-	3,274
Increase on investments in other companies	(32)	1,400
Dividends received from investments in other companies	790	638
Net change in assets received in lieu of payment	26,877	16,601
Net (increase) in other assets and liabilities	(166,977)	(167,692)
Net cash used in investing activities	1,000,911	(2,150,165)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase on current accounts	137,082	171,287
Decrease (increase) of deposits and liabilities	(2,283,192)	520,661
Increase of other sight obligations	82,157	(21,812)
Decrease (increase) in investments sold under agreement to repurchase	230,713	567,965
Decrease (increase) of overseas short and long term loans	322,286	367,570
Proceeds from credit letters issued	4,506	-
Repayments of credit letters issued	(82,264)	(236,271)
Increase in other short term liabilities	14,264	(35,474)
Loans obtained from the Central Bank of Chile (short term)	-	181
Payments of Central Bank of Chile loans (short and long term)	(970)	(1,000)
Proceeds from bond issues	308,518	264,923
Repayments of bond issues	(61,101)	(15,433)
Other short and long term obtained loans	(8,767)	26,753
Increase of capital	5,600	-
Dividends paid	(218,411)	(201,518)
Net cash provided by Financing activities	(1,549,579)	1,407,832
SUB TOTAL	9,453	(229,701)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,453	(229,701)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,048,264	1,289,658
CASH AND CASH EQUIVALENTS, END OF PERIOD	1,057,717	1,059,957

NOTE N°02 ACCOUNTING CHANGES:

First time adoption of the Compendium of Accounting Standards

The Superintendency of Banks ("SBIF") together with other Chilean Superintendencies and regulatory bodies agreed to a plan of convergence with International Financial Reporting Standards ("IFRS") in order to internationalize financial reporting for public companies in Chile. In the framework of the strategic plan, the SBIF, by means of Circular N° 3,410 of November 09, 2007 complemented later by the Circular N° 3,443 of August 21, 2008 announced the new "Compendium of Accounting Standards", which contains the new accounting and reporting formats for the financial industry applicable as of January 01, 2009, considering the transition accounting standards established in Chapter E of the above mentioned compendium.

According to legal regulations, Chilean banks must apply the accounting rules established by the SBIF and for any situation not accounted for therein, the generally accepted accounting principles, which correspond to the technical standards issued by the Association of Chilean Accountants, coinciding with International Financial Reporting Standards (IFRS) agreed by the International Accounting Standards Board (IASB), will take precedence.

As a result of the application of these new accounting regulations, the Bank established a plan for the transition to the new accounting standards, which included an analysis of the difference in accounting policies, the selection of accounting policies where a choice is available and an analysis of required changes to procedures and information systems.

In accordance with this transition plan, the accounting policies of the new Compendium of Accounting Standards have been applied retrospectively as of January 01, 2008 and an opening balance sheet has been prepared. Likewise, with the goal of presenting comparative financial statements during the year 2009, the Bank made a set of pro-forma financial statements for the year 2008.

The detail and explanation of the principal impacts of the transition to these new accounting principles, for both the Consolidated Statement of Financial Position and the Consolidated Statement of Income, are as follows:

a) Reconciliation of Equity in accordance with the new Compendium of Accounting Standards:

The principal adjustments resulting from the adoption of the new Compendium of Accounting Standards in Equity are as follows:

Explanation (*)	Total Equity		
	January 01 2008	September 30 2008	December 31 2008
	MCh\$	MCh\$	MCh\$
Equity before adoption	1,458,088	1,500,504	1,602,610
Adjustments:			
Consolidation	i (14,454)	(10,065)	(9,712)
Associate entities	ii 506	364	719
Price-level restatement	iii -	(24,626)	(30,493)
Intangible assets and Property, plant and equipment	iv (64,494)	(59,668)	(58,613)
Assets received in lieu of payment	v (929)	(631)	(408)
Charge-offs of loans	vi (2,205)	(3,179)	(4,235)
Deferred taxes	vii 11,419	15,023	15,700
Sub-total	(70,157)	(82,782)	(87,042)
Equity in accordance to the new Compendium of Accounting Standards	1,387,931	1,417,722	1,515,568

(*) Section g) explains in details the nature of the principal adjustments.

As commented previously, these adjustments are generated by the adoption of the new SBIF Compendium of Accounting Standards, therefore they do not correspond to the correction of an error in accordance with the IAS 8.

NOTE N°02 ACCOUNTING CHANGES, continuation:

b) Reconciliation of Income in accordance with the new Compendium of Accounting Standards:

The principal adjustments resulting from the adoption of the new Compendium of Accounting Standards in the Income Statement are as follows:

Explanation (*)	Consolidated Income	
	September 30 2008	December 31 2008
	MCh\$	MCh\$
Resultado antes de cambios normativos	252,552	331,017
Ajustes:		
Consolidation	i 4,389	4,742
Associates entities	ii (142)	213
Price-level restatement	iii 62,576	78,027
Intangible assets and Property, plant and equipment	iv 4,286	5,881
Assets received in lieu of payment	v 298	521
Charge-offs of loans	vi (974)	(2,030)
Deferred taxes	vii 3,604	4,281
Sub-total	74,577	91,635
Resultado según nuevo Compendio de Normas Contables	327,129	422,652

(*) Section g) explains in details the nature of the principal adjustments.

As commented previously, these adjustments are generated by the adoption of the new SBIF Compendium of Accounting Standards, therefore they do not correspond to the correction of an error in accordance with the IAS 8.

c) Opening Consolidated Statements of Financial Position in accordance with the new Compendium of Accounting Standards:

As commented previously, on January 01, 2008 the new Compendium of Accounting Standards were applied retrospectively with the goal of stating the respective opening balance sheet under these new accounting procedures.

The reconciliation of the Statement of Financial Position, is as follows:

Closing Balances:

These appear in the Consolidated financial statements of the Bank and its subsidiaries on January 01, 2008 which were prepared in accordance with the previously accepted accounting principles.

Adjustments:

Changes principally due to the appraisal criteria and the new accounting policies in accordance with the new regulations. This concept includes the modifications to the consolidation in accordance with the new Compendium of Accounting Standards.

Opening Balances:

The result of considering the effect of the adjustments in the closing balances.

NOTE N°02 ACCOUNTING CHANGES, continuation:

c) Opening Consolidated Statements of Financial Position in accordance with the new Compendium of Accounting Standards, continuation:

	As of January 01, 2008		
	Closing Balances	Adjustments	Opening Balances
	MCh\$	(*) MCh\$	MCh\$
ASSETS			
Cash and deposits in banks	1,108,444	193	1,108,637
Unsettled transaction	316,240	-	316,240
Trading investments	1,090,004	3,441	1,093,445
Investments under agreements to resell	33,999	-	33,999
Financial derivative contracts	780,775	-	780,775
Interbank loans	45,961	-	45,961
Loans and receivables from customers	12,028,053	(5,778)	12,022,275
Available for sale investments	779,635	-	779,635
Investments in other companies	6,795	506	7,301
Intangibles assets	56,187	37	56,224
Property, plant and equipment	245,619	(43,130)	202,489
Current taxes	1,933	566	2,499
Deferred taxes	61,260	19,729	80,989
Other assets	474,091	(13,809)	460,282
TOTAL ASSETS	17,028,996	(38,245)	16,990,751
LIABILITIES			
Deposits and other sight liabilities	2,868,769	(835)	2,867,934
Unsettled transaction	135,219	-	135,219
Investments under agreements to repurchase	308,651	(1,021)	307,630
Deposits and other time deposits	7,887,897	-	7,887,897
Financial derivative contracts	778,217	-	778,217
Interbank borrowings	1,099,443	14	1,099,457
Issued debt instruments	2,154,996	-	2,154,996
Other financial liabilities	147,868	27,799	175,667
Current taxes	15,897	170	16,067
Deferred taxes	10,877	207	11,084
Allowances	46,376	3,726	50,102
Other liabilities	116,698	1,852	118,550
TOTAL LIABILITIES	15,570,908	31,912	15,602,820
EQUITY			
Attributable to owners of the parent:	1,438,041	(68,244)	1,369,797
Capital	818,535	-	818,535
Reserves	47,330	(68,244)	(20,914)
Valuation adjustments	(9,475)	-	(9,475)
Retained earnings:	581,651	-	581,651
Retained earnings of prior years	581,651	-	581,651
Net income for the period	-	-	-
Minus: Allowance for mandatory dividends	-	-	-
Minority interest	20,047	(1,913)	18,134
TOTAL EQUITY	1,458,088	(70,157)	1,387,931
TOTAL LIABILITIES AND EQUITY	17,028,996	(38,245)	16,990,751

(*) Section g) explains in detail the nature of the principal adjustments.

NOTE N°02 ACCOUNTING CHANGES, continuation:

d) Pro-forma Statements of Financial Position:

With the aim of presenting comparative financial statements during the year 2009, the Bank made a set of pro-forma financial statements for the year 2008, the following presents the formulation of the pro-forma States of Financial Situation on December 31, 2008:

	As of September 30, 2008			As of December 31, 2008		
	Previous accounting standards	Adjustments (*)	Compendium of Accounting	Previous accounting standards	Adjustments (*)	Compendium of Accounting
	MCh\$	MCh\$	(MCh\$)	MCh\$	MCh\$	MCh\$
ASSETS						
Cash and deposits in banks	854,098	361	854,459	854,838	573	855,411
Unsettled transactions	513,843	-	513,843	335,405	-	335,405
Trading investments	891,070	(1)	891,069	1,161,631	4,795	1,166,426
Investments under agreements to resell	8,805	-	8,805	-	-	-
Financial derivative contracts	1,296,402	-	1,296,402	1,846,509	-	1,846,509
Interbank loans	76,015	-	76,015	95,499	-	95,499
Loans and receivables from customers	13,521,962	(6,957)	13,515,005	14,319,370	(8,021)	14,311,349
Available for sale investments	1,316,741	-	1,316,741	1,580,240	-	1,580,240
Investments in other companies	7,186	740	7,926	6,990	287	7,277
Intangibles assets	69,534	(4,444)	65,090	73,089	(4,857)	68,232
Property, plant and equipment	253,918	(55,785)	198,133	260,105	(59,716)	200,389
Current taxes	12,275	379	12,654	18,289	426	18,715
Deferred taxes	101,876	22,924	124,800	64,821	24,004	88,825
Other assets	668,293	(6,269)	662,024	520,348	(11,693)	508,655
TOTAL ASSETS	19,592,018	(49,052)	19,542,966	21,137,134	(54,202)	21,082,932
LIABILITIES						
Deposits and other sight liabilities	3,132,432	(1,519)	3,130,913	2,949,757	(1,595)	2,948,162
Unsettled transactions	308,345	-	308,345	142,552	-	142,552
Investments under agreements to repurchase	741,043	(1,076)	739,967	563,234	(1,011)	562,223
Deposits and other time deposits	8,408,557	-	8,408,557	9,756,266	-	9,756,266
Financial derivative contracts	1,122,579	-	1,122,579	1,469,724	-	1,469,724
Interbank borrowings	1,495,606	2	1,495,608	1,425,065	2	1,425,067
Issued debt instruments	2,372,389	-	2,372,389	2,651,372	-	2,651,372
Other financial liabilities	101,998	28,523	130,521	103,278	28,040	131,318
Current taxes	423	427	850	163	628	791
Deferred taxes	56,892	496	57,388	18,766	671	19,437
Allowances	132,216	5,244	137,460	162,165	4,554	166,719
Other liabilities	219,034	1,633	220,667	292,182	1,551	293,733
TOTAL LIABILITIES	18,091,514	33,730	18,125,244	19,534,524	32,840	19,567,364
EQUITY						
Atribuible a tenedores patrimoniales del banco:	1,477,196	(83,834)	1,393,361	1,578,045	(88,356)	1,489,689
Capital	818,535	-	818,535	891,303	-	891,303
Reserves	133,429	(154,663)	(21,234)	51,539	(175,265)	(123,726)
Valuation adjustments	(31,204)	-	(31,204)	(7,552)	-	(7,552)
Retained earnings:	556,436	70,828	627,264	642,755	86,909	729,664
Retained earnings of prior years	381,030	-	381,030	413,053	-	413,053
Net income for the period	250,580	70,828	321,408	328,146	86,909	415,055
Minus: Allowance for mandatory dividends	(75,174)	-	(75,174)	(98,444)	-	(98,444)
Minority Interest	23,308	1,053	24,361	24,565	1,314	25,879
TOTAL EQUITY	1,500,504	(82,782)	1,417,722	1,602,610	(87,042)	1,515,568
TOTAL LIABILITIES AND EQUITY	19,592,018	(49,052)	19,542,966	21,137,134	(54,202)	21,082,932

BANCO SANTANDER CHILE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE N°02 ACCOUNTING CHANGES, continuation:

e) Pro-forma Statements of Income:

The Bank completed pro-forma financial statements for the year 2008 in order to present comparative information. The following presents the pro-forma Statements of Income for the period ended on September 30, 2008:

	As of September 30, 2008			As of December 31, 2008		
	Previous accounting standards	Adjustments (*)	Compendium of Accounting Standards	Norma Antigua	Adjustments (*)	Compendium of Accounting Standards
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
OPERATING INCOME:						
Interest revenue	1,520,729	(162)	1,520,567	2,061,112	234	2,061,346
Interest expense	(857,143)	(3,561)	(860,704)	(1,164,071)	(5,209)	(1,169,280)
Net interest revenue	663,586	(3,723)	659,863	897,041	(4,975)	892,066
Fees and other services income	203,913	15,357	219,270	276,433	19,536	295,969
Other services expenses	(38,244)	-	(38,244)	(52,840)	-	(52,840)
Net fees and income from services	165,669	15,357	181,026	223,593	19,536	243,129
Net gains from mark-to-market and trading	171,011	244	171,255	273,084	393	273,477
Net gains from Foreign Exchange	(101,771)	-	(101,771)	(187,042)	-	(187,042)
Other operating income	13,203	2,338	15,541	16,512	1,710	18,222
Total Operating income	911,698	14,216	925,914	1,223,188	16,664	1,239,852
Allowance for loan losses	(203,431)	(974)	(204,405)	(285,953)	(2,030)	(287,983)
OPERATING INCOME, NET OF ALLOWANCES	708,267	13,242	721,509	937,235	14,634	951,869
Personnel salaries and expense	(150,028)	(29,200)	(179,228)	(209,134)	(37,641)	(246,775)
Administrative and other expense	(122,905)	21,828	(101,077)	(161,977)	28,295	(133,682)
Depreciation and amortization	(38,590)	2,157	(36,433)	(51,944)	4,317	(47,627)
Other operating expenses	(32,961)	608	(32,353)	(42,259)	581	(41,678)
Total Operating expenses	(344,484)	(4,607)	(349,091)	(465,314)	(4,448)	(469,762)
NET OPERATING INCOME	363,783	8,635	372,418	471,921	10,186	482,107
Income attributable to investments in other companies	1,057	234	1,291	851	(219)	632
Price-level restatement	(62,576)	62,576	-	(78,027)	78,027	-
Net income before taxes	302,264	71,445	373,709	394,745	87,994	482,739
Income tax	(49,712)	3,132	(46,580)	(63,728)	3,641	(60,087)
NET CONSOLIDATED INCOME	252,552	74,577	327,129	331,017	91,635	422,652
Attributable to:						
Owners of the parent	250,580	70,828	321,408	328,146	86,909	415,055
Minority Interest	1,972	3,749	5,721	2,871	4,726	7,597
Net income per share attributable to owners of the parent: (in Chilean pesos)						
Basic earnings	1,3297	-	1,7056	1,741	-	2,203
Diluted earnings	1,3297	-	1,7056	1,741	-	2,203

(*) Section g) explains in detail the nature of the principal adjustments.

BANCO SANTANDER CHILE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE N°02 ACCOUNTING CHANGES, continuation:

f) Pro-forma Cash Flow Statement:

With the goal of providing a reconciliation of the Cash Flow Statement presented under the previous accounting standards for the period ended September 30, 2008 to the new accounting standards, the following pro-forma statement was completed:

	As of September 30, 2008		
	Previous accounting standards	Adjustments (*)	Compendium of Accounting Standard
	MCh\$	MCh\$	MCh\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
NET INCOME FOR THE YEAR	252,552	74,577	327,129
Items that do not represent cash flow:			
Depreciation and amortization	38,590	(2,157)	36,433
Allowance for loan losses	231,603	(27,198)	204,405
Mark to market of trading investments	(962)	(1,147)	(2,109)
Gain on investments in other companies	(1,057)	(234)	(1,291)
Gain on sale of assets received in lieu of payment	(7,025)	5,239	(1,786)
Gain on sale of shares in other companies	-	(4,348)	(4,348)
(Gain) loss on sale of bank premises and equipment	181	(344)	(163)
Write-offs of assets received in lieu of payment	3,887	(216)	3,671
Price level restatement	62,576	(62,576)	-
Other non-monetary charges	71,697	(43,154)	28,543
Net change in interest accruals	(74,979)	(2,873)	(77,852)
Net cash provided by operating activities	577,063	(64,431)	512,632
CASH FLOW FROM INVESTMENT ACTIVITIES :			
Net decrease (increase) in loans	(898,993)	(607,766)	(1,506,759)
Net decrease (increase) in other financial investments	(299,277)	(198,032)	(497,309)
Purchases of Bank premises and equipment	(9,253)	1	(9,252)
Proceeds from sale of Bank premises and equipment	1,647	7,287	8,934
Increase on investments in other companies	3,472	(198)	3,274
(Increase) decrease in investments in companies	10,926	(9,526)	(1,400)
Dividends received from investments in other companies	607	31	638
Net change in assets received in lieu of payment	16,540	61	16,601
Net (increase) decrease in other assets and liabilities	(159,997)	(7,695)	(167,692)
Net cash used in investing activities	(1,334,328)	(815,837)	(2,150,165)
CASH FLOW FROM FINANCE ACTIVITIES:			
Net increase in current accounts	28,341	142,946	171,287
Decrease (increase) of deposits and liabilities	(26,528)	547,189	520,661
Increase of other sight obligations	(68,185)	46,373	(21,812)
Decrease (increase) in investments sold under agreement to repurchase	429,275	138,690	567,965
Decrease (increase) of overseas short and long term loans	291,575	75,995	367,570
Repayments of credit letters issue	(236,270)	(1)	(236,271)
Increase in other short term liabilities	(42,356)	6,882	(35,474)
Loans obtained from the Central Bank of Chile (short term)	180	1	181
Payments of loans from the Central Bank of Chile	(1,276)	276	(1,000)
Proceeds from bond issues	264,924	(1)	264,923
Repayments of bond issues	(15,433)	-	(15,433)
Other long term loans obtained	26,248	505	26,753
Dividends paid	(211,032)	9,514	(201,518)
Net cash provided by financing activities	439,463	968,369	1,407,832
Sub-total	(317,802)	88,101	(229,701)
PRICE-LEVEL RESTATEMENT IN CASH AND CASH EQUIVALENTS	(1,556)	1,556	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(319,358)	89,657	(229,701)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,378,954	(89,296)	1,289,658
CASH AND CASH EQUIVALENTS, END OF PERIOD	1,059,596	361	1,059,957

(*) Section g) explains in detail the nature of the principal adjustments.

BANCO SANTANDER CHILE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE N°02 ACCOUNTING CHANGES, continuation:

g) Description of the principal adjustments:

The explanation of the principal adjustments as a result of the adoption of the new Compendium of Accounting Standards issued by the SBIF is as follows:

i. Consolidation

In accordance with the regulations as of December 31, 2007 chapter 11-6 "Inversiones en sociedades en el País" of the "Recopilación Actualizada de Normas" (RAN), the Bank consolidated the subsidiaries and the associate entities.

Initially, these companies were consolidated through global consolidation (line by line), as follows:

Society	Percentage owned		
	Direct	Indirect	Total
Santander Corredores de Seguro Ltda,	99,75%	0,01%	99,76%
Santander S,A, Corredores de Bolsa	50,59%	0,41%	51,00%
Santander Asset Management S,A, Administradora General de Fondos	99,96%	0,02%	99,98%
Santander S,A, Agente de Valores	99,03%	-	99,03%
Santander S,A, Sociedad Securitizadora	99,64%	-	99,64%
Santander Servicios de Recaudación y Pagos Limitada	99,90%	0,10%	100,00%

The associate entities accounted for in accordance with the equity method of accounting (VPP or VP, abbreviations in Spanish) are as follows:

Society	Percentage owned
Redbanc S,A,	33.42%
Transbank S,A,	32.71%
Centro de Compensación Automatizado	33.33%
Sociedad Interbancaria Depósitos de Valores S,A,	29.29%
Cámara Compensación Alto Valor S,A,	11.52%
Administrador Financiero Transantiago S,A,	20.00%
Sociedad Nexus S,A,	12.90%

With the new Compendium of Accounting Standards, the Bank analyzed and redefined its consolidation, considering that it is now required to consider the degree of control the Bank that possesses over a certain entity and not just its percentage of participation in the equity.

From this analysis, the following was determined:

- The method of consolidation used through December 31, 2008 will continue for the subsidiaries and the associate entities. This is because the Bank possesses control over them and exercises significant influence.
- In accordance with the stipulations of IAS 27 and SIC 12, the Bank must evaluate the existence of Special Purpose Entities (SPE), which must be consolidated, with the following principal characteristics:
 - The SPE's activities have been directed, in essence, on behalf of the entity that presents the consolidated financial statements, in accordance to its specific needs of business.
 - The necessary decision making powers are possessed to obtain the majority of the benefits or other advantages of these entities.
 - In essence, the entity retains for itself the majority of the risks inherent in the property or residual to the SPE or to its assets, in order to obtain the benefits of its activities.

BANCO SANTANDER CHILE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE N°02 ACCOUNTING CHANGES: continuation:

g) Description of the principal adjustments, continuation:

It was concluded that the Bank was exercising control over the following entities, which must now be incorporated into its consolidation:

- Santander Gestión de Recaudación y Cobranzas Ltda.
- Multinegocios S.A.
- Servicios Administrativos y Financieros Ltda.
- Servicios de Cobranzas Fiscalex Ltda.
- Multiservicios de Negocios Ltda.
- Bansa Santander S.A.
- Santander Multimedia S.A.

At the beginning of the year 2009, Santander Multimedia S.A., made a change to its business model, resulting in its income no longer being dependent to a great extent on the operations performed with the Bank. As a result, it was determined that the Bank was no longer exercising control over the entity, and must therefore exclude its activities from the Bank's financial statements as of March, 2009.

ii. Associate entities

Within this item represents, the impact of the adoption of the new Compendium of Accounting Standards by each of the various associate entities, considering the proportional effect that these effects/adjustments have on the equity of the Bank, on the basis of the participation percentage that the Bank has in these companies.

iii. Price-level restatement

In accordance with the previously regulations, the consolidated financial statements were prepared applying price-level restatement, with the goal of reflecting the effects of changes in the buying power of the Chilean peso during each period.

According to the new Compendium of Accounting Standards, and in accordance to IAS 29 "Financial Reporting in Hyperinflationary Economies", price-level restatement will be applied only when the entity's functional currency is a currency corresponding to a hyperinflationary economy (an economy with 100 per cent inflation in 3 years). For the Bank, the functional currency is the Chilean peso.

As the Chilean economy is not hyperinflationary, the Bank should eliminate the price-level restatement as of January 01, 2008. In accordance with the guidelines established in Chapter E of the Compendium of Accounting Standards, the price-level restatement applied until December 31, 2007 should not be reversed.

The adjustments for price-level restatements of assets and liabilities are included herein. The price-level restatement of the paid capital and reserves at December 31, 2008 was not reversed, in accordance with the guidelines established in Chapter E of the Compendium of Accounting Standards and to maintain the paid capital and the reserves in accordance with legal or statutory requirements.

NOTE N°02 ACCOUNTING CHANGES:, continuation:

g) Description of the principal adjustments, continuation:

iv. Intangible assets and Property, plant and equipment

The principle effects of the recalculation of depreciations and amortizations of intangible assets (software and computer developments) and property, plant and equipment as a result of the elimination of the price-level restatement (as described in point iii) and the determination of the cost of property, plant and equipment on January 01, 2008 are included.

In accordance with the guidelines established in Chapter E of the new Compendium of Accounting Standards, on January 01, 2008 the Bank determined the cost of its fixed assets, selecting the lesser of the historical cost (including the respective price-level restatement until December 31, 2007) and its fair value, based on an appraisal by an independent third person.

v. Assets received in lieu of payment

Previously, the assets received in lieu of payment (BRP) were valued at cost (agreed price with the debtor for transfer in payment or the value of adjudication by legal ruling, in which case, price level restated), less an allowance based on an independent appraisal. After a year, in compliance with the N° 5 of the article 84 of the General Law of Banks, if the assets received in lieu of payment are not sold, the banks must charge-off the assets while they continue to attempt to liquidate them.

The principal modification introduced by the new Compendium of Accounting Standards, chapter B-5, (in addition to the elimination of price level restatement described in point iii.) in the valuation of the BRP, is that at the time of calculating and recording the initial provision, its realizable net value must be considered. The net realizable value is the fair value (through independent appraisal) minus the necessary cost to maintain and dispose of it.

In accordance with the studies performed by the Bank, on January 01, 2008 an estimated average cost of sale was (the cost to maintain it and dispose of it) 5,8 % of the appraisal value and on December 31, 2008 this was increased to 6,5 %.

vi. Charge-off of loans

In accordance with the previous regulations, the charge-offs of past due payments and overdue payments of loans and receivables was calculated from its portfolio in arrears, which represented those operations with capital payments and interest default of ninety days or more. This method was realized previously quota by quota.

In accordance with the guidelines established in Chapter B-2 of the new Compendium of Accounting Standards, the charge-offs of loans and other receivables must be calculated from the beginning of the default, therefore affecting 100 % of the loans whether it is overdue, past due or current proportion.

vii. These refer to the collateral effect generated by the incorporation of new societies into the consolidation, such as the increases in expenditure previously accrued and recognized in the financial statements.

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NOTE N°02 ACCOUNTING CHANGES:, continuation:

g) Description of the principal adjustments, continuation:

The table below displays the principal types of loans and their respective charge-off periods in accordance with the guidelines stipulated by the new Compendium of Accounting Standards:

Type of contract	Term
Leasing Operations	
Consumer leasing	6 months
Other non-property leasing	12 months
Property leasing (commercial or housing)	36 months
Other Operations	
Consumer loans with or without real guarantees	6 months
Other operations without real guarantees	24 months
Commercial loans with real guarantees	36 months
Mortgage loans for housing	48 months

Within this item, the Bank has classified the effects of this new methodology for charge-offs of loans and other receivables, as well as the effect that it generates on the allowances for each of the operations (upon a charge-off of 100%, the related allowances are reversed).

viii. Deferred taxes

This item represents the fiscal effects (deferred taxes) generated by the temporary differences arising from the adjustments previously described, if these directly affect the equity or income.

FELIPE CONTRERAS FAJARDO
Gerente de Contabilidad

ÓSCAR VON CHRISMAR CARVAJAL
Gerente General

