

BANCO SANTANDER CHILE
Form 6-K
March 28, 2019

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

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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

BANCO SANTANDER CHILE

Consolidated financial statements

At December 31, 2018

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\$ - Chilean pesos
M\$ - Thousands of Chilean pesos
US\$ - US Dollars
MUS\$ - Thousands of US Dollars
UF - Unidades de fomento

INDEPENDENT AUDITOR'S REPORT

(A free translation from the original in Spanish)

Santiago, February 28, 2019

To the Shareholders and Directors

Banco Santander Chile

We have audited the accompanying consolidated financial statements of Banco Santander Chile and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, the consolidated statements of income, other comprehensive income, changes in equity and cash flows for the years then ended, and the related notes thereto.

Management's Responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting standards and instructions issued by the Superintendence of Banks and Financial Institutions. This responsibility includes designing, implementing and maintaining internal control relevant for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conduct our audits in accordance with Chilean generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of

material misstatement

An audit involves performing procedures to obtain audit evidence on the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant for the preparation and fair presentation of the consolidated financial statements of the entity in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express such kind of opinion. An audit also includes evaluating the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Santiago, February 28, 2019

Banco Santander Chile

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Banco Santander Chile and its subsidiaries as of December 31, 2018 and 2017, and the results of its operations, and its cash flows for the years then ended, in conformity with accounting standards and instructions issued by the Superintendence of Banks and Financial Institutions.

Claudio Gerdtzen S.
RUT: 12.264.594-0

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Banco Santander Chile and Subsidiaries**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE YEAR**

		As of December 31,	
	NOTE	2018 MCh\$	2017 MCh\$
ASSETS			
Cash and deposits in banks	5	2,065,441	1,452,922
Cash items in process of collection	5	353,757	668,145
Trading investments	6	77,041	485,736
Investments under resale agreements	7	-	-
Financial derivative contracts	8	3,100,635	2,238,647
Interbank loans, net	9	15,065	162,599
Loans and accounts receivables from customers, net	10	29,470,270	26,747,542
Available for sale investments	11	2,394,323	2,574,546
Held to maturity investments		-	-
Investments in associates and other companies	12	32,293	27,585
Intangible assets	13	66,923	63,219
Property, plant, and equipment	14	253,586	242,547
Current taxes	15	-	-
Deferred taxes	15	382,934	385,608
Other assets	16	984,988	755,183
TOTAL ASSETS		39,197,356	35,804,279
LIABILITIES			
Deposits and other demand liabilities	17	8,741,417	7,768,166
Cash items in process of being cleared	5	163,043	486,726
Obligations under repurchase agreements	7	48,545	268,061
Time deposits and other time liabilities	17	13,067,819	11,913,945
Financial derivative contracts	8	2,517,728	2,139,488
Interbank borrowing	18	1,788,626	1,698,357
Issued debt instruments	19	8,115,233	7,093,653
Other financial liabilities	19	215,400	242,030
Current taxes	15	8,093	6,435
Deferred taxes	15	15,395	9,663
Provisions	21	329,940	324,329
Other liabilities	22	900,408	745,363
TOTAL LIABILITIES		35,911,647	32,696,216
EQUITY			
Attributable to the equity holders of the Bank		3,239,546	3,066,180

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Capital	24	891,303	891,303
Reserves	24	1,923,022	1,781,818
Valuation adjustments	24	10,890	(2,312)
Retained earnings		414,331	395,371
Retained earnings from prior years		-	-
Income for the year		591,902	564,815
Minus: Provision for mandatory dividends	24	(177,571)	(169,444)
Non-controlling interest	26	46,163	41,883
TOTAL EQUITY		3,285,709	3,108,063
TOTAL LIABILITIES AND EQUITY		39,197,356	35,804,279

The accompanying notes 1 to 40 form an integral part of these consolidated financial statements.

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Banco Santander Chile and Subsidiaries**CONSOLIDATED STATEMENTS OF INCOME FOR THE YEAR****For the year ended**

		December 31,	
		2018	2017
	NOTE	MCh\$	MCh\$
OPERATING INCOME			
Interest income	27	2,244,317	2,058,446
Interest expense	27	(829,949)	(731,755)
Net interest income		1,414,368	1,326,691
Fee and commission income	28	484,463	455,558
Fee and commission expense	28	(193,578)	(176,495)
Net fee and commission income		290,885	279,063
Net income (expense) from financial operations	29	53,174	2,796
Net foreign exchange gain	30	51,908	126,956
Other operating income	35	39,526	87,163
Net operating profit before provision for loan losses		1,849,861	1,822,669
Provision for loan losses	31	(325,085)	(299,205)
NET OPERATING PROFIT		1,524,776	1,523,464
Personnel salaries and expenses	32	(397,564)	(396,967)
Administrative expenses	33	(245,089)	(230,103)
Depreciation and amortization	34	(79,280)	(77,823)
Impairment of property, plant, and equipment	34	(39)	(5,644)
Other operating expenses	35	(45,740)	(96,014)
Total operating expenses		(767,712)	(806,551)
OPERATING INCOME		757,064	716,913

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Income from investments in associates and other companies	12	5,095	3,963
Income before tax		762,159	720,876
Income tax expense	15	(165,897)	(143,613)
NET INCOME FOR THE YEAR		596,262	577,263
Attributable to:			
Equity holders of the Bank		591,902	564,815
Non-controlling interest	26	4,360	12,448
Earnings per share attributable to Equity holders of the Bank: (expressed in Chilean pesos)			
Basic earnings	24	3.141	2.997
Diluted earnings	24	3.141	2.997

The accompanying notes 1 to 40 form an integral part of these consolidated financial statements.

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Banco Santander Chile and Subsidiaries

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEAR

For the year ended

	December 31,	
	2018	2017
	NOTE MCh\$	MCh\$
NET INCOME FOR THE YEAR	596,262	577,263
OTHER COMPREHENSIVE INCOME - ITEMS WHICH MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		