



Santander Successfully Issues Its Second Mortgage Bond

September 12, 2014

Santiago Chile, September 12, 2014. Banco Santander Chile placed in the local market its second Covered Mortgage Bond. The operation was executed via a Dutch auction system at the Santiago Stock Exchange for a total amount of UF 1,500,000 (US\$61.3 million). This bond, due in 17.5 years, was placed at a rate of UF + 2.44%, representing a spread of 86 bps over BCU (Chilean Central Bank notes) with a similar maturity. This implies a 14 bps better spread than the Bank's senior debt spread. The placement agent was Santander Global Banking & Markets.

"With this second issue, we reaffirm our interest in the development of this product, because it gives us an additional source of funding that encourages the growth of a healthy portfolio for our mortgage business at an attractive spread. For the investor, this is an investment instrument backed by high quality assets with lower risk, which is also classified as a "High Quality Liquid Assets" according to the proposed new liquidity rules published by the Central Bank in May, "said Emiliano Muratore, Managing Director of Financial Management at Banco Santander Chile

About Banco Santander Chile

Banco Santander Chile is at 30 June 2014, the largest bank in Chile by loans (US\$ 39 billion) and assets (US\$ 50 billion). At the same date, the Bank has a core capital ratio of 10.7%. Santander Chile also has one of the highest risk ratings in the region with an A + by Fitch, A by Standard and Poor's and Aa3 by Moody's. The Bank traded on the Santiago Stock Exchange (Bsantander) and the New York Stock Exchange (BSAC). The largest shareholder is Banco Santander Group controlling 67% ownership.

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