

Banco Santander Chile: 4Q & full 2009 results

*High profitability /
Retail growth gaining momentum*

February 8, 2010

Chile



Important information

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Note: the information contained in this presentation is not audited. Nevertheless, the consolidated accounts are prepared on the basis of generally accepted accounting principles. All figures presented are in nominal terms. Historical figures are not adjusted by inflation. Historical 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.

Highlights

- **Santander Chile's results in 2009: high profitability and efficiency / retail growth gaining momentum**
- **Going forward, Santander should deliver solid performance by leveraging on its strong franchise / Chile's higher growth environment**

Thorough execution of our strategy ...

Santander Chile's strategic drivers

I. Active balance sheet management: focus on capital, funding selective loan growth and differentiated expansion of spreads



II. Proactive management of risks and recoveries, to reduce impact of the slowing down of the economy on provisions



III. Increase of cross-selling and product usage of the current clients base to boost fees



IV. Cost control; focus on productivity gains / control of recurring costs to compensate for the lower top-line growth

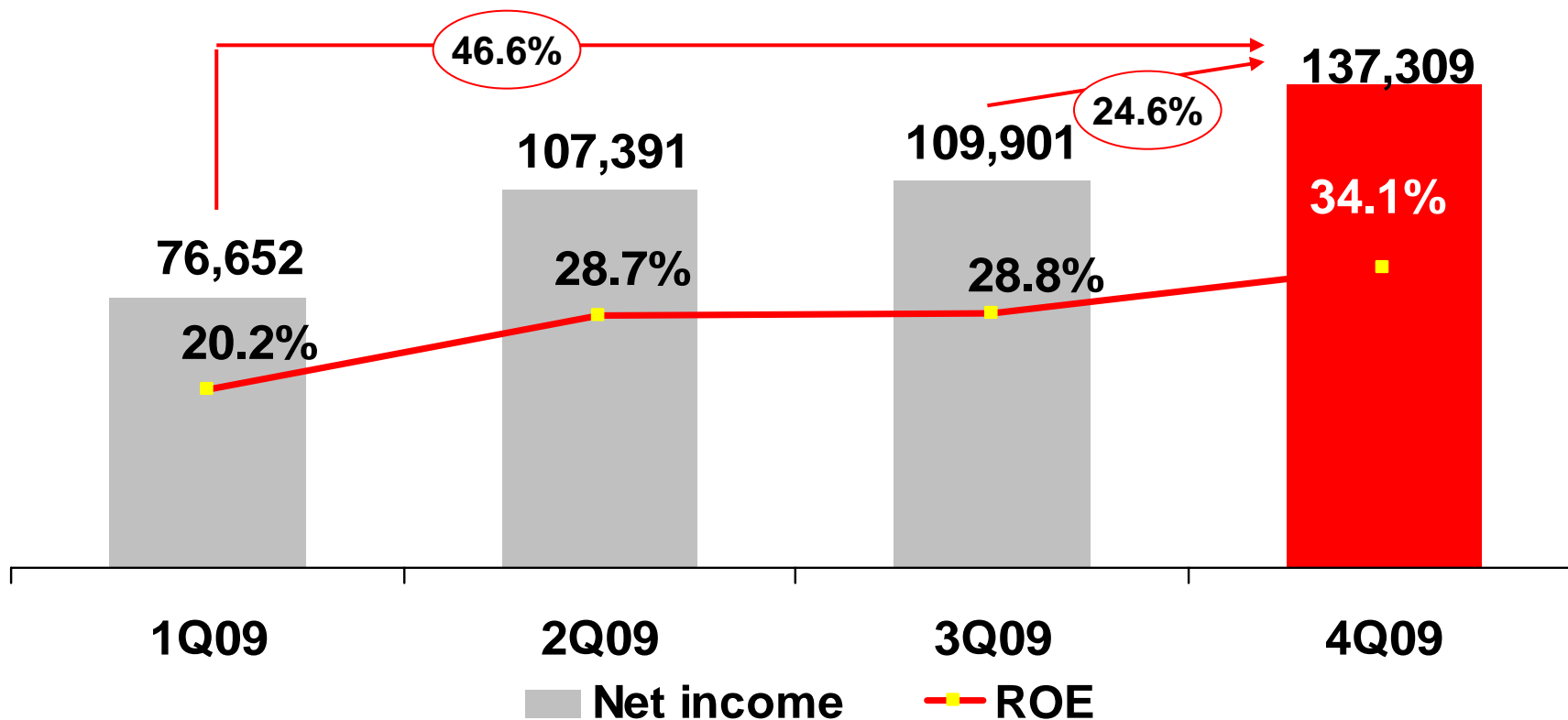


1. Santander Chile's strategy and results in 2009

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... leads to a solid and improving performance in 2009

Net income (nominal Ch\$ million) and ROE (%)



**Net income up +31.4% compared to non-restated 2008 earnings
ROAE reaches 28.0% in 2009 and a record-high level in 4Q09**

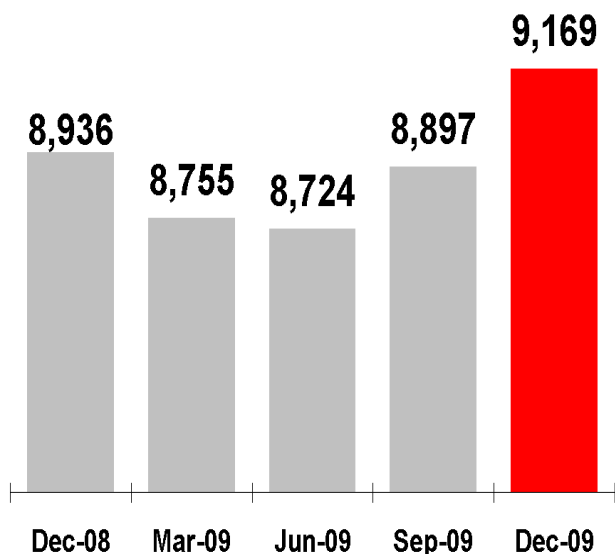
Chile

 Santander

I. Retail loan growth gaining momentum ...

Loans, Ch\$ billion and growth rates, %

Retail Loans



| Ch\$bn | Volume Dec. '09 | YoY chg. % | QoQ chg. % |
|-----------------------|--------------------|---------------|---------------|
| Individuals | 6,403 | 2.8% | 3.5% |
| Consumer | 2,244 | -0.2% | 4.1% |
| Mortgage | 4,159 | 4.5% | 3.1% |
| SMEs | 2,483 | 0.5% | 2.5% |
| Institutional lending | 283 | 20.5% | -0.8% |
| Retail lending | 9,169 | 2.6% | 3.1% |
| Middle-Market | 2,470 | -14.7% | 0.1% |
| Corporate | 1,081 | -47.3% | -15.4% |
| Total | 13,728 | -5.9% | 1.1% |

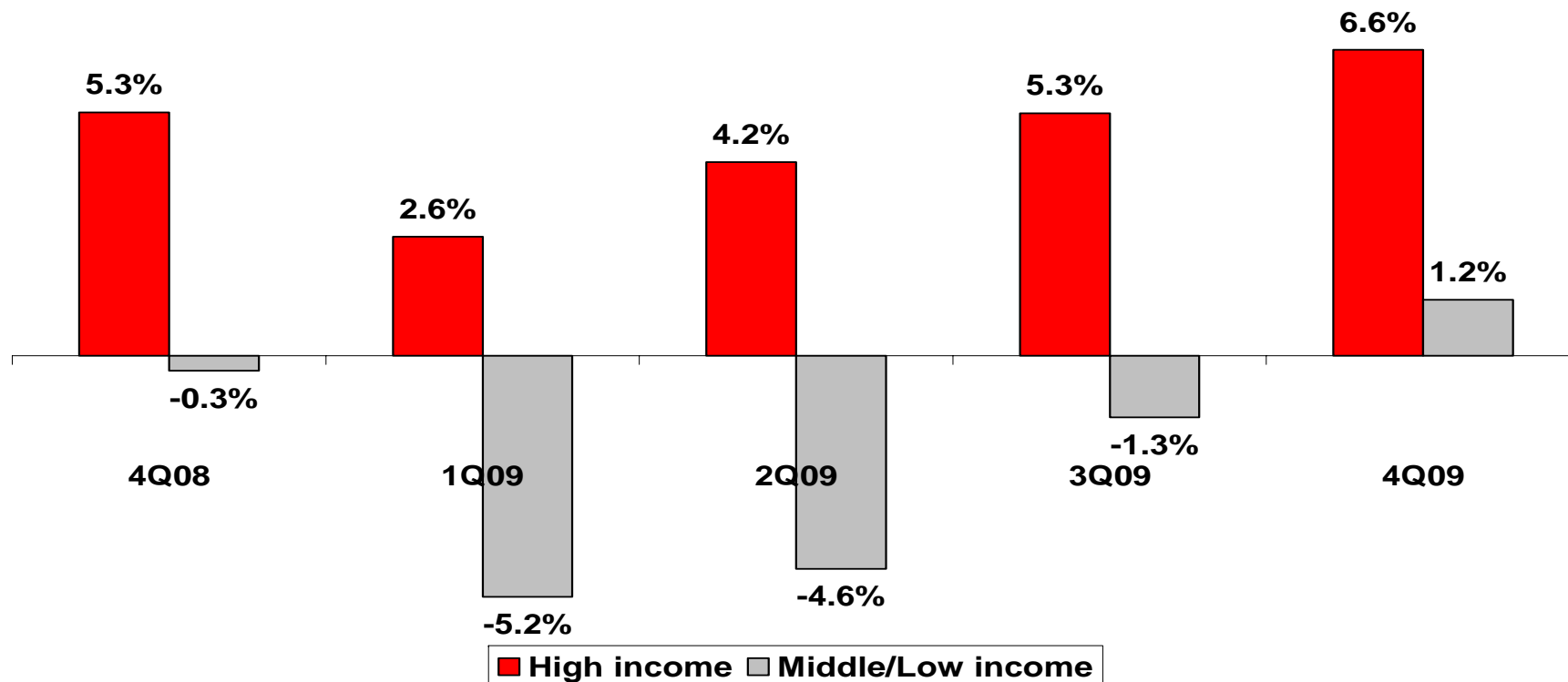
Corporate & Middle Market: focus on profitable non-lending activities

1. Santander Chile's strategy and results in 2009

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I. ... with higher QoQ growth in all segments

Loans to individuals, QoQ growth by client segment, %



Improved outlook for middle and middle-low income segment growth in 2010

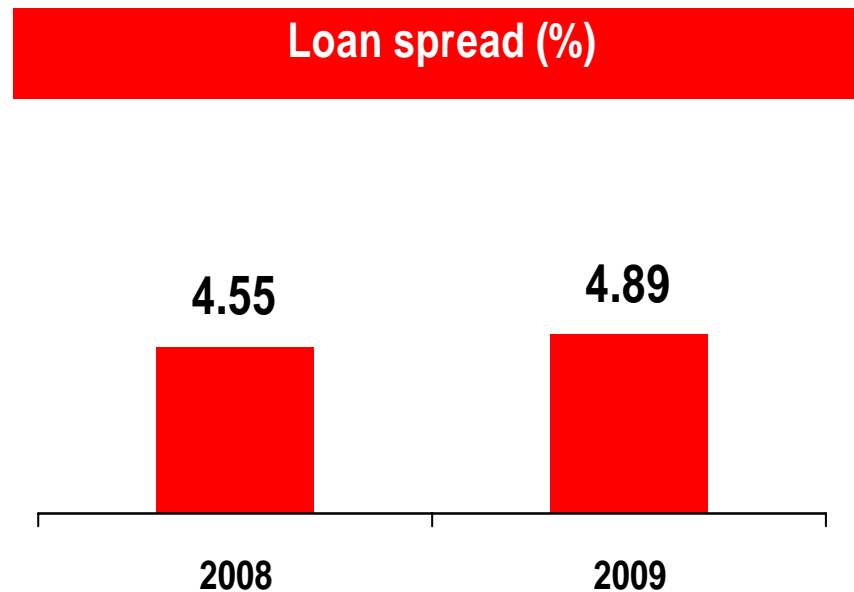
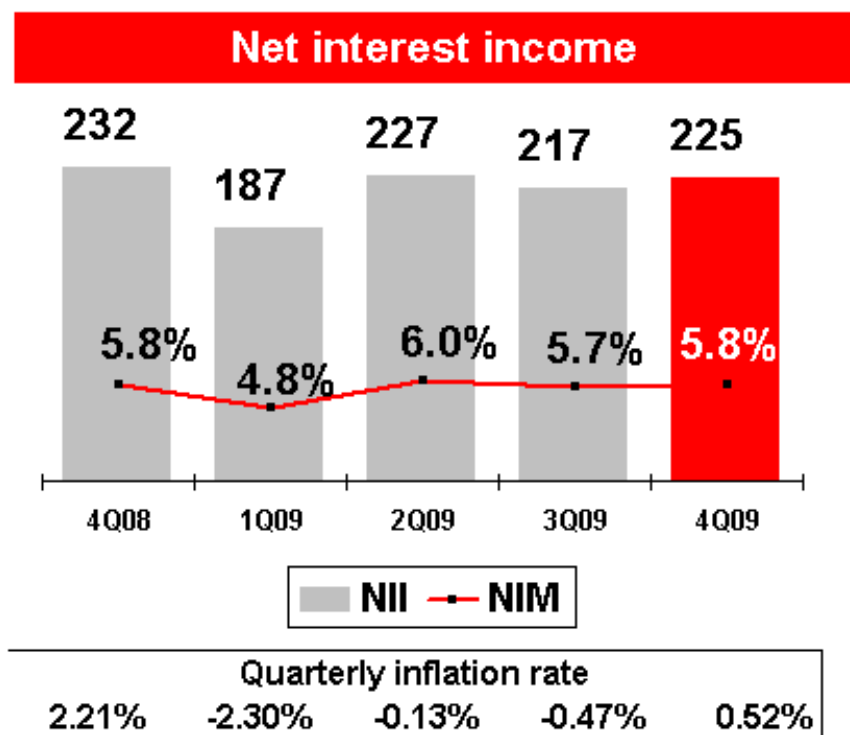
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1. Santander Chile's strategy and results in 2009

I. Better loan mix/higher spreads offset deflation impact on NIM

Net interest income, nominal Ch\$ million; Net Interest Margin (NIM) and spreads, %



Inflation expected to be positive in 2010

1. Santander Chile's strategy and results in 2009

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I. Bank has maintained strong core capital and capitalization ratios

BIS Ratio

| | <u>Dec. 2008</u> | <u>Dec. 2009</u> |
|---------------------|------------------|------------------|
| BIS RATIO | 13.8% | 15.6% |
| CORE CAPITAL | 10.1% | 11.7% |
| TIER II | 3.7% | 3.9% |

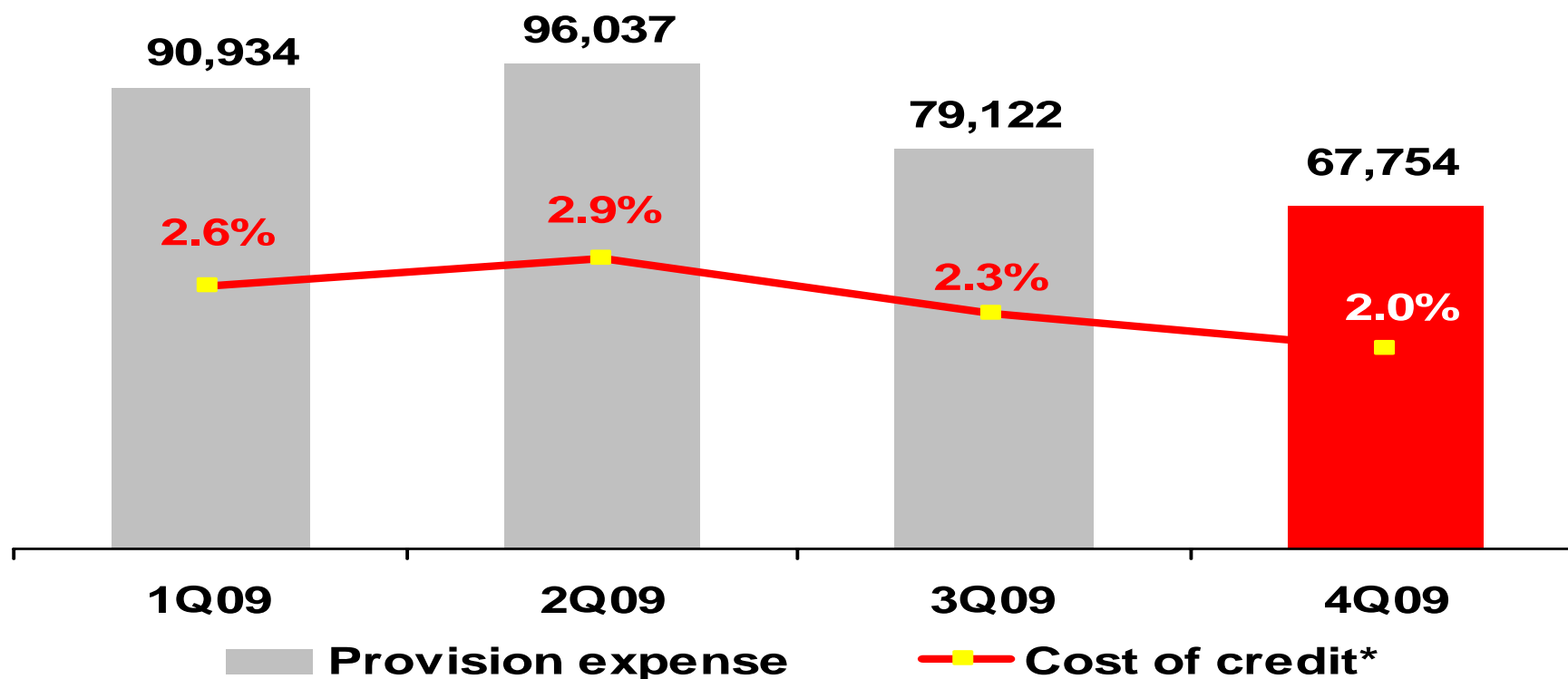
- Tier I capital is 100% Core Capital (voting shareholders' equity)
- Active management of RWAs
- Highest risks rating in the Region / increased or maintained in last 2 years

| | Deposits: | Senior bonds: | Sub-bonds: |
|------------|-----------|---------------|------------|
| ⇒ S&P: | A+ | A+ | A |
| ⇒ Moody's: | A1 | Aa3 | A1 |
| ⇒ Fitch: | A+ | | |

Bank has strong capital base to support future growth

II. Positive trends in asset quality and provision expense

Provision expense, nominal Ch\$ million and cost of credit*, %

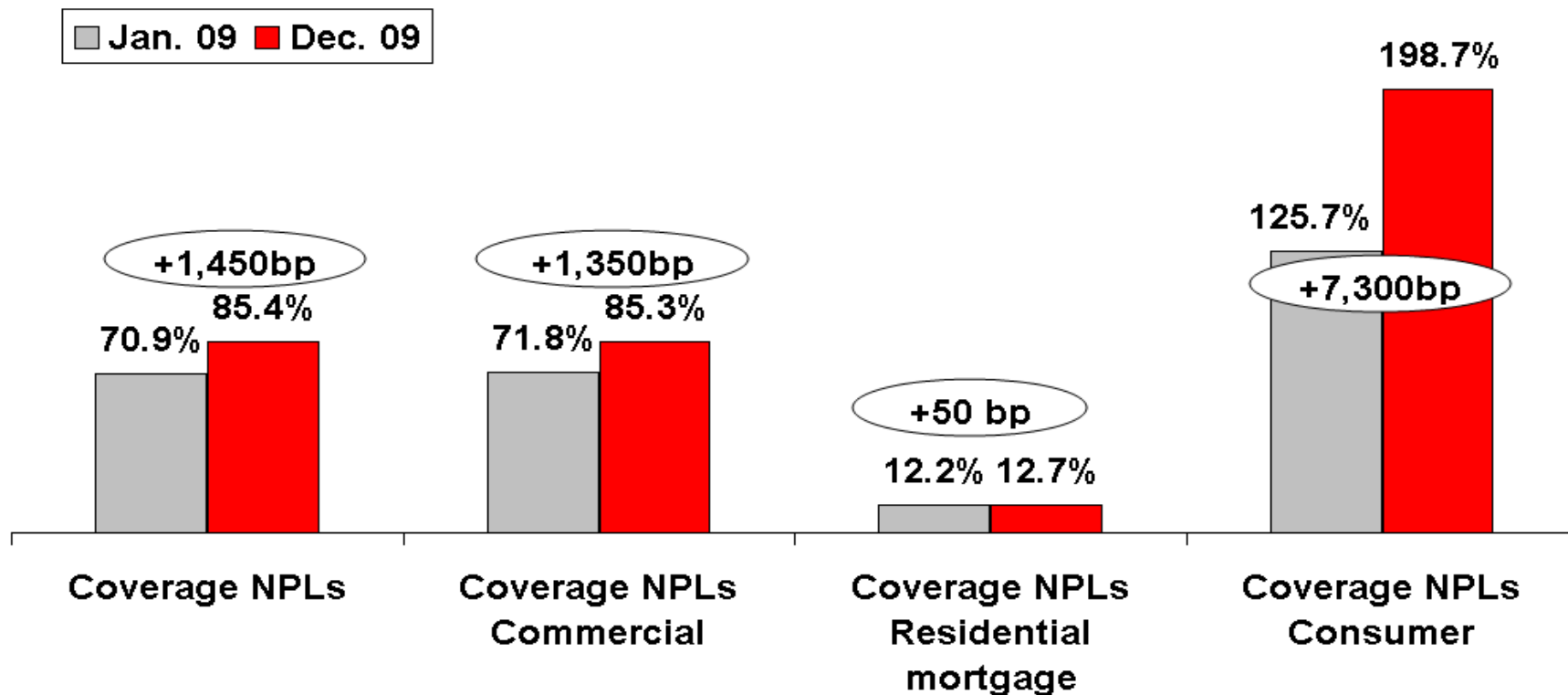


Selective loan growth and recovery efforts at branch level paid-off in 2H09

* Cost of credit : Annualized provision expense / loans

Coverage of NPLs increases in 2009

Coverage ratio of Non Performing Loans, %

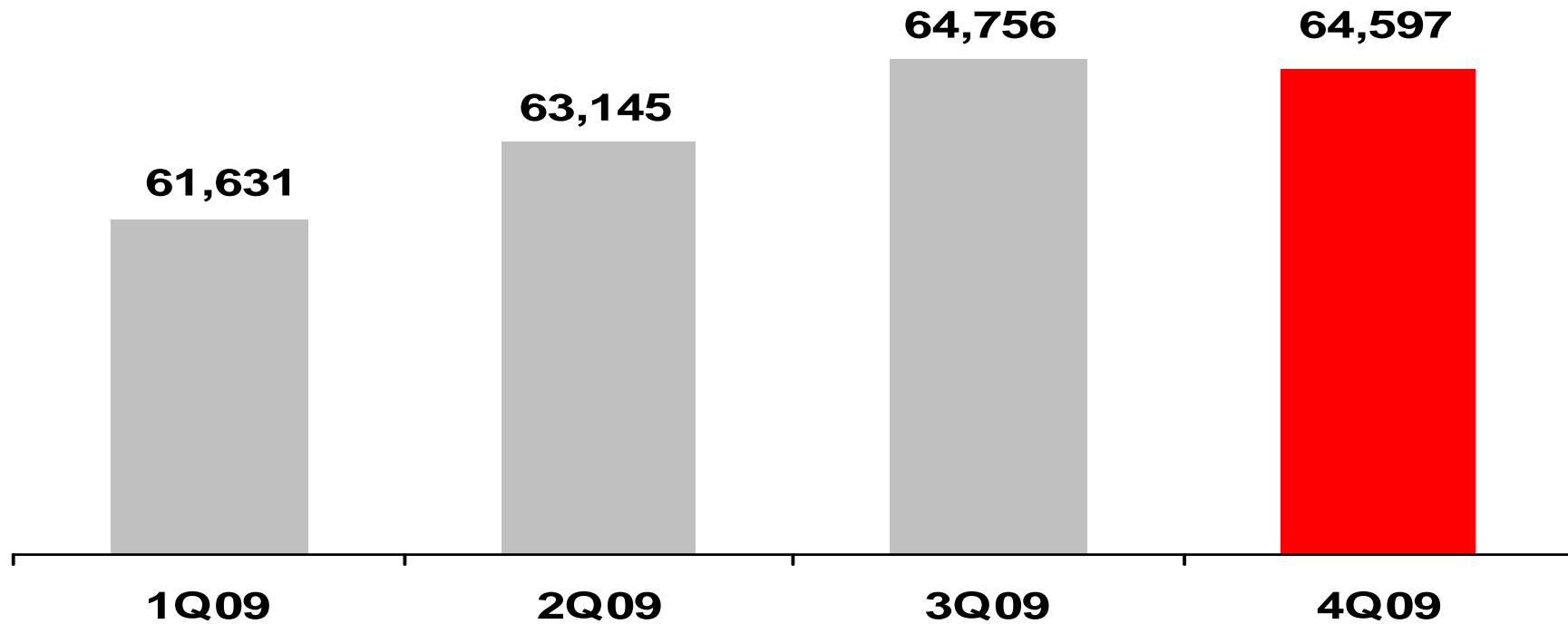


Real estate market unaffected in 2009 and with good growth expected for 2010

* NPLs: All loans with at least one installment over 90 days over due. Coverage: Reserves over NPLs

III. Cross-selling and product usage drives fee income

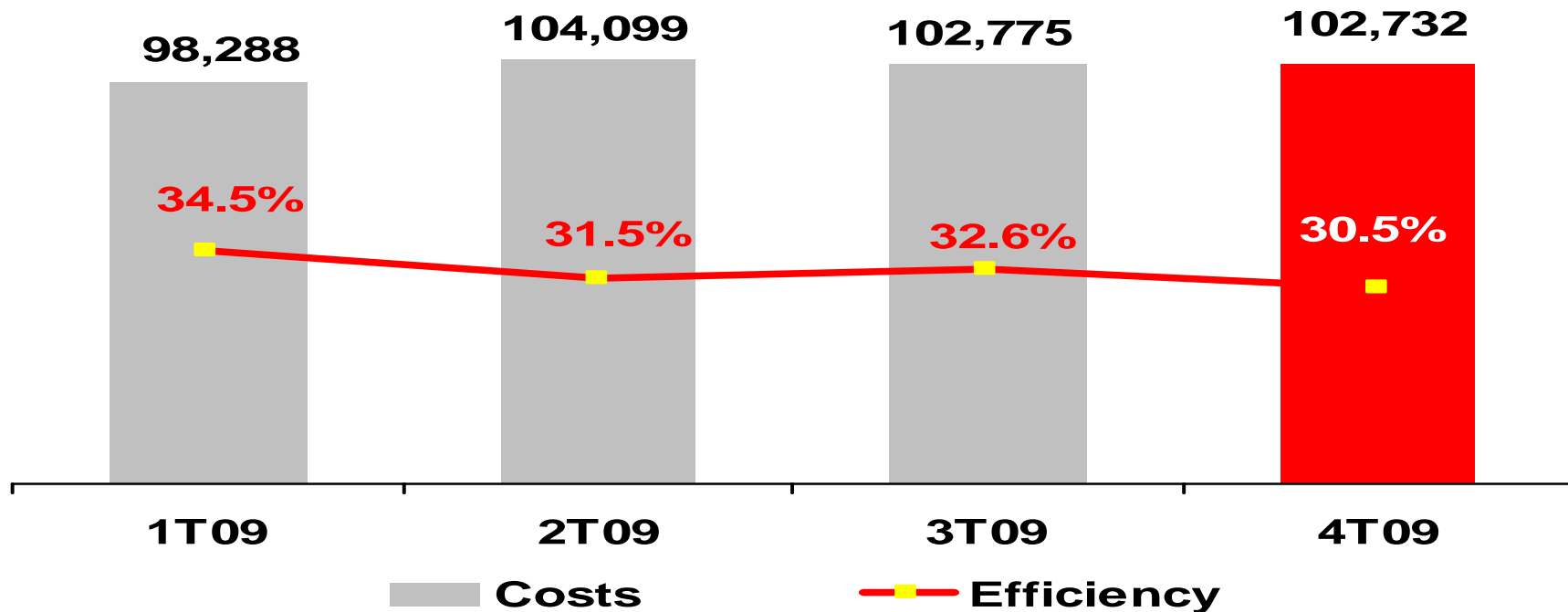
Fee income, nominal Ch\$ million



Solid growth of credit card, asset management and other usage-linked fees

IV. High efficiency achieved after new productivity gains

Operating expenses, nominal Ch\$ million; Efficiency ratio*, %



Efficiency ratio reaches 32.2% in 2009 and a record-high level in 4Q09

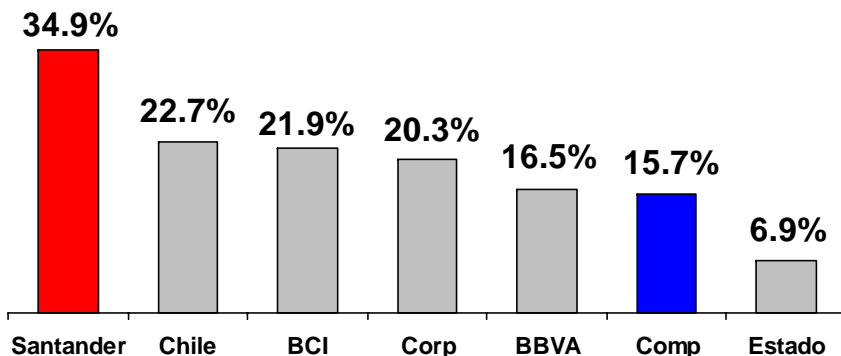
* Operating income / operating expenses

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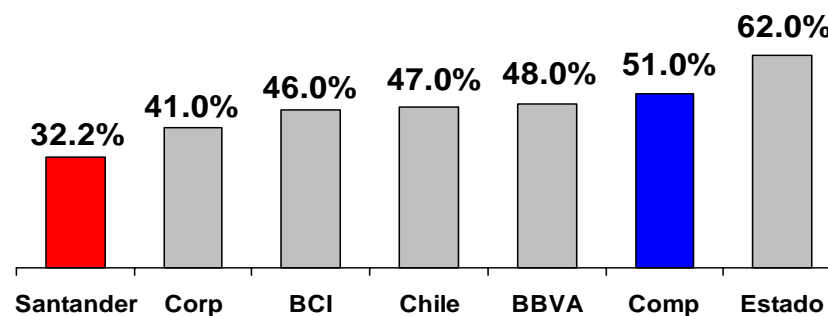
Strong performance compared to competition ...

Figures for 2009, %

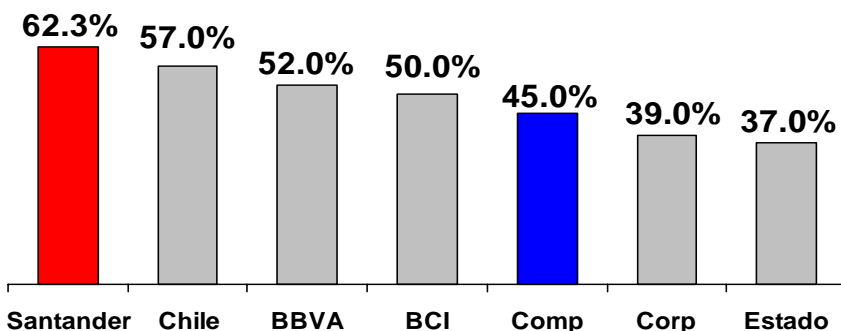
Return on capital*, %



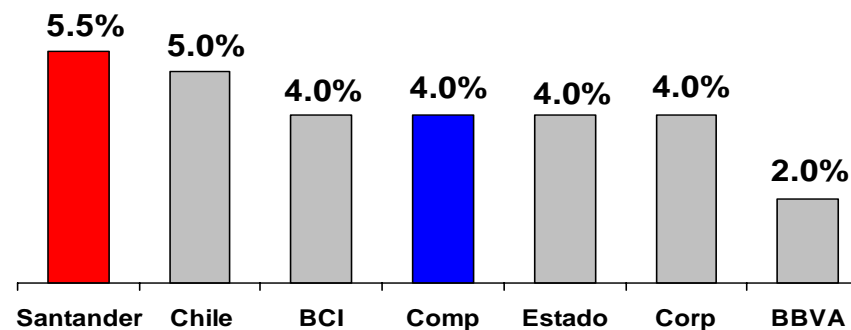
Cost / Income



Fees / costs



NIM

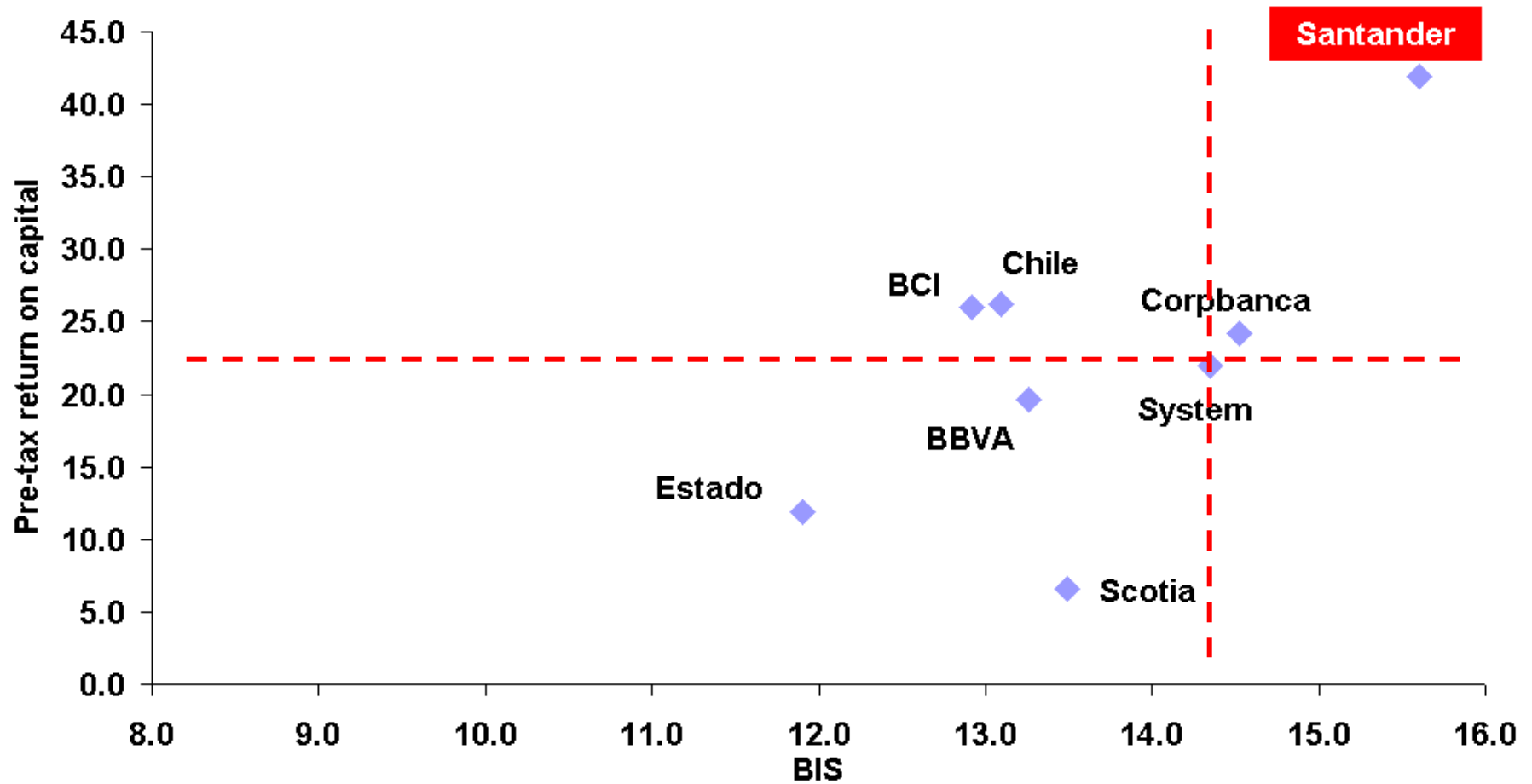


* As defined by the Superintendency of Banks of Chile, i.e. excluding YTD earnings. Comp. = is our competition, i.e. the financial system minus Santander. Source: Superintendency of Banks of Chile

1. Santander Chile's strategy and results in 2009

... with an adequate relation between risk and return

ROE & BIS Ratios, at December 2009, %



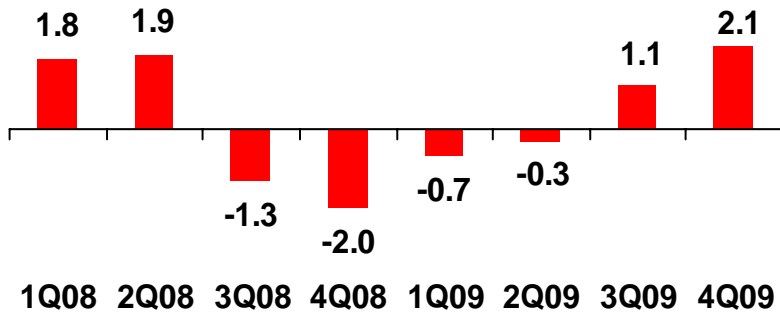
Source: Superintendency of Banks of Chile

Highlights

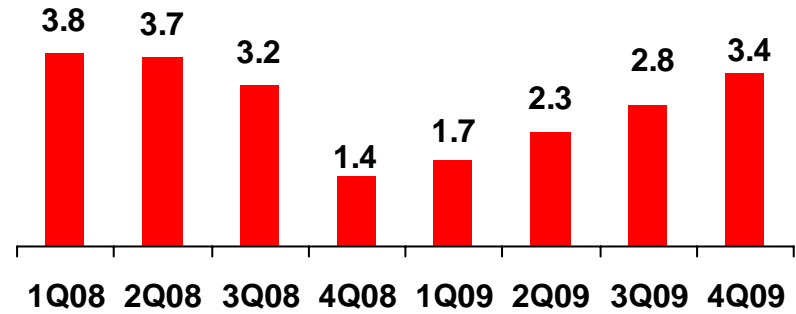
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Improving macro outlook ...

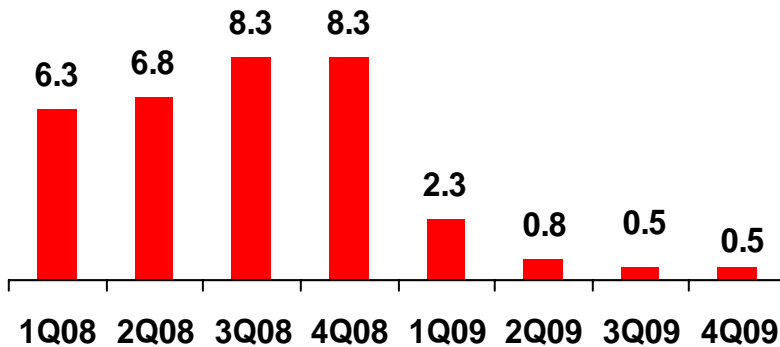
Quarterly GDP growth (%)



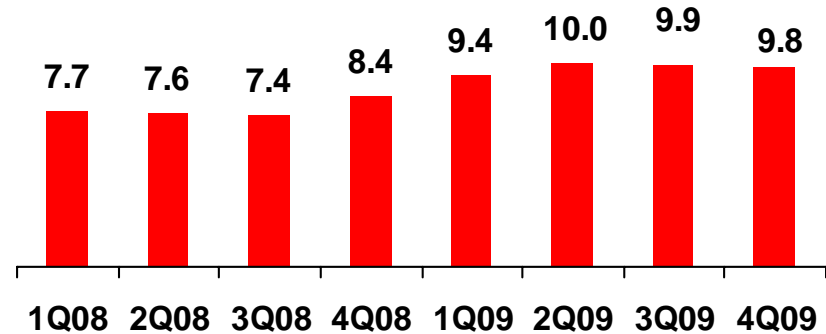
Copper price (US\$ / pound., end-of-period)



Central Bank ST rate (% , end.of-period)



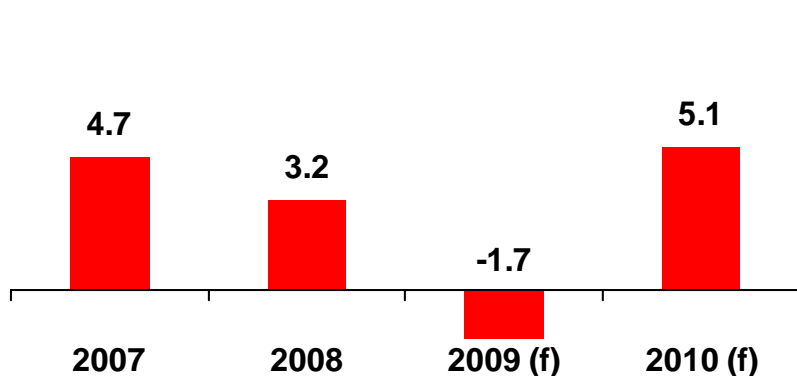
Unemployment (% , period end*)



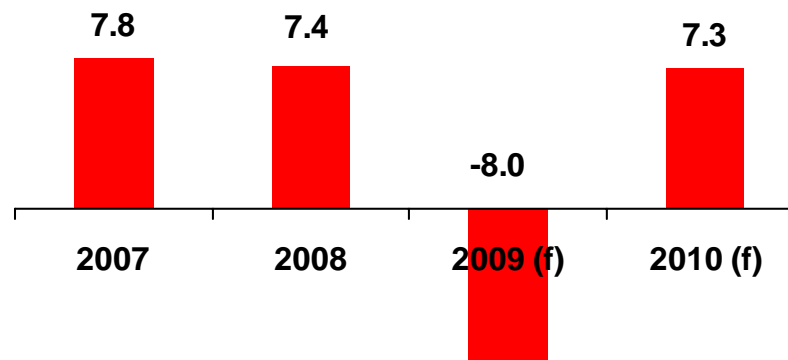
* Unemployment adjusted for seasonality. Source: Central Bank of Chile,

... should result in a 5.1% GDP growth in 2010

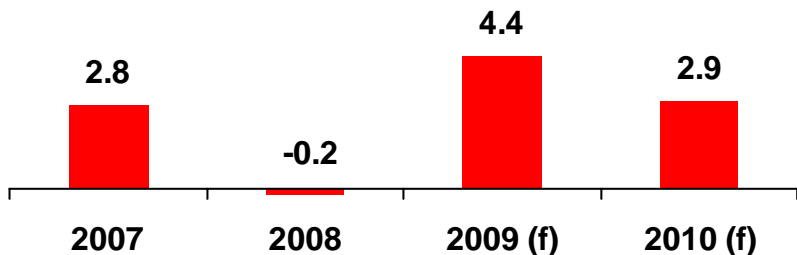
GDP (YoY real growth, %)



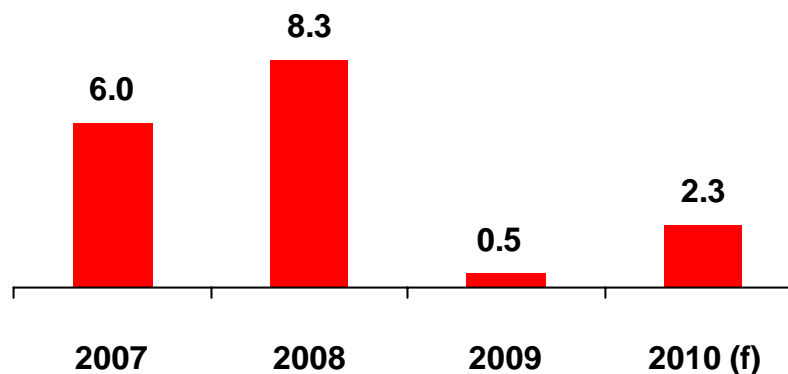
Internal demand (%)



Real wage growth (%)



Central Bank ST rate (% period-end)



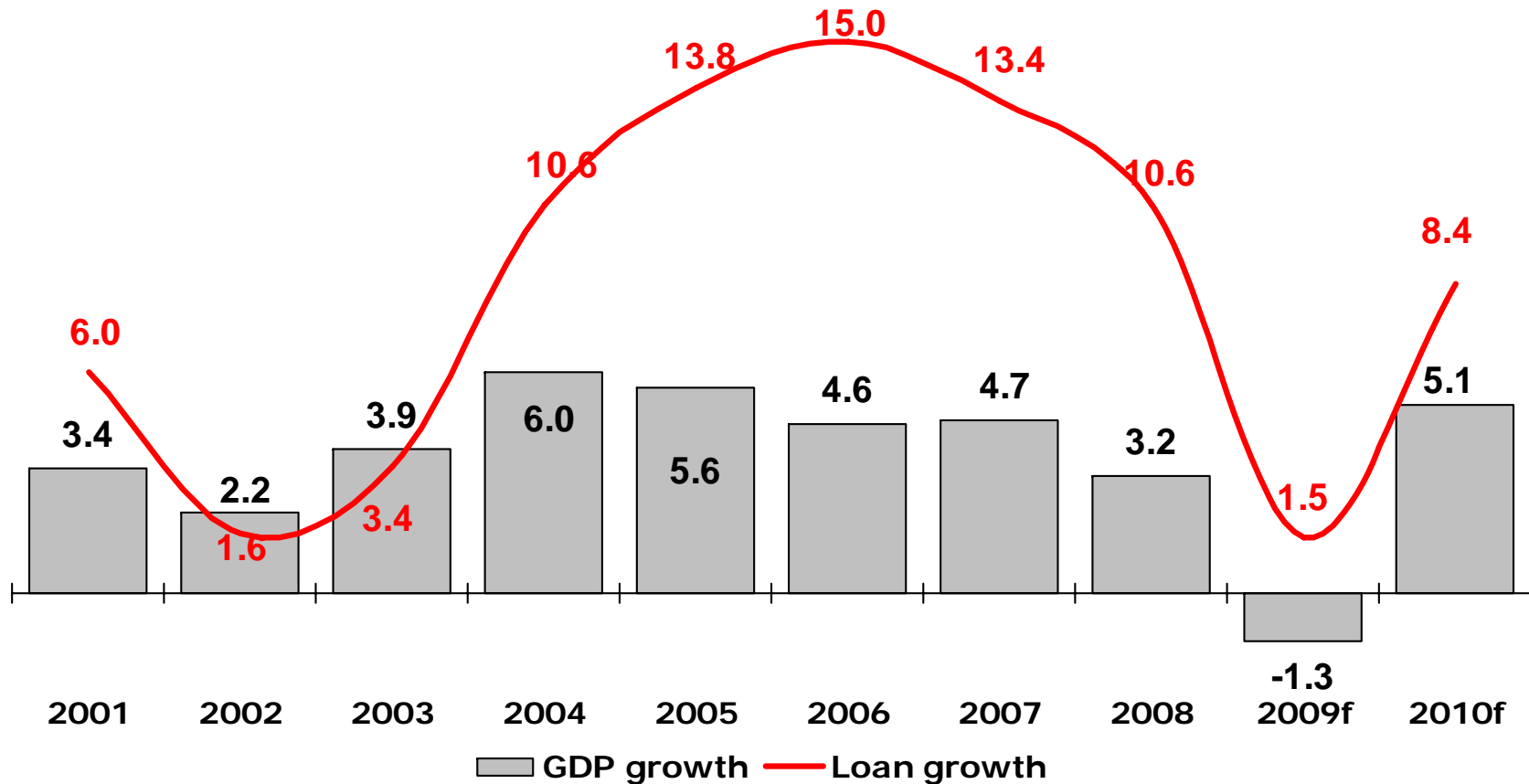
Source: Central Bank of Chile. (f): Santander GB&M / Santander Chile's forecast

2. Growth opportunities in Chile

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Loan growth should rebound in 2010

Total loans and GDP growth in real terms, %



Loan growth: 1.5X-1.8X GDP in period 2001 - 2009

Source: Central Bank and Superintendency of Banks of Chile; Santander Chile's forecasts

Chile



Santander Chile: leveraging on our strong franchise

- 1. Santander Chile has the country's strongest banking franchise**
 - Largest client base and distribution capabilities
 - Plenty of capital to support growth
- 2. Ample room for expanding revenue generation with current clients**
 - Only 20% of clients cross-sold. 40% of clients are "new"
- 3. Alliances will allow for efficient customer base expansion**
 - 7 million potential new customers "acquired" in 2009
- 4. Selective growth in distribution and a big push to increase usage of alternative channels such as internet, call center & ATMs**
 - 40% of branches are "new"

In summary ...

- **2009: A solid year for Santander Chile**
- **Santander Chile's 4Q09 results: record-high profitability and efficiency / renewed retail growth**
- **Going forward, Santander should deliver solid performance by leveraging on its strong franchise / Chile's higher growth environment**



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