

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

Amendment No. 3

to

SCHEDULE 13D

(Rule 13d-101)
UNDER THE SECURITIES EXCHANGE ACT OF 1934

BANCO SANTANDER - CHILE

(Name of Issuer)

SERIES A SHARES WITHOUT PAR VALUE

(Title of Class of Securities)

05965F108

(CUSIP Number)

BANCO SANTANDER, SOCIEDAD ANONIMA

(Name of Person Filing Statement)

GONZALO DE LAS HERAS
BANCO SANTANDER, S.A.
45 East 53rd Street
New York, NY 10022
Tel. No.: (212) 350-3444

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

January 8, 1998

(Date of Event which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1 (b)(3) or (4), check the following box []

Note. Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1 (a) for other parties to whom copies are to be sent.

(Continued on following pages)
(Page 1 of 6 Pages)

Schedule 13D

CUSIP No. 05965F108

13D

Page 2 of 6 Pages

1 NAME OF REPORTING PERSONS
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS
Banco Santander, S.A.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) []

(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS
00*; WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEM 2(d) or 2(e).

[]

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Kingdom of Spain

| | | | |
|---|----|--------------------------|----------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER | 20,620,266,919 |
| | 8 | SHARED VOTING POWER | 0 |
| | 9 | SOLE DISPOSITIVE POWER | 20,620,266,919 |
| | 10 | SHARED DISPOSITIVE POWER | 0 |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
20,620,266,919

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
81.9%

14 TYPE OF REPORTING PERSON
CO

* Certain of the Series A Shares that are the subject of this report were received as merger consideration upon the merger of Banco Osorno y La Union and Banco Santander - Chile, an indirect subsidiary of Banco Santander, S.A.

Item 1. Security and Company.

The class of equity securities to which this statement relates is the Series A Shares of Common Stock, without par value per share (the "Series A Shares"), of Banco Santander - Chile (formerly known as Banco Osorno y La Union), a Chilean banking corporation (the "Company"). The principal executive offices of the Company are located at Bandera 140, Santiago, Chile.

Item 2. Identity and Background.

The name of the person filing this statement is Banco Santander, Sociedad Anonima, a Spanish banking corporation ("Santander").

The address of the principal business and the principal office of Santander is Paseo de la Castellana 24, 28046 Madrid, Spain. The name, business address, present principal occupation or employment, and citizenship of each director and executive officer of Santander is set forth on Schedule A.

Santander, together with its consolidated subsidiaries (the "Santander Group"), engages in commercial banking in Spain and abroad and provides a comprehensive range of banking, financial and related services to corporate and individual clients. At September 30, 1997, the Santander Group was the largest banking organization in Spain in terms of total assets.

The Santander Group operates in four principal areas of business activity: retail banking, corporate banking, treasury and capital markets and investment banking. The Santander Group's retail banking activities include deposit taking, home mortgage lending, mutual fund and pension fund management, private banking, credit and debit card operations and other consumer finance, and remote banking services. Corporate banking includes short- and long-term lending in pesetas and other currencies, trade finance, leasing, factoring, bill discounting, cash management, and money transfers. The Santander Group's treasury and capital markets activities include operations in domestic and foreign debt, foreign exchange, interbank deposits, and swap, forward and other derivatives markets, both for its own account and for the account of clients. The Santander Group's investment banking is conducted principally through Santander Investment, S.A., a wholly owned subsidiary organized in 1993 to hold the various Santander Group companies involved in investment and merchant banking, including Banco Santander de Negocios, S.A. These activities include corporate finance, securities underwriting, structured finance, treasury services, development capital, securities brokerage services, merger and acquisition advice, project finance and individual and corporate asset management.

During the last five years, neither Santander, nor any other person controlling Santander, nor, to the best of its knowledge, any of the persons listed on Schedule A attached hereto, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

Pursuant to an Agreement to Buy and Sell dated as of April 11, 1996 (the "Agreement"), Santander and certain holders of the Series A Shares of Banco Osorno y La Union ("Osorno") agreed, among other things, that Banco Santander - Chile ("Santander Chile") would merge with and into Osorno and that Osorno as the surviving corporation would subsequently change its name to Banco Santander - Chile. As consideration for such merger (the "Merger") Osorno issued Series A Shares to Santander Chile Holding S.A. (an indirect subsidiary of Santander) ("Holding S.A."), in exchange for the then issued and outstanding shares of common stock of Santander Chile. In addition, at that time Santander agreed to subsequently purchase 25.5% of the issued and outstanding Series A Shares (the "Additional Series A Shares") from certain shareholders of Osorno.

The Merger was consummated as of July 1, 1996 and as a result thereof, Holding S.A. received 12,380,740,203 Series A Shares as merger consideration. On June 28, 1996, the last business day prior to the consummation of the Merger, the last reported sales price of the American Depository Shares (each an "ADS", representing 220 Series A Shares) on The New York Stock Exchange (the "NYSE") was U.S.\$14-1/4. Thus, the aggregate market value of the Series A Shares that were received by Holding S.A. on July 1, 1996 pursuant to the Merger was approximately U.S.\$801,934,308.

On November 11, 1996, Santander through Inversiones Golf Center, S.A. ("Inversiones"), an indirect subsidiary of Santander, acquired the Additional Series A Shares. The purchase price for the Additional Series A Shares was U.S.\$0.773 per share. The total purchase price for the Additional Series A Shares was approximately U.S.\$496 million. The sources of the funds used to acquire the Additional Series A Shares are as follows: cash on hand of approximately U.S.\$58 million, short-term loans totaling approximately U.S.\$158 million from two banks, and the proceeds (approximately U.S.\$283 million) of the initial public offering in Chile of the shares of Holding S.A. Subsequently, a portion of the Additional Series A Shares comprising 22.5% of the issued and outstanding Series A Shares was transferred to Servicios Financieros Bandera, S.A., a corporation (sociedad anonima) organized under the laws of Chile and an indirect majority-owned subsidiary of Santander.

On June 9, 1997, Santander, through Sociedad Inversiones Invercom Tercera Ltda. ("Invercom"), a subsidiary of Santander, acquired 910,481,191 Series A Shares, representing 3.6% of the issued and outstanding Series A Shares. The purchase price for these shares was 28.27492 Chilean pesos (approximately U.S.\$0.675) per share. The total purchase price for these shares was 25,743,782,837 Chilean pesos (approximately U.S.\$61,477,690). This acquisition was funded entirely through cash on hand. Subsequently, 910,481,000 of these shares were transferred from Invercom to Santander Investment, S.A., a wholly-owned subsidiary of Santander.

Subsequent to the foregoing acquisition and prior to the end of 1997, Santander, through Banco Santander Trust & Banking Corporation (Bahamas) Limited, a subsidiary of Santander, purchased 4,118,000 ADSs (representing 905,960,000 Series A Shares), representing 3.6% of the issued and outstanding Series A Shares, in market purchases on the NYSE. The purchase of these ADSs were funded by Santander's cash on hand. The average price per ADS was approximately U.S.\$13.74, and the aggregate amount for such purchases was U.S.\$56,581,320.

Item 4. Purpose of Transaction.

Santander, through certain of its subsidiaries, acquired the Series A Shares for investment purposes.

Santander intends to review from time to time the Company's business affairs and financial position. Based on such evaluation and review, as well as general economic and industry conditions existing at the time, Santander may consider from time to time alternative courses of action. Subject to any necessary compliance with applicable law, such actions may involve the sale of all or a portion of the Series A Shares in the open market, in privately negotiated transactions, through a public offering or otherwise.

Except as set forth above, none of Santander, any person controlling Santander, or to the best its knowledge, any of the persons named in Schedule A has any plan or proposals which relate to or would result in any of the transactions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Company.

(a) Santander, through certain of its subsidiaries, beneficially owns 20,620,266,919 Series A Shares, which shares represent approximately 81.9% of

the outstanding Series A Shares (based on approximately 25,188,630,070 Series A Shares outstanding as of January 8, 1998, according to information provided by the Company).

Except as set forth in this Item 5(a), neither Santander, nor any other person controlling Santander, nor, to the best of its knowledge, any persons named in Schedule A hereto, beneficially owns any Series A Shares.

(b) Santander has the sole power to vote and to dispose of 20,620,266,919 Series A Shares.

(c) See above.

(d) Inapplicable.

(e) Inapplicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Company.

Pursuant to the Merger Agreement, Holding S.A. caused 9 individuals, including Emilio Botin-Sanz de Sautuola y Garcia de los Rios, Mauricio Larrain Garces, Gerardo Jofre Miranda, Juan Rodriguez Inciarte, Ramon Aboitiz Musatadi, Roberto Mendez Torres, Vittorio Corbo Lioi, Hans Eben Oyanedel and Juan Colombo Campbell, to be placed on the Company's Board of Directors. Ramon Aboitiz Musatadi is no longer a director of the Company.

Item 7. Material to be Filed as Exhibits.

No exhibits are attached to this Amendment No. 3. The following exhibits, however, were attached to the Schedule 13D filed on July 1, 1996.

Exhibit 1: Agreement to Buy and Sell dated as of April 11, 1996 by and among GASA S.A. and certain others named therein and Banco Santander, S.A. (filed July 1, 1996)

SIGNATURE

After reasonable inquiry and to the best knowledge and belief of the undersigned, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: January 8, 1998

BANCO SANTANDER, S.A.

By: /s/ Gonzalo de las Heras

Name: Gonzalo de las Heras

Title: Executive Vice President

Schedule A

DIRECTORS AND EXECUTIVE OFFICERS OF
BANCO SANTANDER, S.A.

The name, business address, present principal occupation or employment of each of the directors and executive officers of Banco Santander, S.A. ("Santander") are set forth below. All of the Directors and Executive Officers are citizens of Spain, except Mr. Harry P. Kamen (USA), Mr. Gonzalo de las Heras (USA), The Right Honorable Viscount Younger of Leckie (United Kingdom), Mr. Ian F. Grant (United Kingdom) and Mr. Antonino Fernandez (Mexico).

| Director's Name | Business Address | Principal Occupation |
|-----------------|---|---|
| ----- | ----- | ----- |
| Emilio Botin | Paseo de la Castellana, 24 28046 Madrid, Spain | Chairman and Chief Executive Officer, Banco Santander, S.A. |
| Jaime Botin | Paseo de la Castellana, 29 28046 Madrid, Spain | Chairman, Bankinter, S.A.; First Vice Chairman, Banco Santander, |

| | | |
|----------------------------|--|---|
| | | S.A. |
| Matias R. Inciarte | Paseo de la Castellana, 24 28046 Madrid, Spain | 2nd Vice Chairman, Banco Santander, S.A. |
| Angel Jado | Perez Galdos, 6 Santander, Spain | Retired |
| Juan Secades | Doctor Arce, 20 Madrid | Retired |
| Jose Luis Diaz | Paseo de la Castellana, 24 28046 Madrid, Spain | Retired |
| Rafael Alonso | Paseo de la Castellana, 24 28046 Madrid, Spain | Retired |
| Rodrigo Echenique | Paseo de la Castellana, 24 28046 Madrid, Spain | Banker |
| Joaquin Folch-Rusinol | Avenida Pearson, 44 Barcelona, Spain | Chairman, Industrias Titan, S.A. |
| Ana Patricia Botin | Paseo de la Castellana, 24 28046 Madrid, Spain | Executive Vice President, Wholesale Banking, Banco Santander, S.A. |
| Emilio O. Botin | Paseo de la Castellana, 75 28046 Madrid, Spain | Executive Vice President, Financial Management, Banco Santander, S.A. |
| Viscount Younger of Leckie | 42 St Andrew Square Edinburgh EH2 2YE | Chairman, The Royal Bank of Scotland Group plc |
| Juan R. Inciarte | Paseo de la Castellana, 24 28046 Madrid, Spain | Executive Vice President, Credit and Global Risk Management, Banco Santander, S.A. |
| Ian F. Grant | 42 St Andrew Square Edinburgh EH2 2YE | Director, The Royal Bank of Scotland Group plc |
| Harry P. Kamen | 1 Madison Avenue New York, NY 10010 | Chairman, Metropolitan Life Insurance Company |
| Alfredo Saenz | Alcala 14 28014 Madrid, Spain | Chairman, Banco Espanol de Credito |
| Antonino Fernandez | Calle Schiller, 255 Colonia Chapultepec Mexico, DF | Chairman, Grupo Modelo |
| Elias Masaveu | Cimadevilla 11 Oviedo, Spain | Businessman |
| Ignacio Soler | Calle Mayor 70 Madrid, Spain | Businessman |
| Francisco Luzon | Paseo de la Castellana, 24 28046 Madrid, Spain | Executive Vice President Adjoint to the Chairman, Strategy, Communications and Institutional Relations, Banco Santander, S.A. |

Executive Officers
(who are not directors)

| Director's Name | Business Address | Principal Occupation |
|-----------------|--|---|
| Ricardo Alonso | Carretera de Barcelona KM11, 700 28022 Madrid, Spain | Executive Vice President, Operations and Control |
| David Arce | Avda. Europa, 26 28224 Pozuelo, Spain | Executive Vice President, Internal Audit |

| | | |
|----------------------|--|---|
| Ignacio Benjumea | Paseo de la Castellana, 24 28046 Madrid, Spain | Executive Vice President, General Secretary |
| Teodoro Bragado | Paseo de la Castellana, 24 28046 Madrid, Spain | Executive Vice President, Global Banking, Credit |
| Jose Maria Carballo | Paseo de la Castellana, 24 28046 Madrid, Spain | Executive Vice President |
| Pedro Chicharro | Paseo de la Castellana, 24 28046 Madrid, Spain | Executive Vice President, Planning and Research |
| Gonzalo de las Heras | 45 East 53rd Street New York, NY 10022 | Executive Vice President |
| Casto de la Mora | Paseo de la Castellana, 24 28046 Madrid, Spain | Executive Vice President, Commercial Banking, Spain |
| Jose Maria Espi | Paseo de la Castellana, 24 28046 Madrid, Spain | Executive Vice President, Mortgage and Banking for Institutions |
| Francisco G. Robatto | Paseo de la Castellana, 24 28046 Madrid, Spain | Executive Vice President, Human Resources |
| Jose Ramon Jimenez | Carretera de Barcelona KM 11,700 28022 Madrid, Spain | Executive Vice President, Procedures, Cost Control and Premises |
| Julio Lage | Carretera de Barcelona KM11,700 28022 Madrid, Spain | Executive Vice President, Technological Strategy |
| Francisco Martin | Paseo de la Castellana, 24 28046 Madrid, Spain | Executive Vice President, Global Banking |
| Javier Peralta | Paseo de la Castellana, 24 28046 Madrid, Spain | Executive Vice President, Credit, Spain |
| Antonio Aparicio | Paseo de la Castellana, 24 28046 Madrid, Spain | Senior Vice President, Corporate Office Staff |