Banco Santander Chile:

Solid commercial and client profitability trends.

Positive medium-term outlook

May 2016

Chile

Santander

Important information

Banco Santander Chile caution that this presentation contains forward looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. These forward looking statements are found in various places throughout this presentation and include, without limitation, statements concerning our future business development and economic performance. While these forward looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to: (1) general market, macro-economic, governmental and regulatory trends; (2) movements in local and international securities markets, currency exchange rates, and interest rates; (3) competitive pressures; (4) technological developments; and (5) changes in the financial position or credit worthiness of our customers, obligors and counterparties. The risk factors and other key factors that we have indicated in our past and future filings and reports, including those with the Securities and Exchange Commission of the United States of America, could adversely affect our business and financial performance.

Note: the information contained in this presentation is not audited and is presented in Chilean Bank GAAP which is similar to IFRS, but there are some differences. Please refer to our 2014 20-F filed with the SEC for an explanation of the differences between Chilean Bank GAAP and IFRS. 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. 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.

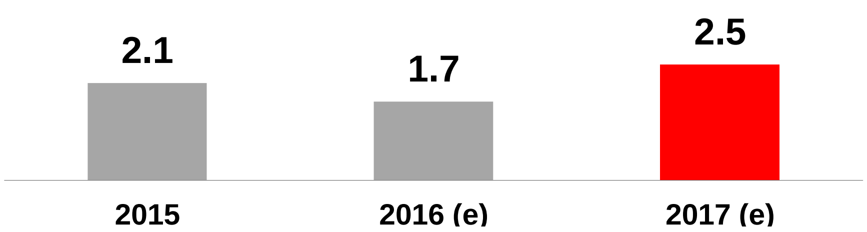
Agenda

- **Macro-economic environment and financial system**
- **Strategy and activity**
- **Results**
- **Annexes**

GDP growth to average 2% in 2016-2017…

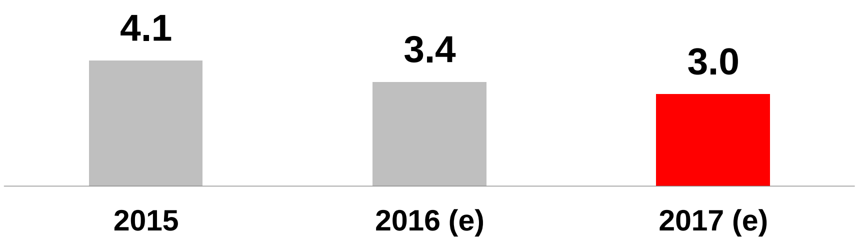
GDP

YoY real growth, %



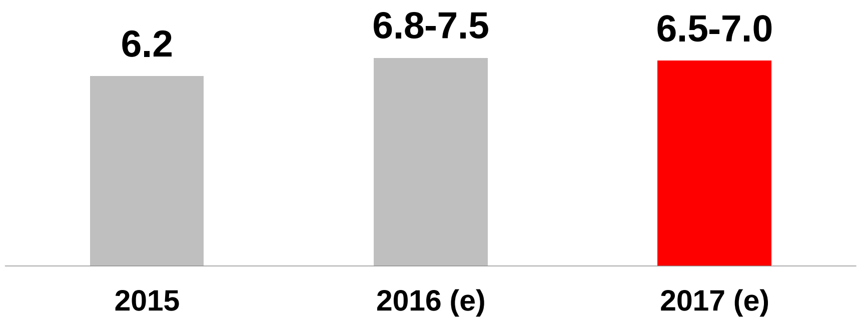
Inflation

Annual change in UF inflation, %



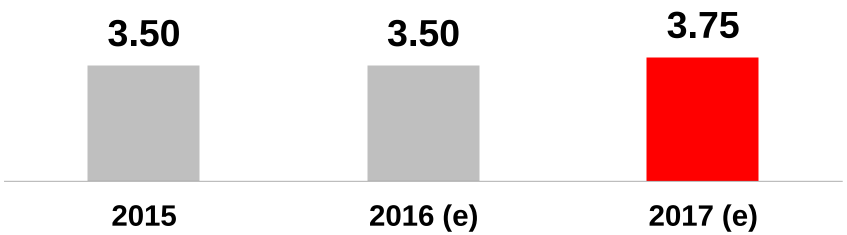
Unemployment

% of workforce, %



Central Bank ST Reference Rate

%

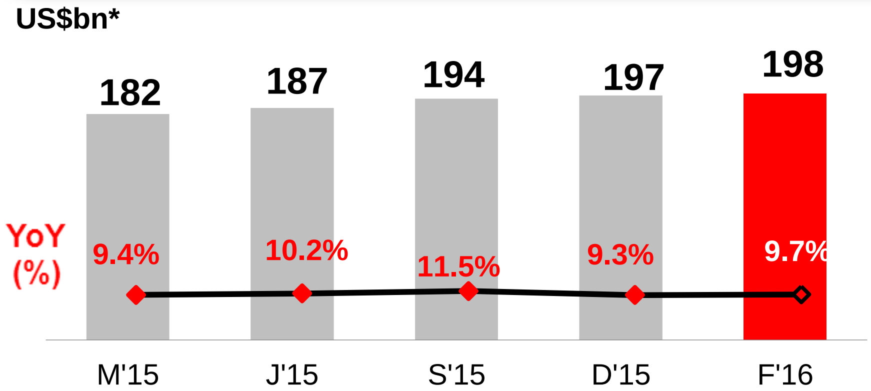


Source: Banco Central de Chile economic survey and Estimates Santander Chile

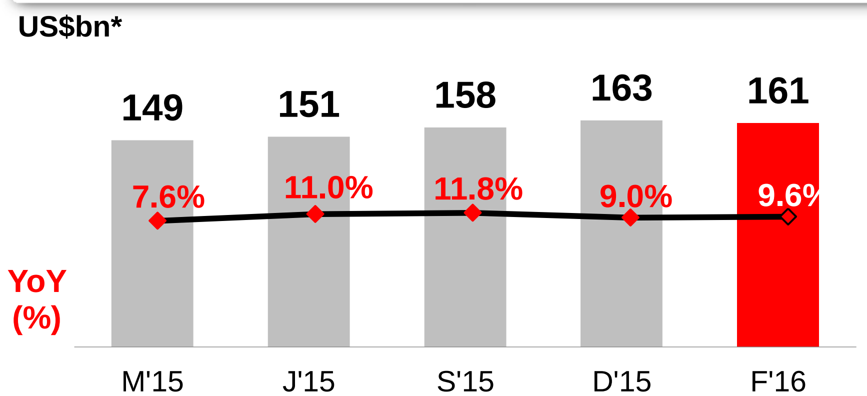
Financial system: Loan and deposit growth

…that is driving 10% loan and deposit growth

Total Loans



Total Deposits*



- Positive growth of most non-mining exports boosts commercial loan growth
- Relative stability of employment and wages has kept good momentum in the medium-high segment of banking

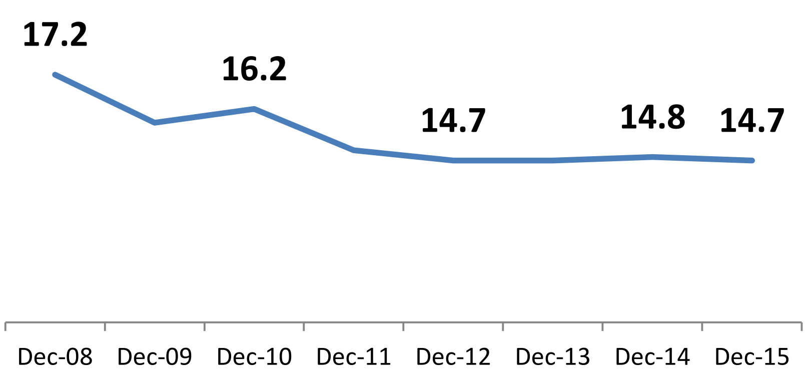
- Positive deposit growth, Demand deposits up 10.8%
- High liquidity in the system to fund business growth

* Demand and time deposits. Source: Superintendency of Banks of Chile. Excludes Chilean assets held abroad

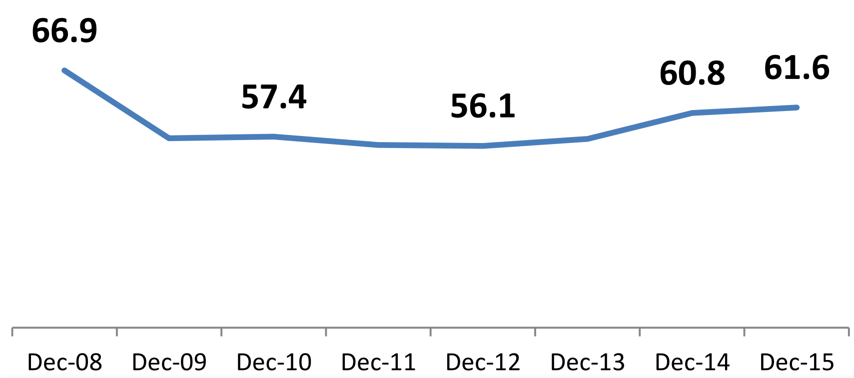
Stable risk profile

Aggregate figures

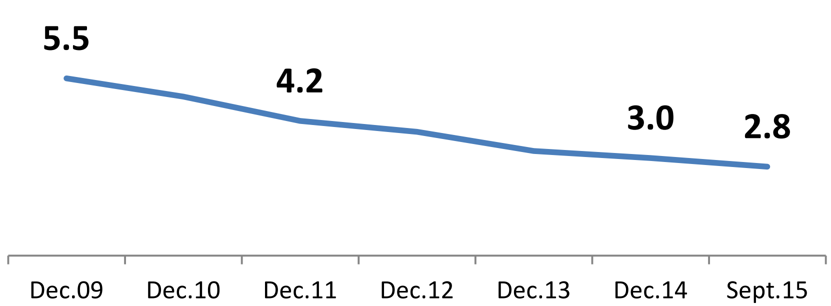
Household debt servicing ratio (%)[1]



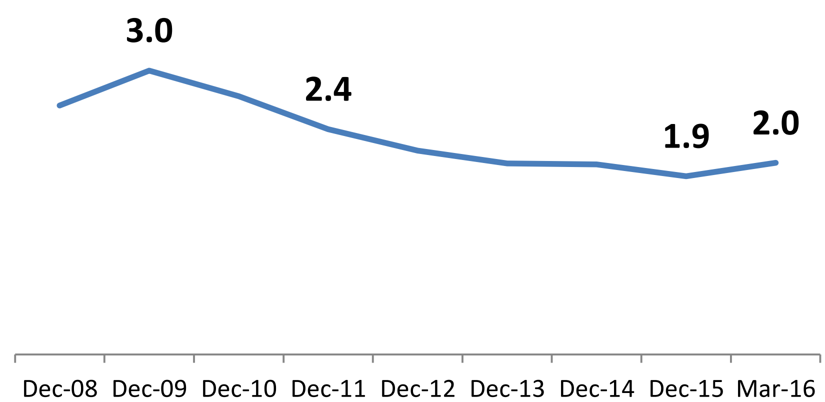
Household leverage (%)[2]



Mortgage NPL Ratio(%)



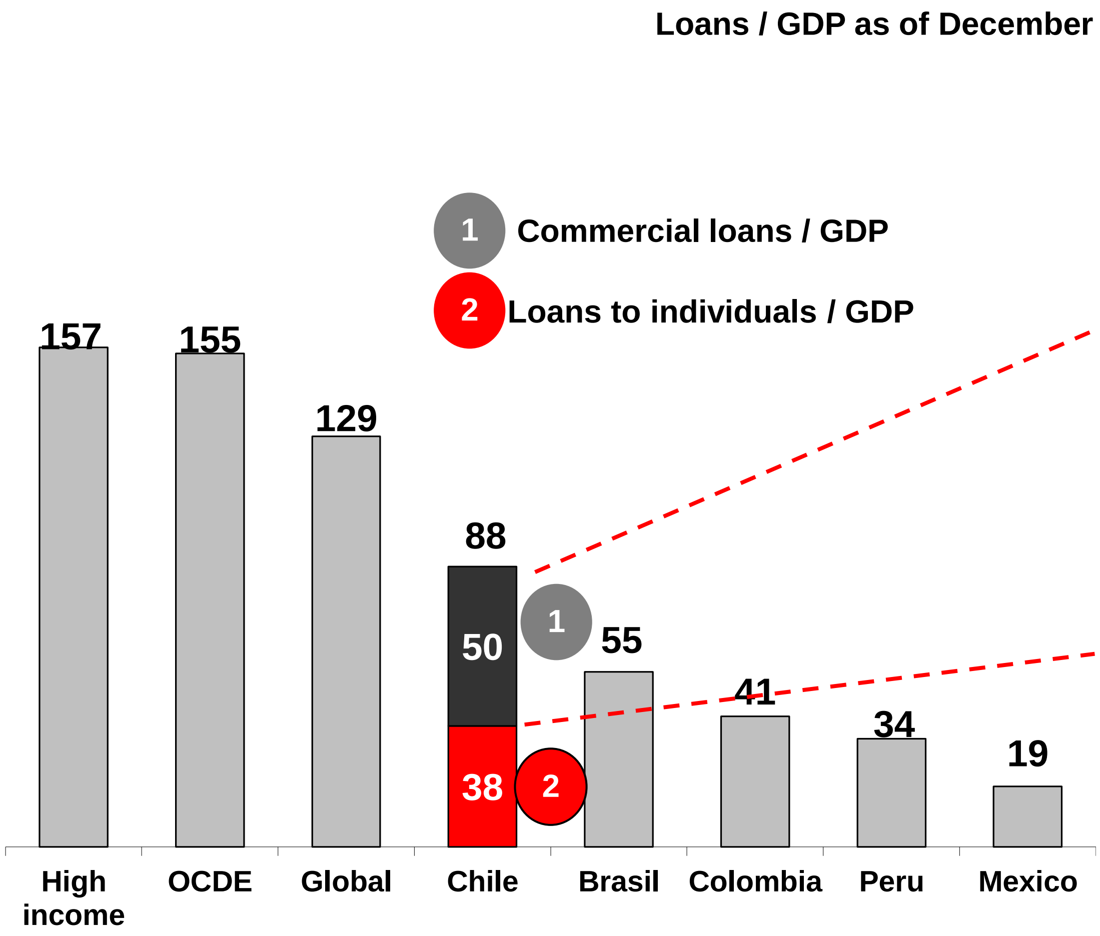
Non-performing loan ratio (%)[4]

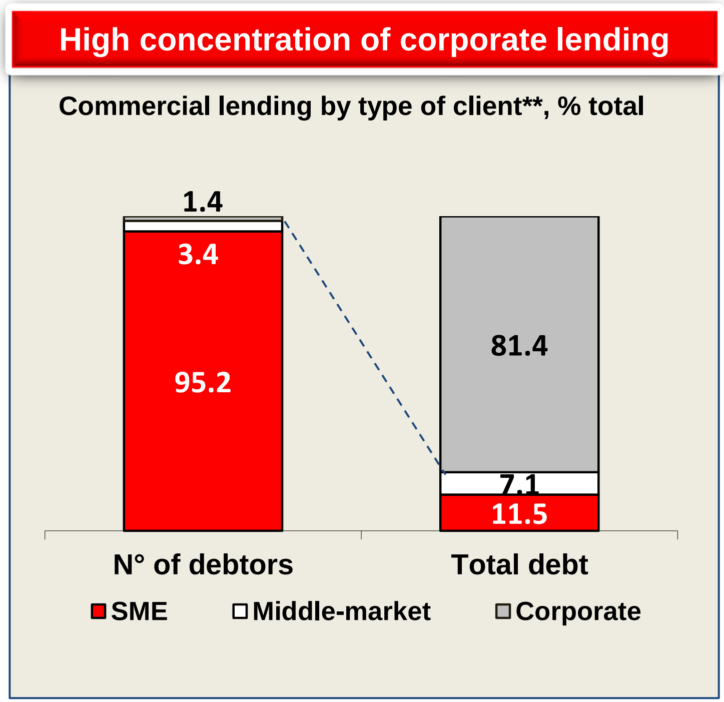


1. Total debt payments including amortization and interest / Disposable income. 2. Total household debt / Disposable income. 3. Mortgage loan NPLs
4. Loans with at least one installment 90 days or more overdue / Average loans. Source: Central Bank of Chile and Superintendency of Banks of Chile

Financial system: Growth potential

The market has good growth potential in 1 mid-sized companies…



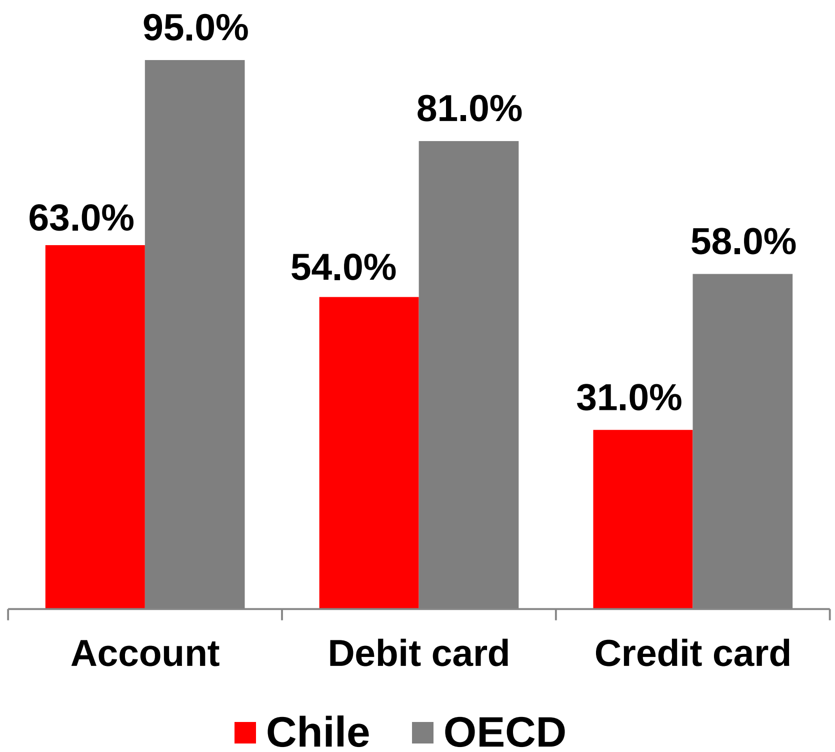


* Or latest available information. Source: World Bank, weighted by size of world economies. ** Source Chile: Santander Chile based on information from Superintendency of Banks of Chile, SVS, Central Bank of Chile and www.cajasdechile.cl

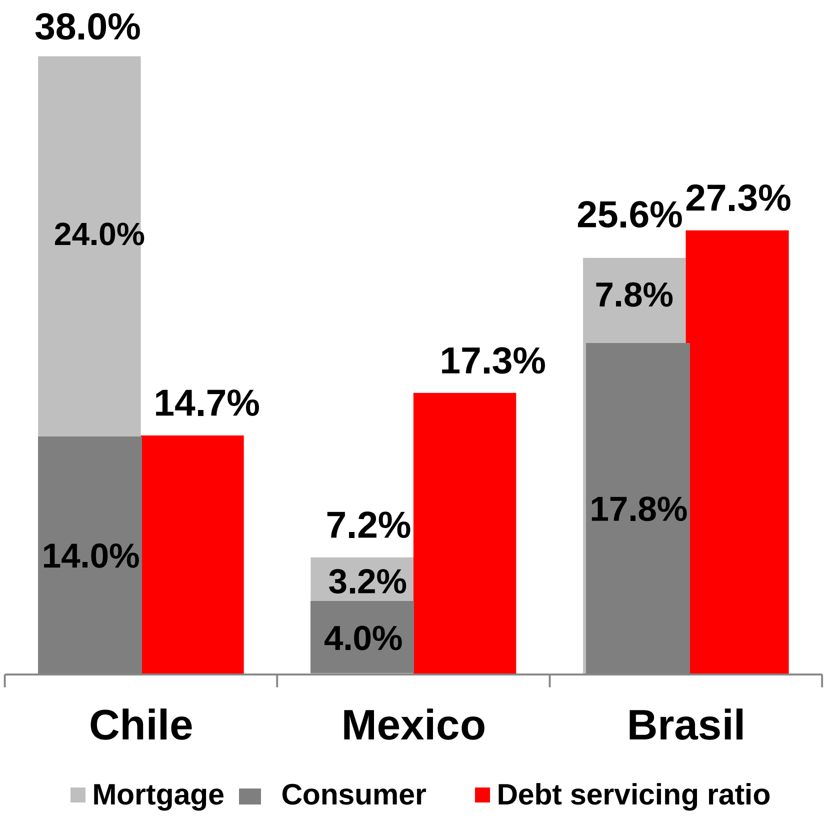
Financial system: Growth potential

2 …and individuals, especially mid-high income segments

Chile: Low penetration of bank products[1]



Individual loans penetration and DSR[2]



1. % of adults >25 yrs. with product. Source: World Bank, weighted by size of world economies. 2. Debt servicing ratio, DSR: Total debt payments including amortization and interest / Disposable income. Sources: for Chile: SVS, SBIF, Central Bank of Chile; for Brazil and Mexico: JP Morgan, Scotiabank and Felaban

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- Annexes

Santander Chile is the nation’s leading bank

US$ Business and Results	3M’16	Var. YoY
Gross Loans	38.4bn	9.0%
Deposits	29.7bn	12.1%
Equity	4.2bn	7.1%
Net income	188mn	31.4%

Network and Customers	3M’16	Mkt. share[1]
Clients	3.6 mn.	22.7%[2]
Branches	470	20.6%
ATMs	1,574	19.7%

	Market Share[1]	Rank
Loans	19.3%	1
Deposits	18.7%	1
Checking accounts	22.3%	1
Bank credit cards[3]	22.9%	1

1. As of March 2016 or latest available figures using the period-end exchange rate. Excludes Chilean bank loan and deposits held abroad. 2. Market share of clients with checking accounts. Source: Superintendency of Banks of Chile. 3.Market share in terms of credit card purchases

3 objectives for healthy growth / higher profitability

I. Growth focused on segments with highest net contribution…

II. …by improving customer loyalty, quality of service and distribution…

III. … while managing risks and capital conservatively

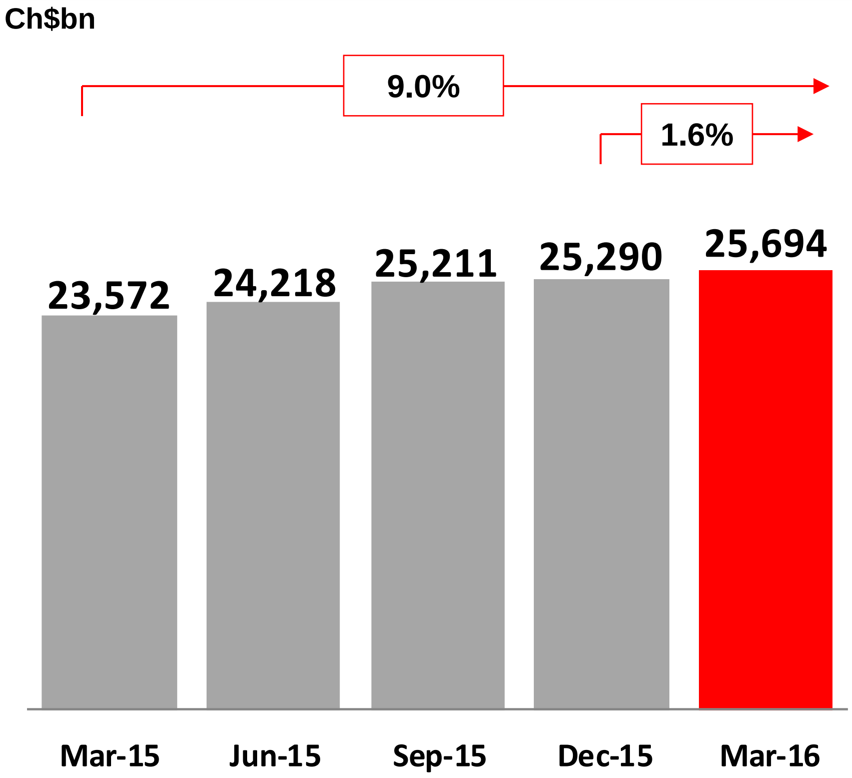
Transformation Project

Optimizing the risk return relation

Strategy: I. Growth focused on segments with highest net contribution

Total loans up 9.0% YoY

Total Loans



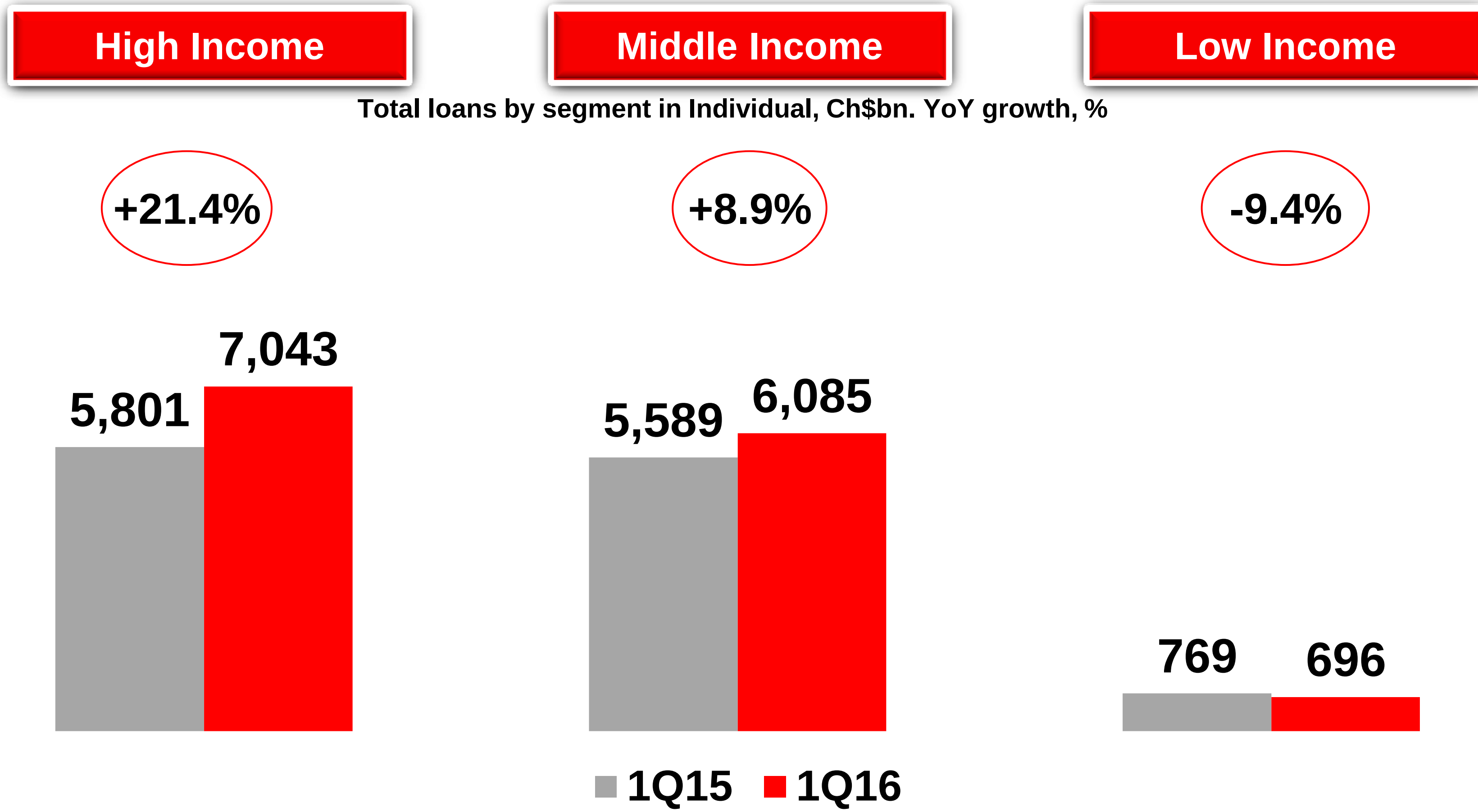
Ch$bn	1Q'16	YoY (%)	QoQ(%)
Individuals	**13,894**	**13.6**	**2.8**
Consumer	4,142	4.7	-0.2
Mortgages	8,099	18.4	3.7
SMEs	**3,590**	**10.4**	**2.2**
Middle Market	**6,065**	**8.1**	**1.0**
Corporate	**2,096**	**-14.7**	**-3.8**
Total[1]	**25,694**	**9.0**	**1.6**

QoQ loan growth decelerates in corporates due to unattractive lending spreads

1. Includes other non-segmented loans.

Growth focused in segments with a higher risk-adjusted profitability

Total loans by segment in Individual, Ch$bn. YoY growth, %

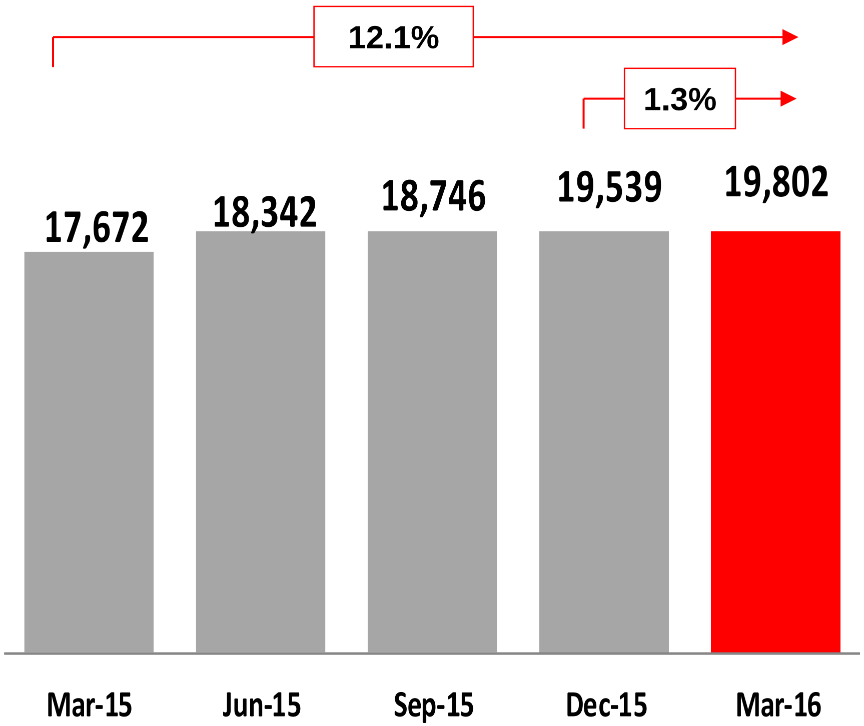


The Bank is developing a strategy to strengthen growth in the Middle income segment

Total deposits increased 12.1% YoY

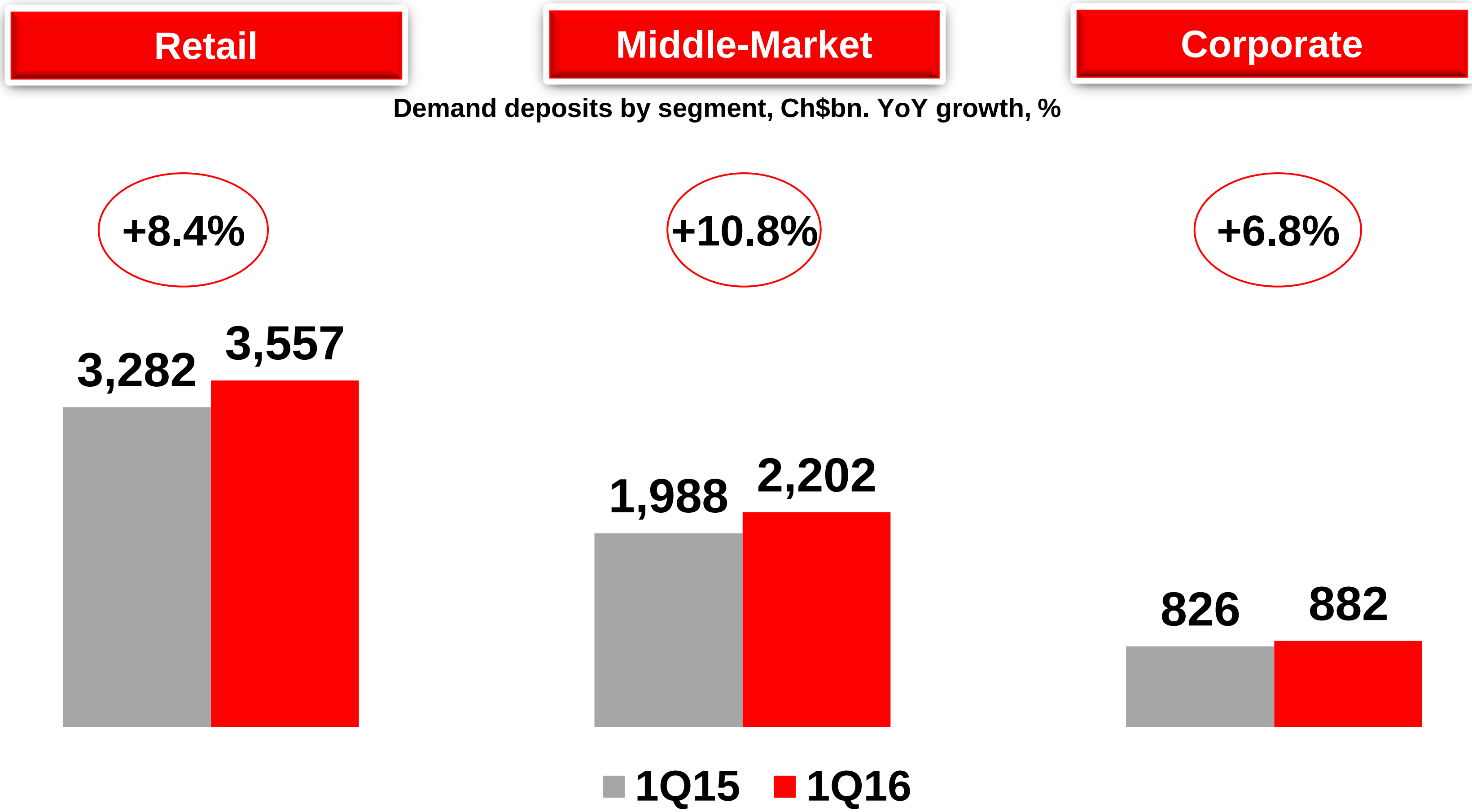
Total Deposits

Ch$bn



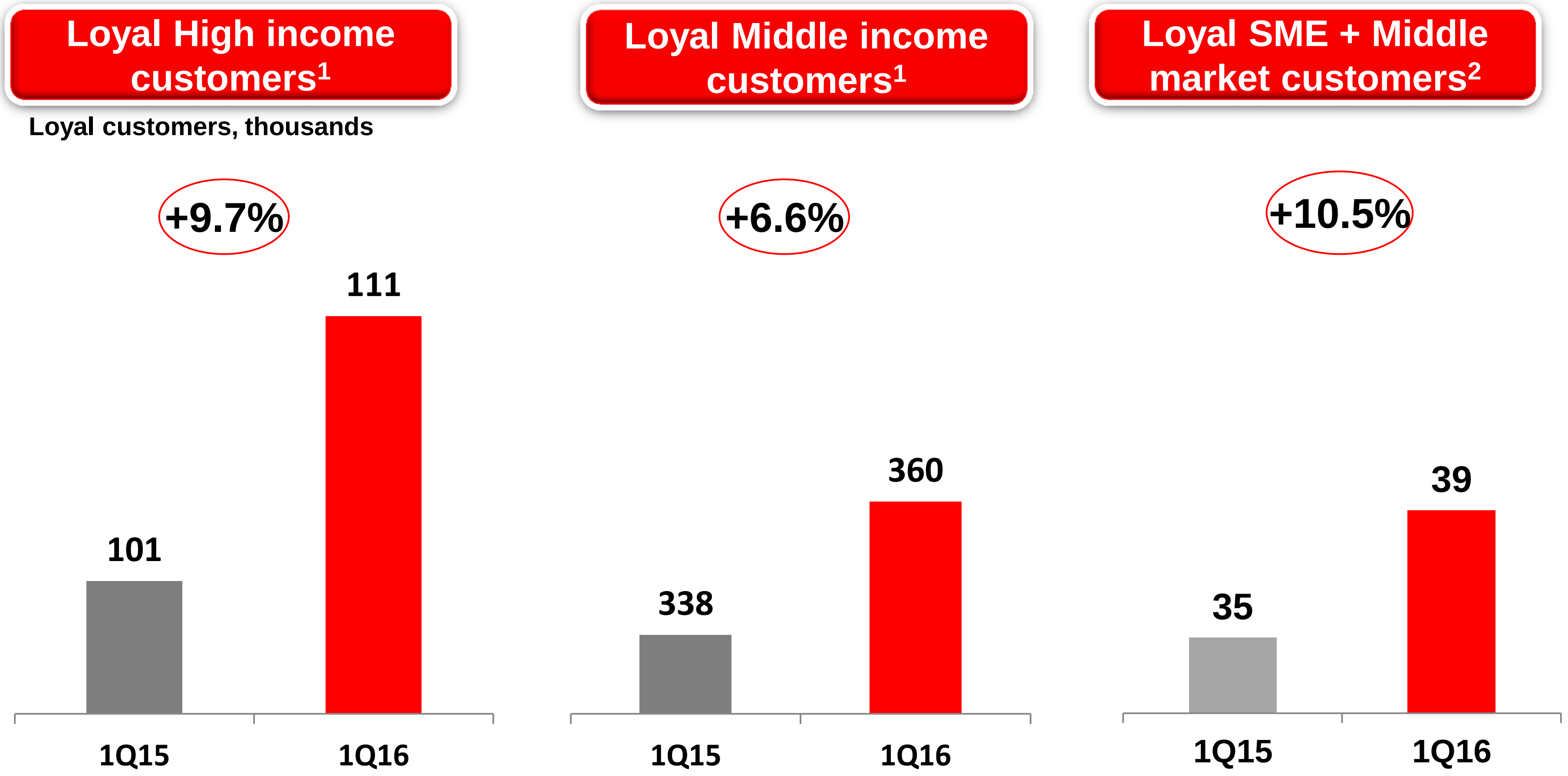
Ch$bn	1Q'16	YoY(%)	QoQ(%)
Demand	7,079	9.9	-3.8
Time	12,723	13.3	4.4
Total deposits	**19,539**	**12.1**	**1.3**

Funding improves. Steady growth of demand deposits



Solid growth of demand deposits supports steady growth of non-lending revenues

Customer loyalty keeps growing in targeted segments…



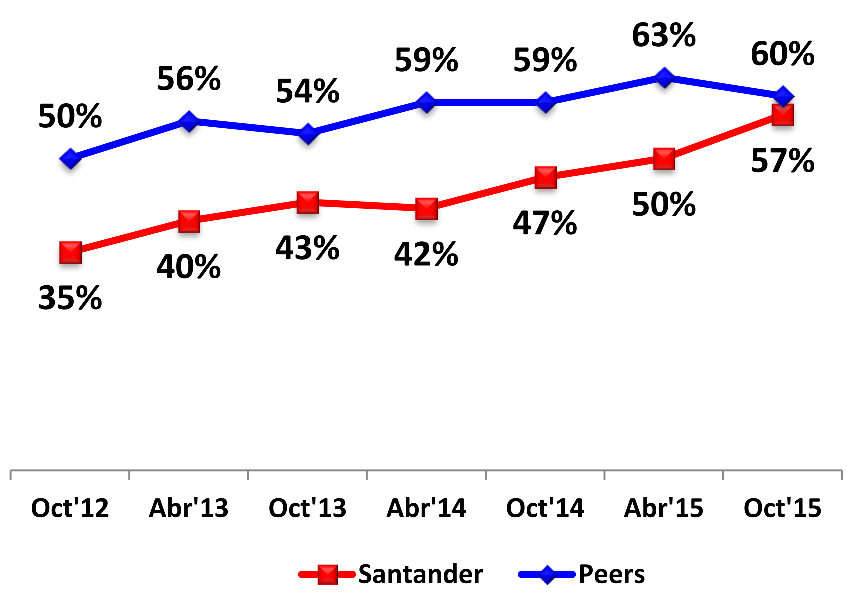
1. Customers with 4 products plus a minimum profitability level and a minimum usage indicator all differentiated by segment. 2. Mid-market & SMEs cross-selling differentiated by client size using a point system that depends on number of products, usage of products and income net of risks.

Strategy: II. Improving customer loyalty and quality of service

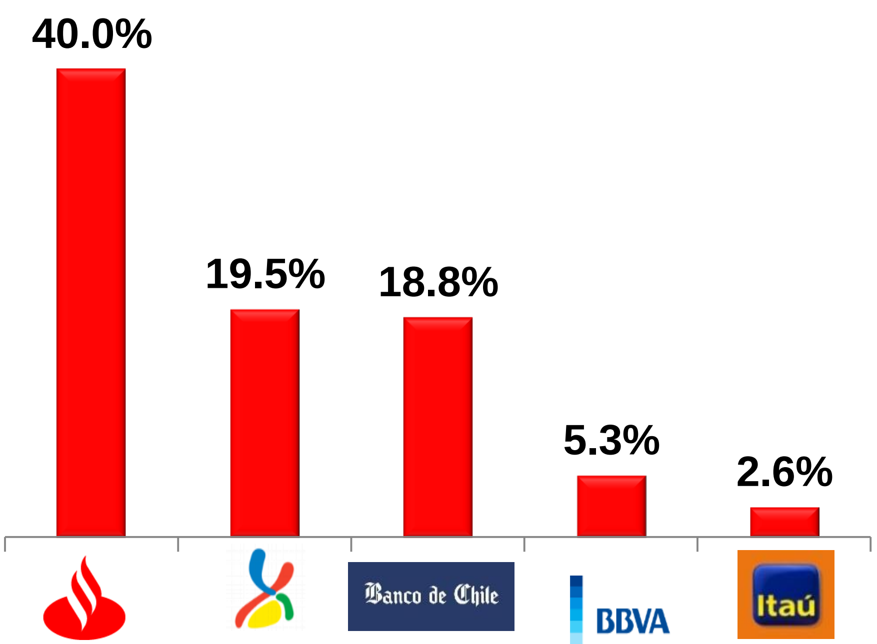
… fueled by improved customer satisfaction / digital banking capabilities

Customer Satisfaction vs peers (%)[1]

% of net satisfied clients



Internet usage (private banks)[2]

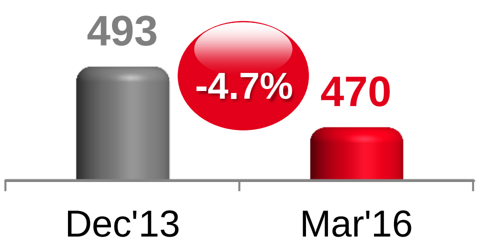


1. % of clients that rate the Bank´s customer service 6-7 minus those that rate is 1-4 on a scale from 1-7, 7 being best. Source Adimark

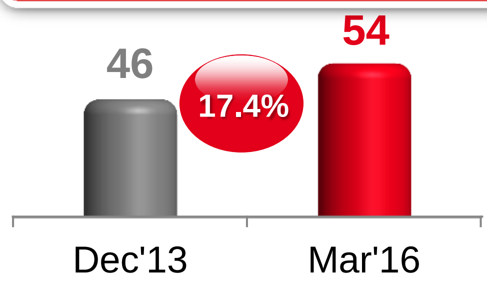
2. Market share over clients that enter a website with a passkey. Excludes Banco del Estado. Source: SBIF as of January 2016

Transforming our branch network: leaner / more segmented

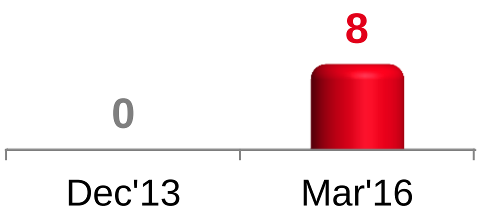
Total branches



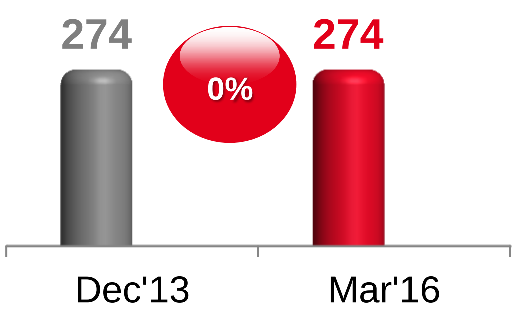
Select branches[1]



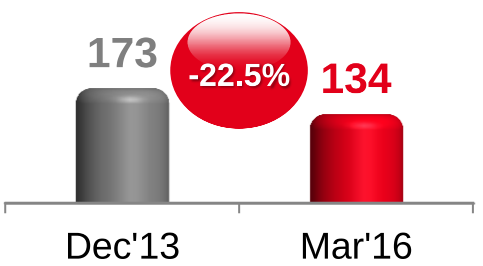
Middle-market centres



Standard branches



Banefe[2] & ayment centres



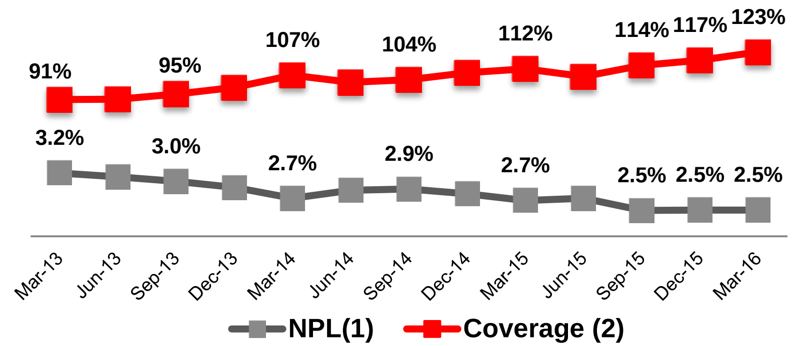
Greater focus on restructuring our traditional branches, opening Middle-market Centers, expanding our Select branches and introducing the Banefe corners concept

1. Branches targeting affluent customers. 2. Branches targeting mass market.

Improved asset quality metrics. Coverage reached 123%

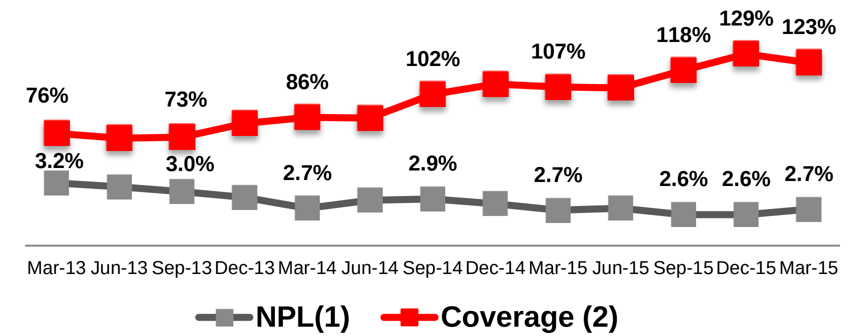
Total loans

% of loans



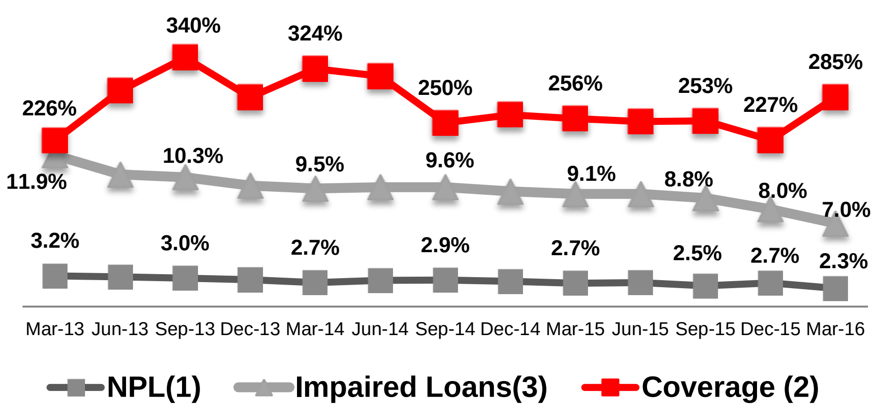
Commercial loans

% of loans



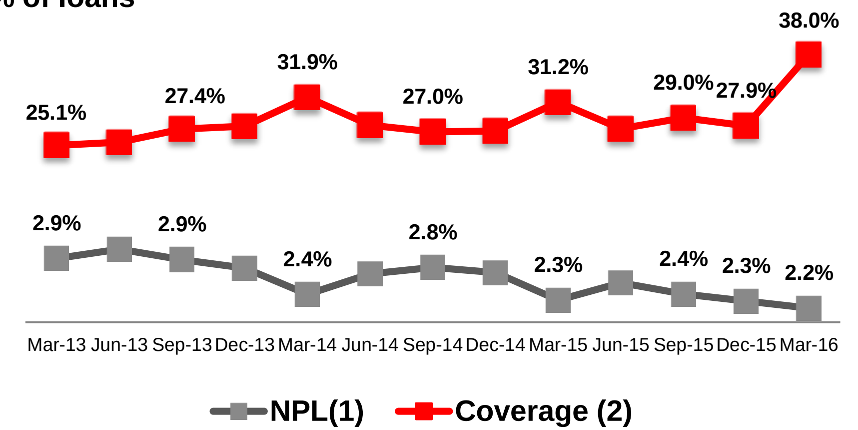
Consumer loans

% of loans



Mortgage loans

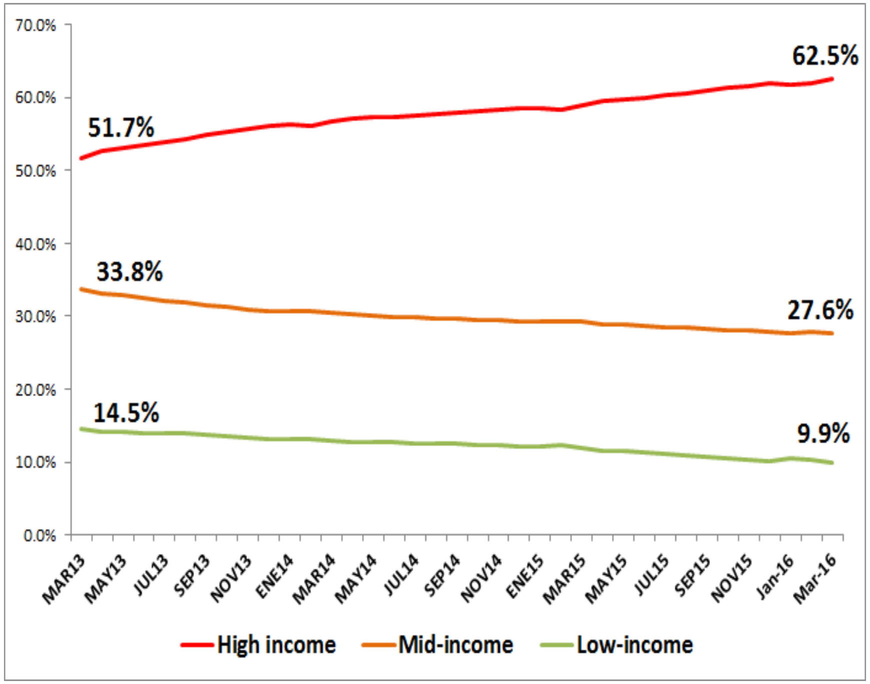
% of loans



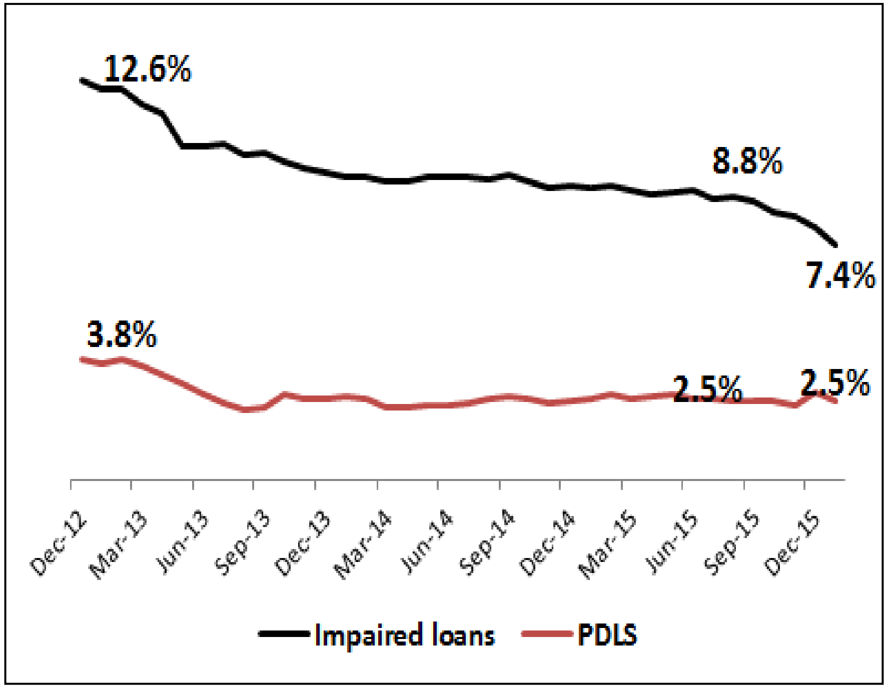
1. 90 days or more NPLs. 2. Loan loss reserves over NPLs 3. Impaired: NPL+ restructured loans

Better consumer loan mix should lower the cost of credit in 2016

Consumer loan breakdown



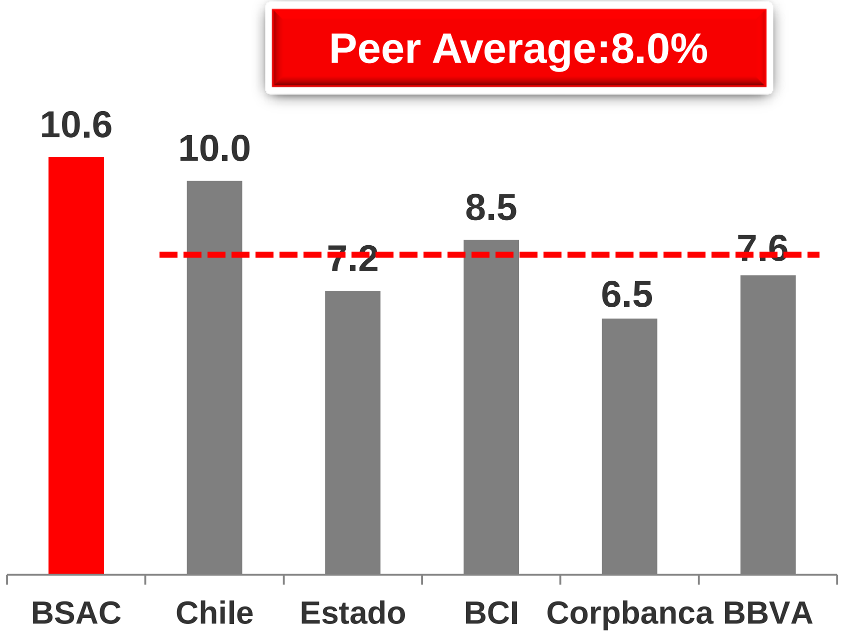
Consumer impaired and NPL ratios[1,2]



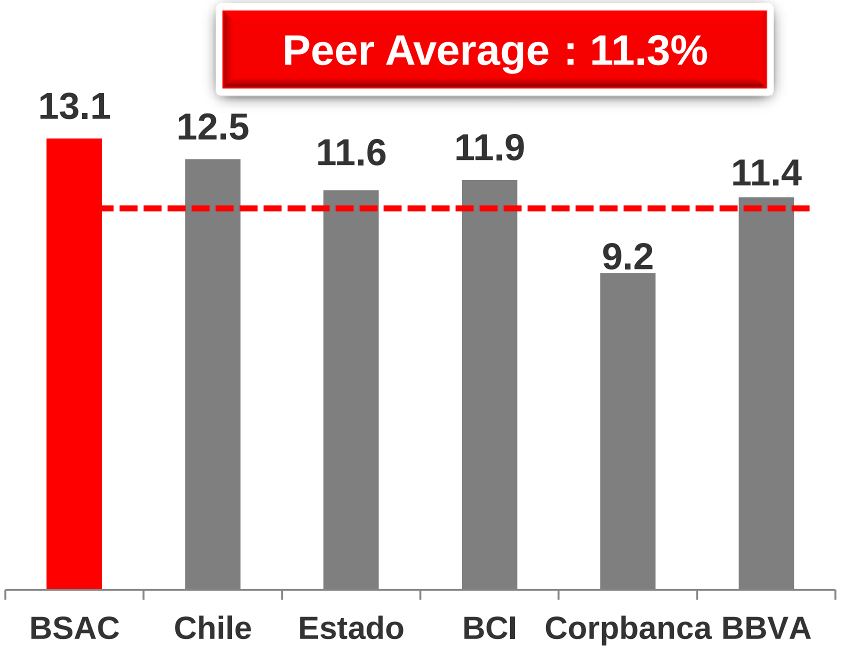
1. 90 days or more NPLs. 2. Impaired: NPL+ restructured loans

Solid capital levels for further growth

Core capital (%)[1]



BIS ratio (%)[2]

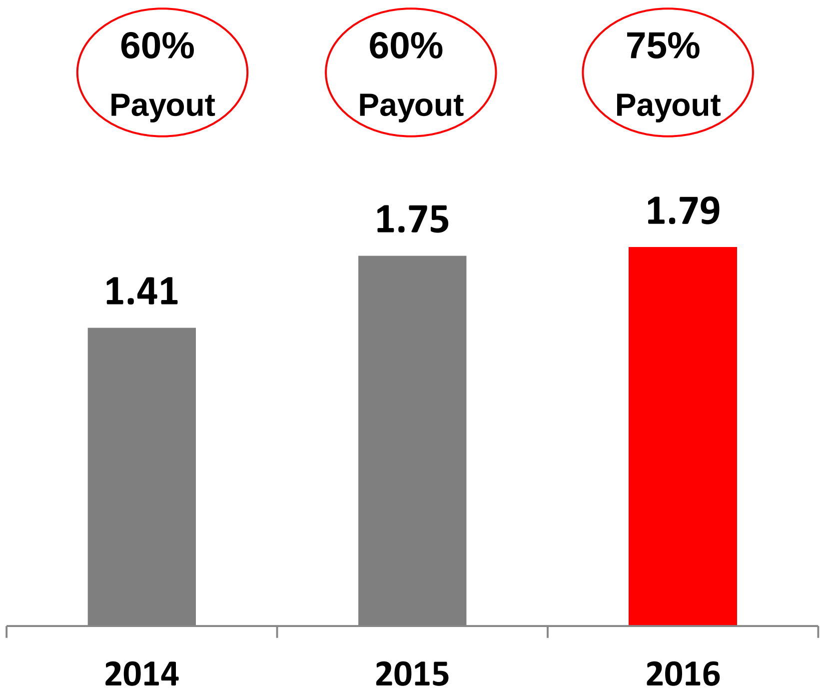


Advanced preparation for the transition into Basel III

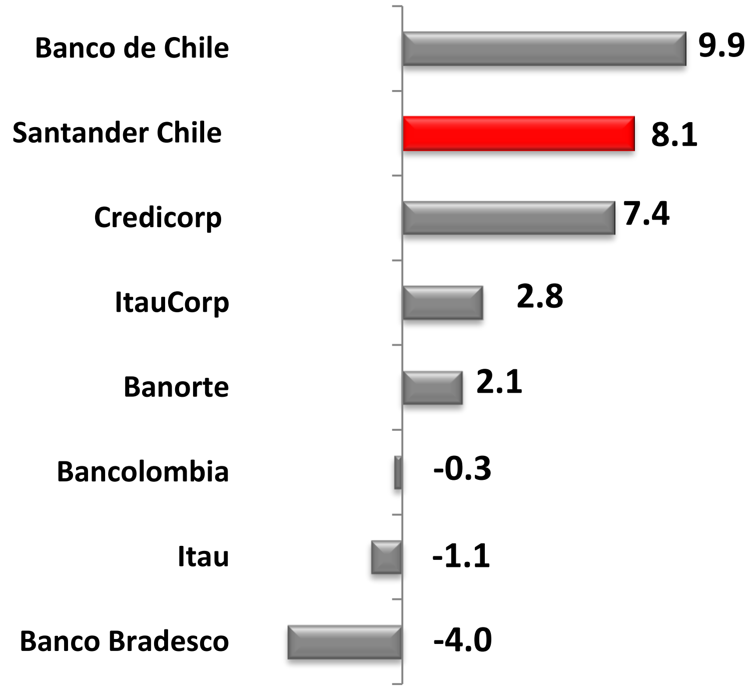
1. According to SBIF BIS I definitions. Figures are as of Jan. 2016, or the latest date available.

Attractive dividend yield coupled with strong value creation

Dividend per share (Ch$)



ROE – COE (%)*



* Source: Scotiabank: “Initiating Coverage on Latin American Banks” March 2016 except ROE of BSAC which is the reported ROE as of March 2016

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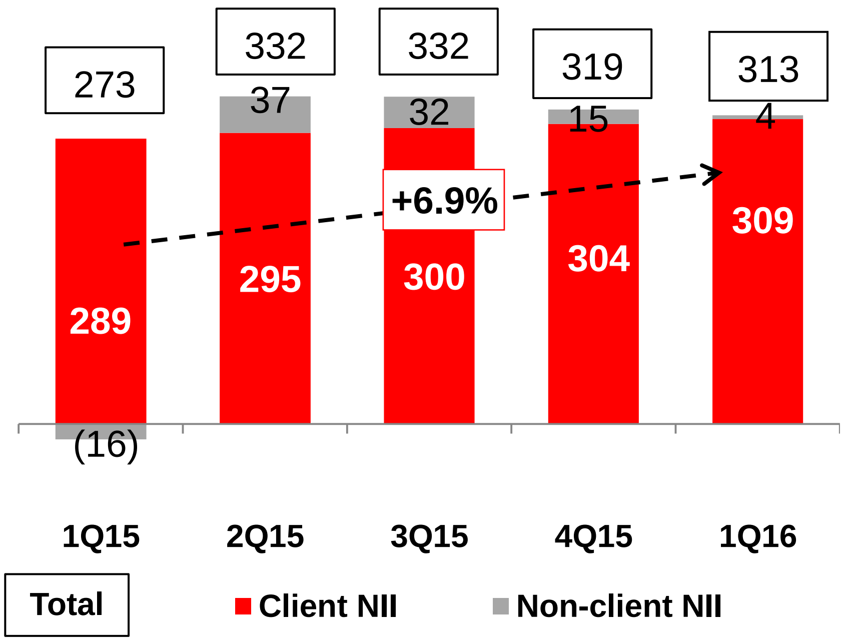
Stable Client NIMs due to stable loan spreads / improved funding mix

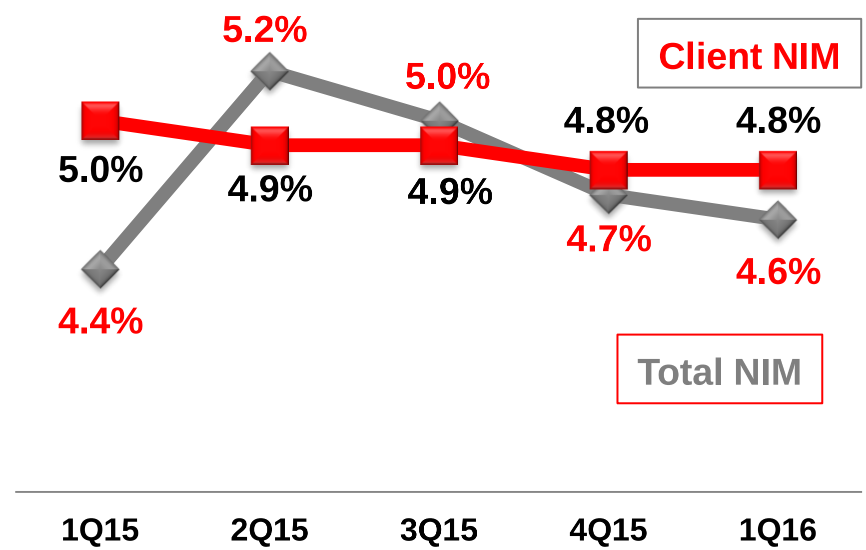
Client and total net interest income[1]

Ch$bn



NIM & Client NIM

Net Interest Margin (NIM), %



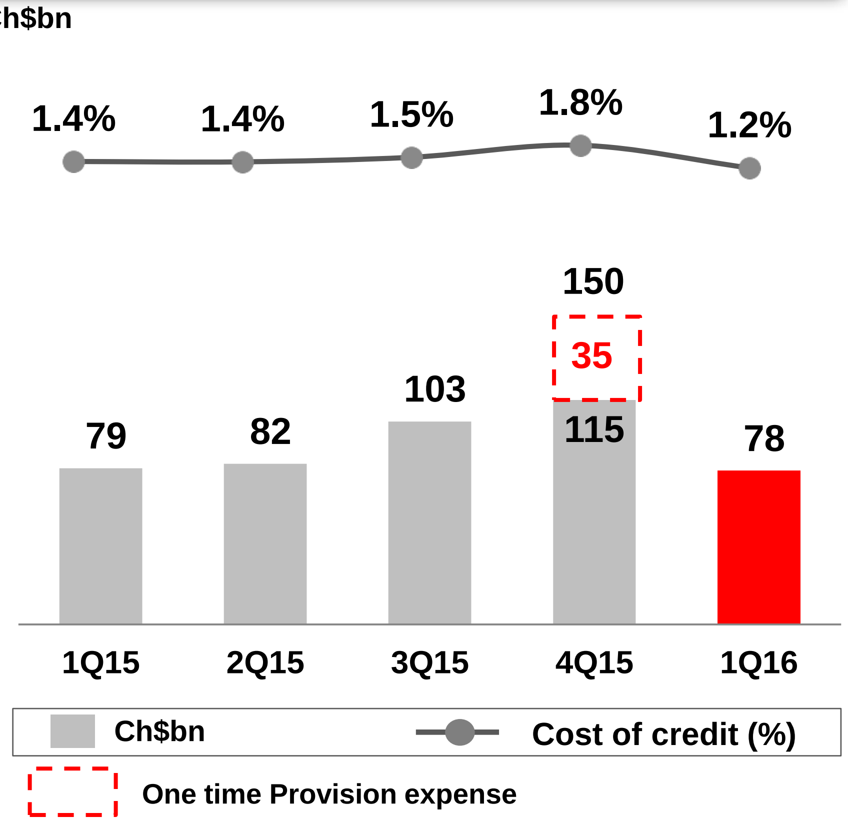
Inflation UF

-0.02%	1.5%	1.5%	1.1%	0.7%

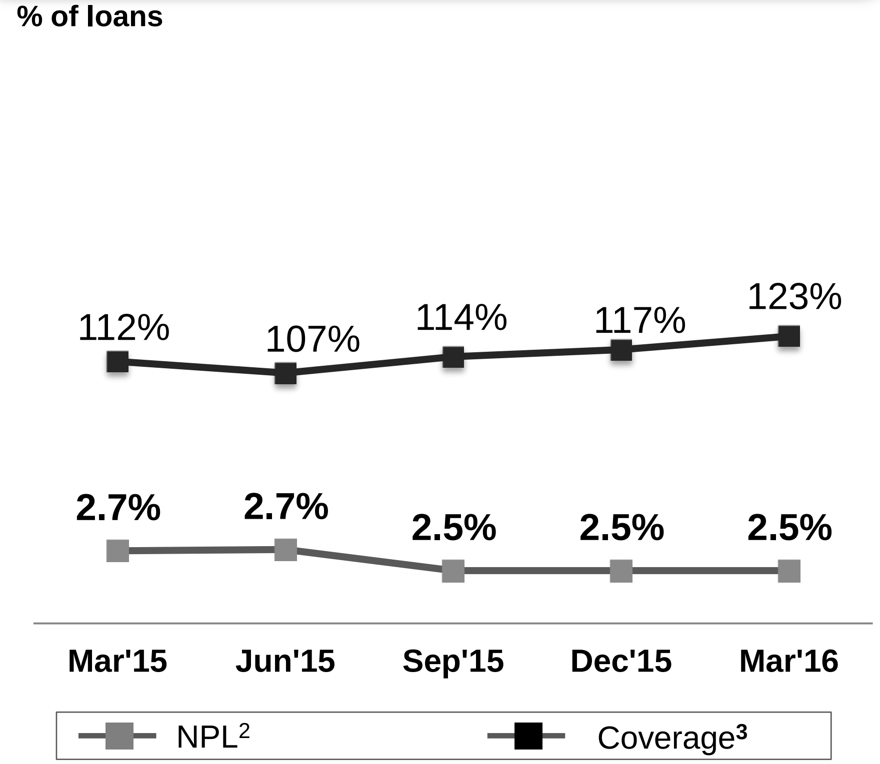
1. Client net interest income (NII) is mainly NII from the from all client activities such as loans and deposits minus the internal transfer rate. Non-client NII is NII mainly from the Bank’s ALCO positions and includes the effects of inflation on the Bank’s NII

Improved asset quality metrics. Cost of credit falls to 1.2%

Provision expense & cost of credit[1]



NPL and coverage ratio



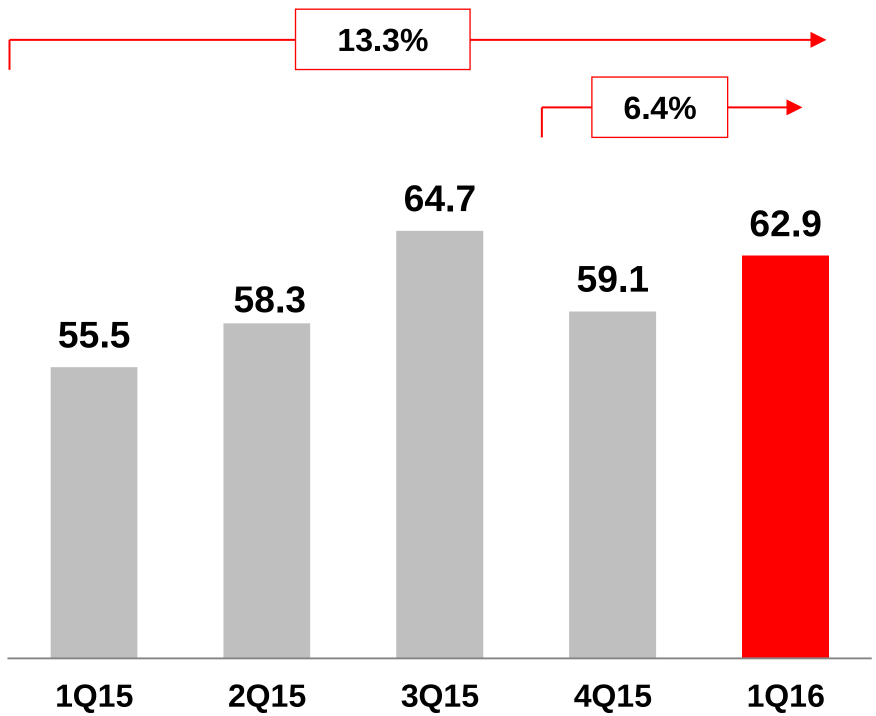
New asset mix / credit models allow for a better risk-return relationship

1. Annualized quarterly provision expense / total loans. 4Q15 excludes the one-time provision of Ch$35bn 2. 90 days or more NPLs.
3. Loan loss reserves over NPLs.

Fee income increases 13.6% YoY as Client loyalty expands

Net fee income

Ch$bn



Fee income from business segments

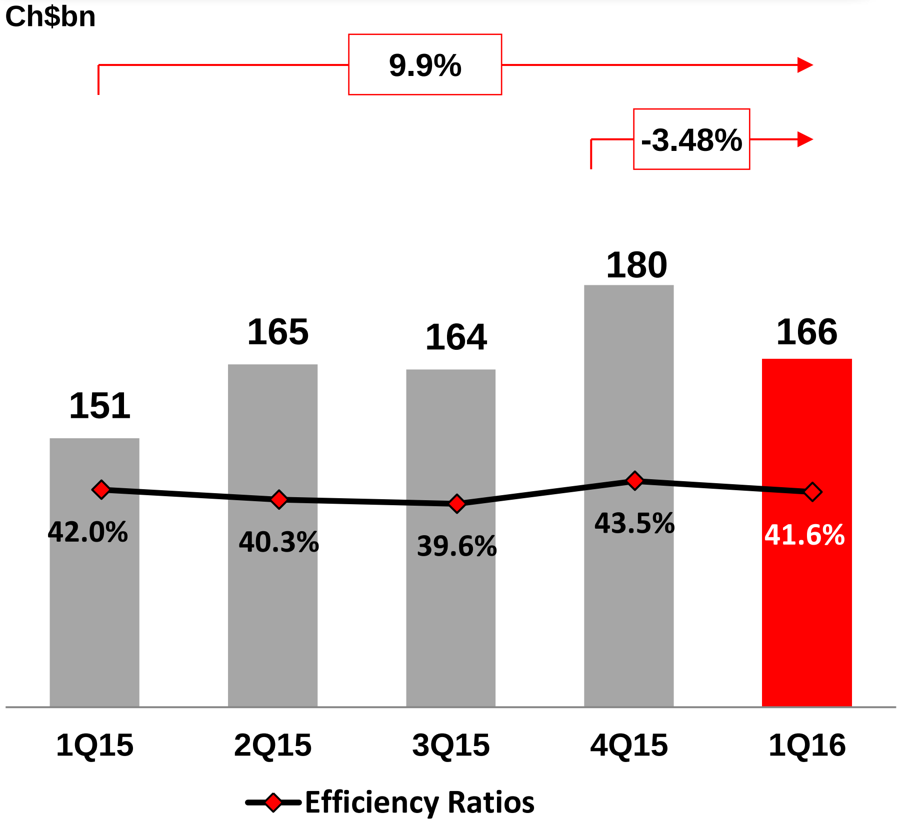
Ch$bn

	1Q'16	YoY (%)	QoQ (%)
Retail	49.0	13.7	2.0
Middle Market	7.7	7.7	8.7
Corporate	6.6	36.9	95.1
Subtotal	**63.3**	**14.9**	**8.2**
Others	-0.4		
Total fees	**62.9**	**13.3**	**6.4**

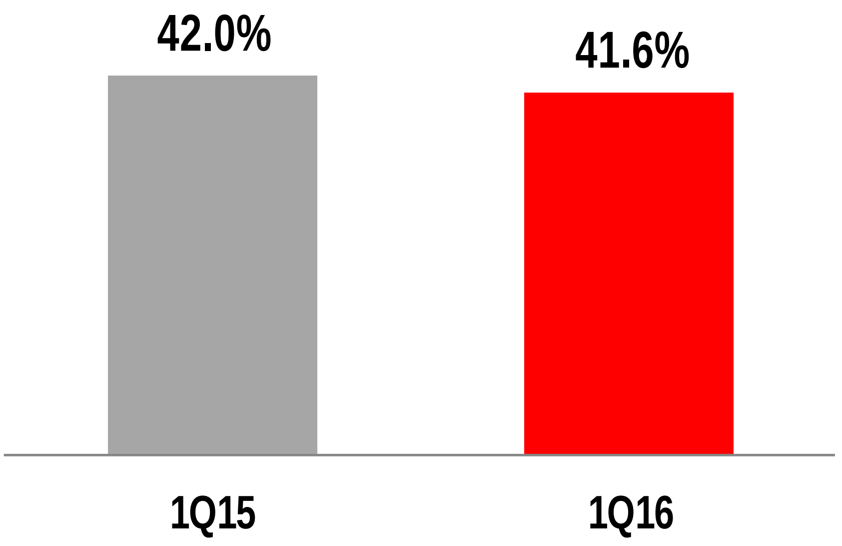
New CRM and other client initiatives is delivering recurrent growth of fee income

Efficiency ratio reached 41.6% in 1Q16

Operating expenses



Efficiency ratio[1]



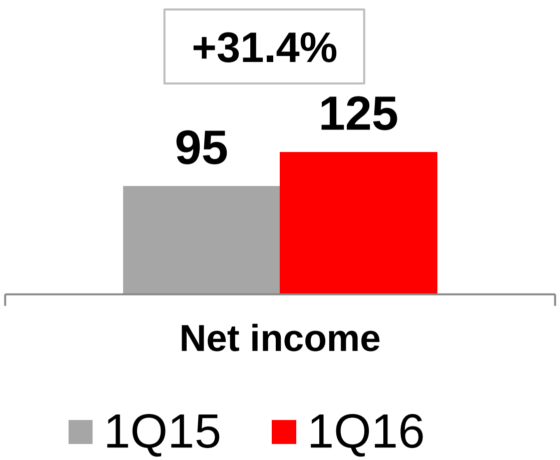
Targeting productivity gains through leaner distribution, simpler organization and better use of technology

1. Efficiency ratio: oper. expenses excluding impairment / Net interest income + Fee income + Financial transactions, net and Other operating income, net

Net income up 31.4%, ROE reached 18.1% in 1Q16

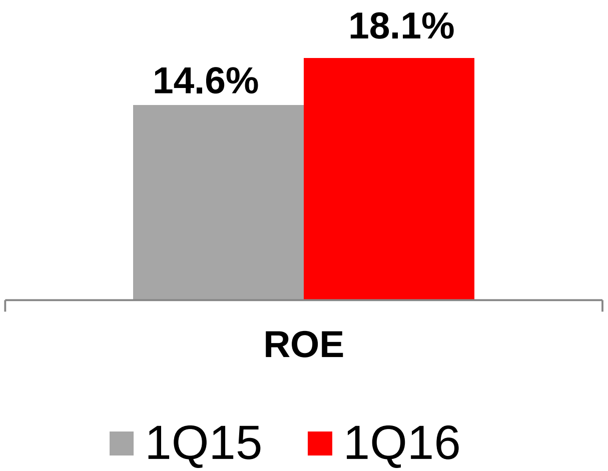
Net income

Ch$bn



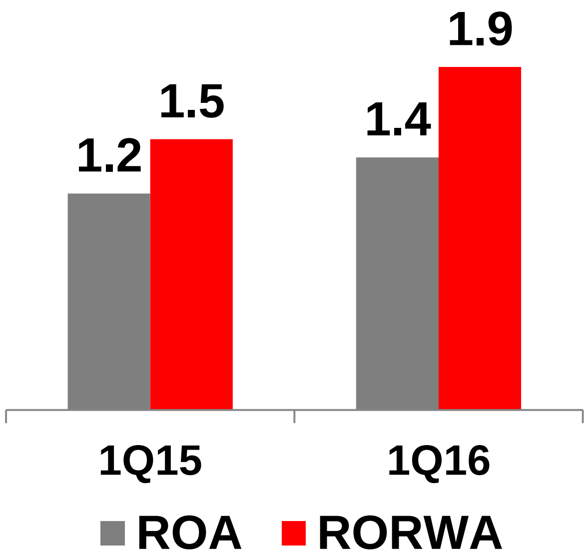
ROE

%



ROA & RORWA

%



Sound outlook for Santander Chile in 2016

- Chile: economy is expected to grow 1.7% in 2016 and 2.5% in 2017
- Financial system with stable 10% growth in loans and deposits. Stable risk trends
- Santander Chile: positive business and client profitability trends sustained in 1Q16
  - Loan growth up 9.0% YoY, especially in segments with higher risk-adjusted profitability
  - Deposits increase 12.1% YoY. Steady growth of demand deposits in all segments
  - Customer loyalty continues to expand in targeted segments
  - Coverage ratio rises to 123% / NPLs stable at 2.5% / Cost of credit falls to 1.2%
  - Net operating profit from business segments up 6.2% YoY
  - Efficiency ratio reached 41.6%. Cost control and branch optimization plans launched
  - ROE reached 18.1%
  - For the rest of 2016, we expect these sound business trends to continue

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Annexes

- Balance Sheet
- Quarterly Income Statement

Balance Sheet: Assets

Unaudited Balance Sheet Assets	Mar-16 US$ths	Mar-16 Ch$ million	Dec-15	Mar. 16 / Dec. 15 % Chg.
Cash and deposits in banks	2,120,979	1,416,135	2,064,806	(31.4%)
Cash items in process of collection	1,563,483	1,043,906	724,521	44.1%
Trading investments	232,700	155,369	324,271	(52.1%)
Investments under resale agreements	0	0	2,463	--%
Financial derivative contracts	4,478,514	2,990,214	3,205,926	(6.7%)
Interbank loans, net	47,771	31,896	10,861	193.7%
Loans and account receivables from customers, net	**37,308,234**	**24,909,962**	**24,535,201**	**1.5%**
Available for sale investments	4,023,162	2,686,185	2,044,411	31.4%
Held-to-maturity investments	-	-	-	--%
Investments in associates and other companies	31,244	20,861	20,309	2.7%
Intangible assets	77,372	51,660	51,137	1.0%
Property, plant and equipment	351,168	234,468	240,659	(2.6%)
Current taxes	-	-	-	--%
Deferred taxes	485,977	324,477	331,714	(2.2%)
Other assets	1,471,606	982,562	1,097,826	(10.5%)
Total Assets	**52,192,210**	**34,847,695**	**34,654,105**	**0.6%**

Balance Sheet: Liabilities & Equity

Liabilities	Mar-16 US$ths	Mar-16 Ch$ million	Dec-15	Mar. 16 / Dec. 15 % Chg.
Deposits and other demand liabilities	10,602,790	7,079,271	7,356,121	(3.8%)
Cash items in process of being cleared	1,308,194	873,455	462,157	89.0%
Obligations under repurchase agreements	77,017	51,423	143,689	(64.2%)
Time deposits and other time liabilities	19,055,384	12,722,899	12,182,767	4.4%
Financial derivatives contracts	4,169,974	2,784,208	2,862,606	(2.7%)
Interbank borrowings	1,972,151	1,316,766	1,307,574	0.7%
Issued debt instruments	8,578,708	5,727,832	5,957,095	(3.8%)
Other financial liabilities	336,820	224,888	220,527	2.0%
Current taxes	17,672	11,799	17,796	(33.7%)
Deferred taxes	9,446	6,307	3,905	61.5%
Provisions	474,235	316,637	329,118	(3.8%)
Other liabilities	1,317,940	879,962	1,045,870	(15.9%)
Total Liabilities	**47,920,332**	**31,995,447**	**31,889,225**	**0.3%**

Equity	Mar-16 US$ths	Mar-16 Ch$ million	Dec-15	Mar. 16 / Dec. 15 % Chg.
Capital	1,334,925	891,303	891,303	0.0%
Reserves	2,288,361	1,527,893	1,527,893	0.0%
Valuation adjustments	710	474	1,288	(63.2%)
Retained Earnings:	**602,118**	**402,022**	**314,215**	**27.9%**
Retained earnings from prior years	672,295	448,878	-	--%
Income for the period	187,873	125,439	448,878	(72.1%)
Minus: Provision for mandatory dividends	(258,050)	(172,295)	(134,663)	27.9%
Total Shareholders' Equity	**4,226,114**	**2,821,692**	**2,734,699**	**3.2%**
Non-controlling interest	45,764	30,556	30,181	1.2%
Total Equity	**4,271,879**	**2,852,248**	**2,764,880**	**3.2%**
Total Liabilities and Equity	**52,192,210**	**34,847,695**	**34,654,105**	**0.6%**

Income Statement: Quarters

Unaudited Quarterly Income Statement	1Q16	1Q16	4Q15	1Q15	1Q16 / 1Q15	1Q16 / 4Q15
	US$ths.		Ch$mn		% Chg.	
Interest income	776,913	518,729	549,675	400,715	29.5%	(5.6%)
Interest expense	(308,315)	(205,856)	(231,004)	(127,296)	61.7%	(10.9%)
Net interest income	**468,597**	**312,873**	**318,671**	**273,419**	**14.4%**	**(1.8%)**
Fee and commission income	156,524	104,508	105,341	94,552	10.5%	(0.8%)
Fee and commission expense	(62,181)	(41,517)	(46,194)	(39,091)	6.2%	(10.1%)
Net fee and commission income	**94,343**	**62,991**	**59,147**	**55,461**	**13.6%**	**6.5%**
Net income (expense) from financial operations	(269,139)	(179,699)	(111,983)	(140,559)	27.8%	60.5%
Net foreign exchange gain	320,454	213,961	145,610	181,550	17.9%	46.9%
Total financial transactions, net	**51,315**	**34,262**	**33,627**	**40,991**	**(16.4%)**	**1.9%**
Other operating income	7,860	5,248	4,496	5,108	2.7%	16.7%
Net operating profit before provisions for loan losses	**622,115**	**415,374**	**415,941**	**374,979**	**10.8%**	**(0.1%)**
Provision for loan losses	**(116,712)**	**(77,926)**	**(150,257)**	**(79,226)**	**(1.6%)**	**(48.1%)**
Net operating profit	**505,404**	**337,448**	**265,684**	**295,753**	**14.1%**	**27.0%**
Personnel salaries and expenses	(139,239)	(92,967)	(108,961)	(84,217)	10.4%	(14.7%)
Administrative expenses	(87,907)	(58,694)	(55,344)	(54,853)	7.0%	6.1%
Depreciation and amortization	(21,485)	(14,345)	(15,821)	(12,134)	18.2%	(9.3%)
Operating expenses excluding Impairment and Other operating expens	**(248,631)**	**(166,006)**	**(180,126)**	**(151,204)**	**9.8%**	**(7.8%)**
Impairment of property, plant and equipment	(55)	(37)	(1)	0	--%	--%
Other operating expenses	(24,314)	(16,234)	(2,105)	(14,646)	10.8%	671.2%
Total operating expenses	(273,001)	(182,277)	(182,232)	(165,850)	9.9%	0.0%
Operating income	**232,403**	**155,171**	**83,452**	**129,903**	**19.5%**	**85.9%**
Income from investments in associates and other companies	795	531	610	485	9.5%	(13.0%)
Income before tax	**233,199**	**155,702**	**84,062**	**130,388**	**19.4%**	**85.2%**
Income tax expense	(44,425)	(29,662)	(4,480)	(31,318)	(5.3%)	562.1%
Net income from ordinary activities	**188,773**	**126,040**	**79,582**	**99,070**	**27.2%**	**58.4%**
Net income discontinued operations	-	-	-	-		
Net income attributable to:						
Non-controlling interest	900	601	(4,201)	3,593	--%	--%
Net income attributable to equity holders of the Bank	**187,873**	**125,439**	**83,783**	**95,477**	**31.4%**	**49.7%**

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