Third Supplement dated December 2, 2019 to
the Base Prospectus dated June 27, 2019

Banco Santander Chile

(Santiago, Chile)

U.S.$5,500,000,000
Medium Term Notes Program

THIRD PROSPECTUS SUPPLEMENT INCORPORATING BY REFERENCE THE CURRENT REPORT ON FORM 6-K, AS FILED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") ON DECEMBER 2, 2019 AND WITH THE CENTRAL BANK OF IRELAND ON DECEMBER 2, 2019 (THE "THIRD QUARTER 6-K") OF BANCO SANTANDER CHILE UPDATING THE BASE PROSPECTUS

Banco Santander Chile (the "**Issuer**" or with its consolidated subsidiaries "**Santander Chile Group**") has prepared this third prospectus supplement (the "**Third Prospectus Supplement**") in connection with Medium Term Notes (the "**Notes**") issued from time to time under the Issuer's Medium Term Note Program (the "**Program**"). The Issuer has also prepared a prospectus dated June 27, 2019 (the "**Base Prospectus**," as amended or updated from time to time and including all information incorporated by reference therein), a first prospectus supplement dated August 15, 2019 (the "**First Prospectus Supplement**") and a second prospectus supplement dated November 21, 2019 (the "**Second Prospectus Supplement**" and together with the Base Prospectus and the First Prospectus Supplement, the "**Prospectus**") for use in connection with the issue of Notes under the Program. This Third Prospectus Supplement amends and updates the Prospectus, and should be read in conjunction with the Prospectus and constitutes a supplement for the purposes of Article 16 of the Prospectus Directive. Terms defined in the Base Prospectus, as previously supplemented, have the same meaning when used in this Third Prospectus Supplement.

The Third Prospectus Supplement has been approved by the Central Bank of Ireland (the Central Bank) as competent authority under the Prospectus Directive. The Central Bank only approves this Third Prospectus Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

The Third Quarter 6-K has been previously published or is published simultaneously with this Third Prospectus Supplement and has been filed with the Central Bank of Ireland, and shall be deemed to be incorporated by reference in, and to form part of, this Third Prospectus Supplement. The Third Quarter 6-K supersedes and replaces the information included in the Issuer's reports on Form 6-K filed on May 1, 2019, May 17, 2019, August 13, 2019 and November 8, 2019, which were previously incorporated by reference in the Prospectus. The Third Quarter 6-K will be available for collection and inspection as set out in the section "Documents on Display" on page 125 of the Base Prospectus and is available at the following link: https://santandercl.gcs-web.com/sec-filings.

The Issuer accepts responsibility for the information contained in this Third Prospectus Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure such is the case) the information contained in this Third Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Third Prospectus Supplement will be published in electronic form on the website of the Central Bank (http://www.centralbank.ie) and will be available until the Base Prospectus expires on June 26, 2020.

This Third Prospectus Supplement, the First Prospectus Supplement, the Second Prospectus Supplement and the Base Prospectus should be read in conjunction with all documents which are deemed to be incorporated by reference, and for a particular issue of Notes in conjunction with any applicable Final Terms. If the document incorporated by reference in this Third Prospectus Supplement itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Third Prospectus Supplement except where such information or other documents are specifically incorporated by reference or attached to this Third Prospectus Supplement. For information specifically incorporated by reference hereto, please see "Cross-reference List of Documents Incorporated by Reference" below.

To the extent there is any inconsistency between (a) any statement in this Third Prospectus Supplement or any statement incorporated by reference into the Prospectus by this Third Prospectus Supplement and (b) any other statement in or incorporated by reference into the Prospectus prior to the date of this Third Prospectus Supplement, the statements in (a) will prevail.

Except as disclosed in this Third Prospectus Supplement, the First Prospectus Supplement and the Second Prospectus Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

Risk Factors

The Third Quarter 6-K includes certain additional risk factors, which are also set forth below. In light of the issuance of the Third Quarter 6-K, the section entitled "Risk Factors" beginning on page 1 of the Base Prospectus shall be updated accordingly.

Credit, market and liquidity risk may have an adverse effect on our credit ratings and our cost of funds. Any downgrade in Chile's, our controlling shareholders or our credit rating would likely increase our cost of funding, require us to post additional collateral or take other actions under some of our derivative contracts and adversely affect our interest margins and results of operations.

Credit ratings affect the cost and other terms upon which we are able to obtain funding. Rating agencies regularly evaluate us, and their ratings of our debt are based on a number of factors, including our financial strength and conditions affecting the financial services industry generally. In addition, due to the methodology of the main rating agencies, our credit rating is affected by the rating of Chile's sovereign debt. If Chile's sovereign debt is downgraded, our credit rating would also likely be downgraded by an equivalent amount.

In August 2017, Fitch Ratings Ltd. ("Fitch") downgraded our main ratings from A+ to A following a similar action on the sovereign rating of the Republic of Chile. Standard and Poor's Ratings Services ("S&P") placed the Bank's ratings on Outlook Negative in August 2017 and reaffirmed this rating and outlook in November 2017. In August 2018, the Bank's outlook changed from negative to stable by S&P after the outlook for the sovereign rating of the Republic of Chile.

In July 2018, Moody's downgraded our main rating to A1 from Aa3, after revising the sovereign rating of the Republic of Chile to A1 as well. Moody's currently has a stable outlook on the Republic of Chile's sovereign rating and on our rating as well.

In March 2019, Japan Credit Rating Agency started covering Santander Chile, assigning us an international rating of A+ (stable), after assigning the sovereign rating of the Republic of Chile AA- (stable).

In addition, our ratings may be adversely affected by any downgrade in the ratings of our parent company, Santander Spain. The long-term debt of Santander Spain is currently rated investment grade by the major rating agencies: A2 (stable) by Moody's, A (stable) by S&P and A- (stable) by Fitch.

Any downgrade in our debt credit ratings would likely increase our borrowing costs and may require us to post additional collateral or take other actions under some of our derivative contracts, and could limit our access to capital markets and adversely affect our commercial business. For example, a ratings downgrade could adversely affect our ability to sell or market certain of our products, engage in certain longer-term and derivatives transactions and retain our customers, particularly customers who need a minimum rating threshold in order to invest. In addition, under the terms of certain of our derivative contracts and other financial commitments we may be required to maintain a minimum credit rating or terminate such contracts or post collateral. Any of these results of a ratings downgrade could reduce our liquidity and have an adverse effect on us, including our operating results and financial condition.

While certain potential impacts of these downgrades are contractual and quantifiable, the full consequences of a credit rating downgrade are inherently uncertain, as they depend upon numerous dynamic, complex and inter-related factors and assumptions, including market conditions at the time of any downgrade, whether any downgrade of our long-term credit rating precipitates downgrades to our short-term credit rating, and assumptions about the potential behaviors of various customers, investors and counterparties. Actual outflows could be higher or lower than the preceding hypothetical examples, depending upon certain factors including which credit rating agency downgrades our credit rating, any management or restructuring actions that could be taken to reduce cash outflows and the potential liquidity impact from loss of unsecured funding (such as from money market funds) or loss of secured funding capacity. Although unsecured and secured funding stresses are included in our stress testing scenarios and a portion of our total liquid assets is held against these risks, a credit rating downgrade could still have a material adverse effect on us.

In addition, if we were required to cancel our derivatives contracts with certain counterparties and were unable to replace such contracts, our market risk profile could be altered.

There can be no assurance that the rating agencies will maintain the current ratings or outlooks. Failure to maintain favorable ratings and outlooks could increase our cost of funding and adversely affect interest margins, which could have a material adverse effect on us.

We are subject to regulatory capital and liquidity requirements that could limit our operations, and changes to these requirements may further limit and adversely affect our operating results, financial condition and prospects.

Chilean banks are required by the New General Banking Law to maintain regulatory capital of at least 8% of risk-weighted assets, net of required loan loss allowance and deductions, and paid-in capital and reserves ("core capital") of at least 3% of total assets, net of required loan loss allowances. As we are the result of the merger between two predecessors with a relevant market share in the Chilean market, we are currently required to maintain a minimum regulatory capital to risk-weighted assets ratio of 11%. As of September 30, 2019, the ratio of our regulatory capital to risk-weighted assets, net of loan loss allowance and deductions, was 12.8% and our core capital ratio was 10.2%. Certain developments could affect our ability to continue to satisfy the current capital adequacy requirements applicable to us, including:

- the increase of risk-weighted assets as a result of the expansion of our business or regulatory changes;
- the failure to increase our capital correspondingly;
- losses resulting from a deterioration in our asset quality;
- declines in the value of our investment instrument portfolio;
- changes in accounting standards;
- changes in provisioning guidelines that are charged directly against our equity or net income; and
- changes in the guidelines regarding the calculation of the capital adequacy ratios of banks in Chile.

On January 19, 2019, the Chilean government enacted Law No. 21,130, that amends, among others, the General Banking Law (the General Banking Law, as amended, is referred to herein as the "New General Banking Law") and establishes new capital regulations for banks in Chile in line with Basel III standards and the merger of the banking regulator with the FMC, with all current SBIF powers being transferred to the FMC. The FMC was created by Law 21,000 in 2017 and started operations December 14, 2017 (eliminating the Superintendency of Securities and Insurance as of January 15, 2018). As of June 1, 2019, the SBIF merged with the FMC, which became the SBIF's legal successor.

Therefore, the FMC has become the sole supervisor for the Chilean financial system overseeing insurance companies, companies with publicly traded securities, credit unions, credit card and prepaid card issuers, and banks. The FMC is responsible for the proper functioning, development and stability of the financial market, facilitating the participation of market agents and defending public faith in the financial system. To do so, it must maintain a general and systemic vision of the market, considering the interests of investors and policyholders. It is also responsible for ensuring that the persons or entities audited, from their initiation until they are liquidated or otherwise terminated, comply with the laws, regulations, statutes and other provisions that govern them.

The FMC is in charge of a Council, which is composed of five members, who must be recognized professionals or have academic prestige in matters relating to the financial system and who are appointed as follows:

- A Commissioner appointed by the President of Chile who is the chairman of the FMC.
- Four commissioners appointed by the President of Chile through supreme decree by the Ministry of Finance, after ratification by four sevenths of members of the Senate at a session specially convened for that purpose.

The FMC Council's responsibilities include regulating, sanctioning and defining general supervision policies. In addition, there is a prosecutor in charge of investigations and the chairman of the FMC is responsible for this supervision. The FMC acts in coordination with the Central Bank.

Under the New General Banking Law, minimum capital requirements have increased in terms of amount and quality. Total Regulatory Capital remains at 8% of risk-weighted assets which includes credit, market and operational risk. Minimum Tier 1 capital increased from 4.5% to 6% of risk-weighted assets, of which up to 1.5% may be Additional Tier 1 (AT1), either in the form of preferred shares or perpetual bonds, both of which may be convertible to common equity. The FMC also establishes the conditions and requirements for the issuance of perpetual bonds and preferred

equity. Tier 2 capital is now set at 2% of risk-weighted assets. Additional capital demands are incorporated through a Conservation Buffer of 2.5% of risk-weighted assets, setting a Total Equity Requirement of 10.5% of risk-weighted assets. The Central Bank may set an additional Counter Cyclical Buffer of up to 2.5% of risk-weighted assets with agreement from the FMC. Both buffers must be comprised of core capital.

The FMC, with agreement from the Central Bank, may impose additional capital requirements for Systemically Important Banks ("SIB") of between 1-3.5% of risk-weighted assets. Notably, the Central Bank may require: (1) the addition of up to 2% to the core capital to a bank's total assets ratios; (2) a reduction in the technical reserve requirement trigger from 2.5 times regulatory capital to 1.5 times regulatory capital; and/or (3) a reduction in the interbank loan limit to 20% of regulatory capital of any SIB. While the FMC has not yet established the criteria to assess which banks will be considered SIBs, it is likely that we will be classified as a SIB, given our size and market share and as explained below because of the FMC's proposed regulation on SIBs.

The following table sets forth a comparison between the regulatory capital demands under the previous law, and those under the New General Banking Law:

Capital requirements: Basel III, previous GBL and new requirements

Capital categories	Previous Law	New General Banking Law
	(% over risk weighted assets)	
(1) Total Tier 1 Capital (2+3)	4.5	6
(2) Shareholders' Equity	4.5	4.5
(3) Additional Tier 1 Capital (AT1)	—	1.5
(4) Tier 2 Capital	3.5	2
(5) Total Regulatory Capital (1+4)	8	8
(6) Conservation Buffer	2% over regulatory capital in order to be classified in Category A solvency.	2.5
(7) Total Equity Requirement (5+6)	8	10.5
(8) Counter Cyclical Buffer	—	up to 2.5
(9) SIB* Requirement	Up to 6% in case of a merger	Between 1 - 3.5

* Systemically Important Banks

The New General Banking Law also incorporates Pillar II capital requirements with the objective of assuring an adequate management of risk. The FMC, with at least four votes from the Council of the FMC, will have the power to impose additional regulatory capital demands of up to 4% of risk-weighted assets, either Tier I or Tier II, if it determines that the previous capital levels and buffers are not enough for a particular financial institution. The FMC will be responsible for establishing weightings for risk-weighted assets as a separate regulation based on the implementation of standard models, subject to agreement from the Central Bank.

The FMC will have until December 1, 2020 to establish the weightings. Until then, banks must maintain regulatory capital of at least 8% of risk-weighted assets, net of required loan loss allowance and deductions, and paid-in capital and reserves ("core capital") of at least 3% of total assets, net of required loan loss allowances. We must maintain a minimum regulatory capital to

risk-weighted assets ratio of 11%. As of September 30, 2019 our ratio of regulatory capital to risk weighted assets was 12.8%.

The FMC has already started publishing drafts for consultation. On August 12, 2019, the FMC published their first draft for the identification and core capital charge for those banks considered SIBs. There are a total of four factors that are then weighted to reach a market share:

1. Size (weighted at 30%): Includes total assets consolidated in the domestic market.
2. Domestic interconnection (weighted at 30%): Includes assets and liabilities with financial institutions (banks and non-banks) and assets in circulation in the Chilean financial market (equity and fixed income).
3. Domestic substitution (weighted at 20%): Includes the share in local payments, assets in custody, deposits and loans.
4. Complexity (weighted at 20%): Includes factors that could lead to greater difficulties regarding costs and/ or time for the orderly resolution of the Bank. These include notional amount of OTC derivatives, inter-jurisdictional assets and liabilities and available-for-sale assets.

The minimum amount of the sum of the factors to be considered systemic is 1000 bp, equivalent to a weighted participation of 10% of all four factors. The core capital additional charge depends on the size of the total factor, set out in the table below:

Systemic Level	Range (bp)	Core capital additional charge (% of risk-weighted assets)
I	1000-1300	1.0%-1.25%
II	1300-1800	1.25%-1.75%
III	1800-2000	1.75%-2.5%
IV	>=2000	2.5%-3.5%

With information as of December 31, 2018, the FMC estimated that six banks will qualify as systemic, with two banks in systemic level I and four banks in level II. In total, it is estimated that the six banks will need US$ 2.5 billion in additional capital in order to meet the new capital requirements under this item. Under these rules we are considered systemic and initial estimates place us in the systemic level II category.

On September 13, 2019, the FMC published the risk weightings for operational risk. In order to estimate the operational risk coefficient, two factors are considered:

1. The business indicator component (BIC): A component that considers interest income, interest earning assets, dividend income, financial transactions, fees, and other operational income and expenses. These are then multiplied by a marginal coefficient.
2. Internal Loss Multiplier (ILM): This component is based on 10 years of historical operational losses, or at least five years in some special cases.

According to FMC and assuming and ILM of 1 for all banks, operational risk weightings for the financial system would require an additional 8% of risk weighting as of December 2018. According to our current estimates the growth of our risk-weighted assets will be similar to the average for the system estimated by the FMC.

On November 19, 2019, the FMC published for consultation a new regulation on regulatory capital to comply with effective net worth rules in accordance with Basel III and the New General Banking Law. The new regulation will become effective on December 1, 2020 and will be gradually implemented and adjusted to be fully in place by December 1, 2024.

Pursuant to the proposed regulation, there will be three levels of capital: ordinary capital level 1 or CET1 (basic capital), additional capital level 1 or AT1 (perpetual bonds and preferred stock) and capital level 2 or T2 (subordinated bonds and voluntary provisions). Regulatory capital will be composed of the sum of CET1, AT and T2 after making some deductions, mainly for intangible assets, hybrid securities issued by foreign subsidiaries, partial deduction for deferred taxes and some reserve and profit accounts. Had the capital requirements been in place as of December 31, 2018, the FMC calculated that the implementation of the capital requirements would have led to a decrease of 8% the regulatory capital of the whole Chilean banking system.

It is expected that by the end of 2019 or in the first quarter of 2020, the FMC will publish the risk weighting model for credit risk. As this is the core of the reform, it is still too difficult to estimate the total impact the new weightings will have on our local capital ratios. For the purposes of reporting to our parent company, we calculate this ratio using a model approved by the European Central Bank standards. In this scenario, our core capital ratio is 12.5% and our regulatory capital ratio is 15.5% as of September 30, 2019. No assurance can be given that the Chilean BIS III model will be similar to those used for us by our parent company.

We may also be required to raise additional capital in the future in order to maintain our capital adequacy ratios above the minimum required levels. Our ability to raise additional capital may be limited by numerous factors, including: our future financial condition, results of operations and cash flows; any necessary government regulatory approvals; our credit ratings; general market conditions for capital raising activities by commercial banks and other financial institutions; and domestic and international economic, political and other conditions. If we require additional capital in the future, we cannot assure you that we will be able to obtain such capital on favorable terms, in a timely manner or at all. Furthermore, the FMC may increase the minimum capital adequacy requirements applicable to us. Accordingly, although we currently meet the applicable capital adequacy requirements, we may face difficulties in meeting these requirements in the future. If we fail to meet the capital adequacy requirements, we may be required to take corrective actions. These measures could materially and adversely affect our business reputation, financial condition and results of operations. In addition, if we are unable to raise sufficient capital in a timely manner, the growth of our loan portfolio and other risk-weighted assets may be restricted, and we may face significant challenges in implementing our business strategy. As a result, our prospects, results of operations and financial condition could be materially and adversely affected.

The SBIF (now the FMC) and the Central Bank published new liquidity standards in 2015 and ratios that must be implemented and calculated by all banks. These will eventually replace the current regulatory limits described above. These new liquidity standards are in line with those established in Basel III. The most important liquidity ratios that will eventually be adopted by Chilean banks are:

- Liability concentration per institutional and wholesale counterparty. Banks will have to calculate the percentage of their liabilities coming from institutional and wholesale counterparties, including ratios regarding renovation, renewals, restructurings, maturity and product concentration of these counterparties.
- Liquidity coverage ratio (LCR), which measures the percentage of liquid assets over net cash outflows. The new guidelines also define liquid assets and the formulas for calculating net cash outflows.
- Net Stable Funding Ratio (NSFR), which will measure a bank's available stable funding relative to its required stable funding. Both concepts are also defined in the new regulations.

Beginning on March 30, 2016, banks began reporting these ratios to the Central Bank and the SBIF (now the FMC). The final limits and results for the LCR were published in May 2018, with minimum LCR of 60% starting from January 1, 2019, gradually increasing by 10% until reaching 100%. The initial limits banks must meet in order to comply with the other liquidity ratios have not been published yet. For this reason, we cannot yet determine the effect that the implementation of

these models will have on our business. Such effect could be material and adverse if it materially increases the liquidity we are required to maintain

We are subject to substantial regulation and regulatory and governmental oversight which could adversely affect our business, operations and financial condition.

As a financial institution, the Chilean regulatory authorities subject us to extensive regulations, inspections, examinations, inquiries, audits and other regulatory requirements, which may materially affect our businesses. We cannot assure you that we will be able to meet all of the applicable regulatory requirements and guidelines, or that we will not be subject to sanctions, fines, restrictions on our business or other penalties in the future as a result of noncompliance. If sanctions, fines, restrictions on our business or other penalties are imposed on us for failure to comply with applicable requirements, guidelines or regulations, our business, financial condition, results of operations and our reputation and ability to engage in business may be materially and adversely affected.

In their supervisory roles, the regulators seek to maintain the safety and soundness of financial institutions with the aim of strengthening the protection of customers and the financial system. They accomplish this by utilizing a variety of regulatory tools, including the collection of information by way of prudential returns, reports obtained from skilled persons, visits to firms and regular meetings with management to discuss issues such as performance, risk management and strategy. In general, these regulators have a more outcome-focused regulatory approach that involves more proactive enforcement and more punitive penalties for infringement. As a result, we face increased supervisory scrutiny (resulting in increased internal compliance costs and supervision fees), and in the event of a breach of our regulatory obligations, we would likely face stringent regulatory fines.

Changes in regulations may also cause us to face increased compliance costs and limitations on our ability to pursue certain business opportunities and provide certain products and services. As some new or amended banking laws and new regulations have been recently adopted, the manner in which those laws and related regulations are applied to the operations of financial institutions is still evolving. Moreover, to the extent these recently adopted regulations are implemented inconsistently in the various jurisdictions in which we operate, we may face higher compliance costs. No assurance can be given generally that laws or regulations will be adopted, enforced or interpreted in a manner that will not have a material adverse effect on our business and results of operations.

The main regulations and regulatory and governmental oversight that can adversely impact us include but are not limited to the following (see more details on "Item 4. Information on the Company—B. Business Overview—Regulation and Supervision" in our 2018 20-F):

We are subject to regulation by the FMC and by the Central Bank with regard to certain matters, including reserve requirements, interest rates, foreign exchange mismatches and market risks. Chilean laws, regulations, policies and interpretations of laws relating to the banking sector and financial institutions are continually evolving and changing. Any new reforms could result in increased competition in the industry and thus may have a material adverse effect on our financial condition and results of operations.

Pursuant to the New General Banking Law, all Chilean banks may, subject to the approval of the FMC, engage in certain businesses other than commercial banking depending on the risk associated with such business and their financial strength. Such additional businesses include securities brokerage, mutual fund management, securitization, insurance brokerage, leasing, factoring, financial advisory, custody and transportation of securities, loan collection and financial services. The New General Banking Law also applies to the Chilean banking system a modified version of the capital adequacy guidelines issued by the Basel Committee on Banking Regulation and Supervisory Practices and limits the discretion of the FMC to deny new banking licenses. There can be no assurance that regulators will not in the future impose more restrictive limitations on the

activities of banks, including us. Any such change could have a material adverse effect on our financial condition or results of operations.

Historically, Chilean banks have not paid interest on amounts deposited in checking accounts. We have begun to pay interest on some checking accounts under certain conditions. If competition or other factors lead us to pay higher interest rates on checking accounts, to relax the conditions under which we pay interest or to increase the number of checking accounts on which we pay interest, any such change could have a material adverse effect on our financial condition or results of operations.

The New General Banking Law also changed the way banking institutions facing economic difficulties are treated, shifting the focus from resolution planning to anticipating potential adverse situations that may affect a bank and or the banking system or that imply the dissolution and liquidation of a bank. To that extent, banks are obliged to inform the FMC whenever they are in any of a certain number of specified situations and present an Early Regularization Plan for approval by the FMC. Banks in such situations are able to undertake a preventive capital increase or receive a three-year term loan from another bank, which is considered as capital. In case the Regularization Plan fails or is not presented by the bank, the FMC will appoint a Delegated Inspector or even a Provisional Administrator. We cannot assure you that we will not face such situations in the future, which could have a material adverse impact on us.

Currently, a credit line associated with a current account accrues interest until the client pays off the credit line. Starting January 1, 2020, a new law regarding the automatic credit line payments will come into effect. This law provides that the credit line associated with current accounts will automatically be paid off when the funds are available in the current account. Bank clients will have the option to turn off this feature of automatic discount, but must expressly and voluntarily do so. In this manner, there may be a negative material impact on the future accrual of interest under this item for the Bank. We estimate this change will lead to a negative impact of Ch$20,000 million on our net interest income in 2020.

A draft bill currently in Congress proposes to regulate prepayment commissions. This bill eliminates the prepayment fee for all interest-bearing loans, permitting the debtor to pay off the principal and interest accrued at any given time during the duration of a loan, unless otherwise expressly specified in the contract. This bill also prohibits grace periods to accrue interest. This bill is still in the early phases of congressional discussion so we cannot predict what impact, if any, they may have on the Bank but no assurance can be given that any such change will not have a material impact on our future revenue.

Finally, another draft bill currently in Congress also proposes to change the financial institutions' responsibility for credit card and internet fraud, such that banks would become responsible for all damages that are caused by deficiencies in the security of technological systems in their payment systems. Additionally, the card issuer will be responsible for all fraud and will subsequently have the ability to seek payment from those responsible of the crime. The bill also intends to protect users from fraud, which they were unaware of. If this bill is passed, the Bank could be adversely affected by having to reimburse a larger amount of users of cards issued by us due to fraudulent transactions. There could also be additional costs due to stricter due diligence and more robust processes in order to safeguard the Bank from additional payments.

Changes to the pension fund system may affect the funding mix of the Bank.

The current pension fund system dates from the 1980s when pensions went from being state-funded to privately-funded, requiring Chilean employees to set aside 10% of their wages. While the system is widely regarded as a success, the demographics of Chilean society have changed and there have been modifications to the system. As of December 31, 2018, the Chilean pension fund management companies (Administradoras de Fondos de Pensiones, or "AFPs") had

U.S.$6,473 million invested in the Bank via equity, deposits and fixed income. In November 2018, the Chilean government presented a proposal for pension reform to Congress for discussion. The proposed bill includes measures to open the pension fund management industry to new institutions, lower entrance barriers to the industry, enhance the powers of the Superintendency of Pensions and introduce the FMC as a supervisory entity, among other reforms. The amount each worker must set aside is also likely to increase from the current 10% of wages to up to 15%. The additional cost of these measures will be gradually introduced and will be at the cost of the employer, which could raise personnel expenses for us.

As a result of the social unrest in Chile that ultimately led to riots in mid-October 2019, the government has also been discussing making additional changes to the proposed bill. These changes include gradually increasing basic pensions until 2022, depending on the age of the pensioner, and introducing a social insurance scheme for events such as longevity. On November 26, 2019, the Ministry of Finance and the Chilean Senate reached an agreement to increase the basic pension for pensioners 80 years or older by 50% starting on December 1, 2019. The government sent a bill to the Chilean Congress to implement such agreement, by which, in addition to the 50% increase for pensioners 80 years and older, basic pensions for, pensioners from 75 to 79 years old will increase by 30% on December 1, 2019 and will be equalized by January 1, 2021 to the basic pension for pensioners of 80 years and older, and basic pensions for pensioners of less than 75–years old will be increased by 25% on December 1, 2019, 40% in the aggregate from January 1, 2021, and will be equalized to basic pensions for pensioners from 75 to 79 years old by January 1, 2022. Although the bill is currently being discussed and widely expected to be approved, we are unable to predict the final provisions of the law. The potential adverse effect of the proposed law on our financial condition and results of operations cannot yet be determined.

A change in labor laws in Chile or a worsening of labor relations in the Bank could impact our business.

As of September 30, 2019 on a consolidated basis, we had 11,037 employees, of which 75.4% were unionized. In February 2018, a new collective bargaining agreement was signed with the main unions ahead of schedule, which became effective on September 1, 2018 and expires on August 31, 2021, though it may also be renegotiated ahead of schedule with the consent of our management and the unions. We generally apply the terms of our collective bargaining agreement to unionized and non-unionized employees. We have traditionally had good relations with our employees and their unions, but we cannot assure you that in the future, a strengthening of cross-industry labor movements will not materially and adversely affect our business, financial condition or results of operations.

There is currently a new labor reform being discussed in Congress, which, among other items, would shorten the work week from 45 hours to 40 hours, excluding lunch breaks. There is also discussion to increase minimum wage currently set at Ch$301,000/month (US$415/month). At Santander Chile, the weekly working hours agreed under the collective bargaining agreement we have with our employees are 40 hours (excluding lunch breaks) and our minimum wage is set above the legal minimum. Despite this, we cannot assure you at this time that the new labor reform will not have material impact on our expenses.

These and any additional legislative or regulatory actions in Chile, Spain, the European Union, the United States or other countries, and any required changes to our business operations resulting from such legislation and regulations, could result in reduced capital availability, significant loss of revenue, limit our ability to continue organic growth (including increased lending), pursue business opportunities in which we might otherwise consider engaging and provide certain products and services, affect the value of assets that we hold, require us to increase our prices and therefore reduce demand for our products, impose additional costs on us or otherwise adversely affect our businesses. Accordingly, we cannot provide assurance that any such new legislation or regulations

would not have an adverse effect on our business, results of operations or financial condition in the future.

Political, legal, regulatory and economic uncertainty arising from social unrest and the outcome social reforms, as well as the referendum on Chile's constitution, could adversely impact the Bank's business.

In October 2019, the government of Chile announced an increase in subway fares, which led to massive protests and a rise in social unrest as a result of growing public concern over perceived social inequality. Some groups of protestors have vandalized public and private assets in Santiago and other major cities. The protests and associated violence have caused commercial disruption throughout the country, especially in Santiago and other large cities, such as Valparaiso, Concepcion, Antofagasta and La Serena. In response to these events, the government announced a social agenda intended to increase basic pensions, expand social health coverage, and reduce and stabilize tariffs for some public services (such as public transportation and electricity) distributed to regulated clients.

To fund these initiatives, the government and the opposition reached an agreement regarding a new tax reform. The main points of the new agreement are: (i) a new marginal rate for top personal tax bracket is 40%, up from 35%, (ii) a higher property tax for high value properties, (iii) limitations on the use of retained losses as a means of reducing taxes, (iv) a special tax regime for SMEs (sales below approximately US$3 million/year) to avoid owner-operated SMEs from paying a higher tax bill than the income tax rate paid by workers with similar income levels, (v) new tax rules for investment vehicles, and (vi) a long-term plan to review tax exemptions for several economic sectors.

Finally, important political and social actors claim that the social unrest reflects the desire of a new social contract. Chile's current constitution dates to 1980. On November 15, 2019, the majority of the local political parties agreed on a new constitutional process, to be initiated by a referendum to vote on two matters: (i) if there should there be a new constitution (ii) if so, should the convention for drafting the constitution be comprised of an elected mixed assembly or entirely comprised of elected citizens. This referendum will take place in April 2020, and then elections for the bodies that will draft the new constitution, if that is decided, will be held in October 2020. Each new article of the constitution would have to first be approved by two thirds of the new body. The body will have up to a year starting in October 2020 to complete the draft of the constitution. A plebiscite with compulsory participation would then be held to ratify the new constitution, if the option for a new constitution wins.

As a consequence of the social unrest and the political agreement to vote on a new constitution, there was increased volatility in the Chilean stock market and exchange rate fluctuations that resulted in a weakening of the Chilean peso against the U.S. dollar. The peso has depreciated 19.1% since October 18, 2019, when the more serious events started, to a record high level of Ch$828.25 on November 29, 2019, prompting the Central Bank to inject liquidity into the economy in U.S. dollars. The share prices and bond spreads of local banks, including ours, suffered significant declines in the market as social protests continued in the country. In addition, many banks and other financial institutions experienced physical damages at their branches and ATMs a result of violence and vandalism associated with the protests. Although most of our damages are insured, seventy of the Bank's branches and some of our ATM machines suffered varying levels of damage during this period due to vandalism and pillaging, with 15 of such 70 branches being destroyed.

From a business perspective, we saw an increase in October of early non-performance levels among SMEs and consumer loans due to reduced working hours, and as a result reduced revenues and wages, in the economy as a whole. While we believe that this increase will be temporary, we expect to see an increase in unemployment in November, and as a result, further increases in non-performance levels in November. Accordingly, we are expecting a temporary increase in

impairment charges and in our risk expenses in the fourth quarter of 2019. Profits of banks operating in Chile decreased 50.8% in October 2019 as compared with the prior month. Furthermore, we have cut our GDP forecast for Chile to 1.7% and 1.5% for 2019 and 2020, respectively and the budget deficit estimate has been increased to 3.2% of Chilean GDP in 2020.

News of the political agreement on a new constitution have reduced volatility of the markets and unrest levels have improved since then. The long-term effects of this social unrest are hard to predict, but could include slower economic growth and higher unemployment rates, which could adversely affect our profitability and prospects. For example, an increase in the unemployment rate beyond what we are expecting, or for a longer period than we are expecting, could diminish demand for loans and decrease our customers' ability to repay their loans, increasing the risk of loan losses. There is also uncertainty regarding the details of the process of the referendum on whether or not to replace the current constitution, which are yet to be defined. If social unrest in Chile continues or worsens, it could have a negative impact on economic growth and the business environment in Chile overall, which could have an adverse effect on our business and prospects.

***We rely on third parties and affiliates for important products and services*.**

Third party vendors and certain affiliated companies provide key components of our business infrastructure such as loan and deposit servicing systems, back office and business process support, information technology production and support, internet connections and network access. Relying on these third parties and affiliated companies can be a source of operational and regulatory risk to us, including with respect to security breaches affecting such parties. For example, in mid-2019, there was a theft of credit and debit card information from the systems of our main ATM network transaction processor in Chile which led to the loss of customers' credit card information, including our customers. Although this breach did not have a material effect on our business and we have not faced any litigation as a result of this breach, we cannot assure you that we will not be impacted by any future breaches of the systems of our third party service providers, which could lead to a loss of sensitive customer data and expose us to litigation or other negative consequences. We are also subject to risk with respect to security breaches affecting the vendors and other parties that interact with these service providers. As our interconnectivity with these third parties and affiliated companies increases, we increasingly face the risk of operational failure with respect to their systems. We may be required to take steps to protect the integrity of our operational systems, thereby increasing our operational costs and potentially decreasing customer satisfaction.

In addition, any problems caused by these third parties or affiliated companies, including as a result of them not providing us their services for any reason, or performing their services poorly, could adversely affect our ability to deliver products and services to customers and otherwise conduct our business, which could lead to reputational damage and regulatory investigations and intervention. For instance, one of the third parties with which we store our data suffered a disruption of their systems in mid-2018. While we determined that our customer data was not affected, for security reasons we were forced to shut down certain of our online systems for a day and a half and we ultimately transferred our data to a new third-party service provider. Any disruptions of our third party service providers' systems in the future could lead to a loss of sensitive data and expose us to litigation or other negative consequences that are outside our control. Moreover, replacing these third party vendors could also entail significant delays and expense. Further, the operational and regulatory risk we face as a result of these arrangements may be increased to the extent that we restructure such arrangements. Any restructuring could involve significant expense to us and entail significant delivery and execution risk which could have a material adverse effect on our business, operations and financial condition.

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The foregoing risk factors should be read in conjunction with the risk factors set forth under "Risk Factors" in the Base Prospectus for a complete discussion of certain risks

that should be considered in connection with certain types of Notes which may be offered under the Program.

Presentation of Financial Information

The Issuer's unaudited interim consolidated financial statements as of September 30, 2019 and for the nine-month periods ended September 30, 2019 and 2018 have been prepared in accordance with Chilean accounting principles issued by the Financial Markets Commission ("**Chilean Bank GAAP**"). Chilean Bank GAAP principles are substantially similar to International Financial Reporting Standards ("**IFRS**") but there are some exceptions, and the Issuer has made no attempt to quantify these differences. For further details and a discussion on the main differences between Chilean Bank GAAP and IFRS refer to "Item 2. Operating and Financial Review and Prospects—B. Differences between IFRS and Chilean Bank GAAP" of the Third Quarter 6 K.

Copies of the document incorporated by reference in this Third Prospectus Supplement can be obtained free of charge online as set out at the end of the Base Prospectus. Copies of the document incorporated by reference in this Third Prospectus Supplement are also available on the SEC's website at www.sec.gov.

There has been no significant change in the financial position of Santander Chile group since September 30, 2019.

Cross-reference List of Documents Incorporated by Reference

The following information is set forth in the Third Quarter 6-K.

THIRD QUARTER 6-K
Cautionary Statement Concerning Forward Looking Statements
Certain Terms and Conventions
Item 1. Key Information
Item 2. Operating and Financial Review and Prospects
Item 3. Financial Information
Item 4. Quantitative and Qualitative Disclosures about Market Risk
Unaudited Interim Consolidated Financial Statements