

The following is a translation of Note 33 of our financial statements as of September 30, 2020 which can be found at <https://santandercl.gcs-web.com/financials/financial-statements>

NOTE 33
TRANSACTIONS WITH RELATED PARTIES

Associated and dependent entities are the Bank's "related parties", however, this also includes its "key personnel" from the executive staff (members of the Bank's Board of Directors and Managers of Banco Santander-Chile and its affiliates, together with their close relatives), as well as the entities over which the key personnel could exercise significant influence or control.

The Bank also includes those companies that are part of the Santander Group worldwide as related parties, given that all of them have a common parent company i.e., Banco Santander S.A. (located in Spain).

Article 89 of the Ley de Sociedades Anónimas (Public Companies Act), which is also applicable to banks, states that any transaction with a related party must be made under equitable conditions similar to those that customarily prevail in the market.

Article 84 of the Ley General de Bancos (General Banking Act) establishes limits for loans that can be granted to related parties and prohibits lending to the Bank's directors, General Manager, or representatives.

Transactions between the Bank and its related parties are specified below and have been divided into four categories:

Companies with relation to the Santander Group

This category includes all the companies that are controlled by the Santander Group around the world, and hence, it also includes the companies over which the Bank exercises any degree of control (Affiliates and special-purpose entities).

Associated companies

This category includes the entities over which the Bank exercises a significant degree of influence, in accordance with section b) of Note 1, and which generally belong to the group of entities known as "business support companies".

Key personnel

This category includes members of the Bank's Board of Directors and managers of Banco Santander-Chile and its affiliates, together with their close relatives.

Other

This category encompasses the related parties that are not included in the groups identified above and which are, in general, entities over which the key personnel could exercise significant influence or control.

The terms for transactions with related parties are equivalent to those which prevail in transactions made under market conditions or to which the corresponding considerations in kind have been attributed.

NOTE 33
TRANSACTIONS WITH RELATED PARTIES, continued

a) Loans to related parties

Loans and receivables as well as contingent loans are as follows:

	As of September 30,				As of December 31,			
	2020				2019			
	Santander Group Companies MCh\$	Associated companies MCh\$	Key personnel MCh\$	Other MCh\$	Santander Group Companies MCh\$	Associated companies MCh\$	Key personnel MCh\$	Other MCh\$
Loans and accounts receivable								
Commercial loans	483,127	282	3,851	1,273	246,868	375	2,986	685
Mortgage loans	-	-	21,908	-	-	-	20,473	-
Consumer loans	-	-	5,580	-	-	-	5,781	-
Loans and account receivable	483,127	282	31,339	1,273	246,868	375	29,240	685
Provision for loan losses	(1,364)	(9)	(120)	(19)	(122)	(182)	(179)	(10)
Net loans	481,763	273	31,219	1,254	246,746	193	29,061	675
Guarantees	3,949	-	25,652	732	462,513	-	23,918	288
Contingent loans								
Personal guarantees	-	-	-	-	-	-	-	-
Letters of credit	3,988	-	-	153	4,112	-	-	63
Performance guarantees	911	-	-	-	464,691	-	-	-
Contingent loans	4,899	-	-	153	468,803	-	-	63
Provision for contingent loans	(4)	-	-	(1)	(835)	-	-	-
Net contingent loans	4,895	-	-	152	467,968	-	-	63

Loans regarding activity with related parties during the periods of 2020 and 2019 is the following:

	As of September 30,				As of December 31,			
	2020				2019			
	Santander Group companies MCh\$	Associated companies MCh\$	Key personnel MCh\$	Other MCh\$	Santander Group companies MCh\$	Associated companies MCh\$	Key personnel MCh\$	Other MCh\$
Opening balances as of January 1,	715,671	375	29,240	748	572,745	459	33,871	7,899
Loans granted	388,830	-	6,591	724	193,798	167	4,826	500
Loan payments	(616,475)	(93)	(4,492)	(46)	(50,872)	(251)	(9,457)	(7,651)
Total	488,026	312	31,339	1,426	715,671	375	29,240	748

NOTE 33
TRANSACTIONS WITH RELATED PARTIES, continued

b) Assets and liabilities with related parties

	As of September 30,				As of December 31,			
	2020				2019			
	Santander Group Companies MCh\$	Associated companies MCh\$	Key personnel MCh\$	Other MCh\$	Santander Group Companies MCh\$	Associated companies MCh\$	Key personnel MCh\$	Other MCh\$
Assets								
Cash and deposits in banks	291,572	-	-	-	171,816	-	-	-
Trading investments	-	-	-	-	-	-	-	-
Investments under resale agreements	-	-	-	-	-	-	-	-
Financial derivative contracts	1,321,272	172,062	-	-	2,058,715	218,610	-	55
Available for sale investments	-	-	-	-	-	-	-	-
Other assets	953,829	241,374	-	-	185,317	210,579	-	-
Liabilities								
Deposits and other demand liabilities	169,828	45,046	7,472	4,204	25,261	93,761	4,624	566
Obligations under repurchase agreements	250,903	-	134	-	138,498	5,000	270	80
Time deposits and other time liabilities	2,484,379	100	3,546	1,008	1,183,235	282,171	4,246	2,204
Financial derivative contracts	1,899,547	212,470	13	-	2,159,660	288,013	-	3
Bank obligation	-	-	-	-	-	-	-	-
Issued debts instruments	587,708	-	-	-	363,154	-	-	-
Other financial liabilities	34,583	-	-	-	6,231	-	-	-
Other liabilities	57,960	170,577	-	-	8,130	146,164	-	-

a) Recognized income (expense) with related parties

	As of September 30,							
	2020				2019			
	Companies with relation to the Santander Group MCh\$	Associated companies MCh\$	Key personnel MCh\$	Other MCh\$	Companies with relation to the Santander Group MCh\$	Associated companies MCh\$	Key personnel MCh\$	Other MCh\$
Income (expense) recorded								
Income and expenses from interest and	(29,586)	14	750	5	(52,886)	(3,534)	834	440
Fee and commission income and expenses	92,150	17,612	116	19	97,599	19,428	186	23
Net income (expense) from financial operations and foreign exchange transactions (*)	(394,049)	(7,227)	-	-	(355,574)	(104,136)	-	-
Other operating income and expenses	373	(528)	-	-	1,353	1,090	-	-
Key personnel compensation and expenses	-	-	(23,668)	-	-	-	(27,829)	-
Administrative and other expenses	(42,353)	(13,539)	-	-	(30,537)	(36,357)	-	-
Total	(373,464)	(3,668)	(22,802)	24	(340,045)	(123,509)	(26,809)	463

(*) Primarily relates to derivative contracts used to hedge economically the exchange risk of assets and liabilities that hedge positions of the Bank and its subsidiaries.

NOTE 33
TRANSACTIONS WITH RELATED PARTIES, continued

b) Payment to Board members and key management personnel

The compensation received by key management personnel, including Board members and all the executives holding Manager positions, is shown in the "Personnel salaries and expenses" and/or "Administrative expenses" of the Consolidated Interim Statements of Income, and detailed as follows:

	As of September 30,	
	2020	2019
	MCh\$	MCh\$
Personnel compensation	12,159	12,054
Board member's salaries and expenses	1,077	1,007
Bonuses or gratuity	8,431	12,397
Compensation in stock	(117)	(106)
Training expenses	69	36
Seniority compensation	551	1,484
Health funds	207	203
Other personnel expenses	630	526
Pension Plans	661	228
Total	23,668	27,829

c) Composition of key personnel

As of September 30, 2020 and December 31, 2019, the composition of the Bank's key personnel is as follows:

Position	N° of executives	
	As of September 30,	As of December 31,
	2020	2019
Directors	11	11
Division managers	13	13
Managers	97	106
Total key personnel	121	130