



Banco Santander Chile Update

Important information

Banco Santander Chile cautions 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 2019 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



COVID19: REGULATORY UPDATE



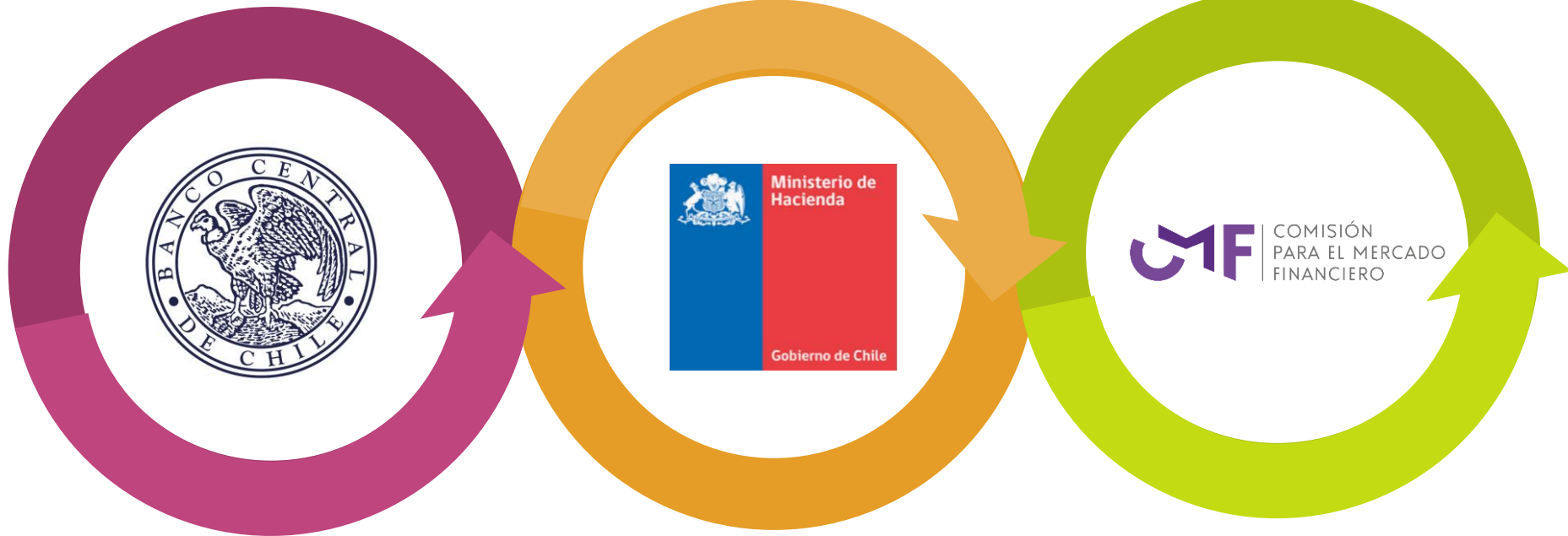
STRATEGY AND BALANCE SHEET



SAN CHILE: BUSINESS GROWTH AND RESULTS

Regulatory update

Central Bank, Government and CMF have launched different measures to ensure companies have access to financing



Central Bank is providing liquidity to banks

Fiscal measures including an expanded public guarantee scheme for working capital

Local regulation has been adapted to address treatment of credit deferrals and guarantees

The Central Bank is providing liquidity to banks



- Two liquidity programs for banks during 6 months at MPR (0.5%) for up to USD 24bn in total, conditional on credit growth.
 - **FCIC line:** For up to 4 years. Eligible collateral: Standard collaterals, corporate bonds, and high ratings commercial loans
 - **LCL line:** For up to 2 years. Constraint: Banks reserves at the Central Bank
 - As of May 2020 Banco Santander Chile has requested a total of USD 3.8 bn from the LCL/FCIC, the maximum available.
- Bank bond purchase program up to USD 8 billion (USD 4.3 bn outstanding as of May 8, 2020)
- Suspension of local liquidity requirements for maturity mismatch of 30 and 90 days. LCR limit continues at 70% for 2020.

State guarantees and facilitating grace periods

- **COVID-19 guarantee line:** State guarantees for 60-85% of working capital loans to companies with annual sales of up to UF 1 mn (USD 35 mn). This is an extension of the current FOGAPE scheme.¹
 - FOGAPE's capital increase by USD3 bn should allow up to USD 24 bn in loans
 - Max loan amount = 3 months of sales, to be paid in 24 -48 months with 6 month grace period
 - For clients <30 days overdue. Amortizations of existing loans with the same bank will be postponed for 6 months
 - Working capital line cannot be used to increase investments or pay other debts or dividends
 - Allows 15% of FOGAPE guarantees to **be treated as voluntary provision for TIER II**
- Possibility of **deferring payments** without being considered a renegotiation
 - Mortgages and commercial loans: up to 6 months. Consumer: up to 3 months
- Phase in of **Basel III postponed to December 2021**

More than 100,000 Fogape operations approved and 900,000 requests to defer payments so far

SAN Chile: Covid-19 measures

Reprogramming ¹	Amount (Ch\$ million)	% of loan book ²
Retail (Clients)	6,365,523 (112,958)	37.2% (consumer+mortgage)
Commercial (Clients)	2,045,327 (39,485)	11.8% (commercial)
Total (Clients)	8,410,850 (152,443)	24.4% 9.6% (clientes activos)

Fogape Loans ²	Amount (Ch\$ million)	% SME loan book ²
Total approved (N° requests)	1,038,762 (16,978)	25.1%

AGENDA

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STRATEGY AND BALANCE SHEET

BUSINESS GROWTH AND RESULTS

Santander Chile is one of the nation's leading banks

Figures in US\$



Business and Results	03M20 (US\$)	% Change ¹
Gross Loans	40.2 bn	12.3%
Deposits	29.6 bn	17.7%
Equity	4.2 bn	6.1%
Net income LTM ²	668 mn	0.8%
Network and Customers	03M20	Market Share
Clients	3.5 mn	21.9% ³
Digital Clients	1.3mn	33.0% ⁴
Offices	368	18.9% ⁵
Market Share	03M20	Rank ⁵
Loans ⁶	18.3%	1
Deposits ⁶	17.4%	1
Checking accounts ³	21.9%	1
Bank credit cards ⁷	25.6%	1

1. Percentage change corresponds to the variation with the same period in 2019. 2. Net income attributable to shareholders, last twelve months. 3. Market share based on number of clients with checking accounts. Source: FMC. As of February 2020, latest available information. 4. Average yearly market share based on number of clients which access their online account. Excludes Banco Estado. Source: FMC. As of February 2020, latest available information. 5. Latest information available Source: FMC. 6. Excludes loans and deposits of Chilean banks held abroad. 7. Market share in terms of monetary amount of credit card purchases. Source: FMC. As of February 2020, latest available information.

Our board was re-elected in April

Board Committees

	Analysis & Resolution Committee	Retributions Committee	Audit Committee	Asset & Liability Committee	Market Committee	Risk Committee	Strategy Committee	Appointment Committee
Claudio Melandri ★		Member		Member	Member	Member	Member	
→ Rodrigo Vergara ☆			Member	Member	Member		Member	
→ Orlando Poblete Iturrate		Member	Member					
→ Juan Pedro Santa María Pérez	Member		Member			Member		
Lucía Santa Cruz Sutil	Member					Member	Member	
→ Félix de Vicente Mingo			Member	Member			Member	Member
→ Alfonso Gómez Morales		Member		Member	Member	Member	Member	
Ana Dorrego								
Rodrigo Echenique								
→ Blanca Bustamante Bravo (Alternate)						Member	Member	Member
→ Oscar Von Christar (Alternate)	Member			Member	Member	Member	Member	Member

= Chairperson
 = Member
 ★ = Chairman of the Board
 = Financial Expert
 ☆ = Vice-Chair of the Board

Corporate Governance Standards

- ✓ Board of Directors: 7 out of 11 Board members unrelated to the Santander Group.
- ✓ We follow the Santander Group's financial independence model in which all decision regarding liquidity, funding and capital are done locally through our ALCO and Board
- ✓ Separation of functions: commercial areas separated from risk; main credit decisions taken by committees.
- ✓ Compliance: Regulated by FMC of Chile, ECB and SEC. Comply with SEC and NYSE Guidelines & SOX.
- ✓ ESG: Part of DJSI Chile&MILA, MSCI, FTSE4GOOD indexes

→ Independent Board members

Santander Group owns 67.2%. We are listed on the Santiago Stock Exchange and the NYSE

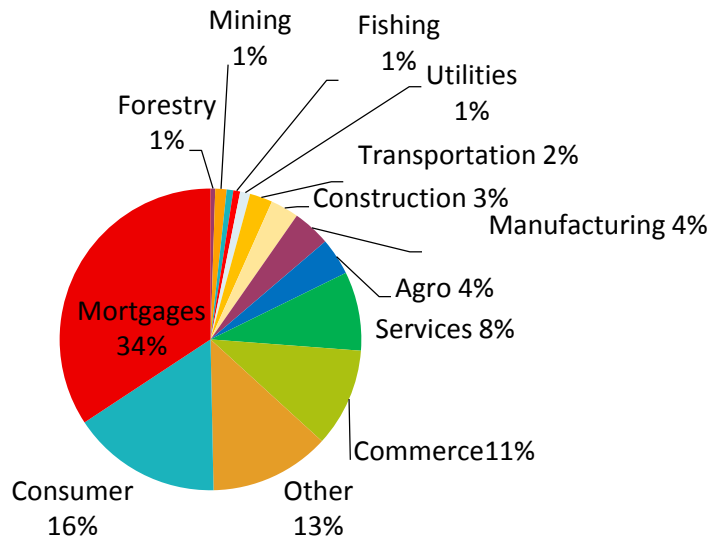
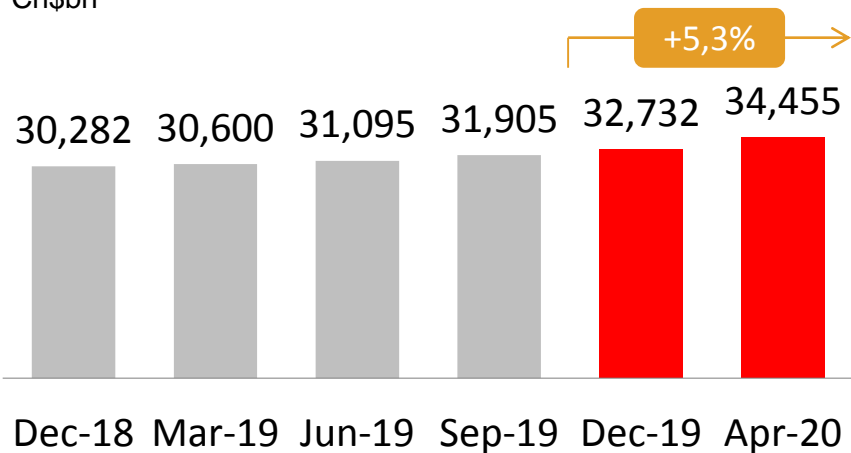


Balance sheet

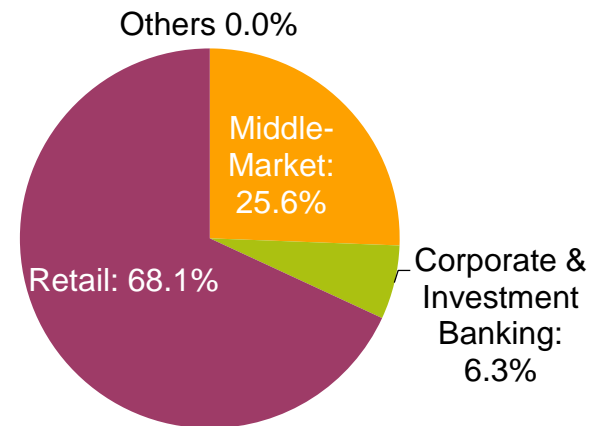
Loan growth driven by Corporate and Middle-market

Loans

Ch\$bn



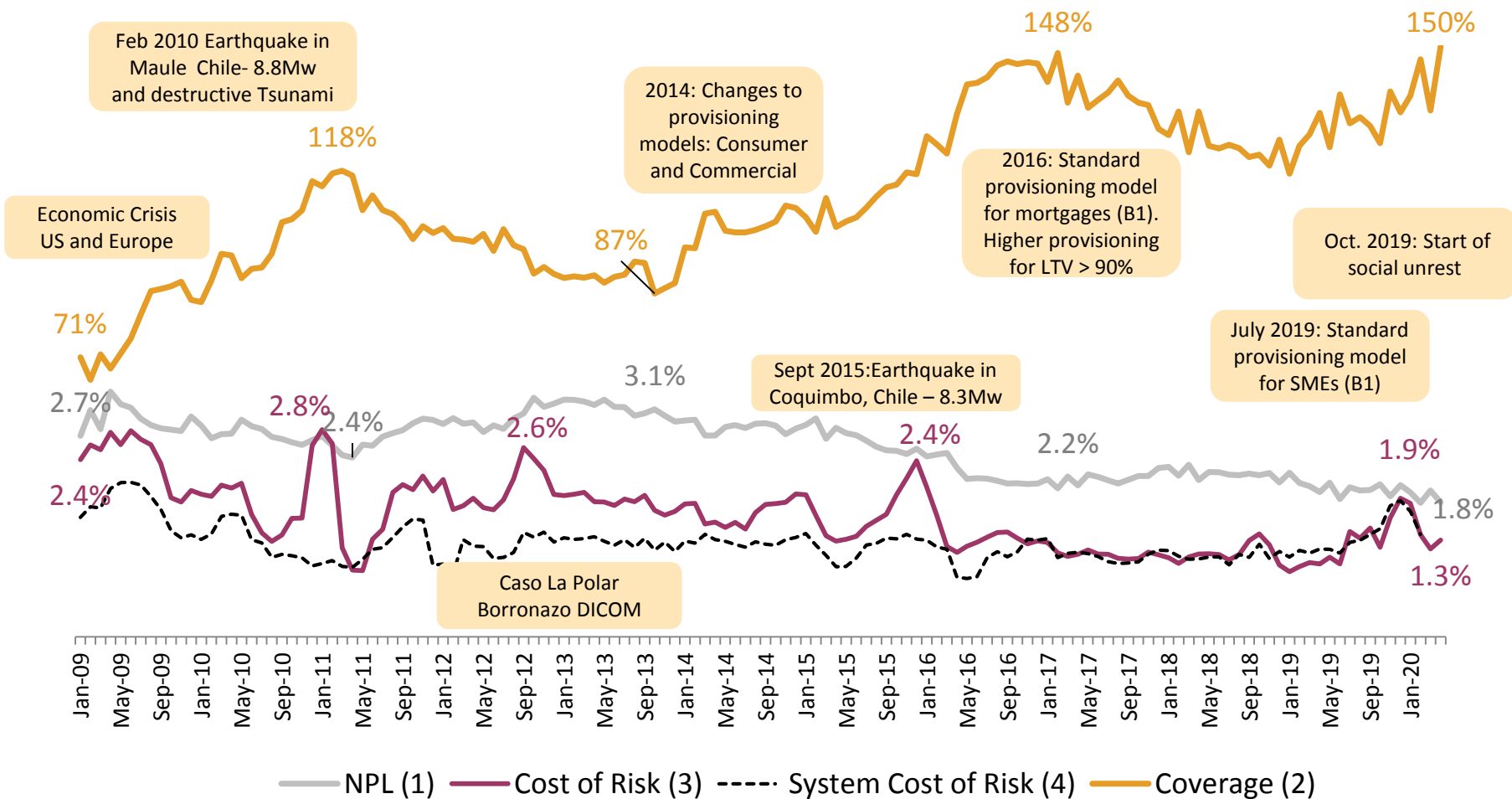
Ch\$ bn	3M20	YoY	QoQ
Individuals ¹	19.262	12,3%	2,3%
Consumer	5.451	10,8%	(1,6%)
Mortgages	11.664	12,9%	3,6%
SMEs	4.129	7,7%	1,1%
Retail	23.390	11,5%	2,1%
Middle Market	8.789	11,5%	8,6%
Corporate (SCIB)	2.173	36,6%	30,0%
Total²	34.355	12,3%	5,0%



1. Includes other commercial loans to individuals. 2. Includes other non-segmented loans and interbank loans

Improving our cost of risk compared to the system

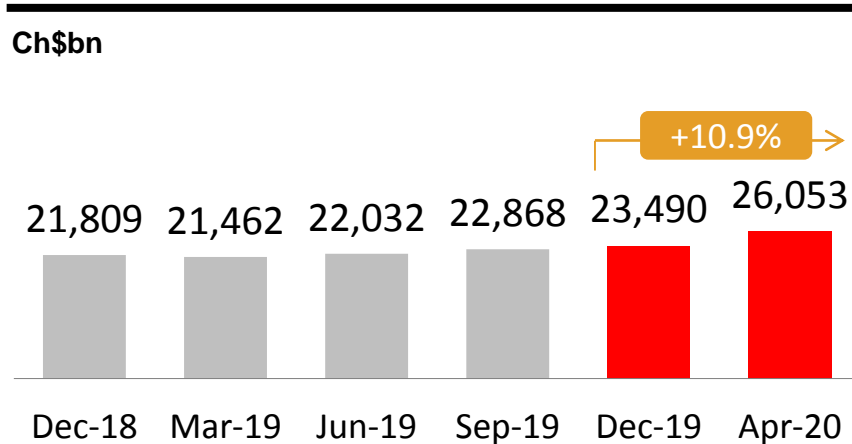
Total loans: NPLs, coverage and cost of risk



1. Loans with 90 days or more overdue. 2. Stock of provisions divided by NPLs. 3. Quarterly cost of risk = quarterly provision expense/ quarterly average loans. 4. Quarterly cost of risk for the banking system. Source: CMF

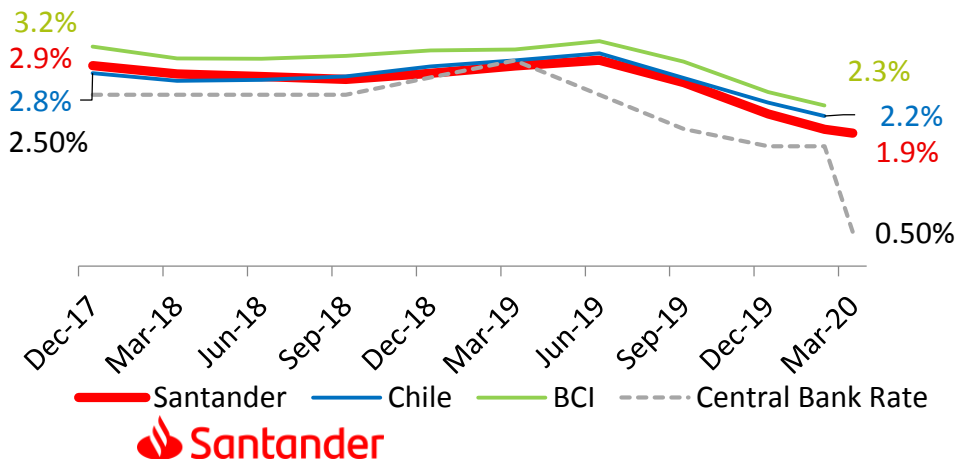
Positive evolution of funding mix

Total Deposits



Ch\$ bnS	4M20	YoY
Demand deposits	11,798	26.0%
Time deposits	14,255	9.0%
Total Deposits	26,053	16.1%
Mutual funds ¹	7,084	16.6%
Loans/Deposits²	91.5%	

CLP Time Deposit Cost Evolution⁵



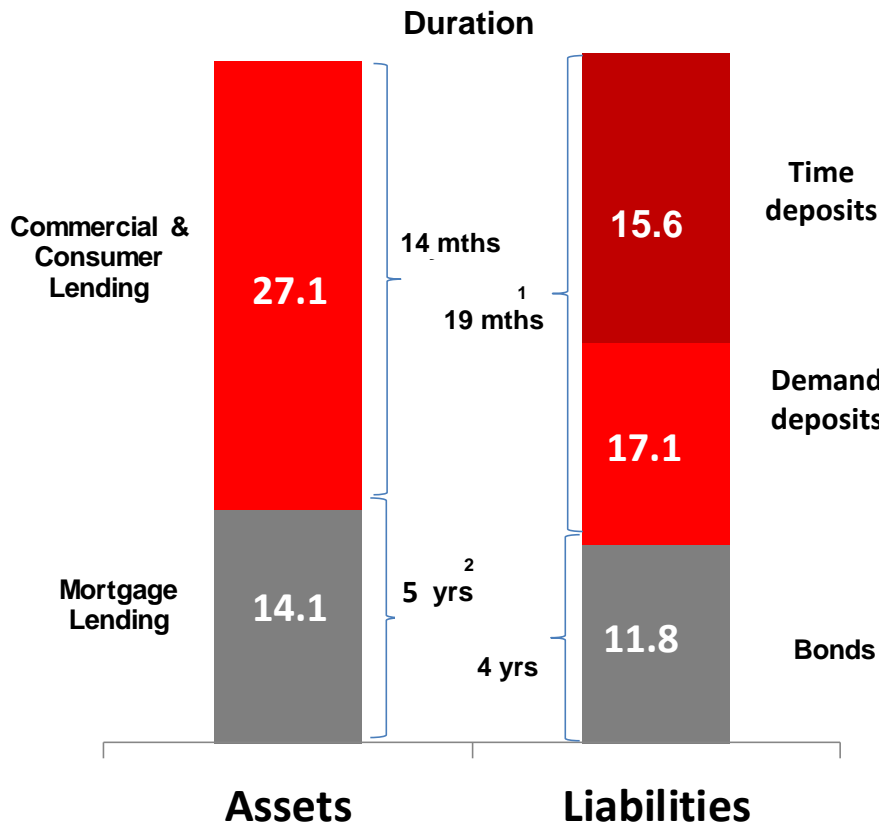
Demand deposits by segment

Ch\$ bn	3M20	YoY	QoQ
Individuals	3,951	31.0%	8.3%
SMEs	1,794	22.2%	5.7%
Retail	5,745	28.1%	7.5%
Middle Market	3,098	20.6%	3.9%
Corporate (SCIB)	2,040	64.7%	24.3%
Total⁶	11,048	29.6%	7.3%

Solid balance structure and liquidity levels

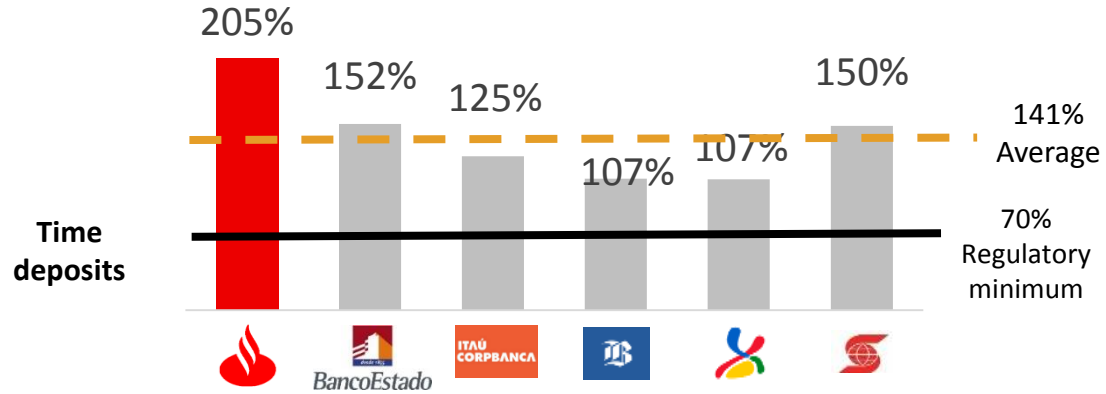
Structural balance sheet

US\$bn April 2020

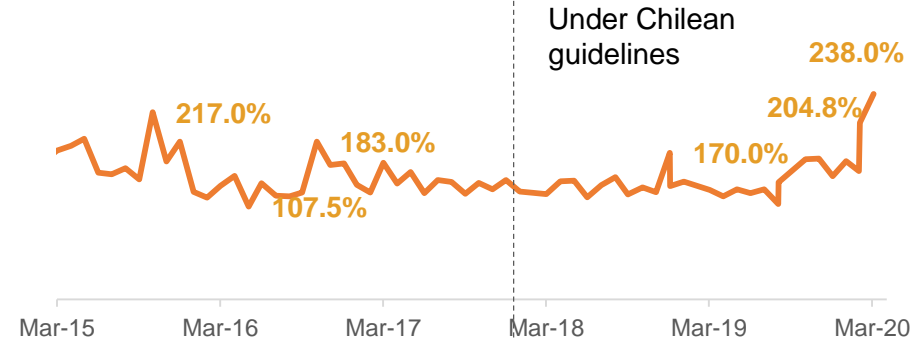


Liquidity coverage ratio³

March 2020



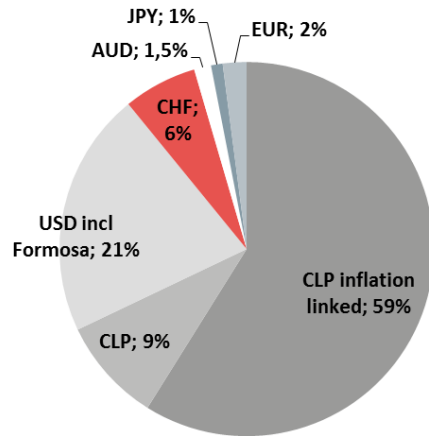
Evolution of coverage ratio⁴



1. Assumes an actual duration for demand deposits of four years. 2. Includes pre-payment estimate. 3. LCR calculated following the new local Chilean models and as published by each bank on their website. 4. LCR using ECB rules until Chilean rules were enforced.

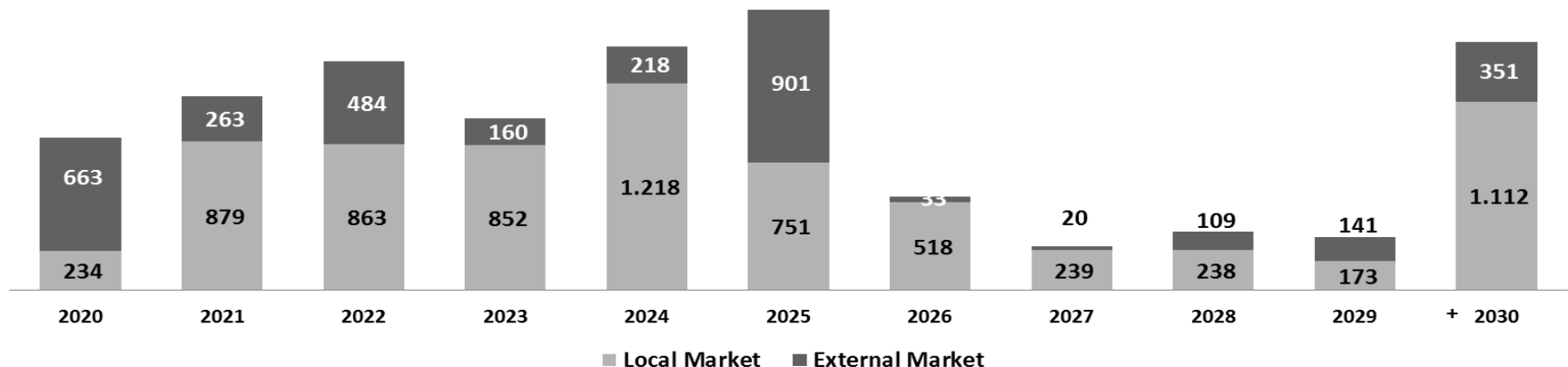
We are an active issuer in international markets

Bonds



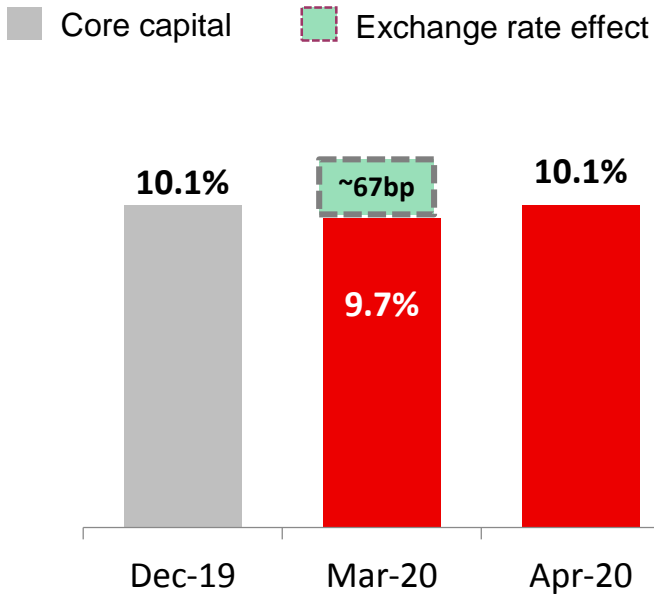
- Total outstanding: US\$11.8bn
- In 2020 we plan to issue US\$ 1.75 bn and for 2021 we estimate issuances of US\$ 1.5bn to US\$2bn
- High diversification by country
- MTN program: Private placements or public deals
- All foreign debt is swapped backed to local currency
- ATI approved under new Banking Law. Probably can issue after 2022

Maturity profile¹

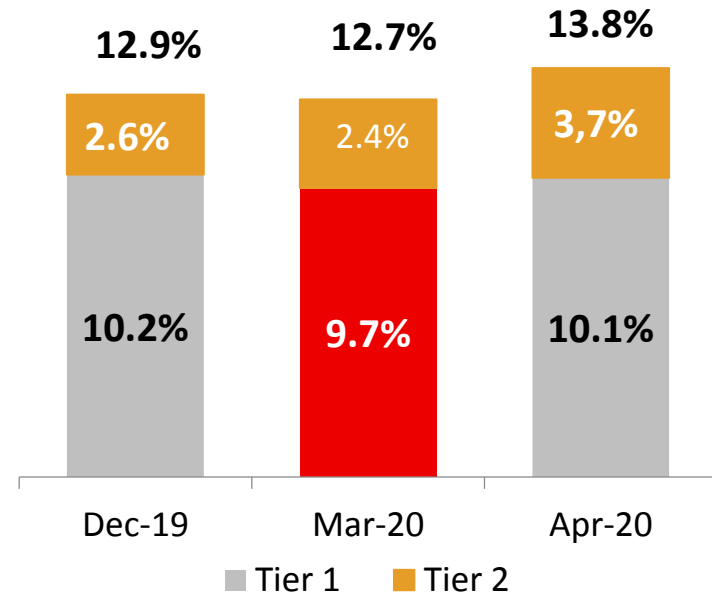


Healthy capital ratios

Core capital



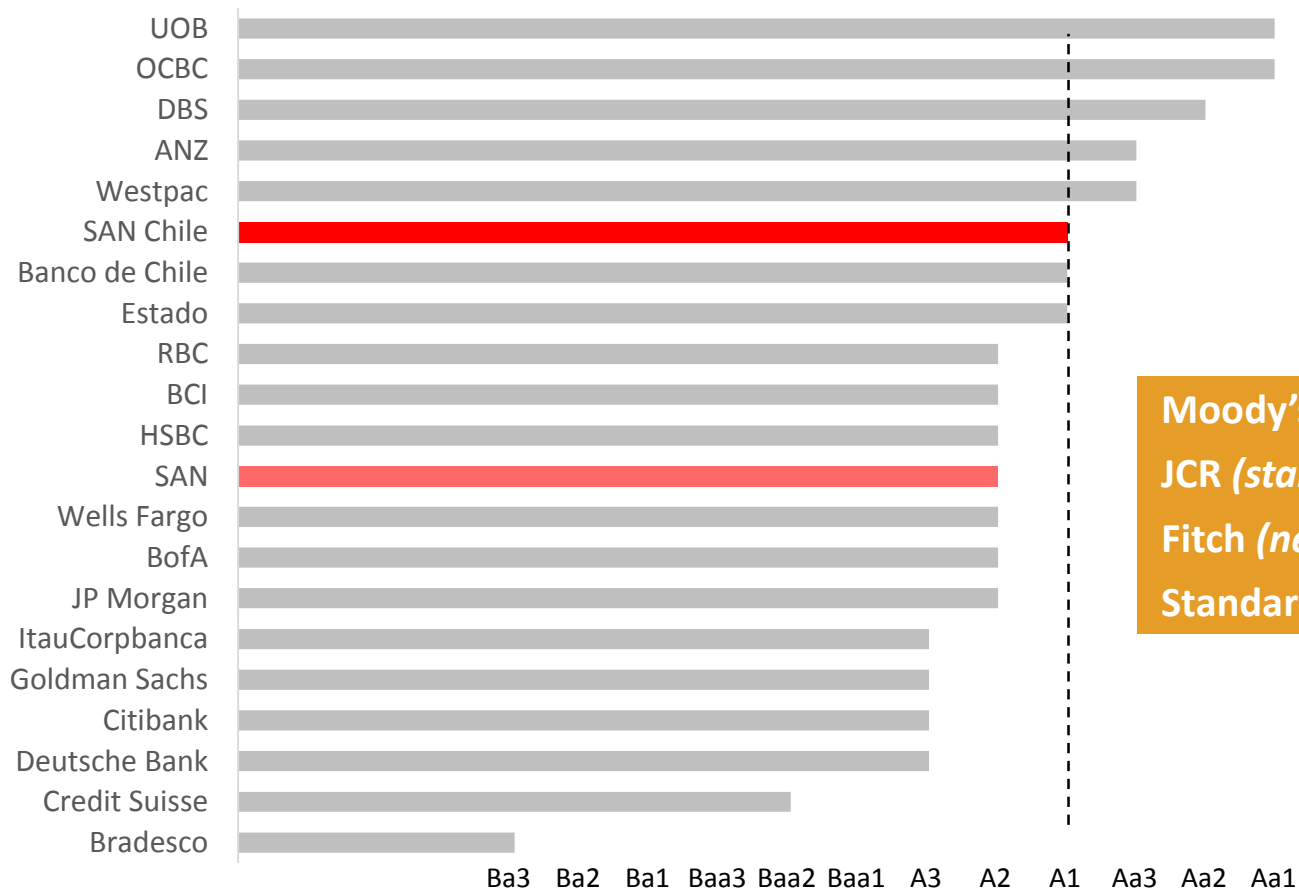
BIS Ratio



Proposed payout lowered to 30% to face uncertainty and facilitate potential volume growth from Covid-19 measures. US\$405Mn in sub-bonds issued in 4M20

Among international banks with highest rating

Risk rating, Moody's scale



Moody's (<i>negative</i>)	A1
JCR (<i>stable</i>)	A+
Fitch (<i>negative</i>)	A
Standard & Poor's (<i>negative</i>)	A

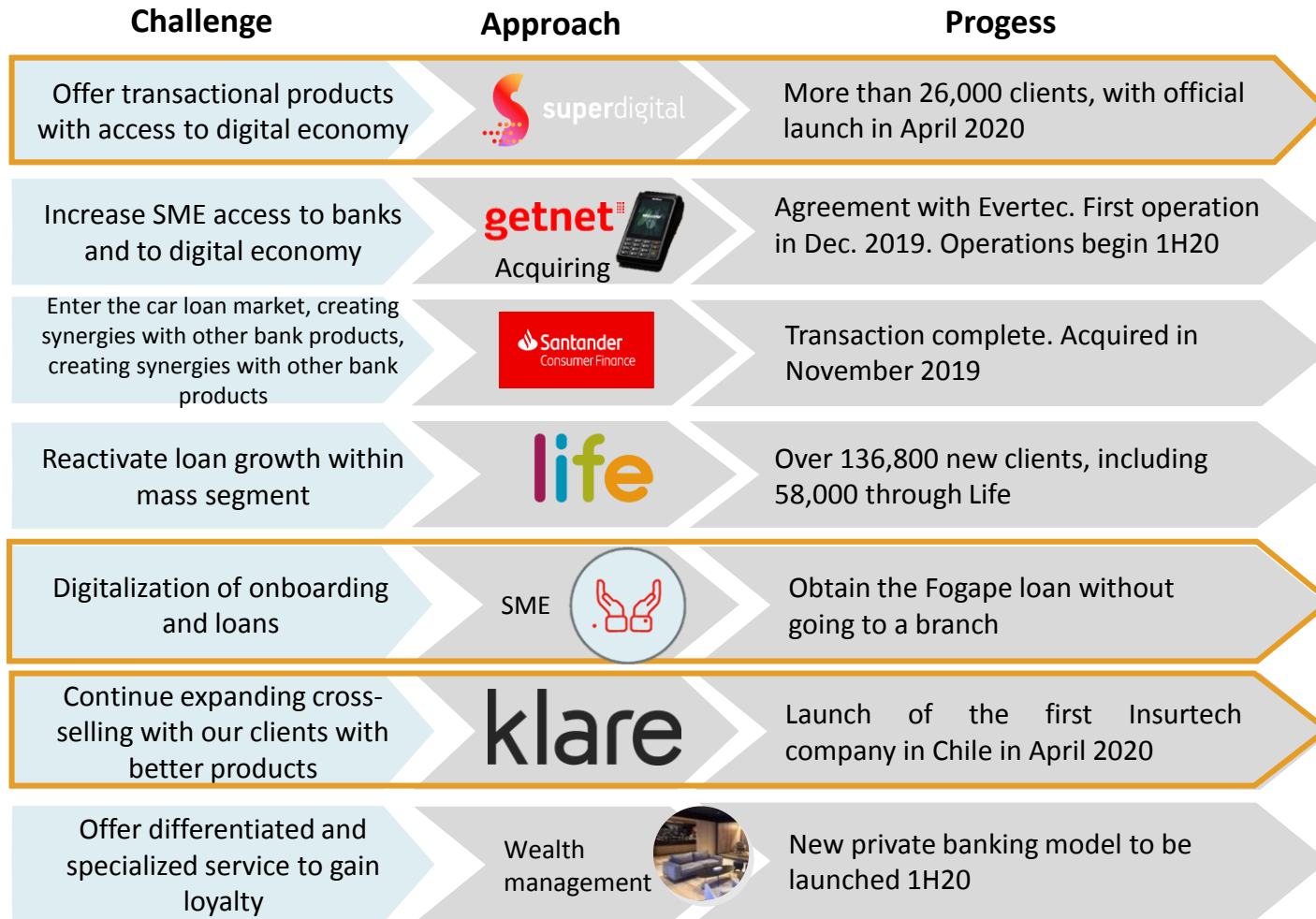
AGENDA

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STRATEGY AND BALANCE SHEET

BUSINESS GROWTH AND RESULTS

Clients: moving forward in our innovations



We have announced an investment plan of US\$380 million for the period of 2019-2021 in technology, branch upgrading and new products and services.

Despite the Covid-19 crisis, the Bank is open for business

Open for business

Branches

Over 80% open 9am – 2pm

Contact center: 80% open (including home office)

Tele-working

+6,500 employees
95% of our central offices

Supported by digital banking¹

N° of transactions

In branches: -13.2%
Online: +7.4%

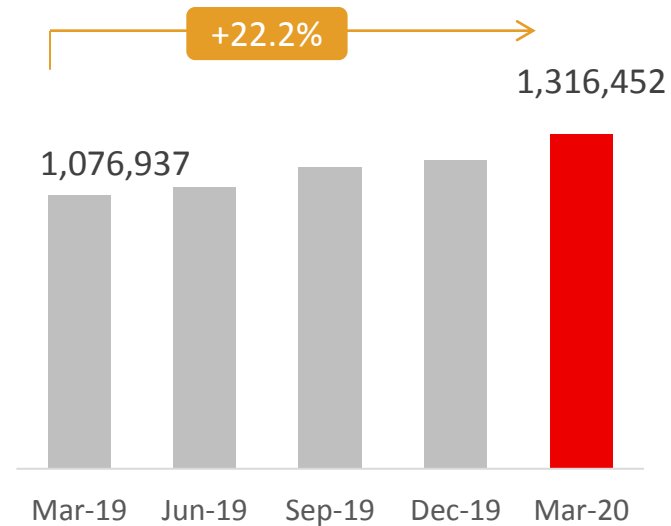
+22.2%

N° of digital clients

+8.7%

N° of purchases online

Digital clients

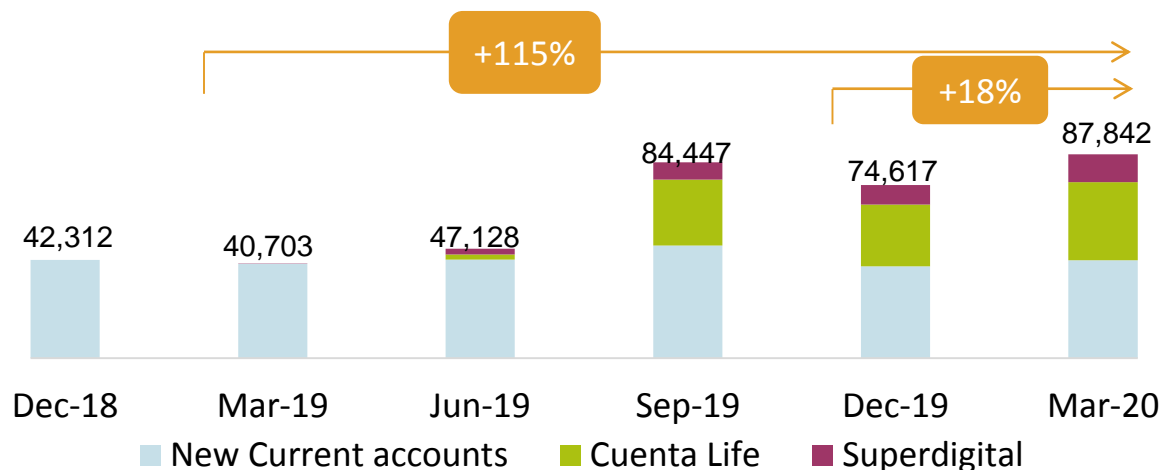


We will be investing more rapidly in automatization and digitalization of loan approvals for SMEs given the strong demand expected

Business growth and results

Record account openings in the quarter

Quarterly new gross accounts



During the 1Q20 we opened 115% more accounts than in 1Q19 despite the social conflict and coronavirus, reflecting the strength of our brand and digital channels

22%

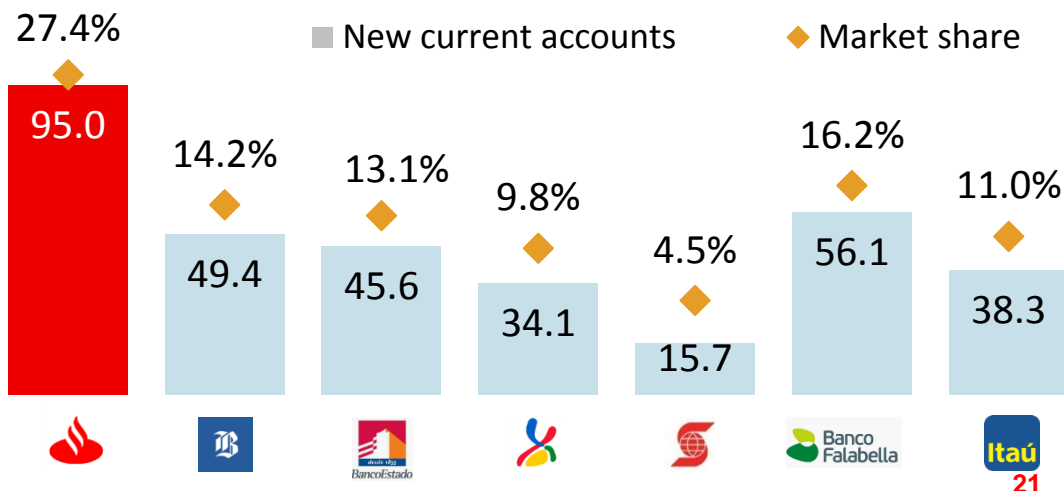
Market share of current accounts²

27%

Market share of current account openings²



Current account openings 12M19²

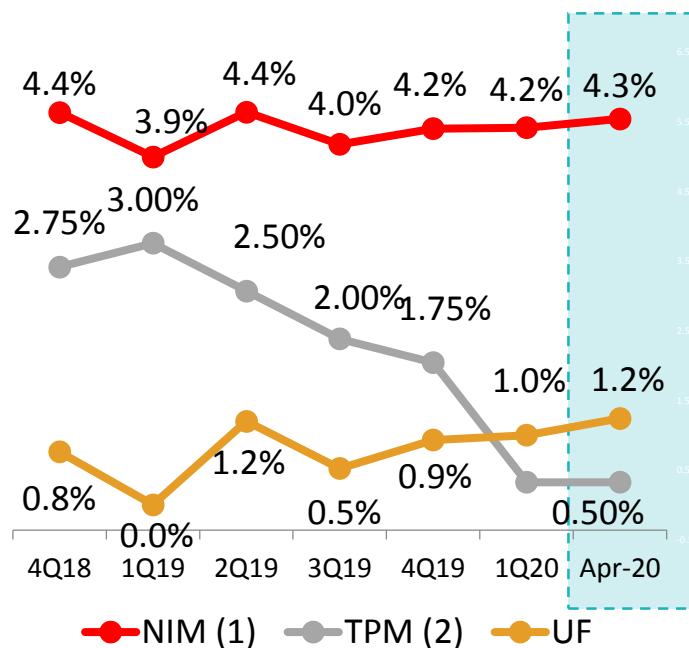


1. Include current accounts, Life and Superdigital. First quarter of 2020 is data from January and February 2020 quartered. 2. Market share with information published by the CMF

Business growth and results

Higher inflation and lower cost of funds drives recovery in NIMs

Quarterly NIM¹ & Inflation

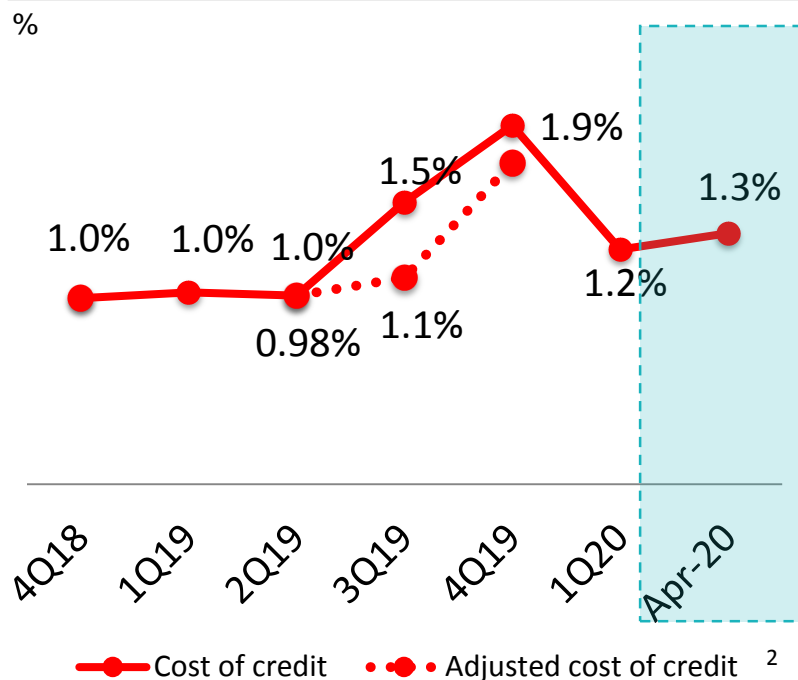


Ch\$ bn	4M20	YoY
Net interest income	521	17.1%
Average interest-earning assets	37,550	12.9%
Average loans	33,751	10.4%
Interest earning asset yield ³	6.8%	+70bp
Cost of interest bearing liabilities ⁴	2.6%	+47bp
NIM YTD	4.2%	+15bp



Positive evolution of asset quality post social unrest

Cost of risk¹



Provision for loan losses

Ch\$ bn	4M20	YoY
Gross provisions and write-offs	(171,645)	34.6%
Recoveries	26,721	(6.1%)
Provision for loan losses	(144,924)	46.3%
Cost of risk(YTD) ¹	1.29%	

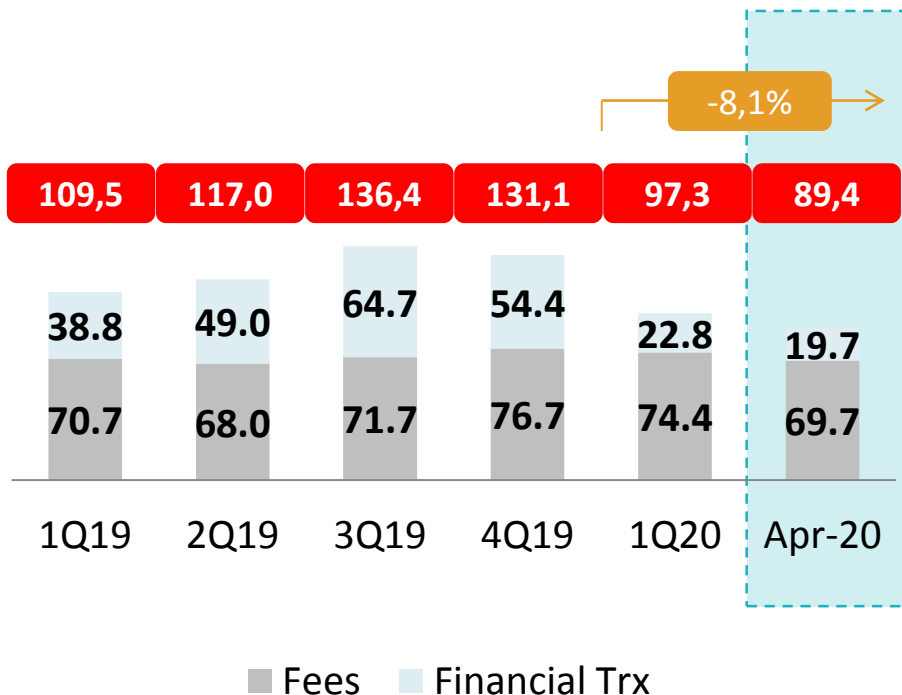
COVID-19 impacts starting to be seen in April

Business growth and results

Non-interest income: Client driven

Fees+ Financial Trx

Ch\$bn



Fees

Ch\$ bn	4M20	YoY
Current accounts	11.8	0.6%
Lines of credit	2.4	9.1%
Cards	20.6	8.7%
Collections	9.8	-11.4%
Asset management	15.9	7.4%
Guarantees	12.6	7.8%
Insurance	18.4	23.0%
Securities brokerage	4.0	29.4%
Others	1.0	-80.1%
Total Fees	96.4	2.8%

Financial transactions

Ch\$ bn	4M20	YoY
Client	41.2	(2.8%)
Non-client	(2.3)	(136.1%)
Total Financial trx	38.9	(20.0%)

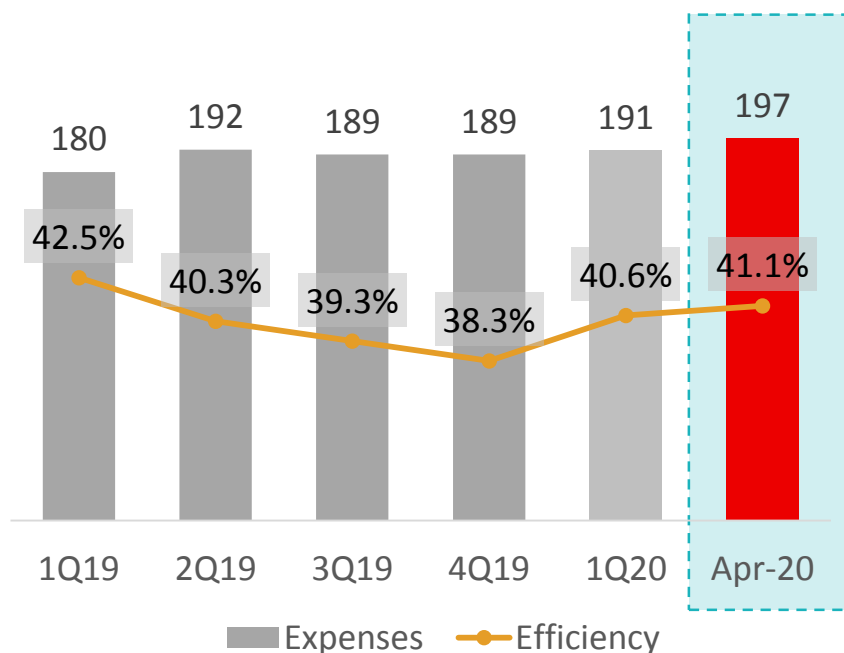


**April 2020 numbers in graph are quarterly (Feb, Mar and Apr 2020)

Investing to improve productivity and efficiency

Operating expenses

Ch\$bn



Ch\$ bn	4M20	YoY
Personnel expenses	136.7	5.2%
Administrative expenses	86.8	8.7%
Depreciation	37.0	6.8%
Operational expenses¹	260.6	6.6%
Efficiency ratio²	41.0%	-242bp
Costs/assets	1.4%	-44bp

Conclusions

1Q20 results reflect strong core banking franchise

- ✓ The Central Bank and CMF have launched a series of initiatives that will help to maintain liquidity and capital levels. Measures are also coming to give people relief, which will help asset quality
- ✓ Strong deposit growth in the quarter. High liquidity levels.
- ✓ Capital ratios are healthy. Payout lowered to 30% to assure good core capital levels and to support loan growth
- ✓ Loan growth centered on medium and larger corporates with renegotiation program for individuals and SMEs
- ✓ Client growth has remained strong through digital channels driving fees and client treasury income
- ✓ Solid efficiency levels in the quarter

Thank you.

Our purpose is to help people
and business prosper.

Our culture is based on believing
that everything we do should be:

Simple Personal Fair



MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

