4Q 2013
Banco Santander Chile Earnings Report

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INDEX

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SECTION 1: SUMMARY OF RESULTS

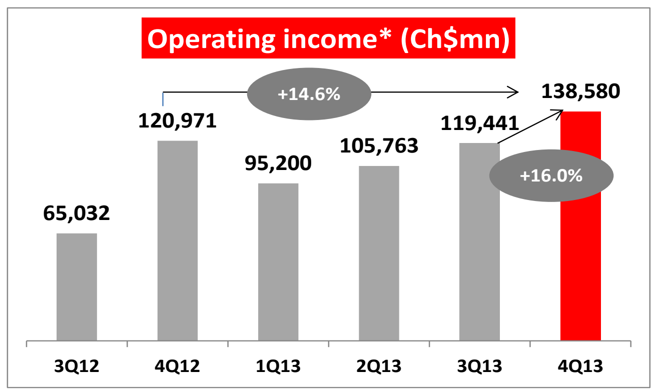
Net income up 13.8% in 2013. ROE reaches 20.2%

In 2013, Banco Santander Chile's **Net income** attributable to shareholders totaled Ch$441,926 million (Ch$2.35 per share and US$1.79/ADR) increasing 13.8% compared to 2012. The Bank's ROE for the year reached 20.2%; the **Net interest margin** was 5.0% and the **Efficiency ratio** (cost / Income) was 40.4%. These results include a Ch$78,122 million pre-tax gain from the sale of our asset management business in December 2013 (included as Income from investments from other companies). **Operating income**, which excludes this one-time gain, increased by 3.4% in 2013 and totaled Ch$458,984 million.

In 4Q13, Net income attributable to shareholders totaled Ch$173,982 million (Ch$0.92 per share and US$0.71/ADR), increasing 72.0% compared to 3Q13 (from now on QoQ) and 53.3% compared to 4Q12 (from now on YoY). **The ROE in the quarter was 30.7%. Excluding the sale of the asset management subsidiary**, net income totaled Ch$111,484 million and the **ROE reached 19.7%**.

Strong operating trends in 4Q13: Operating income up 16.0% QoQ and 14.6% YoY

The Bank's **Operating income***, which does not include the sale of the asset management business, totaled Ch$138,580 million in 4Q13, increasing 16.0% QoQ and 14.6% YoY. In this period, the Bank saw a favorable evolution of business volumes, margins, asset quality and costs that lead to **the highest level of quarterly Operating income in two years.**



* Operating income: Net interest income + Net fee income + Financial transactions, net + Other operating income, net - provisions - operating expenses

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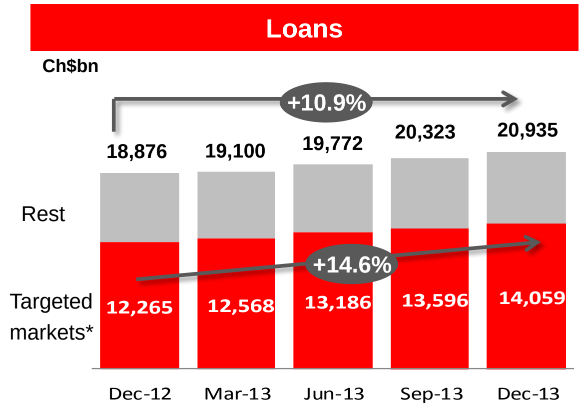
Positive loan growth: 10.9% YoY overall and 14.6% in targeted segments

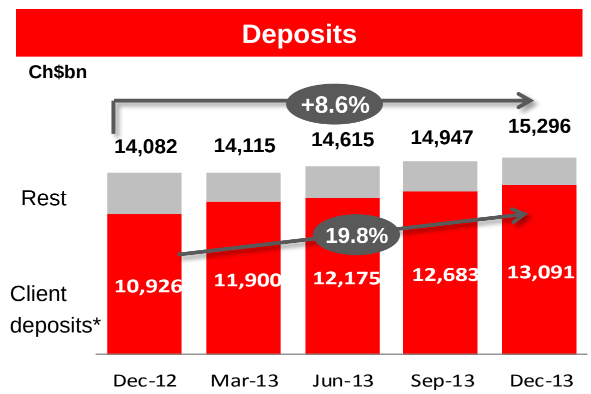
In 4Q13, **total loans** increased 3.0% QoQ (an annualized rate of 12%) and 10.9% YoY. In the quarter, loan growth continued to accelerate in the segments the Bank is targeting: high-income individuals, small and mid-sized companies (SMEs) and the middle market of companies. Loans in these combined markets increased 3.4% QoQ and 14.6% YoY. In terms of products, **consumer loans** led growth and increased 5.4% QoQ and 15.8% YoY.



* Targeted markets: High-income individuals, SMEs and Middle-market

Improved funding mix and strong growth of core deposits

Total deposits grew 2.3% QoQ and 8.6% YoY. Non-interest bearing **demand deposits** increased 6.9% QoQ and 13.1% YoY. In the quarter, the Bank's funding strategy continued to be focused on increasing Client deposits (demand and time deposits from our retail and corporate clients), replacing deposits from more expensive short-term institutional sources. **Client deposits** expanded 3.2% QoQ and 19.8% YoY. Client deposit growth was led by an increase in deposits from individuals, which grew 4.2% QoQ, and 18.2% YoY.



* Client deposits: demand and time deposits from our retail and corporate clients

Sustained growth of NIMs, net of provisions

In 4Q13, **Net interest income** increased 2.2% QoQ and 3.9% YoY. The 2.8% QoQ growth of average loans and a better funding mix drove this rise in net interest income. The **Net interest margin** (NIM) in 4Q13 reached 5.2% compared to 5.3% in 3Q13 and 5.5% in 4Q12. The Bank focus is to maximize NIMs, net of provision expenses, by growing on relatively less risky segments. In 4Q13, the Bank's total NIM, net of provision expense, reached 3.7% compared to 3.5% in 3Q13. This rise was led by improvements in margins in consumer lending. The NIM of consumer loans, net provisions, increased from 9.1% in 4Q12 to 10.4% in 4Q13.

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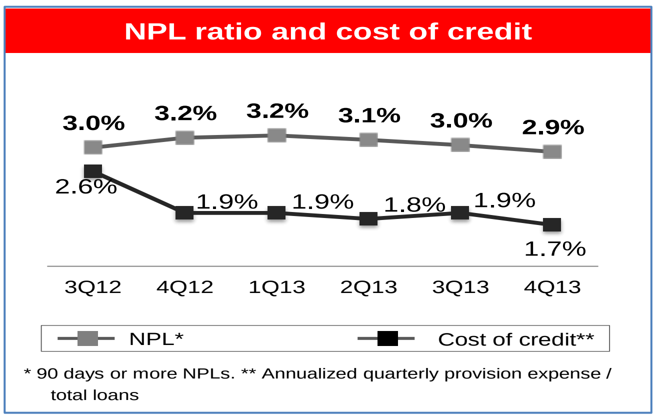
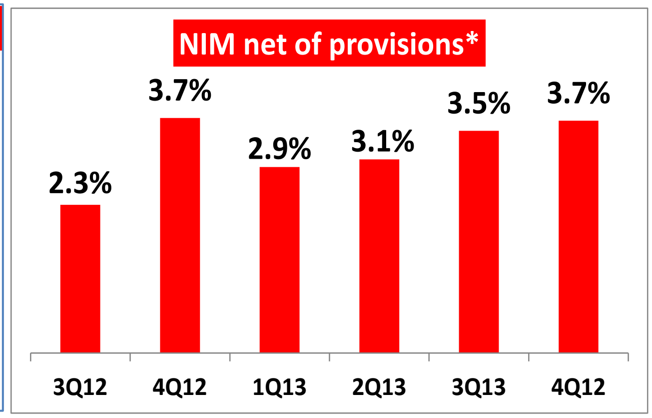
Most asset quality metrics improve in 4Q13

Net provision for loan losses decreased 8.7% QoQ and 2.6% YoY in 4Q13. The **Cost of credit** (Provision expenses annualized divided by total loans) reached 1.7% in 4Q13 improving from 1.9% in both 3Q13 and 4Q12. Key in this lower expense was the reduction in provisions in consumer lending. **Net provisions in consumer loans**, which represented 41% of total provision expense, decreased 19.8% QoQ and 37.5% YoY. The decline in consumer provision expense was due to: (i) the focus on loan growth in the higher end of the consumer market, (ii) the tightening of admissions policies, (iii) the revamping of the collections process and (iv) the focus on growing via pre-approved loans.

The Bank's total **Non-performing loan (NPLs) ratio** reached 2.9% in 4Q13 improving from 3.0% in 3Q13 and 3.2% in 4Q12. The **Risk index** remained stable at 2.9%. **Total Coverage of NPLs** in 4Q13 reached 99.2% compared to 94.8% in 3Q13 and 92.0% in 4Q12.





*Net interest income, net of provisions over average interest earning assets

Efficiency ratio improves to 38.2% in 4Q13

Operating expenses decreased 2.1% QoQ in 4Q13, expanding 1.4% YoY, as the Bank continues to wrap up its investment program in the Transformation Project. The **Efficiency ratio** (cost / income) reached 38.2% in 4Q13 compared to 39.8% in 3Q13 and 39.5% in 4Q12.

Core capital ratio reaches 10.6% in 4Q13

Santander Chile's **Core capital** ratio reached 10.6% at year-end 2013. The Bank's **BIS ratio** reached 13.8% at the same date.

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Banco Santander Chile: Summary of Quarterly Results[1]

	Quarter			Change %	
(Ch$ million)	**4Q13**	**3Q13**	**4Q12**	**4Q13 / 4Q12**	**4Q13 / 3Q13**
Net interest income	294,009	287,605	282,991	3.9%	2.2%
Fee income	56,140	54,931	62,352	(10.0%)	2.2%
Core revenues	**350,149**	**342,536**	**345,343**	**1.4%**	**2.2%**
Financial transactions, net	32,983	27,615	18,134	81.9%	19.4%
Provision expense	(88,039)	(96,479)	(90,387)	(2.6%)	(8.7%)
Operating expenses	(139,936)	(142,881)	(138,027)	1.4%	(2.1%)
Other operating income and expenses, net	(16,577)	(11,350)	(14,092)	17.6%	46.1%
Operating income	**138,580**	**119,441**	**120,971**	**14.6%**	**16.0%**
Net income attributable to shareholders	**173,982**	**101,173**	**113,476**	**53.3%**	**72.0%**
Net income/share (Ch$)	0.92	0.54	0.60	53.3%	72.0%
Net income/ADR (US$)[1]	0.71	0.43	0.50	40.1%	65.1%
Total loans	20,935,312	20,323,264	18,876,079	10.9%	3.0%
Deposits	15,296,035	14,947,496	14,082,232	8.6%	2.3%
Shareholders' equity	2,325,678	2,213,114	2,134,778	8.9%	5.1%
Net interest margin	5.2%	5.3%	5.5%		
Efficiency ratio	**38.2%**	**39.8%**	**39.5%**		
Return on average equity[2]	**30.7%**	**18.6%**	**21.6%**		
NPL / Total loans[3]	2.9%	3.0%	3.2%		
Coverage NPLs	99.2%	94.8%	92.0%		
Risk index[4]	**2.9%**	**2.9%**	**2.9%**		
Cost of credit[5]	1.7%	1.9%	1.9%		
Core Capital ratio	10.6%	10.4%	10.7%		
BIS ratio	13.8%	13.0%	13.7%		
Branches	493	488	499		
ATMs	1,860	1,915	2,001		
Employees	11,516	11,626	11,713		

1. The change in earnings per ADR may differ from the change in earnings per share due to exchange rate movements. Earnings per ADR was calculated using the Observed Exchange Rate Ch$523.76 per US$ as of Dec. 31, 2013.
2. Annualized quarterly net income attributable to shareholders / Average equity attributable to shareholders in the quarter.
3. NPLs: Non-performing loans: full balance of loans with one installment 90 days or more overdue.
4. Risk Index: Loan loss allowances / Total loans: measures the percentage of loans the banks must provision for given their internal models and the Superintendency of Banks guidelines.
5. Cost of credit: Provision expenses annualized divided by total loans.

1 In 2013, the Bank has reclassified various administrative and other operating expenses to net fee income. At The same time, the Bank adjusted historical figures for the amendments made IAS 19. The historical figures presented here have been adjusted to make them comparable.

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SECTION 2: BALANCE SHEET ANALYSIS

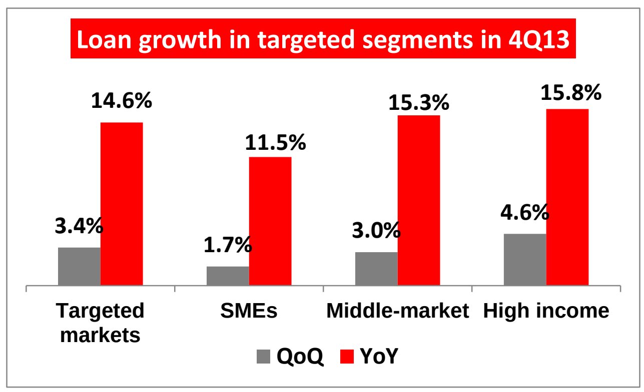
LOANS

Positive loan growth in the quarter in the segments the Bank has targeted for growth

Loans	Quarter ended,			% Change	
(Ch$ million)	Dec-13	Sep-13	Dec-12	Dec. 13 / 12	Dec. / Sep. 2013
Total loans to individuals[1]	10,437,701	10,109,173	9,672,222	7.9%	3.2%
Consumer loans	3,607,248	3,423,558	3,115,477	15.8%	5.4%
Residential mortgage loans	5,625,812	5,465,600	5,271,581	6.7%	2.9%
SMEs	3,223,215	3,168,804	2,890,251	11.5%	1.7%
Institutional lending	353,509	360,276	355,518	(0.6%)	(1.9%)
Middle-Market & Real estate	4,678,243	4,541,824	4,058,693	15.3%	3.0%
Corporate	2,219,045	2,153,343	1,863,595	19.1%	3.1%
Total loans [2]	**20,935,312**	**20,323,264**	**18,876,079**	**10.9%**	**3.0%**

1. Includes consumer loans, residential mortgage loans and other commercial loans to individuals.
2. Total loans gross of loan loss allowances. Total loans include other non-segmented loans and exclude interbank loans.

In 4Q13, **Total loans** increased 3.0% QoQ (an annualized rate of 12%) and 10.9% YoY. In the quarter, loan growth continued to accelerate in the markets the Bank is targeting: high-income individuals, small and mid-sized companies (SMEs) and the middle market of companies. Loans in these **Targeted segments** increased 3.4% QoQ and 14.6% YoY. This is in line with the Bank's strategy of expanding loan volumes with a focus on increasing spreads, net of provisions in an economic environment that remains healthy, but with growth decelerating.



Loans to individuals, which include consumer, mortgage and commercial loans to individuals, increased 3.2% QoQ and 7.9% YoY in 4Q13. In the quarter, the Bank focused on expanding its consumer loan portfolio in higher income segments, while remaining more selective in lower income segments. Loans in the high-income segment, which are mainly distribute through the Santander Select network, increased 4.6% QoQ and 15.8% YoY. The Bank is also beginning to grow in the lower income segments, albeit at a slow pace. In the mid-lower income segments, loan growth increased 1.3% QoQ and decreased 2.4% for the year as a whole.

By products, total **consumer loans** increased 5.4% QoQ and 15.8% YoY. **Residential mortgage loans** expanded 2.9% QoQ and 6.7% YoY. The Bank continues to be selective in residential mortgage loan growth. In the quarter, growth was centered on mortgages with LTVs below 80%, which today have the highest profitability profile for this product.

Lending to SMEs, (defined as companies that sell less than Ch$1,200 million per year) expanded 1.7% QoQ and 11.5% YoY, reflecting the Bank's consistent focus on this segment despite the relatively higher credit risk. Growth continues to be focused mainly among SMEs loans that are partially backed by state guarantee programs.

In 4Q13, **the middle-market segment** (companies with annual sales between Ch$1,200 million and Ch$10,000 million per year) loans increased 3.0% QoQ and 15.3% YoY. This segment is also generating increasingly higher levels of business volumes in other areas such as cash management, which has helped to drive the rise in client deposits.

In the **large corporate segment** (companies with sale over Ch$10,000 million per year or that are part of a large foreign or local economic group), loans increased 3.1% QoQ and 19.1% YoY. The Bank's non-lending business in this segment, especially cash management services, continues to thrive. This in many instances also results in an increase in lending to these clients. Moreover, the rise in external funding cost for companies throughout 2013 has resulted in higher local demand for short-term lending from corporates, contrasting with the opposite scenario in 2012.

DEPOSITS

Improved funding mix with strong growth of non-interest bearing demand deposits

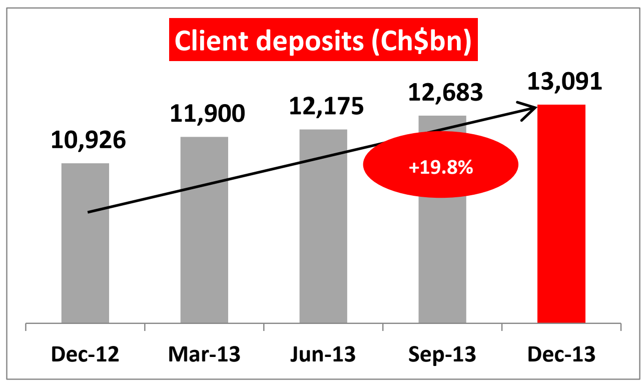
Deposits	Quarter ended,			% Change	
(Ch$ million)	Dec-13	Sep-13	Dec-12	Dec. 13 / 12	Dec. / Sep. 2013
Demand deposits	5,620,763	5,257,128	4,970,019	13.1%	6.9%
Time deposits	9,675,272	9,690,368	9,112,213	6.2%	(0.2%)
Total deposits	**15,296,035**	**14,947,496**	**14,082,232**	**8.6%**	**2.3%**
Loans to deposits[1]	**100.1%**	**99.4%**	**96.6%**		

1. (Loans – residential mortgage loans) / (Time deposits + demand deposits).

Total deposits grew 2.3% QoQ and 8.6% YoY. Non-interest bearing **demand deposits** increased 6.9% QoQ and 13.1% YoY.

In the quarter, the Bank's funding strategy continued to be focused on increasing Client deposits (demand and time deposits from our retail and corporate clients), replacing deposits from more expensive short-term institutional sources. As the Central Bank continues to cut interest rates, our focus on client deposits should help support net interest margins. Client deposits tend to be cheaper than institutional deposits and generally have a shorter contractual duration. Therefore, as rates decline, our interest bearing liabilities will re-price quicker than our interest earning assets.

Client deposits expanded 3.2% QoQ and 19.8% YoY. The Bank continued to focus on deposits from individuals, which increased 4.2% QoQ, and 18.2% YoY. Client deposits now represent 86% of the Bank's total deposit base. Since the end of 2009, when the Bank began to place greater strategic emphasis on the funding mix, client deposits have increased 132%.



Santander

SHAREHOLDERS' EQUITY AND REGULATORY CAPITAL

Santander Chile ends the year with strong Core Capital levels

Shareholders' Equity	Quarter ended,			Change %	
(Ch$ million)	Dec-13	Sep-13	Dec-12	Dec. 13 / 12	Dec. / Sep. 2013
Capital	891,303	891,303	891,303	0.0%	0.0%
Reserves	1,130,991	1,130,962	975,460	15.9%	0.0%
Valuation adjustment	(5,964)	3,288	(3,781)	57.7%	(281.4%)
Retained Earnings:	309,348	187,561	271,796	13.8%	64.9%
Retained earnings prior periods	-	-	-	--%	--%
Income for the period	441,926	267,944	388,282	13.8%	64.9%
Provision for mandatory dividend	(132,578)	(80,383)	(116,486)	13.8%	64.9%
Equity attributable to shareholders	**2,325,678**	**2,213,114**	**2,134,778**	**8.9%**	**5.1%**
Non-controlling interest	28,504	27,388	34,265	(16.8%)	4.1%
Total Equity	**2,354,182**	**2,240,502**	**2,169,043**	**8.5%**	**5.1%**
Quarterly ROAE	**30.7%**	**18.6%**	**21.7%**		

Shareholders' equity totaled Ch$2,325,678 million (US$4.4 billion) as of December 31, 2013. The **ROAE** in 2013 reached 20.2%. The **Core Capital** ratio reached 10.6% at year-end 2013. Chilean regulations only permit the inclusion of voting common shareholders' equity as Tier I capital. The Bank's **BIS ratio** reached 13.8% at the same date.

Capital Adequacy	Quarter ended,			Change %	
(Ch$ million)	Dec-13	Sep-13	Dec-12	Dec. 13 / 12	Dec. / Sep. 2013
Tier I (Core Capital)	2,325,678	2,213,114	2,134,778	8.9%	5.1%
Tier II	708,064	564,191	599,656	18.1%	25.5%
Regulatory capital	**3,033,742**	**2,777,305**	**2,734,434**	**10.9%**	**9.2%**
Risk weighted assets	21,948,982	21,334,179	19,940,415	10.1%	2.9%
Tier I (Core capital) ratio	**10.6%**	**10.4%**	**10.7%**		
BIS ratio	**13.8%**	**13.0%**	**13.7%**		

During the 4Q13, the Bank issued Tier II subordinated debt in the local markets for an amount of approximately US$260 million at an average maturity of 25 years. The local Chilean fixed-income market continues to show high levels of liquidity and demand from long-term local investors.

SECTION 3: ANALYSIS OF QUARTERLY INCOME STATEMENT

NET INTEREST INCOME

Sustained growth of NIMs, net of provisions

Net Interest Income / Margin	Quarter			Change %	
(Ch$ million)	4Q13	3Q13	4Q12	4Q13 / 4Q12	4Q13 / 3Q13
Client net interest income[1]	**286,437**	**282,518**	**273,022**	**4.9%**	**1.4%**
Non-client net interest income[2]	7,572	5,087	9,969	(24.0%)	48.8%
Net interest income	**294,009**	**287,605**	**282,991**	**3.9%**	**2.2%**
Average interest-earning assets	22,470,077	21,799,669	20,762,771	8.2%	3.1%
Average loans	20,599,268	20,047,191	18,666,166	10.4%	2.8%
Interest earning asset yield[3]	9.2%	9.5%	10.1%		
Cost of funds[4]	4.3%	4.5%	4.9%		
Client net interest margin[5]	**5.6%**	**5.6%**	**5.9%**		
Net interest margin (NIM)[6]	**5.2%**	**5.3%**	**5.5%**		
Net interest margin net of provisions[7]	**3.7%**	**3.5%**	**3.7%**		
Avg. equity + non-interest bearing demand deposits / Avg. interest earning assets	33.7%	33.7%	32.8%		
Quarterly inflation rate[8]	0.95%	1.04%	1.11%		
Central Bank reference rate	4.50%	5.00%	5.00%		
Avg. 10 year Central Bank yield (real)	2.17%	2.25%	2.45%		

1. Client net interest income is mainly net interest income from the from all client activities such as loans and deposits minus the internal transfer rate. See footnote 2 at the end of this page.
2. Non-client interest income is net interest income mainly from the Bank's ALCO positions and treasury. See footnote 2.
3. Interest income divided by interest earning assets.
4. Interest expense divided by interest bearing liabilities + demand deposits.
5. Client net interest income annualized divided by average loans.
6. Net interest income divided by average interest earning assets annualized.
7. Net interest income net of provision expense divided by average interest earning assets annualized
8. Inflation measured as the variation of the Unidad de Fomento in the quarter.

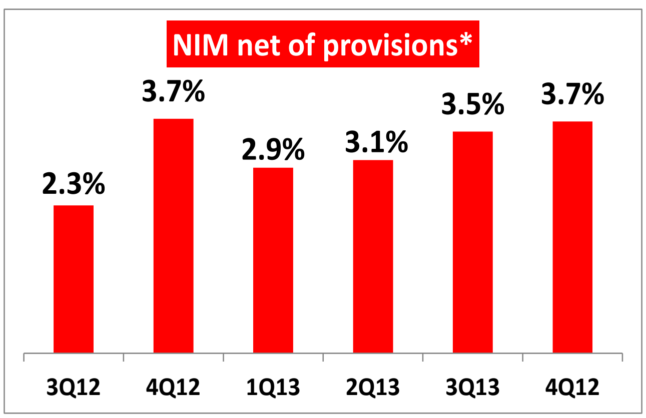
In 4Q13, **Net interest income** increased 2.2% QoQ and 3.9% YoY. The 2.8% QoQ growth of average loans and a better funding mix drove this rise in net interest income. The **Net interest margin** (NIM) in 4Q13 reached 5.2% compared to 5.3% in 3Q13 and 5.5% in 4Q12. In order to improve the explanation of margins, we have divided the analysis of Net interest income between Client interest income[2] and Non-client net interest income.

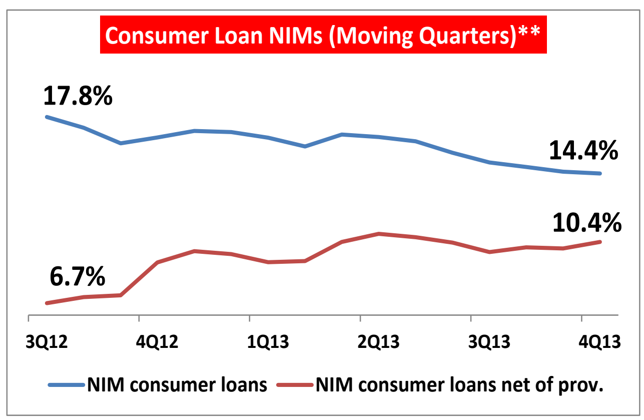
2 Client net interest income is net interest income from all client activities such as loans and deposits minus the internal transfer rate. Non-client interest income is net interest income from Bank's inflation gap, the financial cost of hedging, the financial cost of the Bank's structural liquidity position, net interest income from treasury positions and the interest expense of the Bank's financial investments classified as trading, since interest income from this portfolio is recognized as financial transactions net.

Non-client net interest income. The Bank has more assets than liabilities linked to inflation and, as a result, margins have a positive sensitivity to variations in inflation. In 4Q13, the variation of the Unidad de Fomento (an inflation indexed currency unit), was 0.95% compared to 1.04% in 3Q13 and 1.11% in 4Q12. The gap between assets and liabilities indexed to the UF averaged approximately Ch$3.9 trillion (US$7.4 billion) in 4Q13. This signifies that for every 100 basis point change in inflation, our Net interest income increases or decrease by Ch$39 billion, all other factors equal.

Client net interest income. In 4Q13, Client net interest income increased 1.4% QoQ and 4.9% YoY, driven mainly by loan growth. Average loans increased 2.8% QoQ and 10.4% YoY. **Client net interest margin** (defined as client net interest income divided by average loans) reached 5.6% in 4Q13 compared to 5.6% in 3Q13 and 5.9% in 4Q12. The stable client margin compared to 3Q13 was mainly due to the higher growth of consumer loans in the quarter compared to other loan products. The lower client margin on a YoY basis was mainly due to higher growth among upper income individuals compared to a decrease in loans in the low-income consumer segment which, being riskier, have higher spreads. As said, the Bank's strategy is to gradually achieve a higher NIM, net of provision expenses, by focusing its growth in the middle-market, SMEs and the high-end of the consumer market, even though this could result in lower gross margins.

In 4Q13, the Bank's **NIM, net of provision expense** reached 3.7% compared to 3.5% in 3Q13 and flat YoY. This rise was led by improvements in margins in consumer lending. The NIM of consumer lending reached 14.4% in 4Q13 compared to 16.6% in 4Q12. At the same time, the NIM of consumer loans, net of provisions, increased from 9.1% in 4Q12 to 10.4% in 4Q13.





* Quarterly net interest income net of provision expense divided by average interest earning assets.
** Consumer interest income minus portion of interest expense corresponding to consumer loans divided by average consumer loans.

In 2014, the evolution of margins should reflect various factors. First, we expect UF inflation to remain at levels of 0.7-0.8% per quarter on average with seasonal fluctuations. In addition, the Central Bank should continue to reducing interest rates, which should help support NIMs as our interest bearing liabilities tend to re-price quicker than our interest earning assets.

The Chilean Congress approved the Maximum Rate Cap Law in December 2013. On December 13, 2013, the Superintendency of Banks published the new maximum rates for loans up to UF 200. The maximum rates were reduced between 600-800bp depending on the size of the loan. Further reductions of 200bp will be implemented gradually every quarter until the maximum rate is equal to the average interest rate for loans between UF 200 to UF 5000 plus between 14%-21%, depending on the size of the loans and evolution of loan supply. If loan supply contracts between 10%-20%, the reductions will be partially or completely suspended until the next period. The Bank estimates that it will take 20-26 months for the maximum rate to reach the 35% level the authorities are seeking. The Bank estimates that in 2014, this bill could lower our net interest margin by 15-20 basis points. This estimate is only preliminary, as it is difficult to estimate the speed of implementation of the reduction and the effect on loan volumes.

PROVISION FOR LOAN LOSSES AND ASSET QUALITY

Most asset quality metrics improve in the quarter

Provision for loan losses	**Quarter**			**Change %**	
(Ch$ million)	**4Q13**	**3Q13**	**4Q12**	**4Q13 / 4Q12**	**4Q13 / 3Q13**
Gross provisions	(59,946)	(61,943)	(45,729)	31.1%	(3.2%)
Charge-offs[1]	(44,283)	(48,722)	(55,433)	(20.1%)	(9.1%)
Gross provisions and charge-offs	(104,229)	(110,665)	(101,162)	3.0%	(5.8%)
Loan loss recoveries	16,190	14,186	10,775	50.3%	14.1%
Net provisions for loan losses	**(88,039)**	**(96,479)**	**(90,387)**	**(2.6%)**	**(8.7%)**
Total loans[2]	20,935,312	20,323,264	18,876,079	10.9%	3.0%
Total reserves (RLL)	608,291	586,416	550,122	10.6%	3.7%
Non-performing loans[3] (NPLs)	613,301	618,419	597,767	2.6%	(0.8%)
NPLs commercial loans	364,890	383,024	320,461	13.9%	(4.7%)
NPLs residential mortgage loans	155,688	157,885	159,802	(2.6%)	(1.4%)
NPLs consumer loans	92,723	77,510	117,504	(21.1%)	19.6%
Cost of credit[4]	**1.7%**	**1.9%**	**1.9%**		
Risk index[5] (RLL / Total loans)	**2.9%**	**2.9%**	**2.9%**		
NPL / Total loans	2.9%	3.0%	3.2%		
NPL / Commercial loans	3.1%	3.3%	3.1%		
NPL / Residential mortgage loans	2.8%	2.9%	3.0%		
NPL / Consumer loans	2.6%	2.3%	3.8%		
Coverage of NPLs[6]	99.2%	94.8%	92.0%		
Coverage of NPLs ex-mortgage[7]	**123.5%**	**117.9%**	**117.4%**		
Coverage of commercial NPLs	82.3%	73.1%	78.3%		
Coverage of residential mortgage NPLs	27.8%	27.4%	22.5%		
Coverage of consumer NPLs	285.4%	339.6%	224.0%		

1. Charge-offs correspond to the direct charge-offs and are net of the reversal of provisions already established on charged-off loan
2. Excludes interbank loans.
3. NPLs: Non-performing loans: full balance of loans with one installment 90 days or more overdue.
4. Cost of credit: Quarterly provision expense annualized divided by average loans
5. Risk Index: Loan loss allowances / Total loans; measures the percentage of loans the banks must provision for given their internal models and the Superintendency of Banks guidelines.
6. Loan loss allowances / NPLs.
7. Loan loss allowance of commercial + consumer loans divided by NPLs of commercial and consumer loans

Net provision for loan losses decreased 8.7% QoQ and 2.6% YoY in 4Q13. The **Cost of credit** (Provision expenses annualized divided by total loans) reached 1.7% in 4Q13 improving from 1.9% in both 3Q13 and 4Q12. Key on this decrease in provision expense was the 9.1% QoQ and the 20.1% YoY decrease in direct charge-offs during the quarter. Better collection efforts have also led to an important rise in **Loan loss recoveries**, which increased 14.1% QoQ and 50.3% YoY. This was partially offset by the greater provisions established in the quarter mainly due to higher loan growth, since the Bank's expected loan loss model requires the establishment of provisions at the moment of loan origination.

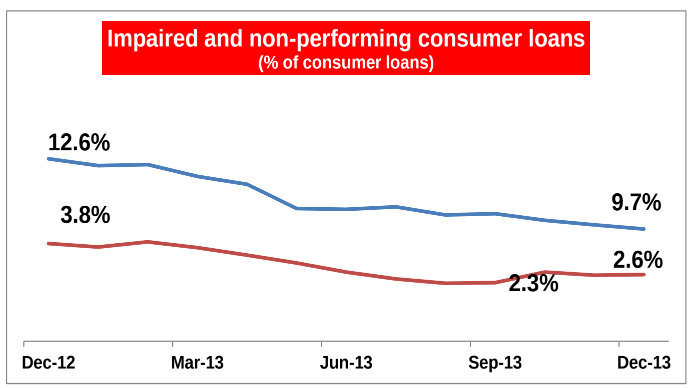
By product, the evolution of Net provision expense was as following:

Provision for loan losses	Quarter			Change %	
(Ch$ million)	**4Q13**	**3Q13**	**4Q12**	**4Q13 / 4Q12**	**4Q13 / 3Q13**
Commercial loans	(47,950)	(42,662)	(26,641)	80.0%	12.4%
Residential mortgage loans	(3,907)	(8,681)	(5,895)	(33.7%)	(55.0%)
Consumer loans	(36,182)	(45,136)	(57,851)	(37.5%)	(19.8%)
Net provisions for loan losses	**(88,039)**	**(96,479)**	**(90,387)**	**(2.6%)**	**(8.7%)**

Net provisions in consumer loans, which represented 41% of total provision expense, decreased 19.8% QoQ and 37.5% YoY. Direct charge-offs of consumer loans decreased 7.0% QoQ and 37.1% YoY and totaled Ch$20,568 million. As mentioned in previous earnings reports, the decline in consumer loan charge-offs can be explained by the various actions taken to improve credit risk in consumer lending. This includes focusing loan growth in the higher-end of the consumer market, tightening admissions policies, revamping of the collections process, and growing via pre-approved loans that have a better credit risk profile.

These efforts are reflected in the evolution of impaired consumer loans (consumer NPLs + renegotiated consumer loans). **Impaired consumer loans** decreased 1.2% QoQ and 11.1% YoY. The ratio of impaired consumer loans to total consumer loans reached 9.7% as of December 2013 compared to 10.3% as of September 2013 and 12.6% as of December 2012. This tends to be a leading indicator for the evolution of future charge-offs in this product.

Consumer Non-performing loan (NPLs) ratio decreased 21.1% in 2013. The 19.6% QoQ rise in consumer NPLs was mainly due to the pick-up in consumer loan growth. We expect consumer NPLs to begin to rise in absolute terms going forward due to the increase in velocity of consumer loan growth, but to remain below the levels reached in 2011 and 2012 given the improvements in admission policies and the changes in the segments we focus on.



* Impaired consumer loans: consumer NPLs + renegotiated consumer loans

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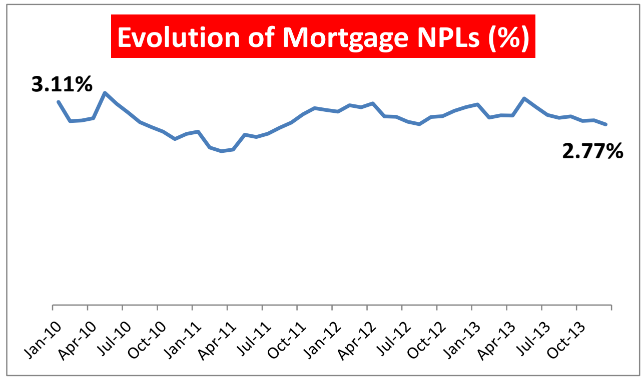
Net provisions in residential mortgage loans** decreased 55% QoQ and 33.7% YoY. This improvement was mainly due to lower charge-offs. Direct charge-offs of mortgage loans totaled Ch$4,495 million and decreased 32.5% QoQ and 27.1% YoY. **Mortgage NPLs** have remained relatively stable for an extended period, as can be observed in the adjacent graph.

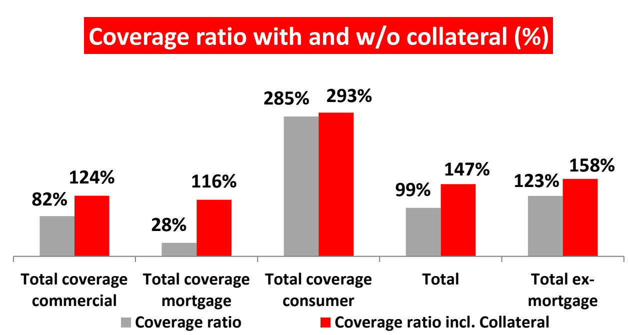


We expect net provision expenses in mortgage lending to continue to rise, albeit remaining at low levels as a percentage of the total mortgage loan book, as the growth rate of the economy moderates. In response to this, the Bank has strengthened its admission policies for mortgage loans and has increased minimum loan-to-value (LTV) requirements.

Provision expense in commercial loans increased 12.4% QoQ and 80.0% YoY. This increase was mainly due to: (i) stronger loan growth that led to higher loan loss provisions as the Bank's internal provisioning models recognize provisions when a loan is granted, and (ii) the Bank lowered during the quarter the risk rating of a specific client in the Corporate segment which signified approximately Ch$8 billion in higher provisions. **Commercial NPLs** fell 4.7% QoQ, increased 13.9% YoY, and reached 2.9% of commercial loans. The **Coverage ratio of commercial NPLs** increased to 82.3% in 4Q13 from 73.1% in 3Q13 and 78.3% in 4Q12.

The Bank's total **NPLs ratio** reached 2.9% in 4Q13 improving from 3.0% in 3Q13 and 3.2% in 4Q12. The **Risk index** remained stable at 2.9%. **Total Coverage of NPLs** in 4Q13 reached 99.2% compared to 94.8% in 3Q13 and 92.0% in 4Q12.

Excluding residential mortgage loans, that have a lower Coverage ratio due to the value of residential property collateral, the Coverage ratio improved to 123.5% in 4Q13.



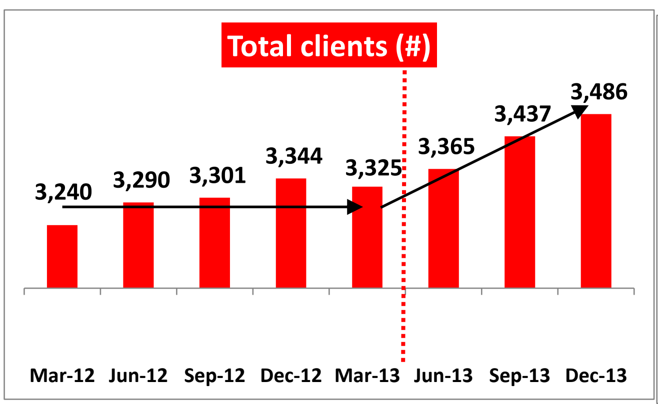
NET FEE INCOME[3]

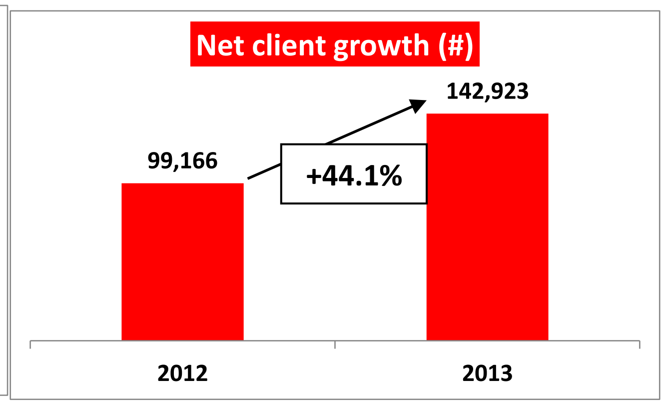
The growth of the client base continues to improve

Fee Income	Quarter			Change %	
(Ch$ million)	4Q13	3Q13	4Q12	4Q13 / 4Q12	4Q13 / 3Q13
Collection fees	11,548	10,839	9,404	22.8%	6.5%
Credit, debit & ATM card fees	9,694	8,208	10,628	(8.8%)	18.1%
Insurance brokerage	8,880	8,005	8,725	1.8%	10.9%
Guarantees, pledges and other contingent operations	7,450	7,649	7,457	(0.1%)	(2.6%)
Checking accounts	7,047	6,920	7,024	0.3%	1.8%
Lines of credit	1,825	1,479	2,201	(17.1%)	23.4%
Fees from brokerage and custody of securities	1,486	1,266	1,947	(23.7%)	17.4%
Other Fees	8,210	10,565	14,967	(45.1%)	(22.3%)
Total fees	**56,140**	**54,931**	**62,352**	**(10.0%)**	**2.2%**

Net fee income increased 2.2% QoQ and decreased 10.0% YoY. The YoY decline was mainly due to various changes in regulations adopted by the Bank in 2013 and the sale of our asset management business.

The new regulations mainly affected **insurance brokerage, credit card, checking account and line of credit fees**. In December 2013, the Bank sold its asset management subsidiary. Going forward, the Bank will continue to recognize brokerage fees for distributing this product, which will be included in Other fees and will be approximately 75% of the level recognized before the sale. Adjusting for this sale, QoQ fee growth would have been approximately 5%.





On a QoQ basis, the Bank commenced to observe a slight recovery in fee income growth. This was due, in part, to a strong holiday shopping season. At the same time, the launching of Santander

3 In the quarter, the Bank reclassified various administrative and other operating expenses to net fee income. The historical figures presented here have been adjusted to make them comparable. (Please see Annex 3 for a complete proforma income statement).

Select, the investments made in the new CRM and the improvements in quality of service are producing an acceleration client growth rate levels. As of December 2013, the Bank had 3.5 million clients. In 2013, the growth of total net new clients increased by 44% compared to the same figure in 2012, mostly during the 2nd Half of the year. If these trends continue, this should lead to a 7-8% client base growth in 2014.

NET RESULTS FROM FINANCIAL TRANSACTIONS

Lower rates drives results from financial transactions

Financial Transactions* (Ch$ million)	Quarter 4Q13	3Q13	4Q12	Change % 4Q13 / 4Q12	4Q13 / 3Q13
Net income from financial operations	(82,592)	55,813	(31,138)	165.2%	--%
Foreign exchange profit (loss), net	115,575	(28,198)	49,272	134.6%	--%
Net results from financial transactions	**32,983**	**27,615**	**18,134**	**81.9%**	**19.4%**

* These results mainly include the mark-to-market of the Available for sale investment portfolio, realized and unrealized gains of Financial investments held for trading, the interest revenue generated by the Held for trading portfolio, gains or losses from the sale of charged-off loans and the mark-to-market of derivatives. The results recorded as Foreign exchange profits (loss), net mainly includes the translation gains or losses of assets and a liability denominated in foreign currency.

Net results from financial transactions totaled a gain of Ch$32,983 million in 4Q13, an increase of 19.4% QoQ and 81.9% YoY increase. In order to understand more clearly these line items, we present them by business area in the table below.

Financial Transactions (Ch$ million)	Quarter 4Q13	3Q13	4Q12	Change % 4Q13 / 4Q12	4Q13 / 3Q13
Santander Global Connect[1]	13,465	10,469	14,051	(4.2%)	28.6%
Market-making	5,796	7,788	7,592	(23.7%)	(25.6%)
Client treasury services	**19,261**	**18,257**	**21,643**	**(11.0%)**	**5.5%**
Non-client treasury income	**13,722**	**9,358**	**(3,509)**	**(491.1%)**	**46.6%**
Net results from financial transactions	**32,983**	**27,615**	**18,134**	**81.9%**	**19.4%**

1. Santander Global Connect is the Bank's commercial platform for selling treasury products to our clients.

In the quarter, market volatility returned following a less volatile 3Q13. This bolstered demand for hedging on behalf of our corporate and middle-market clients. This explains the 5.5% QoQ increase in the Bank's income from **Client treasury services,** which represented 58% of total financial transaction income. **Non-client treasury income** totaled Ch$13,722 million in 4Q13. In this quarter, Chilean interest rates continued to decline in line with expectations of rate cuts on behalf of the Central Bank. This had a positive effect on non-client treasury income. It is important to note that the Bank has a policy of hedging its foreign exchange exposure and the Bank's fixed income portfolio is mainly comprised of Chilean Central Bank instruments.

OPERATING EXPENSES AND EFFICIENCY[4]

Efficiency ratio improves to 38.2% in 4Q13. Cost decline QoQ

Operating Expenses	**Quarter**			**Change %**	
(Ch$ million)	**4Q13**	**3Q13**	**4Q12**	**4Q13 / 4Q12**	**4Q13 / 3Q13**
Personnel expenses	(78,433)	(78,584)	(76,789)	2.1%	(0.2%)
Administrative expenses	(47,024)	(48,545)	(45,188)	4.1%	(3.1%)
Depreciation, amortization and impairment	(14,479)	(15,752)	(16,050)	(9.8%)	(8.1%)
Operating expenses	**(139,936)**	**(142,881)**	**(138,027)**	**1.4%**	**(2.1%)**
Branches	493	488	499	(1.2%)	1.0%
ATMS	1,860	1,915	2,001	(7.0%)	(2.9%)
Employees	11,516	11,626	11,713	(1.7%)	(0.9%)
Efficiency ratio[1]	**38.2%**	**39.8%**	**39.5%**		

1. Operating expenses / Operating income. Operating income = Net interest income + Net fee income+ Net results from Financial transactions + Other operating income and expenses.

Operating expenses in 4Q13 decreased 2.1% QoQ and increased just 1.4% YoY, as the Transformation Project is beginning to result in higher productivity. The Bank increased its loans and deposits at a greater rate than the market without having to significantly increase the amount of branches or headcount. This is being achieved greater usage of our internet, mobile and phone banking. The efficiency ratio reached 38.2% in 4Q13 compared to 39.8% in 3Q13 and 39.5% in 4Q12.

The 1.4% YoY increase in operating expenses was mainly due to the 4.1% increase in **Administrative expenses**. This rise was mainly due to higher investments in technology and systems as the Bank continued with its Transformation Projects aimed at enhancing productivity and client service in retail banking. The Bank also opened 5 branches in the quarter, while we reduced the ATM network in order to adjust to new security procedures.

The 2.1% YoY increase in **Personnel expenses** in 4Q13 reflects an increase in variable incentives paid to commercial teams as the Bank has begun to grow at a more rapid pace, especially in the segments the Bank has targeted for growth. This was partially offset by a stable headcount.

4 In the quarter, the Bank reclassified various administrative and other operating expenses to net fee income. The historical figures presented here have been adjusted to make them comparable. (Please see Annex 3 for a complete proforma income statement).

OTHER INCOME AND EXPENSES[5]

Other Income and Expenses	Quarter			Change %	
(Ch$ million)	4Q13	3Q13	4Q12	4Q13 / 4Q12	4Q13 / 3Q13
Other operating income	4,639	4,112	4,630	0.2%	12.8%
Other operating expenses	(21,216)	(15,462)	(18,722)	13.3%	37.2%
Other operating income, net	**(16,577)**	**(11,350)**	**(14,092)**	**17.6%**	**46.1%**
Income from investments in other companies	78,050	345	(983)	--%	22,523%
Income tax expense	(41,520)	(18,417)	(5,730)	624.6%	125.4%
Income tax rate	19.2%	15.4%	4.8%		

Other operating income, net, totaled a loss of Ch$16,577 million in 4Q13. The higher net loss compared to previous periods was mainly due to lower gains from the sale of fixed assets, higher operational charge-offs and higher provisions for non-credit contingencies.

Income from investments in other companies

In 4Q13, Income from investment in other companies totaled Ch$78,050 million. This includes the Ch$78,122 million pre-tax gain from the sale of the Bank's subsidiary Santander Asset Management. This operation was approved in an extraordinary shareholders' meeting held in December 2013.

Our asset management subsidiary was valued at Ch$130 billion using the February 2013 balance sheet, generating the previously mentioned one-time gain. This offer also included a contractual agreement for the brokerage of asset management services between the Bank and the Asset Management company for a period of up to 20 years. The purchase price as a percentage of funds under management as of November 30, 2013 was 2.69%, and 6.64 times the asset management subsidiary's equity book value on December 5, 2013 (the closing date of the transaction).

5 In the quarter, the Bank reclassified various administrative and other operating expenses to net fee income. The historical figures presented here have been adjusted to make them comparable. (Please see Annex 3 for a complete proforma income statement).

Income tax expense

The **Income tax rate** in 4Q13 was higher than in previous periods because the gain from the sale of Santander Asset Management was taxed at the full statutory income tax rate of 20%. The effective tax rate increased from 11.5% in 2012 to 17.5% in 2013. In September 2012, the statutory tax rate was increased from 18.5% to 20% retroactively for 2012 and for 2013. This resulted in a rise in tax rate and expense in 2013, but reduced income tax in 4Q12 when deferred taxes were valued at the new tax rate of 20%. Below is a summary of our tax expense for the years ended December 31, 2013 and 2012.

YTD tax expenses summarized (Ch$ million)	**12M13**	**12M12**	**Var. (%)**
Net income before taxes	538,528	444,086	21.3%
Price level restatement of capital[1]	(60,660)	(60,805)	(0.2%)
Net income before taxes adjusted for price level restatement	**477,868**	**383,281**	**24.7%**
Statutory Tax rate	20.0%	20.0%	0.0%
Income tax expense at statutory rate	(95,574)	(76,656)	24.7%
Tax benefits[2]	1,107	25,482	(95.7%)
Income tax	(94,467)	(51,174)	84.6%
Effective tax rate	**17.5%**	**11.5%**	

1. For tax purposes, Capital is re-adjusted by CPI inflation.
2. Includes mainly tax credits from property taxes paid on leased assets and in 2012 the tax benefit produced by applying the new corporate tax rate over deferred tax assets

In 2014, the Bank should be paying an effective tax rate of approximately 18%, subject to further changes in the statutory corporate tax rate.

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SECTION 4: CREDIT RISK RATINGS

International ratings

The Bank has credit ratings from three leading international agencies. In 4Q13, Fitch changed its outlook from Negative to Stable.

Moody's	Rating
Foreign currency bank deposits	Aa3
Senior bonds	Aa3
Subordinated debt	A1
Bank Deposits in Local Currency	Aa3
Bank financial strength	C+
Short-term deposits	P-1

Standard and Poor's	Rating
Long-term Foreign Issuer Credit	A
Long-term Local Issuer Credit	A
Short-term Foreign Issuer Credit	A-1
Short-term Local Issuer Credit	A-1

Fitch	Rating
Foreign Currency Long-term Debt	A+
Local Currency Long-term Debt	A+
Foreign Currency Short-term Debt	F1
Local Currency Short-term Debt	F1
Viability rating	a+

Local ratings:

Our local ratings, the highest in Chile, are the following:

Local ratings	Fitch Ratings	Feller Rate
Shares	1CN1	1CN1
Short-term deposits	N1+	N1+
Long-term deposits	AAA	AAA
Mortgage finance bonds	AAA	AAA
Senior bonds	AAA	AAA
Subordinated bonds	AA	AA+

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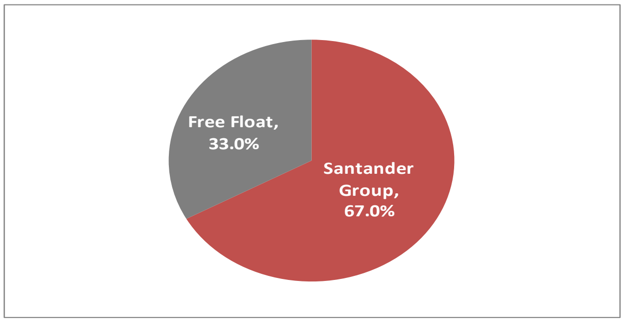
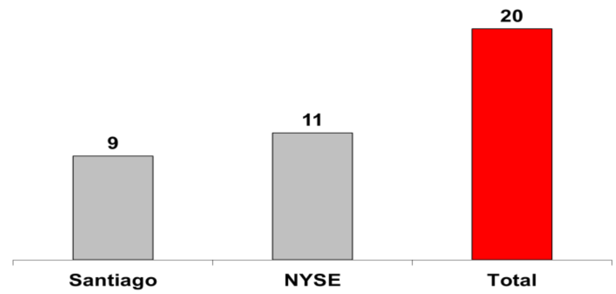
SECTION 5: SHARE PERFORMANCE
As of December 31, 2013

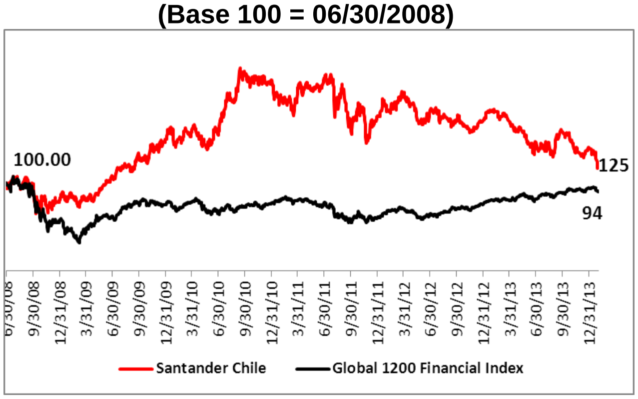
Ownership Structure:



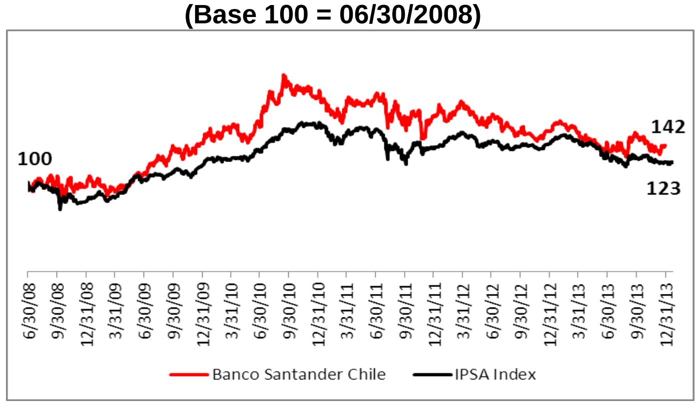
Average daily traded volumes 12M13
US$ million



ADR Price Evolution
Santander ADR vs. Global 1200 Financial Index
(Base 100 = 06/30/2008)



Local Share Price Evolution
Santander vs IPSA Index
(Base 100 = 06/30/2008)



ADR price[6] (US$) 12M13

12/31/13:	23.57
Maximum (12M13):	30.59
Minimum (12M13):	21.38

Local share price (Ch$) 12M13

12/30/13:	30.46
Maximum (12M13):	36.23
Minimum (12M13):	27.62

Market Capitalization: US$11,104 million

P/E 12 month trailing*:	15.1
P/BV (12/31/13)**:	2.5
Dividend yield***:	3.7%

* Price as of December 31, 2013 / 12mth. earnings
** Price as of December 31, 2013 / Book value as of 12/31/13
*** Based on closing price on record date of last dividend payment.

Dividends:

Year paid	Ch$/share	% of previous year's earnings
2009:	1.13	65%
2010:	1.37	60%
2011:	1.52	60%
2012:	1.39	60%
2013:	1.24	60%

6 On Oct. 22, 2012, the ratio of common share per ADR was changed from 1,039 shares per ADR to 400 shares per ADR.

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Santander

ANNEX 1: BALANCE SHEET

Unaudited Balance Sheet	**Dec-13**	**Dec-13**	**Dec-12**	**Dec. 13 / 12**
Assets	US$ths	Ch$ million		**% Chg.**
Cash and balances from Central Bank	2,998,495	1,571,811	1,250,414	25.7%
Funds to be cleared	1,152,379	604,077	520,267	16.1%
Financial assets held for trading	548,583	287,567	338,287	(15.0%)
Investment collateral under agreements to repurchase	33,325.07	17,469	6,993	149.8%
Derivatives	2,850,092	1,494,018	1,293,212	15.5%
Interbank loans	239,212	125,395	90,527	38.5%
Loans, net of loan loss allowances	**38,777,224**	**20,327,021**	**18,325,957**	**10.9%**
Available-for-sale financial assets	3,244,931	1,700,993	1,826,158	(6.9%)
Held-to-maturity investments	-	-	-	--%
Investments in other companies	18,468	9,681	7,614	27.1%
Intangible assets	127,247	66,703	87,347	(23.6%)
Fixed assets	343,791	180,215	162,214	11.1%
Current tax assets	3,134	1,643	10,227	(83.9%)
Deferred tax assets	439,174	230,215	186,407	23.5%
Other assets	763,111	400,023	655,217	(38.9%)
Total Assets	**51,539,166**	**27,016,831**	**24,760,841**	**9.1%**

	Dec-13	**Dec-13**	**Dec-12**	**Dec. 13 / 12**
Liabilities and Equity	**US$ths**	**Ch$ million**	**Jan-00**	**% Chg.**
Demand deposits	10,722,554	5,620,763	4,970,019	13.1%
Funds to be cleared	527,240	276,379	284,953	(3.0%)
Investments sold under agreements to repurchase	398,649	208,972	304,117	(31.3%)
Time deposits and savings accounts	18,457,215	9,675,272	9,112,213	6.2%
Derivatives	2,480,177	1,300,109	1,146,161	13.4%
Deposits from credit institutions	3,209,418	1,682,377	1,438,003	17.0%
Marketable debt securities	9,917,318	5,198,658	4,571,289	13.7%
Other obligations	362,039	189,781	192,611	(1.5%)
Current tax liabilities	95,845	50,242	525	9469.9%
Deferred tax liability	47,860	25,088	9,544	162.9%
Provisions	450,652	236,232	221,089	6.8%
Other liabilities	379,199	198,776	341,274	(41.8%)
Total Liabilities	**47,048,167**	**24,662,649**	**22,591,798**	**9.2%**
Equity				
Capital	1,700,311	891,303	891,303	0.0%
Reserves	2,157,556	1,130,991	975,460	15.9%
Unrealized gain (loss) Available-for-sale financial assets	(11,377)	(5,964)	(3,781)	57.7%
Retained Earnings:	**590,134**	**309,348**	**271,796**	**13.8%**
Retained earnings previous periods	-	-	-	--%
Net income	843,048	441,926	388,282	13.8%
Provision for mandatory dividend	(252,915)	(132,578)	(116,486)	13.8%
Total Shareholders' Equity	**4,436,623**	**2,325,678**	**2,134,778**	**8.9%**
Minority Interest	54,376	28,504	34,265	(16.8%)
Total Equity	**4,491,000**	**2,354,182**	**2,169,043**	**8.5%**
Total Liabilities and Equity	**51,539,166**	**27,016,831**	**24,760,841**	**9.1%**

In 2013, the Bank has reclassified various administrative and other operating expenses to net fee income. At The same time the Bank adjusted historical figures for the amendments made IAS 19. The historical figures presented here have been adjusted to make them comparable.

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ANNEX 2: YTD INCOME STATEMENT

YTD Income Statement Unaudited	Dec-13 US$ths.	Dec-13 Ch$ million	Dec-12	Dec. 13 / 12 % Chg.
Interest income	3,569,638	1,871,204	1,890,953	(1.0%)
Interest expense	(1,515,532)	(794,442)	(848,219)	(6.3%)
Net interest income	**2,054,105**	**1,076,762**	**1,042,734**	**3.3%**
Fee and commission income	660,282	346,120	360,468	(4.0%)
Fee and commission expense	(221,831)	(116,284)	(102,780)	13.1%
Net fee and commission income	**438,451**	**229,836**	**257,687**	**(10.8%)**
Net income from financial operations	(54,584)	(28,613)	(64,079)	(55.3%)
Foreign exchange profit (loss), net	276,089	144,726	146,378	(1.1%)
Total financial transactions, net	**221,505**	**116,113**	**82,299**	**41.1%**
Other operating income	39,122	20,508	19,758	3.8%
Total operating income	**2,753,184**	**1,443,219**	**1,402,478**	**2.9%**
Provision for loan losses	**(694,451)**	**(364,031)**	**(366,702)**	**(0.7%)**
Net operating profit	**2,058,733**	**1,079,188**	**1,035,776**	**4.2%**
Personnel salaries and expenses	(588,218)	(308,344)	(299,904)	2.8%
Administrative expenses	(359,006)	(188,191)	(175,883)	7.0%
Depreciation and amortization	(116,509)	(61,074)	(56,369)	8.3%
Impairment	(465)	(244)	(90)	171.1%
Operating expenses	**(1,064,199)**	**(557,853)**	**(532,246)**	**4.8%**
Other operating expenses	(118,945)	(62,351)	(59,716)	4.4%
Total operating expenses	(1,183,144)	(620,204)	(591,962)	4.8%
Operating income	**875,589**	**458,984**	**443,814**	**3.4%**
Income from investments in other companies	151,744	79,544	267	29691.8%
Income before taxes	**1,027,333**	**538,528**	**444,081**	**21.3%**
Income tax expense	(180,212)	(94,467)	(51,174)	84.6%
Net income from ordinary activities	**847,121**	**444,061**	**392,907**	**13.0%**
Net income discontinued operations	-	-	-	**--%**
Net income attributable to:				
Minority interest	4,073	2,135	4,625	(53.8%)
Net income attributable to shareholders	**843,048**	**441,926**	**388,282**	**13.8%**

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ANNEX 3: QUARTERLY INCOME STATEMENTS

Unaudited Quarterly Income Statement	4Q13	4Q13	3Q13	4Q12	4Q13 / 4Q12	4Q13 / 3Q13
	US$ths.	Ch$mn			% Chg.	
Interest income	982,697	515,130	516,606	524,918	(1.9%)	(0.3%)
Interest expense	(421,826)	(221,121)	(229,001)	(241,927)	(8.6%)	(3.4%)
Net interest income	**560,872**	**294,009**	**287,605**	**282,991**	**3.9%**	**2.2%**
Fee and commission income	167,835	87,979	84,605	89,747	(2.0%)	4.0%
Fee and commission expense	(60,738)	(31,839)	(29,674)	(27,395)	16.2%	7.3%
Net fee and commission income	**107,097**	**56,140**	**54,931**	**62,352**	**(10.0%)**	**2.2%**
Net income from financial operations	(157,558)	(82,592)	55,813	(31,138)	165.2%	--%
Foreign exchange profit (loss), net	220,479	115,575	(28,198)	49,272	134.6%	--%
Total financial transactions, net	**62,921**	**32,983**	**27,615**	**18,134**	**81.9%**	**19.4%**
Other operating income	8,850	4,639	4,112	4,630	0.2%	12.8%
Total operating income	**739,739**	**387,771**	**374,263**	**368,107**	**5.3%**	**3.6%**
Provision for loan losses	**(167,949)**	**(88,039)**	**(96,479)**	**(90,387)**	**(2.6%)**	**(8.7%)**
Net operating profit	**571,789**	**299,732**	**277,784**	**277,720**	**7.9%**	**7.9%**
Personnel salaries and expenses	(149,624)	(78,433)	(78,584)	(76,789)	2.1%	(0.2%)
Administrative expenses	(89,706)	(47,024)	(48,545)	(45,188)	4.1%	(3.1%)
Depreciation and amortization	(27,562)	(14,448)	(15,712)	(16,048)	(10.0%)	(8.0%)
Impairment	(59)	(31)	(40)	(2)	1450%	(22.5%)
Operating expenses	**(266,952)**	**(139,936)**	**(142,881)**	**(138,027)**	**1.4%**	**(2.1%)**
Other operating expenses	(40,473)	(21,216)	(15,462)	(18,722)	13.3%	37.2%
Total operating expenses	(307,425)	(161,152)	(158,343)	(156,749)	2.8%	1.8%
Operating income	**264,365**	**138,580**	**119,441**	**120,971**	**14.6%**	**16.0%**
Income from investments in other companies	148,894	78,050	345	(983)	--%	22523%
Income before taxes	**413,258**	**216,630**	**119,786**	**119,988**	**80.5%**	**80.8%**
Income tax expense	(79,206)	(41,520)	(18,417)	(5,730)	624.6%	125.4%
Net income from ordinary activities	**334,052**	**175,110**	**101,369**	**114,258**	**53.3%**	**72.7%**
Net income discontinued operations	-	-	-	-	--%	--%
Net income attributable to:						
Minority interest	2,152	1,128	196	782	44.2%	475.5%
Net income attributable to shareholders	**331,900**	**173,982**	**101,173**	**113,476**	**53.3%**	**72.0%**

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ANNEX 4: QUARTERLY EVOLUTION OF MAIN RATIOS AND OTHER INFORMATION

	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
(Ch$ millions)					
Loans					
Consumer loans	3,115,477	3,165,550	3,266,648	3,423,558	3,607,248
Residential mortgage loans	5,271,581	5,309,837	5,355,978	5,465,600	5,625,812
Commercial loans	10,489,021	10,625,028	11,149,735	11,434,106	11,702,252
Total loans	**18,876,079**	**19,100,414**	**19,772,361**	**20,323,264**	**20,935,312**
Allowance for loan losses	(550,122)	(557,564)	(564,994)	(586,416)	(608,291)
Total loans, net of allowances	**18,325,957**	**18,542,851**	**19,207,367**	**19,736,848**	**20,327,021**
Loans by segment					
Individuals	9,672,222	9,837,213	9,887,878	10,109,173	10,437,701
SMEs	2,890,251	2,860,666	3,066,396	3,168,804	3,223,215
Institutional lending	355,518	369,751	385,782	360,276	353,509
Middle-Market & Real estate	4,058,693	4,236,766	4,444,673	4,541,824	4,678,243
Corporate	1,863,595	1,806,957	1,992,933	2,153,343	2,219,045
Deposits					
Demand deposits	4,970,019	4,964,239	5,188,708	5,257,128	5,620,763
Time deposits	9,112,213	9,151,110	9,426,328	9,690,368	9,675,272
Total deposits	**14,082,232**	**14,115,349**	**14,615,036**	**14,947,496**	**15,296,035**
Loans / Deposits[1]	**96.6%**	**97.7%**	**98.6%**	**99.4%**	**100.1%**
Average balances					
Avg. interest earning assets	20,762,771	20,923,043	21,215,426	21,799,669	22,470,077
Avg. loans	18,666,166	18,942,547	19,384,881	20,047,191	20,599,268
Avg. assets	24,995,250	24,843,979	25,564,757	26,112,158	26,643,135
Avg. demand deposits	4,716,789	5,020,202	5,224,278	5,173,559	5,300,996
Avg equity	2,101,616	2,159,903	2,141,449	2,175,459	2,263,385
Avg. free funds	6,818,405	7,180,106	7,365,726	7,349,018	7,564,381
Capitalization					
Risk weighted assets	19,940,415	20,091,878	20,959,977	21,334,179	21,948,982
Tier I (Shareholders' equity)	2,134,778	2,194,025	2,136,835	2,213,114	2,325,678
Tier II	599,656	596,933	561,047	564,191	708,064
Regulatory capital	2,734,434	2,790,957	2,697,883	2,777,305	3,033,741
Tier I ratio	10.7%	10.9%	10.2%	10.4%	10.6%
BIS ratio	13.7%	13.9%	12.9%	13.0%	13.8%
Profitability & Efficiency					
Net interest margin	5.5%	4.7%	4.7%	5.3%	5.2%
Efficiency ratio[2]	39.5%	41.4%	42.5%	39.8%	38.2%
Avg. Free funds / interest earning assets	32.8%	34.3%	34.7%	33.7%	33.7%
Return on avg. equity	21.6%	15.0%	16.0%	18.6%	30.7%
Return on avg. assets	1.8%	1.3%	1.3%	1.5%	2.6%

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	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
Asset quality					
Non-performing loans (NPLs)[3]	597,767	612,379	618,917	618,419	613,301
Past due loans[4]	323,133	358,717	371,136	369,208	356,203
Loan loss reserves[5]	550,122	557,564	564,994	586,416	608,291
NPLs / total loans	3.2%	3.2%	3.1%	3.0%	2.9%
PDL / total loans	1.7%	1.9%	1.9%	1.8%	1.7%
Coverage of NPLs (Loan loss allowance / NPLs)	92.0%	91.0%	91.3%	94.8%	99.2%
Coverage of PDLs (Loan loss allowance / PDLs)	170.2%	155.4%	152.2%	158.8%	170.8%
Risk index (Loan loss allowances / Loans)[5]	2.9%	2.9%	2.9%	2.9%	2.9%
Cost of credit (prov. expense / loans)	1.9%	1.9%	1.8%	1.9%	1.7%
Network					
Branches	499	497	485	488	493
ATMs	2,001	2,011	1,972	1,915	1,860
Employees	11,713	11,679	11,558	11,626	11,516
Market information (period-end)					
Net income per share (Ch$)	0.60	0.43	0.46	0.54	0.92
Net income per ADR (US$)	**0.50**	**0.36**	**0.36**	**0.43**	**0.71**
Stock price	33.72	33.41	31.25	32.94	30.46
ADR price	28.49	28.47	24.45	26.29	23.57
Market capitalization (US$mn)	13,422	13,413	11,519	12,386	11,104
Shares outstanding	188,446.1	188,446.1	188,446.1	188,446.1	188,446.1
ADRs (1 ADR = 400 shares)[6]	471.1	471.1	471.1	471.1	471.1
Other Data					
Quarterly inflation rate[7]	1.11%	0.13%	-0.07%	1.04%	0.95%
Central Bank monetary policy reference rate (nomina	5.00%	5.00%	5.00%	5.00%	4.50%
Avg. 10 year Central Bank yield (real)	2.45%	2.62%	2.38%	2.25%	2.17%
Avg. 10 year Central Bank yield (nominal)	5.48%	5.62%	5.21%	5.27%	5.04%
Observed Exchange rate (Ch$/US$) (period-end)	478.6	472.54	503.86	502.97	523.76

1 Ratio = Loans - mortgage loans / Time deposits + demand deposits

2 Efficiency ratio =(Net interest revenue+ fee income +financial transactions net + Other operating income +other operating expenses)

Divided by (Personnel expenses + admiinistrative expenses + depreciation)

3 Capital + future interest of all loans with one installment 90 days or more overdue.

4 Total installments plus lines of credit more than 90 days overdue

5 Based on internal credit models and SBIF guidelines. Banks must have a 100% coverage of risk index

6 The rato of ADRs per local shares was modified in Oct. 2012

7 Calculated using the variation of the Unidad de Fomento (UF) in the period

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