

Banco Santander Chile

Results 3Q15

Santiago, Oct 30, 2015

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

Note: the information contained in this presentation is not audited and is presented in Chilean Bank GAAP which is similar to IFRS, but there are some differences. Please refer to our 2013 20-F filed with the SEC for an explanation of the differences between Chilean Bank GAAP and IFRS. Nevertheless, the consolidated accounts are prepared on the basis of generally accepted accounting principles. All figures presented are in nominal terms. Historical figures are not adjusted by inflation. Please note that this information is provided for comparative purposes only and that this restatement may undergo further changes during the year and, therefore, historical figures, including financial ratios, presented in this report may not be entirely comparable to future figures presented by the Bank.

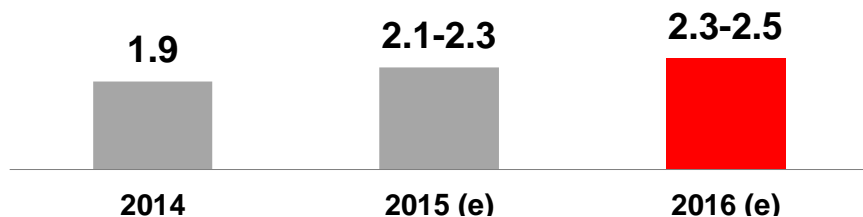
Agenda

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

Economic growth is expected to gradually rebound...

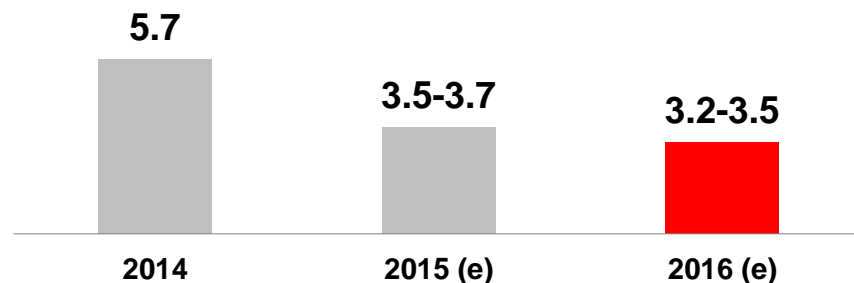
GDP

YoY real growth, %



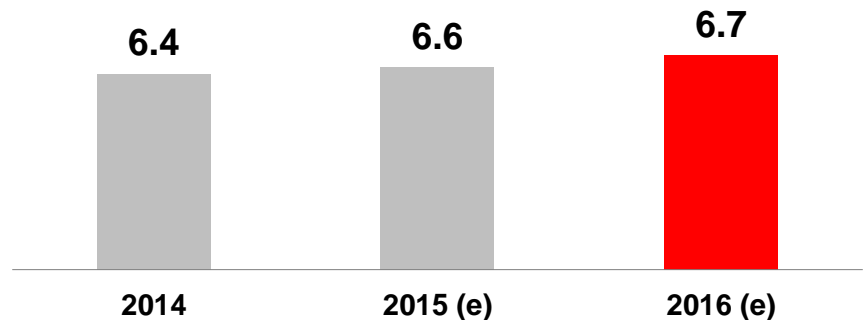
Inflation

Annual change in UF inflation, %



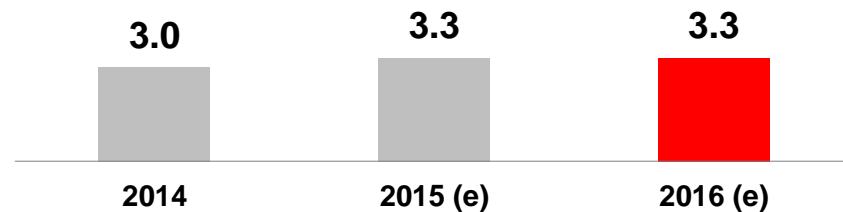
Unemployment

% of workforce, %



Central Bank ST Reference Rate

%

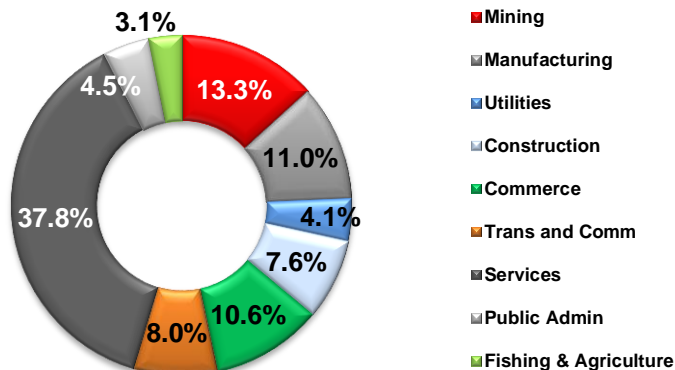


Source: Banco Central de Chile. (e): Estimates Santander Chile

.... led by the net export sector

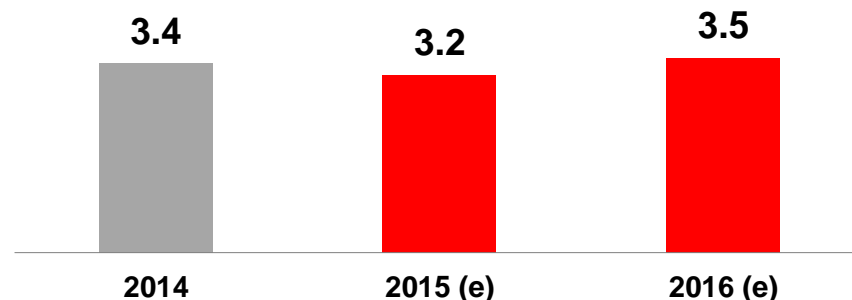
Chile's economy is well diversified

GDP by economic sector, %



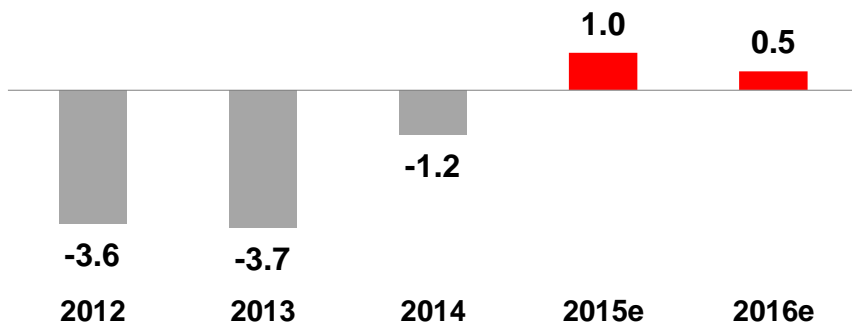
Steady growth of Chile's main trade partners

YoY real growth of Chile's main trade partners¹, %



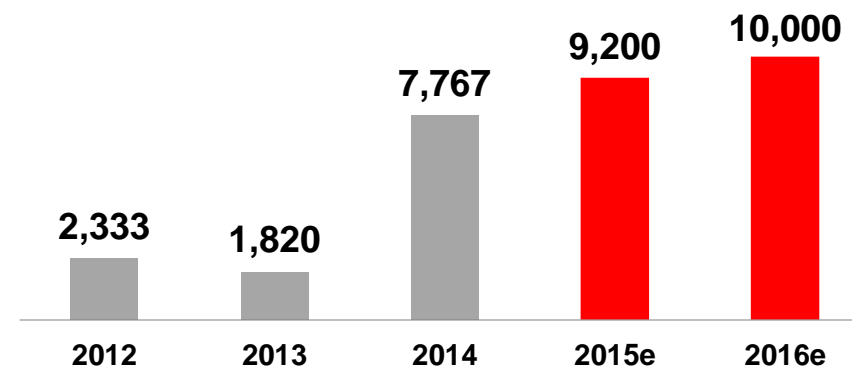
Narrowing current account deficit

Current account balance, % of GDP



Growing trade balance

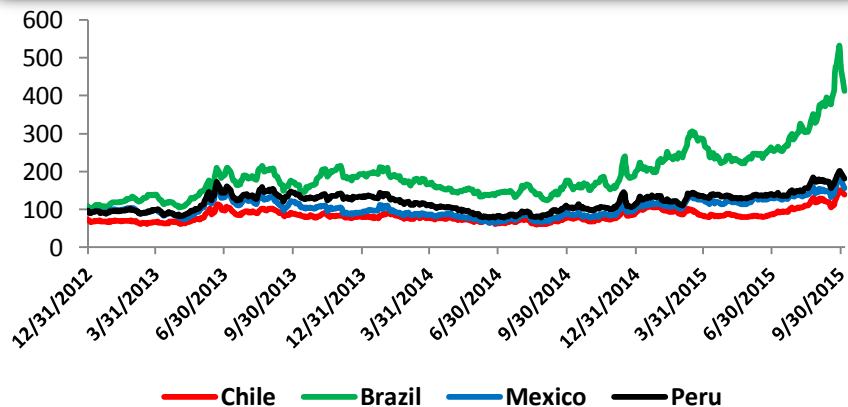
Trade balance, US\$m



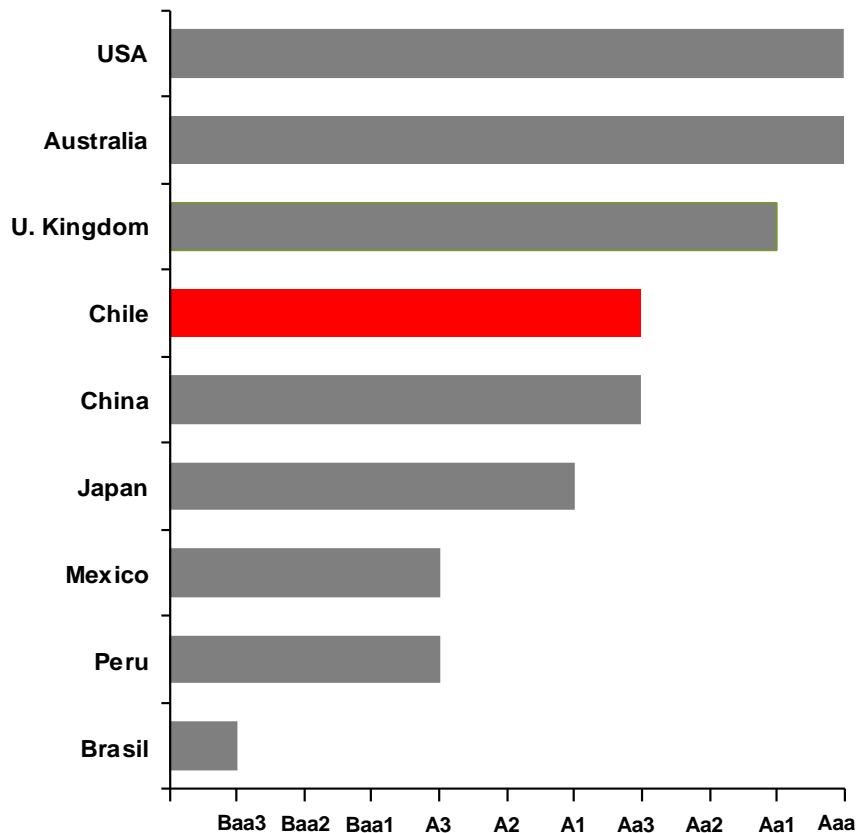
Source: Banco Central de Chile. (e): Estimates Santander Chile. 1. Trade-weighted GDP growth. 2. Terms of trade: as the ratio of export prices to import prices, mainly copper vs oil. 3. Includes private and government consumption

Chile maintains a relatively low-risk environment

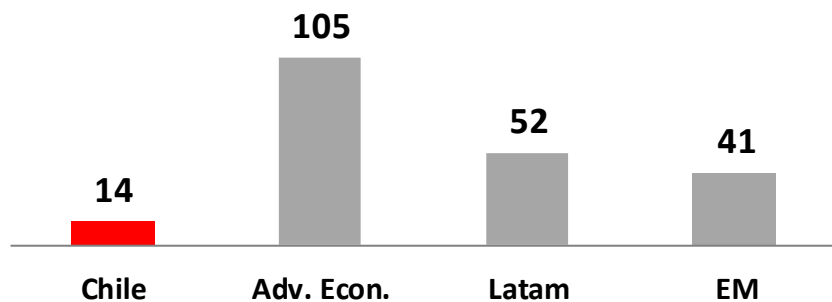
Stable CDS spreads...(1)



... and high Sovereign rating(2)



Low gross public debt (% of GDP)³

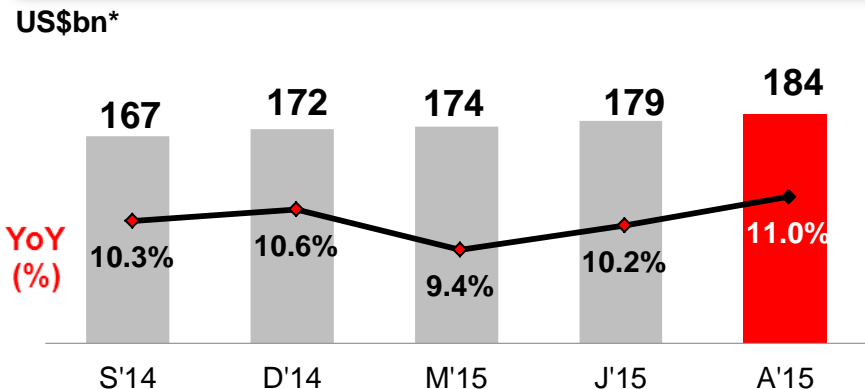


Including the sovereign wealth fund, Chile's net public debt is 2% of GDP

1. Source Bloomberg. 2. Source: Moody's, latest ratings. 3. Source: IMF, figures for 2014

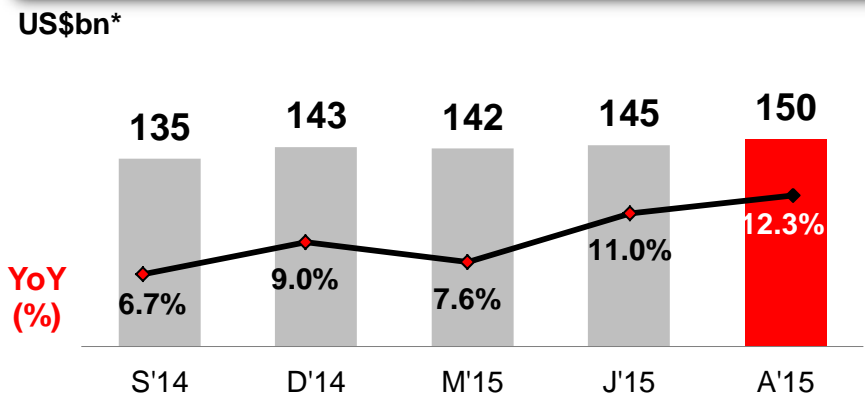
Financial system with stable growth trends

Total Loans



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

Total Deposits*



- Deposit growth in line with credit
- High liquidity in the system to fund business growth

* Demand and time deposits. Source: Superintendency of Banks of Chile. Excludes Corpbanca Colombia

Agenda

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3 objectives for healthy growth / higher profitability

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

II. ...improve customer loyalty and quality of service

III. ... and managing risks and capital conservatively

Transformation
Project

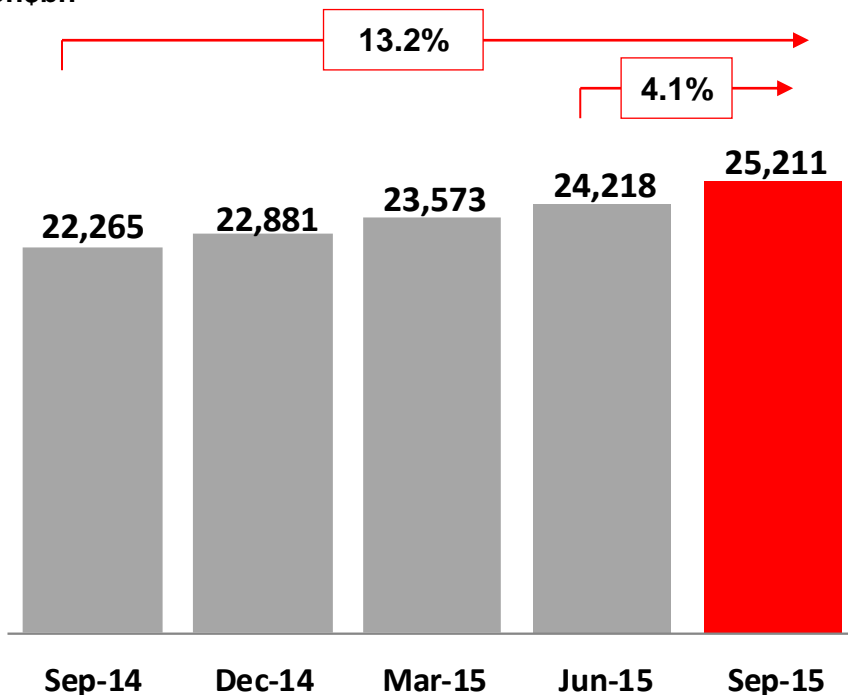
Optimizing the
risk return
relation



Loans up 13.2% YoY. Growth focused in segments with higher risk-adjusted profitability

Total Loans

Ch\$bn



Ch\$bn

	3Q'15	YoY (%)	QoQ(%)
Individuals	13,019	14.8	3.3
Consumer	4,044	5.9	1.2
Mortgage	7,450	18.3	4.3
SMEs	3,431	3.4	3.2
Middle Market	6,222	15.5	3.5
Corporate	2,484	8.5	9.8
Total¹	25,211	13.2	4.1

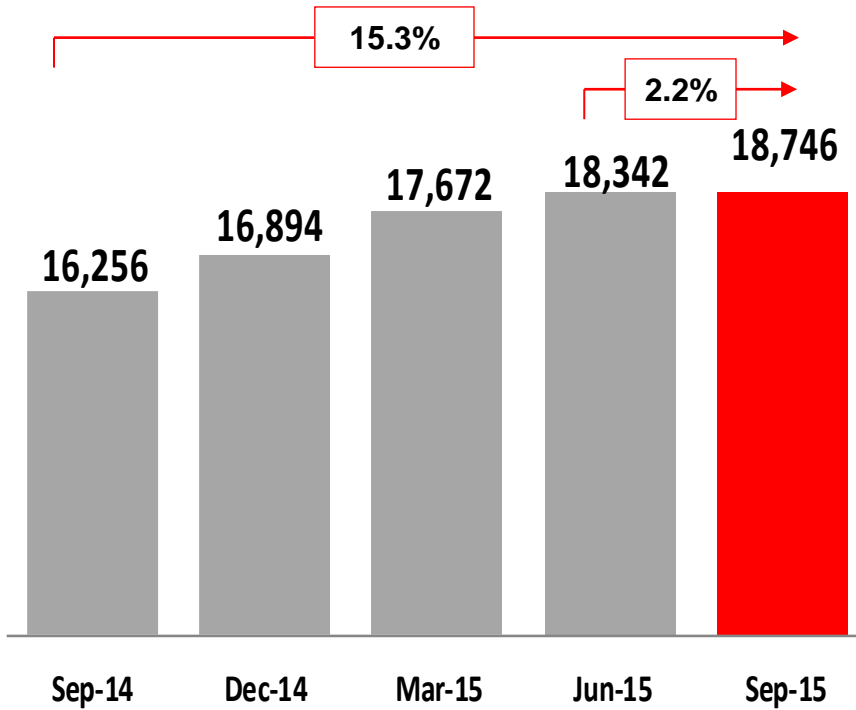
Improved Individuals loan mix: High-income: +17.3% YoY

1. Includes other non-segmented loans.

Total deposits increased 15.3% YoY

Total Deposits

Ch\$bn



Ch\$bn	3Q'15	YoY(%)	QoQ(%)
Demand	6,645	16.1	-0.2
Time	12,101	14.9	3.6
Total deposits	18,746	15.3	2.2

Double digit growth of checking accounts in all segments

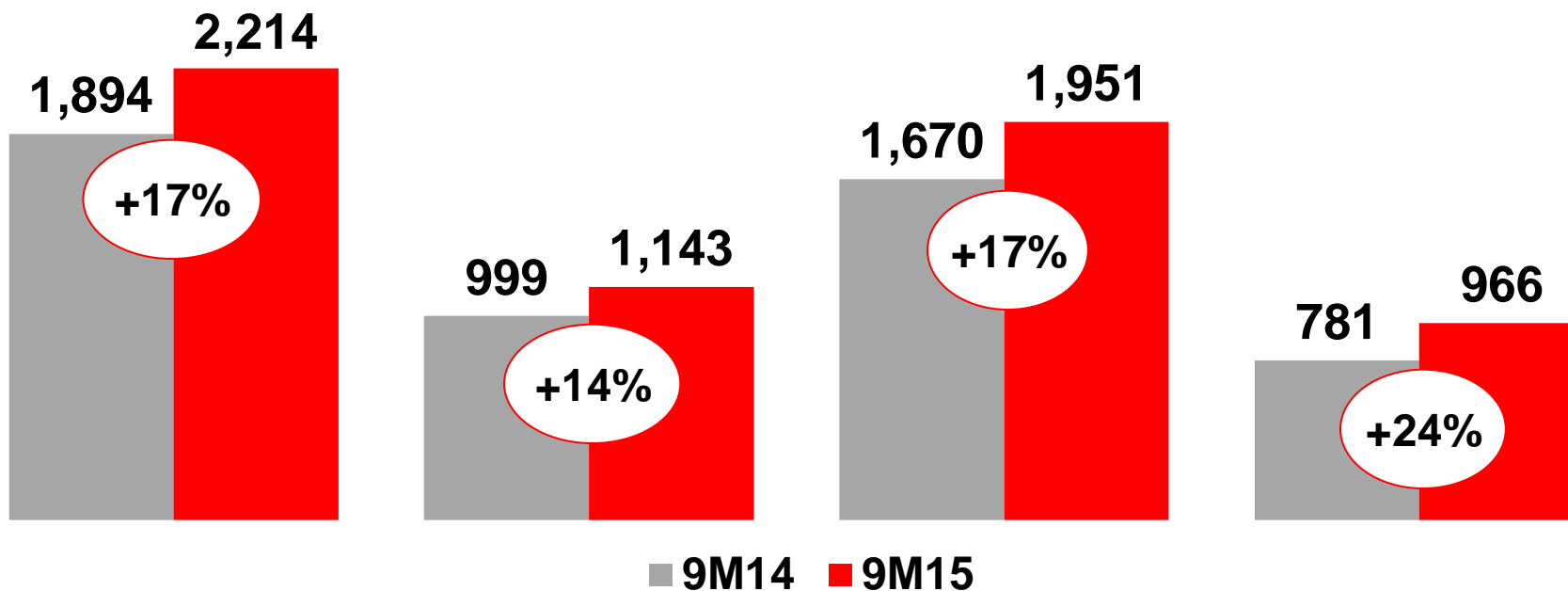
Individuals

SMEs

Middle-Market

Corporate

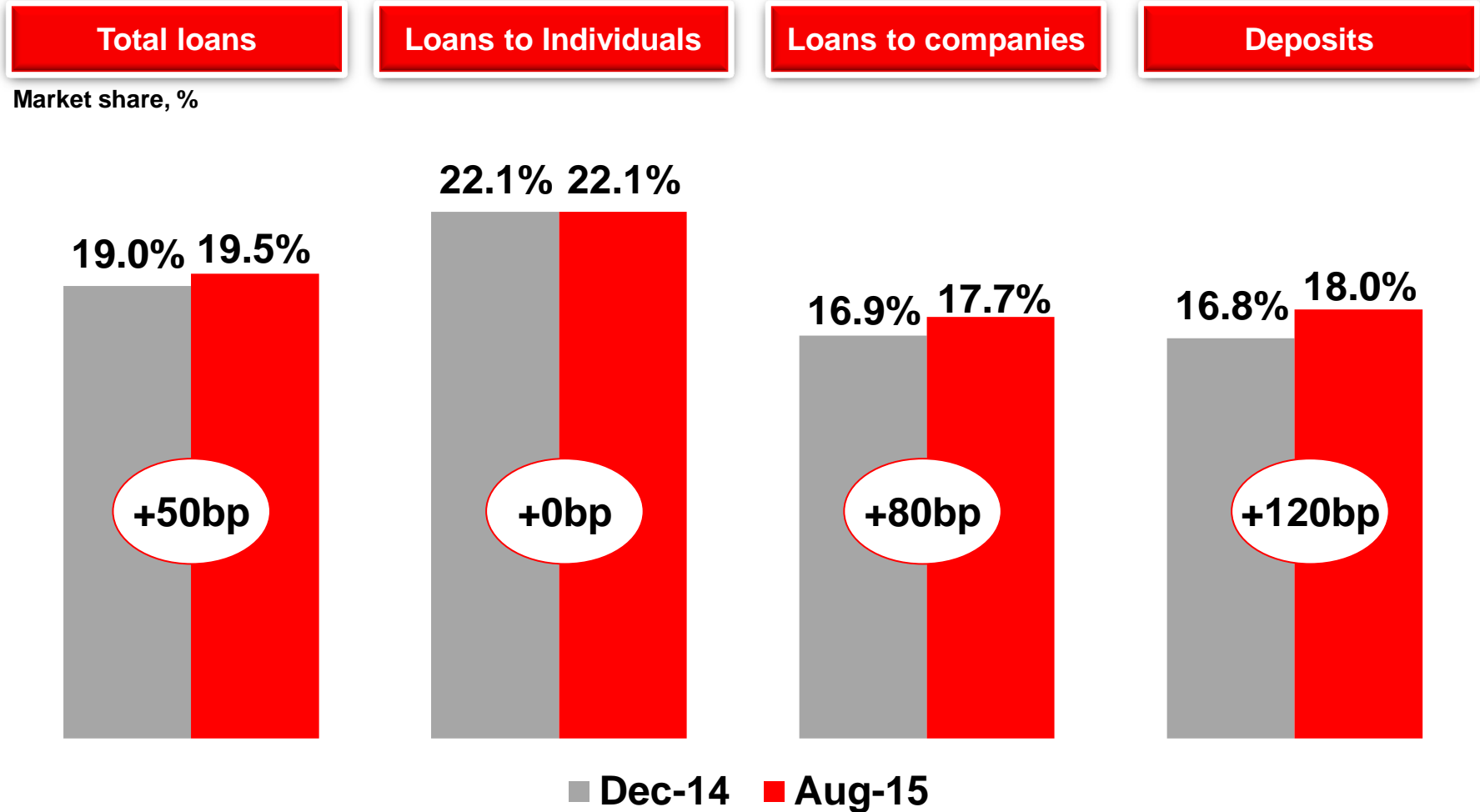
Demand deposits by segment, Ch\$bn. YoY growth, %



Core deposits* up 11.3% YoY

* Core deposits: all checking accounts plus non-Wholesale time deposits. Wholesale time deposits include deposits from: (i) banks and other financial institutions, (ii) economic groups with greater than 1% of short-term time deposits, (iii) economic groups with time deposits representing more than 2.5% of Core capital and, (iv) any other client defined as Wholesale

Gaining market share in most products in 2015



Source: Superintendencia de Bancos de Chile. Excludes Corpbanca Colombia

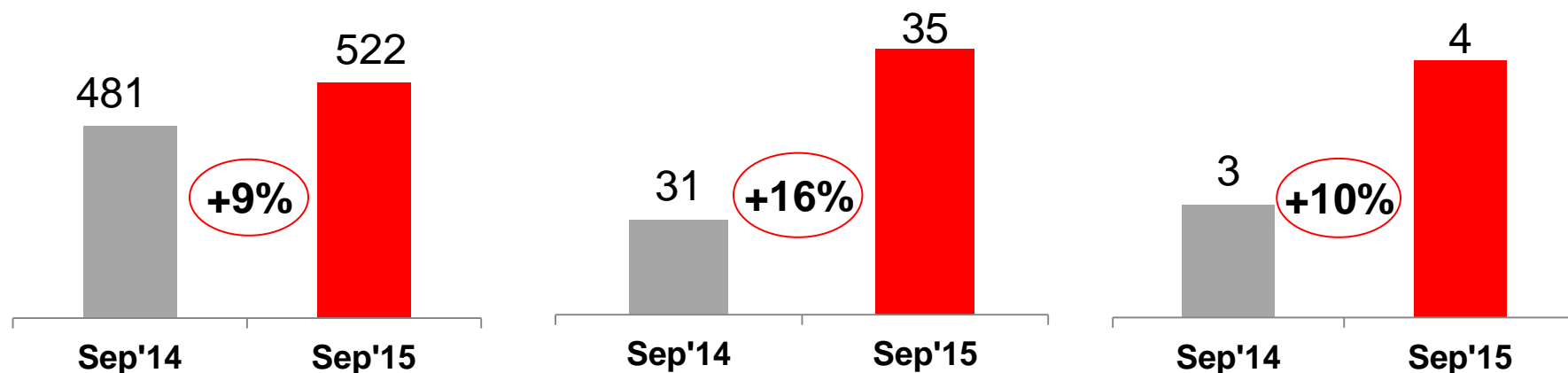
Expanding customer loyalty

Loyal individual customers¹

Loyal SME customers²

Loyal Middle market customers²

Loyal customers, thousands



Strengths of our CRM system, improvements in service and the increase usage of digital banking services increasing customer loyalty.

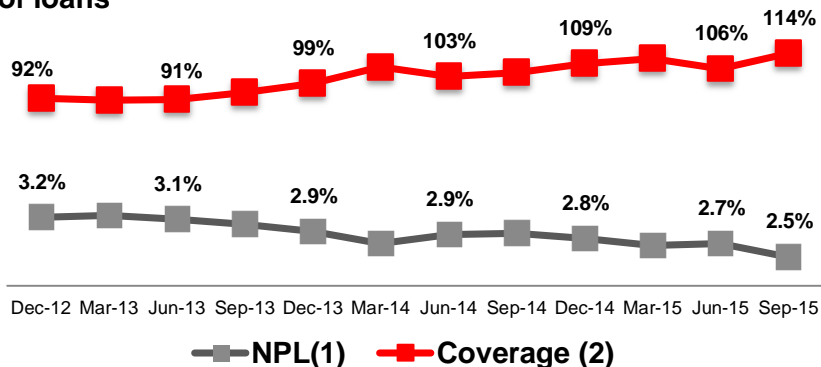
1. Customers with 4 products plus a minimum profitability level and a minimum usage indicator all differentiated by segment. 2. Mid-market & SMEs cross-selling differentiated by client size using a point system that depends on number of products, usage of products and income net of risks.

3. % of customers that activate their cards following origination among individuals

Sound asset quality and increased coverage of non-performing loans

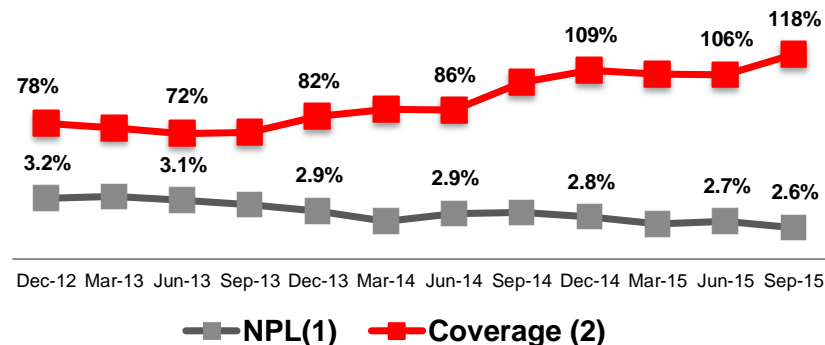
Total loans

% of loans



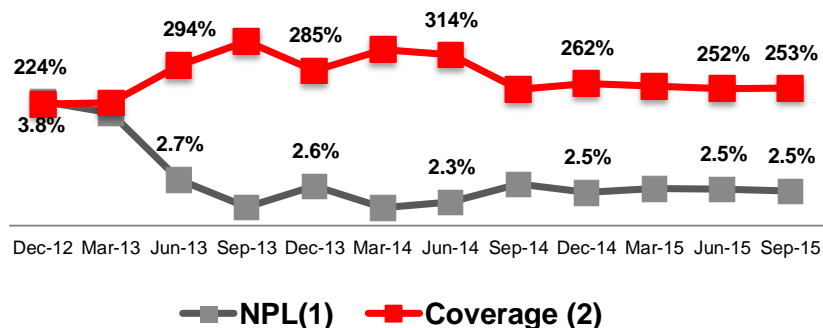
Commercial loans

% of loans



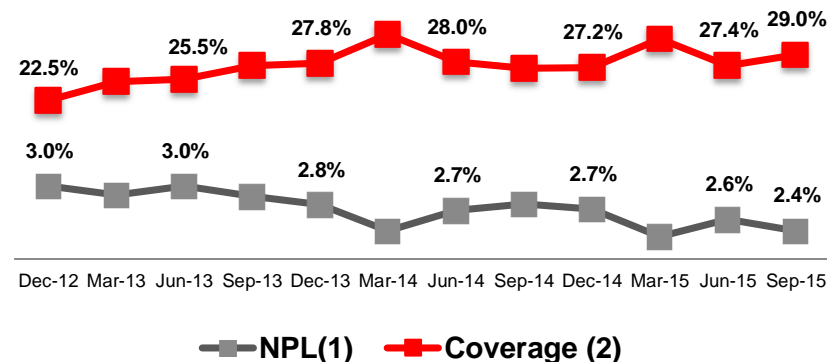
Consumer loans

% of loans



Mortgage loans

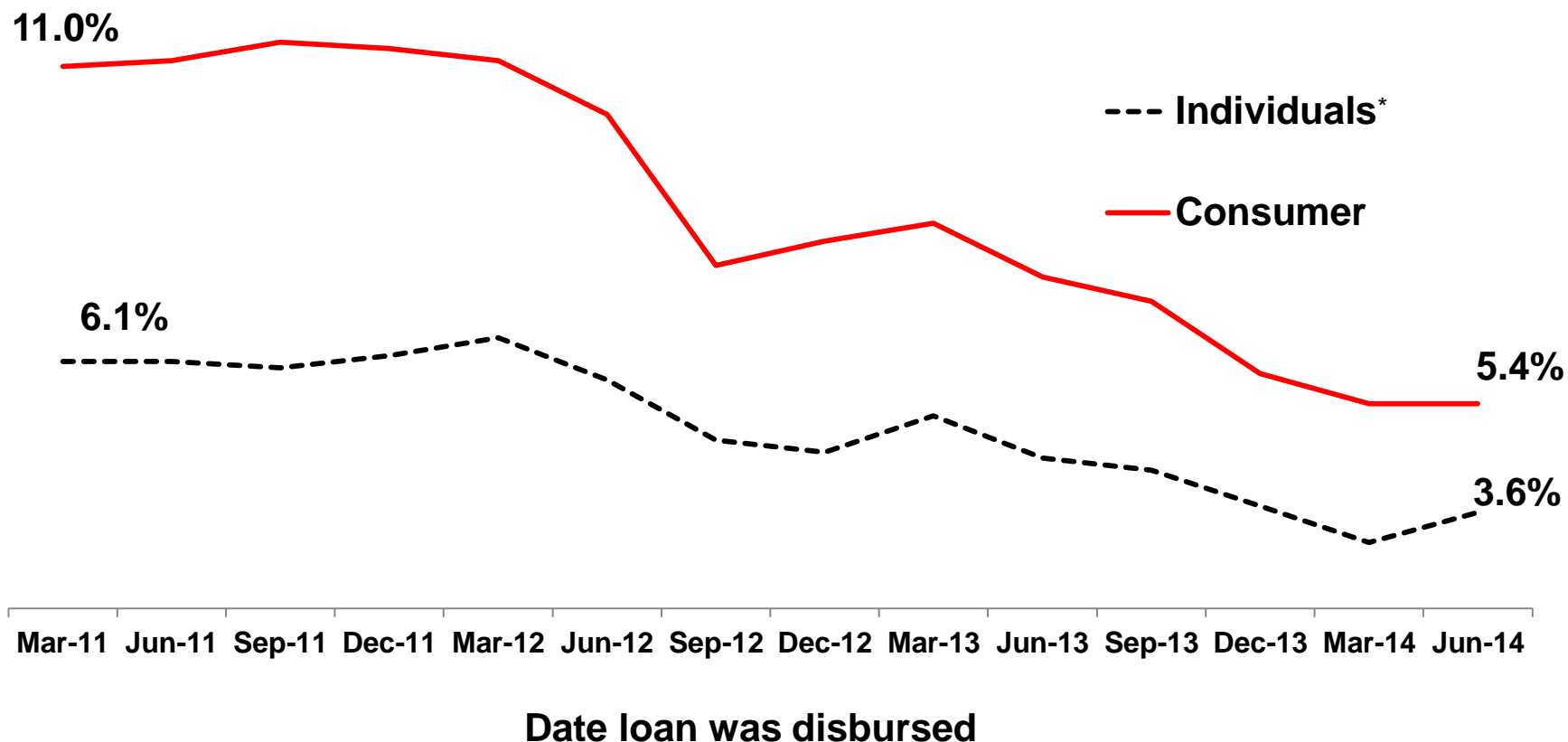
% of loans



1. 90 days or more NPLs. 2. Loan loss reserves over NPLs

Loan vintages continue to improve among individuals

NPL ratio 12 months after loan was disbursed, %

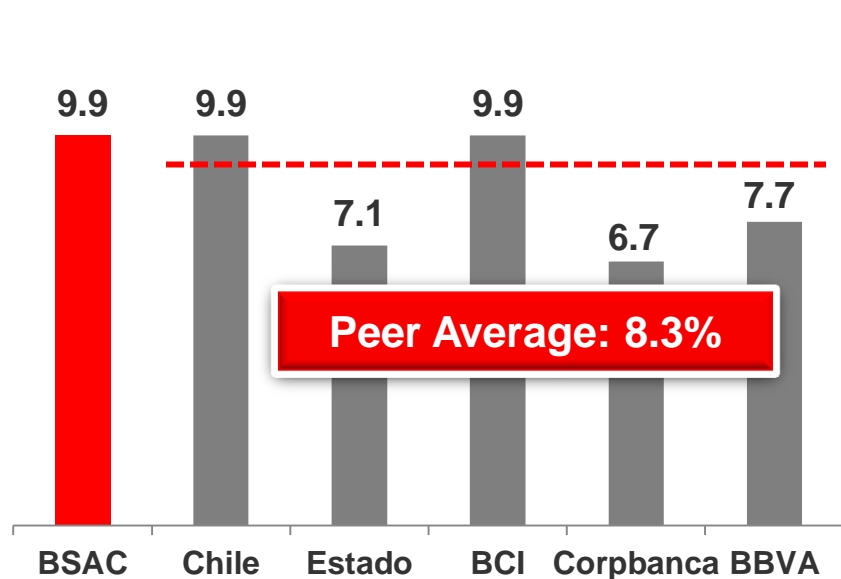


Improved loan origination after 2012's change of models and targeted clients

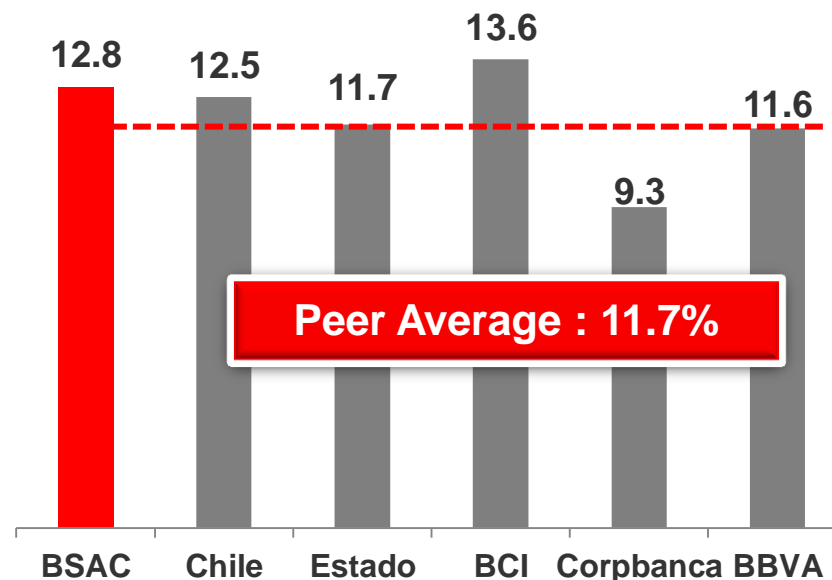
* Includes mortgages and consumer loans

Solid capital levels for further growth

Core capital (%)¹



BIS ratio (%)²



Advanced preparation for the transition into Basel III

1. According to SBIF BIS I definitions. Figures are as of August 2015, the latest date available.

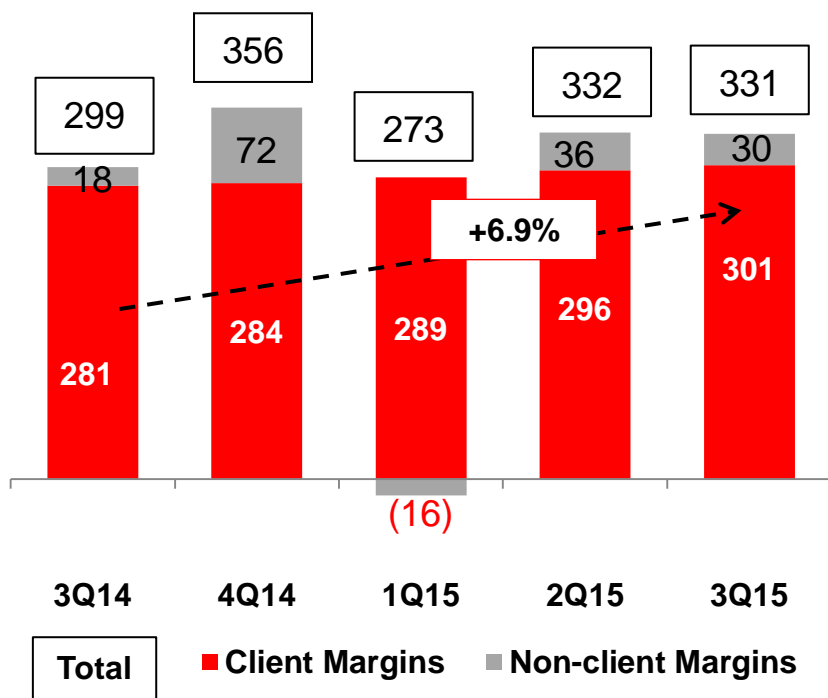
Agenda

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Client net interest income increases 6.9% YoY

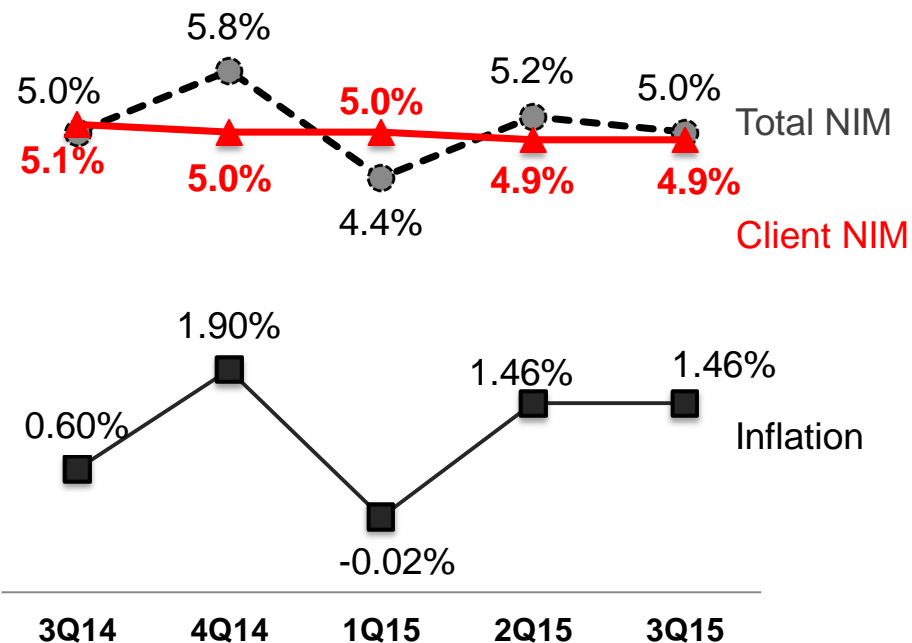
Client and total net interest income¹

Ch\$bn



NIM, client NIM and inflation

Net Interest Margin (NIM), %

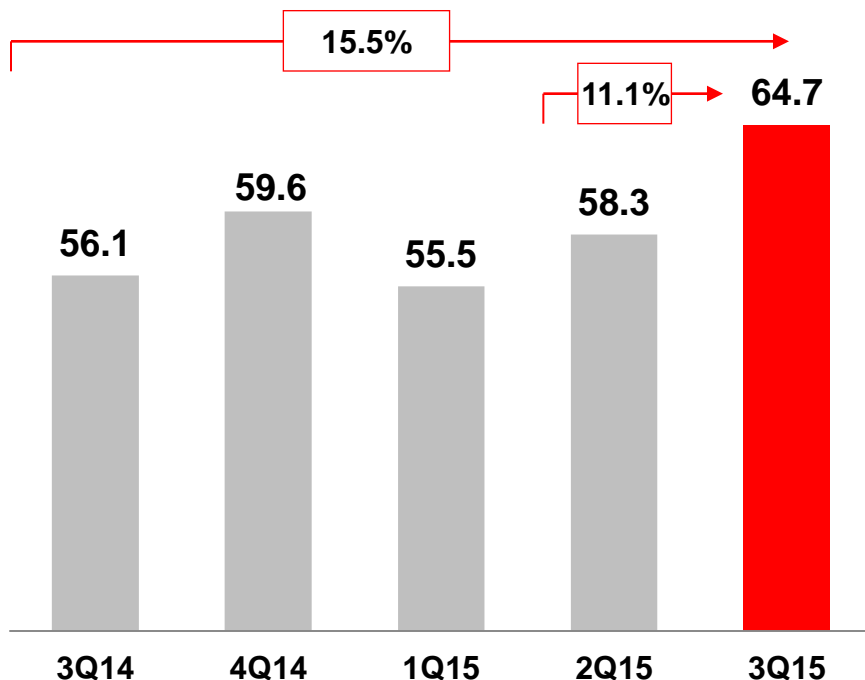


1. Client net interest income (NII) is mainly NII from the from all client activities such as loans and deposits minus the internal transfer rate. Non-client NII is NII mainly from the Bank's ALCO positions and includes the effects of inflation on the Bank's NII

Fee income continues to rebound in line with greater customer loyalty

Total net fee income

Ch\$bn



Fee income from business segments

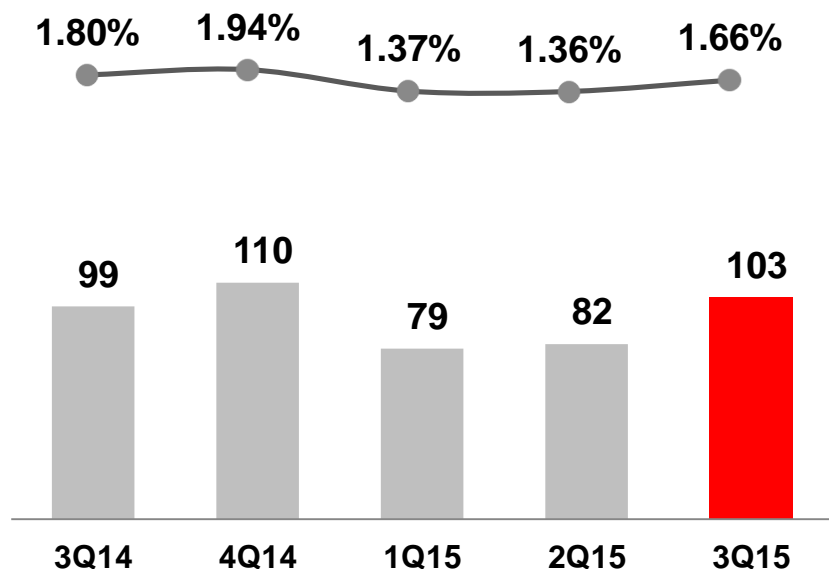
Ch\$bn

	3Q'15	YoY (%)	QoQ (%)
Retail	51.5	16.9	8.2
Middle Market	7.8	18.3	17.8
Corporates	4.5	-4.1	53.2
Others	0.9	32.5	-19.2
Total fees	64.7	15.5	11.1

Improved asset quality metrics

Provision expense & cost of credit¹

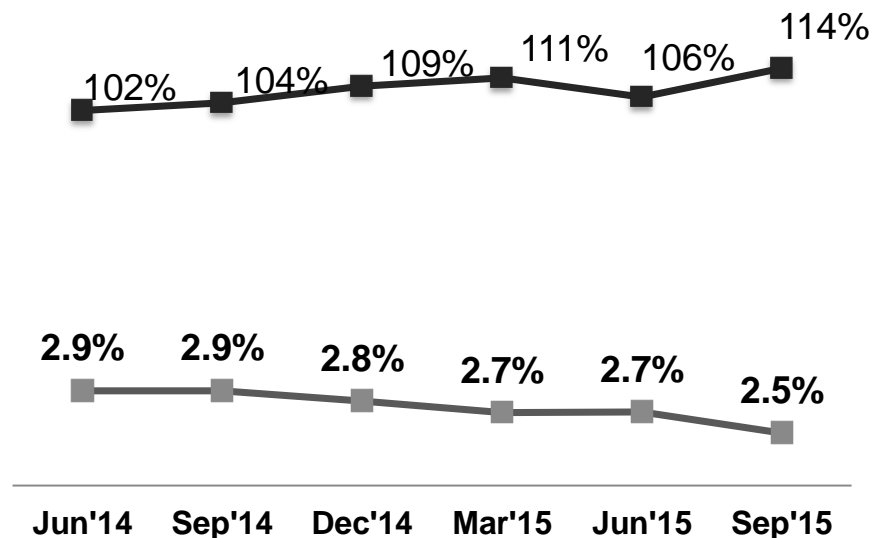
Ch\$bn



■ Ch\$bn ● Cost of credit (%)

NPL and coverage ratio

% of loans



■ NPL² ■ Coverage³

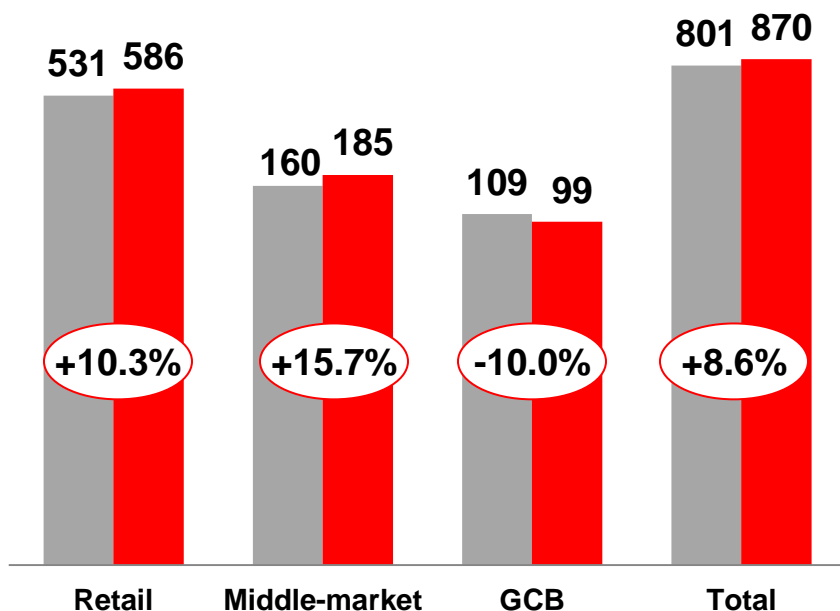
3Q15's provision level impacted by currency depreciation (Ch\$7bn.) and downgrade of 2 corporate clients (Ch\$ 14bn.)

1. Annualized quarterly provision expense / total loans. 2. 90 days or more NPLs. 3. Loan loss reserves over NPLs. 4. Client NIMs = NI from our business segments (excludes the impacts of inflation)-provisions divided by average loans

Results from business segments reflects strong business trends

Op. results from business segments*

Ch\$bn



Op. results from business segments

Ch\$bn

	9M15	YoY (%)
Client NII	887	+7.7%
Client NIMs	4.9%	-20bp
Prov. expense	(253)	-1.3%
Client NIMs net of prov.	3.5%	+10bp
Fees	176	+6.3%
Financial trx	63	-9.1%
Total	870	+8.6%

Loan and deposits growth, rebound in fees and positive evolution of credit risk drives business segments profitability

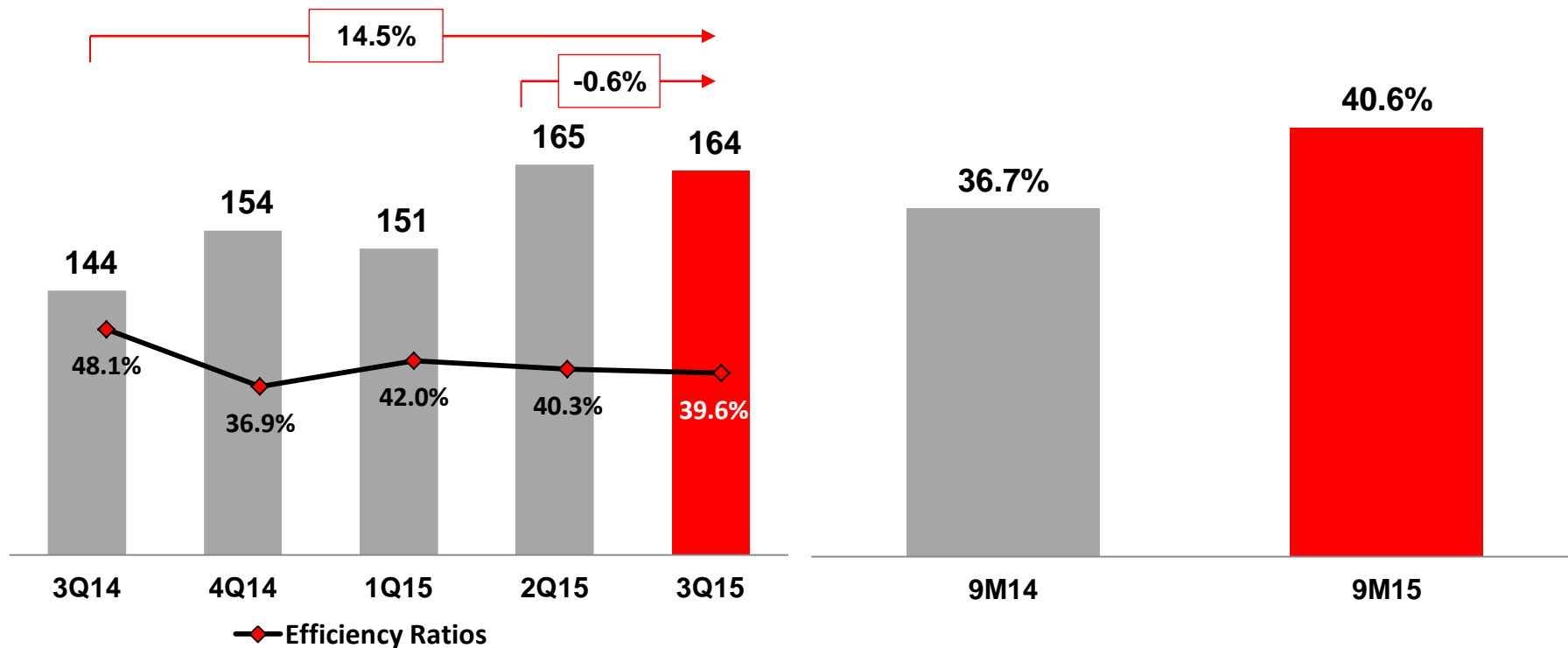
* Net operating profit from business segments: Net interest income + Net fee and commission income + total financial transactions, net - provision for loan losses. These results exclude our Corporate Activities, which include, among other items, the impact of the inflation on results.

Efficiency ratio reached 40.6% in 9M15...

Operating expenses

Efficiency ratio¹

Ch\$bn

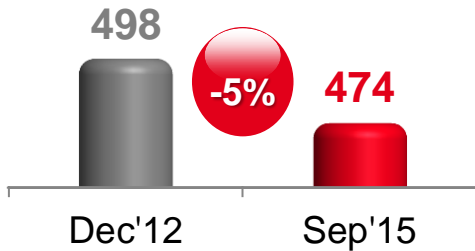


Growth of costs is decelerating

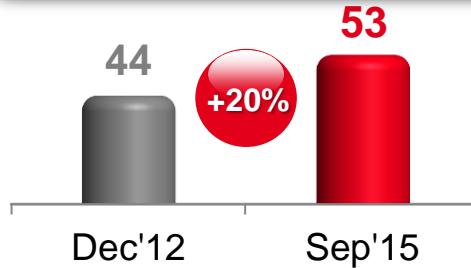
1. Efficiency ratio: oper. expenses excluding impairment / Net interest income + Fee income + Financial transactions, net and Other operating income, net

... as branch network optimization and other transformation initiatives...

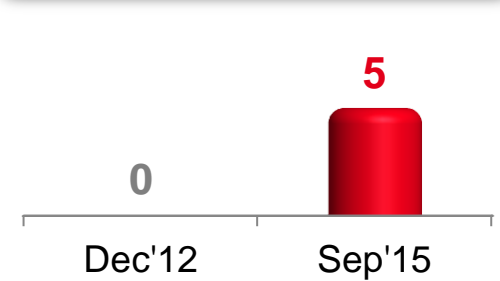
Total branches



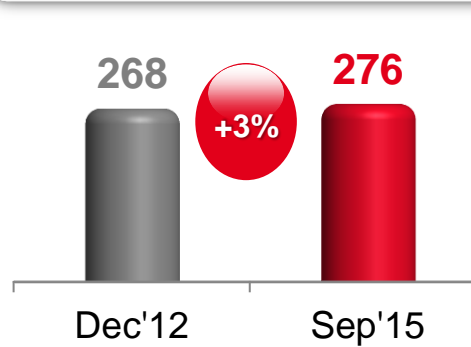
Select branches¹



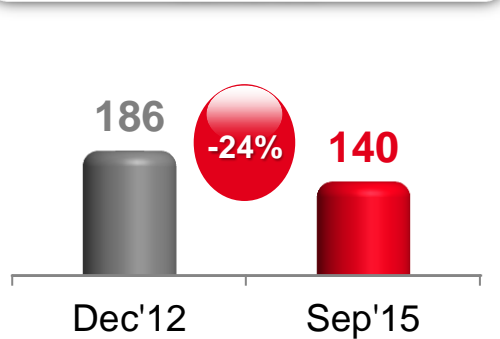
Middle-market centres



Standard branch



Banefe² & payment centres



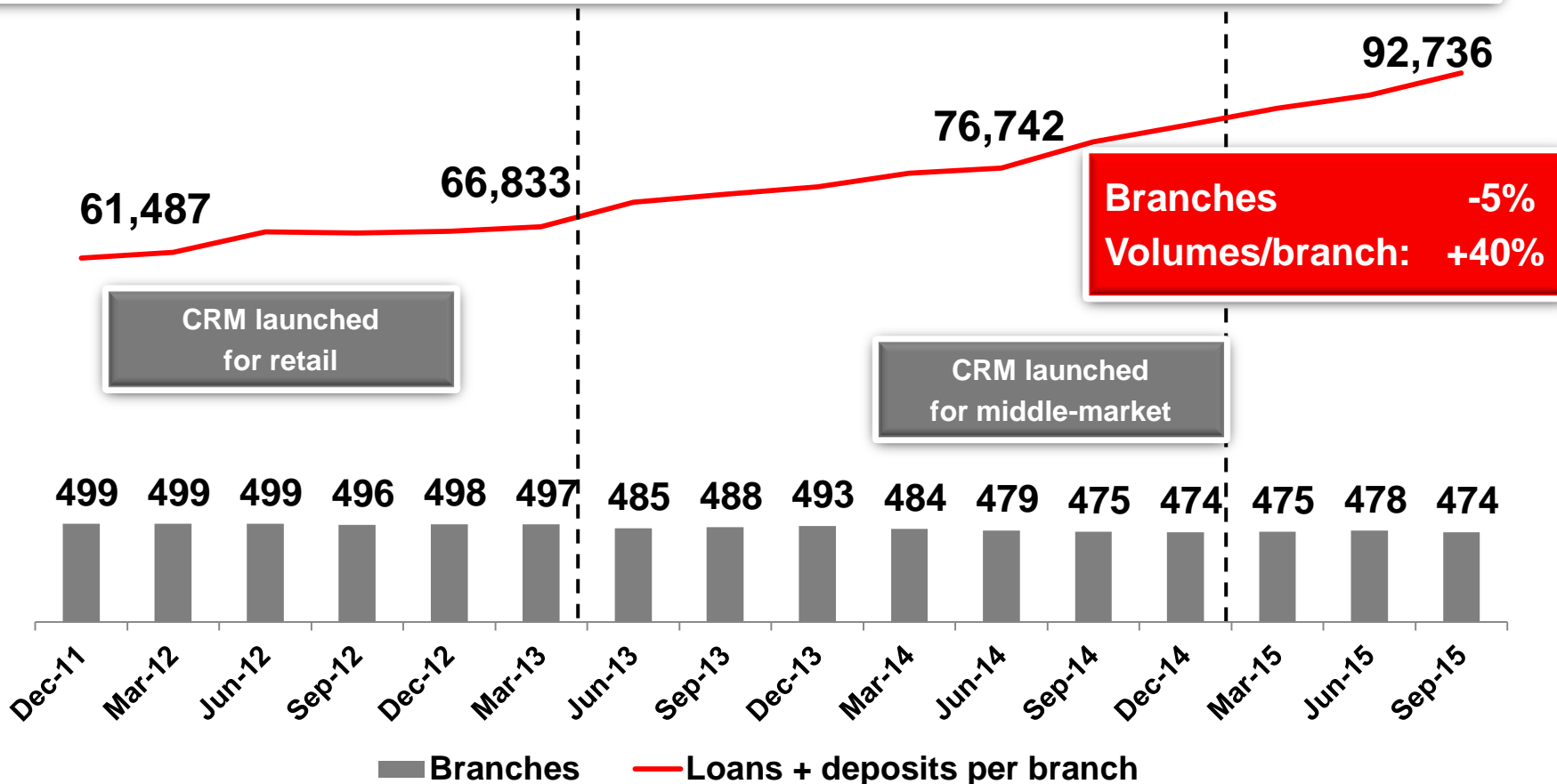
Greater focus on alternative distribution channels such as e-banking and mobile services, in line with the new digital strategy

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

...are starting to boost commercial productivity

Branches and business volumes* per branch, Ch\$MM %

Transformation Project



Branches -5%
Volumes/branch: +40%

CRM launched for retail

CRM launched for middle-market

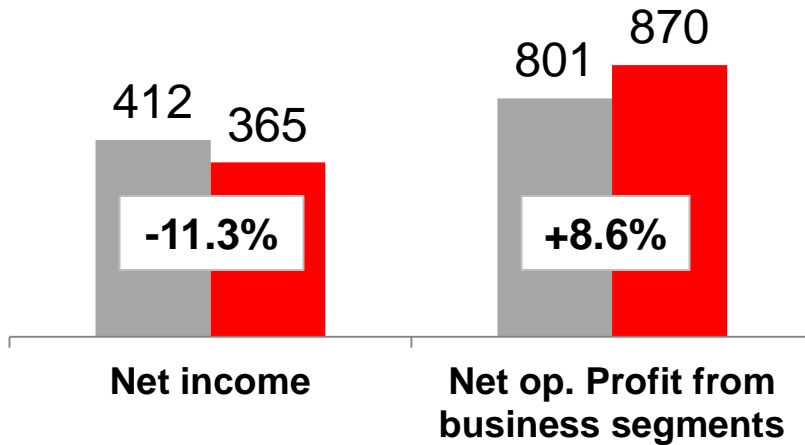
* Loans + deposits

ROE reached 18.7% in 9M15 and 19.8% in 3Q15

Net income and Net Operating profit*

Ch\$bn

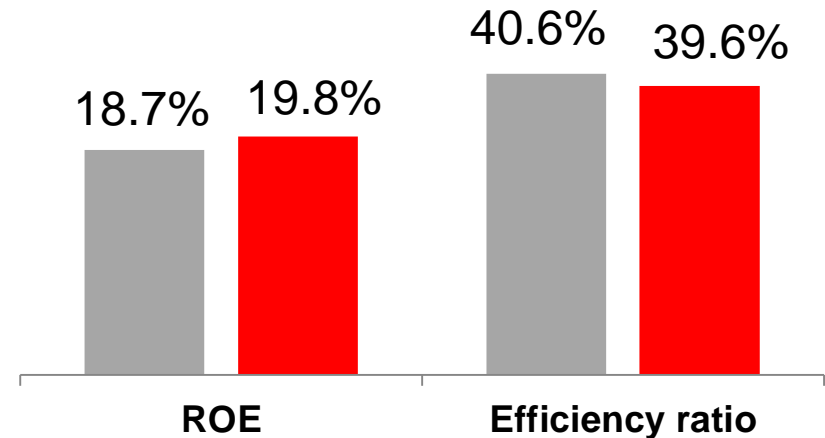
■ 9M14 ■ 9M15



ROE / Efficiency ratio

%

■ 9M15 ■ 3Q15



Reported 9M15 net income impacted by lower yearly inflation and higher tax rate

* Net operating profit from business segments: Net interest income + Net fee and commission income + total financial transactions, net - provision for loan losses. These results exclude our Corporate Activities, which include, among other items, the impact of the inflation on results.

Sound outlook for Santander Chile in 2016

- **Chile: economy is expected to remain at growth levels of 2-2.5% in 2016**
- **Financial system with stable growth and risk trends**
- **Santander Chile: positive business and client profitability trends sustained in 3Q15**
 - **Loan growth up 13.2% YoY, especially in segments with higher risk-adjusted profitability**
 - **Deposits increase 15.3% YoY with double digit growth of demand deposits in all segments**
 - **Customer loyalty continues to expand**
 - **Stable asset quality. Coverage ratio rises to 114% / NPLs fall to 2.5%**
 - **Net operating profit from business segments up 8.6% YoY in 9M15**
 - **Efficiency ratio reached 40.6% in 9M15 and 39.6% in 3Q15**
 - **ROE reached 18.7% in 9M15 and 19.8% in 3Q15**
- **For the remaining of 2015 and 2016, we expect these sound business trends to continue**

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Annexes

- Balance Sheet
- Income Statement
- Quarterly Income Statement

Balance Sheet: Assets

Unaudited Balance Sheet	Sep-15	Sep-15	Dec-14	Sept. 15 / Dec. 14
Assets	US\$ths	Ch\$ million		% Chg.
Cash and deposits in banks	2,134,596	1,486,170	1,608,888	(7.6%)
Cash items in process of collection	1,393,854	970,443	531,373	82.6%
Trading investments	521,984	363,421	774,815	(53.1%)
Investments under resale agreements	-	-	-	--%
Financial derivative contracts	5,213,306	3,629,660	2,727,563	33.1%
Interbank loans, net	124,154	86,440	11,918	625.3%
Loans and account receivables from customers, net	35,165,453	24,483,243	22,179,938	10.4%
Available for sale investments	2,731,113	1,901,483	1,651,598	15.1%
Held-to-maturity investments	-	-	-	--%
Investments in associates and other companies	28,476	19,826	17,914	10.7%
Intangible assets	63,786	44,410	40,983	8.4%
Property, plant and equipment	307,205	213,885	211,561	1.1%
Current taxes	-	-	2,241	--%
Deferred taxes	437,334	304,485	282,211	7.9%
Other assets	1,752,990	1,220,484	493,173	147.5%
Total Assets	49,874,251	34,723,950	30,534,176	13.7%

Balance Sheet: Liabilities & Equity

	Sep-15 US\$ths	Sep-15 Ch\$ million	Dec-14	Sept. 15 / Dec. 14 % Chg.
Liabilities				
Deposits and other demand liabilities	9,543,351	6,644,367	6,480,497	2.5%
Cash items in process of being cleared	1,048,300	729,858	281,259	159.5%
Obligations under repurchase agreements	392,225	273,079	392,126	(30.4%)
Time deposits and other time liabilities	17,381,061	12,101,216	10,413,940	16.2%
Financial derivatives contracts	4,685,995	3,262,530	2,561,384	27.4%
Interbank borrowings	1,691,081	1,177,381	1,231,601	(4.4%)
Issued debt instruments	8,922,955	6,212,429	5,785,112	7.4%
Other financial liabilities	297,640	207,226	205,125	1.0%
Current taxes	19,117	13,310	1,077	1135.8%
Deferred taxes	3,408	2,373	7,631	(68.9%)
Provisions	379,709	264,365	310,592	(14.9%)
Other liabilities	1,654,877	1,152,175	220,853	421.7%
Total Liabilities	46,019,719	32,040,309	27,891,197	14.9%
Equity				
Capital	1,280,185	891,303	891,303	0.0%
Reserves	2,194,523	1,527,893	1,307,761	16.8%
Valuation adjustments	(36,676)	(25,535)	25,600	--%
Retained Earnings:	367,073	255,567	385,232	(33.7%)
Retained earnings from prior years	-	-	-	--%
Income for the period	524,388	365,095	550,331	(33.7%)
Minus: Provision for mandatory dividends	(157,316)	(109,528)	(165,099)	(33.7%)
Total Shareholders' Equity	3,805,105	2,649,228	2,609,896	1.5%
Non-controlling interest	49,428	34,413	33,083	4.0%
Total Equity	3,854,532	2,683,641	2,642,979	1.5%
Total Liabilities and Equity	49,874,251	34,723,950	30,534,176	13.7%

Income Statement: YTD

YTD Income Statement Unaudited	Sep-15 US\$ths.	Sep-15 Ch\$ million	Sep-14	Sept. 15 / Sept.14 % Chg.
Interest income	2,206,617	1,536,313	1,609,414	(4.5%)
Interest expense	(861,465)	(599,778)	(648,770)	(7.6%)
Net interest income	1,345,152	936,535	960,644	(2.5%)
Fee and commission income	427,386	297,559	269,419	10.4%
Fee and commission expense	(171,034)	(119,079)	(101,775)	17.0%
Net fee and commission income	256,352	178,480	167,644	6.5%
Net income (expense) from financial operations	(496,839)	(345,914)	(49,348)	601.0%
Net foreign exchange gain	657,521	457,786	140,200	226.5%
Total financial transactions, net	160,683	111,872	90,852	23.1%
Other operating income	16,009	11,146	12,723	(12.4%)
Net operating profit before provisions for loan losses	1,778,195	1,238,033	1,231,863	0.5%
Provision for loan losses	(378,376)	(263,437)	(264,635)	(0.5%)
Net operating profit	1,399,819	974,596	967,228	0.8%
Personnel salaries and expenses	(399,440)	(278,102)	(248,019)	12.1%
Administrative expenses	(237,259)	(165,187)	(153,269)	7.8%
Depreciation and amortization	(54,282)	(37,793)	(33,321)	13.4%
Operating expenses excluding Impairment and Other operating expenses	(690,981)	(481,082)	(434,609)	10.7%
Impairment of property, plant and equipment	(29)	(20)	(36,611)	(99.9%)
Other operating expenses	(74,820)	(52,092)	(49,108)	6.1%
Total operating expenses	(765,830)	(533,194)	(520,328)	2.5%
Operating income	633,989	441,402	446,900	(1.2%)
Income from investments in associates and other companies	2,841	1,978	1,339	47.7%
Income before tax	636,830	443,380	448,239	(1.1%)
Income tax expense	(101,721)	(70,821)	(32,290)	119.3%
Net income from ordinary activities	535,109	372,559	415,949	(10.4%)
Net income discontinued operations	-	-	-	-%
Net income attributable to:				
Non-controlling interest	10,721	7,464	4,359	71.2%
Net income attributable to equity holders of the Bank	524,388	365,095	411,590	(11.3%)

Income Statement: Quarters

Unaudited Quarterly Income Statement	3Q15	3Q15	2Q15	3Q14	3Q15 / 3Q14	3Q15 / 2Q15
	US\$ths.		Ch\$mn			% Chg.
Interest income	823,334	573,230	562,368	477,317	20.1%	1.9%
Interest expense	(347,367)	(241,847)	(230,635)	(178,205)	35.7%	4.9%
Net interest income	475,968	331,383	331,733	299,112	10.8%	(0.1%)
Fee and commission income	156,308	108,826	94,181	89,982	20.9%	15.5%
Fee and commission expense	(63,314)	(44,081)	(35,907)	(33,917)	30.0%	22.8%
Net fee and commission income	92,994	64,745	58,274	56,065	15.5%	11.1%
Net income (expense) from financial operations	(222,385)	(154,831)	(50,524)	24,693	--%	206.5%
Net foreign exchange gain	280,627	195,381	80,855	3,125	6152.2%	141.6%
Total financial transactions, net	58,242	40,550	30,331	27,818	45.8%	33.7%
Other operating income	519	361	5,677	3,728	(90.3%)	(93.6%)
Net operating profit before provisions for loan losses	627,722	437,039	426,015	386,723	13.0%	2.6%
Provision for loan losses	(147,392)	(102,619)	(81,592)	(99,365)	3.3%	25.8%
Net operating profit	480,330	334,420	344,423	287,358	16.4%	(2.9%)
Personnel salaries and expenses	(140,199)	(97,611)	(96,274)	(86,503)	12.8%	1.4%
Administrative expenses	(77,339)	(53,846)	(56,488)	(52,360)	2.8%	(4.7%)
Depreciation and amortization	(18,691)	(13,013)	(12,646)	(4,736)	174.8%	2.9%
Operating expenses excluding Impairment and Other operating expenses	(236,229)	(164,470)	(165,408)	(143,599)	14.5%	(0.6%)
Impairment of property, plant and equipment	-	-	(20)	(36,582)	--%	--%
Other operating expenses	(31,133)	(21,676)	(15,770)	(12,162)	78.2%	37.5%
Total operating expenses	(267,363)	(186,146)	(181,198)	(192,343)	(3.2%)	2.7%
Operating income	212,967	148,274	163,225	95,015	56.1%	(9.2%)
Income from investments in associates and other companies	1,013	705	788	500	41.0%	(10.5%)
Income before tax	213,980	148,979	164,013	95,515	56.0%	(9.2%)
Income tax expense	(25,813)	(17,972)	(21,531)	18,941	(194.9%)	(16.5%)
Net income from ordinary activities	188,166	131,007	142,482	114,456	14.5%	(8.1%)
Net income discontinued operations	-	-	-	-		
Net income attributable to:						
Non-controlling interest	2,518	1,753	2,118	4,325	(59.5%)	(17.2%)
Net income attributable to equity holders of the Bank	185,648	129,254	140,364	110,131	17.4%	(7.9%)



Chile