Third Supplement dated October 21, 2021 to the Base Prospectus dated June 25, 2021

Banco Santander Chile

(Santiago, Chile)

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

THIRD PROSPECTUS SUPPLEMENT INCORPORATING BY REFERENCE THE CURRENT REPORT ON FORM 6-K, AS FILED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") ON OCTOBER 21, 2021 (THE "SECOND QUARTER 6-K") OF BANCO SANTANDER CHILE AND UPDATING THE BASE PROSPECTUS

Banco Santander Chile (the "**Issuer**" or with its consolidated subsidiaries "**Santander Chile Group**") has prepared this third prospectus supplement (the "**Third Prospectus Supplement**") in connection with Medium Term Notes (the "**Notes**") issued from time to time under the Issuer's Medium Term Note Program (the "**Program**"). The Issuer has also prepared a prospectus dated June 25, 2021 (the "**Base Prospectus**," as amended or updated from time to time and including all information incorporated by reference therein), a first prospectus supplement dated October 5, 2021 (the "**First Prospectus Supplement**") and a second prospectus supplement dated October 12, 2021 (the "**Second Prospectus Supplement**" and, together with the First Prospectus Supplement and the Base Prospectus, the "**Prospectus**") for use in connection with the issue of Notes under the Program. This Third Prospectus Supplement amends and updates the Prospectus, and should be read in conjunction with the Prospectus and constitutes a supplement for the purposes of Article 23 of the Prospectus Regulation.

The Third Prospectus Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under the Prospectus Regulation. The Central Bank only approves this Third Prospectus Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer.

The Second Quarter 6-K has been previously published or is published simultaneously with this Third Prospectus Supplement and has been filed with the Central Bank of Ireland, and shall be deemed to be incorporated by reference in, and to form part of, this Third Prospectus Supplement. The Second Quarter 6-K supersedes and replaces the information included in the Issuer's reports on Form 6-K filed on August 2, 2021 and October 7, 2021, which were previously incorporated by reference in the Prospectus. The Second Quarter 6-K will be available for collection and inspection as set out in the section "Documents on Display" on page 143 of the Base Prospectus and is available at the following link: https://santandercl.gcs-web.com/sec-filings.

The Issuer accepts responsibility for the information contained in this Third Prospectus Supplement. To the best of the knowledge of the Issuer the information contained in this Third Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Third Prospectus Supplement will be published in electronic form on the website of the Issuer (https://santandercl.gcs-web.com/investor-relations) and will be available until the Base Prospectus expires on June 24, 2022.

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

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

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

Risk Factors

You should carefully consider the following risk factors, and the risk factors set forth under "Item 3. Key Information—D. Risk Factors" in our 2020 20-F, which should be read in conjunction with all the other information presented in this Report and in our 2020 20-F. The risks and uncertainties described below are not the only ones that we face. Additional risks and uncertainties that we do not know about or that we currently think are immaterial may also impair our business operations. Any of the following risks, if they actually occur, could materially and adversely affect our business, results of operations, prospects and financial condition.

In particular, the corresponding risk factors set forth on pages 11, 12, 24, 25, 30, 34, 37 and 39 of the 2020 20-F under "Item 3. Key Information—D. Risk Factors" are hereby updated and replaced in their entirety as follows:

Our operations and results have been negatively impacted by the coronavirus outbreak, which we expect will have a continued and potentially material adverse effect on our business and results of operations for as long as the pandemic is ongoing.

Since December 2019, a novel strain of coronavirus (COVID-19) has spread around the world, including Chile. On March 18, 2020, the Chilean government declared a state of emergency and on March 19, 2020, the government ordered the suspension of all non-essential activities and a mandatory quarantine in neighborhoods with a high concentration of cases. Since that date different areas of Chile have come in and out of different levels of quarantine. These measures and similar measures have caused significant disruption of regional and global economic activity. These quarantines led to the closure of approximately 20% of our branches at the peak of the pandemic. As of June 30, 2021, 44 of our branches remained closed due to the pandemic. For the remaining open branches, we have instituted strict sanitary protocols and restrictions on the number of customers and personnel that can be in any individual branch at a time.

The Chilean government currently maintains a "step-by-step" gradual restriction relief program in force since March 2020. As of October 1, 2021, this will include five stages ranging from restriction to advanced opening, based on a formula that combines several factors, including new cases per capita in a given area, the size of the elderly and vulnerable population and access to medical care in such area. Depending on the results of these health and safety guidelines and criteria, the Chilean government may allow each district or region to gradually advance to an advanced opening stage or re-impose certain restrictions which, in any case, will not affect people's mobility rights. Beginning on November 1, 2021, a mobility pass will be required for all people of age above 12 years old for greater freedom of mobility and certain meetings.

The process to vaccinate the Chilean population began in February 2021, and as of October 2021, over 14.1 million people in Chile were already fully vaccinated, representing 81.7% of the target population and 74.1% of the total population in Chile. The Chilean Ministry of Health defines "target population" as (1) critical population (*i.e.* individuals exposed to infection due to their work or functions); (2) healthy population (*i.e.* individuals between the ages of 18 and 59); and (3) population at risk (*i.e.* individuals with an increased risk of experiencing grave morbidity, sequels or death due to COVID-19 by reason of age or pre-existing conditions). The Chilean government has also begun vaccinating children under 18 years of age and is currently rolling out the booster shot. Moreover, the Public Health Institute (*Instituto de Salud Pública*) granted on September 6, 2021 the necessary emergency approval for the vaccination of children between 6 and 12 years of age.

Chile has also begun opening its borders, enabling foreigners that have already been vaccinated to enter the country. The vaccination program has contributed to the slowing down of the spread of COVID-19 and has enabled the Chilean economy to begin recovery. However, as new variants of the COVID-19 virus spread throughout the world, the long-term ramifications of the COVID-19 pandemic are highly uncertain, and it is hard to predict the duration of the pandemic and its effects on the global and Chilean economy and on our business.

The Chilean government also rolled out a series of measures to increase liquidity for households, including an Emergency Plan for the Protection of Family Income, and Economic and Employment Reactivation (*Plan de Emergencia por la Protección de los ingresos de las Familias y la Reactivación Económica y del Empleo*) that is available for 90% of Chilean households, benefiting around 14.8 million people in May 2021. These households will receive a monthly income for the months June, July, and August 2021, amounting to a total estimated government expense of US$ 8.7 billion, and then a further 50% of this expense for the months September to December 2021.

In 2020, GDP fell 5.8% with an unemployment rate of 10.2% as of December 2020 because of the pandemic and subsequent lockdowns. However, improvements in terms of trade and better economic activity have led to the economy quickly recovering and GDP is currently expected by the Chilean Central Bank to grow in 2021. Current expectations notwithstanding, any future resurgence in the pandemic could lead to new restrictions on economic activity and negatively impact growth in 2021.

In Chile, the industries and sectors that have been most impacted have been hotels, casinos, tourism, restaurants, and airlines. As of June 30, 2021, our loan exposures to these industries totaled approximately 0.9% of its loan book.

The Chilean government has also announced a series of measures to support lending. The largest measures were to provide an additional US$3 billion to the *Fondo de Garantía para Pequeños Empresarios* (Small Enterprise Guarantees Fund, or "FOGAPE"), a state fund that guarantees loans, leases and other credits provided to small businesses, extend FOGAPE's coverage to companies with annual sales of up to UF 1 million (US$34 million) and further amend the rules and regulations governing FOGAPE to encourage banks to provide lending to small businesses. Under FOGAPE's new regulations, domestic banks, including us, may provide loans with preferential interest rates monetary policy rate ("MPR") to the MPR plus 3% and terms of up to 48 months to eligible companies in an aggregate amount equal to up to 3 months of a company's sales and receive a guarantee from FOGAPE of between 60% and 85% of each loan. Any recovery of all or a portion of a non-performing loan will first be used to satisfy the non-guaranteed portion of the principal amount of the loan as well as legal fees, followed by the amount of the guarantee provided by FOGAPE and lastly any accrued and unpaid interest and fees. In order to receive the guarantee from FOGAPE, such loans must have a 6-month grace period before a company must begin repaying the loan. In addition, companies that receive loans guaranteed by FOGAPE pursuant to these new regulations will be entitled to defer loan payments for a period of 6 months.

In February 2021, the government approved the FOGAPE 2.0 – or FOGAPE Reactiva - program. The maximum rate was set at a monthly rate of TPM (overnight rate) plus 0.6%, implying an annual rate of 7.2%. The focus at this time will be to direct the loans for SMEs investments and not only for working capital needs.

Although we have received guarantees from FOGAPE for a portion of the FOGAPE loans we have granted, if our clients default on their payment obligations under these loans when they become due, or they otherwise fail to timely comply with their obligations under these loans, this will result in higher levels of non-performing loans in the future and require the recognition of additional allowances for loan losses. Moreover, we must share with FOGAPE a portion of any recovery made on non-performing loans guaranteed by FOGAPE. In addition, all other loans previously disbursed to a client from the same bank from which they receive the FOGAPE loan will also be granted a 6-month grace period for repayment. If our clients default on their obligations under these loans, which are not guaranteed by FOGAPE, when such grace period ends, it could result in higher levels of non-performing loans in the future and require the recognition of additional allowances for loan losses.

As of June 30, 2021, we had approved Ch$2.4 trillion of FOGAPE loans to our SME and Middle-market clients, including Ch$730,822 million in FOGAPE Reactiva. The majority of the grace periods have expired, with 97% of the total FOGAPE loans already under normal payment schedule. The FOGAPE Reactiva loans we granted did not include grace periods. Of those under normal payment schedule, over 99% have been paying on time, while only 1% show impairment at the end of June 2021. Despite these positive figures, we cannot assure that these repayment trends will continue in the future and a greater extension of the COVID-19 pandemic could signify a greater deterioration of the payment ability of our clients with a FOGAPE loan.

The FMC has also issued regulations regarding the granting of grace periods for mortgages, consumer loans and commercial loans that have been affected by the COVID-19 pandemic as follows:

Additionally, we provided grace periods for our consumer portfolio for up to 3 months, our mortgage portfolio for up to 6 months, and other commercial loans up to 6 months to debtors who were 0-30 days overdue as of March 31, 2020. In view of the persistence of the COVID-19 pandemic, with the consequent effects on the normal development of economic activities, on April 23, 2021, the FMC instructed the Bank to extend these grace periods until July 31, 2021. As of June 30, 2021, we had provided a grace period according to the guidelines established by our regulator for Ch$8.3 trillion of our loans. Below is a breakdown of repayment behavior as of June 30, 2021:

COVID-19 measures	**As of June 30, 2021**
	Ch$ billion
Payment holiday	8,324
Payment holiday still in effect	46
Payment holiday expired	8,278

The Bank is closely monitoring payment behavior once payment holidays have expired. As of June 30, 2021, Ch$8,106 billion corresponds to clients who are servicing their debt properly, and clients representing Ch$172 billion of loans defaulted or requested additional extensions. As of July 31, 2021, there were Ch$8,182 billion in loans that had requested payment holidays, with Ch$8,139 billion, or 99.5%, with payment holiday expired. Of these grace periods expired, Ch$8,106 million or 99.6% were paying on time.

Despite this favorable evolution of asset quality, there is still risk of an increase in the NPL ratio due to the duration of the COVID-19 pandemic, the emergence of new COVID-19 variants, and the uncertainty of their effect on the effectiveness of vaccines, the extent and length of the economic downturn and the rules and regulations put in place to combat the COVID-19 pandemic and its effects in the future.

The extent to which the COVID-19 pandemic impacts our results will depend on the duration of the pandemic and the level of continued disruption to Chilean, regional and global economic activity, which is impossible to predict at this time. Future developments with respect to the COVID-19 pandemic are highly uncertain and new information may emerge concerning the severity of the COVID-19 pandemic and the actions taken to contain it. Furthermore, there are no indications the Chilean government will continue providing loan support programs or other forms of relief or assistance for private sector entities such as us. If the pandemic continues and further government programs are not initiated, or the ones in place are not effective, this could have a material adverse effect on us.

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

Credit ratings affect the cost and other terms upon which we can obtain funding. Rating agencies regularly evaluate us, and their ratings of our debt are based on several factors, including our financial strength and conditions affecting the financial services industry. In addition, due to the methodology of the main rating agencies, our credit rating is affected by the rating of Chile's sovereign debt. If Chile's sovereign debt is downgraded, our credit rating would also likely be downgraded by an equivalent amount. In addition, our ratings may be adversely affected by any downgrade in the ratings of our parent company, Santander Spain.

During 2020, as a result of the social unrest in Chile and the COVID-19 pandemic, Standard and Poor's Ratings Services ("S&P") and Moody's revised the Republic of Chile and the Bank's credit ratings to a negative outlook. In March 2021, due to the ongoing pandemic and the consequent increase in government spending with a higher fiscal deficit, S&P downgraded the Chilean sovereign rating from A+ to A. As a direct effect of the Chilean sovereign rating downgrade, S&P downgraded Santander Chile's rating from A to A-, maintaining a negative outlook. In September 2021, S&P changed Santander Chile's outlook from negative to stable.

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

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

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

There can be no assurance that the rating agencies will maintain the current ratings or outlooks. In general, the future evolution of Santander's ratings will be linked, to a large extent, to the impact of the COVID-19 pandemic (including, for example, a third wave, new lockdowns, etc.) on the macro outlook of our asset quality, profitability and capital. Failure to maintain favorable ratings and outlooks could increase our cost of funding and adversely affect interest margins, which could have a material adverse effect on us.

Market conditions have resulted, and could result, in material changes to the estimated fair values of our financial assets. Negative fair value adjustments could have a material adverse effect on our operating results, financial condition and prospects.

In the past, financial markets have been subject to significant stress resulting in steep falls in perceived or actual financial asset values, particularly due to volatility in global financial markets and the resulting widening of credit spreads, including as a result of the COVID-19 pandemic. We have material exposures to securities, loans and other investments that are recorded at fair value and are therefore exposed to potential negative fair value adjustments. Asset valuations in future periods, reflecting then-prevailing market conditions, may result in negative changes in the fair values of our financial assets and these may also translate into increased impairments. In addition, the value ultimately realized by us on disposal may be lower than the current fair value. Any of these factors could require us to record negative fair value adjustments, which may have a material adverse effect on our operating results, financial condition or prospects.

In the first nine months of 2021, pension fund withdrawals and political uncertainty have led to significant rate increases along the entire yield curve. Furthermore, the Central Bank increased the Monetary Policy Rate from 0.5% to 0.75% in July 2021, and then to 1.5% in August 2021. This has negatively impacted the fair value of various financial assets, including our available-for-sale assets, which as of June 30, 2021 amounted to Ch$7,071,313 million. These instruments are principally sovereign and treasury bonds from Chile and the United States. As of June 30, 2021, the instruments available for sale include balances of unrealized net profits of Ch$307,745 million recognized as "Valuation accounts" in equity.

In addition, to the extent that fair values are determined using financial valuation models, such values may be inaccurate or subject to change, as the data used by such models may not be available or may become unavailable due to changes in market conditions, particularly for illiquid assets, and particularly in times of economic instability. In such circumstances, our valuation methodologies require us to make assumptions, judgements and estimates in order to establish fair value, and reliable assumptions are difficult to make and are inherently uncertain and valuation models are complex, making them inherently imperfect predictors of actual results. Any consequential impairments or write-downs could have a material adverse effect on our operating results, financial condition and prospects.

Impact of Inflation and government measures to curb inflation may adversely affect the Chilean economy and have an adverse effect on us.

Inflation and government measures to curb inflation may adversely affect the Chilean economy and our business, results of operations and financial condition. In recent months Chilean inflation levels have been accelerating and inflation is expected to surpass 5%. Although we currently benefit from moderate increases in inflation, due to the current structure of our assets and liabilities (i.e., a significant portion of our loans are indexed to the inflation rate, but there are significantly less features in deposits and other funding sources that would increase the size of our funding base), there can be no assurance that our business, financial condition and result of operations in the future will not be adversely affected by changing levels of inflation.

The measures taken in the past by the Central Bank of Chile to control inflation have often included maintaining a tight monetary policy with high interest rates, thereby restricting the availability of credit and retarding economic growth. In this sense, in 2021 the Central Bank has increased the Monetary Policy Rate (*Tasa de Política Monetaria*) from 0.5% to 0.75% in July 2021, then to 1.5% in August 2021 and then to 2.75% in October 2021. Because our liabilities are generally re-priced sooner than our assets, rapid increases in short-term rates on behalf of the Central Bank are reflected in the rates of interest paid by us on our liabilities before such changes are reflected in the rates of interest earned by us on our assets. Therefore, when short term rates increase, our interest margin is usually negatively affected. At the same time, our net interest margin tends to be adversely affected in the short term by a decrease in inflation rates since generally our UF-denominated assets exceed our UF-denominated liabilities. See “Item 2. Operating and Financial Review and Prospects—A. Operating Results—Impact of Inflation—Peso-denominated assets and liabilities.”

Moreover, measures to combat inflation and public speculation about possible additional actions have also contributed materially to economic uncertainty in Chile and to heightened volatility in its securities markets. In the case of high inflation, the government could decide to fix prices or lower value-added tax which may affect us negatively in the short term.

We are subject to regulatory risk, or the risk of not being able to meet all of the applicable regulatory requirements and guidelines.

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

In August 2021, Law No. 21,365 was enacted, regulating interchange fees in the credit card payment market in Chile. An autonomous and technical committee was formed to determine the interchange fee limits, conformed by 4 members, each designated by the following institutions: the Central Bank in Chile; the FMC; the National Economic Prosecutor (*Fiscalía Nacional Económica*); and the Ministry of Finance. This committee has six months to announce the first transitory limits. Interchange fee limits will be reestablished every three years. We cannot assure this new regulation will not have a negative impact on the fees we currently charge as a credit and debit card issuing bank.

In addition, Congress is currently discussing a proposal that would modify diverse regulations on debt and the rights of the consumer. It proposes (1) the reduction, from 1.5 to 1.3 times, the current interest rate that governs at the time of the agreement, one of the limits in the determination of the maximum conventional interest, thus limiting abusive and unilateral interests; (2) the prohibition of the compounding of interests on interests, meaning that the interests owed are considered as capital debt, and therefore the agreed interests are applied to their payment; (3) any prepayment commission or any other similar charge for the advance payment of a debt, as well as the calculation formula, must be previously established in the main obligation and this fee or extra payment cannot exceed the agreed interest in one month; (4) the reduction of the maximum limits established regarding prepayment commissions, in the case of operations, adjustable or not, of debts of less than five thousand U.F.; (5) the regulation of acceleration clauses in promissory notes so that the non-payment of one of the installments makes the payment of the total balance owed enforceable, but that the acceleration will only be enforceable when a request for payment and collection of at least six separately unpaid installments has been made; and (6) that the stipulations that establish acceleration clauses or of any denomination that require the total amount owed for the breach of less than 6 separate installments, or that exempt from their obligation to pay, require of payment in accordance with the law. If enacted as currently proposed, this legislation may negatively affect interest rate income and fees, which in turn could have a material adverse effect on our operating results, financial condition and prospects.

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

Changes in regulations may also cause us to face increased compliance costs and limitations on our ability to pursue certain business opportunities and provide certain products and services. As some of the banking laws and regulations have been recently adopted, the way those laws and related regulations are applied to the operations of financial institutions is still evolving. Moreover, to the extent these recently adopted regulations are implemented inconsistently in the various jurisdictions in which we operate, we may face higher compliance costs.

No assurance can be given generally that laws or regulations will be adopted, enforced or interpreted in a manner that will not have a material adverse effect on our business and results of operations.

Changes to the pension fund system may affect our liquidity levels and/or funding costs.

The current pension fund system dates from the 1980s when pensions went from being state-funded to privately-funded, which requires Chilean employees to set aside 10% of their wages. As of June 30, 2021, the Chilean pension fund management companies (*Administradoras de Fondos de Pensión*, or “AFPs”) had U.S.$4.2 billion invested in the Bank via equity, deposits and fixed income. The demographics of Chilean society have changed, resulting in a need to modify the system. In January 2020, the Chilean government presented a proposal for pension reform to Congress for discussion. These changes include increasing minimum pensions and introducing a social insurance scheme for events such as longevity. The amount each worker must set aside is also expected to increase from the current 10% of wages to 16%. The additional 6% would be gradually introduced over 12 years and would be a cost of the employer, thus potentially raising personnel expenses. The additional 6% would not be managed by the AFPs, but by a new government pension entity. Although the bill is currently being discussed, we are unable to predict the final content of the law. The potential adverse effect of the proposed law on our financial condition and results of operations cannot yet be ascertained.

In parallel, the Chilean government is also discussing a shorter proposal to reform the pension system, mainly focused on modifying the mortality tables used to calculate pensions and the coverage of the “Solidarity Pillar”, a category of coverage for those that do not have a sufficient accumulated pension. If the proposal is implemented, the Solidarity Pillar monthly amount will be increased to Ch$210,000, the coverage will be increased from 60% of the vulnerable population to 85% and the age for women to access basic pensions will be reduced to 60 years.

Moreover, in 2020, and as a result of the COVID-19 pandemic, three extraordinary withdrawals were permitted from pension funds, the last of which approved in May 2021.

In order to avoid strong swings in asset prices, the Central Bank introduced a series of measures to ensure healthy liquidity levels including the direct purchase of bank instruments and the acquisition of government bonds in the secondary market supported by the FCIC and LCL lines available to banks. The potential adverse effect of these and future withdrawals on our financial condition, liquidity levels, the ability to obtain funding from the AFPs and results of our operations cannot yet be ascertained.

A fourth 10% pension fund withdrawal is currently being discussed in the Senate, which could mean that an additional US$17 billion could be withdrawn from Chilean AFPs. Withdrawals had an immediate impact on local fixed income capital markets and between December 31, 2020 and June 30, 2021, the yield on Chile’s 10Y Central Bank nominal bond increased from 2.6% to 4.57%. As of September 30, 2021, the yield reached 5.52%. These extraordinary withdrawals have resulted in lower funding from AFP.In addition, there is a discussion to enforce a law that would allow pensioners who receive an annuity to be eligible to receive an advancement. The FMC has stated that this new advancement of annuities could materially affect the solvency of life insurance companies with the subsequent negative impacts on capital markets.

Chilean regulations also impose a series of restrictions on how Chilean AFPs may allocate their assets. In the particular case of financial issuers’ there are three restrictions, each involving different assets and different limits determined by the amount of assets in each fund and the market and book value of the issuer's equity. As a consequence, limits vary within funds of AFPs and issuers. According to our estimates in June 2021, the AFPs still had the possibility of being able to invest another U.S.$8.2 billion in the Bank via equity, deposits and fixed income. If the exposure of any AFP to Santander-Chile exceeds the regulatory limits, the regulatory limits are reduced or the amount of funds available in the pension funds falls significantly, we would need to seek alternative sources of funding, which could be more expensive and, as a consequence, may have a material adverse effect on our financial condition and results of operations.

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

As of June 30, 2021, on a consolidated basis, we had 10,240 employees, of which 73.7% were unionized. In February 2021, a new collective bargaining agreement was signed with the main unions ahead of schedule, which became effective as of September 1, 2021 and expires on December 31, 2024. We generally apply the terms of our collective bargaining agreement to unionized and non-unionized employees. We have traditionally had good relations with our employees and their unions, but we cannot assure you that in the future, a strengthening of cross-industry labor movements will not materially and adversely affect our business, financial condition or results of operations.

There is currently a new labor reform being discussed in Congress, which, among other items, shortens the work week from 45 hours to 40 hours, excluding the lunch break. There is also discussion to increase minimum wage currently set at Ch$301,000/month (US$415/month) by up to 50%. At Santander Chile, the weekly working hours agreed under the collective bargaining agreement are 40 hours, excluding lunch, and our minimum wage is set above the legal minimum. Despite this, we cannot assure at this time that the new labor reform will not have material impact on our expenses.

There is a currently a law being discussed in Congress to modify the *Gratificación Legal.* This is a type of benefit included in remunerations that corresponds to the part of a company's profits that must be distributed to workers. In accordance with the provisions of article 47 of the Labor Code, employers who obtain profits in their business have the obligation to annually reward their workers, with no less than 30% of said profits or by way of article 50, paying the worker 25% of a workers yearly wage with a limit of 4.75 minimum monthly wages. The new bill being discussed seeks to modify the Labor Code regarding the participation of workers in the profits of companies. The new bill proposes to modify the aforementioned code to make effective a fixed payment of 25% of a worker's salary during the year with a limit of 6 minimum monthly wages and between 8% and 15% of a company's profits depending on annual sales.

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

Modifications to reserve requirements may affect our business.

Deposits are subject to a reserve requirement of 9.0% for demand deposits and 3.6% for time deposits (with terms of less than one year). The Central Bank has statutory authority to require banks to maintain reserves of up to an average of 40.0% for demand deposits and up to 20.0% for time deposits (irrespective, in each case, of the currency in which these deposits are denominated) to implement monetary policy. In addition, to the extent that the aggregate amount of the following types of liabilities exceeds 2.5 times the amount of a bank's regulatory capital, a bank must maintain a 100% reserve against them: demand deposits, deposits in checking accounts, obligations payable on sight incurred in the ordinary course of business and, in general, all deposits unconditionally payable immediately. The New General Banking Law also states that the FMC, with the approval from the Central Bank, may lower this threshold from 2.5 times to 1.5 times a bank's regulatory capital for a bank considered to be a SIB. This could lead to lower loan growth and have a negative effect on our business. As of June 30, 2021, the Central Bank required us to maintain an additional technical reserve of Ch$6,159,556 million, representing 34.8% of our demand deposits, due to the strong rise in demand deposits since the beginning of the pandemic.

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

During October 2019, growing public concern over perceived social inequality led to a rise in social unrest. The social unrest caused commercial disruptions throughout the country, especially in Santiago and other major cities, including Valparaíso and Concepción. After three weeks of nationwide protests, the Chilean government announced in November 2019 that it would initiate a process to draft a new constitution for Chile. When the government announced the process of enacting a new constitution, there was increased volatility in the Chilean stock market and exchange rate fluctuations that resulted in a weakening of the Chilean peso against the U.S. dollar. The share prices on local banks and bond spreads, including Santander Chile, suffered significant declines in the market. In November 2020, a referendum was held to vote on two matters: (i) whether a new constitution should be enacted and (ii) if so, whether a constituent convention should be comprised of an elected mixed assembly of current Congress members and newly elected persons or entirely comprised of newly-elected citizens. This referendum resulted in ample support for convening a fully elected Constitutional Convention to draft Chile's new constitution. The election of the members of this convention was held in April 2021. In May 2021 the convention began the process of writing Chile's new constitution. Each new article of the Constitution will have to be approved by two thirds of the convention, a rule that was ratified in September 2021 by the convention itself. The Constitutional Convention will have approximately one year, from May 2021 to complete the draft of the constitution. An exit referendum with compulsory participation will then be held to ratify the new constitution. The long-term effects of the new constitution are hard to predict, but could include slower economic growth and higher taxes, which could adversely affect the Bank's profitability and prospects.

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The foregoing risks should be read in conjunction with the risk factors set forth under "Risk Factors" in the Base Prospectus for a complete discussion of certain risks that should be considered in connection with certain types of Notes which may be offered under the Program.

Presentation of Financial Information

The Issuer's unaudited interim consolidated financial statements as of June 30, 2021, and for the six-month periods ended June 30, 2021 and 2020 have been prepared in accordance with Chilean accounting principles issued by the Financial Markets Commission ("**Chilean Bank GAAP**"). Chilean Bank GAAP principles are substantially similar to International Financial Reporting Standards ("**IFRS**") but there are some exceptions. For further details on quantification of the exceptions and a discussion on the main differences between Chilean Bank GAAP and IFRS refer to "Item 2. Operating and Financial Review and Prospects—B. Differences between IFRS and Chilean Bank GAAP" of the Second Quarter 6 K.

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

There has been no significant change in the financial position of Santander Chile Group since June 30, 2021.

Cross-reference List of Documents Incorporated by Reference

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

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