Banco Santander Chile Announces Nine Month and Third Quarter 2007 Earnings

- **In 3Q 2007 net income increased 5.9% QoQ** and 6.6% YoY, totaling Ch$85,196 million (Ch$0.45 per share and US$0.92/ADR). ROAE reached 26.1% in 3Q 2007.

- **Record core revenues up 19.2% QoQ and 30.9% YoY** in 3Q 2007. Net operating income up 18.8% QoQ and 24.5% YoY in 3Q 2007. These results were partially offset by lower non-operating results.

- **Net interest income increases 22.7% QoQ** and 34.2% YoY. Net interest margin reaches a record level of 6.2%, up 100 basis points QoQ, as the better asset and liability mix and higher inflation enhances margins**.**

- **Total loans increased 2.1% QoQ and 12.1% YoY.** Retail lending expanded 4.2% QoQ and 15.9% YoY, reflecting the Bank's focus on profitability.

- **Fee income rises 5.6% QoQ** and 17.8% YoY driven by a rise in the client base, product usage and higher asset management fees.

- **Solid growth of client base and distribution network.** The total number of clients increased 15.2% YoY to 2.7 million. Market share in checking accounts reached 27.8% increasing 110 basis points in the past twelve months.

- **Efficiency ratio reached a record low level of 34.7% in 3Q 2007.**

- **Coverage of past due loans reached 197%.** Provision expenses stabilizing, increasing 1.8% QoQ and 26.8% YoY.

- **Net income increased 5.9% in 9M 2007 compared to 9M 2006** and totaled Ch$237,872 million (Ch$1.26/share and US$2.56/ADR). Growth was led by a 21.0% increase in core revenues. The Bank's ROAE in this period reached 25.1% in 9M 2007, the highest among the top banks in Chile. The efficiency ratio improved to 36.1% in 9M 2007 compared to 36.6% in the same period of 2006, the best among Chile's top banks.

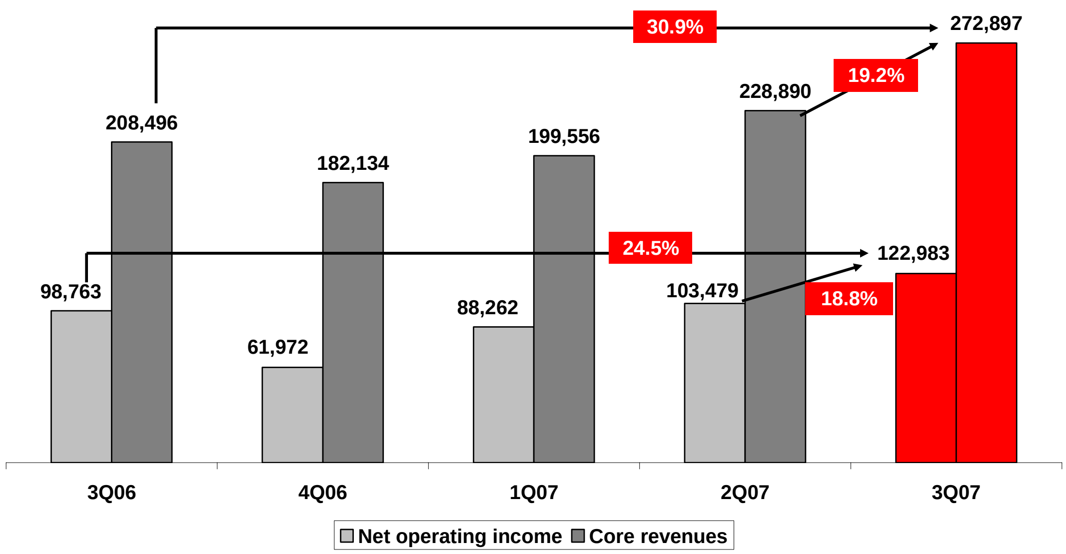
Investor Relations Department
Bandera 140 19th Floor, Santiago, Chile, Tel: 562-320-8284, fax: 562-671-6554,
email: rmorenoh@santander.cl

Santiago, Chile, October 31, 2007. Banco Santander Chile (NYSE: SAN) announced today its unaudited results for the nine month period ended September 30, 2007 and the third quarter of 2007. These results are reported on a consolidated basis in accordance with Chilean GAAP[1,2] in nominal Chilean pesos.

In the third quarter of 2007, net income totaled Ch$85,196 million (Ch$0.45 per share and US$0.92/ADR), increasing 5.9% compared to 2Q 2007 (from now on QoQ) and 6.6% compared to 3Q 2006 (from now on YoY). Core revenues (net interest income and fees) increased 19.2% QoQ and 30.9% YoY, as the Bank continued to show strong results in its retail banking business and a continued focus on maximizing profitability. Net operating income increased 18.8% QoQ and 24.5% YoY.

Strong growth of core revenues and net operating income

(Core revenues* and net operating income**, Ch$ million)



* Core revenues: Net interest income + fees

**Net operating income: Core revenues + net results from financial transactions + other operating income, net + operating expenses

In the quarter, the Bank continued to focus on increasing margins and profitability by incrementing profitability targets in various business segments and re-pricing the loan book. As a consequence, Net interest income adjusted for inflation hedge increased 22.7% QoQ and 34.2% YoY driven by solid margin expansion, the higher growth of retail lending activities and the positive evolution of non-interest bearing liabilities.

1 Safe harbor statement under the Private Securities Litigation Reform Act of 1995: All forward-looking statements made by Banco Santander Chile involve material risks and uncertainties and are subject to change based on various important factors which may be beyond the Bank's control. Accordingly, the Bank's future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. Such factors include, but are not limited to, those described in the Bank's filings with the Securities and Exchange Commission. The Bank does not undertake to publicly update or revise the forward-looking statements even if experience or future changes make it clear that the projected results expressed or implied therein will not be realized.

2 The exchange rate used for translating Ch$ to US$ was Ch$511.72 per US$ dollar. All figures presented are in nominal terms. Historical figures are not adjusted by inflation.

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In 3Q 2007 the net interest margin reached a record level of 6.2%, increasing 100 basis points QoQ and 150 basis points YoY. Total loans increased 2.1% QoQ and 12.1% YoY. Retail lending expanded 4.2% QoQ and 15.9% YoY.

During the quarter inflation jumped well-above market expectations fuelling a rise in short-term interest rates, while long-term rates descended. The overnight reference rate set by the Central Bank was increased 75 basis points to 5.75% during the quarter. In light of this scenario, the Bank proactively improved its funding mix. Despite the increase in short-term rates, time deposits declined and non-interest bearing liabilities remained flat in the quarter. The ratio of average non-interest bearing liabilities to interest earning asset reached 24.5% in 3Q 2007 compared to 21.0% in 3Q 2006. This rise in non-interest bearing liabilities counterbalances the negative impact of rising rates on funding costs. Time deposits decreased 1.0% QoQ, despite rising short-term rates. The Bank issued Ch$233,399 million (US$456 million) in long-term local senior bonds in the quarter to replace time deposits. These bonds were used to increase the duration of liabilities in light of rising short-term rates and falling long-term real rates.

Net fee income increased 5.6% QoQ and 17.8% YoY in 3Q 2007. The Bank continues to expand its client base, cross-selling and product usage, especially in retail banking along with positive results from asset management. The total number of clients increased 15.2% YoY to 2.7 million. This rise in client base has been driven by the growth in our retail checking account base. The total number of retail clients with a checking account has increased 15.4% YoY in 3Q 2007. Market share in checking accounts reached 27.8% as of August 2007, the latest figure available, compared to 26.7% as of August 2006. In this 12 month period, Santander opened 49.6% of all new accounts opened in the Chilean market.

In 3Q 2007, the Bank's net provision expenses increased 1.8% QoQ and 26.8% YoY. This rise was mainly due to an increase in net provisions in retail banking in line with loan growth in this business segment. As a consequence of the strengthening of the Bank credit policies and processes, the Bank continues to display sound asset quality indicators. Coverage of past due loans reached 197% at September 2007. The past due loan ratio as of September 30, 2007 reached 0.88%. The expected loan loss ratio (reserves for loan losses over total loans) remained steady at 1.73% compared to 1.68% in 2Q 2007.

The Bank set a new record in terms of efficiency. The efficiency ratio reached 34.7% in 3Q 2007. Operating expenses increased 6.9% QoQ and 18.4% YoY in 3Q 2007. This rise was mainly due to higher expenses related to expansion of the distribution network and client base.

Positive operating trends in the quarter were partially offset by a 75.3% QoQ and 171.7% YoY increase in the loss from price level restatement in 3Q 2007 and a 78.7% QoQ and 84.8% YoY decrease in non-operating income in the same period.

Net income increased 5.9% in the nine month period ended September 30, 2007 (hereinafter 9M 2007) compared to the nine-month period ended September 30, 2006 (hereinafter 9M 2006) and totaled Ch$237,872 million (Ch$1.26/share and US$2.56/ADR). Growth was led by a 21.0% increase in core revenues. The Bank's ROAE in this period reached 25.1% in 9M 2007, the highest among the top banks in Chile. The efficiency ratio improved to 36.1% in 9M 2007 compared to 36.6% in the same period of 2006. Santander has the best efficiency ratio among the top banks in

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Bandera 140 19th Floor, Santiago, Chile, Tel: 562-320-8284, fax: 562-671-6554,
email: rmorenoh@santander.cl

Chile.

Banco Santander Chile	Quarter			Change %	
(Ch$ million)	**3Q 2007**	**2Q 2007**	**3Q 2006**	**3Q 07/ 3Q 06**	**3Q / 2Q 2007**
Net interest income	242,755	192,163	176,217	37.8%	26.3%
Inflation hedge	(19,620)	(10,380)	(9,968)	96.8%	89.0%
Adjusted net interest income	**223,135**	**181,783**	**166,249**	**34.2%**	**22.7%**
Fees and income from services	**49,762**	**47,107**	**42,247**	**17.8%**	**5.6%**
Core revenues	**272,897**	**228,890**	**208,496**	**30.9%**	**19.2%**
Total provisions, net of recoveries	(46,010)	(45,214)	(36,277)	26.8%	1.8%
Operating expenses	(89,612)	(83,818)	(75,680)	18.4%	6.9%
Net operating income	**122,983**	**103,479**	**98,763**	**24.5%**	**18.8%**
Non-operating income, net	982	4,603	6,460	(84.8%)	(78.7%)
Net income	**85,196**	**80,487**	**79,934**	**6.6%**	**5.9%**
Net income/share (Ch$)	0.45	0.43	0.42	6.6%	5.9%
Net income/ADR (US$)[1]	0.92	0.84	0.82	12.1%	9.1%
Total loans	**12,800,321**	**12,541,155**	**11,417,738**	**12.1%**	**2.1%**
Customer funds	**12,796,548**	**12,569,958**	**10,995,427**	**16.4%**	**1.8%**
Shareholders' equity	1,348,162	1,228,053	1,187,137	13.6%	9.8%
Net interest margin	6.8%	5.5%	5.0%		
Adjusted net interest margin[2]	6.2%	5.2%	4.7%		
Efficiency ratio	34.7%	36.0%	35.9%		
Return on average equity[3]	26.1%	25.8%	27.5%		
PDL / Total loans	0.88%	0.84%	0.78%		
Coverage ratio of PDLs	197.2%	199.8%	181.0%		
Expected loss[4]	1.73%	1.68%	1.41%		
BIS ratio	12.5%	13.0%	12.8%		
Branches[5]	425	417	368		
ATMs	1,808	1,744	1,479		
Employees	9,057	8,913	8,029		

1. The change in earnings per ADR may differ from the change in earnings per share due to the exchange rate.
2. Net interest margin adjusted for the results of inflation hedging
3. Annualized Quarterly Earnings / Average Equity.
4. Reserve for loan losses / Total loans on a consolidated basis.
5. Includes SuperCaja branches inaugurated in 4Q 2006.

Investor Relations Department
Bandera 140 19th Floor, Santiago, Chile, Tel: 562-320-8284, fax: 562-671-6554,
email: rmorenoh@santander.cl

INTEREST EARNING ASSETS

Strong focus on profitability

Interest Earning Assets	Quarter ended,			% Change	
(Ch$ million)	Sept. 30, 2007	June 30, 2007	Sept. 30, 2006	Sept. 2007/2006	Sept. / June 2007
Consumer loans	1,944,579	1,889,268	1,692,432	14.9%	2.9%
Residential mortgage loans*	3,154,667	3,024,742	2,662,434	18.5%	4.3%
Commercial loans	4,333,120	4,221,007	4,082,361	6.1%	2.7%
Commercial mortgage loans**	146,566	155,827	202,261	(27.5%)	(5.9%)
Foreign trade loans	853,479	663,313	656,171	30.1%	28.7%
Leasing	836,268	810,598	754,572	10.8%	3.2%
Factoring	208,916	175,780	157,967	32.3%	18.9%
Other outstanding loans	32,389	29,425	22,605	43.3%	10.1%
Contingent loans	996,156	1,115,134	963,463	3.4%	(10.7%)
Interbank loans	182,051	350,393	134,609	35.2%	(48.0%)
Past due loans	112,130	105,668	88,863	26.2%	6.1%
Total loans	**12,800,321**	**12,541,155**	**11,417,738**	**12.1%**	**2.1%**
Total financial investments	1,653,462	1,374,164	1,289,269	28.2%	20.3%
Total interest-earning assets	**14,453,783**	**13,915,319**	**12,707,007**	**13.7%**	**3.9%**

* Includes residential mortgage loans backed by mortgage bonds (letras hipotecarias para la vivienda) and residential mortgage loans not funded with mortgage bonds (mutuos hipotecarios para la vivienda).

** Includes general purpose mortgage loans backed by mortgage bonds (letra de crédito fines generales) and other commercial mortgage loans (préstamos hipotecarios endosables para fines generales).

In 3Q 2007, the Bank remained steadily focused on expanding the loan portfolio in those areas that contribute to expanding ROEs. Total loans increased 2.1% QoQ and 12.1% YoY. Consumer loans expanded 2.9% QoQ and 14.9% YoY. Residential mortgage lending increased 4.3% QoQ and 18.5% YoY. Commercial loans increased 2.7% QoQ and 6.1% YoY led by an increase in lending to Small and Mid-sized companies (SMEs) in line with our focus on profitability. This was also reflected in the growth of leasing and factoring operations that are mainly driven by the SME and middle market segments.

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Bandera 140 19th Floor, Santiago, Chile, Tel: 562-320-8284, fax: 562-671-6554,
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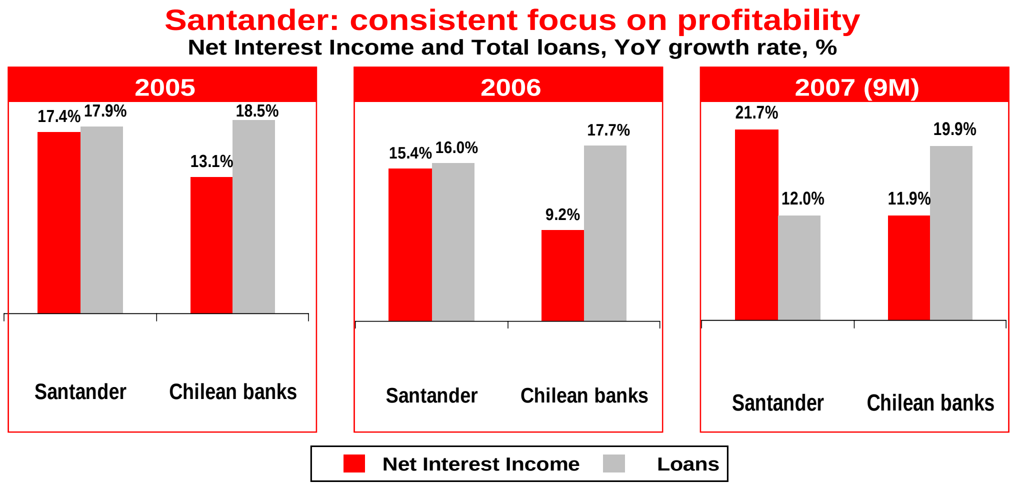
In the past three years, Santander Chile has continuously outperformed the market in the growth of net interest income, reflecting our focus on profitability over market share per se.



Source: Superintendency of Banks of Chile, unconsolidated figures.

Loans by business segment*	**Quarter ended,**			**% Change**	
(Ch$ million)	**Sept. 30, 2007**	**June 30, 2007**	**Sept. 30, 2006**	**Sept. 2007/2006**	**Sept. / June 2007**
Total loans to individuals	5,576,602	5,376,224	4,866,924	14.6%	3.7%
SMEs	2,013,521	1,905,480	1,681,803	19.7%	5.7%
Total retail lending	**7,590,123**	**7,281,704**	**6,548,727**	**15.9%**	**4.2%**
Institutional lending	198,446	191,410	196,322	1.1%	3.7%
Middle-Market & Real estate	2,355,899	2,302,678	2,324,796	1.3%	2.3%
Corporate	1,452,592	1,280,267	1,237,508	17.4%	13.5%

*Excludes contingent loans and interbank loans

Retail lending expanded 4.2% QoQ and 15.9% YoY. In the quarter, the Bank focused on strengthening margins in this segment, which had some impact on growth rates, especially in consumer loans, but improved net interest income (See Net Interest Income).

Loans to individuals increased 3.7% QoQ and 14.6% YoY driven mainly by residential mortgage loans. The Bank has been working strongly throughout the year on developing a retail banking model that gives sustainable and adequate profitability to shareholders in the short and long-term. Lending to individuals continues to be a strategic priority for the Bank. The modifications introduced in the pricing and risk models should permit the Bank to grow at a healthy rate and strong margins.

Loan growth to SMEs remained steady increasing 5.7% QoQ and 19.7% YoY. This retail segment experienced strong growth in high yielding leasing and factoring operations. Spreads in this segment have remained strong (6%-7%) and the positive evolution of consumption and investment has pushed demand for loans in this segment.

Lending to the middle market segment increased 2.3% QoQ and 1.3% YoY. Spreads of new loans

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Bandera 140 19th Floor, Santiago, Chile, Tel: 562-320-8284, fax: 562-671-6554,
email: rmorenoh@santander.cl

in this segment have been under pressure and the Bank avoided renewing some loan operations at unattractive returns.

Loans in corporate banking increased 13.5% QoQ and 17.4% YoY. This rise was mainly due to the growth in foreign trade loans. Foreign trade loans are somewhat volatile on a quarter to quarter basis in this segment, as a few customers concentrate a large percentage of total exports.

CUSTOMER FUNDS

Funding mix improves. Increasing duration of liabilities as short-term rates rise.

Funding	**Quarter ended,**			**Change %**	
(Ch$ million)	**Sept. 30, 2007**	**June 30, 2007**	**Sept. 30, 2006**	**Sept. 2007/2006**	**Sept. / June 2007**
Non-interest bearing deposits	2,656,047	2,649,259	2,274,546	16.8%	0.3%
Time deposits and savings accounts	7,273,063	7,343,069	6,816,812	6.7%	(1.0%)
Total customer deposits	9,929,110	9,992,328	9,091,358	9.2%	(0.6%)
Mutual funds	2,867,438	2,577,630	1,904,069	50.6%	11.2%
Total customer funds	**12,796,548**	**12,569,958**	**10,995,427**	**16.4%**	**1.8%**

Total customer funds increased 1.8% QoQ and 16.4% YoY. During the quarter inflation jumped well-above market expectations fuelling a rise in short-term interest rates. The overnight reference rate set by the Central Bank was increased 75 basis points to 5.75% during the quarter. Despite rising rates, time deposits decreased 1.0% QoQ. The Bank issued Ch$233,399 million (US$456 million) in local senior bonds in the quarter. Despite international liquidity concerns, the Chilean market remains highly liquid, permitting the Bank to issue aggressively in the local market at attractive spreads. These bonds were used to increase the duration of liabilities in light of rising short-term rates and falling long-term rates. This reflects the Bank's proactive management of its balance sheet in order to maximize margins and profitability. Demand for these bonds was 1.5x greater than supply, reflecting the high demand for good quality fixed income instruments in the period. Santander has the best risk ratings for any private issuer in Latin America.

Long-term funding	**Quarter ended,**			**Change %**	
(Ch$ million)	**Sept. 30, 2007**	**June 30, 2007**	**Sept. 30, 2006**	**Sept. 2007/2006**	**Sept. / June 2007**
Bond	980,497	747,098	559,165	75.4%	31.2%
Sub-bonds	440,598	477,041	490,974	(10.3%)	(7.6%)
Total	**1,421,095**	**1,224,139**	**1,050,139**	**35.3%**	**16.1%**

Non-interest bearing liabilities increased 0.3% QoQ and 16.8% YoY. The average balance of non-interest bearing checking accounts increased 0.8% QoQ and 22.1% YoY. The positive performance of checking account balances reflects our strong growth in checking account holders and cash-management has fuelled growth in this line item. This also helps to minimize the negative impact of rising rates on funding costs, as the yield on checking accounts rises with rate hikes.

Investor Relations Department
Bandera 140 19th Floor, Santiago, Chile, Tel: 562-320-8284, fax: 562-671-6554,
email: rmorenoh@santander.cl

Total quarterly average non-interest bearing demand deposits	Quarter ended,			Change %	
(Ch$ million)	Sept. 30, 2007	June 30, 2007	Sept. 30, 2006	Sept. 2007/2006	Sept. / June 2007
Total	**2,203,374**	**2,185,216**	**1,805,267**	**22.1%**	**0.8%**

Assets under management in the Bank's mutual fund subsidiary increased 11.2% QoQ and 50.6% YoY. Despite market turmoil in August, the Chilean equity market rapidly recovered, fuelling growth of mutual funds under management.

NET INTEREST INCOME

Record net interest margin driven by improved asset mix and higher inflation

Net Interest Income	Quarter			Change %	
(Ch$ million)	3Q 2007	2Q 2007	3Q 2006	3Q 07/ 3Q 06	3Q / 2Q 2007
Net interest income	**242,755**	**192,163**	**176,217**	**37.8%**	**26.3%**
Inflation hedge [1]	(19,620)	(10,380)	(9,968)	96.8%	89.0%
Adjusted net interest income[1]	**223,135**	**181,783**	**166,249**	**34.2%**	**22.7%**
Average interest-earning assets	14,342,826	14,001,833	14,162,135	1.3%	2.4%
Average loans	12,213,946	12,043,872	10,984,330	11.2%	1.4%
Net interest margin [2]	**6.8%**	**5.5%**	**5.0%**		
Adjusted Net interest margin [1,2]	**6.2%**	**5.2%**	**4.7%**		
Avg. equity + non-interest bearing demand deposits / Avg. interest earning assets	24.5%	24.5%	21.0%		
Quarterly inflation rate [3]	2.98%	1.00%	1.38%		
Avg. overnight interbank rate (nominal)	5.45%	5.08%	5.24%		
Avg. 10 year Central Bank yield (real)	3.08%	2.90%	3.13%		

1. The Bank hedges part of its UF gap (UF = Unidad de Fomento, an inflation indexed currency) with derivatives. The result of this hedge is included in the net gain from trading and mark-to-market. The UF gap results from the Bank's assets denominated in UF funded through deposits denominated in nominal pesos and free funds. The adjusted net interest income and margin is net of the results of this hedge.
2. Annualized
3. Inflation measured as the variation of the Unidad de Fomento in the quarter.

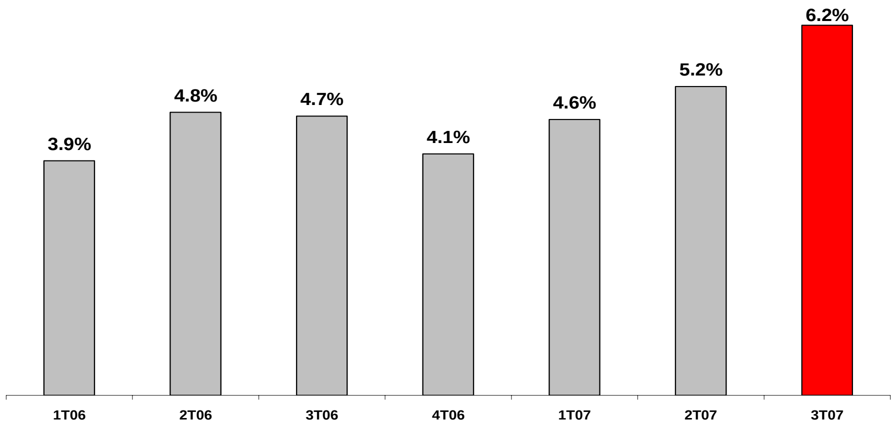
Net interest income in 3Q 2007 increased 26.3% QoQ and 37.8% YoY. Adjusting for the results of inflation hedging, net interest income increased 22.7% QoQ and 34.2% YoY. In 3Q 2007 the adjusted net interest margin reached a record level of 6.2%, increasing 100 basis points QoQ and 150 basis points YoY. Among the various reasons for this solid performance, the following points are worth mentioning:

Higher inflation. Inflation reached 3.0% in 3Q 2007, boosting net interest income and margins. The Bank has a more assets than liabilities denominated in Unidades de Fomento (UF, an inflation-indexed currency). The UF gap results from the Bank's assets denominated in UF funded through

Investor Relations Department
Bandera 140 19th Floor, Santiago, Chile, Tel: 562-320-8284, fax: 562-671-6554,
email: rmorenoh@santander.cl

deposits denominated in nominal pesos and free funds. This positive gap is, in part, hedged with peso/UF derivatives, the results of which are recognized in the net gains from financial transactions. The Bank hedges this gap in order to maintain interest rate risk below internal and regulatory limits. The positive effects of higher inflation are also partially offset by the loss from price level restatement. Going forward, if inflation decelerates, this should negatively affect net interest income compared to 3Q 2007 levels.

Rising net interest margins*



* Net interest margin adjusted for inflation hedging and price level restatement

Improved asset mix and the constant focus of adequately allocating capital to the most productive uses. In 3Q 2007 interest earning assets increased 1.3% YoY, while average loans increased 11.2% in the same period. The yield on average consumer loans increased 133 bp to 23.2% and the average volume of consumer loans increased 18.8%. The average volume of commercial and other loans increased 10.1% YoY and the yield earned on these loans increased 336 bp. As a result, loan yields were up 318 bp. YoY, reaching 14.7%. This reflects the strategic focus on improving the asset and pricing mix of the loan portfolio.

3Q 2007 vs. 3Q 2006	Avg. balance (Ch$mn)	YoY chg. (%)	Yield* (%)	Chg. yield (bp)
Loans	**12,213,946**	**11.2%**	**14.7%**	**+318**
Consumer loans	1,683,360	18.8%	23.2%	+133
Commercial & other loans	10,530,585	10.1%	13.3%	+336
Total avg. interest earning assets	**14,342,826**	**1.3%**	**14.0%**	**+396**

* Interest income annualized / average volume

Improved funding mix. During the quarter, the rise in inflation expectations pushed short-term rates upward. The average overnight interbank rate increased from 5.08% in 2Q 2007 to 5.45% in 3Q 2007. This placed pressure on the Bank's margins by increasing funding costs. As mentioned above, the Bank issued long-term bonds in the local market to counterbalance rising funding costs. At the same time, the ratio of average non-interest bearing liabilities to interest earning asset reached 24.5% in 3Q 2007 compared to 21.0% in 3Q 2007. As short-term rates rise, the yield obtained over non-interest bearing deposits and capital increases.

Investor Relations Department
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email: rmorenoh@santander.cl

PROVISION FOR LOAN LOSSES

Provision expense stable QoQ. Coverage ratio reaches 197%

Provision for loan losses	**Quarter**			**Change %**	
(Ch$ million)	**3Q 2007**	**2Q 2007**	**3Q 2006**	**3Q 07/ 3Q 06**	**3Q / 2Q 2007**
Provisions	(11,143)	(11,556)	(14,178)	(21.4%)	(3.6%)
Charge-offs	(49,465)	(47,965)	(34,168)	44.8%	3.1%
Gross provisions and charge-offs	(60,608)	(59,521)	(48,346)	25.4%	1.8%
Loan loss recoveries	14,598	14,307	12,069	21.0%	2.0%
Net provisions	**(46,010)**	**(45,214)**	**(36,277)**	**26.8%**	**1.8%**
Total loans	12,800,321	12,541,155	11,417,738	12.1%	2.1%
Total reserves (RLL)	221,070	211,113	160,879	37.4%	4.7%
Past due loans (PDL)**	**112,130**	**105,668**	**88,863**	**26.2%**	**6.1%**
Gross provision expense / loans***	1.89%	1.90%	1.69%		
Net provision expense / loans * **	**1.44%**	**1.44%**	**1.27%**		
PDL/Total loans	**0.88%**	**0.84%**	**0.78%**		
Expected loss (RLL / loans)	1.73%	1.68%	1.41%		
RLL / Past due loans	**197.2%**	**199.8%**	**181.0%**		

* See text and footnote 3
** Past due loans: installments or credit lines more than 90 days overdue
*** Annualized

In 3Q 2007, the Bank's net provisions expenses increased 1.8% QoQ and 26.8% YoY. This rise was mainly due to an increase in net provisions in retail banking in line with loan growth in this business segment. As mentioned in previous releases, provisions are expected to increase due to the growth of lending to higher yielding and riskier retail segments.

Net provision expense by segment	**Quarter**			**Change %**	
(Ch$ million)	**3Q 2007**	**2Q 2007**	**3Q 2006**	**3Q 07/ 3Q 06**	**3Q / 2Q 2007**
Retail banking*	45,324	43,102	36,721	23.4%	5.2%
Middle-market	(303)	1,792	(885)	(65.8%)	--%
Corporate banking	(184)	(32)	(48)	283.3%	475.0%
Leasing subsidiary	(13)	(109)	(355)	(96.3%)	(88.1%)
Total**	**44,824**	**44,753**	**35,433**	**26.5%**	**0.2%**

* Includes individuals and SMEs. ** Excludes provisions over repossessed assets

The Bank continues to display sound asset quality indicators as a result of the proactive management of asset quality and the strengthening of credit policies and processes. Coverage of past due loans reached 197% at September 2007. The past due loan ratio as of September 30, 2007 reached 0.88%. Reserves for loan losses over total loans remained steady at 1.73% compared to 1.68% in 2Q 2007. The ratio of net provision expense over total loans remained steady QoQ at 1.4% in 3Q 2007.

Investor Relations Department
Bandera 140 19th Floor, Santiago, Chile, Tel: 562-320-8284, fax: 562-671-6554,
email: rmorenoh@santander.cl

FEE INCOME

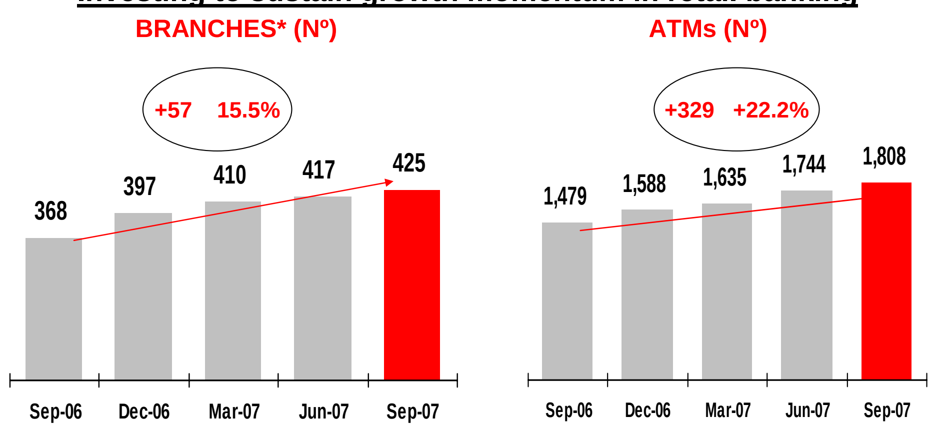
Growth in distribution network, client base and product usage boosts fee income

Fee income	**Quarter**			**Change %**	
(Ch$ million)	**3Q 2007**	**2Q 2007**	**3Q 2006**	**3Q 07/ 3Q 06**	**3Q / 2Q 2007**
Checking accounts*	16,011	13,822	13,638	17.4%	15.8%
Adm. & collection of insurance policies	6,492	7,644	5,141	26.3%	(15.1%)
Mutual fund services	8,162	7,145	4,974	64.1%	14.2%
Credit cards	5,727	5,046	4,910	16.6%	13.5%
Automatic teller cards	4,172	3,959	3,646	14.4%	5.4%
Insurance brokerage	2,891	3,027	3,353	(13.8%)	(4.5%)
Stock brokerage	1,888	1,920	349	441.0%	(1.7%)
Other product and services	4,419	4,544	6,236	(29.1%)	(2.8%)
Total fee income, net	**49,762**	**47,107**	**42,247**	**17.8%**	**5.6%**
Fees / operating expense	**55.5%**	**56.2%**	**55.8%**		

*Includes lines of credit

Net fee income increased 5.6% QoQ and 17.8% YoY in 3Q 2007. The Bank continues to expand its client base, cross-selling and product usage, especially in retail banking along with positive results from asset management. The total number of clients increased 15.2% YoY to 2.7 million. The Bank continues to invest in expanding its distribution network. As of September 2007, the Bank's distribution network totaled 425 branches and 1,808 ATMs, increasing 15.5% and 22.2% YoY, respectively. 1/3 of the Bank's branches have been opened in the last three years.

Investing to sustain growth momentum in retail banking

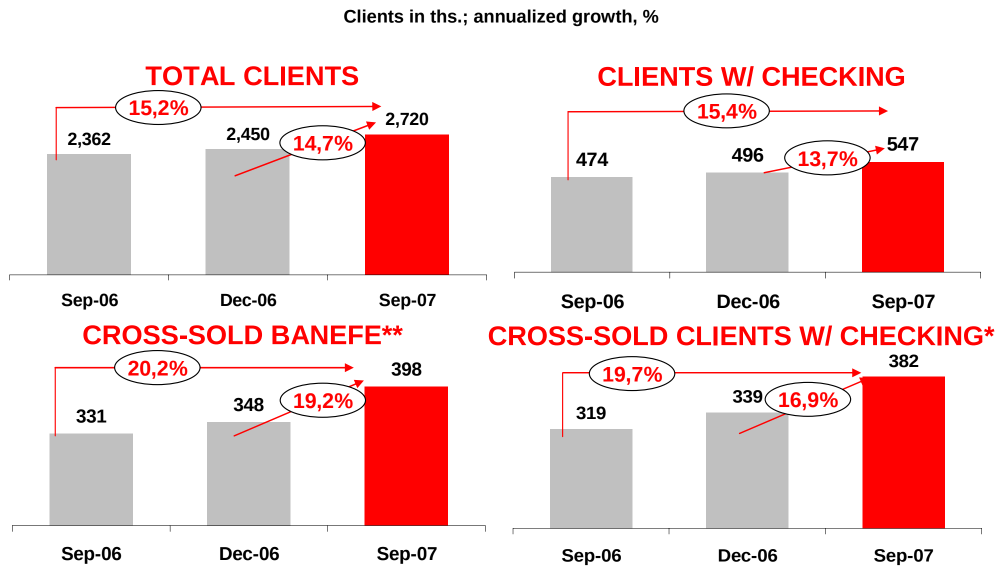


* Including Santander SuperCaja offices

A greater amount of clients with checking accounts coupled with continuous improvements in client service has led to better cross selling ratios. The amount of middle/upper income individual clients that are cross-sold (a client with a checking account and that uses at least three other products)

Investor Relations Department
Bandera 140 19th Floor, Santiago, Chile, Tel: 562-320-8284, fax: 562-671-6554,
email: rmorenoh@santander.cl

increased 19.7% YoY as of September 2007. In Santander Banefe, the amount of cross-sold clients (clients that uses at least 2 or more other products) rose 20.2% YoY as of September 2007.



* Clients that use 4 or more products including checking (excludes Santander Banefe)
** Santander Banefe: clients that use 2 or more products including a transactional product

This rise in client base has been driven by the growth in our retail checking account base. Market share in checking accounts reached 27.8% as of August 2007, the latest figure available, compared to 26.7% as of August 2006. In this 12 month period, the Bank's opened 49.6% of all new account opened in the Chilean market. As a result, in 3Q 2007 fees from checking accounts increased 17.4% YoY and 15.8% QoQ.

Credit card fees increased 16.6% QoQ and 13.5% YoY in 3Q 2007. According to information published by Transbank, the industry's credit card processor, as of September 2007 purchases with Santander credit cards in monetary terms were growing 16.4% YoY in real terms compared to 15.6% for the market. Market share in terms of purchases reached 35.5% as of September 2007 compared to 35.3% as of September 2006.

Asset management has been an important contributor to fee income in 2007. Fees from mutual fund management increased 14.2% QoQ and 64.1% YoY in 3Q 2007. Assets under management totaled Ch$2,867,438 million and increased 11.2% QoQ and 50.6% YoY, fuelling asset management fee growth.

ATM fees increased 5.4% QoQ and 14.4% YoY in line with the expansion of the Bank's ATM network. As of September 2007, the Bank had a total of 1,808 ATMs, the largest network in Chile, which represents a 22.2% YoY increase. An extensive ATM network is key to this process.

Insurance brokerage fees decreased 4.5% QoQ and 13.8% YoY in 3Q 2007. Fees from the administration and collection of insurance policies increased 15.1% QoQ and 26.3% YoY in the same period. Lower loan growth reduced the growth rate of insurance policies associated with

Investor Relations Department
Bandera 140 19th Floor, Santiago, Chile, Tel: 562-320-8284, fax: 562-671-6554,
email: rmorenoh@santander.cl

different loan products. This was offset by the continued strength in distributing insurance products and collecting insurance premiums for third parties.

Fees from stock brokerage decreased 1.7% QoQ, but increased 441% YoY in 3Q 2007. In 1Q 2007, the merger between Santiago Corredores de Bolsa Ltda, a subsidiary of the Bank, and Santander Investment S.A. Corredores de Bolsa was completed. The Bank now owns 50.5% of the merged entity.

OPERATING EXPENSES AND EFFICIENCY

Efficiency ratio reaches 34.7% in 3Q 2007

Operating Expenses	**Quarter**			**Change %**	
(Ch$ million)	**3Q 2007**	**2Q 2007**	**3Q 2006**	**3Q 07/ 3Q 06**	**3Q / 2Q 2007**
Personnel expenses	45,831	42,879	38,468	19.1%	6.9%
Administrative expenses	31,633	30,354	27,563	14.8%	4.2%
Depreciation and amortization	12,148	10,585	9,650	25.9%	14.8%
Operating expenses	**89,612**	**83,818**	**75,680**	**18.4%**	**6.9%**
Efficiency ratio*	**34.7%**	**36.0%**	**35.9%**		

* Operating expenses / operating income. Operating income = Net financial income + Net fee income + other operating income, net.

The Bank continues to have a world class efficiency ratio, which reached a record low of 34.7% in 3Q 2007.

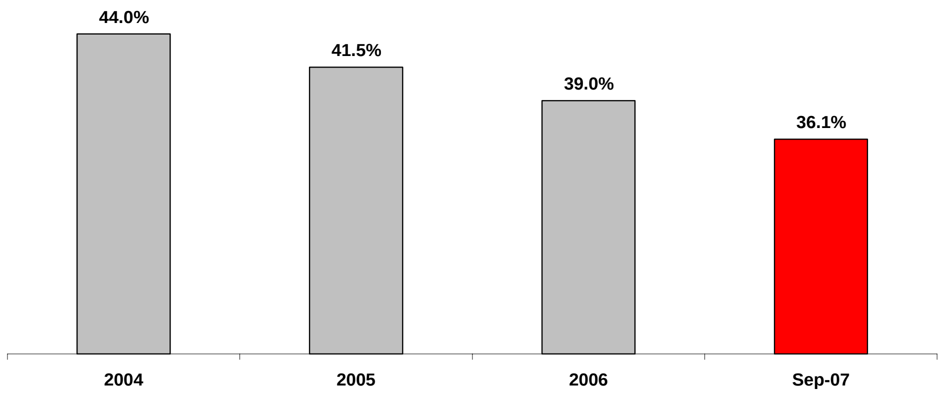
In the same period, operating expenses increased 6.9% QoQ and 18.4% YoY. Personnel expenses increased 6.9% QoQ and 19.1% YoY in the same period. Headcount increased 12.8% YoY. This rise is mainly focused in front office positions as the Bank expands its distribution network. Santander SuperCaja and the merger of the stock brokerages also added approximately 200 new employees to headcount. Additionally in the quarter, the spurt in inflation triggered an automatic increase in wages.

The 4.2% QoQ and 14.8% YoY rise in administrative expenses was directly linked to the higher commercial activities and the larger distribution network. The same hold true for depreciation and amortizations.

For the nine-month period ended September 30, 2007, the efficiency ratio reached 36.1% compared to 36.6% in the same period in 2006.

Investor Relations Department
Bandera 140 19th Floor, Santiago, Chile, Tel: 562-320-8284, fax: 562-671-6554,
email: rmorenoh@santander.cl

Positive evolution of efficiency ratio*, (%)



*Operating expenses / operating income. Operating income = Net financial income + Net fee income + other operating income, net

GAINS (LOSSES) ON FINANCIAL TRANSACTIONS

Net Result from financial transactions	**Quarter**			**Change %**	
(Ch$ million)	**3Q 2007**	**2Q 2007**	**3Q 2006**	**3Q 07/ 3Q 06**	**3Q / 2Q 2007**
Net gain (loss) from trading and mark-to-market	(64,091)	(628)	(5,056)	1,167.6%	10,105.6%
Foreign exchange transactions, net	42,145	5,167	5,499	666.4%	715.7%
Net results from financial transactions[3]	**(21,946)**	**4,539**	**443**	**--%**	**--%**
Inflation hedge *	**(19,620)**	**(10,380)**	**(9,968)**	**96.8%**	**89.0%**
Adjusted Gains (losses) on financial transactions*	**(2,326)**	**14,919**	**10,411**	**--%**	**--%**
Quarterly inflation rate**	2.98%	1.00%	1.38%		
Avg. overnight interbank rate (nominal)	5.45%	5.08%	5.24%		
Avg. 10 year Central Bank yield (real)	3.08%	2.90%	3.13%		

* The Bank hedges part of its UF gap (UF = Unidad de Fomento, an inflation indexed currency) with derivatives. The result of this hedge is included in the net gain from trading and mark-to-market. The UF gap results from the Bank's assets denominated in UF funded through deposits denominated in nominal pesos and free funds. The adjusted net interest income and margin is net of the results of this hedge.
** Quarterly variation of the Unidad de Fomento (UF)

In 3Q 2007, the gain on financial transactions totaled a loss of Ch$21,946 million. Of this loss, Ch$19,620 million are directly related to the results from the Bank's peso/UF hedging produced by the high inflation rate in 3Q 2007 (+2.98%). The Bank maintains long-term assets (mainly financial

3 For analysis purposes only, we have created the line item: Net results from financial transactions. This is the sum of the net gain (loss) from trading, the mark-to-market of financial investment and derivatives, and foreign exchange transactions. The results recorded in foreign exchange transactions mainly includes the translation gains or losses of assets and liabilities denominated in foreign currency, but does not include the mark-to-market of FX derivatives. As Santander Chile limits its foreign exchange gap, the results recorded in foreign exchange transactions are, for the most part, offset by the mark-to-market of foreign currency forwards. For this reason they are added to the net gains (loss) from trading and mark-to-market, which includes the mark-to-market of FX forwards.

Investor Relations Department
Bandera 140 19th Floor, Santiago, Chile, Tel: 562-320-8284, fax: 562-671-6554,
email: rmorenoh@santander.cl

investments and mortgage loans) that are denominated in UFs (an inflation linked currency) that are funded with deposits that have a shorter duration. In order to keep interest rate risk in line with regulatory limits, the Bank partially hedges this UF gap with derivatives. The results produced by this hedge are recognized in this line item and move inversely with inflation. All-in the Bank benefits from a higher inflation scenario due to the positive gap between assets and liabilities denominated in UFs.

Excluding this effect, the adjusted result from gains and losses from financial transactions totaled a loss of Ch$2,326 million. This was mainly due to a loss of Ch$2,800 million in our market-making and trading business.

OTHER OPERATING INCOME/EXPENSES, OTHER INCOME/EXPENSES, PRICE LEVEL RESTATEMENT AND INCOME TAX

Other Income and Expenses	**Quarter**			**Change %**	
(Ch$ million)	**3Q 2007**	**2Q 2007**	**3Q 2006**	**3Q 07/ 3Q 06**	**3Q / 2Q 2007**
Sales force expense	(7,168)	(4,934)	(4,148)	72.8%	45.3%
Other operating expenses, net	(4,798)	(6,364)	(4,040)	18.8%	(24.6%)
Total other operating results, net	**(11,966)**	**(11,298)**	**(8,188)**	46.1%	5.9%
Non-operating income, net	2,507	5,613	6,269	(60.0%)	(55.3%)
Income attributable to investments in other companies	(635)	(728)	219	--%	(12.8%)
Losses attributable to minority interest	(890)	(282)	(28)	3078.6%	215.6%
Total non-operating results, net	**982**	**4,603**	**6,460**	**(84.8%)**	**(78.7%)**
Price level restatement	**(23,902)**	**(13,633)**	**(8,796)**	**171.7%**	**75.3%**
Quarterly inflation rate**	2.98%	1.00%	1.38%		
Income tax	**(14,867)**	**(13,962)**	**(16,493)**	**(9.9%)**	**6.5%**

Other operating results, net totaled a loss of Ch$11,966 million, increasing 5.9% QoQ and 46.1% YoY in 3Q 2007. Total sales force expenses reached Ch$7,168 million in 3Q 2007, increasing 45.3% QoQ and 72.8% YoY, reflecting the strong commercial efforts being made in retail banking and a one-time adjustment of approximately Ch$2,000 million charged to our sales force expense in the quarter. Other net operating expenses decreased 24.6% QoQ due to a Ch$624 million increase in gains from the sale of repossessed assets that totaled Ch$1,370 million in 3Q 2007. The 18.8% YoY increment in other net operating expenses was mainly due to higher customer service expenses and expenses relating to the promotion of our credit card business.

Non-operating income, net totaled a gain of Ch$982 million in 3Q 2007 compared to a gain of Ch$4,603 million in 2Q 2007 and a gain of Ch$6,460 million in 3Q 2006. This difference is mainly due to the lower gains from the reversal of non-credit related contingencies in 3Q 2007 compared to prior periods. These contingencies are mainly related to non-credit risks, including non-specific contingencies, tax contingencies, legal contingencies and other impairments.

Price level restatement in the quarter totaled a loss of Ch$23,902 million. The Bank must adjust its capital and fixed assets for the variations in price levels. When inflation is positive, the Bank records

Investor Relations Department
Bandera 140 19th Floor, Santiago, Chile, Tel: 562-320-8284, fax: 562-671-6554,
email: rmorenoh@santander.cl

a loss from price restatement, since the Bank's capital is larger than fixed assets. The inflation rate of +2.98% in 3Q 2007 compared to +1.00% in 2Q 2007 and +1.38% in 3Q 2006, explains the higher loss in this line item compared to previous periods.

SHAREHOLDERS' EQUITY AND REGULATORY CAPITAL

ROAE in 3Q 2007 reaches 26.1% with a solid BIS ratio of 12.5%

Shareholders' equity	**Quarter ended**			**Change %**	
(Ch$ million)	**Sept. 30, 2007**	**June 30, 2007**	**Sept. 30, 2006**	**Sept. 2007/2006**	**Sept. / June 2007**
Capital	1,114,163	1,079,822	965,615	15.4%	3.2%
Unrealized gain (loss) available for sale portfolio	(3,873)	(4,445)	(3,191)	21.4%	(12.9%)
Total capital and reserves	**1,110,290**	**1,075,377**	**962,424**	**15.4%**	**3.2%**
Net Income	237,872	152,676	224,713	5.9%	55.8%
Total shareholders' equity	**1,348,162**	**1,228,053**	**1,187,137**	**13.6%**	**9.8%**
Return on average equity (ROAE)	**26.1%**	**25.8%**	**27.5%**		

Shareholders' equity totaled Ch$1,110,290 million (US$2,635 million) as of September 30, 2007. The Bank's ROAE in 3Q 2007, reached 26.1% and 25.1% in 9M 2007. The Bank's BIS ratio as of September 30, 2007 was 12.5% with a Tier I ratio of 9.0%. The decline in Tier II QoQ was mainly due to the translation loss produced by the 3% appreciation of the peso in the quarter, which reduced the balance of the Bank's subordinated bonds denominated in US dollars.

Capital Adequacy	**Quarter ended**			**Change %**	
(Ch$ million)	**Sept. 30, 2007**	**June 30, 2007**	**Sept. 30, 2006**	**Sept. 2007/2006**	**Sept. / June 2007**
Tier I	1,110,290	1,075,377	962,484	15.4%	3.2%
Tier II	440,432	467,469	458,406	(3.9%)	(5.8%)
Regulatory capital	1,550,722	1,542,846	1,420,890	9.1%	0.5%
Risk weighted assets	**12,364,773**	**11,851,230**	**11,068,534**	**11.7%**	**4.3%**
Tier I ratio	**9.0%**	**9.1%**	**8.7%**		
BIS ratio	**12.5%**	**13.0%**	**12.8%**		

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Bandera 140 19th Floor, Santiago, Chile, Tel: 562-320-8284, fax: 562-671-6554,
email: rmorenoh@santander.cl

INSTITUTIONAL BACKGROUND

As per latest public records published by the Superintendence of Banks for September 2007, Banco Santander Chile was the largest bank in Chile in terms of loans and deposits. The Bank has the highest credit ratings among all Latin American companies with an A rating from Standard and Poor's, A+ by Fitch and an A2 rating from Moody's, which are the same ratings assigned to the Republic of Chile. The stock is traded on the New York Stock Exchange (NYSE: SAN) and the Santiago Stock Exchange (SSE: Bsantander). The Bank's main shareholder is Santander, which controls 76.71% of Banco Santander Chile.

Santander (SAN.MC, STD.N) is the largest bank in the euro zone by market capitalization and seventh in the world by profit. Founded in 1857, Santander has EUR 885,603 million in assets and EUR 1,071,815 million in managed funds, 69 million customers, 11,092 branches and a presence in 40 countries. It is the largest financial group in Spain and Latin America, and is the sixth largest bank in the United Kingdom, through its Abbey subsidiary, and is the third largest banking group in Portugal. Through Santander Consumer Finance, it also operates a leading consumer finance business in 12 European countries (Germany, Italy and Spain, among others) and the United States. In the first half 2007, Santander registered €4,458 million in net attributable profits, an increase of 39% from the previous year.

In Latin America, Santander manages over US$200 billion in business volumes (loans, deposits, mutual funds, pension funds and managed funds) through 4,481 offices. In the first half 2007, Santander reported $1,807 million in net attributable income in Latin America, 28% higher than the prior year.

CONTACT INFORMATION

Robert Moreno
Manager

Investor Relations Department
Banco Santander Chile
Bandera 140 Piso 19,
Santiago,
Chile

Tel: (562) 320-8284
Fax: (562) 671-6554
New Email: rmorenoh@santander.cl
Website: www.santander.cl